COMMERCE

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

VOL. XCII. No. 2340 | BOMBAY, 7TH JANUARY 1956 | PRICE Rs. 1/6

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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BUNGLING IN COTTON

INDIA has entered the New Year with its commodity markets in a buoyant mood. There has been a sharp rise in prices of cotton and oilseeds and a substantial rise in those of foodgrains in the past two months. As the spurt has been more than what was necessary to correct the uncomfortably low levels to which these commodities had declined in the 1954-55 crop season and as all indicators point to the upward trend being sustained in the coming months, the Government is worried over the price situation. Its concern is perfectly understandable, because big plans for economic development, involving an expenditure of Rs. 900 crores to Rs. 950 crores per annum, have to be implemented. In such circumstances, no responsible Government can afford to allow the pitch to be queered by speculators. It is bound to interfere early before the situation becomes difficult for effective control. It is in this light that one has to view some of the actions taken by the Government during the past few days to check the rising trend in commodity prices. These actions are three: (1) sale of wheat from reserve stocks in some of the centres where prices of this foodgrain have started going up rather vigorously, (2) placing of orders with foreign countries for importing wheat, and (3) suspension of futures trading in cotton first for a week and subsequently for another week. Nothing has been done so far to curb the bullish fervour in oilseeds and oils, even though these, too, have jumped up in value rather spectacularly. But it is obvious that something will have to be done in their case also, if the Government is not to be accused of inconsistency. We are sure the question must already be exercising the minds of the authorities.

While the steps taken to arrest the upward trend in wheat prices have evoked little adverse comment, those relating to cotton has invited some harsh criticisms from both the trade and the Press. There has been country-wide protests from the cotton trade against the suspension of futures trading that was being carried on under the auspices of the East India Cotton Association (E.I.C.A.) with some of the upcountry markets having closed down as a mark of their displeasure. Is this criticism justified? Was the Government right in interfering with the working of the E.I.C.A.? These are questions about which much might be said on both sides but to which it is difficult to give categorical answers, as we shall presently show. There is, however, no doubt that had the Government been a little wiser and tactful, it could have avoided much of the criticisms to which it has been subjected.

The Government contends that, in recent weeks, there has been an alarming increase in the price of cotton and attributes this largely to manipulations of speculators, such as rigging and application of options on an extensive scale. It avers that the supply position of cotton is comfortable enough not to warrant the increase in prices that has taken place. It asserts that, unless special steps are taken, the situation which has already deteriorated will get out of hand, and that, as the E.I.C.A. had refused to take any steps to correct the situation, it has been compelled to interfere.

That there has been a sharp rise in the price of cotton cannot be denied. The I.C.C. February contract commenced at Rs. 615-4 in July and, after fluctuating within a substantial range of Rs. 55 up to 10th November last, moved up stridently and stood at a high level of Rs. 747-8 shortly before the Government intervened and suspended all further futures trading. I.C.C. May opened on 5th November at Rs. 637, went up to Rs. 685 on 24th November but dropped to Rs. 665 on 30th November, only to rise again by stages to Rs. 720 on 23rd December. But, sharp as the rise in the price of futures has been, it has been well within the ceiling limit prescribed by the Government. The peak of Rs. 747-8 on 23rd December 1955 was nearly 100 points below the ceiling of Rs. 840. On the face of it thus, the Government has no justification for interfering as it has done.

The charge that there has been excessive speculation has not been proved by the Government. A mere increase of Rs. 137-4 between 28th September, when the contract stood at a low level of Rs. 610-4, and 23rd December, when it touched a high of Rs. 747-8, is not proof enough to conclude that there has been excessive or unhealthy speculation. For, almost throughout this period, the price of ready cotton has been standing at well above that of the contract. In fact, on the day the Government acted, the spot price of basic cotton was Rs. 65 above the ruling rate of the contract. If there had been rigging by speculators, as is alleged by the Government, the position should have been the other way round. Thus, the contract has been lagging very much behind the spot.

The futures market cannot be blamed for the entire rise in prices of cotton. A hedge contract generally reflects the supply and demand position of cotton and does not determine the price. The Government's argument that the supply of the commodity is large enough not to warrant the rise that has occurred in the prices of futures is not wholly correct. The proof of the pudding is, after all, in the eating. If it is convinced of that argument, there is no case at all for interference, for truth will assert itself when I.C.C. February falls due for settlement. The truth, however, is that, while the total supply is what the Government claims it to be, the quality of cotton of the current season has suffered considerable deterioration owing to adverse weather conditions and, for the same reason, the size of the crop also is about 10 per cent. less than earlier estimates. Even more important is the fact that the movement of crop has been late and that the quantum of cotton available for tendering against the February contract is inadequate. Since the supply of good cotton at present is less than the demand and since the assessment of future prospects of supply of such cotton is not encouraging in the opinion of many buyers, there is keen bidding for what is available. The result has been a spectacular increase in spot prices, with some of the varieties tending to pierce the ceilings.

There have been other causes, too, for the rise in prices. At the commencement of the season, the basis of the futures contract was raised and the standards fixed were on the high side. Some of the weightages which had been fixed in favour of sellers were removed and the whole contract was deliberately tilted in favour of bulls. All this was done with the consent of the Government. Again, the cotton textile industry has been booming, with production running at record high levels and prices of cloth steadily going up. How could cotton prices fail to reflect these developments?

In a well-reasoned speech at the last annual meeting of the E.I.C.A., Mr. Purshotamdas Thakurdas, President of the Association, gave another sound reason, besides referring to some of the points mentioned above, to show that the Government was not justified in interfering with the working of the futures market at this stage. He said:

"The cotton trade attaches the greatest importance to the sanctity of contracts and is zealous to see that the fundamental principles governing the functioning of the market are not lightly tampered with nor deviations in the terms of contracts permitting the

...y of the season. It is possible that, due ... an outlook in the discharge of contractual obligations, difficulties may crop up during the currency of a contract, owing to some abnormal or unforeseen circumstances. But these are risks which are inherent in any forward market and which both sellers and buyers take with their eyes open. The trade knows full well that, once trading in a hedge contract starts, there is no room for deviations in its terms; if there is any real cause for a change, it takes a lesson from the experience of the working of the contract, and tries to improve upon the same in the succeeding season, instead of becoming impatient and running for a remedy at intervals. It is against this background that the trade expects fulfilment of contracts within the framework of the By-laws of your Association, even though at times some of the provisions may appear rather harsh in actual practice. Viewed from this perspective, the action taken by Government in suspending hedge trading in the manner they have done, appears to me to set a dangerous precedent of interference with the normal working of the market. Such interference is likely to create uncertainties in the trade and impair the confidence of the public in the working of any forward market in the country."

When the Government fixed the ceiling at Rs. 840 at the commencement of the season, it should have carefully considered the implications of that ceiling to the country's economy from all points of view, including those of consumers. For reasons mentioned above, it cannot even think of introducing fundamental changes during the currency of the contract. If only the Government had waited for a few days more, it would have avoided the criticisms that have been levelled against it, embarrassment for the E.I.C.A. authorities and loss to genuine buyers and sellers of cotton. Since ready cotton prices were already near the ceilings, not much harm would have followed from a rise of a few more points in the price of the hedge contract. The mills, too, were well stocked with cotton and were, therefore, in a position to hold out, in case sellers of ready cotton demanded premia above the ceilings.

It is, however, wrong to suggest that the Government, in acting as it has done, has gone to the rescue of bears. Such imputations are not fair. If some of the speculators who had sold short might have derived a certain measure of comfort as a result of Government action, it is purely adventitious. As was stated at the outset, the Government has good reasons for feeling alarmed over the way in which all commodity markets have been behaving. Indeed, there are a few grounds for supporting the Government's contention that an emergency has arisen to warrant its intervention. The most important among these is that the Punjab and Oomra crops have failed to a considerable extent, thereby greatly reducing those varieties of cotton which are usually tendered in the first delivery. Since this was an entirely unforeseen development, the difficult situation created by it is sufficient cause for declaring a state of emergency. The Government can further argue that as it has no machinery for enforcing the ceilings effectively, as control of spot prices through the introduction of quota system, etc., will cause great hardship to the vast majority of dealers and mills, and as it expects the situation to ease when the crop from other areas begins to move, the suspension of futures trading is a lesser evil and a better way of preventing the situation from getting out of control. Unfortunately, the Government has not explained its case on such clear lines. If it had, it would have, perhaps, been criticised less severely. In that event, of course, the logical thing to do would have been not to embarrass the E.I.C.A. by asking it to do the unpleasant job of finding a solution but to order it to enforce the emergency provisions and close the contract.

COTTAGE INDUSTRIES

THERE is no sign yet in the country of any abatement of the support and enthusiasm for cottage industries. The moderate and closely reasoned report of the Ford Foundation Team on the subject has receded into the background, its place having been taken by the somewhat extremist Karve Committee's report and by the even more extremist statements of a section of the Congress Party belonging to the Gandhian school of economics. This sector appears more strongly than ever by a ... system of cottage industry units, thriving on their own, if possible, or thriving at the expense of the large-scale units, the public exchequer and the consumer, if necessary. In all the vigorous canvassing that is now taking place for cottage units, sentiment continues to do duty for reason. For what is easier to win public support for a policy than a flamboyant appeal in the name of employment?

Till recently, it was widely believed that a policy of support for cottage industries was only a temporary expedient, intended to tide over a difficult stage in the country's economic evolution—a stage in which the old order of cottage industries is not altogether dead and the new order of technology and large-scale production has yet to rise to its full stature. Such a view now seems to be regarded as a disgraceful compromise. The goal is to be self-sufficient village economy, in which the peasants and artisans, free, pure and innocent, live and work in great comfort, uncontaminated by contact with the soul-destroying (according to these idealists) machines. This ideal exercises a strange fascination for certain people in this country who unfortunately happen to occupy a few seats of power. Before these Don Quixotes further tilt their lances at their imaginary enemies, namely, the machines, and influence the Government to lead the people back to the promised land of machineless prosperity, it is obviously wise to examine some of the arguments on which the case for cottage industry so doubtfully rests. This service has been rendered, albeit in an indirect way, by Dr. B. K. Madan, Economic Adviser to the Reserve Bank of India, who has made a critical appraisal of the basis, the approach and the recommendations of the Karve Committee in a note submitted to the Planning Commission. By bringing out clearly the error of the Committee's economic reasoning, Dr. Madan has exposed very effectively the hollowness of the case presented by the more extremist advocates of cottage industries.

The Karve Committee's two-pronged approach to its problems consists of stopping any increase in unemployment or underemployment in existing occupations and progressively increasing employment and laying the foundations for an "essentially decentralised society for the future." Thus, its basic approach consists in giving a balanced emphasis to the important considerations of safeguarding existing employment and providing additional employment, on the one hand, and providing for a fairly rapid increase in production, on the other. Dr. Madan's major criticism is that the Committee, in the course of the detailed formulation of measures for attaining these objectives, has progressively diverged from the first objective in its basic approach. In other words, it has sacrificed production at the altar of employment. Dr. Madan cites, in this connection, the Committee's observation that improvement in technique is to be permitted only so long as it has no deleterious effects on employment. He adds: "The very form of statement of the problem, however, reveals a confusion which underlines the approach." He pertinently questions the Committee's assumption that, in the Indian context, the "possible compensating effects on total employment of rapid introduction of modern technology are not immediately obtainable." He warns: "If, on the basis of preoccupation with immediate employment effects, we sanction comparatively inefficient techniques over the whole range of important consumer goods industries, we shall restrain the increase in production and in incomes and, therefore, prevent the diversification of production and of employment which, with the rising income levels, provides the main content and *modus operandi* of development."

The positive content of the Committee's report consists of encouragement of the development of small-scale industry through organisation of marketing, supplies and finance. But it recognises that the positive part of its recommendations is weak and a very considerable effort of organisation will be required to implement it. The negative aspect of the Committee's report, which consists in the imposition of ceilings on the growth of large-scale consumer goods industry, is of immediate practical significance to the country's economy. Dr. Madan rightly turns the searchlight of economic reasoning on this aspect. It is in this light that the defects in the Committee's negative approach are most clearly seen. The chief danger in this approach, as he points out, is that it may not only not help to promote the conversion of the decentralised industry to technically more efficient methods but may serve to perpetuate the inefficient techniques and render more difficult the transition to a more efficient basis of production. Apart from this danger, the forced inability of the large-scale sector to meet the country's requirements will lead to reduced supplies and higher prices for the consumer, especially if the small-scale sector is unable to meet the increase in demand. It may also happen that, even if the small-scale sector is able to meet the demand, the consumer may be unwilling to take the products of the small-scale industry for reasons of quality and price. In this connection, Dr. Madan cites the trends in consumer preference for finer varieties of cloth which are not normally produced on handlooms.

Two bizarre effects of an artificial curb on the large-scale sector would be decline in exports and stagnation in technology. Indeed, the whole strategy reckons without the "increasingly competitive international context in which we have to live and develop." Apparently, the world context has no use for the advocates of rural self-sufficiency who would probably be prepared to cut adrift from the world. This ostrich-like attitude is fatal in the extreme, for it ignores the fact that, "considering our resources, our capacity to develop alone is much smaller than to develop within the framework of the international context." Even in the domestic context itself, the policy is not without its danger, as witness Dr. Madan's warning: "An industry, like a people or a nation, must either grow or will deteriorate and decline; it cannot just remain stagnant and static." For the atmosphere of a sellers' market for cottage units, sought to be created through curbs on the large-scale sector, is "inimical to the maintenance of efficiency and breeds inefficiency, laxity in management and profiteering, and thereby saps and undermines the future basis of industrial growth." Finally, the whole approach makes nonsense of the recent efforts at setting up producers goods industries.

The administrative complications and the increase in economic overheads, which are involved in implementing the Committee's recommendations, may best be studied in relation to the fillip that is sought to be given to hand-pounded rice and hand spinning. How will additional production by the sheller and huller units which now process paddy be stopped? Dr. Madan asks whether the Committee seriously suggests "policing to the extent necessary to ensure that no unit produces above its present level." Equally impractical is the demand for decentralised spinning. The Committee's suggestion that the licensing of additional spindleage should be held up till the results of the tests on the *Ambar Charka* are known. Assuming that the tests are technically successful, would it be right to force the country into decentralised spinning? In this context, the following quotation from Dr. Madan's note is very pertinent:

"We shall then have assumed the task not only of getting the entire additional quantity of cloth required during the Plan period produced on handlooms—with all that it involves in the organised supply of yarn, equipment, finance and other facilities and marketing of the output—but to have this cloth produced on the basis of decentralised spinning. With decentralised spinning, it is not clear what incentive would remain for further centralised ginning. With centralised ginning, decentralised spinning poses the gigantic problem of transporting, pooling and collecting the raw material in the first instance, distributing it all over again to spinners, collecting and pooling the yarn under some degree of centralisation of arrangements, transporting and distributing it in turn to weavers, and gathering and buying over the cloth for despatch and distribution to sales agencies nearer the consumer. With decentralised ginning, of course, we revert to the assumption of comparative self-sufficiency, which is a completely unrealistic basis for expecting any significant growth in production."

Imagination boggles at the stupendous problems that would be raised by any attempt at implementing some of the wild-cat schemes which are often advocated by the enthusiasts of cottage industries. Considering that these schemes raise far-reaching economic issues, the least that the Government should do, if it finally decides to implement some of them, would be to accept Dr. Madan's suggestion for an independent agency or committee of administrators and economists for reviewing the data regarding production, prices, profits, stocks and technical improvements. But a wiser approach would be to concentrate on some of the positive suggestions for improving technical efficiency and marketing arrangements in the cottage industry, and leave well alone all suggestions for artificial curbs on large-scale industries.

SHARES RECEIVE A SEVERE JOLT

NO NATIONALISATION OF BANKING—WORLD COMMODITY TRENDS—NATIONAL CARBON

THURSDAY, 5 P.M.

MARKET GOSSIP

THE advent of 1956 has witnessed a severe jolt in the share markets and the return of sobriety among operators, so singularly absent in the closing months of 1955. Those who laughed at the warning sounded in these columns and failed to book their profits will, perhaps, regret it now. On several occasions, when many in the market thought that the sky was the only limit for equities, it was clearly stated the Stock Exchanges were running ahead of the events by three to four years, ignoring the possibility of several adverse factors that might crop up in the interval. This journal was the first to raise serious doubts about the Government giving its consent for issuing new shares by the T.I.S.Co. at par. It was pointed out several weeks ago that the growing desire on the part of well-established companies to raise additional capital at par constituted such a fundamental departure from a practice hitherto followed by joint-stock enterprises in India, Britain and several other countries that it was bound to attract the notice of the authorities and evoke the intervention of the Controller of Capital Issues. Market men would not take notice of this hint; on the contrary, they were inclined to indulge in wishful thinking and to dismiss it as a piece of mischievous propaganda in favour of the bears. But for the past 10 days the market has been rocked mainly by this single factor.

The other factors on which we based our note of warning were possibility of (*a*) additional taxation, (*b*) reimposition of controls, (*c*) labour unrest, and (*d*) curbs on speculation. At that time, we did not think that these possibilities were so imminent as some of them have now turned out to be. Let us take them one by one. It is true that no additional taxation has yet been imposed, but now the vast majority of operators do not take it for granted, as they fondly did two months, or even a month ago, that the next budget will contain no new taxes. Some of the reported recommendations of the Planning Commission for raising resources for the second Plan—a tax on total wealth, enhancement of Estate Duty, ceiling on individual incomes—have now opened their eyes; in fact, they have frightened them out of their wits, even though commonsense tells us that the first and the last mentioned items in parenthesis will not be a practical proposition for some years to come. Without going into the fairness or otherwise of these penal forms of taxation which only a Government on the verge of bankruptcy will think of imposing on its citizens as a last resort, it can be stated, without fear of being dubbed as exaggeration, that it will be physically impossible for the present Government to enforce such fiscal reforms. Even to collect the existing personal and corporation taxes, which affect only a small fraction of the total population, the Government of India does not possess adequate machinery. Only the other day, the Minister for Revenue and Civil Expenditure admitted in Parliament that the Government is finding it difficult to recruit a couple of hundred officers to man the income-tax department. When such is the case in regard to income taxation, will this Government be in a position to build up a vast army of officers and other staff of sufficient integrity and intelligence to discover and evaluate the total wealth of every individual in this country and collect a tax on it every year. Further, any Government, which tries to collect such a tax, will simply drive almost every individual to become dishonest and thereby sap the morale of the entire nation. We think there is still enough wisdom among those who are in power today to realise this.

A ceiling on individual incomes is, of course, on a slightly different footing as compared with a tax on total wealth. But from the point of view of administration, inequity, and its effect on initiative, enterprise and morale of the people, it will be as bad as this tax. Though the present Government is an easy victim to attractive ideologies and vote-catching devices, it may not be so rash as to try this experiment in the near future. One must, however, be prepared to face the possibility of the party-in-power swearing by this reform from time to time, now that it has been blessed by the Taxation Enquiry Commission also.

That the next budget will not contain additional taxation is an assumption which will not stand much scrutiny. The fact that it is an election year budget is, indeed, an additional reason to expect that it will be of the "soak-the-rich" and "soak-the-middle-class" variety. In any case, a few more excise duties, enhancement of Estate Duty and the introduction of excess profits tax, or something similar to it, on cotton textiles and a few more other industries are very likely.

Reimposition of controls and curbs on speculation has already begun. The distribution control on steel, for instance, was introduced a few weeks ago. Forward trading in cotton received a rude shock on 23rd December 1955, when the Government suspended it. The futures market in this commodity still remains closed. Under what conditions it will be permitted to resume operation is still a matter of considerable speculation. As deficit financing gathers momentum and inflationary signs become more prominent, there will be more controls and greater interference by Government with the working of futures markets. The stock exchanges can be no exception.

Labour unrest also cannot be ruled out. As these lines are being written, the bank staff is insisting on its pound of flesh. A general strike has been threatened, preceded by strikes of a minor nature in various forms. Clearing of cheques in Calcutta stands suspended for nearly a week now, resulting in a very difficult situation for trade and industry in that great metropolis. The bank strike is probably the beginning of a new era of industrial strife. In any case, it is obvious labour unrest can be avoided only by raising the wage bill. This, coupled with the upward trend in the prices of commodities, suggests that cost of production may go up, resulting in a narrower margin of profits.

In an expanding economy, however, the pinch may not be felt perceptibly. Nevertheless, the position may not be so uniformly simple for all industries; it is bound to vary. Investors must, therefore, exercise great caution in choosing scrips. When they buy shares of well-established companies, they must go by considerations of satisfactory yield, good dividend record and sound management. The yield consideration may be tempered to some extent in the case of those concerns which have programmes for expanding their activity. Purchases of the so-called growth shares, as, for instance, Atul Products, Tata Chemicals, Hindustan Motors, TELCO, at every setback may prove a profitable proposition, over a period of years. In such cases the main consideration should be not prospects of dividend but of capital appreciation in the long run.

The present shake-out has improved the technical position of the market. Even so, informed sources are hesitant to say that the worst is over. Although prices of equities are a little above the low levels touched early this week, sentiment is still hesitant. Operators are waiting to see on what terms the T.I.S.Co. and A.C.C. will be allowed to raise new capital. It is not known when the Government's decision on this question, which the market has now come to regard as crucial, will be known. Then, there is the uncertainty about the forthcoming budget and the retention prices for steel. The Tariff Commission is believed to have submitted its report on these prices, but the Government has not yet made up its mind. Till these uncertainties are removed, the share markets are unlikely to present any decisive trend, though there is no cause for worry from the long-term point of view.

An important statement of Mr. C. D. Deshmukh, the Finance Minister, which the share markets appear to have ignored is his reassuring statement at Madras last week that the Government does not propose to go beyond the recommendations of the Gorwala Committee on rural credit in regard to nationalisation of banking. This means that, except the State-associated banks, the other commercial banks will not be taken over by the Government. Further, Mr. Deshmukh was confident that the banks in the private sector would have plenty of scope for expansion and profitable operations, inasmuch as the business in the private sector as a whole would record a tremendous rise during the period of the second Five-year Plan.

* * * *

World commodity markets present a mixed pattern. Agricultural commodities are somewhat weak, thanks to the problem of farm surpluses in many countries. Metal prices, on the other hand, are very firm. The outlook for the commodities in the current year is again mixed, bright for metals and a few other commodities and, at best, a steady trend for agricultural produce. It is true that the supply position in nearly all farm commodities is comfortable. But the price support policies which are in operation in most producing countries are designed to see that the farmers are not faced with a steep fall in prices. Without this support, prices would have fallen precipitously by now and this trend could then have been expected to continue right through this year. Wheat is statistically the weakest of the agricultural commodities. In the five major exporting countries—the U.S., Canada, Argentina, Australia and France—the supplies of wheat are about 6 per cent. larger than in the last season, 78.5 million tons as against 74 million tons. The increase reflects larger stocks in North America, France and Argentina, though Australian stocks are somewhat lower than those a year ago. The fact that the wheat stocks are held by economically strong sellers explains why wheat prices have been relatively steady. But the main question is what the U.S. will do about its large wheat surplus. The fate of the International Wheat Agreement will be decided this year. The main hitch will, of course, be over the prices, for the leading importers may be expected to press for a downward revision.

The position of cotton is as weak as that of wheat. The supply of cotton in the free world in the current (1955-56) season is now estimated at 51.1 million bales of 478 lbs. each, consisting of an output of 30.8 million bales and a carryover stocks of 20.3 million bales, as against 48.2 million bales, made up of a production of 29.4 million bales and stocks of 18.8 million bales in the last season. If total disappearance within the free world during the current season were maintained at the last season's level of 28 million bales, the aggregate world carryover stocks on 1st August 1956, would rise to 23 million bales, as compared with 20.3 million bales on the corresponding date in 1955. More in cotton than in wheat, the main question is about the U.S.'s export policy, for this country has over 11 million bales of surplus cotton to be disposed of. The U.S. has announced plans for sales of cotton at competitive prices, but the latter are now confined only to one million bales of short-staples varieties. Its future policy is uncertain and is, therefore, a source of great anxiety for the world commodity market.

Among other fibres, wool has recovered recently, and may be expected to remain steady in the next few months at least. Jute is a commodity which should normally reflect the supply position of other agricultural commodities in the transport of which it plays so vital a part. The large supply position in farm commodities, as well as the sharp rise in the price of paper—its main competitor—seems generally to indicate a bright outlook for jute. It must, however, be remembered that the supply of jute itself is comfortable in the current season.

Of the beverage commodities, India is mainly concerned with tea, though it is somewhat interested in coffee, too, as a small exporter. Over the year 1955, tea declined heavily and its price is now only about half of what it was at its peak last year. There has been no significant increase in world consumption. But world output in the current season may be larger than the last season's level. Perhaps, this does not augur very well for tea. If coffee, demand has revived in world markets. But this revival will probably avail the coffee growers little, considering that current estimates anticipate a 13 per cent. increase in production. Although world sugar market has been firm, it is noteworthy that prices are still below the minimum levels set by the International Sugar Agreement. As in the case of the International Wheat Agreement, so in that of the International Sugar Agreement, a world conference this year will discuss its details. But unlike wheat, the surplus of sugar today is less burdensome than it was a year before and the indications are that prices will be well maintained.

The position of rubber is somewhat more complicated than that of any other agricultural commodity. On its supply side, it is influenced not only by the raw rubber output but by the production of the synthetic plant as well. Its demand is peculiarly susceptible to changes in industrial activity. World price of rubber has improved over the whole of 1955. It remains to be seen whether this trend will continue in the current year. It is likely that natural rubber will be called upon to face a greater challenge from the synthetic product this year. The trend of prices will also depend upon the level of industrial activity in the U.S., particularly on the level of automobile output, and the magnitude of Russian purchases.

Less uncertain and more disturbing for consumers are the prospects for metals. All the base metals, copper, tin and zinc are strong. In London, copper is now quoted at £397 per ton, as against £295 a year ago, zinc at £101½, against £84½ and tin at £832½, as against £695½. Even aluminium has risen from £163 per ton to £179. Tight supply position has been predicted for copper. A U.S. Commerce Department report forecasts a continued tight supply of copper for U.S. consumers in the first quarter of 1956, because demand will exceed supply, though the shortage is not expected to be so "severe" as in 1955. New productive capacity is being rapidly created and is expected to come into use this year. Accordingly, as the year advances, the supply of this metal may increase, unless it is offset by strikes in the existing plants as has happened in the last few months in Chile. The demand for copper is also expanding owing to larger production of electric power. In tin, there is the additional uncertainty arising from the future of the International Tin Agreement which has still to be ratified by Indonesia. The future course of prices will depend on the level of industrial prosperity in the U.S., to which country supplies have been largely diverted in recent years. Steel, as is well known, is in acute short supply, and is only obtainable for love rather than for money. This is so, despite the fact that world steel output has increased from 245 million tons in 1954 to 293 million tons in 1955. Many countries have plans for expanding steel output in a big way and, if these plans commence yielding results in the current year, there may be some improvement in the steel position. But one may wonder whether the position will improve so far and so fast as to make a significant difference to world position, because the demand for steel is outstripping the supply.

All current indications are that the world is in for a period of shortage in some essential metals and minerals, thanks to ambitious schemes of industrial expansion in many underdeveloped countries and rising levels of employment and production in the industrially advanced countries. This has a peculiar relevance to the immediate future of industrial plans in this country, for, without sustained efforts at tapping the sources of supply, it may be difficult for Indian industries to secure all the raw materials they need. It must be remembered, in this connection, that India is inadequately supplied in respect of many of these raw materials, particularly of base metals. An increase in their price and/or a shortfall in their supply will affect the cost and the pace of implementation of this country's plans for industrialisation. Obviously, some special efforts are needed to ensure that these plans do not flounder on the rock of shortages and high cost of raw materials and plant and machinery.

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A recent feature of the capital market in India is the issue of shares to the Indian public by a number of foreign companies incorporated in this country. The latest addition to this list is the National Carbon Co. (India) Ltd. This Company has come out with an offer of 400,000 ordinary shares of Rs. 10 each at a premium of Rs. 9-8. The present authorised capital of the Company is Rs. 2.50 crores, divided into 2,500,000 shares of Rs. 10 each, and the issued and paid-up capital is Rs. 1.60 crores, made up of 1,600,000 shares of Rs. 10 each. With the aforesaid issue, the paid-up capital of the Company will be raised to Rs. 2 crores. Besides the new issue, the Union Carbide and Carbon Corporation, a company incorporated in the U.S. and the principal share-

(*Continued on page 55*).

SHARE MARKET SUBDUED

HEAVY DROP IN VALUES

(From Our Own Correspondents)

BOMBAY, *5th January*

TRADING on the Stock Exchange for the New Year commenced on Monday this week on a somewhat pessimistic note, in distinct contrast to the air of cheer with which the business for the previous year began. Though the opening rates were on a much higher level than those a year ago, the undertone was none too strong. In the first two sessions of the year, equities suffered widespread losses under heavy pressure of unloading by bulls and selling by bears. There was no trading yesterday for the purpose of completing the arrears of work connected with settlement of accounts on Tuesday. Today, however, there was a partial recovery, but the sentiment remained subdued and revealed no marked change from what it was before the Christmas holidays.

During the week preceding the holidays, equities suffered sizable losses, as operators preferred to lighten their commitments, owing to uncertainty regarding the terms of the new issue of the Tata Iron and Steel, as also on account of reports of a decline in offtake of cloth. The kerb trading during the holidays also disclosed a depressed sentiment, which gathered momentum when trading was resumed for the New Year. The main bearish factors which softened the sentiment were: (1) the growing belief that the Government would insist on issue of new shares by leading companies at a premium; no final word was, however, received from the Governmennt regarding the T.I.S.Co's issue; (2) fears about the Budget proposals; (3) reports that the Government of India might levy capital tax and place a ceiling on income; (4) uncertainty regarding the future of Bombay City, and (5) threat of strike by bank employees which might disrupt trade. The heavy unloading which ensued brought down equities considerably below the closing levels of last year.

In the steel section, Tata Ordinaries dropped from Rs. 271-8 on 15th December last to Rs. 257-12 on the 24th, the last working day of 1955. In the reactionary trend which marked the business for the New Year, the shares relapsed further on Tuesday, 3rd inst., to Rs. 243-8, the lowest rate since 30th September last. Today, there was a spurt to Rs. 249 before closing at Rs. 247-12. Indian Irons came down from Rs. 41-2 to Rs. 36-14 (a level not seen since 22nd July last) on the 2nd inst., but partially recovered to Rs. 37-13 today.

The textile section fared no better, despite reports that mills had fully booked orders for some months to come. The main depressing factor, was, however, the fear about ceiling on cloth production. Bombay Dyeings retreated from Rs. 615-10 to Rs. 586-4 on 24th December and further to Rs. 556-4 on the 3rd inst. before regaining to Rs. 569-6 at the close today. Kohinoors came down from Rs. 364-8 to Rs. 333, but closed today at Rs. 339-8. Century suffered a loss of Rs. 40 at Rs. 483-8. Central Indias were marked down by Rs. 12-8 to Rs. 155-8, Finlays by Rs. 28 to Rs. 343, Gokaks by Rs. 12-8 to Rs. 226-8 and Indu Ordinaries by Re. 1-5 to Rs. 13-10. Indore Malwas lost Rs. 14-6 to Rs. 148-2, Shree Niwas Rs. 15 to Rs. 213-12, Simplex Rs. 14 to Rs. 197, Standards Rs. 23-12 to Rs. 417-8, Svadeshis Rs. 15 to Rs. 222-8 and Tata Mills Rs. 5-8 to Rs. 50.

In line with the general downward trend, bank shares depicted an easier tendency. Barodas dropped a rupee to Rs. 100. Centrals declined by Rs. 3-8 to Rs. 51 and their new shares by As. 8 to Rs. 56. The decline in Bank of Indias was more marked, the shares having fallen from Rs. 164 to Rs. 157-8. United Commercials shed Re. 1 to Rs. 54.

A fall of Rs. 555 to Rs. 4,960 in Orientals was the main feature in the insurance section, which was also subjected to selling pressure due to growing fears about nationalisation. New Indias were marked down by Rs. 5-4 to Rs. 43-12. Indian Mercantiles were stagnant at Rs. 46 and Industrial and Prudentials at Rs. 47. British India Generals were dull at Rs. 14-13 and Vulcans at Rs. 15-14.

Electricity shares were quiet, though the decline in prices was not very pronounced in most of the counters. Ahmedabad Electrics lost As. 15 to Rs. 106-4. Bombay Suburbans fell by Rs. 4-6 to Rs. 120-10. Surat Electrics were lower by Re. 1-4 at Rs. 123-12 and Tata Hydros by Re. 1-8 at Rs. 138-8. Tata Powers came down by Rs. 27-8 to Rs. 1,402-8, while Andhra Valleys showed no change at Rs. 1,330.

The miscellaneous section provided no exception to the general trend and leading counters were subjected to heavy pressure. In the sugar group, Belapurs were placed at Rs. 342-8 *ex-div.*, as against Rs. 373 *cum-div.* on 15th December, and Phaltans at Rs. 143-8 *ex-div.*, as against Rs. 160 *cum-div.* Walchandnagars dipped from Rs. 265-10 to Rs. 251-4. Notwithstanding the encouraging outlook for the cement industry, A.C.C. weakened from Rs. 232-12 to Rs. 210, before recovering to Rs. 218. Digvijays were done Rs. 8-12 lower at Rs. 173-4. Among engineering and mining shares Alcocks were pushed down from Rs. 407-8 to Rs. 341-4. Premier Constructions were hammered down from Rs. 216-8 to Rs. 193. Tata Locomotives disclosed a loss of Rs. 7 at Rs. 154, the lowest level touched being Rs. 145. Shivrajpurs had a fall of Rs. 6-8 to Rs. 107-8, Indian Coppers As. 6 to Rs. 6-15 and B.B. Petrols As. 4½ to Rs. 4-6.

In the shipping and transport group, Scindias gave way from Rs. 18-14½ to Rs. 17-6, but gathered some strength to close at Rs. 18-2½. Great Easterns were placed at Rs. 15 *ex-right*, as against Rs. 18-13 *cum-right*. Premier Automobiles fell from Rs. 93 to Rs. 87-12. Hindustan Motors relapsed from Rs. 10-5 to Rs. 9-8. Among miscellaneous industrials, Bombay Burmahs (old) reacted from Rs. 633-2 to Rs. 572-8, but improved at the close to Rs. 591-4. B.I.Cs. lost As. 14½ to Rs. 13-3½. Killick Industries suffered a loss of Rs. 6-8 to Rs. 173. National Rayons dipped from Rs. 258-8 to Rs. 230-8, before gaining to Rs. 239-8. Tata Chemicals were placed Re. 1-1½ lower at Rs. 18-2½ and Tata Oils Rs. 6-8 lower at Rs. 48-8. Wimcos showed no change on balance at Rs. 191-4.

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Calcutta Stock Exchange

CALCUTTA, *4th January*

With buyers hesitant to enter into fresh commitments, listless conditions were in evidence on the Calcutta Stock Exchange during the period under review from 15th December to date. This was principally due to the intervention of holidays. After the holidays the market reopened for the New Year yesterday on an easy tone, and both yesterday and today values of several counters lost further ground. This was due to the difficulties created by the suspension of banking work, following labour trouble, as, in the absence of clearing payment by cheque is not possible. Further, the report from New Delhi suggesting the possibility of an annual tax on total wealth as a complement to income-tax and estate duties had a chilling effect. Even assuming that work is resumed in banks in the near future, by all tokens it would appear that cheerful activity would depend upon what the Finance Minister has to unfold in the Budget proposals at the end of next month. In sum, it can be said that the bank employees' strike has led to the commencement of the traditional pre-budget caution much earlier than usual. Poor advices from Bombay had a further chilling effect.

Excepting tea, commodity markets send out encouraging reports, and, what is more important for the Calcutta Exchange, the jute mills have succeeded in making their goods competitive in world markets and have now embarked on a planned increase of production. Although the new coal policy of the Government reveals the official mind about ways towards achieving the target of increased production, investors on coal shares show some amount of caution, since the question of nationalisation still hangs like the sword of Damocles. Speculative Indian Irons lost gradually. This was due to the realisation in the market that the value had touched too high a level in the recent boom. Therefore, the recession served as a corrective, although each stage of the fall was painful.

Among textiles, earlier in the period, Elgin Mills recovered to Rs. 28-13 from Rs. 216 but, subsequently, lost to quote today at Rs. 25-12. Dunbars receded to Rs. 315 from Rs. 330. Kesorams, after being steady at Rs. 19, fell to Rs. 17-6.

Coals found it difficult to maintain the gains, and in accord with the general trend tumbled. Thus Bengals were pulled down to Rs. 555 from Rs. 580. Burrakurs had touched a low of Rs. 14-9 from Rs. 16-12 but were picked up today at Rs. 15-4.

Among jute shares, an upward movement was difficult in view of the rising raw jute market and the fear of a consequent increase in the cost of production of jute goods, though the latter also held firm ground. Howrahs dropped to as low a rate as Rs. 27-10 from Rs. 29-4. Nationals opened at Rs. 34 and gradually lost to Rs. 30-14. Transactions were extremely limited and where rates changed, they were towards downward levels.

Indian Irons opened at Rs. 40-15 and improved to Rs. 41-5 for a time. This was early in the period, and after this improvement the quotation gradually lost to Rs. 37-2, today's closure being at Rs. 37-8.

Lack of support led miscellaneous industrials to search lower levels. While B.I. Corporations shed to Rs. 12-11 from Rs. 14-2 (but were better today at Rs. 13-2), Indian Coppers were held firm at Rs. 6-13. At Rs. 33-2 Orient Papers lost Rs. 2-13. Titaghur Papers at first improved to Rs. 47-7 from Rs. 47, but later receded to Rs. 45-11.

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Madras Stock Exchange

MADRAS, *3rd January*

Distinctly easy conditions prevailed in the Madras share market during the last three weeks under review. The easiness was particularly pronounced yesterday and today, thanks to fears of fresh tax imports. The Planning Commission's reported suggestion for an annual tax on total wealth and upward revision in Estate Duty led the operators to take a rather pessimistic view of the future for industries, as the tax, if imposed, would certainly affect adversely capital formation and divert funds towards hoarding bullion. Further, operators were inclined to be cautious in view of the uncertainty regarding the ensuing Central budget proposals next month. There was, therefore, a general wave of selling in equities and prices slided downwards. The drop in values was shared by all the sections of the market with the exception of bank shares which exhibited a somewhat steady trend.

The following are some of the important dividend announcements (figures in brackets relate to dividends paid in the previous year) made during the three weeks covered by this report:

Company	Year ended	Dividend (Per cent.)
Nellithanam Rubber and Produce	31- 3-55	12½ (12½)
Ellore Electric Supply Corporation	31- 3-55	3¾* (8¾)
Jeypore Mining	31-12-55	10 (6)
Emerald Valley	31-12-55	12½* (30)
K.C.P. Ltd.	30- 6-55	7½ (7½)
Twyford Tea	31-12-55	10* (25)
Mettur Chemicals	31- 3-55	3¼* (6¼)
Periakaramalai	31- 3-55	15 * (45)
Mysore Plantations ...	31- 3-55	7½ (8
Teekoy Rubber	31- 3-55	9 (7
Be Be Rubber	30- 6-55	7½ (7
Woodland Estates	30- 3-55	20 (1

*Interim

Textile shares were generally subdued, wi values drifting lower. Over the three weeks en today, Coimbatore Pioneers moved down by Rs. 10 to Rs. 258. Buckinghams receded by Rs. 6 t Rs. 175. Vasantas dropped a like amount to Rs. 260. Bangalore Woollens fell by Rs. 5 to Rs. 577-8. Rajalakshmis and Rajapalayams declined by Rs. 3 each to Rs. 172 and Rs. 132, respectively. Coimbatore Cottons and Virudhunagars lost Rs. 2 each to Rs. 351 and to Rs. 27, respectively. Metturs decreased by Re. 1-8 to Rs. 398-8, Maduras by Re. 1-4 to Rs. 51 and Venkatesas by Re. 1 to Rs. 144. Ranga Vilas and Carbodias eased by As. 8 each, the former to Rs. 82 and the latter to Rs. 13-4. Vijayakumars shed a similar amount to Rs. 110. Dhanalakshmis, however, found good buying support and rallied Rs. 7-8 to Rs. 367-8. Gnanambikais also received support and were taken Rs. 7 up to Rs. 122. Rayalaseemas hardened by Rs. 5 to Rs. 137. Premiers improved by Rs. 3 to Rs. 180 and Pankajas by Rs. 2 to Rs. 180.

In the planting section, tea shares lacked attention and suffered losses. United Nilgiris slumped by Rs. 15 to Rs. 335. Devasholas fell by Re. 1-4 to Rs. 29. Perksides dropped a rupee to Rs. 21. Nonsuch Teas were down by Re. 1-8 at Rs. 34-8. Peermades declined by As. 12 to Rs. 39-8, Nilgiri Teas by As. 10 to Rs. 14 and Highlands by As. 13 to Rs. 16-11. Rubber shares also failed to elicit buying enquiries. Nenmenys declined by As. 8 to Rs. 23. Vaikundams shed As. 6 to Rs. 26-10, Cochin Malabars As. 5 to Rs. 8-9 and Kailas 15 pies to Rs. 5-7. Coffee shares, too, were neglected. Mysore Coffees lost As. 3-9 to Rs. 1-10. Puthutotams eased by As. 2-6 to Rs. 4-7-6. Coffee Lands were done at Rs. 18-8 *ex-div.*, as against Rs. 20-15 *cum-div.* three weeks before and Consolidated Coffees at Rs. 21-12 *ex-div.*, as against Rs. 24-12 *cum-div.*

Prices of sugar shares staged a retreat. K.C.P. Ordinarys moved down by Rs. 7-8 to Rs. 127-8. Kirlampudis fell by As. 4 to Rs. 38. E.I.D. 'B's declined by As. 12 to Rs. 29-8, Travancores by As. 10 to Rs. 12-12, Indias by As. 8 to Rs. 22-4 and Deccans by As. 7 to Rs. 9-3. United Breweries were quiet at Rs. 189-8, as also Vizags at Rs. 7-2. Mysore Sugars were quoted at Rs. 55, as against Rs. 57-8 *cum-div.*

Trading in the miscellaneous section was dull. India Cements were subjected to selling pressure and receded from Rs. 34-12 to Rs. 34 *cum-div.* Mettur Chemicals were neglected at Rs. 9-11 *cum-div.*, as against Rs. 9-14-6. India Steel Rollings suffered a loss of As. 12 to Rs. 13. Dalmia Cements decreased by As. 10 to Rs. 15. Forest Industries declined by As. 9-6 to Rs. 2-7-6. Travancore Cements lost As. 7 to Rs. 12-9. Standard Motors As. 4 to Rs. 10 and Spencers As. 2 to Rs. 18-12. Bank shares, as already stated, met with good support. Indian Overseas advanced by Rs. 9-8 to Rs. 131-8. Andhras spurted by Rs. 4 to Rs. 115. Indian Bank Rs. 90 paids rose by Rs. 8 to Rs. 159 and Rs. 66 paids by Rs. 2-8 to Rs. 113. Indo-Commercial 'A's hardened by Re. 1-8 to Rs. 42-8.

STATE BANK OF INDIA

In a few days, the financial results of banks for 1955 will be published. The profits of most of them are likely to show a rise, though the dividends of big banks may just be maintained. But what about the State Bank of India? Will its maiden dividend be at the same rate as that of the Imperial Bank of India? Available information indicates that there will be no change, that is, the dividend will be maintained at 16 per cent. There is also a possibility of the Reserve Bank releasing to the public a part of its holding in the State Bank's capital by selling the shares in the market, as only about 10 per cent. of the capital was taken up by the shareholders of the Imperial Bank when they were given the option to take the compensation due to them in shares of the State Bank. It would appear that the Government is rather keen on increasing the public's share in the capital of the Bank.

NEWS IN BRIEF

THE first atomic reactor of India will start functioning by June this year, according to the Chairman of the Atomic Energy Commission, Dr. H. J. Bhabha.

The export of soda lime will be regulated in future on an *ad hoc* basis, according to notifications issued by the Deputy Chief Controllers of Exports and Imports, Madras and Bombay.

Sindri has set up yet another record. As on midnight on 27th December 1955, Sindri's production figure of ammonium sulphate for the year reached 320,262 tons, as compared with the target of 320,000 tons.

The first direct radio telephone service between Calcutta and London was inaugurated in Calcutta on 30th December last, simultaneously with the opening of the new Calcutta Centre of the Overseas Communications Centre.

The Government of India has extended till 31st March 1956, the period of validity of licences issued for export of all varieties of raw cotton for the season 1954-55 and also licences issued according to its circulars of September 1955.

The Government of Mysore has made arrangements for the purchase of some varieties of paddy in a few districts of the State at a price of Rs. 13-6 per palla (100 seers) at railheads, in accordance with the Government of India's price support policy for rice.

The Government of India has fixed the price of tea, for the purpose of determining the export duty, at Rs. 3-1-5 per lb., as against Rs. 3-4-5 per lb. in force from 1st December 1955. The export duty at this price will be As. 6 per lb., as against As. 8 in force hitherto.

The Government of India has sanctioned a sum of Rs. 26.17 lakhs for the construction of a bridge over Tungabhadra at Kurnool to facilitate communication between the States of Hyderabad and Andhra. The bridge is expected to be completed within about three years.

The Indo-Austrian trade pact, which expired on 31st December 1955, has been extended until 30th June 1956. The exchange of goods between the two countries under this pact developed satisfactorily. Austria exported machinery, steel, paper and vehicles, while India exported cotton, wool, tea, oils and ores.

The Government of India has decided to allow the export during the current half-year a fresh once. antity of one million yards of grey drill and ent.,0,000 yards of cellular shirting (the unutilised n the ance of the ceiling fixed for the half-year July- livid cember 1955), processed into mineral khaki shade al factories other than mills, subject to the terms an and licensing conditions, as notified on 1st July 1955. au in

The Planning Commission has given the 'B' priority for the execution of the Rs. 16-crore Barapole Hydro-electric project for developing electricity in Coorg during the second Five-year Plan. The project is estimated to generate 180,000 kw. of power in Coorg, besides helping to irrigate about 30,000 acres of agricultural land in the adjoining Malabar District.

A total sum of Rs. 120 crores is expected to be provided in the second Five-year Plan for housing and slum clearance schemes in India. Disclosing this in Nagpur on Saturday last, Sardar Swaran Singh, Union Minister for Works, Housing and Supply, said that the Government of India would soon start a housing scheme for middle income groups, under which loans to the extent of Rs. 25,000 would be advanced per house to be recovered over a period of 15 to 20 years.

The Government of Madras has decided to establish shortly four co-operative industrial factories in the State, a lock factory at a cost of Rs. 4 lakhs, a press metalware factory costing Rs. 7 lakhs, a leather factory and a ceramics factory. These factories will, in the first instance, be run by the Government, but later on handed over to co-operative organisations. Two general purpose engineering workshops and a galvanising plant will also be set up. The Government is also considering a proposal to set up a factory to manufacture handloom accessories.

A pilot scheme for the study of the supply and the demand for labour has been undertaken in Delhi by the Government of India. The scheme prepared with the advice and assistance of the I.L.O. forms part of a programme for the continuous collection and study of information about unemployment in India. Under the scheme launched in Delhi, employers in the private and public sectors have been asked to give details of the number of persons they employ and the jobs handled by them. They have also been asked to furnish information about the number and types of vacancies under them.

The Government of India will shortly undertake some kind of legislation in regard to inter-State transactions for levy of sales tax, according to Mr. C. D. Deshmukh, Union Finance Minister. Mr. Deshmukh announced this in Madras last week following a conference he had with the State Finance Minister and the Revenue Minister. The Ministers discussed problems arising out of the recent decision of the Supreme Court that inter-State sales tax could not be imposed by any State without a special law enacted by Parliament. Madras has collected till now about Rs. 44 lakhs by way of sales tax on inter-State trade and unless the Centre passes legislation giving retrospective effect, there might be claims for refund.

A new scheme for compulsory grading and marking of lemongrass oil according to Agmark grades has come into operation since 1st January 1956. The specifications notified in the provisions of the Agricultural Produce (Grading and Marking) Act, 1937, have been evolved in consultation with the Indian Standards Institution for the trade interests in India and abroad. Exports of lemongrass oil will henceforward be allowed from India only under the Agmark grading certificate issued by the Essential Oils Grading Laboratory. A laboratory for testing samples of lemongrass oil and other essential oils for grading has been set up and has started functioning in the wharf area of Cochin Port. The specific mention, in the grading certificate, of the percentage of citral, which is an essential constituent of the oil, will ensure better prices for the superior grade of lemongrass oil. So far, sellers supplying lemongrass oil containing over 75 per cent. citral received no benefit for the additional merit of their produce.

From Abroad

Indonesia has raised the export duty on rubber from 3 cents (rupiah) to 6.4 cents per kilo (equivalent to 2.22*d.* per lb.), with effect from 1st January 1956.

Reductions in round-trip fares on Karachi-Bombay Convair Service and Karachi-Delhi sector have been announced by Pakistan International Airlines. The reduced return fare to Bombay is now Rs. 306 and to Delhi Rs. 299.

The output of the mining industry in Canada during 1955 is expected to amount in value to a record of $1,700 million or more than $200 million above that in 1954. The iron ore, uranium, oil industries and copper have recorded the most spectacular increase.

Nearly 70 million passengers were carried by the world airlines during 1955, as against 59 million in 1954. Cargo and air-mail loads also increased by the same proportion. It is estimated that, in the current year, the passenger traffic will increase to 85 million and reach 100 million in 1957.

West Germany's investments in Canada amount to over $21.7 million. German capital has been invested in more than 50 enterprises. The only other foreign country where German interests have more money at stake than they have in Canada is Brazil. The U.S. comes third in the list.

The Association of Yugoslav Iron Works, which exhibited at the Industries Fair in New Delhi, as stated to have concluded contracts for the delivery of 12,000 tons of steel to India. Buyers include enterprises concerned with development of railway communications, builders of industrial projects and electrification schemes.

The Pakistan Government has prohibited the export to India of shares in Indian companies held by Pakistan residents without the permission of the State Bank of India. Permission will, however, be freely granted by the Bank in cases where the shares exchanged are approximately equivalent in value.

The U.S. shipyard's shipbuilding and replacement programme for the current fiscal year ending 30th June 1956 will cost over $500 million. It is stated that a good part of the U.S. merchant fleet will soon become obsolete and require extensive replacements, while the U.S. shipowners will also have to meet competition from new and faster ships being built abroad.

Soviet Russia and China have signed a trade agreement for the year 1956. The agreement provides for a further increase in volume of goods exchanged between the two countries. Russia will export to China a variety of machinery, oil products, ferrous metals and other goods, while China will export to Russia various metals, raw wool, raw silk, foodstuffs, tobacco, bristles and a number of other goods.

Industrial production in the Netherlands during 1955 increased by 9 per cent. over the previous year and 30 per cent. above the 1952 level. The increase is said to have taken place with a rise in the labour force of only 10 per cent. Increased productivity has been mainly achieved by rationalisation and mechanisation and helped by record investment in industries.

The world output of steel during 1955 is estimated by the New York magazine, *Iron Age*, at 293 million tons, as compared with 245 million tons in the previous year. The non-communist countries of Europe, Asia and the U.S., according to the magazine, increased their output by 22.5 per cent. over 1954 production while Soviet Union and other communist countries raised their production by only 10.5 per cent. The U.S. produced a record quantity of 116.5 million tons, as compared with 88.3 million tons in 1954 and the Soviet Union 49.6 million tons, as against 45.2 million tons.

The national Bank of Belgium has permitted free imports and exports of gold ingots and pieces of money with effect from 1st January 1956. The new measures announced by the Bank allow complete freedom in gold transactions within Belgium. Belgians and foreigners in gold import and export transactions have also been given complete freedom. Payment by Belgians and Luxembourgers on any gold transactions abroad can be made either in Belgian or foreign bank notes. Foreigners have been permitted to open financial accounts in Belgium. Belgians and Luxembourgers are free to dispose of any gold money they may have abroad.

World production of oil reached a new high level of 785 million metric tons (including natural gasoline) in 1955, according to the Petroleum Board in London. This represented an increase of 76 million tons, or over 10 per cent., above last year's output of 709 million tons. The U.S. and Venezuela were the largest producers, with 357 million tons and 111 million tons respectively. Middle Each countries together suppied about 162 million tons, within this area the leading producers were Kuwait (55 million tons); Saudi Arabia (just under 47 million tons; Iraq (nearly 34 million tons); and Persia (16 million tons). Among Commonwealth countries, Canada came first with about 17 million tons, followed by British Borneo (5.5 million tons) and Trinidad (3.5 million tons).

The Pakistan Government has issued its import policy for the January-June shipping period under which import licences for this period will be issued for 211 items. Licences may be issued for certain more items required by industrial consumers, if considered necessary. Licences will be valid for all countries, except those issued for single countries under trade agreements. Licences for treaty countries will be within the overall share of importers, but it is possible that those who have applied for treaty countries may be considered for higher amounts. Out of the 211 items for which licences are to be issued during January-June shipping period, licences for 31 items are to be issued exclusively to industrial consumers. Sub-authorisations will be issued for items which are covered by the American Economic Aid.

PERSONAL

DR. Gaetano Martino, Minister for Foreign Affairs, Italy, has arrived in India.

Mr. K. P. S. Menon, Indian Ambassador to the U.S.S.R. left for Moscow on Sunday last.

Mr. Bali Ram Bhagat, M.P., has been appointed Deputy Minister attached to the Ministry of Finance, Government of India.

Dr. Franz Bluecher, Deputy Prime Minister of the Federal Republic of Germany, will arrive in India on 10th January on an 11-day visit to this country.

Mr. M. Mahmood Sherif, a former Minister for Health, Mysore State, has been appointed a member of the Labour Appellate Tribunal of the Government of India.

Mr. S. R. Pusalkar has been elected as the representative of the Maharashtra Chamber of Commerce on the Central Railway's Divisional Railway Users' Consultative Committee.

Mr. R. L. Powell, Assistant Managing Director, British India Corporation Ltd., Kanpur, has been elected President of the Upper India Chamber of Commerce, Kanpur, for the year 1956.

Mr. D. C. Fairbairn, Secretary of the Bengal Chamber of Commerce and Industry and the Associated Chambers of Commerce of India, has been conferred the title of C.B.E. by Queen Elizabeth.

Mr. H. C. Gutt, partner of the firm of Messrs. Merwanjee Bomanjee Dalal, stock and share brokers, Bombay, has been appointed Officer on Special Duty, Department of Company Law Administration, Union Ministry of Finance.

Mr. M. Thirumala Rao, former Deputy Minister for Food, Government of India, has been appointed Lieutenant-Governor, Vindhya Pradesh, in succession to Mr. K. Santhanam, who is relinquishing his office on the expiry of his term at his own request.

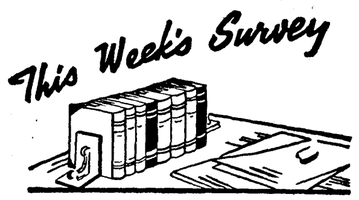
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *10th January*

The New Year's Outlook

In Calcutta—especially in the Calcutta piece-goods trade—the Marwari New Year's Day is regarded as a lucky day. In similar fashion New Year's Day in China is for certain things a day of good omen. According to Chinese belief, you may on that day, in almost any year, present religious offerings, put on full dress and elegant attire, make matrimonial matches, get married, pay calls, set out on a journey, order new clothes, commence repairs to a house—and also, incidentally, to your breeches—lay foundation-stones, or raise up the framework of a new building, set sail, enter into business contracts, collect accounts, pound, grind, plant and sow. Most nations have an idea somehow that it is a lucky day. But whether it will be so this year in our several, individual and collective, cases cannot at the moment be determined. We are still peering wistfully into the future through a fog of profound depression, just as, 15 years ago, we were making anxious efforts to see what lay beyond the fog of war. There is apparently some possibility, nevertheless, that as the year proceeds there will be some sort of trade revival; but whether its volume will be of sufficient dimensions to recoup us for our losses of the past is extremely dubious. Mr. William Graham, President of the British Board of Trade, has expressed the opinion, all things considered, that we can enter the New Year with a reasonable hope of better times.



AMERICAN AID

THOUGH formal, the presentation ceremony of four U.S.-built locomotives to the Indian railways, held at Bombay on Tuesday last, is of more than ordinary significance. These locomotives, which form part of 100 locomotives and 8,700 wagons being supplied by the U.S., are an expression of American goodwill towards India. Indeed, it is not so much the monetary value, which is not inconsiderable, but the "feeling of friendship and helpfulness" of the U.S. towards India which the gift implies that will evoke warm support. This feeling, as Mr. O. V. Alagesan, Union Deputy Minister for Railways, rightly suggested, is, truly ennobling in the field of international co-operation.

Presenting the four locomotives, Mr. John Sherman Cooper, U.S. Ambassador to India, looked back with justifiable pride on "the record of constancy and co-operation" between his country and India. Mr. Cooper outlined the U.S. economic assistance to India in the past eight years, with the emphasis that the provision of this assistance "has been the choice and decision of all the American people made through the democratic process of our institutions." Since 15th August 1947—the date of India's independence—the U.S. Government has given aid aggregating as much as Rs. 227 crores ($477.93 million). More than half of this amount —about Rs. 115 crores ($242.93 million)—has been in grants and the balance in the form of loans, chiefly for the delivery of wheat in 1951-52. In addition to the Government aid, the non-Governmental organisations, such as the Ford and Rockefeller Foundations, and other private voluntary agencies have given assistance worth Rs. 23 crores ($48.29 million).

Mr. Cooper made it clear that he cited the above figures, not for their own value but because they represented the continuous effort that the U.S. people had made over a period of years. The U.S., he said, had tried to fit its assistance into the frame of India's first and second Five-year Plans. The aid covered a cross-section of industrial, agricultural and social undertakings. In this connection, he observed:

"In the field of industrial improvement, the expansion of India's railways which this ceremony emphasises is a good example. During the past four years, the people of the United States have also delivered or placed on order for India 660,000 long tons of steel. This does not include the thousands of tons that are represented in the locomotives and railway wagons which have come to India, and I can tell you further that the figure of 660,000 tons that I have quoted will be substantially increased in a few days. In another field to which India's first Five-year Plan gave great importance, that of achieving self-sufficiency in agriculture, we have likewise been able to contribute. To date we have provided some $21 million for fertiliser and some $23.5 million for ground water and irrigation."

This brief account is clear evidence of the live interest which a great country like the U.S. is taking in India's economic development. "I believe," to quote Mr. Cooper, "that the great opportunity for understanding and agreement between our two countries lies in our common belief in the value of people as individuals and in the spiritual expression of their freedom." It is certainly reassuring to be told by Mr. Cooper that he looks forward to a future in which his country desires to continue and increase its friendship with India and its people.

THE NEXT PLAN

Many topics of immediate importance to India's national economy figured prominently in Mr. H. P. Mody's address at the annual meeting of the Employers' Federation of India. Mr. Mody, the President of the Federation, wondered whether the estimates of financial resources presented in the draft proposals for the next Five-year Plan could be realised, considering that the authors of the Plan envisage investment to the tune of Rs. 5,600 crores. He feared that, in order to finance the Plan, the burden of taxation would have to be even higher than that recommended by the Commission and that larger amounts would have to be raised through borrowing and budgetary deficits than what are now contemplated. He warned that, even if it was not proposed to go further than the recommendations of the Taxation Enquiry Commission, the resultant burden "would be truly grievous and the chances of securing loans and small savings would be automatically reduced." He, therefore, suggested that either the Plan be scaled down or the targets extended over a somewhat longer period. He added: "Penal taxation, ever-widening controls and consumption curbs might make for an imposing Plan, but their social and economic consequences cannot possibly be ignored."

No one now seriously doubts that the country is in for much higher taxation. Indeed, this week's reports from New Delhi suggest something which is even more reprehensible than penal taxation, namely, an annual tax on total wealth. Such a tax, it should be clear, would constitute an unwarranted violation of the right to own property which has already suffered serious damage through the recent amendments to the Constitution. Those who pin their faith to such measures for raising the resources will do well to ponder Mr. Mody's mild warning that "it is going against all human experience to seek to stifle the incentive to work and to save in order to achieve the ends of social justice and equality of opportunity." "Drastic solutions, wholly unsuited to the conditions of the country and incompatible with the maintenance of a free society," he rightly said, "cannot usher in the millennium; they can only result in a serious impairment of the foundations of our progress."

In severity, the current ideas about taxation in the country are matched only by the spate of labour legislation from which there seems to be no prospect of any respite. Mr. Mody referred in particular to the Bill for setting up labour courts and industrial and national tribunals. He recalled that, when the employers had agreed to the abolition of the Labour Appellate Tribunal, they had urged that the bodies which would take the place of the existing tribunals should be composed of judicial authorities. He pointed out that the Bill ignored the basis of their agreement with labour inasmuch as it does not incorporate the safeguards which they had asked for in regard to the composition of the labour courts and industrial tribunals. He urged the Government to recognise the necessity of "so constituting the various tribunals that their impartiality cannot be questioned." Without belittling the importance of providing for judicial composition of the labour tribunals, it seems necessary to observe that something more than such composition is obviously needed to ensure that labour courts are effective instruments for settling disputes, the additional factor being labour's willingness to accept their decisions.

Mr. Mody criticised the Labour Ministry's policy note for the second Five-year Plan which advocates, as an experimental measure, the nomination of technicians and representatives of workers on the boards of directors of companies. He did not, of course, deny the need for a closer association of workers with management in the the task of production. Only, he felt that the proposal was "altogether premature." One wishes that he had explained why he deemed it premature, or how the proposal should be modified in order to make it acceptable. The fact is that the demand for employees' participation in management is being voiced in many quarters. And employers would be well advised to consider the situation and evolve workable proposals for closer association of employees with the concerns in which they work rather than allow the initiative to pass into Government hands and be forced into schemes which are not in the lasting interests of employers or employees.

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ELECTRIC MOTORS INDUSTRY

The 100 per cent. increase in electricity generated in this country during the last eight years, and the prospects for further increase in the next Five-year Plan period, underline the need for developing industries which manufacture electrical equipment of all kinds. Of these industries, the electric motors and power transformer industry is certainly the most important, for it is motors and transformers that serve to make the use of electricity possible in the industrial as well as agricultural spheres. The industry has certainly made rapid progress in recent years. Thus, the output of motors per month has gone up from 5,000 H.P. in 1948 to about 22,000 H.P. in recent months, the corresponding figures for power transformers being 6,800 K.V.A. and 43,000 K.V.A.

Being alive to the need for assistance to the motors and transformer industry, the Government has imposed a ban on import of electric motors upto 50 H.P. and also restricted the import of motors in the range of 50 to 75 H.P. The Government, accepting the recommendations of the Tariff Commission, which investigated the case for protection of the industry, has decided to continue the protection to the industry till the end of 1958. The protective duty on imports has been raised from 10 to 15 per cent. Paying a tribute to the Government for this measure of assistance, Mr. C. R. Srinivasan, Chairman of the Kirloskar Electric Co., Ltd., in the course of his speech at the recent annual meeting of the Company, said: "The ready acceptance of these recommendations by the Government of India abundantly proves their concern and anxiety to build up indigenous enterprise."

Although the prospects for the industry and the Government's willingness to assist it are encouraging factors, it is a matter for some concern that there are quite a few obstacles in the way of more rapid development. Mr. Srinivasan confessed to an "undercurrent of anxiety in the situation as it is developing." He was referring to the "gathering shortage" of essential raw materials needed for the industry such as copper, insulating materials and electrical steel sheets. He warned that, unless the Government acted promptly enough to ensure an adequate quota of copper from the world pool, the industry would be seriously affected. So far as electrical steel sheets are concerned, it would appear that the only unit in the country producing them is unable to meet all the requirements of the industry. He, therefore, suggested that at least one of the Government-sponsored steel units should give top priority to the production of such steel sheets. As regards insulating materials, they are all now imported from abroad. Since this item is included in the heavy electrical project for development by the State, he urged the Government to undertake its manufacture as early as possible.

An important effect of the shortage of raw materials and the uncertainty in their supply position is that the industry has necessarily to carry more than its normal share of raw material stocks. Clearly, this means a heavy financial strain on the industry, particularly because it has to pay higher prices for its raw materials. The industry's position is further complicated by the transport bottlenecks which interfere with the movement of raw materials to, and of finished goods from, the manufacturing units. This adds to the industry's production costs. In describing the financial effects of the shortage of raw materials and transport bottlenecks on the industry, Mr. Srinivasan raised an issue of great importance to industry in general, though he was referring specifically to the Company of which he is the Chairman. He pointed out that the credit facilities extended by the Industrial Finance Corporation of India to the Company, timely and helpful as they have been, suffered nevertheless from one defect. The Corporation charges 6½ per cent. with a rebate of ½ per cent. for prompt repayment. In this connection, he had two suggestions to make. In the first place, he urged that the rate of interest for long-term loans should not exceed ½ per cent. over the ruling Bank rate. Secondly, he suggested that it "would be a real help if the interest on the loan for the first three years is made payable as additional contribution during the last three years of the currency of the loan." This plea is based on the consideration that it takes three years to bring an industrial unit to the profit-yielding stage and that any additional burden during this period will be "more a hindrance than a help to industrial enterprise." The authorities of the I.F.C. will, perhaps, do well to consider at least the second suggestion and see whether any modifications in the conditions governing the loans they give to industrial enterprises are called for in order to ensure that the commencement of the period of repayment synchronises with the beginning of the profit-yielding stage of the borrowers.

The Chairman deplored certain recent trends in industrial relations and said that leadership of organised labour had tended to lay all emphasis on rights and none on responsibilities. This "poison" propaganda, he said, had resulted in labour asking for more and more for less and less work. He warned that, unless production increased and every one concerned put forth his best efforts to achieve it, there would be less and less left to divide and that the pattern the country sought to create might eventually result in "conferring the badge of poverty on all concerned." He made out a special as well as a very convincing case for moderation in demands by labour engaged in protected industries. He pointed out that, in a protected sector of industry, if the workers claimed more than their legitimate share, they would be "virtually asking for a subsidy from the community to meet their extravagant claims, as, in the last analysis, the additional burden will be passed on to them." This is a consideration which both labour and industrial courts will, perhaps, do well to bear in mind. Protection to an industry implies within itself some sacrifice on the part of the community at least in the initial period of its development. Since it is necessary to keep this sacrifice to a minimum, it behoves labour to restrain itself from making extravagant demands, as it behoves capital to refrain from exploiting the protected market to earn excessive profits.

BANK EMPLOYEES MILITANT

During the last few days, bank employees have tended to become more and more militant. On 28th December last, the employees struck work in the city and the clearing had to be suspended. In Madras, a similar action was taken by about 200 employees of the Chartered Bank of India on the 31st ultimo, while employees of a few other banks there staged a one-hour strike on the same day and kept themselves out of work again on the 2nd inst. In Calcutta, too, the employees abstained from duty on 31st December and held up work on half-yearly closing of accounts. Demonstrations and protest meetings were held in preparation for a general strike. Clearing remains suspended since 30th December. Now the All-India Bank Employees' Association has decided to stage a country-wide two-day strike on the 6th and 7th inst. as a protest against "the unjustified and unwarranted action of the bankers in effecting cuts in emoluments of the bank employees." It would not be surprising if this strike were to materialise before these lines appear in print; for there is no indication of any wise counsels prevailing among those who are engineering discontentment among bank employees.

The bank employees' stand to stage a general strike is certainly not justified, particularly after the decision of the bank managements to implement the Bank Award Commission's recommendations in a manner more liberal than the provisions of the Industrial Disputes (Banking Companies) Decision Act, 1955, required them to do. According to the Commission's award, the banks are allowed to make deductions from the temporary adjustment allowance in three instalments. The first one is due to be made with retrospective effect from 1st April 1955. The second and the third deductions will be made from 1st April 1956 and 1st April 1957, respectively. But the annual increments in pay and the consequential increase in dearness allowance which the employees received on 1st April 1955 and which they will receive subsequently will not be deducted from the temporary adjustable allowance, although under the award the banks could do so.

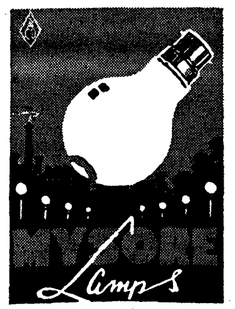
Again, while the award laid down that arrears payable to employees for the period April 1954 to March 1955 should be paid in three instalments, the banks have decided to give them in one lump sum instead of spreading them over the three-year period.

Further, the award had declared that, if the average All-India Cost of Living Index for the half-year ending June or December of any year should rise or fall by more than 10 points from 144 (1944=100), the dearness allowance for the succeeding half-year should be raised or lowered by one-seventh, in the case of clerks, and by one-tenth in the case of subordinates, of the dearness allowance admissible at the index level of 144 for each variation of 10 points. In accordance with this recommendation, a reduction in the dearness allowance fell due with effect from 1st June 1955, when the index dropped by 14 points to 130. The banks, however, have decided to make the cut effective only from 1st December 1955 instead of from 1st July of that year. Thus no recovery will be made in respect of excess amount paid to employees during the period July to November 1955.

These concessions clearly demonstrate the readiness of banks to view the cases of their employees with sympathy and understanding and not to stick to the letter of the law. Besides, the employees should also bear in mind that the cut in dearness allowance is not likely to be harsh on them, because the index number, to which the allowance is linked, has again tended to stage an upward trend since May last. Between May and September 1955, the latest month for which figures are available, the increase in the index has been of the order of 5.5 points. What is more, since September there has been a perceptible rise in prices of almost all commodities. Accordingly, the upward trend in the index figure is likely to continue into the new year that has just begun and the cut in dearness allowance they are now asked to take may not last for long.

In spite of the concessions shown by banks, if the bank employees were to take recourse to strike, it would be one of the saddest episodes in the history of employer-employee relations in this country. For, as the Prime Minister himself has stated, "the bank disputes has had a long history and have come up for consideration repeatedly in various ways. Ultimately, Mr. Justice Gajendragadkar was appointed to examine the Appellate Tribunal's award in the light of the conditions then prevailing. His recommendations were accepted by the Government *in toto* and later by Parliament. They were given effect to by the Industrial Disputes (Banking Companies) Decision Act, which came into force recently and is to remain in force till April 1959. Perhaps, no other industrial or like dispute has been so carefully considered in all its aspects as these bank disputes and every aspect has been weighed with the greatest care. The Government fully accepted the impartial and careful recommendations of Mr. Justice Gajendragadkar." In view of these considerations, the Prime Minister has advised the employees not to resort to strike. The Union Home Minister, Pandit Pant, too, has stated that the award is "quite equitable and just," and that the Government "considers the threatened strike by bank employees as unlawful."

The employees, however, seem to be in no mood to heed these wise counsels. The wayposters are displayed calling upon them to observe *hartal* on the 6th and 7th inst. indicates that they are going to abstain from work on those days. This attitude of bank employees strikes at the very root of the accepted method of settling employer-employee disputes in a peaceful and constitutional manner. It challenges the authority of Parliament by setting at naught the respect for the sacred laws of the land. And what is more, "it imperils," to quote Mr. Nehru, "the whole approach to the problem of adjudication," besides causing disorganisation to normal functioning of trade, commerce and industry by bringing to a standstill work in banking establishments. By disobeying the law of the land, they will be setting a very bad example for others and thus will lose the sympathy of the Government and the party-in-power which have always been in their favour.



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SHAPE OF THE BUDGET TO COME

GOVERNMENT GETTING PRICE-CONSCIOUS

From A Special Correspondent

NEW DELHI, *3rd January*

DELHI LETTER

IT has become customary to commence this column every new year with an assessment of budgetary prospects. With barely seven weeks to go for the announcement of the budget proposals, the Finance Ministry of the Government of India has become frightfully busy in compiling the necessary data for drafting the budget. The forthcoming budget is especially important for more reasons than one. Since the Government has to embark on the second Five-year Plan from April next, the budget proposals will have to be framed with an eye to the financing of that Plan. Since the resources of the country are limited, the financing of the Plan must be undertaken without producing any deleterious effect on the general economy of the nation. Again, the budget proposals should inspire confidence and foster the economic growth of the nation in an orderly way. Since deficit financing is expected to play an important role in the next Plan period, care must be taken to administer this dangerous and unpalatable dose in such a way as to minimise their evil effects as much as possible.

How far the Government will be able to raise resources through taxation and borrowing and what will be the quantum of deficit financing in the first year of the Plan are important questions for consideration. Although the quantum of tax money collected in recent years has been maintaining a steady increase, the position of export duties in the tax structure has been weakened considerably, following the complete return of a buyers' market. Again, for the first time in recent years, Government is likely to show a higher deficit than the budgeted figure for 1955-56. The collection of customs duties in 1955-56, for instance, is expected to fall below the anticipated figure of Rs. 164.5 crores. Although the realisation from the import duties is expected to remain steady, that from export duties will show a substantial decline. Since the export duty on jute goods was completely abolished from 1st August last, when Pakistan devalued its currency, the shortfall in this respect is estimated at Rs. 4.5 crores from the budget figure of Rs. 7.10 crores. The export duty on tea which was expected to fetch Rs. 30 crores will also show a marked decline. The trend in regard to exports of tea has not been impressive this year. There has been a considerable accumulation of tea stocks in Calcutta. Prices of tea have been coming down and since Government has adopted a sliding scale of export duty, the total tax yield from this source will not be more than that in 1954-55 when it was placed at Rs. 19.8 crores. Hence the shortfall here will be about Rs. 10 to Rs. 11 crores. The realisation from export duties on coffee, oilseeds and oil, etc., is also expected to show a decline. Export duty on raw cotton also will show a moderate decline due to the downward revision of the duty in the middle of the year. The shortfall in respect of these will be about Rs. 3 crores. The yield from the import duty on sugar and also the profit from the sale of sugar imported on Government account which was expected to fetch Rs. 8 crores in 1955-56 will record a substantial decline due to negligible sugar imports during the period under review and the cut in the selling price of sugar. In other words, the shortfall in all these items may amount to about Rs. 25 crores from the anticipated budget figure.

There may not be much change in the realisations from the Union excise duties. However, even here, it remains to be seen whether the substantial decline in the imports of mineral oil which is expected to amount to Rs. 60 crores in 1955-56, as against Rs. 90 crores in the preceding year, will have any adverse effect on the realisation from this tax. Since the progress of many industries on which excise duties are now being levied has been satisfactory this year, the outturn from them will be slightly above the budget figure. In view of the fact that the country's major and minor industries have been fairly prosperous with satisfactory margin of profit earnings and since the general industrial index has recorded an increase of nearly 10 per cent. over the preceding year, the yield from income and corporation taxes will show a moderate increase from the budget figure of Rs. 173 crores. There may not be much change in the yield from other taxes. Generally speaking, the deficit on revenue account which was estimated at Rs. 21.79 crores may widen to about Rs. 40 to Rs. 45 crores when the revised figures are presented on 29th February, 1956.

It is possible that the Finance Minister will be anxious to present a revenue budget of about Rs. 500 crores to begin with for the financing of the second Plan. Since the returns from customs duties will be showing a substantial decline due to the marked reduction in the export duties, he will be compelled to compensate it by a levy of more excise duties. He may, therefore, be expected to enhance the existing excise duties and also to levy new taxes on some of the industries which are not subject to duty at present. It is possible that excise duties will be imposed on some manufactured articles such as electric lamps, bicycles, sewing machines, etc., where production has gone up to a sizable extent during the last one year and where any levy of duty will fetch satisfactory revenue to the coffers of the Central Government. Similarly, the Finance Minister might consider favourably the levy of excise duties on such articles as have begun to replace the imported ones and on which import duty was being levied. Although the Planning Commission is reported to have suggested some theoretical taxes such as an annual tax on total wealth, a ceiling on personal incomes, etc., it is likely that the Finance Minister, as a practical administrator, will not countenance them, in view of their adverse repercussions on the general psychology of the private sector. On the contrary, he may prefer to exhaust other sources before taking up all these crazy suggestions.

This apart, the Finance Minister will naturally be keen on keeping down the quantum of deficit financing to the minimum level possible. With this end in view, he will try to get as much money as possible through borrowing from the public. Development expenditure for the first year of the second Plan may be fixed at about Rs. 850 crores, as against Rs. 700 crores this year. Since many State Governments have been reluctant to raise adequate revenue through fresh taxation, the Centre will have to foot their bill to a greater extent. A year ago, advances and loans to State Governments were estimated at Rs. 279 crores. It is possible that this will be raised to about Rs. 350 crores in 1956-57.

One notable feature during the past three years has been the increasing response from the public to Government loan flotations. During the current year, the Government was able to borrow Rs. 100 crores through National Plan Bonds, while the State Governments raised nearly Rs. 35 crores. Besides, small savings schemes are stated to have been yielding at the rate of Rs. 60 crores per annum. The Plan-frame originally estimated a net yield of Rs. 1,000 crores from public borrowing (about Rs. 600 crores from loans and Rs. 400 crores from small savings.) As no loan is maturing next year, the Government will have no problem of repayment. Accordingly, it is likely to budget for a greater sum by way of loans in order to strengthen its ways and means position. The target for the loan programme might be raised from Rs. 100 crores to Rs. 150 crores and that in regard to small savings to Rs. 75 crores. Besides, State Governments will be encouraged to raise more money through borrowing by appealing to local patriotism and sentiment. Even with the stepping up of all these targets, deficit financing during the first year of the second Plan will be about Rs. 200 crores.

One thing that is becoming clear in respect of Government's policy at the present time is that the spokesmen controlling the economic destinies of India are becoming extremely price-conscious. In other words, they will try to take necessary measures to prevent any runaway inflation in the country. The suspension of forward trading in the Bombay cotton market, the reported move to release stocks of wheat in order to prevent any further rise in the prices of wheat in the Hapur wheat market, the proposal to curb unhealthy activities in the country's stock exchanges, the disinclination of the authorities to allow the issue of new shares of well-established companies at par value, etc., are all pointers in this direction.

NEW YEAR—NEW CHANCELLOR

HARD TASKS AHEAD

(From Our Own Correspondent)

LONDON, *1st January*

LONDON LETTER

SIR Anthony Eden's reconstruction of his Government has left the former Chancellor of the Exchequer, Mr. Butler, still in a position to influence decisively economic policy—for he is Conservative Leader of the House and deputy to the Premier—but it has put the onus for basic formulation of Treasury policy fairly on the shoulders of Mr. Harold Macmillan. The new Chancellor comes to office at an unfortunate moment, when the good luck that blessed Mr. Butler's freeing of the domestic economy appears, temporarily at least, to have run out. He has an unhappy episode to live down, a problem to face and a policy to reconsider—these are his tasks for 1956.

First, there is what has to be lived down. Expanded production and overfull employment gave the former Chancellor budgetary surpluses that redounded to the credit of his party. But having been helped to win the election, Mr. Butler found that the external position of the country demanded curtailing inflation and the weapons he chose took away from the electorate just what his pre-election budget had given. And by attacking the housing subsidies and increasing indirect taxation, he could be charged with discriminating against the masses of wage-earners. Fairly or unfairly, the Opposition has been given great political capital on the favourite theme of "Tory promises" and ill-faith.

Second, there is the problem to face. Dear money and credit squeeze have had to be intensified in the attempt to restrict consumption to a point at which they inevitably restrict investment. The banks have been told that they can not *increase* their loans even for productive investment—about the most they can do is to advance working capital, provided this is turned over rapidly and provided this does not increase the total of bank credit. The full effects of the squeeze have not yet been felt—for they have been substantially absorbed by the running down of stocks, which has also had an exaggeratedly beneficial effect on the balance of payments. But, if the squeeze is prolonged, the more as well as the less desirable forms of investment are going to be affected. The financial weapon cannot discriminate—yet Britain's need today is for more, much more, investment if labour costs are to be reduced and exports to maintain, let alone increase, their competitive power. What is Mr. Macmillan going to do, so that the most desirable investment does not suffer?

Third is the policy to reconsider. When Mr. Butler came to power in 1951, he stole the Labour Party's clothes and improved them in the matter of liberalisation of foreign trade. The odd spectacle was seen of the Tory Party—traditional upholders of protection—driving hard for freer trade. That was because they had to show how different they were from the Labour Party, with its doctrine of "restrictions"; but also because liberalisation was generally recognised as the prelude to convertibility. And convertibility remained, throughout Mr. Butler's tenure of office, his ultimate objective. The dilemma of Conservative policy has been one that always faced orthodox economists—how to maintain a liberal policy in external trade and finance with freedom to develop the internal economy without constraints. But liberal philosophy was content to let the internal economy collapse and expand in response to external pressures. Will modern Conservative policy dare to do the same? Hardly, with a vigilant Opposition waiting to take advantage of any drop in employment or fall in the standard of living. So Mr. Macmillan must reconsider whether the pursuit of full trade liberalisation and convertibility are compatible with a continuously active domestic economy, or whether to pursue these objectives at the cost of continued restrictions on credit and the results this may have on investment. Of course, Mr. Macmillan may be as lucky as Mr. Butler was and not have to take any awkward decisions: but he must be facing 1956 with some trepidation, for his "moment of truth" may soon be here.—*All Rights Reserved.*

HINDUSTHAN CO-OPERATIVE INSURANCE SOCIETY LIMITED

NATIONALISATION MOVE HELD A DAMPER TO PRIVATE ENTERPRISE

DR. N. N. LAW'S SPEECH AT ANNUAL MEETING

ADDRESSING the Forty-eighth Annual General Meeting of the Hindusthan Co-operative Insurance Society Ltd., held at Calcutta on Wednesday, 21st December, 1955, Dr. Narendra Nath Law, M.A., P.R.S., Ph.D., Chairman of the Board of Directors of the Society, emphasised that the "rumour of nationalising the industry, which is spreading far and wide, is acting as a damper to private enterprise." He observed that Indian insurance which had just emerged from its "swaddling-clothes" was least fitted for nationalisation. Referring to the progress of the Society, he said that the increase of Rs. 11.55 crores to Rs. 30.44 crores in the new life business transacted in 1954 was "without a precedent in the annals of the Society" and they could "justly feel very proud of it."

The following is an extract from Dr. Law's speech:

"Before passing on to the details of the Society's working in 1954, I would like to say a few words about the economic and financial background against which we have had to work and are also working now. By the end of 1954, the fourth year of the first Five-year Plan, the effects of the increased expenditure on the private and public sectors were becoming somewhat noticeable. It was a matter for satisfaction indeed that both industrial and agricultural production continued to rise—the extent of the increase being about 40 per cent. in the industrial sphere and 20 per cent. in the agricultural sphere. An atmosphere of general well-being was at last being created. We profited by the same as reflected in our increased new business figures. And, indeed, we would have done the[illegible]tter but for two rather adverse factors. The [illegible]ession in agricultural prices hit the farmers once, [illegible]cent. [illegible]rd and, as such, this class, which is now fast in the[illegible]coming insurance-minded, could not be tapped [illegible]dividu[illegible]effectively as otherwise would have been pos[illegible]tal [illegible]ble. Secondly, the unemployment position [illegible]and [illegible]continued to be as bad as ever and, as a matter of [illegible]fact, it is likely to be worse at the end of the first Plan period as has been admitted even by Mr. C. D. Deshmukh, our Finance Minister, in a recent assessment of the achievements of the first Five-year Plan. This coupled with the continuing high cost of living considerably crippled what otherwise promised to be a rapidly expanding field for catering by the life insurers.

Outlook Promising

"Though the general economic background was thus not as satisfactory as we had expected the same to be, the prospects for future growth of the business would appear to be quite reassuring in view of the targets of achievements set before the country under the second Five-year Plan. Under quite adverse working conditions in the past, Indian insurance was eminently successful in bringing the message of life insurance to the nooks and corners of our vast country. Carrying the benefits to the interiors, where means of conveyance, road facilities and other amenities were much too meagre, Indian insurers had naturally to incur rather high organisation expenses. The time is now coming when we shall be able to reap the benefits of our past endeavours, and it would indeed be a pity if the insurance business were prevented from doing so at this juncture because of Government policy.

"I can say without hesitation that the rumour of nationalising the insurance industry, which is spreading far and wide, is acting as a damper to private enterprise. While State ownership of industries may be one of the fundamentals of a welfare State, I must say that insurance, which has just emerged out of its swaddling-clothes, is least fitted for nationalisation in this country. The prompt and efficient service that is essential for the development of insurance business cannot be expected from State-controlled organisations in the same measure as private insurers offer under competitive conditions to their prospective policyholders. It is truly said that State enterprise sells security but cannot sell security and service together. Nationalisation of the insurance industry will on the one hand fail to serve any national interest and on the other it will prove to be a positive hindrance to the promotion and expansion of the industry in India. Government should, therefore, consider the issue with a more objective outlook and leave the industry to grow to its full stature by healthy competition as a private enterprise under which it has made such a remarkable progress so far.

New Business

"I am extremely happy to be able to say that, during 1954, the Society has written a completed new business to the tune of Rs. 30.44 crores as against Rs. 18.89 crores in 1953, which marked a record increase of over Rs. 11.55 crores over the corresponding figure of the previous year. An increase of business of this magnitude is without a precedent in the annals of the Society and we can justly feel very proud of it. The results are all the more gratifying in view of the fact that we did not participate in the rate-cutting war which was indulged in by some insurers at the beginning of the last year, and that our line of action was just was upheld by the decision of the executive Committee of the Life Insurance Council, which forced these companies to withdraw those rates and introduce more sound and rational rates.

Total Income

"The total premium income during the year under review in respect of the life insurance business amounted to Rs. 4,87,85,598 which shows an increase of Rs. 53,54,878 over the 1953 figure. Income from interest, dividend and rents, including profits on sale of landed properties, amounted to Rs. 78,35,279. The rate of interest, dividends and rents, etc., during the year worked out at 3.32 per cent. after deduction of income-tax at source as against 3.69 per cent. of the previous year. The difference is mainly due to the fact that while in 1953 we received the refund of income-tax for three years upto 1952, we received nothing in 1954 on this account. If the income tax refund for 1953 were available in 1954, the net rate of interest for the year of account would have worked out at 3.54 per cent.

Life Fund and Investment

"The life assurance fund at the end of the year amounted to Rs. 25,19,15,721, recording an increase of Rs. 2,72,70,891 over that of 1953. The major heads of investment of the fund were—

	Rs.
Government and approved securities	13,95,70,310
Debentures, stocks and shares ...	3,22,75,958
Loans to policyholders	2,05,53,209
Mortgages	2,81,33,358
Land and House	2,67,11,083

"Government and approved securities represent 59.90 per cent. of the total adjusted liabilities.

Claims

"During the year under review claims on maturity, inclusive of bonus, amounted to Rs. 87,05,917, and by death, inclusive of bonus, to Rs. 35 63,361 as against Rs. 71,13,328 and Rs. 31,88,843 respectively in 1953. The percentage of death claim to the total premium income worked out at 7.53 per cent. as against 7.34 per cent. of 1953.

Expenses

"The renewal expense ratio in respect of the Society's business in India, calculated on the basis of Rule 17D of the Insurance Rules, worked out at 14.36 per cent. as against 14.58 per cent. of the year previous. The renewal expense ratio has thus been steadily coming down since the past two years. To break the stalemate in new business, which had set in the Society's business till about the middle of 1953, we had naturally to expand our organisation and, as is well known, the benefits of such expansion take a little time to fructify in insurance. Further, owing to the reduction of premium rates which was quite substantial under certain tables, the yield of new premium income was proportionately lower. Judged in the light of these handicaps, the expense position may be considered as quite satisfactory and this also bears sufficient testimony to the efficient management of the Society's affairs.

Shareholders' Position

"The position of our shareholders' account is satisfactory and this year also the dividend at a rate of 12½ per cent. free of income-tax is being recommended for payment to the holders of all shares of the Society as on 31st December 1954.

Conclusion

"Before I conclude, I must extend, on behalf of the Board, our very sincere thanks to our numerous policyholders and patrons for the generous support they have been lending the Society and, I hope, they would continue to extend their valued patronage in the years to come. I would also like to express our appreciation of the valuable services rendered by the Chief Officer, other officers, members of the staff at the head office and branches and representatives of the Society."

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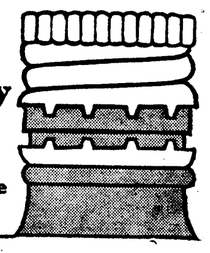

ACTION ON RURAL CREDIT SURVEY REPORT

MR. RAMA RAU'S CALL FOR INQUIRY INTO UNEMPLOYMENT PROBLEM

IT is now a year since the memorable report of the All-India Rural Credit Survey Committee was published. All the time the Report has continued to engage the attention of the State Governments, the Central Governments, the Reserve Bank of India, and the leading co-operators in the country. But till now very little information was available to the general public as to the way in which the recommendations embodied in the Report were being implemented, though the few laws relating to rural credit enacted by Parliament, the establishment of the State Bank of India and the appointment of a third Deputy Governor to the Reserve Bank to look after the responsibilities of the Bank in dispensing rural credit, were proof enough to show that the Government was not sleeping over the Report. This lacuna has now been filled by Mr. B. Rama Rau, Governor of the Reserve Bank of India, in his stimulating address to the Annual Conference of the Indian Society of Agricultural Economics held at Poona last week. This address is notable for two reasons. First, it gives a brief account of the action that has followed the publication of the Report mentioned above and of the work that lies ahead in implementing the momentous programme for bringing into existence the integrated rural credit system. Secondly, it gives a timely warning against the dangers of "a remedy based on wrong diagnosis and applied at the wrong place" to cure the growing unemployment in the country. This warning, coming, as it does, from the head of the central bank of the country which is keeping close watch on the progress of the Indian economy, should be heeded with utmost consideration by all responsible sections of the public, which have at heart the well-being of the nation as a whole.

Describing the action taken on the recommendations of the Rural Credit Survey Committee's Report, Mr. Rama Rau said that they were first considered by the Reserve Bank's standing Advisory Committee on Agricultural Credit in January 1955, and by the Conference of Co-operators which met at Patna in the following March. Both these bodies accepted the frame work of the suggestions embodied in the Report. The recommendations were again discussed by the Ministers for Co-operation in States at a meeting held in Delhi in April 1955. This Conference, while adopting most of the recommendations, decided that the second Five-year Plan should be framed in such a way as to increase (1) the membership of the primary agricultural credit societies from 5 million to 15 million, (2) the short-term loans to rural credit societies from Rs. 30 crores to Rs. 150 crores. (3) the medium-term loans from Rs. 10 crores to Rs. 50 crores and (4) the long-term loans from Rs. 3 crores to Rs. 25 crores during the five-year period ending 1960-61. The State Governments drafted their second Five-year Plans in accordance with this decision. These plans were examined by the Planning Commission and its conclusions were communicated to the State Government for adoption in their programmes.

State Programmes

After narrating the preparatory action taken on the Report as above, the Governor of the Reserve Bank proceeded to describe the outstanding features of the State programmes. The central feature of these programmes was the State participation in co-operative credit, processing and marketing. The States have planned to subscribe, according to Mr. Rama Rau, *directly* to share capital of their Co-operative banks, and *directly* or *indirectly* to the share capital of Central Co-operative banks and large co-operative credit societies. For this purpose, the Reserve Bank is expected to make long-term loans to State Governments of the order of Rs. 20 crores from the National Agricultural Credit (Long-term Operations) Fund which has been created by statute. Again, under the programme, the State Governments have provided about Rs. 6 crores for participation in the share capital of co-operative marketing and processing societies at the State, district and primary levels. These loans are to be financed by the proposed National Co-operative Development Fund to be created in future. The credit and non-credit societies are to work together in granting loans for productive purposes as well as in recovering them after the produce is marketed.

Since the success of marketing depends on good storage facilities, the State plans envisage construction of adequate number of godowns and warehouses throughout the country. These godowns are to be constructed at (a) marketing centres where the produce will be ultimately disposed of, (b) village centres where the produce of the village is collected for purposes of transport to marketing centres, (c) important centres of the State and (d) at strategic points. It is stated that a sum of Rs. 4.30 crores has been earmarked for the construction of godowns at marketing centres and Rs. 4 crores at village centres. The warehouses at important centres will be constructed by State Warehousing Companies and at strategic centres by an All-India Warehousing Corporation.

The Government of India is stated to be examining the various details regarding (1) the establishment of Warehousing Corporations, (2) the State Warehousing Companies and (3) an All-India Development Board to co-ordinate the activities of the Warehousing Corporations and the co-operative marketing societies. A programme to give effect to its decisions thereon is, according to Mr. Rama Rau, likely to be placed before Parliament shortly. The Registrars of Co-operative Societies in India, at their meeting held a few weeks ago at Hyderabad, reached certain decisions to give shape to a country-wide scheme of integrated rural credit and marketing. These decisions are expected to set the stage for launching the scheme of reorganisation of rural credit.

Training of Personnel

Since the expansion of rural credit in the country depends upon the provision of trained personnel, the Governor referred to this subject also, and explained the action taken so far by the authorities in this direction. The Central and State Governments have, it is stated, earmarked Rs. 13 crores for this purpose. The Central Committee for Co-operative Training, constituted jointly by the Union Government and the Reserve Bank, has been extremely active, making arrangements for training personnel on a country-wide scale. There is already an all-India centre at Poona for imparting training to persons for manning the higher posts of the Co-operative Departments and institutions. Besides, at Poona, Madras and Pusa, three regional co-operative training institutions are functioning for training intermediary personnel, and two more are expected to be started this month at Indore and Meerut. The expenditure on these two grades of institutions is being entirely borne by the Reserve Bank. The training of sub-ordinate staff has been treated as the responsibility of the States. The Union Government has, it is stated, provided funds for subsidising these training centres. Twenty-three institutes have already been established and about 10 more are expected to be started within the next six months. In addition to these, two centres at Gopalpur-on-sea in Orissa and Hyderabad, have commenced work for training Block Level Officers of the National Extension Service.

Another step taken by the Government for dispensing rural credit on a nation-wide basis was the conversion of the Imperial Bank into the State Bank of India. Since the establishment of the latter, the pace of opening new branches in rural areas has been accelerated. The former Imperial Bank had agreed to open 114 branches during 1st July 1951 to 30th June 1956, but only 63 branches had been opened during the four years ended 30th June 1955. The State Bank, since its inception in July 1955, has opened 20 new branches and this has to be speeded up, as the Bank is under a statutory obligation to establish 400 new branches during the first five years of its existence. When completed, it would be, to quote Mr. Rama Rau, "a very considerable contribution to rural credit—through extension of credit to small-scale industries, responsible support to co-operative institutions, for example, marketing and processing societies and vastly extended facilities for cheap and ready remittance of money." Already, a hundred such centres selected by the State Bank are now under the consideration of the Government of India for approval.

Rural Unemployment

As one closely connected with the responsibility for organising provision of rural credit, Mr. Rama Rau could not but view with concern the way in which the problem of rural unemployment was being tackled in this country. Although he did not refer directly to the controversy regarding the *Ambar charka* which is raging in the country at present, he must have had it at the back of his mind when he analysed the different aspects of unemployment. He pointed out that among the methods by which this problem had to be tackled were the expansion of household and hand industries and curbs on the production of consumer goods in factories "until unemployment is liquidated or brought under control." These proposals, he said, involved a revolutionary approach to the problem of unemployment in the country. He was of the view that the approach was so far "not based on a comprehensive expert enquiry into the extent, nature and distribution of unemployment in rural and urban areas." He seemed to note with some disappointment that even the report of the Panel of Economists did not indicate the material on which the far-reaching proposals were based. Further, the Reserve Bank, too, had no statistics of unemployment on the basis of which policy decisions could be made. Such figures as were available seemed to indicate, he remarked, that some of the implied assumptions on which the conclusions in the Plan-frame were based were certainly debatable, if not fallacious. He referred, as an instance, to the assumption that curbs on the production of consumer goods in factories, which were mostly in urban areas, should be imposed until unemployment was liquidated. "This assumption seems to be" to quote Mr. Rama Rau "that unemployment, especially in the villages, is a short-term phenomenon of the kind familiar in organised individualistic countries, and that it is more acute in the villages, and that, consequently, exceptional temporary measures to curb production in urban factories and mills would be justified, with a view to stimulating village industries and providing more employment."

An Unsound Assumption

Mr. Rama Rau's comments on this assumption clearly prove how it is not based on firm foundations. He pointed out that, in view of the increased agricultural production, thanks, among others, also to an increase in the acreage cultivated, it was likely that the number of persons employed in agricultural operations could not have decreased. There might have been, on the contrary, an increase in the number employed in these operations.

Secondly, between the two census years 1941-51, while the rural population increased by about 9 per cent. only, the urban population rose by over 41 per cent. The percentage increases between 1931 and 1941 were 12 rural and 31 urban. It was clear from this, Mr. Rama Rau said, that there had been a continuous large-

(*Continued on page 42*)

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TAXATION OF BONUS SHARES

"NO JUSTIFICATION FOR IT," SAYS AN EXPERT STUDY

THE problem of taxing bonus shares has been exercising the mind of the Government for some time. Early in 1954, the Government instructed the Capital Issues authorities to stop sanctioning applications for issue of bonus shares, ostensibly pending the Report of the Taxation Enquiry Commission. The Commission unequivocally rejected as untenable the case for taxing bonus shares. Since then, the Royal Commission on Taxation in the United Kingdom has also given a clear verdict against taxation of bonus shares. The Government, however, while allowing sanction to be given to the issue of bonus shares, has kept its hands free to tax such issues.

In spite of the findings of the Taxation Enquiry Commission and the U.K. Royal Commission, a lot of misunderstanding remains in the public mind on the subject—perhaps, owing to the complicated nature of corporate finance. What are bonus shares? Why are they issued? How do they affect corporate finance? Do the companies or shareholders obtain any benefit from them? What are the implications of taxing bonus shares? These questions are repeatedly asked, and need to be answered. A small but well-produced brochure, entitled *Taxation of Bonus Shares*, recently published by the Association of Indian Trade and Industry, Bombay, comprehensively deals with the subject of bonus shares and, in the process, provides the answers to these questions.

Cycle of Capital Growth

The brochure describes in detail what it calls "the cycle of capital growth in the corporate sector," namely, "the initial investment of equity capital into active assets, the raising of additional capital by way of loans against the security of such assets, the retention of a part of the profits earned for ploughing back into the business, and the formal 'capitalisation' of accumulated reserves made out of such retained profits."

Capitalisation does not involve any change in the assets or liabilities of a company. It merely rearranges the capital structure of the company, by increasing the paid-up capital item on the liability side of a company's balance-sheet by the amount of reserves capitalised, and correspondingly reduces the amount under reserves, leaving all other items as well as the total on either side of the balance-sheet unchanged. Obviously, therefore, the company derives no tangible benefit by issuing bonus shares, for capitalisation neither adds to its assets nor reduces its liabilities, nor does it increase its productive or earning capacity.

No Benefit to Shareholders

Does a shareholder derive any benefit in receiving bonus shares? The brochure gives the answer in the negative, and deduces four reasons in support of its answer: (1) A shareholder acquires no cash or other asset in receiving bonus shares; (2) his proportionate share in the company's property does not increase, for other shareholders receive bonus shares in the same ratio; (3) he does not automatically become entitled to receive higher dividends—in fact, once reserves are capitalised and are amalgamated with capital, they cannot be distributed to shareholders except by following the procedure laid down by Company Law for reducing share capital; and, finally, (4) the market value of his shares—original *plus* bonus—after the issue of bonus shares remains roughly the same as that of his original shares before the issue of bonus shares; this is because on the Stock Exchange shares are revalued constantly—when a company's net worth increases, its shares go up in value; when the number of scrips rises, the value of each must fall.

The brochure gives two tables to prove these last two points. In one, the share values and dividends before and after bonus shares were issued are compared in respect of companies which issued bonus shares between 1954 and 1955. These show a small net rise both in dividends and in the market values of shares; the brochure attributes this to the market's speculative interest in shares of companies whose financial strength is confirmed by the issue of bonus shares. The second table shows that shares and dividends of other companies which did not issue bonus shares also showed comparable movements.

If bonus shares afford no direct advantage either to shareholders or to the company issuing them, why issue bonus shares at all? The study does not deny that there are advantages, albeit indirect, in the issue of bonus shares. These are mainly three: (1) Capitalisation brings about a better balance between the paid-up share capital of a company and the amount invested in active assets, as also between the profits of the company and its paid-up capital. "People are accustomed to judge the size of a company by its paid-up capital, and the capitalisation of its reserves" to quote the brochure, "helps present to the public a truer picture of its capital position. . . . The public are usually unaware of the amount of free reserves or the active assets of the company, and they are wont to judge the profits and dividend distribution as a proportion of its paid-up capital, rather than the capital employed in the business or the company's net worth (paid-up capital *plus* free reserves), as they ought to do." (2) By magnifying earnings in relation to paid-up capital, low capitalisation gives a handle to trade union leaders. (3) Capitalisation "helps to conserve corporate savings, the principal source of industrial capital in advanced countries, by eliminating the likelihood of their dissipation through distribution as dividend to the shareholders or bonus to labour. . . . Capitalisation makes the company's capital and the shareholders' title secure, renders investment in the company's debentures attractive, and improves the company's borrowing position."

Tax on Bonus Issues

As companies pay income-tax at the maximum rate (four annas in the rupee) and also super-tax (corporation tax) at the prevailing rate (2¾ annas in the rupee), a tax on the capitalisation of reserves would amount to taxing again an income that has been already taxed. Section 23A companies would also pay an additional super-tax at 4 annas in the rupee on their undistributed profits in excess of stipulated limits; to tax again such profits when they are capitalised would tantamount to multiple taxation of their income. It would also not be proper to levy a differential stamp duty on the issue of bonus shares, for, unlike companies which, by issuing shares for cash, acquire assets, companies which issue bonus shares do not acquire any assets, cash or other.

It would be equally inadvisable to tax shareholders receiving bonus shares, for thereby they derive no tangible capital or income gain: further, under the present income-tax law, any person who makes a profit by frequently buying and selling shares is taxed if such profit is regarded as capital gain—irrespective of the reason for such price rise; the tax authorities always take into account bonus issues in calculating profits from share transactions in the case of those who are not considered as genuine investors. "The most devastating argument against a tax on bonus issue," according to the publication under reference, "is that its yield would be negligible as it would be the easiest to avoid. Since capitalisation of reserves does not afford any tangible benefit, the great majority of companies would prefer to let their reserves remain uncapitalised and very few companies would find the advantages of capitalising reserves worth the tax. Therefore, the tax would not fetch any revenue to speak of, and the adverse effects of such a levy would be out of proportion to its yield."

Some Possible Arguments Analysed

The brochure then examines in detail some other arguments for taxing bonus shares. One of them is that companies get a rebate of one anna in the rupee in respect of their undistributed income. But since capitalisation does not lead to the distribution of any assets—on the contrary, as stated earlier, it prevents such distribution—this does not justify taxation of bonus shares.

By the 1955 Finance Act, bonus shares are no longer included in the paid-up capital of Section 23A companies for determining the limit of profit retention, after which they are required to distribute 100 per cent. of their profits. This closes one loophole through which such companies avoided compulsory distribution of all their profits by capitalising their reserves and thus pushing up their limit of profit retention.

Another possible loophole available to all companies is also referred to by the brochure. This lies in the definition of 'dividend under Section 2(6A)(c) of the Income-tax Act, under which capitalised reserves are not included in reserves which are taxed in the hands of the shareholders on their distribution to them on the liquidation of a company. "The prevention of such avoidance by amending Section 2(6A)(c) to include within the definition of 'dividends' also the capitalised reserves of a company is not practicable," says the brochure, "because it would lead to the unjust taxation of those ultimate holders who might have paid for their shares prices based on consideration of the reserve position in respect of benefits that had been cashed by the previous holders. In any case, such avoidance can be easily prevented by instructing the Capital Issues authorities to refuse sanction for bonus issues where an intention to avoid tax is indicated, or to sanction them subject to the condition that the companies should not suspend business and liquidate for a specified period."

It may be argued by some that the Treasury loses revenue when shareholders liable to pay super-tax leave profits with the company. In the case of Section 23A companies where such a possibility exists, our income-tax law provides for compulsory distribution of profits, and, in cases of failure to do so, an additional super-tax at 4 annas in the rupee. In the case of public companies whose share-holding is widely distributed, the argument of tax avoidance may prove double-edged; against the super-tax that would be payable by super-tax paying shareholders has to be placed the refund of income-tax that would have to be made to shareholders who are not liable to pay income-tax at all or income-tax at less than the maximum rate. Unfortunately, the brochure does not attempt to make calculations to determine the net tax position; figures of refund from the reports of the Central Board of Revenue indicate that the refund already

(*Continued on page 55*)

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LICENSING OF NEW COTTON SPINDLES

MR. KRISHNAMACHARI DOES NOT FAVOUR ANY RESTRICTION

THE Government of India is currently faced with a new facet of the controversy of its own creation, cotton mills *vs.* handlooms and the *charka*. It is common knowledge that the Cabinet is sharply divided over the recommendation of the Karve Committee that all further expansion in the demand for cloth should be met by handlooms and that the additional yarn required by handlooms should be produced on the Ambar *charka*. The Committee has also stated that till the technical efficiency of the Ambar *charka* is tested and proved, no further licensing of new spindles should take place. Mr. Gulzarilal Nanda, Minister for Planning, fully supports this stand, while Mr. T. T. Krishnamachari. Minister for Commerce and Industry, feels that there should be no suspension of licensing new spindles. When the question came up for discussion in the Congress Parliamentary Party early in December last, Mr. Nehru referred it to a sub-committee of the Party to consider the pros and cons and arrive at a decision. Since then, both schools of thought have been apprising the Party and the members of the Planning Commission with their respective points of view. Mr. Nanda and Mr. Krishnamachari have submitted to the Sub-committee, as well as to all the members of the Party, detailed notes elucidating their conflicting stand. Mr. Nanda argues that, already, licences for establishing such a large number of spindles have been issued, that there is substantial room for intensive utilisation of the existing spindles and that nothing will be lost if licensing of spindles is suspended, while Mr. Krishnamachari points out, in effect, that the country will run the risk of a scarcity of cloth if the former's stand is followed. Meanwhile, there are unconfirmed reports that the Government has informally decided not to issue any more licences for the erection of new spindles.

In their notes, Mr. Krishnamachari and Mr. Nanda have given certain interesting statistics and made certain observations which are worthwhile being recorded in these columns. In view of their length, however, it is proposed to cover only the note of Mr. Krishnamachari in this issue, leaving Mr. Nanda's note for coverage in our next issue.

Sounds Strange

It must be stated at the outset that the views of Mr. Krishnamachari have only a partial resemblance to those of millowners and that he still remains very much a convert to the handlooms. He does say that the capacity of the mill industry must be expanded, but promptly qualifies it by saying that it should be only to a limited extent in the weaving sector, though he seems to be in favour of large-scale expansion of the spinning capacity. The extent of expansion in the weaving capacity of mills envisaged by him is not even 500 million yards, even though he is sceptical of the capacity of handlooms to meet the expected increase in consumption in the coming years. This sounds strange, for here is a responsible Minister of Government who knows, from personal experience, that the handloom industry cannot deliver the goods which people want in time and at the right prices and yet he is not bold enough to advocate a more rapid expansion of both the weaving and the spinning sectors of the mill industry.

As already stated, Mr. Krishnamachari is very sceptical about the capacity of the handloom sector to meet, to any significant extent, the considerably enlarged demand for cloth in the next five years. He says: "My own feeling, with the experience of intense working in the field for nearly three years, is that, over a period of five years, we can only envisage an expansion of the handloom sector *without the aid of power* (italics ours) by about a thousand million yards. It averages about 200 million yards a year." He, of course, admits that, with a carefully planned introduction of powerlooms in the handloom sector, the production can be doubled during the five years. But he emphasises that this will require a tremendous amount of organisational effort and a certain amount of capital expenditure. If that position is accepted, expansion in the weaving field, he says, can be left to "the decentralised sector," by which he means handlooms. It may be mentioned here, in parenthesis, that the Karve Committee is opposed to the introduction of powerlooms in the handloom sector. Accordingly, here again, Mr. Krishnamachari's views clash with those of the supporters of the Karve Committee.

Even granting that handlooms are converted into powerlooms, the Commerce and Industry Minister feels that *some* (italics again ours) expansion of the mill sector will have to be thought of in order to reach the target figure. Elucidating this point, he observes:

"It (expansion of the mill sector) has necessarily to be very limited. It may be in the region of just that additional amount of cloth we need for export—350 million yards. In order to sustain the present export demand, quite a number of the looms that are now working has to be scrapped. Japanese competition is getting very severe and they produce very good quality cloth. While modern looms do not increase production and, in fact, to some extent, they produce a little less than the conventional looms, they produce better quality cloth. It may be that, if additional looms are given to the mills, they may be distributed in areas where no loomage now exists. It may even be possible that we can introduce modern equipment consistent with our policy of safeguarding labour interests in those mills which cater to the export trade. But all these are matters of careful calculation and precise working out."

Utilisation of Capacity

Alluding to the contention that the production of cloth in the mills must be augmented by increasing the number of shifts, that is, by intensive utilisation of the entire existing capacity of the mill industry and not by installing more spindles, Mr. T. T. Krishnamachari categorically declares that there cannot be any material augmentation to the existing spindles in the first-shift working, except by the addition of fresh spindle capacity and that there cannot be any utilisation of the idle capacity, except by replacement of existing spindleage. In support of this view, he gives the following statistics:

The total number of spindles installed (as on 1st January 1955) is 11.96 million. The number of spindles working first shift is 10.13 million, second shift 9.46 million and third shift 3.59 million. About 22 mills have closed down, of which five are spinning mills and 17 are composite units with a total installed spindleage of 436,360. In assessing how much of the total installed spindleage can be effective, the figures given below may be useful:

(In thousands)

Spindles in mills which are closed and are unlikely to start working ...	440
Spindles which are kept idle on account of repairs, cleaning, oiling, etc. (5 per cent of the total)	600
Absenteeism	300
Spindles which are in a dilapidated condition in the mills which are running	500
Total ...	1,840

The above total, if deducted from the total installed spindleage, comes to very nearly what is working in the first shift. Similarly, there is, Mr. Krishnamachari states, no possibility of raising the number of spindles working in the second shift. For, according to him, it is not always possible to work a second shift up to a figure which is coterminous with the figure of the first shift and any such assumption would be only arithmetical and not practical. The present capacity which does not work the second shift is 0.67 million spindles and it is said that, if these could also be worked, they could produce a certain amount of cloth. According to the figures of production available to us on the basis of 4 oz. per spindle, these 0.67 million spindles might give us 55 million lbs. of yarn which is sufficient to produce 224 million yards of cloth. But this has to be ruled out as a possibility in the same way as any increase in the working of idle spindles in the first shift.

Third-shift Working

Mr. Krishnamachari also rules out the possibility of large-scale third-shift working (where, at present, 3.6 million spindles are now worked) on the following grounds:

"The difference between the first shift and the third shift is about 6.3 million spindles and that between the second shift and the third shift is about 5.9 million spindles. But these assumptions are not practicable. The resistance to third-shift working is very general even in highly industrialised areas, because the third shift usually starts working round about midnight. Nor are the employers very anxious to work the third shift, because it means higher costs in terms of wages and is less efficient so far as the outturn is concerned and greater wear and tear. The deciding thing so far as the employers are concerned is the profit factor in working the third shift. In the non-industrial areas, the resistance of labour to working the third shift is very pronounced. With the best will in the world, it will be difficult to get them to work the third shift all over the country. There is yet another factor. Roughly 20 per cent. of the mills has worn-out machinery, some of them were bought early in this century or even later in the last century. There is a possibility of increasing the number of third-shift working for a time by about 20 per cent. which might give us, in terms of yarn, about 50 million lbs. and, in terms of cloth, about 230 million yards. But it would require some effort and, if the natural inclination of the management and the workers were allowed to operate, it might not be achieved."

The Commerce and Industry Minister refers next to the question of new spindleage capacity for which licences have been issued which, he says, should be taken into account in assessing the possible production of cloth during the second Plan period. At the outset, he makes it clear that, even if all these licences materialise —which it would not—the period of time over which they would be installed would be spread over a number of years. This would be so because of the fact that many of the licensees have not got the finance, and, secondly, the question of availability of machinery—indigenous and foreign, is a difficult one. Orders booked so far with indigenous producers will take them up to two years to deliver and a similar position obtains in most of the foreign countries. In the case of those who have not yet placed orders, the delivery dates will have to be taken beyond two years. It is thus obvious that any calculation of rise in output from this increased spindleage will certainly go to the third year of the Plan and, possibly to the fourth year.

Licences for New Spindles

Incidentally, it is revealed that, during the 12 months ended June 1955, licences for 1.6 million spindles were issued. Out of this, very nearly 300,000 spindles have been installed. The balance is about 1.3 million. Since July, another 800,000 spindles have been issued, so that the total number of spindles to be installed is 2.1 million. Out of this Mr. Krishnamachari expects that about 1.5 to 1.7 million spindles will actually be installed, unless, of course, an absolute ban occurs on the installation of new spindleage. On this basis and assuming that all these spindles work two shifts 100 per cent., the Minister estimates the output of yarn at 269 million lbs. (or 1,211 million yards of cloth). But one cannot, he argues, take into account that the new spindles will work 100 per cent. In fact, provision will have to be made, as in the case of existing spindles, for repairs and overhauls, absenteeism, breakdown, power cuts, etc. He, therefore, thinks that it will not be safe to calculate that only 87.5 per cent. of the new spindles will work. This means that one will have to take out 151 million yards from the 1,211 million yards of cloth. Accordingly, he estimates that the additional yardage provided by working three shifts wherever possible—the possibility of any great increase in third-shift working is ruled out—and by the utilisation of new spindles to be installed over a period of years, extending, perhaps, to the fourth year of the Plan, will be about 1,360 million yards only.

As against this, Mr. Krishnamachari estimates the aggregate requirements of cloth—for both internal consumption and export—at the end of the second Five-year Plan at 9,250 million yards, that is, 2,500 million yards more than the current estimated output of 6,750 million yards. Of this quantity, domestic consumption will account for 8,000 million yards and exports for 1,250 million yards, including the anticipated additional export demand of 350 million yards. The estimate of internal consumption is based on a *per capita* requirement of 20 yards for a population of 400 million. This means that the country will have to produce an additional 2,150 million yards of cloth for internal consumption by about the fourth or the fifth year of the Plan; it may be that the anticipated consumption level will be reached well before the fourth year. With regard to exports, Mr. Krishnamachari cites the following figures:

India's exports are at present in the region of 850 million yards of mill cloth and 50 million yards of handloom cloth, without taking into account the yardage fixed under trade agreements. The target at the end of five years is fixed at 1,250 million yards, "a very modest target," to quote him. If a provision of 75 million yards of handloom cloth is made towards this target, the requirement of mill-made cloth will be in the region of 1,175 million yards, a quantity which is 325 million yards more than what is now being exported.

If this additional 325 million yards from the mills *plus* the additional 25 million yards from the handlooms—that is, 350 million yards—is

(*Continued on page* 55)

MILLOWNERS' CALL FOR REVISING WAGES TO RAYON WEAVERS

IMPROVEMENT IN TRADING CONDITIONS

By Our Special Correspondent

MANCHESTER, 23*rd December* 1955

MANCHESTER LETTER

WHAT may well turn out to be a head-on clash between the employers and unions in the weaving trade in Lancashire on the wages issue has been precipitated by the action of the millowners in choosing this particular moment to call for a revision of the existing system of payment for rayon cloth manufacture. All seemed set for the modern procedure of wage application, rejection, submission to arbitration, and appropriate award, when out of the blue the employers struck first.

Union leaders were actually in conference deciding the extent of their claim when a letter was handed in requesting a joint meeting with the Weavers' Amalgamation to consider a fundamental change in the rayon weaving wage structure. It is, therefore, now far more difficult to predict developments.

The system of paying a premium for weaving rayon yarn and staple is now an anachronism which requires some adjustment, particularly as it penalises the Lancashire manufacturer in this competitive era. It stems from a time when the synthetic fibres were new and untrustworthy and needed extra care and attention. Now the converse is largely true and it is easier to weave man-made fibres than cotton yarn.

Prospects, therefore, are increasingly confused by this fresh complication. The unions will obviously press on with their general claim for an advance of 10 per cent. for all workpeople in the spinning and weaving trades. The manufacturing employers may reject this application until their own proposal is considered. In fact, the arbitration panel may eventually be approached by both sides claiming a dispute on similar but not identical issues.

Better Trade

The Lancashire cotton industry is climbing slowly out of the recession. The Cotton Board disclosed in a report to 5,000 firms that the lowest point in the present slump was reached in August when the rate of output per working day in both spinning and weaving was 19½ per cent. less than the peak level reached in October 1954.

"Since August there has been a certain recovery. The latest figures show a level of output 15 per cent. below the peak in weaving and 14 per cent. in the case of spinning," said the report. "The increase has been more pronounced in the case of man-made fibres."

The Cotton Board said that the "modest improvement" in the volume of orders received appeared to have been entirely due to home-trade demand—a seasonal expansion of business was expected at this time of year. There had been no improvement in export demand and uncertainty over the future of raw cotton prices continued to exert an unfavourable influence.

"Although the records show that shipments of cotton piecegoods from the United Kingdom increased from 117 million square yards in the second quarter of the year to 143 million in the third quarter, this was merely a result of the dock strike which held up shipments during June," said the report. "In reality, the trend of exports is still downwards."

Order Books

A material improvement in trading conditions in the cotton spinning industry since the end of September was reported by Sir John Reynolds, Chairman of Combined English Mills, the Manchester spinning group, at the annual meeting.

"Our order book has lengthened but it is not yet long enough to guarantee a smooth running future," he said. "Nothing has happened to give real confidence in the level of raw cotton prices, but wholesale figures for October were the best since March 1951, and stocks have contracted further. Retail sales are reported at well over 10 per cent. up to last year with no increase of stocks to support them."

Full replenishment of stocks was improbable, Sir John said, until the American Government removed "the Sword of Damocles" at present held poised above the market. Some pronouncement of policy was expected from American Government sources in the early weeks of the New Year. The whole cotton trading world hoped for an elucidation of policy which would return prices to control by the normal laws of supply and demand.

Certain Eastern markets, Sir John disclosed, had been buyers in Lancashire in recent weeks for the first time for many months.

Cotton Price Trends

High labour costs will handicap the Lancashire cotton industry in world markets if raw material prices fall—unless the mills are streamlined to keep production costs down, according to Mr. John Lindley, President of the Manchester Cotton Association.

Addressing the annual meeting of the Association, he forecast a fall in raw cotton prices, whatever action the United States Government took to dispose of its surplus cotton stocks.

"This should lead to a greatly increased world demand for cotton textiles but it also means that the raw material price will become relatively less important in the price of finished products," said Mr. Lindley. He added: "Therefore, as the market expands the United Kingdom will be adversely affected to an even greater extent by its high labour costs. This underlines the urgency with which the problem of increasing efficiency in bringing down costs must be tackled."

Discussing possible moves to reduce the price of U.S. raw cotton, Mr. Lindley said a complete removal of the price support before the proper time might result in a chaotic state of affairs and a gradual fall over a relatively long period would also be undesirable. An initial fall of from eight to ten cents, under some form of control, followed after a period by such further adjustment as was found necessary would seem to be required.

More Looms

An increase of 173,561 in the number of cotton looms installed in the world's textile industries has been reported by the International Cotton Federation. This advance has taken place in the past three years. In 1952, the total was 2,725,632 and this year it was 2,899,193.

According to the latest census taken by the Federation, the number of automatic looms rose by 64,470, but ordinary looms in place increased by 95,467 compared with 1952. The number of automatic looms in the world this year was 891,183 and ordinary looms aggregated 1,929,036. These with automatic attachments amounted to 78,974.

The proportion of automatic looms represented 30.8 per cent. compared with 20.9 per cent. in 1930. During the past three years there has been a reduction of 29,000 looms in the United States and Lancashire has 16,000 fewer machines. In contrast, Russia increased its manufacturing capacity by 57,000 looms, Spain by 24,000, China by 20,000, Japan by 13,000 and India and Pakistan each by 10,000 looms.

Forecasting the probable trend of weaving machine building the Federation says nearly 30,000 looms were due to be erected during the current year, including 10,000 as replacements. A larger proportion than usual of these increases would be automatic looms.

A comparison of the number of hours worked by the looms shows that in Lancashire's single-shift mills the average was 37.57 per week. In Uruguay, where three shifts are the rule, the machines work 141 hours a week. "The great majority of countries are working more than the single shift," comments the Federation.

Dust-free Spinnig

Scientists at Shirley Institute, Manchester, the cotton research centre, believe they have perfected equipment which will virtually eliminate an age-old danger to health in the cotton spinning industry.

It is a method for dealing with the problem of dust in cardrooms, where the raw cotton is prepared for spinning, and is the outcome of lengthy and intensive investigations.

Dr. Francis C. Toy, Director of Research at Shirley Institute, said the method promised "wonderful results." In the near future committees of experts would begin to make an official assessment of its value.

In his farewell speech at the annual meeting at Shirley Institute—he is retiring as Director of Research after 12 years in that post—Dr. Toy announced that "great progress" had been made in overcoming the dust problem. The system was now undergoing extensive trials "with great promise" in a Lancashire mill.

"The contrast between the old atmosphere and the new must be seen to be believed," he said. "To listen to the enthusiastic appreciation expressed by everybody in the mill was one of the most inspiring experiences I have ever had."

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WAGE GAP IN U.K. TEXTILE INDUSTRY

Addressing the annual general meeting of the Lancashire Cotton Corporation Ltd. at Manchester rerently, Mr. Malcolm Lee, Chairman of the Association, declared that modern equipment and techniques were insufficient to bridge the gap between United Kingdom wage costs and the much lower wage costs of the Far East. Mr. Lee said that imports of yarn and cotton piecegoods from low-wage countries continued on a very large scale while exports had fallen. Proceeding, he observed:

"One of the major factors which had bedevilled the industry in the last 12 months had been uncertainty over the disposal of the large United States surplus stocks. This uncertainty about cotton price levels had led buyers in every section of the industry to defer purchases as long as possible."

4¼ Per Cent Debentures—Issue Price Rs. 99-8-0

Guaranteed by the Government of Madras

THE MADRAS CO-OPERATIVE CENTRAL LAND MORTGAGE BANK LIMITED

Post Box No. 609, Mylapore, Madras-4

PAID-UP CAPITAL AND RESERVES - - - - OVER Rs. 35.62 LAKHS

President: **SRI N. S. RAMALINGAM, B.A., Dip. in Pol. and Pub. Adm.**

4¼ per cent. 1966-76 Debentures, Issue limited to Rs. 40 lakhs. The issue price is Rs. 99-8-0 per cent., redemption yield 4.3 per cent. The issue is open for subscription till 31st January 1956 and will be closed earlier when subscriptions amount to approximately Rs. 40 lakhs. Full amount to be remitted with application.

Other particulars and application forms can be had from the Secretary or any Broker or Co-operative Central Banks in the State.

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

O. V. CHINNASWAMY, *Secretary.*

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

A licence (No. L/20/5/55) has been obtained from the Central Government for effecting a substantial expansion to this industrial undertaking of which a copy is open to public inspection at Head Office of the Company. It must be distinctly understood that in granting this Licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of the statements made or opinions expressed in regard to it.

A copy of this Prospectus has been delivered to the Registrar of Joint Stock Companies, West Bengal, for registration.

Application will be made to the Calcutta Stock Exchange for permission to deal in and for official quotation of the ordinary shares of the Company.

The Subscription List will open on the eleventh day of January, 1956, and will close on the eighteenth day of January, 1956, or earlier, or later, at the discretion of the Directors.

NATIONAL CARBON COMPANY (INDIA) LIMITED

(INCORPORATED ON 20TH JUNE, 1934, UNDER THE INDIAN COMPANIES ACT, 1913)

SHARE CAPITAL

AUTHORISED .. .. **Rs. 2,50,00,000**

divided into 25,00,000 Shares of Rs. 10 each.

ISSUED, SUBSCRIBED AND PAID-UP .. .. **Rs. 1,60,00,000**

divided into 16,00,000 Ordinary Shares of Rs. 10 each.

LOAN CAPITAL: The Company has no debentures or other loan capital outstanding.

ISSUE: of 4,00,000 Ordinary Shares of Rs. 10 each fully paid at Rs. 19 As. 8 per Share payable in full on application.

The Company is advised that the Ordinary Shares now being offered for subscription are "Approved Investments" within Section 27A of the Insurance Act, 1938.

The shares now being issued will rank for any dividend declared in respect of the financial year commencing on 26th December, 1955, and all succeeding years and in all other respects *pari passu* with the ordinary shares of the Company already issued.

A second interim dividend, which in effect was a final dividend, of Rs. 20,00,000 free of income-tax amounting to Re. 1 As. 4 on each share of the issued share Capital of the Company, was declared and paid on December 1955, for the financial year ending December 25, 1955.

This dividend makes a total amount of Rs. 40,24,214 paid in respect of dividends for the Company's 1955 Financial year, which is equivalent to over 20 per cent. or more than Rs. 2 per share on a capital of Rs. 2,00,00,000 fully paid.

Applications must be for a minimum of 50 shares or for multiples of 50 shares.

DIRECTORS

JAMES EDWARD POTTS, 2, Rainey Park, Calcutta, Company Executive (*Chairman*).

JENNIS ROY GALLOWAY, 8/6/1, Alipore Road, Calcutta, Company Executive (*Managing Director*).

DARA PIROJSHAW ANTIA, 5, Lansdowne Road, Calcutta, Company Executive.

FRANCIS JACK DRANE, 2, Rainey Park, Calcutta, Company Executive.

DAVID PLATT DUNDERDALE, 6, Merlin Park, Calcutta, Solicitor.

RAYMOND VINCENT FARRELL, 669, Wolf's Lane, Pelham Manor, New York, U.S.A., Industrialist.

JOHN KENDALL GRASSLE, 28127, West Oviatt Road, Bay Village, Ohio, U.S.A., Industrialist.

THOMAS GORDON LEWIS, 8/6/1, Alipore Road, Calcutta, Company Executive.

KAILASH CHANDRA MAHINDRA, 3, Jorbagh Nursery, New Delhi, Industrialist.

BANKERS

STATE BANK OF INDIA, Strand Road, Calcutta-1.

SOLICITORS

SANDERSONS AND MORGANS, 5 & 7, Netaji Subhas Road, Calcutta-1.

AUDITORS

FORD, RHODES, PARKS & CO., 64 & 65, Stephen House, Calcutta-1.

REGISTERED OFFICE

POLLOCK HOUSE, 18A, BRABOURNE ROAD, CALCUTTA-1.

BROKERS

MANAGING BROKERS:

Calcutta: PLACE, SIDDONS & GOUGH, 6, Lyons Range.

SUB-BROKERS

Calcutta: STEWART & CO., 7, Royal Exchange Place.

Bombay: BATLIVALA & KARANI, Savoy Chambers, Dalal Street, Fort.

Bombay: LEWIS & JONES, Bank of Baroda Building, Apollo Street, Fort.

Delhi: HARBANS SINGH MEHTA, 33, Regal Building, Parliament Street, P.O. Box 300.

Madras: PATERSONS & CO., Badsha Building, 32, Errabalu Street, P.O. Box 48.

PARTICULARS

HISTORY AND BUSINESS:

The Company was incorporated in Bengal as a Private Company in 1934. It acquired in June 1934 and has since carried on the business in India of the Ever-Ready Company (Great Britain), Limited, including the sole right to use in India the world famous "EVEREADY" Trade Mark as well as other well-known Trade Marks including "MINI-MAX" "LAYERBILT", "MASTERLITE", "AIR CELL", etc.

The Company's predecessors commenced manufacturing dry cells and batteries for flashlights and radios in 1926 when the first plant was set up. From the beginning the manufacture of dry cells and batteries progressively passed from a purely assembly process of imported parts to a position where a majority of those parts are now produced by the Company in India.

Throughout its history the Company has shown a consistent and healthy growth. In 1935 the installed capacity of the production plant was approximately 15,000,000 cells per annum, with an area of 25,000 square feet being used for manufacturing and storage purposes. A new plant at Cossipore commenced operations in 1940 by which time production had doubled. In 1952 the Company increased its productive capacity by the installation of a modern factory in Madras; this installation, while showing a considerable saving in freight on finished batteries, also forms part of an overall plan of decentralization thus avoiding the possibility of complete disruption of the Company's business by civil disorder or natural calamity. Today the Company has a capacity of almost ten times that of 1935 and utilizes over 300,000 square feet of space for the manufacture of components and finished batteries.

In 1937 the Company's Sales Offices and Warehouses were located in Calcutta, Bombay and Madras. Today they are spread over Calcutta, Bombay, Madras, Delhi, Cochin, Vijayawada, Allahabad, Gondia, thus shortening the Company's lines of contact with its customers and thereby improving its service to them.

In keeping with its declared policy of manufacturing as many as possible of the component parts required in its operations, the Company installed in 1949 a manganese ore crushing and grinding mill with auxiliary air classifying and filter unit. The installation of this unit, the first of its kind in India, has enabled the Company to use basic raw materials direct from the mine in bulk for further processing in India thus eliminating costly packing and handling charges.

Ever watchful of its manufacturing costs, the Company has followed a steady plan of mechanization of its manufacturing processes. Soon after the end of the second World War a plan was adopted for the complete automation of its zinc can manufacturing department. The automation of this department, while reducing the labour component to approximately 10 per cent. of its former strength, was so carefully integrated with the Company's other expansion plans that no lay-off of the labour force was necessary.

Quality in dry cell for many of its components relies on small punched and formed metal and paper parts. Prior to 1948 practically all of these were imported. Today in its well-equipped punch press shop a large volume of components is produced annually. This department has recently been supplemented with machinery for the production of multiple connection sockets for radio batteries, etc. For the maintenance and manufacture of the special high precision dies required in the punch press shop, the Company has set up a die department as a special adjunct to its machine shop. All the activities of this machine shop, in which is installed the most modern equipment, are supervised by experts with long experience in die making and machine shop operation.

The Company, in its efforts to keep up a high standard of quality, has always maintained laboratories for examination of raw materials, finished products and for research. In 1940 it installed the first air-conditioned constant temperature and humidity laboratory for dry cell testing in India and most of the specification data evolved from information collected in this laboratory and from the Company's overseas associates was made available to the INDIAN STANDARDS INSTITUTE for developing its dry cell and battery specifications. In 1950 this laboratory was considerably enlarged and fitted with complex and automatic testing equipment with accommodation for testing over 5,000 cells simultaneously.

In 1953 the Company introduced into India for the first time the large scale manufacture of a special design of flat cell which is assembled into batteries known by the trade mark "MINI-MAX". Because of its shape this cell lends itself readily to the requirements of the radio battery and hearing-aid trade and since its inception the business has grown to a point where it is a very important part of the Company's operations.

During the time the Company has done business in India it has always cultivated good relations with its employees and has been in the forefront of industry in India with a provident fund and credit society as well as many auxiliary activities such as sports, clubs, libraries, canteens, etc. The Company has maintained a policy of including Indian nationals within its management group as well as providing practical training with its overseas associates to Indian supervisory and technical staff.

The Company was converted into a Public Company on 23rd December, 1955.

OBJECTS OF ISSUE:

The objects of the present issue are to afford an opportunity for the participation of Indian capital, and to provide additional capital for the expansion of the Company's business. The Directors are satisfied that all the capital intended to be raised by means of subscriptions received in response to this Prospectus can be usefully employed.

FINANCIAL INFORMATION

AUDITORS' REPORT:

The following is a copy of the report of the Company's Auditors, Messrs. Ford, Rhodes, Parks & Co.

THE DIRECTORS,
MESSRS. NATIONAL CARBON COMPANY (INDIA) LIMITED,
18A, BRABOURNE ROAD,
CALCUTTA—1.

STEPHEN HOUSE,
DALHOUSIE SQUARE,
CALCUTTA-1,
2nd December, 1955.

GENTLEMEN,

We have examined the Accounts of National Carbon Company (India) Limited, as audited by us for the two years and nine months ended 25th September, 1955, and report as follows:

I. Profits:

The Profits of the Company arrived at on the basis set out below were as follows:—

	Year ended 25th December, 1953	Year ended 25th December, 1954	Nine months ended 25th September, 1955
	Rs.	Rs.	Rs.
Sales	3,88,75,052	3,70,00,797	3,30,98,331
Cost of materials	2,06,21,848	1,75,83,524	1,78,81,264
Salaries and wages	52,04,779	55,09,486	41,64,898
Expenses	44,52,967	47,92,171	39,85,177
Depreciation	5,50,788	7,15,585	5,69,056
	3,08,30,382	2,86,00,766	2,66,00,395
Net Profit before Taxation ..	80,44,670	84,00,031	64,97,936
	3,88,75,052	3,70,00,797	3,30,98,331
Net Profit before Taxation ..	80,44,670	84,00,031	64,97,936
Provision for Taxation ..	33,46,889	34,98,861	27,34,512
Net Profit after Taxation ..	46,97,781	49,01,170	37,63,424
Amount Capitalised, Bonus Shares issued			18,75,930

Excise Duty was imposed on 1st March, 1955, on Batteries manufactured in India. Cost of Materials for the nine months ended 25th September, 1955, includes such Excise Duty amounting to Rs. 19,67,513.

II. Dividends:

The Dividends paid (free of income-tax) in respect of each of the two years and nine months to 25th September, 1955, were as follows:—

1953 .. .. 30%
1954 .. .. 40%
1955 .. .. 20% Interim Dividend (before increase in Capital).

III. Net Assets:

The Net Assets of the Company as at 25th September, 1955 based on the Audited Balance Sheet at that date were as follows:—

	Book Value at 25th September, 1955	Depreciation to 25th September, 1955	Net
	Rs.	Rs.	Rs.
Fixed Capital Expenditure:			
Land and Buildings ..	15,68,847	3,23,275	12,35,572
Plant and Machinery ..	70,28,203	28,15,445	42,12,758
Other Assets	17,85,359	8,84,576	9,00,783
	1,03,72,409	40,23,296	63,49,113
Goodwill (At Cost)			30,00,243
Current Assets:			
Stocks and Stores at Cost .	1,54,72,221		
Sundry Debtors ..	23,08,745		
Due by Associated Companies	5,87,794		
Cash and Bank Balances ..	15,40,767		
Other Current Assets ..	11,17,387		
	2,10,26,914		
Less—Current Liabilities and Provisions:			
Due to Associated Companies	11,63,372		
Sundry Creditors	13,61,524		
Bank Overdraft	33,40,435		
Provision for: Taxation ..	17,52,916		
Expenses ..	3,43,335		
	79,67,632		
Net Current Assets			1,30,59,282
Net Assets as at 25th September, 1955 ..			2,24,08,638

A revaluation of the Company's Fixed Assets carried out on the instructions of the Board showed that the cost of replacement value at 26th December 1952 of Rs. 64,65,164. By a resolution of the Board dated 19th August, 1953 it was decided to incorporate this increased valuation in the books of the Company, the excess of Rs. 15,15,505 being carried to a Capital Reserve Account.

IV. Share Capital:

The Share Capital of the Company was increased during the third quarter of 1955 by the issue of 4,00,000 Ordinary Shares of Rs. 10 each, fully paid for cash, and 1,87,593 Ordinary Shares of Capital on 25th September, 1955, was:—

16,00,000 Ordinary Shares of Rs. 10 each, fully paid Rs. 1,60,00,000.

V. Accounts:

No Audited Accounts have been made up in respect of any period since 25th September 1955.

Yours faithfully,
FORD, RHODES, PARKS & CO.,
Chartered Accountants.

NEW PROJECTS:

The Company is presently constructing a zinc rolling mill for the production of high quality zinc alloy strip which ultimately will eliminate the need to import zinc strip for the dry battery trade thus taking a further step in its programme of self-sufficiency. It is expected that this zinc mill will be operating during the first half of 1956. Of the total amount of capital intended to be raised by means of the proposed issue, it is estimated that Rs. 55 lakhs will be required for the purpose of equipping and establishing this zinc rolling mill.

The major part of the Company's business up to the present has been concerned with manufacture and sale of dry cells and batteries and it relies on the importation and indigenous manufacture of appliances, radio sets, flashlights, torches, etc., which operate with, or are powered by dry batteries to maintain the demand for its battery products.

The supply of flashlights and torches, the major stimulants to dry battery sales, is almost wholly dependent on importation from abroad, and, of course, on the foreign exchange that may be available to cover the necessary import licences. The Company has, therefore, formulated plans for and is proceeding with the establishment of a fully equipped factory for the manufacture of flashlight cases and it is expected to commence production during 1957. It will be equipped with the latest machinery and will make use of the newest techniques known for the production of high quality, economically priced flashlight cases. When completed the factory will be the most modern of its kind in Asia.

With the output from this factory the Company can expect to benefit not only from the extra volume of business from the new product itself, but also from a large increase in the sale of flashlight cells which will be required to power the flashlight cases produced and also for the replacement cells.

In addition to its manufacturing activities, the Company has imported for a number of years many of the various chemicals, plastic raw material, and industrial products produced by its associates in the U.S.A. and elsewhere. These associates are recognised as leaders in the field of chemicals and plastics both from the quality and quantity viewpoint. The sales volume of these products has grown to a point where the Company deems it proper to consider their manufacture in India and recent surveys of the market have indicated that certain of these chemicals and plastics can now be manufactured economically in India because of the existence of regular supplies of the raw materials required. Plans for a modern chemical plant are now nearing completion and it is hoped to go into production in 1958. It is intended that products from this plant should consist of Polyethylene, Ethylene dichloride, a chemical in great demand as a fumigant for foodgrains, and some industrial solvents. It is anticipated that the sale of these products will add considerably to the Company's earnings.

PROSPECTS:

The present total sales density of dry cells in India is equivalent to 0.40 cells per capita per annum which compares adversely with adjacent Asian countries where densities run over 1.00 cells per capita per annum. With the application of the present Five-year Plan which envisages an all-round improvement in the standard of living, there is no reason to believe that the Indian consumption of dry cells will not rise to match or go beyond this figure. Were the consumption of dry cells to increase to one cell per capita, it is not unreasonable to assume that a very substantial portion of this increase would be secured by the Company.

There is also another good reason for optimism which arises from the rapid increase in the demand for batteries for radio sets which has increased approximately four times in the last five years. This growth in demand for radio batteries is due in a major degree to the ever-widening network of broadcasting stations presently erected and planned for the future by Government.

STATUTORY AND GENERAL INFORMATION

MISCELLANEOUS:

(a) Revaluation:

The assets of the Company were revalued as at 26th December, 1952 and particulars of such revaluation are given below.

Original Value	*Value on Revaluation*	*Surplus*
Rs. 64,65,164	Rs. 79,80,669	Rs. 15,15,505

A reserve was created out of the total surplus arising on the aforesaid revaluation.

(b) Bonus Issues:

(i) The sum of Rs. 43,38,890 being a part of the balance standing to the credit of Profit and Loss Account as at 25th December, 1951, was capitalised and utilised for the purpose of paying up in full 4,33,889 shares of Rs. 10 each in the capital of the Company and these shares were allotted and issued on 23rd December, 1952 as fully paid up to Union Carbide and Carbon Corporation, a company incorporated in the United States of America.

(ii) The sum of Rs. 18,75,930 being a part of the balance standing to the credit of Profit and Loss Account as at the 25th December, 1954, was capitalised and utilised for the purpose of paying up in full 1,87,593 shares of Rs. 10 each in the capital of the Company and these shares were allotted and issued on 24th September, 1955, as fully paid up to the said Union Carbide and Carbon Corporation.

(c) Cash Issue:

400,000 new shares of Rs. 10 each were allotted and issued to the said Union Carbide and Carbon Corporation at par on 2nd July, 1955, for cash.

(d) Minimum Subscription:

The minimum amount which in the opinion of the Directors is required to be provided in respect of each of the matters mentioned in Section 101(2) of the INDIAN COMPANIES ACT, 1913 is Rs. 39 lacs made up as follows: (i) Cash Purchase Price of plant and machinery Rs. 33 lacs. (ii) Estimated expenses of this issue, 2,00,000. (iii) Repayments of monies borrowed in respect of the foregoing matters, *nil*. (iv) Working Capital Rs. 4,00,000.

(e) Underwriting:

The shares now being issued have not been underwritten but the Company will pay brokerage as indicated below.

(f) Redeemable Preference Shares:

The Company has not issued and it does not at present intend to issue any Redeemable Preference Shares.

(g) New Issues and Offer for Sale:

Save as mentioned above no shares or debentures have been issued or agreed to be issued within the two years preceding the date hereof. An offer for sale in respect of 4,00,000 shares of the Company of Rs. 10 each at Rs. 19-8 per share was issued by Union Carbide & Carbon Corporation, the principal shareholder in the Company on the same date as that upon which this Prospectus was issued.

(h) Payment of Commission:

No sums have been paid within the two years preceding the date hereof or are payable as commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or debentures of the Company or as discount in respect of shares issued.

(i) Payment to Promoter:

No sum has been paid within the two years preceding the date hereof or is intended to be paid to any promoter.

(j) Licence:

The licence referred to at the commencement of this Prospectus has been granted in respect of the Zinc Mill Project. No licences are required for the flashlight case project, the manufacture of polyethylene, and the manufacture of industrial solvents, for which projects, Government approval has been given.

DIRECTORS:

The Articles of the Company provide that the number of Directors shall not be less than three nor (unless otherwise determined by the Company in General Meeting and, if required by law, sanctioned by the Central Government) more than ten.

Unless otherwise determined by the Company in General Meeting a Director does not require any share qualification.

The Articles provide that each Director shall be paid out of the funds of the Company as remuneration for his services the sum of Rs. 300 for each meeting of the Directors attended by him or such other sum as may be determined by the Company in General Meeting and also that the Directors shall be entitled to be paid all travelling, hotel and other expenses, properly incurred in connection with the business of the Company.

The Articles also provide that the Directors may appoint a Managing Director, Joint Managing Director or Managers of the Company on such terms as to remuneration as the Directors shall deem fit.

A Director who is absent from or who is about to leave the District in which the Directors' Meetings are ordinarily held for a period of three months or more may appoint, with the consent of the Board of Directors, any person to be an alternate Director during his absence.

No sums have been or will be paid to any Director in cash or shares or otherwise to induce him to become a Director.

POWERS OF DIRECTORS:

The Articles provide that the Company shall be managed by the Directors who may exercise all such powers of the Company as are not, by law or by the Articles, required to be exercised by the Company in General Meeting. The powers of the Directors are, however, subject to any regulations, not being inconsistent with the Articles or the law, which may be made by the Company in General Meeting.

INTEREST OF DIRECTORS:

Mr. J. R. Galloway is the Managing Director of the Company and receives remuneration for his services as such, Mr. Galloway is also a Director of Alipore Estates Ltd., of which this Company is a shareholder.

Mr. J. E. Potts, Mr. F. J. Drane, Mr. T. G. Lewis and Dr. D. P. Antia are employed by the Company, and receive remuneration accordingly.

Mr. R. V. Farrell and Mr. J. K. Grassle are shareholders each holding less than 1/100th of 1 per cent. of the issued capital of Union Carbide and Carbon Corporation the principal shareholders of this Company.

Mr. D. P. Dunderdale is a partner in the firm of Messrs. Sanderson & Morgans, Solicitors to the Company.

Save as above, no Director has any financial or other interest in any of the property proposed to be acquired by the Company.

INDEMNITY:

Every Director, Managing Agent, Manager, or Officer of the Company or any person (whether an officer of the Company or not) employed by the Company as Auditor shall be indemnified out of the funds of the Company against all liability incurred by him as such Director, Managing Agent, Manager, Officer or Auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application in which relief is granted to him by the Court.

MANAGEMENT:

The Management of the Company is vested in and exercised by the Directors. The Company has no Managing Agents.

BORROWING POWERS:

The Articles provide that the Directors may from time to time raise or borrow for the purposes of the Company and secure the payment of any sums of money not exceeding the aggregate of its paid-up capital and free reserves for the time being.

VOTING POWERS:

Subject to any special conditions or restrictions as to voting upon which any shares may be issued or may for the time being be held, on a show of hands every member present in person and entitled to vote shall have one vote, and on a poll every member present in person or by proxy shall have one vote for every share held by him in respect of each share of which he is the holder. There are no special conditions or restrictions attaching to the present ordinary share capital of the Company.

RESTRICTIONS ON RIGHT TO TRANSFER AND VOTE:

The Directors may decline to register a transfer of any partly paid shares to a person of whom they do not approve and may also decline to register a transfer of partly paid shares on which the Company has a lien.

No member shall, unless the Directors otherwise determine, be entitled to vote at any General Meeting, either personally or by proxy, or to exercise any privileges as a member unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

CONTRACTS:

No property has been purchased or acquired, or is proposed to be purchased or acquired, which is to be paid for wholly or partly out of the proceeds of this issue, save under Contract No. 4 below and also save as to part of the property purchased or to be purchased under Contracts included in item No. 9 below.

The following contracts, not being contracts entered into in the ordinary course of business, which are or may be material have been entered into by the Company during the two years preceding the date hereof:—

(1) With Puri Brothers, Contractors, New Delhi, dated 29th July, 1954, for purchase of land and construction of a bungalow at New Delhi. (2) With N. N. Majumdar, dated 1st July, 1955, for lease of a flat in Calcutta. (3) With Property Development Trust Ltd., dated 1st July, 1955, for lease of a flat in Calcutta. (4) With *Mackintosh Burn Ltd., dated 5th March, 1955, for construction work* in connection with the Zinc Mill at a cost of Rs. 5,80,671. (5) With Calcutta Electric Supply Corporation Ltd., dated 3rd November, 1955, for extension of electric cables to the Zinc Mill site. (6) With General Electric Co., of India Ltd., dated 15th November, 1955, for electrical installation at the Zinc Mill. (7) With Commissioners for the Port of Calcutta, dated the 18th July, 1955, being a lease for 30 years with options of renewal of 10 years each, of the Zinc Mill site at Transport Depot Road, Calcutta. (8) With Mr. J. R. Galloway, dated 19th December, 1955, appointing him Managing Director of the Company. (9) With various parties and of various dates between the 1st January, 1955 and 15th December, 1955 and represented by 28 Purchase Orders for the supply of materials and equipment for the Company's present and planned projects. These contracts are for various amounts from Rs. 1 to Rs. 16,60,000 and the total amount of the material and equipment covered thereby comes to Rs. 40,00,000 of which approximately Rs. 27,00,000 will be provided by the proceeds of this issue.

DOCUMENTS:

Copies of the Memorandum and Articles of Association of the Company, the Consent Order of the Controller of Capital Issues, the Licence from the Central Government referred to at the beginning of this Prospectus, the Contracts referred to above and/or copies thereof and the original of the abovementioned Auditors' Report as set out herein can be inspected at any time while the subscription list is open during the usual business hours at the Registered Office of the Company.

A Copy of the Company's Memorandum of Association is printed in this Prospectus and forms part of it.

APPLICATION AND ALLOTMENT:

Applications for shares which must be for 50 shares, or multiples of 50 shares, must be made on the accompanying official form and will be refused, if not so made. The application form, together with a remittance for the full amount payable on application, must be sent to the Managing Broker, or Sub-brokers or a branch of the State Bank of India, in India, the remittance being made by cheque or draft which, if it is desired to avoid payment of bank charges, must be drawn either upon the branch of the State Bank of India to which the application form and cheque or draft are being sent, or upon a Bank situated in a town in which there is a branch of the State Bank of India. If drawn on a bank elsewhere the appropriate bank charges must be included in the remittance otherwise the application will be refused.

Cheques or drafts should be made payable to the "State Bank of India Account National Carbon Company (India) Ltd. New Issue" and should for the applicant's protection be crossed "A/c. Payee Only." A separate cheque or draft must accompany each application form.

Allotment will be notified by the despatch of an Allotment Letter but the Company reserves the full uncontrolled right of accepting or rejecting any application in whole or in part. Where an application is rejected or not accepted in full the whole or any balance of the application money received will be refunded to the applicant, in which event bank's commission, if any, will be payable by the applicant.

Share Certificates will be available for issue in exchange for Letters of Allotment on and after 31st March, 1956, and each applicant who is allotted more than 100 shares will receive Share Certificates in lots of 100 shares, and such smaller denominations as may be required to complete the total number of shares allotted except when the applicants request Share Certificates in larger denominations.

BROKERAGE:

Brokerage at the rate of As. 4 per ordinary share will be paid by the Company on allotments made in respect of applications bearing the stamp of a recognised stockbroker.

Copies of this Prospectus and forms of application may be obtained from the Managing Brokers and Sub-brokers at the addresses given above and from the Bankers named above, at any of their branches in India.

J. E. POTTS.

For R. V. FARRELL.
J. E. POTTS.
Authorised Agent.

J. R. GALLOWAY.

For J. K. GRASSLE.

D. P. ANTIA.

J. E. POTTS.
Authorised Agent.

FRANCIS J. DRANE.

T. G. LEWIS.

D. P. DUNDERDALE.

For K. C. MAHINDRA.
A. K. MITRA.
Authorised Agent.

Dated at CALCUTTA, 27*th December*, 1955.

[THE INDIAN COMPANIES ACTS, 1913—1930]

COMPANY LIMITED BY SHARES.

MEMORANDUM OF ASSOCIATION
OF

NATIONAL CARBON CO. (INDIA) LTD.

1. The name of the Company shall be "NATIONAL CARBON COMPANY (INDIA) LIMITED."

2. The Registered Office of the Company will be situate in Bengal.

3. The objects for which the Company is established are:—

(a) To manufacture, produce, use, buy and sell, and otherwise deal or traffic in, any and all metallurgical, chemical and electro-chemical products and compounds including any and all elementary substances and any and all alloys and compounds thereof.

(b) To manufacture, produce, use, lease, buy and sell, and otherwise deal or traffic in, electrical batteries starters, lamps, machinery, devices and appliances of every nature, kind and description, including all the agencies and the various means of utilising and transmitting electricity and electric power, but not as a public utility.

(c) To manufacture, produce, use, buy and sell, and otherwise deal or traffic in, zinc, iron, steel, silicon, chromium, molybdenum, vanadium, titanium, tungsten, manganese, calcium, carbon, copper, aluminium, nickel and other elementary substances, and any and all alloys, compounds and products of the foregoing, or any of them also coal, coke, gas, oil, lumber and all or any articles consisting or partly consisting of the foregoing, or any of them, and all or any products of the foregoing or any of them.

(d) (i) To manufacture, produce, use, lease, buy and sell, and otherwise deal or traffic in, calcium carbide and all gas producing materials and gas, especially acetylene gas, and all machinery, apparatus, appliances, equipment and fixtures for and purposes relating in any manner to the production, storage and use of calcium carbide and acetylene or other gas.

(d) (ii) To manufacture, produce, store, use, lease, buy and sell, and otherwise deal or traffic in, and dispose of, either directly or indirectly, oxygen, hydrogen, nitrogen and all other elementary substances and chemicals or other products manufactured or separated from air or other substances, and other gases and elements, either separately or in conjunction with acetylene, or otherwise, and any and all compounds thereof, and any and all articles consisting or partly consisting of the foregoing gases, elements and substances or any of them, and any and all products of the foregoing gases, elements and substances, or any of them.

(e) To buy, sell or deal in, all or any natural, raw and manufactured substances, goods, wares and merchandise used or capable of being used in any of the Company's operations and to make, buy, sell and deal in all or any articles and things in the production of which any of the manufactures or other products of the Company are used or are capable of being used, and in all or any articles or things which are commonly or can conveniently be supplied or dealt with in conjunction therewith respectively.

(f) To acquire shares, stocks, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any company and stock, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any Government, Sovereign Ruler, Commissioners, Public Body or Authority, Supreme, Municipal, Local or otherwise.

(g) To acquire any such shares, stocks, debentures, debenture-stock, bonds, obligations or securities by original subscription, tender, purchase, exchange or otherwise, and to subscribe for the same, either conditionally or otherwise, and to guarantee the subscription thereof, and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof.

(h) To acquire by purchase, lease, sub-lease, exchange, hire or license or otherwise and hold for any estate or interest and to take options over any lands, buildings, easements, rights, privileges, concessions, machinery, plant, stock-in-trade, and any real, personal, heritable or moveable property of any kind which may appear to be necessary or convenient for the Company's business.

(i) To carry on the business of General Carriers, Railway and Forwarding Agents, Carmen, Dealers in, Manufacturers, Hirers, Repairers, Cleaners, Storers and Warehousers of automobiles, motor cars, motor cycles, bicycles, aeroplanes, airships and other vehicles of all kinds whether moved by mechanical power or not and all machinery, implements, utensils, appliances, apparatus, lubricants, cement solutions, enamels and all things capable of being used therewith or in the manufacture, maintenance and working thereof respectively.

(j) To obtain or acquire by application, purchase, license or otherwise, and to exercise and use and grant licences to others to exercise and use patent rights brevets d'invention, concessions or protection in any part of the world for any invention, mechanism or process, secret or otherwise, and to disclaim, alter or modify such patent rights or protection, and also to acquire, use and register trade-marks, trade names, registered or other designs, rights of copyright or other rights or privileges in relation to any business for the time being carried on by the Company.

(k) To erect, construct, laydown, enlarge, maintain and alter any buildings, erections, works and machinery which may seem directly or indirectly necessary or convenient for any of the purposes of the Company.

(l) To undertake and carry out tests, experiments and experimental work in connection with any of the Company's objects and to undertake and aid any enterprise, and carry out any transactions or operations whatsoever for opening up trade generally or furthering or extending any business of the Company, and to examine, test, and obtain reports on properties and undertakings and to dispatch and employ experts and other agents.

(m) To enter into any contracts of guarantee or indemnity in respect of the performance or non-performance of any contract or engagement to which any person, company or corporation is a party, whether the Company is or is not a party thereto, and to subsidise or otherwise assist any person, corporation or company, and to guarantee the payment of interest and dividends and repayment of capital in respect of the shares or stock of any corporation or company.

(n) To manage and control or to take part in the management or control of any company or concern in which the Company is interested by reason of shareholding or otherwise.

(o) To carry on trust and agency business of all kinds.

(p) To undertake and carry on and execute all kinds of financial, commercial, trading, manufacturing and other operations, and to carry on any other business which may seem to be capable of being conveniently carried on in connection with any of these objects, or calculated directly or indirectly to enhance the value of, or facilitate the realisation of, or render profitable, any of the Company's property or rights.

(q) To advance, deposit, or lend money, securities and property to or with such persons, companies and bodies, and on such terms as may seem expedient and to discount, buy, sell and deal in bills, notes, warrants, coupons and other negotiable or transferable securities or documents.

(r) To purchase or otherwise acquire for cash or by the issue of shares, or debentures or debenture stock, or partly for cash and partly for shares, or debentures, or debenture stock, and to sell, lease, let, mortgage, exchange, surrender, let on rent, share of profit, royalty or otherwise, grant options over, mortgage, charge, convert, turn to account, dispose of and otherwise deal with real and personal property and rights of all kinds, and in particular mortgage, debentures, produce, concessions, options, contracts, patents, annuities, licenses, stocks, shares, bonds, policies, book debts, business concerns, goodwill and undertakings and claims, privileges and choses in action of all kinds.

(s) To facilitate and encourage the creation, issue or conversion of debentures, debenture stock, bonds, obligations, shares, stocks and securities, and to guarantee the subscription of or underwrite any stocks, shares or securities, and to act as trustee in connection with any stocks, shares or securities and to take part in the conversion of business concerns and undertakings into companies.

(t) To purchase or otherwise acquire and undertake, wholly or in part, for cash or shares or otherwise howsoever, all or any part of the business, property and liabilities of any person or company carrying on any business which this Company is authorised to carry on, or possessed of property suitable for the purposes of this Company.

(u) To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint adventure, reciprocal concession, or otherwise, or for the receipt of advice upon

(*Continued on page 42*)

CENTRAL SUGARCANE COMMITTEE MEETS

SPECIAL STRESS LAID ON NEED FOR GROWING MORE SUGAR PER ACRE

THE highlight of the twentieth meeting of the Indian Central Sugarcane Committee (I.C.S.C.), held at Nellikuppam, Cuddalore (Madras), on 22nd December last, was the approval of schemes for the development of cane in several States during the second Five-year Plan period. Details of these schemes are not yet available. From the reports appearing in the daily Press, it is, however, gathered that special emphasis is laid on the need for encouraging intensified cultivation of sugarcane. This is only as it should be, considering that not only is the yield of cane per acre very low but the sucrose-content also is woefully poor *vis-a-vis* the sugarcane grown in other countries. Thus, the all-India average yield of cane per acre is only about 14 tons, as against 62 tons in Hawaii, 56 tons in Java, 30 tons in Egypt and 28 tons in Formosa. Similarly, the recovery per cent. of sugar in cane produced in India is 10.08, which compares unfavourably with 14.33 in Australia, 12.93 in Formosa, 12.33 in Peru, 12.25 in Cuba and 12.23 in Puerto Rico. It is the low per-acre output of sugar that is largely responsible for the heavy cost of this food article. In fact, the price of Indian sugar is double the world price. To the extent the per acre yield of high sucrose-content cane is raised, the cost of sugar production can be reduced, the lot of cultivators improved and a large part of the land released for growing other crops. This aspect was lucidly brought out by Mr. T. C. Puri, Joint Secretary, Union Ministry of Food and Agriculture, and President of the I.C.S.C. in the course of his address at the meeting. Mr. Puri said:

"The scheme for intensifying development of sugarcane in factory areas has produced a dividend in Uttar Pradesh, Bihar, the Punjab and Madras. The increase in yield per acre was 40 per cent. during 1954-55. But we have only touched the fringe of the problem. The main problem is to increase the quality of the cane, so that the cultivator can get a well-merited margin. But, at the same time, the rest of the land should be released for other crop. This can be done by paying greater attention to research."

Extension of Schemes

The importance of a more vigorous approach in tackling the problem of cane development was also stressed by Mr. M. Bhaktavatsalam, Minister for Agriculture, Government of Madras, who inaugurated the meeting. It will be recalled that, under the first Five-year Plan, the total area covered by the sugarcane development schemes assisted by the I.C.S.C. is only 700,000 acres which is just a fifth of the entire acreage devoted to cane production. As Mr. Bhaktavatsalam rightly said, it is necessary that the targets laid by the I.C.S.C. to extend development work to the whole of the sugarcane area, including both the sugar factory areas and the *gur* and *khandsari* producing regions, are fully achieved. He complimented the Central Government for setting apart a sum of Rs. 5 crores for sugarcane development during the second Plan period, besides agreeing to subsidise the construction of pucca roads in the sugar factory zones to the extent of 33-1/3 per cent., the balance being shared equally among the beneficiaries. He also welcomed proposals for the extension of sugarcane research schemes, expansion of new research stations and opening of new sub-sections in the existing stations.

In addition to adopting the sugarcane development programmes in the States, the I.C.S.C. sanctioned several other schemes relating to (1) intensive manuring and publicity in the U.P., Bihar, Madras and Andhra; (2) development of roads in the factory areas of the U.P., the Punjab and Madras; (3) sugarcane research at various research stations in the important cane-producing States; and (4) improvement in the manufacture of *gur* and its storage in the Punjab, Madras and Orissa. The I.C.S.C. also requested the Railway Board to give high priority to *gur* movement throughout the year and to make available special insulated wagons for carrying *gur*, in order to protect it from deterioration and liquefaction during monsoon months.

In the course of his speech, Mr. Puri regretted that the importance of *gur* manufacture had not been recognised. Nearly 60 per cent. of the total sugarcane crop, he said, was meant for the production of *gur* and the problems confronting this industry affected as many as 20 million people. To quote him: "Unfortunately, the cultivator gets a poor return for *gur*. When the *minimum* price for sugarcane going to factories is fixed at Re. 1-7 per maund, the corresponding price for *gur* should be Rs. 15-12 per maund. But it went down even below Rs. 10 last year. The Government of India were not able to do anything in this regard, in view of the vastness of the problem, extending to rural areas of the entire country." Mr. Puri urged the State Governments to make arrangements for ensuring price support to *gur*.

Future of "Gur" Industry

Few would underrate the vital part which the *gur* sector plays in the sugar economy of the country. It is a cottage industry on which depends the prosperity of a large majority of cultivators. But the question is whether there is any scope for a large expansion of *gur* industry in future, what with the growing consumer preference for white sugar. The total consumption of sugar in India has gone up in the last eight years by nearly 900,000 tons—this is expected to rise by another 400,000 tons in the next five years—while that of *gur* has receded by 680,000 tons. It is, therefore, difficult, as the Karve Committee itself frankly admits, to foresee any large shift in demand in favour of *gur* (or *khandsari*). Viewed thus, the development programme for the *gur* industry in the second Plan should envisage, not any large increase in production, but improvement in the quality of the product and reduction in costs.

Be that as it may, Mr. Bhaktavatsalam made a special reference to the high price of sugar which, he said, rendered it difficult for the *per capita* consumption of sugar to rise. He minced no words when he said that it behoved the cane grower, the sugar industry, the trade and the Government to bring about a state of affairs, where, without undermining the economic position of the cane grower and the industry, the price of sugar to the consumer would be considerably reduced. Indeed, Mr. Bhaktavatsalam maintained, and that rightly, that it must be a fundamental objective of welfare economics in a country like India to look at these problems of production from the producer as well as the consumer end.

The Agriculture Minister of Madras briefly touched on the scheme for the development of sugar industry in his State. Under the scheme, it is proposed to step up production of sugar in the next five years from 30,000 tons to 90,000 tons per annum and of cane from 3.5 million tons to 4.5 million tons. It is expected that the requisite number of sugar mills will be licensed. Already, a large factory is coming up in Vadapathimangalam in Tanjore District and a few more units, including two co-operative factories, are in the process of being started. The State Government has included a research scheme costing Rs. 5.7 lakhs and a development programme with an outlay of Rs. 27.47 lakhs, besides a Rs. 54,000-scheme for improving *gur* manufacture, in its development plans.

(Concluded from next column)

Ministry of Production, we are told, called upon the various collieries to submit their plans for increasing their output. It is also said to have given the assurance that plans so submitted would be kept confidential if so required.

Estimated Requirement of Coal Against Actual Consumption

(In million tons)

	1953-54	1960-65*	1970-75
Railways	12.0	14.5	21.1
Iron and steel and carbonisation	4.4	15.0	24.0
Brick and cement	3.0	5.0	9.0
Power	2.7	5.0	10.0
Textile and woollen	1.7	2.0	2.0
Paper	0.5	1.0	1.5
Fertiliser	0.6	1.5	2.5
Bunker	0.6	2.0	2.0
Synthetic oils	..	1.5	3.0
Domestic	3.0	7.5	15.0
Other industries	..	4.0	5.0
Chemical	0.22	..	..
Jute	0.6	..	..
Glass, potteries, refractories, lime and stone works	0.5	..	..
Gas works	0.2	..	..
Engineering works	0.25	..	..
Minor industries (including tobacco, tea gardens, sugar, vegetable oils, wheat and rice mills, biscuit and soap)	0.65	..	..
Miscellaneous (including colliery requirements)	4.83	4.0	5.0
Total	35.8	68.0	100.0

* Revised in terms of second Five-year Plan frame.

OUTPUT OF PRIVATE COLLIERIES

PLEA FOR HIGHER TARGET

THE Indian Chamber of Commerce, Calcutta, has, through a communication, warned the Government of India that any restriction on the output of individual collieries would seriously affect the production programme of the coal industry. It will be recalled that the Planning Commission has tentatively fixed a target of 60 million tons of coal for the second Five-year Plan, which represents an increase of 23 million tons over the present output of 37 million tons. The Government proposes to step up the output of the public sector from 3 million tons to 18 million tons, leaving the private sector to increase its output from 34 million tons to 42 million tons. The Indian Chamber has expressed the view that the additional target of 8 million tons proposed to be raised by the private sector is inadequate, considering what this sector is capable of doing. It has pointed out that the coal industry is different from other industries, in that any limitation on the area of the operation of a colliery will automatically limit its life. Accordingly, it is of the considered opinion that the private sector should be permitted to extend its area of operation without restriction and to replace worn-out machines. The Chamber has further expressed the view that any decision of the Government to requisition the unexplored fields held by the private sector would only retard the growth of the industry further. It has also urged the need for immunity of the private sector from nationalisation for a reasonable period in order to facilitate the private sector to plan its production programmes.

The Chamber has also drawn the attention of the Government to the higher cost of raising coal in Government collieries, as compared with that of the private collieries, and observed that, if the production of coal is to increase in the public sector, the Government will either have to subsidise the State collieries or raise the price of coal beyond that which will permit the private sector to operate with profit. While it is estimated that over Rs. 75 crores will have to be raised for investment in the public sector to increase the output of an additional 15 million tons, the private sector, in the opinion of the Chamber, is in a position to raise the same out put out of its own resources. The Chamber, therefore, feels that the proposed investment in the public sector can be more effectively utilised in other useful fields.

The Committee has also emphasised the importance of adequate transport facilities for achieving the target of 60 million tons of coal. It has urged the Government to assist the private collieries with more liberal facilities for the provision of siding and loading accommodation.

Target Too Small

There is no exaggeration in the claim that the target of additional output given to the private sector is too small. The private sector has the know-how and experience. It can command the finance required, provided the Government follows a price control policy under which the industry will be assured of a fair margin of profit and provided, further, investors are given satisfactory assurances in regard to compensation in the event of nationalisation. It will perhaps be cheaper to raise coal through the private sector than through the public sector. But, if the State still feels strongly, as it seems to do, that it should expand its share in the coal industry, there is no point in opposing it tooth and nail. After all, there is room for both the public and private sectors, inasmuch as the demand for coal will be great. The supply of other fuel resources, namely, oil and hydro-electric power, is not large enough to cover the country's power needs. Coal has been the main source of energy and it will continue to be so, for many years to come, despite the vast increase in the production and use of hydro-electric power and petroleum products planned for the near future.

According to one estimate, the demand for coal by 1975 will rise by 300 per cent. above the present output. The estimated requirement of coal in the next two decades, as against the actual consumption in 1953-54 by the various consumers, is given in the table at the end of this article.

It is, however, gratifying to hear that the Government has expressed its readiness to consider an upward revision of the output target for the private sector in the second Plan, if the private sector is able to convince the authorities of its capacity to produce more coal. The

(Continued in previous column)

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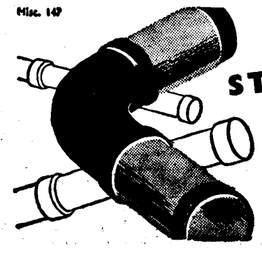

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PARTIAL UNSEALING OF JUTE LOOMS

I.J.M.A.'S DECISION

SINCE we last wrote in these columns, the most outstanding event in the sphere of jute industry has been the decision of the Indian Jute Mills Association (taken on 14th December last) to unseal only 2½ per cent. of the 12½ per cent. of the looms which have remained sealed since 1949. According to the decision, this is to come into force from the 9th inst. Thus for the first time in the past few years, the industry will be working 48 hours a week with only 10 per cent. of the looms remaining idle. It is stated that this will result in an increase of 2,500 tons of jute goods per month or 30 000 tons a year. This quantity is too insignificant to affect the trend of jute goods or raw jute markets, as it represents an increase of about 3 per cent. over the output in the 1954-55 season. Its significance, however, lies in the fact that it is an indication of the jute mills' recognition of the need for increasing their output.

That the Indian jute mills would have to increase their production by unsealing the idle looms was not unexpected in jute circles. For despite an increase in the monthly output of jute goods, the month-end stocks with the mills recorded a continuous decline since May last year. In that month, stocks stood at as high as 94,700 tons. They came down steadily to 62.100 tons in October, though they were slightly higher in November. Apart from low stocks, orders continued to flow from Australia, China and Middle East countries for sacking goods. This indicated that Indian-made jute goods were getting popular owing to their relative cheapness *vis-a-vis* those of other foreign manufacturers. To a certain extent, India's competitive ability in world markets for jute goods was strengthened by the determination of the Pakistan Government not to reduce the export minimum price for raw jute after devaluation of its currency on 31st July last. For many Continental manufacturers had, as a result, to pay a price for Pakistan jute higher than that paid by Indian mills for indigenous raw jute. With this advantage, India was in a better position to dispose of its goods in foreign markets. The improvement in the demand for Indian jute goods pointed to the need for higher output by Indian mills. Consequently, those interested in the jute industry were expecting that, sooner or later, jute mills would have to remove the restrictions on the looms which remained idle.

What was, however, not expected in jute circles was the small release of only 2½ per cent. of the looms remaining sealed. If the I.J.M.A. did not favour a more liberal release of looms, such is presumed to be due to the uncertainty in regard to the availability of raw jute. Although it is generally believed that the jute crop in the 1955-56 season would be a bumper one, the arrivals of raw jute into Calcutta in recent weeks are stated to have been not very encouraging, since they have been lower than what they were this time last year. Even in upcountry centres, imports of raw jute are reported to be poor, with prices ruling well above those in Calcutta. During July-October 1954, imports of indigenous raw jute into Calcutta and mill stations amounted to 1.18 million bales, whereas during the same period in 1955, the imports aggregated 1.08 million bales. The shrinkage in arrivals is attributed to the better financial position of jute growers, which seems to have enabled them to withhold sales of raw jute in order to get higher prices later on. As a result, the quotations in mofussil centres are stated to be a rupee higher than those in Calcutta. This has proved a deterrent to further business by mills which seem to have turned their attention to Pakistan jute. In fact, substantial business is reported to have been done in the latter. It is, however, expected that the supply position regarding Indian jute may ease in the next few weeks in view of the expected large crop this season both in India and Pakistan. It remains to be seen how far these expectations would prove correct.

Meanwhile, it is encouraging to note that the outlook for Indian jute goods in both the U.S. and Canada is brighter than at any time since the end of the war. According to Mr. W. A. Nugent, Vice-President of the Burlap Council of the Indian Jute Mills Association, consumption of burlap in the two countries in 1955 is likely to be considerably above that in 1954. In the U.S., consumption during the 11 months ended November 1955 was 38.7 million yards more than that in the same period in 1954. While the figures for the full year are not available yet, the 12 months' total is expected to exceed 800 million yards and to be about 5 per cent. ahead of the total consumption in 1954. Again, burlap imports into Canada in the first eight months of 1955 were about 9 per cent. more than those in the corresponding period of 1954. And trade sources estimate, it is reported, that burlap consumption in Canada would be 10 per cent. better in 1955 than in the previous year.

Of greater significance to the Indian jute industry is the increase in India's share of the total imports of burlap by the two countries. India accounted for 85 per cent. of the U.S. imports and 95 per cent. of the Canadian imports in 1955, as against 82 per cent. and 92 per cent. respectively, in 1954. The factors which contributed to the increase were: (*a*) the removal of export duty on jute goods in India, (*b*) the comparatively lower prices quoted by India for its goods, and (*c*) the relative stability of prices which these goods enjoyed last year. The burlap trade in the U.S. seems to believe that stability is likely to continue in the current year too.

QUALITY JUTE CULTIVATION IN U.P.

In order to provide impetus to the production of good quality jute in Uttar Pradesh and to create a healthy spirit of competition, the State Government has sanctioned Rs. 10,000 to be distributed as prize-money among growers of fine quality fibre.

Traders and manufacturers are also participating in the State-wide jute promotion drive. At a recent exhibition at Colonelgunj *mandi*, organised by the local Merchants' Association, three cash prizes were awarded to producers of high grade jute. It was an attractive show featuring some 2,000 maunds of jute fibre, which were readily lifted by the mill agents and local dealers at prices ranging from Rs. 21 to Rs. 25-8 per maund.

In giving away the prizes, Thakur Ram Surat Singh, Additional Director of Agriculture, Uttar Pradesh, congratulated the Merchants' Association for pioneering jute exhibitions in the State. Sri Singh was confident that if proper technical training and incentive were given, the U.P. cultivators could produce fibre that would compete with the best grown in Assam and Bengal.

Returns submitted by the Jute Grading Party, now touring the State, reveal that the average quality of U.P. jute is improving. In Lakhimpur-Kheri, the party has so far graded 1,008 maunds of fibre. The percentage of grading outturn is in the order of 0.2 top, 36.2 middle, 42.7 bottom and 20.9 cross.

The marketing of jute this season is proceeding fast. The rise of the market is helping speedy disposal. Sales to the end of November amounted to 182,772 maunds against 101,602 maunds for the corresponding period of 1954. U.P. mills purchased about 37,075 maunds and Calcutta dealers 145,697 maunds.

OUTPUT IN W. GERMANY AND BELGIUM

Diminishing export business notwithstanding, good internal demand for gunnies is enabling the West German jute industry to maintain production at a high level. The output of jute yarns in September increased to 8,000 tons from 7,900 tons in August, while in the case of cloth the increase was slightly better from 6,200 tons in August to 6,400 tons in September. Arrivals of raw jute at West German ports amounted to about 7,500 tons in September compared with only 3,850 tons in August.

Viewed against the current trading conditions, the number of workers employed in the industry is considered satisfactory.

Sales of jute goods to the U.S.A. have declined sharply. Only 623 tons were exported to that destination during January-July 1955 against 2,140 tons for the whole of last year and 7,873 tons in 1953.

The Belgian jute spinning mills turned out 6,882 tons of yarns in September, an increase of 931 tons over 5,951 tons produced in August. The cloth output was also higher at 3,694 tons, against 3,094 tons in August. The monthly average in 1954 was 6,025 tons for yarns and 3,284 tons for cloth. As compared to the pre-war level, production indices are more than 30 per cent. higher.

Raw jute discharged at the Belgian ports during September was 6,000 tons compared with 5,000 tons in August.

SLIGHT RISE IN BELGIAN OUTPUT

Yarn output in Belgium during August at an estimated 5,951 tons registered a slight increase over the previous month's 5,391 tons. Production of the weaving mills amounted to 3,094 tons, as against 3,030 tons in the previous month.

Second quarter 1955 production of the Belgian jute spinning mills showed an increase of 15.1 per cent. over the corresponding quarter of 1954. Cloth production in the second quarter was 7.2 per cent. higher than that in the same period last year.

The New York market for spot and afloat burlap firmed up in November, under the influence of renewed bull activity in Calcutta. There was little change in the available supplies, most constructions continuing scarce. Large purchases were made by domestic buyers at advancing rates.

PLAN TO RAISE COFFEE OUTPUT IN INDIA

DEPENDENCE ON FOREIGN MARKETS FOR LARGER OFFTAKE

THE draft plan for raising coffee production in India, now being scrutinised by the Coffee Board, envisages a target of 68,000 tons by 1970, that is, 150 per cent. over the present output. It is estimated that even under normal conditions the output would go up to 45,000 tons during the next 15 years. The draft plan, therefore, aims at raising the output by 23,000 over and above that expected in the normal course. This scheme for enlarging output in this country is being launched at a time when coffee production elsewhere in the world shows a rising trend and prices have taken a downward course. According to a recent survey of the F.A.O., world production might rise very substantially during the next five to seven years.

The authors of the draft plan have taken note of developments abroad, but these have not deterred them from going ahead with its own programme of expansion in India. They have proceeded on the assumption that Indian coffee, which is in great demand in foreign markets because of its deserving reputation for flavour and other qualities, will be able to hold its position even in the face of an enlarged supply of coffee in the world markets. The world markets absorbed on an average, 10,000 tons of Indian coffee between 1918 and 1939, but, due to several reasons, the share of Indian coffee in world markets remained low at 3,000 to 4,000 tons on an average annually during the decennial 1935-45. In 1953-54, however, it was possible to export 9,360 tons, which shows that the demand for Indian coffee abroad has again revived. Internal consumption, which hardly amounted to 8,000 tons before 1938-39, accounts for about 20,000 tons at present and shows definite signs of staging a further increase. The Coffee Board, therefore, proposes to direct its attempts at catering to a steadily rising internal demand, on the one hand, and at building up an expanding export market, on the other. It hopes to achieve the latter through suitable measures of propaganda, strict control of the material exported and increased production of quality coffee.

Under the scheme of propaganda proposed by the Board in the draft plan, a more intensive campaign for educating people in the areas where coffee is still an unfamiliar beverage is envisaged. As regards the export sale, the procedure now followed is that the Board sells coffee for export by means of closed bids to exporters in India who in turn sell it to importers abroad. The draft plan, however, suggests a change in the procedure. "It would perhaps be desirable and certainly more profitable," it says, "when production is increased, to sell it directly to parties overseas by inviting tenders by means of advertisements abroad." As an alternative, the plan suggests holding of open auctions in India when foreign importers or their agents can also bid. A third suggestion is that direct shipments may be made to foreign agencies for sale on commission basis.

As further measures for propagating coffee abroad, the draft plan says that an export promotion council may be set up for coffee, as is done for other commodities and manufactured articles. coffee houses may be opened in Europe, the U.K. and also near home, i.e., in Ceylon, Burma, Pakistan, etc., for serving exclusively Indian coffee, and that the Indian Coffee Market Expansion Board in London may be revived and that quality of exports may be standardised by having liquoring tests of all coffee offered for export made by experts abroad.

Though an increase in internal consumption is envisaged, there is no doubt that the profitable working of Indian coffee industry rests on the export market. This situation will continue and must continue, as Mr. R. C. Paterson, Chairman of the Consolidated Coffee Estates, pointed out in his speech at the annual general meeting of the Company. For the greater part of the past year, he said, the world coffee market was unsettled. Now there were indications of overproduction everywhere. In addition, Mr. Paterson pointed out, there was considerable apprehension regarding the stability of Brazil, the producer of 50 per cent. of world crop, and that there were fears that drastic devaluation of the cruzeiro might be necessary. If this should happen and world surplus stocks left unplaced, there might well be a considerable slump in world coffee prices. In 1954, India produced a

(Continued on page 42)

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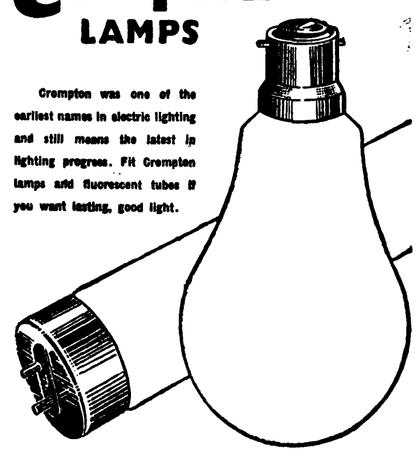
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RECENT TRENDS IN LIFE INSURANCE

NEW BUSINESS AND EXPENSES JUMP UP

FOREIGN COMPANIES' SHARE FALLS—LAPSES STILL HIGH

THE *Indian Insurance Year Book* covering the year ended December 1954 was awaited with particular interest in insurance circles, because it was known that it would throw light on business trends in that crucial year in Indian insurance. It may be recalled that it was in 1954 that Indian insurers effected, under the lead of the New India Assurance Company, Ltd., a sizable reduction in premium rates. This gave a direct fillip to life insurance business. The figures relating to overall life business of Indian insurers, now published, confirm the expectation that a fresh record would be set by new business in 1954. The total new business done by all insurers aggregated Rs. 229.5 crores, as against Rs. 155.2 crores in 1953. It is noteworthy that the increase was wholly accounted for by the business transacted by Indian insurers. Thus, the new life business of Indian insurance offices improved from Rs. 138.2 crores in 1953 to Rs. 213.3 crores in 1954, whereas that of non-Indian insurers actually declined from Rs. 17.0 crores to Rs. 16.2 crores. The total business in force at the end of 1954 was Rs. 1,059 crores, of which Rs. 922 crores was in the books of Indian insurers and the balance of Rs. 137 crores in the books of non-Indian insurers.

The following table gives the trend of new life business in the 10 years ended 1954:

New Life Business

(In crores of rupees)

	Indian insurers	Non-Indian insurers	Total
1945	123.7	12.6	136.3
1946	140.9	12.9	153.8
1947	126.5	13.1	139.6
1948	121.7	12.9	134.6
1949	130.0	12.2	142.2
1950	125.8	13.7	139.5
1951	131.4	16.5	147.9
1952	130.3	16.4	146.7
1953	138.2	17.0	155.2
1954*	213.3	16.2	229.5

* Figures incomplete and subject to revision.

The sharp increase in new life business in 1954, as the Controller points out, is partly attributable to the tendency, on the part of policyholders, to make the old policies paid-up with a view to availing themselves of the reduced rates of premium. The Controller, however, concedes that "even if allowance is made for this fact, the increase is significant." He adds:

> This feature has, however, to be viewed in the context of certain important events during the year. The Estate Duty Act, which came into force late in 1953, and the reduction in the premium rates have given fresh stimulus to life business. Besides, insurers appear to have actively written business under staff schemes. The reduction in premium rates has reduced the cost of insurance and to the extent that this is due to an improvement in the mortality experience and increase in the interest yield of insurers, it is a healthy development."

Net Increase

The Controller is obviously correct in holding that even if allowance were made for the conversion of old policies into paid-up ones, which did take place in 1954, the increase in life business is significant. A rough calculation would show that there has been a sizable net increase in the life business of Indian insurers. The total life business in the books of these insurers, at the end of 1953, was Rs. 833 crores, as against Rs. 796 crores at the end of 1952, so that the net increase in 1953 was of the order of Rs. 37 crores. At the end of 1954, the total life business stood at Rs. 922 crores. The net increase in that year was therefore as much as Rs. 89 crores as compared with a mere Rs. 37 crores in 1953. The following table gives the total business figures at the end of each year of the decade ended 1954:

Total Business

(In crores of rupees)

	Indian insurers	Non-Indian insurers	Total
1945	462	95	557
1946	550	101	651
1947	603	103	706
1948	621	103	724
1949	662	103	765
1950	671	109	780
1951	755	118	873
1952	796	126	922
1953	833	133	966
1954*	922	137	1,059

* Figures incomplete and subject to revision.

A noteworthy feature disclosed by the above table is the fall in the rate of net increase in the business of foreign insurers. From Rs. 6 crores in 1950, the pace gathered momentum for a while to Rs. 9 crores in 1951, but, thereafter, it gradually fell to Rs. 8 crores in 1952, and Rs. 7 crores in 1953. The decline was marked in the year under review, the increase in net business being no more than Rs. 4 crores. All this shows that the share of Indian companies in the total insurance cake of expanding size has begun to increase substantially. This is not surprising. Apart from political considerations, the activities of foreign insurers are confined mostly to big cities where there are foreigners in large numbers, while Indian insurers are steadily expanding their business in the interior where the volume of purchasing power has been tending to rise in recent years. This trend is bound to gain in strength in the coming years and in the not distant future the share of non-Indian life insurers in the total business will become negligible.

Lapses

Lapses continue to be as intractable a problem as ever. Of the new business placed in 1951, the business which lapsed in the next three years amounted to 45.2 per cent. Again, nearly 44.0 per cent. of the new business placed in 1952 lapsed before the end of the subsequent two years; about 35.7 per cent. of such business placed in 1953 lapsed before the end of 1954. These figures suggest that Indian insurers cannot afford to relax their efforts at reducing the lapse ratio. After all, the high-pressure salesmanship which compels, rather than induces, the prospect to go in for life insurance results only in national waste of resources. Perhaps, the provision for some aftercare service in the sense of the agent keeping himself in touch with the business he has canvassed will help to reduce the magnitude of the lapsed business.

Indian insurers, as is well known, have for some time now been extending their operations in overseas countries, thereby contributing to this country's invisible exports. The net amount of life insurance business effected outside India by Indian insurers during 1954 was Rs. 17.46 crores or about Rs. 2.79 crores more than in 1953. The total foreign business in force at the end of 1954 was Rs. 85.03 crores which brought the insurers an annual premium income of Rs. 4.54 crores.

The net rate of interest realised on mean life insurance funds has steadily moved up in recent years, thanks to the improvement in interest rates. It was no more than 3.16 per cent. in 1950. It improved to 3.33 per cent. in 1951 and to 3.43 per cent. in 1952. It then spurted to 3.50 per cent. in 1953 and moved up slightly to 3.51 per cent. in 1954. The net rate of interest realised by non-Indian insurers has, on the other hand, declined in the last two years. From 3.35 per cent. in 1952, it declined to 3.30 per cent. in 1953 and still further to 3.06 per cent. in 1954. This is understandable, because in these years the trend of interest rates in most of the foreign countries was downward. The Bank rate in these countries was lowered with a view to arresting the signs of a recession that were then visible. But the returns of foreign insurers for 1955 are bound to show a perceptible increase in the net interest realised, for in that year the rates of interest recorded a sharp increase following the reversal of lower interest rates by the central banks in foreign countries in order to arrest inflationary forces which seemed to raise their head again.

If the climate for interest rates has thus been favourable for Indian insurers, the trend in their expense ratio has been upward. After having remained stationary at 27.2 per cent. in 1951 and 1952 it moved up to 27.4 per cent. in 1953 and still further to 29.3 per cent. in 1954. The trend in the expense ratio of the smaller insurers has also been upward. Thus, the expense ratio of all insurers except the half dozen insurers with the largest premium income moved up from 27.8 per cent. in 1952 to 28.3 per cent. in 1953 and still further to 29.6 per cent. in 1954. The steep increase in 1954 is to be attributed to the increase in new life business and also to the additional work involved in the replacement of some of the old policies by new ones. The renewal expense ratio for 1954 worked out to 14.6 per cent. It is interesting to note that the larger insurers have a lower renewal expense ratio than the smaller offices. Thus, for the half dozen insurers having the largest premium income it was 12.7 per cent. while it was 17.2 per cent. for the rest. This underlines the fact that, as the volume of insurance increases, the trend in renewal expense ratio is bound to be more and more favourable. Be that as it may, it is noteworthy that non-Indian insurers have a significantly lower expense ratio than Indian insurers. Thus, their expense ratio, although it moved up from 20.7 per cent. in 1953 to 21.4 per cent. in 1954, was lower than the expense ratio of Indian insurers, namely, 29.3 per cent. This difference is partly attributable to the fact that the average sum insured per policy is higher in the case of non-Indian insurers (about Rs. 7,499) than for Indian insurers (about Rs. 3,123); the figures relate to new life business in 1954.

Incomes

During 1954, the income of Indian insurers aggregated Rs. 58.91 crores, inclusive of a premium income of Rs. 47.48 crores and income from interest, dividends and rents of Rs. 9.11 crores; the corresponding figures for non-Indian insurers were Rs. 9.38 crores, Rs. 7.45 crores and Rs. 1.47 crores. The outgo of Indian and non-Indian insurers aggregated Rs. 31.70 crores and Rs. 7.41 crores, respectively. The main items of outgo for Indian insurers, the figures in brackets referring to those for non-Indian insurers, were: Claims by death Rs. 4.21 crores (Rs. 0.81 crore); claims by maturity Rs. 10.06 crores (Rs. 2.64 crores); surrender value Rs. 2.30 crores (Rs. 1.35 crores); and expenses of management Rs. 13.91 crores (Rs. 1.60 crores). The excess of income over outgo was therefore Rs. 27.21 crores for Indian insurers and Rs. 1.97 crores for non-Indian insurers; these figures represented the increase in the respective life funds of these two groups of insurers.

The total of all assets of Indian insurers, on 31st December 1954, was Rs. 338.90 crores consisting of Rs. 301.33 crores being the assets of life business and Rs. 37.56 crores being those of non-life business. The assets in India of non-Indian insurers aggregated Rs. 58.01 crores, consisting of Rs. 50.86 crores being the assets of life and composite offices and Rs. 7.21 crores being the assets of non-life offices. The following table gives the distribution of the assets of Indian insurers at the end of 1953 and 1954:

Assets of Indian Insurers

(In crores of rupees)

	1953		1954	
	Amount	Per cent.	Amount	Per cent.
Central Government securities	127.95	40.2	131.06	38.7
Part A Government securities	19.07	6.0	19.46	5.7
Part B Government securities	3.35	1.0	4.37	1.3
British, Colonial and Foreign Government securities	5.83	1.8	5.79	1.7
Municipal, Port Trust and Improvement Trust securities	18.80	5.9	18.42	5.4
Mortgages on property	14.62	4.6	15.56	4.6
Loans on policies	23.51	7.4	26.62	7.9
Loans on stocks and shares	0.22	0.1	0.16	..
Other loans	1.86	0.6	1.98	0.6
Debentures	14.70	4.6	20.77	6.1
Preference shares	11.30	3.6	11.95	3.5
Ordinary shares	19.94	6.3	22.75	6.7
Land and house property	17.38	5.5	16.59	4.9
Agents' balances, outstanding premiums, interest, etc.	15.55	4.9	16.10	4.8
Deposit, cash and stamps	16.87	5.3	20.20	6.0
Miscellaneous	6.94	2.2	7.02	2.1
Total	318.09	100.0	338.89	100.0

It will be seen from the table above that insurers' investment in Government and semi-Government securities constitute about 52.8 per cent. of their total assets, while those in debentures. Preference shares and ordinary shares work out to 16.3 per cent. The rest of the assets is held mainly in the form of mortgages, loans on policies, real property and agents' balances and deposits. A study of this investment pattern of insurers' assets shows what little scope there is for augmenting the State's resources through nationalisation of insurance. On the contrary, State ownership of insurance would raise complex issues of evolving effective methods of salesmanship and post-sales service. So far, Indian insurance, judging from the trend of new business transacted from year to year, has done very well indeed, under the ægis of private enterprise so that any attempt at State ownership would tantamount to smothering of that enterprise for purely doctrinaire ends

THE MYSORE KIRLOSKAR LIMITED

MR. K. NARAYANASWAMY'S ADDRESS AT ANNUAL GENERAL MEETING

THE Fourteenth Annual General Meeting of the shareholders of the Mysore Kirloskar Limited was held at Harihar on 25th December 1955. Addressing the shareholders on the occasion, Mr. K. Narayanaswamy, B.Sc., I.A.S., Chairman of the Company, referred to the substantial progress made by the Company during the year ended 30th June 1955, and said that the shareholders could expect a period of continued prosperity for the Company during the next few years. He also drew attention to the development plan prepared by the Company and the proposed increase in its capital to finance the plan.

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

"LADIES AND GENTLEMEN,

"Before turning to the business done by the Company, I would like to refer to the sad and unexpected demise of one of your Directors, Rao Bahadur G. G. Shembekar, on 31st August 1955, after a heart attack. He had been here to attend the send-off function to Mr. M. B. Jambhekar, who retired from the services of your Company. Your Company has lost in Rao Bahadur G. G. Shembekar a man of wide practical experience both in the field of agriculture and business. The Board of Directors have already passed a condolence resolution and sent it to his son. I would like you to observe silence by standing for two minutes as a mark of respect to the departed soul. (*Two minutes' silence.*)

"It gives me great pleasure in welcoming you all today at the fourteenth annual general meeting of your Company.

"The balance-sheet and the auditors' and Directors' reports have been already sent to you separately and I, therefore, presume that the same are in your hands for some time and you must have no doubt completed examination of the same by now. With your permission, therefore, and according to the usual practice, I take the same as read.

Order Book Satisfactory

"I now turn to the business of your Company. The business of your Company during the year 1954-55 has, no doubt, shown substantial progress and this must have been clear to you already after your reading of the balance-sheet. The position of the order book in respect of orders on hand has been quite satisfactory. The main difficulty and worry is now how to meet promptly all the demand for our products. This, otherwise satisfactory, position has curiously enough posed a question before your Company, almost a challenge, to see if it can gear up its production to the maximum capacity and successfully meet the claim of the country on its capacity.

"I am glad to inform you that the management of your Company has been fully alive to this now situation and has been doing its best to meet it effectively and I am, therefore, happy to assure you that as shareholders of this Company you can expect continued prosperity for your Company for the next few years also.

"Turning to the balance-sheet you will have noticed the improvement in its presentation, in giving corresponding figures of the previous year. This, I am sure, must have helped you in getting a comparative idea of the business done by your Company in the two years.

"The new building worth Rs. 3.35 lakhs was completed during the year under report and is now used for departments like assembly, testing, etc. The value of new machinery added is Rs. 1.60 lakhs, as against Rs. 1.92 lakhs in the previous year. From a comparative study of all relevant figures, you will find that the financial position of your Company has shown a great improvement over the previous year and the management, the members of the staff, and the workmen and all those who have directly and indirectly shared in the efforts deserve warm commendation at your hands.

"During the year, further progress was made in the manufacture of all geared head lathes and your Company has been successful in manufacturing the tool room lathes and has been able to put this lathe on regular production basis. The production of the first 12" hacksaw machine, to which I had referred in my speech last year, is already successfully completed.

"Your Company has also prepared its plans for development in the next few years and will be in a position to meet the additional demand for its products that we are expecting to come up in the next few years, as a result of implementation of Government schemes under the second Five-year Plan.

"For the execution of these plans, as a first step, we propose that the present authorised capital of your Company, which is Rs. 25 lakhs, be raised to Rs. 50 lakhs. The subject is already on the agenda and I am sure you will approve the raising of the limit to Rs. 50 lakhs.

"One notable event of the year under report, to which I would like to draw your attention, is that the fully paid ordinary shares of your Company have been admitted to cash dealings on the Bombay Stock Exchange and I take this opportunity to express our gratitude to the Stock Exchange authorities for all the help that they have rendered from time to time in studying the case of your Company and guiding it in getting qualified for admission to the Stock Exchange. You have already gone through the agenda of today's meeting and you must have noticed the list of amendments proposed to the Articles of Association of your Company. I would like to inform you that all these amendments have been suggested by the Stock Exchange authorities, Bombay, and they have done us a special favour by admitting the shares of your Company to cash dealings on their Exchange even before these amendments are formally approved by you. I hope our shareholders will take full advantage of these arrangements.

"The supply position, though slightly improved, is still giving cause for anxiety. We are not still assured of enhanced quotas of pig iron and hard coke and we have to strive our best every time to secure whatever is available as an *ad-hoc* quota.

"There is also a further enhancement in prices of steel and this has placed a corresponding additional burden on us.

"Transport bottlenecks continue to worry us as hitherto and, at times, create very compromising situations. To ensure steady production, transport by motor trucks has had to be availed of, in spite of its high costs.

"These problems have been there all these years and it is time that some determined efforts are made by the authorities concerned to solve them without delay. I appeal again to the authorities of the Railway Board to give their immediate attention to the difficult transport conditions in this part of the country and grant early relief to industries, commerce and the public generally.

"The condition of roads around Harihar is not quite satisfactory and I take this opportunity to suggest to the authorities concerned that they should do everything in their power to improve the road conditions without delay.

"I am glad to mention that the question of allocation of spheres of production and rationalisation of manufacture of machine tools by the various units of the machine tools industry in the country has received consideration recently from the several interests connected with the industry and it is to be hoped that some agreed arrangement would be arrived at in the best interest of all concerned. I welcome the appointment of the Committee recently announced by the Government of India to go into the above question in all its aspects and sincerely trust that it will hammer out a solution satisfactory to all units, including the Government Jalahalli works.

Advice to Labour

"The labour relations during the year under report were generally satisfactory. Recently, however, there appears to be some agitations over a few demands, which are at present being handled by the labour conciliation machinery. The management of your Company has been alive to the needs of workers and has been doing whatever is feasible in present circumstances. I suggest that, when putting forth a demand, workmen should take into account the totality of benefits offered by the Company and should not misunderstand or misdirect themselves by taking a few items in an isolated manner. They should also give their serious consideration to the urgent need for raising production and should, in their own interest, avoid putting such types of demands as would inevitably result in curtailment of production. I would finally appeal to workers that they should never forget that, in its ultimate analysis, the wage or remuneration level is determined by the productivity of labour and nothing should be done as would affect production in their own interest as well as of the nation.

"On behalf of the management I would like to assure the workmen that the same kind and sympathetic approach to their needs and requirements would be continued by the Company as in the past. I hope that, the workmen, on their part, will continue to do their utmost in striving for the progress and expansion of operations in the concern with mutual benefit to one and all.

"Ladies and gentlemen, I have already taken much of your time. Before concluding, however, I consider it my duty to express again on behalf of you all, our warm appreciation of the very satisfactory work turned out during the year 1954-55 to which all concerned, the management, the staff and workmen, have contributed their best.

"Finally, I thank you all for making it convenient to attend this meeting. I now propose that the balance-sheet and the profit and loss account of the Company be adopted."

NEW PRODUCTS AND PROCESSES

World's Smallest Milk-Cooler

A BRITISH firm has produced what it believes to be the smallest iced-water milk-cooler in the world, designed for the farmer who has neither the need nor the money for a cooler of even the smallest size that has so far been available. It accommodates one churn at a time, and is capable of dealing with from 30 to 35 gallons a day. The cooler's sealed refrigeration unit needs no attention, and cools one churn in about 10 minutes. Fifteen gallons of water are moved continuously in a closed circuit from the refrigeration unit, round the churn, and back into the unit. The platform on which the churn stands has been kept as low as possible to make for easy lifting.

Protective Coating for Building Surfaces

A recently developed protective treatment for all horizontal and vertical building surfaces, marketed by a British firm, has been tested under the most extreme climatic conditions with satisfactory results. It is now being widely used in New Zealand, and other particularly promising markets include Australia, the Far and Middle East and Scandinavia. It is most resistant to penetration by water, inert to both acids and alkalis, and unaffected by heat in temperate or tropical climates. Under test, when exposed at very close range to a temperature of 900° F., the protective covering did not run or flow. The surface can be applied to corrugated iron sheeting and other surfaces on site by spray gun, and for new materials a 20-year free maintenance guarantee is given. Solar reflection can be provided, and generally improved protection at lower cost is claimed.

Copying Milling Machine

An engineering works at Wormerveer (the Netherlands) has put on the market a copying milling machine for the manufacture of straight and curved structural shapes. The machine has two milling spindles with a speed of 8,400 r.p.m. and feed rollers extending all along the width of the bench, they can be adjusted vertically to the thickness of the timber and can be set to three different speeds. Each pattern requires two or more copying templates, dependent on the shape of the pattern and the productive capacity desired. These templates are moved along guide rollers, the feed rollers pushing the roughly pre-sawn workpiece between the milling spindles. This operation causes the cutters to make the transverse movements determined by the template, thus imparting the corresponding shape to the workpiece. Each milling spindle can be vertically adjusted over 10 mm. (0.4 in.). The spindles can be fitted with profile cutters as well as with cutterheads. The spindles are driven by two built-in 3 h.p. rotary current motors, the feed rollers by a ¼ h.p. motor. The operation of the machine does not require skilled labour. It is very suitable for chair and furniture factories. A patent application has been filed.

New Process for Nickel-plating

A revolutionary chemical process for nickel-plating will shortly be introduced into Australia from the United States. Known as the Kanigen process, it was developed by the General American Transportation of Chicago, and its Australian rights have been secured by A. E. Goodwin Ltd. of Auburn, New South Wales. This process can be used on surfaces which cannot be plated by older processes and is applicable to a wide range of plastic and metal materials. It deposits a uniform, hard, non-porous, anti-corrosive coat of nickel-phosphorous on iron, copper, aluminium or their alloys from a chemical bath, without the use of electricity. The Kanigen process has many industrial uses and may be applied to forgings, steel castings and the interiors of tubes and pipes, intricate valves, slides and hydraulic cylinders, pieces with screw threads or other indentations. Spark plugs for motor cars and airplanes which were Kanigen-plated have, it is stated, given much longer service and do not burn.

AGRICULTURE IN A DEVELOPING ECONOMY

CO-OPERATIVES ARE ESSENTIAL FOR PLAYING ITS ROLE EFFECTIVELY

By J. J. Anjaria

CHIEF OF ECONOMIC DIVISION, PLANNING COMMISSION

[A comprehensive analysis of agricultural problems was made by Mr. J. J. Anjaria, Economic Adviser to the Finance Ministry of the Government of India and Chief of the Economic Division, Planning Commission, in his presidential address to the Sixteenth Annual Conference of the Indian Society of Agricultural Economics held at Poona on 28th December 1955. Some of the important topics discussed by him were employment potential of agriculture, productivity, rural credit, tenancy reform, ceiling on land holdings and co-operative farming. We publish the text of his address on these pages, as it contains certain useful information and gives a clear idea of the enormous nature of the problems facing the Government, problems needlessly made complicated by the authorities' ideological but unrealistic approach to them. A typical instance of this approach is provided by the move to ration the available land among the landless. This move raises scores of fresh problems, as, for example, uneconomic holdings, for which solutions are sought mainly through co-operation, on a scale and in a manner that smacks of collectivism, a system totally foreign to democracy.—ED.]

THE Central problem of Indian economy at the present stage is economic development, and this has to be secured through simultaneous and balanced action in all sectors of the economy. The object is to enable the community to produce more per head of population and per unit of resource and this necessitates a readaptation of the economic and social structure to facilitate and accommodate the new techniques and modes of production. There are, it would appear, two possible approaches to the problem. One proceeds from a narration of overriding social objectives and of the need to remodel the institutional framework in the light of these objectives. The other regards the attainment of economic—or shall we say material—ends as a matter of priority and postulates a relative indifference or averseness to institutional changes. It is, I should think, unnecessary—if not misleading—to pose the issue in terms of a choice between these alternatives. The urge for economic development is itself a manifestation of more deep-rooted social urges, and plans of economic development can rarely go far unless they take account of and meet these underlying urges. The problem at each stage in the process is to ensure that economic development and institutional change keep in step, so that each supplements and promotes the other rather than become a drag or a damper on the other.

What is the role which agriculture must play in Indian economic development and along what lines the transformation we are seeking in the economic and social conditions of the rural population could be attained with maximum advantage? This is a very broad topic. It has many facets and ramifications. Naturally, I shall confine myself to only a few of them.

Salient Facts

May I start by recounting the salient facts of the economic structure? Of the total population (in 1951) of 36 crores, 25 crores depend on agriculture and some 11 crores on non-agricultural activities. Of the latter, some five crores lives in rural areas. The rural sector of the economy thus comprises about 30 crores of people. The occupational pattern of the country reflects the overwhelming dependence on agriculture. Of the total estimated working force of 14.3 crores in 1950-51, 10.3 crores or 72.3 per cent. was engaged in agriculture. Factory establishments and mining occupied only 2.7 per cent. of the working force; small enterprises, including construction, some 8 per cent.; transport, communications, banking, insurance and trade, another 8 per cent.; and the remaining 9 per cent. was engaged in other services. A major—and obvious—desideratum from the point of view of development is a change in the occupational pattern away from agriculture and in favour of industry, trade and ancillary services.

There has been, it would appear, little change in this pattern as a result of the developments that have taken place in the first Plan period. Industrial output has increased by almost 50 per cent. in the last five years, but there has been little increase in industrial employment. Mining, railways, construction and urban trade have presumably absorbed fairly large numbers, but all this has made little impression on the occupational pattern as a whole. Agricultural production has increased by about 20 per cent. in the last five years and, although this must have reacted beneficially on the quantum of work available in the rural sector, it could hardly be expected to reduce visibly the surplus of manpower on the land. Judged in terms of the occupational pattern, the Indian economy has yet to feel the impact of expansionary forces. The process of evolving a more balanced occupational structure must necessarily be spread over a period of years, but it may be ever, improvements in agricultural productivity stressed that, if the real income levels of the farming community are to be improved, it is imperative that the number of those who share in the net proceeds of agriculture diminishes substantially. Technological considerations permit this and social considerations point the same way. It is only thus that the economy as a whole can be made dynamic and progressive.

It is easy to see that economic development requires a continually expanding output of agriculture. The incomes generated by investment create a larger demand for food. More raw materials are needed for the new factories, and circumstances may arise which necessitate some exports of agricultural produce to secure the imports of machinery and capital goods required. The increase in agricultural output cannot come from new land, of which there is none or very little. It has to be obtained through more intensive and more efficient cultivation.

Crop Yields

The present crop yields in India are low even as compared with countries like China and Japan where the unit of farming is small. There is little doubt that, for many years to come, no increase in the working force in agriculture is needed, and it would be most desirable if any increase could be prevented. In due course, as the development process gets accelerated, there could even be a reduction in the absolute numbers engaged in agriculture. The point, for the time being, is that given more water, better seed, fertiliser, livestock and implements, the country can produce far more food and far more of raw materials with a diminishing proportion of the population remaining on the land. As real incomes increase, the community spends an increasing proportion on goods other than the basic staples that agriculture produces. If, under these conditions, incomes *per capita* in the agricultural sector are to keep pace reasonably with incomes elsewhere, there must be a steady diversion of people from agriculture to other occupations. More and more, therefore, the adequacy of our plans must be judged in terms of the opportunities they open out for employment in non-agricultural activities.

Progress Under First Plan

When the first Plan was formulated, the problem was one of securing an early increase in the output of food and raw materials. Schemes of agricultural development, including irrigation, were, therefore, accorded the first precedence. With irrigation was associated power and, in the case of railways, there was a certain minimum programme of rehabilitation which had necessarily to form part of the Plan. In the structure of investments that thus came about, there was little scope for a direct emphasis on creating a pull on the agricultural sector via increased demands originating from the rest of the economy. The first Five-year Plan was admittedly a first step, although "the need for initiating a process of development that will form the basis of the much larger effort needed in the future" was also kept in mind. The results attained have been satisfactory. The shortages of food and raw materials have been overcome, and, although it is difficult to relate the increases in output in all cases to the investments undertaken, there is little doubt that the production potential of agriculture has increased. The major irrigation schemes undertaken in the first Plan period will have added 7 million acres to the area irrigated; another 16 million acres will be provided with water on completion of these schemes. Minor irrigation works will have brought about 10 million acres under irrigation by the end of the Plan period. The use of fertilisers and better seed and the adoption of improved agricultural practices has also been spreading. The Community Development and National Extension programme has helped in making the rural population receptive to new ideas. With the further extensions of these programmes envisaged in the second Plan, the prospects of a continuous and sizable increase in agricultural productivity in the years to come must be adjudged as definitely good.

It can reasonably be claimed that the priority accorded to agriculture and rural development in the first Plan was right. It is usually the relative inelasticity of agricultural output that limits the growth in other sectors and so in the economy as a whole. In the countries that started early on their industrial career, the availability of raw materials from colonies was a favourable factor. This made it possible for them to concentrate on high-productivity developments in manufactures and to avail themselves of "increasing returns." Basically, however, and a release of part of the labour force from agriculture were an essential precursor of the industrial revolution. Where, as in India, more food and raw materials are needed even for keeping up *per capita* consumption, improvements in agricultural productivity have to receive prior attention. Nevertheless, the crucial feature of the development process is a much more rapid growth in the non-agricultural sectors and these sectors claim inevitably an increasing proportion of the investment resources available.

Some Examples

In the U.S.S.R., in eastern European countries and in China, the bulk of new investments have been made in industries, and the increases in productivity needed in the agricultural sector are sought to be obtained through direct investments of labour and through capital formation promoted by means of co-operatives or collectives. In the first Five-year Plan of China for instance, of the total investment proposed some 68 per cent. is to be devoted to industri and power, but only 9 per cent. to agricultur including irrigation. The lower priority giv to agriculture appears already to be causin difficulties. The output of grain is reported to have increased by only 3.4 per cent. in the first two years of the Plan, as against the target of 17.6 per cent. over the five-year period. But, what we are interested in is not whether the priorities in investment in a particular country or in a particular set of circumstances were or were not right but in the underlying theory that rapid development demands heavy investments in the secondary sector.

The limited impact of our first Plan on employment and the sharp fall in agricultural prices in 1952-53 also point the same way. This is not to say that agricultural and industrial output can always expand in such balance that the terms of trade between agriculture and industry remain unchanged. It is, however, important to recognise that, in a developing economy, the secondary sector has to grow fast. In a paper read recently at a meeting of the Working Party on Economic Development at Bangkok, Dr. Kuzushi Okhawa has brought out the fact that, in the period 1872-1942, while Japan's national production increased 12.6 times, primary production increased 2.4 times, secondary production 47.5 times and tertiary production 21 times. The average annual rate of increase of primary production was thus 1.4 to 1.7 per cent., of secondary production 6 to 7 per cent. and of tertiary production 4.7 to 5.3 per cent. Japan, of course, depended heavily on the exchange of manufactured goods for primary products from abroad. The Six-year Plan (1954-60) which Japan is now implementing envisages a higher rate of increase in production in the primary sector—3 per cent. per annum—than has been observed in the past, but still primary production is expected to increase by 20 per cent., while secondary and tertiary production is to go up by 50 and 28 per cent., respectively, over the six years. This pattern of sectoral increases yields an increase of 5 per cent. per annum in national income, that is, of 33.8 per cent. in six years' time.

One need not multiply instances. Whether one views the development process from the point of view of increasing aggregate output or from the point of view of increasing employment opportunities, very large increases in output and investment in sectors other than agriculture are called for. Agricultural production has to increase in absolute terms mainly through a rise in productivity rather than in employment; the other sectors have to expand both output and employment. Investment-output as well as investment-employment ratios in these latter are generally high, so that, unless savings on a big enough scale are available in the system, it becomes very difficult to provide for sufficient increases in output and employment in them, and this, in turn, recoils on the agricultural sector which has to continue to bear the excessive pressure of population on land.

These observations are of special relevance in the context of an employment-oriented plan such as this country is now thinking of. They point to the conclusion that the creation of new employment opportunities depends upon the resources that can be made available for investment in construction, in industry—large-scale as well as small-scale—and in transport, trade and tertiary services. The second Plan proposals that are now being formulated envisage a considerable expansion in the industrial sector, some 19 per cent. of the aggregate expenditure proposed by Central and State Governments being devoted to it, as compared with only 8 per cent. proposed (the actuals being lower) in the first Plan. The relative shift in priorities may be seen from the fact that the tentative allocations being considered assign as much as 57 per cent. of the proposed outlay to power, industry and transport, while agriculture, including community development and national extension gets about 12 per cent. and social services, housing and rehabilitation, about 20 per cent. Briefly, the step-up being considered is large in respect of industries and transport, but only moderate for agriculture and for social services. On present estimates, it appears that, with the investment on the scale and pattern that look feasible, an addition of a couple of million to the labour force in agriculture might be unavoidable.

Italy's Approach

It is of interest, in this context, to consider ce briefly the approach which Italy is exploring in at. er Ten-year Development Programme. This the programme aims at maintaining over the 10 rid years an average annual rate of growth of 5 per cent. in national income. It proposes that the natural increase in the labour force of about 2 million should be absorbed in occupations other than agriculture and that a further 2 million jobs be created also outside agriculture to take care of the existing unemployment and underemployment in the country. For securing these results, the development programme differentiates between investment in what are called "impulse" sectors and investment in industrial and tertiary sectors. The former type of investment covers agriculture, public utility services, public works and housing. Investment in housing is considered as relatively low priority investment, coming, as it does, fairly close to consumption type of expenditure. The point is that investment in these impulse sectors provides only a small proportion of the total employment required and the requirements of investment specifically for creation of jobs in the industrial and tertiary sectors are worked out separately in terms of certain estimates of capital required per worker. Government's action is to be concentrated on the impulse sectors, while the provision for the capital requirements of the other sectors is to come by way of private investment. What emerges on the whole is a programme of net investment amounting to 18 per cent. of national income on an average over the 10 years, as compared with 14 per cent. in the year prior to the beginning of the Plan. Public investment is to be devoted mainly to the building up of economic overheads. The increase in investment needed in the industrial and tertiary sectors between 1954 and 1964 works out at 300 per cent. It is also envisaged that investment in the impulse sectors should decrease progressively as the development process spreads itself out, so that greater resources become available for the industrial and tertiary sectors. In part, this phasing reflects the fact that the programme outlined relies heavily on the private sector, except in the matter of social overheads; but it does bring out the fact (assuming, of course, that the calculations made are correct) that, for creating employment on the scale required, not only has the rate of saving (gross) to be as high as 25 per cent. of national income but also that investment in industries and the tertiary sectors has to increase from 30 per cent. of the total in 1954 to 40 per cent. of the total investment in the economy by the end of the 10-year period.

Labour Intensive

I should not go too far from the problem I started with. I wish only to stress the point that, since the role of agriculture has to be fitted into the overall programme of development which necessarily means a differentiation of the economic structure through investments elsewhere, investments in agriculture proper have to be, in the main, labour-intensive and that for sustaining aggregate investment at the high levels required, savings have to be generated both in the agricultural and in the non-agricultural sectors. Perhaps, I should dwell a little more on the latter aspect.

For many years, agriculture in India has remained relatively static, and it is only since Independence and particularly after the adoption of the first Five-year Plan that substantial funds are being directed to agriculture and rural development. For many years to come, the public authorities will have to continue to devote large sums to the building up of the infra-structure of development in the interest both of agriculture and of industry, and as the situation stands in India, a large part of the industrial development programme itself has to be financed by the public sector. All these investments are usually capital-intensive, and so long as public savings are limited, the State has necessarily to depend upon what private savings it can draw upon and channel to itself. As agricultural economists, we should desire that as large a part of the public funds as possible should be devoted to the development of agriculture and to raising the real incomes of the agricultural classes, but I think we cannot but stress at the same time the most urgent need for the agricultural sector itself to finance as much of its development programmes as possible from out of its own unutilised or under-utilised labour power and from the new incomes generated by development. An effective development programme for an underdeveloped economy has necessarily to have as a major component the direct utilisation of the idle manpower in the countryside. The agricultural sector does this "saving" in any case; the under-employed or unemployed are being maintained out of somebody's earnings in that sector. If, in building some of the overheads of development, like dams, roads, railway lines and the like, this saving potential can be utilised—with, of course, some supplementing by public authorities, the initial push to the economy could be given more easily. The task, thereafter, would be to see that the larger incomes resulting from the increased productivity thus brought about are not all spent on consumption and a reasonable proportion is utilised for further capital accumulation. This point is well recognised in our plans, and a good beginning has been made in the direction of mobilising local labour and resources through the community development programmes and local development works. It is difficult, under democratic processes, to bring about the same mass mobilisation of manpower as has been possible in totalitarian countries, but, if available financial resources are to be deployed in larger measure for developments outside the agricultural sector—in the interests of the agricultural population itself—the greater the degree of success that can be attained in this direction, the better, obviously, will be the results.

A Depressed Industry

I shall not venture on an estimate of the rate at which the various sectors of the Indian economy ought to expand if the resulting pattern is to be well-balanced. The rates at which demands can increase in respect of existing products and the pace at which new demands may arise must be regarded as largely a matter of guess. When, therefore, we speak of a doubling or trebling of national income over a period, we are speaking of an abstraction, and it must be confessed that the elasticities of demand and supply in various sectors and subsectors and the scale of investments needed to secure given increases in output are in the nature of only broad judgments. But I should imagine that something like a 4 per cent. annual increase in agricultural output on an average should be needed for the next few years, as against an increase of 5 per cent. in national output. Should this happen, and should also the working force in agriculture increase, as mentioned earlier, by about 2 million, the net output per employed person in agriculture would go up by about 18 per cent. over the five-year period.

Per capita productivity in agriculture is at present roughly two-fifths of what it is in the rest of the economy. In this sense, agriculture is a "depressed" industry. But, since it contributes almost one-half of the national product and employs some 70 per cent. of the population, it is not amenable to the kind of treatment that would be adequate for a depressed pocket in an otherwise flourishing economy. Maintenance of agricultural prices through support measures, fixation of minimum wages for agricultural labour and similar measures involving a transfer of incomes from other sectors can at best be temporary, alleviating measures. They have their place in a scheme of preventing economic distress due to some temporary imbalance in the economy or in a scheme of preventing exploitation of those whom the mere fact of numbers and the accidents of social tradition have placed at a disadvantage. What is needed as a long-run and lasting solution is, however, an increase in production in this sector and a smaller number of persons to share the product. In regard to the former, that is, the increase in production, the outlook, as I have said earlier, is satisfactory, since it is obviously the responsibility of the State to build up the necessary overheads, and no one will deny that in this matter the Central and State Governments have gone forward with determination. The latter suggests the need for special orientation of industrial programmes and the use of industrial techniques that would make it possible for the agriculturist to turn to industry. The fact that, at present, with wages of factory workers in India around 2½ times the average earnings of an agriculturist, there is no great exodus to the cities shows, in part at any rate, that the real value of the higher money incomes earned in urban areas is not rated proportionately high by the rural people. If industrialisation were to mean more and more urban concentration, then the costs in terms of the higher money rewards needed to attract labour would be obviously too high. There are, of course, other grounds on which a wide diffusion of industry is desirable, but there is an economic case for it in our circumstances. Agricultural economists cannot but direct their attention to industrial economics as well, especially the economics of industrial development in the rural or semi-urban areas. If it is a decentralised pattern of economy that we are seeking, the answer must be found in terms of a proliferation and diversification of economic activities in the rural areas. It is only thus that we can draw upon the large reserves of manpower the country has.

Population Growth

So far I have made no explicit mention of the relevance of population growth to economic development and to the problems of sectoral growth. I think the position was summed up well in the Report of the Planning Commission on the First Plan: "If population is growing at a certain rate, the total national output has to be raised at the same rate merely to maintain existing standards of income and consumption; this means that not only will so much less of further additions to national income be available for ploughing back into investment but a part of what is ploughed back will be taken up by capital equipment required for maintaining *per capita* incomes constant in the following period. ... Given a situation in which shortage of capital equipment rather than of labour is the main limiting factor in development, a rapidly growing population is apt to be more a source of embarrassment than of help to a programme for raising standards of living."

The Registrar-General of India has, in the *Census Report* 1951, dwelt at some length on the problem of agricultural productivity in relation to population growth. His calculations suggest that the increases in agricultural productivity required to meet the needs of the increasing population would be of the order of 21 per cent. by 1961, 37 per cent. by 1971 and 54 per cent. by 1981, and he has suggested a ceiling on population at 45 crores. One could take a more optimistic view of productivity. It may also be that, considering that we are already 38 crores, nothing we can do now can probably hold the population at 45 crores. Nonetheless, an increase in numbers makes the problem of employment more difficult and limits the possible improvement in living standards. Since, as we have seen from experience, transfer of population from agriculture to the other sectors has necessarily to be spread over a period of time, an increase in population will either add to underemployment in the rural areas or result in overt unemployment in the urban areas. In either case, the outcome is highly undesirable. Is it

permissible, one wonders, while talking of planned development to think still in terms of unplanned population growth?

Reorganisation

I must now turn to the set of problems that go under the name of reorganisation of the structural relationships within agriculture. The misfortune of agriculture has been that there have been too many claimants on the produce raised by the tiller. He has, first of all, an inadequate instrument of production at his disposal; his holding or farm is, in most cases, too small to permit efficient cultivation. But, further, from whatever he produces, he has had to pay a share to somebody from whom he obtained the right to cultivate and he had also to incur heavy costs for any loans that he could obtain from the local moneylender. Attempts were made in the past to reduce these deductions from his income, but it is only now, in the context of comprehensive planning, that the problem is being viewed—I was about to say "attacked" but I suddenly recollected Professor Gadgil's address to the Society last year—in a comprehensive way.

On rural credit, I need hardly say much. In the Reports of the Rural Credit Survey Committee, we have a picture of the present situation—and how unsatisfactory it is—and of the measures needed to institutionalise credit facilities and make them available in ampler measure and at reasonable cost. If as much as 93 per cent. of the total borrowings of cultivators come from private agencies, and if, as the Report records, a large proportion of these borrowings carries a rate of interest as high as 25 per cent. —interest rates of 50 per cent. and above also not being unknown—all the moneylending legislation that has been undertaken so far has been futile. The co-operatives provide only 3.1 per cent. of agricultural finance. Their operations are concentrated in a few States. A large proportion of the agricultural population has remained outside their purview, and they meet only a part of the credit requirements of members. The co-operative organisation has been, in terms of its achievements so far relatively to needs, a virtual failure, and yet co-operation remains, to use an old phrase, the only hope of the rural masses. As the Report puts it, "the problem is not so much one of reorganisation of co-operative credit as of *the creation of new conditions* in which it can operate effectively and for the benefit of the weaker."

These new conditions call for State assistance and participation not merely for rural credit but for a co-operative production-*cum*-marketing structure for the rural economy. The Reserve Bank has, in this connection, a crucial role to play. Central banking in an underdeveloped economy involves much more than keeping the economy on an even keel. Its function is to assist new institutions actively and to influence the pattern of investment by directing funds to the growing sectors of the economy. As the Committee has approached the problem, reorganisation of rural credit becomes part of the wider problem of building up a co-operative commonwealth, a scheme of things which "joins together in a common purpose the united strength of the Indian village with the united strength of the Indian State." It is possible that some will feel sceptical as to the organisation remaining "co-operative" if it is State-sponsored and State-assisted, for current thinking has been that the State can either be force or it can be charity. But, then, what the authors of the Rural Credit Survey are asking for is not merely a change in the co-operative structure but a transformation of the State itself.

If the reorganisation of rural credit has to be related to the role and responsibility of the State for promoting economic development, this must be no less so in the case of what is called land policy. On this subject, the Planning Commission had suggested a fourfold approach in its First Plan Report: (*a*) abolition of intermediaries, (*b*) tenancy reform, (*c*) a ceiling on land and (*d*) co-operative farming. As to (*a*), progress, one could say, has been satisfactory. The process of abolition of intermediaries had commenced even before the Plan was launched, and it has now been virtually completed. This reform raised difficult financial and administrative problems. For a time, they got bogged down in legalism, but these difficulties have been overcome. Fortunately, there was little social resistance to reckon with; the intermediaries whose interests have been acquired had, by and large, no organic connection with the land. One load has, so to say, been taken off the back of the cultivator. But it must be noted that, while the compensation payments are being made and the cultivator continues to pay the same dues to the State as before, there is no increase either in private or in public saving on this account. The increase in public saving will start after a fairly long period when the compensation payments have all been made. This, if one may say so, is the price one pays for democratic and orderly change.

As to (*b*), that is, tenancy reform, the basic idea is the same as in the case of (*a*) just discussed—a redistribution of incomes or transfer of ownership rights from those not working on the land to those doing so. Regulation of rents, which is one item in this programme, has had a long tradition in India and, in many States, action has been taken in pursuance of the Planning Commission's recommendations to limit rents by law to one-fourth or one-fifth of the produce. But, like the legislation to restrain usurious lending, this has been far from effective, simply because the right to cultivate land and make some income out of it is, under the present conditions of land scarcity and absence of alternative occupations, something for which the tenant is prepared to pay up more than he need to under the law. He may cut into his subsistence earnings in doing so, but he can rarely afford the expense and trouble of seeking the protection of the law; and, after all, can a cat look at a king?

The answer to the problem must, I think, be that the State should place itself directly in touch with the tiller of the land, recover from him the legally determined rent and make the same over to the landlord after deducting the cost of collection. Another item in the programme of tenancy reform is limitation on the landlord's right of resumption. On this, what we have at present is little short of a debacle. Personal cultivation, for which resumption is asked for, is hard to define. It seems to facilitate only the conversion of the tenant into a hired labourer. This is not to say that there are no cases of resumption for genuine personal cultivation; much less could one argue that there could be no such cases. Various States have passed legislation in this respect, but no clear principles of action seem yet to have emerged, and there is no adequate machinery for implementation. Meanwhile, there have been large-scale evictions, and action that was intended to benefit the tenant has, in practice, made his position more precarious.

In a matter of this kind, which involves many complexities, solutions are not easy to suggest. But it would appear that the thing to do might be to permit resumption on a portion of the land, subject to fair consideration for the tenant's claims, if a properly constituted Local Tribunal, comprising representatives of all the interests on land, approved of the proposal. The economist can only say that the less people come back to the land, the better, but there is, of course, the practical problem of balancing the claims of different classes or interests, for which the voice of the people, that is, the local community, may well be the nearest approximation to the voice of God.

Then, there is the vexed question of a ceiling on land. There is little difference of opinion as to the desirability for fixing a limit on future acquisitions, for larger individual holdings can in the long run come at the cost of smaller ones. The case for a ceiling on existing land holdings is a great deal more difficult. The argument that there is so much land hunger which must be satisfied does not take us far. Hunger, after all, has no very specific content; what is wanted is work and the wages of work. Moreover, it is doubtful if there is land enough to satisfy all the hunger, and one cannot but feel sceptical about any long-term satisfaction or social stability arising out of the distribution of small bits of land to claimants who have little of the other ancillaries needed. If one were arguing this matter in strictly economic terms, one would say that, if there are some large-sized farms and well-to-do farmers in the country, and if they conform to certain standards of efficiency, it would hardly serve any purpose to disturb them. If their incomes are large, it might be argued, this is a matter for the tax authorities; the agricultural income-tax could be made as progressive as desired. This would be in keeping with the treatment of large incomes in the non-agricultural sector.

According to the Rural Credit Survey Report, of the total gross capital formation in the country as a whole, nearly two-fifths was by the 'big' cultivators and about two-thirds by the 'large' cultivators. A ceiling on land holdings may affect capital formation adversely. These arguments have weight. There is, on the other hand, force—and may be wisdom—in the contention that some redistribution of land cannot be avoided if only as an earnest of the State's desire to move towards an egalitarian society. Land in a densely populated country, with very limited opportunities for other types of work in the countryside, is, after all, in a special category, and it is not impossible to reduce the size of large farms a little without bringing down the standard of cultivation and the incentive to work and save. If a policy of fixing a limit on incomes in the rest of the economy is accepted in principle and action towards its implementation is part of a plan for a progressive approach to equality, there can be little objection to a beginning being made with land.

It must be mentioned, however, that the application of the ceiling idea to all incomes or all forms of ownership may come up against many practical difficulties, not the least being the limitations to action in a mixed economy pattern. If, on a balance of considerations, ceilings on land holdings are decided upon, it would be desirable to earmark the lands thus becoming available for co-operative utilisation rather than for distribution to individuals who cannot probably hold them for any length of time or cultivate them effectively.

State's Role

The Planning Commission indicated in its First Plan Report the lines along which co-operative farming should be encouraged, and went on to suggest a broader framework of co-operative village management aimed at reconciling the various interests in the rural community including the landless labourer and promoting the organisation and development of the entire resources of the village from the point of view of the village community as a whole. The experience so far with co-operative farming has been small and not encouraging, and co-operative village management can hardly be regarded as anything more than a distant ideal. We are in the same sort of situation which the Rural Credit Survey depicts in respect of co-operative credit. Whatever the experience or record of achievement so far, there is little hope of success for the future, unless a structure of co-operative organisations for production, marketing and credit can be developed fairly rapidly and extensively. The individual farm is too small a unit for planned land use, and the prospects of giving every farmer an economic size of cultivation-unit are remote even on the basis of large additions to the irrigated area and more intensive cultivation. If agriculture is to make its effective contribution to the development process by producing more, selling more and in turn buying more, and if, further, it is to be organised on business lines with proper provision for capital formation and the adoption of newer techniques and improvements, there is no alternative but co-operative organisation and development. Will co-operatives succeed? Can the rural population be organised quickly for the purpose? How are the problems of administration and management to be solved? Is the necessary supply of trained personnel available, or can it be created with the requisite expedition? These are questions which immediately cross one's mind, and economists, by training and tradition, are apt to be sceptical. All they can do is to reiterate the well-known fact that, however important and expedient redistributive measures in the field of agrarian reform may be, the ultimate strength of the economy has to come from an efficient ordering of the resources available and from reorganisation of the productive unit itself on technically efficient lines. Co-operatives are needed for enabling the farmer to avail himself of the economies of scale and they are valuable as increasing his "countervailing" power. Perhaps, more important still is the role they can play in assisting the process of capital formation. It may be that before full-scale co-operative farming with pooling of land is feasible, a great deal of experiments with looser forms in the shape of mutual aid teams will be necessary. There is probably a case for "companionates" in this field. And here, again, a great deal of sponsoring and assistance from the State will be necessary.

Finally, however, I must add that the solution of many of these problems depends not on mere institutional change but on the underlying spirit which gives meaning and purpose to changes in form. We hear of hundreds and

(Continued on page 29)

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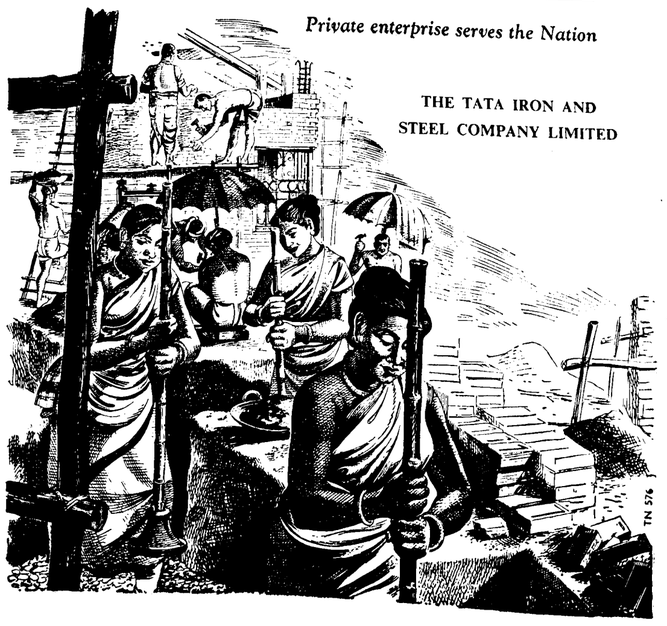

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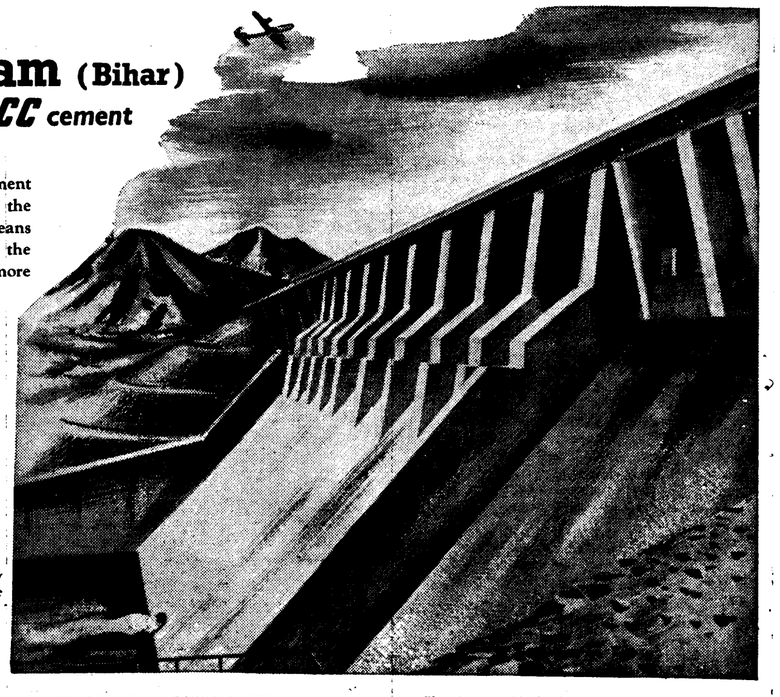

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CONSOLIDATED COFFEE ESTATES (1943) LIMITED

TWELFTH ANNUAL GENERAL MEETING

MR. R. C. PATERSON ON MARKETING OF COFFEE

THE marketing of coffee by the Coffee Board has produced the "somewhat strange economic example of the larger the crop the higher the price realised and, conversely, the smaller the crop the lower the price realised." This view was expressed by Mr. R. C. Paterson, Chairman of the Consolidated Coffee Estates (1943) Ltd., on the present marketing policy of the Coffee Board, in the course of his address to the shareholders of the Company at their Twelfth Annual General Meeting held at Pollibetta on 30th December 1955. While this might be an adequate arrangement on an industry-wide basis, he felt that it was capable of producing hardship in cases where estates had a poor average or a partial failure of crop.

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

"GENTLEMEN,

"It is with great pleasure that I welcome you here today on the occasion of twelfth annual general meeting of the Company.

"The Directors' report and accounts for the year under review have been in your hands for some time and with your permission I propose to take them as read. At the end of my speech I will do my best to answer any questions that may be submitted.

"You will see in the Directors' report that there has been some alteration in our declared acreage. This is largely due to our adoption of a more precise definition as to what constitutes mature and immature coffee, both arabica and robusta. I must explain that immature coffee should not in any way be confused with non-bearing coffee. Arabica coffee can and does produce berries within the second year after planting, but it is customary to rub off the fruits so as to allow the plant's energy to be concentrated to the actual growth of the bush. Our immature acreage of arabica and robusta is, therefore, in fact producing crop for the Company. By the time the plants are five years old for arabica and eight years old for robusta they will have grown to an extent which should normally provide almost a complete cover for the ground which in itself makes for larger crops and cheaper working. In the past, the definition of what was mature and immature coffee was left to our managers and, although some fields fill in much quicker than others, it is felt that the new system will give a more accurate explanation to our shareholders of our acreage figures. Although coffee may be considered as mature after five and eight years for arabica and robusta, respectively, at that age they have not by any means reached their maximum yields.

Accounts

"In regard to the accounts proper, this year we have shown separately the expenditure incurred by the Company in medical charges for all our employees, and also the payments that have been made for labour welfare. It is not possible as yet to forecast what additional expenditure will be necessary when the Plantation Labour Rules are introduced in Coorg, but to some extent we feel that we have already anticipated many of the requirements of this Act of labour legislation. In addition, I would add that the implementation of leave with wages under the Plantation Labour Act, 1951, has cost the Company Rs. 63,944.

"On the debit side of our profit and loss account, it has been possible to make some economies in regard to general charges, while the increase in expenditure on estates has, in fact, been more than accounted for by the harvesting and transport charges for the increased crop which was brought in.

"On the credit side, we have again, as is our custom, taken a conservative value for the Pool point. In actual fact, Re. 1-11 has been paid and a further four annas has been declared payable. Our valuation has been taken at Rs. 2-2. It is expected that final realisations by subsequent dividends may bring the total value in the neighbourhood of Rs. 2-5. Last year we valued the Pool point at Rs. 2-9, total realisations amounting ultimately to Rs. 2-13-6.

"The gross profit for the year is slightly higher than for the previous year, but greater allocations have been necessary for provision for taxation, owing to the fact that the large initial depreciation allowance granted on the completion of our Kushalnagar Works has now been worked off.

"The crop harvested exceeded our expectations and it is due almost entirely to this that it has been possible for the Company to maintain its earnings, in spite of the drastic cut in the prices realised by the Coffee Board for our crop.

"During the past five years to June 1954, the Company has placed to reserve, exclusive of taxation or debenture reserve, over Rs. 43,00,000. In view of this drastic ploughing back in the past and in view of the prospect of a satisfactory crop for the next two years, it has been possible for the Board to recommend a more liberal dividend distribution. The dividend of 22½ per cent. recommended absorbs approximately 50 per cent. of the profits available in the appropriation account and I hope this will be considered satisfactory to our shareholders.

"During the year under review, total capital expenditure amounting to Rs. 7,30,938 was incurred. For 1956, your Board has sanctioned capital expenditure of over Rs. 6½ lakhs. Of this, approximately Rs. 4 lakhs will be spent on our labour housing scheme and the balance utilised for capital equipment and works on the estates. In particular, it is the policy of your Board to establish water-supply installations where possible throughout our estates which will greatly reduce the expenditure on and increase the efficiency of our spraying.

Miscellaneous Crops

"*Paddy:* Our paddy crop harvested during the last cold weather was satisfactory, but, following decontrol, selling prices have been lower. Owing to the uncertainty of the availability of paddy for our labour, it was necessary to hold our own harvest as a strategic reserve. This, however, has largely proved unnecessary and last year's stocks are now being sold off at prices approximating the balance-sheet valuation. The current season's paddy harvest which is nearing completion will again be a good one.

"*Oranges:* Revenue from this source of income was most disappointing, due largely to a poor crop and on most of our estates under-sized oranges and, consequently, poor selling prices. Active experiments in conjunction with the Orange Research Station are being carried out on one of our estates to see whether the effects of 'frenching' cannot be overcome by intensive cultivation. In the meantime, as I mentioned last year, this crop cannot be expected to provide much source of profit to our Company.

"*Pepper:* The Company was fortunate in harvesting a satisfactory pepper crop amounting to 101 tons, but selling prices have continued their downward course. The majority of our good pepper was sold as soon as it was harvested in March realising prices between Rs. 170 (low) to Rs. 200 (high) per cwt. In September this year, the export duty on pepper was abolished. For a few days only the price of pepper on the West Coast responded, but in a very short time the gain was lost to the export market. Today heavy estate garbled pepper can be sold at nothing above Rs. 150 per cwt. This price is less than 50 per cent. of the duty which West Coast pepper was paying on exports some two to three years ago. The abolition of the export tax, although most welcome, provides little consolation to the grower for the enormous sums indirectly paid by him in export tax in the past. Our crop for the coming season is estimated at no more than 50 tons.

"No progress has at all been possible in the advancement of sales of our fruit juice products. The factory was originally intended for the manufacture of bulk orange juice only for sale to the trade, and it was expanded to undertake the manufacture of squashes as a side line. It has become increasingly evident that the trade, as at present constituted, will largely require to manufacture their own juices, while a factory situated in Pollibetta for the process of manufacturing squashes in bottles is uneconomic and for any chance of success must be situated in one or other of the larger business centres. Your Board of Directors has decided that the funds of the Company might be more profitably invested in the extension of our coffee lands than in transferring the factory to Bangalore or some similar centre with the consequential difficulties in management, and instructions have, therefore, reluctantly been given for the closing and liquidation of our pilot plant.

"The Company's Curing Works has cured this year over 2,500 tons of coffee. This is as large as they can cope with. Although the plant itself can increase its capacity, we are limited in the quantity we can take to the extent of our weakest link which is that of garblers.

Coffee

"The results for the year are entirely due to the very satisfactory crop harvested which is only 35 tons short of the record reached in 1952-53, and considerably ahead of our original and revised estimates. We have a good average crop on the trees which is now being harvested. The growth of new wood this year has been phenomenal and, if there is any luck in blossom showers, Coorg as a whole should harvest a very heavy crop for 1956-57.

"The marketing of coffee by the Coffee Board has conformed to the fixed pattern of supplying the local market first with its needs and exporting the surplus. With the present controlled price of coffee still at a discount on world prices, this has produced the somewhat strange economic example of the larger the crop the higher the price realised and, conversely, the smaller the crop the lower the price realised. This may be an adequate arrangement on an industry-wide basis, but it is certainly capable of producing hardship where estates have a poor average or a partial failure of crop. In the case of our Company, for example, if we had realised our 1954 crop in 1955, our profits for the year under review would have been little more than Rs. 10 lakhs before taxation. Under the present system of marketing, therefore, we are largely dependent for our results not only on our own efforts but on the efforts of the industry as a whole.

"It is unfortunate that the report of the Plantation Inquiry Commission has not yet been published when their recommendations regarding marketing policy would be known.

"I would, however, venture to suggest that coffee is such a speculative commodity—crop harvested on individual estates can vary from year to year as a matter of routine certainly to the extent of as much as 50 per cent.—that to determine a fair price for the industry as a whole which will be equitable to all is indeed a monumental problem. Our Company is very favourably placed in this regard since our estates are scattered throughout the whole of Coorg and this in itself promotes a fair average result, since it is unusual for blossom showers to be unfavourable throughout the whole State. Thus, a partial failure on one estate is compensated by a good crop on another.

"The rules under the new Coffee Market Expansion (Amendment) Act were published in August and the new Coffee Board has now been constituted, the election to the large growers' constituencies being completed only at the beginning of December. On your behalf, I would wish the Coffee Board good fortune in tackling the various problems which lie ahead.

"From the experience of recent elections, I would offer the following suggestion for what it is worth. Under the rules for the election of large growers only the actual voter is entitled to stand for election. This means the proprietor, nominated partner, managing director or nominated shareholder on behalf of a company. It is not possible for the voter to delegate his authority in this matter. This removes with a stroke of the pen what might be termed the professional planter class and all those who work for companies or proprietors and are not owners. I would venture to suggest that this limitation is not in the best interests of the coffee industry as it deprives a large number of the most active and knowledgeable coffee planters of any possibility of serving the industry on the Board.

Outlook

"In so far as the future is concerned, in spite of local control, we are still dependent on world prices for our profits and our future and this state of affairs must continue until the internal market can absorb at least the major portion of the Indian production. For the greater part of the year, I think, it has been true to describe the world coffee market as unsettled. The spectre of potential overproduction has now been reintroduced into trade calculations. In addition, there is considerable apprehension regarding the stability of Brazil, the producer of some 50 per cent. of the world crop and there are fears that drastic devaluation in the cruzeiro may be necessary. If this should happen and world surplus stocks left unplaced, there might well be a considerable slump in world coffee prices. In 1954, when India produced its record crop of 30,000 tons, it was necessary to export 10,000 tons. There are indications that 1956-57 will again produce a heavy crop and our dependence on foreign markets may, therefore, be more real.

"In the meantime, it is encouraging to note from trade journals that new season's coffees in Kenya have been obtaining substantial prices. The equivalent for Indian Plantation A on the London market would appear to be not less than Rs. 340 per cwt. This compares with the approximate current selling price at internal auctions for the equivalent coffee of Rs. 225 inclusive of Rs. 30 excise duty and Board charges.

"This is the last occasion when I will address you from the Coorg State. This time next year Coorg will be a district of United Karnataka. It is inevitable that small political units should disappear, but, nonetheless, their departure is sad. During the past four years that the popular Government has been in office, a very considerable advancement has taken place in Coorg. The entire road system more or less has been completely resurfaced; extensions have taken place in the medical services and new schools have been built and are in full operation in most of the district areas. In addition, the Coorg Government has given more than a sympathetic ear to all the various labour problems, little and large, that have cropped up in the day-to-day management of plantations. Although the life of the present Government will have been small, nonetheless the Government is to be congratulated on all that it has been able to do in the limited time at its disposal.

"Our relations with labour and staff have continued cordial throughout the year under review. Minor difficulties must of course arise.

"The year, however, has not been an easy one. In addition to our day-to-day problems, the uncertainty regarding prices, coupled with the anticipation of a much lower crop, generated a feeling of uncertainty which permeated through our estates. The results have, therefore, been doubly welcome to those who work and live on the estates. I would congratulate our managers and all those employed on our estates, in the Curing Works and at our Head Office for the most satisfactory results which have been achieved. I would also take this opportunity to thank my co-Directors and our Visiting Agents for their loyal support and advice."

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KIRLOSKAR ELECTRIC COMPANY, LIMITED

NINTH ANNUAL GENERAL MEETING

MR. C. R. SRINIVASAN'S SURVEY OF THE ELECTRIC MOTOR INDUSTRY IN INDIA

A NOTE of sober optimism on the outlook for electric motor industries was struck by Mr. C. R. Srinivasan, Chairman of the Kirloskar Electric Company, Ltd., in his speech at the Ninth Annual General Meeting of the Company held at Bangalore on 27th December 1955. While the prospects were heartening, he said, there was a growing anxiety about the shortage of essential raw materials needed for the industry and the increasing bottlenecks in the transport of the available raw materials. Mr. Srinivasan took the opportunity to make a plea for cheaper credit facilities for industries, particularly during their infancy, and for a more realistic labour policy. He advised the workers employed in protected industries, in particular, to remember their responsibilities to the community while insisting upon their rights.

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

"I have great pleasure in extending to you a cordial welcome to the ninth ordinary general meeting of the shareholders of the Company and in presenting for your consideration the report of the Directors and the audited balance-sheet for the year ended 30th June 1955. These have been circulated already and, with your permission, I shall take them as read.

"Your Company, as you are aware, was registered on 26th July 1946 and has completed nine years of its life. We are in the tenth year of working and it may be useful to take stock of what we have achieved so far and survey the prospects for the future. The Company commenced actual production of electric motors in 1948 and, as the following figures will illustrate, there has been a progressive rise in the output of motors.

Year	H.P.
1948-49	3,200
1949-50	10,900
1950-51	21,700
1951-52	27,900
1952-53	34,900
1953 54	41.800
1954-55	59,300

"From Rs. 6.01 lakhs in 1950-51, our production of electric motors has moved up in value to Rs. 42.8 lakhs in 1954-55. In addition to this, during 1954-55, Rs. 10.75 lakhs worth of transformers were also produced, thus bringing the total production in 1954-55 to Rs. 53.5 lakhs. In the year 1951, we put up a foundry and in October 1954, we set up a transformer unit also. Other auxiliary lines of production are under investigation and it may become necessary for us to keep pace with the tempo of progress in the country, to add further lines of production.

Future of Electric Motor Industry

"You will be interested to hear that our share in all-India production of electric motors has steadily moved up from 17.53 per cent. in 1952 to 22.16 per cent. in 1953 and 28 per cent. in 1954. At the moment, there are 12 units manufacturing electric motors in India and from the figures quoted above, you will notice that substantial part of the requirements of the country are met by our Company. The quality of the Kirloskar motors is now rated as high as any imported one and in every field of industry using electric motors, our motors have found favour in factories, railway workshops, textile mills, irrigation and agricultural projects. A good many of the hollow spindle vertical motors manufactured by this Company are now used with tube-well turbine pumps in Uttar Pradesh, Bihar, Punjab, etc. As far as transformers are concerned, the popularity they have already achieved is amply borne out by the backlog of orders that we carry in our books. The electric motor industry has an assured future in the building up of our national economy. From 46,000 H.P. in 1946 to four times as much in 1954 is a pointer to this fact and in the case of power transformers from 40,000 K.V.A. to ten times as much during the same period is further proof of the demand potential. With the completion of the various power projects now on hand, there can be no doubt that the outlook is most promising. To keep pace with the demand the transformer industry is now widening its range and producing equipment upto 2,000 K.V.A. at 11 K.V. on the high voltage side. It is heartening to hear that transformers upto 5,000 K.V.A. and voltages upto 66 K.V. are beginning to be manufactured in the country. That is a pointer to the Government which, I trust, will not be missed.

"Heartening as the prospects are, I must confess to an under-current of anxiety in the situation as it is developing. It is not the growing volume of production that causes this anxiety, but the gathering shortage of essential raw materials needed for the industry like copper, insulating materials, electrical steel sheets, etc. Particularly in the case of copper, unless the Government acts betimes to ensure an adequate quota of copper from the world pool for the Indian industries, we run the risk of being gravely affected for lack of supplies. In regard to electrical steel sheets, there is now only one unit producing this material in this country and, obviously, it is unable to meet all the requirements of this industry. The Government of India should see to it that at least one of the new steel plants now projected for the country gives priority to the production of electrical sheets to cover our needs. As regards insulating materials, though relatively this is a small item, its importance cannot be ignored. Materials like leatheroid, elephantide, etc., all paper products, are imported at present. So far as the electrical industry is concerned, these insulating materials are of vital importance. This item, no doubt, is included in the heavy electrical project for development by the State, but on account of its importance to the industry, the Government should set about the manufacture of this as early as possible.

Raw Materials

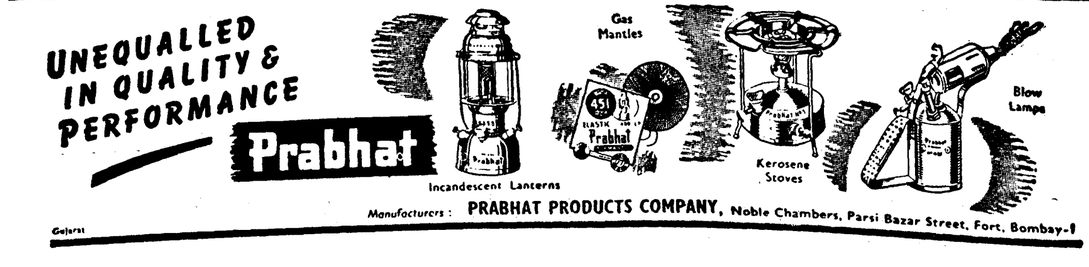
"There is one other angle from which the question of raw materials has to be studied. Indigenous manufacturers engaged in the electrical industry are affected in two ways by the need to import these materials. Not merely are supplies scarce and deliveries undependable but a burden has been imposed on the producing units in this country to carry heavy stocks of these materials to avoid a break in their production programme. In consequence, electrical concerns are hard put to find adequate resources to carry supplies on the scale needed today. And steel is no better. With multi-faced developments in the country, the demand for steel has increased on all sides and the electrical industry has not escaped its impact. We are unable to obtain in full our requirements of plates and shafting steel required for transformers and motors. To cover its needs, the industry has had not merely to import steel sections but also pay higher prices. Naturally, that adds to the cost of the product and also imposes further financial burden on the industry. The Government of India, no doubt, is making commendable efforts rapidly to integrate new units for steel production and relieve current shortage by imports from whatever source possible. But the scarcity is there; prices rule high and deliveries are delayed. In addition to solving this problem of supply of raw materials, if the industry is to give of its best, I am constrained to refer to another facet of the problem, viz., the increasing bottleneck that is developing in the transport sector. We have not merely to move our raw materials to our factory but also carry the finished products to the markets. Wagons are in short supply; booking restrictions hamper free movement; and not infrequently we have been forced to move our goods by lorries from Bombay, thereby adding to our cost of production.

Government's Policy

"In referring to these matters at some length it is not by intention to strike a note of depression. So far as the general policy of the Government of India is concerned, undoubtedly, it is well aware of the needs and requirements of the industry. By way of illustration, I may refer to the continuance of the ban on import of electric motors upto 50 H.P. and restriction on import of motors in the range 50 to 75 H.P. As the industry progressively expands and is in a position to cover the needs and requirements of the country, the Government, I am sure, may be depended on to ensure a protected market for indigenous enterprise. The Tariff Commission, which recently investigated the case for protection of electric motor industry, has recommended the continuance of protection to the industry till December 1958. They have also recommended that the range of protection be increased to cover motors up to 100 H.P. The protective duty on imports has also been raised from 10 to 15 per cent. The ready acceptance of these recommendations by the Government of India abundantly prove its concern and anxiety to build up indigenous enterprise.

Loan from I.F.C.I.

"Earlier, I have incidentally referred to the question of finance and the need for enlarging our credit structure to keep pace with the expansion of the industry and cover its growing needs. This Company, as you are aware, was promoted with a capital structure of Rs. 25 lakhs, but even a cursory study of the balance-sheet will indicate that the concern is under-capitalised for the work it has been attempting to do thus far and for the work that awaits it in the future. Money market conditions during the past few years have not been conducive to the issue of fresh capital and your Board naturally desired also to stabilise progress in the first instance and put the Company on a dividend-yielding basis before seeking fresh capital. We have got over our teething troubles. We have wiped out our initial losses and written off unreal assets. We have paid a modest dividend of 5 per cent., free of tax, for the years 1953 and 1954 and we have recommended the same dividend to be maintained for the year under report also. We have ploughed back the depreciation reserve to enlarge the scope of the industry. We have used bankers' credit to the full for financing our stock-in-trade; and when the transformer unit was projected we availed ourselves of the kindly services of the Industrial Finance Corporation of India. The credit facilities extended by the Corporation, timely and helpful as they are, suffer, however, from one defect which I am constrained to point out. The Corporation charges 6¼ per cent. per annum, with a rebate of ½ per cent. interest for prompt repayment, and interest charges are collected from the very first year. Not merely is the rate of interest high but it develops a penal character when the rebate of ½ per cent. interest is tied up with prompt repayment from the first year onwards. I suggest that for long-term loans the rate of interest should not exceed ½ per cent. over the ruling Bank rate and it would be a real help, if the interest on the loan for the first three years is made payable as additional contribution during the last three years of the currency of the loan. It is common knowledge that it takes three years to develop an industry to the profit-yielding stage and any additional burden in this proving period will be more a hindrance than a help to industrial enterprise. I hope the authorities of the Industrial Finance Corporation will give the matter their serious consideration and, if necessary, the Government should offer a helping hand.



New Issue of Capital

"Quite apart from such credit facilities as may be available from outside sources, the time has arrived when we should reinforce our capital structure. This matter has engaged the serious attention of your Board for some time and you will see from the notice that we propose to issue additional capital to the extent of Rs. 10 lakhs and offer it in the first instance to the shareholders. I hope, the response will be prompt and adequate. Considerable emphasis has been laid on the rural electrification schemes and development of medium and cottage industries under the second Five-year Plan and the demand for motors and transformers will, therefore, expand in ample and heartening measure. If we are to take full advantage of the tide that is setting in our favour, we should be fully equipped for the purpose. Apart from expanding the existing capacity of the factory for the manufacture of motors and transformers, there are many other lines, auxiliary and ancillary, well within the scope of this Company. The Government of India has evinced keen and kindly interest in our development projects and, if we are to maintain and improve on the record we have established in the past, we shall certainly require additional capital which we hope to secure with your goodwill and co-operation.

"With your leave, I should like to refer on this occasion to the part and place of labour in the economics of industry. That industrial labour is entitled to a fair share of the fruits of its endeavour no one will dispute. Whatever might have been the case in the past, it cannot be disputed either that the social conscience of the community has been deeply stirred to ensure a fair deal for labour in the New Dispensation. The concern of the Government in this respect is evidenced by the spate of labour legislation that has been placed on the Statute Book to serve and safeguard labour interests. And the Government is our National Government, trying to cover the neglect of the past by forced marches and create conditions for better standards and better life. The ideological approach is commendable, but unless it is informed and interpreted with a sense of realism, I am afraid, the industrial progress of the country will get halted to the detriment of the larger interests of the community. We want industry to progress in order to create a balanced economy, so as to provide further and fuller opportunities for gainful employment. That there is a natural or necessary conflict of interest between capital and labour is an outmoded concept of the Victorian age. On the other hand, it is widely recognised today that fundamentally the relationship between the two is based on co-operation, if both are to serve the needs of the community. The sheet-anchor of the socialistic pattern of society, we are labouring to create, is based on this concept.

Poison Propaganda Among Labour

"After making all allowances for a possible hangover of the past, the Government would be wise in the circumstances to bring home to the two major partners of industry not merely their rights but also their responsibilities. Unfortunately, leadership of organised labour has tended to lay all emphasis on rights and none on responsibilities. This poison propaganda has resulted in labour asking for more and more for less and less work. Under these conditions the incentive for enterprise is getting sapped at the tap roots and the major loss, may I remind again, will be that of the community. It is time, therefore, that the community sits up and takes notice of whither things are drifting. Unless production increases and everybody concerned puts forth his best efforts to achieve it, there will be less and less left to divide and the pattern that we seek to create may eventuate in conferring the badge of poverty on all concerned. There must be an identity of interest firmly established and consciously developed between capital and labour and the community. That is the only way by which we can redeem and recover our economy.

"In our own factory we had recently an unfortunate experience of militant labour, but luckily good sense soon prevailed and, I hope, we shall not have a recurrence again. We are anxious and willing to provide every amenity for labour and, within limits we may claim, we have allowed labour a fair share in the dawning prosperity of the Company. Apart from all accepted amenities, we have also introduced a system of incentive bonus to induce qualified labour to give of its best and I may assure labour interest that they can depend on the Company to give them a square deal. In a protected sector of industry, if labour lays claim to more than what it is legitimately entitled to, I want them to realise that they are virtually asking for a subsidy from the community to meet their extravagant claims, as in the last analysis the additional burden will be passed on to them. New industries can claim protection only for limited periods and, sooner or later, they will have to face international competition and every effort must, therefore, be directed to ensure both economy and efficiency. New sprung industries in this country are already handicapped by having to depend on foreign sources for the supply of essential raw materials, and between State Governments and Union Government an uncoordinated system of taxation makes more and more demands on the industry. In these circumstances, it is more than ever necessary for all the component elements of industry to pull together in team spirit in the service of the community.

Profit Higher

"As already disclosed in the profit and loss account, the gross profit for the year ended 30th June 1955 stands at Rs. 11,46,209-15-5 and is Rs. 3,15,827-9-6 higher than last year. During the year, we have provided Rs. 3,19,110-12-9 under depreciation and have paid Rs. 1,54,370-6-6 by way of interest, as against Rs. 2,99,367 and Rs. 95 761, respectively, in the previous year. Further, during the year under review we have also made a provision of Rs. 1,12,359 towards development reserve (rebate). In spite of these larger provisions, the net profit for the year is Rs. 1,58,207-11-8, as against Rs. 1,15,371-6-2 during last year. These heartening results reflect credit on the management to whom our thanks are due. Before I conclude, I wish to express my sincere thanks to my colleagues on the Board for their able guidance and valued assistance.

"I have now pleasure in moving for adoption the balance-sheet and profit and loss account for the year ended 30th June 1955."

AGRICULTURE IN A DEVELOPING ECONOMY

(*Concluded from page 25*)

thousands of co-operatives being organised in other countries within the space of a few years or even months. These co-operatives are intended to serve as agencies for organising the people for work; they promote the necessary accumulation for further development, and they represent an essential link in the chain of planning agencies. Whatever one might say about the processes by which this kind of economic organisation is brought into being and maintained, its achievements in terms of developmental effort are impressive. Each country has to evolve its institutions in response to its own needs and traditions, and the key to success lies in proceeding step by step, continually adapting and re-adapting ideas and institutions, trying them out on the ground, leaving room always for fresh experiments. Institutions are, after all, a means; the end is the development of human personality. There is a challenge inherent in a situation of underdevelopment, coupled as it often is with social inequities. Democracy will fulfil its purpose to the extent that it organises itself effectively for meeting this challenge.

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The Travancore Rayons will manufacture a special "Heatsealing Moisture-proof" transparent cellulose film. This film can be sealed by the simple application of a warm iron along the seam. Goods packed in this film will not get stale.

The Travancore Rayons Ltd. would be pleased to answer queries on the advantages, uses and characteristics of the various types of transparent cellulose film manufactured by them, as also on all other aspects of packing involving the use of transparent cellulose film.

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DELHI CLOTH AND GENERAL MILLS COMPANY, LIMITED

SIXTY-SEVENTH ANNUAL GENERAL MEETING

LALA SHRI RAM'S SPEECH

SPEAKING to the shareholders of the Delhi Cloth and General Mills Company, Ltd., at their Annual General Meeting held on 29th December 1955, Lala Shri Ram, Chairman of the Company, stated that the profits for the year 1954-55 were comparable to some of the best years in the financial history of the Company. In keeping with the progressive policy of the Company, he pointed out, large programmes of modernisation and expansion had been carried out, such as the establishment of a new textile mill at Hissar, which had already gone into production, and a silk mill in Delhi, which would soon start working, and expansion of the caustic soda and sulphuric acid plants. Proceeding, Lala Shri Ram said:

"The foremost among important events during the year was the publication of the tentative frame-work of the second Plan which will come into operation in a few months from now. The discussions have not yet reached a stage of finality, but the broad contours of a plan bigger and bolder than the first Five-year Plan are fairly clear, and this is as it should be. It is proposed to step up the tempo of economic development in such a manner that the national income in 1960-61, the last year of the second Plan, will be 25 per cent. higher than it is in the current year, which is the last year of the first Plan period.

"The Plan-frame, as you all know, is an extensive document dealing with numerous industries. But speaking to the shareholders of the Delhi Cloth and General Mills, I will confine my remarks to the industries in which we are directly interested.

"I am happy to note that, in the case of sugar, the target has been kept quite high and fortunately, unlike textiles, no curbs on output or expansion are proposed for the benefit of the *khandsari* cottage industry.

"In the case of chemicals and *vanaspati*, likewise, adequate scope is being afforded for growth and progress.

Cotton Textiles

"I am, however, sorry to say that in the matter of cotton textiles, there are very strong differences of opinion not only as regards the targets of the second Five-year Plan but also regarding the means of production. In offering my views on cotton textiles, I am deeply conscious of the urge to solve the problem of unemployment, which is regarded as the main inspiration for these suggestions.

"There is a set of people—politicians and others—who strongly believe that the requirements of cloth will increase by only 28 per cent., and they calculate it on the basis of 18 yards per person, as against 15 yards consumed at present. There are others who equally strongly and honestly believe that the consumption of cloth, which is the next most important item of consumption next to cereals, could not be less than 22 yards per person. Personally, I believe that definitely 18 yards is too low a figure. I place below the percentage of increase in production which Government itself has set as the target for a few other commodities of common use:

Sugar	50	per cent.
Vanaspati	33	,,
Paper	43	,,
Bicycles	100	,,
Soap	43	,,

"While there cannot, of course, be a uniform increase for all industries, the percentage of increase provided for textiles, which on the basis of a *per capita* consumption of 18 yards, comes to only 28 per cent., contrasts with the higher percentages listed above for items most of which are less important than cloth or cereals.

"Even if 22 yards is considered to be a very generous figure—and I am confident that with the increasing purchasing power which planned development should put into the hands of people, it is *not* a generous figure at all—even then at least 20 yards will not be too high a figure and will certainly be required.

"The next and more important difference between the two schools of thought is with regard to the means of increased production. There is a school which honestly and strongly believes that all the extra cloth required could be produced by handloom workers. On the other hand, there are others who equally and strongly believe that, even if 18 yards be the target, leave alone 20 yards or 22 yards *per capita*, the handloom workers will not be able to produce the required quantity.

"I believe that neither those who believe that handlooms *could* produce nor those who believe that handlooms *could not* produce could be absolutely certain in their belief and definitely say that they are right. I, therefore, humbly suggest that a complete ban should not be placed on the increase in production of cloth by big-scale industry. If at any time it is found that the handlooms are producing what is required by the country in enough quantities, the restriction can be brought on the mill industry at that stage. Even in the Five-year Plan there could be no absolute rigidity and, as our Prime Minister has rightly expressed more than once, our approach has to be dynamic, changes may have to be made from time to time even after the Five-year Plan has been accepted. And, in any case, we will have many more five-year plans—all with the object of raising the standard of living—which will mean that not merely 18 yards, or 20 yards, or even 22 yards, but perhaps we would like our people to use 30 yards *per capita* or even more. This mid-course will, on the one hand, not stand in the way of all the help and subsidy that is proposed to be given to the cottage industry, and, on the other hand, avoid the grave risk of heavy shortages, leading to controls and black marketing.

"There is a feeling among certain people that in case of shortages, whether of yarn or of cloth, certain mills, which are not running second or third shift, could be asked to do so and thus save the situation.

"May I, with whatever experience I have had during the last 50 years, say that there is a very large number of mills in which the machinery is in such a bad state of repair, and so old and inefficient, that it would not be possible to increase the shifts, except, perhaps, in a mill or two here and there. In fact, if these had been in a position to run extra shifts, they certainly could have done so even now when the margin of profit is certainly above the average.

Ambar "Charka"

"There is a still more controversial and serious matter on which there are even stronger differences than in the matter of cloth, and that is about increasing the spinning capacity of the mills or the dependence upon the Ambar *charka*. I am giving a few figures as regards the extra labour cost in the case of Ambar *charka*, and this has been taken from a recent Number of the *A.I.C.C. Economic Review*:

I. No. of man-hours required to produce 100 lbs. of 20s yarn:

On Ambar *charka* ... 2 000 man-hours
By mills ... ... 35.84 man-hours

II. Ratio of man-hours required for a given output:

1: 55.56

III. Cost of production per pound of 20s yarn:

	Mill (In pies)	*Ambar charka*
1. Raw material	224	224
2. Wage cost	30	480
3. Stores, power and light, depreciation and overheads	35	17.5
Cost per pound ...	289	721.5

"It is all too easy, in considering a matter of this kind, to make little of the problem of quality and cost of production, and I am, therefore, taking the liberty of quoting two paragraphs on this point from the University Education Commission's Report:

"'For Government to try to manufacture and to distribute this vast variety of goods (i.e., consumer goods in general) on a non-competitive basis would result in a lack of technical progress. Such goods, as a rule, can best be supplied by the free play of private enterprise and initiative, with the public in effect voting on the need and worth of each article by buying or not buying.

"'When the manufacture of a new product is considered, there is a final test of its practical worth which is equal to the decision of the public to buy or not to buy. If a new article is faulty or its cost too great, there is no greater incentive to its improvement than the desire of the manufacturer to make it acceptable to the buying public. To that end he will carry on research and try to improve this product, and lower cost and prices.'

"Apart from these general effects, it has also to be remembered that these inevitable increases in prices, arising from higher cost production, must affect seriously many whose incomes will not and cannot expand in proportion to the rise in prices.

"Even, however, if all the claims made for the Ambar *charka* are proved to be correct, to be able to produce so many *charkas*—25 lakhs or so—to induce so many people to take it up and organise the whole thing, will probably be not achieved, in spite of all the good wishes of its protagonists, even in the whole period of the second Five-year Plan.

"While in the case of shortage of cloth, it will be the consumer alone and not the mills that will suffer, in the case of shortage of yarn even those handloom weavers whom it is intended to help, will suffer. And if my fear of the Ambar *charka* not being able to produce sufficient quantity of yarn in time comes true, then even those who believe that the handloom could produce all the cloth required will find that, on the one hand, the increase in the mill production was banned, and, on the other, the handloom people, without the yarn, will not be able to produce, and there will be heavy shortage of cloth as a whole in the country with most deplorable results.

Deficit Financing

"There is one other point, which I must mention, that the Finance Minister believes that deficit financing to the extent of 1,200 crores of rupees will be necessary to carry out the Plan. In the past, there has been deficit financing, but of a much smaller magnitude, and this has gone on without producing any evil effects, for the very simple reason that agricultural and industrial production had increased, if anything, at a faster rate, and it was due to this increase in agricultural and industrial production that there was no inflation.

"With deficit financing of much bigger dimensions, it is absolutely necessary that we should not only not do anything by which production may be restricted but take all such steps as may be possible to increase production, so that inflation may be avoided.

There is yet another matter which is equally important and that is of earning extra foreign exchange to the tune of 800 crores of rupees. The commodities which can earn exchange are well known. I do not think that the production or export of tea can be increased by a stroke of the pen. It will mainly be jute goods, cotton textiles, engineering goods and certain raw materials that will earn; and I am almost certain that the export of cotton textiles could certainly increase by something like 50 per cent., given certain conditions. I may as well say that exports can only be possible on commodity for which there is a good home market.

No Restriction on Spindles and Looms

"I would, therefore, again in all earnestness appeal to all those concerned that the increase in spindles and looms should not be completely banned, but permitted in restricted numbers, and at any time, when it is found, even after a year, two years, or three years, that Ambar *charka* and the handlooms have come up to the expectations and demands, immediate steps could then be taken to stop further expansion of spindles and/or looms. What with the difficulties of planning, finance, obtainment of machines and so on, the possible increase in spindles and looms by the mill industry, even without a ban during the waiting period, could only be limited and hardly such as to impair the prospects of expansion in other sectors. What I fervently urge is that the matter should be approached with an open mind by all concerned, and not in a dogmatic spirit.

"We, industrialists, are a much-maligned lot, as some debates in Parliament during this year have shown. But I do wish to point out that most of us, at any rate, are not lesser patriots. Indian industrial enterprise has served the country well. Its achievements during the first Plan period are a testimony won in spite of numerous handicaps. And I am confident that given reasonable opportunity and a co-operative administrative environment, it can deliver the goods in the second Plan. Let us have the tools, and we will do the job.

"The need for greater participation on the part of labour in the management of industrial enterprises has been in the air for some time now. I think, in terms of providing a wide range of opportunities for participation in management functions, production committees and works committees are likely to be more useful for a long time to come. Due to many reasons, works and production committees have not yet been made a success. As employers, we share a part of the blame, as much as the employees must. But I am confident that given the goodwill and co-operation, our works and production committees can be transformed from mere grievance-platforms into vital living institutions which can provide a multi-point contact, at an easily assimilable level, for a large number of the workers. To my mind, this constitutes a more desirable channel, from the point of view of its value as education in management, into which the urge for greater participation in management can at this stage be most usefully directed.

"Before I conclude, ladies and gentlemen, I have great pleasure in putting on record my appreciation of the efforts of all my colleagues, big and small, and I convey to them our thanks for the same."

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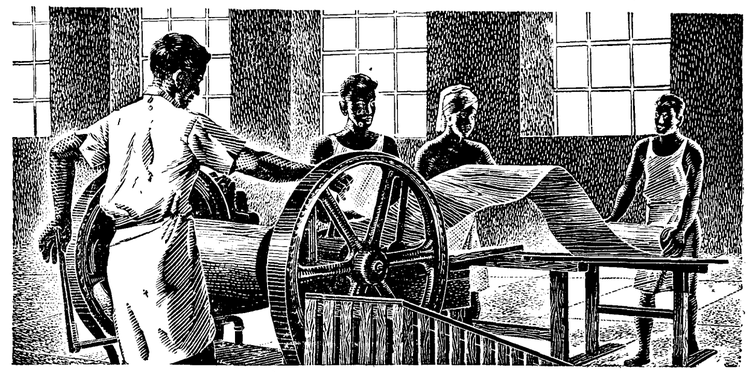

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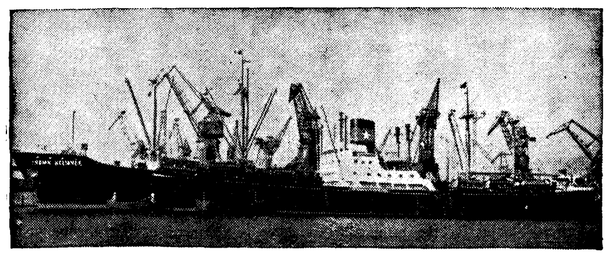

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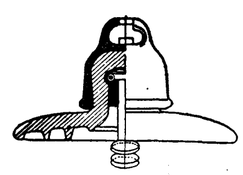

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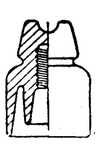

THE MYSORE SUGAR COMPANY, LIMITED

TWENTY-SECOND ANNUAL GENERAL MEETING

MR. S. MUNINANJAPPA SUGGESTS COMMON MARKETING ORGANISATION FOR SUGAR

THE Twenty-second Annual General Meeting of the Mysore Sugar Company, Limited, was held at the Registered Office of the Company at Bangalore on Saturday, 10th December 1955. The meeting was attended by a large number of shareholders and was presided over by Mr. S. Muninanjappa, B.A., B.L., I.A.S., Chairman and Managing Director of the Company. Moving the adoption of the report and accounts, the Chairman made a speech reviewing the working of the Company. The following is the full text of the speech:

"GENTLEMEN,

"The privilege of addressing the twenty-second annual general meeting of the shareholders of the Mysore Sugar Company, Limited, has fallen upon me and it gives me great pleasure to welcome you all to this meeting. On the transfer of Mr. M. S. Swaminathan, I.A.S., as Secretary to the Government of Mysore, I succeeded him as Chairman and Managing Director of your Company in May 1955. It is gratifying to note that Mr. Swaminathan continues to be associated with your Company as a Director.

"Since you met here last, several important events have taken place. On the economic front, our country is making steady and rapid progress. The first Five-year Plan is coming to a successful end and we are now on the threshold of launching a more gigantic second Five-year Plan. With its emphasis on industry, there is no doubt that the second Plan will usher in an era of industrial development, resulting in larger employment opportunities, increased national dividend and higher standard of living for the masses of our country.

"The audited statements of accounts of the Company for the year 1954-55 as also the report of the Directors have been in your hands for some time and I think I can take them as read. You would have noticed from these that the year under review was a normal one and that the results of working have been satisfactory, and the more so when contrasted with the adverse results of the preceding year, which was the worst your Company has ever had.

A Remarkable Year

"For the sugar industry of India the year was a remarkable one, in that the production of sugar touched the unprecedentedly high level of 15.9 lakh tons. This was nearly 60 per cent. more than the production of 10 lakh tons in the year immediately preceding. The history of the industry has been full of crises and surprises of one kind or another and the year that has passed was no exception. While, on the one hand, production improved and touched a new record and unrestricted supply of sugar was available to the consumer, the demand for the commodity not only failed to keep pace with the rise in production but actually registered a fall, as compared with the previous year. Another feature of the year was that side by side with improved production, imports against commitments continued to the extent of nearly 6 lakh tons, bringing the total available supply to 22½ lakh tons. In the result, the industry is faced with the burden of a surplus of nearly 5 lakh tons of sugar. The current season too promises to be as good as the previous one and unless the demand for internal consumption improves, a difficult situation may arise.

"One of the reasons for the high sugar production was the comparatively low price of *gur*, which had the effect of diverting larger supplies of cane to factories. But this same factor was also responsible for the fall in demand for sugar by bringing about a shift in consumption from sugar to *gur*. This kind of alternating shift in consumption from sugar to *gur* and *vice versa* is not unknown to the sugar industry. It only goes to show how intertwined are the fortunes of both these industries and how essential it is to maintain a proper *gur* economy in the interests of the stability of the sugar industry. You will be interested to hear that your Directors are, therefore, considering a proposal for the setting up of a *gur* refinery in the vicinity of our Factory, so that during times when *gur* is abundant and its price drops below uneconomic levels, the factory may enter the market, purchase the surplus stocks of *gur* and convert the same into sugar with the help of requisite additional equipments. The feasibility of the scheme and its economics are being examined in all their aspects.

New Factories

"The target of sugar output in the second Five-year Plan is raised from 18 to 22½ lakh tons, which it is proposed to achieve by starting new factories and expanding existing ones. A number of new factories are licensed to come up in South India which, as a whole, is deficit in sugar at present. It is, however, of the utmost importance to aim at proper dispersal of the factories so as to avoid the danger of overcrowding of the industry as in certain areas in the North. Mysore State, as at present constituted, is more than self-sufficient in sugar and, even as it is, we have to look up to certain traditional markets in the neighbouring States of Madras and Bombay for marketing nearly 60 per cent. of our production. With the proposed starting of four or five more factories in the State in the near future, I visualise that the orderly and profitable marketing of the combined output of all the factories will become more and more difficult and present us with new problems. Similar problems are likely to arise in other areas too and sooner or later the industry will have to think of having a common marketing organisation, on the lines of the Cement Marketing Association, at least on a regional basis.

"I shall now briefly review the working of your Company. Sugarcane crushing operations for the season 1954-55 commenced on 5th August 1954 and continued up to 2nd June 1955, giving a long season of 292 days. The quantity of sugarcane crushed during the period was 372,458 tons. This is the largest tonnage crushed in the factory in any year in the past and is, I think, a record not achieved by any other factory in India. Due to low *gur* price, growers resorted to diverting their excess cane to the factory and this necessitated the prolongation of the crushing season at the cost of recovery. Another adverse factor that we had to contend with was a deterioration in the quality of cane caused by borer attack. In order to afford relief to the growers whose crops were affected by this pest, it became necessary to relax the usual rules and accept the diseased cane on a priority basis, resulting in delayed supply of good cane, with consequent loss in its purity. The cumulative effect was a serious setback in the percentage of sugar recovery during the latter half of the season, nullifying the good results obtained during the first half. The average recovery for the season was 9.49 per cent. and the total quantity of sugar produced was 35,312 tons.

Sugar Released

"The quantity of sugar released and sold from the factory during the year under report was 26,957 tons. This includes a quantity of 3,050 tons sold at control price, which was far below the market rate. Although sugar is now free from price and distribution control, sales are subject to periodical release of stocks from factories by the Government of India which also reserves the power to requisition, if necessary, 25 per cent. of the production at control price. Contrary to expectation, the Government of India has continued this provision for requisitioning of stock at control price for the current year also. It is to be hoped that no occasion would arise for the enforcement of this provision. The decision not to import any sugar from abroad during the current year is, however, to be welcomed. The price fixed by the Government of India for sugarcane purchased by the factory was Re. 1-7 per maund (Rs. 39-2-1 per ton) for delivery at the factory gate, and Re. 1-5 per maund (Rs. 35-11-8 per ton) for delivery at rail heads. A cess on cane at the rate of Rs. 6 per ton was continued to be levied by the Government of Mysore and the amount contributed on this account on the cane crushed during the year was Rs. 22,34,166.

"An event of great consequence to the sugar industry was the enhancement of the excise duty on sugar by as much as 50 per cent. with effect from 1st March 1955. This step, taken in pursuance of the recommendation of the Taxation Enquiry Commission and in the teeth of opposition from the industry has, at one stroke, raised the duty from Rs. 3-12 to Rs. 5-10 per cwt. The selling price of sugar, which was already sagging under the weight of the heavy supply position, was unable to absorb the additional duty and the burden of it has fallen on the industry. Perhaps, many of you are not aware that excise duty and cane cess, between them, account for nearly 22 per cent. of the cost of the sugar.

"Yet another new burden which the industry is now called upon to shoulder is the payment of an extra price for sugarcane, over and above the price notified and already paid. This takes the form of a share in profit, calculated on the basis of the price realised on the sale of sugar, the percentage of recovery and the duration of the crushing season. In his address to you last year, my predecessor dwelt at some length on this important issue and I have, therefore, no wish to traverse the ground over again. It may, however, be added that this formula will particularly affect factories like ours which are accustomed to work for a much longer duration than those elsewhere. The whole question is now under examination by an expert committee appointed by the Government of India and it is to be hoped that, in devising a formula, the peculiar conditions of individual factories will receive due consideration.

Distillery to be Expanded

"A word about our distillery. Despite an abundant supply of molasses, the plant could not be worked to its full capacity, owing to poor and uncertain demand for alcohol. The excise formalities and the transport difficulties also stand in the way of increased sales. The use of alcohol as motor fuel is on the wane and the prospects in this direction do not appear to be encouraging. This is sad, indeed, especially when it is remembered that we have been pioneers in this field, having been the first in India to manufacture power alcohol and popularise its use as motor fuel. But there are vast possibilities of finding new uses for alcohol and the many development schemes included in the second Five-year Plan are bound to lead to increased demand for alcohol for industrial purposes. It is gratifying to note that this matter is receiving the urgent attention of the Government of India, as evidenced by the fact that it has recently set up an expert committee to go into all matters connected not only with the increase in production and profitable utilisation of alcohol for industrial purposes but also with allied matters such as excise control and transport facilities. In recent months, it has been possible to secure bulk orders to find a ready he market for all the alcohol produced. Anticipat- nce, g this growing demand in the years to come ent. id with a view to dealing with the increased n the tput of molasses from our factory, your livid directors have taken on hand a scheme for the al y anc expansion of the distillery designed to raise the au installed capacity from 3,000 to 4,000 gallons of r alcohol per day.

"The financial results of the year's operations have resulted in a gross profit of Rs. 19,79,593-14-6. It has to be stated that considering the record crush as well as the satisfactory production and sales, the level of profit has not come up to the standard reached during previous comparable years. The decline in earnings may be attributed to the low recovery and the consequent high cost of production, the incidence of the increased excise duty and the gradual decline in sugar price due to unfavourable trading conditions. The distillery has maintained its reputation for steady earning and has contributed a profit of Rs. 3,74,267-5-9. The confectionery, which was working continuously at a loss, was finally closed during the year under report. The machinery as also the large surplus of raw materials and stores stocked for confectionery manufacture have since been disposed of. I am sure this step will meet with the approval of shareholders, as it will save us from further recurring losses and enable us to concentrate on sugar manufacture which is our main business.

Net Profit

"The net profit for the year, after providing for depreciation of Rs. 5,29,256-7-6 and other expenses, stands at Rs. 10,00,296-2-3. It will be noticed from the accounts that no provision has been made for income-tax, which would, in the normal course, have absorbed a large slice of the gross profit. This is because there is no liability on this account, as the loss of the previous year has been carried forward for income-tax purposes. Including the surplus of Rs. 2,28,221-3-8 brought forward, the total amount of profit available for appropriation comes to Rs. 12,28,517-5-11. In keeping with the pattern of profit-distribution pursued by your Directors all along, they now recommend payment of a dividend at the usual rate of 20 per cent., absorbing Rs. 4,35,856. Out of the balance, it is proposed to strengthen the general reserve and the dividend equalisation fund by transferring Rs. 2,50,000 to each of these funds, to transfer Rs. 2,261-10 to the reserve for bad and doubtful debts and to carry forward the surplus of Rs. 2,90,339-11-11. We need to conserve all our resources for financing schemes for modernising and rehabilitating our plant and for facing the uncertainties of the future. It may not be out of place, if I remind the shareholders of the difficult times through which the Company had to pass and the uncertainties ahead, against which we have to provide. To realise the gravity of this, I have only to invite attention to the overdraft of Rs. 28,68,036-14-4 shown in the balance-sheet, which we had to resort to, to meet the situation following the drought of 1953. A somewhat similar situation, though of much less severity, is likely to be faced during 1956-57, because of the unsatisfactory cane planting this year due to inadequate rainfall in the catchment area of the Sri Krishnaraja Sagara reservoir.

Prospects Bright

"There is, however, no need to be pessimistic. The immediate prospects for your Company are quite bright. Factory operations during the current year are going on satisfactorily and the production of sugar has already come up to 20,000 tons and may be expected to go up to not less than 35,000 tons before the season comes to an end in March next. The recovery too is good. The scheme of expansion of the factory, embarked upon by us three years ago, is nearing completion, with the erection of a huge boiler and a turbo generator, now in progress. With the addition of these two, our factory becomes a well balanced unit of 2,000 tons capacity and we can look forward to a higher rate of crush and larger output of sugar, over a shorter working period, from next year onwards.

"Before I conclude, I wish to acknowledge the valuable assistance and co-operation extended to me by my colleagues on the Board. A special word of praise is due to our General Manager and to all the officers and employees who work both in the factory and in the head office for their loyal and devoted service which has contributed to the successful working of the Company. Above all, the Company owes its success to the abiding interest which the Government of Mysore has been evincing in its progress and I will be failing in my duty, if I did not express our gratitude to it as also to the Government of India for its continued help and sympathy.

"Gentlemen, I now move that the Directors' Report and the audited statements of accounts for the year 1954-55 be adopted."

At the conclusion of the speech, questions were put by some of the shareholders eliciting information on various points and suitable replies were given by the Chairman.

After the adoption of the report and accounts for the year 1954-55, a dividend of 20 per cent. was approved. Mr. S. R. Aswath was elected as Director in the place of the retiring Director, Mr. H. F. Marker, and Messrs. B. K. Ramadhyani & Co. and Mr. Siva Shantappa, Chartered Accountants, were appointed as Auditors for the year 1955-56.

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

V. M. LINGIAH,
Secretary.

BANGALORE, 16*th December* 1955.

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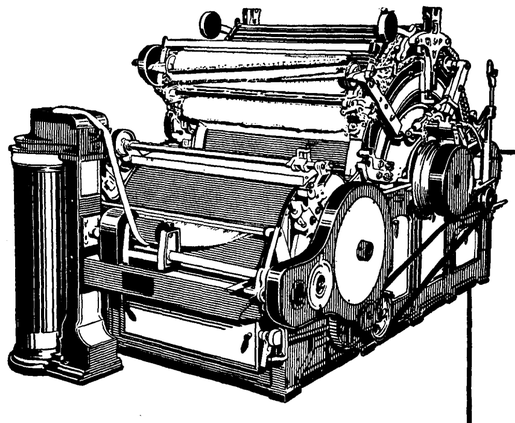

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YEAR OF ADVERSE TRADING CONDITIONS

SIR A. RAMASWAMI MUDALIAR ON FLEET EXPANSION PROGRAMME

THE serious dock labour situation in Indian ports and the steps that are being taken to remedy it were commented upon at some length by Sir A. Ramaswami Mudaliar, K.C.S.I., D.C.L. (Oxon.), Chairman of the India Steamship Company, Ltd., in his speech to the shareholders at their Annual General Meeting held in Calcutta on 20th December 1955. Sir Ramaswami Mudaliar also made a reference to the decision of the Company to make further additions to the Company's fleet at the rate of at least one ship every year during the next five years, so that the goal of 18 ships might be reached by 1960, if not earlier.

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

"GENTLEMEN,

"The audited accounts and Directors' report for the period ended 31st March 1955, has been in your possession for some time. With your permission I shall take them as read.

Trading Experience

"The Directors' report shows that the freight earned during the year is Rs. 4,01,00,132-3-4, about Rs. 41 lakhs more than in the previous year, but this is counterbalanced by increased port charges, stevedoring charges, transhipment charges and other expenditure. The time taken in the turnround of ships materially affected the profit which the Company could have made. During the year the average time taken for a round voyage was 16 days more than in the previous year, the economic consequences of which do not require detailed explanation.

"Despite these adverse factors your Company made a profit of about Rs. 24 lakhs before providing for depreciation. The year under review has been an even more anxious and disturbing year than the last and it required all the care and ingenuity of the various departments of the Company and of our Agents abroad to obtain this result.

Delay in Ports

"I referred in my last speech to the serious delays that occurred in some of the Indian ports, owing to resort to a 'go-slow' movement by a section of the dock workers. The situation deteriorated further during the year, Calcutta being the worst effected and Bombay being not far behind. While the position in India was creating anxiety, a disastrous strike took place in London and in some of the other main British ports like Liverpool, lasting over six weeks which further accentuated the situation. The Indian situation was to some extent due either to the desire of some of the leaders of labour unions to find employment for as much pool labour at a port as possible by spreading out their work or to shortage of labour. The British situation, on the other hand, had no justification either because wages and conditions of service were not satisfactory or because of want of employment. It was purely a result of a dispute between rival unions for which neither stevedores nor shipowners were responsible nor had they any means of controlling or settling the disputes. The British shipping journal, *Fairplay* remarked in its issue of 10th November, 1955: 'An important factor, if not the cardinal factor, influencing the present crisis in a long series of post-war economic ups and downs is the number of dock strikes—the worst of which occurred a year ago —that has marred the national scene.... The position generally with the rival dock union is that certain of the extremist members would repeatedly paralyse the nation's ports if they could. To make the public fully aware of the true extent of such irresponsible action employers generally should not hesitate to present the hard facts and thus reveal trouble-making elements in their true colours.'

"These comments could be applied in exactly the same words to the situation in India.

Remedial Measures

"The dock labour situation towards the end of the year under review became so serious that a proposal to levy a surcharge in the ports of Bombay and Calcutta was put forward by the Conference Lines. The Government of India had, however, realised the situation a little earlier and had appointed a committee, called the Vasist Committee, to examine the whole question and propose remedies to restore normal conditions at Indian ports. I was invited by the Government to be a member of this Committee and, therefore, had opportunities of studying the situation in all its aspects.

"The Vasist Committee submitted its report to the Government and I understand practically all the recommendations of this Committee have been accepted. The most important of these recommendations is that special powers should be given to the chairmen of the dock labour boards on the lines of the emergency powers that have recently been given to the Chairman of the Calcutta Port Trust. The second recommendation which is even more important is that the piecerate system should be introduced in connection with work of stevedore labour and, consequentially of port labour also. These two reforms have now been realised by those responsible at the highest level, the Transport Minister and the Labour Minister, to be essential, and I trust that they will be put into effect before the end of the year.

"I should like to take this opportunity of complimenting the Chairman of the Dock Labour Enquiry Committee, Mr. S. S. Vasist, for the thoroughness with which he conducted the enquiry, for his patience and sense of fairness. It will now be for the chairmen of the dock labour boards to carry out their responsibilities firmly, fairly and equitably without being thwarted in their work either by the intransigence of certain sections of labour or by any unreasonable attitude which stevedores may take in connection with reasonable amenities required by labour.

Labour and Employers

"In the memoranda and in the evidence before the Vasist Committee, shipowners have abundantly emphasised that they are willing to co-operate with the authorities in satisfying any legitimate and reasonable requests which labour may put forward. They have pointed out that ultimately the financial burden will fall on shipowners. The loss that they sustain by the slow turnround of ships due to 'go-slow' movements or strikes, often unauthorised, or by mere absenteeism at some ports is out of all proportion. While they are, therefore, willing to meet the reasonable suggestions made on behalf of labour they must have some certainty that the response must be adequately forthcoming and that there must be a realisation that the interest of the country will suffer if work at ports is seriously affected.

"The second Five-year Plan that the Government is contemplating, the expansion of Indian shipping tonnage which the Government is anxious to promote and the public eager to see, the industrialisation of the country which is the basis for that larger employment which is envisaged, will all prove illusory, unless better relations prevail between the employer and the employee. It must be frankly stated that, while the employer feels that he is bound to carry out the suggestions of the Government or of labour tribunals or of conciliators, there is no such feeling amongst certain sections of labour that these decisions should be loyally accepted and carried out. The right kind of leadership of labour is the most urgent need of the hour and I trust that with a Minister of Labour so well aware of labour conditions, it will be possible to install such right leadership everywhere.

Prospects

"I referred last year to the fact that two ships had been ordered and would shortly be on the India-U.K.-Continent trade. One of the ships was delivered in January this year and the other in February and both the ships are plying on the regular Conference routes. Two more ships of the same class are under construction and it is expected that one of them will be delivered in February 1956 and the other by May or June. These four ships of 10,000 tons deadweight with a proved trial speed of over 20 knots will add considerably to the shipping resources of your Company and I trust will improve the freight results substantially.

"In spite of the adverse effects on trading results, due to factors to which I have referred above, the financial position of the Company remains healthy. Your Directors are, therefore, contemplating the further addition of ships to your fleet at the rate of at least one ship every year during the next five years, so that by 1960, if not earlier, we may reach the goal of 18 ship[s]. I trust that we shall be able to maintain th[e] programme and to make your Company a p[re]eminent Indian shipping company in the ov[er]seas trade. The substantial assistance which t[he] Government of India is giving by way of loa[ns] has been of considerable help both in planning this programme and in realising it by stages. The Directors have kept the financial commitments closely under review and are optimistic enough to feel that these commitments can be met without undue difficulty.

Conference Membership

"I need not refer to the hardy annual which has formed a feature of my annual speeches—membership of your Line in various Conferences from ports on the route between India, the U.K. and the Continent. We have attempted time and again to get a reasonable settlement of this question, but so far we have failed to get any results from several of these Conferences. I feel that the time has now come when, with due regard to our convenience and interest, we must make our entry into these routes, irrespective of whether members of such Conferences desire it or not.

Five-year Plan

"In the second Five-year Plan, provision will be made for the expansion of Indian shipping. This will mean not simply the mere increase of tonnage on existing routes but the successful operation on different routes across the wide seas which Indian shipping has not so far been able to do. While trade from India is world-wide and products from India reach the far corners of the earth and while similarly India imports from different regions its requirements, Indian tonnage at present is confined only to certain routes; a vast area for shipping enterprise by Indian ships is thus left uncovered. It is only natural that both the general public, the Indian commercial community and the Government should find ways by which some of the routes can be covered by Indian shipping.

"There are Conferences in which Indian shipping is not represented and, as a consequence, the Indian point of view goes unnoticed. I trust that the second Five-year Plan will make adequate provisions to bring about a better balanced position for Indian shipping in the world picture of shipping. The various Indian shipping companies have put forward proposals for expansion of their tonnage and, while I am glad to note that even the reduced figure that is reported to be available under the second Five-year Plan will meet all the suggestions of the existing Indian shipping companies, I trust that the target will be so revised as to make it possible for a greater effort being made in this direction.

Flag Discrimination

"I have repeatedly referred to the charge of 'flag discrimination' which shipping companies with strong vested interests, which have come into existence owing to the practice of extreme forms of flag discrimination, undiluted and uncontrolled, in the past, are now making in an attitude of self-righteousness and accusing Governments anxious to promote the nascent shipping industry of their countries. At the last session of the International Chamber of Commerce held at Tokyo in May of this year, this question was again raised and my esteemed colleague, Sir Bijoy Prosad Singh Roy, made a very carefully reasoned and firm speech on what really constitutes flag discrimination. He pointed out that India in any case was scrupulously abiding by all the well-known rules against flag discrimination and that nations which are accusing India were not equally as scrupulous. In spite of this, the vested interests have seen to it that such unreal allegations continue to be made. I feel that it is high time we ignore these statements and I would suggest that the Indian delegates, even if they attend such Conference, do not take part in these futile and meaningless debates and discussions.

Tribute to Government

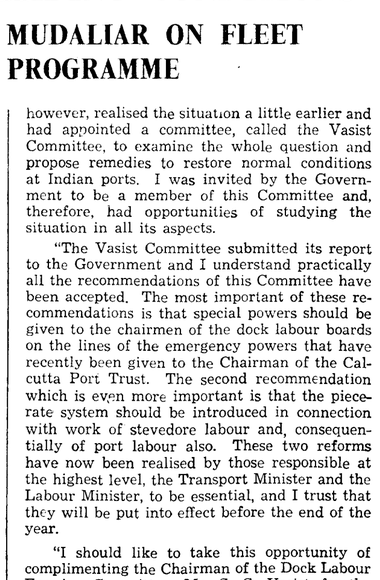
"I would like to emphasise the tribute that has been paid by your Directors to the Minister, Mr. Lal Bahadur Shastri, the Deputy Minister, the Secretary and the officers of the Secretariat for the sustained interest that has been shown in the development and expansion of Indian shipping. I would also like to thank the Minister of Labour who has courageously pointed out the path of duty to labour, in general, and to dock labour, in particular, and I trust that in implementing various suggestions and recommendations the same courage and firmness will continue to be evinced, so that national interest [will] be safeguarded and the nation's progress once[-]ured. The Director-General of Shipping and [Dep]cent. Deputy Director-General and other officers in the[ir] divid[ual] ve shown keen solicitude towards Indian shipt[ing] al ng and have by their advice and encourage[ment] ancment greatly assisted your Company.

qu[es]in "I would like to take this opportunity of thanking the shippers for patronising our vessels both here and overseas. I have already mentioned the very difficult and anxious time that we have had and the frustrations that we have suffered in keeping the regularity of our shipping service and the promptitude of despatch of our vessels and I would like to express my thanks to the shippers who have generally realised our difficulties and have shown forbearance.

"Lastly, I would like to emphasise again the fact that your Company has been well served by all [its] officers, both ashore and afloat. Some of these officers have had extremely difficult and anxious times and have had very onerous responsibilities thrown on them, owing to the irregularity in voyages occasioned by the factors already referred to.

"On behalf of the Directors I wish to convey our thanks to the executive and supervisory staff and to all the employees of the Company, both ashore and afloat, for their good and enthusiastic work.

"I shall be glad to answer any question which the shareholders may wish to ask regarding the accounts."



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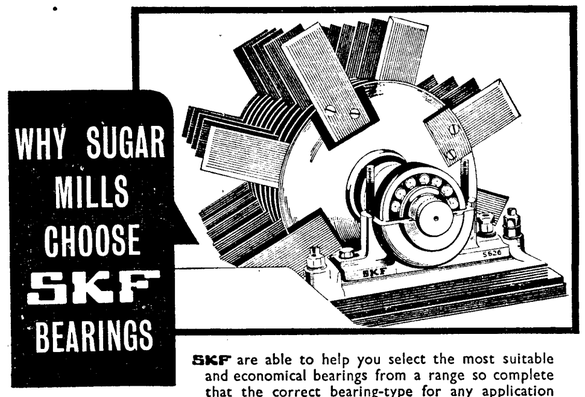
WET COMBUSTION OF WASTE LYES

Experiments with the so-called wet combustion method for utilising the organic combustibles in waste lye from sulphite mills are far advanced in Sweden, according to reports in the Stockholm press. Mr. Karl Cederquist, superintendent engineer of the Central Laboratory of the Stora Kopparbergs Bergslags AB, has obtained a Swedish patent for this method. Besides entailing greater economy than conventional evaporation processes, the new method will, it is stated, also prove a boon for solving the problem of the ever-increasing water pollution, as the discharged liquid will be more thoroughly purified from organic substances. Further, the wet combustion process can be utilised for suspensions containing peat, sawdust and similar substances. The Cederquist method has so far not been used for full-scale operation in Sweden. The process, however, is reported to have been tried out at several pilot plants and an installation is planned for the Storvik sulphite mill belonging to the Kopparbergs company.



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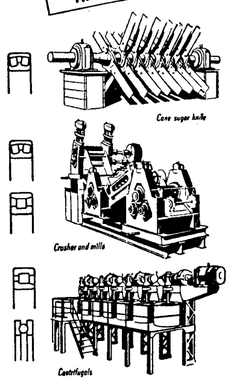

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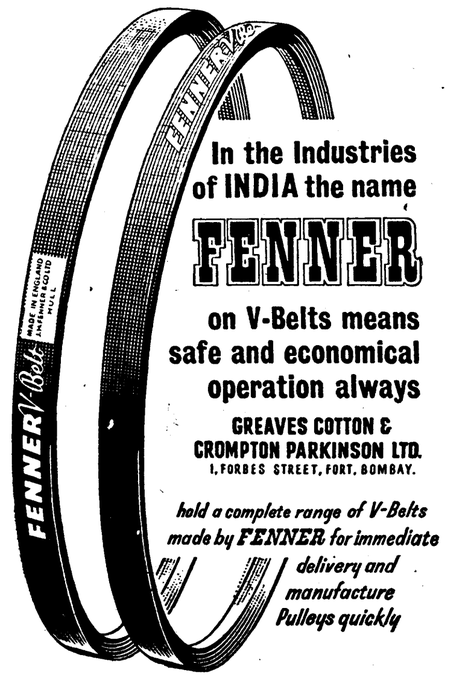

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Notices

RESERVE BANK OF INDIA

APPLICATIONS are invited for the following posts in the various Departments of the Reserve Bank of India:

(A) Posts and Scales of Pay:

(1) Research Officer, Department of Research and Statistics.
(2) Assistant Accountant, Department of Banking Development.
(3) Rural Credit Officers, Agricultural Credit Department.
— Rs. 375-55-815 E.B. 55-925-60-1,045.

(4) Probationary Assistants, Department of Banking, Development/Agricultural Credit Department/Legal Division. — Rs. 250-25-450 E.B. 25-650.

(5) Economic Assistants .. .. Rs. 175-12½-300 E.B. 20-440.

Note:—Candidates possessing exceptionally good qualifications and experience may be given a higher starting salary in the prescribed scales.

(B) Additions to Pay:

(1) *Local Pay:* 10 per cent. of pay with a minimum of Rs. 10 per mensem rounded up to next higher complete rupee to the staff working at Bombay, Calcutta, Madras, Delhi, Kanpur and Ahmedabad.

(2) *House Rent Allowance:*

Research Officer, Assistant Accountant and Rural Credit Officers .. .. — 15 per cent. of pay with a minimum of Rs. 60 and a maximum of Rs. 300 per mensem.

Probationary Assistants .. .. — 10 per cent. of pay with a maximum of Rs. 50 per mensem.

Economic Assistants .. .. .. — 10 per cent. of pay with a maximum of Rs. 20 per mensem for pay upto Rs. 400 per mensem and thereafter at Rs. 25 per mensem for pay upto Rs. 500 while stationed in Bombay or Calcutta.

(3) *Dearness Allowance:* At prescribed rates.

Research Officer, Assistant Accountant, Rural Credit Officers .. .. .. — The present rate is 16⅔ per cent. of pay with a maximum of Rs. 125 per mensem.

Probationary Assistants .. .. — Rs. 65 per mensem for pay (including local pay) upto Rs. 300 per mensem.

Economic Assistants .. .. .. — Rs. 50 per mensem for pay (including local pay) upto Rs. 200 per mensem.

(The rate of Dearness Allowance is subject to revision from time to time.)

(C) Age Limit as on 1st January 1956:

Research Officer, Assistant Accountant, Rural Credit Officers .. .. .. — Candidates should not ordinarily be over 30 years of age.

Probationary Assistants .. .. .. — Candidates should not ordinarily be over 24 years of age except in regard to the posts of Probationary Assistants in Legal Division where the age limit would be extended upto 30 years.

Economic Assistants .. .. — Candidates should not ordinarily be over 24 years of age.

The maximum age limit may be extended but not beyond 30 years, in the case of

(i) candidates with approved war service,
(ii) ex-employees of Banking Institutions whose services have had to be terminated for reasons of economy or as consequence of the closure of unremunerative branches or as a result of the banks going into liquidation,
(iii) personnel retrenched from Government offices after at least one year's service, applying through the Employment Exchange and
(iv) candidates belonging to the Scheduled Castes or Scheduled Tribes.

(D) Qualifications:

(1) *Research Officer Department of Research and Statistics.* First or high second class Master's degree in Economics of an Indian University, or first or high second class degree in Economics of a foreign University, or a Doctorate degree in Economics of an Indian or Foreign University *and* specialisation and research in Agricultural Economics.

(2) *Assistant Accountant, Department of Banking Development.* Applicants should possess a first or high second class M.A. in Economics or M.Com. degree of a recognised University. *In addition,* the candidate should possess adequate experience of one or more aspects of Industrial Finance *or,* be a Chartered or Incorporated Accountant with experience of accountancy and audit in a firm of standing and repute.

(3) *Rural Credit Officers, Agricultural Credit Department.* Applicants should possess very high academic qualifications of Indian or Foreign Universities (preferably post-graduate) in Economics, Sociology or other Social Sciences, and possess degrees which are either first class or high second class. Special study or knowledge of rural economics or rural sociology will be an additional qualification; so also will be the experience gained in a responsible position in a Co-operative Department or in a Co-operative Institution.

(4) *Probationary Assistants, Agricultural Credit Department and Department of Banking Development.* Applicants should possess a first or high second class Master's degree of an Indian or Foreign University in Economics, Sociology or other Social Sciences or in Commerce. Special study or knowledge of rural economics or rural sociology will be an additional qualification; so also will be the experience gained in a responsible position in a Co-operative Department or in a Co-operative Institution. Proficiency in drafting notes, memoranda, reports, etc., is expected.

(5) *Probationary Assistants, Legal Division.* Applicants should be Advocates or Solicitors and should possess in addition to high academic qualifications in Law, practical experience of work in an Advocate's or Solicitor's Office or have practised independently, for at least 5 years. Preference will be given to candidates having M.L. or LL.M. or other equivalent qualifications and special knowledge of banking and company law and to candidates who have passed the Advocates' (O.S.) examination held by the Bombay High Court or the Solicitors' examination held by the Calcutta High Court or by the Bombay Incorporated Law Society.

(6) *Economic Assistants.* Applicants should possess a high second class Master's degree or a first class Bachelor's degree in Economics or Commerce of an Indian or Foreign University *and* have practical experience in the Co-operative Department of any State in India or abroad or in a Co-operative Institution of standing. Specialised study in Rural Sociology will be an additional qualification. Graduates who have passed out of any of the Training centres organised by the Central Committee for Co-operative Training or those run by State Governments may also apply.

The Board will insist on a very high standard of suitability in making selections for the above posts and only candidates who possess good academic qualifications and adequate experience of the type specified are advised to apply. Candidates who wish to apply for more than one category of posts must submit separate applications accompanied by separate application fees.

The selected candidates for the posts of Research Officer, Assistant Accountant, Rural Credit Officers and Probationary Assistants will ordinarily be on probation for a period of 3 years which may be reduced or extended at the Bank's discretion. Candidates selected for the posts of Economic Assistants will be on probation for a period of one year. Candidates selected for the posts in Department of Research and Statistics, Department of Banking Development and Legal Division, will ordinarily be stationed in Bombay but those selected for the posts in the Agricultural Credit Department must be prepared to serve in any office of the Bank in India and to undertake tours when required.

Applications should be in a special form to be obtained from any office of the Reserve Bank. All the applications should be accompanied by copies of two testimonials (originals should not be sent; the Bank does *NOT* accept responsibility for returning the originals if sent through oversight) and forwarded to the Secretary, Central Recruitment Board, Reserve Bank of India, Central Office, Post Box No. 406, Bombay No. 1, so as to reach him on or before 31st January 1956. Candidates already in service must submit their applications through their employers. Candidates belonging to Scheduled Castes or Scheduled Tribes should mention this fact prominently on their applications.

Applicants for all the above posts except Economic Assistants must remit application fees of Rs. 7-8 per application by Postal Order, Cheque or Bank Draft on a *Scheduled Bank payable at Bombay* along with the application. Candidates for the posts of Economic Assistants must remit an application fee of Rs. 2 in a similar manner. The application fee is in no case refundable. *Bonafide* refugee candidates who are *not in employment* applying through any of the Government Employment Exchanges are exempted from payment of application fe[e] while in the case of Scheduled Castes/Schedul[ed] Tribes candidates the fee will be reduc[ed] to 1/4th.

Appointments will be subject to candidate being found medically fit for service in the Bank. If any candidate desires to have his application acknowledged he should enclose a stamped self-addressed envelope or a post-card. Apart from those who may be specially called, interviews will not be granted to candidates nor will the Bank enter into any correspondence with them.

Canvassing in any form will be regarded a disqualification.

SHAW WALLACE AND COMPANY LIMITED

DIVIDEND ON PREFERENCE SHARES

THE DIRECTORS HAVE DECLARED A Second Interim Dividend of 3 per cent., less Income-tax, on the Company's Preference Shares in respect of the year 1955, payable to Members whose names appear in the Preference Share Register on the 16th January 1956. Warrants will be posted on or after that date to the addresses or in accordance with the instructions, recorded in the Company's books.

The Transfer Register of the Preference Shares will be closed from the 9th to the 16th January 1956, both days inclusive.

By Order of the Board,
R. H. D. CAMPBELL,
Managing Director.

4, BANKSHALL STREET,
CALCUTTA, 21*st December* 1955.

THE ELGIN MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 3rd to 20th January 1956, both days inclusive.

By Order of the Board,
Per Pro BEGG, SUTHERLAND & COMPANY, LTD.,
E. C. CALDWELL,
Registrar,
Managing Agents.

KANPUR, U.P., 22*nd December* 1955.

NEW IMPORT POLICY PERMITS LARGER IMPORTS

NEEDS OF EXPANDING INDUSTRIAL DEVELOPMENT ENSURED

THE new import policy announced by the Government of India last week-end, relating to the first half of 1956, has many good features. It is, in the main, directed to increase the tempo of industrialisation. Broadly speaking, this is sought to be achieved in three ways. First, provision is made for larger imports of plant and machinery and semi-manufactured raw materials. Secondly, import quotas for those goods the output of which within the country has been on the increase have been considerably reduced. Typical instances of such goods are buttons, pruning knives, hardware, wire-mesh and wire-netting, textile preservatives, textile finishing oils, certain coal-tar dyes, water meters, socks and stocking, drugs, medicines, chemicals and fluorescent tubes. Thirdly, the Government has made a conscious and deliberate effort to meet the needs of small-scale industries by enhancing import quotas for a number of small tools including milling and gear-cutters, reamers, twist drills and carbide-tipped drills. Licensing of these appliances has been transferred from the headquarters to the ports. A larger supply of these small tools will help the Government to implement its policy of increasing employment through small-scale industries.

Another notable feature of the import policy for the current half-year is the diversion of a part of the foreign exchange saved by the expected diminution in imports of food to larger imports of raw materials of industry such as jute, cotton and petroleum products. In this context, the mention of a few relevant figures will make interesting reading. During 1951-52, that is 1st April 1951 to 31st March 1952, India imported food and sugar worth Rs. 200 crores. In subsequent years, when domestic production expanded, these imports fell by stages and, during the first half of 1955, they were no more than [4]5 crores. A good part of these represented imports of sugar which have now been suspended, [as] India's output of this commodity has gone up [to]tal and as there are large stocks of sugar imported [in] the previous year. In the first half of this [year], imports of food are estimated to be less than Rs. 10 crores in value. Imports of raw materials of industry, on the contrary, have been progressively rising from 43 per cent. of the total imports during January-June 1954 to 57 per cent. of the total imports anticipated for the period January-June 1956. Similarly, imports of plant and machinery also are expected to increase from 10 per cent. in the first half of 1954 to 16 per cent. in the first half of 1955.

Raw Jute

While formulating the import policy, the Government seems to have taken into account the additional demand for raw jute arising from the decision of the Indian Jute Mills Association, Calcutta, to remove the sealing on 2½ per cent. of the looms, scheduled to take effect from the 9th inst. In this connection, the Government anticipates no difficulty in obtaining raw jute to meet the expected increase in the number of working looms. It points out that, under the Indo-Pakistani Agreement, the Government of India has agreed to license the import of 1.8 million bales of jute from Pakistan. The latter, in turn, has agreed to supply up to 2.5 million bales of raw jute.

In the new import policy, provision has been made for the import, on a quota basis, of a number of items of consumer interest, which were hitherto under the purview of the liberal licensing scheme. These items include powdered milk, manufactured tobacco, cigars, apparel and hosiery. In other words, imports of these items have been made a little difficult. Import quotas of cycles, card-cans, packing and wrapping paper and mutton tallow have, however, been slightly enlarged. Imports of special types of 3-10 h.p. electric motors required for agricultural purposes will also be permitted. As regards imports of newsprint, registered newspapers will continue to get licences on an *ad hoc* basis to build up stocks. As there were complaints that these newspapers were selling newsprint in the black market, the Government has now asked the newspapers to furnish periodical stock returns to the licensing authority concerned.

It is encouraging to note that India's balance of payments position *vis-a-vis* the hard currency area has been improving steadily during the last 18 months. This trend is now expected to continue in the current half-year also. Consequently, imports of boards, milk foods, electrodes and diesel engines above 30 h.p. from the dollar area will be permitted. The Government will, however, continue to maintain tight control over the expenditure of hard currency.

The Government has done well in not only responding to the trade demand for including 1954-55 as basic period but also extending this concession to as large a number of items as 130 as compared with only 80 items asked by the trade. The new provision will apply, *inter alia*, to woollen fabrics, domestic refrigerators, sanitary-ware, old newspapers and motor vehicle parts.

Monopoly Imports

While the liberalisation of import policy as noted above has been generally welcomed, the continuation of the policy of "monopoly imports" has been criticised by the trade. The list of items the imports of which are to be through channels to be determined by the Government has been expanded and now include raw silk, caustic soda, sodium bicarbonate, soda ash and muriate potash. This policy was introduced at the end of 1954 as the best way of safeguarding the interests of the domestic producers, without, at the same time, injuring those of consumers. In fine, this policy is being pursued out of necessity in the larger interests of the country and not out of any ideological considerations. Opposition to it is mainly from those sections of trade which has been adversely affected and which are unable to reconcile themselves to the new dynamic economic policy of the Government. It may be noted here that the channels chosen by the Government belong mostly to the private sector and the working of these channels is being closely watched by the Government.

The Government expects that India's export earnings during January-June 1956 will amount to about Rs. 290 crores. Provision for imports of goods worth Rs. 360 crores has been made during these six months. This figure compares with the actual imports of goods worth Rs. 320 crores in the same period in 1955. The quantum of luxury articles allowed to be imported is very negligible. A few changes have been made in open general licences.

The new import policy is thus a liberal one. It is a judicious blending of the needs of consumers with those of producers. The Government has borne in mind the fact that, with a larger volume of development expenditure budgeted for, adequate supply of raw materials and consumer goods should be ensured through more imports. That imports are expected to go up by Rs. 40 crores in the current half-year is proof of the theory that industrialisation of underdeveloped countries leads to a larger volume of world trade to the benefit of the whole world, though it may bring about changes in the pattern of such trade.

MR. B. L. JALAN ON SOME ECONOMIC PROBLEMS

Mr. B. L. Jalan's presidential address at the annual meeting of the Indian Commerce Association, held on 30th December last at Hyderabad, is replete with a number of practical suggestions for solving some of the knotty economic problems facing the country. His observations are born of practical experience and, therefore, merit country-wide attention. His approach, particularly to the problem of unemployment and underemployment in India, is realistic and this is proved by the fact that the scheme implemented by him in about a dozen villages of West Bengal, in the vicinity of Calcutta, has been a success. It provides that each working adult in the villages should contribute one hour of labour in the busy season and one and a half hours in the off-season for individual and co-operative development. The extra labour is outside the daily routine and normal pursuits of life of the villagers. It can be contributed at any time during the 24 hours convenient to the donor and others. The scheme has been so designed that it is essentially self-help and self-sufficient in character. No outside contribution, in cash or kind, is contemplated. A programme launched in 1954 ensured a free brick-built house to each family of the village within 18 to 24 months. The only stipulation under the scheme was that each family should contribute the labour of two of its members. In one village 100 signatories signed a pledge to construct such houses. They made about 6 lakh bricks on a voluntary basis. Now the construction work is, it is stated, making steady progress in 10 centres. The bricks in excess of the actual requirements to build houses are sold in the market and the proceeds are used for burning bricks, and for buying cement and other materials. The bricks wasted in burning are used for paving roads and thus help improve the communication system in villages. The houses have been designed scientifically and provide two bedrooms, a bath, a kitchen, a store, a privy and two verandahs, covering an area of 500 square feet. The scheme is stated to have evoked the appreciation of the Prime Minister and members of the Planning Commission.

Urging the adoption of similar schemes in other parts of the country, Mr. Jalan said: "Brick-making in itself is a big cottage industry and has the potentiality of employing a large number of underemployed voluntary labour. As the raw material is freely available, it can be run on a self-help, self-sufficient basis. Indeed, there are vast fields of work, consistent with variations in regional conditions, which can be operated on the self-help basis. What is required is imagination and leadership, and with the help of those, to inculcate a new sense of confidence in the village people in their ability to find and organise work by themselves. We have five and a half lakhs of villages and our problem, stupendous as it is, would remain unsolved so long as it is not organised on self-help basis."

The above scheme was explained in detail by Mr. Jalan, in order to emphasise the existence of scope for many such similar schemes for tackling underemployment in rural areas. A planned adoption of such schemes is, in his opinion, likely to save the country from the harmful effects of passing through experiments in doubtful economic policies. As, however, such schemes had their own limitations in practical application, Mr. Jalan underlined the importance of small-scale and cottage industries in the second Five-year Plan for creating employment opportunities in the rural sector. In this sphere, the real strength of the economy lay, he averred, in high productivity per unit reckoned in terms of capital or labour. But the productivity in cottage and small-scale industries, except where methods and techniques were fully improved, was very low. To quote Mr. Jalan: "When we are embarking on long-term and conscious economic construction in the country, the foundations on which we lay the superstructure should not be allowed to be inherently weak." He laid accent on the fact that, in planning small and cottage industries, the Government should pay attention to the development of such industries as were supplementary and not competitive to large-scale industry.

Commenting on the Draft Plan, Mr. Jalan observed that caution was necessary in the financing programme of the Plan. He agreed with the Panel of Economists that the increase in the investment level from 7 to 11 per cent. of the national income would impose a severe strain on the economy. He opined that caution was all the more necessary because even the projected amount of outlay would necessitate about Rs. 1,000 crores of deficit financing, besides leaving an uncovered deficit of Rs. 1,000 to Rs. 2,000 crores. He thought that there was a limit to the pool of national income which could be diverted to capital formation and that the planners could not go on increasing the overall outlay on the Plan. While conceding the value of deficit financing in the context of limited financial resources, Mr. Jalan opined that it should be drawn upon "only to such an extent that it does not disturb the balance of the economy." He pleaded for some relaxation in direct taxation, as that would give the much needed incentive to implement the programme of rapid industrialisation.

Mr. Jalan was worried over some of the policies followed by the Government. He seemed to have no doubt that these policies were based on "fads and fallacies" of a section of the public which needed closer examination before being given effect to. To prove his contention he gave two instances, namely, the much talked of nationalisation of insurance and the company law reform. Referring to the former, he said: "We are told for quite a time that nationalisation of insurance is under active consideration of the Government. This has dampened the atmosphere of confidence, stability and steady progress, generated by phenomenal success achieved by Indian insurance in recent years." He exposed the hollowness of the argument that nationalisation of insurance would help the Government to mobilise more resources for the implementation of the second Five-year Plan by pointing out that the Government stood to gain very little in this direction, as 64 per cent. of the life fund was already being invested in Government and allied securities. Further, about 15 per cent. of the life fund was being used for assisting private industry. If this sum was diverted to the public sector in the event of nationalisation of insurance, Mr. Jalan pointed out that private industry would have to be provided with some alternative source of finance. He, therefore, saw no point in the State taking over insurance from private hands.

The President of the Indian Commerce Association suggested that before the State proposed to start a particular industry, the private sector should be given a chance to decide whether it could undertake the establishment of such an industry. He pointed out that the Planning Commission should prepare a blue-print showing total outlay, profits, production costs, prices, raw material and the state of the markets for the products of the industry concerned and circulate them among the chambers of commerce and associations of industries. Only when no offers were made to take up the venture, should the State, he contended, intervene and establish the industry. Such a procedure would, he pointed out, enable the State to fill in the gaps left uncovered by the private sector. We do not see why this procedure should not be given a trial.

A.C.C. SETS FRESH RECORD IN PROFIT

NEW CAPITAL TO BE RAISED TO FINANCE EXPANSION SCHEME

THE Directors' report and audited accounts of the Associated Cement Companies, Ltd. (Managing Agents: Cement Agencies Ltd., Bombay), for the year ended 31st July 1955, make very impressive reading, inasmuch as the year turned out to be the most prosperous one in the history of the Company. Production, sales and earnings for the year have all recorded substantial improvement over the year. The sale proceeds of cement have gone up by over Rs. 4 crores to a fresh record level of Rs. 21.23 crores and the gross profit has exceeded the previous year's record high of Rs. 4.62 crores by as much as Rs. 1.68 crores to set up a new high of Rs. 6.30 crores. This increase in profit follows the rise of Rs. 59 lakhs recorded in the previous year, so that the rise over the two years is Rs. 2.27 crores or 56.3 per cent.

It must, however, be noted here that the accounts for the year under review, include those of the Patiala Cement Company Ltd., a subsidiary of the A.C.C., which was amalgamated with the latter, as per scheme approved by the shareholders of both the Companies and sanctioned by the High Courts at Bombay and Patiala. The amalgamation is deemed to have taken effect from 1st April 1954, so that the accounts of the A.C.C. for the year under review include the working results of the Patiala Cement Company for a period of 16 months. The higher production, sales and profit of the A.C.C. are, therefore, partly due to the aforesaid amalgamation.

The net profit of the Company has also recorded a notable rise from Rs. 2.09 crores to Rs. 2.58 crores, which is again the highest so far earned by the Company. The allocation to the reserves and the distribution to the shareholders have been increased in consonance with the improvement in earnings. The transfers to reserves have been raised from Rs. 60 lakhs to Rs. 90 lakhs, of which reserve for plant reinstatement accounts for Rs. 55 lakhs (as against Rs. 50 lakhs set aside last year), development reserve for Rs. 20 lakhs (as against *nil*) and reserve for gratuities for Rs. 15 lakhs (Rs. 10 lakhs). Of the amount set aside for plant reinstatement reserve, a sum of nearly Rs. 49 lakhs represents the rehabilitation allowance granted by the Government of India at the rate of Rs. 2 per ton (with effect from 8th February 1954) and included in the selling price. The larger sum provided for this reserve, the Directors, point out, has been made "after full consideration as to how to meet the growing and continuous needs of rehabilitation at the various factories" owned by the Company. In fact, they anticipate that even much larger amounts will have to be set aside in the coming years, in order to meet the expenditure under this head. The sum of Rs. 20 lakhs provided for development reserve represents the development rebate granted by the Government (equivalent to 25 per cent. of the cost of new plant and machinery) for the purpose of determining the assessable profit. It is approximately the quantum of tax relief available as a result of this rebate and the Directors have, therefore, set aside this amount to the development reserve.

As readers are already aware, the dividend has been stepped up to 10 per cent. from 8.5 per cent. paid for 1953-54 on the increased capital of Rs. 12.68 crores, raised by the capitalisation of Rs. 2.11 crores in March 1954. The bonus to employees has also increased from Rs. 37.54 lakhs to Rs. 41.80 lakhs.

The salient features of the Company's working results for the year under review are presented in the following table against the background of those for the previous three years:

(In lakhs of rupees)

	For the year ended 31st July			
	1955	1954	1953	1952
Sale proceeds of cement	21,23.05	17,12.73	15,15.61	14,80.01
Other income	36.08	40.71	58.21	39.33
Stocks	54.38	37.66	32.15	37.62
Expenses	15,44.32	13,05.69	11,65.17	11,10.91
Gross profit	6,30.23	4,61.66	4,03.18	4,10.10
Managing Agents' commission	51.56	32.96	28.51	30.05
Provision for—				
Depreciation	1,06.89	85.66	73.84	66.69
Taxation	2,14.10	1,34.00	1,19.60	1,16.90
Net profit	2,57.68	2,00.04	1,81.23	1,96.46
Transfer to reserves	90.00	60.00	50.00	60.10
To bonus to employees	41.80	37.54	34.25	31.00
Dividend	1,27.18 (10%)	1,03.11 (8.5%)†	1,00.37 (9.5%)	1,00.37 (9.5%)
Carry forward	5.63	6.93	3.70	7.09

† On the increased capital of Rs. 12.68 crores, raised by the capitalisation of Rs. 2.11 crores from the reserves.

The work of rehabilitating the older units at the various factories and modernising the plants, so as to maintain output and efficiency of production, is, according to the Directors, proceeding steadily side by side with the various expansion schemes now in hand. Referring to the progress made so far in expansion schemes, the Directors observe:

"The construction of the new cement works at Sindri has nearly been completed and its first unit, with an annual production capacity of 1 lakh tons, was commissioned in September 1955. A second unit which will add a further 1 lakh tons to the capacity of this plant, it is hoped, will be in production by the end of 1955. The construction of a new factory at Mancherial, in the present Hyderabad State, has been taken in hand and work is progressing satisfactorily.

"In order to meet the requirements of the Bhakra Dam, the annual manufacturing capacity of the Bhupendra Cement Works was extended from 2 lakh tons to 3 lakh tons in 1951-52. As it was foreseen that the requirements of cement for the Bhakra Dam would be very heavy in subsequent years, the Bhupendra Cement Works has been extended by a further 1 lakh tons. The factory is now in a position to make 4 lakh tons of cement a year as soon as the necessary power becomes available from the East Punjab Government. It will thus be seen that your Company has made a vital contribution to the completion of this very important National Project at Bhakra. The extension of the Shahabad Cement Works was completed during the year and its capacity increased to 3.8 lakh tons per annum. The extension of the Kistna Cement Works to 2.5 lakh tons has made satisfactory progress and this extension is scheduled to be completed early in 1957.

"Also during the course of the year, steps have been taken to increase the production capacity of the Chaibasa Plant which will lead eventually to an output of 3 lakh tons per annum. The flotation plant, which was being installed at the factory at Sevalia, was brought into operation in September 1955, and the installation of the new power plant at the Dwarka Factory is nearing completion. In addition, the work on the new firebrick factory at Katni and on the erection of a depot to supply cement in bulk in the Delhi area, have progressed satisfactorily and both these projects will be completed by the end of 1955.

"The scheme of installing a coal washing plant at the Nowrozabad Colliery has progressed considerably and the present expectation is that this will be operative in about two years. The programme for increasing the output of the colliery has also been taken in hand."

Besides the aforesaid expansions at the various works, the Company has planned to raise its capacity during the second Five-year Plan, by erecting new factories and making substantial additions to the existing works. On the completion of this programme, the Company's installed capacity will be a little over 5 million tons per annum. This programme will entail very heavy capital expenditure, a part of which will be met from the internal resources of the Company and borrowings on the State Bank of India against mortgage of debentures. The Company has already secured a cash credit arrangement with the State Bank for a maximum borrowing of Rs. 4 crores on the security of 5 per cent. first mortgage debentures. Of this, a sum of Rs. 1 crore has already been availed of during the year. The balance of finance required for the expansion scheme is to be met by the issue of fresh capital to the extent of Rs. 6.36 crores. It is the intention of the Company to issue new shares of Rs. 100 each at par to the existing shareholders in the ratio of one share for every two shares. It, however, remains to be seen whether the Government will agree to this proposal of issuing new shares at par. It is proposed to call up in the first instance Rs. 50 per share and the balance of Rs. 50 will be called up either in one lump sum or in such instalments and at such time or times as the Directors may think fit.

The financial position of the Company as on 31st July 1955 is reflected in the following synopsis of its latest balance-sheet:

LIABILITIES	Rs.	ASSETS	Rs.
Capital	12,71,66,208	Gross block	24,90,99,271
Reserves and surplus	6,19,88,359	*Less*—Depreciation	8,74,71,582
Welfare and endowment fund	1,22,157	Net block	16,16,27,689
Reserve for taxation	4,07,42,116	Machinery, rolling stock, etc., in transit	25,96,412
Liabilities	7,51,08,188	Unallocated capital expenditure	53,84,250
		Stores, spares, etc.	4,54,76,711
		Stocks	2,64,94,181
		Debts, deposits and advances	2,41,13,138
		Investments	77,51,803
		Cash	3,16,32,844
	Rs. 30,51,27,028		Rs. 30,51,27,028

PROFIT OF DELHI CLOTH MILLS LOWER

DIVIDEND, HOWEVER, UNCHANGED

AFTER two years of successive rise, the earnings of the Delhi Cloth and General Mills Company, Ltd. (Managing Agents: Messrs. Bharat Ram Charat Ram & Co., Ltd., Delhi), have suffered a shrinkage in the year ended 30th June 1955. The gross profit of the Company, which had risen from Rs. 181.61 lakhs in 1951-52 to a record level of Rs. 324.39 lakhs in 1953-54, has dropped by Rs. 60.43 lakhs to Rs. 263.96 lakhs in the year under review. Notwithstanding this decline, the profit for 1954-55 stands well above that (Rs. 243.78 lakhs) for 1952-53 and constitutes the second highest profit earned in the history of the Company. The net profit also has fallen by Rs. 32.84 lakhs, that is, from Rs. 109.25 lakhs to Rs. 76.41 lakhs, at which level, however, it is a shade lower than that of Rs. 76.94 lakhs earned in 1952-53. In consonance with the aforesaid trend in earnings, the allocation to the reserves has been cut from Rs. 77 lakhs to Rs. 45 lakhs, of which a sum of Rs. 10 lakhs has been transferred to the newly created debenture redemption fund, the balance of Rs. 35 lakhs being taken to the reserve for renewals.

The distribution to ordinary shareholders has, however, been maintained at 9 per cent. per annum, to which level it had been stepped up last year from 7 per cent. paid for the year 1952-53 on a capital increased during the year by the capitalisation of Rs. 48.49 lakhs from the reserves.

The following comparative table gives an idea of the Company's progress during the past three years:

(In lakhs of rupees)

	For the year ended 30th June			
	1955	1954	1953	1952
Sale proceeds (less selling expenses)	18,25.53	18,88.45	18,18.08	16,00.09
Subsidy on sugar	...	0.09	7.42	...
Other income	14.81	25.13	7.79	15.99
Closing stocks	6,96.39	6,07.31	4,53.51	5,92.21
Manufacturing and trading expenses (including raw materials consumed)	16,81.94	15,65.89	13,84.98	15,45.[illegible]
Establishment and other expenses	88.52	77.18	66.43	69.[illegible]
Gross profit	2,63.96	3,24.39	2,43.78	1,81.[illegible]
Managing Agents' remuneration	16.55	21.14	19.35	11.[illegible]
Depreciation	65.00	54.00	47.50	47.[illegible]
Taxation	1,05.00	1,40.00	1,00.00	71.[illegible]
Net profit	76.41	1,09.25	76.94	51.[illegible]
Reserves	45.00	77.00	52.00†	37.50
Dividends—				
Preference	1.73	1.31	1.31	1.31
Ordinary	30.54 (9%)	30.54 (9%)	23.75 (7%)*	13.00 (4.5%)
Carry forward	0.33	1.69	1.32	1.45

* On the increased capital of Rs. 339.35 lakhs.
† Includes Rs. 2 lakhs transferred to provision for contingencies.

The gross sale proceeds for the year under review amount to Rs. 18.86 crores, having declined from Rs. 19.42 crores for the previous year. Of these, cloth, yarn, waste, tents, garments, etc., account for a rise from Rs. 13.09 crores to Rs. 13.46 crores, while sales of the sugar section have fallen from Rs. 2.63 crores to Rs. 1.97 crores and those of the *vanaspati*, acids and chemicals sections from Rs. 3.70 crores to Rs. 3.44 crores. The decline in total sale proceeds is accompanied by a rise in selling and export expenses from Rs. 53.96 lakhs to Rs. 60.98 lakhs. There has been a fall of more than Rs. 10 lakhs in income from other sources. Manufacturing, trading, establishment and other expenses have recorded a further sharp rise of Rs. 1.22 crores.

The decline in profit for the year under review is due, according to the Directors, to the fall in profit of the Company's cotton mill at Lyallpur, the reason for the same being that "Pakistan is now producing more than its requirements of cloth and yarn of coarse and medium qualities and the market is no longer a seller's market, but a buyer's market." The Directors, in fact, anticipate a further fall in profit of this mill in future. The working of the Swatantra Bharat Mills was also affected by labour unrest and the mills had to remain closed for over a month. The production and sales of cloth and yarn of the Company's mills at Delhi were, however, better than those in the previous year.

In the sugar section, the working of the Daurala and Mawana sugar factories were stated to be quite satisfactory. Efforts are being made to improve and modernise both the factories. The crushing capacity of Mawana factory has been raised from 1,000 to 1,400 tons of cane per day. The working of the distillery and chemical works was quite satisfactory, while the position in respect of the confectionery section continued to be disappointing. The working of the *vanaspati* section was affected by the erratic

fluctuations in prices of *vanaspati*. The capacity of the caustic soda plant is being increased from 11 tons to 20 tons per day and that of the sulphuric acid plant from 20 tons to 50 tons per day.

The Company's textile mills at Hissar started production on 24th October 1955. For the present, the activity of the mills is confined only to spinning. Efforts are, however, being made to start weaving, provided the sanction of the Government is available. The new silk plant in Delhi is expected to go into production shortly.

There has been a change in the capital structure of the Company during the year. The paid-up ordinary share capital is unchanged at Rs. 3.39 crores, while the preference share capital has been raised from Rs. 35 lakhs to Rs. 64.29 lakhs. This is due to calling up the balance of the uncalled capital of Rs. 15 per share on the 150,000 third preference shares (incidentally, the interest on the same was raised from 2¾ per cent. to 4 per cent.) and the issue of 120,000 shares out of the unissued 150,000 third preference shares of Rs. 25 each, by remaining it 5 per cent. fourth cumulative preference shares. Of the latter, only 81,886 shares of a paid-up value of Rs. 10 each have been called so far as at the close of the year under review. The reserves and surplus aggregate Rs. 2.56 crores. Besides these reserves, the provident, pension, gratuity and other trust funds amount to Rs. 90.05 lakhs. There is a debenture liability of Rs. 101.65 lakhs on account of the 5¼ per cent. mortgage debentures for Rs. 1 crore issued during the year. The provision for taxation stands at Rs. 1.69 crores and the current liabilities at Rs. 4.90 crores. The gross block of the value of about Rs. 10 crores, including an addition of Rs. 65 lakhs during the year, has been provided with a depreciation reserve of Rs. 5.08 crores. The current assets amount to Rs. 10.20 crores and more than adequately cover the current liabilities and provision for taxation.

The Rs. 25 paid-up ordinary shares of the Company are being nominally quoted at Rs. 38-10 *cum-div.* On an *ex-div.* basis, the shares offer a yield of 6.2 per cent. per annum, free of tax.

JOINT-STOCK COMPANIES IN 1952-53

A survey of the joint-stock companies (limited by shares) in India for the two years ended 31st March 1953, undertaken by the Department of Company Law Administration, Union Ministry of Finance, shows that the number of private companies at the end of the period under review was greater than that of public limited companies. The other three features disclosed by the survey are: (1) the number of companies with small paid-up capital was predominantly greater than that in the larger capital group; (2) an overwhelming number of companies belonged to the States of Bombay and West Bengal; and (3) there was a decline in the number of companies incorporated outside India but having a principal place of business in this country, during the year 1952-53, though their paid-up capital showed an increase.

According to the Press summary of the combined Blue Book for the two years released by the Finance Ministry, 29,312 companies, limited by shares (both public and private) with a paid-up capital of Rs. 897.6 crores were at work on 31st March 1953. Of these companies, 12,055 were public companies and 17,257 private. The number of companies having a paid-up capital of Rs. 1 crore and above was 115, of which the public companies were 93. Out of these 115 companies, 58 were "trading and manufacturing," 11 cotton mills, 4 paper mills, 16 banking and insurance, 1 jute, 1 textiles, other than cotton and jute mills, 1 tea, 3 coal mining, 2 sugar and 11 transport and transit companies. Bombay had 43 large companies, while West Bengal 37, Madras 7, Delhi 5, Madhya Bharat 4, U.P., Mysore and Travancore-Cochin 3 each. There were 374 companies in the paid-up capital group Rs. 25 lakhs—50 lakhs and 192 companies having a paid-up capital of Rs. 50 lakhs and more, but less than Rs. 1 crore. An overwhelming number of companies in these two groups belonged to the two States of Bombay and West Bengal.

During the year 1952-53, 1,333 new companies were registered in the various States of India, excluding Jammu and Kashmir, with an authorised capital of Rs. 96.42 crores as against 1,866 companies with an authorised capital of Rs. 152.26 crores during the preceding year. The number of public and private companies registered in 1952-53 decreased from 568 and 1,298 in 1951-52 to 287 and 1,046, respectively. 1,244 companies limited by shares, with a paid-up capital of Rs. 11.31 crores, ceased to work during the year under review, as against the same number of companies with a paid-up capital of Rs. 9.15 crores in 1951-52.

According to the reports received from the Registrars of Joint Stock Companies in the various States of India, there were 823 companies incorporated elsewhere than in India, but having a principal place of business in this country with a paid-up capital of Rs. 969.77 crores and debentures of Rs. 29.28 crores at the end of 1952-53 operating in India, as against 855 companies with a paid-up capital of Rs. 8,28.49 crores and debentures of Rs. 35.08 crores in the preceding year.

Points From The Chair

I.F.C.'s Credit Policy

"THE credit facilities extended by the Corporation, timely and helpful as they are, suffer, however, from one defect which I am constrained to point out. The Corporation charges 6½ per cent. per annum with a rebate of ½ per cent. interest for prompt repayment and interest charges are collected from the very first year. Not merely is the rate of interest high but it develops a penal character when the rebate of ½ per cent. interest is tied up with prompt repayment from the first year onwards. I suggest that, for long-term loans, the rate of interest should not exceed ½ per cent. over the ruling bank rate and it would be a real help if the interest on the loan for the first three years is made payable as additional contribution during the last three years of the currency of the loan. It is common knowledge that it takes three years to develop an industry to the profit-yielding stage and any additional burden in this proving period will be more a hindrance than a help to industrial enterprise. I hope the authorities of the Industrial Finance Corporation will give the matter their serious consideration and, if necessary, Government should offer a helping hand."

C. R. SRINIVASAN,
Kirloskar Electric Co., Ltd.

Indian Shipping

"In the second Five-year Plan, provision will be made for the expansion of Indian shipping. This will mean not simply the mere increase of tonnage on existing routes but the successful operation on different routes across the wide seas which Indian shipping has not so far been able to do. While trade from India is world-wide and products from India reach the far corners of the earth and while, similarly, India imports from different regions her requirements, Indian tonnage at present is confined only to certain routes; a vast area for shipping enterprise by Indian ships is thus left uncovered. It is only natural that both the general public, the Indian commercial community and the Government should find ways and means by which some of the routes can be covered by Indian shipping. There are conferences in which Indian shipping is not represented and, as a consequence, the Indian point of view goes unnoticed. I trust that the second Five-year Plan will make adequate provisions to bring about a better balanced position for Indian shipping in the world picture of shipping."

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

Expansion of Sugar Industry

"The target of sugar output in the second Five-year Plan is raised from 18 to 22½ lakh tons, which it is proposed to achieve by starting new factories and expanding existing ones. A number of new factories is licensed to come up in South India which, as a whole, is deficit in sugar at present. It is, however, of the utmost importance to aim at proper dispersal of the factories so as to avoid the danger of overcrowding of the industry as in certain areas in the North. Mysore State, as at present constituted, is more than self-sufficient in sugar and, even as it is, we have to look up to certain traditional markets in the neighbouring States of Madras and Bombay for marketing nearly 60 per cent. of our production. With the proposed starting of four or five more factories in the State in the near future, I visualise that the orderly and profitable marketing of the combined output of all the factories will become more and more difficult and present us with new problems. Similar problems are likely to arise in other areas, too, and, sooner or later, the industry will have to think of having a common marketing organisation, on the lines of the Cement Marketing Association, at least on a regional basis."

S. MUNINANJAPPA,
Mysore Sugar Co., Ltd.

Nationalisation of Insurance

"The time is now coming when we shall be able to reap the benefits of our past endeavours, and it would indeed be a pity, if the insurance business were prevented from doing so at this juncture because of Government policy. I can say without hesitation that the rumour of nationalising the insurance industry, which is spreading far and wide, is acting as a damper to private enterprise. While State ownership of industries may be one of the fundamentals of a Welfare State, I must say that insurance, which has just emerged out of its swaddling-clothes, is least fitted for nationalisation in this country. The prompt and efficient service that is essential for the development of insurance business cannot be expected from State-controlled organisation in the same measure as private insurers offer under competitive conditions to their prospective policyholders. It is truly said that State enterprise sells security but cannot sell security and service together. Nationalisation of the insurance industry will, on the one hand, fail to serve any national interest and, on the other, it will prove to be a positive hindrance to the promotion and expansion of the industry in India. Government should, therefore, consider the issue with a more objective outlook and leave the industry to grow to its full stature by healthy competition as a private enterprise under which, it has made such remarkable progress so far."

DR. NARENDRA NATH LAW,
Hindustan Co-operative Society Ltd.

COMPANY MEETINGS AND DIVIDENDS

THIRU AROORAN SUGARS LTD. Annual General Meeting, Madras, 9th January 1956. Transfer books remain closed from 2nd to 9th January 1956, both days inclusive.

AMLUCKIE TEA CO., LTD. Annual General Meeting, Calcutta, 16th January 1956. Transfer books remain closed from 2nd to 16th January 1956, both days inclusive.

JAM SHRI RANJITSINGHJI SPG. & WVG. MILLS CO., LTD. Dividend of Rs. 50 per share, free of income-tax, for the year ended 30th June, 1955, payable on and after 18th January 1956.

MYSORE SPG. & MFG. CO., LTD. Interim dividend of Rs. 3 per ordinary share, for the half-year ended 31st August 1955, payable on and from 1st February 1956. Transfer books will remain closed from 23rd to 31st January 1956, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Interim dividend of As. 4-4/5 per ordinary share, for the year ending 31st March 1956, payable on or after 11th January 1956.

INDIAN ALUMINIUM CO., LTD. Interim dividend of Rs. 4 per share for the year ended 30th September 1955.

ANDERSON WRIGHT LTD. Dividend of As. 12 per ordinary share, for the year ended 31st December 1954.

HINDOOSTAN SPG. & WVG. MILLS CO., LTD. Interim dividend of Rs. 75 per whole ordinary share and Rs. 18-12 per quarter ordinary share, for the year ending 31st March 1956, payable on 16th January 1956.

INDIAN MANUFACTURING CO., LTD. Interim dividend of Rs. 75 per share, for the year ending 31st March 1956, payable on 16th January 1956.

WESTERN INDIA SPG. & MFG. CO., LTD. Interim dividend of Rs. 75 per share, for the year ending 31st March 1956, payable on 16th January 1956.

COMPANY REGISTRATIONS

JANAKINATH COTTON MILLS LTD. (First Director: Mr. Sushital Datta.) Business: Manufacturers and dealers in cotton, spinners and doublers of cotton, linen, etc. Authorised capital: Rs. 2,00,00,000. Public company. Address: 2, Clive Ghat Street, Calcutta 1.

ZENITH TIN WORKS LTD. (First Director: Mr. Mahomed Hussein Shaikhally.) Business: Manufacturers of tin containers or other receptacles, articles, etc. Authorised capital: Rs. 25,00,000. Private company. Address: No. 17/19, 'Madraswalla Building', Shepherd Road, Bombay 8.

WEST BENGAL MANUFACTURING CO. LTD. (First Director: Mr. G. L. Kanoria.) Business: General merchants and agents, managing agents for any firms or companies, etc. Authorised capital: Rs. 15,00,000. Private company. Address: 1, Commercial Building, Calcutta.

GHILLIDARY TEA CO., LTD. (First Director: Mr. J. P. Gangooly.) Business: Cultivation of tea, coffee, etc. Authorised capital: Rs. 12,00,000. Public company. Address: 23/24, Radhabazar Street, Calcutta.

HIND PALACE LTD. (First Director: Mr. S. P. Jaiswal.) Business: Proprietors of cinema house and exhibitors of cinema films. Authorised capital: Rs. 10,00,000. Private company. Address: 76, Ganesh Chandra Avenue, Calcutta 13.

SPUN CASTING AND ENGINEERING CO., LTD. (First Director: Mr. S. K. Das.) Business: Manufacturers and dealers of spun cast iron pipes, cylinder, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 29, Strand Road, Calcutta.

TEXTILE ACCESSORIES LTD. (First Director: Mr. R. B. Modi.) Business: Manufacturers of textile machinery spares and accessories, etc. Authorised capital: Rs. 5,00,000. Private company. Address: P-21/22, Radhabazar Street, Calcutta 1.

SHIVJI MINERALS LTD. (First Director: Mr. L. K. Atha.) Business: Mine owners and workers in manganese, metal ores, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 3, Portuguese Church Street, Calcutta.

RAMGARH INDUSTRIES LTD. (First Director: Mr. A. M. Roy.) Business: To acquire by purchase, lease, grant of any coal or mica bearing lands, etc. Authorised capital: Rs. 5,00,000. Private company. Address: United India Building (top floor), 22, Chittaranjan Avenue, Calcutta.

RESCON MANUFACTURING CO., LTD. (First Director: Shri Ganpat Baburao Dere.) Business: Manufacturers of electrical goods of all kinds, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Laxmi Bhuvan, Sathe Park, Chembur, Bombay 38.

DOWELL PRODUCTS LTD. (First Director: Dr. S. H. Marathe.) Business: Manufacturers and sellers of patent medicines, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 183, Girgaum Road, Bombay 4.

BEHARILAL KAPUR AND SONS LTD. (First Director: Mr. Beharilal Kapur.) Business: Jute, flax and hemp spinners, cotton spinners and doublers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Diwanchand Building, 69-75, Sheik Memon Street, Bombay 2.

TECHNICAL INSTRUMENTS MANUFACTURERS (INDIA) LTD. (First Director: Mr. J. H. Jagtiani.) Business: Manufacturers of all kinds of scientific instruments, particularly precision instruments, such as microscopes, binoculars, etc. Authorised capital: Rs. 5,00,000. Private company. Address: National House, 6, Tulloch Road, Apollo Bunder, Fort, Bombay 1.

KALYANPURA KRISHNA VIJAYA GINNING AND PRESSING FACTORY, LTD. (First Director: Mr. Thakarsibhai Motibhai Patel.) Business: Cleaning, ginning, pressing and packing cotton, jute, wool, hemp, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Kalyanpura, Taluka Kadi (N.G.), District—Mehsana.

SUBSTANTIAL RISE IN PROFIT OF GILLANDERS ARBUTHNOT

EQUITABLE COAL REPEATS DIVIDEND

Gillanders Arbuthnot & Co., Ltd.

THE directors of the above Company (Managing Director and Chairman: Mr. John Frederic Earle d'Anyers Willis, O.B.E., Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1955.

The Company's revenue from sales equalled that of the previous year, but a considerable rise in income from other sources, including dividends on investments, resulted in a substantial increase in the total profits of the Company.

After providing for taxation the balance available for disposal is Rs. 18,86,360 as compared with Rs. 12,20,572 in the previous year, arrived at as follows:— The profit and loss account shows a balance of profit of Rs. 29,71,809 (Rs. 17,87,967) to which has to be added the balance brought forward from the previous year of Rs. 1,58,072 (Rs. 2,11,148) making a total of Rs. 31,29,881 (Rs. 19,99,115). The provision required for taxation is Rs. 12,43,521 (Rs. 7,78,543). The balance available for disposal is Rs. 18,86,360 (Rs. 12,20,572). Of this balance, the following amounts have been utilised in paying in full the dividends for the year ended 31st March 1955 on the preference share capital:— On 1st October 1954 Rs. 62,500 (Rs. 62,500) and on 1st April 1955 Rs. 62,500 (Rs. 62,500). The directors recommend, that the remaining balance Rs. 17,61,360, (Rs. 12,20,572) should be disposed of as follows:—

In paying a dividend on the 6,50,000 (65,000) ordinary shares of Rs. 10 (Rs. 100) each at the rate of 14 (7½) per cent. without any deduction in respect of income-tax payable by the Company Rs. 9,10,000 (Rs. 4,87,500), transfer to contingencies reserve Rs. 4,00,000 (Rs. 3,00,000), transfer to superannuation fund Rs. 3,00,000 (Rs. 50,000) and leaving to be carried forward to next year Rs. 1,51,360 (Rs. 1,58,072 after transferring Rs. 1,00,000 to reserve against depreciation of investments).

In accordance with the resolutions passed at the extraordinary general meeting of the members of the Company held on the 30th December 1954 the ordinary capital of the Company, which was divided into shares of Rs. 100 each, was sub-divided into shares of Rs. 10 each.

Messrs. Gillanders Arbuthnot & Co. (Pakistan) Ltd., a subsidiary company has made further substantial progress by recording a profit after taxation of Rs. 4,06,063 in the year under review as compared with a profit of Rs. 1,39,719 in the previous year. In consequence of this satisfactory result, the debit balance of Rs. 2,36,487 on profit and loss account owing to the capitalisation, at the instance of the Pakistan Government, of Rs. 6 lakhs, is now converted to a credit of Rs. 1,69,576. As trading conditions in Pakistan continue difficult, this balance has been retained in that country and no part of it has been included in the parent Company accounts.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	90,00,000	Block ...	11,18,813
Reserves ...	43,11,217	Goodwill ...	23,00,000
Provision for taxation ...	1,76,028	Tools and implements	31,596
Superannuation fund	5,00,000	Stock-in-trade	21,35,430
Liabilities ...	2,48,07,667	Stationery and stores ...	16,952
Profit and loss account ...	1,51,360	Debts, deposits and advances ...	2,24,27,953
		Investments	90,39,839
		Cash ...	18,75,689
	Rs. 3,89,46,272		Rs. 3,89,46,272

Equitable Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1955.

There was a profit before providing for depreciation, of Rs. 12,22,259 (Rs. 5,56,080) to which has been added the balance brought forward from the previous account of Rs. 1,70,033 (Rs. 1,81,263), unclaimed dividends forfeited Rs. 4,924 (Rs. 2,069), obsolete stores credited back Rs. 6,078 (*nil*), bad and doubtful debts previously written off now recovered Rs. 5,235 (*nil*), coal mines stowing rebate in respect of previous period Rs. 47,795 (*nil*), profit from Colombo agency (surplus on overtime pool for the years 1952 and 1953) Rs. 2,255 (*nil*) and grant-in-aid for maintenance of dispensaries for the year 1953 Rs. 24,230 (*nil*) making a total of Rs. 14,82,809 (Rs. 9,54,691). From this amount is deducted provision for depreciation Rs. 6,00,000 (Rs. 5,00,000), provision for cesses Rs. 5,000 (Rs. 20,000), provision for bad and doubtful debts Rs. 96,094 (*nil*), provision for reduction in valuation of stores Rs. 6,078 (*nil*) and coal sales adjustment relating to previous periods Rs. 34,031, leaving a sum available for disposal of Rs. 7,41,606 (Rs. 4,33,993). The directors propose that this sum be dealt with as follows:—

By transfer to general development reserve Rs. 2,00,000 (*nil*), transfer to general reserve Rs. 2,00,000 (*nil*), payment of dividend on preference shares, for the half-year at the rate of 6 per cent. per annum Rs. 12,000 (Rs. 12,000), payment of dividend on ordinary shares at the rate of 15 (15) per cent. per annum Rs. 2,22,282 (Rs. 2,22,282) payment of directors commission on the recommended dividends Rs. 14,058 (Rs. 14,058), leaving to be carried forward Rs. 93,266 (Rs. 1,85,653).

Net raisings during the half-year were 8,08,193 tons compared with 8,02,218 tons during the previous six months and 8,19,882 tons in the corresponding period of 1954. Despatches amounted to 8,35,129 tons against 8,51,251 tons and 7,90,922 tons during the preceding two half-years. Stocks totalled 83,344 tons compared with 1,05,387 tons at the end of the previous half-year and 1,52,106 tons as at 30th June 1954.

The Collieries have been maintained in good condition. Good relations between labour and management continued throughout the period.

Raisings were higher than for the previous half-year and, with a slight improvement in wagon supplies, stocks of coal at the Collieries were reduced. Development of Charanpur Colliery of Apcar Collieries Ltd. (in voluntary liquidation) continued satisfactorily.

Government has recently announced its desire that the private sector of the Industry should increase its production during the next five years by eight million tons, and all means by which the Company may participate in this expansion are being thoroughly examined.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,63,760	Block ...	1,02,83,132
Reserves ...	76,84,250	Stock of coal	13,03,209
Debentures	51,37,500	Stores and spare gear	29,58,466
Provision for taxation and cesses	13,89,542	Plant and machinery unissued	22,72,188
Liabilities ...	1,44,35,391	Debts, deposits and advances ...	1,31,07,207
Profit and loss account ...	93,266	Investments	15,30,428
		Cash ...	6,49,079
	Rs. 3,21,03,709		Rs. 3,21,03,709

Dhemo Main Collieries, Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1955.

There was a profit, after providing for depreciation of Rs. 55,086 (loss of Rs. 5,599) to this has been added the amount of unclaimed dividends forfeited Rs. 1,370 (*nil*), provision for sales tax no longer required Rs. 14,240 (*nil*) and provision for cesses no longer required Rs. 105 (*nil*) making a total of Rs. 70,801 (debit of Rs. 8,799). After deducting this from the balance at debit of profit and loss account brought forward from the previous half-year of Rs. 3,14,080 (debit of Rs. 2,37,718) there remains a debit balance on profit and loss account to be carried forward, of Rs. 2,43,279 (debit of Rs. 1,91,155 after adjustment).

Net raisings during the half-year were 1,22,177 tons compared with 1,12,847 tons during the previous six months and 1,09,695 tons in the corresponding period of 1954. Despatches amounted to 1,26,096 tons against 1,19,769 tons and 97,711 tons during the preceding two half-years.

Stocks totalled 7,829 (19,827) tons on 30th June 1955.

The condition of the Company's Colliery continued to improve during the half-year. Good relations between labour and management were maintained throughout the period.

During the half-year, raisings increased as a result of further progress in the stabilisation of the underground workings at the Colliery. This improvement is reflected favourably in the Company's results for the period under review. An improvement in the wagon supply position enabled stocks at the Colliery to be reduced.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	23,76,131
Reserves ...	1,20,000	Stock of coal	1,13,206
Liabilities ...	27,21,676	Stores and spare gear	2,51,108
		Debts, deposits and advances ...	14,21,963
		Cash ...	35,989
		Profit and loss account ...	2,43,279
	Rs. 44,41,676		Rs. 44,41,676

Hurriladih Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1955.

Profit for the half-year after providing for taxation and depreciation is Rs. 1,63,582 (Rs. 1,19,008), adding thereto the amount brought in from the previous account Rs. 61,879 (Rs. 69,159), there is a total sum of Rs. 2,25,461 (Rs. 1,88,392). From this is deducted provision for bad and doubtful debts Rs. 5,000 (*nil*), leaving an available amount of Rs. 2,20,461 (Rs. 1,75,148). The directors propose that this sum be dealt with as follows:—

By payment of a dividend for the half-year at the rate of 25 (15) per cent. per annum Rs. 1,00,000 (Rs. 60,000), payment of directors' commission on the above dividend Rs. 5,000 (Rs. 3,000) and transfer to general reserve Rs. 50,000 (Rs. 50,000), leaving to be carried forward to the next account Rs. 65,461 (Rs. 62,148).

Net raisings during the half-year were 1,22,153 tons compared with 1,29,489 tons during the previous six months and 1,39,392 tons in the corresponding period of 1954. Despatches amounted to 1,23,632 tons against 1,36,169 tons and 1,22,865 tons during the preceding two half-years. Stocks totalled 10,279 (18,611) tons on 30th June 1955.

The good condition of the Company's colliery has been fully maintained. Good relations between labour and management continued throughout the period.

With the gradual exhaustion of 16 seam at the colliery, raisings fell slightly in comparison with the previous half-year. Exploration work has been carried on to prove other seams which might be developed to replace the falling output of 16 seam.

Government has recently announced its desire that the private sector of the industry should increase its production during the next five years by eight million tons, and the possibility of your Company's participation in this expansion is being thoroughly investigated.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	2,81,843
Reserves ...	6,75,000	Stock of coal	1,20,511
Provision for taxation ...	2,84,854	Stores and spare gear	62,586
Liabilities ...	8,23,624	Debts, deposits and advances ...	16,74,305
Profit and loss account ...	65,461	Investments	49,658
		Cash ...	4,60,036
	Rs. 26,48,939		Rs. 26,48,939

Katras Jherriah Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st July 1955.

After providing Rs. 60,000 (Rs. 73,000) for depreciation and Rs. 2,38,500 (Rs. 2,31,000) for taxation and cesses and after transferring Rs. 1,00,000 (Rs. 1,00,000) to reserve fund, there is a balance of Rs. 2,76,128 (Rs. 1,91,518) at the credit of profit and loss account, out of which the directors recommend a dividend at Rs. 3 (Rs. 2) per share absorbing Rs. 1,50,000 (Rs. 1,00,000) leaving to be carried forward Rs. 1,26,12[illegible] (Rs. 91,518).

Raisings during the half-year were 1,45,03[illegible] (1,35,016) tons compared with 1,45,596 tons during the previous half-year and despatches including purchased coal were 1,87,070 (1,87,199) tons compared with 1,84,684 tons.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	9,30,352
Reserves ...	15,60,000	Stock of coal	1,08,486
Provision for taxation and cesses ...	5,74,006	Stores ...	5,30,408
Liabilities ...	16,51,212	Debts, deposits and advances ...	17,35,668
Profit and loss account ...	1,26,128	Investments	6,08,225
		Cash ...	4,98,207
	Rs. 44,11,346		Rs. 44,11,346

Kalapahari Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st August 1955.

After providing Rs. 13,620 (Rs. 26,000) for depreciation and Rs. 19,300 (*nil*) for taxation and bringing in Rs. 19,300 (*nil*) from general reserve, there remains a balance of Rs. 2,96,262 (Rs. 91,449) at the debit of profit and loss account, which is being carried forward.

The Ghusick 'A' seam at Damra Colliery has now been classified as Grade I by the Coal Board and during the period under review the Company has made suitable arrangements for the raising and marketing of this coal.

Raisings during the half-year were 1,660 (18,892) tons and despatches 1,752 (19,541) tons.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50,000	Block ...	6,45,328
Reserves* ...	2,07,448	Stock of coal	18,391
Provision for taxation and cesses ...	40,037	Stores ...	31,573
Liabilities ...	3,70,939	Debts, deposits and advances ...	2,32,744
		Investments	37,894
		Cash ...	2,494
	Rs. 9,68,424		Rs. 9,68,424

*Reserves are shown after adjusting the debit balance in the profit and loss account of Rs. 2,96,262.

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

Notices

KESORAM COTTON MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the members of the abovenamed Company will be held at 8, Royal Exchange Place, Calcutta, on Wednesday the 18th day of January 1956, at 3-30 p.m., to consider and, if thought fit, to pass with or without modifications the following Resolutions to be proposed as Special Resolutions, viz.:—

RESOLUTION I: Resolved that the Authorised Capital of the Company be increased from Rs. 2,60,00,000 (Rupees two crores sixty lacs only) to Rs. 4,00,00,000 (Rupees four crores only) by creating 1,40,000 (One lac forty thousand only) new shares of Rs. 100 each. The shares so created shall be called the Second Preference Shares and shall carry a fixed cumulative preferential dividend at the rate of 5½ per cent. per annum free of income-tax on the Capital for the time being paid up thereon and shall rank for dividend next after the existing Preference Shares but as regards return of capital shall rank *pari passu* with the said existing Preference Shares and in priority to the Ordinary Shares and with terms to be redeemable at par at any time after 31st March 1966 on giving 12 months' notice.

RESOLUTION II: That the existing clause No. 5 of the Memorandum of Association of the Company be replaced by the following:—

5. The Capital of the Company is Rs. 4,00,00,000 (Rupees four crores only) divided into 20,000 (Twenty thousand only) Preference Shares of Rs. 100 each and 1,40,000 (One lac forty thousand only) Second Preference Shares of Rs. 100 each and 24,00,000 (Twenty-four lacs only) Ordinary Shares of Rs. 10 each. The Preference Shares shall confer the right to a fixed cumulative preferential dividend at the rate of 7 per cent. per annum free of income-tax on the capital for the time being paid up thereon but shall not confer the right to any further participation in profits, and shall not confer on the holders thereof the right to attend or Vote either in person or by proxy or attorney at any General Meeting or to have notice of any meeting. Second Preference Shares shall be redeemable at par at any time after 31st March, 1966 giving 12 months' notice and shall confer the right to a fixed cumulative preferential dividend at the rate of 5½ per cent. per annum free of income-tax on the capital for the time being paid up thereon but shall not confer the right to any further participation in profits, and shall not confer on the holders thereof the right to attend or Vote either in person or by proxy or attorney at any General Meeting or to have notice of any meeting.

Upon any increase of capital the Company is to be at liberty to issue any new shares with any preferential, deferred, qualified or special rights, privileges or conditions attached thereto.

The rights for the time being attached to the Preference Shares in the initial capital or to any shares having preferential, deferred, qualified or special rights, privileges or conditions attached thereto, may be altered or dealt with in accordance with the Articles of Association of the Company but not otherwise.

By Order of the Board,
BIRLA BROTHERS, LTD.,
Managing Agents.

CALCUTTA, 21*st December* 1955.

In particular to:—Mr. Abdus Sattar Mollick, Mr. B. W. Bagshawe, Mrs. Chandraprobha Vishnuprasad Pandit, Mrs. Dossibai Dinshaw, Mr. E. F. E. Moses, Mrs. E. E. Thompson and W. B. Joiner, Col. Sir G. P. L. Conyngham, Mr. George Fogt, Shri Harendranarain Chakrabarty Chowdhury, Lt. Gen. Kaiser S. S. J. B. Rana, Mrs. K. M. Spalding and D. B. Spalding, Mrs. L. D. Jenkins and L. P. D. Stone, Rai Bahadur Moolchand, Mrs. Maria Rosarinha D'Souza Cordeiro, Mrs. Maria Rosarinha De Souza Cordeiro and J. M. Cordeiro, Shri Nagendra Man Singh, Shri Sohanlal Bawa and Mrs. V. K. S. Bawa, Shri Suresh Chandra Nandi, Mr. T. E. Edwardson, Dr. V. B. Pandit, Mr. V. S. Koland, Lt.-Col. J. E. Dhanjibhoy, Mr. J. A. Mackrrow, Mrs. Kate Watson, Mr. Robert Louis Burgess and E. Burgess and Lt.-Genl. Shanker Shum Shere J. B. Rana.

THE BELAPUR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Belapur Company, Limited, will be held at the Registered Office of the Company, Brady House, Veer Nariman Road, Bombay, on Tuesday the 24th day of January 1956, at 4.00 p.m. (S.T.), when the subjoined Resolution will be proposed:

That it is desirable to capitalise the sum of Rs. 23,49,900 being part of the undivided profits of the Company standing to the credit of the Reserve Fund and accordingly that the sum of Rs. 23,49,900 be capitalised and distributed amongst the members on the footing that they become entitled thereto as capital in pursuance of Article 145 of the Articles of Association of the Company, and that the said capital sum be applied on behalf of the persons who on the 3rd day of March 1956 were the holders of the 93,995 Shares of the Company of Rs. 50 each in payment in full for 46,998 Shares of the Company of Rs. 50 each and that such 46,998 Shares credited as fully paid be accordingly allotted to such persons respectively in the proportion of one such Share for every two Shares then held by such persons respectively, and that the Shares so distributed shall be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each shareholder and not as income. Further, that these shares should rank for dividend from 1st April 1956, and in all respects *pari passu* with existing shares and that the certificates in respect of such shares shall be complete and ready for delivery within four months after allotment.

Dated this 15th day of December, 1955.

By Order of the Board,
FOR THE BELAPUR COMPANY, LIMITED,
W. H. BRADY & COMPANY, LTD.,
JOSEPH KAY,
Managing Director,
Managers.

Registered Office of the Company:
BRADY HOUSE,
VEER NARIMAN ROAD,
FORT, BOMBAY.

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

N.B.—The Transfer Books of the Company will be closed from the 20th day of February, 1956 to the 3rd day of March, 1956.

To the Shareholders of the Belapur Company, Limited and in particular to:

Mr. William Abel and M/s. Rajabali Hasom Paroo & Sons, Ltd.

THE MYSORE SPINNING AND MANUFACTURING COMPANY, LIMITED

NOTICE OF 86TH DIVIDEND

NOTICE IS HEREBY GIVEN THAT THE Directors by virtue of the power vested in them under the Articles of Association have determined to pay an Interim Dividend of Rs. 3 per Ordinary Share of Rs. 50 and a dividend of Re. 1-2-0 (less income-tax) per 4½ per cent. Cumulative Preference Share of Rs. 50 for the half-year ended 31st August 1955.

The Dividend will be payable at the State Bank of India, Bombay, on and from Wednesday the 1st February 1956, to those shareholders whose names stand on the Register of Members on the 23rd January 1956.

The Transfer Books of the Company will remain closed from the 23rd January 1956 to the 31st January 1956 (both days inclusive).

By Order of the Board,
N. SIRUR & COMPANY LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, 29*th December* 1955.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

THE NINETEENTH ANNUAL GENERAL MEETING of the Shareholders of THE ASSOCIATED CEMENT COMPANIES, LIMITED, will be held at the Registered Office of the Company at 121, Queen's Road, (opposite Churchgate Railway Station), Fort, Bombay, on Friday the 27th January 1956, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st July 1955.
2. To sanction the declaration of a Dividend.
3. To elect Directors.
4. To appoint Auditors for the current year and fix their remuneration.

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

BOMBAY, 1*st December* 1955.

Note.—The Transfer Books of the Company were closed from Friday the 4th November to Wednesday the 30th November 1955, both days inclusive.

The Dividend when sanctioned, will be made payable on and after Friday the 3rd February 1956, to those Shareholders whose names stood on the Register on Wednesday the 30th November 1955.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, 121, Queen's Road, Fort, Bombay, on Friday the 27th January 1956 immediately following the Annual General Meeting which is to be held at 4 p.m. on the same day and at the same place, for the purpose of passing the Resolutions specified in the Notice dated 1st December 1955 which has already been forwarded to the Shareholders.

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

BOMBAY, 1*st December* 1955.

THE EAST INDIAN COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE adjourned One Hundred and Third Ordinary General Meeting of the Company will be held at the Head Office of the Company, 4, Clive Row, Calcutta, on Friday the 27th January 1956, at 12-15 p.m., to complete the following business, left unfinished at the Meeting held on the 30th December 1955:—

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the year ended 30th April 1955.
2. To declare a Dividend.
3. To elect a Director.
4. To fix the Auditors' remuneration.

Dated this 30th day of December 1955.

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

A member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.

The dividend, if declared, will be paid on the 27th January 1956 to those shareholders whose names were registered on the books of the Company on the 30th December 1955, or to their Mandatees.

Notices

THE HOOGHLY FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-ninth Ordinary General Meeting of the Members will be held at the Registered Office of the Company, No. 4, Bankshall Street, Calcutta, at 4-10 p.m., on Wednesday the 11th January 1956, for the following purposes:—

(1) To receive the Directors' Report and the Audited Accounts for the half-year ended 30th June 1955.

(2) To declare a Dividend.

The Transfer Register will be closed from the 4th January to the 11th January 1956, both days inclusive.

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

CALCUTTA, 13th December 1955.

THE TATA MILLS LIMITED

ISSUE OF 1,31,157½ NEW ORDINARY SHARES

SHAREHOLDERS OF THE TATA MILLS Limited are hereby informed that the Directors have extended the time limit to Saturday the 14th January 1956 within which shareholders can apply for the new shares to the Company.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
A. D. SHROFF,
Director.

BOMBAY, 20th December 1955.

BANKING

(Concluded from page 10)

scale migration from rural to urban areas, mainly due to attraction of much higher wages paid in factories and mills and the greater opportunities of employment in urban areas.

Thirdly, if the problem of unemployment had attracted greater attention during recent years, that was due to the abnormally large number of unemployed among the higher educated and more vocal urban population. Although no statistics were available to prove his contention, Mr. Rama Rau referred to figures relating to increase in the number of students in educational institutions. The number of students receiving college education rose from 74,000 in 1931 to 444,000 in 1951 and that of students in secondary education from 1.8 million to 5.7 million in the same period. But the number of jobs open to this class had not increased in the same proportion.

Educated Unemployed

These facts, which were by no means inclusive, indicated that the problem of unemployment among the better educated classes was more serious than in the villages. And these classes were not likely to be attracted by cottage industries with their comparatively low level of earnings. He, therefore, felt that a remedy based on a wrong diagnosis and applied at the wrong place, as stated already, might actually aggravate the problem of unemployment. With a view to avoiding such a situation, Mr. Rama Rau suggested that, before any fundamental change was made in the country's economic policy, which had hitherto proved successful, there "should be a detailed investigation by expert economists and others into the extent, nature and distribution of unemployment." Since policies followed in the past had been so signally successful and the country's economy was exceptionally stable, any radical departure from those policies by the introduction of curbs on production of large-scale and medium-scale industries could be justified, he concluded, only if a careful investigation established that such a radical change could produce better or quicker results.

It is thus evident from Mr. Rama Rau's address that the present move to tackle rural unemployment is not based on sound assumptions. The validity of such assumptions has been disputed by Mr. Rau through the help of such statistics as are available from the census records. Consequently, his plea that further investigation is necessary before embarking on doubtful policies is quite justified. It is thus necessary that the Government should appoint, without further delay, a commission consisting of competent persons who have an open mind and will not allow their judgments to be influenced by either preconceived notions or allegiance to certain ideologies, to study the problem of unemployment in both rural and urban areas.

PLANTING

(Concluded from page 18)

record crop of 30,000 tons and it was necessary to export 10,000 tons. As there were indications that 1956-57 would again produce a heavy crop, India's dependence on foreign market, Mr. Paterson warned, might be more real. It is to be hoped that the Coffee Board would take note of this warning and initiate measures right from now to popularise Indian coffee in foreign markets and develop the export trade in this plantation product on a more sound and solid ground.

DUNLOP RUBBER'S REPLANTING SCHEME

The Dunlop Rubber Company of Britain has announced a large-scale replanting programme costing £5.5 million of its rubber estates in Malaya. The replanting programme is not a new one, because it began in a small way in 1955. It is only now that the scheme is getting into full stride. The programme is scheduled to be completed in 1962, when the Company will have about 72,500 acres of potentially high-yielding rubber, which will provide all its requirements of latex. At present, 25 to 30 per cent. of Dunlop's requirements of latex is being met by outside sources.

The Dunlop Plantations in Malaya is entitled to get the Malayan Government's replanting grant, which is Malayan $400 per acre, less tax at 30 per cent. for up to 21 per cent. of the overall acreage. The replanting cost varies considerably from estate to estate, but the average cost is estimated at Malayan $800 per acre. The total cost of Dunlop's replanting programme, namely, £5.5 million, is made up of £4.5 million for replanting as well as new planting on 3,000 to 4,000 acres and about £1 million for new buildings and rebuilding.

The aforesaid announcement of replanting programme by Dunlop comes shortly after the plan, announced recently, for a joint venture by Dunlop Rubber, along with three other U.K. tyre manufacturers, to set up a synthetic rubber plant in Britain at a cost of £9 million. This double venture in natural rubber and synthetic rubber will not, however, affect either of the two. In fact, it was assured by the Company's General Manager in London recently that the Company's venture into synthetic would not make any difference to its requirements of natural rubber. For, he said, there was a shortage of rubber at present and it was expected to continue for some time to come.

Commenting on the Company's replanting programme, the *Financial Times*, London, in an editorial, says:

"The real significance of the announcement, therefore, is its timing. Coming shortly after the recent plan for beginning synthetic rubber production in the U.K. in which the Dunlop Rubber Company is playing a major role, it emphasises that the rubber manufacturers in no way regard this as diminishing the future importance of natural rubber. On the contrary, it underlines a need that the price of rubber to the manufacturers this year has demonstrated—a need for increased supplies of low-cost rubber. It is true that at the present stage of development in the rubber manufacturing industry, production of synthetic rubber is essential partly because the growth of demand is at a rate that could not be matched by the increase in production of natural rubber and, more particularly because it is now proved that for certain uses, notably for tyre treads, synthetic rubber is preferable to natural. But conversely for other purposes, including the manufacture of heavy lorry tyres, natural rubber remains preferred to synthetic."

Besides the scheme of replantation in Malaya, the Dunlop Rubber Company proposes to open a rubber plantation of about 10,000 acres in the eastern region of Nigeria. This is essentially a development project and it is likely to take some time before a lease can be obtained.

RUBBER PRODUCTION IN INDIA

The output of rubber in India during the month of November 1955, the latest month for which statistics are available, amounted to 2,680 tons, as compared with 2,450 tons in the previous month and 2,676 tons in November 1954. This brings the total production for the first 11 months of 1955 to 19,695 tons, which represents an increase of 576 tons over that in the corresponding period of 1954. Consumption also shows a rise, but on a much greater scale than that in production. Thus, manufacturers consumed 1,837 tons during November 1955, as against 1,214 tons in October. This figure, however, falls short of that—2,106 tons—for November 1954. The aggregate consumption for the period January-November of 1955 was 24,822 tons, an increase of 1,681 tons over the corresponding 11 months of 1954. Stocks with estates and dealers at the end of the period under review shows an increase from 3,858 tons to 4,452 tons, while those with manufacturers have fallen from 3,392 tons to 2,936 tons.

NATIONAL CARBON CO. (INDIA), LTD.

(Concluded from page 15)

assistance, in, or supervision of, all or any part of the business of the Company, whether situate or of whatever nature and whether involving any fixed or variable payment or otherwise, or for or in connection with the supply of raw material for the purposes of the manufactures of the Company, with any person, firm, company or authority carrying on or engaged in, or about to carry on or engage in, any business or transaction with this Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company and to lend money to, finance or guarantee the contracts or bank overdrafts of, or otherwise assist any such person, firm, company or authority and whether or not by the deposit of securities, and to take or otherwise acquire shares and securities of any such company or authority, and to sell, hold, re-issue with or without guarantee, or otherwise deal with the same.

(v) To amalgamate with any other company having objects altogether or in part similar to those of this Company, and to enter into arrangements with any other company, person or firm, for the operation or control of the whole or any part of the undertaking of the Company.

(w) To take part in the formation, management, supervision or control of the business or operations of any company or undertaking and for that purpose to appoint and remunerate any directors, accountants, or other experts or agents.

(x) To sell the undertaking and property of the Company or any part thereof, for such consideration as the Company may think fit, and in particular for stocks, shares (whether fully or partly paid up), debentures, debenture stock or securities, of any other company, and to pay and distribute any stock, shares, debentures, debenture stock or securities so taken as a dividend to the shareholders of the Company.

(y) To promote or concur in promoting any other company for the purpose of acquiring all or any of the property and liabilities of this Company, or for any other purpose which may seem directly or indirectly calculated to advance the objects of this Company or the interests of the members.

(z) To invest and deal with the moneys of the Company not immediately required upon such securities, or in such investments, and in such manner as may from time to time be determined.

(aa) To draw, make, accept, endorse, discount, execute, issue and negotiate bills of exchange, promissory notes, bills of lading, warrants, debentures, and other negotiable or transferable instruments.

(bb) To receive from any person or persons whether member or members, Director or Directors, employee or employees, of the Company or otherwise, or from any corporate body, money or securities on deposit at interest or otherwise, and to lend money, and in particular to customers and other persons having dealing with the Company.

(cc) To borrow or raise money, and to issue bonds, mortgages, debentures and debenture stock, perpetual or otherwise, charged upon the undertaking and property of the Company both present and future, including its uncalled capital, or any part thereof.

(dd) To remunerate any person or company for services rendered in placing or assisting to place all or any part of the original or other share capital of the Company or any debentures or other securities of the Company.

(ee) To enter into any negotiation or arrangement with any governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the Company's objects or any of them, and to obtain from any such government or authority any rights, privileges and concessions which the Company may think desirable to obtain, and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.

(ff) To promote any Bill or Bills in any Parliament, or any application or applications to any public authority for any Order, Provisional Order, Special Order, Licence or Consent, to oppose any Bill or Application by any other Company, firm, persons or authority which may be considered likely, directly or indirectly, to prejudice the interests of the Company or its members, and to enter into contracts, bear and pay the expenses of or in connection with any such Acts, Orders, Licences or Consents, or arising thereout, and to undertake or guarantee the capital required for carrying out any undertaking authorised by any such Act, Order, Licence or Consent.

(gg) To remunerate the Directors, officials and servants of the Company and others out of, or in proportion to, the returns or profits of the Company or otherwise as the Company may think proper, to formulate and carry into effect any scheme for sharing the profits of the Company with employees of the Company or any of them, to grant pensions or gratuities to employees or ex-employees, or the relatives, connections or dependents of any such person, or persons having dealings with the Company and to establish or support associations, institutions, clubs, funds, and trusts calculated to benefit any such person or persons having dealings with the Company or otherwise to advance the interests of the Company or of its members.

(hh) To procure the registration or incorporation of the Company in or under the laws of any place outside Bengal.

(ii) To adopt such means of making known the business or products of the Company as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals, and by granting prizes, rewards and donations.

(jj) To subscribe or guarantee money for any national, charitable, benevolent, public, general or useful object, or for any exhibition.

(kk) To issue shares of the Company at par or at a premium, or (subject to such provisions as may be required by law) at a discount, and as fully or partly paid up, and to distribute any of the property of the Company among the members in specie.

(ll) To do all or any of the things and matters aforesaid in any part of the world, and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise, and either alone or in conjunction with others.

(mm) To do all such other things as may be considered incidental or conducive to the attainment of the above objects or any of them.

Provided that—

(1) The word "Company" in this clause, except when used in reference to this Company, shall be deemed to include any partnership or other body of persons whether incorporated or not incorporated, and wherever domiciled; and

(2) The objects specified in the different paragraphs of this clause shall, except where otherwise expressed in those paragraphs, in no wise be limited by reference to any other paragraph or to the name of the Company, but may be carried out in as full and ample a manner and shall be construed in as wide a sense as if each of the said paragraphs defined the objects of a separate, distinct and independent company.

4. The liability of the members is limited.

5. The capital of the Company is Rs. 2,50,00,000 divided into 25,00,000 shares of Rs. 10 each.

We, the several persons whose names and addresses are hereunto subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, Addresses and Descriptions of Subscribers.	*Number of Shares taken by each Subscriber.*
CECIL GEORGE WHITE, 5, Garstin Place, Hare Street, Calcutta. Assistant Manager, Ever-Ready (India) Co.	One.
FRANCIS JACK DRANE, 5, Garstin Place, Hare Street, Calcutta. Works Manager, Ever-Ready (India) Co.	One.

Dated the 20th day of June, 1934.

WITNESS to the above signatures:—

H. F. BENSLY,
Solicitor,
Calcutta.

BULLION FIRM

(From Our Own Correspondent)

BOMBAY, 4th January

The bullion market opened the New Year on a very bright note and cheerful conditions were maintained during the past three days, with a sharp rise in values of both silver and gold. Though the upward trend in prices was in evidence even during the last two days of the past year, it gathered considerable momentum only since Monday on brisk speculative buying and frantic short covering induced by the encouraging offtake in the ready section and reports about the possibility of a capital tax.

During the previous two weeks, the market was somewhat erratic and day-to-day fluctuations were confined to a narrow range. After an early spell of easiness, both silver and gold displayed a tendency to recover but this proved to be a short-lived affair and a reactionary trend once again asserted itself. The main bearish influences were larger arrivals, the downward trend in equities in the kerb, the suspension of forward trading in cotton and weaker advices from commodity markets.

Silver for forward delivery (30th December settlement) came down from Rs. 173-10 on 13th December to Rs. 171-11 on the 20th. However, renewed speculative buying on encouraging advices from other markets lifted the white metal to Rs. 173-11 on the 23rd. The higher price attracted selling pressure and the forward rate for silver slumped on the 29th to Rs. 171 (the lowest rate seen since 8th November) before the settlement expired at Rs. 172. Forward silver for 28th January settlement, which began at Rs. 174-8, reacted to Rs. 172-12 on 20th December, before improving to Rs. 174-15. There was again a drop to Rs. 172-3 on the 29th December, but the subsequent bullish forces mentioned at the outset pushed up the price to a high of Rs. 176-10, before closing at Rs. 176-9 today.

Ready silver (.996 Mint) moved between Rs. 173-10 and Rs. 170-10, before improving to Rs. 175-9 at the close today.

The floating stocks of silver are estimated at 1,200 bars, while the daily average offtake was no more than 10 bars.

Forward gold (29th December settlement) relapsed from Rs. 95-5 on 15th December to Rs. 93-3 on the 20th, but regained to Rs. 94-7 on the 23rd. There was, however, a drop to Rs. 93-3 on the 29th December, before the settlement ran out at Rs. 93-8. Forward gold for the 27th January settlement, that is, the current settlement, which began at Rs. 95-11, eased to Rs. 93-12 on 20th December, before hardening to Rs. 95-10 on the 23rd. In the recession which followed, forward once, for the current settlement, came down to cent. 93-12, but gathered strength to touch a high of in the 97-5 yesterday. The closing today was, however, dividend, a shade lower at Rs. 96-12.

tal Ready gold fluctuated between Rs. 94-7 and and Rs. 92-13, before hardening to Rs. 96-12 yesterday. quiet, the closing today was lower at Rs. 96-2. The floating stocks of gold are reported to be 45,000 tolas. The daily average arrivals were 4,000 tolas. The daily average offtake, which was only of the order of 2,000 tolas in the earlier part of the period under review, improved to 5,000 tolas.

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

	4-1-56	Highest	Lowest	13-12-55
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	96 2	96 12	92 13	94 10
Forward*	96 12	97 5	92 12	94 14
Sovereign	60 12	60 12	59 8	60 12
SILVER				
Ready (.996 fine Mint) ..	175 9	175 10	170 10	172 10
Forward†	176 9	176 10	172 12	173 10
London Silver Ready ..	78¼d.	78¼d.	78¼d.	78¼d.
London Forward	78⅝d.	78⅝d.	77⅞d.	78d.
London Gold	249s. 5d.	249s. 7d.	249s. 4½d.	249s. 6d.
New York Ready	90⅛c.	90⅛c.	90⅛c.	90.16c.

* 27th January settlement.
† 29th January settlement.
§ The forward rates for this day relate to December settlement.
N.B.—Foreign bullion prices shown in the above table relates to the previous day.

MODERATE SUPPORT FOR TEA

(From Our Own Correspondent)

CALCUTTA, 3rd January

Export offerings during last week's auctions amounted to 48,000 packages, and this small quantity received moderate support. Black leaf Assam O.Fs. were raised higher by As. 2, and clean fannings and better liquoring B.Ps. by one anna. Medium Assam B.O.Ps. were steady as were clean black teas, whole leaf grades and Darjeelings. Tippy teas were only few lots and were sold above valuations. Teas that were weaker were stalky poor liquorings, and C.T.Cs. of poor quality. The quotations were: best C.T.C. Assam B.P. Rs. 2-3, clean black pekoe Rs. 2-1, medium Assam B.P. Re. 1-10, and plain B.P. Re. 1-7-6.

From As. 3 per lb. export quota right moved down to As. 2½ with interest being shown at As. 2 to As. 2-3 also at the instance of sellers.

Offerings of dusts during last week's sales for domestic consumption amounted to 22,000 packages, prices for most of which, despite good general demand, declined. Dooars teas with poor leaf appearance eased below brokers' valuations, and the non-wither Dooars declined by half to one anna. Grainy types were lower by one anna. Black leaf teas suitable for Middle East consumption were about firm as were the few lots of C.T.C. Assams with liquors. But prices for the plainer Assams were lower by three annas. The rates were: best Assam C.T.C. Rs. 2-2 to Rs. 2-3, medium Assam grainy dust Re. 1-7-6, and medium Dooars Re. 1-5-6.

Leaf grades on offer amounted to 2,300 packages. Demand was good but prices eased. Green teas were sold at above brokers' valuations.

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, 4th January

The short-term money market displayed stringent conditions during the last three weeks. While the pressure of demand for funds was felt on a greater scale, on account of the growing need to finance movement of crop and the usual year-end requirements of banks to keep the cash ratio at adequate levels, there was extreme paucity of funds in the market. The scarcity of supplies was to some extent due to the locking up of funds in the subscriptions to the preference issue of the Standard-Vacuum Oil. The over-subscriptions to the issue have not yet been refunded. Though the refund is expected by this week-end, the stringency will not be eased to any great extent, because of the attractive capital issue by the National Carbons taking up in all Rs. 80 lakhs and the issue of Rs. 1 crore of Calcutta Improvement Trust Loan carrying interest at 4 per cent. and issued at Rs. 99. The list for this loan opens on the 6th inst.

Inter-bank call money continued to be bid at 3 per cent. among all sections of banks, though some stray transactions were reported done even at 3½ per cent. House money at call was placed at 3 per cent., as also short-term deposits for periods from one to six months. While some banks quoted 3 per cent. for longer periods also, a number of them offered only 2¾ per cent. for over six months.

Notwithstanding the stringency noted above, subscriptions to the 91 days' Government of India Treasury Bills this week were a little more than those offered in the previous sale on 13th December. The amount offered was Rs. 1.40 crores, as against Rs. 1.22 crores three weeks back. The average rate of accepted tenders was, however, two pies per cent. higher at Rs. 2-8-2 per cent. per annum.

A rise of Rs. 10.40 crores in notes in circulation is disclosed by the latest Reserve Bank statement for the week ended 30th December 1955. This rise compares with the aggregate increase of only Rs. 71 lakhs during the previous two weeks. Notes held in the Banking Department are also up by Rs. 4.28 crores, so that the total notes issued are higher by Rs. 14.68 crores, as against Rs. 59 lakhs in the previous two weeks. The increase in total notes issued is covered by a rise of Rs. 10 crores in foreign securities and of Rs. 4.97 crores in rupee securities and a decline of Rs. 29 lakhs in rupee coin. In the Banking Department, deposits of the Central Government are higher by Rs. 3.05 crores and those of other Governments by Rs. 2.67 crores. Deposits of banks also show a rise of Rs. 2.63 crores. On the assets side, cash balances have gone up by Rs. 4.29 crores, while balances held abroad are lower by Rs. 11.06 crores. Loans and advances to Governments have declined by Rs. 1.63 crores, while other loans and advances have risen by Rs. 12.43 crores, bringing the total increase in this portfolio during the last three weeks to Rs. 18.18 crores. Of these, advances to Scheduled banks against usance bills account for a rise of Rs. 8.20 crores during the latest week, as against Rs. 3.61 crores in the previous two weeks. The total amount of advances availed of by Scheduled banks against usance bills since 1st January 1955 was Rs. 225.44 crores, as against Rs. 147.52 crores in the previous year.

The Scheduled banks' statement for the week ended 23rd December 1955 shows a fall of Rs. 4.44 crores in deposits of banks. This follows the decline of Rs. 2.24 crores in the previous two weeks. Inter-bank borrowings are lower by Rs. 3.46 crores, as against Rs. 5.12 crores in the previous fortnight. A rise of Rs. 2.46 crores is noted in borrowings from the Reserve Bank. With this, the aggregate borrowings for the three weeks have gone up by Rs. 7.10 crores. Advances continue to maintain their rising trend, with an increase of Rs. 4.88 crores during the week under review, as against Rs. 10.03 crores a week ago and Rs. 1.34 crores two weeks back. Bills purchased and discounted have gone up by Rs. 4.62 crores during the past three weeks, the rise during the latest week alone being Rs. 3.15 crores. Investments have fallen by Rs. 4.88 crores. Cash balances and balances with other banks in current account have risen by Rs. 1.77 crores during the week under review, money at call and short notice has shrunk by Rs. 5.38 crores.

The Gilt-edged market presented a very steady front during the last three weeks with enquiries spread over a wide front, despite the stringent money conditions. As stocks were in short supply, prices of several loans were well marked up. Notwithstanding the rise in prices, the popular issues were in demand, but the volume of business was small. 3 per cent. 1957 was in request and recorded a rise of an anna to Rs. 99-9. 3 per cent. 1958 had buyers at Rs. 99-6, but there was no change in price. 3 per cent. 1959-61 rallied by As. 2 to Rs. 98-2. 3 per cent. 1963-65 was well maintained at Rs. 94-10, while 3 per cent. 1964 gathered an anna to Rs. 94-10. 3 per cent. 1966-68 was in demand and rose by As. 3 to Rs. 91-14. 3 per cent. 1970-75, which had gone up by As. 7 to Rs. 87-15, attracted sellers at that level. There were, however, buyers at Rs. 87-14½. 3 per cent. 1986 Conversion Loan was unchanged at Rs. 80-7. 3½ per cent. 1961 hardened by an anna to Rs. 99-9, while 3½ per cent. 1964 held ground at Rs. 98-11. 3½ per cent. 1965, after going up by As. 3 to Rs. 98-13, was placed As. 4 lower at Rs. 98-9, after payment of interest on 1st January.

FORWARD TRADING IN COTTON SUSPENDED

(From Our Own Correspondent)

BOMBAY, 4th January

The most outstanding development in the cotton market since we reported last on the 20th ultimo has been the suspension of forward trading in cotton. By a notification issued on 23rd December 1955, under Section 14 of the Forward Contracts (Regulation) Act 1952, the Government of India directed the East India Cotton Association (E.I.C.A.) to suspend its business in Indian cotton contracts for a week. Prior to the close of the market, I.C.C. February was quoted at Rs. 747-8 and I.C.C. May at Rs. 720, as against Rs. 725 and Rs. 693 a week before. The Government said that its decision was prompted by the need for arresting deterioration in the cotton market as a result of the sharp rise in prices. "The prices," to quote the Government, "have been artificially rigged up to the present level due to heavy speculation and option dealings." In support of this conclusion, the Government observed:

"Due to climatic conditions during the growing season, the quality of cotton appears to have suffered and, though there is probably no real shortage of 13/16" staple, which is the basis of I.C.C. contract, the grade is poorer than was expected and there is hardly any tenderable cotton for the February contract. Taking advantage of this position, the speculators have taken the market by stages to higher and higher levels which have no relationship with the supply and distribution position of Indian cotton. Allowing for the expected increased consumption in the current season, the carry-over at the end of the season is not expected to be less than 20 lakh bales, which Government considers quite adequate, even if the following season turns out not to be a good one. The result of these speculative activities is a squeeze on the February contract. Government considers that, unless special steps are taken, the situation which has already deteriorated will get out of hand."

The suspension of forward trading in cotton which was due to expire on 31st December was extended by a further week ending 6th January. Announcing this decision, in the course of another notification issued on 30th December, the Government revealed that it had under consideration measures to be taken to arrest deterioration in the cotton market.

The official intervention has been severely criticised by cotton circles as being highly unjustified, inasmuch as the February contract which had touched the seasonal high of Rs. 747-8 on 23rd December was very much below the ceiling of Rs. 840 fixed by the Government. Refuting charges of unbridled speculation, traders point out that such charges would have been true had the prices of spot cotton been lower than those of futures. According to them, actually, spot cotton, particularly tenderable cotton, was at a premium over futures, owing to sustained demand from mills. The real and most important factor responsible for the advance in the forward market was not so much the lateness of the crop nor lower crop estimates, nor even indifferent quality of Madhya Pradesh and Khandesh cottons—though these are important factors—but the high level of mill demand in the spot section as a result of excellent offtake in cloth. Echoing the fears expressed by cotton traders, Mr. Purshotamdas Thakurdas, President of the E.I.C.A., declared, in the course of his address at the recent annual meeting of the Association, that the suspension of trading in forward cotton had set a dangerous precedent of Government interference in the normal working of the market. He thought that such interference was likely to create uncertainties in the trade and impair the confidence of the public in the working of any forward market in the country.

While trading in the forward section is suspended, discussions continue between the Sub-committee of the E.I.C.A. and the Forward Markets Commission. The Commission's view appears to be to close out all outstanding business in February and May contracts on the basis of Rs. 700 for the February delivery and to permit resumption of features trading only on the basis of a maximum price of Rs. 700 or so. The members of the Sub-committee, it is reported, are divided over the suggestion for squaring up the outstanding business at an arbitrary price.

In the meantime, the Government of India has announced amendments to the by-laws of the E.I.C.A. seeking to enable the latter to act more expeditiously in times of emergency. Accordingly, the Board of the E.I.C.A. is empowered to take action under emergency with a simple majority and without being required to obtain the consent of the authorised representatives, provided that it acts with the concurrence of the Forward Markets Commission. The Board is also empowered to enforce maximum or minimum rates fixed under by-law 52 during the period of delivery of hedge and delivery contracts. The Commission can, however, vary the marginal line and the rate of deposit laid down under by-law 47A and the limits of trading and the rates of margin fixed under by-law 51A. Further, the Commission can close the market in times of emergency for a maximum period of 15 days.

Since the suspension of forward trading in cotton, business in the spot section has been on a restricted scale. Whatever transactions that have been put through in the past fortnight are on account of purchases by needy mills which are covering their requirements on the basis of fixed rates. Jarillas, 320F Punjab and Deshi varieties are among the popular styles which are evoking attention. Activity in the export section is practically negligible, thanks to slackness in demand from foreign buyers who are awaiting the outcome of the first sale of the surplus American cotton which was held in New Orleans yesterday. The conditions in the import section, too, are dull.

The latest available quotations from the Sewri market are: Bengal *Deshi* Rs. 650; Betar Jatilas Rs. 760; Khandesh Rs. 740, Vijay Rs. 880; Oomra *Deshi* Rs. 700, Moglai Rs. 625.

The Karachi cotton market depicted an easy trend during the major part of the fortnight under review. The chief bearish factors responsible for this trend were large arrivals in the Punjab and lack of overseas enquiries. Some selling, therefore, ensued and cotton prices drifted lower. N.T.R.G. January delivery was quoted yesterday at Rs. 74-6 per 82 lbs., as against Rs. 77-15 on 27th December and Rs. 75-9 a fortnight before. March delivery declined from Rs. 76-15 last week-end to Rs. 74-7 yesterday. The spot prices of cotton also suffered a fall. The following are the latest available rates for a few popular varieties of cotton:

Sind *Deshi* Rs. 66-4; Punjab *Deshi* Rs. 61; 4F Roller Rs. 70-12; S.G. Rs. 75-4; L.S.S. Roller Rs. 76-2; S.G. Rs. 81-8, N.T. Roller Rs. 79; S.G. Rs. 83, 289F Roller Rs. 80-8; S.G. Rs. 86-12.

Cotton circles in Pakistan consider the statistical position of cotton as being quite satisfactory. According to them, nearly 350,000 bales have already been disposed of in foreign markets. Excuding this quantity and the consumption by indigenous mills, the surplus remaining to be sold during the current season is estimated at only about 400,000 bales. Nevertheless, the effects of the sale of one million bales of American cotton under the competitive bid system are viewed with concern, since it is feared that this cotton will compete directly with Pakistan cotton. Meanwhile, several cotton mills and other interests in Pakistan are understood to have protested to the Government against the supply of inferior quality American cotton to them under the American economic aid programme.

Firm conditions prevailed in the Alexandria cotton futures market. The firmness was aided, by satisfactory export performance and good local demand. The total exports of cotton up to the end of 1955 were estimated at 600,000 bales, a rise of 50 per cent. as compared with the same period last year. There was also some speculative buying induced by rumours of a downward revision in margin deposits. Both Karnak and Ashmouni contracts recorded a handsome improvement in prices. In the spot market, premiums for better grades of all varieties tended to harden. Besides the general demand from overseas interests, rumours of Government deals with Poland, East Germany and China influenced the market favourably. The closing quotations (in tallaris per lb.) for cotton futures yesterday were: Karnak: January 77 25 and March 75.88; Ashmouni: February 57.73 and April 58.04.

A meeting of Sudan cotton growers, the Gezira Board and Government representatives was held at Khartoum recently. At this meeting, it was decided that classification of private cotton grown in Sudan should be standardised on the basis of the Gezira Board grades with effect from the 1955-56 season. The private growers agreed to set up an association to facilitate contacts with the Government and to participate in the publicity campaigns for Sudan cotton conducted by the Board.

The third auction of the Uganda new crop cotton took place on 22nd December 1955. B.P. 52 and Busoga fetched 15 points more than at the previous auction. The prices paid for Bukhedi and Lango averaged 35 points and 85 points more, respectively. The high prices were due to covering by shorts against sales to Indian mills which were made at much lower rates.

The Liverpool cotton futures market ruled distinctly steady during the fortnight. The steadiness was due to the belief that the market had overdiscounted the effects of the million-bales U.S. export programme at more than 8 cents per lb. below the support level. Consequently, operators were induced to enlarge their commitments and prices firmed up. Futures contract in Sudan cotton for July delivery is expected to be opened at Liverpool some time in March next, G6S, it is reported, will be the basis, while tenderable grades will be G3S and G3L at the top of the scale and CG6S and CG6L at the bottom, the differences being fixed according to the Liverpool spot values.

The latest available quotations (in pence per lb.) for the Liverpool cotton futures market are: March-April 25.00; May-June 23.90; July-August 23.20.

The first sale of the C.C.C. stocks of American cotton under the one-million bale sale programme was held in New Orleans yesterday. The exact details of the sales are not available. It is, however, reported that all grades of cotton stapling 15/16" and lower have been offered. Purchasers have a right to ask for reclassification of cotton. No minimum price has been set. Identical bales purchased are required to be exported within six months of purchase and, in any case, not later than 1st November 1956. Buyers have to guarantee export of cotton, failing which they will be penalised the difference between the price paid to the C.C.C. and the minimum that will be payable for a domestic sale, that is, 105 per cent. of support price *plus* carrying charges.

Conditions in the New York cotton market were generally steady in the past fortnight. Fluctuations in prices were narrow in the absence of fresh incentives. Over the fortnight, prices were slightly higher. Cotton continued to move heavily into loan. The total stocks of cotton in Government hands are estimated at nearly 12.5 million bales, of which the quantity held by the C.C.C. amounts to 8 million bales.

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

(In cents per lb.)

	3-1-56	27-12-55	20-12-55
Spot	35.00	35.10	35.00
March	33.88	33.94	33.70
May	33.20	33.24	32.77
July	31.70	31.71	31.34
October	30.09	30.14	29.85

IMPORT POLICY FOR RAYON YARN

(From Our Own Correspondent)

BOMBAY, *4th January*

The yarn market has been ruling distinctly firm since we last reported on 13th December 1955. The rayon yarn section is particularly strong, notwithstanding liberal import policy for the current half-year. The import quotas (per cent. of the face value of licences) for 150 and 120 deniers bright yarns have been raised from 20 and 7½ to 25 and 10, respectively. But the quotas for dull yarns have been left unchanged which has disappointed the traders who were expecting higher quotas. The continued restrictions on imports of dull yarns, coupled with high level of consumption by weaving units, have caused apprehensions regarding acute scarcity of stocks in the coming months. Dealers are, therefore, sitting tight on their holdings. Besides, demand from consuming centres being quite large, prices of rayon yarns have registered a handsome improvement. In sympathy with rayon yarns and following enlarged enquiries from the Punjab, Surat and Calcutta, staple fibre yarns also have tended to move up, as imports of these yarns, under the new import policy, continue to be banned, while the policy governing imports of fibre has remained unchanged as in the previous half-year. Cotton yarns, too, have recorded a rise in prices, thanks to continued reports of excellent offtake in cloth markets.

Snia rayon yarn (120 denier) dull cones for February delivery which had receded from Rs. 901 on 13th December to Rs. 786 at the end of the month, was quoted today higher at Rs. 804. In the ready section, 150 Italy met with considerable buying support and rallied As. 2-6 to Rs. 4-0-6. 120 Japan spurted by an anna to Rs. 4-3-6. 150 Japan and 120 Italy rose by a like amount each to Rs. 3-14-6 and Rs. 4-1, respectively. Prices of indigenous yarns were fully maintained, National Rayons 150 Bt. cones I grade being quoted at Rs. 3-9-3 and 120 Bt. cones I grade at Rs. 3-12-9.

In the staple fibre yarn section, business in forward delivery continued to be at a standstill. Among spot yarns (40×2), Citys improved by nine pies to Rs. 4-2-9. Kohinoors finished three pies higher at Rs. 4-3. New Greats, however, were a shade easy at Rs. 4-1.

The prices of cotton yarns of all counts recorded an improvement. Among 10s, Elphinstones went up by As. 4 to Rs. 12-8. Podars increased by As. 2 to Rs. 13. Deals in 20 counts were put through at higher levels, Madras strengthening by As. 10 to Rs. 17-12, Raghuvanshis by As. 5 to Rs. 16-10 and Hinds by As. 3 to Rs. 16-2. Among 30s, Gokaks hardened from Rs. 20 to Rs. 20-10. Sitarams gathered As. 2 to Rs. 18-14. Forty count yarns fetched increased prices. Minax's climbed up by Re. 1-1 to Rs. 25-10. New Greats and Centurys put on As. 8 each to Rs. 24-12 and Rs. 26-8, respectively. Among 60s, Maduras rallied Re. 1-8 to Rs. 45. Finlays picked up a similar amount to Rs. 59. Moderns gained As. 8 to Rs. 59-8. Eighty counts Elphinstones had good buyers at Rs. 61-4, as against Rs. 59-4. Finlays were fully steady at Rs. 70.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those at the end of last year and 13th December:

	4-1-1956	31-12-1955	13-12-1955
	Rs. a.	Rs. a.	Rs. a.
Art silk yarn **(per case of 200 lbs.)**—			
120 Dull Cone Sale February	804 0	796 0	801 0
April	810 0	—	—
120 Japan (per lb.)	4 3½	4 3	4 2½
150 Japan (per lb.)	3 14½	3 14	3 13½
120 Italy (per lb.)	4 1	4 1	4 0
150 Italy (per lb.)	4 0½	3 15	3 14
Staple fibre yarn **(per lb.)**—			
40×2 New Great	4 1	4 0½	4 1½
40×2 Kohinoor	4 3	4 3	4 2½
40×2 City	4 2½	4 2	4 2
Cotton yarn **(per bundle of 10 lbs.)**—			
10s Podar	13 0	13 0	13 4
20s Madura	17 12	17 12	17 2
30s Gokak	20 10	—	20 0
40s Minaxi	25 10	25 4	24 9
60s Finlay	59 0	58 0	57 8
80s Elphinstone	61 4	60 0	59 4

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *4th January*

During the three weeks since our last report on 13th December, the Bombay oilseeds and oils market registered an upward trend, though prices were subject to wide fluctuations. In the first half of the period under review, trading conditions were favourable and buying support was in full evidence in all the three principal sections. Arrivals were relatively small, while crushers, shippers and *vanaspati* interests showed an inclination to buy groundnut. Upcountry advices, too, were encouraging. The extension of the period of shipment for groundnut oil quotas allotted to crushers from the end of December 1955 to the end of February next and the Government's decision to continue the free licensing of linseed oil until further order stimulated the buying activity. Reports of extension of free exports of castor oil up to June 1956 also aided the sentiment of the market. Bulls dominated the scene and prices advanced sharply to touch new peaks on the 22nd ultimo.

In the following few sessions, however, a reaction set in. Gloomy developments in the cotton market, following the suspension of futures trading in cotton, cast their shadows on the oilseeds market. The sentiment was adversely affected by various rumours also: it was even said that the Government would restrict free exports of vegetable oils. Under bear pressure and State liquidation which emerged as a result, prices drifted down rapidly, and, on 26th December, they were almost back to the levels which ruled at the commencement of the period under review.

But from the 29th ultimo onwards the market again resumed its upward trend under the lead of castorseeds. Paucity of castor oil offers from Brazil caused U.S. buyers turn to India where prices of the oil were in parity with those in the U.S. Besides, the reopening of the U.K. and Continental markets after the Christmas and New Year holidays brightened the prospects for further exports of the oil from India. It was reported that business in castor oil to the tune of 900 tons took place for exports to Europe. These developments induced sellers to become reserved, while transport difficulties blocked the chances of getting oilseeds from Andhra and Madras markets. Consequently, there was hectic short-covering and prices, once again, advanced sharply, the closing rates today being the highest levels for the period. At the time of writing the undertone is firm.

Sectionwise, groundnuts F.A.Q. opened the period under review (on the 15th inst.) at Rs. 26-4. Under the stimulus of buying support from crushers and shippers, the rate moved up to a high of Rs. 29 on the 22nd inst. At this level, profit-taking and bear-selling emerged, and pushed the rate down to Rs. 27-4. Thereafter, the quotation moved in sympathy with the general upward trend and finished at Rs. 29-6, thereby registering a gain of Rs. 3-2 over the period. Similarly, February-March improved from Rs. 26-14 to Rs. 29-11. Khandesh quality put on Rs. 3-2 to Rs. 29-10. Groundnut oil, railway receipts, rose from Rs. 13-12 to Rs. 15.

In the castorseed section, May 1956 contract, advanced from Rs. 110-12 to touch Rs. 120-12 on the 22nd December. Subsequently, it declined to Rs. 111, but again recovered to finish today at Rs. 122. In the spot section, F.A.Q. improved from Rs. 20-10 to Rs. 21-8 and Madras quality from Rs. 21-12 to Rs. 23-4. Kanpur quality stood today at Rs. 22-8, as against Rs. 20-2 on 15th December. Castor oil, first pressure, was done today at Rs. 13-10, as against Rs. 12-14.

Business in the linseed section remained restricted on account of paucity of floating stocks. Price fluctuations were, therefore, confined to a narrow range. Bold ready improved from Rs. 28-8 to Rs. 31-8. Similarly February-March delivery advanced from Rs. 27-8 to Rs. 31-6. Linseed oil ready was quoted today at Rs. 18-6, as against Rs. 16-12 three weeks ago.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of 13th and 7th December 1955.

	4-1-1956	13-12-1955	7-12-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	29 10	25 8	24 12
December-January	29 6	25 8	24 12
February-March	29 11	26 0	25 0
Linseed—			
Bold Ready (per cwt.)	31 8	28 0	27 0
February-March	31 6	26 8	25 8
Castorseeds—			
May	122 0	100 12	107 0
Madras (per cwt.)	23 4	21 4	21 0
Groundnut oil—			
Ex-mills Ready (per quarter) ..	14 3	13 5	13 0
Castor Oil—			
Commercial (per quarter) ..	13 4	12 0	11 13
Linseed Oil—			
Ready	18 6	16 6	16 5

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, *4th January*

The undertone of the sugar market is distinctly easy, thanks to free availability of supplies. The recent liberal release of the current season's sugar output of Bombay-Deccan mills have brought about a downward revision in *ex*-mill rates for sugar. In fact, in most cases, the rates are below the landed cost of imported sugar. Arrivals of indigenous sugar during the week aggregated 7,900 bags.

In the forward section, *fagan* delivery contract for C grade sugar has receded from Rs. 92-2 to Rs. 91-10 per bag. In the spot section, D grade indigenous sugar is quoted at Rs. 87-Rs.88, C grade at Rs. 89-Rs. 93, B grade at Rs. 93-Rs.96 and A grade at Rs. 97-Rs. 99. British refined sugar is on offer at Rs. 84 per 2 cwts.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, *4th January*

Malabar black pepper during the whole of December 1955, remained steady, despite pressure of arrivals which averaged about 100 tons per day at all terminal markets. Alleppey and Cochin moved between Rs. 825 and Rs. 900. Most of the arrivals having been taken up by exporters who sold to the U.S.A., the U.S.S.R. and China, no sizable floating stock was left in godowns at primary markets. But with the day-to-day increase in the arrivals during January 1956, if there is no sustained buying from the U.S.A., and Europe, it is feared there would be accumulation of stock and prices are likely to go down as a greater part of covering, against the sale to the U.S.S.R. is already done by the trade. China is reported to have bought about 300 tons for shipment during December while U.S.S.R. about 1,000 tons for shipment during January or February. Crop reports from all over are good and the final outturn may go beyond 23,000 tons.

The future of the market now solely depends upon the U.S.A. buying as growers would like to sell all their daily inflow at the best market rate rather than storing at the start of the season. No doubt, the trade and the growers in India are likely to resist lower prices in the hope of improved demand from overseas and stock-piling by the trade.

In the A.S.T.A. section, Jan./Feb./March, after moving up to $0.34¼, came down to $0.32½ and April/May/June from $0.35½ to $0.33½. Export of Malabar black to U.S.A., during December, is estimated to be about 1,600 tons and about 500 tons, if not more, from other sources. With the comfortable supply of about 2,100 tons during January, New York dealers and grinders may not be so anxious to buy as they were, during December for the replenishment of dwindling stock in the U.S.A., particularly, in expectation of lower prices, following heavy arrivals during the coming peak months and competition between Alleppey and Tellicherry crop which has also started moving.

In the delivery section, prices moved narrowly.

Following are today's nominal quotations:—Ready Rs. 115 per Bengal maund, February Rs. 790/800 and March Rs. 800/810 per candy of 5½ cwts.

JUTE GOODS RISE

(From Our Own Correspondent)

CALCUTTA, *3rd January*

This review covers the period from 14th December to date, and it has been remarkable that, despite the intervention of holidays, prices of both raw jute and jute goods were not only maintained but recorded gains. A significant development during the period was the decision of the Indian Jute Mills' Association to reduce the sealed looms from 12½ per cent. to 10 per cent. as from the week commencing 9th January. The move was in accordance with market expectations, but traders had urged the putting into operation all the unsealed looms with immediate effect. Mills have evidently decided to proceed cautiously stage by stage, as they did while resuming the full 48 hours a week from the restricted 42½ hours a week. Demand of jute goods has gone up by such proportions, that mills have, it is stated, nothing to fear by unsealing the balance of the looms. The addition of the 2½ per cent. of the looms to the working looms will increase production by 2,500 tons of jute goods a month, and raw jute consumption by 169,000 bales a year. Reports from overseas countries only emphasise the growing popularity of the Indian goods, because of their cheapness over the Continental goods and, what is more, promptness of delivery and maintenance of good quality. Consumption of burlap in the United States and Canada is reported to have been higher in 1955 by 5 per cent. and 9 per cent. respectively over the figures for 1954. Simultaneously India's shares of burlap imports to these countries have also increased. the ording to Mr. W. A. Nugent of the Burlap once. ncil of the I.J.M.A. in the U.S.A., of the total cent. ap imports into the U.S.A. in 1955, 85 per cent. in the from India as against 82 per cent. in 1954. divi an goods formed 95 per cent. of total imports tal burlap into Canada as against 92 per cent. in anc 54.

qu Although mills, like traders, are aware that there is full justification to put to work all the sealed looms, yet there is wisdom in their decision to proceed cautiously. Already prices of raw jute have risen even with the prospect of a slight increase in the requirements of raw jute by mills. Present prices of jute goods are, of course, competitive in world markets, and if there is going to be violent rises as a result of raw jute prices going higher, the very objective of higher output would be defeated. For, mills desire to reduce further costs of production by increasing output, so that Indian jute goods can find more consumers in foreign countries. Arrivals of raw jute from upcountry are already affected, and they have been considerably lower for this time of the year. Crops in India and Pakistan have been good, and there is no fear Indian mills would not be able to find all the raw jute required by them, from both within the country and from East Bengal. One of the reasons for the cheapness of Indian jute goods in world markets is the maintenance by Pakistan of the export duty on raw jute, which Continental mills have to pay. Pakistan has steadfastly maintained this duty at the higher level, but in view of the reduced transport expenditure which Indian mills have to incur for getting raw jute from Pakistan, Pakistani jute even with the duty becomes cheaper to Indian mills, as compared to the cost for Continental mills, who have also to incur more expenses by way of labour charges.

The period under review commenced with the publication of the I.J.M.A. decision to increase production, and this made bears very active. By the time the week ended, ready 40" 10 oz. hessians had risen to Rs. 40-14 from Rs. 40-3 and ready B. twills at Rs. 114-10 had gained Re. 1-10. There was immense speculative activity in the *fatka* and the report from New York stating a fall in burlap consumption in the U.S.A. in November to 69.7 million yds. from 73.8 million yds. in October was not given much thought in the market. At the higher level, actual business was insignificant, and, as a result, the beginning of the week ended 19th December saw hessian and B. twills sag to Rs. 40-6 and Rs. 113. Business in hessians followed from the United States and the price gradually gained to Rs. 41 before closing for the X'mas holidays. However, B. twills lacked support and at Rs. 112-8 lost further by As. 8. After the X'mas recess, the market re-opened on 27th December to find Argentina taking interest in offers of hessian, the 40" 10 oz. of which soon picked to Rs. 42 by the time the New Year holidays intervened, from Rs. 41. In sympathy, ready B. twills rose to as high as Rs. 116-4 from Rs. 113-12.

For reasons already explained the raw jute market was fully steady. The decision of mills to increase production led to holding over of supplies in the mofussil areas, and those who had contracts to fulfil at the lower rates were nervous. With the rise in prices, the rates for Pakistani jute have reached almost parity with those of Indian jute, and, as a result, more interest was shown in the East Bengal fibre. During the period covered by this review, Assam upper bottoms gained by Re. 1 to quote at Rs. 28, with northern bottoms and local daissee bottoms being higher by As. 8 each at Rs. 28 and Rs. 28-8 respectively. Sellers were reserved in view of the uncertainty caused in the mofussil trading centres. Mills were able to buy only small quantities, in view of the above position.

METALS ACTIVE

(From Our Own Correspondent)

CALCUTTA, *3rd January*

A general increase in demand and the difficulty to obtain ready supplies kept the metal market fully steady during the week under review, despite the intervention of the seasonal holidays. From Rs. 256 electrolytic copper improved to Rs. 258. The increased demand in the United States and the stoppage of production in some Chilean mines consequent on labour strikes were factors which made the foreign markets active. Scrap was in good demand locally, and clean wire scrap was quoted at Rs. 240. Another strong spot was provided by tin rising to Rs. 534 from Rs. 532. Even after the increase, the local rate was Rs. 10 below the replacement cost. Electrolytic zinc at Rs. 72-4 gained Re. 1 and stockists encouragingly noted reports of firmness in the London Metal Exchange. Lead was equally steady and the price scored to Rs. 84 from Rs. 82-8. Demand was on the high side, and the fact that the Government had recently lifted a moderate quantity contributed to the improvement in price.

HIDES STRONG

(From Our Own Correspondent)

MADRAS, *2nd January*

Owing to Christmas and New Year holidays, shipment business with the U.K. was hesitant. Importers were not keen to operate at the fag end of the year unless at low prices. There was larger demand for fifths than for better selections in cow hides from the U.K. and for low grade cow for inland trade. Arrivals of cow hides in the bazaar met with ready clearance and shipments during the month were very heavy. Prices of cow calf and buff calf were steady and those of buff hides firm.

Enquiries for tanned goat and sheep skins for shipment business were poor, but shippers were moderately active and stocks have not accumulated in the market.

Shipments to the U.K. during December were 5,466 bales cow hides 371 cow calf, 95 buffs, 375 buff calf, 1,419 goat and 1,053 bales sheep.

GOVERNMENT SELLS WHEAT

(From Our Own Correspondent)

HAPUR, *2nd January*

Foodgrains prices ruled steady to firm during the fortnight under review. Wheat prices touched the peak level of Rs. 14-12 per maund for average quality and farm quality was transacted at as high as Rs. 16-12 during mid-session. As a bid to bring down prices, the Government started issuing wheat freely at Rs. 14 per maund at Calcutta and Bombay, thus wholly withdrawing their demand—amounting to 50,000 tons per month—from the internal market. This had the desired effect and prices of wheat declined to Rs. 14-6 for average quality and to Rs. 16 for farm quality. The Deputy Food Minister who visited Hapur, in order to study the trend of wheat prices, expressed confidence that, in view of the bright prospects of the crop and the Government's readiness to release as much quantity of wheat as was needed, wheat prices in the surplus areas of the Punjab, P.E.P.S.U. and U.P. were bound to come down. The Government was reported to have a wheat reserve of about 250,000 tons and an equal quantity is expected to arrive from abroad under various international commitments. But traders are of the view that the Government should release a part of the stocks in other markets also. It is still four months for the arrival of the new crop. Local wheat arrivals have gone down to about 75 maunds daily and stock position is now put at 85 *khaties* which is very large when compared to last year's figure of 38 *khaties*.

Rice also recorded an improvement in prices, though supply position was easy due to fresh auctions of Government-owned stocks. The latest prices are: *Basmati* Rs. 24 to Rs. 32-8, *Rangooni* Rs. 15 and coarse Rs. 13-4 per maund. Gram prices recorded appreciable gains to Rs. 10-4 per maund for local quality and to Rs. 10-12 for Punjab quality on firm Punjab and Madras advices, and local stock ran down to 31 *khaties*. Prices in coarse grains continued to harden, the major factor responsible for the rise in prices being the near total failure of *kharif* crops in large parts of the country and the supply of coarse grains is inadequate to meet the increased seasonal demand. Maize prices improved to Rs. 10-12 per maund, while other coarse grains also recorded gains to be quoted on Monday at: Barley Rs. 9-4, *bejhar* Rs. 9, *bajra* Rs. 10-12, *jowar* Rs. 10 and *guwar* Rs. 10-4 per maund. Stocks of *bejhar* amount to 3 *khaties* only.

Pulses recorded an advance during the sessions in line with the general firm trend in other foodgrain prices. Peas *dara* is now quoted at Rs. 9-4 and white quality at Rs. 10-4 per maund. Offtake during the sessions was heavy, being mostly to Calcutta, and peas stock has run down to 27 *khaties*. *Arhar* prices recorded fractional gains to be quoted at Rs. 13-8 per maund and stock left is poor at 12 *khaties*.

Pulses futures recorded appreciable gains during the mid-session on heavy bull support, but prices eased moderately in the end, due to profit realisations at highest levels. The latest prices as on Monday are: Peas *jeth* Rs. 7-10, peas white *jeth* Rs. 8-0-6 and *maha* Rs. 10; *arhar jeth* Rs. 10-1-6; *urd magh* Rs. 16.

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, *3rd January*

The sugar market ruled dull and depressed, price fluctuations being within fractional limits. Rajasthan and Gujerat were the main buyers, but loading to these areas was restricted. The undertone of the market continued to be subdued, as heavy stock position with the factories, coupled with better prospects in the running season acted as a damper. Crushing operations of the new season which officially began on 1st November 1955 is in full swing. The production figures for the first fortnight ended November reveal that, if the trend continues, production this season will be still higher than the last year's record output of 1,595,000 tons. Actual production upto 15th November was 34,070 tons, as against 28,732 tons in the corresponding period last year. The latest mill delivery prices (per maund) of sugar at Hapur are: Jaswant Rs. 28-8, Simbhauli Rs. 29, Mowana Rs. 29-2, Daurala Rs. 29, Amroha Rs. 28, Bijnore Rs. 28, Mansoorpur Rs. 30, Rampur Rs. 31-8, retail Rs. 31 and *khandsari* Rs. 23 to Rs. 27.

Easy loading facilities during mid-session imparted firmness to ready *gur* the prices of which touched the highest at Rs. 13-4 per maund on 23rd December 1955, but, as soon as these facilities towards Gujerat side were denied, prices declined to the lowest level at Rs. 11-10 on 28th December. Since then, prices have improved in line with the appreciable increase in future prices to Rs. 12-10 on 31st December. Arrivals during the fortnight were unusually small, the daily average being 3,000 maunds, and new *gur* stock ready for despatch is estimated at 15,000 maunds. The latest ready *gur* prices today are upto Rs. 12 per maund according to quality. Total *gur* arrivals here since the beginning of the season are put at 260.000 maunds, as against 350.000 maunds at this time last year. Future *gur* prices moved both ways. They touched the highest at Rs. 13-7-1 on 23rd December and after declining to the lowest at Rs. 12-1 on 28th December, are quoted today at Rs. 12-13.

KANPUR HIDES STEADY

(From Our Own Correspondent)

KANPUR, *2nd January*

The Kanpur hides market continued to exhibit steady conditions. Owing to an increase in consumption of wheat which is common at this time of the year, there was a considerable rise in the arrival of fresh sheep and goat. Demand for the wet salted cow was strong. Madras dealers were the main purchasers of goat and sheep. Cooper Allens were keenly interested in the heavier grades of buff. The latest quotations are as follows:—Wet salted cow, 1st grade Rs. 300 to Rs. 350 and 2nd grade Rs. 290 per score; wet salted buff, 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. per rupee; goat, 1st grade Rs. 200 and 2nd grade Rs. 160 to Rs. 175 per 100 pieces; sheep, 1st grade Rs. 250 and 2nd grade Rs. 220 per 100 pieces.

Notice

ALLIANCE JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Twenty-first Ordinary General Meeting of the Shareholders of ALLIANCE JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Wednesday the 11th January 1956, at 3 p.m. for the following purposes:—

(1) To receive the Directors' and the Managing Agents' Report and the Auditors' Report, and to pass the Accounts for the half-year ended 30th June 1955.

(2) To declare Dividends.

The Share Transfer Books of the Company will be closed from 29th December 1955 to 11th January 1956, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
C. L. BAJORIA,
Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 22*nd December* 1955.

Note.—Payment of the proposed dividends, if declared, will be made on or after 26th January 1956, only to those members whose names are registered in the Books of the Company on the 11th January 1956, or to their Mandatees.

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

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	23rd Dec., 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,351.58	1,350 05	1,323 75	1,195.62
Notes held in Banking Department	35 05	7.75	8 99	21 64	30 88
Foreign Securities	59 50	676 88	657 60	647 07	663 15
Rupee Securities	37.39	555.70	553 58	548.01	417.75
Banking Department					
Deposits of :					
Government of India	14.89	50 95	60.14	55 13	62 53
Other Governments		7 95	7 46	12 43	13 72
Balances held abroad	10.08	59.37	71.17	72.63	67.01
SCHEDULED BANKS					
Demand Liabilities	134.36	606 68	613 00	619 20	574 98
		(6 81)†	(9 20)†	(13 40)†	(12 67)†
Time Liabilities	102.24	420 28	421 27	424 27	397 26
		(5 79)†	(6 86)†	(6 91)†	(3 36)†
Borrowings from Reserve Bank	..	17 72	15 26	8 05	1 46
		(10.66)‡	(7.15)‡	(6 45)‡	(0.90)‡
Borrowings from State Bank	..	7 76	7 83	5 82	3 41
Cash in India	6.70	33.95	34.07	35 27	32 66
Balances with Reserve Bank	25.17	55.70	54 24	61.12	65.63
Excess over statutory limits	15.52	16.96	15.16	21.67	29.54
Balances with other banks in current account in India	..	10.56	10.13	10.78	10.69
Money at call and short notice in India	..	12.00	17.38	23.10	22 39
Investments (at book value)	..	387 93	391 93	394 76	348 98
Advances and bills	105.09	622 22	614 18	594 02	537 14
STATE BANK					
Deposits	..	87.76	222 45	222 70	221.31
Investments	..	51.99	118 49	116 48	118 57
Advances	..	30.85	100 43	99 20	93 08
Cash	..	14 59	20 90	23 62	28 00

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	Week ended 30th December, 1955		Week ended 23rd December, 1955	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,74,576	61,26,66,000	2,93,762	64,49,82,000
Calcutta ..	69,341	23,90,43,042	1,68,954	71,27,75,856
Madras ..	76,012	8,99,49,816	82,640	8,89,92,464
All Centres—				
1953-54* ..	..	..	2,569,000	5,595,400,000
1954-55* ..	..	..	2,886,000	6,041,200,000
Aug. 1955 ..	..	..	2,945,000	6,40,27,00,000
Sept. ..	..	..	307,600,000	6,80,78,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 30th Dec., 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits :—	
(a) Government—	
(1) Central Government	54,00 87,000
(2) Other Governments	10,62,48,000
(b) Banks	57,86,77,000
(c) Others	15,81,27,000
Bills Payable	9 38 36,000
Other Liabilities	26,75,06,000
Rupees	184,44,81,000

ASSETS	Rs.
Notes	12,03 72 000
Rupee Coin	7,25,000
Subsidiary Coin	4,92,000
Bills Purchased and Discounted—	
(a) Internal	45,50,000
(b) External	
(c) Government Treasury Bills	11,16,18,000
Balances held abroad*	48,30,27,000
Loans and Advances to Governments	3,66,00,000
Other Loans and Advances	44 62,72,000
Investments	50,54 14,000
Other Assets	13 09,11 000
Rupees	184,44,81,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 18,86,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1955 is Rs. 225,43,85,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12 03,72,000	
Notes in circulation	1361,97,57,000	
Total Notes issued		1374 01 29,000
Total Liabilities	....	1374,01,29,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	686,87,85,000	
Total of A		726,89,56,000
B. Rupee Coin		108,44,41,000
Government of India Rupee Securities		538,67,32,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1374,01,29,000

Ratio of Total of A to Liabilities: 52.903 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 23rd Dec., 1955

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	6,81,18,000
(ii) Other demand liabilities	599,86,39,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	5,78,50,000
(ii) Other time liabilities	414,49,06,000
3. Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	7,75,65,000
(ii) Time liabilities	33,94,86,000
4. Cash in India	65,69,83,000
5. Balances with the Reserve Bank in India	10,55,87,000
6. Balances with other banks in current account in India	12,00,44,000
7. Money at call and short notice in India	387,92,70,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	513,50,76,000
9. Advances in India	61,73,25,000
10. Inland Bills purchased and discounted in India	46,38,61,000
11. Foreign Bills purchased and discounted in India	

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

EXCHANGE RATES

		3rd January 1956	Previous week
Bombay on London—			
Sellers T.T. D.D. Spot	£	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	£	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months	£	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	£	1-6 7/16	1-6 7/16
Bombay on New York—			
Sellers T.T. D.D.	Rs.	477 1/2	477 1/2
Buyers T.T.	Rs.	473 1/4	474
London on New York	$	2.80 3/4-2 80 7/8	2 80 1/4-2 80 3/8
London on Paris	Frs.	98 2	98 1/4-98 2
London on Berne	Sw. Frs.	12 25 1/4-12 25 1/4	12 25
New York on London	$	2.80 3/4-2 80 7/8	2.80 1/4-2.80 3/8

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'53-'54	373 37	..	..	10,500	284
Pakistan	'53-'54	78 81	..	..	1,931	245
Burma	1953	19 05	Kyats	3,928	392	206
Ceylon	1953	8 16	..	..	441	540
Japan	1953	86 70	Y.	5,965,000	7,890	910
Philippines	1953	21 02	Ps.	7,375	1,654	787
New Zealand	1953	2 05	£ (N.Z.)	727	969	4,727
Australia	1953	8 33	£ (A)	3,714	4,127	4,900
U.K.	1953	50 86	£	14,719	19,625	3,858
U.S.A.	1954	162 41	$	366,000	144,423	9,016
Canada	1953	14 78	$	19,943	8,407	5,688
France	1953	42 86	Fr. Fr.	10,470,000	14,420	3,364
W. Germany	1953	48 99	Dm.	103,000	11,705	2,389
Italy	1953	48 07	Lr.	8,967,000	6,852	1,421
Norway	1953	3 26	Kr.	17,192	1,152	3,528
Sweden	1953	7 17	Kr.	36,957	3,422	4,772
Netherlands	1953	10 49	Grs.	19,350	2,451	2,336
Denmark	1953	4 37	Kr.	32,915	1,580	3,616
Switzerland	1953	4 88	Sw. Fr.	20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : Unites Nation: Monthly Bulletin of Statistics, March, 1955.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 23rd Dec., 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	16 43,64,000
(b) Provincial Governments	99,55,000
(c) Banks	12 68,36,000
(d) Others	21 72,95,000
Bills Payable	9 40,000
Other Liabilities	5,73,14,000
Rupees	63,67,02,000

ASSETS	Rs.
Notes	7,75,74,000
Rupee Coin	7,000
Subsidiary Coin	7,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	
(c) Government Treasury Bills	1,87 62,000
Loans and Advances to Governments	13,00,000
Provincial Governments' Debtor Balances	1,73 06,000
Other Loans and Advances	15 86,40 000
Investments	27 19,06,000
Other Assets	9,50,00,000
Rupees	63 67,02,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,57 74,000	
Notes in circulation	273,72,42,000	
Total Notes issued		281,30,16,000
Total Liabilities		281,30,16,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion	....	
Sterling Securities	75,00,28,000	
Government of India Securities	26,53,67,000	
India Notes representing assets receivable from the Reserve Bank of India	43,11,81,000	
B. Rupee Coin	2,11,50,000	155,35,34,000
Government of Pakistan Securities	117,43,26,000	
Internal bills of exchange and other commercial paper	....	119,54,76,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets		281,30,16,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.40 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1-3 Mar., 1936	..	3½
Austria	17th Nov., 1955	5	6
Belgium	4th Aug., 1955	2½	3
Bolivia	20th Sept. 1950	5	6
Canada	19th Nov., 1955	2½	2½
Ceylon	11th June, 1954	3	3½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st Feb., 1950	3	4
Denmark	23rd June, 1954	4½	5
Ecuador	15th May, 1948	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador	22nc Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st A'vil, 1946	4	3
Ireland	25th May, 1955	3½	3
Italy	6th April, 1950	4½	4
Japan	9th Aug., 1955	6.94	7.3
Mexico	4th June, 1948	4	4½
Netherlands	7th Apr., 1955	3	2½
New Zealand	18th Oct., 1955	6	7
Norway	1st July, 1948	3	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1955	3	2½
South Africa	29th Sept., 1955	3	4
Spain	1st July, 1954	4	4½
Sweden	19th April, 1955	2½	3½
Switzerland	25th Nov., 1936	4	1½
Turkey	27th July, 1955	3	4
United Kingdom	24th Feb., 1955	3½	4½
U.S.S.R.	1st Jan., 1936	5	4
U.S.A.	18th Nov., 1955	2½	3
West Germany	3rd Aug., 1955	3	3½

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.

	September		Six months, April to Sept.,	
	1954	1955	1954	1955
Import Duties :				
Revenue	9 76	9 24	57 26	55 81
Protective	0 63	1.05	3 69	4.77
On surplus disposals	0 03	—	0 09	0 05
Total import duties	10.42	10.29	61 04	60 63
Export Duties ..	2 25	3 77	13 18	18 09
Land Customs ..	0 18	0 05	0 81	0 42
Miscellaneous ..	0 07	0 05	0 54	0 37
Gross total customs ..	12 92	14 16	75 57	79 51
Refunds and drawbacks ..	0.10	0 18	0 64	1 32
Net Customs ..	12 82	13 98	74 93	78.19
Gross excise ..	8 33	12 37	49 32	74 45
Refunds ..	0 12	0 38	0 69	2 40
Net Excise ..	8.21	11 99	48.63	72 05
Net total of customs and excise†	21.03	25.97	123.56	150.24

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 30th Dec., 195

CAPITAL AND LIABILITIES	Rs.	Rs.
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up :		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves ..		6,35,00,000
Deposits and Other Accounts ..		222,29,97,000
Borrowings from Other Banking Companies, Agents, etc.		5,00,00,000
Bills Payable		7,22,42,000
Bills for Collection being Bills Receivable as per contra		48,37,000
Acceptances, Endorsements and Other Obligations per contra		13,38,000
Other Liabilities (including Inter-Office Adjustments)		4,73,51,000
Total ..	Rs.	251,85,15,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		17,52,87,000
Balances with other Banks ..		4,09,61,000
Money at Call and Short Notice ..		1,00,00,000
INVESTMENTS :		
Government and other Trustee Securities ..	109,11,07,000	
Other Authorised Investments ..	9,26,20,000	
		118,37,27,000
ADVANCES:		
Loans Cash Credits, Overdrafts, etc.	89,09,90,000	
Bills Discounted and Purchased..	14,21,42,000	
		103,31,32,000
Bills Receivable being Bills for Collection as per contra		48,37,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		13,38,000
Premises less Depreciation		1,15,37,000
Furniture and Fixtures less Depreciation ..		47,57,000
Other Assets (including Inter-Office Adjustments)		5,29,39,000
Total ..	Rs.	251,85,15,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖											
	National Savings Certificates						Savings Bank Deposits		Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits.	2½% Ten-Year Treasury Savings Deposit Certificates		10-Year National Plan Certificates ‡	
	5-Year†		7-Year ††		12-Year								
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Outstandings@	Receipts	Outstandings*	Receipts	Outstandings*
1952-53 ..	6.68	65	3.26	23.66	84.17	1,18.35	92.08	— 31.07	7.55	25.64	..	..
1953-54 ..	9.91	1.80	4.26	26.54	1,04.38	1,17.87	1,06.23	— 34.19	6.94	32.11	..	..
1954-55 ..	4.70	1.62	4.99	27.26	1,24.54	1,33.76	1,20.57	— 36.36	5.57	37.15	7.40E	7.58
September 1954 ..	5.24	19	4.51	2.44	1,13.76	10.33	1,14.25	— 35.25	54	34.04	57	4.05
October ,, ..	5.16	11	4 57	1.90	1,15.09	8.96	1,14.96	— 35.50	43	35.33	1.60	4.65
November ,, ..	5.06	12	4.54	2.25	1,16.76	10.24	1,16.81	— 35.58	37	35.54	58	5.23
December ,, ..	4.96	11	4.48	2.34	1,18.40	11.56	1,18.56	— 35.86	40	35.86	57	5.79
January, 1955 ..	4.88	14	4.76	2.48	1,20.28	10.51	1,20.10	— 36.02	43	36.37	54	6.33
February ,, ..	4.81	12	4.79	2.27	1,21.88	11.13	1,21.23	— 36.18	40	36.74	48	6 81
March ,, ..	4.70	26	4.99	3.41	1,24.54	18.51	1,20.57	— 36.36	47	37.15	58	7.38
April ,, ..	4.60	11	5.00	2.35	1,26.45	12.41	1,32.91	— 36.51	45	37.55	48	7 86
May ,, ..	4.52	26	5.24	2.01	1,27.93	11.82	1,34.08	— 36.65	41	37.89	66	8.51
June ,, ..	4.44	13	5.12	2.09	1,29.49	12.27	1,35.96	— 36.77	37	38.23	84	9.35
July ,, ..	4.36	12	5.16	2.27	1,31.28	12.80	1,40.23	— 36.86	41	38.54	91	10.20
August ,, ..	4.29	12	5.17	2.09	1,32.82	12.25	1,43.50	— 36.97	39	38.87	97	11.00
September ,, ..	4.21	13	5.21	2.54	1,34.88	12.39	1,46.60	— 37.12	44	39.28	94	11.80
October	..	..	..	..	..	..	..	..	46	39.68	..	..

* At the end of period @ Progressive net repayments at the end of period from 16th August, 1947. † Issued from 1st June, 1948 to 30th June 1953. †† Issued from 1st June, 1948. § Issued from 1st February, 1951. ‡ Issued from 10th May, 1954. ‖ Outstandings do not include Indian Union's share of the pre partition liabilities repayments, however, include those on the pre-partition holdings of Indian investors. E—Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 25-12-'54	26-11-'55	17-12-'55	24-12-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90 5	91.0	91.0	91.0
1. Government of India	90.3	90.9	90.9	90.9
2. Indian States	96.0	96.5	96.5	96.5
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100 7	101 0	101.0	101 0
1. Electricity	102 0	102 5	102.5	102.5
2. Jute	98.8	98.0	98.0	98.0
3. Plantations	99.6	99.1	99.1	99.1
4. Sugar	99.3	99.0	99.0	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	101.0	100.9	100.9	100.9
7. Shipping	100.2	102 1	102.3	102.3
8. Others	100 8	101 1	101 0	101 0
PREFERENCE SHARES	88 5	87 8	87 7	87.7
1. Electricity	96 8	95 7	95 4	95.4
2. Cotton	79 5	79 9	80 5	80 5
3. Jute	88.8	86 7	86 7	86 6
4. Coal	89.4	92 2	91 4	90.9
5. Iron and Steel	90 1	89 9	89 6	89.5
6. Sugar	94 0	86 2	85 5	85.5
7. Paper	91 2	87 2	86 9	86 4
8. Plantations	97 0	101.9	102 4	102 8
9. Miscellaneous	87.2	85 3	85.4	85.2
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	114 2	131 9	131 7	130 2
(a) Financial	88 9	94 7	95 5	94 7
1. Banks	85 4	92 3	93	93.6
2. Insurance	109 8	109 0	104.0	100 4
3. Investment Trust	94 0	99 4	99 7	99 2
(b) Public Utilities	113 4	119 4	118 7	118 2
1. Electricity	123.7	123.8	122.5	122.3
2. Shipping and other Transport	96 3	118 0	117 2	115 8
3. Railways	97 5	90 6	91 2	92 3
(c) Manufacturing Industries	117.7	142 5	142.2	140 4
1. Cotton, Woollen and Silk	105 3	131.5	132 5	131 4
2. Jute	100 3	95 3	94 5	93.7
3. Iron and Steel	136 3	178 9	171 3	167 1
4. Paper	213 9	292 3	304 9	297.7
5. Cement	185 5	184 6	186 6	184 7
6. General Engineering	157 4	210 7	214 7	210 3
7. Sugar and Breweries	105 3	112 2	112 7	112 3
8. Chemicals	137 5	161.3	160.1	159.5
(d) Non-Manufacturing Industries	150 3	174 9	171 9	169.0
1. Coal	80 1	80 7	85 4	84 6
2. Mining and Oil	189 5	289 4	273 8	271 0
3. Plantations	175 9	187 9	181 8	177 6
(e) Miscellaneous	100 3	110 2	111.3	110.5
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	89.9	90.5	90.5	90.5
2. Calcutta	90.4	90.9	91.0	91.0
3. Madras	90.7	91.3	91.3	91.3
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.3	100.1	100.2	100.2
2. Calcutta	101.3	101.8	101.8	101.8
3. Madras	100.5	100.2	100.1	100.1
PREFERENCE SHARES:				
1. Bombay	91 7	91 2	91.1	91.0
2. Calcutta	85 2	83.4	83.5	83 4
3. Madras	94.6	98.4	98.1	98.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	117 5	140.1	138 7	136.9
1. Bombay	107 8	120 2	121 2	119.8
2. Calcutta	110 7	125 5	125 7	123 2
3. Delhi	112 6	150.0	144 6	142.6

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	5,818,928
1952	929	809,243	3,336,961
1953	772	466,507	3,382,908
1954	840	477,138	3,372,630
July 1953 ..	87	48,066	131,122
August ,, ..	74	53,063	225,154
September ,, ..	106	44,863	447,278
October ,, ..	101	80,311	403,116
November ,, ..	93	41,481	345,311
December ,, ..	81	40,780	479,352
January 1954 ..	84	51,973	325,514
February ,, ..	86	41,351	344,296
March ,, ..	91	54,303	331,419
April ,, ..	101	34,963	207,247
May ,, ..	80	40,078	216,042
June ,, ..	83	51,589	206,078
July ,, ..	122	80,189	277,402
August ,, ..	79	51,090	262,887
September ,, ..	97	50,414	353,378
October ,, ..	88	41,784	276,294
November ,, ..	82	25,115	239,701
December ,, ..	101	54,455	352,183
January 1955†	95	49,038	323,807
February ,, ..	91	38,270	144,309
March ,, ..	111	69,225	353,091
April ,, ..	98	39,225	301,258
May ,, ..	118	63,333	334,999
June ,, ..	149	85,467	1 029,274
July ,, ..	105	57,197	673,259
August* ,, ..	232	90,324	518,476
September ,, ..	220	84,377 (a)	538,196 (b)

† *Figures for 1955 are provisional.* * Revised.
(a) Not known in 71 cases. (b) Not known in 81 cases.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‖	Units generated‡	Units Sold
1952-53	614	6,301.4	5,184.3
1953-54	648	6,876.8	5,672.7
1954-55	686	7,760.9	6,319.2
July 1954 ..	662	633.4	515.8
August ,, ..	667	655.0	510.5
September ,, ..	669	647.6	523.3
October ,, ..	669	626.5	511.6
November ,, ..	674	656.5	534.6
December ,, ..	679	683.5	558.0
January 1955 ..	684	668.5	545.2
February ,, ..	685	628.7	521.5
March ,, ..	686	698.7	568.5
April ,, ..	690	691.1	563.9
May ,, ..	691	706.5	569.2
June ,, ..	696	716.2	576.1
July ,, ..	700	724.8	583.3
August ,, ..	705	708.9	574.4

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939=100)

Particulars	17th Dec., 1955	10th Dec., 1955	18th Dec., 1954	November, 1955	November, 1954	Percentage of increase (+) or decrease (—) in Nov., 1955 as compared with Nov., 1954	Financial Year Average 1953-54	Financial Year Average 1954-55
Food Articles	320.4	323 2 R	317.4	328 5 R	334 2	— 2 3	354.4	339.8
Cereals	380	388 R	365	390	378	+ 3.2	451	381
Pulses	348	333	290	325	262	+24.0	450	280
Other	232	232 R	267	237 R	284	—16.5	278	291
Industrial Raw Materials ..	440.7	428 1 R	432.6	418 7	443.8	— 5.7	467.7	436.2
Fibres	447	433	463	422*	480	—12.1	432	447
Oil seeds	430	413	390	404	399	+ 1.0	574	424
Minerals	429	423	403	429	410	+ 4.6	449	423
Others	463*	463* R	444	452	433	+ 4.4	375	427
Semi-Manufactures	345.9	343.4	346.8	338.1	348.8	— 3.1	358	350 3
Leather	398	398	382	376	373	+ 0.8	403	376
Mineral oils	202	202	221	202	221	— 8.6	224	221
Vegetable oils	417	406	410	392	418	— 6 2	554	453
Cotton yarn	422	422	448	412	454	— 9.5	443	454
Metals	279	279	240	277	240	+15.4	229	240
Oil cakes	349	359	373	366	401	— 8.7	488	381
Others	330	330	330	330	306	+ 7.8	251	312
Manufactured Articles ..	372 8	372 7	374 3	373.3	377.0	— 1.0	367.4	377.3
Textiles	405	404	417	405	421	— 3.8	405	421
Jute	415	414	441	422	450	— 8.1	408	448
Cotton	399*	399*	412*	399*	415*	— 3.9	406*	415
Rayon and Silk	486*	486*	452*	479*	445*	+ 7.6	481*	469*
Woollen	278	278	270	310	278	—10.3	314	311
Metal products	371	371	340	371	340	+ 9.1	327	340
Others	284	284	284	284	285	— 0.4	285	286
Miscellaneous	541.9	542.5	576.1	543 3 R	605 4	—10.3	589.8	612.4
All Commodities	387 4	386 0 R	386 8	385 0 R	376 1	— 3 0	397.5	377.4

R—Revised. * Estimated.

INDEX NUMBERS OF WHOLES

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop	Forecast	Unit	Acreage 1954-55	Acreage 1953-54	Outturn 1954-55	Outturn 1953-54
Rice	final	tons	74,424	77,032	24,209	27,561
Wheat	final	"	26,842	26,310	8,539	7,773
Jowar	final	"	43,456	43,657	9,092	7,913
Bajra	final	"	27,350	30,094	3,355	4,459
Barley	final	"	7,999	8,721	2,786	2,904
Maize	final	"	9,325	9,360	2,944	2,904
Ragi	final	"	5,747	5,714	1,778	1,819
Small millets	final	"	13,680	13,979	2,424	2,427
Total cereals	final	tons	208,823	214,867	55,427	57,926
Kharif	final	"	173,982	179,836	44,002	47,143
Rabi	final	"	34,841	35,031	11,325	10,777
Kharif pulses‡	final	tons	14,935	15,192	1,497	1,543
Rab-pulses‡	final	"	10,499	11,214	1,977	2,089
Total pulses	final	"	54,004	53,715	10,474	10,458
Tur	final	"	5,944	5,931	1,661	1,627
Gram	final	"	20,991	19,754	5,125	4,775
Jute	final	bales	1,273	1,196	3,153	3,129
Cotton	final	"	18,846	17,182	4,298	3,965
Sugarcane	final	tons	3,232	3,466	5,464	4,387
Groundnut	final	tons	12,847	10,869	3,823	3,579
Linseed	final	"	3,290	3,360	388	374
Castorseed	final	"	1,273	1,373	112	108
Rape and Mustard seed	"	"	5,665	5,534	962	855
Sesamum	final	"	6,460	6,346	592	552
Tobacco	final	tons	960	912	248	268
Black pepper	final	"	208	208	26	24
Ginger	final	"	44	45	13	14
Dry chillies	final	"	1,472	1,326	356	297
Potato	final	"	665	635	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
‡ Excludes Gram and Tur.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During November, 1955	90.5
	Corresponding month, 1954	88.6
	Five months ended Nov., 1955	422.1
	Corresponding period, 1954	401.5
Stocks	At the end of November, 1955	63.1
	Corresponding month, 1954	69.0
		(In 000 bags)
Exports (Jute Bags)	Week ended 19th Nov., 1955	10.769
	Corresponding week, 1954	5.057
	From 1st Jan., to 19th Nov., 1955	417.686
	Corresponding period, 1954	395.675
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 19th Nov., 1955	4.077
	Corresponding week, 1954	4.385
	From 1st Jan., to 19th Nov., 1955	1 194 136
	Corresponding period, 1954	1,255,046
	RAW JUTE	(In lakhbales)
Consumption by Mills†	November, 1955 (in lakh bales)	5.25
	Corresponding month, 1954	5.14
	Five months ended Nov., 1955	24.43
	Corresponding period, 1954	23.29

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1953	11 58 000	10 61 900	7 91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
Eight months ended Nov., 1955	7,47,300	6,82,100	5,16 300
June 1954	90 900	80,600	61 200
July "	96 300	86,900	66,100
August "	96 700	90,400	67 100
September "	86,300	82,400	63,300
October "	96,600	89 200	66,500
November "	98,800	90,500	68,000
June 1955	91,700	80,900	62 600
July "	94,900	84,300	64 300
August "	92,500	83,900	63,700
September "	95,300	87,300	65,700
October "	91 700	83,800	64,400
November "	91,000	86,200	63,400
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	5,80,020	4,49,930	2,92,440
Do. 31st March, 1955	7,15 949	5,28,240	4 59,093
Three months ended Sept., 1953	63,390	18,350	11,640
" " " Dec., 1953	1,81,630	1,17,300	1 05,940
" " " Mar., 1954	1,87,750	1,28,510	1,16,940
" " June, 1954	1,32,770	1,17,870	1,07,480
" " " Sept., 1954	1,80 018	1,29,741	1,12,861
" " " Dec., 1954	1,88,053	1 56,801	1,20,616
" " " Mar., 1955	1,85,108	1,43,823	1,19,136
" " June, 1955	1,85,605	1,34,333	1,16,281
" " Sept., 1955	1,76,181	1,30,630	1 08,714

FOREIGN TRADE OF INDIA

Particulars	August, 1954	August, 1955	Five months, April to August, 1954	Five months, April to August, 1955
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	7.36	2.96	31.44	27.11
Raw materials	14.06	14.23	92.27	69.06
Manufactures	24.41	27.44	118.88	145.57
Other items	7	15	1.21	88
Total	47.90*	44 78*	243.81*	242.92*
By land	1.22	1.64	7.12	8.75
Total Imports	47.12	46.42	250.92	251.67
Exports :				
By sea and air—				
Foodstuffs	16.32	20.69	60.88	59.47
Raw materials	6.89	11.80	38.24	65.40
Manufactures	21.31	19.97	100.97	106 70
Other items	38	25	1.74	1.70
Tota	44.90	56.26	201.83	235.36
By land	28	29	2.31	2 62
Total Exports	45.18	56.55	204.14	237.88
Total Re-exports	42	33	2 34	2 28
Balance of trade in merchandise	— 1,57	+ 10,46	— 44,54	— 11,53
Balance of transactions in private treasure	1	— 1	— 2	— 3
Total visible balance of trade	— 1,57	+ 10,45	— 44,56	— 11,56
Imports : ‡				
Total C'wealth countries	18.80	17.05	106.18	110.64
Total Foreign countries	27.60	27,73	137,67	132 28
Exports : ‡				
Total C'wealth countries	23.70	24 70	108,44	113.91
Total Foreign countries	21,21	31,56	93,39	121,45

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC†

	No. of Passengers (Millions)	Passenger Miles (Millions)	Net ton Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands) Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953	1,168	34,406	128,773	28,539	11 413	2,635	949	171	169	209	169	297
1953-1954	1,179	35,216	129,009	29,365	11,082	2,512	899	153	153	168	190	344
1954-1955	..	..	..	..	11,768	2,711	885	183	160	167	158	397
July 1954	101	3.051	10 005	2.325	934	233	75	11	10	7	12	24
August "	98	2.857	9,143	2.449	934	245	79	11	9	7	12	24
September "	95	2.930	9.902	2.394	914	241	66	11	9	12	12	31
October "	99	2,881	10,181	2,453	936	241	55	13	10	12	12	31
November "	..	..	..	..	991	226	73	15	10	13	15	32
December "	..	..	..	..	1,064	229	70	20	14	25	9	34
January 1955	..	..	..	..	1,082	223	74	20	17	19	15	35
February "	..	..	..	..	1,021	209	72	18	16	15	15	33
March "	..	..	..	..	1,096	227	78	20	16	15	15	33
April "	..	..	..	..	1,084	222	77	21	19	15	14	33
May "	..	..	..	..	993	223	80	19	15	17	12	33
June "	..	..	..	..	946	217	80	15	13	8	13	33
July "	..	..	..	..	1,040	228	87	18	13	6	12	32
August "	..	..	..	..	1,009	230	88	15	13	9	16	34

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 30th Dec., 1955	88 632
	Corresponding week, 1954	33 573
	1st Sept. to 30th Dec., 1955	367,975
	Corresponding period, 1954	322,515
Cotton Exports†	Week ended 30th Dec., 1955	12 448
	Corresponding week, 1954	12 448
	1st Sept. to 30th Dec., 1955	290,022
	Corresponding period, 1954	81,629
Mill Consumption (Estimated)	1st Sept. to 30th Dec., 1955	405,141
	Corresponding period, 1954	407,403
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 30th Dec., 1955	482 964
	Corresponding date, 1954	351,266
Cotton Exports from Bombay (by sea)	During August, 1955	74,776
	1st Sept., '54 to 31st August, 1955	432,433
	1st Sept. '53 to 31st August, 1954	291,506
Karachi (Pakistan)—		
Receipts	1st Sept. to 22nd Dec., 1955	550 488
	Corresponding period, 1954	537,760
Exports	1st Sept. to 22nd Dec., 1955	269 145
	Corresponding period, 1954	163,706

† Incomplete. N.A. Not Available.

Particulars	From 1st Sept. 1955 to 2nd Jan., 1956 Bales	From 1st Sept. 1954 to 2nd Jan., 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	26,870	N.A.
Continent	58,086	N.A.
Hongkong	26,434	N.A.
China	84,651	N.A.
Japan	140 375	N.A.
U.S.A.	2 005	N.A.
Other Countries	2,035	N.A.
Total to all foreign countries	290,456	44 456
Coastal Ports	48,405	25.518 (a)
Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	August, 1955	862,461
Foreign		41 949
Indian	Twelve months ended Aug., '55	4,188,438
Foreign		630,474
Stocks (Mills and Elsewhere)—	Same Period 1954	3,886,748
Indian		719,073
Foreign	As on 31st August, 1955	1,443,424
Indian		179,259
Foreign	As on 31st August 1954	1,019,308
Cotton Pressed in India (In running bales)	Week ended 23rd Dec., 1955	290 452
	Corresponding week, 1954	62,404
	1st Sept. to 23rd Dec., 1955	747 939
	Corresponding period, 1954	474 378
		875,183

(a) Adjusted. †Excluding Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-33	63,30,26 000	1960-70	101¾
3 % Loan	1938 39	1 16,17,46,000	1963-65	94
3 % Loan	1950	30,33,10 000	1964	94¼
3 % Fg. Loan	1943	1,10,11,75 000	1966-68	91
3 % W. Loan	1944	1,14 06 89 000	1967	90¼
3 % Loan	1945	1,16 05,83 000	1970-75	87
3 % 2nd V. Loan	1945	1,18,65 64,000	1959-61	98
3 % Loan	1951	50,35,68 000	1988	90
2½ % Loan	1946	45,68,57,000	1960	95
2½ % Loan	1946	57,00,69,000	1961	93
2½ % Loan	1946	14,77,48,000	1976	82
2½ % Loan	1947	76,86,72,000	1962	85
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99
3½ % N.P. Loan	1954	157,35,41,000	1964	94
3½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months' notice, on September, 1986 or later at option of Government after three months' notice.	80
3 % Loan	1946	245,91,66,000		80½
3½PATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,20,000	1958-68***	103½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
3 % Bombay	1943	2,99,35,000	14th Sept. 1956	99
3 % Bombay	1944	3,06,86,000	15th Aug. 1958	98½
3 % Bombay	1949	5,63,12,000	1st Aug. 1962	94
3 % Bombay	1950	2,92,30,000	31st July 1960	96
3½ % Bombay	1951	2,97,86,000	17th Sept. 1962	98½
4 % Bombay	1953	5,50,35,000	15th July 1963	101½
4 % Bombay	1952	3,61,31,700	1st Aug. 1964	101½
4 % Bombay	1955	9,00,00,000	1st Sept. 1967	100½
4 % Bihar	1956	1,50,00,000	1st Sept. 1967	99½
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	96½
3½ % Cochin	1954	70,00,000	1st June 1956-61	99½
3½ % Hyderabad (New)	1936-37	1,95,86,700	1956-66	95½
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99½
3 % Madras	1939	1,23,95 600	21st June 1959	96½
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99½
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98½
3 % Madras	1945	2,78,44,500	1st Sept. 1960	96
2½ % Madras	1946	2 81,77,200	1st Sept. 1961	92½
3 % Madras	1950	4,58,25,400	31st July 1960	95½
3 % Madras	1951	3,07,49,35a	17th Sept. 1962	97½
4 % Madras	1953	10 33,63 000	15th July 1963	100½
4 % Madras	1952	3,24,81,700	1st Aug. 1964	100½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99½
4 % Mysore(§)	1933	2,95 85,200	1st Dec. 1955-58	101½
3 % Mysore	1936	3 99 72,900	30th Apr. 1956-61	95½
3 % Mysore	1947	3,08 05,700	25th Jan. 1958	99½
4 % Mysore	1953	3,23,47,000	15th July 1963	100½
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99-3/4
3 % M.P.	1943	50,54,200	14th Sept. 1956	99½
3 % M.P.	1944	52 58 800	15th Aug. 1958	98½
3 % M.P.	1948	2,02,28,800	15th Sept. 1960	93
3 % M.P.	1950	1,01,44,700	31st July 1960	94½
3½ % M.P.	1951	1,02 18 100	17th Sept. 1962	96½
4 % M.P.	1953	1,02,18,100	15th July 1963	100½
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99½
3 % Punjab**	1938-44	3 49,87,200	15th Aug. 1958	98½
3 % Punjab**	1943	2 46,78,300	14th Sept. 1956	99
3 % Punjab**	1945	2,46,81,600	14th Sept. 1960	97½
4 % Saurashtra	1955	3,25,00,000	1st Sept. 1967	99½
3½ % Travancore	1938	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	2 25,00 000	15th July 1963	100-1/4
3 % U.P.	1936	1,57,42 500	15th Sept. 1961-66	90½
3 % U.P.	1945	3,02,24,500	15th Aug. 1958	98½
3 % U.P.	1945	2 17,49,700	14th Sept. 1960	94½
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	92½
3½ % U.P.	1951	1 94,11,700	17th Sept. 1962	98½
4 % U.P.	1953	3 11,15,200	1st Aug. 1964	100½
4 % U.P.	1953	5 55 15,500	15th July 1963	100½
4 % U.P.	1955	8,50,00,000	1st Sept. 1967	99½

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 36 50,000	4	1904	1964	
35,00,000	4	1905	1965	
15 00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	100N
40,00 000	4	1909	1970	
50,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,800	4	1913*	1963	D
80,00,000	4	1913	1974	100½N
88,25,000	4	1914	1975	100N
10,00 000	4	1915*	1960	
50,00,000	4	1915*	1975	
61,61 000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,00 0	3½	1926*	1960	
35,00,000	3½	1920*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
24,58,000	3½	1935*	1975	
16,00,000	3½	1936*	1966	
46,04,000	3½	1937*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,24,300	4	1914	1974	Rs.
75,90,100	4	1915	1975	99
1,50,00,000	4½†	1921	1981	99
68,02,3000	5†	1921	1981	82
98,21,600	5½	1922	1956-86	144N
99,24,400	5	1926	1956-86	101½
1,49,49,500	5	1926	1956-86	101½
1,49,30,000	5	1928	1957-87	102½
80,00,000	4½	1931	1958-88	103
60,00,000	4½	1931	1991	96
25,00,000	3	1938	1965	97½
50,00,000	3	1945	1963-68	90
50,00,000	3	1945	2003	74
80,00,000	3	1945	1975	85
80,00,000	3	1946	1978	84½
50,00,000	3	1946	2006	74
50,00,000	2½	1947	1977	79½
50,00,000	3	1948	1978	83½
1,00,00,000	3	1949	1959	97
50,00,000	3	1949	1979	97
1,00,00,000	3	1950	1980	82
1,00,00,000	3	1950	1960	96½
50,00,000	3	1950	1980	86½
1,50,00 000	3	1951	1981	81½
50,00,000	3½	1951	1961	98½
50,00,000	4	1953	1983	100
90,00,000	4	1953	1983	99-3/4
	4	1955	1985	97½
STERLING LOANS				
£882,600	5	1922	1968-88	£87½
£901,000	5	1924	1964-84	£87½
£885,100	5½	1932	1952	596
MADRAS				
Rs. $1,47,169	2½	1947	1977	Rs.
9,86,000	3	1947	1977	
3,00 000	3	1949	1979	A
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs. 50,00,000	4	1889	1959	
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
15,00,000	4	1906	1966	
30,00 000	4	1907	1967	
50,00,000	4	1908	1968	
25,00,000	4	1912	1972	
50,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½
40,00,000	4	1916	1976	
66,00,000	6	1919	1957-79	113
25,00,000	6	1920	1955-80	98½
25,00,000	6	1926	1956-86	115½
10,00,000	3	1926	1961-76	98½
		1936	1966	
STERLING LOANS				
£566,600		1909	1969	£95½N
£333,000		1910	1970	£95½N
CALCUTTA				Rs.
25,00,000	5½	1929	1959	107
50,00,000	5	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1962	91
20,00,000	3	1938	1963-68	90
80,00 000	4	1952	1962	99½

MUNICIPAL LOANS

BOMBAY				
Rs. 20,60,000	4	1913-15	1974	Rs. 100
10,00,000	5	1920	1980	113N
25,00,000	5	1928	1958	104
8,45,500	5	1929	1954-59	104
16,21,000	5	1929	1979	102½
25,00,000	3½	1950	1965	97½
2,50,00,000	3½	1949	1979	86½
2,50,00,000	3	1950	1965	97½
2,50,00,000	3	1950	1965	97½
2,00,00,000	3	1952	1964	100½
1,50,00,000	3½	1951	1965	97½
1,00,00,000	4	1953	1963	100½
1,00,00,000¶	4	1952	1964	100
2,50,00,000	4	1953	1968	100
	4	1955	1967	99½
CALCUTTA				
Rs. 36,00,000	5	1926	1958	Rs. 103
25 00 000	5	1929	1957	102½
25,00,000	5	1929	1958	102½
70,00,000	5½	1932	1962	106
33,91,000	3½	1934	1965	94
60,00,000	3	1938	1968	90
47,50,000	3	1938	1968	90
16,67,700	3	1938	1968	90½
15,58,300	3	1938	1968	90½
15,58,800	4	1939	1967	99
16,58,800	4	1940	1967	99
17,64,400	3½	1942	1969	96½
21,10,000	3½	1943	1973	97
15,49,000	3½	1951	1967	97
16,33,000	3½	1951	1961	97½
66,88,400	3½	1951	1966	97½
87,36,000	3½	1951	1965	97½
72,50,000	4½	1954	1979	100
Rs.				Rs.
18,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Rensal	1951	1,75,00,000	17th Sept. 1963	94
4 % W. Rensal	1952	2,50,00,000	1st Aug. 1964	100½
4 % W. Rensal	1953	3,50 25,000	15th July 1963	100½
	1955	7,00,00,000	1st Sept. 1967	100

ABBREVIATIONS

A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(*) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
† Bombay State Treasury Transfer. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1946. ¶—Interest free to first 12 years. §—Interest free for first 7 years

N—Nominal.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank	15,00,000	1901	6	Mar.	Sept	132	100
BREWERIES AND SUGAR							
Bharat Sugar	5,00,000	1931	5	Dec.	..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar.	Sept	105	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb.	Aug.	14	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July	Apr.	6½cd	5
¶East India Distilleries	£200,000	1897	7	Jan.	July	17½	£1
Gwalior Sugar (Non-redeem.)	5,75,000(c)	1940	7(a)	Dec.	..	68	100
Do.	5,00,000	1940	7(a)	Dec.	..	68	100
Portabpore Co.	6,00,000	1922	10	Oct.	..	17	10
Ramnagar Cane	4,00,000	1933-36	6	Aug.	..	105	100
Ravalgaon Sugar	20 00.000	1943	5½	Oct.	Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	..	20N	100
Travancore	14,99,135	1946	5(c)	Dec.	..	81	100
Upper Ganges	12,00,000	1932	5	Dec.	..	90N	100
Do.	15,00,000	1946	5(a)	Dec.	..	70N	100
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	113	100
Borrea	4,00,000	1896-97	6½	Oct.	Apr.	117	100
Burrakur (1st)	22,99,900	1901-19	7	Apr.	Oct.	122xd	10
Do. (2nd)	4,50,000	1946	6(a)	..	..	81xd	10
Equitable	4,00,000	1895	6	Mar.	Sept.	119	100½
Karanpura Collieries	7,50,000	1946	5½(a)	..	..	70	75(pp)
Khas Kajora	1,93,000	1931	5	Mar.	Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan.	July	13½	10
Ondal	2,00,000	1898-99	6½	Apr.	Oct.	113	100
COTTON							
Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	100	100
Bangalore	6,00,000	1884	6	Jan.	July	128	100
Basanti Cotton	5,00,000	1938	6½	Nov.	..	8	10
Benares Cotton	1,05,200	1919	7	July	Jan.	15N	100
Bengal-Nagpur	3,00,000	1896	7	Apr.	Oct.	110	100
Bowreah 'A'	6,00,000	1900	8	Feb.	Aug.	135	100
Do. 'B'	9,00,000	1900	7	Feb.	Aug.	70	100
Bradbury	14,75,000	1919	7	June	Dec.	65	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan.	July	144	100
Cambodias	1,00,000	1928	7	Apr.	..	126	100
Central India	50,00,000	1913	5	Apr.	Oct.	485	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	..	111½	100
Elgin	11,00,000	1913	8	May	Nov.	144	100
Do. 'B' Pref.	4,20,000	1943	5	July	Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May	Nov.	86	100
Kesoram	20,00,000	1919	7	June	Dec.	134	100
Khatau Makanji (2nd)	29,92,500	1947	4	Nov.	..	84	100
Kothari	12,00,000	1937	6	Nov.	..	9-12½xd	10
Lakshmi Cotton (Bombay)	15,00,000	1896	4½	January		250½	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	6	..	..	86½	100
Muir Mill	30,00,000	1900	6	Jan.	July	88N	100
Mysore Spg.	7,45,000	1944	4½	..	..	3½	50
National Rayon	1,74,54,700	1947	5(a)	..	..	39	100
New Great	5,00,000	1918	5½(a)	Mar.	..	185½	200
New Victoria	26,05,500	1920	6	Apr.	Oct.	3½	5
Podar Mills	10,00 000	1943	4

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Director or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	76,28,421	43,05,372	—1,17,209	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2½	2	0 4(c)	0 4 (c)	0 2(c)			
40,00,000	24,00,000	1,34,85,581	72,25,655	—5,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	45	100	*Nil*	*Nil*	*Nil*		12	Y.
2,50,98,000	2,33,99,019	4,25,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd.	2,20,552	4,855	Bombay Dyeing & Mfg.	560	250	20 0	22 8*	20 0	7 8‡	3	Y.P.T.
10,00,000	27,36,559	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	42,008	860	Bradbury Mills	190	50	100 0	100 0*	75 0		12	Y.
1,09,42,800	2,27,64,197	2,83,17,250	1,85,13,280	31,32,663	Birla Bros., Ltd.	1,25,036	2,698	Century Spg. & Mfg.	476	100	20 0	22 0	22 0	8 0‡	3	Y.P.
49,00,000	15,44,690	1,16,09,462	65,52,039	—33,25,720	V. J. Pilani (Chairman and Managing Director)	40,668	798	Colaba Land & Mill	85	100	*Nil*	*Nil*	*Nil*		12	Y.
25,00,000	11,88,470	81,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,130	680	Coorla Spg. & Wvg.	132½	100	7 8	7 8	7 8		12	Y.
10,00,000	27,17,861	63,47,587	52,49,041	47,117	Ramnarain Sons, Ltd.	38,304		Dawn Mills	91	50	6 0	6 0	6 0	7 8	3	Y.
24,00,000	27,75,000	75,64,731	64,73,724	50,166	Purannal Radhakishan & Co.	50,296	928	Edward Textiles	325	200	15 0	15 0	15 0		12	Y.
80,00,000	11,93,292	1,10,92,641	75,74,225	32,796	M	43,376	886	Elphinstone Spg. & Wvg.	50	50	3 0	*Nil*	3 0		12	Y.
50,00,000	64,81,875	1,05,11,445	71,58,296	3,90,661	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	142	100	20 0	16 0	16 0		12	Y.P.
11,54,000 16,000	76,64,589	1,27,76,810	99,11,500	9,223	Thacersey Mooljee & Co.	49,672	1,126	Hindoostan Spg. & Wvg. Mills	{4,800 992‡	1,000 250	200 0* 50 0	225 0* 56 4*	225 0 56 4	300 0 75 0	12	Y.
2,00,00,000 50,99,000D 8,55,000 35,000	74,24,043	1,30,07,903	92,59,000	6,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg	{13¾ 24 4,845 885N	0 10D. 0 1D. 1,000 800	*Nil* *Nil* 200 0*	0 10 *Nil* 225 0*	*Nil* *Nil* 225 0	0 10½ 300 0	3	Y.P.
59,85,000	40,58,451	2,37,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd.	84,604	1,513	Khatau Makanji Spg. & Wvg.	100	100	10 0	10 0	112 8	150 0	3	Y.P.
1,00,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,185	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	337	100	18 0	20 0*	8 0	10 0	6	Y.P.
28,80,000A 3,60,000B	64,00,782	4,86,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	{115 20B	100A 1 4	6 4 1 4	6 4 1 4		6 0‡	12	Y.
22,12,050	39,74,916	1,14,37,317	54,72,965	16,412	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	80N	50	5 0	5 0	5 0		6	Y.P.
51,75,000	32,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	270	100	12 0	12 0	5 0		10	Y.T.
1,57,71,400	61,70,518	5,74,05,779	1,55,00,000	5,79,078	Chinai & Co., Ltd.	...	...	National Rayon Corporation	233‡	100	*Nil*	9 0	10 0		6	Y.P.
24,00,000	25,80,885	74,52,403	49,04,758	27,546	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	170	100	10 0	10 0	10 0		12	Y.P.
30,00,000	15,47,407	89,82,880	61,42,740	12,617	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	200	100	10 0	10 0	10 0		12	Y.
12,70,100	Y	36,36,004	42,69,552	18,76,680	423 Malatlal Chandulal & Co., (Bombay), Ltd.	34,100	873	New Union Mills	37	10	1 4				12	Y.P.
48,00,000	36,62,278	1,49,08,112	99,59,811	1,26,364	Ramnarain Sons, Ltd.	66,324	1,190	Phoenix Mills	141‡	100	8 8	8 0	8 0		12	Y.
40,00,000	49,68,014	81,89,335	23,00,000	3,15,562	Podar Sons, Ltd.	32,600	930	Podar Mills	167‡	100	10 0	10 0	10 0		12	Y.
5,00,000	8,16,999	21,21,521	19,31,340	—1,72,154	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	20	10	1 4	0 12	0 8		12	Y.P.
25,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	43‡	10	1 4	1 4			12	Y.
60,00,000	1,38,00,061	91,25,908	50,71,284	1,53,662	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	211‡	100	12 8	14 0	14 0		12	Y.
42,00,000	35,75,550	93,88,962	71,00,000	15,898	Forbes, Forbes Campbell & Co., Ltd.	55,180	1,276	Simplex Mills	195	50	15 0 (p)	15 0	11 0		12	Y.P.
56,00,000	1,22,33,867	1,85,08,331	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons	57,288	1,633	Standard Mills	412‡	100	20 0	20 0	20 0	10 0	3	Y.
1,00,00,000	82,26,342	1,92,83,887	1,02,83,292	43,799	Tata Industries Ltd.	70,764	2,000	Svadeshi Mills	221	100	16 0	16 0	8 0		12	Y.P.
30,00,000	42,78,466	1,17,42,921	70,22,715	3,59,764	James Finlay & Co., Ltd.	38,826	552	Swan Mills	435	100	30 0	20 0	20 0		12	Y.P.
32,57,488	49,96,589	1,59,55,805	48,92,129	11,417	Tata Industries Ltd.	62,096	1,800	Tata Mills	48‡	25	1 0	1 8	2 8		12	Y.P.
12,00,000	62,55,709	1,15,36,436	81,90,000	2,816	Thackersey Mooljee Son & Co.	54,424	1,181	Western India Spg. & Mfg.	5,000	1,000	200 0*	225 0*	225 0	300 0	3	Y.T.P.
AHMEDABAD																
33,00,000	1,11,650	1,36,23,272	60,47,802	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	155	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	90,58,683	89,83,424	65,39,067	7,878	P. M. Hatheesing & Sons, Ltd.	42,766	912	Aruna Mills	620	100	20 0*	20 0*			12	Y.P.
26,25,000	2,40,17,401	1,48,07,666	1,03,05,000	46,584	Narottam Lalbhai & Co.	66,792	1,216	Arvind Mills	1,83‡	100	25 0	25 0	25 0		12	Y.P.
20,00,000	88,43,340	79,44,276	58,25,000	3,90,074	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning & Mfg.	422½	200	15 0	15 0			12	Y.P.
12,00,000	1,06,38,021	92,14,268	55,53,858	2,48,761	Lalbhai Tricumlal & Co.	37,368	914	Asoka Mills	700	100	40 0	40 0	40 0		12	Y.P.
1,24,79,011	1,11,66,248	4,24,88,718	3,07,53,344	16,00,756	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	451‡	100	22 0	22 0*	22 0		12	Y.P.
62,48,000	28,04,000	1,10,69,083	79,50,000	1,96,242	Tricumlal Bhodlal & Co., Ltd.	45,836	867	New Commercial Mills	1,300	1,000	70 0	70 0	70 0		12	Y.P.
99,00,000	66,61,732	1,14,91,135	85,35,806	6,387	Mafatlal Gagalbhai & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	810	125	35 0	35 0	35 0		12	Y.
5,00,000	61,15,982	46,72,745	31,76,001	700	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	436‡	100	30 0*	30 0*			12	
12,50,000	1,09,22,589	79,71,788	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	31,120	834	Rajnagar Mfg.	1,325	100	25 0	17 8			12	
12,00,000	18,93,067	74,95,069	39,67,450	—39,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	262½	250	*Nil*				12	
32,50,000	16,74,825	84,83,940	52,67,803	4,020	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	215	100	9 0	9 0			12	
25,98,150	1,50,84,538	1,60,18,812	1,24,25,000	2,52,570	Harivallabhdas Kalidas & Co.	94,116	1,733	Shri Ambica Mills	543	50	16 0	18 0	20 0		12	
19,52,500	59,00,194	78,03,018	62,03,000	6,434	Mafatlal Chandulal & Co., (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	470	100	20 0	20 0	20 0		12	
28,00,000	26,96,488	1,03,76,240	68,35,291	32,764	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	605	400	35 0*	20 0*	25 0*	25 0*	12	
WEST BENGAL																
15,00,000	1,32,800	84,23,069	21,01,810	1,03,030	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	5‡	10	*Nil*	0 4	0 8			
7,11,280	5,40,775	43 42,381	25,67,597	98,783	Bengal Textile Agency, Ltd.	32,352	936	Bengal Luxmi Cotton Mills	40tdN	40	3 0	*Nil*	4 0	4 0	12	Y.P.
6,00,000	22,71,793	81,23 222	51,52,000	—84,31,401	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	365	100	*Nil*	*Nil*	*Nil*		6	Y.
19,00,000	25,17,571	1,01,41,469	69,23,980	—7,06,925	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	312	100	*Nil*	*Nil*	*Nil*		6 12	H.
1,50,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd.	70,040	1,990	Kesoram Cotton Mills	17‡	10	1 12	1 12	0 14		12	H.
6,00,000 33,96,225 19,47,7500 5,00,000D	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	{25 1 10 0 8	{1 4 0 8 0 8	*Nil* *Nil*	*Nil* *Nil*		12	Y.P.N.
	5,75,000	41,29,452	21,64,462	26,932	Hazaresmull Heeralall	23,196	795	Rampooria Cotton Mills	{11½ N ½N	1D	*Nil*	*Nil*	*Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
15,00,000						55,000		Alagappa Textiles (Cochin) Ltd.	8	10						
O.S. 71						26,136	750	Azam Jahi Mills	91	100	6 0	6 0	*Nil*		12	Y.P.T.
40,50,000	44,93,307 1,91,58,745	2,10,91,205 2,87,22,995	80,50,315 2,24,71,543	3,44,711	Industrial Trust Fund Binny & Co. (Madras), Ltd.	40,068	1,185	Bangalore Woollen, Cotton and Silk Mills	577½	100	15 0	25 0	30 0	16 0‡	9	Y.
27,00,000	15,50,000	77,25,162	58,72,133	18,199	M	29,986	782	Bengal-Nagpur Cotton Mills	11½	10	0 8	0 8	*Nil*		12	Y.P.
1,15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg., Delhi	95	10	0 8	0 4	*Nil*	*Nil*	6.12	H.P.T.
1,78,47,800	1,54,69,667	4,50,39,308	1,14,94,492	2,69,005	Binny & Co. (Madras), Ltd.	1,19,915	2,781	Buckingham & Carnatic	175	100	4 0	10 0	15 0		3	
20,00,000	20,00,406	84,17,820	19,76,634	8,55,087	Peirce Leslie & Co., Ltd.	37,535	4	Cambodia Mills	13½	10	1 0	0 12	15 0	4 0‡	12	Y.P.T.
15,00,000	4,51,500	64,03,466	21,80,176	44,557	K. Damodaran, Esq.	17,496		Cannanore Spg. & Wvg.	147	100	12 0	12 0	*Nil*		12	Y.
30,00,000	25,93,976	58,07,118	50,34,815	29,514	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	9‡	5	0 0	0 0	20 0	12 0	3	Y.
12,00,000	20,60,000	30,85,973	24,85,599	1,514	R. Bhemsen Naidu & Co.	23,864		Coimbatore Cotton Mills	351	100	9 0	9 0	20 0	*Nil*	3	Y.
30,00,000	14,20,000	58,95,513	21,28,500	14,053	T. R. N. Naidu & Co.	23,738		Coimbatore Pioneer Mills	258	100	9 0	9 0	20 0		3	Y.
20,76,000	4,19,814	1,15,51,599	82,06,019	16,884	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	84½	100	*Nil*	*Nil*	15 0		6	Y.P.
46,87,500	52,82,449	2,48,18,409	1,58,09,833	3,763	Tata Industries, Ltd.	1,15,198	2,065	Central India	153‡	100	2 0	5 0	8 0	6 0	6	Y.
3,88,86,225 1,00,563	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. B. Charat Ram & Co., Ltd.	1,16,686	2,955	Delhi Cloth & General Mills	—	{25 1 4	1 2 0 4	1 0 2 4	2 0 4 0	2 8 6 0	6	Y.P.
24,84,800	24 72 758	47 34,037	33,82,512	9,248	M. N. Chettiar & Sons	32,154	201	Dhanalakshmi Mills	367‡	100	0 0	4/5 0 2	4/5	0 8 3/5	6	Y.P.T.
68,00,000	66,33,360	1,52,16,382	1,29,71,631	93,386	Begg, Sutherland & Co., Ltd.	53,758	1,198	Elgin Mills	27cd	10	2 0	2 0	2 0	0 8 3/5		
48,81,000	33,41,175	88,91,779	65,24,070	37,169	Forbes, Forbes Campbell & Co., Ltd.	72,904	2	Gokak Mills	220	100	10 0	8 4	10 0		6	Y.
30,00,000	3,09,654	1,29,35,712	1,03,03,420	6,150	Govindram Seksaria, Indore)	51,180	1,420	Indore Malwa United	154‡	100	17 0*	17 0	13 0	1 0	3	Y.
8,90,000	10,65,683	30,91,189	16,77,749	—50,124	G. V. Naidu & Co., Ltd.	23,784		Jaisrdana Mills	90	50	8 0	8 0	8 0		12	Y.
24,00,000	15,25,000	78,86,883	26,50,000	29,382	Kothari & Sons	43,000	300	Kothari Textiles	10	10	0 12	1 0	1 0	0 8	12	Y.
32,00,000	69,32,519	1,42,27,744	1,05,78,587	19,080	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	650	250	37 8	37 8	37 8	1 0	6	Y.P.
35,64,100	66,55,960	1,11,86,880	75,29,835	74,376	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	{185 92½	50 25	5 0 2 8	7 8 2 8	33 12 2 8	12 8‡ 12 8	3	Y.
1,75,02,480	4,18,81,878	5,56,33,243	3,44,90,463	9,66,800	A. & F. Harvey Ltd.	4,68,852		Madura Mills	—	10	2 8	2 8	10 0	12 8		
12,00,000	4,17,363	27,72,881	16,02,069	1,14,008	A. L. A. R. S. Chettiar and 2 others	22,592	100	Malabar Spg. & Wvg.	51	10	1 4	1 4	1 4	6 4‡		
60,00,000	69,00,000	62,41,446	41,60,285	1,43,408	W. A. Beardsell & Co., Ltd.	25,656	503	Mettur Industries Ltd.	111	200	8 0	8 0	8 0		12	Y.
29,59,700	19 47,908	84,18,677	46,82,184	9,398	N. Sirur & Co., Ltd.	39,200	704	Minerva Mills	398½	100	12 8	12 8	12 8		12	Y.
94,91,850	87,24,404	1,61,29,118	78,81,528	—7,44,932	Bansilal Abirchand Dadabhoy & Co.	51,340	955	Model Mills (Nagpur)	92	100	5 0	7 0*	22 8*	25 0	3	Y.
30,00,000	58,19,500	1,53,39,272	1,05,91,551	—7,77,250	Indian Textile Syndicate Ltd.	58,560	1,584	Muir Mills	153½	250	7 8	7 0*	5 0(c)		12	Y.
7,58,500	50,34,547	99,04,000	63,99,938	23,705	N. Sirur & Co., Ltd.	49,432	500	Mysore Spg. & Mfg.	118N	100		7 8*	5 0(c)		6	Y.
18,61,780	2,58,745	29,42,992	15,27,000	3,986	R. Suryanarayana Rao, Esq. Manager	6,000		Mysore Spun Silk Mills	105	50	10 0*	10 0*	8 8*	6 0	3	Y.
22,89,3320 3,07,0950	25,62,532	1,02,16,296	58,90,719	—39,62,829	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	4½ 1½	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*	6 0(c)	3	Y.P.
57,14,300	57,72,270	1,68,64,562	62,58,093	.....	Industrial Trust Fund	37,788	847	Osmanshah Mills	—	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.P.
4,00,000A 6,00,000B	7,50,000	35,04,758	21,95,715	9,122	Bhaghyalakshmi & Co.	29,924		Palani Andavar Mills	76 {170	100 50A	7 0 7 0	4 0 4 0	*Nil*		9	Y.
16,00,000	2,25 000	34,59,511	16,41,045	—18,87,240	C. S. R. Mudaliar & Sons	30,796		Pankaja Mills Ltd.	{250	75B	11 4	15 0	12 0		12	Y.P.
16,81,200A 5,49,200B	20,00,000	78,90,455	41,41,878	28,667	A. G Gurusamy Naidu & Co.	54,864	301	Radhakrishna Mills	70 {272	100 100A	*Nil* 6 0	*Nil* 8 0	18 0 *Nil*		12	Y.P.
15,00,000	32,35,000	25,50,968	16 48,985	34,422	B. R. Naidu & Sons	25,896		Rajalakshmi Mills	{135½	50B	3 0	4 0	16 0		12	Y.
22 23,875	12,10,000	2s 91,595	14,22,264	22,506	Rayalaseema Development Co.	14,800		Rayalaseema Mills	172	50	*Nil*	7 0	8 0		12	Y.
60,00,000	62,66,508	98,29,567	35,68,291	—19,59,428	J. P. Srivastava & Sons (Rampur)	33,984	600	Rasa Textiles	137	100	6 0	6 0	9 0		12	Y.
16,00,000	1,60,29,516	2,89,27,048	2,04,37,279	—1,50,02,067	Morarka & Co.	56,048	2,224	Sholapoor Spg. & Wvg.	84,N {2,000	10 1,000	*Nil* *Nil*	*Nil* *Nil*	*Nil*		12	Y.
36,69,700	16,63,628	71,75,918	51,35,889	27,871	H. N. Pallegar, Esq.	31,668	292	Sri Krishnaraja Mills	500	*Nil*	*Nil*	*Nil*	*Nil*		3	Y.P.
28,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	89½	50	4 0*	*Nil*	4 0*	4 0	5	Y.
15,00,000	2,49,73,985	87,38,169	62,02,085	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills	90N 125N	100 10	*Nil*	*Nil*	*Nil*	5	3	Y.
17,50,000 O 1,57,50,000P	2,25,00,000	4,36,48,014	1,62,17,868	5,89,690	Jaipuria Brothers	114,886	2,077	Swadeshi Cotton (Kanpur)	{10½ 10½	10 O. 10P.O.	4 0 *Nil*	4 0 *Nil*	5 0 *Nil*		3	Y.
99,54,040	18,00,000	2,75,11,606	1,00,28,764	1,23,122	Emcote & Sons (Travancore), Ltd.	.....	.....	Travancore Rayons	16–5‡	10	0 12	0 12	0 12		12	Y.P.
13,98 670	8,79,479	13,36,297	10,45,168	8,321	Mooljee Ramjee & Sons	16,256	.....	Trichinopoly Mills	12‡	*Nil*	0 14 2/5		1–2 2/5		12	Y.P.
21,00,000	32,00,000	56,92,295	36,51,496	30,940	B. K. S. Chetty & Brothers	24,704	270	Vasanta Mills	266	100	0 11 1/5	0 11 1/5	0 10		12	Y.P.T.
82,00,000	31,99,442	1,35,36,026	1,00,39,990	32,350	Bombay Co., Ltd.	54,200	1,625	Vishnu Cotton	181‡	100	12 0	12 0	15 0		12	Y.P.

? Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.
p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend at Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. X. B.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9⅜	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,20,630	17,21,569	24,69,631	12,75,708	13,708	Mr. K. G. Khanna	Dyer Meakin Breweries	6¾	5	0 8	0 8	0 8		3	Y.
£80,000A £300,000B	£897,570	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	20½ 20½	A. 15sh. B. £1	Sh. 1 3/5 Sh. 3	Sh. 1 3/5 Sh. 4	Sh. 1 3/5 Sh. 5	Sh 9 3/5 4/5 Sh 1 0l	9	Y.P.
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman)	United Breweries	189½	75	15 0	15 0	15 0		3	Y
CEMENT														
11,37,700A 39,70,020B 43,14,600O 4,70,976D	10,85,516	79,90,234	39,32,658	26,623	Andhra Engineering Co., Ltd.	Andhra Cement Co.	{161 16 7‡	A. 100 B. 10 O. 10	7 8 0 12	10 0* 1 0*	10 0 1 0		12	Y.P.T.
18,13,132		18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	1¼	D. 1	*Nil*	*Nil*	*Nil*		3	Y.P.
12,71,66,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	212‡	100	9 8	9 8	8 8	10 0	7	Y.
60,99,000O 26,50,000O 5,00,000D 61,91,030O 7,60,000D	48,20,901	89,92,667	29,67,544	2,86,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	253‡ 3 4‡ 3 4‡ *Nil* 34½	O. 25 O. 2½ D. 1 0-1 3/5 O. 25 7–0½ D. 5	1 0 0 2½ *Nil* 1 4	1 0 0 4 0 4 0-1 3/5 *Nil* 0 4	1 0 0 4 0 4 0-1 3/5 0 4 *Nil*	1 14 0 6	12 3	Y.P.T. Y.P.
59,73,000	14,00,000	1,46,64,600	47,05,770	3,31,546	Essen Ltd.	India Cements Ltd.	173¼	100	6 0	6 0	8 8		12	Y.P.
75,00,000	28,50,000	1,88,78,057	68,96,459	2,77,144	Shree Digvijay Cement	Shree Laxmi Agents Ltd.	78	10	0 8	0 8	0 8		12	Y.
50,00,000	20,95,000	1,83,30,128	1,41,94,359	88,454	Martin Burn Ltd.	Sewalloy Portland Cement	73	10	0 8	0 8	0 8		12	Y.
	20,95,000	1,83,30,128	1,41,94,359	88,454	Martin Burn Ltd.	Sewalloy Portland Cement	73	10	0 8	0 8	0 8		12	Y.
50,00,000	....	1,04,00,851	34,33,980	2,75,464	Easel Ltd.	Travancore Cements Ltd.	102	10	0 8	0 8	0 10	0 8l	12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	2,00,000	62,32,603	26,81,552	17,540	Bharat Ram Bhagat & Co.	Bengal Potteries	3‡	2½

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs	Rs.	Rs.	Rs	Rs.			Rs	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	35,61,841	2,00,40,004	1,45,07,804	1,73,122	Balmer Lawrie & Co.	Bengal Paper Mills	123xd	25	1 0	Nil	1 9	2 3f	6,12	H.P.T.
80,00,000	23,44,805	1,10,02,828	74,22,575	2,10,695	Andrew Yule & Co., Ltd.	India Paper Pulp	22½	10	1 0	1 9				
25,00,000	16,12,500	1,18,13,367	47,51,061	49,179	R.P.Ramakrishnan Esq. (Gen.Manager)	Mysore Paper Mills	18½	10	5 0	6 0	7 0	0 11 1/5f	8,9	H.
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,582	Birla Bros.	Orient Paper	33⅓	10	1 0*	1 0*	0 12*		3	Y.
50,06,290	98,16,849	1,28,42,714	75,84,970	3,23,451	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	19½	10	1 0	1 0	0 7		3,9	H.P.T.
80,00,000 / 10,00,000A.	6,52,694	53,19,789	29,44,824	6,038	Baloria & Co.	Star Paper Mills	13XR / 12XR	O. 10 / A. 10	0 12 / 0 8	0 12 / 0 12	0 8 / 0 8	0 12f	3,9	H.P.T.
56,00,000A. / 56,04,800B. / 4,37,500P.O.	3,07,07,316	5,39,14,072	3,13,50,222	89,160	P. W. Hellgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	46⅛ / 46⅛ / 4½	A. 10 / B. 10 / P.O. 2½	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	0 12 / 0 12 / 0 2	1 0*f / 0 2f	3,9	H.P
PRESSING														
4,00,000	6,12,365	15 78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	Nil	9	Y
4,80,000	1,00,000	6,89,526	4,78,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	7 0	5 0	5 0	7	Y
5,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	7	Y
PROPERTY AND LAND														
10,00,7800. / 2,00,000D.	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq. & others (Directors)	Humayun Properties	13½ / 2½	O. 10 / D. 1	0 8	0 11½ / 4/6	0 9 8/5		9	Y.P.
80,00,000	18,90,088	84,21,336	15,00,000	850	David Sassoon & Co., Ltd.	Port Canning Land	15f	100	1 0	1 8	1 8			
94,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	36f	100	2 0	1 8	4 0	3 0	4	Y.
													4	Y.P
SAW MILLS AND TIMBER														
18,99,998	25,23,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	5½xdN	5	0 4	Nil	Nil			
80,00,000 / 42,00,000	4,13,57,280	3,35,90,682	1,47,51,851	61,090	Wallace & Co.	Bombay-Burmah Trading Corpn.	57½ / 200	Old125 / New50	22 8	15 0 / 6 0	20 0 / 7 0	37-8 / 16-0	9 / 5	Y.
6,00,000	....	7,28,569	7,26,267	—4,59,907	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	Nil	Nil	Nil			
20,00,000	18,15,487	18,19,049	18,53,015	1,79,568	Gillander Arbuthnot & Co., Ltd	Indian Wood Products	44½	10	3 0	2 8	2 12	1 0f	6	Y.P.
													9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	9½	5	Nil	Nil	0 12			
12,00,000A. / 3,00,000B.	29,18,356	49,46,285	33,16,660	16,50,000.	Narang Bros & Co., Ltd.	Rasti Sugar	166xdN / 14A / 11½	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	0 12 / 1 0	0 1	6	Y.
19,49,050	5,50,000	31,91,657	23,38,812	49,906	Bangor Bros., Ltd.	Belsund Sugar	7½	10	0 12	0 12	0 12		4	Y.
15,00,000	18 85,319	45,47,886	11,87,841	26,084	Cotton Agents Ltd.	Bharat Sugar	18xdN	10	1 8	1 8	1 8		6	Y.
32,00,000	26,79,431	1,35,76,859	88,78,177	61,722	Gladstone Lyall & Co., Ltd.	Carew & Co.	11½	10	Nil	Nil	1 8		6	Y.P.
15,00,000	53,02,941	1,00,12,353	81,82,451	59,696	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	26½	10	2 0	2 0	0 12		6	Y.P.T.
18,00,000	38,04,891	72 85 757	63,46,092	24,019	Begg Sutherland & Co., Ltd.	Champarun Sugar	34½	10	2 0	1 0	1 0		6	Y.P.
5,99,452	6,18,562	24,58,580	15,38,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	94N	10	0 8	1 0	0 12	1 8	6	Y.
85,00,000A. / 10,00,0000.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhra & Co., Ltd.	Hindustan Sugar Mills	260N / 50N	'A' 100 / O. 100	12 0* / 15 0*	15 0* / 15 0*	0 12		8	Y.T.
18 00,000	8,62,508	78,26,508	36,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	24 N	10	Nil	Nil			6	Y.P.
7,89,100	23,05,922	29,32,672	17,61,033	64,888	Cotton Agents Ltd.	Rasti Sugar Mills	42xdN	40	2 8	2 8			7	Y.P.
11,00 000	4,20,000	42,21,480	24,87,558	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	6	10	0 8	2 8	3 c		6	Y.P.
10,37,500A. / 2,71,875B.	49 84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mill	240N / 60N	100 / 25	20 0 / 5 0	20 0 / 5 0	0 4		5	Y.
77,48,500	52,22,414	1,75,96,483	88,00,000	26,922	Cotton Agents Ltd.	Oudh Sugar	120N	100	6 0	11 0	11 0		7	Y.P.
12,00 0 0	12,74,233	28,77,660	19 95,928	55,000	Narang Bros & Co., Ltd.	Punjab Sugar	120N	100	6 0	10 0	10 0			
15,00,000	15,98,919	35,23,095	29,32,249	3,957	Begg, Sutherland & Co., Ltd.	Purtalpore Co.	17	10	1 0	1 0	0 12		10	Y.
8,00,000	6 54,762	25,43,782	21,01,613	24 840	M.	Ryam Sugar	21N	10	1 0	1 0	0 12		10	Y
11,99,900	18,36,779	38,63,583	22 92 130	8,477	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	14	10	1 0	0 8	0 8		6	Y.P.
80,00,000	21,68,560	1,06,85,319	57,06,717	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13½xr	10	1 8	1 8	1 8	Nil	6	Y.P.
9,99,950	61,825	26,83,548	11,93,827	—3,98,358	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4½	10	0 6½	Nil	Nil	1 0f	6	Y.P.T.
7,95,462	18,82,940	31,60,735	17,68,008	1,06,227	Karamchand Thapar & Bros	Shri Sitaram Sugar	14½	10	1 0	5 0*	1 8*		8	Y.
9,15,000 / 4,40,000D.	47,592	27,27,402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	4N / 2½	O. 10 / D. 2½	Nil / Nil	Nil / Nil			8	Y.T.
8,00,000	20 87,588	33,26,115	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 0	0 8	2 8		10	Y.P.
16,00,000	7,99,778	32,06,650	25,98,846	39,061	James Finlay & Co., Ltd.	United Provinces Sugar	23	10	1 8	0 8	1 4		6	Y.P.
													9	Y.
Other Centres														
46,99,750	74,53,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company†	840xd	50	16 9	16 0	16 9	16 0	9	
50,000	11,90,010	21,58,888	19,76,042	28,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	15½	10	1 0	0 10	1 0		9	
15,93,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.)Ltd.	Gwalior Sugar	9N	10	2 0	Nil	1 0		6	
28,70,610	14,00,000	26,96,629	18,50,803	4,30,236	India Sugar Agencies Ltd.	India Sugar and Refineries	22½	10	2 8	2 8	1 12		9	
33,57,620	41,27,060	41,95,605	20,78,418	1,408	Govan Bros. (Rampur), Ltd.	Buland Sugar	14½N	10	0 12	1 0	1 0		8	
10,52,200A. / 2,87,190D.	67,50,000	84,86,942	27,56,542	2,346	V. Ramakrishna, Esq.	K. C. P. Ltd.	127xd / 90xd	O.100 / D. 10	7 8	7 8	7 8		10	
21,79,280	95,00,001	1,31,37,677	78,17,730	2,00,340	S. Muniniangappa Esq. (Managing Director)	Mysore Sugar	55	10	2 0	2 0	2 0		6	
50,00,000	48,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	148	50	8 0	8 0	8 0	2 0	6	
16,00,000	25,50,880	53,90,015	26,76,747	29,280	Anderson Wright Ltd.	Ramnugger Cane and Sugar	25½	10	2 0	2 0	2 0	8 0	9	
47,50,000 / 2,50,000	15,00,000	1,88,63,801	58,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	8½ / 8¾N	O. 10 / D. 2½	Nil	Nil	Nil		8	Y.P.T.
30,00,000	40,60,690	31,77,196	21,11,902	2,89,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	26f	10	1 4	1 4	1 4			
30,00,000	8,25,000	35,74,622	20,11,857	1,17,693	T. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 4	1 4	1 4		8	Y.P.T.
30,00,000	22,47,883	1,00,39,510	89,87,580	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	4½xdN	10	0 4	0 3 1/5	0 3 1/5		8	Y.
30,01,400	32,94,253	65,31,988	32,21,988	1,49,717	O. T Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	197	100	20 0*	20 0*	18 0	2 8f	12	Y.
20,00,000	7,99,470	67,53,550½		1,21,733	Lovelock & Lewis	Birds Investment Ltd.	19	10	1 4	1 4	1 4		12	Y.P.
45,97,020	26 44,814	1,00,74,580	29,49,001	1,06,548	K. Julian Scott Esq. (Mg. Director)	Britannia Biscuits	15	10	0 12	1 0	1 0	1 0	9	Y.
3,25,00,000	1,00,82,962	2,69,29,657	2,07,14,167	2,81,143	Sir Robert Menzies	British India Corporation Ltd.	12½	5	0 10	0 8	1 0		3	Y.P.
1,50,00,000	1,79,00,000	4,83 17,964	3,08,53,184	11,58,891	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	34	10	1 8	1 8	1 8		12	Y.P.T.
1,29,00,000	53,05,753	1,84,59,913½		3,13,808	Bird & Co., Ltd.	Eastern Investments Ltd.	178	100	1 8	1 8	1 8		12	Y.P.
14 00,000	9,97,000	33 18,800	18,66,225	52,822	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	194	100	2 0	1 0	1 0		12	Y.P.T.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	15xd	10	1 0	1 0	0 12		12	Y.P.
80,00,000	11,42,354	80,99,433	29,41 525	1,666	B. P. R Syndicate	Great Eastern Hotel	240	250	15 0	7 8	7 8	7 8f	3	H
12,42,800	9,57,964	73,31,701	53 80,659	26,536	Birla Bros., Ltd.	Hind Cycles	100N	100	8 0	8 0	6 4	1 6 2/5	3	Y.
4,96,12,550	....	3,05,00,214	80,52,719	4,54,999	Birla Bros., Ltd.	Hindustan Motors	9½	10	1 0	Nil	Nil		3	Y.
1,50,00,000	26,77,754	3,95,21,557	1,54,14,699	2,96,891	J. W. Cameron, Esq.	Indian Aluminium Co.	205xd	100	Nil	Nil	Nil		12	Y.P.T.
1,52,89,220	1,20,50,000	1,55,72,391	57,17,651	28,98,462	A. R. Driessen, Esq.	Indian Cables	83½	10	5 0	Nil	Nil		8	Y.
8,27,970	5,35,000	16,40,508	8 96 110	82,816	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers	13½	10	1 0	1 0*	1 0*	4 0f	12	Y.P.
15,16,00,000	7,25,76,683	3,55,94,047	1,17,45,408	25,00,733	Mr. Eric Henry Hare (Chairman)	Imperial Tobacco Co. of India Ltd.	14½	10	1 0	0 12	1 0	1 4*	12	Y.P.T.
3,00,00,000	55,29,566	94,33 960	50,60,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	108	100	10* 0	7 8	0 9 5/5	0 12 4/5	9	Y.P.
9,24 0000	8,48,348	6,89,880	4,81,766	2,240	James & Co., Ltd.	Macfarlane & Co.	2½	O. 5	0 6½	Nil	Nil	1 0*	8	Y.P.
66,0000 D.								D. 1	Nil	Nil	Nil		3	Y.T.
40,00 0000 / 8,00 000D.	72,01,900	25,16,760	7,97,301	1,87,834	A. T. Dolg, Esq. (Mg. Director)	McLeod & Co.	210N	O.100	7 8	10 0	7 8	17 0	8	Y
1,80,96,750	58,14,868	19,97,616	8,95,141	2,52,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	28½	D.0.10	0 4	1 0	1 0	1 8 1/5	12	Y.P.
1,16,00,000	44,50,000	1,76,84,805	67,87,467	16,48,141	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd.	26½xd	10	1 6	1 6*	1 6		12	Y.P.
6,25 255	1,53,858	7,81,449	2,60,987	—15,229	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	10	10	1 0	1 0	1 0		9	Y.P.
6,56 250	9,55,118	10,40,250	4,40 947	73	G. Chandy, Esq. (Controller)	Mysore Lamp Works	4-10½	10	Nil	Nil	Nil	1 4	9	Y.P.
10,00,000	1,23 000	15,18,148	8,10,626	20,914	T. Shamanna, Esq. (Chairman);	Mysore Tobacco	14½	10	1 0	1 0	1 0		12	Y.
40,00,000	51,21,172	59,09,527	39,20,120	2,22,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co.	10½	10	1 0	1 0	1 0		12	Y.P.
79,97,000	31,15,337	1,14,74,878	52,77,582	9,03,430	B. N. Elias & Co., Ltd.	National Tobacco Co.	20½	10	0 12	1 0	1 0	1 8*	8	Y.T.
40,00,000	37,00,000	44,15,474	19,71,434	1,31,468	Coromandel Investment Trust Ltd.	Parry & Co.	11½	10	Nil	Nil	Nil		12	Y.P.T.
2,25,00,000	9,41,564	1,01,45,956	43,79,929	—23,97,067	T. A. Lykiardopulo, Esq.	Rallis (India) Ltd.	5-6xd	5	0 4 4/5	0 4 4/5	0 4 4/5		12	Y.P.
1,14,00,000	1,17,70,206	6,94,43,187	3,00,81,612	4,46,951	Sahu Jain Ltd.	Rohtas Industries	37½	100	Nil	Nil	Nil		12	Y.P.
40,00,000	98,51,062	1,19,12,218	70,10,822	4,54,537	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22½	10	1 0	1 0	1 0		12	Y.P.T.
75,00,000	49,00,000	13,98,965‡	4,10,784	3,63,651	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	19½	10	1 8	1 8	1 8		10	Y.P.T.
9 94 880	1 50 000	14 56 885	3 40 446	—2 06 050		Ogale Bros., Ltd.	16	10	1 0	1 0	1 4		12	Y.P.
						Travancore Ogale Glass	8½	10		Nil	1 0	0 8f	6	Y.P.
													12	Y.

‡‡ Investments at cost. * Includes bonus. § Existing Rs. 1,49,01,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,617	....	McLeod & Co., Ltd.	825	Amlokie	300N	100	7 8	25 0	30 0		12	Y.P.
3,50,000	8,43,250	10,09,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	44N	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	41	10	Nil	2 8	8 0*		12	Y.
5,50,000	11,21,541	16,05,977	6,44,387	93,088	McLeod & Co., Ltd.	513	Baghmari	22½	10	Nil	Nil	3 8		12	Y.
2 10,000	8,50,000	11,69,103	3,39,401	93,033	Andrew Yule & Co., Ltd	369	Basmatia	32xr	10	2 0	2 8	3 0		12	Y.
3,30 000	4,05,000	10,11,263	6,46,265	18,304	National Tea Corporation	269xd	Bateil	5	0 4	2 0	4 0			12	Y.
3,20,000	8,70,000	9,80,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	45	10	Nil	2 0	10 0*		12	Y.
16,50,000	20,50,000	52,30,169	22,95,199	1,99,547	Williamson Magor & Co., Ltd.	3,997	Bishnauth	35½	10	Nil	3 8			12	Y.
6,00,000	2,53,500	10,49,416	2,08,130	61,929	Octavius Steel & Co., Ltd.	485	Bokakhat	21	10	Nil	Nil	1 0		12	Y.
7,50,000	6,52,400	8,92,327	2,33,050	1,44,105	McLeod & Co., Ltd.	450	Bormah Jan Tea	10½	10	Nil	0 12	3 8		12	Y.P.T.
35,00,000	11,92,045	73,59,473	19,43,498	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	19½	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,00,426	5,55,983	1,85,593	6,542	McLeod & Co., Ltd.	282	Dejoo Valley	40	10	Nil	1 0	1 0		12	Y.
6,00,000	10,99,000	26,84,194	16,84,471	51,859	Jardine Henderson Ltd.	1,220	Desai & Parbuttia	425N	100	10 0	20 0	40 0		12	Y.
7,53,440	9,87,983	22,73,420	4,17,846	44,551	James Warren & Co., Ltd.	620	Dhelaikhat	10½	10	1 0	1 8	2 8		12	Y.
4,88,970	3,95,000	10,93,269	3,77,383	8,779	James Finlay & Co., Ltd.	544	Dhunsiri	25	10	1 0	2 0	5 0		12	Y.P.
4,50,000	6,75,000	9,00,834	2,06,817	54,692	McLeod & Co., Ltd.	458	Dibrugarh	25½	10	Nil	1 0	4 0		12	Y.
2,36,700	6,50,000	10,29,006	5,54,006	55,532	Williamson Magor & Co., Ltd.	611	Dimakusi	56	10	1 0	4 8	5 0		12	Y.P.
5,60,500	8,82,000	19,85,881	13,34,016	1,54,350	Williamson Magor & Co., Ltd.	615	Duffla hur	44xd	10	3 0	4 8	5 0		12	Y.P.
10,00,000	6,40,000	23,25,313	9,78,313	78,628	Williamson Magor & Co., Ltd.	1,160	East India Tea	21	10	0 4	2 8	3 8		12	Y.
3,60,000	5,05,000	8,25,214	4,30,235	5,897	L. C. Kanoi, Esq.	407	Gillapukri	31	10	Nil	1 12	3 0		12	Y.
3,33,000	7,20,000	15,56,000	7,95,000	88,210	Williamson Magor & Co., Ltd.	546	Gohpur	42	10	1 8	2 0	5 0		12	Y.
A.7,41,540 / B.3,61,185	15,26,850	30,58,902	6,17,945	56,376	Octavius Steel & Co., Ltd.	1,912	Grob	38 / A 10 / B 5	A 10 / B 1	2 0 / 1 0	3 0 / 1 8	5 0 / 2 8		12	Y.
8,00,000	8,75,000	7,76,574	2,68,800	84,780	Andrew Yule & Co., Ltd.	476	Hoograjuli	10xrN	100	Nil	2 0	3 0		12	Y.
3,70,000	11,47,716	18,90,576	10,80,837	1,45,234	Andrew Yule & Co., Ltd.	1,298	Hoolangooree	28N	100	Nil	12 8	56 0		12	Y.
7,50,000	7,85,000	14,15,642	2,87,369	97,186	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	27½	10	Nil	Nil	2 8		12	Y.
2,40,000	5,50,000	11,47,520	5,87,320	6,198	G. D. Ltd., Esq.	1,166	Kingsley-Golaghat (Assam)	355N	100	Nil	Nil			12	Y.P.
6,00,000	6,59,132	7,20,222	1,70,222	44,588	Duncan Bros. & Co., Ltd.	1,046	Ledo	21½	10	Nil	2 0	2 12		12	Y.
8,00,000	11,40,000	19,48,410	4,74,255	45,524	Octavius Steel & Co., Ltd.	612	Methoni	19½	10	Nil	1 8	4 8		12	Y.
4,80,000	2,50,000	9,01,152	1,01,152	10,713	Duncan Bros. & Co., Ltd.	673	Mohsema	27	10	Nil	Nil	Nil		12	Y.P.
4,80,000	7,22,454	14,47,850	3,83,783	53,403	Kesharl Baliea & Co., Ltd.	433	Mokhola	120xN	100	Nil	40 0	45 0		12	Y.
O 1,80,000 / P.O. 2,00,000	5,30,000	9,09,874	5,40,379	50,536	Andrew Yule & Co., Ltd.	344	Murphulani	27xr / P.O.10	O. 10 / P.O.10	2 0 / 2 8	2 8 / 2 8	4 8 / 5 0		12	Y.
5,00,000	2,61,274	6,00,338	3,80,669	9,567	S.C. Sen, Esq., Supervising Director	542	Naga Hills	51	10	Nil	2 0	3 0		12	Y.
5,35,000	....	12,71,401	6,78,401	5,053	M.	810	Namburnadi	19xd	10	Nil	Nil	0 81		12	Y.
5,00,000	2,60,000	5,94,477	1,94,447	22,913	Duncan Bros. & Co., Ltd.	937	New Cinnatolliah	160N	100	Nil	5 0	10 0		12	Y.
2,00,000	6,77,500	7,59,948	2,15,545	89,488	Andrew Yule & Co., Ltd.	353	Salgarh	48	10	Nil	2 8	7 8		12	Y.
9,00,000	6,56,802	17,12,490	7,10,249	5,645	L. C. Kanoi, Esq.	932	Sapoi	28	10	Nil	2 8	4 8		12	Y.
2,49,000	2,90,000	9,14,755	5,69,812	41,943	Williamson Magor & Co., Ltd.	452	Seajuli	33½	10	Nil	3 0	4 0		12	Y.
4,50,000	7,84,500	11,24,006	3,43,117	45,752	Octavius Steel & Co., Ltd.	515	Teen Ali	35	10	1 0	3 0	5 0		12	Y.
5,90,000	10,73,000	16,03,066	4,52,340	31,743	McLeod & Co., Ltd.	645	Teloijan	24½	10	Nil	2 8	5 0		12	Y.
4,00,000	7,85,127	9,55,320	2,43,134	26,892	Gillanders Arbuthnot & Co., Ltd.	503	Tengpani	120	10	0 12	2 8	6 8*		12	Y.
15,86,810	17,34,282	23,37,279	14,00,279	59,938	Shaw Wallace & Co., Ltd.	2,139	Tezpore	22½xr	10	Nil	2 8	5 0		12	Y.P
5,20,000	16,00,250	22,53,186	10,72,453	9,014	McLeod & Co., Ltd.	1,050	Tyroon	35xd	10	Nil	1 0	6 0		12	Y.
CACHAR															
5,00,000	1,75,000	5,20,768	1,79,876	—2,96,186	Gillanders Arbuthnot & Co., Ltd.	562	Arcuttipore	12½	10	Nil	Nil	Nil		12	Y.
7,00,000	16,70,000	12,02,031	4,06,165	—48,150	Octavius Steel & Co., Ltd.	649	Eastern Cachar	10	10	Nil	Nil	Nil		12	Y.
12,50,000	11,62,996	28,73,891	10,30,876	80,879	Octavius Steel & Co., Ltd.	2,154	Hatikhira	21½	10	Nil	2 8	4 0		12	Y.
4,50,000	1,67,837	2,97,260	7,468	11,616	Bullen Co., Ltd.	577	Kaltungpur and Kheroel	120	100					12	Y.
2,80,000	2,51,794	3,54,815	1,14,950	19,031	Duncan Bros. & Co., Ltd.	600	Kunchupore	14N	10	Nil	Nil	2 12		12	Y.
7,00,000	2,50,000	10,45,379	2,20,279	40,017	Andrew Bros. & Co., Ltd.	1,344	North-Western Cachar	10	10	Nil	Nil			12	Y.
1,84,050	....	2,16,007	15,678	—20,997	Octavius Steel & Co., Ltd.	487	Pathemara	16	10	Nil	Nil			12	Y.P.
2,50,000	3,16,592	5,89,110	1,98,783	23,602	McLeod & Co., Ltd.	638	Roopasherra	19½	10	Nil	Nil	1 8		12	Y.
3,00,000	2,85,514	5,16,987	1,91,806	40,497	Duncan Bros. & Co., Ltd.	1,120	Rungamatee	30	10	Nil	10 0	17 8		12	Y.
4,00,000	5,51,718	10,16,960	3,28,644	—62,256	Davenport & Co., Ltd	662	Sonai River	21	10	Nil	Nil	1 4		12	Y.P.
DARJEELING															
8,79,900	1,25,000	3,32,330	50,759	19,147	Williamson Magor & Co., Ltd.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,60,000	3 72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	5½	2	0 8½	0 4	0 4			
17,04,160	15,18,787	32,07,456	5,28,906	1,21,059	Cons. Coffee Estates (Secretaries)	Cochin Malabar	20½cd	10	0 9 3/5	0 12	0 12	0 4 4/5	5	Y.P.
18,00,000	15,60,195	32,07,456	5,28,906	1,21,059	R. C. Peterson, Esq.	Coffee Estates (Secretaries) ..	24½cd	10	0 14 2/5	0 4 4/5	0 8	1 12 4/5	6	Y.P.
42,70,000	63,22,799	1,07,72,343	19,78,244	5,42,824	Associated Planters Ltd.	Consolidated Coffee	17½cd	10	1 8*	1 8	1 8	1 12*	6	Y.P.
5,00,000	2,76,708	6,55,957	48,764	7,764		Cottanad Plantations	17½	10	1 0	1 4	2 8			Y.P.
18,00,000	9,95,543	22,72,470	4,51,952	53,920	A. V. Thomas & Co., Ltd.	Highland Produce	24½	10	2 0	2 0	2 0		12	Y.P.
4,00,000	10,16,061	10,85,666	1,89,566	11,970	A. V. Thomas & Co., Ltd.	Kalhetta Estates	28½	10	3 8	0 8	2 4		4	Y.P.
9,00,000	7,28,329	18,44,917	2,55,893	....	K. T. Thomas Kathanar, Esq.	Malankara Rubber	20½	10	1 8	1 8	1 12*	2 4	3	Y.
27,00,000	27,85,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd.	Midland Rubber	23½	10	0 10	0 12	1 8		12	Y.P.
3,85,000	2,81,000	14,31,422	1,45,281	18,146	A. V. George & Co., Ltd.	Nenmony Rubber	12½	10	1 0	1 0	1 0		12	Y.P.T.
2,00,000	2,99,688	7,20,895	44,185	8,690	Associated Planters Ltd.	Nilambur Rubber Co.	5½	2	0 3½	0 3½	0 9 3/5		12	Y.P.
19,45,980	24,01,085	37,40,284	10,24,385	69,334	Pelrce, Leslie & Co., Ltd. ..	Onchterloney Valley Estates	5½cd	2	0 8½	0 8½	0 9 3/5		12	Y.P.T.
13,50,000	6,60,000	39,49,798	3,06,746	54,658	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	21	10	1 8	1 12*	1 12*		6	Y.P.
5,66,780	2,50,000	5,94,562	49,313	89,904	Pelrce, Leslie & Co., Ltd.	Savanvalai Estates Ltd. ..	2½	10	3 0	3 0	2 8		11	Y.
10,00,000	3,09,600	21,81,045	1,32,858	1,227	East India Agencies	Teckoy Rubber (India) Ltd. ..	10½cd	10	0 14½	0 14 2/5	0 12		8	Y.P.T.
2,50,000	2,37,500	5,29,518	27,925	15,715	A. V. George & Co., Ltd. ..	Thamaraiyaly Rubber	30	10	2	3 0	3 0		12	Y.P.
3,10,200	2,75,005	7,98,048	62,162	17,826	Pelrce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4	0 4½	0 0 13/5		9	Y.
6,00,000	45,474	7,49,611	1,11,209	3,744	Kajen Thomas, Esq. (Mg. Director)	Travancore Rubber	22½	10	2 0	2 2	2 0		12	Y.
41,00,000	14,39,573	74,89,997	7,65,148	$8,28,925	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
50,00,000	90,000	25,53,508	5,65,978	2,276	P. T. Thomas, Esq. (Mg Director).	Tropical Plantations Co.	40½	25	2 8	3 0	3 0		12	Y.
5,98,500	87,65,700	1,93,97,443	79,46,416	21,362	Harrisons & Crossfield Ltd.	Valkumdam (Travancore) Rubber	27	10	2 4	2 2	2 4		12	Y.
6,28,580	4,40,670	7,77,154	14,119	$27,816	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	18½	10	*Nil*	1 0	1 8	2 0	3	Y.P.
1,65,000	87,259	3,55,239	17,483	5,824										

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	56,00,000	97,35,670	52,40,244	1,03,978	B. N. Elias & Co., Ltd.	879	Azarpara	13½	10	1+1	1+1	1+1		3,9	H.T.P.
5,00,000	9,50,000	51,48,938	35,31,395	94,086	McLeod & Co. Ltd.	446	Alexandra	245xd	100	*Nil*	*Nil*+2½	2½+5		6,12	H.T.
30,00,000	9,84,130	1,17,45,964	91,71,089	2,55,797	McLeod & Co., Ltd.	1,264	Ajmere	160	100	*Nil*	*Nil*+5	5+8		6,12	H.P.
49,20,700	71,94,144	2,71,97,506	1,82,90,000	1,41,421	Duncan Bros. & Co., Ltd. ..	2,561	Ankhand	210	100	10+10	7½+5	2½+5	5+	3,9	H.P.
40,00,000	43,98,598	1,78,35,857	85,90,086	1,14,253	Bird & Co., Ltd.	959	Auckland	136	100	5+4	2+2	1+2½	6+	3,9	H.P.
30,00,000	25,98,186	98,25,857	65,19,459	18,759	Jardine Henderson & Co. ..	959	Bally	173	100	*Nil*	4+*Nil*	*Nil*		3,9	H.T.P.
£375,000	£631,522	£1,666,589	£1,008,227	£64,858	Sir John H. Burder (Chairman)	1,889	Bansagore	£1	65	£1	£1	£1	£1	3,9	H.P.
25,00,000	25,49,623	89,72,503	49,51,944	63,428	Andrew Yule & Co., Ltd.	820	Belvedere	185	100	7½+7½	7½+7½	5+5	5+	3,9	H.P.
46,00,000	86,46,505	55,76,891	29,60,822	2,95,071	Soorajmull Nagarmull	600	Bengal	1	10	1	1½	1½		6,12	H.P.
91,25,000	2,15,77,044	3,32,42,992	29,72,760	3,12,630	Birla Bros., Ltd.	1,873	Birla	8	8	1	1	1		3	Y.T.
26,00,000	29,62,926	1,11,78,690	72,87,911	1,81,163	Andrew Yule & Co., Ltd.	991	Budge-Budge	186	100	6½+6½	6+4	4+5	5+	3	Y.P.
7,47,380	3,16,924	41,38,990	29,87,611	2,610	Dayaram & Sons	502	Calcutta Jute Mfg. ..	18	10	0+8	*Nil*	1½		4,10	H.P.
18,00,000	22,31,234	77,55,567	41,06,135	74,452	Andrew Yule & Co., Ltd.	616	Caledonian	180	100	6+6	6+6	4+5		6,12	H.P.
59,16,400	98,80,409	2,20,70,157	1,08,36,578	98,277	James Finlay & Co., Ltd.	1,700	Champdany	240	100	7+8	8+8	*Nil*+8	4+	5,11	H.
15,95,000	80,14,223	80,99,478	58,38,386	54,275	Andrew Yule & Co., Ltd.	600	Chandernagore	240	100	6+6	6+6	6+8	6+	3,9	H.
20,15,000	38,25,000	60,78,514	46,01,290	1,52,253	McLeod & Co., Ltd.	500	Chhtavalsah	16½xd	10	2½+1½	1½+½	1+1		5,11	H.P.
16,00,000	17,09000	78,04,949	54,24,480	18,647	Shree Krishna Investment Co., Ltd.	766	Clive	128	100	6+1	1+8	1+1½		6,12	H.T.P.
31,49,200	83,41,510	93,93,888	51,88,888	1,81,267	Harrisons & Crossfield Ltd. ..	779	Delta	256	100	10+10	10+10	6+6	5+	3,9	H.P.T.
24,00,000	44,74,179	75 27,581	46,70,110	94,604	Andrew Yule & Co., Ltd.	500	Empire	221xd	10	2+1	1+1	*Nil*	1+	5,11	H.P.
15,00,000	33,50,000	81,08,824	59,15,560	1,43,894	McLeod & Co., Ltd.	1,884	Fort Gloster	480xd	100	10+*Nil*	*Nil*	*Nil*	2+	6,12	H.T.P.
21,00,000	59,60,976	2,72,34,353	1,87,05,841	71,982	Ketlewell Bullen & Co., Ltd.	1,014	Fort William	10	100	*Nil*	*Nil*+5	10+10	10+10	3,9	H.P.T.
14,00,000	17,75,000	84,16,102	53,69,759	1,16,743	Bangur Bros., Ltd.	1,014	Ganges Mfg.	88	100	*Nil*	*Nil*+*Nil*	*Nil*+½	2½+	5,10	H.T.P.
84,32,100	4,67,566	2,04,08,827	1,80,19,226	1,23,024	Macneill & Barry Ltd.	1,800	Gondalpara	300	100	30	15	*Nil*	2½+	5,9	H.P.
10,80 000	28,00,000	71,52,963	48,45,593	—2,763	Gillanders Arbuthnot & Co., Ltd.	607	Gouripore	320	100	13+*Nil*	*Nil*+8½	2½+7½	7½+	5,9	H.
24,30,405	31,30,405	3,12,25,513	1,64,90,218	1,04,669	Macneill & Barry Ltd.	1,304	Hastings	114N	100	10	10	10+10	11½+	3,9	H.P.
40,00,000	55,68,284	99,03,890	57,88,999	3,27,745	Bangur Bros., Ltd.	1,078	Hooghly	42	10	1½	1½	1½		3	Y.P.
16,80,000	18,52,626	66,38,225	45,81,416	82,401	Gillanders Arbuthnot & Co. Ltd.	720	Howrah	27½	10	1+½	1+1	1+1		3	Y.P.
65,52,500	64,54,528	1,58,96,868	1,06,71,020	92,110	Jardine Henderson Ltd.	1,940	Hukumchand	30	5	3	3	3	3+	3,9	H.
52,50,000	23,00 000	2,58,15,937	1,54,15,937	1,19,762	Ramdutt Ramkissendas	2,272		154	10	2	2	2		3	H.P.
O. 87,00,000 } D. 30,00,000 }	18,75,000	1,20,99,497	70,70,146	46,863	Mackinnon Mackenzie & Co. ..	1,076	India	186	D. 1	As.1+1	a2/5+2/5	*Nil*+a3/5	As. 2/5 †	3,9	f.P.T.
24,00,000 } B. 19,20,000 }	23,52,283	1,37,58,585	1,23,68,657	24,686	Jardine Henderson Ltd.	1,797	Kamarhatty	165	'B' 100	8½+6	6+8	3+5	2½+	6,12	H.
60,00,000 } B. 24,00,000 }	18,77,589	1,82,79,085	99,85,481	19,297	Jardine Henderson Ltd.	1,527	Kankinarrah	124	100	8½+6	6+8	3+5	2½+	6,12	H.P.
								119	'B' 100	6+4	5+2½	2½+4	1+		
								289	100	6+4	5+2½	2½+4	1+	6,12	H.P.
$1,00,000	49,50,000	1,12,88,750	79,26,276	1,70,687	McLeod & Co., Ltd.	708	Kelvin	165	100	10+18	10+7½	7½+5		6, 12	H.
54,00,000	33,33,375	1,71,07,988	1,15,44,027	57,501	Anderson Wright Ltd.	1,550	Khardah	200	100	10+7	7+5	5+5		3, 9	H.
48,00,000	1,04,52,175	3,29,68,071	1,11,12,348	32,590	F. W. Heilgers & Co.	1,255	Kinnison	126	100	7+8	8+5	5+5	5+	3,9	H.
24,48,000	50,23,781	1,89,60,448	79,72,940	11,182	Bird & Co., Ltd.	931	Lansdowne	140	100	11+4	8+8	2+4	5+	3,9	H.
35,00,000	60,69,021	1,15,13,266	69,52,123	14,440	Bird & Co., Ltd.	840	Lawrence	96	100	21+24	24+24	*Nil* 24	5+	3,9	H.
51,65,500	38,14,412	1,99,74,174	1 21,64,814	1,32,079	Mackinnon Mackenzie & Co.	1,008	Mesnu	118	100	6+*Nil*	*Nil*	*Nil*	2½+	3,9	H.
84,32,100	41,12,992	1,82,29,295	96 26 821	—4,25,342	P. W. Heilgers & Co.	815	Nalhati	184	10	2+2	*Nil*+½	2	*Nil*+	3,9	H.
20,00,000	15,55,000	38,96,517	17,70,798	10,474	Howrah Trading Co., Ltd. ..	425	Naskarpara	31½	10	1+1	1+1	1+1		3,9	H.
23,00,000	44,29,326	98,80,298	9,84 389	1,35,088	Andrew Yule & Co., Ltd.	852	National	12½	10	1+1	1+1	1+1	1+	4,10	H.
26,25,000	24,50,000	26,82,794	20,20,619	1,48,752	McLeod & Co., Ltd.	816	Nellimarla Jute	18	10	10+12	12+12	12+2	10+	6,12	H.
$1,50,000	24,13,033	50,02,615	25,21,978	5,017	Saha Jain Ltd.	709	New Central	25½	10	1+½	1+1	1+1		6,12	H.
16,79,880	52,89,692	1,15,06,772	60,85,786	65,116	Bird & Co., Ltd.	567	Northbrook	46½	50	1+*Nil*	*Nil*+½	*Nil*+½	1+	3,9	H.
66,79,500	21,44,695	2,15,35,514	1,39,33,886	45,550	Macneill & Barry Ltd.	1,696	Nuddea	172	100	3+6	6+6	*Nil*+½	6+	3,9	H.
24,91,000	27,81,049	71,59,178	49 21,990	68,005	Andrew Yule & Co., Ltd.	601	Orient	6½	5	*Nil*	*Nil*+½	1+		5,11	H.
13,50,000	6,60,000	39,49,798	3,06,746	54,658	A. V. Thomas & Co., Ltd.	400	Presidency	71	10	*Nil*	*Nil*	*Nil*	*Nil*+	6,12	H.
5,66,780	2,50,000	5,94,562	49,313	89,904	Pelrce, Leslie & Co., Ltd. ..	260	Rameshwara	12½	10	0 14½	0 14 2/5	0 12		8	Y.
10,00,000	3,09,600	21,81,045	1,32,858	1,227	East India Agencies	1,276	Reliance	18½	10	2	3 0	3 0		12	Y.P.T.
2,50,000	2,37,500	5,29,518	27,925	15,715	A. V. George & Co., Ltd.	2,013	Sampoogur	10%	10%	10%	10%	10%		3,9	H.
3,10,200	2,75,005	7,98,048	62,162	17,826	Pelrce, Leslie & Co., Ltd.	911	Shree Ambica	1	10	0 4	0 4½	0 0 13/5		6,12	H.
6,00,000	45,474	7,49,611	1,11,209	3,744	Kajen Thomas, Esq. (Mg. Director)	401	Soorah	224	10	2 0	2 2	2 0		12	Y.
41,00,000	14,39,573	74,89,997	7,65,148	$8,28,925	Aspinwall & Co. (Travancore) ..	650	Standard	13½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
50,00,000	90,000	25,53,508	5,65,978	$110,316	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	40½	25	2 8	3 0	3 0		12	Y.
5,98,500	87,65,700	1,93,97,443	79,46,416	21,362	Bird & Co., Ltd.	1,326	Union	190	100	10+1	1+4	1+8		6, 12	H.
6,28,580	4,40,670	7,77,154	14,119	$27,816	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	13	£1	10%	10%	10%	5%	3,9	H.P.
£400,000	£488,035	£1,092,723	£37,772	£5,624	McLeod & Co., Ltd.	465	Waverley	6½xd	1	*Nil*	*Nil*+¼	1+	5%	12	Y.P.
3,50,000	4,96,000	55,94,678	37,77,741	35,624										6,12	H.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	35,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	24½	10	8+8	8+8	8+8	8+	3,9	H.
12,00,000	8,84,319	35,77,312	35,73,512	12 449	Jardine Henderson Ltd.	Bararee Coke	21½	10	8/5+	7/10+7/10	8+7/10	8+	3,9	H.
4,49,350	70,000	8,49,159	5,60,966	4,961	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6N	10	1	1	1		3,9	H.
1,00,00,000	1,34,49,223	5,81,71,227	3,82,07,119	7,80,965	Andrew Yule & Co., Ltd.	Bengal Coal	557	200	20+20	17½+15*	15*+15*	17½*‡	6,12	H.
3,25,000	4,96,221	25,54,535	23,57,553	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	12½	10	8 + 8	*Nil*	*Nil*		4,10	H.
15,97,000	4,78,558	27 70,102	22,77,364	13,486	H. Y. Low & Co., Ltd.	Bhalgora	6½	10					6,12	H.
40,00,000	14,81,010	1,80,60,104	95,96,780	13,644	Saha Jain Ltd.	Bharat Collieries	8½	10					9	Y.
10,00,000	15 09,580	52,49,025	37,09,987	—1,85,126	F. W. Heilgers & Co. Ltd. ..	Bhulanbarree	14½N	10	½ *Nil*	*Nil*	*Nil*	*Nil*+	6	Y.T.
7,15,000	15,35,857	85,90,086	49,74,841	—1,36,136	Anderson Wright (Ramgarh), Ltd.	Bokaro Ramgur	14½N	10	*Nil*				6, 12	H.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,136	F. W. Heilgers & Co., Ltd.	Borrea	80	10	£1	£1	£1	£1	6, 12	H.
7 50,000	25,50,000	42,07,556	26,07,091	68,056	Bird & Co., Ltd.	Burrakur	14½	10	1½+1½	1½*+1½*	1+ 1	1+	6, 12	H.
90 92,480	1,76,70,564	4,16,32,554	1,80,95,440	1,40,510	Hindustan Investment Corpn., Ltd.	Central India	7½	10	*Nil*	1+ 1	1+ ½	1+	6, 12	H.
49,97,750	....	....	4,907	Central Kurkend	12½xdN	10	*Nil*					6, 12	H.P.	
8,00,000	18,54,802	49,10,414	23,83,984	82,788	M.	Charlia	8	4					6, 12	H.
8,00,000	1,43,698	7,58,484(k)	....	12 201	F. W. Heilgers & Co., Ltd. ..	Dhemo Main	8½	10	½ + ½	½ +			6, 12	H.
16,00,000	1,20,000	52,67,321	28,91,190	—2,43 279	Macneill & Barry Ltd.	East Indian	31½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.
£240,000	£361,496	£444,408	£11,181	£48,517	Jardine Henderson Ltd.	Equitable	33½xd	10	½(f)	2½	2½	1½	4	Y.
29,03,760	76,84,250	3,59,97,499	2,87 14,267	93,266	Macneill & Barry Ltd.	Ghusick and Musha ..	15N	10	2 +1½	1 + ½	1 + ½	1+	6, 12	H.P.
10,00,000	2,11,139	9 72,731	3,23,963	40,284	Bhatter'. Assocy Ltd.	Hindit-Rampur	43	50					3	H.
12,00,000	1,22,000	39,02,565	30 90 924	5,226	Killick Industries Ltd.	Hurtladih	24½xd	10	½	½	*Nil*	2 4	6	Y.
6,00,000	6,75,000	21,43,057	18,51,214	65,461	Macneill & Barry Ltd.	Jorta Coal	2½	10	2 + ½	2+ ½	2 + 1	1½+	6, 12	H.
23,.'.000	1,08,877	31,71,015	10,54,248	—1,96,248	Bajpaie Trust Ltd.	Kalapahari	22½N	10	1½+1½	1½+ 1	*Nil*	*Nil*	12	Y.
3,50,000	2,07,448	13,58,458	7,06,130	....	Andrew Yule & Co., Ltd.	Karanpura Collieries ..	168	100	2	½	*Nil*	2	6	Y.
20 00,000	17,825	20,07,891	1,47,150	2,661	Bird & Co., Ltd.	Katras Jherriah	63½	10	2 + ½	2 + 2	2 + 2	2+	3,9	H.
5,00,000	15,00,000	45,16,229	35,55,877	1,26,123	Andrew Yule & Co., Ltd.	Khas Kajora	5N	10	*Nil*	*Nil*	*Nil*	2½+8	1, 7	H.
1,38,600	5,72,960	12,56,941	5,72,960	—2,80,226	Bertwala & Co.	Kusardi	44N	10					6, 12	H.
11,00,240	84,314	16,72,961	10,41,868	—41,288	H. Y. Low & Co., Ltd.	Lakurka	10N	10					6, 12	H.
9,00,000	11,86,418	26,96,295	22,97,987	2,585	H. Y. Low & Co., Ltd.	Nasira	7	10					4	Y.
7,48,240	1,50,000	11,58,128	3,96,636	25,593	S. P. Tantia, Esq.	New Bansdeopur	10N	10					6, 12	H.
7,00,000	26,617	10,33,740	5,20,295	4,540	Amrita. Ojha & Co., Ltd. ..	New Beerbhoom		10					6, 12	H.
17,76,220	19,41,763	1,17,95,498	87,10,712	96,478	Andrew Yule & Co., Ltd.	New Manbhoom	21	10	*Nil*+				4 10	H.
6,00,000	....	85,000	24,44,998	16,58,980	Octavius Steel & Co., Ltd. ..		12	10	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	H.
1,15,090 } 1,87,500 }	2,47,998	12,96,801	8,28,607	18,249	Andrew Yule & Co., Ltd.	North West	21½N	10	1	½ + *Nil*	*Nil*	*Nil*	3,9	H.
1,60,000	12 21,853	8,97,666	8,97,666	1,86,581	F. W. Heilgers & Co., Ltd.	Ondal	18N	10	1 + 1	1 + 1	*Nil*	1+	6, 12	H.
10,00,000	1,10,000	39,70,962	17,99,658	3,808	K. C. Thapar & Bros.	Oriental Coal	9N	10			*Nil*		6, 12	H.
5,94,000	12,948	17 42,596	8,01,923	7,443	Deepchand Kishendas	Parasea	14N	10	*Nil*				12	Y.
15,75,000	15,00,000	46,12,471	34,02,471	33,203	Shaw Wallace & Co., Ltd. ..	Pench Valley	25½	10					6, 12	H.
28 99,500	18,67,105	1,19,98,389	83,92,615	53,013	N. B. Elias & Co., Ltd.	Ramegunge	12	10	½ + ½	*Nil*	*Nil*	2+	3,9	H.
18 90,000	9 08,388	24 68,21.	20,84,214	23,975	Shaw Wallace & Co., Ltd. ..	Rewa	21½	10	½ + ½	½ +			3,9	H.
30,00,000	3,05,006	22,82,216	12,20,500	448	Jaipuria Sons Ltd.	Samla Collieries	13N	10	1 + 1	1 + 1			6, 12	H.
1,25,000	1,95,902	18,78,480	12,21,227	21,070	M.	Searsole.	7½xr	2½					6, 12	H.
2,50,000	7,46,598	29,87,021	18,41,629	40,197	Andrew Yule & Co., Ltd.	Seebpore	8½	5	2 + 1	½ + ½	½ + ½	½	3,9	H.
5,00,000	5,46 689	52,491	28,967	6,501	F. W. Heilgers & Co., Ltd. ..	Sendra	10½N	10	*Nil*	*Nil*	*Nil*+½	1½+	6, 12	H.
63,21,450	16,96,050	3,83,71,101	2,33,48,501	—4,46,953	Industrial Trust Fund (Govern-ment of Hyderabad)							1+	6, 12	H.
17,50,000	10,80,625	37,77,449	16,88,926	1,546	Bird & Co., Ltd.	Singareni	8½	10						
8 00,000	13,69,545	1,69,570	25,510	7,937	F. W. Heilgers & Co., Ltd. ..	South Karanpura	11½	10	½ + ½	½ + ½	*Nil* + ½		12	Y.
10,00,000	13,950	30,14,428	15,43 501	—3,64,598	Villiers Ltd.	Standard	20½	10	½ + 1	½ + 1	½ + ½	½	3,6	H.
3,50,000	3,99,000	19,72,979	15 18,979	47,486	Workman-Mackenzie & Co., Ltd.	Tasher	8½	10				½+	6, 12	H.
49 96,160		49,08,856	18,91 545	$7,694	Hindustan Investment Corpn., Ltd.	Uston	16½	10	1½+1½	1 + ½	+½		9	Y.
7,00,000	1,38,190	55,22,133	22,66,981	122	Macneill & Barry Ltd.	Western Bengal	7½	10				½	6, 12	H.
						West Jamuria	15	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.

M—Managed by her board of directors. ‡ Less income-tax. * Including bonus; (k) Investments.
(i) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 3,40,000 shares of which 1,20,000 shares are bonus shares; (a) For seven months ended 31st March, 1954

MARKET GOSSIP

(*Concluded from page 3*)

holder of the National Carbon Co. (India) Ltd., has also offered to sell 400,000 shares from its holdings to the Indian public at Rs. 19-8 per share. The whole of this issue has been privately placed and has been absorbed with great avidity mostly by institutional investors.

The Company was incorporated in Bengal as a private company in 1934 to carry on in this country the business of the Eveready Company (Great Britain) Ltd., the well-known makers of dry cells and batteries for flashlights and radios. Ever since its inception, the Company has made steady progress, the installed capacity having risen from 15 million cells per annum to nearly ten times today. Besides establishing another modern factory at Madras as part of its plan for decentralisation of production, the Company has been following the policy of making as many component parts as possible in this country. As a result, the Company is today well equipped to produce most of the component parts. It has also been following a plan for gradual mechanisation of its manufacturing processes with a view to bringing down the cost of production.

The objects of the present issue are two: first, to provide an opportunity to Indian investors to participate in the fruits of its efforts in this country; secondly, to find additional capital for financing the Company's expansion programme. The Company is now constructing a zinc rolling mill for the production of high quality zinc alloy strip, which had hitherto been imported

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
15,00,000	1,08,00,000	11,36,361	Allahabad Bank	365	100	18 0	18 0	18 0		12	Y.P.
14,50,000				184	50	9 0	9 0	9 0			
1,01,000	13,51,000	1,28,580	Andhra Bank	115	100	6 0	6 8	7 8	3 0	6.12	H.
$1,20,720				84	70	3 0	3 4	3 12	2 1 3/5		
1,00,00,000	1,28,00,000	2,70,302	Bank of Baroda	100½	50	6 0	6 0	6 0	1 81	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	134N	25	0 12	0 12			12	
2,50,00,000	3,52,00,000	9,10,851	Bank of India	157½	50	7 0	7 0	7 0	3 0	6.12	R.L.Y.
15,00,375	26,00,000	64,703	Bank of Indore	62N	25	3 0	3 0	3 0	1 121	12	Y.
50,00,000	19,00,000	25,128	Bank of Jaipur	26½	50	1 8	1 8	2 0		12	Y.
50,00,000	85,00,000	2,60,591	Bank of Mysore	260	100	16 0	16 0	16 0	8 0	12	Y.
61,21,700	58,73,913	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	25,00,000	20,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	86	50	5 0	5 0			12	Y.P.
2,62,11,875	4,00,55,697	17,88,899	Central Bank of India Ltd.	52½	25	3 8	3 0	3 0	1 81	12	R.L.Y.
52,42,375 'A'				57	25	3 8	3 0	3 0	1 81		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co	23	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,06,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	23,50,000	1,12,820	Hind Bank	32	50	1 0	1 8	1 8		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9½	50	—	—	—		12	Y.
50,00,000	1,30,000	1,412	Hindustan Mercantile Bank	14	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	5 0	6 0	5 0	9	Y.
24,00,000				191	100	12 0	12 0	12 0	6 0		
17,00,000	77,50,000	1,80,785	Indian Bank	159	85	10 3½	10 3½	10 3½	5 1 2/5	6.12	R.L.H.
16,80,000				113	60	7 3½	7 3½	7 3½	3 9 2/5		
49,19,675	26,00,000	2,15,889	Indian Overseas Bank	13½	100	6 0	6 0	6 0		12	Y.
6,25,000				42½	100(A)	6 0					
2,50,000	6,33,939	1,380	Indo-Commercial Bank	11	25(B)	1 8				6.12	H.
10,00,000				29	50(C)	3 0					
87,50,000	92,50,000	4,99,040	Punjab National Bank	49½	25	1 8	2 0	3 0	1 81	12	Y.
1,00,00,000	21,75,000	93,631	Travancore Bank	17½	25	—	0 10	0 12		12	Y.
43,00,000	1,75,574	1,15,000	Union Bank of India	7¾	5	0 5½	0 5½	0 5½		12	Y.
2,00,00,000	66,50,000	1,08,725	United Commercial Bank	54	50	2 0	2 0	2 8		12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£892,910	Chartered Bank of India, Australia and China	£2-1-6	£1	16†	14†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£8½	£5	7†	8†	8†		12	R.L.Y.
H.K. $20,000,000	HK$28,000,000	H.K$10,215,256	Hongkong and Shanghai Banking Corporation	£08½	H.K. $125	5*	5*	5*	2*	12	Y.
$17,966,195 'A'	£14,500,500	£516,557	Lloyds Bank	£2-15-9	£5 A	12†	14†	15†		12	R.L.Y.
$1,437,296 'B'				£1-6-3	£1 B	5†	5†	5†		12	R.L.Y.
$375,000 'A'				£4½	A £2½	14†	14†	14†			
$375,000 'B'	£1,750,000	£200,284	Mercantile Bank of India	£4½	B £2½	14†	14†	14†		12	R.L.Y.
$720,000 'C'				—	C £1	14†	14†	14†			
£2,851,563	£3,104,687	£826,266	National Bank of India		sh. 12½	16†	16†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £		Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June .. 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960(e)
6,00,000	5½	30th June and 30th December	Ramnuggar Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1953-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November .. 1959-64
COAL						
20,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June .. 1966
20,00,000	4½	30th June and 31st December	Burrakur Coal Co.	1947	91½	30th June .. 1967(e)
40,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1968(e)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	55	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1807	99	15th November .. 1956(e)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1942	103½	1st March .. 1972(e)
13,68,000	5½		Jayshree Textiles	1949	80N	1st January .. 1956-59
40,00,000	5½	1st June	Tata Mills	1936-71	100‡	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1960(e)
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100‡	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	93	1st October .. 1953
12,00,000	4½	30th June and 31st December	Benares Electric Lighting & Power Co., Ltd.	1949	94	31st December .. 1964(e)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101	1st January .. 1970(e)
25,00,000	4	30th June and 31st December	Chanrapore Electric Supply Co., Ltd.	1945	87	31st December .. 1970
10,00,000	5	1st January and 1st July	Sijua (Dharjiah) Electric Supply Co., Ltd.	1951	96	30th June .. 1975(e)
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	1940	93½	1st July .. 1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	1939	96½	1st October .. 1956-64
1,00,000	5	1st January and 1st July	South Madras Electric Supply		94½	 1958-63
4,63,800	4½	1st April and 1st October	South Madras Electric Supply		94	1st July .. 1956-61
47,78,000	5	1st April and 1st October	Tata Power	1940	103	1st July .. 1970
2,50,000	4	1st April and 1st October	Tata Power	1945-8	93½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	90	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	1942	102	1st July .. 1957-62
$1,140,000	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	88	31st December .. 1956(d)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	102½	1st October .. 1960-85
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100‡	31st December .. 1960(e)
JUTE						
12,00,000	5½	1st October and 1st April	Asarpara	1939	99‡	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1938	100	30th June .. 1960
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90‡	31st December .. 1964
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93‡	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July .. 1959
10,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1966
18,68,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1969(e)
8,86,000	5	30th June and 31st December	Empire	1951	95	15th July .. 1968(e)
25,00,000	5½	1st January and 1st July	Hukumchand	1947	92	30th June .. 1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	98	31st March .. 1970
25,00,000	6	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1948	96½	31st December .. 1964(e)
25,00,000	5½	30th June and 31st December	Nalhati	1952	98	31st March .. 1967(e)
5,00,000	4½	14th November and 14th May	Northbrook Jute Co., Ltd.	1938	93	14th May .. 1958
30,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1942	93	30th June .. 1958
25,00,000	5	31st March and 30th September	Rallaram Jute Mills Co., Ltd.	1950	91	5th September .. 1965(e)
5,00,000	4½	14th March and 14th September	Scorah Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	96½	30th June .. 1957
10,00,000	5½	31st January and 31st July	Waverly	1925	88	31st July .. 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4%	1st January and 1st July	Baraset-Basirhat Light Railway	1936	90N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66½N	At 103% at any time on 6 months' notice or at par or every seventh Year.
£189,365	5	1st April and 1st October		1933	£77½N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhat-Lalabazar Railway	1945	90½	31st December .. 1959(e)
£300,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months' notice.(e)
5,00,00,000	4%	1st March and 1st September	Scindia Steam Navigation		96½	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1937	102	1st July .. 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea	1937	100	1st April .. 1957-62
1,86,700	5½	31st March and 30th September	Teekoy	1949	100	31st March .. 1949-59
MISCELLANEOUS						
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	1946	100	30th September .. 1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	99	31st December .. 1965
20,80,000	4½	1st April and 1st October	Associated Hotels of India	1948	86	31st December .. 1962
4,00,500	5½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
6,00,00,000	5½	1st March and 1st September	Burmah-Shell	1934	103‡	1st September .. 1965-69(e)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	103‡	1st October .. 1970
21,09,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
20,25,000	4½	1st July and 1st January	Clive Buildings	1946	89½	1st July .. 1958
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87‡	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	 1966
1,50,00,000	4	1st January and 1st July	Dunlop Rubber	1946	102½	1st January .. 1971(e)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June .. 1959(e)‡
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95½	 1969
35,06,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	500	30th September .. 1976(e)
45,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470	31st December .. 1972(e)
					(Per note)	
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	89½N	1st April .. 1971
1,50,00,000	4½	30th June and 31st December	National Rayon	1954	108½	30th June .. 1966-70
1,00,00,000	6½	31st March	Orient Paper Mills Ltd.	1951	96	31st March .. 1961(e)
1,50,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	105‡	1st May .. 1968(e)

(e) These debentures are registered and are transferable by transfer deeds. (d) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,40,00,000 debentures redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1956 ‖ Redeemable at par on 6 months' notice on or after 1st January, 1961. per cent of a cumulative sinking fund at 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings at par on 6 months' notice, on or after 1st May 1964 onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January, 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange During the period ended 5th January 1956.

—	Closing quotations 24-12-1955	High	Low	Closing quotations 5-1-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	155	156½	155	156½
Apollo (2)	3	3·0½	2·2	2½
Bombay Dyeing (250)	551½	585½	550½	560½
Central India (100)	160	160	152½	155½
Century Mills (100)	490½	496	476	483½
Colaba (100)	85	—	—	85
Edward Textile (200)	325	325	317½	317½
Elphinstone (50)	57	57	49½	50
Finlay (100)	351	352	336	343
Gokak (100)	240½	240½	225	226½
Ind. Untd. Defd. (1)	2-0½	2-0½	2-0½	2-0½
Ind. Untd. Ord. (10)	15-0½	14 3/4	13 3/4	13½
Indore Malwa (100)	158½	156½	142½	148½
Khatau (100)	231½	231½	220½	223½
Kohinoor (100)	344	345	325	329½
Lakshmi (250)	660	660	650	650
Madhusudhan (100)	116	—	—	115
Minerva Mills (100)	90	90	86	86
Model Nagpur (250)	153½	—	—	153½
Morarji (100)	250	—	—	250
Myore (50)	108½	—	—	105
National Rayons (100)	241½	242	230½	239½
New City (100)	170	170	168½	168½
New Great (100)	200	—	—	200
New Union (10)	37	—	—	37
Phenix (100)	141½	—	—	141½
Podar Mills (100)	168½	180	160½	180
Sassoon Silk (10)	21½	21½	20	20
Sassoon Spg. (10)	43½	—	—	43½
Sholapur (1,000)	2,000	—	—	2,000
Shrinivas (100)	217½	218½	210	210½
Simplex (50)	207½	204	195	197
Standard (100)	422½	420	411½	417½
Svadeshi (100)	225½	225½	217½	222½
Swan (100)	440	440	435	435
Tata Mill (25)	51	52	48	50
Vishnu (100)	181½	—	—	181½
Western India (1,000)	5,000	—	—	5,000
BANKS				
Bank of India (50)	158½	158½	157	157½
Bank of Baroda (50)	101	101½	100	100
Central (25)	52½	52½	50½	51
Central (25)	56½	57	56	56
Dena Bank (50)	43	—	—	43
Punjab National (25)	40½	—	—	40½
Union Bank (5)	7 3/4	—	—	7 3/4
United Com. (50)	54½	54½	53½	54
ELECTRIC COS.				
Ahmedabad (100)	106½	106½	105 3/4	106½
Amalgamated (10)	11½	11½	11 3/4	11 3/4
Andhra Valley (1,000)	1,333½	1,333½	1,320	1,330
Bom. Sub-El. (100)	122½	122½	120	120½
Surat (100)	124½	124½	123½	123½
Tata Hydro (100)	141½	141	139½	139½
Tata Power (1,000)	1,417½	1,420	1,392½	1,402½
INSURANCE COS.				
British India (10)	14 3/4	—	—	14 3/4
Empire of India (100)	600	—	—	600
Ind. Mercantile (20)	46	—	—	46
Jupiter (15)	8½	—	—	8½
New India (15)	45	45	43½	43½
Oriental (200)	4,900	5,100	4,950	4,960
Universal (10)	14	—	—	14
Vulcan (10)	16	16	15½	15½
STEEL COS.				
Ind. Iron (10)	39	38-5½	36½	37 3/4
Tata Steel Ord. (75)	257½	252½	243½	247½
SUGAR COS.				
Belapur (50)	364	356	341	344
Bhopal (10)	15 3/4	—	—	15 3/4
Phaltan (50)	153	154	142	142
Walchand Ind. (100)	250	252½	246½	248½
CEMENT COS.				
Associated Cts. (100)	225½	226½	210	218
Digvijay (100)	176½	176½	172	173½
MISCELLANEOUS				
Alcock Ashdown (100)	355	357½	310	341½
Bom. Burmah (125)	615	611½	572½	591½
Do. (New) (50)	215	212½	200	207½
Br. B. Petrol (4 sh.)	4 3/4	4-7½	4	4 3/4
Br. I. Corpn. (5)	13½	13-3½	12½	13
C. P. Ely. (100)	97	97	96½	96½
Indian Copper (2 sh.)	7	7-2½	6½	6½
Ind. Inv. Tr. (100)	81½	81½	81½	81½
Kemp (200)	195½	—	—	195½
Killicks (100)	177½	178	172	173
Polson (100)	156½	—	—	156½
Port Canning (100)	16	16	15½	15½
Premier Con. (30)	201	203½	185	193
Scindia (20)	18 3/4	18-0½	17½	18-2½
Shivrajpur (10)	111½	111½	106	107
Tata Chemicals (10)	18 3/4	18½	17 3/4	18-2½
Tata Oil (25)	50½	51	48	48½
Tata Loco (100)	158	158½	149	154
W. I. Match (100)	195	193½	187½	191½

GOVERNMENT SECURITIES	30-12-55	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	5-1-1956
	Rs.			Rs.
2½% 1961	98	—	3·22	98
2½% 1960	96 3/4	—	3·74	95 3/4
2½% 1962	98½	—	3·80	98½
2½% 1970	85½	—	4·06	85½
2½% 1967	99½	—	3·30	99½
2½% 1958	99 3/4	—	3·22	99 3/4
2½% 1959-61	98	3·57	3·40	98
3% 1964	94½	—	3·75	94½
2½% 1963-65	94½	3·83	3·63	94½
2½% 1966-68	91½	3·92	3·82	91½
2½% 1970-75	87½	4·08	3·89	87½
2½% 1948 Com. Loan	90 3/4	—	3·73*	90½
2½% 1960-70	101½	3·60	3·84	101½
4½% 1958-68**	108 3/4	3·33	4·16	108½
2½% 1961 N.P. Bonds	99½	—	3·60	99½
2½% 1964 N.P. Loan	98½	—	3·68	98½
2½% 1965 N.P. Bonds	98½	—	3·68	98½

BRITISH GOVERNMENT SECURITIES	29-12-55	High	Low	2-1-1956
	£	£	£	£
2½% Brit. Consols	56½	56½	56½	56½
3% Savings Bonds. 1965-75	70½	70½	70½	70½
3% War Loan 1955-59	94½	—	—	94½
3½% War Loan	76½	76½	76½	76½
4% Victory Bonds. 1976	95½	96	95½	95½
4% Funding 1960-90	91½	91½	91½	91½

* Current Income, x.d.—Ex-dividend. ** Rupee Counterpart

COMMERCE

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

VOL. XCII. No. 2341 BOMBAY, 14TH JANUARY 1956 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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Comments on the working of companies are based on such facts and figures as are available in the published reports and accounts of the companies concerned. We do not accept responsibility in respect of conclusions drawn from such sources, if the information supplied should prove to have been inadequate.

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SOME REFLECTIONS ON SECOND PLAN

FROM a "plan-frame," the second Plan has grown into a "draft memorandum." During the past few days, this memorandum, prepared by the Planning Commission in the light of the criticisms on the Plan-frame, was subjected to a "quick look" by economic experts, Central Cabinet Ministers and State Ministers. It is yet to be seen by the representatives of Parliament, but this formality will have been gone through by the time these lines appear in print. After this, it will remain in brief incubation, lasting for about three weeks, and then emerge as the draft second Five-year Plan. During this interval, the draft memorandum is expected to undergo some changes based on the trend of the latest discussions. The Press, in general, has been denied the privilege of having a look at the memorandum as a whole, though parts of it have made their appearance in some daily papers having ready access to the seat of the Planning Commission. This mistake was made when the Plan-frame also was first exposed to public gaze. No great harm would have occurred if copies of the draft memorandum had been circulated to the Press. It is needless to add, in this connection, that information appearing in bits and according to the predilections of those who circulate it invariably does more harm than good.

Although the Planning Commission has not learned from its previous mistake in this respect, it can be said, from what has appeared in the Press about the contents of the memorandum, that the Commission has displayed a little more wisdom than the authors of the Plan-frame. The private sector, for instance, is given more responsibility in the memorandum than was conceded in the Plan-frame, though it is not as much as this sector can and should take. Thus, whereas the Plan-frame sought to reserve almost all heavy industries to the public sector, the memorandum has assigned a few of these industries, such as industrial machinery, structural fabrication, railway rolling stock, castings and forgings, chemicals and automobiles, to the private sector. Similarly, unlike the Plan-frame the memorandum recognises that not all the increased demand for consumer goods need be met only through cottage and hand industries. It seems to appreciate, albeit grudgingly, that large-scale factory industries producing certain lines of consumer goods require to be encouraged. It does not say, as the Plan-frame did, that all further expansion in the demand for cloth should be met only through handlooms. Nor does it endorse the Karve Committee's suggestion that the additional requirements of yarn should be spun by hand and that no further expansion in mill spindleage should be allowed. The memorandum has chosen to remain vague and undecided on this point.

Another refreshing feature of the draft memorandum is the reluctance to dwell too much on a theoretical calculation of the quantum of employment that will be provided during the Plan period. This is only as it should be, because much harm has been done by laying too much stress on this aspect of our economic problem. It has led to exaggerated expectations, undue belittling of the employment potential of large-scale industries, overemphasis on cottage industries and misdirection of efforts. In fact, it will be no exaggeration to say that the planners and the Government have become so obsessed with the problem of unemployment as to become less and less realistic in their approach to economic development, with the result that there is a danger of this basic problem becoming more complicated and intractable than it is now. If the discussions during the last few months have opened the eyes of the Government and the planners to this danger even to some extent, they have really served a useful purpose. It is better to recognise, even at this late stage, that there is no heroic remedy for unemployment and that it is physically impossible to solve it completely in a short span of a few years. There is no short cut to prosperity. Those who advocate redistribution of wealth and adoption of hand industries as a way out for the problem of unemployment are living in a world of mirage.

Equally refreshing is the move to make the Plan flexible, by making provision for revisions from time to time in the light of availability of resources. This can be easily criticised on the ground that it makes nonsense of planning. But it is better to have a flexible plan than a rigid plan. Too much of planning is neither feasible nor desirable in a democratic society. An annual review of what has been achieved in the previous year and an annual determination of what should be done in the year ahead within the frame-work of a predetermined broad plan are surely not something incongruous with planning. It is, of course, assumed that the revisions will be made diligently and without abandoning some of the projects which require continuity of effort. Subject to this qualification, annual revisions will help avoid, in a number of ways, waste of resources and facilitate adjustments in the light of price trends, employment trends and availability of resources.

On the resources side, the provision of Rs. 800 crores by way of external assistance, instead of Rs. 400 crores in the Plan-frame, is also a refreshing feature of the memorandum. To ask for external aid is in no way derogatory to national self-respect. It is wrong to equate a request for economic aid from the more fortunate countries with asking for alms. It is nothing but cheap political jibing to do so. Taking long-term credits at reasonable rates of interest by one nation from another for financing development is analogous to a business man raising long-term credit from a development bank or issuing debentures to the capital market, a practice which no one regards as dishonourable. It is always quite unjust to the common man to resort to an excessive volume of deficit financing and/or to levy heavy rates of taxation. It will

only to the spirit of the Indian people, known for their strong individualism, but also to all accepted principles of co-operation. It is likely to fail miserably and carries with it the serious danger of rural areas, steeped as they are in ignorance and illiteracy, becoming a paradise for self-seekers. In the history of co-operation in India, there are several instances to prove that even enlightened co-operators ultimately emerge as powerful little despots whose removal from the seat of power has always been a difficult and painful affair. There is little reason to think that the position in this respect will improve in the future.

The policy of compulsory redistribution of land through a ceiling on individual holdings as a solution to land-hunger may have a boomerang effect, because, there being not enough land to satisfy this hunger, it will only aggravate the feeling of discontentment among those who have received no land and lead to charges of favouritism against the administration. The land-hunger is man-made. What people in rural areas want is not land but jobs. Similarly, what the tenants want is not ownership of the land they till, but reasonable rents, security of tenure, insurance against crop failures and loss of cattle through epidemics, protection against floods, stability of prices, and working capital. Redistribution of land may provide a psychological satisfaction among the people, but it will not solve the basic problem. To give priority to it is to treat the symptoms of a disease and not the fundamental causes. The disease will, therefore, remain, more so because population is growing at a rapid pace in the face of a declining death rate.

The same is true of the insistence that a ceiling on individual incomes should be imposed and that concentration of economic power should be prevented by expanding the sphere of activity of the public sector. In fact, the last mentioned demand is even more absurd, for the simple reason that State monopoly is a far greater evil than the "monopoly of capitalists," as some economists seem to prefer to describe the private sector. Ideological considerations apart, important though they are, the task facing the country is so immense that it will be beyond the capacity of the public sector to do all that which these economists want it to undertake. The country needs more production and creation of gainful employment opportunities as expeditiously as circumstances permit. For this purpose, the Government must use all the available talents in the country. Accordingly, it will be unwise to restrict the scope for those sections of the community, which can do that job efficiently and economically, by giving top priority to ideology and sentiment. To do so will tantamount to chasing the chaff, instead of the solid grain.

T.I.S.CO. SETS AN EXAMPLE

THE management of the Tata Iron and Steel Co., Ltd. (T.I.S.Co.) has enhanced its reputation for industrial statesmanship by reaching, in most general terms, an agreement with its workers, thereby laying the foundations of increased productivity and cordial employer-employee relations. Rightly acclaimed as marking a distinct phase in the development of industrial relations in India, the Agreement, which goes far beyond the usual run of standing orders in our industrial unit, is designed to ensure both advancement for the workers and increased production from the works. From this point of view, it may be regarded as a model worthy of emulation by other industrial units, especially those which are on the eve of a great expansion move.

There are a few circumstances which invest the Agreement with a special significance. For one thing, increase in production is a matter of vital concern to the Company. The Company has undertaken an expansion and modernisation programme, probably the largest of its kind, at an estimated cost of Rs. 110 crores. The Government has granted an increase in retention prices for steel on the understanding that the resulting increase in profits is used for purposes of expanding the Company's productive capacity from the present annual rate of 780,000 tons towards the two-million-ton target. The Government has also given the Company an interest-free loan of Rs. 10 crores. The Company is supplementing these resources by obtaining long-term credit of Rs. 30 crores from the U.S. If all these commitments are to be carried out expeditiously and economically and if capital and workers employed are to reap the fruits of this great attempt at expansion, there must be, it is obvious, the most cordial relations between the management and workers, besides enthusiasm and enterprise.

Secondly, in the new steel set-up in the country, the private sector will be reduced to a minority of two units (the Tata Iron and Steel and the Indian Iron), as against the public sector's three units. This introduces a new element of competition. If the old units in the industry have the advantage of accumulated experience in steel production, the new units, supported by similar experience of their foreign collaborators, will have the additional advantage of modern automatic equipment, with all labour-saving devices. As the Chairman of the T.I.S.Co. pointed out, at the last annual meeting, the "new Government plants will be of the latest type, employing a much lower number of men per ton of capacity than we do at Jamshedpur." He added: "It is obvious that, if the Government pays the same wage rates as we do, their labour cost per ton of steel will be substantially lower than ours, unless our output *per capita* is correspondingly increased." Although there may be no cause for concern, there is certainly need for improvement in the productivity of both the men and the machines working at Jamshedpur. Between 1939-40 and 1954-55, the Company's average labour cost per ton of finished steel has increased from Rs. 27 to Rs. 99, whereas the average output of finished steel per employee has fallen from 28.9 tons to 23.2 tons.

It is against this background that the value of the new Agreement, which will remain in effect for three years in the first instance, must be assessed. The goal must obviously be increased production and productivity per worker, for it is only in that event that both the Company and the worker will benefit. By providing greater security for the workers, for their larger participation in the decisions relating to production and for increased chances for promotion, the Agreement carries a special appeal to labour. The Company, on its part, has received the assurance that labour will co-operate with the management in achieving higher levels of productivity. These are the two broad features of the Agreement which have been reinforced by a series of specific provisions. The preamble neatly sums up the pact when it says that the Agreement is designed to "establish and maintain orderly and cordial relations between the Company and the Union, so as to promote the interests of the employees covered by the Agreement and the efficient operation of the Company's business." It is gratifying to hear that the Company appreciates the view that an increasing measure of association of works employees with management in the working of the industry is desirable and that such association would help "(a) in promoting increased productivity for the general benefit of the enterprise, the employees and the Company, (b) in giving employees a better understanding of their role and importance in the working of the industry and in the process of production, and in satisfying the urge for self-expression."

In principle, the Company has agreed to a Union membership security system and to the collection of Union subscriptions through the pay-roll in respect of employees other than the supervisory staff. Labour has secured from the Company a "no-retrenchment" guarantee and also an assurance that, in any scheme of transfer of the employees to any other section, the present average earnings will be maintained. The Union continues to recognise, subject to the observance of the "grievance" procedure, the right of the management to take disciplinary action against offending employees. Realistically enough, the Union concedes the right of the Company to introduce new or improved methods or equipment, deciding the number and location of plants, the nature of machinery and methods of production. This concession is, however, subject to the condition that the Union is to be consulted in cases where the employees' interests are adversely affected through such changes.

The Company, it is further agreed, can fix the number of men required for the normal operation of a section or department—this is to be completed within a period of one year from the date of agreement—provided that, in the case of the existing section and department, the Union is consulted before the Company takes a decision. This may well be regarded as the crucial clause from the point of view of improving labour productivity for which, incidentally, the Union has pledged its "full support and co-operation." Wisely, the Agreement provides that, if there is any disagreement regarding the fixation of number of men required for the normal operation of each existing section or department, then the matter "shall be referred to arbitration by independent experts to be mutually agreed upon by the Company and the Union and, failing agreement, to be appointed by the Government of India"; the decision of such experts will be binding on the Company and the Union. The parties further agree to examine the working of the works committees with a view to improving it.

It is noteworthy that the Union has recognised the need for a scientific approach to the problem of labour productivity. The Agreement provides for a programme of job evaluation designed to "determine the value of each job and eliminate inequities, in order subsequently to simplify the existing structure of wages and other payments to employees and place it on a rational basis." For this purpose, a joint committee, consisting of an equal number of representatives of the Company and of the Union, will be appointed with an independent expert as chairman. The parties have agreed that the classification of jobs embodied in the report of this committee will be accepted by both parties as forming the basis of the future structure of wages and other emoluments.

Of immediate gain to the workers are the provisions relating to *ad hoc* upward revision of wages, pending job evaluation by a joint committee. The basic wages of workers who earn Rs. 3 per day have been revised to Rs. 3-4 and the basic monthly salaries of certain classes of employees have been raised by Rs. 6-8. The Company has agreed to take into account dearness allowances also in computing gratuity payments to employees drawing basic salary or wages not exceeding Rs. 500 per month. The policy of internal promotion has been reiterated so as to ensure maximum opportunity for employees with "demonstrated ability." Promotions to non-supervisory posts will be made on the basis of seniority, provided the "individual concerned is competent for the higher post." The Company has undertaken to construct 300 one-room quarters and 1,700 two-room quarters by 31st March 1959, subject to the satisfactory conclusions of land acquisition proceedings now pending. Certain other amenities, such as water taps in workers' quarters, have also been promised. From the long-term point of view, the workers have received a valuable assurance that the Company will be prepared to offer, in recognition of the increased labour productivity and larger profits resulting from the plant expansion programme, an "appreciable" upward revision in their wages and emoluments. The Company has, however, recorded its view that the larger profits resulting from increased labour productivity in the works should not entitle the town and other employees outside the works to an upward revision; their cases will be considered on their own merits. This is a fair view. At the same time, the workers must recognise that the benefits of modernisation and expansion are not exclusive to capital and labour alone and that they have to be shared with the country as a whole. In other words, consumers of steel and the Government are also entitled to a reasonable share in the fruits of the joint endeavour of capital and labour.

The Agreement cannot be held as a great triumph for the Company; nor was that obviously its purpose. The Union's rights have been vindicated at every turn, while all increase in its responsibilities will continue to be the subject of mutual negotiations and, failing agreement, of arbitration. Far more valuable gains are in store for the workers. The parties have agreed to discuss, at an early date, ways and means of progressively associating the employees with the management. Presumably, the association of the workers with the management in the determination of work-loads, now provided in the Agreement, is only a prelude to a larger measure of such association, a trend which cannot altogether be opposed. The pace of progress in this sphere will, however, be determined by the workers' sense of responsibility and their willingness to see the other side of every issue. It is necessary for them to inspire confidence among their employers that, by having workers' representatives on the board of management and by giving them a share in capital, the smooth working of their companies will not be impeded.

Having secured so favourable an agreement, the workers of the Tata Iron and Steel Co., Ltd., it is to be hoped, will not withhold co-operation with the management, so necessary in achieving higher productivity which ought to be the common concern of both parties. The working of the Agreement will naturally be watched with considerable interest in the country. Clearly, its success will depend on the spirit of goodwill and sympathetic responsiveness with which it is worked.

TREND OF SHARES STILL UNCERTAIN

CAUVERY SUGAR—OUTLOOK FOR TEXTILE EXPORTS

THURSDAY, 5 P.M.

MARKET GOSSIP

THERE have been no new developments in the share markets during the past seven days, except that, in Bombay, one of the members of the Exchange has been declared a defaulter, as he could not pay his outstandings, amounting to Rs. 5 lakhs. Trading in the Calcutta market has been seriously handicapped on account of continued suspension of bank clearing. The trend in all the share markets is irregularly downward. Operators have been assailed by a feeling of uncertainty. Over the week, equities have dropped a few points due to tired liquidation by bulls rather than to any sustained assault by bears. It looks as though the present unsettled trend will continue till the Budget for 1956-57 is out of the way, unless, of course, the market gets some reliable indication of its contents in advance.

* * * *

Discussions between the Government of India and the Tata Iron and Steel Co., Ltd., are going on over the terms of the latter's new issue. Mr. D. L. Mazumdar, I.C.S., Controller of Capital Issues, has had informal talks with the representatives of the Company, the outcome of which is not known at the time of writing. It is public knowledge that the directors of the Company are opposed to the issue of new shares at a premium, while the Government is insisting that they should be offered at a premium. Neither of them, however, have taken the public into confidence so far as the grounds on which they have based their respective cases. The Bombay Shareholders' Association has published a lengthy memorandum, examining the pros and cons of the issue, and has tried to justify the offer of shares at par. The arguments advanced by it are so weak and nebulous that it will not be surprising if its memorandum fails to carry conviction with the Government.

Well-informed sources are of the view that the Government is unlikely to change its mind and that the T.I.S.Co. will have to issue its shares only at a premium. According to them, the management of the Company has already agreed to this, though reluctantly, and the only question that remains to be decided is the quantum of premium. It may be anything between Rs. 25 and Rs. 50 per share. We will not be surprised if it is finally fixed at Rs. 37-8 as a compromise between the Company and the Government. Incidentally, if the T.I.S.Co. is not permitted to raise new capital at par, it is only but fair to expect that companies of similar position and financial status will also be treated by the Government likewise when they want to issue new shares.

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The declaration of one of the members of the Stock Exchange as a defaulter is the result of overtrading by speculators. Such failures would not have arisen if timely steps had been taken by the Stock Exchange authorities to curb excessive speculation. They could have, for instance, enforced the margin system effectively and scrupulously avoided the exercise of their good offices to compound the outstandings due from those members who are unable to pay. One of the unhealthy practices in most of the forward markets in India has been to accept partial payment whenever a member is in difficulties, instead of insisting upon full payment. This practice has encouraged irresponsible speculation and retained on the membership roll of the markets persons who ought to have been mercilessly eliminated. The Stock Exchange authorities will do well to realise that the Government of the day is different and will take serious note of such lapses, irrespective of the personalities involved. The action taken by the Commerce and Industry Ministry against speculation in cotton should serve as a warning to them.

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The new issue of National Carbon has proved to be the rage of the market this week. The list was formally opened on the 11th inst., and closed after 15 minutes. Most of the applications had been collected by the brokers days in advance and paid into the bank on the 10th itself. The response has been astounding; applications are said to have exceeded four times the value of the offer. The management of the Company will find the task of allotting the shares a hard one, as applications for 50 shares, the minimum per application, alone are believed to have exceeded the amount invited.

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It is understood that the eagerly awaited capital issue of the Cauvery Sugar Mills Co., Ltd., under the management of the well-known house of Messrs. Parry & Co., Ltd., Madras, will be offered to the public in the last week of this month or early next month. The Company is a new one, formed several months ago for establishing a sugar factory in the Tanjore District, Madras State. Like the sugar mills in the Deccan, it will have its own sugarcane plantation. The required land has already been acquired, partly through outright purchase and partly on long-term lease. Farming operations are in full swing and the factory is scheduled to go into production early in 1957. Orders for plant and machinery have been placed with Britain on quite favourable terms. The issued capital will consist of Rs. 60 lakhs, made up of Rs. 20 lakhs in cumulative preference shares of Rs. 100 each, entitled to a tax-free dividend of 6 per cent., and Rs. 40 lakhs in ordinary shares of Rs. 100 each. Of the latter, only Rs. 29 lakhs will be open to the public, the balance of Rs. 11 lakhs having been taken up by the managing agents, directors and their friends.

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Investors in textile scrips will do well to watch the developments in the next few weeks which may well turn out to be a crucial period for the textile industry, considering that important questions relating to sealing of production of woven cloth and ban on further installation of spindles may be taken. Such restrictions would, of course, be bullish factors for the market, in so far as they would mean the stifling of competition among mills. There is, however, the possibility of the Government imposing further levies on the industry, for the authorities cannot be expected to keep quiet while the mills make excessive profits as a result of restrictions imposed from the point of view of developing the handloom industry. But one result of imposing restrictions, especially on modernisation and expansion, will be that they might conceivably reduce the Indian mills' capacity to meet competition in foreign markets. From all accounts, this competition seems to be growing. Indeed, the reports of the different sectional organisations of the Manchester Chamber of Commerce, and the proceedings of their recent annual meetings, which annually throw a great deal of new light on the state of textile markets in diverse parts of the globe, have all emphasised the growing competition in several countries. It is true that these reports have been written from the point of view of the prospects for the British textile industry and that there may be a certain amount of understandable exaggeration. Even so, they cannot be without interest to this country, for India too deals with the markets to which the U.K. caters.

In the Dominion markets, in which both India and the U.K. are interested, there has been a resurgence of Japanese competition in cotton piecegoods. Mr. S. H. Beckett, Chairman of the Dominions section of the Manchester Chamber of Commerce, said, at the recent annual meeting of the Chamber, that Australia, Lancashire's biggest customer for textiles, took 49.4 million yards of Japanese cotton piecegoods in the first nine months of 1955, South Africa 7.2 million yards and Canada 6.7 million yards. He also pointed out that India was becoming a substantial supplier to some Dominion markets. In the first half of 1955, India sent 22 million yards of cloth to Australia, 5 million yards to New Zealand and 7 million yards each to Rhodesia and Canada. It would appear that the U.K., despite its strenuous efforts at increasing its trade with Canada, is losing ground in that market. Canada's own textile industry and the facility to draw supplies from the U.S., according to Mr. Beckett, are the two factors militating against the efforts of the U.K. cotton industry to recover a large part of the trade.

Japan is, of course, the traditional rival to all textile-producing countries. It is noteworthy that Japan's near neighbour, China, is also likely to prove a serious rival to textile producers. A reference to China figured in the speech of Mr. E. H. Stewart, Chairman of the China and Far East section of the Chamber. He said: "There are indications that China may well in the not too distant future enter the lists of those engaged in competing for the trade of Eastern markets." Emphasising this point, he quoted figures to show that, in the first eight months of 1955, China's exports of cotton piecegoods to Malaya aggregated 6 million yards—equal to those from the U.K. He added: "The year's figure may well be a pointer to the full-scale participation of China in future years as a major exporter of cotton fabrics to Eastern markets." Japan, as is well known, is firmly established as the major supplier to these markets. It would appear that, in the first nine months of 1955, it sent 231 million yards to this region, as against the U.K.'s 10 million yards.

In his report to the Africa section, Mr. J. N. M. Holt disclosed that, although the markets in this area absorbed more cotton textiles last year, the increased trade was mainly captured by Japan. Considerable technical advances in Japan continued to divert orders to that country which were previously executed in the U.K. and there were now few processes which Japan could not handle satisfactorily for the West African market.

Of greater interest to this country is the report of the India section of the Chamber. In response to repeated demands from Lancashire interests, India has made some valuable concessions to the U.K. in the matter of cloth imports. This has led to some improvement in the U.K.'s cloth exports to India. In the first ten months of 1955, shipments of Lancashire cotton piecegoods to India aggregated 4.5 million yards, as compared with 3.3 million yards in the corresponding period of 1954. The report pointed out that shipments had shown a progressive increase during the past three months and the October figures were three times higher than those of May. Orders on hand appeared to justify the view that an increasing repeat business could reasonably be anticipated. "This is a welcome sign that with more favourable tariff treatment Lancashire may be able to cater for a demand in specialist cloth complementary to domestic lines," stated the report. "There can be no doubt that every effort will be made to take the fullest ad-

(*Continued on page* 103)

U.S. ECONOMIC AID

THE U.S. was the first among the industrially advanced nations of the free world to realise the importance of economic aid designed to rehabilitate the countries which suffered from the ravages of the last war and to raise the living standards of the underdeveloped countries. The first of these objectives was accomplished through the Marshall Aid Programme, the most generous of its kind in world history. It has, however, been more difficult to achieve the second objective. The U.S.'s effort in this field, though not inconsiderable, has been less than what was made under the Marshall Plan, especially when it is set against the magnitude of the problem. The American taxpayer, like his counterpart in all parts of the world, naturally insists that the aid brings quick returns in the shape of either direct gain to American economy or increased security. The fact is that it is somewhat difficult to convince him that aid to underdeveloped countries is an investment in goodwill, that the fruits, though not readily apparent nor available immediately, are nevertheless large and real.

The U.S. Government, although it realises the importance of economic aid from a long-term point of view, obviously finds it difficult to carry conviction to all sections of American opinion. Very often, the spokesmen are found emphasising the value of such assistance as a bulwark against Russian expansion. They seldom realise that, by emphasising this essentially negative aspect of the aid the U.S. seeks to give, they are making it more suspect in the eyes of certain sections in the recipient countries. Such arguments can only serve to make these countries reluctant to accept such aid for fear that they might be drawn into a conflict. In any case, arguments of this kind serve to intensify the "cold war." From this point of view, the way in which President Eisenhower referred to the U.S.'s aid to Asia, in the course of his "State of the Union" message to the U.S. Congress, was not perhaps very appropriate. He said: "In Asia, we shall continue to give help to nations struggling to maintain their freedom against the threat of communist coercion or subversion." Presumably, the reference is to military aid to certain countries in Asia. But such aid does not by any means lessen international tension.

The U.S. will do well to increase economic aid, pure and simple. This is a positive approach to the whole problem, especially when such aid is given without specific references as to communism and Soviet imperialism. President Eisenhower is not oblivious of the importance of such approach, for he has asked for specific authority to enable the Administration to make long-term aid commitments. He said: "In order that our friends may better achieve the greater strength that is our common goal, they need assurance of continuity in economic assistance for development projects and programmes which we approve and which require a period of years for planning and completion." Accordingly, he asked the Congress to grant limited authority to make longer-term commitment for assistance to such projects, to be fulfilled from appropriations to be made in future fiscal years. He added: "These various steps will powerfully strengthen the economic foundation of our foreign policy. Together with constructive action abroad, they will maintain the present momentum towards general economic progress and vitality of the free world." It is to be hoped that the U.S. Congress will have the wisdom to grant the Administration such authority without much ado, because it will strengthen the Administration's efforts at facilitating economic progress in underdeveloped regions.

If the countries which get such aid apply it to specific economic programmes so as to raise their living standards, the purpose of the aid will have been fulfilled. The positive aspect of economic aid is that it serves to win peace and also place it on firm foundations. Recognising this, President Eisenhower said: "The sum of our international effort should be this: the waging of peace, with as much resourcefulness, with as great a sense of dedication and urgency, as we have ever mustered in defence of our country in time of war." He added: "In this effort, our weapon is not force, our weapons are the principles and ideas embodied in our historic traditions, applied with the same vigour that in the past made America a living promise of freedom for all mankind." The more effective way of continuing these traditions and spreading them to wider regions is to place an increasingly larger emphasis on economic aid.

EQUITIES RULE QUIET

VOLUME OF BUSINESS RESTRICTED

(From Our Own Correspondents)

BOMBAY, *12th January*

THE Stock Exchange remained unofficially closed today, as members refrained from doing business in order to consider and decide on steps to be taken against those who failed to meet their liabilities in the last settlement. During the earlier part of the week under review, trading was restricted and the undertone was quiet, though the trend was irregular. The indecisive trend was due to the presence of a number of uncertain factors. Thus, the talks among political leaders regarding the future of Bombay still remained inconclusive. Again, the indecision about the terms of the new issue of the Tata Iron and Steel Company continued to persist, as it was stated that the efforts of the Company and the Government to come to a conclusion over the same had not proved successful. The discussions in Delhi by the Standing Committee of the National Development Council over the ways and means of raising additional resources for financing the second Five-year Plan were far from providing a congenial atmosphere for enlarged trading. Proximity of the Budget, as usual at this time of year, was also another restraining factor.

In the meantime, the agreement reached on Sunday last between the management of the Tata Iron and Steel Co., Ltd., and the Company's workers, envisaging the progressive association of the employees with the management in the working of the Company " at various levels and by gradual stages " did not have any impression on the Stock Exchange, although the pact was hailed outside the market as a right step calculated to increase the workers' productivity. This was because the operators were more concerned with the aforesaid uncertainties. Secondly, it was too early to assess the effect of the agreement either on the cost of production or on the productivity of the Company.

In the steel section, Tata Ordinaries were marked down from Rs. 247-12 to Rs. 245-4 early in the week, but there was a sharp recovery to Rs. 248-8 on Monday this week. After a dip to Rs. 243-8 on Tuesday, the shares almost regained the loss when they touched Rs. 248-4 yesterday, but profit-taking at the higher level brought them down to Rs. 245-8 at the close. Indian Irons came up to Rs. 38-8 on Monday, after an early reaction to Rs. 37-5½. Thereafter, the shares moved between Rs. 38-7 and Rs. 37-14½ before closing at Rs. 38-1.

In the absence of any special factors to infuse confidence, textile shares moved in the same pattern as steels. Bombay Dyeings dropped early in the week from Rs. 569-6 to Rs. 562-8, and after a sharp recovery to Rs. 569-6, retreated to Rs. 555 at the close yesterday. Kohinoors finished at Rs. 337-8, after touching Rs. 341-12, as against the previous week's closing of Rs. 339-8. Centurys wound up with a loss of Rs. 4-8 at Rs. 479, the highest and lowest levels touched during the week being Rs. 485-8 and Rs. 477-4. Ahmedabad Advances gained Rs. 5 to Rs. 156-4, while Central Indias shed Rs. 2-8 to Rs. 153, Finlays Rs. 5 to Rs. 338, Gokaks Re. 1 to Rs. 225-8, Indu Ordinaries As. 2 to Rs. 13-8 and Khataus Rs 2-8 to Rs. 226-4. Laxmis were Rs. 3-12 better at Rs. 653-12, but Morarjee Goculdas declined by Rs. 20 to Rs. 230, Mysore Spinnings by Re. 1-4 to Rs. 103-12, New Greats by Rs. 9 to Rs. 191 and Podars by Rs. 2-8 to Rs. 177-8. Shree Niwas picked up Rs. 6-4 to Rs. 217-8, while Simplex lost Rs. 3 to Rs. 194, Svadeshis Rs. 3-4 to Rs. 219-4 and Swans Rs. 2-8 to Rs. 432-8. Tata Mills, however, hardened by Rs. 2-8 to Rs. 52-8.

Bank shares presented a mixed pattern, though the undertone was none too strong, despite reports that bank profits for the past year were encouraging. Barodas fell by Rs. 2-8 to Rs. 98-8, while Bank of Indias gained Re. 1-8 to Rs. 159 and Central Banks staged a similar rise to Rs. 52-8. Central Banks (New) were unchanged at Rs. 56, whereas Punjab Nationals dropped a rupee to Rs. 48-8 and United Commercials As. 12 to Rs. 53-4.

Insurance shares were conspicuously listless. New Indias receded from Rs. 43-12 to Rs. 42-8, before gathering strength to Rs. 43-8. Orientals were unchanged at Rs. 4,960. Indian Mercantiles were done As. 8 lower at Rs. 45-8, while Industrial and Prudentials held ground at Rs. 47 and Vulcans at Rs. 15-10.

Narrow movements in prices characterised business in electric shares and the undertone was quiet. Ahmedabad Electrics shed As. 5 to Rs. 105-15 and Amalgamated Electrics As. 6 to Rs. 11-5. Bombay Suburbans were lower by As. 10 at Rs. 120, while Surat Electrics held their own at Rs. 123-12. Andhra Valleys dropped Rs. 2-8 to Rs. 1,327-8, Tata Hydros Re. 1-8 to Rs. 137 and Tata Powers Rs. 10 to Rs. 1,392-8.

The miscellaneous section was relatively more steady, with several counters recording a rise, albeit modest. In the sugar group, Belapurs, however, gave way from Rs. 342-8 to Rs. 339, before closing at Rs. 340-8. Phaltans fell by Rs. 2-8 to Rs. 141, and Walchandnagars by Re. 1-14 to Rs. 249-6. But Bhopal Sugars were an exception in that they were maintained at Rs. 15-5. Among cement shares, Associated Cements receded to Rs. 213-8, after an earlier rise from Rs. 218 to Rs. 220. Digvijay Cements gained a fraction to Rs. 174. In the engineering and mining group of shares, Alcock Ashdowns were a feature with a rise of Rs. 10 to Rs. 351-4. Premier Constructions were also in form with a rise of Rs. 3 to Rs. 196. Tata Locomotives fell by Rs. 2-8 to Rs. 151-8 and Larsen and Toubros by As. 2 to Rs. 14-6. Shivrajpur Syndicates were marked up by a rupee to Rs. 108-8 and Indian Coppers by Rs. 1½ to Rs. 7-0½, while B.B. Petrols were lower by As. 1½ at Rs. 4-4½.

In the shipping and transport group, Scindias were sought after up to Rs. 18-11½, as against the previous week's closing of Rs. 18-2½, but they soon reacted to Rs. 18-4. Great Eastern Shippings gained As. 8 to Rs. 15-8 and India Steamships As. 2 to Rs. 8-3. Hindustan Motors were unchanged at Rs. 9-12, while Premier Automobiles moved down from Rs. 88-12 to Rs. 87-8. Among miscellaneous industrials, Bombay Burmahs (Old) were once marked up to Rs. 598-2 from the previous week's closing of Rs. 591-4, but they retreated to Rs. 585-10 at the close. British India Corporations declined by As. 3½ to Rs. 13. Killick Industries were held at Rs. 173, while National Rayons declined by Rs. 3-12 to Rs. 255-12. Tata Chemicals shed As. 4½ to Rs. 17-14, Tata Oils As. 12 to Rs. 47-12 and Wimcos As. 10 to Rs. 190-10.

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Calcutta Stock Exchange

CALCUTTA, *11th January*

Although the volume of business put through on the Calcutta Stock Exchange during the week under review remained at a low level, in view of the difficulties created by the continued suspension of work in the clearing house, some recovery was made. In the latter trend, selected counters in the coal, miscellaneous, textile and engineering sections joined. Encouragement for coals was due to the assumption that the Government, apparently convinced of the private coal producers' ability to realise the target, might raise the target. This possibility becomes all the stronger now that the Planning Commission is reported to have decided to make available a lesser sum than anticipated for expansion of Government collieries. A further increase in raw jute prices drove away buying interest in jute shares, while, in restricted trading, miscellaneous industrials put on a better appearance. Engineering shares attempted a recovery and small rises were recorded.

By and large, operators were cautious, thanks to the tendency to await the publication of the second Plan. Although methods of financing the second Plan have often been indicated, market circles are looking forward to the budget. They consider that, since the forthcoming budget period would be the first year of the second Plan, proposals are likely to provide the pattern for the remaining four years also. Fears about the imposition of further tax burdens are entertained in certain quarters. For it is stated that, last year, the Finance Minister left many of the recommendations of the Taxation Enquiry Commission for subsequent study. This study must necessarily be complete now and, in this view, market circles feel that there is all the more necessity to await the budget before moving one way or another. However, the restoration of the earlier cut in American allocations to India during 1956 has been noted with jubilation, as this adds to the resources for the execution of the Plan this year and the Finance Minister need search for only less amount.

Among textiles, Elgin Mills recovered from Rs. 25-12 to Rs. 26-10. Kesorams were fractionally better at Rs. 18-3. But Dunbars moved down from Rs. 315 to Rs. 305.

Coals were the best of all sections. From Rs. 555, Bengals recovered to close at Rs. 605. Equitables rose from Rs. 33-11 to Rs. 36, South Karanpuras jumped up from Rs. 12-5 to Rs. 13-14. Burrakurs were done at Rs. 16-15, as against Rs. 15-4.

Jutes were weak and most counters lacked attention. Nationals hovered around Rs. 31-13, while Budge Budges rose to Rs. 185 and Kamarhatties to Rs. 189. Ganges lacked interest even after falling from Rs. 88 to Rs. 86-8, but Deltas recovered from Rs. 251 to Rs. 253. Nuddeas were picked up at Rs. 47-8.

Engineerings made a partial recovery. Indian Irons opened at Rs. 37-15 and made a hard recovery to Rs. 38-7, but subsequently were shaded to Rs. 38-4. The subdued interest was due to a fall in production in the quarter ended December 1955. Production figures (in tons) with the previous quarter are: Pig iron 160,750 (176,181), steel ingots 124,696 (130,630), semis 26,875 (30,292), and finished steel 78,877 (78,422). From Rs. 60-6 Jessop & Cos. gathered strength to Rs. 62-2, Richardson and Cruddas to Rs. 27-13. Texmacos at Rs. 21-6 collected more than one point. Burn & Cos. were pushed down from Rs. 324 to Rs. 329.

As the week progressed, miscellaneous industrials gathered strength and were fully steady. But the number of transactions continued to be limited. Orient Papers gained As. 15 to Rs. 34-9 and Titaghur Papers Re. 1-3 to Rs. 46-14. At Rs. 8-4, Sone Valley Cements were a few annas better, and in transactions India Steamships at Rs. 8-6 were better. Indian Coppers were dealt higher at Rs. 7. Rohtas Industries were raised from Rs. 23-10 to Rs. 24-1. Martin Burns were fully steady at Rs. 29-4, but receded today to Rs. 28-13. B.I. Corporations were unchanged at Rs. 13-3, as were Angelo Bros. at Rs. 26-7.

Teas responded to selective enquiry. Brooke Bonds received moderate attention and rose from Rs. 19-10 to Rs. 20-4. At Rs. 22-8, East Indians hardened by Re. 1-12. Dhelakhats were put through at Rs. 18, as against Rs. 16-15, and Brahmaputras at Rs. 10-14, as against Rs. 9-4.

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Madras Stock Exchange

MADRAS, *11th January*

The Madras Stock Exchange ruled cheerless during the week under review. There was a general wave of selling pressure, while buyers were reluctant to commit themselves afresh. The bank strike and the continued uncertainty regarding an early settlement of the bank dispute, as well as the reported suggestion by the Planning Commission of a ceiling on individual incomes, dampened the enthusiasm of the operators. Advices from the Bombay market too were not encouraging. As a result, prices declined and scrips sustained sizable losses over the week. The undertone was easy.

Among the dividend announcements during the week under review was that from the Directors of the Kil Kotagiri Tea and Coffee Estates Ltd. They have declared a dividend of 20 per cent. for the year ended 31st October 1955, as against 30 per cent. for the previous year. As a result, the share was quoted lower at Rs. 6-3 *cum-div.*, as against Rs. 6-12. Devashola (Nilgiri) Tea Estates Co., Ltd. have announced an interim dividend of 10 per cent. for the year ended 31st December 1955, as against 15 per cent. in the previous year. The total dividend for the year 1954 was 40 per cent. Consequently, the scrip was enquired lower at Rs. 28 *cum-div.*, as compared with Rs. 29. The Balanoor Tea and Rubber Company Ltd. have decided to distribute an interim dividend of 10 per cent. for the year ended 31st March 1956, the same as in the previous year. The total dividend for 1955 was 25 per cent. The scrip was quoted at Rs. 24-9 *cum-div.*, as against Rs. 24-10. The Devon Tea and Produce Co., Ltd. have maintained the interim dividend of 10 per cent. for the year ended 31st March 1956. The total dividend for 1955 was 25 per cent. The share changed hands quiet at Rs. 23-8 *cum-div.* The Spencer & Co. Ltd., have declared a final dividend of 10 per cent., thereby making a total of 15 per cent. for the year ended 30th June 1955, the same as in the previous year. Trading in this share was quiet at Rs. 18-12 *cum-div.*

It is announced that an extraordinary general meeting of the Guntur Power and Light Ltd., will be held on 4th February 1956 in connection with the taking over of the Company by the Andhra Government. The scrip was quiet at Rs. 150.

In the textile section, Anglo-French lost Re. 1 to Rs. 126 and Bangalore Woollens Rs. 5 to Rs. 572-8. Coimbatore Cottons eased from Rs. 351 to Rs. 350 and Coimbatore Pioneers from Rs. 258 to Rs. 255. Coimbatore Spinnings receded by Re. 1-8 to Rs. 83 and Dhanalakshmis by Rs. 2-8 to Rs. 365. Metturs declined from Rs. 398-8 to Rs. 395 and Palani Andavars 'A' from Rs. 170 to Rs. 160. Vijayamohinis were down by Rs. 2 at Rs. 103 and Vijayakumars by Re. 1 at Rs. 109.

Chandramalais, among teas, lost an anna and a half to Rs. 6-4 and Coorg Teas As. 10 to Rs. 10-8. Nilgiri Teas and Nonsuch Teas receded by As. 8 each to Rs. 13-8 and Rs. 34, respectively. Parksides were lower by As. 2 at Rs. 20-14 and Talyar Teas by As. 6 at Rs. 13-4. Halleyburias were enquired at Rs. 26-8 *ex-div.*, as against Rs. 27-8 *cum-div.*

Among rubbers, Cochin Malabars declined by an anna to Rs. 8-8 and Nenmenys by As. 4 to Rs. 22-12. Rajagiris were enquired lower at Rs. 20-14, as against Rs. 21-2 and Pullangodes at Rs. 4-3, as compared with Rs. 4-4. Vaikundams, however, put on an anna to Rs. 26-11.

In the coffee section, Consolidated Coffees suffered As. 9 to Rs. 21-3 and Coffee Lands As. 4 to Rs. 18-4. Kadur Coffees were quiet at Rs. 2-9 and Puthutotams at Rs. 4-7½. Mysore Coffees, however, put on an anna to Re. 1-11.

Among miscellaneous scrips, Ashok Leylands lost As. 3 to Rs. 6 and India Cements As. 15 to Rs. 33-1. Mysore Chemicals were down by As. 2 at Rs. 9-9 *cum-div.* Rallis by As. 12 at Rs. 37-12. Travancore Cements suffered As. 3 to Rs. 12-7. Binnys, however, were better by Rs. 7 at Rs. 162 and Singarenis by As. 9 at Rs. 9-7.

HONGKONG AND SHANGHAI BANKING CORPORATION

The profit of the Hongkong and Shanghai Banking Corporation for the year ended 31st December 1955 (subject to audit) amounts to H.K. $20,580,320 (approx. £1,270,000) after making provision for taxation. The Directors have recommended a dividend of £3 per share and have written off Bank premises H.K. $4,000,000 (approx. £247,000), leaving a balance of H.K. $10,606,600 (approx. £655 000) to be brought forward to the current year's account. As a result of amendments to the Hong Kong Inland Revenue Ordinance, dividends are no longer subject to deduction of Hong Kong corporation profits tax.

NEWS IN BRIEF

THE target for small savings collection during 1956-57 has been fixed at Rs. 100 crores for the whole of India.

The export of *kardi*-seed cake, *niger*-seed cake and decorticated cottonseed oilcake will continue to be licensed freely upto the end of June 1956.

The Government of India proposes to introduce rail-cars, with a capacity of 150 passengers, on several broad-gauge sections of Indian railways with a view to reducing overcrowding in trains.

The period of validity of shipping bills in respect of export of rice bran, paddy bran and rice meal which had originally been passed for shipment by 31st December 1955, has been extended to the end of January this year.

The Calcutta High Court, in the course of a judgment, has held that subscriptions and entrance fees realised by the Calcutta Stock Exchange Association from its members and their authorised assistants were not remuneration liable to be assessed for income-tax.

Preliminary work in connection with the appointment of the Travancore-Cochin Banking Enquiry Committee, as recommended by the Gajendragadkar Commission, has been completed and the Committee, which would consist of three members, will be appointed within this month.

A fresh quota of 10,000 tons of oilcakes, excluding groundnut, linseed, *niger* seed, *kardi* seed, cottonseed, copra and tobacco seed cakes, has been released for export during the first half of the current year or till the ceiling is reached. A maximum of 200 tons has been fixed for an exporter from all ports.

An export promotion council for tobacco, consisting of 17 members nominated by the Government of India, will be inaugurated by the Union Minister for Commerce and Industry on the 20th inst. The headquarters of the Council will be at Madras and Mr. E. C. Shankar, Deputy Chief Controller of Imports and Exports, will be its Chairman.

Production of gold in India during October 1955 amounted to 19,286 ounces, having risen from 15,488 ounces in September. However, the aggregate production in the first ten months of 1955 was lower at 173,586 ounces, as compared with 202,978 ounces in the corresponding period of the previous year. The total production in 1954 amounted to 240,708 ounces, as against 223,020 ounces in 1953.

The experts of the Government of India and of the Associated Electrical Industries Ltd., U.K., technical consultants to the Government, have started on the second stage of their tour of the country to select the site for the proposed factory to manufacture heavy electrical equipment. Under the agreement between the Government and the Company, the location of the site should be finalised towards the end of March next.

The Andhra Government has requested the Union Government to establish certain heavy industries in the State. The State Government has represented to the Union Government to establish, among others, a steel fabricating plant, a fertiliser factory and a heavy electrical goods factory in the State. As the Andhra State consumes huge quantities of fertiliser annually, it is felt that it will be advantageous to establish a fertiliser factory in the State.

The Government of India has sanctioned a loan of Rs. 12.75 lakhs, repayable in eight years, to the Malabar Steamship Company, Bombay, for the purchase of a second-hand ship for operation in the coastal trade. The loans sanctioned to various companies so far for the purchase of vessels for coastal and overseas trade by the Government amount to about Rs. 20 crores. The present tonnage of coastal shipping is 259,000 (91 vessels) and that of overseas, 221,000 (33 vessels). At present, Indian vessels ply on six overseas routes. They are: India-East Africa; India-Persian Gulf; India-United Kingdom-Continent; India-Malaya; India-Australia; and India-Japan.

The Planning Commission has allotted Rs. 58 crores in its draft memorandum of the second Five-year Plan, for the development of major ports. This amount includes Rs. 25.5 crores representing the cost of the schemes under the first Five-year Plan to be carried over to the second Plan period. The Calcutta Port gets the largest share of the allotment, namely, Rs. 19.88 crores, Bombay comes next with Rs. 17.42 crores, Kandla Rs. 8.94 crores, Madras Rs. 8.46 crores and Cochin Rs. 3.61 crores. A sum of Rs. 5 crores has been provided for development of minor ports. The development of shipping has been tentatively provided with Rs. 45 crores, aiming at a target of 900,000 tons.

The rules under the Plantation Labour Act have been finalised and will be gazetted by the 16th inst. Disclosing this, the Labour Commissioner of Assam said last week that a chief inspectorate would be created to supervise the enforcement of the Act. He added that the provident fund scheme was working well in the Assam tea gardens and the membership in this State was now 400,000. Replying to a question, the Labour Commissioner said that Indian-owned gardens which had not joined the Indian Tea Association were the worst offenders in regard to non-observance of awards by Tribunals and the Assam Government was taking up the matter with the Centre for enhancement of penalties for ignoring tribunal awards.

A bumper wheat crop is expected this year in the Punjab and P.E.P.S.U. The heavy rains and floods in August and September in Uttar Pradesh and the Punjab, which delayed the sowings of wheat to some extent, eventually proved beneficial to the wheat crop. Quite a substantial area, which normally is under other crops, has, as a result of heavy rains, been diverted to wheat. Some of the non-irrigated areas have also been brought under wheat cultivation, owing to the better sub-soil water provided by the heavy rains. The acreage under wheat this year is, therefore, reported to be substantially in excess of that of last year. The sub-soil water has also helped in better germination, and latest reports show that, in spite of late sowings, the germination has been exceptionally good.

The Calcutta Tea Regulation Committee, representing the main tea-producing Associations of North-East India, unanimously decided, at a meeting held on 10th January, that, in view of the existing condition of the tea market, it would be desirable to introduce a scheme for the regulation of the tea crop to be produced in the 1956 season. The various associations represented on the Committee are now considering specific proposals to that end. The Committee also unanimously agreed to ask their constituent associations to recommend to their members that all tea waste should be destroyed on the gardens, and that all residue teas of doubtful quality should likewise be destroyed, to prevent such grades of tea having a further depressing effect upon prices.

From Abroad

The U.K. has joined the International Finance Corporation.

Two leading tea distributing firms of the U.K., namely, Brooke Bonds and J. Lyons, have announced a cut of 4d. per lb. in the retail prices of their medium teas with effect from the 23rd inst.

Pakistan will receive 60,000 tons of surplus U.S. wheat as a gift from the American people for distribution among flood-affected people. Arrangements are already under way to begin shipment and the first load of 10,000 tons will reach Karachi late this month.

The Japanese shipyards expect to receive export orders for 2.26 million gross tons during the current year. Orders so far booked with the Japanese dockyards amount to 2.38 million gross tons including 260,000 tons from domestic owners.

Soft coal production in the U.S. during 1955 amounted to about 465 million tons, a rise of 18 per cent. over 1954. This was the highest since 1952. The increase is attributed to the high rate of steel production, utility demand and heavy exports.

Possibilities of exporting Indian engineering goods to Burma are being discussed by the Indian Engineering Export Promotion Council delegation with members of the Burmese commercial community in Rangoon. The delegation has informed the Burmese that India is capable of exporting both capital and consumer engineering goods.

A Japanese economic mission will shortly undertake a tour of nine Middle East countries and territories. The tour, sponsored by the External Trade Recovery Organisation, is to study the marketing of Japanese goods in each of the nine countries with the object of increasing exports to this area. The mission will also discuss purchases of local products for Japan.

The grain from 75 million acres of virgin soil, which Russia plans to plough up, would have considerable impact on world markets, according to a forecast by Sir Peter Greenwell, a leading farmer of Britain, who recently visited the Soviet Union as a member of the British farming delegation. Sir Peter adds that the average Russian crop-yields are low—wheat at 6 cwt. an acre, for example.

A delegation from Iraq arrived in Karachi on the 10th inst. to seek permission and negotiate terms for setting up a jute mill in Pakistan, in partnership with the Pakistan Industrial Development Corporation. After details of financial participation are worked out, an agreement will be signed. Egypt and Turkey have also made arrangements for setting up jute mills in partnership with the Pakistan Industrial Development Corporation.

The Pakistan Industrial Development Corporation has completed a shipyard and engineering works in Karachi, including a dry dock, at a cost of Rs. 3.9 crores. The entire work was carried out under the supervision of a Hamburg firm, which will continue to be technical adviser of the yard for the next ten years. The yard is capable of constructing ships of up to 10,000 tons dw. and vessels of all kinds. The shipyard has already booked orders from foreign and local shipping companies.

Coal production in the Norwegian mines in Spitsbergen—only 600 miles from the North Pole—is to be doubled in the next five years, according to an Oslo newspaper. Output of the mines in 1955 was about 300,000 tons, all from the mines at the Longyear City settlement. It is proposed to raise output at Longyear City to about 400,000 tons and to restart production at the King's Bay mines at the rate of about 200,000 tons a year. The Norwegian Parliament is to be asked to vote £1,000,000 for the King's Bay project. Part of the increased output may be converted into coke for the steel plant at Mo-i-Rana, North Norway.

PERSONAL

MR. N. Gopala Menon, India's High Commissioner in East Africa, has been appointed Consul-General for India in New York.

Mr. Stephen Garvin, a former member of the Indian Civil Service and now Director of the Overseas Division of the Federation of British Industries, has arrived in India on a three-month tour of the country.

Mr. R. K. Mitra, I.C.S., Secretary to the Government of West Bengal, Home Department, has been appointed Chairman of the Commissioners for the Port of Calcutta, in succession to Mr. R. Gupta, I.C.S.

Prof. J. K. Galbraith, Professor of Economics, Harvard University, Boston (Massachusetts), has been appointed Adviser to the Planning Commission, Government of India. Prof. Galbraith will join duty next month.

Mr. P. R. Das Gupta, former Coal Commissioner and a retired member of the West Bengal Civil Service, has been appointed Project Administrator of the Durgapur Steel Project under the Union Ministry of Iron and Steel.

Prof. M. S. Thacker, Director, Council of Scientific and Industrial Research, has been elected General President of the Indian Science Congress for 1957-58. Prof. Thacker will preside over the annual session to be held in January 1958.

Dr. P. R. McMahon, Professor of Wool Technology, New South Wales University of Technology, has taken up an assignment in India under the F.A.O. of the United Nations. He is now in Rajasthan, where he will work in conjunction with the Sheep and Wool Improvement Department in all aspects of development and utilisation of wool.

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

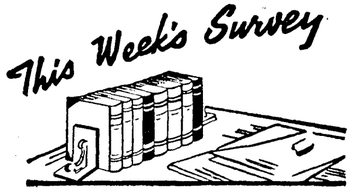
CALCUTTA, *17th January*

Trade Cycle

As indicated in these columns last week, the downward movement of the trade cycle started all the world over, from October 1929 immediately following the Wall Street collapse in that month. The depression has been one of the worst known in history and the precipitate fall in prices has been only excelled in magnitude by the post-war depression of 1920-21. The fall in prices is still continuing and the end does not seem to be in view yet. An idea of the magnitude of the fall may be gathered by studying the price movements in the United Kingdom, the United States of America and India. In the United Kingdom, the Board of Trade Index Number for October 1929 was 136. By April 1930 it had fallen to a little below 124, a fall of 12 points or of over 9 per cent. Since then prices have fallen further and the index number for August 1930 was a little below 118, that is a further fall of 6 points. In the United States of America, the Bureau of Labour Index Number was 97.5 in September 1929. By April 1930 it had fallen to 90.7, a fall of about 7 points. Between then and August 1930 there was a further fall of about 7 points. In India, the Calcutta Index Number stood at 143 in September 1929. It fell to 125 by March 1930, a fall of 18 points or about 13 per cent. Since then there has been a further fall of 10 points, the index number for July 1930 standing at 115. From September 1929 to July 1930, therefore, there was a fall of nearly 20 per cent. Such a fall in the course of less than ten months is almost unprecedented in the history of prices in India. This shows that the year was a disastrous one, as far as the price level was concerned. And the trouble was aggravated by the fact that the fall in prices was far more pronounced in the case of agricultural commodities and raw materials than in the case of manufactured articles. This again is a factor common to all the countries and the world is in the throes of a severe agricultural depression.

The negotiations between the representatives of the Standard-Vacuum, Shell and Caltex and the Ceylon Government for establishing a joint oil refinery in Ceylon are reported to have reached the final stage and only details remain to be worked out. The Government is willing to allow the import of crude oil for refining, but an excise duty will be levied at the refinery. The Government reserves the right to import finished petroleum products, if the oil refinery prices rise above the world price. As long as the refinery's products are not priced above the world price, the Government will ban the import of finished petroleum products.

Britain's first full-scale nuclear power station at Calder Hall in Cumberland, will be officially opened by the Queen on 17th October 1956, when it will be connected with the national Grid system of the Central Electricity Authority. Calder Hall is the world's largest atomic power station. It will supply 92 megawatts of electricity and produce plutonium as a by-product for use at the neighbouring atomic plant at Windscale. The first (A) station at Calder Hall is expected to become active soon. Meanwhile, work is proceeding on the second station—Calder Hall (B)—which is due to be completed by the end of 1958. The project will eventually have a total generating capacity of over 180 megawatts.



EXPORT CREDIT INSURANCE

AMONG the problems which have arisen as a result of the post-war expansion in world trade, mention must be made of the need for export credit insurance. Not only have the volume and value of export trade expanded but there have been many new entrants of varying degrees of creditworthiness into every country's foreign trade. This fact, coupled with the continuing political changes in many regions and the swift turns in economic fortunes necessitating changes in exchange control, often renders the task of exporters and importers a particularly difficult one. No exporter can, through his own unaided effort, hope to bear the risks in the shape of political changes or changes in exchange regulations in the importing countries.

Since a well-organised system of export credit insurance can help mitigate the losses which an exporter may suffer from causes beyond his control, more and more countries are devoting their attention to evolving such schemes. The U.K. and certain continental countries already operate such schemes. A recent instance of a country which has been examining enthusiastically the possibility of implementing such a scheme is Australia. The setting up of export credit guarantees to expand Australia's export trade was urged by members of both sides of the House of Representatives last September. The Government thereupon commenced working in close collaboration with Mr. R. A. Freeman, a senior expert of the British Export Credits Guarantee Department, and is said to have evolved a scheme for guaranteeing export credits which would be of great help to Australian industry; the Federal Cabinet is expected to deal with the proposal at its first post-election meeting.

In India, however, the initiative has come mainly from the Government. Last year, a draft scheme was prepared and circulated by the Ministry of Commerce and Industry among chambers of commerce and trade organisations. Briefly, the scheme contemplated the issue of a "shipment policy" to an exporter who insures his goods so as to provide cover against such risks as insolvency of foreign buyer, imposition of exchange restrictions and occurrence of war or rebellion in the buyers' country or a contracts policy which, in addition to the risks covered under the "shipment policy" would cover changes in export control. A feature of the draft scheme was that it contemplated the grant of compensation to any foreign importer in cases where he has been able to establish a legitimate claim against an Indian exporter. Judging from the observations of Mr. D. P. Karmarkar, Deputy Minister for Commerce and Industry, at the last meeting of the Export Advisory Council, the response to the scheme has not been encouraging. He said: "I must confess that the response has not been as enthusiastic or as constructive as we had hoped."

Obviously, the Government believes that the scheme deserves a detailed examination rather than the prefunctory notice it has so far received. Accordingly, it has appointed an expert committee, with Mr. T. C. Kapur, retired General Manager of the Bombay Mutual Life Assurance Society Ltd., as Chairman, with a view to examining the scheme more thoroughly than has been done. The Committee has been asked (i) to examine the suggestions made in this behalf and to consider the scope of export credit guarantee scheme; (2) to make recommendations in regard to (a) the nature of risks to be covered; (b) the basis on which premia should be fixed; (c) the structure of the organisation that will be required for the implementation of the scheme; and (d) any other matter necessary for the successful operation of the scheme. The Government, it is stated, also proposes to appoint an expert adviser with knowledge of the working of the export credit guarantee scheme in one of the foreign countries to assist the Committee. The report of the Committee is expected to be ready early in May 1956.

The task before the Committee is by no means easy. After all, it is expected to break new ground which is as much new to the Government as to the commercial interests concerned. If the draft scheme did not evoke sufficient response, it may be due partly to the fact that it sought to include compensation for any foreign importer in respect of any legitimate claim against an Indian exporter. Established exporters, who do not normally meet with such claims, cannot be expected to be enthusiastic over a scheme which covers the risks arising from the activities of the unscrupulous exporters. Even if this risk were eliminated, there would still be many practical issues to be settled. Should the scheme be applied at the first instance only to some selected sector of export trade or to the entire export trade? If its benefits were restricted to a small section, the principle of insurance which is based upon the spread of risks on as wide a field as possible would be lost. To spread it over the entire export field might, on the other hand, mean the underwriting of incalculable risks. The major question is, of course, the cost of export credit insurance. The success or failure of the scheme will obviously depend upon whether the premia charged for an export credit policy are attractively low or not. The other issues include whether the scheme could be made compulsory for exporters. In view of the great importance of the scheme to national economy, in general, and export trade, in particular, the trade and commercial organisations will do well to co-operate with the Committee in completing the task set for it.

INDO-U.S. TECHNICAL CO-OPERATION

The Thursday of last week—5th January—marked another significant landmark in the history of economic relations between India and the United States. It was on this day that the Indo-U.S. Technical Co-operation Programme completed four years of its existence. The fourth anniversary of the Programme was celebrated by the signing of two agreements under which the U.S. Government is to provide India with 100,000 tons of steel for rail-road rehabilitation and 6,000 tons of D.D.T. for malaria control. On an occasion such as this, it is but appropriate that one should take stock of what the U.S. Government has actually done to assist India in its task of economic development.

Since the inception of the Indo-U.S. Technical Co-operation Programme on 5th January 1952, nearly 50 joint projects with an aggregate capital outlay of over Rs. 350 crores ($650 million), all part of the Five-year Plan, have been started. The U.S. has so far allocated for these projects equipment and commodities worth more than Rs. 125 crores ($250 million), of which 75 per cent. has already reached India. The Government of India's contribution to the projects is about Rs. 200 crores ($400 million). The projects are mainly in the fields of agriculture, community development, industry and mining, transportation, labour, health and sanitation, and education.

In the above Programme, priority has been given—this is only as it should be—to the development of agriculture which is the mainstay of India's economy. The U.S. has provided assistance in a variety of ways in this field. Particular mention deserves to be made of the supply of fertilisers (283,000 tons worth Rs. 10 crores or $21 million), assistance in the construction of 3,000 tube-wells for providing water for cultivation and supply of essential items of equipment for big irrigation (and power) projects like the Rihand Dam Project. The U.S. has also rendered assistance for the extensive development of fisheries which constitute an important subsidiary source of food supply. Further, active support is being given for training in labour welfare and for improvement of facilities, for education in agricultural colleges and secondary schools. It is also proposed to set up, under the Programme, a Water Resources Centre in the current year. In addition to all these, the U.S. has supplied nearly 150,000 tons of steel for the production of agricultural implements and tools.

Another sphere in which American assistance has played a notable role is Community Development and National Extension Service. A total of Rs. 5.7 crores ($12 million) has been provided by the U.S.—against an aggregate planned outlay of about Rs. 100 crores by the Government of India—for road building, agricultural demonstration equipment, mobile cinema units for instruction in the villages, and a wide range of other supplies and equipment. In order to provide a large number of trained personnel, 43 training centres have been set up under the joint Programme. By the end of 1955, nearly 10,000 village-level workers and more than 600 supervisory personnel had been trained. Also of much value is the joint project pertaining to malaria control. The outlay on the project is estimated at Rs. 20 crores ($40 million). Forming part of this project is the latest U.S. offer of 6,000 tons of D.D.T. After malaria, the outstanding problem is the group of diseases which are waterborne. A sum of approximately Rs. 2.36 crores ($5 million) has been granted by the U.S. as a supplement to the Rs. 22 crores provided by the Government of India for ensuring supply of pure drinking water to 10,000 villages and 25 cities. The U.S. aid covers import of essential items such as drilling rigs and pipes.

In the field of transport and industry, too, American assistance granted under the Programme is not inconsiderable. The latest steel allotment of 100,000 tons will assist in making up the deficiency of 245,000 tons required by the Indian railways during 1956. It will also enable the Government to make necessary improvements in railway track facilities and to obtain an increased supply of locomotives and wagons from indigenous units. The quantity of steel supplied by the U.S. for industrial uses comes to about 400,000 tons. Incidentally, the total supply of steel which the U.S. has so far given to India for various purposes under the Programme is estimated at over 700,000 tons. The amount of Rs. 7 crores ($14 million) realised from the sale of the industrial steel has been loaned by the Government of India to the newly set up Industrial Credit and Investment Corporation for the private sector.

All this goes to show that the U.S. has made, and continues to make, a contribution to the solution of the difficult task which India faces in raising the living standards of its teeming millions. It would be clearly wrong not to appreciate the value and the significance of the help and assistance rendered by this great democratic country in the form of capital, equipment and technical know-how. In this context, it is particularly gratifying to learn that the U.S. Government has decided not to enforce the $10 million cut in the foreign aid grants and loans of $60 million (including the $10 million which the U.S. Congress has already authorised for technical assistance) to India, as recommended by the head of the U.S. International Co-operation Administration. This amount is expected to be made available to India after March next.

WORLD RICE OUTPUT

World rice harvest (excluding the U.S.S.R.) during 1955-56, according to the estimate made by the Commonwealth Economic Committee, would equal the previous season's output of 159.4 million tons. This quantity represents a fall of 4.4 per cent. as compared with 166.8 million tons harvested in 1953-54. With no change in the trend of rice output thus and with the possibility of an increase in consumption as a result of higher incomes following the implementation of the development schemes in several countries, it may not be unreasonable to expect the world rice markets to rule distinctly firm in the coming months.

Be that as it may, the early reports from the large rice producing countries in Asia suggest that the rice crop in these countries during 1955-56 will considerably exceed the crop gathered in 1954-55. In Japan alone, rice production is expected to improve by 2.3 million tons to 9.4 million tons. The estimate of rice production in China is also placed higher at 32.3 million tons, as against 29.1 million tons in 1954-55 and the pre-war average of 31.7 million tons. India—the world's second biggest producer of rice next to China—is also expected to harvest a larger rice crop; the estimate is based on the first official forecast which puts the acreage under rice higher by 5.4 per cent. at 65.92 million acres. It would, therefore, appear that the recent floods have not adversely affected the sowings. Floods do not also seem to have affected unduly production of rice in Pakistan where the output is expected to be roughly the same as in the previous season. In Burma, the rice crop is officially reported to be unchanged, the output of better quality rice being estimated higher. The harvest in Thailand is also expected to be a good one. According to the latest reports, the second rice crop in Formosa is excellent and production in the Philippines is officially estimated to be larger than in 1954-55. Drought is likely to limit the exportable surplus of South Viet Nam, although some increase is recorded in the rice crop of Communist North Viet Nam. Indonesia, on the other hand, is expected to record a fall in rice output, thanks to damage caused by floods in Sumatra and more recently in Java.

Since there is no possibility of any change in the world supplies of rice, the international trade in this commodity during 1955-56 will be essentially influenced by the demand factor. A factor which points to an improvement in demand for rice is the expectation of a rise in incomes in several countries. It is, therefore, likely that the aggregate world exports of rice during the season under review will register an advance. This will be in keeping with the trend noted in the first nine months of 1955. During the latter period, shipments of rice from the main exporting countries aggregated 3.2 million tons, which compare favourably with 3.0 million tons in the corresponding period of 1954. Much of this increase was accounted for by larger consignments from South-East Asian countries where recovery in exports from Thailand outweighed the fall in shipments from Indo-China. Among the Commonwealth countries, there was some recovery in the export trade of India and Pakistan. The quantity of rice sent out from the U.S., however, was less, being 350,000 tons, as against 455,200 tons a year before. Shipments from Italy were also one-third lower than in 1954.

BONUS TO PLANTATION WORKERS

After five long months of protracted negotiations, an agreement has been reached between the representatives of employers—the Indian Tea Association, the Indian Tea Planters' Association and the United Planters' Association of Southern India—and workers relating to payment of bonus to plantation workers. The Agreement provides for payment of Rs. 130 for the combined years of 1953 and 1954 for the Assam plantation workers and proportionately lower amounts for workers in other plantation areas according to profits. It is stated that a satisfactory formula for the payment of bonus for the year 1955-56 has also been found. The benefit of this agreement, it is stated, accrues to nearly one million plantation workers of Northern India.

The Agreement is, however, to be ratified by the respective associations in Northern and Southern India. This, it is hoped, would be only a formal procedure, despite the statement of Mr. S. K. Banerjee, who represented the Indian Tea Planters Association at the negotiations, that he had submitted a separate note while signing the Agreement and that "he had no mandate from the Association." He is credited to have remarked: "The financial implication of the agreement is very heavy. In view of the heavy recession of price, high rate of duty and taxation and big burden under the Plantation Labour Act, it is impossible for me to agree to such a settlement involving heavy amount, without consulting the various associations."

Plantation owners in South India have, however, welcomed the Agreement, particularly on the ground that it would provide a basis for bonus payment to workers in the South, the determination of which was a ticklish affair in the past. The plantations in South India, it may be noted, have been paying bonus since 1947. The workers in the South were paid last year a bonus at the rate of 9 per cent. of gross earnings in tea gardens, 6¼ per cent. in rubber estates and 4 per cent. in coffee estates. A maximum of 10 per cent. of gross earnings was paid to tea workers in the previous year. The minimum in respect of any of these plantations was 4 per cent.

FINANCING ROAD DEVELOPMENT

The need for the creation of statutory non-lapsing funds at the Centre and States to finance all road development and maintenance programmes was emphasised by Mr. N. K. Nambiar, Chief Engineer, Madras, in the course of his presidential address to the twentieth annual session of the Indian Roads Congress, held at Nagpur last week. He complained that the expenditure on roads was less than the user taxes collected by the Centre and the States. He suggested that all these taxes should be credited to statutory non-lapsing road funds of the Centre and States and their diversion to other purposes should be prohibited. Mr. Nambiar demanded also the constitution of an "All-India Rural Communication Fund," as suggested by the Taxation Enquiry Commission, with a view to providing more and better rural roads. Further, he reiterated the suggestion for the flotation of "highway bonds" to raise money for meeting expenditure on roads and highlighted the necessity for the establishment of a separate highway department in each State as in Madras. Finally, he advocated the creation of an All-India Service of Highway Engineers.

Although these suggestions have been made from time to time, it is regrettable that there is hardly any indication of the Government adopting them. The need for non-lapsing road funds, for instance, was suggested even by the Motor Vehicles Taxation Enquiry Committee of 1950. At present, grants are given for road works on a yearly basis and the unspent money lapses at the end of the financial year. Such annual grants are again subject to curtailment, before allotments are actually disbursed. Moreover, allotments made late in the year often entail wasteful and uneconomic expenditure. The Indian Roads Congress has been urging for several years now the need for constituting non-lapsing Central and State Road Funds and for crediting all the money made available for expenditure on roads by the various administrative authorities to such funds. This arrangement will enable the authorities responsible for roads to undertake road planning without fear of lapse of funds. They will also be tolerably sure of their road budget for a number of years ahead.

(Continued on page 93)

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SECOND PLAN TAKING FINAL SHAPE

CURRENT REVENUE RESOURCES UNDERESTIMATED

From A Special Correspondent

NEW DELHI, 10*th January*

THE second Five-year Plan is on the anvil. The Draft Memorandum of the Plan has already been considered by the Cabinet and would appear to have received the formal approval of the members of Government. Since most Ministers of the Central Government had been connected with the deliberations of the Planning Commission at one stage or another, the Draft Memorandum must not have revealed any new features to them, except, perhaps, for the fact that they were able to get in book form all the schemes of the second Plan compiled together.

DELHI LETTER

The Draft Memorandum was also presented to the Standing Committee of the National Development Council which met in the Capital towards the last week-end. This meeting was addressed by the Prime Minister and the Finance Minister. The Prime Minister suggested that a wholehearted attempt should be made to implement the Plan. He is reported to have emphasised the importance of heavy and basic industries and their development as quickly as possible. He advocated that preference should also be given to the development and expansion of such of those industries as would go a long way in effecting some savings in foreign exchange. He was anxious that dependency on foreign help should be reduced as much as possible and that the country should rally round the Government in the speedy execution of the various development plans.

The Finance Minister was anxious to put forth before the meeting some of the important problems that would face his Ministry in the coming months. He was particular that the role of deficit financing should be limited as much as possible. Hence he is reported to have drawn the attention of the Chief Ministers of different States, who happen to be members of the Standing Committee, to the necessity for raising as much tax revenue as practicable for the financing of the Plan. He desired that the nation should contribute as much as possible for furthering the Plan. Considerable emphasis would appear to have been laid by him on the saving schemes, particularly in rural areas. The target for the first year of the second Plan in respect of small savings is reported to have been fixed at the high figure of Rs. 100 crores. The Commissioners of the Small Savings Schemes in the States are reported to have been alerted that they should carry the message of savings to the remotest villages, that a door-to-door approach should be made and that all classes of people should be exhorted to contribute their mite to the economic development of the nation. The Finance Minister would appear to have pointed out that the problem of bridging the external gap of Rs. 800 crores and more would be difficult and that at best Government would be getting only about Rs. 300 crores by way of foreign assistance.

Among the members of the Standing Committee, Dr. B. C. Roy, Chief Minister of West Bengal, took a sane view that the burden of the Central Government would be lightened to the extent the private sector came forward to develop the economy of the country during the second Plan. In his view, the co-operation of the private sector was necessary for the successful implementation of the Plan. Many other Chief Ministers who spoke on the occasion took a unilateral view of the whole problem. Some of them were averse to raising more revenue through additional taxes, especially as the next year happened to be election year. They are reported to have suggested that the Centre should be generous in coming to the help of the States by allocating greater resources to the States. They are also reported to have suggested that some of their pet schemes should be included in the second Plan and insisted that particular States should be given preference in the matter of establishing some key industries. They showed complete disregard in the matter of raising adequate resources for the implementation of the Plan. It is expected that all these problems will again come up before the meeting of the National Development Council convened for the third week of this month.

One significant development at the meeting was that some members of the Standing Committee paid little heed to the problems facing the planners, particularly in the financial and technical spheres. On the other hand, they began to put forth their pet views in furthering the socialistic pattern of society. Dr. D. R. Gadgil, for instance, stressed the importance of the distribution aspect in the national economy and desired that the public sector should be expanded further, with a view to lessening the evil of concentration of economic power in fewer hands. He was of the firm opinion that important producer goods industries, banking, insurance, etc., should be entirely in the hands of the public sector. He was not convinced by the plea often raised by some leading Government spokesmen about the absence of administrative and technical personnel for manning the public sector. The only way of bettering the condition of the most disadvantaged classes in the society, he said, was to give them, as far as possible, opportunities for obtaining an adequate income in their own occupations and, if this could not be done, by giving them alternative employment, near their own houses. Whatever might be the practicability of the suggestions of this learned Professor, one fact is becoming clearer and it is that, in the coming years, greater stress will be laid on the distribution aspect of the economic problems facing the country. There is growing opinion among a section of planners that the State should be entrusted with greater powers to regulate and frame its economic policies and measures with a view to achieving a socialistic pattern of society.

The weakest link in the second Plan, to which little attention was paid at the meeting, was that of finance. There appears to be a gross underestimate of the resources of the Central Government for financing the second Plan. Out of the total outlay of Rs. 4,800 crores, less than one-sixth—about 16 per cent.—is expected to be covered from budgetary resources (revenues) of both the Central and State Governments. Exactly one-fourth is proposed to be raised as loans from the public. Another 25 per cent. of the outlay is expected to come from outright deficit financing while the balance is proposed to be met from external assistance in some form or other.

The budgetary resources from the current revenues are placed at only Rs. 350 crores while additional taxation is expected to bring in another Rs. 450 crores, in all Rs. 800 crores. It may be mentioned that, during the first three years of the first Plan, both the Centre and the States were able to finance nearly Rs. 400 crores out of the revenue surpluses, the actual annual rate of expenditure on this account being Rs. 133 crores. In the second Plan it is proposed to secure Rs. 800 crores out of revenue surpluses and additional taxation. This works out to hardly Rs. 160 crores per annum. With the gradual industrialisation of the country, the return from income, corporation and Central excise taxes will record a substantial increase in the coming years and hence the receipts from them will disclose a marked rise in the coming years. It is possible that nearly Rs. 1,200 crores could be met from the revenue account in the second Plan.

In 1950-51 (the pre-Plan period), the total revenue from income-tax (including corporation tax) and the Union Excise duty amounted to Rs. 125.71 crores and Rs. 67.54 crores, respectively. For 1955-56, the estimated revenue from these two sources has been placed at Rs. 173 crores and Rs. 133 crores, respectively. The industrial production index at the end of the fiscal year 1950-51 stood at about 105 (Base: 1946=100). In the case of the Union Excise tax, there has been an increase of 100 per cent. within a short period of five years, while, in the case of income-tax, the increase has been about 40 per cent. Now that substantial sums are proposed to be spent on industries during the second Plan, the index number of industrial production, which now stands at about 160, will be greater. A leading spokesman of the Government has already visualised that, before the end of the second Plan, the industrial production index will more than double itself from the present figure of 160. In such a case, the tax income from these two sources alone which now stands at Rs. 310 crores, may easily move up to well above Rs. 500 crores per annum before 1960-61. It is, therefore, possible that both these taxes alone will narrow the gap in the budgetary resources of Government to a considerable extent during the second Plan period. It appears that the Planning Commission has not given due weight to the possibilities of increases in these items when assessing the budgetary resources of Government in the coming years.

PROFITS AND PROSPECTS

GOLD FIGURES ENCOURAGING

(From Our Own Correspondent)

LONDON, 7*th January*

THE Bank profits just published bear out the impressive record of 1955 when industrial trading profits increased, as compared with the previous year, by some 12 per cent. The following table shows how the big banks have fared:

Net Profits of Banks
(In million £'s)

	1955	1954
Barclays	2.65	2.55
Midland	2.65	2.40
Lloyds	2.32	2.19
National Provincial	1.88	1.83

The smaller banks show similar increases. Of course in a year in which money has become steadily dearer and in which stock exchange securities have appreciated substantially on balance it has not been difficult to make money; on the other hand, the banks have been hit by the depreciation in Government stocks—corollary to dear money—and while the effect on the portfolios of the banks is certainly being provided for in the reserves, it may not have been taken account of in the published profits figures. However, bank policy is so conservative in these matters that one should be prepared to take the increases in profits at their face value.

LONDON LETTER

The quarterly figures published by the *Financial Times* show that industrial profits have been substantially increased this past year, but, significantly, each quarter has shown a smaller rate of increase than that before. Normally, such a movement would indicate the beginning of a period of recession, but, given the background of the anti-inflationary moves made by the Government, the reduction in the rate of increases may be merely a reflection of the difficulty firms have found in continuing their expansion.

Certainly, the Revenue has been benefiting from the higher earnings as the figures for the first nine months show. Income has been higher and Government expenditure lower. If the next three months run to the form of 1954-55, then the ordinary surplus may be in the region of £400 million. But, while so far tax revenue has been running far above Mr. Butler's expectations, expenditure has begun to creep up. This has been especially the case on what are known as "below the line" items—loans, etc.,—which will certainly bring down the overall surplus.

A puzzling feature of the economic picture is the contrast between the general pressure of activity—reflected, for instance, in the record 20-million-ton output of the British steel industry, an output which is continuing to expand at not less than 5 per cent. per annum—and the slackness which has hit the big motor manufacturers, which are, of course, big sheet steel users. Their difficulty is that export markets are hard to maintain while at home money tightness and hire-purchase restrictions have cut down demand. But, while the home demand for cars is controllable by Government action, the vital export demand is not. Short of an export improvement, is the economy then doomed to stagnation? The latest overall industrial production indices certainly point to a flattening in the rate of increase, namely:

	1955	1954
1st quarter	133	125
2nd quarter	135	128
3rd quarter	135	130
4th quarter (estimates)	136	132

On the other hand, the export situation may improve sufficiently to allow a lightening of the dead hand on home trade. Certainly, the December gold figures are encouraging in showing a surplus of $22 million—the first overall surplus since the half-year. This was offset by the payment of $188 million on loan account to Canada and the U.S.A., but this factor, in any appreciation of the economic situation, must be spread over the year. December remains an encouraging month and it is fitting that the prospects for 1956 should end on that note of significance for the whole sterling area.—*All Rights Reserved.*

EVOLUTION OF INDIAN STANDARDS

I.S.I'S ACTIVITIES REVIEWED

By Dr. Lal C. Verman

DIRECTOR, INDIAN STANDARDS INSTITUTION

[The proceedings of the Chemical and Textile Standards Convention, which was inaugurated in Bombay this week, by the Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, have served to focus public attention on the importance of standards to India's national economy. In this context, the following review of the working of the Indian Standards Institution by its Director, Dr. Lal C. Verman, will, it is hoped, be read with interest.—ED.]

LOOKING back to 1947 June, I remember the diffidence with which I accepted the Directorship of the Indian Standards Institution. Its Memorandum of Association had been signed earlier in January, at the first meeting of the General Council which met under the chairmanship of the then Minister for Industries and Supply, Dr. John Matthai. I had the privilege of representing, at that meeting, the Council of Scientific and Industrial Research and of signing the Institution's Memorandum of Association. At the time, it was far from my mind that I might be chosen to direct its affairs. The opportunity appeared at first sight to be a challenge.

The country was on the verge of independence, and new developments in every direction were in the offing. The Constitution of the Institution had provided for standardisation activity to be organised in practically every branch of economic development in the country. How far would the I.S.I. be able to meet the demands of industry and commerce? How far would it succeed in getting the necessary co-operation from divergent interests and enlist the financial support of participants? Would the standards it prepares find wide-spread application in production practices and serve as basis for commercial and trade transactions? These and many others were the questions that haunted my waking and sleeping hours.

Many friends and associates expressed similar diffidence, and did not hesitate to emphasise the difficulties ahead. Perhaps, it was the force of the challenge thus presented, or perhaps it was my own intimate personal confidence in resurgent India that I put my shoulders to the task with a determination to do my best, leaving it to the country to judge the results that might ensue.

Encouragement

I cannot possibly overlook the constant and consistent encouragement that was invariably given by the Ministers who have been Presidents of the I.S.I. during the last eight years. Mr. Rajagopalachari's quiet way of expressing his appreciation, Dr. Syama Prasad Mookerjee's pleasant manner of guiding one through difficulties, Dr. Harekrushna Mahtab's agreement with an understanding and a smile to one's proposals, and, last but not the least, the penetrating insight of Mr. T. T. Krishnamachari into the commercial and industrial affairs of the country —all these have been a limitless source of energy and encouragement, contributing to the development of the Institution and its success.

The first Division to be created was the Textile Division, soon to be followed by the Engineering Division. With the Chemical Division coming into being during 1948, the Institution intensively engaged itself with the spadework of initiating standardisation in these three fields, and it was not till 1952 that the fourth Division of the Institution, namely, the Building Division, came into being. By this time, the first Five-year Plan of the I.S.I. had been adopted, and the place of the Institution had been fairly well secured in the general development plan of the country. The fifth technical Division to deal with agricultural and food products is now expected to be inaugurated early in 1956.

I clearly recall the day when the Institution was just about two years old and we had only two published standards to our credit. The doubt arose as to why the Government should continue to finance an institution which had been able to produce only two standards in the first two years of its existence. It had to be explained in detail that the procedure which had to be followed in preparing Indian Standards was necessarily lengthy, but one which had been amply proved by half a century of experience in other more industrialised countries. The two years spent in spadework had involved preparation and circulation of hundreds of drafts and proposals, which were bound to bear fruit in due course. It was pointed out that once the complex structure of committees, councils and directorate began moving, standards would pour out in a steady stream, which, God willing, would, with time, grow in volume, strength and intensity.

International Recognition

A few months later, when the Institution had published only five standards during 25 months of its existence, to my great surprise the singular honour of being elected the Vice-President of the International Organisation for Standardisation (I.S.O.) was bestowed on me. This was the highest office to which an executive of a member-body of the I.S.O. could be elected. For a time, it was difficult to realise the significance of this election. Why the Standards Institution of several countries, some of whom were almost half a century old, had chosen to honour the youngest among their group? Was it our achievements? Was it our international importance? Had it anything to do with me personally? Even up to this day, I have not been able to find a satisfactory answer to these and many other questions that arose in my mind. Perhaps, it was the basic soundness of the principles on which the I.S.I. had been working. Perhaps, the I.S.I., as a consequence, had been able to contribute something valuable towards the building up of another new organisation, namely, the I.S.O. itself, which had been started almost at the same time as the I.S.I. And then, perhaps it was the result of the cordial international atmosphere which Prime Minister Nehru's wise foreign policy had begun to create. Whatever it was, the event was definitely responsible for our redoubled effort. I say "our," because not only the staff of the Directorate but the committee members also were equally touched by this election as myself, and began to take rightful pride in belonging to an organisation which had earned international recognition at such an early age.

On the home front also the Institution began to earn recognition with the acceptance in 1951 of its Five-year Plan which provided for its integrated development. The main items included: (i) the inauguration of the Building Division; (ii) organisation of the national work of standardisation in the field of electrical engineering in relation to that of the International Electro-technical Commission, which responsibility had been passed on to the I.S.I. by the Institution of Engineers (India); (iii) initiation of the steel economy programme through standardisation, which was originally conceived by the Planning Commission itself and which has now assumed a renewed significance in view of present plans for increasing the production potential to six million tons; and (iv) undertaking standardisation work on selected subjects in the field of agriculture, such as foodgrain storage structures and practices.

Certification Marking

Soon after this, Parliament passed the Indian Standards Institution (Certification Marks) Act in March 1952, which recognised the Institution as the premier standardisation body and conferred on it necessary powers to administer national certification marks designed to encourage production and distribution of goods and services in accordance with recognised national standards. The groundwork of pre-

(*Continued on page* 103)

Always in the Forefront

In the forward march of Life Insurance in India, the HINDUSTHAN is, as it has always been in the forefront giving protection and security to millions of our people against possible hazards of life. The 48th Annual Report for 1954 once again reflects the soundness, integrity and strength which always have been so characteristic of the Society.

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U.K. DETERMINED TO TACKLE CAUSES OF INFLATION

OBJECTIVES OF ECONOMIC POLICY

THE year 1955 reinstated the sequence of the odd-year balance of payments difficulties that have punctuated the post-war economic history of Britain. Last year's difficulties do not deserve the epithet of "crisis." The first half of the year achieved a small surplus in the overall balance of payments. There may be a small deficit in the second half (it must be remembered that big payments on the U.S. and Canadian loans are made at the end of the year), but the final balance for the 12 months will not be widely out of true.

A bare balance, however, is not good enough, and no real comfort can be gained from the fact that last year Britain was doing little better than a tight-rope balancing act. If, however, Britain came back last year to its customary odd-year balance of payments troubles, it can, on the other hand be claimed that the difficulties have been tackled by entirely new methods—new, at least, for the post-war period.

The serious difficulties of 1947 and 1949 were countered, in the main, by direct economic controls appropriate to the economic philosophy of the administration then in power. Cheap money was not disturbed. Imports were cut, travel allowances curtailed, scarce materials rationed and allocated, building licences trimmed.

All this may have suppressed, but it did not cure, the underlying tendency towards inflation, of which the balance of payments difficulties were a symptom. Nor did it avert the need for the considerable devaluation of sterling in 1949.

Correctives Applied

Then came the difficulties of 1951. On that occasion, the Bank rate was raised from its long slumber, and credit policy was applied once again. The position, however, was so grim, and in need of such quick-acting correctives, that the rediscovery of credit discipline had to be supplemented by more specific measures of economic control. Once again, imports were cut and a direct attack made on the imbalance of Britain's oversea payments.

The mixture on that occasion succeeded admirably. It did so, in part, because dearer money was aided by the pricking of the post-Korean boom throughout the world.

Commodity prices were falling, and when that is happening the efficacy of dear money is doubled. Traders and manufacturers are more likely to get rid of stocks and pay off bank loans when the trend of prices is downward than when the converse is true (as is now the case) and when traders are convinced that, if they de-stock, they will have to re-stock at higher prices later on.

Whatever the explanation, the remedies of 1951-52 worked most efficaciously, and, by the middle of 1952, Britain's economy was soaring again, and with such momentum behind it that the recovery carried right through 1953, the first post-war odd-year not to be marked by balance of payments difficulties. Since then, the policy of the Government has been opposed to the use of specific economic controls. With Mr. R. A. Butler at the Treasury, Britain has, in fact, taken the initiative in the move towards freer trade and freer payments.

When, therefore, the oversea balance of payments difficulties manifested themselves again in 1955, the correctives applied were essentially those of overall domestic credit control. The Bank rate was raised to 4½ per cent. and steps were taken to curtail credit.

More Specific Controls

As the year progressed, more specific controls appeared. *Directives* were given to bankers, with instructions to apply their own sense of what was in the national interest in determining which credits to curtail and which to leave untouched. Specific restrictions on hire-purchase credit were reintroduced. Among these direct measures mention should also be made of the curtailment of marginal capital expenditures by nationalised industries.

New machinery was also devised for financing the capital needs of local authorities. This last development was the most important of the changes announced in the supplementary Budget last October. Until then, local authorities had been able to borrow more or less automatically from the Public Works Loan Board at comparatively low rates of interest. The money in question was provided by the Exchequer, which, in turn, financed itself by additional issues of Treasury bills. Thus, houses built by local authorities were being financed by the shortest term and most inflationary form of borrowing.

The rates charged to local authorities are now being increased, and, before they are allowed to borrow from the Public Works Loan Board, these authorities must show that they have made appropriate efforts to raise the money in the open market. Since the local authorities, through their capital programme, spend in the neighbourhood of £600,000,000 a year, or almost one-quarter of the total investment made in Britain, the importance and significance of this desuccessor, Mr. Harold Macmillan.

Freer Trade

While excessive demands on the British economy are thus being curtailed by the restriction of credit and by more direct attacks on the capital programme of local authorities, Britain has, during this past year of difficulty, adhered to the policy of freer trade and payments which it has steadfastly pursued since the end of 1952. Admittedly this is a road along which further progress cannot be made, until the balance of payments once more shows a surplus sufficient to allow Britain to meet its capital commitments and to provide a margin essential to finance new investment in the Commonwealth. Apart from this, it is essential that the British gold and dollar reserve—which has to serve not only Britain but the whole sterling area—should be larger than it is today. There has, however, been no retreat on this front. The objective of the Government is still to deal with the causes, and not the symptoms, of inflation. That was Mr. Butler's recipe. It is likely to be that of his successor, Mr. Harold Macmillan.

BRITAIN'S GOLD RESERVES

The gold and dollar reserves of Britain declined rather heavily in the last month of 1955, the exact fall being $163 million. The aggregate reserves as on 31st December 1955 stood at $2,120 million, which, as compared with those a year before, disclosed a drop of $642 million. The decline in December was largely due to the payment of $188 million towards the U.S. and Canadian loans.

During the month under review, $5 million were received from the U.S. by way of defence aid, while $7 million were paid to the E.P.U. in respect of November. The U.K.'s deficit with the E.P.U. in December was £11 million which will fall to be settled this month as to 75 per cent. in gold and as to 25 per cent. by increase of debt to the Union.

The fall in the reserves has to be read in conjunction with the details given of the outgoings for the month. This shows that the loss of reserves is, in fact, more than accounted for by the North American debt service. The U.K. Government had announced, through the Chancellor of the Exchequer in the House of Commons in mid-December, that it had decided that the fifth annual payment due on United Kingdom's debts to the United States and Canada would be met in full. The Government's decision followed the previous policy of meeting instalments in full on due dates, without asking for a waiver.

Not only was the loss fully accounted for by this December payment, but further examination shows that (debt payments, E.P.U. settlements, and defence aid apart) a surplus of $29,000,000 was achieved. This, indeed, was a considerably better figure than the returns for November, when a fall of $14,000,000 in the reserves was shown.

Such a change supports the claim that, in fact, the gold and dollar figure showed a continued improvement as the year closed. The September fall of $112,000,000 had been reduced to $48,000,000 in October, to $14,000,000 in November—and, finally, to the position revealed above.

Such an analysis reveals the sure signs of recovery, but London financial circles agree that this is but the beginning and that there is a long way to go before the balance of payments is restored to anything like a satisfactory state.

Britain's E.P.U. position, though it continues to be less good, is perhaps not as bad as the first impact of the figures might suggest. A number of factors have to be taken into account.

First, there have been some special capital transfers. Then, December usually has a slightly less favourable outturn than November on this account. Both these suggest that it is doubtful if there has been much, if any, real deterioration as between the two months.

Recent British import figures, however, continue to outrun exports, and the situation does stress the need for maintaining the full pressure of the corrective measures now in operation to restore the balance of payments position.

Writing on the gold and dollar reserves, the *Daily Telegraph* says:

"December's gold figures show that for the whole of 1955, $642,000,000 was lost from the gold and dollar reserve, bringing it down to $2,120 million. Of this loss, however, $212,000,000 was accounted for by capital and interest payments on the American and Canadian loans, most of it paid on 31st December. Only when this is disregarded can the true trend be distinguished. It then appears that the year has included two periods of loss and two of recovery. In the first quarter of the year nearly $100,000,000 was lost; but after the Bank rate was raised in January and again in February, this was checked. In the second quarter, the reserve actually rose fractionally. In the third quarter, when rumours that sterling might be devalued gained such wide currency, the loss was resumed at an accelerated pace: in that quarter, over $200,000,000 had to be used from the reserve. In the last quarter (when the capital payments are disregarded), the loss has been brought down again to only $37,000,000. In December the real trend was, again, slightly upwards. The gold figures, in other words, tell the same story as other economic indicators. A crisis has been checked, but we are not yet on the high road to recovery."

Remarking that the recovery in reserves in the last quarter of 1955 has been definite, the *Financial Times* looks at the future thus:

"The future trend must depend very largely on the success of disinflationary policy at home. The mild recession of 1952, combined with monetary discipline at that time, produced the substantial surpluses of the last quarter of 1952 and the 18 months following. With the present level of American prosperity, a comparatively small disinflationary movement might have a very substantial effect on Britain's net earnings. As yet, however, there is no sign that the process has gone far enough. We should use the present improvement, which is real enough but not large enough, to prepare for a period in which the reserves would be increased substantially. It should, after all, be remembered that the record of 1955 compared unfavourably with that of most other European powers."

CENTRAL BANK FOR MALAYA

The Governments of the Federation of Malaya and of Singapore have asked the Bank of England to make available the services of an officer to undertake (in conjunction with Sir Sydney Caine, Vice-Chancellor of the University of Malaya) an inquiry into the proposal to create a central bank for Malaya. The Bank of England has agreed to this request, and is making available at the earliest possible moment the services of Mr. Guy M. Watson. Mr. Watson is one of the Bank's senior officers and has great knowledge of central banking and exchange. He is expected to arrive in Malaya this month.

Mr. Watson has been a member of the staff of the Bank of England for over 30 years, and has been concerned with oversea finance and central banking for most of that time. He was a member of the Niemeyer mission whose report in 1933 led to the establishment of the Central Bank in Argentina, and from 1940 to 1945 was Bank of England representative in Latin America. He is at present Deputy Chief Cashier in charge of oversea matters at the Bank of England.

Sir Sydney Caine joined the staff of the Colonial office in 1926 and became Financial Adviser to the Secretary of State in 1942. After a period as Deputy Under-Secretary of State, he joined the Treasury in 1948 and became head of the United Kingdom Treasury and Supply delegation in Washington in 1949. In 1952, he became Vice-Chancellor of the University of Malaya. He had recently presented a report, as Fiscal Commissioner, on the implications in the fiscal field of the proposals for a British Caribbean federation.

BANK RESULTS

The working of Scheduled Banks in India during the year ended 31st December 1955 seems to have proved to be more profitable than in the previous year, if the preliminary results of some of them released so far are any indication. The profits of three banks, the results of which are now available, are so encouraging that their Directors have been able to strengthen the reserves considerably and even raise the dividend level in the case of two of them. Thus, the Indian Overseas Bank Ltd., Madras, and the Devkaran Nanjee Banking Company, Ltd., Bombay, have stepped up the dividend.

Indian Overseas Bank Ltd.

The net profit of the Indian Overseas Bank Ltd., subject to audit, for the year under review, after providing for contingencies and expenses, amounts to Rs. 16,55,725 (Rs. 13,35,120). With this increase, the Bank's profit has not only maintained its upward trend since 1949 but established a new record in the history of the Bank. After bringing in the sum of Rs. 2,15,839 (Rs. 2,25,271) from the previous year's account, the profit available for appropriation amounts to Rs. 18,71,564 (Rs. 15,60,391). From this sum the Directors have made the following allocations:

Provision for taxation Rs. 7,50,000 (Rs. 7,00,000), transfer to reserve fund Rs. 4,00,000 (Rs. 3,50,000), and provision for bonus to staff Rs. 1,25,000 (*nil*). The Directors propose to recommend to the shareholders at the next General Meeting the payment of dividend at the rate of 7½ (6) per cent. (free of tax) which requires Rs. 3,68,265 (Rs. 2,94,552), leaving to be carried forward Rs. 2,28,299-3-11 (Rs. 2,15,839-1-5).

Dena Bank

The net profit of Devkaran Nanjee Banking Company, Ltd., for the past year amounts to Rs. 11,11,474, which shows an increase of Rs. 3,16,923 over that for 1954, thus maintaining the rising trend.

(*Continued on page 103*)

TRENDS IN WORLD NATIONAL INCOMES

GAINS IN REAL INCOMES RELATIVELY SMALL

THE Statistical Office of the United Nations has made an interesting study of the recent trends in the distribution of national income in 25 important countries of the world. The results of the study, published in the latest issue of the *Monthly Bulletin of Statistics*, reveal several significant relationships and changes in the pattern of distributive shares in national income during the period 1938-54. This period is characterised in most countries by sharply increasing money levels of national income and by widespread but smaller gains in real national income, thanks to rise in prices. The following table gives the national income of some of the countries, for which data have been collected, during the years 1953 and 1954 as compared with 1938:

		1938	1953	1954
Australia	.. *Million £A*	740	3,714	N.A.
Canada	.. Million $	4,073	10,095	13,751
France	.. 000 mill. francs	360	10,470	N.A.
Japan	.. 000 mill. yen	20	5,965	6,148
Netherlands	.. Million guilders	4,900	19,350	21,060
New Zealand	.. Million £ NZ	194	727	N.A.
Norway	.. Million kronor	4,622	17,192	18,424
Switzerland	.. Million francs	8,702	20,800	N.A.
U.K.	.. Million £	5,052	14,628	15,618
U.S.A.	.. Million $	67,000	303,000	299,700

N.A.—Not available.

The study points out that there have been certain notable changes in the distribution of the total national income by type of income payment. Over the years 1938 to 1948, the changes were more general, reflecting the various basic adjustments in national economic systems which occurred during and shortly after the war. In many instances, major increases or reductions in wage, rent, interest and other income flows then made have, in effect, continued up to the present time. The causes of these fluctuations are diverse, inasmuch as they are said to stem from a variety of institutional and economic circumstances. Among the standard and sometimes interrelated causes, particular mention is made of (1) fluctuations in export incomes which may confer temporary gains or losses on the farm sector or other exporting groups in a few countries; (2) introduction of rent controls and cheap or dear money policies which affect the rental and interest components of national income; (3) sharp movements in the levels of economic activity or prices within a country which tend to affect not only property incomes but also wage and profit components; and (4) specific policies such as those concerned with direct control of wages and profits, adjustment of corporation tax payments and control of the profits of State enterprises.

A Striking Feature

A striking feature of the distribution of national income is the close relationship between the percentage of income paid in wages and the level of industrialisation reached by a country. The countries where this percentage approaches or even exceeds 60 include Australia, Austria, Belgium, Canada, Finland, France, the Netherlands, Norway, Switzerland, the U.K. and the U.S. The share of wages in the total national income is, however, very low in Uganda, a country where extensive subsistence production occurs. It is also relatively low in Belgian Congo, Chile, Peru and the Philippines. The aforesaid relationship is sometimes disturbed by the existence of a broad sector of small-scale farm holdings in an industrialised country, as, for example, Japan, or by the employment of large numbers of wage earners in mining, plantation or other primary industries in countries like Cuba and Rhodesias.

Taking the period since 1938 as a whole, the share of national income received by employees has moved up in a majority of countries, particularly in Australia, France, Japan, New Zealand, Puerto Rico, Southern Rhodesia and Switzerland. This income flow often accounts for a sizable proportion of national income in economies with a relatively large and intensively worked farm sector, such as Honduras, Ireland and Peru. The developing economies employing extensive farming methods—Australia, Canada and New Zealand—and economies with a large but conservatively valued subsistence output of farmers—Northern and Southern Rhodesia—form part of a group whose income from this source is of intermediate size. Switzerland, the U.K. and the U.S. are countries which are highly industrialised and derive a proportionately small part of their incomes from farms and other unincorporated businesses.

The change in the share of national income paid to households by non-corporate businesses since the Second World War has been only moderate in most of the countries. This share has steadily declined in Northern and Southern Rhodesia, but the decline is attributed largely to the statistical practice of valuing farmers' subsistence outputs at conservative and practically constant prices in the face of an increasing general price level. In Japan, certain fundamental changes in economic relationships have led to a marked fall in the income shares paid out as farm rentals and interest and a reduction in corporate profits which have been offset by an improvement in farm and small business incomes and wages. Australia and New Zealand have experienced fluctuations in this income share during the post-war years, on account of a sharp initial advance and the subsequent absolute fall in export incomes derived from primary products in a period marked by a steady expansion in the national income aggregate.

The contribution which corporate profits (dividends, savings and direct taxes) make to the national income is of comparatively small dimension in many of the less developed countries. Corporate profits are also of a limited size in a few industrialised countries—Belgium, Finland and Switzerland. This income constitutes a somewhat higher proportion of national income in Belgian Congo, Northern Rhodesia and Chile, where, especially in the first two countries, resident mining companies form an important segment of the economy. In all countries for which data are available, with the exception of Belgian Congo, Japan, New Zealand, Northern Rhodesia and the U.S., total corporate profits have represented a fairly stable component of national income since 1938. With few exceptions, the general Government income (composed of the profits of State enterprises, dividends received by Government from public corporations and other property income of Government) also forms a small but stable element of the national income total.

With regard to the share of national income paid out to households as rent and interest, the past few years have witnessed substantial reductions effected in a number of countries. The reductions were usually made during the years 1938 to 1948 and were often of the order of 50 per cent. of the 1938 figure. Since 1948, however, there have been a few appreciable increases in the income share. It is, of course, stated that current figures are not always given to permit an up-to-date analysis of the position. The tendency after 1948 towards stability or a moderate upward revision in the rent and interest component, in the face of rising money levels of national income, reflects both the increases in interest rates and the relaxation of the more stringent elements of rent control which have been permitted in some countries.

EXTERNAL RESERVES OF WEST EUROPE

Since 1951, the gold and foreign exchange reserves held by West European countries have increased steadily and now stand at 15,000 million dollars, as compared with approximately 10,000 million dollars at the end of 1951 and about 8,000 million in 1937. West Germany, with a reserve of 3,000 million dollars, is currently holding the largest gold and dollar reserves in Europe, while Great Britain has 2,700 million and France 1,800 million dollars. Holland has a reserve of 1,500 million, Belgium 1,100 million, Italy 1,100 million and Sweden 400 million dollars. As will be seen from the table below, the ratio of reserves to imports is in most cases, despite the rise in recent years, lower than before the war. The figures show how many months' imports are covered by the gold and foreign exchange reserves:

Foreign Exchange Reserves Compared with Imports

	December			*June*
	1937	1948	1951	1955
Switzerland ...	22.1	14.4	12.8	14.8
West Germany ...	0.5	—	1.7	7.5
Holland ...	13.1	2.3	3.0	5.4
Italy	3.5	4.4	5.6	5.4
Belgium	10.6	5.5	5.0	5.1
France	23.4	3.8	2.5	5.0
Finland	4.3	1.8	5.6	4.1
United Kingdom ...	9.7	2.9	2.6	3.5
Sweden	11.3	2.0	3.3	3.0
Norway	4.9	2.3	2.1	1.7
Denmark	2.3	1.4	1.4	1.3

S.U.N.F.E.D.

The Special U.N. Fund for the Economic Development of Underdeveloped Countries, known as SUNFED, is expected to launch its work with $250 million. Disclosing this information, Mr. Raymond Scheyven, who is now in India and is scheduled to meet the Prime Minister in the third week of this month, said at Calcutta in a Press interview that already about $14 million had been promised for the Fund—Thailand $8 million, Denmark $2 million, Norway $1.5 million, and Yugoslavia $2 million. Sweden and Italy had promised contributions but had not mentioned any figures, he said. The Soviet Union, Poland and Czechoslovakia had promised contributions in the shape of capital goods. The United States and the United Kingdom would, according to him, express their views after hearing the results of his mission. He added that he would submit a report on his mission to raise funds to the next session of the United Nations. He is making an extensive tour of India to study the existing developments and future possibilities.

The World Bank has given a loan of $4.2 million to Honduras in order to enable it to improve its highways. This is the Bank's first loan to this country. It is for a period of nine years and carries interest at 4½ per cent., including the 1 per cent. statutory commission charged by the Bank. Amortisation will begin on 1st December 1957 and is to be paid in semi-annual instalments, the last being payable on 1st December 1964. The Bank of America of San Francisco, the American Security and Trust Company of Washington, D.C., and the Whitney National Bank of New Orleans are participating in the loan, without the World Bank's guarantee, to the extent of $872,000 of the first five maturities, falling due from 1st December 1957 through 1st December 1959.

The Svenska Handelsbanken is the first bank in Scandinavia to open a "drive-in" bank. The office is situated on the southern arterial road leading to Stockholm. It is quite likely that, in view of the rapidly increasing number of cars in Sweden—with 1 car per 10 inhabitants, Sweden has at present the highest car density in Europe—the drive-in bank will have an important function to perform. As far as is known, there has only been one earlier drive-in bank in the whole of Europe, namely, in Belgium.

LICENSING OF NEW COTTON SPINDLES

MR. NANDA URGES SUSPENSION

THE views of Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, on the issue of licensing new cotton spindles were analysed in these columns last week. It will be seen therefrom that Mr. Krishnamachari clearly warns against any imposition of restrictions on the expansion of spinning capacity in mills which, he fears, is beset with the dangerous consequence of a scarcity of cloth in the next few years. This contention of Mr. Krishnamachari has been disputed by his colleague in the Cabinet, Mr. Gulzarilal Nanda, Minister for Planning, Irrigation and Power. Thus, in a note submitted to the members of Parliament, Mr. Nanda urges that no further licensing of new spindles should take place. Indeed, he maintains that there would be no risk even in freezing the licences for installation of more spindles in respect of which no effective steps have so far been taken by those who have received these licences.

While Mr. Nanda agrees with Mr. Krishnamachari on the total number of spindles installed (11.96 million as on 1st January 1955), first, second and third-shift employment (10.13 million, 9.46 million and 3.59 million, respectively), and the number of mills closed (22 units, with an aggregate spindleage of 440,000), he differs from him on the question of idle spinning capacity. The proportion of spindles that has to be kept out of daily production for repairs, cleaning, oiling, etc., is, according to him, not more than 2.5 per cent. of the total, whereas Mr. Krishnamachari puts it at 5 per cent. Accordingly, the number of spindles which are idle comes to 288 000, as against 600,000 estimated by the Commerce and Industry Minister. Mr. Nanda, however, does not take into account, as Mr. Krishnamachari has done, idle capacity as a result of absenteeism of workers (300,000 spindles) and spindles (500,000) which are in a dilapidated condition in the mills. Excluding, therefore, the 728,000 spindles which are idle on account of closure of mills, repairs, etc., from the 11.96 million spindles installed, the balance that can, in the opinion of Mr. Nanda, be worked in the first two shifts comes to 11,232,000, as compared with 10.12 million calculated by Mr. Krishnamachari.

Working of Shifts

In this connection, Mr. Nanda examines the extent to which the three shifts can be worked and the resultant output of yarn (or cloth). The results of his examination are reproduced below:

"*If the first shift is worked to the full extent*: The figures available show that only 10.13 million spindles are worked in the first shift. If, therefore, this shift is worked with the full available complement of 10.944 million spindles, the additional number of spindles that can be brought into production is 0.814 million. Allowing for production at the slightly lower rate of five ounces of an average count of 20s per shift of eight hours in the case of old spindles (against 5½ ounces calculated by the Kanungo Committee for new spindles), the total production in a year of 300 shifts out of the additional spindleage is 76.5 million pounds of yarn. At 4½ yards of cloth per pound of yarn, this will suffice for 344 million yards of cloth.

"*If the second shift is worked to the full extent*: The second shift is at present worked with only 9.46 million spindles. If this shift, too, is worked with the full strength of 10.944 million spindles, the additional spindleage that can be brought into production is 1.484 million spindles. This will produce an additional quantity of 139 million pounds of yarn sufficient for 625 million yards of cloth.

"*If the third shift is partially worked*: At present, only 3.59 million spindles are worked in the third shift. The difference between this figure and the full available complement of 10.944 million spindles is 7.354 million spindles. The Textile Commissioner has reported that 73 mills with a total spindleage of 2.2 million and a total loomage of 45,000 are equipped with plant and machinery so old and dilapidated that, even with the best efforts, it would not be possible for them to work the third shift. Allowing for this and other factors, it would not be unreasonable to expect that at least half the spindleage that remains idle in the third shift can be worked, provided, no doubt, that labour can be won over to the idea of the third shift. Out of 7.354 million idle spindles, it should be possible to work 3.68 million spindles. The third shift is usually worked for only 6½ hours, instead of 8 hours. One might also make an allowance of 10 per cent. lower production for lower efficiency at night, though the necessity for this is not accepted by all. Making allowance for these factors and calculating at the rate of five ounces per shift, the additional production of 3.68 million spindles is 253 million pounds of yarn sufficient for 1,139 million yards of cloth. Though the suggestions mentioned above involve the working of only 7.27 million spindles out of the full available strength of 10.944 million spindles, experts in close touch with the industry have stated that, should the need arise, it would be possible to work as much as 10 million spindles in the third shift."

The fuller working of existing spindles will therefore, give, according to Mr. Nanda, an additional output of 468.5 million lbs. of yarn which is sufficient to produce 2,108 million yards of cloth. This quantity is much more than the total requirements of yarn at the end of the second Plan which, according to the higher of the two calculations made by the Karve Committee, is 375 million lbs., corresponding to a cloth production of 1,700 million yards.

New Spindles

Mr. Nanda refers next to the rise in the production of yarn as a result of the installation of new spindles against outstanding licences. His calculations reveal that, between August 1952 and June 1955, about 290,000 new spindles out of the 1.63 million licensed had been installed (these are in addition to the 970,000 spindles installed during the five years 1951-55 under the post-war scheme). On 1st July 1955, therefore, licences for the balance of 1.34 million spindles were outstanding. This, coupled with the 810,000 spindles licensed in the next five months, brings the total number of spindles for which licences are outstanding since 1st July 1955 to 2.15 million. If all these spindles are installed and two shifts are worked and allowance made for effective working of 95 per cent. of spindles, or 2.04 million spindles, the total yarn production will be 408 million lbs. (2.04 million×200) which will be sufficient for 1,836 million yards of cloth. Incidentally, Mr. Nanda feels that the new spindles can certainly be worked all the three shifts, and observes:

"The Karve Committee has estimated the total additional requirements of cloth only at 1,400 million yards, though it has also made calculations in respect of 1,700 million yards which it puts as the highest limit under the most favourable circumstances. For production of 1,400 million yards of cloth, 311 million lbs. of yarn will be required. If the new spindles work three shifts, only 1.1 million spindles will be required for this purpose (divide 311 by 281). For a total production of 1,700 million yards of cloth, the yarn required will be 375 million lbs. For this, the total number of spindles required is 1.33 million.

Proceeding, Mr. Nanda considers that there are no grounds for believing that the licences issued may not be fully utilised and that it is, therefore, necessary to issue further licences to guard against "casualties." In support of this view, he recalls that, ever since licensing started in August 1952, only one licence for 12,000 spindles had been revoked. He also mentions that replacements of worn-out spindles are permitted as a matter of routine and that such spindles are not included in the figures of expansion. He alludes, too, to the renovations going on "at a fairly rapid rate" which will also add to the total capacity.

No Shortage Expected

Mr. Nanda's estimate of production which will result from fuller working of existing spindles, as already noted, works out to 2,108 million yards of cloth. This, together with the 1,836 million yards of cloth to be derived from the working of the spindles for which licences have already been issued, will, Mr. Nanda believes, more than double the Karve Committee's estimate of the total requirements of cloth in the next five years, namely, 1,700 million yards. Drawing attention to the fact that effective steps have already been taken by the licensees of 650,000 spindles, Mr. Nanda points out that they would cover more than half the aggregate spindleage required for the five-year period. He, therefore, concludes that, even if the other licensees do not take any effective steps, there will be no shortage of yarn in the next three years. In fact, he states: "There would be no risk even in freezing the licences in respect of which no effective steps have so far been taken, because it has been ascertained from the Commerce and Industry Ministry that the time taken for obtaining delivery of textile machinery is only 3 to 4 months from the date of opening the letter of credit in the case of Japan, 9 to 14 months in the case of Switzerland and 6 to 9 months in the case of the U.K. It is also possible to increase the capacity of the Indian textile machinery industry by making it work more shifts."

Weaving Capacity

The Planning, Irrigation and Power Minister refers next to the weaving capacity of mills. Unlike Mr. Krishnamachari who is somewhat vague in his references to this issue, Mr. Nanda is very dogmatic in his views. Thus, he clearly opposes any expansion in the weaving capacity of mills in order to meet the increase in the consumption requirements of cloth. He emphasises that the handlooms should be reorganised to produce the whole of the additional requirements, namely, 1,700 million yards. In this connection, he says:

"According to the Commerce and Industry Ministry, 203,730 looms are installed in mills. Of these they say that only 180,000 looms are in production. More than 150,000 looms are said to be working a second shift. Only 30,000 looms are working a third shift. . . . Of the mills working only one shift, the Textile Commissioner says that eight can work a second shift, producing about 50 to 60 million yards per annum. As regards the working of the third shift by mills which are not doing so at present, the Textile Commissioner recently estimated that, if this were made possible by the co-operation of labour, the additional production would be about 413 million yards per year. It is the opinion of experts that a considerable amount of additional production is possible out of the existing looms.

"There is no ban on replacement and modernisation. If funds are available, renovation should take precedence over expansion. As this process will go on, it is obvious that the weaving capacity will increase above the level indicated by the Commerce and Industry Ministry. In any case, 500 million yards can be obtained in an emergency by the working of the third shift by existing mills. The handloom sector can, however, be reorganised to produce the whole of the additional requirement of 1,700 million yards and it will not be necessary to ask the mill industry to produce an additional quantity of 500 million yards."

It will be seen from the foregoing account that Mr. Nanda expects that the additional requirements of cloth in the next five years will not be more than 1,700 million yards—that is, the figure cited by the Karve Committee—the estimate for 1960-61 being placed at about 8,450 million yards. This estimate, however, errs on the low side. Considering the improvement in the standard of living of the masses which must follow as a result of the implementation of the second Five-year Plan, it will not be unreasonable to anticipate a rise in the *per capita* consumption of cloth to 20 yards. Demand for cloth will also go up, as a result of a steady rise in population at the rate of about 4.2 million per annum. Taking these factors into account, and also the export demand at 1,000 million yards—Mr. Krishnamachari has placed the estimate still higher at 1,250 million yards—the aggregate quantity of cloth required fully to meet the demand may be assessed at very nearly 10,000 million yards, that is, 3,250 million yards more than the current estimated output of 6,750 million yards.

Licensees Should Act

Incidentally, the handlooms may be expected to produce no more than 2,000 million yards—this is the target laid down by the Kanungo Committee on the basis of its estimate of their capacity under ideal conditions—and powerlooms 200 million yards. The balance of 7,800 million yards will, therefore, have to be produced by the mills, which produced about 5,078 million yards during 1955. In order to produce this additional quantity of 2,722 million yards, the number of extra looms required is 93,000, on the basis of 100 yards per loom per day working for 300 days in a year. At 4½ yards of cloth per pound of yarn, about 605 million lbs. of more yarn are required, which, in addition to the 100 million lbs. required to meet the enlarged demand from the handloom sector, brings the total additional requirements of yarn to 705 million lbs. On a production of 5½ oz. per spindle-shift on an average count of 20s and working two shifts for 300 days in a year, the expansion in spindleage will have to be of the order of 3.38 million.

Whatever that may be, in view of the fact that an influential section of the powers-that-be is inclined to support the Planning Minister's stand, those who have received licences from the Government for installing new spindles but have taken no effective steps to implement them will do well not to sleep over them any longer but to go ahead with measures for buying and installing new spindles. Delay on their part carries the risk of the licences being cancelled by the Government.

COTTON MILL PROFITS IN 1955

OUTLOOK STILL REMAINS UNCERTAIN

By Our Special Correspondent

MANCHESTER, *3rd January*

MANCHESTER LETTER

DESPITE short-time working, stoppages of machinery and reduced production, profits announced by Britain's cotton and rayon mills during 1955 were only slightly lower than in the previous year. Dividends were cut by about 1 per cent., but payments again exceeded 20 per cent. on average—for the fifth year in succession.

According to an independent analysis of trading results of spinning and weaving firms, the average profit announced by 60 spinning mills during 1955 was £27,745 per company as compared with an average of £31,226 for 67 companies in 1954 and £27,546 for 79 concerns in 1953. The average dividend paid by 62 spinning mills last year was 23.42 per cent., as against 24.31 per cent. for 72 companies in 1954.

Average profit earned by 20 concerns combining spinning and weaving was £60,701 per company last year as compared with £68,427 in 1954. The average dividend was 13.96 per cent. as against 15.67 per cent. For the whole of these 80 firms the average profit was £35,984 in 1955 as against £41,542 for 84 concerns in 1954. The dividend for 84 companies announced last year averaged 20.97 per cent. as against 21.93 per cent. in 1954. All these companies now have credit balances totalling £13,120,710, an average of £156,199. A year ago 92 firms had credit balances amounting to £13,711,539, an average of £149,038.

Cloth manufacturers announced better results in 1955 but dividend pay-outs were again reduced. An analysis of 27 weaving concerns showed average profits of £42,285 per company as compared with £40,920 in 1954. Dividends averaged 13.80 per cent. as against 16.09 per cent. in the previous year and credit balances amounted on average to £92,926 per company as compared with £91,007 a year previously.

Earnings announced by 14 leading spinning and weaving combines and their subsidiaries last year amounted to £4,664,987 as compared with £5,837,767 a year ago. The average profit was £333,213 per company as against £416,963. Their average dividend was 14.99 per cent. as against 16.81 per cent. and total credit balances were £6,321,870 as against £6,399,448.

During 1955 there were seven cases of scrip bonuses and one capital repayment affecting cotton firms, the sums involved amounting to £854,475. This compared with 29 scrip bonuses and seven capital repayments involving £25,228,922 in 1954, when nearly £19,000,000 was capitalised by two of the largest groups.

Three spinning firms issued bonus shares last year aggregating £122,000 and two spinning and weaving companies capitalised £474,975 in this way. Bonus shares amounting to £105,000 were distributed by one weaving firm and a scrip issue of £75,000 was made by a company engaged in doubling. The only capital repayment was one of £77,500 by a weaving company.

Trade Improvement

More good news for Lancashire mill towns came last week from the directors of one of the biggest groups in the cotton trade. From the Manchester headquarters of the £25,000,000 Fine Spinners and Doublers combine this message was flashed out: "In the last few weeks there has been a substantial improvement in trading conditions, based on the belief that the contraction of the industry has fully discounted the additional competition in the home market, even though the trend of cotton prices remains obscure."

The Board of the combine, headed by Mr. William T. Winterbottom, is maintaining its interim dividend payment at 5 per cent. On the outlook the Directors declared: "We do not accept the poor trading conditions during the first half of the financial year as indicative of the prospects for our company. Our confidence in the future is shown by our comprehensive modernisation policy designed to match the changing pattern of the industry."

Welcoming the abandonment of the "D" scheme on textiles in the autumn budget, the Board reported signs of a revival of keen interest in the group's fine two-ply yarns. Its American subsidiary has had a good season and an improvement has lately been noted in the running of the French mills owned by the combine.

Foreign Competition

A warning that further contraction in the Lancashire cotton industry is inevitable if imports of yarn and cloth are to continue at their present level has been given by Mr. Roger M. Lee, Chairman of the Lancashire Cotton Corporation Ltd., the world's largest spinning combine.

In his annual report he said these problems cannot be dealt with without some indication as to the extent to which imports from low-wage countries are to be tolerated. Nor will other industries pass unscathed by foreign competition of this kind, according to Mr. Lee.

"Indigenous industries throughout the world are built up behind high tariff walls," he said, "and many of these industries have now reached a stage at which they also wish to export. Many industries today which do not suffer competition from low wage countries will in future have to do so. Trade agreements allowing imports from these countries free of duty must be revised sooner or later."

Disclosing that the Corporation has spent £6,320,000 on modernisation of buildings and machinery in the past 10 years, Mr. Lee declared: "I believe that many of our mills are as efficient as any in the world." Decrying critics of the Lancashire textile industry, he added: "I believe it would compare favourably with any other industry in the country but most of the others are not exposed to the type of competition we suffer."

Outlook Still Obscure

Signs of a revival of activity in some quarters of the market in the final stages of the year have saved observers from the task of dubbing 1955 as one of the more disappointing periods in the history of the Lancashire cotton industry. The improvement has enabled hopes to be raised that trading conditions will alter for the better in the New Year, but, in retrospect, it cannot be argued that the 12 months just ended have provided much comfort for those connected with our local trade.

At this time of year it is traditional to look forward, casting only a backward glance at events of the past. The trouble so far as Lancashire is concerned is that the shadows of past events are still unmistakably following the industry into 1956. Despite the spate of words and opinions expressed on the chief fundamental problems facing the industry in recent months, they are no less important now than early last year and in some cases the difficulties involved have increased.

First and foremost, the uncertainty over the raw cotton situation is still as bad as it has ever been and there is no reason to believe that it will be removed shortly. Much depends on the outcome of the American Government's plan to dispose of supplies of low grade short-staple cotton in the near future. If the system proves successful it may well lead to a continuation and expansion of the scheme to other grades and staples, bringing a steady reduction in price. Competitive growths will clearly be correspondingly lowered in value and a price war to sell raw cotton will ensue.

Such a movement does not augur well for the spinning and weaving industries of the world. Many textile traders believe that raw cotton prices should be reduced, but the period of its reduction will be a testing time for all concerned. A falling market is no place for buyers to operate freely and the only compensating factor is that Lancashire now relies more than ever on home trade consumption where stocks have lately been allowed to decline to far lower levels than is usual. The need for replacements has been largely responsible for the increased demand experienced in the final quarter of 1955 and a continuation of this trend would keep the mills busy in the months ahead.

It is difficult to regard the future of Lancashire-made textiles for export with any degree of complacency. It is true that other manufacturing areas are finding progress in extending overseas trade equally disturbing but the outlook after the 1955 setback remains foreboding. Local prices are barely competitive with those quoted by our rivals and unless satisfactory delivery terms can be offered business with foreign markets is exceedingly difficult to arrange.

Exports and Imports

Although shipments of Lancashire cotton yarn and cloth in November were at a higher level than in the corresponding month of 1954 they did not provide any pre-Christmas cheer for traders. The outlook for export trade remained far too disconcerting to whip up any enthusiasm for such a slight improvement in affairs.

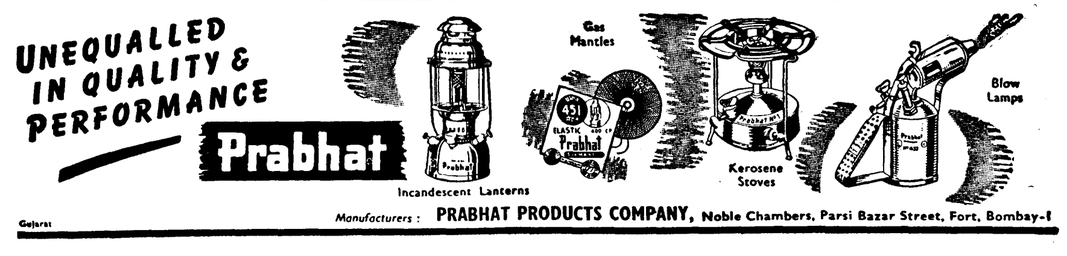
Earnings from cotton yarns and manufactured goods sold abroad for the eleven months at little more than £90 million were nearly £12 million lower than at the same period in 1954 and were over £16 million down on the comparative 1953 figures. Imports, on the other hand, cost over £22 million as compared with £19 million in 1954 and slightly less than £10 million in the previous year.

Overseas cloth trade in November amounted to 47,343,000 square yards, bringing the 11-month total to 515,505,000 square yards compared with 579,280,000 yards a year previously. Chief buyers to the end of November were Australia 94,097,000 yards, South Africa 51,334,000 yards and Nigeria 45,532,000 yards.

Yarn sales improved during the month to 3,314,565 lbs. but the total to the end of November at 32,473,638 lbs. was 4,000,000 lbs. lower than at the same period in 1954. Australia's share in this trade was 5,681,561 lbs., followed by Canada 2,961,531 lbs., Irish Republic 2,892,434 lbs., Finland 2,303,288 lbs. and India 2,032,314 lbs.

The slowing down of imports from abroad has been an important feature of trading in the past few months and arrivals of grey cloth are now running at a lower level than a year ago. To the end of November the total was 253,478,000 square yards against 206,729,000 yards a year previously. India had supplied 124,590,000 yards, Japan 61,392,000 yards and Hong Kong 44,504,000 yards.

Imports of finished cotton cloth in the 11 months showed little change compared with 1954, being 28,397,000 square yards against 28,107,000 yards. Arrivals of cotton yarn, however, increased from 9,677,316 lbs. to 12,768,636 lbs.—*All Rights Reserved.*



FUTURES TRADING IN COTTON RESUMED

FURTHER RESTRICTIONS IN STORE

IF one takes it in the spirit of "all's well that ends well," the resumption of futures trading on 7th inst., which had remained suspended for a fortnight since 24th December 1955, will be widely welcomed. Many will, of course, question whether the manner in which the crisis was ended does not create a dangerous precedent for vexatious interference with the freedom of the trade. Although this question will continue to be debated, both sides holding strongly to their arguments, there is no gainsaying the fact that, if the stalemate had continued indefinitely, it would have been infinitely worse than resumption of trading under a system which some quarters, with good reason, might call "arbitrary" ceilings. In any case, the alternative to this method of resumption would be to allow the contract as well as spot cotton to hit the ceilings with all the attendant evils of the disruption of normal trade, requisition of cotton by the Government and allocation of quotas to mills, etc. This could never be welcome to any section of the cotton trade.

The resumption of trading follows the decision of the Board of the East India Cotton Association which, at its meeting held on 5th January, declared a state of emergency and fixed, as reported to have been insisted upon by the Forward Markets Commission, the rates for February and May deliveries at Rs. 700 until further notice. As regards the prevalence of option trading—official circles are believed to hold that it is one of the important causes for the strident advance in prices—the Board is stated to have passed a resolution appointing a "vigilance" committee to investigate this aspect of trading. When trading commenced on 7th instant, operators' interest was concentrated on the distant contract (May delivery). May delivery was initially quoted at Rs. 688 and, after moving down to Rs. 684, firmed up to Rs. 690-8. February delivery was quoted at Rs. 699. It may be recalled that prior to the closure of the forward section of the market, the February and May contracts were quoted at Rs. 737 and Rs. 708, respectively, after touching a high of Rs. 747½ and Rs. 720 respectively.

The Forward Markets Commission has reasons to feel satisfied that the stalemate in cotton trading has ended. Commenting on this development, Mr. W. R. Natu, Chairman of the Commission, stated at a Press interview that the implications of the Forward Contracts (Regulation) Act had not yet been fully understood by all the interests concerned, and it was this factor which had occasionally created difficulties. He added:

"It has to be realised that the regulation of forward trading on an all-India scale is being attempted for the first time in India. The Commission has to take preventive measures in advance, so as to avoid taking corrective measures later. By remaining constantly on guard, the Commission hopes that the outbreak of crisis may be avoided. I feel that the future of forward trading in India depends upon close and friendly relations being established between the recognised associations and the Commission. As the role of the Commission is increasingly appreciated, I have no doubt that the associations will cordially respond to its advice."

Clearly, close contact and understanding between the recognised associations and the Forward Markets Commission will help provide satisfactory solutions for the problems in forward trading from time to time. There will, however, be difficulties when crises arise in forward trading centres situated at great distances from the seat of the Commission, for that contact and understanding, so very necessary for resolving crises, cannot in such cases be so easily established. Even the crisis in the cotton market in Bombay, the seat of the Commission, has taken a fortnight to end. This suggests that the Commission should, as far as possible, lay down regulations for averting crises rather than make a hurried search for solutions when crises have actually arisen. It must, however, be recognised that no single solution will fit all cases and that any attempt at evolving a too elaborate system of control on forward trading will defeat the very object of ensuring free hedging facilities for stocks.

Be that as it may, it is to be feared that one has not yet heard the last word on the crises in the cotton market. A payment crises is expected to develop as a result of the attitude of some bulls who are reported to be unwilling to settle their accounts. These interests, it is stated, regard the declaration of emergency in the market and fixation of ceilings at a level below the officially announced ceiling, without giving any previous warning to the trade, are illegal and can be challenged in a court of law. It remains to be seen whether the end of the stalemate will be but the beginning of a series of legal disputes. The Board, on its part, has asked its members to send statements of their open positions and margins in respect of sale and purchases in hedge contracts for the week ended 23rd December 1955. This statement, it is stated, is being called for in order to ascertain whether and, if so, to what extent, speculation was responsible for the recent spurt in prices.

Meanwhile, it is feared that the authorities are contemplating fresh amendments to the by-laws of the East India Cotton Association with a view to restricting speculation and giving more powers to the Commission. The Board, it is believed, might also insist upon cent per cent margins on open positions, in order to curb *Teji Mandi* operations. It is further stated that there is a possibility of the imposition of control on the ready market also, especially if the speculative interests start diverting their attention from the forward to the ready market.

WORLD COTTON STOCKS

The free world's cotton supply in the current season (1955-56), as we indicated last week, aggregates, according to the International Cotton Advisory Committee, 51.1 million bales of 478 lbs. each, made up of the crop of 30.8 million bales and carryover stocks of 20.3 million bales, as against 48.2 million bales, consisting of a crop of 29.4 million bales and carryover stocks of 18.8 million bales in the previous season. Thus, both the crop and carryover stocks have increased in the current season, as compared with the last. The problem of cotton stocks has become a matter for international concern, particularly in net exporting countries. The stocks in such countries aggregated 14.8 million bales on 1st August 1955, as compared with 13.2 million bales on the corresponding date of 1954. Indeed, stocks in these countries have multiplied three times since 1951, when they were only about 5 million bales.

The following table gives the stocks in the net exporting and net importing countries on 1st August of 1953, 1954 and 1955:

Stocks of Cotton

(In million bales of 478 lbs. each)

	1st August		
	1953	1954	1955
U.S.	5.6	9.7	11.1
Other net exporters	4.8	3.5	3.7
Total net exporters	10.4	13.2	14.8
Japan	0.5	0.5	0.4
W. Europe	1.6	1.6	1.6
U.K.	1.0	0.9	0.6
Other net importers	0.4	0.3	0.3
Total net importers (a)	3.5	3.3	2.9
India	1.6	1.8	2.4
Afloat	0.4	0.5	0.2
Total free world	15.9	18.8	20.3

(a) Excluding India.

At the end of the 1954-55 season, the net addition to total carryover stocks in net exporting countries outside the U.S. was relatively minor—some 200,000 bales. In some countries, the increase was quite significant—Egypt 155,000 bales, the Sudan 110,000 bales and Mexico 100,000 bales, with smaller increases elsewhere. Since 1st August 1951, the carryover stocks in the U.S. have steadily risen until they aggregated 11.1 million bales at the commencement of the current season. Over the same period, the stocks in other net exporting countries increased only a million bales to 3.7 million bales. As compared with 1st August 1953, stocks were actually lower by a million bales.

In net importing countries, there has been little inducement in recent years to build large stocks. In view of the uncertainty in the world cotton situation, importers have followed what the Committee calls a "hand-to-mouth buying policy." Excluding India, which has become self-sufficient in cotton to a great extent and the importance of which in international trade has consequently diminished, aggregate stocks in other importing countries have declined from 3.7 million bales on 1st August 1951 to 2.9 million bales four years later. The Committee, however, feels that the significance of this decline is "sometimes overemphasised." It points out, in this connection, that stocks have declined mainly in two countries, Japan and the U.K.—in the former by 300,000 bales and in the latter by 650,000 bales. Furthermore, in the U.K. at least, this decline in cotton stocks is not entirely due to downward trend in cotton prices. The return to private trading and the steep drop in consumption have also been important factors which have contributed to the decline in stocks. In Japan, the cotton industry, it is stated, has followed a policy of conservatism in stock holdings since 1938. The Committee says: "Thus, the 700,000 bales held on 1st August 1951 was out of line with recent stock policy. Stocks on 1st August 1938 were about 600,000 bales with a consumption significantly higher than at present. At the beginning of the present season, Japan held 430,000 bales."

Aggregate cotton stocks in Western Europe are slightly higher than four years ago both absolutely and in terms of the anticipated consumption this season. In other words, the uncertainty over cotton prices has not prevented this region from holding slightly larger stocks, the main exception being Italy and W. Germany. At the beginning of each of the seasons 1953-54, 1954-55 and 1955-56, this region held 1.6 million bales, as against 1.4 million bales at the commencement of the 1952-53 season. The Committee observes: "From this, it can be deduced that continental Western Europe, as a whole, has followed a fairly consistent policy with regard to stock holdings in recent years, although, of course, there have been significant changes in the individual countries."

The total supply of cotton in the free world during the current season is estimated, as stated at the outset, at about 51 million bales. If total disappearance within the free world this season were maintained at the last season's level of 28 million bales, then aggregate carryover stocks on 1st August 1956 would be about 23 million bales, as compared with 20 3 million bales on 1st August 1955. As the situation stands at the moment there is likely to be, according to the Committee, a significant increase in carryover stocks in the net exporting countries at the end of the current season—may be up to three million bales. Of this, the main stock increase is likely to be in the U.S., where, on the basis of present estimates of supply and disappearance, stocks could rise to over 14 million bales. Some increase, it is stated, may also occur in other net exporting countries.

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ANDHRA GOVERNMENT'S MOVE TO RAISE SUGARCANE CESS

S.I.S.M.A. URGES ABANDONMENT

THE Andhra Government's move to double the rate of cess on sugarcane crushed by the sugar mills in the State from Re. 1 to Rs. 2 per ton is, indeed, regrettable. It is no doubt true that the present rate of cess is very much lower than that prevailing in other States such as Bihar, Uttar Pradesh, Bombay and Hyderabad. The cess paid by the sugar mills in these States amounts to as much as Rs. 5-8-9, Rs. 5-2, Rs. 5 and Rs. 4 per ton, respectively. But this comparison is not at all fair. For the percentage recovery of sugar in cane crushed in Andhra is considerably less, being not more than 9.59 (1954-55), which compares unfavourably not only with the all-India average of 9.92 but also with 11.67 in Bombay, 10.99 in Hyderabad, 10.22 in Bihar and 9.66 in Uttar Pradesh. What is worse, the production capacity of most of the sugar factories in Andhra State is substantially low. Thus, out of the ten factories in existence, nine units have a daily cane-crushing capacity of less than 800 tons which represents an economic unit. Only one factory—the K.C.P. Ltd. in Vuyyuru (Krishna District)—has plant which can crush about 1,800 tons of cane per day. Even among these factories, two units have remained closed for some time, due probably to uneconomic working.

The foregoing brief account will clearly show that the Andhra Government's proposal to step up the cess on sugarcane is highly unjustified. As it is, the incidence of cess falling on the sugar mills is higher than that imposed a few years ago. In fact, the steady increase in the revenue derived by the State exchequer from cane cess —from Rs. 1.78 lakhs in 1950-51 to Rs. 8 lakhs in 1955-56, with prospects of a rise to Rs. 10 lakhs by 1957-58 and Rs. 13 lakhs by 1958-59—does not, as the South Indian Sugar Mills Association (S.I.S.M.A.) rightly avers, warrant an additional levy. In the course of a memorandum submitted to the Secretary to the Revenue Department of the Government of Andhra, the Association has urged the Government to abandon the proposal to raise the cane cess.

Practice Deprecated

It will be worth recalling, in this connection, the remarks of the Taxation Enquiry Commission on the subject of sugarcane cess. The Commission has criticised the tendency among State Governments to misuse the powers to collect local taxes. The mode followed by them is to declare an area as "local area" and to tax the goods entering that area. In the case of a sugar factory, the factory premises are declared as "local area" and the sugarcane brought into this area is taxed under the pretext of collecting a cess. Strongly deprecating this practice, the Commission observes:

"It seems to us clear that Entry No. 52 of the State List (in the Constitution)—taxes on the entry of goods into a local area for consumption, use or sale therein—was not intended to be made use of by the State Governments as an authority for taxing the raw materials of industries by defining the premises of an industrial concern as a 'local area.' We believe that the term 'local area' has been used therein to denote the area of a local authority. It was in this sense that the relevant power was utilised until the sugarcane cess came to be levied. Any extension of the use of this Entry by State Governments for the purpose of taxing agricultural or mineral products or raw material would, for many reasons, be undesirable. We recommend that the State Governments should not hereafter utilise Entry 52 of the State List for imposition of their own taxes. . ."

Clearly, the Andhra Government's proposal to raise the cane cess would, if implemented, run counter to the views of the Commission. Moreover, the levy of a cess on cane is justified only if the funds so collected are, as the S.I.S.M.A. points out, used solely for cane development and research work. It was as early as in 1950 that the former Tariff Board had opposed the levy of any tax on raw material other than a small cess intended for the purposes of improving its yield or quality or marketing. To quote the Board: "The levy of a tax on raw material is, as a rule, wrong in principle and it is particularly objectionable when imposed on the raw material of an industry which has been nursed by the consumers all over the country for a period of 18 years and for which they have made a heavy sacrifice during all these years." In fact, the Board had clearly asked the State Government to reduce, as soon as practicable, the rate of cess on cane to a more reasonable figure as an alternative to the "rapid reduction in the cost of cane." It is regrettable that this recommendation has been completely brushed aside by the Andhra Government.

An increase in the rate of sugarcane cess will, the S.I.S.M.A. rightly points out in its memorandum, injure the sugar factories which are about to embark on a programme of expansion. The programme is as follows:

The Vizagapatam Sugars and Refinery Ltd. in Anakapalle has applied to the Union Government for permission to increase its capacity from 450 to 1,500 tons cane per day.

The Andhra Sugars Ltd. in Tanuku has planned to extend the capacity from 600 tons to 1,000 tons of cane a day.

The Kirlampudi Sugar Mills Ltd. in Pithapuram has taken steps to expand its capacity from 600 to 900 tons per day. The machinery is expected shortly, and the extension will be completed by the end of February 1956.

The Sri Rama Sugars and Industries Ltd. in Bobbili and Seethanagaram has recently increased its capacity by 100 tons and the additional plant is under test; the Seethanagaram factory is planning to increase its capacity from 300 to 600 tons.

The K.C.P. Ltd. in Vuyyuru has now a capacity of 1,800 tons a day. This is to be still further increased, in stages, to 3,000 tons of cane per day.

The Deccan Sugar and Abkhari Company, Ltd. in Samalkot is actively considering a proposal to increase its capacity from 700 tons to 1,000 tons over the next two years.

Move Ill-advised

All these schemes involve large capital expenditure on the part of the sugar mills; the total outlay on the basis of the present prices of machinery, steel and cement is estimated at over Rs. 1 crore. Surely, any rise in the cost of manufacture by way of an upward revision in the cess on cane will severely handicap the implementation of expansion schemes. Already, the sugar industry, the S.I.S.M.A. says, has had to meet a severe check in the shape of a stiff rise in the Central excise on sugar from early this year and it has not yet recovered from the effects. The Association points out that, by the upward revision in the excise duty without a corresponding increase in sugar prices, the cane grower has also lost the benefit of the S.I.S.M.A. formula. It goes even to the extent of warning that an increase in sugarcane cess under the existing conditions "will remove his last chance of getting this benefit."

Proceeding, the Association emphasises, and that rightly, that the cost of development of roads in the reserved areas of the factories should, in equity, be a charge on the general revenues to which the factories contribute by way of excise duty, income-tax and local taxes. "It is," to quote it, "unfair to the factories to have to pay a cess for the improvement of roads for the benefit of the village in general." It is further pointed out that the sugar factories themselves are spending considerable sums of money on cane development and research out of their own resources. They are also helping ryots by giving advances of cash and fertilisers and by demonstrating proper methods of cultivation, not to speak of the co-operation extended to the Department of Agriculture in the latter's cane cultural operations.

Looked at from all these points of view and considering the contribution which the sugar factories make to the economy of the State, the Andhra Government would do well to abandon the proposal for stepping up sugarcane cess. In fact, it should take all possible steps and encourage the sugar industry successfully to implement its expansion schemes.

(Concluded from next column)

should be removed by mechanised mining at a very fast rate. A proposal in this behalf is under the consideration of the Government at present. If the output can be maintained at the present level, this colliery will contribute the major portion of the total profit of the State collieries as a whole."

The relations between labour and the administration were cordial during the year under review. The general health of labour and sanitation was also satisfactory. The surplus labour at deep pit of the Serampore colliery was accommodated in the newly started upper Kurharbaree workings at Central pit and at Hetla and Khadia inclines where extension of the endless haulage underground is reported to have opened up new working faces.

WORKING OF RAILWAY COLLIERIES

SHARP DECLINE IN PROFITS DURING 1953-54

THE balance-sheets and the review of the working of railway collieries, as well as the statements of all-in-cost of coal for 1953-54, which have just been published, discloses that the overall profit of the railway collieries declined from Rs. 61,20,802 in 1952-53 to Rs. 1,35,163 in 1953-54. The decline was chiefly due to (1) a landslide in the Bhurkunda collieries resulting in a drop of output, (2) write-back from capital to revenue during the year of a sum of Rs. 41,15,000 representing the capital cost of ineffective shaft and 'quarry' incline of the Jarangdih colliery, and (3) debit adjustment to revenue during the year of a sum of Rs. 7,24,000 representing the amount of outstanding bills erroneously taken against capital account of the Kurasia colliery instead of to the revenue (proper) head in the first instance.

There are 11 railway collieries. The following table gives the capital invested and the financial results of railway collieries during the year 1953-54:

(In rupees)

Colliery	Total capital outlay upto 31st March, 1954	Profit or loss in working during 1953-54
1. Bhurkunda ..	61,38,509	— 3,14,781
2. Kargali	1,55,42,088	+ 5,70,868
3. Kurharbaree ..	69,91,270	— 24,97,765
4. Serampore	68,36,202	— 24,30,089
5. Bokaro	1,14,21,536	+ 1,07,57,058
6. Sawong	24,86,179	— 3,17,723
7. Jarangdih	40,34,357	— 45,95,610
8. Kurasia	42,38,285	— 5,97,617
9. Talcher	71,47,163	— 4,19,733
10. Argada	4,13,381	+ 1,65,920
11. Deulbera	26,02,211	— 1,85,371
Total ..	6,78,51,181	+ 1,35,163

The total output of the railway collieries during 1953-54 was 3,139,422 tons, as against 3,196,239 tons in 1952-53. This represents a decrease of 56,817 tons, or 1.78 per cent., as compared with the previous year. The total quantity of coal despatched by railway collieries during the year under review amounted to 2,797,030 tons, of which 2,767,424 tons, or 98.9 per cent., were despatched to Indian railways. This represents 24.4 per cent. of the total coal consumption of railways during the year.

Closure Unwarranted

The Review reveals that the Kurharbaree and Serampore collieries suffered a loss of as much as Rs. 49,27,854 in 1953-54, as against Rs. 42,30,787 in 1952-53. These two collieries, it is stated, commenced operation in 1870 and owing to extraction of coal during all these years, the available reserves have diminished. With the decline in output, the receipts have gone down, while the working expenses remain inflated due to the presence of surplus hands. It would appear that there is no possibility of converting these collieries into profitable ones. Nevertheless, it observes that the closure of these collieries is not advisable. For, to quote the Review itself:

"As these mines contain the finest quality of coking coal, their closure on grounds of monetary losses will involve the loss of valuable coking coal, which is in great demand. These are low-sulphur and low-phosphorous coals and are considered to be the best coking coal in India. If the mines containing such reserves are closed now, it will need a much larger amount to reopen them at a future date. Apart from these considerations, the closing of mines will aggravate the unemployment problem, which is very acute at present. The economic course will, therefore, be to extract the valuable reserves at a fast rate in order to ensure that the loss in working is spread over the least number of years. For this purpose, hydraulic stowing is proposed to be introduced in these collieries and the scheme has already been submitted to the Government for approval."

The Bokaro colliery is the biggest State-owned colliery and its output was 1,384,132 tons in 1953-54, as against 1,499,481 tons in 1952-53. Referring to the working of this colliery, the Review says:

"Of late, the output has shown a downward trend due to the lack of abundance of easy coal, which was available hitherto. Similarly, the excessive amount of water, which the colliery is called upon to deal with, interferes with the output. In spite of pumping arrangements having been modified thoroughly to suit the increased depth and extent, the amount of water to cope with remains very high. In order to maintain the output at the present level, it is essential that the overburden

(Continued in previous column)

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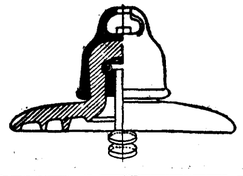

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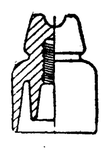

TRENDS IN INDIAN COFFEE INDUSTRY

INTERNAL CONSUMPTION SHOWS A RISE

THERE are enough indications to show that the trend of world production of coffee is upward. The U.S. Agricultural Department recently forecast that the total world output of green coffee this season (1955-56) would amount to 46.5 million bags, that is, 13 per cent. higher than the estimated production during the 1954-55 marketing year. It is stated that all main producing areas in the world would share the increase. The contribution of Brazil alone is estimated at 22.2 million bags, as against 17.6 million bags in 1954-55. It is gathered that the world exportable production of coffee this season may be 35 million bags, as against a consumption of only 33 million bags. Even assuming, for argument's sake, that the production estimate is on the high side and that the consumption estimate is on the low side, yet there are indications that there would be a surplus, in spite of the fact that the consumption, particularly in the U.S., has been going up.

So far as India is concerned, the pattern of production and consumption would appear to be in no way different from that of the world as a whole. The speech of Mr. K. Srinivasan, Chairman of the Indian Coffee Board, at the thirty-seventh meeting of the Board held last week, disclosed that the 1955-56 crop would be higher than both the revised estimates for 1954-55 and the actual realisations made so far in respect of the past season's crop, and that the internal consumption was going up. The revised estimates of the 1955-56 crop were placed by the Coffee Board at 27,740 tons, made up of 18,175 tons arabica and 9,565 tons robusta, as compared with the corresponding estimate of 24,500 tons for the previous season. The actual realisations of the 1954-55 crop up to 30th November 1955, according to the Chairman of the Coffee Board, amounted to 24,623 tons, of which carryover from 1953-54 crop accounted for 4,840 tons. After making provision for domestic consumption and requirements of growers for seed, it is anticipated that about 27,400 tons may be available this year for marketing, if the estimates do not undergo material alteration during the season. The larger output for 1955-56 is probably due to satisfactory weather conditions.

Exports

Out of the 1953-54 crop, the quantity sold for exports amounted to 9,613 tons, as against an allotted quota of 10,650 tons, the shortfall being due to unavailability of sufficient stocks of the required quality. The quantity exported was the highest in recent years and the prices realised were also the highest on record. Prices were extremely good in the early part of 1954, but they declined in the later months of 1954. As regards the 1954-55 crop, the Board had originally allocated 4,500 tons in October 1954, but this was reduced to 4,000 tons in December 1954 (2,250 tons plantation, 1,000 tons arabica and 750 tons robusta), to be sold between January and April 1955. Half of this quantity was sold in February and March 1955. The position was further reviewed periodically till July 1955 and it was finally decided to reduce the allocation still further to 3,250 tons, made up of 1,750 tons plantation, 1,250 tons arabica and 250 tons robusta. The reduction was considered necessary, because the actual receipts of plantation stocks were lower than the estimates and internal consumption showed an upward trend. The reduction in export quota of plantation and robusta was fully justified, as later events proved, because the prices of these two varieties moved up in the internal market. Two hundred tons of arabica cherry were sold before the monsoon, as the requisite quantity of the right quality was not available, and a further quantity, namely, 400 tons, was sold after the monsoon. On another review in the latter half of the year, it was found that some more arabica cherry could be exported and a quota of 275 tons was accordingly allotted recently.

The prices realised in export sales during 1954-55 ranged between Rs. 259-4 and Rs. 267-12 per cwt. for plantation A, between Rs. 183-4 and Rs. 245-5 for arabica cherry and Rs. 185-15 for robusta. World prices continued at a low level during the first half of 1955 also.

Export Duty Abolished

The Government of India had levied an export duty of Rs. 62-8 per cwt. in October 1953, in order to absorb a portion of the difference between the export and internal prices. In view of the decline in world prices later on and the consequential lower prices fetched by Indian coffee sold for export, the export duty was reduced to Rs. 21 per cwt. in February 1955 and was finally abolished with effect from 1st July 1955.

The quantity of coffee released for sale in the internal market during the first half of 1955, except in February when there were some restrictions under excise rules, amounted to 2,000 tons per month. In the latter half, the quantities offered were revised to 1,750 tons per month in the first instance and to 1,650 tons later on, in order to spread the available stocks better over the remaining months, to provide for fair carryover stocks at the year-end and to approximate the demand to the offtake more closely. The average offtake amounted to 1,423 tons per month in the first half of the year and 1,350 tons in the second half. Offtake by co-operative societies averaged 111 tons per month, and that of the Board's propaganda department 92 tons. The average offtake per month for internal consumption through all the channels was plantation 805 tons, arabica 423 tons and robusta 619 tons. The Coffee Board Chairman drew the attention of the members to the rising trend in consumption in India, despite the slight lowering of quantities placed for pool sales. He was of the view that the offtake of plantation and robusta would have gone up even higher, if only larger stocks had been available and had been put up for sale. The internal consumption stood around 22,250 tons and would probably have stood at about 23,000 tons on the basis of figures for the first half of the year and perhaps even at 24,000 tons, if more coffee had been offered.

Pool Prices

The following are the maximum and minimum prices fetched at the pool auctions and local auctions during the past year:

Pool auctions	(Per cwt.) *Maximum*	*Minimum*
	Rs. a.	Rs. a.
Plantation A ...	222 8 (Oct.)	208 15 (Mar.)
Arabica cherry	195 0 (Oct.)	168 8 (Jan.)
Robusta cherry	174 14 (Feb.)	146 2 (May)

Local auctions	(Per cwt.) *Maximum*	*Minimum*
	Rs. a.	Rs. a.
Plantation A ...	222 8 (Oct.)	208 15 (Mar.)
Arabica cherry	189 13 (Nov.)	167 10 (Jan.)
Robusta cherry	165 1 (Feb.)	152 7 (Mar.)

The advance in prices during 1955 indicated by the above table, except in the case of robusta cherry, was partly due to the revision of the minimum release prices on the basis of Rs. 2-2 per point, as against Rs. 2-1 per point, with effect from 1st April 1955, and the enhancement of the excise duty from Re. 1 to Rs. 2-8 per cwt. from 1st August 1955. The Government decided to continue the minimum release price at the same rate of Rs. 2-2 per point for six more months from 1st October 1955 also. The pool dividends for the 1954-55 crop would, according to the Coffee Board Chairman, be about Rs. 2-6 per point.

Production to be Raised

Mr. Srinivasan told the members that it had not been possible to have sufficient stocks at the end of 1955 for carryover, as was necessary to perform reasonably the marketing operations without much anxiety or upsets and if a balance was to be struck between demand and supply and prices were to be kept between set levels. This was due to the fact that larger quantities had to be put up in auctions than the stock position or the average offtake figures warranted. Despite this, the prices in internal auctions crept up steadily. The Board had, therefore, to provide, during the current year, for a possible internal consumption of 23,500 to 24,000 tons and a carryover at the end of 1956 of at least 5,400 tons. The carryover from the previous year out of the 1954-55 crop amounted to 3,777 tons, which, together with the estimated crop of 27,740 tons for 1955-56, would make available about 31,000 tons in the coffee pool during the current year. In view of the upward trend in internal consumption, the Board agreed that export allotments should be carefully estimated. It decided to recommend to the Government that a tentative initial export allotment of 800 tons plantation and 500 tons arabica cherry out of the 1955-56 crop should be made and that the position should be reviewed later.

Despite the upward trend in world production of coffee and the anticipated surplus, the Indian Coffee Board proposes to increase the production of coffee. This is because of the demand for Indian coffee abroad on account of its quality and the rising trend in internal consumption. The draft plan prepared for this purpose is to be examined by an *ad hoc* committee of eight members. The Committee has been asked to submit its recommendations to the Board before 31st January 1956. It will be interesting to note, in this connection, that the Coffee Board has received from the World Coffee Bureau the draft of an international coffee agreement for regulation of the production and marketing of coffee. It is not known whether the Coffee Board has accepted the terms of the agreement. The Chairman, however, disclosed at the Coffee Board meeting that, in his opinion, it did not necessarily mean that India had to give up summarily any ideas of raising coffee production.

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JUTE CULTIVATION IN INDIA

MORE ATTENTION TO MODERN METHODS NEEDED

THE most urgent problem facing the Indian jute mill industry today is the growing competition from Japan, Pakistan and Continental countries. The Japanese competition is making itself felt in North American markets. It is now well known that the Pakistan jute industry, which has already a sizable exportable surplus, is expanding rapidly, that it is expected to double its present output this year, and that it will, therefore, be in a position to place more jute goods on the world markets in the coming months. With a finer fibre and relatively cheaper labour, Pakistan is sure to prove a tough competitor to Indian mills. The latter, on the contrary, have been handicapped in many ways. Their wage structure, which had already gone against them, have since tended to become more severe, as the Jute Industry Tribunal has awarded an increase in the emoluments payable to workers in jute mills, against which the industry has gone on appeal. If in the appeal the mills' case were to fail, the burden would be onerous on the mills. The situation will then call for quick measures to reduce the cost of production of jute goods. One of the main ways through which such a reduction could be effected is to bring down the cost of raw jute, without reducing, at the same time, the return to growers. This can be done only through measures calculated for stepping up the yield of raw jute per acre and increasing the quality of jute. In other words, a perceptible improvement in the efficiency of raw jute growing will be one of the effective solutions for the ills of the jute industry. This aspect of the problem has, no doubt, been engaging the attention of the Indian Central Jute Committee, as is evident from the latest annual report of the Economic Research Section of the Committee, covering the year 1954-55. But the results achieved appear to be none too encouraging.

The programme of work of the Economic Research Section covered a number of important items. These included investigation into the economics of jute growing, crop-cutting experiments, study of the economics of improved methods of jute cultivation, study of prices of jute, marketing and transport, etc. Of these sections, a review of the economics of jute growing reveals certain features which should be of interest to all those concerned with the development of jute cultivation.

Cultivation Costs

The Research Section made comparative studies of cultivation costs in selected places at five different centres, namely, Monoharpur in West Bengal, Belakoba in Jalpaiguri, Purnea in Bihar, Kendrapara in Orissa and Nowgong in Assam. The year 1954-55 was not without some troubles for the jute crop. The whether at the beginning of the season adversely affected sowings. Owing to heavy downpour of rain, plots became full of thick weeds much to the detriment of crop growth. Some damage was caused by pest attack which was rather serious at Purnea and Nowgong. Finally, a shortfall of rains late in the season created retting difficulties in Monoharpur, Purnea and Nowgong. The effect of the weather was rather bad at Belakoba where the yield rate sharply declined as compared with that of the previous year. All other centres produced better crop than the year preceding, but it was not very satisfactory, particularly at Monoharpur where the yield was below normal.

The average cost of production of jute for the five centres was estimated at Rs. 19-14 per maund. This was Rs. 2 per maund more than the cost in 1953-54. The increase in the cost of production was due to a rise in the operational cost. An analysis of this cost showed that the rise was attributable mostly to a larger input of human labour, because the average wage rate did not show any change. The seed rates were, however, somewhat less which might be due to the limited opportunities for sowing and to the realisation on the part of growers of the futility of sowing seeds at higher rates. Poor production of jute seeds in 1953-54, coupled with a large demand for them in 1954-55, increased the prices at Purnea and Nowgong. The rise was from As. 11 to Rs. 2-3 per seer in Nowgong. There was no change in manuring practices, the quantity of manure applied continuing to be inadequate, at 27 maunds per acre.

The increase in cost of production in 1954-55 was offset, to some extent, by the receipt of

(*Continued on page 103*)

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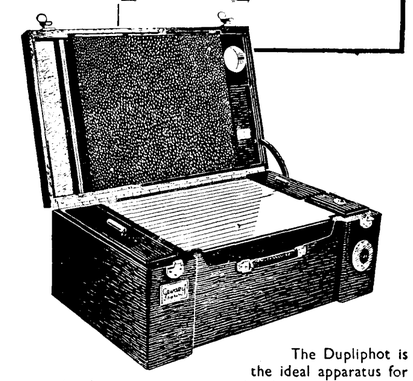
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RAILWAY FREIGHT STRUCTURE

VIEWS OF BHARAT CHAMBER OF COMMERCE

THE Bharat Chamber of Commerce, Calcutta, has, in its replies to the 88-point questionnaire issued by the Railway Freight Structure Enquiry Committee, pointed out the directions in which the existing freight rates require revision. It will be recalled that the Railway Freight Structure Committee was constituted in June 1955, with Dr. A. Ramaswamy Mudaliar as Chairman, to review the present freight structure and suggest modifications therein, bearing in mind the needs of developmental economy and the necessity for maintaining the financial stability of the railways. It has to examine whether statutory provisions dealing with the responsibility of railways as carriers require any modification and, if such modification is needed, whether any adjustment in freight rates is necessary. It has also to consider what changes, if any, are needed in the existing constitution, jurisdiction and rules of procedure of the Railway Rates Tribunal, so that the Tribunal might be a more effective and expeditious instrument for adjudication of railway freight matters at reasonable cost to the litigant.

As a target of criticism, the railway freight structure ranks next only to the shortage of wagons. The previous revision of the freight structure, which was effected in October 1948, followed detailed investigations conducted by a departmental committee during 1945-48. Since then, many changes have taken place. Adjustments have had to be made as a result of the Partition. Many industries have expanded production and are expected to expand further. Again, many new industries have come into being and many more will come in the next few years. These changes underline the need for a fresh examination of the freight structure.

Standard Rate

The Bharat Chamber of Commerce has expressed the view that, although the telescopic rate is the most pronounced feature of the 1948 rate revisions, it has not given any relief to the users of railways, because of the higher bases of charges. While maintaining that the railway rating framework should rest on a standard number of class rates and schedule rates, the Chamber has stressed the need for a larger element of flexibility in the operation of these standard rates by way of station-to-station rates.

The Chamber has conceded that the number of class rates may continue to remain at 15 and the existing three-leg pattern of these class rates and the distance range of 300 miles *plus* 300 miles and beyond may also be retained as a part of the structure of these class rates. But it is of the considered view that the rates for the first distance range from class 9 onward, particularly in classes 14 and 15 should be revised. As regards wagon-load schedules, the Chamber has taken the more radical view that these schedules should be only 10 in number and be of a five-leg pattern in the distance range of 100 miles *plus* 150 miles *plus* 250 miles *plus* 300 miles and beyond. The rates for the first distance leg in the wagon-load schedule should commence from 0.25 pie per maund per mile and progressively rise by 0.02 and 0.03 pie in the higher scales. The leg-to-leg decline in rates should be at the uniform rate of 0.023 pie per maund per mile in the case of the first five schedules and by a uniform rate of 0.04 pie in the last five schedules.

On the questions of general classification of goods, the Chamber has suggested that the classification should be revised so as to minimise the number of divisions of particular goods and further that the N.O.C. entries in general classification should be minimised to as little as possible. Although it has admitted that, on a broad appraisal, the principle of classification adopted for the purpose of rating has, on the whole, been sound, it has cited a number of instances where classification has been anomalous.

Referring to rates for "smalls" and bulk consignments, the Chamber has advocated that traffic in wagon-loads should bear a charge at least 10 per cent. less than that for "smalls" traffic. With a view to encouraging traders to load wagons up to the carrying capacity of a wagon, it has suggested that a rebate of 20 per cent. in freight should be allowed on freight of goods loaded in excess of the minimum wagon requirements calculated at the wagon-load scale. It has opposed the introduction of express goods trains on a system of a higher rate. As regards charges for supply of cranes, it has suggested that there should not be any profit-motive.

The Chamber is of the considered view that the two main objects of a railway rates policy should be what the traffic can bear and what is needed in an overall calculation to meet the cost of transportation. But it must be conceded, it states, that the effects of railway rates on trade and industry are far-reaching, and as such, the influence of the present rates structure and rates policy on Indian trade and industry needs to be examined from the point of view of India's economic progress. The economic organisation of the country is still in process of development and this suggests the need for a greater degree of flexibility and responsiveness on the part of the rates system.

Traffic Movement

Referring to the changes in the pattern of traffic movement as between pre-war and post-war years, the Chamber has pointed out that, in terms of earning, the coal traffic has only gone up by 4.4 per cent., although the net tonnage despatched from the pits' mouth in India has gone up by 66 per cent. from 22 million tons to 36 million tons and all these in spite of the large enhancement made in the structure of coal freights. Again, in a number of commodities like iron and steel, metallic ores, marbles and stones, salt, kerosene oil, petrol, sugar and cement, etc., the proportional position occupied in the total traffic, measured in terms of earning, has substantially enlarged. The pattern and the volume of traffic is bound to change with the increasing tempo of industrialisation and development of new areas. The type of traffic moving to and from the ports will also undergo a change with industrial progress, more finished goods moving to, and raw materials from, the ports. The Chamber has stressed the need for rail-road-inland waters transport co-ordination. It has also noticed the difficulty of diverting goods to coastal traffic because of high rates.

The Chamber has made a special reference to the increase in claims' cases and the feeling of frustration prevailing among business men. The present position of the railways quoting in some cases freight only at railway risk and some again only at owner's risk is, in the opinion of the Chamber, not only unfair but also arbitrary. It is only in the case of special station-to-station quotations that the risk condition may be confined to one or the other. The Chamber has preferred the abolition of the current procedure and the adoption of railway risk, but at owner's risk rates. The Chamber has not favoured any relaxation being made in the risk condition, at the option of the public offering goods for booking. It has accordingly suggested that the railways should not accept any goods which do not fulfil the packing conditions.

The Chamber does not want the railways to be in the position of an insurer, as that would entail additional expenses to railway users. It has, however, pointed out that the responsibility of railways, as bailee is limited by various means to the extent of contracting out. No responsibility, for instance, is virtually undertaken by the railway for the so-called running train thefts and for goods taken delivery of after the free-time period. The railways have also wide scope for repudiating claims under sections 72 to 77. The different and often contrary interpretations of High Courts on points relating to loss, non-delivery, notice, etc., the Chamber says, point to the need for reviewing the aforesaid sections, so that the railways' responsibility as bailee is assured.

Finally, the Chamber has dealt with problems relating to the Railway Rates Tribunal. It says that railway users cannot take advantage of the Tribunal because of its location in Madras and the highly exorbitant legal costs. It has, therefore, suggested that the procedure of the Tribunal may be so modified as to make it sufficiently flexible and informal. It has further expressed the view that the Tribunal should have permanent members and hold its sittings at important centres of India.

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CO-ORDINATION OF RAIL-SHIP TRANSPORT

NEED FOR EXPANSION OF COASTAL TONNAGE

IN its reply to the questionnaire issued by the Rail-Sea Co-ordination Committee, constituted in June 1955, the Indian Merchants' Chamber has welcomed the move for co-ordination of road and sea transport both from the point of view of making available to industry and trade larger transport facilities and of putting Indian coastal shipping on a stable and prosperous footing. The Chamber has suggested the following few steps for achieving the necessary co-ordination:

(1) The Government must assist the shipping industry by agreeing to extend adequate financial assistance by way of loans on liberal terms and conditions to expand coastal shipping.

(2) Existing port facilities at the various ports should be increased with a view to enabling coastal tonnage to operate efficiently and economically at the various ports. The Government should ensure smooth and efficient work of dock labour.

(3) Co-ordination must be attempted by ensuring adequate traffic to the ships, so as to minimise the chances of their having to return in ballast or loaded with cargo short of their capacity. Although attempts should be made for arranging movement of bulk cargo, such as coal, salt, foodgrains, cement, fertilisers, etc., by sea, particularly in respect of port-to-port movements or where the cargo is to be delivered to interior places situated very near port centres, there should not be any rigid demarcation of commodities for transport by rail and sea. There should be an element of flexibility at least in the initial stages when neither of the transport services is adequately developed to take care of all the movement requirements in respect of a particular commodity or group of commodities.

(4) Efforts should be made to bring down the cost of sea transport both by steps in the direction of lowering the cost of operation and by making the incidence of incidentals as low as possible. The Government should take the necessary steps for equalising the incidence of freight burdens on account of traffic either by sea or by rail.

The importance of close and effective co-ordination between the various forms of transport requires no emphasis in a country like India with vast distances, involving movement over large areas. It is to the advantage of national economy that both the railways and ships should be enabled to work economically, so that the two sectors may have no reason to regard each other as rivals in the carriage of traffic. A factor which underlines the need for co-ordination is the inability of railways to absorb at present all the traffic that is offered to it. If co-ordination can result in some relief to railways, it is all to the good. Only the means of achieving it in a way that is satisfactory to all the interests concerned are not easy to discover or implement. The carriage of coal is a typical instance. Coal is being carried by railways, it is stated, at a rate that is below the cost of operation. If the railways were to charge what they ought to charge for carrying it, ships would be able to quote competitive rates for transporting coal. This would enable ships to participate profitably in the carriage of coal, thereby releasing more wagons for transporting other commodities. But then, the question will also have to be considered from the point of view of consumers of coal, who cannot afford an upward revision of coal freights which will throw their production out of gear. Herein lies the problem of evolving a suitable freight structure and equalising the incidence of freight burdens of sea and rail transport.

NEW PRODUCTS AND PROCESSES

New Surveyor's Instrument

THE transits used up to now for plane surveying, for instance, for calculating the necessary earth movement in road and dam construction, river regulation, etc., permit only the measurements of the relative positions of points on the surface of the earth which, brought upon paper, are joined by lines and thus give an approximate picture of the profile of the ground. The free choice of the points is the source of substantial measuring errors, especially on rough ground, and these errors may cause deviations of up to 10 per cent. and even more from the natural contours of the ground. An engineer from Vienna, Austria, has developed a new surveyor's instrument, which reproduces the contours of the ground with all the undulations and curves. The instrument consists of a horizontal board with built-in water level supported by two stadia rods and carrying a sliding recorder. A vertical feeler passes right through the recorder and ends in a recording roll. When moving along the contours of the ground, all longitudinal and vertical movements faithfully are registered by the recorder owing to its ingenious design and are drawn in black lines on transparent millimetre paper of standard height (297 mm.) on a scale chosen by the operator. The scales on which the profile can be reproduced are: 1 : 200, 1 : 100, 1 : 50 and 1 : 25. The precision rate of the contour lines drawn by the precision recorder is ± 1 per cent., in relation to the longitudinal as well as the vertical lines, and this means that the error per one square metre of surface does not surpass $+0.0001$ m^2. A simple shift of the recorder permits the reproduction of contour lines of all lengths to any desired angle of slope. In general, the profile recorder draws the contour lines truly to nature. If desired, diagrams on a distorted scale may also be drawn, e.g., longitudinal scale 1 : 100 and vertical scale 1 : 25. The new device, it is claimed saves hundreds of working hours of draughtsmen. Moreover, it is stated that the time for surveying in case of rough ground becomes much shorter than when using the traditional transit and stadia, thus reducing surveying costs by nearly one half.

"Packaged" Atom Power Plants

Details of the "packaged" atomic power plants now being designed, developed and constructed for the United States Army by Alco Products, Inc. (previously the American Locomotive Company) indicate that it will produce 1,825 kilowatts of electricity. This is sufficient electricity to supply power and lighting for a military base or small town of about 2,000 people. The reactor, which is now under construction, will "burn" enriched uranium and specially purified ordinary water will be circulated through it to draw off the heat from the reactor furnace to operate the electricity generating plant. The nuclear reactor furnace of this "packaged" atom power station is small enough to be carried in an aeroplane and the complete power plant—including the generating equipment—can be housed in a building 29 feet wide by 80 feet long. The prototype station, which is now under construction at Fort Belvoir, Virginia, is scheduled for completion by December 1957. Other American companies undertaking studies on advanced types of "packaged" power producing nuclear reactors include the General Electric Company, Schenectady, Babcock and Wilcox, New York, the Fluor Corporation, Los Angeles, the Glenn L. Martin Company, Baltimore, Maryland, Walter Kidde Nuclear, Laboratories, and the Westinghouse Air Brake Company, Pittsburgh. Britain is also reported to be developing "packaged" atomic power plants.

New Device May Prevent Auto Collisions

There is hope that the head-on auto collision may become a thing of the past. An auto-braking device that uses a radar beam to stop a car automatically when an obstacle gets in its way has been developed by Carl Rashid, a Detroit engineer. A radar antenna, extending across the front of the auto, sends and receives an electronic beam. When the beam is broken by some object in front of the car, the brakes are automatically applied. The device stops the car at once if the danger is immediate, and slows it down if the danger is distant. The sensing range of the radar beam is governed by the speed of the car. The higher the speed, the longer its range. When following a car in traffic, the radar unit does not apply the brakes, unless the vehicle ahead stops suddenly. When making close turns or going around curves, the radar unit will not stop the car but slow it down if the speed is excessive. Rashid has formed the Radar Brake Control Corporation to produce his "radar-brained brake," which he hopes to have on the market soon. The estimated cost is $225.

Paper From Nylon

Paper has been successfully made for the first time from nylon and other synthetic textile fibres by the Du Pont Company of the United States. It is three to ten times stronger than paper made from pulp or rags, the Company says. This new type of paper is highly resistant to chemical attack, absorbs very little moisture, and resists the action of moulds, bacteria and light, according to the Company's tests. The high strength of the paper suggests its use in such applications as heavy duty bags, and its resistance to chemical action would be useful in filtration of corrosive liquids and in packaging chemicals. The stability of the paper to moisture indicates possible use in map and tracing papers and for important records and documents where permanence is necessary.

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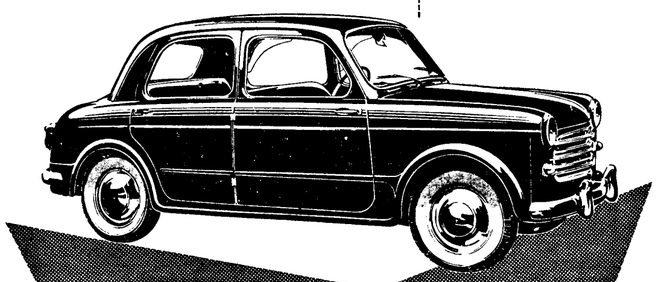

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GENERAL INSURANCE IN 1954

NET PREMIUM INCOME SLIGHTLY HIGHER

NO significant variations are disclosed in the trend of general insurance business in India during 1954, as compared with that in the previous year. Gross premium income from business written in India and abroad by Indian insurers, according to the latest issue of the *Indian Insurance Year Book*, was slightly higher at Rs. 16.92 crores, as against Rs. 16.91 crores in 1953. The premium income arising out of business written in India alone was Rs. 12.01 crores, as against Rs. 12.03 crores in 1953. The gross premium income of non-Indian insurers from their business in India was slightly higher at Rs. 8.82 crores.

The following table gives the gross premium income of Indian and non-Indian insurers in 1953 and 1954:

Gross Premium Income

(In crores of rupees)

	Inside India		Outside India
	Indian insurers	Non-Indian insurers	Indian insurers
Fire :			
1954 ..	5.53	4.25	1.82
1953 ..	5.57	4.26	2.23
Marine			
1954 ..	2.69	2.40	1.47
1953 ..	2.50	2.40	1.30
Miscellaneous :			
1954 ..	3.78	2.17	1.61
1953 ..	3.96	2.15	1.35
Total :			
1954 ..	12.01	8.82	4.91
1953 ..	12.03	8.81	4.88

It will be seen from the table above that the gross premium income from the fire insurance business in India transacted by Indian insurers has declined from Rs. 5.57 crores to Rs. 5.53 crores. Such income from foreign fire business has declined more steeply by Rs. 41 lakhs to Rs. 1.82 crores. Miscellaneous business in India shows a decline, the gross premium income having receded from Rs. 3.96 crores to Rs. 3.78 crores. Since a large part of the miscellaneous insurance consists of motor insurance, it is a safe guess that the latter has not improved as much as it might have been expected to do. Presumably, this is due to nationalisation of motor transport in this country and the unhelpful fiscal policy which prevents rapid progress in automobile transport. The premium income from miscellaneous business transacted abroad has, however, gone up from Rs. 1.35 crores to Rs. 1.61 crores. It is gratifying to note that during the year under review, Indian insurers have been able to write both in India and abroad, a larger marine business than in the previous year. The gross premium income of non-Indian insurers from fire, marine and miscellaneous business remains practically unchanged at Rs. 4.25 crores, Rs. 2.40 crores and Rs. 2.17 crores, respectively.

An outstanding feature of the trend in net premium income of Indian insurers continues to be the relatively larger share of the income from foreign business, as compared with the income from Indian business. Thus, in 1954, the net premium income from foreign business was Rs. 8.96 crores, as compared with Rs. 6.98 crores being the income from Indian business; the corresponding figures in 1953 were Rs. 8.52 crores and Rs. 6.79 crores respectively. The net premium income of non-Indian insurers from their business in India also improved slightly from Rs. 6.35 crores to Rs. 6.41 crores in 1954.

The following table gives the net premium income of Indian and non-Indian insurers in 1953 and 1954:

Net Premium Income

(In crores of rupees)

	Inside India		Outside India
	Indian insurers	Non-Indian insurers	Indian insurers
Fire :			
1954 ..	2.58	2.76	5.44
1953 ..	2.45	2.74	5.47
Marine :			
1954 ..	1.32	1.71	1.85
1953 ..	1.26	1.70	1.54
Miscellaneous :			
1954 ..	3.08	1.94	1.67
1953 ..	3.08	1.91	1.51
Total :			
1954 ..	6.98	6.41	8.96
1953 ..	6.79	6.35	8.52

The net premium income of Indian insurers from their fire business in India and their marine business in India has gone up, as will be seen from the table above, to Rs. 2.58 crores and Rs, 1.32 crores, as compared with Rs. 2.45 crores and Rs. 1.26 crores in 1953. The net premium income from their miscellaneous business in India is unchanged at Rs. 3.08 crores. It is, however, noteworthy that Indian insurers have been able to write in 1954 a larger miscellaneous business outside India than in 1953. Such business brought in a net premium income of Rs. 1.67 crores, as against Rs. 1.51 crores in the previous year. The net premium income from Indian insurers' foreign marine business, too, has improved from Rs. 1.54 crores to Rs. 1.85 crores, while such income from foreign fire business has declined slightly from Rs. 5.47 crores to Rs. 5.44 crores. So far as non-Indian insurers' business in India is concerned, the net premium income from all the departments has improved in 1954. Thus, the net fire premium income has improved from Rs. 2.74 crores to Rs. 2.76 crores, marine premium income from Rs. 1.70 crores to Rs. 1.71 crores and miscellaneous premium income from Rs. 1.91 crores to Rs. 1.94 crores.

A factor to which the attention of the authorities and the insurers concerned deserves to be devoted is the comparatively slow growth of general insurance business in India. As compared with life insurance, the pace of progress of general insurance has been somewhat slow. It is true that allowance has to be made for the fact that general insurance is more susceptible to changes in economy and prices than life assurance. Even so, both agricultural and industrial production have recorded sizable increases in recent years; this is true of the foreign countries where Indian insurers operate. But general insurance business does not seem to have benefited much from such improvement. The net premium income of Indian insurers in 1954 was only about Rs. 1.3 crores higher than in 1951. The following table gives the trend in their net premium income over the four years ended 1954:

Total Net Premium Income

(Indian Insurers)

(In crores of rupees)

	Fire	Marine	Miscellaneous	Total
1951 ..	7.87	2.76	4.02	14.65
1952 ..	7.68	2.83	4.13	14.64
1953 ..	7.91	2.80	4.59	15.30
1954 ..	8.01	3.18	4.75	15.94

The claims experience also does not show any important changes in 1954 over that in the previous year. The claims ratio in fire insurance, however, was lower at 31 per cent. as against 35 per cent. in 1953. In marine insurance, it was unchanged at 57 per cent. and in miscellaneous insurance somewhat lower at 48 per cent. It is noteworthy that the U.K. insurers are able to operate at a lower claims ratio than Indian insurers, the former's claims ratio in the fire, marine and miscellaneous business being 15 per cent., 44 per cent. and 45 per cent. as against Indian insurers' ratios of 35 per cent., 66 per cent. and 49 per cent. respectively.

The following table gives the claims ratio, the commission ratio and the expense ratio of general insurers in 1954, the figures in brackets representing the experience in 1953:

Claims, Commissions and Expenses

(Percentages of net premium income in 1954)*

	Claims ratio	Commission ratio	Expense ratio
Fire			
All insurers	31 (35)	16 (15)	34 (33)
Indian insurers ..	35 (38)	19 (17)	30 (30)
U.K. insurers ..	15 (23)	7 (8)	41 (38)
Marine			
All insurers	57 (57)	8 (8)	26 (28)
Indian insurers ..	66 (68)	6 (5)	25 (27)
U.K. insurers ..	44 (38)	13 (14)	25 (27)
Miscellaneous			
All insurers	48 (49)	16 (16)	28 (28)
Indian insurers ..	49 (49)	17 (16)	27 (28)
U.K. insurers ..	45 (48)	15 (15)	29 (28)

* Figures in brackets refer to 1953.

The expense ratio of Indian insurers has, as the table above shows, remained constant at 30 per cent. in respect of their fire business but declined from 27 per cent. to 25 per cent. in marine business and from 28 to 27 per cent. in miscellaneous business.

Additional information about the number of insurers who spent in excess of the limits laid down by Rule 17E of the Insurance Rules has been made available in the *Year Book*. The number of such insurers was 83 in 1953, as against 78 in 1952 and 50 in 1951. In 1953, the basic limit was exceeded to the tune of Rs. 33 lakhs, as against Rs. 28 lakhs in the previous year. These figures show, as the Controller points out, that there had been a deterioration in the experience as regards expenses.

HINDUSTHAN CO-OPERATIVE INSURANCE SOCIETY LTD.

An impressive increase of Rs. 11.55 crores to Rs. 30.44 crores in new life business is reflected in the report and accounts of the Hindusthan Co-operative Insurance Society Ltd. (Chief Officer: Mr. B. C. Ray, Calcutta), for the year ended 31st December 1954. With justifiable satisfaction, the Chairman of the Society, Dr. N. N. Law, in the course of a special reference to new life business at the recent annual meeting of the Society, said: "An increase of business of this magnitude is without a precedent in the annals of the Society and we can justly feel very proud of it." The total business in force, as at the end of 1954, was Rs. 110.93 crores as against Rs. 93.61 crores in the corresponding date in 1953. Claims from death and maturity amounted to Rs. 35.63 lakhs and Rs. 87.06 lakhs respectively, as against Rs. 31.88 lakhs and Rs. 71.13 lakhs in 1953.

The total premium income during 1954 was Rs. 4.88 crores as against Rs. 4.34 crores in 1953. The net rate of interest dividends, etc., worked out to 3.32 per cent., as compared with 3.69 per cent. in the previous year. This difference, it is stated, is mainly due to the fact that while in 1953 the Society received refund of income-tax for three years upto 1952, no such refund was received in 1954. If the refund of income-tax for 1953 were available in 1954, the net rate of interest for that year would have worked out to 3.54 per cent. The life assurance fund of the Society improved by Rs. 2.73 crores to Rs. 25.19 crores at the end of 1954.

It is gratifying to note that the renewal expense ratio, calculated in accordance with the Insurance Rules, has declined from 14.58 per cent. in 1953 to 14.36 per cent. in 1954. The overall expenses, however, have gone up from 27.54 per cent. in 1953 to 30.54 per cent. in the following year. Explaining the expense position of the Society, the Chairman said: "To break the stalemate in new business, which had set in in the Society's business till about the middle of 1953, we had naturally to expand our organisation and, as is well known, the benefits of such expansion take a little time to fructify in insurance. Further, owing to the reduction of premium rates which was quite substantial under certain tables, the yield of new premium income was proportionately lower." It is to be hoped that the field staff will continue to work hard so as to justify the expansion plans initiated by the Society.

POSTAL LIFE INSURANCE

The Government of India has declared the rates of bonus on Postal life insurance policies in force on 31st March 1952 for the quinquennium 1947-52. The declaration of bonus for the quinquennium, it is stated, had been delayed owing to the various difficulties following the Partition. The bonus now declared applies to policies which were in force on 31st March 1952. The following are the rates of bonus:

(a) In respect of policies issued on or before 31st March 1940, a simple reversionary bonus for the period from 1st August 1947 to 31st March 1952, at the rate of Rs. 12 per thousand per annum both on whole life and endowment assurance policies; and (b) for policies issued after 31st March 1940 a simple reversionary bonus at the rate of Rs. 10 per thousand per annum both on whole life and endowment assurance policies. (This also applies to military wing policies.)

For policies maturing between 1st April 1952 and the date of the next valuation, an interim bonus of Rs. 10 per thousand per annum for both whole life and endowment assurance policies issued on or before 31st March 1940 and of Rs. 8 per thousand per annum for whole life and endowment assurance policies of both civil and military wings issued after 31st March 1940 have been declared.

New York Motor Vehicle Bureau's automobile liability insurance survey, required by a 1954 law, according to the *National Underwriter*, shows that at least 13 per cent. of registered motor vehicles in the States are uninsured. The percentage of uninsured vehicles at the time of registration has risen steadily; as on 15th July 1955, it was only 11.5 per cent. of the 4,140,102 vehicles registered. Governor Harriman of New York is reported to be considering the possibility of conducting executive hearings on New York State legislative proposals for compulsory automobile insurance, compulsory motor vehicle inspection and driver re-examination.

The U.S. Senate Banking Committee, according to the *Review*, has started preliminary hearings on proposed legislation to provide Federal coverage against losses resulting from floods and other natural disasters to be introduced into Congress early in 1956. Terms of the preliminary Bill call for direct insurance by the Federal Government and for reinsurance of policies issued by private commercial insurers. The amount in force against natural disasters could not exceed $2,000 millions at any one time. Maximum liability on any single claim would be set at $300,000. Where a public body buys disaster insurance for the benefit of its inhabitants there would also be a limit of loss per inhabitant. The Bill provides that no insurance or reinsurance is to be offered if available on reasonable terms from other public or private sources.

NATIONALISATION OF INSURANCE

ALL POSSIBLE ARGUMENTS IN FAVOUR COUNTERED

By P. N. Talukdar, M.A. (Cantab.)

FOR several months now, insurance in India as a private industry has been under the shadow of a great threat—the threat of nationalisation—with all the implications of a challenge to the merits of its present status and presumed superior advantages of State ownership and control. It is unfortunate, however, that this nationalisation idea, just for the reason of its influential origin and support traceable as far back as 1938 to the recommendations of the subcommittee on Insurance set up by the Indian National Congress, has been permitted to hold the field and reinforced recently by even more influential utterances. Political predilections seem to be the basis of the statements rather than any careful and objective analysis of the pros and cons.

Perhaps, one of the greatest attractions which successful insurance business has had for Government as nationalised undertaking—despite the fact that insurance had already come to be the most highly controlled industry in India—is the command it can have over large long-term funds and nation-wide networks of efficient field organisations which would go with them. In regard to the former, leaders of insurance in India have recently taken all pains to reveal the hollowness of the expectations but their expositions do not yet appear to have carried their deserved weight with the authorities concerned. It need hardly be reiterated that Government have already almost fully exploited the possibilities of investments of insurance funds in Government loans, and have thereby secured very much the same financial benefits which nationalisation itself might have conferred upon them, although, in doing so, they have had to place the companies at a heavy disadvantage in the matter of revenue-earning capacity of their funds. If nationalisation of insurance be regarded as a means for even larger investment of funds in Government loans than at present, this can only result in higher cost of insurance and a deterioration of the service in general. It is significant to note, in this connection, that independent democratic countries which are most highly developed in insurance such as Great Britain are also those where the investment policy of the insurance companies is free from Government control. The percentage of Government loans in the total investments of the insurance companies in these countries (which is generally much less than in India) may be taken as an indication of the pattern of investment of insurance funds under conditions of freedom which allow the companies to reconcile considerations of safety with those of profitability and service.

Basically Unsound

While it is basically unsound to consider nationalisation of insurance as a fiscal weapon, it may, however, be pointed out that, when public interest so demands, investible insurance funds can be channelled into Government loans without nationalisation or even without formal control. This happened in Great Britain during the last world war when, as a result of a "gentlemen's agreement" with the U.K. Government, hundred per cent. of the investible funds of the insurance companies were put into Government loans. In the next place, the social usefulness of insurance companies cannot be measured only in terms of the support they give to public issues, and it is just possible that a forcible channelling of investible funds into certain types of assets harms the economy by the neglect of other equally, if not more, important developmental fields. There can be also other ways of helping Government policies and programmes than by direct investments in Government loans. In the U.S.A., for example, insurance companies played a distinguished role in support of Government-sponsored house-building programmes under the New Deal in the 'thirties. In our country, insurance companies have been kept tethered to an extremely narrow field, which has limited the role they can play in the economic development of the country. If insurance is nationalised, a further narrowing down of the investment field can be looked forward to, with all the greater disadvantage for all such developmental fields as fall outside the public sector.

A Misleading Argument

The other advantage that Government may expect to derive from nationalisation of insurance, namely, control over extensive agency organisations, which may be used by them as supplementary media of official publicity and propaganda, may no doubt look attractive from the Government point of view, but here again one has to strike a balance between social gain and loss, and bear in mind that even partial diversion of an economic and commercial service to some other end or ends, while furthering certain objectives, cannot fail to injure others. Moreover, the utilisation of the field organisations of insurance companies for certain extraneous ends, desirable in themselves, would inevitably open up possibilities for their exploitation for certain other ends wholly undesirable, with involvement in party politics. Nationalisation of insurance would thus not only affect the quality of service, but lead to undesirable political manœuvrings.

Nationalisation of insurance has sometimes been advocated on the ground that it is a 'key' industry or a 'basic' industry. The tacit assumption that key and basic industries should be nationalised is expected to be taken for granted. In the statement made by the Prime Minister some time ago that he was in favour of nationalising "banking, insurance and mining," mentioning all three in the same breath, presumably he was speaking from some such idea in view. The expressions 'key,' 'basic,' etc., have not, however, always very strictly defined senses, and an industry which may be considered basic in one sense may not qualify for the expression when used in some other sense. Food and cloth are basic industries, as most people understand the term, but they are not basic in the same sense in which iron and coal are called basic industries. Insurance likewise is a basic industry in an important sense, but banking and mining are basic industries in different senses. Arguments in favour of or against nationalisation of one industry (which is basic in a particular sense) cannot be extended to another (which is basic in a different sense) simply because both are basic in some way or other. It is, therefore, pertinent to point out that banking and mining do not belong to the same category of basic industries as insurance.

What Happened in U.K.

The controversy that raged in Britain in 1949 over the British Labour Party's proposal for the nationalisation of industrial assurance provided an occasion for a full-dress debate in that country (the echoes of which were also heard elsewhere) on the merits and demerits of nationalisation of insurance. The Labour Party based their case for nationalisation of industrial assurance mainly on four grounds, namely, (i) undesirable investments, (ii) high profits, (iii) over-trading, that is, persuading people to take up policies which they could not afford to keep up in hard times, and (iv) high administrative expenses. While it is questionable whether grounds such as these can at all form the basis of a valid case for nationalisation (they rather seem to indicate certain reformatory, corrective or regulatory measures), the Labour Party failed to substantiate the charges such as they were, and were forced at first to modify their proposal to one of mutualisation of the proprietary industrial offices, and then to abandon altogether both their original and revised proposals. It is not that the charges were all wrong wholesale, for, in that case, the industrial offices would have had to be perfect; and in any case, one of the charges, namely, that relating to high administrative cost, went home. But this was due more to the nature of the business itself (which involves house-collection of premiums) than inefficiency of the management. The Labour Party's charge at the most amounted to the proposition that the industrial offices were not free from blemishes (which human institutions are?), but failed to impress the public with any case for drastic intervention nor with any confidence that management under the Government would produce better results.

The challenge of the Labour Party was, however, taken up not only by the industrial assurance companies, but by the general body of insurance companies, for the Labour Party's proposal affected many of the ordinary offices immediately, and the rest could not fail to be roped in in due course. It was contended by the life offices that nationalisation would raise the cost of insurance, as it would lead to larger investment of funds in Government securities, interrupt the flow of personal savings in the shape of insurance premiums, and irretrievably damage overseas business.

The manner in which the industrial life offices carried on their campaign against the proposal of the Labour Party set a fine example in

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co-operative defence for a just cause, inasmuch as it reflects a great credit on the Government of that country for its readiness to accept, in the best interest of national economy, the verdict of objective investigations, however embarrassing the latter might prove to be to their erstwhile predilections. About 400 anti-nationalisation committees were organised throughout Britain, on which nearly 4,000 employees, drawn from all grades and branches of insurance served after office hours, determined to see "that the industry's case was known as widely as possible, and that false and inaccurate statements did not go unchallenged." An information centre was opened in London, and 14 regional officers were appointed to assist the committee, while 60,000 insurance agents visited nine out of every ten working-class homes. Among other features of the campaign were the holding of plebiscites for eliciting the views of policyholders and insurance workers. The results of these plebiscites showed that an overwhelming majority was opposed to nationalisation, while some adopted the attitude of "wait and see" or were disposed to judge the proposal on its merits. Past commitments of the Government on the question of nationalisation were also brought into focus, and particularly the following statement of Sir Stafford Cripps, made in Parliament on 12th November 1945, was laid bare: "It would, perhaps, be proper," Sir Stafford had said, "to inform the House of the attitude of Government towards the future of British insurance business. The Government have no intention of interfering with the transaction of insurance business by private enterprise, save to the limited extent to which insurance at home may be affected by the existing proposals relating to personal social insurance and industrial injuries. It is the desire of the Government that insurance should be in the future as in the past dealt with on an international basis and as business of an international character."

Other Instances

While the attempt of the Labour Party to nationalise insurance, or a sizable portion of it, did not mature and take the desired shape, instances of State enterprise in insurance are not wanting which also provide us with some interesting data regarding the management of this type of business under Government. Several countries such as New Zealand, Brazil, Mexico and Japan have State Departments of Insurance which compete for business with private insurers. A notable addition to State enterprise in insurance in recent years has been France, which, in 1946, largely with the help of the Communist vote, carried out a major nationalisation measure which included within its scope the larger insurance companies of the country, roughly 75 per cent. of the total. Foreign insurance companies with branches in France, branches of French insurance companies abroad, and French companies with an annual premium income of less than 1,000,000,000 frs. (roughly £2,000,000 at the then rate of exchange) were, however, exempted. India also has a postal insurance scheme, and the U.K. had such a scheme until it was abandoned in 1928.

A survey of State enterprises in insurance in various countries, however, shows that wherever they have had to compete with private enterprise, they have had to be contented with a subordinate role in business. The failure of the State Department of Insurance in New Zealand to grow and develop even after more than 50 years of working is often cited as a standard example of the frustration of bureaucratic methods in this particular type of business. The history of postal insurance in Great Britain also points to a similar lesson. Inaugurated in 1864, with the avowed object of providing facilities to the members of the working class for insuring their lives for moderate sums with the advantage of State guarantee, it utterly failed to keep itself in a going position for lack of support from the very quarter to which it was addressed, and this in spite of several attempts to popularise the scheme by such measures as reduction of premiums and offer of additional facilities to policyholders. As already stated, the scheme had ultimately to be abandoned in 1928 on the recommendation of a Parliamentary Committee.

Postal Scheme in India

In India, the unpopularity of the Postal Insurance Scheme accounts for the fact that very few of those to whom the scheme is open to take advantage of it. In spite of the fact that postal insurance is available to various wide groups such as Government servants, including members of the defence services, employees of semi-Government institutions like the universities, district boards and municipalities, and since recently, employees in Government-owned factories and projects, the share of postal insurance in the total life insurance business written in India is quite insignificant and in 1952-53 amounted to a paltry sum of Rs. 2.44 crores, as compared with a business of Rs. 154.5 crores written by the private insurers. Even allowing for the fact that the field of business available to the Postal Department is limited, the rate of growth of business has been extremely slow. Between 1939 and 1953, the total business in force with the Postal Department increased from Rs. 20.9 crores to Rs. 24.64 crores, while premium income increased from Rs. 80.9 lakhs to Rs. 92.6 lakhs. The rate of growth of business under private enterprise has been of a different order altogether. Between the same two dates, total business in force with private insurers in India increased from Rs. 189.02 crores to Rs. 962.0 crores, while premium income increased from Rs. 15.3 crores to Rs. 52.0 crores.

Experience of France

The partial nationalisation of insurance in France which has been mentioned above makes it difficult to assess the relative growths of nationalised and non-nationalised sectors of business in that country. Such data as are available, however, go to show that, while the non-nationalised sector continues to be significant, nationalisation has failed to solve the problem of under-insurance in France. Not only has French insurance failed to make any mark outside France, comparable in any way with the achievements of British, U.S. or Canadian companies, *per capita* insurance in France as late as 1952 was the lowest in Western Europe, barring Italy, and much lower also than such countries as Canada, America, Australia, New Zealand, Japan, etc. An average Frenchman carries only about three to four months' insurance cover as compared with three to four years' cover carried by an average Canadian or an Average American.

Stagnation of insurance business under State control has been due fundamentally to the nature of the business itself which is unlike most other businesses and which calls for *entrepreneurial* and organising abilities not generally associated with Government offices. In an important sense, insurance is sold rather than bought, which means that, while food, cloth, transport and other essential necessities of life are bought by consumers mostly on their own initiative, hardly any insurance (especially life insurance) is ever sold direct to consumers at the latter's own request. People will stand long hours in queues to buy even cinema tickets, but not insurance, though they need it far more than cinema tickets. People who pay income-tax have, of course, some incumbent to buy insurance on their own volition, but even such people, apart from the fact that their number in this country is very small, buy very little insurance on their own initiative. The result is that security, the most essential commodity, goes abegging, and most people think that they do not need it at all, although they need it most. Psychologists will probably say that this is due to the very nature of man which leads him to overrate the present and discount the future out of all proportion.

Vast Scope

There is a vast unexplored field in insurance in India today even at the present level of national income, which means that the developmental aspect of the task facing the industry is really an uphill one. Assuming that everyone should carry insurance cover equal at least to a year's income (the average Indian carries insurance now equal to about one month's income), the total volume of insurance business has to be raised by 10 to 12 times. Government would have to shed its very character as Government, if it were to go about soliciting this vast amount of business literally from door to door. As a matter of fact, businesses which require painstaking market research, extensive field organisation and individual approach to consumers respond more quickly to the spur of private initiative and enterprise than to the impersonal and authoritarian methods of Government departments. The unsuitability of State enterprise in insurance is not, however, the final argument, or even the most important one, against it. Even if it were admitted, for the sake of argument, that Government would be able to conduct and develop insurance as well as private enterprise, there would still be a waste, as pointed out previously, in the change-over that nationalisation would involve. Even if feasible, therefore, nationalisation would not be desirable.

The record of progress of Indian insurance over the last 20 or 30 years rules out any suggestion that this industry has failed to attract sufficient capital or talent, or that it has failed to render on the whole a highly efficient service. Insurance is, perhaps, the only service which consumers today buy at practically the same cost as before the war and which is available in all fine shades of differentiation to suit all sorts of individual tastes. One of the greatest achievements of the industry has been the virtual elimination of foreign enterprise from the field, especially in the field of life insurance, and the propagation of the message of insurance to the villages and among low-income groups. The low average amount per policy which this has entailed has no doubt made expense ratios somewhat unfavourable, as in the case of the industrial offices in Britain already referred to, but the value of the work has to be assessed also in terms of the nature of the service rendered and not solely in financial terms. Nevertheless, the expense ratio of the Indian companies has been steadily declining from year to year, as current statistics show.

Earner of Invisible Incomes

The progressive outlook of the Indian companies has led them to spread their activities outside the shores of India and thus bring into being a new export industry which, though operating on a small-scale just at present, has a good deal of potentiality and can be expected to become a valuable earner of foreign exchange in due course. Nationalisation of insurance will cut this potential business short and thus remove a valuable commercial and cultural link with India's neighbours. A vast nation-wide monopoly such as nationalisation will involve will also be economically wasteful, as the optimum size of the business is quite small. Nationalised insurance would be rather a standardised commodity and the inevitable red-tapism of a Government insurance office will make the relationship between the policyholders and the insurer rigid and formal, whereas now an atmosphere of mutual toleration and close collaboration prevails.

To the uninformed the awkward instances of certain insurance companies which have lately brought discredit on themselves by their malpractices that have come to light have created a facile impression in favour of nationalisation, as if such individual instances were sufficient justification for branding the entire range of private enterprise in this field of business in utter disregard of its special merits. While ordinary provisions of the law have been generally found sufficient to deal with such cases, Government also appear to have taken the opportunity to tighten the law in certain respects spurred entirely by the idea of preventing their recurrence. Corruption and malpractices are, however, not peculiar to insurance, nor to business and business men; they are the outward manifestations of a generally low ethical standard of our people for which long foreign rule and various other social maladies are responsible.

Corruption

While the problem presented by corruption and malpractices must be dealt with on a broad social basis, and individual cases dealt with as they arise under the provisions of the law of the land, it may be pointed out that there can be no easy escape from it by mere nationalisation. Whether in private firms or in nationalised undertakings (for corruption spreads its tentacles everywhere), corruption and malpractice entails a social cost (a dearer service or higher taxes), the incidence of which may be shifted from some members of the public to others, but not wholly or even partially avoided. The argument that nationalisation of insurance will render the security of the policies 100 per cent. sure is thus not correct, for security cannot be viewed compartmentally, and, from the broad social point of view, the cost of corruption is inescapable. The only effective and final solution of corruption and malpractice is, therefore, a new orientation of social outlook and a general raising of ethical standards, so that the virus of corruption is altogether purged out of the body politic.

As for the immediate consequences, it is worthwhile to note that such isolated instances of corruption as have occurred in the field of insurance business have not had wide repercussions, and have not even affected the security of the policies of the few companies concerned. They have not undermined public confidence in the insurance companies in general, and even the unfortunate concerns which became the victim of the machinations of some unscrupulous persons for some time have been generally able to regain their position and write satisfactory volumes of business. Speaking on the whole, therefore, insurance has had a far cleaner record in the matter of corruption and malpractice than many other forms of business, including some businesses under Government control; and, as already pointed out, nationalisation does not and cannot provide the specific remedy for it.—*All Rights Reserved.*

SWEDISH PENSION SCHEME

Although pension schemes for workers have been in operation in many countries for quite a few decades now, no country has yet been able to evolve a satisfactory scheme for preventing the loss of real value of the pension through inflation. In this context, it is interesting to note that the Swedish authorities are now discussing a proposal for setting up a new system of pensions which will be automatically safe against inflation. Briefly, the system, which has been worked out by a Royal Commission, would ensure that pensioners' income rises in line with rises in average Swedish incomes. Under the system, every income earner, according to the Stockholm correspondent of the London *Financial Times*, would receive a pension from the age of 67, or earlier in case of incapacity. All wage or salary earners—even if not Swedish citizens—would pay a premium from the year they reach the age of 17 to the year they reach 64. Premiums would be paid up to yearly incomes of Kr. 30,000—50 per cent. to be covered by employers—and would average out at about 8 per cent. of income.

Every year, each premium payer would be awarded a number of points. If the average Swedish income in one year, for example, is taken as Kr. 10,000, then every contributor with an income of Kr. 10,000 would be awarded one point, with an income of Kr. 5,000 half a point, and so forth. When the contributor reached the age of 67, the points would be added up and for every point he would receive 0.75 per cent. annually of the average income in Sweden in the year in question. This pension would be paid from current premium contributions and, in this way, higher national production *per capita* would favour the pensioner.

When the system was put into effect there would be no funding. The Royal Commission, however, suggests that the new scale of pensions should become operative as soon as possible. If the scheme began from 1958, premiums would be 2.5 per cent. on incomes up to Kr. 30,000—instead of 8 per cent.—and would rise by 0.5 per cent. a year every two years until 8 per cent. was reached in 1980.

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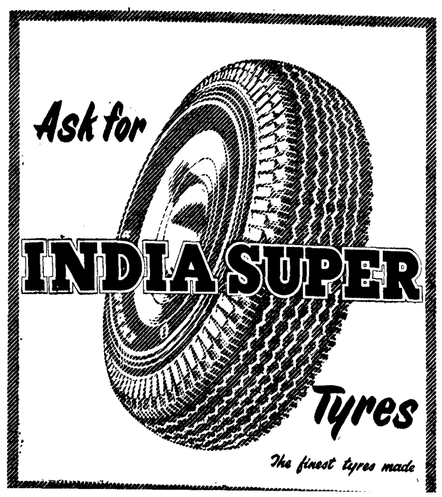

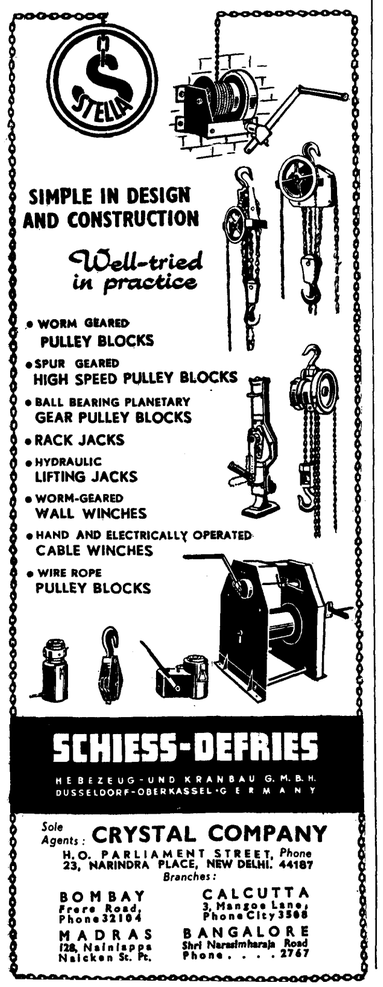

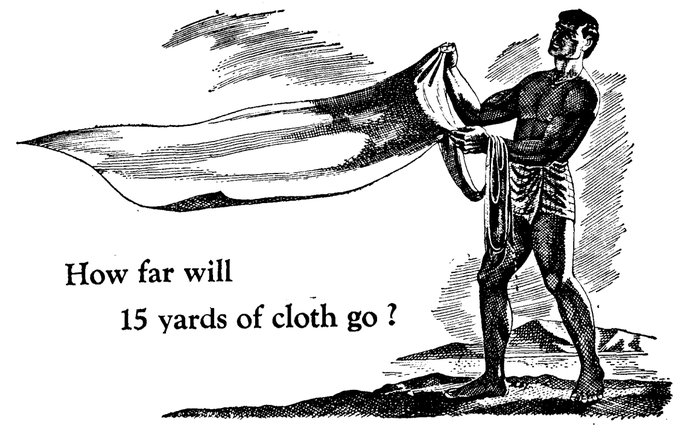

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NEW PUBLICATIONS

The Journal of Industry and Trade—Special Industries Supplement, November 1955. Issued by the Editor, Publications, Ministry of Commerce and Industry, Government of India, New Delhi. Price: Rs. 2.

THE special number portrays, in a vivid manner, India's industrial progress since independence. The string of authoritative articles, packed with facts and figures, covers the entire field of industry—large, medium and small. They are written not only by well-known civilians and officials in-charge of the various industries in the public sector, but also outstanding business men of the country who hold a high rank as builders of industry in the private sector.

The publication is divided into six parts. In the general section, Mr. T. T. Krishnamachari, the Union Minister for Commerce and Industry, and Mr. L. K. Jha, I.C.S., Secretary to the Ministry, have reviewed the Government of India's trade and industrial policies respectively. Another article by Mr. K. B. Lall, Joint Secretary, explains the role of the Indian Industries Fair in the evolution of development plans. In the course of an interesting article, Mr. K. P. Muthur, Member, Railway Board, points out how the railways are assisting industries.

A separate section dealing with key industries such as steel, machinery manufacture and non-ferrous metals forms an important feature of the publication.

Well-known industrialists of the country like Mr. Krishnaraj M. D. Thackersey and Mr. M. P. Birla have enhanced the usefulness of the publication by contributing articles to it.

An idea of the present position of small and cottage industries and the efforts of the Government at encouraging them is also given by another section devoted exclusively to that purpose.

The fact that the issue of the publication was timed to coincide with the Indian Industries Fair should ensure international publicity for the journal, because, almost all leading countries of the world including the U.S., the U.K., the U.S.S.R., West and East Germany, France, Poland, Rumania, Czechoslovakia, the Netherlands and Hungary participated in the Fair. These countries can get an idea from the publication of the achievements and ambitions of the people of India in the sphere of industry.

There is, however, one striking feature to which attention must be drawn here, and that is the number of advertisements which the sponsors of the publication have been able to secure. It may be noted that the journal is published under the ægis of the Ministry of Commerce and Industry—a Ministry which wields immense authority over business and industry in the private sector. Business firms generally do not like to displease this Ministry and when a demand comes from the Ministry for advertisements, not to mention articles, they can hardly afford to ignore the request. Their willingness, therefore, to utilise for this purpose a portion of their funds earmarked for advertisements, will place a limit on their taking advertisement space in private journals which mainly depend on such revenue. If this tendency of State-sponsored journals seeking advertisements from business firms is allowed to grow, it will constitute the entry of the State into the field of journalism, with all its undesirable consequences, and an impediment to the progress of journals in the private sector.

Yearbook of International Trade Statistics 1954. Issued by the Statistical Office of the United Nations, New York.

The general increases in the level of world trade since the war are shown in the fifth issue of the *Yearbook of International Trade Statistics* 1954 released by the Statistical Office of the United Nations. The *Yearbook*, which is the only readily available source of data in the external trade of many countries, provides detailed statistics of imports and exports of 100 countries (as against 90 in the previous issue) covering over 98 per cent. of that part of world trade for which current statistics are available at all. For 55 of these countries (covering about 81 per cent. of world trade), the analysis by commodity of imports and exports is according to the United Nations Standard International Trade Classification.

Between 1937 and 1954, the quantity of goods moving in world trade increased by about 51 per cent. and the average price (computed in U.S. dollars) increased by about 118 per cent. The result of these two increases is that the value (in dollars) of trade in 1954 increased more than three times its value in 1937. The exports of the highly industrialised areas of the world (United States, Western Europe and Japan) contributed considerably more than their share to the increase in quantity and markedly less than their share to the rise in price (increase in index figures for 1954 as a per cent. of their values in 1937: quantity 77 per cent. and price 88 per cent.). In the same period, the quantity of goods produced by industry and mining increased by about the same amount as the volume of the exports of the manufacturing areas. A higher proportion than before the war of the exports of the manufacturing areas is now sent to the less developed areas (45 per cent. by value in 1954, as against 40 per cent. in 1937).

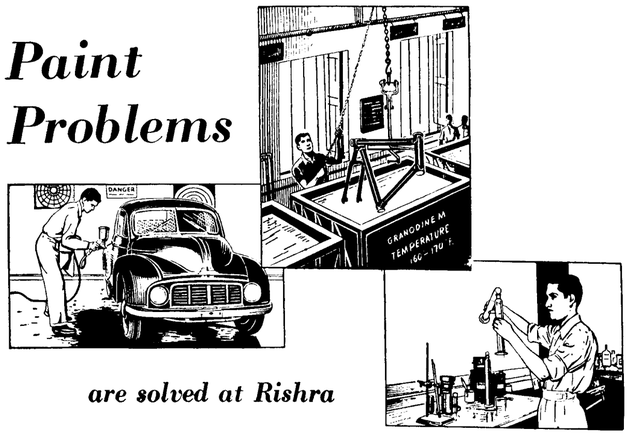
The largest increases in exports are those of the Middle East (increase in 1954 of 405 per cent. by value over 1937, mostly due to increased exports of oil) and North America (337 per cent.). The smallest increase in exports is shown by the Far East (65 per cent.). The largest increases in imports are 326 per cent. for Latin America and 269 per cent. for North America while the smallest increase in imports is that shown by the Far East (123 per cent.).

The *Yearbook* shows that, in recent years, world exports had a peak value of $75,100 million in 1951; they climbed from $55,400 million in 1950 and in 1952 fell to $72,450 million. They then began climbing again, reaching $76,250 million in 1954. The figures for the first quarter of 1955 indicate that a further increase will probably be registered in 1955. The remarkable growth in the U.S. exports (from 14 per cent. to 20 per cent. of the world exports between 1937 and 1954) has been accompanied by a less than proportional expansion in imports (from 12 per cent. of the world total in 1937 to 13 per cent. in 1954). This disparity between the levels and rates of growth of U.S. exports and imports, together with the changes in the distribution of world trade, explains many of the current problems of the restriction and currency in convertibility which continue to hamper international trade. The share of Continental Western Europe, including their dependencies, in world exports has recovered steadily year by year to a figure of 32 per cent. of world exports in 1954 which is one point above its share in 1937. The exports of the sterling area countries in 1954 constitute 24 per cent. of world exports, as compared with 26 per cent. in 1937. This fall was due mainly to decrease in the exports of the United Kingdom and Malaya (1 per cent. each).

The Trade Marks Act, 1940. By K. S. Shavaksha. Published by N. M. Tripathi Ltd., 164, Princess Street, Kalbadevi, Bombay 2. Price: Rs. 20.

The Indian Trade Marks law, as the title of the book under review indicates, was enacted in 1940. Only two sections of the Act, namely, sections 1 and 85 took effect in March last year. The remaining sections came into force on 1st June 1942. The Act aims at granting protection to owners of trade marks from infringement by others. In the publication under review, the various sections of this Act have been explained in simple language by the author. The fact that this book is the second edition is proof of its utility to the trading and manufacturing communities. Its value has been enhanced by the incorporation into this edition of the latest important English decisions as also all the decisions given by the Registrar of Trade Marks in India. A digest of these decisions is given in Appendix I over about 48 pages. A perusal of this digest provides one with a comprehensive idea as to the nature, scope, content and significance of trade marks—a knowledge which is necessary for both the legal profession and the merchant community.

Besides Trade Marks Rules, 1942, the book contains Rules of the Calcutta, Bombay, Saurashtra and Mysore High Courts framed under section 77 of the Trade Marks Act.



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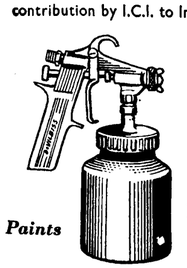

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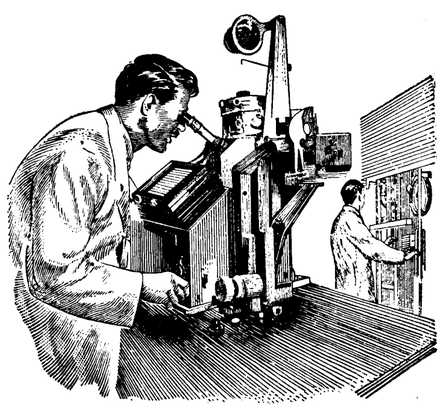

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NEW INVENTIONS MAKE PROGRESS

INCREASED ACTIVITY IN CHEMICAL INDUSTRY

INDICATIVE of the progress of industries in India is the marked expansion in the number of applications for patents received by the Patent Office, Calcutta, during the past 15 years. In the pre-war year, the number of applications amounted to 1,060. It declined to 741 in 1940; but, after improving a little to 755 in 1941, the number touched the lowest for any year at 681 in 1942. From that year onwards, the number of those who applied for registering their patents rose steadily to touch a peak of 2,610 in 1946, a year which witnessed boom conditions in India. After this peak year, the number shrank, year after year, to 1,725 in 1949, the lowest for the post-war period. This fall was probably due to the subdued activity in the field of industry, following the stress and strain caused by the Partition and the scarcity of raw materials. Since then there has been a steady improvement, the number of applications rising to 2,497 in 1954, the latest year for which figures are available in the Annual Report of the Controller of Patents and Designs published a few weeks ago. The rising trend must have continued in 1955 also, as the year is noted for a higher tempo of industrial activity than in 1954.

At the commencement of the year 1954, 702 applications for patents were pending with the Patent Office. During the year, as many as 2,497 applications were added. Of this total of 3,199 applications, as many as 2,294 were examined. But only 133 were accepted and 2,161 were returned for answering objections raised by the Office. While 137 applications were not reviewed by the parties concerned, 768 awaited disposal at the end of the year.

Heavy Rejections

A striking feature of these figures is the heavy rejections on first examination. It is stated that these applications were sent back to the applicants, asking them to reply to the various objections raised by the Patent Office. Evidently, those inventors who have new inventions to their credit seem to be unaware of the principles and procedure on which applications are accepted, rejected or returned. This lack of knowledge on the part of inventors means loss of precious time, energy and money to both the Patent Office and the inventors. This could be avoided by conducting the right type of publicity by the Patent Office through issuing, among other things, circulars, explaining its policies and procedures for entertaining applications for registration, to industrial houses, chambers of commerce and trade associations. Of course, the Patent Office has a journal through the medium of which it can carry on publicity, but it can hardly be expected that this journal would reach inventors who are scattered throughout the country. It is to be hoped that this matter will receive the attention of the Controller of Patents and Designs, so that in the coming years the number of rejections may be brought down to the minimum.

As many as 2,043 applications of the total came from foreigners, as against 1,774 in 1953. The number of applications from Indians was only 403, as compared with 406. Other residents in India filed 51 applications, as against 55 in the preceding year. Of the 454 which originated in India, Bombay's share was the largest, being 142. Next in order came West Bengal with 106, Delhi 74, U.P. 40, Madras 24, Madhya Pradesh 12 and Mysore 11. There was an appreciable increase in the number of applications received from outside India, namely, the U.K., the U.S., Switzerland, Germany, the Netherlands, France, Sweden and some other countries of Europe.

An industry-wise analysis of the trend of inventions discloses that the chemical industry held the field during the year, the number of applications from this sector accounting for 37 per cent. of the total. The inventions reflected increased activity in the field of dyestuffs, especially vat dyes, azo dyes, disazo dyes and other colouring matters of the tetra azo porphin series.

There was diminished activity in the field of hydrogenation of carbon monoxide. Some of the inventions were related to cracking and destructive hydrogenation of crude oils. In the field of cellulose, the inventions related mostly to the production of moisture-proof regenerated cellulose films.

In the metallurgical group, the iron and steel industry commanded a number of applications, mostly of foreign origin. They related to the reduction of iron ores, steel making, blast furnaces, stoking of fuel and coking processes. Applications from India dealt with the manufacture of pig-iron, steel making by blowing oxygen and coke oven. Among other metals titanium was very prominent. Steel alloys and ferro-manganese and aluminium-silicon alloys also engaged the attention of inventors. Inventions related also to smelting of lead, zinc and tin, recovery of manganese from its ores, beneficiation of ores, costing processes, etc.

Indian inventors would appear to have devoted their attention to the development of sugar industry in the food and agriculture group. As a result, a considerable improvement took place in the processes for clarifying and purifying sugarcane juices. Processes for extracting glucose and fructose from jute sticks, soft underwood of Agave plant and tamarind fruit pulp attracted good attention. In the field of agriculture, inventions were confined to earth-working machines, tractors and tractor attachments, ploughs and means for destroying weed and treating soil machines, etc. Other applications related to many varieties of manures, including phosphate fertiliser, ammonium sulphate, and ammonium nitrate mixtures and the like.

Inventors were active during the year in the electrical engineering group also. The number of applications relating to wireless signalling slightly increased and included those for improvements in multi-channel signalling, electric pulse signalling and transmitting systems. Inventions in automatic telephone exchange equipments were fairly large. There were also applications dealing with improvements in electric cables and conductors, condensors, measuring instruments, electric cells, storage batteries, electrolytic cells and processes, etc.

There was a large increase in the number of inventions in the field of textiles. Improvements were noticed in drafting, carding and spinning fibres. Circular looms with pickers and picking mechanism and sewing machines too accounted for a number of inventions.

Among miscellaneous industries, inventions took place in X-ray apparatus, cameras, fountain pens, paper pulp, soap, incandescent lamps, pressure cookers, calculating and counting machines and a number of others.

Designs

Applications for registering designs received by the Patent Office aggregated 3,303 during 1954. These were 790 more than those in 1953. The majority of them came from Bombay, Delhi, Uttar Pradesh and Madhya Bharat. Of these, 3,245 applications were from India and 58 from abroad. Indian women accounted for six of the total. The bulk of the applications related to textile designs and represented about 81 per cent. (or 2,690) of the total number. Only two of these came from the U.K. and the balance was from India. Bombay's share was 2,224 applications. Of the 613 applications for the registration of designs other than those relating to textile goods, 557 originated in India and the remaining 56 abroad. Copyright in respect of 8,630 designs was in force at the end of 1954. Of these, 3,300 designs stood in the names of Indians.

FIVE-YEAR PLAN FOR LAC DEVELOPMENT

Production of shellac during the official year 1954-55 amounted to 1,023,000 maunds, as compared with 654,000 maunds in the previous year, the lowest on record. It was, however, lower than both the pre-war and post-war averages of 1,151,000 maunds and 1,141,819 maunds, respectively. The table below shows the yields of the four crops during the year under report as compared with 1953-54:

(In maunds)

	1954-55	1953-54
Baisakhi	600,000	426,000
Jathwi	45,500	15,000
Katki	219,000	161,000
Kusmi	158,500	51,000
Total	1,023,000	654,000

The production of Kusmi crop was the highest since 1947-48 and that of Jethwi since 1950-51.

The preliminary estimates for 1955-56 shows that Kusmi crop is expected to be only 61,000 maunds as compared with 158,000 maunds in the previous year. The fall this year is stated to be due to the failure of the Jathwi crop which supplies the brood for this major crop. The final estimate of the Katki lac crop for 1955-56 are put at 293,000 maunds, as against 229,000 maunds in the preceding year. The higher production is attributed to a good crop in Madhya Pradesh this year.

The total quantity of shellac exported during 1954-55 amounted to 728,490 maunds, as against 818,369 maunds in the previous year. The value of total exports was Rs. 10.65 crores, as against Rs. 6.70 crores. The annual averages for the pre-war and post-war years were 843,820 maunds and 818,369 maunds respectively. The fall was due to keen competition from Thailand, the exports of which registered a marked expansion from 314,395 maunds in 1953 to 443,371 maunds in 1954. The demand for processed lac products was, on the whole, good, though the U.S. continued to buy more of seedlac than shellac. The total demand, according to the annual report of the Indian Lac Cess Committee for 1954-55, did not, however, improve the employment situation in the shellac manufactories.

The Indian shellac market displayed a buoyant tone throughout the year. Prices of all grades of lac witnessed a steady rise and touched the peak levels of the year towards the close. T. N. shellac, for instance, rose from Rs. 89 per maund in April 1954 to Rs. 181 in the third week of January 1955, but, towards March, it declined to Rs. 170. With a view to curbing speculation in the market, the Government of India imposed a ban, with effect from 27th December 1954, on futures trading in all commercial grades of seedlac and shellac.

During the year, greater attention was paid by the Central Government, the State Governments concerned and the Indian Lac Cess Committee to the formulation of a five-year plan for the development of lac cultivation. In the first Five-year Plan, only general recommendations were made in respect of improving the production of lac and its quality but no detailed plan was drawn up to implement the recommendations. Consequently, the Plan prepared now will be the first Five-year Plan for lac. The programme will include measures for (1) intensification of lac cultivation, (2) prevention of adulteration, (3) standardisation and grading of lac for export, (4) provision for research, publicity and propaganda on technology and utilisation of lac, (5) encouraging new uses of lac, (6) schemes for manufacture and export of bleached lac, (7) provision for cold storage for seedlac and shellac, and (8) market research and promotion of exports. The Plan is expected to cost Rs. 59 lakhs.

During the year, demonstration schemes were intensified in Bihar, Bombay and U.P. The Indian Lac Cess Committee sanctioned the reintroduction of the scheme in Madhya Pradesh at its own cost for a period of one year, in the first instance, while, in West Bengal the State Government was considering a similar scheme to give impetus to lac cultivation in the State. Three brood farms were maintained in Bihar at Turhamu, Damda and Mali. Technical help was also extended to the Community Project Organisations of Bihar and U.P. and some broodlac was supplied for distribution among interested cultivators.

The Lac Cess Committee would complete during 1955-56 its 25 years of existence and it is proposed to celebrate its silver jubilee this year. This Committee was constituted in 1930 as a statutory body on lines similar to those of the Indian Central Cotton Committee. The main object of founding this body was "the improvementation and development of methods of cultivation, manufacture and marketing of Indian lac." At first, the Committee consisted of a single body of experts and representatives of the lac industry and trade. It was reconstituted by an amending Act of 1936. The reconstituted committee comprises (a) a Governing Body of 15 members to deal with questions of policy and administration and control of lac cess funds, and (b) an Advisory Board of 11 members to deal with problems of a technical and scientific nature which may be referred to it by the Governing Body. The grower, the manufacturer, the broker, the exporter and the consumer are represented on the Governing Body. The expenditure on account of research and other activities is met from a cess levied on exports of all kinds of lac. The cess was raised with effect from 1st April 1948 to 14 annas per maund on the export of seedlac and shellac and 10 annas per maund on exports of refuse lac.

U.K.'S TRADE WITH INDIA IMPROVES

There was a marked increase in the value of trade between India and the U.K. during the ten months ended October 1955. Thus, the total trade rose from £204.8 million in January-October 1954 to £237.1 million in the same period last year. The increase in the total trade was due to a rise in both exports from and imports into the U.K. The value of British exports of merchandise to India rose during the ten-month period from £98.2 million to £107 million. And imports of Indian cargo into the U.K. advanced from £106.6 million to £130.1 million.

Among British exports to India, machinery other than electric goods continued to top the list, such during January-October 1955 amounting to £26.3 million, as against £23.4 million in the corresponding period of 1954. Despatches of electric machinery apparatus and appliances were valued at £13.2 million, as compared with £12.9 million. Shipments of chemicals also rose from £12.5 million to £13.4 million. There was a small increase in exports of road vehicles and aircraft which advanced from £8.0 to £8.4 million.

Of the total value of imports of Indian goods into the U.K. during the period under review, tea accounted for £59.6 million, as compared with £47.3 million in the ten-month period ended October 1954. There was, however, a minor decline in imports of Indian leather and manufactures from £10.8 million to £10.6 million. But receipts of cotton yarns and woven fabrics were fractionally better at £5.9 million as against £5.7 million. Miscellaneous textile manufactures purchased from India, on the contrary, declined considerably from 13.6 million to £12.8 million.

During the ten-month period, Britain had an adverse balance of trade with India of the order of £23 million, as against £8.4 million in the same period in 1954.

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ALEX IZAT,
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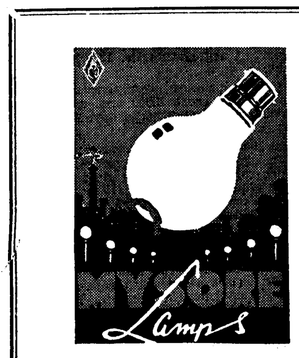
A.B. 12



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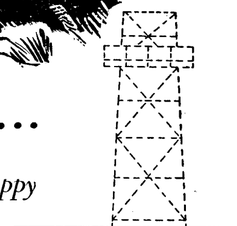

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HEAD OFFICE:—MEHTA HOUSE, APOLLO STREET, BOMBAY

Chairman: JAL H. MEHTA — General Manager: M. S. DASTUR

CONSOLIDATED COFFEE PAYS RECORD DIVIDEND

FINANCIAL POSITION QUITE GOOD

FOR the second year in succession, the Directors of the Consolidated Coffee Estates (1943) Ltd. (Managing Director: Mr. R. C. Paterson, Pollibetta, Coorg), have stepped up the dividend on ordinary shares of the Company, the latest year for which they have done so being the one ended 30th June 1955. Thus, the dividend has been raised to 22.5 per cent. per annum from 17.5 per cent for 1953-54, to which level it had been enhanced from 15 per cent. for 1952-53. This successive rise in dividend level follows the cut effected for the years 1951-52 and 1952-53 from 20 per cent. for 1950-51 to 18 per cent. and 15 per cent., respectively. The dividend from 1951-52 onwards is, however, on the increased capital of Rs. 66.45 lakhs, raised by the capitalisation of Rs. 15.90 lakhs from the reserves and issue of bonus ordinary shares in the ratio of one share for every two ordinary shares. The dividend for the year under review is a record one in the history of the Company and compares very favourably with the best of 20 per cent. paid for 1950-51.

The higher dividend for 1954-55, as stated above, has been declared notwithstanding the fall, albeit small, in net profit from Rs. 17.32 lakhs for 1953-54 to Rs. 16.04 lakhs. This decline follows the drop of Rs. 1.98 lakhs noted in the previous year. Incidentally, it may be noted, the net profit for the year under review is the lowest since 1950-51. The gross profit is, however, slightly higher at Rs. 27.28 lakhs, as compared with Rs. 26.85 lakhs for the previous year; but this improvement has not made good the decline of Rs. 2.02 lakhs suffered in the previous year. The fall in net profit was due to sizably larger provision for taxation, on account of the fact that the large initial depreciation allowance granted in respect of the Company's coffee curing works at Kushalnagar had worked off. The liberal dividend paid by the Company for 1954-55 was, as explained by the Chairman in his speech to the shareholders at their annual general meeting held recently, made possible, in view of the "drastic ploughing back" into the reserves in the past and the prospect of a satisfactory crop for the next two years. Even in the year under review, the policy of ploughing back has been continued. Thus, a sum of Rs. 6 lakhs has been transferred to the reserves, made up of Rs. 1 lakh to the debenture redemption fund and Rs. 5 lakhs to the general reserve which had received Rs. 1 lakh and Rs. 7 lakhs, respectively, in the previous year. It may be noted here that, with the aforesaid addition, the total amount ploughed back to the general reserve during the last six years comes to Rs. 48 lakhs.

The following comparative table brings out clearly the Company's progress during the last three years:

(In lakhs of rupees)

	For the year ended 30th June			
	1955	1954	1953	1952
Value of crop—				
Coffee	55.80	56.71	55.73	43.73
Pepper	3.36	2.51	6.60	9.01
Other produce	2.47	2.78	1.66	1.54
Profit on previous season's stocks	6.89	5.21	5.48	7.06
Other income	5.50	4.41	3.21	2.46
Estate expenditure	41.94	40.15	39.72	31.46
Other expenses	4.84	4.61	4.09	3.12
Gross profit	27.28	26.85	28.87	29.21
Commission to Managing Director, Manager, etc.	1.88	2.00	2.14	2.22
Depreciation	4.06	3.73	3.43	2.67
Taxation	5.29	3.80	4.00	5.00
Net profit	16.04	17.32	19.30	17.38
Excess provision for agricultural income-tax written back	...	...	2.14	...
To reserves	6.00	8.00	11.00	11.11
Dividends—				
6 per cent. preference	1.12	1.12	1.12	1.12
Ordinary	10.73 (22½%)	8.35 (17½%)	7.15 (15%)	8.59 (18%)
Carry forward	2.43	4.25	4.40	4.33
Output of—				
Coffee (tons)	1,903	1,556	1,938	1,230
Pepper (tons)	101	38	77	101

The value of coffee crop realised during 1954-55 is slightly lower, despite the substantially larger output. This is due to the drastic fall in the prices realised. This year, the Company's coffee crop was valued by the Coffee Board at Rs. 2-2 per point, as against Rs. 2-9 per point for the previous year. The final price realised is expected to come to about Rs. 2-5 per point, as against Rs. 2-13½ per point got for the previous year. The coffee crop for the year under review increased by 347 tons to 1,903 tons. Nevertheless, it falls short of the record crop of 1952-53 by only 35 tons. It has exceeded considerably the original, as well as the revised, estimates of 1,700 tons and 1,600 tons, respectively. The increase in value of pepper crop realised is also not in consonance with the rise in crop, because of the decline in prices. The profit for the year under review would have been lower but for the larger profit realised on previous season's coffee and the economies made by the management in general expenditure.

The bulk of the Company's coffee crop is made up of arabica variety. The total crop for the year amounted to 1,377 tons, of which the share of robusta accounted for only 526 tons. The estimates (revised) for the current year in respect of arabica are about the same as for the previous year, while those for robusta are placed substantially higher, the total for both the varieties being 1,875 tons, as against 1,600 tons for 1954-55.

The Company's balance-sheet as on 30th June 1955 shows that the paid-up capital is unchanged at Rs. 66.45 lakhs. Reserves and surplus aggregate Rs. 66.43 lakhs. The debenture liability amounts to Rs. 10 lakhs. The provision for taxation stands at Rs. 9.34 lakhs, while the current liability amounts to Rs. 21.80 lakhs. The Company incurred a capital expenditure of Rs. 7.31 lakhs, bringing the gross block to Rs. 107.58 lakhs. This has been written down to Rs. 87.83 lakhs. The current assets amount to Rs. 86.24 lakhs, exceeding the current liabilities and provision for taxation by Rs. 55.10 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 21-12 *ex-div.*, at which rate and on the basis of the past year's dividend the yield on shares works out to 11.5 per cent. per annum, free of tax.

PROFIT OF K.C.P. LTD. SHRINKS

The audited accounts of the K.C.P. Ltd. (Managing Agents: Messrs. V. Ramakrishna Sons Ltd., Vuyyuru, Krishna District, Andhra State) for the year ended 30th June 1955 reveal a substantial fall in earnings, notwithstanding the encouraging improvement in cane crushing and sugar production. The trading profit from sale of sugar and molasses has dropped from Rs. 32.62 lakhs for 1953-54 to Rs. 22.28 lakhs, while that on sale of spirit has risen from Rs. 0.55 lakh to Rs. 1.18 lakhs. The confectionery section continues to show loss, such for the year under review being Rs. 0.33 lakh, as against Rs. 0.34 lakh. The net profit, after providing for depreciation and taxation, has shrunk to Rs. 6.55 lakhs from Rs. 13.62 lakhs, to which level it had risen last year from Rs. 11.32 lakhs earned in 1952-53.

The quantity of cane crushed during the year was 170,398 tons, as compared with 88,399 tons in the previous year. The sugar produced also shows a sharp rise from 8,716 tons to 16,834 tons. With the aforesaid increase in the cane crushed and sugar produced, the downward trend noted in the previous two years has been reversed. However, the quantity of cane crushed and sugar produced in 1954-55 still falls short of that in 1952-53. The recovery of sugar continues to show an upward trend, the increase in the year under review being from 9.85 per cent. to 9.94 per cent. In addition to its own sugar production, the Company undertook refining of raw sugar during the year. It imported 4,066 tons of raw sugar and produced 3,654.7 tons of refined sugar.

The setback in profit during the year, despite the encouraging trend in production, is probably due to high prices for cane, under the "SISMA" formula, and slightly lower prices realised on the sale of sugar. The Directors, however, have not provided any explanation for this decline, nor have they given adequate information in the profit and loss account to enable one to get a picture of the Company's manufacturing expenses.

With the aforesaid decline, the downward trend in net profit, which had been reversed in 1953-54, has once again reasserted itself, bringing the profit down from the record level of Rs. 19.64 lakhs earned in 1950-51. The net profit for the year under review is the lowest since 1949-50. In consonance with the trend in earnings, the allocation to the reserves has also been pruned from Rs. 10 lakhs to Rs. 2 lakhs. The purpose for which the addition has been made to the reserves has also been different. Thus, whereas a year ago the Directors had added Rs. 10 lakhs to the machinery replacement reserve, they have now created an investment reserve with Rs. 2 lakhs.

The dividend on ordinary shares of the Company remains unchanged at 7½ per cent., because the shares carry a fixed dividend at that rate, though they have no right to cumulative dividend. The dividend on deferred shares has also been maintained at 100 per cent. for the fifth successive year.

The following comparative table presents the salient features of the Company's working results for the past three years.

(In lakhs of rupees)

	For the year ended 30th June		
	1955	1954	1953
Trading profit from sale of sugar and molasses	22.28	32.62	31.46
Trading profit from sale of spirit	1.18	0.55	0.49
Trading loss from sale of confectionery	—0.33	—0.34	—0.31
Administrative and other expenses	10.22	8.73	8.77
Remuneration to Managing Agents or Managing Director	1.28	2.34	2.09
Depreciation	3.44	2.62	2.60
Taxation	6.00	7.50	7.50
Net profit	0.55	13.62	11.32
Donations	0.26	0.09	...
To reserves	2.00	10.00	7.50
Dividends—			
5 per cent. preference	0.16	0.16	0.16
Ordinary	0.79	0.79	0.79
	(7½%)	(7½%)	(7½%)
Deferred	2.87	2.87	2.87
	(100%)	(100%)	(100%)
Carry forward	0.48	0.02	0.32
Cane crushed (in tons)	170,398	88,399	187,003
Sugar produced (in tons)	16,834	8,716	18,004
Recovery	9.94%	9.85%	9.64%

The Company's paid-up capital amounts to Rs. 16.68 lakhs, of which ordinary shares account for Rs. 10.52 lakhs, 5 per cent. tax-free cumulative redeemable preference shares for Rs. 3.29 lakhs and deferred shares for Rs. 2.87 lakhs. The reserves and surplus aggregate Rs. 69.98 lakhs. The gross block amounted to Rs. 95.98 lakhs, of which the additions during the year represent Rs. 8.62 lakhs, has been written down to a book value of Rs. 65 lakhs. The current assets amount to Rs. 143.38 lakhs and exceed the current liabilities and provision for taxation aggregating Rs. 121.71 lakhs by a comfortable margin.

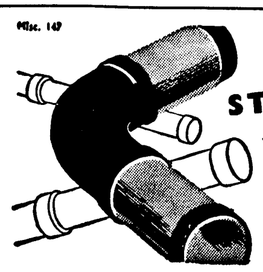
The Company has been given permission to extend its capacity to crush 2,500 tons of cane per day, for which all arrangements have been completed.

The Rs. 100 7½ per cent. tax-free, ordinary shares are being currently quoted at Rs. 127-8 *ex-div.*, at which rate they provide a yield of about 6 per cent. per annum, free of tax. It may be noted here that these ordinary shares are now entitled to a maximum dividend of only 7½ per cent., the deferred shares being entitled to all the profits remaining after paying the cumulative preference dividend at 5 per cent. tax-free, and that on ordinary shares. Soon after the new Company Law comes into force, however, the deferred shares will have to be extinguished. It remains to be seen how and on what terms the management of the Company will fulfil this requirement of the Company Law. The Rs. 10 fully-paid deferred shares are now being quoted on the Madras Stock Exchange at Rs. 90 *ex-div.*, at which rate the yield works out to 11 per cent. per annum, free of tax.

KIRLOSKAR ELECTRIC'S GOOD PROGRESS

A rise of Rs. 3.16 lakhs to Rs. 11.46 lakhs in the trading profit and of Rs. 1.55 lakhs to Rs. 2.70 lakhs in the net profit is disclosed by the audited accounts of the Kirloskar Electric Company, Ltd. (Managing Agents: Messrs. Kirloskar Sons & Co., Bangalore), for the year ended 30th June 1955. This increase in earnings more than offsets the small decline noted in the previous year, when the trading profit had dropped from Rs. 8.90 lakhs to Rs. 8.30 lakhs and the net profit from Rs. 1.55 lakhs to Rs. 1.15 lakhs. A sum of Rs. 3.19 lakhs has been provided for depreciation in respect of the year under review, as against Rs. 2.99 lakhs set aside a year ago. The provision for taxation has been raised from Rs. 82,500 to Rs. 1.32 lakhs. The Directors have created a development reserve (rebate) and a reserve for redemption of the Industrial Finance Corporation loan by setting aside from the net profit of Rs. 1.12 lakhs and Rs. 40,000, respectively. No addition to reserves was made in the previous year, while two years ago the general reserve was created by providing Rs. 1 lakh. The dividend on ordinary shares has been maintained at the modest level of 5 per cent. per annum and this is the third year in succession for which the dividend is being repeated. It may be recalled that the Company paid its maiden dividend for the year 1952-53, the seventh year of its history.

Misc. 149



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The progress of the Company's working during the past two years is reflected in the following comparative table:

	For the year ended 30th June		
	1955	1954	1953
	Rs.	Rs.	Rs.
Trading profit	11,46,210	8,30,382	8,89,830
Establishment expenses, etc.	3,76,613	2,88,636	2,40,099
Managing Agents' commission	51,213	34,918	49,368
Depreciation	3,19,111	2,99,367	3,29,915
Taxation	1,32,000	82,500	1,25,000
Net profit	2,70,567	1,15,371	1,54,759
To reserves	1,22,359	...	1,00,000
Dividend	1,48,954 (5%)	1,14,385 (5%)	1,11,021 (5%)
Carry forward	4,301	5,047	4,061

Established in July 1946, the Company is now in the tenth year of its working. During this brief period, it has carved out for itself an important place in the electric motor and transformer manufacturing industry. It commenced manufacture of electric motors in 1948 and has made rapid strides in this field, the output going up from 3,200 h.p. in 1948-49 to 59,300 h.p. in 1954-55. In terms of value, the output has grown from Rs. 6.01 lakhs in 1950-51 to Rs. 42.8 lakhs in 1954-55. In October 1954, the Company set up a transformer unit also and produced during the year ended 30th June 1955 Rs. 10.75 lakhs worth of transformers. The Company is considering the question of undertaking other auxiliary lines of production. It is likely that the Company will extend its line of production in order to keep pace with the tempo of progress in the country. In view of the greater emphasis laid by the Government of India on industrial development under the second Five-year Plan, the Company has under contemplation plans to develop and expand the existing capacity of the factory in regard to manufacture of electric motors, etc.

All these schemes of development and expansion will require additional finance. The Company, as the Chairman pointed out in his speech, has already availed of bank credit to the full to finance the stock-in-trade. A loan of Rs. 12 lakhs was also taken from the Industrial Finance Corporation of India when the Company set up the transformer unit. The Company resorted to borrowing the finance required, instead of raising fresh capital, for two reasons, as stated by the Chairman, namely, the money market conditions were not conducive to the issue of fresh capital, and (2) the Directors wanted to stabilise the progress in the first instance and put the Company on a dividend-yielding basis. Now that the Company has maintained the dividend for three successive years and has also availed of, to the full extent, the credit facilities, it has issued fresh capital. There is also another reason for raising new capital and that is that the time has come when the Company should reinforce its capital structure.

The Company has issued 100,000 ordinary shares of Rs. 10 each to the existing shareholders in the ratio of two shares for every five shares held by them. With this new issue, the issued and paid-up capital of the Company will rise to Rs. 34.08 lakhs (the authorised capital being Rs. 50 lakhs). The reserves and surplus as on 30th June 1955 aggregate Rs. 2.57 lakhs. There is also a provision for taxation to the extent of Rs. 3.39 lakhs. The current liabilities amount to Rs. 47.62 lakhs. The gross block has been written down from Rs. 37.98 lakhs to a book value of Rs. 22.63 lakhs. The current assets aggregate Rs. 51.64 lakhs, providing adequate cover for the current liabilities and tax liability.

TRAVANCORE RAYONS

A significant step forward in the manufacture of packaging materials in India is the production of moisture-proof transparent film by the Travancore Rayons Ltd., the pioneer in the field of transparent film manufacture in this country. The Company's new moisture-proof transparent film plant went into operation at its Rayonpuram factory on 12th November 1955. With the rise in consumer goods production in India during the last few years, the demand for more attractive, and more functional, packaging material has grown considerably. The production of moisture-proof transparent film in India will thus be welcomed by manufacturers of consumer goods in India.

Trayons' moisture-proof transparent film has several qualities which are lacking in ordinary wrapping paper. By a special process a thin coating of a mixture of lacquers, plasticisers, gums and resins is applied to transparent film, which then acquires the property of repelling water vapour and moisture. It also becomes "heat sealing," i.e., a hot iron run along the seams of a package or envelope will seal it completely.

Moisture-proof transparent paper is being used for packaging biscuits, dried fruits and food, sweets, confectionery, cigarettes, cigars, coffee powder and tea dust. With increasing stress on consumer goods production in years to come, packaging materials, like Trayons' moisture-proof transparent film, will play an essential part in the marketing and sale of articles of popular use, as it does now in Western countries.

The new streamlined steel files factory, built and managed by Killick Industries Ltd., was opened at Chandivli near Andheri, on 10th January 1956 by Mr. John Baker, a pioneer in the steel file business of the U.K., who specially came down to Bombay from the U.K. for the purpose. The factory, which is said to be one of the most up to date in the world and named after John Baker and Sons, has started functioning, though it will take some time to go into full production. It was built within a year.

Points From The Chair

Uncertainty About Coal Industry

"AS regards the prospects for the current year which began on 1st April 1955, coal output to date shows an increase, sales of tea chests are well maintained, and the prospects of a good revenue from the Company's investments in tea are reasonably satisfactory. In recent months, however, the coal industry has been overshadowed by uncertainty as to the Government of India's future policy, and it is well known that in certain quarters in India, as in some other countries, there is a marked predilection for nationalisation for its own sake. So far as coal is concerned, whilst there is some evidence that New Delhi may perhaps be inclined to take the view that the country's resources would be better employed in starting new ventures rather than in taking over old-established concerns, no authoritative pronouncement has been made. The present position of uncertainty is harmful to the coal mining industry and the national economy alike. It is to be hoped that the Government of India will put the industry's mind at rest by formulating a clear policy."

COL. C. F. BIRNEY,
Assam Railways and Trading Co., Ltd.

Protecting Home Producer

"I know well, having taken part in the discussions for some years, that there will be long arguments on the price of this or that, or on the extent to which the industry's total income can meet any of the increased costs. The industry has already gone far in this direction. In the last seven years it has been left to absorb no less than £100 million of increased costs on Review products, which it has done very largely by an increase in productivity—a notable contribution to the national economy. If it is again asked to carry increased costs the demand must rest on the economic situation of the industry itself. The prime objective of the Act remains unchanged, which is in effect to protect in the nation's interest the home producer against any sudden change in prices and any severe collapse of the market. There is no indication that the Government have any intention of avoiding this statutory obligation."

SIR WILLIAM GAVIN,
Scottish Agricultural Industries Ltd.

Lack of Finance for Development Plans

"To be in line with the latest developments, the industry must have a development plan. But to execute such plan, the main difficulty is the lack of finance. It is the greatest handicap in the way of our economic development. Unless ways and means are found out to get the necessary finance, no substantial progress can be made. Day-to-day, the individual savings amongst the people is disappearing and this is, according to me, a great handicap in raising fresh capital for the development programme. The only other alternative to individual savings is to make savings from within the industry and plough them back. It is a well recognised method, throughout the world, to build up reserves for the expansion of industry. But the need to make adequate provision for development is not yet appreciated and no special tax concession is given on the allocations of profits ploughed back in the industry. The method of distribution of profits by way of bonus adopted by the Industrial Tribunals is one more reason by adequate reserves cannot be built up for the development of the industry."

DR. D. S. SARDESAI,
Kirloskar Brothers Ltd.

Participation of Labour in Management

"The principle of participation of labour in the management, which is now agitating the minds of our parliamentarians, legislators and the labour leaders, is a welcome sign and no progressive manufacturer should object to it in the present context. The only point for argument is the pace of implementing this scheme. Trade unionism in our country is still in the stage of slogans and agitation. It is more or less working on the principle 'that a crying child always gets more.' A period of apprenticeship in every walk of life is considered essential for progress. There is still a big gap between the present stage of trade unionism and the sober thinking and appreciation of the many problems of medium-scale industries which is necessary for their development under existing conditions. Demand for greater and greater wages and other facilities for the few inside, without linking it up to (a) the general standards of living prevailing all over the country, (b) production per man-hour and (c) finance required for expansion and modernising, is the greatest handicap, especially for organised medium-scale industries like yours throughout the country."

R. D. CHAR,
Standard Batteries Ltd.

Marketing of Coffee

"The marketing of coffee by the Coffee Board has conformed to the fixed pattern of supplying the local market first with its needs and exporting the surplus. With the present controlled price of coffee still at a discount on world prices, this has produced the somewhat strange economic example of the larger the crop the higher the price realised and, conversely, the smaller the crop the lower the price realised. This may be an adequate arrangement on an industry-wide basis, but it is certainly capable of producing hardship where estates have a poor average or a partial failure of crop."

R. C. PATERSON,
Consolidated Coffee Estates (1943) Ltd.

COMPANY MEETINGS AND DIVIDENDS

AMLUCKIE TEA CO., LTD. Annual General Meeting, Calcutta, 16th January 1956. Transfer books remain closed from 2nd to 16th January 1956, both days inclusive.

SHANGRILA FOOD PRODUCTS LTD. Annual General Meeting, Bombay, 19th January 1956.

ELGIN MILLS CO., LTD. Annual General Meeting, Kanpur, U.P., 20th January 1956. Dividend: Re. 1 per share. Transfer books remain closed from 3rd to 20th January 1956, both days inclusive.

EAST INDIAN COAL CO., LTD. Annual General Meeting, Calcutta, 27th January 1956. Rs. 3 per share (includes interim dividend of Re. 1 per share), payable on 27th January 1956.

ASSOCIATED CEMENT COMPANIES LTD. Annual General Meeting, Bombay, 27th January 1956. Dividend: Rs. 10 per share, payable on 3rd February 1956.

BENARES ELECTRIC AND POWER CO., LTD. Half-yearly General Meeting, Calcutta, 30th January 1956. Transfer books will remain closed from 24th to 30th January 1956, both days inclusive.

REWA COALFIELDS LTD. Dividend of As. 14 per share, for the half-year ended 30th June 1955.

JAM SHRI RANJITSINGHJI SPG. & WVG. MILLS CO., LTD. Dividend of Rs. 50 per share, free of income-tax, for the year ended 30th June 1955, payable on and after 18th January 1956.

MYSORE SPG. AND MFG. CO., LTD. Interim dividend of Rs. 3 per ordinary share, for the half-year ended 31st August 1955, payable on and from 1st February 1956. Transfer books will remain closed from 23rd to 31st January 1956, both days inclusive.

BRITANNIA BISCUIT CO., LTD. Interim dividend of As. 4-4/5 per ordinary share, for the year ending 31st March 1956, payable on or after 11th January 1956.

INDIAN ALUMINIUM CO., LTD. Interim dividend of Rs. 4 per share, for the year ended 30th September 1955.

PODAR MILLS LTD. Interim dividend of Rs. 5 per share, for the year 1955.

CHAMPDANY JUTE CO., LTD. Dividend of Rs. 6 per share, for the half-year ended 30th September 1955.

INDIA PAPER PULP CO., LTD. Dividend of 7 per cent., for the half-year ended 30th September 1955.

MADHUSUDAN MILLS LTD. Dividend of Rs. 8-2 per "A" ordinary share and Re. 1-10 per "B" ordinary share, for the year ended 30th June 1955, payable on 15th February 1956.

BHOPAL SUGAR INDUSTRIES LTD. Dividend: Re. 1 per ordinary share, for the year ended 30th September 1955. Transfer books will remain closed from 4th to 18th February 1956, both days inclusive.

COMPANY REGISTRATIONS

HOOSEINI METAL ROLLING MILL LTD. (First Director: Mr. Jaherbhai Gulamally.) Business: Metal rolling, etc. Authorised capital: Rs. 10,00,000. Private company. Address: Atlas Mill Compound, Reay Road, Bombay 10.

JUPITER FILMS LTD. (First Director: Mr. P. Kesava Achan.) Business: Producers, distributors and exhibitors of films. Authorised capital: Rs. 5,00,000. Private company. Address: General Assurance Buildings, 232, Hornby Road, Fort, Bombay.

WEST BENGAL PLYWOOD MANUFACTURING CO., LTD. (First Director: Mr. B. Jhunjhunwala.) Business: Timber merchants, saw mill proprietors, timber growers, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 36, Foreshore Road, Shalimar, Howrah.

GHATSILA MINERALS LTD. (First Director: Mr. I. K. Karnani.) Business: To acquire and hold any estate, any lands, buildings, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 1, Waterloo Street, Calcutta.

METROPOLITAN SUPPLY AGENCY LTD. (First Director: Mr. B. N. Jhunjhunwala.) Business: Sellers and dealers in bullion species, mill stores commodities, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 68, Cotton Street, Calcutta 7.

CAMCO INDUSTRIES LTD. (First Director: Mr. M. L. Jajodia.) Business: Manufacturers, importers and dealers in bicycles, tricycles, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 5, Bentinck Street, Calcutta 1.

NATIONAL GALVANIZING CO., LTD. (First Director: Mr. B. N. Dhur.) Business: Galvanizers of ferrous and non-ferrous metals. Authorised capital: Rs. 5,00,000. Private company. Address: Holding No. 1176, Belgharia, Kamarhatty.

BIKASH ROY PRODUCTIONS LTD. (First Director: Mr. Ashim Pal.) Business: Producers of Cinema films. Authorised capital: Rs. 5,00,000. Private company. Address: 36, Deodar Street, 1st Floor, Calcutta 19.

ELGIN MILLS REPORTS HIGHER PROFIT DESPITE PROLONGED STRIKE

ADVERSE CONDITIONS AFFECT FORT GLOSTER

Elgin Mills Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 30th September 1955.

The results for the year, after providing for all charges including provisions for depreciation and taxation, show a surplus of Rs. 16,80,464 (Rs. 14,27,853). To this has been added a refund of excess profits tax (after deduction of income-tax and super-tax) amounting to Rs. 3,89,645 (*nil*) making a total of Rs. 20,70,109 (Rs. 14,27,853). From this amount has been appropriated for rehabilitation reserve Rs. 13,00,000 (Rs. 7,00,000) leaving a balance of Rs. 7,70,109 (Rs. 7,27,853), to which has been added the carry forward from the previous year of Rs. 62,277 (Rs. 73,424), leaving at credit of profit and loss account Rs. 8,32,386 (Rs. 8,01,277). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend on the preference shares of 8 per cent. per annum for the year ended 30th September 1955 Rs. 88,000 (Rs. 88,000), in payment of a dividend on the "B" preference shares of 5 per cent. per annum, free of income-tax, for the year ended 30th September 1955 Rs. 21,000 (Rs. 21,000), in payment of a dividend at the rate of Re. 1 (Re. 1) per share for the year ended 30th September 1955, on the vendors and ordinary shares Rs. 6,30,000 (Rs. 6,30,000) and in carrying forward to next account Rs. 93,386 (Rs. 62,277).

The results for the year under review, having regard to the partial strike which took place in the factory from 2nd May to 20th July 1955, have again been satisfactory. In previous directors' reports, mention had been made of the necessity to transfer substantial sums to rehabilitation reserve in order to conserve the financial resources of the Company to meet the cost of an extensive capital replacement programme which had been approved by the directors. The directors consider it necessary to transfer Rs. 13,00,000 (Rs. 7,00,000), to rehabilitation reserve from the current year's profits. It may be noted that existing commitments of the Company on account of capital expenditure amount to Rs. 18,00,000 (Rs. 6,00,000). The rehabilitation reserve to the extent of Rs. 5,00,000 has been utilised during the year under report.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	78,20,000	Block ...	22,44,751
Reserves ...	66,33,360	Stock-in-trade	91,47,096
Provision for taxation ...	20,65,300	Stores and spare parts	10,08,650
Liabilities ...	22,31,826	Debts and advances ...	28,75,792
Profit and loss account ...	8,32,386	Investments	2,15,040
		Cash ...	40,91,543
Rs.	1,95,82,872	Rs.	1,95,82,872

Fort Gloster Jute Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September 1955 which showed a profit of Rs. 4,88,827 (Rs. 9,08,222), to which was added the balance brought forward from the previous account, namely Rs. 1,66,680 (Rs. 5,796) making a total of Rs. 6,55,508 (Rs. 9,14,018). From this amount was deducted the proportionate amount written off debenture issue expenses Rs. 1,060 (Rs. 1,060), provision for depreciation Rs. 2,35,965 (Rs. 2,75,619) and transfer to debenture sinking fund Rs. 1,75,000 (Rs. 1,75,000) leaving for disposal a balance of Rs. 2,43,482 (Rs. 2,12,339) which the directors disposed of as follows:—

To paying the dividend on 7 per cent. cumulative preference shares for the half-year ended 30th September 1955 at Rs. 3-8 per share without any deduction for income-tax payable by the Company Rs. 49,000 (Rs. 49,000), to paying the dividend on 5 per cent. cumulative second preference shares for the half-year ended 30th September 1955 at Rs. 2-8 per share without any deduction for income-tax payable by the Company Rs. 17,500 (Rs. 17,500), to paying a dividend on the ordinary shares at Rs. 5 (Rs. 5) per share without any deduction for income-tax payable by the Company Rs. 1,05,000 (Rs. 1,05,000) and in carrying forward Rs. 71,982 (Rs. 40,839).

In accordance with the working time agreement of the Indian Jute Mills Association 12½ per cent. of the total looms continue to remain sealed, and the Mills worked 48 hours per week throughout the half-year.

The disparity between the prices of jute and manufactured goods continue throughout the half-year and mills also remained closed for 18 days due to labour strike. These have adversely affected the results of the half-year.

The third Jute Tribunal Award and Estate Insurance Scheme have come into force and these will increase the cost of production.

The scarcity of jute was felt throughout the half-year and since August last the Mills have been working with nominal stocks. The jute crop for the season 1955-56 is substantially in excess of last season, but the flow of jute is not very satisfactory due to transport difficulties and, as such, it would take some time before the stock position of the Mills is improved.

It is expected that the power supply from Damodar Valley Corporation will be available by the middle of the year 1957 and necessary steps are being taken for the electrification of the Mills.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	42,00,000	Block ...	85,76,712
Debentures ...	20,49,000	Stock-in-trade	36,31,567
Reserves ...	59,60,176	Stores and spare parts	17,83,674
Provision for taxation ...	10,792	Other assets	26,861
Liabilities ...	34,67,990	Debts and advances ...	11,07,526
Profit and loss account ...	71,982	Investments	1,89,255
		Cash ...	4,44,345
Rs.	1,57,59,940	Rs.	1,57,59,940

Bridge and Roof Co. (India), Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1955.

The profit for the half-year, after providing for debenture interest, depreciation and taxation, was Rs. 1,73,669 (Rs. 2,53,429) to which is added the balance brought forward of Rs. 1,07,072 (Rs. 96,195), making a total of Rs. 2,80,742 (Rs. 3,49,624). Out of the total of Rs. 2,80,742 (Rs. 3,49,624), the directors have set aside Rs. 75,000 (Rs. 1,50,000) to general reserve. This leaves a balance of Rs. 2,05,742 (Rs. 1,99,624), at the credit of profit and loss account, which the directors dealt with as follows:—

Paid a dividend at the rate of 15 (15) per cent. per annum absorbing Rs. 90,000 (Rs. 90,000) and carried forward Rs. 1,15,742 (Rs. 1,09,624).

As anticipated in the last report, the demand for structural work was maintained and the output from the shops continued to be satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	11,05,000
Debentures ...	2,05,000	Expenditure on buildings and m a chinery under construction ...	10,695
Reserves ...	15,55,000	Stock of materials and stores ...	12,14,019
Provision for taxation ...	3,15,200	Work-in-progress ...	26,23,765
Liabilities ...	44,20,852	Goods-in-transit ...	42,563
Profit and loss account ...	1,15,742	Debts, deposits and advances ...	26,18,808
		Investments	93,092
		Cash ...	1,03,852
Rs.	78,11,794	Rs.	78,11,794

Britannia Engineering Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. McLeod & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1954.

Trading.—The results of the Works Department for the year show a profit on trading account amounting to Rs. 11,90,036 compared with Rs. 8,51,025 for the preceding 12 months. The Agency department shows a profit of Rs. 39,788 compared with Rs. 80,769 for 1953.

After charging interest and debenture interest and providing for taxation which it is estimated will be payable on the year's profit, commissions and depreciation and transferring a sum of Rs. 2,50,000 (Rs. 2,50,000) to machinery reserve and taking into account the carry forward from 1953, there remains at the credit of profit and loss account a balance of Rs. 2,86,319 (Rs. 2,67,796) from which recommend payment of dividend on 1,00,000 ordinary shares at 15 (15) per cent. per annum for the year, which absorbs Rs. 1,50,000 (Rs. 1,50,000) leaving Rs. 1,36,319 (Rs. 1,17,796) to be carried forward.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,00,000	Block ...	17,90,445
Debentures ...	5,00,000	Stock-in-hand	4,28,898
Reserves ...	30,85,000	Stores at work and in-transit	14,48,808
Provision for taxation ...	5,86,836	Work-in-progress ...	27,45,559
Liabilities ...	39,01,677	Debts, deposits and advances ...	27,76,150
Profit and loss account ...	1,36,319	Investments	2,300
		Cash ...	17,672
Rs.	92,09,832	Rs.	92,09,832

Anderson Wright Ltd.

The directors of the above Company (Chairman: Mr. G. J. K. Hook, Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1954.

The Company's profits for the year is Rs. 4,94,322 (Rs. 7,54,196) to which is added the amount brought forward from the previous year of Rs. 76,079 (Rs. 86,630) making a total of Rs. 5,70,401 (Rs. 8,40,826). After deducting provision for taxation amounting to Rs. 1,06,000 (Rs. 2,00,000) the amount available for disposal is Rs. 4,64,401 (Rs. 5,88,079 after writing off Rs. 52,747 for bad debts). The directors have made the following appropriations out of this sum:—

To debenture redemption reserve Rs. 1,00,000 (Rs. 1,00,000) and to investment depreciation reserve Rs. 1,00,000 (Rs. 1,00,000), leaving a balance of Rs. 2,64,401 (Rs. 2,86,079) after transferring Rs. 1,00,000 to general reserve and paying Rs. 2,000 towards ordinary interim-dividend for the year 1946 under section 23A) which the directors recommend, should be dealt with as follows:—

In payment of dividends for the year ended 31st December 1954 without any deduction in respect of income-tax paid by the Company: on preference shares at the rate of 4½ per cent. per annum Rs. 90,000 (Rs. 90,000) and on ordinary shares at the rate of 7½ (6) per cent. per annum Rs. 1,50,000 (1,20,000) leaving to be carried forward a sum of Rs. 24,401 (Rs. 76,079).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	42,43,917
Debentures ...	10,07,998	Stock-in-trade	10,07,629
Reserves ...	14,50,000	Debts, deposits and advances ...	25,28,112
Provision for taxation ...	44,510	Current assets	15,06,678
Liabilities ...	82,95,486	Investments	54,90,602
Profit and loss account ...	24,401	Cash ...	45,457
Rs.	1,48,22,395	Rs.	1,48,22,395

Patrakola Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1954.

The accounts disclosed a profit of Rs. 99,25,697 (Rs. 59,01,672). On transfer of this sum to profit and loss account and after sundry adjustments, there was a balance at credit of that account amounting to Rs. 25,43,721 (Rs. 15,26,163), of which the directors have transferred Rs. 6,00,000 (Rs. 2,00,000) to revenue reserve and Rs. 6,00,000 (Rs. 7,00,000) to buildings and machinery reserve.

As indicated in our last report the Indian estates of the Company were transferred at book value to the Kotamullai Tea Co., Ltd., as at 1st December 1954 and the proportionate profits from that date have accordingly been transferred to the new company. As a result of this reorganisation it became possible to redeem the preference share capital, and this was effected on 3rd August, 1955.

The directors are pleased to record that the State Bank of Pakistan have recently sanctioned a further remittance to this country on account of the accumulated trading profits of the estates in Pakistan, and that an amount of Rs. 10 lakhs was received and credited to the Company's account in India early this month. There is however still no reduction in the burden of taxation since the Governments of India and Pakistan have not yet decided on a suitable measure of relief from the double taxation of agricultural income, while the authorities in East Bengal have indicated their intention to assess from season 1949 onwards the estimated value of miscellaneous crops grown by the labourers on the Company's property. In order to provide for these liabilities as well as the taxes ordinarily payable it has been necessary to allocate Rs. 83,50,000 to taxation reserve.

Dividends. Dividends on the preference shares were paid on 1st November 1954 and 23rd May 1955, respectively leaving Rs. 12,71,721 (Rs. 5,54,163) to be dealt with. The directors paid a dividend of 30 (10) per cent. on the ordinary shares and carried forward Rs. 1,91,721 (Rs. 1,94,163).

Crop. The following are particulars of the quantities of tea made and the prices realised in Indian currency:—

	1954		1953	
	Crop	Average selling price per lb.	Crop	Average selling price per lb.
Pakistan—	Mds.	Rs. a. p.	Mds.	Rs. a. p.
Patrakola ...	16,274	3 9 0	16,249	2 6 1
Madabpore ...	8,250	3 9 4	7,873	2 6 5
Kurmah ...	13,510	3 10 6	14,255	2 5 8
Champarai ...	15,717	3 7 4	16,385	2 6 9
India—				
Jiajuri ...	5,344	2 12 0	5,917	1 15 11
Rampore ...	4,178	3 0 0	4,539	2 2 2
Kotamulla ...	7,512	2 9 4	8,387	1 15 1
	70,780		74,105	

Planted area is now 4,027.23 acres entirely in Pakistan. Estimates for 1955 provide for a total crop of 49,000 maunds at a cost of Rs. (P) 42,32,280 inclusive of inland freight and sale charges.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	48,00,000	Block ...	22,95,169
Reserves ...	35,74,501	Stores & supplies for season 1955 ...	8,74,672
Provision for taxation ...	1,39,90,257	Tea and tea seed sales receivable ...	89,65,488
Liabilities ...	31,10,733	Quota and production rights receivable ...	54,085
Profit and loss account ...	1,91,721	Advances and deposits ...	21,93,749
		Investments	3,38,466
		Cash ...	1,09,45,583
Rs.	2,56,67,212	Rs.	2,56,67,212

Kaliti Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta), submitted the audited accounts of the Company for the year ended 31st December 1954.

Crop.—The crop made was 3,955 maunds and this was sold on the internal market in Pakistan. The teas realised an average price of Rs. 2-5-8 per lb. as compared with Re. 1-11-1 per lb. obtained for the previous season's crop of 3,235 maunds.

An extension of 5 acres was put out during the year and the area under cultivation at 31st December 1954 was 437 acres.

The revenue account showed a profit of Rs. 3,59,018 (Rs. 92,603) and after deducting from this staff commission and bonus Rs. 17,920 (Rs. 4,073), managing agents' commission on profits Rs. 7,134 (Rs. 1,881), pension to retired employees Rs. 624 (Rs. 220), loss on machinery discarded and sold Rs. 2,808 (*nil*) and depreciation Rs. 6,403 (*nil*) there was a net profit for the year of Rs. 3,24,129 (Rs. 86,410 after adding dividends on investments and forfeited dividends). After deducting this from the adjusted debit balance of Rs. 3,43,012 (Rs. 4,27,744) brought forward from the previous year, there was a debit balance of Rs. 18,883 (Rs. 3,41,334) on profit and loss account, which was carried forward.

The estimates for season 1955 are as follows:—

Garden	Crop	Expenditure		Total
		Garden	Calcutta and Chittagong	
	Maunds	Rs.	Rs.	Rs.
Kaliti ..	4,000	3,44,095	88,110	4,32,205*

* Excluding capital expenditure estimated to amount to Rs. 58,500.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,46,050	Block ...	2,55,261
Liabilities ...	7,76,409	Stock of tea	2,65,840
		Stores ...	60,101
		Other assets	7,378
		Debts, deposits and advances ...	25,723
		Investments	1,730
		Cash ...	3,87,043
		Profit and loss account ...	18,883
Rs.	10,22,459	Rs.	10,22,459

Loobah Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Octavius Steel & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1954.

Account Kallinecherra:—Crop.—A crop of 4,189 (3,351) maunds was manufactured and disposed of for sale in Calcutta for export 3,661 (2,593) maunds and for sale in Calcutta for internal consumption 528 (758) maunds. The average price per lb. realised was Rs. 2-7-6 as compared with Re. 1-12-11 per lb. obtained for the previous season's crop of 3,351 maunds. The Company's export quota for season 1954 was 3,038 maunds.

No extensions were put out during the year and the area under cultivation of the Kallinecherra division as at 31st December 1954 remained unchanged at 550 acres.

The revenue account showed a profit of Rs. 3,12,233 (Rs. 2,36,864) and after deducting from this pension to retired employee Rs. 2,700 (*nil*), staff commission and bonus Rs. 14,582 (Rs. 8,515), managing agents' commission on profits Rs. 5,908 (Rs. 5,049), depreciation Rs. 4,770 (Rs. 1,823), Chittagong expenditure Rs. 2,168 (*nil*) and sales tax for 1953-54 and 1954-55 Rs. 1,050 there was a balance of Rs. 2,81,055 (Rs. 2,21,477). After adding the profit on sale of car Rs. 1,000 (*nil*) and surplus received on winding up of North-West Cachar Medical Association Rs. 3,843 (*nil*) there was a net profit for the year of Rs. 2,85,898 (Rs. 2,41,378). After deducting from this the adjusted debit balance of Rs. 2,62,081 (Rs. 4,91,500) brought forward from the previous year, there was a credit balance of Rs. 23,817 (debit of Rs. 2,50,122) on profit and loss account, which was carried forward.

Sale of Loobacherra Division. Possession of this property was handed over to the purchaser as outlined in the directors' report for 1953 and instalments of the purchase price have been received as arranged. Application has been made to the Pakistan exchange control authorities for the remittance of the purchase price to India but permission has not yet been granted.

The estimates for season 1955 are as follows:—

Garden	Crop	Expenditure		Total
		Garden	Calcutta	
	Maunds	Rs.	Rs.	Rs.
Kallinecherra ..	4,200	4,22,531	1,26,516	5,49,047*

* Excluding capital expenditure estimated to amount to Rs. 33,450.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,63,690	Block ...	5,18,418
Reserves ...	57,990	Stock of tea	2,84,479
Liabilities ...	6,21,113	Stores ...	78,902
Profit and loss account ...	23,817	Debts, deposits and advances ...	1,89,101
		Investments	2,710
		Cash ...	1,93,000
Rs.	12,66,610	Rs.	12,66,610

Bareilly Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1955.

A 1,250 kw. turbo alternator forming part of the plant extension scheme referred to in the report for the half-year ended the 30th June 1954 is at present under erection and the installation of an additional boiler is expected to be completed next year.

As will be seen from the following schedule normal development has been maintained.

Half-year ended	*Units sold*	*Revenue* Rs.
31st December 1952	3,388,622	6,85,447
30th June 1953	3,910,519	7,41,773
31st December 1953	3,682,856	7,36,411
30th June 1954	4,252,655	7,75,596
31st December 1954	4,119,991	7,79,404
30th June 1955	4,885,872	8,92,718

After providing for all charges and setting aside Rs. 15,000 (Rs. 30,000) to development and extensions account, there remained a balance of Rs. 60,090 (Rs. 57,119) including Rs. 18,718 (Rs. 18,241) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

By payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax for the half-year Rs. 40,000 (Rs. 40,000) and by carrying forward to next half-year Rs. 20,090 (Rs. 17,119).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	25,78,039
Debentures ...	3,00,000	Stores, coal and fuel ...	3,93,785
Reserves ...	9,48,786	Tools and instruments	34,809
Liabilities ...	14,92,291	Other assets	92,553
Profit and loss account ...	60,090	Debts, deposits and advances ...	90,512
		Investments	1,32,539
		Cash ...	4,78,930
Rs.	38,01,167	Rs.	38,01,167

Saugor Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1955.

A site has been selected for the erection of a thermal power station and negotiations are proceeding for the leasing of the land. Normal progress has been maintained during the half-year under review as indicated in the following schedule.

Half-year ended	*Unit sold*	*Revenue* Rs.
31st December 1952	586,692	1,91,828
30th June 1953	641,013	2,06,359
31st December 1953	591,616	1,96,763
30th June 1954	645,244	2,10,358
31st December 1954	633,557	2,10,705
30th June 1955	676,261	2,16,306

After making adequate provision for liabilities and setting aside Rs. 4,000 (Rs. 3,000) to development and extensions account, there remained a balance of Rs. 10,143 (Rs. 10,256) including Rs. 2,680 (Rs. 2,493) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

By payment of a dividend at the rate of 5 (5) per cent. per annum free of income-tax for the half-year Rs. 7,500 (Rs. 7,500) and by carrying forward to next half-year Rs. 2,643 (Rs. 2,756).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	2,93,579
Reserves ...	1,28,613	Stores and fuel ...	1,35,033
Provision for taxation ...	7,100	Tools and instruments	4,725
Liabilities ...	2,17,320	Debts and advances ...	17,828
Profit and loss account ...	10,142	Investments	12,834
		Cash ...	1,99,176
Rs.	6,63,175	Rs.	6,63,175

Upper Ganges Valley Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1955.

With Governments sanction to the connection of additional consumers due to more power being available from its generating stations, it has been possible to connect 530 more consumers in the six months covered by this report, than in the corresponding six months of the previous year, when Government restricted the connection of new services.

The following schedule shows the progress made during the half-year under review:—

Half-year ended	*Units sold*	*Revenue* Rs.
31st December 1952	3,475,879	5,80,689
30th June 1953	3,491,623	5,63,794
31st December 1953	3,539,501	6,03,387
30th June 1954	3,555,244	5,87,679
31st December 1954	3,861,862	6,14,170
30th June 1955	3,923,868	6,28,668

After making adequate provision for liabilities there remained a balance of Rs. 34,513 (Rs. 32,308) including Rs. 9,049 (Rs. 7,747) brought forward from the previous half-year available for distribution and this the directors recommend be disposed of as follows:—

By payment of a dividend at the rate of 8¾ (8¾) per cent. per annum free of income-tax for the half-year Rs. 26,184 (Rs. 26,184) and by carrying forward to next half-year Rs. 8,329 (Rs. 6,123).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,99,250	Block ...	6,02,138
Reserves ...	2,08,400	Stores ...	2,22,553
Provision for taxation ...	40,366	Tools and instruments	3,934
Liabilities ...	10,09,420	Capital work-in-progress	9,999
Profit and loss account ...	34,513	Other assets	353
		Debts, deposits and advances ...	2,00,072
		Investments	4,13,975
		Cash ...	4,38,925
Rs.	18,91,949	Rs.	18,91,949

Neelamalai Tea and Coffee Estates Ltd.

The directors of the above Company (Chairman: Mr. A. V. Thomas, Madras) submitted the audited accounts of the Company for the year ended 30th June, 1955.

The tea crop harvested during 1954-55 amounted to 1,265,197 lbs., as against 1,436,820 lbs. in the previous season. There was a shortfall of 171,623 lbs. in the tea crop harvested compared with last year, mostly on Katary and Bhawani Estates, which was owing to the severe drought experienced during the earlier part of the year. The estimates for the year under review were, however, exceeded by about 30,000 lbs. The total f.o.b. cost per lb. inclusive of excise duty for the season was Re. 1-4-8 against Re. 1-0-9 in the previous season.

Tea sales.—The average price realised was Rs. 2-7-4 per lb. against Rs. 2-5-0 for the previous season.

The coffee crop harvested during 1954-55 amounted to 35.59 cwts., as compared with 182.93 cwts. secured in 1953-54. The cost of production was Rs. 580-8-0 per cwt. against Rs. 90-7-10, during the last season. The crop has been exceptionally poor, as a result of which, the cost of production has been inflated. The poor yielding coffee areas are, being gradually replaced by tea, as and when further permits are issued by the Tea Board for new planting. The entire coffee crop was delivered to the pool and was valued at Rs. 175 per cwt.

The position detailed in the previous report regarding assessment of coffee profits for income-tax remains the same and although certain assessments were made, collection of tax was kept in abeyance. The Madras Agricultural Income-tax Act has come into force since 1st April 1954. Adequate provision has been made in the year's accounts to meet this liability.

The profit for the year amounted to Rs. 13,30,329 (profit after depreciation Rs. 12,84,937) to which was added the balance brought forward from previous year of Rs. 88,338 (Rs. 43,401), making a total of Rs. 14,18,666 (Rs. 13,28,338). Out of this, the directors have made provision for depreciation of Rs. 1,49,726 (Rs. 1,93,448) and for taxation Rs. 5,02,225 (Rs. 4,80,263). The 5 per cent. dividend on preference shares absorbed Rs. 90,000 (Rs. 90,000) and 10 (7½) per cent. interim dividend paid on ordinary shares on 6th May, 1955 Rs. 3,60,000 (Rs. 2,70,000), there was a balance of Rs. 3,16,715 (Rs. 9,68,338) available for distribution, which the Directors disposed of as under:—

By payment of 7½ (10) per cent. final dividend on ordinary shares (making a total of 17½ (17½) per cent. for the year) amounting to Rs. 2,70,000 (Rs. 3,60,000) and carry forward Rs. 46,715 (Rs. 88,338).

Finance.—As reported last year, the financial position of the Company continues to be sound. Although the directors were on the look out for the purchase of well developed tea or coffee properties, they could not conclude a sale on account of the high prices prevailing for such properties. It is the directors' intention to acquire new areas of virgin land for planting coffee and tea on most modern and scientific methods. This will result in greater return to the Company in due course. If, however, planted areas can be purchased at reasonable prices, this will be done.

Estimates for season 1955-56 provide for a tea crop of 13,00,000 lbs. at a cost of 124.40 cents per pound. The coffee crop is estimated at 125.00 cwts., at a cost of Rs. 166.10 per cwt.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	54,00,000	Block ...	51,93,384
Reserves ...	19,24,400	Stock-in-trade	8,35,463
Provision for taxation ...	11,39,963	Stores and spares ...	1,15,180
Liabilities ...	3,71,317	Other assets	23,483
Profit and loss account ...	3,16,715	Debts, deposits and advances ...	4,80,686
		Investments	1,53,569
		Cash ...	23,50,630
Rs.	91,52,395	Rs.	91,52,395

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

INDEX OF PRODUCTIVITY OF FACTORY WORKERS

REAL EARNINGS HIGHER

HOW have the annual earnings of workers moved in relation to changes in productivity since the pre-war year? An answer to this question is provided in an article entitled "Trend of Index of Proauctivity of Factory Workers in India," published in the November issue of the *Indian Labour Gazette*. It covers four distinct periods namely, (1) 1940 to 1942, when the curve of index of real earnings stood above the curve index of productivity, (2) 1943 to 1946, when it was the other way, (3) 1947 to 1952, when the real earnings again scored over productivity, and (4) 1953 to 1954, when the index of productivity for the second time overstepped the index of real earnings. The following table gives the trend in the indices of real earnings and productivity.

Year	Index of Real earnings	Index of Productivity
1939	100.0	100.0
1940	108.6	104.2
1941	103.7	94.8
1942	89.0	85.3
1943	67.0	84.5
1944	75.1	86.3
1945	74.9	79.5
1946	73.2	74.7
1947	78.4	72.5
1948	84.4	79.4
1949	91.7	75.6
1950	90.1	78.8
1951	92.2	88.7
1952	101.8	97.4
1953	99.9	105.8
1954	102.7	113.0

The index of real earnings during 1943 to 1954 advanced geometrically at an average rate of 3.9 per cent. per annum. During the same period, the rise in the index of productivity was of the order of 2.7 per cent. During the entire period of 1939 to 1954, the average rate of increase (geometric) in the index of real earnings was of the order of only 0.4 per cent., while that in the index of productivity was still less, being only 0.2 per cent. It is, therefore, clear that the rate of growth of real earnings was on the whole higher than that in productivity, whether looked at from the point of view of the rise since the pre-war year or since 1943-44, from which year the index of real earnings showed a more or less steady upward movement.

A significant feature to be noted in this connection is the spectacular rise in the index of overall national productivity that took place during the period 1950-54, which synchronises with the period of the first Five-year Plan. The rise was of the order of about 43 per cent. in the space of five years, or at an average annual rate of 8.6 per cent. This reflects the efforts made under the Plan in the industrial sphere to increase production. The main causes for this expansion are the more intensive utilisation of unused capacity in the factories and the prevalence of favourable transport and trade conditions. Credit also goes to the International Labour Organisation Productivity Mission, which demonstrated modern techniques of work study and plant organisation in the textile and engineering industries. The rise in the index of real earnings between 1950 and 1954 was of the order of 14 per cent., or at an average annual rate of 2.8 per cent.

BENGAL CHAMBER OPENS NEW LABOUR DEPARTMENT

The new labour department of the Bengal Chamber of Commerce came into existence on the 1st inst. The formation of this department represents a natural development of the Chamber's activities in response to the needs and circumstances of the times. For many years, the Chamber has included in its membership large sectors of the major industries in North-East India, as also commercial concerns which in the aggregate employ thousands of clerical and other office workers. The Chamber has thus always been closely concerned with labour and staff relations. Hitherto, however, this side of the Chamber's activities had not been departmentalised, and the decision to constitute a new and separate labour department reflects both the growing importance of labour in recent years and the increasing attention which employers are paying to labour relations.

It will be the function of the new department to advise and assist the Chamber's members in all their dealings with labour and to do so not merely when problems or disputes arise but in the ordinary day-to-day conduct of affairs. The department's chief object will be the maintenance of continuously smooth and amicable relations between employers and employed and, as the principal means towards that end, it will endeavour to co-ordinate the labour policies of Chamber members and to encourage fair labour standards and practices. A further important advantage which the department hopes to provide will lie in its ability to elicit and concentrate the experience and opinion of a very wide range of employers and thereby frame, in all matters relating to labour, views which will be based on the best modern practice and the widest possible experience.

Labour relations are nowadays a job for the "expert" and this is reflected in the staffing of the labour department. The Chamber has recruited advisers who have specialised in the study of labour subjects and of the law relating to labour and who are qualified by wide practical experience to take the part of top-ranking advisers. The department will thus have at its disposal the best available expertise.

The formation of the labour department can be regarded as an administrative reform, a reorganisation designed to cope with new circumstances and urgent problems. Yet, it has more significant implications. It indicates the increased awareness of the importance of good labour relations and the new approach to labour problems which have been a feature of India's economic progress in recent years. It is a positive contribution, from the employers' side, in the advance towards social betterment.

EMPLOYMENT OF WOMEN IN GERMANY

The German Lufthansa has suffered its first loss, according to reports from Hamburg. After a service period of only three months, one of the 40 stewardesses is quitting the Company just after her probation. It is not because she has not acquitted herself well, but she is going to marry. And since another stewardess is doing the same, the young enterprise, burdened as it is with heavy expenditure, has begun to consider seriously whether it should insist in such cases on the reimbursement of the training expenses or whether the stewardesses should be pledged right from the start to stay with the Company for a specified period. The Company does not, however, propose to impose a "marriage tax," particularly as the persons causing the stewardesses leave their jobs are mostly the Company's customers. Nor does the Company propose to exercise any coersion. Under these circumstances, it is difficult to guess how the Lufthansa will in future guard against such losses, since the qualifications which it demands of the young ladies are the very same which make for ideal marriage companions. One should, however, not confuse the stewardesses with beauty queens. In its directives, the Lufthansa not only demands of the stewardesses the fluent mastery of the English and one other foreign language, but also of their own mother tongue, that is to say, German. In addition to the General School Certificate, the young ladies must have a very good all-round knowledge with emphasis placed on geography and history. The Lufthansa pamphlet reads: It is furthermore expected that the applicant has a pleasing appearance, is well built and well groomed, has practical experience, a good education, is able to be at her ease with people of varying degrees of education, is helpful and always amiable in her manner . . . ."

If one adds that the stewardess must have excellent health and be able to help herself, and particularly others, in any situation, that she has a smattering of the care of infants and knows how to handle children, that she will look after a drunk as much as after a sick person, and that, before all, she will keep a cool head and remain imperturbable in an emergency, then it cannot surprise anybody that they "sell like hot buns." Whoever has been accepted out of the thousands of applicants is trained in all direction for six weeks. Carrying a tray with fine Nymphenburg porcelain, the trainee has to wind her way gracefully among the instructors occupying the airplane model, while being plied with many questions and wishes in different lingoes. It is remarkable, we are told, how the young and not exactly ugly ducklings develop into beautiful swans in the course of a year. In short, they develop into perfect ladies.

INDUSTRIAL DISPUTES

There was a substantial improvement in the position of industrial disputes in India during October 1955, according to the Labour Bureau, Government of India. The number of fresh industrial disputes during the month declined from 89 in September to 79 in October. The number of workers involved in 78 of them was 21,616, as against 24,125 during the previous month. The number of disputes current at any time during the month was 113, as against 249 in September 1955. The number of man-days lost in 108 disputes was 1,33,066 during the month under review. The number of man-days lost during the previous month was 5,67,332. The time-loss during the corresponding month last year and the monthly average time-loss for the year 1954 were 2,76,294 and 2,81,052, respectively. The average duration of disputes current at any time during the month was 4.8 days, as against 6.2 days in the previous month. Three of the disputes were lock-outs and involved 169 workers accounting for a time-loss of 3,382 man-days. There were two lock-outs in Uttar Pradesh and one in the Punjab. Eighty-six disputes terminated during the month under review. Of these 61 lasted for not more than five days each and eleven lasted for more than 30 days each. The workers achieved complete or partial success in 28 cases. In 26, they were unsuccessful. The result was indefinite in 16 cases, and not known in 16 cases. Twenty fresh disputes related to "wages and allowances," 13 to "personnel" and 21 to "other causes."

Among the States, West Bengal recorded the highest time-loss during the month. Next in order come Madras, Bombay and Madhya Pradesh. As compared with the previous month, the time-loss increased in Bombay, Madras, Punjab and Delhi. In all other States the time-loss decreased during October 1955.

Among the industries, the time-loss in plantations, mining and quarrying and manufacturing decreased appreciably. The 'construction' group did not record any time-loss during the month of October 1955. The electricity, gas, water and sanitary services, commerce and transport, storage and communication groups also recorded decreased time-loss. The industry group 'services' recorded some time-loss during the month under review.

L.A.T. ON EMPLOYMENT OF WOMEN IN FACTORIES

A judgment of great significance to employers was delivered by the Labour Appellate Tribunal of India (L.A.T.) in its sitting at Bombay on the 4th inst., when it refused to interfere with the practice of a drug company not to employ married women. The dispute arose when a woman employee of the company was discharged from service after getting married. This employee argued before the Industrial Court that such a policy was anti-social. The company defended its action on the ground that efficiency of the company would be impaired if married women were employed, as the employment of married women would result in their absence from work frequently during the day, in order to feed their babies. Besides, the company would, under the Factory Law, be required to start a creche, involving additional expenditure. After hearing the case, the Industrial Court ordered the reinstatement of the employee on the ground that natural justice demanded it. In appeal, the Tribunal, however, held that the company had given reasonable explanation and set aside the Industrial Court's order. It further observed: "We do not see anything in the Constitution of India, or in the general principles of social justice, to require an employer not to consult his economic interests or to force him to run his own concern in a different way, by preventing him from adopting a practice of not employing, or continuing in employment, any women at all, or any married women for his work."

JOINT E.C.A.F.E.-I.L.O.-U.N.E.S.C.O. WORKING PARTY CONCLUDES

The fifth meeting of the Joint E.C.A.F.E.-I.L.O.-U.N.E.S.C.O. Inter-Secretariat Working Party on Trained Personnel, which met at the I.L.O's. Asian Field Office in Bangalore, India, has just concluded. The W.H.O. was invited to participate in the meeting and sent a representative. The Working Party examined in detail developments in the Asian countries in the fields of manpower budgeting and planning, managerial training, exchange of workers and studies abroad and the training aspects of the development of small industries. It prepared a number of recommendations in these fields for action by Asian Governments. These recommendations will be further considered by the Committee on Industry and Trade of the Economic Commission for Asia and the Far East which will meet in Bangalore towards the end of this month.

Notice

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FOURTH ANNUAL GENERAL MEETING of the Members of Jessop and Company, Limited, will be held at the Registered Office of the Company on Monday the Thirteenth day of February 1956, at 11 o'clock in the forenoon, for the transaction of the following business:—

1. To receive and consider the Accounts, together with the Reports of the Directors and Auditors, for the year ended 31st October 1955.
2. To declare a Dividend.
3. To re-elect Directors.
4. To re-appoint the Auditors.
5. To transact any other business of an Ordinary General Meeting.

By Order of the Board,

G. M. ROBBINS,
Secretary.

63, NETAJI SUBHAS ROAD,
CALCUTTA, *9th January* 1956.

A Member entitled to attend and vote is entitled to appoint one or more Proxies to attend and vote instead of him. A Proxy appointed specifically for this Meeting must be a Member of the Company.

The Ordinary Share Transfer Registers will be closed from 6th to 18th February 1956, both days inclusive.

GILT-EDGED DULL

(*From Our Own Correspondent*)

BOMBAY, 11*th January*

For yet another week, conditions in the short-term money market remained stringent, with no signs of abatement of the demand for funds. If anything, conditions were a little more difficult during the week under review than in the previous week. As was pointed out last week, besides the usual seasonal requirements, there was pressure of demand for money on account of the heavy subscriptions to the National Carbon Ordinary share issue, the list for which was opened today. Subscriptions to this issue from Bombay alone are said to be several times the amount offered to the public.

For reasons mentioned above, money rates remained firm at the previous week's levels. Inter-bank call money among all sections of banks was bid at 3 per cent., as was house money at call. Short-term deposits of one to six months were in demand at 3 per cent.

Subscriptions to the 91 days' Government of India Treasury Bills this week amounted to Rs. 146.75 lakhs, as compared with Rs. 140 lakhs in the previous week, while the amount called for was unchanged at Rs. 100 lakhs. There was, however, a drop in the average rate of accepted tenders from Rs. 2-8-2 per cent. to Rs. 2-8-1 per cent. per annum.

The Reserve Bank's statement for the week ended 6th January 1956 discloses an expansion of Rs. 23.73 crores in notes in circulation. This follows the rise of Rs. 10.40 crores noted in the previous week. Notes held in the Banking Department are lower by Rs. 44 lakhs, so that the increase in total notes issued is of the order of Rs. 23.29 crores. Rupee coin in circulation has also gone up by Rs. 1.61 crores. All this is covered by a rise of Rs. 5.03 crores in foreign securities and of Rs. 19.88 crores in rupee securities, in the Banking Department, deposits of the Central Government and other Governments show small variations, the former recording a rise of Rs. 10 lakhs and the latter a decline of Rs. 90 lakhs. Deposits of banks have fallen by Rs. 6.08 crores. A fall of Rs. 4.90 crores is noted in balances held abroad. Loans and advances to Governments are up by Rs. 45 lakhs. Other loans and advances show practically no variation, while advances to Scheduled banks against usance bills are lower by Rs. 4.24 crores.

The Scheduled banks' statement for the week ended 30th December 1955 reveals a sharp rise of Rs. 9.40 crores in demand deposits and a fall of Rs. 1.43 crores in time deposits. Inter-bank borrowings are also lower by Rs. 2.04 crores. There has been an increase of Rs. 12.30 crores in borrowings from the Reserve Bank, of which those against usance bills account for Rs. 8.20 crores. Borrowings from the State Bank have dropped by Rs. 52 lakhs. Advances have gone up by Rs. 3.13 crores, inland bills purchased and discounted by Rs. 4.52 crores and foreign bills by Rs. 1.58 crores. Investments have declined by Rs. 2.87 crores. Cash balances and balances with the Reserve Bank have together risen by Rs. 8.58 crores, reflecting the banks' desire to keep a comfortable cash position at the year-end. Balances with other banks in current account have also gone up by Rs. 3.79 crores, while money at call and short notice have dropped by Rs. 1.51 crores.

The Gilt-edged market was featureless during the week under review, with very little business passing. Though selective issues were enquired for and prices of these hardened a little, the general sentiment was dull, in view of the stringency in the money market and the attractive equity issue of the National Carbon Company. 3 per cent. 1957 was placed an anna lower at Rs. 99-8. 3 per cent. 1958 was maintained at Rs. 99-6, while 3 per cent. 1959-61 gathered an anna to Rs. 98-3, 3 per cent. 1963-65 and 1964 were unchanged at Rs. 94-10, as also 3 per cent. 1966-68 at Rs. 91-14 and 3 per cent. 1970-75 at Rs. 87-15. 3 per cent. 1986 Conversion Loan shed an anna to Rs. 80-6, as did 3½ per cent. 1961 to Rs. 99-8. 3½ per cent. 1964 hardened by an anna to Rs. 98-12, but 3½ per cent. 1965 was stagnant at Rs. 98-9.

There was a hardening of the rupee in terms of the U.S. dollar during the week under review, though the gain was not very marked. Bank's selling rate for ready dollars was quoted at Rs. 477¼ per $100, as against Rs. 477⅞ per $100 in the previous week, and their buying rate at Rs. 473 per $100, as against Rs. 473¼ per $100. This is in consonance with a similar trend displayed by the £ sterling in terms of the U.S. dollar. Thus, in New York, spot sterling gained from $2.80-5/16—2.80-7/16 to $2.80-9/16—2.80-11/16, forward sterling (three months) from $2.79-3/16—2.79-5/16 to $2.79⅝—2.79⅞ and transferable sterling from $2.77¼—2.77⅜ to $2.77⅜—2.77½.

BLACK LEAF TEAS FIRM

(*From Our Own Correspondent*)

CALCUTTA, 10*th January*

Mixed conditions were in evidence during yesterday's export sale when offerings aggregated 58,600 packages. Demand was good. Black leaf teas rose by As. 2 to As. 3 and medium O.F's. were fully steady. Other fanning grades also received good support. C.T.C. Assams were firm. Whole leaf grades lost by As. 2 and B.P. grades were quiet. Tippy teas received support. Prices of common and low medium brokens gave way by half an anna. The rates were: medium Assam B.P. Re. 1-10, clean black pekoe Rs. 2 to Rs. 2-1 and plain B.P. Re. 1-7-6, and best C.T.C. Assam B.P. Rs. 2-1 to Rs. 2-3.

There was a further falling in the rate for export quota right to 18 pies per lb.

Dusts offered during last week's sale amounted to 18,500 packages. There was better demand and, despite the quiet opening, prices improved as the sale progressed. The strongest feature was the black leaf teas suitable for the Middle East, and there was good support to the best C.T.C. Assams. Commonest teas were fully steady and prices advanced by an anna to As. 2. Medium Assams and Dooars were occasionally dearer by half an anna, and the non-wither Dooars rose by an anna. The balance of the offerings eased by an anna to As. 2. The quotations were: best Assam C.T.C. Rs. 2-2 to Rs. 2-4, medium Assam grainy dust Re. 1-7-6 to Re. 1-8, and medium Dooars Re. 1-5-6 to Rs. 1-6.

Leaf offered aggregated 1,900 packages, which were mainly stalky residue types and which were fairly supported.

GOLD QUIET

(*From Our Own Correspondent*)

BOMBAY, 11*th January*

An irregular trend characterised the trading in silver and gold during the week under review. The undertone was relatively steadier in the white metal, with prices disclosing a fractional gain over the week, while that in gold was soft, with a drop in prices on balance.

The firm trend noted in the previous week proved to be a short-lived affair and prices sagged in the earlier part of the week, the decline having been more marked in gold on selling pressure induced by reports of large arrivals of unauthorised gold. The weakness of gold had its effect on silver. During the middle of the week, there was again a quick advance in prices of silver on active short-covering and brisk buying by the longs on reports that arrivals of unrefined silver had slowed down. Gold also recovered a little in sympathy. The upward trend was not, however, sustained during the rest of the week, as sentiment was more influenced by conflicting rumours about unauthorised arrivals of gold and supplies of unrefined silver.

Silver for forward delivery (28th January settlement) dipped lower from Rs. 176-9 to Rs. 175-9 on Friday last, but soon staged a quick recovery to Rs. 177-10 on Monday this week. This recovery was not sustained and the white metal lost more than a rupee yesterday, when the forward price touched a low of Rs. 176-7. There was again an advance today to Rs. 177-7 before closing at Rs. 176-15.

Ready silver (.996 Mint) softened to Rs. 175-1, after an early rise from Rs. 175-9 to Rs. 176-8. It, however, rallied to Rs. 177-2, only to react to Rs. 176-5. The floating stocks of silver are reported to be 1,200 bars. The daily average offtake was five bars.

Forward gold (27th January settlement) was marked down from Rs. 96-12 to Rs. 95-5 on Friday last, before it advanced to Rs. 96-4 on Monday this week. There was again a sharp fall yesterday to Rs. 95-2, but the closing today was better at Rs. 95-14.

Ready gold moved between Rs. 95-14 and Rs. 94-8 before finishing today at Rs. 95-6. The floating stocks of gold are estimated at 50,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was 3,000 tolas on an average.

In London, the price of silver was marked up, the spot metal moving up from 78¾d. to 78¾d. and the forward metal from 78¾d. to 78¼d. Gold, however, declined from 249s. 5d. to 249s. 3d. per fine ounce. In New York, silver was unchanged on balance at 90½ cents, although it moved up during the week to 91 cents.

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

	11-1-56	Highest	Lowest	4-1-56
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.996 fine Mint) ..	95 6	95 14	94 8	96 2
Forward*	95 14	96 7	95 2	96 12
Sovereign	60 8	61 2	60 8	60 12
SILVER				
Ready (.996 fine Mint) ..	176 5	177 2	175 1	175 9
Forward†	176 15	177 10	175 9	176 9
London Silver Ready ..	78¾d.	78¾d.	78⅜d.	78¾d.
London Forward	7-1/16d.	7-1/16d.	78¼d.	78⅜d.
London Gold	249s. 3d.	249s. 6d.	249s. 3d.	249s. 5d.
New York Ready	90.1c.	91c.	90¼c.	90½c.

* 27th January settlement.
† 28th January settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

KIPS WELL MAINTAINED

(*From Our Own Correspondent*)

MADRAS, 9*th January*

There has no change in the tempo of U.K. kip buying. It is reported that U.K. dressers have good stocks on hand and the heavy shipments during December have upset their calculations regarding finance, which would no doubt depress any chance of price increases in the next fortnight.

Arrivals of kips into the market during the week were good and clearance by shippers moderate. Prices were well maintained at last week's levels, despite poor U.K. trading. Market for cow calf and buff hides was firm, and that for buff calf firmer, due to good demand from the U.K.

There was good clearance of tanned sheep and goat skins from the market at unchanged prices. Arrivals were moderate. Superior tanned goat skins were in demand from the Continent, but importers were not keen on shipment business at the tanners' asking prices, namely, 12s. 3d. for 11/12 lbs. run and 14s. 6d. for 5½/6 lbs. run. Prices in the raw centres continued to be firm due to tanners' active buying

Shipments during the month of December 1955 were:— To the Continent: one bale tanned cow calf, 13 bales buff calf, 596 goat and 93 bales sheep; to U.S.A. ports: 134 bales buff hides, 40 buff calf and 144 bales goat skins; to Japan: 199 bales tanned sheep skins; to Australia: 109 bales dry-salted goat skins.

FORWARD COTTON FULLY STEADY

(*From Our Own Correspondent*)

BOMBAY, 11*th January*

The cotton market has been passing through one crisis after another. Thus, while forward trading in cotton which was suspended with effect from 24th December last was resumed on Saturday this week, a fresh crisis has appeared that relating to payments. The decision of the Board of the East India Cotton Association (E.I.C.A.) to declare a state of emergency in the market and to fix the ceiling for both the contracts at Rs 700 per candy has been challenged by a bull operator in the Bombay High Court. The notice of motion is fixed for hearing on Friday next, but, in the meantime, the High Court has issued an interim injunct on against the Board's aforesaid decision. The Board has accordingly been compelled to postpone fixation of clearing rates by seven days, that is, till the 16th inst. Pending the High Court's verdict, activity in the futures section of the cotton market is subdued. The undertone of the market, however, is fully steady.

Meanwhile, the Board of the E.I.C.A. has constituted a committee for preparing the terms of the new contract—the August Contract. This Committee is expected to submit its report to the Board on Friday.

Forward trading in cotton, as already stated, was resumed on Saturday, the opening rates for I.C.C. February and I.C.C. May being Rs. 698 and Rs. 683, respectively. Thanks to short-covering and buying by commission houses, the contracts registered an advance. The February contract was throughout quoted at Rs. 700, the ceiling fixed by the Board, although it was unofficially done at Rs. 710-Rs. 712. I.C.C. May rose to Rs. 698½ before closing at Rs. 693½ today. The spread between the two contracts which was Rs. 15 early on Saturday narrowed down to Rs. 6½ today.

In contrast to the trend of the forward section, conditions in the spot section were quite bright. Enquiries from mills were fairly large and well-sustained. Attention was particularly focussed on Vijay, Surti, Jarillas, and Punjab 216F. Some mills also purchased large quantities of old crop Laxmi and Jayadhar cottons. Among exportable styles, Bengals, Kalyans, Oomras, Lower Jarillas and C.P. 1 and II Deshis met with buying support, mainly from Japan. There were also some enquiries for Wagads and Dholleras. The feature of trading in the foreign section was the purchase of small lots of African Busoga and Egyptian Garan cottons by some mills. Among African varieties, B.P. 52 was on offer at Rs. 1,450-1,455, Busoga at Rs. 1,405—1,410, Budama at Rs. 1,395—1,400, Bukhedi at Rs. 1,365—1,370 and Jinja at Rs. 1,305—1,310.

The latest available quotations from the Sewri market are given below:

Bengal *Deshi*: Rs. 650; Berar Jarillas Rs. 760; Khandesh Rs. 750; Vijay Rs. 890; Oomra *Deshi* Rs. 720; Moglai Rs. 640.

A distinctly firm trend was depicted by the Karachi cotton market during the week under review, in contrast to the easy conditions prevailing in the previous two weeks. The firmness was aided by encouraging offtake by the indigenous cotton textile mills and prospects of good export trade. Operators were inclined to believe that, notwithstanding competition from U.S. cotton, Pakistan would we able to sell all its surplus cotton in the world market at reasonable prices. Buying enquiry, therefore, broadened and prices of cotton forged ahead. In the forward section, N.T. R.G. January delivery rallied Rs. 2-7 to Rs. 76-13 per 82 lbs. March delivery advanced by Re. 1-6 to Rs. 75-13. The spurt in prices of cotton was even more pronounced in the spot section. The latest available quotations for a few popular varieties of Pakistan cotton (figures in brackets relating to last week's closing rates) are given below:

Sind *Deshi* Rs. 67 (Rs. 66-8); Punjab *Deshi* Rs. 62 (Rs. 61); 4F Punjab Roller Rs. 73 (Rs. 70-12); S.G. Rs. 78-Rs. 71 (Rs. 75-4); L.S.S. Punjab Roller Rs. 79 (Rs. 76-2); S.G. Rs. 87 (Rs. 81-8); N.T. Roller Rs. 82 (Rs. 79); S.G. Rs. 90 (Rs. 83).

The Alexandria cotton futures market continued to rule firm. Thanks to excellent export performance—the principal buyers were Bulgaria and Hungary—in the wake of tightening supplies of better grades Karnak and Giza 30, there was a buying spree which led the cotton values to move forward. Karnak January met with considerable buying support and jumped up by 3.85 tallaris to 81.10 tallaris per lb. The March contract followed with a rise of 3.47 tallaris to 79.35 tallaris. Business in Ashmouni delivery was also done at higher prices. The quotations (in tallaris) for April and February deliveries hardened by 1.80 and 1.72 to 59.84 and 59.45, respectively. In sympathy with futures, spot premiums continued to be very firm for medium and higher grades Karnak and Giza 30. The aggregate exports of Egyptian cotton in the current season up to the middle of December amounted to 510,960 bales, as against 391,700 bales in the same period last year.

The Sudan Gezira Board announced its cotton sales policy for 1956 on the 2nd inst. Under this policy, the cotton crops of the Gezira, Alternative Livelihood Scheme, Gash and Nuba Mountains will be offered for sale by frequent public auctions. While there is cotton to be sold, auctions will be held every day, with the exception of Sundays, Mondays and public holidays. The types of all cotton will be shown at Port Sudan as early in the season as possible. The Sudan Gezira Board has agreed in principle to give "on call" facilities. Detailed information on such matters as the date of the first auction for the 1955-56 crop, the giving of "on call" facilities, etc., will be announced later. While the Board reserves the right to change its system of sale at any time, it has no intention of doing so, unless there is an appreciable change in

circumstances. The Board has the full support of the Sudan Government in this policy.

Fears regarding the effects of the sale of U.S. surplus cotton, coupled with expectation of radical legislation by the Congress to speed up exports and to reduce price support, imparted some easiness to the Liverpool cotton futures market. There were hedge sales by American houses against cheap purchases of short-staple cotton to be released. Reflecting these sales, prices of cotton declined. Egyptian positions came in for very much limited business. The following are the latest available rates (in pence per lb.) from the Liverpool cotton futures market:

Old Contract: March-April 24.25; May-June 23.25; July-August 22.72. *New Contract*: May-June 27.45; July-August 26.12; October-November 24.12; December-January 23.47. *Egyptian Karnak Contract*: *January-February 40.65*; *March-April* 41.35; May-June 41.60; July-August 41.60.

Trading in the New York cotton futures market is at present limited to routine operations with prices ruling firm. The operators were generally inclined to await the results of the first sale of the C.C.C. stocks of American cotton under the one-million-bale surplus sales programme which was held in New Orleans on the 3rd inst. The first offers of shippers for the cotton, it is reported, have already been made, with a wide variety of prices bid at levels below the current New York price. About 18,742 bales of Government-owned upland cotton, basis 15/16" staple, are said to have been *sold at prices varying from 25.5 cents to 28.02 cents* per lb. These rates are about five to eight cents below the Agriculture Department's previous selling price for surplus cotton. Acceptance of bids for additional sale of cotton commenced on the 10th inst. and would be in force every Tuesday hereafter.

In the meantime, cotton entries into the loan continue to be heavy. *In view of such heavy entries*, cotton circles in the U.S. expect a tight domestic supply situation in the coming months. Out of the total visible supply of 25.8 million bales, more than 50 per cent. is said to be already in Government hands. The balance, it is said, is not enough for meeting the requirements of domestic consumption, exports and normal pipeline supplies. Nevertheless, it is difficult to forecast the repossessions that would be required and the consequent rise in prices. Such would depend on the success of the C.C.C. export sales programme. To quote a report. "The U.S. Congress can enact legislation allowing sales of C.C.C. cotton to domestic spinners also at cheaper prices than now."

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

(In cents per lb.)

	10-1-56	3-1-56	27-12-55
Spot	35.20	35.00	35.10
March	34.12	33.88	33.94
May	33.62	33.20	33.24
July	32.40	31.70	31.71
October	31.07	30.09	30.14

SUGAR IRREGULAR

(From Our Own Correspondent)

BOMBAY, 11*th January*

An irregular trend was in evidence in the sugar market during the week under review. While the forward section ruled firm, the spot section continued to exhibit easy conditions. The firmness of the forward section was aided principally by rumours of a possible upward revision in excise duty on sugar in the ensuing Central budget. Reports of fully steady *ex*-mill quotations in Bombay-Deccan with sizable demand from adjoining stations also influenced the sentiment favourably. Buying support ensued as a consequence and prices moved up. *Fagan* delivery contract for C grade sugar rallied As. 12 to Rs. 92-4 per bag.

Prices of spot sugar, however, suffered a declined, although the offtake of all varieties was satisfactory. The decline followed some selling induced by increased arrivals of indigenous sugar, being 10,800 bags, as against 7,900 bags a week before. B grade indigenous sugar dropped a rupee to Rs. 92-Rs. 95 per bag. A grade was quoted at Rs. 95-Rs. 99, as against Rs. 97-Rs.99, and C grade at Rs. 89-Rs. 91, as against Rs. 89-Rs. 93. D grade was quiet at Rs. 87-Rs. 88. British refined sugar was unaltered at Rs. 84 per 2 cwts.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

YARNS QUIET

(From Our Own Correspondent)

BOMBAY, 11*th January*

The firmness of the yarn market noted in the past three weeks somewhat abated this week. In fact, the market put on an easy appearance. Rayon yarns ruled quiet, thanks to expectation of larger arrivals in the coming weeks following liberalisation in imports and none-too-encouraging advices from Surat and the Punjab. In sympathy with rayon yarns and induced by reports of larger supply of 20 count yarns, the staple fibre yarn section also depicted a quiet trend. Cotton yarns, too, failed to evoke support, despite good offtake by powerlooms—several factories were reported to have sold cloth for forward delivery up to the end of next month—and unwillingness of spinning units to reduce their rates. This was due to expectation of a fall in cotton prices in the coming weeks.

Rayon yarns were subjected to some selling and suffered larger declines. Rayon yarns (120 dull cores) for February and April deliveries declined by Rs. 2 each to Rs. 802 and Rs. 808, respectively. In the spot section, National Rayons 150 Bt. cones 1st grade declined by half an anna to Rs. 3-8-9. 120 Bt. cones 1st grade also lost a like amount to Rs. 3-12-3. Among imported yarns, 150 Italy was lower by six pies at Rs. 4. 120 Italy was quiet at Rs. 4-1. 120 Japan, however, evoked good demand and hardened by an anna to Rs. 4-4-6. 150 Japan also rose by six pies to Rs. 3-15.

Turnover was limited in staple fibre yarn. The prices were generally a shade easy. 40 x 2 Centurys moved down from Rs. 4-0-3 to Rs. 3-15-9. New Greats were neglected at Rs. 4-1 and Citys at Rs. 4-2-9. Kohinoors, on the other hand, had buyers three pies higher at Rs. 4-3-3.

In the cotton yarn section, 40 counts lacked support. New Greats receded by As. 4 to Rs. 24-8. Minaxis were dull at Rs. 25-10, same as last week. Among 60s, Maduras dropped As. 8 to Rs. 44-8, while Finlays evoked enquiries at Rs. 59-6, or As. 6 higher. Deals in 20 counts Hinds were put through at reduced rates, today's closing quotation being Rs. 16, as against Rs. 16-2 a week before. Maduras were quiet at Rs. 17-12. Among 80s, Finlays were unaltered at Rs. 70, but Elphinstones gained As. 4 to Rs. 61-8. Transactions in 30 count yarns were low, Sitarams being quoted at Rs. 18-14. Barring a rise of As. 2 to Rs. 13-2 in the price of Podars, 10 counts yarns were dull. Moderns being quoted at Rs. 13-14 and Elphinstones at Rs. 12-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week before and at the end of last year:

	11-1-1956	4-1-1956	31-12-1955
	Rs. a.	Rs. a.	Rs. a.
Art silk yarn **(per case of 200 lbs.)**—			
120 Dull Cone Sale February	802 0	804 0	796 0
April	808 0	810 0	—
120 Japan (per lb.)	4 4½	4 3½	4 3
150 Japan (per lb.)	3 15	3 14½	3 14
120 Italy (per lb.)	4 1	4 1	4 1
150 Italy (per lb.)	4 0	4 0½	3 15
Staple fibre yarn **(per lb.)**—			
40 x 2 New Great	4 1	4 1	4 0½
40 x 2 Kohinoor	4 3½	4 3	4 3
40 x 2 City	4 2½	4 2½	4 2
Cotton yarn **(per bundle of 10 lbs.)**—			
10s Podar	13 2	13 0	13 0
20s Hind	16 0	16 2	15 15
30s Gokak	20 10	20 10	—
40s Minaxi	25 10	25 10	25 4
60s Madura	44 8	45 0	43 8
80s Finlay	70 0	70 0	70 0

BLACK PEPPER EASY

(Messrs. Parekh and Co.)

BOMBAY, 11*th January*

Malabar black pepper ruled quiet to easy under pressure of increasing arrivals at primary centres and in sympathy with New York which was reported to be quiet with buyers unwilling to pay more than $0.32 for January shipment. Some parcels for shipment during the first half of January were reported done at $0.32½. In view of the restricted enquiries from New York during the week, buying by exporters proved smaller than the inflow from the gardens. Consequently, floating stock in the terminal markets continued to augment and was estimated at about 2,500 candies. If concentrated buying by the U.S. failed to develop within the coming fortnight, it was feared that the markets at Alleppey and Cochin would go down under *impact of accumulated* floating stock (both loaned and unloaned) and competition from Northern Malabar where Tellicherry pepper is being quoted from Rs. 850 to Rs. 900. There are sellers at Alleppey at Rs. 825 and at Cochin at Rs. 837½.

Underquoting by shippers per s.s. *Millerntor* who were able to obtain freight cheaper than that of conference line is one of the reasons for the present neglecting attitude by New York dealers. It is reported that about 500 tons of pepper will be lifted by the s.s. *Millerntor* during January.

In the A.S.T.A. section, there are sellers for January-February-March shipment at $0.32, February-March at $0.32½ and April-May-June at $0.33.

In the delivery section, fluctuations are narrow with turnover poor. Following are today's nominal quotations:

Ready delivery Rs. 113 per Bengal maund; February Rs. 780-90 and March Rs. 790-800 per candy of 5¼ cwts.

OILSEEDS DECLINE

(From Our Own Correspondent)

BOMBAY, 11*th January*

The oil and oilseeds market ruled distinctly easy during the week under review. This was chiefly due to profit-taking at the high levels towards the close of last week. It was also attributed to reports of sales of castor oil by Brazil in the United States markets and easier advices from North Indian markets. Overseas enquiries for linseed oil too were not encouraging enough, while there was absence of export quota in groundnut oil. As a result, prices declined and recorded sizable losses over the week. Business done in the market was limited.

In the groundnut section, Bold ready declined from Rs. 29-6 to Rs. 28-12. February-March delivery receded from Rs. 29-11 to Rs. 28-14. Khandesh quality disclosed a loss of As. 13 at Rs. 28-14. Groundnut oil ready was lower by As. 4 at Rs. 14-12.

Despite some improvement in values at the end of the week, the closing prices in the linseed section were substantially lower than those at the end of last week. The improvement in values was due to reports of some business done in linseed oil in the Continent. Bold ready, which opened the week at Rs. 30-12, as against Rs. 31-8, declined to Rs. 29-12 on the 10th inst. But today it improved by As. 8 to Rs. 30-4. On balance, however, it lost Re. 1-4 over the week. February-March delivery declined by Re. 1-6 to Rs. 30. Small Sutnas was lower by Re. 1-12 at Rs. 28-4. After declining from Rs. 18-6 to Rs. 17-14, linseed oil, however, recovered to close steady at Rs. 18-6.

In the castorseed section, May delivery changed hands early in the week at Rs. 120-12, as against Rs. 122. It fluctuated between Rs. 121-2 and Rs. 115-14, before closing at Rs. 117-8. Madras quality, in the ready section, disclosed a loss of As. 8 at Rs. 22-12 and Kanpur Re. 1-8 at Rs. 21. Castor oil Commercial quality eased from Rs. 13-4 to Rs. 12-12 and B.S.S. from Rs. 14-4 to Rs. 13-13.

Among others, *niger* Madras declined from Rs. 25 to Rs. 24-4, while *kardi* bold put on As. 2 to Rs. 16-8.

A fresh quota of 10,000 tons of oilcakes has been released for export during the first half of the current year or till the ceiling is reached. The oilcakes exclude groundnut, linseed, *niger* seed, *kardi* seed, cottonseed, copra and tobacco seed cakes. A maximum quantity of 200 tons has been fixed for an exporter from all ports.

The period of validity of shipping bills which were passed by the office of the Joint Chief Controller of Imports and Exports in Calcutta for shipment by 31st December 1955, has been extended up to the end of January this year in regard to the export of rice bran, paddy bran and rice meal. *Kardi* seed cake and *niger* seed cake and decorticated *cottonseed oilcake*, however, will continue to be licensed freely for export up to the end of June 1956.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of 13th and 7th December 1955.

	11-1-1956	4-1-1956	31-12-1955
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	28 12	29 10	25 8
December-January	28 12	29 6	25 8
February-March	28 14	29 11	26 0
Linseed—			
Bold Ready (per cwt.) ..	30 4	31 8	28 0
February-March	30 0	31 6	26 8
Castorseeds—			
May	117 8	122 0	100 12
Madras (per cwt.)	22 12	23 4	21 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	14 12	15 0	13 5
Castor Oil—			
Commercial (per quarter) ..	12 12	13 4	12 0
Linseed Oil—			
Ready	18 6	18 6	16 6

SELECTIVE BUYING IN TEA

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 5*th January*

The first sale of 1956 was one of the largest ever held in Cochin, the offerings amounting to 2,700,000 lbs. Quality showed some improvement, although a portion of the offerings were reprinted teas made during the rush periods of October-November. Prior to the sale it had been announced that the export duty for January would be As. 6.

The sale opened to a useful demand from exporters, but buying was selective and the emphasis lay on bright liquoring teas. Low medium and medium teas of improved quality, particularly fannings, were As. 2 to As. 3 dearer. Good medium teas were irregular, improved invoices sold well, but others were barely steady. Best liquoring brokens met with a good demand at rates which were fully firm. There was keen competition for fannings of similar quality and these were often dearer. The weakest feature of the sale were plain liquoring stalky types, whole leaf grades, and reslightly less demand for Middle East types. The following are the quotations:—

	1956	1955
	Rs. a. p.	Rs. a. p.
Low grown Travancore B.O.P.	1 10 0*	3 11 0
Medium Travancore B.O.P.	1 13 6	3 12 6
Anamallais B.O.P.	2 1 0	3 15 6
Best liquoring Nilgiri B.O.P.	3 3 0	4 8 0
Nilgiri B.O.P.	2 8 0	
Well-made black leaf O.P. ...	2 6 0*	3 13 0

*Nominal.

London Market—Sale of 2nd January 1956.—Market generally 2*d.* dearer than at the close before Christmas.

Sale of 3rd January 1956.—Irregular demand. Medium and better easier 1*d.* to 3*d.* Fannings weakest.

Colombo Market—Sale of 3rd January 1956.—Strong demand. High and medium grown generally dearer, particularly for improved quality. Persian Gulf types lower.

Sale of 4th January 1956.—Off grades good demand. Poor liquoring and stalky sorts slightly lower. All others very firm.

Calcutta Market—Export.—Much improved demand. Whole leaf fannings and Middle East types strong to occasionally As. 2 dearer. Others easier of sale.

Internal.—18,700 packages. Good demand. Prices for commons, medium doors and Assams firm to dearer. Best C.T.Cs. sold well. Middle East types strongest feature, being several annas dearer. Leaf market irregularly dearer."

Export Duty.—It was announced on 1st January that the "price of tea" for the month would be Rs. 3-1-5 and hence the duty fell into the lower slab of As. 6.

Export Quota.—Prior to the New Year the market fell to 18 pies, but later improved to 24 pies. The present quotation is 21 pies nominal.

Forthcoming Auctions.—Sale No. 2 will be held on Tuesday, 17th January.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"*Dust Sale A.*—730,000 lbs. Much better demand. Prices fully firm to dearer for everything, particularly milled dusts and powdery sorts which were As. 2 to As. 3 dearer."

WHEAT RECEDES

(From Our Own Correspondent)

HAPUR, 9*th January*

Foodgrain prices ruled quiet to steady during the week. Following the warning of the Union Food Minister that the Government had a scheme ready to bring down the prices of wheat, if speculators managed to push them up, wheat prices declined during mid-session to Rs. 14-2 per maund for *average quality* and to Rs. 15-8 for farm quality. But, in the week-end, prices again tended to harden due to heavy offtake and fast dwindling stocks which are now put at 70 *khaties*, as against 85 a week before. Despatches were mostly by road to millers of Delhi. The latest wheat prices as on Monday were: Average quality Rs. 14-8 and farm quality Rs. 16 per maund. Arrivals were not more than 75 maunds daily. Trade circles felt that the Government, in order to make its threats effective should expedite their import programme, as the reserve stock with the Government was not expected to last long.

Coarse grain prices continued to rule steady, *recording modest gains* during mid-session, as stocks of coarse grains here and at other centres were very poor. Good rain reports over the region, however, accounted for a small decline in coarse grain prices during the week-end and barley was quoted at Rs. 9-8, *bejhar* at Rs. 9-4, maize at Rs. 10-8 and *bajra* at Rs. 10-6 per maund.

Pulses, on the other hand, suffered a fall in prices during the week, although stock position had very much dwindled. Gram was quoted at Rs. 9-14 for local quality and at Rs. 10-4 for Punjab quality. Stocks aggregated 19 *khaties*, as against 31 *khaties* a year before. Peas was today transacted at Rs. 9 to Rs. 10 per maund. After an offtake of 7 *khaties* during the week, local stock ran down to 14 *khaties*. Arhar was done at Rs. 13-4 per maund and stock was put at 9 *khaties*. Other pulses also eased slightly during the week and were quoted at: *Urd* Rs. 16 to Rs. 18, *moong* Rs. 14-12 and *masoor* Rs. 14 per maund.

Pulses futures also ruled quietly easy and latest prices on Monday were: peas *jeth* Rs. 7-7, peas white (gram) *jeth* Rs. 8-0-9, *maha* Rs. 9-15, *arhar jeth* Rs. 9-12-1½, *urd magh* Rs. 15-9-6, as against Rs. 7-10, Rs. 8-0-6, Rs. 10, Rs. 10-1-6 and Rs. 16, respectively, last week-end.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 9*th January*

Quiet to dull conditions prevailed in the sugar market during the week. Outside trade enquiry was slack. Price fluctuations were with fractional limits.

Crushing is in full swing, although latest reports from some quarters suggest that factories are not getting enough cane. Transport difficulties are expected to be one of the unfavourable factors. The latest mill delivery prices of sugar at Hapur are: Jaswant Rs. 28-11, Simbhauli Rs. 29, Mowana Rs. 29, Daurala Rs. 30-4, Amroha Rs. 28, Bijnore Rs. 28, Mansoorpur Rs. 30, Rampur Rs. 32, retail As. 12-3 per *seer*.

Slack demand accounted for very dull conditions in the *khandsari* section and prices moved narrowly during the week in small trading. They were quoted at Rs. 23 to Rs. 27 per maund according to quality.

Ready gur prices during the week were mostly influenced by prices in the futures section. Opening at Rs. 12 per maund on Monday last, prices touched the highest at Rs. 12-10 and lowest at Rs. 11-10 during the week and were today quoted at Rs. 12-2 per maund. Daily arrivals during the week were small, due to cloudy weather. About 15,000 maunds were put in the market during the week. Loading facilities were easy and a special of 88 wagons was loaded during the week from Hapur to Gujerat. Local stock was down at 21,000 maunds. Total arrivals since the beginning of the season are put at 285,000 maunds, as against 365,000 maunds a year before.

Gur prices ruled quiet to steady in markets in the South and were quoted at Rs. 14-4 to Rs. 14-8 for yellow quality in Baramati (Poona), daily arrivals averaging 400 cartloads. In Akloze, prices varied between Rs. 11-8 and Rs. 14-8 per maund, with good trade enquiry from Gujerat and Bombay side, arrivals being 75 cartloads daily. In Ankapalli, daily arrivals are estimated at 50,000 *behalas* and prices are at Rs. 12 per maund. In Kolhapur, arrivals are about 800 cartloads daily and prices vary between Rs. 11 and Rs. 16 per maund according to quality.

Gur futures at Hapur moved both ways on heavy speculative bouts of buying and selling. Opening at Rs. 12-13, *phagun* delivery touched the lowest at Rs. 12-8 and highest at Rs. 13-3 and was today quoted at Rs. 12-14-9.

JUTE GOODS HARDEN

(From Our Own Correspondent)

CALCUTTA, 10*th January*

Jute markets were steady during the week under review. Prices of jute goods were maintained while those of raw jute hardened further. Trade circles were not bothered about the increase in stocks of sacking as at the end of December, since they were certain that demand would soon develop. Sacking stocks had increased from 30,800 tons to 35,100 tons and miscellaneous goods from 4,300 tons to 5,600 tons, while hessian at 23,500 tons were lower by 4,400 tons. Thus, the total stocks were only higher by a few hundred tons at 64,200 tons. In December 1954, the stocks aggregated as much as 69,600 tons. The increase in sacking stocks has been due to the transfer of more looms from hessian, and not due to any fall in demand. It should be noted that sacking shipments from Calcutta during November were 33,000 tons, which were higher by as much as 10,000 tons over October. Exports of hessian amounted to 28,800 tons, as against 27,150 tons. Figures of shipments for December are estimated to have gone up further. A feature of this week's trading was the interest shown by speculators for forward positions, in the belief that prices were going to rise further. Moderate interest was shown by shippers, and there were inquiries from Russia, China and the United States for different kinds of goods. Subsequently, business was also put through.

Ready 40" 10 oz. hessian opened fully steady at Rs. 42-2. Shortly afterwards, the price fell to Rs. 41-8. The lower level was only temporary, as, in moderate support, the price recovered to Rs. 42. Forward positions were inquired as far as June, the rate being lower by only As. 4 as compared with the ready goods. For deliveries up to March, the ready rate was quoted. Yesterday, the ready goods hardened further to Rs. 42-6. Ready B. twills at first gained from Rs. 114 to Rs. 115-8 and, although there was a subsequent fall to Rs. 115, the rate soon recovered to Rs. 116-12. April-June goods were offered at Rs. 115-8.

Raw jute prices recorded further gains, most varieties quoting As. 8 higher. Thus, northern bottoms advanced from Rs. 28-8 to Rs. 29, local daissee bottoms from Rs. 29 to Rs. 29-8, and Assam bottoms from Rs. 28-8 to Rs. 29. Sellers were reserved, although purchases by mills were confined to small quantities. Mills were reluctant to follow the rises. For they realised that, if they paid higher prices for raw jute and raised the prices of jute goods, the industry's competitive strength in world markets would suffer. Upcountry markets continued to be fully steady, and there was a tendency to hold back supplies. Calcutta prices were, in fact, higher than the mofussil rates. In Cossipore, there was an increase in the number of wagons reaching. But most of them contained low quality fibre, which, however, found ready buyers with commitments to Calcutta mills. The latest quotations for the different varieties are given below:

	Middles Rs. a.	*Bottoms* Rs. a.
Pakistan:		
Northern	33 0	30 0
District	33 8	30 8
Indian:		
Northern	32 0	29 0
Assam Upper	32 0	29 0
Assam Lower	32 0	29 8
Daissee	32 8	29 8
Murshidabad	31 0	28 0
Western	31 8	28 8
Jungli	30 8	27 8
Orissa	33 0	30 0
Uttar Pradesh	30 8	27 8
Daissee mesta	30 0	27 0
Bimli f.a.q.	27	0

BASE METALS STRONG

(From Our Own Correspondent)

CALCUTTA, 10*th January*

With more interest being shown by consumers, prices of base metals hardened further during the week under review. Encouraged by higher advices from foreign markets, lead gained Rs. 3 to Rs. 88. Demand was on a fairly large scale. Since there was no sufficient ready material forthcoming the price advanced. Mercury was quoted at Rs. 1,180 a flask. This was below the replacement cost, as the quotations received by importers were higher by several points. From Rs. 73-8, electrolytic zinc improved to Rs. 75-12. Stockists were reluctant to make offers, as there were indications of an imminent rise in price. For, in the U.S.A., the higher grade material was difficult to obtain. Electrolytic copper was steady at Rs. 257. Reports from the U.S.A. revealed a quiet trend in copper as the labour strike in Chilean mines ended. It would not, however, be some time before the loss of production consequent on the strike can be made good. West Germany is reported to be paying fancy prices for copper available from anywhere for its rearmament plans, and is attracting supplies from far-off Hong Kong and Singapore. This diversion of supplies from places which usually export the surplus material to nearby countries is a factor which would have a likely effect on the trend of prices. In contrast with other base metals, tin displayed weakness, and moved down from Rs. 536 to Rs. 534. This was due to lower advices from Singapore.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

CALCUTTA, 9*th January*

The market has remained firm during the week and scarcity of supplies has been the main feature. Upcountry markets have been steady and despatches are very limited. There have been good enquiries from crushers at slightly lower rates but only a small daily turnover has been recorded as sellers are still rather reserved. The oil section has been fairly active and a fair demand continues from both local and overseas buyers.

Latest quotations are as follows: January Rs. 22-10 and April-May Rs. 20-4 per maund.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 8*th January*

During the week under review, the hides and skins markets ruled steady. Fresh supply was a bit smaller as compared with the previous week. The main purchasers were the local tanners. The Madras dealers were lukewarm.

The latest available quotations are: Wet salted cow 1st grade Rs. 300 and 2nd grade Rs. 290 per score; wet salted buff 1st grade 1 lb. 14 ozs. and 2nd grade 2 lbs. per rupee; goat 1st grade Rs. 250 and 2nd grade Rs. 200 per 100 pieces; sheep 1st grade Rs. 225 and 2nd grade Rs. 250 per 100 pieces.

SURVEY

(Concluded *from page* 63)

The authorities in the U.S., for instance, know two years in advance before work on a project commenced as to what Federal grants would be available for the purpose. Such grants, once announced, could be taken on "matching basis"—the State authorities undertaking to raise equivalent funds from their own resources within three years after constructions actually commence. And it is noteworthy that the grants are not allowed to lapse but are made available for expenditure till the particular project is completed.

A scheme for the flotation of road loans also deserves to be considered. It is true that it is difficult, in the present state of the capital market, to forecast its success. But there is no doubt that, since roads constitute a valuable and perpetual asset, it would not be wrong to finance their construction through loans, the interest on which is borne by the present and future generations. The Central and State Governments might try this method of raising finance on an experimental basis in certain selected areas and extending it subsequently to other areas, if found successful.

The need for the constitution of an All-India Service of Highway Engineers is also long overdue. As pertinently pointed out by Mr. Nambiar, all highway engineers of the rank of assistant engineers and above should be placed on an all-India footing by the creation of the all-India service to execute successfully the plans for the construction and maintenance of roads. Incidentally, it will also go a long way towards ensuring the unity of the country now being threatened by the fissiparous tendencies engendered by the formation of States on linguistic lines.

RAISING OUTPUT OF QUALITY CANE

When Mr. M. V. Krishnappa, Union Deputy Food Minister, stressed, in the course of his speech at a formal reception given in Bombay last week on behalf of the Government of India to the delegates to the forthcoming ninth session of the International Society of Sugarcane Technologists, that the implementation of the expansion programme for the sugar industry was interrelated with the improvement in the production of quality cane, he was stating a well-worn but pertinent point. Mr. Krishnappa attributed the low yields and poor quality of cane obtained in most parts of the country largely to the indifference or inability of individual cultivators to till the land well, put the necessary amount of fertilisers, and give the optimum irrigation to the crop. Urging the imperative need for augmenting per-acre yields of cane and *sucrose-content*, he averred that the Government was "engaged in an all-out drive to help the cultivator in taking due care of his crop and improving his returns from the land."

The Deputy Food Minister welcomed the rapid *increase in the consumption of white sugar in the* country—it touched 1.8 million tons last year—because it indicated, according to him, a progressively higher standard of living of the people. He indicated the Government's anxiety to see that the capacity of the sugar industry should be expanded not only to meet the immediate rise in demand but also to provide for further possible increase in consumption in the years to come. In this context, the Minister gave the following details relating to the expansion of the sugar industry in the next five years:

The second Five-year Plan envisages an annual production target of 2.25 million tons of white sugar. Additional capacity to the tune of a million tons will be needed for the purpose and a large proportion of it has already been licensed in the shape of 39 new factories and expansion in 46 existing units. All these schemes, when completed, will provide an additional capacity of 650,000 tons sugar and further capacity is in the course of licensing. The Government of India has embarked on a new experiment of establishing factories as co-operatives of cane growers, and all necessary assistance—financial and technical—is being given to them. Already, out of the 39 new factories licensed, 20 are co-operatives and more such units are in course of licensing.

Notice

TEXTILE MACHINERY CORPORATION LIMITED

NOTICE IS HEREBY GIVEN TO THE Ordinary Shareholders that the time limit for receipt of applications for 9 lakhs new ordinary shares of Rs. 10 each has been extended from 8th January 1956 to 31st January 1956.

By Order of the Board,
BIRLA BROTHERS LTD.,
Managing Agents.

CALCUTTA, 6*th January*, 1956.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	30th Dec., 1955	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172 37	1,361 98	1,351 58	1,335 72	1,219.29
Notes held in Banking Department	35 06	12 94	7 75	13 09	26 01
Foreign Securities	59 50	686 88	676 88	647 07	663 15
Rupee Securities	87 39	538 67	553 70	553 58	427.75
Banking Department					
Deposits of					
Government of India	14 89	54 01	59 95	51 36	54 89
Other Governments	..	10 62	7.95	10 16	16 74
Balances held abroad	10 08	48 30	59 37	71 25	67.64
SCHEDULED BANKS					
Demand Liabilities	134 36	614 48	606 68	618 56	573 36
		(5 22)*	(6 81)†	(4 33)*	(6 19)*
Time Liabilities	102 24	418 40	420 23	423 33	368.71
Borrowings from Reserve Bank	..	(5 34)*	5 79‡	(6 86)†	(3 57)‡
		30 02	17 72	10 62	9 63
		(18 86)‡	(16 66)‡	(6 70)‡	(2 90)‡
Borrowings from State Bank	..	7 23	7 76	6 45	2.68
Cash in India	6 70	38 06	33.95	34 11	35.90
Balances with Reserve Bank	25 17	60.17	55.70	64 51	67.54
Excess over statutory limits	15.52	21 08	16 98	25.12	31.50
Balances with other banks in current account in India	..	14 35	10.56	10.97	13.79
Money at call and short notice in India	..	10 50	12.00	23.83	15.76
Investments (at book value)		385 05	387 93	394 45	348.04
Advances and bills	105 09	631 45	622 22	601 35	538.41
STATE BANK					
Deposits	67 76	222 30	222 45	221 14	231 19
Investments	51 96	113 37	113 49	119 17	108.76
Advances	30 35	103 31	100 48	95 11	100 89
Cash	14 69	21 62	20 90	29 68	32 94

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes

CLEARING HOUSE RETURNS

Centre	Week ended 6th January, 1956		Week ended 30th December, 1955	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,19,458	48,79,48,000	2,74,576	61,26,69,000
Calcutta ..	Nil	Nil	09,641	23,90,43,942
Madras ..	80,522	7,07,85,433	76,612	8,99,49,816
All Centres—				
1953-54* ..	..	..	2,669,000	5,595,400,000
1954-55* ..	..	..	2,485,000	6,041,200,000
Oct., 1955 ..	..	..	3,431,000	6,86,80,00,000
Nov., ..	..	..	3,720,000	7,50,92,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 6th Jan., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	54 10 95,000
(2) Other Governments	9 72 53,000
(b) Banks	51 74,91,000
(c) Others	15,61,57,000
Bills Payable	10 09 65,000
Other Liabilities	27,99,61,000
Rupees	179 33,22,000

ASSETS	Rs.
Notes	11,59,58,000
Rupee Coin	6,32,000
Subsidiary Coin	5,23,000
Bills Purchased and Discounted—	
(a) Internal	45,50,000
(b) External	....
(c) Government Treasury Bills	11,37 08,000
Balances held abroad*	43,39,72,000
Loans and Advances to Governments	4,11,00,000
Other Loans and Advances	44 68 ,0 000
Investments	50,51 24,000
Other Assets	13,06 25 000
Rupees	179,33 22 ,00

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 14,62,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 1,89,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11 59 58,000	
Notes in circulation	1385,70,91,000	
Total Notes issued		1397 30 49 000
Total Liabilities		1397,30,49,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	691,90 97,000	
Total of A		731 92 68,000
B. Rupee Coin		106 62 99,000
Government of India Rupee Securities		558,54,82,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1397,30 49,000

Ratio of Total of A to Liabilities: 52 381 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 30th Dec., 1955

	Rs.
1. Demand Liabilities in India:	
(1) Borrowings from banks other than the State Bank and a notified bank †	5,22,24,000
(2) Other demand liabilities	609,25,93,000
2. Time Liabilities in India	
(1) Borrowings from banks other than the State Bank and a notified bank †	5,33,50,000
(2) Other time liabilities	413,06,26,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(1) Demand liabilities	7,23,48,000
(2) Time liabilities	....
4. Cash in India	38 05,64,000
5. Balances with the Reserve Bank in India	60,16,73,000
6. Balances with other banks in current account in India	14,35 45,000
7. Money at call and short notice in India	10,49,66,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	385,05,26,000
9. Advances in India	516,72,80,000
10. Inland Bills purchased and discounted in India	66,25,49,000
11. Foreign Bills purchased and discounted in India	48,46,69,000

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

EXCHANGE RATES

	10th January 1956*	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months	1-5 15/16	1-5 15/16
Buyers T.T. 10 to 12 months	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. Rs.	477 1/4	477 1/4
Buyers T.T. Rs.	473 1/4	473 1/4
London on New York $	2.80 3/4 - 2.80 7/8	2.80 3/4 - 2.80 7/8
London on Paris Frs	983-983 1/2	982
London on Berne Sw. Frs	12 23/32-12 25	12 23/32-12 25/32
New York on London $	2.80 1/16 - 2.80 1/8	2.80 1/16 - 2.80 1/8

NATIONAL INCOME*

Country	Year	Population (In millions)	National income (In millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India†	1953-54	373 87	..	..	10,600	284
Pakistan	1953-54	78 81	..	..	1,931	245
Burma	1953	19 05	Kyats	8,928	892	2.26
Ceylon	1953	8 16	..	..	441	540
Japan	1953	86 70	Y.	5,965,000	7,890	910
Philippines	1953	21 02	Ps.	7,275	1,654	787
New Zealand	1953	2 06	£ (N.Z.)	727	960	4,727
Australia	1953	8 83	£ (A)	3,714	4,127	4,900
U.K.	1953	50 96	£	14,719	19,625	3,854
U.S.A.	1954	162 41	$	304,000	144,423	9,016
Canada	1953	14 78	$	19,043	8,407	5,688
France	1953	42 86	F. Fr.	10,470,000	14,420	3,364
W. Germany	1953	48 99	Dm.	108,000	11,705	2,389
Italy	1953	48 07	Lr.	8,967,000	6,832	1,421
Norway	1953	3 36	Kr.	17,192	1,152	3,428
Sweden	1953	7 17	Kr.	36,957	5,422	4,772
Netherlands	1953	10 49	Grs.	19,360	5,451	2,384
Denmark	1953	4 37	Kr.	22,915	1,580	3,616
Switzerland	1953	4 88	Sw. Fr.	20,800	2,286	4,644

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation Monthly Bulletin of Statistics, March, 1955.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 30th Dec., 1955

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	15,16,02,000
(b) Provincial Governments	1,11,95,000
(c) Banks	15 06 13,000
(d) Others	21 89,91,000
Bills Payable	8 64,000
Other Liabilities	5,23,02,000
Rupees	62,56,62,000

ASSETS	Rs.
Notes	8,35,05,000
Rupee Coin	7,000
Subsidiary Coin	9,000
Bills Purchased and Discounted:	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,10 20,000
Loans and Advances to Governments	13,00,000
Provincial Governments' Debtor Balances	1 09 10,000
Other Loans and Advances	18 30,60,000
Investments	23 81,13,000
Other Assets	9,77,38,000
Rupees	62 56,62,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,35 05,000	
Notes in circulation	277,94,45,000	
Total Notes issued		286 29,50,000
Total Liabilities		286 29,50,000

ASSETS	Rs.	Rs.
I. A Gold Coin and Bullion	11,19,58,000	
Silver Bullion	....	
Sterling Securities	78,00,28,000	
Government of India Securities	26,53,67,000	
India Notes representing assets receivable from the Reserve Bank of India	43,11,81,000	
		158,85,34,000
B. Rupee Coin	2,10,84,000	
Government of Pakistan Securities	119,43,26,000	
Internal bills of exchange and other commercial paper	....	
		121,54,10,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets		286,29,50,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.44 per cent

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1 t Mar., 1936	..	3½
Australia	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	6	12
Canada	10th Nov., 1955	2½	2¾
Ceylon	11th June, 1954	3	2½
Chile	30th June, 1935	4	4½
Colombia	18th July 1933	5	4
Costa Rica	1st April 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1953	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st A ril, 1946	2	3
Ireland	25th May, 1955	3½	3
Italy	6th April 1950	4½	4
Japan	9th Aug., 1953	5.84	7.3
Mexico	4th June 1942	4	4½
Netherlands	7th April, 1953	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	6	5
Portugal	12th Jan. 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3
Switzerland	26th Nov., 1936	3	1½
Turkey	28th June, 1955	4	5
United Kingdom	24th Feb., 1955	3½	4½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	18th Nov., 1955	2½	3½
West Germany	4th Aug., 1955	5	4

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs

	October, 1954	October, 1955	Seven months, April to Oct., 1954	Seven months, April to Oct., 1955
Import Duties:				
Revenue	9 60	8 71	66 86	64 51
Protective	0 62	0.95	4.32	5 72
On surplus disposals	..	0 02	0 09	0 07
Total import duties	10 22	9 68	71 27	70 31
Export Duties	2 03	3 01	16 43	21 17
Land Customs	0 23	0 07	1 05	0 50
Miscellaneous	0 11	0 05	0 65	0 41
Gross total customs	13 40	12 84	89 40	92 39
Refunds and drawbacks	0 19	0 23	0 74	1 55
Net Customs	13 41	12 61	88 66	90 84
Gross excise	8 80	11 09	58 26	85 50
Refunds	0 25	0 46	0 98	2 86
Net Excise	8 55	10 63	57 28	82 64
Net total of customs and excise†	21.96	23 24	145 94	173 48

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 6th Jan., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	223,88,71,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	80,00,000
Bills Payable	.. ..	7,63 43,000
Bills for Collection being Bills Receivable as per contra	.. ..	47,59,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	12,83,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	4,00,75,000
Total ..	Rs.	248,90,81,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	.. ..	13,47 25,000
Balances with other Banks	.. ..	4,50 02,000
Money at Call and Short Notice	.. ..	66,87,000
INVESTMENTS:		
Government and other Trustee Securities	.. 107,95,82,000	
Other Authorised Investments	.. 9,08 92,000	
		116,64,24,000
ADVANCES:		
Loans Cash Credits, Overdrafts, etc.	.. 91,80 11,000	
Bills Discounted and Purchased	.. 17,77,55,000	
		109,61,66,000
Bills Receivable being Bills for Collection as per contra	.. ..	47,59,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	.. ..	12,83,000
Premises less Depreciation	.. ..	1,16 37,000
Furniture and Fixtures less Depreciation	.. ..	47,17,000
Other Asset (including Inter-Office Adjustments)	.. ..	2,23,01,000
Total ..	Rs.	248,90,81,000

Source: Department of Research and Statistics Reserve Bank of India. * Bombay market remained closed during the week.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,816,928
1952	963	809,242	3,336,961
1953	772	466,807	2 362,003
1954	840	477,138	2,372,630
July 1953 ..	87	48,066	121,122
August ,, ..	74	38,068	235,154
September ,, ..	106	44,963	447,373
October ,, ..	101	80,211	402,116
November ,, ..	88	41,491	345,211
December ,, ..	81	40,780	479,352
January 1954 ..	84	51,972	325,514
February ,, ..	85	41,351	344,295
March ,, ..	91	34,902	331,419
April ,, ..	101	34,963	307,247
May ,, ..	80	40,078	218,042
June ,, ..	82	21,589	205,078
July ,, ..	122	80,189	277,492
August ,, ..	79	51 090	342,887
September ,, ..	97	50,414	363,278
October ,, ..	94	41,734	276,294
November ,, ..	92	25,118	239 701
December* ,, ..	101	54,455	362,758
January 1955†	95	49,038	322,837
February ,, ..	91	35,870	144,302
March ,, ..	111	69,325	353,091
April ,, ..	96	29,525	201 253
May ,, ..	119	63,333	434,999
June ,, ..	149	85,467	1 023,274
July ,, ..	105	57,197	674,259
August* ,, ..	232	90,324	513,476
September ,, ..	220	84,377 (a)	535,196 (b)

† Figures for 1955 are provisional. * Revised.
(a) Not known in 71 cases. (b) Not known in 81 cases.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions or Kilo watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,201.4	5,134.2
1953-54	648	6,476.8	5,372.7
1954-55	685	7,760.9	6,219.2
August 1954 ..	667	635 0	510.5
September ,, ..	660	647.6	525.3
October ,, ..	660	626 5	511 6
November ,, ..	674	654 5	534 6
December ,, ..	679	683.5	558.0
January 1955 ..	684	666.5	545.2
February ,, ..	685	628 7	521 3
March ,, ..	686	696.7	566.3
April ,, ..	690	691.1	563 9
May ,, ..	691	706 5	569 3
June ,, ..	696	716.3	576.1
July ,, ..	709	724.8	583 2
August ,, ..	705	708 9	574 4
September,, ..	707	719.3	587.1

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

SMALL SAVINGS

(In lakhs or rupees)

	POSTAL SAVINGS										NATIONAL SAVINGS CERTIFICATES					
	Savings Bank Deposits		Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits. Outstandings@		2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates ‡		5-Year†		7-Year ††		12-Year	
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings	Receipts	Outstandings*	Outstandings*	Receipts	Outstandings	Receipts	Outstandings*	Receipts
1953-54 ..	1,18,85	92,08	— 21.07	7,55	2,64	..	..	..	6 83	55	3.24	23.66	84,17	1,18,85
1953-54 ..	1,17,97	1,06,89	— 24.19	6,56	58,11	..	..	..	5.91	1,80	4.36	26.54	1,04,38	1,17,97
1954-55 ..	1,33,76	1,30,57	— 26.36	5,87	57,16	..	7,40‡	7,26	4.70	1,62	4.99	27.26	1,24,64	1,33,76
October 1954 ..	5.16	11	4 57	1,80	1,15,09	8,96	1,14,96	— 25.50	43	25.23	1,60	4.65	1,16,21	5.16
November ,, ..	5,08	12	4,84	2,25	1,16,76	10,24	1,16,21	— 25.68	37	25.54	52	5 23	1,16,73	5,08
December ,, ..	4,94	11	4,66	2,34	1,18,40	11,36	1,18,56	— 25.86	40	25.98	57	5,79	1,18,29	4,94
January, 1955 ..	4,88	14	4,78	2,40	1,20,28	10,51	1,20,10	— 26.02	43	26.27	54	6,33	1,18,84	4,88
February ,, ..	4,81	12	4,79	2,27	1,21,86	11,18	1,22,22	— 26.18	40	26.44	45	6 81	1,19,39	4,81
March ,, ..	4,70	26	4,99	2,41	1,24,64	18,51	1,20,57	— 26.36	47	26.74	55	7,39	1,19,39	4,70
April ,, ..	4,80	11	5 00	2,35	1,26,45	12,41	1,22,91	— 26.51	45	27.03	48	7 86	1,19,39	4,80
May ,, ..	4 52	26	5,24	2,01	1,27,98	11,82	1,24,08	— 26.65	41	27.39	66	8,61	1,19,39	4 52
June ,, ..	4,44	13	5,12	2,09	1,29,49	13,27	1,25,96	— 26.77	37	28.23	84	9 25	1,19,39	4,44
July ,, ..	4 38	12	5,15	2,27	1,31 28	12,80	1,40.23	— 26.90	41	28.54	91	10 20	1,19,39	4 38
August ,, ..	4 29	12	5 17	2 09	1,32,82	12,25	1,43 50	— 26 97	39	28,97	67	11 00	1,19,39	4 29
September ,, ..	4 21	13	5 21	2,54	1,34,88	12 13	1,46.60	— 27 12	44	30 28	94	11 40	1,19,39	4 21
October ,, ..	4 14	10	5 21	2 10	1,36 87	11 35	1,48 68	— 28.24	46	29.46	80	12,49	1,19,39	4 14
November ,, ..									43	40,05				

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947. † Issued from 1st June, 1948 to 30th June 1953. †† Issued from 1st June, 1948 ‡ Issued from 1st February, 1951. ‡ Issued from 15th May, 1954.
§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors. R—Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 1-1-'54*	3-12-'55	24-12-'55	31-12-'55
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90 4	91 0	91 0	91 1
1. Government of India	90 3	90 9	90 9	90 9
2. Indian States	96 0	96.5	96.5	96.5
3. Municipal, Port Trust, etc.	89 4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100 7	101 1	101 0	101 1
1. Electricity	102 0	102 5	102 5	102 6
2. Jute	98 8	98 0	98 0	98 0
3. Plantations	99 6	99 1	99 1	99 1
4. Sugar	99 3	99 0	99 0	99 0
5. Coal	90 6	90.6	90 6	90 6
6. General Engineering	101 0	100 9	100 9	100.9
7. Shipping	100 2	102 3	102 3	102 3
8. Others	100 8	101 1	101 0	101 0
PREFERENCE SHARES	88 5	87 8	87 7	87 6
1. Electricity	96 8	95 4	95 4	95 4
2. Cotton	79 7	79 7	80 5	80 1
3. Jute	88 9	86 7	86 6	86 8
4. Coal	89 1	91 0	90 9	90 7
5. Iron and Steel	90 1	90 1	89 5	89 5
6. Sugar	85 3	86 2	85 5	85 5
7. Paper	90 4	87 2	86 4	86 4
8. Plantations	97 0	101 9	102 8	102 4
9. Miscellaneous	87 3	85 2	85 2	84.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	113 6	131 4	130 2	128 9
(a) Financial	88 9	94 6	94 7	94 6
1. Banks	85 4	92 6	93 6	93 6
2. Insurance	110 1	105 3	100 4	100 0
3. Investment Trust	94 0	100 7	99 2	97 3
(b) Public Utilities	113 5	118 6	118 2	118 0
1. Electricity	123 8	122 9	122 3	122 2
2. Shipping and other Transport	96 6	116 2	115 8	115 2
3. Railways	117 3	142 3	140 4	139 1
(c) Manufacturing Industries	105 1	131 4	131 4	130 8
1. Cotton Woollen and Silk	99 8	95 4	93 7	92 5
2. Jute	125 7	170 1	167 1	164 7
3. Iron and Steel	209 5	300 2	297 7	294 8
4. Paper	144 9	185 9	184 7	184 4
5. Cement	150 0	210 0	210 3	209 7
6. General Engineering	105 2	112 4	112 3	111 3
7. Sugar and Breweries	137 7	161 5	159 5	158 0
8. Chemicals	149 8	173 0	169 0	165 6
(d) Non-Manufacturing Industries	80 0	81 7	84 6	84 4
1. Coal	138 5	273 2	271 0	264 4
2. Mining and Oil	175 3	196 5	177 8	174 7
3. Plantations	98 1	109 4	110 5	109 3
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	—	90 5	90.5	—
2. Calcutta	90 4	90 9	91 0	91 0
3. Madras	90 7	91 3	91.3	91 4
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	—	100 2	100 2	—
2. Calcutta	101 3	101 8	101 8	101 9
3. Madras	100 5	100 2	100 1	100.1
PREFERENCE SHARES:				
1 Bombay	—	91 3	91 0	—
2 Calcutta	85 3	83 3	83 4	83 2
3 Madras	94 4	98.3	98.3	98.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	—	139 1	136 9	—
1. Bombay	107 4	120 5	119 8	117 9
2. Calcutta	110 6	125 2	125 2	124 4
3. Madras	109 6	146 1	142 6	140 8
4. Delhi	..	..	..	..

Source: Department of Research and Statistics Reserve Bank of India. * Bombay market remained closed during the week.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	24th Dec., 1955	17th Dec., 1955	25th Dec., 1954	November, 1955	November, 1954	Percentage of increase (+) or decrease (—) in Nov., 1955 as compared with Nov., 1954	Financial Year Average 1953-54	Financial Year Average 1954-55
Food Articles	324 9	320.4	319.3	326 5 R	334 2	— 2 3	354.4	339.8
Cereals	385	380	364	390	378	+ 3 2	451	381
Pulses	359	348	231	325	262	+24 0	450	280
Other	234	232	272	237 R	284	—16 5	278	291
Industrial Raw Materials	446 5	440.7	422.4	418 7	443 8	— 5 7	467.7	438.2
Fibres	443	447	464	422*	480	—12 1	432	447
Oil seeds	454	430	385	401	399	+ 1 0	574	424
Minerals	431	427 R	412	429	410	+ 4 6	449	423
Others	461*	463*	444	452	433	+ 4 4	375	427
Semi-Manufactures	350 6	345 9	346.5	338 1	348 8	— 3 1	359.	350.3
Leather	414	398	382	378	373	+ 0 8	403	376
Mineral oils	202	202	212	221	221	— 8.6	224	221
Vegetable oils	425	417	406	392	418	— 6 2	524	433
Cotton yarn	431	422	432	411	454	— 5 5	443	454
Metals	279	279	249	294	249	+15 4	229	240
Oil cakes	351	349	356	366	401	— 8.7	433	381
Others	330	330	329	330	306	+ 7.8	231	313
Manufactured Articles	372 6	372 8	374 2	373.3	377 0	— 1 0	367.4	377.2
Textiles	404	405	417	405	421	— 3 8	405	421
Jute	411	413	423	422	459	— 9 1	408	448
Cotton	390*	393*	412*	399*	415*	— 3 9	406*	415
Rayon and Silk	486*	486*	455*	4.0*	448*	+ 6 9	431*	464*
Woollen	276	278	310	278	310	— 10 3	314	311
Metal products	371	371	340	371	340	+ 9 1	337	340
Others	285	284	214	235	235	— 0 4	235	286
Miscellaneous	546 8	542 3 R	574 2	543 3 R	605 4	—10.3	598.6	612.4
All Commodities	370 7	367 4	367 1	365 0 R	376 1	— 3.0	397.5	377.4

R—Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

Year ended August, 1939=100

| Average of weeks. | Rice | Wheat | Jowar | Bajra | Gram | Tea | Coffee | Sugar | Gur | Tobacco | Raw cotton | Raw Jute | Groundnut | Linseed | Coal | Jute manufactures | Cotton manufact

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop	Forecast	Unit	Acreage 1954-55	Acreage 1953-54	Outturn 1954-55	Outturn 1953-54
Rice	final	tons	74,424	77,032	24,209	27,561
Wheat	final	,,	26,842	26,310	8,539	7,873
Jowar	final	,,	43,456	43,657	9,092	7,913
Bajra	final	,,	27,350	30,094	3,555	4,459
Barley	final	,,	7,999	8,721	2,786	2,904
Maize	final	,,	9,325	9,360	2,944	2,904
Ragi	final	,,	5,747	5,714	1,778	1,819
Small millets	final	,,	13,660	13,979	2,424	2,427
Total cereals	final	tons	208,823	214,867	55,427	57,920
Kharif	final	,,	173,982	179,836	44,002	47,143
Rabi	final	,,	34,841	35,031	11,325	10,777
Kharif pulses@	final	tons	14,935	15,192	1,497	1,543
Rabi pulses‡	final	,,	10,498	11,214	1,977	2,089
Total pulses	final	,,	54,004	53,715	10,474	10,458
Tur	final	,,	5,944	5,931	1,661	1,627
Gram	final	,,	20,991	19,754	5,125	4,775
Jute	final	bales	1,273	1,196	3,153	3,129
Cotton	final	,,	18,346	17,182	4,298	3,965
Sugarcane	final	tons	3,932	3,498	5,464	4,387
Groundnut	final	tons	12,547	10,869	3,523	3,573
Linseed	final	,,	3,260	3,360	388	374
Castorseed	final	,,	1,273	1,373	112	108
Rape and Mustard seed	final	,,	5,665	5,534	962	855
Sesamum	final	,,	6,460	6,346	592	552
Tobacco	final	tons	860	912	248	263
Black pepper	final	,,	208	208	26	24
Ginger	final	,,	44	45	13	14
Dry chillies	final	,,	1,472	1,326	356	297
Potato	final	,,	665	635	1,762	1,924

Source: Ministry of Food and Agriculture.

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

@ Excludes Tur. ‡ Excludes Gram and Tur.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During November, 1955	90.5
	Corresponding month, 1954	88.6
	Five months ended Nov., 1955	422.1
	Corresponding period 1954	401.5
Stocks	At the end of December, 1955	64.2
	Corresponding month, 1954	89.6
		(In 000 bags)
Exports (Jute Bags)	Week ended 26th Nov., 1955	5,866
	Corresponding week 1954	12,428
	From 1st Jan., to 26th Nov., 1955	423 192
	Corresponding period, 1954	408 143
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 26th Nov., 1955	81,666
	Corresponding week 1954	2,375
	From 1st Jan., to 26th Nov., 1955	1 225 802
	Corresponding period, 1954	1,278 421
	RAW JUTE	(In lakh bales)
Consumption by Mills†	November, 1955 (in lakh bales)	5.25
	Corresponding month 1954	5.14
	Five months ended Nov., 1955	24.48
	Corresponding period, 1954	23.29

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11 58 000	10 61 900	7 91,800
Do. 31st March, 1954	11,54 000	10,72 300	7,80,000
Do. 31st March, 1955	11 84 400	10 42 900	7,81 200
Nine months ended Dec., 1955	8.51 200	7,79,600	5,88,600
July 1954	96 800	86,900	66,100
August ,,	96 700	90,400	67,100
September ,,	86,300	82,400	63,300
October ,,	96,500	89 200	68,500
November ,,	98,900	90,500	68,000
December ,,	1,05,600	95,000	73,800
July 1955	94,900	84,300	64 300
August ,,	92,500	83,900	63,700
September ,,	93,200	87,000	65,700
October ,,	91 700	83,800	64,900
November ,,	91,900	86 200	63 400
December ,,	1,03,9 0	97,500	72 300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,460	3 12,940
Do. 31st March, 1954	5,80,020	3,49,930	2,92,440
Do. 31st March, 1955	7,15 940	5,22,240	4 59,008
Three months ended Dec., 1953	1,81,630	1,15 300	1,05,940
,, ,, ,, Mar., 1954	1,87,780	1,28,510	1,16,940
,, ,, ,, June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80 018	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,88,058	1,36 801	1,20,516
,, ,, ,, Mar., 1955	1,65,108	1,43,828	1,18,136
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,50,830	1,08,714
,, ,, ,, Dec., 1955	1 60 750	1 24 696	1 05,752

OVERALL BALANCE OF TRADE OF INDIA

September, 1955†

Particulars	September, 1954	September, 1955	Six months, April to Sept., 1954	Six months, April to Sept., 1955
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	50.12	56.89	254,27	289,70
b) Re-exports	40	28	2.74	2.60
Less—Transit trade	4	..	23	8
Net re-exports	36	28	2.51	2.52
Total exports	50 48	57.17	256.78	292 22
2. Imports	51.12	51.21	302.27	303.18
Less—Transit trade	..	1	9	7
Net imports*	51 12	51.20	302.18	303.11
Balance of trade in merchandise	— 64	+ 5,97	—45.40	—10.89
Balance of trade in gold and silver	..	..	— 2	— 4
Total overall visible balance of trade	— 64	+ 5,97	—45.42	—10.93

† Total values of foreign trade of India by all routes (i.e., sea, air and land).

*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (in thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands) Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953 ..	1,168	34,406	128,773	28,539	11 413	2,635	949	171	169	209	169	297
1953-1954 ..	1.179	35,215	129,009	29,365	11,082	2,512	899	153	153	168	190	344
1954-1955 ..	..	..	..	..	11,768	2,711	885	183	160	167	158	397
August 1954 ..	98	2.657	9.743	2 449	934	245	79	11	9	7	12	31
September ,, ..	95	2,630	9,902	2.394	914	241	66	11	9	11	12	31
October ,, ..	99	2,881	10,181	2,458	936	241	65	13	10	19	15	32
November ,, ..	..	..	..	..	991	226	73	15	13	25	9	34
December ,, ..	..	..	..	..	1,064	229	70	20	14	21	10	30
January 1955 ..	..	..	..	..	1.082	223	74	20	17	19	15	35
February ,, ..	..	..	..	..	1,021	209	72	18	16	15	15	33
March ,, ..	..	..	..	..	1,096	227	78	20	19	15	14	33
April ,, ..	..	..	..	..	1,034	222	77	21	18	11	12	33
May ,, ..	..	..	..	..	993	223	80	19	17	8	13	33
June ,, ..	..	..	..	..	946	217	80	15	15	6	12	32
July ,, ..	..	..	..	..	1,000	228	87	18	13	6	15	33
August ,, ..	..	..	..	..	1,009	230	88	15	13	6	16	34
September ,, ..	..	..	..	..	999	232	79	13	12	11	14	32

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 5th Jan., 1956	37,756
	Corresponding week, 1955	41 674(a)
	1st Sept. to 5th Jan., 1956	437 731
	Corresponding period, 1955	424,949
Cotton Exports‡	Week ended 5th Jan., 1956	7 108
	Corresponding week, 1955	2.718
	1st Sept. to 5th Jan., 1956,	297,199
	Corresponding period, 1955	84 347
Mill Consumption (Estimated)	1st Sept. to 5th Jan., 1956,	438 279(a)
	Corresponding period, 1955	431,225
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 5th Jan., 1956	472 336
	Corresponding date, 1955	840,479
Cotton Exports from Bombay (by sea)	During October, 1955	70 980§
	1st Sept., 55 to 31st Oct., 1956	201 251
	1st Sept. '54 to 31st Oct., 1954	47,563
Karachi (Pakistan)—		
Receipts	1st Sept. to 29th Dec., 1955,	615 265
	Corresponding period, 1954	569,809
Exports	1st Sept. to 29th Dec., 1955,	282 905
	Corresponding period, 1954	178 296

Particulars	From 1st Sept. 1955 to 9th Jan., 1956 Bales	From 1st Sept. 1954 to 9th Jan., 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom	29,488	5,473
Continent	60,743	12,744
Hongkong	26,554	..
China	34,851	1,128
Japan	141 748	31,448
U.S.A.	2 395	6,210
Other Countries	2,135	440
Total to all foreign countries	296 604	57 443
Coastal Ports	52 510	30 700
	Period	Quantity (Bale of 400 lbs.)
Consumption of Cotton— Indian	September, 1955	382 979
Foreign		45 174
Indian	Twelve months ended Aug., '55	4,138 438
Foreign		630,474
Indian	Same Period 1954	3,886,748
Foreign		719,073
Stocks (Mills and Elsewhere)— Indian	As on 30th Sept., 1955	1,278 133
Foreign		172 3 0
Indian	As on 30th Sept., 1954	9 0 0 6
Foreign		169 213
Cotton Pressed in India (in running bales)	Week ended 30th Dec., 1955	57,447
	Corresponding week 1954	131,798
	1st Sept. to 30th Dec., 1955,	589 125
	Corresponding period 1954	1,40 971

† Incomplete. N.A. Not Available. (a) Adjusted. ‡ Excluding Zoda and Yellow Pickings etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-38	63,30,26 000	1960-70	101¾
3 % Loan	1938 39	1,16,17,46,000	1963-65	94¼
3 % Loan	1950	30,33,10 000	1964	94
2½ % Fg. Loan	1943	1,10,11,78 000	1966-68	91¼
2½ % V. Loan	1944	1,14 06,99 000	1967	89¾
3 % Loan	1945	1,15,05,83 000	1970-75	87¾
2½ % 2nd V. Loan	1945	1,13,85 64,000	1959-61	98½
2½ % Loan	1951	50,35,63 000	1958	99¼
2½ % Loan	1946	45 58,07,000	1960	96
2½ % Loan	1946	57,00 69 000	1961	93
2½ % Loan	1946	14,77,48,000	1976	82½
3½ % Loan	1947	75,86,72,000	1962	93½
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99½
3½ % N.P. Loan	1954	157 35,41,000	1964	97½
3½ % N P. Bonds (2nd Series)	1955	100,00,00,000	1965	96½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,26,000	At option of Government after three months' notice. On repayment, 1986 or later at option of Government after three months' notice.	80 / 80½
3 % Loan	1946	245,91,66,000		
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,20,000	1958-68***£	108¾
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
3½ % Bombay	1943	2,99,45,000	14th Sept. 1956	99
3½ % Bombay	1944	4,96 66,000	15th Aug. 1958	98¼
3½ % Bombay	1949	5,63 12,000	1st Aug. 1962	94
3½ % Bombay	1950	2,92,80,000	31st July 1960	96
3½ % Bombay	1951	3,97,96,900	17th Sept. 1962	98½
4 % Bombay	1953	5,80,85,000	15th July 1963	101
4 % Bombay	1953	3,81,31,700	1st Aug. 1964	101
4 % Bombay	1955	9,00 00,000	1st Sept. 1967	100
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99
5 % Cochin	1943	1,00,00,000	16th Dec. 1955-58	98½
3½ % Cochin	1936	70,09,000	1st June 1956-61	99½
4 % Hyderabad (New)	1936-37	1,95,96 700	1956-66	98½
4 % Hyderabad	1955	2,00,00 000	1st Sept. 1967	99
3½ % Madras	1939	2,23,95 800	21st June 1959	96
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98
3 % Madras	1946	2,74,44 300	14th Sept. 1960	96
2½ % Madras	1946	8,81,77,200	1st Sept. 1961	92½
3 % Madras	1950	4,38,25,400	31st July 1961	95½
3½ % Madras	1951	3,01 49 300	17th Sept. 1962	97½
4 % Madras	1953	10 33 83 000	15th July 1963	100½
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99½
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1958-63	101
4 % Mysore(f)	1938	5 99 72,900	30th Apr. 1956-61	99½
3½ % Mysore	1947	5,08 05,700	15th Jan. 1956	99½
4 % Mysore	1953	3 33,47 000	15th July 1963	100½
4 % Mysore	1955	3,25,00 000	1st Sept. 1967	99½
3 % M.P.	1943	50,54 700	14th Sept. 1956	99½
3 % M.P.	1944	52 84 800	15th Aug. 1958	98½
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	93
3 % M.P.	1950	1,01 44 700	31st July 1960	94½
3½ % M.P.	1951	1,02 18 100	17th Sept. 1962	98½
4 % M.P.	1953	1,02,18 100	15th July 1963	100½
4 % M.P.	1955	1,50,00 000	1st Sept. 1967	99½
3 % Punjab	1938-44	2 49,87 200	15th Aug. 1958	98½
3 % Punjab	1943	2 46,78,300	14th Sept. 1956	99
3 % Punjab	1945	2,95,81 600	14th Sept. 1960	97½
3 % Saurashtra	1955	3,25 00 000	1st Sept. 1967	99½
3½ % Travancore	1938	50 00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	3 25,60 000	15th July 1963	100-¼
3 % U.P.	1936	1,57,42 600	15th Sept. 1961-66	94½
3 % U.P.	1944	2,02 24 300	15th Aug. 1958	98½
3 % U.P.	1945	2 17,49 700	14th Sept. 1960	96½
2½ % U.P.	1946	2,20 93,800	1st Sept. 1961	92½
3 % U.P.	1951	1 94,11 700	17th Sept. 1962	98½
4 % U.P.	1952	3 11 45 200	1st Aug. 1964	100½
4 % U.P.	1953	3 55 15 500	15th July 1963	100½
4 % U.P.	1955	3 50 00 000	1st Sept. 1967	99½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 35,50,000	4	1904	1964	Rs.
35,00 000	4	1905	1965	
15 00,000	4	1906	1967	
44 00,000	4	1907	1968	
75,00,000	4	1908	1968	100N
40,00 000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14 35,876	4	1913*	1960	D
80,00,000	4	1915	1974	100¼N
88 25,000	4	1915	1975	100N
10 00 000	4	1915*	1960	
25,00,000	4	1915*	1975	
61,01 000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00 000	3½	1929*	1959	
12,50,000	3½	1930*	1960	DN
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04 000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,24,800	4	1914	1974	Rs. 99
76,90,100	4	1915	1975	99
1,50,00,000C	3½†	1921	1941	82
25 02,800C	3½	1921	1951	144N
98,21,800	5½	1926	1956-86	107½
99,84,500B	5	1926	1956-86	101¾
1,49 49,500B	5	1927	1957-87	102¾
1,49,50,000	5	1928	1958-88	103
80,00,000	4½	1931	1961	95
80 00 000	3½	1935	1965	97½
25 00,000	3	1938	1963-68	90
50,00,000	3	1938	1968	91
50,00,000	3	1939	1969	90
50,00,000	3	1940	1970	89
50,00,000C	3	1940	1940	82
1 00,00,000	3	1940	1960	88½
1,00 00,000	3	1940	1960	85½
50 00,000	3	1951	1961	81
1,50,00,000	3½	1951	1961	98½
50,00,000	4	1953	1963	100
50 00,000	4	1953	1968	99½
80,00,000	4	1955	1985	97½
STERLING LOANS				
£892 600	5	1923	1953-83	£87½
£901,000	5	1924	1954-84	£87½
£835,100	5½	1932	1962	£96
MADRAS				
Rs. 31,47,100	3½	1947	1977	Rs.
9,88,000	3	1947	1977	A
3,00 000	3	1949	1979	
45 00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	99½N
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
30,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	97½N
50,00,000	4	1914	1974	
40,00,000	4	1916	1976	
40,90,000	5	1919	1957-79	113¾
66,00,000	6	1920	1958-80	
25,00,000	5	1926	1956-86	115N
25,00,000	4	1927	1941-70	98¾
10,00,000	3	1936	1956	
STERLING LOANS				
£566,600		1909	1959	£95½
£333,000		1910	1970	£95½
Rs.	**CALCUTTA**			Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1924	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1962	91
20,00,000	3	1938	1963-68	90
80,00 000	4	1951	1962	99½

MUNICIPAL LOANS

Rs.	BOMBAY.			Rs.
20,50,000	4	1913-15	1974	100
10,00,000	5	1920	1980	113¾
25,00,000	5	1928	1958	105
8,45,500	5	1929	1954-59	104
36,50,000	3½	1939	1959	105¼
25,00,000	3½	1947	1977	98½
2,50,00,000	3½	1949	1979	98
2,50,00,000	3½	1950	1965	92½
2,50,00,000	4	1952	1964	101¾
2,00,00,000	3½	1951	1966	97½
1,50 00 000	4	1953	1963	100¼
1,00,00,000†	4	1953	1968	100½
1,00,00,000†	4	1954	1966	100½
2,50,00,000	4	1955	1967	99½
Rs.	**CALCUTTA**			Rs.
38,00,000	5	1924	1958	103
25 00 000	5	1929	1957	102½
25 00,000	5	1929	1954	102½
10,00,000	5½	1932	1962	104
33,91 000	3½	1935	1965	94
60 00,000	3	1936	1966	90
47 50 000	3	1938	1968	90
104 87 700	3	1938	1955	99½
15,56 800	4	1939	1956	99
15,56,800	4	1939	1956	99
15,56 800	4	1940	1957	98½
17,78,400	3½	1942	1959	98
21,10 000	3½	1942	1973	92
15,49 000	3½	1951	1960	97
16,33 000	3½	1951	1961	97½
66,88,000	3½	1951	1966	97½
87,36,000	4	1952	1962	99½
72,50,000	4½	1954	1979	100
Rs.	**MADRAS**			Rs.
15,00,000	3½	1951	1961	107¾
15,00,000	3½	1952	1963	107¼

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1 75,00,000	17th Sept. 1961	94½
4 % W. Bengal	1952	2,00,00 000	1st Aug. 1964	100½
4 % W. Bengal	1953	2 80 23 000	15th July 1963	100½
4 % W. Bengal	1955	2 50 00 000	1st Sept. 1967	99½

ABBREVIATIONS

A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(*f*) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
† Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June 1944.
‡ Rate of Interest reduced from 6½ to 6 per cent. with effect from 1st April, 1955. ‡—Interest free to first 15 years. §—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	£15,00,000	1901	6½	Mar. Sept.	£132	£100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept	[105	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	14	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	6½od	5
¶East India Distilleries	£200,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	17	10
Ramnagger Cane	4,00,000	1933-36	6	Aug. ..	105	100
Ravalgaon Sugar	20 00,000	1943	5½	Oct. Apr.	75N	100
Sonajhi Behar Sugar	5,00,000	1936	7(a)	Oct.	20N	100
Travancore	14,99,135	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1933	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	113	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	£2,99,800	1901-19	7	Apr. Oct.	122xd	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	9½xd	10
Equitable	5,00,000	1905	5½(a)	Mar. Sept.	119	100½
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	70	75(pp)
††Khas Kajora	1,93 000	1931	5	Mar. Sept.	53	10
New Beerbhoom	3,00,000	1920	7	Jan. July	13½	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	100	100
Bangalore	5,00,000	1884	6	Jan. July	128	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Benares Cotton	1,05,200	1919	7	July Jan.	15N	100
Bengal-Nagpur	3,00,000	1895	7	Apr. Oct.	119	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	185	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	70	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,50,000	1920	7½	Jan. July	144	100
Cambodias	1,00,000	1928	7	Apr. ..	126	100
Central India	50,00,000	1913	5	Apr. Oct.	485	100
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	111½	100
Elgin	11,00,000	1913	8	May Nov.	144	100
Do. 'B' Pref.	4,20,000	1948	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	87½	100
Escorain	20,00,000	1919	7	June Dec.	134	100
Khatau Makanji (2nd)	29,92,500	1947	4	Nov. ..	84	100
Kothari	12,00,000	1937	6	Nov. ..	9-12½xd	10
Lakshmi Cotton (Bombay)	15,00,000	1896	5(a)	.. ..	206‡	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January	86‡	100
Muir Mill	80,00,000	1900	6	Jan. July	88¾	100
Mysore Spg.	7,45,050	1944	4½	.. ..	80‡	50
National Rayon	1,74,84,700	1947	5(a)	.. ..	87‡	100
New Great	8,00,000	1913	5½(a)	Mar. ..	183‡	100
New Victoria	25,05,500	1920	6	Apr. Oct.	32	100
Podar Mills	10,00 000	1943	4	Feb. ..	77	100
Rajalakshmi	2,00,000	1933	6½	Apr. ..	54‡	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	..	100
Sholapoor	22,00,000	1943	5(a)	.. ..	78‡	100
Swadeshi	15,00,000	1935	5	Apr. Oct.	110	100
Swadeshi (Kanpur)	25,00,000	1937	6	June ..	93	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	114	100
Do. (2nd)	1,50,000	1938	6	.. ..	104	100

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	76,28,421	43,05,372	—1,17,209	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2–15½	2	0 4(o)	0 4 (e)	0 2(e)		12	Y.
40,00,000	24,00,000	1,34,85,581	72,25,655	—5,76,311	B. K. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	45	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
2,50,98,000	3,39,99,019	4,25,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd.	2,23,552	4,885	Bombay Dyeing & Mfg.	555	250	20 0	22 8*	20 0	7 81	12	Y.
10,00,000	27,86,559	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	42,008	860	Bradbury Mills	180	50	100 0	100 0	75 0		12	Y.P.
1,09,42,800	2,27,54,197	2,83,17,250	1,85,13,250	31,32,683	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg.	479	100	20 0	22 0	22 0	8 01	12	Y.
49,00,000	15,44,690	1,16,09,462	65,52,089	—33,25,720	V. J. Pilani (Chairman and Managing Director)											
26,00,000	11,38,470	81,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	40,668	798	Colaba Land & Mill	85	100	*Nil*	*Nil*	*Nil*		12	Y.
16,00,000	27,17,861	63,47,587	52,46,041	47,117	Ramnarain Sons, Ltd.	30,130	680	Coorla Spg. & Wvg.	132½	100	7 8	7 8	7 8	7 8	3	Y.
24,00,000	27,75,000	78,60,731	64,78,724	80,168	Puranmal Radhakishan & Co.	50,296	928	Dawn Mills	91	50	6 0	6 0	6 0		12	Y.
50,00,000	11,93,292	1,10,92,541	75,74,225	82,796	M.	43,376	886	Edward Textiles	317½	200	15 0	15 0	15 0		12	Y.
50,00,000	64,31,875	1,05,11,445	71,58,296	3,90,561	James Finlay & Co., Ltd.	46,072	784	Elphinstone Spg. & Wvg.	514	50	2 0	*Nil*	3 8	2 81	12	Y.P.
11,34,000	76,64,589	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co.	49,672	1,126	Finlay Mills	338	100	20 0	16 0	16 0		12	Y.
16,00,000								Hindoostan Spg. & Wvg. Mills	4,800	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
2,00,00,000									1,092½	250	50 0	56 4*	56 4	75 0		
50,00,000D	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,030	6,278	India United Mills	13	0 100	*Nil*	0 10	*Nil*	0 101	12	Y.
8,85,000									2–3½	0 1D.	*Nil*	0 1	*Nil*	0 11		
25,000	74,24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	4,845	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
59,85,000	40,58,451	2,37,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd.	84,604	1,513	Khatau Makanji Spg. & Wvg.	226½	500	100 0	112 8*	112 8	150 0	6	Y.P.
1,00,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,185	Kohinoor Mills	1,20,504	1,846	Kohinoor Mills	337½	100	10 0	10 0	8 0	10 0	6	Y.
28,80,000A									18	100	18 0	18 0	18 0	6 01	12	
3,60,000B	64,00,782	4,36,587	88,878	6,03,536	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	115	100A	6 4	6 4			6	Y.P.
										20B	1 4	1 4				
22,13,050	89,74,916	1,14,37,317	54,72,963	16,412	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	80N	100	5 0	5 0	5 0		10	Y.T.
51,75,000	32,62,000	1,04,11,184	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	230	100	12 0	12 0	14 0		6	Y.T.
1,57,71,430	61,70,518	5,74,05,779	1,55,00,000	5,78,078	Chinai & Co., Ltd.			National Rayon Corporation	235½	100	*Nil*	9 0	10 0		12	Y.P.
24,00,000	25,60,685	74,52,403	46,04,758	27,546	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	170	100	10 0	10 0	10 0		12	Y.
30,00,000	15,47,407	89,32,830	61,42,740	12,517	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	191	100	10 0	10 0	10 0		12	Y.P.
12,70,100	36,36,004	42,69,552	13,76,580	423	Mafatlal Chandulal & Co., (Bombay), Ltd.	34,100	873	New Union Mills	37	10	1 4				12	Y.
48,00,000	36,62,278	1,49,08,112	99,59,811	1,26,364	Ramnarain Sons, Ltd.	66,324	1,190	Phoenix Mills	141½	100	8 0	8 0	8 0		12	Y.
40,00,000	45,88,014	81,99,255	23,00,000	3,18,562	Podar Sons, Ltd.	32,600	930	Podar Mills	177½	100	10 0	10 0	10 0	5 01	12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,340	—1,72,154	David Sassoon & Co., Ltd.	9,220	277	Sassoon & Alliance Silk Mill	20	10	1 4	0 12	0 8		12	Y.P.
25,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	42½	10	1 4	1 4			12	Y.
50,00,000	1,23,00,961	91,25,908	50,71,254	1,53,652	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	217½	100	12 8	14 0	14 0		12	Y.P.
42,00,000	35,75,550	68,85,962	71,00,000	15,698	Forbes, Forbes Campbell & Co. Ltd.											
56 00,000	1,22,33,867	1,85,05,831	1,10,65,485	17,128	Mafatlal Gagalbhai & Sons	35,180	1,276	Simplex Mills	194	50	15 0(p)	15 0	11 0	10 0	3	Y.
1,00,00,000	52,25,342	1,92,38,957	1,02,23,292	45,799	Tata Industries Ltd.	57,288	1,633	Standard Mills	417½	100	20 0	20 0	20 0		12	Y.P.
36,00,000	62,78,465	1,17,42,921	70,22,715	3,59,764	James Finlay & Co., Ltd.	70,764	2,000	Svadeshi Mills	219½	100	16 0	16 0	8 0		12	Y.P.
32,57,488	49,96,689	1,59,55,305	48,92,129	11,417	Tata Industries Ltd.	38,823	552	Swan Mills	432½	100	30 0	20 0	20 0		12	Y.
12,00,000	62,55,709	1,15,36,436	81,90,000	2,816	Thackersey Mooljee Son & Co.	62,096	1,800	Tata Mills	52½	25	1 0	1 8	2 8		12	Y.P.
						54,424	1,181	Western India Spg. & Mfg.	5,000	1,000	200 0*	225 0*	225 0	300 0	3	Y.
AHMEDABAD																
33,00,000	31,11,650	1,36,23,272	60,47,202	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	156½	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	90,58,638	89,83,424	65,39,067	7,878	P. M. Hutheesing & Sons, Ltd.	42,763	912	Arvind Mills	620	100	20 0*	20 0*			12	Y.P.
26,25,000	2,40,17,401	1,48,07,666	1,03,05,000	46,584	Narottam Lalbhai & Co.	66,792	1,216	Arvind Mills	1,415	100	25 0	25 0	25 0		12	Y.P.
20,00,000	38,48,340	79,44,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd.	35,884	884	Aryodaya Ginning & Mfg.	422½	200	15 0	15 0			12	Y.P.
1,00,00,000	1,06,38,913	92,14,168	90,70,738	55,358	Lalbhai Chaturbhai & Co.	37,366	914	Asoka Mills	700	100	22 0	22 0*	22 0		12	Y.P.
1,24,79,011	1,11,66,203	4,24,85,718	3,07,53,844	16,00,756	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	456	125	18 0	18 0	18 0		12	Y.P.
62,48,000	28,04,000	1,10,69,083	79,50,000	1,96,242	Tricunlal Bhoulal & Co., Ltd.	45,836	867	New Commercial Mills	1,300	1,000	70 0	70 0	70 0		12	Y.P.
99,00,000	66,61,702	1,14,98,185	91,35,306	6,867	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	816	125	35 0	35 0	35 0		12	Y.
5,00,000	61,15,982	46,72,745	31,76,001	700	Jagabhai Bhoglal Nanavaty & Co., Ltd.											
12 50,000	1,09,22,589	79,71,738	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	400	100	30 0*	30 0*			12	Y.P.
12 00,000	13,98,067	74,95,069	39,67,450	—3,90,510	Mangaldas Girdhardas Parekh Ltd.	51,120	634	Raipur Mfg.	1,325	100	25 0	17 8			12	Y.P.
32,50,000	16,74,825	84,33,940	52,67,803	4,020	Lallubhai Gordhandas Ltd.	47,320	1,045	Rajnagar Spg., Wvg. & Mfg.	302½	250	*Nil*				12	Y.P.
28,98,150	1,90,84,538	1,60,18,812	1,34,25,000	2,52,570	Harivallabhdas Kalidas & Co.	53,156	648	Rohit Mills	302½	100	9 0	9 0			12	Y.P.
19,52,600	59,00,194	76,08,018	63,08,000	6,434	Mafatlal Chandulal & Co., (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	470	100	20 0	20 0	25 0*		12	Y.
28,00,000	26,96,488	1,03,76,340	68,25,291	32,764	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	605	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,32,800	24,23,069	21,01,810	1,03,030	Calcutta Agency, Ltd.	13,044	358	Basanti Cotton Mills	5	10	*Nil*	0 4	0 8		12	Y.P.T.
7,11,280	5,40,775	43,42,381	25,67,597	98,783	Benzal Textile Agency, Ltd.	32,352	936	Benzal Laxmi Cotton Mills	40xd N	40	3 0	*Nil*	4 0	4 0	3	Y.
6,00,000	22,71,793	31,43,222	31,52,000	—24,31,401	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	365	100	*Nil*	*Nil*	*Nil*	*Nil*†	6 12	H.
19,00,000	23,17,571	1,01,41,959	58,83,000	—7,06,925	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	305	100	*Nil*		*Nil*	*Nil*†	6 12	H.
1,80,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd.	70,040	1,990	Kesoram Cotton Mills	18½	10	1 12	1 12	0 14		3	Y.P.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 4				12	Y.P.
33,96,288										10	0 8					
19,47,7500	5,75,000	41,29,452	21,61,462	26,931	Hazaresmull Heeralall	23,196	795	Rampooria Cotton Mills	114 N	10	0 8	0 8	0 10		6	Y.
5,00,000D									3/4 N	1D	*Nil*	*Nil*	*Nil*			
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,09,109	59,21,613	21,08,246	2,736	Ramia & Co., Ltd.	55,000	..	Alagappa Textiles (Cochin) Ltd	8	10						
0.5 71,94,400	44,93,307	2,10,91,206	50,50,013	.....	Industrial Trust Fund	86,136	750	Azam Jahi Mills	91	100	6 0	6 0	*Nil*		12	Y.P.T.
40,50,000	1,91,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd.	40,068	1,185	Bannalore Woollen, Cotton and Silk Mills							9	Y.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M	29,936	782	Bengal-Nagpur Cotton Mills	575	100	15 0	25 0	30 0	10 01	12	Y.P.
1,15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	39,896	908	Birla Cotton Spg. & Wvg., Delhi	11½	10	0 0	0 4	*Nil*	*Nil*	6 12	H.P.T
1,78,47,500	1,54,69,697	4,50,39,308	1,14,94,433	2,59,005	Binny & Co. (Madras), Ltd.	1,19,916	2,781	Buckingham & Carnatic	95	10	3 0	3 0	3 0		3	Y.
20,00,000	20,00,406	94,17,820	19,76,684	8,55,087	Peirce, Leslie & Co., Ltd.	37,536	4	Cambodia Mills	175	100	4 0	10 0	10 0	4 01	12	Y.P.T
15,00,000	4,51,500	44,03,466	21,80,176	44,557	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	13½	10	1 0	1 0	*Nil*		12	Y.P.
30,00,000	25,93,976	58,07,118	50,34,815	29,514	Begg, Sutherland & Co., Ltd.	28,796	591	Cannanore Textiles	147	100	12 0	12 0	20 0	12 0	3	Y.
12,00,000	10,63,000	30,95,973	24,65,699	4,814	K. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	9½	5	0 9	0 9	0 8	*Nil*	3	Y.
20,00,000	14,20,000	36,95,613	21,28,500	14,053	T. R. N. Naidu & Co.	23,732	..	Coimbatore Pioneer Mills	100	100	0 0	0 0	25 0		12	Y.
20,76,900	4,19,814	1,15,51,599	82,06,019	16,884	R. G. S. Naidu & Co.	72,188	407	Coimbatore Spg. & Wvg.	84	100	6 0	6 0	25 0		6	Y.
45,87,500	52,82,449	2,48,18,409	1,58,09,833	3,703	Tata Industries, Ltd.	1,15,188	2,062	Central India	153	50	*Nil*	*Nil*	3 0	6 0	6	
9,85,86,225	2,55,00,000	9,09,78,765	5,08,00,000	82,759	B. R. Charat Ram & Co., Ltd.	1,16,636	2,355	Delhi Cloth & General Mills	25	100	5 0	5 0	3 0	3 0	6	Y.P.
1,00,568									2½	1	0 2 4/5	0 2 4/5	0 3 3/5	0 3 3/5		
24,34,800	24,72,758	47,34,037	23,82,512	9,24	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	36½	100	2 0	4 0	2 4		6	Y.P.I
63,00,000	66,33,360	1,52,19,382	1,20,71,631	93,338	Begg, Sutherland & Co., Ltd.	36,324	1,198	Elgin Mills	365	100	20 0	20 0	30 0		12	Y.
48,51,000	33,91,175	88,91,779	65,24,070	37,189	Forbes, Forbes Campbell & Co., Ltd.	72,904	3	Hukak Mills	203	100	15 0	15 0	15 0		12	Y.
50,00,000	3,09,654	1,29,85,712	1,03,03,420	6,150	Govindram Seksaria, (Indore)	51,180	1,420	Indore Malwa United	225½	100	17 0*	17 0	12 0	1 0	9	Y.
8,00,000	10,65,683	30,91,189	16,77,748	—80,124	G. V. Naidu & Co., Ltd.	23,784	..	Janardana Mills	145	100	6 0	6 0	6 0	3 01	12	Y.
24,00,000	10,25,000	78,80,588	29,39,000	43,000	Kothari & Sons	49,050	800	Kothari Textiles	90	50	8 12	6 8	5 0		12	Y.
82,00,000	69,32,519	1,42,23,744	1,05,78,587	19,080	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	17½	10	0 12	0 8	0 8	1 0	6	Y.P.
35,84,100	66,55,960	1,11,86,880	75,29,838	74,376	G. K. Naidu & Co.	76,960	200	Lakshmi Mills	653½	250	87 8	87 8	33 12	12 81	12	Y.P.
17,82,050									198	50	5 0	5 0	10 0	12 8		
1,75,02,480	4,18,81,878	5,66,33,243	3,44,90,463	9,66,800	A. & F. Harvey Ltd.	4,63,852	..	Madura Mills	93	25	2 8	2 8	2 8	5 0	3	Y.
12,00,000	4,17,365	27,72,881	16,02,069	1,14,098	A. L. A. R. S. Chettiar and Sothers	22,592	100	Malabar Spg. & Wvg.	51	15	3 0	3 0	3 0		12	Y.
60,00,000	69,00,000	62,41,446	41,60,285	1,43,408	W. A. Beardsell & Co., Ltd.	25,656	603	Mettur Industries Ltd.	111	200	8 0	8 0			12	Y.
29,59,700	19,47,903	84,15,677	46,82,134	8,399	N. Sirur & Co., Ltd.	39,240	704	Minerva Mills	397	100	12 8	12 8	22 8*	35 0	3	Y.
94,91,650	27,24,404	1,01,29,118	78,81,528	—7,44,932	Bansilal Abirchand Dadabhoy & Co.	51,340	955	Model Mills (Nagpur)	90	100	5 0	5 0	5 0(e)		12	Y.
30,00,000	52,19,600	1,58,39,272	1,05,91,651	—7,77,590	Indian Textile Syndicate Ltd.	58,640	1,884	Muir Mills	153½	250	7 8	7 8*	5 0(e)		3	Y.
21,52,500	50,34,547	99,04,000	63,99,923	23,705	N. Sirur & Co., Ltd.	49,482	500	Mysore Spg. & Mfg.	118N	100					12	Y.P.
18,61,780	3,58,745	29,42,992	15,27,000	3,986	K. Suryanarayana Rao, Resi. Manager	6,000	..	Mysore Spun Silk Mills	103½	10	10 0*	10 0*	8 8*	6 0(e)	3	Y.
82,89,882D	25,62,532	1,02,16,296	58,90,719	—89,62,329	J. P. Srivastava & Sons, Ltd.	49,676	1,198	New Victoria Mills	10	*Nil*	*Nil*	*Nil*	*Nil*		3	Y.
5,07,095D									4½	2½						
57,14,800	57,72,270	1,88,64,562	62,58,093	.....	Industrial Trust Fund	87,788	847	Osmanshahi Mills	0. 2½	*Nil*	*Nil*	*Nil*			12	Y.P.
4,00,000A	7,50,000	35,04,758	21,95,715	9,122	Bhaghrajkakshmi & Co.	29,924	..	Palani Andavar Mills	D. 1	*Nil*	*Nil*	*Nil*			3	Y.
6,00,000B									100	7 0	7 0	7 0	*Nil*			
15,00,000	2,25,000	34,59,511	16,41,045	—18,87,240	C. S. R. Mudaliar & Sons	30,706	..	Pankaja Mills Ltd.	170	50A	7 8	12 0	12 0		12	Y.P.
16,81,200A	20,00,000	78,90,455	41,41,878	28,607	A. G Gurusamy Naidu & Co.	54,864	301	Radhakrishna Mills	250	75B	11 4	18 0	18 0		12	Y.
5,49,200B									70	*Nil*	*Nil*	*Nil*			3	Y.
15,00,000	32,25,000	25,50,958	16 48,985	24,422	B. R. Naidu & Sons	25,896	..	Rajalakshmi Mills	272	100A	6 0	6 0	16 0		12	Y.
22 23,875	12,10,000	3a 91,595	14,22,264	22,505	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	135½	50B	3 0	4 0	8 0			
60,00,000	62,56,508	98,29,587	35,63,291	—19,59,428	J. P. Srivastava & Sons (Rampur)	33,984	600	Raza Textiles	172	50	*Nil*	*Nil*			12	Y.P.
16,00,000	1,50,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	86,048	2,234	Sholapoor Spg. & Wvg.	137	10	6 0	6 0	9 0		12	Y.
									7½ N	10	*Nil*	*Nil*			12	Y.P.
26,69,700	16,63,628	71,75,918	51,85,889	27,871	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	2,000	1,000	*Nil*	*N*	*Ni*		3	Y.P.
25,14,800	2,00,246	25,18,998	17,73,009	—2,46,777	Gopaldas Bhadhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	600	500						
16,00,000	2,49,73,985	87,38,169	62,02,085	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills	80½	50	4 0*	4 0*	4 8	5	3	Y.
									100	10	*Nil*	*Nil*	4 0		3	Y.
17,50,000 O	2,25,00,000	4,26,43,014	1,62,17,868	5,89,690	Jaipuria Brothers	1,14,836	2,077	Swadeshi Cotton (Kanpur)	125N	10	4 0	4 0	5 0		3	Y.
1,57,50,000PO									10 O.	10	*Nil*	0 8	0 12			
99,84,040	16,00,000	2,75,11,806	1,00,23,764	1,23,122	Emcete & Sons (Travancore), Ltd.				10½	10P.O.	*Nil*	0 14 2/5	1-2 2/5		12	Y.P.
13,98 670	8,79,479	13,36,297	10,45,168	8,321	Mooljee Ramjee & Sons	16,256	..	Travancore Rayons	15½	10	*Nil*	0 8	0 10		12	Y.P.T
21,00,000	32,00,000	56,92,295	36,41,499	30,500	K. S. Chetty & Brothers	23,704	270	Trichinopoly Mills	17½	10	0 11 1/5	0 11 1/5	0 14 2/5		12	Y.
32,00,000	31,99,443	1,38,35,036	1,00,33,290	22,250	Bombay Co., Ltd.	54,280	1,495	Vasanta Mills	260	100	12 0	12 0	16 0		12	Y.P.
								Vishnu Cotton	181½	100	10 0	4 0	4 0	2 81	12	Y.P

*Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

g) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend at Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,19,30,170	54,33,974	1,12,338	Parry & Co., Ltd.	Deccan Sugar & Abkhari	93	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,20,630	17,21,569	24,69,631	12,75,708	13,708	Mr. K. G. Khanna	Dyer Meakin Breweries	9½	5	0 8	0 8	0 8		5	Y.
£80,000A	£897,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	2½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh 9 3/5	9	Y.P.
£300,000B							2½	B. £1	Sh. 3	Sh. 3	Sh. 4	Sh. 5 4/5		
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman)	United Breweries	190	75	15 0	15 0	15 0		3	Y
CEMENT														
11,37,700A	10,85,516	79,90,234	39,32,658	26,623	Andhra Engineering Co., Ltd.	Andhra Cement Co.	16	A. 100	7 8	10 0*	10 0		12	Y.P.T.
39,79,020B							16	B. 10	0 12	1 0*	1 0			
43,14,6000	13,13,132	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	7½	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.
4,70,9761							1½	D. 1						
12,71,66,203	5,49,49,018	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	213½	100	9 8	9 8	8 8	10 0	7	Y.
60,00,0000							14½	O. 10	0 10	1 0	1 0			
26,50,0000.	48,20,901	89,92,667	29,67,544	2,86,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	8⅜	O. 2½	0 2½	0 4	0 4		12	Y.P.T.
5,00,0000.							3½	D. 1	*Nil*	0 1-3/5	0-1 3/5			
61,91,6390.	34,60,000	1,46,64,600	47,05,770	3,31,546	Esso Ltd.	India Cements Ltd.	34½d	O. 25	1 4	*Nil*	1 4	1 14	8	Y.P.
7,50,0000.							7½d	D. 5	0 4	*Nil*	0 4	0 6		
59,85,375	23,50,000	1,88,78,057	68,96,459	2,77,144	Shree Laxmi Agents Ltd.	Sonvalley Portland Cement	174	100	6 0	6 0	8 8		12	Y.P.
75,00,000	20,95,000	1,85,36,123	1,41,34,359	88,454	Martin Burn Ltd.	Travancore Cements Ltd.	9½	5	0 6	0 6	0 8		12	Y.
50,00,000	.....	1,04,00,351	34,33,980	2,75,454	Ess

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	35,61,841	2,00,40,004	1,45,07,804	1,73,122	Balmer Lawrie & Co.	Bengal Paper Mills	118	25	1 9	*Nil*	1 9	2 8‡	6,12	H.P.
									5 0	6 0	7 0			
30,00,000	23,44,805	1,10,02,828	74,22,575	2,10,695	Andrew Yule & Co., Ltd.	India Paper Pulp	24½	10	5 0	6 0	7 0	0 11 1/5‡	3,9	H.
25,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B.P. Ramakrishnan Esq. (Gen. Manager	Mysore Paper Mills	15½	10	1 0*	1 0*	0 12*		3	Y.
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,582	Birla Bros.	Orient Paper	34½	10	1 0	1 0	0 7		3,9	H.P.
									1 0	1 0	0 8			
50,06,290	98,16,849	1,28,42,714	75,84,970	3,23,451	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	19½	10	0 12	0 12	0 12‡		6,12	H.P.
									0 12	0 12				
20,00,000 } 10,00,000A. }	6,52,594	53,19,789	29,44,824	6,088	Baloria & Co.	Star Paper Mills	13XR	O. 10	0 8	0 12	0 8		3,9	H.P.
							13XR	A. 10	0 8	0 12	0 8			
56,00,000A. } 56,04,800B. } 4,97,500P.O. }	3,07,07,316	5,39,14,072	2,13,50,222	89,160	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	46¼	A. 10	1 0	1 0*	0 12	1 0*‡	3,9	H.P.
									1 0	1 0*	0 12			
							46¼	B. 10	1 0	1 0*	0 12	1 0*‡		
									1 0	1 0*	0 12			
							4½	P.O. 2½	0 2	0 2	0 2	0 2‡		
									0 2	0 2	0 2			
PRESSING														
4,00,000	6,12,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	8 0	4 0	*Nil*	9	Y.
4,80,000	1,00,000	6,89,526	4,78,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	7 0	4 0	3 0	4	Y.
5,00,000	1,95,000	10,91,811	9,80,877	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	6	Y.
PROPERTY AND LAND														
10,00,780O. } 2,00,000D. }	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq. & others (Directors)	Humayun Properties	13½	O. 10	0 8	0 11½	0 9 2/5		9	Y.P.
							2½	D. 1	*Nil*	4/5	*Nil*			
80,01,000	18,90,088	84,21,836	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	15½	100	1 0	1 8	1 8		4	Y.
94,00,000	56,71,574	96,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	86	100	2 0	1 8	4 0	3 0	4	Y.P.
SAW MILLS AND TIMBER														
18,99,998	25,23,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	6½		2 0	4 0	*Nil*		9	Y.
50,00,000 } 42,00,000 } 6,00,000	4,13,57,280	3,35,90,682	1,47,61,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	585	Old125	22 8	15 0	20 0	37-8‡	5	Y.
							208	New50	9 0	6 0	8 0	15-0	6	Y.P.
		7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	14X	100	*Nil*	8	*Nil*		9	Y.
20,00,000	18,15,487	18,19,049	15,58,015	1,70,568	Gillander Arbuthnot & Co., Ltd	Indian Wood Products	44½	10	2 8	3 12	1 0		6	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,923	20,880	Begg, Sutherland & Co., Ltd.	Bairampur Sugar	9½	5	*Nil*	*Nil*	0 12	0 1	6	Y.
12,00,000A. } 5,00,000B. }	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros & Co., Ltd.	Basti Sugar	160cdN	A. 100	10 0	10 0	10 0		4	Y.
							14N	B. 10	1 0	1 0	1 0			
19,49,050	5,50,000	31,91,667	22,38,812	49,906	Ramnur Bros., Ltd.	Belsund Sugar	11	7½	0 12	0 12	0 12		9	Y.
15,00,000	13,56,319	45,47,836	11,37,841	28,084	Cotton Agents Ltd.	Bharat Sugar	18XdN	10	1 8	1 8	1 8		6	Y.P.
32,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gordstone Lyall & Co., Ltd.	Carew & Co.	11‡	10	*Nil*	*Nil*	0 12		6	Y.P.
15,00,000	53,02,981	1,00,12,353	81 32,451	59,696	Begg, Sutherland & Co. Ltd.	Cawnpore Sugar	25½	10	2 0	2 0	0 12		10	Y.P.
15,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd.	Champarun Sugar	34½	10	2 0	1 0	1 0		8	Y.
5,99,452	6,18,562	24,58,580	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	94½	10	1 8	2 0	0 12	1 8	8	Y.P.
86,00,000A. } 10,00,000O. }	33,25,000	69,95,552	45,50,000	1,06,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	260N	'A' 100	12 0*	15 0*			6	Y.P.
								O. 100	12 0*	15 0*				
18,00,000	8,62,508	73,26,508	36,33,242	29,748	Khaitand Devchand & Co.	Kesar Sugar	70N	80	*Nil*	*Nil*			7	Y.P.
							24N	40	*Nil*	*Nil*				
7,99,100	23,05,922	29,32,679	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	42xdN	10	2 8	2 8	2 0		5	Y.P.
11,00,000	4,20,000	42,21,480	24,57,558	4,185	Karamchand Thapar & Bros., Ltd.	New Savan	6	10	*Nil*	*Nil*	0 4			
10,87,500A. } 2,71,875B. }	49,84,457	63,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mill	240N	100	20 0	20 0	20 0‡		5	Y.
							60N	25	5 0	5 0	5 0‡			
77,48,500	52,22,414	1,75,96,483	88,00,000	36,922	Cotton Agents Ltd.	Ondh Sugar	120N	100	6 0	11 0	11 0		17	Y.P.
12,00,000	12,74,233	28,77,669	19 95,928	55 000	Narang Bros & Co. Ltd.	Punjab Sugar	120N	100	6 0	10 0	10 0		10	Y.P.
9,00,000	15,93,919	35,23,095	29,32,249	2,957	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	17	10	1 0	1 0	0 12		10	Y.P.
5,00,000	6,54,782	23,43,782	21,01,613	24,840	M.	Ryam Sugar	21N	10	1 0	1 0	0 8		6	Y.P.
11,99,000	18,86,779	38,63,583	22,92,130	8,477	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	14	10	1 0	0 8	0 8		6	Y.P.
80,00,000	21,66,560	1,05,85,819	57,08,717	5,475	Sahu Jain Ltd	Shree Krishna Gyanoday Sugar	18½xr	10	1 8	1 8	0 8	*Nil*	6	Y.
9,99,950	61,825	26,83,548	11,93,827	—3,86,858	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Shitalpore Sugar	24	10	0 6½	*Nil*	*Nil*	1 6*	6	Y.
7,95,462	18,82,940	31,60,735	17,68,008	1,06,227	Karamchand Thapar & Bros	Shri Sitaram Sugar	14½	10	1 0	1 0*	*Nil*		6	Y.
9,15,000O. } 4,40,000D. }	47,592	27,27,402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd.	South Behar Sugar	13N	O. 10	*Nil*	*Nil*			6	Y.
							7N	D. 5½	*Nil*	*Nil*				
8,00,000	20,87,588	83,26,115	50,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 0	2 0	2 8		10	Y.
16,00,000	7,99,778	32,06,850	25,98,846	39,061	James Finlay & Co., Ltd.	United Provinces Sugar	23	10	1 8	0 8	1 4		6	
Other Centres														
46,99,750	74,53,470	1,50,12,876	1,03 10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	240½	50	16 0	16 0	16 0	16 0	9	
50,000	11,90,010	31,68,833	19,76,042	38,000	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	15	10	1 0	1 0	1 0		6	Y.P.
15,93,900	2,45,841	39,19,958	20,01 146	51,993	Sir J. P. Srivastava & Sons (M B) Ltd.	Gwalior Sugar	15½	100	1 8	*Nil*	*Nil*		9	Y.P.
29,70,610	14,00 000	26,96,629	18,50,805	4,80,236	India Sugar Agencies Ltd.	India Sugar and Refineries	22½	10	2 8	2 8	1 12		9	Y.P.
33,57,620	41,27,080	41,95,805	20,78,416	1,408	Govan Bros. (Rampur), Ltd.	Buland Sugar	14½N	10	0 12	1 0	1 0		10	Y.
10,32,200O. } 3,97,100D. }	67,50,000	84,86,942	27,56,542	2,346	V Ramakrishna, Esq.	K. C. P. Ltd.	127½	O.100	7 8	7 8	7 8‡		10	Y.
							90	D. 10	10 0	10 0	10 0‡		6	Y.P.
21,79,280	96,00,001	1,31,37,677	78,17,730	2 90,340	S. Munianaippa, Esq. (Managing Director)									
50,00,000	48,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Mysore Sugar	54	10	2 0	2 0	2 0	2 0	6	Y.
16,50,000	5,61,864	1,01,45,956	48,79,929	42,97,067	T. A. Lyhiardopulo, Esq.	Phaltan Sugar	141xd	50	8 0	8 0	8 0	8 0	6	Y.
1,14,00,000	1,17,70,208	6,94,43,187	3,00,81,612	4,46,961	Sahu Jain Ltd.	Ramanugur Cane and Sugar	37½	100	*Nil*	*Nil*	*Nil*		6	Y.
40,00,000	98,51,062	1,19,12,218	70,10,922	4,54,587	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	24½	10	1 0	1 4	1 8		10	Y.
75,00,000	49,00,000	12,98,8654	4,15,784	3,63,451	R. H. D. Campbell Esq.	Shaw Wallace & Co., Ltd.	1xDcd	10	1 8	1 8	1 8	0 8‡	6	Y.
9,94,940	1,50,000	14,56,88*	3,40,448	—2,96,050	Orata Bros. Ltd.	Travancore Ogale Glass	15	10	1 0	1 0	1 4		10	Y.
							3	10	*Nil*	*Nil*	*Nil*		10	Y.

§§ Investments at cost. * Includes bonus. ‡ Preceding Rs. 1,45,01,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517		McLeod & Co., Ltd.	825	Anlukie	500N	100	7 8	25 0	30 0‡		12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	420	Ananda (Assam) Tea	44N	10	0 12	1 4	7 8‡		12	Y.
3,50,000	6,43,250	10,47,044	2,93,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	44	10	*Nil*	2 8	8 0*		12	Y.
5,50,000	11,21,541	16,55,977	6,44,367	93,058	McLeod & Co., Ltd.	513	Baghmari	23¾	*Nil*	*Nil*	*Nil*	3 8		12	Y.
5,10,000	8,50,000	11,69,193	3,89,461	93,033	Andrew Yule & Co., Ltd.	369	Basmatia	32xr	10	2 0	2 8	3 0		12	Y.
3,30,000	4,65,000	10,11,265	6,46,265	18,304	National Tea Corporation	569	Bateli	26xd	5	0 4	2 0	4 0		12	Y.
3,20,000	8,70,000	9,00,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	45	10	*Nil*	2 0	10 0*		12	Y.
16,50,000	20,00,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	37½	10	*Nil*	3 8			12	Y.
6,00,000	2,53,500	10,49,416	2,08,130	61,923	Octavius Steel & Co., Ltd.	485	Bokakhat	21	10	*Nil*	*Nil*	1 0		12	Y.P.T.
7,50,000	6,52,400	8,92,327	2,83,640		McLeod & Co., Ltd.	450	Bormah Jan Tea	19½	10	*Nil*	0 12	3 8		6	Y.P.
35,00,000	11,92,045	78,80,473	19,49,496	1,44,105	Brook Bond India Ltd.	2,834	Brooke Bond	20½	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,00,426	5,55,963	1,85,593	26,092	McLeod & Co., Ltd.	282	Dejoo Valley	40	10	*Nil*	1 0	6 0		12	Y.
6,00,000	10,99,000	26,64,194	16,84,471	6,542	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	425N	100	10 0	20 0	40 0		12	Y.
6,00,000	9,87,983	22,73,429	4,17,846	51,859	James Warren & Co., Ltd.	620	Dhekakhat	18	10	1 0	1 8	2 8		12	Y.
7,53,140	9,87,983	22,73,429	4,17,846	44,551	James Finlay & Co., Ltd.	644	Dhunseri	25	10	*Nil*	2 0	3 0		12	Y.P.
4,68,970	3,95,000	10,93,269	3,77,383	8,779	L. C. Kanoi, Esq.	458	Dibrugarh	25½	10	*Nil*	1 0	4 0		12	Y.
4,50,000	6,75,000	9,00,834	2,06,817	51,692	McLeod & Co., Ltd.	611	Dimakusi	56	10	1 0	4 8	6 0		12	Y.P.
2,36,700	6,00,000	10,29,096	5,54,096	55,532	Williamson Magor & Co., Ltd.	615	Dullazhur	44xd	10	2 0	4 0	5 0		12	Y.P.
5,60,500	8,82,000	19,85,851	13,34,016	1,64,360	Williamson Magor & Co., Ltd.	1,160	East India Tea	22½	10	0 4	2 8	3 8		12	Y.
10,00,000	6,40,000	23,25,313	9,78,313	78,638	Williamson Magor & Co., Ltd.	1,160	Gillapukri	31	10	*Nil*	1 12	8 0		12	Y.
3,60,000	5,05,000	8,25,214	4,30,235	5,997	L. C. Kanoi, Esq.	407	Gohpur	42	10	1 8	3 0	5 0		12	Y.
3,38,000	7,20,000	13,56,090	7,85,090	88,216	Williamson Magor & Co., Ltd.	546	Golapur	37½	A. 10	2 0	3 0	5 0‡		12	Y.
A. 7,41,540	15,26,250	30,58,902	6,17,945	56,376	Octavius Steel & Co., Ltd.	1,912	Grob	19½	B. 5	1 0	1 8	2 8‡		12	Y.
B. 3,61,485															
2,00,000	8,75,000	7,76,574	2,68,800	84,780	Andrew Yule & Co., Ltd.	476	Hoograjuli	36xrN	10	1 8	3 0	5 0		12	Y.
8,70,000	11,47,716	18,90,576	10,80,837	1,45,234	Andrew Yule & Co., Ltd.	1,208	Hoolangooree	280N	100	*Nil*	12 8	55 0		12	Y.
7,50,000	7,85,000	14,15,643	2,87,360	97,186	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	27½	10	*Nil*	*Nil*	3 8		12	Y.
2,40,000	2,85,000	11,47,529	6,37,529	6,193	G. D. Kothari, Esq.	1,166	Kinzeley-Golaghat (Assam)	335N	100	*Nil*	*Nil*			12	P.Y.
6,50,000	6,50,133	7,20,222	1,70,222	44,588	Duncan Bros. & Co., Ltd.	1,046	Ledo	21½	10	*Nil*	2 0	2 12		12	Y.
8,00,000	11,40,000	19,48,410	4,74,285	45,524	Octavius Steel & Co., Ltd.	612	Methoni	10½	10	*Nil*	1 8	4 8		12	Y.
4,80,000	2,50,000	9,01,152	10,713	80,365	Duncan Bros. & Co., Ltd.	673	Moheema	27½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
1,50,000	7,22,434	7,88,880	4,47,850	53,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	590N	100	*Nil*	40 0	65 0		12	Y.
O. 50,000	5,30,000	9,09,874	5,40,379	50,536	Andrew Yule & Co., Ltd.	344	Murphulani	27xr	O. 10	2 0	2 0	4 8‡		12	Y.
O. 2,00,000 }							301xr	P.O. 10	2 8	2 8	5 0‡				
2,00,000	3,61,274	6,00,328	3,80,669	9,567	S.C. Sen, Esq., Supervising Director	542	Naga Hills	51	10	*Nil*	3 0	3 0‡		12	Y.
2,50,000		6,00,000	12,71,401	1,94,447	M.	810	Nambirnadi	19xd	10	*Nil*	*Nil*	3 0		12	Y.
5,35,000															
5,00,000	3,60,000	5,94,477	3,35,545	22,913	Duncan Bros. & Co., Ltd.	937	New Gimnatolliah	160N	100	*Nil*	*Nil*	5 0		12	Y.
2,00,000	6,77,500	7,59,948	80,438	4,845	Andrew Yule & Co., Ltd.	353	Rajgarh	48	10	*Nil*	2 8	7 8		12	Y.
6,00,000	5,56,822	17,12,490	7,10,249	5,645	L. C. Kanoi, Esq.	932	Sapoi	29½	10	*Nil*	2 8	4 8		12	Y.
2,49,000	2,90,000	8,14,755	5,56,512	41,943	Williamson Magor & Co., Ltd.	452	Seajuli	33½	10	*Nil*	3 0	4 0		12	Y.
4,50,000	7,84,500	11,24,096	3,43,117	45,753	Octavius Steel & Co., Ltd.	515	Teen Ali	35	10	1 0	3 0	6 0		12	Y.
5,98,000	10,75,006	10,33,209	4,74,340	81,743	McLeod & Co., Ltd.	495	Teloijan	24½	10	*Nil*	1 8	5 0		12	Y.
4,00,000	7,85,127	9,56,820	2,43,134	82,892	Gillanders Arbuthnot & Co., Ltd.	503	Tengnani	120	10	*Nil*	2 8	5 0		12	Y.P.
15,86,310	17,34,282	33,87,279	14,00,279	59,985	Shaw Wallace & Co., Ltd.	2,139	Tezpore	224xr	10	*Nil*	2 8	5 0		12	Y.
5,20,000	16,00,250	22,53,186	10,72,453	9,014	McLeod & Co., Ltd.	1,050	Tyroon	35xd	10	*Nil*	1 0	6 0		12	Y.
CACHAR															
3,00,000	1,75,000	5,20,763	1,79,876	—3,36,155	Gillanders Arbuthnot & Co., Ltd.	862	Arcuttipore	12½	10	*Nil*	*Nil*	*Nil*		12	Y.
7,00,000	16,700	7,61,168	62,031	—63,420	Octavius Steel & Co., Ltd.	619	Eastern Cachar	7	10	*Nil*	*Nil*	*Nil*		12	Y.
12,50,000	11,62,936	28,73,391	10,30,376	60,379	Octavius Steel & Co., Ltd.	2,154	Hattikhira	21½	10	*Nil*	2 8	4 0		12	Y.
4,50,000	1,67,837	2,97,260	7,468	11,615	Bullen Co., Ltd.	577	Kalinnugger and Khoreel	120	100					12	Y.
3,60,000	2,51,794	3,54,015	1,14,650	19,031	Duncan Bros. & Co., Ltd.	600	Kunchunpore	14N	100	*Nil*	*Nil*	2 12		12	Y.
7,00,000	2,50,000	10,45,279	2,20,279	40,187	Duncan Bros. & Co., Ltd.	1,344	North-Western Cachar	230	100	*Nil*	*Nil*			12	Y.P.
1,84,050		19,06,067	15,768	—90,997	Octavius Steel & Co., Ltd.	487	Pathemara	16	10	*Nil*	*Nil*	1 0		6	Y.
2,60,000	3,16,592	5,89,110	1,98,753	22,603	McLeod & Co., Ltd.	638	Roopacherra	19½	10	*Nil*	*Nil*	*Nil*		12	Y.
5,25,000	6,28,514	9,16,505	3,91,505	40,497	Duncan Bros. & Co., Ltd.	688	Rumnabtee	120	50	*Nil*	10 0	17 8		12	Y.
4,00,000	5,51,718	10,16,960	3,28,644	—62,256	Davenport & Co., Ltd.	662	Sonai River	20½	10	*Nil*	*Nil*	1 4		12	Y.P.
DARJEELING															
2,79,900	1,25,000	3,32,320	59,759	19,147	Williamson Magor & Co., Ltd.	408	Chamong	15½	10	*Nil*	*Nil*	*Nil*	2 0		12	Y.
2,00,000	1,37,639	3,22,398	1,43,785	498	M.	488	Dilaram	240N	100	*Nil*	*Nil*	20 0‡		12	Y.
2,00,000	2,81,825	7,41,200	2,27,700	36,859	Davenport & Co., Ltd.	488	Gielle	36N	10	*Nil*	*Nil*	2 8		12	Y.P.
4,00,000	3,00,000	6,02,617	2,38,383	16,852	McLeod & Co., Ltd.	816	Margaret's Hope	15	10	*Nil*	0 12	1 0‡		12	Y.
3,00,000	3,10,239	3,44,874	1,69,484	38,037	Andrew Yule & Co., Ltd.	463	Mim	300	100	*Nil*	*Nil*	10 0		12	Y.
2,99,900	3,00,000	4,78,614	1,38,614	48,049	Williamson Magor & Co., Ltd.	505	Nagari Farm	27	10	*Nil*	2 0	5 0		12	Y.
1,00,000	1,07,500	1,98,281	11,518	10,089	Duncan Bros. & Co., Ltd.	500	Okayti	500N	100	*Nil*	*Nil*	*Nil*		12	Y.P.
3,00,000	3,75,387	3,85,562	1,00,562	31,269	Davenport & Co., Ltd.	570	Poobong	12½	10	*Nil*	0 4	1 8		12	Y.
2,05,000	2,24,733	4,74,393	55,893	31,269	Davenport & Co., Ltd.	570	Pussimbing	14½	10	*Nil*	*Nil*	2 8		12	Y.P.
1,40,000	4,77,000	2,05,872	65,872	19,197	Duncan Bros. & Co., Ltd.	389	Seeyok	15	10	*Nil*	0 4	1 8		12	Y.
8,00,000	1,96,302	3,37,711	77,711	4,11,936	Hoare Miller & Co., Ltd.	747	Singeli	40N	100	*Nil*	*Nil*			12	Y.
2,50,000	1,459	6,74,103	83,799		Goenka & Co.	682	Sindrum	6½	10	*Nil*	*Nil*	0 8		12	Y.P.
9,00,000	65,000	11,19,254	1,94,013	3,565	Williamson Magor & Co., Ltd.	554	Soom	26½	10	0 8	3 0	5 0		12	Y.
3,00,000	3,90,000	6,32,887	3,45,887	36,084	Mcleod & Co., Ltd.	745	Sungma	38½	10	*Nil*	*Nil*	0 12		12	Y.
6,25,000	8,25,000	15,10,057	9,08,845	8,53,920	Aspinwall & Co. (Travancore), Ltd.	718	Teesta Valley	43	10	1 0	1 8	4 0		12	Y.
3,20,000	8,28,779	6,44,813	1,58,813	54,405	Davenport & Co., Ltd.	1,666	Tukvar	13	10	*Nil*	*Nil*	1 0		12	Y.
8,01,350	2,50,000	15,00,576	4,04,576	66,599	Williamson Magor & Co., Ltd.										
DOOARS															
27,00,000	22,25,000	36,27,601	18,60,199	6,36,722	Andrew Yule & Co., Ltd.	2,540	Banhatkhal	332	100	17 8	45 0	120 0		12	Y.P.
6,00,000	18,70,000	35,57,714	19,65,143	53,496	Jardine Henderson Ltd.	1,078	Baradighi	55	10	0 8	3 0	6 8‡		12	Y.
9,00,000	11,10,082	15,07,666	7,02,256	84,394	McLeod & Co., Ltd.	1,118	Bhatkawa	31	10	*Nil*	*Nil*	2 0		12	Y.
9,00,000	6,50,000	16,97,865	7,97,865	64,627	Duncan Bros. & Co., Ltd.	1,344	Birpara	170	100	*Nil*	*Nil*	20 0		12	Y.P.
6,00,000	5,33,093	8,65,291	2,65,291	46,924	Duncan Bros. & Co., Ltd.	602	Carron	190	100	*Nil*	22 8	25 0		12	Y.
6,00,000	12,00,000	12,00,448	6,92,476	2,85,010	Andrew Yule & Co., Ltd.	901	Choonabhutti	885	100	10 0	25 0	90 0		12	Y.P.
6,00,000	2,50,000	4,83,680	2,67,205	15,526	Duncan Bros. & Co., Ltd.	500	Kilenbarrie	225N	100	*Nil*	*Nil*	15 0		12	Y.
3,00,000	2,64,000	3,89,085	2,18,588	29,760	Andrew Yule & Co., Ltd.	295	Enco	225N	100	*Nil*	5 0	110 0		12	Y.
1,20,000	3,04,000	6,90,170	1,78,594	4,827	L. C. Kanoi, Esq.	447	Ethelbarrie	24	10	*Nil*	*Nil*	5 0		12	Y.
3,50,000	15,21,025	7,82,601	78,467		Gillanders Arbuthnot & Co., Ltd.	1,254	Gairkhata	300N	100	*Nil*	20 0	70 0*		12	Y.
5,00,000	9,50,000	10,29,096	4,54,096	2,86,019	Duncan Bros. & Co., Ltd.	2,427	Hantapara	293	100	2 8	25 0	60 0		12	Y.P.
24,00,000	34,48,782	38,55,366	18,55,366	2,86,019	Davenport & Co., Ltd.	4,235	Hasimara	33½	10	*Nil*	2 8	6 0		12	Y.P.
32,00,000	58,35,633	92,61,011	40,24,982	5,20,687	Davenport & Co., Ltd.	1,452	Huldibari

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,66,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	5½	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,94,188	18,15,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	8½	3	0 9 3/5*	0 12	0 12	0 12 0 7 1/5	2	Y.P.
18,00,000	13,60,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	18½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70,000	63,52,250	1,07,57,843	19,78,244	2,42,884	R. C. Paterson, Esq.	Consolidated Coffee	21	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,76,705	5,55,957	48,764	7,754	Associated Planters Ltd. ..	Cottanad Plantations	15½	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,95,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce	10	10	1 0	1 4	1 8	2 8	12	Y.
4,00,000	10,16,611	10,87,596	1,39,566	11,970	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	16½	10	1 0	1 8	2 0	2 8	12	Y.
9,00,000	7,23,320	18,44,917	2,55,893	.....	A. V. Thomas Kathanar, Esq.	Mankara Rubber	27½	10	2 0	2 0	2 0	2 0	4	Y.P.
27,00,000	27,35,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd. ..	Midland Rubber	28½	10	3 8	5 8	2 4	2 4	3	Y.
3,35,000	2,81,986	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd. ..	Nennemy Rubber	19½	10	1 8	1 8	1 12*		3	Y.P.
2,00,000	2,20,058	7,20,875	44,185	8,600	Associated Planters Ltd. ..	Nilambur Rubber Co.	22½	10	0 10	0 12	1 8		12	Y.P.T.
19,45,983	24,01,045	37 40,924	10,21,385	69,374	Peirce, Leslie & Co., Ltd. ..	Oachterloney Valley Estates ..	13½	10	1 0	1 0	1 0		12	Y.P.
13,50,000	6,80,000	39,43,788	3,06,746	54,658	A. V. Thomas & Co., Ltd. ..	Rajakiri Rubber	5½	2	0 3½	0 3½	0 9 3/5		10	Y.P.T.
3,00,780	2,50,000	5,04,562	49,315	89,504	Peirce, Leslie & Co., Ltd. ..	Savamalai Estates Ltd.	25½	10	1 8	1 12*	1 12*		6	Y.P.
10,00,000	3,09,660	21,81,045	1,32,353	1,227	East India Agencies	Teekoy Rubber (India) Ltd. ..	28½	10	3 8	3 0	2 8		11	Y.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd. ..	Thamarapally Rubber	10	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
8,10,200	2,75,005	7,98,018	62,162	17,826	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	30	10	2 0	3 0	3 0		12	Y.P.
6,00,000	40,174	7,49,611	1,11,200	3,744	Espley Thomas, Esq. (Mg. Director)	Travancore Rubber	2½	1	0 4	0 4½	0 3 3/5		9	Y.
41,00,000	14,29,673	74,86,297	7,65,148	3,28,925	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	24½	10	2 0	2 0	2 0		12	Y.
20,00,000	90,000	25,54,508	5,05,078	2,276	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	12½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
6,25,780	4,49,575	7,77,454	14,110	21,363	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber ..	18½	25	2 0	3 0	3 0		12	Y.
1,65,000	87,259	3,55,239	17,483	5,624	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	26½	10	2 0	2 0	2 4		12	Y.
							11½	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	56,00,000	97,35,670	52,40,244	1,03,973	B. N. Elias & Co., Ltd.	879	Agarpara	13	10	1+1	½+½	½+½		3, 9	H.T.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,093	McLeod & Co., Ltd.	446	Ankevandra	248xd	100	*Nil*	*Nil* +2½	2½+5		6, 12	H.P.T.
30,00,000	9,84,130	1,17,45,994	91,71,009	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	158	100	*Nil*	*Nil* +5	6+6		6, 12	H.P.
49,29,750	71,94,144	2,71,07,590	1,82,99,000	1,41,421	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	207	100	10+10	7½+5	2½+5	5+	3, 9	H.P.
40,00,000	43,68,595	1,73,35,387	85,80,036	14,253	Bird & Co., Ltd.	810	Auckland	140	100	5+4	2+2	1+2½	6+	3, 9	H.P.T.
20,00,000	25,93,136	98,25,857	65,19,459	18,759	Jardine Henderson & Co. ..	959	Bally	173	100	*Nil*	4+*Nil*	*Nil*		3, 9	H.P.
£275,000	£631,523	£1,556,539	£1,003,227	£63,358	Sir John H. Burder (Chairman)	1,889	Barnagore	165	£5	£1	£1	£1	£1	3, 9	H.
28,00,000	35,49,023	89,72,503	49,51,944	63,428	Andrew Yule & Co., Ltd. ..	820	Belvedere	185	100	7½+7½	7½+7½	5+5	5+	6, 12	H.P.
45,00,300	36,45,000	55,76,391	29,60,922	2,85,071	Soorajmull Nagarmull	1,373	Birla	18	10	1	1½	1½		6	Y.P.T.
91,20,000	2,15,77,044	3,32,32,892	29,72,760	3,12,630	Birla Bros., Ltd.	991	Budge-Budge	18¾	10	3	3	1	1	3	Y.P.
36,00,000	29,92,926	1,11,73,849	72,37,911	1,61,193	Andrew Yule & Co., Ltd. ..	502	Calcutta Jute Mfg. ..	185	100	6½+6½	6+4	4+6	6+	4, 10	H.P.
7,47,380	3,16,924	41,38,590	29,87,011	2,010	Savaram & Sons	502	Calcutta Jute Mfg. ..	13	10	0+8	*Nil*	½		6, 12	H.P.T.
18,00,000	32,31,234	77,55,567	41,06,135	74,452	Andrew Yule & Co., Ltd. ..	616	Caledonian	245	100	6+6	6+6	4+5	4+	5, 11	H.
59,15,400	98,80,409	2,20,70,157	1,02,36,573	98,277	James Finlay & Co., Ltd. ..	600	Champdany	181	100	7+8	3+3	*Nil* +3	4+	3, 9	H.
15,95,000	30,14,242	80,99,473	56,13,386	54,375	Andrew Yule & Co., Ltd. ..	530	Cheviot	240	100	6+6	6+6	6+8	6+	5, 11	H.P.
30,15,000	28,25,000	60,73,514	46,01,290	1,52,253	McLeod & Co., Ltd.	500	Chitavalsah	165	£5	£1	£1	£1		5, 11	H.P.T.
16,00,000	17,00,000	78,04,949	64,24,460	18,047	Shree Krishna Investment Co., Ltd.	969	Clive	152½	10	2½+1½	1½+1½	1½+2		6, 12	H.P.
31,49,200	63,41,519	1,31,94,967	69,39,883	11,882	Bird & Co., Ltd.	766	Dalhousie	102½	10	2	*Nil*	*Nil*		3	H.
28,00,000	44,74,179	75,27,531	46,70,110	94,604	Andrew Yule & Co., Ltd. ..	128	Delta	128	100	6+1	1+3	1+1½	3+	3, 9	H.P.T.
15,00,000	33,50,000	81,08,824	59,15,580	1,43,894	McLeod & Co., Ltd.	253	Dhanrajmull	100	100	10+10	10+10	6+6	5+	5, 11	H.P.
21,00,000	60,00,176	2,72,82,353	1,87,05,941	71,082	Kettlewell Bullen & Co., Ltd. ..	1,884	Empire	500	100	1½+½	½+½	1+1½	2+	6, 12	H.T.P.
14,00,000	17,75,000	84,10,102	53,69,750	1,16,743	Banzur Bros., Ltd.	1,014	Fort Gloster	430xdN	100	10+*Nil*	*Nil*	*Nil* +5	10+5	3, 9	H.P.T.
84,32,100	4,67,566	2,04,08,327	1,30,18,226	1,23,024	Macneill & Barry Ltd.	1,709	Fort William	26½xr	10	*Nil*	*Nil* +5	10+10	10+10	3, 9	H.T.P.
10,80,000	28,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Ganges Mfg.	88	100	*Nil*	*Nil* +*Nil*	*Nil* +½	2½+	3, 9	H.P.
24,00,000	31,30,403	2,12,25,812	1,64,90,218	1,04,669	Macneill & Barry Ltd.	1,800	Gondalpara	1,300	300	30	*Nil*	*Nil* +15		15	H.
40,00,000	55,68,234	99,03,890	57,88,099	3,27,745	Banzur Bros., Ltd.	321	Gourepore	100	100	1½+*Nil*	*Nil* +3½	2½+7½	7½+	3, 9	H.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hastings	114N	100	10	10	10+10	11½+	3	Y.P.
65,62,500	44,54,528	1,88,36,988	1,08,71,020	92,110	Jardine Henderson Ltd.	1,940	Howrah	42	10	1½	1½	1½		3	Y.P.
52,50,000	23,00,000	2,58,15,937	1,54,15,937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	27½	10	1+½	½+½	½+½	½+	3, 9	H.P.
O. 87,00,000 } D. 30,000 }	18,75,000	1,20,99,497	76,70,146	45,363	Mackinnon Mackenzie & Co. ..	1,076	India	30	5	7½	3	2	2	3	Y.P.T.
								154	O. 125	3¼+3¼	3¼+3¼	*Nil* +3¼	3½+		
								—	D. 1	As.1+½	a2/5—2/6	*Nil* +a2/5	As.2/5 f	3, 9	H.
24,00,000 } B. 19,20,000 }	23,52,233	1,37,58,585	1,23,68,657	24,686	Jardine Henderson Ltd.	1,797	Kamarhatty	189	100	8+6	6+3	3+6	2½+		
30,00,000 } B. 24,00,000 }	13,77,539	1,32,79,035	99,85,481	19,297	Jardine Henderson Ltd.	1,527	Kanknarrah	165	'B' 100	8+6	6+3	3+5	2½+	6, 12	H.P.
								126	100	6+4	5+2½	2½+4	1+		
21,00,000	49,50,000	1,12,88,750	79,26,276	1,70,687	McLeod & Co., Ltd.	703	Kelvin	119	'B' 100	6+4	5+2½	2½+4	1+	6, 12	H.P.
54,00,000	23,33,375	1,71,07,938	1,15,44,627	57,501	Anderson Wright Ltd.	1,530	Khardah	289	100	7½+7½	7½+7½	10+10		6, 12	H.P.
48,00,000	1,04,52,175	2,29,68,071	1,11,12,343	32,590	F. W. Heilgers & Co.	1,250	Kinnison	165	100	10+15	10+7½	7½+5	6+	3, 9	H.P.
24,48,000	50,23,231	1,39,00,443	79,72,940	11,135	Bird & Co., Ltd.	931	Lanadowne	197	100	10+7	4+5	2+5	7+	3, 9	H.P.T.
28,00,000	60,68,021	1,16,01,266	63,62,123	14,440	Bird & Co., Ltd.	840	Lawrence	129	100	7+8	2+5	1+1	5+	3, 9	H.P.
31,65,200	26,14,412	1,99,74,174	1,21,04,314	1,32,079	Mackinnon Mackenzie & Co.	1,008	Mecna	145	100	11+4	2+3	2+4	5+	3, 9	H.P.
29,98,900	41,12,995	1,82,39,295	90,26,321	—4,25,342	F. W. Heilgers & Co.	96	Naihati	118	100	22½+2½	21½+2½	*Nil* +2½	2½+	3, 9	H.
20,00,000	15,55,000	28,95,517	17,70,783	10,474	Howrah Trading Co., Ltd. ..	425	Naskarpara	18½	10	6+*Nil*	*Nil*	*Nil*	*Nil*+	3, 9	H.
25,00,000	44,29,326	28,60,298	9,84,389	1,35,088	Andrew Yule & Co., Ltd. ..	852	National	21½	10	1+½	*Nil*+½	1+½		4, 10	H.T.
26,25,000	24,50,000	28,32,794	20,20,619	1,43,752	McLeod & Co., Ltd.	316	Nellimarla Jute	12½	10	1+1	1+1	1+1	1+	4, 10	H.P.
31,50,000	34,13,033	50,62,515	25,21,978	3,01,610	Sahu Jain Ltd.	709	New Central	18½	10	2+1	1+½	1+½	1+	6, 12	H.P.T.
16,70,880	52,39,696	1,24,90,192	60,85,786	65,119	Bird & Co., Ltd.	567	Northbrook	25½	10	10+12	12+12	12+5		6, 12	H.P.
66,79,500	31,44,695	2,15,35,514	1,39,33,386	45,550	Macneill & Barry Ltd.	1,092	Nuddea	46½	10	1+½	½+½	1+1		3, 9	H.P.T.
24,01,000	37,31,045	71,25,178	49,01,690	68,095	Andrew Yule & Co., Ltd. ..	601	Orient	173	100	1+*Nil*	*Nil* +½	*Nil* +½	½+	3, 9	H.
25,00,000	6,23,468	80,72,501	63,77,961	1,03,954	McLeod & Co., Ltd.	1,276	Presidency	100	100	1+6	6+6	5+5	5+	3, 9	H.P.
20,00,000	1,44,936	26,56,330	8,39,130	—12,15,988	Birla Bros. Ltd.	2,013	Rameshwara	6½	5	*Nil*	*Nil* +½	½+½		6, 12	H.T.
49,50,000	8,12,956	1,23,09,293	58,56,386	45,581	Jardine Henderson Ltd.	305	Rameshwara	7½	10	*Nil*	*Nil*	*Nil*	*Nil*+	3, 9	H.P.
£600,000	£1 093,713	£1 236,315	.....	£83,658	Thomas Duff & Co. (India) Ltd.	1,276	Reliance	12½	10	*Nil*	½+½	*Nil*	*Nil*+	3, 9	H.
30,00,000	13,12,193	1,03,17,335	71,03,045	10,341	Bacaria More & Co. Ltd. ..	911	Samnuggur	13½	£1	10%	10%	10%	*Nil* +	3, 9	H. T.
14,00,000	11,03,733	66,05,602	31,22,593	1,66,758	Hindustan Investment Corporation.	401	Shree Ambica	16	10	1+1	*Nil* +½	½	3%+1	3, 9	Y.P.
25,19,600	47,30,992	1,15,05,773	57,07,251	19,821	Bird & Co., Ltd.	650	Soorah	14½N	10	*Nil*		½		3, 9	H.P.
£600,000	£925,119	£990,895	.....	£110,316	Thomas Duff & Co. (India), Ltd.	1,704	Standard	125	100	8+1	1+1	1+1	1½	12	Y.P.T.
35,98,800	87,85,700	1,03,97,413	79,40,416	6,219	Bird & Co., Ltd.	1,326	Titaghur	13½	£1	10%	10%	10%	3%+1	3, 9	H.
£400,000	£689,035	£1,092,723	.....	£97,316	Thomas Duff & Co. (India) Ltd.	1,331	Union	180	£1	10%	10%	10%	3%+1	12	Y.
2,50,000	4,95,000	55,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Victoria	13	£1	10%	10%	10%	5%	3, 9	H.P.T.
							Waverley	6½	1	*Nil*	*Nil* +	*Nil*	3%+1	12	Y.
														6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	26½	10	3/5 + ½	½ + ½	½ + ½	½+	3, 9	H.
12,00,000	8,34,319	35,77,212	35,73,612	12,449	Jardine Henderson Ltd.	Bararee Coke	21½	10	3	7/10+7/10	½ +7/10	½+	3, 9	H.
4,49,350	70,000	8,49,150	5,40,966	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	6N	10	½ + ½	½	½		3, 9	H.
1,00,00,000	1,34,49,223	5,81,71,227	3,82,07,119	7,80,965	Andrew Yule & Co., Ltd. ..	Bengal Coal	604	200	20+20*	17½+15*	15*+15*	17½*	6,12	H.P.
2,25,000	4,96,231	25,34,935	22,57,553	.....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	16	10	½ + ½	*Nil*	*Nil*		4,10	H.P.
15,97,000	4,72,355	37,21,192	22,77,384	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	½				6,12	
40,00,000	14,81,010	1,30,60,104	68,66,790	13,644	Sahu Jain Ltd.	Bharat Collieries	8½	10	½	½	*Nil*		9	
7,15,000	15,00,580	52,49,025	37,00,987	—1,85,136	F. W. Heilgers & Co. Ltd. ..	Bhuiabarares	14½N	10	½ *Nil*	*Nil*	*Nil*	*Nil*+	6	Y.P.T.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh). Ltd.	Bokaro-Ramgur	14½N	10	½	½	½	½+	6,12	H.
7,50,000	23,50,000	42,07,883	26,07,691	68,666	F. W. Heilgers & Co., Ltd. ..	Borrea	20½	10	*Nil*				6,12	H.P.
90,92,480	1,76,70,564	4,16,32,554	1,80,95,440	1,40,510	Bird & Co., Ltd.	Burrakur	16½	10	11½+11½	11½+11½	1 + 1	1+	6,12	H.P.
49,97,750	.....	34,81,955	2,57,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	3½	10	½	½	½	½+	6,12	H.P.T.
8,00,000	13,54,302	49,01,414	32,83,954	82,788	M.	Central Kurkend	12½xdN	10	*Nil*				3	Y.
6,00,000	1,43,698	7,28,438(k)	.....	12,201	F. W. Heilgers & Co., Ltd. ..	Churia	2½	10	*Nil*	½	½		6,12	H.
16,00,000	1,20,000	52,67,321	28,91,190	—2,43,279	Macneill & Barry Ltd.	Dhemo Main	2½	4	½+½	½+½	½+½		6,12	H.
£240,000	£380,553	£938,145	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	9½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6,12	H.
29,63,760	76,84,250	3,89,97,499	2,87,14,387	93,266	Macneill & Barry Ltd.	Equitable	35½	£1	3½(*l*)	½	½		6,12	
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Phatter's Agency Ltd.	Ghusick and Muslia	35½	10	2 +1½	1 + ½	2½	3	4	H.P.T.
12,00,000	1,22,000	39,02,565	20,99,824	3,220	Killick Industries Ltd.	Hinzir-Rampur	15N	10	½	½ + ½	½ + ½	½+	6,12	Y.
8,00,000	6,75,000	21,43,057	18,61,214	65,461	Macneill & Barry Ltd.	Hurriladih	24½xd	10	½	3	*Nil*	2 4	6	Y.P.
22,00,000	1,05,577	31,70,015	10,56,245	—1,95,248	Bajnale Trust Ltd.	Jearia Coal	2½	10	½ + ½	½ + ½	½ + 1	1½+	6,12	H.
2,50,000	2,07,448	13,53,458	7,06,130	.....	Andrew Yule & Co., Ltd. ..	Kalapahari	22½N	10	*Nil*				6,12	Y.P.
20,00,000	17,325	29,07,891	3,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries	12½	10	1½+1½	1½+ 1	*Nil*	*Nil*	12	H.
5,00,000	15,60,000	45,15,229	35,35,577	1,26,128	Andrew Yule & Co., Ltd. ..	Katras Jherriah	165	100	*Nil*	*Nil*	*Nil*		2, 8	Y.P.
1,33,400	5,72,960	12,85,941	5,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	68½	10	2 + 2	2 + 2	2 + 2	2½	2	H.
11,00,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kunardi	5N	10	*Nil*	*Nil*	*Nil*	2½+3	1, 7	H.P.
10,00,000	11,58,413	25,80,982	22,92,987	2,255	H. V. Low & Co., Ltd.	Lakurka	14N	10		*Nil*	*Nil*		6, 12	Y.
7,49,240	1,50,000	11,58,128	8,95,686	25,698	S. P. Tuna, Esq.	Nazira	10N	10			½		6	Y.
7,00,000	26,617	10,33,740	5,20,295	4,560	Amritlal Ojha & Co., Ltd. ..	Nerma	7	10			½		4	H.
17,76,230	19,41,763	1,17,95,498	87,10,712	95,478	Andrew Yule & Co., Ltd.	New Bansdeopur	10N	10	½	½	½		6, 12	H.
6,00,000	35,000	23,44,928	16,65,990	36,426	Octavius Steel & Co., Ltd. ..	New Beerbhoom	22½	10	½	½	½		3, 9	H.
1,15,000 } 1,57,500 }	2,47,693	12,96,801	8,28,607	13,249	Andrew Yule & Co., Ltd.	New Manbhoom	12½	10	*Nil* + ½	½ + *Nil*	½ + ½	*Nil* f	4, 10	H.
						North West	21½N	10	½ + ½	½ +*Nil*	*Nil*	As. 10 f	3, 9	H.
1,50,000	12,21,853	3,97,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd. ..	Ondal	18N	7½	½ + ½	½ +*Nil*	*Nil*	As. 7½f	3, 9	H.
10,00,000	1,10,000	39,70,882	17,90,658	3,809	K. C. Thanar & Bros.	Oriental Coal	9N	10	1 + 1	1 + 1	½ + ½	½+	6, 12	H.P.
3,34,000	12,942	17,42,596	8,01,923	7,443	Deepchand Kishenlall	Parasea	14N	10					12	H.T.
15,75,000	15,00,000	46,12,471	34,02,471	38,203	Shaw Wallace & Co., Ltd. ..	Pench Valley	25½	10	*Nil*	½ + ½	½ + ½	½+	6, 12	H.P.
23,99,500	13,67,105	1,10,38,839	83,82,615	33,013	N. B. Elias & Co., Ltd.	Ranegunge	12	10	½ + ½	½ + ½	½ + ½	½+	6, 12	H.
13,50,000	8,53,345	35,36,765	27,73,764	28,521	Shaw Wallace & Co., Ltd. ..	Rewa	21½	10	*Nil*	*Nil*	½ + ½	½+	3, 9	H.
20,00,000	3,95,253	32,32,218	13,30,500	438	Jalpuria Sons Ltd.	Samla Collieries	13½	10	½ + ½	½ + ½	½ + ½	½+	6, 12	H.
4,25,000	1,05,802	13,73,480	12,21,237	21,070	M.	Seasota	7½xr	2½	½	½	½	½+	6, 12	Y.
2,50,000	7,36,593	29,87,021	18,41,629	40,187	Andrew Yule & Co., Ltd. ..	Seebpore	32	7	½ + ½	½ + ½	½ + ½	½+	1	H.P.
8,00,000	6,46,689	52,491	33,867	6,601	F. W. Heilgers & Co., Ltd. ..	Sendra	10½N	10	*Nil*	*Nil*	½ + ½	½+	6, 12	H.P.
63,21,450	16,96,050	3,82,71,101	2,85,68,501	—4,46,963	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	9½	10			*Nil* + ½	½+	6, 12	H.P.T.
17,50,000	10,80,625	37,77,449	14,88,826	7,546	Bird & Co., Ltd.	South Karanpura	13½	10	½ + ½	*Nil* + ½	0–11 1/5		12	Y.P.
8,00,000	13,89,545	1 60,570	25,510	7,937	F. W. Heilgers & Co., Ltd. ..	Standard	22	10	½ + ½	½ + ½	*Nil* + ½	½ + ½	2, 8	H.
10,00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Talcher	3½	2½	½ + ½	½ + ½	½ + ½	½+	6, 12	H.
3,50,000	3,59,000	19,72,979	15,13,979	47,938	Williamson Magor & Co., Ltd.	Union	16½	10					9	Y.
49,98 000	.....	49,01,356	18,91,545	31,694	Hindustan Investment Corpn., Ltd.	Western Bengal	12½	10	1½+1½	1 + ½	+½		6, 12	Y.
7,00,000	1,38,190	55,22,133	22,66,981	122	Macneill & Barry Ltd.	West Jamuria	12½	10	*Nil*	½ *Nil*	½ *Nil*	½ *Nil*+	3 6, 12	H.

M—Managed by the board of directors ‡ Less income-tax. * Including bonus. (k) Investments

(*l*) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March, 1954

COMMERC

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
16,00,000 / 14,50,000	1,08,00,000	11,36,301	Allahabad Bank	365 / 184	100	18 0	18 0‡	18 0‡		12	Y.P.
1,01,000	18,51,000	1,28,560	Andhra Bank	115 / 84	100	9 0 / 6 0	9 0‡ / 6 0‡	9 0‡ / 6 0‡	3 0‡ / 2 1 3/5‡	6.12	H.
31,29,750				08½	50	6 0	6 0‡	6 0‡	1 8‡	12	Y.
1,00,00,000	1,38,00,000	2,70,302	Bank of Baroda	1½N	25	0 12	0 12			12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	159	50	7 0	7 0	7 0	3 0‡	6.12	R.L.Y.
2,50,00,000	2,52,00,000	9,10,851	Bank of India	52N	25	3 0	3 0	3 0	1 12½	12	Y.
15,30,375	26,00,000	64,702	Bank of Indore	26½	50	1 8	1 8	2 0		12	Y.
50,00,000	19,00,000	25,128	Bank of Jaipur	26½	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
50,00,000	88,00,000	2,50,591	Bank of Mysore	260	50	2 8	2 8	2 0	2 0	6	Y.T.
61,21,700	56,72,012	10,069	Bombay State Co-operative Bank	57N	50	4 8	4 8	4 8		12	P.Y.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	80	50	5 0‡	5 0‡			12	Y.P.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	86	50	3 8	3 0	3 0	1 8‡	12	R.L.Y.
2,62,11,875	4,00,58,697	17,88,899	Central Bank of India Ltd.	52½ / 56	25	3 8	3 0	3 0	1 8‡	12	Y.
52,42,375 'A'				43	50	1 12	2 0	2 0		12	Y.
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co.	72N	20	4 0	4 0	4 0		12	Y.
1,50,00,000	1,00,00,000	1,06,895	Habib Bank (P)	32½	50	1 0	1 8	1 8		12	Y.
50,00,000	23,50,000	1,12,820	Hind Bank	9½	50	—	—	—		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	14	50	—	—	—		12	Y.
50,00,000	1,50,000	1,412	Hindustan Mercantile Bank	80N	100	5 0	5 0	6 0‡	5 0	9	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	191 / 159 / 113	100	12 0 / 10 3½ / 7 3½	12 0‡ / 10 3½ / 7 3½	12 0‡ / 10 3½ / 7 3½	6 0‡ / 5 2/5‡ / 3 9 2/5‡	6.12	R.L.H.
24,00,000 / 17,00,000	77,50,000	1,80,785	Indian Bank	129 / 424	100	6 0	6 0	6 0		12	Y.
16,80,000				11 / 284	100(A) / 25(B) / 50(C)	1 8 / 2 0	2 0			6.12	H.
40,19,675 / 6,25,000 / 2,50,000	6,82,939	1,380	Indo-Commercial Bank	49½	25	1 8	2 0	3 0	1 8‡	12	Y.
10,00,000				25	10	0 12	0 12	0 12		12	Y.
87,50,000	92,50,000	4,99,040	Punjab National Bank	17½	25	—	0 10	0 12		12	Y.
1,00,00,000	21,75,000	93,631	Travancore Bank	6½	5	0 5½	0 5½	0 5½		12	Y.
40,00,000	24,00,000	1,75,874	Union Bank of India	53½	50	2 0	2 0	2 8		12	H.
2,00,00,000	86,50,000	1,08,725	United Commercial Bank								

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£592,910	Chartered Bank of India, Australia and China	£2-0-9 / £5½	£1 / £5	16‡ / 7‡	14‡ / 8‡	15‡ / 8‡		12	R.L.Y.
£1,000,000	£1,250,000	£59,917	Eastern Bank							12	R.L.Y.
H.K. $20,000,000	H.K.$128,000,000	H.K.$10 215,256	Hongkong and Shanghai Banking Corporation	£99	H.K. $125	8*	8*	5*	2*	12	Y.
$17,966,195 'A' / $1,437,296 'B' / £275,000 'A' / £275,000 'B' / $720,000 'C'	£14,500,500	£516,557	Lloyds Bank	£2-15-6 / £1-8-3 / £4½ / £4½	£1 15 / A £2½ / B £2½ / C £1	12½ / 14‡ / 14‡ / 14‡ / 14‡	14‡ / 14‡ / 14‡ / 14‡ / 14‡	5‡ / 14‡ / 14‡ / 14‡ / 14‡		12	R.L.Y.
£2,651,563	£2,104,687	£326,266	National Bank of India	£1-2-6	sh 12½	16‡	16‡	15‡		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR					
19,50,000	6	1st December and 1st June	Carew & Co. (1938)	100	1st June (1963)
4,00,000	5½	1st March and 14th September	Carew & Co. (find mortgage) (1941)	95	28th February (1956(c))
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd. (1938)	99½	30th December (1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar (1942)	102	27th December (1955-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New) (1944)	88	1st November (1959-64
2,45,01,800	5	30th June and 31st December	Sakoli Sugar Industries (1941)	101	1st April (1956-61
80,00,000	6	1st May and 1st November	Walchandnagar Industries (1944)	97	1st November (1956-64
85,00,000	4½	1st May and 1st November	Walchandnagar Industries (New) (1944)	97	
COAL					
80,00,000	4½	30th April and 31st October	Bharat Collieries (1944)	95½	30th June (1964
80,00,000	4½	30th June and 31st December	Burrakur Coal Co. (1947)	81½	30th June (1967(c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co. (1953)	100	14th December (1958(c))‡
COTTON					
3,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd. (1942)	85	30th April (1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur (1957)	99	15th November (1956(b)
80,00,000	5	1st April and 1st October	Buckingham and Carnatic (1952)	101½	1st March (1972(c
13,86,000	5½		Jayshree Textiles (1949)	80N	1st January (1966-71
40,00,000	5½	1st June	Tata Mills (1952)	100½	
ELECTRICS					
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd. (1950)	95	31st March (1965(c)
1,25,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd. (1940)	100½	14th June (1960
86,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co. (1949)	98	1st December (1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd. (1949)	94	31st December (1956(c)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd. (1950)	101	1st January (1970(c)
85,00,000	5	30th June and 31st December	Gourepore Electric Supply Co., Ltd. (1945)	87	31st December (1970
10,00,000	5	1st January and 1st July	Sijua (Dharian) Electric Supply Co., Ltd. (1961)	94	30th June (1976(c)‡
7,56,200	5½	1st January and 1st July	South Madras Electric Supply (1940)	98½	1st July (1957-61
2,00,00,000	5½	1st May and 1st November	South Madras Electric Supply (1939)	98½	1st October (1960-64
1,00,000	5	1st January and 1st July	South Madras Electric Supply (—)	94	
4,63,800	4½	1st April and 1st October	South Madras Electric Supply (1940)	103	1st July (1956-61
47,73,000	5	1st April and 1st October	Tata Power (—)	93½	15th September (1966-76
2,50,000	6	1st April and 1st October	Tata Power (—)	—‡	
ENGINEERING					
5,00,000	5½	30th June and 31st December	Britannia Engineering (1945)	90	31st December (1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd. (1928)	99	30th June (1968
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage) (1942)	102	1st July (1957-62
50,00,000	5	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage) (1936)	88	31st December (1966(b))
61,146,600	4½	31st May and 30th November	Kumardhubi Engineering Works Ltd. (1946)	87	31st May (1971
10,00,000	4	1st April and 1st October	Tata Locomotive (1950)	102½	1st October (1960-65
1,50,00,000	5	1st April and 1st October	Textile Machinery Corporation Ltd. (1950)	100‡	31st December (1960(c)
40,00,000	6	31st December			
JUTE					
12,00,000	5½	1st October and 1st April	Agarpara (1939)	99‡	31st March (1969
4,00,000	5½	30th June and 31st December	Alexandra (1939)	100	30th June (1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd. (1945)	90‡	31st December (1964
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd. (1945)	93‡	30th June (1964
9,00,000	5	31st January and 31st July	Calcutta (1949)	90	31st July (1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills (1951)	96	30th June (1966
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co. (1954)	99	31st March (1969(c)
8,86,000	5	30th June and 31st December	Empire (1951)	96	31st July (1965(c)
25,00,000	5½	1st January and 1st July	Hastumshahi (1947)	92	30th June (1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd. (1955)	100	31st March (1970
20,00,000	4	30th June and 31st December	Kinnison Jute Mills Co., Ltd. (1949)	94½	31st December (1964(c)
25,00,000	4	30th June and 31st December	Kelhati (1952)	96	31st March (1967(c)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd. (1939)	93	14th May (1959
30,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd. (1945)	98	31st December (1964
8,00,000	4	30th June and 31st December	Presidency (1943)	93	30th June (1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd. (1950)	91	5th September (1965(c)
8,00,000	4½	14th March and 14th September	Soorah Jute (1953)	96	14th September (1957
12,00,000	4½	30th June and 31st December	Union (1952)	94½	30th June (1957
10,00,000	3½	31st January and 31st July	Waverly (1925)	88	31st July (1960
RAILWAYS; STEAMSHIP AND TRAMWAYS					
4,50,000	4½	1st January and 1st July	Barasat-Basirhat Light Railway (1936)	90N	1st July (1956
£850,000	4½	1st January and 1st July	Calcutta Tramways (1900 / 1933)	£66½N / £77½N	At 105% at any time on 6 months' notice or at par or every seventh year.
£159,363	5	1st April and 1st October	Katakhal-Lalabazar Railway (1945)	90½	1st October (1974 / 31st December (1958(c)
6,50,000	3½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway (1905)	£85½N	Any time on six months' notice.(c)
£800,000	4½	30th June and 31st December	Scindia Steam Navigation (—)	96½	1st September (1963
5,00,00,000	4½	1st March and 1st September			
PLANTING					
10,00,000	5½	30th June and 31st December	Consolidated Coffee (1928)	102	1st July (1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea (—)	100	1st April (1958-62
1,99,700	5½	31st March and 30th September	Teekoy (—)	100	31st March (1948-59
MISCELLANEOUS					
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd. (1946)	100	30th September (1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd. (1948)	96	31st December (1965
88,80,000	4½	1st April and 1st October	Associated Hotels of India (1948)	96	31st December (1962
4,80,800	4½	30th June and 31st December	Bemma Paper Mills (1947)	97	30th June (1957
2,00,00,000	5½	1st March and 1st September	Birmah-Shell (1954)	103½	1st September (1965-69(c
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd. (1955)	103½	1st October (1970
21,00,000	5½	1st February and 1st August	Cowrjunghee Properties (1915)	92	1st February (1964
20,92,000	4½	1st July and 1st January	Clive Buildings (1936)	102½	1st July (1966
20,00,000	4	15th March and 15th September	Dalhousie Properties (1946)	87½	15th September (1960
1,80,00,000	4	31st March and 30th September	Dalmia Cement Ltd. (1946)	92	(1960
1,20,00,000	5	1st January and 1st July	Dunlop Rubber (1950)	102½	1st January (1971(c)††
1,80,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd. (1944)	105	30th June (1959(c)‡
11,75,000	5	15th March and 15th September	Mettur Chemical Industries (1949)	95½	(1964
38,08,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes) (1946)	560	30th September (1970(c)
45,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes) (1947)	470 (Per note)	31st December (1972(c)
75,00,000	5½	1st April and 1st October	Macneill and Barry Ltd. (1951)	89½N	1st April (1971
1,50,00,000	5½	30th June and 31st December	National Rayons (1955)	103½	30th June (1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd. (1951)	96	31st March (1961(c)
1,00,00,000	4	30th June and 31st December	Ronuas Industries Ltd. (1946)	91	31st December (1960
4,99,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd. (1953)	106½	1st May (1968(c)

(c) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ½ per cent premium after 1-9-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,00,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-8-1966 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-8-1964. †† Rs. 1,60,00,000 debentures will be redeemed at par annually by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1961 to 1970 out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. §§ Redeemable on 1st May 1964 onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May 1968, on six months' notice. †† Option to repay at par on 6 months' notice on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 11th January, 1956.

—	Closing quotations 5-1-1956	High	Low	Closing quotations 11-1-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	156½	—	—	156½
Apollo (2)	2½	3-0½	2½	2-15/16
Bombay Dyeing (250)	569½	569½	555	555
Central India (100)	155½	156½	113	153
Century Mills (100)	483½	485	477½	479
Colaba (100)	85	85	84½	85
Edward Textile ($200)	317½	—	—	317½
Elphinstone (50)	59	59	59	61½
Finlay (100)	343	341	337	338
Gokak (100)	226½	226½	224½	225½
Ind. Untd. Deld. (1)	2-3½	2-3½	2-2½	2-3½
Ind. Untd. Ord. (10)	2½	2½	13/4	1¾
Indore Malwa (100)	148½	148½	143½	145
Khatau (100)	228½	231½	226½	226½
Kohinoor (100)	339½	341½	336½	337½
Lakshmi (250)	650	655	650	655½
Madhusudhan (100)	115	—	—	116
Minerva Mills (100)	86	—	—	86
Model Nagpur (250)	153½	—	—	153½
Morarji (100)	250	250	227½	230
Mysore (50)	105	105	103½	103½
National Rayons (100)	239½	239½	224½	235½
New City (100)	168½	—	—	168½
New Victoria (100)	200	192½	190½	191
New Union (10)	37	—	—	37
Phenix (100)	141½	—	—	141½
Podar Mills (100)	180	181½	176½	177½
Seasoon Silk (10)	20	20½	20	20
Seasoon Spg. (10)	43½	43½	42½	42½
Sholapur (1,000)	2,000	—	—	2,000
Shrinivas (100)	213½	217½	213½	217½
Simplex (50)	197	197½	193½	194
Standard (100)	417½	422½	412½	417½
Svadeshi (100)	222½	223	219½	219½
Swan (100)	435	435	430	432½
Tata Mill (25)	50	53½	49½	52½
Vishnu (100)	181½	—	—	181½
Western India (1,000)	5,000	—	—	5,000
BANKS				
Bank of India (50)	157½	159	157½	159
Bank of Baroda (50)	100	100½	98½	98½
Central (25)	51	53½	50½	52½
Central 'A' (25)	56	—	—	56
Dena Bank (50)	43	—	—	46
Punjab National (25)	49½	49½	48½	48½
Union Bank (5)	7⅛	7⅛	6¾	6¾
United Com. (50)	54	54	53	53½
ELECTRIC COS.				
Ahmedabad (100)	106½	106½	105⅛	105⅛
Amalgamated (10)	11⅛	11⅛	11⅛	11⅛
Andhra Valley (1,000)	1,338½	1,330	1,327½	1,327½
Bom. Sub-Ki. (100)	120½	120½	120	120
Surat (100)	123½	124½	123⅛	123⅛
Tata Hydro (100)	139½	138	136½	137
Tata Power (1,000)	1,402½	1,402½	1,390	1,392½
INSURANCE COS.				
British India (10)	14⅛	—	—	14⅛
Empire of India (100)	600	—	—	600
Ind. Mercantile (20)	46	46	44½	45½
Jupiter (15)	8½	—	—	8½
New India (15)	43½	43½	42½	43½
Oriental (200)	4,960	—	—	4,960
Universal (10)	14	—	—	14
Vulcan (10)	15½	—	—	15½
STEEL COS.				
Ind. Iron (10)	37⅛	38½	37-5/8	38⅛
Tata Steel Ord. (75)	247½	248½	243½	246½
SUGAR COS.				
Belapur (50)	342½xd	343	330	340½
Bhopal (10)	15⅛	—	—	15⅛
Dhampur (50)	143½xd	142	139½	141½
Walchand Ind. (100)	253½	253½	249½	249½
CEMENT COS.				
Associated Cts. (100)	218	220	213½	213½
Digvijay (100)	173½	174	172	174
MISCELLANLOUS				
Alcock Ashdown (100)	341½	350½	340	351½
Bom. Burmah (125)	591½	598½	585	588½
Do. (New) (50)	207½	208½	206½	208½
Br. B. Petrol (4 sh.)	4⅛	4⅛	4-3/8	4-6/8
Br. I. Corpn. (5)	18-3½	18-3½	12½	13
C. P. Rly. (100)	96½	—	—	96½
Indian Copper (2 sh.)	6⅛	7⅛	6⅞	7-0/8
Ind. Inv. Tr. (100)	81½	—	—	82
Kemp (200)	195½	—	—	195½
Killicks (100)	173	174	172½	173
Polson (100)	156½	156	156½	156½
Port Canning (100)	15½	—	—	15½
Premier Con. ($5)	193	200½	189	196
Scindia (20)	18-2½	18-11½	18	18½
Shivrajpur (10)	107	108½	107½	108½
Tata Chemicals (10)	18-2½	18⅛	17⅛	17½
Tata Oil (25)	48½	48½	47¼	47½
Tata Loco (100)	154	158	149	151½
W. I. Match (100)	191½	192½	190	190½

GOVERNMENT SECURITIES	6-1-1956	Gross Yield Earlier Redemption	Gross Yield Later Redemption	12-1-1956
	Rs.			Rs.
2½% 1961	93	—	3 92	96
2½% 1960	95⅛	—	3 72	96
2½% 1963	93⅛	—	3 80	93⅛
2½% 1976	82½	—	4 06	82½
2½% 1957	99½	—	3 80	99½
2½% 1958	99⅛	—	3 22	99⅛
2½% 1959-61	98	3.60	3 37	98
2½% 1964	94⅛	—	3 75	94⅛
2½% 1965-65	94⅛	3.88	3 68	94⅛
2½% 1966-68	91⅛	3.94	3 82	91⅛
2½% 1970-75	87⅜	4.10	3 89	87⅜
2½% 1986 Con. Loan	80⅞	—	3 73*	80⅞
4% 1960-70	101⅛	3.59	3 84	101⅛
4½% 1954-64**	103⅛	3.05	4 16	103⅛
2½% 1961 N.P. Bonds	99⅛	—	3 60	99⅛
2½% 1964 N.P. Loan	98⅛	—	3 67	98⅛
2½% 1966 N.P. Bonds	98⅛	—	3 69	98⅛

BRITISH GOVERNMENT SECURITIES	4-1-1956	High	Low	9-1-1956
	£	£	£	£
2½% Brit. Consols	56⅜	56⅜	55⅛	55⅛
3% Savings Bonds 1965-75	79⅜	79⅜	77⅛	77⅛
3% War Loan 1955-59	94⅛	94⅜	94⅛	94⅜
2½% War Loan	76⅛	76⅛	75⅜	75⅜
4% Victory Bonds 1976	96⅛	96⅛	95⅛	95⅛
4% Funding 1960-90	91⅛	92	91⅛	91⅛

* Current Income. x.d.—Ex-dividend. ** Rupee Counterparts

COMMERCE

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

VOL. XCII. No. 2342 BOMBAY, 21ST JANUARY 1956 PRICE Rs. 1/8

TRIUMPH FOR COLLECTIVE BARGAINING

ONE of the prerequisites for the success of the second Five-year Plan, due to be finalised in a few weeks, is elimination of industrial strife, so that there can be no avoidable loss of production. The importance of this prerequisite will be easily realised, if it is borne in mind that as large a supply of consumer and durable goods as possible has to be ensured in order to match the heavy volume of development expenditure. Any agreement that is designed to secure industrial peace, therefore, deserves to be commended. The agreement between the T.I.S.Co. and its workers, referred to in these columns last week, is one such. Another is the one between the Millowners' Association, Bombay, and the Rashtriya Mill Mazdoor Sangh, a labour union belonging to the I.N.T.U.C., recognised as the representative organisation of workers. This agreement, the details of which were made public shortly after we went to press last week, covers the payment of bonus to workers, an issue which had been a hardy annual for several years now.

The agreement binds the workers and the management of mills that subscribe to it to an agreed basis of determining the bonus for a period of five years from 1953 to 1957, both years inclusive. This means that the first two years of the second Plan and the last three years of the first Plan are covered by it. In fact, it has been agreed that the principles of agreement should be made applicable to the bonus for 1952 also in the case of those mills the cases of which are pending before the Industrial Court. The principles are similar to those that are being followed by the Ahmedabad mills under an agreement reached earlier in the year. According to them, all mills will have to pay a bonus irrespective of whether or not they make a profit. The quantum of bonus, however, will vary from mill to mill, depending on the level of profit of each individual mill. The mills which make a loss or a nominal profit will have to pay a minimum bonus equivalent to 15 days' basic wage or 4.8 per cent. of the annual basic wage. In the case of others, the quantum of bonus will be in proportion to the divisible profit, subject to a maximum of three months' basic wage or 25 per cent. of the annual basic wage. There are, however, provisions to safeguard the interests of workers and millowners alike. Thus, a mill, which pays the minimum bonus despite suffering a loss or making only a nominal profit, will be compensated in any future year when it earns a good profit. Similarly, in the case of a mill which makes a profit so large as to entitle its workers to a bonus bigger than 25 per cent. of their annual basic wages, the excess over the maximum bonus of three months' wages will be utilised for payment of bonus in the subsequent years covered by the agreement in case profits in these years are low. In the former case, the millowners' interest is safeguarded, while in the latter case the workers are ensured uniformly fair justice. The determination of profit of each mill for assessing the amount of bonus will be on the basis of its audited statement of accounts. The formula for calculating the bonus will be the same as the one hitherto followed by the Labour Appellate Tribunal.

The aforesaid agreement differs from the one now being followed by Ahmedabad mills in two important respects. First, for the last two years of the agreement, namely, 1956 and 1957, the development rebate, allowed under the 1955 Finance Act, will be ignored in all bonus calculations. Secondly, a commission will be set up with agreed terms of reference to enquire into the rehabilitation requirements of Bombay mills. The rehabilitation requirement of a mill, referred to as the mill's rehabilitation quota, is a vital item in the bonus calculation. This quota was based on the finding by the Industrial Court that the total requirements of the Bombay cotton mill industry by way of replacement, rehabilitation and modernisation of machinery, for the 15 years from 1946 to 1961 amounted to Rs. 72 crores. In all the bonus disputes heard by the Industrial Court and the Labour Appellate Tribunal, this notional figure—it is no more than that—was bitterly contested by workers, though in vain, as all the courts upheld that figure as very reasonable. The millowners, however, have agreed to the re-opening of this question and for a fresh investigation by an impartial commission, with a view to removing a cause of constant friction between the parties. And, in so doing, they have made a friendly gesture which, it is to be hoped, will induce a co-operative attitude among the workers.

The agreement under discussion is one more indication of the growing recognition by employers and the more responsible section of workers that their interests are better served by settling their differences by mutual negotiations and friendly personal discussions across the conference table than by committing them to the care of third parties, however impartial they may be. It is, in brief, a triumph for collective bargaining. It is proof enough to show that good practices, too, have a tendency to spread over a steadily expanding area. The agreement in Ahmedabad covers 125,000 workers and that in Bombay will cover 210,000 workers, assuming that all the cotton mills will endorse it, as we hope they will. The cotton mills in Madhya Bharat, employing 22,100 workers, have already adopted this method of settling the bonus to workers. There are several employers in Bombay as well as outside who invariably follow the practice of the Bombay millowners in this matter. Accordingly, there is good reason to expect that the success for collective bargaining in this great city of industrial employment, coming as it has done close on the heels of the T.I.S.Co. agreement, will have a resounding effect all over the country, thus ushering in a new era of industrial relations.

While bonus agreements of the type referred to above have some good features, they are by no means the ideal method of securing industrial peace. They are good, in that they avoid prolonged litigation and, as most of the disputes referred to Industrial Tribunals and the Labour Appellate Tribunal relate to bonus, they will provide a great relief to these courts and enable them to concentrate their time and energy on other kinds of disputes. They will help employer and employee organisations to utilise the time, hitherto devoted for fighting the bonus question in courts, for more constructive purposes. Again, payment of a lump sum cash bonus may be a convenient way of relating workers' wages to the level of industrial earnings, and a flexible device, acceptable to workers' unions and employers, for minimising industrial unrest. But it suffers from a great defect; it is quite unscientific and is not conducive to higher individual productivity. An indifferent, as well as an industrious and conscientious, worker gets the same share in the surplus profit meant for distribution among workers as a whole. So do inefficient and efficient workers. Profit-making does not depend solely on workers. It depends as much on their efficiency as on the integrity and efficiency of management. Consequently, the bonus system may, in some cases, cover the defects of management, besides penalising the efficient workers under such management.

The bonus method, now widely followed in this country, was introduced as a rough and ready means of buying industrial peace during the war years, when there was neither leisure nor patience for working out a more equitable method. It has, like the bad coin, stuck on since then. There is nothing like it in any other part of the world, to our knowledge. If the productivity of workers is to be raised, if efficiency and honesty are to be encouraged among them, and if dishonesty and indolence among employers are to be discouraged, the bonus method must soon be replaced by a scientific system of wage which will secure the worker, besides a fair minimum wage, a progressive increase in his earnings in accordance with his physical productivity. Thus, what is required is a production bonus and not a mere attendance bonus. The task of evolving such a system may be rather difficult, but it must be squarely faced and fulfilled with the co-operation of workers, if Indian industries are to be placed on a healthy and competitive footing.

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WEEK'S STOCK

a commission to recommend measures for the progressive use of the Hindi language for the official purposes of the Union. So, constitutionally speaking, the use of English in the Union Government should disappear in 1965, unless its use is permitted by the President for any specified purpose. The constitutional injunction, in regard to the setting up of a commission, has now been implemented, the Kher Commission having been asked to gather evidence and submit its recommendations for the progressive use of Hindi in the Union Administration.

The Hindi enthusiasts have generally welcomed the constitutional provision for the replacement of English by Hindi with special fervour. But they are counting the chickens before they are hatched. The fact is that there is an enlightened section in the country which does not want to see English abdicate its throne. Further, the regional languages have set themselves up as serious claimants to the State thrones when they are vacated by English. Although the regional linguistic groups are not seriously opposed to the disappearance of English in the federal sphere, provided such disappearance causes minimum disturbance to the administrative set-up, they seem to dislike the imposition of Hindi in all spheres of activity in which English now plays a prominent role. Indeed, the Hindi fanaticism has bred, in its turn, a certain linguistic chauvinism in the various regional linguistic groups. It is bad enough that such jingoism should prevail in the political sphere, thanks to the linguistic division of the country. But it is a matter for country-wide concern that it should permeate other spheres of national life, particularly the educational realm.

It would be true to say that conditions, bordering an anarchy, now prevail in the educational field. Several universities are fast replacing English, now the medium of instruction, by regional languages. At the same time, vast sums are being spent in equipping higher institutions of learning and research, where English is the medium of communication at present. There is thus no doubt that the present language policy is bound to lead to loss of academic contacts among the universities. The other problem is the future of the institutions of higher learning which cannot depend upon a steady stream of entrants with a sufficient knowledge of the English language that is necessary for carrying on research.

The replacement of English by Hindi alone would constitute a formidable problem. But the task of replacing it by 14 Indian languages increases the difficulty fourteen-fold. A fact that has been overlooked by the enthusiasts for Hindi is that it is not only a comparatively young language—much younger than many an Indian language—but has many divisions. As an effective instrument for higher learning it has less, rather than more, claim for respect than any other Indian language. Its only claim is that it is spoken by a large number. But that should not blind one to the difficulty of raising it to the status occupied by English. This is true of other Indian languages too. It is well to recognise that just as there are, economically speaking, developed countries and underdeveloped countries, so also there are advanced languages and backward languages. It is, of course, not impossible for a language to grow to a high stature. But the process cannot be accomplished by executive fiat.

It is wrong to think that the entire problem could be solved through translations and preparation of dictionaries of technical terms. This method was tried in Hyderabad where the medium of instruction in the University was Urdu. It was not an unqualified success. New words cannot come into usage automatically. It is not like setting a foundry for forging a metal into shape. And yet, this is precisely the solution which the advocates of Hindi and regional languages have to offer to the problem of replacing English. Referring to this aspect of the problem, the Madras University, in the course of its reply to the Official Language Commission, rightly said:

"It will be an over-statement of fact, in fact, it will be unrealistic at present, to state that the languages mentioned in the Constitution have progressed to such a stage that they can fulfil all the requirements of University students in regard to acquisition of knowledge and furtherance of that knowledge. There is a feeling that, if a vocabulary is established, this need may be met. Apart from the fact that a vocabulary springs from literature, and literature does not spring straightway from a vocabulary, the mere publication of glossaries and vocabularies and encyclopædias, by themselves cannot meet the requirements of the situation even remotely. Neither is it at all practicable even in a remote degree to imagine that translations will meet the requirements of modern advance in knowledge in every sphere. What is required is that the country should produce authors who are in a position to contribute to the knowledge of the subject and to keep up in their publications all advance in modern knowledge. This must naturally be a process of slow evolution, and no amount of idealism and wishful thinking will speed up this process."

It is against this background of the difficulties inherent in developing both Hindi and other Indian languages into effective media for instruction in modern subjects and communication of ideas that one has to consider the question of dethroning English from its present position. Indeed, history furnishes no example of a country which faced a problem of similar complexity. India has, therefore, no model to go by. It has inevitably to choose its own path, in the light of its latest historical traditions and demands of a fast-changing modern world. The fact that difficulties are involved in any abrupt transition from English to other Indian languages alone should make one pause and consider the pace at which such transition should take place. But, when it is remembered that the abandonment of English from active use—all current trends in educational and administrative policy amount nearly to that—means cutting adrift from modern trends in international thought and knowledge, the whole policy deserves to be considered afresh. In his evidence before the Kher Commission, Mr. C. Rajagopalachari emphasised that English was not a "mark of disgrace" and that in the counsels of the world the country had acquired such power as it had acquired only through the medium of English. He added:

"We should not begin a revolution at the wrong end and cause or suffer hardship and inefficiency all round merely for bringing about a notional improvement in national consistency. It is, I say, to begin at the wrong end to impose Hindi before we have attained, all of us, as much proficiency in that language as we possess in English."

Mr. Kher himself is no less alive to the importance of Indian students acquiring a good mastery of the English language. Speaking at Madras, he said:

"When I say that the English language will eventually have to yield place to the Union language and to the regional language in their appropriate field, I am not oblivious of the importance of the English language as a foremost means of international communication in the world of today or unmindful of the beauty of its literature and the wealth of scientific knowledge in it. We cannot afford to lose our hold on the knowledge that is presently available only through the English language to us and which knowledge we badly need for the prosecution of technological advances in our country and for its economic development as well as for the higher standard of academic knowledge."

A commendably pragmatic view has been taken by the Mysore Government which has emphasised that only Hindi should replace English at the university stage and that English should continue till Hindi grows in "content, precision and stature to become the medium of instruction." It has particularly drawn attention to the fact that any abrupt transition would mean that the "industries of the country and her cultural and scientific institutions would fail to be manned by sufficient number of persons who possessed professional knowledge, experience and efficiency." The learned scientist, Dr. C. V. Raman, has been even more outspoken. The whole proposition to replace English by Hindi, according to him, is "wholly misconceived." He said that any change-over would not only not serve any useful purpose but would further accentuate existing linguistic conflicts, resulting in a very great setback in the progress of the country in diverse fields of human activity.

An impartial study of the "language" situation in the country will reveal three distinct features. In the first place, there is some opposition to any sudden imposition of Hindi as an official language of the Union. The Government of Madras is opposed even to the prescription of knowledge of Hindi as a necessary qualification for entry into Central Government service. It is also opposed to compulsory teaching of the subject in schools. Incidentally, one cannot resist the temptation of asking what kind of a "national" or "all-India" language is it, the claim of which for inclusion as a compulsory subject in the school curriculum, is directly denied by a State. Secondly, there is a realistic awareness of the difficulties involved in a transition from English to Hindi or other regional languages. Thirdly, there is a section of well-informed opinion which holds strongly that English should be retained. This section feels that any diminution of the importance, now given to English, would create a vacuum. It further holds that such a vacuum cannot be satisfactorily filled by regional languages which are too weak to take its place. And, even if they could take its place, the sense of all-India unity, never more vital to the progress of the nation than now, would be lost. Nor can English be replaced by Hindi, which, apart from the opposition to it in South India, is as undeveloped as any other Indian language, so that it cannot fill effectively the role now played by English.

All this points to the unwisdom of hasty abolition of English or forced diminution of the importance attached to it. The inexorable logic of the Indian language situation compels the retention of English as a subject to be studied with care and diligence in the secondary schools and as a medium of instruction in the higher technical and research institutions and as the official language in the courts and higher levels of State and Central administrations and of the judiciary. This situation will have to be continued until Hindi and the regional languages grow to their full stature. It is only when that stage has been reached that it will be possible to allot the spheres in which Hindi and the other regional languages can be used. Meanwhile, all efforts should be made for the spread of Hindi, and for persuading the regions, opposed to its compulsory study, to fall in line with the rest of the country. In the immediate future, the retention of English would serve the interests of political unity, of a certain uniformity in academic standards and of avoidance of waste and duplication in educational efforts. Many close and sincere observers of India's language scene point to the need for retaining English at least for another 30 years. This would demand the amendment of the Constitution. But it should not prove a great difficulty to concede this demand, considering that the Constitution has been amended for the sake of far less important issues.

Two things are absolutely necessary at this stage. In the first place, there should be a healthy belief in the inevitability of gradualness in any change. The present is hardly the time to make a major change—a change in language would constitute such a change—in educational and administrative spheres. The country is passing through a critical stage in its economic evolution. It is unnecessary to add to the complexity of the problem by turning the educational field into a cockpit of bitter controversy. Further, linguism has proved to be a disintegrating rather than a unifying, force. The reactions to the recommendations of the States Reorganisation Commission and the Government's decisions thereon should be an eye-opener to our policy-makers. It would be fatal to queer the pitch by further emphasis on linguistic separatism in education. Secondly, it would be useful for the authorities to cultivate an experimental attitude towards the entire problem. Why should they not set apart one or two colleges in each region to experiment in imparting education through the medium of the language of that region and one or two sectors of the administration for use of Hindi or other regional languages? Should the experiment prove successful, it could be extended by gradual stages

STOCK EXCHANGE PRESIDENT'S ACTION COMMENDABLE

DR. MATTHAI ON CEILING ON PERSONAL INCOMES—OUTLOOK FOR NICKEL

THURSDAY, 5 P.M.

MARKET GOSSIP

FOR the third week in succession since the commencement of the current year, the share markets have displayed a downward trend. The worst sufferer this week in Bombay has been the textile section. Almost all leading counters in this section were dominated by sellers, the drop in value being quite substantial. The main provocation for this was the strike in mills, followed by serious civil disturbances consequent on the Central Government's final decision about the future of Bombay City under the scheme of reorganisation of States. The Centre's firm refusal to let the City be the capital of Maharashtra and its verdict that the City should be under its jurisdiction came as a disappointment to Maharashtrian and leftist leaders who gave vent to their anger by calling for mass demonstrations and protest meetings. Right from the beginning, these protestations took a violent form and soon culminated in riots, looting and arson, seriously dislocating normal life and inflicting much material damage and loss of some precious lives. These deplorable developments have made the week a black one in the history of this fair city and a dingy one for the Stock Exchange.

The closure of mills for a few days is not the only chief factor that has unsettled the market sentiment. It is the prospect of a prolonged tension in the City and the consequent adverse effect on production that has unnerved the operators more. The immediate trend, therefore, hinges on the prospects of peace and return of normal life in the City. This, however, does not mean that the share market would stage any big advance in values or turnover if tomorrow the situation in Bombay streets were to improve. For the other uncertain factors, referred to in these columns of our previous two issues, are still there. Until they disappear one way or another, there can be no significant change in the present state of the market.

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The authorities of the Bombay Stock Exchange deserve to be complimented on their final decision not to go out of their way to protect one of their members who failed to pay the difference (of about Rs. 5 lakhs) due from him to the clearing house. The credit for this goes largely to the President of the Exchange, Mr. K. R. P. Shroff. All possible efforts were made by the "friends" of the defaulting member to bring pressure on two or three other members who were not prepared for a compromise settlement on grounds of principle. They had nearly succeeded, perhaps because they held out threats of social boycott which is surely a reprehensible thing to do. The zeal with which they tried to protect the defaulter would have been worthy of a better cause. And had they succeeded, they would have brought down one of the best Stock Exchanges in Asia in the esteem of the Government of India. It is, indeed, gratifying to find that the President, Mr. Shroff, realised, albeit in the nick of time, the gravity of the mistake which he was being egged on to commit by some of the members of the Governing Board last Thursday afternoon, and refrained himself from yielding to their pressure. His presence of mind and timely action in notifying on the board, late in the evening of last Thursday (the 12th inst.), the name of the defaulter has saved his reputation as well as that of his Stock Exchange. It is to be hoped that in future also he will continue to display the same firmness in dealing with defaulters. That is one of the principal ways in which unhealthy speculation on Stock Exchanges can be discouraged.

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The commodity and foodgrain markets are steady to firm. Among oilseeds and oils, groundnut and castor have maintained a steady pace of advance, while linseed has not made much headway. Although trading in the futures section of cotton is lifeless, the ready market has been ruling firm with mills being keen buyers. If the authorities had thought that by placing a curb on futures trading they could arrest the rising trend in spot cotton, their judgment has not so far been vindicated by events. There has not been any perceptible spurt in the prices of foodgrains in Bombay City markets; on the contrary, some of the coarse grains are a shade quiet. But in the principal produce markets in North India, wheat prices have moved up further since the beginning of 1956, accompanied by a fractional improvement in those of rice, too. In sympathy with commodities, both gold and silver also have looked up.

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There has lately been much discussion on the question of ceiling on individual incomes. It has been argued that such ceilings are part of the concept of a socialistic pattern of society. The consultative committee of Parliament, which considered the draft memorandum on the second Five-year Plan, has expressed itself in favour of such ceilings. The Planning Commission, too, has endorsed this drastic fiscal reform. It may be recalled that, although ceiling on income had been vaguely suggested in the past, it was the Taxation Enquiry Commission which first gave some shape to this idea. The Commission came to the conclusion that there should be a ceiling on net personal incomes after tax which, generally speaking, "should not exceed approximately 30 times the prevailing average per family income in the country." At the same time, the Commission was careful enough to add: "We do not suggest that this is capable of immediate implementation; but we think that it is important to strive by stages for its implementation over a period of time." It further qualified by saying that "the accomplishment of this objective cannot merely be the result of tax changes, but must be related to an integrated approach along several directions. The most important phase of this approach," it went on to add, "would be an acceleration of the tempo of economic development and a widening of employment and production opportunities. Fiscal policy has an important place in it; but this is necessarily subject to economic circumstances and practical possibilities of achievement at any given time."

It will thus be seen that the Commission did not contemplate the imposition of a ceiling on income as an immediate objective. Explaining the meaning and significance of the Commission's approach, Dr. John Matthai, who was himself the Chairman of the Commission, says:

"The essence of the formula suggested by the Taxation Enquiry Commission is that the upper limit to income should be linked to the average income. The formula implies the following considerations. The ceiling is not a fixed but a moving one, in the sense that it rises and falls with the standard of living. It is not expressed as a sum of money at a definite price level but varies with changes in the value of money. Under the formula, the maximum and average incomes move together. Unless the general standard of living rises, the highest permissible income, does not rise. The two rise or fall together. If the targets embodied in the present plan of economic development are reached, there will be a continuous rise in the average income and, therefore, a corresponding rise in the ceiling. Equality in the context of a socialistic pattern of society must be dynamic as well as realistic.

"At the present estimated *per capita* income, on the assumption that an average family consists of five persons, the Taxation Enquiry Commission's formula will mean a ceiling of approximately Rs. 3,500 per mensem after tax. This represents an income sufficient to support the conventional standard of life of an urban upper middle class family, allowing for the comforts as well as the necessities associated with that standard. But it rules out the class of expenditure which is regarded as obviously wasteful. It is wise at this stage not to make the restriction too drastic since irksome restrictions will defeat the main purpose. In a country which has newly achieved independence, the Government is apt to look upon the State in much the same way as a child looks upon a new toy. There is a tendency to overestimate its potentialities of use in one case and of amusement in the other, leading to excessive handling which may twist and break it. The State must not be made to carry a bigger burden than it can bear. There are already signs that this is happening in India. On the other hand, while the individual in a well-ordered State under good leadership can stand a great deal of discipline, there is a limit beyond which under discipline the individual begins either to languish or to rebel. In the light of our experience during the past eight years, there is greater need for objectivity on the part of both planners and statesmen."

A point that is often overlooked in all discussion about ceiling on income is that it must be accompanied by the willingness and capacity of the State to undertake the responsibility of providing certain amenities which are claimed as a matter of right by the people even in countries which do not subscribe to socialism. Such amenities include free education upto secondary stage, free medical attention and insurance against unemployment, old age and death. Surely, in this country, where such amenities have, by and large, to be provided by the citizens themselves, a ceiling on income should at least have a more liberal meaning than in other countries which provide such facilities and yet do not impose ceilings on income. But the more relevant question is whether this country, where incomes are small and large incomes are confined to a few and even these are already subjected to a heavy rate of taxation, should experiment with a ceiling on income and thereby lose sight of the larger problem of raising the general level of incomes.

Be that as it may, while the Taxation Enquiry Commission suggested a flexible form of ceiling on personal incomes, the proposal that is being actively canvassed by a section of politicians and recommended by the Planning Commission indicates a rigid ceiling and that, too, at a level well below the one advocated by the Commission. If and when this proposal becomes a reality, it will deliver a serious blow to investments in the private sector and indirectly to share markets also from which it will take a long time to recover. The way in which the Prime Minister has been talking during the past 15 days on economic objectives—*vide* the authorised version of his speech at the Standing Committee of the National Development Council on the 7th inst., and the one at the opening ceremony of the new building of the Delhi School of Economics on the 18th inst.—shows that that day cannot be far off. The unexpectedly sudden nationalisation of life insurance to-day through an Ordinance confirms this feeling.

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Of considerable importance to consumers of nickel is the latest statement of Dr. John F. Thompson, Chairman, Board of Directors of the International Nickel Company of Canada (I.N.C.C.) Ltd., to the effect that the supply of the metal during the current calendar year will be more than that in the previous year. Dr. Thompson estimates the free world nickel production for 1956 at 442 million lbs.—an all-time record—as against 427 million lbs. in 1955. But the anticipated increase, it must be pointed out, is not so marked as it was in the preceding two years, namely, 1954 and 1953: the extent of the rise in these years was 40 million lbs. and 87 million lbs., respectively. Incidentally, out of the estimated free world nickel output of 427 million lbs. during 1955, Canada alone accounted for 347 million lbs., representing as much as 81 per cent. of the total. The percentage shares of other countries were Cuba 7, New Caledonia 5, Japan 3, the U.S. 2 and "others" 2. The bulk of the free world supply of nickel—about 285 million lbs. or 65 per cent.—was delivered by the I.N.C.C. The largest purchaser of nickel during 1955 was the U.S., which lifted approximately two-thirds of the aggregate supply, the balance being accounted for by Canada, the U.K. and other countries. A substantial portion of nickel purchased by the U.S. was used for heavy defence production and stockpile requirements.

Although nickel supplies for 1956 are estimated higher, the chances of a fall in prices seem to be very slender. On the contrary, one may even expect a firm tendency in prices. If the experience of last year be any guide, the limitations on the supply caused by large and augmented defence requirements, as also the strategic stockpile needs of the U.S., will continue to place a burden on the expansion of civilian markets, thereby "retarding the future growth of the nickel consuming and producing industries." In this connection, Dr. Thompson's exact words on the trend of nickel prices are noteworthy. He says:

"Throughout the year, the basic prices for Canadian nickel to industrial consumers in all world markets remained unchanged at 64½ cents U.S. currency (including the 1½ cents U.S. import duty) or the equivalent prices in Canadian and British currencies. In addition to marketing its own production, International Nickel, as an accommodation to the needs of users of nickel, arranged with Sherritt Gordon for continuation of production and delivery to industry in the U.S. and Europe of premium-price nickel provided earlier during the year to the United States stockpile. This arrangement will continue into 1956. Also in December, pursuant to the request of the U.S. Government, International Nickel arranged for the delivery to industry in the U.S. of a portion of the nickel destined for the stockpile under International Nickel's premium-price contract with the U.S. In net effect, these special quantities were provided to industry for the account of Sherritt Gordon and the U.S. Government, respectively, and at substantially the same premium prices as were applicable to the corresponding special production delivered to the stockpile during the year."

As in 1955, so during the current year (1956), the civil applications for nickel will be influenced by the heavy demand for the metal for atomic energy, defence needs and stockpile requirements. The steel industries continue to constitute the biggest consumers of nickel. Special mention may be made here of a further expansion in the production of chromium-nickel stainless steels and nickel-containing engineering alloy steels for the use in automobiles, trucks, tractors, aircraft, military equipment, farm machinery, road building equipment, power generation machinery and rail-road equipment. The other important applications for nickel are nickel-chromium alloys, such as Nimonics and Inconels, nickel-copper alloys like Monel, iron-nickel-chromium alloys such as Incoloy and Ni-o-nel, and a new multi-purpose welding rod bearing the trade mark 'Inco-Rod A.' Similarly, the use of nickel in the nickel-plating industries continues to grow. According to Dr. Thompson, among the new developments in this field is the production of nickel-plated heavy steel plate and sheet for fabrication into materials handling and processing equipment.

The copper-nickel-zinc alloys, known as nickel silvers, still maintain their position as the superior base metal for silver-plated tableware. These alloys also have wide acceptance as preferred materials in the communications field. The cupro-nickel alloys, containing 10 to 30 per cent. nickel, have proved useful in heat exchanger applications in power, marine and petroleum industries. Their combination of mechanical properties and resistance to corrosion has been a vital factor in establishing this group of alloys on a firm basis. The 30 per cent. nickel alloy has been adopted as the preferred material for oil coolers in automatic clutches by large segments of the automative industry. The output of nickel-chromium alloy castings in 1955 was about the same as in the previous year. The heat-resisting types find their principal application in industrial heat-treating furnaces. The petroleum and chemical industries are also important users. The corrosion-resisting types are used in the chemical, food processing and petroleum industries. In addition, increasing amounts of corrosion-resisting alloy castings are being employed by the Atomic Energy Commission. The use of 'Ni-Hard' abrasion-resisting nickel-chromium cast irons for mill liners and grinding balls in the mining and cement industries has showed a gain. Modification of one type of 'Ni-Hard' cast irons has led to the development of materials having the same abrasion-resistance with a considerable increase in tough-

(*Continued on page* 151)

EQUITIES DRIFT LOWER

A. C. C. ATTRACTS SUPPORT

(From Our Own Correspondents)

BOMBAY, 19*th January*

A QUIET tone continued to prevail on the Bombay Stock Exchange during the week under review also, with an all-round recession in share values. Equieties appeared to stage a recovery on Tuesday and Wednesday this week on heavy covering by shorts induced by the Government of India's decision to take over the administration of Bombay City and unfounded rumours that the new issues of Tata Iron and Steel Co. and Associated Cements would be at par. But these factors failed to sustain the sentiment, as realising pressure was in evidence, thanks to the disturbances which broke out in the City as a sequel to the Central Government's decision on Bombay. The Prime Minister's statement clarifying the Government's policy regarding the nationalisation of industries to the effect that the Government did not intend indulging in any doctrinaire policy of nationalising basic industries in order to promote the socialistic pattern of society, failed to cheer operators, because of the renewed uncertainty regarding the terms of the T.I.S.Co. issue and fears that the present unrest in the City might disrupt the working of industries. Advices from Calcutta also were far from encouraging.

In the steel section, Tata Ordinaries reacted from Rs. 245-8 to Rs. 237-8 on Monday, but revived to Rs. 243-8 yesterday. The recovery proved shortlived, as revival of selling pressure today brought them down to Rs. 241-12. Indian Irons moved between Rs. 38-3 and Rs. 37-5, before winding up at Rs. 37-14.

Textile shares suffered widely on fears about dislocation of work in mills caused by the disturbances. Bombay Dyeings fell sharply from Rs. 555 to Rs. 527-8, but recovered partially to Rs. 536-4. Kohinoors declined from Rs. 337-8 to Rs. 329 and closed at Rs. 330. Centurys closed Rs. 6 lower at Rs. 473, the lowest level touched being Rs. 466. Central Indias were marked down by Rs. 3 to Rs. 150, while Ahmedabad Advances were better by Rs. 7-8 at Rs. 163-12. Finlays lost Rs. 7 to Rs. 331, Gokaks Rs. 2-8 to Rs. 223, Indu Ordinaries As. 14 to Rs. 12-10 and Indore Malwas Rs. 5 to Rs. 140. A fall of Rs. 6-4 to Rs. 220 was noted in Khataus and of Rs. 3-12 to Rs. 165 in New City Mills. Shree Niwas dropped Re. 1-4 to Rs. 216-4. Simplex moved down by Rs. 5 8 to Rs. 188-8, Standards by Rs. 8-12 to Rs. 408-12 and Svadeshis by Rs. 4-4 to Rs. 215. Tata Mills provided one of the exceptions with a rise of Rs. 2-8 to Rs. 55. Sholapoors were done Rs. 100 lower at Rs. 1,900, while Lakshmi Cottons were taken Rs. 18-12 higher at Rs. 672-8.

Bank shares were steady on reports of encouraging results for the past year. Barodas picked up Rs. 3 to Rs. 101-8. Centrals were fairly steady at Rs. 52-4, while their new shares lost Re. 1-8 to Rs. 54-8. Bank of Indias induced support, following the increase in final dividend from 8 per cent. to 10 per cent., and rose by Rs. 5 to Rs. 164. Union Banks were done an anna higher at Rs. 7 and United Commercials As. 12 better at Rs. 54.

Electricity shares were dull with very little volume of business passing. Ahmedabad Electrics hardly changed from Rs. 105-15. Bombay Suburbans gathered As. 10 to Rs. 120-10, while Surats were held at Rs. 123-12. Andhra Valleys shed Rs. 2-8 to Rs. 1,325 and Tata Powers Rs. 20 to Rs. 1,372-8. Tata Hydros stood at Rs. 137.

Hardly any notable feature characterised business in insurance shares. Transactions were few and far between. New Indias put on As. 4 to Rs. 44. Indian Mercantiles rose by Re. 1-8 to Rs. 47, induced by the decision of the Directors to capitalise a sum of Rs. 8.46 lakhs (capital premium reserve) and apply the same to reduce the uncalled liability on the shares to the extent of Rs. 20 per share. Orientals had business Rs. 60 lower at Rs. 4,900.

Some sustained support to Associated Cements was the highlight of trading in the miscellaneous section. The shares appreciated from Rs. 213-8 to Rs. 220, before finishing at Rs. 218. Digvijays, on the other hand, shed Rs. 3 to Rs. 171. Sugar shares ruled easy, Belapurs receding from Rs. 340-8 to Rs. 335 and Phaltans from Rs. 143-10 to Rs. 141. In the engineering and mining group, Alcock Ashdowns drifted lower from Rs. 351-4 to Rs. 345-4 and Premier Constructions from Rs. 196 to Rs. 190. Tata Locomotives gave way from Rs. 151-8 to Rs. 147, but came in for good support at the lower level to rise to Rs. 152. Shivrajpurs shed a rupee to Rs. 107-8, while Indian Coppers gained As. 5½ to Rs. 7-6. B. B. Petrols lost As. 2 to Rs. 4-2½.

In the shipping and transport group, Scindias came down from Rs. 18-4 to Rs. 17-14, while Great Eastern Shippings were unchanged at Rs. 15-8. Hindustan Motors eased a little to Rs. 9-10 and Premier Automobiles dropped Rs. 2 to Rs. 85-8. Among miscellaneous industrials, Bombay Burmahs (old) receded from Rs. 585-10 to Rs. 563-12, but hardened to Rs. 573-12 at the close. British India Corporations were maintained at Rs. 13, while Killick Industries moved down by Rs. 3 to Rs. 170. National Rayons fell from Rs. 235-12 to Rs. 229-8, before gaining ground to Rs. 234 at the close. Tata Chemicals lost As. 7 to Rs. 17-7, Tata Oils Re. 1-12 to Rs. 46 and Wimcos Re. 1-14 to Rs. 188-12.

Calcutta Stock Exchange

CALCUTTA, 17*th January*

Relatively quieter conditions prevailed on the Calcutta Stock Exchange during the week under review. There was no improvement in the banking situation and with difficulties connected with clearing of cheques having continued, the turnover remained meagre. Money being immobilised on account of large subscriptions to the National Carbon issue, operators lacked strength to enter into fresh transactions. Their sentiment was adversely affected by weaker advices from Bombay, following the failure of a broker there to honour his commitments in the last settlement. Reports of political unrest in the country subsequent to the announcement of the Government of India's decision on the S.R.C. Report and the uncertainties connected with the capital issue of the Tata Iron and Steel Co., Ltd., and the impending budget were hardly congenial to enlarged trading which was confined to shorter working hours, with no trading on Saturday. Prices of equities were, therefore, a shade lower, though a few scrips reported minor gains on special support. The undertone, however, remained quietly steady.

Among textiles, Elgins were better at Rs. 26-11, as against Rs. 26-10. Kesorams, however, lost an anna to Rs. 18-1. Dunbars put on three points to Rs. 318.

In the coal section, Bengals met with profit-taking and, as a result, receded from Rs. 605 to Rs. 594. Equitables declined from Rs. 36 to Rs. 35-14 and South Karanpuras from Rs. 13-14 to Rs. 12-14. West Bengals lost As. 2 to Rs. 7-5, and Burrakurs As. 3 to Rs. 16-12. Central Indias were on offer at Rs. 8, as against Rs. 8-1.

On reports of increased production of jute manufactures during December and expectations of better overseas offtake of these goods, jute shares presented a relatively better appearance this week. Champadanys were wanted at Rs. 182. Dalhousie (Pref.) had buyers a rupee higher at Rs. 115. Kamarhattys were, however, Rs. 2 lower at Rs. 187. But Nationals were steady at Rs. 31-14.

Owing to selling pressure, Indian Irons, in the engineering section, receded from Rs. 38-4 to Rs. 37-15. Jessops, however, witnessed considerable speculative support and staged a smart rise from Rs. 62-2 to Rs. 65-8. Kumardhubis were steady at Rs. 12-6. Richardson and Cruddas retreated from Rs. 27-13 to Rs. 27-2 but recovered to Rs. 27-11.

Among miscellaneous shares, Orient Papers gained As. 5 to Rs. 34-14. Further increase was noticed in the price of Titaghur Papers which moved up from Rs. 46-14 to Rs. 47-4. Sone Valley Cements were done at Rs. 7-15, as against Rs. 8-1. Ashok Cements had deals at Rs. 10. India Steamships were done at Rs. 86, but Rohtas Industries were fractionally lower at Rs. 22-12. Martin Burns were maintained at Rs. 28-13. B.I. Corporations changed hands at Rs. 12-13, as compared with Rs. 13-13. But Angelo Bros. declined from Rs. 26-7 to Rs. 25-15.

Teas presented a mixed trend. Bishnauths were pruned down to Rs. 38-2 from Rs. 38-10. But Brooke Bonds put on As. 6 to Rs. 20-10. Hassimaras were dealt in at Rs. 33-12 and Hantaparas at Rs. 287. Dhelakhats, however, rose from Rs. 18 to Rs. 18-11.

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Madras Stock Exchange

MADRAS, 18*th January*

The easiness witnessed last week on the Madras Stock Exchange gathered further strength this week. The general wave of selling pressure persisted. Operators were reluctant to commit themselves this week also on account of uncertainties created by political disturbances in the country following the Central Government's decision on the S.R.C. Report. The textile section was weak on account of a number of selling orders. In the planting section, tea shares particularly lacked support on fears of a fall in prices of tea induced by reports of an increase in the output of tea in India this year. Miscellaneous shares presented a subdued tone with relatively more selling in evidence. As a result, prices declined and recorded substantial losses over the week. The undertone remained weak at close.

There were two important dividend announcements. The Indian Bank declared a final dividend of 5 per cent. and a bonus of 1 per cent. for the year ended 31st December 1955, thereby making a total of 12 per cent., the same as in the previous year. The Indian Overseas Bank announced a dividend of 7½ per cent. for the year ended 31st December 1955, as against 6 per cent. for the previous year.

In the textile section, Bangalore Woollens lost Rs. 7-8 to Rs. 565 and Buckinghams Rs. 4 to Rs. 171. Cambodias were down by Re. 1-3 at Rs. 12-1 and Coimbatore Pioneers by Rs. 5 at Rs. 250. Coimbatore Spinnings receded by Rs 2 to Rs. 81 and Dhanalakshmis by Rs. 9 to Rs. 356. Janardhanas were enquired lower at Rs. 86, as against Rs. 90 and Metturs at Rs. 387, as compared with Rs. 395. Palani Andavars 'A' suffered Rs. 2 to Rs. 158. Pankaja also were down by Rs. 2 at Rs. 68. Rajalakshmis and Ranga Vilas eased by Rs. 4 each to Rs. 168 and Rs. 78, respectively. Vasantas disclosed a loss of Re. 1-8 to Rs. 258-8.

Plantings too displayed lack of enthusiasm. Among teas, Chembras declined from Rs. 4-6 to Rs. 4-2 and Highlands from Rs. 16-12 to Rs. 16-4. Talyars were lower by As. 8 at Rs. 12-12 and Blue Mountains by As. 3 at Rs. 4-6-6. Rajagiris, among rubbers, eased from Rs. 20-14 to Rs. 20-10 and Pullangodes from Rs. 4-3 to Rs. 4-2-6. Cochin Malabars declined from Rs. 8-8 to Rs. 8-5. Among others, T.R. and T.S. were lower by As. 5 at Rs. 12-7 and Consolidated Coffees by As. 10 at Rs. 20-9.

In the miscellaneous section, India Steel Rolling Mills receded from Rs. 13 to Rs. 12-12 and Mettur Chemicals from Rs. 9-9 to Rs. 9-8. F.A.C.Ts. eased from Rs. 7-6 to Rs. 7-3. Andhra Cements 'A' were juiet at Rs. 161, Binnys at Rs. 162 and Bruntons at Rs. 7-12. Business was lacking in Dalmia Cements at Rs. 15. Mysore Chemicals and Fertilisers were dull at Rs. 9-4 and Rallis at Rs. 37-12.

COMPANY INTELLIGENCE

The Indian Aluminium Co., Ltd., the principal producer of aluminium in the country, proposes to raise over Rs. 3 crores of new capital in the form of Convertible Notes. These Notes will carry a fixed rate of interest and confer upon the holders of the Notes the right to convert them into ordinary shares of the Company. Although not widely known in India, Convertible Notes are a popular form of investment in other parts of the world, since they combine the attraction of a secure rate of return over a number of years with the option of exchanging this for possible greater returns or capital appreciation which is expected from ordinary shares in a growing and expanding enterprise.

The purpose of the issue is to provide a part of the funds required for the establishment of a new smelter at Hirakud in Orissa, which will triple the Company's production of aluminium metal to 15,000 tons per annum. Aluminium Limited of Canada, the largest shareholder of the Company, has agreed, in principle, to take up half of the new issue and the other half will be offered to the other shareholders and the Indian public.

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The Orient Paper Mills Ltd. (Managing Agents: Messrs. Birla Brothers Ltd., Calcutta) proposes to raise the authorised capital of the Company from Rs. 4 crores to Rs. 10 crores, by the creation of 3,000,000 ordinary shares of Rs. 10 each and 300,000 preference shares of Rs. 100 each. As at present, the authorised capital is made up of 2,000,000 ordinary shares of Rs. 10 each and 200,000 cumulative preference shares of Rs. 100 each. After the aforesaid increase, the ordinary capital will be made up of 5,000,000 ordinary shares of Rs. 10 each and 500,000 preference shares of Rs. 100 each.

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The Polychem Ltd., a joint venture by Messrs. Kilachand Devchand & Co., Ltd., and the Dow Chemical Company of Midland (Michigan) U.S.A. formed recently to manufacture plastic moulding powder, proposes to enter shortly the capital market with an issue of ordinary shares of the value of Rs. 20 lakhs. The authorised capital of the Company will be Rs. 1.50 crores, of which the issued and paid-up capital will be Rs. 80 lakhs, made up of Rs. 40 lakhs worth of ordinary shares and Rs. 40 lakhs preference shares. As was pointed out in these columns in our issue of 3rd December 1955, the two associates will each hold 25 per cent. of the share capital. Thus, out of the proposed issue of ordinary capital, they will together take up Rs. 20 lakhs and the balance will be offered to the public.

NEWS IN BRIEF

A RADIO-PHOTO service between India and Japan will be inaugurated within the next few weeks.

A radio-telephone service between India and Saigon was inaugurated last week. The service will be operated by the newly opened Calcutta centre of the Overseas Communications Service.

Investigations carried out by a team of four Soviet experts in Kaira district are reported to have confirmed the preliminary observations by a team of Indian experts that there was a possibility of finding oil in the area.

The Orissa Cabinet has decided to extend prohibition to more districts in the State, namely, Ganjam and Kiraput. These two districts now separate the prohibition areas of Andhra from those of Orissa (Cuttack and Puri districts).

An official U.K. delegation visited New Delhi recently and held discussions with officials of the Government of India regarding a proposed agreement between the two Governments for avoidance of double taxation in regard to Estate Duty. The talks, which were satisfactory, lasted for about two weeks and were concluded on 14th January 1956.

The Government of India has sanctioned Rs. 2.1 crores for the construction of an additional warehouse for tea in the Calcutta port under the second Five-year Plan. It is stated that there has been a heavy congestion of tea chests in the existing warehouses. Consequently, about 9 to 10 million chests have accumulated in the port, as against 4 to 5 million chests last year.

The Maheshwari Mills, a textile mill of Ahmedabad, has launched an experiment in workers' participation in industry. The workers of the Mills have been offered a seat on the board of directors. The joint meeting of the workers and the owner of the Mills held for the purpose has decided to settle all disputes mutually and without resort to courts.

The Bihar Government is reported to have decided to convey to the Planning Commission that it will not be possible to introduce total prohibition in Bihar in the second Plan period, on account of the annual financial loss of Rs. 4.5 crores involved, the heavy cost of maintaining an excise and staff (estimated at Rs 60 lakhs per annum) and the cost of rehabilitating the community engaged in the liquor trade (estimated at Rs. 250 crores).

The Bhilai steel plant in Madhya Pradesh, which is to be run under the technical guidance of Russian experts, will commence production at the end of December 1958, according to the Chief Minister of Madhya Pradesh. Madhya Pradesh would also produce 7 million tons of coal in the next five years, for which the Central Government has agreed to give a royalty of As. 8 per ton of coal produced in the State. In addition, the State Government would be entitled to one-third of the profit from the sale of coal.

The National Industrial Development Corporation has taken on hand a project to eliminate the dependence of Indian rayon industry on imported wood-pulp, the basic raw material for rayon production, as well as to help develop the newsprint industry. A team of two Italian experts has undertaken, at the request of the Government of India, to study the scope for the manufacture of rayon grade pulp and newsprint from Himalayan firs, eucalyptus grown in the Nilgiris and bagasse. The experts will tour the country for three months at the end of which they will submit their report.

The Government of India has had under consideration for some time the question of setting up an Expert Committee, as recommended by the Taxation Enquiry Commission, to review certain aspects of the tobacco excise tariff. In pursuance of this recommendation, it has appointed an Expert Committee with Mr. K. Raghuramaiah, M.P., Vice-Chairman, Indian Central Tobacco Committee as the Chairman. Mr. R. N. Misra, Collector of Central Excise, Allahabad, will be the member-Secretary of the Committee. Broadly speaking, the terms of reference to the Committee will be to review generally the departmental procedures now in force for assessment to duty of tobacco on the basis of the criterion of capability of use for the manufacture of *biris* laid down in items 9 I(5) and 9 I(6) of the Central Excise Tariff on Tobacco other than flue-cured and to consider generally the methods adopted for estimating the produce of tobacco growers for purposes of accounting and assessment, and to recommend measures for remedying the defects, if any, in the existing methods.

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From Abroad

Syria has become a member of the International Finance Corporation.

A delegation from Syria held discussions last week with the Pakistan Industrial Development Corporation on the prospect of setting up jute mills in Syria in partnership with Pakistanis.

Two more tea companies in the U.K. have announced a cut in the price of popular blends of tea by 4d. per lb. with effect from 23rd January 1956. Another tea company has announced a reduction of 4d. per lb. in the price of three blends and 2d. per lb. in that of another blend.

A two-man delegation from France has arrived in Karachi to conduct negotiations for a new trade agreement with Pakistan. The previous trade agreement between the two countries concluded in July last was only for six months. France is an important buyer of cotton and jute, while Pakistan imports heavy machinery and vehicles from France.

Gold production in South Africa during 1955 reached a record total of 14.60 million ounces, that is over 1.3 million ounces more than in 1954. It also exceeds the previous highest of 14.41 million ounces reached in 1941 when production was artificially boosted for war-time purposes. Since then, the output has touched a low of 11.20 million ounces in 1947.

The International Co-operation Administration has arranged for the disposal of the U.S. Government-owned surplus of wheat, lard and cottonseed oil worth about $5.8 million to Egypt and Bolivia. The U.S. exporters will buy the surpluses and Egypt and Bolivia will pay these exporters in dollars drawn from their foreign aid accounts.

The capacity of the West German steel industry will be raised during 1956 by 1.8 million tons to an annual rate of 23 million tons. Further expansion will, however, depend largely on the issue of fresh capital, since State aid is coming to an end. Investment this year will be of the order of £100 million, bringing the total expenditure during 1950-56 to about £400 million.

The General Motors Corporation and the Chrysler Corporation of the U.S. have announced a cut in their output of cars. The G.M.C. has decided to lay off nearly 4,000 employees at six assembly plants all over the the country, or 22 per cent. of the total labour force at these plants. The Chrysler Corporation proposes to reduce the output by 10 per cent. to maintain the balance between production and market demand.

Steel production in the U.K. during 1955 reached the record level of 19,791,000 tons. This was an increase of 1,271,000 tons over the 1954 figure. Last year's pig-iron output of 12,470,000 tons was 587,000 tons more than in 1954. Output of steel in December was at an annual rate almost 1.5 million tons higher—at 19.8 million tons—than the annual rate of 18.4 million tons reached in December 1954.

The U.S. Atomic Energy Commission has established a basic price of $43 per kilogram (2.2 pounds) on thorium metal, an atomic fuel source. The Commission plans to sell or lease thorium metal in limited quantities only if the industry is prepared to meet commercial requirements. The price applies to licensees who plan to use the metal in nuclear reactors and to other enterprises for peace-time application of atomic energy.

A seven-member trade mission of the British Dollar Exports Council under the leadership of Sir William Rootes, Chairman of the Council, is having talks with the Dollar-Sterling Trade Council in Toronto, Canada, to investigate the possibilities of increasing U.K. exports to North America. The mission will then proceed to the U.S. for discussions with British trade-promotion centres and British Commonwealth Chambers of Commerce there, and the U.S. industrialists and bankers.

Life insurance companies of New York have sought the permission of the State Legislature to invest $10,000 million of their life funds in Canadian businesses and to add to their holdings certain U.S. bonds, loans and securities now prohibited under State law. The broader investment base has been sought to permit companies domiciled in New York to make investments allowed by other States and to enable all life offices to take advantage of new investment opportunities without waiting for the restrictions to be lifted.

The total agricultural production of Asia, excluding Communist China, was at a record level in 1955-56, although, thanks to population increases, *per capita* production remained below the pre-war level in most countries, according to the U.S. Agriculture Department's annual survey. India had its second largest rice crop and a record wheat crop. Rice production in Pakistan was above the previous year, but not outstanding, and the wheat crop was lower than in 1954-55. Cotton production was larger in both countries. For West Asia as a whole, agricultural production in 1955-56 was slightly higher than in the previous season, but below the 1953-54 level. The increased crop outturn was due entirely to larger harvests of grain and cotton in Turkey and Iran, as total agricultural production in all the other West Asian countries was below the 1954-55 level. The survey shows that agricultural production in West Asia has increased by 42 per cent. over the pre-war period and population by 44 per cent.

For the first time in the history of British industry, an agreement has been reached on the general application of time and motion study between the workers and the boot and shoe manufacturing industry. The agreement is an interim one and will remain in force for two years, after which it is intended to incorporate it in a revised form, if necessary, in the National Conference Agreement. It is not compulsory on the part of the manufacturers to introduce the time and motion study, but the agreement lays down the principles which should govern its application for the benefit of those who wish to introduce it. According to the agreement, acceptable qualified consultants are to evaluate jobs and classify them into three grades for adult workers. Specific rates per standard minute for the three grades are listed in the agreement. At the end of a 12-week trial period, the time study method of calculating piecework prices shall be regarded as established unless either the employer or the operatives objects. The industry has had 10 years' experience in time and motion study in individual factories, and it is estimated that 17 of the 400 firms in the Federation are currently using the method. The first experiment resulted in a 35 per cent. increase in production of shoes and a 25 per cent. rise in wages, in a firm employing 2,000 workers. In other plants which have since adopted the method, production has gone up by between 25 and 80 per cent. Provision is made in the agreement to adjust the rates to the cost of living index and maintain the differentials between the various grades of operations.

PERSONAL

MR. C. J. S. Bindra, M.A., LL.B., has assumed charge as the Registrar, Labour Appellate Tribunal of India, at Bombay.

Mr. Murarji J. Vaidya has been elected President and Mr. Naval H. Tata Vice-President of the Indian Merchants' Chamber for the year 1956.

Mr. J. C. Burns has been elected Chairman of the Millowners' Association, Bombay, for 1956. Mr. Burns, who is Chairman of the Board of Directors of the Swan Mills Ltd., the Finlay Mills Ltd. and the Gold Mohur Mills Ltd., was first elected a member of the Committee of the Millowners' Association in 1939. He was Deputy Chairman in 1955. On several occasions, he has represented the Association on the Cotton Textiles and Cotton Control Committee since 1950. Mr. Burns was President of the Bombay Chamber of Commerce in 1952.

Mr. T. C. Kapur, retired General Manager of the Bombay Mutual Life Assurance Society Ltd., Bombay, has been appointed Chairman of the Expert Committee to frame an export credit guarantee scheme for India. The other members of the Committee are: Messrs. W. A. Foges of United Traders Ltd., Bombay, E. P. W. da Costa, Editor, *Eastern Economist*, New Delhi, S. Gupta, Secretary and Treasurer of the State Bank of India, Calcutta, S. C. Roy, Director, National Steel and Wire Rope Company, Calcutta, and T. S. Ramaswamy, Under-Secretary, Ministry of Commerce and Industry, New Delhi (member-Secretary).

Prof. M. S. Thacker, Director, Council of Scientific and Industrial Research, and Messrs. M. K. Mathulla, Joint Secretary, Ministry of Production; S. D. Shahney, Director-General of Ordnance Factories, Ministry of Defence; L. T. Madnani, Joint Director, Mechanical Engineering, Ministry of Railways; and K. S. Raghupathi, Deputy Secretary, Ministry of Iron and Steel; the Director of Supplies (Railway Stores); the D. G. S. & D., Ministry of Works, Housing and Supplies; Messrs. N. Krishnaswami, Development Officer, Ministry of Commerce and Industry; S. L. Kirloskar of the Mysore Kirloskar Ltd., Harihar, Mysore State (representing the Indian Machine Tool Manufacturers' Association); D. S. Nulla of the Investa Machine Tools and Engineering Co., Ltd., Bombay, and R. K. Gejji, Development Officer (Tools), Ministry of Commerce and Industry, have been appointed members of the Committee constituted by the Government of India to review the existing capacity for the manufacture of machine tools in the private and public sectors and assess the country's requirements of machine tools in different categories, Mr. R. K. Gejji will be Secretary to the Committee.

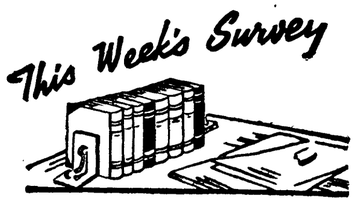
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 24*th January*

The Silver Crisis

The big silver loan to China, proposed by Mr. Pittman, Chairman of the Senate Sub-committee appointed by the U.S. Government to investigate the problem of the world's trade depression, is not wanted. The American Chamber of Commerce at Shanghai has cabled to the National Chamber of Commerce at Washington protesting against the proposed loan on the ground that it will drive silver prices still lower. The cable asks the National Chamber to draw the Federal Government's attention to the matter, and asks President Hoover to inaugurate international steps to remedy the situation. It suggests that immediate relief could be procured if the United States Government fostered an international agreement stipulating no further sales by any Government, and if leading commercial nations use purchased metal for coinage to the full extent that their laws admit. In the meanwhile, we are reminded by our esteemed London contemporary, the *Financial Times*, that the decline in the price of silver commenced in 1872. Other items to be noticed at about the same time concern a big expansion in the gold holding of the Bank of France and a heavy export of bullion to Germany, both of which have their counterparts in recent history, although movements today are on a much greater scale. Between 1872 and 1880 the average level of silver dropped only from 60-5/16*d.* to 52¼*d.* per ounce. By contrast, the descent has been precipitate from a height of 89½*d.* and an average of 67-7/16*d.* in 1920 to the mail week's new low record of 14½*d.*, from which level only a trifling recovery has taken place.



FUTURE OF INDIAN ECONOMY

ALTHOUGH the suggestions made by the Consultative Committee of Parliament, which met last week at New Delhi to consider the draft Plan, cannot be taken as the Government's view on the Plan, they are important for the reason that they show how Parliament's mind is working. A close study of the official Press note, which has summarised these suggestions without expressing any opinion on them, must make one wonder whether Parliament as a whole is fully alive to India's economic realities. Nearly all the suggestions made by the Committee stem from the now familiar negative "soak-the-rich" attitude, or from the romantic "promote-village-industries" policy, or from the ideological worship of the public sector. Perhaps the only realistic note was the one struck by Mr. Nehru who declared that it would be better to use the country's limited resources in starting new projects than to acquire existing concerns.

After a general discussion on the draft Plan, the Committee appointed two groups, one to consider the resources aspect of the Plan and the other to consider India's social and economic policy. The general opinion of the first group was in favour of maintaining the size as presented in the draft memorandum, that is, at Rs. 4,800 crores for the public sector. The suggestions made for raising additional resources needed for implementing the Plan included the imposition of a turnover tax, salt tax, raising of excise duties on mill-made products competing with cottage industries, enhancement of railway fares and freights as well as of stamp duties on gifts and partition deeds, and taxation of increased incomes from land values. Other suggestions were nationalisation of banking and insurance, especially foreign banking and insurance. The view was, however, expressed that, while considering taxation and nationalisation of banking and insurance, account should be taken of the needs of the private sector, especially of the need for resources for its development. It must, however, be made clear that these are the proposals of some of the members of Parliament in their individual capacity and should not be taken to represent the collective wisdom of Parliament.

More detailed suggestions came from the group on social and economic policy. The main emphasis was on income ceilings and on the expansion of the public sector, both absolutely and in relation to, or even at the expense of, the private sector. Ceilings on incomes, according to the group, should apply to both public and private sectors; they should be so phased as to come into effect before the end of the second Five-year Plan. The group's other suggestions were: (1) enhancement of estate duty, (2) annual tax on total wealth, (3) consideration of surcharge-*cum*-deposit proposed by the Taxation Enquiry Commission, (4) review of existing arrangements relating to corporate income, (5) elimination of conspicuous consumption through increase in rates of sales tax and excise duties on luxury goods.

The group made suggestions for the further expansion of the public sector. Basic industries, machine-building, including heavy foundry-*cum*-forage shops, ferro-manganese, essential drugs and minerals and oil should be in the public sector. Programmes relating to aluminium, ferro-manganese, cement, caustic soda, soda ash and other heavy chemicals should be examined whether they should be undertaken in the public sector wholly or in part. It was felt that, among existing industries, those which had a limited variety of products, such as sugar, jute and cement, might possibly be better suited for public management than other industries. The group, however, emphasised that, in developing the public sector, top-heavy administration and bureaucratisation were the evils which should be guarded against. It was also recognised that Parliamentary control over the public sector should be concerned with the shaping of policy rather than with details of administration.

As regards the private sector, not only is its area sought to be reduced but it should be subjected to further restrictions on its operations. The group has recommended that fiscal measures should be adopted to ensure that dividends are limited, that the State shared in capital gains and that corporate profits are not disproportionately large. To avoid concentration of economic activity in the hands of a few large business houses, new enterprises should be fostered, and relatively small businesses encouraged. This aim, it is stated, should be achieved through appropriate changes in licensing procedures, development of industrial estates and the activities of various finance corporations. The question of steps needed for securing improvement and renovation, possibly on a compulsory basis, of inefficient and uneconomic units in industry should be considered.

Decentralisation of industrial production is sought to be encouraged through development of small-scale industries. The group has recommended that processes and stages which can be undertaken in small-scale units should be decentralised. It has also suggested demarcation of spheres of production as between large-scale and small-scale industries; two specific suggestions are for the fixation of a ceiling on mill cloth as recommended by the Karve Committee and ban on further expansion of the *vanaspathi* industry. In order to bring prices of goods produced by these two sectors into balance, measures of price regulation should be employed. In this connection, a suggestion was made that, in determining excise duties in suitable cases, the volume of production and shifts may be taken into consideration. The group generally endorsed the Karve Committee's recommendations and emphasised the development of co-operative industries.

Some far-reaching suggestions have been made in respect of labour policy. Workers should participate in an increasing measure in the management of industrial enterprises and also in profits. The problems of recruitment of personnel in private industry, especially in the higher grades requiring technical and administrative qualifications, should be studied with the object of increasing efficiency through selection based on merit. It is noteworthy that the group has recommended that the remuneration of workers should increase in proportion to productivity and output. As regards wages, the principles of wage determination should be laid down, national and regional wage boards set up and a wage census taken.

These are some of the principal recommendations of the two committees set up by the Consultative Committee of Parliament. Some of them, notably those relating to labour policy, are well conceived. But most of the other recommendations, as stated at the outset, stem from doctrinaire considerations. Their implementation would at best prove a palliative rather than a permanent cure for the country's economic malady. In any case, the recommendations are not calculated to improve production, whether qualitatively or quantitatively. On the contrary, some of the measures, particularly the fiscal ones, recommended by the Committee will destroy all incentive for further production in the private sector. To limit the area of this sector's activities is bad enough. But to forge fetters for it, in addition to those it now has, would be to make matters infinitely worse for the country as a whole, for expansion of the public sector's sphere of activity is neither practicable nor desirable, even if practicable, as it will ultimately spell ruin to our democratic ways of life.

MACHINE TOOLS

The constitution of a 10-man committee by the Government of India to review the existing capacity for the manufacture of machine tools in the private and public sectors and assess the country's requirements of machine tools in different categories is a step in the right direction. The machine tool industry is passing through a difficult time. The absence of accurate statistical data regarding the country's present and prospective demand and the lack of adequate finances have hindered the development of the industry and prevented diversification of its production. Besides, it has been alleged that the Government's policy in inviting tenders for machine tools required by State-owned factories in London, even without enquiring whether Indian producers are in a position to manufacture them, has aggravated the problems of the industry. As a result, the existing capacity of the industry, it has been stated, has not been fully utilised.

There is thus a need for investigating the conditions in the machine tool industry. The Government has asked the Committee to suggest measures for the utilisation of the existing capacity and for the further expansion of the industry. The Committee will examine whether, after the existing capacity is fully utilised, there is any necessity for setting up new units. Specifically, the Committee will assess the country's requirements in machine tools in different categories and determine the gap between the requirements and the present manufacturing capacity. It will investigate the causes responsible for impeding faster development of the industry and suggest how they can be eliminated. Further, it will review the existing capacity for designing machine tools and survey the facilities available for training machine tool designers. It will suggest ways and means of helping the industry for securing training facilities at home and abroad for such staff.

Finally, the Committee will study the range of general purpose machine tools required by the various Government departments with a view to standardising them to the most widely popular requirements. In this task, the Committee will take particular note of the standardisation work already completed by the railways. It will suggest also the machinery for laying down standards of performance and specifications for inspection of the final product, in order to ensure that the product measures up to the required quality. It will recommend the most suitable organisation for testing and certifying the products as conforming to the prescribed quality specifications.

WORLD TARIFFS

Much significance attaches to the Fourth International Tariff Conference of the General Agreement on Tariffs and Trade (G.A.T.T.) which opened at Geneva on Thursday this week. For the main object of the Conference—it will last until about the end of April next—is to bring about a general reduction in tariff levels the world over. The Conference has been convened at the request of the U.S., following the grant of new powers for tariff reduction to the President under an Act passed last year. The Act, it will be recalled, invests the President with authority to cut the existing American tariffs by 15 per cent. over three years or to 50 per cent. where they are in excess of that level.

The deliberations of the Geneva Conference and the decisions taken thereat will be made known to the public only after the session concludes, since the Conference will observe the tradition of secrecy, always rigidly enforced during tariff negotiations. But it is known that the decisions of the Conference will be influenced, to a considerable extent, by the policy statements which the U.S. delegation will make. These statements are, in turn, most likely to be based on the report of the Congressional Subcommittee on Foreign Economic Policy (Chairman: Mr. Richard Bolling), submitted the other day to the Joint Committee on the Economic Report, representing both the branches of the U.S. Congress. The report, we are told, has been written after weeks of hearing during the Congressional recess of 1955, in which the Subcommittee sought the views and advice of some of the country's foremost authorities in the field of foreign trade and investment.

In its report, the Richard Bolling Committee has emphasised the importance of a policy of mutual co-operation in trade with other countries. It accordingly recommends—this is, indeed, significant—that the U.S. should continue its programme of gradual and selective tariff reductions, timed to fit business conditions in the U.S. At the same time, the U.S. should, it points out, press other countries to cut tariffs, remove trade quotas and relax exchange controls, and thus work towards the general goal of currency convertibility. With these as the objectives, the Committee urges full participation by the U.S. in the G.A.T.T., including membership in the Organisation for Trade Co-operation. Equally important is the view expressed by the Committee that, under existing conditions, the U.S. need not worry too much about protection. After all, it must be remembered that the standard of living in the U.S. rests, as the Committee pertinently remarks, basically on the country's productivity, rather than on protective measures.

While the foregoing account relates to the U.S. policy with regard to world trade, in general, the Richard Bolling Committee has given particular attention to the possibility of developing "profitable" trade with communist countries. In its opinion, there is little prospect of such trade growing to any marked degree, as individual business men find it difficult to develop long-run trade with the Soviet State trading organisations for lack of information concerning Soviet needs, costs, etc., absence of patents protection, and Soviet practice of "pirating" foreign designs for its own purposes. The Committee also makes special reference to the European efforts towards economic integration. Useful though they are to world progress and prosperity, the efforts should not, it warns, be used to cloak continued or new discrimination against the rest of the world. It alludes, too, to the role of Japan in world trade. It considers that the best hope for strengthening the economy of Japan lies in the direction of further integration of its trade into the trading system of the free world. Elucidating this view, it observes: "Neither a yen bloc nor partnership with Red China would serve the U.S., Japanese and free world interests. The free countries of East Asia do not provide a large enough bilateral market with Japan to solve their mutual problems. Japan would find trade with Red China less helpful than its former trade with Manchuria and China, because many of the materials Japan needs most now are pre-empted for internal Chinese development." The Richard Bolling Committee, therefore, warns that Japan's full access to Red Chinese markets and resources could be obtained only at the price of political absorption into the communist bloc. It would be interesting to know the reactions of Japan and China to this observation.

AMERICAN BUDGET

For the second year in succession, that is, the fiscal year beginning 1st July next, President Eisenhower has been able to present a surplus budget. The surplus is expected to aggregate $400 million, which is double that disclosed by the revised budget for the current year (1955-56). These surpluses are in distinct contrast to the large deficits revealed in the budgets for the previous years—$4,500 million for 1954-55, $3,300 million for 1953-54 and $9,400 million for 1952-53. The improvement in the finances of the U.S. Government thus anticipated has been rendered possible by a marked rise in revenues, thanks to the "present unprecedented prosperity." The estimate of receipts for 1956-57 is placed at $66,300 million, as against $64,500 million for 1955-56, or an increase of $1,800 million. This rise is, however, expected to be offset, to a large extent, by a corresponding advance in expenditure, from $64,300 million to $65,900 million. Despite the surplus of $400 million, the Eisenhower Administration does not contemplate any downward revision in taxes. The entire surplus, it is said, will be applied towards reducing the national debt. This is quite understandable, considering that the Government has been paying enormous sums of money by way of interest on national debt, the provision made in the ensuing budget being as much as $7,000 million or 10.6 per cent. of the total spending.

A notable feature of the U.S. Government's budget for the coming year is the cut in the outlay on national security programmes, the estimate of which is placed lower at $40,400 million, as against $40,500 million (budget) for the previous year. Even so, the outlay represents 64 per cent. of the aggregate budget expenditure. These programmes cover not only defence but also foreign aid and atomic energy. It is, indeed, gratifying to note that the provision for foreign aid under the Mutual Security Programme is to be stepped up by $102 million to $4,292 million. The larger part of the provision—$2,500 million, to be precise—is accounted for by military aid. The balance of $1,792 million is the share of economic and technical assistance. Of this amount $1,200 million will be spent on the existing economic aid schemes and $592 million on new programmes.

The provision of $1,792 million earmarked for economic aid represents a rise of $767 million as compared with the budget (original) estimate for the current year. Clearly, this indicates, once again, the anxiety of the U.S. to help the underdeveloped and undeveloped countries of the free world in the latter's task of raising the living standards of their teeming millions. Significantly enough, Mr. Eisenhower said:

"The development of military strength as a deterrent to aggression, however, meets only a part of the challenge which faces the free world. Because the conditions of poverty and unrest in less-developed areas make their people a special target of international communism, there is a need to help them achieve the economic growth and stability

(*Continued on page* 141)

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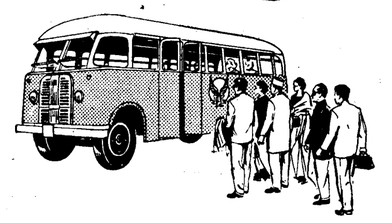

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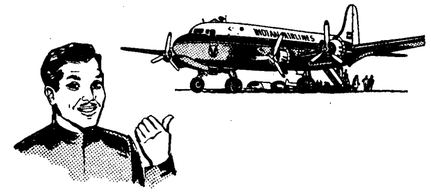

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GOVERNMENT TAKES INITIATIVE

From A Special Correspondent

NEW DELHI, 17*th January*

DELHI LETTER

THE Planning Commission has been continuing to provide opportunities, particularly among Parliament members, for a wide discussion of its Draft Memorandum on the second Plan. The Resources Panel of the Parliamentary Consultative Committee as well as that on Economic and Social Policy considered the broad outlines of the Plan during the past three or four days. The latter is reported to have favoured a rapid expansion of the public sector. Some members would appear to have been unable to give up the craze for nationalisation of the textile, sugar, jute and insurance industries, completely ignoring the economic and the political implications of such a step. The Prime Minister was, perhaps, among the very few, who were able to keep the discussion at a high level. He again emphasised that the basic approach of the Plan was not doctrinaire in character but something which dealt with specific objectives. He continued to place greater emphasis on heavy industries which were so necessary for the rapid development of other industries and which would also minimise dependence on foreign countries.

Meanwhile, the Commerce and Industry Ministry, under the stewardship of Mr. T. T. Krishnamachari, has already begun to take considerable initiative in the establishment of three or more projects for the manufacture of heavy castings, forgings and fabricated steel structurals. It may be noted that only a few months ago when negotiations were conducted by the Government with the British Consortium for setting up a steel plant at Durgapur, the latter were sounded as to the manner of help which they would provide for establishing a fabricated steel structural and heavy castings industry near the steel plant. It is likely that these discussions will be pursued further by Government in the coming weeks when the British experts come to this country for the finalisation of the whole scheme.

Projects Under Consideration

The Commerce and Industry Ministry has also taken some more steps towards the implementation of these industries. When Mr. L. K. Jha, Joint Secretary in this Ministry, had recently been in Europe in connection with the G.A.T.T., he is reported to have sounded some leading European firms on the feasibility of establishing these industries with their technical help, as also with their part participation in the capital structure. As a result of these discussions, it is suggested that an Italian expert team from the reputed Fiat Company will shortly be reaching India to study the project and prepare detailed proposals. Czechoslovakia has also promised help in the matter and a project report is likely to be submitted by Czech experts. It appears that there were similar discussions with the Vice-President of W. Germany and his team of experts as to the best way West Germany could further augment technical help and advice in fostering India's industrialisation.

It is well known that the setting up of suitable central foundries, forge shops and fabrication workshops is of great importance in the successful development of heavy industries in the second Plan. It is likely that the fabrication shops may be located near the site of the new steel plants; the forging units near the existing steel works and the heavy castings plant in the vicinity of Chittaranjan. In the case of steel foundries, it is stated that there are at present about eight units in the country manufacturing steel castings with an annual capacity of 15,000 tons. About 11 more units are reported to have been licensed to create an additional capacity of 25,000 tons. However, what is important is the manufacture of heavy castings weighing up to 18 tons, in order to meet the requirements of earth-moving machinery, heavy machine tool industry, tank manufacture, sugar mill crushers, gear blank for cement machinery, loco-wheel centres, wagon wheel centres, manganese steel plates, frames for the locomotive engines, etc.

The establishment and expansion of forging shops are also extremely necessary, in order to meet the demands from the engineering industries such as diesel engines, machine tools, automobiles, cement machinery, etc. The present proposal is to set up three forging shops, with an initial capacity of 4,000 tons each per annum with provision for expansion to an ultimate capacity of 12,000 tons each per annum. Since the main raw materials required for the production of forgings are blooms and billets, the forging shops are expected to be located in the vicinity of the new and the existing steel plants.

The structural fabrication industry comprises a number of items of manufacture. The items connected with this industry are those needed by buildings, workshops, power houses, hangars, steel plant, coke oven plant, cement, paper mill and chemical plant as also railway underframes, coaches, signalling equipment, shipping construction, cranes, winches, derricks, power transmission towers, hydraulic steel structures like sluice gates, operating gears, penstocks, tanks for water and oil storage, etc. The current capacity is estimated at about 1.25 lakh tons, while the current demand is placed at about 2.5 lakh tons. During the next plan, the demand for structural fabrication will go up to 4.5 lakh tons. Although there is every possibility of expanding many of the existing units, it is estimated that there is scope for setting up ten more units in suitable parts all over the country.

Cast Iron Foundries

Cast iron foundries are also an integral part of machinery industry. At present, approximately 1.64 lakh tons of iron castings are produced annually in the country. Of these, 80,000 tons are in the form of cast-iron pipes, so that the quantity of castings available for meeting the various other industries' requirements is only 84,000 tons. It is considered desirable to set up separate and properly organised foundries for meeting the meticulous requirements of the machinery manufacturing industry. There is a proposal to set up three foundries, each of an initial 10,000 tons per year capacity, with facilities to expand them to 30,000 tons per year or 100 tons per day at each location. It is also considered desirable to set up cast iron foundries-*cum*-forging shops at each such location, so that certain advantages could accrue in the matter of bringing down the cost of production and the annual output of the three combined shops together would provide for 30,000 tons of castings and 12,000 tons of forgings, as soon as possible.

Another step taken by Government towards strengthening the industrial structure of the country was the constitution of a ten-man committee to assess the requirements of the machine tool industry and recommend such measures as were necessary to promote the orderly development of this essential industry. The Government is conscious of the fact that the progress of the machine tool industry in the country during recent years has not been very satisfactory and that there is an urgent need to infuse a dynamic development programme in this vital industry. The newly appointed committee will have to determine the gap between the requirements and the present manufacturing capacity. At the same time, it will have to coordinate the programmes of the private and public sectors in this sphere and bring about a rapid development during the second Plan. It may be noted that the Engineering Capacity Survey made a few valuable observations in this connection. The Panel strongly recommended that both the Machine Tool Prototype Factory, Ambarnath and the Hindustan Machine Tool Factory, Jalahalli, should very actively aid the private industry. Ambarnath's contribution could be by way of manufacture of gears, other specialised components, jigs and fixtures, etc., required by the private machine tool manufacturers. As regards the Hindustan Machine Tool Factory, Jalahalli, the Panel stated that, in addition to offering similar services as Ambarnath, a complete separate department should be set up at Jalahalli, where private industry could be helped to manufacture prototypes and thereafter all the jigs, fixtures, special components, etc., required for the normal production. The total requirements of machine tools in the second Plan are estimated at about 10,000 and considerable encouragement will have to be provided by Government to the machine tool manufacturers in the private sector by suitable loans, technical advice and guidance.

THE MARKETS AND SIR ANTHONY

TOUGH POLICY ADVOCATED

(From Our Own Correspondent)

LONDON, 14*th January*

LONDON LETTER

ONE thing that all the commentators are agreed upon is that the market weakness which has followed the opening of the New Year boomlet is partly due to fears of political upset. All but the most sedate newspapers have felt obliged to wash the Government backbenchers' dirty linen in public and some of these politicians are beginning to feel a little shamefaced at the publicity their murmurings have aroused. Of course, there have been other factors to make people wonder whether 1956 would be anything like as good as 1955—for one thing, if people keep insisting that medicine must be taken they are likely to get a dose, and the people who keep insisting that something more must be done about inflation are now worrying lest there be a further rise in Bank rate. On top of this is the recent announcement about the Austin Motor Company going on to short time, emphasising the difficulties of the motor industry with home sales, due to the credit squeeze, and export sales, due to competition plus Australian restrictions.

A crop of rumours has begun to circulate about how the new Chancellor is going to tackle his problems, some that he must recover the lost popularity of Mr. Butler, others that he must be really tough deflation-wise and damn the Opposition furore and the anger of the voters (which after all will have four years to cool down). But though no one really knows what his ideas are—in any case, he is spending most of his time studying the facts—even the wisest operators feel they had better mark time in the uncertainties of the formulation of new policy.

But in a situation where there are no new economic facts to bite on, and where the Parliamentary recess and the holidays have combined to preclude statements of Government intentions, the storm which rose slowly over the general drift of the Premier's policies has become the chief factor at work in affecting people's assessment of the economic situation. The basic trouble, of course, is that the credit squeeze has hit all classes, frustrating investors and workers alike, clamping down on enterprise in every form; further, that it has not halted the steady rise in prices and the cost of living nor does it appear to have halted the rise in imports or the decline in the gold reserves. Discontent in the constituencies affected Members of Parliament visiting during the recess and was itself exacerbated by the views of members about the Premier's indecisions on economic policy.

The great cry is that costs must come down, living must be made cheaper, imports must be reduced and expenditure must be cut: in brief, retrenchment. Trouble with the unions? They must be fought and the wage-earners taught that wages must be earned by solid work, not by striking. The revolters want a tough policy and not one wedded to full employment. The latter was all right, they admit grudgingly, while it worked, payments overseas could be kept in balance and inflation at home in check. But now it has only disadvantages and, if the choice is between planning with formal restrictions and a traditional Conservative policy—in which enterprise was really free—they opt for the latter. It is rumoured that some back-benchers would be prepared to accept some import controls rather than continue drifting but they are not representative of City views.

The tough policy demanded involves economies in the Welfare State and a stand against wage demands. If deflation should increase unemployment, that would be a good thing, putting more mobility into the labour market, and several commentators go for a figure three times the present level—2½ per cent. of the working population. Economies in Government spending would enable taxes to be reduced. Such a policy, say its advocates, would make sense of Tory policy and bring realism into the British economic picture. Its consequences in labour troubles would have to be faced. Will Sir Anthony be prepared to adopt such a tough policy? He will certainly be under heavy pressure to do this—or the Tory Party will want another leader.—*All Rights Reserved.*

AMERICAN LETTER

BOOM CONDITIONS CONTINUE

FEARS OF CONTRACTION IN FUTURE UNWARRANTED

From Our Special Correspondent

NEW YORK, 11*th January*

BOOM conditions continue in the United States economy. The investment markets entered 1956 under auspicious circumstances. Higher dividends on stocks and higher yields on fixed interest securities continue to attract investors. The Ford Motor Company stock, out of holdings of the Ford Foundation, will make its appearance on the New York Stock Exchange this month. Together with other listing applications, it will push the number of shares listed beyond the 4,000-million mark. Since 1900, the number of listed shares has risen more than seventy-fold from 56,090,180. The first 1,000-million mark was achieved in 1929, but it took nearly two decades, before the 2,000-million figure was reached in 1948. Around the middle of 1954, the 3,000-million figure of listed shares made its appearance, and the 4,000 million goal will be reached in the first quarter of this year. General Motors tops all listed companies with a total of 279,934,250 common shares on the Exchange.

The constant desire of American business and industry to achieve greater distribution of the shares among the public is reflected by the number of stock splits. Companies which split their stocks 2 for 1, or better, totalled 73 last year. It was more than double the 1954 aggregate of 34 and just short of the 1946 record of 74.

Predictions for this year continue optimistic. In view of higher wages and fringe benefits for workers, it is not unreasonable to assume that business should be fractionally better this year than in 1955. Estimates of improvement range from 4 to 10 per cent., barring unforeseen circumstances.

Later this year, political uncertainties in connection with the forthcoming Presidential election in November may produce economic repercussions. This occurs in every Presidential election year, but this time, the heart attack suffered by the chief executive last year, has introduced an additional note and many questions.

The President has returned from his winter vacation and is back in Washington. He was not at hand personally to read his various messages to the opening sessions of Congress which, normally, are quite colourful events.

The President has aged considerably and there has arisen a good deal of popular doubt whether he would be able to withstand the strain that his office imposes for another four years. The latest word is Mr. Eisenhower will make up his mind whether or not he will be a candidate again between now and March.

Another somewhat disturbing element for American public opinion has been the revival of the cold war between the East and the West. Arab-Israeli clashes and the explosive situation they have produced in the Middle East are also viewed with concern here, as is the disturbance in French North Africa and the political chaos in France, manifested by the substantial gains of the extreme Left and extreme Right in the last elections.

All these factors, however, have not deterred plans for expansion by U.S. business and industries. All such programmes continue at peak levels, according to all reliable surveys, and they constitute, as they have in the past, one of the mainstays of the economy. The overall outlook, therefore, is for a continuation of prosperity in the United States.

Soft Spots

Some soft spots have developed in the U.S. economy, too. There has been an increase in production in some lines which has exceeded consumption and has led to greater than expected accumulation of inventories. The softness of farm prices is another factor. It is receiving the special attention of the Washington authorities at this moment. Textile businesses have improved somewhat.

Interest rates have continued their upward trend and there are no signs that this general tendency has come to an end. The Commodity Credit Corporation raised its interest on price support loans from 2½ to 2¾ per cent., effective 1st January.

Savings have held up well. Total year-end figures are not yet available, but during November regular gains in the 527 savings banks in the U.S. continued at a high level. The gain was $189 million for the month, the largest for any November since compilation of these figures began in 1947.

Foreign aid is high on the agenda of the present Administration. It was highlighted in the President's State of the Union message to Congress. It received particular significance by the announcement that the Export-Import Bank, after 21 years of keeping its activities quiet, is now seeking commercial bank participation. The $5,000 million Government agency more than ever before seeks to aid world commerce and international investments.

Housing this year is apt to equal the previous record of 1949. Housing starts in the first eleven months of 1955 were 1.3 million units of new private dwellings from coast to coast. The backlog is such that no serious decline can be anticipated at this time.

The commodity price future trend is not clear. There are indications of overproduction in some lines and of scarcity in others. In the long run, it should make for a relative balance.

Fears of a contraction in business in the U.S., voiced both here and abroad, do not make too much sense, except for the fractional seasonal decline which always takes place in the first half of the year. Capital spending plans by U.S. business in the fourth quarter of 1955 were at a seasonally adjusted rate of $31,000 million, up $1,000 million from the third quarter. There are indications that outlays for expansion may increase even further to keep pace with technological requirements.

The auto industry fell short of its 8 million unit car production last year. The year's total was 7,941,763 cars. This is no calamity since normal production of automobiles has rarely exceeded 6 million units a year.

Year-end reports by banks throughout the U.S. showed almost universally higher earnings than in 1954, owing chiefly to higher interest rates on loans and better securities' yields. Developments in the financial field are dependent, however, on general business conditions and personal income. Consumer income rose to a new high yearly rate of $311,400 million in November. An advance in private industry wages and salaries sparked the gain.

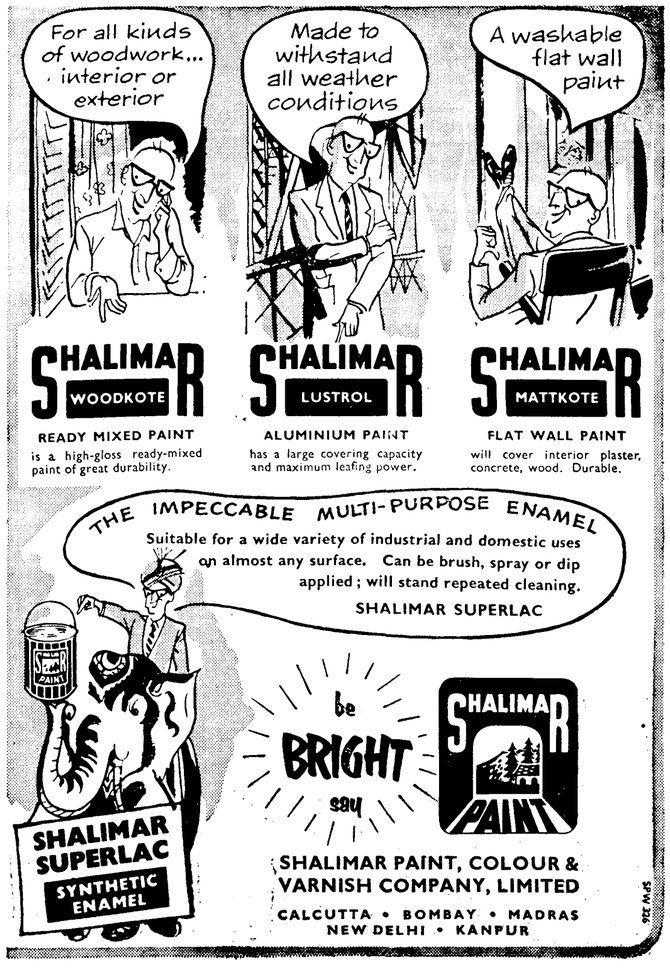
Foreign trade of the U.S. reached a new high in the third quarter of 1955. Later figures are not yet available. Imports in that period reached $5,250 million. Exports of goods and services achieved the figure of $4,750 million in the period, or $600 million higher than in the third quarter of 1954.—*All Rights Reserved.*

REVOLUTIONARY AUTOMATIC BOOKKEEPER

A new electronic bookkeeping machine, which can handle all bookkeeping details of 50,000 checking accounts every day, was recently put in service by the Bank of America in California. The machine is likely to revolutionise bank accounting methods, according to Mr. S. Clark Beise, President of the Bank of America, who calls it "the biggest single advance in bookkeeping in the history of banking." He has predicted its eventual use in many types of business in which a large amount of paper work is a major factor, and says that the Bank expects to have 36 more of the machines built for its own use.

With a brain and nervous system made up of the equivalent of 17,000 radio tubes and 1,000,000 feet of electric wire, the machine weighs 25 tons. It is called the "E.R.M.A." which is a contraction of "Electron Recording Machine, Accounting," and was designed and built by the Stanford Research

(*Continued on page 141*)



AGRICULTURAL CREDIT DEPARTMENT OF RESERVE BANK

SCOPE OF ITS UTILITY ENLARGED

THE valedictory address of Mr. Benegal Rama Rau, Governor of the Reserve Bank of India, at the last and final meeting of the Standing Advisory Committee on Agricultural Credit, held early this week, provides another instance of the speed with which the authorities are trying to implement the recommendations of the Report of the Rural Credit Survey Committee for establishing an integrated scheme of institutional credit in rural areas. It may be noted that the Report had, for the purpose of advising the Reserve Bank of India, suggested the setting up, in the place of the present Standing Advisory Committee, of two organisations, namely, an Advisory Council and the other an Advisory Committee. The Advisory Council on Agricultural Credit is to be, according to the Report, a bigger body than the present committee, consisting of representatives of all or most of the States and including economists, co-operators, etc. It should meet once a year, or twice, if necessary, to review policies. This Council should be common to the activities of the Reserve Bank of India and the Government of India in its Ministry of Food and Agriculture and associated with it, the National Co-operative Development and Warehousing Board. The second body bearing the same name as now, that is, the Standing Advisory Committee on Agricultural Credit, should be smaller than the existing organisation, designed to be specialised and expert rather than representative in character. It will supervise the fulfilment of policies and offer detailed advice at more frequent intervals. It should consist of representatives of the Reserve Bank, the Planning Commission and the Ministry of Food and Agriculture, together with two or three economists and non-official co-operators. For particular meetings, it could co-opt Registrars or other representatives from different States whenever necessary. The meetings of this Committee should be held at least once every quarter.

Standing Advisory Committee

These recommendations of the Rural Credit Survey Committee were reviewed and accepted by the present Standing Advisory Committee on Rural Credit at its meeting held in January 1955. They received also the approval of the Government and as a consequence, it is now proposed to constitute the two advisory bodies mentioned above. The actual need for bringing them into existence, according to Mr. Rama Rau, was twofold. "On the one hand, there was," he pointed out, "need for a Council with a wider membership than the present body, and constited on a more or less *representative* basis. On the other hand, there was a simultaneous need for a much smaller *expert* committee." Since action is to be initiated shortly in the matter, the meeting of the Standing Advisory Committee held this week was its last one. The Governor of the Reserve Bank, therefore, availed himself of the opportunity to express his great appreciation of the important work done by it these four or five years since its inception.

The outgoing Standing Advisory Committee was also informed by Mr. Rama Rau of the action taken by the Government on implementing a number of other recommendations of the Rural Credit Survey Committee. As a reference to it was made in these columns last week, there is no need to deal with it once again here. But mention must be made of Mr. Rama Rau's reference to the measures initiated by the Government of India and the Reserve Bank of India to strengthen, administratively, the Agricultural Credit Department of the Bank as well as to enlarge the scope of its utility and effectiveness. This necessitated legislation for amending the Reserve Bank of India Act on certain points. The institution of two statutory funds, namely, the National Agricultural Credit (Long-term Operations) Fund and the National Agricultural Credit (Stabilisation) Fund, and the creation of the third post of Deputy Governor were instances of the legislative action already taken to strengthen the Department. Consequently, rural finance and banking development now receive, according to the Governor, the undivided attention of a senior executive at the Board level of the Bank. Again, under a "chief officer of outstanding experience, administrative and other, in the field of co-operation, the reorganisation of the Credit Department is proceeding apace in the requisite directions."

Further, a Planning and Reorganisation Division of the Department has been set up, we are told, for devoting continuous attention to the problems of policy, planning and development. This Division is working in close co-ordination with the Government of India and the State Governments in the task of formulating and executing development plans.

Inspection Division Expanded

Strengthening of the Inspection Division has been another step by which the Agricultural Credit Department is enabled to work efficiently. During 1955, the programme of inspection of co-operative banks was stepped up and we are told that 16 State co-operative banks have been inspected once. In addition, inspection is stated to have been completed of 56 central banks and banking unions in the various States. One of the officers of the Reserve Bank has inspected the U.P. Co-operative Marketing Federation, jointly with an officer of the Government of India. The reports on these inspections have been sent to the authorities concerned for necessary action. It is proposed, according to the Governor of the Reserve Bank, eventually to constitute four regional offices—at Calcutta, Delhi, Madras and Bombay—for ensuring that this important task of inspection by the Reserve Bank of the co-operative credit institutions to which it is already lending substantially—a task which is designed to be constructive and reformative—is adequately performed throughout the country "with speed, local knowledge and helpful efficiency."

The Governor of the Reserve Bank of India revealed that, with a view to incorporating the programmes for co-operative development into the second Five-year Plan, a very fruitful procedure for effecting collaboration between the Ministry of Food and Agriculture, and the various States and the Agricultural Credit Department of the Reserve Bank in examining the plans and in formulating agreed proposals had already been initiated. Besides scrutinising the draft plans and exchanging views on them, this collaboration took the shape of participation by the officers of the Reserve Bank in the discussions in the working group on Agriculture when the plans came up for consideration before the Planning Commission. A very large degree of co-ordination was thus maintained throughout between the Bank, the Government of India, the Planning Commission and the States. As a result, Mr. Rama Rau hoped that well-planned programmes for the development of co-operative credit, marketing, processing, warehousing and co-operative training would constitute an important part of the second Five-year Plan.

Priority for Marketing

All this preparatory work will not be of much avail, if no concrete measures follow for the development of marketing and processing and of warehousing and storage which form an important part of the co-operative credit plan. In fact, the success of the latter is largely dependent on the former. It is, therefore, very encouraging to note that the Governor of the Reserve Bank is in favour of giving a higher priority for the development of co-operative marketing. This in its turn depends on the Central Food Ministry's efforts at establishing the National Co-operative Development and Warehousing Board and the National Funds with which it is to be equipped, and on the setting up of the Central Warehousing Corporation and the State Warehousing Corporations. All this involves the unstinted, willing and quick action on the part of officials of both the Central and State Governments. It is here, perhaps, that the implementation of the rural credit plan will come across a series of bottlenecks and difficulties. These are bound to arise, in view of the fact that the economic conditions and the stage of development of the co-operative movement differ widely from State to State, requiring specific measures for dealing with the problems peculiar to some of them. There is, therefore, every need for the Reserve Bank to keep in touch with these officials and to see to it that the policies formulated at the top are executed by them promptly. The facilities now being provided for training the officials should go a long way towards minimising the difficulties. It is noted from Mr. Rau Rau's speech that the Food and Agriculture Ministry has been striving to keep in line with the pace of progress demanded by the situation. The Ministry has, for some time now, been engaged in drafting a Bill to provide for the establishment of the various institutions mentioned above in consultation with the Reserve Bank of India. This Bill is expected to be placed before Parliament and enacted into law as soon as possible.

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WORLD BANK STARTS ECONOMIC DEVELOPMENT INSTITUTE

The World Bank opened on the 9th inst., the Economic Development Institute, a new centre for study and training in economic development. The Institute has been organised by the Bank with financial assistance from the Rockefeller and Ford Foundations. Its object is to meet the need of the less developed countries for a general improvement of economic management in Government by increasing the number of administrators skilled in dealing with problems of economic policy and with the planning and administration of development programmes.

Fourteen senior officials of member countries of the World Bank are participating in the first six months' course which has just started. They have come from Belgium (African Territories), Ceylon, Colombia, Egypt, Haiti, India, Japan Mexico, Nigeria, Pakistan, the Philippines, Thailand and Yugoslavia.

Inaugurating the course, Professor A. K. Cairncross, Director of the Institute, explained the objectives, organisation and curriculum of the Institute. The main effort will, according to him, be concentrated on making economic problems more intelligible and on sifting the variety of ways in which they have been handled, so as to see which are successful and which are not. In adopting this approach, the Institute will be following the example of management training programmes and staff colleges throughout the world. The Institute will dispense with formal lectures, relying on debate in seminars and smaller groups and on preparation of short reports by those smaller groups on selected problems. Discussing the aims of the Institute, Prof. Cairncross said: "We shall not aim at generalisations or universal formulæ. As far as possible, we shall start at the other end, with the problems as they present themselves, and work back towards the general considerations that may contribute to a solution of these problems. We shall try to discover what has worked and what has not and enlist your help in the quest. Our object will be to marry experience and analysis, using both as far as time and human capacity permit. We shall hope to draw on your experience as well as on our own and the experience of the staff of the Bank."

Prof. Cairncross is the Director of the Department of Social and Economic Research of Glasgow University. He is the Economic Development Institute's first Director.

The Bank has made available two of its own staff members to serve full time with the Institute and other staff members will contribute to the work of the Institute from time to time.

Mr. P. S. Narayan Prasad, Indian Executive Director of the International Monetary Fund, and Prof. Ragnur Nurkse of Columbia University are in charge of the seminars on commercial and financial policies. It is also planned to have visiting speakers who are well-known authorities on various subjects being studied at the Institute.

(*Continued on page 151*)

FOREIGN CAPITAL AND INVESTMENT CLIMATE

FAIR RETURN AND COMPENSATION GUARANTEES NECESSARY

By S. S. Kothari, B. Com., A.T.I.I. (Lond.), A.C.A.

THE restoration of confidence of foreign investors in Government policies with regard to adequate compensation on State acquisition and fair return on capital invested in industry, and the creation of the right investment climate are necessary in order to check the liquidation of existing foreign investments and to stimulate the flow of fresh investment capital to this country.

The present situation is rather anomalous, inasmuch as, while foreign capital is invited on the one hand, the sale of existing foreign interests is proceeding apace. That the transfer of foreign-owned industries to Indian nationals is desirable is not denied, but what is deplored is that funds which would otherwise have been available for industrial expansion are used up in purchasing existing industries. Besides, investments are sold by foreign interests with a view to repatriation of capital to home countries, and this results in loss of foreign exchange and a smaller residue of investible funds.

With a view to checking the export of excessive funds from India, the Government seeks to restrict and regulate repatriation of capital. The remedy is worse than the disease. Not only does it further shake the confidence of foreign capital, but it also creates a psychological bar to fresh investment of capital.

Disturbing Factors

The Government has not shown any discrimination between foreign and indigenous enterprises; the factors which have shaken the confidence of foreign capital have in a large measure been the same which have adversely affected the sentiment of private enterprise as a whole—Indian and foreign. The fourth amendment to the Constitution which has removed safeguards in the nature of judicial review of expropriation of private property, frequent statements on nationalisation and inadequate compensation, shift in emphasis in Government policies towards the left together with increasing controls and restrictions on legitimate industrial activity have all contributed to a state of uncertainty with regard to adequate net return on invested capital and fair compensation in case of State acquisition. The Government's taxation policies, particularly the increase in personal taxation and the new Section 23A introduced by the Finance Act, 1955, have also adversely affected the investment climate.

The new Section 23A, for instance, has made it difficult even for many genuine public companies to plough back profits for expansion, and, in order to escape the provisions of the section, many foreign-owned companies have had to diffuse their share-holding by increasing the public holding to at least 40 per cent. in manufacturing companies and 50 per cent. in other cases and to ensure that 50 per cent. of their own holding is held by not less than six persons. The provisions of this section need to be relaxed.

It may be pointed out that, while Indian industrialists have to reconcile themselves, in the last resort, to Government's policies, however adverse they may be, foreign investors have the alternative of realising their investments and repatriating the funds to their 'home' or seeking investment in another country which offers greater security and return. If the country needs foreign capital, as does India at this juncture for the successful implementation of its plans, it becomes necessary to create an investment climate in which the foreign investor may feel safe and opportunities exist for obtaining a fair return on invested capital, commensurate with the risk involved.

It is not implied that the Government should go out of its way to change its fundamental policies or to remove legitimate restrictions it may deem fit to impose on foreign capital in order to ensure that the country's interests are not jeopardised or its resources exploited in a manner detrimental to the people's well-being. Insistence on Indianisation of personnel in foreign concerns, for instance, has been accepted with grace and the policy is being gradually carried out. The extension of the public sector in various industries has not been resented; only when it is intended to be done, as in the case of the coal industry, at the expense of the reasonable development of the private industries have there been protests—and they have emanated no less from Indian as from foreign industrialists.

Fair Return

Attempts to fix a fair return on invested capital have also to be made very cautiously, lest they should adversely affect fresh investment in the industry. Fair return is a relative term and no fixed percentage can be laid down for any industry. The connotation of the term "invested capital" is also not fixed. For instance, the Tariff Commission's Report in the case of rubber tyre manufacturing industry, which is practically entirely foreign-owned, has considered 10 per cent. dividend on ordinary paid-up capital as fair, and, in assessing whether the prices charged for the company's products were excessive, has chosen to ignore that part of paid-up capital which represents capitalised reserves even though they have been re-invested. While the profits of the rubber tyre companies have been on the higher side in the past, a drastic cut, particularly if it is based on unsatisfactory premises, is likely to jeopardise the future development of the industry.

Security of Tenure

A prerequisite of great importance for fresh investment of foreign capital in the country is that there must be what has been described as reasonable security of tenure and opportunities for building up the industry over a period of years. If the future outlook for industry in general, be it due to economic or political causes or State intervention and controls, is gloomy, the foreign investor would hardly risk his capital in new projects.

As regards reasonable return, the basic yield on capital invested in any industry is conditioned by the individual set of circumstances governing that industry and the general state of the economy's development; the least the Government could do is to see that the yield is not reduced by Government measures to a degree at which it would cease to be attractive for fresh investment of capital.

Compensation Guarantees

Inter-Governmental guarantees that the Government would give adequate compensation in case of nationalisation of any foreign concerns would go a long way towards reassuring foreign enterprise. The Government could enter into agreement with, say, the U.K. Government with regard to British investments in India in the private sector. The initiative in this matter could be taken by the U.K. Government.

Very high levels of personal taxation reduce incentives to productive enterprise. It is difficult to agree with the thesis that taxation on personal incomes may be increased and ceilings imposed on net incomes, but industrial development and capital formation would not be affected, so long as incentives in the nature of development rebate and others are given to industry. That the institutional investor has assumed great importance in the modern economic set-up with regard to capital formation and investment is not denied, but what must not be lost sight of is that even the institutional investors like insurance companies derive their funds from individual savings and, in the last analysis, it is the individual's effort which lies at the basis of all enterprise and creation of wealth. The Government would do well to pause and ponder on this issue before increasing direct personal taxation to levels which would curb individual enterprise and effort and reduce the scope for capital formation and investment in the country.

In this context, the resolutions passed and the speech given by the Chairman at the recent annual meeting of the Associated Chambers of Commerce and Industry are instructive. The Government would be well advised, in the interests of maintaining and stimulating foreign investment in the country, to see that the issue of nationalisation and adequate compensation is lifted from the realms of political speculation, that prospects for foreign enterprise of building up of business and earning fair return on capital are not jeopardised by undue restrictions, and, above all, that the investment climate in the country is rendered favourable for fresh investment of capital—foreign and indigenous.

INDIA LIKELY TO BORROW MORE FROM WORLD BANK

That India was likely to apply for more loans from the World Bank during the second Five-year Plan than what it did during the first Plan period was revealed by Mr. B. K. Nehru, Joint Secretary, Union Finance Ministry and a former Executive Director of the World Bank, at a Rotary Club meeting in New Delhi last week. India got $126 million from the World Bank during the first Plan period. Mr. Nehru said that India's foreign exchange position during the first Plan period was quite comfortable, except for some dollar shortage which was got over by loans from the World Bank for seven specific projects. Of these projects, four were the Government's own, namely, rehabilitation of the railways and the Central Tractor Organisation and two projects under the Damodar Valley Corporation. The remaining three were private industrial projects, namely, the Indian Iron and Steel Co., the Tata Hydro-Electric Project and the Industrial Credit and Investment Corporation.

During the second Five-year Plan period, the nature of some of the projects would demand, Mr. Nehru added, a larger amount of foreign exchange requiring foreign loans. India might, therefore, have to look for substantial assistance from the World Bank.

Incidentally, Mr. Nehru referred to the organisation and function of the World Bank and said that the U.S.A. had a preponderant voice in the Bank's decisions, because of the large amount it held in shares and also of the loans raised in the U.S. At present, the U.S. had 32,000 votes out of a total of 105,000. Britain had 12,000 votes, while India only 4,000. It was thus unlikely that any project not approved by the U.S. and Britain could go through the Bank.

COTTON WEAVING CAPACITY OF WORLD EXPANDS

MORE AUTOMATIC LOOMS IN PLACE

TWO striking features are revealed by a review of the world cotton textile capacity during the last four years. These are an expansion in weaving capacity and an increase in the introduction of automatic machinery. The aggregate number of cotton powerlooms in existence in the world as at the end of 1955, according to the latest census of the International Federation of Master Cotton Spinners' and Manufacturers' Association (Manchester), was 2,919,764, including 20,571 looms which are believed to have been erected during 1955, an increase of 194,132 looms as compared with that on 31st July 1952 when the last census was taken. This figure is, however, still below the loomage that existed prior to the Second World War, the total number of looms as on 31st December 1936 being 3,069,905. Indicative of the progress towards automatisation in textile weaving is the rise in the percentage share of automatic looms (and looms with automatic attachments) in the total which now stands at about 33.7, as against 32.7 four years ago and 23.6 at the end of 1936.

The expansion in the world loomage during the period 1st August 1952—31st December 1955 is accounted for by all the three kinds of looms —automatic, automatic attachments and ordinary. Thus, the number of automatic looms in the aforesaid period has increased by 84,009 to 910,722, of automatic attachments by 13,703 to 79,053 and of ordinary looms by 106,688 to 1,940,257. Of the total rise of 194,132 in the number of looms, about 30,839 were in course of erection—either as new additions or as replacements—and expected to have run during the year 1955. The share of automatic looms in this number was the largest, being 19,539, the balance being shared by ordinary looms (11,221) and automatic attachments (79).

The estimates of the number of looms in place in the different countries as on 31st January 1955, as compared with the position that existed at the end of July 1952, are given below:

(In thousands)

	31st July 1952			31st January 1955		
	Ordinary	Automatic	Automatic attachment	Ordinary	Automatic	Automatic attachment
India	189	9	..	196	12	..
Japan	237	52	..	274	63	..
U.K.	309	34	6	290	39	5
U.S.A.*	..	399	..	..	369	..
U.S.S.R.	235	30	10	295	38	†
France	93	64	..	86	71	..
W. Germany† ..	141	†	..	89	29	23
Italy	51	50	37	44	54	34
Brazil	70	22	8	74	26	9
Czechoslovakia ..	78	2	..	81	2	†
Spain	59	7	..	79	11	..
Pakistan	8	1	..	16	3	..
China	41	19	..	60	20	..
Other countries .	323	138	4	345	157	8
Total ..	1,834	827	65	1,929	891	79

* Ordinary looms not available. The total figure of 369,144 does not include 111,777 looms exclusively on rayon, silk, nylon and other synthetic fibres. It, however, includes looms producing cotton fabrics in rayon mills but does not include woollen and worsted looms producing cotton fabrics.
† Not known.
‡ No subdivision of looms into ordinary and automatic is available.

The foregoing figures reveal that the bulk of the expansion in loomage took place in the U.S.S.R., the number of looms being higher by 57,000. There was also a rise, though moderate in the number of looms in several other countries, 24,000 in Spain, 20,000 in China, 13,000 in Japan, 10,000 each in India and Pakistan, 9,000 in Brazil, 4,000 each in Holland and Portugal and 3,000 in the Argentine. The U.S., on the other hand, accounted for a fall of 29,000 looms. Similarly, the number of looms in the U.K., Italy, and Canada declined by 16,000, 6,000 and 5,000, respectively.

The expansion in the weaving capacity of the cotton textile industry the world over, noted in the past four years, will, it is expected, continue, albeit at a slightly reduced scale, during 1956-57. In this period, about 26,648 looms are scheduled to be erected, as against 30,839 in 1955. Of the projected looms, 19,037 are new ones, while 7,611 represent replacements. Here, again, the proportion of automatic looms predominate, the estimate being placed at 19,642 (including 100 automatic attachments). Ordinary looms account for a bare 7,006. New looms are now being installed as an increase in Asia and Europe, in particular, and to a lesser extent in South America.

Looms Projected

An idea of the looms projected for the period 1956-57, as also the looms which were erected and scheduled to run in 1956, can be had from a look at the following statement.

	In course of erection and expected to have run in 1955		To be erected during 1956-57	
	As Increase	As replacement	As Increase	As replacement
India	1,763	831	1,507	622
Pakistan	3,789	45	4,109	..
Japan	*	*	*	*
Korea	3,300	..	3,136	..
U.K.	2,321	2,219	612	640
U.S.A.	*	*	*	*
Portugal	1,389	1,314	3,963	..
Egypt	1,335	32	387	764
Mexico	675	944	1,813	2,359
Argentine	1,120	..	500	..
Brazil	1,758	4,023	1,295	1,162
Other countries ..	3,121	860	1,745	2,064
Total ..	20,571	10,268	19,037	7,611
Of which				
Ordinary	7,512	3,709	5,991	1,015
Automatic	12,980	6,559	12,946	6,596
Automatic attachments	79	..	..	..

* Not known.

It will be seen from the above table that the cotton textile industry in the U.K., Mexico and Brazil is concerned more with rehabilitating their worn-out machinery, while the industry in Pakistan, Korea, Portugal, the Argentine and India has attached greater attention to the expansion of the size of the units by adding more looms.

Utilisation of Equipment

The last three or four years have witnessed an intensive utilisation of equipment in the cotton textile industry. This is indicated by the reduction in the world total of idle looms, from 294,776 as on 31st July 1952 to 202,940 at the end of January 1955. Of the latter figure, ordinary looms accounted for 151,353, automatic looms for 40,241 and automatic attachments for 11,396. The number of idle looms was abnormal, especially in Europe, although there was a substantial decline of 31,697 as compared with July 1952. In India, the number of looms lying idle was 15,331, as against 8,549. The bulk of this increase—14,818, as against 8,448—was accounted for by ordinary looms. The Continent-wise break-up of the idle looms is given below:

	Ordinary	Automatic	Automatic attachments	Total
Europe	118,950	19,280	11,370	149,600
Asia and Oceania ..	27,873	1,237	26	29,136
N. America	18	18,725	..	18,743
S. America	2,717	851	..	3,568
Africa	1,795	148	..	1,893
Total ..	151,353	40,241	11,396	202,940

The average number of hours worked per week by the looms during July 1952—January 1955 varied from 37.57 in the U.K., where single shift is usual, to as much as 141.06 in Uruguay where three shifts are worked. The great majority of countries are working more than one shift. The weekly average number of hours worked by the cotton mills in India is estimated at 91.54.

HANDLOOM INDUSTRY

A regional conference of State Development Secretaries and officers concerned with the development of the handloom industry in the States of Bombay, Madhya Pradesh, Vindhya Pradesh, Saurashtra and Kutch was held in Bombay on the 11th inst. The Conference was presided over by Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry. The main purpose of the Conference was to review the progress made with the implementation of the development schemes and to iron out any difficulties which the State Governments might have.

In the course of his address, the Minister for Commerce and Industry claimed that the handloom sector was steadily improving and congratulated the State Governments for what they have done in this field. At the same time, he desired that greater efforts should be made to utilise the funds made available by the Government of India, and promised more liberal help from the next financial year. The State Governments were confident of utilising, before the end of the current financial year, a substantial, if not the entire, amount of loans and grants sanctioned by the Government of India. The Minister said that he was eager to set up a few designs centres for the sake of the silk handloom industry, and would welcome any suggestions in that regard from the State Governments. Concluding, the Minister emphasised the need for collecting statistical information about the industry and appealed for the co-operation of the State Governments in this matter.

NEW COTTON DRESS FABRIC

After intensive research for nine years, the Tootal Broadhurst Lee, an important textile manufacturing firm of Manchester, has developed a new cotton dress fabric—known as Tootoile—which is to be marketed in the next few days. Tootoile, it is claimed, requires "next to no" ironing after washing. As in the case of new synthetics, the extent to which garments made of this fabric may require a touch of the iron depends entirely on personal taste and the style of garment. Besides producing and selling Tootoile, the Tootal group will make available the process of manufacture to its licensees among manufacturers and finishers throughout the world.

THE UNION BANK OF INDIA LIMITED.
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Head Office: Apollo st., Fort, Bombay, 1.
Capital Paid-up .. .. Rs. 40,00,000
Reserve and other Funds .. Rs. 35,00,000
Chairman: M. S. CAPTAIN.
Banking business of every description transacted including foreign exchange.
P.K.F. NARIMAN
General Manager.

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FUTURE STRUCTURE OF BRITAIN'S MILL INDUSTRY

VALUE OF TEXTILE OUTPUT IN 1954 ESTIMATED AT £2,091 MILLION

By Our Special Correspondent

MANCHESTER, 10*th January*

TWO of the major issues affecting the cotton trade in Lancashire this year are likely to concern its structure. In the one case discussions have already taken place on the highly complicated subject of redundancy and what action needs to be taken to dispose of some of the existing surplus machinery. Most traders have their own views on how this matter should be tackled.

MANCHESTER LETTER

It is much too early to assess the full extent of the improvement in trading conditions which has lately become apparent. It is, however, quite certain that whatever momentum the movement gathers will be insufficient to provide work for the entire plant which is available in spinning, weaving and finishing firms throughout the industry.

On this assumption, which will not be disputed, there should at some time be an effort to immobilise redundant machinery, but all the indications so far received point to the rejection of any centralised arrangement such as was attempted nearly 20 years ago. Circumstances are now so altered that a similar scheme would not be practicable and despite the greater degree of collaboration between sectional interests, now apparent, it would be extremely difficult to draw up an overall plan acceptable to everyone, large and small, many of whom have conflicting loyalties. Already this year there is evidence to show that the combines are making further moves towards widening their scope. This development will undoubtedly be continued throughout the months ahead.

A more immediate matter of importance for the trade which calls for decisions and opinions to be expressed, affects the future standing of the Cotton Board. The periodical review of its functions is near at hand and trade organisations are considering their attitude to the centralised body which has for so long been intimately connected with the industry's affairs.

Criticism of the Board's activities broke the surface towards the end of last year and it would be surprising if there is unanimous support for the continuation of the organisation on its present basis. Whether the opposition is strong enough to provide an alternative is highly problematical but there are certain aspects of the situation which are not to the liking of highly placed individuals among the leading firms of the industry.

Cause for Complaint

Both these very topical subjects were touched upon by Sir Raymond Streat when he offered the trade a New Year message, but it cannot be said that his remarks carried the matter much further. In his opinion, a centralised scheme to consolidate the industry is unlikely; on that point at least most traders will agree. What he described as "bribes for quitters" result in too heavy a burden on those who continue the fight, while in his view "penalties imply a readiness to accept disciplines which neither large nor small units are likely to accept."

Not surprisingly, these outspoken terms have aroused further antagonism in at least one branch of the trade. The Annual Report of the Finishing Section of the Manchester Chamber of Commerce strongly deprecated the use of such language, in so far as it could be associated with the textile finishing industry.

Repudiating the suggestion that any payments made constituted bribes or that any scheme introduced in this branch was other than voluntary, the report added: "Action taken in the past by organised sections of the trade would not have received official sanction had it contained any suggestion of dubious practice."

Whether it was wise for the Chairman of the Cotton Board to pre-judge such a vital issue before the further consultations on the subject which are expected to take place, is a matter for the trade itself to decide. The Cotton Board's aim, according to Sir Raymond, is to give leadership in a free community. There have been occasions in the past when the rank and file of the trade have complained only too bitterly that this leadership was singularly ineffective.

As an example, Sir Raymond chose to sum up the prospects for 1956 by saying that trade will be difficult, "but, if not very good, certainly not very bad." Granted the fact that prophets in these days have a thankless task, such a forecast cannot be regarded as inspiring by any standards.

Relative Values

Arguments which have arisen in recent years over the Government's attitude towards the cotton trade in particular and textiles in general have roused the emotions of traders connected with industries providing consumer goods for the public. There have been frequent complaints that the authorities tend to regard such manufacturing processes as expendable in the national interest. Yet when figures are released showing the relative importance of respective trades by providing employment and the value of their output it can be observed that the part played by textiles is still a very substantial one in the country's interest.

Provisional results of the 1954 census of production have now been made public and from them a survey of the industrial strength of the nation can be drawn up. From the angle of employment, for instance, it should be noted that one out of every eight people working in manufacturing industries is connected with textiles, excluding clothing and converting. The figure declined from just over 1,000,000 in 1951 to 973,000 in 1954 but in relation to other large groups of industries only those concerned with engineering, shipbuilding and electrical goods manufacture, on the one hand, and building and contracting, on the other, provide employment for a larger labour force.

From being the second most important group of industries, based on the value of gross output in 1951, textiles had fallen to third place by 1954. In the earlier year textiles produced goods valued at £2,460 million, second only to the food, drink and tobacco trade with £3,275 million. By 1954 the latter industries had raised their output to a value of £3,903 million and the engineering, shipbuilding and electrical goods group had improved production from £2,283 million in 1951 to £2,993 million. Output of textiles, however, had fallen back to £2,091 million.

Outsiders have often accused millowners of being slow to introduce new methods of efficiency and to renovate their machinery. That such charges are without foundation is proved by the official figures relating to capital expenditure over the general range of textiles. In 1951, the amount spent was £56,600,000 and in 1954 £71,300,000. Considered in detail, however, the figures do not show Lancashire firms to the best advantage. Only in the case of cotton spinning and weaving did capital expenditure decline in the years under consideration; the improvement can be attributed to increased expenditure by the woollen industry, producers of synthetic fibres, hosiery and textile finishers. In comparison, capital expenditure incurred in 1954 by the engineering group was £98,300,000, food, drink and tobacco spent £76,100,000 and metal manufacture £71,300,000.

Rival Progress

Foreign competition is a phrase which springs frequently to the lips of textile traders whether in this country or abroad. The industrialisation of areas which were once mainly consuming outlets is another widely recognised factor in the decline of international trade in textiles. In general, they provide reasons for many of the difficulties which have beset the former major exporting nations.

It is, therefore, of interest to assess now and again the impact of the changing situation as the smaller cotton processing industries make their mark in world trade. Latest returns from Egypt, for example, indicate the growing importance of the spinning industry in that country's economy.

As recently as 1948 yarn imports into Egypt amounted to 239 tons and cotton cloth imports to 3,473 tons. The combined cost of these arrivals represented over 15 per cent. of Egypt's total imports. In the first nine months of last year, however, arrivals of yarn were only 130 tons and cloth imports 491 tons, with the result that these purchases now represent less than ½ per cent. of total imports into the country.

In contrast, exports of cotton yarn in 1948 from Egypt were a mere 42 tons, but in the first nine months of last year they had expanded to 7,736 tons, while cloth shipments reached 649 tons, the combined value being 4 per cent. of Egypt's total exports. The quantity of cotton yarn spun in Egypt and sent abroad was 17,329,000 lbs. against 26,392,000 lbs. exported from Lancashire in the same period of 1955.

Improved Packaging

Packing of raw cotton delivered from the United States has often aroused criticism among users and attempts have been made to secure some improvement in the system adopted. The complaints have multiplied among consumers since comparisons can now be made with the much better packaging supplied by some of the newer cotton-growing areas.

Not only in Lancashire but in other cotton-using countries will there be interest in the progress reports given to the International Cotton Federation on the better bale programme planned by the National Cotton Council of America. Experimental packaging is to be undertaken during the present cotton season and about 6,000 bales will be covered by a series of various non-woven fabrics, papers, films, box boards and laminated sheets of different kinds. An analysis of their performance is to be undertaken and laboratory tests made in order to secure the best possible cover for future use.

It is significant that both the American Cotton Council and the National Cotton Compress and Warehouse Association admit that the condition of American cotton delivered to spinners both in the United States and abroad is far from satisfactory. The Warehouse Association blames repeated sampling for part of the trouble but is not particularly optimistic about devising a method of covering open sample holes.

Warehouse Facilities

Among the consequences arising from the much smaller imports of raw cotton now being received in this country is the effect of this change of circumstances on warehousing accommodation, particularly in Liverpool. Not only are smaller quantities of cotton being obtained due to the reduced activity in the mills but the volume secured is often being transported direct to the buyer without the necessity for storage at the ports.

The situation has been summed up by the Chairman of the Liverpool Warehousing Company, who has commented adversely on the reduced profits earned during the past 12 months in comparison with those of the previous six years. The possibility of a reduction in demand for warehousing accommodation had been anticipated, he said, and these forecasts had proved correct.

"The quantity of unsold cotton stored in Liverpool at the present time is much below what it must be if the Liverpool Cotton Exchange is to regain its former position as one of the leading cotton markets in the world," he warned. The company was originally founded largely upon the handling and storage of cotton, which at one time contributed 75 per cent. of its revenue.

The warehousing company suffered a severe blow by the dock strikes together with the stoppages caused by labour troubles on the railways and among tugmen. The premises and men to deal with a very large quantity of cotton are at hand but there is no indication at present that they will be needed in the near future.—*All Rights Reserved.*

TEXTILE EXPORTS TO EUROPE

Exports of Lancashire-made cotton piecegoods to the markets of Europe have fallen by 40 per cent. over the past two years, according to Mr. E. Brennan, Chairman of the Europe Section of the Manchester Chamber of Commerce. In his annual report to the Europe Section, Mr. Brennan described the U.K. trade in cotton textiles with the Continent during 1955 as "disappointing." The volume of shipments in the first ten months of the year, at 30 million yards, was 10 million yards less than the quantity recorded for the corresponding period of 1954. To quote him: "As our trade in that year was lower by 8.7 million yards than in 1953 this further setback must be regarded with concern."

AGRICULTURAL POLICY OF UNITED STATES

ITS IMPLICATIONS TO COTTON

AS was only to be expected, President, Eisenhower, in the course of his State of the Union message to the Congress, referred to the important problem of disposal of the existing farm surpluses and of preventing such accumulations in the future, and dealt with in the most general manner. He stated the objective of the U.S.'s agricultural policy to be one of bringing "production into balance with existing and new markets, at prices that yield farmers a return for their work in line with what other Americans get." After emphasising that there was no "single easy solution" for the problem, he said that it needed a many-sided assault on the "stubborn" problems of surpluses, prices, costs and markets.

The U.S. President recognised that even the best conceived farm programme could not work under a "multi-billion dollar weight of accumulated stocks." The programme which he submitted to the Congress does not, of course, contain details of what the Administration proposes to do with surpluses. But it indicates certain broad lines along which the Government may move. In the first place, he asked the Congress to repeal legislation permitting the Government to dispose of surpluses "to friendly nations only." He said: "Present provisions of surplus disposal legislation permit export dispositions of Government stocks to friendly nations only. Opportunities clearly to our interest may develop in the future to sell to countries excluded by this legislation. To enable us to realise on such opportunities, I recommend repeal of Section 304 of Public Law 480."

If this legislation were repealed, it would enable the U.S. to supply its farm products to communist countries also. Incidentally, this would be a new and welcome departure in the U.S.'s trade policy. So far as cotton is concerned, the U.S. could find a market for its surplus cotton in China and certain other communist countries. But it is doubtful if that would make a significant difference to its surplus problem. It may, however, tell on the disposal of surplus cotton by such countries as Egypt and Syria which have entered into barter agreements with communist countries. If the U.S. offers its cotton at competitive rates, the communist countries will surely try to exploit the situation to the disadvantage of those nations the surpluses of which they have now agreed to absorb. Secondly, he announced that the Secretary of Agriculture was appointing an Agricultural Surplus Administrator to deal with all aspects of this problem. This means that the surplus disposal policy would be kept under continuous review.

"Soil Bank" Plan

So far as the larger problem of preventing the accumulation of farm surpluses is concerned, President Eisenhower outlined a $1,000-million "soil bank" plan. The main principle involved here is that farmers should be encouraged to take land out of cultivation and they should be compensated for doing so. Under this plan, the farmers would be paid to take 25 million acres out of production during the next three years. He offered two methods of reducing agricultural output. The first method was an "acreage reserve" programme aimed at achieving a "voluntary" reduction of as much as 20 per cent. in the acreage devoted to such major surplus crops as wheat and cotton. In return for reducing their acreage, farmers would receive certificates "equal to a percentage value of the crop" they would normally have harvested from the land. These certificates would be redeemed by the Government either in cash or in commodities from surplus stocks. The second was a "conservation reserve programme." Under this programme, the farmers would be asked to "contract voluntarily with the Government to shift into forage, trees and water storage" land now in need of conservation measures. The President said he hoped some 25 million acres would be brought into the "conservation reserve." He said:

"Clearly, new action is imperative. We must stop encouraging the production of surpluses. We must stop shifting acres from one crop to another when such shifts result in new surpluses. Nor can crop problem be converted into millstones weighing down upon the producer. Remedies are needed now and it is up to the Administration and the Congress to provide them swiftly."

It remains to be seen whether the U.S. Congress will endorse the President's suggestions. In any case, it will be seen that the Administration is thinking more in terms of reduced production than in those of reduced prices. Apparently, there is no disposition to leave prices and production to be determined by forces of supply and demand. This would indicate that there is no prospect of following a deliberate policy towards lower prices. It is, however, noteworthy that the President again reiterated that world trade would receive a severe jolt if surpluses were sold abroad in large quantities. He said: "Surpluses moved domestically almost always compete directly with crops, farmers are trying to sell. Moved abroad, in quantities large enough to remedy present difficulties, they would shatter world prices and trade, injure our friends and undermine domestic prices as well." Thus, the authorities continue to be alive to the dangers of an aggressive policy for the disposal of surplus farm produce. This should offer some consolation to other cotton-producing countries, which are uneasy, lest the U.S. should disturb world cotton markets by offering its surplus cotton at very low prices. But it is not clear as to how long the U.S. could continue this policy.

Immediate Future

So far as the immediate future is concerned, the Government is committed to sales for export, at competitive prices, of one million bales of cotton of 15/16" and below from its stocks; only Government stocks of upland 1953 and prior seasons are included in this programme. The Commodity Credit Corporation holds about 8 million bales, while the entries into loan aggregate about 5.4 million bales. Out of these stocks, the staple categories that are permitted to be exported aggregate 1.46 million bales, made up of 105,000 bales of 13/16", 378,000 bales of $\frac{7}{8}$", 448,000 bales of 29/32" and 528,000 bales of 15/16". The bulk of this quantity is in middling, st. low middling and low middling white grades. In the first week of this month, the C.C.C. sold about 18 742 bales at prices ranging from 26.40 cents to 28.90 cents per lb. for basis 15/16" middling catalogue class.

Foreign buyers are hesistant to enter into large commitments. They seem to be anxious to know the minimum prices at which the C.C.C. is prepared to accept for the various descriptions on offer. Pending information on this, there is a disposition among foreign buyers to restrict their buying operations in other countries to a minimum. Prominent shippers are, however, inclined to think that 26.40 cents per lb. is the minimum price that the C.C.C. will accept for basis 15/16" middling catalogue class. The present average spot price for middling 15/16", it may be mentioned here, is about 33.78 cents.

An important question is whether the U.S. would be prepared to follow the policy of sales on a competitive bid basis for the entire stocks it possesses or even for a substantial portion of these stocks. Many observers believe that the U.S. Administration will not authorise an unlimited sales programme, unless the U.S. Congress forces it to do so. The U.S. State Department told a delegation of producers, which met the authorities recently, that, if there is an unlimited sales programme, then the domestic mills must be protected. But some Senators are of the opinion that the Administration should adopt a more aggressive sales policy. The whole situation is still in a fluid state and would both need and deserve watching.

Effect on India

To India, the U.S. export sales programme has two aspects—the way in which it might affect imports of cotton and the way in which it might affect exports of cotton. Since the imports of American cotton are restricted to staple lengths 1.1/16" and above, it should be clear that India cannot import the varieties which are now offered under the U.S. export sales programme, covering only staple lengths of 15/16" and below. It might conceivably affect adversely India's cotton exports, though the varieties of Indian cotton permitted for export are limited up to 25/32". But this would entirely depend on the prices at which surplus American cotton is sold. So far, such sales have been effected at values which correspond to about Rs. 1,150 to Rs. 1,200 per candy. As compared with this level, the rates quoted for permissible varieties of Indian cotton are much lower. There is, therefore, no immediate danger to India's cotton exports.

THE UNION BANK OF INDIA LIMITED
BOMBAY

PROFIT FOR THE YEAR 1955

The net profit of the Union Bank of India, Ltd., for the year ended 31st December 1955, including the sum of Rs. 1,75,873-10-7 brought forward from the last year's account, amounts, subject to audit, to Rs. 11,23,548-6-11. Out of this sum the Directors have made the following appropriations :—

	Rs.	a.	p.
1. To Reserve Fund Account..	2,00,000	0	0
2. To Contingency Account ..	50,000	0	0
3. To Premises Account ..	75,000	0	0
4. To Provision for Taxation Account	1,75,000	0	0
5. To Provision made for Bonus to Staff	1,25,000	0	0
6. To Balance	4,98,548	6	11
Rs.	11,23,548	6	11

Out of the above balance the Directors propose to recommend to the shareholders at the next General Meeting, payment of dividend at the rate of 7½ per cent. per annum, free of income-tax, i.e., As. 6 per share on 8,00,000 shares, leaving Rs. 1,98,548-6-11 to be carried forward to the next year's accounts.

P.S.—Following is the figure for the year 1954 given for a comparative study. Last year's dividend was 6¼ per cent. per annum, free of income-tax, i.e., As. 5/6 per share on 8,00,000 shares which left a balance of Rs. 1,75,873-10-0 to be carried forward to 1955 accounts.

MILLS' CONSUMPTION OF COTTON

During the first month of the current season, namely, September 1955, Indian mills consumed 428,153 bales of 400 lbs. each, or 39,345 bales more than in September 1954. Thus, the consumption in the first month of the season has augured well for the future of such consumption by the mills. It is also noteworthy that the increase in cotton consumption in September 1955 over that of the corresponding month of 1954 is entirely accounted for by Indian cotton, the consumption of foreign cotton showing a heavy decline. Thus, the mills consumed 382,979 bales of Indian cotton, as against 328,024 bales and 45,174 bales of foreign cotton, as compared with 60,784 bales. At the end of the month under review, the mills held stocks to the tune of 1,278,133 bales of Indian cotton and 172,306 bales of foreign cotton. Based on the rate of consumption in September, the period of availability of Indian cotton was 3½ months and of foreign cotton 3.4/5 months.

EXPORTS OF COTTON

During the period 1st September to 31st December 1955, India exported 252,194 bales of cotton of 400 lbs. each, as against 52,770 bales in the corresponding period of 1954. The following particulars show the chief customers for Indian cotton during this period, the figures in brackets giving their offtake in the corresponding period of 1954:

(In bales of 400 lbs. each)

U.K. 27,280 (4,133); Continent 30,161 (12,018); Hongkong 24,137 (*nil*); China 34,651 (914); Japan 111,822 (29,497); U.S. 2.105 (5,808); others 2,035 (430) —Total: 252,194 (52,770).

It will be seen from the figures given above that in the September-December 1955 period, the U.K., Continent and Japan took significantly larger quantities of Indian cotton than they did in the corresponding period of 1954.

ARRIVALS OF COTTON

Actual arrivals of foreign cotton into India, during the period 1st September 1955 to 31st December 1955, aggregated 135,255 bales of 400 lbs. each, as against 143,392 bales in the corresponding period of 1954. The break-up of these arrivals, with figures in brackets indicating the arrivals in the corresponding period of 1954, is:

(In bales of 400 lbs. each)

East Africans 29,910 (62 999); Egyptian 61,998 (39,418); Sudan 35,920 (12,394); Americans 3,604 (28,268) and others 3,823 (343)—Total: 135,255 (143,392).

A reference to the figures, given above, will show that, while the arrivals of East Africans and Americans have declined heavily, those of Egyptians have increased.

SUDAN COTTON

The Gezira Board is reported to have marketed successfully most of its cotton stocks. The main unsold stocks over the first week of this month, it is estimated, consisted of about 16,000 bales of GG 6S, 4,000 bales of DG 6S and 2,000 bales XG 5L. Besides these stocks, there were about 6,000 bales of DG 6S of the 1953-54 season's crop.

JUTE GOODS STATISTICS

MARKED RISE IN OUTPUT

THE Indian Jute Mills Association's monthly returns for December 1955, as compared with those for the preceding month, disclose a rise of 7.5 per cent. in the output of jute goods during the month. In terms of absolute figures, the output amounted to 97,300 tons, as compared with 90,500 tons in November and 78,800 tons in October 1955. The increase in the December output may be attributed to the efforts of jute mills at utilising their resources to the utmost possible extent, with a view to augmenting supplies of these goods to meet the growing demand, especially for sackings from East Africa, Australia China and other countries. This is evident from the fact that the bulk of the increase is accounted for by sackings, as we shall see presently.

It is needless to add that the output of jute goods in the current month is likely to surpass the December level. For, according to a decision taken by the I.J.M.A. last month, the mills have removed, with effect from the 9th inst., the sealing on 2½ per cent. out of the 12½ per cent. of the total looms sealed. This should add about 2,500 tons per month to the total output. As, however, the unsealed looms have been in operation from only the 9th inst., the additional output during the current month is likely to amount to about 1,975 tons or a quarter less than the estimated additional production.

The table below shows at a glance the output of the three principal categories of jute goods during each of the three months ended December 1955, as also during December 1954:

Jute Goods Production

(In tons)

	December, 1955	November, 1955	October, 1955	December, 1954
Hessian	34,000	34,600	30,700	36,500
Sacking	56,600	49,900	43,500	54,400
Others	6,700	6,000	4,600	3,100
Total ..	97,300	90,500	78,800	94,000

It will be seen from the table above that, while the manufacture of hessians has declined from 34 600 tons in November to 34.000 tons in December 1955, that of sackings rose by 6,700 tons to 56,600 tons. These figures indicate that the sealing of 12½ per cent. of the total looms was applied more to hessian looms rather than to sackings during December last. The output of other goods also increased from 6,000 to 6,700 tons.

With the December output, the total for the first six months of the current jute season, namely, July-December 1955 56 was 519,445 tons, as against 495,942 tons in the corresponding period of the last season. The total consumption of raw jute for the six-month period may be estimated at 3,012,781 bales, as against 2 873,993 bales.

Stocks of jute goods with mills at the end of December 1955, at 64,200 tons, were 1,200 tons higher than those at the end of the preceding month. This small increase need not cause any anxiety, because the total stocks represent only about two-thirds of the output for the month. A point to be noted is that the increase in stocks is the net result of a fall in those of hessians and a rise in those of sackings and other goods. Stocks of hessians have thus gone down from 27,900 tons to 23 500 tons, being, in fact, the lowest since December 1954 when they stood at 23,300 tons. Sacking stocks have, on the contrary, risen from 30 800 tons to 35,100 tons or a rise of 4,300 tons. Stocks of other varieties of goods have also gone up from 4 300 tons to 5,600 tons. These trends are reflected in the table below:

Jute Goods Stock

(In tons)

	As on 31st Dec., 1955	As on 30th Nov., 1955	As on 31st Oct., 1955	As on 31st Dec., 1954
Hessian	23,500	27,900	29,700	23,300
Sacking	35,100	30,800	29,000	45,000
Others	5,600	4,300	3,600	1,300
Total ..	64,200	63,000	62,300	69,600

FORWARD TRADING IN JUTE AND JUTE GOODS

The Forward Markets Commission has invited applications from associations situated within the limits of Calcutta for the purpose of recognition to conduct futures trading in jute and jute goods. These applications are required to be submitted to the Commission before 10th February 1956.

Resumption of futures trading in jute and jute goods has been long overdue. At present forward trading in raw jute is prohibited under section 17 of the Forward Contracts (Regulation) Act, 1952, and in jute goods under the West Bengal Jute Goods Act, 1950. The question of resumption of forward trading in these two commodities has been before the Government for some time. It was examined by the Jute Enquiry Commission which recommended, as readers are aware, the setting up of a single well-knit association, like the East India Cotton Association in Bombay, for the purpose. The Government of India accepted the recommendation and directed the Forward Markets Commission to submit proposals for reopening the futures market. The Commission accordingly, prepared a scheme and submitted it to the Government which in turn referred the matter to the I.J.M.A. The latter body appointed a sub-committee to examine the issue, so that the I.J.M.A. might forward its views to the Government as early as possible. Now that the Forward Markets Commission has invited applications from associations in Calcutta for recognition it looks as though the Government is now in possession of a scheme to start futures trading in Calcutta, having the approval of the jute trade and the industry.

JUTE AS SURFACE YARN FOR CARPETS

A U.S. firm has developed a means of using coloured jute as a surface yarn in the manufacture of low-cost rugs and carpets.

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ESTIMATE OF SUGAR PRODUCTION DURING 1955-56

NEW PEAK ANTICIPATED

ALTHOUGH nearly three months have elapsed since the current (1955-56) sugar season commenced, it is rather difficult to assess, with any degree of certainty, the prospects for sugar production. For the crushing operations in factories are still subject to several uncertain factors. Nevertheless, on the basis of the trend of output and of the conditions obtaining in the sugar and *gur* markets in the past three months, an attempt may be made to estimate the probable quantity of sugar that will be manufactured during the current season. As is usual at this time of the season, some sugar interests also have given expression to their ideas of production. Taking all this into account, it would appear that more than 1.7 million tons of sugar are expected to be made this season. This quantity surpasses the all-time record level of 1.58 million tons, touched in 1954-55, by as much as 120,000 tons. It is reported that the crushing of cane in most of the factories is in full swing. During the period 1st November-22nd December 1955, about 259,130 tons of sugar had been produced, as against 239,130 tons in the same period last year, a rise of 8 per cent.

The estimate of 1.7 million tons of sugar seems to be quite justified, as it is based at least on two favourable factors. First, the supply of sugarcane to the factories will be plentiful. Secondly, there has been an improvement in the efficiency of cane-crushing plants of several mills, following the implementation of schemes relating to renovation.

Rise in Cane Output

The supply of sugarcane to the mills is expected to be plentiful because of the bumper crop anticipated for the current (1955-56) season. The all-India second official estimate of the crop places the total production of cane at 50.28 million tons, which compares favourably with 48.10 million tons in the adjusted second estimate for 1954-55, or an increase of 4.5 per cent. The rise in output must be attributed partly to the increase in acreage—from 3.72 million acres to 3.93 million acres—and partly to the improvement in the average per-acre yield—from 12.9 tons to 13.0 tons.

The increase in acreage under sugarcane in the current season is reported by almost all the cane-growing States, especially Uttar Pradesh, Bombay, Bihar, the Punjab and Hyderabad. The improvement is attributed to favourable weather conditions at the time of sowing, higher prices of cane and better irrigation facilities. It looks as though the subsequent heavy rains, floods and waterlogging in parts of Uttar Pradesh, Bihar and the Punjab have not so adversely affected the sugarcane crop as was feared by some.

A rise in the production of cane does not necessarily mean that there will be a corresponding increase in the output of sugar, for the factories do not constitute the only outlet for cane in this country. They have a powerful competitor for the available supply of cane in the cottage units that produce *gur* and *khandsari*. If the prices of the latter, especially of *gur*, are high, then the growers invariably divert their cane to the cottage sector rather than to the mills. Much, therefore, depends on the trend of the *gur* market. During the past crushing season, *gur* prices remained very low. The markets were so weak, indeed, that the Government had to extend a certain measure of support in order to impart a steadying effect. There was, therefore, a great rush to sell cane to the factories. In distinct contrast to this trend, the position so far in the current season has been in favour of *gur* manufacturers. Prices have been firm, offtake good and stocks not heavy. It has not been necessary for the Government to support the market at all.

Return From 'Gur' Low

Better though the *gur* market has been, the rise in prices has not been big enough to tell on the flow of cane to the factories. It is, of course, not easy to forecast the trend of *gur* prices in the remaining months of the crushing season, but it seems that the chances of any sharp rise are slender. *Gur* is now being sold freely at Rs. 12 to Rs. 13 per maund in most of the centres. Deducting from this price the manufacturing cost, which is estimated at about Rs. 2-10 per maund in Uttar Pradesh—it is said to be still higher in other States—the average gross return to the cultivator would come to Rs. 9-6 to Rs. 10-6 per maund of *gur*. Even on the very liberal basis that ten maunds of sugarcane are required for making one maund of *gur* —having regard to the poor extraction in *gur* making, the amount of cane required to produce one maund of *gur* must be much more—the gross return to a grower will be not more than As. 15 to Re. 1-0-7 per maund of cane. The net return to the grower will be lower still, considering that the gross return includes the *gur* producer's presumptive costs (such as interest on the capital value of the land under cane, proportional interest on other capital charges, if any, interest on working capital, contribution for unforeseen contingencies, etc.) and profits, but excluding transport cost. Be that as it may, as against the gross return of **As. 15 to Re. 1-0-7**, the cane grower would get, if he were to deliver the crop to a sugar mill (at the gate), the minimum price of Re. 1-7 per maund irrespective of the quality of the cane, not to mention the possibility of a share in the mills' profits when they exceed a certain limit.

Duration of Crushing

The mills are thus assured of large sugarcane supplies. They may, therefore, be expected to extend their crushing operations. Accordingly, the all-India average duration of crushing during the 1955-56 season will be longer than that (132 days) in the previous season.

The current sugar season is expected to witness an increase in sugar recovery also, what with the renovation of plants in several mills and improvement in the quality of cane grown in a large part of the factory areas as a result of the introduction of new varieties with higher sucrose-content under the programme of intensive development of cane cultivation.

Consumption Upwards

Yet another important factor which points to a rise in sugar production in the current season is the steady upward trend in consumption. Taking the population of the country as 381.77 million and assuming a *per capita* requirement of 11.2 lbs., including 0.31 lb. representing the allowance for the change-over of consumption from *gur* to white sugar, the aggregate quantity of sugar that is likely to be consumed during the season may be estimated at approximately 1.91 million tons. Reflecting the enlarged demand for sugar thus, the despatches of sugar from the factories are reported to be considerably large. During the month of November 1955, as much as 139,679 tons of sugar were despatched from the mills, as against 114,151 tons in the previous month and 37,795 tons in the corresponding month of 1954. The mill delivery rates of sugar produced in several parts, especially in Uttar Pradesh, are also ruling distinctly firm, notwithstanding the large stocks—estimated at 449,832 tons—of last year's production that were lying unsold with the producers at the beginning of the season. An idea of the extent of improvement in prices can be had from the following table showing the latest available rates quoted at Hapur, as compared with those prevailing a month before:

(Per maund)

	Latest available	*A month before*
	As. a.	Rs. a.
Jaswant	28 11	28 4
Simbhauli	29 0	28 10
Mowana	29 0	28 6
Daurala	30 4	30 0
Amroha	28 0	27 10
Bijnore	28 0	27 9
Rampur	32 0	31 8

It is, however, difficult to say whether the upward trend in sugar prices noted above will persist in the coming months. For much will depend on the behaviour of *gur* prices, as well as with those of other commodities. But, if the recent trend of commodity prices in general is any indication of the future, it would appear that sugar prices will be well maintained.

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BONUS TO U.P. SUGAR LABOUR

A sum of Rs. 54.39 lakhs has been distributed by 66 sugar factories in Uttar Pradesh as interim bonus to their workers for the crushing season 1954-55, pending the award of the State Industrial Tribunal, Allahabad. The payment of interim bonus is in accordance with the directive issued to all factories by the State Government. The actual quantum of bonus paid by each factory was fixed by the Government. The interim bonus has been paid to all persons who were employed as workmen during the season, the amount per worker being in proportion to his earnings in the season. The interim bonus is adjustable against the bonus which may be finally determined on the basis of the award of the Industrial Tribunal, Allahabad. The factories which had already paid advance bonuses have adjusted it in the amount of the interim bonus that they have now paid.

The U.P. Government's directive to the sugar mills was a sequel to the recommendations of the Committee which was appointed in September 1955 to investigate and report on the question of interim bonus. At the tripartite (sugar) conference held in August 1955, it will be recalled, the representatives of the sugar industry and labour could not come to an agreed solution regarding the payment of bonus to workers for 1954-55. The workers' representatives insisted that bonus should be paid on the basis of production, while the spokesmen of the industry wanted it to be paid on the basis of profits as shown in the balance-sheets of factories. In view of the divergence of views thus, the U.P. Government referred the matter for adjudication to the State Industrial Tribunal, Allahabad. Pending the award of the Tribunal, it was decided to grant some interim bonus to workers in order to ensure industrial peace. A committee consisting of the industry and labour representatives was accordingly appointed to determine the amount to be paid as interim bonus. It is the recommendations of this Committee that has now been given effect to.

POWER ALCOHOL PRODUCTION

The sugar season 1954-55 witnessed a substantial expansion in the production of power alcohol, the quantity actually produced being estimated at 10.35 million bulk gallons which is 33 per cent. more than the previous season's output of 7.78 million gallons. This quantity represents nearly 75 per cent. of the total installed capacity of 13.81 million gallons. In the previous season, only 59.7 per cent. of the capacity of 13.02 million tons was utilised. The rise in power alcohol output followed a marked increase in the supply of molasses, thanks to the remarkable expansion in sugar production. During 1954-55, as much as 6.17 million tons of molasses were produced, as against 3.45 million tons a year before. The bulk of this rise was accounted for by Uttar Pradesh, the actual output spurting from 1.86 million tons to 3.53 million tons. Incidentally, the State accounts for over 57 per cent. of the total production of 6.17 million tons of molasses in the country.

SUGARCANE IN MADHYA PRADESH

The sugarcane crop in Madhya Pradesh is expected to suffer a setback during the current season. The total area planted with cane is estimated at no more than 28,750 acres, as against 29,470 acres in 1954-55, that is, a fall of 2.4 per cent. The estimate of outturn is also placed lower at 366,600 tons as against 367,900 tons, a decline of 0.4 per cent. The fall in production is, however, less marked than that in area devoted to cane cultivation. This means that the per-acre yield has registered a distinct improvement. The average yield comes to about 12.7 tons, as against 12.0 tons a year before. It is, however, still very much below the all-India average yield of 13.7 tons forecast for the season.

The U.P. Molasses Control (Amendment) Bill, passed by the Uttar Pradesh Vidhan Sabha, on the 9th inst., provides for the establishment of a Molasses Board to advise the Government on matters relating to grading and marketing of molasses, prices at which molasses should be sold and allocation of molasses for distilleries and other purposes.

The world sugar beet production in 1955 amounted to 119,300,000 short tons, representing an increase of 5,700,000 short tons over the final total of 1954 production, according to the data collected by the U.S. Department of Agriculture. The total area of 12,100,000 acres on which the crop was grown was four per cent. greater than the crop acreage of 1954.

EXPANSION OF COAL INDUSTRY

PRIVATE SECTOR DECIDES TO GO AHEAD

THE two-day conference of colliery interests and the Government of India, which was held in New Delhi recently, has ended with no material gain to the private sector other than the fact that it would be allowed to exist for the present and expand its sphere of production subject to the permission of the Government. The Ministry of Production was neither ready to guarantee the private collieries immunity from nationalisation for a reasonable period nor did it assure fair treatment in the matter of allotment of transport facilities as between the private and the public sectors. All that the spokesmen of the Ministry did was to reiterate their stand that, in the event of nationalisation, compensation would be paid fully for all future investments.

It is, however, gratifying to note that, despite these depressing features, the private colliery owners have assured the Government of their full support to achieve the target of 8 million tons fixed for the private sector and even more. The only assistance they are reported to have sought from the Government was provision of railway sidings in the colliery areas in larger numbers, an increase in the subsidy for stowing and liberal loan facilities for building houses for workers. Reports from New Delhi credit the colliery owners as having stated that they could find enough resources through their own efforts to fulfil the target and that the absence of a guarantee against nationalisation would not prevent them from implementing their expansion programmes. They are also said to have stated that they would not require any assurance in regard to the price of coal either. If all this is true, it redounds to the credit of private enterprise, because it clearly shows the anxiety of the private sector to do its duty by the country to the best of its ability, even though its own future is shrouded in a cloud of uncertainties about the Government's economic policy. It also means that colliery-owners have come to realise that they have been left with no choice and that the only alternative to braving the uncertainties of the future and living with them is to invite self-extinction. This attitude, it may be noted, is typical of private enterprise, one of the characteristic features of which is to take risks, not excluding political risks.

It is stated that several collieries have already submitted detailed plans relating to their current output and the idle capacity and the prospects of additional production in each of the years commencing from 1956 to 1960. The plans are reported to have included proposals for working contiguous areas, extension schemes and the estimate of capital required for them. It is to be hoped that, in accordance with the assurance given at the previous conference of colliery interests held in November last year, the Ministry of Production would raise the targets of production to be touched by the individual collieries in the second Five-year Plan to the extent of their full idle capacity.

It would appear that the Conference did not discuss exports of coal in the second Plan period. Indian coal is generally exported to Ceylon, Burma, Pakistan and Singapore. In fact, these might be regarded as India's natural markets. But there are greater possibilities of India meeting with stiff competition in these markets from Chinese and Australian collieries. Consequently, if India is to stabilise its position as an exporter of coal, it should see to it that there is an uninterrupted supply of coal of the requisite quality to these countries at competitive prices.

Exports of coal to Japan have gone down considerably, as compared with those five years ago, largely because American coal is being shipped to Japan and Korea as part of the United States foreign economic aid programme. These two countries have, according to Mr. Satish Chandra, Deputy Minister for Production, found it difficult to find the necessary sterling for importing Indian coal, which could compete very well with American coal.

The output of coal in collieries in India increased from 3,084,498 tons in October to 3,096,517 tons in November, 1955. The despatches, however, amounted to only 2,770,430 tons in November as against 2,878,900 tons in October. Coal stocks at pit-heads amounted to 3,448,884 tons at the close of the month. During the month, 329 collieries were reported to be working with an average daily employment of 324,152 workers. The output per man-shift was estimated at 1.15 tons for miners and loaders, 0.60 ton for all workers underground and in open workings and 0.38 tons for all persons employed, including surface workers.

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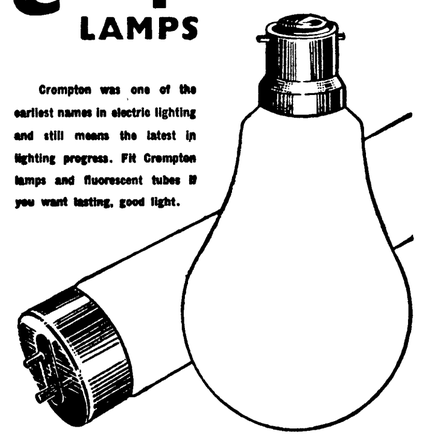

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TESTING TIME FOR TEA INDUSTRY

GOVERNMENT HOLDS TALKS WITH PLANTERS AND MERCHANTS

A MEETING of the representatives of the tea industry and tea trade, on the one hand, and the Union Minister for Commerce and Industry, on the other, was held at Calcutta last week. Though the details of the talk are not available, from the large number of associations of planters and merchants represented at the meeting it is believed that a wide range of problems relating to the industry, particularly overproduction, accumulation of stocks and falling prices, was discussed. It is also gathered that the planters and traders made some suggestions to the Minister relating to the marketing of Indian tea at home and abroad. The Indian Tea Association, the Indian Tea Planters' Association, The Assam Tea Planters' Association, the Surma Valley Tea Planters' Association, The Calcutta Tea Traders' Association and the Calcutta Tea Merchants' Association were represented at the meeting. Mr. U. K. Ghosal, Chairman of the Tea Board, was also present. No decision would appear to have been taken at the meeting, because it was stated that the Chairman of the Tea Board had been invited to New Delhi by the Union Minister for Commerce and Industry for further talks.

The news of the aforesaid meeting closely followed the decision of the Calcutta Tea Regulation Committee to introduce a scheme for the regulation of tea crop for the 1956 season. No details of the scheme are yet available, as the various tea producers' associations are still considering specific proposals to that end. It is, however, believed that the scheme is not likely to differ largely from the 1953 regulation scheme, under which a percentage cut was imposed on each garden on the basis of the best crop of the previous four years. It was also decided by the Committee last week that all tea waste and all residue teas of doubtful quality should be destroyed, in order to prevent such grades of tea having a further depressing effect upon prices. These developments of the past week relating to the Indian tea industry suggest that the tea interests and the Government alike view the present position of the industry with not a little concern.

The decision of the Tea Regulation Committee to regulate the crop for the coming season is evidently a sequel to the slump in tea prices at auctions and the increased stocks in Calcutta warehouses. It is in contrast to the inability of the main tea-producing countries of the world to draw up a new International Tea Agreement, consequent on the refusal of Ceylon to restrict its output. Whether Ceylon will be persuaded in course of time to sign an International Tea Agreement or not, it is stated that the situation in Calcutta brooks no delay in taking measures to prevent further deterioration. The prices fetched at the auctions in Calcutta are said to cover barely the cost of production and in the case of some poor quality teas the prices are very much below cost of production. An idea of the extent of fall in prices of the various varieties of tea offered at the Calcutta auctions can be had from the following table:

	Sale No. 30	Sale No. 26	Sale No. 7	Sale No. 1
	10-1-1956	12-12-1955	18-7-1955	6-6-1955
Export sale—	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Clean B.P.	2 0 0 to 2 1 0	2 4 0	3 4 0	2 8 0 to 2 10 0
Plain B.P.	1 7 6	1 9 0	2 8 0 to 2 8 6	1 12 0 to 1 14 0
Medium Assam B.P.	1 10 0	1 11 0 to 1 11 6	2 11 0 to 2 11 6	Not quoted
Best C.T.C. Assam B.P. ..	2 1 0 to 2 3 0	2 10 0	3 3 0 to 3 4 0	Not quoted
Internal consumption—				
Medium Dooars	1 5 6 to 1 6 6	1 6 6 to 1 7 0	2 6 0 to 2 6 6	1 12 6 to 1 13 0
Dust	1 6 0 to 1 7 6	1 7 0 to 1 8 0	2 6 6 to 2 9 0	
Medium Assam Grainy Dust	1 7 6 to 1 8 0	1 7 6 to 1 8 0	2 9 0 to 2 9 6	Not quoted
Best Assam C.T.C. Dust	2 2 0 to 2 4 0	2 5 0 to 2 7 0	3 0 0 to 3 2 0	2 10 0

Though the trend represents a steep fall in prices, it was not a continuous recession. Prices tended to steady up at the end of November, owing to an improvement in demand. But the market had again a shake-out on account of the increase of about 10 million lbs. in the tea crop gathered in November. The trend was upward again at the end of December, due to the improved demand engendered by anticipations of a reduction in the rate of export duty for January. There was also an improvement in buying from the U.K. Nevertheless, the prices at the last week's auctions show a marked fall as compared with those in the middle of July last. This decline in prices is the combined effect of a fall in offtake and a perceptible increase in production. It is stated that world production now outstrips world demand by about 50 million lbs. The following table shows the trend of world crop as at the end of November during the past three years:

(In million lbs.)

Countries	1955	1954	1953
North India	518.3	502.5	472.6
South India	119.3	117.8	113.0
Pakistan	48.5	51.7	51.2
Ceylon	348.7	333.2	312.2
Indonesia*	80.1	85.3	63.7
Total ..	1,114.9	1,090.5	1,012.7

*Up to October only.

World demand also has fallen from that in the previous year, as the following figures of shipments from Calcutta and Cochin indicate:

(In million lbs.)

	1st April to 31st December		
	1955	1954	1953
North Indian Tea—			
U.K.	146.10	209.58	236.47
Irish Republic	12.84	18.27	17.68
U.S.	11.72	16.95	12.90
Canada	7.38	10.44	11.85
Egypt	6.62	4.96	7.58
Persian Gulf	5.51	4.54	3.97
Other centres	15.81	24.74	25.24
Total ..	205.98	289.48	315.69

	January-November	
	1955	1954
South Indian Tea—		
U.K.	40.52	47.23
U.S.	6.21	8.01
Canada	5.05	5.81
Australia	2.43	0.89
Indian Ports	11.00	4.89
Other countries	4.09	2.64
Total ..	69.30	69.47

As at the end of 1955, nearly 24 million lbs. less leaf teas had been sold on the Calcutta market, as compared with 1954. And that at a time when more tea had to be sold through that Centre. According to one firm of brokers, the number of tea chests accumulated in the port of Calcutta at the end of December aggregated over 1 million—20 per cent. more than any previous record figure. This large accumulation is said to be due partly to the reluctance of London brokers to hold stocks in view of the credit squeeze and partly to optimism about the Government of India's scheme to expand auctions at Calcutta.

Commenting on the prospects for Indian teas, Messrs. J. Thomas & Co., Ltd., the well-known firm of tea brokers, observe in their monthly report for December 1955 as follows:

"From the figures available, deliveries in the U.K. for 1955 have been fully maintained at the levels of 1954, and should be regarded as most satisfactory. Taking into consideration afloat teas and teas entered for customs, but not received in the warehouses, available stocks in London are more or less the same as those at the end of November, though slightly higher as compared with the end of 1954. On account of the reduced U.K. imports during 1955 from all countries and owing to the fact that the shipments from the main exporting countries have been even lower, the stocks are likely to be eaten up gradually, if the U.K. does not resort to increased buying from Calcutta market during the remaining part of this season. It is hoped that when the offerings from Ceylon tend to fall off during the first few months of the New Year, the U.K. may intensify its purchases from the Calcutta market.

"With the reduction of duty from the beginning of January the pace of North Indian shipments is likely to be accelerated in the next few weeks, though it is quite clear that the figures for 1954 cannot be equalled and the final 1955 shipments should be well below those of the past two seasons. The internal market will thus be left with a larger weight of tea, especially of the poorer quality unwanted abroad, which may become even more difficult of sale towards the end of the season. Better teas, as they become fewer, must for the very same reason appreciate in comparison and the export and internal levels of prices should continue to show a difference. In assessing the prospects for the coming months, one cannot escape the fact that there are no buyers for the large weight of poor quality stalky teas on the market which are superfluous and which have had the effect of depressing tea prices during the last three or four months. On the other hand, teas of clean appearance and good liquoring medium teas should continue to realise satisfactory prices . . . the fall in prices, therefore, is entirely due to overproduction and a resultant drop in the standards of quality. If an early announcement could be made by the producers' associations of the programme for 1956, it would have a very salutary effect on the market and might even, to a certain extent, help in the stabilisation of prices for the current season.

"While the shipments from India and Ceylon continue to be well under the permissible targets and, therefore, of no immediate consequence, it is hoped that Ceylon and other signatories will be persuaded to join India in finalising the International Tea Agreement which has now been outstanding for several months. A close examination of the U.K. imports reveals a decline of 40 million pounds from the major producing countries, while the smaller and more recent producing countries show an increase of approximately 18 million pounds, compared to the previous season. While the volume of such business has not yet assumed any alarming proportions, the importance of reaching a mutually advantageous agreement on the restriction of exports is becoming more and more evident. From India's point of view, the development of its home market is of the utmost importance, as this alone can save the day when competition from other countries becomes fierce.

"The ultimate answer, however, to the price of tea during the next few months lies in the hands of the U.K. buyers, the quantity of their purchases and the mode, time and the extent of their operation, especially in the Calcutta auctions. It is possible that increased buying may be done by the U.K. on the Calcutta market during the first two sales of January, whereafter there may be a temporary lull. Later in the season, when the London auctions have exhausted their quota of Indian teas and when Ceylon's new season's teas have not commenced in any large quantity, then the North Indian market may expect to receive a large portion of the U.K. business.

"But the close of 1955 sees the Calcutta market in the doldrums and he would indeed be an optimist who could point to any bright features on the horizon. The record crops harvested by the major producing countries have upset the very delicate balance between supply and demand. Until this balance can be adjusted, the future remains obscure. The first few months of 1956 will, therefore, be a testing time for the whole of the tea industry."

The reduction in export duty, the decision to destroy tea waste and poor quality teas and an early announcement of the crop regulation scheme, assisted by any Government measure to help the tea industry, will, therefore, go a long way towards restoring the prices to levels well above the cost of production.

WORLD RUBBER STATISTICS

World production of natural rubber in November 1955 amounted to 160,000 tons, as against 167,500 tons in the previous month, according to the latest figures published by the International Rubber Study Group. Consumption was, however, unchanged at 162,500 tons. Over the first eleven months of 1955, world production, at 1,687,500 tons, exceeded consumption in the same period by only 20,000 tons.

There was a further increase of synthetic rubber production in November to 100,000 tons, against 97,500 tons in October and 93,703 tons in September. Consumption in November is estimated at 97,500 tons. Production of synthetic rubber in the first 11 months of the year amounted to 985,000 tons, exceeding consumption by 20,000 tons.

Total stocks of natural rubber at the end of November stood at 832,500 tons, a decline of 12,500 tons compared with the position on 1st January 1955.

As in October, when world consumption rose by 10 per cent., the November consumption figure included substantial sales to Russia and China. Imports into Russia in November are estimated at 9,750 tons and imports into China at 7,250 tons. Over 1955 as a whole, imports into Russia and China are, respectively, put at 20,175 tons and 30,750 tons.

Reported exports of rubber from Indonesia during November amounted to 57,173 tons, of which 22,988 tons were reported as being of estate origin. On the basis, accepted by the Study Group at its last meeting in October 1955, of a monthly allowance of 2,500 long tons for non-reported exports, total Indonesian exports amounted to 59,673 tons during November, giving a total of 628,105 tons for the first 11 months of 1955.

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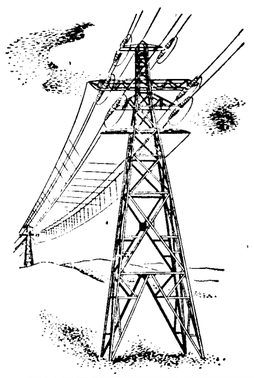

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RAILWAY FREIGHT STRUCTURE

VIEWS OF INDIAN MERCHANTS' CHAMBER

LAST week, we dealt in these columns with the replies of the Bharat Chamber of Commerce, Calcutta, to the 88-point questionnaire issued by the Railway Freight Structure Committee. This week, we propose to review the replies of the Indian Merchants' Chamber, Bombay. The Chamber has made a number of specific suggestions designed to help evolve a rational freight structure.

In its preliminary observations, the Chamber has stated that the three basic factors which should determine railway policy and the structure of freights should be the following:

(1) the requirements of a developing economy;

(2) the utility of the railway service to the public; and

(3) the commercial value of the services.

Pertinently enough, the Chamber has remarked that "there must obviously be an adjustment between these requirements in such a manner that the railways are ensured financial stability, the users are satisfied with the adequacy, efficiency and cost of service, and the nation is helped to march on the road to increased industrial and trade activity." It is true, the Chamber admits, that, for the operation of the railways as a national concern, commercial principles should be adhered to in obtaining stable and satisfactory results. But, at the same time, the Chamber says that "financial expediency should be limited by two other fundamental factors of efficient and economic services to users of different categories. Any maladjustment in the scale of rates and charges for the carriage of goods traffic or the lack of a properly designed framework of freight rates, would not only seriously hamper the growth of trade and industry and thereby the rate of economic development but would also affect the financial position of the Indian railways which derive a substantial part of their revenues from such traffic, the annual freight earnings averaging about Rs. 150 crores. As such, "the Chamber observes, "in reviewing the working of the structure of freights as at present operating and in formulating the new policy, the factor of revenue alone should not be the main or dominant criterion. The emphasis should be on the railways being geared up to subserve the larger objective of facilitating planned development."

1948 Revision

Remarking that the 1948 revision mainly aimed at simplification and rationalisation of the previous rates structure, *inter alia*, by standardisation of charges over the nationalised railways, the Chamber says:

"Telescopic rates on a continuous mileage basis, irrespective of railway boundaries, were introduced for the first time, the unit charge declining with increase in distance. While in principle the telescopic rate is sound, the beneficial effects of the new system of rating have been nullified in the process of application. In the last six years of its operation, it has adversely affected trade and industry by increasing the burden of charges in several ways. Firstly, the distance of haulage and the length of the first leg have not been determined with due regard to the normal movement of goods traffic in India. The additional imposts have increased the overall burden on short-distance traffic. The restriction on the facility of station-to-station rates has increased the charges for industries and factories which were previously dependent on such rates on a concessional basis. There have been no experimental rates at all since 1948. Secondly, the principle of classification of commodities has ignored the value of the goods and the capacity of the latter to bear the cost. Almost all the commodities have been upgraded and the increase in class rates has directly increased the charges. Thirdly, the significance of special rates has been overlooked. Thus, the new structure has become so rigid in application, that it cannot satisiy the urgent demands of a dynamic economy, set to grow at a defined rate of development.

"The experimental rates are not merely concessional or preferential which involve permanent loss to railways. These are mostly developmental rates which industries in their infancy require by way of assistance up to a period. These rates should form an integral part of the rates policy and can be dispensed with when specific industries which receive these rates grow up. The development rates are an essential method by which transport policy can be geared to the need of an expanding economy."

The Chamber has, therefore, expressed the view that, during the second period of the Plan, liberal use of the method of special rates will enable the railway services to assist the development of industries. Proceeding, the Chamber points out how the movement of essential raw materials to industries has to be borne at a high cost under the present structure and observes that, "in the regional distribution of new industries, there would be need for charging appropriately low rates for the movement of raw materials as well as for short distances. Short-distance traffic has been burdened by an increase in rates over short distances on account of the telescopic rates, the continuation of the short-distance charge and standardised terminal, the incidence of which is heavy on short-distance traffic. Any rigidity in the working out of standard rates or uniformity in classification will be highly detrimental to the interest of growing industries."

Overall Charge

The Chamber has expressed itself in favour of an overall charge of railway freight for all the services rendered by the railways. In other words, it has disapproved of separate charges, such as terminal, short-distance and transhipment charges.

The Chamber says that the terminal charge is sought to be justified on the ground that it compensates the railways for the cost of the additional services rendered and amenities provided in the process of transportation. Terminals have been defined as a reasonable fee to cover charges for services, such as working charges, repairs, renewals, insurance of station buildings, sidings, sheds, platforms, warehouses, cranes, turntables, weighing machines, hydraulic power, fixed appliances, machinery, etc., ground rent, loading and unloading, clerkage, weighing and checking of goods, stores, covering, porterage and other labour of every description, shunting, gas, lighting, rates and taxes, risk of damage in loading and unloading, cartage, claims for compensation, etc., inclusive of profit. Based on the criterion of the above definition, different terminal charges were levied on different commodities on different railways in the past. Since 1948, however, the terminal tariff has been standardised. If the terminals are justified on the underlying principle that they represent a charge for specific services done, it is quite obvious that in the case of articles which are booked in bulk and in open wagons without weighment, labelling, packing, storage in covered accommodation, etc., the question of any such charge should not arise, according to the Chamber, for the reason that no such special service or assistance is rendered or extended in such cases. Again, uniform rates of charges are recovered at different places, although the facilities available or services rendered may be of a varying degree. Thus, the present scales of terminal charges are not related to the actual services rendered.

Consequently, the Chamber is of the view that the charges levied by the railways in the shape of freight rate should be the overall charge for all services and the question of a separate charge for terminal facilities should not arise. In any case, in the event of the system of terminal levy being continued, care should be taken, in the opinion of the Chamber, to relate the basis of the levy to the actual extent of the services rendered. In the case of bulk movements, where the merchandise is handled in the process of loading and unloading by the owners themselves, and in the case of movements with special siding facilities, it wants the reduction from the standard rate of the charge to be not just nominal, as is the case at the moment. On such occasions, the terminal services rendered by the railways are less significant and, therefore, the terminal charges levied should, it says, be related to the extent of such services.

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Short-distance Charge

Elucidating its views on short-distance charge, the Chamber observes:

"Where the aggregate distance of movement is less than 75 miles, a special levy in the shape of a short-distance charge is recovered for general merchandise at 6 pies per maund. The continuation of this levy, which is a relic of the past, after the introduction of the telescopic system of freight rating, can on no account be justified. When the basis of freight fixation was a flat rate, an additional charge for traffic moving over short distances might have some economic justification. The telescopic system of charge, however, itself provides for relatively heavier burden on short-distance traffic. Under that system, the gradation and scales are such as to place a handicap on shorter distance movements. In the altered context of affairs resulting from the adoption of the telescopic system, there is, therefore, no economic justification for continuing the short-distance charge. Again, short-distance traffic largely moves in 'local wagons' of non-poolable type. The turnround of local wagons is much quicker and, therefore, there is no loss on account of wagon occupation as may be the case in respect of wagons moving over longer distances. . . . bulk movements of industrial requirements are largely short-distance traffic, and it is illogical that the scheme and structure of rate should impose a special burden particularly on such industrial requirements by the levy of a special short-distance charge. There is, therefore, an overwhelming case for altogether abolishing the short-distance charge as also the terminal charges."

Another important subject covered by the Chamber relates to transhipment charges. Its views on this subject are as follows:

"The freight charges paid should be deemed to cover all charges for services rendered by the railways from the time of loading of the consignment to the point of actual delivery. It is, however, acknowledged that railways have to incur additional expenses at break-of-gauge points for the transhipment facilities. There may be some justification for the railways being entitled to be compensated for this additional service by an extra charge. At present, a charge at 3 pies per maund on "smalls" and 2 pies per maund on wagon-load traffic is being made on account of transhipment. The question naturally arises as to whether the charge is actually intended to cover the additional cost involved to the railways or it also includes an element of surcharge. While, no doubt, the ideal arrangement would be to work under a scheme of an overall rate of freight charge, if the scheme of a special charge for transhipment is to continue, the railways should be required to give greater attention to the general complaints about the unsatisfactory arrangements connected with transhipment of goods at break-of-gauge points. The main complaint is that there is undue and avoidable delay, increasing the overall duration of the transit of goods. Again, in most of the break-up gauge points, transhipment work is carried out by manual labour, which, besides being slow, is lacking in adequate skill. Greater resort to mechanised methods of transhipment by the introduction of movable and automatic cranes and similar mechanical appliances would assist in increasing the efficiency and speedy disposal of goods at transhipment points. The economies resulting from the utilisation of such mechanical devices as also the consequent increased utilisation of rolling stock would incidentally enable the railways to reduce the present rates of transhipment charge in a substantial manner.

Grievances of Trade

While on this topic, the Chamber has drawn the special attention of the Enquiry Committee to the fact that, at present, matters or grievances concerning terminal charges, short-distance charges, etc., are outside the scope of the Railway Rates Tribunal. If the system of these special additional levies is to continue, at any rate, the users of the railway should have the facility of referring complaints and disputes about the reasonableness of such levies in particular cases for consideration by the Railway Rates Tribunal. In short, it does not want the last word or decision on matters concerning these additional levies to rest with the railway administration.

The Chamber has not favoured the creation of a freight pool, the basic principle underlying which is "to subsidise long-distance movement at the cost of shorter hauls in the same commodity." While the importance of assisting long-distance movement, particularly in respect of essential materials which, by force of circumstances, have to be transported over long distances is acknowledged, such assistance should not be, according to the Chamber, by imposing additional burdens on short-distance movements. Moreover, basically, the Chamber states, any such attempt at equalisation of the rate incidence

(*Continued on page* 151)

NEW PRODUCTS AND PROCESSES

Doorless Stores

THE housewife struggling with shop doors while laden with bundles will welcome new plans for doorless markets of the future. A curtain of air, warm in the winter and cold in the summer, will keep out the elements. But the shopper will be able to walk right through the flowing air. Conditioned air will move between a vent at the top of the door and a grating in the floor of the completely open store-front, according to plans now on the drawing boards of the U.S. National Association of Food Chains.

"Wonder Drugs" Aid Bees

Honeybee epidemics which may spread with lightning speed through the congested quarters of a beehive can be stopped by the use of antibiotics and sulfa drugs, it was recently reported to the American Institute of Biological Sciences. Antibiotics, such as terramycin, streptomycin and fumagillin, and the sulfa drugs, will give successful control over the destructive diseases known as American and European foulbroods, which are fatal to larvel bees, and nosema, which kills adult bees. Before the use of these drugs, bee growers had to destroy diseased hives to avoid further spread of the diseases, a costly and not always effective remedy.

Treating Brain Tumours

The treatment of brain tumours and cancers by the use of atomic radiation has had such remarkable results at the U.S. Brookhaven National Laboratory that the University of California has ordered a nuclear reactor to use for this purpose at its Los Angeles medical centre. The method used is to inject borax into a brain tumour and then bombard the borax with neutrons generated in an atomic reactor. The borax captures neutrons and the captured neutrons then release powerful shortrange radiations (alpha particles) which bombard the malignant tissue and destroy it with little effect on nearby healthy tissue. Patients lie in comfort for half an hour during the treatment and experience no sensations from the neutron bombardment.

New Anti-corrosion Process for Steel Goods

A British firm has developed a proofing process which, it claims, means the virtual end of corrosion on the mild-steel parts of motor-cars, trucks, motor-cycles, bicycles, refrigerators, and many other products. The new process, which involves the spraying of chemical solutions on to mass-produced steel goods, causes no delay in production, and its costs, the manufacturers believe, will be rather below those of present processes. Spray plants can be of the standard type already installed in most industries geared to mass production. Where spraying is rendered impossible by the type of product, or uneconomic by the smallness of output, goods may be dipped in the solution.

Simplified Electron Microscope

A factory at Eindhoven (the Netherlands) has begun to produce a new electron microscope, which is simpler in design, easier to operate and lower in initial cost than the existing instruments, so that it will be within the reach of a much wider circle of scientific investigators. The new instrument is a so-called two-step microscope, with three electron lenses, namely, a condenser, an objective and a projector. It does not contain a single amplifier. Thanks to the very short focal distance of the objective lens (0.8 mm.), fluctuations of current and voltage have comparatively little influence on the quality of the image. It has, therefore, been possible to simplify the electric equipment considerably. Although the efficiency of separation is slightly lower than that of more expensive instruments, it is still at least 100 A°.

Embedding Mass for Making Precision Castings

In order to meet the more and more stringent requirements for precision castings made according to the lost-wax process, a concern at Geldermalsen (the Netherlands) has developed a new material for moulds, which is easy to apply and economical in use. It is a powder, which obtains the correct homogeneity and humidity by mixing 100 parts by weight with 33 to 35 parts by weight of water for 20 to 30 minutes, without the addition of a binder. Before being used, the mixture should be freed of air, preferably by means of a vacuum pump. After the casting cabinet, which contains the model, has been filled with the mass, and any air present has again been removed, the mould is dried for, in all, 48 hours in a room where a temperature of about 20° C. is maintained. The material can be used at casting temperatures of up to 1650° C.

Toughened Plastic

A new toughened polystyrene plastic has been developed by Monsanto Chemicals, London. Mouldings made with the plastic, which combine exceptional toughness with rigidity, without the need for moulded reinforcement, are said to withstand the weight of a car driven across them without breaking. When dropped to the ground, mouldings made from the plastic bounce and do not break. Called "Lustrex T-11," it has an elongation at breaking point of between 20 per cent. and 40 per cent., as compared with between 1.5 per cent. and 1.8 per cent. for ordinary general-purpose Lustrex polystyrene. At the same time, tests have shown that the impact strength (Izod) of a ½ inch by ½ inch bar ranged from 2.2 foot pounds per square inch up to 3.2 foot pounds per square inch. The plastic is also said to yield a higher surface gloss than other toughened polystyrenes and can, it is claimed, be formulated in blue whites and a wide range of brilliant clear colours.

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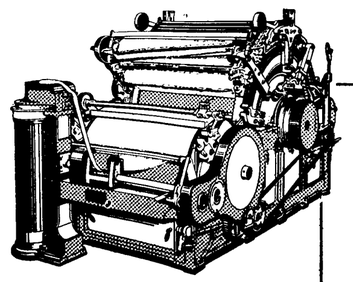

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UNEMPLOYMENT INSURANCE SCHEMES IN DIFFERENT COUNTRIES

BENEFIT PROVISIONS ANALYSED

ALTHOUGH insurance against unemployment has been accepted as a vital aspect of an overall scheme for social security in the West, it has not made any headway in this country. The Government of India no doubt prepared a draft scheme, but has made no further progress. There is, however, a demand from certain sections in this country that the retrenchment relief which is now available to workers under the existing labour laws is an inadequate protection against unemployment. In the context of this demand, the book entitled *Unemployment Insurance Schemes**, published by the International Labour Office, Geneva, makes most interesting reading. It summarises the experience of different countries which have implemented unemployment insurance schemes and also deals with the basic problems connected with the administration of such schemes.

Unemployment insurance, like other schemes of social security, has undergone a long evolution. The first phase was marked by the absence of any employer participation, and continued until approximately the last decade of the nineteenth century. The second phase began with the appearance of employer benefit schemes during the first few decades of the twentieth century. The third was characterised by the grant of municipal subsidies for voluntary schemes and extended from roughly the last decade of the nineteenth century to the second decade of the present century. By the end of the second decade, eight countries had enacted laws concerning unemployment insurance. The International Labour Conference, at its first session in 1919, urged all countries to establish an "effective system" of unemployment insurance. The widespread unemployment which appeared in the inter-war period prompted a few more countries to take their first steps in this field. The movement for providing unemployment benefit gained further momentum after the Second World War. In 1955, a total of 22 national schemes could be counted under which unemployment benefits or allowances were actually being paid.

Coverage

The categories of persons to be covered under an unemployment benefit scheme is a major question of policy to be decided in framing such a scheme. The chief factors to be taken into account in deciding what persons should be protected against unemployment are the relative needs of various groups for protection, financial resources and administrative considerations. As under other forms of social insurance, employees in the basic industries of manufacturing, mining and commerce are nearly always covered under unemployment insurance. The largest economic group which presents special difficulties is the agricultural workers. The problem to be overcome in insuring rural workers against unemployment are both administrative and financial in character. The predominance of small employing units and the dispersion of these units have always made it more difficult to apply any form of social insurance to agriculture than to urban employment. Domestic servants are often excluded, because they work part-time and are employed in households which are not in themselves commercial enterprises. The coverage of employees of private charitable, educational, religious and similar organisations involves special consideration, as such organisations are usually operated on a non-profit-making basis. Public employees are often exempted from the scope of unemployment insurance. Although administration is relatively easy in their case, their need for protection is often small and problems of financial policy may also be involved.

Seasonal Workers

The coverage of workers who are engaged in seasonal employment presents a special case. By seasonal employment is meant work performed each year, during more or less the same period of the year but which continues for only a relatively few weeks or months. A worker who engages in such employment can be assumed for purposes of unemployment insurance to suffer a measurable loss of wages only if he becomes jobless in the seasonal period during which he normally works. His unemployment during other periods cannot be regarded as representing a loss of wages. This is the simple basic principle involved. But it is difficult to apply this principle to specific cases. A few of the existing schemes make no special mention of seasonal workers in their laws. They may, therefore, be presumed to cover such workers. In a few other countries, the unemployment insurance laws specifically exclude certain classes of seasonal workers from coverage. Italy, for example, excludes persons employed exclusively on work which is performed annually during fixed periods lasting less than six months. Japan excludes workers employed in seasonal enterprises for a specific term of employment which is less than four months, or workers who are employed seasonally.

Long years of experience with unemployment insurance in different countries have shown that precise and sometimes elaborate rules have to be laid down to define the conditions under which unemployed workers become eligible for benefit. Clearly, the broad principle should be that workers covered by unemployment insurance should be entitled to receive benefits only when they become involuntarily unemployed. Again, unemployment insurance should not deal with joblessness produced by personal circumstances of individual workers such as their incapacity for work. Thus, one basic condition is that the claimants are "able to work" or "capable of work." Further, the claimant should be willing to re-engage himself in employment. Indeed, the notion of unemployment presupposes that the unemployed workers make a certain effort to secure new work. Some countries like the Union of South Africa deny benefit if the worker fails to comply with specific reasonable directions given by an employment official with a view to helping him get work. On the other hand, the United Kingdom, which formerly required claimants to be "genuinely seeking work" eventually repealed this provision, because of difficulties met in applying it. An important corollary to unemployment insurance is an efficient employment exchange which will enable the jobless to receive new positions.

Qualification Period

Another positive condition which always has to be imposed for receipt of unemployment insurance benefits is some period of qualification. The purpose of this is to make certain that claimants have been engaged in insured employment for at least a specified minimum period of time prior to becoming unemployed. The basic principle of the qualifying period is the limitation of benefits to regular and *bona fide* members of the labour force. The insistence on a qualifying period has also an important financial implication, in that it guarantees that at least a basic minimum amount of contributions will have been paid in respect of all beneficiaries. This assists in maintaining the financial balance of the scheme.

The rate of benefit payable to the insured unemployed varies, of course, from country to country. In some countries, a deduction is made for any additional income which the unemployed worker may have. A few countries make a distinction between married and single workers. The information relating to benefit rates in some of the leading countries is summarised below:

Australia (Act of 25th September 1952):

Basic benefit: £2 10s. per week (£2 for youths aged 18 to 20 and £1 10s. for those aged 16 to 17).

Dependants' supplements: £2 for dependent spouse or housekeeper, and 5s. for first child.

Means test: Other income in excess of £1 per week deducted from benefit.

Belgium (Decree of 28th July 1952):

Single worker living alone: 79.86, 72.60, or 65.34 francs per day, depending on size of commune (lower amounts for single workers under the age of 21).

Married worker with non-employed spouse: 88, 80, or 72 francs per day, depending on size of commune.

Dependents' supplements: Amounts increase according to number of children, with slight differentiation between skilled and unskilled workers.

Maximum rate: 66⅔ per cent. of reference wage plus family allowances, or 75 per cent. if four or more children.

Canada (Act of 11th July 1955):

Benefit for single worker: $6.00 per week (wage class I) up to $23.00 per week (wage class IX) for weekly wages of $57.00 or more.

Benefit for worker with dependant: $8.00 per week (wage class I) up to $30.00 per week (wage class IX) for weekly wages of $57.00 or more.

Approximate percentage range: 50 to 35 per cent. for single workers, 70 to 50 per cent. for workers with dependants.

France (Decree of 18th February 1954):

Basic benefit: 300, 290, 260, or 225 francs per day, according to size of commune.

Dependants' supplements: 130, 125, 115, or 100 francs per day, according to size of commune, for non-employed spouse or dependent parent.

Maximum rate: 66⅔ per cent. of wages of household.

Means test: benefit plus other income of household may not exceed prescribed maximum.

Federal Republic of Germany (Act of 24th August 1953):

Basic benefit: rises by numerous small wage classes up to 42.60 marks per week for weekly wages of 116 marks or more.

Dependants' supplements: Approximately 20 cent. of basic benefit for first dependant and 10 per cent. for each additional dependant.

Maximum rate: 80 per cent. of wages up to 48 marks weekly, and 70 per cent. of wages for higher earnings.

Approximate percentage range: 80 per cent. to 35 per cent. for single worker, and 80 per cent. to 50 per cent. for worker with three dependants.

Italy (As of December 1954):

Basic benefit: 227 lire per day for wage earners and 232 lire per day for salaried workers.

Dependants' supplements: 80 lire per day for dependant spouse, each child and dependant parents.

Japan (Act of 20th May 1949):

Benefit rate: 60 per cent. of assumed wage of beneficiary's wage class.

Maximum daily benefit: 460 yen.

New Zealand (Act of 1st October 1954):

Basic benefit: £3 7s. 6d. per week (£2 5s. for youths aged 16 to 19).

Dependants' supplement: £3 7s. 6d. for wife or housekeeper.

Means test: benefit reducible at administrative discretion in respect of other income or property.

Switzerland (Act of 22nd June 1951):

Basic benefits: 60 per cent. of wages for worker without dependants and 65 per cent. of wages for worker with dependants, reduced by 1 per cent. for each franc by which daily wages exceed 10 francs and subject to wage ceiling of 24 francs per day.

Dependants' supplements: 1.50 francs per day for first dependant and 0.60 francs for each additional dependant.

Maximum rate: 85 per cent. of wages.

United Kingdom (Act of 22nd December 1954):

Basic benefit: 40s. per week (30s. for married women living with husband and 23s. for youths without dependants).

Dependants' supplements: 25s. for adult dependant, 11s. 6d. for first child, and 3s. 0d. for each additional child.

United States (Legislation as of 1955):

Basic benefits: About half the States pay weekly benefit equal to fixed fraction of from 1/26 to 1/20 of quarterly taxable wages, amounting to between 50 per cent. and 65 per cent. of wages below the wage ceiling.

About half the States pay weekly benefit equal to weighted percentage of weekly, quarterly or annual wages, resulting in a range of approximately 75 per cent. to 50 per cent. of wages below the wage ceiling.

Dependants' supplements: About one-quarter of the States provide fixed supplement, generally from $1 to $3 per week, in respect of dependants; usually payable for maximum of two or three dependants and most commonly only for children.

Maximum benefit: virtually all States prescribe maximum weekly basic benefit amount, varying from $22 to $36; wage ceiling of $3,000 per year.

Benefit Period

The maximum length of time during which an unemployed person should be allowed to draw benefits is one of the most important questions of unemployment insurance. A limit of 12 weeks is imposed by Austria and one of 15 weeks by Norway, though the former raises the limit in certain cases to 26 weeks. A limit of 90 days is normally applied in Switzerland. Sweden pays benefits for at least 90 days but prohibits the payment for more than 156 days in 12 consecutive months. About half of the U.S. schemes fix the maximum benefit period at 26 weeks and most of the remainder at 20 to 25 weeks. W. Germany and South Africa provide a 26-week limit. A normal 180-day limit is provided for by Italy, Japan and the U.K. Five countries do not normally limit the duration of benefits. These are Belgium, Yugoslavia, and three countries where benefits are subject to an income test—Australia, France and New Zealand.

The benefits payable to the insured unemployed are a form of social expenditure for which covering revenues must be found. A central fund is created from revenues derived from various sources. Benefits are then paid from this fund to insured individuals who are unemployed. The three sources which generally contribute to this fund are the employees, the employers and the State. The system of tripartite financing is in vogue in Belgium, Canada, Japan, the Netherlands, Norway, South Africa and the U.K. In New Zealand, the unemployment insurance scheme is financed by a uniform percentage levy on the gross income of individuals and the net income of companies and by grants from the State. A bi-partite system of financing—that is, contributions collected from employers and employees on a fifty-fifty basis—is in vogue in Germany and Austria. Greece provides for the same two types of contributions but with employers paying two-thirds and employees one-third. Contributions from employers, however, constitute the sole source for financing unemployment insurance in Italy and Yugoslavia, and under all but two State schemes in the U.S. This account refers to the financing of unemployment benefits only and not to that of administrative expenses. A number of countries not providing for a State contribution to the cost of benefits pay part or all of the cost of administration out of public funds.

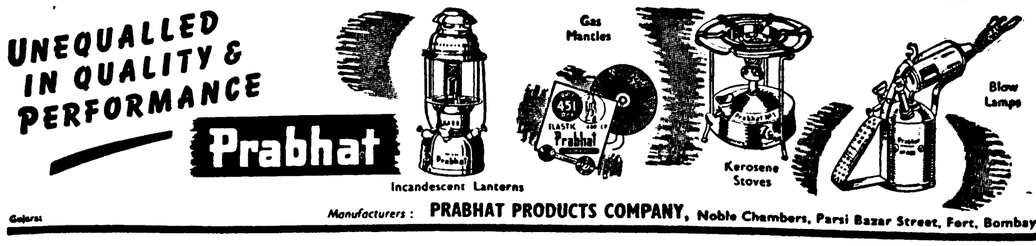
*Unemployment Insurance Scheme: Published by International Labour Office, Geneva. Available from International Labour Office, "Mandi House" New Delhi. Price: Rs. 6.

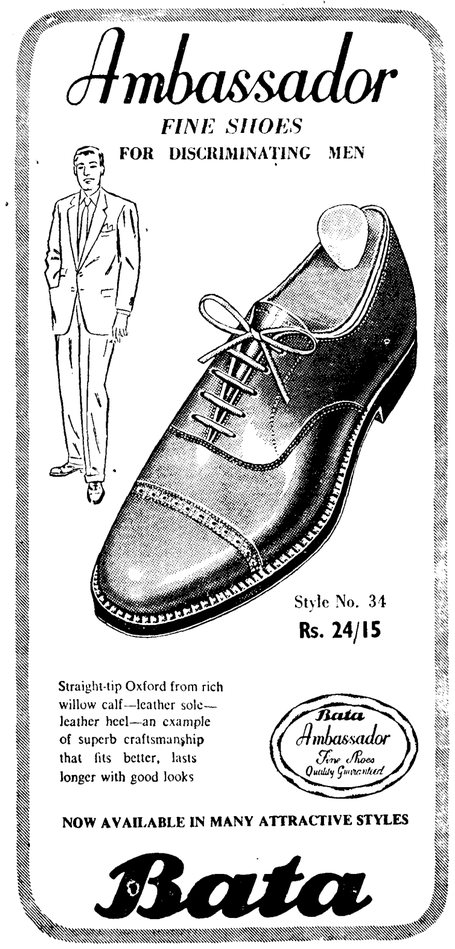
OLD AGE INSURANCE IN THE U.S.

Further expansion in the coverage under the U.S. old age and survivors' insurance programme was forecast by President Eisenhower in the course of his "State of the Union" message to the Congress. In 1954, protection under the programme was extended to some 10 million additional workers and benefits were increased. The system now protects 9 out of 10 American workers and their families against loss of income in old age or on the death of the breadwinner. President Eisenhower said: "The system is sound. It must be kept so. In developing improvements in the system, we must give the most careful consideration to population and social trends, and to fiscal requirements." With these considerations in mind, the Administration, he said, would present its recommendations for further expansion of coverage.

SOCIAL SECURITY IN GREECE

In most countries, the Governments have found it difficult to apply social security schemes to farmers. It is, however, interesting to note that Greece, though it is a small and comparatively underdeveloped country, has succeeded in evolving a comprehensive social security scheme for the agricultural community. It may be mentioned here that Greece is a predominantly agricultural country with 65 per cent. of the people dependent upon farming for their livelihood. At the first instance, however, the scheme, now announced by the Government, according to the Athens correspondent of the *Financial Times*, is concerned with the provision of only a comprehensive free medical service. The Government will set up 1,500 clinics and outpatient departments where the service will be given free of charge. The current budget provides £1.4 million for these purposes.





WORLD-WIDE TREND TOWARDS LOWER TAX RATES

INTERNATIONAL BUREAU'S SURVEY

[Fiscal developments in any country are not only significant to the economy of that country but are of utmost importance to international economic co-operation. In the following article, which forms part of the latest annual report of the International Bureau of Fiscal Documentation, Amsterdam, the fiscal events in a number of countries which took place in 1954, have been succinctly summarised. Established as a foundation of the International Fiscal Association, the Bureau, it may be mentioned here, is a purely scientific and non-profit organisation, its object being to supply information on fiscal legislation and the application of fiscal law and to stimulate the study of fiscal science. It is noteworthy that the recent trend in the fiscal sphere, as the report points out, is towards a reduction in the rates of income-tax, particularly in the rates of tax on personal incomes. Also, many countries have adopted tax measures which are specially designed to stimulate investment. This extract from the Bureau's report, it is hoped, will be read with interest.—ED.]

A CURSORY examination of the events in taxation which took place in 1954, may make one wonder how far the theories on governmental fiscal policy developed in recent decades, are applied in practice, at least as far as tax policy is concerned. The boom which can be observed at present practically all along the line ought to give rise to the idea that a fiscal policy would be conducted in accordance with this state of affairs. However, especially in the countries of Western Europe problems of a structural nature present themselves which hamper drastic measures. Thus in many countries there is an ever-growing tendency to cut tax rates, whereas investments are furthered by means of all sorts of tax facilities which are given in view of structural difficulties.

An annual report is not the proper place to enter into a thorough and close examination of causes and results of the various measures which have been taken. Suffice it to point out some important developments which occurred in 1954 in some parts of the world. It need hardly be said that some of the tax measures taken can influence the development of international economic relations and that they often play an important part in tendencies towards economic integration and co-operation. That some of these measures result directly from the international political situation, is self-evident, and may be mentioned for the sake of completeness. In the following, no attempt is made to give a complete survey of tax events that occurred in 1954. Only a number of casual remarks will be made.

Reduction of Tax Rates

It is noteworthy that during 1954 either reductions of tax rates have taken place in a very great number of countries, especially in the matter of income-tax of individuals, or that proposals are made for this purpose. On the other hand, increases of tax rates scarcely took place. The reductions usually affected the rates of all income-groups, but generally they were strongest with regard to the lowest groups. In nearly all the countries in question the exemptions were increased, while next to it frequently an increase of the family allowance was effected.

Besides the general reductions some countries effected a reduction for special groups of taxpayers, for example for employees (Brazil, France) and for the liberal professions (i.e., France).

Of the countries, which have reduced their taxes for individuals we mention here amongst others:

Europe: Denmark, Germany, France, Eire, the Netherlands, Austria, Spain,

Asia: Iraq,

South America: Brazil, Ecuador,

North America: Canada, Mexico, the United States,

Africa: The Union of South Africa,

Australasia: New Zealand.

Tax Facilities

As already stated, tax measures designed to stimulate investment, are found in a number of countries. In this respect, important measures have been taken in Belgium, France, Great Britain, and the Netherlands, to mention some. Such measures were taken not only in the countries with a large economic basis. They are especially found in those countries, which so far have had a more or less one-sided economic structure. Though the measures referred to here do not all date from 1954, some countries are mentioned, which have recently instituted measures to stimulate or to extend (foreign) investments. They are found in the Western Hemisphere (Cuba, Curacao, Puerto Rico), in Asia (India, Israel, Pakistan), as well as in Africa (Egypt) and in a number of colonial territories (French Western Africa, Togo, French Equatorial Africa and projects in the Gold Coast).

Double Taxation

The method of prevention of double taxation, which is known as "credit against tax system," produces difficulties if a country from which profits flow, grants a reduction or freedom of tax for the furthering of investments. The reduction which the creditor country grants by means of a credit, because of the tax paid in a foreign country, becomes less, so that the effect the tax reduction aims at, is lost. Concerns, situated in countries, which have the "credit against tax system" are in an unfavourable situation in respect of concerns in countries with another system.

The following possibilities are given for comparison:

(*a*) Countries whose tax systems have been based on the principle of territoriality. Profits from foreign countries are not taxed. This system is to be found in many South American countries, and in Italy. (*b*) Countries, which allow a reduction equal to the tax paid in foreign countries (credit against tax system). This system is to be found in the United Kingdom and the United States, amongst others. (*c*) Countries, which allow a reduction, independent of the amount of taxes paid in foreign countries. The farthest goes Switzerland, even allowing a reduction in the case that no tax is due in the foreign countries. Very far goes the Netherlands, too (deducting the Dutch tax which would have to be paid if the foreign income was the only income). Further we mention Belgium (which lowers its tax up to 1/5). (*d*) Countries, which apply no reduction or only see the foreign tax as a deduction. Germany is an example of this group.

There is no need to say that the countries mentioned under (*a*) and (*c*) have the most favourable conditions for capital exports in all forms. The Fiscal Commission of the United Nations accepted a resolution in 1953, on the proposal of Cuba, which urged "that the highly developed countries, acting unilaterally or when concluding tax agreements, should give sympathetic consideration to the feasibility of taxing such income only or primarily in the country in which the income was produced." This resolution becomes of special importance in respect of countries which grant fiscal facilities with the purpose of attracting foreign concerns.

The Netherlands claims for its unilateral relief for the prevention of double taxation, that in the foreign countries a profit or income-tax is levied of the foreign incomes. In the United Kingdom, the Royal Commission on Taxation of profits and income deals with the problem in its first report. After mentioning that it is ultimately the British Treasury, that profits by the tax facilities in other countries, because the possibility of a reduction becomes smaller in this way, the Commission declares: "Can it be right (it is asked) for this country to persist in a policy which has these results, the more so as the difficulty relates particularly to the development of colonial territories which Your Majesty's Government has undertaken to further?" The sentiment expressed here has not yet been realised in the Income-tax Act.

In the United States the subject in question has been discussed many times, however without any practical result. But in the Bill 5300 for the new Internal Revenue Code a provision had been made, which had for its object to exclude from taxation the foreign profits which have not been transferred to America (Part IV, section 951 and following sections). This would have been an important compensation for American concerns with foreign establishments. This provision, however, has not been adopted in the new Code.

Fiscal Relations

The fact, that more and more tax treaties are being concluded, as was also the case in 1954, is a reason for congratulation. It is, however, desirable to examine the consequence of the creation of a network of treaties. This is not the place to study this problem thoroughly; some remarks may suffice.

When two countries with different tax systems have concluded a convention, these tax systems are altered, as far as the fiscal relations between these countries are concerned. When the same countries conclude treaties with other countries, it is inevitable that the alterations which arose as a consequence of the latter conventions just slightly differ from the modifications in the first case. This results in a great difficulty to survey the whole system and leads to contradictory provisions and solutions. These objections become still greater, if not only the Tax Acts are taken into consideration, but also the conceptions, frequently developed in case law, which differ in each country. How difficult the problem of conceptions is appears from the excellent work of Dr. F. E. Koch and Jean H. Rothstein about the Anglo-French tax convention.* The Bureau may congratulate itself on having published this remarkable and very important book. It will undoubtedly take a foremost place in the literature on international tax law.

Considering these problems it is quite understandable that, in 1954, the International Chamber of Commerce in a resolution urged the need of an examination of the possibility to conclude a multilateral convention in the first place between the O.E.E.C. countries. Such a convention would prove very helpful to the European integration. In this connection, the Bureau, too, has several times raised its voice and declared its readiness to do everything possible to come to such a sound study. The offer to co-operate in such a study is repeated here explicitly.

Taxation of Companies

In several countries, great attention has been paid lately to the taxation of company profits and of dividend distributed by the companies. Also, in 1954, the problems of this double taxation were a centre of interest for many. In many countries which are confronted with this problem, voices have been raised to try to come to a satisfactory solution. We mention Germany, the Netherlands and Switzerland. In Germany, indeed, the double taxation of company profits and dividends still exists, but some alleviation has been effected by taxing the distributed profits according to a lower rate than the reserved profits (30 per cent. against 45 per cent.). In the Netherlands, a discussion has taken place about the possible deduction of primary dividends of the taxable companies' profits and other solutions are being discussed by authors, especially after an important speech on this subject, by the Chairman of the Board of Directors of the Bureau in 1953. In Switzerland, the "Schutzorganisation für Aktiengesellschaften mit beschränkter Aktionärzahl" occupies itself with the subject and is fighting against this double taxation.

All these efforts have not brought about many tangible results, in contrast to the U.S.A., where in the new Internal Revenue Code of 1954 the subject was regulated in a new way to meet the objections of this double taxation. With certain limits a "credit against tax" is granted to the shareholders for the tax already paid by the company, a method, which, for instance, in Japan has already existed for some years. Attention has been paid to this subject during the eighth Congress of the International Fiscal Association at Cologne, while it has been made the main theme of the 1955 congress in Amsterdam.

Sales Tax

It is remarkable to see that the cumulative levies, i.e., according to the system of repeated levy, are coming more and more into discredit. In France the "taxe sur la valeur ajoutée" (value-added tax) was accepted and also was carried through in a number of oversea territories (Guadeloupe, Martinique, Reunion) just as in Monaco and the Saar. In the Cameroons, too, a similar tax exists. Germany has not yet decided to adopt a value-added tax, although the desirability has been argued in advisory circles. In connection with the European sales-tax co-ordination it may be that there are some perspectives in this direction. The Netherlands adapted its sales-tax in general lines to the Belgian system, without it yet being correct to speak of a co-ordination in Benelux relations. A new sales-tax came into existence in Tangier.

Tax Reforms

A number of drastic tax reforms, which were effected deserve mention. The greatest has undoubtedly been that in the U.S.A. where a practically new Internal Revenue Code came into existence in 1954. In Germany the so-called "Grosse Steuerreform" appears not to be as large as it was intended, but it was of a great importance nevertheless, because on one hand a rather drastic rate reduction took place with a general ceiling of 55 per cent. and, on the other hand, many specific regulations were abolished. This tendency deserves much attention. About the contends of the reforms extensive information has been published in the *Bulletin for International Fiscal Documentation*, to which reference is made.

Conclusion

With the striving for economic co-operation, insufficient attention has still been paid to tax problems. The decisions, which lead in several countries to reduction or alteration of taxes have been based on purely national grounds in most cases. However comprehensible this may be, one cannot deny that concrete results in view of economic integration will take a longer time in this way than would be the case if a study of the development in other countries should be taken as a basis.

In some countries attention is already being paid to a comparison. In this connection, the work of the *Deutsche Europa Akademie* may be mentioned, which published a detailed work of the "Steuerbelastungsvergleich in den Europäischen Staaten," the work under the guidance of Professor Morselli of Ferrara: Enquête sur l'imposition des revenus industriels, commerciaux et professionnels," published in 1954 also deserves attention.

Further with satisfaction, mention can be made of the fact that a number of Governments asked the International Bureau of Fiscal Documentation for extensive reports on taxation in foreign countries. Consequently a striving to take the development elsewhere into account is perceptible. This attempt, however modest it may be, is to be welcomed. As far as the Bureau can collaborate to attain greater co-operation, it would see it as a duty and an honour to do so.

**La Convention Fiscale Franco-Britannique*, by Dr. F. E. Koch and Jean H. Rothstein, published by International Bureau of Fiscal Documentation, 196, Herengracht, Amsterdam. Price: $3.50.

EXEMPTION OF FOREIGN TECHNICIANS FROM INCOME-TAX

The new clause (XIVA) added to section 4 (3) of the Income-tax Act by Finance Act, 1955, provides for exemption from income-tax for foreign technicians employed in business in India subject to certain conditions. In order that he may be eligible for the exemption, the employee must satisfy the following conditions: (i) he must not be a citizen of India; (ii) he should not have been 'resident' in India in any of the four financial years immediately preceding the financial year in which he comes to India for employment; and (iii) his services in India must be rendered as a technician, irrespective of the designation of the post in which he is employed.

In order that he may be considered a technician a person must have specialised knowledge in industrial arts and sciences and experience in industrial practice, and his employment in India must be in a capacity in which such specialised knowledge and experience are brought into play.

The benefits available to a person who satisfies the above conditions are as follows:

(*a*) a foreign technician whose contract of service is approved by Government *before* its commencement will not be required to pay tax on the remuneration due to him from his employment in India for the financial year in which he comes to India and the two financial years immediately following;

(*b*) a foreign technician who does not qualify for the exemption referred to in (*a*) above, will, however, be exempted from payment of tax on the remuneration due to him: (i) for the financial year in which he arrives in India and for the following financial year, if during those two financial years taken together, his stay or physical presence in India does not exceed 365 days; and (ii) for the financial year in which he arrives in India, if the condition in (i) above regarding stay in India is not satisfied.

Requests for the Government's approval of the contract of service should be addressed to the Secretary to the Government of India, Ministry of Commerce and Industry, New Delhi. Such requests must be made sufficiently early so that the Government's decision may be communicated *before* the individual takes up his appointment. Until a form of application is prescribed for the purpose, it will facilitate early decision of the matter by the Government, if the application (which should be in duplicate) sets out, *inter alia*, the precise need for a foreign technician, the technical qualification and experience of the person concerned, the nature of the duties to be performed by him in India, the duration of his employment, and the remuneration proposed to be given to him. At this stage, the only decision that the Government can take is whether it approves the contract or not. The approval of the contract is, however, only one of the conditions to be satisfied before the benefit of section 4(3) (XIVA) is available. The memorandum from the Government intimating its approval to the contract should be produced in original (along with the copy of the application) before the income-tax officer concerned, who will accept the same as final in regard to the Government approval; and then proceed to satisfy himself only in respect of the other conditions prescribed for the eligibility to the benefits of section 4(3) (XIVA).

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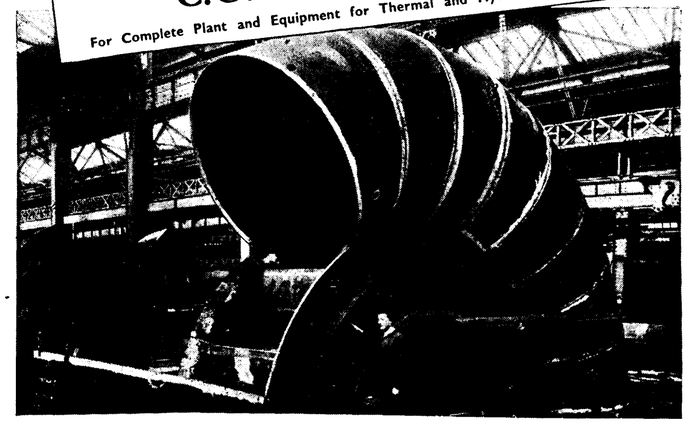

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T. I. CYCLES OF INDIA LIMITED

SIR A. RAMASWAMI MUDALIAR'S SPEECH AT ANNUAL MEETING

CAPACITY OF CYCLE PRODUCTION TO BE DOUBLED

THE Sixth Ordinary General Meeting of the T. I. Cycles of India Ltd. was held in Madras on 28th December 1955. Addressing the Company's shareholders on the occasion, Sir A. Ramaswami Mudaliar, Chairman, referred to the progress made by the Company during the past year in the manufacture of the component parts. He also disclosed that the Government of India had given the Company permission to double, during the current year, the capacity for manufacture of cycles and to produce 100,000 sets of components. When the Company installed machinery for the production of these components it would be in a position to manufacture in its factory more than 80 per cent. of all the components required for a cycle.

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

"GENTLEMEN,

"It gives me very great pleasure to welcome you to this annual meeting of the T. I. Cycles of India Ltd. The Directors' report and audited accounts and balance-sheet for the year ended 30th June 1955 have been before you for some time and, with your permission, I shall take them as read.

"It is a matter of satisfaction to be in a position to report that your Company has made further progress during the year under review. Factory 'B' which was erected for the manufacture of component parts is being extended to accommodate additional machinery which has been imported to increase the output of cycles and cycle components. The plant for the manufacture of freewheels has also been ordered and will shortly be arriving. This will enable the Company to manufacture freewheels for the cycles produced at the factory and also to make them available to other manufacturers.

"A building is also being erected for housing a modern and up-to-date canteen for the use of the staff and factory workers and it is expected to be opened early in the new year. The construction of an administrative block for the accommodation of the office is also in progress. When the new office building is completed the present temporary office will be used for the purpose of assembling and storing finished cycles for which space is badly needed.

Development of Manufacturing Activities

"As has been stated in the Directors' report, the Government of India have been good enough to accede to our request to increase the sanctioned capacity for manufacture of cycles from the present limit of 100,000 cycles to 200,000 in the year 1956. They have also given their sanction for the manufacture of 100,000 sets of cycle components per year, and this will be possible with the additional machinery now being installed for the manufacture of component parts including mudguards and freewheels. Your Company will be then in a position to manufacture in the factory more than 80 per cent. of all the components required for a complete cycle. With the incorporation of a few parts that are being manufactured at other centres in India and excluding the tubes required which are now being imported, it may be truly said that the cycle manufactured in your factory is practically all Indian made.

Quality of Product

"I have consistently stressed in these annual speeches the importance of quality in the cycles produced and I am glad to state that it has now been established that the cycles manufactured by your Company are one of the very best manufactured in India. Till recently these cycles were named 'Hercules-India,' distinguishing them from the 'Hercules' cycles manufactured and exported to this country by our British associates. Experts from the British factory who have been inspecting our production from time to time were so well satisfied with the quality of our manufacture that they recommended that the name may now be changed from 'Hercules-India' to 'Hercules.' Mr. Arthur Chamberlain, the Overseas Director of T.I. Cycles and a Director closely associated with the production of 'Hercules' in England, in accepting the changed name, states:

"'I am delighted to be able to tell you that I am completely satisfied with the quality and general standard of accuracy of all the work now being undertaken in the factory. I also feel that the very strict standards which we have laid down together with the meticulous care that has been given to the maintenance of these standards, have ensured that the quality of our products is second to none. In consequence, the time has now arrived when I believe we should market our products under the trade mark 'Hercules' in the certain knowledge that all bicycles emanating from our Ambattur factory will do more than justice to the name...'

"This is high praise indeed and the change in the nomenclature of the product has been hailed by the consumers. The factors that have helped to produce these results and continue to maintain the standard attained are: first, that the latest machinery has been installed most of which is automatic, and second, that the utmost care is being taken and proper supervision exercised so that any part below standard is immediately rejected.

Demand for Bicycles

"It is a matter for satisfaction that we are in the happy position that the demand for our cycles often outstrips the production. I sincerely hope that both the supervisory staff and the workers will continue to put their best endeavour to further improve production at our factory and so meet the increase in demand.

Price Factor

"I have more than once stated at these meetings that the cycle is the automation not for the rich but for the middle class and the workers and that, therefore, the consumers' interest has always to be kept in view. Your Directors have taken this into consideration from time to time and have recently further reduced the price of the bicycles without any deterioration in quality. I trust that this gesture will be understood and appreciated by the Government, the consuming public and equally by our own employees.

Second Five-year Plan and Labour's Responsibility

"The demand for cycles is expected to rise steadily during the second Five-year Plan. I stated at one of the annual meetings that the expected demand for cycles will be more than one million a year. Under the second Five-year Plan preliminary investigations have revealed that the demand will be even more than this. Your Directors will do their best to further increase the target of our production and. I am sure I am speaking on behalf of all shareholders when I state that we shall fully co-operate to achieve the wish expressed by the Prime Minister that the second Five-year Plan is at least as successful as the first Five-year Plan in regard to the product of your Company. It is my earnest desire, and in this I have the full support of all my colleagues in the Directorate and of the management, to do all we can to promote reasonable amenities for labour to keep them reasonably contented and to secure production at the rate at which it has been estimated by the planners. There is an equal obligation on the part of labour that their work is according to what is expected of them and there is no needless deterioration either in the quality or the quantity of the output by the workers. The Labour Minister of the Government of India has deprecated any 'go-slow' tactics on the part of the workers and has stressed the fact that wherever possible piece-rate systems should be introduced, so that there can be a definite understanding on the part of labour of what their work is worth and what their remuneration should be on their daily work. I trust that this statement of the Labour Minister will be fully accepted by all labour leaders loyal to the cause they espouse. I have already given the assurance that the management would do all that is reasonable to promote welfare conditions.

New Tube Project

"I now come to a point which I have briefly indicated in my prefatory remarks. I stated that tubes are the only components that will have to be imported into this country for some time. I am glad to be able to announce that efforts are now being made to fill this want. The tube is an essential component in cycles and it is necessary in the larger interest of the country that they should be manufactured in India in sufficient quantities to meet the requirements of the country. Your Directors have been exercising their minds over this question for some time and have been considering the problems of production of tubes for cycles and for other purposes in India. Our British collaborators in the cycle industry who are the world's foremost manufacturers of electrically welded precision tubes have now come forward with proposals for participation with Indian interests in this venture. Early this year, Sir Ivan Stedeford, our British colleague, visited India and discussed with some of the Indian Directors of your Company the possibility of establishing a tube mill in this part of India. I am glad to inform you that the result of the discussions has been satisfactory. A new company, Tube Products of India Ltd., has been floated and land acquired for the construction of a factory to produce tubes in Avadi very near Ambattur. It is expected that very early in 1957 this factory will be in production and place on the market electrically welded tubes for all industrial requirements and, in particular, for the requirements of the cycle industry.

Thanks

"I cannot conclude this speech without expressing the sincere thanks of the Company to the Government of India and to the Government of Madras for the encouragement and assistance that we have continuously received during the past few years. The Minister of Commerce and Industry of the Government of India, in particular, has shown great interest in the cycle industry and in the allied industry, to which I have referred—the production of tubes. He and other Ministers, both of the Central and local Governments, have noted with satisfaction the progress that your Company has made, a progress which I trust will be maintained in the coming year.

"Lastly, I should like on your behalf to thank the office staff, the staff in the factory and the workers for their continued co-operation."

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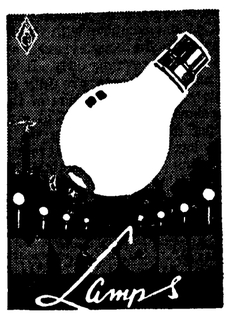

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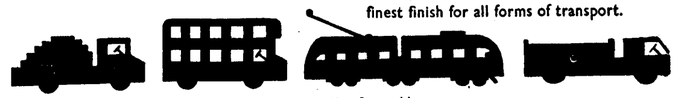

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PROTECTION FOR CALCIUM CARBIDE

TARIFF COMMISSION OPENS PUBLIC INQUIRY

THE calcium carbide industry has, for the first time, put forward its claims for tariff protection and other assistance before the Government of India. The case has been referred to the Tariff Commission, and the basic facts relating to the present position of this industry, as unfolded by Mr. K. R. Damle, Chairman of the Commission, while opening the public enquiry at Bombay last week, reveal that there are several reasons why this industry deserves the sympathetic consideration of the Commission.

The calcium carbide industry is one of the basic heavy chemical industries. It has been included in the list of industries to be given high priority during the second Five-year Plan. Calcium carbide is the source of acetylene essential for engineering industries and from which production of plastics, solvents, organic chemicals, etc., takes place. Calcium carbide is the starting material for the manufacture of calcium cyanamide, an important nitrogenous fertiliser, and also for defence purposes for the manufacture of propellants. The importance of this industry was recognised during the last war and the then Government had assured it of protection against unfair competition.

There are, according to Mr. Damle, three units in the industry but only one of them, namely, the Birla Jute Manufacturing Company, Ltd., is at present producing calcium carbide on a commercial scale. The other two are: (1) Industrial Chemicals Ltd., Talaiyuthu, Madras State, and (2) the Travancore Electro-Chemical Industries Ltd., Chingavanam, in Travancore-Cochin State.

The annual rated capacity of the Birla Jute Manufacturing Company, Ltd., is stated to be 3,300 tons and that of Industrial Chemicals Ltd., 750 tons. The Travancore Electro-Chemical Industries Ltd. has a capacity of 1,000 tons per annum. The Birla plant went into production on 15th November 1954 and produced 234 tons in 1954 and 1,605 tons for the period January-June 1955. The actual production of Industrial Chemicals was 98 tons in 1952, 15 tons in 1953 and 79 tons in 1954. The Travancore factory produced only small quantities, the actual output in 1954 being no more than 60 tons. The total annual rated capacity of the three units thus comes to 5,050 tons, while their total actual production was 98 tons in 1952, 15 tons in 1953, 373 tons in 1954 and 1,605 tons in January-June 1955.

The Birla Jute Company has stated that its present plant is of an uneconomic size and, therefore, proposes to expand the plant capacity to 25 to 30 tons per day. It has submitted its proposal to the Government for approval. The Travancore factory and the Industrial Chemicals also propose to put up new plants, with an annual capacity of 10,000 tons and 5 000 tons, respectively. Besides, two other concerns, Nicole and Ashley Chemicals Ltd., Thana, Bombay, and Travancore-Cochin Chemicals, Ltd., Alwaye, have each secured a licence for producing 6,600 tons of calcium carbide per annum. But it remains to be ascertained by the Commission as to how far the producers concerned will be able to implement their plans.

The demand for calcium carbide is placed at 9,250 tons for 1955 by the Development Wing of the Ministry of Commerce and Industry. This figure is expected to go up to 25,000 tons by 1960-61. The Birla Jute Company places the demand at 7,500 tons. This figure is based on imports during the years 1951-52 to 1953-54. The Company expects the demand to rise up to 11,000 tons to 12 000 tons per year in the next three years, in view of the expansion in steel fabrication work and the possibility of establishing the manufacture of products derived from calcium carbide such as cyanamide, acetic acid and polyvinyl chloride.

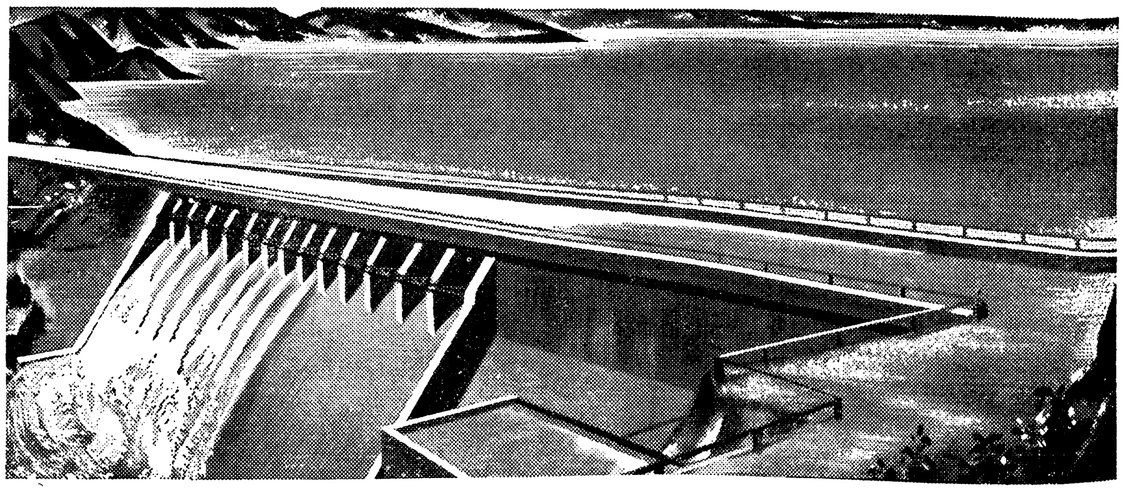
The following table shows the annual imports of calcium carbide, their total value and value per ton during the years mentioned below:

Year.	*Imports*	*Total value* (In lakhs of Rs.)	*Value per ton*
	Tons		Rs.
1951-52	9,848.7	67 22	682.6
1952-53	5,210.6	35.87	688.3
1953-54	7,446.7	39.15	525.8
1954-55	9,422.1	52.49	557.1
1955-56 (April-July) ..	2,152.1	11.42	530.8

Calcium carbide is classified under No. 31, Part V of the Import Trade Control Schedule. It was assessed to duty under item No. 28(8) of the Indian Customs Tariff Schedule at a standard rate of 31½ per cent. *ad valorem* till the end of February 1955. On 1st March 1955, the standard rate was raised to 50 per cent. *ad valorem* in accordance with the Finance Act, 1955, and this product is now separately classified under the Indian Customs Tariff item No. 28(33). The task before the Commission is to determine whether this rate of duty provides adequate safeguards to the calcium carbide industry.

No protection will be justified, unless the cost of production is within reasonable limits and the quality of the goods is satisfactory or at least the unit manufacturing it has the capacity and means to improve the quality during a given time. It is stated that the retail price of the indigenous calcium carbide is Rs. 45 per drum of 110 lbs. in the Calcutta market. As to the quality of the calcium carbide produced in India, there is no standard laid down by the Indian Standards Institution and, therefore, its quality is judged in the light of the British Standard. On account of the inferior quality of the available raw materials, the product of the Birla Jute Manufacturing Company is said to be not in conformity with that of the British product. It is, therefore, suggested that the I.S.I. should formulate an Indian Standard, taking into account its actual performance. The I.S.I. has, it is said, taken up the work. The Indian product reveals deficiency in gas yield and presence of higher percentage phosphorous compounds. Lower gas yield results in higher cost for the consumer, as the yield of gas per lb. of material purchased is smaller. It also involves larger expenditure on freight and in the disposal of residues remaining after production of gas. The need for limiting phosphorous compounds arises from the fact that when carbide is used for generation of acetylene gas, phosphorous compounds give rise to phosphine gas which is poisonous and forms explosive mixtures with acetylene gas. These dangers are enhanced when welding operations are carried out in a closed area. Almost all the consumers and importers have, according to Mr. Damle, commented on these two deficiencies. They have drawn his attention to the lack of uniformity of the product from sample to sample. It is to be hoped that the manufacturer concerned will effect improvements in his methods of manufacture in order to eliminate these defects.

The industry has represented that it is facing several handicaps including those in respect of cost of raw materials, electric energy, size of operation and freight rates. As a result, the cost of production of indigenous calcium carbide is so high that it cannot compete with foreign material imported into the country even after payment of the existing revenue duty. It has, therefore, asked not only a protective duty of 120 per cent. *ad valorem* but also fixation of the import value of foreign calcium carbide at a minimum of Rs. 500 per ton for evaluating the quantum of duty. It has also asked for restriction of imports, keeping in view the total demand in the country and indigenous production.



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MANUFACTURE OF STANDARD GOODS

I.S.I. CONVENTION IN BOMBAY

PRODUCTS manufactured in India are generally known to suffer from a prejudice about their quality. This handicap has brought many an indigenous product to grief in the past and has made the task of establishing a market a difficult one for almost every new industry. During the days of foreign rule, an appeal to the noble sentiment of patriotism and the plea for boycotting foreign-made goods constituted a powerful means of winning customers, but of late they have lost much of their force. Now buyers for Indian goods have to be attracted generally through quality and competitive price advantage. A chief method by which prejudice against Indian goods can be eliminated is, therefore, the establishment of standards for the manufactured products. For standardisation ensures quality and guides the consumer easily to know that the goods he buys are worth the price. It is this merit of standardisation that led to the foundation of the Indian Standards Institution (I.S.I.) in 1947. Since its inception, the I.S.I. has been striving to make the country "standard" minded.

Among its many activities to publicise the benefits of standardisation has been the holding of I.S.I. conventions. The first one was the Engineering and Building Convention held at Calcutta last year. This year a convention dealing with chemical and textile standards was organised in Bombay under the auspices of the Indian Merchants' Chamber. The Convention was in session during the whole of last week, that is, from the 9th to 15th inst. It was inaugurated by the Minister for Commerce and Industry, Mr. T. T. Krishnamachari. Both Mr. Bharat Ram and Dr. A. Nagaraja Rao, Chairmen of the Textile Division and Chemical Division Councils, respectively, addressed the inaugural session. The three speakers as also the Chairman of the Reception Committee, Mr. Babubhai M. Chinai, have, each in his own characteristic way, emphasised the different aspects of standardisation in a manner that makes one feel that the country is bound to become more and more "standard-minded" under the influence of the I.S.I.

The Commerce and Industry Minister was unsparing in his criticism of those who viewed with indifference the question of manufacturing standard goods. He said that freedom for the private manufacturer did not mean freedom to produce sub-standard goods and dump them on both willing and unwilling consumers. The Bombay Millowners' Association, he said, had hesitated to join and support the I.S.I. not on account of prejudice against the idea of standardisation in the textile industry but on account of fear that it might lead to regimentation. "Regimentation or no regimentation, the consumer in this country," he asserted, "must be given the best. Whatever we do or whatever we produce, this country must build up a reputation for standards and quality and economy."

I.S.I. Not A Government Body

Continuing, Mr. Krishnamachari said that the Indian Standards Institution was not a Government institution. It was "the greatest co-operative organisation in the Indian economic field today, and that amongst a section of the people which does not normally co-operate because theirs is a competitive field." He invited industrialists wholeheartedly to co-operate with the I.S.I., which, though it had no statutory authority, had been largely successful in prescribing and enforcing standards in manufactured goods. Stressing that standardisation had a great role to play in the economic development, he asked scientists, technicians and engineers to work a little more. "Our plans will have to be carried out," he said, "in a co-operative endeavour and we have to place on you a little more burden." He was confident that India could produce quality goods if only the industrialists, technicians and workers strove hard in that direction. He revealed that many foreigners who visited the Indian Industries Fair at New Delhi last year were struck by the beauty and the quality of Indian-made goods. If India could build a first class cotton textile industry, there was no reason, he said, why it should not successfully establish other industries.

Referring to the Chemical Convention, the Minister said that the scope for development of the chemical industry would be greater than the plans for producing more steel in the country. It had been decided to establish coal tar distillation plants at every steel plant in the country and it would also give a fillip to the production of fertilisers. He hoped that the Convention would consider ways and means of increasing the production of chemicals.

Welcoming the delegates, Mr. Babubhai Chinai stated that the importance of standardisation and of the need for manufacturing quality goods not only for the home market but also for export had been widely recognised. He was emphatic that, so far as export markets were concerned, standardisation was imperative for the country's very survival. The days when industries could find a ready market for their products irrespective of standards and quality were gone. He hoped that the conventions and conferences of the type now held would provide by bringing together representatives of the different sectors of the industry, a convenient forum for discussion of common problems and for acquainting one another of the progress that had been made in their respective fields.

Standards for Chemicals

Dr. Nagaraja Rao who spoke next gave an indication of the trends of the past activities in the Chemical Division Council and said that 358 standards had been published by the Division. The chemical industry, though still in its infancy, showed signs of vigorous growth and Bombay was contributing its important share. In the present stage of development of industries in India, the quality levels of indigenous production had to be kept in mind. "In our future endeavours we have to lay," to quote Dr. Rao, "special emphasis on certain features of chemical industries which require our urgent attention. Among this may be mentioned the heavy organic chemical industry. The material produced by them is used as intermediates in the manufacture of many fine organic chemicals. The Committees of the Chemical Division are appreciative of this need." He pointed out that production of new materials like benzene, toluene, phenol, etc., was likely to make great strides during the next five years and that these products, fortunately, had been standardised. He said that the Council's next attention would be towards standardising the derivatives of these materials.

Mr. Bharat Ram, in his address, referred to the prevalence of varied views on standardisation. He said that some sections had been scared away by the word "standardisation." This fear was perhaps due, to a certain extent, to the "standard cloth" scheme which the Government had enforced during the war period. Then, there were people who swore by standardisation and wished to see every little thing standardised. On the other extreme, there were people, Mr. Bharat Ram continued, who thought that any scheme of standardisation was not only useless but harmful to the producer, since it would interfere with his independence. Again, there were still others who did not like any scheme of standardisation in their own products but, as consumers of certain articles, they would like standardisation of products introduced without failure. His own view was: "While we should not regiment ourselves into standard specifications to the extent that men and women would look like armies or police force, I would like to see that everybody has a chance to gratify his or her desire for exclusiveness and at the same time has the satisfaction of having a good quality product. The margin between these two extremes gives plenty of scope for both points of view being met."

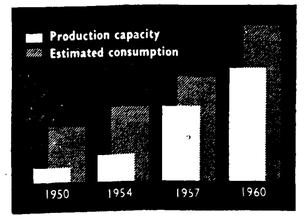
A Warning Against Indifference

It is the reference to the presence of divergent views on standardisation by Mr. Bharat Ram that called for a note of stern warning to the textile industry from Mr. T. T. Krishnamachari. In his speech, already referred to, the Minister said that some form of quality control on textiles on a voluntary basis had signally

(*Continued on page 138*)

Aluminium—India's fastest growing Industry

REGARDED with little favour — even for household uses — by the ordinary man-in-the-bazaar some fifteen years ago, Aluminium has today become the engineer's favourite light metal. It is now fast replacing other metals and wood in the construction of railway-coaches, bus-bodies, aircraft and ships. Experts estimate that by 1960 demand for Aluminium will have doubled, rising to about 40,000 tons per annum.



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The estimated capital requirements for Indian Aluminium Company's Hirakud project are about Rs. 9 crores. A part of these requirements will be raised by a fresh capital issue, half of which will be subscribed by Aluminium Limited and the other half offered to the public.

Aluminium is facing a bright future in India today. India's vast bauxite deposits and water-power resources can support a large aluminium industry for years to come. Harnessing these natural resources, Indian Aluminium Company's Hirakud project will be an important step towards India's goal of self-sufficiency in Aluminium.

Indian Aluminium Company Limited

A Canadian—Indian enterprise

IA 703

T. I. CYCLE MAKES GOOD PROGRESS

DIVIDEND MAINTAINED—RESERVES CONSIDERABLY STRENGTHENED

THE modest maiden dividend of 6 per cent. per annum paid by the T. I. Cycles of India Ltd. (Managing Agents: T. & M. Industries Ltd., Madras) for the half-year ended 30th June 1954, has been repeated by the Directors for the subsequent 12 months also, that is, the year ended 30th June 1955. (The Company's year-end was changed in 1954 from 31st December to 30th June, so that the previous compilation of accounts was in respect of only six months ended 30th June 1954.) The dividend has been maintained, even though the Company's working during the latest year has proved to be far more encouraging than in the previous six months. This shows that the management wants to follow a cautious and conservative policy in the matter of appropriation of profits, a highly commendable thing to do for a Company still in its infancy.

The gross profit for the year under review amounts to Rs. 29.80 lakhs as against Rs. 12.39 lakhs for the previous six months and Rs. 8.32 lakhs for the 12 months ended 31st December 1953. The net profit also has risen from Rs. 7.13 lakhs for the preceding six months to Rs. 20.18 lakhs.

Indicative of the Directors' desire to give priority to the need for strengthening the Company's finances is the ploughing back of an impressively large share of the profit. Thus, they have raised the allocation to the reserves from a mere Rs. 2.50 lakhs to Rs. 10.69 lakhs and have doubled the provision for writing down goodwill from Rs. 2.50 lakhs to Rs. 5 lakhs. A break-up analysis of the additions made to the reserves shows that the amount transferred to the general reserve has been maintained at Rs. 2.50 lakhs, the development and replacement reserve has been provided with Rs. 7.19 lakhs, as against *nil*, and a dividend equalisation reserve has been created with a sum of Rs. 1 lakh.

The following comparative table shows the progress of the Company's working since 1952:

(In lakhs of rupees)

	For the year ended 30th June, 1955	For six months ended 30th June, 1954	For the year ended 31st December 1953	1952
Sale proceeds ..	145.71	64.34	82.41	56.79
Stocks	52.35	23.69	69.71	56.06
Expenses	144.94	47.98	8.32	6.27
Gross profit ..	29.80	12.39	..	..
Managing Agents' commission ..	1.25	0.58	0.40	5.54
Depreciation ..	5.87	4.68	..	..
Taxation	2.50	..	7.92	0.73
Net profit	20.18	7.13	..	..
To reserves	10.69	2.50	..	..
,, goodwill ..	5.00	..	..	..
,, write off preliminary expenses ..	..	..	..	0.12
Dividend	4.20 (6%)	1.05 (6%)	..	..
Carry forward ..	0.71	0.42	0.24	—7.68

During the year under review, the Company's production of bicycles reached almost the original licensed capacity of the plant, namely, 100,000 bicycles per annum, and the demand continued to be so keen that almost the entire output was sold. It may be recalled that the Company commenced production only in October 1951, so that the full rated capacity has been reached in less than four years. In view of this rapid progress in production and the steady increase in the demand for the Company's cycles, the Directors sought and obtained permission of the Government of India to double its annual capacity to 200,000 bicycles. It also received permission to manufacture 100,000 sets of components.

Referring to the arrangements that are being made to raise production and to manufacture components, the Directors observe in their report thus:

"The licence for the import of the additional plant and machinery required for the increased output was duly granted by the Government of India. The extensions to the factory buildings to house the additional plant are in progress and are expected to be completed shortly. Most of the machinery needed for the expansion programme have already been received and it is hoped that early in 1956 an increase in the output of cycles and the manufacture of cycle components in line with the revised capacity will be achieved.

"The factory is already manufacturing many cycle components. A plant for making mudguards has been acquired and is being installed. Permission for manufacturing freewheels was granted by the Government of India and the machinery ordered for the purpose has started to arrive. The licence for freewheels covers an annual output of 500,000. It is expected that during 1956, with the help of additional plant, Hercules cycles made in India will have incorporated in them the great majority of cycle components, all of which will have been manufactured in our factory."

The Company has started a new project for the manufacture of tubes, an essential component in cycles. A new company, named Tube Products of India Ltd., has been floated for this purpose. It is expected that the factory will go into production early in 1957 and place on the market electrically welded tubes. These tubes will be able to meet not only the requirements of the cycle industry but also all industrial needs.

The Company's latest balance-sheet shows that the reserves and surplus aggregate Rs. 20.66 lakhs, as against a paid-up capital of Rs. 70 lakhs. The gross block (other than goodwill) of the value of Rs. 83.14 lakhs has been written down to a book value of Rs. 68.85 lakhs. The goodwill (Rs. 10 lakhs) has been written off to the extent of Rs. 7.50 lakhs, leaving a balance of Rs. 2.50 lakhs. The current assets amounting to Rs. 78.22 lakhs exceed the current liabilities and provision for taxation aggregating Rs. 58.90 lakhs by a comfortable margin of Rs. 19.32 lakhs.

SPENCER & CO., LTD.

An increase of Rs. 2.88 lakhs to Rs. 19.85 lakhs in gross profit is disclosed by the audited accounts of Messrs. Spencer & Co., Ltd. (Secretary: Mr. C. W. Stephenson, Madras) for the year ended 30th June 1955. This improvement, though small, marks the reversal of the downward trend in profit noted in the previous three years, during which the gross profit had dwindled from Rs. 31.10 lakhs (for 1950-51) to Rs. 16.97 lakhs (for 1953-54) and is in line with the forecast of the Company's Chairman at the last annual general meeting. He had then said: "... if trading continues as it has begun in the first six months of our current year, our position at the close, in so far as trading goes, will be encouraging."

The net profit has also risen from Rs. 9.43 lakhs to Rs. 10.16 lakhs. The relatively smaller increase in net profit, as compared to that in gross profit, is explained by the increase of Rs. 2.20 lakhs to Rs. 6.90 lakhs in the provision for taxation. The dividend on ordinary shares has been maintained at 15 per cent. per annum for the fourth year in succession. A sum of Rs. 17,904 has been added to capital reserve, being the profit earned on sale of sundry assets, as against Rs. 94,380 added in the previous year.

The progress of the Company's working during the last three years is reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th June			
	1955	1954	1953	1952
Sale proceeds and other income	299.04	295.53	311.09	306.53
Cost of goods sold and establishment and other expenses	279.18	278.56	286.91	278.37
Gross profit	19.86	16.97	24.18	28.16
Depreciation	2.79	2.84	4.32	5.21
Provision for taxation	6.90	4.70	9.00	10.50
Net profit	10.16	9.43	10.86	12.45
To reserves	0.18	0.94	1.33	4.47
Dividends—				
Preference	3.42	3.42	3.42	3.42
Ordinary	6.00 (15%)	6.00 (15%)	6.00 (15%)	6.00 (15%)
Carry forward	5.11	4.55	5.47	5.36

The improvement in trading results for the year under review is probably due to the economy arising out of the termination, early in 1954, of the Company's contract for railway catering of about 75 restaurants throughout India, on account of continued adverse trading conditions. This is reflected in the saving of over Rs. 5 lakhs in salaries and wages, although this has been more than offset by the rise in expenses on other accounts.

The Company's financial position, as seen from the latest balance-sheet, is quite good. The paid-up capital of Rs. 100 lakhs is made up of 400,000 ordinary shares of Rs. 10 each, 232,000 (6½ per cent.) 'A' cumulative preference shares of Rs. 10 each and 368,000 (8½ per cent.) 'B' cumulative preference shares of Rs. 10 each. The reserves and surplus amount to Rs. 98.71 lakhs, of which general reserve alone accounts for Rs. 56.09 lakhs. The provision for taxation stands at Rs. 14.36 lakhs and current liabilities at Rs. 31.74 lakhs. The gross block of the value of Rs. 118.78 lakhs has been well written down to Rs. 47.79 lakhs. The current assets aggregate Rs. 197.03 lakhs, represented by investments amounting to Rs. 24.08 lakhs, stocks and stores Rs. 60.12 lakhs, book debts, advances and double taxation relief claims Rs. 52.12 lakhs and cash balances Rs. 60.70 lakhs. It will be noted that the cash balances alone cover the current liabilities and provision for taxation by a very large margin.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 18-12 *cum-div.* (final dividend Re. 1). On an *ex-div.* basis the shares provide a yield of 8.4 per cent. per annum, free of tax.

PROFIT OF PURTABPORE MORE THAN DOUBLES

RECORD OUTPUT OF SUGAR

A SUBSTANTIAL increase in the quantity of sugarcane crushed and in the production of sugar, in line with the general trend in the sugar industry, and a sharp rise in earnings are the notable features of the results of the Purtabpore Company, Ltd. (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur), for the year ended 31st October 1955. The quantity of cane crushed shows a rise from 1,222,938 maunds to 2,615,826 maunds, thanks to the bumper sugarcane crop. This is a record for the Company since World War II. As a result, the output of sugar has more than doubled from 128,221 maunds to 265,544 maunds. The gross profit also has recorded an advance from Rs. 3.23 lakhs to Rs. 7.06 lakhs and constitutes a record since 1950-51.

After making larger provision for depreciation and taxation, the net profit has gone up from a mere Rs. 0.42 lakh to Rs. 2.58 lakhs. Consequent on the encouraging performance, the Directors have raised the allocation to the reserves from Rs. 0.70 lakh to Rs. 1.70 lakhs. Of these reserves, the rehabilitation reserve, which had received Rs. 70,000 in the previous year, has been strengthened further by the addition of Rs. 1.20 lakhs. The contingencies reserve has received Rs. 50,000, as against *nil* a year ago. In transferring a sum of Rs. 1.20 lakhs to the rehabilitation reserve, the Directors have had in view the requirements of finance for the execution of the cane development scheme to be undertaken—though these are substantially larger—besides those for rehabilitation of plant and machinery. The sizable addition to the reserves has necessitated the maintenance of the dividend at 7½ per cent. per annum, to which rate it had been reduced last year from 10 per cent. paid for 1951-52 and 1952-53.

The progress of the Company's working during the last three years is reflected in the following table:

(Value in lakhs of rupees)

	For the year ended 31st October			
	1955	1954	1953	1952
Sale proceeds of sugar and molasses	66.06	40.95	79.63	43.61
Government subsidy	..	..	2.93	..
Stocks of sugar	10.44	0.04	0.76	23.74
Expenses	69.75	37.51	55.81	58.05
Gross profit	7.06	3.23	4.72	3.24
Mang. Agents' remuneration	0.73	0.51	0.52	0.41
Provision for—				
Depreciation	1.25	1.00	0.65	0.65
Taxation	2.50	1.80	1.50	0.75
Net profit	2.58	0.42	2.05	1.43
Provision for liabilities no longer required ..	0.42	..	..	..
To reserves	1.70	0.70	0.55	..
Dividends—				
10 per cent. preference ..	0.60	0.60	0.60	0.60
Ordinary	0.67 (7½%)	0.67 (7½%)	0.90 (10%)	0.90 (10%)
Carry forward	0.07	0.04	0.20	0.19
Cane crushed (In mds.) ..	2,615,826	1,222,938	1,939,270	1,904,375
Sugar produced (In mds.) ..	265,544	128,221	199,667	196,457
Recovery (percentage) ..	10.15	10.48	10.30	10.32

The Company's output of sugar during the year under review is probably a record. Statistics available with us go to show that the year's production had not been exceeded during the previous 18 years, the previous best being 262,045 maunds produced in 1939-40. The recovery of sugar has, however, declined from 10.48 per cent. to 10.15 per cent. and is the lowest since 1949-50. The decline in recovery is due to the prolongation of the season. The Company's crushing season lasted for 145 days during the season 1954-55, as against the all-India average of 130 days and the U.P. State average of 143 days. The duration of the Company's previous season was no more than 68 days. The price of cane was unchanged at Re. 1-7 per maund at the factory gate and at Re. 1-5 per maund at outstations. The benefit of the larger production was offset, to a large extent, by the increase in the Central excise duty by Re. 1-6 per maund. During the year under review alone, the Company paid by way of excise duty Rs. 7.28 lakhs (as against Rs. 5.41 lakhs in the previous year), besides Rs. 4.90 lakhs paid towards Bihar and U.P. Governments' cane cess (as against Rs. 2.29 lakhs in 1953-54).

The Company's profit would have been still higher but for the increase in excise duty and the steady and continuous fall in sugar prices on account of the large supplies of sugar available in the country. The stocks of sugar remaining unsold on 31st October 1955 have been valued at market rate as on that date, but a contingency reserve has been provided to cover the estimated fall in prices of sugar remaining to be sold.

The Directors' report says that "the efficiency of the factory operation continues at a high level." Despatches of sugar, the report adds, were adversely affected by inadequate railway transport facilities. The Company's estates continued to supply cane to the factory and seed to growers to improve the general quality of the cane in the area.

The financial position of the Company is quite satisfactory. The reserves and surplus aggregate Rs. 17.71 lakhs, as against a paid-up capital of Rs. 15 lakhs. The provision for taxation stands at Rs. 2.95 lakhs and current liabilities aggregate no more than Rs. 18.81 lakhs. The gross block of the value of Rs. 37.36 lakhs has been written down to a book value of Rs. 7.29 lakhs. The current assets amount to Rs. 47.18 lakhs and provide more than adequate cover to current liabilities and provision for taxation.

The Company's outlook, short-term as well as long-term, can best be described in the words of the Directors thus:

"The prospects for season 1955-56 indicate that a normal crop will be taken off, although, due to adverse weather conditions, the extraction may be less.

"Your Board of Directors have approved of a cane development scheme for execution during the next five years. The main object of the scheme is to bring about a considerable increase in the yield of cane per acre in the areas serving your factory, with a corresponding increase in the quality of cane crushed, and a consequent improvement in the Company's financial results. The requirements of finance for the execution of the scheme will be substantial, however, and your Directors have also had those requirements in view, in addition to requirements for rehabilitation of plant and machinery, in recommending the transfer to rehabilitation reserve of the sum of Rs. 1,20,000 from the amount available for distribution."

A sum of Rs. 2.65 lakhs was transferred from the rehabilitation reserve to the capital reserve during the year under review.

A notable change in the Board of Directors of the Company is the inclusion of Mr. Tulsidass Mundhra. This is, obviously, a sequel to the controlling interest of the B.I. Corporation, which controls the Begg Sutherland group of companies, having passed into the hands of Mr. Haridas D. Mundhra some months ago.

MYSORE KIRLOSKAR TAKES UP EXPANSION SCHEME

The year ended 30th June 1955 proved to be one of substantial progress for Mysore Kirloskar Ltd. (Managing Agents: Messrs. Kirloskar Brothers Ltd., Kirloskarwadi, Harihar, Mysore State). The order books of the Company during the year disclosed quite a satisfactory position. In fact, the demand for the Company's products was stated to be so good that it was the constant worry of the management to see that all the orders were promptly met. This is duly reflected in the financial results for the year under review also. The trading profit for the year, for instance, at Rs. 12.07 lakhs has been nearly maintained at the previous year's level (Rs. 12.33 lakhs) and compares favourably with that of Rs. 11.73 lakhs for 1952-53.

The net profit amounts to Rs. 1.55 lakhs, as compared with Rs. 1.66 lakhs for 1953-54 and Rs. 2.13 lakhs for 1952-53. The provision for depreciation, which had been reduced in the previous year from Rs. 5.27 lakhs to Rs. 4.94 lakhs, has been lowered further to Rs. 4.30 lakhs. The provision for taxation has, however, been raised to Rs. 2.10 lakhs from Rs. 1.50 lakhs, to which level it had been increased from Rs. 40,000 for 1952-53. A sum of Rs. 25,000 has been placed to the reserve fund, which had received Rs. 30,000 in the previous year. Last year, the Directors had also set aside Rs. 15,000 to the contingency reserve.

The dividend has been raised to 6 per cent. per annum, after having been maintained at 5 per cent. for the previous three years. The Company's shares, it will be recalled, have been on the dividend list consistently for the last seven years. Also, during the last fourteen years of the Company's history, the shares went off the dividend list only thrice, namely, 1941-42, 1943-44 and 1947-48. A record distribution of 9 per cent., made up of a dividend of 6 per cent. and a bonus of 3 per cent., was paid for 1950-51.

The following synopsis of the Company's latest balance-sheet shows its financial position as on 30th June 1955:

Liabilities	Rs.	Assets	Rs.
Capital ...	22,21,475	Gross block ...	49,39,252
Calls in advance ...	2,656	*Less*-depreciation ...	40,37,897
Reserves and surplus ...	6,04,043	Net block ...	9,01,355
Liabilities ...	23,86,132	Stock-in-trade	12,67,638
		Stores ...	11,93,765
		Debts, deposits and advances ...	17,65,933
		Investments	1,033
		Prepaid expenses ...	5,118
		Cash ...	79,464
Rs.	52,14,306	Rs.	52,14,306

There has been an addition during the year under review of Rs. 5.58 lakhs to the gross block, of which buildings account for Rs. 3.55 lakhs and machinery for Rs. 1.60 lakhs.

The Company's range of production has been widened in recent years and now covers geared-head lathes of different sizes, cone pulley lathes, cone pully lathes with Norton gear box, hacksaw machines, planing machines and power presses. During the year under review, the manufacture of all geared-head lathes made further progress. The production of the 12" hacksaw machine, which had been taken up in the previous year, was also successfully completed. Encouraged by the success which has attended the production, the Directors have prepared plans for further development, so as to be in a position to meet the additional demand for the Company's products that are expected to come up in the next few years, as a result of the implementation of the Government schemes under the second Five-year Plan. As a first step towards the execution of these plans, the authorised capital of the Company has been raised from Rs. 25 lakhs to Rs. 50 lakhs. The subsequent step has not yet been decided upon.

The outlook for the Company is quite promising, in view of the vast development plans under the second Five-year Plan, and as the Chairman of the Company assured the shareholders in his address at the annual general meeting held recently, the shareholders "can expect continued prosperity" for the next few years.

Points From The Chair

Responsibility of Labour

"IT is my earnest desire, and in this I have the full support of all my colleagues in the Directorate and of the Management, to do all we can to promote reasonable amenities for labour to keep them reasonably contented and to secure production at the rate at which it has been estimated by the planners. There is an equal obligation on the part of labour that their work is according to what is expected of them and there is no needless deterioration either in the quality or the quantity of the output by the workers. The Labour Minister of the Government of India has deprecated any 'go-slow' tactics on the part of the workers and has stressed the fact that wherever possible piece-rate systems should be introduced, so that there can be a definite understanding on the part of labour of what their work is worth and what their remuneration should be on their daily work. I trust that this statement of the Labour Minister will be fully accepted by all labour leaders loyal to the cause they espouse."

SIR A. RAMASWAMI MUDALIAR,
T. I. Cycles of India Ltd.

Control of Inflation in Government's Own Interest

"Already, there are signs of reluctance on the part of investors, private or institutional, to subscribe to medium and long-term fixed interest stocks even when these have a definite redemption date, fearing that when their money is repaid it will be in a depreciated currency. This is one more strong reason why inflation must be halted particularly from the Treasury's viewpoint, to ensure that sufficient savings, private and institutional, are invested and reinvested in British Government stocks and do not take refuge in equity shares so as to minimise the effects of inflation. Risk capital is essential, but its risk should only be in the prospects of the undertaking and not in the currency in which it operates. It is, therefore, doubly in the interests of the Government that inflation is controlled and it is hoped that the measures they are now adopting will prove successful."

A. HAROLD BIBBY,
Martins Bank Ltd.

Dangers of Monetary Policy

"No modern banker will deny the efficacy of wise Central Bank policy in curbing inflation. Indeed, experience shows that monetary policy is more effective against inflation than against deflation. But there are dangers. The policy may go too far. It may also be unselective, curbing healthy as well as unhealthy or excessive bank credit. Short-term commercial loans to move goods into the market are a symptom rather than a cause of inflation and drastic curbs may actually block the flow of goods and make inflationary pressure greater. Considerations such as this have led Central Banks to the use of discretionary and selective devices to supplement broad quantitative controls In addition, certain types of credit, and these by no means the least inflationary, lie almost entirely outside the chartered banking system. Consumer credit or buying on time is an essential part of our modern economy, but like all good things can be carried to extremes."

JAMES MUIR,
Royal Bank of Canada

Pool for Newsprint

"I am also very happy to inform you that the Government of India have exempted the sale of Nepa newsprint to newspapers from payment of excise duty. We are grateful to the Government of India for this decision which will be of considerable help to the mill in disposing of its product. We also hope that the Government of India will further assure for the product of this mill a market by creating a pool of indigenous and imported newsprint. Without this assistance our efforts to achieve a steady marketable production may not be easy. This last year has, therefore, been a fruitful one and the outlook is now brighter than it has ever been in the past in the history of this mill. It is a matter of satisfaction to all concerned that it has been possible to complete this project within the period of India's first Five-year Plan."

DR. A. RAMASWAMI MUDALIAR,
National Newsprint and Paper Mills Ltd.

COMPANY MEETINGS AND DIVIDENDS

SPENCER & CO., LTD. Annual General Meeting, Madras, 27th January 1956. Dividend: Re. 1-8 per share. Transfer books remain closed from 20th to 27th January 1956, both days inclusive.

BENARES ELECTRIC LIGHT AND POWER CO., LTD. Half-yearly General Meeting Calcutta, 30th January 1956. Dividend: As. 10 per share. Transfer books will remain closed from 24th to 30th January 1956, both days inclusive.

PURTABPORE CO., LTD. Annual General Meeting, Kanpur, U.P., 3rd February 1956. Dividend: As. 12 per share. Transfer books remain closed from 17th January to 3rd February 1956, both days inclusive.

BIRDS INVESTMENTS LTD. Annual General Meeting, Calcutta, 6th February 1956. Transfer books will remain closed from 24th January to 6th February 1956, both days inclusive.

CHAMPDANY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 7th February 1956. Dividend: Rs. 6 per share. Transfer books will remain closed from 25th January to 7th February 1956, both days inclusive.

JESSOP & CO., LTD. Annual General Meeting, Calcutta, 13th February 1956. Transfer books will remain closed from 6th to 18th February 1956, both days inclusive.

PORT CANNING AND LAND IMPROVEMENT CO., LTD. Annual General Meeting, Bombay, 14th February 1956. Transfer books will remain closed from 1st to 15th February 1956, both days inclusive.

DEVASHOLA (NILGIRI) TEA ESTATES CO., LTD. Interim dividend of Re. 1 per share, for the year ended 31st December 1955. Transfer books will remain closed from 30th January to 4th February 1956, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES LTD. Dividend of As. 6-2/5 per share for the year ended 31st October 1955. Transfer books will remain closed from 23rd to 30th January 1956, both days inclusive.

BALANOOR TEA AND RUBBER CO., LTD. Interim dividend of Re. 1 per ordinary share, for the year ending 31st March 1956. Transfer books will remain closed from 23rd to 27th January 1956, both days inclusive.

DEVON TEA AND PRODUCE CO., LTD. Interim dividend of Re. 1 per ordinary share, for the year ending 31st March 1956. Transfer books will remain closed from 23rd to 27th January 1956, both days inclusive.

NELLITHANAM RUBBER AND PRODUCE CO., LTD. Dividend of Re. 1-4 per ordinary share, for the year ended 31st March 1955.

ELLORE ELECTRIC SUPPLY CORPORATION LTD. Interim dividend of As. 6 per share, for the year 1955-56. Transfer books remain closed from 16th to 25th January 1956, both days inclusive.

CLIVE MILLS CO., LTD. Annual General Meeting, Calcutta, 30th January 1956. Transfer books remain closed from 15th to 30th January 1956, both days inclusive.

CENTRAL KURKEND COAL CO., LTD. Dividend of As. 2 per share, for the half-year ended 30th June 1955.

NEW INDIA SUGAR MILLS LTD. Dividend of Rs. 2-8 per share for the year ended 30th June 1955.

BHARAT SUGAR MILLS LTD. Dividend of Re. 1-8 per share, for the year ended 30th June 1955.

UPPER GANGES SUGAR MILLS LTD. Dividend of Rs. 2-8 per share, for the year ended 30th June 1955.

ASSOCIATED HOTELS OF INDIA LTD. Dividend of 6-2/5 per cent. per share, for the year ended 31st March 1955.

CENTRAL INDIA COALFIELDS LTD. Dividend of As. 4 per share, for the year ended 31st March 1955.

INDIAN STEEL AND WIRE PRODUCTS LTD. Dividend of Rs. 3 per share, for the year ended 31st March 1955.

METAL BOX CO. OF INDIA LTD. Interim dividend of As. 10 per share, for the year ending 31st March 1956.

COMPANY REGISTRATIONS

GODAVARI INVESTMENT AND FINANCE CORPORATION LTD. (First Director: Mr. S. K. Somaiya.) Business: Investment company. Authorised capital: Rs. 5,00,000. Private company. Address: Hazelbhoy, Building, Mahatma Gandhi Road, Fort, Bombay.

CAMCO INDUSTRIES LTD. (First Director: Mr. M. L. Jajodia.) Business: Manufacturers, importers and dealers in bicycles, tricycles, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 5, Bentinck Street, Calcutta 1.

NATIONAL GALVANIZING CO., LTD. (First Director: Mr B. N. Dhur.) Business: Galvanizers of ferrous and non-ferrous metals. Authorised capital: Rs. 5,00,000. Private company. Address: Holding No. 1176, Belgharia, Kamarhatty.

EAST INDIAN COAL STEPS UP DIVIDEND

BENARES ELECTRIC MAINTAINS PROGRESS

East Indian Coal Co., Ltd.

THE directors of the above Company (Managing Agents and Secretaries: Messrs. Jardine Henderson Ltd., Calcutta) submit the audited accounts of the above Company for the year ended 30th April, 1955.

After making allowance for depreciation and full provision for taxation, the year's working has resulted in a net profit of £80,190 (£42,702) to which should be added the amount at credit of profit and loss account at 30th April, 1954, viz., £63,577 (£90,734), making a total available for disposal of £143,767 (£148,727 after adding £15,291 being E.P.T. post-war refund). Out of this sum the directors have transferred to sand stowing and development reserve account £30,000 (£40,156). There has also to be deducted the interim dividend paid on 25th July 1955, at Re. 1 (As. 12) per share on 240,000 shares, without any deduction for Indian income-tax payable by the Company, absorbing £18,000 (£13,500). The directors now recommend payment of a final dividend for the year at Rs. 2 (Re. 1-12) per share on 240,000 shares, without any deduction for Indian income-tax payable by the Company, absorbing £36,000 (£31,500), leaving a balance at credit of profit and loss account, to be carried forward of £59,767 (£63,577).

Raisings for the year were 594,429 (563,054)—an increase of 31,375 (decrease of 19,577) tons on the raisings in the previous year. Despatches amounted to 614,823 tons compared with 513,266 in the year ended 30th April, 1954—an increase of 101,557 (decrease of 37,488) tons. The stocks of coal at the collieries have decreased by 44,514 (increased by 15,612) tons. The Coal Board has fixed the output target for the collieries of the Company at 552,000 tons for the year 1955.

In July, 1955, Government of India amended the Coal Mines Provident Fund Act whereby contribution was to be based on the total emoluments of the employees and not on the basic wages as heretofore. In order to meet the incidence of enhanced expenditure on this account, the controlled prices of coal of selected grades A and B and grades I and II were increased by As. 3 per ton. The increased prices were effective as from 18th July, 1955.

After due consideration and in consultation with the Company's technical experts, the directors have decided to install a sand stowing plant for Bararee colliery. The Company has its own reserved area for sand at Sutikdih and fresh tenders have been invited for installation of the plant. Meanwhile, arrangements are being made for sand stowing at the North Jealgora pits of Bararee colliery by temporary purchase of sand from a neighbouring colliery.

For South Bulliari/Kendwadih colliery, further discussions have taken place with the officers of the Coal Board in connection with the proposed Joint Sand Stowing Scheme for this and the neighbouring collieries. Meanwhile, under instructions from the Coal Board arrangements have been made to carry out stowing with crushed stone in 15 seam at 3 Pit Bulliari. Stowing will start as soon as the necessary equipment is received. The rules under the Mines Act of 1952 have been published by Government of India, and they provide for more stringent safety measures and further amenities for colliery workers.

In November 1955, Government of India, increased the prices of coking coal of selected grades A and B and grades I and II by As. 3 per ton. The increased prices have been effective since 12th November 1955.

In the context of the second Five-year Plan, it has been estimated that the requirements of coal will be 60 million tons per annum by 1960 as against the present output of 37 million tons. The private sector of the coal industry will produce an extra 8 million tons, making a total output of 42 million tons in this sector. Individual colliery concerns have been advised to submit their plans of increased production to the Ministry of Production by early next year. Plans for the Company are in course of preparation.

Accounts in brief are as under:—

Liabilities	£	Assets	£
Capital ...	240,000	Block ...	234,668
Reserves ...	380,553	Stock of coal	22,654
Provision for taxation ...	42,981	Stores ...	73,711
Liabilities ...	155,290	Debts and advances ...	175,102
Profit and loss account ...	59,767	Investments	219,302
		Cash ...	153,154
	£878,591		£878,591

Benares Electric Light and Power Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June, 1955.

The transmission line from Benares to Jaunpur, approximately 37 miles in length, was completed in June, and a partial supply made available to Jaunpur, and the full supply will be afforded when the plant extension scheme which is at present under execution in Benares is completed. Forty miles of additional lines have been erected for the purpose of supplying Government tubewells, and it is expected that 44 tubewells will be operated from the said lines from December onwards.

Satisfactory progress has been made during the period under review as indicated in the following schedule:—

Half-year ended	*Units sold*	*Revenue*
		Rs.
31st December, 1952 ...	9,926,818	14,50,157
30th June, 1953 ...	10,983,183	14,38,649
31st December, 1953 ...	11,071,085	16,24,041
30th June, 1954 ...	11,233,253	14,49,894
31st December, 1954 ...	11,582,601	16,21,616
30th June, 1955 ...	13,298,217	15,79,101

After providing for all charges and setting aside Rs. 21,000 (*nil*) to general reserve, there remains a balance of Rs. 1,46,767 (Rs. 1,48,907) including Rs. 38,780 (Rs. 39,618) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

Payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax for the half-year Rs. 85,000 (Rs. 85,000), an additional As. 2 (As. 2) per share Rs. 21,250 (Rs. 21,250) and carrying forward to next half-year Rs. 40,517 (Rs. 42,657).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,00,000	Block ...	49,47,065
Debentures	12,00,000	Stores, coal and fuel	8,66,150
Reserves ...	26,99,591	Buildings and machinery under construction	12,98,341
Provision for taxation ...	1,59,732	Tools and instruments	43,219
Liabilities ...	45,88,146	Other assets	47,774
Profit and loss account ...	1,46,767	Debts, deposits and advances ...	11,24,187
		Investments	15,98,260
		Cash ...	5,69,240
	Rs. 1,04,94,236		Rs. 1,04,94,236

Rewa Coalfields, Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June, 1955.

The Company's profit for the half-year after the inclusion of Rs. 22,975 brought forward and Rs. 32,074 provision for liability written back is Rs. 3,31,991. And after making provision for taxation Rs. 1,35,345, there remained Rs. 1,96,646. Out of this the directors have placed to development reserve Rs. 50,000 and paid a dividend at 17½ per cent. per annum without any deduction for income-tax paid by the Company, absorbing Rs. 1,18,125 leaving to be carried forward Rs. 28,521.

Output and despatches of steam and other grades of coal for the last three half-years are as follows:—

Half-year ended	*Raisings*	*Despatches*
	Tons	Tons
30th June, 1955	1,64,865	1,62,787
31st December, 1954 ...	1,58,272	1,52,840
30th June, 1954	1,61,005	1,60,064

Towards the close of the half-year wagon supply improved and some of the route restrictions were also relaxed as a result of which there was an appreciable increase in raisings and despatches. In view of the satisfactory working results the directors, after placing Rs. 50,000 to development reserve, have recommended the payment of a dividend of 17½ per cent. per annum for the half-year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,50,000	Block ...	7,63,001
Reserves ...	8,53,385	Stock of coal	1,47,720
Provision for taxation ...	2,45,000	Stores ...	5,77,177
Liabilities ...	17,07,197	Debts, deposits and advances ...	14,82,753
Profit and loss account ...	28,521	Investments	2,83,415
		Cash ...	9,30,037
	Rs. 41,84,103		Rs. 41,84,103

Jeypore Sugar Co., Ltd.

The directors of the above Company (Chairman: Mr. V. Ramakrishna, Rayagada) submitted the audited accounts of the Company for the year ended 30th June, 1955.

The accounts showed a profit of Rs. 1,18,921 (Rs. 1,69,622) after providing a sum of Rs. 70,000 (Rs. 2,10,000) for taxation and bonus to staff, to which was added the amount brought forward from the previous year of Rs. 1,75,649 (Rs. 1,24,353), making a total of Rs. 2,94,570 (Rs. 2,93,974). After deducting therefrom—dividends on preference shares for 1953-54 Rs. 12,000 (Rs. 12,000), dividend on ordinary shares for 1953-54 Rs. 97,838 (Rs. 97,838), dividend on cane-growers' ordinary shares for 1953-54 Rs. 8,487 (Rs. 8,487) and transferring to dividend equalisation reserve Rs. 52,000 (Rs. 52,000), there was left, an available balance of Rs. 1,24,245 (Rs. 1,23,649). The directors paid a dividend of 6 per cent. free of income-tax on preference shares due for the year 1954-55 Rs. 12,000 (Rs. 12,000), paid a dividend of 10 (10) per cent. free of income-tax on cane-growers' ordinary shares for the year 1954-55 Rs. 8,487 (Rs. 8,487), leaving a balance of Rs. 5,920 (Rs. 5,324) to be carried forward to the next year.

The factory crushed 29,897 tons of sugarcane during the season 1954-55 as against 31,375 tons crushed in the previous season. As mentioned in their previous report, the directors have taken necessary steps to expand the crushing capacity of the existing factory at Rayagada to 450 tons per day this year and for establishment of the sugar factory with a crushing capacity of 800 tons per day in Nagaram, Repalle, Repalle taluk, Guntur district.

The capacity of the Company's sugar factory at Rayagada will be further extended to 600 tons a day, for the crushing season 1956-57. During the ensuing sugarcane crushing season the Company's factory at Rayagada is expected to crush at least 50 per cent. more cane than the normal and the directors therefore expect better results for the next season.

With regard to the construction of the factory at Nagaram, Repalle taluk, land for the location of the factory has been acquired and orders have been placed for plant and machinery. Construction of the buildings has just been taken up.

The Controller of Capital Issues while sanctioning the issue at par of further capital of Rs. 10,00,000 consisting of 1,00,000 ordinary shares of Rs. 10 each for payment in cash has not accorded sanction for the simultaneous issue of bonus shares of the face value of Rs. 6,37,950 as requested by the Company. However, the Company is taking up the matter with the Controller of Capital Issues again.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,63,942	Block ...	20,25,420
Reserves ...	12,13,785	Stock-in-trade	11,52,067
Provision for taxation ...	5,02,847	Stores and spares ...	4,03,945
Liabilities ...	22,06,555	Cultivation-in-progress at cost ...	2,06,364
Profit and loss account ...	1,24,245	Debts, deposits and advances ...	8,61,617
		Investments ...	5,34,635
		Cash ...	1,27,126
	Rs. 53,11,174		Rs. 53,11,174

Indian Plastics Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st March, 1955.

The profit and loss account after providing a lump sum of Rs. 1,60,000 (Rs. 1,00,000) for depreciation and adjusting the balance of the previous year, showed a profit of Rs. 1,69,333 (Rs. 1,34,007) which the directors disposed of as follows:—

Paid a dividend on 20,000 cumulative preference shares of Rs. 100 each at 5½ per cent. (less tax) for the half-year from 1st October 1952 to 31st March, 1953 Rs. 40,625 (Rs. 46,625), paid a dividend on 20,000 cumulative preference shares of Rs. 100 each at 5½ per cent. (less tax) for the year from 1st April 1953 to 31st March 1954 Rs. 81,250 (Rs. 81,250), paid a dividend on 20,000 cumulative preference shares of Rs. 100 each at 5½ per cent. (less tax) for the half-year from 1st April 1954 to 30th September 1954 Rs. 40,625 (Rs. 40,625) and carried forward the balance of Rs. 6,833 (Rs. 12,132).

The production and sales have improved during the year. However, as reported last year, on account of labour award and other factors, the labour cost and other cost of production went up. There is, all the same, improvement in the working and the directors are hopeful that the position will further improve.

The Company manufactures P.F. moulding powders. The demand for such powder being better the production has been stepped up and under the terms for protection as laid down by the Government, the Company is now entitled to a refund of duty paid on import of chemicals used in the manufacture of P.F. moulding powders. Efforts are also being made to increase the production further.

With regard to the radio division, the working has been a little better than the previous year. The demand during the year under review continued to be low and the working of the division could not be put on an economic footing. However, conditions of the working for radio division during the current year have improved.

Accounts in brief were as under:

Liabilities	Rs.	Assets	Rs.
Capital ...	49,93,375	Block ...	43,38,420
Depreciation reserve ...	8,94,752	Goodwill ...	5,000
Liabilities ...	20,28,078	Stock-in-trade	13,98,229
Profit and loss account ...	1,69,333	Stores ...	11,96,112
		Debts and advances ...	10,69,779
		Cash ...	77,998
	Rs. 80,85,538		Rs. 80,85,538

Woodland Estates Ltd.

The directors of the above Company (Managing Director: Mr M. K. Thomas, Esq., Trivandrum) submitted the audited accounts of the Company for the year ended 31st March 1955.

Crops and prices—Rubber.—The crop harvested during the year was 89,972 lbs. (Lakshmi Estate 56,554 lbs.; Marigold Estate 23,710 lbs.; and Ackal Estate 9,708 lbs.) at a cost of 59.22 cents per lb. as against 80,121 lbs. at a cost of 57.41 cents in the previous year. Sale during the year including the opening stock of 7,628 lbs. was 46,804 lbs. sheet at 132.99 cents per lb., 17,551 lbs. latex at 130.00 cents per lb. and 14,645 lbs. scrap at 87.00 cents per lb. There is a balance of 13,726 lbs. of sheet and 4,874 lbs. of scrap which have since been sold. *Tea.*—The crop harvested during the year was 36,002 lbs. at a cost of 148.58 cents per lb. as against 38,854 lbs. at a cost of 137.7 cents per lb. in the previous year. Sales during the year including the opening stock of 6,053 lbs. was 34,943 lbs. at an average price of 210.59 cents per lb. *Tea export quota.*—20,000 (18,800) lbs. was sold for Rs. 8,740 (Rs. 4,064). *Minor produce.*—The income for the year was Rs. 15,434 (Rs. 11,525).

Capital expenditure amounted to Rs. 4,702 (Rs. 3,581) on account of immature tea area and nursery Rs. 4,536 (Rs. 1,619) and immature rubber area Rs. 167 (Rs. 1,962).

The net profit after providing for depreciation and other expenses and providing Rs. 30,000 (Rs. 20,000) for taxations amounted to Rs. 47,086 (Rs. 33,852) to which was added the amount brought forward from the previous year of Rs. 1,063 (Rs. 10,384) making a total of Rs. 48,148 (Rs. 44,236). After deducting 6½ per cent. preference dividend of Rs. 6,500 (Rs. 6,500), there was a balance of Rs. 41,648 (Rs. 37,736). The directors have paid 20 (15) per cent. dividend on ordinary shares absorbing Rs. 33,000 (Rs. 24,750), paid bonus equivalent to three months emoluments to staff absorbing Rs. 3,125 (Rs. 1,923) and carried forward to next year's accounts Rs. 5,524 (Rs. 1,063 after transferring Rs. 10,000 to general reserve).

The Company was incorporated on the 13th April 1937. The authorised capital was increased in 1941-42 from Rs. 2,50,000 to Rs. 3,50,000 by the creation of 10,000 6½ per cent. tax-free cumulative preference shares of Rs. 10 each and the issued capital from Rs. 1,60,000 to Rs. 2,45,000 and subsequently in 1951-52 to Rs. 2,65,000 by the issue of 500 ordinary shares and 10,000 6½ per cent. tax-free cumulative preference shares of Rs. 10 each, at par. The following table gives the progress of the Company for the last four years:—

Year	Net profits after taxation	Tea crop	Rubber crop	Ordinary share dividends
	Rs. a. p.	Lbs.	Lbs.	Per cent.
1951-52	25,341 7 3	38,400	57,120	10
1952-53	21,021 2 8	40,020	71,767	15
1953-54	33,351 10 5	38,845	80,121	20*
1954-55	47,085 8 10	36,002	89,972	

* Recommended.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,65,000	Block ...	3,37,756
Reserves ...	87,259	Stock-in-trade	35,167
Provision for taxation ...	44,931	Stores and spares ...	8,644
Liabilities ...	18,261	Debts ...	73,379
Profit and loss account ...	48,148	Cash ...	8,653
	Rs. 4,63,599		Rs. 4,63,599

Anaparai Estates Ltd.

The directors of the above Company (Managing Agents: The Associated Planters Ltd., Mysore) submitted the audited accounts of the Company for the year ended 30th June 1955.

The Company's working for the period, resulted in a profit of Rs. 2,42,987 (Rs. 2,05,200). After deducting depreciation written off on buildings and machinery, etc., Rs. 18,808 (Rs. 21,188), Company's contribution to provident fund Rs. 2,071 (Rs. 2,406), and debenture interest and income-tax payable thereon Rs. 29,088 (Rs. 25,902). The net profit amounted to Rs. 1,93,020 (Rs. 1,55,074) to which was added the amount brought forward from last year of Rs. 9,033 (Rs. 9,210), making a total of Rs. 2,02,053 (Rs. 1,64,914). After transferring to reserve for agricultural income-tax Rs. 50,000 (Rs. 20,000) there was left a sum of Rs. 1,52,053 (Rs. 1,44,914). Out of this, the directors paid a dividend of 16½ (15) per cent. (tax-free) on ordinary shares absorbing Rs. 1,47,205 (Rs. 1,35,882) and carried forward Rs. 4,848 (Rs. 9,032).

The directors feel that the working results of the Company for the year ended 30th June, 1955, have been satisfactory. The coffee crop of the year was slightly less than the estimated figure.

Crop—

	Estimate for 1954-55	*Realised for* 1954-55	*Estimate for* 1955-56
	Tons	Tons	Tons
Arabica	64	75½	47
Robusta	165 Candies	145½ Candies	199 Candies
Pepper	16½	6½	11
Orange	—	—	30 to 32 lorry loads

The average cost of coffee per cwt. stood at Rs. 96-9-3 as against Rs. 126-3-3 during the previous year. The lower costs are mainly due to the higher crop realised during the year.

The estates of the Company have been maintained well and the labour position is quite satisfactory. The supplies of food materials to the estate labourers are also quite satisfactory. The increase in the dosage of the fertilisers applied to the estates of the Company, are beginning to show satisfactory results and the directors propose to increase the dosage gradually. The estimated coffee is slightly higher than that of the previous year. The plans are looking very healthy and with favourable rains, still better crop can be expected for the season 1956-57. As may be noted from the accounts for the year under review, the coffee crop has been valued at Rs. 2-6 per point as against Rs. 2-10 per point for the year ended 30th June 1954. The export prices of coffee are not so encouraging as that of the previous year though the internal prices have been fairly steady. The lower valuation of the crop has resulted in a substantial reduction in profit.

The Mysore Government have introduced agricultural income-tax. The directors expect that the Company's income in Mysore State will be taxed for agricultural income-tax and hence they have recommended to provide Rs. 50,000 against the previous year's provision of Rs. 20,000. The shareholders will get full deduction from their income-tax for the agricultural income-tax paid by the Company. Some shareholders have been writing to us that they are finding difficulty in this regard and if any shareholder is still finding difficulty, the Company would be very glad to help him to get the deduction from the income-tax authorities. In effect, the 16½ per cent. recommended by the directors this year is substantially higher than that of the previous year considering the fact that for the whole of the dividend, the shareholders get the advantage of claiming deductions in income-tax.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,05,878	Block ...	14,29,599
Debentures	3,84,000	Stock of coffee and pepper	6,51,930
Debenture redemption reserve ...	5,30,000	Stores and spares ...	41,159
Provision for income-tax and super-tax ...	2,724	Tools and equipment.	11,193
Liabilities ...	4,98,736	Other assets	4,509
Profit and loss account ...	2,02,053	Debts, deposits and advances ...	94,952
		Investments	2,58,856
		Cash ...	31,193
	Rs. 25,23,391		Rs. 25,23,391

Bateli Tea Co., Ltd.

The directors of the above Company (Secretaries: National Tea Corporation, Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1954.

The season's working resulted in a profit on revenue account of Rs. 6,67,175 (Rs. 4,43,209). After adjustments and setting aside Rs. 2,60,000 (Rs. 1,60,000), for taxation and writing off development Rs. 9,172 (Rs. 3,995), building Rs. 32,409 (Rs. 30,384), machinery Rs. 13,565 (Rs. 1,682), motor vehicles Rs. 2,422 (*nil*), furniture and fittings Rs. 249 (*nil*) and transferring to repairs and renewals reserve Rs. 1,00,000 (*nil*), reserve for contingencies Rs. 40,000 (*nil*) and allowing Rs. 99,180 (*nil*) for interim dividend at 30 (*nil*) per cent. for the season under report (since paid) the profit and loss account showed a balance at credit of Rs. 1,83,604 (Rs. 2,12,249). The directors paid a final dividend of 50 (40) per cent. for the season 1954, absorbing Rs. 1,65,300 (Rs. 1,32,240) (making 80 (40) per cent. total dividend for the season) and carried forward Rs. 18,304 (Rs. 80,009).

The following are the comparative statistics of outturn and sales for the past three years:—

	Lbs.	Average price per lb.
		Rs. a. p.
1952	507,344	1 12 4½
1953	564,004	2 3 6½
1954	575,396	2 14 0

The estimates for 1955 provide for a crop of 700,000 lbs. of tea at a cost of Re. 1-6-10 per lb.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,30,600	Block ...	3,65,000
Reserves ...	4,65,000	Stock-in-trade	9,20,654
Provision for taxation ...	4,13,320	Stores ...	88,800
Liabilities ...	4,90,859	Debts, deposits and advances ...	1,46,243
Profit and loss account ...	1,83,604	Cash ...	3,62,684
	Rs. 18,83,383		Rs. 18,83,383

Manabarrie Tea Co., Ltd.

The directors of the Company (Calcutta) submitted the audited accounts for the year ended 31st December 1954.

Crop.—The total outturn for the year 1954 was 5,922 mds. 35 srs. in comparison with last year's figure of 6,316 mds. in a planted area of 629.28 acres. The average gross selling price was Rs. 2-13-7 per lb. as against Rs. 2-0-8 per lb. in previous year. It is estimated that in 1955, the total outturn would be more or less same as that of the year under review.

The net tea sales both at Calcutta and foreign markets fetched a total amount of Rs. 13,12,342 and a sale proceeds of export quota right were Rs. 37,773 in comparison with total 1953 net tea sales figure of Rs. 10,30,815.

The total revenue expenditure was Rs. 6,98,504 in 1954 which included commission and allowance of the late managing agents, Messrs. Duncan Brothers & Co., Ltd., at 2½ per cent. commission on gross sales. Gross purchase for the year amounted to Rs. 48,681 and a further commission of Rs. 30,321 in total both on Inland and London gross sales to the London Agents of said the late managing agents in Messrs. Walter Duncan and Goodricke Ltd. at 2½ per cent.

Therefrom after setting aside a sum of Rs. 31,772 in depreciation as per I.T. rules and on making a provision under heading "staff commission" of Rs. 51,810 for the year under review which had to be made on the advise of the auditors of the Company, though no relevant agreements, etc., could be made available from the said late managing agents to the present Board of Directors, the revenue profit for the year came to Rs. 5,68,636 (Rs. 3,13,573) with which on adding adjustment balance of Rs. 35,113 together with sundry receipts of a total sum of Rs. 547, the directors could provide in revenue reserve Rs. 2,25,000 (Rs. 45,000), in building and machinery reserve Rs. 50,000 (Rs. 30,000) in reserve for taxations Rs. 1,75,000 and for a final tax-free dividend for the year ended 31st December 1954 of Rs. 1,30,000 (Rs. 20,000) or 65 (10) per cent. on present paid-up shares of Rs. 100 each leaving a balance in profit and loss account at credit Rs. 24,296 (Rs. 17,992).

The Board of Directors, in one of its recent meeting decided to issue bonus shares at par to the existing shareholders of the Company by capitalising general reserve fund to the extent of Rs. 2,00,000 out of its balance of Rs. 2,70,000 at date of course subject to the approval of the Central Government of India and arrangements are being made to apply for same.

Meanwhile, therefore, to facilitate issuing the said bonus shares, the directors propose that the existing paid-up capital of the Company of 2,000 ordinary shares of Rs. 100 each be consolidated and subdivided into 20,000 ordinary shares of Rs. 10 each and that the authorised capital be increased from Rs. 2,00,000 to Rs. 15,00,000 by creation of 1,30,000 additional ordinary shares of Rs. 10 each ranking for dividend and in all other respect *pari passu* with the existing shares of the Company.

Company affairs.—Messrs. Duncan Bros. & Co., Ltd. were in complete charge as managing agents of the Company during the year 1954 and till 6th April 1955, when they resigned their offices after selling out the shares of the Company held by them at Rs. 925 per share and on certain other points as agreed to by themselves with a joint stock company who became a shareholder of the Company in the meantime. Thus on the resignation of the said managing agents, their London Agents were also relieved and thereby present Board of Directors could make a saving to the Company of about Rs. 75,000 in commission and allowance per year, if not more.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,00,000	Block ...	2,12,000
Reserves ...	3,50,000	Stores and supplies for season 1955	31,573
Provision for taxation ...	1,75,000	Tea sales receivable	8,83,325
Liabilities ...	5,18,856	Export rights receivable	37,773
Profit and loss account ...	24,296	Deposits and advances	59,251
		Investments	200
		Cash ...	44,030
	Rs. 12,68,152		Rs. 12,68,152

West Jamuria Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th June 1955.

The accounts showed a loss after providing for depreciation of Rs. 1,72,491 (Rs. 2,05,262). Adding thereto provision for cesses Rs. 348 (Rs. 300) and irrecoverable advance written off Rs. 1,843 (*nil*), there is a total of Rs. 1,74,682 (Rs. 2,06,012). From this is deducted the credit balance brought forward from the previous account Rs. 971 (Rs. 2,773), unclaimed liabilities written back Rs. 23,491 (*nil*), unclaimed dividends forfeited Rs. 489 (Rs. 159) and provision for bad and doubtful debts no longer required Rs. 16,853 (Rs. 662), leaving a net loss amounting to Rs. 1,30,878 (Rs. 2,02,418). This amount when set off against the transfer from development reserve of Rs. 1,31,000 (transfer from general reserve of Rs. 2,03,000), leaves a balance at credit of profit and loss account, of Rs. 122 (Rs. 582) to be carried forward to next account.

Net raisings during the half-year were 1,11,035 tons compared with 1,11,137 tons during the previous six months and 83,326 tons in the corresponding period of 1954. Despatches amounted to 1,01,287 tons against 95,580 tons and 81,476 tons during the preceding two half-years. Stocks totalled 46,855 (23,917) tons on 30th June 1955.

Working conditions at West Jamuria Colliery continued to be very difficult and the colliery operated uneconomically during the period under review. Since the close of the half-year, however, a considerable increase in offtake has been attained and stocks of coal at the colliery have been substantially reduced. This has brought about an improvement in the working results of the colliery consequent upon increased raisings and reduced costs. Working results at Ackhalpur Colliery continue to be satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Block ...	32,55,152
Reserves ...	1,38,190	Stock of coal	5,51,969
Liabilities ...	39,75,727	Stores and spare gear	1,57,163
Profit and loss account ...	122	Debts, deposits and advances ...	8,09,695
		Cash ...	40,060
	Rs. 48,14,039		Rs. 48,14,039

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

Notices

THE BELAPUR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Belapur Company, Limited will be held at the Registered Office of the Company, Brady House, Veer Nariman Road, Bombay, on Tuesday the 24th day of January 1956, at 4.00 p.m. (S.T.), when the subjoined Resolution will be proposed:

That it is desirable to capitalise the sum of Rs. 23,49,900 being part of the undivided profits of the Company standing to the credit of the Reserve Fund and accordingly that the sum of Rs. 23,49,900 be capitalised and distributed amongst the members on the footing that they become entitled thereto as capital in pursuance of Article 145 of the Articles of Association of the Company, and that the said capital sum be applied on behalf of the persons who on the 3rd day of March 1956 were the holders of the 93,995 Shares of the Company of Rs. 50 each in payment in full for 46,998 Shares of the Company of Rs. 50 each and that such 46,998 Shares credited as fully paid be accordingly allotted to such persons respectively in the proportion of one such Share for every two Shares then held by such persons respectively, and that the Shares so distributed shall be treated for all purposes as an increase of the nominal amount of the capital of the Company held by each shareholder and not as income. Further, that these shares should rank for dividend from 1st April 1956, and in all respects *pari passu* with existing shares and that the certificates in respect of such shares shall be complete and ready for delivery within four months after allotment.

Dated this 15th day of December, 1955.

By Order of the Board,
For THE BELAPUR COMPANY, LIMITED,
W. H. BRADY & COMPANY, LTD.,
JOSEPH KAY,
Managing Director.
Managers.

Registered Office of the Company:
BRADY HOUSE,
VEER NARIMAN ROAD,
FORT, BOMBAY.

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

N.B.—The Transfer Books of the Company will be closed from the 20th day of February, 1956 to the 3rd day of March, 1956.

To the Shareholders of the Belapur Company, Limited and in particular to:

Mr. William Abel and M/s. Rajabali Hasom Paroo & Sons, Ltd.

THE CHAMPDANY JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE SIXTY-FIFTH ORDINARY GENERAL MEETING OF THE CHAMPDANY JUTE COMPANY, LIMITED, will be held at the Registered Office of the Company, No. 2, Netaji Subhas Road, Calcutta, on 7th February 1956, at 12 noon, for the following purposes:—

1. To receive and pass the Directors' Report and Audited Accounts for the half-year ended 30th September 1955.
2. To declare a Dividend.
3. To transact any other competent business that may be brought forward.

The Share Register of the Company will be closed from 25th January to 7th February 1956, both days inclusive.

Dividend Warrants will be issued and posted to Registered Shareholders only. Persons holding shares on blank transfer are advised to effect registration of scrip in their names before 25th January 1956.

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

2, NETAJI SUBHAS ROAD,
CALCUTTA, 14*th January* 1956.

NASKARPARA JUTE MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 45th Ordinary General Meeting of the Members of the Company will be held at the Registered Office of the Company, No. 8, Dalhousie Square East, Calcutta, on Tuesday the 14th February 1956, at 3-15 p.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended the 30th April 1955, electing Director, appointing Auditors and for transacting any other business of the Company that may be brought forward.

The Share Transfer Register of the Company will be closed from the 7th February 1956 to 14th February 1956, both days inclusive.

By Order of the Board,
For and on behalf of
NASKARPARA JUTE MILLS CO., LTD.,
HOWRAH TRADING CO., LTD.,
Managing Agents,
S. B. JALAN,
Director.

8, DALHOUSIE SQUARE EAST
CALCUTTA-1, 11*th January* 1956.

IVAN JONES LIMITED

NOTICE IS HEREBY GIVEN TO ALL THE shareholders of the Company that an interim dividend has been declared by the Directors at As. 3 per share out of the profits of the Company for the year ended 30th September 1953. The shareholders are requested to communicate the change of their address, if any.

The Share Transfer Books of the Company will be closed from 1st February to 15th February 1956 (both days inclusive).

IVAN JONES LIMITED,
G. V. SWAIKA,
Managing Director.

18B, BRABOURNE ROAD,
CALCUTTA-1, 13*th January* 1956.

THE BRITISH INDIA CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Corporation will be closed from 1st March 1956 to 31st March 1956, both days inclusive.

By Order of the Board,
E. C. CALDWELL,
Registrar.

KANPUR, 13*th January* 1956.

COMMERCE AND INDUSTRY

(*Concluded from page* 133)

failed, and added that the Government would enforce quality control on the textile industry, if the industry failed to adopt it on its own volition. "I do not know," the Minister averred, "whether the millowners will be scared of this idea, but something must be done to lay down some standard, before I lay down my office. I give them one year for this purpose." In view of the bad reputation that some Indian cloth has earned in some of its overseas and domestic markets, the warning given by the Minister against indifference to standardisation among certain millowners is not unjustified. It is to be hoped that a vigorous move will be made by the mills in the country to establish standards for the products they manufacture. In this context, it is encouraging to hear from Mr. Bharat Ram "that standard-consciousness within the textile industry is growing."

During its meeting, the Convention examined the issues relating to the introduction of the metric system of weights and measures. It decided that the country should adopt international nomenclature for the metric system. The question of using S.Q.C. techniques in the textile industry was also discussed.

THE CONCORD OF INDIA
Insurance Company Ltd.
(INCORPORATED IN INDIA)
Head Office: 8, Clive Row, CALCUTTA
Telephone: 22-4315 Telegrams: YULINSURE

BRANCH OFFICES:

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BOMBAY STATE — Hongkong Bank Building, Veer Nariman Road, Fort, BOMBAY; Vakhar Peth, SANGLI; Sir Chhotubhai Building, Redvi Bazar, Cross Lane, AHMEDABAD; Konsar Building, Rasndeo Galli, BELGAUM
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HYDERABAD STATE — 69-D, Kingsway, SECUNDERABAD (Dn.)
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MADHYA BHARAT — 41, Tukoganj, Main Road, INDORE
PUNJAB STATE (India) — Sadiarbazar Road, AMBALA CANTT.
PUNJAB (Pakistan) — 48, The Mall, LAHORE
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MONEY FIRM

(From Our Own Correspondent)

BOMBAY, 18*th January*

The week under review witnessed no sign of relaxation in the stringent conditions which had characterised the short-term money market for some weeks now. Supplies were still on an attenuated scale, while the demand far exceeded the available funds. The volume of business was very much restricted due to scarcity of funds. Interest rates continued to rule firm, inter-bank call money being bid at 3 per cent. among the Exchange banks as well as Indian banks. House money at call was placed at 3 per cent., as also short-term deposits for one to six months.

The Government of India Treasury Bill rate, which had declined from Rs. 2-8-2 per cent. to Rs. 2-8-1 per cent. per annum in the previous week, however, hardened to Rs. 2-8-3 per cent. per annum this week. The amount offered, on the other hand, declined slightly from Rs. 146.75 lakhs to Rs. 142.75 lakhs. Notwithstanding the rise in the cost of borrowing, the Government has invited tenders for another Rs. 100 lakhs next week also.

A further rise of Rs. 3.04 crores in notes in circulation is disclosed by the Reserve Bank of India's statement for the week ended 13th January 1956. Notes held in the Banking Department are also higher by Rs. 1.41 crores, so that the rise in total notes issued is Rs. 4.45 crores. Rupee coin in circulation has also gone up by Rs. 52 lakhs. The increase in rupee notes and rupee coin is covered by an expansion of Rs. 4.97 crores in rupee securities. In the Banking Department, there has been a fall in deposits of the Central Government and other Governments but only of the order of Rs. 2.00 crores and Rs. 1.26 crores, respectively. Deposits of banks, on the other hand, have gone up by Rs. 3.27 crores. On the assets side, cash balances have risen by Rs. 1.41 crores and balances held abroad by Rs. 56 lakhs. Loans and advances to Governments and other loans and advances have dropped by Rs. 53 lakhs and Rs. 1.20 crores, respectively. Of the latter, advances to Scheduled banks against usance bills account for Rs. 24 lakhs. There has been an addition of Rs. 1.07 crores in investments and of Rs. 1.88 crores in Government Treasury Bills purchased and discounted.

A sharp rise of over Rs. 20 crores in advances and bills purchased, accompanied by a shrinkage of more than Rs. 16 crores in liquid assets and a fall in deposits, is the outstanding feature disclosed by the Scheduled Banks' statement for the week ended 6th January 1956. While demand deposits of the banks show a small rise of Rs. 30 lakhs, time deposits have fallen by Rs. 3.89 crores. Inter-bank borrowings also have declined by Rs. 1.33 crores and borrowings from the Reserve Bank by Rs. 18 lakhs, while those from the State Bank of India have increased by Rs. 2.61 crores. Advances which commenced the year at a very much higher level than a year ago rose by as much as Rs. 10.26 crores during the first week of the year, that is, the week under review. An equally sharp increase of Rs. 10.61 crores is also noted in inland bills purchased. Foreign bills, however, show a decline of Rs. 32 lakhs. Investments are lower by Rs. 2.12 crores. Cash and balances with the Reserve Bank by Rs. 9.48 crores, balances with other banks in current account by Rs. 2.83 crores and money at call and short notice by Rs. 2.15 crores.

The Gilt-edged market maintained its steady tone during the week under review also, in the absence of any adverse influence and on account of the demand for nearer maturity securities. 3 per cent. 1957, which had been placed at an anna lower at Rs. 99-8 in the previous week, regained to Rs. 99-9. 3 per cent. 1958 gathered an anna to Rs. 99-7. 3 per cent. 1959-61 was held at Rs. 98-3 and 3 per cent. 1963-65 and 1964 at Rs. 94-10. 3 per cent. 1966-68 hardened by As. 2 to Rs. 92, while 3 per cent. 1970-75 was unchanged at Rs. 87-15, as was 3 per cent. 1986 Conversion Loan at Rs. 80-6. 3½ per cent. 1961 was featureless, but steady, at Rs. 99-8, 3½ per cent. 1964 at Rs. 98-12 and 3½ per cent. 1965 at Rs. 98-9.

SUGAR DULL

(From Our Own Correspondent)

HAPUR, 16*th January*

The sugar market ruled dull and featureless during the week. A slight fall was recorded in the mill delivery prices. Stocks with factories were very heavy, thanks to heavy carryover at the beginning of the season. Demand from consuming centres in the South was slack, as the first quota of 50 per cent. of the production up to 15th December of the Deccan and South Indian factories had been released and Gujerat and other areas interested in U.P. supplies found Deccan rates more competitive. The latest mill delivery prices here are: Jaswant Rs. 28-6, Simbhauli Rs. 28-14, Mowana Rs. 29, Daurala Rs. 29-8, Amroha Rs. 27-11, Bijnore Rs. 27-11, Mansoorpur Rs. 30, Rampur Rs. 31, retail Rs. 31 and *khandsari* Rs. 23 to Rs. 27 per maund.

After an early fall to Rs. 11-10 per maund in mid-session ready *gur* prices recorded towards the week-end to Rs. 12. Arrivals were small, being at an average of 1,000 maunds daily, and local stock is now put at 23,000 maunds. The week's offtake was heavy at about 30 wagons to Rajasthan and a special of 48 wagons to Gujerat. Despatches were mostly from nearby small centres. The total quantity upto now put in the market during the current season is estimated at 290,000 maunds, as against 385,000 maunds a year before.

Gur futures, too, started in the week-end to new heights on continued bull support. Opening at Rs. 12-14-6 on Monday last, *phagun* delivery touched lowest at Rs. 12-8 and are now quoted at the highest of the week at Rs. 13-4.

SILVER RECOVERS

(From Our Own Correspondent)

BOMBAY, 18*th January*

A sharp rise in silver, accompanied by a modest advance in gold, during the mid-week was the outstanding feature of trading on the Bullion Exchange during the week under review. Speculative support from local dealers and buying by Calcutta and Delhi operators, reports of a fall in arrivals of unrefined silver and the news that the settlement crisis in the share market passed off without any serious effects were the main contributory factors for the spurt in silver. Gold also moved ahead on reports of the confiscation of smuggled gold worth Rs. 20 lakhs in Malabar. The rise in both the metals resulted in the introduction of special clearing on Monday this week at Rs. 178-4 for silver and Rs. 96 for gold.

Early in the week under review, both the metals gave way on heavy liquidation induced by increased arrivals of unrefined silver and the settlement difficulties in the share market. The brisk advance, as stated above, which followed the early recession was, however, not sustained during the rest of the week, on account of reduced demand for the metals and the disturbances in the City following the decision of the Central Government to make Bombay City a Centrally administered area. On balance, silver managed to score a modest gain, while gold just managed to finish without any loss.

Silver for forward delivery (28th January settlement) reacted early in the week from Rs. 176-15 to Rs. 175-8, but rallied to touch a high of Rs. 178-13 on Monday. A good part of this rise was shed when subsequent selling brought it down to Rs. 177-8 today. The closing was done a fraction better at Rs. 177-13.

Ready silver (.996 Mint) moved down from Rs. 176-5 to Rs. 174-10 before briskly advancing to Rs. 178-1 on Monday. It, however, reacted to Rs. 177-7 at the close of business today. It may be noted that the discount of As. 14, at which ready silver was quoted below forward at the beginning of the week, narrowed down to As. 6 today, as a result of the rise in the rate for spot which reflects the decline in arrivals. The floating stocks of silver are reported to be 1,200 bars. The daily average offtake during the week was 10 bars.

Forward gold (27th January settlement) had an early dip from Rs. 95-14 to Rs. 95-4, but rallied to Rs. 96-8 on Monday, before receding back again to Rs. 95-13 at the close today.

Ready gold gained on balance As. 5 to close at Rs. 95-11, after touching a high of Rs. 96-1. In the case of gold also, the discount at which ready gold was quoted under forward narrowed down from As. 9 to As. 2. The floating stocks of gold are placed at 45,000 tolas. The daily average arrivals were 4,000 tolas, while the offtake was higher at 5,000 tolas.

In London, there was a fall in silver and gold prices during the week. Spot silver was marked down from 78¼d. to 78⅛d. and forward from 78⅛d. to 77⅞d. Gold declined to 249s. 2¾d. after rising from 249s. 3d. to 249s. 3¾d. In New York, silver was unchanged at 90½c.

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

	18-1-56	Highest	Lowest	11-1-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	95 11	96 1	94 11	95 6
Forward*	95 13	96 8	95 4	95 14
Sovereign	60 12	61 0	60 12	60 8
SILVER				
Ready (.996 fine Mint) ..	177 7	178 1	174 10	176 5
Forward†	177 13	178 13	175 8	176 15
London Silver Ready ..	78¾d.	78⅝d.	78⅛d.	78⅛d.
London Forward	77⅞d.	78⅛d.	77⅞d.	78⅛d.
London Gold	249s. 2¾d.	249s. 3¾d.	249s. 2¾d.	249s. 3¾d.
New York Ready	90½c.	—	—	90½c.

* 27th January settlement.
† 28th January settlement.
N.B.—Foreign bullion prices shown in the above table relates to the previous day.

SUGAR MOVES UP

From Our Own Correspondent)

BOMBAY, 18*th January*

Despite a fall of As. 12 per bag in the *ex*-mill quotations for Bombay-Deccan sugar, the sugar market ruled distinctly firm during the week under review. In view of the dislocation of traffic caused by the pro-*Samyukta* Maharashtra riots, the traders expected that arrivals of indigenous sugar for the City would be adversely affected in the next few days. Buying support ensued as a consequence and prices registered some improvement. Arrivals of indigenous sugar during the week aggregated 9,800 bags, as against 10,800 bags in the previous week.

In the spot section, B grade indigenous sugar moved up from Rs. 94-Rs. 95 to Rs. 94-Rs. 96 per bag. D grade sugar rallied As. 8 to Rs. 2, today's closing rate being Rs. 87½-Rs. 90. C grade sugar rose from Rs. 89-Rs. 91 to Rs. 89-Rs. 93 and A grade sugar from Rs. 95-Rs. 99 to Rs. 97-Rs. 99. British refined sugar was firm at Rs. 84 per 2 cwts., same as last week.

Fagan delivery contract for C grade sugar advanced from Rs. 92-1 to Rs. 92-9, but was quiet at Rs. 92-4 today.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

STALEMATE IN FORWARD COTTON

(From Our Own Correspondent)

BOMBAY, 18th *January*

Activity in the futures section of the cotton market continued to be greatly subdued during the week under review, pending the High Court's verdict on the East India Cotton Association's (E.I.C.A.) decision relating to forward trading; the verdict was announced only today. In fact, trading remained unofficially suspended in the first two sessions, as also today, thanks to rioting, following the agitation for retaining Bombay in *Samyukta* Maharashtra. I.C.C. February contract was throughout quoted nominally at Rs. 700, that is, the ceiling fixed by the E.I.C.A. Deals actually put through in May contract were very much restricted, as the operators refrained from entering into fresh commitments, owing to series of uncertainties. Over the week, the contract dropped Rs. 6, today's closing rate being Rs. 692.

The injunction plea against the E.I.C.A.'s declaration of emergency in the cotton market and its right to call for a squaring up of transactions has been rejected by Mr. Justice Coyajee at the Bombay High Court as being entirely untenable. The minutes of the meetings of the E.I.C.A. Board, according to the judgment, clearly showed that the Board had been considering this matter for a long time and that, when it came to the passing of the resolution, the Board had done so after the fullest deliberation. His Lordship added that the record showed that no threats had been held out by the Government to the Board, as alleged, and that it was not correct to say that the resolution was passed under threats from the Government. In the circumstances, the resolution of 6th January was valid.

Now that the legal issue has been settled, the Board of the E.I.C.A. has addressed itself to the task of fixing clearing rates. In the meantime, the report of the special sub-committee appointed by the Board recently to examine the question of commencing business in I.C.C. August contract has already been submitted. In this report, the Committee is understood to have recommended the lowering of the grade from "fine" to "fully good," in respect of the August contract, while keeping the staple length unchanged at 13/16". It is also said to have suggested reversal to the previous method of fixing room rates on the basis of forward prices, instead of on spot rates as is being done at present under the amended by-law 55.

The spot section of the cotton market continued to rule active during the major part of the week under review. Jarillas, Vijay, Wagar, and 320F and 216F Punjab styles met with sustained mill demand. Surti cotton also evoked good attention. Among exportable styles, purchases were confined chiefly to Wagad, Lower Jarillas and Moglai. Some deals were put through in Bengals, C.P. JI and *Deshi* varieties also. In the foreign section, Sudan cotton recorded a handsome improvement in prices on enquiries by buyers. Africans and Egyptians ruled fully steady.

The latest available quotations from the Sewri market are given below:

Bengal *Deshi* Rs. 650; Berar Jarillas Rs. 760; Khandesh Rs. 750; Vijay Rs. 890; Oomra *Deshi* Rs. 720; Moglai Rs. 640.

The firm trend noted in the Karachi cotton market last week continued unabated during the week under review. Inspired by renewed buying enquiries from both indigenous textile mills and overseas interests, operators were busy enlarging their commitments. The expectation that Pakistan cotton would attract more foreign buyers at present levels also led to sizable purchases. Cotton prices, as a consequence, registered further handsome gains. N.T. January delivery firmed up from Rs. 76-13 to Rs. 78 before closing at Rs. 77-6 per 82 lbs. March delivery spurted by As. 10 to Rs. 76-7; on the 11th inst., it had gone up to as high as Rs. 77-1. In the ready section of the market, interest was concentrated on some selected varieties. The latest available quotations for a few popular varieties of Pakistan cotton are given below:

Sind *Deshi* Rs. 68; Punjab *Deshi* Rs. 60-8; 4F Punjab R.G. Rs. 72-8; S.G. Rs. 77-8 to Rs. 79-8; L.S.S. Punjab R.G. Rs. 77-8; S.G. Rs. 82-8; N.T. R.G. Rs. 79-8 to Rs. 81; S.G. Rs. 83-8 to Rs. 85; 289F Punjab R.G. Rs. 81-8 to Rs. 82-8; S.G. Rs. 87-8 to Rs. 88-8.

Conditions akin to a boom prevailed in the Alexandria cotton futures market this week. Under the impetus of excellent export demand and tightening supplies of better grades, the speculative interests were busy making large purchases. Lower ideas of the Egyptian crop in the current season—the estimate is placed at 7.8 million cantars, as against 8.3 million cantars anticipated earlier—also imparted strength to the market. The buying spree that ensued as a result lifted up the prices of cotton. Premiums for spot Karnak cotton were firm and those for higher grades of Giza 30, moved forward. With a view to relieving the scarcity of Giza 30, the Egyptian Government recently offered for sale about 1,200 bales from its stocks of 1954-55 crop. But, as the minimum prices fixed by the Government were not obtainable, the entire quantity (excepting one lot) had to be withdrawn.

The following are the latest available quotations—in tallaris per lb.—(figures in brackets relating to last weeks' closing rates) from the Alexandria cotton futures market:

Karnak: January 84.10 (91.10) and March 82.15 (79.35); *Ashmouni*: February 60.80 (59.45), and April 61.10 (59.84).

Aided by firm advices from Alexandria, the offtake of Sudan cotton was very good. Practically all the private estate cottons are reported to have been sold. No official report on the progress of

new crop cotton is available. Reliable private information, however, indicates that everything is normal and that acreage is almost the same as that in the previous year. The first public auction of Sudan cotton is expected to start some time towards the end of March next.

The Liverpool cotton futures market ruled steady, in contrast to the easy tone which prevailed last week. The steadiness was due to reports that only about 18,000 bales of surplus cotton were sold by the U.S. authorities at 25.50 cents to 28.00 cents, basis middling 15/16". Some buying support was, therefore, in evidence and cotton prices staged a recovery. The recovery would have been more marked but for rumours that the U.S. Congress would step up the quantum of cotton to be sold abroad at competitive prices to 2.5 million bales, or even more, as against 1.0 million bales fixed at present. Yesterday's closing rates (in pence per lb.) of cotton futures at Liverpool are given below:

Old contract: March-April 24.90; May-June 24.15; July-August 23.75. *New contract*: May-June 28.54; July-August 27.20; October-November 25.34; December-January 24.80. *Egyptian Karnak contract*: January-February 41.45; March-April 42.30; May-June 42.55; July-August 42.55.

The New York cotton futures market exhibited a firm trend during the week under review, although there was a reaction yesterday. The chief factor which imparted strength to the market was the President's message to Congress on farm programme which contained measures designed to prevent accumulation of cotton surpluses. The details of the measures have been analysed in detail elsewhere in this issue. Briefly, the measures are: (1) A soil bank plan. It is understood that this plan would provide that a farmer who voluntarily co-operates with the Government by cutting his allotted acreage would be given the choice of receiving from the Government surplus stocks, cotton of the type grown by him, or alternately, to receive payment in cash; (2) amendment to provide that the average grade in quality of the cotton crop be utilised for parity price computation; and (3) replacement of acreage allotments on cotton with quantity allotments beginning with 1957 crop. The above message induced operators to extend their commitments and, consequently, prices of cotton tended to move up. Yesterday, however, there was a slight reaction on account of profit-taking.

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

(In cents per lb.)

	17-1-55	10-1-56	3-1-56
Spot	34.80	35.20	35.00
March	34.04	34.12	33.88
May	33.45	33.62	33.20
July	32.18	32.40	31.70
October	30.43	31.07	30.09

YARNS EASY

(From Our Own Correspondent)

BOMBAY, 18*th January*

The yarn market ruled easy this week too. The staple fibre yarn section experienced considerable selling pressure induced by fears of accumulation of large stocks in the coming weeks. These fears stemmed from expectation of a marked increase in production, in the wake of lower offtake by consuming centres. The expectation was based on reports that the Government of India has decided to permit cotton mills to employ 15 per cent. of the installed capacity or 10,000 spindles, whichever was higher, instead of 10 per cent. or 5,000 spindles hitherto, to spin staple fibre yarn. Operators, therefore, were eager to reduce their commitments, while buyers were reserved in anticipation of a further fall in prices; consequently, staple fibre yarn values tended to look down. Business in rayon yarns was on a limited scale, with values staging a retreat. For traders did not evince much interest in fresh business, as they preferred to await the exact details of the bulk purchase of Italian yarn worth Rs. 40 lakhs recently made by the Silk and Art Silk Mills Association Ltd., Bombay. There were, besides, heavy arrivals of imported yarns in the past few weeks and continued pressure of deliveries from a local producer in 150 deniers first and second quality bright cones. Activity in cotton yarns, too, was restricted, thanks to uncertainty with regard to the future trend of cotton prices.

In the staple fibre yarn (40×2) section, Kohinoors were subjected to selling pressure and dropped 21 pipes to Rs. 4-1-6. Citys fell by 15 pies to Rs. 4-1-6. Centurys and Sitarams eased by 3 pies to Rs. 3-15-6 and Rs. 3-15, respectively. Vasantas lost a like amount to Rs. 315. Hinds were neglected at Rs. 3-15.

Snia rayon yarn (120 dull cones) for February delivery slipped by Rs. 7 to Rs. 795. April delivery receded by Rs. 3 to Rs. 805. Among spot indigenous yarns, National Rayons 120 Bt. cones I grade declined by three pies at Rs. 3-12. 150 Bt. cones I grade was quiet at Rs. 3-8-9. Among foreign yarns, 150 Japan was dull at Rs. 3-15, as also 120 Italy at Rs. 4-1. 150 Italy, however, elicited some special support and rose by half an anna to Rs. 4-0-6. 120 Japan was also favoured a little higher at Rs. 4-4-9.

The Board of the Silk and Art Silk Mills' Association Ltd., Bombay, has finally accepted the tender from Italy for the bulk purchase of rayon yarn worth Rs. 40 lakhs. The Board had sometime ago invited tenders for the bulk supply of art silk yarn of various deniers (excluding 120 and 150 bright), against a licence of Rs. 40 lakhs issued to the Association. Eight suppliers had submitted their tenders, three from Japan, two from France, and one each from Holland, England and Italy. After going through the prices quoted by these suppliers, the Board has finally accepted the tender from Italy, as the prices were found to be the lowest, taking into consideration all the counts, qualities and packings. The range of various deniers of yarn to be supplied will, it is said, be from 45 to 300 in all qualities, excluding 120 and 150 of bright finish.

Barring superfine counts (80s) which remained firm, the cotton yarns suffered a fall in values. Ten counts Moderns decreased by As. 2 to Rs. 13. Elphinstones lost an anna to Rs. 12-7. There was a decline of one anna in the quotation for Raghuvamshis (20s) which declined to Rs. 16-11. Maduras were unaltered at Rs. 17-12. Among 40s, Minaxis dropped As. 2 to Rs. 25-8. Centurys were done at Rs. 26-8, same as last week. Deals in 60 counts Finlays were put through As. 2 lower at Rs. 59-4. Maduras were quiet at Rs. 44-8. Thirty counts Sitarams were throughout dull at Rs. 18-14. Eighty counts yarns, as already stated, were firm. Finlays being quoted at Rs. 70 and Elphinstones at Rs. 61-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	18-1-1956	11-1-1956	4-1-1956
	Rs. a.	Rs. a.	Rs. a.
Art silk yarn (per case of 200 lbs.)—			
120 Dull Cone Sala February	795 0	802 0	804 0
April	805 0	803 0	810 0
120 Japan (per lb.)	4 4½	4 4½	4 3½
150 Japan (per lb.)	3 15	3 15	3 14½
120 Italy (per lb.)	4 1	4 1	4 1
150 Italy (per lb.)	4 0½	4 0	4 0½
Staple fibre yarn (per lb.)—			
40×2 New Great	4 1	4 1	4 1
40×2 Kohinoor	4 1½	4 3½	4 3
40×2 City	4 1½	4 2½	4 2½
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	13 0	13 2	13 0
20s Hind	16 1	16 0	16 2
30s Sitaram	18 14	18 14	18 14
40s Minaxi	25 8	25 10	25 10
60s Madura	44 8	44 8	45 0
80s Finlay	70 0	70 0	70 0

GROUNDNUTS BETTER

(From Our Own Correspondent)

BOMBAY, 18*th January*

The performance of the oilseeds market was relatively better than in the last week. Contrary to expectations, the three-day linguistic riots in the city did not have any adverse effect on the trend of the market. The groundnut section put on an upward trend on small arrivals and good demand from consuming countries in the country in the face of paucity of stocks. The castorseeds section ruled firm in expectation of revival of substantial export demand for castoroil from the U.K. and the Continent, not to speak of the U.S. The linseed section, however, exhibited generally a mixed trend on conflicting reports regards overseas enquiries for linseed oil, especially from the U.K. The prices of oilseeds and oils, in the market as a whole advanced and registered modest gains over the week. Business done during the week was encouraging enough.

The Karmahom Liners' Conference has announced an increase of 10 per cent. in freight rates on the Indo-Pakistan-U.K.-Continent run and *vice versa* from 1st March next. This is bound to affect adversely exports of vegetable oils from India to the U.K. and the Continent.

In the groundnut section, Bold ready advanced from Rs. 28-12 to Rs. 29-4. February-March delivery gained As. 9 to Rs. 29-7. Coromandals ready were enquired at As. 10 higher at Rs. 29-6, and Khandesh quality As. 12 higher at Rs. 29-8. Groundnut oil was better at Rs. 15, as against Rs. 14-12. February and March deliveries changed hands at Rs. 15-1 and Rs. 15-3 as against Rs. 14-14 and Rs. 15-1, respectively.

February-March delivery, in the linseed section, gained As. 2 to Rs. 30-2, while Bold ready lost As. 4 to Rs. 30. April-May delivery was better by As. 2 at Rs. 29-2 and Small Sutna by As. 4 at Rs. 28-8. Linseed oil, however, lost As. 4 to Rs. 18-2.

In the castorseed section, May delivery opened the week at Rs. 118, as compared with Rs. 117-8. After declining to the week's lowest level at Rs. 112-8 on the same day, it advanced rather gradually to Rs. 122-4 on the 16th inst., the peak of the week. Finally, it closed today a shade lower at Rs. 120-10, thereby making a gain of Rs. 3-2 over the week. F.A.Q. put on As. 10 to Rs. 22-8 and Madras quality As. 12 to Rs. 23-8. Kanpur ready gathered Re. 1-6 to Rs. 22-6. Castoroil, commercial quality, rallied As. 2 to Rs. 12-14 and B.S.S. an anna to Rs. 13-14.

Among others, *kardi* bold was quiet at Rs. 16-8, while *niger* Madras was up by As. 14 at Rs. 25-2.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of 11th and 4th January 1956.

	18-1-1956	11-1-1956	4-1-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	29 8	28 12	29 10
December-January	29 4	28 12	29 6
February-March	29 7	28 14	29 11
Linseed—			
Bold Ready (per cwt.) ..	30 0	30 4	31 8
February-March	30 2	30 0	31 6
Castorseeds—			
May	120 10	117 8	122 0
Madras (per cwt.)	23 8	22 12	23 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	15 0	14 12	15 0
Castor Oil—			
Commercial (per quarter) ..	12 14	12 12	13 4
Linseed Oil—			
Ready	18 2	18 6	18 6

CEREALS ADVANCE

(From Our Own Correspondent)

HAPUR, 16*th January*

The foodgrain market depicted steady to firm trend during the week and gains were recorded in the prices of all cereals. Wheat prices touched a peak of Rs. 15 per maund for average quality and farm quality was transacted at Rs. 17. Offtake during the week aggregated 10 *khaties*, mostly to millers of Delhi and for day-to-day requirements locally. Wheat stock is now put at 60 *khaties*. Wheat prices appreciated in other markets also and, in the Punjab, price of average quality was quoted at Rs. 14-8 per maund. The Punjab Government has released 10,000 tons of wheat for sale at a fixed rate, in order to check the rising prices and has further requested the Centre to make 20,000 tons of wheat available to flour mills all over the State. The U.P. Government is reported to be keenly watching the price trend; it has requested the centre for the release of their wheat stock lying in the State which was purchased in pursuance of the price support policy.

Prices of rice ruled quiet during the week, as supply position continues easy. The Government is selling a part of its huge stocks by auction and export of rice has also considerably increased in recent months. India exported about 108,000 tons of rice during the last 14 months, following the permission given by the Centre after 12 years in November 1954. Another 50,000-60,000 tons are likely to be exported in the next three months.

Heavy offtake by east U.P. centres accounted for a hardening tendency in gram, the prices of which rose by As. 8 to Rs. 10-8 for local quality and to Rs. 11 for Punjab quality. The stock is now put at 18 *khaties*. Good seasonal demand and poor stock position led to an improvement in maize and *bajra* prices to Rs. 11 and Rs. 10-12 per maund, respectively. Other coarse grains also recorded fractional gains in all sections.

Following good rainfall reports and better crop prospects, peas and *arhar* were quiet in the early part of the week, but in the week-end registered a firm trend influenced by bullish advices from foodgrain prices. Peas *dara* was today transacted at Rs. 9-8 and white quality at Rs. 10-6 per maund and peas stock ran down to 12 *khaties*. *Arhar* prices were quoted at Rs. 13-8 per maund and stock is estimated at 9 *khaties*. Other pulses ruled quiet at almost unchanged levels.

Pulses futures also recorded an increase influenced by prices in the ready section. The latest quotations on Monday were: Peas *jeth* Rs. 8-2-6, peas white (gram) *jeth* Rs. 8-10-6, *maha* Rs. 10-9, *arhar jeth* Rs. 10, *urd magh* Rs. 15-4-6.

BETTER DEMAND FOR DUST TEAS

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 12*th January*

Approximately 730,000 lbs. of dust were on offer in Dust Sale 'A' which was held on Tuesday, 10th January. There was a much better demand which improved as the sale progressed. Milled dusts, and, in particular, powdery descriptions sold well at rates which were As. 2 to As. 3 dearer. Clean black leaf dusts met with some competition and best liquoring types were slightly dearer.

London Market.—Sale of 9th January 1956.—Market fully firm with any change in price usually in sellers' favour.

Sale of 10th January 1956.—Market fully firm, except B.O.P. Fannings irregular.

Colombo Market.—Sale of 9th January 1956.—Poor liquoring and stalky kinds lower, others strong demand dearer, particularly, useful quality. Grainy dusts dearer.

Sale of 10th January 1956.—Strong general demand. Highgrowns and mediums generally dearer, following improved quality. Middle East types also dearer.

Calcutta Market.—Export.—Offerings 58,900. Good general demand, though rather quieter tone than last week. Fannings price tea and tippy types strongest features.

Internal.—19,700 dust. Good general demand. Black middle East strongest. Medium Dooars and best C.T.C. firm to dearer. Medium Assam grainy tended easier. 1,500 internal leaf. Good general demand one anna to As. 2 dearer.

Export Quota.—Business has been done at 18 pies and there are small buyers at this figure.

Forthcoming auctions.—Dust Sale 'B' will be held on Tuesday, 24th January.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"*Sale* 2.—1,350,000 lbs. Very much better. All-round demand. Common sorts steady. Low mediums and mediums As. 2 to As. 3 dearer, particularly fannings. Best liquoring very strong and higher in price according to quality."

HEAVY DEMAND FOR COW HIDES

(From Our Own Correspondent)

KANPUR, 15*th January*

Irregular conditions prevailed in the hides and skins market during the week under review. While there was a slight fall in the prices of buff, the main category of wet salted cow tended to move up on heavy demand. Both goat and sheep evoked good buying support. The main purchasers were the local tanners and Madras dealers. Fresh arrivals was considerable.

The latest available quotations are: Wet salted cow, 1st grade Rs. 360, 2nd grade Rs. 290 to

(Continued on next page)

LOW-COST HOUSING

By G. J. Mylne B. Arch, A.R.A.I.A.

IN almost every country in the world today, the search is going on for simpler and cheaper house-building methods, more particularly for materials which are readily available and cheap and which can be used successfully by the people who are to live in the houses, without any special knowledge or technical skill. So far, no magic formula has been found, but the use of earth, with a simple additive and a minimum of equipment, can give quite remarkable results in this field.

Stabilised soil in finished walls looks and acts very much like rather soft sandstone. The success or failure of the material depends very largely on the selection of a suitably "balanced" soil, that is to say, one which comprises the correct proportions of light sandy particles, on the one hand, and/or heavier clayey components, on the other. In many areas, suitable soils are available right on the building site and can be used just as they are dug. In others, it is sometimes found necessary to mix the local soil with sand or with clay as the case may be, to achieve the required texture. Preparation of the materials is relatively simple. The soil is dried and pulverised and then a previously calculated proportion of dry cement is added (usually not more than 5 per cent. by weight), after which the material is ready to be damped and made into blocks for immediate use or for storing ready for future operations. The presence of gravel and small stones up to one inch in diameter in the soil is usually no disadvantage.

The blocks are made either by hand-ramming in simple wooden moulds or by a small hand-operated mobile block-making machine. Alternatively, the walls can be built monolithically, using a simple but ingenious wooden clamp mould which is moved along the wall on its own in-built rollers as the work progresses.

In very small orthodox brick or timber houses, the construction of the walls constitutes anything from 25 to 50 per cent. of the total cost of the building in terms of labour and material. This percentage varies according to the design of the building and the material used. The savings to be achieved by using soil as a structural material thus become immediately obvious, particularly as the owner can make and erect the blocks himself in his spare time or during slack periods between the sowing and harvesting of his crops.

Advantages Many

Soil building can often largely eliminate transport costs. The walls are cool, fire-resistant and termite-proof. Moreover, once the building process has been demonstrated by an expert, any layman can build for himself except for such operations as roofing and the installation of plumbing, water and electricity supply, which in any case require special skills. The appearance of the finished job can be most attractive, the walls being finished either with a cement paint or with plaster to give them special texture and additional water-proofing qualities.

The United Nations, through the Technical Assistance Administration, has contributed substantially in recent years to the development of this new technique of low-cost housing. Experiments and pilot projects have been carried out by United Nations experts in a number of countries, including Burma, Ceylon, India, Indonesia and Israel. The United Nations Korean Reconstruction Agency has adopted the method in its reconstruction programme in war-ravaged South Korea and some thousands of small houses have already been built with stabilised earth walls and floors.

The use of rammed earth (pisé) is actually a very old building method and, in some South American countries, even cathedrals have been constructed in this way. The useful life of pisé houses in Peru is claimed to be not less than 100 years. In countries with heavy rainfall and more humid climates, it has been found necessary to add cement, bituminous emulsion or other stabilising agents to give the rammed earth greater resistance to moisture. Portland cement is generally used, as it also increases the bearing strength of the walls. In India, the authorities have developed a plaster for external wall facing composed of soil stabilised with a special "slow breaking" bituminous emulsion. The use of this preparation holds out great promise for inexpensive improvement to India's 54 million mud-dwellings, as it renders them proof against erosion by wind and water. The proportion of cement stabiliser varies with climatic conditions from as low as nothing in very dry areas to 10 or 12 per cent. in some coastal areas, subject to torrential monsoon rains. A proportion of 5 per cent. of stabiliser is usually found to be sufficient and this quantity is seldom beyond the financial reach of the small home-builder.

United Nations experts are agreed that the use of this new soil building technique has a great future. In Asia, the United Nations Economic Commission for Asia and the Far East (E.C.A.F.E.) has devoted considerable attention to housing problems in the last few years, especially to problems of low-cost housing. A technical study dealing with soil stabilisation was prepared by the Secretariat and distributed to Governments; it has aroused considerable interest. Two regional housing research centres which came into existence at the suggestion and with the co-operation of E.C.A.F.E. are now functioning in India and Indonesia. Both centres are engaged in research in the field of soil stabilisation as applied to the provision of more and better houses for the lower income groups of the population.

MARKET REPORTS

(Concluded from previous page)

Rs. 310 and 3rd grade Rs. 160 to Rs. 170 per score; wet salted buff, 1st grade 2 lbs. 2 ozs. and 2nd grade 2 lbs. 4 ozs. per rupee; goat, 1st grade Rs. 325 and 2nd grade Rs. 275 per 100 pieces; sheep, 1st grade Rs. 225 and 2nd grade Rs. 175 to Rs. 200 per 100 pieces.

KIPS QUIET

(From Our Own Correspondent)

MADRAS, 16*th January*

The kip market ruled quiet, due to restricted inquiries from the U.K. Arrivals were fair and clearance moderate. In view of poor U.K. demand, shippers were able to buy cheaper, especially light and heavy weight cow hides. There were good inquiries for cow calf top marks and for buff calf thirds selection, but buyers were not keen to follow the prices demanded at origin. Market for buff hides was firm, due to good inland demand.

In the tanned skins section, arrivals of common tannages were small and offtake by shippers good. Prices advanced by As. 2 to As. 3 per lb. Inquiries from the Continent for common sheep were brisk.

The next London tanned skins public sales will take place on the 23rd inst. when 470,000 tanned goat and 420,000 tanned sheep skins will be available for sale. It is believed that prices will remain steady to firm.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, 16*th January*

The linseed market remained firm during the week, although turnover was small. Sellers were very reserved, owing to poor arrivals and scanty offerings from the centres. There was good demand from crushers for both ready and forward deliveries, but little business resulted. The oil market ruled firm with good enquiries from both local and overseas buyers. Sellers were rather reserved. Latest quotations are: January Rs. 23 and April-May Rs. 20-6 per maund.

(Concluded from page 113)

Institute. The E.R.M.A. is so efficient that it will reduce by about 80 per cent. the time required to take care of checking accounts. Staff members who are freed by the machine will be assigned to other jobs "to provide greater service for our customers and the public," Mr. Beise said. The E.R.M.A. sorts cheques by reading magnetised numbers, credits individual accounts with deposits and subtracts withdrawals, accepts "stop payment" and "hold" orders, catches the impending overdrawing of accounts, and keeps customers' balances always up-to-date and available. When a customer's monthly statement is required, the E.R.M.A. will figure the bank's service charge and will produce a complete printed record of deposits, withdrawals and balances for the month at the rate of 600 lines a minute. This speed is to be increased. Nine operators are required. Five will sit at keyboards and feed incoming cheques and deposit slips into the machine. The others will operate a cheque sorter and supervise details. The key to the E.R.M.A.'s operation is the use of magnetic ink numbers on the cheques. Each number has eight digits. Three identify the Bank's branch. The last five identify the customer. This information is "read" by the automatic bookkeeper. The steps taken by the E.R.M.A. are as follows:

Assume that Mr. John Doe writes a $100 cheque to pay for purchases at a department store in San Jose, California. This, with hundreds of other cheques, finds its way to the branch of the Bank of America at Hester, California, where the E.R.M.A. is installed. A pile of cheques is given to a girl at one of the five keyboards for processing. She comes to Mr. Doe's cheque. The E.R.M.A. at this time scans the cheque and knows, because of the five digits printed with magnetic ink, that it is Mr. Doe's cheque. But the machine cannot read the amount because it is not written in magnetic ink. Nor can it tell whether it is a cheque or a deposit slip.

The keyboard operator, therefore, presses keys to show that the amount is $100. She also presses a "debit button" to tell the machine that it is receiving a cheque, not a deposit slip.

Now, what does the E.R.M.A. do with this information? It looks first for Mr. Doe's credit balance. This is stored on a magnetic drum which turns constantly at 32 revolutions a second. On the drum's surface is resin containing millions of tiny particles of iron oxide. Three hundred invisible parallel tracks, divided into minute sections, run around the drum. It is capable of storing 500,000 separate numbers. If Mr. Doe had a balance of $300 before the $100 cheque was received, the drum would record the balance as $200. If more than $300 worth of his cheques should be processed, the E.R.M.A. would turn on a light to show the operator that there was an overdraft. The operator would call a supervisor's attention to this fact.

SURVEY

(Concluded from page 111)

necessary to preserve their independence against Communist threats and enticements. For our assistance to be as effective as possible, it must be based upon a realistic appraisal of potentialities for economic development and a careful determination of priorities among the many pressing needs in the less-developed areas. My recommendations for the Mutual Security Programme include funds for continuing selective loans and grants to certain less-developed countries following experience gained in past years."

Mr. Eisenhower also recommended continuation of world-wide technical co-operation programme at a slightly increased level. Technical co-operation, he said, was an indispensable element in the successful attack now being made on the basic problems of hunger, disease, and illiteracy. Through the efforts of American experts working in co-operating countries and by the training of foreign technicians in the United States, the knowledge and experience of our people were being shared in a co-operative effort to solve fundamental problems in health, education, public administration, agriculture, and industry which confronted less-developed countries. "By these means, we are," to quote him, "helping to provide the skills which are required for economic development. In addition to continuing our own technical co-operation programme, by recommendations provide for our annual contribution to the expanded technical assistance programme of the United Nations and to the similar work of the Organisation of American States. ... The Export-Import Bank is assisting in the expansion of international trade and investment through direct loans and guarantees of private loans. Its loan and guarantee commitments are estimated at 960 million dollars in the fiscal year 1957, an increase of 225 million dollars over the previous year."

The continued interest which the U.S. Government has been showing in the development of the economically backward regions deserves all praise. Nevertheless, it must be stressed that Government aid should, if it is to prove more effective, be supplemented by increased flow of private American capital to less-developed countries. But the private interests in the U.S. are somewhat chary of investing their funds in these countries for fear of loss on account of expropriation or inconvertibility of foreign currencies. Mr. Eisenhower did well, therefore, to suggest a review of the existing legislation to determine how the investment guarantee programme could be expanded. Under this programme, the U.S. investors may be guaranteed against loss of their foreign investments or earnings through expropriations or inconvertibility of foreign currencies. He did well also to stress the need for encouraging investment overseas by avoiding unfair tax duplications and for fostering foreign trade by further simplification and improvement of U.S. customs legislation.

"WOOL, HOSIERY AND FABRICS"

Messrs. John Worrall Ltd. (Oldham, England) have just brought out the 1956 edition of their publication *India and Pakistan Wool, Hosiery and Fabrics* (Agents in India: Messrs. Brady & Co., Ltd., Brady House, 12/14, Veer Nariman Road, Bombay 1. Price: Rs. 7). Like its predecessors, the latest edition gives a comprehensive and authoritative review of the developments in the different sectors of the wool economy of India and Pakistan. The publication contains several interesting articles covering woollen fabrics. Mention, for instance, may be made of the article on adaptability of rayon in woollen industry and some characteristics of wool fabrics. The publication also contains up-to-date information and statistics pertaining to raw wool production, classification, marketing, import and export, yarn production, knitting and manufacturing and processing. The directory sections of the wool, felt, hosiery, carpet, jute and linen mills have been revised and brought up-to-date, as also the list of wool merchants and firms in India and Pakistan. The utility of the publication is further enhanced by the revision of the lists relating to trade associations and organisations, Indian Government trade representatives abroad, and Pakistan trade offices in overseas countries, inclusion of a classified buyers' guide, illustrated lists of advertisers' trade marks and designs, and alphabetical lists of trade and brand names.

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	6th Jan., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172 37	1,385.71	1,361.98	1,350.87	1,200.48
Notes held in Banking Department	2 05	11 60	12 94	7 87	15.80
Foreign Securities	59 50	691 91	686 86	647 07	663.15
Rupee Securities	37.39	588.55	538 67	563.52	427.69
Banking Department					
Deposits of—					
Government of India	14.89	54 11	54 01	60.14	52.96
Other Governments		9.73	10 62	7 46	11 10
Balances held abroad	10.08	43.40	43.30	55.99	66.90
SCHEDULED BANKS					
Demand Liabilities	134.36	614.63	614 48	615.68	571.81
		(5 06)†	(5 22)†	(12 15)†	(10.75)†
Time Liabilities	103.24	413 33	413 40	422.35	367.34
		(4 17)†	(5 34)†	(6.21)†	(3.17)†
Borrowings from Reserve Bank	..	20 84	30.02	11.90	6.68
		(14.62)‡	(18.86)‡	(7.05)‡	(3.35)‡
Borrowings from State Bank	..	9.84	7 23	6.94	3.53
Cash in India	6.70	83.27	83.06	84.46	32.79
Balances with Reserve Bank	25.17	50.48	60.17	57.28	63.41
Excess over statutory limits	15.52	11.49	21.03	18.05	27.48
Balances with other banks in current account in India	..	11.53	14.35	10.41	10.82
Money at call and short notice in India	..	8.35	10.50	21.49	18.83
Investments (at book value)	..	382.93	385.05	393.52	349.04
Advances and bills	106 09	652.00	631.45	603.90	551.52
STATE BANK					
Deposits	87.76	223.89	222.30	222.57	230.54
Investments	91 99	116 64	118 37	118 26	109.27
Advances	80 85	109 62	109 31	96 54	103.73
Cash	14 69	17.97	21 62	24 87	35 03

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	Week ended 13th January, 1956		Week ended 6th January, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,38,893	69,56,15,000	2,19,456	48,79,48,000
Calcutta	Nil	Nil	Nil	Nil
Madras	93,688	9,23,78,156	60,622	7,07,85,488
All Centres—				
1953-54*	..	..	2,569 000	5,595,400 000
1954-55*	..	..	2,885,000	6 041,200,000
Oct., 1955	..	..	3,431,000	6,86 80,00,000
Nov., ,,	..	..	3,720,000	7,50,92,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 13th Jan., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
Deposits:—	
(a) Government—	
(1) Central Government	52,11,29,000
(2) Other Governments	8 46,19,000
(b) Banks	55,06,30,000
(c) Others	15,33,41,000
Bills Payable	12 37 78,000
Other Liabilities	28,76,31,000
Rupees	182,61,84,000

ASSETS	Rs.
Notes	13,00,25,000
Rupee Coin	6,46,000
Subsidiary Coin	5,70,000
Bills Purchased and Discounted—	
(a) Internal	45,50,000
(b) External	
(c) Government Treasury Bills	13,24 91,000
Balances held abroad*	43,98,05,000
Loans and Advances to Governments	3,58,00,000
Other Loans and Advances	43 48,14,000
Investments	51,58 81,000
Other Assets	15 17,52,000
Rupees	182,61,84,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 14,88,00,000 advanced to scheduled banks against usance bills under Section 17 (4)(c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 3,57,00,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13 00 25,000	
Notes in circulation	1388,74,95,000	
Total Notes issued		1401,75,20,000
Total Liabilities		1401,75,20,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	691,90,97,000	
Total of A		731,92,68,000
B. Rupee Coin		106,30,33,000
Government of India Rupee Securities		563,51,69,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1401,75,20,000

Ratio of Total of A to Liabilities: 52 215 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 6th Jan., 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	5,06,84,000
(ii) Other demand liabilities	609,56,51,000
2. Time Liabilities in India	
(i) Borrowings from banks other than the State Bank and a notified bank †	4,16,50,000
(ii) Other time liabilities	409,16,84,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	9,84,48,000
(ii) Time liabilities	
4. Cash in India	88,26,56,000
5. Balances with the Reserve Bank in India	50,47,32,000
6. Balances with other banks in current account in India	11,52,55,000
7. Money at call and short notice in India	8,35,01,000
8. Investments(at book value) in India in Central and State Government securities (including Treasury Bills and Treasury Deposit Receipts	382,93,12,000
9. Advances in India	626,06,87,000
10. Inland Bills purchased and discounted in India	76,56,37,000
11. Foreign Bills purchased and discounted in India	48,14,49,000

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

EXCHANGE RATES*

	10th January 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot. s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months .. s.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months .. s.	1-6 1/4	1-6 1/4
Buyers T.T. 10 to 12 months	1-6 1/4	1-6 1/4
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	477 1/2	477 1/2
Buyers T.T. .. Rs.	473 1/2	473 1/2
London on New York .. $	2.80 1/2-2.80 5/8	2.80 1/2-2.80 5/8
London on Paris .. Fcs.	983-983 1/2	982
London on Berne .. Sw. Fcs.	12 24 1/2-12 25	12 25 1/2-12 25 1/2
New York on London .. $	2.80 1/2-2.80 5/8	2.80 1/2-2.80 5/8

NATIONAL INCOME*

Country	Year	Population (in millions)	National income (In millions)		In terms of rupee (Crores)	Per capita income (Rs.)
India†	'53-'54	378 27	..	..	10,600	284
Pakistan	'53-'54	78 81	..	..	1,931	245
Burma	1953	19 05	Kyats	2,928	392	206
Ceylon	1953	8 16	..	..	441	540
Japan	1953	86 70	Y.	5,965,000	7,890	910
Philippines	1953	21 02	Ps.	7,375	1,654	787
New Zealand	1953	2 06	£ (N.Z.)	727	969	4,727
Australia	1953	8 33	£ (A)	3,714	4,127	4,900
U.K.	1953	50 86	£	14,719	19,625	3,858
U.S.A.	1954	162 41	$	300,000	144,423	9,016
Canada	1953	14 78	$	19,048	9,407	5,585
France	1953	43 86	Fr.	16,470,000	14,420	3,364
W. Germany	1953	48 99	Dm.	108,000	11,705	2,389
Italy	1953	48 07	Lr.	9,967 000	6,835	1,421
Norway	1953	3 46	Kr.	17,192	3,422	9,425
Sweden	1953	7 17	Kr.	26,957	3,422	4,772
Netherlands	1953	10 49	Grs.	19,350	3,451	3,286
Denmark	1953	4 27	Kr.	22,915	1,580	3,616
Switzerland	1953	4 88	Sw.Fr.	20,500	2,236	4,584

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : United Nations Monthly Bulletin of Statistics, March, 1955.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 6th Jan., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	13,22,57,000
(b) Provincial Governments	50,72,000
(c) Banks	11,74 22,000
(d) Others	21 74,82,000
Bills Payable	8 13,000
Other Liabilities	5,48,67,000
Rupees	58,79,13,000

ASSETS	Rs.
Notes	9,09,52,000
Rupee Coin	9,000
Subsidiary Coin	8,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,07,53,000
Loans and Advances to Governments	1,01,00,000
Provincial Governments' Debtor Balances	1,71,39,000
Other Loans and Advances	17,14,15 000
Investments	18 80,30,000
Other Assets	9,94,58,000
Rupees	58,79,13,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,09 52,000	
Notes in circulation	282,01,84,000	
Total Notes issued		291,11,36,000
Total Liabilities		291,11,36,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion		
Sterling Securities	80,00,28,000	
Government of India Securities	26,53,67,000	
Indis Notes representing assets receivable from the Reserve Bank of India	43,11,81,000	160,85,34,000
B. Rupee Coin	1,92,70,000	
Government of Pakistan Securities	122,43,26,000	
Internal bills of exchange and other commercial paper	....	124,35,96,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06 000
Total Assets		291,11,36,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.16 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1 4 Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	5
Bolivia	20th Sept. 1950	5	6
Canada	19th Nov., 1953	2½	2½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st A vil, 1946	4	3
Ireland	25th May, 1955	3½	3
Italy	6th April, 1950	4½	4
Japan	9th Aug., 1955	5.84	7.3
Mexico	4th June 1942	4	4½
Netherlands	7th April, 1953	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	1st Jan., 1954	4	4½
Pakistan	15th Nov., 1951	3	3½
Peru	11th Jan., 1952	5	6
Portugal	13th Nov., 1947	6	5
South Africa	29th Jan., 1944	3	2½
Spain	1st July, 1954	4	4½
Sweden	25th May, 1955	3½	3½
Switzerland	19th April, 1945	2½	2½
Turkey	28th June, 1955	4	11
United Kingdom	24th Feb., 1955	3	4½
U.S.S.R.	1st July, 1954	3	4
U.S.A.	18th Nov., 1955	2½	2½
West Germany	4th Aug., 1955	3	3½

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.

	October,		Seven months, April to Oct.,	
	1954	1955	1954	1955
Import Duties:				
Revenue	9 60	8 71	66 86	64 51
Protective	0 62	0.95	4.32	5 72
On surplus disposals	..	0.02	0 09	0 07
Total import duties	10.22	9 68	71 27	70.31
Export Duties	2 93	3 04	16 43	21 17
Land Customs	0 23	0 07	1 05	0 50
Miscellaneous	0 11	0.05	0 55	0 41
Gross total customs	13 49	12 84	89.40	92 39
Refunds and drawbacks	0 08	0 23	0 74	1 55
Net Customs	13 41	12 61	88 66	90 84
Gross excise	8 80	11 09	58 26	85 50
Refunds	0 25	0 46	0 98	ż 86
Net Excise	8 55	10 63	57 28	82 64
Net total of customs and excise†	21.96	23 24	145 94	173 48

† Not Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 6th Jan., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	223,88,71,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	80,00,000
Bills Payable	.. ..	7,63,43,000
Bills for Collection being Bills Receivable as per contra	.. ..	47,59,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	12,83,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	4,00,75,000
Total ..	Rs.	248,90,81,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	.. ..	13,47 25,000
Balances with other Banks	.. ..	4,50 02 000
Money at Call and Short Notice	.. ..	66,07,000
INVESTMENTS:		
Government and other Trustee Securities	.. 107,95,82,000	
Other Authorised Investments	.. 9,08,92,000	116,64,24,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	.. 91,39 11,000	
Bills Discounted and Purchased	.. 17,77,55,000	109,61,66,000
Bills Receivable being Bills for Collection as per contra	.. ..	47,59,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	.. ..	12,83,000
Premises less Depreciation	.. ..	1,15,87,000
Furniture and Fixtures less Depreciation	.. ..	47,17,000
Other Assets (including Inter-Office Adjustments)	.. ..	2,25,01,000
Total ..	Rs.	248,90,81,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖									
	National Savings Certificates					Savings Bank Deposits	Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits. Outstandings@	2½% Ten-Year Treasury Savings Deposit Certificates		10-Year National Plan Certificates ‡	
	5-Year†		7-Year ††		12-Year						
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6 83	65	3 26	23 64	84.17	1,18.35	92.08	— 31.07	7 44	27.64	..
1953-54	5 91	1.50	4.95	26.54	1,04.29	1,17.97	1,06.29	— 24.19	6.64	23.11	..
1954-55	4.70	1.08	4.90	27.30	1,24.54	1,33.76	1,30.57	— 26.38	5.57	27.15	7.403
October 1954 ..	5.16	11	4 57	1.89	1,15.09	8.96	1,14.98	— 25.50	42	26.28	1.80
November ,, ..	5.06	12	4.64	2.35	1,16.76	10.54	1,16.31	— 25.80	43	26.71	1.83
December ,, ..	4.96	11	4.66	2.34	1,18.40	11.36	1,18.56	— 26.06	40	26.96	87
January, 1955 ..	4.82	14	4.76	2.49	1,20.28	10.51	1,20.19	— 26.02	45	26.87	84
February ,, ..	4.51	15	4.76	2.27	1,21.86	11.19	1,22.23	— 26.15	46	26.74	83
March ,, ..	4.70	26	4.99	2.41	1,24.54	12.51	1,20.57	— 26.26	47	27.16	86
April ,, ..	4.90	11	5.00	2.35	1,26.45	12.41	1,23.91	— 26.51	47	27.15	87
May ,, ..	4.82	26	5.24	2.01	1,27.98	11.28	1,21.08	— 26.65	41	27.89	86
June ,, ..	4.44	13	5.13	2.00	1,29.49	12.27	1,23.24	— 26.77	37	28.23	84
July ,, ..	4.26	12	5.15	2.27	1,31.25	12.20	1,40.22	— 26.92	37	28.54	91
August ,, ..	4.29	12	5.17	2.09	1,32.26	12.25	1,43.50	— 26.97	39	28.87	87
September ,, ..	4.21	12	5.21	2.54	1,34.26	12.23	1,46.60	— 27.12	44	29.25	94
October ,, ..	4.14	10	5.21	2.10	1,36.27	11.58	1,49.58	— 25.24	45	29.96	80
November ,, ..									43	29.04	

* At the end of period. @ Progressive net repayments at the end of period from 16th August, 1949.
† Issued from 20th June 1956. †† Issued from 1st June, 1948. ‡ Issued from 1st February, 1953. ‖ Issued from 16th May, 1954.
‖ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors. B—Existing to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50 = 100)

Group and Sub-Group	Week ended 8-1-'55	10-12-'55	31-12-'55*	7-1-'56
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90 5	91.0	91.1	91.1
1. Government of India	90.3	90.9	90 9	91.0
2. Indian States	96.0	96.5	96.5	96.5
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100 7	101 0	101.1	101.1
1. Electricity	102 0	102 5	102.6	102.6
2. Jute	98.8	98.0	98.0	97.6
3. Plantations	99.6	99.1	99.1	99.1
4. Sugar	99.3	99.0	99.0	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	101 0	100.9	100.9	100 9
7. Shipping	100 2	102 3	102.3	102.3
8. Others	100 8	101 1	101 0	101 0
PREFERENCE SHARES	88 5	87 8	87 6	87 5
1. Electricity	96 0	95 5	95.4	94 5
2. Jute	79.2	80.1	80.1	80 0
3. Plantations	89.0	86 7	86.8	86 8
4. Coal	89 3	91 9	90 7	90.7
5. Iron and Steel	90 3	89 0	89.5	89 3
6. Sugar	84.9	86 2	85.5	85 5
7. Paper	90 4	87 2	86.4	86 4
8. Plantations	95 5	102.4	102 4	102 3
9. Miscellaneous	87.2	85.1	84.7	84.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	114 5	131 0	128 9	126 8
(a) Financial	88 7	95 3	94 6	94 0
1. Banks	85 1	93 6	93.6	93.0
2. Insurance	110 6	104.7	100 0	99 8
3. Investment Trust	94 5	100 7	97.3	97 0
(b) Public Utilities	114 7	118 3	118 0	117 2
1. Electricity	124 2	122.5	122.2	121.4
2. Shipping and other Transport	100 2	116.7	115 2	114 2
3. Railways	87 3	89 4	92 3	92 0
(c) Manufacturing Industries	113.3	141 3	139.1	135 9
1. Cotton, Woollen and Silk	105 0	131 0	130 8	128 1
2. Jute	100 8	95 0	92 5	91 6
3. Iron and Steel	139 4	170 9	164.7	159 0
4. Paper	213.9	303 5	294 8	289 8
5. Cement	148 8	185 6	184 4	176 6
6. General Engineering	156 7	212 2	205.7	201 3
7. Sugar and Breweries	106.0	112 2	111 3	109.5
8. Chemicals	139 2	158.7	158.0	155.1
(d) Non-Manufacturing Industries	159.1	172 5	165 6	164.0
1. Coal	80.1	84 0	84 4	84.5
2. Mining and Oil	193 6	272 1	264 4	257 7
3. Plantations	177 8	184 6	173 7	173 1
(e) Miscellaneous	98.5	109 3	109.3	107.4
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.0	90.5	—	90.6
2. Calcutta	90.4	91.0	91.0	91.1
3. Madras	90.7	91.3	91.4	91.4
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.3	100 2	—	100.2
2. Calcutta	101 3	101 8	101.9	101 9
3. Madras	100.5	100.1	100.1	100.1
PREFERENCE SHARES:				
1. Bombay	91.8	91 2	—	90.6
2. Calcutta	95 3	93.2	93.2	93.1
3. Madras	93 5	98.5	98.1	98.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	118.5	137.4	—	132.4
2. Calcutta	108.3	121.1	117.9	116 9
3. Madras	110 6	124 4	124 8	124 3
4. Delhi	111.4	143.8	140 8	138.1

Source : Department of Research and Statistics, Reserve Bank of India. * Bombay market remained closed during the week.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost.
1951	1,071	691,221	3,815,923
1952	962	809,248	3,256,961
1953	1,055	486,807	3,323,008
1954	840	477,198	3,272,630
July 1953 ..	87	49,096	181,123
August ,, ..	74	59,982	225,154
September ,, ..	106	44,926	447,273
October ,, ..	101	50,211	466,116
November ,, ..	93	41,481	345,211
December ,, ..	81	46,790	475,256
January 1954 ..	84	51,975	325,514
February ,, ..	85	41,251	344,396
March ,, ..	91	54,908	321,419
April ,, ..	101	54,963	307,247
May ,, ..	69	40,078	214,042
June ,, ..	83	51,589	306,078
July ,, ..	122	80,199	377,492
August ,, ..	79	51,090	253,557
September ,, ..	97	50,414	343,378
October ,, ..	88	41,724	276,294
November ,, ..	68	25,115	239 701
December* ,, ..	101	54,455	367,768
January 1955† ..	95	49,088	322,807
February ,, ..	91	39,270	144,308
March ,, ..	111	59,925	353,091
April ,, ..	98	53,525	301,258
May ,, ..	118	63,383	434,099
June ,, ..	149	85,467	1,029,274
July ,, ..	105	57,197	678,559
August* ,, ..	232	90,324	518,478
September ,, ..	220	84,377 (a)	535,195 (b)

† Figures for 1955 are provisional. * Revised.
(a) Not known in 71 cases. (b) Not known in 81 cases.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‖	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,184.5
1953-54	648	6,676.8	5,573.7
1954-55	686	7,760.9	6,219.2
August 1954 ..	667	625.0	510.5
September ,, ..	649	647.6	533.3
October ,, ..	669	688.5	511.6
November ,, ..	674	654.5	534.6
December ,, ..	679	688.5	565.0
January 1955 ..	664	688.5	548.2
February ,, ..	685	620.7	509.8
March ,, ..	696	690.7	569.3
April ,, ..	690	661.1	542.9
May ,, ..	691	702.5	580.3
June ,, ..	695	716.5	579.1
July ,, ..	709	734.8	582.3
August ,, ..	705	705 9	574 4
September,, ..	707	719.5	587.1

‖ Exceeding railway, military and factory power stations. Chola, Purwar Bhanjan hence inter-connected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities
§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939=100)

Particulars	31st Dec., 1955	24th Dec., 1955	1st Jan., 1955	December, 1955	December, 1954	Percentage of increase (+) or decrease (-) in Dec., 1955 as compared with Dec., 1954	Annual Average 1955	Annual Average 1954
Food Articles	327.4	325 3 R	318.4	323.7	318 0	+ 1 9	304 5	358 3
Cereals	369	385	365	385	364	+ 5.8	355	404
Pulses	356	359	236	345	236	+46.0	259	318
Other	236	235 R	269*	234	268	—12.7	241	298
Industrial Raw Materials	454.7	448.5	431.3	438 3	436 3	+ 0 4	411.1	447 1
Fibres	456	443	460	440	468	— 6.0	431	444
Oil seeds	453	454	386	431	391	+10.2	370	468
Minerals	441	441	402	434	417	+ 4.0	420	429
Others	461*	461*	473	462	442	+ 4.5	444	410
Semi-Manufactures	351.4	350.4	345 2	348 6	374.4	....	333 3	355 4
Leather	411	408	383	400	381	+ 5.0	3 3	377
Mineral oils	202	202	221	202	221	— 8.5	211	221
Vegetable oils	424	425	410	414	411	....	374	464
Cotton yarn	434	431	451	434	451	— 3.4	423	464
Metals	279	279	240	279	240	+16.2	254	229
Oil cakes	351	351	325	355	373	— 4.8	320	4 5
Others	330	330	330	330	318	+ 3 8	330	305
Manufactured Articles	373.6	372 8	374.0	373.0	376.1	— 0 8	373.4	375 5
Textiles	406	404	410	406	414	— 2.0	411	418
Jute	421	411	441	415	451	— 8 0	430	434
Cotton	399*	399*	411*	399*	412*	— 3 0	405*	418*
Rayon and Silk	436*	436*	455*	436*	447*	+ 8 6	476*	40.4*
Woollen	278	310	278	310	310	—10.3	292	311
Metal products	371	371	340	371	340	+ 9 0	351	339
Machinery	285	285	254	284	285	— 0.4	286	296
Miscellaneous	547.5	546 6 R	570.5	544.2	579 7	— 6 0	555 1	546 8
All Commodities	373 4	370 9 R	366 3	368 4	388 8	....	358 1	386 7

R=Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

Year ended August, 1939=100

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw cotton	Raw jute	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
1954																		
September	488	454	172	236	258†	607	542†	205	277†	907†	442†	289	457	245	257	458	415	274
October	463	476	166	213	254	606	541†	201	280†	899*	448†	400	480	329	257	459	415	274
November	448	481	149	223	254	606	540†	208	319	886†	441	404	329	257	459	415	415	274
December	434	488	147	206	263	651	554†	276

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop	Acreage Forecast	Acreage Unit	Acreage 1954-55	Acreage 1953-54	Outturn 1954-55	Outturn 1953-54
Rice	final	tons	74,424	77,032	24,209	27,561
Wheat	final	,,	26,842	26,310	8,539	7,373
Jowar	final	,,	43,456	43,657	9,002	7,913
Bajra	final	,,	27,350	30,094	3,555	4,459
Barley	final	,,	7,909	8,721	2,786	2,904
Maize	final	,,	9,325	9,360	2,944	2,964
Ragi	final	,,	5,747	5,714	1,778	1,819
Small millets	final	,,	13,680	13,979	2,424	2,427
Total cereals	final	tons	208,823	214,867	55,827	57,926
Kharif	final	,,	173,982	179,836	44,002	47,143
Rabi	final	,,	34,841	35,031	11,825	10,777
Kharif pulses@	final	tons	14,935	15,192	1,497	1,543
Rabi pulses‡	final	,,	10,498	11,214	1,977	2,089
Total pulses	final	,,	54,004	53,715	10,474	10,458
Tur	final	,,	5,944	5,931	1,661	1,627
Gram	final	,,	20,991	19,754	5,125	4,775
Jute	final	bales	1,681†	1,247††	4,177†	2,923††
Cotton	final	,,	18,346	17,182	4,298	3,965
Sugarcane	2nd	tons	3,930†	3,718††	5,070†	4,858††
Groundnut	final	tons	12,647	10,869	3,823	3,578
Linseed	final	,,	3,290	3,360	388	374
Castorseed	final	,,	1,273	1,373	112	108
Rape and Mustard seed	final	,,	5,665	5,534	962	855
Sesamum	final	,,	6,460	6,346	592	552
Tobacco	final	tons	860	912	248	263
Black pepper	final	,,	208	208	26	24
Ginger	final	,,	44	45	13	14
Dry chillies	final	,,	1,472	1,326	356	297
Potato	final	,,	665	635	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
@ Excludes Tur. ‡ Excludes Gram and Tur.
† Refers to 1955-56 †† Refers to 1954-55

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During December, 1955	97.3
	Corresponding month, 1954	94.0
	Six months ended Dec., 1955	519.4
	Corresponding period, 1954	455.5
Stocks	At the end of December, 1955	64.2
	Corresponding month, 1954	69.6
		(In 000 bags)
Exports (Jute Bags)	Week ended 3rd Dec., 1955	16.571
	Corresponding week, 1954	18.760
	From 1st Jan., to 3rd Dec., 1955	439.763
	Corresponding period, 1954	426.863
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 3rd Dec., 1955	19.314
	Corresponding week, 1954	73.109
	From 1st Jan., to 3rd Dec. 1955	1 245.116
	Corresponding period, 1954	1,351.530
	RAW JUTE	(In lakh bales)
Consumption by Mills†	December, 1955 (In lakh bales)	5.64
	Corresponding month, 1954	5.45
	Six months ended Dec., 1955	30.13
	Corresponding period, 1954	28.74

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,84,400	10,42,900	7,81,200
Nine months ended Dec., 1955	8,51,200	7,70,800	5,88,000
July 1954	96,300	86,900	66,100
August ,,	96,700	90,400	67,100
September ,,	86,300	82,400	63,300
October ,,	96,500	89,200	68,500
November ,,	90,500	90,500	68,000
December ,,	1,05,600	95,000	78,800
July 1955	94,900	84,300	64,300
August ,,	92,500	83,900	63,700
September ,,	95,300	87,500	65,700
October ,,	91,700	83,800	64,900
November ,,	91,900	86,200	63,400
December ,,	1,03,900	97,500	72,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,930	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4 59,093
Three months ended Dec., 1953	1,81,630	1,15,300	1,05,940
,, ,, ,, Mar., 1954	1,87,750	1,28,510	1,16,940
,, ,, ,, June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,85,058	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,65,108	1,48,828	1,18,136
,, ,, ,, June, 1955	1,85,605	1,84,383	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,80,630	1,08,714
,, ,, ,, Dec., 1955	1,80,750	1,24,696	1,05,752

OVERALL BALANCE OF TRADE OF INDIA
September, 1955†

Particulars	September, 1954	September, 1955	Six months, April to Sept., 1954	Six months, April to Sept., 1955
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise— (a) Exports	50,12	56,89	254,27	289,70
b) Re-exports	40	28	2.74	2.60
Less—Transit trade	4	..	23	6
Net re-exports	36	28	2.51	2.52
Total exports	50,48	57,17	256,78	292.22
2. Imports	51,12	51,21	302,27	303,18
Less—Transit trade	..	1	9	7
Net imports*	51,12	51,20	302.18	303,11
Balance of trade in merchandise	— 64	+ 5,97	—45.40	—10.89
Balance of trade in gold and silver	..	..	— 2	— 4
Total overall visible balance of trade	— 64	+ 5,97	—45,42	—10,93

† Total values of foreign trade of India by all routes (i.e., sea, air and land).

*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953	1,168	34,406	128,773	28,539	11,413	2,635	949	171	169	209	169	297
1953-1954	1,179	35,215	129,009	29,365	11,082	2,512	899	153	153	168	190	344
1954-1955	..	..	..	..	11,768	2,711	885	183	160	167	158	397
August 1954	98	2,657	9,743	2,449	934	245	79	11	9	7	12	31
September ,,	95	2,630	9,902	2,394	914	241	66	11	9	11	12	31
October ,,	99	2,881	10,181	2,458	936	241	65	13	10	19	15	32
November ,,	..	..	..	..	991	226	73	15	13	25	9	34
December ,,	..	..	..	..	1,064	229	70	20	14	21	10	30
January 1955	..	..	..	..	1,082	223	74	20	17	19	15	35
February ,,	..	..	..	..	1,021	209	72	18	16	15	15	33
March ,,	..	..	..	..	1,096	227	78	20	19	15	14	33
April ,,	..	..	..	..	1,034	222	77	21	18	11	12	33
May ,,	..	..	..	..	993	223	80	19	17	8	13	33
June ,,	..	..	..	..	946	217	80	15	15	6	12	32
July ,,	..	..	..	..	1,000	228	87	18	13	6	12	32
August ,,	..	..	..	..	1,009	230	88	15	13	9	16	34
September ,,	..	..	..	..	999	232	79	13	12	11	14	32

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 12th Jan., 1956	28,762
	Corresponding week, 1955	34,196
	1st Sept. to 12th Jan., 1956	474,093
	Corresponding period, 1955	388,402
Cotton Exports‡	Week ended 12th Jan., 1956	9,132
	Corresponding week, 1955	7,784
	1st Sept. to 12th Jan., 1956	306,322
	Corresponding period, 1955	92,131
Mill Consumption (Estimated)	1st Sept. to 12th Jan., 1956	463,122
	Corresponding period, 1955	454,934
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 12th Jan., 1956	466,401
	Corresponding date 1955	340,249
Cotton Exports from Bombay (by sea)	During October, 1955	70,989§
	1st Sept., '55 to 31st Oct., 1955	201,351
	1st Sept. '54 to 31st Oct., 1954	47,668
Karachi (Pakistan)—		
Receipts	1st Sept. to 29th Dec., 1955	615,265
	Corresponding period, 1954	560,899
Exports	1st Sept. to 29th Dec., 1955	282 905
	Corresponding period, 1954	178,296

Particulars	From 1st Sept. 1955 to 9th Jan., 1956 Bales	From 1st Sept. 1954 to 9th Jan., 1955 Bales
From Bombay		
Cotton Shipments to— United Kingdom	29,488	5,473
Continent	59,743	12,744
Hongkong	26,534	.....
China	34,661	1,128
Japan	141,748	31,448
U.S.A.	2,305	6,210
Other Countries	2,135	440
Total to all foreign countries	296,604	57 443
Coastal Ports	62,510	30,700
Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	September, 1955	382,979
Foreign		45,174
Indian	Twelve months ended Aug., '55	4,138,438
Foreign		630,474
Indian	Same Period 1954	3,888,748
Foreign		719,073
Stocks (Mills and Elsewhere)— Indian	As on 30th Sept., 1955	1,278,133
Foreign		172,306
Indian	As on 30th Sept., 1954	916 006
Foreign		169 213
Cotton Pressed in India† (In running bales)	Week ended 30th Dec., 1955	57,487
	Corresponding week, 1954	133,788
	1st Sept. to 30th Dec., 1955	589 126
	Corresponding period 1954	1,003,071

† Incomplete. N.A. Not Available. (a) Adjusted. ‡ Excluding Zoda and Yellow Pickings, etc. §Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

TERMINABLE LOANS

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % Bonds	1926-33	63,30,26,000	1960-70	101¾
2½ % Loan	1938-39	1,16,17,46,000	1963-65	94¼
3 % Loan	1950	80,33,10,000	1964	94¼
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	91¾
3 % V. Loan	1944	1,14,06,89,000	1957	99¼
3 % Loan	1945	1,15,05,83,000	1970-75	87½
3 % 2nd V. Loan	1945	1,18,65,64,000	1959-61	98½
3 % Loan	1951	60,35,63,000	1958	99 *
2½ Loan	1946	45 63,67,000	1960	96
2½ % Loan	1946	67,00,69,000	1961	93
2½ % Loan	1946	14,77,48,000	1976	82½
2½ % Loan	1947	75,86,72,000	1962	93½
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99½
3½ % N.P. Loan	1954	157,55,41,000	1964	99½
3½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98½

NON-TERMINABLE LOANS

3 % Loan	1896-97	8,98,36,000	At option of Government after three months' notice.	80
3 % Loan	1946	245,91,66,000	On September, 1986 or later at option of Government after three months' notice.	80½

REPATRIATE‡ STERLING LOANS

4½ % Loan	1928‖	5,85,20,000	1958-68***	103 ⅛

STATE‡ LOANS

4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
3 % Bombay	1943	2,99,35,000	14th Sept. 1956	99⅜
3 % Bombay	1944	3,06,66,000	15th Aug. 1956	99¼
3 % Bombay	1949	5,63,12,000	1st Aug. 1962	94
3 % Bombay	1950	2,92,80,000	31st July 1960	96
2½ % Bombay	1951	2,97,48,900	17th Sept. 1962	95½
4 % Bombay	1953	5,50,35,000	15th July 1963	101¼
4 % Bombay	1953	3,61,31,700	1st Aug. 1964	101¼
4 % Bombay	1953	9,00,00,000	1st Sept. 1967	100½
3 % Bihar	1955	1,50,00,000	1st Sept. 1967	99⅜
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅝
3½ % Cochin	1936	70,09,000	1st June 1956-61	99½
3½ % Howrah Bridge (New)	1936-37	1,95,96,700	1956-66	95½
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99⅜
3 % Madras	1939	1,23,95,800	21st June 1959	96⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99⅜
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98⅛
3 % Madras	1945	2,74,44,000	14th Sept 1960	96
2½ % Madras	1946	3 81,77,200	1st Sept. 1961	92½
3 % Madras	1950	4,25,25,400	31st July 1960	95½
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97½
4 % Madras	1953	10 91,63,000	15th July 1963	100½
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100⅜
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99½
4 % Mysore(f)	1938	2,95,85,200	1st Dec. 1953-62	101
4 % Mysore(f)	1939	5 99 72,900	30th Apr. 1956-61	99⅜
3 % Mysore	1947	5,08 05,700	25th Jan. 1958	99⅜
4 % Mysore	1953	3,33,47,000	15th July 1963	100½
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99–4½
3 % M.P.	1943	50,54,200	14th Sept. 1956	99
3 % M.P.	1944	52 6s 800	15th Aug. 1958	98½
3 % M.P.	1948	2,03,28,800	15th Sept. 1964	98
3 % M.P.	1950	1,01,44,700	31st July 1960	94½
3½ % M.P.	1951	1,02 18 100	17th Sept. 1962	96⅜
4 % M.P.	1953	1,02,18,100	15th July 1963	100⅜
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99½
3 % Punjab**	1938–44	3,49,57,200	10th Aug. 1958	98⅜
3 % Punjab**	1943	2 46,78,800	14th Sept. 1956	99
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97⅜
4 % Rajasthan	1955	3,25,00,000	1st Sept. 1967	99⅜
3½ % Travancore	1938	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	3 25,60,000	15th July 1963	100–1½
3 % U.P.	1936	1,57,42,600	15th Sept. 1961-66	90½
3 % U.P.	1944	3,02,24,500	15th Aug. 1958	98⅛
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96⅛
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	92⅜
3½ % U.P.	1951	1 94,11,700	17th Sept. 1962	96⅜
4 % U.P.	1952	6 11 45,200	1st Aug. 1964	100⅜
4 % U.P.	1953	5 55 15,500	15th July 1963	100⅜
4 % U.P.	1955	3,50 00,000	1st Sept. 1967	99½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 36,50,000	4	1904	1964	Rs.
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
64,00,000	4	1907	1968	
75,00,000	4	1908	1968	100N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14 35,876	4	1913*	1960	D
50,00,000	4	1913	1974	100½N
88,25,000	4	1914	1975	
10,00,000	4	1915*	1960	118N
55,00,000	4	1915*	1975	
61,51,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1926*	1960	
12,50,000	3½	1930*	1960	ID½
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
68,00,000	3½	1936*	1950	
10,00,000	3½	1938*	1958	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,24,800	4	1914	1974	Rs. 99
76,90,100	4	1915	1975	99
1,50,00,000‡	3½	1921	1981	82
68,02,300@	3½	1921	1981	144N
98,31,600	3½	1926	1956-86	102
99,84,500@	5	1926	1956-86	101½
49,49,500@	5	1927	1957-87	102½
1,49,80,000	5	1928	1958-88	103
80,00,000	4½	1931	1991	95
50,00,000	3½	1938	1965-68	97½
50,00,000	3	1945	2008	90
50,00,000	3	1945	1975	74
50,00,000	3	1946	1976	85
50,00,000	3	1946	1976	84½
50,00,000	3	1947	1977	84
50,00,000	2½	1947	1977	79½
50,00,000	3	1948	1978	83½
1,00,00,000	3	1949	1979	82
1,00,00,000	3	1949	1979	97
1,00,00,000	3	1950	1980	82
1,00,00,000	3	1950	1980	95½
50,00,000	3	1951	1981	81½
50,00,000	3	1951	1981	98½
50,00,000	4	1953	1983	100
90,00,000	4	1953	1983	98⅜
		1953	1985	97½
STERLING LOANS				
Rs. £592 600	5	1923	1953–83	£87½
£901,000	5	1924	1964–84	£87½
£535,100	5½	1932	1962	£96
MADRAS				
Rs. $1,47,169	2½	1947	1977	Rs.
9,88,000	3	1947	1977	
3,00 000	3	1949	1979	A
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 50,00,000	4	1899	1959	Rs. 100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1907	1967	97½N.
30,00,000	4	1908	1968	
15,00,000	4	1908	1968	
30,00,000	4	1911	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	4	1919	1957-79	118N
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	4	1927	1961-70	98N
10,00,000	3	1936	1966	
STERLING LOANS				
£2666,600		1909	1969	£95½N
£3333,000		1910	1970	£95½N
CALCUTTA				
Rs. 25,00,000	5½	1929	1959	Rs. 107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1962	91
20,00,000	3	1938	1965-68	90
80,00,000	4	1952	1962	99½

MUNICIPAL LOANS

BOMBAY,				
Rs. 20,50,000	4	1913-15	1974	Rs. 100
10,00,000	5	1919	1960	115N
25,00,000	5	1928	1958	105 to 106
8,45,500	5	1929	1954-59	
25,00,000	3½	1929	1959	86½
3,25,00,000	3½	1940	1977	86
2,50,00,000	3½	1949	1979	84
1,00,00,000	3½	1950	1965	92½
2,50,00,000	4	1950	1965	101½
2,00,00,000	3½	1951	1966	97½
1,80,00,000	4	1953	1968	100⅜
1,00,00,000†	4	1953	1964	100
1,00,00,000†	4	1954	1964	100
2,50,00,000	4	1955	1967	99½
CALCUTTA				
Rs. 36,00,000	5	1928	1958	Rs. 103
25,00,000	5	1929	1957	102½
25,00,000	5	1929	1958	102½
10,00,000	5½	1932	1962	108
33,91,000	3½	1935	1965	94
60,00,000	3	1936	1966	90
47,50,000	3	1938	1968	90
10,67,000	3	1938	1955	99½
15 56,800	4	1939	1958	99½
15,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99½
21,10,000	3½	1942	1962	99½
21,10,000	3½	1943	1973	92
15,49 000	3½	1951	1960	97
16,38,000	3½	1951	1961	97½
66,88,000	3½	1951	1966	97½
87,86,000	4	1952	1962	99½
72,50,000	4½	1954	1979	100
MADRAS				
Rs. 15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1 75,00,000	17th Sept. 1963	96½
4 % W. Bengal	1953	2,00,00,000	1st Aug. 1964	100⅜
4 % W. Bengal	1953	3,50 25,000	15th July 1963	100⅜
4 % W. Bengal	1955	7,00 00,000	1st Sept. 1967	100

ABBREVIATIONS

A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
‡ Bombay State Transport. †† Rate of Interest reduced from 6 to 5 per cent. with effect from 1st June, 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‖—Interest free to Government.

N—Nominal.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank	15,00,000	1901	6	Mar.	Sept.	132	100
BREWERIES AND SUGAR							
Bharat Sugar	5,00,000	1931	5	Dec.	..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar.	Sept.	105	100
Cawnpore Sugar Works	10,00,000	1905–24	8	Feb.	Aug.	140	100
Deccan Sugar & Abkhari 'A'	17,00,000	1920	7	July	Apr.	6–2½d	5
East India Distilleries	£200,000	1897	7	Jan.	July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	..	68	100
Furtados Co.	6,00,000	1922	10	Oct.	..	17	10
Ramnagger Cane	4,00,000	1933–36	6	Aug.	..	75N	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct.	Apr.	82N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	..	95	100
Travancore	15,00,000	1946	5(c)	Dec.	..	90N	100
Upper Ganges	12,00,000	1946	5(a)	Dec.	..	70N	100
Do.	15,00,000	1946					
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	113	100
Borrea	5,00,000	1896–97	6½	Oct.	Apr.	117	100
Burrakur (1st)	22,99,800	1901–19	7	Apr.	Oct.	122xd	100
Do. (2nd)	4,50,000	1946	6(a)	..	..	8¼xd	10
Do. (3rd)	4,50,000	1946	6	Mar.	Sept.	119	100½
Equitable	4,00,000	1946	5½(a)	..	..	63½	75(pp)
Karanpura Collieries	7,50,000	1946	5	Mar.	..	52N	10
††Khas Kajora	1,93 000	1921	7	Jan.	July	13½	10
New Beerbhoom	2,00,000	1920	7	Jan.	July	113	10
Ondal	2,00,000	1898–99	6½	Apr.	Oct.	113	100
COTTON							
Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	100	100
Bangalore	5,00,000	1884	6	Jan.	July	125xd	100
Basanta Cotton	5,00,000	1938	6½	Nov.	..	9	10
Benares Cotton	1,05,200	1918	7	July	Jan.	15N	100
Bengal-Nagpur	3,00,000	1896	7	Apr.	Oct.	110	100
Bowreah 'A'	6,00,000	1900	8	Feb.	Aug.	135	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	70	100
Bradbury	14,75,000	1919	7	June	Dec.	65	50
Buckingham & Carnatic	21,30,300	1920	7½	Jan.	July	141½xd	100
Cambodia	1,00,000	1923	7	Apr.	..	128xd	100
Central India	50,00,000	1913	5	Apr.	Oct.	45⅝	100
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	..	111½	100
Elgin	11,00,000	1912	8	May	Nov.	136	100
Do. 'B' Pref.	4,30,000	1942	5	July	Jan.	10	100
Elphinstone	20,00,000	1919	7(a)	May	Nov.	87½	100
Empress	20,00,000	1919	7	June	Dec.	134	100
Ghatan Makanji (2nd)	29,92,500	1947	6	Nov.	..	94	100
Gothari	12,00,000	1937	6	Nov.	..	9–12½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	..	..	206½	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January	..	86½	100
Muir Mill	30,00,000	1900	6	..	July	83½	50
Mysore Spg.	7,45,050	1944	4½	..	..	80½	50
National Rayon	1,74,64,700	1947	5(a)	..	..	87½	100
New Great	5,00,000	1913	5½(a)	Mar.	..	180½	200
New Victoria	26,26,500	1920	6	Apr.	Oct.	3½	5
Podar Mills	10,00,000	1942	4	Feb.	..	77	100
Rajalakshmi	2,00,000	1938	6½	Apr.	..	64½	100
Shree Nivas Cotton

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations. x.d.=Ex.Dividend. c.d.=Cum. Dividend. I=Interim Dividend. F=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	72,22,421	42,05,272	—1,17,209	Rajputana Textiles (Agencies) Ltd.	47,512	8,981	Apollo Mills	2–14½	2	0 4(o)	0 4 (o)	0 2(o)		12	Y.
40,00,000	24,00,000	1,54,55,551		—5,76,511	B. B. Sons, Ltd.	50,696	1,021	B. B. Cotton Mills	45	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,00,000	2,39,90,019	4,25,75,764	2,54,51,688	52,579	Nowrosjee Wadia & Sons, Ltd.	2,22,552	4,855	Bombay Dyeing & Mfg.	533½	250	20 0	22 8*	20 0	7 8‡	12	Y.
12,00,000	27,32,556	45,66,179	45,57,496	2,46,761	Ramnarain Sons, Ltd.	12,096	660	Bradbury Mills	180	50	100 0	100 0	75 0		3	Y.
1,00,42,500	2,37,54,197	2,82,17,250	1,55,19,250	21,52,503	Birla Bros., Ltd.	1,25,986	2,698	Century Spg. & Mfg.	476	100	20 0	22 0	22 0	8 0‡	12	Y.
40,00,000	15,44,690	1,16,09,462	65,58,089	—32,25,720	V. J. Pilani (Chairman and Managing Director)	40,668	798	Colaba Land & Mill	84	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	11,35,479	51,39,789	45,80,041	20,755	Cawasjee Jehangir & Co., Ltd.	30,180	680	Coorla Spg. & Wvg.	132½	100	7 8	7 8	7 8	7 8	3	Y.
15,00,000	27,17,561	63,47,557	55,46,041	47,117	Ramnarain Sons, Ltd.	38,304	928	Edward Textiles	317½	200	15 0	15 0	15 0		12	Y.
24,00,000	27,75,000	73,90,781	64,79,784	20,168	Puranmal Radhakishan & Co.	50,296	886	Elphinstone Spg. & Wvg.	51	50	3 0	*Nil*	3 8		12	Y.P.
20,00,000	11,89,292	1,10,92,541	75,74,225	52,796	M	43,376	886	Finlay Mills	330	100	20 0	16 0	16 0	2 8‡	12	Y.
50,00,000	64,31,873	1,56,11,448	71,58,296	2,90,661	James Finlay & Co., Ltd.	46,072	784	Finlay Mills	4,800xd	1,000	200 0*	225 0*	225 0	200 0	3	Y.P.
11,24,000	76,84,586	1,27,76,810	99,11,509	9,223	Thar orsey Mooljee & Co.	49,678	1,126	Hindoostan Spg. & Wvg. Mills	9924	250	50 0	56 4*	56 4	75 0	3	Y.P.
16,000									12–12½	0 10D.	*Nil*	0 10	*Nil*	0 10‡		
2,00,00,000D	1,19,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,080	6,278	India United Mills	2–8½	0 1D.	*Nil*	0 1	*Nil*	0 11	3	Y.P.
50,00,000D									4,800xd	1,000	200 0*	225 0*	225 0	200 0		
5,65,000	74,24,043	1,80,07,902	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	2,800xd	1,000	100 0	112 8*	112 8	150 0	3	Y.P.
25,00,000	49,58,451	2,27,18,607	1,02,98,945	25,588	Khatau Makanji & Co., Ltd.	84,504	1,513	Khatau Makanji Spg. & Wvg.	220	100	10 0	10 0	8 0	10 0	6	Y.P.
1,50,00,000	1,44,50,000	2,49,59,105	2,45,94,456	12,185	Killick Industries Ltd.	1,29,504	1,845	Kohinoor Mills	115	100	15 0	15 0	15 0	6 0‡	12	Y.
20,80,000A	64,00,782	4,36,527	88,878	6,08,586	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	—	20B	1 4	1 4			6	Y.P.
2,80,00,000B									—	100	15 0	15 0				
22,12,050	30,74,916	1,14,37,317	84,72,963	16,412	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	80N	50	5 0	5 0	5 0		10	Y.T.
31,75,800	32,62,000	1,94,11,164	1,47,72,041	1,09,579	Piramal & Sons	66,352	1,442	Morarjee Goculdas Spg. & Wvg.	220	100	12 8	12 8	14 0		12	Y.P.
1,87,71,429	61,70,515	5,74,05,779	1,55,20,000	5,73,076	Chinai & Co., Ltd.			National Bayon Corporation	235½	100	*Nil*	9 0	10 0		12	Y.P.
24,00,000	25,00,000	73,52,408	46,05,758	27,546	W. H. Brady & Co., Ltd.	45,044	422	New City of Bombay Mfg.	161½	100	10 0	10 0	10 0		12	Y.
20,00,000	15,47,407	69,32,250	61,42,740	15,517	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	191	100	10 0	10 0	7 8		12	Y.P.
12,70,100	36,58,004	43,60,552	15,76,880	433	Mafatlal Chandilal & Co., (Bombay), Ltd.	34,100	573	New Union Mills	37	10	1 4	3 0	3 0		12	Y.
48,00,000	36,62,278	1,49,02,112	99,59,511	1,86,584	Ramnarain Sons, Ltd.	66,324	1,190	Phoenix Mills	137½	100	10 0	10 0	10 0		12	Y.
40,00,000	45,58,014	81,89,225	25,00,000	3,19,549	Podar Sons, Ltd.	42,600	980	Podar Mills	172½	100	10 0	10 0	10 0	6‡	12	Y.P.
5,00,000	8,16,999	21,31,521	19,01,340	—1,79,154	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	20xr	10	1 4	0 12	0 8		12	Y.
25,00,000	29,05,474	1,24,22,606	81,47,252	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	42‡	10	1 4	1 4			12	Y.
60,00,000	1,55,00,061	91,25,908	50,71,284	1,53,268	Marwar Textiles (Agency) Ltd.	66,336	1,640	Shree Niwas Cotton Mills	210‡	100	13 8	14 0	14 0		12	Y.P.
42,00,000	35,75,560	82,50,982	71,00,060	15,598	Forbes, Forbes Campbell & Co. Ltd.	35,180	1,276	Simplex Mills	190	50	15 0(p)	15 0	11 0	10 0	3	Y.
26 00,000	1,32,32,367	1,85,06,331	1,10,35,488	17,125	Mafatlal Gagalbhai & Sons	57,256	1,533	Standard Mills	406‡	100	20 0	20 0	20 0		12	Y.P.
1,00,00,000	82,35,343	1,96,58,587	1,02,22,292	48,799	Tata Industries Ltd.	70,764	2,000	Svadeshi Mills	217	100	16 0	16 0	8 0		12	Y.P.
24,00,000	22,78,458	1,17,42,921	70,22,715	2,50,764	James Finlay & Co., Ltd.	38,336	552	Swan Mills	432½	100	30 0	30 0	30 0		12	Y.
22,57,488	49,96,859	1,59,55,936	45,92,129	11,417	Tata Industries Ltd.	62,096	1,800	Tata Mills	55	25	1 0	1 8	2 8		12	Y.P.
12,00,000	22,55,709	1,15,36,486	81,00,000	8,816	Thackersey Mooljee Son & Co.	64,424	1,161	Western India Spg. & Mfg.	4,950xd	1,000	200 0*	225 0*	225 0	200 0	3	Y.
AHMEDABAD																
23,00,000	21,11,050	1,35,22,272	60,47,902	5,405	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	163‡	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	90,52,538	89,33,424	65,39,067	7,878	P. M. Hutheesing & Sons, Ltd.	42,768	912	Aruna Mills	620	100	30 0*	30 0*	25 0		12	Y.P.
26,25,000	2,40,17,401	1,48,07,666	1,08,05,000	46,564	Narottam Lalbhai & Co.	66,792	1,216	Arvind Mills	1,399	100	25 0	25 0	25 0		12	Y.P.
20,00,000	38,43,940	79,44,276	56,25,000	5,80,074	Mangaldas & Bros., Ltd.	45,824	884	Ashoka Spg. & Wvg. & Ginning & Mfg.	1,624	100	15 0	15 0	15 0		12	Y.P.
12,00,000	1,09,38,387	1,04,14,070	58,53,855	1,37,868	Lalbhai Dalpatbhai & Co.	37,868	914	Asoka Mills	700	100	22 0	22 0*	22 0		12	Y.P.
1,94,79,011	1,11,66,305	4,24,88,718	3,07,53,844	16,00,756	Karamchand Premchand Ltd.	1,89,120	2,272	Calico	455½	125	18 0	18 0	16 0		12	Y.P.
62,48,000	25,04,000	1,10,89,083	79,50,000	1,90,248	Trisamlal Bhogilal & Co., Ltd.	45,586	967	New Commercial Mills	1,300	100	70 0	70 0	70 0		12	Y.P.
80,00,000	66,61,702	1,14,89,182	31,95,304	5,287	Mafatlal Chandilal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	810	125	35 0	35 0	35 0		12	Y.
9,00,000	61,15,982	46,72,745	11,76,001	700	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	400	100	30 0*	30 0*			12	Y.P.
12 50,000	1,09,22,589	79,71,738	32,25,077	32,522	Lalbhai Dalpatbhai & Co.	51,130	684	Raipur Mfg.	1,225	100	25 0	17 8			12	Y.P.
12 00,000	12,92,067	74,95,069	29,87,480	—29,90,810	Mangaldas Girdhardas Parekh Ltd.	47,280	1,095	Rajnagar Spg., Wvg. & Mfg.	302½	250	*Nil*				12	Y.P.
12 50,000	12,50,000	84,33,940	56,57,808	4,020	Lallubhai Gordhandas Ltd.	32,156	648	Rohit Mills	212½	100	8 0	8 0			12	Y.P.
23,56,150	1,90,82,518	1,24,25,000	2,52,570	Harivallabhdas Kalidas & Co.	94,116	1,782	Shri Ambica Mills	542½	50	16 0	16 0	20 0			12	Y.P.
19,52,500	50,00,194	78,06,018	62,08,800	6,484	Mafatlal Chandilal & Co., (Ahmedabad), Ltd.	36,024	780	Shorrock Spg. & Mfg.	470	100	20 0	20 0	25 0*		12	Y.
25,00,000	26,96,488	1,08,76,840	66,85,291	82,764	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	606	100	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,32,800	84,23,069	21,01,810	1,03,080	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	5	10	*Nil*	*Nil*	0 4	0 8		
7,11,280	3,40,775	48 42,381	25,07,597	96,783	Bengal Textile Agency, Ltd.	23,552	936	Bengal Luxmi Cotton Mills	40xd	40	3 0	*Nil*	4 0	4 0	12	Y.
6,00,000	22,71,792	51,33,222	51,33,000	—24,21,401	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowreah Cotton Mills	365	100	*Nil*	*Nil*	*Nil*	*Nil*	6 12	H.P.
19,00,000	25,17,571	1,01,41,469	69,83,090	—7,06,995	Kettlewell Bullen & Co., Ltd.	43,044	518	Dunbar Mills	510	100	*Nil*	*Nil*	*Nil*	*Nil*	6 12	Y.
1,80,00,000	1,96,18,540	2,42,43,356	1,56,54,138	3,15,714	Birla Brothers, Ltd.	70,040	1,990	Kesoram Cotton Mills	172‡	10	1 12	1 12	0 14		3	Y.P.
6,00,000									—	25	1 4					
23,96,288	9,75,000	84,54,400	57,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	11N	10	0 8				12	Y.P.
19,67,7500	5,75,000	41,29,452	21,54,402	26,923	Hazaresmull Heeralall	23,196	705	Rampooria Cotton Mills	11N	10	0 8	0 8	0 10		6	Y.
5,00,000D									1M	1D	*Nil*	*Nil*	*Nil*			
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,57,191	29,09,649	—6,54,238	Ramia & Co., Ltd.	55,000	..	Alagappa Textiles (Cochin) Ltd.	8	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
O.S. 71,94,400	44,93,807	2,10,91,206	50,50,013		Industrial Trust Fund	36,126	750	Asam Jahi Mills	91	100	6 0	6 0	*Nil*		9	T.
40,50,000	1,91,56,745	2,57,22,905	2,24,71,645	2,44,713	Binny & Co. (Madras), Ltd.	40,068	1,185	Bangalore Woollen, Cotton and Silk Mills	565	100	15 0	25 0	30 0	10 0‡	12	Y.P.
27,00,000	15,50,000	77,25,162	59,72,182	18,199	M	29,936	782	Bengal-Nagpur Cotton Mills	11 ½	10	0 4	*Nil*	*Nil*		6.12	H.P.T.
1,15,00,000	1,12,09,588	1,12,06,727	78,55,727	5,50,791	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg., Delhi	95	10	3 0	3 0	3 0		3	Y.
1,78,47,800	1,54,69,697	4,50,89,808	1,14,94,492	2,69,008	Binny & Co. (Madras), Ltd.	1,20,256	2,787	Buckingham & Carnatic	170½	100	10 0	10 0	10 0	4 0‡	12	Y.P.T.
20,00,000	20,00,406	34,17,820	19,76,084	8,58,067	Patrea, Laelle & Co., Ltd.	33,705	4	Cannanore Mills	13‡	10	1 8	0 12	*Nil*		12	Y.
15,00,000	4,51,500	44,08,466	21,80,176	44,557	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	146‡	100	12 0	12 0	20 0	12 0	3	Y.
50,00,000	25,93,976	58,07,118	50,24,815	29,514	Begg, Sutherland & Co., Ltd.	23,794	591	Cawnpore Textiles	9‡	100	0 8	0 8	0 8	*Nil*	3	Y.
12,00,000	20,60,000	30,35,978	24,45,999	4,614	P. Rhenania Naidu & Co.	22,264	..	Coimbatore Cotton Mills	350	100	20 0	20 0	25 0		12	Y.
30,00,000	14,20,000	1,09,95,513	71,50,000	14,093	T. E. V. Naidu & Co.	23,738	..	Coimbatore Pioneer Mills	255	100	9 0	15 0	20 0		6	Y.P.
20,78,500	1,45,11,579	1,15,51,599	82,06,019	16,584	E. G. S. Naidu & Co.	51,610	407	Coimbatore Spg. & Wvg.	81	50	*Nil*	*Nil*	3 0	3 0	6	Y.
45,87,500	52,83,449	2,48,18,409	1,58,09,883	3,708	Tata Industries, Ltd.	1,15,188	2,062	Central India	158	100	8 0	8 0	8 0	8 0	6	Y.P.
2,93,25,225 }	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. E. Charni Ram & Co., Ltd.	1,16,686	2,255	Delhi Cloth & General Mills	86	25	1 8	2 0	2 0	2 8	12	H.P.T.
1,00,563										5	0 4	0 5	0 5	0 5	6	
24,24,800	24,72,758	47,24,087	23,26,512	9,248	M. N. Chettiar & Sons	22,164	201	Dhanalakshmi Mills	356	100	20 0	20 0	20 0		12	Y.
62,00,000	66,38,260	1,52,16,382	1,29,71,631	95,756	Begg, Sutherland & Co., Ltd.	52,224	1,198	Elgin Mills	104½	100	10 0	10 0	10 0	1 0	3	Y.P.
45,51,000	25,91,175	98,91,779	65,24,070	57,189	Forbes, Forbes Campbell & Co., Ltd.	57,180	1,480	Gokak Mills	223	100	17 0	17 0	12 0		12	Y.
50,00,000	3,09,454	1,29,35,712	1,05,05,480	6,150	Govindram Sahasrin, (Indore)	51,180		Indore Malwa United	188½	100	6 0	6 0	6 0	3 0	12	Y.
2,80,000	10,55,668	30,91,189	18,17,748	—80,134	G. V. Naidu & Co., Ltd.	24,253	..	Lasurdana Mills	86	10	1 12	1 8	2 0		3	Y.
24,00,000	16,25,000	78,33,988	56,50,000	22,332	Kothari & Sons	39,000	1,200	Kothari Textiles	178	10	0 12	0 8	1 0	1 0	6	Y.P.
33,00,005	69,32,519	1,43,37,744	1,05,78,587	19,088	Bombay Co., Ltd.	51,978	1,219	Lakhanni Cotton Mfg.	672½	250	37 8	37 8	33 12	12 8‡	12	Y.P.
33,64,100	66,55,960	1,11,66,880	75,29,888	74,876	G. K. Naidu & Co.	35,908	201	Lakshmi Mills	185	50	5 0	5 0	10 0	12 8	3	Y.
17,82,050									93	25	2 8	2 8	5 0	6 4		
1,75,00,490	4,12,81,878	5,66,32,243	2,44,90,468	9,66,800	A. & F. Harvey Ltd.	4,68,552	..	Madura Mills	50‡	15	3 0	3 0	3 0		12	Y.
12,00,000	4,17,363	28,26,768	16,72,262	—99,078	A. L. A. R. S. Chettiar and Brothers	22,592	100	Maisur Spg. & Wvg.	111	200	8 0	8 0	*Nil*		12	Y.
60,00,000	69,00,000	62,41,446	41,60,332	1,42,468	W. A. Bourdieli & Co., Ltd.	25,884	608	Mysore Industries Ltd.	337	100	12 8	12 8	12 8*	8 0	3	Y.
29,50,700	19,47,268	84,19,677	64,81,184	9,299	N. Sirur & Co., Ltd.	39,200	704	Minerva Mills	90	100	5 0	5 0	5 0		12	Y.
24,91,850	37,24,404	1,01,29,119	78,81,923	—7,44,982	Bansilal Abirchand Dadabhoy & Co.	51,240	955	Model Mills (Nagpur)	155	250	7 8	7 8	5 0(o)		12	Y.
30,00,000	58,19,600	1,58,99,273	1,06,91,651	—7,77,290	Indian Textile Syndicate Ltd.	39,640	1,254	Moti Mills	118N	100			10 0*	6 0	12	Y.P.
24,82,500	50,24,547	99,04,000	62,60,925	25,705	K. Sirur & Co., Ltd.	42,000	800	Mysore Spg. & Mfg.	103‡	100	10 0*	10 0*	6 8*	6 0(o)	3	Y.
13,61,780	19,61,792	60,43,992	15,27,050	5,986	E. Satyanarayana Rao, Esq. Manager	6,900	..	Mysore Sugar Mills	10	*Nil*	*Nil*	*Nil*			3	Y.
22,20,2830	35,62,582	1,08,16,396	58,90,719	—99,62,289	J. P. Srivastava & Sons, Ltd.	49,676	1,196	New Victoria Mills	2	2	*Nil*	*Nil*			12	Y.P.
2,07,086D									D. 1	*Nil*	*Nil*	*Nil*				
51,14,600	57,72,270	1,66,68,862	62,58,088		Industrial Trust Fund	37,788	947	Osmanshahi Mills	—	10	4 0	*Nil*			3	Y.
4,80,000A	7,50,000	35,04,758	21,95,715	9,122	Bhaghyalakshmi & Co.	22,924	..	Palani Andavar Mills	160	100	10 0	10 0	10 0		12	Y.P.
6 60,000B									158	50A	7 8	12 0	12 0			
15,00,000	2,25,000	34,59,511	16,41,045	—18,87,240	C. B. B. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	237	75B	11 4	18 0	18 0		12	Y.
16,81,200A	20,00,000	70,00,000	41,41,876	23,087	A. G. Gurusamy Naidu & Co.	50,584	801	Radhakrishna Mills	68	100	*Nil*	*Nil*	*Nil*		12	Y.
5,99,200B									272	100A	6 0	8 0	16 0			
10,00,000	33,75,000	34,37,775	17,67,022	12,237	B. E. Naidu & Sons	27,268	..	Rajasiakami Mills	125	50B	3 0	4 0	8 0		12	Y.P.
22,32,875	18,10,000	39 91,525	14,22,344	23,506	Rayalaseema Development Co.	14,900	..	Rayalaseema Mills	170	50	4 8	7 8	10 0		12	Y.
60,00,000	62,56,508	90,43,567	35,58,291	—19,50,438	J. P. Srivastava & Sons (Rampur)	33,264	600	Ram Textiles	137	100	6 0	6 0	9 0		12	Y.P.
14,00,000	1,80,89,516	2,89,27,065	2,04,37,877	—1,80,08,067	Morarka & Co.	36,048	2,224	Shahapoor Spg. & Wvg.	73N	10	*Nil*	*Nil*	*Nil*		3	Y.P.
									1,900	1,000	*Nil*	*Nil*	*Nil*			
44,49,700	14,63,625	71,75,918	51,25,880	27,871	B. N. Pallegar, Esq.	21,668	292	Sri Krishnarajendra Mills	891	50	4 0*	4 0*	4 8	5	3	Y.
26,14,800	2,00,246	25,18,906	17,78,000	—2,46,777	Gopaldas Jhadhav & Co., Ltd.	16,312	440	Shree Rajlan Mills	90N	100	*Nil*	*Nil*	*Nil*		3	Y.
15,00,000	2,49,73,885	87,25,160	62,02,085	31,25,917	Birla Brothers, Ltd.	36,312	1,243	Sutlej Cotton Mills	10	10	4 0	4 0	5 0		3	Y.
17,50,000 O	2,25,00,000	4,26,49,014	1,03,17,885	5,20,000	Jaipuria Brothers	114,686	2,077	Swadeshi Cotton (Kanpur)	10½	10 O.	*Nil*	0 8	0 12		12	Y.P.
1,87,50,000 O									10½	10P.O.	*Nil*	0-14 2/5	1-8 2/5			
39,34,040	16,00,000	2,75,11,606	1,80,26,764	1,23,122	Escorts & Sons (Travancore), Ltd.		..	Travancore Rayons	15 ‡	10	*Nil*	0 8	0 10		12	Y.P.T.
12,86 670	8,79,479	18,56,297	16,45,186	5,821	Mooljee Ramjee & Sons	16,256	10	Vrishnooly Mills	15 ‡	10	0 11 1/5	0 11 1/5	0 14 2/5		12	Y.P.
21,00,000	28,00,000	58,72,226	36,21,499	20,268	E. K. S. Chetty & Brothers	41,494	370	Vasanta Mills	258½	100	12 0	12 0	15 0		12	Y.P.
52,80,000	51,99,449	1,39,28,696	1,03,23,350	23,350	Bombay Co., Ltd.	54,280	1,496	Vishan Cotton	181½	100	10 0	4 0	4 0	2 8‡	12	Y.P.

*Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.
p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 68,000 shares of Rs. 50 each. R. B.=Ri-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
15,20,630	17,21,569	24,69,631	12,75,708	13,708	Dyer Meakin Breweries		6‡	5	0 8	0 8	0 8		3	Y.
526,000A }					Parry's Holdings Ltd.		20‡	A. 16ah.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh.0 9 3/5	9	Y.P.
3800,000B }	£897,579	£1,225,541	£513,606	£57,290		East India Distilleries and Sugar	12‡	B. £1	Sh. 8	Sh. 4	Sh. 5 4/5	Sh. 1 0‡		
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Mallya, Esq. (Chairman)	United Breweries	20‡	75	15 0	15 0	15 0		3	Y
CEMENT														
21,87,700A }						Deccan Cement Co.	161	A. 100	7 8	10 0*	10 0		12	Y.P.T.
20,70,026B }	10,85,516	79,90,234	39,22,658	26,623	Andhra Engineering Co., Ltd.		16	B. 10	0 12	1 0*	1 0			
48,14,000O }						Assam Bengal Cement	7‡	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.
4,70,976D }	13,13,123	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.		1‡	D. 1	*Nil*	*Nil*	*Nil*			
12,71,66,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	219	100	9 8	9 8	8 8	10 0	7	Y.
60,00,0000. }							15	O. 10	0 10	1 0	1 0			
30,50,0000. }	48,50,901	89,92,667	29,67,544	2,86,599	Hari Brothers Ltd.		3‡	O. 25	0 4	0 4	0 4		12	Y.P.T.
5,00,0000. }						Dalmia Cement (Bharat)‡	2‡	D. 1	*Nil*	0 1-3/5	0-1 3/5			
61,91,0900. }	14,00,000	1,46,64,500	47,05,770	2,31,546	Essen Ltd.		25‡	O. 25	1 4	*Nil*	1 4	1 14	3	Y.P.
7,50,000D. }						India Cements Ltd.	32‡xd	D. 5	0 4	*Nil*	0 6	0 6		
159,88,875	38,50,000	1,88,78,057	68,96,659	2,27,144	Shree Laxmi Agents Ltd.		6‡xd		0 4	*Nil*	0 6		12	Y.
75,00,000	20,95,000	1,33,36,128	84,33,980	88,454	Martin Burn Ltd.	Shree Digvijay Cement	17‡	100	6 0	6 0	8 0		12	Y.
50,00,000	....	1

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	35,61,841	2,00,40,004	1,45,07,804	1,73,122	Balmer Lawrie & Co.	Bengal Paper Mills	116	25	1 9 *Nil* 1 9	*Nil* 1 9	1 9 1 9	2 8†	6,12	H.P.I
30,00,000	23,44,805	1,10,02,828	74,22,575	2,10,695	Andrew Yule & Co., Ltd.	India Paper Pulp	24½	10	5 0	6 0	7 0	0 11 1/5†	3,9	H.
25,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B.P.Ramakrishnan Esq. (Gen.Manager)	Mysore Paper Mills	18½	10	1 0	1 0	1 0		3	Y.
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,582	Birla Bros	Orient Paper	34½	10	1 0 0* 0 12*				3,9	H.P.I
80,06,290	98,16,849	1,28,42,714	75,84,970	8,23,451	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18 ½	10	1 0 1 0 0 8				6,12	H.P.I
80,00,000							12 12½		1 0 1 0 0 12½					
10,00,000A.	6,52,694	58,19,789	29,44,524	6,088	Baloria & Co.	Star Paper Mills	13XR A. 10	10	0 8 0 12	0 8			3,9	H.P.I
56,00,000A.							13XR A. 10	10	0 8 0 12	0 8				
56,04,800B.	3,07,07,316	5,89,14,072	2,18,50,222	99,160	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	47½ A. 10	10	1 0* 1 0* 0 12			1 0*		
4,37,500P.O.							47½ B. 10	10	1 0* 1 0* 0 12			1 0*	3,9	H.P
							4½ P.O. 2½	10	1 0 1 0 0 8			0 2½		
PRESSING														
4,00,000	6,12,265	15,78,488	11,13,891	—65,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	5 0	4 0	*Nil*	3	Y.
4,80,000	1,00,000	6,89,526	4,73,066	2,354	Pyne & Sons	Camperdown	58N	100	7 0	7 0	4 0	5 0	7	Y.
8,00,000	1,95,000	10,91,611	9,80,377	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	6	Y.
PROPERTY AND LAND														
10,00,7800.	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq: & others (Directors)	Humayun Properties	13½	2½	O. 10	O 8	O 11½	O 9 3/5†	9	Y.P.
2,00,000D.								D. 1	*Nil*	1 0	1 8	4 0		
80,00,000	18,90,068	84,21,336	15,00,000	350	David Sassoon & Co., Ltd.	Port Canning Land	15½	100	1 0	1 8	1 8	4 0	4	Y.
94,00,000	36,71,574	96,09,308	1,19,461	66,064	Andrew Yule & Co.	Midnapore Zamindary	36	100	2 0	1 8	4 0	3 0	4	Y.P
SAW MILLS AND TIMBER														
18,99,998	25,22,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	5½	2	0 4	*Nil*	*Nil*		9	Y.
50,00,000	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	580½ Old125	10	22 8	15 0	20 0	37–8†	9	Y.
45,00,000							202½ New50	10	9 0	6 0	8 0	15–0†	5	Y.
6,00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	44½	100	*Nil*	*Nil*	*Nil*		6	Y.P.
80,00,000	18,15,487	18,19,049	18,53,015	1,79,568	Gillander Arbuthnot & Co., Ltd	Indian Wood Products	42	10	2 0	2 8	2 12	1 0†	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	22,97,925	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	93	5	*Nil*	*Nil*	0 12		6	Y.
12,00,000A.	29,18,356	49,46,285	23,16,660	16,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	160cdN A. 100	10	0 0	10 0	10 0	0 1	6	Y.
5,00,000B.							14N B. 10	10	1 0	1 0	1 0		4	Y.
19,49,050	5,50,000	31,91,657	23,48,812	49,906	Basnur Bros., Ltd.	Belsund Sugar	11 ¾	7½	0 12	0 12	0 12		6	Y.
15,00,000	13,85,319	45,47,886	11,37,841	26,084	Cotton Agents Ltd.	Bharat Sugar	182dN	10	1 8	1 8	1 8		9	Y.P.
32,00,000	26,79,431	1,35,76,859	86,76,177	61,722	Girdstone Lyall & Co., Ltd. ..	Carew & Co.	112	*Nil*	*Nil*	*Nil*	*Nil*		6	Y.P.
15,00,000	53,07,981	1,00,15,853	31,52,451	59,696	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	25½	10	2 0	2 0	0 12		10	Y.P.
10,00,000	38,04,891	72,85,757	33,46,902	24,019	Begg, Sutherland & Co., Ltd.	Champarun Sugar	34½	10	1 0	1 0	1 0	1 8	6	Y.
5,99,452	6,18,562	24,58,580	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	91N	10	0 8	1 0	0 12		8	Y.P.
25,00,000A.	33,25,000	69,95,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	260N 'A' 100	10	12 0*	15 0*			8	Y.P.
10,00,000C.							O. 100	10	12 0*	15 0*			6	
18,00,000	8,62,508	78,28,508	66,33,242	29,748	Kilachand Devchand & Co.	Kesar Sugar	70N	80	*Nil*	*Nil*			6	Y.P.
7,99,100	23,06,922	29,32,672	17,61,033	64,888	Cotton Agents Ltd.	New India Sugar Mills	24N	40	*Nil*	*Nil*			7	Y.P.
11,00,000	4,20,000	42,21,480	24,87,658	6,185	Karamchand Thapar & Bros., Ltd.	New Savan	42xdN	10	2 8	2 8	2 8		6	Y.P.
10,87,500A.	49 84,457	63,27,786	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mill	6	10	0 4	0 4	0 4		5	Y.
2,71,875B.							240N	100	20 0	20 0	20 0		6	
77,49,500	52,22,414	1,75,96,483	88,00,000	36,922	Cotton Agents Ltd.	Oudh Sugar	60N	25	5 0	5 0	5 0		6	Y.P.
12 00,000	12 74,223	28,77,669	10 98,928	55 000	Narang Bros. & Co., Ltd.	Punjab Sugar	120N	100	6 0	11 0	11 0		7	Y.P.
9,00,000	17,64,369	37,85,808	30,57,240	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	17	10	1 0	1 0	0 12	0 12	10	Y.P.
8,00,000	0 04,762	25,48,782	21,01,013	24 340	M.	Ryam Sugar	213†	10	1 0	1 0	0 8		6	Y.P.
11,99,900	18,36 779	38,65,583	22 92 130	8,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	14	10	1 0	1 0	0 8		6	Y.P.
20,00,000	21,88,556	1,08,88,819	57,08,717	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13½	10	1 8	1 8	1 8	*Nil*	6	Y.P.
9,99,950	51,2?2	26,55,545	13,98,277	—8,98,853	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	8½	10	0 6½	*Nil*	*Nil*		8	Y.
7,95,462	18,82,940	31,60,735	17,68,003	1,06,227	Karamchand Thapar & Bros	Shri Sitaram Sugar	14½	10	1 0	2 0*	1 8*		8	Y.
9,15,000O.	47,592	27,27,402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd.	South Bihar Sugar	18N	O. 10	*Nil*	*Nil*			10	Y.P.
4,40,000D.							18	D. 10	1 0	*Nil*				
8,00,000	20 87,688	33,26,115	20,99,754	48,719	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	1 0	0 8	2 8		6	Y.
16,00,000	7,99,778	32,06,650	25,98,846	39,061	James Finlay & Co., Ltd.	United Provinces Sugar	24	10	1 8	0 8	1 4		6	Y.
Other Centres														
45,99,750	74,83,470	1,50,12,876	1,03 10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company*	334	50	16 0	16 0	16 0	16 0	9	Y.
5x,000	11,90,010	21,68,833	19,76,042	28,000	A. H. Ibhwandwalla & Co.	Bhopal Sugar Industries Ltd. ..	15½	10	1 0	0 10	1 0		6	Y.
15,93,900	2,45,841	29,19,958	20,01,146	51,992	Sir J. P. Srivastava & Sons (M.B.)Ltd.	Gwalior Sugar	55N	100	3 0	*Nil*	*Nil*		6	Y.P.
28,70,610	14,00,000	26,96,629	18,50,803	4,80,236	India Sugar Agencies Ltd.	India Sugar and Refineries ..	22½	10	2 8	2 8	1 12		9	Y.P.
33,57,620	41,27,060	41,95,605	20,78,418	1,403	Govan Bros. (Rampur), Ltd.	Buland Sugar	141N	10	0 12	1 0	1 0		9	Y.
10,82,2000.	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	127†	O.100	7 8	7 8	7 8	7 8	6	Y.P.
2,87,190D.							90	D. 10	10 0	10 0	10 0	10 0		
21,79,280	95,00,001	1,31,37,677	78,17,730	2 90,340	S. Muniswamappa, Esq. (Managing Director)	Mysore Sugar	53½	10	2 0	2 0	2 0	2 0	6	Y.
50,00,000	48,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd. ..	Phaltan Sugar	135	50	8 0	6 0	8 0	8 0	6	Y.
16,59,820	25,50,630	53,90,015	26,76,747	29,230	Anderson Wright Ltd.	Ramnagger Cane and Sugar ..	25 ¾	10	2 0	2 0	2 0	2 0	6	Y.
99,00,0000.	24,67,171	87,47,627	53,31,890	61,432	Wood and Co., Ltd.	Ravalgaon Sugar Farm	65N	10	0 0	*Nil*			9	Y.P.
19,99,608	44,88,457	47,06,689	31,73,094	4,635	Govan Bros. (Rampur), Ltd.	Raza Sugar	7N	D. 10	0 11½	*Nil*	*Nil*		9	Y.P.
80,00,000	10,37,776	59,76,284	17,87,159	—32 224	Parry & Co., Ltd.	Travancore Sugar	102N	10	0 12	1 0	0 12		10	Y.
1,01,00,000	61,19,890	1,85,70,980	1,04,68,812	1,79,068	Premier Construction Co., Ltd. ..	Walchandnagar Industries	13	10	*Nil*	*Nil*	*Nil*		7	Y.
							246½	100	14 0	14 0	16 0		9	
TRANSPORT														
20,00,000	1,06,42,425	1,33,68,272	18,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	147	100	12 8	10 0	7 8		10	Y.P.
1,00 00,000	16,67,690	4 65,14 760	1,80,06,587	89 648	Dinshaw Ltd.	Bharat Line	80	100	5 0	5 0	5 0		12	Y.
50 00,000	24 35,838	2,50,21 298	82,65,795	1,47,959	A. H. Ibhwandwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	151xr	10	1 0	1 0	1 0		6	Y.P.
£655 580	£960,878	£5,515,631	£3,844,773	£21,366	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	130	610	Sh.10	*Nil*	Sh.10	*Nil*	6	Y.
$ 25 00 000	74,99,223	7,93,25,462	1,81,56,690	1,24,661	Lionel Edwards Ltd.	India Steamship Co.	8½	10	0 8	0 8	*Nil*		12	Y.
$ 50,00 000	7,88,25,028	14,92,76,426	3,71,00,000	2,72,820	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	18–4½	20	0 8	0 12	0 8		6	Y.
8,40,800O.	18,53,194	11,38,000	6,80,211	1,84,122	R. B. Aiyer, Esq. (Manager)	Walford Transport Ltd.	24	O. 1	as. 1 3/25	as. 1 3/25	1 22/25		12	Y.
2,10,200P.O.							2	P.O. 1	as. 1 9/25	as. 1 9/25	1 19/25			
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0	32 0	9	Y.
10 00,000	3,04,173	7,16,542	99,000	42 582	Parsh Agencies Ltd.	Bombay Uranda	62½	80	4 0	5 0	4 8		9	Y.
25,00,000	1,00,000	25,74,2?3§	9 294	3 394	Dena Sons, Ltd.	Devkaran Nanji Investmen Co.	18	25	0 12	0 12	0 12	0 12	3	Y.
14,98,840	3,42,585	28 00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	30	50	2 8	*Nil*	2 8		3	Y.
1,00,00,000	19,07,876	1,27,52,503§§	....	2,58,008	Premchand Roychand & Sons ..	Industrial Investment Trust ..	80½	100	4 8	4 8	4 8	2 0	12	Y.
99 99,975	35,06,351	35,10,899	9 31 529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	170	100	10 0	10 0	11 0	11 0	6	Y.
2,07,02,800A.	5,28,634	2,87,33,373	1,25,90,202	5,86,717	Aero-Auto Ltd.	Premier Automobiles	85	A.100	*Nil*	*Nil*	*Nil*	*Nil*		
10,00,000B.								B. 10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
10 21,200	5,56 605	14,71,107	12,41,107	26,732	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	23	20	3 0					
2,75,00,000	75,25,568	2,92,47,116	1,53,96 500	5,28,887	T. Rydin, Esq. (Managing Director)	Western India Match Co.	187½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	5a,74,647	7,24,608	3,07,108	45,948	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000	15,00,000	1,88,63,801	58,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	10½	O. 10	*Nil*	*Nil*	*Nil*		8	Y.P.
2,50,000							8¼N	D. 2½						
80,00,000	40,60,690	21,77,196	21,11,902	2,89,796	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	25 ¾	10	1 4	1 4	1 4		8	Y.
80,00,000	9,25,000	35,74,632	20,11,857	1,17,498	T. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 0	1 4*	1 4*		8	Y.
80,00,000	23,47,888	1,00,29,510	39,87,880	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	11½dN	10	1 0	0 8 1/5	0 8 1/5		8	Y.P.
80,01,400	82,94,263	65,81,988	32,21,988	1,49,717	O. T. Jenkins, Esq. (Director) ..	Balmer, Lawrie & Co., Ltd. ..	194	100	20 0*	20 0*	18 0	2 8†	12	Y.
20,00,000	7,99,470	57,53,550§§	....	1,21,782	Lovelock & Lewis	Birds Investment Ltd.	19	10	1 4	1 4	1 4		9	Y.P.
45,97,020	26,44,814	1,00,74,580	29,49,001	1,98,548	K. Julian Scott Esq. (Mg. Director)	Britannia Biscuits	15½	10	1 4	1 4	1 4		9	Y.P.
3,25,00,000	1,00,88,962	2,99,29,657	2,07,14,167	2,81,142	Birla Bros., Ltd.	British India Corporation Ltd.	13	5	0 10	0 8	1 0	1 0	3	Y.P.
1,50,00,000	1,79,00,000	4,83 17,964	3,06,58,184	11,88,891	Cecil Stack, Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	6	10	0 10	0 8	1 0		6	Y.P.
81,28,000	58,06,753	1,54,39,918§§	....	2,13,306	Bird & Co., Ltd.	Eastern Investments Ltd.	84½	10	1 8	1 8	1 8		12	Y.P.
14,00,000	9,97,000	23 18,300	18,66,225	52,523	MacNeill & Barry Ltd.,...	Ganges Rope Co., Ltd.	194	100	1 0	1 0	0 8		8	Y.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	15½	10	10 0	10 0	7 8	7 8†	9	Y.P.
30,00,000	11,42,864	58,59,433	29,41 526	1,466	B. P. E. Syndicate	Great Eastern Hotel	24xr	10	10 0	7 8	7 8	1 6 2/5	3	Y.P.
12,42,800	9,57,964	72,81,701	33 92,559	86,586	Birla Bros., Ltd.	Hind Cycles	100N	25	15 0	15 0	4 4		3	Y.P.
4,96,12,650		3,05,00,214	60,52,719	4,54,999	Birla Bros., Ltd.	Hindustan Motors	100	10	2 8	2 8	0 10		12	Y.P.
1,80,00,000	26,77 754	3,96,21 557	1,54,14,699	2,96,512	J. W. Cameron, Esq.	Indian Aluminium Co.	9½	10	*Nil*	*Nil*	*Nil*		12	Y.
1,52,89,220	1,20 50,000	1,55,72,391	57,17,651	28,98,462	A. R. Driesen Esq.	Indian Cables	197	100	8 0	*Nil*	*Nil*		12	Y.
8,87,970	2 86,000	15,40,526	9 98 110	82,816	A. S. Monkton & Co. (India) Ltd.	Indian Rubber Manufacturers ..	32½	10	1 0*	1 0*	1 0*	4 0†	8	Y.
15,15,00,000	7,23,52,583	3,55,94 147	1,87,60,408	25 00 000	Mr. Eric Henry Haw (Chairman)	Tata Iron & Steel Co. of India Ltd.	18	10	0 12	1 0	0 8	0 8	3	Y.
2,00,00,000	58,29,566	34,83 960	8,80,060	4,70,107	G. M. Mackinsay, Esq.	Jardine Henderson	14½	10			0 9 3/8	0 12 4/8	3	Y.P.
6,94,0000	3,48,343	6,89,880	4,81,766	2,240	James & Co., Ltd.	Macfarlane & Co.	10	10	10 0	7 8	7 8	7 8	3	Y.
96,000D.							2½	O. 1	*Nil*	*Nil*	*Nil*			
40,00,0000.	78,01,900	25,16,760	7,97,301	1,87,334	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	—	D. 1					8	Y.
5,00,000D.							210N	O.100	17 0	10 0	17 0			
1,80,94,750	58,14,888	19,97,616	8,96,141	2,52,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	—	D.O.10	0 4	0 8	1 3 1/2		12	Y.
1,15,00,000	44,50,000	1,76,84,808	67,97,457	14,43,141	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	28½	10	1 6	1 6*	1 8		9	Y.P.
6,86,256	1,59,858	7,81,448	2,80,967	—15,229	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	27½	10	1 0	1 0	1 0	1 4	3	Y.P.
6,56,250	9,58,118	10,60,240	4,40 947	72	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	44	10	*Nil*	*Nil*	*Nil*		12	Y.P.
10,00,000	1,29,000	15,18,145	8 10,288	20,911	T. Shamanna, Esq. (Chairman)	Mysore Tobacco	14½	10	1 0	1 0	1 0		8	Y.P.
40,00,000	51,21,173	59,00,527	39,20,120	2,23,283	Associated Industrial Development Co., Ltd.		10½	10	1 0	1 0	1 4	1 0	3	Y.
79,97,000	31,15,337	1 14,74,878	58,77,586	6,03,430	B. N. Elias & Co., Ltd.	National Insulated Cable Co. ..	22½	10	0 12	1 0	1 0	1 0*	3	Y.P.
40,00,000	27,00,000	44,15,474	19,71,424	1,31,468	Commander Investment Trust Ltd. ..	National Tobacco Co.	11½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
2,25,00,000	6,41,864	1,81,45,964	48,79,929	—62,97,067	T. A. Lykiardopulo, Esq.	Parry & Co.	58	2	0 4 4/5	0 4 4/5	0 4 4/5		12	Y.P.
1,14,00,000	1,17,70,308	6,94 43,187	3,00 81,612	4,46,961	Sahu Jain Ltd.	Rohtas Industries	27	100	*Nil*	*Nil*	*Nil*		12	Y.P.
40,00,000	93,60,594	1,18,78,870	70,99,957	5,10,876	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	23½	100	1 0	1 4	1 8		10	Y.
75,00,000	69,00,000	15,00,000§	4,16,784	3,69,461	K. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	18cd	10	1 0	1 0	1 0	1 0	12	Y.
9,98,280	1,80 000	14,56,885	3,40,648	—2,98,080	Ogale Bros. Ltd.	Travancore Ogale Glass	15	10	1 0	1 0	1 0		12	Y.
							3½	10	*Nil*	*Nil*	*Nil*		12	

§§ Investments at cost. * Includes bonus. † Excluding Re. 1,46,01,000 which represent shares in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Acreage under Tea	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	Amluckie	825	500N	100	7 8	25 0	30 0†		12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	Amluckie (Assam) Tea	429	44N	10	0 12	1 4	7 8†		12	Y.
3,50,000	6,43,250	10,47,044	2,03,038	72,093	Gillanders Arbuthnot & Co., Ltd.	Ananda Bag	420	44	10	*Nil*	2 8	8 0*		12	Y.
5,50,000	11,21,544	16,95,977	3,63,357	93,058	McLeod & Co., Ltd.	Bazmatai	513	24	10	*Nil*	*Nil*	3 8		12	Y.
5,10,000	8,50,000	11,69,193	3,89,461	93,033	Andrew Yule & Co., Ltd.	Bazmatai	369	32xr	10	2 0	2 8	3 0		12	Y.
3,30,800	4,65,000	10,11,205	6,46,265	18 304	National Tea Corporation	Betjan	569	22½	5	0 4	2 0	4 0		12	Y.
3,29,000	8,70,000	9,00,764	2,53,341	68,794	Gillanders Arbuthnot & Co., Ltd.	Betjan	594	49½	10	*Nil*	2 0	10 0*		12	Y.
16,50,000	20,60,000	52,30,109	22,05,499	1,99,547	Williamson Magor & Co., Ltd. ..	Bishnakhat	3,967	38½	10	*Nil*	3 8			12	Y.
6,00,000	11,00,000	13,07,035	2,08,130	61,929	Octavius Steel & Co., Ltd.	Bokakhat	485	21	10	*Nil*	*Nil*	1 0		12	Y.
6,00,000	10,00,000	12,33,709	2,08,416	61,976	McLeod & Co., Ltd.	Bormah Jan Tea	450	19½	10	*Nil*	0 12	3 8		12	Y.P.T.
7,50,000	6,52,400	8,32,327	2,83,050	1,44,105	McLeod & Co., Ltd.	Brooke Bond	2,834	20½	10	1 0	0 8	1 4		6	Y.P.
35,50,000	70,00,000	11,92,045	73,80,473	10,49,496	Brook Bond India Ltd.	Brooke Bond	282	20	10	*Nil*	1 0	6 0		12	Y.
1,20,000	4,00,128	5,55,983	1,85,593	6,542	McLeod & Co., Ltd.	Dejoo Valley	1,220	40	10	*Nil*	*Nil*	2 0		12	Y.
6,00,000	10,99,000	20,64,194	16,84,471	51,559	Jardine Henderson Ltd.	Dessai & Parbuttia	425N	100	10	0	20 0	40 0		12	Y.
7,33,440	9,57,983	22,73,420	4,17,946	44,531	James Warren & Co., Ltd.	Dhekakhat	629	18 ¾	10	1 0	1 8	2 8		12	Y.P.
4,08,970	3,35,000	10,93,260	3,77,383	5,779	James Finlay & Co., Ltd.	Dhunseri	644	25	10	*Nil*	2 0	5 0		12	Y.P.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,50,000	3,72,883	25,600	22,734	Plantinz Agencies Ltd. ..	Balmadies Plantations ..	5½	2	0 3¼	0 4	0 4	0 4 4/5	5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar ..	8½	3	0 9 3/5	0 12	0 12	0 12 1/5	2	Y.P.
18,00,000	15,00,195	32,07,456	5,29,906	1,21,059	Cons. Coffee Estates (Secretaries). .	Coffee Lands and Industries	17½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Patterson Esq.	Consolidated Coffee ..	20½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,76,708	5,59,957	48,764	7,754	Associated Planters Ltd. ..	Cottanad Plantations ..	15½	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,95,542	22,72,870	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce ..	16½	10	1 0	1 4	2 8		12	Y.
4,00,000	10,16,091	10,85,666	1,39,566	11,970	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates ..	27	10	2 0	2 0	2 0		4	Y.P.
6,00,000	7,28,320	18,41,017	2,55,893	..	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber ..	28½	10	3 8	5 8	2 4	2 4	3	Y.
27,00,000	27,35,990	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd. ..	Midland Rubber ..	19½	10	1 8	1 8	1 12*		3	Y.P.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd. ..	Nemmony Rubber ..	22½	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	2,99,688	7,28,895	44,185	8,690	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	13½	10	1 0	1 0	1 0		12	Y.P.
19,45,980	24,01,085	37,40,924	10,24,385	69,334	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates	5½	2	0 3¼	0 3¼	0 3 3/5		12	Y.P.T.
13,50,000	6,30,000	39,40,798	3,06,746	54,658	A. V. Thomas & Co., Ltd. ..	Rajakeri Rubber ..	20½	10	1 8	1 12*	1 12*		6	Y.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce Leslie & Co., Ltd. ..	Savumalai Estates Ltd. ..	28½	10	3 8	3 0	2 8		11	Y.
10,00,000	3,00,000	21,81,945	1,32,350	1,202	East India Agencies ..	Teekoy Rubber (India) Ltd. ..	9½xd	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd. ..	Thanarapally Rubber ..	30	10	2 0	3 0	3 0		12	Y.P.
6,10,200	2,75,095	7,98,048	62,102	17,226	Peirce, Leslie & Co., Ltd. ..	Trumbadi Rubber Co., Ltd. ..	2-3/4	1	0 4	0 4½	0 1 3/5		9	Y.
6,00,000	46,474	7,40,611	1,11,200	3,744	Eapen Thomas, Esq. (Mg. Director)	Travancore Rubber ..	9½	10	0 2	2 0	2 0		12	Y.
41,00,000	14,29,673	74,86,917	7,65,148	3,28,925	Aspinall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	12½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
20,00,000	90,000	23,53,508	5,65,978	2,276	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co. ..	38	25	2 8	3 0	5 0		12	Y.
6,25,580	4,40,670	7,77,154	14,119	21,363	Harrisons & Crossfield Ltd.	Valkundam (Travancore) Rubber ..	26½	10	2 0	2 0	2 4		12	Y.
1,65,000	87,259	3,55,239	17,483	5,824	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates ..	11½	10	1 0	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	56,00,000	97,35,670	52,40,244	1,03,973	B. N. Elias & Co., Ltd.	879	Agarpara	13	10	1+1	1+1	1+1		3, 9	H.T.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,080	McLeod & Co., Ltd.	446	Alexandra	248xd	100	Nil	Nil+24	24+5		6, 12	H.P.T.
30,00,000	9,84,130	1,17,43,964	91,71,069	2,55,797	McLeod & Co., Ltd.	1,264	Alliance.. ..	158	100	Nil	Nil+5	6+6		6, 12	H.P.
40,20,790	71,94,144	2,71,07,506	1,32,90,000	1,41,421	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	211	100	10+10	7½+5	2½+5	5+	3, 9	H.P.
40,00,000	43,68,595	1,73,35,857	85,08,036	14,285	Bird & Co., Ltd.	810	Auckland	140	100	5+4	2+2	1+2½	0+	3, 9	H.P.T.
29,00,000	25,93,136	98,25,857	85,10,450	13,759	Jardine Henderson & Co. ..	959	Bally	173	100	Nil	4+Nil	Nil		3, 9	H.P.
225,0000	2631,223	£1,555,539	£1,003,227	£64,458	Sir John H. Burder (Chairman)	1,889	Barnagore	164½	£5	£1	£1	£½	£½	3	Y.P.
28,00,000	35,49,623	80,72,503	49,51,944	63,428	Andrew Yule & Co. Ltd.	820	Belvedere	185	100	7½+7½	7½+7½	5+5	5+	6, 12	H.P.
45,00,000	38,45,000	55,76,391	29,60,822	2,95,051	Soorajmull Nagarmull	600	Bengal	18	10	1	1½	1½		6	Y.P.T.
91,20,000	2,15,77,044	3,39,32,892	29,72,780	3,12,630	Birla Bros., Ltd.	1,373	Birla	188½	10	3	3		1	4	Y.P.
30,00,000	29,62,920	1,11,73,880	72,37,911	1,61,163	Andrew Yule & Co. Ltd.	991	Budge-Budge	185	100	6½+6½	6+4	4+5	5+	4, 10	H.P.
7,47,380	8,16,924	41,39,500	29,87,611	2,610	Davaram & Sons	502	Calcutta Jute Mfg. ..	13	10	0+8	Nil	½		6, 12	H.P.T.
18,00,000	32,31,284	77,55,587	41,00,135	74,452	Andrew Yule & Co., Ltd.	616	Caledonian	245	100	6+6	6+6	4+5	4+	5, 11	H.
69,16,400	98,80,469	2,26,75,357	1,02,36,373	98,277	James Finlay & Co., Ltd.	600	Champdany	102	100	7+8	3+3	Nil+3	4+	3, 9	H.
15,95,000	30,14,282	80,99,473	56,13,386	54,375	Andrew Yule & Co., Ltd.	530	Cheviot	240	100	6+6	6+6	6+8	6+	5, 11	H.P.
30,15,000	28,25,000	60,73,514	46,01,290	1,52,253	McLeod & Co., Ltd.	509	Chitavalsah	154	10	2½+1½	1½+1	1+1		6, 12	H.T.P.
16,00,000	17,00,000	72,00,949	64,34,490	18,847	Shree Krishna Investment Co., Ltd.	969	Clive	16½	10	2	Nil			3	Y.P.
31,49,200	63,41,519	1,31,04,667	63,93,883	11,882	Bird & Co., Ltd.	766	Dalhousie	128	100	6+1	1+3	1+1½	3+	3, 9	H.P.T.
28,00,000	44,74,179	75,27,531	46,70,110	94,604	Andrew Yule & Co., Ltd.	779	Delta	255	100	10+10	10+10	6+6	5+	5, 11	H.P.
15,00,000	33,50,000	81,39,924	59,15,960	1,43,884	McLeod & Co., Ltd.	500	Empire	22½	10	1+1	1+1	1+1	1+	6, 12	H.P.
21,00,000	59,60,176	2,72,92,353	1,87,05,641	71,982	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	430xdN	100	10+Nil	Nil	Nil+5	10+5	3, 9	H.P.T.
14,00,000	17,75,000	84,16,102	53,69,750	1,16,743	Banzur Bros., Ltd.	1,014	Fort William	98xx	10	Nil	Nil+5	10+10	10+10	3, 9	H.T.P.
84,32,100	4,67,566	2,04,08,327	1,30,18,226	1,23,924	Macneill & Barry Ltd.	1,709	Ganges Mfg.	88	100	Nil	Nil+Nil	Nil+2½	2½	3, 9	H.P.
30,80,000	28,00,000	71,29,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,300	300	30	15	Nil		12	Y.
24,00,000	31,30,463	2,12,25,812	1,64,90,218	1,04,669	Macneill & Barry Ltd.	1,394	Gouripore	322	100	1½+Nil	Nil+3½	2½+7½	7½+	3, 9	H.P.
40,00,000	55,68,234	99,03,390	57,88,099	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	114xN	10	10	10	10+10	11½+	3	Y.P.
16,80,000	18,52,629	60,35,235	45,31,416	32,491	Gillanders Arbuthnot & Co., Ltd.	729	Hoodsly	42	10	1½	1½	½		3	Y.P.
65,62,500	64,54,525	1,88,96,568	1,08,71,020	92,110	Jardine Henderson Ltd.	1,940	Howrah	27½	10	1+½	½+½	½+½	½+	3, 9	H.P.
52,50,000	23,00,000	2,58,15,937	1,54,15,937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	30	5	3	2	3		3	Y.P.T.
87,00,000	18,75,000	1,20,99,497	76,70,146	45,363	Mackinnon Mackenzie & Co. ..	1,076	India	157	O. 125	3½+3½	3½+3½	Nil+3½	3½+	3, 9	H.
30,000								—	D. 1	As.1+½	a2/5—2/5	nil+a2/5	As.2/5 †		
24,00,000	23,52,233	1,37,58,585	1,23,63,657	24,686	Jardine Henderson Ltd.	1,797	Kamarhatty	187	100	8½+6	6+3	3+6	2½+	6, 12	H.P.
19,20,000								164	'B' 100	8½+6	6+3	3+5	2½+		
30,00,000	13,77,539	1,32,79,035	99,85,481	19,297	Jardine Henderson Ltd.	1,527	Kankanarrah	126	100	6+4	5+2½	2½+4	1+	6, 12	H.P.
24,00,000								119	'B' 100	6+4	5+2½	2½+4	1+		
21,00,000	49,50,000	1,12,88,750	79,26,276	1,70,687	McLeod & Co., Ltd.	703	Kelvin	289	100	7½+7½	7½+10	10+10		6, 12	H.P.
54,00,000	13,50,000	1,12,88,975	57,501	Anderson Wright Ltd.	1,530	Khardah	165	100	10+15	10+7½	7½+5	6+	3, 9	H.P.
54,00,000	14,00,000	1,11,52,175	2,21,65,071	1,11,12,348	32,500	F. W. Heilgers & Co.	1,250	Khinson	201	100	10+7	4+5	2+5	7+	3, 9	H.P.T.
24,18,000	50,23,241	1,39,00,448	79,72,840	11,135	Bird & Co., Ltd.	931	Lansdowne	129	100	7+3	3+1	5+1	5+	3, 9	H.P.
28,00,000	60,65,021	1,16,04,266	63,92,123	14,393	Bird & Co., Ltd.	840	Lawrence	145	100	11+4	2+3	2+4	5+	3, 9	H.P.
81,63,200	29,14,312	1,09,71,474	1,21,64,314	1,32,079	Mackinnon Mackenzie & Co.	1,008	Mecina	96	100	2½+2½	Nil 2½	2½+2½		3, 9	H.
20,00,000	41,12,992	1,82,20,295	96,26,321	—4,25,342	F. W. Heilgers & Co.	815	Naihati	118	100	6+Nil	Nil	Nil	Nil+	3, 9	H.
20,00,000	15,55,000	23,95,517	17,70,783	10,124	Howrah Trading Co., Ltd. ..	425	Naskarpara	18½	10	1+1	Nil+½	1+½		4, 10	H.T.
25,00,000	44,29,200	89,60,278	9,84,389	1,35,088	Andrew Yule & Co., Ltd.	852	National	31½	10	1+1	1+1	1+1	1+	4, 10	H.P.
26,25,000	24,50,000	28,82,794	20,20,619	1,43,752	McLeod & Co., Ltd.	316	Nellimarla Jute	12½	10	2+1	1+1	1+½	1+	6, 12	H.P.T.
31,50,000	34,13,033	50,02,415	29,21,973	3,01,010	Sahu Jain Ltd.	709	New Central	18½	10	10+12	12+12	12+5		6, 12	H.P.
16,79,880	52,39,090	1,21,10,192	60,85,586	65,146	Bird & Co., Ltd.	567	Northbrook	26½	10	1+½	1+½	1+½	1+	3, 9	H.P.T.
66,75,500	31,44,095	1,45,23,514	1,39,33,388	45,550	Macneill & Barry Ltd.	1,092	Nuddea	40½	50	1+Nil	Nil+1	Nil+1	1+	3, 9	b.
24,31,000	27,81,049	71,59,178	49,01,630	68,095	Andrew Yule & Co., Ltd.	601	Orient	171+	100	1+6	6+6	5+5	5+	5, 11	H.P.
25,00,000	6,23,498	80,72,991	63,77,961	1,03,054	McLeod & Co., Ltd.	409	Prosidency	64	5	Nil	Nil+½	1+1+½		6, 12	H.P.
20,00,000	1,44,930	39,40,798	8,30,130	—12,15,988	Birla Bros. Ltd.	305	Rameshwara	7½	10	Nil	Nil	Nil	Nil+	3, 9	H.P.
49,50,000	8,12,560	1,23,00,298	58,56,886	45,581	Jardine Henderson Ltd.	1,276	Reliance	12½	10	Nil	1+1	Nil	Nil+	3, 9	H.P.T.
£600,000	£1,003,713	£1,236,315		£38,656	Thomas Duff & Co. (India) Ltd. ..	2,013	Samaguri	15½	£1	10%	10%	10%	3%‡1	3, 9	Y.P.
30,00,000	13,12,193	1,03,17,035	71,03,045	10,341	Ramdutt Ramkissendas	911	Samaguri	18½	10	Nil	½	½		12	H.P.
14,00,000	11,08,733	66,59,602	31,22,503	1,66,758	Hindustan Investment Corporation	401	Soorah	141N	10	Nil	½	1		12	Y.
25,19,500	47,30,092	1,15,05,773	57,07,251	19,221	Bird & Co., Ltd.	650	Standard	22½	10	8+4	1+1	1+1	1f	3, 9	H.P.
£600,000	£925,119	£900,505		£110,310	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur	13½	£1	10%	10%	10%	3%‡1	12	Y.P.
85,58,690	87,85,760	1,93,37,413	79,45,416	6,219	Bird & Co., Ltd.	1,326	Union	189	100	10+1	1+4	1+5	5f	3, 9	H.P.T.
£400,000	£683,035	£1,092,723		£97,816	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	13	£1	10%	10%	10%	3%‡1	12	Y.P.
2,50,000	4,95,000	55,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	6½	1	Nil	Nil+½	½		6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	25½	10	½ + ½	½ + ½	½ + ½	½+	3, 9	H.
12,00,000	8,34,319	38,77,312	35,73,612	12,449	Jardine Henderson Ltd. ..	Bararee Coke ..	21½	10	3/5 + ½	7/10+7/10	½ +7/10	½+	3, 9	H.
4,49,350	70,000	8,49,159	6,40,066	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee ..	6N	10	Nil	Nil	½ + ½		6, 12	H.
1,00,00,000	1,34,49,223	5,81,71,327	3,82,17,119	7,80,066	Andrew Yule & Co., Ltd. ..	Bengal Coal ..	504	200	20+20*	17½*+12*	15*+15*	17½*f	4, 10	H.P.
2,25,000	4,96,231	27,84,435	22,57,553	....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur ..	16	10	½ + ½	Nil	Nil		6, 12	H.P.
15,97,900	4,73,353	37,70,192	22,77,364	13,493	H. W. Low & Co., Ltd. ..	Bhalgora	6½	10	½	½			9	Y.
40,00,000	14,81,010	1,30,60,104	68,66,790	13,644	Balmer Lawrie & Co. ..	Bharuli Collieries ..	8½	10	½	½	½		6	Y.P.
7,15,000	15,00,000	22,40,075	37,09,957	—1,65,136	F. W. Heilgers & Co. Ltd. ..	Bhubanbarare	14½N	10	½ Nil	Nil	Nil	Nil+	6, 12	H.
16,00,000	16,22,936	66,16,454	39,74,841	—1,36,132	Anderson Wright (Ramgarh), Ltd.	Bokaro-Ramgur	12½N	10	Nil f				6, 12	H.
7,50,000	23,50,000	42,07,658	20,07,691	68,656	F. W. Heilgers & Co., Ltd. ..	Borrea	29½	10	1½*+1½*	1½*+1½*	1 + 1	1+	6, 12	H.
90,02,480	1,76,70,564	4,16,32,554	1,80,95,440	1,40,510	Bird & Co., Ltd.	Burakur	16½	10	½ + ½	½ + ½	½ + ½	½+	6, 12	H.P.T.
49,97,750		34,81,955	2,57,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	8	10	Nil	½	½		3	Y.
8,00,000	13,54,302	49,10,414	32,03,954	82,768	M.	Central Kurkend ..	12½xN	10	Nil	½ + ½			6, 12	H.
6,00,000	1,43,608	7,28,438(k)		12,291	F. W. Heilgers & Co., Ltd. ..	Churlia	3½	4	½ + ½	½ + ½	½ + ½	½ +	6, 12	H.
10,00,000	1,20,000	52,07,221	28,91,190	—2,43,279	Macneill & Barry Ltd.	Dhemo Main	9½	10	Nil	Nil	Nil	Nil+	6, 12	H.T.
£240,000	£380,553	£930,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	35	£1	31(i)	2½	2½	3	4	Y.
20,63,760	76,84,250	3,89,97,409	2,87,14,367	93,266	Macneill & Barry Ltd.	Equitable	35½	10	2 +1½	1 + ½	½ + ½	½+	6, 12	Y.
30,00,000	2,11,139	30,72,721	23,93,903	40,284	Shaw Wallace & Co., Ltd. ..	Ghusick and Muslia ..	15N	10					3	Y.P.
12,00,000	1,22,000	39,02,565	20,09,824	3,226	Killick Industries Ltd.	Himeir-Rampur ..	43	50	4	3	Nil	2 4	6	H.
8,00,000	6,75,000	21,43,057	18,61,214	65,461	Macneill & Barry Ltd.	Hurriladih	24½xd	10	½ + ½	½ + ½	½ + 1	1½+	6, 12	H.
22,00,000	1,08,577	31,70,015	10,56,245	—1,05,248	Bajaria Trust Ltd.	Jeerla Coal	2	10	Nil				12	Y.P.
3,50,000	2,07,488	13,33,458	7,08,130	....	Andrew Yule & Co., Ltd.	Kalapahari	22½N	10	1½+1½	1½+ 1	Nil	Nil	2, 8	H.
20,00,000	17,325	29,07,891	3,43,150	2,061	Bird & Co., Ltd.	Karanpura Collieries ..	16½	100	Nil	Nil	Nil	2½	2	Y.P.
5,00,000	15,86,000	45,16,229	35,85,877	1,26,128	Andrew Yule & Co., Ltd.	Katras Jheritah	63½	10	2 + 2	2 + 2	2 + 2	2½+3	1, 7	H.
1,38,400	5,72,960	12,51,141	—2,50,226	1,80,240	Berjwala & Co.	Khas Kajora	8N	10	Nil	Nil	Nil		6, 12	H.P.
11,00,240	64,314	10,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kuardi	44N	10		Nil	Nil		6	Y.
9,00,000	11,86,413	28,69,268	22,97,087	2,255	H. V. Low & Co., Ltd.	Lakurka	11½N	10			½		4	Y.
7,48,240	1,50,000	11,58,128	8,95,686	25,508	S. P. Tantia, Esq.	Nazira	7	10					6, 12	H.
7,00,000	26,617	10,35,740	5,20,295	4,560	Amritlal Ojha & Co., Ltd. ..	New Bansdeopur ..	10N	10					3, 9	H.
17,70,250	19,41,783	1,17,05,498	87,10,712	95,478	Andrew Yule & Co., Ltd.	New Beerbhoom ..	22½	10	Nil+½	½ + ½	½ + ½	½ f	4, 10	H.P.
6,00,000	85,000	28,44,928	16,65,990	36,426	Octavius Steel & Co., Ltd. ..	New Mandhoom ..	12½	10	Nil	Nil	Nil	Nil f	3, 9	H.
1,15,000	2,47,693	12,96,801	8,28,607	13,249	Andrew Yule & Co., Ltd.	North West	21½N	10	½ + ½	½ +Nil	Nil	As. 10†	3, 9	H.
1,57,500							18N	7½	½ + ½	½ +Nil	Nil	As. 7½†		
1,50,000	12,21,853	3,07,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd. ..	Ondal	18N	10	1 + 1	1 + 1	½ + ½	½+	6, 12	H.P.
10,00,000	1,10,000	39,70,662	17,90,658	3,809	K. C. Thapar & Bros.	Oriental Coal	9N	10			½		12	H.P.
8,21,000	12,042	17,42,596	8,01,023	7,443	Deepchand Kishenlall	Parasea	14N	10	Nil	½ + ½	½ + ½		6, 12	H.
15,75,000	15,00,000	40,12,471	34,02,471	33,013	Shaw Wallace & Co., Ltd. ..	Pench Valley	25½	10	½ + 4	½ + ½	½ + ½	½+	3, 9	H.
23,90,500	18,87,105	1,19,38,939	83,32,615	28,921	N. B. Elias & Co., Ltd.	Rancegunge	12	10	Nil	Nil	½ + ½	f	3, 9	H.
13,50,000	8,53,385	35,36,765	27,73,764	2,824	Shaw Wallace & Co., Ltd. ..	Rewa	21½	10	½ + 1	+ 1	½ + ½	½+	6, 12	H.
20,00,000	3,05,088	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Sanuia Collieries ..	13½	10	½ + ½	½ f			6, 12	Y.
1,25,000	1,95,892	13,78,480	12,21,237	21,670	M.	Searsole	8½	2½			½	½	7	H.P.
2,50,000	7,36,594	29,57,201	18,41,623	40,187	Andrew Yule & Co., Ltd.	Seebpore	32	7	2 + 1	½ + ½	1 + 1	1½ f	6, 12	H.T.
8,00,000	5,48,689	52,491	28,867	6,601	F. W. Heilgers & Co., Ltd. ..	Sendra	10½N	10	Nil	Nil	Nil+½	½+	6, 12	H.
63,21,450	16,96,050	3,82,71,101	2,35,68,501	—4,46,963	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	9½	10		Nil	0–11 1/5		12	Y.T.
					Bird & Co., Ltd.	South Karanpura ..	12½	10	½ + ½	½ + ½	Nil+½	½ f	2, 8	H.
17,50,000	10,80,625	37,77,449	14,88,826	7,546	F. W. Heilgers & Co., Ltd. ..	Standard	22½	10	½ + 1	1 + 1	½ + ½	½+	6, 12	H.
8,00,000	13,69,545	1,69,570	25,510	7,937	Villiers Ltd.	Talcher	3½	2½					9	Y.
10,00,000	12,950	30,15,423	15,45,501	—3,64,536	Williamson Magor & Co., Ltd.	Union	16½	10	1½+1½	1 + ½	+½		6, 12	H.
3,50,000	3,50,000	19,72,979	15,13,979	47,938	Hindustan Investment Corpn., Ltd	Western Bengal ..	7½	10		½	½		3	Y.
49,38,000		49,08,356	18,01,545	31,694	Macneill & Barry Ltd.	West Jamuria	13½	10	Nil	Nil	Nil	Nil+	6, 12	H.
7,00,000	1,38,190	55,22,133	22,66,981	122										

* Including bonus. (k) Investments

M—Managed by the board of directors ‡ Less income-tax. (a) For seven months ended 31st March, 1954.

(1) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares.

NEW PUBLICATIONS

Measurement of Industrial Productivity. Author : M. M. Mehta. Published by the World Press Ltd., 37, College Street, Calcutta, 12. Price : Rs. 6 or 10s. 6d net.

IT is common knowledge that productivity indices are now increasingly being used for the study of temporal, spatial and cross-sectional changes in productivity, for the estimation of demand for manpower and other resources, for more efficient allocation of and effective utilisation of productive resources and for the attainment of ever-increasing standards of living through the application of technical knowledge, organising ability and creative efforts to the productive processes. Mr. M. M. Mehta has, in this book, attempted to analyse and examine some of the problems connected with the meaning and measurement of productivity.

The author has first dealt with the contribution that productivity analysis could make towards the objective study of temporal, spatial and cross-sectional changes in productivity. He has described what the concept of productivity precisely connotes and whether it is possible to find out a universally accepted definition of "productivity." He has discussed the interesting question whether productivity is quantitatively measureable and, if so, what are the objective standards by which productivity could be quantitatively measured, if not with scientific precision, at least with reasonable accuracy. Mr. Mehta has devoted a chapter to the discussion of the various determinants of product

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
10,00,000	1,03,00,000	11,36,301	Allahabad Bank	365	100	18 0	18 0	18 0	18 0	12	Y.P.
14,50,000				184	50	9 0	9 0	9 0	9 0		
1,01,000	13,51,000	1,28,560	Andhra Bank	115	100	6 6	6 8	7 8	3 01	6,12	H.
31,29,720				84	70	3 0	3 4	3 12	2 1 3/5		
1,00,00,000	1,28,00,000	2,70,302	Bank of Baroda	101½	50	6 0	6 0	6 0	1 8	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	134N	25	0 12	0 12	—	—	12	Y.
2,50,00,000	3,52,00,000	9,10,851	Bank of India	164	50	7 0	7 0	7 0	3 01	6,12	R.L.Y.
15,30,375	26,00,000	64,703	Bank of Indore	52N	25	3 0	3 0	3 0	1 12½	12	Y.
50,00,000	19,00,000	25,128	Bank of Jaipur	26½	50	1 8	1 8	2 0	—	12	Y.
50,00,000	85,00,000	2,60,591	Bank of Mysore	260	100	16 0	16 0	16 0	8 6¼	12	Y.
61,21,700	58,75,914	10,060	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.P.
15,00,000	28,00,000	20,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8	—	12	P.Y.
7,50,000	10,50,000	6,378	Canara Banking Corporation Ltd.	86	50	5 0	5 0	—	—	12	Y.P.
2,02,11,875	4,00,35,697	17,88,899	Central Bank of India Ltd.	52½	25	3 8	3 0	3 0	1 8	12	R.L.Y.
52,42,375 'A'				54½	25	3 8	3 0	3 0	1 8		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co.	45	50	1 12	2 0	2 0	—	12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0	—	12	Y.
50,00,000	23,50,000	1,12,820	Hind Bank	32½	50	1 0	1 8	1 8	—	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9½	50	—	—	—	—	12	Y.
50,00,000	1,50,000	1,412	Hindustan Mercantile Bank	14	50	—	—	—	—	12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	80N	100	5 0	5 0	6 0	5 0	9	Y.
24,00,000				191	100	12 0	12 0	12 0	6 01		
17,00,000	77,50,000	1,30,785	Indian Bank	159½	85	10 3¾	10 3¾	10 3¾	5 1 2/5	6,12	R.L.H.
16,80,000				113	60	7 3½	7 3½	7 3½	3 9 2/5		
49,19,675	26,00,000	2,15,339	Indian Overseas Bank	129½	100	6 0	6 0	6 0	—	12	Y.
6,25,000				42½	100(A)	6 0					
2,50,000	6,33,039	1,380	Indo-Commercial Bank	11	25(B)	1 8				6,12	H.
10,00,000				28½	50(C)	3 0	3 0				
87,50,000	92,50,000	4,99,040	Punjab National Bank	492	25	1 8	2 0	3 0	1 8½	12	Y.
1,00,00,000	21,75,000	93,531	Travancore Bank	17½	25	—	0 10	0 12		12	Y.
40,00,000	33,00,000	1,75,874	Union Bank of India	72	5	0 5½	0 5½	0 5½		12	Y.
2,00,00,000	86,50,000	1,05,725	United Commercial Bank	54	50	2 0	2 0	2 8		12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£392,910	Chartered Bank of India, Australia and China	£2-0-9	£1	10†	14†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£8½	£5	7†	8†	8†		12	R.L.Y.
H.K. $20,000,000	H.K $123,000,000	H.K $10,215,256	Hongkong and Shanghai Banking Corporation	£99'	H.K. $125	5*	5*	5*	2*	12	Y.
£17,906,195 'A'	£14,500,500	£516,557	Lloyds Bank	£2-15-6	£5 A	12½	14†	15†		12	R.L.Y.
£1,437,296 'B'				£1-16-3	£1 B	5†	5†	5†		12	R.L.Y.
£375,000 'A'				£4½	A £2½	14†	14†	14†			
£375,000 'B'	£1,750,000	£200,284	Mercantile Bank of India	£4½	B £2½	14†	14†	14†		12	R.L.Y.
£720,000 'C'				—	C £1	14†	14†	15†			
£2,351,563	£3,104,687	£326,266	National Bank of India	£1-2-6	sh. 12½	10†	10†	15†		12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (i) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Latest Available Quotations (per hundred) Rs. or £		Principal Repayable.	
BREWERIES AND SUGAR							
19,50,000	6	1st December and 1st June	Carew & Co.	100	1938	1st June	1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	95	1941	28th February	1960(e)
6,00,000	5½	30th June and 30th December	Ramnuggar Cane & Sugar Co., Ltd.	99½	1936	30th December	1956
10,00,'98	6	1st August and 1st February	Ravalgaon Sugar	102	1942	27th December	1952-62
12,00,000	4½	30th June and 31st December	Ravalgaon Sugar (New)	88	1944	1st November	1959-64
2,45,01,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	101	1941	1st April	1956-61
2,50,00,000	6	30th June and 31st December	Gourepore Electric Supply Co. Ltd.	87	1945	31st December	1959-64
15,00,000	6	1st January and 1st July	Sipsa (Dherjiah) Electric Supply Co., Ltd.	96	1951	30th June	1976(a)
7,56,200	5½	1st January and 1st July	South Madras Electric Supply	98½	1940	1st July	1957-61
2,00,000	5½	1st May and 1st November	South Madras Electric Supply	98½	1939	1st October	1960-64
1,00,000	5	1st January and 1st July	South Madras Electric Supply	94½	—	1st July	1956-61
4,83,800	4½	1st April and 1st October	South Madras Electric Supply	94	—	1st July	1956-61
47,73,000	5	1st April and 1st October	Tata Power	103	1940	1st July	1970
2,50,000	4	1st April and 1st October	Tata Power	93½	—	15th September	1965-70
ENGINEERING							
5,00,000	5½	30th June and 31st December	Britannia Engineering	99	1945	31st December	1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	99	1928	30th June	1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (2nd mortgage)	102	1942	1st July	1957-62
£1,140,500	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	£88	1936	31st December	1966(§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	87	1946	31st May	1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	102½	1950	1st October	1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	100½	1950	31st December	1960(a)
JUTE							
12,00,000	5½	1st October and 1st April	Agarpara	99½	1939	31st March	1969
6,00,000	5½	30th June and 31st December	Alexandra	100	1939	30th June	1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	90½	1945	31st December	1964
10,00,000	4	30th June and 31st December	Bengal Jute Mill Co., Ltd.	93½	1945	30th June	1960
9,00,000	5	31st January and 31st July	Calcutta	90	1949	31st July	1959
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	94	1951	30th June	1966
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	99	1954	31st March	1960(a)
8,80,000	5	30th June and 31st December	Empire	95	1951	15th July	1966(a)
25,00,000	3½	1st January and 1st July	Hukumchand	92	1947	30th June	1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	100	1955	31st March	1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	99½	1949	31st December	1964(a)
25,00,000	5½	30th June and 31st December	Naihati	98	1952	31st March	1967(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	93	1939	14th May	1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	88	1945	31st December	1964
8,00,000	4	30th June and 31st December	Presidency	93	1948	30th June	1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	91	1950	5th September	1965(a)
8,00,000	4½	14th March and 14th September	Soorah Jute	96	1937	14th September	1957
12,00,000	4	30th June and 31st December	Union	96½	1937	30th June	1957
10,00,000	3½	31st January and 31st July	Waverly	88	—	31st July	1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS							
4,50,000	4½	1st January and 1st July	Barasat-Basirhat Light Railway	90N	1936	1st July	1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	£66½N	1900	At 105% at any time on 6 months' notice or at par or every seventh year.	
£189,363	5	1st April and 1st October		£77½N	1933		
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	90½	1945	1st October	1974
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	£85½N	1906	31st December	1956(a)
5,00,00,000	4½	1st March and 1st September	Scindia Steam Navigation	96½	—	Any time on six months' notice (a)	
PLANTING						1st September	1963
10,00,000	5½	30th June and 31st December	Consolidated Coffee	102	—	1st July	1957-63
12,50,000	6	31st March and 30th September	Nilgiri Tea	100	—	1st April	1958-68
1,89,700	5½	31st March and 30th September	Teekoy	100	—	31st March	1949-59
MISCELLANEOUS							
15,00,000	5½	31st March and 30th September	Aluminium Corporation of India Ltd.	100	—	30th September	1955
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	98	—	31st December	1965
26,80,000	4½	1st April and 1st October	Associated Hotels of India	86	—	31st December	1962
4,86,500	4½	30th June and 31st December	Bengal Paper Mills	97	—	30th June	1957
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	103½	—	1st September	1965-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	103½	—	1st October	1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	92	—	1st February	1964
20,92,000	4½	1st July and 1st January	Clive Buildings	89½	—	1st July	1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	87½	—	15th September	1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	92	—	....	1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber	102½	—	1st January	1971(e)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	105	—	30th June	1969(a)‡
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	95½	—	....	1964
38,00,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	590	—	30th September	1976(a)
45,00,000		30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	470	—	31st December	1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	89½N	—	1st April	1971
1,50,00,000	5½	30th June and 31st December	National Rayon	103½	—	30th June	1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	98	—	31st March	1961(a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	91	—	31st December	1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	105½	—	1st May	1968(a)

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. † With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 18 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. §§ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 30 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem all debenture at 101 per cent. on 1st May, 1963, on six months' notice. †† Option to repay at par on 3 months' notice, on or after 1st January, 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 19th January, 1956.

	Closing quotations 11-1-1956	High	Low	Closing quotations 19-1-1956
	Rs.	Rs.	Rs.	Rs.
TEXTILES				
Ahm. Adv. (100)	150½	163½	150½	163½
Apollo (2)	2 15/16	3	2 13/16	2¾
Bombay Dyeing (250)	555	553½	527½	536½
Central India (100)	153	152½	147	150
Century Mills (100)	479	482½	466	473
Colaba (100)	85	85	83½	84
Edward Textile (200)	317½	—	—	317½
Elphinstone (50)	51½	51	50½	51
Finlay (100)	338	336	329	331
Gokak (100)	225½	225	222	223
Ind. Untd. Defd. (1)	2-3/16	2¼	1-15/16	2-3/16
Ind. Untd. Ord. (10)	13¾	13¾	11-15/16	12¾
Indore Malwa (100)	145	143½	136¼	140
Khatau (100)	220½	224½	220	220
Kohinoor (100)	337½	338	329	330
Lakshmi (250)	655½	672½	653½	672½
Madhusudhan (100)	115	—	—	115
Minerva Mills (100)	98	—	—	98
Model Nasr'ur (250)	153½	155	153½	155
Morarji (100)	230	—	—	230
Mysore (50)	103½	—	—	103½
National Rayons (100)	235½	237½	229½	234
New City (100)	168½	168½	161½	165
New Great (100)	191	192	189	189
New Union (10)	37	—	—	37
Phoenix (100)	141½	141½	136½	137½
Podar Mills (100)	177½	177½	172½	172½
Sassoon Silk (10)	20	—	—	20
Sassoon Spg. (10)	422	—	—	422
Shahajur (1,000)	2,000	2,000	1,900	1,900
Shivlaxa (100)	217½	216½	210½	216½
Simplex (50)	194	194	186	188½
Standard (100)	417½	417½	402½	408½
Svadeshi (100)	219½	220	212	215
Swan (100)	492½	—	—	492½
Tata Mill (25)	52½	56	52	55
Vishnu (100)	181½	—	—	181½
Western India (1,000)	5,000	—	—	5,000
BANKS				
Bank of India (50)	159	168½	159	164
Bank of Baroda (50)	98½	101½	98½	101½
Central (25)	52½	53	52½	52½
Central 'A' (25)	56	56	54½	54½
Dena Bank (50)	45	—	—	45
Punjab National (25)	48½	—	—	48½
Union Bank (5)	6 13/16	7½	6 13/16	7
United Com. (50)	53½	54	53½	54
ELECTRIC COS.				
Ahmedabad (100)	105 13/16	105 13/16	105	105 13/16
Amalgamated (10)	11 1/16	—	—	11 1/16
Andhra Valley (1,000)	1,327½	1,330	1,322½	1,325
Bom. Sub-El. (100)	120½	120½	120	120½
Surat (100)	123½	124½	123½	123½
Tata Hydro (100)	137	137½	136½	137
Tata Power (1,000)	1,392½	1,392½	1,367½	1,372½
INSURANCE COS.				
British India (10)	14 13/16	—	—	14½
Empire of India (100)	600	—	—	600
Ind. Mercantile (20)	45½	47	45½	47
Jupiter (15)	8½	—	—	8½
New India (15)	43¼	45	43½	44
Oriental (200)	4,900	4,900	4,900	4,900
Universal (10)	14	—	—	14
Vulcan (10)	15½	—	—	15½
STEEL COS.				
Ind. Iron (10)	38 1/16	38 1/16	37 1/16	37½
Tata Steel Ord. (75)	245½	245	237½	241½
SUGAR COS.				
Belapur (50)	340½	339	332	335
Bhimsi (10)	15 1/16	—	—	15 1/16
Phaltan (50)	141	140	134	135½
Walchand Ind. (100)	249½	248½	242½	245½
CEMENT COS.				
Associated Cts. (100)	213½	220	211½	218
Digvijay (100)	174	173	170	171
MISCELLANEOUS				
Alcock Ashdown (100)	351½	350	337½	340½
Bom. Burmah (125)	584½	590½	563½	573½
Do. (New) (50)	208½	209½	196½	203½
Br. B. Petrol (4 sh.)	4-4½	4 3/16	4-1½	4-2½
Br. I. Corpn. (5)	13	13	12½	13
C. P. Rly. (100)	96½	—	—	96½
Indian Copper (2 sh.)	7-0½	7-0½	7½	7½
Ind. Inv. Tr. (100)	82	82	80½	80½
Kesoram (100)	195½	—	—	195½
Killicks (100)	173	172½	170	170
Polson (100)	158½	—	—	158½
Port Canning (100)	15½	—	—	15½
Premier Con. (30)	108	105½	185½	190
Scindia (20)	18½	18½	17½	17½
Shivrajpur (10)	108½	108½	107	107½
Tata Chemicals (10)	17½	17½	17	17½
Tata Oil (25)	47½	153½	147	152
Tata Loco (100)	151½	47	44½	46
W. I. Match (100)	190½	190½	186½	188½

GOVERNMENT SECURITIES	12-1-1956	Gross Yield Earlier Redemption	Later Redemption	18-1-1956
	Rs.			Rs.
2½% 1961	96	—	3 92	93
2½% 1960	96	—	3 72	96
2½% 1962	93	—	3 80	93½
2½% 1976	82½	—	4 06	85½
3 % 1957	98½	—	3 30	99½
3 % 1958	99	—	3 22	99½
3 % 1959-61	98 1/16	3 56	3 37	98 1/16
3 % 1964	94½	—	3 75	94½
3 % 1963-65	94½	3 83	3 68	94½
3 % 1966-68	91½	3 93	3 81	91½
3 % 1970-75	87½	4 10	3 89	87½
3 % 1986 Con. Loan	80 1/16	—	3 73*	80½
4 % 1960-70	101½	3 59	3 84	101½
4½% 1958-68**	103 1/16	3 05	4 16	103 1/16
3½% 1961 N.P. Bonds	99½	—	3 60	99½
3½% 1964 N.P. Loan	98½	—	3 67	99½
3½% 1965 N.P. Bonds	98 1/16	—	3 69	98 1/16

BRITISH GOVERNMENT SECURITIES

	9-1-56 £	High £	Low £	17-1-1956 £
2½% Brit. Consols	55½	55½	54½	55½
3% Savings Bonds 1965-75	77 2nd	77½	76 1/16	74½
3% War Loan 1955-59	94 1/16	94 1/16	93 1/16	94 1/16
3½% War Loan	75½	75½	74½	75½
4% Victory Bonds 1976	95½	95½	95½	95½
4% Funding 1960-90	91½	91½	91½	91½

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts.

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COMMERCE

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

VOL. XCII. No. 2343 BOMBAY, 28TH JANUARY 1956 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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PRIVATE SECTOR'S WINGS CLIPPED

THE nation woke up last Friday to find that the private sector in life insurance had ceased to exist. Many who had not tuned-in the radio the previous night to listen to the Union Finance Minister's speech rubbed their eyes to see if what they read in the newspapers was true. It had, of course, been known that the Government was considering the issue of nationalisation of insurance. But nobody ever thought that the Government would take so vital a decision without subjecting the issue to impartial investigation, or referring it to Parliament, not to speak of allowing the interests concerned to have their say, or of the adoption of the commendable practice of making every important line of policy a specific issue in an election. With no more ado than would mark the closure of a retail shop in a busy thoroughfare, the Government has, by executive fiat, wiped out of existence private insurance which had served the country for more than three-quarters of a century.

Indian insurance has reasons to feel despondent over the treatment meted out to it by the party now at the helm of affairs of the country. It may well claim to be the eldest child of Indian nationalism, having derived all its succour and aid from that party, and in turn, having given its support to that party. Many insurance men have grown grey in the cause as much of the country as of their profession. In the early years of the formation of Indian insurance, as in the later decades of its adolescence and growth, it is to the national sentiment of the people that they often appealed. Insurance was a national service and it was in the name of national sentiment that they often spread the gospel of insurance. They are now both pained and surprised that national service has been turned into nationalised service. It is scarcely to be wondered at, if they have received the Government's decision with a "You-too-Brutus" feeling.

Although nationalisation of insurance had been in the air for some time past, it was still hoped that no precipitate action would be taken without giving an opportunity to the industry, the public and the policyholder to state their case. Even for investigating the possibility of a comparatively minor measure, such as export credit guarantee scheme, the Government is willing to appoint a committee. But for so vital a question as the nationalisation of insurance, there is apparently no need, in its opinion, for either investigation or even the publication of a White Paper. The Government took upon itself the combined role of prosecutor and judge, and would not even admit a *habeas corpus* petition, as it were, on behalf of the alleged accused. Convinced that there are only two sides to the question of nationalisation of insurance, its side and the wrong side, the Government chose overnight to wipe off from the economic map of this country the whole sector of private life insurance.

In the absence of any *communique*, resolution, much less a White Paper or report, it is difficult to examine the reasons which provoked the Government into precipitate action. Normally, one judges the issue of nationalisation by three standards. An industry is fit for nationalisation, if it is a strategic industry or if capital is not forthcoming for its expansion or if it is being demonstrably managed in a way that is contrary to public interest. Insurance satisfies neither of the first two tests, while its failure to answer the third has been consistently exaggerated. It is not a strategic industry in any sense, unless it be from the point of view of its policy of reducing the importance of the private sector to our economy. There is no dearth of capital or enterprise in this sphere. The record of Indian insurance has no doubt been marred by certain wrong developments. But they are not darker than some of the lapses of the public sector.

If the Government really had the interest of insurance at heart, if the service motive was uppermost in its mind, it could have taken recourse to any of the many alternatives to wholesale nationalisation of insurance, to which the private sector would not only not have taken any objection, but which it might have even welcomed. In the first place, it might, if found necessary, have imposed additional controls on the industry in respect of such operations as the lodging of documents and investment of funds. It is not beyond the wit of the Government to devise fences which insurers would find it difficult to jump. Secondly, it could have extended the sphere of operation of the Postal Insurance. Thirdly, it might have started a new insurance corporation, amalgamating within it, Postal Insurance and some of the companies which it had been administering under its direct control and supervision. Fourthly, if it felt that rural areas were not being well served by insurers, it could have, on the model of the rural credit policy it is now pursuing, given a fillip to co-operative insurance.

But none of these alternatives appealed to the Government. It would not be satisfied with anything less than the life-blood of the private sector—life insurance. It would have the whole of insurance, nothing more nor anything less. Neither mutualised insurance nor co-operative insurance has any use for the Government. Co-operators will do well to note where they stand in Government's estimation. Although the Government might use the co-operative stick to beat the individual, competitive sector with, it will not hesitate to throw co-operation into the scrap-heap, when it comes to choosing between the extension of its own sphere and that of the co-operative.

If the Government's decision is thus vitiated by the fact that it was taken without an impartial and public examination of the alternatives to nationalisation of insurance, the manner of its carrying out the decision has been still more reprehensible. The ordinance method, one thought, was a vestige of an unhappy political past. At any rate, it is meant to be used only for very compelling reasons. Parliament is scheduled to meet in the next few days. Nothing would have been lost by delaying action till then. If the fear was that unscrupulous elements might use the time-lag between the introduction of a Bill and its final passage to serve their ends, then the Government could have confined its action only to those insurers who, in his opinion, were indulging in

undesirable practices, that is, just as it did in the case of the Bharat Insurance Company, Limited. The Ordinance is surely a shocking method of taking over an entire industry.

Since it is not quite clear why the Government, without any apparent provocation, chose to strike at private insurance, one is compelled to seek for the reasons in Mr. Deshmukh's speech over the A.I.R. This speech, which, far from being a funeral oration over the death of private insurance, was a joyous announcement of the birth of State-owned insurance, contained few new arguments in support of the Government's decision. He, however, stated his views on some of the arguments which have been advanced against nationalisation. A popular, but nonetheless valid, argument against nationalisation is that State enterprise, with all its red-tape and impersonal administration, is unsuitable for running so personal and so human a service as insurance. With a naivete which, even if it was charmingly disarming, did not enhance his well-deserved reputation for intellectual integrity, Mr. Deshmukh declared he would not comment upon this argument, because he did not understand it. But the fact is that other people do understand it. Those who have anything to do with Government departments, such as the Postal Insurance, or the pension sections of the Secretariat, know it to their cost what inordinate delays occur at every stage. Mr. Deshmukh, however, contended that he could not subscribe to the proposition that "State enterprise *qua* State enterprise was inefficient." It is not a question of mere efficiency, although it is involved. It is the far more important question of dealing with millions of ordinary men, each with his own individual problems, of selling a policy to suit the requirements of individual prospects, and of settling the claims promptly enough when they arise. Bureaucratic control is inimical to such salesmanship and settlement. Mr. Deshmukh's promise that the necessary freedom and flexibility will be vouchsafed to the nationalised organisation will for ever remain a verbal assurance, for, in nationalised industries, there is an inevitable trend for practices to get petrified, for rigid regulations to take the place of conventions, for rules to be made applicable to cover all cases indiscriminately.

Mr. Deshmukh next examined the argument that nationalised insurance had failed in other countries. This argument is based on the experience in the U.K. which had to close down Postal Insurance, in New Zealand which also closed down its State-owned life assurance department and in France where nationalisation of insurance has not proved a great success. Mr. Deshmukh's historical judgment is obviously blurred, for, according to him, the only conclusion that can be drawn from the experience of other countries is that "wherever there has been a whole-hearted attempt by the State, nationalisation has been an unqualified success, even in the face of severe competition from the private sector, and failure wherever they occurred, have been due to the half-hearted manner in which the experiments were tried." Does Mr. Deshmukh seriously contend that the British and New Zealand Governments did not make "whole-hearted" attempts at selling insurance? Is it suggested that, if the British Labour Party gave up the idea of nationalising industrial life insurance, it was because the Party was not certain of its being able to put its whole heart into that policy? Will it be correct to contend that the Government of India will be able to command greater initiative and enterprise in insurance than what other countries were able to do? And, if it is true that, given "whole-hearted" endeavour, nationalised insurance can succeed even in face of "severe" competition from the private sector, why did it not occur to the Government to start an insurance corporation on its own, rather than attempt at shining in feathers borrowed from the private sector? Incidentally, we should like to know from him the country where State-owned life insurance has been a great success? Is it one which belongs to the free world or the Communist world?

Apparently, the Government's intention is to spread insurance in rural areas. Mr. Deshmukh said that the insurance offices will be welded into a "dynamic and vigorous organisation capable of taking insurance to every sector of people throughout the country," and that nationalisation of insurance would introduce a "new sense of awareness into the lives of millions in the rural areas." These are fine sentiments. But the fact is that, if insurance has not spread to rural areas, it is because the incomes of the vast majority of rural population leave them with insufficient savings after their daily needs have been met, and the people in the rural regions have still to learn the value of life insurance as a better method of providing for the future. These conditions could be changed only through education and improvement in rural incomes. Extension of insurance to rural areas is a problem that is thus bound up with the larger question of the country's economic progress. And the problem is best tackled at the village level through co-operative insurance institutions rather than by a giant insurance organisation, functioning under the control of a remote Central Government which touches the villager's life at very few points. It is also well to remember that the rural region is an uncharted ocean in which the ship of insurance might easily get wrecked on the statistical rocks of inadequate data relating to births, deaths, age and sickness.

The Union Finance Minister, though he confessed, with unbecoming modesty, his inability to understand the argument that State enterprise could be inefficient, did not hesitate to declare that "far too much is claimed for the efficiency with which private enterprise is run." In support of this view, he mentioned that, during the last decade, 25 insurers had gone into liquidation, and another 25 had so frittered away their resources that their business had to be transferred to other companies at a loss to the policyholders. He also referred to cases of misapplication of funds. The failure of insurance offices, in the early part of their career, is not new to this country. Even in India, the business transacted by the companies which have failed is not large, being only a fraction of the total life business in force. Again, in many cases, the companies which were involved in misapplication of funds have been able to regain their original position after a period of tutelage under some external authority. There is no reason why insurance should not have been allowed to continue under the law, as it now stands, or under a more stringent law, if that was necessary. Indeed, it has been contended in certain quarters that many cases of misapplication of funds could have been prevented, if the Government had been prompt in administering the law. In any case, these deplorable instances should not have made the Government blind to the record of Indian insurance, which, by and large, has been a creditable one. It is a pity that such cases have occurred. But, on closer examination, it will be found that, though they may serve as a convenient pretext, they do not constitute a convincing reason for nationalising the entire private sector in insurance.

It is surprising that some insurers feel disappointed at the entire absence of any reference in the Finance Minister's speech to the creditable record of Indian insurance. Thus, Mr. A. D. Shroff, Chairman of the New India, stated that the speech reveals a "tragic sense of unfairness, in that there is not a word of appreciation for the management of those companies which, through enterprise, high standard of integrity and judicious investment of funds are handing over to the country today institutions of which any fair-minded Indian would be proud." While all this is true, it is not clear since when so astute a student of current affairs as Mr. Shroff began looking for a kind word for the private sector from the Government spokesmen. The fact is that like Narcissus of Greek mythology, the Government has fallen in love with its own image. The only praises that it will sing, the only trumpet it will blow to the deafening of the multitude is its own. It has no patience, much less praise, for anything that is not done by it.

Nevertheless, the future historian will set down with nothing but sheer admiration the record of Indian insurance. In a country, where the future is regarded with some mystical sense of fatalism, and more faith is placed on horoscopes than on hygienical living, and in a society where the joint-family system has been a bar to individual initiative and saving for the rainy day, it is not easy to preach the gospel of insurance. It is against such heavy odds that insurers in India have had to work. They have had to fight encrusted tradition, deeply imbedded habits and extravagant practices associated with birth, marriage, and death. In this battle, they have achieved a success and established a record of which any country could be proud. Their success is the more worthy of praise, because it has been won without any specific aid from the Government and, in the early stages, in the face of competition from well-established foreign insurance offices. Now that private insurance has been pushed into oblivion (unless the insurers mobilise public opinion and, by convincing the Government of the folly of its decision, reverse it or at least extract an assurance of denationalisation in the event of the failure of the experiment, the epitaph on it must read: "Here lies a victim of Government's doctrinaire socialism, one who has been more sinned against than sinning."

The implications of the Government's decision to the future economy of the country are so far-reaching that it is deplorable, from whatever point of view it is looked at, that the Government did not discuss the issue in public. In the first place, if insurance under State direction fails to make—as it has failed in other countries—the progress which it is capable of under private enterprise, there will be real loss of national savings. This is bound to interfere with development even in the public sector, because the major part of the savings mobilised by private insurers have always gone for investment in the State sector. Secondly, nationalisation of insurance means the drying up of a valuable source of foreign exchange, a source of invisible income from the business transacted by Indian insurers in foreign countries. With the headway which India is making in international counsels, life insurance in the private sector will be a valuable means of expanding invisible exports. Thirdly, it will be obvious on some reflection that State-ownership of life insurance adds to the impediments in the way of foreign private investment. Apart from its disturbing effects on the confidence of private investors in countries where they enjoy a lot of freedom—it is only from these countries that such investment can be had—any check on private enterprise within the country automatically means a check on the flow of foreign private capital.

Of greater significance than these is the effect of nationalisation of insurance on private investments in India itself. Insurers have been the mainstay of well-managed institutions during the periods when they wanted funds for expansion. It is true that Mr. Deshmukh has given the assurance that it is "not the Government's intention to divert the available funds to the public sector to a greater degree than under present arrangements." He added that it would be his "endeavour to see that at least as much money as is today made available for investment in the private sector continues to be so made available." This assurance is to be welcomed as the only silver lining to an otherwise dark cloud. But Mr. Deshmukh will not always be there to implement this promise. Further, the demand from the public sector will be so strong and insistent that no Finance Minister could, for long, resist the temptation of utilising the funds for the public sector. Above all, borrowers cannot hope to get the same advantageous terms from a monopolistic lender as they could get under a system in which the lenders compete among themselves for favourable outlets for the investment of their funds.

The private sector is thus exposed to the danger of either dealing with a monopolistic lender or doing without his services. Perhaps, the latter danger will increasingly become the more real one. Today, insurers are the single largest supporters of the stock exchanges. The individual investor has ceased to play an important role. The disappearance of the princes and the *zamindars* has deprived the money market and the stock exchanges of the services of a strong body of investors. The high rates of taxation on personal incomes leave very few men with an income which is large enough to permit sizable savings. Had not insurers filled the vacuum created by the virtual disappearance of this class, the stock exchanges would have been reduced to a parlous state indeed. But this danger is not far distant if nationalised insurance withdraws the support that private insurers have given in the recent past. And the chances are that this support might be steadily withdrawn.

The significance of this factor must be assessed in relation to the recent nationalisation of a part of the banking structure, and the prospects of wholesale nationalisation of banking. It will then be seen that the private sector has to depend increasingly on Government-managed institutions for all its credit requirements. This is not a happy prospect, for the man who pays the piper will certainly call the tune. All this cannot certainly be a development to the liking of the private sector. But it has no choice in the matter, especially as it has shown no desire to challenge the party-in-power in the hustings. Its wings are being clipped, so that it may not even make an attempt to go beyond the sphere marked for it. Once denied credit, an element so vitally necessary for all its activity, the private sector will soon find itself cribbed, confined and cabined, though, technically speaking, it may have all the freedom to fly where it wants.

BLITZKRIEG ON LIFE INSURERS

INVESTORS' CONFIDENCE UPSET—BELAPUR'S BONUS ISSUE GETS APPROVAL

WEDNESDAY, 5 P.M.

MARKET GOSSIP

FOR once, the share markets have been caught napping. Practically nothing used to be a secret for these markets. Somehow or other, they managed to get scent of almost every move of the Government. But to the credit of the Finance Ministry as a whole, it must be said that nationalisation of life insurance was a well-kept secret, the market having had no inkling of it whatever before the news was broken to the public by the Finance Minister at 8-30 p.m. on Thursday (19th January) last. It is true that, in recent months, Government spokesmen had been saying at frequent intervals that the question of nationalising life insurance was being actively considered. But none seriously thought that it would act so quickly as, and in the manner, it has done. In fact, thinking that the Government still had an open mind, life insurance interests were preparing a detailed case against nationalisation. The Government's announcement was, therefore, a surprise, pleasant, perhaps, to employees of insurance companies and politicians not belonging to the business community but surely shocking to employers, all employers in the private sector.

Many in market circles were surprised that the whole move remained such a top secret, despite the fact that it must have been preceded by elaborate preparation. The Ordinance itself is so long, running, as it does, to over 3,000 words, that it is amazing that its content did not leak out. Then, there had to be a big mobilisation of officials in the Insurance Department of the Finance Ministry to execute the Government's orders in all the important centres. This, too, seems to have been done in great secrecy. Indeed, the way in which the Government carried out this sortie in its battle for establishing a socialistic pattern of society (of its conception) has made it a real *blitzkrieg*.

It would appear that as many as 60 officials under the captainship of Mr. A. Rajagopalan, Controller of Insurance, were flown over to Bombay in the early hours of Friday (20th January) to take charge of the affairs of the companies affected by the Ordinance. Within a few hours after his arrival, the Controller of Insurance commandeered the services of a number of top insurance executives, mostly actuaries, and appointed them as custodians of various companies. An ingenious feature of this arrangement was that, except in one instance, each one of the men chosen for the office of custodianship was assigned to a company with which he was not previously connected. An officer of "A" company, for instance, was appointed as the custodian of "X" company and that of "B" company to "Y" company and so on. The exception was the "Oriental Life," in that its General Manager, Mr. L. S. Vaidyanathan, has had the unique privilege of being asked to be the custodian of his own company, in addition to the life sections of foreign insurance companies. Why did the Government proceed to assume complete control of life offices in this manner? Apparently, it wanted to prevent collusion between the management and the executives of insurance companies. The whole thing shows that the Government had no confidence in them. Was such a wholesale assumption warranted? If the Government has any reasons for doing so, it will do well to take the public into confidence.

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Why did the Government decide to nationalise insurance now? Mr. Deshmukh's broadcast-talk offers no convincing answer. Enquiries made in circles close to the Government reveal that the discovery of "misapplication" of funds, belonging to policyholders, on a fairly substantial scale even in some companies considered to be reputable was the main cause for this sudden action. It is public knowledge, in insurance circles at least, that, some time ago, the Government had deputed one of its officers to conduct a surprise inspection of all insurance companies. The findings of this officer are reported to have taken the Government by surprise, because they disclosed that the irregularities in the conduct of certain insurers were enormous. It is stated that, besides the improper use of funds by the management of the Bharat Life, the magnitude of which is already well-known, the Government has come across similar instances in two or three more companies, involving investments to the tune of about Rs. 3 crores. These happenings, it would appear, had led the authorities to the firm conclusion that no amount of legislative control would help them to eliminate the undesirable practices of a section of the private sector in the insurance world, that the only solution was to remove the entire sector from this field and that the earlier this was done the better, lest more damage might be inflicted on the funds belonging to the public.

This explanation has been corroborated by Mr. T. T. Krishnamachari in the course of one of his public utterances in Madras on Friday the 20th inst. Addressing a distinguished gathering of business men when he declared open the new building of the Southern India Chamber of Commerce, he revealed that the Government had felt that it could not devise any legislative hedge which could not be jumped over by those in the insurance field who put public funds to "misapplication." One of the first requirements of an egalitarian society the Government was now trying to build up, he added, was security for the individual in regard to the future and insurance provided an important field in the scheme of social security. Explaining himself further, Mr. Krishnamachari said: "We have had a series of legislative measures controlling insurance, but we have finally felt that legislative control had become ineffective. You also know there had been instances—some glaring ones—to which my colleague had referred: of misapplication of public funds in the insurance field. Ultimately, we have come to this conclusion for two reasons: undoubtedly, one a negative reason—public funds of the policyholders being misapplied, and second, a positive one: we could devise no legislative hedge which could not be jumped over."

The foregoing is said to be the provocation for the Government suddenly swooping over the private sector in life insurance, according to official circles. There is, however, another version, according to circles which are close to the Congress Party. The sum and substance of this version is that nationalisation of life insurance is a political stunt, pure and simple; it is a device deliberately planned by the Congress Party to entrench itself in power. Just as nationalisation of the Imperial Bank preceded the Avadi session of the Congress Party, nationalisation of insurance has been meant to precede the Amritsar session of the Congress Party scheduled to take place early next month. It is designed to cut further the ground under the feet of the leftist parties, the only ones that are offering strong opposition to the Congress in the general elections.

In the present mental outlook of the vast section of vocal population, the larger the number of kicks given to the much maligned capitalist tribe, the greater are the chances of getting more votes in the next elections. The Congress Party is not only quite aware of this but is in the enviable position of delivering such blows. By nationalising life insurance and by clearly declaring that banking, too, deserved to be nationalised—*vide* Mr. Nehru's speech to the Standing Committee of the National Development Council on 7th January 1956—it has removed one of the main grounds on which it used to be dubbed as the capitalist party by leftist leaders like Mr. Asoka Mehta and Mr. A. K. Gopalan. Again, by nationalising life insurance, the Congress Party has, while depriving the business community of a large amount of economic power, greatly strengthened such power which it already had in a large measure. Every time a business man wants long-term capital, he will have to approach the Government (which, in effect, means the party-in-power) for obtaining support from the insurance funds. He will thus be at the mercy of the party-in-power and anxious to please it in all possible ways. Another advantage is that the vast army of insurance agents will also be at the disposal of the party-in-power; it will be an asset at the time of elections. It is for these reasons that one is led to believe that political, rather than economic, considerations are the chief cause for nationalisation of insurance.

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What are the implications of nationalisation of life insurance to the share markets? In the first place, it removes one of the important stabilising factors. Whenever equity values declined to unduly low levels, insurance companies, which are better placed than ordinary individual investors to assess the prospects, used to enter the market as a buyer and thereby prevent a stampede which adversely affects many genuine investors and demoralises the whole capital market. Similarly, they used to provide a safety valve against a runaway market. Whenever equity values went very much above intrinsic merits, the insurance companies acted as a check by liquidating a part of their holdings and taking the profit thereon. It is a moot point whether nationalised insurance will perform these functions as effectively and efficiently as insurance under the private sector can do. There is thus good reason to believe that, henceforth, the share markets will become the playground of speculators. The authorities in charge of these markets will, therefore, have to exercise greater control and supervision of the activities of these operators than they are doing at present.

The immediate consequences of nationalisation of life insurance to share markets are three. First, it has adversely affected the sentiment of investors by reviving fears of early nationalisation of other sectors, as, for instance, banking and mining. Secondly, it has induced heavy liquidation, of insurance shares resulting in a steep fall in their prices. Thirdly, some business men, who have been in the habit of speculating in shares with the aid of insurance companies under their control, have been caught unawares. The practice of these persons has been to buy or sell shares first without telling the brokers straightaway on whose name the contracts are to be made. If the transaction resulted in a profit, it was recorded in their name. If, however, it ended in a loss, it was entered in the name of their insurance companies. It would appear that, at the time the Government nationalised life insurance, some of these speculators had a long position in a number of well-known counters. As the Government gave no time for them to adjust the books of insurance companies—Mr. Deshmukh seems to have profited by his experience of the Demonetisation Ordinance—they had no other go but to liquidate their purchases. This is considered as one of the important reasons for the sudden drop in prices of such popular scrips as Tata Steel Ordinary, Indian Iron, Bombay Dyeing, Century, Kohinoor, A.C.C., Bombay Burmah and Orient Paper. It is not known whether this liquidation has been completely exhausted. It is further understood that a few parties used to finance, from time to time, professional speculators with the help of resources of insurance companies under their control. Now that this practice cannot be continued any longer, the bulls, who were sustaining themselves on this support, are in a difficult position. The market having already gone against them, they have to either suffer heavy losses or refuse to pay the differences. Meanwhile, this state of affairs is having a depressing influence on the market. It has put the forward section of the Calcutta share market out of action.

With a view to stemming the tide, the Calcutta Stock Exchange authorities have fixed (*a*) the settlement rates for forward scrips at well above the ruling rates, (*b*) a floor of Rs. 36 for Indian Irons and (*c*) the carry forward charges, too. Besides, they have suspended trading in all forward shares until further notice. These artificial props are not going to help the market. On the contrary, they will only worsen the situation, as it amounts to no more than postponing the evil day. Further, they are diverting the attention of Calcutta speculators of the Bombay market, thereby adding to the difficulties of the authorities of the latter market. The effect of it is already clear from the fact that, in Bombay, Indian Irons are quoting Rs. 2 lower than the floor of Rs. 36 in Calcutta. It will be better therefore, if the Calcutta market authorities lift the props they have now put up and allow the unhealthy speculative position to correct itself in the normal way.

Despite the aforesaid measures, it is feared that the settlement will not go through smoothly. Already there are reports that at least four operators have stopped payment of cheques they had issued earlier, apparently with a view to bargaining for a settlement on terms more favourable to them. Since these operators have connections with the Bombay market as well, it is feared that the latter, too, will experience serious difficulty in completing the current settlement. In short, it looks as though both the Calcutta and the Bombay share markets are heading for a crisis, the magnitude of which, however, is not quite clear at the time of writing. There may, therefore, be a further fall in equity values. That will, indeed, be a good opportunity for genuine investors, to pick up first class scrips at relatively low levels. Even at present, there is a number of them, offering a yield of 5.75 to over 6 per cent., free of tax, on the basis of last dividends. Madura Mills, Bengal Flours, Balmer Lawries, Belapurs, Buckingham Carnatics, Bombay Burmahs and E.I.Ds. are just a few to mention as examples. It is true that there are still several uncertainties, as, for instance, the forthcoming budget and the Amritsar session of the Congress Party. But a wise and judicious investor, who wants a good yield combined with opportunity for some capital appreciation, always takes a certain amount of risk and staggers his purchases, so that the average cost of his investments may stand at a level reasonable enough to fulfil his expectations.

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The indecision of the Government of India about the taxation of bonus issues by joint-stock companies has created an uncertainty in the minds of some shareholders, namely, whether or not it is worthwhile accepting bonus shares. This was evident from the proceedings of the extraordinary general meeting of the Belapur Company Ltd., held

(*Continued on page 186*)

TO UNITY THROUGH SANITY

In the context of the linguistic insanity, which now bids fair to cut the bonds of association forged by centuries of co-operative existence and even to endanger the unity of the country, the move for the merger of West Bengal and Bihar, initiated by the Chief Ministers of the two States, deserves to be widely welcomed. The joint statement issued by Dr. B. C. Roy and Dr. S. K. Sinha, the Chief Ministers of West Bengal and Bihar, makes most encouraging reading. After pointing out that "recent developments in various parts of India in regard to the proposals for the reorganisation of the States have caused us and many others profound dismay" and that "provincial and linguistic feelings have been roused to such a pitch as to imperil the unity of India," it advocates the merger of the two States in the larger interests of the nation as well as those of the two States.

Clearly, the merger of the two States, with their immense economic resources in the shape of coal, steel and jute, will make the joint State one of the richest States in India. The development of the region covered by the two States would be greatly facilitated by the merger. Here is a commendable lead, worthy of emulation by all States. Continguous States, with common problems, could merge into larger regions. Since the Constitution assures freedom and opportunity for development of all languages, linguistic considerations should not be allowed to bar the merger of such States. The knowledge that they have a common destiny will act as a spur to social and economic advancement. The problem of maintaining and strengthening Indian unity, which is more vital than anything else at present, will prove easier of solution.

We commend the courage and confidence of the Chief Ministers of West Bengal and Bihar to the leaders of this country and appeal to all trade and commercial organisations to support their move unreservedly. It may well be a prelude to the appearance of sanity among the discontented, misguided and shortsighted linguistic groups, and pave the way for both unity and prosperity of India.

SHARE MARKET DEPRESSED

HEAVY LIQUIDATION IN INDIAN IRONS

(From Our Own Correspondents)

BOMBAY, *25th January*

THE share market remained highly depressed during the week under review. Under the impact of a series of bearish factors, confidence of operators seemed to have been severely shaken. The shadows which had been cast on the market by the orgy of looting and arson in the city turned darker still on the promulgation (on the 20th inst.) of an Ordinance for the nationalisation of life insurance business. The unceremonious manner in which the existing managements of insurance companies were dismissed by the Government chilled the sentiment of operators. Further, reports that the National Development Council favoured the imposition of a ceiling on incomes, together with an annual tax on capital, in order to reduce disparities, unnerved them. Although the reopening of mills in the city and the return of normalcy on Monday induced some activity, depressing advices from Calcutta sapped the energy of the market. The fear that a big operator in the Calcutta share market might not honour his commitments completely demoralised trading there, necessitating fixation of the settlement rate for Indian Irons at Rs. 36, that is, at a level a rupee higher than the ruling rate. This development acted as a further damper and scared away buyers. Sentiment tended to improve a little, thanks to the optimism regarding the reorganisation of States following the historic announcement of the Chief Ministers of Bengal and Bihar that they preferred to merge their States into one, subject to the consent of their respective legislatures. But this proved short-lived, due to the reported resignation of the Central Finance Minister on the question of separating Bombay City from Maharashtra. The sudden closure of February and May hedge contracts in cotton by the Forward Markets Commission also aided the bearish sentiment.

Sentiment remained depressed in the steel section. On expectation that the leading bull operator would fail to meet his liabilities in the Calcutta market, Indian Irons were subjected to heavy selling. As a result, they quickly declined from Rs. 37-14 to Rs. 34-9-8, registering thereby a fall of Rs. 3-4-6 over the week. The slump in these shares had a sympathetic reaction on Tata Ordinaries also. From Rs. 241-12 at the close of last week, they staged a fall of Rs. 12-12 to Rs. 229.

The textile group too encountered heavy offerings and recorded sizable losses all round. Bombay Dyeings, which had fallen sharply last week, lost a further sum of Rs. 15-10 to close at Rs. 520-10. Centurys declined from Rs. 473 to Rs. 461 and Colabas from Rs. 84 to Rs. 74-8. Gokaks were marked down by 5 points to Rs. 218 and Indores by Rs. 11-14 to Rs. 128-2. A fall of Rs. 5 to Rs. 325 was noted in Kohinoors and of Rs. 8-12 to Rs. 211-4 in Khataus. Simplex moved down by Rs. 6-4 to Rs. 182-4, while New Greats remained unchanged at Rs. 189. Lakshmis reported a loss of Rs. 12-8 to Rs. 660 and Standards receded by as much as Rs. 13-12 to Rs. 395. The only exception was provided by Edward Textiles which put on Rs. 2-8 to Rs. 320.

In spite of reports of encouraging results of banking companies for 1955, bank shares registered minor losses on profit-taking induced by fears of nationalisation. Business in Barodas was done Rs. 2-12 lower at Rs. 98-12. Central old shares had transactions at Rs. 50, as against Rs. 52-4 last week. New shares too finished lower, having fallen from Rs. 54-8 to Rs. 52-12. Bank of Indias slipped down from Rs. 164 to Rs. 161, and United Commercials from Rs. 54 to Rs. 52-8.

In sympathy with the general weakness of the market, electric shares, too, were dominated by sellers. Ahmedabads shed Rs. 1-14 to Rs. 104-1 and Andhras Rs. 12-8 to Rs. 1,312-8. There was a loss of Rs. 2-8 in Tata Powers which changed hands at Rs. 1,370.

Among insurance shares interest was confined mostly to New Indias and Orientals. New Indias which had slumped from Rs. 44 to Rs. 38 initially, recovered later to Rs. 43-8 on reports that the Company could easily maintain the present dividend of Rs. 2-8 per share, despite nationalisation of its life department. In Orientals, continued selling orders, in the absence of buyers, pushed down the quotation from Rs. 4,900 to Rs. 3,550.

In the miscellaneous section, Associated Cements came in for some heavy hammering and, as a result, lost Rs. 8 to finish at Rs. 210. Digvijays retreated from Rs. 171 to Rs. 169-12. Sugar shares continued to rule easy this week also. Belapurs climbed down from Rs. 335 to Rs. 323 and Bhopals from Rs. 15-5 to Rs. 14-9. Deals in Phaltons were reported at Rs. 129, as against Rs. 135-8 and in Walchandnagars at Rs. 238-12, as against Rs. 245-10. In the engineering and mining group, Alcocks came down by Rs. 8-12 to Rs. 337-8, and Premier Constructions by Rs. 8-8 to Rs. 181-8. Tata Locomotives met with selling orders and lost Rs. 11-8 to Rs. 140-8. Shivrajpurs were Rs. 2-8 lower at Rs. 105. Indian Coppers were easy at Rs. 6-10-6, as compared with Rs. 7-6 a week ago. B.B. Petrols lost As. 3¾ to Rs. 3-15.

Scindias, in the shipping and transport group, developed weakness and fell from Rs. 17-14 to Rs. 16-14. Great Eastern Shippings were, however, unchanged at Rs. 15-8.

Among miscellaneous industrials, Bombay Burmahs (Old), were lower by Rs. 15-10 at Rs. 547-8, and New shares by Rs. 9-6 at Rs. 193-12. British India Corporations lost a fraction to Rs. 12. Killick Industries were only a point down at Rs. 169. National Rayons were exceptionally weak, having lost Rs. 16 to Rs. 218. Selling was in evidence in both Tata Chemicals and Tata Oils, the former coming down from Rs. 17-7 to Rs. 16-12 and the latter from Rs. 46 to Rs. 43.

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Calcutta Stock Exchange

CALCUTTA, *24th January*

To a market subdued and shaken by the possibility of increased taxation in the next Budget, the setback caused to trade, industry and the exchange by the prolonged absence of clearance of cheques, and the reported desire of the Government of India to put a ceiling on incomes, the Insurance Ordinance came as a last straw on the camel's back. The suddenness with which this measure was ushered in, especially when Parliament is to meet in a couple of weeks' time, has shocked investors and operators, and confidence, which was regaining on the prospect of trade returning to normalcy following the commencement of work in the clearing house, once again stands rudely shaken. The assurance that even after nationalisation, this ratio would be maintained (which means that this new measure would not mean diversion of funds normally available from the private sector to the public sector) has been noted in market circles, but in view of the importance New Delhi has given to development in the public sector and in the search for funds, the possibility of diversion of funds is not ruled out in market circles.

Operators have been caught in a difficult situation. An extension of commitments is out of question in the present atmosphere. Rightly or wrongly, the impression that anything and everything is possible in New Delhi has been created, and even if the budget proposals do not contain too much of "bad" news, revival of confidence, it is thought, would be painful and would be necessarily slow. Another factor which contributed to the poor volume of business was the difficult situation facing the Central Government in regard to reorganisation of States. There was no session last Saturday on account of the general *hartal*, and yesterday was observed as a holiday throughout West Bengal to celebrate Netaji Bose's birth anniversary. There was no session today either.

Coals were easy. Burrakurs at Rs. 15-14 lost several annas. East Indians gave way to Rs. 33-8 from Rs. 34-14. Bengals were driven back to Rs. 590 from Rs. 600.

Likewise, jutes also lost. Nationals hovered around at Rs. 30-12, Gourepores meeting with business at Rs. 321, as against Rs. 322 previously. Champdanies were unchanged at Rs. 182, but earlier in the week Anglo-Indias had recovered to Rs. 216 from Rs. 212.

Among minings, Indian Coppers were put down to Rs. 6-14 from Rs. 7-6, and at Rs. 24-12, Orissa Minerals lost As. 12. Burmas were transacted at Rs. 2-6 as against Rs. 2-9.

Indian Irons among engineerings opened at Rs. 38-4 last Thursday and by the week-end had lost to Rs. 36-8. Jessop & Cos. were two points lower at Rs. 62-8. Richardson and Cruddas came down to Rs. 26-11. Texmacos joined in the general trend and declined to Rs. 21 from Rs. 22-2. Earlier in the week, Indian Standard Wagons were, however, fully steady at Rs. 171.

In contrast with the general trend, teas were maintained firm. Thus Dhelakhats came to business at Rs. 18-12 and Hasimaras at Rs. 33-10. Jayshrees were fractionally better at Rs. 12-5 as were Ledos at Rs. 24-2. Carrons at Rs. 195 lost Re. 1, while Methonis gained to Rs. 23-1 from Rs. 19-12 previously.

Miscellaneous industrials fully moved in sympathy with the general trend. B. I. Corporations gave way from Rs. 12-14 to Rs. 12-8. F. & C. Osiers from Rs. 15-15 to Rs. 15-8, Martin Burns from Rs. 28-14 to Rs. 28-4, and Indian Cables from Rs. 32-10 to Rs. 31-4. Earlier in the week India Steamships advanced from Rs. 8-6 to Rs. 8-14 but subsequently gave way to Rs. 8-9. Bengal Papers were marked down to Rs. 116-8, Orients receded to Rs. 33-11 from Rs. 34-15.

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Madras Stock Exchange

MADRAS, *24th January*

The Madras Stock Exchange lacked support this week also. The nationalisation of life insurance, which came as a thunderbolt, almost unnerved the enthusiasm of the operators. The aggravation of linguistic riots in many parts of the country also served to weaken their sentiment further. Bearish advices from Calcutta and Bombay, as also fears of heavier taxation, scared away operations from entering into any commitment. The price movements were, therefore, confined to a narrow range and showed a tendency to drift downwards. The undertone remained weak.

There were a few dividend announcements this week also. The directors of Kumergode Estates Ltd. declared a handsome dividend of 20 per cent. for the year ended 31st October 1955, as against 10 per cent. in the previous year. The Madura Mills Ltd. maintained the dividend of 20 per cent. for the year ended 31st December 1955. The Lakshmi Mills Ltd. announced an interim dividend of 10 per cent. for the year ended 31st March 1956, being the same as in the previous year.

In the textile section, Coimbatore Pioneers declined from Rs. 250 to Rs. 246-4 and Maduras from Rs. 50-8 *cum-div.* to Rs. 50-4 *cum-div.* Metturs receded from Rs. 387 to Rs. 381 and Rajalakshmis from Rs. 168 to Rs. 167. Cambodias, however, put on As. 13 to Rs. 12-14 and Buckinghams Re. 1 to Rs. 172. Travancore Rayons were better by an anna at Rs. 15-5. But Bangalore Woollens lacked support at Rs. 565, Coimbatore Spinnings at Rs. 81 and Janardhanas at Rs. 86. Radhakrishnas too were wanting in demand at Rs. 272 and Vasantas at Rs. 258-8.

Teas in the planting section too lacked strength. Talyar Teas eased from Rs. 12-12 to Rs. 12-8, while Blue Mountains were unchanged at Rs. 4-6-6 and Devasholas at Rs. 28 *cum-div.* Chembras, however, put on an anna to Rs. 4-3. In the rubber section, Travancore Rubbers were colourless at Rs. 23-12, Cochin Malabars at Rs. 8-5 and Pullangodes at Rs. 4-2-6. Thirumbadis were quiet at Rs. 2-3. Rajagiris, however, improved by As. 3 to Rs. 20-13. Among others, Midlands suffered As. 6 to Rs. 18-14 and T.R.T. an anna to Rs. 12-6.

Business in Andhra Cement "A", in the miscellaneous section, was dull at Rs. 161 and Dalmia Cements (Rs. 10 paid-up) at Rs. 15. Rallis were quiet at Rs. 37-12 and Mysore Chemicals and Fertilisers at Rs. 9-4.

E.I.C.A. BY-LAWS

The Union Ministry of Commerce and Industry has made further amendments in the By-laws of the East India Cotton Association Ltd., Bombay. The notification relating to these amendments as published in the *Gazette of India Extraordinary* dated 21st January 1956 is reproduced below:

Whereas in the opinion of the Central Government it is expedient so to do:

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 12 of the Forward Contracts (Regulation) Act, 1952 (LXXIV of 1952), the Central Government hereby directs that the following further amendments shall be made in the By-laws of the East India Cotton Association, Limited, Bombay, namely:

For clauses (1) and (2) of By-law 52AA, the following clauses shall be substituted, namely:

"(1) Whether or not prices at which cotton may be bought or sold are at any time controlled under the provision of the Essential Commodities Act, 1955, if the Forward Markets Commission is of the opinion that continuation of trading in hedge contract for any delivery or deliveries is detrimental to the interest of the trade or the public interest, or to the larger interests of the economy of India and so notifies the Chairman, then notwithstanding anything to the contrary contained in these By-laws or in any hedge or on call contract made subject to these By-laws, the following provision shall take effect.

"(2) Every hedge contract and every on call contract in so far as the cotton is uncalled thereunder or in so far as the price has not been fixed thereunder and relating to the delivery or deliveries notified under clause (1) entered into between a member and a member or between a member and a non-member then outstanding, shall be deemed closed out at such rate, appropriate to such contract and with effect from such date as shall be fixed by the Forward Markets Commission and the provisions of clauses (3), (4) and (16) of By-law 52A, in so far as they apply to hedge and on call contracts, shall apply as if they formed part of this By-law."

In pursuance of the proviso to sub-section (4) of the said section, the Central Government hereby directs that the conditions of the previous publication with respect to the amendments aforesaid in the *Gazette of India* and the Bombay Government *Gazette* be dispensed with in the interest of the trade and in the public interest.

Distributor

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Industrial Sewing Machines

of straight and **ZIG-ZAG** stitch required by old-established European Manufacturers.

Chiffre: CLOSE COOPERATION

NEWS IN BRIEF

THE Government of India is considering the setting up of a teleprinter factory in India.

The Government of India proposes to establish an industrial estate near Palghat (Malabar) and has sanctioned a sum of Rs. 44 lakhs for the purpose.

The Bihar State Government has suspended the levy of sales tax on inter-State sales, pending the examination of the implications of the recent judgment of the Supreme Court on the issue.

The trade pact between India and Czechoslovakia, which expired on 31st December 1955, has been extended up to 31st December 1956 by exchange of letters between the two Governments.

Russia has agreed to sell India 20,000 tons of wheat to replace stocks depleted as a result of floods in North India last autumn. The wheat will be delivered next month. The deal is said to be on a normal business basis.

The Plenary Session of the sixty-first session of the Indian National Congress will commence at Amritsar on the afternoon of 11th February 1956. The Working Committee of the Congress will meet earlier from 8th February and the Subjects Committee from 9th February.

The Planning Commission has fixed the target for production of cement in the second Five-year Plan at 11 million tons. The Government of India's estimate of demand for cement by 1960 was 15.5 million tons, but this estimate has not been accepted by the Commission.

The Indo-German Chamber of Commerce was inaugurated by Dr. Bluecher, West German Deputy Prime Minister, in Bombay on 20th inst. In his speech at the function, Dr. Bluecher said that his country would help develop India's small-scale and village industries as well. Discussions in this connection would shortly take place in Bonn between the West German Government and the Indian Ambassador in Bonn.

The Railway Board has decided to pursue vigorously the question of introducing the divisional system of administration on the Indian railways wherever it does not exist at present. The system is now in force only on the Eastern and Northern Railways. It has been found to be conducive to greater efficiency and better co-ordination at all levels than the other prevailing systems, known as the regional and district systems.

The Andhra Government will introduce, at the next session of the State Assembly beginning on 28th January, a Bill providing for the levy of a graded surcharge on land revenue. Under the Bill, those who are paying a land revenue of a rupee or less will be exempted from the surcharge. The rates of surcharge will range from As. 2 to As. 8 in the rupee in the case of other landholders. The Bill will be effective in the first instance for a year.

The fifth session of the International Rice Commission, established under the auspices of the F.A.O. of the United Nations, will be held in India in the last quarter of 1956. The Government of India has constituted a National Rice Commission with Dr. Punjabrao Deshmukh, Union Minister for Agriculture, as its Chairman, with a view to making adequate arrangements for the preparation of materials and formulating plans for the forthcoming session of the International Commission.

Oil has been struck at a depth of nearly 10,000 ft. in a newly completed well at Naharkatiya, in Assam, according to an announcement by the Assam Oil Company at Digboi. This is the latest oil find in the Assam Valley alluvial area, where a total of 11 deep wells have now been completed. The new well was tested for production a few days back and yielded oil from sandstone rocks at depths between 9,660 and 9,785 ft. Drilling began on 26th November 1955 and was completed on 2nd January 1956 at a total depth of 10,360 ft.

A Committee of eight members has been set up by the Government of India to suggest measures for the development of the manufacture of surgical appliances in India. The Committee will assess the requirements of various surgical appliances and examine the existing facilities for their manufacture in the country. The Government has also constituted a panel of experts to suggest measures for the development of the manufacture of X-ray equipment in the country. The panel will assess the requirements of various types of X-ray equipment and examine the existing facilities for their manufacture.

A ten per cent. increase in freight rates on the India-Pakistan-U.K.-Continent run and *vice versa* with effect from 1st March 1956 has been announced by the Karmahom Lines Conference which has a membership of nineteen shipping lines with its headquarters in London. The increase has been decided on to meet part of the increase in operating costs and will apply to all commodities, except chrome, manganese, manganese dioxide and peroxide ores and all bulk oils. The rate on unpacked passengers' motor cars to direct ports is also subject to the increase. A similar increase in freight rates was made by the Conference last year.

The foundation-stone of the Rs. 16-crore rail-cum-road Ganga Bridge Project, near Kokameh, in Bihar, will be laid by the President, Dr. Rajendra Prasad, on 26th February 1956. The Ganga Bridge Project is believed to be the largest of its kind at present under construction in the world. The bridge, when completed, would provide satisfactory all-weather transport facilities between North and South Bihar and replace the existing wagon-ferry service which, due to river conditions, can handle only restricted traffic. The bridge will greatly facilitate the economic development of North Bihar and provide improved facilities for a greater flow of traffic to and from Assam.

Twenty-five steam locomotives will be delivered and nearly 1,000 freight cars will be shipped or booked for shipping from the U.K. to India before the end of this month. With the delivery of the locomotives, part of the contract of a total value of over $8 million for equipment of the Indian railway system will be completed. The order which is being carried out by two British firms, forms part of the economic assistance programme of the U.S. administered by the International Co-operative Administration. This phase of economic aid for India from the U.S. concerned the supply of 25 steam locomotives and 5,000 freight cars. The entire order, placed in April 1954, is expected to be completed in September 1956.

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From Abroad

A 12-nation conference on international development of atomic energy will be held in Washington sometime next month.

The draft sixth Five-year Plan of Soviet Russia has fixed the target for oil production at 135 million tons per annum in 1960. Soviet oil output in 1955 amounted to 70 million tons.

The Molotov Works of the Soviet Union has received an order for 60,000 tons of metal structural parts for the large iron and steel works under construction in India. The order is to be executed during the current and next years.

The Iranian Senate has approved the Indo-Iranian Agreement on trade and navigation. In reply to a suggestion made during the debate for selling oil to India, the Foreign Minister promised to take necessary steps in this regard.

China and Burma have signed a contract for the purchase by China of Burmese rice. The contract, based on the 1955-56 protocol for the exchange of Burmese rice for Chinese export commodities, was signed in Rangoon last week.

The volume of ocean-going ship tonnage building or on order rose by 3 million gross tons to nearly 14 million tons, according to a report, which covers free world shipbuilding, by Jacq Pierot, Jr., and Sons, ship brokers.

The British Transport Commission has offered a rise of 7 per cent. in the wages of railmen. The offer, which will cost the Commission nearly £23 million a year, is being considered by the railway labour unions.

The Pakistan Industrial Development Corporation has agreed to invest £150,000 in the jute industry in Iraq. It has also agreed to provide technicians to run the Iraqi jute mills. Iraq is committed to buy jute from Pakistan in future.

Privately-owned business and trade in Canton and Shanghai has been transferred to joint State-private ownership. The transfer was completed on 20th January 1956. Half of China's private industry and commerce is concentrated in Shanghai.

The U.S. has rejected a request by Australia for negotiations on the reduction of U.S. tariffs on wool and meat. The request was made under the U.S. Reciprocal Trade Agreements Act, which permits the President to reduce the duties operating on 1st July 1955 by 15 per cent. during three years, or at a rate of 5 per cent. annually.

Metropolitan-Vickers Electrical Company, of Manchester, has secured an order, against world competition, for five water-wheel generators of 100,000 K.V.A. each for the Bhakra Dam hydro-electric project of the Punjab Government. The order, the firm states, is worth over £1 million and is one of the largest for this type of equipment ever received.

The U.K.-India-Pakistan Conferences, comprising British and Indian shipping lines, have announced an increase in the freight rates by about 10 per cent. on account of further increases in operating costs of ships. The new rates will apply to shipments made by vessels starting to load at each individual U.K. port on and after 15th March 1956. A similar announcement has been made by the U.K.-Colombo Conference.

The Institute of London Underwriters has announced a reduction in general insurance rates for war and strike, riot and civil commotion shipping risks by 3*d.* to 9*d.* per £100. The cut, the first since September 1954, is effective from 19th January 1956. The new rate applies to all voyages with certain exceptions, such as the Middle East and ports on the China Coast, where rates range between 1*s.* 6*d.* and 30*s.* per £100.

Shanghai, China's biggest textile centre, proposes to produce 960 million metres (nearly 105 million yards) of plain and printed cloth during the current year. This represents a revision of the original target fixed for 1956, following the change-over of almost all private textile mills to joint State-private enterprises. This means that cotton yarn output will be 22 per cent. more than last year, as against 11 per cent. originally planned, cotton cloth production will rise by 25 per cent., instead of 15.8 per cent., and the output of floral prints will be 8.7 per cent. greater than originally planned.

PERSONAL

DR. Franz Bluecher, Deputy Prime Minister of West Germany, left for Dusseldorf on Saturday last, after a 12-day visit to India.

Mr. F. C. Mann, Manager of the Birmingham Office of the Export Credits Guarantee Department, is now in New Delhi to advise the Union Ministry of Commerce and Industry on the establishment of credit insurance schemes for Indian exporters. Mr. Mann, whose visit is at the request of the Government of India, is expected to stay in the country for three or four months.

Sir Jeremy Raisman, former Finance Member of the Viceroy's Executive Council and now Deputy Chairman of Lloyds Bank, London, accompanied by Mr. A. P. Nielsen, Chief Manager of Lloyds Bank's Eastern Department, London, has arrived in New Delhi. Sir Jeremy will hold discussions with the Finance Minister on economic problems, particularly the position of foreign investments in India. He is scheduled to visit Calcutta and Bombay also.

Monsieur Jean Royer, Deputy Executive Secretary of the General Agreement on Tariffs and Trade (G.A.T.T.), has arrived in India to attend the Twelfth Session of the Economic Commission for Asia and the Far East and the Eighth Session of the E.C.A.F.E. Committee on Industry and Trade, now being held at Bangalore. M. Royer will also visit Colombo (16th to 19th February), New Delhi (26th to 29th February) and Karachi (2nd to 6th March). He returns to Geneva on 7th March.

Mr. A. J. C. Hoskyns-Abrahall, Chairman of Lever Brothers (India) Ltd. and associated companies has been elected Vice-President of the Bombay Chamber of Commerce for the year 1956-57. Mr. Hoskyns-Abrahall, who will take office after the annual general meeting on 22nd March, has served Unilever for 27 years, of which 10 have been spent in India. He is Chairman of the Vanaspati Manufacturers Association of India and has served on the Committee of the Bombay Chamber of Commerce for two years.

Mr. Ramnath A. Podar, head of the Podar group of concerns, has been elected Deputy Chairman of the Millowners' Association, Bombay, for the year 1956. He has been a member of the Committee of the Association since 1942. He is also a member of the Council of the newly formed Bombay Textile Research Association. Mr. Podar is the Chairman of the Development Council for Art-Silk Industry, the Rajasthan Financial Corporation, and the Bank of Jaipur Ltd. Besides being a member of the All-India Handloom Board, he is also on the Commitee of the Federation of Indian Chambers of Commerce and Industry, the All-India Organisation of Industrial Employers, the Indian Merchants' Chamber and the Cotton Textiles Export Promotion Council.

Mr. K. B. Lall, I.C.S., Joint Secretary, Ministry of Commerce and Industry, is leading the Indian delegation to the Eighth Session of the Committee on Industry and Trade of the Economic Commission for Asia and Far East at Bangalore. Other members of the delegation are: Mr. V. B. Gandhi, M.P.; Mr. N. C. Kasliwal, M.P.; Mr. K. N. Kaul, Joint Secretary, Ministry of Natural Resources and Scientific Research; Mr. Sarup Singh, Director, National Buildings Organisation, Ministry of Works, Housing and Supply; Mr. M. Hayath, Member, Central Water and Power Commission; Mrs. Pupul Jayakar, All-India Handloom Board; Mrs. P. Johari, Deputy Secretary, Ministry of Production; Mr. B. K. Kochar, Deputy Secretary, Ministry of Commerce and Industry; Mr. M. K. K. Nayar, Deputy Secretary, Ministry of Commerce and Industry; Mr. G. Ramanathan, Deputy Secretary, Ministry of Commerce and Industry; Dr. P. C. Alexander, Deputy Secretary, Ministry of Commerce and Industry; Mr. K. S. Krishnaswamy, Reserve Bank of India, and Mr. V. K. Ramaswami, Deputy Economic Adviser, Ministry of Commerce and Industry (member-Secretary).

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *31st January*

Signs of Good Omen

Whether or not the markets have acquired what George Meredith calls "the rapture of the forward view" we know not; but the fact remains that upon the announcement of Mr. Gandhi's release there was a forward movement of a few annas in almost every section—raw jute, hessians, jute shares, cotton shares, coal shares—and although the appreciation was short-lived, a relapse being recorded within 24 hours, yet we imagine that we see a sign of good omen in this quick, sympathetic response to the sentiment of the hour—we want a change for the better in the political atmosphere; we want peace; we want contentment; we want a return of public confidence, we want renewed long-term credits; and, above all, we sadly want an end to the prolonged depression in trade. Any indication that points in any one of the directions thus indicated is seized upon as a pretext for jubilation; and we shall no doubt be pardoned, therefore, if we shout "huzza" in recognition of Mr. Gandhi's good influence—although fleeting—upon market tendencies.

HEAVY MACHINERY MANUFACTURE

THE importance of establishing heavy industries in the second Five-year Plan, with particular reference to the machine-making industry, was emphasised by Mr. Jawaharlal Nehru, Prime Minister and Chairman of the Planning Commission, in the course of his address to the National Development Council, which concluded its two-day session at New Delhi on the 20th inst. He stated that, in spite of the three steel plants, which were proposed to be put up during the second Plan, the position was that the country would still have to import steel from abroad. That was the reason why, he said, it became all the more important that the foundations for the heavy machine-making industry, especially those that produce iron and steel plants, should be laid without further delay. In the context of the foreign exchange position and the general international situation, he felt that it would not be in the interests of the country to depend on imports of heavy machinery. Proceeding, he remarked:

"If you want India to industrialise and to go ahead, as we must, as it is essential, then you must industrialise and not bother about with odd little factories, producing hair oil and the like—it is totally immaterial what the things are, whether they are small or big consumer articles. You must go to the root and the base and build up that root and base on which you will build up the structure of industrial India. Therefore, it is the heavy industries that count, nothing else, excepting as a balancing factor which is important."

It would appear thus that the major step for the establishment of heavy machinery industry would be taken in the next Plan. Mr. T. T. Krishnamachari, Commerce and Industry Minister, disclosed, in the course of discussions at the Council, that the Government was contemplating the setting up of some big forges and foundries under the second Plan and efforts would be made for the manufacture of machinery for cement, sugar and heavy chemical industries in as large a quantity as possible. He forecast that it might be possible for the country to manufacture about 60 to 70 per cent. of its heavy machinery (fabricating plants) requirements by the beginning of the third Five-year Plan. He expected that, out of a million tons of fabricated products that the country might produce by that time, the private sector would account for 450,000 to 500,000 tons. He revealed also that the Government had already been communicating with firms in foreign countries for the establishment of foundries and forges in India. Elucidating this programme, he observed:

"We have got preliminary reports from firms in Czechoslovakia and we have had some discussion with the Fiat Group in Italy. The latter are sending out a team shortly. We have also had some talks with a few German groups, who are experts in the manufacture of heavy machines, diesel engines and things of that sort."

He averred that successful establishment of heavy industries would be possible only if foreign technical assistance and collaboration could be had.

As regards the manufacture of textile and jute machinery, Mr. Krishnamachari disclosed that it was not the intention of the Government to enter into competition with the private sector. If, however, the private sector failed to produce certain types of machinery, the Government would be forced to enter that field. Elucidating this statement, he stated:

"In the field of textile machinery, the country is making rig frames, carding engines and looms—and all this in the private sector. Other ancillary equipment is also being made, except blow-room machinery. I have suggested to the industry to submit proposals for the purpose. If they do not, we will have to take it up ourselves, because blow-room machinery is a heavy machine manufacture scheme."

Referring to the jute machinery industry, Mr. Krishnamachari said that there were units which were making spinning frames and looms. He revealed that some *entrepreneurs* had been contemplating the manufacture of heavy machinery needed, but if they did not do so within a reasonable period of time, the Government, he added, would be forced to undertake the job.

Broadly speaking, however, the Government, he said, proposed to enter the field of heavy machinery manufacture only where the investment required was very large. He stated that the National Industrial Development Corporation was allotted in the draft Plan Rs. 70 crores, out of which Rs. 25 crores had been earmarked for the rehabilitation of jute and textile machinery. He added: "It has been suggested that the amount might be stepped up so as to enable us to establish the very necessary units for the purpose of building heavy machines during the second Plan."

A notable feature of the Commerce and Industry Minister's speech was his reference to Ural Machs plant in Russia, which was completely an integrated plant capable of making heavy machinery of any type. He hoped that such a plant, although not as big as that, would be established in the country.

As far as the development of the chemical industry is concerned, the Government, it is stated, had proposed to establish a coal-tar plant, with a capacity of 150 tons per day, at each new steel factory. Mr. Krishnamachari said that these plants might pave the way for the development of chemical industry. He, however, revealed that "anything in a big way so far as drugs are concerned can only be at the State level." He did not envisage the development in the near future of petro-chemical industry, because of the heavy cost involved.

Referring to the economics of machinery industry, Mr. Krishnamachari stated:

"it is quite conceivable that if we make 60 to 70 per cent. of the machines here, using imported steel and using what might be called untrained or semi-trained labour which, in the totality is high cost labour, it may be that we might be spending very nearly 100 per cent. of what we import. If we import Rs. 800 crores worth of machinery, 80 per cent. of itself might be worth Rs. 800 crores when we make it here, but we expect that, in the third Five-year Plan, we shall have attained the desired level. Secondly, our steel prices as compared with the prices in the world markets will be cheap. It is my expectation that whoever presides over the destinies of industries at that time will be able to supply steel for industrial needs at the rate of Rs. 350 per ton because I still hope that we will be able to make steel at Rs. 270 or Rs. 280 per ton, and, therefore, it would be quite possible for us to supply steel for industrial purposes at relatively low price as compared with world prices."

Finally, he stated that the Government proposed to integrate the plans for the production of special tool steel and alloy steel with the schemes for the erection of the new steel plants.

TOBACCO EXPORT

It is a matter for considerable satisfaction to the tobacco growers in India that the imperative need for placing the country's export trade in tobacco (raw and manufactured) on a sound basis has been recognised by the authorities. Symptomatic of this recognition is the formation of the Tobacco Export Promotion Council (Chairman: Mr. E. C. Shankar, Deputy Chief Controller of Imports and Exports), which was inaugurated at Madras on the 20th inst. by Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry. The main objects of which the Council has been established are: (1) to support, protect, maintain and promote exports of tobacco; (2) to keep in contact with the chambers of commerce or other mercantile and public bodies throughout the world for increasing exports; (3) to set up codes of practice for the general guidance of shippers, packers, and manufacturers of tobacco for export and simplify transactions; (4) to open showrooms, emporia, etc., in foreign countries; (5) to issue publications and leaflets on tobacco, and (6) to enter into contracts to buy or sell tobacco and make and execute negotiable instruments.

In the present context of the growing competition in the world tobacco markets, the setting up of the Export Promotion Council for this commodity is certainly most timely. An indication of this competition is provided by the fact that, while the quantity of tobacco (unmanufactured) exported from India has risen from 69.04 million lbs. in 1953-54 to 72.84 million lbs. in 1954-55, the value has receded from Rs. 11.02 crores to Rs. 9.93 crores. In other words, the price at which Indian tobacco is now being sold in overseas markets is lower than that prevailing a couple of years ago. Indeed, indications are that exports of tobacco may suffer a further setback in the coming months. It is feared that the United Kingdom—which is India's best customer for tobacco, accounting for more than 42 per cent. of the total shipments—will be purchasing less of Indian tobacco, as it has recently entered into a tobacco agreement with Rhodesia, one of the leading exporters of tobacco in the world.

While export prospects are not bright, it will not be right to conclude that Indian tobacco will lose its important position in world markets. Surely, no business man should, as Mr. Krishnamachari rightly reminded the tobacco exporters, in the course of his inaugural address, be afraid of competition in world tobacco markets. "A business man cannot," to quote him, "close his shop, because a competitor sells his stock at a lower price than his own." He emphasised that tobacco interests should not approach the problem of export with fear in their hearts. The tobacco interests will do well to ponder this statement and endeavour their best to meet the challenge of competition in the world tobacco markets. After all, it must be remembered that the outlook for Indian tobacco depends on the ability of the shipper to supply quality tobacco to the overseas buyers at a cost which compares favourably with that of tobacco supplied by other countries. To quote Mr. Krishnamachari again: "It (outlook for export trade in tobacco) depends very largely on our selling ability. This Export Promotion Council has to be a selling organisation *par excellence*."

It is thus clear that the success of the Council will be judged by the extent to which it will help step up exports of Indian tobacco on a more rational basis. This, in turn, depends on the conditions that actually obtain in tobacco cultivation. For whatever happens to this crop would, as the Commerce and Industry Minister stressed, affect the export trade as well. The Ministry accordingly urged the Council and the Tobacco Central Committee to get closer together. His suggestion that a joint meeting of the two bodies should be held to discuss common problems deserves consideration because one of the principal ways in which Indian tobacco can be made competitive in world markets lies in producing more of quality tobacco per acre.

Incidentally, Mr. Krishnamachari made a reference to the plea for a reduction in excise duty on tobacco. He considered the plea as being unjustified, for, according to him, a higher excise duty on tobacco (and liquor) rarely resulted in the operation of the law of diminishing returns. That had been the experience of other countries. The Government, he said, was just beginning to tax tobacco on a rather liberal scale and he had every hope that limits of taxation would not be reached for some years to come. In the absence of details with regard to the cost of tobacco production and the actual incidence of taxation, it is difficult to say whether Mr. Krishnamachari is correct. There is, however, no gainsaying the fact that, for purposes of taxation, an export commodity such as tobacco should be treated differently from the other commodities which are meant solely for internal consumption.

G.A.T.T. AND U.S.

The U.S. exercises a very large influence on the course of international trade, inasmuch as it accounts for nearly a fifth of the aggregate world trade in goods and commodities. Any modifications in the U.S. Government's trade policy will, therefore, have a direct effect on the trend of world trade. Specially important is the policy governing tariffs. The U.S., as is well known, is a country of high tariffs and cumbersome customs regulations. This has been one of the factors responsible for the imbalance in world trade; while the percentage share of the U.S. in the total world exports has gone up since the outbreak of the Second World War from 14.9 to as much as 20.0, that in imports has risen from 10.4 to 14.0 only.

Viewed thus, the successful outcome of the fourth international tariff conference of the General Agreement on Tariffs and Trade (G.A.T.T.), which commenced at Geneva on Thursday last week, will depend on the attitude of the U.S. towards world tariffs. Incidentally, the conference has been convened at the request of the U.S., following the grant of new powers for tariff reduction to the President under an Act passed last year. The commodities on which the U.S. will be ready to lower duties are not known; they will be discussed only by the U.S. delegation as it suits its bargaining purposes during the talks. But the tentative and revised list of items, which, it is stated, will be considered for possible tariff reductions, contains as many as 934 items which account for $1,797 million, representing 15 per cent. of the U.S. annual imports of about $11,988 million (c.i.f.). Among the more important of these items are textiles, paper products, machinery and metal products, electrical equipment and technical apparatus, motor cars, cutlery, and a large number of minerals such as copper, nickel, manganese, tungsten, tin, aluminium and steel products.

The U.S. move to offer—and to seek—tariff concessions at the Geneva Conference stems from three considerations. First, the U.S. has to give concessions, in order to win acceptance of the requests it is preparing to make to several other countries participating in the negotiations. Secondly, the U.S. is somewhat anxious to remove the feeling in the minds of some countries that it is backing away from freer trade policies. It wants to encourage other countries to sell more goods in America, so that the latter can, in turn, reduce their quantitative restrictions against U.S. products. Thirdly, the U.S. is anxious to offset the demand for negotiations of the kind that France has proposed—cutting the overall incidence of a country's tariffs at a rate of 10 per cent. a year for three years. The U.S. is said to be opposed to this demand which, in its opinion, runs directly counter to its insistence on selective negotiations and would require heavy cuts in tariffs on some items to obtain the average needed for all items.

Commendable though the U.S. offer to reduce tariffs is, the concessions that it will actually make are not many. For the U.S. delegation has been participating in the Geneva tariff talks with authority to cut tariffs on individual products only by a total of 15 per cent. during the next three years. This proportion, when applied to an *ad valorem* duty of, say, 20 per cent., means that the maximum concession that the U.S. delegation can make is a reduction in this tariff to 17 per cent. The actual worth of the American concessions will, we are told, be only a fraction of the $1,797 million accounted for by the "negotiable list." What is more, the list does not include such "sensitive" items as bicycles, watches, earthenware, glassware, sugar, surgical instruments, fluorspar, rubber-soled footwear, most cotton textiles and most chemicals, because the U.S. Government feels that additional imports of these items would injure domestic industries or would violate the provisions of section 22 of the Agricultural Adjustment Act.

ROAD TRANSPORT IN ANDHRA

The most notable finding of the Ramanadham Committee, which enquired into the state of road transport services in Andhra, is that the taxation of motor vehicles in the State is very heavy and, therefore, needs immediate revision. According to the Committee, motor vehicle taxation in the State is about the highest in India, accounting for 15 to 25 per cent. of the cost of motor transport. "Taxation in Andhra," to quote the Committee, "is particularly the highest at the moment, considering the low level of industrial prosperity."

The picture is thus no doubt disquieting. But the injustice is all the more glaring when it is considered in the light of the high cost of transport. The report points out that, considering the permissible fare and the actual load factor, most of the operators have been working under losses. The fixed cost has been about 20 per cent. of the total cost, taxes constituting the largest element. The cost per lorry-mile is about Re. 1 for the Visakhapatnam Co-operative Society.

What is the remedy? The Committee is of the view that a tax structure which has no relation to the condition of roads, the size of vehicles that ply on the roads, traffic prospects of the route and exemption of spare buses from tax is not worth its existence. It has made two alternative suggestions. The tax level may be retained provided all the tax receipts are devoted to expenditure on road maintenance and expansion, so that the operators may benefit from the resulting low cost of operation. Alternatively, the taxes, in view of the difficulties under which the operators have to function, may be reduced. The Committee has further suggested that an additional tax may be levied on lorries that ply outside the zone for which a permit is given. Further, it has recommended the abolition of the surcharge imposed in 1952, as it has considered it "unjustifiable" in view of the "declining prosperity" of the industry. An impartial investigation of conditions in other States is bound to lead to similar conclusions. The fact is that goods traffic and passenger transport vehicles, as also private cars, are made to bear an unduly heavy burden of taxation in almost every State. This interferes with the development of motor transport in this country and has an adverse effect on the progress of the automobile industry.

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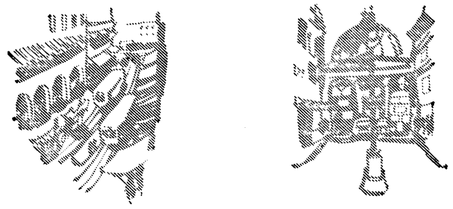

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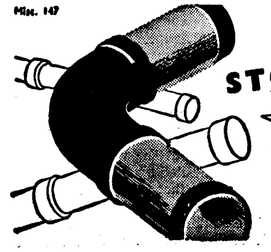

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THE ASSOCIATED CEMENT COMPANIES LIMITED

PLANS FORMULATED TO INCREASE PRODUCTIVE CAPACITY

CHAIRMAN'S SPEECH AT ANNUAL MEETING

THE Nineteenth Annual General Meeting of the Associated Cement Companies Limited was held in Bombay on 27th January 1956. The Chairman, Mr. Dharamsey M. Khatau, reviewing the major developments in the economic and industrial field that have taken place in the country, said: "We in this country have got into a curious habit of achieving political, economic and social progress by sudden jerks. Every year, two or three major economic or political concepts are mooted and bitterly pressed, often to extreme limit; this is followed by some hasty legislative action; and the controversy then dies down as suddenly as it began.

"This has been going on since 1950; and the year 1955 was no exception. It began with the proclamation of the 'socialistic pattern of society' as the ultimate objective of political and economic policy. This was followed by the Fourth Amendment to the Constitution, whereby it would no longer be unconstitutional to nationalise, either by acquisition or by obtaining complete physical and management control, every form of private property on payment of only such compensation as may be laid down in the particular nationalisation enactment. Quick on the heels of this serious detraction from fundamental rights came the taxation proposals of the 1955 Budget which contained a curious mixture of measures adversely affecting individual enterprise and incentive, savings and investment, on the one hand, and affording encouragement to industrial development, on the other. And before the ink was dry on this drastic scheme of taxation came the nationalisation of the Imperial Bank. Later, we had the Indian Companies Act with its quite unjustified attack on the Managing Agency system, the objective apparently being to kill rather than to cure the one institution which had been most responsible for the rapid industrial advance we have achieved since the First World War. And finally, the nationalisation of life insurance was announced only last week!"

Second Five-year Plan

Referring to the 'Plan Frame' of the Second Five-year Plan, Mr. Khatau said that he felt it had caused grave concern to knowledgeable circles. He characterised it as "no more than a jumble of ill-conceived and unattainable 'physical targets' of production, tied together with bits and pieces of loose thinking, which completely ignored such *practical* issues as how or wherewith they were to be achieved." It was fortunate, Mr. Khatau added, that the Plan Frame had since been subjected to the most rigid scrutiny with the result that, while its old name persisted in substance, it was new and more in the region of practical economics. Mr. Khatau continued: "Even so, two features of the Second Five-year Plan as it is now emerging give cause for some anxiety. One is the drastic cutting down of the outlay on transport, especially Railways; and the other, the impractical approach to the problem of resources to cover the enormous over-all outlay of some Rs. 4,800 crores contemplated in the public sector. There lies before us, in consequence, the grave prospect of the probable incapacity of the transport system to cope with the increased production envisaged under the Plan, alongside with acute inflation coupled with crushing taxation of income and capital."

The Private Sector

Speaking on the progress and prospects of the private sector, the Chairman observed that there could be no doubt that the urgent need to achieve industrial expansion along sound lines was appreciated as keenly by free enterprise as by those who spoke from the ideological or political platforms. "Whether it is a question of raising the general standard of living or of avoiding inflation in the wake of deficit financing of development in the public sector, the *sine qua non* is continually increasing production. Towards this end free enterprise has played its part, and will continue to do so subject to the numerous handicaps imposed upon it even within the limited scope permitted to it. It is admitted that the targets set for the private sector under the First Five-year Plan have generally been fulfilled; and that in some cases, they are even likely to be exceeded—as has already happened in the cotton textile industry. No one need doubt, therefore, that the role allotted to the private sector in the Second Five-year Plan will be equally significant. But its achievement will depend, to a large extent, on the broadbased backing of the public, as well as of the Government, on wise planning and sound fiscal and political policies, on full and unstinted co-operation from labour, and on the uninterrupted flow of savings and investment year after year. In all these matters, the most effective single factor will be the plans and policies of the Central and State Governments in relation to financial matters, generally, and in regard to taxation and nationalisation, in particular."

Production and Sales

Turning to the affairs of the Company, the Chairman reported yet another successful year of working for the A.C.C. Both production and sales of cement were satisfactory, though the Company had not been able fully to cope with the demand. These results were due to the very strenuous and sustained efforts the Company had already made to increase production.

Plant Rehabilitation and Expansion

Mr. Khatau stated that, since the A.C.C. embarked upon its post-war expansion programme, it had already increased its annual manufacturing capacity by nearly 1.3 million tons. Satisfactory progress was maintained during the year in the modernisation and extension of the Shahabad, Bhupendra and Kistna factories. The new works for the production of refractories at Katni was about to go into production, and by October 1956 would have a capacity of three times that of the old plant.

Sindri

Coming to the field of new installations, the Chairman reported that the first unit of the Sindri plant having a capacity of one lakh tons was put into operation in September 1955 and a second unit with a similar capacity went into production two months later. That plant, utilising calcium carbonate sludge (hitherto a waste by-product from the Sindri Fertiliser Factory) for the manufacture of cement is the second of its kind in the world. "This splendid achievement," Mr. Khatau said, "involving the solution of some very difficult technical problems, was the work of the members of our own staff, unaided by any outside consultants or experts. I am glad to say that the cement produced there is well up to our best standards."

Target for Cement Industry

Referring to the target of 12.5 million tons set for the cement industry under the Second Five-year Plan, Mr. Khatau spoke of the A.C.C.'s role in the implementation of this huge target. He said: "As the leading manufacturers of cement in the country, we have to play our full part in bringing about the very large expansion which the achievement of this target will necessitate. This we plan to do by establishing a number of new factories in various parts of the country and by extending those of our existing Works which are favourably situated with raw materials in sufficient quantities. We have already formulated plans to increase our capacity to nearly 5.2 million tons by extending our existing factories at Kymore, Lakheri, Shahabad, Dwarka, Kistna, Chaibasa and Sindri, and by putting up five new factories—at Mancherial in Hyderabad, at Yerraguntla in Andhra, at Drug near the site of the Bhilai Steel plant, at Abu Road and at a new site in Porbandar in replacement of the present old factory. Further projects are under consideration. Apart from our contribution, other interests in the cement industry will also undoubtedly have similar plans of expansion, so that we may collectively achieve the extremely rapid expansion which is required in fulfilment of the high target."

Finance for Expansion Projects

Speaking about the very substantial capital expenditure entailed by these expansion projects, Mr. Khatau said that the A.C.C. had entered into a cash-credit arrangement with the State Bank of India enabling the Company to borrow up to a limit of Rs. 4 crores against the security of its own 5 per cent. First Mortgage Debentures deposited with the Bank. He also said that the Extraordinary General Meeting to be held later that evening would consider the issue of 6,35,928 shares of Rs. 100 each to be offered at par to existing shareholders in the ratio of one new share for every two shares held, subject to the sanction of the Controller of Capital Issues. This additional finance, supplemented by the Company's own present and prospective internal resources, the Chairman observed, would be adequate for the purpose of attaining an annual production of nearly 5.2 million tons.

Central Workshops

During the past few years, Mr. Khatau continued, some of the machinery required for the A.C.C. had been manufactured in the Company's own workshops. But with the plans for rapid expansion ahead, there was now urgent need for considerably higher production of cement-making machinery in India utilising the best techniques and newest developments. Mr. Khatau announced that the A.C.C., with the approval of the Government of India, was negotiating with Messrs. Vickers Ltd. for jointly setting up a plant for the manufacture of a wider range of cement-making and other machinery in India. Vickers Ltd., together with their many associated companies and their respective subsidiaries, the Chairman said, constituted perhaps the largest engineering group in the United Kingdom manufacturing an extensive range of products, including heavy engineering machinery, plant and tools of all kinds, cement-making machinery, ships, aircraft, railway rolling stock and numerous other products. After preliminary negotiations, Lord Knollys, the Deputy Chairman of Vickers Ltd., visited India. That was followed by Vickers sending out a team of experts who, along with an A.C.C. team, made a thorough investigation of the project and submitted a joint report which is now under consideration by Vickers Board and by A.C.C. Directors. It was envisaged that the new works to be jointly established would manufacture not only a wide range of cement machinery adequate for the country's entire requirements, but also such badly needed machinery as gears, pumps, mining equipment, etc. The bulk of the capital required for the project would be contributed by Vickers and the A.C.C. in equal shares; and provision for the A.C.C.'s contribution had been made in the financial arrangements referred to earlier. If, on careful consideration, the scheme proved to be a worthwhile proposition, it would be put before the shareholders for their sanction.

White Cement

Mr. Khatau then stated that the A.C.C. had embarked on the manufacture of white cement at the Porbandar factory on a small scale, and said the production would be gradually increased with growing demand. The new product, which was also an excellent base for making coloured cements and cement paints, was now being marketed under the trade name of "Silvicrete."

Bulk Cement

The Chairman turned next to the A.C.C. taking the lead in supplying cement in bulk to its customers, and stated that the first Bulk Cement Depot at Delhi was now ready and deliveries of bulk cement from this depot would commence next week. Depending on the experience gained from this experimental project, the Company intended to establish similar bulk cement depots wherever feasible.

Pakistan

The Chairman stated that the A.C.C.'s two factories in Pakistan were operating satisfactorily, and that remittances of part of the profits from Pakistan were with great difficulty being allowed from time to time. He felt that, with the devaluation of the rupee by the Government of Pakistan, the remittance problem should ease. Mr. Khatau anticipated some increase in costs there and expressed the hope that the Government of Pakistan would take this into account when fixing cement prices for the current year.

Collieries

Reviewing the progress of the A.C.C.'s two collieries at Kotma and Nowrozabad, the Chairman said that, in line with the targets for coal production in the Second Five-year Plan, the A.C.C. was considering schemes for increasing the output of the Nowrozabad Colliery and for setting up a coal-washing plant to improve the quality of the coal despatched.

Turning to labour-management relations, the Chairman observed: "I referred last year with some satisfaction to the unanimous decisions of the Industrial Committee on cement reached at the Hyderabad Conference, and also expressed the hope that we in the cement industry could look forward to a long period of peaceful and productive hard work.

"Unfortunately, the goodwill fostered by the Hyderabad Conference and the 'peace within industry' which the A.C.C. has so assiduously sought to build up by its progressive labour policy over a period of years, was marred by the efforts of certain interests to negative the joint decisions taken at the Hyderabad meeting. The interpretations sought to be put on the deliberations of that Conference, as also on the A.C.C.'s readiness to react generously to the wishes of labour, have resulted in demands being made on the Company to assume more and more responsibilities and financial burdens without any reciprocal gesture on the part of labour. It is, therefore, with some sorrow that I have to report that, at our Chaibasa factory, the workers were misled into a prolonged strike on issues which had already been previously settled by mutual negotiations. Ultimately, when, after a lapse of four months, the Government referred the matter to an Industrial Tribunal, the harm had already been done, and this futile and wasteful stoppage of work resulted in a loss of production of over 60,000 tons of cement. However, I am glad to report that it was possible later to work out a settlement with the Chaibasa Works Union on all matters pending before the adjudicator, resulting in a joint request to him to give his award in terms of the settlement.

"The great majority of the Company's employees, I can say with confidence, are well-satisfied and enthusiastic workers who take pride in the part they are playing in the progress of this great organisation and its service to the nation."

Bonus

The Chairman announced that the Board had recommended the payment of a bonus equivalent to three months' basic earnings to all employees at the Head Office, the Works and Branch Offices, and concluded by recording the Company's appreciation of the excellent work and fullest co-operation of the staff and operatives.

The Report and Audited Statement of Accounts for the year ended 31st July 1955 were then adopted and confirmed.

U.S. AID TO MIDDLE EAST AND ASIA

The American Administration has begun making strenuous efforts at obtaining Congressional approval for providing long-term aid to Middle East and Asian countries in order to counter Russian economic penetration into these regions. The Under-Secretary of State, Mr. Herbert Hoover, Junior, held discussions with the Senate Foreign Relations Committee regarding the desirability of making long-range commitments in the Middle East and Asia for projects of the type of the Aswan Dam project in Egypt.

Mr. Hoover is reported to have told the Committee that "Communist blandishments and offers of aid to many countries in that area tended to obscure the very grave risks to their independence. He added that the Soviet Union was now telling Asians that it would help them to accomplish what the Soviet Union had itself accomplished. He added that the challenge could not be offset by American aid on an annual basis. The Administration wished to extend aid in terms of major projects which would catch the imagination of the people of Asia. The contemplated long-term aid would be for a limited period, not exceeding about 10 years.

Notice

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HOLDERS OF THE 3½ PER CENT. FIVE-YEAR Bonds issued by the Air-India International Corporation are hereby notified that the Corporation has made arrangements with the State Bank of India, Bombay, for the payment of half-yearly interest on the said Bonds with effect from 1st February 1956 onwards. Holders of the said Bonds are therefore requested to present their holdings to the State Bank of India, State Bank Building, Apollo Street, Fort, Bombay, and collect the interest due to them direct from the State Bank.

B. R. PATEL,
General Manager,
Air-India International.

ITALY TO HELP INDIA MANUFACTURE INTERMEDIATES FOR DYES

MORE ABOUT MACHINERY INDUSTRY

From A Special Correspondent

NEW DELHI, *24th January*

THE chief event of the week with far-reaching consequences was doubtless the announcement relating to the nationalisation of life insurance. In taking this decision, the Government would appear to have been prompted not only by its desire to secure and mobilise more funds for the purpose of financing the second Five-year Plan but also by its confidence that it could easily organise and manage this nationalised undertaking efficiently and without much difficulty. Next to the railways, life insurance will hereafter become the second biggest undertaking of Government. Since in present-day conditions, the life insurance habit is largely in vogue in urban areas and most of the people who have developed this habit emanate from the salaried classes in Government, quasi-Government and commercial undertakings, it is possible that Government will make life insurance compulsory on a graduated scale to all these classes and make arrangements to deduct the insurance premium at the source, thus facilitating easy collection of money. This sort of arrangement will reduce the expenses of management to a considerable extent and enable the Government to declare better bonuses to policyholders. The Government also hopes to initiate successfully the inculcation of the life insurance habit in rural areas, too, through a number of constructive measures. The successful drives in respect of the national saving schemes in rural areas would appear to have emboldened officialdom that it could achieve good results in propagating the message of life insurance in these parts. It is likely that the services of popular Community Project officers, co-operative officials, influential political workers, etc., will be utilised for this purpose.

DELHI LETTER

Dyestuffs Industry

For setting up factories producing intermediates required for manufacturing dyestuffs, the Government of India is expected to get the help of a leading Italian firm. It is stated that a group of Italian experts has recently concluded a tour of the country's industrial centres and various refineries for the setting up of the proposed plant. It is suggested that a project report will be submitted by this team shortly and that Government would then be in a position to take a firm decision in the matter.

The manufacture of dyes and dye intermediates is closely related to the manufacture of pharmaceuticals, explosives, plastics and solvent industries and the development of the dyestuffs industry, on proper lines, will greatly facilitate the development of these industries also. The Government of India has already licensed a number of schemes for the production of dyestuffs and, when all these materialise, it hopes that dyestuffs worth about Rs. 6 crores would be produced in the country. However, one important fact to be borne in mind is that these dyes will be manufactured from the imported intermediates and, as the latter account for nearly 70 per cent. of the cost of production of dyestuffs, the Government has been keen, for some time past, to undertake the production of intermediates in the country itself. At present, annual imports of dyes and colours vary between Rs. 15 and Rs. 18 crores and, with the proposal to increase cloth production in the country during the next Plan, it is likely that consumption of dyes and colours will go up to about Rs. 25 crores per annum. The Government of India is, therefore, anxious to establish this industry on a stable basis and to reduce the import bill as much as possible.

One essential requirement for the manufacture of intermediates is the availability of derivatives of coal tar. Coke ovens attached to iron and steel works are the main source of crude coal tar in the country. While tar distillers treat over 50,000 tons of crude coal tar every year, their main objectives are road tar and heavy creosote. Naphthalene is the only by-product recovered so far and even this recovery is no more than 30 per cent. of the actual potential. Emphasis is now being laid on the need for greater recovery of naphthalene and other by-products of coal tar such as anthracene, pyridine, etc., in view of the fact that these by-products will be required by the newly proposed dyestuff industry.

With the proposed establishment of three more steel factories and the expansion of the existing ones, the production of crude coal tar will increase fourfold and the erection of coal tar distillation plants near coke ovens will bring about a stable expansion of the dyestuffs industry. Only after the receipt of the project report from the Italian team, will the Government be in a position to decide as to whether the manufacture of intermediates should be undertaken by the public or the private sector. If the private sector were to be forthcoming to undertake this venture, preference would doubtless be given to it. It is also possible that the National Industrial Development Corporation will itself undertake the job in co-operation with some leading private firms.

The manufacture of intermediates requires, besides coal tar, large quantities of several inorganic heavy chemicals such as nitric acid, sulphuric acid, oleum, caustic soda, chlorine, etc. As, however, coal tar is the most important raw material, the location of this industry will be near the new steel plants, preferably at Rourkela and Durgapur. Since considerable emphasis is being placed on the regionalisation of industries and the balanced development of different parts of the country, one plant for intermediates is likely to be located near Bhilai.

Machinery Industry

Now that the Government of India has been anxious to develop the machinery industry in the country, it has of late been studying closely the existing gaps in this matter. It has constituted a panel of experts to suggest measures for the development of the manufacture of X-ray equipment. This expert committee will assess the requirements of various types of X-ray equipment and examine the existing facilities for their manufacture. It will also suggest measures for the development of the manufacture of surgical appliances and allied problems in the country.

In machinery manufacture, one of the important items is the availability of complete gear-drive units. The recently constituted Machine Tool Expert Committee will go into this question and is expected to suggest the establishment of a central gear-cutting and gear-grinding shop or shops in the vicinity of the central forging and casting shops. The central forging and casting shops will supply the necessary blanks to the central gear-cutting shops which will turn out finished gears and assemble them in complete gear units. It is stated that, after the establishment of the forging foundries and gear-cutting shops, it will be possible even for some of the smaller machine shops in the various parts of the country to undertake the manufacture of several machinery items, which they have not been able to take up in the absence of the above-mentioned facilities. These measures are expected to expand greatly the scope for the manufacture of industrial machinery in the country.

The Government of India is doubtless aware of the innumerable gaps in the machinery manufacturing sector such as lack of equipment, absence of technical know-how, etc. In order to remedy this state of affairs, it has been trying to take a new stand in its negotiations with reputed foreign firms. Emphasis is laid on the basic manufacture, starting from the raw material stage. In such arrangements, foreign firms have preferred to have a share in the capital investment rather than work on a royalty basis. This is a welcome development, for, when a foreign firm invests its own money along with that of its Indian partners, it clearly has a stake in future development of particular industries. Even here, however, a few lapses have occurred in recent years, but, all the same, when Government enters into an agreement with a number of countries for the development of a particular industry in different parts of the country, there is every possibility that most of these units will come to fruition even though the results of a few may be slow and unimpressive. It is also recognised that a country, which has an ambitious programme for establishing many key industries, is bound to experience some teething troubles in the initial stages. The Government hopes that ultimate results will, on the whole, be impressive and that most of the targets will be hit within the specified period.

ENQUIRY INTO BANKING IN TRAVANCORE-COCHIN

GOVERNMENT APPOINTS COMMISSION

A SPECIAL Commission headed by Mr. K. Ramunni Menon, a former Chief Secretary to the Government of Madras, has been appointed by the Government of India for conducting a comprehensive enquiry into the problems of banks in Travancore-Cochin State. This action is in pursuance of the recommendations of the Bank Award Commission which had proposed that such a body should be invested with wide powers to examine the financial position of banks in the State in relation to their economy and that it should suggest measures for their integration and make recommendations in regard to the terms and conditions of service of their employees. The other members of this Commission are Dr. P. J. Thomas, a former Economic Adviser in the Ministry of Finance and Prof. M. L. Dantwala, Professor of Agricultural Economics, University of Bombay.

The terms of reference to the Commission are comprehensive. They require it to enquire into the terms and conditions of service of workers in the banks incorporated in Travancore-Cochin, which were not parties to the All-India Bank disputes. The other terms are: to enquire into and ascertain (1) the position of banking in general in the area covered by the Travancore-Cochin State and the role played by the banks incorporated in that State in financing economic activities, such as agriculture, industry, commerce and trade, and (2) the financial position of banks incorporated in the State with a view to judging their capacity to function as useful and economic units, having regard to the special characteristics of the economy of the area.

The Commision is also required to recommend: (*a*) Having regard to the facts ascertained, what steps should be taken for strengthening the banking business and for the reorganisation or reconstruction of the banking structure in the area, including the amalgamation of units or, where appropriate, the elimination of units which cannot usefully survive, and (*b*) any other measures which in the opinion of the Commission would strengthen and improve banking in the area.

The headquarters of the Commission will be at Trivandrum and the Commission will commence work immediately.

The appointment of the Travancore-Cochin Banking Enquiry Commission will be widely welcomed by not only the banks but also the business community in the State. For, ever since the Indian Banking Companies Act, 1949, came into force, the banking community in Travancore-Cochin has been stressing the unsuitability of that legislation to the conditions prevailing in the State. It has often appealed to the authorities to modify the law in such a way as to allow it to function smoothly. The present enquiry will provide an opportunity to the banking industry in the State for putting forward its case before the Commission.

Present Position

Before pointing out how, according to the bankers in the State, several provisions of the Indian Banking Companies Act are causing hardship to banks, it will be necessary to give a brief account of the present position of banking in Travancore-Cochin.

Banking in the State is predominantly rural in character. About 150 to 200 banks are functioning there. These banks are spread out in rural areas and operate in remote villages and places where not even a post office exists. Ten of these banks have established 175 branches. They claim, with some well deserving pride, that they were rendering useful service to agriculture, industry and trade even before the establishment of the Reserve Bank of India. They have been able not only to drive out usurious moneylenders but also to bring down the rate of interest from 24 per cent. to about 9 per cent. The clients of these banks are mostly agriculturists engaged in the cultivation of plantation crops such as pepper, cardamom, ginger, lemongrass oil, cashewnuts, coconuts, rubber, tea and a few others. They are also engaged in trade and business in these commodities or their by-products, and follow their avocations with the help of loans raised on personal credit supported by land as collateral security.

With a high percentage of education, it was possible to develop, during the last four decades, joint stock banking in the State and to carry such banking to the remotest villages. In the result, any villager in this area can walk into a banking office and obtain a loan on reasonable terms without much difficulty. Thanks to these institutions, there has been all-round development of agriculture, trade and industry in the State. The small banks have rendered signal service to the rural community by promoting thrift and saving habit among the rural folk and by supplying cheap and easy credit to them. It is further claimed that the only region which has developed on any uniform and wholesome scale is Travancore-Cochin and that this development has been possible without State assistance and without any bank failures. And one leading banker in the State observed some time ago as follows: "No assistance was rendered to these small banks, although the Government showed favour to small units in other economic spheres such as cottage industries and co-operative credit societies. We can definitely and unequivocally say that big banks can never go to and serve the Indian villages. Big banks could not do so for the last 76 years. Their large establishment charges, their stiffness of behaviour and ponderous accounting methods and their total inability to make personal contacts with the villagers will stand in their way of penetrating into our countryside for many decades to come."

Some Legal Hardships

Now let us see how the provisions of the Banking Companies Act are causing hardships to the banks in Travancore-Cochin, a problem which needs to be investigated thoroughly by the Banking Enquiry Commission. One of the provisions, namely, section 24 of the Act, requires all banks to maintain 20 per cent. of their total deposits in cash, gold and unencumbered approved securities and balances with the Reserve Bank of India. The banks in the State are finding it difficult to comply with this provision. For there is not even one branch of the State Bank of India, let alone branches of the Reserve Bank of India. Consequently, the small banks have to deposit their funds with Scheduled or Non-scheduled banks serving in the interior. And if, in order to comply with the provision, funds were to be diverted to branches of the State Bank of India in places outside the orbit of business of these banks, the areas would suffer from lack of funds to carry on normal trading.

THE CENTRAL BANK OF INDIA LIMITED

The Net Profits of the Central Bank of India, Limited, for the year ended 31st December, 1955, subject to audit, including the sum of Rs. 17,88,898-9-2 brought forward from the previous year's Account, amounted to Rs. 95,64,868-8-6 which the Directors have disposed of as follows:—

The following appropriations have been made:—	Rs.	a.	p.
An *ad-interim* dividend paid for the half-year ended 30th June, 1955, at the rate of 6 per cent., free of income-tax, i.e., Rs. 1-8-0 per share on 12,58,170 shares ..	18,87,255	0	0
Amount transferred to Bank's Investments	15,00,000	0	0
Amount provided for Taxation ..	5,50,000	0	0
Amount transferred to Staff Gratuity Fund	5,50,000	0	0
Amount provided for Bonus to Staff	13,50,000	0	0
Rs.	58,37,255	0	0
The balance of Rs. 37,27,613-8-6 the Directors propose to recommend to the shareholders to dispose of as follows:—			
To pay a final dividend for the half-year ended 31st December, 1955, at the rate of 6 per cent., free of income-tax, i.e., Rs. 1-8-0 per share on 12,58,170 shares (making in all 12 per cent. per annum for the whole year) ..	18,87,255	0	0
To carry forward to next year's account	18,40,358	8	6
Rs.	95,64,868	8	6

Again, the cash ratio of 20 per cent. insisted by the provision above is also stated to be working harshly on the small banks. The banks function in rural areas and attract more surplus funds from agriculturists in the form of time deposits which carry a higher rate of interest than on current deposits. If these banks are to work profitably and survive, they have to invest a larger proportion of their deposits in commercial loans and advances. In that case, the cash ratio of 20 per cent. judged from their standards, is considered to be high, as it prevents the utilisation of a higher proportion of their deposits to enlarge their earnings to work on a remunerative basis. It is further contended that there is no undue risk in these banks maintaining a high ratio of advances, inasmuch as they know the borrowers so intimately as to assess their creditworthiness accurately. They are also familiar with the businesses of their borrowers.

Section 11 of the Banking Companies Act enjoins banks to raise their paid-up capital in relation to number of their branches. This means that the banks have to approach the capital market. But they are not quite sure whether they could successfully raise capital in the market from time to time as and when their area of activity expands.

Land as Security

Then, there is the question of acceptable patterns of securities against loans granted by banks. Under the law, land is banned from the accepted patterns. Unfortunately, however, the bulk of the loans in Travancore-Cochin is granted on treating land as collateral security. The relevant provision in the Banking Companies Act debarring land as collateral security tantamounts to bringing to a standstill credit operations in rural areas. This provision has, in the past, evoked considerable criticism from leading bankers in the South. Some time ago, the late Mr. M. Ct. M. Chidambaram Chettiar, a well-known South Indian banker, for instance, observed thus:

"There is a strong prejudice, in theory, against such loans being advanced by banks, but land, which is accepted as collateral security, is different in many ways from land in the rest of India, in that not only valuable plantations of tea, rubber, and cardamoms but also commercial crops such as pepper and coconuts are raised on holdings, both small and large. These banks have thus operated in a field not familiar to other banks and have done invaluable service to the lower middle class people of the State."

Mr. George Thomas, a leading banker of the State, commenting on the exclusion of land as security against loans, stated:

"In an area of lower middle class agriculturists, land is the only available security. But land is banned from the accepted patterns. In Travancore-Cochin, pearl fishing in the turbulent tempestuous Arabian Sea is easier than to secure gilt-edged or bullion or stock exchange shares for loans. This is the stress and strain that occur from the attempt to streamline the entire banking structure of a sub-continent like India which is as vast and varied as Europe minus the red region."

Again, a former Chief Minister of the State, Mr. A. J. John, referring to the same issue, remarked, in the course of his address at a meeting in 1954, as follows:

"I can understand the apprehension of the banks in Travancore-Cochin, that an all-India administration, keeping in view the general economic set-up of India as a whole, might not be able fully to assess, in the correct perspective, their peculiar difficulties. We have here a highly congested populous area, wherein small landholders, small traders and small industrialists predominate. Here, land is the most coveted form of investment. The small banks here being asked all on a sudden to conform to all-India standards, might cause them serious hardships. The rural aspect of our economy and the role our banks play in the development of our agriculture and trade have all to be given due weight when advising them to change their methods of business and to bring in new methods of activity."

These excerpts are given here merely to draw the attention of the newly appointed Banking Enquiry Commission to public opinion on the effects of the banking law on the working of banks in Travancore-Cochin. It is, however, true that, since they were made, the attitude of the Government of India towards ownership of land has undergone a complete transformation, what with the proposals for the fixation of a ceiling on land holdings. It has to be carefully examined whether the position of these private bankers will be safe if they are encouraged to lend against land in the new context of the "socialistic pattern of society." But this is only one aspect of the problem posed before the Commission. There are others already referred to above. The Commission will also have to bear in mind the various recommendations of the Rural Credit Survey Committee, which aim at establishing an integrated institutional credit system. For the recommendations of this Committee are specially designed to meet the requirements of rural classes of the type now being served by the small banks in Travancore-Cochin.

AMERICAN ECONOMIC AID TO INDIA

DETAILS ANALYSED

[We have received several inquiries about the details of the American economic aid given to India. In view of this, the following article will be read with interest.—ED.]

THE allocation of $60 million in economic and technical aid to India by the United States the other day brings the total of all U.S. financial assistance to this country since independence to $586,223,000 or more than Rs. 275 crores. The sum of $60 million will be used for continuing projects in the fifth year of the Indo-American Technical Co-operation Programme. It will go principally to the acquisition of steel for railways, fertiliser, D.D.T. for malaria control and for grain storage facilities as a part of India's second Five-year Plan.

Of the allocation of $60 million, $50 million will be for equipment, supplies and materials for various projects and $10 million to pay for American technicians and technical work in India. About 62 per cent. of the new allocation will be on a loan basis and the remainder in direct grants.

Since 1947, the United States has made direct grants to India aggregating $265,434,000 and loans amounting to $272,500,000. American private agencies in the same period have allocated to India a total of $48,289,000 in grants and contributions. Here is a breakdown of U.S. aid to India:

(In thousand $'s)

Government aid:	
Technical assistance and economic aid programmes	327,909
Wheat loan of 1951-52	190,000
Milo assistance in 1950-51	12,000
Flood relief aid	4,435
Fulbright and Smith-Mundt grants for education and exchange of persons	2,283
Ocean freight assistance	1,287
Private aid:	
Food distributed by American voluntary agencies	28,719
Ford Foundation grants	14,490
Rockefeller Foundation grants ..	5,000
Amerian Red Cross	80

The U.S. Ambassador in India, Mr. John Sherman Cooper, in a recent speech at Bombay noted that these figures of U.S. aid had "no meaning apart from the great effort made by (the Indian) people under the leadership of the President and the Prime Minister and the Government."

Mr. Cooper, however, added that American aid did represent "the continuous effort that the American people have made over a period of years" to assist India and thus formed "a record of constancy and co-operation."

Other Contributions

Besides the announcement of the new $60 million technical assistance allocation, there have been the following developments:

(1) Announcement of the Government of India on the fourth anniversary of Indo-American Technical Co-operation that agreements have been signed to provide India with 100,000 tons of steel for railway rehabilitation and 6,000 tons of D.D.T. for malaria control.

(2) The arrival in India of four locomotives from the United States, the first of 100 being provided the Ministry of Railways in its efforts to replace some 2,000 overage locomotives.

(3) The formal presentation by Ambassador Cooper to the Western Railways of 40 goods wagons, the first of 8,700 wagons being provided for railway rehabilitation by the U.S. aid programme.

In the course of speeches at Bombay and at Port Okha, Ambassador Cooper emphasised the continuing character of American aid. Speaking at Port Okha, he said: "There is nothing new about American aid to India, just as there is nothing new about American friendship for India. In the days of your freedom struggle, the United States urged Indian independence. Since then, the United States has demonstrated through its assistance, its interest that India should succeed in establishing economic independence. There is no doubt that India will succeed, and in your great purpose my country gives its friendship and support."

The Indo-American Technical Co-operation Programme began on 5th January 1952. In its first four years, it has included some 50 joint projects in support of the first Five-year Plan. The American contribution to these projects was some $267 million. The Government of India's portion was approximately Rs. 193 crores or about $405 million.

The $267 million allocated up to 30th June 1955 mainly went for the purchase of equipment and supplies, about 75 per cent. of which has already reached India. The biggest single area of expenditure was in agriculture, with an allocation of $76.4 million. Other large areas of expenditure were industry and mining, $68.9 million, transportation $41.2 million, and health and sanitation $21.3 million. Of the $267 million, about $223 million were in the form of direct grants and the remainder in loans.

The steel agreement signed on the 5th inst. will bring the total amount of steel, fabricated and unfabricated, supplied to India to 752,000 long tons.

Wheat Loan

During the food crisis of 1951-52, the U.S. loaned the Government of India $190 million for the purchase of wheat. The loan was a long-term one with an interest rate of 2.5 per cent. The law authorising the loan provided that the first $5 million in interest paid by India would be placed in a special fund for the purchase of textbooks and scientific equipment for Indian universities and colleges. The books and equipment are now arriving in India. During the same food shortage, the United States agreed to supply to India 427,000 tons of milo. The Indian Government paid more than $13 million of the cost with the United States making up the difference. This came to $12 million.

The recent floods in India brought a gift of 20,000 tons of wheat and rice from the U.S. costing, according to estimates of the U.S. Commodity Credit Corporation, $3.7 million *plus* ocean freight of $600,000. The Government of India released 20,000 tons of foodgrains from its stocks for free distribution so that the need could immediately be filled. The American grain to replace the Indian expenditure arrived in India recently. During the 1954 flood, the United States contributed $135,000 in drugs and medicines to aid the flood sufferers.

Nearly 700 Indians and 154 Americans have benefited from U.S. funds provided by the sale of surplus American property left in India at the end of the Second World War. The money was used to provide transportation to the United States for Indian students wishing to study there and to pay the expenses of the Americans studying in India. A total of $2,283,000 has been spent on these projects, known as Fulbright grants. An additional amount of $553,000 has been spent by the United States under the Smith-Mundt Law on Indian professors and research scholars for their expenses while in the United States.

Private Agency Aid

The biggest item of private expenditure was American voluntary agencies' food aid. This came to $28,719,000, the cost of food from surplus U.S. stocks. The United States paid $1,287,000 to get these assistance shipments to India.

The Ford Foundation has allocated since 1951 $14,490,000 to India for a broad range of programmes, all of which are part of, or closely related to, India's first Five-year Plan. Most of the projects are in the rural development, education, and small industries fields and are administered wholly by the Government of India.

For many years, the Rockefeller Foundation has been giving financial assistance to individuals and institutions in India for research and study in health, science and other fields. No figures are available on the total number of grants made since 1947, but about $5 million has been given to Indians and Indian institutions during the period.

CONFERENCE ON MARKETING AND CO-OPERATION

Proposals for the implementation of the accelerated programme of development of co-operative organisations under the second Five-year Plan will be discussed at a conference on marketing and co-operation to be held at Jaipur for three days beginning from 3rd February 1956.

The Conference, which will be presided over by Shri Ajit Prasad Jain, Union Minister for Food and Agriculture, will be attended by secretaries in charge of marketing and co-operation, the chief marketing officers, registrars of co-operative societies, chairmen of the apex, co-operative or land mortgage banks and representatives of non-official co-operatives from the States of Assam, Bihar, Delhi, Himachal Pradesh, Madhya Bharat, Manipur, Orissa, Rajasthan, Tripura, Uttar Pradesh, Vindhya Pradesh and West Bengal.

The Jaipur Conference is a continuation of a similar conference held at Hyderabad in November last which was confined to the States of Andhra, Bombay, Coorg, Kutch, Madhya Pradesh, Madras, Mysore, Travancore-Cochin, the Punjab and P.E.P.S.U.

The agenda for the forthcoming Conference includes regulation of important markets, setting up of a market news service, grading and standardisation, co-operative marketing, processing and warehousing, intra-State and inter-State transport arrangements, personnel requirements of co-operatives and provision of long-term production finance by co-operatives.

BANK RESULTS

Central Bank of India Ltd.

The working results of the Central Bank of India Ltd. for the year ended 31st December 1955, provide a notable exception to the general trend of bank profits, in that its profit has not staged a rise. The profit (before taxation) for the year, amounting to Rs. 71,75,970, is a shade lower as compared with that for the previous year at Rs. 77,88,540. It is, however, higher than that (Rs. 76,51,364) for 1953. The surplus brought in from the previous year is higher at Rs. 17,88,898 (as compared with Rs. 16,49,868), so that the amount available for appropriation shows a small rise from Rs. 94,38,408 to Rs. 95,64,868. The *ad-interim* dividend which was maintained at 6 per cent., or Re. 1-8 per share of Rs. 25, for the half-year ended 30th June 1955, absorbed Rs. 18,87,255 (Rs. 18,87,255). The Directors have maintained the allocation to the investment account at Rs. 15,00,000, while they have reduced the provision for taxation from Rs. 5,75,000 to Rs. 5,50,000 and raised the amount transferred to staff gratuity fund from Rs. 5,00,000 to Rs. 5,50,000 and that for bonus to staff from Rs. 13,00,000 to Rs. 13,50,000. The final dividend also is proposed to be repeated at 6 per cent., free of income-tax, thus making in all 12 per cent. for the year. This is the third year in succession for which this dividend is being repeated, after having been reduced from 14 per cent. paid for six years from 1947 to 1952. The final dividend requires Rs. 18,87,255, leaving Rs. 18,40,358 (Rs. 17,88,898) to be carried forward to the next year's account.

Bank of Baroda Ltd.

The profit of the Bank of Baroda Ltd. for the year ended 31st December 1955 (subject to audit) amounts to Rs. 29,65,244, representing an increase of Rs. 1,63,331 over that for 1954. This is the

(*Continued on page 188*)

TRENDS IN WORLD WOOL ECONOMY

OUTPUT DURING 1955-56 ESTIMATED AT 2,620 MILLION LBS. (CLEAN)

IS the relationship between wool and man-made (synthetic) fibres complementary or competitive? This question is now being actively discussed by research scientists in textile fibres the world over. A section of opinion feels that any introduction of synthetic materials into wool textile production will be at the expense of wool, while others contend that synthetic fibres are actually widening the scope for wool by enabling it to enter the field of blended fabrics.

It is rather difficult to say as to which of the aforesaid two views will prove correct. Broadly speaking, however, the quantity of wool used in the world will steadily, if slowly, increase, notwithstanding prospects of the continuous upward trend in the production of man-made fibres. For planned programmes for stepping up wool output in the major producing and exporting countries are being implemented. These plans, it is said, have already started bearing fruit, because of the successful measures of pest control, soil nutrition and selective breeding. An indication of this is provided by the rise in the world production of virgin wool anticipated for the current (1955-56) season. The International Wool Study Group placed the output at 2,620 million lbs. (clean basis), which compares favourably with the previous season's output of 2,580 million lbs. and the pre-war average of 2,070 million lbs. The bulk of the increase in world wool output is expected to be accounted for by Australia and New Zealand. Wool production in South Africa will be maintained or improved, but that in the Argentine will be several million lbs. lower.

Supply Exceeds Demand

The estimate of 2,620 million lbs. together with 25 million lbs. of U.S. wool from the Commodity Credit Corporation's stocks and the larger carryover (about 40 million lbs.) in South American countries, gives an aggregate potential supply of nearly 2,685 million lbs. for the current season. As against this, the consumption requirements may be expected to amount to 2,611 million lbs., on the basis of a 2.8 per cent. increase in consumption as was noted in 1954-55. The potential supply will thus exceed demand by nearly 74 million lbs. Incidentally, it may be noted that the world wool consumption of 2,540 million lbs. during 1955 was the second highest annual figure since the post-war peak year 1950. In that abnormal year, when wool was being used at an unprecedented rate to make good the war-time shortages, world consumption touched 2,681 million lbs. The highest figure since that year was 2,627 million lbs., attained in 1953, when the industry was recovering from the recession of 1952.

As the total available world supply of wool in the current season will be higher than the actual demand, the chances of any improvement in the prices of this commodity are not much. As it is, the prices of wool are ruling very low, although there has been a slight recovery in the past few weeks. Wool tops (64s) are now quoted in the London market at 112*d.* per lb., as against 127*d.* a year before, 144*d.* in September 1954 and 168*d.* in September 1953. The quotations at the beginning of the season stood at 110*d.*

Wool Textile Industry

It remains to be seen to what extent the low level of raw wool prices will stimulate a further rise in the total world wool consumption. Much also depends on the demand for products made of wool. Indications so far available are that the demand is on the increase, which is borne out by reports of a high level of activity on the manufacturing side in several countries. Reflecting this trend, the stocks of raw wool in the U.S. are reported to be moving well and Continental demand is well maintained. Large purchases of wool tops and raw wool are being made by Soviet Russia and other communist countries. Wool textiles in the U.K. continue to present the only encouraging picture of export trade in textiles. Alluding to this, a recent Press report from Manchester observes:

"Shipments of wool tops have been running at a level of 14 per cent. above that of 1954.... Exports of woollen and worsted fabrics are higher than in 1954 and very satisfactory, in view of market conditions abroad. Substantial dollar earnings are characteristic of the trade, with cloth exports to Canada and the United States representing over a third of total exports.... On the export side, the efficiency and competitiveness of the wool textile industry is well established, and an even more impressive performance would be possible, if it were not for artificial barriers to trade, or unfair competition from some foreign rivals. Nearly two-thirds of overseas markets are subject to quota or high tariff restrictions, and trade with these countries, which amounted to two-fifths of pre-war exports, now constitutes no more than one-fifth of the total. Yet in other markets, where the industry is less hampered by restrictions and duties, export trade is 25 per cent. higher than pre-war. The dollar markets are sufficient proof that the industry can compete effectively, provided excessive limitations are not applied. The other unsatisfactory aspect of wool textile export trade is the use of subsidies by foreign competitors. In France, tax remissions are granted to exporters, and in Uruguay multiple exchange rates are being used to stimulate exports of tops. In Italy and Japan double-pricing is said to be one reason for low-price competition."

If the foregoing account is taken as symptomatic of the general world trend and if this is maintained in the coming months also, it may be said that the gap between world aggregate supplies of wool and demand during 1956 will be more evenly balanced than seemed likely sometime ago. One can also expect the continuance of the narrowing of price differentials between merino wool and medium cross-bred wool which has been a feature of trading in the past two years. A comparison of the prices of these two types of wool now prevailing with those a year ago reveals that merino wool has suffered a fall of about 12 per cent., while cross-bred wool has gone up by 5 per cent. The downward trend in the prices of merino wool is due to the fact that the proportion of this wool in the world wool clip has tended to rise.

WAGE STRUCTURE IN U.S. TEXTILE INDUSTRY

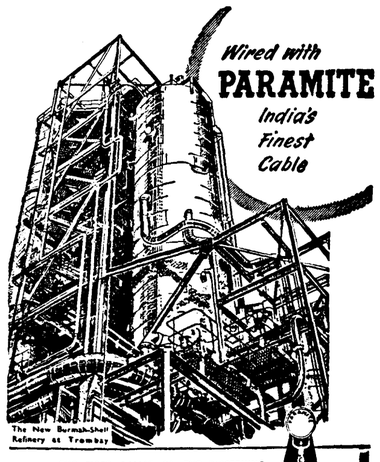
A worker in a cotton textile mill in the U.S. earns, on an average, about Rs. 5-10-8 ($1.19) per hour, exclusive of premium pay, according to a study of the wage structure in the U.S. cotton textile industry made by the Bureau of Labour Statistics, in November 1954. The average wage of men workers, who constitute 80 per cent. of the 330,000 workers employed in regular textile operations through the cloth-room, is Rs. 5-12-2 ($1.21) and that of female workers Rs. 5-6-10 ($1.14) per hour. In the south-east region where the bulk of the industry's production workers is employed, wages average Rs. 5-9-1 ($1.17) per worker per hour, which is the same as that recorded in a similar study in March 1952. In New England, however, the average has dropped from Rs. 6-9-7 ($1.38) to Rs. 6-4-7 ($1.32).

Approximately 4.4 per cent. of the cotton mill workers in the U.S. earns less than Rs. 4-4-3 (90 cents) per hour, 14 per cent. less than Rs. 4-12-2 ($1) and 67.4 per cent. less than Rs. 5-15-3 ($1.25). Occupational pay levels are generally higher in New England than in the south-east, being As. 9-11 (13 cents) more for women spinners and weavers, As. 8-4 (12 cents) for men janitors, As. 11-5 (15 cents) for men loom-fixers and As. 15-3 (20 cents) for men weavers.

HOUSING FOR BOMBAY TEXTILE LABOUR

The payment of bonus to the textile mill workers in Bombay City as covered by the agreement entered into between the Millowners Association and the Rashtriya Mill Mazdoor Sangh was editorially commented upon by us last week. In addition to bonus, the agreement also covers provision for housing mill workers. The millowners have agreed to contribute, during the five-year period of the bonus pact ending 1957, an aggregate sum of Rs. 50 lakhs towards a fund which will be made available to the State Government as a grant for constructing about 4,000 tenements for textile workers. This amount, it is said, will be collected from the member-mills of the Association, the extent of the contribution by each mill being determined on the basis of the number of spindles and/or looms installed in it.

The aforesaid gesture of the millowners deserves full commendation. A most distressing feature of life in an industrial city like Bombay is the lack of adequate housing for workers. It is this aspect which has been causing much concern to the Governments—Central and State—and the Planning Commission. True, certain mills in the city have already provided housing for their workers. But, taking the entire labour force employed in the mill industry—nearly 210,000 workers—the progress so far made has not been impressive. Surely, the amount of Rs. 50 lakhs which the Millowners' Association has now agreed to contribute will supplement the individual effort of the mills, thereby constituting, as Mr. G. D. Somani, Chairman of the Association, rightly stated at the Press Conference last week, "a strong nucleus for an ambitious scheme of housing for workers."



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U.K.'S EXPORT TRADE IN TEXTILES

INCREASE IN OVERSEAS COMPETITION

From A Special Correspondent

MANCHESTER, 17*th January*

MANCHESTER LETTER

EACH year, at this time, a somewhat melancholy task awaits the student of Lancashire cotton trade affairs. The annual reports of the different sections of the Manchester Chamber of Commerce could hardly be described as optimistic reading.

Those connected with export trade, as are the majority, record only too faithfully the decline which has taken place in sales of cotton cloth abroad since 1949. Even then, shipments barely exceeded 900 million square yards, only half the quantity sent to foreign markets in the early 1930's. Now practically every overseas outlet is shrinking and there are no immediate indications of any sharp change in the situation.

Not only is industrialisation in many countries enabling former importers to become self-sufficient, but competition among the remaining exporters grows fiercer as the scope for selling their goods diminishes. It has frequently been urged that Lancashire must concentrate on quality goods to maintain its level of shipments in the future, yet over the last two years cotton textile shipments from this country to Europe have dropped by nearly 40 per cent. to an area where high-class fabrics are the main consideration. In this instance, the fall is attributed to intense competition from other Continental textile producing countries, including Western Germany, the Netherlands and Belgium.

But rivalry on the part of old-established competitors, mainly in the Far East, shows no sign of decreasing. In fact, according to the reports received from certain sections of the Chamber, their number is likely to widen by the inclusion of China which may well emerge as a new threat in the not too distant future. Exports of cotton piecegoods in the first nine months of last year to the major markets of the Far East comprised less than 10 million yards from the United Kingdom against over 231 million yards from Japan.

Empire Trade

Territories which for some years past have provided Lancashire exporters with the vast majority of their overseas business have, for a variety of reasons, proved less remunerative during the past twelve months. In particular, trade with the larger Commonwealth markets has been hampered by restrictions of one kind and another.

Shippers to the Australian market, for example, were faced with two discouraging setbacks during 1955, having to cope with reductions in import quotas in April and October. South Africa, too, Lancashire's second largest export outlet in 1954, showed a marked reduction in purchases last year. Partly, as a result of uncertainties regarding increased tariff protection by domestic manufacturers and partly, owing to foreign competition, sales to this area have lately declined. The main rivals to Lancashire have been the United States, which provided 18 million square yards of cloth in the first eight months of last year, and Holland which sold 15 million yards in the first half of 1955. Overseas competition, in general, throughout Dominion markets has increased, with Japan playing a large part.

Cotton and Yarn Prices

A feature of trading during the second half of last year was the lack of balance between the prices ruling for raw cotton in the New York market and on the Liverpool Cotton Exchange. This had the effect of creating a similar disequilibrium between quotations for American cotton yarns in Lancashire and the appropriate level of values in Liverpool, in view of the continuance of the system of basing spinners' prices on New York futures.

There were particular occasions, especially towards the end of the year, when prospective customers were affected by the sharp fluctuations in Liverpool and seemed to anticipate some reduction in yarn and cloth quotations to follow. As the table below indicates, the symbol used by the Yarn Spinners' Association for calculating its margins showed only narrow changes over the period and there were equally small variations in the price of representative yarns:

(In *d.* per lb.)

	Spinners' NY symbol	American 15/16 inch Middling	Liverpool Futures Mar./Apr., 1956	American yarn 36s ring beams
July 1	30.59	32.56	30.33	63.27
„ 15	30.46	31.54	29.63	63.13
Aug. 2	30.49	32.50	29.96	63.16
„ 15	30.31	32.60	29.37	62.85
Sept. 1	30.33	32.61	29.10	62.87
„ 15	29.88	32.24	29.01	62.37
Oct. 3	29.33	31.30	25.99	61.74
„ 17	28.52	31.05	25.30	61.95
Nov. 1	30.06	31.05	25.50	62.57
„ 15	30.53	30.40	24.00	63.08
Dec. 1	30.15	28.15	23.95	63.56
„ 15	30.06	29.75	24.55	62.31
„ 30	30.47	27.50	24.70	62.78
1956				
Jan. 13	31.00	27.20	24.95	63.36

The New York symbol did in fact fall to a low point of 28.21*d.* in early October, but this was followed by a rapid recovery. A firmer tendency has prevailed this year and 31.00*d.* was posted at the end of last week, the highest quotation for nearly twelve months. American yarn prices have advanced correspondingly.

The pronounced fall in the price of futures in Liverpool and the spot quotation has been due to a variety of causes concerned with the uncertainty over the intentions of the American Government in connection with the accumulation of supplies. From the buyers' viewpoint conditions have been increasingly difficult, due to the persistent discount on forward months in the futures market.

From the end of July, however, the basis for futures contracts and the spot values for American cotton will be adjusted to one-inch cotton instead of 15/16 inch and the current differential between the old and new contract is between 3½*d.* and 4½*d.* per lb. The discount on forward deliveries, however, is even more pronounced in the new contract and in such circumstances trading is liable to be curtailed through lack of confidence among operators.

The Liverpool market has undergone a gruelling test since its reopening, with international influences having an adverse effect upon its functions. Moves to create an outside growths contract are under consideration, but the problems involved are considerable. Spinners in general are still critical of the facilities offered by the market but few traders can suggest adequate alternative proposals.

Egyptian Cotton

Great efforts to improve standards of Egyptian Ashmouni cotton are being made by the Ministry of Agriculture of the Egyptian Government, according to a report issued by a mission sponsored by the International Federation of Cotton and Allied Textile Industries, which visited Egypt in October last year. The investigation took place following widespread complaints from cotton spinners throughout the world about the gradual deterioration of quality of Ashmouni cotton, the most commonly used variety of the Egyptian crop. A project to restore this particular type of cotton to its former quality standards has been set in motion and will extend over the next three or four years. The members of the mission recommend that the strictest supervision should be exercised over plant breeding and seed testing and urged that only official certified seed should be used for sowing of each new crop.

The team, which was led by M. Jules Thiriez of France, the President of the Joint Egyptian Cotton Committee, consisted of representatives of the French, Italian, Swiss and British cotton industries. They considered that the quality of Egyptian cotton in general and Ashmouni varieties in particular might be further improved by modernisation of ginning methods and called for the highest standards of cleanliness to be applied in all phases of steam pressing and warehousing. Excessive mixing and blending of the cotton should be avoided, the report continued, as Ashmouni cotton at present shows some irregularities in staple.

One of the main causes for complaint has been the appearance of black specks in cotton cloth woven from Ashmouni cotton. This blemish is only noticeable after the cotton has been spun and woven into cloth and is usually observed on bleached white poplin shirtings and similar fabrics. The mission contends that the reason for this fault is the use of tar-lined paper bags for picking of cotton. "Stricter enforcement of the law, combined with rigorous control methods and educational campaigns might remove the cause of this very grave problem," adds the report.

The new Ashmouni crop, it continues, shows an improvement over last year's growth and earlier supplies, both as to length and regularity of staple, silkiness, strength and grade. With a continuation of the Egyptian Government's project to purify Ashmouni, this cotton, which is the oldest grown in Egypt, having been introduced nearly 100 years ago, should be restored to its former high standard in a few years' time, in the opinion of the mission.—*All Rights Reserved.*

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POWER ALCOHOL INDUSTRY IN INDIA

ACTUAL OUTPUT FALLS VERY MUCH SHORT OF CAPACITY

WITH the projected expansion of the sugar industry during the second Five-year Plan, the output of molasses is expected to increase from 450 000 tons to 750,000 tons a year. Molasses is used in the manufacture of power alcohol and rectified spirit. Although the power alcohol industry in this country is of comparatively recent origin, it has made considerable progress during the last few years. There has been a steady increase in production from a little over 2 million gallons in 1946 to 8 million gallons in 1954.

There are at present 19 units equipped with the necessary facilities for the production of power alcohol, their State-wise distribution being as follows:

(In million gallons)

State	Number of units	Total installed capacity	Actual production in 1954
U.P.	12	10.17	6.25
Bihar	2	1.29	0.89
Bombay	2	1.09	0.11
P.E.P.S.U.	1	0.80	—
Mysore	1	0.54	0.06
Hyderabad	1	1.02	0.69
Total ...	19	14.91	8.00

Production from two of these units—situated in Mysore and Hyderabad States—has now been diverted for other industrial uses and is, therefore, not available for power alcohol. Two other units—one in Bombay State and the other in the P.E.P.S.U.—are not in production because of difficulties of obtaining the required supplies of raw materials.

Trend of Output

The production of power alcohol has increased progressively during the post-war years, as indicated below:

(In million gallons)

1946	2.3
1947	2.7
1948	3.7
1949	4.2
1950	4.4
1951	5.8
1952	7.7
1953	8.1
1954	8.0
1955	10.0*

*Estimate.

While this progressive increase is gratifying, there is still a substantial gap between installed capacity and actual production, thanks to shortage of raw material supplies, transport difficulties and inadequate offtake of power alcohol. It is expected that, with the installation of additional sugar production capacity, already licensed, the position regarding the supply of raw materials will considerably improve.

Estimated Consumption

Considering the country's requirements of motor spirit and the available supplies of raw materials for the production of power alcohol, the Planning Commission had fixed a target of 21 million gallons of installed capacity and 18 million gallons of actual production by the end of the first Five-year Plan. These targets could not be achieved for various reasons, such as difficulties in obtaining the required supplies of raw materials at economic prices and inadequate price return on power alcohol in certain areas. With the anticipated development of some of our organic chemical industries based on alcohol as a primary raw material and with the production of motor spirit at the oil refineries recently established in the country, it is possible that, in future, the bulk—or, at any rate, a large proportion—of our alcohol production may be required for industrial uses rather than for utilisation as power alcohol.

After considering all the relevant factors, the targets for power alcohol for the second Five-year Plan have also been fixed at the same levels as for the first Plan, that is, 21 million gallons of installed capacity and 18 million gallons of actual production. These targets are expected to be achieved by utilising the existing capacity to the fullest possible extent and licensing additional capacity to the required extent at suitable locations.

Despite availability of the various raw materials, such as Mohua flowers, palm juice and starchy materials, within the country itself, considerations of price, available supplies, difficulties of collection and transport and storage of these materials, restrict the choice to only one principal raw material, that is, molasses, which is a by-product of the sugar industry. The present production of molasses by sugar factories is of the order of 450,000 tons per annum. Of these, 211,000 tons are utilised for the manufacture of power alcohol.

In addition to the difficulties of obtaining adequate supplies of this raw material, there is the question of ensuring proper quality, necessary transport facilities and suitable storage. The average yield of power alcohol per ton of molasses in this country is only 48 gallons, as against 62 gallons in other countries. This low yield is attributed to the inferior quality of molasses supplied. Effective action, should, therefore, be taken to maintain proper quality standards and provide suitable transport and storage facilities to avoid any possible deterioration in th quality of molasses.

The prices and distribution of molasses are controlled by the various State Governments under the Acts passed by them. The controlled price varies widely from State to State; this disparity has an adverse effect on the comparative economies of alcohol production in the different States. As this price control is exercised in the interest of the alcohol industry, a uniform policy in this respect is very desirable.

High Cost of Production

Besides increased costs due to low yields of alcohol from molasses, the large fuel consumption has been responsible for the comparatively high cost of production of power alcohol in this country. The average requirements of coal per gallon of alcohol in several of our distilleries, for instance, are estimated at 12 lbs., whereas, under efficient operating conditions, half of this quantity is considered to be sufficient. Considerable economies can, therefore, be effected, if careful control is controlled over the quality and storage of molasses and improved techniques of operation, such as use of high-concentration washes, re-utilisation of yeast and recuperation of the heat lost in the spent liquors are adopted.

The offtake of power alcohol was one of the main problems of this industry in the past, but it has been gradually overcome by the extension of the Indian Power Alcohol Act to the whole of the Punjab, the P.E.P.S.U., Delhi and Himachal Pradesh and to parts of Vindhya Pradesh and Bombay State. The Bihar Power Alcohol Act continues to be in force in that State.

The number of mixing depots has increased from 43 in 1951 to 83 in 1955. The total demand for power alcohol in the depots now in operation in Uttar Pradesh, Delhi, the Punjab, the P.E.P.S.U., Vindhya Pradesh and Bihar is, more or less, adequate to cover the entire production of power alcohol in the States of U.P. and Bihar. There is, however, need for putting up a few more mixing depots in Bengal, Bombay, Madhya Pradesh and Madhya Bharat in order to provide for adequate utilisation of power alcohol resources.

The price payable to power alcohol producers is fixed by the Government. The two primary considerations in determining this price, according to arrangements in force at present, are: (i) The selling price of power alcohol in any part of the country must be the same as that of petroleum in that area; (ii) power alcohol should not enjoy any special fiscal preferences as against petrol.

The supply of power alcohol from the distilleries to the mixing depots of oil companies is done through the agency of the State Governments. The oil companies pay to the State Government the price payable for power alcohol, reckoned on the basis of the prevailing prices of petrol in that area, after deducting the mixing charges payable to the oil companies. This linking up of power alcohol prices with those of petroleum has given rise to some problems in connection with the development of the power alcohol industry in some parts of the country. The price of petroleum varies from place to place, depending on the distance from the nearest port installation. The price increases with the distance, because of the additional transport charges involved. It is, therefore, more profitable for the States situated at great distance from the port areas to take up the production and utilisation of power alcohol than for those near the port areas.

Suitable Solution

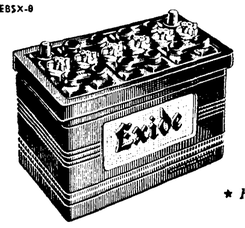
This sets up a pattern of "economic" and "un-economic" areas in the country for the production and utilisation of power alcohol. Such a demarcation of areas is not based on the actual costs of manufacturing operations but determined arbitrarily by the prevailing petrol prices in these areas. Several proposals have been considered from time to time to find a suitable solution to this problem.

If transactions relating to distribution and payments for power alcohol supplies are handled by a central agency, instead of by individual State Governments as at present, the disparities which are inevitable under the present arrangements can, it is suggested, be evened out, thereby increasing the overall area where production and utilisation of power alcohol can be conveniently taken up. Such a central agency may take the form of an alcohol marketing board or any other suitable organisational set-up. This as well as the other alternative proposals, require detailed study so that effective action can be taken as soon as possible.

The scope for increasing production of power alcohol appears to be limited to a target of about 20 million gallons per annum, which will be sufficient to replace 7 to 8 per cent. of the country's requirements of petrol. With the anticipated demand for alcohol as a raw material for our rapidly developing chemical industries, it may be necessary in future to utilise most of our alcohol production for industrial purposes rather than for use as motor fuel.

As a further move in the "keep the prices down" campaign, the West German Government proposes to reduce the sugar tax from DM. 265 (£22) to DM. 105 (£9) per ton. This will result in a 12 per cent. decrease in the retail price. The proposed cut in sugar tax, it is expected, will help break the deadlock in the trade talks with Cuba. For the three-year period which ended on 31st December 1955, Germany had contracted a total of 500,000 tons of sugar from Cuba. When it proposed to reduce that quantity to an annual 30,000 tons, in addition to an annual 50,000 tons for re-export, trade talks were broken off by the Cuban delegation.

EBSX-8



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AMALGAMATION OF SMALL COLLIERIES

SOME PRACTICAL SUGGESTIONS

By Sourendra Nath Mookherjee

THE Government of India has constituted a committee to examine the various issues involved in the question of amalgamation of small colliery holdings. The office memorandum of the Central Ministry of Production issued, in this connection, on 10th November 1955, says that this question of amalgamation of a large number of small and irregularly shaped collieries, existing particularly in the Bengal and Bihar coalfields, has been engaging the attention of Government for some years past, that these small collieries, with certain exceptions, tend to be uneconomic and wasteful, and that they do not permit of scientific planning, development and mechanisation, their fragmentation resulting in a loss of coal in barriers. The memorandum also points out that both the Indian Coalfields Committee (1946) and the Working Party for the Coal Industry (1951), after having examined the question at length, have strongly recommended that such colliery units should be amalgamated.

To the owners of small collieries, it seems strange that, although the question had been pending before Government for so many years—in fact for three decades since the recommendation of the Coalfields Committee of 1920—they should consider the present as the most appropriate moment for this revolutionary change in the structure of the industry when it is called upon to step up coal production by more than 60 per cent. for the second Five-year Plan. More than three hundred collieries stand to be affected by this measure of proposed amalgamation with its inevitable repercussion on their output and employment position. The Government is already seriously considering the question of nationalisation of the industry and, although amalgamation of collieries before nationalisation of the industry would be like putting the cart before the horse, it looks intriguing that Government should propose to expedite the question of amalgamation before finalising the issue on nationalisation.

During the inquiry stage for amalgamation, whether by the present Mehta Committee or through a prolonged preliminary field survey as recommended by the Mahindra Committee, it is certain that the necessary development of the mines and their output will be severely affected by the disturbing atmosphere to be created, the sense of despair of the mineowners and the fear of large-scale unemployment among the colliery personnel. As a result, the huge increase in output for the Plan, which is conditional on a peaceful and undisturbed atmosphere in the industry, will be seriously affected. At the same time, if by amalgamation the industry is converted into a few super-sized big mines only, a monopolistic tendency is bound to be created which will be good neither for the country nor for the Government.

Unfortunately, at the present moment, many an approach to problems is being made on predominantly sentimental grounds. There are any number of small mines in China and the U.S.A. but they do not regard it as a problem by itself. As has been observed by the 1946 Committee, all small mines in our country are not necessarily uneconomic mines. Similarly, all big mines are not necessarily economic and efficient mines. The Working Party did not feel that coal extraction suffered in irregularly shaped mines or that limited resources of capital prevented correct development, planning and mechanisation. We are ignoring these vital observations of the two Committees in our enthusiasm for amalgamation.

The Ministry's aforesaid memorandum, however, shows that the primary purposes for appointing the Mehta Committee are to devise steps for scientific planning, development, mechanisation and avoidance of loss of coal in barriers. The Committee's terms of reference are to examine the position of small collieries and to make proposals for their amalgamation into single economic units taking into consideration the areas of holdings, output and capacity of collieries, the need for efficient and economical production, conservation and preparation of coal by washing, etc., Though not mentioned, better labour amenities may also be one of the purposes.

In order to achieve these objectives, is it essential to adopt revolutionary amalgamation measures as contemplated, affecting the individual collieries out of existence, depriving so many workers of their avocation and living and throwing a large body of colliery personnel, from the managers to the unskilled workers, out of employment? In my humble opinion, the problems can be solved on the following lines:

Grouping of contiguous collieries, preferably working the same seams may be formed by legislation without disturbing individual ownership and management. Each group of collieries shall form itself into a co-operative firm in which the collieries will have shares, according to the value of their respective assets. These firms shall have power to create a fund by imposing a compulsory contribution on the basis of output tonnage from the member collieries. These co-operative firms shall act as marketing boards for sale of the output of the member collieries. They shall have powers to adjust boundaries of the members' collieries on geological and geographical basis, keeping in view the wastage of coal in barriers. The funds thus created by the co-operative firms will be utilised for mechanisation, for stowing, individual or joint and similar purposes by granting loans to the member collieries at a low rate of interest. The funds may also be employed for better amenities to the workers.

This is the scheme in mere outline which may be developed. Its merit, it is claimed, in all modesty, is that it does not upset the industry but serves the purpose for which amalgamation is contemplated. As for washeries, they should be set up at consuming centres, as is the practice in highly mechanised countries, and as was approved at the Coal Conference in New Delhi in June last. My appeal to the Government as also the Mehta Committee, is that they should consider the above scheme dispassionately and for what it is worth.

GROSSING UP UNDER SECTION 16(2) OF INCOME-TAX ACT

SOME PROBLEMS REVIEWED

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

A PROBLEM of some considerable importance was raised in an appeal which appears to affect a large number of shareholders. The appeal concerned a company's profits in a year which were not assessable to tax, as they were wiped out by carry forward of losses and accumulated depreciation allowance. In that year, the company declares a dividend. The question that arises is: in view of section 16(2), is the shareholder entitled to grossing up and credit for tax paid by the company on the profits made and taxed in the previous year? Would the result be different, if instead of there being no assessable profit in a year by reason of losses and depreciation there had been no book profit either and the company had decided to declare dividend out of dividend equalisation reserve or a similar reserve? Could the shareholder, as of right, claim grossing up of the dividend at the rate applicable to the company and credit under section 18(5) against his other income in the assessment made in the following year?

Let us examine closely the departmental view first. The Department argues that section 16(2) comes into operation only where the company has made an assessable income—even of one rupee—and is taxed as such. It does not entitle the assessee to claim grossing up in the year the company has made no such profit and is not taxed. If the company is not taxed, then the book profits distributed cannot be grossed up in terms of section 16(2) which expressly provides thus:

"Provided that when any portion of the profits and gains of the company out of which such dividend has been paid, credited or distributed or deemed to have been paid, credited or distributed was not liable to income-tax in the hands of the company, the increase to be made under this section shall be calculated upon only such proportion of the dividend as the amount of the profits and gains of the company liable to income-tax bears to the total profits and gains of the company."

Grossing Up

It further argues that grossing up of dividend in terms of section 16(2) is restricted only where the company has been subjected to tax and its individual rate is determined. Section 16(2) reads as under:

"For the purposes of inclusion in the total income of an assessee any dividend shall be deemed to be income of the previous year in which it is paid, credited or distributed or deemed to have been paid, credited or distributed to him, and shall be increased to such amount as would, if income-tax (but not super-tax) at the rate applicable to the total income of the company (without taking into account any rebate allowed or additional income-tax charged) for the financial year in which the dividend is paid, credited or distributed or deemed to have been paid, credited or distributed, were deducted therefrom be equal to the amount of dividend."

From the language, it is clear that the grossing up has to be "at the rate applicable to the total income of *the* company for the financial year in which dividend is paid." In the year the company has no assessable income, it has no rate applicable. Rate is applicable to the total income—a positive figure—and not a negative loss. If the assessee has no total income—a positive figure—it has no rate applicable to it. If there is no rate applicable for a loss, there is no rate applicable to the company and, therefore, section 16(2) does not come into operation to help the shareholder to get a refund of tax.

Another argument advanced by the Department is this: In the year of account, the company does have a profit. If it has, then under the Companies Act it is certainly entitled to distribute it as dividend, irrespective of whether according to the Income-tax Act there is an assessable income or not. If such profit is factually distributed in that year, there is in terms of section 16(2) no rate applicable to such income. The profits have been exempted from tax. If these profits are thus "not liable to tax" under the proviso to section 16(2), there can be no grossing up. Therefore, the stand taken by the Department in refusing to gross up such dividends is justified. Where the company has book profit, it can be related directly to dividend declared. There need not be an assumption that where there is no profit, the dividend is deemed to have been declared out of profits of one or more years immediately preceding the previous year. These assumptions would be valid, if the company had no book profit and no assessable profit, but not where factually the company has profit which it could distribute under the Companies Act as dividend, although this profit may not be assessable to tax under the Income-tax Act.

Assessee's Case

The assessee builds up its case on the question as follows:

Under section 49B of the Income-tax Act, the income-tax paid by the company on its profits is deemed to be paid on behalf of the shareholder, if (i) the company has been assessed to income-tax and (ii) the shareholder is a person specified in section 3. Section 49B (1) reads as follows:

"Where any dividend has been paid, credited or distributed or is deemed to have been paid, credited or distributed to any of the persons specified in section 3 who is a shareholder of a company, which is assessed to income-tax in the taxable territories or elsewhere, such person shall, if the dividend is included in his total income, be deemed in respect of such dividend himself to have paid income-tax (exclusive of super-tax) at the rate applicable to the total income of the company for the financial year in which the dividend has been paid, credited or distributed on so much of the dividend as bears to the whole the same proportion as the amount of income on which the company is liable to pay income-tax bears to the whole income of the company."

This, therefore, briefly means that the tax paid by the company on that part of profits distributed as dividend, the shareholder is deemed to have paid the tax. Section 18(5) then says:

"Any deduction made and paid to the account of the Central Government in accordance with the provisions of this section and any sum by which a dividend has been increased under sub-section (2) of section 16 shall be treated as a payment of income-tax or super-tax on behalf of the person from whose income the deduction was made, or of the owner of the security or of the shareholder, as the case may be, and credit shall be given to him therefor on the production of the certificate furnished under sub-section (9) or section 20, as the case may be, in the assessment, if any, made for the following year under this Act."

Section 16(2)

Therefore, the assessee shareholder is entitled to claim a right of grossing up under section 16(2) and credit for tax under section 18(5). Section 16(2) says that for purposes of inclusion in the total income of an assessee any dividend shall be deemed to be income of the previous year, in which it is paid, and shall be increased to such an amount as would, if income-tax at the rate applicable to the total income of the company for the financial year in which the dividend is paid, were deducted therefrom, be equal to the amount of the dividend.

Now, the first difficulty is that, under section 49B, tax must have been paid by the company before the fiction of law operates. In the year the company has paid no tax and, therefore, it would be permissible to argue that no tax has been paid so as to entitle the applicability of the fiction under section 49B. The first misconception here is that section 49B speaks of dividend generally. It does not restrict its operation to any specific year. The only condition it lays down is that the company must have been assessed to tax and the shareholder must be a person chargeable under sections 3 and 4. If the dividend is declared out of previous profits of a company which had borne tax, the fiction under section 49B would operate, even if such profits are distributed at any time thereafter. This fiction, therefore, under section 49B is not destroyed by the company not having paid tax on the profits of one year, if previous year's profits are available for declaring a dividend. Section 49B is, therefore, no bar to saying that the shareholder has earned the right to claim that on the profits made by the company, he has himself borne tax paid by the company.

The crux of the controversy, however, centres round section 16(2). First, let us dispose of the argument that the company not having borne any tax in the year, the shareholder is not entitled to grossing up under the proviso. This is not correct, because the proviso stipulates that only where the profits and gains of the company out of which such dividend has been paid were not *liable* to income-tax in the hands of the company. it shall not entitle the shareholder to the right of grossing up. Now, "liable to tax" is not equivalent to "not assessable." 'Liable' connotes the chargeability of the profits under sections 3 and 4. By operation of section 10, the profits may not result into a taxable quantum, but it cannot, therefore, be said that the profits are not liable to tax. This can only be adjudicated under sections 3 and 4. If the income, for example, the agricultural income of a company, is not chargeable, it can be said that dividend paid out of such agricultural profits was not liable to tax, but not where profits were wholly liable, but for allowances earned under section 10(2), it has resulted into loss. Therefore, it is wrong to say that because under section 10 the resultant income by reason of allowances is negative figure, the profits are not *liable* to tax for the purpose of the proviso to section 16(2).

"Rate Applicable"

Next, is the right of grossing up given under section 16(2) only where the company has a positive total income and such income has a rate applied to it? Where a company has made an assessable loss, is it correct to say that it has, therefore, no rate applicable to its total income? The words used in the section are "the rate applicable" and not "the rate applied." Does the phrase "the rate applicable" mean an effective rate or the statutory rate? The Department seems to emphasise the change of the indefinite article 'a' into a definite article 'the' in section 16(2) by amendment of the Finance Act, 1948. And from that, it concludes that whereas prior to 1948 'a' rate meant 'the' rate prescribed for companies generally under the Finance Act, now it must mean the particular rate applicable to the *individual* company and not to the class of company. In other words, if the company has no assessable income in a year, it has no total income. If it has no total income, it has no rate applicable to losses. Therefore, there is no rate at which grossing up can take place.

Let us examine this argument. Section 16(2) uses the article 'the' instead of the previous article 'a' for the reason that in 1948 when the Act was amended, there were two rates applicable to companies—one was the normal maximum rate of As. 5 in a rupee on the whole total income of a company, the total income of which was Rs. 25,000 or over Rs. 25,000. There was another rate in case of every Indian company, the total income of which did not exceed Rs. 25,000. On the whole of the total income of such company, the rate applicable was As. 2½ in a rupee.

In order, therefore, to specify that where a company which had borne tax at the rate of As. 2½ in a rupee grossing up of dividend shall

(*Continued on page 187*)

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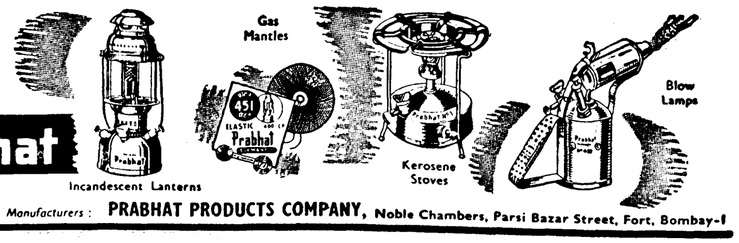

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SOME REFLECTIONS ON SECOND FIVE-YEAR PLAN-FRAME

ACHIEVEMENTS WILL DEPEND ON ADOPTION OF CORRECT ECONOMIC POLICY

By D. R. Samant

PRINCIPAL, SIR K. P. COLLEGE OF COMMERCE, SURAT

THE principal objectives of the second Five-year Plan, according to the Plan-frame, are to increase national income by about 25 per cent. over the Plan period and to liquidate unemployment as quickly as possible and within a period not exceeding ten years. These objectives are to be achieved by: (1) developing basic heavy industries for manufacture of producer goods, (2) increasing the production of consumer goods as much as possible through the household or hand industries, (3) developing factory production of consumer goods in a way not competitive with hand industries, and (4) increasing productivity in agriculture and consequently purchasing power in rural areas. "The basic strategy," says the Plan-frame, "would be to increase purchasing power through investments in heavy industries in the public sector and through expenditure on health, education and social services; and to meet the increasing demand for consumer goods by a planned supply of such goods so that there would be no undesirable inflationary pressures." In order to make this basic strategy result in creating maximum employment, it is suggested that, "until unemployment is liquidated or brought under control, it is necessary to prevent competition between factories and household or hand industries by not permitting investments to be made in such consumer goods factories as would prevent expansion or lead to a shrinkage of employment in the hand industries."

On the face of it, this argument involves one great flaw. For instance, on the one hand, it means that the volume of investments is going to be so regulated that it may not lead to an undesirable inflationary pressure by causing relative scarcity of consumer goods. On the other hand, it means that the supply of consumer goods is going to be restricted by not permitting expansion of factory production of consumer goods. This means putting unnecessary restriction on the volume of investments. For, if factory production of consumer goods is not restricted, their total production will increase, which will mean more scope for increasing investments in capital goods industries and social services without giving rise to any inflationary pressure. But here it may be argued that there is no intention of restricting production. What is intended is to distribute the increase in demand to hand industries instead of to factory industries. But this means that demand is assumed to be given, which, in other words, means that the volume of investments is fixed not with reference to supply of consumer goods but something else. For the fear that unrestricted production by factories, in addition to hand production, would lead to a fall in prices which would make it uneconomic for the hand producers to continue production, is based on the assumption of the demand being fixed. If demand alongside of production increases, prices need not fall. This is in the interest of all. From the point of view of the individual consumer, the price remains the same, while from the point of view of the community as a whole production, and, consequently, consumption increases.

Unscientific Approach

The whole approach to the problem of unemployment by way of creating employment by keeping productivity low is highly unscientific and injurious to economic development. In the first place, it is quite wrong to assume that the difference in the employment created by the production of any commodity by hand and by machines is, as it is often erroneously believed, equal to the difference in the productivity of the workers producing it by hand or machines. For instance, a weaver may weave ten times as much cloth by machines as by hand. But this does not mean that machine production of cloth reduces employment to one-tenth of hand production. Machine production needs machines, steel, iron, cement (for factories), electricity, transport facilities for transporting raw materials and finished products at every stage, etc. Taking all this into consideration, it is easy to understand that the difference in the employment created by hand production and machine production will be much narrower than what is imagined on the basis of productivity of the workers at final stage of production.

Besides, it must be remembered here that the greater the productivity of the workers in one industry the greater is their demand for the products of other industries. Consequently, if we take into consideration what may be called the primary and the secondary employment, the total employment created by the more productive methods may be more than that created by the less productive methods.

Let us take a simple illustration. Suppose a certain quantity of cloth, valued at Rs. 100, requires hundred days' labour when produced by hand and fifty days' labour when done by machines. Obviously, the earnings of the hand workers will be Re. 1 per day and those of the machine workers will be Rs. 2 per day. The machine workers will thus be able to buy additional things worth Rs. 50 which the hand workers would not have been able to buy. They will thus create demand for additional products, say, of fifty days' hand labour. The fifty days unemployment caused by the use of machines in cloth production will thus be covered. The group as a whole in this case is better off as it gets the same quantity of cloth, plus the additional hand production of fifty days.

Scope for Hand Production

According to the Plan-frame, "the increasing purchasing power and consequential demand for consumer goods must be met by increasing the supply of such goods as much as possible through the expansion of household or hand production." It is true that the increase in demand should be met by increase in supply. But that should be done by encouraging hand production in addition to machine production and not at the cost of machine production. The hand producers thereby will slowly be absorbed in machine production. "The greater the marketable surplus of consumer goods," says the Plan-frame, "in the household or hand industries, the greater will be the possibility of investments in heavy industries without any fear of inflation." This means the greater the surplus the better. If that be so, why restrict machine production? Let machine and hand production both go ahead. This obviously will mean greater scope for increasing investments.

The *modus operandi* of the policy will be like this. Increase the investments to such an extent that there will be demand for the machine as well as hand production. The hand and machine production both will go ahead. There will be no unemployment among the hand producers. Whatever they wish to produce will get demand at a reasonable price—which obviously implies maintaining demand at a proper level. This will increase the profits of machine producers and their incentive to expand machine production. The factories thus will slowly absorb the hand producers and hand production will be replaced entirely by machine production in course of time. This process will not cause any unemployment among hand producers as there will always be enough demand for hand production in addition to machine production. If, instead of this, hand production is increased at the cost of machine production, total production and surplus will remain low and consequently the scope for increasing investments will be smaller to that extent.

Here it is necessary to remind ourselves that the present-day standard of living includes many things which cannot be produced by hand. The Plan-frame admits this and states: "In the immediate future, the factory production of consumer goods would be expanded (where it is not competitive with hand industries) to increase the supply of essential goods (like antibiotics, fine drugs, etc.) or of goods for export to earn foreign exchange." But what is forgotten here is that, as the productivity of the hand producers will be very low, their demand for machine products, if at all, will remain very low too. They will have no money to buy antibiotics, for instance, however essential they may be. Consequently, production and employment in factory industries will not expand. It is also necessary to bear in mind that no country can develop industries entirely for foreign market, unless it enjoys monopolistic position in those industries. Exports usually constitute only a small part of the total output of an industry.

It is maintained that land reforms and agricultural improvements will result in increasing the income of the agriculturists, thus providing "a large market for the growing output of industry and handicrafts." This hope will not be realised if productivity and income in non-agricultural occupations remain low. For, in that case, people will give up non-agricultural occupations and resort to agriculture until income from agriculture becomes equal to income from non-agricultural occupations. In other words, pressure on land will increase to such an extent that income per head in agriculture comes down to the same level as income from, say, handicrafts. Consequently, people everywhere will be living on just bare necessities of life; thus depressing the possibilities of further expansion of production and employment.

Planning for More Complications

"Once mass unemployment has gone," states the Plan-frame, "the aim would be to provide cheap power and small machines to the household sector and hand industries to increase productivity per worker and hence the total national product. At this stage, the factory production of consumer goods would also be increased." But will this not give rise to the same problem of causing unemployment by allowing the productivity of the workers to rise and requiring smaller number of workers for given production? As a matter of fact, the situation will be still worse. All the low productivity workers will have by then been deeply rooted in the economic system. A country-wide organisation will have been set up to suit this method of production. There will be a large number of artisans and others who will be engaged in supplying the tools, etc., to the hand industries. A large part of these people will be faced with unemployment as soon as more productive new methods of production are introduced. It will also give rise to great political opposition, besides meaning a great waste of the resources spent for developing the system. That being so, will it not be better to shape the economy along right lines from the very beginning?

Before proceeding further it is necessary to mention here one point, namely, with equal wage rates, a given investment will create the same employment whether the technique followed is more or less productive. The difference will arise only in the case of total production. With more productive technique, the total output will be greater. Suppose, for instance, Government invests Rs. 1 lakh for constructing roads by hand and another lakh for constructing roads with the help of machines. In the first case, the one lakh of rupees will be paid to the workers on road construction. In the second, Rs. 50,000 may be paid to the workers employed on road construction and Rs. 50,000 may be paid for the machines used in road construction. But Rs. 50,000 paid for buying the machines is nothing but the amount paid to the workers for making the machines. So, if wage rates in both the cases are the same, the employment created in both the cases will also be the same. But, in the latter case, there would be greater length of road constructed with the same investment.

A Misconception

Of course, this will not be so when the machines used are purchased from abroad. In that case, all the employment for making machines will be created abroad. So the conflict really is not between production by hand or machines but between producing the machines at home or abroad. If all the machines are produced in the country, then a given investment will create the same employment whether we follow the methods of hand or machine production. What, therefore, should be banned is not the use of machines but the import of machines. The right policy thus would be to use machines wherever possible; but to have them produced in India, even though the India-made machines may be less efficient than the foreign-made machines. Anyhow it will mean greater productivity than by hand.

Apart from the technique of production, let us now turn to the employment potential of the Plan-frame. The Plan is expected to increase employment in both the private and the public sectors. Employment anywhere obviously depends upon investments. The investments in the private sector in this country, it must be remembered, are going to be induced investments, the inducement being provided by the increase in effective demand caused by public investments and/or by any fall in the rate of interest. So the motive force of the investments and employment in the private sector is going to be the investment and fiscal policies followed by the Government. It is, therefore, necessary to appraise carefully the investment and the fiscal policies proposed for the public sector under the Plan-frame.

At the outset it must be pointed out here that what is important from the point of view of total employment is not the size of public investments but the methods of financing them. According to the Plan-frame, investments in the public sector are going to be financed mainly in three different ways: (1) taxation, (2) public borrowings and (3) deficit financing. The total employment outcome of public investments will depend upon the collective effect of all these three methods of financing them on the aggregate national income and effective demand. Let us, therefore, consider the effect of each of these three methods of financing public investments on national income and effective demand.

Any increase in public investments financed by increase in taxation, particularly when the taxes impinge on consumption, will not lead to any increase in the total national income and employment. Only the nature of employment and composition of national income may be changed. No economic development in the sense of increase in national income and employment can be brought about this way. So increasing investments in the public sector by increasing taxation will only mean increasing employment in the public sector at the cost of employment in the private sector. It is often believed that the increase in Government employment financed by increased taxation is a net addition to the total employment. That is not correct. That can be so only when Government first increases the national income and then taxes away the additional purchasing power put in the hands of the people. For that, on the one hand, the investments must be undertaken with deficit financing and, on the other, an equal amount must be withdrawn from circulation by taxation. Then, too, the products of Government investments must not be for sale, such as railway services or electricity. Otherwise, the demand for the products of private enterprise will decline and, consequently, employment in the private sector will also decline. As a matter of fact, the role of taxation in economic development is not to supply finance but to withdraw such purchasing power from the public as is likely to cause excess demand.

Savings and Investments

Investments financed out of savings collected by public borrowings cannot also lead to net increase in total employment. The very fact that they are savings means that they are part of the income previously produced. If such withdrawals are not again put back in the income flow, that is, if the savings are not invested, income and employment will decline. The investment of savings thus just helps to maintain the levels of income, demand and employment. If the investment of savings leads to an increase in productivity, there will be increase in total output. Government investment of public savings helps to counteract the possibility of the savings not being invested by private enterprise. Here also, if Government investments do not produce goods and services for sale in competition with those produced in the private sector, then the demand for goods produced in the private sector may be maintained which might induced the investment of the rest of the savings in that sector.

As will be clear from the above discussion, investments financed out of tax money or public borrowings cannot, in certain circumstances, lead to increase in total employment. There may be some increase in employment if, for instance, taxes are being paid not at the cost of consumption but at the cost of savings and Government borrowing leads to dishoarding. That is what generally happens. But that will be negligible as compared with the expansion of employment aimed at. Besides, inasmuch as such investments are likely to lead to only a negligible expansion of national income, their inducement effect on private investments also will be negligible. In short, whatever the increase in such investments, they cannot be expected to lead to any considerable expansion of national income or employment.

Deficit Financing

It should thus be clear that deficit-financed public investments alone, by increasing total national income and effective demand, can provide scope for large-scale expansion of employment as contemplated under the second Five-year Plan. For such increase in effective demand alone will lead to large-scale induced investments in the private sector. Otherwise, the expected increase of investments in the private sector will not be realised. When the increase in demand, caused by deficit financing outstrips the induced increase in supply, the price level might rise. If an inflationary rise is to be avoided, the deficit financing will have to be regulated in such a way that the increase in demand will be equalled by increase in supply. Here, it is necessary to remember that every rise in prices must not be taken as an inflationary one. Efforts to increase supply may be faced with certain bottlenecks of varying duration or increasing marginal costs or rising wage rates which obviously will increase the costs and prices. Such a rise in prices is inevitable and should not be interpreted as inflationary one.

Besides, for a rapid expansion of production, it is desirable that demand should chase supply. So a certain amount of rise in prices is inevitable and also desirable. Of course, it is difficult to draw a line between inevitable and desirable price rise, an inflationary price rise. But anyhow it is better to have some inflationary price rise than to restrict production because of the fear of inflation.

Bearing these broad principles in mind, let us now proceed to estimate the employment potential of the Second Five-year Plan-frame. Of course, the following calculations are just illustrative as the final shape of the Plan is not available as yet. But, if the basic principles as mentioned above are accepted, it should not be difficult to draw conclusions by substituting alternative figures.

Changes In Effective Demand

According to the Plan-frame, the total developmental investments, covering both the private and public sectors during the Second Plan period, will amount to Rs. 5,600 crores. Out of this, Rs. 2,200 crores are to be invested in the private sector and Rs. 3,400 crores in the public sector. In addition to this, the public sector is going to spend Rs. 900 crores on current developmental items during the Plan period. The total Governmental expenditure thus will amount to Rs. 4,300 crores. As mentioned earlier, the private investments being induced ones, the fulfilment of the investment target in the private sector will depend upon the effect of public expenditure on effective demand. Let us therefore try to find out the direction and extent of the changes in effective demand likely to be caused by the public expenditure.

The total public developmental expenditure of Rs. 4,300 crores is to be raised roughly as follows:

(In crores of rupees)

Taxes and non-tax revenue at current rates	700
Loans from the public	1,000
Railway and miscellaneous fund	200
Foreign assistance	400
Fresh taxes and profits of public undertakings	1,000
Deficit financing	1,000
Total ...	4,300

Whatever be the amount diverted for developmental purposes, out of the tax and non-tax revenue collected at current rates, the effect on the general level of income and demand will be neutral. Only the expenditure financed by raising the rates of taxes and non-tax receipts will cause certain changes in demand and employment. As pointed out earlier, the increase in public employment financed by raising the tax rates and profit rates of public enterprises will be at the cost of private employment owing to the fall in the offtake of goods and services by the people. So the expenditure of Rs. 1,000 crores financed by additional taxation will not result in any net additional employment. The expenditure financed by public borrowings may lead to some minor expansion of total employment. The expenditure of Rs. 3,300 crores, out of the total of Rs. 4,300 crores, will thus have no noteworthy expansionist effect upon total employment. To the extent to which this expenditure does not increase the total effective demand the expectations regarding expansion of private investments will remain unfulfilled. This should also provide a clue to those who feel baffled by the deterioration in the employment and price situation, in spite of the huge developmental expenditure in the public sector during the first Five-year Plan.

The only expansionist element in the development programme is therefore the deficit financing to the extent of Rs. 1,000 crores. Let us, therefore, try to find out the possible effects of this much deficit financing in the Second Plan. As the total deficit financing of Rs. 1,000 crores is to be spread over a period of five years, the average annual deficit spending can be taken to be round about Rs. 250 crores. The deficit spending through multiplier process will increase the total national income by certain times the initial deficit. What this increase will be and during what period it will be realised are questions for which the answer will depend upon the marginal propensity to save and the income generating period in each country. For India, these magnitudes have not been worked out. But, for purposes of illustration, we may assume the marginal propensity to save to be one-fourth and the income period to be three months. In that case, the major part of the increase in income may be realised during the course of two years. What this means is that the deficit spending of Rs. 250 crores during the course of any year will lead to a total increase in the national income amounting to more than Rs. 800 crores during the course of the next two years or so. Out of this total increase, Rs. 250 crores worth income will be realised in the form of capital goods produced by the initial expenditure. The remaining increase of Rs. 550 crores or so will be in the form of consumer goods.

Alongside, during the same period, people will have made additional money savings amounting to nearly the initial deficit expenditure, namely, Rs. 250 crores. If the deficit spending is continued at the same annual rate, after the first year the demand for consumer goods will be higher, say, by nearly Rs. 600 crores and money savings made by the people will rise by nearly Rs. 250 crores per year. The increase in effective demand will lead to large-scale induced investments in the private sector.

In so far as the increase in money saving is concerned, Government may follow three different policies. It may collect the additional savings and increase the total investments to that extent, or sticking to the original plan of investments, it may reduce deficit financing to that extent, or it may leave the additional savings to private enterprise and go ahead with the original plan of deficit financing. If Government collects additional savings, the rate of interest for private enterprise may rise and the expansion of investments in the private sector may be checked to that extent. What the Government should do would depend upon how far desirable it would be to increase demand.

Expansionist Process

One point has been left out in the above discussion. It has been mentioned above that, as a result of additional taxes amounting to Rs. 250 crores a year, production and employment in the private sector will decrease and production and employment in the public sector will increase to that extent. But this fall in private employment will not take place, if the increase in taxation is accompanied by an equal amount of deficit financing. Because, in that case, whatever purchasing power is withdrawn in the form of additional taxes will be replaced by deficit spending. So the total offtake of goods and services by the public will remain the same as before. The first year's deficit spending will thus be just utilised for avoiding the contraction of employment in the private sector resulting from additional taxation. Consequently, the expansionist process described above will start from the second year of deficit spending.

In other words, out of the deficit spending of Rs. 1,000 crores, only Rs. 750 crores will have the expansionist effect on the economy. In the case of the remaining Rs. 250 crores, to speak in economic jargon, the multiplier will be equal to unity. That is the income will rise only to the extent of the employment created by Government and there will be no further expansionist effects on the economy.

Here it is necessary to mention one minor point. As income increases, tax collection will increase by more than the proportion of increase in income. That is so, because, as income increases, the number of persons paying income-tax increases, those who were paying the tax before now may be paying on a higher income,

(*Continued on page 183*)

TECHNICAL ADVANCES IN SUGAR INDUSTRY

SCOPE FOR IMPROVEMENT CONSIDERABLE

By Dr. K. S. G. Doss

DIRECTOR, INDIAN INSTITUTE OF SUGAR TECHNOLOGY, KANPUR

THE Indian sugar industry, including *gur* and *khandsari*, is the biggest in the world. India grows over 30 per cent. of the world's sugarcane production. Nearly 4 million acres of land are under cane cultivation in India. Of this acreage, about 80 per cent. is located in the States of Uttar Pradesh and Bihar. The capital invested in the sugar industry is over Rs. 60 crores. The factories employ about 135,000 skilled and unskilled labourers and about 3,500 university men. Furthermore, there is a large number of people employed in the cultivation of cane and in various other auxiliary industries.

There are at present 160 vacuum-pan factories in the country. Out of these, 66 are in Uttar Pradesh, 30 in Bombay, 28 in Bihar and 11 in Madras and Andhra, and the rest in other States. One hundred and eleven factories are following the double sulphitation process and the rest the double carbonation process. The average cane-crushing capacity, calculated on the basis of the actual number of days, was as low as 450 tons per day before the grant of protection in 1932. Now it has increased to 870.

Whereas, during the pre-world war period, the predominant sugar produced had a marked brown or grey tinge and corresponded to D24 of Indian Sugar Standards, at present the predominant quality is white and corresponds to D28. There is thus a considerable improvement in the quality of sugar manufactured. In the pre-war period, the imports were as high as 600,000 tons, which went down to practically *nil* in 1945-46. Imports to the extent of 500,000 tons were again contracted in 1953-54 as the *per capita* consumption went up. By 1961, that is, at the end of the second Five-year Plan, it is expected that the production will go up to 2.25 million tons. Forty-six factories are likely to expand their capacity and 40 new factories will come up.

Technical Personnel

After the grant of State protection in 1932, there was a sudden increase in the number of sugar factories, from 32 in 1931-32 to 137 in 1935-36. The establishment of the Indian Institute of Sugar Technology in 1936 has been helpful not only in training and supplying the necessary technically-qualified personnel to the sugar factories but also in tendering technical advice by sending its experts to the factories for solving *ad hoc* difficulties, as well as conducting researches on the general technological problems facing the sugar industry. The Institute has taken part in initiating and propagating new improvements for pushing up technical efficiency.

An examination of the reduced milling efficiency, reduced boiling-house recovery and reduced overall recovery figures for the Indian sugar factories, however, shows that, whereas there was a definite rise in these figures in the initial stages of the growth of the industry, they have been more or less constant thereafter. This will give the impression that the technical efficiency of the factories has remained unchanged for quite a few years past. But it has to be viewed in its proper perspective. The consumption of white sugar has progressively gone up much faster than the development of the sugar industry in this country. Furthermore, there has been a growing demand for whiter sugar and bolder grains.

The problem before the factories, therefore, has been to produce more and more sugar of better quality. They have risen to the occasion, and there has been an improvement in their average crushing capacity, as well as in the quality of the sugar produced. The factories have sometimes been obliged to let technical efficiency suffer in order to satisfy the capacity and quality requirements. On return to normal conditions, it is to be hoped that the factories will pay due importance to raising their technical efficiency as well.

The future developments would be in the direction of minimising losses of sugar during the process, improving the quality of sugar and effecting an overall economy. Generally speaking, these can be achieved by improvements in the actual processes, in the design of machinery and in the control of various units in processing. The milling is to be improved to lessen the loss of sugar in bagasse. The clarification is to be improved so as to eliminate the non-sugars and to minimise inversion and destruction of reducing sugars, as well as the losses in filter-cake. The pan-boiling, crystallisation and curing should be so organised and the equipment so modified as to get the best of exhaustion of molasses. An optimum compromise would have to be struck from the points of view of minimising the sugar losses, reducing the fuel consumption and getting the best quality of product. The efficiency of operation and control of all the stages is enhanced by mechanisation and converting the batch process into a continuous process as far as possible.

The average crushing capacity of Indian sugar factories is rather low. Attempts should, therefore, be made to raise the capacity of each unit. There is ample room for improving the preparation of cane, as only 30 per cent. of the factories has adequate preparatory devices. Automatic cane-carrier speed control is yet to be introduced. The peripheral speed of mills in India appears to be, on an average, on the low side. Pneumatic accumulators are found only in a small number of factories. Apart from other advantages, their introduction would ensure even pressure over the whole length of rollers. Chokeless pumps and vibrating screens for maceration, which improve mill sanitation, are being used only by a few factories. Less than 20 per cent. of the factories is fitted with fuel economy devices, such as economisers and air pre-heaters. This is partly due to the cane (especially in East U.P. and Bihar) having a very high fibre content. With improvement in the quality of cane, more factories would be obliged to take steps to economise on fuel.

Demand for Better Quality

There is a tendency for sulphitation factories to change over to the carbonation process on account of the demand for better quality sugar. Continuous sulphur burners are found only in a small number of factories. Continuous sulphitors, which give better process control and diminish consumption of sulphur, are being used only by a couple of factories. Continuous carbonation is yet in the trial stage. Continuous subsiders are still to be installed in 40 per cent. of the factories.

Some changes in design have been effected in certain types of continuous subsiders so as to increase their capacity by 30 per cent. The necessary changes can be introduced, with moderate expenditure, in the existing subsiders as well. The rotary filters, which mean a good deal of saving of labour, have found place only in 10 per cent. of the factories. Nearly 40 per cent. of the factories are still having the triple effect in evaporation. A change-over to the quad or quintuple would help in saving bagasse which can be used as off-season fuel. Very few factories have taken to the modern pans of improved design, such as those with either streamline flow or with mechanical circulators or those having a low-head design. Individual condensers for the pans are possessed by less than half the number of factories. This is again a matter where improvement is possible.

Automatic high-gravity centrifugals are to be had in less than 5 per cent. of the factories. These are extremely useful not only in bringing down the labour requirements considerably but also in properly controlling the process and quality of the product, as well as minimising the losses. A high-gravity centrifugal often means incomplete drying of sugar in the centrifugal, due to caking difficulty. An auxiliary drying arrangement can, therefore, be used with advantage. Continuous centrifugals are yet in the experimental stage.

High-pressure boilers are also rare at present, although there is a tendency to go in for them for increasing the efficiency of power production. Turbine drive with central control is also attracting attention.

The sugar factories are gradually realising the justifiability of the demand made by technologists and engineers for extensive instrumentation of the factories which would help not only in controlling the process better but also in tracing the faults when any difficulty arises.

Among the other developments to be expected are the diffusion process for improving the extraction of juice from cane and bulk-handling of sugar. From the point of view of the latter, it will be of interest to note that a sealed-bin system has been developed by the U.S. Rubber Company for supplying sugar in bulk, which helps reduce packaging and shipping charges, save labour and almost eliminate the need of godowns. These containers are made of synthetic rubber and fabric, each having a capacity of about 15 tons of sugar. In Puerto Rico, aluminium boxes of 20 tons capacity are filled with sugar, loaded on trailers and shipped to the United States for sale in the market. The boxes are emptied, cleaned and filled up with merchandise and shipped back to Puerto Rico.

Full-scale trials of the new Saha-Jain technique of clarification are being made in the present season in two sugar factories with a view to assessing the economics of the process. Pilot plant trials of the ion exchange process, as well as of the electrical process, are continuing at the Institute of Sugar Technology.

Great Potentialities

Although cane sugar is mainly used for edible purposes as a sweetening agent and energy food, it has great potentialities of being used as a raw material. Synthetic organic chemistry has been largely based on coal and petroleum, the supplies of which will some day be depleted and the world forced to depend upon some renewable source of organic compounds produced directly by vegetation.

From this point of view, sugarcane has many advantages over other agricultural products. It has been stated that cultivation of cane is one of the most efficient ways of trapping the sun's energy and the carbon-di-oxide of the atmosphere. Apart from this possibility, time may soon come when we will be faced with overproduction of sugar. The problem will then arise of proper utilisation of this important organic compound. Furthermore, the cane crop is characterised by kaleidoscopic variations in annual production from year to year due to uncertain climatic and economic factors. In spite of systematic control, these variations do exist and it will be well, if means are available, to dispose off the surplus during bumper years.

No other organic chemical is manufactured on such a large scale so cheaply and in such purity as sucrose. Its purity gives it a special position as a raw material. In recent years, attention has been drawn to converting sucrose into useful chemicals and the new branch of sucrochemistry is fast developing.

This brief review of the position regarding technical advances in the sugar industry shows that there is considerable scope for improving the industry. With a view to bringing this about systematically and speedily, an extension service scheme is proposed to be introduced by the Government of India under the control of the Director of the Indian Institute of Sugar Technology, which will examine the working of the factories and suggest measures for improving their technical efficiency.

MANUFACTURE OF SUGAR MACHINERY

The rapid development of the sugar industry in India in the past few years has provided an impetus for the indigenous manufacture of sugar plant machinery. Several important items of machinery, such as juice heaters, vacuum pans, evaporators, crystallisers, barometric condensers and belt-driven centrifugals, are now being manufactured by various firms. At present, there are six leading firms engaged in the manufacture of sugar machinery. They are: (1) Indian Sugar and General Engineering Corporation, Ambala, (2) Richardson and Cruddas, Ltd., Bombay, (3) Bery Bros., Calcutta, (4) Arthur Butler and Co., Ltd., Muzaffarpur, (5) Saran Engineering Co., Ltd., Saran, and (6) Port Engineering Works, Calcutta. Items of machinery worth Rs. 12,59,750 were produced by them during 1954, as against those of the value of Rs. 3,98,000 in 1953 and of Rs. 3,92,000 in 1952. Imports from abroad during these three years were valued at Rs. 91,98,140, Rs. 69,14,290 and Rs. 64,24,280, respectively. While the present production trends are no doubt encouraging, there is pressing need for further development. None of the Indian manufacturers is yet in a position to undertake the fabrication and supply of the entire plant equipment required for a sugar factory. Important items like crushing mills and high-speed centrifugals are still not manufactured here.

With our present plans for the extension of the sugar production capacity, it is estimated that our annual requirements of sugar plant machinery in the second Five-year Plan period will be of the order of Rs. 2.5 crores. It will be to our advantage, if most of this equipment can be manufactured in this country. As it may not be possible for any one of the Indian manufacturers to undertake the manufacture and supply of the whole range of equipment required for a sugar factory, it may be desirable to set up a central organisation which will be in a position to offer complete designs and arrange for supplies by pooling all the available manufacturing facilities in the country and indenting on foreign sources of supply where absolutely indispensable.

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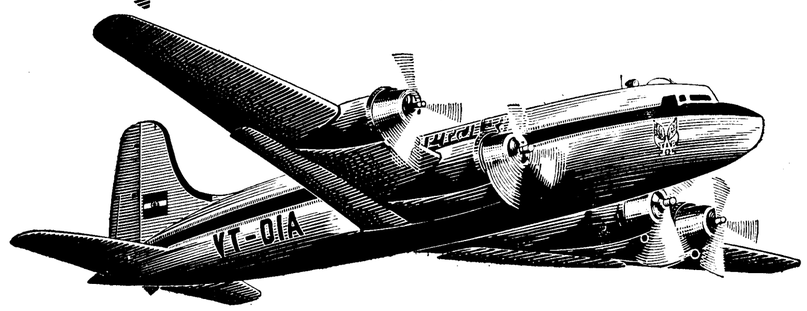

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WORLD STEEL PROSPECTS

RECORD OUTPUT LAST YEAR

THE output of world steel is on the upward trend. In fact, there is a phenomenal boom and it is expected to continue. According to estimates given in an article entitled "Steel World Report" in *Steel Review*, a new quarterly published by the British Iron and Steel Federation recently, world steel output in 1955 is expected to have gone up by 20 per cent. above that of 1954 and 15 per cent. above that of 1953, the previous record year. The total output in 1955 is placed at about 260 million tons, as compared with 113 million tons in 1945 and 98 million tons in 1935. World steel capacity is expected to rise by a further 70 million tons to 330 million tons by 1960. The *Iron Age*, of the United States, has estimated the output of steel in 1955 even higher at 293 million tons. The production of the U.S. is placed at 116.5 million tons, as against 88.3 million tons in 1954.

Nothing like this post-war expansion had been experienced in the steel industry before, according to the author of the article referred to at the outset. During the first decade after the second World War, as much as 1,900 million tons were produced and consumed. This compares with 780 million tons of steel produced and consumed in the first ten years after the first World War. In every major steel producing country, says the author, every estimate of future demand over the past ten years had been greatly exceeded. He adds: "A new force has entered the situation, an expansionist force of extraordinary power ... it is possible to speak of an entirely new situation." The experience of the last 10 years may be described as that of a vast investment boom throughout the world."

Discussing the outlook further, he observes: "But are we still entitled to use the word 'boom' at all? This is the crucial question. The concept of 'boom' implies the concept of slump and it, therefore, implies the notion that prosperity must of necessity come to an end. But why should it come to an end?"

New Forces

The author points out that the new forces, which have been at work, have two chief sets of roots, namely, the Keynesian economic revolution and the wholesale application of science to industry. "During the past ten years," he observes, "we have been given a foretaste of what this combination means for the world economy, in general, and for the world's steel industries, in particular." It is true, he admits, that, in the future, there will inevitably be many minor fluctuations, but he is optimistic enough to say that "it is a different matter whether fluctuations happen within a general framework of (relative) stagnation or expansion. It is difficult to escape the conclusion that the general frame is one of rapid expansion."

In this connection, the comments of Messrs. William Jacks and Co., Ltd., London, on the present position and prospects for iron and steel, published in their special review, entitled *Iron and Steel Trade in 1955*, needs mention. To quote them:

"In Europe, the upward surge of steel started earlier than in America and has been even more pronounced. Consider, for example, the experience of Western Germany. Ten years ago, the German steel industry was virtually flat on its back. Much of the plant which had survived the repeated assaults of the Allied bombers was dismantled and carried away by the triumphant forces of the U.S.S.R. German steel re-started virtually from scratch, yet, this year, the Federal Republic of Western Germany expects that production will surpass the highest levels attained in the old German Reich in the pre-war era, as, in fact, it has already exceeded that of the U.K.

"If the achievements of the French steel industry are less spectacular, there is ample evidence that new heights of prosperity have been scaled. During the first six months of this year, 6,350,000 tons of crude steel were produced, an increase of 26 per cent. over the corresponding period of 1954, and it is expected that the aggregate output for the year will be 12,500,000 tons to which the Saar will add a further 3,000,000 tons. All the six member countries of the European Coal and Steel Community have, in fact, shared in some measure the impetus of rising prosperity, and investment plans envisage an expansion of productive capacity from the current annual figure of 51 million metric tons to between 57 and 58 million tons in 1958.

"The position behind the Iron Curtain is statistically less well documented, but it is now common knowledge that, in spite of a continuous rise in the gross output, the Soviet Union is experiencing serious shortages of certain types of steel, particularly flat rolled products, and ferrous metal enterprises are operating under extreme pressure to raise the gross steel output beyond the target of nearly 45 million tons per annum.

"Some of the world's biggest blast furnaces are now operating at Kuznetsk and Magnitogorsk, and, in view of the technical and economical advantages of large steel furnaces, it has been announced that new investment will be concentrated upon the construction of new furnaces with capacities ranging from 250 to 500 tons per day.

"Outside Europe, the urge for a greater measure of self-sufficiency in regard to steel supplies is also manifest. India is pressing forward with dual plans, sponsored by the State and private enterprise, to raise the ingot capacity to 6 million tons in the next five years. The Turkish Government has placed a contract with the German firm of Krupps for the construction of another 600,000-ton steel plant at Karabuk on the Black Sea. Brazil proposes to increase the capacity of the Volta Redonda plant from 400,000 to 1,000,000 tons, and, in Rhodesia, a company has been formed with the object of producing 200,000 tons of pig iron per annum from indigenous ores.

Outlook

"The vast scale of these developments, no less than their widening spread, imply confidence that the age of steel, far from having passed, has not yet reached its zenith. They must, however, render still more hazardous any attempt to forecast with any degree of precision the extent of world demand, governed as it is and must be by the political and economic climate. Difficulties, however, do not absolve the steel industry from the duty of a faithful discharge of its responsibilities. The capital cost of new capacity, wildly though it has been inflated in recent years, has not diverted British steel companies from the planned policy of expansion. But, if on the one hand, a too conservative estimate of the national requirements can be penalised—at it has been this year—by crippling shortages, so, on the other hand, may over-investment involve expensive redundancy.

"A case in point is provided by the prevailing shortage of flat steel products, production of which has been far outdistanced by the expanding needs of the motor industry. Improvements and additions at Ebbw Vale, Margam, Shotton and the new plant at Velindre will raise sheet capacity by 50 per cent. in two years' time. Will this suffice? Recent experience suggests a negative answer and it is a fact that the erection of another continuous strip mill is under consideration. A hasty decision is forbidden by the enormous capital cost roughly estimated to be in the region of £100,000,000.

"Obviously, an expenditure of these dimensions is beyond the resources of any single company, and if the plan comes to fruition, it may be a joint enterprise sponsored by a consortium of steel interests. Commonsense suggests wider consultations and it is here that the association between the British steel industry and the European Community may prove its value. One such unit—if one be needed—should suffice. Duplication in Britain and Western Europe might spell disaster for both. It can be avoided by mutual consultation and discussion."

The output of pig iron in 1955 is estimated at 183.0 million tons, as against 154.7 million tons in 1954. The table given at the foot of this page, published in the special review referred to above gives the estimated pig iron output of the various important countries of the world in 1955, as compared with those in 1954, 1953, 1952 and 1937.

It is thus clear that the present position of the iron and steel industry is encouraging and the prospects definitely better. A question that arises, in this connection, is whether, in the future, underdeveloped countries can further their economic development best by meeting their steel requirements by domestic production or by imports or by a combination of both. This question, however, is made more complicated by considerations of national prestige, monetary policies and political and strategic considerations. Many of the underdeveloped countries, however, have either already planned or are planning to set up or expand the existing iron and steel units. It remains to be seen as to what extent their plans will materialise.

WORLD OIL OUTPUT

Although the U.S. remains the world's largest oil producer, the most remarkable developments of recent years have taken place in other countries—particularly in the Middle East. Statistics just published by the Petroleum Information Bureau in London disclose how the oil industries in the Middle East have grown over the past 30 years. In 1925, the Middle East supplied no more than 5,000,000 tons of oil, and the only major producer in that area was Persia. Last year's contribution from the Middle East was over 160,000,000 tons, of which 16,000,000 tons came from Persia—equal to half of its output in its peak year of production (1950). Persia's contribution last year was far exceeded by that of three other States, namely, Kuwait, Saudi Arabia, and Iraq, none of which produced oil 30 years ago. It will be recalled that the production of oil in Kuwait began in 1946 and in Saudi Arabia in 1938, but the two are together producing over 100,000,000 tons of oil annually at the present time. In fact, the Middle East, as a whole, is now providing more oil than the entire world did in 1925.

Other areas have shown comparatively less rapid development. In the Far East, output of oil in 1925 was about 5,000,000 tons, but, due to war-time destruction, it had dropped to little more than 2,000,000 tons by 1945. Last year, at some 18,000,000 tons, it had shown a remarkable recovery, for which Indonesia and British Borneo were almost entirely responsible. Despite this welcome revival, production is still insufficient for the rapidly expanding needs of the Far Eastern countries themselves. Russian output during the past 30 years has also fluctuated considerably, and now represents about the same proportion of the world total (9 per cent.) as it did in 1925. Russia produced 70,000,000 tons last year.

FRENCH STEEL MISSION

A four-member steel delegation, led by Mr. M. Palme of the French Railway Board, arrived in India on the 19th inst. to apprise the Government of India on the need for changing the present specification methods followed by the Indian Standards Institution. The Government of India, it is stated, has been following the Indian standard specifications, which are more or less based on British specifications. This calls for steel to be manufactured by what is commonly known as the "open hearth process." But most of the Continental countries, it is reported, are, however, manufacturing steel by the "Basic Bessamer" and "Thomas" processes. It would appear that the Government, especially the Railway Board, is reluctant to modify the specifications.

Now that India needs large quantities of steel for its developmental projects, a large percentage of offers are being received from the Continental countries. It has, therefore, become necessary for the Government to consider whether it is necessary to modify the specifications and, if so, in what directions. France is chiefly using the "Thomas" process and it is desirous of finding a market for its steel in India. Meanwhile, it is understood that the Iron and Steel Controller is already importing sizable quantities of "Thomas" quality steel products, as well as millimetre sections, and they include commercial quality sheets, plates, rounds and structurals. Only the U.S., India and the U.K., it may be noted here, are now using inches as the basis of measurement.

World Pig Iron Output

(In tons)

	1955 (a)	1954	1953	1952	1937
U.S.A.	68,304,000	52,400,100	67,716,750	55,507,620	37,127,000
Canada	3,125,000	1,976,000	2,826,700	2,396,385	979,000
Great Britain	12,250,000	11,883,400	11,174,800	10,727,100	8,493,000
France	10,491,000	8,770,540	8,602,590	9,596,090	7,787,000
Saar	2,804,000	2,462,410	2,339,465	2,504,865	2,184,000
Belgium	5,170,000	4,559,910	4,142,680	4,690,485	3,743,000
Luxemburg	2,973,000	2,750,980	2,670,445	3,021,555	2,473,000
Italy	1,765,000	1,358,305	1,317,055	1,161,080	849,000
Spain	1,004,000	891,395	812,920	754,405	126,000
Sweden	1,138,000	981,750	1,038,520	1,033,380	682,000
Netherlands	665,000	599,105	580,445	529,460	300,000
Germany—Western Zone	16,071,000	12,356,340	11,502,850	12,649,080	13,519,000
Germany—Soviet Zone	1,786,000	1,424,110	1,048,930	646,355	
Austria	1,429,000	1,329,725	1,300,165	1,152,240	383,000
Czechoslovakia	2,857,000	2,750,000	2,740,180	2,371,270	1,648,000
Poland	2,679,000	2,551,610	2,257,945	1,750,460	712,000
Hungary	871,000	827,945	703,215	564,810	350,000
U.S.S.R.	31,250,000	29,464,285	27,008,930	24,753,960	14,288,000
Japan	5,089,000	4,525,710	4,437,420	3,421,635	2,758,000
India	1,984,000	1,960,980	1,776,300	1,843,295	1,629,000
Australia	1,786,000	1,838,000	1,691,700	1,534,245	914,000
South Africa	1,250,000	1,160,000	1,203,000	1,082,175	270,000
Brazil	1,116,000	1,043,035	870,180	797,130	96,000
China	3,125,000	2,995,535	2,630,180	2,307,055	..
Roumania	446,000	424,285	447,860	..	..
Miscellaneous	1,652,000	1,446,430	1,517,860	1,925,200	534,000
Total	183,000,000	154,721,885	164,359,085	148,721,335	101,844,000

(a) Estimated.

Compiled by "Steel," Cleveland, Ohio, U.S.A. (1955 estimated figures are based on data available at end October, kindly supplied by the London Editor of "Steel.")

NEW PRODUCTS AND PROCESSES

Less Smog and More Sulphur

A RECENT industrial application of the "mass spectrometer," an instrument which uses a combined optical electronic system to analyse the amount of either specific liquids or solids present in chemical compounds, metal alloys, or other mixtures of materials, has resulted in the production of an increased amount of sulphur each day. One U.S. plant, for example, has raised its sulphur output by more than a ton of commercial sulphur as the result of using these instruments. At the same time, it is claimed, the amount of air pollution caused by the plant—which is linked with the amount of sulphur compounds released into the atmosphere—has been reduced by 35 per cent. These figures measured by the Consolidated Electrodynamics Corporation of America, which manufactures mass spectrometers for industrial use, are borne out by the experimental findings of other countries. Sulphur recovery units are used at oil refineries and at chemical plants where natural gas is treated either for use as a fuel or for use in the form of chemical raw materials. Sulphur was until recently one of the basic raw materials of industry in short supply. Indeed, world demand for sulphur is still greater than the available supply. The success of such "smog" prevention and sulphur collection processes depends on the exact control of the ratio of hydrogen sulphide and air released into the atmosphere during the conversion of hydrogen sulphide to sulphur. The mass spectrometer, by measuring with extreme accuracy the proportions of these two materials present in the effluent from the sulphur production plants, enables the variation of the proportions of these two materials to be controlled. The spectrometer thereby automatically reduces the amount of harmful smog-forming chemicals released into the atmosphere and also increases the amount of sulphur produced.

Fluorocarbon Protective Coatings

Fluorocarbon plastic coatings which can be applied by spraying, dip-coating, or spread-coating, are now being used to protect outside chemical storage tanks of sizes ranging up to 1,000 gallons in capacity against the corrosive products they contain. These fluorocarbon dispersions, which are based on a range of "KEL-F" dispersions developed by the Kellogg Company (London), consist basically of finely divided fluorocarbon plastic solids carried in a volatile, and therefore sprayable, medium. After application they are fused by heat into a tough, impervious coating which is firmly bonded to the surface on to which they are applied. This coating provides a surface which, it is claimed, is resistant to both chemicals and temperatures and which is, at the same time, anti-sticking and self-cleaning. The fluorocarbon coating is said to have a high resistance to temperatures, being capable of withstanding temperatures approaching 400 degrees Fahrenheit and low temperature flexibility together with excellent resistance to chemicals, including alkalis, mineral acids, strong oxidising acids, and solvents. It has also a low permeability to moisture, and to both organic and inorganic liquids and vapours. The abrasion resistance, tensile strength, impact resistance and dielectric strength (or insulating qualities) of these coatings are also said to be high. They are non-toxic.

Tyre from Rock and Sand

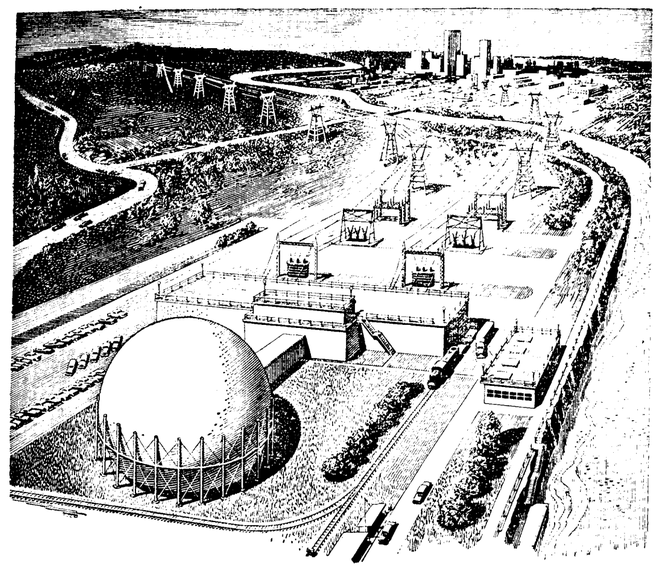
In order to help the aviation industry break through the heat barrier, the U.S. Rubber Company and the Dow Corning Corporation have developed a unique tyre made of materials derived from quartz rock and sand. Conventional rubber tyres would disintegrate in the 500-degree Fahrenheit temperature to which supersonic aircraft are often exposed. The quartz and sand tyre, however, will withstand such temperatures. It marks the starting point for further experiments in this field.

Phones of the Future

A new signalling system for telephone dialling, so fast that it may do away with the dial itself, has been developed by Bell Telephone Laboratories, New York. In order to take advantage of the speed of the device, called a polytonic coder, the present dialling system would have to be replaced, perhaps by a push-button system. A person making a call would punch out the number on buttons on the phone's base before removing the receiver from the hook. As soon as he picks up the receiver, the phone of the person being called will start ringing. Results of laboratory tests with the signalling system have been so encouraging that arrangements have been made to try it out on New York City circuits.

Chemicals Delay Meat Rancidity

Tests conducted at the agricultural college of the University of California at Davis, California, have shown that fresh meat can be kept longer in cold storage or in home deep-freeze lockers if it is treated with certain harmless chemicals. Studies were made over a period of several years by Aloys L. Tappel, Assistant Professor of Food Technology, and Yolk Law, graduate student, with chemicals called antioxidants. Rancidity in meat is brought about by oxygen from the air combining with the fat in the meat. Hæmoglobin and other compounds in the meat speed the rancidity process. Tappel found that by mixing solutions of the tasteless antioxidants with meats, storage time without spoilage from rancidity could be increased three to six times. All of the antioxidants employed in the tests are used to some extent in processing foods in the United States today. Some are synthetic—and these have been found the most effective. Others occur naturally—vitamin E, citric acid, and ascorbic acid—and these add to the nutritive value of the meat.



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GOVERNMENT TAKES OVER LIFE ASSURANCE BUSINESS

MR. C. D. DESHMUKH EXPLAINS DECISION: MAIN FEATURES OF ORDINANCE

ALL life insurance business transacted by Indian companies in India as well as abroad and by foreign companies working in India, has come under the management and control of the Government of India, with effect from 19th January 1956, as a result of the Ordinance, entitled "Life Insurance (Emergency Provisions) Ordinance, 1956", issued by the Government on that date. This momentous decision of the Government was conveyed to the nation at 8-30 p.m. on Thursday, 19th January 1956, by the Union Finance Minister, Mr. C. D. Deshmukh, through a special broadcast on All-India Radio. In the course of his talk, he pointed out that the measure was a "further step in the direction of more effective mobilisation of the people's savings."

Mr. Deshmukh disclosed that the Ordinance would be followed by the more elaborate action called for, and that a Bill for the nationalisation of insurance would be placed before the next session of Parliament. He added: "Both in respect of the short period during which the management of the companies will vest in Government and in respect of the ultimate assumption of proprietorial rights over them, reasonable compensation will be paid by the Government." Although there might be room for difference of opinion on "what is reasonable compensation," he felt confident that the "basis adopted by the Government will be generally regarded as fair."

People's Savings

After referring to the Government's recent efforts in the banking sphere to spread banking and credit facilities to the rural areas, he said that the nationalisation of life insurance was a further step in the direction of more effective mobilisation of people's savings. With a second Plan in the offing, involving an accelerated rate of investment and development, the widening and deepening of all possible channels of public savings, he said, had become more than ever necessary. In this process, the nationalisation of insurance was characterised by him as a vital part.

Today, some 50 lakh policies were in force, paying annually a premium of Rs. 55 crores. The life insurance assets amounted to roughly Rs. 380 crores from which the companies derive annually a net income of approximately Rs. 12 crores. The total insurance in force exceeds Rs. 1,000 crores—that is, a little over Rs. 25 per head. Quite recently, it was claimed on behalf of private enterprise that the business in force could be increased to Rs. 8,000 crores and the *per capita* insurance to Rs. 200. Mr. Deshmukh was in complete agreement with that forecast. He said: "There can be no doubt as to the possibilities of life insurance in India and I mention these figures only to show how greatly we could increase our savings through insurance."

Mr. Deshmukh next referred to the "very general demand" for the nationalisation of the entire insurance industry, on the one hand, and to the arguments advanced against it by the chairmen of insurance companies, on the other. He could not enter upon a discussion of these arguments and to explain why they had failed to convince the Government. Ample opportunity, he said, would, of course, be provided for such detailed discussion in Parliament. He, however, referred to two such arguments, one relating to lack of flexibility and efficiency in State-run life insurance and the other to the failure of State-run insurance schemes in other countries. He said he could not understand the first argument, and would not comment upon it. As regards the other argument, he said that a study of the experience in other countries showed that, wherever there had been a wholehearted attempt by the State, nationalisation had been an "unqualified success, even in the face of severe competition from the private sector," and failures, wherever they had occurred, were due to the half-hearted manner in which the experiments were tried. He added:

"There is no reason why a nationalised industry cannot be run efficiently. It is our intention to see that those who are entrusted with the running of nationalised insurance have the discretion and freedom of action necessary to enable them to secure maximum efficiency. It has become almost axiomatic with some to maintain that State enterprise *qua* State enterprise must be inefficient. And yet, the fact is that far too much is claimed for the efficiency with which private enterprise is run. Thus, even in insurance, which is a type of business which ought never to fail if it is properly run, we find that, during the last decade, as many as 25 life insurance companies went into liquidation and another 25 had so frittered away their resources that their business had to be transferred to other companies at a loss to the policyholders. Then again, though I do not wish unduly to emphasise this point, far too unhealthy an enterprise has been shown by a number of insurance companies in the investment of funds. Only recently, there was the case of the Bharat Insurance Company where some Rs. 2 crores were misapplied and there have been several other cases. The amount of capital required for starting or running an insurance company is extremely small as compared to the total life fund that it may come to control. Once, however, the control is secured, the tendency not infrequently has been to utilise the funds to meet the capital requirements of enterprises in which the managements are interested rather than those which are clearly in the interests of policyholders."

General Insurance

Explaining why the Government decided to take over life assurance, rather than general insurance, Mr. Deshmukh said that the latter was "part and parcel of the private sector of trade and industry and functions on a year-to-year basis." Errors of omission and commission did not directly affect the individual citizen. Life insurance business, by contrast, directly concerned the individual citizen whose life savings, so vitally needed for economic development, might be affected by any "act of folly or misfeasance on the part of those in control or be retarded by their lack of imaginative policy." He assured all the interests—the policyholders, the management and the staff, both office and field—that the companies concerned would be able to continue to work uninterruptedly. The Ordinance was intended to see that there was as little interference in the day-to-day management as was consistent with the attainment of the main objective, namely, the safeguarding of the funds of the policyholders, and to the extent they had a claim, the interests of the shareholders. He added: "Naturally, it will be our endeavour to put a stop to any malpractices that may come to our notice."

To the policyholders, he gave the assurance that their policies would be as safe as they were today, if not safer. "Private insurers may fail," he said, "but the State cannot fail." He told those who were intending to take new life policies to "proceed with confidence in view of the proposed nationalisation and indeed step up their proposals, for, on nationalisation, their policies will have the full backing of the Government and acquire a new element of absolute safety." He assured the staff at all levels that they had nothing to fear. He sought their loyalty and devoted work; he could not, of course, guarantee the "continuance of sinecures." To the spokesmen of the private sector, he said:

"I should also like to reassure the spokesmen of the private sector, industrialists and others, that it is not Government's intention to divert the available funds to the public sector to a greater degree than under present arrangements. Indeed, it will be my endeavour to see that at least as much money as is today made available for investment in the private sector continues to be so made available. If there is a change, therefore, it will be only to ensure that there are no privileged sections in the private sector, or rather, that privilege, in the sense the priority, hereafter is made dependent upon the broad objectives assigned under the Plan to the private sector. The misuse of power, position and privileges that we have reason to believe occurs under existing conditions is one of the most compelling reasons that have influenced us in deciding to nationalise life insurance."

Advice to the Public

The Union Finance Minister advised the public not to be "led away" by those who would oppose nationalisation of insurance on "purely dogmatic considerations." The Government was determined to see that the gospel of insurance was spread as far and wide as possible and that it reached out beyond the more advanced urban areas. He said:

"We have not been influenced by any doctrinaire dislike of private enterprise in reaching our decision. Were that so, we would not have left alone the other big sector, the general insurance. Ours is a positive approach, I might even say, in this case, a creative approach. We are convinced that, out of the large number of individual units operating in life insurance, some good, some moderately good, and a large number not so good, or even positively bad, we can weld together a dynamic and viggrous organisation, capable of taking insurance to every sector of people throughout the country and mobilising their savings while affording to them complete security together with efficient service."

Finally, he emphasised that the nationalisation of life insurance would be another milestone on the road towards a socialistic pattern of society. In the implementation of the second Five-year Plan, it was bound to give material assistance. Into the lives of millions in the rural areas, it would introduce a "new sense of awareness of building for the future in the spirit of calm confidence which insurance alone can give." He declared that it was a measure conceived in a genuine spirit of service to the people, and that it would be for the people "to respond, confound the doubters and make it a resounding success."

The preamble to the Ordinance sets out briefly the reasons which have prompted the Government to take recourse to this measure. It states: "Whereas it is expedient in the public interest that life insurance business should be nationalised and whereas it is expedient that pending such nationalisation adequate steps should be taken to protect the interests of policyholders: and whereas Parliament is not in session and the President is satisfied that circumstances exist which render it necessary for him to take immediate action; now, therefore, in exercise of the powers conferred by clause (1) of Article 123 of the Constitution, the President is pleased to promulgate the following Ordinance. This Ordinance may be called the Life Insurance (Emergency Provisions) Ordinance, 1956."

Controlled Business

Briefly, the Ordinance applies to the "controlled business" which means all the life insurance business of a purely life office or of a composite office, whether an Indian office or a foreign office working in India and includes such business carried on by Indian insurers in foreign countries. The management of the controlled business of all insurers vests, with effect from the "appointed day" (that is, 20th January 1956), in the Central Government and, pending the appointment of a custodian for the controlled business of any insurer, the persons in charge of the management of such business immediately before the appointed day will operate the business "for and on behalf of the Central Government." Referring to the nature of restrictions under which the insurers have to work, Section III, clause (3) of the Ordinance says:

"(3) No insurer shall, without the previous approval of the person specified by the Central Government, in this behalf in respect of that insurer (hereinafter referred to as the authorised person), —(*a*) make any payment or grant any loan in respect of a policy of life insurance otherwise than in accordance with the normal practice observed by him in respect of such matters immediately before the appointed day; (*b*) incur any expenditure from the assets appertaining to the controlled business otherwise than for the purpose of making routine payments of salaries or commissions to employees, insurance agents, special agents or chief agents or for the purpose of meeting the routine day-to-day expenditure; (*c*) transfer or otherwise dispose of any such assets or create any charge, hypothecation or other encumbrance thereon; (*d*) invest in any manner any moneys forming part of such assets; (*e*) acquire any immovable property out of any moneys forming part of such assets; (*f*) enter into any contract of service of agency, whether expressly or by implication, for purposes connected wholly or partly with the controlled business or vary the terms and conditions of any such contract subsisting on the appointed day; (*g*) enter into any other transaction relating to controlled business other than a contract relating to the issue of a new policy of life insurance or vary the terms and conditions of any agreement relating to any such transaction subsisting at the commencement of this ordinance.

"(4) The approval of the authorised person may be given either generally in relation to certain clauses of transactions of the insurer or specially in relation to any of his transactions."

Every insurer, according to Section III, clause (5), should deposit all securities and documents of title to assets relating to the controlled business in any scheduled bank or in the State Bank and no such security or document should be withdrawn from the bank without the permission of the authorised person. Clause (6) provides that the insurer should place with the authorised person the minute book, the current cheque books relating to controlled business, registers or other books containing particulars of investment of any moneys relating to the controlled business, including investments, mortgages, loans and advances, and all brokers' notes or certificates in the possession of the insurer in respect of any orders for the investment of any money relating to the controlled business. If

(*Continued on page* 184)

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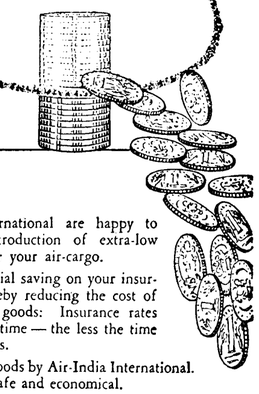

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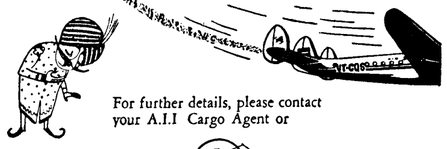

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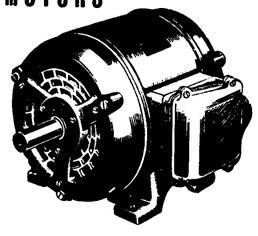

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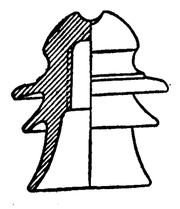

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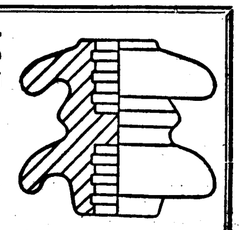

LIVING AND WORKING CONDITIONS OF PLANTATION LABOUR

NOTABLE IMPROVEMENT IN ASSAM GARDENS

THE living and working conditions in plantations have an important bearing on the efficiency and productivity of the workers. This fact has been recognised by planters in all countries and the conditions as they exist today in many places are the result of a long process of development which began almost with the establishment of estates. Some of the improvements in living conditions were introduced by the planters out of necessity, while others were done at the intervention of the Governments concerned. Many aspects of working conditions were determined by custom and tradition. They were either decided by employers or imposed by whatever labour system prevailed in the area. It was only relatively recently that living and working conditions began to be regulated by legislation.

The improvement in living and working conditions of labour on estates made from time to time has no doubt resulted in a continuous rise in the cost of labour, particularly after the public authorities began to lay down conditions of work and prescribe standards of living conditions on estates. Nevertheless, a general study of the conditions in plantations undertaken by the I.L.O. has shown that the level of the living and working conditions is still too low in many areas and lower than that necessary for the maintenance of satisfactory standards of health. The I.L.O. Committee on Work on Plantations has, therefore, pointed out, in its report submitted to the third session of the I.L.O. held recently, that reduction in cost by saving on the provisions of essential amenities for labour is not a real economy. On the contrary, the report adds, it is in reality a loss not only in terms of human life but also to the productivity of the industry. The I.L.O., therefore, considers it desirable that steps be taken, jointly by Governments, employers and workers, to inquire into the present living and working conditions on estates, so that such inquiries might help the Governments in formulating policies for promoting the health and welfare of labour. The policies, it is suggested, might include short and long-term objectives and might define the responsibilities of the employers and the public authorities. They might also include minimum standards in consonance with the requirements of the population and the capacity of both the enterprises and the State.

At the conclusion of its third session at Geneva, at which India was also well represented, the I.L.O. Committee on Work on Plantations recommended, among others, measures for the utilisation of science in the promotion and development of plantation production, stabilisation of employment and workers' earnings in plantations and for early codification of the existing conventions and recommendations into a convention directly applicable to plantations. The Committee also suggested a series of measures to remedy unstable conditions, wherever they may exist, in order to maintain an adequate standard of living for workers and their families. These measures relate to: (1) the possibility of spreading work more evenly throughout the year where instability is due to seasonal variations; (2) processing of plantation crops and by-products; (3) increasing internal consumption of plantation products in producing countries; (4) intensification of research into additional uses of such products; (5) diversification of production, growing of subsidiary crops with different seasonal peaks and the growing of food crops for workers; and (6) public works activities, such as building and road-making projects and construction programmes on plantations. The resolution also made some suggestions relating to minimum wages and sickness, maternity and accident indemnities. The setting up of pension systems and provident funds was also envisaged in the resolution. The Committee emphasised the need for providing adequate housing for plantation workers who have to live on plantations where they are employed, as well as the importance of maintaining standards of hygiene, diet, welfare services and social security not inferior to those prescribed for other categories of workers under national legislation.

An idea of what India has so far done for plantation labour is available from the annual report on the working of the Tea Districts (Emigrant) Labour Act for the year ended 31st March 1954. The report shows that, during the year under review, not only the average earnings of tea garden workers in Assam recorded a considerable increase over the previous year but their living conditions also showed a substantial improvement. The Tea Districts (Emigrant) Labour Act was passed in 1932 to regulate the recruitment of workers for tea gardens in Assam and is being administered by a Controller of Emigrant Labour.

The report says that the average monthly cash earnings of men in the Assam Valley tea estates for the year amounted to Rs. 35-2-4, as against Rs. 21-1-6 for the previous year, those of women workers rose from Rs. 18-6-10 to Rs. 30-4-8 and of children from Rs. 11-8-5 to Rs. 17-15-1. The earnings of workers in the Surma Valley gardens also recorded a marked increase, though the actual figures of such earnings are not available.

Besides the aforesaid encouraging rise in earnings, the other amenities provided for labour by way of medical, educational and recreational facilities, so as to raise their standard of life, also recorded good progress. Thus, the report of the Controller of Emigrant Labour shows that the standard of medical and sanitary arrangements was distinctly better. Water-supply arrangements in most gardens were also said to have conformed to the hygienic standards. Particular attention was paid to the forwarding and transit depots in respect of sanitation, water-supply and foodstuffs. Hospital facilities were made available to a larger number of gardens than ever before. Adequate arrangements were made in the Government, municipal and other hospitals for the hospitalisation of serious cases.

The report draws attention to the housing facilities to a large number of workers. Free quarters were provided by the management to all settled and imported labourers. The number of houses existing as at the end of the year under review was 185,270. Another 9,003 houses were planned by the tea estates to be built during the first half of 1954-55. The recreational facilities provided for the workers included sports, cinema shows and theatrical performances. The Controller's report shows that the management did not lag behind in providing as much educational facilities as possible. Thus, 33 new primary schools were opened in Assam tea gardens during the year under review, bringing the total number of schools to 534. Of these, nine schools were controlled by the Education Department, 48 were maintained by garden authorities with the help of monthly grants from the provincial fund and 477 were maintained and managed entirely by the garden authorities. The total number of pupils on the roll as on 31st March 1954 was 27,363, as against 26,373 at the end of the previous year.

There was a predominance of births over deaths during the year, the birth rate being 39.14, as compared with 16.25 deaths per thousand. The number of labourers involved in crime declined from 685 in the previous year to 525 in the year under review; this is evidently due to better working conditions. Despite higher earnings and better amenities, there were, however, six strikes during the year involving 2,646 workers and resulting in a loss of 3,616 man-days. It is stated that all the strikes were illegal and were organised for minor reasons, although their duration was short and they were settled amicably.

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MORE JUTE LOOMS UNSEALED

I.J.M.A.'S LATEST DECISION

A DECISION to unseal a further 5 per cent. out of the 10 per cent. of the looms which have remained sealed was taken by the Indian Jute Mills Association, Calcutta, on 20th January 1956. According to this decision, the unsealing is to come into force from 20th February next. The industry will from that date be working with all but only 5 per cent. of the looms remaining idle. The latest decision to unseal 5 per cent. of the idle looms will result in an increase of 5,000 tons of jute goods per month or 60,000 tons a year. This will be in addition to the 30,000 tons per annum consequent on the unsealing of 2½ per cent. of the looms from the 9th inst. according to a previous decision reached by the I.J.M.A. on 14th December last. Thus, as a result of the decision to unseal 7½ per cent. of the looms, the production of jute goods will go up by 90,000 tons per annum. This quantity, which constitutes 9 per cent. of the production in 1954-55, is by no means insignificant to let the trend of jute goods or raw jute markets remain unchanged.

The I.J.M.A. is reported to have decided to unseal an additional 5 per cent. of the looms after reviewing the jute crop and production position of member-mills. Evidently, it seems to have come to the conclusion that both these warranted an increase in production. The entire additional production of 90,000 tons requires about 522,000 bales of raw jute. This raises the issue whether this quantity will be available to the jute mills during the current season. The I.J.M.A. must have come to the conclusion that there may not be any difficulty in securing this quantity. The Association is not without justification in taking this stand. For, according to its monthly returns for November 1955, the total jute crop for the current season, both in India and Pakistan, is estimated at 12.2 million bales, comprising 7.25 million bales in East Bengal and 5.05 million bales in the Indian Union. With the opening stocks at the beginning of this season estimated at 1.67 million bales, the total availability of raw jute during 1955-56 works out to 13.97 million bales. As against this, the total world demand is estimated at 11.27 million bales, leaving still 2.70 million bales to be carried over to the next season.

Since the total consumption of raw jute in India is estimated at 6.58 million bales, as against the availability in the country of 6.22 million bales, it is clear that India will have to depend upon Pakistani supplies to the extent of about 370,000 bales. In fact, the receipts from that end have already exceeded this quantity. For during July-November 1955-56 season, imports of raw jute into Calcutta and mill stations amounted to 621,000 bales, as compared with 435,000 bales in the same period of the preceding season. Since then some more jute from Pakistan must have arrived. Consequently, the question of hardship due to any inadequate supply of raw jute to meet the requirements of the additional looms does not arise.

The statistical position of jute goods also justifies the decision to unseal the 5 per cent. of the remaining idle looms. The output of jute goods has shown an upward trend in recent months. It rose from 78,800 tons in October 1955 to 90,500 tons in November and 97,300 tons in December 1955. As the mills are working with 2½ per cent. more looms since the 9th of this month, the output for January should show a further improvement over that of December last. As against the rise in output thus, there has been a steady increase in despatches also since August last. They have risen from 82,700 tons in August 1955 to 95,800 tons in September. In the following October, however, there was a fall to 86,800 tons. But in the succeeding two months, namely, November and December, the upward trend continued, as despatches in these months aggregated 88,208 tons and 96,100 tons respectively. The outflow is likely to be maintained at this pace, as there has been a steady stream of orders from Burma, East Africa, Europe and West Indies. Following higher despatches and production, the stock position of jute goods has vastly improved in favour of sellers; stocks as at the end of 1955 were only about two-thirds of the monthly output in December.

If despatches for export and for internal consumption gather further momentum, there is no reason why the I.J.M.A. should not remove the restriction on the balance of 5 per cent. of the looms also.

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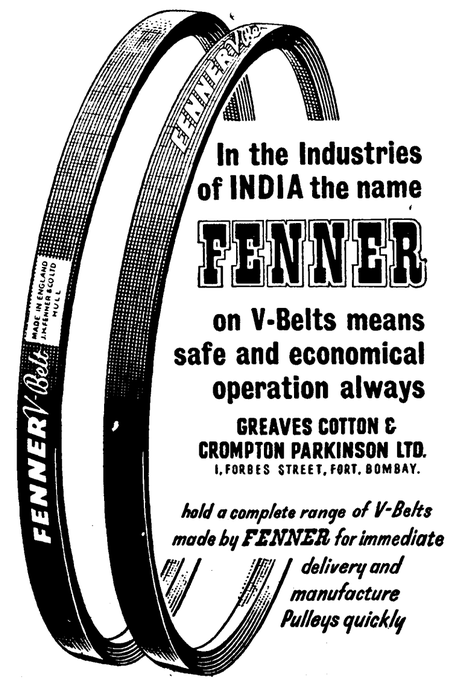

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STATE'S ENTRY INTO FOREIGN TRADE

FEDERATION OF CHAMBERS WARNS AGAINST HASTY ACTION

ONLY in July last an important section of banking in the private sector was nationalised. And, now after a lapse of about six and a half months, another big sector, namely, life insurance, has been taken over by the Government. It is not known which other economic sector will be the next victim. From the trend of public discussions, it looks as though the choice of Government may this time fall on certain sections of trade. Of course, the indulgence of the State in trading activities is no new thing. For, during the war, the State handled many commodities such as steel, foodgrains, etc., not for reasons of securing revenues for the State, but for those of equitable distribution of commodities in order to minimise the hardships of scarcity in them. The meagre experience gained in this trading made some to think of the State taking to trading as part of its functions. Consequently, in 1950, the State Trading Committee was appointed. This Committee, as readers are aware, did not arrive at any unequivocal conclusion in favour of State Trading. But it said, among other things, that the then existing arrangements for carrying on commercial activities of Government through their Departments had not worked satisfactorily. It wanted, therefore, the establishment of a specialised organisation which might take the import of East African cotton and the export of short-staple cotton and cottage industry products. The Government of India showed its wisdom in not accepting these recommendations.

Another Committee Appointed

But pressure continued from the ranks of the Congress Party now in power for the State to enter into trading activities. The Government, in deference to the wishes of the party, appointed another committee in 1952 to examine the matter further in the context of the conditions then obtaining in international markets and the considerable increase in indigenous production. This Committee, it may be noted, did not support the taking over by a State Trading Corporation of the import of foodgrains, fertilisers, wool and East African cotton and export of coal and short-staple cotton yarn. But it opined that a start may be made by the establishment of a State Trading Corporation to undertake the export of handloom cloth and certain selected small-scale and cottage industry products, not on a monopolistic basis, but side by side with private traders. This was undoubtedly a wise suggestion, in that the producers of these goods have no efficient sales organisation to market their goods on scientific lines. The business community in the country was, however, perturbed over the move, and the various trade associations and business organisations from all over the country submitted representations, pointing out, *inter alia*, that arguments for establishing a State Trading Corporation even for limited purpose were not well-based.

Plan-frame

The matter was, however, left there for some time till an opportunity to moot afresh the proposal for State Trading was provided by the need for finding huge resources for financing the development schemes in the second Plan. The Plan-frame suggested the entry of the State into such activities as banking, insurance, foreign trade or internal trade in certain selected commodities. This suggestion was later supported by a sub-committee of the A.I.C.C. Both these sources expressed themselves in favour of State Trading, as a means of attracting additional revenues to the public sector. This view was, however, refuted by the Finance Minister, who, in the course of a Press Conference early in November last, observed that the Government did not find in State Trading a method to draw away the resources of the private sector. It was only proposed, he said, to make a beginning in the shape of State Trading of an exploratory nature. It would not be so much, he stated, for resources for the Plan but other objectives, including the regulation of trade in particular commodities and with particular countries. Presumably, the Finance Minister was having in mind the question of trade in particular commodities with communist countries. Again, from the trend of observations made by the Union Minister for Commerce and Industry in his speech at the meeting of the Import Advisory Council held in November last, it looked as though the Government had decided to set up a State Trading Corporation, without first defining the purpose of the Corporation. For he said a Corporation would be set up shortly and that details of its functions would be worked out after the Corporation had been set up. This amounted to putting the cart before the horse.

In view of these considerations, it is only in the fitness of things for the Federation of Indian Chambers of Commerce and Industry to submit, as it has done a memorandum to the Government of India giving cogent reasons why the Government should not enter the sphere of trading. If its logic fails to impress the Government, nothing can make the latter to swerve from its pre-determined move. In this memorandum, it assails all the three broad arguments advanced in favour of State Trading. These are: (*a*) augmenting the resources of the State, (*b*) facilitating trade in specific commodities with communist countries, and (*c*) bringing about greater economic equality.

Augmenting Resources of Government

Taking the question of augmenting resources of Government through State Trading, the Federation draws the attention of the Government to the views on this subject of the Taxation Enquiry Commission. The Commission said that it felt that no spectacular result would accrue from State Trading over a short period. It considered that State Trading required personnel with specialised experience of business and gave rise to the question of the adequacy of the governmental machinery at present for the task. It further opined the best time to extend State Trading was when prices were on the upgrade and the present, when prices were declining, was not opportune for the State's wider incursion into this field. The Commission held that immediate scope for increasing non-tax revenue by enlarging State activity in the sphere of foreign trade appeared to be limited for the time being at least.

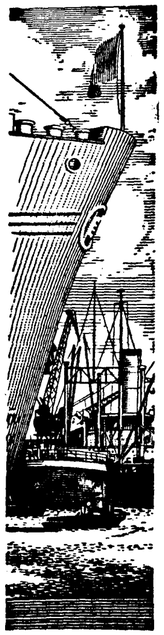
The Federation further observes that the experience in India and foreign countries shows that such State Trading as has taken place is both wasteful and costly. Bulk buying under the ægis of the State has generally led to a rise in prices in supplying countries, especially in a period of rising market. And no State agency, however well-informed, is in a position to negotiate with a host of foreign suppliers, whereas private traders, with their past experience and continuous contacts, are in a comparatively better position to secure favourable terms. The working of State organisation may not result in profits. On the contrary, it is quite likely that the working of State Trading Organisation may reduce the resources of the State. The State today gets through income and other taxes substantial resources from the profits of private trade and commerce. If a part of these is taken over by the Government organisation, it may well be, adds the Federation, that there may be no profits and, therefore, no augmenting the resources of the State for the second Five-year Plan from this source.

As regards the second argument, namely, that State Trading is needed to facilitate trade with communist countries, the Federation says that it is neither necessary nor desirable to start a State Trading Corporation for dealing exclusively with State Trading Organisations of communist countries. It points out that, from discussions it had with the trade delegations of these countries which came to Delhi in connection with the Indian Industries Fair, it was clear that the communist countries were willing to appoint traders in the private sector as agents and to contact Indian businessmen on commercial terms.

There is also another reason, according to the Federation, why a State Trading Corporation should not be established. Thus, once it is established, it will find it necessary to deal in certain commodities not only with communist countries but also with other countries, with a view either to increasing its turnover to meet overheads or to balancing the losses which may be incurred in dealing with communist countries in the same or similar commodities. It may also be found that a State Trading Corporation established to deal with communist countries may find itself in a position to have compulsorily to import goods from these countries which may not be needed in India or which may be more easily and cheaply imported from other countries. The Federation, therefore, says that, in the circumstances, the Government will be forced either to restrict ordinary commercial imports from other countries or (*a*) to import such commodities on its own account from other countries. This will ultimately disturb the composition of India's foreign trade with no economic benefits.

Lastly, the State Trading Corporation cannot help, according to the Federation, establish greater economic and social equality. For the trade normally works on a very low margin of profit. And the tax mechanism is always there to take a slice of the profits to the Public Exchequer. Moreover, it is competition and not monopoly which is the surest and best means to safeguard the interests of consumers and the general socio-economic objectives. Any incursion of the State in the field of trade, either foreign or internal, will dislocate countless small agencies engaged in the task and throw many people out of employment. This is a prospect, the Federation remarks, which cannot be viewed with equanimity in the context of the more important objective of the Plan to create additional employment opportunities.

On the strength of the logic outlined above, the Committee has urged the Government of India not to take any hasty action in regard to the setting up of a State Trading Corporation.



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MR. SHANTI PRASAD JAIN ON SECOND PLAN

In the bid for raising the standard of living of the people in the country, official circles are persuading themselves to believe that the public sector is more competent to deliver the goods than the private sector. It is this opinion which seems to be responsible in a large measure for envisaging the allotment of a dominant role to the public sector in the second Five-year Plan. It also explains the rapidity with which the pace of nationalisation is proceeding ahead. In this flush of enthusiasm on the part of officials, it is likely that the contribution made by the private sector to build up the economy may be overlooked by the country. There is, therefore, a need for reminding the nation, off and on, about the way the private sector too has been helping to build the economy. This need was served well by Mr. Shanti Prasad Jain, President, Employers' Association, Calcutta, when he gave a clear picture of what the private sector had so far done to develop the economy, in the course of his address at the Association's annual meeting held on the 18th inst. According to him, the total value of agricultural production went up from Rs. 3,200 crores in 1950-51 to Rs. 3,800 crores in 1954-55. Industrial production in the same period rose from Rs. 1,130 crores to Rs. 1,480 crores. Thus, the increase in the value of production in the private sector, both in industry and agriculture, was of the order of Rs. 800 crores in 1954-55, taking into consideration only the net value added by manufacture in the case of industry. The national income at Rs. 10,300 crores in 1954-55 was thus higher by Rs. 1,100 crores, as compared with that in 1950-51. The share of the private sector in this increase was, Mr. Jain stated, as much as 75 per cent. This excludes, of course, its contribution in the tertiary sector. Its actual share must have, therefore, been higher still.

These considerations seem to have prompted Mr. Jain to hold the view—with which few could disagree—that the private sector would be able to fulfil and even exceed the ambitious targets laid down in the second Plan, given the necessary encouragement and resources. He is, therefore, quite justified in pleading, as he did at the meeting above, for a re-examination of the problem of finding adequate resources for the private sector. For increasing activity in the public sector had, he averred, resulted in the State appropriating to itself a larger portion of the national savings at the expense of the private sector. In the first Plan period, the percentage of the total national savings available to the private sector was 65, while the public sector had at its disposal 35 per cent. of the total. In the second Plan period, the position is likely to be reversed, as according to the Planning Commission, the public sector is to utilise for itself 62 per cent. of the savings on an average and the private sector the balance of 38 per cent. only.

In this context, Mr. Jain drew attention to another change which had taken place in the conditions governing the role of the private sector. Thus, during the first Plan period, the private industrial sector could fall back on accumulated reserves and unused fresh capital raised in the boom period between 1944 and 1946. But the position in the second Plan period would be different. Out of Rs. 675 crores expected to be invested, nearly Rs. 300 crores would have to be obtained from retained profits, a sum which is double the rate of internal capital formation in the industrial corporate sector in 1951-56, estimated at Rs. 150 crores. These estimates appeared to Mr. Jain to be too optimistic, in view of the high level of taxation and the application of section 23A of the Income-tax Act in its present form. It was, therefore, necessary, Mr. Jain stressed, that there should be a proper allocation of resources and a realistic policy in regard to taxation. He stated that the tax policy should not be such as would affect adversely the initiative and enterprise of the people. He was of the opinion that the increased activities of the private sector and the consequent high level of production would lead to larger tax revenues which will enable the Government to spend large sums on social services in the coming years.

Mr. Jain was in full agreement with the Finance Minister's proposal to resort to deficit financing in larger doses in the early years of the second Plan period, followed by gradual reductions in later years. Deficit financing, according to the Finance Minister, would be of the order of Rs. 400 crores in 1956-57, Rs. 300 crores in 1957-58, Rs. 200 crores in 1958-59 and 1959-60 and Rs. 100 crores in 1960-61. He felt that the momentum gained in the earlier years would prove helpful since the larger purchasing power would enable the absorption of the increased production which, in its turn, would encourage investment and increase economic activity. It was not necessary, he remarked, to limit deficit financing to the level of Rs. 1,200 crores, since, with the increased production, it would be possible to reduce the outlay on foreign imports to a considerable extent and at the same time promote the export trade in a vigorous manner. It is, however, needless to add that expert opinion in this country is sharply divided on this issue.

LICENSING OF INDUSTRIES

The Licensing Committee set up under the Industries (Development and Regulation) Act, 1951, examined 756 applications during 1955 for setting up new industrial undertakings, manufacture of new articles, substantial expansion of existing undertakings, changing the location of factories, etc. The Committee, of which Mr. H. V. R. Iengar, Secretary, Ministry of Commerce and Industry, is Chairman, recommended grant of licences in 563 cases and refusal in 119. In the remaining 74 cases, the Committee either referred the applications back to obtain further particulars or advised the applicants to revise their schemes in the light of suggestions made by it.

Five hundred and sixty-three licences were granted during 1955 for setting up new industrial undertakings, manufacture of new articles or expansion of existing undertakings. Out of 563 cases for grant of licences, 164 related to the establishment of new industrial undertakings and 319 were for substantial expansion of existing undertakings and manufacture of new articles. In 75 cases licences were granted for carrying on the business of existing undertakings and the remaining five applications pertained to transfer of equipment to new sites.

According to the type of industry, out of the 563 licences granted, 124 related to cotton textiles, 57 to iron and steel (i.e., the fabrication and re-rolling work), 41 to art silk fabrics, 30 to automobiles and automobile components, 27 to cement, 26 to heavy chemicals and fertilisers, 26 to sugar, 24 to pharmaceuticals and drugs, 24 to glass and ceramics, 11 to bicycles and the remaining to other industries.

CUSTOMS REVENUE

The gross sea and land customs revenue collected during November 1955 amounted to Rs. 13.79 crores, as compared with Rs. 18.71 crores in the corresponding month of 1954, and Union excise duties aggregated Rs. 11.67 crores, as against Rs. 8.84 crores. These bring the total collections for the eight months, April to November 1955, to Rs. 203.36 crores, as compared with Rs. 174.96 crores in the corresponding period of 1954. Of the total collections, import duties accounted for Rs. 81.08 crores (Rs. 84.51 crores), export duties for Rs. 24.48 crores (Rs. 22.37 crores), land customs and miscellaneous for Rs. 1.17 crores (Rs. 1.99 crores), and Union excise duties for Rs. 96.63 crores (Rs. 66.09 crores).

SMALL INDUSTRIES IN ASSAM

The Governor of Assam has given assent to the Assam Aid to Industries (Small) and Cottage Industry Bill. This piece of legislation is in pursuance of the State Government's anxiety to develop small industries by granting loans which can be issued by the Cottage Industries Department to the extent of Rs. 20,000 and by the State Financial Corporation above that figure. If, however, the Corporation cannot accommodate any particular industrial concern, the Industries Department under this enactment may consider such applications up to the limit of Rs. 50,000. The Department may also grant loans up to Rs. 1,000 only on personal security of the borrower.

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FURTHER FALL IN EARNINGS OF SCINDIA STEAM

FLEET EXPANSION GOING AHEAD

THE decision of the Directors of the Scindia Steam Navigation Company, Ltd. (Agents: Messrs. Narottam Morarjee & Co., Bombay) to repeat the dividend for the year ended 30th June 1955 at 2½ per cent. per annum (As. 8 per share of Rs. 20), to which level it had been reduced last year from 5 per cent. per annum (As. 12 per share of Rs. 15) paid for the year 1952-53, does not mean that the earnings of the Company for the year under review have been maintained at the previous year's level. On the other hand, the earnings have suffered a sharp drop and this is the second year in succession for which there has been a setback. It is, however, comforting to note that the decline in 1954-55 has not been as sharp as that in 1953-54.

The gross profit of the Company, which had shrunk from Rs. 242.29 lakhs for 1952-53 to Rs. 159.35 lakhs for the subsequent year, has further dwindled to Rs. 117.69 lakhs for the year under review. Thus, the fall in profit for 1954-55 is only about half of that noted in the previous year. This decline is mainly due to the further fall in freight and passage money, as well as in "other income," and a sizable rise in the costs of stevedoring, claims, transhipment charges and in the hire of chartered steamers. The net profit amounts to Rs. 22.73 lakhs, as against Rs. 23.45 lakhs for the previous year. This comparatively negligible recession in net profit is accounted for by the lower provisions for Agents' commission and depreciation and the absence of any provision for deferred taxation reserve. Nevertheless, the net profit is hardly sufficient to pay the dividend at As. 8 per share. The Directors have drawn back the entire sum of Rs. 11.75 lakhs standing to the credit of the dividend equalisation reserve created two years ago. They have, however, transferred Rs. 11 lakhs to the development reserve, in accordance with the relevant provision in the Finance Act 1955, under which a development rebate of 25 per cent. in respect of new ships delivered during the year is allowed as a deduction for the purpose of determining the assessable profit.

Results Compared

The accounts of the Company for the year under review are not strictly comparable with those for the previous year, because the previous year's accounts included a part of the working results of the Bombay Steam Navigation Company, Ltd., prior to the formation of two new wholly-owned subsidiaries to take over the business of the B.S.N. Co., Ltd. Nevertheless, the trend of results is unchanged. A broad idea of the Company's progress can be gained from the following table:

(In lakhs of rupees)

	For the year ended 30th June			
	1955	1954	1953	1952
Freight and passage money ..	8,88.22	9,17.87	11,41.74	9,34.07
Other income	25.68	34.92	1,07.81	1,30.88
Expenses	7,96.21	7,93.44	10,07.25	8,23.67
Gross profit ..	1,17.69	1,59.35	2,42.29	2,42.79
Agents' commission ..	10.27	15.08	20.57	17.01
Depreciation	74.70	81.32	93.64	72.68
Deferred taxation reserve ..	..	29.50	60.00	..
Debenture sinking fund ..	10.00	10.00	10.00	10.00
Net profit	22.73	23.45	58.08	1,43.10
Provision for taxation written back	..	..	..	10.55
Transfer from dividend equalisation fund ..	11.75	..	..	..
Loss on sale of shipyard written off	..	..	..	41.02
To fleet replacement account ..	..	..	10.00	..
,, dividend equalisation fund..	..	..	11.75	..
,, development reserve ..	11.00	..	..	..
,, dividend	23.47	23.47*	35.18	22.00
	(2½%)	(2½%)	(5%)	(3½%)
Carry forward	2.74	2.73	2.74	1.63

* On the increased capital of Rs. 9.39 crores, raised by the capitalisation of Rs. 2.35 crores and increasing the paid-up value of the shares from Rs. 15 to Rs. 20 per share.

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

The decline in freight and passage money during the year under review is partly due to the fall in freight earned, despite the larger cargo carried, and the absence of earnings from passenger service on the Konkan Coast, which had been taken over by the subsidiary B.S.N. Co. (1953) Ltd. during the previous year. The comparative figures of the cargo lifted and freight earned during the past two years are as follows:

		1954-55	1953-54
Cargo	Tons	1,958,638	1,910,998
Freight earned ...	Rs.	8,29,89,606	8,42,82,239

Commenting on the cargo service during the year, the Directors observe:

"Your Directors regret to observe that during the year under review the conditions of cargo working have shown further deterioration, due to continued slow working of port and shore labour and congestion at various ports and also due to serious and unexpected detention of rice loaders at Rangoon caused by heavy rejections of cargo by the inspecting officers. Some of the ships were delayed at U.K. ports and had to be diverted to the Continent, owing to dockers' strike at U.K. ports and the congestion caused thereby. The extra loss of time suffered thereby in comparison with the conditions pevailing in the preceding year is about 380 voyage days."

The fall in "other income" is mainly accounted for by the decline in rent and interest from Rs. 24.74 lakhs to Rs. 17.38 lakhs and in dividends on shares of subsidiary and other companies from Rs. 3.56 lakhs to Rs. 1.60 lakhs. The expenses show a rise of Rs. 2.77 lakhs. Even this increase would have been avoided but for the sharp rise of Rs. 29.44 lakhs in stevedoring, claims, transhipment and sundry steamer charges, and of Rs. 18.26 lakhs in hire of chartered steamers, etc. The increase in expenses under these two heads is explained by the Directors thus:

"During the year, the costs of stevedoring and other cargo working expenses, marine dues, etc., have shown further rise, especially at Calcutta, due to the very marked 'go-slow' of labour, and at Madras, owing to enhancement of wages and introduction of decasualisation of stevedore labour. Further, due to the delays in the delivery of ships by the Visakhapatnam Shipyard, it became necessary to charter more tonnage than in the previous year and to postpone the special surveys of four owned ships to the following year by securing the necessary extensions from the authorities concerned."

Out of the sum of Rs. 10.27 lakhs due to the Agents of the Company as their commission for the year under review—this has also been provided for in the accounts—the Agents have offered to waive Rs. 2.27 lakhs, provided that this sum is exempted by the Government from taxation. If the required exemption is granted by the Central Board of Revenue, to which the Agents have submitted the necessary application, the Directors propose to transfer the same to the development reserve. This will raise the total allocation to this reserve to Rs. 13.27 lakhs.

Financial Position

The following synopsis of the Company's balance-sheet as on 30th June 1955 reflects its financial position:

LIABILITIES	Rs.	ASSETS	Rs.
Capital ..	9,40,19,673	Gross block ..	18,36,63,413
Reserves and surplus ..	6,97,65,764	*Less*—Depreciation ..	4,34,44,300
Deferred taxation reserve ..	1,11,59,000	Net block ..	14,02,19,113
Debentures ..	4,33,26,697	Stores and spares ..	22,36,123
Provision for taxation ..	1,66,199	Investments ..	4,94,79,043
Liabilities ..	5,48,45,038	Debenture Trustees' account ..	2,92,94,028
		Debts, deposits and advances ..	2,84,70,083
		Cash	2,15,99,194
		Debenture issue expenses ..	19,76,687
	Rs. 27,32,74,271		Rs. 27,32,74,271

Though there has been no addition to the fleet replacement account from out of the profits for the past two years, this account was strengthened during the year under review by Rs. 12.54 lakhs being the excess over written down value of ships sold and scrapped during the year. The loan taken from the Government of India during the year amounts to Rs. 204.84 lakhs. Additions to the gross block amount to Rs. 269.24 lakhs, of which fleet accounts for Rs. 260.34 lakhs.

Changes in the Fleet

During the year under review, the Company sold two ships on account of their old age and prohibitive cost of putting them through special survey. For the same reasons, two more ships were sold since the close of the year. One of them has, however, been replaced by a second-hand ship. Four new ships (two German-built and two Visakh-built) were delivered since the close of the previous year. All these four ships are now in commission in the India-U.K.-Continental service. The third ship under construction at the Visakhapatnam shipyard is expected to be delivered next May and the remaining two ships in the second half of 1957.

Referring to the further expansion of the Company's fleet, the Directors observe:

"Your Directors have ordered in Germany further six ships each of 9,500 tons deadweight with a speed of 17 knots. Your Directors are glad to report that these orders were placed at an appropriate time, because the prices of new ships have since risen in all leading shipbuilding countries and even the deliveries are longer. Three of these ships are due for delivery in the second half of 1956 and the other three in the first half of 1957. They have also ordered one ship of about 3,300 d.w. tons for the West Coast trade. She is expected to be delivered in June next. On completion of the present tonnage programme the total loan from the Government, in respect of the eight overseas ships ordered from Germany, will be of the order of Rs. 8½ crores.

"Your Company has been admitted as a full member of the Conferences governing the trades from U.K. and Continental ports to India and Pakistan and *vice versa*. When all the new ships which are now under construction are delivered, we propose to employ 18 ships in the India/U.K.-Continental trade. The fleet in this service will then include fifteen modern ships—six 17-knotters, four 14-knotters and five 12-knotters. The question of further modernisation and expansion of your overseas fleet by additional acquisition of four or five ships will receive your Directors' careful attention."

The Rs. 20 fully paid-up shares of the Company are being currently quoted at Rs. 17-4 *cum-div.* On an *ex-div.* basis, the shares provide a yield of 3 per cent. per annum free of income-tax.

NEW JOINT-STOCK COMPANIES

The predominance of private companies with small capital-base and the concentration of the joint-stock companies in the States of Bombay and West Bengal continue to be the main features of new Indian joint-stock company registrations, according to the report of the Department of Company Law Administration for October 1955.

During the month of October 1955, there was an addition of 110 new companies, with an authorised capital of Rs. 12.87 crores, bringing the total number of new companies registered during the first seven months of the current financial year 1955-56 to 790 and raising the authorised capital to Rs. 80.48 crores. The number of companies registered during the corresponding period of 1954-55 was 649. Of the 110 newly registered companies during October, only 11 were public companies with an authorised capital of Rs. 3.64 crores and 99 private companies with an authorised capital of Rs. 9.23 crores.

The number of public companies registered during the first seven months of the current fiscal year is 106 having a total authorised capital of Rs. 41.57 crores and that of private companies is 684 with a total authorised capital of Rs. 38.92 crores.

Three more large companies having an authorised capital of Rs. 1 crore and more were floated during October 1955. Thus, up to the end of October, during the current fiscal year, 18 such large companies have been registered and of these four have been incorporated with an authorised capital of Rs. 5 crores and more. Four of these large companies are cement companies.

During the seven months ended October 1955, the total paid-up capital raised by the new companies amounted to Rs. 1.07 crores, of which Rs. 24 lakhs were raised in the month of registration of new companies.

A State-wise analysis of company registrations shows that the States of West Bengal, Madras, Bombay, Delhi and Assam together recorded 83 new registrations, i.e., 75 per cent. of the total number, with an authorised capital of Rs. 6.24 crores, i.e., 48 per cent. of the total authorised capital of all new registrations during the month of October 1955. During the seven months ending October 1955, West Bengal recorded the largest number of new registrations, namely, 309 companies with an authorised capital of Rs. 19.60 crores, out of a total of 790 newly registered companies with an authorised capital of Rs. 80.49 crores in all the States. The State of Bombay recorded less than half the number of companies registered in West Bengal, but their authorised capital was higher at Rs. 30.43 crores. The States of West Bengal and Bombay together accounted for 57 per cent. of the total number and 61 per cent. of the total authorised capital of all companies registered during the first seven months of the current fiscal year.

Fifty-four companies with a paid-up capital of Rs. 28 lakhs are reported to have been liquidated, dissolved or otherwise become defunct during the month of October 1955. Of these 54 companies, 24 were public companies having a paid-up capital of Rs. 9 lakhs. According to the reports received up to the end of October 1955, during the first seven months of the current fiscal year the total number of such companies came to 461, of which 158 were public companies and 303 private companies, with paid-up capital of Rs. 2.64 crores and Rs. 2.73 crores, respectively. During the period from April to October 1955 the number of liquidated companies with paid-up capital in a few major States was Bombay 91 (Rs. 2.10 lakhs), Madras 59 (Rs. 22 lakhs), Punjab 39 (Rs. 31 lakhs), U.P. 51 (Rs. 21 lakhs), West Bengal 29 (Rs. 88 lakhs) and Delhi 82 (Rs. 18 lakhs).

Taking the net changes in the paid-up capital of existing companies together with the paid-up capital raised by the newly registered companies during the months of their registration and that lost in liquidations, according to the reports received up to the end of October 1955, it is recorded that during the first half of the current fiscal year, the paid-up capital of joint-stock companies has increased by Rs. 21.30 lakhs. The public Companies accounted for a total increase of Rs. 19.64 lakhs and the private companies Rs. 1.66 lakhs.

Points From The Chair

Credit Control Not Fully Effective

"THE orthodox system is based on the view that a rise in Bank rate will automatically correct an adverse balance of payments because, first, it will attract gold to the United Kingdom and thus strengthen the sterling exchange in the short run, and, secondly, it will tend to restrict business, stimulate savings and discourage the holding of stocks, with the result that prices will fall and the long-term internal equilibrium will be restored. It is a question, to my mind, how far these results can be expected from an increase in Bank rate today. It is, indeed, clear that under present conditions the first aspect applies only to a very limited extent. The United Kingdom is no longer a creditor on international account and any foreign exchange attracted by high Bank rate will be 'hot money,' with forward exchange covered, and its helpful effect will be minimal. As regards the second aspect, it might still apply if Bank rate could be raised to such a point as to create unemployment and cause deflation. But with the Government—and every party—wedded to full employment, and Government indebtedness such a heavy burden on the Budget, it is extremely unlikely that it could be allowed to operate to such an extent. Any increase in Bank rate will be limited and its main effect will be psychological in that it may be a deterrent to business enterprise (and capital development): but it will not be a deterrent to Government departments or nationalised industries and it is not surprising that, when the 'credit squeeze' was announced, practically every Ministry simultaneously proclaimed that its particular projects would not be affected."

D. J. ROBARTS,
National Provincial Bank Ltd.

Credit Squeeze Might Delay Capital Investments

"For a banker to have to curtail facilities to old friends is, of course, disagreeable and it is not surprising that a steadily increasing volume of criticism of the policy has resulted. No responsible critic, I think, denies the vital necessity of reducing the inflationary pressure with all its dangers to the structure of our society. The view has, however, been strongly expressed that the problem is being attacked on too narrow a front. To concentrate on one facet of the economy, while possibly salutary in many ways, is, it is argued, not likely to produce much more than temporary alleviation in the pressure, and that more vigorous concerted action in the fields of Government expenditure and of taxation will be necessary to produce more permanent results. Some doubts have also been voiced as to whether a tightening monetary policy could safely co-exist with the anticipated increase in productivity arising from the capital investment of the past two years. However, that may be, one may perhaps be permitted to wonder whether in an atmosphere of squeeze certain desirable capital investments or projects might not necessarily have to be delayed or even abandoned."

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

Outlook for British Cotton Industry

"Our cotton industry has had a further serious difficulty with which to contend in the unrestricted and duty-free entry of cotton goods from India and Hong Kong. The volume of such imports is now large and the advantages enjoyed by these two members of the Commonwealth, by reason of cheap raw material or labour or both, make it possible for them to produce at prices with which the United Kingdom cannot hope to compete. So far our Government has shown no disposition to deal with this problem. For its part the industry has pressed its case with vigour, and perhaps in so doing has created the impression in the country at large that it is far more concerned with stopping these imports than with improving its own competitive power. Actually such an impression does not fairly reflect the facts. Despite all its difficulties the industry has spent many millions on new equipment and modernisation in recent years, and much is still being done in this way. Meanwhile, by ingenuity, whether displayed in manufacture or distribution, the trade is finding increased scope for its enterprise, and in some directions is more than holding its own against mounting competition."

SIR THOMAS D. BARLOW,
District Bank Ltd.

Increased Wages and Increased Productivity

"It cannot be stressed too strongly or too often that the only source from which increased wages can come is increased productivity, which, in plain language, means greater and more efficient production per individual, per operative unit and per hour. No earner, regardless of his income group or his particular activities, is entitled to enjoy an improved standard of living unless he makes an adequate individual contribution to that improvement by doing more or better work either alone or in co-operation with others. There is here no question of any divergence of interests between employers and labour; their interests and those of the whole community are identical and, in the long run, all will rise or fall together."

H. NUTCOMBE HUME,
Charterhouse Investment Trust Ltd.

COMPANY MEETINGS AND DIVIDENDS

CLIVE MILLS CO., LTD. Annual General Meeting, Calcutta, 30th January 1956. Transfer books remain closed from 15th to 30th January 1956, both days inclusive.

BENARES ELECTRIC LIGHT AND POWER CO., LTD. Half-yearly General Meeting, Calcutta, 30th January 1956. Dividend: As. 10 per share. Transfer books remain closed from 24th to 30th January 1956, both days inclusive.

PURTABPORE CO., LTD. Annual General Meeting, Kanpur, U.P., 3rd February 1956. Dividend: As. 12 per share. Transfer books remain closed from 17th January to 3rd February 1956, both days inclusive.

BIRDS INVESTMENTS LTD. Annual General Meeting, Calcutta, 6th February 1956. Transfer books remain closed from 24th January to 6th February 1956, both days inclusive.

CHAMPDANY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 7th February 1956. Dividend: Rs. 6 per share. Transfer books remain closed from 25th January to 7th February 1956, both days inclusive.

JESSOP & CO., LTD. Annual General Meeting, Calcutta, 13th February 1956. Transfer books will remain closed from 6th to 18th February 1956, both days inclusive.

PORT CANNING AND LAND IMPROVEMENT CO., LTD. Annual General Meeting, Bombay, 14th February 1956. Transfer books will remain closed from 1st to 15th February 1956, both days inclusive.

NASKARPARA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 14th February 1956. Transfer books will remain closed from 7th to 14th February 1956, both days inclusive.

ASSOCIATED STONE INDUSTRIES (KOTAH) LTD. Annual General Meeting, Ramganjmandi, 18th February 1956. Transfer books will remain closed from 11th to 18th February 1956, both days inclusive.

IVAN JONES LTD. Interim dividend of As. 3 per share, for the year ended 30th September, 1953. Transfer books will remain closed from 1st to 15th February 1956, both days inclusive.

DEVASHOLA (NILGIRI) TEA ESTATES CO., LTD. Interim dividend of Re. 1 per share, for the year ended 31st December 1955. Transfer books will remain closed from 30th January to 4th February 1956, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES LTD. Dividend of As. 6-2/5 per share for the year ended 31st October 1955. Transfer books remain closed from 23rd to 30th January 1956, both days inclusive.

BALANOOR TEA AND RUBBER CO., LTD. Interim dividend of Re. 1 per ordinary share, for the year ending 31st March 1956. Transfer books remain closed from 23rd to 27th January 1956, both days inclusive.

DEVON TEA AND PRODUCE CO., LTD. Interim dividend of Re. 1 per ordinary share, for the year ending 31st March 1956. Transfer books remain closed from 23rd to 27th January 1956, both days inclusive.

NELLITHANAM RUBBER AND PRODUCE CO., LTD. Dividend of Re. 1-4 per ordinary share, for the year ended 31st March 1955.

ELLORE ELECTRIC SUPPLY CORPORATION LTD. Interim dividend of As. 6 per share, for the year 1955-56. Transfer books remain closed from 16th to 25th January 1956, both days inclusive.

CENTRAL KURKEND COAL CO., LTD. Dividend of As. 2 per share, for the half-year ended 30th June 1955.

NEW INDIA SUGAR MILLS LTD. Dividend of Rs. 2-8 per share for the year ended 30th June 1955.

BHARAT SUGAR MILLS LTD. Dividend of Re. 1-8 per share, for the year ended 30th June 1955.

UPPER GANGES SUGAR MILLS LTD. Dividend of Rs. 2-8 per share, for the year ended 30th June 1955.

COMPANY REGISTRATIONS

CENTRAL COTTON MILLS LTD. (First Director: Mr. B. C. Bhanderi.) Business: To start cotton, wool and jute spinning and weaving mills, etc. Authorised capital: Rs. 1,50,00,000. Public company. Address: 9, Brabourne Road, Calcutta 1.

BENGAL NAGPUR ENGINEERING CO., LTD. (First Director: Mr. G. Saraogi.) Business: Builders and contractors, iron founders, steel makers, etc. Authorised capital: Rs. 50,00,000. Public company. Address: 4, Lyons Range, Calcutta.

HIND REFRACTORIES LTD. (First Director: Mr. T. C. Basu.) Business: Manufacturers, exporters and importers of firebricks, silica bricks, etc. Authorised capital: Rs. 30,00,000. Public company. Address: 135, Canning Street, Calcutta.

KALA KUNJ LTD. (First Director: Mr. P. K. Badiani.) Business: Cinematograph trade and industry and all its allied trades. Authorised capital: Rs. 5,00,000. Private company. Address: Off Globe Mills Passage, Worli, Bombay.

BEST MINERALS LTD. (First Director: Mr. J. B. Thaker.) Business: Mining of metals, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 192, Dadabhai Naoroji Road, Fort, Bombay.

EASTERN MINING CONTRACTORS LTD. (First Director: Mr. J. B. Thaker.) Business: Mining contractors and dealers in all kinds of minerals. Authorised capital: Rs. 5,00,000. Private company. Address: 192, Dadabhai Naoroji Road, Fort, Bombay.

SOME REFLECTIONS ON SECOND FIVE-YEAR PLAN-FRAME

(*Concluded from page 171*)

the purchase of goods subject to higher rates of excise and sales taxes may increase more than the proportion of increase in income and so on. That is how richer nations pay a higher percentage of income by way of taxes.

All the expansionist effects of deficit financing as described above are based on the assumption that all the money is spent in the country itself. According to the Plan-frame, the imports of capital goods during the Plan period would amount to nearly Rs. 1,600 crores, that is, round about Rs. 300 crores a year. If these imports are paid for by increase in exports or decrease in other imports, they need not interfere with the expansionist trends generated by the deficit financing. But, if these imports result in creating net deficits on trade and services account, it will mean so much less deficit expenditure and consequent loss of the expansionist effects of the Plan deficits to that extent. The effect will be the same even though the trade deficit be financed by liquidating sterling balances. For it will mean handing over equal amount of Indian currency to the Reserve Bank for buying sterling. It is not clear whether the Rs. 400 crores for which credit is taken in the investment budget under the head of external assistance have been included in these Rs. 1,600 crores or not. If they be included, then we are here concerned only with Rs. 1,200 crores and not Rs. 1,600 crores. Lastly, it must be remembered that, if the total foreign trade deficit during the Plan period exceeds the Plan deficit, the economy will be subjected to restrictive influences and whatever the investment and employment in the public sector, employment and income in general may suffer contraction.

Employment Possibilities

With so many imponderables and unknowns, it will be quite unscientific and hazardous to make any quantitative guesses regarding possible increase in employment during this Plan period. It is not clear on what considerations the estimates given in the Plan-frame regarding the increase in employment are based. The Planning Commission in its Frame-work has calculated the increase in employment on the basis of increase in production. Apart from doubts about the accuracy of these estimates, one thing to be remembered here is that the increase in production and employment in the private sector will depend upon the effects of public expenditure on the level of demand.

But even assuming that the Plan-frame estimates regarding possible increase in employment are correct, the estimates given therein regarding the possible increase in national income by 1961 seem to be exaggerated. For instance, the national income is expected to rise from Rs. 108 abja in 1955-56 to Rs. 137 abja in 1960-61. That is, in 1960-61 the national income is expected to be higher than in 1955-56 by nearly Rs. 3,000 crores. This additional income is to be generated by 11 million additional workers. This means an annual average productivity per worker of nearly Rs. 3,000. This is rather too high a figure, especially when more than 50 per cent. of the employment is to be created in agriculture, handicrafts and small-scale enterprises. The productivity in these occupations, as calculated by the National Income Committee for the year 1948-49, was: Agriculture Rs. 500; Small enterprises Rs. 600 and professions and liberal arts Rs. 700. We cannot expect their productivity to rise to four times in 1960-61 (corrected for price changes). Even the productivity for mining and factory establishments was calculated to be Rs. 1,900 by the same Committee for the same year. It can thus be seen that the estimates given in the Plan-frame of expected increase in national income are rather far too exaggerated.

The purpose of writing these lines is not to work out any accurate calculations regarding the various matters involved in the Plan-frame. The underlying idea is just to point out some of the important factors which influence changes in income and employment. The recent developments in economic theory clearly indicate that the economic progress of a country is largely a matter of economic policy. So the more correct the economic policy is the more rapid can be the economic development of the country. What is intended here, therefore, is just to draw attention to certain points which must be taken into consideration while drawing up a plan for economic development but which seem to have been overlooked in the Plan-frame.—*All Rights Reserved.*

U.K.'S EXPORT TRADE MAKES PROGRESS

FURTHER EXPANSION LIKELY DURING CURRENT YEAR

By John Kingsley

UNITED Kingdom trade figures for the year 1955, issued a few days ago, offer some grounds for satisfaction, although not for complacency, in that exports were well above those of 1954. The increase—£2,936 million as compared with £2,674 million—does, in fact, run at about 8½ per cent. (This figure excludes re-exports, which, at £119,000,000, themselves rose by 18 per cent. in 1954). The increase in volume was about 7 per cent., which compares with an increase of 4 per cent. in 1954 over 1953, and prices rose by between one and two per cent. Admittedly, some shipments were delayed from 1954 into the early months of last year in consequence of the dock strike in October 1954. But, even if allowance is made for this special factor, it is obvious that Britain's export trade has made steady progress.

There has been little substantial change over the past year in the composition of this export trade. (As detailed figures are not yet available, the analysis is based on data for 11 months). Engineering goods maintained their share of just under two-fifths of total exports. The share of textiles declined; 1955 was an unsatisfactory year for exports of cotton and synthetic fibre goods, although shipments of woollen and worsted goods and also of miscellaneous textiles—though to a small extent—increased.

It is particularly noteworthy that exports of iron and steel increased by as much as 14 per cent., in spite of increased domestic requirements for these metals for both capital and durable consumer goods. Exports of non-ferrous metals and semi-manufactures were up by one-third, with a notable expansion in sales of copper wire. Among motor vehicles, exports of commercial vehicles rose by no less than 26 per cent.; they were particularly successful in the Commonwealth. Although they did not show as big an increase as in 1954, exports of cars were also higher. British cycle exports were up by one-seventh, exports of aircraft rose by one-quarter, and the chemicals industry recorded a 10 per cent. increase in its oversea sales. It is impossible, within the scope of this article, to give more than a rough outline of the progress; but among smaller groups, the spectacular increase of 80 per cent. in exports of plate glass deserves mention.

Dollar Drive

In the geographical pattern of U.K.'s exports, the success of the dollar export drive is considered to be particularly gratifying. Sales to North America increased by 15 per cent. from 1954 to 1955 (exports to the United States by 23 per cent. and to Canada by 7 per cent.). An even greater rate of increase (20 per cent.) was noted for "other non-sterling" countries (that is, all non-sterling countries outside the dollar area and outside the Organisation for European Economic Co-operation). In particular, exports expanded to the oil countries in the Middle East, to Finland and Yugoslavia, and also to Eastern Europe. Exports to Western Europe were rather disappointing; in spite of the boom on the Continent, exports to the O.E.E.C. area rose by less than 5 per cent. There are, however, signs that an improvement may be forthcoming here.

The sterling area has held its share in Britain's total exports. As this share has been maintained at a high level over the last five years and a number of sterling area countries has been obliged, by balance-of-payments difficulties, to limit their demand for exports, no spectacular increase was to be expected.

Rise in Imports

While the export picture is on the whole satisfactory, the import figures may, at first sight, give rise to some doubt. Total imports rose by 15 per cent. in value, from approximately £3,374 million in 1954 to £3,889 million in 1955. In volume, there was an increase of 12 per cent., and import prices rose by 3 per cent. The main reason for this substantial rise was not excessive consumption, but rather the need of industry for increased supplies to support expanding output. Somewhat higher food imports were another factor; these rose by 8 per cent. Cereal imports rose by 27 per cent. due partly to the running down in Government stocks after decontrol in 1954 and partly to the bad harvest in that year. There was also a marked increase in imports of feedingstuffs.

Among industrial materials, special factors operated in the field of coal and steel. Coal imports multiplied fourfold as a result of a slight decline in domestic output, allied with an increase in manufacturing activity, while steel imports were three-and-a-half times as much. Home output increased by nearly 7 per cent.—in itself a satisfactory performance, but not enough to meet rising home and export requirements. Imports of non-ferrous metals also expanded. Most of these had risen in price, and greater quantities were needed for use in manufacture for export. The other materials which show higher import figures are timber, rubber, pulp, paper, and newsprint. On the other hand, imports of textile fibres declined; cotton stocks were run down and wool prices fell.

Stocks Accumulated

There is no doubt that the industry needed higher imports last year, especially since, in 1954, expansion in production was not matched by a corresponding increase in imports. Although one cannot draw a firm conclusion from the available statistics, there is little doubt that some stocks were accumulated last year. There thus is reasonable hope that, in the coming months, any expansion in imports will be at a slower pace than last year. Coal and steel imports are likely to decline and, perhaps, also the high imports of cereals.

Exports should continue to expand. Although the restrictions introduced in Australia and New Zealand may affect exports to these markets, trade with the sterling area as a whole should continue at a high level. Prospects in Western Europe appear to be good. The measures taken to restrain demand are designed to hold expansion within reasonable limits rather than to reduce activity, and, with the exception, perhaps, of the Scandinavian countries, the measures are, for the most part, rather mild.

There should be further opportunities of increasing exports to the expanding markets of the Middle East; and in the dollar area as well as in the less developed countries, the U.K. has proved last year that it can hold its own.

INSURANCE

(*Concluded from page 176*)

any such document is, however, relevant for the purpose of any business, other than the controlled business, the authorised person is bound to return it to the management, though he might place identification marks on the document or take extracts from it.

Under section 4(1), the Central Government is empowered to appoint a custodian for the purpose of taking over the management of the controlled business of an insurer. The insurer will deliver to the custodian all books of account, registers or other documents in their custody relating to the controlled business. The restrictions, implied in sub-sections (3), (5) and (6) of Section 3, to which a reference has been made above, will not apply to the insurers for whom the custodians have been appointed. But the Central Government may issue such directions to the custodian's powers and duties as it deems desirable in the circumstances of the case. The custodian will exercise all powers which the Controller of Insurance or an administrator, appointed under section 52A of the Insurance Act, may exercise under the Act.

The provisions relating to compensation payable to the companies during the period they are under the management of the Government are defined in sections (6) and (7) which read as under:

"The amount of compensation payable in respect of the vesting in the Central Government of the management of the controlled business of an insurer shall, for every month during which the management thereof remains vested in the Central Government, be a sum which is equivalent to one-twelfth of the annual average of the share of the surplus allocated to shareholders as disclosed in the abstracts prepared in accordance with Part II of the fourth schedule to the Insurance Act in respect of the last two acturial investigations relating to the controlled business as at dates earlier than the first day of January 1956.

"Provided that, if in respect of the controlled business of an insurer no such surplus as is referred to in this sub-section has been allocated to shareholders, either because there are no shareholders or for any other reason, the compensation shall be payable at the rate of Re. 1 per month for every Rs. 2,000 or part thereof of the premium income of the insurer relating to his controlled business during the year 1954.

"7. (1) The amount of compensation payable under section 6 shall in the first instance be payable out of the 7.5 per cent. of the surplus referred to in sub-section (1) of section 49 of the Insurance Act earned by the insurer during the period the management of the controlled business of the insurer vests in the Central Government, and where such compensation or any part thereof cannot be so paid out the Central Government shall make due provision for the payment of such compensation or part thereof as the case may be.

"(2) The compensation payable under section 6 shall be distributed among the persons entitled thereto by the Central Government in such manner as may be prescribed by rules made in this behalf:

"Provided that in the case of an insurer who is a company the Central Government shall have due regard to the wishes of the members expressed by them at any general meeting convened for the purpose."

Reactions

The employees of the insurance offices have generally welcomed the nationalisation of life insurance. The chairmen of the two leading insurance offices—Sir Cowasjee Jehangir, Bart., of the Oriental Government Security Life Assurance Co., Ltd., and Mr. A. D. Shroff of the New India Assurance Co., Ltd.—have both deplored this step. Sir Cowasjee stated that the Ordinance nationalising life insurance was "undemocratic" and there was no reason for doing so, unless the Government feared opposition and criticism. If the step was taken to obtain financial aid for the second Five-year Plan, this might be possible only at the sacrifice of the interests of policyholders and shareholders. Mr. Shroff, in the course of a Press interview, stated that having regard to the fact that the shareholders of an insurance company get only 7½ per cent. of the surplus, insurance business was one business in which profit motive was at its minimum. He added: "The only conclusion to be drawn is that it is obviously a political decision, in that it is contrary to all facts and experience of most of the countries in the West which, after prolonged investigations, decided not to nationalise life assurance." Referring to the Finance Minister's broadcast, he said that it revealed a "tragic sense of unfairness, in that there is not a word of appreciation for the management of those companies which, through enterprise, high standard of integrity and judicious investment of funds, are handing over to the country today institutions of which any fair-minded Indian would be proud."

Mr. Tulsidas Kilachand said that the Government's decision was thoroughly ill-advised as the cost of life insurance was bound to go up because of nationalisation. Mr. Babubhai M. Chinai, President of the Indian Merchants' Chamber, Bombay, stated that nationalised insurance would not be in a position to render the individualised service and to build up a vast organisational set-up so essential for making up the large leeway in the field of life insurance. Mr. B. D. Garware, President of the Maharashtra Chamber of Commerce, Bombay, observed that the Government's decision to nationalise insurance was an "eloquent illustration of an utterly unnecessary extension of the public sector."

Notice

STATE BANK OF INDIA

THE ANNUAL GENERAL MEETING OF THE Shareholders of the State Bank of India will be held at the Local Head Office of the Bank, Apollo Street, Bombay, on Wednesday the 29th February 1956, at 4.30 p.m. (Standard Time), for the transaction of the following business:—

To receive the Central Board's Report, the Balance Sheet and Profit and Loss Account of the Bank made up to the 31st December 1955 and the Auditors' Report on the Balance Sheet and Accounts.

JOHN MATTHAI,
Chairman.

BOMBAY, 23*rd January* 1956.

MONEY FIRM

(From Our Own Correspondent)

BOMBAY, 25*th January*

The short-term money market continued to feel the shortage of floating funds and the pressure of demand for money. The civil commotion in the city which disrupted work in industries and trade for well-nigh a week did not in any way affect the demand for money. The result was that interest rates remained firm at the previous week's level. Thus, inter-bank call money was bid by all banks at 3 per cent. per annum. House money at call was also placed at 3 per cent. Short-term deposits were offered the self-same rate of 3 per cent. for one to six months.

The firm money conditions are reflected in the results of the Government of India Treasury Bills sales held this week. The amount offered against the usual invitation for Rs. 100 lakhs was only Rs. 121.75 lakhs, having declined from Rs. 142.75 lakhs in the previous week. The average rate of accepted tenders, which had hardened from Rs. 2-8-1 per cent. to Rs. 2-8-3 per cent. per annum in the previous week, rose further to Rs. 2-8-5 per cent. per annum this week. This is the highest rate to be earned on these Bills since the week ended 23rd September 1955.

After four weeks of successive expansion to the tune of Rs. 38.70 crores, notes in circulation have shrunk by Rs. 6.03 crores. Disclosing this, the Reserve Bank of India statement for the week ended 20th January 1956 shows a rise of Rs. 6.11 crores in notes held in the Banking Department, the consequent fractional rise in total notes issued being covered by a similar rise in rupee coin. Foreign securities have declined by Rs. 24.84 crores, while rupee securities have risen by a similar extent. In the Banking Department, there has been a small decline of Rs. 1.81 crores in deposits of the Central Government, while those of other Governments have gone up by Rs. 4.92 crores. Deposits of banks have risen further by Rs. 12.44 crores and those of others by Rs. 5.58 crores. An increase of Rs. 6.14 crores is noted in cash balances and of Rs. 28.59 crores in balances held abroad. Loans and advances to Governments are lower by Rs. 1.76 crores, while there have been no notable changes in other portfolios, except for a sharp fall of Rs. 6.82 crores in Government Treasury Bills purchased and discounted.

A sharp rise of Rs. 17.19 crores in demand deposits of banks and a further increase of over Rs. 11 crores in their advances and bills are the outstanding features disclosed by the consolidated statement of position of Scheduled banks for the week ended 13th January 1956. Time deposits have dropped by Rs. 40 lakhs, while inter-bank borrowings have gone up by Rs. 87 lakhs. Borrowings from the Reserve Bank have declined by Rs. 1.39 crores, while those from the State Bank have risen further by Rs. 1.49 crores. Advances show a rise of Rs. 6.10 crores and inland bills purchased and discounted Rs. 5.65 crores, whereas foreign bills are lower by Rs. 69 lakhs. There has been a fall of Rs. 1.01 crores in investments and of Rs. 91 lakhs in cash and balances with the Reserve Bank. Balances with other banks in current account show a small rise of Rs. 28 lakhs and money at call and short notice Rs. 1.24 crores.

The gilt-edged market ruled dull with the volume of business very much restricted. The stringency in the money market and the outburst of violence in the city were the main factors which kept the interest at a low ebb. Prices were, however, well held on account of some enquiries and the absence of any offerings. 3 per cent. 1957 was unchanged at Rs. 99-9, though there were buyers at Rs. 99-8½. 3 per cent. 1958 had buyers at Rs. 99-7. 3 per cent. 1959-61 attracted some interest at Rs. 98-2½. 3 per cent. 1963-65 and 3 per cent. 1964 were maintained at Rs. 94-10; there were buyers at this level. 3 per cent. 1966-68, however, declined by As. 2 to Rs. 91-14, before gaining to Rs. 91-15. 3 per cent. 1970-75 held the ground at Rs. 87-15. 3 per cent. 1986 Conversion Loan was wanted at Rs. 80-6 3 per cent. 1970-75 was dull at Rs. 87-15. 3½ per cent. 1961 had business at Rs. 99-8. 3½ per cent. 1964 was unchanged at Rs. 98-12 and 3½ per cent. 1965 at Rs. 98-9, but these two securities had buyers half-an-anna lower.

In the foreign exchange section, there was a slight hardening of the rupee in terms of the U.S. dollar in the earlier part of the week, in tune with the strength displayed by sterling, but the gain was wiped out today, following the decline in sterling. Banks' selling rate for ready dollar changed from Rs. 477½ to Rs. 476¾ per $100, but closed today at Rs. 477¼ per $100, and their buying rate moved from Rs. 473 to Rs. 472½ before finishing at Rs. 473 per $100. Sterling gathered further strength early during the week, but, at later stages, lost the gain. Thus, in New York, spot sterling, after moving up from $2.80⅝-2.80⅞ to $2.80⅞-2.81, reacted to $2.80.9/16-2.80.11/16 yesterday. Three months' forward closed at $2.79.7/16-2.79.9/16, after touching $2.79.13/16-2.79.15/16, as against last week's closing of $2.79½-2.79⅝. Transferable sterling closed 1/16c. lower at $2.77⅜-2.77½.

KANPUR HIDES STEADY

(From Our Own Correspondent)

KANPUR, 22*nd January*

During the week under review, the conditions of the local hides and skins markets were in many respects similar to those prevailing in the earlier week. The new arrivals were considerable. The country tanners were big buyers of the lighter variety of the wet salted cow.

The latest available quotations are: Wet salted cow, 1st grade Rs. 320 to Rs. 360, 2nd grade Rs. 290 to Rs. 300 and 3rd grade Rs. 260 per score; wet salted buff, 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat, 1st grade Rs. 225 to Rs. 340 and 2nd grade Rs. 275 per 100 pieces; sheep skins, 1st grade Rs. 225 and 2nd grade Rs. 175 to Rs. 200.

BULLION REACTS AFTER SHARP RISE

(From Our Own Correspondent)

BOMBAY, 25*th January*

The bullion market displayed a two-sided trend during the week under review. After remaining quiet early in the week, there was a sharp rise in prices on Monday this week, but this gain was more than wiped out during the last two days. Over the week gold disclosed a fractional gain due mainly to good demand for gold, while silver suffered moderate losses.

The spurt in prices during mid-week was due to resumption of buying, particularly in gold, inspired by reports that the National Development Council had recommended the levy of an annual capital tax. Hopes that the taxation policy of the Government would encourage hoarding in bullion induced the bulls to enlarge their holdings and the bears to cover their sales. Good demand for gold in the ready section also helped the sentiment to remain buoyant. This recovery was not sustained for long, as the higher levels attracted profit-realising. The weakness of the share markets in Bombay and Calcutta, payment difficulties in Calcutta and reports of large arrivals of unrefined silver affected the sentiment adversely. The continued good demand for gold, however, checked the recession to some extent in the yellow metal.

Fresh business in the *Posh* (January) settlement remains suspended from Monday this week, as per by-laws, but business in this settlement during the rest of the week under review was confined to carrying over of outstanding positions. Business in *Maha* (February) settlement, which began on the 16th inst., continued during the week under review.

Silver for forward delivery (27th January settlement) reacted from Rs. 177-13 to Rs. 176-13 early in the week before rising sharply to Rs. 178-12 on Monday this week. There was, however, a recession to Rs. 176-6 at the close today. Forward silver for the 27th February settlement dropped from Rs. 178-12 to Rs. 177-13, but gathered strength to touch a high of Rs. 179-14. The closing was, however, lower at Rs. 177-12.

Ready silver (.996 Mint) rose up to Rs. 178-11 from the previous week's closing of Rs. 177-7, but gave way to Rs. 176-9.

The floating stocks of silver are placed at 1,200 bars. The daily average offtake was 5 to 10 bars a day.

Forward gold (28th January settlement) eased a little from Rs. 95-13 to Rs. 95-2, but soon hardened to Rs. 96-13 before closing lower at Rs. 96-1. Gold for forward delivery in 25th February settlement advanced from Rs. 96-6 to Rs. 97-7, but wound up today at Rs. 96-3.

Ready gold picked up over the week As. 3 to finish at Rs. 95-14. The highest level touched was, however, Rs. 96-15. The floating stocks of gold are reported to be 45,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake, which was 2,000 tolas early in the week, rose to 5,000 tolas per day later in the week.

In London, there was a further fall in silver prices. Gold also suffered a recession, but soon made good the loss. Spot silver dropped from 78¼d. to 77¾d. and forward silver from 77¾d. to 77⅜d. After an initial rise from 249s. 2¾d. to 249s. 3¼d., gold relapsed to 249s. 1¼d., but regained to close at 249s. 2¾d. In New York, silver was marked down from 90½c. to 90c.

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

	25-1-56	Highest	Lowest	18-1-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	95 14	96 15	95 3	95 11
Forward*	96 1	96 13	95 3	95 13
Sovereign	61 4	61 4	60 8	60 12
SILVER				
Ready (.996 fine Mint) ..	176 9	178 11	176 5	177 7
Forward†	176 6	178 12	176 6	177 13
London Silver Ready ..	77¾d.	78d.	77¾d.	78¼d.
London Forward	77⅜d.	77¾d.	77¼d.	77⅝d.
London Gold	249s. 2¾d.	249s. 3¼d.	249s. 1¼d.	249s. 2¾d.
New York Ready	90c.	90½c.	90c.	90½c.

* 27th January settlement.
† 28th January settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

EXPORT TEAS STEADY

(From Our Own Correspondent)

CALCUTTA, 24*th January*

During today's export sale steady conditions were in evidence and prices were maintained. The quotations were: Clean black pekoe Rs. 2 to Rs. 2-1, medium Assam B.P. Re. 1-10 to Re. 1-11, and best C.T.C. Assam B.P. Rs. 2-3 to Rs. 2-4.

Attractive gains were recorded during last week's sale for domestic consumption, dusts on offer amounting to 17,800 chests. Non-withers Dooars, including the poorer sorts, found buyers at the prices annas 1 to 2 higher than last rates, and the commonest teas gained as much as As. 2 to As. 3. In moderate support, medium Assams, commons and the grainy Dooars advanced by 1 to 2 annas. A very near buoyancy prevailed in black leaf teas suitable for Middle East consumption; and prices for these teas gained by several points. C.T.C. Assams with good liquors lined up with the general trend of firmness, and the less attractive teas from this variety also attracted attention following competition. The quotations were: best C.T.C. Assam Rs. 2-4 to Rs. 2-6, medium Assam grainy dust Re. 1-8-6 to Re. 1-9-6, and medium Dooars Re. 1-7-6 to Re. 1-8.

Leaf grades offered amounted to 2,500 chests, prices of which gained by 1 to 2 annas following good demand.

HEDGE CONTRACTS IN COTTON CLOSED OUT

(From Our Own Correspondent)

BOMBAY, 25*th January*

The most outstanding event of the week in the cotton market was the closing out of hedge contracts in I.C.C. February and May with effect from today at Rs. 700 and Rs. 686-8, respectively, that is, the rates at which the contracts stood at the close of business yesterday. This step was in accordance with the directive sent to the Board of the East India Cotton Association (E.I.C.A.) by the Forward Markets Commission under the newly enacted by-law 52AA of the E.I.C.A. which empowers the Commission to take such action. Justifying the action, the Commission said that the continuation of trading in the hedge contracts was "detrimental to the interest of the trade, the public interest and the larger interest of the economy of India."

Meanwhile, the appeal filed by a member of the E.I.C.A. from the decision of Mr. Justice Coyajee dismissing the plea against the E.I.C.A.'s declaration of emergency in the cotton market and its right to call for a squaring up of transactions has ended in a settlement between the parties. During the course of the appeal before the Chief Justice Mr. Chagla and Mr. Justice Dixit, Their Lordships suggested a compromise. As a result of this decision, the parties arrived at terms and took a consent decree. The suit has accordingly been called out. According to the settlement, it was agreed, *inter alia*, that the impugned resolution of the E.I.C.A. Board was valid and that the Board should meet today (25th January) and again consider, under By-law 52(2), whether the ceiling rate of Rs. 700 fixed as per resolution of the 6th inst. should be continued or varied. The Board gave the assurance that, in considering the same, it would apply its own mind and exercise its own judgment. The decisions of the Board are awaited with keen interest. In view of the closing out of hedge contracts at rates prevailing at the close yesterday, some cotton traders expect that the Board of the E.I.C.A. may also fix the clearing rates for outstanding business at these levels.

Trading in cotton futures during the week under review was at a low ebb. In fact, there was no business at all in the first two sessions of the week, as also today. I.C.C. February was throughout nominally quoted at Rs. 700—the ceiling fixed by the E.I.C.A.—although it was unofficially quoted at a slightly higher level. I.C.C. May which stood at Rs. 693 last week-end receded to Rs. 682 on Monday. After recovering to Rs. 688, it closed a shade lower at Rs. 686-8. Over the week, the contract thus lost Rs. 6-8.

The spot section of the cotton market ruled dull during the week under review. Trading was on a restricted scale, as mills were not inclined to enter into fresh commitments at current prices. Some deals were put through in styles such as Kalyan, Wagad, Zoda and Oomra *deshi*. Jarilla and B.P. 52, however, evoked good enquiries from mills. Shippers displayed good interest in Oomra and Bengal *deshi*. Among foreign cottons, East Africans met with buying support and a moderate turnover was reported in new crop Uganda for March-April shipment. Egyptians and Sudans also came in for some business.

The following are the latest available quotations from the Sewri market: Bengal *deshi* Rs. 650; Berar Jarillas Rs. 760; Khandesh Rs. 750; Vijay Rs. 880; Oomra *deshi* Rs. 710; Moglai Rs. 630.

For the third week in succession, the Karachi cotton market exhibited a firm trend. There were renewed buying enquiries from overseas interests, as also from the local cotton mills. Operators, therefore, continued to lend support and cotton prices moved up further. The rise in values was in marked evidence in the futures section. N.T. January delivery rallied Rs. 2-13 to Rs. 80-3 per 82 lbs. March delivery advanced by As. 8 to Rs. 76-15. Spot prices of cotton also registered an increase. The following are the latest available quotations for a few popular varieties of Pakistan cotton:

Sind *deshi* Rs. 68; Punjab *deshi* Rs. 62-8; 4F Punjab R.G. Rs. 73; S.G. Rs. 87-Rs. 80; L.S.S. Punjab R.G. Rs. 78; S.G. Rs. 83; N.T. R.G. Rs. 80-Rs. 81½; S.G. Rs. 84-Rs. 85½; 289F Punjab R.G. Rs. 82-Rs. 83; S.G. Rs. 88-Rs. 89.

The boom conditions which prevailed in the Alexandria cotton futures market last week abated this week. In fact, the market ruled considerably depressed. The speculative interests withdrew their support on fears that the large sales of American surplus cotton at competitive rates in world markets would adversely affect exports of Egyptian cotton. Some traders were actually busy reducing their commitments. Consequently, values of cotton staged a retreat. Karnak March contract dropped 3.63 tallaris to 78.52 tallaris. January contract fell by 2.60 tallaris to 81.50 tallaris. Ashmouni delivery also suffered a setback. February receding from 60.80 tallaris to 58.47 tallaris and April from 61.10 tallaris to 58.92 tallaris. In the spot section, demand from shippers was concentrated only on Giza 30. There was no sign of enlarged overall demand for Karnak and Giza 30, the prices of which ruled very high.

The prices offered for Uganda new crop cotton at the auctions held recently were lower than those paid last month. Auctions will continue to be held on Tuesday and Thursday of every week up to and including 7th February next. Each auction covers about 10,000 bales of cotton. The sales programme after the 7th of next month is not known, but private sources believe that, if demand is maintained, auctions will continue to be held till the end of March 1956. The progress of the cotton crop is considered to be generally good, the estimate of yield being placed at 380,000 bales, including Kenya Nyanza.

Conditions in the Liverpool cotton futures market were irregular during the week under review. While the nearby delivery ruled firm on American

and trade buying, distant positions were neglected and suffered losses following easy advices from New York. Under selling pressure, thanks to reports of setback to cotton prices at Alexandria, the Egyptian Karnak contract tended to look down. The closing quotation yesterday was considerably below parity with Alexandria contract, owing to pressure of local tenderable stocks.

The latest available quotations (in pence per lb.) from the Liverpool cotton futures market are: *Old contract*: March-April 25.30; May-June 23.90; July-August 23.40; *new contract*: May-June 28.20 July-August 26.80; October-November 25.10; December-January 24.60; *Egyptian Karnak cotton*: January-February 41.10; March-April 41.95; May-June 42.20; July-August 42.20.

The undertone of the New York cotton futures market continued to be firm. The firmness was aided by reports that the Senate Agricultural Committee was likely to oppose the proposal permitting sale of cotton (and other surplus goods) at market levels in order to finance soil bank payments. The persistently large cotton entry into the loan and fall in repossessions also imparted strength to the market. Trade and commission buying was, as a result, quite brisk, with values registering an advance. The improvement would have been more marked but for profit-taking which was induced by uncertainties surrounding official policy regarding new crop cotton.

On Friday last, the U.S. Department of Agriculture announced the commercial export sale of 184,797 bales of surplus Government-owned cotton. The sales, which were concluded by its New Orleans Office on the 19th inst., were made at prices ranging from 25.55 to 26.80 cents per lb. middling 15/16". The prices were almost the same as those at which sales were effected last week. With the latest sale of 184,797 bales, the total quantity of surplus cotton so far sold amounts to 326,956 bales, out of the 1 million bales held in stock.

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

(In cents per lb.)

	24-1-56	17-1-56	10-1-56
Spot	35.25	34.80	35.20
March	34.48	34.04	34.12
May	33.83	33.45	33.62
July	32.63	32.18	32.40
October	30.98	30.43	31.07

YARNS STEADY

(From Our Own Correspondent)

BOMBAY, 25*th January*

Business put through in the yarn market was considerably restricted during the week under review, thanks to disturbances following the agitation for retaining Bombay in *Samyukta* Maharashtra. The undertone of the market was, however, generally steady. Rayon yarns for forward delivery registered an improvement in prices on good buying support, while spot rates were fully maintained at last week's levels. Staple fibre yarns also tended to move up, the chief inspiring factor being expectation of enlarged demand from consuming centres in the coming weeks. The traders seemed to feel on second thoughts that the permission given to the cotton mills to employ a larger percentage of their installed capacity for spinning staple fibre yarn—referred to in this report last week—might not in itself bring about an appreciable rise in output, inasmuch as it would depend on the availability of adequate supplies of fibre at a reasonable price. Cotton yarns, too, ruled strong on reports of satisfactory offtake in handloom cloth.

Snia rayon yarn (120 dull cones) for April delivery rallied Rs. 6 to Rs. 811. February delivery advanced by Rs. 5 to Rs. 800. In the spot section, 120 Japan was done at Rs. 4-4-9, 150 Japan at Rs. 3-15 and 120 Italy at Rs. 3-15; all these rates were same as those prevailing at the end of last week. 150 Italy, on the other hand, shed half an anna to Rs. 4 for want of support. National Rayons 150 Bt. cones 1st grade were also neglected, yesterday's closing rate being nine pies lower at Rs. 3-8-9.

Among staple fibre yarns (40×2), Kohinoors evoked excellent enquiries and spurted by As. 3 to Rs. 4-4-6, Centurys hardened by 6 pies to Rs. 4. New Greats were firm at Rs. 4-1.

In the cotton yarn section, 10 counts Podars picked up As. 2 to Rs. 13-2. Elphinstones gained an anna to Rs. 12-8. Moderns were fully maintained at Rs. 13-4. Twenty counts Raghuvamshis rose by an anna to Rs. 16-12. Maduras were steady at Rs. 17-12, as also Hinds at Rs. 16-1. Among 80s, Finlays were unaltered at Rs. 70 and Elphinstones at Rs. 61-8. There was a rise of one anna in the quotation for 40 counts Minaxis which stood at Rs. 25-9. New Greats were quoted at Rs. 24-10. Among 60s, Maduras were fully steady at Rs. 44-8, but Finlays eased by As. 2 to Rs. 59-2. Deals in 30 counts were limited, Sitarams being quoted As. 2 lower at Rs. 18-12.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	25-1-1956	18-1-1956	11-1-1956
Art silk yarn **(per case of 200 lbs.)–**	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia February	800 0	795 0	802 0
" " April	811 0	805 0	808 0
120 Japan (per lb.)	4 4½	4 4½	4 4½
150 Japan (per lb.)	3 15	3 15	3 15
120 Italy (per lb.)	4 1	4 1	4 1
150 Italy (per lb.)	4 0	4 0½	4 0
Staple fibre yarn **(per lb.)—**			
40 × 2 New Great	4 1¼	4 1	4 1
40 × 2 Kohinoor	4 4¼	4 1½	4 3½
40 × 2 City	4 1¼	4 1¼	4 2½
Cotton yarn **(per bundle of 10 lbs.)–**			
10s Podar	18 2	18 0	18 2
20s Hind	16 1	16 1	16 0
30s Sitaram	18 12	18 14	18 14
40s Minaxi	25 9	25 8	25 10
60s Madura	44 8	44 8	44 8
80s Finlay	70 0	70 0	70 0

RESTRICTED TRADING IN OILSEEDS

(From Our Own Correspondent)

BOMBAY, 24*th January*

Excepting for today, there was practically no trading in the oilseeds market during the week under review. This was because of the linguistic riots which took a serious turn, leading to large-scale looting and arson. As a result, although the market was officially opened for the major part of the week, the trading ring was bereft of operators. Although the riots have subsided, they are reluctant to commit themselves in view of the still uncertain political situation. Business done on the market was, therefore, negligible, and there was hardly any significant movement in prices. The undertone was quiet to easy.

Bold ready, in the groundnut section, was unchanged at Rs. 29-4. But February-March delivery declined from Rs. 29-7 to Rs. 29-4 and April-May from Rs. 30-2 to Rs. 29-13. Coromandals were quiet at Rs. 29-6 and Khandesh quality at Rs. 29-8. Groundnut oil ready lacked support at Rs. 15 and March delivery at Rs. 15-4.

Bold ready, in the linseed section, was colourless at Rs. 30 and February-March delivery at Rs. 30-2. April-May delivery, however, gained As. 2 to Rs. 29-4. But small Sutnas eased from Rs. 28-8 to Rs. 28-4. Linseed oil was wanting in enquiry at Rs. 18-2.

In the castorseed section, May delivery opened the week at Rs. 120, as against Rs. 120-4. After improving to Rs. 120-4, it declined gradually to close at Rs. 119-2. On balance, it lost Re. 1-8. F.A.Q. suffered As. 4 to Rs. 22-4. Madras quality too was down by a similar amount at Rs. 23-4. Castoroil B.S.S. eased from Rs. 13-14 to Rs. 13-12, and Commercial quality from Rs. 12-14 to Rs. 12-12.

Among others, *kardi* bold was quiet at Rs. 16-8, while *niger* Madras quality lost As. 2 to Rs. 25.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	24-1-1956	18-1-1956	11-1-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
Khandesh Quality Ready (per cwt.)	29 8	29 8	28 12
February-March	29 4	29 7	28 14
Linseed—			
Bold Ready (per cwt.)	30 0	30 0	30 4
February-March	30 2	30 2	30 0
Castorseeds—			
May	119 2	120 10	117 8
Madras (per cwt.)	23 4	23 8	22 12
Groundnut oil—			
Ex-mill Ready (per quarter)	15 0	15 0	14 12
Castor Oil—			
Commercial (per quarter)	12 12	12 11	12 12
Linseed Oil—			
Ready	18 2	18 2	18 6

SUGAR FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 25*th January*

A spurt of Re. 1 to Rs. 85 (exclusive of sales tax) per 2 cwts. in the quotation for British refined sugar, which had stood unaltered for several weeks, was the only notable feature of trading in the sugar market during the week under review. The firmness in this variety was aided by sustained buying support in the wake of paucity of ready stocks. The prices of indigenous sugar—spot and forward—were all fully maintained at last week's levels. Turnover was limited, thanks to poor arrivals following suspension of unloading operations. The quantity of indigenous sugar that actually arrived during the week was not more than 2,200 bags.

RAW JUTE FIRM

(From Our Own Correspondent)

CALCUTTA, 24*th January*

Prices of jute goods suffered a fall early in the week under review following the nervousness displayed by speculators. Raw jute did move in sympathy with this fall, and such a tendency coupled with the reluctance of mills to encourage the lower rates reversed the trend in jute goods, which, as a result, made good the earlier decline by about the week-end. This week was short of two working days. There was no trading last Saturday on account of the general *hartal* and the market remained closed yesterday on account of Netaji's birthday anniversary. Although the week was thus short, yet there were two notable developments. One was the resumption of work in the clearing house and the prospect of banks and trade returning to normalcy very soon. The other development was the announcement by the Indian Jute Mills Association that mills within its membership, numbering one hundred, would unseal yet another 5 per cent. of the looms as from the week commencing from 20th February next. After this unsealing, only a further 5 per cent. of the looms would remain idle. It will be remembered that, in view of the glut in the export trade, mills had sealed 12.5 per cent. of the looms some years ago. With the complete abolition of the duties on the export of jute goods in 1955 and with the indigenous fibre prices becoming cheaper in comparison to the prices mills in other countries have to pay for their raw material imports, Indian jute goods have been exported in greater and greater quantities in the past six months.

To meet the increase in demand, it had been becoming evident that mills would have to unseal the idle looms. But, presumably to avoid any violent rise in raw jute prices, mills unsealed only 2½ per cent. of the looms as from the 9th January. At that time, it was stated in these columns that mills had evidently decided to proceed cautiously stage by stage as they did, while resuming the full 48 hours working a week from the restricted 42½ hours. Mills have now evidently agreed with traders that a further increase in production is justified. At the same time, traders are confident that it would be only a matter of time before the remaining sealed looms are put to use. During recent months, the industry had transferred a number of looms from hessians to the production of heavy goods in order to arrive at a correct balance to meet the situation caused by lower demand for hessians and greater need for sackings. However, market circles believe that hessian shipments to the United States are bound to rise in the coming months, since the U.S.A. requires plenty of burlap bags to pack the huge surpluses of farm products for the disposal of which that country is committed. Accordingly the trade has noted with jubilation the rising trend of consumption in the U.S.A. which in 1955 amounted to 826 million yards, a rise of 44 million yards over 1954. In December 1955, the consumption figure was as much as 74 million yards representing an increase of 4 million. This information, which was available in mid-week, also contributed to the subsequent recovery in prices of goods.

The unsealing of 7½ per cent. of the looms would increase production by about 7,500 tons a month and would raise consumption of raw jute by about 5 lakh bales a year. As to the prospect of finding this extra jute from within the country, the trade is in no doubt. Of course, more imports of the superior variety from East Bengal would be helpful. However, imports are costly, since despite devaluation the authorities in East Bengal maintain the minimum export prices and the high export duties. In order, therefore, to make production economic and maintain the cheapness of the Indian goods in world markets, mills would have to consume as little of the Pakistani fibre as possible. With the gradual success in improvement in quality of the indigenous fibre, it is to be hoped that imports from East Bengal are kept down at the minimum. But this week's announcement relating to unsealing of further looms caused the price to move up. Thus Indian Northern bottoms were done at Rs. 30 as against Rs. 28-8 earlier in the week, and local Daissee bottoms January-February advanced by Re. 1-8 to Rs. 30-8. At Rs. 30 Assam upper bottoms put on Rs. 2. Mills purchased fair quantities and this too contributed to the higher trend.

Traders in jute goods feel that, unless raw jute prices come down to maintain a fair relation between prices of the fibre and those of jute goods, the attempts of mills to reduce production costs by increasing production would be less effective. The trend of jute goods noticeable during recent weeks to move narrowly has come to stay, and this was repeated during the week under review also. Early in the week, speculators displayed nervousness and started selling heavily. This, naturally, took down ready 40" 10 oz. hessians and B. twills to as low as Rs. 40-3 and Rs. 111 respectively from Rs. 41-4 and Rs. 114. Mills were not perturbed by such a trend, and with an eye on their plan to increase production, began to purchase raw jute in higher quantities. Prices of raw jute as a result moved up. This made jute goods to recover in sympathy. Hessians 40" 10 oz. moved up to Rs. 41 and B. twills to Rs. 114-4 by the week-end. The market reopened today on an easy note and prices were naturally influenced by the prospect of an increase in production, as announced by mills last Friday. This made B. twills decline to Rs. 113-12. It is thought, however, that the declining trend would prove only temporary in view of the firm raw jute market. Latest quotations of raw jute as on date are given below:

	Middles	*Bottoms*
Pakistani:		
Northern	33 8	30 8
District	34 8	31 8
Indian:		
Northern	33 0	30 0
Assam Upper ...	33 0	30 0
Assam Lower ...	33 0	30 0
Daissee	33 8	30 8
Murshidabad ...	32 0	29 0
Western	32 8	29 8
Jungli	31 8	28 8
Orissa	33 8	30 8
Uttar Pradesh ...	31 8	28 8
Daissee *mesta* ...	31 0	28 0
Bimli f.a.q.	Rs. 28	
Pucca bales first marks ready	Rs. 185 per bale	

FOODGRAINS RECEDE

(From Our Own Correspondent)

HAPUR, 23*rd January*

Foodgrain prices suffered a slight fall during the week under review, following the various steps taken by the Union Government to check rise in prices. The Union Food Minister asserted that the exising wheat stocks with the Government, the firm commitments they had already entered for further supplies from aboad and prospects of the new harvest being bright, were more than enough to meet the effective demand for this foodgrain until the next harvest was made. The Government had, as on the 17th inst., nearly 200,000 tons of wheat as reserve and final arrangements for the import of 180,000 tons of wheat from various countries have been completed. The Union Government has released 15,000 tons of wheat in the Punjab which had resulted in bringing down wheat prices substantially in several places. The U.P. Government has also been allowed to release 20,000 tons for sale in its five big cities. Further, in order to relieve the pressure of demand on the Punjab, the P.E.P.S.U. and west U.P. markets, the Government has decided to issue sufficient quantities of wheat from Government godowns in Delhi.

Wheat prices at Hapur are today quoted at Rs. 15-6 per maund for average quality and at Rs. 16-12 for farm quality. The heavy demand from Delhi has now subsided and the week's offtake, mostly under previous contracts to Delhi, aggregated 12 *khaties*, reducing the local stock to 48 *khaties*, which is substantially heavy when compared to last year's stock of 31 *khaties*. Daily arrivals of wheat at 100 maunds are insufficient to meet day-to-day requirements of the locality. Prices of wheat also declined in the Punjab and other markets of the country, following Government efforts.

Easy supply position due to heavy quantity auctions by the Government led to a setback in the prices of rice. Gram prices, which had recorded an improvement of As. 8 per maund early, relapsed towards the week-end in sympathy with wheat prices. Gram was transacted today at Rs. 10 per maund for local quality and at Rs. 10-8 for Punjab quality and stock position ran down during the week to 14 *khaties*, as against 22 *khaties* a year before. Good seasonal demand and paucity of local stocks accounted for the improvement in prices of other coarse grains which on Monday were quoted at: Barley Rs. 10-4, *beghar* Rs. 10-2, maize Rs. 11-2 and *bajra* Rs. 10-8.

Better crop prospects due to timely winter rains and want of outside buying enquiry resulted in a small decline in the prices of peas and *arhar* which were quoted at Rs. 9-6 (for *dara* quality) and at Rs. 13-4 per maund, respectively. Stock of peas was put at 12 *khaties*, as against 27 *khaties* last year, and that of *arhar* at 9 *khaties*, same as last year. Other pulses ruled quiet at almost unchanged prices during the week.

Except *urd magh* which ruled quiet, pulses futures eased in all the sections. The latest prices on Monday were: Peas *jeth* Rs. 7-12, peas white (gram) *jeth* Rs. 8-4-3, *maha* Rs. 10-1, *arhar jeth* Rs. 9-12, and *urd magh* Rs. 15-5.

SUGAR RECOVERS

(From Our Own Correspondent)

HAPUR, 23*rd January*

Sugar prices improved fractionally during the week, in anticipation of good demand. Delhi and the Punjab were the principal buyers, but the quantities actually purchased were small. Booking was restricted to Gujerat side and the undertone remained steady. The latest mill delivery prices of sugar are: Jaswant Rs. 28-11, Simbhauli Rs. 29, Mowana Rs. 29, Daurala Rs. 29-8, Amroha Rs. 28, Bijnore Rs. 28, Mansoorpur Rs. 30, and Rampur Rs. 31-4, retail As. 12-3 per *seer* and *khandsari* Rs. 23 to Rs. 27 per maund.

Ready *gur* eased appreciably during the week, today's quotation standing at Rs. 11-4, as against Rs. 12 per maund last week-end. Arrivals were large, the average being 4,000 maunds daily. The lack of loading facilities to needy areas of Gujerat was the main depressing factor. Some despatches were, however, made to Rajasthan and Punjab sides and local stock has increased to 43,000 maunds. The total arrivals from the beginning of the season are put at 320,000 maunds, as against 408,000 maunds at this time last year.

Gur prices also declined during the week in markets in the South. In Baramati (Poona), *gur* arrivals average 400 cart-loads daily and with good demand from Gujerat side, prices are quoted at Rs. 13 to Rs. 13-8 per maund for yellow quality. In Ankkapalli, arrivals were put at 50,000 *behalas* and prices were quoted at Rs. 10-8 to Rs. 12 *billiticut*. In Kohlapur, there were increased arrivals—at an average of 1,500 cart-loads daily—which met with good demand from Gujerat side.

Future prices at Hapur declined appreciably due to heavy bull liquidations and bear pressure. *Phagan* delivery was quoted today at Rs. 11-15-7, having touched the lowest at Rs. 11-14. The trend of the market is bearish.

WOOL ABROAD STEADY

(I.W.S. News Service)

NEW DELHI, 21*st January*

Wool sales reopened in Australia on the 9th inst. with practically all types of merino and cross-bred wool against the buyer to the extent of at least 1*d*. per lb. (clean) as compared with December close. The strength of the market was maintained in competition with Japan, the Continent and the U.K.

Prices paid at Wanganui in New Zealand, showed on the 13th inst. an average increase of 2*d*. per lb. over the rates prevailing at the closing sale on 19th December.

Business was better at Bradford (U.K.). Values of medium crossbred tops advanced in view of the higher prices being paid for raw wool in New Zealand.

The latest available average quotations for tops and yarns from Bradford (based on average U.K. home-trade rates, with nothing added for freight, insurance, packing, etc., for export) were as follows:

(In pence per lb.)

	5th Jan.	12th Jan.
Colonial Tops, in oil		
70's warp	121	121
64's Super (B)	109	109
60's Super	102	102
58's Super	96	96
54's carded	86	88
48's carded	83	84
Noils		
60s average clear	77	77
50s average prepared ...	61	61
Handknitting yarn		
3-15s 64s (undyed)	144	144
Hosiery yarns		
2-12s 46s carded	103	104
2-12s 50s carded	104	106
2-12s 54s carded	110	111
2-24s 58s/70s	134	136
2-24s 60s	135	137
2-24s 64s	141	143
Weaving yarns		
2-24s 48s carded	110	111
2-24s 50s carded	111	113
2-24s 58s carded	129	130
2-48s 60s average	164	166
2-48s 64s average	168	170

PEPPER WEAK

(Messrs. Parekh & Co.)

BOMBAY, 25*th January*

Owing to disturbed conditions in the City, no report was issued last week. Malabar black pepper, during the fortnight, showed minor fluctuations, lowest and the highest at Alleppey being Rs. 812½ and Rs. 825, respectively. Garbled at Cochin fluctuated between Rs. 140 and Rs. 142½. Trading at all centres was extremely thin.

In view of the unsettled conditions in the City, local pepper market remained closed almost during the whole of the last week. Consequently, Bombay exporters were not in a mood to send any offer to their New York agents. Nor did they make any fresh purchases at primary centres. Arrivals on the coast markets were mounting. As a result, floating stocks were increasing. Willingness on the part of the weaker section of the growers to liquidate their stock at lower prices proved one more disturbing factor. Bankers at Alleppey and Cochin refused to advance further loan to growers as stocks of loaned pepper with them were already heavy. New York dealers during the fortnight did only selective buying. They bought some parcels of afloats at round about $0.32. Arrivals of new crop were also reported to be on the increase in North Malabar. The growers there were quoting competitive prices to attract business but so far without notable success. If no support from overseas markets would be forthcoming within a week or two, prices would probably decline further. It was believed in some quarters that the present prices might topple down by Rs. 50 to Rs. 100, under nervous selling both by the bankers and the growers, the moment the present resistance level of Rs. 800 was pierced through.

The technical position of the market was getting weaker, under pressure of accumulated stocks and for want of support either from foreign buying or from the local merchants who appeared to be unwilling to buy either for stock-piling or for investment unless prices were stabilised.

In delivery section, business was very narrow. In A.S.T.A. section, there were sellers for Feb-March at $0.31½, while April-May-June were offered without success at $0.32½.

Following are today's nominal quotations: Ready delivery Rs. 110 per Bengal maund; February delivery Rs. 750-60 and March delivery Rs. 760-70 per candy of 5½ cwts.

COW HIDES DEPRESSED

(From Our Own Correspondent)

MADRAS, 23*rd January*

The tanned cow hides market is depressed. U.K. trading has been poor and importers do not seem interested in the offers made by Madras, except on lower grades. Sellers wish to offer all selections combined. Arrivals of kips into the market has been on the usual scale, but clearance was slow. *Mundi* commission agents are anxious to sell the stocks on hand to make way for further arrivals; they seem to have taken lower prices for financial reasons. Prices of lightweight cow hides have declined by an anna to 1½ annas per pound and medium and heavy weights by six pies. As tanners have high-priced raw stocks, the local Association is informally advising the members to restrict their tanned output and regulate the flow of goods to Madras. Unless this is done, tanners are likely to face huge loss eventually.

Prices of tanned cow calf, buff calf and buff hides have remained steady, due to good demand from the U.K. and the U.S. It is reported that several goat skin dressers have turned to use buff calf and cow calf.

In the tanned skins section, overseas buying has been cautious, as importers feel that the market has touched the top. Owing to heavy adulteration in tannages, prices of common sheep skins rule unchanged, despite good call for them. Arrivals of medium goat skins are small and prices have slightly hardened. The results of the London Public Auctions which commence today are awaited with great interest.

ACTIVITY IN METALS RESTRICTED

(From Our Own Correspondent)

CALCUTTA, 24*th January*

Activity was limited in the metal market during the week under review. Buyers were disinclined to enter into commitments other than to meet day-to-day needs, in view of the uncertainty caused by the civil commotion in some States. The dislocation to railway traffic also cautioned buyers, as goods booking to several destinations were restricted, thus hinting at possible delays in the movement of both raw materials and finished goods. Banking difficulties, which are now well on the way to easing, also contributed to the lower volume of business. Prices were, nevertheless, steady, thanks to strong advices from overseas markets. Electrolytic copper wire bars were maintained at Rs. 265 throughout the week, and stocks were limited. Electrolytic ingots were priced at Rs. 260. Here again, the supply position was far from satisfactory. Buyers naturally went in for scrap, the location of which was also difficult. For, in anticipation of an imminent rise in prices, stockists considered it worth the while to wait for business. Electrolytic zinc gave way from Rs. 71-4 to Rs. 69-8 on selling pressure; but strong advices from foreign markets arrested the downtrend and forced a recovery in the local rate to Rs. 71-8. Tin was extremely quiet at Rs. 529 after having earlier declined to Rs. 528 from Rs. 530. In accord with the general trend, virgin lead also declined earlier in the week from Rs. 82 to Rs. 79-8, but closed better at Rs. 83.

GROSSING UP UNDER SECTION 16(2) OF INCOME-TAX ACT

(Concluded from page 168)

be at the rate of As. 2½ in a rupee and not at As. 5 in a rupee—the normal maximum rate of a company—the definite article was used. It was to refer to the class of company—not to the individual rate of company.

Further, the company after the abolition of the two rates has only a single, statutory, flat rate applicable to its total income. Rate is in terms of the total income. This rate does not fluctuate with the quantity of income. If the income is more, the rate is not increased; if the income is less, the rate does not decrease. Now, if this proposition is accepted that with the decrease in the income, the rate of the company is not correspondingly decreased, the rate must be assumed to be the same, even if quantitatively the income falls below zero into a negative quantity. The company has had to pay no tax, not because it had no rate. It has not to pay tax because zero (income) multiplied by As. 4 plus 20 per cent. surcharge is equal to zero. Zero multiplied by a rate, the resultant is zero. Therefore, the '*nil*' tax is not due to '*nil*' rate as the Department seeks to argue, but '*nil*' income. It is, therefore, not correct to say that a company which has no assessable income has "*nil* rate" and hence grossing up cannot be extended to the shareholders of such a company under section 16(2).

Refund

It would be a serious flaw in the Act if it were otherwise. If the company has made an assessable income of one rupee, the Department is prepared to give lakhs of rupees refund, but if the assessable income of the company is *nil*, it will not give any refund at all, although the profits out of which such dividend has been declared may have in fact borne tax at the rate applicable to the company in the past.

If the company under the resolution of the Board, confirmed by the shareholders, instead has agreed to declare a dividend, not out of current book profits, but out of dividend equalisation fund, then it seems that such intention expressed by the company under a resolution must prevail against the world. And, therefore, for purpose of income-tax, it will also be deemed to have been declared out of such past profits and not out of current book profits. In such a case, the argument of the Department that the company has declared a dividend out of profits which have not been subjected to tax will not be correct.

The real difficulty in the way of the Department is that it will be called upon to gross up dividend at the maximum rate of tax and the profits out of which this dividend may have been declared may have borne tax at the lower rate. This difference it could recover under the Finance Act by way of tax on excess dividend, but because of the phrase in the Finance Act that excess is to be measured by deducting from dividend declared a positive total income, the Department has no right to claim an additional income-tax from the company if the company has no assessable income. If this is what prevents the Department from doing justice to the shareholders, nothing could be simpler than saying that on such excess dividend that is, the whole dividend less *nil* income, the Department shall recover an additional tax from the company as a condition precedent to grossing up and if there are legal difficulties, a simple amendment of the Act should accomplish their purpose. But to deny the shareholders a credit of tax deemed to be paid by the company on behalf of the shareholders as stipulated under section 49B is to deny justice. Equity and income-tax may not be on speaking terms, but they must not refuse to nod occasionally, when sheer injustice is being done and the section lends itself, by such interpretation, to such absurdities as no legislature could tolerate with equanimity.

MARKET GOSSIP

(*Concluded from page 155*)

on Tuesday. The meeting had been convened for confirming the Directors' decision to capitalise a sum of Rs. 23.5o lakhs, being part of the undivided profits of the Company standing to the credit of the reserve fund, and issue bonus shares in the ratio of one share for every two shares of Rs. 50 each held by the shareholders.

Moving the resolution for the shareholders' consideration, Sir Joseph Kay, Chairman of the Company, said that the demand for issue of bonus shares had started three years ago. He, however, was not in favour of forwarding it to the Board, until he saw that the future of the Company was promising and that there was the possibility of paying a decent dividend on the increased capital. In 1953, however, he added, a favourable turn occurred in the affairs of sugar industry and the Company. There were enough indications that prospects were favourable and that the capital structure of the Company could be enhanced with confidence. The proposal to issue bonus shares was, therefore, considered by the Board in the following year and an application was made to the Government in November 1954 for permission to issue bonus shares. It was only a year after, that is, in November 1955, that a favourable reply was received from the Government. The Directors then went ahead with the completion of the necessary procedure for implementing their decision. Sir Joseph, in conclusion, said that he was not sure whether or not the Government would introduce a tax on bonus shares.

One of the shareholders, who had all along been insisting on issue of bonus scrip by the Company, said that, as the Government had not made up its mind on the question of taxing bonus shares, he was not sure now whether it would really be worthwhile issuing bonus shares. As the matter was still not clear, he asked as to why the Company should be in a hurry to issue bonus shares. He felt that shareholders would not get anything, if the bonus shares were taxed heavily. He asked the Chairman to take the interest of shareholders into consideration and postpone the issue of bonus shares till March next.

Another shareholder suggested that, as a *via media*, the shareholders could pass the resolution, but the actual issue of shares could be postponed till the budget was introduced. If the budget contained a tax on bonus shares, the shareholders might rescind their original decision and not accept the bonus shares. He quoted the instance of another company in Bombay, which had received sanction from the Government to capitalise a part of its reserves and issue bonus shares, but which had adopted only one part of the resolution, namely, that relating to the increase in the Company's authorised capital, postponing the other part relating to the capitalisation of reserves. Several other shareholders, however, desired that the resolution should be passed and the bonus shares issued now. They were of the view that, as the Government was still undecided and as all the shareholders would not be uniformly affected by the tax in case the Government decided to levy one, the risk was worth taking.

Replying to the debate, Sir Joseph Kay said that he had no idea of what was in the Government's mind regarding taxation of bonus shares. He, however, felt that, even if a tax were levied, it might be at a low rate to begin with and raised gradually as years went on. Waiting for some more time might, therefore, prove a disadvantage. He further pointed out that the shareholders would lose nothing, if they adopted the resolution now and if afterwards the budget contained no tax on bonus. If, however, it did contain the tax, they could not escape it in any case. On the contrary, in case the bonus shares were issued in the next financial year and the tax were raised in the 1957 budget, the shareholders would suffer more. Many shareholders present at the meeting concurred with the Chairman that it was better to run the risk and take the bonus shares now. Accordingly, the resolution was adopted by the meeting, with only one shareholder voting against it.

BANKING

(*Concluded from page 163*)

second consecutive year for which the Bank's profit has recorded a rise, the previous year's profit having gone up by Rs. 5,56,907. The total dividend for the year remains unchanged at 12 per cent. per annum.

The profit for 1955, it may be noted, is the highest seen since 1949. With the surplus of Rs. 2,70,302 brought forward from 1954, the amount available for disposal is Rs. 32,35,546, as against Rs. 30,35,302 a year ago. The *ad-interim* dividend for the half-year ended 30th June 1955, paid at the same rate of 10 per cent. per annum, free of income-tax, as for the corresponding six months of 1954, absorbed Rs. 5,00,000 (same as for 1954). The provision for taxation has been raised from Rs. 8,00,000 to Rs. 9,00,000 and that for bonus to staff from Rs. 7,65,000 to Rs. 8,00,000. The Directors of the Bank propose to pay a final dividend for the half-year ended 31st December 1955 at the rate of 14 per cent. per annum, free of income-tax, as against 10 per cent. per annum paid for the corresponding six months of 1954. In recommending the higher final dividend, the Directors have withheld the bonus of 2 per cent. per annum they had paid for the previous nine years. Accordingly, the total distribution to the shareholders remains unchanged at 12 per cent. per annum for the tenth year in succession. The final dividend requires Rs. 7,00,000, leaving to be carried forward Rs. 3,35,546 to the next year.

State Bank of India

A net profit of Rs. 68,59,400 has been earned by the State Bank of India for the half-year ended 31st December 1955, the first half-year of its working after the nationalisation of the Imperial Bank of India. This compares with Rs. 68,54,843 earned by its predecessor, the Imperial Bank of India, for the corresponding half-year of 1954. The amount transferred from the Imperial Bank of India on 1st July 1955 is Rs. 35,56,100, the corresponding sum brought in by the Imperial Bank being Rs. 33,55,704. The total sum thus available for appropriation is Rs. 1,02,15,600, as against Rs. 1,02,20,546 a year ago. The Directors have declared a dividend of Rs. 8 per share, or 16 per cent. per annum, which the Imperial Bank had been paying for the previous five years. A sum of Rs. 2,78,500 has been transferred to pension funds (as against Rs. 3,01,900 provided by the Imperial Bank) and Rs. 20,00,000 (Rs. 20,00,000) set aside for payment of bonus to staff, leaving the surplus of Rs. 34,37,300 (Rs. 34,18,646) to be carried forward.

Bank of Maharashtra Ltd.

The net profit of the Bank of Maharashtra Ltd. for the year ended 31st December 1955 (subject to audit) amounts to Rs. 3,46,103, thus showing a modest rise from Rs. 3,24,721 earned for 1954. With the surplus of Rs. 35,949 brought in from the previous year (as against Rs. 36,228), the amount available for appropriation is Rs. 3,82,052 (Rs. 3,60,949). The Directors have maintained the provision for taxation at Rs. 1,70,000 and the dividend at 5 per cent. per annum, free of income-tax, absorbing Rs. 80,000, while raising the transfer to the reserve fund from Rs. 75,000 to Rs. 1,00,000. The surplus left to be carried forward is Rs. 32,052 (Rs. 35,949).

CO-OPERATIVE TRAINING

The Central Committee for Co-operative Training constituted jointly by the Reserve Bank and the Government of India met on the 18th inst. under the chairmanship of Mr. V. L. Mehta. Remarkable progress has been achieved during the last two years in organising training centres for imparting theoretical and practical training in co-operation with the different categories of personnel in the Co-operative Departments and institutions throughout India. There is an All-India Co-operative Training Centre for the senior officers at Poona, which trains about 40 candidates every six months. There are five more training centres for intermediate personnel situated at Poona, Madras, Pusa, Meerut and Indore serving the needs of five regions into which the country has been divided for purposes of co-operative training. Each of these training centres trains about 45 candidates in each course lasting for about 11 months and gives facilities for specialised study in subjects like advanced accountancy, banking, land mortgage banking, co-operative marketing and industrial co-operatives, including village industries. Eight training centres are to be established for training the co-operative officers attached to the National Extension Service Blocks for the specific requirements of co-operative work in those areas. Two such training centres have already commenced functioning at Hyderabad and Gopalpur-on-Sea, while four more at Kotah, Tirupathi, Bhavnagar and Dhuri are expected to commence work very shortly. Besides these, 11 States have reorganised their training schools for the subordinate personnel on the lines approved by the Central Committee for Co-operative Training and the remaining States will shortly come under this scheme. Progress is also being made in regard to the arrangements for the training of non-officials such as members and directors of co-operative institutions and prospective members of co-operative societies. The All-India Co-operative Union has drawn up a scheme for six mobile units in four States to be tried on an experimental basis. While this scheme is in progress, the remaining States, through their State co-operative unions, are also expected to formulate their own schemes for the training of non-officials and secretaries with the approval of the Central Committee.

The All-India training centre for senior officers has so far trained 189 senior officers and key personnel of the major co-operative institutions in the country. At the five regional training centres, 376 candidates have either completed their training or are undergoing training. When all the eight Block Level training centres are set up, they will train 700 to 800 candidates a year. Each of the subordinate schools are expected to train 80 to 160 candidates every year. The candidates at all these training centres are given a liberal stipend in addition to certain facilities such as free lodging, travelling allowances, etc.

The expenditure on the senior officers' Course and the five regional training centres is met fully by the Reserve Bank of India; the eight Block Level co-operative officers' training centres are financed entirely by the Government of India, while the State and Central Governments share the expenditure on the subordinate training schools in an agreed proportion.

The Central Committee has estimated that, during the second Five-year Plan period, about 20,000 official and non-official staff in all will have to be given training. It was felt that, while the five regional training centres would be able to meet this need so far as intermediate personnel is concerned, more than one subordinate training centre would be necessary in several of the States. In order to meet the growing demand and to cope with the requirements of specialised activities such as marketing, land mortgage banking, etc., several short-term courses on co-operative marketing, industrial co-operation, co-operative farming, land mortgage banking, warehousing, etc., will have to be organised. One such training course on co-operative marketing will commence at the Co-operative Training College, Poona from 15th February 1956.

The High Authority of the European Coal and Steel Pool has rejected a request by the Ruhr coal producers for an increase of DM.3 (about 5s.) in prices of Ruhr coal to be effective from 15th February. This rise was sought as a compensation for the rise of 9 per cent. in wages granted by the High Authority.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 25th January, 1956.

	Closing quotations 19-1-1956	High	Low	Closing quotations 25-1-1956
	Rs.	Rs.	Rs.	Rs.
TEXTILES				
Ahm. Adv. (100)	163½	166½	163½	166½
Apollo (2)	2¼	2¼	2 12/16	2⅜
Bombay Dyeing (250)	536½	533½	515½	529½
Central India (100)	150	150	143	145
Century Mills (100)	473	472½	456	461
Colaba (100)	84	84	74½	74½
Edward Textile (200)	317½	320	317½	320
Elphinstone (50)	51	51	49	49½
Finlay (100)	331	331	319	323
Gokak (100)	223	223	217	218
Ind. Untd. Deld. (1)	2-3½	2 7/16	2 10½	2-0½
Ind. Untd. Ord. (10)	12½	12 7/16	11½	11⅜
Indore Malwa (100)	140	137½	127½	128½
Khatau (100)	220	216½	210	211½
Kohinoor (100)	330	330½	322	325
Laksmi (250)	672½	662½	660	660
Madhusudhan (100)	115	—	—	115
Minerva Mills (100)	86	—	—	86
Model Nagpur (250)	155	—	—	155
Morarji (100)	230	—	—	230
Mysore (50)	103½	—	—	103½
National Rayons (100)	224	232	217	218
New City (100)	165	—	—	165
New Great (100)	189	189	185	189
New Union (10)	37	—	—	37
Phoenix (100)	137½	—	—	137½
Podar Mills (100)	172½	172½	171½	171½
Sassoon Silk (10)	20	—	—	20
Sassoon Spg. (10)	42½	—	—	42½
Sholapur (1,000)	1,900	—	—	1,900
Shrinivas (100)	216½	212½	208½	210
Simplex (50)	188½	187½	181½	182½
Standard (100)	408½	403½	390½	395
Svadeshi (100)	215	214	209	211½
Swan (100)	432½	412½	405	405
Tata Mill (25)	55	54	54	53
Vishnu (100)	181½	181½	179½	180
Western India (1,000)	5,000	—	—	5,000
BANKS				
Bank of India (50)	164	163½	161	161
Bank of Baroda (50)	101½	101	98½	98½
Central (25)	52½	52	49½	50
Central 'A' (25)	54½	54½	52½	52½
Dena Bank (50)	45	—	—	45
Punjab National (25)	48½	—	—	48½
Union Bank (5)	7	6-15/16	6 9/16	3 9/16
United Com. (50)	54	54	52½	52½
ELECTRIC COS.				
Ahmedabad (100)	105 9/16	105½	104 7/16	104 15/16
Amalgamated (10)	11 7/16	11-10½	11 7/16	11-10½
Andhra Valley (1,000)	1,325	1,325	1,312½	1,312½
Bom. Sub-El. (100)	120½	—	—	120½
Surat (100)	123½	—	—	123½
Tata Hydro (100)	137	137	135	135
Tata Power (1,000)	1,372½	1,375	1,360	1,370
INSURANCE COS.				
British India (10)	14½	—	—	14½
Empire of India (100)	600	—	—	600
Ind. Mercantile (20)	47	—	—	47
Jupiter (15)	8½	—	—	8½
New India (15)	44	43½	38	43½
Oriental (200)	4,900	4,900	3,550	3,550
Universal (10)	14	—	—	14
Vulcan (10)	15½	—	—	15½
STEEL COS.				
Ind. Iron (10)	37½	37	34-9½	34-9½
Tata Steel Ord. (75)	241½	237½	229	229
SUGAR COS.				
Belapur (50)	335	333½	319	323
Bhopal (10)	15 7/16	14 15/16	14 7/16	14 7/16
Phaltan (50)	135½	134	128	129
Watchand Ind. (100)	245½	245	238½	238½
CEMENT COS.				
Associated Cts. (100)	218	216	209	210
Digvijay (100)	171	171	169	169½
MISCELLANEOUS				
Alcock Ashdown (100)	346½	342½	326½	337½
Bom. Burmah (125)	573½	570½	543½	547½
Do. (New) (50)	203½	203½	193½	193½
Br. B. Petrol (4 sh.)	4-2½	4½	3 15/16	3 15/16
Br. I. Corpn. (5)	13	—	—	9 6/16
C. P. Rly. (100)	9 6/16	7 7/16	6-10½	6-10½
Indian Copper (2 sh.)	7⅜	—	—	8 9/16
Ind. Inv. Tr. (100)	80½	—	—	195½
Kemp (200)	195½	170½	169	169
Killicks (100)	170	—	—	156½
Polson (100)	156½	—	—	154½
Port Canning (100)	154½	190	178	181½
Premier Con. (30)	190	18	16½	16½
Scindia (20)	17½	107½	104	105
Shivrajpur (10)	107½	17½	16 7/16	16½
Tata Chemicals (10)	17 7/16	151	140½	140½
Tata Oil (25)	152	45	42	43
Tata Loco (100)	46	188½	185	187½
W. I. Match (100)	188½	—	—	—

GOVERNMENT SECURITIES	19-1-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	25-1-1956
	Rs.			Rs.
2½% 1961	93	—	3.92	93
2½% 1960	96	—	3.72	96
2½% 1962	93½	—	3.80	93½
2½% 1976	82½	—	4.06	82½
3% 1957	99½	—	3.30	99½
3% 1958	99 7/16	—	3.22	99 7/16
3% 1959-61	98 7/16	3.56	3.37	98 7/16
3% 1964	94½	—	3.75	94½
3% 1963-65	94½	3.83	3.68	94½
3% 1966-68	91½	3.93	3.81	91½
3% 1970-75	87½	4.10	3.89	87½
3% 1986 Con. Loan	80½	—	3.75*	80½
4% 1960-70	101½	3.59	3.84	101½
4½% 1958-68**	103 7/16	3.05	4.10	103 7/16
3½% 1961 N.P. Bonds	99½	—	3.60	99½
3½% 1964 N.P. Loan	98½	—	3.67	98½
3½% 1965 N.P. Bonds	98 7/16	—	3.69	98 7/16

BRITISH GOVERNMENT SECURITIES

	17-1-1956	Low	High	19-1-56
	£	£	£	£
2½% Brit. Consols	55½	55½	54½	54½
3% Savings Bonds 1965-75	74½	77½	77½	78½xd
3% War Loan 1955-59	94 7/16	94 7/16	94 7/16	94 7/16
3½% War Loan	75½	75½	74½	74½
4% Victory Bonds 1976	95½	95½	95½	95½
4% Funding 1960-90	91½	91½	91½	91½

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts.

COMMERCE

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

VOL. XCII. No. 2344 BOMBAY, 4TH FEBRUARY 1956 PRICE Rs. 1/8

TASKS AHEAD IN THE FIELD OF INSURANCE

A SUCCESSFUL Canadian underwriter, it is stated, had as his maxim: "Take the hat off to the past, but take the coat off to the future." This is a maxim which is worthy of adoption by the men who now guide Indian insurance. The past, so far as this country's insurance is concerned, was great, even after making due allowance for certain unfortunate lapses and wrongdoings here and there. And now that life insurance has been nationalised, it lies in the hands of the authorities to shape the future in a way that would make insurance more popular than it has been in the past. At any rate, the fact that nationalised insurance can never be half as good as private insurance at its best should not deter the insurance men from exerting themselves to the utmost in order to render a tolerably efficient service. They owe it as a duty to the nation.

The immediate future is, of course, the testing period. Many intricate problems will arise from the need to weld a heterogenous mass of insurers into a single well-knit unit. Foundations must be laid for an insurance organisation which will retain all the flexibility, freedom and initiative, commonly associated with private management. It must be responsive, too, to the changing needs of the people, their growing and varied requirements of insurance and financial assistance. If nationalised insurance fails to gear itself up to meet the demands which will be continually made upon it, public resentment will grow in volume and intensity. And the very people who now support the Government's measure will turn out to be the most vociferous of its critics.

Among the many issues which nationalisation of life insurance has raised, there are three which deserve special notice—the settlement of claims, the future of bonuses and the evolution of a suitable pattern for administration. There is a well-grounded fear that the settlement of claims might be delayed. This fear is derived from public experience in regard to the settlement of pensions and provident funds to Government servants and of bills for goods supplied and services rendered to the Government, payment of claims on Postal Insurance and the railways, and refund of money to income-tax assessees. Each one of these operations, involving the receipt of money from the Government, is a protracted ceremony. The vexatious delays and the interminable red-tape involved in these payments have made the public understandably chary of dealing with the Government departments. Even Government's own employees have complained of the inordinate delay and unnecessary correspondence in the matter of settlement of their T.A. bills.

Whatever the virtue—it never can have any—or need for delay in the settlement of other claims, any avoidable delay in the payment of claims on policies would wreck the future of insurance in this country. Private insurers, particularly the leading members of this group, have established a record in the matter of settlement of claims which nationalised insurance would find it difficult to maintain without special effort. And yet, it is an aspect of insurance administration which the Government-managed corporation or department can ignore only at its peril. It must be remembered that delay in payment of policyholders' claims is a serious evil. For one thing, a dissatisfied policyholder or his heir is likely to become a walking advertisement against insurance. Secondly, unlike an income-tax assessee or one making a claim on other Government departments, a policyholder or his heir generally belongs to the economically weaker sections for which delayed payment may mean suffering and starvation. In view of the importance of prompt payment of claims, the Government will do well to find out the average time taken by the leading insurers for payment of claims (excluding the time taken by them for payment of claims which formed the subject matter of law suits) and take that as a norm to be followed. Special provisions may, of course, be framed in respect of early claims.

The future of bonus rates constitutes an entirely different, an altogether complex and even a very disturbing issue. In India, a bonus, as is well known, is paid to participating policyholders out of the surplus revealed at every valuation, the policyholders sharing 92½ per cent. of the surplus and the shareholders the rest. The elimination of shareholders as a result of nationalisation of insurance is a factor that should benefit the policyholders. But will it be so in actual practice? Much will depend upon the trends in expenses, mortality experience and interest rates which determine the surplus. It remains to be seen whether expenses would be held within a reasonable minimum. The benefit accruing from the disappearance of "sinecure" posts, to which Mr. Deshmukh referred recently, may be greatly offset by slackness in administration, necessitating additional staff and new wage demands from the members of the staff of the less well-established offices. The Government will have to consider whether the rate of agents' commission could be reduced, now that competition has been eliminated. But then, an abrupt downward revision in their emoluments would sap their initiative and enthusiasm.

A far more important issue is that of interest rates. Indeed, it may well turn out to be the crux of the problem. Nothing brings out more clearly the difference between private insurance and nationalised insurance than their divergent attitude towards interest rates. To a private insurer, maximum yield, consistent with safety of capital, is the guiding principle in investment. Normally speaking, he is not concerned whether a particular investment answers some notional requirements of national priority, so long as his capital is safe and the return is good. But, under a system of nationalised insurance, the Government might frequently be tempted to invest the policyholders' money in schemes which are politically expedient but economically unsound. It may be housing schemes for low-income groups today, slum clearance tomorrow and factory for pre-fabricated houses the day after. If such investments run into a loss, the taxpayer will be compelled to bear the burden. The policyholders, too, will regret that their money has not been put to more profitable use. It is to be hoped that the Government will not sacrifice policyholders' interests at the altar of some vaguely-defined scheme of national priority. It may all sound very well for the Government to talk in terms of welfare schemes. But most such schemes are best financed from the taxpayers' money, rather than from the policyholders'. The Government, like all good private insurers in the pre-nationalisation era, should be guided in the choice of investments by the principle of maximum yield, consistent with safety of capital. Any suggestion for making political capital out of policyholders' money, from whatever quarter it may come, must be stoutly resisted.

So much for the long-term trends in bonus rates. For the immediate future, there is need to bear in mind the urgent claim of the policyholders of the good and well-established offices that their interests should not be sacrificed for the benefit of the policyholders of bad and ill-managed companies. The merger of these companies alone will raise many difficult problems. In any final arrangement, it is clearly the duty of the Government to see that the interests of policyholders of the good life offices are adequately safeguarded. Forced into a merger, not of their choice, these policyholders are naturally apprehensive that they would be made the guinea-pigs in this novel socialist experiment. Their policies have always been safe, so that the element of safety, now promised by the Government to all policyholders, carries no special appeal to them. They are more concerned with the bonus rates which they feel must be, in the immediate future, in line with the rates they have received in the recent past and conform, even in the somewhat more distant future, as nearly as possible, to what the good offices might have paid them. Equity demands that these claims of theirs must receive the special attention of the Government, particularly because they constitute the bulk of the policyholders. It will need all the ingenuity of India's actuaries, and much patient and arduous labour, before an equitable solution is found. Any solution that ignores the claims of the policyholders of good companies will, it is needless to add, cause painful disappointment. It is up to the officers of these well-managed companies and their former managements to see to it that the bonus prospects of their policyholders are not seriously impaired through nationalisation. The directors of all the well-managed companies now taken over by the Government must fight for their cause not only of the shareholders but also of the policyholders. They will do well to bear in mind that what is at stake now is many times more than that of the shareholders. They have a moral right to be heard by the Government on this issue. All the policyholders concerned may themselves muster together to protect their interests.

It is unnecessary to point out that a giant organisation of the kind now envisaged in place of all the insurance offices will fail to strike a deep root in the Indian soil. It will, therefore, be advisable to institute a system of zonal divisions and evolve a pattern of some decentralisation of functions. Indeed, much insurance work, as, for example, collection of premia, settlement of staff matters and payment of claims, surrender values and loans could all be decentralised. A central advisory council for the organisation, assisted by a committee of investment experts has also been suggested. But one wonders whether the entire organisation could not be manned by a statutory authority which could function with maximum freedom from political pressure. On such a body, it would obviously be the correct procedure to provide for substantial representation to policyholders through election and not nomination. Further, the administration of such a body should not be left in the hands

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of civilians; it should be in the care of insurance executives of proved merit and integrity. Fortunately, the country is well endowed with such talent, most of whom are still young enough to render many years of service and build up an efficient cadre of officers to take care of the future. In fine, every attempt should be made to evolve a free, democratic and flexible organisation. It is only such an organisation that can create confidence among the existing as well as the prospective policyholders.

ENGLISH MUST BE RETAINED

IT is becoming increasingly clear that there is a growing body of opinion—unprejudiced, impartial and enlightened opinion, at that—in favour of continued retention of English as the medium of instruction in the Universities as the medium of communication between one Indian State and another, as the language of administration at the Centre, and as the language for use at the higher judicial levels. It would be unwise to ignore this body of opinion and to take decisions which, however seemingly patriotic, tend to disrupt the unity of the country. It is an admitted fact that the use of English as a common language of communication and administration has helped to sustain the country's unity.

There are two circumstances which make it necessary for us to revert to this issue on which we wrote only two weeks ago. In the first place, the new trend towards the formation of bigger States through merger of contiguous States is a welcome development which promises to put an end to linguistic rivalries. This movement would be weakened, rather than strengthened, by exaggerated emphasis on regional languages or Hindi. If mergers take place, there would be need for a language of administration which would be understood in the merging States. It would be better to retain English in which the administration has so far been carried on, for any change in the language of administration would add to the difficulties of effecting a merger. Secondly, opinion in commercial circles, which, by its very nature, is severely practical, favours the retention of English and opposes any hasty substitution of it by Hindi. Business men realise how the fact that English happens to be the language of commerce and of administration in the States has facilitated inter-State trade, despite the presence of legal and fiscal barriers towards freer country-wide trade. They understand, too, that its hasty abolition would cut up the Indian market into linguistic segments and add to the difficulties of inter-State trade.

An important consideration which must be taken into account in determining the language policy, whether in education or in administration, is that the admittedly difficult task of spreading literacy and of giving greater opportunities for secondary education should not be made further difficult by imposition of more languages than are now taught in the schools. There is insufficient manpower, especially able and trained manpower, to run even the existing schools. To introduce too many changes and introduce them simultaneously would be to add to the complexity of educational problems. Further, the introduction of Hindi in Central administration will make the Centre lose its touch with the South where Hindi is, for all practical purposes, a foreign language. Some of these considerations have been succinctly brought out in a resolution adopted by a conference, in Madras, representative of all shades of public opinion. The resolution said:

> "In view of the unquestioned fact that all the educated citizens of India who are qualified to enter public services today in all the States and territories comprised in the Indian Union have an adequate knowledge of English, and in view of the fact that no other single language enjoys this position, no question of pride or prejudice should prevail against the obviously necessary and just solution of the problem, viz., that English should continue to be the official language of the Union and the language for communication between the Union and the State Governments and between one State Government and another. This conclusion is strengthened by the fact that English must and will continue as a part of the educational curriculum of the country on account of its utility in international intercourse and for the purpose of utilising the growing modern knowledge of the world.
>
> "We are of the view that it will be grossly unjust to make any other language take the place of English, when to a population of about a hundred million, living in a contiguous territory in the South, it would be a language with which for all practical purposes they are totally unacquainted. We do not wish to be misunderstood as standing in the way of the natural progress of any language for the purposes of social and business intercourse throughout India."

If opinion in the South is thus crystallising itself in the demand for retention of English, the approach of the members of the business community to the language question is, understandably enough, one of extreme caution. The Federation of Indian Chambers of Commerce and Industry has rightly insisted that propagation and enrichment of Hindi must precede its adoption as an official language. Thus, it has emphasised that a systematic programme for the development and propagation of Hindi should be launched, so that the next generation, in a period of 25 years or so, may adopt Hindi as the official language. It has further warned that it would be "extremely erroneous unduly to force Hindi on non-Hindi-speaking people." It agrees that, if one language could be acceptable to the whole country, it would be a great unifying force. In this context, it refers to English which it concedes, has "contributed greatly to the sense of national unity, because it became the *lingua franca* of the educated classes." It has also suggested the retention of the study of English, because it is convinced that it would be in the interests of the country to have this important foreign language widely known and used as a medium of expression.

Business men necessarily tend to look upon language, not as an end in itself, but as an instrument of social and economic welfare. This might appear a narrowly utilitarian view of the question. But nobody can pretend that it is not an important aspect of language. The Federation has thus pointed out how it may not be feasible to change over from English to Hindi in certain specific spheres. It has rightly cited insurance, and banking. Insurance, as it points out, is essentially international in character and highly technical and complex in nature. It would not be possible to switch over from English to Hindi, unless a body of laws in Hindi applicable to the insurance business is finalised and Hindi equivalents of all technical terms in English are made available. Similarly, in banking transactions and correspondence also, as the Federation says, technical terms in Hindi with precise meanings have to be evolved. Even if all this is done, what certainty is there that the other parts of the world with which India has commercial intercourse would care to study and familiarise itself with Hindi? The movement throughout the world is to study and use English on an increasing scale. To relegate this language to a backward place would be to give up the vantage position which India holds now and to go against a universal trend.

A similar note of realism has been struck by the Bengal Chamber of Commerce. It thinks that there is reason to fear that India would court isolation from sources of knowledge which are a prerequisite for the rapid establishment of an industrial State, if Hindi were allowed to prejudice the position of English as a secondary language in the country. Since English is the common commercial language of the world, used in international correspondence, it points out, it will be inadvisable to impair the competitive advantage which India's foreign trade enjoys by reason of its business already being conducted in this medium. Even for internal, particularly for inter-State trade, the use of English seems advantageous in view of the uncertainty of whether Hindi can contain a vocabulary sufficiently defined and complete for the purposes of modern commerce.

Trade and industry, as much as scientific and cultural values, thrive best in an atmosphere of freedom. The continued survival of democracy in this country is vital to India's national progress. This is intimately connected with the retention of English. For in that language are enshrined the liberal concepts relating to the rule of law, the value and significance of individual liberty, the independence of the judiciary and the art of running Parliamentary Government. It is quite likely that, in course of time, these concepts will become part of Indian traditions, too. But this would take time. It would be a danger to India's relatively young democratic institutions, if its links with English, which has been the source of inspiration for all liberal movements in the political, social and cultural spheres in this country, were rudely sundered through executive fiat, before the democratic traditions take root and are firmly established.

MR. T. T. KRISHNAMACHARI'S MORAL COURAGE

THE Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, has enhanced his mental and moral stature by publicly owning that the work done by Mr. Scaife, the Colombo Plan expert who reported on the Indian machine tool industry, deserved appreciation. It may be recalled that, last year, the Union Minister for Defence Organisation, Mr. Mahavir Tyagi, strongly criticised Mr. Scaife's report and did the uncharitable act of attributing motives to him and questioning his sincerity. Mr. Tyagi held that the report, which described the Government-owned machine tool factory at Jalahalli as a "colossal financial failure," would not bear close examination. It was even suggested that the expert had not taken kindly to Indian enterprise because the British manufacturers, with whom he was connected, were rather apprehensive about the Government's venture into this field. Mr. Tyagi further alleged that Mr. Scaife had shown a strong bias against State-owned undertakings.

Mr. Krishnamachari, in the course of his speech at the recent meeting of the Committee for the development of the machine tool industry, said that he had a high opinion of Mr. Scaife's capacity and integrity. He added that Mr. Scaife was not a diplomat and had expressed himself freely. Normally, one would think that this country needed the services of just such men. Obviously, his plain speaking, as Mr. Krishnamachari pointed out, has "offended people in some of the sister ministries." Even so, the Ministers who felt offended should not have castigated the expert as they did and that, too, on the floors of Parliament. They should not also have imputed motives to him. What was required was a painstaking and impartial appraisal of the report—such a course would have convinced public opinion in the country and might have vindicated the Government's stand. Instead, it is unfortunate that Mr. Tyagi and certain other spokesmen for the Government should have utilised their privileged position to attack an expert who, after all, came to this country not of his own accord but at the request of the Government of India through the Colombo Plan authorities.

Mr. Krishnamachari showed rare moral courage for a man of his position when he expressed his regret at what had happened and by taking the public into confidence as to the circumstances in which the report came to be published. He said: "I would like publicly to tender my apologies to Mr. Scaife for having put him in a position of disadvantage largely due to my own fault and the fault of some subordinate officer of my ministry. I should never have allowed publication of a document he intended specially for me and my Committee."

The way in which Mr. Tyagi attacked Mr. Scaife, we are afraid, must have caused great misgivings among the foreign technical experts working in this country and made the Government's task of getting more of such experts a difficult one. Surely, no honest expert would care to come to this country, if he were to fear that his frank criticisms would be misconstrued or be the cause of unwarranted allegations against him. Even if he were to come, he might not give his real impressions or views in case they happened to be of an unpleasant nature to the Government; on the contrary, he might be tempted to flatter the Government. In either case, the country as a whole would be the loser. Thus, by wrongly attacking Mr. Scaife, Mr. Tyagi had rendered a great injustice not merely to this British technician but also to our own country. Mr. Krishnamachari should have, of course, defended Mr. Scaife immediately after Mr. Tyagi's unjust and undignified observations. But it is never too late to make amends. By vindicating Mr. Scaife's stand publicly even at this late stage, he has, in our view, undone, to a considerable extent, the damage inflicted by Mr. Tyagi.

It is, however, to be hoped that Mr. Krishnamachari's statement will be the last word on this unfortunate episode. The Government should now settle down to a dispassionate appraisal of Mr. Scaife's report and remedy the defect in the State-owned sector of the machine tool industry. It will be interesting to note, in this connection, that the criticisms of Mr. Scaife have been borne out to be correct by another set of engineers, namely, the experts belonging to Rolls-Royce, the world-renowned British automobile and aircraft manufacturers. The findings of the latter constitute further proof, if such proof were needed, that Mr. Tyagi was making wild statements.

TECHNICAL POSITION OF SHARE MARKETS STILL UNHEALTHY

STATE WATCH-DOGS FOR BANKS?—DURGAPUR STEEL PROJECT

THURSDAY, 5 P.M.

MARKET GOSSIP

THE week under review will stand out as an important landmark in the history of stock exchanges in India, particularly that of the Bombay Stock Exchange, because it witnessed many of the leading scrips going below the levels prevailing before the 1955 boom commenced. In view of the fact that the peak levels were touched only in the last week of October or early in November 1955, it follows that almost all the gains that were built up over a period of roughly seven months have been lost in less than three months. This is, of course, nothing unusual, but the extent of rise and fall alike has been so steep that the present recession is generally regarded in market circles as one of the worst slumps seen in recent years. The heaviest sufferer among the stock markets in India is the Calcutta market. The mess in which this market finds itself now is terrible. Only a few shares have been in the forward list there. And yet the entire market has been disorganised. Those who have sold in the ready section are not able to get the money, even though they have given delivery of the shares. The plight of those who dealt in the forward section is worse. Those speculators who were bulls are trying to get away lightly. They are said to be refusing to pay in full the amounts due from them.

The present state of the market is due chiefly to excessive speculation. It is regrettable that those who are in charge of stock exchanges did not take suitable measures to keep such speculation within bounds. The Bombay Stock Exchange did introduce a system of margins, though that has proved inadequate. The Calcutta Stock Exchange did not do even that. It is to be hoped that, henceforth at least, the Stock Exchange Boards will be wide-awake and introduce effective checks against unhealthy speculation.

It is arguable that some of the recent actions and statements of Governments, coupled with the linguistic disturbances and bank strike, have precipitated the present crisis. But it cannot be said that all these were totally unexpected. The possibility of these developments was clearly hinted at in these columns. It was also repeatedly pointed out that operators were taking an unduly rosy view of the picture, ignoring the other side of it and that they were discounting an economic situation likely to come into existence some four or five years hence. In any case, it is one of the functions of stock exchange authorities to prevent speculation running riot.

* * * *

The eagerly awaited decision of the Government in regard to the terms of the new issue of the Tata Iron and Steel Co., Ltd., was known late on Tuesday evening. A *P.T.I.* message on that day stated that the new shares were to be issued at a premium of Rs. 30 per share, that is, at 40 per cent., the face value of the T.I.S.Co. ordinary scrip being Rs. 75. Since this message has not been contradicted by either the Company or the Government, it has been taken to be correct. It is regrettable that, in an important matter like this, the Company's authorities did not issue any formal Press note. Consequently, even at the time of writing, there are some doubts whether the Government has attached any further conditions to the new issue.

It cannot be seriously contended that the premium fixed by the Government is high. The financial position of the T.I.S.Co. and its prospects are sound enough to merit even a still higher rate of premium. If the Government had fixed it at no more than Rs. 30, it must be because of the heavy slump that has taken place in equity values in recent weeks. If even a premium of Rs. 30 appears to be high to some, it is to be attributed to the large-scale wishful thinking in which they had indulged all along. The very move to issue the shares at par was contrary to all accepted canons of company finance. It was this move which had given rise to exaggerated optimistic hopes and the orgy of speculative buying. Investors and speculators went on accumulating purchases of these shares, as they thought that they would get a wonderful opportunity of buying a first class scrip at par and, when they found that their calculations did not turn out correct, they were in a hurry to lighten their load at double the pace at which they picked it up. This explains the drop in the value of T.I.S.Co. shares after the Government's decision was known.

Are Tata Ordinaries worth buying at the current price of Rs. 225? This is the question which must be engaging the minds of many at the moment. But it is a question to which it is not possible to give a direct answer, for the answer depends upon a number of factors that cannot be easily assessed. The most important of them is the technical position of the scrip, in particular, and that of the market as a whole. The position in respect of both is said to be still unhealthy. According to knowledgeable circles, the floating stocks of a large variety of scrips are heavy and they must all be absorbed by investment buying before the market can recover. The floating stocks of Indian Irons alone are placed at between 8 lakh to 12 lakh shares and those of Tata Ordinaries at 75,000 to 125,000. Then, there are the heavy losses suffered by the operators on the Calcutta Stock Exchange. Thirdly, it is not certain that the current clearing on the Bombay share market will pass off smoothly. In the last clearing, it will be remembered, one member had to be declared a defaulter.

Another important factor that will determine the immediate future trend of the market is the forthcoming Budget, about which little is known. At the moment, the misgivings are very strong and many are pessimistic. There is, however, a minority which feels that, having given a big shock to the private sector by nationalising life insurance, the Government might not impose such a heavy burden of taxation as is widely feared.

Yet another uncertain factor is the economic policy of the Government. It is now clear that the 1948 Industrial Policy Statement has ceased to hold the field and that a new one is under preparation. Some idea of this may be given at the Amritsar Session of the Congress next week. Meanwhile, those industrialists who approached the Prime Minister for some clarification early this week are said to have returned rather disappointed.

Ultimately, the value of any scrip is determined by its intrinsic merits. It is not easy to measure this factor with any degree of certainty in regard to steel shares, generally, and that of the T.I.S.Co., in particular. The intrinsic merit from the long-term point of view will differ from that of the short-term point of view. It will also vary in accordance with the view which individual investors take. Some, for instance, may be content with a yield of 4 per cent; there may be others who feel that 4.5 per cent. is a reasonable yield; and there may be yet others placing this figure at 5 per cent. It all depends how one looks at the future.

TREND OF SHARES

	Closing 3-2-1955	Highest in 1955	Lowest after the boom	Closing 2-2-1956
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Tata Steel (Ordy.)	234 12	277 4	222 0	225 0
Indian Iron	33 6½	44 7	32 8	33 4½
Bombay Dyeing	476 4	628 12	491 4	498 2
Kohinoor	325 0	372 12	319 0	323 0
Century	373 0	528 0	443 8	449 0
Indu (Ordy.)	11 0	16 8½	11 8	12 1
Simplex	148 0	227 0	176 0	182 0
National Rayon	201 8	258 8	204 8	212 0
Scindia	15 13	19 12½	15 7½	16 1
A.C.C.	174 0	233 8	201 0	208 8
Belapur	313 8	387 0	210 0	218 0xr
Bombay-Burmah (Old) ..	463 2	712 8	505 0	518 12
Tata Chemical	16 15½	20 2	15 5	15 14
Tata Oil	40 12	55 8	40 0	42 0
Indian Copper	3 8½	7 15	6 1	6 7½
Central Bank	52 8	56 0	45 12	46 0
Bank of India	148 4	172 8	150 0	150 8
New India	54 8	64 4	39 12	41 0

N.B.—The highest levels were recorded mostly in the last week of October 1955, while the lowest levels after the boom were witnessed on 1st February 1956, except the last mentioned three scrips in the case of which the lowest levels were seen on 2nd February 1956.

No one, of course, can decide the yield, unless some idea of the future trend of dividend of the T.I.S.Co. is possible. Will the dividend on the increased capital be Rs. 6 per share, or Rs. 7, or Rs. 7-8 or Rs. 8 or Rs. 9? This, in turn, will depend on the manner in which the new capital will be called. Assuming that all the calls will be completed within the Company's financial year 1956-57, that the dividend for 1957-58 onwards will be at one uniform rate on the entire increased capital, that such dividend will be at Rs. 6 per share till the Company is in a position to complete its expansion programme and draw the full financial benefit thereof, and that the last-mentioned factor will begin to operate from 1959-60 onwards, what would be the reasonable market value of Tata Ordinary? The answer will depend, as already stated, on the yield that is considered as reasonable. If it is assumed that a yield of 4.5 per cent. is reasonable, the *ex-right* value of the scrip should be in the neighbourhood of Rs. 130, the *cum-right* value being Rs. 155, as against the ruling market value of Rs. 225. If the yield is placed at 4 per cent., the *ex-right* and the *cum-right* quotations should be Rs. 150 and Rs. 195, respectively. These are the minimum levels, but they need not necessarily be touched or might not stay at these levels over a fairly long period even if they were touched, because considerations of long-term prospects are bound to influence the value of the shares, as they have been doing in the case of Indian Irons. The chances of the dividend being gradually raised to the present level of Rs. 10-8 per share and of capitalisation of reserves after the rehabilitation and expansion programmes are completed will begin to weigh with investors sooner or later, after the present uncertainties are over, and, in expectation of capital appreciation in the long run, they may be prepared to be satisfied with much lower yields than those indicated above. Such considerations, however, will fall within the realms of speculation, diligent though it may be. And all speculation carries with it an element of risk, for there is considerable truth in the adage: "There is many a slip between the cup and the lip."

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The news about the premium on the issue of new shares by the T.I.S.Co. was quickly followed by the Government's final decision on the retention prices of steel, that is, the prices received by the T.I.S.Co. and the I.I.S.Co. as producers of steel. The Government has fixed a uniform price of Rs. 393 per ton for both the producers for a period of five years, from 1955-56 to 1959-60, subject to suitable periodical adjustments for any variation in manufacturing costs. As compared with the interim price fixed in mid-May 1955, namely, Rs. 385 per ton, the final price shows an increase of Rs. 8 per ton. This announcement has not had any perceptible effect on the trend of the shares of both the companies for two reasons: (1) it had been fully anticipated well in advance, and (2) the benefit of the increase in the form of higher profit will have to be reserved for the future by crediting the extra profit to the development fund account, and cannot be utilised to enhance the existing rates of dividend, except with the express permission of the Government. If past experience is any guidance, such permission is most unlikely to be granted.

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After recording the lowest levels for the week on Wednesday, most of the equities staged a smart rally on Thursday, due partly to profit-taking by bears in speculative counters and partly to bargain hunting in some of the blue chips. To the latter category belong A.C.C., Kohinoor, Belapur and Bombay-Burmah. Reports from Calcutta that some of the bulls who were refusing to pay the differences due from them have made part-payments and that they have agreed to meet the balance shortly came as a shock to the bears late on Thursday evening and induced them to cover a good part of their sales.

There were also unconfirmed rumours that the custodians of insurance companies, who have already started operating in the Gilt-edged market for investing the life funds, may soon extend selective support to equities also. It is reliably understood that the Finance Ministry is working hard in forming the nucleus of a body for administering the insurance business. In this connection, Mr. H. M. Patel, Secretary to this Ministry, and Mr. Rajagopalan, Controller of Insurance, have been holding discussions in Bombay for the last two days with the assistance of the officials of the Reserve Bank. The intention, it would appear, is to form an *ad-hoc* committee of experts to manage the investment of life funds judiciously, pending finalisation of permanent measures which will take considerable time.

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In the recovery that took place on Thursday, bank shares were conspicuous by recording a further fall. Almost all these shares were on offer, with buyers reserved. This was due to fears that banking would be nationalised in the near future. According to some, the Government is contemplating introduction of effective controls on the activities of banks pending nationalisation or as an alternative to nationalisation. This step is expected to be taken in the very near future. It is possible that the Government may nominate its own directors on the board of each bank to keep a watch over the latter's activities. It is stated that the Government has come across several instances where "misapplication" of funds by managements of insurance companies has been assisted by certain banks by issuing false investment receipts and other undesirable means.

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The chances of the British steel offer for putting up a million-ton steel plant at Durgapur winning the acceptance of the Government of India are distinctly bright. The Indian Steelwork Construction Company, which is a consortium of leading British plant manufacturers, has submitted its final proposals to the Government of India and negotiations with the representatives of this Company for closing the deal are expected to commence in a few days. It would appear that the Government is quite satisfied with the technical aspects of the British proposal and that it is prepared to enter into a "package deal" with British manufacturers, as it has done with Russia. The one main difficulty that still remains to be overcome relates to the terms of credit. The cost of the plant is approximately put at £80 million. The Government is credited with the desire for a long-term credit of this order, carrying a low rate of interest. Russia is charging interest at only 2½ per cent. per annum; the credit is for a duration of 12 years, beginning from the first year after the delivery of the plant. It seems that Czechoslovakia also is very keen on putting up a steel plant of identical size on the same terms. But the Indian Government would prefer to accept the British offer, if the terms of credit could be settled satisfactorily.

The difficulty of the British consortium is that it has itself to pay one per cent. above the Bank rate on the credit which it will have to raise in its domestic market. This means 5½ per cent., as the U.K. Bank rate is 4½ per cent. Further, being a private body, it cannot afford to give such long-term credits as the Governments of communist countries are in a position to do. The British Government cannot help the consortium, we are told, by singling out this body for a subsidy, as it would be accused of showing favouritism to a small group of business men. It is further stated that any such favourable treatment by the U.K. Government to the consortium would tantamount to giving a subsidy to India when similar assistance is denied to British borrowers. That is the reading of a section of the British Press. But it is difficult to agree with that view, for, though India would

(*Continued on page 231*).

SENTIMENT IN SHARES WEAKENS FURTHER

PARTIAL RECOVERY AT CLOSE

(From Our Own Correspondents)

BOMBAY, *2nd February*

THE share market remained weak for yet another week. The depression in equities noted in the preceding weeks gathered further momentum. Under the cumulative weight of fresh depressing factors, leading counters collapsed to touch the lowest levels after several months. The losses in equity prices over the week were not so heavy as in the previous week. This was due to a fair-sized recovery today on substantial bear covering and support by bulls at lower levels, which helped equities to recoup part of the earlier losses. Nevertheless, the undertone was jittery.

With only a few days to go for the Amritsar session of the Indian National Congress, the general attention of the market was diverted to the industrial policy of the party-in-power which is likely to be enunciated at the forthcoming Congress session. Fears were entertained that the Government might extend nationalisation to other sectors. These fears gained strength from the reported proposal put forward by the Union Minister for Planning to take over heavy industries, mining and certain other non-ferrous metal industries, as also shipping. The possibility of banks being nationalised in the immediate future was not ruled out. Reports that the Government's loans to the private sector were likely to be converted into equity capital also affected sentiment adversely. In short, despite the assurances of the Union Minister for Commerce and Industry that the private sector would be given every encouragement, market circles entertained the fear that the industrial policy of the Government would swing more towards the left. The report that the Government of India had sanctioned the new issue of Tata Iron and Steel at a premium of Rs. 30 per share, in the face of the opposition by the shareholders, the continuance of the settlement difficulties in the Calcutta share market and Budget uncertainties sapped the enthusiasm of the operators and kept their morale at a low ebb.

In the steel section, the main development of the week was the sanction given by the Government to the T.I.S.Co. to issue the new shares at a premium of Rs. 30 per share. Though the premium was higher than that anticipated by a section of the market, operators derived comfort from reports that permission had been granted without any strings attached to it. Besides, the fixation of the average retention price of steel produced by the T.I.S.Co. and the I.I.S.Co. at the uniform rate of Rs. 393 per ton for a period of five years at a stretch from 1955-56 to 1959-60 was also viewed with a certain amount of satisfaction. On the Stock Exchange, Tata Ordinaries showed signs of steadiness on Monday with a recovery from Rs. 229 to Rs. 231, but collapsed yesterday to a low of Rs. 222. Today, however, there was a sizable recovery to Rs. 225. Indian Irons relapsed from Rs. 34-9½ to Rs. 32-8, before gaining some ground to Rs. 33-4½.

Textile shares suffered losses over a wide front. Bombay Dyeings slumped from Rs. 520-10 to Rs. 491-4 but gathered some strength at the close to Rs. 498-2. Centurys were marked down from Rs. 461 to Rs. 443-8; the closing was, however, better at Rs. 449. Kohinoors slipped from Rs. 325 to Rs. 319, but regained a good part of the loss when they closed at Rs. 323. Central Indias were done Rs. 9-8 lower at Rs. 135-8 and Colabas Rs. 14-8 down at Rs. 60. Finlays closed with a loss of Rs. 11 at Rs. 312. The loss in Gokaks was just a rupee at Rs. 217. Indu Ordinaries managed to gain As. 2 over the week at Rs. 12-1. Khataus moved down by Rs. 5 to Rs. 206-4, and New Citys by Rs. 3-2 to Rs. 161-14, while New Greats were better by a rupee at Rs. 190.

Confidence in bank shares was severely shaken by renewed fears of nationalisation, and losses were very marked. The section was full of sellers with no buyers. Barodas were taken down to a low of Rs. 94, a loss of Rs. 4-12 over the week. Centrals found no support even at Rs. 46, as against Rs. 50 a week ago. Their new shares changed hands Rs. 3-12 lower at Rs. 49. Bank of Indias slumped by Rs. 10-8 to Rs. 150-8. Punjab Nationals shed Rs. 2-8 to Rs. 46 and United Commercials Rs. 2-8 to Rs. 50.

A gain of Rs. 25 to Rs. 3,575 in Orientals was the only feature in the insurance section which was seller-ridden. New Indias, which had found some support towards the close of the previous week, were on offer this week and, in consequence, finished Rs. 2-8 lower at Rs. 41.

The electricity group was easy in consonance with the general trend. Ahmedabad Electrics moved within a very narrow range and closed unchanged at Rs. 104-1. Bombay Suburbans fell by Rs. 2-8 to Rs. 118-2 and Surat Electrics dipped from Rs. 123-12 to Rs. 119-6. Andhra Valleys came down by Rs. 12-8 to Rs. 1,300, Tata Hydros by Rs. 3 to Rs. 132 and Tata Powers by Rs. 20 to Rs. 1,350.

In the miscellaneous section, Associated Cements were hammered down to Rs. 201 after an early improvement from Rs. 210 to Rs. 212-8. At the lower level, good investment support lifted them up to Rs. 208-8. Digvijays retreated from Rs. 169-12 to Rs. 165. Among sugar shares, Belapurs were taken down from Rs. 323 *cum-right* to Rs. 210 *ex-right*, but they recovered at the close to Rs. 218 *ex-right*. Phaltans lost Rs. 3 to Rs. 126 and Walchandnagars Rs. 11-14 to Rs. 226-14. In the engineering and mining group, Alcocks provided a feature with a rise of Rs. 2-8 to Rs. 340. Premier Constructions closed with a loss of Rs. 12 at Rs. 169-8 after being done at a low of Rs. 164.

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Calcutta Stock Exchange

CALCUTTA, *1st February*

Conditions on the Calcutta Stock Exchange turned from bad to worse this week. As current prices were 15 to 20 per cent. below the recent peaks, many operators seemed to have found themselves in grief. Loss of insurance funds to the market on account of nationalisation of insurance, fear of the possibility of stringent tax measures in the forthcoming Central budget and the weakness of the Bombay share market, contributed to depress the sentiment of operators. Expecting that there would be settlement difficulties, the Committee of the Calcutta Stock Exchange decided, at an emergency meeting held on the 24th January, to fix settlement rates for the clearing shares and called upon the members to carry forward their transactions at these rates at the specified carryover charges. With a view to helping the operators to get over their difficulties smoothly, the settlement rates were fixed slightly higher than the market rates. The settlement rates as compared with the then ruling market rates and the carry forward rates fixed by the Committee were as follows:

Shares	*Settlement prices* Rs. as.	*Market rates* Rs. as.	*Carry forward charges* As. ps.
Indian Irons	36 0	34 12	1 9
National Jute	30 8	29 12	1 6
Burrakur Coal	15 4	14 14	0 9
Textile Machinery ...	20 8	20 0	1 0
Orient Paper	33 8	33 0	1 6
Indian Copper	6 12	6 8	4 6

All outstanding transactions, according to the Committee's decision in clearing shares up to 24th January, had to be cleared on 30th January last and completely settled on 31st January and 1st February. Normal business was expected to be resumed after the completion of these operations.

Uncertainty, however, continued and, pending finalisation of the outstanding settlement position in the forward counters, business was virtually at a standstill. Consequently, at another emergency meeting held on 30th January, the Committee of the Stock Exchange decided that deliveries of shares other than clearing shares should take place on 31st January for transactions done up to 30th December 1955 and on 2nd February for transactions put through till 13th January. Members were informed that clearing shares should not be dealt with on a cash delivery basis and that only squaring-up transactions should take place. But, on the 31st ultimo, the few transactions that were reported done indicated no improvement in the trading conditions. The Committee met again and decided to postpone the delivery of shares other than clearing shares which was scheduled to take place yesterday. In view of the serious situation, panicky conditions, however, continued to prevail. The Stock Exchange Committee, therefore, met once again this morning and decided as follows:

(1) The settlement rates for clearing shares were kept at the levels fixed on the 24th January.

(2) All differences that are due at the above rates should be paid and received, as the case may be, by the members concerned.

(3) All outstanding transactions should, *ipso facto*, be carried over to the next clearing without any charges to be levied either by seller or buyer until the buyer demands delivery at the rates fixed.

(4) Outstanding transactions should be allowed to be closed at the above rates and no new transactions should be allowed to be done until further notice.

Despite these measures, there is a feeling in the market that it is nowhere near the end of its troubles. Operators are keenly watching further developments. Meanwhile, the sentiment remains completely demoralised.

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Madras Stock Exchange

MADRAS, *1st February*

The easiness witnessed last week on the Madras Stock Exchange gathered further momentum this week. In fact, there was a heavy wave of selling pressure. The sentiment of the market was severely affected by fears of increased taxation in the ensuing budget proposals and there was an inclination to await the outcome of the All-India Congress Committee meeting at Amritsar next week. The easiness was pronounced in planting shares. In tea scrips, this was due to fears regarding the prospects of overproduction of tea leaves, leading to a depression in their prices. The increase in export quota for tea announced today and the fixation of the price of the leaf lower at Rs. 2-14-1 per lb., as against Rs. 3-5-1, for the purpose of determining export duty, did not in any way help to arrest the downward trend in values. Rubber and coffee scrips ruled in sympathy with teas. Miscellaneous scrips proved no exception to the generally easy trend. As a result prices declined all round and disclosed sizable losses over the week.

There were a few dividend announcements this week. Among them, mention may be made of the Pandyan Bank Ltd. which declared a dividend of 7½ per cent. for the year ended 31st December 1955, as against 6¼ per cent. for the previous year. The share was enquired at Rs. 36-12 *cum-div.* The directors of the Ouchterlony Valley Estates Ltd. announced a dividend of 20 per cent. for the year ended 31st October 1955, the same as in the previous year. The scrip was enquired at Rs. 5-4 *cum-div.*, as against Rs. 5-7. The Thirumbadi Rubber Company, Ltd. increased the dividend from 10 per cent. to 12½ per cent. for the year ended 30th September 1955. The scrip changed hands at Rs. 2-3 *cum-div.* The United Nilgiri Tea Estates Company, Ltd., announced an *interim* dividend of 10 per cent. for the year ended 31st March 1956. The total dividend for the previous year was 35 per cent. The share was enquired at Rs. 305 *cum-div.*, as against Rs. 317-8.

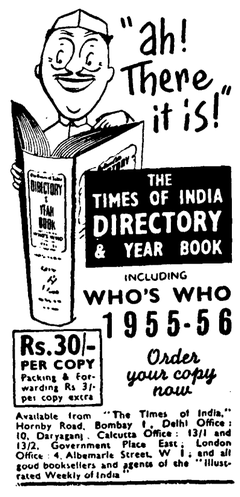
The directors of the Woodland Estates Ltd. have proposed to issue 53,000 shares of Rs. 10 each (all for cash) at par and ranking *pari passu* with the existing ordinary shares but participating in dividends of the Company's profits from 1956-57 and 13,250 6½ per cent. (tax-free) cumulative preference shares of Rs. 10 each at par, redeemable at the option of the Company, ranking for dividend from the date of allotment. These will be offered to the existing ordinary and preference shareholders as on 5th inst. at two new ordinary shares for every ordinary or preference share held and one new preference share for every two ordinary or preference shares now held. The Company is also issuing 1,000-6 per cent. (tax-free) mortgage debentures of Rs. 500 each redeemable at par at any time between 1st January 1963 and 31st December 1965.

In the textile section, Balasubramanias (Rs. 40 paid up) lost Re. 1-8 to Rs. 68-8 and 'B' (Rs. 70 paid up) Rs. 4-8 to Rs. 121. Buckinghams declined from Rs. 172 to Rs. 169 and Bangalore Woollens from Rs. 565 to Rs. 550. Cannanores receded from Rs. 145-8 to Rs. 143 and Coimbatore Pioneers from Rs. 246-4 to Rs. 242-8. Janardanas were lower by Rs. 3 at Rs. 83 and Radhakrishnas by Rs. 4 at Rs. 268. Lakshmi (Rs. 50 paid up) were down by Rs. 4-8 at Rs. 175-8 *cum-div.* and (Rs. 25 paid up) 'A' by Rs. 2-8 at Rs. 87-8.

The planting section also ruled easy. Coonoor Teas, among tea scrips, receded from Rs. 31 to Rs. 30-8 and Coorg Teas from Rs. 10-2 to Rs. 9-10. Haileyburias were lower by As. 12 at Rs 25 and Nilgiri Teas by As. 14 at Rs. 11-10. Nonsuch Teas suffered Rs. 4 to Rs. 32-4 and Highlands As. 12 to Rs. 15-6. Cochin Malabars, among rubbers, eased from Rs. 8-5 to Rs. 7-11 and Malankaras from Rs. 28-2 to Rs. 27-8.

In the miscellaneous section, Aluminium Industries declined from Rs. 21-4 to Rs 20-14, and F.A.C.Ts. from Rs. 7-2 to Rs. 6-11. Mysore Chemicals and Fertilisers disclosed a loss of As. 4 at Rs. 9 and India Steel Rolling Mills As. 2 to Rs 12-10. Andhra Cement 'A' receded by Rs. 2 to Rs. 159 and 'B' by As. 12 to Rs. 15-4.

The profit of the Central Bank of India Ltd. for the year 1955 amounted to Rs. 77,75,970 and not Rs. 71,75,970 as stated in these columns last week.



NEWS IN BRIEF

A DIRECT radio-photo service between India and Japan was inaugurated in Bombay last week.

Uttar Pradesh has the largest number of power alcohol producing units. Out of a total of 19 units in the country, 12 factories are in this State.

Refugee claimants numbering 22,670 in the Punjab (*i*) have been paid a sum of Rs. 5.5 crores as compensation up to the end of December last.

The Government of India has banned the export of *jowar* outside India with effect from 28th January 1956, consequent on the rise in internal prices.

The consumption of ammonium sulphate in India increased from 270,000 tons in 1950 to about 600,000 tons in 1955, Which is very near the first Plan target.

For the first time, India exported about 78,800 tons of motor spirit and 123,000 tons of furnace oil during the second half of 1955. Main importers were Pakistan, Burma, the Philippines, Australia and Ceylon.

The Government of Madras has instructed the Chief Conservator of Forests and the Director of Industries to investigate the possibility of starting a paper mill in Malabar, as suggested by the District Planning Board.

The Government of India has fixed the price of tea, for the purpose of determining the export duty, at Rs. 2-14-1 per lb., as against Rs. 3-1-5 per lb. in force from 1st January 1956. There is no change in the existing rate of duty of As. 6 per lb.

The Union Government has banned, with effect from 31st January 1956, the export of wheat products, such as *attu, maida, sooji* and *rawa*. The decision has been taken in view of the rising trend of wheat prices.

The value of capital assets of the Post and Telegraph Department rose from Rs. 33 crores after the Partition to Rs. 50 crores at the beginning of the first Five-year Plan, It is expected to increase to Rs. 92 crores by the end of the Plan period.

A factory to manufacture electric cables and wires will shortly be established in Madras by a Japanese firm with Indian capital. In this connection, the Managing Director of the Japanese firm paid a visit to Madras early this week to finalise the blue-print.

Soil conservation work is to be undertaken on 4 million acres of land under the second Five-year Plan. Nearly 7 million acres are expected to be surveyed in this connection. About 2.4 million skilled and unskilled workers and about 5,000 administrative, clerical and technical personnel will be required for the work.

With effect from 1st January 1956, all further export of rice has been banned by the Government of India. This step has been taken with a view to arresting the steadily rising trend in rice prices. The imposition of the ban, it is, however, believed, does not affect contracts already entered into by Indian shippers with overseas interests.

The Andhra Legislative Assembly has passed the Andhra Essential Articles Control and Requisitioning (Temporary Powers) Bill, 1956, which seeks to control charcoal and electric energy for a period of one year with effect from 26th January 1956. The clause in the Bill relating to control over agriculture was deleted by an amendment to the Bill.

The Companies Act, 1956, is expected to come into force with effect from 1st April next. The rules framed under the Act and the forms prescribed under it are likely to be published and copies of them made available to the public before the end of February 1956. The Companies Bill, which was passed by the Houses of Parliament last year, received the assent of the President on 18th January 1956. The Act is being published in a *Gazette of India Extraordinary*.

The two Italian experts invited by the Government of India to study and advise on the possibility of starting paper and cellulose industries in India have expressed the view that the Ooty area is admirably suited for locating these industries, in view of the availability of necessary raw materials, such as wattle, blue gum, etc., and other facilities. The Italian experts will submit their report to the Government of India shortly.

Food production in India during 1954-55 amounted to 65.8 million tons, having risen from 50 million tons in 1950-51, and exceeded the target by 4.2 million tons, as a result of the implementation of irrigation and power projects under the first Five-year Plan. By the end of 1954-55, fresh irrigation facilities and increased water-supplies had been provided to over four million acres of virgin and irrigated soil. Imports of foodgrains fell from 4.7 million tons in 1950-51 to 0.77 million tons in 1954-55.

The Government of India has decided to allow additional import of motor tyres and tubes, giant tyres and tubes and cycle tyres only in all sizes on an *ad-hoc* basis through established importers other than the tyre manufacturers. This decision follows the recommendations of the Tariff Commission made in its report on fair prices of rubber tyres and tubes. The additional licences so granted will, however, be subject to the condition that not more than 40 per cent. of the face value thereof can be utilised for the import of bicycle tyres.

On the recommendation of the All-India Handloom Board, the Government of India, has decided to remove the present difference in rebate on the wholesale and retail sale of handloom cloth throughout India. The uniform rate for both wholesale and retail sale of handloom cloth in Bombay State will now be As. 2 per rupee, in place of one anna for wholesale and As. 2 for retail, while, in all other States, the uniform rate will be one-and-a-half annas, in place of one anna for wholesale and one-and-a-half annas for retail. The removal of difference in rebate has been announced by the Bombay Government to take effect from 27th January.

A meeting of some leading industrialists and the Prime Minister was held at the latter's residence in New Delhi on Sunday this week. The discussion centred round the second Five-year Plan and the role of the private sector in implementing the same. The industrialists are stated to have sought clarification of the Government's policy and its attitude towards private enterprise. Among those who participated in the meeting were Mr. G. D. Birla, Mr. H. P. Mody and Mr. Kasturbhai Lalbhai. Mr. Morarji Desai, Chief Minister of Bombay, and Dr. B. C. Roy, Chief Minister of West Bengal, were also present.

The Bombay Government has formulated a ten-year scheme to nationalise goods transport services at a cost of Rs. 30 crores. There are at present over 400 trucks operating on 50 routes in the State and the number of trucks is expected to be increased to 10,000 by the end of 1965. A scheme costing Rs. 9 crores to expand the passenger transport in the State during the next five years is also said to be under consideration of the State Road Transport Corporation. It is likely that the State Government will contribute to this scheme Rs. 4 crores and the railways Rs. 2 crores, while the Corporation's own contribution will be Rs. 3 crores.

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From Abroad

The Indonesian Parliament has again put off a decision on the International Tin Agreement.

The British Budget is likely to be presented by the new Chancellor of the Exchequer on 10th April.

Three large German shipyards propose to undertake jointly research and experiments in the atomic propulsion of merchant ships.

The Export-Import Bank has lent $19,625,000 to the Brazilian Government's Santos-Jundiai Railway for the purchase of equipment in the U.S. The railway will get, in addition, credit to the extent of $5,375,000 from American manufacturers.

Spain will purchase 90,000 tons of edible oils from the U.S. at a cost of 62 million pesetas (£560,000) under an agreement signed between the two countries last week. Payment will be made in pesetas. The U.S. will lend 60 per cent. of the price of the oil to Spain for economic development. The loan is repayable in 40 years.

The American Express Company has scheduled a series of tours of southern and northern Europe this year. The nature of the tours is a "package" at moderate rates which includes passage, meals, hotels, transportation abroad and sightseeing tours with English-speaking escorts. Most Western European countries are included in the itineraries.

A Polish trade mission arrived in Pakistan last week, the visit being part of a drive to boost trade with Asian countries. According to the leader of the mission, Poland wanted to sell capital goods, rolling-stock, engineering and mechanical apparatus to Pakistan. Among the commodities it wanted to buy were jute, cotton, and wool.

A delegation of twenty Lancashire cotton dealers, led by Sir Raymond Streat, Chairman of the Cotton Board, will meet the President of the Board of Trade, to present fresh arguments to support the industry's plea for limitation of duty-free foreign cloth imports. The President of the Board of Trade has agreed to receive the deputation.

Malaya will be the first customer among the South-East Asian countries for Indian cycles, although internal demand in India has yet to be met in full. It will import, in the first instance, 35,000 cycles from India. Malaya will also buy an exportable surplus of Indian sewing machines, electrical goods and a wide range of engineering goods.

Exports and imports of both goods and services by the U.S. will reach record highs in 1956, according to the National Foreign Trade Council. The Council estimates that Americans will spend $3,000 million on foreign transportation, travel and miscellaneous services, and that foreign investors will realise $500 million from their investments in the United States.

The tentative allocations of U.S. economic aid funds to Pakistan during the current fiscal year so far amount to $117 million, an increase of $3 million over last year, according to the Director of the U.S. International Co-operation Administration in Karachi. The final allocations would depend on several factors, including agricultural programme at present under discussion with officials of the Pakistan Government.

The Straits-Calcutta Conference has notified that shippers of cargo from Singapore, Port Swettenham and Penang, who during the current year up to 31st December 1956 confine shipments to Calcutta and Chittagong exclusively to the vessels of the six lines participating in the Conference, will be allowed a rebate of 20 per cent. on the net freight of such shipments. The rebate will be paid quarterly.

Imports of grey cotton cloth by the U.K. during 1955 amounted to 268.36 million square yards, as compared with 236.21 million square yards in 1954 and 76.24 million square yards in 1953. The total value of imports during the past year was £15.40 million. India continued to be the largest supplier with 130.55 million square yards, as against 127.76 million square yards in 1954. Japan came second with 63.88 million square yards (51.98 million square yards) and Hong Kong third with 48.76 million square yards (18.12 million square yards).

The Italian Parliament has approved of the Government-sponsored Bill designed to encourage foreign investment in industry. The Bill abolishes all restrictions hitherto imposed on the export of profits from foreign investment in Italy or the export of the capital itself. This freedom is, however, limited to productive investments, which increase the national income, provide more jobs or increase production. Under the Bill, profits from unproductive investments can be exported annually from Italy only up to 8 per cent. of the investments and the original capital can only be withdrawn from Italy two years after its entry.

PERSONAL

MR. Dag Hammarskjeold, Secretary-General of the United Nations Organisation, has arrived in Bangalore to attend the E.C.A.F.E. session.

Dr. P. J. Gregory, till recently Secretary of the Indian Central Oilseeds Committee, has been appointed Secretary of the Indian Central Coconut Committee.

Mr. K. Santhanam, till recently Lieutenant Governor of Vindhya Pradesh, has been appointed Chairman of the Finance Commission to be constituted early in the next financial year.

Mr. Justice Sudhi Ranjan Das of the Supreme Court has been appointed Chief Justice of India with effect from 1st February, *vice* Mr. Bijan Kumar Mukherjea, who has resigned on grounds of ill-health.

Dr. P. S. Lokanathan, Executive Secretary of the E.C.A.F.E., will retire in June this year when his term of office will expire. He is likely to be appointed Director of the Institute of Economic and Industrial Research to be established in India with the aid of the Ford Foundation.

Mr. A. A. Dudley, Deputy Commissioner-General for the United Kingdom in South-East Asia, Singapore, is leading the U.K. delegation to the twelfth session of the United Nations Economic Commission for Asia and the Far East (E.C.A.F.E.), which commenced in Bangalore on 2nd February. Members of the delegation are Mr. Gerald MacMahon, U.K. Senior Trade Commissioner in India; Mr. D. W. S. Hunt, Deputy High Commissioner for the U.K. at Lahore, Mr. A. F. Maddocks, First Secretary, U.K. Embassy, Bangkok; Mr. H. A. N. Brown, and Mr. J. A. Borron, First Secretary (Information) Madras.

Messrs. J. C. Burns (Chairman), Ramnath A. Podar (Dy. Chairman), T. V. Baddeley, Dharamsey Mulraj Khatau, Krishnaraj M. D. Thackersey, Neville N. Wadia, G. D. Somani, M. P. Radhakrishna Ramnarain Ruia, Motilal Tapuriah, S. P. Jain, E. D. Shepperd, Pratap Bhogilal, Arvind N. Mafatlal, Naval H. Tata, Babulal Bubna, F. H. Kemple, R. L. Coghlan, Ramkumar S. Poddar, and E. F. Morrey have been elected to serve on the Committee of the Millowners' Association, Bombay, for 1956. The new Committee will begin to function after the annual general body meeting of the Association in April.

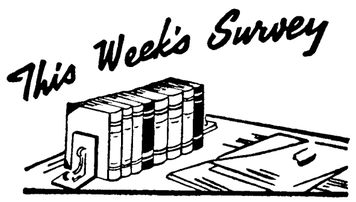
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *7th February*

Wheat Surplus

Representations were recently made to the Government of India that some part of the existing surplus of Indian wheat would find a market in Calcutta, if the railway freights from the Punjab to Calcutta were reduced. The Government of India gave very careful consideration to the representations, but their investigations did not lead them to anticipate that any feasible reduction in freight rates would result in so substantial an increase in the movement of wheat from the Punjab to Calcutta that there would be no net loss to railway revenues. The Government of India have, therefore, arranged with the Punjab Government that the railway administrations concerned will grant from 1st February 1931 until 31st March 1931 a rebate of one-third of the freight on all consignments of wheat booked to Calcutta from all stations in the Punjab. The cost of this rebate will be borne by the Punjab Government, but will be refunded to them should the grant of the rebate be followed by a substantial increase in the tonnage of wheat imported by rail into Calcutta. It may be mentioned here that railway freight in wheat from a large centre like Lyallpore in the Punjab to Calcutta is one rupee and five annas per maund as against five or six annas per maund which is the cost of freight from most Australian ports to Calcutta. And recent tests have proved that Punjab wheats give a greater yield of flour than Australian wheats.



EMPLOYMENT VS. COST

IT is very difficult to give unqualified support to the thesis which Mr. Shanti Narayan, President of the Merchants' Chamber of U.P., put forward when he said, in the course of his speech at the recent annual meeting of the Chamber held at Kanpur, that the human aspects such as employment and consumption-potential must weigh more than cost factor in deciding the pattern of development of industries. Employment is, of course, a vital consideration, but it must be *equally* balanced against the no less significant consideration, namely, the price the consumer is called upon to pay. If any step incurs the great risk of spiralling the prices of goods, especially an essential item like cloth, such a step should be avoided. This aspect was lucidly and forcefully stressed by Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, while replying to the address of Mr. Shanti Narayan. The cost factor, Mr. Krishnamachari declared, was a very important element in regard to consumption in an underdeveloped economy. Unless the consumption propensity tended to become a little more rigid, no person could, he added, manufacture goods for consumption on the basis that there would be a steady demand, because people would in any case consume what was being produced irrespective of certain cyclical changes in their incomes. Substantiating this contention of his, Mr. Krishnamachari observed:

"Particularly in the case of consumer goods, if the price of an important article of consumption is raised by 25 per cent., the demand sometimes drops by 40 per cent. and that would happen in a country where the non-elastic categories of consumer goods are small in number and the elastic category very large. We will have to bear this fact in mind all the time as to how much the consumer will have to pay. It is no use thinking that the consumer will bear any burden that we put on him."

The aforesaid view of Mr. Krishnamachari will be widely endorsed by any dispassionate observer of economic trends in the world. Viewed thus, it is regrettable that, in its anxiety to expand opportunities of employment by developing village and small-scale industries, the Karve Committee has conveniently ignored the basic economic facts. The proposition that price considerations do not matter much may hold good in respect of one or two industries, but the theory is not capable of general application. In his own characteristic way, the Commerce and Industry Minister said: "What is meat to one person is poison to another in a particular context and, as a general proposition, to say that employment potential must determine the issue, not the cost factor, would be giving a large amount of support to the Karve Committee report." Referring, in particular, to the Committee's suggestion for reserving the whole of the expansion in the demand for cloth in the second Plan period for the handloom sector by pegging mill output of cloth, Mr. Krishnamachari observed: "I am against limitation of production, but, unfortunately, other people in the Government differ from me. I feel that the best method of helping the handloom industry will be to have the mill industry heavily loaded, thereby giving a price advantage to the handloom industry."

It is gratifying to note that Mr. Krishnamachari has been more candid than he was some time ago in giving expression to his view on the future development of the cotton textile industry. Certainly, it would be a short-sighted policy to hold back production by the cotton mills, in order to secure benefit to the handloom industry. It is doubtful whether the handlooms will be in a position to meet the whole of the enlarged requirements of cloth in the second Plan period. The Karve Committee itself is doubtful, as witness its remarks that, "if at any stage there are adequate reasons to think that the programme laid down for the handloom industry cannot work to the schedule, the position may be reviewed and alternative arrangements may be made for attaining the required production of cloth."

It is thus evident that even the recommendation of the Karve Committee for pegging mill output of cloth is based on certain assumptions. Surely, the mill sector cannot, as the President of the Merchants' Chamber of U.P. rightly stated, be expanded overnight and immediately on the discovery that the handlooms are not capable of producing what may be expected of them. There is considerable force in the President's statement that there is room for the cotton mill industry to be encouraged, in order to consume more cotton and to produce more cloth than the modest target envisaged by the Karve Committee; it is somewhat anomalous to keep a little over 100 units in the industry in a state of perpetual uneconomic working. "If most of these uneconomic cotton mills were allowed to increase their loomage, as they should be," to quote Mr. Shanti Narayan, "a far better position by way of reduction in costs and prices would ensue."

COAL TO BE RE-GRADED

It would appear that re-grading of coal is in the offing. A Committee has been set up by the Coal Advisory Committee to examine the proposal made by Dr. A. Lahiri, Director, Fuel Research Institute, to revise the present specifications for the grading of coal. The Committee is also stated to have been asked to recommend a scientific basis for the fixation of price of coal on the basis of the various grades, with particular reference to washed coal *vs.* unwashed coal. It is further reported that the Committee will consider a suggestion that the difference in price between the various grades should be Rs. 5, but that the margin of profit for the producer should be limited to Re. 1-8 to Rs. 2 per ton, the balance being credited to the Government for financing projects for the development of the coal industry.

The first step for grading Indian coal, it may be mentioned here, was taken as early as in 1926, when the Indian Coal Grading Board was constituted under the Coal Grading Board Act of 1925 to grade chiefly the various high-grade seams of the country, with a view to maintaining the standard and the quality of coal exported to foreign markets. The Board classified the high-grade seams into several grades. But this classification was criticised on the ground that it was "arbitrary."

Be that as it may, this system of grading was "based chiefly on the pre-war marketing of the seam coals, but with the proviso that the seams for marketing should be sampled and analysed and that the quality of coal should be guaranteed." It was in use until 1944, when the present Coal Commissioner's Department was created and a fresh grading system was introduced. The chief object of this grading system was to fix a schedule of prices for the various grades of coal in Bengal and Bihar coalfields. Although seams of coal in other States are not graded, the price is based on the cost of production and the average quality of coal produced.

It is stated that the Coal Commissioner's grading is not based on sound scientific data and, therefore, needs revision. The demand from selected consumers that grading should indicate the quality of coal in such a way as to enable one to get an idea of the calorific value in addition to ash and moisture content of it has given additional support to the need for revision. This matter has been under the consideration of the Fuel Research Institute, Indian Standard Institute and various other scientific organisations. The Coal Commissioner and his organisation's officers have also given it serious thought. But till now, no workable agreed formula has been arrived at.

Now that India is on the threshold of large-scale industrialisation, the need for re-grading coal and revising prices according to new grades is all the more urgent. For coal in this country is still the principal source of fuel. Almost all the locomotives of the Indian railways are driven on coal. The Indian iron and steel Industry is dependent entirely on coal, not to speak of other industries. It is stated that as much as 75 per cent. of the country's total expenditure on fuel is accounted for by coal only. Nevertheless, heaps of good quality slack coal lying idle at the colliery ends and wasteful mining practices resulting in loss of millions of tons of high-grade coal are a common feature. Moreover, there is indiscriminate utilisation of high-grade coal for purposes where it can be avoided.

What is this state of affairs due to? One important reason is the lack of proper grading of coal and arbitrary fixation of the price of the grades concerned. It is pointed out that, although the reserves of superior grades of coal are limited, there is a heavier drain on it than warranted. For, with a difference of a little over Re. 1 only between the price per ton of selected B coal and that of Grade II and of only As. 6 between the prices of Grades I and II coal, the consumer is more often tempted to go in for superior grades, even though he can do with lower grades. Thus, fuel efficiency in the country is at a low ebb.

The re-grading of coal is after all re-classification from the point of view of economic utilisation of a particular grade. The value of fuel should be based on its calorific value, that is, the quantity of heat stored in one unit. This must be the basis for the fixation of the grades. Other factors that require to be considered for re-grading are the impurities, mineral matter and the moisture content, which lower not only the calorific value of coal but affect adversely its utilisation. The price of superior grades should be so fixed as to prohibit their utilisation for purposes which could be achieved with the use of lower grades.

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PLIGHT OF MIDDLE CLASSES

The report on the middle class economic survey conducted by the Gujarat Chamber of Commerce in Ahmedabad City, though it relates only to 1953, is a valuable document. It serves to emphasise the fact that the living conditions of middle class families—middle class here covers persons earning an income varying from Rs. 900 to Rs. 5,200 per annum—are most adversely affected whenever there is an increase in prices. The year 1953, it will be recalled, was one of high price levels in India. The report shows that, out of the 1,000 middle class families from which replies have been taken up at random for tabulation, as much as 40 per cent. (or 402 families) live beyond their means, the extent of their deficit being about 15 per cent. of the aggregate annual expenditure or 17 to 18 per cent. of the annual income. The number of families which nearly make both ends meet is 490. Only 108 families are in a position to save something out of their incomes, the average of the surplus being 11 to 12 per cent.

The average expenditure per family, according to the Ahmedabad enquiry, exceeds the average income in the case of families the incomes of which range from Rs. 900 to Rs. 4,000 per annum. The extent of overreaching the income is higher in the income group between Rs. 900 and Rs. 2,000 (Group A) than in the group between Rs. 2,001 and Rs. 4,000 (Group B). As against an average annual income of Rs. 1,586 and Rs. 2,789, the families in these groups spend Rs. 1,881 and Rs. 2,836 respectively. The deficit thus works out on an average per family to Rs. 294 for group A and Rs. 47 for Group B. It is only in the case of families with annual incomes exceeding Rs. 4,001 but not more than Rs. 5,200 (Group C) that there is a surplus; the surplus comes to Rs. 532, with the average income estimated at Rs. 4,613 and expenditure at Rs. 4,081.

It is no doubt true that this brief account pertains to a very small section of the middle class in India and as such is not fully representative. Nevertheless it may generally be taken as a fair indication of the economic conditions of this class at present. There is urgent need for improving the conditions of the middle class. After all, the middle class has always been a

stabilising force in society. And its contribution to national progress is more significant than what its size would lead one to expect. In the interests of social progress, the position and value of the middle class needs, therefore, to be strengthened.

Be that as it may, the average *per capita* income among the middle class (including earners as well as dependents) is the lowest at Rs. 375 for A group, B and C groups accounting for Rs. 524 and Rs. 756, respectively. The average expenditure per head—this includes the imputed value of agricultural produce of owned land and rental value of owner-occupied premises but excludes payment for insurance premium and contributions to provident fund schemes—works out to Rs. 445 for A group, Rs. 533 for B group and Rs. 669 for C group. An idea of the pattern of expenditure (per adult equivalent) in the three groups can be had from the following figures:

Percentage to the Total Expenditure

	Group A	Group B	Group C	Total
Food	46.55	42.44	38.70	43.01
Clothing	9.98	9.05	9.15	9.34
Health	6.17	5.12	5.36	5.47
Education	3.04	4.74	5.65	4.40
Rent	14.03	15.62	17.05	15.40
Entertainment	2.13	2.22	2.73	2.28
Fuel	6.00	4.92	4.35	5.14
Miscellaneous	12.90	15.88	17.01	14.96
Total ..	100	100	100	100

It will be seen from the table above that the percentage expenditure on food decreases, while that on education and other miscellaneous items increases as we ascend the income scale, such being in conformity with Engel's Law of Family Expenditure. At the same time, the data reveal a typical uniform pattern of living of middle class families irrespective of the income group to which they belong. The percentage expenditure on clothing per adult male equivalent in A and B groups is practically the same. In the C group, this is higher per adult male equivalent, but the percentage is again the same. The expenditure under health also behaves in an identical manner. The only items which change perceptibly—both absolutely and relatively—are the expenditures on miscellaneous items and on education. Another striking feature is the fact that, when middle class families experience an increase in their income, they generally augment their expenditure on education. They will attempt to improve the prospects for their children by providing them with higher education. They also increase their expenditure on rent by moving into better and bigger premises.

An interesting feature revealed by the enquiry is that the *per capita* tax burden on the middle classes amounts to Rs. 9.34, Rs. 19.28 and Rs. 13.29 for A, B and C groups, respectively. Expressed in percentage of the *per capita* expenditure, the burden works out to 2.1, 1.9 and 1.9. This calculation does not, however, give a correct idea of the incidence of taxation, for the list of indirect taxes incorporated in the survey is not exhaustive, nor are all articles subject to sales tax and excise duty included in the list. The study made by the Taxation Enquiry Commission reveals that the tax burden (percentage of the *per capita* annual expenditure) comes to 7.5 for income group Rs. 1,200 to Rs. 1,800, 7.6 for Rs. 1,801 to Rs. 3,600 group and to 11.3 for above Rs. 3,600 group. Out of the tax payments by a middle class person made through his expenditure on several items, the amount of tax paid on the purchase of cloth, according to the Ahmedabad survey, forms the biggest single item, followed by tax on tea and sugar. The total outlay of a person on four or five items, namely, cloth, tea, sugar, tobacco and entertainment, reveals that they account for nearly 80 per cent. of the total tax payments.

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TOWARDS SOCIALISM

The main emphasis in the sphere of economic development will, in the next few years, fall on the public sector. This fact has been known for some time past. It received further reiteration in the discussions at the meeting of the National Development Council which took place at New Delhi two weeks ago. Mr. Jawaharlal Nehru, India's Prime Minister, who presided over the meetings, said: "There is much talk of the public sector and the private sector. We have both sectors obviously and we have said repeatedly that the public sector will grow, and must grow." The main consideration, according to him, is that "power, economic power, should not be concentrated in private hands, that vested interests should not grow up in regard to any important matter, strategic matter or socially important matter, that there should be dispersal of economic power. Therefore, there should be avoidance of the development of monopolies of any kind." Proceeding, Mr. Nehru referred to the Industrial Policy Resolution, 1948, and observed that, although it was good, as far as it went, it was somewhat vague in some particulars. In any case, he was not "quite sure that it has been followed closely in the last few years." The question, which had now arisen, was whether, in the light of the country's new objective of "socialistic pattern of society," the Resolution was adequate or not.

This is a very pertinent issue. If the Government feels that the 1948 Industrial Policy Statement is not applicable to conditions today, it should formulate a new statement which would set forth its objectives clearly rather than depart from the old statement from time to time and create uncertainties in the public mind. According to Mr. Nehru, the Government knows what it is aiming at, but it would require a "little careful thinking" to formulate it in the shape of a resolution. It is worthwhile doing it as quickly as possible in view of the fact that a knowledge of the direction in which the country is moving is even more important than the speed of this movement. It will be quite unrealistic to draw up a plan without specifying the basic principles of policy.

The Council, it is stated, was of the view that the correct approach to the problem of filling the gap between the resources and the size of the Plan was not to reduce the size of the Plan or spread the projects over a longer period but for the Centre and the States to prepare the country to accept boldly the responsibility for raising the resources needed for the implementation of the Plan. Steps to raise additional resources, it was emphasised, should be undertaken from the commencement of the Plan itself. It was further pointed out that measures should be devised to reduce evasion in respect of every tax source.

The principle that the disparities in income should be reduced and that a ceiling on income should apply both to the public and private sectors, which had been stressed by the Standing Committee, was endorsed by the Council. The achievement of a socialistic structure of economy, it was felt, was a long-term policy. Long-term policy was, therefore, of great importance. Thus, it was necessary, according to the Council, to think of planning in terms of a 15-year period which may be adjusted from time to time as experience was gained and fuller technical and statistical information became available. In this connection, the Council did well to emphasise that undue rigidity should be avoided. A five-year plan, according to it, should be flexible for several reasons such as uncertainty in internal resources, foreign exchange and supply of equipment or metals, changing conditions both inside and outside the country.

The Council stressed the development on a large scale of co-operatives in agriculture, small industries, rural trade and construction. It felt that agricultural processing industries should be brought into the co-operative sector. As regards land reform policy, it endorsed the suggestions made by the Standing Committee. These suggestions, it may be mentioned here, include provision for experiments in co-operative farming, co-operative village management and co-operative management of lands obtained through the application of ceilings on agricultural holdings. The Committee also felt that it deserved to be considered whether there should be a time limit during which the policy of ceilings on agricultural holdings should be carried out by States.

THE UNITED COMMERCIAL BANK LIMITED

Press Communique

THE profit of the Bank for the year 1955, subject to audit, including the amount brought forward from last year's accounts, is Rs. 37,77,761-2-0. Out of this sum, the Directors have made the following appropriations:

Transfer to reserve fund Rs. 8,50,000 and provision for taxes Rs. 14,00,000, leaving a balance of Rs. 15,27,761-2-0.

Out of the balance, the Directors propose to recommend to the shareholders at the next Annual General Meeting the payment of a dividend at Rs. 2-12-0 per share, free of income-tax, which will absorb Rs. 11,00,000, leaving Rs. 4,27,761-2-0 to be carried forward, subject to payment of bonus to staff.

The securities and investments of the Bank appear in the accounts on 31st December 1955 at or below the market rate ruling on that date.

By Order of the Board,
S. T. SADASIVAN,
General Manager.

CALCUTTA, *27th January* 1956.

The President of the World Bank, accompanied by two financial experts and the Bank's engineering consultant, has arrived in Cairo for talks with the Egyptian Prime Minister on Western plans to finance partly the construction of the giant Aswan high dam on the Upper Nile. The World Bank has offered, along with the U.S.A. and Britain, to give Egypt financial aid for the project. Britain, the U.S.A. and the World Bank offered to provide Egypt with capital for the project after Russia offered a low interest loan and other East European countries also offered to help. The dam will take about ten years to be completed and is estimated to cost about $1,300 million.

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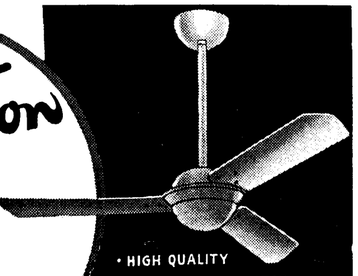
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From A Special Correspondent

DELHI LETTER

NEW DELHI, 31*st January*

EVENTS in the Capital this week were dominated by the customary celebrations in connection with Republic Day. The City turned gay and colourful and remained, for a time, unmindful of the happenings elsewhere. The constant rehersals, parades and pagentry that preceded Republic Day, the spectacular processions and the multi-coloured brilliant illuminations of important public places, particularly the Rashtrapati Bhavan, Secretariat, etc., not to speak of the lavish fireworks display at the Ramlila Grounds on the evening of Republic Day, absorbed the entire attention of the general public. Even the resignation of Mr. C. D. Deshmukh, Finance Minister, which has now fortunately been withdrawn, was received with a certain amount of amusement. His resignation was ill-timed as it unfortunately coincided with the declaration of the Bengal and Bihar Chief Ministers that efforts would be made to merge their two States. This move has unequivocally been welcomed in the Capital and is considered as an act of great statesmanship. It has already begun to exercise some beneficial influences on other States.

Considerable interest is being evinced at present on the talks that are now going on for the formation of a Dakshina Pradesh, by merging Madras, Kerala, Mysore and Andhra into one unit Such a unit, if it materialises, will doubtless inspire other States to emulate, with the result that there will emerge about six or seven big States in the Indian Union. The formation of bigger units of contiguous areas will improve the economic position of all the merged areas, particularly in the matter of utilisation of hydro-electric, irrigation and mineral resources of these areas to the fullest extent possible. For instance, only a few months ago, a section of politicians in Travancore-Cochin was reluctant to agree to the Madras Government constructing dams and reservoirs on the Western Ghats for diverting heavy monsoon waters to irrigate the arid districts of Coimbatore and Ramanathapuram. If the one-unit State takes shape in this part of the Indian Union, there are immense possibilities for the expansion of hydro-electric power and also for the construction of reservoirs, which could irrigate fresh fields in the present Madras State. Such a development will increase the production of rice, sugar and long-staple cotton in these parts.

One of the characteristics of Mr. T. T. Krishnamachari, Minister for Commerce and Industry is his candidness. He is never afraid to tell the truth, even if it may be unpleasant to a number of people. During this week, for instance, he revealed before the newly constituted Machine Tool Committee that the criticisms of Mr. Scaife, British Machine Tool Expert, against the Government-owned two machine tool factories, namely, Ambarnath and Jalahalli, were reiterated by Rolls-Royce engineers. It will be remembered that Mr. Scaife, who came to India early in 1954, submitted a report on the conditions of the machine tool industry in the country and suggested a number of valuable measures to improve this industry. He was particularly critical of the costly set-up of the two State-owned factories and opined that, for the manufacture of specific armament machine tools, there was no better development site than the existing ordnance plants where the essential technical personnel and craftsmen were available. In regard to Jalahalli factory, he was of the view that the manufacture of 8½ inch geared and head lathes from parts made in Switzerland on equipment designed and made in Switzerland would be competing with the private-owned machine tool factories and that ultimately the Government enterprise would, instead of developing the machine tool industry in the country, ruin the private industry completely. He also pointed out that the Government technical consultants had specialised experience only in the restricted field of armament manufacture. Had it been otherwise, they might have advised the Government of India to undertake the manufacture of some other types of machine tools, such as capstan and turret lathes which were outside the scope of private enterprise.

These remarks apart, Mr. Scaife had suggested a number of measures for the general development of engineering industries in the country. Although it is nearly two years since he made these recommendations, the Government, it appears, has not paid any attention to them. The Minister for Commerce and Industry has admitted that Mr. Scaife is a practical man and, as such, his views on this subject must receive the earnest attention of the Government. For instance, Mr. Scaife stated in his report that it was men that mattered more than machines and the main factor of the top level technological direction and supervision had either been ignored or grossly overlooked, for there was, according to him, no evidence of arrangements for the provision of the army of specialists which would be required for such an ambitious undertaking.

Now that the Government of India has been anxious to establish heavy machinery manufacturing industries and to promote its expansion at a rapid rate, it must have a large number of technicians to man these factories. Until now Government has not paid sufficient attention to this problem. It is now reported that the Government is considering the question of deputing a high official team to the U.K. to study the working of some of the technical schools which turn out production engineers in large numbers. Since the growth of the machine building industry could not be properly fostered without the availability of this type of engineers, it has now become imperative for Government to take immediate action in the matter.

Supply of Engineers

In this connection, the suggestions of Mr. Scaife still hold the field. He recommended that there should be an adequate supply of production engineers who must be trained expressly in the art of using modern production equipment in preference to general mechanical engineering science. He said: "Although a high level university education need not necessarily be a disadvantage, a trainee of a matriculation standard may well make a good production engineer." He further remarked that "in all manufacturing countries, there exists a class of engineers who have made engineering production processes their speciality and their art is such that, within limitations of size and weight, they can bring to bear an accumulated wealth of experience which is equally adaptable to the manufacture of any engineering commodity, or for that matter any non-engineering commodity." That this class of specialists does not exist in India and that engineering education at the highest level cannot change the present situation are well known. The science of production engineering has, according to Mr. Scaife, advanced considerably both in the U.S.A. and Germany and, if India is anxious to accelerate the pace of industrial progress, it must adopt some of the techniques prevalent in those countries. He, therefore, suggested the establishment of a number of central institutes which should have a nucleus of new projects with their skeleton plants and organisations. The training of personnel in the design and manufacture of tool equipment would be carried on with the assistance of the personnel and resources of the Central Establishments and when the proper procedure had been established and satisfactory prototypes developed, the skeleton plant and key personnel could be transferred to its ultimate location to carry out its full expansion and the training of its operative labour. The machine tools and accessory could, in his opinion, be drawn, at no cost other than that of transport, from the redundant plant at the Government munition plants, which would otherwise lie dormant waiting for the next war.

India is now on the threshold of industrial development and since it is trying to establish heavy forging and casting industries, it should concentrate on the training of sufficient number of production engineers. Since the education standard prescribed for this type of personnel is only a matriculation standard. Government can recruit easily thousands of intelligent and capable young men. These people can be given sufficient training for a period of three to four years and, from this class will surely spring many first class production engineers who can manage the technical side of the newly proposed heavy machinery industries. It is expected that the newly established Machine Tool Committee will take up this question also and submit suitable recommendations.

FOOD SHORTAGE IN JAPAN

NEW FARMLANDS FOUND

JAPAN, which has long been a nation dependent upon food imports, has found new farmlands within its borders and thus has solved partially the food shortage problem. The development of unused lands, in various parts of this Far Eastern nation is due largely to land reforms instituted by America at the close of World War II, as well as to the use of previously unexploited swamplands and hillside slopes, just now beginning to come into production. The programme has added to the country's productive farmlands an area equal to Shikoku, the fourth largest of the Japanese islands.

This remarkable gain was disclosed recently by Japan's Ministry of Agriculture and Forestry in a report on the United States-sponsored agricultural programme as that programme entered its tenth year. The Ministry has announced that 1,332,500 acres of once undeveloped land have been opened to farmers as one phase of the entire expansion plan. This has increased by about 10 per cent. the total of Japanese land under cultivation. Some of the new lands are not suitable for rice production and are, therefore, being used to grow wheat, other grains and vegetables. This is in line with Japan's effort to diversify its farming and national diet.

It will be recalled that, early in 1955, the Japanese Government asked the International Bank for Reconstruction and Development to send a mission to study the country's possibilities for new agricultural development. This study disclosed that numerous swamplands and peatlands could be reclaimed and that considerable areas of upland could be used for pasturage and new types of cultivated crops. The Mission approved specifically four projects for International Bank financing. These included (1) the irrigation of upland and paddy fields in the Aichi prefecture east of Negoya, (2) reclamation of Hachiro Lake, a large but shallow lagoon adjoining the Sea of Japan on the north-western coast of Honshu, the largest Japanese island, (3) reclamation of peatlands in the Ishikari Valley in central Hokkaido, the most northerly main island and (4) pilot projects to establish methods of large-scale mechanical land reclamation that would open large areas to cultivation in Hokkaido and northern Honshu. Given the support of the International Bank, of which it is a member and to which it has contributed $250,000,000, Japan has pushed energetically toward all these aims. It has also completed other projects suggested or begun under U.S. direction and has used its own accumulated know-how for projects for small farmers.

Production Up

According to the report of the Ministry, the percentage of tenant farmers, which was 46.2 before the war, has now declined to 9.3. As most farmers now have the incentive of occupying and farming their own land, production has risen. The share of landlords, which was 45 per cent. of the national rice harvest before the war, has now shrunk to 3 per cent. Assets in livestock and agricultural implements have greatly increased under the reform programme.

The Japanese Government, which purchased 4,085,000 acres from big absentee landlords, has sold, often on long-term payments, 99 per cent. of this farmland to the farmers who are now operating it. This area transferred from absentee owners was estimated to have been about half of all the cultivated land in Japan at the close of World War II. Achievement of this project, probably the greatest immediate step in increasing Japanese food production, has been declared to be a most conspicuous example of bloodless land revolution. The report discloses also that 122,400 acres of land owned by the Government before the reform acts were passed have been offered to farmers. Former tenants already have taken 90 per cent. of it under purchase programme.

The Ministry leaders admit that the land reform programme has had the undesirable feature of increasing the number of holdings of 1.2 acres or less. The better farmers have, however, tended to buy the smaller neighbouring farms, so that more economically manageable farms are emerging. The most important long-range factors in increasing the nation's agricultural production have been the addition of hill and mountain slopes, previously untilled lands, and large acreages which had been coastal or inland swamps. The sloping lands can be used as grazing lands for livestock and for raising crops new to Japan.

CURE FOR INFLATION

THE SEARCH STILL GOES ON

(From Our Own Correspondent)

LONDON LETTER

LONDON, 22*nd January*

THE prelude to the annual spate of bankers' speeches this year was spoken by the Premier in a much heralded address in the Midlands. As so often happens, a great deal was expected and little eventuated; the dangers of inflation were emphasised, together with the need for economy in all directions, except atomic development for peaceful uses. But, then, came the significant statement that—contrary to what many people advocated—he, Sir Anthony Eden, would never accept the need for unemployment as a means of curing our economic ills. Propaganda? It is hard to say, but most likely the Prime Minister made the point—and will no doubt seek to adhere to it in practice—because he is well aware that pursuit of a policy of deflation to the point of unemployment would be political death for the Government responsible. However, Sir Anthony is no doubt also unconscious of the fact that, in standing out against unemployment, he is making nonsense of the policy of deflation, because he has said that he will not permit this policy to work out its logical results. Will he accept then the need for physical controls? For the time being, he is satisfied to maintain the credit squeeze and to cut down spending as much as possible, confident in the buoyancy of the economy to keep up the level of business activity above the point of unemployment. What is called the policy of blowing the froth off the economy holds the field.

Bankers on Credit Squeeze

But what do the banks say to all this? For them, the policy of the squeeze is most distasteful—they not only lose business in advances but have a trying time with their customers who are resentful of the effect of the policy upon their businesses. Some of the Bank Chairmen, therefore, advocate the policy of cutting down Government expenditure (the political bank-benchers' remedy) as much as possible. What they would *like* to see is less money being spent on the social services, but so far, except for housing subsidies, the Government has not revealed its hand on this count. The bank spokesmen have also dwelt mainly upon the need to cut down capital expenditure by public authorities—which means mainly house building—though the particular virtues of doing this while permitting the erection of large office blocks is likely to escape the man in the street.

The Chairman of the Westminster Bank has opened up a new line—that everyone should make self-denying savings and so solve the problem of national overspending in the most harmless way. He is rightly afraid of where economy in capital spending will lead . . . "we ought to insist," he says, "that the modernisation and re-equipment of our factories and of our agriculture should go on apace, but to insist also that it should be done out of some small immediate self-denial, and not at the expense of our reserves."

He also makes the point that it is not only a question of balancing immediate consumption needs against capital needs. In 1955 "by encroaching on our reserves, we have also used up some of the jam from previous years." But he does not want to save the gold reserves by import restrictions which would induce retaliation. Rather would he see the result of domestic economies having a natural braking effect on imports. Thus, he accepts the squeeze while trusting that self-discipline will cure the nation's troubles. Then, he sadly comments upon the unwisdom of Governments in making it difficult for the most public-spirited to exercise self-discipline: dividend restraint is all right, for instance, till a nationalising Government takes the Stock Exchange quotations (affected, of course, by dividends declared) as the basis for compensation! Well, if both political parties decide to tax distributed profits, is that not also a temptation to directors to get on with distributing dividends before the rate of tax is further increased!

The import of everything said by the bankers in the past few days is, indeed, that they are asking for a policy and not finding one. So the burden comes back to the Government, which, now that Parliament is about to meet, will have to enunciate a policy. The debate is likely to continue with increasing heat.—*All Rights Reserved.*

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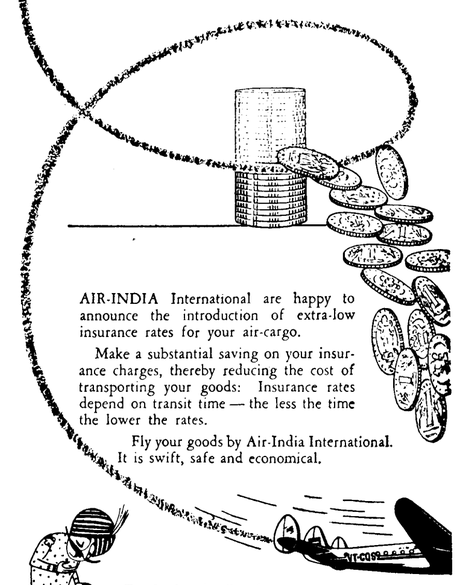

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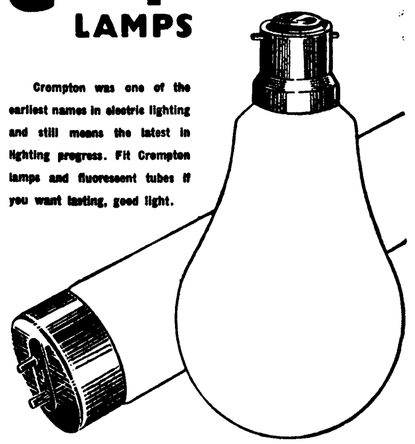

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RESTRICTIVE MONETARY POLICY ALONE INEFFECTIVE TO COMBAT INFLATION

VIEWS OF BRITISH BANK CHAIRMEN

EVER since the beginning of last year, Britain has been passing through one of the critical periods in its post-war history. All the signs of an inflationary boom have been in full evidence, though at present some of them are somewhat dim. Thus, higher prices, ever-increasing demands for more wages, a rise in imports, that is larger than that in exports, and hence adverse balance of trade and fall in the gold and dollar reserves, all these are there. Among the signs of inflation which are tending to be less prominent are the fall in equity values, a slowing down in the pace of expansion in certain sectors of industry and the growing reluctance of employers to countenance higher wage demands.

A feature of inflation in Britain is the reluctance of bankers, Treasury officials and financial commentators to use, at one stage, the word 'inflation' to describe the situation. It looked as though this word was consistently avoided, lest such should have an adverse psychological effect on people outside the U.K. who have considerable holdings in sterling. Also, it might be that they were hoping that the measures that were being initiated by their Government would bring an improvement in the economic situation. But, as the year progressed, it became clear to them that these measures were not yielding the results expected. In any case, it is clear that the critics of the British Government's policy now fully admit the presence of inflation in Britain. This is evident from the observations made by a number of Chairmen of the British big banks in the course of their statements accompanying the reports and accounts for 1955 circulated to their shareholders.

Inflation in Britain

Sir Oliver Franks, Chairman of Lloyds Bank Ltd., describes, in his statement to the shareholders, the inflationary situation in Britain as follows:

"By every test, the position at the beginning of 1955 was an inflationary one. The cost of living had been creeping up again since early in 1954. The upward spiral of wages had never ceased and gained fresh impetus in the months to come. In January, both retail prices and wage rates were 46 per cent. higher than in the middle of 1947, the starting point of the respective indices. By May, the cost of living had advanced only one point further but wage rates, in the meanwhile, had shot up by as much as six points. This bidding up of wages —or lack of resistance to wage demands—was only one reflection of the competition for labour induced by the pressure of spending of all kinds. Other symptoms of the exceptional demand for labour were the large amount of overtime being worked and the rising ratio of vacancies to unemployment. By the middle of the year, there were on the average no more than forty applicants for every hundred jobs on offer—a situation previously seen only on the brink of the 1951 crisis."

The result of the situation was serious. How serious it was will be evident from the following extract of the statement of Sir Eric Carpenter, Chairman of William Deacons Banks Ltd.:

"The year 1955, unlike its predecessor, has been, as far as the economic sphere is concerned, eventful.

"A serious drop in the gold and dollar reserves, which are, of course, the reserves of the whole sterling area, in the last quarter of 1954 was followed by a further, though smaller, fall in the first quarter of 1955, due largely to the increase in our imports greatly exceeding the rise in our exports. In the second quarter the reserves remained stable, helped by a surplus with the E.P.U. area each month. The dock and railway strikes in June were followed by a further serious deterioration in each of the next three months, to which deficits in our settlements with Europe largely contributed. Though the serious drain has been halted, the last three months of the year have brought us little comfort and, after paying the usual instalments at the year-end on the Canadian and United States debts, the reserves were lower by £229,000,000 on the 12 months.

"The movements in the reserves are, however, the effect and not the cause of economic events and policies in the whole of the sterling area. It must be recorded that prosperity abounds not only here but in most other countries. There are many more jobs for workers than workers to fill them, and production has increased, though not at so great a rate as in 1954."

Quite apart from the loss of gold, inflation is dangerous from another point of view also. As has been pointed out by Sir Eric, continuing inflation is a social evil. It produces an arbitrary and haphazard redistribution of purchasing power, favouring those whose bargaining power is strong, while expropriating those whose incomes are fixed in terms of money, whose bargaining power is weak or who observe restraint in the exercise of the bargaining power they possess. It is the great enemy of thrift. It makes for easier profit from borrowed money and defrauds the saver who is the ultimate provider of the borrowed funds. It undermines the whole fabric of long-term contracts on which civilised economic life depends. Consequently, inflation is abhorred and, in fact, the main objective of the British Government's actions during 1955 was to arrest the progress of inflation and bring it under proper control.

Although readers are by now familiar with the measures adopted by the U.K. Government to check inflation, they may be briefly recounted here, for they have been the main theme of the annual statements of almost all British bank chairmen. They seem to be unanimous in their opinion that these measures alone are not adequate to deal with the situation facing the U.K. at present.

In order to curb excess investments, the U.K. Bank rate was raised from 3 per cent. to 3½ per cent. at the end of January 1955. This was, however, soon found to be inadequate, and the rate was again raised at the end of February, this time to 4½ per cent. At the same time, credit was tightened and restrictions on the financial terms of sales on hire-purchase were imposed. It was also announced that sterling would be supported in the free markets. In April 1955 came the budget. Relying on the efficacy of the monetary weapon, the Chancellor sounded an optimistic note and gave some tax relief. But dock and railway strikes in June held up trade and undermined the confidence of people abroad.

Stronger Action Needed

Consequently, it was felt that still stronger action was required. The result was that in July the banks were asked to take action to "bring about a positive and significant reduction in their advances over the next few months." Further, the Chancellor made it more difficult and more costly for local authorities to borrow, placed further restrictions on hire-purchase finance, and told the nationalised industries to reduce capital expenditure. This was followed by a supplementary budget in October, announcing an increase in both profits tax and purchase tax.

It will be observed from the foregoing account that the measures adopted by the Government were confined to the monetary field, supplemented, to a minor extent, by a few measures in the fiscal field. According to Mr. D. J. Robarts of the National Provincial Bank Ltd., these measures "appear to be working in the right direction." For the drain on the U.K. gold and dollar reserves is, he points out in support of his contention, diminishing and the sterling exchange is firmer. But he seems to doubt whether they will be sufficient to place the economy on a solid and impregnable foundation. To Mr. Robarts "credit squeeze" represents "an effort by the authorities to speed up the effects of the orthodox system of credit control through variations in Bank rate." In his opinion, the use of "this exceptional and undesirable" device is an admission that the orthodox system is not, in present-day conditions, fully effective. His remarks in this context are illuminating.

"The orthodox system is based on the view that a rise in Bank rate will automatically correct an adverse balance of payments, because, first, it will attract gold to the United Kingdom and thus strengthen the sterling exchange in the short run, and, secondly, it will tend to restrict business, stimulate savings and discourage the holding of stocks, with the result that prices will fall and the long-term internal equilibrium will be restored.

"It is a question, to my mind, how far these results can be expected from an increase in Bank rate today.

"It is, indeed, clear that under present conditions the first aspect applies only to a very limited extent. The United Kingdom is no longer a creditor on international account and any foreign exchange attracted by high Bank rate will be 'hot money,' with forward exchange covered, and its helpful effect will be minimal. As regards the second aspect, it might still apply if Bank rate could be raised to such a point as to create unemployment and cause deflation. But with the Government—and every party—wedded to full employment, and Government indebtedness such a heavy burden on the Budget, it is extremely unlikely that it could be allowed to operate to such an extent. Any increase in Bank rate will be limited and its main effect will be psychological, in that it may be a deterrent to business enterprise (and capital development): but it will not be a deterrent to Government departments or nationalised industries and it is not surprising that, when the 'credit squeeze' was announced, practically every Ministry simultaneously proclaimed that its particular projects would not be affected."

Government Expenditure

The entire theme of Mr. Robarts' argument is to prove that monetary measures, by themselves, will be of no avail, unless they are accompanied by control over Government expenditure. The figures given by him are striking. Thus, between 1937 and 1955, Government expenditure rose from £844 million to £4,305 million per annum or about five times. But during this period the value of bank advances only doubled, that is, from £994 million to £2,068 million. These figures show how the domestic finances of Britain are overshadowed by Government expenditure the growth of which has far outrun that of bank credit. Another disturbing feature has been the growth of the National Debt which has risen by £1,000 million in the past three financial years. These considerations leave Mr. Robarts in no doubt at all as to the inefficacy of monetary measures, as witness his remarks.

"In view of the figures which I have given, it is obvious that restrictions on bank credit can, at the best, have only a very limited effect on the whole field of national expenditure. Indeed, I would go further and say that arbitrary controls and restrictions of bank credit are merely attempts to cover up the symptoms and cannot cure the disease of inflation. What is needed is to reduce the volume of the demand for credit which is linked up with high Government expenditure and excessive consumption on the part of the public. It is, therefore, misleading, in seeking to deal with the evils of inflation, to place the main emphasis on the need to reduce bank borrowings."

The same views are held by Mr. A. W. Tuke, Chairman of Barclays Bank Ltd. He points out that the expenditure of Central and Local Governments combined is estimated to represent about 40 per cent. of the gross national income of the country. The Government expenditure, he avers, is likely to be spent on the whole less wisely and less efficiently controlled than the expenditure of individuals who spent their hard-earned money with a feeling of real personal responsibility. He, therefore, comes to the conclusion that the monetary measures could not do their work without the active co-operation of the Government. In substantiating this conclusion, Mr. Tuke observes:

"The Chancellor's proposals can also be criticised on the ground that, paltry as they are, they have laid still further burdens on the private sector without any direct contribution from the public sector. Some people argue that, under present conditions, both increases and decreases in taxation are inflationary in their effect. This is, at first sight, a paradox. As a general principle, Government expenditure is inflationary, if it is met out of borrowing, but not, if it is met out of taxation. But it is contended that taxation at its present levels engenders a mood of fatalism in the taxpayer and a disposition, which is aggravated by any further increase, to spend his capital, if he has any, while he lives. It certainly kills both the incentive and the ability to save. Thus the Government are on the horns of a dilemma; if they cover any of their expenditure by borrowing, they certainly cause inflation both in theory and in practice; if they cover it

(Continued on page 231)

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RECENT SUPREME COURT DECISIONS RELATING TO SALES TAX

PRESENT ACTS NEED THOROUGH OVERHAULING

By V. Rama Shenai, Advocate, Ernakulam

"A DISSENT in the court of last resort is an appeal to the brooding spirit of the law and the intelligence of the future day when a later decision may correct the error into which the dissenting judge believes the court to have been betrayed," so observed Justice Brandeis of the United States Supreme Court. The earlier decisions are at times treated as "mere hypothetical conclusions to be abandoned, whenever found erroneous by the test of experience." The principle of *stare decisis* adhered to without exception by the House of Lords in England has not been considered to be an "inexorable command" by the American Supreme Court, the Judicial Committee of the Privy Council and the Australian High Court, for obvious reasons. Article 141 of our Constitution, while laying down that the law declared by the Supreme Court shall be binding upon all other courts, does not make it binding upon itself. The wisdom of this rule has been illustrated by the recent decision of the Supreme Court in *Bengal Immunity Co., Ltd.* vs. *State of Bihar*, where the Supreme Court by a majority of 4 to 3 overturned its previous majority decision in the *United Motors case*. The reasons urged for overruling the previous ruling are similar to those adopted by the Privy Council recently in the Australian transport case. The dissenting opinions were matched against the majority opinion and, in the light of the evenly balanced views on the scope of Article 286 of the Constitution, the matter was considered, in detail, afresh.

States' Powers

The several interdicts placed on the States' power to levy sales tax by the provisions of the Constitution have been thoroughly investigated and elucidated... Says the learned Acting Chief Justice:

"Broadly speaking, the fetters thus placed on the taxing power of the States are that no law of a State shall impose or authorise the imposition of a tax on the sale or purchase of goods where such sale or purchase takes place (1) outside the State or (2) in the course of export or import or (3) except in so far as Parliament otherwise provides, in the course of inter-State trade or commerce, and lastly (4) that no law made by the legislature of a State imposing or authorising the imposition of a tax on the sale or purchase of any such goods as have been declared by Parliament by law to be essential for the life of the community, shall have effect, unless it has been reserved for the consideration of the President and has received his assent. It should be noted that these are four separate and independent restrictions placed upon the legislative competency of the States to make a law with respect to matters enumerated in entry 54 of list ii."

If I may say so with great respect to the Supreme Court, the Acting Chief Justice of India has, by his impeccable analysis of Article 286 of the Constitution, laid down the law correctly, unhampered by considerations of expediency. While the States might feel embarrassed at the loss of an unexpected source of revenue revealed for the first time by the *United Motors case*, the commercial community will, certainly, feel satisfied with the ruling. But, in this connection, it may not be out of place to mention that the "delivery States" thought of taxing out-of-State dealers in respect of their turnover based on the delivery of goods for consumption and provided a machinery for it, only long after the decision in the *United Motors case*.

In answer to the "harrowing picture of economic collapse" of the States conjured up before the Court, the learned Acting Chief Justice has observed, "there can be no objection to insisting upon all inside dealers getting themselves registered and submitting their returns showing the goods imported and sold by them and bringing their annual turnover to tax. ... Call it a purchase tax *vis-a-vis* the earlier transaction under which the goods were delivered in Bihar for consumption in that State or call it a sales tax *vis-a-vis* the subsequent local sales by the Bihar dealers ... the State will get the full revenue." Mr. Justice Bhagavati has also made similar observations. The potentialities of the metaphor of the stream introduced by Mr. Justice Bose in his dissenting judgment in the *United Motors case* have been explored to a considerable extent in this case, but not completely. The decisions of the Supreme Court of the United States of America commencing from *M. C. Goldrick vs. Berwind-White Coal Company* can be pressed in order to sustain the source envisaged in the above dicta on the ground of "local activity" distinct from inter-State trade. "Its (i.e., that of the tax) only relation to the commerce arises from the fact that immediately preceding transfer of possession to the purchaser within the State, which is the taxable event regardless of the time and place of passing title, the merchandise had been transported in inter-State commerce and could not be projected into the sphere of any other clause of Article 286. It has not the effect of lifting the ban which was imposed by the Article 286 (1) (a) and the explanation thereto, even though the transactions covered by the explanation by and large fell within the category of transactions which took place in the course of inter-State trade and commerce. The moment it was determined that the transactions were outside the State by virtue of the explanation to Article 286 (1) (a), the ban imposed by the Article attached to it and could not be lifted by the President's Order which saved only those inter-State transactions which did not come within the explanation. Therefore, after the coming into force of the Constitution and during the period of the Sales Tax Continuance Order, 1950 was in force in respect of an inter-State sales, the State, in which the goods were actually delivered as a direct result of such sale for the purpose of consumption therein, was alone entitled to tax the transaction. The exporting State in such a case became an outside State and was not entitled to tax it."

In *Mohanlal Hargovindas* vs. *State of Madhya Pradesh*, the Supreme Court has determined the scope of the liability of registered dealers in respect of inter-State transactions. The extravagant claim made by the taxing authorities, to the effect that whatever transactions of sales concluded between a registered dealer in the State and others in the same State were intra-State transactions, irrespective of the fact that they involved movement of goods across the State border and therefore attracted sales tax, was rejected by the Court. It has been held that "all transactions entered into by the registered dealer do not necessarily import a liability to pay tax under the Act ... and that in spite of his being a registered dealer, such liability has to be determined with reference, *inter alia*, to the provisions of Article 286 of the Constitution."

The holdings in these two cases are a direct corollary to the decision in the *Bengal Immunity Co., Ltd.* vs. *State of Bihar*.

In *V.O. Vakkan and Others* vs. *The State of Madras*, the Supreme Court has repelled the obviously untenable contention of the assessees that a non-resident cannot be "a dealer" within the meaning of the Madras General Sales Tax Act. The vicarious liability of an agent of a non-resident dealer has been also emphasised. It has also been made clear that both the non-resident dealer and his resident agent are equally liable.

Anachronisms

These decisions must necessarily give a quietus to certain problems relating to the levy of sales tax which were current till recently and it is to be hoped that both the taxing authorities and the assessees will set themselves to the task of adjusting their mutual claims and liabilities in accordance with these decisions and others rendered by the Supreme Court. Most of the Sales Tax Acts still contain provisions which are not quite compatible with Article 286. It is high time that such anachronisms were removed. A thorough overhauling of the Sales Tax Acts in force in the different States in the light of the relevant decisions rendered by the Supreme Court seems to be desirable in the interests of both the Governments and the assessees. The truth of the remark that "chronic tinkering with the law is fraught with mischief" cannot be exaggerated. The patchwork attempted by the several States by introducing provisions similar to section 22 of the Madras General Sales Tax Act, far from clarifying matters, has only made confusion more confounded. The co-existence of the definition of "sale" in section 2(h) and section 22 of the Madras General Sales Tax Act and similar provisions in the Acts modelled on that Act are a source of despair to

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SERICULTURE INDUSTRY IN INDIA

DEVELOPMENT UNDER SECOND PLAN

THE development of sericulture industry is expected to be accorded a prominent place in the second Five-year Plan. Presiding over a conference of sericulturists held at Santhemarahalli (Mysore) recently, Mr. V. Nanjappa, I.C.S., Textile Commissioner to the Government of India and Chairman of the Central Silk Board, revealed that the Board had drawn up for the second Plan period several schemes with an aggregate outlay of Rs. 4-5 crores for placing the sericulture industry on a stable footing. The schemes included, Mr. Nanjappa said, those which sought to augment the yield of mulberry crop per acre by adoption of improved methods of cultivation and to produce silk at a reduced cost.

The importance attached to the development of sericulture industry thus is only as it should be. Sericulture, as readers are aware, affords "a congenial" subsidiary occupation to many agriculturists, inasmuch as it supports a large number of people directly, not to speak of the provision of employment to thousands of families indirectly in the manufacture of rearing and reeling appliances. Incidentally, it may be noted that the sericulture industry is mainly concentrated in the States of Mysore, Madras, West Bengal, Kashmir and Assam and is organised on a smaller scale in the Punjab(I), Himachal Pradesh, Uttar Pradesh, Bihar and Orissa. The need for improving the conditions in the sericulture sector is imperative, for, otherwise, the implementation of the scheme for the development of the silk industry will receive a distinct setback. That there is no exaggeration whatever in this statement will be evident from the wide gap that exists between the supply of and the demand for raw silk (mulberry and non-mulberry). The production of raw silk is now at an annual rate of a little over 2.83 million lbs., which falls short of the estimated aggregate requirements of about 3.50 million lbs. by 670,000 lbs. This gap will widen still further in the coming years, what with the enlarged demand for silk fabrics arising from rise in population and increase in consumer outlay.

Raising Yield of Mulberry

Since more than 83 per cent.—or 2.35 million lbs.—of the total production of raw silk is accounted for by mulberry silk, it is of the utmost importance that steps should be taken to raise the per-acre yield of this silk. The experiments conducted in the major sericultural States have brought out the fact that the yield of mulberry can be increased by resorting to cultivation of mulberry grafts with improved varieties. Recognising this fact, the Central Silk Board has been giving grants to different States for the preparation and distribution of grafts to sericulturists. The Board has also established basic seed farms for producing pure indigenous silkworm reeds and hill rearing stations for the maintenance of univoltine and bivoltine races of silk-worms. In addition, the Board has given grants for the supply of incubation chambers and refrigerators which form useful adjuncts to seed supply organisations and for the introduction of chakwi rearing centres in some States. The two other important measures taken by the Board include those relating to (1) improvement of silk reeling and (2) establishment of silk conditioning and testing houses.

In the sericulture industry, as in any other industry, research plays a very notable part in improving the quality and reducing the cost of silk. It is gratifying that, in order to conduct research in silk, the Central Silk Board has sanctioned Rs. 8 lakhs for the establishment of a research centre at Channapatna (Mysore State), for which the Government of Mysore will be contributing Rs. 14 lakhs. Disclosing this, Mr. Nanjappa stated that the Board would give all possible assistance for the opening of the centre. Mr. Nanjappa also gave the assurance that, if the State Governments were to submit a proposal for the establishment of a sericulture school for imparting training to the sons of *bona fide* sericulturists, the Board would sympathetically consider it and do the needful. Already, the Board was, he said, granting scholarships to *bona fide* sericulturists and their sons for getting themselves trained in the industry in India and abroad.

The importance of increased facilities for research and training in the sericulture industry cannot be stressed too strongly. The quality of silk produced in India, though it compares favourably with that produced in several other countries, is still not up to the mark. Thus, cocoons in India are said to yield a length of 400 to 500 yards only, as against nearly 1,100 yards in Japan. Again, the quantity of cocoons required to produce one pound of silk is estimated at 16 lbs., as against only 7½ lbs. in Japan. It is not surprising, therefore, that raw silk prices in India should have all along remained very high. To the extent that these prices are reduced, the cost of silk manufactures will be lowered. Viewed from this angle, the plea of sericulturists for exemption from payment of agricultural income-tax on mulberry and removal of sales tax on cocoons deserves to be examined by the Government.

To revert to Mr. Nanjappa's speech at the recent conference of sericulturists. Referring to the filatures side of the silk industry, Mr. Nanjappa expressed the Silk Board's anxiety that all filatures should be revived and kept going. The Central Government and the Board, he stated, 'attached great importance to this industry, because a large number of people was employed and it earned much foreign exchange; the Board had so far granted Rs. 23 lakhs for the development schemes in the Mysore State. In this connection, Mr. Nanjappa assured that the Board would be prepared to spend more money if suitable schemes for the development of the industry were placed by the State Government. In conclusion, Mr. Nanjappa struck a note of confidence that the silk industry had a bright future in India and appealed to the sericulturists to co-operate with the Government in pushing through the several development schemes. While assuring the Board's full support, Mr. Nanjappa called upon the sericulturists to examine the feasibility of developing the industry on a co-operative basis, as had been successfully done in Japan.

FROM GUN-COTTON TO PERLON FIBRE

A RAPID SURVEY OF MODERN INVENTIONS

By Jan Mangath

WHOEVER has had the opportunity of standing before the complicated marvel of a modern synthetic fibre spinning frame, has undoubtedly gained the impression, in particular if he is a layman, that he is witnessing some magic performance in the field of chemical technology; for what is happening here is a most impressive and extraordinary technical process which almost borders on the miraculous. A liquid, pressed through, nozzles, coagulates into fibre, and on emerging is directed towards spools on which the threads are wound. No one would believe that they had previously gone through many phases of baths and chemical transformations—fibres no longer bearing witness to the chemical processes they had undergone. This unexpected sudden change from a liquid to a solid substance, from chemistry to the mechanism of a winding machine, is the most astounding part of this miraculous process created by human ingenuity.

Obernburg is the site of the largest plant of West Germany's synthetic fibre industry. It was set up in the years from 1921 to 1923 and 30 years ago already produced 3,000 kilograms of rayon per day. In the plant's scientific library, the thrilling story of the origin of synthetic fibres can be read, giving the history of a technical invention which has had a truly revolutionising effect in so many spheres of human life and in particular on the textile industry and in the field of fashions.

The Idea Stems from Reaumur

Curiously enough, the inventor of the thermometer, the witty Frenchman René Antoine Ferchauld de Réaumur, was the first to hit on the idea of producing synthetic fibre. In the year 1734 (!), he wrote the following notable sentences: "In the final analysis, silk is nothing but a rubber solution dried in the air. Should it not be possible to produce a silk-like tissue from a rubber and resin solution? At first glance, this idea seems somewhat irrelevant. However, on thinking the matter over, it becomes clear that this idea is a very promising one. It should be possible to obtain fibres from lacquers and varnishes suitable for the manufacture of materials whose gloss and resistance to wear and tear will surely come close to that of silk fabrics . . . " This prophetic mind—during Réaumur's lifetime there were no possibilities of realising his idea—even foresaw the properties this synthetic fibre should have: resistance to water and heat, gloss, and resistance to wear and tear, that is to say, the same properties which are still being required of every synthetic fibre, particularly if it is to be used for textile processing.

One hundred years elapsed since those prophetic words were spoken before the Basle chemist, Friedrich Schoenbein, succeeded in producing a novel substance by combining cotton with a saltpetre-sulphuric acid compound. The result of his experiment was gun-cotton, a highly explosive substance. As a consequence, quite a number of industries were to develop from this invention: the modern explosives industry, the lacquer and film industries, and the rayon industry.

In 1853, which is often regarded as the year in which synthetic fibre was invented, the Lausanne chemist Audemars dissolved bast fibres from mulberry twigs in a nitric acid solution and pressed the matter thus obtained through a steel tip. For the first time, a fibre was obtained from a chemical solution.

It is quite impossible to list in this place the many names of inventors, chemists, technicians, designers, and engineers who, in the hundred years following this invention, contributed to the development leading from nitrate rayon and cuprammonium silk to viscose silk, and from the many semi-synthetic fibres to the 100 per cent. synthetic fibre used for the manufacture of nylon and perlon. In this connection, it should be mentioned that an essential impulse for this development was furnished by the German electrical engineering industry: the carbon filament for incandescent lamps. It is generally accepted that the French Count Hilaire de Charbonnet is the founder of Europe's rayon industry; he was also the first to design a spinning frame in 1880.

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In 1889, the former incandescent lamp manufacturers, Fremery and Urban, in Germany, were the first to run the risk of producing, exclusively for textile purposes, cuprammonium silk in their small plant at Oberbruch near Aachen. At that time, it was really quite a venture and the men who undertook it were unaware of the fact that they were revolutionising the clothing industry which ultimately ended in the "popularisation of luxury" which to us, modern people has become a matter of course. For centuries, pure silk as a material for clothing had been reserved for the use of the rich and remained unattainable to the masses. Rayon displaced pure silk from its prominent position and won over the masses.

Celanese

In the first German synthetic fibre plant at Oberbruch, the acids and baths from which the synthetic silk yarn was developed, were called the "stoff" (substance). Its outstanding property was its "glanz" (gloss). Material and property together made up the word "glanzstoff" which later was to furnish the —still valid—name of the "Glanzstoffabriken" for the united German synthetic fibre works.

An infinite amount of work, diligence and effort throughout decades has led up to the present high standard of the synthetic fibre technique. Nitrate silk was superseded by cuprammonium silk, and this in turn by viscose silk made from wood-pulp. One hundred per cent. synthetic resin fibre has in recent years gained much ground, leaving all other products of textile chemistry far behind it. In America, nylon, developed from synthetic resin, started on its spectacular way to success, while in Germany it was perlon that took a similar development. The 100 per cent. synthetic resin fibre is in the act of superseding its semi-synthetic predecessors of "celanese," also in Germany which after World War II was able to catch up with international developments in this field.

Today, the celanese plant in Obernburg produces perlon. For the lay visitor, the factory is a fantastic labyrinth of boiler plants, pipes, mixers, drums, and presses. The preliminary chemical stages of the valuable final product are invisible to the eye. What remains as a lasting impression is the miracle of the materialisation of the substance as a visible sign of an extraordinary technical creative achievement.

TEXTILE EXPORTS DECLINE IN 1955

SLIGHT INCREASE IN IMPORTS

From A Special Correspondent

MANCHESTER, 24*th January*

HARD on the heels of the sectional reports published by the Manchester Chamber of Commerce dealing with overseas trade come the actual figures of cotton yarn and cloth shipments from the United Kingdom during 1955. The pattern throughout the year had been so uniformly discouraging that the final accounts came as no surprise to the industry.

MANCHESTER LETTER

Earnings throughout the year from exports of cotton goods aggregated £97,676 666 as compared with £112,050,828 in 1954. Cotton cloth shipments amounted to 554 537,000 square yards against 637,378,000 square yards, the value being £70,613,717, an average of 30.56*d.* per square yard, against £81,944,778 averaging 30.85*d.* per square yard in the previous year.

Yarn exports were 35,572 377 lbs., earning £14,937,579 at an average price of 100.78*d.* per lb., as compared with 40 431,459 lbs. worth £17,325,971, an average of 102.85*d.* per lb.

The following table shows the quarterly figures by volume in recent years:

	1953	1954	1955
CLOTH (in sq. yards)			
1st quarter	173,407,000	176,756,000	165,314,000
2nd quarter	169,694,000	166,249,000	116,106,000
3rd quarter	182,020,000	151,035,000	143,437,000
4th quarter	183,925,000	142,044,000	129,237,000
Total (adjusted to nearest million) ..	710,000,000	637,000,000	555,000,000
YARN (in lbs.)			
1st quarter	9,879,300	11,174,900	10,667,800
2nd quarter	9,942,200	10,164,300	7,510,000
3rd quarter	9,687,300	9,094,600	8,195,200
4th quarter	12,388,400	10,044,700	9,167,800
Total (adjusted to nearest million) ..	42,000,000	40,000,000	36,000,000

Shipments to Australia again topped the list in both the yarn and cloth sections but the setbacks caused by import restrictions imposed during the year showed their mark. The Dominion took 99,760.000 square yards of fabric as against 122,343,000 yards in the previous year. The other main markets were (in square yards with 1954 comparisons); South Africa 55,571,000 (83,389 000). Nigeria 48,076.000 (56 259,000), Gold Coast 44,165,000 (35,489,000), and New Zealand 37,402,000 (37,871,000).

Among some of the smaller markets, slight increases in exports were recorded for the United States and Sierra Leone and an encouraging feature was the improvement in trade with Belgian and French possessions in West Africa.

Chief destinations for Lancashire-made cotton yarn were (with 1954 comparisons): Australia 6,238,117 lbs. (7,241,050), Canada 3.373.346 lbs. (2,765,060), Irish Republic 3,175,195 lbs. (3,181,173), Finland 2,430,635 lbs.. (2,089.309), and India 2 252.246 lbs. (1,839 131). A sharp fall occurred in sales to Western Germany from 3,327,354 to 1,494,993 lbs.

Supplies from Abroad

Conditions in the second half of last year altered to such an extent that the quantity of foreign cloth entering this country did not show the large expansion which was feared in the early months of 1955. Arrivals of grey cloth during the year were 268,359,000 square yards valued at £15 463,935 as compared with 236,213,000 square yards in 1954 worth £13,291,893.

The decline in purchases from India during the later months left the annual total at 130,552,000 square yards as against 127,758,000 square yards in 1954 but there was a sharp rise in shipments from Hong Kong from 18,115 000 to 48,761,000 square yards. Imports from that Colony in 1953 were only 688.000 square yards. The only other main supplier was Japan with 63,879,000 square yards as against 51,982,000 yards in 1954.

Imports of finished cloth last year showed practically no change on the previous 12 months, the comparative figures being 31,227 000 square yards as against 30,954,000 yards. Arrivals of yarn increased from 10,720 971 lbs. to 14,019,883 lbs. The cost of imports of cotton goods of all kinds last year was £23,907,260 as against £21,647.026 in 1954 and only £10,982,653 in 1953.

Mills Closing

Two of Lancashire's biggest spinning mill combines have announced new measures for consolidation, involving the shut-down of two more mills.

Mr. Roger Lee, Chairman of the Lancashire Cotton Corporation, told the annual meeting that the group intended to close the century-old Brunswick Mill, Ancoats, Manchester. "This is an old unit requiring very large capital expenditure to make it competitive," he said.

"This is typical of a movement taking place throughout the industry," Mr. Lee continued. "Many old mills are not structually suitable for re-equipment without heavy expenditure."

The Corporation has recently bought the Durban Mill, Hollinwood, Oldham, and has made an offer for the Eagle Mill, Rochdale, which has been accepted by 81½ per cent. of stockholders. Another mill which is to be closed is the 80-year-old Rumworth Spinning Company at Bolton, a subsidiary of Combined English Mills Ltd. The decision to cease production at this 50,000-spindle mill was disclosed by the Directors following their bid for the Shawclough Mill, Rochdale.

In both cases displaced operatives will be offered employment in other mills controlled by the respective groups.

Foreign Competition

European countries willing to work their mills on a three-shift system are as much a danger to the Lancashire cotton trade as competitors in low-wage countries in the Far East. This warning was given by Mr. Roger M. Lee, Chairman of the Lancashire Cotton Corporation, at the annual meeting in Manchester.

Yarn and cloth imports from Eastern countries had hampered the trade during the past year, he said, but there had been a remarkable change in the last two months. "The position today is that prices of many qualities quoted by low-wage countries are about the same as the price of Lancashire cloth," he continued.

Representations would continue urging the Government to assist the industry by limiting the level of foreign imports, but there was no indication that the Government proposed to take action. "The only course open to us as a firm is to try and combat this competition by raising the efficiency of our mills to the maximum," declared Mr. Lee.

Tax Relief Urged

In the new industrial age which Britain has entered, industry must be given more encouragement to keep abreast of advances, the Directors of the Manchester Chamber of Commerce declared in their annual report.

"It is clear that more incentives must be offered, by way of taxation reliefs, if our total economy is to be materially advanced. We have entered a new industrial age where the speed of adaptability can determine the final issue. The United Kingdom must not be handicapped in what must prove to be a world struggle for advancement and progressiveness," said the report.

Industry was now able to enjoy the fruits of great advances in industrial products, technology and techniques. But new developments, re-equipment and rebuilding cost money.

Referring to the past year in the Lancashire textile industry, the report said it was a matter of much concern that the long-term interests of the industry were being seriously threatened at one and the same time by two adverse influences—a declining export trade and growing imports of duty-free textiles from Commonwealth countries.

The report added: "The contribution which cotton and rayon make to our national well-being needs no emphasis. It is imperative that from all aspects—national as well as industrial—there must be maintained the unit should be well equipped to meet successary to meet these needs. For their part, each unit should be well equipped to meet successfully the forces of competition in a changing world economy."

Views on Shifts

Shift working in Lancashire cotton mills was a talking point of 1955 and in some cases became the subject of action as well. Few people connected with the textile industry in this country would deny that the introduction of two, let alone three, shifts presents considerable difficulties. Yet, in the light of current circumstances, the system provides one way of improving efficiency and thereby competitiveness—so long as various compensating factors are also adopted.

Objections to the principle come largely from those who believe that its social disadvantages outweigh any gains secured by the general community or the economic progress of the

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CULTIVATION IN TUNGABHADRA PROJECT AREA

SCOPE FOR INCREASED OUTPUT OF COTTON

THE regions covered by the hydro-electric projects included under the first Five-year Plan and scheduled to be included under the second, are full of potential significance to India's agricultural economy. Till now, their potentiality has been only roughly assessed. It would perhaps be useful to make a detailed investigation of the agricultural and industrial possibilities of these projects and to disseminate such information among the public, so that the people could take a more real interest in these projects and also be induced to exploit the agricultural and industrial opportunities afforded by them to the fullest extent. From this point of view, an analysis of the potentialities of the Rs. 51-crore Tungabhadra Project, made by Mr. S. B. Priyavratha Rao of the Agricultural Research Station, Siruguppa will be read with interest by all cotton men, for the region covered by the project could make a significant addition to India's cotton output.

The project idea, so far as the Tungabhadra is concerned, originated as early as in 1895 in Hyderabad, though detailed investigation was undertaken only in 1905. The credit for this investigation goes to the Madras Government. The science behind the project, it is stated, is very interesting from an academic point of view. The detailed soil survey conducted by the chemists has revealed that the soils in the area contained nearly 80 per cent. black soil, the rest being red soil. Red soil irrigation has never presented difficulties in any place so far, unlike the black soils elsewhere (e.g., Neera-Valley area in Bombay). The analytical results, carried out at Coimbatore, revealed that the black soils of the area were quite irrigable and no harmful results were likely to accrue by way of soil deterioration. To test the soundness of these findings on a field scale and confirm the laboratory results, and to deal with other project problems, a special Agricultural Research Station was established at Siruguppa in the year 1937. Investigations revealed that both the soils and the Tungabhadra water have low salt content. As a result of irrigation no rise in salt content is noted. Thus, it clearly dispelled all doubts regarding the development of alkalinity in the black soils, consequent upon irrigation.

The Tungabhadra, which is a tributary of the Krishna, is one of South India's important rivers. The main feature of the project, which is located near Hospet (Guntakal-Hubli railway), is a masonry dam, 8,000 feet long and 160 ft. high. A 225 mile canal on the right bank is expected to irrigate 2½ lakh acres in composite Madras (now situated in Andhra and Mysore States) and another 127-mile canal on the left commands an area of about five lakh acres.

The chief crops grown in this tract are cotton and millets. These crops are raised entirely under rain-fed conditions at present. The result is that in dry land, the crop yields are low and uncertain. With the advent of irrigation, the crop yields are not only assured but will also increase considerably. A wide range of new crops, it is stated, could also be raised successfully. The pattern of crop production (in the Andhra and Mysore States only) under the existing system of cultivation and that under project conditions is given below:

Crop Pattern

	Area (in 000 acres)	Yield per acre	Total output
Under rain-fed conditions:			
Millets	125	500 lbs.	28,000 tons
Cotton (*desi*)	125	50 lbs.	16,666 bales
Total ..	250	..	..
Under project conditions:			
Paddy	50·5	1 ton (grain)	50,500 tons
Millets	40·0	,,	40,000 ,,
Wheat	20·0	¼ ton	10,000 ,,
Groundnut	48·0	700 lbs. (pods)	15,666 ,,
Cotton (Cambodia) ..	84·0	1 bale	84,000 bales
Sugarcane	7·5	2½ tons (sugar)	18,856 tons
Total ..	250·0	..	..

It will be seen from the table above that the cultivation, under project conditions, would lead to a five-fold increase in output as compared with that under dry cultivation. It will further be seen that the output of cotton in this region would increase from about 15,000 bales to 84,000 bales of 392 lbs. each. It must, however, be remembered that the table, confined as it is only to a limited part of the project region in the Andhra and Mysore States, does not give a complete account of what the Tungabhadra project could mean in terms of agricultural production. So far as cotton is concerned, the author notes that a total of about 3,25,000 acres in Andhra, Mysore and Hyderabad States could be utilised for cultivation of cotton. It may be mentioned here that an area of nearly 5 lakh acres is expected to get the benefit of irrigation under the High-level Canal Scheme, estimated to cost Rs. 15 crores; the scheme is under the consideration of the Andhra Government. When this canal is completed an additional area of two lakh acres is expected to come under cotton cultivation.

The improvement in the output of cotton is not, however, confined to quantitative aspect alone. There is bound to be an improvement in the quality of cotton too. The *deshi* cottons which are commonly raised in the dry lands in this tract come under the trade names Westerns, Northerns and Kumptas. These are all medium-staple varieties; the per-acre yield of these varieties is also low. With the advent of irrigation, long-stapled American uplands which are superior in quality to the indigenous types could be grown successfully. The yields and other characteristics of the upland type found suitable for cultivation in the project area and those of the existing *deshi* types are given in the following table:

Yield and Quality

	Kapas yield per acre (in lbs.)	Lint yield per acre (in lbs.)	Fibre length (in inches)
Under rain-fed conditions:			
Westerns (W. 1) ..	200-250	50-60	0·83
Northerns (N. 1) ..	250-300	50-60	0·87
Jayawant ..	200-300	60-70	0·86
Under project conditions:			
Laxmi	1,000-1,500	350-400	0·94

Attempts were made to explore the possibilities of replacing the existing *deshi* types by a cosmopolitan American type on the analogy of the experience in certain other countries, such as the U.S.S.R. and China. A research scheme launched by the Indian Central Cotton Committee in 1945, has three main objects: (1) to evolve a long-stapled American type suitable for irrigated *rabi* crop and (2) to breed a remunerative American variety for the rain-fed zones (not served by the project) so as to step up the quality and yield of cotton in the tract. The research scheme which is still in progress has already yielded some valuable results. Among the promising varieties, Laxmi and M.A.2, it is stated, have consistently registered encouraging yields for the past five seasons. Since Laxmi is superior to M.A.2 in more than one attribute, the former is being recommended for immediate use in the project area.

Summing up the study of the possibilities of the Tungabhadra region the author points out that this region will henceforth be free from periodical visitations of famine. This would contribute to all-round prosperity of the people and give a great fillip to the region's industrial progress. Since power will be available at low cost and larger supplies of raw materials such as long-stapled cotton and sugarcane will also be available, there are good prospects for developing large-scale industries, notably cotton mills and sugar factories.

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ALL-INDIA COTTON ESTIMATE

The all-India third estimate of cotton for the 1955-56 season places the area and production at 17,189,000 acres and 3,286,000 bales (of 392 lbs. each) respectively, an increase of 6.8 per cent. in area and a decline of 9.3 per cent. in output as compared with the estimates for 1954-55. The estimate does not cover the entire area sown to cotton in 1955-56. Past experience shows that the area at the third estimate stage covers 85 per cent. of the area under crop finally reported.

The following table gives the details relating to area and production of cotton in terms of trade descriptions and staple lengths as per the third estimate for the current season and the corresponding estimate for the previous season:

	Area (in 000 acres)		Production (in 000 bales)	
	1955-56	1954-55	1955-56	1954-55
Trade descriptions				
Bengals	811	720	214	275
Americans	2,853	2,614	725	825
Jarilla	2,855	2,560	4·0	547
Verum	292	284	92	92
H. 420	542	417	71	77
Oomras	2,296	2,352	360	414
Hyderabad Gaorani ..	1,158	1,560	91	178
Malvi	1,498	1,197	352	249
Broach-Vijay	1,159	957	252	247
Surti suyog	60	50	147	124
Dholleras	1,685	1,424	356	366
Southerns	1,515	1,482	294	240
Comillas	94	88	19	18
Total ..	17,189	16,093	3,286	3,621
Staple lengths				
Long staple	5,540	5,252	1,086	1,239
Medium staple	5,868	7,111	1,860	1,537
Short staple	5,644	3,750	640	845
Total ..	17,189	16,093	3,286	3,621

The increase in area under cotton in the 1955-56 season, it is stated, has been reported mainly by Madhya Bharat, Bombay, Saurashtra, P.E.P.S.U. and Madhya Pradesh. This is attributed to favourable weather conditions at sowing time and to efforts made under the cotton extension schemes. The high prices of cotton at the time of sowing was also a contributory factor for this increase in acreage.

It is noteworthy that despite the increase in acreage under cultivation, the output of cotton has declined. This, as is well known, is due to the damage caused by floods and unseasonal rains. The decline in production, according to the official estimate, has been mostly shared by Madhya Pradesh, Hyderabad, P.E.P.S.U. and the Punjab. The decline in output in these states was partly offset by increases in production in Madhya Bharat and Saurashtra.

As between the different varieties of cotton, the decrease in production has occurred mostly in Americans, Oomras, Hyderabad Gaorani, Jarilla (including Virnar) and Bengals and an increase in Malvi. As regards staple length, the decrease in production has been recorded in short and long-staples and a slight increase in medium-staple. The information given in this estimate relates generally to the period up to the middle or end of November 1955. Till then, the condition of the crop was reported to be on the whole satisfactory. In parts of Madhya Pradesh the standing crop was, however, adversely affected by the shedding of buds and bolls due to untimely heavy rains. Due to floods and excessive rains in October 1955, the crop was adversely affected in parts of Punjab and P.E.P.S.U. The crop was also damaged to some extent in parts of Madhya Pradesh and Bombay by "aphis," "Powdery Mildew" and other crop diseases.

The official estimate of the cotton crop, as is well known, is always lower than the trade estimates which are invariably nearer the true crop position. For the 1955-56 season, trade estimates place the crop at 45 lakh bales (commercial), as against about 52 lakh bales for the 1954-55 season.

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A CASE FOR ECONOMY IN STEEL THROUGH USE OF CONCRETE STRUCTURES

AN IMPORTANT QUESTION THAT MERITS PLANNING COMMISSION'S ATTENTION

By An Engineering Correspondent

IT has needed the discerning eye and the forthright pronouncements of the U.S.S.R. statesman, Mr. Khrushchev, to bring home to the Government and industrialists a fact which has been recognised for some time by a number of our engineers, that substantial savings in steel can be obtained by constructing our structures in concrete. The sharp criticism of Mr. Khrushchev during his visit to the Integral Coach Factory at Madras, when he told the builders of the factory that they were wasting steel in this construction, has aroused considerable interest. He turned down all explanations of economy and time-saving offered for the steel structures, reiterating his firm conviction that, if concrete had been used in place of steel in the structures, 80 per cent. of the steel could have been saved. Mr. Khrushchev was right and it can be shown, without going into an exhaustive analysis of the situation, that substantial savings not only in steel, of which there is such a shortage, but also in capital cost would result from a firm and sustained policy of substituting steel-frame structures by reinforced concrete. Considerably higher savings in the percentage of steel can be effected, if the recently developed technique of prestressed concrete is used to replace steel girders for large span bridges, steel tanks and other industrial structures.

Main Advantages

The age of massive walls is past. Structures are being built in the twentieth century of light frames which support any combination of walls, floors and roof. This method of construction has made skyscrapers possible. At one time, steel frames were considered essential for very tall structures, but now concrete frames have been found not only equally suitable for structures of any size or height but have certain advantages over the steel frames. Some of the chief advantages are lower first cost, reduced maintenance charges, and savings in steel. An example of a reinforced concrete skyscraper is a 34-storey building 507 feet high in Brazil.

It has been established that reinforced concrete structures require only one-third to one-half the tonnage of steel required for steel frames. The percentage varies with the type of structure as follows:

Residential and office buildings ...	50	per cent. that of steel frame
Factory buildings	45	do. do.
Warehouses ...	35	do. do.

Steel frames for buildings and for the majority of structures have to be encased in concrete, masonry or plaster for safety against the risk of fire. The foundations are also costly, as steel columns generally require a heavy and costly grillage of steel encased in concrete.

Saving in Cost

Comparative studies made of a steel-framed structure recently built in India with a reinforced concrete structure designed for identical conditions and loads showed that the concrete structure would have cost 22 per cent. less than the steel-frame structure. This finding is supported by the results of detailed studies of different types of buildings carried out in the U.S., where reinforced concrete structures proved to be between 25 and 30 per cent. cheaper in overall cost than identical steel-frame structures.

Due weightage has also to be given to the comparatively negligible maintenance which a reinforced concrete structure needs over the period of its useful life. A steel structure needs periodical painting, if it is not encased in concrete, and the capitalised cost of such painting further increases substantially the initial cost.

A further advantage in the use of reinforced concrete lies in the possibilities of moulding concrete to any shape or form for enhancing the æsthetic value of the structure. Moreover, concrete frames are also more durable and infinitely more fire-resistant than steel frames.

Arguments have often been advanced, as in the reported discussion between Mr. Khrushchev and the Integral Coach Factory authorities, that a steel frame is more rapidly erected than a concrete frame. Although a certain period is required for the hydration of cement in the concrete, judicious planning of the construction schedule results in the completion of a reinforced concrete structure almost in the same period as a steel-framed structure. Further, the use of precast units on a large scale, as is common in Western countries, would enable concrete structures to be erected even more easily and more rapidly.

Prestressed Concrete

The recently developed technique of prestressed concrete makes it possible, under most conditions, to enhance the advantages inherent in reinforced concrete. The quantity of steel required in prestressed concrete is only about a third of that used in reinforced concrete. The steel consumption is, therefore, 80 to 85 per cent. less than that needed in an equivalent steel structure.

Prestressed concrete is in its early stage of development in our country. Its first reported use was in the construction of two army garages at Meerut. Our railways pioneered its use in structures subjected to dynamic loading by constructing several 60- and 40-feet span girders on the Assam Rail Link. The first road bridge to be built in prestressed concrete was over the Palar, a few miles south of Madras. Since then, the number of prestressed concrete road bridges has gradually increased and over 30 large prestressed concrete bridges have been either completed or in various stages of construction.

Even though the imported high tensile steel wire used at present for prestressed concrete costs two to two and a half times as much as mild steel, prestressed concrete structures can be constructed in many locations at a lower first cost, than either reinforced concrete or steel structures. Outstanding is the case of major bridges in the range of 60 feet to 150 feet spans. Here, despite the natural inertia against innovations, particularly due to lack of experience in new techniques, the first cost by open tenders has often been less for prestressed concrete designs than for reinforced concrete designs and considerably less than for steel girders. An outstanding example is the Sone Bridge at present under construction where the tendered price for prestressed concrete was 37 per cent. less than that for structural steel and 4 per cent. less than for reinforced concrete.

Prestressed concrete has also proved most economical for large size tanks and reservoirs. In Europe and the U.S., it has largely replaced reinforced concrete in the building of such structures. Besides substantial savings in steel, its use results in impressive savings in first cost and in securing a leakproof structure. In building frames, the cost of prestressed concrete is at present higher than reinforced concrete construction but further developments are bound to eliminate this slight handicap.

The recurring cost of maintenance for prestressed concrete structures is even less than that for reinforced concrete structures.

Manufacture of Steel Wire Essential

The adoption, on a large scale, of prestressed concrete, resulting in an impressive saving of 80 per cent. of steel, underlines the pressing need for manufacture in India of high tensile steel wire required for prestressing. Efforts have already been made by technical bodies interested in the development of a technique with inherent economical advantages to impress on the authorities concerned the necessity for early manufacture of steel wire of appropriate quality. It is to be hoped that the Planning Commission will interest itself in this matter and ensure an indigenous supply of the high tensile steel wire to our engineers for constructing prestressed concrete bridges and structures and release 80 per cent. of the tonnage of steel girders and structurals.

Having indicated the percentage savings both in cost and in quantity of steel through the use of concrete, reinforced as well as prestressed, it is necessary to assess the gross quantities of materials involved. Of the 1.4 million tons of steel used in India in 1954, about 20 per cent. or 3 lakh tons consisted of heavy, medium and light structurals for use in buildings, and industrial structures and bridges. At least 50 per cent. of this, that is, 1½ *lakh tons* could have been saved by replacing the steel structures by reinforced or prestressed concrete.

The target for steel production by 1961 is 6 million tons and we may assume that 20 per cent. of this, or 1.2 million tons, would consist of structurals. Replacement of steel by concrete should then result in a saving of about 500,000 to 750,000 tons of steel.

Additional Cement

The steel saved, however, has to be substituted by additional cement for concrete construction and it is natural to ask how much additional cement will be required to be produced to effect this saving in steel. The target of the second Five-year Plan for the production of cement is 10 to 12 million tons. An analysis of typical industrial structures shows that on an average in a building frame, 1-1/3 ton of additional cement for reinforced concrete is required for every ton of net saving in steel. On the other hand, more than two tons of cement may be required for every ton of steel saved by substituting a steel girder bridge by a prestressed concrete structure. It would, therefore, be safe to provide additional cement equal in tonnage to about twice the weight of steel saved. Thus, in 1954 we would have required 3 lakh tons of additional cement in place of a possible saving of 1½ lakh tons of steel. At the end of the second Five-year Plan, we will need one million tons additional cement production, against a possible saving of between 500,000 and 750,000 tons of steel.

An increase in the capacity of cement production from 10 million tons to 11 million tons is not likely to be very difficult to achieve. The fulfilment of this enhanced target would overcome the bottleneck in progress likely to be caused by a shortage of steel during the second Five-year Plan.

The case for economising the consumption of steel in structures in India today therefore stands as follows: Reinforced concrete using mild steel rods can be used immediately to replace structural steel in all buildings and industrial structures and thereby save 500,000 to 750,000 tons of steel. For larger savings in steel, we must adopt, on an increasing scale, the technique of prestressed concrete, especially for major road and railway bridges and large tanks and industrial structures. For this, we need high tensile steel wire and, since high tensile steel wire would replace five times its quantity of structural steel, the Planning Commission, in the interests of national economy, should interest itself in the indigenous production of high tensile steel wire.

If the proposal to build all our structures in concrete is accepted, our target for cement production will need to be increased by about one million tons.

An Idea of Net Advantage

The question may be asked as to how the savings in steel and the additional production of cement will affect the nation's economy as a whole. The answer has been epitomised by Mr. W. W. Russel in a speech delivered on 12th December 1955 at the annual general meeting of the Associated Chambers of Commerce of India, Calcutta. He said that " . . . it seems that India could probably save a substantial percentage of her present steel consumption by an increase of less than 10 per cent. in her planned target of cement production. In terms of 1954 steel consumption, this would mean, I believe, a saving of 1½ lakh tons of steel by an increase of about 3 lakh tons of cement. In 1961, it would mean saving approximately half a million tons of steel by an additional output of only one million tons of cement. The figures I have just given you indicate that the installation of an additional million tons of cement capacity at an approximate cost of Rs. 16 crores, could save half million tons of steel, the capital cost of which would be approximately Rs. 75 crores. In addition, the extra cement would certainly be available during the next five years, well before the equivalent quantity of steel. . . "—*All Rights Reserved.*

SOME PROBLEMS OF SUGAR INDUSTRY

WORLD CONGRESS OF TECHNICIANS OFFERS AN OPPORTUNITY TO RESTATE THEM

THE Central Hall of Parliament House at New Delhi hummed with activity on Wednesday last week when the ninth Congress of the International Society of Sugarcane Technologists (I.S.S.T.) was inaugurated by Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture. In this Congress, held in India for the first time, as many as 250 sugar scientists and technologists, including 100 delegates from 24 foreign countries, participated. The main session of the Congress lasted till the 2nd inst. About 150 scientific papers on different aspects of sugar and cane were discussed. Symposia on clarification of juice and on payment of cane price, both of which are important problems of the sugar industry the world over, were also held. The previous sessions of the Society—the Society meets usually every three years—it will be recalled, were held in Hawaii (1924), Cuba (1927), Java (1929), Puerto Rico (1932), Australia (1935), Louisiana (1938), Australia (1950) and British West Indies (1953).

The New Delhi Congress came to be held at a time most momentous for the Indian sugar industry. India, as readers are aware, is engaged on a gigantic programme of economic expansion in which sugar also figures prominently. The production capacity of the sugar industry, for instance, is proposed to be stepped up by over 56 per cent. in the next five years, that is, from 1.6 million tons to 2.5 million tons. The Government of India has already issued licences for the setting up of 39 new factories and expansion of 44 existing units, and more licences are in the process of being issued. Surely, this is a big development programme which, as Mr. A. P. Jain aptly declared, is "a challenge to the intellect and ingenuity of Indian sugar technologists and the resources of the industry." It is, however, not so much for the fulfilment of the aforesaid target as for the imperative necessity for solving a score of most pressing problems confronting the sugar industry that the deliberations of the I.S.S.T. convention and the decisions taken thereat assume special significance. Mr. D. R. Narang, General Chairman of the I.S.S.T.'s ninth Congress, did well, therefore, to devote a considerable part of his presidential address to a study of these problems and solutions for them.

Modernising Sugar Industry

Mr. Narang drew special attention to the need for modernising sugar industry. Evidently, he was prompted by the fact that the layouts of sugar mills have become congested, and that, in several units, the machinery is either ill-balanced or forced to run to its utmost capacity; the all-India average of the daily cane-crushing capacity of a factory works out to not more than 870 tons. The plants in most of the factories are several years old—they were all purchased as far back as 1930 and earlier—and are considerably worn out. The equipment according to Mr. Narang, is generally of the conventional type. It is only in a few factories that modern machinery has been installed. Owing to financial difficulties, several sugar factories have not been able to carry out the modernisation programme to an appreciable extent. It is not surprising, therefore, that the number of man-hours in the production of sugar in India is very large *vis-a-vis* that in other sugar-producing countries. If productivity is to be raised, it is of the utmost importance that attention should be paid to latest improvements in machinery design as well as processing technique. Emphasising this aspect, Mr. Narang gave the following brief account of the latest advances in the realm of sugar technology:

"The Saha-Jain process and the Ghosh process of electrical clarification are promising propositions, and their development is being watched with keen interest.

"The Ion-exchange process is a revolutionising proposition and its development, particularly in the direction of reducing the cost of regeneration of resins, demands the urgent attention of technologists. It is gratifying to note that the Saha-Jain process is at the stage of commercial-scale trial in a sugar factory in India and the Ghosh electrical process and the ion-exchange process are on the programme of pilot-plant and bench-scale trials, respectively, at the Indian Institute of Sugar Technology, Kanpur.

"The crystallisation technique has been greatly perfected by improving circulation in vacuum-pans, preventing variations in temperature, introducing automatic vacuum control and using control instruments, indicating the degree of super-saturation and automatic feeding techniques.

"The separation of crystals from molasses has become far more efficient with the use of automatic high-speed centrifugals, besides giving substantial advantage in labour cost. From the latter point of view, the continuous centrifugals score a definite advantage over the high-speed centrifugals, but the disadvantages due to crystal damage by abrasion are holding up increased adoption of this unique invention.

"Efficiency of steam generation has been effectively increased by the use of mechanical stokers, particularly those employing pneumatic distribution of bagasse. The use of steam has been greatly helped by means of steam-flow indicators."

Cost of Production High

Thanks to these advances, the technical efficiency of sugar mills is fairly high. The all-India average for reduced mill extraction comes to about 93.5-94.0 and reduced boiling-house extraction to 90.5-91.0. The quality of sugar manufactured is also not unsatisfactory, the bulk of production being accounted for by the D28 grade. The progress might, perhaps, have been more notable but for the use of old and worn-out crushing plants and sugarcane of poor sucrose-content at prices which ought really to be paid for cane of much higher sucrose. It is these two factors which have largely been responsible for the high cost of sugar manufacture in India. Stressing this aspect, the Union Food and Agriculture Minister said: "They (sugar technologists) will, I hope, bring down the price of sugar which, unfortunately, remains substantially higher as compared with that of other producing countries." It must, however, be pointed out, in this connection, that there is a wide difference between the cost of manufacturing sugar and the price at which the consumer gets sugar. Practically the whole of this difference is accounted for by taxation. On each pound of sugar costing about As. 7, a consumer pays as much as an anna and a half by way of taxes—Central and State. In other words, taxes account for more than 21 per cent. of the total price of sugar. It will thus be seen that the reduction in the price of sugar depends not merely on the efforts of the sugar industry to improve the manufacturing techniques and on those of technicians and cultivators to increase the yield of sugar per acre but also on the willingness of the Governments to lower the heavy tax burden.

Cane Cultivation

Now to refer to the imperative need for bettering the conditions obtaining in the agricultural sector of the sugar industry. In spite of all the stress laid on intensive development of sugarcane, the progress achieved has not been much. The all-India average recovery per cent. in sugar is only 10, as against 14.33 in Australia, 12.93 in Formosa, 12.33 in Peru, 12.25 in Cuba and 12.23 in Puerto Rico. The average yield of cane per acre is also very low, being about 13-14 tons, which compares unfavourably with 62 tons in Hawaii, 56 tons in Java, 30 tons in Egypt and 28 tons in Formosa. Mr. Jain alluded to the poor quality of cane and observed:

"We are taking adequate steps to increase it. The Sugarcane Breeding Institute (Coimbatore), the Indian Sugarcane Research Institute (Lucknow), the Indian Central Sugarcane Committee and the numerous regional research stations are constantly endeavouring to evolve better varieties and improve upon cultivation practices. The Coimbatore Institute is engaged on a *Saccharum spontaneum* scheme, under which the Institute is collecting various forms of wild *Saccharum spontaneum* from all over the world and is assessing their value as parent stock in the breeding work. I need hardly tell you that it was this Institute which started crossing the wild *Saccharum* with Noble canes, a practice which has contributed so much to the success of Coimbatore canes."

The formulation of better techniques and improved methods of sugarcane cultivation will not by itself solve the problem. For much depends on the way in which these are introduced, especially when a large number of small and unsophisticated peasants is involved. Recognising this difficulty, Mr. Jain stated that the Government was determined to wage a total war to improve the lot of the cane grower. He added: "Apart from the major river valley projects which will irrigate large areas, we are sinking a number of tube wells in the cane-growing areas for increasing irrigation facilities. These efforts have already begun bearing fruit and we expect that the all-India average yield per acre will, during the next five years, increase by 50 per cent." Mr. Jain also revealed that the Government was considering measures to stabilise production and arrange for a fair return to the cane-grower and an equitable distribution of surplus profits between the farmer and the factory. "We would," to quote him again, "like to co-relate the price of cane with its quality, in order to provide an incentive to the farmer to grow better quality cane."

The need for introducing the system of making payments for cane on the basis of quality, instead of on quantity, has been stressed so often in these columns that it is unnecessary to discuss it again. Suffice it to say that, unless the price of cane is linked to quality, there is no hope of the sugar industry getting supplies of cane with rich sucrose content.

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SUGAR DEVELOPMENT

The vast and varied problems of sugarcane development have been discussed by experts in the special sugarcane supplement to *Indian Farming*, issued by the Indian Council of Agricultural Research, New Delhi. In the very first article, Dr. T. S. Venkataraman, one of the world's leading sugarcane scientists, assesses the contribution which the Coimbatore Institute has made to the breeding of improved varieties of sugarcane. Another interesting article has been written by Mr. P. P. Chandra, Secretary, Indian Central Sugarcane Committe. In this article, Mr. Chandra claims that sugarcane development in India has been rapid. Nevertheless, he emphasises that the position of sugarcane as a money crop and also as a satisfactory rotational crop in the agricultural economy of the country is of vital importance and requires concerted attention on the part of all concerned. What the Indian Institute of Sugarcane Research (Lucknow) is doing for the sugar industry has been impressively surveyed by its Director, Mr. B. K. Kukerji. The other articles appearing in the supplement are: "Sugarcane industry has a future in the Punjab" by Mr. Harbans Singh, "Quality of cane—what sugar factories want" by Messrs. K. S. G. Doss and N. C. Varma, "Growing cane—the mechanical way" by Mr. D. H. Duyf, "Sugarcane industry is expanding in the South" by Mr. S. V. Parthasarathy, "In Uttar Pradesh, cane research and development has been intensive" by Mr. R. K. Tandon, and "The Sugarcane Institute at Coimbatore" by Mr. N. L. Dutt.

"INDIAN SUGAR—I.S.S.T. NINTH CONGRESS NUMBER"

The Indian Sugar Mills' Association, Calcutta, has brought out, to mark the occasion of the ninth Congress of the International Society of Sugarcane Technologists, a special number of its publication, *Indian Sugar* (Editor: Mr. J. S. Mehta. Price: Rs. 3). The number carries several contributions from persons who have an intimate knowledge of the problems of sugar industry, including those pertaining to cane culture. Particular mention must be made of the article on sugarcane research in India—retrospect and prospect, written by Mr. K. L. Khanna, and potentialities of sugar as raw material in chemicals written by Messrs. K. S. G. Doss and S. Mukherjee. Recent trends in world sugar economy are also reviewed in the number. The utility of the publication is further enhanced by the inclusion of a list of sugar mills in India—existing as well as proposed. The statistical tables relating to sugar and cane production, comparative technological results of sugar mills in India and abroad, taxes imposed on sugar industry, etc., have been revised and brought up-to-date.

SUGAR INDUSTRY IN AUSTRALIA

MANUFACTURE OF BY-PRODUCTS HAS RECEIVED GREAT MOMENTUM

By A Special Correspondent

WITH its roots literally in the soil, the Australian sugar industry has branched out to include the production of goods as various as building materials and organic chemicals. At one end of this unique production line is the cane cutter in the fields, slicing off the stalks at the ground with a heavy knife. At the other end are the electronically controlled chemical plants, producing substances with names as mysterious as deodorised di-2-ethyl hexy phthalate.

The organisation of the Australian sugar industry, the most efficient in the world, is as complex as the processes which make it up. Individual cane-growers, co-operative and company mills, company refineries, Commonwealth and State Governments and the Colonial Sugar Refining Company are all linked in an integrated industry which supports nearly one quarter of a million people within the sugar districts.

The whole story of sugar in Australia is bound up with the Colonial Sugar Refining Company (C.S.R.), which celebrated its centenary in 1955. This company is one of the oldest, largest and most progressive in Australia, with a paid-up capital of more than £A14 million and assets of much greater value. Although its role has been very influential, the C.S.R. does not control or monopolise the industry. For instance, it does not grow sugarcane. The cane is grown by about 9,000 independent farmers, cultivating an average of 50 acres each. Their assets are about £A55 million. In 1954 about 1.3 million tons of raw sugar were produced. This was a record, and approximately double the production in 1934. Thirty-four mills crush the harvested cane of Queensland and New South Wales. Farmers' co-operatives own 14 of them, 13 are owned by various companies, and the rest belong to C.S.R.

Expansion

Since the Second World War about £A12 million has been spent on expanding the milling industry. The expansion of the Victoria Mill near Ingham, Queensland, and the extension of its light railway system alone cost £A3 million. There are six refineries—at Bundaberg, Queensland, and in the State capitals. The Millaquin Sugar Company owns the Bundaberg refinery, and the C.S.R. the rest. There are also several molasses distilleries, which produce power alcohol, industrial spirit or rum.

Sugarcane is the sole crop where the rainfall exceeds 40 inches a year or where irrigation is available as on the Burdekin River in Queensland. Most of it grows within 20 miles of the coast, and 80 per cent. is produced north of Mackay in North Queensland.

The sugar belt is in the great fertile littoral between the ranges of hills and the sea. It begins at Mossman, north of Cairns, and runs across the Queensland-New South Wales border to Murwillumbah and Grafton—1,300 miles of farms, scientifically and intensively cultivated. This fertile strip, the most lush and in many ways the loveliest in Australia, is a region of unique attractiveness. But without sugar there would be few tourists and, indeed, few inhabitants, for sugar has built the cities and towns, and has justified the building of roads, railways and airfields.

Sugar makes the startling contrast between the north-eastern and north-western coasts of Australia. Without it North Queensland could have had no more than a few tiny ports for shipping beef and metals. The development of the industry proceeds steadily, though production is officially curbed from time to time in accordance with the state of the market.

The present home market, with Australia's share of overseas markets under the British Commonwealth and International Sugar Agreements, is not capable of absorbing an unrestricted production of raw sugar in Australia. Its output was, therefore, limited to about 1.17 million tons in 1955. But the efficiency of all branches of the industry is continually increasing. Last year, equipment for unloading and handling raw sugar in bulk from ships was installed at the C.S.R. refinery at Pyrmont, Sydney, at a cost of £A800,000. The Melbourne refinery also receives bulk cargoes of sugar, and conversion to mechanical handling is under way at the Queensland ports of Mackay and Lucinda.

Perhaps, the most interesting and significant development recently has been the use of by-products from the extraction of raw sugar. One of these by-products is cane fibre (bagasse), which is used as fuel in the mill furnaces or as the raw material for the low-density wallboard marketed by the C.S.R. as caneite. Another is the dark, heavy substance known as molasses, the sugar in which cannot be economically extracted. Molasses may be used as stock feed or fertiliser, but a much more important use is its fermentation to make industrial alcohol and methylated spirit. Alcohol is one of the bases of the organic chemicals industry, and on this base has been established the C.S.R. Chemicals, with a capital of £A6 million. This firm has its principal plant in the Sydney suburb of Rhodes. With alcohol derived from molasses, this plant produces various industrial chemicals, including cellulose acetate flake, the raw material of the rayon industry; the acetic acid group; plasticisers; solvents and stearates; the polyol group; sorbitol and mannitol; and ascorbic acid (vitamin C).

More Uses Found

Australia has come a very long way in the sugar industry. At one end of the line, the basic procedure of sugarcane growing and harvesting remain, though constantly improved by scientific research. More uses have been found not only for sugar but for its by-products. The distillation or rum has its modern successor in the production for export of a fine chemical in a six-stage synthesis. The significance of such developments cannot be overestimated, for they mean that, in many ways, Australia is in the forefront of technological development. The field opened up by the use of chemicals, based on sugar-derived alcohols, which include a whole range of plastics, solvents and pharmaceuticals, appears almost unlimited. The use of C.S.R. Chemicals cellulose acetate flake to make acetate rayon yarn is an outstanding example. The horizon is far wider than would have seemed possible even 20 years ago, and it would be rash indeed to try to set limits to the development of this great basic industry.

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ACCIDENTS IN COAL MINES

MEASURES FOR PREVENTION

IN the light of the recent reports of courts of enquiry, the Government of India has decided to take legal action against the managements of the Newton Chikli and Amlabad collieries. It has also decided to take suitable action, after necessary investigations, against the supervisory staff of the Department of Mines for lack of supervision.

It will be recalled that the enquiries were conducted by High Court Judges, at the instance of the Government of India, following the disasters that took place at the Newton Chikli Colliery on 10th December 1954 and the Amlabad Colliery on 5th February 1955. The enquiries revealed that negligence on the part of the management and lack of supervision by the members of the supervisory staff of the Department of Mines at the Amlabad Colliery were responsible for the disastrous accidents.

The Government has now decided to set up a tripartite committee to examine safety regulations in the context of prevailing conditions and progress of developments in the mines. It would appear that this Committee will be set up after the State Governments' comments on the draft Code of Coal Mines Regulations have been received by the Union Government. The draft Code, already circulated by the Union Ministry of Labour to State Governments, incorporates most of the recommendations made by the courts of enquiry. Realising, however, that it would take some time for the finalisation of the Code, the Government of India introduced, on 5th November 1955, emergency regulations, called "The Coal Mines (Temporary) Regulations 1955" for effecting speedy remedy of conditions likely to cause danger in the mines.

"Ad-hoc" Relief

Besides this, the Government has granted *ad-hoc* relief of Rs. 100 to each family of the deceased. It has further granted a scholarship of Rs. 5 per month to each of the school-going children for a period of three years and a monthly allowance of Rs. 10 to each of the widows of the deceased for a period of two years. Another relief measure taken was the starting of a temporary craft training centre, for imparting training in Newar making, purrie making, rope making, etc., to the widows and the dependents of the deceased.

The management of collieries has become a serious problem not only in India but even in the technically advanced Western countries, because the colliery manager is taught how to mine and not how to manage. Further, he is expected to do too much unaided. It would appear that the standards of management cannot be raised, unless pure engineering problems are left to be attended to by separate specialists.

The management is responsible not only for production but also for the welfare of labour that contributes to it. This is particularly so in the coal industry, which is still the most hazardous occupation in the world and where 60 per cent. of the cost of production is accounted for by wages of labour. There is no gainsaying the fact that one does not get the best out of the human machine, unless it is assured against all possible risks and made reasonably happy in the task of its performance of duty. To quote the significant words of Sir Hubert Houldsworth, Chairman of the National Coal Board, United Kingdom: "If you are happy and like your job, if you feel you are being properly treated, you will do your job much better than if you have a feeling that you are not being treated properly. The efficient manager will, therefore, try to see to it that his men are so treated that they are reasonably happy in their job."

The promotion of safety measures in coal mines does not depend on the enforcement of legislation and holding the management alone responsible for it. It requires the diligent co-operation of workers as well. For all efforts of the management will be nullified, unless the workers are prepared to play their part wholeheartedly. In order to obtain their co-operation, the labourers must be made aware of the causes of accidents and the disastrous multiplier effects of such accidents. In other words, workers require to be apprised of the hazards of mining in an easily understandable manner.

PAKISTANI RAW JUTE

MINIMUM EXPORT PRICES RAISED

INDIA will have to pay Rs. 13-5-4 more per ton of jute imported after 1st March next from Pakistan, as the latter has raised its export minimum prices for all grades of jute by £1 per ton for all contracts from that date. The increase is applicable to all shipments which will take place on the basis of new freight rates announced recently by the Karmahom Conference Lines. A Press note issued by the Pakistan Jute Board, Dacca, on the 29th ultimo, stated that the enhancement had to be made, in view of the increase in ocean freights by 10 per cent. effective from March 1956, as notified by the Liners' Conference. It further added that the last increase in freight rates by the Conference Lines in February 1955 was absorbed in the minimum export sale prices. The note further said that "the buyers of Pakistani jute will no doubt appreciate that it is the increase in the freight rate within such a short period that had compelled the Board to increase the minimum rates correspondingly."

It will be recalled that the Pakistan Government had fixed the export minimum price at £80 per ton even before the devaluation of the Pakistani rupee. The official rate of exchange of the Pakistani rupee, as a result of the devaluation announced on 31st July 1955, was placed on a par with the Indian rupee, that is, 100 Pakistani rupees became equal to 100 Indian rupees, instead of Rs. 144 before the devaluation. This cut in the exchange rate was expected to be beneficial to buyers of raw jute. This expectation was, however, belied by subsequent events, since the Pakistan Government decided to keep the export prices unchanged at £80 per ton or Rs. 952 (Indian) a ton. This price which has prevailed since then will go up, as a result of the decision stated above, by £1 to £81 per ton or Rs. 965 (Indian) per ton.

The fact that Pakistan has been able to increase the minimum price suggests that it has taken advantage of the present firm conditions of raw jute markets for shifting the burden of the increased freight rates on the importer of raw jute. The firmness of the raw jute market is not due to any lack of raw jute but to transport difficulties, small arrivals and higher prices at mofussil centres. Besides, growers, too, would appear to be having, thanks to high prices, a more affluent position than formerly and they are not so anxious to dispose of their stocks as they used to be. Pakistan seems to entertain the belief that the I.J.M.A.'s recent decision to increase further the number of looms working actively by unsealing 5 per cent. out of the 10 per cent. looms kept idle would result in an increase in the demand for raw jute and that Indian mills also, among others, may buy more raw jute from Pakistan. It remains to be seen how far this belief will prove correct.

It will be appropriate to refer here to the raw jute arrivals at Calcutta of both indigenous and Pakistani jute so far in the current season. The table below gives the respective figures for each of the first six months of the 1955-56 season, as compared with the same period in the previous season:

Imports of Raw Jute into Calcutta

(In 000 bales)

	1954-55		1955-56	
	From India	From Pakistan	From India	From Pakistan
July	2.05	89	1.64	74
August	2.09	47	1.80	88
September	3.04	62	3.02	1.86
October	4.59	1.15	4.39	1.54
November	6.65	1.22	6.80	1.19
December	6.28	1.27	6.29	1.48
Total ..	24.70	5.66	23.94	7.69

It will be seen from the table above that the total imports into Calcutta during January-December 1955-56 were 3.16 million bales as compared with 3.03 million bales in the same period during the preceding season. Of this, arrivals from India amounted to 2.39 million bales as against 2.47 million bales and from Pakistan 769,000 bales as against 560,000 bales. These figures reveal that, while receipts of raw jute from Pakistan rose by 203,000 bales, those from the indigenous sources declined by 76,000 bales. The increased arrivals from Pakistan may be taken as a reflection of increased availability of raw jute in that country. The trade estimates the Pakistani crop this season at 7.2 million bales, which is 53 per cent. more than that for the preceding season. If and when all this crop comes to the market, prices of Pakistani jute are bound to decline. In that event, it is problematic whether the Jute Board will continue to stick to the present level of minimum jute export prices. By reason of the fact that Pakistan now enjoys almost an export monopoly, the Government of that country has been dictating the price for its raw jute. The ultimate effect of this price increase will be to enhance the cost of production of jute goods in the manufacturing countries and thus give scope for competition from substitute package material made of paper and cotton.

NEW YORK BURLAP MARKET

The New York burlap market drifted through December with no definite trend indicated, reports the *Jute Bulletin* of the Indian Central Jute Committee. Supplies were decidedly larger than in the previous month and the two major constructions of burlap, 40" 7½ oz. and 40" 10 oz., were readily available in spot and afloat positions.

Activity, however, slackened due to the seasonal letting-up of demand. Consumers bought only for immediate requirements from spot and afloat burlap. In general, they preferred to work from inventories in an effort to balance the year-end stock position.

A few small lots were offered at prices approximating those for early shipment and were immediately sold. Rates at Norfolk and New Orleans were somewhat lower than for goods stored in, or arriving at, New York.

FRANCE PRODUCES MORE GOODS IN 1955

Following the general expansionist trend of French industrial activities, production of jute manufactures in 1955 is estimated to have gone up 10.5 per cent. over 1954, according to M. de Watteville, Secretary General of the French Jute Industry Association.

Addressing the Associations annual meeting, M. de Watteville placed 1955 output at 100,000 tons of jute yarns, against 92,000 tons in 1954 and 79,000 tons of jute fabrics against 72,000 tons. These figures, he added, included 24,000 tons of jute products exported in 1955 of which 8,000 tons went to foreign countries, against 10,000 tons in 1954. The balance was despatched to French Union markets.

M. de Watteville expected the 1955 deliveries to the home market to reach the peak of 55,000 tons achieved in 1951, as compared with 48,000 tons in 1954 and 40,000 tons in 1953.

(*Concluded from next column*)

tation labour to Mr. Abid Ali, Union Deputy Minister for Labour, when he paid a visit to Mysore a few days back.

The Coffee Act provides that the growers' representatives on the Board should be 12, out of a total membership of 34. Actually, the number of representatives of growers on the Board, the memorandum pointed out, was 20, as a result of which the Board was being "dictated" to by the growers. In the circumstances, it was difficult to get the interests of labour safeguarded and the memorandum, therefore, urged that there should be equal representation for both labour and growers.

The memorandum drew the attention of the Deputy Labour Minister to the absence of any representatives of labour on the Executive Committee of the Board, which was the most important committee. All the four *ex-officio* members of the Committee were coffee growers. The memorandum, therefore, urged that the Government should see that, in nominating or electing other interests such as trade, commerce, etc., the persons concerned really belonged to a particular interest and did not have any connection whatsoever with coffee growing.

It was pointed out by the memorandum that all the coffee grown was sold only through the Coffee Board and so the growers were paid a uniform price for their produce irrespective of the State to which they belonged. The same procedure, it was alleged, was not followed in the matter of payment of wages to the labour in the coffee plantations in different States. The memorandum urged that the wages in the different States of the South should be brought to a uniform level, as was prevailing in North India. In this connection, it was suggested that a high-power committee be appointed to enquire into the disparity of wages prevailing in the different coffee-growing States and to recommend a uniform scale of wages for labour.

TEA PRODUCTION IN CEYLON

The output of tea in Ceylon during 1955 amounted to 380 million lbs. which constitutes a fresh record, exceeding the previous highest of 366.7 million lbs. in 1954. Shipments of Ceylon tea during the past year aggregated 360.8 million lbs., as compared with 359.1 million lbs. in the previous year. It may be noted that shipments of tea from Ceylon up to the end of November were lower than in the corresponding period of 1954, the actual figures being 326.37 million lbs., as against 331.49 million lbs. The increase noted at the end of the year is evidently due to a sharp rise in exports during December. Nevertheless, the gap between production and shipments has widened; this is attributed to the growing internal consumption of better teas, as a result of the operation of the Tea Pest Prevention Act. This Act, which was enforced in July 1954, has restricted the sale and use of refuse tea in Ceylon.

RAW RUBBER IN INDIA

GAP BETWEEN OUTPUT AND CONSUMPTION WIDENING

THE latest statistics of rubber production and consumption in India released by the Rubber Board, show that the output of rubber during December 1955 amounted to 2,787 tons, as compared with 2,680 tons in the previous month and 2,374 tons in December 1954. Consumption by manufacturers during the month under review aggregated 2,721 tons, of which imported rubber accounted for 27 tons. This represents a sharp rise of 884 tons over the previous month and of 375 tons over the corresponding month of 1954. The stocks at the end of the year with estates and dealers, including those sold to manufacturers and in transit, show an increase from 4,452 tons at the end of November 1955 to 4,758 tons. As compared with the position a year ago, the stocks have dwindled by 650 tons. The stocks with manufacturers have fallen to 2,696 tons from 2,936 tons at the end of the previous month and 3,279 tons at the end of 1954.

With the aforesaid production for December, the total output of rubber in 1955 aggregated 22,481 tons, having risen from 21,493 tons in 1954. This increase of 988 tons compares very favourably with that of 357 tons recorded in 1954. Consequent on this increase during the year under review, the pace of expansion, which had slackened considerably during the previous year, has, once again, shown a tendency to improve and enabled the estates to establish a fresh record of output. The aggregate consumption by manufacturers in India has also recorded a sharp rise from 25,487 tons in 1954 to 27,543 tons, thus maintaining the upward trend noted since 1952.

The following table shows the trend of production and consumption and stocks since 1948:

(In tons)

Year	Production	Consumption	Stocks at the end of the year
1948	15,422	19,719	7,708
1949	15,587	19,192	8,363
1950	15,599	17,725	6,281
1951	17,148	22,427	7,779
1952	19,803	21,061	10,351
1953	21,136	22,373	9,221
1954	21,493	25,487	8,687
1955	22,481	27,543	7,454

It is well known that there has always been a shortfall in production of rubber in India, as compared with the country's needs, as will be seen from the gap between production and consumption shown by the above table. The gap which was as low 1,198 tons in 1952 has widened to no less than 5,062 tons in 1955. This is due to the rapid increase in consumption. Thus, during the last three years alone, the consumption has expanded by 6,482 tons, as against a rise of only 2,618 tons in production. The effect of this trend is also reflected in the trend of stocks which have dwindled by 2,897 tons in the course of the last three years. The gap is being met by imports, which amounted during the financial year 1954-55 to 4,690 tons valued at over Rs. 1.03 crores. During the first six months of the current financial year alone such imports have aggregated about 4,460 tons valued at over Rs. 1.40 crores.

The substantial rise in consumption has been due to the expansion in the manufacture of rubber goods of various kinds in India. The scope for consumption of rubber in India has been made wider following the increasing uses found for the same and with the prospect of larger industrial expansion under the second Five-year Plan. The manufacturers of rubber goods expect their requirements of rubber to rise to over 40,000 tons by 1960 and, on the basis of the current trend in output of raw rubber, there is expected to be a shortfall in production to the extent of 15,000 tons. The replantation scheme approved by the Government of India envisages a replacement of 120,000 acres in two stages, the first one covering 70,000 acres in 10 years. Even if the first stage of the scheme were taken up immediately, the production might not exceed 40,000 tons at the end of 10 years, say by 1965, whereas the internal demand, it is anticipated, will cross this figure in the next five years itself.

LABOUR IN COFFEE PLANTATIONS

A plea for equal representation to the growers and labour on the Coffee Board, adequate representation of labour on the various committees of the Board and payment of uniform rates of wages to labour in all States was made in the course of a memorandum submitted on behalf of coffee plan-

(*Continued in previous column*)

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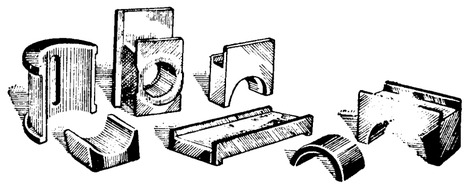

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ELECTRIC TRANSFORMERS INDUSTRY

CLAIM FOR CONTINUANCE OF PROTECTION

THE Tariff Commission has commenced its enquiry into the claim of the power and distribution transformers industry for the continuance of protection. It will be recalled that, on the recommendations contained in the Commission's report of 1952, the industry was granted protection up to 31st December 1955, by increasing the then existing revenue duty of 5 per cent. *ad valorem* to 10 per cent. *ad valorem*, exclusive of surcharge, and converting it into a protective duty. Subsequently, protection was extended to a further period of one year, that is, up to 31st December 1956. The present enquiry is being undertaken to find out whether continuance of protection is still necessary and if so what should be its quantum and duration.

Opening the enquiry, Mr. K. R. Damle, Chairman of the Commission, reviewed the position of the industry and gave an account of the obstacles facing its future development. An analysis of his address discloses that the industry has so far justified the protection granted to it. At the time of the previous enquiry, there were seven units in all manufacturing power and distribution transformers, their aggregate rated capacity being 370,000 K.V.A. Since then, four more units have come into production. They are: The General Electric Company of India (Mfg.) Ltd., Calcutta; the Kirloskar Electric Company, Ltd., Bangalore; the Hindustan Electric Company, Ltd., Howrah, and Bharat Bijlee Ltd., Udyognagar, Bombay. According to statistics furnished by the manufacturers, the total rated capacity of all the 11 units now in production is 745,000 K.V.A. on single-shift basis. The capacity, as assessed by the Commerce and Industry Ministry Development Wing is, however, lower at 549,000 K.V.A. Besides this, some manufacturers are reported to be engaged at present in expanding their capacities further and have already secured from the Government the necessary permission for the purpose. Upon the successful completion of the plans for expansion, the annual rated capacity of the industry is expected to go up to about 1,200,000 K.V.A. (on single-shift basis) by about the end of 1958.

It is gratifying to note that, commensurate with the increase in the rated capacity, there has been a substantial increase in the output of transformers also since the last enquiry. The total output of three-phase transformers, which was 199,273 K.V.A. in 1952, shot up to 277,344 K.V.A. in 1953 and 380,930 K.V.A. in 1954. During the period of January-June 1954, the output was 246,131 K.V.A. There has, however, been a sharp decline in the production of single-phase transformers from 1954 onwards. Revealing these facts, Mr. Damle went on to say:

"It is noticed that the bulk of production of three-phase, as well as single-phase, transformers still continues to be of ratings up to 1,000 K.V.A. and 11 K.V. on the H.T. side. We, however, understand that some of the units have now taken on hand the manufacture of transformers in the higher rating groups. In view of the fact that a large amount of additional generating capacity would become available during the second Five-year Plan period, it is hoped that there will be an accelerated increase in the production of transformers, particularly in the higher rating ranges."

The demand for transformers is greater than production. At the time of the 1952 enquiry, the total requirements of transformers up to 33 K.V. were estimated at 2,650,000 K.V.A. for the whole of the first Plan period, on the basis that the generating capacity at the end of the Plan period would amount to 1,344,000 kw. and on the ratio of 1:1.97 between the generating capacity and the transformer capacity up to 33 K.V. This estimate did not include the demand for replacement and additional transformer capacity required to utilise the then existing generating capacity. This omission was attributed to two factors. First, there was not sufficient data to frame any reliable estimate of the replacement needs. Secondly, the additional transformer capacity required for fuller utilisation of the then existing generating capacity was not expected to be large, as the generating capacity in most of the major power systems was already being utilised to the maximum extent.

The various estimates of present and future demand received by the Tariff Commission vary, because they are based on different assumptions and methods of calculations. The Indian Electrical Manufacturers' Association has estimated the annual demand at 646,400 K.V.A., while the Development Wing of the Ministry of Commerce and Industry places it at 887,000 K.V.A. The estimate of the Central Water and Power Commission ranges from 700,000 to 900,000 K.V.A. (for distribution transformers only). The Tariff Commission has to arrive at an agreed estimate of the total annual requirements in K.V.A., the number of transformers required and the requirements in each size or the range of sizes as well as voltage ratings.

An important aspect of the industry that is to be considered by the Commission is the quality of the indigenous product. Dealing with this aspect, Mr. Damle remarked:

"It is needless for me to emphasise the importance of this matter, as any industry which secures or claims protection or assistance from the State must satisfy the requirements of proper quality. Protection or assistance to an industry is granted at a certain cost to the consumer and it is his legitimate right to demand certain standards from the producers. In its report of 1952, the Commission had drawn the attention of the industry to certain defects in respect of leakage of oil from the tanks and inferior workmanship and had suggested that the industry should endeavour to remove these defects and must have adequate testing facilities. Many of the consumers have stated that the transformers made by well established manufacturers are generally satisfactory in performance and comply with the required specification and acceptance tests, but there is still scope for improvement in the mechanical construction of certain makes by the substitution of ordinary cork sheets by cork sheets reinforced with cloth insertions or by synthetic material, such as Neo-K-Tex, and in welding of transformer tank to eliminate uneven surfaces through which the oil finds leakage paths and in tappings, connections, etc. The Commission would appreciate if specific aspects of this question are brought out so that it may be possible to have a clear idea as to the progress made by the industry in improving the quality of its products and also to assess the lines on which further improvements are necessary."

Judged from the above account, it would appear that the industry's claim for the continuance of protection is justified. More so, because the present period of a little over 3½ years of protection is too short a period for any industry, let alone an important key industry like the transformer industry, to stabilise itself on sound economic foundations. This industry occupies a very important place in the economy of the country, in view of the large increase that is planned for the production and distribution of electric power. It is well known that the transformers industry provides a vital link between generation and utilisation of electricity.

CONVERSION OF SALT WATER TO FRESH

The United States has completed plans to test an experimental solar distilling device to transform salt water from the ocean into fresh water. The device will operate 24 hours a day and thus permit continuous distillation, according to the U.S. Department of the Interior, which is sponsoring the test. The principal objective of the Department's work is to discover if sun power can be used on *an economical basis to provide* large quantities of fresh water for irrigation purposes.

Continuous night and day operation will be achieved by using the low night temperatures to condense vapour that has been warmed by the sun during the day. The condensing operation will convert the vapour into water. This will, according to the Department, "put the equipment to use around the clock instead of for only six or seven hours a day as with present stills."

Designs for the new still have been prepared by scientists who are working on the Department's $10,000,000 salt-water conversion programme. An experimental unit will be built to provide irrigation water for about one acre.

Meanwhile, the department has awarded the largest development contract of the programme for further research on the so-called Hickman vapour compression still. This type of still, developed by Dr. Kenneth Hickman of the Badger Manufacturing Company, Cambridge, Massachusetts, may reduce the cost of pure water produced from salt water to one-half that of any conversion process now in use. Under the Department's contract, a Hickman still capable of producing 25,000 gallons of fresh water a day from sea water will be ready for operation by July 1956.

Sun powder already can produce fresh water from the ocean at a cost of less than one dollar for each 1,000 gallons and can pump irrigation water over hills or small mountains, scientists reported at the recent World Symposium on Applied Solar Energy held at Phœnix, Arizona. They described a solar still that can produce approximately a gallon of fresh water daily for every 10 square feet of operating surface.

The still that can accomplish this consists mainly of a long trough, with a transparent top shaped like a gable roof. A shallow stream of salt water runs slowly along the bottom of the trough. Sunshine passing through the roof heats the water until some of it vapourises. The vapour, which is virtually pure water, collects on the inside of the roof and eventually trickles down to little gutters along the edges of the trough and is drawn off for storage or use. This still was described by two researchers, Risto Lappalo and John Bjorksten, who developed it while working under a contract with the U.S. Department of the Interior. The still now can convert salt water into fresh water at a cost of 85 cents for each 1,000 gallons, they reported. At that price, it still is too expensive for most irrigation or industrial uses, but is not far from the prices paid in some places by householders.

A sun-powered pump that can lift large quantities of water to considerable height was described at the symposium by Calvin D. McCracken of Englewood, New Jersey. It uses the pressure created by the vapour in a still to push water through a pipe, much as a gas bubble will push liquid through a small tube. This machine, called a Thermopump, can maintain a flow of several hundred gallons a minute and lift the water as high as 1,000 feet.

ATOMIC RESEARCH

Farmers in one American State alone have been able to save up to 100,000 pounds of phosphate fertiliser a year because of new knowledge provided by research conducted with peaceful products of the atom. This statement was made by Dr. Paul B. Pearson, chief of the biology branch of the U.S. Atomic Energy Commission, before a conference on the peaceful uses of atomic energy. In effect, Dr. Pearson said, radioactive atoms or radioisotopes have made plants "transparent," so that researchers can "see" inside them. This enables them to study what each element in a fertiliser does inside a plant, and to discover the most efficient and economical methods of applying these elements.

Radioisotopes are ordinary elements or substances, such as phosphorus, iron or cobalt, which have been made radioactive in an atomic furnace, or nuclear reactor. These atomic products have made possible the so-called tracer technique, which is widely used throughout the world today. The radiation given off by a radioisotope serves as a "tag" which permits it to be followed or traced wherever it goes by means of radiation detection instruments. When radioisotopes are placed in fertilisers, for example, the movements of the fertiliser inside a plant can be exactly followed and studied. The radiations emitted by radioisotopes affect none of the bodily senses, but to sensitive instruments they stand out as plainly as the ears on a stalk of maize, Dr. Pearson said. Thus, by including a few radioactive atoms in the fertilisers given to plants, researchers can follow them wherever they go.

To illustrate the new knowledge that is coming from such atomic research, Dr. Pearson explained that past ideas about how plants take up their "food" have been changed radically. It was long believed that the roots were the chief means of such "feeding." But now, he said, it has been found that foliage is just as important a pathway by which plant nutrients enter plants. He said that it is estimated that the leaf surface of a 12-year-old apple tree may be equal to about one-tenth of an acre in area and can absorb some substances as readily as the roots. Thus, farmers can spread some fertilisers all over the tree's foliage and reduce the amounts of fertiliser needed. Putting the fertiliser into the ground around the tree would be a much less efficient method, would use more fertiliser, and would cost more, Dr. Pearson said.

Even the mysteries of the basic processes of photosynthesis—the mechanism by which plants turn the energy of sunlight into useful food—seem to be slowly yielding to the new atomic research techniques, Dr. Pearson pointed out. Already, many of the steps in the photosynthesis processes have been duplicated in the test tube outside of the plant. North American natural scientists, in papers presented at the Geneva "Atoms for Peace" Conference, reported they have gone a long way toward unravelling this basic problem.

Speculating on developments which, he said, might eventually come, Dr. Pearson said: "It is

(Continued on page 231)

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NEW PRODUCTS AND PROCESSES

Rust Remover

A NEW powder has been developed for removing corrosion from iron and steel and non-ferrous metals, by the By-Buk Company, Los Angeles, California, U.S.A. The powder is mixed with water and applied to the rusted metal. The powder, it is claimed, removes rust and corrosion in 10 minutes to three hours, depending on the amount. When used as a hot bath, the action may be completed in two seconds to 10 minutes. The cleaned metal surface is said to retain a corrosion-resistant film, which forms a base for any further coating or plating. This preventive film will protect metal for several weeks or months, depending on the atmospheric conditions, according to the company.

Electronic Individual Call-up System

A factory at Vlaardingen (the Netherlands) has designed a system by means of which, from one central point, persons can be called up without this being noticeable by others. The equipment consists of an exchange (comprising a keyboard, a signal transmitter and an amplifier) and a number of pocket size signal receivers. Each person likely to be called up should carry such a signal receiver, which is provided with a buzzer. The receiver of the person called up is the only one to start buzzing, the other persons' receivers remain silent. On account of the non-disturbing character of this equipment, it is eminently suitable for use in, for instance, hospitals, sanatoria, etc.

High-vacuum Milking Machine

A firm in Amsterdam (the Netherlands) has put on the market a patented milking machine, which operates under a high vacuum of maximum 70 cm. (28") Hg. Two connections, one for vacuum and one for ambient air, are fitted to the teat cups, as high as possible and opposite each other. As a result, the air is admitted at the top of the teat cup, so that the air bubble between teat cup and rubber lining moves in a downward direction, in contrast with the situation in the machines used hitherto. The apparatus has wide channels, which ensure undisturbed discharge of the milk and prevent the teats from being wetted with milk and thus tainting the milk. The milking pail, which is of the suspended type and made of stainless steel, is easy to clean. Both the milking pail and the pulsator are provided with a separate vacuum connection so that the pulsator cannot be fouled by milk vapours. It takes two or three minutes to milk a cow with this apparatus. The milking machine can be supplied with a 1½ h.p. electric motor or a 2-h.p. petrol engine.

Corrosion Preventing Coatings

Recent experiments have, it is claimed shown that the application of solid coatings may prove more effective than liquid lubricants in preventing "fretting" corrosion and subsequent seizing up or structural failure, caused when metal parts slide against one another when under load. The results of recent research have shown, for example, that, as was recently pointed out by Mr. R. B. Waterhouse in a lecture to the Institution of Mechanical Engineers, London, the friction between a PTFE (polytetrafluorethylene) surface and a steel surface is extremely low. Because of this, no surface corrosion of the "fretting" type occurs, since the onset of this type of corrosion is greatest where the friction between the moving surfaces is greatest. Indium and coatings of molybdenum sulphide which have been baked on have also proved successful in preventing such corrosion for the same reason. Chromium plating has not, however, Mr. Waterhouse claimed, proved a successful preventive of this type of corrosion, despite the fact that chromium plating is effective in reducing friction. This is thought to be due to the frequent occurrence of cracks in chromium-plated coatings permitting the entry of air and moisture through the coating to the surface of the metal below. Yet, other experiments have, it is claimed, shown that liquid, oily lubricants are also relatively ineffective in preventing such corrosion where the metal surfaces are exposed to slow movements under heavy pressures.

Electronic Computer

Further improvements have been made in the electronic computer system, which automatically undertakes the analysis of chemical compounds, at Toronto University, Canada. The computer, which was developed by L. Pinteric and M. D. Poulie, analyses complex chemical compounds, such as mixtures of proteins, by automatically scanning (inspecting and reading) the stains left on a filter paper by the processed and dyed chemicals. The device then converts the results of its readings into a series of curves which appear on the screen of the cathode ray oscilloscope in a form which indicates their distribution in the chemical mixture being analysed. A further "new" part of the system then takes over and electronically measures the area enclosed by the curve on the oscilloscope the pattern and area of which records the presence of each individual chemical compound in the mixture and the quantity in which it occurs. The computer then evaluates the amount of each individual compound present in the mixture in terms of percentages of the total amount of the mixture present on the area of paper it has inspected. While this device has been developed primarily for medical use and has so far been largely used for the automatic analysis and recording of amounts of each individual protein present in mixtures of proteins, it can equally well be used for evaluating (and for recording the results of) a variety of industrial chemical analyses. Other potential industrial applications include the analysis and control of colour prints, as well as the analysis of samples of other coloured materials having flat surfaces.

LLOYDS BANK LIMITED

MONETARY POLICY ON TRIAL, SAYS SIR OLIVER FRANKS

THE Annual General Meeting of Lloyds Bank Limited will be held on 17th February 1956 in London.

The following are extracts from the statement by the Chairman, The Rt. Hon. Sir Oliver Franks, G.C.M.G., K.C.B., C.B.E., accompanying the report and accounts for the year 1955:

"The profit, at £2 322,439, is £136,367 higher than last year and we propose a dividend of 12 per cent. per annum on the "A" shares, which is the equivalent—allowing for the capital operation carried out a year ago—of the 15 per cent. dividend paid for the year 1954.

Branches in India, Pakistan and Burma

"The business of our Eastern branches has continued to develop satisfactorily. During the year we opened a new branch in Eastern Pakistan at Khulna, a port which is becoming of increasing significance to the jute trade, and have moved into new and more commodious premises in Madras and Chittagong.

"World prices of cotton, jute, tea and rice—the main exporting products of the three countries—have all fallen during the year, but progress has been accelerated in the development of natural resources and industrialisation. This Bank continues to adopt a sympathetic attitude towards proposals for finance connected, directly or indirectly, with the establishment of new industries in the countries of the sub-continent.

"In August, the Pakistan rupee was revalued at 1*s.* 6*d.*, as against 2*s.* 2*d.*, at which it had remained since the devaluation of sterling in 1949, and it is now on a par with the Indian rupee; the operation went through smoothly and there is little doubt that the revaluation should result in an increase in the overseas trade of Pakistan as well as in the trade between that country and India. During the year, both countries have been beset by serious floods and it is not yet possible to estimate the full extent of the damage, though it is feared that cotton and wheat crops may be adversely affected.

"Our staff in the East are responding well to the changing conditions in the sub-continent. We, in this country, fully appreciate the services which the Eastern staff render in the Bank's interests and I take this opportunity of making full acknowledgment of them.

Inflation

"For the majority of our countrymen 1955 must count as a very good year indeed. It is not, unfortunately, the whole story. Very few of us were prevented from sharing in the general well-being by lack of work. Large sections of our people, on the other hand, were again robbed of that opportunity by inflation, which for many years past has taken the place of unemployment as the main evil afflicting our society. Moreover, while the national standard of living was higher than ever before, it was also higher than the nation could afford without imperilling its future. From the financial point of view, the year was, therefore, dominated by the Chancellor's efforts, in which the banks were directly involved, to remedy this situation with the aid of monetary restraints.

"There was a period in which it was felt in certain quarters that we might not find it easy to maintain the present rate of exchange. Fortunately, the recent performance of exports shows that our competitive position has not been seriously impaired. Our failure in recent years to obtain our share of an expanding world market has been due rather to the other concomitants of inflation—such as delays in delivery and lack of incentive to venture upon the risks of export trade—than to excessive prices. If so, the reduction of inflationary pressure which is now in progress ought not only to restrain imports but also to give a fresh impetus to exports. There should be no doubt, therefore, about our ability to avoid a deficit in the balance of payments. But that is not enough. What we need is a positive surplus, considerable in amount.

Lessons for the Future

"Looking back, the important thing is to be as clear as we can about the lessons we can draw as a guide to future policy.

"The first moral is surely the overwhelming importance of adequate exchange reserves. Had our reserves not been so near the danger level, we could have ignored a temporary loss of gold due to a running down of overseas holdings of sterling. The second is that a modest application of the normal restraints, if undertaken early, will often avoid the need for drastic expedients later on.

"The third is the importance of keeping a tight rein upon the volume of bank deposits as one of the main determinants of the flow of spending. In other words, the authorities must keep a tight rein upon the supply of Treasury Bills available to the banking system.

"The true measure of the disinflation brought about since February is the decline of just on 6 per cent. in bank deposits, leaving them no higher than in the middle of 1953. It is this decline in deposits—and, therefore, in the totality of bank assets—which is ultimately of importance, not the movement of the single asset, advances. This is not new doctrine; it is all clearly set out in the Macmillan Report.

"Conditions today are in many respects very different from those in which monetary policy used to operate. It would be premature to suggest that the disinflationary measures have as yet accomplished their purpose. Undoubtedly, one nasty corner has been turned. The heavy gold losses of the third quarter have tapered off sharply, but we have not reached a point when we can be sure of steady progress and secure from all anxiety about the balance of payments; nor can we yet hope to achieve that substantial surplus which is one of our basic aims.

"A solution acceptable to us all, consonant with our developed views about the kind of society we want, is well within our power. The condition is that we have the will to choose and carry out the means which are necessary to the ends we acclaim."

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THIRD PARTY MOTOR INSURANCE

MADRAS GOVERNMENT'S MOVE TO TAKE IT OVER

THE Government of Madras, according to Mr. C. Subramaniam, the State's Finance Minister, is "actively considering" the question of taking over third party insurance of motor vehicles. The Madras Government thus wants to follow the model of the Government of Travancore-Cochin, which, it may be mentioned here, already operates this aspect of insurance. In a recent Press interview, Mr. Subramaniam is reported to have said that no final decision had been taken on the proposal. It would appear that the Government of India had been apprised of it. The State Government, it is stated, expects to derive an income of Rs. 1 crore from this source. The insurance premium, the Minister said, could be collected along with the tax on motor vehicles and an organisation could be set up to settle claims and to administer the scheme.

This announcement, coming as it does after the recent nationalisation of life insurance, will cause considerable concern in general insurance circles. It may be recalled that the Union Finance Minister, Mr. C. D. Deshmukh, gave a convincing reason why the Central Government did not propose to take over general insurance. He said: "The consideration which influenced us most is the basic fact that general insurance is part and parcel of the private sector of trade and industry. Errors of omission and commission in the conduct of its business do not directly affect the individual citizen."

General Insurers

When the Central Government itself has decided against taking over general insurance business, it would be a pity if the Madras Government took over one aspect of general insurance, namely, third party motor insurance. Already, some composite insurance offices are placed in a quandary through loss of their life insurance business. It would greatly add to their burden if they lost a part of their motor insurance business too.

Perhaps the State Government has been induced to consider the proposal favourably, because the claims experience under third party insurance in India has been known to be somewhat favourable. But this must be regarded as the reason why the State should not take over third party insurance and thereby add to the difficulties of general insurers. These insurers are not in a position to reduce the rates for comprehensive motor insurance policies, even if third party risk were excluded from the scope of these policies. This is because the claims experience in motor insurance, as a whole, is not favourable enough to warrant a reduction in rates. This means that the motor owner, already overburdened by the high level of taxes on motor vehicles, will have to pay more for the insurance of his vehicle than he does now; he will have to take out a comprehensive motor insurance policy, exclusive of third party risk, at the same rate as he pays now and another third party risk policy from the Government-managed insurance department.

So far as "third party" is concerned, there is the risk that the State-managed departments might delay the payment of claims. Private insurers who have a commercial reputation to maintain generally prefer to settle claims out of court. But the Government is under no such commercial, not to say moral, obligation. Further, the fact that the Government, unlike a private insurer or the injured third party, can fight its legal battles without incurring special expenditure may increase, rather than lessen, unnecessary litigation.

It remains to be seen whether the Central Government will permit the State Government to take over third party insurance on motor vehicles. In this connection, it is interesting to note what Mr. B. Gopala Reddi, Chief Minister of Andhra, had to say on this subject. Answering pressmen who asked him whether Andhra had any proposal like the one being contemplated by the Madras Government, he said that the Centre might not permit the State Governments to do so, though it might allow the States which already carried on such business to continue the existing arrangements. But this observation was based on the consideration that the Centre itself might take over third party insurance of motor vehicles. Mr. Deshmukh, however, has stated that the Central Government will not take over general insurance business. If the Centre made an exception in case of third party insurance, it would be an unfortunate, though partial, contradiction of its stand.

PENSION SCHEME IN BELGIUM

A new scheme of pension benefits, more favourable than was available to the workers under the original scheme, has now been introduced in Belgium by an Act that was passed in May 1955. The scheme provides retirement pensions for all persons who have worked in Belgium under contracts of employment and survivors' pensions for their widows. Retirement pensions become payable at the age of 65 for men and 60 for women. At the option of the claimant, payment of the pension may begin at any time within the five years before he or she attains the pensionable age, the amount being reduced by 5 per cent. for each year by which the payment is advanced. The law provides for lowering the pensionable age without any reduction in the pension rate where the claimant has been engaged in a particularly unhealthy occupation. A retirement pension is, however, not payable if the claimant is receiving sickness, invalidity or unemployment benefit in cash under a social security scheme or under legislation relating to crippled and handicapped persons.

The amount of the pension is based on the career of the insured person and the gross remuneration with which he has been credited for pension accounting purposes. The pension consists of 1/45th (1/40th for women) of the remuneration reckoned for each year of the claimant's career. Where the working career consists of more than 45 years (40 for women), the claimant's 45 or 40 best years are counted. A person who has been regularly employed under a contract for the hiring of labour during the entire period elapsing between 1st January 1955 and the date of his claim for pension is in principle deemed to have a complete career of 45 years (40 for women). However, until the Act has been in effect for 15 years, years of employment prior to 1955 must be added to obtain a total of 15 consecutive years. A worker attaining pensionable age (or being awarded a pension prior to reaching pensionable age) before the scheme came into effect or in the course of the years 1955 to 1959 is deemed to have completed his or her working career if he or she has been regularly employed within the meaning of the Act for 12 of the 15 years preceding the award of the pension.

In the case of a married worker whose wife is no longer gainfully employed other than on casual work and is not in receipt of a retirement pension or of sickness, invalidity or unemployment cash benefit under a social security scheme or under legislation relating to crippled or handicapped persons, 75 per cent. of the remuneration for each year is reckoned in the calculation of the pension; in the case of other workers 60 per cent. of the remuneration for each year is reckoned. Under the 1953 Act the corresponding percentages were 60 and 45 respectively.

An interesting feature of the new scheme is that it provides for adjustments in the pension rates to take account of fluctuations in the cost of living. In calculating the pension, the remuneration reckoned is adjusted by the application of a coefficient to the remuneration of each year. These coefficients are determined by dividing the sum of the monthly retail price indices for the year preceding that in which the pension becomes payable by the sum of the monthly retail price indices for the year concerned. The coefficient for 1955 is applied to the uniform remuneration fixed for the years prior to the introduction of the scheme. Remuneration during the year in which the pension becomes payable is not taken into account. An increase of 5 per cent. in the pension rates will be made if the index of retail prices rises to 440 points and a further increase will be made for every rise in the index of 5 per cent. of the index number at which the previous increase was made. The pension rates will be decreased by 5 per cent. if the index falls below 400 points and a further decrease will be made for every fall of 5 per cent. of the index number at which the previous decrease was made. If the index falls below the figure which occasioned a decrease the pension rates will be restored to the levels which originally corresponded to these indices.

The widow of a worker covered by the scheme may qualify for a survivor's pension. A survivor's pension is payable to a widow only if her deceased husband has been employed for the 12 months preceding his death under a contract for the hiring of labour (including periods counted as periods of employment) or if he was receiving a retirement pension under the Act. To qualify for a survivor's pension the widow must have been married to the deceased worker for at least one year. The pension is payable when the widow attains the age of 45 years; it is also payable to a widow who is younger while she is bringing up a child for whom she is entitled to family allowances or if she is permanently incapacitated by at least 66 per cent. The survivor's pension is equal to 30 per cent. of the highest annual remuneration of the deceased husband.

The scheme is financed by annual State subsidy and contributions by workers and employers. The State subsidy for 1955 is 1,240 million francs. The Act provides that the State subsidy shall be increased by 40 million francs each year until it reaches 2,000 million francs; these amounts are adjusted to take account of fluctuations in the cost of living in the same manner as the pension rates are adjusted. The contributions of the workers and the employers are equal and each class contributes about 8.5 per cent. of wages. The rate may be increased by 0.5 per cent. on the expiry of each five-year period.

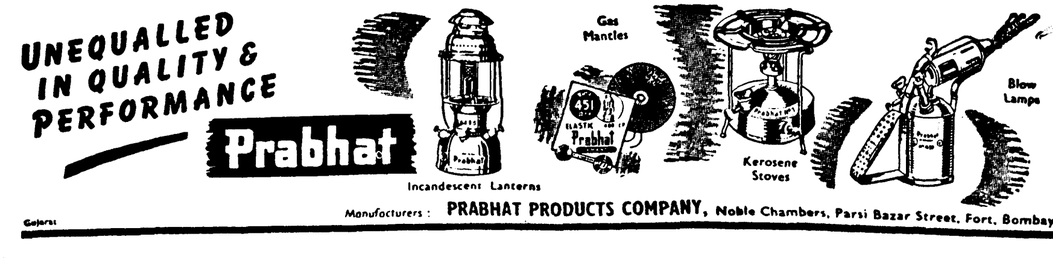
"ORIENTAL" TRADITION

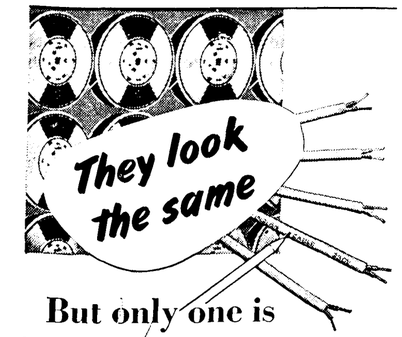
The Annual Review Supplement of the *Oriental News*, the house organ of the Oriental Government Security Life Assurance Company, Ltd., makes very interesting reading. The editorial, surveying current developments of interest to insurance, points out that "increasing incomes consequent upon increasing production and unattended by inflationary spending must stimulate increasing savings and the need of the hour is to help the public to utilise these savings to secure adequate protection for their families." This was, however, written before life insurance companies came under the Government's administration. It remains to be seen how far State-owned insurance enterprise will be able to utilise the available opportunities for expanding the business.

This neatly got-up number throws a flood of light on the growth of the "Oriental" Life Office during the last eight decades of its existence. It is an unvarnished tale, supplemented by statistical data and graphical representation of facts relating to the progress of the Company. Mr. D. S. Mehta, the Company's Agency Manager, has emphasised that the "Oriental" tradition does "not only ensure maximum returns to the policyholders but also guarantees complete service in the interests of policyholders." This is no platitudinous claim, for this very number contains many letters of appreciation from policyholders and their heirs for the services rendered by the Company. There is a moving human story of an orphaned girl who had no knowledge of the fact that her late father had insured his life with the Company. The story is told of how the Company's official, after much elaborate and frantic search, traced the girl to a small hotel in an obscure village, and how the girl, with tears of joy in her eyes, received the news of her having become heiress to a modest fortune. This is the story of what private enterprise alone—and, of course, private enterprise at its best—can do. And it is the sort of story which could never be true of administration of insurance under a soulless State enterprise.

We commend this special issue of the *Oriental News* to the attention of insurers in India. It is likely that the good work they have done will be soon forgotten. Perhaps, the managements will do well to tell the tale of their growth and development for the benefit of posterity at least.

The Employees' State Insurance Scheme, which has been extended with effect from 15th January 1955 to Lucknow, Agra and Saharanpur areas in U.P., will cover about 17,000 employees in this region. It may be mentioned here that the Scheme is now in operation in Delhi, Kanpur, seven industrial centres in the Punjab, Greater Bombay, Nagpur, Coimbatore, Madras City and suburbs, four centres in Madhya Bharat, Hyderabad and Secunderabad areas, Calcutta City and Howrah District and seven centres in Andhra. It covers about 10 lakh employees at present. The extension of the Scheme to the three centres in U.P. was inaugurated in Lucknow by the State's Chief Minister, Mr. Sampurnanand, who said that a contented labour force was the best guarantee for both quality and quantity of the goods produced.





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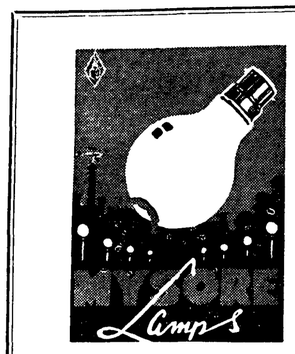

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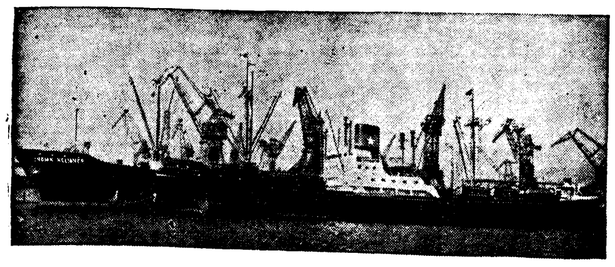

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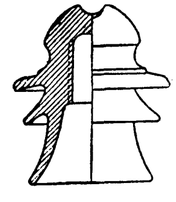

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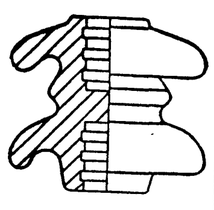

NEW PUBLICATIONS

"India's Mineral Wealth." (1955, Third Edition.) By J. Coggin Brown and A. K. Dey. Published by Oxford University Press, Bombay. Price: Rs. 30-0.

MINERALS have been rather neglected in our country in the formulation of plans for economic development. Compared to industry and agriculture, mineral development has not received the attention it deserves, as can be seen from the fact that, in the first Plan, a meagre sum of Rs. 1 crore was allotted for the development and exploration of mineral wealth. Recently, however, the Ministry for Natural Resources has decided to spend another Rs. 3 crores during the remaining Plan period.

The Government is, however, alive to the importance of minerals, particularly since independence. Just before the war there were only 27 officers in the Geological Survey of India; they numbered 150 in 1948 and the staff is still being increased. Five independent circles have now been formed in the country, each with its own survey party; *Indian Minerals* is being published since 1947 and the Mineral Information Bureau, a centre for free advice, is being run by the Department; the mining school at Dhanbad is being expanded, and above all, the second Plan-frame provides for an outlay of Rs. 75 crores on minerals and prospecting.

In view of the importance that mineral development has attained, the appearance of this book, written by Dr. Brown, a former Superintendent, and Dr. Dey, a present Superintending Geologist, of the Geological Survey, must be considered very timely indeed. The first two editions were written by Dr. Brown only; the third edition, the product of joint endeavour, has been so much enlarged and so thoroughly revised that it merits to be treated as a new book itself.

The Records of the Geological Survey of India and many other periodicals provide abundant information about our mineral wealth; but the value of this book lies in the fact that few readers have the opportunity or the time to wade through the voluminous official documents which again are not easily available. Although the title of the book refers only to India, it is in fact a "guide to the occurrences and economics of the useful minerals of India, Pakistan and Burma," as the sub-title puts it.

The job has been done in a thorough manner, typical of experts in the field. Each mineral has been considered individually, with a description of its chief occurrence and a short history of its commercial exploitation. The book begins with coal and it is gratifying to note that in view of its strategic role in the second Plan, 58 pages have been allotted to it, with all the relevant tables and maps and a detailed description of the different classes of coal. Various estimates of the coal reserves have been given and though these are by themselves impressive, placed in the context of the plans for expansion in the iron and steel industry, they look alarmingly small. The burning of 10 million tons of coking coal annually represents particularly a sad state of affairs and it is well to remember the warning of Dr. M. S. Krishnan, Director of the Geological Survey of India, that "unless drastic steps are taken to curtail the consumption of coking coal for non-metallurgical purposes, the Indian steel industry will be reduced to the position of having to seek for metallurgical coal from foreign lands." Planning for steel without planning for coal is of no avail.

Taking another example, the authors have pointed out the necessity of producing and exporting quality mica to retain the foreign market upon which mica is precariously dependent. Though the authors have mentioned the special dependence of Indian mica on the American demand, they have not fully worked out the economic consequences of such dependence. Such consequences were painfully brought home after the Korean boom was over and particularly during the latter half of 1954 when, with a sharp decline in the U.S. demand, mica was hard hit, resulting in the closure of many mines and unemployment of thousands of workers. The question that should be decided is whether India should continue to depend only on foreign market and that, chiefly in one country, and on exports of the raw material only. The reviewer feels that India should not only search and develop other markets and export manufactures of mica such as micanite; it should also explore possibilities of utilising this strategic material at home, now that we have large expansion plans in electricity and electrical engineering. This point was missed even by the Mica Enquiry Committee (1945), probably because the trade was then having a smooth sail.

The book, divided into five parts each containing a classified group of minerals, deals exhaustively with almost every mineral found in India, Burma and Pakistan and is an excellent reference work. Figures of grades, imports and exports, production and reserves are spread over 140 tables. These, together with a dozen maps and several graphs, make it a unique book on the subject. A detailed bibliography at the end and an index of 40 pages further enhance the value of the book.—R.A.J.

The "Eastern Economist" Annual Number, 1955. Editor: E. P. W. da Costa. Published by the Eastern Economist Ltd., 52, Queensway, New Delhi.

The theme chosen for the Annual Number, 1955 of the *Eastern Economist*, Our New Delhi contemporary, is India and the communist world. The recent visit of the Russian leaders to India is not, of course, the only reason why this theme is so topical. There are signs that the East and the West, economically speaking, may be drawn closer together. It is a reassuring political assessment of the cold war that it is "unthinkable that the U.S.S.R. would take a risk of total war under present circumstances." A correct, though not a reassuring, appraisal is that the "free world has lost some ground in Indian public opinion." The number is divided into three parts—Part A entitled "Political Assessment," Part B "An Economic Review" and Part C "Communism and Culture." Appropriately enough, the bulk of the number is taken up by the second part which discusses, among other topics, the relative magnitude of the efforts that are being made in India and China to raise their living standards, world oil economy, and India's trade with the communist world. An impartial study of the relevant factors in India's economic relations with the communist countries leads the authors to the conclusion that, although the contribution which those countries could make to India's progress might appear large, it would be "small in relation to our dependence on the free world. "This is a significant conclusion to which the attention of the enthusiastic admirers of all that is Russian or communist deserves to be drawn. The review makes, on the whole, most interesting reading.

A.-I.M.O. Indian Export Guide—1955. Published by the All-India Manufacturers' Organisation, Bombay.

True to its ambitions, the A.-I.M.O. does not think that its function should be limited only to provide conditions helpful for manufacturing articles. For it is common knowledge that the purpose of manufacture is not fully served, unless the product manufactured is marketed. Accordingly, in order to complete this process, the A.-I.M.O. has published the *Export Guide* mentioned above. The *Guide* has a dual aim, namely, (1) to acquaint foreign buyers with what type of industrial products India can offer them, and (2) to contribute in some measure to the expansion of foreign markets for Indian manufactures. In order to achieve this twin purpose, the Organisation could not have done better than distribute copies—about 5,000 of them—free of charge to selected firms in principal countries which figure prominently in international trade. Copies are also supplied to Indian Embassies, Legations and Consulates in all foreign countries.

The *Guide* is a neatly printed and well-bound volume. It carries in its two hundred and odd pages names and addresses, trade marks, brands of the chief products of reputed and well-established manufacturers in the country. There is, besides, a statistical section giving very helpful information about export trade of India. In the foreword to the *Guide*, Dr. M. Visvesvaraya, Founder-President of the A.-I.M.O., says that the publication is expected to lead "to the promotion of cordial and closer relationships between Indian manufacturers and foreign business men."

"Capital": Annual Review of Commerce and Industry, December 1955. Editor: George Barrell. Published by Capital Ltd., Post Box 14, Calcutta-1. Price: Rs. 5-0.

This annual review number of *Capital*, our Calcutta contemporary, serves a rich and varied fare. Besides the reviews of the performance of certain important industries like tea and jute, the review carries a number of very interesting articles. Prof. C. N. Vakil gives his reflections on the Plan-frame. He discountenances the idea that the country does not require substantial outside assistance in order to fulfil the second Plan. Prof. B. R. Shenoy, discussing the financial aspects, of the second Plan, again warns that "deficit financing is not a modern version of the *Akshaya Patra* of the Hindu fables." Other notable articles include the company law by Mr. Tulsidas Kilachand, the future pattern of industry by Mr. W. H. J. Christie, and the future of industrial enterprise in India by Dr. N. Das. The article on the "Future of Small Life Insurance Offices in India," by Mr. N. T. Raju, offers some interesting suggestions drawn from the history of life insurance in other countries. One wishes that the authorities had considered these aspects of insurance industry before they committed themselves to the policy of nationalisation of insurance.

"Indian Mining Journal" (Indian Coal Industry Symposium Number). Madan Street Calcutta, 13. Editor: H. Ghosal. Price: Rs. 7-8.

This bumper offer includes 45 papers read at the symposium on coal industry held at Calcutta on 8th August 1955 under the auspices of the Geological, Mining and Metallurgical Society of India and the *Indian Mining Journal*. Read together, the papers give a comprehensive view of the economic and technical problems facing the Indian coal industry and suggestions for their solution. Among the papers, mention may be made of "Coal in India" by Mr. A. Lahiri, "Coal Washing and its Problems" by Mr. A. B. Guha, "Carbonisation of Coal" by Mr. S. K. Sircar, "Mining Research" by Mr. J. W. Whitaker, "Fluidised Low Temperature Carbonisation of Indian Coal" by Messrs. K. W. Bochmann and A. Banerjee and "Sulphur in Indian Coals" by Mr. N. N. Chatterjee.

Annual Bulletin of Transport Statistics for Europe (1954). Economic Commission for Europe. United Nations. Price: $1.00 (U.S.).

This bulletin gives the transport statistics for Europe for the year 1954. The general arrangement and contents of the bulletin are the same as those in the earlier issues. There are four chapters dealing with traffic, networks, mobile equipment and utilisation of equipment. These are accompanied by a number of tables and charts containing vital statistics. A notable feature of the bulletin is the brief analysis of traffic fluctuations from month to month given in Chapter I. As in the previous bulletins, information has been derived in the main from material supplied directly by Governments. This has been supplemented in some cases by information contained in publications of an official character.

The I.E.M.A. Directory 1955-56. Published by the Indian Electrical Manufacturers' Association, 35, Stephen House, 4, Dalhousie Square, East, Calcutta, 1.

This Directory chiefly aims at giving information about the electrical products manufactured by the members of the Indian Electrical Manufacturers' Association, which is claimed to represent 80 per cent. of the industry in India. The information ranges from the manufactures of electrical and allied engineering equipment to those producing equipment required for mines, factories, railway and transport undertakings, gas and waterworks. The value of the book is enhanced by the addition of lists of trade representatives of overseas Governments in India and Indian Government trade representatives abroad. The Directory is a useful guide to purchasers of electrical equipment, including Governments in India and abroad.

Principles and Practice of Sales Tax. By D. P. Madan. Published by the Progressive Corporation Ltd., Jehangir Wadia Building, Mahatma Gandhi Road, Bombay. Price: Rs. 15-8.

In many ways, the Bombay Sales Tax Act is a more complicated piece of legislation than the law on this subject in any other State. And yet, no business man can plead ignorance of the law or inability to understand it as an extenuating circumstance. In Mr. D. P. Madan's *Principles and Practice of Sales Tax* which deals with the sales tax law in the Bombay State, readers will find a comprehensive treatise on this subject. Each section has been dealt with exhaustively and important case-law cited to illustrate the general principles of the levy of sales tax. It is bound to appeal to both business men and lawyers.

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COMMONWEALTH'S SHARE IN WORLD'S TRADE

SLIGHT DECLINE IN 1954-55

EUROPE seems to have stolen a march over both the Commonwealth and the U.S. in enlarging its share in world trade during 1954. Thus, Europe accounted for 30 per cent. in value of world exports in the year, as compared with 29 per cent. in 1953 and 1952 and 28 per cent. in 1951, while that of the Commonwealth countries was only 28 per cent. as against 29 per cent. in 1953, and 30 per cent. in 1952 and 1951. Similarly, the share of U.S. exports, which remained stationary at 21 per cent. in 1952 and 1953, declined to 20 per cent. The share of Central and South America, however, remained unchanged at 10 per cent. throughout the four-year period. Asian exports in 1954, however, fared better in that their share of the world total was 7 per cent. as compared with 6 per cent. in 1953.

In the sphere of imports, too, Europe held the field. Its share in the value of world imports rose from 31 per cent. in 1953 to 33 per cent. in 1955. On the contrary, imports of both the Commonwealth and the U.S. were lower at 30 per cent. and 14 per cent. in 1954, as against 31 per cent. and 16 per cent. in 1953, respectively. There was no change in the share of imports of Central and South America and Asia, which stood at 9 per cent. and 8 per cent. respectively, in 1954 and 1953 alike.

The table below shows the shares of different groups of countries in world trade in the four-year period ended 1954:

(Per cent. of value)

	1951	1952	1953	1954
*World exports**	100	100	100	100
Commonwealth	30	30	29	28
U.S.A.	20	21	21	20
Central and S. America†	10	10	10	10
Europe†	28	29	29	30
Asia†	7	6	6	7
*World imports**	100	100	100	100
Commonwealth	33	31	31	30
U.S.A.	15	15	16	14
Central and S. America†	10	10	9	9
Europe†	30	30	31	33
Asia†	7	8	8	8

* Excluding the trade of Albania, Bulgaria, China Mainland, Czechoslovakia, E. Germany, Hungary, North Korea, Poland, Roumania, U.S.S.R.

† Excluding Commonwealth areas.

An analysis of the shares in the values of total exports and imports of the different Commonwealth countries shows that, in most cases, the export totals were greater in 1954 than in 1953, with those of India and Ceylon revealing marked increases. Indian exports rose in value from Rs. 525.80 crores in 1953 to Rs. 578 crores in 1954. Similarly, exports from Ceylon increased from Rs. 148.9 crores to Rs. 171.8 crores. The value of goods shipped from the U.K. was also higher, but only moderately, at £2,673 million, as compared with £2,582 million in 1953. But Canadian shipments declined from $4,117 million to $3,876 million. There was also a fall in the value of exports from Australia from $804 million to $751 million. The value of cargoes despatched from other Commonwealth countries, namely, New Zealand, Union of South Africa, Rhodesia and Nyasaland, and the Colonies showed a sizable increase, while that of Pakistan revealed a slight decline.

Value of Imports

The value of imports into the U.K. during 1954 was slightly higher at £3,379 million, as compared with £3,343 million in the preceding year. Australian imports, too, increased from £A679 million to £A841 million. Imports into India rose from Rs. 580.7 crores to Rs. 636.1 crores. The other Commonwealth countries, the imports of which rose during 1954, were New Zealand, S. Africa, and Rhodesia and Nyasaland. Among the countries in the group which recorded lower imports were Canada, Ceylon and Pakistan. Canada's receipts of merchandise were slightly lower at $4,093 million, as against $4,383 million in 1953. Cargoes purchased by Ceylon similarly came down from Rs. 160.8 crores in 1953 to Rs. 139.7 crores in 1954, and those by Pakistan from Rs. 116.6 crores to Rs. 110.3 crores. Imports of colonial countries in the year under review amounted to £1,267 million as compared with £1,281 million.

Analysing the aforesaid trend of trade, *Commonwealth Trade* 1954-55, a memorandum prepared by the intelligence branch of the Commonwealth Committee, observes:

"Perhaps the most notable change, of major importance because of the magnitude of the trade involved, was the further expansion in the volume of the U.K.'s exports; this represented an increase of one-third as compared with 1948. A similar increase was recorded for exports of primary products from the Colonial Territories where the output of many commodities reached high or even record levels during the year.

"A slight increase in the U.K. left imports well below the figures recorded for 1951-52; on the other hand, there was a very large increase (approximately 25 per cent.) for both Australia and New Zealand, although the totals in each case were below the post-war peak. In South Africa and Rhodesia, only a moderate increase was recorded and the same was true of India, where imports of grain were not much greater than in 1953-54."

Balance of Trade

The trade balances of Commonwealth countries reacted in different ways in accordance with the variations in their import-export trades. A further improvement was noted in the adverse balance of the U.K., as a result of the larger volume of exports. Canada's adverse balance, which in 1953 had been quite substantial, was much reduced in the following year, although, in this case, the governing factor was the reduction in import volume. On the other hand, there was a marked deterioration in the positions of Australia and New Zealand, due to a large expansion in the volume of imports. In South Africa, the limited increase in imports was fully offset by an expansion in exports of merchandise, excluding all gold and gold products. Taking account of the total gold exports, the favourable balance for 1954 was £24 million, as against £7 million in 1953. With record exports of copper and tobacco, there was again a large surplus for Rhodesia and Nyasaland. In India and Ceylon the favourable trend in exports was reflected in the trade balance. For India, the adverse balance, though slightly larger than in 1953-54, was still relatively small as compared with some earlier years, while, in Ceylon, with a rapid improvement in terms of trade, the surplus was at a record figure. The same trend was apparent in colonies, where the adverse balance was relatively low.

The balance of trade position of the different countries of the Commonwealth during the five half-years ended January-June 1955 is given in the table below:

(In millions)

	Jan.-June, 1953	July-Dec., 1953	Jan.-June, 1954	July-Dec., 1954	Jan.-June 1955
U.K. (£)	—383	—272	—275	—330	—454
Canada ($)	—197	— 43	—179	+ 27	—147
Australia (£A.)	+187	+116	+ 18	— 62	— 49
New Zealand (£N.Z.)	+ 66	+ 6	+ 53	— 22	+ 20
Union of S. Africa (£)	— 69	— 55	— 80	— 52	— 69*
Rhodesia and Nyasaland (£)	...	...	+ 8	+ 14	+ 7
India (Rs.)	—505	+ 46	—390	+ 82	—491
Pakistan (P. Rs.)	+281	+ 18	+154	— 69	+189
Ceylon (C. Rs.)	— 61	— 44	+118	+257	+196
Colonies (£)	— 28	+ 89	+ 17	— 53	— 29†

* Including South-West African Territory.
† Unofficial estimates.

Commonwealth Products

The U.K. remained the largest market for Commonwealth products. It took rather more than W. Europe did and appreciably more than the U.S. For the third year in succession, however, imports from the Commonwealth showed no marked increase and the Commonwealth's share of the total at rather less than half was slightly smaller than in 1953. The Colonial Territories also in the aggregate, imported from Commonwealth sources of supply on much the same scale as in 1953, as did the Union of South Africa; in the latter case, however, the Commonwealth share of the market declined slightly. On the other hand, imports into Australia and New Zealand evidenced some recovery, although the Commonwealth secured £100 million of the increase of £200 million in total trade. As against this, the Commonwealth market in India, Pakistan, and Ceylon, taken as a whole, showed a further contraction.

The Commonwealth's share of the North American market declined further during 1954, a year when economic activity was adversely affected by the U.S. recession. Imports into the U.S. from the sterling Commonwealth fell in the aggregate by some $130 million and there was also a decline in imports from Canada, although these amounted to more than in any year before 1953. Canada's imports from the sterling Commonwealth were 50 million dollars less than in 1953. The figures for Canada show that the reduction in imports from sterling countries during the year was virtually confined to the trade with the United Kingdom which, however, accounts for about two-thirds of the total. In the United States market, where the United Kingdom accounts for only a minor part of the Commonwealth total, the picture was, of course, very different; the reduction in imports from the United Kingdom amounted to only 40 million dollars but there was also a reduction of 70 million dollars in the figures for both Canada and the Colonies, while Australia and New Zealand together showed a reduction of 25 million dollars and India the same amount. A considerable recovery was recorded for South Africa.

Although imports into Western Europe expanded in 1954, the total supplied by Commonwealth countries remained at the same figure as in 1953 and the Commonwealth share of the market, therefore, declined. The pattern of exports was, however, far from uniform. Thus, while exports from the United Kingdom to this market showed a further large increase and an even greater increase was recorded for the Colonial Territories, there was a marked reduction for some other countries, especially Australia (for 1954-55) and South Africa. In general, imports into Commonwealth countries from Europe were greater than in the preceding year, and as a result, the trade balance deteriorated sharply in most instances. An exception was in the case of the Colonial Territories where the trade balance was the most favourable recorded for several years.

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LIBERALISATION OF IMPORT RESTRICTIONS IN O.E.E.C. COUNTRIES

Owing to the continued efforts made by the Organisation for European Economic Co-operation, good progress has been made in liberalising private trade among the members of this Organisation from all quantitative import restrictions. Thus, as much as 85.6 per cent. of the overall import trade stands freed now from these restrictions, as compared with 83.3 per cent. in December 1954, 76.6 per cent. in December 1953 and 64.7 per cent. and 61.5 per cent. at the end of 1952 and 1951 respectively.

The figure of 85.6 per cent. is the result of efforts of the member-countries at achieving the liberalisation targets set by the Council of the Organisation on 14th January last year. The Council had recommended that member-countries should free, as from 1st July 1955, 10 per cent. of their imports on private account which were not yet the subject of liberalisation measures and, as from 1st October 1955, 90 per cent. of their total imports on private account and 75 per cent. at least in each of the three categories specified in the code of Liberalisation, namely, (a) food and feeding stuff, (b) raw materials, and (c) manufactured goods.

According to a Press release by the O.E.E.C., the member-countries have duly complied with the obligations to free 10 per cent. of their private imports under quota. Some were, however, not able to reach the target either of 90 per cent. or that of 75 per cent. in each of the three sectors and have notified the Organisation their reasons for the failure. These reasons are related to either balance of payments difficulties or reasons of national importance or equity which they feel obliged to invoke. The Council of the O.E.E.C. is now examining, it is stated, these reasons so that it might find means of co-operative action to improve the situation of these countries and enable them to take further measures of liberalisation in the future.

Among the member-countries of the O.E.E.C. which have liberalised more than the overall percentage of 85.6 per cent. of their total private imports are Western Germany (91.3), Benelux (91.1), Greece (95), Ireland (90.2), Italy (99.7), Portugal (93.7), Sweden (92.6) and Switzerland (92.5).

The U.K. is among those which have not yet surpassed the overall percentage, its figure being 84.8 per cent. However, in the categories of food and feeding stuffs, the U.K. has liberalised imports to the extent of 89.8 per cent. In the other two imported categories, namely, raw materials and manufactured goods, the liberalisation has been effected to the extent of 83.6 and 78 per cent. respectively, of the total imports of these goods.

Denmark has liberalised only 78.4 per cent. of the total private imports and France only 77.5 per cent. Iceland, Norway and Turkey are other countries which have a lower percentage of liberalisation.

SUBSTITUTION OF IMPORTS BY INDIGENOUS DRUGS

India is spending every year a considerable amount of foreign exchange on imports of the various types of medicinal drugs. The value of imports of such drugs aggregated Rs. 2.65 crores in 1954-55 and Rs. 2.45 crores in 1952-53. In the first five months ended August 1955, drugs worth Rs. 11.65 lakhs, as against Rs. 20.57 lakhs in the same period last year were imported. It now seems that, by strenuous efforts of research in medical plants, indigenous drugs could be manufactured and substituted for foreign drugs. At a time when conservation of foreign exchange for the purpose of financing the development schemes under the second Five-year Plan is urgent, this move which would result in savings in foreign exchange, should bring some comfort to our planners, for many a drop makes an ocean. It is, however, to be hoped that the cost of drugs made from indigenous sources will not be prohibitive. Drug is an item where the interests of consumers must have precedence over considerations of foreign exchange.

According to a review of work on Indian medicinal plants published by the Indian Council of Medical Research, out of about 11,000 species found in India, more than 2,000 plants possess medicinal properties. As a result of research work on indigenous drugs, it has now become possible to bring into use already a large number of raw drugs which were hitherto being imported by the drug manufacturing industry. There are, it is stated, great possibilities of India becoming self-supporting in the manufacture of drugs. Owing to the remarkable variations in the country's climate, altitude and soil, India is in a position satisfactorily to cultivate a variety of medicinal plants. For instance, there are several drugs which are widely used by the medical profession, but the plants from which these are manufactured do not grow naturally in this country. They, however, thrive when they are cultivated under proper conditions. Such plants include eucalyptus, cinchona and *jalap* which were introduced into India many years ago. Besides, a large number of plants grow in India which, though not exactly the same, have properties and reactions similar to those of imported drugs. If properly utilised, they would form excellent substitutes. Their development will not only reduce dependence on imports but open up possibilities of exports also.

There is also another advantage. And that is, if medicinal plants which grow wild in different parts of the country are utilised for the manufacture of drugs, such drugs may be brought within the reach of millions of people that are in need of medicines of various sorts.

Notice

BURMAH-SHELL REFINERIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent. Debentures 1965-69 will be closed for transfers from 16th February 1956 to 29th February 1956, both days inclusive.

P. A. ENGINEER,
Secretary and Treasurer,
State Bank of India.
Agents for Burmah-Shell Refineries Ltd., for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 1, 1st *February* 1956.

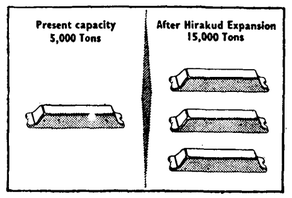
Indian Aluminium Company plans to treble output

Why this expansion?

Aluminium has become an important metal today in many fields—from structural engineering to electrical distribution. Experts estimate that by 1960 demand for Aluminium will have doubled, rising to about 40,000 tons per annum.

Company's rapid expansion

In order to keep pace with expanding demand, Indian Aluminium Company is increasing its capacity for aluminium production. The new smelter which Indian Aluminium Company is installing at Hirakud, Orissa, will triple the Company's production capacity to 15,000 tons by 1958. In implementing this major project, Indian Aluminium Company will be able to draw upon the resources and know-how of its Canadian associates, Aluminium Limited—the world's largest group of aluminium companies.



New Capital Issue

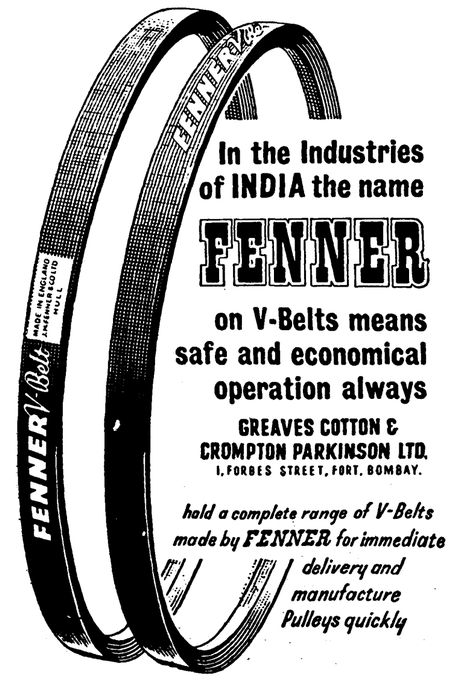
The estimated capital requirements for Indian Aluminium Company's Hirakud project are about Rs. 9 crores. It is proposed to raise a part of these requirements by the issue of new capital in the form of Convertible Notes. These Notes will carry a fixed rate of interest and confer upon the holders of the Notes the right to convert them into Ordinary shares of the Company. The Canadian majority shareholder of the Company, Aluminium Limited, has agreed to take up half of the new issue and the other half will be offered to the other shareholders and the Indian public.

Aluminium is facing a bright future in India today. India's vast bauxite deposits and waterpower resources can support a large Aluminium industry for years to come. Harnessing these natural resources, Indian Aluminium Company's Hirakud project will be an important step towards India's goal of self-sufficiency in Aluminium.

Indian Aluminium
Company Limited

A Canadian-Indian enterprise

IA 7/2



In the Industries of INDIA the name

FENNER

on V-Belts means safe and economical operation always

GREAVES COTTON & CROMPTON PARKINSON LTD.
1, FORBES STREET, FORT, BOMBAY.

hold a complete range of V-Belts made by FENNER *for immediate delivery and manufacture Pulleys quickly*

PROCEEDINGS OF THE A.C.C. MEETING

TERMS OF NEW ISSUE STILL PENDING

THE highlight of the speech of Mr. Dharamsey M. Khatau, Chairman of the Associated Cement Companies Ltd., at the annual general meeting of the Company held on Friday last week, was his detailed reference to the progress made in the Company's programme for modernisation and rehabilitation of its older plants and for establishment of new factories and the part which the Company, as the leading cement manufacturer in the country, has to play in the achievement of the target of cement production under the second Five-year Plan. The Company, he said, had planned to increase its capacity to nearly 5.2 million tons by extending some of its factories and by putting up five new factories at various centres. Besides, the Company has also an ambitious plan for manufacturing a wide range of cement machinery adequate for the country's entire requirements as well as other badly needed machinery, such as gears, pumps, mining equipment, etc. This it proposes to do in collaboration with Messrs. Vickers Ltd., England. These plans for expansion of the capacity would naturally entail a very substantial capital expenditure. The necessary finance, Mr. Khatau disclosed, was to be found partly by borrowings from the State Bank of India under a cash-credit arrangement upto a limit of Rs. 4 crores, partly by a fresh issue of capital to the tune of Rs. 6.36 crores and the balance by the Company's own present and prospective internal resources.

Though the Company's expansion programme is in the larger interests of the country generally, and the shareholders, in particular, some of the shareholders present at the meeting expressed concern over the future in the light of the resolution passed at the recent meeting of the National Development Council, in which the cement industry also was listed among those which should be in the public sector. Many of the shareholders criticised the Government's attitude of coercion towards the private sector. Mr. Khatau, in his reply, counselled patience among the shareholders and told them it was extremely difficult to guess what the intentions of the Government were. Even so, the Company, he said, had an undertaking on hand to expand its capacity and the country needed more cement. The Company should not, Mr. Khatau added shirk its responsibility to the country on fears of nationalisation. Its expansion programme involved, no doubt, a risk, but the risk was worth taking as a national duty. He, however, added that the interests of shareholders would be kept in mind.

Terms of the New Issue

The Company's proposal to issue new shares at par, subject to the sanction of the Controller of Capital Issues, was also the subject of comment by almost every shareholder. A few shareholders wanted to know whether the Company had received any directive or suggestion from the Government to issue the shares at a premium. In view of the Government's reported policy that established concerns should issue fresh shares at a premium, the shareholders expressed their wholehearted opposition to the issue at a premium. They said that they would not take the new shares if they were issued at a premium. They even suggested that the Company should give up its expansion plans if the Government insisted on a premium. One of the shareholders quoted the instance of some of the "established" concerns which had recently issued new shares at par. The Company's Board of Directors should not, he said, submit to the coercion by the Government if the latter forced the Company to issue the new shares at a premium. In case the Company were nationalised, he added, the premium so collected would be dead money.

In reply, Mr. Khatau made it clear to the shareholders that the Company had not so far heard anything from the Government about the issue of shares at a premium. This did not mean that the Government was not considering the question of asking the Company to issue the shares at a premium. In fact, Mr. Khatau said, the Company was worried over the delay in getting sanction to its proposal, the application for which had been made on 30th November 1955. It was, however, a matter of conjecture at this stage. He did not, therefore, like to express his views now on the subject. It was a matter that deserved to be studied in detail when the issue actually arose. Mr. Khatau asked the shareholders to realise that, after all, the final decision rested with the Government and it could not be simply ignored. The Company, he added, wanted money for its expansion plans and it would have to approach the Government for many other things.

The resolution to issue 635,928 new shares of Rs. 100 each at par to the existing shareholders in the ratio of one new share for every two shares held, subject to the sanction of the Government, was ultimately passed at the extraordinary general meeting held after the annual general meeting. Though the shareholders' opposition to the issue of the shares at a premium was strong and very vocal, the real test of their sincerity, as one of the shareholders pointed out, would come when the Company came forward again with a proposal to issue the shares at a premium. If the Government were to insist on the Company issuing the shares at a premium, another extraordinary general meeting to get the shareholders' consent will have to be held.

Manufacture of Cement Machinery

Another subject which figured prominently in the Chairman's speech, as well as in the discussions which followed, was the proposal to set up a plant for making a wide range of cement and other machinery in India, in association with Messrs. Vickers Ltd. In reply to the shareholders' queries, Mr. Khatau said that the total working capital of the joint venture would be Rs. 9 crores, of which Rs. 6 crores was likely to be invested jointly by the A.C.C. and Vickers Ltd. in equal proportion. Thus, the A.C.C.'s investment in the joint venture would be Rs. 3 crores. It was rather difficult, the A.C.C. Chairman said, to give an idea of the profit which would accrue from this venture. It would depend on what price the A.C.C. paid for the products bought from the new company. Anyway, he was sure that this venture would prove to be of immense benefit to the A.C.C., as it would enable the latter to have ready on hand manufactured machinery for the expansion plans of the Company's factories. Though he could not give an idea of the profit-earning capacity of this venture, he considered that a return of 6 per cent. on the investment would be adequate.

One or two shareholders expressed the view that the managing agency commission which amounted to Rs. 51.56 lakhs for 1954-55, was somewhat excessive. Though they did not grudge it, they were rather worried that this might become an eye-sore and provoke an attack on the managing agency system. The best course, in their view, would be to place voluntarily a ceiling, say, Rs. 50 lakhs. Replying to these points, Mr. Khatau said that the figure of managing agents' commission looked exaggerated, but it included the commission from the Patiala Cement Co., Ltd., amounting to Rs. 16 lakhs. However, he said that they would give every consideration to the suggestions made by the shareholders. He wanted the shareholders to remember that there are considerable expansion plans ahead and the managing agents had to devote more of their time and energy for the same.

Other Points

The other points of interest that arose from the Chairman's reply to the shareholders' queries were: (1) The present scarcity of cement in the country was real and not artificial. There was large consumption by the Government and the public and the question of importing cement was receiving the urgent attention of the authorities. (2) The Government's control over the cement industry was just nominal, inasmuch as only the allocation of cement was controlled by the Government. The distribution was done by the industry. Price was fixed by the Tariff Commission in accordance with the fluctuations in prices of packing materials. (3) The question of issuing bonus shares along with the issue of new shares was a ticklish one; however, if and when the position justified, the Company would not lag behind in making a bonus issue. (4) Balances in Pakistan amounted to Rs. 1.40 crores. The Company had received Rs. 66 lakhs from Pakistan as part of its accrued profits—Rs. 50 lakhs up to July 1955 and Rs. 16 lakhs thereafter; this covers the profits up to 1954. The Pakistan Government was doing its best to be helpful to the Company. (5) It was extremely difficult for the Company of this size to get the final accounts prepared for issuing half-yearly balance-sheets. The question of publishing quarterly earnings would be considered. (6) The Company's output of cement during 1954-55 amounted to 29 lakh tons. (7) The average cost of production of the new cement works at Sindri was almost equal to that of other factories.

PORT CANNING AND LAND IMPROVEMENT CO., LTD.

The 12 months ended 30th April 1955 constitute the last year of working of the Port Canning and Land Improvement Company, Ltd. (Secretaries, Treasurers and Agents: Messrs. David Sassoon & Co., Ltd., Bombay), and marks the end of the Company's venture in development of land, extending over a period of 83 years, thanks to the West Bengal Estates Acquisition Act, 1953. Under the provisions of this Act, the estates of the Company vested in the State as from 15th April 1955, on which date the State Government took over the Company's lands.

The main interest of the Company's shareholders in the latest Directors' report is to be found in their observations on the compensation payable by the Government to the Company for the lands acquired. The compensation will be determined as per section 23(2) of the Act and the Directors estimate that it may amount to no more than a little over one year's revenue from rentals due to the Company. In the last year of the Company's working, that is, 1954-55, the revenue from this source amounted to only Rs. 6.33 lakhs. The Directors point out that, in fixing the compensation, neither the original investment of the Company in land amounting to Rs. 58 lakhs nor the development cost of about Rs. 24 lakhs has been taken into consideration, let alone the market value of the land which will be more than Rs. 3.75 crores on the basis of the rates at which settlements were made prior to the passing of the Act.

Under the Act, the Company is treated as an individual and as such it suffers in compensation, because the largest slabs of income groups receive the smallest compensation. "Had the lands of the Company been distributed *pro rata* amongst its 2,000 shareholders and the Company treated as a large number of small holders," the Directors add, "the compensation which would be divisible amongst them would have amounted to nearly Rs. 49.33 lakhs, which would have been at least near the Company's purchase price of the land." Even then, the compensation would, it is stated, have been only about one-eighth of the market value.

While the capital of the shareholder will thus be reduced to about one-ninth of the original investment, by virtue of the Act, no part of the Company's liabilities is taken over by the Government nor has any provision been made for meeting them. Besides, the Company has to pay compensation to the employees retrenched, as a result of the Act, although a large number of them has been employed by the Government.

It is quite obvious that when the quantum of compensation amounts to only about a year's revenue from rentals, the Government can easily pay the whole compensation due to the Company from collections of rentals in little over a year. Yet, the Government has not chosen to pay the whole compensation in cash. It will pay only a token sum of 12 per cent. of the compensation in cash at the outset and the balance in non-negotiable bonds of 20 years' maturity carrying interest at the rate of 3 per cent. per annum less tax. These bonds will be redeemable in 20 equal annual instalments. The Directors do not understand why this form of security carrying such a low rate of interest should be issued at a time when State loans are issued as negotiable bonds carrying interest at 4 per cent. less tax with about 10 years' maturity.

The Directors feel that the quantum of compensation and the form in which it is proposed to be paid inflict severe hardship and injustice on the shareholders, especially the large body of small and middle class shareholders. They, however, hope that the Government will still review the whole position and pay adequate compensation to the shareholders, in view of the assurances given in Parliament when the Constitution Fourth Amendment Bill was passed into law, that fair and just compensation will be paid in all cases of acquisition of property.

BALMER LAWRIE & CO., LTD.

The reports which appeared in the Press recently about the change in the ownership of a substantial block of shares in Messrs. Balmer Lawrie & Co., Ltd.—a reference to which was made in *Commerce* also, *vide* issue dated 17th December 1955—would appear to have given rise to the impression that a complete change in the controlling interest in the Company was likely in five years. The correct position about this transaction, according to a communication received from the Company, is as follows:

"It is true that a substantial block of the shares of Balmer Lawrie & Co., Ltd., have been sold by Messrs. Alex Lawrie & Co., Ltd., to the Indo-Burma Petroleum Company, Ltd., and that they represent 25 per cent. of the share capital or a little less than half Alex Lawrie's previous holding. It is, however, incorrect to say that the I.B.P. have been given the option to purchase the balance of Alex Lawrie's holding in five years' time. No such option exists and the only condition of sale is the not unusual one in a transaction of this kind which provides that neither party will sell either the whole or part of their holding in the Company without giving the other the option to purchase."

KUMERGODE ESTATE DOUBLES DIVIDEND

SHARP RISE IN PROFIT

VERY encouraging results are disclosed by the audited accounts of the Kumergode Estates Ltd. (Managing Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Mangalore), for the year ended 31st December 1955. The output of coffee, the main produce of the Company, has recorded a sharp rise from 1,880 cwts. to 3,021 cwts., thus more than making good the slight fall noted in the previous year. Although the crop has been valued on a lower basis than in the previous year, the proceeds and profit show a sizable increase to record levels. The gross profit has gone up from Rs. 87,564 to Rs. 2,26,395, thus maintaining the upward trend noticed since the Company's inception in June 1951. The net profit has swelled from Rs. 69,186 to Rs. 1,62,011. Consequent on this encouraging result, the Directors have not only raised the allocation to reserves from Rs. 50,312 to Rs. 1,30,000 but doubled the dividend to shareholders to 20 per cent. from the maiden distribution of 10 per cent. made last year.

The following comparative table, giving the salient features of the Company's working results for the last four years, provides an idea of the progress made by the Company during these years:

	For the year ended 31st October			
	1955	1954	1953	1952
	Rs.	Rs.	Rs.	Rs.
Proceeds of coffee crop	5,70,218	3,75,002	3,48,554	2,98,523
Proceeds of other crop	2,523	2,402	2,775	7,330
Estate expenditure	3,17,841	2,58,552	2,39,270	2,11,840
Other expenses	30,565	32,057	39,066	38,645
Gross profit	2,26,395	87,564	75,485	56,852
Managing Agents' commission	10,317	8,603	6,199	4,705
Depreciation	20,362	9,775	9,995	8,737
Taxation	33,705			
Net profit	1,62,011	69,186	59,291	42,769
Preliminary expenses written off	..	24,380	..	..
Loss prior to incorporation written off	..	..	36,348	..
To reserves	1,30,000	50,312	..	641
Dividend	40,000 (20%)	20,000 (10%)	..	..
	61,587	69,575	95,081	72,138
Carry forward	3,021	1,880	1,987	1,430
Coffee crop (In cwts.)	2-4-0	2-8-0	2-4-0	2-11-0
Value of coffee per point (Rs.)	93.00	132.75	299.50	580.75
Cardamon crop (in lbs.)				

The improvement in coffee crop harvested is in line with the expectations held by the Directors and much above the original estimates. The crop was originally estimated at 125 tons, but late in the season it was found that it would exceed 150 tons. This is evidently the result of judicious manuring and spraying and other cultural treatments carried out by the Company. Of the proceeds of coffee crop, namely, Rs. 5,70,217, the excess realised from the coffee pool on the previous season's crop over the Directors' valuation accounts for Rs. 50,213. The rise in estate expenditure, the bulk of which represents that on coffee, is in consonance with special efforts made to secure a higher crop.

It will be noted from the above table that the Company's coffee crop has more than doubled itself in the course of the last three years and the gross profit has risen nearly four times. For the first time, the Directors have created a taxation reserve with a sum of Rs. 33,705 to meet the liability on account of the Mysore agricultural income-tax, besides creating a debenture redemption reserve of Rs. 30,000 to facilitate the annual repayment of the debentures. The general reserve, built up last year by the transfer of Rs. 50,000 from the year's profit, has been strengthened this year by the addition of Rs. 1 lakh.

The current season's (1955-56) crop was originally estimated on blossom at 105 tons, but the visiting agent's recent report indicates that this is not likely to be harvested and the estimate has, therefore, been revised to 80 to 90 tons.

The balance-sheet of the Company as on 31st October 1955 shows that the reserves and surplus aggregate Rs. 2.42 lakhs, as against a paid-up capital of Rs. 2 lakhs. The debenture liability, on account of 7½ per cent. first mortgage debentures, has been reduced by Rs. 30,000 to Rs. 2.70 lakhs, consequent on the redemption of the first lot of debentures of a like value on 30th June 1955. The debentures, which were issued on 30th November 1951, are redeemable any time after 1st January 1955 at par at the rate of Rs. 30,000 per year or the entire stocks or any units thereof on giving three months' notice at the option of the Company. The taxation reserve amounts to Rs. 33,705, while the current liabilities aggregate Rs. 1.21 lakhs. The gross block of the value of Rs. 6.32 lakhs stands written down to a book value of Rs. 5.86 lakhs. The current assets, aggregating Rs. 2.81 lakhs, more than adequately cover the current liabilities and provision for taxation.

The Rs. 2 fully paid-up shares of the Company are being currently quoted at Rs. 6 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 7.1 per cent. per annum.

Points From The Chair

Role of Private Sector

"WHETHER it is a question of raising the general standard of living or of avoiding inflation in the wake of deficit financing of development in the public sector, the *sine qua non* is continually increasing production. Towards this end free enterprise has played its part, and will continue to do so subject to the numerous handicaps imposed upon it even within the limited scope permitted to it. It is admitted that the targets set for the private sector under the first Five-year Plan have generally been fulfilled; and that in some cases, they are even likely to be exceeded—as has already happened in the cotton textile industry. No one need doubt, therefore, that the role allotted to the private sector in the second Five-year Plan will be equally significant. But its achievement will depend to a large extent on the broadbased backing of the public as well as of the Government, on wise planning and sound fiscal and political policies, on full and unstinted co-operation from labour, and on the uninterrupted flow of savings and investment year after year. In all these matters the most effective single factor will be the plans and policies of the Central and State Governments in relation to financial matters, generally, and in regard to taxation and nationalisation in particular."

DHARAMSEY M. KHATAU,
Associated Cement Companies Ltd.

Credit Squeeze—A Necessary Measure

"It has been a most unpleasant policy both for our customers and for ourselves—taking the short view, costly to our customers, who might have used more money with advantage, and costly to ourselves, as advances would have earned us more interest. But in the long run it pays all of us to see this country getting back to a sound position again, and one of the measures necessary to effect this was, and is, the credit squeeze. It should be emphasised that it is but one of the necessary measures. The banks, therefore, all agreed to accept the Government's request that this restraint, and later this squeeze, should be enforced, and indeed our conventional liquidity ratio would soon have forced us to call a halt, if the increasing demand for advances, which has been so marked a feature of recent years, had continued, and if at the same time the Treasury and Bank of England had, as they have done, prevented our deposits from rising. Incidentally the ability of these authorities to diminish the credit base, and thus force us to restrict advances, has been clearly shown; this should kill the hoary old myth that the trading banks can increase the volume of credit at will."

THE RT. HON. LORD ALDENHAM,
Westminster Bank Ltd.

Government Should Reduce Its Expenditure

"The Chancellor's proposals can also be criticised on the ground that, paltry as they are, they have laid still further burden on the private sector without any direct contribution from the public sector. Some people argue that, under present conditions, both increases and decreases in taxation are inflationary in their effect. This is, at first sight, a paradox. As a general principle, Government expenditure is inflationary if it is met out of borrowing, but not if it is met out of taxation. But it is contended that taxation at its present levels engenders a mood of fatalism in the taxpayer and a disposition, which is aggravated by any further increase, to spend his capital, if he has any, while he lives. It certainly kills both the incentive and the ability to save. Thus the Government are on the horns of a dilemma; if they cover any of their expenditure by borrowing, they certainly cause inflation both in theory and in practice; if they cover it by taxation, in theory they avoid inflation, but in practice inflation occurs as a result of their action. One could sympathise with them if it were not that there is a solution lying ready to their hand; to reduce their own expenditure."

ANTHONY WILLIAM TUKE,
Barclays Bank Ltd.

Government's Measures Not Lastingly Efficacious

"The first lesson of experience springs from the great variety of measures taken to overcome our balance of payments difficulties even before those with which we are now immediately concerned. Quite apart from the major adjustment through devaluation in 1949, they include direct import restrictions and stiffening of exchange controls, including limitations on travel allowances; temporary borrowing from the International Monetary Fund; rationing and repeated changes in rates of purchase tax and similar imposts; hire-purchase restrictions, 'qualitative' credit control and cuts in capital expenditure; variations in profits tax and tax allowances on new fixed assets; and, in 1951-52, tighter and dearer money. The conclusion to be drawn from this record is obvious and yet easily forgotten, namely, that no combination of measures so far tried has been lastingly efficacious."

THE RT. HON. LORD HARLECH,
Midland Bank Ltd.

COMPANY MEETINGS AND DIVIDENDS

BIRDS INVESTMENTS LTD. Annual General Meeting, Calcutta, 6th February, 1956. Dividend: Re. 1-4 per share. Transfer books remain closed from 24th January to 6th February 1956, both days inclusive.

CHAMPDANY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 7th February 1956. Dividend: Rs. 6 per share. Transfer books remain closed from 25th January to 7th February 1956, both days inclusive.

JESSOP & CO., LTD. Annual General Meeting, Calcutta, 13th February 1956. Dividend: Rs. 3 per share. Transfer books will remain closed from 6th to 18th February 1956, both days inclusive.

CAWNPORE SUGAR WORKS LTD. Annual General Meeting, Kanpur, U.P., 14th February 1956. Dividend: As. 12 per share. Transfer books remain closed from 31st January to 14th February 1956, both days inclusive.

PORT CANNING AND LAND IMPROVEMENT CO., LTD. Annual General Meeting, Bombay, 14th February 1956. Dividend: *Nil*. Transfer books remain closed from 1st to 15th February 1956, both days inclusive.

NASKARPARA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 14th February 1956. Transfer books will remain closed from 7th to 14th February 1956, both days inclusive.

KUMERGODE ESTATES LTD. Annual General Meeting, Mangalore, 15th February 1956. Dividend: As. 6-2/5 per share. Transfer books remained closed from 1st to 15th February 1956, both days inclusive.

ASSOCIATED STONE INDUSTRIES (KOTAH) LTD. Annual General Meeting, Ramganjmandi, 18th February 1956. Transfer books will remain closed from 11th to 18th February 1956, both days inclusive.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD. Final dividend of 5 per cent. on "A" shares and 15 per cent. on "B" shares, for the year ended 30th September 1955. Transfer books will remain closed from 29th February to 13th March 1956, both days inclusive.

MADURA MILLS CO., LTD. Dividend of Rs. 3 per share, for the year ended 31st December 1955.

LAKSHMI MILLS CO., LTD. Interim dividend of Rs. 5 per ordinary share and Rs. 2-8 per "A" ordinary share, for the year ending 31st March 1956. Transfer books will remain closed from 6th to 13th February 1956, both days inclusive.

ANGELO BROTHERS LTD. Dividend of Rs. 2 per share, for the year ended 31st August 1955.

COMPANY REGISTRATIONS

MILL STORES AND COTTON CO., LTD. (First Director: Mr. S. R. Motayed.) Business: Suppliers of and contractors and agents for raw materials, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 24, Netaji Subhas Road, Calcutta.

GANAPATI INVESTMENTS LTD. (First Director: Mr. S. Nivetia.) Business: Investment trust company holding shares, stocks, debentures, etc. Authorised capital: Rs. 10,00,000. Public company. Address: 178, Harrison Road, Calcutta.

SWADESHI AYAT NIRYAT LTD. (First Director: Mr. N. Himatsingka.) Business: General merchants and agents. Authorised capital: Rs. 10,00,000. Public company. Address: 6, Old Post Office Street, Calcutta.

INLAND PICTURE DISTRIBUTORS LTD. (First Director: Mr. A. Das Gupta.) Business: To produce, finance, distribute and deal in motion pictures. Authorised capital: Rs. 5,00,000. Private company. Address: 6, Greek Church Row Extension, Calcutta.

SOORYA INVESTMENT CO., LTD. (First Director: Sumitra Devi.) Business: Investment trust company. Authorised capital: Rs. 5,00,000. Private company. Address: 137, Harrison Road, Calcutta.

CHARLES HOPE AND CRESSWELLS (PRIVATE) LTD. (First Director: Mr. H. R. Townend.) Business: Brokers of tea, jute, gunny, shellac, freight, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 6, Hastings Street, Calcutta.

HINDUSTAN SUPER FILMS LTD. (First Director: Mr. P. L. Vora.) Business: Producers, exhibitors and distributors of cinematographic films, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 56, Bentinck Street, Calcutta.

JASODA LAL GHOSAL LTD. (First Director: Mr. B. L. Ghosal.) Business: Hardware merchants, electrical engineers, mechanical engineers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 20, Maharshi Debendra Road, Calcutta.

CENTRAL COAL MARKETING ORGANISATION LTD. (First Director: Mr. I. K. Karnani.) Business: Dealers in coal and coke. Authorised capital: Rs. 5,00,000. Public company. Address: 1, Waterloo Street, Calcutta.

JAIDKA FINANCE CO., LTD. (First Director: Mr. S. N. Jaidka.) Business: Financiers especially for hire purchase of all kinds of radios, etc. Authorised capital: Rs. 5,00,000. Public company. Address: 77, Shyama Prosad Mukherjee Road, Calcutta.

CHAMPDANY JUTE RAISES DIVIDEND LEVEL

FALL IN PRICES AFFECTS BHOPAL SUGAR

Champdany Jute Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. James Finlay & Co., Ltd., Calcutta) submit the audited accounts of the Company for the six months ended 30th September 1955.

The accounts show, after providing Rs. 5,74,914 (Rs. 1,38,406) for depreciation and meeting from the rehabilitation reserve the capital loss of Rs. 22,005 (Rs. 1,36,859) on discarded machinery, a balance at credit of profit and loss account for the half-year of Rs. 3,87,211 (Rs. 1,72,058), to which falls to be added the balance brought forward from the previous accounts of Rs. 98,277 (Rs. 27,976), making an amount available for distribution of Rs. 4,85,488 (Rs. 2,00,034). The directors recommend payment of a dividend at the rate of 12 (6) per cent. per annum Rs. 3,54,934 (Rs. 1,77,492), leaving a balance to be carried forward of Rs. 1,30,504 (Rs. 22,542).

Accounts.—After taking into account the losses for the two half-years ended 31st March 1954, as computed for income-tax purposes and the "development rebate' on new plant and machinery installed during the year to 31st March 1955, it has not been found necessary to make any provision for taxation on the profits of working for the half-year. The capital loss on old machinery resulting entirely from the rehabilitation programme at the mills, has again been charged against the rehabilitation reserve which was originally raised to meet these losses. It is recorded that the managing agents have voluntarily forgone Rs. 50,000 from the remuneration accruing to them for the half-year under review.

As forecast in the last report to shareholders, the working results for the half-year are not unsatisfactory. The Company, in spite of generally falling prices for jute goods during the half-year under report, was able to secure remunerative prices for its manufactures and this combined with the better working of the mills following the completion of the modernization programmes is largely responsible for the better results.

Since the close of the half-year under report, the relative levels of raw jute prices and those obtaining for jute goods have made simultaneous business at a profit very rarely possible. The two mills are, however, working well and whilst it would be unreasonable in present circumstances to expect a continuation of profits at the present sale, the results for the current half-year are not expected to be unduly disappointing.

In accordance with the provisions of the Indian Jute Mills Association's Working Time Agreement, 12½ per cent. of the looms remained sealed during the six months under review and the unsealed looms worked 48 hours per week. Under present arrangements 2½ per cent. of the looms of member mills of the Indian Jute Mills Association will be unsealed and brought into production again on 9th January 1956.

The Award of a Jute Textile Tribunal which had been adjudicating for several months on certain labour disputes affecting the West Bengal jute mills, was published in September and, in spite of having been referred to the Appellate Tribunal by certain trade unions, became effective on 6th November last. The implementation of this Award will result in a small, but nonetheless embarrassing, increase in the cost of production. With the industry in its present condition it is doubtful if these increases can be readily absorbed in current costs and it seems that ultimately this additional burden—as well as any other imposts which may be applied—will be borne by the raw jute producer, it being impossible in present marketing circumstances to pass such additional charges on to jute goods consumers.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	59,16,400	Block ...	1,14,95,514
Reserves ...	98,58,404	Stock of jute	29,30,291
Provision for taxation ...	80,821	Stock of manufactured goods	12,09,618
Liabilities ...	29,55,153	Stores ...	9,33,655
Profit and loss account ...	1,30,505	Debts, deposits and advances ...	20,63,622
		Investments	2,05,738
		Cash ...	1,02,835
Rs.	1,89,41,283	Rs.	1,89,41,283

Bhopal Sugar Industries Ltd.

The directors of the above Company (Managing Agents: Messrs. A. H. Ehiwandiwala & Co. (Bombay) Ltd.), submit the audited accounts of the Company for the year ended 30th September 1955.

After providing depreciation Rs. 1,60,680 (Rs. 1,50,622) plus managing agents' commission Rs. 31,021 (Rs. 43,638), there is a net profit of Rs. 2,79,191 (Rs. 3,92,745) subject to taxation. Adding to this a sum of Rs. 38,001 (debit of Rs. 1,81,893) being balance brought forward from last year's profit, there is a total amount of Rs. 3,17,192 (Rs. 2,75,501 after adjustment) which the directors propose to dispose of as under:—

To dividend on preference shares at 5 per cent. free of income-tax, Rs. 62,500 (Rs. 62,500), dividend on ordinary shares at Re 1 (Re. 1) per share free of income-tax Rs. 1,75,000 (Rs. 1,75,000), Rs. 75,000 (*nil*) for taxation reserve and balance to be carried forward to next year Rs. 4,692 (Rs. 38,000).

Although the production during the year was 40,242 bags as compared with 37,504 bags during the previous year, the profits are reduced mainly on account of fall in sugar prices. The plant and machinery are well maintained.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	11,67,157
Reserves ...	9,24,292	Stock-in-trade	12,13,279
Provision for taxation ...	66,396	Stores ...	8,39,795
Liabilities ...	4,44,032	Crop in-progress ...	7,80,920
Profit and loss appropriation account	3,17,192	Other assets	17,526
		Debts, deposits and advances ...	2,01,899
		Investments	3,35,425
		Cash ...	1,95,911
Rs.	47,51,912	Rs.	47,51,912

Bharat Sugar Mills Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Ltd., Bombay) submitted the audited accounts of the Company, for the year ended 30th June 1955.

The profit and loss account after payment of interest and managing agents' remuneration, providing for depreciation and taxation and taking into account, the credit balance of the previous year, showed a surplus of Rs. 2,56,644 (Rs. 2,69,521). The directors disposed of the amount as under:—

Paid dividend on 5,000 C.R. preference shares of Rs. 100 each at 5 per cent. subject to tax Rs. 18,437 (Rs. 18,437), dividend on 1,50,000 ordinary shares of Rs. 10 each at Re. 1-8 (Re. 1-8) per share free of tax Rs. 2,25,000 (Rs. 2,25,000) and carried forward Rs. 13,206 (Rs. 26,084).

Accounts in brief were as under:

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	4,62,638
Reserves ...	13,90,295	Stock of sugar and molasses	30,05,506
Provision for taxation ...	5,23,402	Stores ...	1,92,486
Liabilities ...	29,65,879	Livestock	5,042
Profit and loss account ...	13,206	Other assets	22,456
		Debts, deposits and advances ...	11,64,199
		Investments	19,80,828
		Cash ...	59,627
Rs.	68,92,782	Rs.	68,92,782

New India Sugar Mills Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Ltd., Bombay) submitted the audited accounts of the Company for the year ended 30th June 1955.

The profit and loss account, after payment of interest and managing agents' remuneration, providing for depreciation and taxation and after transferring Rs. 1,00,000 (*nil*) from renovation and renewals reserve and taking into account the balance of the previous year, showed a surplus of Rs. 2,43,576 (Rs. 3,07,109). The directors disposed of the amount as under:—

Paid dividend on 486 cumulative preference shares of Rs. 100 each at 9 per cent. free of tax Rs. 4,374 (Rs. 4,374), dividend on 10,000 C.R. preference shares of Rs. 100 each at 5½ per cent. subject to tax Rs. 40,563 (Rs. 40,553), dividend on 78,910 ordinary shares of Rs. 10 each at Rs. 2-8 (Rs. 2-8) per share (free of tax) Rs. 1,97,275 (Rs. 1,97,275) and carried forward Rs. 1,364 (Rs. 64,888).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,37,700	Block ...	15,58,779
Debentures ...	1,000	Stock of sugar and molasses	44,83,510
Reserves ...	22,14,053	Stores ...	7,09,622
Provision for taxation ...	5,51,958	Other assets	351
Liabilities ...	59,81,575	Debts, deposits and advances ...	20,54,032
Profit and loss account ...	1,364	Investments	16,83,330
		Cash ...	98,031
Rs.	1,05,87,655	Rs.	1,05,87,655

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

REGISTRARS OF COMPANIES TO MEET

A conference of Registrars of Companies and officers of Regional Directorates of the Department of Company Law Administration will be held at New Delhi from 7th to 9th February. The conference will be inaugurated by the Finance Minister, Mr C. D. Deshmukh, and it will discuss various matters relating to the duties and functions of Registrars, with special reference to the new Companies Act which is to come into force from 1st April 1956. This is the first conference of Registrars since the administrative machinery under the Companies Act was taken over by the Central Government on 1st January 1955.

Notices

THE ALKALI AND CHEMICAL CORPORATION OF INDIA, LIMITED

NOTICE TO MEMBERS

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Ordinary General Meeting of the Members of The Alkali and Chemical Corporation of India, Ltd., will be held on Wednesday the 7th March 1956, at 3-30 p.m., at the Registered Office, 34, Chowringhee, Calcutta, to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September 1955.

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

(3) To elect Directors.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Ordinary Share Registers of the Company will be closed from the 23rd February 1956 to the 7th March 1956, both days inclusive.

By Order of the Board,

IMPERIAL CHEMICAL INDUSTRIES (INDIA) LIMITED,
Secretaries.

CALCUTTA, 19*th January*, 1956.

Note.—If the Dividend as recommended by the Directors is sanctioned at the Meeting, it will be paid on or after the 7th March 1956 to those Shareholders whose names are on the Company's Register on the 22nd February 1956.

To

The Shareholders of The Alkali and Chemical Corporation of India, Limited, and in particular to:—

Mr. J. V. Ade Brito, Mr. W. A. Bell, Mr. G. F. Carter, Her Highness Bada Maharani Deela Kumari Devi, Mrs. M. Duncan, Mrs. H. C. D'Cruz, Mrs. E. M. Fanthome, Mrs J. Guest, Mr. P. H. Guest, Mr. B. R. Goodfellow, Mr. W. A. T. Hollingbery & Mrs. E. M. Hollingberry, Commdg. Genl. Mohun S.S. Jung B.R., and Major Genl. Bijaya S.S. Jung B.R., Genl. Sir Baber S.S. Jung B.R., and Major Genl. Mrigendra S.S. Jung B.R., Mr. A. Y. Kadwa, Mr. F. J. C. Melhuish, Mrs. C. V. Pandit, Mr. A. R. Sahasranam, Mr. D. V. Sassoon, Mrs. E. E. Thompson and Mr. W. B. Joiner, Mr. S. P. Upadhya, Mr. C. R. Witcher, Mr. K. W. Young.

THE SOUTH KARANPURA COAL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-sixth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Friday the 24th February 1956, at 11 a.m., for the following purposes:—

1. To receive the Directors' and Auditors' Reports and pass the Audited Accounts for the half-year ended 31st August 1955.

2. To elect Directors and Auditors for the half-year to 31st August, 1956, in view of the decision of the Board of Directors to hold Annual General Meetings at the end of August instead of at the end of February each year.

3. To transact any other business that may be brought before the meeting.

The Share Transfer Register of the Company will be closed from the 10th to the 24th February, 1956, both days inclusive.

By Order of the Board,

BIRD & CO., LIMITED,
Managing Agents.

CALCUTTA, 27*th January* 1956.

GILT-EDGED STRONG

(From Our Own Correspondent)

BOMBAY, 1*st February*

Conditions in the short-term money market during the week under review were more difficult than in the previous week. The demand for funds was greater, due to heavy pressure from Calcutta, where borrowers offered higher rates than in Bombay. Demand for credit to finance the movement of crops and to meet the requirements of sugar industry, the production of which is running at a higher rate than this time last year, also tended to strengthen the interest rates. In the interbank section, turnover, however, remained small owing to paucity of lenders. Call money was keenly bid at 3 per cent., while in Calcutta it fetched a better rate, namely, 3¼ per cent. *House money at call* was in demand at 3 per cent. Short-term deposits were taken up at 3 per cent. per annum for all periods from one to six months.

The tenders for 91 days' Government of India Treasury Bills brought an offer of Rs. 172 lakhs, as compared with Rs. 121·75 lakhs last week. The average rate of accepted tenders, which had gone up last week from Rs. 2-8-3 to Rs. 2-8-5 per cent. per annum, has dropped again to Rs. 2-8-3 per cent. per annum.

A small decline of Rs. 3.64 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 27th January 1956. This follows a fall of Rs. 6.03 crores in the previous week. Notes held in the Banking Department have gone up by Rs. 3.85 crores and the resulting rise of Rs. 21 lakhs is covered by a corresponding increase in rupee coin. In the Banking Department, the Central Government's deposits have risen by Rs. 3.72 crores and those of other Governments by Rs. 5.09 crores. Deposits of banks, which had risen by Rs. 15.72 crores in the previous two weeks, have come down by Rs. 2.27 crores and those of others by Rs. 4.31 crores. There has been a decline of Rs. 5.51 crores in balances held abroad. Loans and advances other than those to Governments show an increase of Rs. 1.74 crores. Of these loans and advances, outstanding advances to Scheduled banks against usance bills account for a rise of Rs. 2.45 crores, while total advances have gone up by Rs. 3.71 crores. Government Treasury Bills purchased and discounted have declined further by Rs. 1.97 crores.

The Scheduled banks' statement for the week ended 20th January 1956 disclose a further substantial rise of Rs. 21.36 crores in demand deposits of banks, while time deposits dropped by Rs. 56 lakhs. Borrowings from banks are up by Rs. 12 lakhs, while those from the Reserve Bank and the State Bank are lower by Rs. 91 lakhs and Rs. 12 lakhs, respectively. A decline of Rs. 1.35 crores is noted in advances, while inland and foreign bills purchased and discounted are higher by Rs. 3 crores and Rs. 1.10 crores, respectively. Investments have fallen by Rs. 32 lakhs. Cash and balances with the Reserve Bank have risen by Rs. 11.63 crores, while balances with other banks in current account have declined by Rs. 82 lakhs.

The Gilt-edged market ruled strong during the week under review, after having remained dull for several weeks. This was due to resumption of buying on account of insurance companies by the institutions appointed by the Government. Long and medium dated securities were specially favoured by them. Some of the 4 per cent. State loans also received a good measure of support. Prices, therefore, staged a welcome improvement, the rise being very marked in 3 per cent. 1966-68 and 3 per cent. 1970-75. The undertone at the close was firm. 3 per cent. 1957 put on an anna to Rs. 99-10, as also 3 per cent. 1958. 3 per cent. 1959-61 had buyers at Rs. 98-3, though there was no change in price. 3 per cent. 1963-65 and 3 per cent 1964 were taken up an anna higher each at Rs. 94-11. 3 per cent. 1966-68 advanced by As. 5 to Rs. 92-4 and 3 per cent. 1970-75 by a similar extent to Rs. 88-4. 3 per cent. 1986 Conversion Loan was, however, unchanged at Rs. 80-6. 3½ per cent. 1961 was unchanged at Rs. 99-8, 3½ per cent. 1964 at Rs. 98-12 and 3½ per cent. 1965 at Rs. 98-9. Among State loans, 4 per cent. 1967 Bombay gathered an anna to Rs. 100-11, 4 per cent. 1967 Madras, after receding from Rs. 99-12 to Rs. 99-8, spurted to Rs. 99-10. 4 per cent. 1967 U.P. gained an anna to Rs. 99-9, as also Saurashtra to Rs. 99-12 and Hyderabad to Rs. 99-4.

In the foreign exchange section, the rupee displayed signs of strengthening in terms of the U.S. dollar during the week, but at the close the gain was lost. Banks' selling rate of ready dollar closed today at Rs. 477½ per $100, after being quoted at Rs. 476⅞. The buying rate moved from Rs. 473 to Rs. 472½ before closing at Rs. 473. This was in consonance with a similar trend displayed by sterling. Thus, in New York, spot sterling, after appreciating from $2.80.9/16-2.80.11/16 to $2.80.11/16-2.80.13/16, gave way to $2.80.9/16-2.80.11/16. Forward sterling (three months) also closed unchanged at $2.79 7/16-2.79.9/16, after being quoted at $2.79.9/16-2 79.11/16. Transferable sterling finished 1c. better at $2.77⅛-2.77⅜, the highest level reached being $2.77.13/16-2.77.15/16.

METALS IN GOOD DEMAND

(From Our Own Correspondent)

CALCUTTA, 31*st January*

Although holidays intervened, the week under review in the Calcutta metal market was noted for steady conditions. For consumers were eager to cover their requirements. Electrolytic copper was firmly maintained at Rs. 265. Keen demand was in evidence for wire bars for the drawing industry. As usual, copper scrap attracted moderate attention with the fire-refined I.C.C. material changing hands at Rs 240. London advices were mixed, and the forward rate, after jumping by several points, declined to one to two points below the level prior to the rise. A similar rise and fall were in evidence in spot also, but the closing rate was several points above the level prior to the advance. Such an irregular trend in London was attributed to the tight supply position, following keen export demand and stoppage of production in a refinery on labour strike. These factors were cited to speak against chances of a price decline. Tin opened at Rs. 528 in the local market and, despite the fall to Rs. 523, the rate was fully steady. This was so because, even after the decline, the local quotation was several points above the replacement cost. For the fall in Far Eastern quotations was so drastic. Virgin lead was fully steady at Rs. 85, as was electrolytic zinc at Rs. 72-8.

BULLION WEAK

(From Our Own Correspondent)

BOMBAY, 1*st February*

The bullion market ruled weak during the week under review. There was a sharp fall in prices. The recession noted towards the close of the previous week gathered momentum this week under the impact of nervous bull unloading and selling by bears. The confidence of operators was severely shaken by rumours that the Government of India might enhance the sales tax on bullion. The liquidation by a Calcutta operator who had heavy commitments in the share market also aided the downward trend. The weakness of the share market in Bombay and settlement difficulties in the Calcutta Stock Exchange were additional bearish factors. There were also rumours that the Government might sell in the open market its stocks of confiscated gold. The cumulative effect of these factors was a retreat in the prices of both metals, despite reports of good offtake in the ready section.

Silver for forward delivery (28th January settlement) gave way from Rs. 176-6 to Rs. 173-13 before the settlement ran out at Rs. 174-11. Forward silver (28th February settlement, slided from Rs. 177-12 to Rs. 175 and, after a recovery today to Rs. 176-2, lost ground to Rs. 175-3.

Ready silver (.996 Mint) moved down from Rs. 176-9 to Rs. 173-13, but gathered some strength towards the close to finish at Rs. 174-3.

The floating stocks of silver are reported to be 1,300 bars. The daily average offtake was 20 bars.

Gold for forward delivery (27th January settlement) moved down from Rs. 95-9 to Rs. 94-9, before the settlement ran out at Rs. 94-10. Business in the next settlement (27th February), which was done at Rs. 96-3 at the close of the previous week, came to be put through at a low of Rs. 95-2 yesterday. There was, however, a recovery to Rs. 95-11 today, but the closing was again lower at Rs. 95-5.

Ready gold slipped from Rs. 95-14 to Rs. 94-12 early in the week. On reports of good offtake, the ready metal strengthened to Rs. 95-11, but there was again a recession to Rs. 95-3 at the close. The floating stocks of gold are estimated at 45,000 tolas. The daily average arrivals were 2,500 tolas, while the offtake was 3,500 tolas on an average.

There was a further drop in silver prices in London during the week, the ready metal declining from 77¾d. to 77d. Gold staged a rise early in the week from 249s. 2¾d. to 249s. 3¾d. but reacted to close yesterday at 249s. 3d. Silver was unchanged in New York at 90c.

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

	1-2-56	Highest	Lowest	25-1-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	95 3	95 11	94 12	95 14
Forward*	95 5	96 0	95 2	96 3
Sovereign	60 12	61 0	60 12	61 4
SILVER				
Ready (.996 fine Mint) ..	174 3	176 6	173 13	176 9
Forward†	17 3	177 12	175 0	177 12
London Silver Ready ..	77¾d.	77¾d.	77⅛d.	77¾d.
London Forward	77⅞	77⅞	77⅞	77⅞
London Gold	249s. 3d.	249s. 3¾d.	249s. 2¾d	249s. 2¾d.
New York Ready	90c.	—	—	90c.

* 27th February settlement.
† 28th February settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

EXPORT TEAS QUIET

(From Our Own Correspondent)

CALCUTTA, 31*st January*

Offerings during yesterday's export sale in tea aggregated 64,800 chests. Demand was lower than usual and trading was quiet. Commonest and common brokens declined by As. ½ to As. 1, as did medium Assam B.O.Ps. There was, however, good support to fannings grades and the lots possessing tips were favourites of buyers. Stylist whole-leaf grades were about steady, as were Darjeelings with flavour. The quotations were: Best C.T.C. Assam B.P Rs. 2-3 to Rs. 2-5, clean black pekoe Rs. 2, medium Assam B.P. Re. 1-10, and plain B.P. Re. 1-7-6.

During today's internal sale, prices were maintained at previous levels. Thus, medium Assam grainy dusts were quoted at Re. 1-8-6 to Re. 1-9-6 and medium Dooars at Re. 1-7-6.

Dusts offered during last week's sale for domestic consumption amounted to 20,200 chests. Demand was moderate and, because of the increase in the quantity offered, prices did not advance but were steady at previous rates. The quotations were: Best liquoring Assam C.T.C. Rs. 2-4 to Rs. 2-6, medium Assam grainy dust Re. 1-8-6 to Re. 1-9-6 and medium Dooars Re. 1-7-6.

Leaf grades aggregated 1,800 chests, as against 2,500 packages in the last sale. Demand was good and prices realised were an anna to As. 2 higher.

DEADLOCK IN COTTON

(From Our Own Correspondent)

BOMBAY, 1*st February*

The deadlock in the cotton futures market which immediately followed the official closing out of hedge contracts in I.C.C. February and May with effect from the 24th inst., has since taken a more serious form. The validity of the Forward Markets Commission's directive to the Board of the East India Cotton Association (E.I.C.A.) to close out the hedge contracts and to amend the by-laws of the Association with retrospective effect has been questioned by some cotton traders in a petition filed at the High Court. The challenge is based on the ground that the Central Government has no power to amend by law 52AA (under which the Forward Markets Commission has acted) or any by-law of the Association so as to make it retrospective in effect and that the Forward Markets Commission has no right to fix any rate for the purpose of closing out any transactions effected prior to 21st January 1956, or to direct that any transactions effected prior to 21st January should be deemed to be closed out. The suit filed by Mr. Balchand Shah against the East India Cotton Association and its Directors resulted in a consent decree being taken by the parties on 24th January. The notification of the Commission was issued the same day fixing the rates for the two settlements prevailing at the time at which the trading in the contracts closed on 24th January. The notification, it is contended, has been issued *mala fide* and is intended to prevent the Board of Directors from reconsidering its previous decision (fixing the ceiling rate at Rs. 700) as provided in the consent decree in the suit filed by Mr. Shah.

Admitting the above petition, Mr. Justice Coyajee has issued a rule returnable on 14th March 1956. Pending this, His Lordship has issued an interim injunction restraining the E.I.C.A. Board from giving effect to the directive of the Forward Markets Commission to close out all outstanding contracts in I.C.C. February and May at Rs. 700 and Rs. 686-8, respectively. Until, therefore, the High Court gives its verdict, which will be only after 14th March next, the E.I.C.A. Board will not be able to fix a settlement date. The verdict of the Court and the manner in which the Board will settle accounts are awaited with considerable interest. Meanwhile, a five-man sub-committee of the E.I.C.A. is considering a proposal to approach the High Court for permission to allow the Board to proceed with the clearing of accounts pertaining to inward payment.

Trading in the spot section of the cotton market was very active. Exportable styles were particularly strong, owing to increased enquiries from overseas interests following the abandonment of the surplus cotton sale programme of the U.S. Government. Japan is credited with the purchase of large quantities of Indian cotton, especially Oomra *deshi* and Bengal. The Continental countries and Hong Kong are also said to have booked orders for Wagad, Oomra *deshi* and Lower Jarillas. There was good mill demand for ready lots of good quality cotton at advancing prices. Vijay, Berar 197/3 and Punjab styles were on special request. In the foreign section, African cottons elicited some support and recorded improvement. There were also stray enquiries for Egyptians and lower quality Sudans.

The following are the latest available quotations from the Sewri market:

Bengal *deshi* Rs. 680; Berar Jarillas Rs. 780; Khandesh Rs. 760; Vijay Rs. 890; Oomra *deshi* Rs. 750; Moglai Rs. 640.

The firm trend of the Karachi cotton market noted in the past three weeks gathered further momentum during the week under review. The bulls continued to be busy extending their commitments, on fears that the spot position of staple cotton which was already tight would become tighter still. There was also considerable short-covering by bears. Thanks to this bull-bear tussle, the prices of cotton continued to march forward N.T. March delivery rallied Rs. 2·2 to Rs. 79·1 per 82 lbs. yesterday. May contract stood as high as Rs. 78·3, as against Rs. 76·10 at which business in this contract opened on 27th January 1956. January delivery was terminated at Rs. 80·7. Reflecting the tight supply position, the spot prices registered a handsome improvement. The following are the latest available quotations (figures in brackets relate to last week's closing rates) for a few popular varieties of Pakistan cotton:

Sind *deshi* Rs. 70 (Rs. 68); Punjab *deshi* Rs. 65 (Rs. 62-8); 4F Punjab R.G. Rs. 74-4 (Rs. 75); L.S.S. Punjab R.G. Rs. 81-4 (Rs. 78); S.G. Rs. 87-4 (Rs. 83); N.T. R.G. Rs. 84-4 (Rs. 80-Rs. 81½); S.G. Rs. 90 (Rs. 84-Rs. 85½); 289F Punjab R.G. Rs. 87-4 (Rs. 82-Rs. 83); S.G. Rs. 95-4 (Rs. 88-Rs. 89).

Under the impetus of enlarged buying support induced by good overseas enquiries, the Alexandria cotton futures market ruled distinctly firm, in contrast to the depressed conditions which prevailed last week. Traders were inclined to take an optimistic view of the outlook for cotton. The optimism was based on expectation of bright prospects for Egyptian cotton exports, following the reported decision of the U.S. Commodity Credit Corporation to abandon the surplus cotton disposal scheme. Consequently, values staged a rally. The latest available quotations (in tallaris per lb.) from the Alexandria cotton futures market, as compared with those a week before, are given below:

	31-1-1956	24-1-1956
Karnak March	80.85	78.52
Karnak May	79.85	78.98*
Ashmouni February	61.70	58.47
Ashmouni April	61.68	58.92

*27th January.

The supply of Sudan cotton is said to be quite comfortable. The first official report of the crop for 1955-56 estimates the yield at 475,876 bales (of 425

lbs. each, as against 441,806 bales in the previous season. A few lots of new crop XG2S and G2S have been examined and it appears that the staple of these cottons is superior to the corresponding grades last year.

Reports from Kampala indicate that there is good demand for Uganda-Kenya cotton. Four auction sales of cotton were held by the Lint Marketing Board during the past fortnight, the quantity put up for each sale being 10,000 bales. The prices at which sales were effected were 6 to 10 cents per lb. higher.

The undertone of the Liverpool cotton futures market was fully steady. The steady trend was due to firm advices from New York and reports of persistent large offtake in yarn and cloth markets for domestic consumption. The old contract evoked trade fixing, while new contract met with commission house and American buying. Cotton values, as a result, tended to look up. The following are the latest available quotations (in pence per lb.) from the Liverpool cotton futures market:

Old Contract: March-April 25.64; May-June 24.35; July-August 23.75. *New Contract*: May-June 29.10; July-August 27.10; October-November 25.55; December-January 25.15. *Egyptian Karnak Cotton*: January-February 42.42; March-April 42.42; May-June 42.67; July-August 42.67.

A firm trend was in evidence in the New York cotton futures market this week too. The firmness was aided by reports of encouraging demand for spot cotton and continued heavy movement of cotton into Government loan; it is expected that the aggregate entry will reach 7.5 million bales. The rumours that the C.C.C. would maintain a minimum selling price of 25.50 cents for Middling 15/16" also attracted buying support for new crop contracts. Consequently, prices registered a rise. The demand in the spot market was sustained. Domestic spinners were fairly active. Enquiries from shippers were quite good even for the running lots of St. Low Middling and higher grades.

It is reported that the C.C.C. has decided to suspend further sale of American surplus cotton at competitive rates in world markets. This decision is said to have followed from the U.S. Government's recommendation for eliminating the proposal from its overall Farm Bill, in view of the difficulty to sell surplus cotton at competitive rates unless there is a downward revision in prices the average of which is about one cent per lb. above the minimum. Incidentally, it may be noted that the Department of Agriculture has already disposed of nearly 50 per cent. of its 1 million bales of surplus cotton with the sale of 130,750 bales last week. Prices for the latest sales ranged from 25.50 cents to nearly 27.00 cents per pound. The Government refused to accept bids under 25.50 cents for Middling 15/16" cotton.

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

(In cents per lb.)

	31-1-56	24-1-56	17-1-56
Spot	35.45	35.25	34.80
March	34.74	34.48	34.04
May	34.15	33.83	33.45
July	33.05	32.63	32.18
October	31.55	30.98	30.43

YARN STEADY

(From Our Own Correspondent)

BOMBAY, 1st *February*

The yarn market was devoid of any notable development during the week under review. Operators did not evince much interest in fresh business, as they preferred to watch the trend of offtake in piecegoods markets—for domestic consumption and export. Transactions put through were, therefore, very much limited, with values recording narrow movements. The undertone of the market was generally steady.

In the rayon yarn section, forward deliveries elicited special buying support and showed a hardening tendency. Snia rayon yarn (120 dull cones) for February delivery advanced by Rs. 10 to Rs. 810. April delivery spurted by Rs. 9 to Rs. 820, the *budla* charges in this delivery being about Rs. 10 per case. Spot rayon yarns, however, were quiet, owing to lack of assuring advices from upcountry markets. 120 Italy eased by half an anna to Rs. 4-0-6. 150 Japan was unaltered at Rs. 3-15. Business in 150 Italy and 120 Japan was done at Rs. 4-0-6 and Rs. 4-5, respectively. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade lost six pies to Rs. 3-14-6 and 150 Bt. cones 1st grade was quiet at Rs. 3-8.

Staple fibre yarns (40×2) evoked good enquiries, but actual turnover was less. Centurys rose by 18 pies to Rs. 4-1-6. New Greats gathered 15 pies to Rs. 4-2-9. Citys were transacted at Rs. 4-3-9.

Trading in cotton yarns was on a cautious note. The deadlock in the cotton futures market was responsible for the reserve attitude on the part of operators. Taking the week as a whole, however, cotton yarn prices generally tended to look up, on buying support induced by expectation that, since several leading mills had sold their production up to the end of April, the first-class mills might not be inclined to lower their prices for the next few weeks. Among 80s, Elphinstones increased by As. 8 to Rs. 62. Finlays were firm at Rs. 70. Deals in 40 counts Minaxis were put through As. 10 higher at Rs. 26-3. Among 30s, Sitarams gathered As. 4 to Rs. 19. Gokaks were done at Rs. 21. Twenty count yarns were fully maintained at last week's levels. Maduras being quoted at Rs. 17-12, Hinds at Rs. 16-1 and Raghuvamshis at Rs. 16-12. Sixty counts Maduras were fully steady at Rs. 44-8, but Finlays shed As. 2 to Rs. 59. Moderns were quiet at Rs. 60. For want of support, ten counts suffered losses. Elphinstones declined by As. 4 to Rs. 12-4 and Podars by As. 2 to Rs. 39. Moderns were unchanged at Rs. 13-4.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	1-2-1956	25-1-1956	18-1-1956
Art silk yarn (per case of 200 lbs.)—	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Sala February	810 0	800 0	795 0
,, ,, ,, April	820 9	811 0	805 0
120 Japan (per lb.)	4 5	4 4½	4 4½
150 Japan (per lb.)	3 15	3 15	3 15
120 Italy (per lb.)	4 0½	4 1	4 1
150 Italy (per lb.)	4 0½	4 0	4 0½
Staple fibre yarn (per lb.)—			
40×2 New Great	4 2½	4 1½	4 1
40×2 Kohinoor	4 5½	4 4½	4 1½
40×2 City	4 3½	4 1½	4 1½
Cotton yarn (per bundle of 10 lbs.)-			
10s Podar	13 0	13 2	13 0
20s Hind	16 1	16 1	16 1
30s Sitaram	19 0	19 12	18 14
40s Minaxi	26 3	25 9	25 8
60s Madura	44 8	44 8	44 8
80s Finlay	70 0	70 0	70 0

OILSEEDS DECLINE AT CLOSE

(From Our Own Correspondent)

BOMBAY, 1st *February*

The oilseeds market put on an upward trend almost up to today when mild selling pressure set in. The firmness in the major part of the week was attributed to small arrivals, shortage of groundnut stocks and reported overseas enquiries for linseed oil at £127 per ton. Reports regarding some business done in castoroil with Continental buyers also aided the trend. The mild selling pressure that set in today was, however, due to fears of a possible increase in export duties on edible and non-edible oils. As a result, values of almost all the sections which had moved steadily upward slightly declined, thereby erasing only a minor portion of earlier gains. On balance, the list as a whole registered sizable gains.

In the groundnut section, Bold ready steadily advanced from Rs. 29-4 to Rs. 30-14 on the 31st inst. But today, it receded to Rs. 30-12. On balance, it gained Re. 1-8 over the week. February-March delivery was done at Rs. 31 and April-May at Rs. 31-12, as against Rs. 29-4 and Rs. 29-13, respectively. Coromandals were better by Re. 1-12 at Rs. 31-2. Khandesh quality advanced from Rs. 29-8 to Rs. 31-4 on the 31st inst. Thereafter, it declined by As. 2 to close at Rs. 31-2. Groundnut oil ex-mill gathered As. 14 to Rs. 15-14. March and April deliveries changed hands at Rs. 16-3 and Rs. 16-5, as against Rs. 15-4 and Rs. 15-6, respectively.

Bold ready, in the linseed section, advanced from Rs. 30 to Rs. 31-8 on the 31st inst. Subsequently, it receded by As. 2 to Rs. 31-4. February-March delivery put on As. 12 to Rs. 30-14 and April-May Re. 1-2 to Rs. 30-6. Small Satnas were better by Re. 1 at Rs. 29-4. Linseed oil shot up from Rs. 18-2 to Rs. 19-2, before finishing slightly lower at Rs. 18-12.

In the castorseed section, May futures delivery opened the week at Rs. 118-12, as against Rs. 119-2. It declined on the 27th inst. to Rs. 120-8, the lowest touched in the week. Subsequently, it advanced to as high as Rs. 126, the highest touched in the week, on the 31st inst. Finally, it receded to close at Rs. 120-12. Madras quality was up by Re. 1-2 at Rs. 24-6 and Kanpur by Rs. 6 at Rs. 22-8. Castor-oil B.S.S. was better by As. 6 at Rs. 14-2. Commercial quality was also higher by a similar amount at Rs. 13-2.

Among others, *kardi* Bold improved from Rs. 16-8 to Rs. 17-12 and *niger* Madras from Rs. 25 to Rs. 27-4, on persistent enquiries for *niger* oil from Italy. It is stated that so far Italy has purchased about 750 to 800 tons of *niger* oil.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	1-2-1956	24-1-1956	18-1-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
Khandesh Quality Ready (per cwt.)	31 2	29 8	29 8
February-March	31 0	29 4	29 7
April-May	31 12	29 13	30 2
Linseed—			
Bold Ready (per cwt.) ..	31 4	30 0	30 0
February-March	30 14	30 2	30 2
April-May	30 6	29 4	29 2
Castorseeds—			
May	120 12	110 2	120 10
Madras (per cwt.)	24 6	23 4	23 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	15 14	15 0	15 0
Castor Oil—			
Commercial (per quarter) ..	13 2	12 12	12 14
Linseed Oil—			
Ready	18 12	18 2	18 2

SUGAR IRREGULAR

(From Our Own Correspondent)

BOMBAY, 1st *February*

The trend of the sugar market was two-sided during the week under review. The forward section ruled easy, while the spot section exhibited a firm trend. The chief factor which imparted easiness to the forward section was the expectation of a fall in sugar prices following the reported release of 50 per cent. of the production of sugar up to December last for sale in the free market. As a result of this release, the sugar mills in North India who had all along been carrying large stocks, became keen sellers, so much so that the ex-mill quotations fell by As. 6 per maund. In the Bombay-Deccan also, ex-mill rates of sugar tended to recede.

Despite the decline in ex-mill rates thus and large arrivals of indigenous sugar into the market, thanks to improvement in wagon clearance position—the quantity that actually arrived during the week was 12,400 bags, as against 2,200 bags a week before—the spot prices of sugar registered an improvement. This was due to strong buying support induced by good demand from interior centres. Rumours of an increase in excise duty on sugar in the forthcoming budget provided another inducement to dealers to buy ready sugar.

Fagan delivery contract for "C" grade sugar failed to elicit support and suffered a break. It was quoted today at Rs. 91-8 per bag, as against Rs. 92-4 a week before.

In the spot section, A grade indigenous sugar strengthened from Rs. 97-Rs. 99 to Rs. 99-Rs. 100. B grade was firm at Rs. 96-Rs. 97, as against Rs. 94-Rs. 96 last week-end. C grade improved from Rs. 89-Rs. 93 to Rs. 90-Rs. 95 and D grade from Rs. 87½-Rs. 90 to Rs. 89-Rs. 92. British refined sugar was better by As. 4 at Rs. 85-4 per 2 cwts.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER WEAK

(Messrs. Parekh and Co.)

BOMBAY, 1st *February*

Malabar black pepper continued to weaken for want of overseas support and under pressure of substantial arrivals at all primary centres. Growers at Alleppey are reported willing sellers at Rs. 775 but without attracting new buyers. Calicut is quoting Rs. 800 nominally. Indian exporters are reported to be shy and refusing to enter into any further commitments unless prices have reached the bottom. There are sellers for garbled at Cochin at prices ranging from Rs. 135 to Rs. 133½, as compared to Rs. 142½ during the last week.

New York is reported to be persisting in its hand-to-mouth buying and small business for afloat at $0.31 is reported done. Fluctuations in the local market, both for the A.S.T.A. and delivery sections, are very narrow as buyers remain completely withdrawn and speculators side-lining.

Pressure of arrivals in Northern Malabar is more pronounced and growers there are anxious sellers at cut-price but without reportable business. Growers in Southern Malabar, being comparatively stronger, are trying to resist further fall, in spite of the increase in the inflow, but here, too, tired feelings are reported slowly creeping in, and if no timely foreign support is coming forth, prices are likely to decline further. New York dealers, as a policy, always do small and selective buying in the declining market.

The notable feature of the week is the reduction in freight to U.S.A. by 25 per cent. on pepper, ginger and turmeric by the Conference Line for meeting competition from the non-Conference which has recently started booking at reduced freight.

In the delivery section, some improvement was noticed under support from bulls but it proved short-lived. February shipment was done at $0.30½, while for April-May-June there are sellers at $0.31½ but few buyers.

Following are today's nominal quotations: Ready delivery Rs. 105 (Rs. 110 a week ago) per Bengal maund, February Rs. 730-40 (Rs. 750-60), and March Rs. 740-50 (Rs. 760-70) per candy of 5¼ cwts.

TEA DUSTS DEARER

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 27*th January*

There was almost 500,000 lbs. of dust on offer in sale 'B' which was held on Tuesday, 24th January. The sale opened to a strong general demand for all types. Buyers continued to show interest in milled dusts at slightly dearer rates. Best liquoring dusts were dearer following quality. There was a useful demand for clean grainy black types, and these advanced in price.

London Market.—Sale of 23rd January 1956:—Quality plain colourv fannings and best C.T.C. steady. Others ½*d.* to 1*d.* lower. Weakest feature low medium B.O.Ps.

Sale of 24th January 1956: Thin liquorings irregular. Others generally dearer.

Colombo Market.—Sale of 23rd January 1956: Black leaf fannings lower. Strong demand for grainy dusts broken-mixeds and fannings at firm to dearer rates, particularly for useful quality and fair appearance.

Sale of 24th January 1956: Top quality about steady. Other high-growns declined 10 to 20 cents, coloury mediums firm to dearer, all liquoring fannings active, demand appreciably dearer, low-grown brokens declined five cents, Persian Gulf types much lower.

Calcutta Market: Export.—With exception of Bombay operators, good general demand; all quotation types firm; fannings most descriptions dearer; bright Middle East sorts and C.T.C. were strongest features.

Internal:—20,500 dust. Irregular; fair demand; Middle East strong. Leaf 2,500 fair demand.

Export Quota.—The market has been rather quiet and small business has been done at 24 pies. There are now sellers at this figure.

Forthcoming Auctions.—Dust Sale 'C' will be held on Tuesday, 7th February.

As we go to press, Messrs. Forbes, Ewart and Figgis wire:

Sale 3:—1,000,000 lbs. Strong general demand. Low and low mediums brokens fully firm. Fannings

As. 2 to As. 3 dearer. Brighter liquoring mediums of improved quality As. 3 to As. 4 dearer. Best liquoring high-growns rather irregular and sometime easier. Black leaf Middle East fannings keen enquiry. Whole leaf As. 2 dearer."

TANNED HIDES BEARISH

(From Our Own Correspondent)

MADRAS, 30*th January*

The tanned hides market is in the doldrums. The U.K. buyers refuse to operate at reasonable prices, and E.I. tanners are greatly perturbed at the lack of demand in the U.K. Arrivals of kips have been on the usual scale and clearances slow. Prices have declined by another six pies per lb. this week, due to financial stress, and the market is bearish.

In the January London public sales, prices of goat skins were unchanged to firm on prime tannages and declined from 4*d.* to 8*d.* on adulterated classes. As regards sheep skins, primes and semi-primes advanced by 3*d.* to 6*d.* and others were unchanged to 4*d.* decline on December levels on the first day of the auctions and the sales are proceeding. In the local market, arrivals have been moderate and clearances fair.

HIDES STRONG

(From Our Own Correspondent)

KANPUR, 29*th January*

The hides and skins market ruled strong during the week under review, thanks to encouraging offtake. Demand for upper grade buff and medium grade cow was specially keen. The country tanners went in for the inferior grade of cow. The local tanners were the main purchasers.

The latest available quotations are: Wet salted cow, 1st grade Rs. 360, 2nd grade Rs. 290 to Rs. 310 and 3rd grade Rs. 160 to Rs. 190 per score; wet salted buff, 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat, 1st grade Rs. 325 and 2nd grade Rs. 275 per 100 pieces; sheep, 1st grade Rs. 225 and 2nd grade Rs. 175 to Rs. 200 per 100 pieces.

MINOR LOSSES IN JUTE GOODS

(From Our Own Correspondent)

CALCUTTA, 31*st January*

Following the tendency shown by overseas buyers to delay entering into commitments on expectations of a decline in prices, prices of jute goods gave way. Prices of many varieties of raw jute fell by Re. 1 per maund, as mills, after the heavy purchases of a week ago, had virtually withdrawn from the market. The changes in price-trends were the result of speculation regarding the unsealing of looms, and it would be some time before prices of goods get settled. In this respect, the stock position of goods with mills as at the end of this month, which would soon be available, is awaited with interest. The figures would reveal the actual impact of the increase in production on despatches following the unsealing of 2.5 per cent. of the looms as from the 9th of this month.

There were rumours during this week that Russia would soon be in the market for a huge quantity of sacking goods. Support from Burma was also expected, but it was believed that a portion of the Burmese order had gone to Pakistan. Trade circles were confident that the increase in production would not be reflected in stocks and that the present decline in prices of goods would prove only temporary. They believe that, after a time, overseas buyers would show increased interest in both hessians and sacking goods. For, Indian prices even without the present fall were competitive and overseas buyers are only biding time in the hope that prices would steady at lower levels. Last Tuesday, ready B. twills were quoting Rs. 113-12. Lack of interest forced the rate to fall to Rs. 112-12 on the following day. There were reports that shipping had not been satisfactory during this month. Subsequently, a low of Rs. 111-4 was touched. At this stage, covering business brought in some liveliness, and the rate recovered to Rs. 111-12 by the week-end. Yesterday the recovery was maintained but the quotation did not move beyond Rs. 111-12. Today the rate advanced further to Rs. 112-4, following higher raw jute prices. Forward rates in B. twills were higher than the ready, and this was in line with market expectations of an imminent strengthening in demand in this construction. April-June position was quoting at Rs. 114-8 when the ready goods were at Rs. 113-12. In the middle week fall, the difference was narrowed down to eight annas, but by the week-end it widened to Re. 1-4, as the forward goods were priced at Rs. 113.

The decline in hessian prices was fractional, as it was believed that the stock position in this respect would not reveal any surprise. Hessian shipments from 1st to 20th January amounted to 15,500 tons which represented a fall of 4,500 tons and 1,500 tons, compared to the figures for similar periods in December and November respectively. On the other hand, sacking shipments were only 18,000 tons as against 27,000 and 26,000 tons respectively. Ready 40" 10 oz. hessians opened at Rs. 40-15 and at one time had touched a low of Rs. 40-6. Covering demand arrested the down-trend and a recovery to Rs. 40-9 was soon recorded. Moderate interest was shown in forward goods. With the result, when prices for the ready position fell, the forward goods forged ahead. April-June goods were quoting at Rs. 40-4 when the ready position was at Rs. 40-15. The former soon gained to Rs. 40-10 when the latter actually lost As. 9. By the week-end, April-June goods gained further to Rs. 40-12 and with the recovery in the ready position, the difference between the prices was reduced to As. 3. Yesterday there was not much change in the rates, the ready position being priced at Rs. 40-8, but April-June gave way to Rs. 40-10. These rates were maintained today, with the eight oz. being quoted at Rs. 33-4.

Mills had withdrawn from the raw jute market during this week. And this had the desired effect, viz., arresting the upward trend of a week ago when mills effected considerable purchases. In fact, as stated above, prices gave way by about a point earlier in the week. Prices in the mofussil centres, however, were maintained high in view of the expectation of the sure support of mills. Arrivals in the agencies continued to be small, and Cossipore reported a fall in the daily arrivals of wagons carrying jute. In view of the disparity in prices in the Calcutta market and the agencies, covering business was entirely absent. Yesterday and today there was a hardening tendency in prices here, with the result that not only was the earlier decline made good but latest quotations, as available this evening, were higher than those of a week ago given in brackets:

	Middles Rs.	Bottoms Rs.
Pukistani:		
Northern ...	33-8 (32-0)	30-8 (29-0)
District	34-0 (22-8)	31-0 (29-8)
Indian:		
Northern ...	32-0 (31-8)	29-0 (28-8)
Assam Upper ...	32-0 (31-8)	29-0 (28-8)
Assam Lower ...	32-8 (31-8)	29-8 (28-8)
Daissee	32-8 (32-0)	29-8 (29-0)
Murshidabad ...	31-0 (30-0)	28-0 (27-0)
Western	31-0 (31-0)	28-0 (28-0)
Jungli	30-8 (29-8)	27-8 (26-8)
Orissa	32-8 (32-8)	29-8 (29-8)
Uttar Pradesh ...	30-8 (29-8)	27-8 (26-8)
Daissee *mesta* ...	30-0 (29-0)	27-0 (26-0)
Bimli f.a.q.		Rs. 27-0 (26-8)
Pucca bales 1st marks		Rs. 182-8

FOODGRAINS QUIET TO EASY

(From Our Own Correspondent)

HAPUR, 30*th January*

Conditions in the foodgrains market were quiet to easy during the week. The Government of India's efforts to check a further rise in wheat prices had the desired effect. Following withdrawal of demand for wheat from Delhi due to sale of Government-owned stocks at that centre, wheat prices recorded a fall of As. 8 to Rs. 14-14 per maund for average quality, while farm quality was transacted at Rs. 15-12. Offtake during the week was mostly for day-to-day requirements of the locality. The daily arrivals—at an average of 75 maunds—were wholly insufficient; they aggregated 4 *khaties* and the local stock is now put at 44 *khaties*, as against 25 khaties at this time last year. The imposition of ban on export of husked rice acounted for further depressed conditions in the prices of rice. The Government continue to sell *Rangooni* rice by auction and the supply position of rice is easy. The latest prices are: *Basmati* Rs. 31, *Rangooni* Rs. 14-4, *Mainpuri sela* Rs. 18-4.

Gram prices also eased fractionally on better crop prospects, today's quotations being Rs. 9-14 for local quality and Rs. 10-6 for Punjabi quality. Stocks aggregated 12 *khaties*. The step taken by the Union Government as a bid to check rise in foodgrain prices by banning export of *jowar* accounted for a fall in the prices of all coarse grains. Barley prices, however, continued to be steady at unchanged levels, due to paucity of stocks. The latest available prices are: Barley Rs. 10-2, *bejhar* Rs. 9-14, maize Rs. 10-12, *bajra* Rs. 10-2 and *jowar* Rs. 10-8.

Easy conditions continued to prevail in the pulses section. Peas *dara* lost As. 10 to Rs. 8-12 per maund and white quality was quoted at Rs. 9-8 per maund. Outside buying enquiry was slack and stock is now put at 11 *khaties*. Arhar prices eased by Re. 1-4 to Rs. 12 for want of support and stock position remained unchanged at 9 *khaties*. Other pulses also eased fractionally to be quoted today at *urd* Rs. 15 to Rs. 16-8, *moong* Rs. 14 and *masoor* Rs. 13-12 per maund.

SUGAR DULL

(From Our Own Correspondent)

HAPUR, 30*th January*

The sugar market ruled dull, thanks to negligible demand. Crushing operations in mills are in full swing and the latest available figures regarding sugar production reveals that the expectations of an increased overall production will prove correct. The depressing *gur* prices will also help increase sugar production. The latest mill delivery prices of sugar are: Jaswant Rs. 28-8, Simbhauli Rs. 28-12, Mowana Rs. 29, Daurala Rs. 29-4, Amroha Rs. 27-12, Bijnore Rs. 27-12, Mansoorpur Rs. 29-8, Rampur Rs. 30-8; retail Rs. 31 per maund. Owing to weakness in sugar, the *khandsari* market also remained inactive, with meagre arrivals and negligible demand. Inferior grade was quoted at Rs. 22 and superior quality at Rs. 26-8 per maund.

Depressed conditions continued to prevail in the ready *gur* market. The price eased further by As. 4 to Rs. 10-14 per maund. Arrivals during the week were moderate and aggregated 25,000 maunds. The total arrivals since the beginning of the season amount to 340,000 maunds, as against 412,000 maunds a year before. The fall in the ready prices of *gur* during the week followed easy loading facilities in the form of *gur* specials to Gujerat, due to a fall in demand at prevailing rates. Gujerat is now meeting its demand from markets in the South where prices are reported to be more competitive.

Future *gur* prices at Hapur also eased, on heavy bull liquidation, influenced by depressed prices in the ready section and increased stocks. *Gur phagun* opened at Rs. 11-15-7½ on Monday last and touched the highest at Rs. 12-0-10½ the same day but declined in successive sessions to finish at Rs. 11-5 today.

Notices

THE BENGAL POTTERIES LIMITED

NOTICE

To

THE SHAREHOLDERS.

Please take notice that a General Meeting of the Company will be held on Saturday the 18th day of February 1956, at 3-30 p.m., at the Registered Office of the Company at No. 45, Tangra Road, Calcutta, to consider and if thought fit to pass the undermentioned Resolution, with or without modification:—

"RESOLVED that the Capital of the Company be increased to Rupees One Crore by creation of 27,03,115 new shares of Rs. 2-8 each ranking for dividends and in all respects *pari passu* with the existing shares in the Company, and that out of the said 27,03,115 new shares, or so much thereof, which the Directors may decide to issue at par, for subscription, with the permission of the Controller of Capital Issues, 1,00,000 shares of the face value of Rs. 2-8 each in the first instance, be issued to Mr. M. G. Bhagat (or his nominee or nominees) of No. 11, Rawdon Street, Calcutta, for consideration, payable in cash and thereafter the balance of the issue remaining after allotting the said 1,00,000 shares to Mr. M. G. Bhagat (or his nominee or nominees) as aforesaid, be offered to the existing members of the Company, as nearly as circumstances admit, in proportion to the existing shares held by each member of the Company as on the date of the issue."

By Order of the Board of Directors,
BHARAT RAM BHAGAT & CO.,
Managing Agents.

45, TANGRA ROAD,
CALCUTTA 15, 25*th January* 1956.

MADURA MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held in Tuticorin on Monday the 26th March 1956, at 4 p.m. The Share Transfer Books will be closed from 6th to 26th March 1956, both days inclusive. It is recommended that:

1. All persons holding shares on blank transfers should immediately arrange to have the shares registered in their own names, as the Company will pay any dividend declared only to the person(s) in whose name the share stands on the date of declaration of dividend.
2. Shareholders desiring dividends to be paid to Banks or other Mandatees should register the mandates with the Company before 6th March 1956.
3. Intimation of any change of address should be given to the Company immediately.

A. & F. HARVEY LIMITED,
Managers.

MADURAI, 28*th January* 1956.

MANCHESTER LETTER

(*Concluded from page* 201)

country. Sir Alfred Roberts, Secretary of the Cardroom Workers' Amalgamation, has lately filled in the background against which the issue must be fought in Lancashire. In his view, the system would never be universally adopted due to the absence of sufficient workpeople to operate it.

Figures he quoted indicate that the average age of operatives now employed in spinning mills working shifts is distinctly lower than the average throughout the industry. This could mean, as he suggested, that the older workers had found employment elsewhere, not liking the idea, or that the younger operatives were more prepared to accept these conditions, recognising the need for them.

Sir Alfred estimated that the spinning and weaving industry in Lancashire now provides employment for about 100,000 married women and accused the employers of "asking for a great deal" in suggesting that these operatives should be urged to start shift work. As for treble shifts, only men can be employed on the night shift by law and this would mean training male labour, especially in the spinning branch, thus adding to the cost of the operation.—*All Rights Reserved.*

MISCELLANEOUS STATISTICAL INFORMATION

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	20th Jan., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,382.71	1,388.75	1,351.58	1,219.47
Notes held in Banking Department	35.05	19.11	13.00	7.75	15.69
Foreign Securities	59.50	667.07	691.91	676.88	653.21
Rupee Securities	37.39	588.36	563.52	553.70	437.63
Banking Department					
Deposits of:					
Government of India	14.89	50.30	52.11	50.95	55.36
Other Governments		13.38	8.46	7.95	16.18
Balances held abroad	10.08	72.55	43.96	59.37	80.98
SCHEDULED BANKS					
Demand Liabilities	134.36	655.46 (7.34)†	633.11 (6.35)†	606.68 (6.41)†	582.91 (10.79)†
Time Liabilities	102.24	411.08 (2.88)†	412.51 (3.75)†	420.28 (5.70)†	368.61 (2.83)†
Borrowings from Reserve Bank	..	27.54 (15.25)‡	23.45 (14.38)‡	17.72 (10.66)‡	6.71 (3.14)‡
Borrowings from State Bank	..	11.21	11.33	7.76	3.90
Cash in India	6.70	36.28	35.95	33.95	32.95
Balances with Reserve Bank	25.17	63.23	51.92	55.70	61.77
Excess over statutory limits	15.52	22.24	12.02	16.96	25.25
Balances with other banks in current account in India	..	10.99	11.86	10.58	10.94
Money at call and short notice in India	..	9.97	9.59	12.00	18.83
Investments (at book value)	391.60	881.60	881.92	887.93	852.36
Advances and bills	105.09	665.80	663.06	622.22	555.45
STATE BANK					
Deposits	87.76	241.90	231.12	222.45	234.30
Investments	51.99	116.32	116.58	118.49	110.66
Advances	30.35	110.39	111.84	100.48	102.95
Cash	14.69	30.77	23.50	20.90	34.78

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CLEARING HOUSE RETURNS

Centre	Week ended 27th January, 1956		Week ended 20th January, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	1,58,112	45,41,00,000	2,17,993	59,09,45,000
Calcutta	2,29,324	48,42,16,532	3,93,718	95,13,55,891
Madras	70,030	6,99,57,295	89,602	8,53,48,088
All Centres—				
1953-54*	..	..	2,689,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Oct., 1955	..	..	3,431,000	6,86,80,00,000
Nov.,	..	..	2,720,000	7,50,92,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 27th Jan., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
Deposits:—		
(a) Government—		
(1) Central Government		54,01,74,000
(2) Other Governments		18,47,38,000
(b) Banks		65,23,80,000
(c) Others		17,10,07,000
Bills Payable		10,58,29,000
Other Liabilities		30,22,33,000
	Rupees	205,64,61,000

ASSETS	Rs.
Notes	22,96,98,000
Rupee Coin	8,45,000
Subsidiary Coin	6,43,000
Bills Purchased and Discounted—(a) Internal	45,50,000
(b) External	....
(c) Government Treasury Bills	4,46,29,000
Balances held abroad*	67,04,77,000
Loans and Advances to Governments	1,79,00,000
Other Loans and Advances	44,32,69,000
Investments	51,17,30,000
Other Assets	13,27,20,000
Rupees	205,64,61,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 17,69,50,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 9,20,50,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	22,96,98,000	
Notes in circulation	1379,07,34,000	
Total Notes issued		1402,04,32,000
Total Liabilities		1402,04,32,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	667,06,60,000	
Total of A		707,08,31,000
B. Rupee Coin		106,59,95,000
Government of India Rupee Securities		588,36,60,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1402,04,32,000

Ratio of Total of A to Liabilities: 50 432 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 20th Jan., 1956

	Rs.	Rs.
1. Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank †		7,84,22,000
(ii) Other demand liabilities		648,11,62,000
2. Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank †		2,87,50,000
(ii) Other time liabilities		408,20,54,000
3. Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		11,20,84,000
(ii) Time liabilities		....
4. Cash in India		36,27,96,000
5. Balances with the Reserve Bank in India		63,22,52,000
6. Balances with other banks in current account in India		10,98,74,000
7. Money at call and short notice in India		9,97,15,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		331,59,84,000
9. Advances in India		531,74,29,000
10. Inland Bills purchased and discounted in India		85,50,76,000
11. Foreign Bills purchased and discounted in India		48,55,32,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	1st February 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	477¼	477¼
Buyers T.T. Rs.	473	473
London on New York $	2.80⅝-2.80⅞	2.80⅝-2.80⅞
London on Paris Frs.	985	985
London on Berne Sw. Frs.	12 24¼-12 25¼	12 24¼-12 25
New York on London $	2.80⅛-2.80⅜	2.80⅛-2.80⅜

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* Income (Rs.)
India†	'53-'54	373.37	..	10,600	284
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1953	19 05	Kyats 3,928	392	206
Ceylon	1953	8 16	..	441	540
Japan	1953	86 70	Y. 5,065,000	7,890	910
Philippines	1953	21 02	Ps. 7,325	1,854	747
New Zealand	1953	2 05	£(N.Z.) 727	969	4,727
Australia	1953	8 83	£(A) 3,714	4,127	4,900
U.K.	1953	50 86	£ 14,719	19,025	3,856
U.S.A.	1954	162 41	$ 300,000	144,423	9,016
Canada	1953	14 78	$ 19,043	8,407	5,688
France	1953	42 86	F.Fr. 10,470,000	14,420	3,364
W. Germany	1953	48 09	Dm. 193,000	17,705	2,489
Italy	1953	48 07	Lr. 8,967,000	6,852	1,421
Norway	1953	3 36	Kr. 17,192	1,152	3,428
Sweden	1953	7 17	Kr. 36,957	3,422	4,772
Netherlands	1953	10 49	Grs. 19,360	2,451	2,336
Denmark	1953	4 37	Kr. 22,915	1,580	3,616
Switzerland	1953	4 88	Sw.Fr. 20,809	2,286	4,684

* National income at factor cost—the aggregate of all income earned in the production of goods and services in the course of a year. Including net income from abroad.

Source: United Nation Monthly Bulletin of Statistics, March, 1955.

† National income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 6th Jan., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	15,16,92,000
(b) Provincial Governments	1,11,95,000
(c) Banks	13,06,13,000
(d) Others	21,89,91,000
Bills Payable	8,69,000
Other Liabilities	5,23,02,000
Rupees	62,56,62,000

ASSETS	Rs.
Notes	8,35,05,000
Rupee Coin	7,000
Subsidiary Coin	9,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	1,10,20,000
Loans and Advances to Governments	1,00,000
Provincial Governments Debtor Balances	1,09,10,000
Other Loans and Advances	18,30,60,000
Investments	23,81,13,000
Other Assets	0,77,38,000
Rupees	62,56,62,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,35,05,000	
Notes in circulation	277,04,45,000	
Total Notes issued		286,29,50,000
Total Liabilities		286,29,50,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,10,58,000	
Silver Bullion	....	
Sterling Securities	78,00,28,000	
Government of India Securities	26,53,67,000	
Indian Notes representing assets receivable from the Reserve Bank of India	43,11,81,000	
	2,10,84,000	158,85,34,000
B. Rupee Coin		
Government of Pakistan Securities	119,43,26,000	
Internal bills of exchange and other commercial paper	....	
		121,54,10,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	10,02,000	
Sterling Securities	4,40,03,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets		286,29,50,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57 44 per cent.

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1956	..	3½
Austria	17th Nov., 1955	4½	3
Belgium	4th Aug., 1955	2½	5
Bolivia	30th Sept., 1950	5	6
Canada	10th Nov., 1955	2½	2¾
Ceylon	14th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	15th Jany., 1953	5	4
Costa Rica	1st April, 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	30th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1953	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1955	3½	3
Italy	4th April, 1950	4½	4
Japan	9th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	7th April, 1953	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3
Switzerland	20th Nov., 1936	4	1½
Turkey	24th Jany., 1955	3	4½
United Kingdom	24th Feb., 1955	3½	4½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	14th Nov., 1955	2½	2½
West Germany	4th Aug., 1955	3	3½

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	November,		Eight months, Apr.† to Nov.,	
	1954	1955	1954	1955
Import Duties				
Revenue	12 42	9 90	79 28	74 41
Protective	0.78	0.87	5 10	6.50
On surplus disposals	..	..	0 12	0.07
Total Import duties	13 20	10 77	84 50	81.07
Export Duties	5 20	2 76	22 26	24 48
Land Customs	0 23	0 20	1 27	0 99
Miscellaneous	0 07	0 06	0 72	0 48
Gross total customs	18.70	13.79	108.75	106 72
Refunds and drawbacks	0.17	0 29	0.90	1.75
Net Customs	18.53	13.59	107.85	104.97
Gross excise	8.73	11.67	66.92	96 63
Refunds	0 20	0 17	1 10	3 03
Net Excise	8.53	11 50	65 73	93 60
Net total of customs and excise†	27.06	25.09	173 58	198.57

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 27th Jan., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL:—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	..	6,35,00,000
Deposits and Other Accounts	..	238,41,81,000
Borrowings from Other Banking Companies, Agents, etc.	..	75,00,000
Bills Payable	..	12,74,04,000
Bills for Collection being Bills Receivable as per contra	..	58,92,000
Acceptances, Endorsements and Other Obligations per contra	..	17,74,000
Other Liabilities (including Inter-Office Adjustments)	..	8,39,00,000
Total .. Rs.		268,04,01,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	27,14,96,000
Balances with other Banks	..	4,89,21,000
Money at Call and Short Notice	..	1,26,07,000
INVESTMENTS:		
Government and other Trustee Securities	107,14,67,000	
Other Authorised Investments	8,97,11,000	
		116,11,78,000
ADVANCES:		
Loans Cash Credits, Overdrafts, etc.	89,05,03,000	
Bills Discounted and Purchased	25,42,43,000	
		114,47,46,000
Bills Receivable being Bills for Collection as per contra	..	58,92,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	..	17,74,000
Premises less Depreciation	..	1,15,46,000
Furniture and Fixtures less Depreciation	..	48,16,000
Other Assets (including Inter-Office Adjustments)	..	1,78,77,000
Total .. Rs.		268,04,01,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‡‡									
	National Savings Certificates				Savings Bank Deposits		Cash Certificates Defence Savings Certificates and Defence Savings Bank Deposits.	3½% Ten-year Treasury Savings Deposit Certificates	10-Year Nations Plan Certificates‡	
	5-Year†	7-Year††	12-Year							
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Outstandings@	Receipts	Outstandings*
1952-53	6,83	65	3,26	23,66	84,17	1 13,85	92 03	— 31,07	7,55	25,54
1953-54	5,91	1,50	4,26	26,54	1,04,38	1,17,37	1,06,29	— 84,19	6,94	32,15
1954-55	4,70	1,62	4,99	27,26	1,24 64	1,33,76	1,30,57	— 86,36	5,57	37,15
October 1954	5,16	11	4,57	1,90	1,15,09	8,96	1,14,98	— 35,50	42	35,38
November	5,06	12	4,64	2,25	1,16,76	10,24	1,16,31	— 35,68	37	35,54
December	4,96	11	4,68	2,34	1,18,40	11,36	1,18,56	— 35,86	40	35,98
January, 1955	4,88	14	4,76	2,48	1,20,28	10,51	1,20,10	— 36,02	43	36,37
February	4,81	12	4,79	2,27	1,21,88	11,18	1,22,28	— 36,16	40	36,74
March	4,70	26	4,99	3,41	1,24,64	18,51	1,30,57	— 36,36	47	37,15
April	4,60	11	5,00	2,35	1,26,45	12,41	1,32,91	— 36,51	45	37,55
May	4,52	36	5,24	2,01	1,27,93	11,82	1,34,08	— 36,65	41	37,89
June	4,44	13	5,12	2,09	1,29,49	12,27	1,35,98	— 36,77	37	38,22
July	4,36	12	5,15	2,27	1,31,28	12,80	1,40,28	— 36,86	41	38,54
August	4,29	12	5,17	2,09	1,32,82	12,25	1,48,50	— 36,97	39	38,87
September	4,21	13	5,21	2,04	1,34,88	12,39	1,46,60	— 37,12	44	39,28
October	4,14	10	5,21	2,10	1,36,37	11,35	1,48,68	— 35,24	46	39 68
November	..	..	..	..	..	..	..	..	43	40 05

* At the end of period. @ Progressive net repayments at the end of period from 15th August, 1947. † Issued from 1st June, 1948 to 30th June 1953. †† Issued from 1st June, 1948. ‡ Issued from 1st February, 1951. ‡ Issued from 10th May, 1954.

‡‡ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors. E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 22-1-'55	24-12-'55	14-1-'56	21-1-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90 6	91 0	91 1	91 1
1. Government of India	96 5	90 9	91 0	91 0
2. Indian States	96.1	96.5	96.5	96.5
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100 7	101 0	101 1	101 1
1. Electricity	102.0	102 5	102 6	102 6
2. Jute	98.3	98.0	97 6	97 6
3. Plantations	99.6	99 1	99 1	99.1
4. Sugar	99.3	99.0	99.0	99 0
5. Coal	90.0	90.0	90.0	90 0
6. General Engineering	101 0	100.9	100.9	100 9
7. Shipping	100.2	102 3	102 3	102 3
8. Others	98 2	101 0	101 0	101 0
PREFERENCE SHARES	98 2	97 7	97 3	97 2
1. Electricity	97 3	95 4	94 5	94 7
2. Cotton	78.6	80 5	79 7	79 8
3. Jute	88 4	86 6	86 8	86 7
4. Coal	91 0	90 9	90 6	90 5
5. Iron and Steel	89 8	89 5	89 1	88 9
6. Sugar	85 1	85 5	85 5	85 5
7. Paper	90.4	86 4	86.5	86 5
8. Plantations	87.0	85 2	84.7	84 6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	115 1	130 2	128 8	125 8
(a) Financial	89 5	94 7	93 8	93 7
1. Banks	89.1	93 6	92 8	92 6
2. Insurance	100 0	100 4	99 3	99 7
3. Investment Trust	97 9	99 2	97 2	96 9
(b) Public Utilities	118 3	118 2	117 2	116 6
1. Electricity	124.2	122 3	120.9	120 7
2. Shipping and other Transport	102 0	115 8	115 3	113 8
3. Railways	97 9	92 3	92 3	92 3
(c) Manufacturing Industries	118 5	140 4	136 0	134 5
1. Cotton, Woollen and Silk	105 1	131 4	127 6	125 5
2. Jute	99 6	93 7	91 3	91 1
3. Iron and Steel	140 1	167 1	160 2	158 4
4. Paper	214 8	207 7	200 5	200 9
5. Cement	147 7	184 7	176 7	175 8
6. General Engineering	158 9	210 3	205 6	204 5
7. Sugar and Breweries	106 3	112 3	109 3	108 5
8. Chemicals	138 3	159 5	153 6	153 0
(d) Non-Manufacturing Industries	154 4	189 0	184 3	183 8
1. Coal	81 6	84 5	87 2	86 8
2. Mining and Oil	193 6	271 0	261 6	262 6
3. Plantations	181 5	177 6	170 6	169 4
(e) Miscellaneous	99 1	110 5	107 5	106 0
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.1	90.5	90 6	90 6
2. Calcutta	90.5	91.5	91 0	91 0
3. Madras	90.9	91.3	91.4	91.4
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.3	100 2	100 2	100 2
2. Calcutta	101 3	101 8	101 9	101 9
3. Madras	100.5	100.1	100 1	100.1
PREFERENCE SHARES:				
1. Bombay	91.6	91 0	90 5	90 4
2. Calcutta	85 0	83 4	83 1	83 1
3. Madras	93 5	98.3	97.4	97.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	118 7	136 9	132 4	130 3
1. Bombay	109.1	119 8	117 2	116 9
2. Calcutta	119 0	125 2	123 5	122 5
3. Madras	113 4	142 6	138 7	136.9
4. Delhi	..	..	..	..

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	963	691,321	5,818,928
1952	773	809,242	8,336,061
1953	840	477,188	3,382,608
1954	..	..	3,373,680
August 1953	74	53,063	325,154
September ,,	106	44,985	447,278
October ,,	101	80,211	402,116
November ,,	88	41,481	345,211
December ,,	81	40,780	479,553
January 1954	84	51,978	344,295
February ,,	86	34,202	331,419
March ,,	101	34,983	307,247
April ,,	80	40,078	214,048
May ,,	83	51,589	305,078
June ,,	..	..	..
July ,,	122	30,189	277,492
August ,,	79	51,090	343,887
September ,,	97	50,414	363,376
October ,,	86	41,724	276,294
November ,,	62	23,115	239 701
December ,,	101	54,455	262,763
January 1955†	95	49,088	322,807
February ,,	91	35,370	144,302
March ,,	111	69,925	301,258
April ,,	98	53,332	834,999
May ,,	118	65,467	1,029,274
June ,,	149	57,197	678,259
July ,,	105	50,324	518,476
August ,,	238	84,377 (a)	538,196 (b)
September ,,	220	21,616	133,066
October ,,	113	..	..

† Figures for 1955 are provisional. * Revised.
(a) Not known in 71 cases. (b) Not known in 81 cases.
§ Current as any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,201.4	5,134.2
1953-54	648	6,676.8	5,572.7
1954-55	656	7,760.9	6,319.2
August 1954	669	647.6	525.5
September ,,	..	636.5	511.6
October ,,	669	656.5	534.6
November ,,	674	653.5	538.6
December ,,	679	..	..
January 1955	684	666.5	548.2
February ,,	685	628.7	531.8
March ,,	686	698.7	588.3
April ,,	690	691.1	563.9
May ,,	691	706.5	569.2
June ,,	696	716.3	576.1
July ,,	700	734.8	583.3
August ,,	705	709.9	574.4
September ,,	707	719.3	587.1

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	14th Jan., 1956	7th Jan., 1956	15th Jan., 1955	December, 1955	December, 1954	Percentage of increase (+) or decrease (−) in Dec., 1955 as compared with Dec., 1954	Annual Average 1955	Annual Average 1954
Food Articles	333 8	331 3	313 6	323 7	318.0	+ 1 8	304 5	358 3
Cereals	399	397	353	383	364	+ 5.8	359	404
Pulses	362	358	240	345	236	+46.2	259	318
Other	237	236	271*	234	203	+12 3	241	298
Industrial Raw Materials	455 2	457 4 R	437 4	438 3	438 3	+ 0 5	411.1	447 1
Fibres	453	453	470	440	464	− 5.0	431	444
Oil seeds	458	460 R	375	441	391	+10.2	370	468
Minerals	426	443	451*	434	417	+ 4 1	420	429
Others	458*	463*	473	402	442	+ 4.5	444	410
Semi-Manufactures	352 4	351 9 R	345 3	346 8	374.4	— 0 2	333 3	355 4
Leather	418	412 R	386	400	381	+ 5 0	3 3	317
Mineral oils	202	202	221	202	221	− 8 6	211	221
Vegetable oils	426	426	412	414	411	− 0 7	374	464
Cotton yarn	433*	433	453	424	453	− 6 4	423	454
Metals	283	280	241	279	240	+16 3	254	429
Oil cakes	359	360	301	355	373	− 4.8	320	4.6
Others	330	330	332	330	318	+ 3.8	330	305
Manufactured Articles	375 8	375.6	375 8	373.0	375.1	— 0 6	373.4	375.5
Textiles	409	409	420	405	418	— 3 1	411	418
Jute	426	424	457	415	451	— 8 0	430	434
Cotton	403*	403*	411*	399*	413*	− 3 2	405*	413*
Rayon and Silk	486	486*	464*	486*	447*	+ 8 7	476*	464*
Woollen	278	278	310	278	310	−10 3	292	311
Metal products	371	371	340	371	340	+ 9 1	351	339
Others	285	285	224	284	285	— 0.4	286	286
Miscellaneous	538 4	548 7	566 9	544.2	579 7	— 6 1	555.1	646.8
All Commodities	376 1	375 8	365.9	368 4	368 8	0.2	355 1	388 7

R—Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

Year ended August, 1939=100

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw cotton	Raw jute	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures (cotton textiles)	Iron and steel
1954																		
September	488	454	172	226	258†	607	542†	305	277†	907†	442†	389	457	845	357	458	415	274
October	463	478	166	213	254	606	541†	301	280†	899†	465†	400	430	839	357	451	415	274
November	448	481	148	233	235	975	556*	300	195	919	486*	441	404	829	357	459	415	274
December	424	485	147	206	203	651	554†	276	176	852	454†	445	409	829	357	451	413	274
1955																		
January	399	496	136	208	200	806	575	270	160	840†	438†	492	376†	825	357	456	411	274
February	401	502†	117	202	208	744†	582	275	144	770†	437†	547	370	831	357	477	410	274
March	416	458	102	213	196	591†	567	238	140	726†	394†	510	355	819	357	468	408	274
April	412	462	100	208	181	508†	574	268	134†	685†	376†	502	355	815	357	452	414	274
May	403	452	97

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop	Forecast	Unit	Acreage 1954–55	Acreage 1953–54	Outturn 1954–55	Outturn 1953–54
Rice	final	tons	74,424	77,032	24,209	27,561
Wheat	final	,,	26,842	26,310	8,539	7,373
Jowar	final	,,	43,456	43,657	9,092	7,913
Bajra	final	,,	27,350	30,094	3,555	4,459
Barley	final	,,	7,999	8,721	2,786	2,904
Maize	final	,,	9,325	9,360	2,944	2,964
Ragi	final	,,	5,747	5,714	1,778	1,819
Small millets	final	,,	13,680	13,979	2,424	2,427
Total cereals	final	tons	208,823	214,867	55,327	57,920
Kharif	final	,,	178,988	179,886	44,002	47,143
Rabi	final	,,	34,841	35,031	11,325	10,777
Kharif pulses@	final	tons	14,035	15,192	1,497	1,548
Rabi pulses‡	final	,,	10,498	11,514	1,977	2,089
Total pulses	final	,,	24,004	26,715	10,474	10,458
Tur	final	,,	5,944	5,931	1,661	1,627
Gram	final	,,	20,991	19,754	5,125	4,775
Jute	final	bales	1,581†	1,243††	4,137†	3,928††
Cotton	final	,,	18,846	17,182	4,298	3,965
Sugarcane	2nd	tons	3,930†	3,718††	5,079†	4,858††
Groundnut	final	tons	12,647	10,869	3,823	3,573
Linseed	final	,,	3,290	3,360	398	374
Castorseed	final	,,	1,373	1,378	112	106
Rape and Mustard seed	final	,,	5,665	5,534	962	855
Sesamum	final	,,	6,460	6,346	502	562
Tobacco	final	tons	860	912	248	268
Black pepper	final	,,	208	208	26	24
Ginger	final	,,	44	45	13	14
Dry chillies	final	,,	1,472	1,326	356	297
Potato	final	,,	665	635	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
@ Excludes Tur. ‡ Excludes Gram and Tur.
† Refers to 1955–56 †† Refers to 1954–55

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During December, 1955	97.3
	Corresponding month, 1954	94.0
	Six months ended Dec., 1955	519.4
	Corresponding period, 1954	495.6
Stocks	At the end of December, 1955	64.2
	Corresponding month, 1954	69.6
		(In 000 bags)
Exports (Jute Bags)	Week ended 17th Dec., 1955	15,049
	Corresponding week, 1954	6,879
	From 1st Jan., to 17th Dec., 1955	459,983
	Corresponding period, 1954	443,081
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 17th Dec., 1955	8,606
	Corresponding week, 1954	5,135
	From 1st Jan., to 17th Dec., 1955	1,392,310
	Corresponding period, 1954	1,386,695
	RAW JUTE	(In lakh bales)
Consumption by Mills†	December, 1955 (in lakh bales)	5.64
	Corresponding month, 1954	5.45
	Six months ended Dec., 1955	30.13
	Corresponding period, 1954	28.74

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,97,400
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
Nine months ended Dec., 1955	8,51,200	7,79,600	5,88,600
July 1954	96,300	86,900	66,100
August ,,	96,700	90,400	67,100
September ,,	86,900	82,400	63,300
October ,,	96,500	89,200	68,500
November ,,	98,800	90,500	68,000
December ,,	1,05,000	95,000	78,800
July 1955	94,900	84,800	64,800
August ,,	92,500	85,900	65,700
September ,,	95,800	87,700	65,700
October ,,	91,700	83,800	64,800
November ,,	91,900	86,200	63,400
December ,,	1,03,900	97,500	72,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	5,26,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	5,49,930	3,92,440
Do. 31st March, 1955	7,16,949	5,28,240	4,59,093
Three months ended Dec., 1953	1,81,630	1,15,300	1,05,940
,, ,, ,, Mar., 1954	1,87,750	1,28,510	1,16,940
,, ,, June, 1954	1,82,770	1,17,870	1,07,480
,, ,, Sept., 1954	1,80,018	1,39,741	1,15,861
,, ,, Dec., 1954	1,88,053	1,36,801	1,20,616
,, ,, Mar., 1955	1,66,108	1,43,828	1,18,136
,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, Sept., 1955	1,76,181	1,30,630	1,08,714
,, ,, Dec., 1955	1,60,750	1,24,696	1,05,762

FOREIGN TRADE OF INDIA

Particulars	September, 1954	September, 1955	Six months, April to Sept., 1954	Six months, April to Sept., 1955
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	9,54	2,92	41,12	29,97
Raw materials	13,31	10,78	105,77	79,92
Manufactures	26,21	34 20	144,98	180 44
Other Items	27	29	1,48	1,18
Total	49 33*	48 19*	293,35*	291,41*
By land	1,79	3,02	8,92	11,77
Total Imports	51,12	51,21	302 27	303,18
Exports :				
By sea and air—				
Foodstuffs	17,82	17,02	78 70	72,19
Raw materials	8,49	14,33	46,73	79,95
Manufactures	22,96	22,76	123 93	132 45
Other Items	48	50	2.22	2,21
Total	49,75	56,51	251 58	286,80
By land	37	38	2,68	2,99
Total Exports	50,12	56,89	254,26	289,70
Total Re-exports	40	28	2.74	2,60
Balance of trade in merchandise	— 64	+ 5,07	— 45,40	— 10,89
Balance of transactions in private treasure	...	...	— 2	— 4
Total visible balance of trade	— 64	+ 5,07	— 45,42	— 10,93
Imports : †				
Total C'wealth countries	23,49	24,08	129,67	134,00
Total Foreign countries	25 84	24,11	163 68	156,51
Exports : ‡				
Total C'wealth countries	29,08	28,21	137,52	142,25
Total Foreign countries	20,67	28,30	114,06	144,55

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
† Excluding Trade by Land.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands) Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952–1953	1,168	34,406	128,773	24,539	11,413	2,635	949	171	169	209	169	297
1953–1954	1,179	35,215	129,099	29,365	11,082	2,512	899	153	153	168	190	344
1954–1955	...	...	...	...	11,768	2,711	885	183	180	167	158	397
August 1954	98	2,657	9,743	2,449	934	245	79	11	9	7	12	31
September ,,	95	2,630	9,902	2,304	914	241	66	11	9	11	12	31
October ,,	99	2,881	10,181	2,458	936	241	65	13	10	19	15	32
November ,,	...	...	...	...	991	228	73	15	13	25	9	34
December ,,	...	...	...	...	1,064	229	70	20	14	21	10	30
January 1955	...	...	...	...	1,082	223	74	29	17	19	15	35
February ,,	...	...	...	...	1,021	209	72	18	16	15	15	33
March ,,	...	...	...	...	1,096	227	78	29	19	15	14	33
April ,,	...	...	...	...	1,034	222	77	21	18	11	12	33
May ,,	...	...	...	...	993	223	80	19	17	8	13	33
June ,,	...	...	...	...	946	217	80	15	16	6	12	32
July ,,	...	...	...	...	1,000	228	87	18	18	6	16	34
August ,,	...	...	...	...	1,009	230	88	15	13	9	16	34
September ,,	...	...	...	...	999	232	79	13	12	11	14	32

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)	Particulars	From 1st Sept. 1955 to 30th Jan., 1956 Bales	From 1st Sept. 1954 to 30th Jan., 1955 Bales
Bombay Island—			**From Bombay**		
Cotton Receipts	Week ended 26th Jan., 1956	20,097	Cotton Shipments to—		
	Corresponding week, 1955	51,529	United Kingdom	32,887	10,465
	1st Sept. to 26th Jan., 1956	525,005	Continent	64,110	18,429
	Corresponding period, 1954	408,296	Hongkong	26,534	...
Cotton Exports†	Week ended 26th Jan., 1956	2,276	China	34,651	1,400
	Corresponding week, 1955	11,821	Japan	150,476	41,483
	1st Sept. to 26th Jan., 1956	319,758	U.S.A.	2,658	8,177
	Corresponding period, 1955	415,041	Other Countries	2,235	760
Mill Consumption (Estimated)	1st Sept. to 26th Jan., 1956	512,822	Total to all foreign countries	313,551	80,723
	Corresponding period, 1955	504,685	Coastal Ports	60,743	42,717
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 26th Jan., 1956	444,721		Period	Quantity (Bale of 400 lbs.)
	Corresponding date, 1955	368,068	Consumption of Cotton—		
Cotton Exports from Bombay (by sea)	During November, 1955	65,180§	Indian	September, 1955	882,979
	1st Sept., '55 to 31st Nov., 1955	296,531	Foreign		45,174
	1st Sept. '54 to 31st Nov., 1954	75,778	Indian	Twelve months ended Aug., '55	4,138,438
			Foreign		630,474
Karachi (Pakistan)—			Indian	Same Period 1954	3,488,748
Receipts	1st Sept. to 12th Jan., 1956	743,003	Foreign		719,073
	Corresponding Period, 1955	665,776	Stocks (Mills and Elsewhere)—		
			Indian	As on 30th Sept., 1955	1,278,133
Exports	1st Sept. to 12th Jan., 1956	336,146	Foreign		172,306
	Corresponding period, 1955	197,970	Indian	As on 30th Sept., 1954	916,006
			Foreign		169,213
			Cotton Pressed in India (In running bales)	Week ended 20th Jan., 1956	48,088
				Corresponding week, 1955	110,482
				1st Sept. to 20th Jan., 1956	820,223
				Corresponding period, 1955	1,376,477

† Incomplete. ‡ Excluding Zoda and Yellow Pickings, etc § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926–33	63,30,26 000	1960–70	101¼
3 % Loan	1938–39	1,16,17,46,000	1963–65	94¼
3 % Loan	1950	80,33,10,000	1964	94¼
3 % Fg. Loan	1943	1,10,11,79,000	1966–68	92½
3 % V. Loan	1944	1,14,06,89,000	1957	99⅞
3 % Loan	1945	1,15,05,83,000	1970–75	88½
3 % 2nd V. Loan	1945	1,13,65,64,000	1959–61	99⅜
3 % Loan	1951	50,35,53,000	1958	99⅛
2½ % Loan	1946	45,63,07,000	1960	96½
2½ % Loan	1946	57,00,69,000	1961	93⅛
2½ % Loan	1946	14,77,48,000	1962	89½
2½ % Loan	1947	75,86,72,000	1962	93½
3 % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99½
3½ % N.P. Loan	1954	157,85,41,000	1964	98½
3½ % N.P. Bonds (2nd Series)	1955	100,00,00,000	1965	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,98,36,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	80 / 80½
3 % Loan	1946	245,91,66,000		
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,20,000	1958–68***	103⅛
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99⅛
3 % Bombay	1943	2,99,35,000	14th Sept. 1958	99⅛
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98½
3 % Bombay	1949	5,62,12,000	1st Aug. 1962	94
3 % Bombay	1950	2,97,30,000	31st July 1960	96
3½ % Bombay	1951	2,97,66,000	17th Sept. 1963	93½
3 % Bombay	1953	5,50,35,000	15th July 1963	101½
4 % Bombay	1952	3,61,31,700	1st Aug. 1964	101½
4 % Bombay	1955	9,00,00,000	1st Sept. 1967	100½
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99⅛
4 % Cochin	1946	1,00,00,000	16th Dec. 1958–68	98½
3½ % Howrah	1936	70,09,000	1st June 1956–61	99½
By dge (New)	1926–27	1,95,96,700	1956–66	95½
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99⅛
3 % Madras	1939	1,23,85,500	31st June 1959	96½
3 % Madras	1942	1,25,10,000	14th Sept. 1956	99½
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98⅛
3 % Madras	1945	2,78,44,000	15th Sept. 1960	96
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	92½
3 % Madras	1946	4,38,28,400	31st July 1960	95½
3 % Madras	1951	3,01,49,300	17th Sept. 1962	97½
4 % Madras	1953	10,23,63,000	15th July 1963	100½
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100⅛
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99⅛
3 % Mysore(f)	1933	2,85,55,000	1955–63	101
3 % Mysore(f)	1936	5,99,72,900	30th Apr. 1956–61	99½
4 % Mysore	1947	5,06,05,700	25th Jan. 1958	99½
4 % Mysore	1953	8,23,47,000	15th July 1963	100⅛
4 % Mysore	1955	8,25,00,000	1st Sept. 1967	99½
3 % M.P.	1942	50,54,200	14th Sept. 1956	99⅛
3 % M.P.	1944	52,69,800	15th Aug. 1958	98½
3 % M.P.	1948	2,02,28,800	15th Sept. 1954	98
3 % M.P.	1950	1,01,44,700	31st July 1960	94½
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98½
3½ % M.P.	1953	1,02,18,100	15th July 1963	100⅛
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99½
3 % Punjab**	1938–44	3,49,87,200	15th Aug. 1958	98½
3 % Punjab**	1943	2,46,78,300	14th Sept. 1956	99
3 % Punjab**	1944	2,95,81,900	15th Sept. 1960	97½
3 % Saurashtra	1955	8,25,00,000	1st Sept. 1967	99½
3½ % Travancore	1938	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	8,25,60,000	15th July 1963	100–1⅛
3 % U.P.	1936	1,57,42,600	15th Sept. 1961–66	90½
3 % U.P.	1943	3,02,24,500	15th Aug. 1958	98½
3 % U.P.	1945	2,17,89,700	15th Sept. 1960	95½
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	92⅛
3½ % U.P.	1951	1,94,11,700	17th Sept. 1962	98½
4 % U.P.	1952	6 11 45,200	1st Aug. 1964	100⅛
4 % U.P.	1953	5 65,15,800	16th July 1963	100⅛
4 % U.P.	1955	8,50,00,000	1st Sept. 1967	99⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
78,00,000	4	1908	1968	100N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,376	4	1913*	1960	D
80,00,000	4	1913	1974	100¼N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
58,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,61,000	4	1926*	1960	
10,25,000	3½	1926*	1960	
85,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
99,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
45,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,34,800	4	1914	1974	99
76,90,100	4	1915	1975	99
1,50,00,000‡	3½††	1921	1951	92
68,08,2300	6½	1921	1991	144N
98,31,500	5½	1926	1956–86	103
99,54,500	5½	1926	1956–86	101⅛
1,49,49,500‡	5	1927	1957–87	102
1,49,30,000	5	1928	1958–88	103
90,00,000‡	4½	1931	1991	95
40,00,800	3	1935	1945	97½
25,00,000	3	1938	1843–68	90
50,00,000	3	1943	2003	74
50,00,000	3	1943	1973	85
50,00,000	3	1946	1976	84
50,00,800	3	1946	2006	74
1,00,00,000	2½	1947	1977	79½
50,00,000	3	1948	1978	83½
50,00,800	3	1949	1959	97
1,00,00,000	3	1949	1959	97
50,00,000‡	3	1950	1960	95½
1,00,00,000	3	1952	1962	93½
50,00,000	3½	1951	1981	96½
1,50,00,000	3½	1951	1981	96½
50,00,800	4	1953	1983	100
50 00 00,000	4	1953	1983	98⅛
90,00,800	4	1953	1983	97½
STERLING LOANS				
£593,600	5	1923	1953–58	£87½
£901,000	5	1924	1954–64	£87½
£385,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
$1,47,100	3½	1947	1977	
9,86,000	3	1948	1977	A
3,00 0000	3	1949	1979	
45,00,0000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
80,00,000	4	1903	1963	
50,00,000	4	1904	1964	97½N
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	
30,00,000	4	1907	1967	
80,00,000	4	1908	1968	
25,00,000	4	1912	1972	
50,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113N
66,00,000	5	1920	1958–80	
25,00,000	5	1926	1956–86	115N
25,00,000	4	1927	1961–70	98N
10,00,000	5	1928	1958–88	
STERLING LOANS				
£566,600		1909	1969	£95½N
£333,000		1910	1970	£95½N
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	107
50,00,000	5½	1924	1954	99½
35,00,000	5½	1925	1955	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
20,00,000	3	1938	1968	90
80,00,000	4	1952	1962	99⅛

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
90,60,000	4	1918–19	1974	100
10,00,000	5	1920	1950	113N
25,00,000	5	1928	1958	105
8,45,500	5	1929	1954–59	to
25,31,500	5	1929	1959	106⅛
4,55,00,000	5½	1947	1977	86
2,50,00,000	3½	1949	1979	86½
4,00,00,000	3½	1950	1965	92½
2,50,00,000	3½	1950	1966	100½
3,00,00,000	3½	1951	1966	97½
1,80,00,000	4	1953	1963	100
1,00,00,000†	4	1953	1963	100
1,00,00,000†	4	1954	1966	100
2,80,00,000	4	1955	1967	99½
CALCUTTA				
Rs.				Rs.
25,00,000	5	1928	1958	103
25,00,000	5	1929	1957	102½
25,00,000	5	1929	1958	102½
10,00,000	5½	1932	1962	108
10,47,700	5	1935	1965	94
50,00,000	3	1936	1966	90
47,50,000	3	1938	1968	90
10,47,700	3	1938	1968	90½
15,56,800	4	1939	1956	99½
15,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99½
17,54,400	4	1942	1959	99½
21,10,000	3½	1942	1972	90
16,49,000	3½	1951	1960	97
16,35,000	3½	1951	1961	97½
66,33,000	3½	1951	1966	97½
87,36,000	4	1952	1962	99½
72,50,000	4½	1954	1979	100
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1961	98½
4 % W. Bengal	1952	8,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,50,25,000	15th July 1963	100⅛
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100

N—Nominal.
ABBREVIATIONS
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak Currency. *** See Rupee Counterparts.
† Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.
‡ Rate of Interest reduced from 4½ to 4 per cent. with effect from 1st Aug. 1954.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank	15,00,000	1901	6	Mar.	Sept.	132	100
BREWERIES AND SUGAR							
Bharat Sugar	5,00,000	1931	5	Dec.		70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar.	Sept	105	100
Cawnpore Sugar Works	10,00,000	1905–24	9	Feb.	Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July	Apr.	6–2½d	5
¶East India Distillers	£200,000	1897	7	Jan.	July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.		68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.		68	100
Purtabpore Co.	6,00,000	1922	10	Oct.		17	10
Ramnuggar Cane	4,00,000	1933–36	6	Aug.		108	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct.	Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.		20N	100
Travancore	15,00,000	1946	5(c)	Dec.		8½	10
Upper Ganges	12,00,000	1946	5(a)	Dec.		90N	100
Do.	15,00,000	1946	5(a)	Dec.		70N	100
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	Ju'y	113	100
Borrea	4,00,000	1896–97	6½	Oct.	Apr.	117	100
Burrakur (1st)	22,99,800	1901–19	7	Apr.	Oct.	122xd	100
Do. (2nd)	4,50,000	1946	5(a)			5½d	10
Equitable	4,00,000	1905	6	Mar.	Sept.	116xd	100§
Karanpura Collieries	7,50,000	1946	5½(a)			70	75(pp)
††Khas Kajora	1,93,000	1921	6	Mar.	Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan.	July	13½	10
Ondal ‡	2,00,000	1898–99	6½	Apr.	Oct.	113	100
COTTON							
Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	100	100
Bansilore	6,00,000	1884	6	Jan.	July	125xd	100
Basauti Cotton	5,00,000	1938	6½	Nov.		9	10
Benares Cotton	1,05,200	1919	7	July	Jan.	15N	100
Bengal-Nagpur	3,00,000	1896	7	Apr.	Oct.	110	100
Bengal-Nagpur	6,00,000	1900	8	Feb.	Aug.	135	100
Bowreah 'A'	6,00,000	1900	7	Feb.	Aug.	70	100
Do. 'B'	6,00,000	1900	7	June	Dec.	65	50
Bradbury	14,75,000	1919	7½	Jan.	July	141xd	100
Buckingham & Carnatic	21,30,200	1920	7½	Jan.	July	126xd	100
Cambodias	1,00,000	1928	7	Apr.		4–5	500
Central India	50,00,000	1913	5	Apr.	Oct.	111½	100
Coimbatore Pioneer	1,00,000	1935	6½	Nov.		10	100
Elgin	11,00,000	1913	6	May	Nov.	130	100
Empress	3,00,000	1943	5	July		10	10
Do. 'B' Pref.	4,20,000	1943	7(a)	May	Nov.	87½	100
Elphinstone	25,00,000	1919	7	June	Dec.	134	100
Essoreen	20,91,000	1919	7	Apr.		9	100
Khatau Makanji (Ind)	29,92,500	1947	6	Nov.		9–12½	10
Kothari	12,00,000	1946	5(a)			206½	250
Lakshmi Cotton (Bomb

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=No claim quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. I=Interim Dividend. I=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as shown % per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs	Dividend Per Ordinary Share: 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
50,00,000	62,567	76,28,421	43,05,372	—1,17,209	Rajputana Textiles (Agencies) Ltd..	47,512	8,981	Apollo Mills	2-11½	2	0 4(e)	0 4 (e)	0 2(e)		12	Y.
40,00,000	24,00,000	1,34,85,581	72,25,655	—5,76,311	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	45	100	*Nil*	*Nil*	*Nil*		3	Y.P.T
2,50,98,000	2,35,99,019	4,25,75,764	3,54,21,698	52,579	Nowrosjee Wadia & Sons, Ltd. ..	2,29,552	4,855	Bombay Dyeing & Mfg. ..	491½	250	20 0	22 8*	20 0	7 81	12	Y.
10,00,000	27,36,559	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd. ..	42,068	860	Bradbury Mills	180	50	100 0	100 0	75 0		3	Y.P.
1,00,42,800	2,27,54,197	2,83,17,250	1,85,13,280	31,32,663	Birla Bros., Ltd.	1,25,936	2,698	Century Spg. & Mfg. ..	444½	100	20 0	22 0	22 0	8 01	12	Y.
49,00,000	15,44,690	1,16,09,462	65,52,039	—33,25,720	V. J. Phani (Chairman and Managing Director) ..	40,668	798	Colaba Land & Mill	70	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	11,38,470	81,59,789	48,80,041	20,755	(Cowasjee Jehangir & Co., Ltd.	30,130	680	Coorla Spg. & Wvg. ..	132½	100	7 8	7 8	7 8	7 8	12	Y.
16,00,000	27,17,861	63,47,587	52,46,041	47,117	Ramnarain Sons, Ltd.	38,304	..	Dawn Mills	91	50	6 0	6 0	6 0		12	Y.
34,00,000	27,75,003	73,60,731	64,75,724	50,166	Purannal Radhakishan & Co. ..	50,296	928	Edward Textiles	320	200	15 0	15 0	15 0		12	Y.
80,00,000	11,93,292	1,10,92,641	75,74,225	32,796	M	43,376	886	Elphinstone Spg. & Wvg. ..	49½	50	3 0	*Nil*	3 8	2 81	12	Y.P.
50,00,000	64,31,875	1,05,11,445	71,55,296	3,90,661	James Finlay & Co., Ltd.	46,672	784	Finlay Mills	305	100	20 0	16 0	16 0		12	Y.
11,84,000 / 16,000	76,64,589	1,27,76,810	99,11,500	9,223	Thac ersey Mooljee & Co. ..	49,672	1,126	Hindoostan Spg. & Wvg. Mills ..	4,800 / 99½	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
2,00,00,000D / 50,00,000D	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,38,030	6,278	India United Mills	250 / 114	250	50 0	56 4*	56 4	75 0	3	
8,65,000 / 35,000	74,24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee& Co	56,256	1,192	Indian Mfg.	100 / 4,800	100 / 1,000	0 10D. / 200	*Nil* / 0*	0 10 / 225	*Nil* / 0*	0 10I / 300	0 0	3	Y.P.
59,85,000	40,58,451	2,37,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd. ..	84,604	1,513	Khatau Makanji Spg. & Wvg. ..	207½	500	100 0	112 8*	112 8	150 0	3	
1,00,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,185	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	319	100	18 0	20 0*	18 0	6 01	12	Y.
88,86,000A / 3,60,000B	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,516	1,640	Madhusudan Mills	112½ / 204	100A / 100B	6 4 / 6 4	6 4 / 6 4			6	Y.P.
22,13,050	59,74,916	1,14,37,317	54,72,963	16,412	N. Sirur & Co., Ltd.	48,676	644	Modern Mills	80N	50	5 0	5 0	5 0		10	Y.T.
51,75,000	32,62,000	1,94,11,194	1,47,72,041	66,352	Piramal & Sons	66,352	1,642	Morarjee Goculdas Spg. & Wvg.	230	100	12 0	12 0	14 0		6	Y.P.
1,57,71,400	61,70,518	5,74,06,779	1,55,00,000	5,71,076	Chinai & Co., Ltd.		..	National Rayon Corporation ..	205	100	*Nil*	9 0	10 0		12	Y.P.
24,00,000	25,60,685	74,52,403	46,04,752	27,546	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	1,061½	100	10 0	10 0	10 0		12	Y.
80,00,000	15,47,407	89,82,380	61,42,740	12,517	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	188	100	10 0	10 0	7 8		12	Y.P.
12,70,100	26,36,004	42,09,552	18,76,860	423	Mafatlal Chandulal & Co., (Bombay), Ltd.	34,100	873	New Union Mills	37	10	1 4				12	Y.
48,00,000	26,62,278	1,49,08,112	99,59,811	1,26,364	Ramnarain Sons, Ltd.	66,324	1,190	Phoenix Mills	137½	100	8 0	8 0	8 0		12	Y.
40,00,000	46,98,014	81,89,335	23,00,000	3,13,558	Podar Sons, Ltd.	32,600	930	Podar Mills	162½	100	10 0	10 0	10 0	01	12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,340	—1,72,154	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill ..	20xr	10	1 4	0 12	0 8		12	Y.
25,00,000	69,06,474	1,24,22,606	81,47,282	10 145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	40	10	1 4	1 4			12	Y.
60,00,000	1,13,00,061	91,52,900	50,71,464	1,53,662	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills ..	207½	100	12 8	14 0	14 0		12	Y.P.
42,00,000	25,75,550	93,88,962	71,00,946	15,898	Forbes, Forbes Campbell & Co. Ltd.	35,180	1,276	Simplex Mills	178	50	15 0(p)	15 0	11 0	10 0	3	Y.
56,00,000	1,22,33,867	1,85,08,331	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons ..	57,288	1,633	Standard Mills	377½	100	20 0	20 0	20 0		12	Y.P.
1,00,00,000	32,26,342	1,02,48,387	1,02,23,292	43,799	Tata Industries Ltd.	70,764	2,000	Svadeshi Mills	155	50A	7 8	12 0	12 0		12	Y.P.
36,00,000	62,78,465	1,17,42,921	70,22,715	3,59,764	James Finlay & Co., Ltd. ..	38,928	552	Swan Mills	205	50B	12 0	12 0	12 0		12	Y.P.
32,57,438	49,96,589	1,59,55,305	48,92,129	11,417	Tata Industries Ltd.	62,096	1,800	Tata Mills	50	25	1 0	1 8	2 8		12	Y.T.P.
12,00,000	62,55,709	1,15,36,436	81,90,000	2,816	Thackersey Mooljee Son & Co.	54,424	1,181	Western India Spg. & Mfg.	4,950	1,000	200 0*	225 0*	225 0	300 0	3	Y.

AHMEDABAD

33,00,000	21,11,650	1,36,23,272	60,47,202	5,403	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	160	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	90,55,836	89,83,124	65,39,067	7,878	P. M. Huttheesing & Sons, Ltd.	42,768	912	Arvind Mills	620	100	20 0*	20 0*			12	Y.P.
26,25,000	2,40,17,401	1,48,07,666	1,03,05,000	46,584	Narottam & Sons	66,792	1,216	Arvind Mills	1,260	100	25 0	25 0	25 0		12	Y.P.
20,00,000	38,43,340	79,44,276	56,25,000	3,90,074	Mangaldas & Bros. Ltd. ..	35,584	884	Arvindaya Glinning & Mfg. ..	42½	200	15 0	15 0			12	Y.P.
12,00,000	1,08,38,621	82,14,168	56,70,738	55,358	Lalbhai Dalpatbhai & Co. ..	37,304	914	Asoka Mills	65½	100	22 0	22 0*	22 0		12	Y.P.
1,24,79,011	11,66,208	4,24,85,718	3,07,59,344	16,06,756	Kasturbhai Lalbhai and Ltd. ..	1,39,124	2,372	Calico	440½	125	18 0	18 0	18 0		12	Y.P.
62,48,000	28,04,000	1,10,69,983	79,50,000	1,96,242	Tricumlal Bhoglal & Co. Ltd.	45,836	867	New Commercial Mills ..	1,500	100	70 0	70 0	70 0		12	Y.P.
80,00,000	66,61,702	1,14,89,135	91,35,306	6,387	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg. ..	750	125	35 0	35 0	35 0		12	Y.
5,00,000	61,15,982	46,72,745	31,76,001	700	Jayabhai Bhoglal Nanavaty & Co. Ltd.	24,840	572	Nutan Mills	305	100	30 0*	30 0*			12	Y.P.
12,50,000	1,09,22,589	79,71,738	52,25,077	32,522	Lalbhai Dalpatbhai & Co. ..	31,120	634	Raipur Mfg.	1,325	100	25 0	17 8			12	Y.P.
12,00,000	13,98,057	74,95,969	59,67,450	—39,90,510	Manaklas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg. ..	302½	250	*Nil*				12	Y.P.
12,50,000	16,74,823	84,83,940	52,67,803	4,020	Lalbhbai Girdhardas Ltd. ..	31,156	685	Rohit Mills	207½	100	9 0	9 0			12	Y.P.
25,98,150	1,90,84,538	1,60,18,812	1,34,25,000	2,52,570	Harivallabhdas Kabdas & Co.	94,116	1,733	Shri Ambica Mills	502½	50	16 0	18 0	20 0		12	Y.P.
19,52,500	59,00,194	78,58,018	62,03,800	6,434	Mafatlal Chandulal & Co., (Ahmedabad), Ltd.	36,624	720	Shorrock Spg. & Mfg.	470	100	20 0	20 0	25 0*		12	Y.
33,00,000	26,96,488	1,03,76,840	68,35,291	32,764	Haridas Achratlal & Co., Ltd. ..	36,176	780	Vijaya Mills	605	400	35 0*	35 0*	35 0*		12	Y.

WEST BENGAL

15,00,000	1,82,800	34,23,069	21,01,810	1,03,030	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	6	10	*Nil*	0 4	0 8		12	Y.P.T.
7,11,280	5,40,776	43,42,381	25,67,597	98,743	Bengal Textile Agency, Ltd. ..	32,352	936	Belaca Luxmi Cotton Mills ..	49 N	40	2 0	*Nil*	4 0	4 0	3	Y.
6,00,000	22,71,793	81,33,222	51,52,000	—24,31,401	Kettlewell Bullen & Co., Ltd.	42,782	841	Bowreah Cotton Mills	360	100	*Nil*	*Nil*	*Nil*	*Nil*	6 12	H.P.
1,60,00,000	1,01,41,469	1,01,41,469	69,35,000	—7,06,925	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	305	100	*Nil*	*Nil*	*Nil*	*Nil*	6 12	H.
5,00,000	1,98,18,540	3,42,43,338	1,08,56,338	2,15,714	Birla Brothers, Ltd.	70,040	1,990	Kesoram Cotton Mills	17	10	1 12	1 12	0 14		3	Y.P.
6,00,000 / 33,96,288	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co. ..	23,484	442	Mohini Mills .. — ..	—	25 / 10	1 4 / 0 8				12	Y.P.
19,47,7500 / 5,00,000D	5,75,000	41,29,452	21,64,462	26,93i	Hazareemull Heeralal	23,196	795	Rampooria Cotton Mills	11½ N / 4N	10 / 1D	0 8 / *Nil*	0 8 / *Nil*	0 10 / *Nil*		6	Y.

SOUTH INDIA AND OTHER CENTRES

15,00,000	9 00 000	60,87,191	29 09 649	—8,54,233	Ramia & Co., Ltd.	55,000	..	Alagappa Textiles (Cochin) Ltd.	8	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
0.8.71,94,400	44 93,307	2,10,91,206	50,50,013	..	Industrial Trust Fund ..	36,186	750	Azam Jahi Mills	91	100	6 0	6 0	*Nil*		9	Y.
40,50,000	1,91,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd. ..	40,068	1,185	Bangalore Woollen, Cotton and Silk Mills	555	100	15 0	25 0	30 0	10 01	12	Y.P.
27,00,000	15 50,000	77,25,162	53,72,132	18,199	M	29,936	782	Bengal Nagpur Cotton Mills ..	11⅛	10	0 8	0 4	*Nil* t		6 12	H.P.T.
1,15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	39,896	998	Birla Cotton Spg. & Wvg., Delhi	95	10	0 4	*Nil*			3	Y.
1,78,47,900	1,54,69,697	4,50,39,308	1,14,94,493	2,59,065	Binny & Co. (Madras), Ltd. ..	1,20,356	2,737	Buckingham & Carnatic	170	100	8 0	8 0	8 0		3	Y.
20,00,000	20,00,406	34,17,920	19,76,934	1,55,087	Pelica Leslie & Co., Ltd. ..	38,766	4	Cambodia Mills	40	100	4 0	10 0	10 0	4 01	12	Y.P.T.
15,00,000	4,51,500	44,03,466	21,80,176	44,557	K. Damodaran, Esq.	17,176	..	Coimbatore Spg. & Wvg. ..	1434	100	12 0	12 0	20 0	12 0	3	Y.
30,00,000	25,93,976	58,07,118	50,34,815	29,514	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	100	100	9 0	9 0	9 0	*Nil*	3	Y.
12,00,000	20,63,000	30,95,973	24,85,699	4,614	K. Bheema Naidu & Co. ..	28,864	..	Coimbatore Cotton Mills ..	846	100	9 0	20 0	25 0		12	Y.
10,00,000	14,20,000	36,95,513	21,28,500	14,053	T. R. S. Naidu & Co.	23,734	..	Coimbatore Pioneer Mills ..	242	100	9 0	15 0	20 0		12	Y.
20,76,900	4,19,814	1,15,51,599	82,06,019	16,884	K. R. S. Naidu & Co.	72,823	407	Coimbatore Spg. & Wvg. ..	50	10	*Nil*	*Nil*	3 8	6 0	6	Y.P.
46,87,500	52,82,440	2,48,18,409	1,58,09,883	3,703	Tata Industries, Ltd.	1,15,188	2,062	Central India	136	100	2 0	2 0	2 0	2 0	6	Y.P.
3,34,85,625 / 1,00,563	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. R. Charat,Ram & Co., Ltd.	1,16,636	2,855	Delhi Cloth & General Mills ..	34½	25 / 25	1 2 / 1 12	1 12 / 2 4	2 4 / 2 8		6	Y.P.T.
24,34,800	24 72 758	47,34,037	33 82,512	9 244	M. N. Chettiar & Sons	32,164	201	Dhanalakshmi Mills	856	100	20 0	20 0	20 0		12	Y.
63,00,000	66,33,060	1,52,16,382	1,29,71,631	93,385	Begg, Sutherland & Co., Ltd.	53,768	1,198	Elgin Mills	257	10	1 8	1 0	1 0	1 0	9	Y.P.
48,81,000	33,91,175	89,91,779	65,24,070	37,169	Forbes, Forbes Campbell & Co., Ltd.	72,304	3	Gokak Mills	213	100	17 0*	17 0	13 0	1 0	9	Y.
50,00,000	3,09,654	1,29,85,712	1,03,03 420	6,150	Govindram Seksaria, Indore) ..	51,180	1,420	Indore Malwa United	1134	100	6 0	6 0	6 0	3 01	12	Y.
8,00,000	10,65,683	30,91,189	16,77,748	—50,124	G. V. Naidu & Co.	24,828	..	Janardana Mills	86	50	8 12	4 8	5 0		12	Y.
24,00,000	16,25,000	78,88,868	26,50,000	20,382	Kothari Textiles	43,000	300	Kothari Textiles	17½	10	0 12	0 8	0 8	1 0	6	Y.P.
32,00,000	59,32,519	1,42,27,744	1,05,78,587	19,089	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	660	250	37 8	37 8	33 12	12 81	12	Y.P.
25,64,100	66,55,960	1,11,86,880	75,29,888	74,376	G. K. Naidu & Co.	35,908	201	Laksmi Mills .. — ..	180	50	5 0	5 0	10 0	12 81	3	Y.P.
17,82,050									90	25	2 8	2 8	5 0	6 4		
1,75,02,480	4,13,81,878	5,66,33,243	3,44,90,463	9,66,800	A. & F. Harvey Ltd.	4,63,852	..	Madura Mills	50½	15	3 0	3 0	3 0		3	Y.P.
12,00,000	4,17,863	28,26,768	16,72,262	—99 073	A. L. A. R. S. Chettiar and 2 others	22,592	100	Malabar Spg. & Wvg.	111	100	8 0	8 0	4 0		12	Y.
60,00,000	69,00,000	62,41,446	41,80,235	1,43,409	W. A. Beardsell & Co., Ltd. ..	25,656	603	Mettur Industries Ltd. ..	370	100	12 8	12 8	22 8*	35 0	3	Y.
20,59,700	19 47,903	84,13,677	46,82,154	9,399	N. Sirur & Co., Ltd.	39,200	704	Minerva Mills	86	100	5 0	7 0*	5 0(e)		6	Y.
94,91,850	27,24,404	1,61,29,118	78,81,528	—7,44,932	Bansilal Abirchand Dadabhoy & Co.	51,340	955	Model Mills (Nagpur)	155	50	7 8	7 8*	5 0(e)		6	Y.
30,00,000	52,19,600	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,834	Mulr Mills	118N	100					12	Y.P.
24,83,500	50,34,547	99,16,060	63,99,938	23,705	N. Sirur & Co., Ltd.	49,432	500	Mysore Spg. & Mfg.	100xd	50	10 0*	10 0*	8 8*	6 0(e)	3	Y.P.
18,61,780	2,55,745	29,42,992	15,27,000	8,986	K. Suryanarayana Rao, Esq. Manager	6,060	..	Mysore Spun Silk Mills ..	44	10	*Nil*	*Nil*	*Nil*		3	Y.
23,49,8820 / 3,07,095D	25,62,532	1,02,16,295	58,90,719	—99,62,320	J. P. Srivastava & Sons, Ltd. ..	49,676	1,198	New Victoria Mills	1½ / —	10 / 1	0 2½ / D. I	*Nil* / *Nil*	*Nil* / *Nil*		12	Y.P.
37,14 300	57,72,270	1,68,54,562	62,58,098	....	Industrial Trust Fund	37,788	847	Osmanshah Mills	76	100	7 0	4 0	*Nil*		9	Y.
4,00,190A / 6,00,000B	7,50,000	35,04,758	21,95,715	9,122	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	155 / 225	50A / 75B	7 8 / 11 4	12 0 / 18 0	12 0 / *Nil*		12	Y.P.
15,00,000	2,25 000	34,59,511	16,41,045	—18,87 240	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	65½	100	*Nil*	*Nil*	*Nil*		12	Y.
16,81,200A / 3,49,200B	20,00,000	78,90,455	41,41,878	28,607	A. G. Gurusamy Naidu & Co.	50,584	301	Radhakrishna Mills	270 / 1254	100A / 50B	6 0 / 3 4	8 0 / 4 8	16 0 / 8 0		12	Y.
16,00,000	33,75,000	34,37,775	17 67,922	12,337	B. R. Naidu & Sons	27,368	..	Rajalakshmi Mills	160	50	4 8	7 8	10 0		12	Y.P
23 23 375	12 10 000	8: 91,546	14,22,264	23,505	Rajalaxmma Development Co. ..	14,800	..	Ravalaseema Mills	187	100	6 0	6 0	9 0		12	Y.
60,00,000	62,66,608	98,29,367	35,63,291	—19,59,423	J. P. Srivasava & Sons (Kampur) ..	33,984	600	Rasa Textiles	7N	10	*Nil*	*Nil*			12	Y.P.
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co. .. — ..	86,048	2,234	Shoiapoor Spg. & Wvg. ..	1,000 / 1,000	1,000 / 500	*Nil* / *Nil*	*Nil*	*Nil*		3	Y.P.
26,69,700	16,63 628	71,75,918	51,35,889	27,871	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills ..	80½	50	4 0*	4 0*	4 8		3	Y.
26,14,800	2,90,246	35 18,906	17,73 000	—2 46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	90N	100	*Nil*	*Nil*	*Nil*		3	Y.
15,00,000	2,49,73,958	87,33,169	62,02,085	31,22,917	Birla Brothers, Ltd.	36,212	1,242	Sutlej Cotton Mills	126N	10	4 0	4 0	5 0		3	Y.
17,50 000 O / 1,57,50,000 O	2,25,00,000	4,86,43,014	1,62,17,868	5,89,690	Jaipuria Brothers	114,836	2,077	Swadeshi Cotton (Kanpur) ..	9½ / 10	10 O. / 10P O.	*Nil* / *Nil*	0 8 / 0 14 2/5	0 12 / 1-2 2 5		12	Y.P.
99 84,040	16,00,000	2,75 11,606	1,00,28,764	1,23,122	Emcete & Sons (Travancore), Ltd.	..	..	Travancore Rayons	15⅛	10	*Nil*	0 8	0 10		12	Y.P.T
13,98 670	8,79 479	18,36,297	10,45,186	8,321	Mooljee Ramlee & Sons	16,256	..	Trichinopoly Mills	12⅛	10	0 11 1/8	0 11 5/8	0 14 2/5		12	Y.
31,90 000	32 00,000	56,92,295	36,81,499	30,590	K. K. S. Chetty & Brothers ..	41,404	270	Vasanta Mills	250	100	12 0	12 0	15 0		12	Y.
32.00.000	31,99,443	1,38,35,636	1,00,33,390	22,250	Bombay Co., Ltd.	54,280	1,495	Vishnu Cotton	177½	100	10 0	4 0	4 0	2 81	12	Y.P

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.
(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs.50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share: 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	8⅛	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,30,020	17,21,569	24,69,631	12,75,708	13,708	Mr K. G. Khanna	Dyer Meakin Breweries	6⅛	5	0 8	0 8	0 8		3	Y.
£80,000A / £300,000B	£897,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	20⅛ / B. £1	A. 16sh. / Sh. 3	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh09 3/5l	9	Y.P.
6,00,000	9,60,000	11,63,313	11,63,307	4,057	Vittal Maliya, Esq. (Chairman)	United Breweries	189⅛	75	15 0	15 0	15 0		3	Y

CEMENT

11,37,700A / 39,79,020B / 43,14,600O / 4,70,976D	10,85,516	79,90,234	39,82,658	26,623	Andhra Engineering Co.,Ltd. ..	Andhra Cement Co.	159 / 16 / 2⅛ / 1⅛	A. 100 / B. 10 / O. 10 / D. 1	7 8 / 0 12 / *Nil* / *Nil*	10 0* / 1 0* / *Nil* / *Nil*	10 0 / / /		12 / 3 / 3 / 3	Y.P.T. / Y. / Y.P. / Y.
12,71,86,208	5,49,40,018	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies ..	201⅛	100	9 8	9 8	8 8	10 0	7	Y.
60,00,0000O / 26,50,0000O / 5,00,000D / 91,91,0300O / 7,50,000D	48,20,901	89,92,667	29,67,544	2,86,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	33⅛ / 2⅜ / 32½ / 6⅛	O. 2½ / D. 1 / O. 25 / D. 5	0 2½ / *Nil* / 1 4 / *Nil*	4 0 / 0 1-3/5 / 1 4 / 4 0	4 0 / / 1 4 /

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents', Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs	Paid-up per Share Rs	Dividend per Share 1952 Rs a.	1953 Rs a.	1954 Rs a.	1955 Rs a.	Account Closed	Reference
PAPER														
45,00,000	35,61,841	2,00,40,004	1,45,07 804	1,73,122	Balmer Lawrie & Co.	Bengal Paper Mills	114	25	1 9	*Nil*	1 9	2 8	6,12	H.P.T.
									5 0	1 9	1 9			
30,00,000	33,44,805	1,10,02,828	74,22,575	2,10,695	Andrew Yule & Co., Ltd.	India Paper Pulp	23½	10	5 0	6 0	7 0	0 11 1/5	3,9	H.
25,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B.P. Ramakrishnan Esq. (Gen. Manager)	Bilt Paper Mills	17½	10	5 0	6 0	7 0		3	Y.
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,582	Birla Bros.	Orient Paper	33	10	1 0*	1 0*	0 12*		3	Y.
									1 0	1 0	0 7		3,9	H.P.T.
50,06,290	98,16,849	1,28,42,714	75,84,970	3,23,451	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18	10	1 0	1 0	0 8		6,12	H.P.T.
									0 12	0 12	0 12½			
80,00,000	6,52,694	53,19,789	29,44,324	6,038	Baloria & Co.	Star Paper Mills	12½	O. 10	0 12	0 12	0 12½			
10,00,000A.							12½	A. 10	0 8	0 12	0 8		3,9	H.P.T.
									1 0	1 0*	0 12	1 0*		
55,00,000A.							45½	A. 10	1 0	1 0*	0 12½			
56,04,800B.	3,07,07,316	5,39,14,072	3,13,50,222	89,160	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd. ..	45½	B. 10	1 0	1 0*	0 12	1 0*	3,9	H.P.
4,87,500F.O.									1 0*	1 0*	0 12			
							5	P.O. 2½	0 2	0 2	0 2	0 2½		
PRESSING														
6,00,000	6,12,365	15 78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	120	100	5 0	2 0	4 0	*Nil*	9	Y.
4,80,000	1,00,000	8,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	7 0	7 0		7	Y.
5,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic]	100	100	5 0	4 0	5 0	5 0	6	Y
PROPERTY AND LAND														
10,00,780O.	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq; & others (Directors)	Humayun Properties	13½	O. 10	0 8	0 11½	0 9 3/5		9	Y.P.
5,00,000D.							2½	D. 1	*Nil*	0 4/5	*Nil*			
60,00,000	18,90,088	84,21,336	15,00 000	350	David Sassoon & Co., Ltd.	Port Canning Land	12	100	1 0	1 8	1 8		4	Y.
94,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Middapore Zamindary	36	100	2 0	1 8	4 0	3 0	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	25,23,970	29,97,501	8,95,801	—4,17,492	Bird & Co	Assam Saw Mills	5½xdN	8	0 4	*Nil*	*Nil*		9	Y.
50,00,000	4,13,57,280	3,30,90,682	1,47,51,851	61,990	Wallace & Co	Bombay-Burmah Trading Corpn. ..	168½	0/d125	22 8	15 0	20 0	27-8	5	Y.
6,00,000		2,25,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	152½	New50	9 0	6 0	8 0	15-0	6	Y.P.
20,00,000	18,15,487	18,19,049	18,53,015	1,70,568	Gillander Arbuthnot & Co., Ltd.	Indian Wood Products	42	10	3 0	2 8	2 12	1 0	9	Y.
							44N	100	*Nil*	*Nil*	*Nil*			
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Pairaunpur Sugar	9½	5	*Nil*	*Nil*	0 12	0 1	6	Y.
12,00,000A.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros & Co., Ltd.	Basti Sugar	155xdN	A. 100	10 0	10 0	10 0		4	Y.
9,00,000B.							14N	B. 10	1 0	1 0	1 0			
19,49 050	5,50,000	31,91,667	23 33 812	49 906	Banpur Bros., Ltd.	Belsund Sugar	11½	7½	0 12	0 12	0 12		9	Y.
15,00,000	13,90 205	16 40 479	11 77 841	13 266	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8	1 8	6	Y.P.
32,00,000	27 79 431	1 35 9 529	88 75,177	91 758	Gordhandas Hall & Co., Ltd. ..	Carew & Co.	11½	10	*Nil*	*Nil*	0 12		6	Y.P.T.
30,00,000	57 83 651	1 63 44 647	84 32 451	82 023	Begg, Sutherland & Co., Ltd. ..	Gawlpore Sugar	24½	10	2 0	2 0	0 12	0 12	10	Y.P.
16,00,000	38,08,891	72 85 757	53 46 902	24 019	Begg Sutherland & Co., Ltd. ..	Champaran Sugar	25½	10	2 0	1 0	1 0	1 8	6	Y.
5,99 452	6,18,862	16,88,742	16,88,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	35½	10	2 0	1 0	1 0		8	Y.
85,00,000A.	83,25,000	69,96,552	45,50,000	1,08,699	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	94N	'A' 100	12 0*	15 0*			6	Y.P.
10,00,000C.							280N	C. 100	12 0*	15 0*				
12 80,000	8,61 001	75 81 300	42 63 455	27 926	Kilachand Devchand & Co.	Kesar Sugar	50N	80	*Nil*	*Nil*	*Nil*	4 8	7	Y.P.
7,89,100	22 14 058	34 94 412	10 35,833	1 364	Cotton Agents Ltd.	New India Sugar Mills	24N	40	*Nil*	*Nil*	*Nil*	2 4		
11,00 000	4,20,000	42 31,480	24,87,588	4,135	Karamchand Thapar & Bros. Ltd.	New Swadeshi Sugar Mills	42xdN	10	2 8	2 8	2 8	2 8	6	Y.P.
10,87,500A.	49,84,457	69,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar Mill	240N	100	20 0	20 0	20 0		5	Y.
2,71,875B.							60N	25	5 0	5 0	5 0		6	Y.
77,48,500	52,22,414	1,78,96,488	88,00,000	36 923	Cotton Agents Ltd.	Oudh Sugar	120N	100	6 0	11 0	11 0		7	Y.P.
12 00 000	19 74,283	2 57 660	19 96 928	55 180	Narang Bros & Co., Ltd.	Punjab Sugar	117N	100	6 0	6 0	11 0		10	Y.
9,00 000	17,64,369	37,55,809	30,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtaiipore Co.	10xd	10	1 0	1 0	0 12	0 12	10	Y.P.
8,00,000	6 54 762	25,43,762	21,01,013	24 340	M.	Rayana Sugar	21N	10	1 0	0 8	0 8		6	Y.P.
11,99,900	16,36 779	38,63 583	22 92 130	8,477	Begg, Sutherland & Co., Ltd ..	Samastipur Central Sugar ..	14	10	1 0	0 8	0 8	*Nil*	6	Y.
20,00,000	21,56,560	1,00,85 319	57,08,717	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13½xr	10	1 8	1 8	1 8	1 0§	8	Y.P.T.
99,99,950	61,825	26,83,548	11,98,627	—3,96,258	H. S. Oliveh, Esq., and R. N. Datta, Esq (Managing Directors)	Sitalpore Sugar	4½	10	0 6½	*Nil*	*Nil*		6	Y.
7,95,462	18,82,940	31,60,735	17,68,008	1,06,227	Karamchand Thapar & Bros ..	Shri Sitaram Sugar	14½	10	1 0	2 0*	1 8*		8	Y.T.
9,15,000Q	47,592	27,27 402	11,46,770	—15,90,149	N. K. Jain & Co., Ltd	South Bihar Sugar	1N	O. 10	*Nil*	*Nil*			10	Y.P.
4,40,000D.							8N	D 5½	*Nil*	*Nil*				
8,00,000	21,01 635	96 42 062	57,49,754	82,031	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 0	0 8	2 8	2 8	6	Y.P.
16,00,000	7,99,778	32,06,650	20,96,046	89,061	James Finlay & Co., Ltd.	United Provinces Sugar	23½	10	1 8	0 8	1 4		9	Y.
Other Centres														
4o 99,750	74,53,470	1,50 12,876	1,03 10,261	90,042	W. H. Brady & Co., Ltd.	Belapur Company'	212xr	50	16 0	16 0	16 0	16 0	9	Y.
17,50,000	9,24,292	33,03,879	21 36 722	4,692	A. H. Bhiwandiwalla & Sons	Bhopal Sugar Industries Ltd. ..	14	10	1 0	1 0	1 0		8	Y.
18,98,500	2,45,841	29,19,966	20,01 146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	55½	100	8 0	*Nil*	*Nil*		6	Y.P.
2s 70,610	14,00 000	25,96,229	18,50,808	4,80,236	India Sugar Agencies Ltd.	India Sugar and Refineries	22½	10	2 8	2 8	1 12		9	Y.P.
33,57,620	41,27,060	41,95,605	20,78,418	1,403	Govan Bros. (Rampur), Ltd.	Buland Sugar	144N	10	0 12	1 0	1 0		10	Y.
10,52,2000	69,50,000	95,08,952	31,00,978	48,404	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	127xd	O.100	7 8	7 8	7 8	7 8	6	Y.P.
2,87,1901							90xd	D. 10	10 0	10 0	10 0	10 0		
21,79,280	95,00,001	1,31,37,677	78,17,730	2,90,340	S. Munnanlappa Esq. (Managing Director)	Mysore Sugar	55	10	2 0	2 0	2 0	2 0	6	Y.
50,00,000	48,49,631	1,08,28,164	59,35,509	11 063	Malaiial, Apte and Kantilal Ltd.	Phaltan Sugar	12½	80	8 0	6 0	8 0	8 0	6	Y.
11,50,000	26,50,080	53,90,015	26,76,747	29,230	Anderson Wright Ltd.	Rammugger Cane and Sugar	12½	80	8 0	6 0	8 0	8 0	6	Y.
80,00,0000							8N	D. 10	2 0	2 0	2 0			
4,00,000D.	24,67,171	87,47,627	53,81,890	61,432	Walchand & Co., Ltd.	Ravalgoon Sugar Farm	6N	O. 50	9 0	*Nil*	2 0		9	Y.P.T.
19,99 608	44,88,457	47,06,689	21,73,094	4,885	Govan Bros. (Rampur), Ltd.	Raza Sugar	7N	D. 10	0 11½	0 8	*Nil*		9	Y.P.T.
30,000	10,87,776	59,76,294	17,87,159	—22,224	Parry & Co., Ltd.	Travancore Sugars	10½	10	0 12	1 0	0 12	1 0	10	Y.
1,01,00,000	61,19,890	1,85,70,930	1,04,83,812	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	22½	100	14 0	14 0	16 0		7	Y.P.T.
TRANSPORT														
20.00 000	1,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	158	100	12 8	10 0	7 8		10	Y.P.
1,00 00 000	1 67,690	4 55 14 760	1,80 05,847	1,80,085	Dunbaw Ltd.	Bharat Line	80	100	5 0	5 0	5 0		12	Y.
60 00 000	24 35 838	2 50 21 208	82 65,705	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.									
£655 580	£960,878	£5,515,631	£3,344,773	£21,366	Kilburn & Co., Ltd.	Great Eastern Shipping Co. ..	15½	10	1 0	1 0	1 0	*Nil*	6	Y.P.
2 25 00 000	74 99 233	7 93 25 442	1 51 56 690	1,26,161	Lionel Edwards Ltd.	India General Navigation & Rly. Co.	126	£10	8h.10	*Nil*	8h 1 0	*Nil*	6	Y.P.
9 40,19 673	6 94 02 051	18 36,3 413	4,34 44 300	2,73 683	Narottam Morarjee & Co.	India Steamship Co.	7½	10	0 8	0 8	*Nil*		8	Y.P.
9,00,000Q	18,58,194	11,38,000	6,80,214	1,84,123	M. M. Alyer, Esq. (Manager)	Scindia Steam Navigation Co. ..	15 7½	20	0 8	0 12	0 8	0 8	8	Y.P.
8,10,200F.O.						Wallord Transport Ltd.	2½	O. 1	as 1 3/2	as 1 3 2/5	1 12 3/5		12	Y.
							2	P.O. 1	as 1 9/2	as 1 9/2	1 19/35			
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	25 0	32 0	32 0	32 0	9	
15 00,000	2,04,178	7 10,542	90,000	42 582	Parakh Agencies Ltd.	Bombay-Uganda	62½	80	4 0	5 0	6 0		8	
25 00,000	1,00 000	25 74 2 15½	9 294	3 994	Rena Sons, Ltd.	Devkaran Nanji Investmen Co.	13	25	0 12	0 12	0 12		12	Y.
14,00 000	8,18 585	29 00,500	17,75,000	4,110	Chowgule Mantilal Ltd.	Estrella Batteries	80	50	2 8	*Nil*	3 0	2 0	8	Y.P.
1,00 00 000	19 07,676	1,27 52,603§§	....	2,85,005	Premchand Roychand & Sons ..	Industrial Investment Trust	80	50	4 8	4 8	4 8		12	Y.
99 99 975	35,08,351	35,10 309	9 81 529	6 154	K. G Milne, Esq. (Mg. Director) ..	Killick Industries	166½	100	10 0	10 0	11 0	11 0	6	Y.
2,97,02 800A.	5,28,634	2,87,33,373	1,25,90,202	5,86 717	Aero-Auto Ltd.	Premier Automobiles	83	A 100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
10,00,000B.							—	B. 10	*Nil*	*Nil*	*Nil*	*Nil*		
10 21,200	8,56 805	14,71,107	12 41,107	36,733	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	23	20	3 0				12	Y.
2,75,00,000	75,25,868	2,92,47,188	1,54,46,500	5,28,887	T. Bajaj, Esq. (Managing Director)	Western India Match Co.	103½	100	11 0*	11 0*	11 0*		12	Y.
40,00,000	52,74,847	7,24,908	3,07,108	45,948	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	850	100	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000	15,06,000	1,88,63,801	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	91	O. 10	*Nil*	*Nil*	*Nil*		8	Y.P.T.
2,50,000							84N	D. 24						
20 00,000	40,60 690	31,77,196	21,11,902	2,89,798	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	24	10	1 4	1 4	1 4		8	Y.
30 00 000	8,25,000	35,74,632	20,11,857	1,17,493	T. Rydin, Esq. (Mg. Director) ..	Assam Match Co., Ltd.	10½	10	1 0	1 0*	1 0*		8	Y.
20,00,000	23,47,268	1,00,29,610	39,87,830	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	41xdN	10	0 4	0 8 1/5	0 8 1/5		8	Y.P.T.
80,01,400	82,94,263	65,81,988	32,21,988	1,49,717	O. T. Jenkins, Esq., (Director) ..	Palmer, Lawrie & Co., Ltd.	179	100	20 0*	20 0*	18 0	2 8	12	Y.
20,00 000	7,99,470	57,55,5664§	....	1,21,733	Loveleed & Lowis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		9	Y.P.
45,97,020	26 44 914	1 00 74,580	29 49,001	1,98,548	K. Julian Frost, Esq. (Mg. Director)	Britannia Biscuits	14½	10	0 12	0 8	1 0	1 0	8	Y.P.T.
8,20,00,000	1,00,83,962	2 69,29,657	2,07,14,177	2,81,142	Sir Robert Menzies	British India Corporation Ltd. ..	11½	5	0 10	0 8	0 8		12	Y.P.
1,50,00,000	1,79,19,000	4,88 17,964	3,06,53,184	11,88,891	Cecil Stack, Esq., Mg. Director) ..	Dunlop Rubber (India) Ltd.	84	10	3 0	2 0	2 0		12	Y.P.T.
81,26,000	53,06,753	1,34,39,915§§	....	3,13,308	Bird & Co., Ltd.	Eastern Investments Ltd.	153½	100	9 0	9 0	9 0		12	Y.P.
14,00,000	9,97,000	33 18,300	18,66,225	52,823	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	194	100	20 0	10 0	7 8		8	H
									10 0	7 8	7 8	7 8		
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	15xd	10	10 0	7 8	7 8	1 6 2/5	8	Y.P.
30,00,000	11,42,904	56,59,433	27,41,525	1,666	B. P. Syndicate	Great Eastern Hotel	24½	250	15 0	15 0	4 4		8	Y.
12 42,800	9 87,984	73,31,701	53 80,659	56,106	Birla Bros., Ltd.	Hind Cycles	104N	10	8 0	8 0	10 0		12	Y.P.T.
4 96 13 800	3,20,250	3,16,34,603	94 52,719	5,19 485	Birla Bros. Ltd.	Hindustan Motors	8½	10	*Nil*	*Nil*	*Nil*		5	Y.
1 60,00,000	30,... 784	3 96,21 557	1,54,14 699	2 66 612	J. W. Cameron, Esq.	Indian Aluminium Co.	205xd	100	5 0	*Nil*	*Nil*		12	Y.
1,52,80,220	1 20,60,000	1,55,72,391	57,17,651	28 98,462	A. B. Stevenson Esq.	Indian Cables	80	10	1 0	1 0*	1 0*	1 0*	8	Y.P.T.
2 87,970	1,30,000	16,40,868	4 96 110	82 616	G. S. Mookim & Co. (India) Ltd. ..	Indian Rubber Manufacturers ..	13	10	1 0	0 12	0 8	0 8	8	Y.P.
15,14,16,000	7,23,52,983	3,55,16,147	1,17,80,408	25 00,732	Mr. Eric Henry Hare (Chairman) ..	Imperial Tobacco Co. of India Ltd.	14½	10	1 0	1 0	1 0	0 12	10	Y.
2,00,00,000	55,29,566	34,83 960	8,60,060	4,70,107	G. M. Mackinnay, Esq.	Jardine Henderson	108	100	10 0	7 8	7 8	5 0 12 4/5	8	Y.
6 34 0000	8 48,343	6,89,880	4,31,766	2,240	James & Co., Ltd.	Macfarlane & Co.	2½	O. 5	*Nil*	*Nil*	*Nil*		8	Y
66 000D.							2½	D. 1						
60,00,000Q	72,01,900	25,16,760	7,97,301	1,87,834	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.	210N	O.100	7 8	10 0	17 0		12	Y.P.
8,00 000D.							—	D.0.10	0 4	0 8	3 1/5			
1,80,95,750	58,18,868	19,97,616	8,98,141	2,52,480	T. Leslie Martin, Esq (Mg. Director)	Martin Burn Ltd.	97½	10	1 0	1 0	1 0		9	Y.P.
1,10,00,000	44,50,000	1,76,54,816	67,67,457	14 43,141	H. Chowell Jones, Esq (Chairman) ..	Metal Box Co. of India Ltd.	20½xd	10	1 0	1 0*	1 0		9	Y.P.
1,10,00,000	1,58,858	7,81,449	2,60,987	—15,239	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works ..	4-10½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
6 25 250	9,55,118	10,40,250	4,40 947	78	G Chandy, Esq (Controller)	Mysore Lamp Works	11½	10	1 0	1 0	1 0	1 0	12	Y.P.
6,56 250	1 23 000	15,19,178	8,10,626	20,916	T. Shamanna, Esq. (Chairman) ..	Mysore Tobacco	10½	10	1 0	1 0	1 4	1 0	8	Y.T.
10,00,000	51,21,172	59,00,527	39,20,120	2,22,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	20½	10	0 12	1 0	1 0	1 8*	8	Y.T.
40,00,000					B. N. Elias & Co., Ltd.	National Tobacco Co.	11½	10	*Nil*	*Nil*	0 8		8	Y.P.
79,97,000	31 15,337	1 14,74,878	52 77,592	9 03,480	Coromandel Investment Trust Ltd.	Parry & Co.	5½	5	0 4 4/5	0 4 4/5	0 4 4/5		12	Y.P.T.
40,00 000	27,00,000	44,15,474	19,71,424	1 31 468	T. A. Lykiardopulo, Esq.	Rallis (India) Ltd.	26½	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
8,25,00,000	5,41,564	1,61,45,956	43,79,429	—42,97,067	Sahu Jain Ltd.	Robtas Industries	22	10	1 0	1 4	1 8		8	Y.P.
1,14,00,000	1,17,70,298	6,94 43,127	3,00,81,812	4,46,961	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 0	1 8	1 8		10	Y.P.T.
40,00,000	93,60,504	1,15,75,870	70,99,067	5,10,675	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	16	10	1 0	1 0	1 8	1 8	6	Y.P.
40,00,000	49,00,000	13,00,0654	4,15,784	3,63,451	Ogale Bros., Ltd	Travancore Ogale Glass	8½	10	*Nil*	*Nil*	*Nil*		12	Y.
75,00,000	1,50,000	14,58,885	3,40,446	—2,06,060										
9,98,380														

§§ Investments at cost. * Includes bonus. § Exceeding Rs. 1,49,01,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amluckie	500N	100	7 8	25 0	30 01		12	Y.P.
3,50,000	8,44,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	420	Ananda (Assam) Tea	43N	10	0 12	1 4	7 81		12	Y.
5,00,000	6,48,250	10,47,044	2,03,058	72,993	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	44	10	*Nil*	2 8	8 0*		12	Y.
5,00,000	11,21,541	10,65,977	6,44,387	93,058	McLeod & Co., Ltd.	513	Badamari	24½	10	*Nil*	*Nil*	3 8		12	Y.
5,10,000	8,50,000	11,69,193	3,88,461	93,013	Andrew Yule & Co., Ltd.	360	Basmatia	32xr	10	2 0	2 8	3 0		12	Y.
3,30,000	4,65,000	10,11,265	6,40,265	18 304	National Tea Corporation	569	Batell	24½	5	0 4	2 0	4 0		12	Y.
3,20,000	8,70,000	9,69,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	40½	10	*Nil*	2 0	10 0*		12	Y.
16,50,000	20,00,000	59,30,149	22,95,189	1,99,547	Williamson Magor & Co., Ltd.	3,997	Bidinanth	37½	10	*Nil*	3 8			12	Y.
6,00,000	2,33,500	10,43,416	2,04,130	61,929	Octavius Steel & Co., Ltd. ..	435	Bokakhat	21	10	*Nil*	*Nil*	1 0		12	Y.
7,50,000	6,52,400	8,92,327	2,83,050	1,44,105	McLeod & Co., Ltd.	450	Borman Jan Tea	19	10	*Nil*	0 12	3 8		12	Y.P.T.
35,00,000	11,12,045	73,30,473	19,49,496	26,092	Brook Bond India Ltd.	2,334	Brooke Bond	20½	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,01,420	5,55,903	1,55,393	6,342	McLeod & Co., Ltd.	282	Dejoo Valley	40	10	*Nil*	1 0	6 0		12	Y.
6,00,000	10,30,000	26,04,194	16,84,471	51,350	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia ..	425N	100	10 0	20 0	40 0		12	Y.
7,53,440	9,57,383	22,73,420	4,17,846	44,531	James Warren &

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,60,000	3,52,883	25,600	22,734	Plantins Agencies Ltd.	Balmadies Plantations	5	2	0 3½	0 4	0 4	0 4 4/5	5	V.P.
17,94,186	18,13,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	7½	3	0 0 3/5	0 12	0 12	0 7 1/5	2	V.P.
18,60,000	15,60,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries) ..	Coffee Lands and Industries ..	17½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	2	V.P.
47,70,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson, Esq.	Consolidated Coffee	20⅝	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,75,708	5,55,957	48,784	7,754	Associated Planters Ltd. ..	Cottanad Plantations	15¾	10		1 8	1 12	2 4	3	Y.P.
18,00,000	9,95,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce	15½	10	1 8*	1 8	1 8	1 12*	3	Y.P.
4,00,000	10,16,061	10,85,666	1,39,566	11,970	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	25½	10	2 0	2 0	2 0		12	Y.P.
9,00,000	7,25,329	18,44,917	2,55,893	..	K. T. Thomas Kathanar, Esq.	Malankara Rubber	28¾	10	3 8	5 8	2 4	2 4	3	Y.
27,00,000	27,35,000	71,39,275	6,74,802	99,729	A. V. Thomas & Co., Ltd. ..	Midland Rubber	18¾	10	1 8	1 8	1 12*		3	Y.P.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd. ..	Nennieny Rubber	21⅛	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	2,99,688	7,29,695	44,185	3,690	Associated Planters Ltd. ..	Nilambur Rubber Co.	13	10	1 0	1 0	1 0		12	Y.P.
19,45,980	24,01,765	37,40,924	10,24,385	69,384	Peirce, Leslie & Co., Ltd. ..	Onchterlony Valley Estates ..	5½	2	0 3½	0 3½	0 0 3/5		10	Y.P.T.
13,50,000	6,80,000	39,45,798	3,06,746	54,658	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	21	10	1 8	1 12*	1 12*		6	V.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce Leslie & Co., Ltd. ..	Savamalai Estates Ltd.	27½	10	3 8	3 0	2 8		11	Y.
10,50,000	3,00,000	21,81,045	1,32,358	1,227	East India Agencies	Teekoy Rubber (India) Ltd. ..	9½	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd. ..	Thamarapally Rubber	30	10	2 0	3 0	3 0		12	Y.P.
6,10,200	2,75,005	7,98,048	62,162	17,826	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2⅜	1	0 4	0 42	0 1 3/5		9	Y.
6,00,000	48,474	7,49,814	1,11,200	3,744	Eapen Thomas, Esq. (Mg. Director)	Travancore Rubber	23½	10	2 0	2 0	2 0		12	Y.
41,00,000	14,29,073	77,36,397	7,65,148	3,28,925	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	12¾	10	0 9 6/5	1 0	1 8		12	Y.P.T.
20,00,000	90,000	25,33,598	5,65,978	2,276	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	37½	25	2 8	3 0	2 0		12	Y.
6,28,580	4,40,070	7,77,154	14,110	21,562	Harrisons & Crossfield Ltd. ..	Valkundam (Travancore) Rubber ..	26½	10	2 0	2 0	2 4		12	Y.
1,65,000	87,259	3,36,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	10-11½	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	50,00,000	97,35,670	52,40,244	1,03,973	B. N. Elias & Co., Ltd.	879	Agarpara	124	10	1+1	1½+1	1½+1		3, 9	H.T.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,086	McLeod & Co., Ltd.	446	Alexandra	248xd	100	*Nil*	*Nil*+2½	2½+5		6, 12	H.P.T.
30,00,000	9,84,130	1,17,45,964	91,71,069	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	160xd	100	*Nil*	*Nil*+5	2½+5	6+6	6, 12	H.P.
49,20,700	71,94,144	2,71,07,506	1,82,90,000	1,41,421	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	208	100	10+10	7½+5	2½+5	5+	3, 9	H.P.
40,00,000	43,66,955	1,73,31,557	85,38,036	14,255	Bird & Co., Ltd.	810	Auckland	198	100	5+4	2+2	1+2½	6+	3, 9	H.P.T.
20,00,000	25,93,136	98,25,857	65,19,459	18,759	Jardine Henderson & Co. ..	959	Bally	165	100	*Nil*	4+*Nil*	*Nil*		3, 9	H.P.
£275,000	£631,523	£1,550,539	£1,000,227	£64,858	Sir John H. Burder (Chairman)	1,889	Barnagore	162	£5	£1	£1	£2		3	V.P.
28,00,000	35,49,623	89,72,503	63,42,881	1,05,623	Andrew Yule & Co., Ltd.	820	Belvedere	182	100	7½+7½	7½+7½	5+5	5+	6, 12	H.P.
45,00,000	38,45,000	55,76,000	21,00,832	2,95,071	Scottish Assam Co., Ltd. ..	600	Bengal	18	100	1	1½	1½		6	Y.P.T.
91,26,000	2,15,77,044	3,32,32,892	29,72,760	3,12,630	Birla Bros., Ltd.	1,373	Birla	18	10	3	3	1	1	3	H.
30,00,000	29,02,926	1,11,73,680	72,37,911	1,61,163	Andrew Yule & Co., Ltd.	991	Bridge-Budge	180	100	6½+6½	6+4	4+6	5+	3, 6	H.P.
7,47,380	3,16,924	42,43,204	30,09,845	55,424	Davaram & Sons	502	Calcutta Jute Mfg. ..	13	10	0+8	*Nil*	4+4		4, 10	H.P.
18,00,000	32,31,234	77,55,567	41,06,135	74,654	Andrew Yule & Co., Ltd.	616	Caledonian	240	100	6+8	6+6	4+5½	4+	6, 12	H.P.T.
59,15,400	98,38,404	2,22,41,317	1,07,46,993	1,50,595	James Finlay & Co., Ltd.	600	Champdany	170xd	100	7+8	3+3	*Nil*+3	4+6	5, 11	H.
15,55,000	20,14,282	80,09,473	56,13,386	54,375	Andrew Yule & Co., Ltd.	530	Cheviot	220	100	6+6	6+6	6+8	6+	3, 9	H.P.
30,15,000	28,25,000	60,73,514	46,01,290	1,52,253	McLeod & Co., Ltd.	500	Chitavalsah	15½	10	2½+1½	1½+1	2+2		6, 12	H.T.P.
16,00,000	17,00,000	78,04,949	64,24,460	18,647	Shree Krishna Investment Co., Ltd.	969	Clive	158xd	10	2	*Nil*			6, 12	H.
31,49,200	63,41,519	1,31,34,067	63,30,583	11,882	Bird & Co., Ltd.	706	Dalhousie	125	100	6+1	1+3	1+1½	3+	3, 9	Y.P.
28,00,000	44,74,179	75,27,531	46,70,110	94,604	Andrew Yule & Co., Ltd.	779	Delta	250	100	10+10	10+10	6+6	5+	3, 9	H.P.T.
15,00,000	33,50,000	81,98,824	59,15,560	1,43,894	McLeod & Co., Ltd.	500	Empire	22	10	4+4	4+4	4+4	5+	5, 11	H.P.
21,00,000	59,60,176	2,72,82,353	1,87,45,641	71,982	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	410N	100	10+*Nil*	*Nil*	*Nil*+5	10+5	3, 6, 12	L.T.P.
14,00,000	17,75,000	84,16,102	53,69,759	1,16,743	Barry & Co., Ltd.	1,014	Fort William	26xr	10	*Nil*	*Nil*+5	10+10	10+10	3, 9	H.T.P.
84,32,100	4,67,566	2,04,08,327	1,30,18,226	1,23,024	Macneill & Barry Ltd.	1,709	Gances Mfg.	84	100	*Nil*	*Nil*+*Nil*	*Nil*+4	2½+	3, 9	H.P.
10,80,000	28,00,000	71,52,003	48,43,092	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,300	300	30	15	*Nil*		12	Y.
24,00,000	31,30,453	58,05,515	25,21,978	3,01,054	Macneill & Barry Ltd.	1,394	Gouripore	315	100	14+*Nil*	*Nil*+31	2½+7½	7½+	3, 9	B.P.
40,00,000	55,68,234	99,03,990	57,88,999	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10	10	10+10	11½+	3, 9	H.P.
16,80,000	18,52,626	66,36,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hoochly	42	10	1½	1½	1		3	Y.P.
85,62,500	64,54,525	1,85,77,898	1,05,71,020	92,110	Jardine Henderson Ltd.	1,940	Howrah	21½	10	1+½	1+1	1+1		3, 9	H.P.
52,50,000	23,00,000	2,58,15,937	1,54,15,937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	30	7½	5	3	2	4+	3, 9	H.P.
O. 87,00,000	18,75,000	1,20,99,497	76,70,146	45,363	Mackinnon Mackenzie & Co. ..	1,076	India	155	125	3½+3½	3½+3½	*Nil*+3½	3½+	3	Y.P.T.
D. 30,000								D. 1	—	As.1+1	a2/5+2/5	*nil*+a2/5	As.2/5 †	3, 9	H.
24,00,000	23,52,233	1,37,58,585	1,23,68,657	24,086	Jardine Henderson Ltd.	1,797	Kamarhatty	183	100	8½+6	6+3	3+6	2½+		
B. 19 20,000								'B' 160	100	8½+6	6+3	3+6	2½+	6, 12	H.P.
30,00,000	13,77,539	1,32,79,035	99,85,481	19,297	Jardine Henderson Ltd.	1,527	Kankanrahh	124	100	6+4	5+2½	2½+4	1+		
B. 24,00,000								'B' 118	100	6+4	5+2½	2½+4	1+	6, 12	H.P.
21,00,000	49,50,000	1,12,88,750	79,26,276	1,70,687	McLeod & Co., Ltd.	703	Kelvin	285	100	10+15	10+7½	7½+5	6+	6, 12	H.P.
54,00,000	23,83,375	1,71,07,938	1,15,44,627	57,501	Anderson Wright Ltd.	1,530	Khardah	165	100	10+15	10+7½	7½+5	6+	3, 9	H.P.
48,00,000	1,04,52,175	2,29,68,071	1,11,12,348	32,590	F. W. Heilgers & Co.	1,250	Kinnison	195	100	10+7	4+5	2+5	7+	3, 9	H.P.T.
54,45,000	50,25,251	1,39,96,445	78,72,450	11,135	Bird & Co., Ltd.	931	Lansdowne	150	100	7+8	2+5	1+1	5+	3, 9	H.P.
28,00,000	60,68,021	1,16,01,266	63,62,123	14,440	Bird & Co., Ltd.	840	Lawrence	135	100	11+4	2+3	2+1	3+	3, 9	H.P.
81,65,200	26,14,412	1,99,74,174	1,21,64,314	1,32,079	Mackinnon Mackenzie & Co. ..	1,008	Meghna	96	100	24+24	24+24	*Nil* 24	24+	3, 9	H.
29,08,900	41,12,992	1,82,22,235	99,29,221	—4,25,342	F. W. Heilgers & Co.	815	Naihati	118	100	6+*Nil*	*Nil*	*Nil*	*Nil*+	3, 9	H.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	18½	10	1+1	*Nil*+½	1+1	1+	4, 10	H.T.
25,00,000	44,29,328	28,80,298	9,84,389	1,35,088	Andrew Yule & Co., Ltd.	852	National	20½	10	3 8	5 8	2 4	2 4	3, 4, 10	H.P.
26,25,000	24,50,000	26,82,794	20,20,819	1,43,752	McLeod & Co., Ltd.	316	Nellimarla Jute	12	10	2+1	1+1	1+1	1+	4, 10	H.P.
31,50,000	34,13,033	50,05,515	25,21,978	3,01,054	Sahu Jain Ltd.	709	New Central	17	10	10+12	12+12	12+6	4+	6, 12	H.P.T.
16,79,880	52,39,696	1,24,90,192	60,85,786	65,116	Bird & Co., Ltd.	567	Northbrook	25½	10	1+1	1+1	1+1	1+	6, 12	H.P.
66,79,500	31,44,695	2,15,35,514	1,39,33,386	45,560	Macneill & Barry Ltd.	1,092	Nuddea	45½	50	1+*Nil*	*Nil*+1	*Nil*+1	1+	3, 9	H.
24,91,000	27,81,000	71,59,178	49,91,690	68,089	Inchcape & Co., Ltd.	601	Orient	172	100	1+5	6+6	5+5	5+	5, 11	H.P.
25,00,000	6,23,468	80,72,591	63,77,961	1,03,954	McLeod & Co., Ltd.	400	Presidency	8½	5	*Nil*	*Nil*	*Nil*		6, 12	H.T.
20,00,000	1,44,936	26,56,830	8,39,130	—12,15,988	Birla Bros. Ltd.	305	Rameshwara	7½	10	*Nil*	*Nil*	*Nil*	*Nil*+	3, 9	H.
49,50,000	8,12,566	1,23,39,298	58,56,886	45,581	Jardine Henderson Ltd.	1,276	Reliance	12½	10	4+4	4+4	*Nil*	*Nil*+	3, 9	H.P.T.
£600,000	£1 093,713	£1 236,315	....	£83 658	Thomas Duff & Co. (India) Ltd.	2,013	Samnuggur	13½	£1	10%	10%	10%	3%£1	3, 9	H.P.T.
30,00,000	13,12,193	1,03,17,335	71,93,045	10,341	Bazaria More & Co., Ltd. ..	911	Shree Ambica	15½	10	1+1	*Nil*+1	1+1		12	Y.
14,00,000	11,08,733	66,03,602	31,22,593	1,66,758	Hindustan Investment Corporation.	401	Soorah	19½N	10	*Nil*	½	½		3, 9	H.P.
25,19,600	47,39,992	1,15,05,773	57,07,251	19,821	Bird & Co., Ltd.	650	Standard	125	100	8+1	1+1	1+1	1+	12	Y.P.T.
£600,000	£925,119	£980,895	....	£110,316	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	£1	10%	10%	10%	10%	3%£1	3, 9	H.P.
85,98,600	87,85,700	1,93,97,413	79,46,416	6,219	Bird & Co., Ltd.	1,326	Union	18⅜	100	10+1	1+4	1+5	5+	12	Y.P.
£400,000	£688,035	£1,092,723	....	£97,816	Thomas Duff & Co. (India) Ltd. ..	1,337	Victoria	£1	10%	10%	10%	10%	3%£1	3, 9	H.P.T.
2,50,000	4,95,000	55,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	6½	1	*Nil*	*Nil*+½	1+½	2+	12	Y.P.
														6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields	24⅜	10	½+½	½+½	½+½	½+	3, 9	H.
12,00,000	8,34,310	38,77,312	35,73,612	12,449	Jardine Henderson Ltd.	Bazaree Coke	21½	10	3/5+½	7/10+7/10	½+7/10	½+	3, 9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6N	10	½+½	½+½	½+½	½+	3, 9	H.
1,00,00,000	1,34,47,223	5,81,71,227	3,82,07,119	7,30,965	Andrew Yule & Co., Ltd.	Bengal Coal	557	200	20+20*	17½*+15*	15*+15*	17½*†	6, 12	H.
2,25,000	4,96,231	25,34,835	22,57,553	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	16	10	½+½	*Nil*	*Nil*		4, 10	H.P.
15,97,000	4,73,338	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	½	½			6, 12	H.P.
40,00,000	14,81,010	1,30,60,104	68,66,790	13,644	Sahu Jain Ltd.	Bharat Collieries	8½	10	½	½			9	Y.
7,15,000	15,09,580	52,49,025	37,09,057	—1,65,296	F. W. Heilgers & Co. Ltd. ..	Bhulanbarare	14½N	10	½ *Nil*	*Nil*	*Nil*	*Nil*+	6, 12	Y.P.T.
16,00,000	16,22,038	66,16,454	39,74,841	—1,36,132	Andrew Yule & Co., Ltd.	Bokaro-Ramgur	12½N	10	2 0	3 0	3 0		6, 12	H.
7,50,000	23 50,000	42,07,858	26,07,891	68,656	Bird & Co., Ltd.	Borrea	29	10	1½*+1½*	1½*+1½*	1 + ½	1+	6, 12	H.T.
90,92,480	1,76,70,564	4,16,32,554	1,80,95,440	1,40,510	F. W. Heilgers & Co. Ltd. ..	Burrakur	15	10	½+½	½+½	½+½	½+	6, 12	H.P.
49,97,750		2,57,945	2,57,945	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	½+½	½+½	½+½	½+	6, 12	H.P.T.
8,00,000	13,54,302	49,10,414	32,03,954	82,768	M.	Central Kurkend	12½N	10	*Nil*	½	½		3	Y.
6,00,000	1,43,698	7,28,438(k)		12,201	F. W. Heilgers & Co., Ltd. ..	Charlia	3	4	½+½	½+½	½+½	½+	6, 12	H.
16,00,000	1,20,000	52,67,321	28,91,190	—2,43,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	½	*Nil*	*Nil*	*Nil*+	6, 12	H.
£240,000	£330,553	£936,045	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	32½	£1	33(f)	2½	2½	3	4	H.
29,63,760	76,84,250	3,80,97,499	2,87 14,367	93,266	Macneill & Barry Ltd.	Equitable	33½	10	2 +1½	1 + ½	2 + ½	2+	6, 12	H.P.T.
10,00,000	2,11,139	9,72,721	3,23,963	40,284	Phatter's Arenev Ltd.	Ghusick and Misilla	15N	10	½	½			3	Y.
12,00,000	1,22,000	39,02,585	20,99,924	3,226	Hilick Industries Ltd.	Hindu-Bampur	43	50	½	*Nil*	2 ½	3	4	Y.P.
8,00,000	6,75,000	21,43,057	18,61,214	65,461	Macneill & Barry Ltd.	Hurriladih	25	10	½ + ½	½ + ½	½ + ½	1½+	6, 12	H.
22,00,000	1,08,577	31,70,015	10,56,245	—1,95,248	Bajpaie Trust Ltd.	Jeeta Coal	2½	10	*Nil*	½			12	Y.P.
8,50,000	2,07,448	13,53,455	7,08,130	....	Andrew Yule & Co., Ltd.	Kalapahari	22½N	10	1½+1½	1½+ 1	*Nil*	*Nil*	2 8	H.
20,00,000	17,325	20,07,391	3,48,159	2,661	Bird & Co., Ltd.	Karanpura Collieries ..	160	100	*Nil*	*Nil*	*Nil*	2½	3	Y.P.
5,00,000	15,60,000	45,16,229	35,35,877	1,26,128	Andrew Yule & Co., Ltd.	Katras Jherriah	64	10	2 + 2	2 + 2	2 + 2	2½+3	7	H.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	6N	10	*Nil*	*Nil*	*Nil*		1 7	H.
11,00,240	64,314	16,72,961	10,41,963	—41,320	H. V. Low & Co., Ltd.	Kunardi	4½N	10	½	*Nil*	*Nil*		6, 12	H.P.
9,00,000	11,86,413	28,89,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10	½	½	½		6	Y.
7,48,240	1,50,000	11,58,128	8,95,680	25,598	S. P. Tantia, Esq.	Nazira	7	10	½	½	½		4	Y.
7,00,000	26,617	10,33,740	4,59,295	4,589	Amritlal Ojha & Co. Ltd. ..	New Bansdeopur	10N	10	½	½	½		6 12	H.
17,76,230	19 41,763	1,17,05,238	87,10,712	95,478	Andrew Yule & Co., Ltd.	New Beerbhoom	21½	10	*Nil*+½	½ + ½	½ + ½	½ †	3, 9	H.
6 00 000	35 000	28,44,928	16,65,990	36,426	Octavius Steel & Co., Ltd. ..	New Manbhoom	13	10	*Nil*	*Nil*	*Nil*	*Nil* †	5, 10	H.P.
1,15,000	2,47,693	12,96,801	8,28,607	13,249	Andrew Yule & Co., Ltd.	North West	21½N	10	½ + ½	½ + *Nil*	*Nil*	As. 10 †	3, 9	H.
1,57,500							7½		½+*Nil*	½+*Nil*	*Nil*	As. 7½ †		
1,50,000	12,21,853	3,07,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd. ..	Ondal	18N	10	1 + ½	½ + ½	½ + ½	½+	6, 12	H.P.
10,00,000	1,10,000	39,70,662	17,99 658	3,809	K. C. Thapar & Bros.	Oriental Coal	9N	10	½	½	½		12	Y.P.
8,34,000	12 942	17,42,596	8,01,923	7,443	Deepchand Kishentall	Parasea	14N	10	*Nil*	½ + ½	½ + ½		6 12	H.P.
15,75,000	15,00,000	46,12,471	34 02 471	38 293	Shaw Wallace & Co., Ltd. ..	Pench Valley	25	10	½ + ½	½ + ½	½ + ½	½+	3, 9	H.
23,90,580	13,67,105	1,19 88,839	83 22 615	33,013	N. B. Elias & Co., Ltd.	Rameeruna	12	10	*Nil*	*Nil*	½ + ½	½ †	3, 9	H.
13,50 000	8 53,385	35,36,765	27,73,784	28,521	Shaw Wallace & Co., Ltd. ..	Rewa	22½	10	½ + ½	½ + ½	½ + ½	½+	6, 12	H.
20,00 000	3 05,008	32 32,215	13,30,500	435	Sahu Jain Ltd.	Sanda Collieries	12½N	10	½ + ½	½ + ½	½ †		6, 12	H.
1,25 000	1,95,902	13 77,849	12 21,237	40 17	Searsole	Searsole	7½xRN	2½						Y.
2,80,000	7 36,598	29,37 021	18 41 029	40 17	Andrew Yule & Co., Ltd. ..	Sedgore	33	7	2 + ½	½ + ½	1 + ½	1½ †	6, 12	H.P.
8,00,000	5 46,689	52 491	28,587	6 601	F. W. Heilgers & Co. Ltd. ..	Sendra	101N	10	*Nil*	½	*Nil*+½	½+	6, 12	H.T.
63,21 450	16,96,050	3,82,71,101	2,45,65,501	—4,46,963	Industrial Trust Fund (Govern ment of Hyderabad)	Singareni	9⅜	10	½	*Nil*	0–11 1/5		12	Y.T.
17,50,000	10,80,625	37,77,440	14,88,826	7,546	Bird & Co., Ltd.	South Karanpura	12	10	½ + ½	½ + ½	*Nil*+½	½ †	2 8	H.
8,00,000	13,69,545	1 69,570	25,510	7,937	F. W. Heilgers & Co. Ltd. ..	Standard	22	10	½ + ½	½ + ½	½ + ½	½+	6, 12	H.
10,00,000		12,950	10,15,423	—3,64,536	Villiers Ltd.	Talebur	2½	2½						Y.
3,50,000	3,50,000	19 72 979	15,13,979	47,938	Williamson Magor & Co., Ltd.	Union	17	10	1½+1½	1 + ½	½ †		6, 12	H.
40,98,000		49,00,956	14,01,545	31,694	Hindustan Investment Corpn., Ltd.	Western Bengal	7	10	½	½	½		3	Y.
7,00,000	1,38,190	55,22,133	22,66,981	122	Macneill & Barry Ltd.	West Jamuria	14	10	*Nil*	*Nil*	½	*Nil*+	6 12	H.

M—Managed by the board of directors. † Less income-tax. * Including bonus. (k) Investments.

(f) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-1p per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (e) For seven months ended 31st March, 1954.

BANKING

(*Concluded from page 198*)

by taxation, in theory they avoid inflation but in practice inflation occurs as a result of their action. One could sympathise with them if it were not that there is a solution lying readily to their hand: to reduce their own expenditure."

Mr. Tuke further adds

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,301	Allahabad Bank	365	100	18 0	18 0	18 0	9 0	12	Y.P.
14,50,000				184	50	9 0	9 0	9 0			
1,01,000	13,51,000	1,28,560	Andhra Bank	115	100	6 0	6 8	7 8	3 0	6,12	H.
31,29,720				84	70	3 0	3 4	3 12	2 1 3/5		
1,00,00,000	1,28,00,000	2,70,302	Bank of Baroda	95½	50	6 0	6 0	6 0	1 8	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	13½N	25	0 12	0 12			12	Y.
2,50,00,000	3,52,00,000	9,10,851	Bank of India	153	50	7 0	7 0	7 0	3 0	6,12	R.L.Y.
15,39,375	26,50,000	64,703	Bank of Indore	52N	25	3 0	3 0	3 0	1 0	12	Y.
50,00,000	19,00,000	25,128	Bank of Jaipur	20½	50	1 8	1 8	2 0		12	Y.
50,00,000	85,00,000	2,80,501	Bank of Mysore	260	100	16 0	16 0	16 0	8 0	12	Y.
50,00,000	85,00,000	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	12	P.Y.
51,21,700	58,73,013	26,774	Canara Bank Ltd.	86	50	4 8	4 8	4 8		12	Y.P.
15,00,000	26,00,000	6,378	Canara Banking Corporation Ltd.	86	50	5 0	5 0				R.L.Y.
7,50,000	10,50,000			46½	25	3 8	3 0	3 0	1 8	12	
2,82,11,575	4,00,55,697	17,88,899	Central Bank of India Ltd.	49½	25	3 8	3 0	3 0	1 8	12	Y.
52,42,375 'A'				45	50	1 12	2 0	2 0		12	Y.
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co.	72N	20	4 0	4 0	4 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	23½	50	1 0	1 8	1 8		12	Y.
50,00,000	23,50,000	1,12,820	Hind Bank	9½	50	—	—	—		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	14	50	—	—	—		12	Y.
50,00,000	1,30,000	1,12,405	Hindustan Mercantile Bank	80N	100	5 0	5 0	6 0	5 0	9	
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	100	100	12 0	12 0	12 0	6 0	6,12	R.L.H.
24,00,000	77,50,000	1,30,785	Indian Bank	150½	85	10 3½	10 3½	10 3½	5 1 2/5		
17,00,000				112	60	7 3½	7 3½	7 3½	3 9 2/5		
16,80,000				130	100	6 0	6 0	6 0		12	Y.
49,19,675	26,00,000	2,15,839	Indian Overseas Bank	42½	100(A)	6 0				6,12	H.
6,25,000	6,33,039	1,389	Indo-Commercial Bank	11	25(B)	1 8					
2,50,000				20½	50(C)	3 0	3 0			12	Y.
10,00,000				47½	25	1 8	2 0	3 0	1 8	12	Y.
87,50,000	92,50,000	4,99,040	Punjab National Bank	17½	25	—	0 10	0 12		12	Y.
1,00,00,000	21,75,000	93,631	Travancore Bank	5	10	0 5½	0 5½	0 5½		12	H.
40,00,000	33,00,000	1,75,374	Union Bank of India	50	50	2 0	2 0	2 8		12	
2,00,00,000	80,50,000	1,08,725	United Commercial Bank								

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£392,910	Chartered Bank of India, Australia and China	£2-16-0	£1	16†	14†	15†		12	R.L.Y.
				£8	£5	7†	8†	8†		12	R.L.Y.
£1,000,000	£1,250,000	£60,917	Eastern Bank								
H.K. $20,000,000	H.K $125,000,000	H.K $10,215,256	Hongkong and Shanghai Banking Corporation	£92	H.K. $125	5*	5*	5*	2*	12	Y.
				£2-15-6	£5 A	12†	14†	15†		12	R.L.Y.
£17,966,195 'A'	£14,500,500	£516,557	Lloyds Bank	£1-6-3	£1 B	5†	5†	5†			
£1,437,296 'B'				£4½	A £24	14†	14†	14†		12	R.L.Y.
£375,000 'A'				£4½	B £24	14†	14†	14†			
£375,000 'B'	£1,750,000	£200,284	Mercantile Bank of India	—	C £1	14†	14†	14†		12	R.L.Y.
£720,000 'C'				£1-2-6	sh. 12	10†	16†	15†			
£2,851,563	£3,104,687	£326,266	National Bank of India								

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††U.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June 1963
4,00,000	5½	1st March and 1sth September	Carew & Co. (2nd mortgage)	1947	95	28th February 1960
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	1936	99½	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December 1952-62
10,00,000	4	1st May and 1st November	Walchandnagar Industries	1944	88	1st November 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries (New)	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November		1944	97	1st November 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	91½	30th June 1967(a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December 1968(a)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April 1964
4,00,000	4½	10th May and 10th November	Benzal-Nagpur	1897	99	15th November 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	101½	1st March 1972(a)
13,68,000	5½		Jaysbree Textiles	1949	80N	1st January 1956-59
39 90,000	5	1st June	Tata Mills	1951	100‡	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd.	1950	95	31st March 1965(a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co. Ltd.		100‡	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December 1964(a)
3,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101	1st January 1970(a)
25,00,000	4	30th June and 31st December	Grompore Electric Supply Co. Ltd.	1945	87	31st December 1970
15,00,000	5	1st January and 1st July	Sirsa (Sheri Sirsa) Electric Supply Co., Ltd.	1951	96	30th June 1976(a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	98½	15th July 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	98½	1st October 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	30th September 1953-63
4,63,800	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1st July 1970
2,50,00,000	4	1st April and 1st October	Tata Power		93½	15th September 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99	31st December 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June 1958
30,06,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	102	1st July 1957-62
£1,14,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£88	31st December 1966(§§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	102‡	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100‡	31st December 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Azarpara	1939	99‡	31st March 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	100	30th June 1969
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90‡	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93‡	30th June 1960
10,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July 1969
6,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June 1966
10,69,000	5	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March 1960(a)
18,58,000	5½	15th January and 15th July	Empire	1951	95	15th July 1956(a)
8,86,000	5	1st January and 1st July	Hukumchand	1947	92	30th June 1957
25,00,000	3½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	100	31st March 1970
80,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1940	96‡	31st December 1964(a)
25,00,000	5	30th June and 31st December	Nalhati	1952	98	31st March 1960(a)
25,00,000	5½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May 1959
5,00,000	4½	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December 1964
20,00,000	4	30th June and 31st December	Presidency	1943	93	30th June 1963
8,00,000	6	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	91	5th September 1965(a)
25,00,000	4	14th March and 14th September	Soorah Jute	1937	96	14th September 1957
8,00,000	4½	30th June and 31st December	Union	1937	96‡	30th June 1967
12,00,000	4½	31st January and 31st July	Waverly	1925	88	31st July 1960
10,00,000	5‡					
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	6	1st January and 1st July	Baraset-Basirhat Light Railway	1936	90N	1st July 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£77½N	1st October 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90‡	31st December 1959(a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months' notice (a)
4,33,26,697	4‡	1st March and 1st September	Scindia Steam Navigation	1949	96‡	1st September 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1952	102	1st July 1957-63
12,50,000	6	31st March and 30th September	Nilgiri Tea		100	1st April 1958-68
1,89,700	5½	31st March and 30th September	Teekoy	1944	100	31st March 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December 1965
26,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	88	31st December 1962
4,90,500	4‡	30th June and 31st December	Bengal Paper Mills	1937	97	30th June 1957
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	103‡	1st September 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1958	103‡	1st October 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February 1964
20,02,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89½	1st July 1986
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87½	15th September 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	1964
1,80,00,000	5	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1950	102‡	1st January 1971(a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June 1971(a)‡
11,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95½	1965-75
38,08,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	560	30th September 1976(a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470	31st December 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	(per note) 89½N	1st April 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	103‡	30th June 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	98	31st March 1961(a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1953	91	31st December 1959
4,00,00,000	5‡	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	105‡	1st May 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. §§ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from May 1964 onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1968, on six months' notice. †† Option to repay at par on 6 months' notice on or after 1st January

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 2nd February, 1956.

—	Closing quotations 25-1-1956	High	Low	Closing quotations 2-2-1955
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	166½	160½	157½	160½
Apollo (2)	2⅛	2⅛	2-11/16	2-11/16
Bombay Dyeing (250)	520½	520½	491½	498½
Central India (100)	145	145	133½	135½
Century Mills (100)	461	460	443½	449
Colaba (100)	74½	70	60	60
Edward Textile (200)	320	—	—	320
Elphinstone (50)	49½	50	49½	50
Finlay (100)	323	325	308	311
Gokak (100)	218	218½	213	217
Ind. Unit. Debd. (1)	2-0⅛	2-⅛	1/16	2-⅛
Ind. Unit. Ord. (10)	11⅛	12⅛	11/16	12⅛
Indore Malwa (100)	125⅛	130⅛	111½	124⅛
Khatau (100)	211½	211½	206½	206½
Kohinoor (100)	325	324⅛	310½	323
Lakshmi (250)	660	665	660	665
Madhusudhan (100)	115	116	112½	112½
Minerva Mills (100)	86	—	—	86½
Model Naznur (250)	155	—	—	155
Morarji (100)	230	—	—	230
Mysore (50)	103⅛	103½	98⅛	99⅛xd
National Rayons (100)	218	218½	204½	212
New City (100)	165	165	161½	161½
New Great (100)	189	191	186½	190
New Union (10)	37	110⅛	108½	108½
Phoenix (100)	137½	—	—	137½
Podar Mills (100)	171½	—	—	162½
Sassoon Silk (10)	20	171½	160	20
Sassoon Spg. (10)	42⅛	—	—	40
Sholapur (1,000)	1,000	—	—	1,000
Shri Ram (100)	210	212½	202½	207½
Simplex (50)	18½	18¼	17⅝	18⅛
Standard (100)	395	395	372½	377
Swadeshi (100)	211½	212	201	H.P.
Swan (100)	405	—	—	H.P.
Tata Mill (25)	53	53½	49⅝	H.P.T.
Vishnu (100)	180	180	17⅞	H.P.
Western India (1,000)	5,000	—	3	Y.P.
			6, 12	H.P.
			6	Y.P.T.
			3	Y.P.
BANKS				
Bank of India (50)	161	160½	4, 10	H.P.
Bank of Baroda (50)	98⅛	98½	6, 12	H.P.T.
Central (25)	50 xd+3	50½+6	5, 11	H.
Central 'A' (25)	6+6 6+8	6+	3, 9	H.
Dena (50)	2½+1½ 1½+1		5, 11	H.P.
10	2		6, 12	H.T.P.
Indian Bank (50)	52½	52	—	Y.P.
Punjab National (25)	45	—	6	Y.P.T.
Union Bank (5)	48½	48½	46	46
United Com. (50)	3⅜	6-15/16	6⅛	6⅜
	52½	53	49½	50
ELECTRIC COS.				
Ahmedabad (100)	104⅜	104⅜	103½	104⅜
Amalgamated (10)	11-10½	11-10½	11⅛	11⅛
Andhra Valley (1,000)	1,312½	1,312½	1,300	1,300
Bom. Sub-El. (100)	120⅛	119⅜	117½	119½
Surat (100)	124⅛	123½	118½	119½
Tata Hydro (100)	135	135	132	132
Tata Power (1,000)	1,370	1,376½	1,350	1,350
INSURANCE COS.				
British India (10)	14⅜	14⅛	13⅜	13⅜
Empire of India (100)	600	—	—	600
Ind. Mercantile (20)	47	47	42	42
Jupiter (15)	—	—	—	8½
New India (15)	43½	42½	39½	41
Oriental (200)	3,500	3,575	3,550	3,575
Universal (10)	14	—	—	14
Vulcan (10)	15⅛	—	—	15½
STEEL COS.				
Ind. Iron (10)	34-0⅛	34⅜	32½	33-4½
Tata Steel Ord. (75)	229	231	222	225
SUGAR COS.				
Belapur (50)	323	320	210	218xr
Bijnol (10)	14⅜	—	—	14⅜
Phaltan (50)	129	129	124½	126
Watchand Ind. (100)	238½	237½	225	226½
CEMENT COS.				
Associated Cts. (100)	210	212½	201	208½
Dirvijay (100)	169½	169½	164	165
MISCELLANEOUS				
Alcock Ashdown (100)	337½	340	327½	340
Bom. Burmah (125)	547½	550	505	518½
Do. (New) (50)	193½	195	182½	187½
Br. B. Petrol (4 sh.)	3⅜	3-15/16	3-9/16	3⅜
Br. I. Corpn. (5)	12	11½	11-9/16	11⅝
C. P. Rly. (100)	96½	—	—	96½
Indian Copper (2 sh.)	6-10½	6⅜	6⅛	6-7½
Ind. Inv. Tr. (100)	80½	—	—	80½
Kemp (100)	195½	—	—	195½
Killicks (100)	160½	160½	155	165
Polson (100)	156½	160	156½	160
Port Canning (100)	15½	15½	12	12
Premier Cem. (30)	181½	188	163	169½
Scindia (20)	16⅛	17⅛	15-7/16	16⅛
Shivajipur (10)	105	104½	99½	100½
Tata Chemicals (10)	16⅛	16⅛	15⅛	15⅛
Tata Oil (25)	140½	48	40	42
Tata Loco (100)	43	143	138	139½
W. I. Match (100)	187½	186½	183	183½

GOVERNMENT SECURITIES	27-1-1956	Gross Yield Earlier Redemption	Later Redemption	2-2-1956
	Rs.			Rs.
2½% 1961	93	—	3.90	95⅛
2½% 1960	96	—	3.70	96⅛
2½% 1956-59	93⅛	—	3.80	93⅜
2½% 1976	82⅛	—	4.06	82⅛
3% 1957	90⅜	—	3.29	90⅜
3% 1958	90	—	3.22	90
3% 1959-61	98⅜	3.56	3.37	98⅜
3% 1964	94⅛	—	3.75	94⅛
3% 1963-65	94	3.83	3.68	94
3% 1966-68	91⅜	3.98	3.80	92⅜
3% 1970-75	88	4.10	3.86	88⅛
3% 1986 Con. Loan	80⅜	—	3.78*	80⅜
4% 1960-70	101⅛	3.59	3.84	101⅛
4% 1958-63**	103⅜	3.05	3.76	103⅜
3½% 1964 N.P. Loan	99⅛	—	3.60	99⅛
3½% 1965 N.P. Bonds	98⅜	—	3.67	98⅜
			3.69	98⅜

BRITISH GOVERNMENT SECURITIES

	27-1-1956 £	Low £	High £	30-1-56 £
2½% Brit. Consols	54⅛	54⅛	54⅛	54⅜
3% Savings Bonds 1965-75	76⅛	76⅛	76⅛	76⅛
3% War Loan 1955-59	95⅛	95⅛	94⅜	95⅛
3½% War Loan	74⅜	74⅜	73⅜	74⅜
4% Victory Bonds 1976	94⅛	93⅛	93⅛	93⅜xd
4% Funding 1960-90	91⅛	91⅛	90⅜	91⅛

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Eight.

COMMERCE

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

VOL. XCII. No. 2345 BOMBAY, 11th FEBRUARY 1956 PRICE Rs. 1/8

COMPANY LAW ADMINISTRATION

THE new Company Law received the assent of the President on 18th January 1956 and was gazetted on the 19th of that month. It has many distinctions to its credit, the most important of them being that it is the longest piece of legislation, with as many as 658 sections and very few schedules, and one of the most complicated was not content to be put on the Indian Statute book. Reports in addition to its distinctions is that the Finance Act of the new year. Accordingly, that he may have the distribution control as the Companies Act, 1956, among non-essential commodity, in order finally adopted by Parliament in point that the date on which it will come into of shortage are is yet to be announced, but the public has already been told by authoritative spokesmen of the Government that it will be enforced from 1st April 1956. Vigorous efforts are being made to stick to this time-table. The draft rules and forms have been prepared and circulated to Registrars of Joint-stock Companies and others for study. The Government's intention is to enforce these rules on the same date as the Act.

Some idea of the method and the manner in which the new Act will be administered was given by Mr. M. C. Shah, Minister for Revenue and Civil Expenditure, and Mr. C. D. Deshmukh, Minister for Finance, in their speeches at the conference of Registrars of Companies and officers of Regional Directorates of the Company Law Administration, held at New Delhi on Tuesday last. The former elucidated the method and the latter the manner of administration. From what Mr. Shah stated, the following picture of administrative machinery emerges:

A department, called the "Department of Company Law Administration," has been created at the Centre as part of the Finance Ministry, with its headquarters in New Delhi. It will have a Secretary and Joint Secretary, both full-time employees. The Secretary will be in charge of overall policy, while the Joint Secretary will look after the administration of the law. Besides the normal staff required for administration, there will be a statistical and research section for processing and analysing data about the working of companies. The Secretariat will be assisted by an Advisory Commission, consisting mostly of non-officials.

The provisions of the Act will be administered all over the country by a number of full-time Registrars of Companies. In anticipation of the requirements under the new Act, a number of them has already been appointed. Each State will have a Registrar, with the necessary, technically qualified, staff. The responsibilities, as also the powers, of these officers will be greater than they are at present. They will have to register new companies, receive returns and scrutinise them carefully before filing them. It will be their duty to ensure that the returns and documents submitted to them are in accordance with the provisions of the law. For this purpose, they will have the services of qualified technical assistants, such as chartered accountants, for instance. Administrative procedures and office routine will be standardised on the basis of experience gained in countries like Britain. A special officer has been deputed to London to study how the Registry of Companies there is functioning and to introduce such of those methods as are calculated to improve the efficiency of the administrative machinery and obviate delays. The offices of Registrars will have to collect and compile the basic data on the working of companies, managing agents, directors, etc., and submit them expeditiously at predetermined intervals to the Central Directorate for analysis and distribution. Another important function of the Registrars is to administer the law in the light of policies laid down by the Government from time to time and are already implied in the Act itself.

In order to co-ordinate, direct and supervise the work of Registrars, four Regional Directorates will be established, with headquarters in Bombay, Calcutta, Madras and Delhi. These offices will constitute a link between the Central Government and the Registrars, as well as between the latter and the respective State Governments in their region. The Regional Directors will be senior officers of the rank of Deputy Secretary and will function as the local representatives of the Central Department. They, too, will be assisted by a chartered accountant and a solicitor, both with specialised knowledge of, and experience in, company practices and company law. The main objects in equipping these *Regional Directors* with such skill are two, namely, to enforce the law effectively against those who deliberately try to evade it and to help those who are not in a position to command the services of experts to understand the complicated provisions of the Act and the rules.

It will be observed from the foregoing account that the Government has designed the machinery for administering the Act on sound lines. Whether the machinery will function smoothly and efficiently is another question. The answer for it hinges on the persons to whom the responsibility is entrusted and the extent of liberty such persons are given by the Central authority for using their initiative and judgment in the discharge of their duties. For the present, it can be stated, from the elaborate machinery that has been evolved, that it is clearly the intention of the Government of India to enforce the Act vigorously and with understanding, a refreshing departure from the past when there was hardly any administration of even the relatively simple and less comprehensive Act that existed.

The objectives of the new Company Law and the spirit in which the Administration should apply it were indicated by Mr. Deshmukh in his inaugural address to the conference referred to at the outset. Briefly stated, the objective is to bring the operations of joint-stock companies which now embrace a very large part of the *economic life of the country in conformity* with the social and economic policies laid down by the Government. Elucidating this point, Mr. Deshmukh said:

"In a country like ours, where we prefer to work on the basis of a comprehensive plan of economic and social development, the problem of economic integration between the so-called private and public sectors becomes, through the processes and mechanics of planning, a major issue of administrative policy. There are various ways in which the State can and does, in practice, secure this much needed integration between the two sectors, and, if I were to attempt a simple re-statement of an essentially complicated problem, I would say that the test of efficient and successful economic administration in any modern State, which believes in democratic methods and techniques, is the manner in which it secures such integration. Both law and administrative policy have their parts to play in this matter, and the Companies Act is one of the most important of these laws, which help in securing this object. This is the basic significance of the Companies Act which I should like all our administrators to grasp, so that they can see the underlying logic of the numerous regulatory provisions in the new Act in its true perspective."

The objective outlined above is a unique feature of the Indian Company Law and as such the administrators of this law have far greater responsibilities than their confreres in other democratic countries. Theirs is a task which no conscientious administrator will envy, for failure would bring discredit to them, even though it may be due to the vagaries of politicians under whom they have to work.

As for the manner and the spirit in which the Act is to be administered, Mr. Deshmukh laid down the following golden rule:

The primary duty of officers is "to secure compliance with the provisions of the new Act and to make it easier for joint-stock companies to do so, by their advice and guidance whenever they may be in a position to offer them." They are not required to go beyond or outside the provisions of the Act. They should take the Act as it has been enacted and interpret its provisions in the light of such instructions as they may receive from time to time from the headquarters of the new Department and then enforce the provisions with understanding and wisdom. They should make it clear to those

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WEEK'S

who seek their advice that, while they are not the authorised interpreters of the Law, the advice they are able to render is the view of the Law which they themselves would take for administrative purposes till they receive instructions to the contrary or till the Law has been authoritatively interpreted in a different way. In fine, they should deal firmly and vigorously with deliberate violations of the Law, but leniently with inadvertent omissions arising from either lack of knowledge or proper understanding.

In this connection, the Finance Minister did well to remind the officers present at the conference of the assurances he gave to Parliament when the Companies Bill was being debated, so that they may adhere to them while carrying out their day-to-day duties. These assurances, in the words of the Minister himself, run as follows:

> "I am very happy to give the assurances that have been demanded in regard to the administration; first (1) that it should be adequately staffed, (2) that it should be competent, (3) that red-tape should be reduced to a minimum and that, finally, (4) we should have a new concept of positive helpfulness; that is to say, our aim should be not to trip up the unwary but to assist actively those who seem anxious to observe the Law but find themselves somewhat helpless in this welter of legislation which, I am sure, will be further complicated when the rules come up almost inevitably."

Every officer in charge of administering the Company Law should have before him the foregoing quotation prominently displayed, so that he may not fail to live upto the standard of duty demanded of him. These officers should remember that the reputation of the public sector, which is assuming more and more responsibility, lies in their hands. They have now so much power and responsibility that they can easily make or mar the reputation of the Government. India is, perhaps, the only country in the free world where the politicians have unwittingly placed their political fortunes in the safe custody of the bureaucrats. And, what is more, they continue to do so on an increasing scale, in the fond belief that that is the right way of ensuring the abiding faith of voters in them. Time, we have no doubt, will prove the unwisdom of this approach.

ASIAN ECONOMY

ASIA and the Far East, which, with its 2,320 millions accounts for over 50 per cent. of the world population, has a vital role to play in world economy. Its significance has invariably been assessed at less than its real value. It is only as a producer of raw materials, in some of which it probably holds a monopoly, that its importance has come to be recognised. But a far more important consideration, which is slowly gaining recognition in international counsels, is the magnitude of the difference to world economy which could take place as a result of even a small improvement in the living standards of this region. The political aspect of the Asian problem is no less important, for the survival of democratic institutions in this region is intimately connected with economic development. The world owes much to the Economic Commission for Asia and the Far East (E.C.A.F.E.) for the persistence and clarity with which it has presented Asian economic problems, suggested solutions, and provided guidance to the countries of this region.

The E.C.A.F.E. report for 1955, which was released at the time of the annual session of this body held at Bangalore this week, contains, as usual, a mine of information on the region's economy. Agricultural and food production during the year under review was maintained, it is stated, approximately at the level of the previous year which was a post-war record. The 1954-55 cereals production in the region, excluding mainland China, though lower by 1.5 per cent. than in 1953-54, was the second highest on record, while in mainland China it rose by over two per cent. But Asian agricultural economy has still a long way to go before it can catch up even with its pre-war level. Thus, the *per capita* agricultural production in this region (excluding mainland China) in 1954-55 was still 14 per cent. below the pre-war (1934-38) level. The report rightly stresses that the "slow recovery of agriculture might become a serious obstacle to rapid economic development," and, in this connection, welcomes the fact that "the emphasis in many countries continues to be on programmes of development in the agricultural sector."

Turning from agriculture to industry, the report notes that industrial production has increased from five to eight per cent. over 1954 in China, India and Japan. These are the countries where Asian industrial economy is mainly concentrated. In other countries, the foundations for industrial development, it is stated, have been laid. Ideas of national self-sufficiency have led to the growth of cotton textile, rubber, paper, leather, sugar and oil-processing industries. Production of electricity, cement and steel has shown substantial increases during the period. China, India and Japan have plans for further rapid expansion of capital goods industries, heavy metals, engineering and heavy chemicals. Other countries have made a small beginning; caustic soda plants, fertiliser factories and steel works have been set up, or are to be set up, in Ceylon, Pakistan, the Philippines and other countries.

Much attention is being devoted to the development of power resources. It is planned to raise the present total electric power capacity by 50 per cent. during the next few years; excluding Japan, the capacity is expected to be doubled to about 15 million kw. The countries have naturally manifested an intense interest in the possible development of atomic power for industrial purposes. Emphasising the importance of nuclear energy to this region, Mr. Dag Hammarskjoeld, U.N.'s Secretary-General, said that it was "likely to become, in due course, a primary factor in accelerating the economic growth of countries which at present have to bear the heritage of centuries of poverty." He added: "It may, indeed, become possible for these countries to short-circuit some of the stages of development through which the economically advanced countries have had to pass." It is true that much remains to be done for nuclear power to be available at a price that will compare favourably with conventional fuels. But the immense amount of research that is being done in the West may pave the way for cheaper nuclear power. From this point of view, such research, it must be acknowledged, is an indirect measure of assistance by the developed countries to the underdeveloped countries.

The region's trade has benefited from the favourable world conditions which prevailed during the year 1955. World demand for primary products was strong; the prices for these products ruled higher than in recent years. Nevertheless, it is admitted that the export trade of the region, as a whole, has improved much less than the international trade in general. Thus, its share in world exports has declined from 11-12 per cent. in the Korean boom period to 9 per cent. in the first half of 1955. Again, while the value of world exports rose by 6 per cent. between 1951 and the first half of 1955, that of the region's exports declined by 21 per cent. Although the region's foreign trade, set against the background of international trade, does not present a very bright picture, it is noteworthy that most countries found themselves with a larger volume of foreign exchange reserves at the end of June 1955 than at the end of June 1954. Stable monetary conditions prevailed in most countries of the region. The only exceptions were South Korea, China, South Viet Nam, Nepal and Cambodia, where inflationary conditions were noticed as a result of high defence and administrative expenditures.

There is, however, one thing which no statistical comparisons can bring out. It is the intense desire for economic progress which is to be found everywhere in this region. As Mr. Nehru, India's Prime Minister, said in the course of his inaugural address: "A new awakening has come upon the Asian people.... They want to progress and go ahead." It is noteworthy that the E.C.A.F.E. report has not missed this essential feature of Asian ambitions today. It says:

> "But the really significant thing is, perhaps, that Asia seems to have emerged at last from a long period of economic stagnation and is ready for a decisive forward march towards economic development. The turning point apparently was the Korean war boom; after 1952, countries have adjusted themselves to a lower level of export prices and economic conditions have taken a definite upward turn. The improvement in fiscal and monetary controls and public administration, the progress in institutional arrangements for mobilising domestic capital and financing agriculture and industry, the development expenditures which, in some ways, stimulated private investment, the increasing flow of external aid in the form of grants and loans and, above all, the urge to bring about an accelerated rate of development have all helped in the process."

This longing for economic progress is a valuable asset in itself. But, if it is to be converted into a tangible reality, many conditions have obviously to be fulfilled. There are at least two important conditions which it would be absolutely necessary to fulfil. A correct technique of planning, which would take into account the peculiar needs and deficiencies in each region and assign a scale of priorities in development, must be adopted. The second condition is adequacy of technical and financial resources; domestic resources must be supplemented by foreign resources. The E.C.A.F.E., by its study of the problem of economic development, has greatly contributed to the better understanding of the nature and technique of planning for an underdeveloped country. But the more vital question is that of finance. In this connection, the report has drawn attention to two important factors. In the first place, it is not so much population growth in itself that checks levels of living as low rates of savings and investment. Secondly, it frankly admits that it would be impossible for the countries to pay through exports from their current pro- tion for all the imports of capital eq needed for their development progra therefore, emphasises that "the ext adequate external assistance wil determine the trend of progress years."

Mr. Nehru did well to stre final analysis, all progress could through the effort of the nations themselves. the same time, he welcomed the inflow of foreign capital—foreign capital without strings. Mr. Hammarskjoeld also struck the same note. He pointed out that, in the long run, the economic progress of any nation had to be mainly of its own making. But the problem, he said, was also a challenge to the economically advanced countries. From this point of view, he pointed out that the U.N.'s achievements fell far short of the needs of the underdeveloped countries. Nevertheless, some progress, as is well known, is being made. Besides the World Bank, which has already been making available finance for underdeveloped countries, the United Nations will soon set up the International Finance Corporation. The concept of S.U.N.F.E.D. (Special United Nations' Fund for Economic Development), as the Secretary-General said, is also "slowly moving forward."

There was, at the Bangalore session, considerable support for the S.U.N.F.E.D. idea. Indeed, the Indian delegate, Mr. Manubhai Shah, Finance Minister of Saurashtra, pointed out that its establishment should not be postponed any more. It must, however, be admitted that there was insufficient appreciation of the role which private foreign capital could play in Asia's economic development. Now that these countries have won political emancipation, one would expect them to eschew their earlier fears of foreign private capital based on their experience in the pre-independence era. Although these fears were not expressed, the repeated insistence on "foreign capital without strings" suggests that they still govern the attitude of these countries towards foreign private investments. This is deplorable, for these countries, apart from whatever help they could get from specialised U.N. agencies, might have to look to private foreign capital to supplement their own efforts. Such capital should help solve the main problem, which, as the U.N. Secretary-General said, is now "no longer how to advance but how to advance more rapidly." In the context of the admitted paucity of domestic resources in the form of money, technical know-how and trained man-power and the limited range of activities to which the funds of the U.N.'s special agencies would be available, the delegates to the E.C.A.F.E. session would, perhaps, have done well to explore the possibilities of facilitating the flow of such capital. Any common approach of these countries to the problem would, of course, presuppose some agreement on domestic economic policies. These policies, in order to attract capital, would, perhaps, have to be reoriented in the shape of giving a wider scope for private initiative and enterprise, of assurance of facilities for transfer of profits, and of reasonable compensation in the event of nationalisation. Such re-orientation would in no way mean a restriction on the national sovereignty of these countries. It is needless to add that, when economic development in these countries is fairly well established, a stage will be reached at which domestic capital might easily be able to displace foreign investments.

INVESTORS' CONFIDENCE SHAKEN

DIVIDEND OUTLOOK FOR TATA STEEL

SECOND PLAN BRIEFLY OUTLINED

THURSDAY, 5 P.M.

THE debacle on the Stock Exchanges persists and lack of confidence in the future is the main cause for it. The shock given by nationalisation of insurance has not been got over. Advance reports of the contents of the final draft outline of the second Plan (see below) have only served to accentuate it. Apprehensions about the forthcoming Budget being unfavourable to investors are, once again, strong. It is feared that a big effort may be made by Mr. Deshmukh, the Union Finance Minister, to attain the goal of a ceiling on individual incomes by stepping up the direct taxes. It is also feared that, with a view to restraining consumption, indirect taxes on certain consumer goods may be raised appreciably. If the tax on cloth, for instance, is enhanced it may serve the two-fold purpose of releasing more cloth for export and depressing the prices of cotton which, of late, have been ruling very firm. It may be noted here that this time last year the trend of cloth and cotton markets alike was not conducive to such taxation.

MARKET GOSSIP

Reports of shortage of cement may also make the Finance Minister think. It is not improbable that he may be contemplating either tightening of distribution control on cement—a sort of rationing among non-essential consumers—or taxing the commodity, in order to discourage its consumption. The point that we wish to make here is that the signs of shortages that are already visible in certain goods and the possibility of a scarcity emerging in certain others may provide a convenient excuse for the Finance Minister to increase the indirect taxes. Some, if not most, of this increase will have to be borne by producers. It may be noted here further that there is every possibility of a rise in railway fares and freights which, in turn, will tend to reduce the profit-margins of industries. In view of all this, the chances of any notable recovery in equity values before the budgets are out of the way are remote. It is true that over the week, there has been some improvement in the prices of a large number of shares, but this must have been due mainly to short-covering and partly to selective buying by investors on a very small scale.

The latest reports from the Calcutta Stock Exchange are disquieting. The settlement of outstanding business has not yet been put through and the parties from whom differences are due have not honoured their commitments. It is difficult to describe in detail the exact state of affairs in that market; but this much is obvious, that is, the crisis continues. Those operators who have become despondent over the protracted intransigence of bulls are trying to limit their losses by selling Indian Irons in the Bombay market. Hence, the sudden reversal of the smart rally that had taken place in the steel section till yesterday.

Contrary to misgivings on the part of some, the last fortnightly settlement on the Bombay Stock Exchange went through without any mishap. This was due, to a considerable extent, to the fact that the big bull in the Calcutta market honoured his commitments in Bombay, though he has not done so there. It remains to be seen how long he will go on in this manner. If he finally choses to default in Calcutta, he may do likewise in Bombay, too. The position, therefore, is still quite uncertain, what with the further fall that has taken place in equity values since the last settlement day.

Much was made during the week of the reported limited purchase of a few equities by the custodians of some insurance companies. Enquiries made in knowledgeable circles reveal that the Government has so far given no general directive to the custodians to buy equities that are eligible for investment of life funds. The small parcels of Tata Ordinaries, Calicos, and A.C.Cs. said to have been bought early this week would appear to be no more than a replacement of the *bona fide* sale made by a leading insurer when they were standing at peak levels. It was, in short, an isolated transaction and not an indication of the Government's policy. It stands to reason that, with a big new loan by the Centre ahead, the Finance Ministry must be thinking more in terms of conserving the cash receipts of life insurance companies for taking up that loan than of utilising them for supporting equities. In fact, it would not be surprising if, after a while, even the purchases of Gilt-edged securities by the custodians of life funds were to be substantially slowed down.

* * * *

A careful analysis of the Tariff Commission's report on the retention price for steel discloses that the increase awarded in the price falls short of what both the producers—the T.I.S.Co. and the I.I.S.Co.—had asked for, that both will have to raise their capital by a much greater extent than they now wish to, besides seeking further loans from the Government, and that the surplus which will be available for distribution of dividends is smaller than the majority in market circles presume. In the case of T.I.S.Co., this surplus is only Rs. 11.64 crores for the five years beginning from 1955-56, that is, an annual average of Rs. 2.33 crores. As the preference dividends will require Rs. 57 lakhs per year, the amount available for paying ordinary dividend works out to no more than Rs. 1.76 crores. On double the present ordinary capital of Rs. 9,63,75,000 (that is, on 2,570,000 ordinary shares of Rs. 75 each, after the proposed capital expansion is completed) this would be sufficient to pay a modest dividend of just Rs. 6-14 per share. But, as the Company may have to conserve a little more than what the Tariff Commission has presumed, if it is not to get indebted to the Government still further, it may not be able to pay even that dividend but something less. The assumption in this column last week that the dividend on the increased capital may not be more than Rs. 6 per share is thus not very wide of the mark. A return of Rs. 6-8 per share would, perhaps, appear as something more reasonable to many. And this figure is, of course, well within the calculations of Rs. 6-14 per share, as mentioned above. It will be interesting to note here that one of the biggest insurance companies had calculated, of course before nationalisation, that, on the basis of the new shares being issued at par, Tata Ordinaries would be a good long-term investment proposition at Rs. 240 per share. Now that the new issue is to be at a premium of Rs. 30 per share, its estimate of a reasonable price for buying these shares, based on expert calculation, will have to be lowered to Rs. 210 per share, assuming that the increase in the retention price for steel which has now materialised has been in accordance with its expectations.

* * * *

The text of the draft outline of the second Five-year Plan, released just at the time of our going to press, contains few surprises. The broad outline is similar to the pattern which is already known to the public. The total outlay is thus the same as the Rs. 4 800 crores indicated earlier; of this outlay, the States' share is Rs. 2,214 crores. Again, out of the total outlay, a sum of Rs. 1,000 crores will represent current expenditure of a development nature, so that the investment on productive assets will be to the tune of Rs. 3,800 crores. Investment in the private sector is reckoned at Rs. 2,300 crores, so that the total productive investment comes to Rs. 6,100 crores. In the first Five-year Plan, the public and private sectors participated equally in development. In the next Plan, the share of the public sector has been raised to 62 per cent. As a consequence of the implementation of the second Plan, the national income is expected to increase from Rs. 10,800 crores in 1955-56 to about Rs. 13.480 crores in 1960-61—that is, by about 25 per cent. This will result in an increase of about 18 per cent. in *per capita* income (from Rs. 280 in 1955-56 to Rs. 330 in 1960-61), as compared with an increase of 10 per cent. over the first Plan period (from Rs. 255 to Rs. 280).

The total outlay of Rs. 4 800 crores in the public sector is distributed as follows:

Agriculture Rs. 565 crores (12 per cent.); Irrigation Rs. 458 crores (9 per cent.); Power Rs. 440 crores (9 per cent.); Industries and Minerals Rs. 891 crores (19 per cent.); Transport and Communications Rs. 1,384 crores (29 per cent.); Social Services (including housing) Rs. 946 crores (20 per cent.); Miscellaneous Rs. 116 crores (2 per cent.).

How are the resources to be raised? A tentative estimate places the surplus from current revenues at Rs. 800 crores (at existing rates of taxation Rs. 350 crores and additional taxation Rs. 450 crores), borrowings from public Rs. 1,200 crores (market loans Rs. 700 crores and small savings Rs. 500 crores), contribution from railways Rs. 150 crores, provident fund and other deposit heads Rs. 250 crores, external assistance Rs. 800 crores, deficit financing Rs. 1,200 crores, leaving an uncovered gap of Rs. 400 crores. It will thus be seen that the revenue from tax will be increased over the next Five-year period to Rs. 800 crores. This represents additional taxation of Rs. 450 crores. This increase is not regarded as "excessive either in relation to possibilities or of needs." The tax revenue now forms about 7 per cent. of national income; additional taxation of Rs. 450 crores will raise this proportion only marginally. But, if the anticipated income from other sources does not come up to expectations, greater reliance will have to be placed on taxes. Indeed, the Plan declares that the "target for additional taxation indicated here must be regarded as the minima to be attempted." The target for loans from the public has been set at Rs. 700 crores over the next five-year period; the average in the last two years has been some Rs. 100 crores. The loan target, it is stated, is not over-optimistic. But it must be remembered there are large maturities during this period and that State Governments, too, will want to borrow large sums.

A deficit of Rs. 1,100 crores in the foreign exchange resources is envisaged, thanks to the need for importing a wide range of capital goods and machinery for implementing the Plan; such imports will aggregate Rs. 1,350 crores, of which the requirements of the public sector alone will amount to Rs. 950 crores. The estimated deficit could be covered partially by Rs. 200 crores through withdrawal of sterling balances and net inflow of private capital to the tune of Rs. 100 crores. This would leave a gap of Rs. 800 crores. This will have to be covered by external assistance in the shape of loans from the World Bank and other U.N. agencies and credits available for the bigger projects. Nevertheless, it is admitted that the "accent of policy has necessarily to be on maximising export earnings and economising to the utmost in imports." Perhaps, some rigorous import control will become necessary in the future. Thus, a consideration of the financial aspect of the Plan indicates that, for the country as a whole, a period of higher tax levels and wider taxation is ahead. The impact of this on the economy might be intensified by the deficit financing of the magnitude contemplated in the Plan.

The Plan's main emphasis, as stated at the outset, falls on the public sector. Indeed, the philosophy of the Plan is based entirely on increasing the share of this sector. The draft outline says: "The public sector has to expand rapidly and the private sector has to play its part within the framework of the comprehensive plan accepted by the community." It is nevertheless hoped that, in a "growing economy which gets increasingly diversified, there is scope for both the public and the private sectors to expand simultaneously." In view of the fact that the draft outline wants the public sector to grow, some re-statement of the Industrial Policy Resolution of 1948 has been deemed necessary. An attempt is being made to do that. Meanwhile it is felt that the ownership and the right to exploit and develop mineral resources must vest in the State. "In the industrial field proper," says the draft outline, "new units producing basic capital goods and heavy machinery must be under public ownership and management. Even here, there may be scope in particular cases and in certain circumstances for undertakings to be owned and operated jointly by the State and private enterprise. In other industries where Government assists substantially by providing long-term finance, it should preferably offer equity participation rather than loans on fixed interest. Enumeration and classification of industries to be placed in the various categories requires close scrutiny and has to be decided upon in the light of practical requirements of each case. The point to emphasise is that the increasing role of the public sector, and its duty to provide entrepreneurship and management over a wide field must be clearly recognised and action must be initiated to equip it for the efficient discharge of these responsibilities."

Credit, it is recognised, is vital to economic progress. After referring to the recent measures adopted by the Government, such as the nationalisation of the Imperial Bank, encouragement to rural credit and the setting up of industrial finance corporations, the draft outline says:

> "It may be necessary also to develop further institutions which could provide the nucleus for a properly organised new issue market, especially as a diminishing role is being envisaged for the managing agency system. The recent decision to nationalise life insurance has added another potent instrument to the repertory of the public sector for raising savings and for regulating and directing the flow of funds in accordance with the requirements of the Plan."

A great deal of control on the private sector, it is felt, is necessary in the interests of achieving development and of reducing inequality in incomes. Such control may take the form of "fiscal or price incentives, licensing procedures and practices, foreign exchange allocations, sanctions of capital issues, fixation of profit margins or allocations of scarce raw materials." After emphasising the need for enlarging the field of operation by the State and the co-operatives for gathering the surpluses arising out of the trade, it declares: "It is not only regulation within the existing structure that can answer the need of development; the structure itself has to change."

It is noteworthy that the draft outline has clearly endorsed the principle of imposing a ceiling on income. It says that each of the various devices suggested for reducing the inequality of income such as higher taxes, enhanced estate duties, a small annual tax on wealth, taxation of higher incomes on the basis of expenditure rather than of income, etc., has to be examined in the light of its revenue yield, its effect on incentive, its administrative implication and the net contribution it makes to the objective in view, namely, the reduction in inequalities. It adds:

> "The principle of a limit on income disparities and on private accumulation beyond a point is part of accepted thinking on these problems; the best means of applying it in practice have to be worked out. There is general agreement that personal incomes in the highest ranges should bear a reasonable relationship to average *per capita* or per family incomes in the country. The Taxation Enquiry Commission suggested thirty times the prevailing per family incomes as a reasonable 'ceiling' on net personal incomes after tax, and it is necessary to advance towards this objective by stages."

HIND BANK'S RECORD PROFIT

The profit of the Hind Bank Ltd. for the year ended 31st December 1955, subject to audit, amounts to Rs. 10,86,458, representing an increase of Rs. 4,30,861 over that for 1954. This rise in profit is in refreshing contrast to the drop of Rs. 1,35,441 noted in the previous year, and has enabled the Bank to establish a fresh record profit, exceeding the previous highest of Rs. 9,47,813 earned in 1951. After bringing in the surplus of Rs. 1.12,820 from the previous year, the sum available for distribution is Rs. 11,99,278, from which the Directors have transferred to the reserve fund Rs. 2,50,000, as against Rs. 1,50,000 set aside last year. The provision for taxation has been raised from Rs. 2,80.000 to Rs. 4,00,000. Out of the balance, the Directors propose to pay a dividend of Rs. 3 per share of Rs. 50, free of income-tax, thus doubling it from Re. 1-8 per share paid for the previous two years. This will absorb Rs. 3,00.000, as compared with Rs. 1,50,000 last year, leaving a sum of Rs. 2,49.278 to be carried forward, subject to payment of bonus to staff, for which purpose a sum of Rs. 39,000 had been utilised last year.

EQUITIES REACT AFTER SMART RISE

TEXTILE SCRIPS ACTIVE

(From Our Own Correspondents)

BOMBAY, *9th February*

THE share market displayed a better tone during the major part of the week under review. The recovery noted at the close of the previous week was extended this week and sizable gains were recorded over a very wide front on hectic short-covering and small bull support. Towards the close, however, fairly heavy selling pressure emerged and under the lead of steels, shares retreated shedding a substantial part of the earlier gains. The undertone at the close was somewhat easy.

The cheerful sentiment which prevailed in the earlier part of the week was attributed to abatement of selling and heavy short-covering induced by hopes that the settlement difficulties would soon be tided over. These hopes gained strength from the fact that the settling day in Bombay for receiving payment and shares from the Clearing House in respect of the last settlement passed off smoothly. Confidence also revived on reports that custodians of a few insurance companies purchased some lots of equities, particularly Tata Ordinaries and A.C.C. These purchases on behalf of insurance companies, though confined to a limited sphere, gave hopes that the support from these quarters would be extended further in the coming weeks. Prospects of good working results of textile mills and expectations of better dividends induced large-scale support to textile scrips, which, in fact, provided the highlight of trading this week.

The improvement in sentiment was not, however, sustained throughout; for towards the close, the bearish implications of the revised final draft of the Second Plan—the period of which, it was reported, was likely to be extended to six years—the Budget uncertainties and reports that settlement difficulties in Calcutta, which were expected to be cleared off today, were not got over, caused some nervousness. Operators were, therefore, inclined to lighten their commitments. Steel scrips lost the entire gain built up earlier, while textiles disclosed fair-sized gains over the week.

In the steel section, Tata Ordinaries gained ground from Rs. 225 to Rs. 229-8, but retreated to Rs. 225 at the close today. Indian Irons, after an early dip from Rs. 33-4½ to Rs. 32-14½, advanced to Rs. 33-15, but the gain was more than wiped out when the scrips finished today at Rs. 32-14.

Textile shares were in the limelight. Proximity of dividend announcements induced good activity in all leading counters. The announcement of a higher dividend by the New Great Mills in the Brady Group—the dividend was raised from Rs. 7-8 to Rs. 10—strengthened confidence in this section. Bombay Dyeings rallied from Rs.498-2 to Rs. 516-14, before retreating to Rs. 507-8. Despite the fall today, the shares emerged Rs. 9-6 higher over the week. Kohinoors came up from Rs. 323 to Rs. 332, but receded to Rs. 327-8 today. Centurys attracted good attention and moved up from Rs. 449 to Rs. 461-8, before reacting to Rs. 451-4. Central Indias gathered over the week Rs. 3-8 to Rs. 139, Finlays Rs. 8 to Rs. 320 and Gokaks Rs. 7 to Rs. 224. Indu Ordinaries gained As. 3 to Rs. 12-4, Indore Malwas Rs. 5 to Rs. 129-6 and Khataus Rs. 3-12 to Rs. 210. Lakshmis finished Rs. 3-12 higher at Rs. 668-12 and Models Rs. 6-4 better at Rs. 148-12. New Greats put on Rs. 4 to Rs. 194, while New Citys, which have maintained the dividend at Rs. 10, dropped Re. 1-14 to Rs. 160. Shree Niwas were done Rs. 2-8 higher at Rs. 210. Simplex moved up from Rs. 182 to Rs. 189, but drifted lower to Rs. 185-8. Standards rallied smartly from Rs. 381-4 to Rs. 401-14. Svadeshis advanced by Rs. 6-8 to Rs. 209 and Swans added Rs. 7-8 to Rs. 412-8.

Bank shares made a good recovery on abatement of nervous selling. This was attributed to reports that an assurance was given by the Finance Secretary, when he was in Bombay last week, to the representatives of shareholders to the effect that nationalisation of banking was not imminent and that it was not under the consideration of the Government at present. On the Stock Exchange, Central Banks moved up by Rs. 3 to Rs. 49 and their New Shares by Re. 1-12 to Rs. 50-12. Bank of Indias, after drifting lower from Rs. 150-8 to Rs. 147-4, briskly advanced to Rs. 151. Barodas hardened by a rupee to Rs. 95. United Commercials finished better at Rs. 50-8, after receding from Rs. 50 to Rs. 49.

A rise of Rs. 225 to Rs. 3,800 in Orientals was again a feature in the insurance section. New Indias declined further by a rupee to Rs. 40, while Indian Mercantiles recovered by a rupee to Rs. 43. Vulcans changed hands As. 2 lower at Rs. 15-8.

Electricity shares were generally steady with minor gains over the week. Ahmedabad Electrics were marked down from Rs. 104-1 to Rs. 103-7, before being lifted up to Rs. 103-12. Bombay Suburbans added As. 10 to finish at Rs. 120. Surat Electrics were maintained at Rs. 120. Andhra Valleys gained Rs. 2-8 to Rs. 1,302-8. Tata Powers were marked up by Rs. 16-4 to Rs 1,566-4 and Tata Hydros by a rupee to Rs. 133.

The miscellaneous section followed the general pattern of the market, but several scrips scored smart gains over the week, the most conspicuous among which were Alcock Ashdowns which were concerned in hectic buying activity. In the cement group, A.C.C. fared well on good support. The scrips appreciated from Rs. 208-8 *cum-div.* to Rs. 206 *ex-div.*, but closed lower at Rs. 202-4. Digvijays gathered Rs. 3-8 to Rs. 168-8. Sugar shares shaped well, Belapurs gaining Rs. 4 to Rs. 222, Phaltans Rs. 2 to Rs. 128 and Walchandnagars Rs. 8-12 to Rs. 235-10. In the engineering and mining group, Alcocks shot up from Rs. 340 to Rs. 380, before reacting to Rs. 368-12. Premier Constructions put on Re. 1-12 to Rs. 171-4 and Tata Locomotives Rs. 2 to Rs. 141-8. Shivrajpurs were steady at Rs. 101. Indian Coppers gained As. 2¾ to Rs. 6-10 on investment support. B.B. Petrols moved around Rs. 3-13.

In the shipping and transport group, Scindias were done up to Rs. 16-7, but the closing was lower at Rs. 15-12. Great Easterns had business Re. 1-4 lower at Rs. 13-12. Hindustan Motors were a shade better at Rs. 9-2 and Premier Automobiles at Rs. 82-8. Among other miscellaneous industrials, Bombay Burmahs (old) forged ahead from Rs. 518-12 to Rs. 528-12, before receding to Rs. 524-6. National Rayons gained from Rs. 212 to Rs. 220, but receded to Rs. 215-8 at the close. British India Corporations stood As. 1½ better at Rs. 11-12½ and Killick Industries Rs. 3-8 higher at Rs. 168-8. Tata Chemicals rose by As. 3 to Rs. 16-1, Tata Oils As. 4 to Rs. 42-4 and Wimcos Rs. 3-12 to Rs. 187-8.

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Calcutta Stock Exchange

CALCUTTA, *8th February*

In the absence of any incentives, the Calcutta Stock Exchange continued to drift during the week under review. There was no trading on Saturday last, but, as the difficulties facing the market relating to settlement prices were believed to be coming to their end without introducing the question of defaults, the reopening on Monday presented a changed appearance. During the sessions of both yesterday and today, conditions were better as recovery from the lowest levels had started. However, buying support was limited to selected counters and the volume of business did not improve by any worthwhile degree. In view of the general dullness, the announcement of new steel retention prices did not change the course of trading. The reported possibility of some shifts in the Government's industrial policy of 1948 to bring it in line with the socialistic structure of society added to the long list of uncertainties.

The advices from the commodity markets, particularly tea and jute goods, were encouraging, but these were not taken notice of. Although prices of jute goods staged a recovery, raw jute prices moved faster, and were, in fact, higher than the rates prior to the recent fall in manufactured goods. After the life insurance ordinance, it is feared in the market that the nationalisation of banks, which is also the professed aim of the Government as had been declared by no less an authoritative person than the Prime Minister, is only a question of time. When this comes about, the process of "tieing" the hand and foot of private enterprise would be complete, and virtually the investment market would be controlled by official edicts.

The question whether the share markets are after all to function as effectively as before is being rightly posed in responsible quarters. Even in a socialistic pattern of society stock exchanges have a useful role to play. For they attract much of the investible funds by providing incentives. However, confidence in the future has been rudely shaken, and the Budget proposals for 1956-57 are awaited with great interest.

Among coals, Equitables lost further to Rs. 32-14 from Rs. 33-14 with East Indians losing ground to Rs. 31-14 from Rs. 32-8. Likewise, Central Indias were lower at Rs. 7-5 and Bengals at Rs. 548.

Elgin Mills in the textiles section were extremely quiet at Rs. 27-3, although, subsequently, the rate recovered to Rs. 27-6. New Victorias were steady at Rs. 2. Jayshrees crossed Rs. 5-14. Kesorams were transacted today at Rs. 17.

Jutes were practically neglected, excepting a few counters. Howrahs staged a small recovery to Rs. 25-4 from Rs. 24-15, but Reliances declined to Rs. 11-15 from Rs. 12-8.

In the engineering section, Indian Standard Wagons met with business at Rs. 161, that is, ten points lower, whereas Jessops, after declining to Rs. 57-8, recovered to Rs. 58-4. Richardson and Cruddas hovered around Rs. 26. Kumardhubis at Rs. 11-2 were a few annas lower.

Among miscellaneous industrials, a strong feature was the spurt in India Steamships from Rs. 8-2 to Rs. 8-9. Rohtas Industries were steady at Rs. 22-8. B.I. Corporations recovered to Rs. 11-15 from Rs. 11-8. Angelo Bros. were fractionally higher at Rs. 24. Martin Burns were unchanged at Rs. 27-4, while Dunlop Rubbers sagged to Rs. 32-10 from Rs. 34-8 previously.

In teas also, the number of transactions was limited. Brooke Bonds changed hands at Rs. 19-12, as against Rs. 20 previously, and Dhelakhats at Rs. 18-4, as against Rs. 18-8.

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Madras Stock Exchange

MADRAS, *8th February*

The Madras Stock Exchange exhibited a rather mixed trend during the week under review. While textiles came in generally for selling pressure, the planting scrips encountered some encouraging support. The easier trend in the textile section was due to lack of encouraging and overseas enquiries for cloth. The renewed support for tea scrips in the planting section was due particularly to increased export quota for tea. Rubber and coffee scrips were dull. The miscellaneous section too lacked support. Business done on balance was limited and there was a sprinkling of both gains and losses.

There were a few dividend announcements this week also. Among them, mention may be made of the Canara Banking Corporation Ltd., which declared a dividend of 8 per cent. *plus* a bonus of 3 per cent. on ordinary shares, thereby making a total of 11 per cent. for the year ended 31st December 1955, as against 10 per cent. for the previous year. The share was quoted at Rs. 86 *cum-div.* The Aluminium Industries Ltd. announced an interim dividend of 6¼ per cent. on all shares (excluding the recent issue of 150,000 shares which rank for dividend only from 1st December 1955) for the year ending 31st March 1956. The total dividend for the previous year was 12½ per cent. The share was quoted at Rs 20-12 *cum-div.*, as against Rs. 20-14. The Malabar Industrial Company, Ltd., reduced the dividend from 30 per cent. to 20 per cent. (tax-free) for the year ended 28th February 1955. The scrip changed hands at Rs. 25-12 *cum-div.* Madura Mills maintained the dividend of 20 per cent. for the year ended 31st December 1955. The scrip was enquired at Rs. 49-8 *cum-div.* Rallis India Ltd. passed over the dividend for the year ended 31st August 1955 also.

In the textile section, Anglo-French lost Rs. 4 to Rs. 116 and Balasubramanias 'B' Rs. 2 to Rs. 119. Coimbatore Spinnings eased from Rs. 90 to Rs. 82 and Dhanalakshmis from Rs. 356 to Rs. 355. Metturs declined from Rs. 379 to Rs. 372-8 and Premiers from Rs. 177 to Rs. 175. Venkatesas disclosed a loss of Rs. 3-8 at Rs. 139-8 and Vijayalakshmis Rs. 2-5 at Rs. 125-8. Bangalore Woollens, however, put on Rs. 5 to Rs. 555 and Buckinghams Rs. 2 to Rs. 171. Cambodias were higher by As. 3 at Rs. 13. Kaleeswarars rallied Rs. 5 to Rs. 305 and Gnanambikais Rs. 2-8 to Rs. 135. Coimbatore Cottons were quiet at Rs. 346 and so were Krishna Rajendras at Rs. 90.

Blue Mountains, among the tea scrips, in the planting section, gained As. 4 to Rs. 4-12 and Periakaramalais As. 4½ to Rs. 8-0½. Talyar Teas were better by As. 6 at Rs. 12-6 and United Nilgiri Teas by Rs. 5 at Rs. 310 *cum-div.* Chandramalais improved from Rs. 5-6 to Rs. 5-10 and Haileyburias from Rs. 25 to Rs. 25-4. But Coonoor Teas lost As. 8 to Rs. 30 and Coorg Teas As. 2 to Rs. 9-8. Among rubbers, Cochin Malabars improved from Rs. 7-11 to Rs. 8 and Rajagiris from Rs. 21 to Rs. 21-4. Pullangodes were fractionally better at Rs. 4-3½. Malankaras and Teekoys, however, lost As. 4 each to Rs. 27-4 and Rs. 9-8, respectively. Nenmenys were quiet at Rs. 21-8 and Travancore Rubbers at Rs. 23-12. Among Coffees, Consolidated Coffees gathered As. 2 to Rs. 20-10 and Coffee Lands As. 9 to Rs. 17-14. But Kadur Coffees lacked enquiry at Rs. 2-9 and Mysore Coffees at Rs. 1-9.

In the miscellaneous section, Andhra Cement 'A' lost Rs. 2-8 to Rs. 156-8 and Dalmia Cements (Rs. 10 paid up) Re. 1 to Rs. 14. Dalmia Cements, Rs. 2-8 paid up, were down by As. 5 to Rs. 3-8 and India Cements by As. 2 to Rs. 32-4. Mysore Chemicals and Fertilisers were lower by As. 2 at Rs. 8-12 and Mysore Gold by an anna at Rs. 1-14. Rallis were quiet at Rs. 37-12 and Spencers at Rs. 17-12.

THE TRAVANCORE BANK LIMITED

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D. R. VEDAMUTHU,
General Manager.

NEWS IN BRIEF

THE Railway Budget for 1956-57 will be presented to Parliament on 23rd February and the General Budget on 29th February.

About 17 million acres will be irrigated through major and minor irrigation schemes by the end of the first Plan period.

The Government of India has allowed the export of 25 Indian-made cars to Ceylon, with a view to developing an export market.

The production of automobilies in India has increased by over 50 per cent. during 1955, the actual output being 22,528 cars and trucks as against 14,462 in 1954.

The Coffee Board has released 300 tons of coffee, consisting of Plantation 'A' (150 tons), Plantation 'B' (75 tons) and Plantation Triage (75 tons), for export during February 1956.

India will be able to produce about 25 per cent. of its total oil requirements within the next few years, according to the Union Minister for Natural Resources and Scientific Research.

The export of pulses, including gram and gram-flour, outside India has been banned with effect from 6th February, in view of the recent rise in market prices within the country.

The Union Government has sanctioned Rs. 21.08 crores up to December 1955, as loans to various State Governments under the Low Income Group Housing Scheme. Of this amount, however, only Rs. 6.07 crores have been disbursed.

The all-India first estimate of rapeseed and mustard for 1955-56 puts the current year's area at 2,403,000 acres, as against the adjusted first estimate of 2,374,000 acres for 1954-55. This shows an increase of 29,000 acres or about one per cent. in area over last year.

The Government of India proposes to bring forward a Bill in Parliament to remove most of the difficulties of the trade relating to levy of sales tax on inter-State transactions. The Bill will be drawn up on the lines of the recommendations of the Taxation Enquiry Commission.

The Madras Government has appointed a special officer to work out details of the Government's scheme to take over third party insurance in respect of motor vehicles, so that the proposal can be given effect as soon as the Central Government's approval is obtained. The States of Mysore and Travancore-Cochin, which have also similar proposals, have already commenced preliminary work in this connection.

The Government of India has decided to continue to allow for export limited quantities of cotton yarn during the first half of the current year to provide an incentive to mills to pack larger quantities of "free yarn." During 1955, the packings of "free yarn" by both composite and spinning mills were higher than at any time before. Allotments for export will accordingly be made to mills on a revised procedure, based on the mills' packings during 1955.

The Union Government has accepted the recommendation of the Stores Purchase Committee to constitute a non-official advisory council to advise the Government on general purchase policy and procedural matters, as well as on development of industries for Government purchase. In this connection, the Government has called for a conference of representatives of trade and industry and the General Purchase Organisation in New Delhi on 27th and 28th inst.

Consequent on the promulgation of the ordinance validating collections of sales tax by States on inter-State transactions during the period April 1951 to 6th September 1955, the Madras Government will retain a sum of Rs. 42 lakhs, being the collections made by the Government between 1st October 1953 and the date of the Supreme Court judgment in September last holding such levy by States *ultra vires*. Similarly, the Andhra State Government, too, is keeping back a sum of Rs. 45 lakhs.

Another shipment of six U.S.-built broad-gauge steam locomotives for India's railways arrived in Bombay on 6th February. The first four of 100 such locomotives, being supplied to the Indian railways under the U.S. aid programme, were formally presented in Bombay early last month by Mr. John Sherman Cooper, U.S. Ambassador to India, to Mr. O. V. Alagesan, Deputy Minister for Railways. A total of $38,500,000 in American aid has so far been allocated for the rehabilitation of Indian railways.

An advisory commission of five members to help in the implementation of the new Companies Act is to be set up before the end of this month. The Commission, which will have a full-time chairman, will consist of representatives of business interests, labour, shareholders and those connected with company accounts. The setting up of the Commission is one of the several steps now being taken to work effectively the provisions of the new Companies Act which was passed in the last session of Parliament and is expected to come into force from the beginning of April next.

Three new taxation measures for the next financial year were announced by the Bihar State Finance Minister, when he presented the State Budget for 1956-57 on Tuesday this week. The first is a levy of a cess of one anna in the rupee on rent for the specific purpose of financing primary education. The second is a tax of As. 3 per gallon of diesel fuel and the third is the levy of multipoint sales tax at low rates as against the existing higher single-point tax. The Budget estimates show a deficit of Rs. 29.48 crores, income being estimated at Rs. 66.75 crores and expenditure at Rs. 96.23 crores.

The Union Government has appointed an expert committee on tobacco in pursuance of the recommendation of the Taxation Enquiry Commission. The Committee will review departmental procedures now in force for giving effect to the tariff based on capability of unmanufactured tobacco other than flue-cured for use in *biris*, with special reference to the concessions authorised by the Government in June 1951. The Committee will also consider the methods adopted for estimating the produce of tobacco growers for the purpose of accounting and assessment and recommend measures for remedying defects, if any, in the existing methods.

The Indian Tea Planters' Association is reported to have decided not to pay a bonus in respect of 1954 on the scale agreed upon at a recent tripartite meeting in Delhi. The I.T.P.A. had at that time maintained that it was not in a position to implement the agreement in full. The Association has, however, offered to pay a cash bonus of Rs. 60 to each employee in the Dooars gardens and of Rs. 50 to each employee in the Terai gardens without any commitment for 1955 and 1956. The decision, it is stated, has been taken in view of the fact that a large number of the Association's member-gardens are small and uneconomic units and also because of the additional financial burden they will have to undertake under the recently imposed Plantation Labour Act. Moreover, there has of late been a recession in tea prices owing to world overproduction.

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From Abroad

The U.K. Government is considering how full information about nationalised industries may best be produced.

The Pakistan Petroleum Company has struck oil at Chakwal, in the Punjab. The oil is being tested for quality and quantity.

A newsprint mill is proposed to be set up in East Pakistan. The industry is on the "high priority list" and will meet all the requirements of the country.

Manufacturing industries in the U.K. are expected to increase their capital expenditure in 1956 by 17 per cent., as against the rise in 1955 of 18 per cent. over the preceding year.

The East Bengal Government has introduced full-scale statutory food rationing in Dacca and Narayanganj with effect from 5th February. Statutory rationing has also been introduced in 14 district towns.

A U.S. company has been authorised by the Japanese Transport Ministry to build two 84,000-ton super-tankers at a former Japanese naval shipyard. The tankers, to be built in dry docks, will be the largest in the world.

The wheat production in Australia during 1955-56 is expected to be 188.6 million bushels, an increase of 20 million bushels over the previous year. The average yield per acre is placed at 18.7 bushels, the highest since 1952.

The net earnings of the General Motors Corporation for 1955 exceeded $1,000 million, the highest in the history of the Company. The earning was equal to $4.30 per share, as against $3.03 in 1954, after making adjustments for the split in stocks last September.

Six 3,000-gallon stainless steel-lined milk tankers, the first part of a consignment of 20 being constructed in New Zealand for India under the Colombo Plan, were loaded on a steamer early this week. The tankers can be used either on railway wagons or lorries.

New home construction in the U.S. has set a new annual record for nine consecutive years, according to the U.S. Labour Secretary. He estimates that, during the past 10 years 10,744,600 new dwellings have been constructed in the United States. The mounting number of private homes is, he stated, the tangible expression of the country's prosperity.

The Bethlehem Steel Company, second largest producer of steel in the United States, is planning a new expansion programme that will add three million short tons to its annual steel-making capacity by the end of next year. The $300-million programme will be the largest in the Company's history.

New advertising and circulation records were set during 1955 by U.S. daily newspapers, according to the Editor and Publisher of the *International Year Book*. Circulation increased by more than one million copies, with daily sales at more than 56,000,000. Advertising volume was up to 10.2 per cent. the year 1955 was the best in the history of U.S. newspapers.

Stocks of wheat held by the four main exporting countries, namely, the U.S., Canada, Australia and Argentina, on 1st December last, aggregated, 2,157.4 million bushels or about 8 per cent. more than the quantity (1,997.9 million bushels) held a year before. Exports from these four countries during the period August to November 1955 declined from 244.8 million bushels to 223.9 million bushels.

The Indonesian Parliament has ratified the International Tin Agreement. The Indonesian approval removes the chief remaining hindrance to the coming into force of the World Tin Agreement, because it will provide the requisite number of producer votes for the Agreement to become effective. The required number of ratifications by consumer countries have already been secured. The Italian Senate has also ratified the Agreement, which is to be approved by the House of Representatives.

The Ford Foundation has received the proceeds of what is reported to be the largest single banking equity transaction in American finance—a cheque for $642,600,000. The cheque represented the philanthropic Foundation's share in the recent public sale of Ford Motor Company common stock. The Foundation has spent $875 million on philanthropic projects in the past 20 years. The projects include furthering international understanding, improving education and hospitals and various public affairs activities.

The large U.S. manufacturing firms have been ordered to take steps to allow greater competition in their fields of activity. The U.S. Attorney General has announced that under a Federal Court decree, the International Business Machines Corporation has been ordered to offer for outright sale the business machine which has been available only for rental for the past 25 years. A similar decree orders the American Telephone and Telegraph Company to licence its 8,600 patents at reasonable rates.

The British Chancellor of the Exchequer has rejected the Opposition demand for dividend limitation by an Act of Parliament. He was not in favour of a statutory limitation of dividends, "since it was impracticable to lay down any statutory standard which would equitably treat, in their widely varying circumstances and needs, all the companies concerned." The Chancellor proposes to continue the policy of taking every opportunity to impress on all the partners in industry the urgent need for moderation in their claims.

PERSONAL

MR. M. Gopala Menon, Commissioner for the Government of India in Nairobi, has been appointed Consul-General of India in New York with the rank of Minister.

Mr. Raj Bahadur, Deputy Minister for Communications, and Mr. B. N. Datar, Deputy Home Minister, have been appointed Ministers in the respective Ministries.

Mr. V. K. Krishna Menon, India's representative in the United Nations and a former Indian High Commissioner in London, has been appointed Cabinet Minister without portfolio.

Mr. Lal Ram Sharan Singh, I.C.S., Consul-General of India in New York, has been appointed Ambassador of India to Brazil. He is expected to assume charge of his new assignment in March.

Mr. Shishir Kumar Banerji, I.C.S., Consul-General of India, San Francisco, has been appointed India's Minister to Syria. He is likely to assume charge in May.

Mr. Charles H. Percy, a prominent American business executive—President of Bell and Howell of Chicago— advocate of free trade and supporter of President Eisenhower's low tariff policy, has arrived in India on a business and study tour.

Dr. L. D. Baver has been elected General Chairman of the International Society of Sugarcane Technologists, which will hold its next Congress in 1959 in Hawaii. Dr. St. John P. Chilton has been elected Vice-Chairman and Mr. W. W. G. Moir, General Secretary, Treasurer.

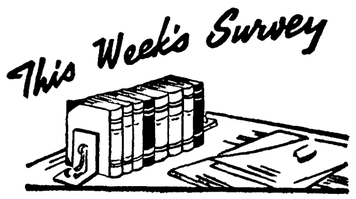
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *14th February*

Cotton Textiles

In view of the dispute in Lancashire between owners and weavers, to which detailed reference is made in our textile section this week, it is instructive to take note of the present state of the cotton textile industry, its growth and the effect thereof on international trade. It should be pointed out that, in one stage of development, a country imports yarns, first for its handloom industry; and as industrialisation proceeds, for its power-looms. In time the yarn-importing country develops its own spinning industry, leaving the exporting country with a surplus of yarn. Rather than contract a well developed industry, the policy is to increase the looms, as both Japan and India have done since the contraction of the China market for yarns. A situation is thus brought about in which equipment is doubled without any change in demand, making it necessary to find new export markets. A further phase, it may be added, has been begun by the expansion of the Chinese mill industry, causing a contraction of that country's demand for cloth as well as yarn, and, when China begins to export a considerable proportion of its output, there will be another dislocation of trade.



INDO-U.S. AIR AGREEMENT

THE Governments of India and the United States have entered into an agreement governing the operation of air services between the two countries. They have also exchanged letters which set forth the procedure for interpreting and implementing the Agreement. Together with the letters of exchange, the Agreement replaces the air transport agreement which expired on 15th January 1955.

It will be recalled that the Government of India served notice of termination of the agreement on 14th January 1954, giving one year's notice as per the terms entered into as far back as 14th November 1946. It proposed the conclusion of a new agreement, as the 1946 Agreement curtailed the scope of Indian airlines in their legitimate spheres of activity. That agreement, it may be noted, was entered into at a time when the Indian airlines were not operating abroad, so that it did not restrict the fifth freedom traffic (that is, traffic destined for or coming from third countries) which the American airlines could take. Since then—with effect from June 1948 to be precise—the Indian airline, namely, Air-India International, has been carrying overseas traffic. Consequently, the unrestricted carriage of fifth freedom traffic made serious inroads into the traffic that legitimately belonged to Air-India International. To the Indian airlines, it must be stressed here, the fifth freedom traffic for foreign airlines constitutes the third and fourth freedom traffic (that is, traffic between countries of the origin of airlines and their destination) on which their economic operation depends.

Under the new agreement, the frequencies of the two American airlines, namely, Pan-American Airways (P.-A.A.) and Transworld Airlines (T.-W.A.), have been fixed at two round trips and they can be increased only by mutual consultation. Thus, the freedom enjoyed by the American airlines to increase their frequencies without the approval of the Government of India has been restricted.

The airlines designated by each of the two Governments will operate air services on two specified routes *via* intermediate points in both directions and make scheduled landings at certain points. The routes which the airlines designated by the Government of India will operate are:

Route One: From India via points of Asia, Africa, Europe, the U.K., Ireland and Canada to New York, and beyond to points on route two or to such points as may be mutually agreed upon at a later date.

Route Two: From India via points in Asia, the Philippines, Japan and Canada to San Francisco or Los Angeles and beyond to points on route one or to such points as may be mutually agreed upon at a later date.

The routes which the airlines designated by the Government of the United States will operate are:

Route One: From the United States via points in Canadia, Ireland, the United Kingdom, Europe and Asia to Delhi-Calcutta and beyond to points in Burma, Thailand and beyond to the United States over the various routes.

Route Two: From the United States via points in Canada, Ireland, the United Kingdom, Europe and Asia to Delhi-Calcutta and beyond to points in Burma, Thailand and beyond to the United States over the various routes.

The Agreement provides that the rates to be charged must be reasonable, due regard being paid to all relevant factors such as the cost of operation, reasonable profit and the rates charged by other services. It lays down further that, "except as otherwise provided in the Agreement, any dispute between the contracting parties relating to the interpretation or application of this agreement, which cannot be settled through mutual consultation, shall be submitted for arbitration to an advisory board or a tribunal of three arbitrators, one to be named by each party and the third to be agreed upon by the two arbitrators so chosen, provided the third arbitrator shall not be a national of either contracting parties."

The new agreement is more or less on the lines concluded with other countries, such as the U.K., the Netherlands and Australia and New Zealand. The only country which has an agreement with India for unrestricted frequency is Japan; India also enjoys reciprocal treatment with that country. At the moment, however, Japan has no international air service and, when Japanese airlines actually begin to operate, there will doubtless be fresh negotiations aimed at an agreement based on those concluded with other countries.

The present agreement represents a compromise between the views of India and the U.S. The U.S. has all along advocated unrestricted facilities to carry fifth freedom traffic. According to an official spokesman of the U.S., competitive freedom of action exists in the U.S. to meet anticipated fluctuations in air traffic. On the other hand, India, which has nationalised its air services, has advocated legitimate consideration for the development of its undeveloped air transport and held that the traffic between any two countries should go to the air services of the respective countries. According to the Agreement, the American airlines can ask for increase in frequency chiefly on the ground of increase in direct traffic. To quote the significant words of the joint *communique* issued on the 3rd inst:

"The Government of India and the Government of the United States recognise that, in many respects, their philosophies differ as to the methods through which to achieve the orderly development of air transportation, but agree that air transportation between the two countries will continue at the rapid growth of the last few years. Accordingly, the two Governments contemplate consultations, in order to insure that the agreement entered into remains adequate, not only to deal with any situation which might arise, but also to provide the necessary viability to insure a permanent foundation upon which their respective air transport systems can prosper."

Following the conclusion of this agreement, it is stated that Air-India International proposes to operate a bi-weekly service between India and the U.S. via the U.K. next year. It has placed orders for three "G" type modern long-range Super-Constellations in the U.S. The first aircraft is expected to be delivered in August this year and the remaining two by April next year. The "G" type Super-Constellations are to be run on the London-New York sector.

SALES TAX ORDINANCE

The Sales Tax Validation ordinance, issued by the Government of India on 30th January 1956, seeks to validate the levy and collection of sales tax made by the State Governments on inter-State trade during the period 1st April 1951 to 6th September 1955. The ordinance is a sequel to the Supreme Court's judgment in the well-known case, *Bengal Immunity Co.* vs. *Government of Bihar*. The Court then reversed its own earlier decision delivered in March 1953. It had earlier held that, when goods were delivered by one State for consumption in another State, as a result of transaction of sale or purchase, the latter State was entitled to levy a tax on the transaction. It had rejected the Government of India's view that even such transactions would qualify for the exemption from sales tax, provided by the Constitution. The Court's decision was the signal for the State Governments to levy and collect sales tax on inter-State transactions. This caused a great deal of hardship to the traders, who had to be conversant with the sales tax laws in all States and also satisfy the authorities in the States with which they had business dealings whenever any enquiries were made by them.

In September 1955, however, the Supreme Court, in the course of its judgment on the *Bengal Immunity Case*, veered round to the Government's view and held that the interpretation of the Constitution on which the earlier decision was based, was "plainly erroneous." As a result of this judgment, the levy and collection of tax by the State Governments on inter-State trade became *ultra vires* the Constitution. Naturally enough, the judgment was received with a sigh of relief by traders. At the same time, it gave rise to an intriguing situation, for the States which had collected sales tax on inter-State transactions found they had collected an illegal revenue, though it was perfectly legal in the light of the Supreme Court's earlier decision. The alternatives before the Government were either to return the tax so collected or to get the collection of the tax validated by an ordinance. Ever since the Supreme Court's judgment was given, it has been known that the Central Government was favourably inclined towards the latter alternative. The Ordinance protects the revenues of the States derived from the levy of sales tax on inter-State trade during the period 1st April 1951 to 6th September 1955. It says:

"Notwithstanding any judgment, decree or order of any court, no law of a State, in so far as it imposes or authorises the imposition of, a tax on the sale or purchase of any goods where such sale or purchase took place in the course of inter-State trade or commerce during the period between the 1st day of April 1951 and the 6th day of September 1955, shall be deemed to be invalid or ever to have been invalid merely by reason of the fact that such sale or purchase took place in the course of inter-State trade or commerce; and all such taxes levied or collected or purporting to have been levied or collected during the aforesaid period shall, notwithstanding any defect in, or invalidity of, the enactment under which the tax was levied or collected, be deemed always to have been validly levied or collected as if this ordinance were in force on the date on which such tax was levied or collected."

Although the ordinance has thus protected the States' revenues, in so far as they have been derived from the levy of sales tax on inter-State trade, it has created an embarrassing situation for many traders. During the pendency of the case before the Supreme Court, some buyers had paid the tax to the sellers on the understanding that the tax would be returned to them if the judgment went against the States. Some sellers had paid the tax to the State Governments without recovering it from the buyers who had agreed to pay it if the judgment went in favour of the State Governments. The Ordinance penalises those buyers who paid the tax, while those who did not pay it might not do so now.

SHORTAGE OF STEEL AND CEMENT

Shortage of steel, cement and timber continues to confound even the optimists. The three-day meeting of the general managers of Indian railways and the officers of the Railway Board held last week at New Delhi expressed serious concern at the shocking hold-ups and bottlenecks that were being caused in many spheres of railway working and development, as a result of deficiency in the supply of steel and cement and, in certain cases, timber. It was disclosed that, in several cases, steel supplies had fallen short by as much as 50 per cent. The position was particularly bad in regard to supply of steel required for track, signal work and the like. It was further aggravated by the fact that private manufacturers of railway supplies had to draw their steel requirements from out of the railway quota. Further, it was stated that, although the indents for cement had already been cut, even the reduced quotas were rarely met in full. The supply position in regard to timber, too, was almost the same.

There is no gainsaying the fact that, if the present supply situation were to persist, the execution of the second Five-year Plan would come to grief. The general managers were quite aware of this. The railways alone have been estimated to require as much as one million tons of steel in the first year of the second Five-year Plan. The cement requirements during 1956-57 are estimated at 450,000 tons.

It is true that large-scale expansion of the capacity of iron and steel industry, as well as cement industry, has been proposed. But the programme will take time to materialise. During the *interim* period, India will have to depend on imports. It would appear that even the decision of the Government of India, taken in November last year, to import one million tons of steel for three years with effect from 1955-56, and the recent decision to import cement in some sizable quantity, may not go a long way to relieve the situation. Consequently, there appears to be an urgent need for adopting a bold import policy to ensure that the second Plan will not founder on the rock of shortages of essential raw materials.

Incidentally, it may be noted that the Conference discussed the problems of large-scale recruitment and training of personnel for the Indian railways in the second Plan period. As difficulty was being experienced in filling up supervisory and other posts due to non-availability of suitable recruits, it was felt that the requirements of the railways should be met, to a large extent, through promotion from lower grades and re-employment of retired persons. A notable suggestion made in this connection was that promising young men in colleges should be drafted into railway service after suitable training. In order to implement this suggestion, the Conference felt that steps should be taken to expand railway training schools and centres which were already functioning and to open new ones as were found necessary.

WORLD SUGAR

The recent meeting of the International Sugar Council (I.S.C.), held at London, was notable for three important decisions. First, the Council agreed not to make any further change in the basic export tonnages of member-countries for 1956. Secondly, it raised the estimate of the world requirements of sugar from the "free" market during 1956 to 4.57 million tons, from 4.52 million tons fixed at its previous meeting in December last. Thirdly, the Council set up a preparatory committee and a technical subcommittee to undertake preliminary work in connection with the forthcoming international sugar conference of all interested countries, including non-signatories as well as members of the Agreement, to be held under the auspices of the United Nations some time in May next.

The decision of the I.S.C. not to make any further change in the export quotas of member-countries for 1956 is understandable. It was only in December last, it will be recalled, that the I.S.C. decided on a 10 per cent. cut in the basic export tonnages and fixed the initial quotas at a total of 3,996,000 metric tons. Since then, the world sugar market has been ruling fully steady. Not only has the downward trend in sugar prices been arrested, but the prices have, in fact, registered a distinct recovery. Raw sugar (spot No. 4 world contract) in the New York market, which had gone down very much below the minimum of 3.25 cents per lb. fixed under the World Sugar Agreement—the actual quotation as on 2nd December 1955 was 3.13 cents—improved by stages to touch 3.28 cents on 19th January, at which level it has since remained steady. This is the highest price since early November 1955, when buying resistance, together with the influence of larger crop reports and the unsettling effect of barter deals, took the sugar price in the world market to a level lower than the Agreement minimum. There have also been several reports of business done in Havana at 3.28 cents and 3.29 cents. Again, Syria is said to have purchased Cuban sugar even at 3.30 cents.

The firmness in world sugar prices must be attributed not so much to the cut in the export tonnages of member-countries of the Agreement as to the emergence of a large potential demand. A number of buying countries is in the world raw sugar market, including Finland, the Netherlands, Sweden, Japan, Canada and the U.K. The Cuban Sugar Stabilisation Institute, for instance, is reported to be daily refusing bids for raw sugar at 3.25 cents. In fact, it is said that the Institute is at present not prepared to sell sugar at below 3.30 cents. What is more,

(Continued on page 279)

Ready 15th February

BOOK NEWS

Company management presents a host of problems to the experienced Executive, Secretary, or Managing Agent, Lawyer and Auditor. The provisions of the new Companies Act of 1955 are far-reaching and without parallel in any statute relating to companies in any part of the world. A reliable guide and a book of reference to the new Act is indispensable.

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ENSURING UNITY OF INDIA

DR. C. P. RAMASWAMI AYYAR'S SUGGESTION

From A Special Correspondent

NEW DELHI, 7th February

THE busy season in the Capital has already begun. Politicians from all over the country have been passing through Delhi to attend the sixty-first session of the Indian National Congress which is scheduled to meet this week-end at Amritsar. Many of them who happen to be members of Parliament, will return to New Delhi next week, in order to attend the budget session which commences on the 15th inst. The Amritsar session of the Congress is expected to become considerably important, in view of the fact that it is being called upon to take decisions of far-reaching significance to the future of the country. Curiously enough, the scene in Amritsar today fully reflects the dangerous fissiparous tendencies that are pronounced in many parts of the country. The Akali Sikh Party and the Hindu Mahasabha Party are also holding separate meetings at Amritsar this week. The former has been advocating the establishment of a smaller Punjab in order to protect the Sikh culture and religion, while the latter stands for a bigger Punjab.

DELHI LETTER

States Reorganisation

It is generally suggested here that both the Prime Minister and the Home Minister who command considerable respect among the rank and file of the party, will try to impress upon the various local leaders gathered there the necessity of taking a broader view of the problems in order to strengthen the unity of the country. The question of reorganisation of States will therefore receive the earnest attention of these leaders, in the light of the recent deplorable events in Bombay, Orissa, etc. Now, there is greater realisation among responsible leaders of the Congress than before that linguistic States might disrupt the unity of the nation and that something should be done to cement it. In case local leaders fail to rise to the occasion, it is possible that the question of investing greater powers to the proposed Zonal Councils will receive serious consideration. Now that the chances for the formation of a Dakshina Pradesh do not appear to be very bright and that separatist tendencies are becoming assertive, the Congress will have to consider suitable measures for correcting this trend. A *via media* may be found by vesting some overriding powers in the Zonal Councils, particularly in regard to irrigation, hydro-electricity schemes, large-scale industries, exploitation of minerals, etc. The powers of States will have to be limited to the development of regional culture and language, maintenance of law and order, collection of revenue, etc.

An Interesting Suggestion

In this connection, some interesting and thought-provoking suggestions were given by Dr. C. P. Ramaswami Ayyar the other day, in the course of an address delivered by him on the subject of "Fundamental Unity of India." Significantly enough, this meeting was presided over by Mr. K. M. Panikkar, a member of the States Reorganisation Commission. Since Dr. Ramaswami Ayyar is one of the elder statesmen of the country and combines in himself the role of an able administrator, a skilful advocate, an erudite scholar, an educationist, etc., he is undoubtedly best fitted to give his considered views on many of the problems confronting the nation at present. Dr. Ayyar pointed out that there was psychological unity in the country, brought about by the unique contribution of the Sanskrit language. The noble ideas and ideals enshrined in this language were, as it were, assimilated by the different languages in the country and readapted and enriched with considerable vigour by them. The result was, he said, that, throughout the country, the mode of religous thought, devotional prayers, etc., was the same, thus establishing a sort of cultural unity between different parts of the country. This type of unity had been in existence during the last many centuries.

The learned lecturer then took up the question of political and administrative unity. This sort of unity was not prevalent throughout but was felt only in certain periods of history when some great and powerful emperors ruled the country such as Asoka, Akbar, Harsha, etc. Even during the role of these monarchs, the political unity was particularly pronounced only in certain parts of the country. For instance, South India was never under the sway of these illustrious rulers. Even during the days of the British rule, only two-thirds of India were under their direct rule, while the Princely India of 600 and odd States was controlled by them indirectly. After 1920, even the Britishers left many Provinces to administer in their own manner.

Economic Unity

In other words, Dr. Ramaswami Ayyar contended that, even during the British period, there was absence of complete political and economic unity. In this connection, he pointed out that a number of people of different States were brought together in a few coastal towns and hill stations such as Bombay, Calcutta, Madras, Simla, etc. Real political and economic unity could not take place in the absence of easy communication and transport between different States. The speaker, therefore, laid considerable emphasis on the need for fostering economic unity between different parts of the country. He advocated that the Government of India should take a bold and imaginative step to achieve such a purpose and suggested that efforts should be made to link the great Ganges in the north with the Cauvery and the Tambraparni in the South. He was firmly of the view that his idea was not at all utopian and drew the attention of the audience to the fact that the U.S.S.R. had already connected the Volga with the Dneiper and the Don. Dr. Ayyar further observed that a number of hydro-electric stations could be built in the course of this new irrigation-cum-navigation canal. The availability of electric power would in turn foster the growth of a number of large, medium and small industries. Many new townships would spring up along this canal and people from different States would be brought together. This sort of development of economic unity was essential, he asserted, to maintain a close and well-knit unified India in the coming years. Besides, his idea was that each State should be closely linked with neighbouring States in the matter of establishment of new industries. In fine he suggested that there should be interdependence in the economic sphere between different States. In this way, he opined that a greater sense of economic unity could be fostered between the various constituent parts of the country.

Careful Thought Required

Sirdar K. M. Panikkar amplified many of the statements of Dr. Ayyar. He said that great civilisations had been built along river valleys in the past and that rivers had played a conspicuous part in bringing about the unification of a country. He instanced Egypt and China, in this connection. The Great Nile in the former and the Grand Canal in the latter had moulded and fostered the unity of these countries to a considerable extent. He pointed out that, in a number of countries, there were bound to be differences between different regions. Nevertheless, efforts should be made not to let the local sentiments outrun the national sense and unity. Care should be taken, according to him, to ensure that no part or area in the country nursed a grievance that its legitimate desires, aspirations and programmes of development had been neglected by the other powerful States and that it was being dominated by some other parts of the country. The speaker wanted a dynamic Central Government which should carefully watch the different interests or sections of the people. The Planning Commission should not try merely to collect and collate different plans submitted to it, but should be original in its approach, an approach conducive to strengthening the political and economic unity of the country. Coming as they do from two eminent men, it is to be hoped that these suggestions will receive careful attention at the hands of the Congress Party leaders and the Government of India.

COMING EVENTS—THE B.I.F.

GREAT PROGRESS IN ATOMIC POWER

(From Our Own Correspondent)

LONDON, 5th February

THIS year, the forty-year-old British Industries Fair splits into two parts, the organisers having decided that there is no particular merit in showing goods with widely different appeals to buyers all at the same time. The first B.I.F. is to be held at Earls Court in London (one of the traditional homes of the old B.I.F.) from 22nd February to 2nd March, the second part at the great Olympia exhibition hall from 23rd April to 4th May and concurrently at Castle Bromwich, Birmingham —the home of the heavy industry exhibits. Since there are three different exhibitions, why not hold them all at the same time? The answer is seasonality. All the seasonal goods whose sale is greatest in the autumn and up to Christmas time find that an April/May B.I.F. is too late to get in orders and ensure production. So these seasonal trades are to have their fair in February and that will bring into the B.I.F. the British Toy Fair, usually held at Brighton in February.

LONDON LETTER

The promoters of the B.I.F. are not worried by the thought that the visitor to Britain—or, indeed, the home-buyer—coming here to buy clocks or table mats or toys (the February goods are, in addition to toys, fancy and leather goods, jewellery, watches and clocks, silverware and pottery) will be put off by the fact that he cannot at the same time place orders for electronic goods or steam shovels. But it is likely that the spring B.I.F.—at which these goods will be shown—will have the wider appeal, just as it is getting the greatest publicity.

Widely Advertised

It is hoped to make this the busiest B.I.F. ever and the net of advertising has gone all over the Commonwealth and to North and South America and Asia. 120,000 invitation letters went last autumn to these potential overseas customers and more than half that number to buyers at home. Part of the appeal is to the greater comprehensiveness of the exhibits—it has been a growing complaint that the trades were not satisfied with the space at their disposal and looked more and more to their own private fairs for their shop-windows. The Toy Fair was a case in point and it is much to the good that this is coming under the big umbrella. Textiles are another example of formerly divided efforts: now the B.I.F. is to have a special Fair devoted to nothing but textiles, though this is to be held once every two years, beginning in 1957. Perhaps, the new policy is already paying dividends, for the first exhibition—covering 450 exhibitors and 250,000 sq. ft.—was fully booked over three months ago. If only 10 per cent. of the overseas people approached come to the Fairs, these will be a huge success.

Atoms

The second B.I.F., in April, will be opened by the former Chancellor, Mr. Butler, and will feature electrical and electronic equipment, office appliances, scientific and optical instruments and packaging machinery. At Birmingham will be engineering, electrical goods, building and heating and hardware. Main feature at Olympia will be the "Atoms for Britain" exhibit which was at the highly successful international exhibition at Geneva last year. Covering 7,000 sq. ft., it shows Britain's progress in harnessing nuclear power and in using atomic energy in industry, agriculture and medicine. There are rumours that this country is much further advanced in the peaceful uses of atomic power than has so far appeared and that the 10-year programme for major electrical production from atoms will be greatly accelerated. The first atomic power station will start feeding electrical energy into the national system before the end of this year and the present programme is for another 12 over the next 10 years. The only snag appears to be supplies of "heavy water" in which this country is as yet far from self-sufficient and has indeed to contemplate dollar imports!—*All Rights Reserved.*

BUSINESS CONDITIONS IN UNITED STATES

ANOTHER ROLLING READJUSTMENT UNDER WAY

THE January business reports have again been good, except for the downward revision of automobile production schedules. Since the automotive industry is the largest buyer of materials, parts, and supplies in the United States, even a modest curtailment causes some dampening of enthusiasm and takes something away from the force of the business advance. Together with the slippage in housing starts, which continued through December and has now lasted for some months, it signifies a narrowing and slowing of the rise, and possibly the reaching of the crest which so many have been expecting.

In other lines, however, there are few indications of slackening, and some are still gaining. Where a crest seems to be forming, as in steel and certain other industrial materials, it is due generally to limitations of capacity rather than to softening demand. In many industries, manufacturers would be producing more if they could possibly do so. Unfilled orders are heavy, often requiring capacity output for months to come. Incoming business holds at high levels. Machinery and equipment output and non-residential construction are expanding. In the general merchandise trades, reports from the January wholesale markets, which reflect retail conditions and buyers' sentiments, have been uniformly good.

From all indications, the United States will cross the invisible boundary line into a $400-million-a-year economy, measured by the total output of goods and services, some time in the current quarter. There is no particular magic in this figure, except as it emphasises the rapid growth of the past year, the unprecedented height reached, and the way in which many lines must strain at the limits of manpower, materials, and capacity to make this possible. In the past year, the extraordinary total of 3.1 million people have been added to the working force, and output of steel, non-ferrous metals, glass, paper and other materials has been pushed as close to capacity as is economically feasible. At such high levels, further gains are difficult and limited, while cutbacks in lines which have become temporarily overextended are to be expected. This is the situation in automobiles.

The stock market has been vacillating, and some tendency to shorten commitments is reported by purchasing agents. In view of the dangers of duplication of orders and excessive inventory build-up, which could only carry on the boom at the expense of later recession, conservative buying policies should be welcomed. None of these developments provides clear signs that business is at a turning point.

Automobiles and Housing

The spotlight has focused on the automobile and homebuilding industries as primary sources of weakness in 1956. Both industries had remarkably good years in 1955, and both are currently operating considerably below their 1955 highs. Harlow H. Curtice, President of General Motors, has predicted that domestic automobile production (excluding vehicles for export) will total 7.5 million cars and trucks in 1956, a decline of 14 per cent. but still the second best year on record. The industry expects truck production approximately to equal the 1,050,000 turned out for domestic use in 1955; hence, the anticipated decline of roughly 1.2 million units from 1955 to 1956 would appear to be entirely in passenger car output.

The publicity given to cutbacks in auto output has tended to obscure the fact that retail sales of new cars are holding well up to last year's performance, which is no small achievement. In November, December, and the first 20 days of January, dealers sold somewhat more cars than they did a year earlier, when the new 1955 models were arousing so much interest. The key question is how long dealers can maintain this pace.

The greatest part of the adjustment to date, by both auto manufacturers and suppliers, has been accomplished by a shift from overtime operations to a normal work week, which is hardly a depressed condition. Some suppliers, notably steel mills, have continued to operate at record levels, because demand by other customers was so great. What little steel was released by auto companies has been eagerly snapped up. If dealers' new car sales start slipping, further production cutbacks are likely to follow, but to date the reductions in output and pay-rolls have not reached proportions that would fan out far into the rest of the economy; indeed, the release of materials may make it possible for some other industries to increase output. In any case, the restyled 1957 models will provide a stimulus to the market in the latter part of the year.

Home building has been declining for some time with little visible effect on over-all economic growth. The number of new homes started reached a peak seasonally adjusted annual rate of 1,478,000 in December 1954 and declined to 1,187,000 in December 1955. The cumulative effect of tighter mortgage credit, more restrictive terms, resistance to higher prices, and localised saturation of a few markets tended to accelerate the drop in the latter part of 1955.

More recently, there have been indications that the tide is turning. The Home Loan Bank Board arranged in December to make as much as a billion dollars in stand-by credits available to Federal savings and loan associations. In January, the Veterans Association and Federal Housing Administration extended maximum maturities on mortgages guaranteed or insured by them from 25 to 30 years, reversing their action of last July. The Federal National Mortgage Association opened facilities for "warehousing" mortgages. Generally, funds availablt for investment in mortgages appear to be somewhat less tight. It is likely to be spring before it can be seen whether or not these changes are sufficient to halt or reverse the downtrend in housing starts. Meanwhile most experienced observers are reasonably optimistic.

Offsetting Expansion

Whatever the contribution of the automobile and housing industries to economic activity in 1956, it is plain that the expected decline from the 1955 average level is already here to a considerable extent. In any case, it is unlikely that autos and housing will carry the rest of the economy with them on the downturn in the same fashion that they sparked the general upturn in 1954-55. Substantial offsetting elements of strength are present in other durable goods and other types of construction, as well as in the growth of consumer purchases of non-durable goods and services and the prospect for increased Government expenditures.

The strength of these offsets is attested by contract awards for non-residential construction, compiled by F. W. Dodge Corporation, which, in the first three weeks of January, were 39 per cent. greater on a daily average basis than last January, and by new orders for machine tools, which came in twice as fast as shipments went out during the fourth quarter. Another example is the railroad equipment industry, which had on hand unfilled orders for ten times as many freight cars at the start of 1956 as a year earlier. These are typical of the markets for capital goods and the vigour of business investment plans.

(*Continued on page 279*)

Bank of America

NATIONAL TRUST AND SAVINGS ASSOCIATION

Condensed Statement of Condition December 31, 1955

(Figures of Overseas Branches are as of December 23, 1955)

RESOURCES

Cash and Due from Banks	$ 1,609,581,021.51
United States Government Securities and Securities Guaranteed by the Government	2,149,433,488.43
Federal Agency Securities	147,209,756.53
State, County, and Municipal Securities	576,145,111.55
Other Securities	101,279,432.42
Stock in Federal Reserve Bank	10,500,000.00
Loans Guaranteed or Insured by the United States Government or its Agencies	1,273,977,300.06
Other Loans and Discounts	3,453,984,172.54
Accrued Interest and Accounts Receivable	51,963,655.34
Bank Premises, Furniture, Fixtures, and Safe Deposit Vaults	87,145,920.50
Other Real Estate Owned	2,545,571.65
Customers' Liability on Account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	203,963,115.65
Other Resources	1,417,425.95
TOTAL RESOURCES	**$ 9,669,145,972.13**

LIABILITIES

Capital	$ 150,000,000.00
Surplus	200,000,000.00
Undivided Profits	130,080,550.05
Reserves	5,767,846.25
TOTAL CAPITAL FUNDS	$ 485,848,396.30
Reserve for Possible Loan Losses	71,133,473.10
DEPOSITS: Demand	$ 4,577,799,240.25
DEPOSITS: Savings and Time	4,224,706,887.96
DEPOSITS	8,802,506,128.21
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills, and Notes	205,235,881.78
Reserve for Interest Received in Advance	52,434,432.24
Reserve for Interest, Taxes, etc.	51,987,660.50
TOTAL LIABILITIES	**$ 9,669,145,972.13**

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Condensed Statement of Condition December 31, 1955

RESOURCES

Cash and Due from Banks	$ 54,261,259.17	
United States Government Obligations, direct and fully guaranteed	13,984,649.66	
Other Securities	8,789,717.09	
Loans and Discounts	76,970,419.74	
Accrued Interest	391,184.45	
Customers' Liability on Account of Letters of Credit and Acceptances, and on Endorsed Bills and Notes	78,746,526.53	
Other Resources	913,223.50	
TOTAL RESOURCES		**$ 234,056,980.14**

LIABILITIES

Capital	$ 10,000,000.00	
Surplus	4,000,000.00	
Undivided Profits	708,686.09	
TOTAL CAPITAL FUNDS		$ 14,708,686.09
Reserve for Possible Loan Losses	1,117,093.13	
Deposits	137,309,776.27	
Liability for Letters of Credit and as Acceptor of and Endorser on Acceptances, Bills, and Notes	79,697,301.81	
Reserve for Interest Received in Advance	323,516.18	
Reserve for Interest, Taxes, etc.	900,606.66	
TOTAL LIABILITIES		**$ 234,056,980.14**

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DEFICIT FINANCING SINCE INDEPENDENCE

SCOPE FOR FUTURE LIMITED

A WARNING against the complacent tendency to judge the country's capacity to bear deficit financing in the coming years on the basis of its experience in recent years was sounded by Mr. B. R. Shenoy, Director, University School of Social Sciences, Gujarat University, in the course of one of his talks at Madras this week, under the series of Sir William Mayer Endowment Lectures, 1955-56, University of Madras. The reasons for this warning will be found in the following gist of his talk:

Many have been impressed by the fact that large deficit financing since independence had not produced the disaster which theory had threatened. So far from prices soaring, until recently, the problem had been to prevent a price decline in the agricultural sector. Many "practical" men have inferred from this that this "Western" theory in its application to the Indian background has been discredited and have supported the feasibility of deficit financing of economic development. This is largely wishful thinking.

Variations in monetary circulation are the resultant of three forces: the state of the budget, the international payments position, and the public debt and the credit policy of the banking system.

The inflationary impact of the budget deficits since independence have been, in large part, neutralised, first, by deficits in international payments and, secondly, by a reduction in the public debt holdings of the banking system, both of which have had the effect of withdrawing money from circulation. In the early part of this period, owing to the inherited liquidity of war finance and large black market funds with the public, the credit creating activity of commercial banks was moderate.

This situation has been changing rapidly in the recent past. With the comparative price stability of public debt, and the increase in its yield, commercial banks have been, once again, net buyers of Government securities. As against net sales of Government debt in the preceding two years, Government securities holdings of the banking system rose by Rs. 85 crores in 1954-55. As against a decline of about Rs. 51 crores in 1952-53, and a moderate increase in the following year, Scheduled bank credit rose by a record figure of Rs. 66 crores in 1954-55. With the change in the currency reserve position, the international payments deficits of the recent past has of necessity been negligible.

Thus, the moderating influences have been replaced by expansionary forces. During the past two and a half years, the impact of the budget deficit having been reinforced by the public debt and credit policy of the banking system, money supply has expanded by about Rs. 335 crores, the increase during the past one year alone being nearly Rs. 200 crores.

This is beginning to have its price effect. Since May 1955, general prices have been moving up at an annual rate of about 11 per cent. The current stock market price decline has been due to special factors, including fears of enhanced taxation in the next budget and apprehensions of withdrawal of investment support from the nationalised insurance companies. But, prior to the appearance of these factors, share values had been moving up, since April 1955, at an annual rate exceeding 11 per cent. The price of gold in Bombay rose by 5 per cent. in the year ending January 1956.

There is, thus, need for caution against overhasty conclusions that post-independence experience suggests that we may very well continue with deficit financing without undue apprehensions. If this experience confirms anything, it is that monetary and economic fundamentals have applicability in the Indian context as well.

Since independence, the total receipts of the Government averaged Rs. 542 crores per year, and total expenditure Rs. 584 crores, the total deficits for the period aggregating Rs. 335 crores. But budget statements do not tell the whole story of the actual budget deficits. For 1954-55, the budget statements show a nominal surplus of Rs. 12 crores. In actual fact, there was a deficit of about Rs. 208 crores during the year, if we allow for the issue of Rs. 220 crores of Treasury Bills during the year. Treasury Bills are largely taken up by the banking system and they cause at least an equivalent addition to the monetary circulation. Adjustments being made for the net issue or cancellations of Treasury Bills, total deficit financing, since independence, has amounted to about Rs. 505 crores, or an annual average of Rs. 63 crores.

From the standpoint of the monetary impact of deficit financing, the period beginning with 1951-52 divides itself into two parts. During the first two years, money supply declined substantially. The budget for 1951-52, which showed a surplus of Rs. 45 crores, does not provide an adequate explanation as, in the following year, when money supply reached its lowest level, there was a budget deficit of Rs. 65 crores. The contraction in the money supply during these years was due to the record payments deficit of Rs. 161 crores in 1951-52, which reinforced the contractionary effect of the budget surplus, and the decrease, in 1952-53, in the Government security holdings of the banking system and in Scheduled bank credit, which exceeded the budget deficit of the year.

The expansion in the money supply since 1953-54 was due to the change in the public debt and credit policy of the banking system, which, in the context of a neutral effect of the international payments position, accentuated the monetary impact of budget deficits. In 1954-55, to the budget deficit of Rs 208 crores was added the expansionary pressure of about Rs. 150 crores worth of additions to the money supply on account of an increase in the public debt holdings of the banking system and a rise in the credit of Scheduled banks.

The fact that prices continued to fall until the middle of 1955, notwithstanding the expansion in the money supply, was due to certain special factors. These two years experienced heavy increases in agricultural output, chiefly foodgrains. This told heavily on agricultural prices, in particular foodgrain prices, in the case of which the low elasticity of demand, coupled with export restrictions, acted as a double drag on prices. There was also a record increase in industrial output, the index of which rose to 140 in 1954-55.

Beginning with about the middle of 1955, the rate of expansion in the money supply has now outpaced the rate of increase in output, even after allowing for these special factors.

The Board of Directors of the Commonwealth Development Finance Company, Ltd., is releasing its Managing Director, Mr. J. G. Beevor, to work with the International Bank for Reconstruction and Development. Mr. Beevor is to undertake preliminary work on the International Finance Corporation (I.F.C.), the proposed new affiliate of the World Bank. The purpose of the I.F.C. will be to encourage the growth of productive private enterprise, particularly in the less-developed areas of the world.

THE HIND BANK LIMITED

WORKING RESULTS FOR 1955

The profit of the Hind Bank Ltd. for the year 1955, subject to audit, including the amount brought forward (Rs. 1,12,820-6-8) from last year's accounts, is Rs. 11,99,277-15-9. Out of this sum, the Directors have made the following appropriations :—

Transfer to Reserve Fund Rs. 2,50,000, provision for taxes Rs. 4,00,000, leaving a balance of Rs. 5,49,277-15-9.

Out of the balance, the Directors propose to recommend to the Shareholders at the next Annual General Meeting the payment of a Dividend at Rs. 3 per share, free of income-tax, which will absorb Rs. 3,00,000 leaving Rs. 2,49,277-15-9 to be carried forward subject to payment of bonus to staff.

The Securities and Investments of the Bank appear in the accounts on December 31, 1955, at or below the market rate ruling on that date.

BANKERS AND THE SQUEEZE

GOVERNMENT'S BORROWING POLICY CRITICISED

(From Our Own Correspondent)

LONDON, *29th January*

LAST week, your correspondent commented on the initial reactions of the joint-stock bankers, in their traditional January speeches, to the Government's anti-inflationary measures and noted what indications there were of how the Premier was proposing to continue his policy. This week, with the rest of the speeches available, one can analyse more sharply what the City is thinking. And there is no doubt about it—the City is completely at loggerheads with the Treasury and the Government over the whole policy of credit restriction.

Indeed, it is clear that the country is passing through one of those acute phases of policy formation which take the form of real struggle between the contestants. No one could have foreseen six months ago, before the autumn budget, that the battle would be joined in the way it has: The City on one side (and significantly this still includes the Bank of England, in spite of nationalisation—for what other interpretation can one place on the Governor's warning that monetary policy alone will not do) and the Government, on the other.

The Midland and Barclays are at one in criticising Government's reliance on monetary policy and its refusal to make severe cuts in spending and be prepared to face some increase in unemployment. Take this point made by Midland: They had been requested in July to "bring about a positive and significant reduction in advances over the next few months." They noted that personal and professional advances which covered half their accounts amounted to only one-tenth total loans. "Supposing—as is quite unthinkable—that every one of the purely personal borrowers had been forced to repay his debt to the bank, and that no new advances at all of a similar sort had been granted, so drastic an operation would by itself have reduced our total advances by only five per cent. The whole operation could have been nullified . . . by increased needs on the part of a small number of large undertakings." After that, the Chairman roundly declared that the record showed that "monetary management cannot by itself maintain both full employment and the purchasing power of the currency . . . we need to get rid of misconceptions about the meaning of full employment." Nothing could be clearer.

The True Measure

The statement by Lloyds was especially significant since the Chairman, Sir Oliver Franks, has been Permanent Secretary of a department of a State, Chairman of the Organisation for European Economic Co-operation and Ambassador to Washington. His criticism was more balanced and tempered than that of his colleagues, but there was a sharp lesson in economics to the Government in the words: "The true measure of the disinflation brought about since February is the decline in bank advances (6 per cent.) leaving them no higher than in the middle of 1953. It is this decline in deposits—and, therefore, in the totality of bank assets—which is ultimately of importance, *not the movement of the single asset, advances.*" What he is criticising above all is the "rationing" effect of the credit squeeze. Every borrower must be squeezed regardless of his ability to pay and the economic return on the use to which the advance is put. And he objected also to the Government's continued reliance on short-term borrowing in an inflationary situation. If the Government had turned off the Treasury bill tap and converted into gilt-edged long-term, they would have paid more for their money (which is why they did not do it), but they would have effectively reduced the available amount of money on the market—and without the disadvantages, such as the ending of competition between banks, that the present techniques involve. "The sooner the present state of affairs can be ended, the better for all concerned," he concludes.

On the other hand, Sir Oliver Franks does think that the corner has been turned in our international payments. Disinflation has at least secured the gold reserves—the next stage is to move towards the necessary surplus.—*All Rights Reserved.*

PUBLIC ACCOUNTABILITY OF STATE UNDERTAKINGS

COMPANY-FORM OF MANAGEMENT IS WELL WITHIN PARLIAMENTARY CONTROL

By Asok Kumar Chanda

COMPTROLLER AND AUDITOR-GENERAL OF INDIA

[An interesting discourse on the types of management of State undertakings in India and their accountability to Parliament was given by Mr. Asok Kumar Chanda, Comptroller and Auditor-General of India, at the Institute of Chartered Accountants, Madras, last week. After briefly describing the various forms of management adopted by the Government of India for administering State enterprises, Mr. Chanda examined at some length the Controversial question whether company-form of management, under which the entire share capital is owned by the President of the Union and which was described as a "fraud on the Constitution" by his predecessor, Mr. V. Narahari Rao, provided adequate scope for control by Parliament. His conclusion was that it did and he proved it by giving convincing arguments. He indicated the various ways in which Parliament, as well as the Auditor-General, could exercise control over State undertakings established in the form of joint-stock companies. His arguments and conclusions alike imply that he does not share the view of his predecessor on this subject.

In view of the great importance of the subject, we publish on this page Mr. Chanda's talk, in extenso, in the form of a feature article.—ED.]

PARLIAMENTARY control of nationalised industries and State enterprises, has, of recent years, become a controversial issue. There is a growing feeling that public expenditure on these activities of the State should be subject to the same scrutiny and control as is applied in the case of departmental activities. In the U.K., there has been a conflict between the political parties on this issue, based, mainly, on ideological differences. Though the constitution in India, even in regard to Statutory Corporations, is somewhat different from that adopted in the U.K., the impression is gaining ground that the organisation of State undertakings has diluted the control of Parliament. The question has assumed great importance in the Indian context, as the conception of a Welfare State and its inescapable policy of active intervention in industrial development must inevitably expand the field of nationalisation. It is necessary, therefore, to examine against this background of development, the provisions which will secure a measure of parliamentary control, consistent with the requirements of autonomy, so essential for the successful operation of public enterprises.

Industrial Policy

In April 1948 the National Government expressed its determination to promote a rapid rise in the standard of living of the people by exploiting the latent resources of the country, increasing production and offering opportunities to all for employment in the service of the community. For this purpose, it was obvious that careful planning and integrated effort over the whole field of national activity were essential. Accordingly, in its resolution on industrial policy of the 6th April 1948, Government defined its attitude towards future development in the field of industrial expansion. It became evident that the State must play a progressively active role in the development of industries. The State, therefore, reserved to itself the exclusive right to establish new undertakings in industries, such as coal, iron and steel, mineral oils, aircraft manufacture, ship-building and manufacture of telephone, telegraph and wireless apparatus, except where, in the national interest, the State itself found it necessary to secure the co-operation of private enterprise, subject to such control and regulation as the Central Government might consider necessary. A provision was made, however, to allow existing undertakings in these fields to develop for a period of 10 years, during which they would be allowed all facilities for efficient working and reasonable expansion. The rest of the industrial field was normally to remain open to private enterprise, individual as well as co-operative. But the State, it was made clear, would also progressively participate in these enterprises; nor would it hesitate to intervene whenever the progress of an industry in the private sector was found to be unsatisfactory.

Since the formulation of the Policy Resolution, the attitude of Government has become more clearly defined. The State and private enterprise would, thus, fulfil a complementary role in the industrial development of the country. The picturesque phrase "mixed economy" has been coined to express this intention. State intervention is now limited where the scope and magnitude of a project or its basic character places it, either beyond the capacity of private enterprises to undertake, or in a special position where private enterprise should not be allowed to regulate its future development. Accordingly, in recent years, several State undertakings, both in the reserved and the unreserved fields, have been established.

In 1950, the question of the form of management of industrial enterprises undertaken and financed wholly or predominantly by Government, came under active consideration. The Government came to the conclusion that, while certain general principles should be followed, the organisation of management, suitable for each industrial undertaking, must be settled in accordance with its particular requirements. Except ordnance factories and other undertakings of a similar nature, which must be administered directly by the Ministry concerned, it was accepted that departmental management was unsuitable for Government industrial undertakings. The principal defects of departmental management were connected with administrative and financial procedures. The methods of recruitment, scales of pay and conditions of service and discipline of employees, the procedure for obtaining of funds and incurring of expenditure, the system of accounting, the methods of purchase of raw materials and the sale of products, etc., which were devised for the normal activities of Government, were not entirely suitable for the administration of industrial enterprises.

Reliable Standard

Moreover, when Government undertook industrial activities side by side and sometimes in competition with private enterprise, mass production and competitive efficiency became very essential. A reliable standard of comparison had to be established. This could be done only if they were managed on commercial lines, adopted commercial form of accounting and were operated, financed and taxed in the same manner as enterprises in the private sector. The largest measure of financial and administrative economy, commensurate with public accountability, had, therefore, to be conferred on the agencies responsible for these undertakings. The content of autonomy would naturally vary from case to case and certain reservations had to be made for Government's decision.

In accordance with the principles mentioned above, the form of management adopted for State enterprises varies from unit to unit, depending on their peculiar needs and requirements. There are thus the ordnance factories, railway workshops and production units, such as the Chittaranjan Locomotive Works and the Perambur Integral Coach Building Factory under departmental management. Statutory Corporations have been set up for administering multi-purpose River Valley Projects in the Damodar Valley, Indian Airlines and Air-India International. Similarly, Statutory Boards have been formed for dealing with certain industries like tea, coffee, rubber, coal, etc. Joint stock or limited companies have been constituted for the management of State industrial units. The decision regarding company-form of management was taken after a full and careful discussion of the needs and requirements of such units.

Three Categories

The units organised as companies fall again into three well-defined categories—

(a) where the entire investment has been provided by the Government of India;

(b) where the majority investment has been made by the Government of India, but private interests hold a significant, though a minority, interest; and

(c) where Government hold a minority, but significant interest in the shareholding of a company, or where, having granted loans or given guarantees or other fiduciary assistance, Government have acquired the right to nominate directors to the boards of certain private companies.

The measure of control which Parliament exercises is regulated by the form of management adopted. In the case of departmental units, the control of Parliament is absolute, as the annual requirements of the units for all their expenditure are presented to the House in the form of Demands for Grants. To the extent Government have to sanction their annual budget and the requisite funds out of the cess collected have to be voted by Parliament, similar control exists over the Commodity Boards. In the case of Statutory Corporations, the control of Parliament is well defined and certain matters are specifically reserved for its consideration. In the case of company-form of management, control is, however, of necessity, more limited.

In India, the State has set up manufacturing units in industries which are not nationalised. Alongside the State units, there are also private units operating in the same field. It is essential, therefore, that the State units should be organised and operated on business lines, with a comparable degree of elasticity of control and business efficiency as private units in the same field. In the words of Mr. Herbert Morrison, in justification of the corporation-form of management in the U.K., "when we come to a highly commercial enterprise which is very tricky—on which one has to think out a lot of day-to-day problems, to think quickly and chance one's arm, like transport and mining and other industries, with which we have been dealing or with which we may deal—then we have to get a more subtle instrument, more adaptable, more capable of quick movement and less liable to be bound down by tradition and rules. . . . I am certain that, if we run these public corporations—highly commercial, highly industrial, highly economic—on the basis of meticulous accountability to political channels, we are going to ruin the commercial enterprise and the adventurous spirit of these public corporations in their work." These

(*Continued on page 279*)

COTTON SPINDLEAGE IN INDIA EXPANDS

WEAVING CAPACITY, HOWEVER, SUFFERS SETBACK

A FEATURE of development in the cotton mill industry during the cotton year ended August 1955 was that the spinning capacity of the industry registered a marked expansion, while the weaving capacity suffered a distinct setback. The number of new spindles installed in the year was 180,379, which compares favourably with 167,026 a year before, according to the latest annual Mill Statement of the Millowners' Association, Bombay. As at 31st August 1955, there were 12,068,544 spindles, as against 11,888,165 on the corresponding date of 1954. In contrast, the number of looms installed was lower by 416 at 207,347. During 1953-54, it will be recalled, there was an increase on 513 looms The reduction in loomage indicates that the looms must have become worn out and scrapped, without being replaced. The Government's policy of "no expansion in weaving capacity" may have also contributed to this reduction.

The number of mills in existence as at 31st August 1955 was 461, same as that a year before. It is, however, stated that the names of nine mills which were no longer in existence have been deleted and, instead, nine new mills which went into production during the year have been added. The paid-up capital of the mill sector improved by more than Rs. 1.06 crores to Rs. 113.96 crores. The increase, however, is very much less than that (Rs. 3.28 crores) recorded in the previous year. Most of the new mills were spinning units only. This is only to be expected, considering that the development programme for the cotton textile industry in the first Five-year Plan did not envisage establishment of new composite mills. The number of mills registered and/or in course of erection as at the end of August 1955 was higher at 34, as against 22 a year before.

Quantitative Progress

The following table gives the salient features of the quantitative progress of the mill sector in the past three years.

	As on 31st August		
	1955	1954	1953
Total number of mills	461	461	457
No. of mills registered and/or in course of erection	34	22	17
No. of mills idle	27	23	29
Paid-up capital (in crores of Rs.)..	113.96	112.89	109.61
Spindles installed	12,068,544	11,888,165	11,721,139
Spindles working (first shift only)..	10,423,075	10,502,832	10,292,112
Looms installed	207,347	207,763	207,250
Looms working (first shift only)..	186,094	189,648	188,606
Cotton consumption (in bales of 392 lbs.)	4,797,084	4,688,866	4,518,702
Number of hands employed (first shift only)	423,595	435,421	435,138

It will be seen from the above figures that, although the installed spinning capacity of the cotton mills expanded during 1954-55, the capacity actually utilised (first shift only) was less, the average number of spindles working being 10,423,075, as against 10,502,832 in 1953-54. Similarly, the average number of looms working (first shift only) declined from 189,648 to 186,094. The extent of the actual utilisation of installed capacity (in first shift) was smaller as compared with the previous year, being 86.3 per cent. for spindles and 89.7 per cent. for looms, as against 88.4 per cent. and 91.2 per cent. Reflecting this trend and also the increase in the mills remaining idle from 23 to 27, the number of hands employed (first shift only) fell by 11,826 to 423,595. From all this, one should not, however, rush to the conclusion that the manufacturing activity in cotton mills remained greatly subdued during the year under review. The reduction in the average of the capacity worked is evidently the result of the prolonged strike in the mills at Kanpur. Elsewhere in the country, the industry endeavoured to maximise output oy working double shifts and some even worked treble shifts. Proof of this is provided by the rise in the quantity of cotton consumed which, during 1954-55, amounted to 4,797,084 bales (of 392 lbs. each), as against 4,688,866 bales in the previous year. The rise in cotton consumption is fully reflected in an all-time peak in the mill output of cloth—estimated at 5,078 million yards —and of yarn—estimated at 1,628 million lbs.—touched during the calendar year 1955.

The encouraging production performance of cotton mills as noted above was the result of several favourable factors. Particular mention must be made of ready availability of raw cotton at substantially reduced prices. Whatever irksome controls there were on the purchase of cotton by mills were abolished, so that the mills had no difficulty in buying cotton according to their taste and need. The other important favourable factors included consistently good demand for both cloth and yarn, better supply of wagons for transport of cotton from producing areas to mills, improvement in power and fuel supplies, happy labour-management relations in the major sector of industry and absence of interference by Government in production, prices and distribution of cotton textiles.

Spinning Capacity

To revert to the spinning capacity of cotton mills during 1954-55. The expansion in capacity noted earlier was shared by all the States, with the exception of Hyderabad and Pondicherry. In Bombay, for instance, the number of spindles installed was higher by 28,681 at 6,576,665, although the number of mills was lower at 205, as against 211 a year before. In the State of Madras, the number of mills increased from 95, with a total of 2,109,704 spindles, to 99 with 2,220,986 spindles. West Bengal accounted for the addition of one new mill.

The reduction in the number of looms installed occurred solely in the States of Bombay, Bihar and Orissa. In Bombay alone, the reduction was 1,188 looms. All the other States accounted for installation of new looms.

Importance of Bombay

As in the previous years, so also during the year under review, Bombay was the major seat of the cotton mill industry. An idea of how Bombay compares with the other States in the importance of textile industry can be had from the statement given below:

Situation	No. of mills	Spindles installed	Looms installed	Average number of hands employed
Bombay—				
Bombay City and Island	66	3,101,672	65,904	111,097
Ahmedabad	71	2,023,890	41,519	71,951
Saurashtra	9	162,188	3,345	6,605
Rest of Bombay and Kutch	59	1,288,915	24,032	45,214
Total Bombay State ..	205	6,576,665	134,800	234,867
Madras	99	2,220,986	9,355	59,875
West Bengal	41	522,804	10,640	22,077
Uttar Pradesh	29	820,492	13,316	23,421
Madhya Bharat and Bhopal	18	454,196	11,323	21,037
Rajasthan, Ajmer and P.E.P.S.U.	12	175,500	3,397	8,044
Punjab and Delhi	11	230,772	5,053	6,735
Madhya Pradesh	11	373,869	7,350	17,610
Mysore	11	232,844	3,456	11,942
Travancore-Cochin	10	135,696	718	3,761
Hyderabad	7	158,080	3,241	7,360
Bihar and Orissa	4	82,196	1,609	2,829
Pondicherry	3	84,484	2,089	3,437
Grand Total ..	461*	12,068,544	207,347	423,595

* This number does not include 34 mills which have either been registered and/or in course of erection.

The foregoing figures reveal that the share of Bombay in the aggregate spindleage and loomage of the entire cotton mill industry was the largest, being more than 54 per cent. and nearly 64 per cent., respectively, although its share in the number of mills is only 44.4 per cent. It is thus once again evident that the average size of the cotton mills in Bombay is larger than that in other States and that the mills are well-balanced composite units. It is no wonder, therefore, that Bombay accounts for the major portion of the woven goods produced in India.

1955 REVIEW OF COTTON TEXTILES

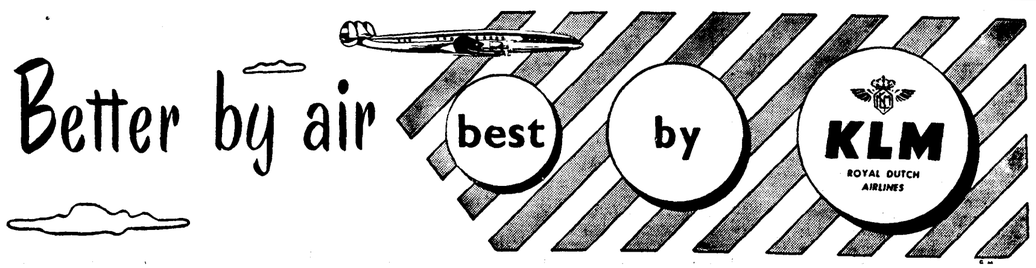
There are two inaccuracies in the review on the trend of cotton textile industry and trade published in our *Annual Number* 1955—*vide* page A175. First, the production of mill cloth during 1954 is given in the table relating to supply position of cloth as 5,111 million yards, which should have been 5,011 million yards. The figure of 5,011 million yards does not tally with the total of break-down estimates for the different varieties of cloth, since the latter were based on incomplete data. Secondly, the estimate of the aggregate shipment of mill cloth from India during 1955 is placed at 865 million yards which represent not actual exports but only the quantity passed for shipment. The correct estimate of the actual exports based on figures for the first eleven months of 1955 comes to 825 million yards. Drawing attention to these inaccuracies, an esteemed correspondent, well versed in textile statistics, observes that the fall in exports during 1955 as compared with 1954 is 73 million yards and not 33 million yards as given in our review. Commenting on the downward trend in cloth shipments, he remarks:

"You might be aware that the decline in the world trade in cotton textiles will register a fall of 10 to 12 per cent. for 1955. If that be the actual position, our performance should be considered the best and India would suffer smaller setbacks in comparison with other main supplying countries. In an earlier issue of your paper, you also mentioned that the world trade in cotton textiles will be smaller by 11 to 12 per cent. In this connection, I also want to mention, in brief, that the trade in cotton textiles as a whole was very good, considering both internal and external trade. If holding of stocks be any indicator, it supports my argument. It has been reported that, as at the end of last year, 1955, the mills' stock averaged only two weeks' production which, in actual quantity, will not be more than 200 million yards (calculated on the basis of production figures given in your review), whereas stocks of 1954 were at the level of 534 million yards, as mentioned in your review. This hypothesis also gets its weight from the fact that the total production in the mill as well as the handloom sector was higher than in 1954. The production of the mill sector is reported in your review as 5,098 million yards, as against 5,011 million yards for 1954. Our export target framed at the Buxton Conference was done on a residual basis rather than by direct methods, that is, on individual market requirements based on the demand trends. On residual basis, export targets were calculated as follows: Estimated production *minus* estimated local consumption equals export targets. On a certain production level, if the local consumption goes high, export is bound to decline. On this basis, it can be proved, to a certain extent, that our exports during 1955 declined, due to the present level of production and the present level of home consumption, apart from other conditions which no doubt played their part."

CLOTH EXPORTS TO BURMA

An official mission from Burma, headed by its Finance Minister U Tin, has been in India for some days now making purchases of cloth for domestic consumption in that country. While the quantity of Indian cloth that will ultimately be bought by this mission will depend on the ability of Indian textile interests to supply the quality cloth of Burma's choice at competitive prices, it is gratifying that the Government of India has given special permission to the trade for export of cloth packed for home consumption to Burma. Meanwhile, the Director of Procurement, War Office, Government of Burma, is interested in procuring large supplies of clothing stores for the use of the Burma defence forces from India and other countries.

Now that Burma is eager to buy large quantities of cotton textiles, Indian shippers must endeavour their best to avail themselves of this opportunity. The importance of Burma as a market for Indian cloth has of late receded considerably, thanks partly to import restrictions and partly to competition from Japan and China. The quantity of Indian mill-made piecegoods bought by Burma during the first nine months of 1955 was a little over 10.13 million yards, as against 33.91 million yards in the corresponding period of 1954.



U.K. TEXTILE INDUSTRY'S CASE AGAINST CLOTH IMPORTS

FRESH REPRESENTATION TO BE MADE

From A Special Correspondent

MANCHESTER, 31*st January*

INTEREST in the foreign cloth controversy has revived following the announcement that a further delegation from the trade is to visit Mr. Thorneycroft to discuss the document submitted to him at the end of last year, giving new facts and figures about Lancashire's case for protection against duty-free imports. The changed circumstances both at home and abroad have created a different atmosphere, yet the majority opinion of textile traders in this country inclines to the view that some curb should be imposed on such arrivals to safeguard local mills.

MANCHESTER LETTER

A change of heart on the part of the Government cannot be regarded as a likely eventuality, but the pressure is being maintained. Meanwhile, the attitude of one section has been clearly stated by Mr. C. H. Fish, Chairman of J. F. and H. Roberts Ltd., the manufacturing and merchanting group, who has pointed out that the remedy is in the hands of the trade.

"If all concerned in production and distribution refused to handle foreign cloth there would be no problem," he said in his annual statement, "and our industry would be safe to continue its progress in modernisation, better amenities and shift working." In a warning to the branches devoted to processing grey cloth, Mr. Fish observed that the foreigner was not being slow in developing his finishing capacity.

In certain departments of the Company, Mr. Fish admitted, a painful loss of turnover had been suffered due to its policy of refusing to handle foreign cloth. "Recently, there have been signs that some users of foreign cloth are having second thoughts on the advisability of pinning their faith to foreign suppliers, but no large-scale movement is as yet apparent," he added.

Further Discussions

The President of the Board of Trade, Mr. Peter Thorneycroft, will meet a deputation from the Cotton Board on 20th February for further discussions on the imports of cheap duty-free cloth from Hongkong and India. The meeting will be at the Board of Trade, and all sections of the cotton industry will be represented on the deputation.

Lancashire's case for protection against these imports, which amounted to about 180 million square yards last year, was rejected by the Government in March, but the Cotton Board's standing conference on oversea trade submitted a fresh case to Mr. Thorneycroft in December and next month's discussions will centre round this.

A forecast that Japan will remain in a very favourable position to compete with Western textile manufacturers is made in a report published by the International Federation of Textile Workers' Associations, following a visit to Japan by Mr. Werner Bock, of Germany, and Mr. John Greenhalgh, Secretary of the organisation.

"Since 1945," the report states, "the Japanese textile industry has been gradually rehabilitating itself, and whilst it has been the policy to carefully avoid a repetition of her former trading practices, this can be no guarantee for the future. Much will depend on the economic position of Japan as a whole."

The delegation interviewed Mr. Abe, President of the Japanese Textile Employers' Association, who told them that as a result of the high rate of interest, high wages and greatly increased freight charges it was not impossible for Japan to dump cheap textiles on the world's markets. In their report, however, the visitors are somewhat sceptical about this claim.

"Taking into account the low wages paid in Japan, plus all the other charges which the Japanese employers have to meet, the delegation can find no basis for the contention of the employers that Japan cannot produce cheap goods," says the report. "Even if the figures of the employers themselves are accepted, that they pay 3,300 yen per worker per month in additional charges, this is still much below one-half of the wages paid to European textile workers."

System of Payment

A feature of the Japanese textile industry, according to the delegation, is the system of payment for each year of service. No firm was discovered which provided extra payment for increased production. "Quality and efficiency of the workers is therefore ignored," comments the report, "and after a period of about five years it becomes more economical for the employer to discharge the worker and replace her with another person, to whom he would be required to pay much less."

Among the recommendations put forward by the mission is that Japanese millowners should pay their workers weekly. "Payment each month tends to create the illusion that the workers have higher wages than they actually have," the report adds. "If wages were paid each week it would make the workers realise how low their wages are."

Describing a "show-mill" visited by the delegation, the report says it included a co-operative store, an "exceptionally fine" clinic, with doctor, dentist and six nurses, an X-ray unit, small operating theatre, school room, recreation room, dining hall, swimming pool, laundry, hairdressers for men and women, and baseball, basketball and tennis facilities.

Conditions in many of the smaller mills, however, did not approach this standard. From information received the delegation considered it would be to the advantage of the Japanese textile industry if the small mills went out of existence. Such a step would cause great hardship for a considerable period among the many thousands of workers employed in the smaller units, but the readjustment of the industry would, the report adds, eventually lead to greater stabilisation and an improvement in the standard of living of those operatives who were absorbed into larger mills.

Fewer Failures

Notwithstanding the keen competition and the many problems confronting Lancashire cotton textile traders last year, there was a further decline in the number of cases of financial difficulties compared with both 1954 and 1953. The total number of bankruptcies, deeds of arrangement, liquidations and receiverships during 1955 was 90 compared with 101 in the previous year and 120 in 1953.

For the first time for four years, there were no bankruptcies or deeds of arrangement notified, but ten receivers were appointed compared with only six in the previous year. These involved four manufacturing firms, one spinning and weaving concern, one finisher, two merchants and two miscellaneous traders.

The number of compulsory company liquidations in 1955 was again six, as in 1954, one spinning firm being involved and five merchants. Creditors' voluntary liquidations affected 14 firms, including one manufacturer, two finishers, seven merchants and four miscellaneous traders. There was a further decline in the number of members' voluntary liquidations from 68 to 60. These forerunners of reconstruction, amalgamation or a decision to give up business comprised seven spinners, eight manufacturers, three spinners and weavers, two doublers, five finishing firms, 33 merchants and two miscellaneous traders.

During the past two years, registrations of new limited companies in the industry have shown a considerable reduction. From as many as 236 in 1953 the number fell to 157 in the following year, while in 1955 only 96 new companies were registered. The nominal capital involved also declined sharply from £1,741,350 to £642,300. Again, the majority of registrations concerned merchants and agents who numbered 69 against 114. Two spinners, 11 manufacturers, two spinners and weavers, three doublers and two finishing firms were also included in the list.

Machines for the World

While exports of finished textile goods made in Lancashire mills languished during the past year there was no corresponding decline in the amount of textile machinery shipped abroad. Overseas buyers, in fact, paid more for British plant than in any year save 1951 and 1952. Total shipments of textile machinery weighed 1,653,616 cwts. valued at £43,295,479. This compared with 1,586,612 cwts. worth £39,454,410 in 1954.

Some indication of the rising threat of competition facing Lancashire producers of textile goods from foreign rivals can be gauged from the extent to which overseas customers are resorting to purchases of fresh plant. India resumed its place as the largest consumer of British textile machinery, taking 306,862 cwts., as against 303,197 cwts in 1954, but there was a fall

(*Continued on page 279*)

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SOME COTTON PROBLEMS REVIEWED

VALUE OF RESEARCH TO NATIONAL ECONOMY

THE fundamental importance of research in the cultivation of cotton and of dissemination of research information among the growers was stressed by Dr. Punjabrao Deshmukh, Union Minister for Agriculture, when he inaugurated the seventy-third meeting of the Indian Central Cotton Committee held last week, in Bombay. He also reviewed the increase in cotton output which had been achieved in recent years. He assured the Committee that there would be no lack of finance for tackling the many cotton problems which still remained to be solved.

Reviewing the increase in the output of cotton, Dr. Deshmukh pointed out how the output (official estimate) had risen from 21.88 lakh bales in 1947-48 to 42.98 lakh bales in 1954-55. The trade estimate of the crop for 1954-55, which is always nearer the actual total, places the crop at 54.60 lakh bales. This increase is the more significant for the reason that the output of long- and medium-staple cotton has also increased. As compared with 1947-48, the total production of cotton has increased by 96 per cent., while the production of long- and medium-staple varieties has gone up by 397 per cent. and 68 per cent., respectively. In the field of agricultural production, Dr. Deshmukh said, India had "emerged from the old dismal outlook of slow progress and slower persuasion of the cultivators to take to improved methods."

Cotton Output

The increase in cotton production has, as is well known, been followed by an upward trend in the offtake of Indian cotton by the mills in India; the consumption of foreign cotton has been declining. Referring to this trend, Dr. Deshmukh said that the mill consumption of Indian and foreign cotton during the 1954-55 season aggregated 41.38 lakh bales and 6.31 lakh bales, respectively, as against 28.64 lakh bales and 13.44 lakh bales, respectively in 1947-48. The consumption of Indian cotton by the mills during September 1955 amounted to 3.83 lakh bales, being the highest consumption of such cotton for any month in the past. If this trend continues, the season 1955-56 may well establish a fresh record in the offtake of indigenous cotton by the mills. Dr. Deshmukh calculated that the annual saving to the country, as a result of the increased consumption of 12.7 lakh bales of Indian cotton, would aggregate Rs. 44 crores at internal level of prices and at Rs. 70 crores at world price levels. He added: "As compared with this huge benefit to the national economy, the expenditure incurred by the Committee from its inception, amounting to about Rs. 3 crores, is a fleabite. This illustrates how money spent by this Committee has been worthwhile and the work done in the sphere of better production has been commendable."

Another notable achievement in the sphere of cotton production is the fulfilment of targets of area and production prescribed for the first Five-year Plan one year ahead of the schedule. So far as the next Plan is concerned, the provisional target for cotton production has been fixed at 55.86 lakh bales. The tentative target for the area under cotton in the second Plan has been fixed at 20.3 million acres, as against 18.3 million acres in 1954-55 and about 20 million acres in 1955-56. After emphasising that the bulk of the increase in production contemplated under the second Five-year Plan has to be achieved by adoption of intensive cultivation methods, Dr. Deshmukh proceeded to review the level of per-acre yield of cotton in this country.

Per-acre Yield

From an average of 81 lbs. per acre in 1947-48, the per-acre yield has gone up to 92 lbs. in 1954-55. Nevertheless, the yield is only one-fifth of that in Egypt and one-fourth of that in the U.S. This low per-acre yield in India, as Dr. Deshmukh observed, is to be attributed to the fact that the irrigated area under cotton represents hardly 9 per cent. of the total. With the completion of the irrigation projects, the irrigated area under cotton is bound to go up. Even so, a large part of the cotton area will continue to be rain-fed, so that the yields will generally be dependent on the vagaries of the monsoon. Dr. Deshmukh, therefore, did well to emphasise that special efforts would have to be continued to raise appreciably the yield per acre of cotton in unirrigated areas as well.

In the sphere of the production of adequate supplies of cotton of staple length 1.1/16" and above, which would help replace a large part of the imported varieties, Dr. Deshmukh pointed out that some success had already been achieved. The area under long-staple varieties (1" and above) had increased from 2.9 lakh acres to 4.6 lakh acres in the current season. The promising long-staple varieties include MCU-1 and MCU-2 in the Madras State, 170-C02 and 134-C02-M in the Bombay State and M.A.5 in the Mysore State. In this connection, the Minister referred to the question of further improvement of indigenous varieties before the lower varieties of imported cotton could be effectively replaced. He said that the Committee had received on this subject the benefit of the advice of a botanist of the eminence of Dr. S. C. Harland, Professor of Botany, Manchester University. He added: "The practical application of his recommendations as proposed by the expert subcommittee which has examined his reports should be helpful in reorienting the work on proper lines, in order to achieve speedy results."

Finance

Finally, Dr. Deshmukh referred to the need for adequate financial resources for undertaking the necessary research and development schemes. He said there should be "no difficulty on this score, at any rate, for the next five years." During the next Five-year period, in addition to Rs. 40 to Rs. 50 lakhs which the Committee would be spending from the cotton cess, provision has been made in the second Five-year Plan for grants from the Government of India to the tune of Rs. 50 lakhs for research schemes. The Central Government will also provide Rs. 60 lakhs for financing the Cotton Extension Schemes in the States. Further, a sum of Rs. 10 lakhs for the five-year period has been provided under the Plan for the establishment of five regional research stations for cotton. Provision has also been made for a grant of Rs. 15 lakhs in the second Five-year Plan for the expansion and modernisation of the Committee's Technological Laboratory.

In the course of his presidential address, Mr. M. S. Randhawa, Vice-President, Indian Council of Agricultural Research, stressed the need for regionalisation of cotton research. An important recommendation made by Dr. Harland also relates to the establishment of regional research stations. Mr. Randhawa revealed that the scheme prepared by the expert subcommittee, headed by Dr. B. P. Pal, envisaged the division of the cotton-growing tracts in the country into five regions and the setting up of a research station in each region. He pointed out that, while regionalisation of research would result in increased expenditure in some directions, economies would also be possible by preventing overlapping and duplication of work. Another topic to which he drew the attention of the Committee was decentralisation of ginning. He felt that ginning of cotton was an industry which could lend itself to co-operative working in the villages which were electrified or were likely to be electrified. He felt that, if small roller gins worked by low horse-power motors could be manufactured, a large number of villages could derive benefit from this cottage industry.

Review of Legislation

The Committee generally adopted the recommendations made by the various sectional committees. The Cotton Ginning and Pressing Factories Sub-committee recommended that, in the interests of maintaining the quality and reputation of Indian cotton, a review of the existing legislation in the various States to check malpractices in ginning and pressing factories should be undertaken by the Committee's office, with a view to closing any loopholes in the existing provisions. The Technological Research Sub-committee approved a proposal for holding annually a conference of cotton breeders, ginners, spinners and cotton technologists. The Agricultural Research Sub-committee recommended the undertaking of schemes for production of extra long-staple cotton in Madras and Saurashtra States, for multiplication and distribution of superior long-staple cottons in Saurashtra and for breeding Indo-American cottons in Surat, for breeding long-staple American cotton in Madhya Bharat and for investigating the use of insecticides for control of cotton pests in the Bombay and Punjab States. An important recommendation made by the Committee was to the effect that steps should be taken to collect information regarding the additional area which could be brought under cotton cultivation in the various irrigation-*cum*-hydro-electric projects, with a view to assessing the potentialities for increasing the area under cotton in such tracts. We commend this recommendation to the attention of the Government for, such information, if collected and disseminated, would certainly prove of great value to all cotton interests—growers, traders, ginning factories and spinners.

MINIMUM WAGES IN GINNING FACTORIES

The Government of Bombay has fixed the minimum rates of wages in respect of employment in cotton ginning or cotton pressing manufactories on the recommendations of the Minimum Wages Committee appointed for the purpose. For the purpose of fixation of minimum wages, while the State has been divided into four zones depending upon the condition of the industry in those particular areas, the workers have been divided into four categories: (1) Skilled, (2) semi-skilled, (3) unskilled (light) and, (4) unskilled (heavy). Different scales have been prescribed for different categories of workers in four different zones. The minimum wages for the different categories of workers in the four zones are: for skilled workers Rs. 75, Rs. 68, Rs. 62 and Rs. 56; for semi-skilled workers Rs. 65, Rs. 59, Rs. 54 and Rs. 48; for unskilled (light) workers Rs. 60, Rs. 36-10-0, Rs. 32-6-0 and Rs. 27-8-0; and for unskilled (heavy) Rs. 60, Rs. 49-10-0, Rs. 45-6-0 and Rs. 40-8-0.

Zone I comprises Greater Bombay and zone II, the cities and towns of Ahmedabad, Poona, Sholapur, Surat, Nasik, Ahmednagar, Kolhapur, Baroda, Ulhasnagar, Nadiad, Thana, Kalyan, Jalgaon, Bhusaval, Dhulia, Malegaon, Miraj, Broach, Sangli, Viramgaum, Hubli and Chalisgaon. Zone III comprises 121 cities and towns and zone IV all other rural areas in the State. These minimum rates of wages, which will consist of an all-inclusive rate allowing for a basic rate, the cost of living allowance and the cash value of the concessions, if any, will come into force from 1st July 1956. The minimum rates of wages payable to a child will be 50 per cent. of the minimum rates of wages fixed for an unskilled employee, while those payable to an adolescent, if certified to work as an adult, will be the same as those fixed for an adult and if certified to work as a child, will be the same as those fixed for a child. The minimum rates of wages payable to an apprentice will be 75 per cent. of the minimum rates of wages fixed for an unskilled employee. Apprentices have, however, been exempted from the provisions of the Minimum Wages Act for a period of three years from 1st July 1956.

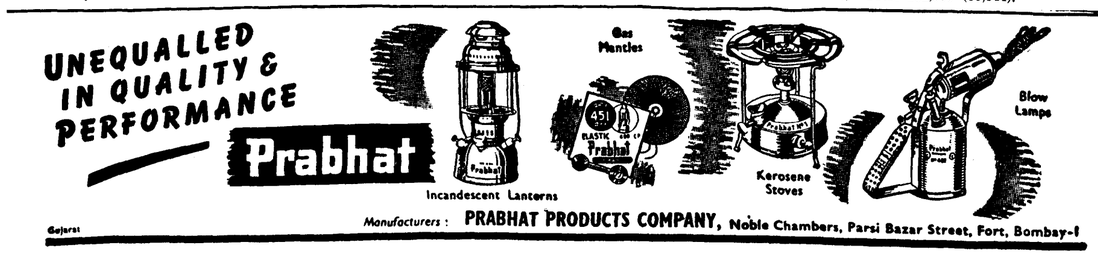
EXPORTS OF COTTON

During the period 1st September 1955 to 14th January 1956, India exported 262,055 bales (of 400 lbs. each) of cotton, as against 60,644 bales in the corresponding period of 1954-55.

The offtake of Indian cotton by different countries during the period under review, the figures within brackets indicating the offtake in the corresponding period of the previous season, was as follows:

(In bales of 400 lbs. each)

Japan 115,222 (33,497); Continent 52,960 (13,120); China 34,651 (1,128); U.K. 30,345 (5,899); Hongkong 24,237 (—); U.S. 2,505 (6,560); others 2,135 (440)—Total 262,055 (60,644).



NEW RETENTION PRICES FOR STEEL

PRINCIPLES OF PRICE FIXATION SUBSTANTIALLY CHANGED

THE Government of India has accepted the recommendation of the Tariff Commission, as briefly stated in our last issue, that the average retention price of steel produced by the Tata Iron and Steel Company, Ltd., and the Indian Iron and Steel Company, Ltd., should be fixed at the uniform rate of Rs. 393 per ton. The revised price will remain in force for a period of five years from 1st April 1955 to 31st March 1960. The Government has also accepted the Commission's recommendation in respect of the revised prices for 1954-55 for the two companies. The prices for this year have been adjusted for variation in manufacturing costs and will be Rs. 343 per ton for the T.I.S.Co. and Rs. 386 per ton for the I.I.S.Co. The companies will have to credit to their respective development funds the difference between (a) the above adjusted retention prices for 1954-55 and the uniform retention price fixed for 1955-56 to 1959-60 and (b) their actual sales

The aforesaid uniform price for the two main producers of steel represents an increase of Rs. 8 per ton over that (Rs. 385 per ton) provisionally fixed by the Government in May last, pending enquiry by the Tariff Commission, and of Rs. 50 per ton in the case of the T.I.S.Co. and Rs. 7 per ton in the case of the I.I.S.Co. over the revised prices for 1954-55 of Rs. 343 and Rs. 386, respectively, recommended by the Commission and accepted by the Government.

The main object of the enquiry by the Tariff Commission was to fix a uniform retention price at a rate which would enable the two major producers to obtain a reasonable proportion of their capital requirements for their current and additional expansion programmes from internal sources and to raise the balance from outside. The Government desired that the prices fixed for the two producers should be uniform on an average and, where necessary and possible, for comparable products. In order that the introduction of a uniform price might not adversely affect the production and expansion programme of the I.I.S.Co., the works costs per ton of which were higher than those of the T.I.S.Co., the Government desired that the uniform price should be fixed on the basis of the costs of production of the I.I.S.Co. The Government also wanted that the principles of price fixation hitherto followed should be revised and that the revised principles should be applied to the industry from 1st April 1955. The Government had already accepted the Commission's earlier recommendation that the colliery block of the steel companies should be treated as an integral part of the steel block and that the steel companies should be allowed to recover their actual cost of raising coal in the price of steel. Thus, the principles followed in the latest enquiry of the Commission were substantially different from those followed in the earlier enquiries.

New Approach

Broadly speaking, until May last, fair retention prices were fixed for each unit separately by taking into account its estimated works costs and overheads for a future period. In calculating the overheads, a return had been allowed at 8 per cent. on the appropriate amount of gross block, depreciation at 6¼ per cent. on the increase in gross block, in addition to normal and special depreciation, interest at 1 per cent. over Bank rate on the estimated working capital, selling expenses at Rs. 2 per ton and a margin for contingencies at Rs. 5 per ton. As the object of the latest enquiry was to fix the retention prices in such a manner as to enable the two producers to obtain a reasonable proportion of their capital requirements from internal sources, the Commission found that the prices fixed on the aforesaid basis hitherto followed would be inadequate for both the companies. The Commission, however, was not in favour of granting a higher return by taking the gross block as the basis of calculation for this purpose. The Government and the producers have recognised the need for reviewing the existing procedure of calculating return on the basis of the gross block in the case of this industry. Accordingly, the Commission considered it advisable to depart from the usual practice and adopted a different approach which, while serving the needs of the present situation, will in no way prejudice the formulation of long-term principles at the end of the new period of price fixation. The Commission's approach is, in its own words, as follows:

"In order that the uniform prices to be fixed may not create difficulties for the I.I.S.Co whose costs of production are higher, we have first examined the I.I.S.Co.'s requirements. We have taken into account the total capital funds required by the I.I.S.Co. and the amount which they may reasonably be expected to raise from outside and have determined on this basis the amount which they should obtain from internal sources. The internal sources consist partly of depreciation and partly of return. We have allowed depreciation at the rate of 6¼ per cent. on the additions to the gross block expected to take place year by year, in addition to normal and special depreciation. By deducting this from the required amount of internal resources, we have arrived at the surplus which the Company should obtain in order to be able to finance the excess of its capital expenditure over the sum total of depreciation and the outside capital funds. We have then estimated the Company's works costs and other current charges likely to be incurred by it and so fixed its retention prices as to enable it to earn the necessary surplus after meeting its works costs, other current charges and the liabilities incurred, or to be incurred, by it on account of the capital funds obtained from outside. The prices so determined will apply to those categories of steel which are produced by both the I.I.S.Co. and Tatas. A similar analysis of requirements and resources has been made for Tatas in order to determine the level of prices which will enable them to finance a reasonable proportion of their capital expenditure from internal sources. The prices for categories solely produced by Tatas have then been determined so as to arrive at the average level of prices considered adequate for them."

I.I.S.Co.'s Suggestion

The I.I.S.Co., however, suggested that the Commission should first determine a fair retention price for it on the basis of the principles hitherto followed and then allow a special element to take account of its expansion needs. The suggestion was not accepted by the Commission on the ground that it involved continued adherence to the old principles of price fixation.

The new uniform retention price has been fixed for a period of five years. Giving its reasons for adopting the five-year period, the Commission says:

"Although Tatas are planning to complete their two-million-ton project in three years, they will not be able to realise their full output earlier than in 1959-60. I.I.S.Co. have still to complete a large part of their 1953 extensions and the task of carrying out 1955 extensions concurrently with the extensions already in hand is bound to involve considerable dislocation in their works. They do not, therefore, expect to realise their full output even in 1959-60. Moreover, Tatas have urged that an assurance of stable prices for a reasonably long period, say five years, will help them considerably to raise the necessary funds from outside sources. If prices were fixed for a period of three years only, of which one year will have elapsed by the time the Companies approach the investment market, the balance of the period may be too short to afford the necessary assurance to investors about the future earnings of the Companies. We consider that there is considerable force in this contention. We have, therefore, adopted a period of five years from 1st April 1955 for the present price fixation."

According to the latest revised programme of expansion of the Indian Iron and Steel Company, Ltd., the Company proposes to increase its rolling capacity to produce, in addition to 140,000 tons of billets, 660,000 tons of finished steel. The Company also proposes to increase its production of ingot steel from 870,000 tons to about 1,000,000 tons. The revised estimate of the Company's capital requirements is Rs. 49.22 crores, of which the 1953 extensions account for Rs. 27.12 crores, 1955 extensions for Rs. 11 crores and subsidiary expenditure for Rs. 4.41 crores. In addition, the provision for replacements, renewals and improvements at 40 per cent. of the estimated allocations to the depreciation fund will require Rs. 3.69 crores and repayments of the World Bank loan and the loan from the Government of India will require Rs. 3 crores. The capital funds already available to the Company under the existing arrangements with the World Bank and the Government of India amount to Rs. 24.57 crores, after taking into account the amount (Rs. 4.54 crores) drawn up to 31st March 1955. The balance to be found is Rs. 24.65 crores. The Company claimed to have no savings available from the past period to finance its capital expenditure.

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Opening Balance Not Taken into Account

In any case, the Tariff Commission itself decided not to take into account the surplus, even if there was any, left with either of the Companies on account of their retention prices prior to 1st April 1955, in assessing the resources available to them for future capital expenditure. The following are the reasons given by the Commission for not doing so:

"First, any such procedure would involve application of the new principles of price fixation to a past period. Secondly, it has been an established practice of the Commission not to admit adjustments in future retention prices on account of any losses or gains made by the Companies from the retention prices prevailing in the preceding period of price fixation. Thirdly, the principle of uniform prices implies that, on the common categories, Tatas should receive the full benefit of the difference between their costs and those of the I.I.S.Co. Tatas will not receive such benefit if the I.I.S.Co.'s higher costs are allowed to be partly offset by the surpluses, if any, acquired by them in a period when the principle did not apply. We have claimed an opening liability of Rs. 4 crores opening balance or the opening liability. (Tatas have claimed on opening liability of Rs. 4 crores and we have disallowed that claim.)"

Of the sum of Rs. 24.65 crores to be found by the I.I.S.Co. to meet its requirements, the Commission feels that the Company should raise Rs. 8 crores from outside sources (that is, by way of borrowings or issue of fresh capital) and the scheme of retention prices should be so devised as to enable the Company to obtain the balance of Rs. 16.65 crores from internal sources. In addition to the borrowings mentioned above, the Company expects to raise from the Government a loan of Rs. 70 lakhs and Rs. 2.20 crores in 1956-57 and 1957-58, respectively. The latter sum represents the saving in the cost of the project for remodelling and renovation of the Kulti blast furnace which was originally included in the 1953 programme, but has now been given up. The Company expects that the Government will not reduce on that account the limit of its loan or special advance and will allow this sum to be utilised against the cost of further extension. No decision has been taken by the Government on this point, at least up to the time when the Commission submitted its report, that is, in November 1955. Irrespective of the Government's decision, the Commission feels that the aforesaid amount of Rs. 16.65 crores is reasonable for the Company to obtain from internal sources.

Internal Resources

The internal sources available to the Company consist of depreciation allowances, plant rehabilitation funds and return out of the retention prices. On the basis of the principle enunciated at the outset, the Commission expects that a sum of Rs. 9.23 crores will be available to the Company from depreciation allowances and Rs. 2.60 crores from plant rehabilitation funds. The balance of Rs. 4.82 crores should, therefore, be obtained out of its retention price. The Commission has, accordingly, had to fix the retention price at such a level as would yield a net surplus of Rs. 4.82 crores for its capital expenditure over the five years from 1955-56. For this purpose, the Commission has had to estimate the output and the probable works costs for each of the years. The following are the estimates of output and works costs of the I.I.S.Co.:—

Year	Tons (In thousands)	Works costs (Rs. per ton)*
1955-56	330	260
1956-57	300	273
1957-58	375	252
1958-59	520	245
1959-60	640	242

* Based on the price of spelter at Rs. 1,150 per ton.

On the basis of the above works costs, the other expenses expected to be incurred by the Company and its receipts other than from the sale of steel, the Commission has found that an average retention price of Rs. 393 per ton will enable the Company to earn the necessary surplus of Rs. 4.82 crores over the entire period of five years to 1959-60. The quantity of surplus pig iron available for sale during 1958-59 and 1959-60 is expected to be as high as 260,000 tons and 480,000 tons, respectively. The total surplus likely to accrue to the I.I.S.Co. over the five years, according to the Tariff Commission's estimates, is Rs. 9.62 crores. After providing for reasonable dividends on the existing share capital and the additional share capital to be issued by the Company, the aforesaid surplus will, in the estimate of the Commission, leave a balance of Rs. 4.84 crores for capital expenditure, as against the Company's needs of Rs. 4.82 crores mentioned earlier. The Commission is thus satisfied that an average retention price of Rs. 393 per ton will be adequate to meet the requirements of the Company.

The total capital requirements of the T.I.S.Co. for the five years are estimated at Rs. 102.54 crores, made up as follows:

(In crores of rupees)

Modernisation and expansion programme	13.24
2-million-ton programme	62.35
Ancillary schemes	5.85
Replacements, renewals and improvements	15.00
Capital spares	3.50
Repayment of loans in 1959-60	2.60
Total ...	102.54

Tatas' Requirements

The Company's requirement of Rs. 13.24 crores for the M.E.P. has been arrived at after taking into account the expenditure already incurred on the programme and the resources used for the purpose. The two-million-ton programme was originally estimated to cost Rs. 60 crores, but this estimate has been revised to Rs. 65.85 crores, including Rs. 3.5 crores for capital spares. The original estimate did not include the provision for capital spares. As regards the provision of Rs. 15 crores for replacements, renewals and improvements, the T.I.S.Co. had asked for a provision of Rs. 17.5 crores at the rate of Rs. 3.5 crores per annum, while the actual expenditure incurred on this account during the last two years was Rs. 2.9 crores per year. The Commission has, however, provided for this expenditure at Rs. 3 crores per year. Although the Company's negotiations for loans have not yet been completed, the Commission has considered it necessary to provide, on the basis of information so far available, a sum of Rs. 2.6 crores for repayment of loans which is likely to commence in 1959-60. On the whole, the Commission considers the above estimates of the Company's capital requirements as reasonable. The Company had asked three other items also to be included in its financial requirements, namely, (1) Rs. 1.8 crores for investment in the Indian Tube Company for the tube project, (2) Rs. 4 crores for past liability for surcharge payable to the equalisation fund and (3) Rs. 1.5 crores for the Consulting Engineers' fees. The Commission has, however, disallowed these items.

Out of the above total requirements of Rs. 102.54 crores, the funds already available or expected to be available during the next five years are estimated at Rs. 38.83 crores. Of this sum, special advance from Government accounts for Rs. 5.20 crores (Rs. 10 crores *minus* Rs. 4.80 crores drawn up to 31st March 1955), foreign borrowings for Rs. 30 crores and funded interest on foreign loans for Rs. 3.63 crores. The additional finance required to be found by the Company is Rs. 63.71 crores. The Commission expects the Company to raise Rs. 21.3 crores, that is, about one-third of the amount (the same proportion as in the case of the I.I.S.Co.) from further borrowings or issue of fresh capital. The balance of Rs. 42.4 crores is to be found from its internal resources. The Company proposes to ask the Government for a fresh advance of Rs. 4 crores. The Government has not made any commitment on this point. The Commission has not, however, taken this into account (as in the case of the I.I.S.Co.) in assessing the balance of the Company's capital requirements.

Tatas' Works Costs

The amount that will be available to the T.I.S.Co. from depreciation allowances and plant rehabilitation fund during the next five years is Rs. 29.12 crores (Rs. 24.12 crores from depreciation and Rs. 5 crores from plant rehabilitation fund). As in the case of the I.I.S.Co. the depreciation has been allowed at 6¼ per cent. on the estimated additions to the block, in addition to normal and special depreciation. This leaves a balance of Rs. 13.28 crores or about 13 per cent. of the Company's total capital expenditure (the corresponding proportion in the case of the I.I.S.Co. is about 10 per cent.) to be found out of the retention price. The estimates of output of saleable steel and works costs of the Company, as made by the Commission for determining the level of prices which will yield a surplus of Rs. 13.28 crores, are as follows:

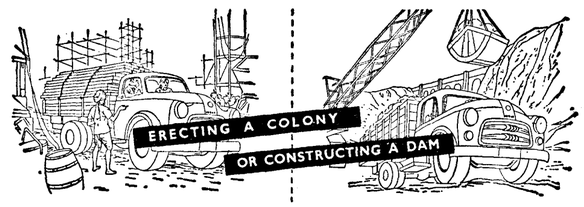
Year	*Output* (In 000's tons)	*Works costs** (Rs. per ton)
1955-56	780	232
1956-57	800	233
1957-58	900	228
1958-59	1,200	222
1959-60	1,500	219

*Based on the price of spelter at Rs. 1,150 per ton.

The average output of the Company for the first three years is estimated at 827,000 tons and that for the entire period of five years at 1,036,000 tons. On the basis of an average retention price of Rs. 393 per ton, the surplus that is likely to accrue for the five years is estimated by the Commission at Rs. 25.74 crores. After providing for reasonable dividends on the existing share capital and the new share capital to be issued by the Company, the surplus left will be a little more than Rs. 14.1 crores, whereas the amount required to bridge the gap between the proposed capital expenditure and the sum total of depreciation and capital funds to be raised from outside is Rs. 13.3 crores. The Commission is satisfied that an average price of Rs. 393 per ton will be adequate for the Company to yield a surplus of Rs. 13.3 crores.

No Higher Price

According to the Commission, the Company is expected to raise Rs. 21.3 crores from outside sources, in addition to foreign borrowings and special advance from the Government. The Company had, however, provided for an additional amount of only Rs. 18.05 crores, that is, Rs. 3.25 crores less the amount estimated by the Commission, to be raised from outside sources. This meant that this difference of Rs. 3.25 crores would have to be found from internal resources. The Commission feels that, if the Company is to be enabled to find this additional fund from internal resources, then the retention price will have to be higher than Rs. 393 per ton for this Company, which is contrary to the principle of uniform retention price. If the increase in retention price is spread over both the common and the non-common categories, the I.I.S.Co. will receive profits in excess of the amount considered reasonable for it. If the increase is confined to the non-common categories, the prices of such categories (many of which are purchased by the railways) will be unduly inflated. Even at the uniform average price of Rs. 393 per ton, the surplus that will be available to the T.I.S.Co. will amount to 13.7 per cent. (as against 13 per cent. estimated by the Commission) of the total capital requirements, the corresponding proportion in the case of the I.I.S.Co. being only 10 per cent. The Commission has, therefore, found it unable to recommend a higher price than Rs. 393 per ton for the T.I.S.Co.



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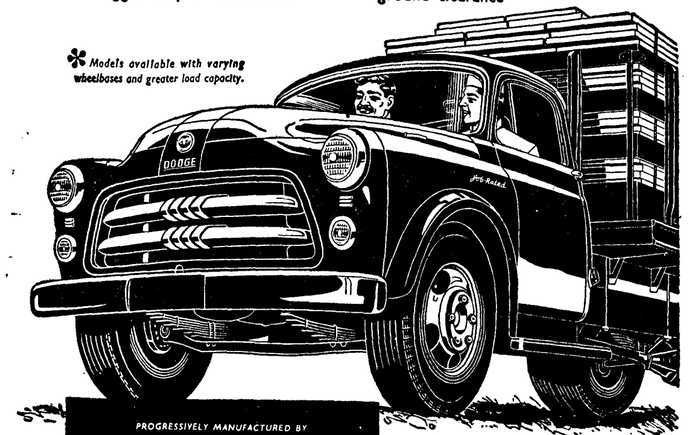

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MECHANISATION OF COLLIERIES

IS IT AN UNMIXED BLESSING?

IT would appear that rapid mechanisation of coal mines the world over has not been an unmixed blessing. In fact, it has created a number of problems, two of which have of late become serious. The first one relates to increased production of dust and the second to ignition of explosive gas. Consequently, the need for more precautions against both ignition of gas and dust production has become urgent. It is gratifying to note that national and international bodies interested in the safety of the miner have been engaging themselves seriously in tackling these problems.

It will be recalled that a committee of experts recently met in Geneva, under the International Labour Organisation (I.L.O.), to study international progress in the prevention and suppression of dust in mining, tunnelling and quarrying. The experts suggested that the I.L.O. should compile separate codes of good practice relating to dust prevention and suppression. They stressed also that the recommendations they made as far back as in 1952 still held good. The most important of them was that rock drilling without any means of dust suppression must be strictly prohibited in hard headings and in headings in coal seams which required ripping. The Annual Report for 1954 of the Safety in Mines Research Establishment, issued by the Ministry of Fuel and Power, United Kingdom, only a few weeks back, points out that salt-crust method of coating roadway surfaces with wet salt is one of the effective methods of trapping dust. Dealing with this topic, the *Iron and Coal Trades Review* (Britain) observes as follows:

"Laboratory tests show that it is not the water within the salt layer which leads to dust binding, so much as the water sprayed on deposited dust during re-wetting. Therefore, wetting the salt layer little and often should cause the binding of relatively rapid depositions of dust. If re-wetting is frequent, the amount of water applied on each occasion must be small, since the rate of drying limits the total amount of water that can be usefully added. The factors affecting the rate of drying of wet salt are mainly the humidity and movement of the air, and the effect of re-crystallisation on the porosity of the salt."

Ignition of Gas

The rapid rate of use of high-speed machinery has, according to a report entitled "Frictional Ignition of Gas by Mining Machines," issued by the United States Bureau of Mines, made it necessary to increase precautions against accumulations of explosive gas at the working face, because friction of metal against rock or of metal against metal can generate heat enough to cause ignition. The report has disclosed that out of seven friction-initiated gas ignitions investigated by the Bureau in the past two years, continuous mining machines were involved in three cases, cutting machines in another three and a coal-drilling machine in the seventh. The report avers that mine explosions caused by frictional heat have been more frequent in the United Kingdom than elsewhere, possibly because of the nature of coal, the mining methods followed and inadequate ventilation.

After stating that the Bureau has been conducting further research on the prevention of gas ignitions by frictional heat, the report remarks that "these ignitions emphasise the importance of coursing more than the normal amount of air to the actual face to dilute and carry away gas when high-speed machinery is used. It has made as many as 23 recommendations designed to prevent ignition, based largely upon the results of world-wide studies of prevention measures. "The most important of these," it is stated, "probably relate to the provision of adequate ventilation at the coalface, the use of enough air and water in cuts, frequent checking for gas in atmosphere, equipping mining machines with special devices to facilitate rapid removal of gas, avoidance of overheating of cutting and other machines and avoidance, as far as possible, of hard rocks during cutting and drilling."

NEW POWER SHOVEL

A coal company at Cadiz, Ohio (Pittsburgh Consolidated), has put into operation a new power shovel so big it can take almost 100 tons at one bite. The shovel, built up to scoop coal, earth and rock in the Company's open-pit mine, weighs 2,500 tons and is 147 feet high. It is said to be the largest piece of mobile machinery ever built in the United States. It moves on eight crawler treads, each eight feet high, 23 feet long and nearly five feet wide. The operator rides to the control room in an automatic elevator housed in the hollow centre pin, six feet in diameter, on which the giant machine revolves. The electro-powered digger costs $2,500,000.

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DEVELOPMENTS IN WORLD SUGAR ENGINEERING

MANY IMPROVEMENTS NOTED

THE deliberations of the ninth Congress of the International Society of Sugarcane Technologists (I.S.S.T.), held at New Delhi recently, have served to emphasise, once again, the fact that "science and technology know no national barriers or political boundaries." Since its inception in Honolulu (Hawaii) 31 years ago, the Society has been endeavouring to promote discussions of the technical problems of the sugar industry—both in the field and in the factory—by means of conventions held once in every three years and to foster free and frank interchange of technical information through publications or other means. The New Delhi Congress provided an excellent opportunity for the co-ordination of ideas towards the advancement of science and practice of sugar engineering throughout the world. The Congress brought together delegates from countries representing various aspects of the sugar industry. There were members from universities and technical institutions with valuable contributions to research to their credit, engineers engaged in the direct operation of sugar machinery in the factories with experience of practical operation of the plant and problems involved, and representatives of sugar manufacturers with their knowledge of plant design and construction. Indeed, the exchange of knowledge and collection of information for which the Congress provided a venue must have been of significant value to the Indian sugar industry which now stands on the threshold of a new era of development and expansion.

Of particular importance is the meeting of the Sectional Committee on Sugar Engineering at which Mr. K. S. Arnold, Chairman of the Committee, made a lucid and interesting survey of the progress made in the field of sugar machinery the world over. The survey reveals that, while there has been general improvement in all classes of cane sugar machinery since the previous Congress of the Society held in British West Indies (1953), the most notable advances are undoubtedly in sugarcane crushing mills. With a view to stepping up the rate of crushing, roller surface speed is being raised. The speed achieved on several sugar milling plants now comes to about 30 ft. per minute—on certain new plants, the speeds envisaged are as high as 75 ft. —which is almost double the speed of 30 ft. per minute considered as reasonably fast some years ago. The improvement in roller-surface speed, coupled with the associated increases in crushing rate, has given rise to certain problems, especially cane feeding and juice drainage. In order to assist in the feeding of fast-running mills, the use of feeding devices of various types has been greatly extended, and the fitting of feeder-rollers is becoming standard on new installations.

Regulation of Cane Feed

Another important field in which improvements have been effected and to which Mr. Arnold drew attention relates to regulation of cane feed to the plants. Whereas, formerly, the speed of the cane carrier depended entirely on manual regulation of the cane-carrier engine or electric driving motor, efforts, it is said, are now being made towards developing automatic control. The functioning of cane knives has, in some instances, been incorporated in the control system, in order to ensure that the feed on the carrier is adjusted in relation to the power demand on the knives, thereby preventing overloading and the consequent stalling of the driving motors. The provision of a more uniform cane-feed to the mills and reduction in stoppage due to chokes on carriers and knives contribute much to raising crushing rates.

The progress made in the application of steam turbine to the driving of cane mills is, according to Mr. Arnold, not only noteworthy but also revolutionary. At the time of the eighth Congress, only a few installations existed and the delegates were able to see only one unit operating on a mill during their visits to numerous factories. But, now, turbine drive is gaining in popularity and all the recent large-scale milling plant installations have been provided with this form of drive, which now gives indication of superseding the single-cylinder steam engine. The use of gal/oil bottle type accumulators on the hydraulic pressure systems of cane mills is rapidly extending. Many conversions continue to be made from the conventional weight-loaded accumulator to this more convenient and compact type. It is now being fitted to the majority of new milling plants and gives promise of becoming the accepted standard type.

As regards the cane-crushing rollers, the use of the roller type is becoming popular. It will be interesting to note here that this type is by no means a new development in so far as India is concerned. Two sugar milling plants manufactured by a Calcutta engineering company 25 years ago and installed in factories are fitted throughout with roller bearings. Despite obvious advantages that exist in the use of roller bearings on mill rollers, the general application of this type has been held back, thanks to higher initial cost and certain attendant problems.

Another Notable Development

The tendency among sugar mills in recent years has been to increase the steam pressure employed. Alluding to this tendency, Mr. Arnold observes:

"By assuring a proper steam balance in a cane sugar factory, the bagasse from the mills can provide ample fuel for the total steam requirements without having recourse to high-efficiency boiler plant operating at high pressure and, where this condition exists, there is no justification for installing expensive high-pressure boiler plant. It is now, however, often customary to locate subsidiary industries adjacent to a sugar factory with the object of obtaining from the latter a cheap supply of steam and electric power. The higher thermal efficiency required can only be obtained by generating steam at high pressure, coupled with the employment of bagasse furnaces of high combustion efficiency. New types of bagasse furnace have also been evolved; these are tending to supersede the simpler step-grate and flat-grate types."

Mr. Arnold then referred to the developments in vacuum-pan design for promoting faster boiling by a more rapid circulation of the massecuite. Vacuum pans having circular ribbon-type heating elements, he claimed, were becoming increasingly popular in sugar refineries and some had been employed in beet sugar mills also. But they had not so far been introduced in the cane sugar factories. Similarly, advances were continuing in sugar centrifugals, mainly in the direction of high-speed and automatic operation. The former simple type of machine had, he said, given place to the modern heavy high-speed machine, equipped with numerous electric or hydraulic devices for the control and automatic timing of the operations in the cycle and with electric braking. Although the electric-driven centrifugal was extremely popular, certain factories preferred the water-driven machine which was being manufactured for high-speed running and which had all the facilities of the electric-driven type.

The foregoing survey of Mr. Arnold provides much food for thought to the Indian sugar technologists. In the present context of the imperative need for stepping up output of quality sugar at an economic cost, the role which these technologists and research workers play in evolving improved manufacturing techniques is, indeed, vital. It must be stressed, in this connection, that the mere carrying out of research is not enough. What is urgently required is that the results of research should, as Dr. K. Douwes-Dekker, Chairman of the Sugar Manufacture Section, rightly averred, become available for open discussion. Dr. Douwes-Dekker did well in advising the sugar technologists to adopt an open-door policy in respect of results of scientific research. To quote him: "The tendency for secrecy, sometimes noticeable in some countries, may be justifiable in isolated cases, but, when it becomes a system, further technological progress will be dubious. Many countries have found it more profitable in the long run to practise the open-door policy."

Presiding over the Chemical Analysis and Factory-reporting Section of the I.S.S.T. Congress, Dr. H. W. Kerr welcomed the move of the International Commission for Uniform Methods of Sugar Analysis to apply itself to the question of submitting all basic analytical methods to searching inquiry in order to assess their reliability. He, however, pointed out that it still remained for the sugar industry to devise its own technique of sampling. This aspect of the section's work, Dr. Kerr said, was one on which world agreement could be achieved. But he regretted that the position was not quite so happy so far as the subject of uniformity in factory-reporting was concerned.

By-products

In the course of his opening address to the By-products Section, Mr. J. M. Saha urged that increasing attention should be given to better utilisation of the principal by-products of the sugar industry, namely, bagasse, molasses and press cake, which together accounted for about 40 per cent. of the weight of sugarcane crushed or four times the weight of sugar produced from a certain quantity of cane. Referring to utilisation of bagasse, Mr. Saha stated that quite a large number of sugar factories in India consisted of steam-driven plants, and strict economy in the matter of steam combustion was not usually observed in several factories. Very few factories were left with surplus bagasse after the crushing season was over and much of this was utilised as fuel in the boilers during the off season. The only industrial use that was being made of bagasse at present was for the production of boards at Meerut and Saharanpur. Besides, efforts were being made for the manufacture of newsprint. A large-scale trial conducted recently at Jagadhari in the Punjab revealed that a fairly good quality newsprint could be manufactured by using 70 per cent. bagasse and 30 per cent. wood-pulp.

Reviewing the progress made in research, Mr. Saha gave the following details:

"Investigations have been made on the utilisation of bagasse for the production, among others, of alcohol, insulation and pressed boards, wrapping paper and strawboards and paper pulp. The best method of utilisation of surplus bagasse seems to be in the direction of making newsprint, as almost 70 per cent. of India's requirements of newsprint is at present being imported. A fairly good market also exists for wall-boards and activated carbon. But very small quantities of bagasse are found to be surplus after meeting the fuel requirements of sugar factories to be available to feed a paper factory. It is also not possible to use coal or other fuel as a substitute for bagasse which may be diverted for paper factories, as this involves transport difficulties."

Turning to molasses, Mr. Saha said that almost 60 per cent. of the total molasses produced in India was used by the power alcohol, industrial alcohol and potable spirits distilleries, the balance being utilised for preparing smoking tobacco and other miscellaneous uses. In his considered opinion, the most reasonable utilisation of molasses in this country appeared to be in the direction of making alcohol, largely power-alcohol for using it as motor fuel after mixing with petrol in the proportion of 20:80. The entire production of Indian sugar factories could be easily utilised in this way and the country could, in this manner, substantially reduce its imports of petrol.

In the case of press-mud, Mr. Saha revealed that this was at present sold by the sulphitation factories to cane growers for use as manure, while the carbonation units were using it to fill up ditches in the land or to burn it to produce an inferior quality of lime. According to him, a fair amount of research work has been done on the utilisation of press-mud. The most promising avenues appears to be in the extraction of wax. There are at present only two factories where cane wax is being commercially manufactured from sulphitation press-mud. As regards carbonation mud, some work has been done at the Sri Ram Institute for Industrial Research, Delhi.

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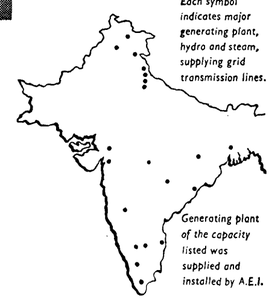

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Tatanagar	55,800 KW
Kashmir	6,000 KW
Jogindarnagar	48,000 KW
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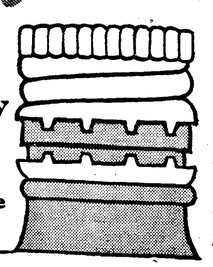

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ENGINEERING PERSONNEL FOR SECOND PLAN

RECOMMENDATIONS OF EXPERT COMMITTEE

THE Engineering Personnel Committee has submitted its interim report to the Planning Commission. It will be recalled that, in September 1955, the Planning Commission set up this Committee, with Mr. Y. N. Sukthankar as Chairman, to analyse the supply and demand position with regard to engineering personnel and to suggest measures for the setting up of new institutions, if required. The Committee was also asked to suggest steps for better utilisation of the existing personnel. The most notable recommendation of the Committee is that a high power body for taking policy decisions and a supporting executive organisation should be set up both at the Centre and in the States. The Committee has suggested that, besides increasing the capacity of existing engineering colleges and schools by 20 per cent. for graduate training and 25 per cent. for diploma training, a number of new institutions should be set up all over the country. Further, it has favoured the creation of a new category of personnel, namely, "technical assistants," who require a shorter term of training than the diploma holders on specific jobs, with a view to assisting the overseers in their jobs.

The Committee has felt the need for increasing the capacity of the existing educational institutes and establishment of new ones, because it feels that, in addition to the engineering personnel to be trained in the institutions at present proposed under the second Plan, the following additional number will be required:

Graduate Engineers

Civil	970
Mechanical	200
Electrical	190
Tele-communication	190
Metallurgical	40
Mining	100

Diploma Holders

Civil	3,100
Technical	1,700
Electrical	950

These numbers have been worked out on the assumption that the activity in the third Five-year Plan will continue to increase at the same rate as in the second Plan.

New Institutions

In regard to the setting up of new institutions, the Committee has recommended (*a*) three degree colleges and twenty diploma institutions for the Northern Region, comprising Punjab, Uttar Pradesh, Rajasthan, Jammu and Kashmir, P.E.P.S.U., Delhi, Ajmer-Merwara and Himachal Pradesh, (*b*) seven degree colleges and twenty-five diploma institutions for the Eastern Region, comprising Assam, West Bengal, Bihar, Orissa, Manipur and Tripura, (*c*) six degree colleges and 12 diploma institutions for the Western Region, comprising Bombay, Madhya Pradesh, Madhya Bharat, Kutch, Bhopal and Vindhya Pradesh, and (*d*) five diploma institutions for the Southern Region, comprising Madras, Andhra, Mysore, Travancore-Cochin, Hyderabad and Coorg.

It is stated that the Committee has phased the demand for engineering personnel, taking into account the special claims of the present and the proposed iron and steel plants, railways and the like. Nevertheless, the Committee still feels that there would be shortage of experienced personnel in the early years of the Plan. In order to meet this shortage, it has recommended various measures like retaining engineers beyond the age of superannuation and promoting subordinates of merit to higher levels. In order to check the flight of temporary personnel from project to project, the Committee has recommended that the States should follow some common line of action which would involve agreement on (*a*) scales of pay and allowance, (*b*) a common authority for deployment of personnel from project to project, and (*c*) safeguarding the tenure, security and future prospects of temporary engineers. The Committee has suggested the following steps for improving the quality of engineering education:

(1) The salary scales of teachers should be brought on par with Government scales in the executive line.

(2) The departments concerned should spare experienced engineers for teaching institutions.

(3) A refresher training course should be arranged for teachers.

As unemployment among engineers is stated to be mostly due to lack of experience, the Committee has expressed the view that there should be readiness on the part of employers in the public and private sectors to provide facilities for their training on the job. Such training, especially in the lower categories, should be provided on a large scale because of the physical limits to the expansion of institutional training on traditional lines. Finally, in order to obviate delay in recruitment, the Committee has suggested (1) recruitment in college campus, (2) bulk selections every year to cover the needs of different departments, and (3) the establishment of a register of qualified engineering personnel.

Technical Men

One of the factors that retards economic development is the absence of adequate facilities for turning out technical men. It is, therefore, necessary to create facilities for the training of all grades of workers from top to bottom. It is in connection with training for higher management and of scientists, engineers and technicians that the industry is most dependent upon outside institutions. In many countries, the conception of formal training for higher management is relatively new. Yet, its importance can scarcely be exaggerated. Experience has shown that efforts to raise productivity initiated by men in subordinate position are unlikely to succeed, without the understanding, support and encouragement of top management. After all, productivity is, in the ultimate analysis, the cumulative result of initiative, resourcefulness and fertility in ideas among industrial scientists, engineers and technicians.

It is not only in connection with the training of executives, scientists and technicians that the industry needs the co-operation of outside institutions. Apprentices and others undergoing training for skilled occupations are also commonly required to attend courses at technical colleges. And, apart from the facilities provided by educational institutions, there is often the need for practical training facilities which, especially for small firms, can be provided efficiently only through action on the part of the industry as a whole. National employment services should have the closest possible contacts with industry, on the one hand, and with vocational training establishments, on the other. They should also be in a position to collect and analyse such statistical and other data as will make possible reliable surveys of trends in the employment situation on which estimates of future requirements for different kinds of skill can be based.

TECHNICAL AID UNDER COLOMBO PLAN

Under the Technical Co-operation Scheme of the Colombo Plan, the services of two British engineering experts have been made available to India. One of them is Sir Claude Inglis, Director of the Hydraulics Research Station of the Department of Scientific and Industrial Research at Wallingford, Berkshire. He will advise principally on flood control measures. Sir Claude was with the Indian Service of Engineers for many years, and part of his mission is to prepare a report for the Indian Central Water and Power Commission.

The other expert, Mr. John Axten, is a research engineer with the National Research Development Corporation. He will spend six months in India demonstrating a new type of Ricardo steam engine. Four of these engines, which have been developed at the National Development Council's Institute at Dorking, Surrey, are being loaned to India so that tests may be made to assess their suitability under local conditions. As the engines are of new design, the Government of India asked for the services of an expert who would install and demonstrate them and then train Indian technicians in their operation. Later Mr. Axten will go to Ceylon to install and demonstrate another of these new British engines which is on loan to the University of Ceylon.

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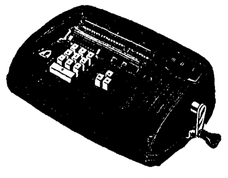

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MACHINE TOOL INDUSTRY

Addressing the ninth annual general meeting of the Indian Machine Tool Manufacturers' Association, held in Bombay last week, Mr. M. B. Jambhekar reviewed the present position of and prospects for the machine tool industry. He stated that, during the six months ended 30th June 1955, the value of output of the industry was about Rs. 33.36 lakhs, which represented an increase of nearly 40 per cent. over the corresponding period of 1955. Besides, new types of machine tools had gone into production and many more new types were in the offing. Elucidating this statement, he stated that the following were some of the new types already in production and in the market:

(1) Geared head lathes from 6½" centre to 12½" centre;

(2) fully geared, directly motorise, pillar drills upto 1¾" capacity, and

(3) fully geared high speed shapers and milling machines.

The following new types of machine tools were under development:

(1) 7"×8½" centres tool room lathes with all necessary attachments;

(2) 1½"×2" capacity radial drills;

(3) 1¾" capacity column drill;

(4) 20"×30" stroke fully geared shaping machines;

(5) 18" stroke hydraulic shaper;

(6) 5" centre 3' bench lathe; and

(7) universal tool and cutter grinder No. 2.

While the progress of the industry as noted above has been encouraging, it falls far short of requirements, a point which Mr. Jambhekar clearly recognised. Addressing the Committee for the Development of Machine Tool Industry on 25th January last, Mr. T. T. Krishnamachari, Minister for Commerce and Industry, also expressed the same opinion. He remarked that the progress was "far too slow in relation to the present and the future requirements."

What is this state of affairs due to? Mr. Jambhekar attributed this to a number of factors, the chief among them being shortage of raw materials, inadequate data about demand and the Government's unhelpful purchase policy. He stressed, in particular, the shortage of graded pig iron and coke, semi-finished parts (such as alloy-steel forged blanks for gears and forgings for spindles), ball bearings and cutting tools. He held that the shortage of semi-finished parts was chiefly due to shortage of manufacturing capacity and avoidable formalities involved in obtaining supplies from the ordnance factories. Since he was of the view that the shortage of ball bearings and cutting tools was due to import restrictions, he suggested actual user-licences for those bearings which were not manufactured in the country and blanket licences to manufacturers for such specialised cutting tools that had to be imported.

Dealing with machine tool requirements of the country, Mr. Jambhekar observed:

"Inadequate data of the country's likely demands for machine tools by types, groups and sizes. Without this very important data, it is very difficult for the machine tool manufacturers to plan their production of newer machine tools and to decide on what new tools and in what ranges these new machine tools should be manufactured. The Government of India, we understand, has taken a census of machine tools installed in more than 800 factories by groups, types and sizes. This information is still not available to us, but, useful as it will be when published, we do feel that even this will not be adequate. The Machine Tool Panel of the Engineering Capacity Survey Committee had, amongst its various recommendations, suggested the maintenance of detailed statistics of machine tools imported, which would enable the industry itself to gather statistics regarding import of machine tools by groups, types and sizes, which would then enable them to find out the trend of types of machine tools required in the country. We do feel that this information is exceedingly important and the Government should take early action to arrange for the implementation of this recommendation."

Characterising the Government's purchase policy as being "discriminatory," he alleged that, in one or two instances, the Government departments had purchased their requirements of machine tool directly from State-owned machine tool factories without inviting tenders through the Director-General of Supplies and Disposals (D.G.S. & D.). Proceeding, he remarked: "Assurance has all along been given to us that there will be no discrimination between the public and the private sectors of industry and it is my painful duty to point out to the Government and stress that, if this practice of direct purchases is

(*Continued on page 269*)

NEW PRODUCTS AND PROCESSES

Mechanical Finishing of Metal Parts

CONTINUOUS research into precision barrelling techniques for the surface finishing of small and medium-sized metal components in bulk is being undertaken by Roto-Finish at its works at Hemel Hempstead, Herts, England. The process involves "tumbling" the components in a revolving rubber-cushioned container or "barrel" together with special processing chips and compounds to provide the necessary abrasive action. It is said to offer an inexpensive method of polishing, removing scale, burrs, sharp corners and marks made by earlier machining operations. Equipment of this type has been used on an increasing scale in the U.K. during the last three years and, according to Roto-Finish, the greater degree of precision now obtainable is likely to extend its use still further. It is claimed that if machines of this type were used more widely in the motor industry, the price of the average sized car could be reduced by £10. Two new projects are now being actively studied at Hemel Hempstead. Between £6,000 and £7,000 has been spent on developing a machine for finishing long components such as 25-feet long light alloy aerospars for the aircraft industry. These components can now be finished in seven hours, as against the 17 hours required to finish them by hand. The second development is of special significance in the field of metal finishing in that a continuous precision barrelling system has been evolved for integrating into a flow production line. Instead of the components being removed from the line to be taken to the finishing shop, as is frequently the case, they will continue through the new machine and emerge from it when the required degree of finish has been obtained. Experiments are still being made and it is probable that the machine will come on the market in a few months time. Standard machines supplied by Roto-Finish are at present being used for a wide range of precision parts including jet turbine blades, aircraft gears and intricate parts for office machinery. The cost of the machines varies with their size and type and ranges from £375 to £900.

High-speed Balance for Preparing Medicines

In response to a request received from a number of pharmaceutical chemists, a factory at De Bilt (the Netherlands) has designed a high-speed balance for preparing medicines. The instrument operates with liquid damping. It gives direct readings up to 100 grammes (3½ oz.) with scale divisions of 1 gramme and (by adding weights) has a total weighing capacity of 5 kg. (11 lbs.). The high-speed balance has two tare bars, one with a capacity of 0 to 50 grammes (1¾ oz.), with very ample scale divisions of 1 gramme, and the other with a capacity of 0 to 500 grammes (17½ oz.), with scale divisions of 50 grammes. An electric signalling device automatically switches on a red lamp as soon as one or both tare weights are out of zero. The user is thus reminded to eliminate the tare weight after finishing a weighing. An extra platform, placed specially high and consisting of a transparent, very easily detachable plexiglass plate, serves for the filling of bottles, graduated glasses, etc. As the dial graduation is at decanting height, the weight can be easily read off. Four levelling screws facilitate setting the balance truly level, which position is read off from a highly sensitive, round spirit level. A plexiglass base plate with spring-mounted side can be supplied with this balance. The time normally required for weighing is reduced by at least half. This high-speed balance has been tested and approved by the Netherlands Weights and Measures Service and the Netherlands Pharmaceutical Public Health Service. The dimensions of the base of the foot are: 42 x 22 cm. (16½ x 8½ ins.).

Heating Cabinet

A factory at Hengelo (the Netherlands) has designed an electric heating cabinet for manufacturing processes whereby each time a given quantity of a substance of constant temperature is required at short intervals. The heating cabinet has 30 drawers, which are heated indirectly by circulating air of constant temperature. The cabinet is suitable for continuous operation, if immediately after a charge has been used, the drawer is refilled with cold material, and the number of drawers in use is brought in line with the working cycle and the heating-up period of the material. The drawers and the interior of the heating cabinet are made of electrolytically oxidized aluminium; the outer jacket consists of bake-enamelled steel plate. The air is heated by metal-clad electric heating elements and circulated by a centrifugal fan. The cabinet is suitable for a temperature of 0-200° C. and is provided with an automatic temperature control, a number of signal lamps, a large pointer thermometer, a switch and an electric safety. The starting capacity of the heating cabinet is 2.8 kw. and the working capacity about 1.4 kw.

New Electrical Materials

A range of new electrical materials in the form of lead oxide based compounds are expected to prove effective substitutes for the currently used barium titanate in the electrical industry. The combining of lead-zirconate compounds with lead-titanate compounds is, for example, said to yield ceramics with particular electrical properties (as, for example, peizo-electrical characteristics) of especially high quality, particularly when they must be used at high temperatures. Compounds based on these materials have both better electro-chemical qualities than the barium titanates currently used and are able to withstand temperatures of up to 340 degrees Centigrade, according to tests recently carried out by the U.S. National Bureau of Standards, without their electrical properties being affected. This is nearly 3½ times the temperature at which barium titanate ceramics maintain their electrical stability. Yet, these compounds are said by the U.S. National Bureau of Standards to have a "voltage coefficient" double that of commercial barium titanate.

Magnetic Amplifiers for Computers

One recent trend in the development of electronic brains (digital computers) is the combined use of magnetic amplifiers and transistor crystal valves where the latter are used to replace conventional thermionic valves. One recently developed example of the use of such magnetic materials, developed by the Sperry Rand Corporation, New York, U.S., however, is of special interest. This is the use of magnetic amplifier units in a desk-side electronic brain designed for office work. This computer, which will be sold for about £5,000, has magnetic units which are not merely used as ancillary parts in a transistor crystal valve computer, but which actually replace the transistors. These magnetic devices, known in this case as *magnetic-ferracters*, are made from ferrous or iron materials, having special magnetic and electrical properties. It is expected that electronic computers of this type, which, it is claimed, are less liable to failures caused by the overloading or bad performance of either conventional valves or transistors will be one the market in the U.S. and perhaps in Britain before the summer of 1957.

Sterilising Drugs

The Upjohn Company, Kalamazoo, Michigan, a United States pharmaceutical manufacturer, is now sterilising some of its products by bombarding them with high-speed electrons. The sterilisation kills any bacteria that might contaminate the drugs. So far as is known, this is the first "routine application of high-speed electrons in the pharmaceutical industry for commercial purposes," according to the Company. The machine that produces electrons for sterilising is a two-million-volt Van de Graaf accelerator. The electrons, travelling at about 175,000 miles per second, kill all living organisms in the drugs in a fraction of a second. They do so without appreciably raising the temperature or affecting the drugs' potency. Pharmaceutical preparations are ordinarily sterilised by the use of heat, by the addition of chemicals or by filtration.

Electronic "Brain" Tests Paint

A British firm of paint manufacturers has introduced a "paint brain"—an electronic viscometer—which, it is claimed, ensures that every gallon of paint leaving the factory is of exactly the light consistency. It can measure with accuracy the amount of flow or drag of a film of wet paint 3/1,000 inch thick. The human factor is eliminated, and the "brushability" of the paint is recorded on a graph. Invented by Mr. Cedric Mell, the Company's chief technical manager, the "paint brain" is probably the most complex and delicate instrument ever used for testing paint. It is believed to be the only one of its kind in the world.

"Miniature Sun" for Film Studio

A British firm has recently spent £10,000 on making a single electric lamp. It is a 20 kw. tungsten-filament lamp designed for a British film studio, which will use it in the production of colour films. The high cost of this "miniature sun" is largely accounted for by the research and development that has gone into evolving it. Its borosilicate bulb, 15 inches in diameter, weighs 10 lbs., and is of uniform thickness to minimise fracture strain. There is enough tungsten in the filament to make 20,000 40-watt lamps. The firm has plans for the manufacture of lamps of 75 kw. power.

Ultra-sound Treatment

Doctors at the University of Illinois in the U.S. are testing the use of ultra-sound—sound waves of such high frequencies that the human ear cannot hear them—to treat diseases of the brain. They have used ultra-sound waves to destroy diseased brain tissue in an area as small as one-twentieth of an inch without affecting surrounding tissue. This precision seems to offer possibilities beyond those of the surgeon's knife for destroying tumors or diseased brain tissue. The ultra-sound used has a wave frequency of 1,000,000 cycles a second, 50 times higher than the highest audible pitch.

New Weed Killer

A little known chemical used in photographic darkrooms, called ammotriazole, has been found to be an effective weed killer. The discovery was made by chemists of the American Chemical Paint Company of Ambler, Pennsylvania. Field tests show that the chemical is capable of destroying weeds, including quackgrass, Canada thistle, poison ivy and some poison oaks. Non-poisonous to humans and animals, aminotriazole kills the weeds by interfering with their chlorophyl supply and starving them to death.

The three-mile long Hirakud Dam will rise to a height

of nearly 200 ft. Estimated to cost Rs. 92 crores, this project will bring

adequate supplies of water to 1·09 million acres of parched farm lands.

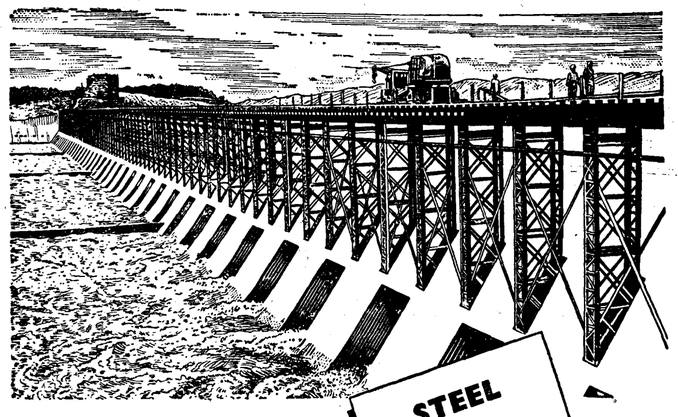
WEALTH FROM THE WASTES

The hydro-electric power plants at

the dam site will have an installed capacity of 123·00 k. w.

with some 400 miles of transmission lines which

will accelerate development in the northern area of the Orissa State.



STEEL FOR PROGRESS

Thousands of tons of steel have been used so far in Hirakud for reinforcing concrete and earthwork, and for super-structures. Here, as in other River Valley Projects, STEEL is of basic importance

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GAS TURBINE ENGINES FOR AUTOMOBILES

MANY DIFFICULTIES YET TO BE OVERCOME

ONE day, we may wake up to find that the development of automatic transmissions for motor vehicles, research work on petrol injection systems and the ceaseless controversy about the qualities of air or water-cooled engines, have become things of the past. That will be the day when the first gas turbine car goes into production. For this is what the turbine can mean to motorists: no clutch or gearbox for normal forward driving, no carburation problems, and no cooling system. Furthermore, it starts easily and reaches normal working temperature in a few seconds, whatever the weather, can operate on low grade fuels, uses little lubricating oil, and is easily maintained.

But it has its drawbacks, chiefly the cost of production and its high rate of fuel consumption. The recent announcement by the Austin Motor Company, one of the pioneers in the application of engines of this kind to road vehicles, seems to bring the golden age of gas turbine motoring much closer. For Austins tell us that the development of their secret turbine engine has reached a stage where operating economy even approaching that of diesel engines can be foreseen.

Britain was first off the mark with the gas turbine car which the Rover Company demonstrated in 1950. Since then experimental cars have come from the United States, France and Italy, but in no case has the principle of the Rover power unit been substantially changed.

In the gas turbine engine, a revolving compressor passes incoming air under pressure to a combustion chamber, where it is mixed with fuel. The mixture becomes transformed into hot, expanding gases, which leave the combustion chamber with tremendous force to rotate the turbine wheel. This wheel drives the compressor.

Second Free Turbine

This arrangement is appropriate for aircraft requirements where the compressor and turbine need only operate over a limited speed range. The Rover design, however, introduced a second free-running turbine, driven by the still expanding gases issuing from the compressor turbine. This second free turbine, which is coupled through a reduction gear to the road wheels, provides the variations of speed required of a motor vehicle, and performs the functions of a clutch and gearbox.

The original Rover turbine, developed to give 240 b.h.p., was installed in an open two-seater car, and in 1952 this was officially timed on the Jabbeke highway near Ostend at 151.965 m.p.h. (244.565 k.p.h.). This remains the world speed record for a gas turbine engine car. By June 1954, a scaled down version of this engine, delivering 100 b.h.p., was fitted into the luggage boot of a Rover 75 saloon. Only a streamlined exhaust funnel, moulded vertically into the body of the car at the rear, revealed that it was no ordinary Rover.

By August 1954, Austin, whose experiments with a small gas turbine had been going on for five years, installed a complete 125 h.p. power unit in the normal engine position in an Austin "Sheerline" saloon, and demonstrated it before Sir Leonard Lord, Chairman of the Company. The only alterations found necessary to the car were the extension of the bonnet nose to accommodate the air intake silencer, and the provisions of louvres in the bonnet to allow excess heat to escape.

Less than 12 months later, this car made its first and only public appearance at the Company's Jubilee celebrations, and it was then made known that it had covered several thousand miles (kilometres) in Great Britain without anyone noticing that it was different from an ordinary "Sheerline."

Saving Fuel

In this car, the Austin Company had gone a long way towards solving the problem of excessive fuel consumption by incorporating a highly developed heat exchanger. This device utilises the heat of the exhaust gases to warm up the air from the compressor before it enters the combustion chamber. It has the dual effect of cooling the exhaust gases to a safe temperature before they are allowed to escape into the atmosphere and, most important of all, reducing the amount of fuel required to raise the compressed air to its proper working temperature.

How long, then, will it be before the ordinary motorist can be seen gliding smoothly and silently along in his turbine family car? There are still many difficulties to be overcome before anyone can give an accurate forecast and they are mostly problems of economical production. The gas turbine demands great precision in its construction, with clearances of less than one-thousandth of an inch between parts which are rotating at speeds up to 50,000 r.p.m.

The metals which must be used to withstand temperatures ranging from 1,200° F. to 1,800° F. (640° C. to 970° C.), together with the high speeds, are themselves expensive, and the manufacture of the highly accurate turbine blades is a costly process. For example, the blades of the Rover engine are machined from a solid alloy disc, although Austin has succeeded in producing 90 blades at one operation by casting them by the "lost wax" process. Many other famous names in the British motor industry, in addition to Austin and Rover, are known to be carrying out research behind the scenes. But the search for the ideal material goes on and the gas turbine is a long way from the quantity production stage.

Pronouncements made by the experts at this juncture are a mixture of optimism and caution. Dr. J. H. Weaving, head of Austin's gas turbine research, for instance, warns that, among problems still to be solved, is the production of a cheap heat-exchanger of light construction. When this has been done and in addition improvements achieved in compressor and turbine efficiencies, he foresees fuel economy comparable to that of diesel engines. The Austin Company states that the construction of a power unit suitable for modern production methods and road conditions is now a possibility.

The gas turbine may well be the automobile engine of the future and may one day make the piston engine as outmoded as the horse. And Britain, who led the world with the first practicable gas turbines in aircraft, is working ceaselessly to maintain its lead in the field of turbine-driven motor vehicles.

IMPROVED CAR SAFETY BELT

In Sweden, as in many other countries, an intense discussion is going on about the ways and means of preventing and limiting the ever-increasing injuries from road accidents. One of the most positive practical contributions, apart from what has been laid down in new traffic laws, has been made by the *Räddningskåren* (Swedish Rescue Corps), of Stockholm—a private ambulance and salvage service with over 130,000 subscribers all over Sweden—by introducing a reliable and handy safety belt. The latest type of the belt, as well as previous ones, was designed by the head of *Räddningskåren*, Mr. Raymond Sjöqvist, one of Sweden's best-known motor racing aces, who has been experimenting with safety belts for many years. The latest one, called "Raymonds m/56", is, therefore, the result of long-time studies and practical experience. It consists of one waist belt and two shoulder belts connected with the waist belt. All are tied to a strong bolt of special design fixed in the floor behind the seat. The belt, which can be used in practically all types of cars, is fastened with a simple but safe lock, while unfastening is done by just pulling a ring. Moreover, the size of the belt is easily adjustable.

The belt is made of seamless nylon cord permitting certain elasticity. Every strap is tested to stand the stress of 1,500 kilograms (3,000 lbs.), which, it is claimed, means that the belt is able to withstand the strain exerted even at a dead-stop at ordinary road speed. Although the new belt has been in the market for a very short time, the Swedish Rescue Corps has received numerous reports of lives saved, thanks to this safety device. One of the most remarkable rescues is reported by a Swede travelling in France with his wife in the front passenger seat. At a speed of 100 kilometres (over 60 m.p.h.), he hit a truck parked on a dark road without lights. Normally, it would have meant certain death, but, thanks to their Raymond belts, they escaped with only minor injuries. A unique test, certainly not without risks, was undertaken some weeks ago by one of the reporters of the Stockholm paper *Expressen*, Mr. Gösta Ollén. He was fastened with the Raymond belt in the "death seat", next to the driver, of an old car. The car was pushed over the edge of a 30-metre (100 ft.) deep gravel pit, made several somersaults and landed on the side in the bottom of the pit—and out crawled Mr. Ollén smiling and unhurt, except for some bruises on the legs. It may also be of interest to mention, in this connection, that this type of belt is the only approved of for stock-car competitions in Sweden. The belt, which in Sweden costs about Kr. 40 ($8), is reported to be attracting growing interest abroad also, including the U.S.

INDIAN FIRM TO BUILD BRITISH ENGINES

The Automobile Products of India (A.P.I.) has made an agreement with the firm of Henry Meadows—a subsidiary of Associated British Engineering Ltd.—for the manufacture of British engines under licence in India. The Agreement is the culmination of negotiations begun about 12 months ago, and provides that A.P.I. will sell, service and, ultimately, manufacture the whole range of Henry Meadows products in every type of application—automotive and marine engines, generating sets, and compressors. A three-year period is envisaged before Indian production of the Henry Meadows range of engines is fully under way. Thus, the Agreement provides that, in the initial stages, complete engines will be imported from Britain and the first batch, worth about £1,000,000 is already shipped.

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NATIONALISATION OF LIFE INSURANCE—I

SOME CHARGES AGAINST PRIVATE MANAGEMENTS CONSIDERED

NOW that life insurance has been nationalised and private managements of the companies have disappeared, it would no doubt appear a vain endeavour to examine the arguments which had been urged in favour of nationalisation or against leaving insurance in the hands of private enterprise. Nevertheless, it seems necessary to subject to critical scrutiny at least some of the wild accusations and tendentious statements which have been made from time to time and some of which have appeared in the Congress Party organ, the *Economic Review*. For, if the facts and arguments, as expressed in the *Economic Review*, were correct, it would constitute a slur not so much on insurance as such but on the entire Indian nation. Fortunately, an impartial appraisal reveals that the arguments which have been used to condemn the private sector in insurance will not stand the test of critical examination. It is the more regrettable, therefore, that the editor of the official organ of so important a political party as the Congress should have lent his name to a series of articles which abound in such mischievous misstatements and exaggerations.

"Corrupt" Practices

For sheer vitriolic abuse and querulous and petty allegations against any industry or profession or organisation, the series of articles on insurance which appeared in that journal constitute a record which would perhaps remain unbeaten for a long time to come. Had they appeared in a journal of lesser importance than the organ of the Congress Party, they would have been dismissed as the vain out-pourings of a monomaniac. In his preface to the series, the Editor says that the material for the article has been supplied by a man "who has spent a lifetime in insurance business." Briefly, the thesis in the series is that insurance in India "teems with dishonest and corrupt practices and thereby utterly demoralises the public, the insured, the insurer and the vast number of persons employed in the business as agents and administrative staff." And yet, it is in such a profession that the man who supplied the material for the articles is reported to have spent a "whole lifetime." How this celebrity, who has preferred to remain anonymous, happened to escape morally unscathed from a life-long contact with so ignoble a profession as insurance in India is not stated. The sober truth seems to be that the series were intended to give the insurance dog a bad name before hanging it. In this effort, no vituperative adjective has been deemed unworthy of service. There has been a deliberate attempt to put as much fire into the articles as possible. History alone will show whether the series of articles have, by probably precipitating nationalisation, rendered a national service or a national disservice.

Some of the allegations are so puerile that a teen-age high school debater would easily be able to answer them. Here is a sample:

"In India, insurance agents are not appointed for canvassing insurance business or serving insurance policyholders but mainly for the purpose of passing on illegal rebates or paying illegal remuneration."

This allegation implies that all the agents, having received illegal remuneration, sat cosily in their homes, while the four million policyholders in India who own Rs. 1,059 crores worth of life policies, refusing the mediation of agents, queued up in front of insurance offices to offer their business to corrupt insurers. The argument is an insult to the intelligence of the nation.

"Oriental" Life Office

Some of the allegations are so petty that they engender a sense of exasperation. It has been alleged that the directors receive brokerage and commission for the investment business they put through. The author ignores that investment is generally handled by a committee of experts in each company and that it would require a whole army of fraudulent persons to indulge in such malpractices. Even the factual information mentioned in the articles is not always correct. For instance, the "Oriental," it is alleged, has sustained a large loss in its foreign business. The author says: "The deficiency in the foreign business of our largest life office, the 'Oriental' was so huge that in their last actuarial valuation made in 1951, they had to transfer no less than Rs. 3½ crores to their foreign policyholders' account!" (exclamatory mark author's). The sober truth is that the "Oriental," which had a large business in Pakistan, found, after the Partition of the country, that the business in those areas had to be treated as foreign. The transfer of funds was necessitated by the Partition of the country. The matter is not a fit subject for exclamation.

Leaving aside the purely puerile charges and distortions of truth, the author, when he does deviate into sense, has made a few strong points against private management. None of them, however, is new, and has been answered several times ere now. The points are: (1) the expense ratio of Indian insurers is very high, (2) high dividends are paid, (3) vast investible funds belonging to the public are held by a few industrialists who use them "in devious ways for speculative purposes and for individual gains," (4) insurers have failed to spread the gospel of insurance among the low-income group.

The expense ratio of Indian insurers is no doubt high when compared with British and American insurers. Thus, it is 27.3 per cent., as against 13.0 per cent. for U.K. companies and 21.0 per cent. for American companies. There are, however, other countries where the expense ratio is as high as or higher than that in India. In Japan, for instance, it is as high as 42.9 per cent. In this connection, one has to remember that the average size per policy in India is very low, being about Rs. 2,165 for Indian companies, as against Rs. 8,253 in the U.K. and Rs. 12,017 in the U.S. A correct comparison would be in terms of the cost per policy. It has been computed from an analysis of 20 Indian life offices of different sizes that the cost per policy in India is Rs. 19.9 as against Rs. 29 in the U.K. In any case, national comparisons of expense ratios, without taking into account factors such as the business operations of companies, extent of mechanisation and geographical differences will hardly yield statistically valid results.

High Dividends

The charge of high dividends to shareholders cannot bear scrutiny, considering that the return to shareholders has been statutorily fixed at 7½ per cent. of the surplus. Out of 222 insurance companies, in the year 1953, only 67 companies declared dividends (of which only eight companies declared more than 20 per cent.), while 155 companies could not afford to declare any dividend at all. The author has referred to the dividends paid by eight leading life offices during the years 1951-53. But those are large life offices, established long ago. Further, the payment of the so-called high dividends of these companies involved an expenditure of no more than Rs. 12 lakhs. And if the dividend percentages were worked out on a yield basis, it would be seen that the yield figures were of very modest proportions. Finally, no attempt has been made to evaluate what a long waiting period there was before the companies referred to were brought to the dividend-paying stage, nor any allowance made for the fact that the holding of any individual shareholder is limited by statute to 5 per cent. of the company's paid-up capital. Nevertheless, if the high-dividend charge were true, it would not constitute an argument for nationalisation but for dividend control, or for reducing the shareholders' share or for mutualisation of the offices.

The charge has sometimes been made before that the managements have invested the funds to the detriment of policyholders. No one would, of course, exonerate the managements which have misused the money entrusted to their charge. But such misuse could clearly be exaggerated. Apart from the fact that it could have been prevented through prompt interference by the authorities by such methods as surprise or secret inspection of suspected companies, the total of the funds involved in shady transactions is, on the basis of information so far disclosed by the Government, considerably less than what is reported to have taken place in any single large-sized Government-sponsored project. This is not an extenuating argument. But it does show that it is practically impossible to invent a perfectly knave-proof system.

But the argument against insurers' investments takes some contradictory forms. If they do not divert their funds to joint-stock enterprises, they are accused of not aiding industrial development. If they do, they are held to favour certain chosen enterprises. The fact of the matter is that insurers' investments have been controlled by rigid regulations. It has been suggested that there is a tie-up between certain industrial houses, on the one hand, and the insurance offices and banks, on the other. This allegation has been made on the basis of the fact that there are certain common directors. If insurance offices are not to get their directors from business men and industrialists, how are they to obtain their directors? One might as well complain that the Government is run by politicians, instead of by philosophers, artists and musicians.

Investments

The managements, as is well known, could exercise their discretion only in respect of 15 per cent. of their total investments, the rest had to be invested in approved investments. The charge has been made that they have abused this discretion. In this connection, it must be remembered that, even in respect of unapproved investments, the managements had to observe other regulations; such investments, for instance, could not exceed 2½ per cent. of the controlled fund nor 2½ per cent. of the subscribed share capital of the company invested in. The

(*Continued on page 258*)

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MR. S. W. EDWARDS' SPEECH AT ANNUAL MEETING

ADDRESSING the ordinary shareholders of Spencer & Co., Ltd., at their Fifty-eighth Ordinary General Meeting which was held on 27th January 1956, at the registered office of the Company at Madras, Mr. S. W. Edwards, Chairman of the Company, said:

"On behalf of the Board of Directors and in my personal capacity, it gives me pleasure in welcoming you here this morning to the fifty-eighth annual general meeting of the Company.

"The accounts for the past year have been in your hands for some weeks and are, I think, as self-explanatory as it is possible to make them.

"In spite of the discontinuance of a major portion of our railway catering activities and the cessation of our lesseeship of the Malabar Hotel, to which I referred when we last met, the turnover for the year discloses a small, but healthy, increase, but what is more commendable is the improvement in the percentage of gross profit.

"This improvement has to a certain extent been negatived by a drop in miscellaneous income and an increase in working expenditure —another partial setback is due to the not insignificant increase in agricultural income-tax.

"By and large, I think, you will agree that results are extremely satisfactory, and could not have been achieved without genuine co-ordination and the strictest supervision in control. On behalf of my Board, I thank all those concerned for their loyal contribution to these results.

Future

"As to the future, the ever vicious circle of mounting costs in almost every commodity and industry in which we are interested would indicate the probability of a reduction in the rate of profit. Fair price and fair profit has been this Company's motto since its inception and, I think, I can claim that that policy has given the Company a fair name throughout this continent and so, to maintain profit at its present level it is necessary to obtain increased turnover.

"I stress this point in the hope that the public, if they want us to continue in retail, will renew and increase their patronage of the many facilities the Company is able to offer.

"To date, in the current year, I am glad to be able to tell you that there is every indication that our turnover will be maintained, if not increased."

The accounts and balance-sheet as at 30th June 1955 were unanimously approved and adopted. A further and final dividend of 10 per cent. free of income-tax on the ordinary shares, as recommended by the Directors, was declared, making in all a total dividend of 15 per cent. free of income-tax for the year.

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The Assam Oil Company, for many years the pioneer of oil search in India, discovered a fresh source of oil recently at Nahorkatiya in Upper Assam. Crores of rupees have been spent in the search and many more will have to be spent on the development of this discovery.

And all the time, remember, the search for more oil is going on—for further sources of this most elusive mineral are vital for India's industrial development. All the very latest scientific methods and technical equipment, including aero-magnetometers and even helicopters, are being employed. No effort in fact is being spared to reduce India's dependence on oil purchases from abroad.

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INSURANCE

(*Concluded from page 256*)

scope for abuse was thus strictly limited. Indeed, although insurers were permitted to keep 15 per cent. of their funds in unapproved investments, they actually held only 2 per cent. of their funds in such investments. Probably, even these investments were made before the new restrictions were introduced. Be that as it may, a relevant question is: if insurers have systematically abused their investment opportunities, how have they been able to declare sizable bonuses from valuation to valuation?

Small Savings

The final charge is that private insurers have not extended the benefits of insurance to wider sections of the population. Here, the two specific charges are: the Government has been able to do comparatively well in garnering small savings, while India's *per capita* insurance is still very low. The author of the articles in the *Economic Review*, referring to the rural and industrial sections of the Indian population, says: "The ability of the State even now to tap this field is evident from the fact that the small savings scheme mobilised Rs. 48.6 crores in 1951-52, Rs. 48.7 crores in 1952-53 and Rs. 43.6 crores in 1953-54, when it had been working for only four years. Life insurance premiums amounted to barely Rs. 40.7 crores in 1951, Rs. 45.2 crores in 1952, and Rs. 47.8 crores in 1953 through the efforts of 170 insurers, Indian and foreign, and their 2½ lakhs of agents." It is conveniently forgotten that the two entities are not strictly comparable. Small savings are in the nature of capital investments, while the savings for life insurance have to come mainly from current income. A person who comes by some money (say, a bonus from his employer) may invest it in small savings scheme but the same person would hesitate to take a life policy, unless he is certain of being able to pay the premiums regularly. In any case, life insurance cannot compete in the matter of interest with small savings scheme which has been specifically evolved in order to encourage the investment habit. Further, it is quite possible that a part of the claims paid by insurers gets invested in small savings; insurers paid Rs. 17.7 crores by way of claims in 1954. It is, however, idle to pretend that the small savings scheme has reached directly the rural or industrial sections of the people. The major share of the amount collected under the small savings scheme, it has been officially admitted, has come from provident fund amounts and from rich people, the contribution by the lower-income groups being strictly limited.

Still Underdeveloped

By and large, the charge is correct that insurance in India is relatively underdeveloped in the sense that both the *per capita* insurance is low as compared with that in Western countries and the premium income forms a small proportion of the total national income. But such a charge holds good of almost every other social and economic sector—the number of motor vehicles, the literate population, the number of hospitals and doctors (taken per 1,000 population) and the length of road per square mile. These statistics serve only to bring out the economic backwardness of this country. Insurance is no exception to the general rule that India is relatively an underdeveloped country. The savings effected through life insurance, as the author of the article in the *Economic Review* points out, constitute about ¼ per cent. of the estimated national income in India, as against 3 per cent. in the U.K. and Australia, and over 6 per cent. in the U.S. and Canada. In evaluating these comparative statistics, one has to remember that increase in insurance could come only through improvement in living standards and educational level.

Life insurers may, however, legitimately claim that, for a country of India's economic backwardness, their record has been quite a creditable one. During the 17 years following 1938, the life business in force has increased from Rs. 298 crores to Rs. 1,058 crores and the premium income from Rs. 15 crores to Rs. 50 crores. Thus, during this period, life business has expanded about three and a half times. This compares favourably with the rate of progress in the more advanced countries. During the same period, the total business in the U.S. increased a little less than three times, in Canada a little more than three times and a little more than twice in the U.K. This is a record of which Indian insurers have reason to feel proud. And it must be remembered, too, that insurance is the only commodity which, thanks to the conservative and far-sighted management of this enterprise, is still available at pre-war prices. Indeed, insurers might have gone on expanding and improving their services at an increasingly faster rate had not the Government smothered their enterprise by its decision to nationalise insurance. The future chronicler will, perhaps, record that what the country desperately needed in the year 1956 was not nationalisation of insurance but insurance against nationalisation.

EXPORT CREDIT GUARANTEE SCHEME

The Government of India, it may be recalled, has appointed a Committee, known as Export Credit Guarantee Committee, to suggest measures for instituting a system of export credit insurance in this country. The object of such insurance schemes, as is well known, is to enable the exporters (1) to sell on competitive credit terms in world markets, (2) to protect their bad debts, (3) to recoup their working capital by claiming for any blocked accounts receivable, and (4) to assist in financing their export sales. The main risks which such schemes cover are: (1) insolvency of foreign buyer, (2) protracted default by the buyer after he has accepted the goods, (3) blockage of funds or transfer difficulties which prevent an exporter from receiving payment, (4) war or revolution in the buyer's country, and (5) any other cause beyond the control of both the exporter and the buyer such as cancellation of import licences or imposition of import restrictions on goods not previously subject to licence.

The Committee has now issued a questionnaire with a view to eliciting information about all the important aspects of export business. Information has thus been sought on: (1) normal terms of shipment—whether f.o.b., c.i.f. or otherwise, (2) marine insurance— whether it is taken out by the exporter or the buyer, and (3) methods of export trade—whether it is on the basis of pre-payments or letters of credit or documents on arrival or credit terms. Exporters have also been asked to state what steps they take to satisfy themselves about the financial position, status and business dealings of their buyers and to obtain payment in case of non-payment by the buyers. They have also been asked to state their experience in the last five years regarding losses accruing because of failure of the buyer to pay the goods as a result of the latter's insolvency or of other reasons. By means of another question, the Committee has asked the exporters to state their experience in regard to losses suffered by them as a result of (1) occurrence of war or civil unrest, (2) imposition of import restrictions and currency restrictions, and (3) additional expenses incurred through interruption or diversion of voyage outside India. They have also been asked to give their experience of disputes arising out of the dissatisfaction of importers with the quality of the goods supplied.

NON-INDIAN INSURERS

The Government's decision to nationalise life insurance affects, as is well known, both Indian and non-Indian companies. So far as Indian companies are concerned, the question of compensation is considered mainly in relation to shareholders. No firm decision is reported to have been taken so far on this issue. As regards foreign insurers operating in India, there is no question of buying over the shares, for the companies are all registered outside India. The acquisition of their business, therefore raises intricate technical issues. It would appear that a deputation representing foreign insurance companies operating in India has already left London and will be in this country even before these lines appear in print. The delegation, it is learnt, will be assisted by Sir Percival Griffiths in an advisory capacity. This deputation, it is reported, would carry with it authority to negotiate on issues connected with compensation for managements and protection of policyholders' interests.

In India, there are three foreign companies transacting life assurance business only and 13 foreign companies which are composite offices. The total life business of these foreign companies, in force at the end of 1954, was Rs. 137 crores. During 1954, their life premium income was Rs. 7.45 crores. The assets of the foreign life or composite companies, as on 31st December 1954, aggregated Rs. 50.86 crores.

RIOT RISKS

General insurers have increased, with effect from 19th January 1956, the strike, riot or civil commotion (S.R.C.C.) rates five times the original rates. This follows the decision taken by the Bombay Regional Committee of the Insurance Association of India. Accordingly, the rate for covering riot risk for a motor car, for instance, has been increased from ¼ per cent. with a minimum of Rs. 30 to 1¼ per cent. with a minimum of Rs. 100. The rate for shops and stores (contents only) has been increased from As. 4½ per cent. to Rs. 1-6¼ per cent. and that for godowns from As. 3 to As. 15. The increased rates are applicable to Greater Bombay, and to the Nasik, Poona, Ahmednagar, Sholapur, North and South Satara, Kolhapur, Belgaum and Dharwar districts.

The Committee has, however, suggested that, at the option of tariff insurers, the old tariff rates may be applied in the case of renewal business. Generally speaking, the insurers are reluctant to cover riot risk in respect of new clients, especially where the property lies in "disturbed area."

LIFE PREMIUM RATES

The rates for life insurance policies and the conditions under which such policies are issued will hereafter be uniform throughout India: the new rates will apply with effect from 20th January 1956. It has been officially announced that these uniform rates will be one rupee less for every Rs. 1,000 of the sum assured for all terms and ages and for all plans of assurance than the rates of the Oriental Government Security Life Assurance Company, Ltd. Where the premium is below Rs. 20 per Rs. 1,000 of the sum assured, the reduction will be 5 per cent. of the premium. Plans for assurance which do not find place in the current prospectus of the Oriental would be discontinued for the present. As regards annuities, the present rates of the Oriental would be adopted. The Press note added that, in respect of business transactions outside India, the present rates of premium will continue to prevail.

An official spokesman is reported to have said in New Delhi that if in a particular company it was found that affairs had been mismanaged and its financial position was not sound, the policyholders of that company would be informed what their policies were worth before nationalisation.

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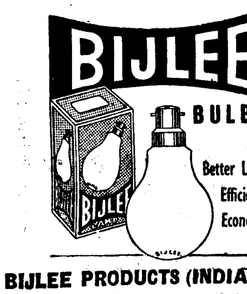

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TRADE AND INDUSTRY IN ASIAN REGION

E.C.A.F.E. COMMITTEE ON HOW TO IMPROVE THEM

THE Committee on Trade and Industry of the Economic Co-operation for Asia and the Far East (E.C.A.F.E.), which concluded its eight-day session at Bangalore on 31st January, approved of a number of resolutions to be recommended for the main session of the E.C.A.F.E. which has been in session since the 2nd inst. These resolutions related to the development of mineral wealth, encouragement of small industries, electric power development, including the use of nuclear energy for peaceful uses, promotion of trade, and training of personnel for economic development in the E.C.A.F.E. countries. The formulation of these resolutions were preceded by detailed studies by several sub-committees, as also by the E.C.A.F.E. Secretariat, of the problems in the different fields. The session is being attended by 24 member-countries. The E.C.A.F.E., it may be mentioned here, has become an important forum for Asian countries to meet and establish personal contacts, review existing economic conditions and problems, exchange ideas and experiences, and reach conclusions helpful to them.

The E.C.A.F.E. Committee on Industry and Trade held discussions on the report of the activities of the E.C.A.F.E. Secretariat in the field of mineral resources development. Practically all the delegates recognised the importance of proper exploitation of the mineral resources of the Asian countries. Although some technical objections were raised in the course of discussions, the Committee ultimately adopted a resolution emphasising the urgency of mineral development in the region. The resolution further laid stress on the need for the E.C.A.F.E. to give careful consideration to the recommendations made by the Study Group of the Committee on Mineral Development. It expressed the hope that countries with long experience in the field of mineral development would continue and increase their efforts to make their experience and co-operation available in adequate measure.

Urgent Consideration

The Committee requested the Sub-committee on Mineral Resources Development to review the report of the Study Group of experts which toured Western Europe and Russia and report thereon as early as possible. The member-Governments were requested to give full and urgent consideration to the general observations of the Study Group.

The Executive Secretary, Dr. P. S. Lokanathan, stated that 12 experts on geology from Afghanistan, Burma, Hongkong, India, Indonesia and Japan participated in a study tour of Western Europe and the Soviet Union in August-November 1955. He felt that the knowledge of methods and practices in several European countries would be of considerable value in the planning of the mineral resources development of the countries of the region. He revealed that the preparation of a regional geological map for Asia and the Far East was well under way.

Electric Power

In the field of electric power, although the increase in generating capacity in some E.C.A.F.E. countries has been impressive during the last seven or eight years, the development activity still requires to be accelerated substantially for achieving rapid industrialisation. Shortage of finances and technical personnel is stated to be the major obstacle which the countries were trying to overcome. Since developments in the peaceful uses of atomic energy had attracted considerable interest, the E.C.A.F.E. has given careful thought to this subject. It is stated that plans are in for the installation of atomic reactors for research purposes in India and Japan and that others are expected to follow later on. Although it might take some years for manufacturing the necessary equipment, the countries have been advised to take advantage of training facilities offered by countries such as the U.S. and the U.S.S.R. Arrangements are stated to be in progress for a group of electrical experts to study the manufacturing of power plant and construction of power stations in Europe under the auspices of the U.N. Technical Assistance Administration Programme.

The Committee which reviewed the aforesaid developments endorsed the views of the report of the E.C.A.F.E. Secretariat on Electric Power Development.

Discussing the Secretarial Report on Small-scale Industries the delegates stressed the importance of the development of cottage and small industries in promoting the progress of a country. Several delegates spoke appreciatively on the progress achieved by small scale and cottage industries in India and Japan. Tributes were also paid to the work of the E.C.A.F.E. on small-scale industries. Finally, the Committee passed unanimously a resolution on small-scale industries which advised the member-Governments to make use of the services of the E.C.A.F.E. in this field. The resolution further suggested that the E.C.A.F.E. Secretariat should give high priority to this problem and assist member-Governments by promoting exchange of information and such other means as may be found practicable.

The report stated that the Government should not only provide technical assistance to small and cottage industries but also actively help them in marketing their products. The Government should evolve a system which could minimise the small producers' risks of marketing finance by linking production to sales or preferably undertaking it against definite orders. The report further said that the Government should encourage small industries by giving preference to their products in their purchases. It advised that modernisation of all industries must be pressed forward without, however, affecting employment. Provision of cheap electric power, facilities for training in modern techniques, and the use of modern industrial methods were among the other measures recommended by the report.

The Indian delegate, Mr. Kochar, urged that the Commission should bestow thought on the question of increasing the foreign exchange resources available to the Asian countries. He desired that the E.C.A.F.E. should prevail upon the E.C.O.S.O.C.O. for setting up the Special United Nation Fund for Economic Development.

Trade Promotion

Trade promotion formed the subject matter of a special resolution which the Committee on Trade and Industry adopted on 30th January. The resolution consists of three recommendations. First, the E.C.A.F.E. Secretariat must explore the possibility of establishing a study centre within the region for training trade promotion personnel and for considering the formulation of proposals therefor. Secondly, the needs of land-locked member-States and also members having no access to the sea in the matter of transit trade should be given full recognition by all member-States; adequate facilities must be accorded in terms of international law and practice in this regard. Thirdly, in implementing the work programme for 1956-57, particular attention should be paid (a) to expediting the investigations already being conducted by the Secretariat regarding regulations and procedures and practices concerning the conduct of international trade, with a view to simplifying those that may be hampering development of mutually beneficial trade and to the formulation of practical suggestions for the consideration of member-Governments; (b) to completing the study of techniques for the organisation of trade fairs and exhibitions and proposing for the consideration of member-Governments the measures to be adopted to facilitate the organisation of such fairs and exhibitions in the region; (c) to consideration being given by the Secretariat in the course of the study which is being carried out under the programme relating to ocean freight rates to the possibilities of increasing the availability of shipping facilities; (d) to assisting wherever necessary, the development of commercial arbitration facilities in the region; and (e) to the problem of standards and specifications for consumer goods and capital goods.

The Committee then adopted the report on trained personnel for economic development as drawn by the E.C.A.F.E. Inter-Secretariat Working Party. In this report, the Working Party has put forward several valuable suggestions which were very much appreciated by all the delegates. The most important of these suggestions were: (1) Governments of the region should consider the desirability of developing their manpower information service, taking the assistance of the I.L.O. in this field; (2) they should take into account the desirability of avoiding duplication of effort in developing manpower surveys and continuing employment programmes by utilising, wherever possible, the existing facilities and attaching such programmes to the existing institutions, instead of creating completely new services for the purpose; (3) development of management training facilities in the region; (4) introduction of mobile training units; and (5) introduction and diffusion of better management methods in small-scale industry, to be carried out as part of a more comprehensive programme, for the development of viable small-scale production.

Housing

The Committee also considered the report of the Inter-Secretariat Working Party on housing and building materials. In this report, the Party had expressed concern that, despite all efforts on the part of the Governments, the countries of the region were still faced with the problem of a serious shortage of housing in both urban and rural areas. It clearly warned that, unless steps were taken to accelerate the present rate of reconstruction and construction, the position would deteriorate in the coming years. In its opinion, the Governments had not, perhaps, fully appreciated the fact that, although the construction of houses for the low-income group of the population was clearly not self-financing, the immense indirect benefits, both social and material, more than justified the raising of housing to a high level of priority than hitherto within national development schemes. It recommended, therefore, that socio-economic studies at an expert level should be undertaken by the United Nations, with a view to arriving at a formula for estimating the overall benefits which resulted from the provision of suitable housing to the working man; that pilot projects should be initiated concurrently, with a view to measuring the material benefits which resulted from improved housing and making it possible to collect direct evidence for the socio-economic studies proposed; and that, where possible, existing housing projects under construction might be used as pilot projects for those studies.

The Working Party also recommended that the Committee on Industry and Trade of the Commission should take note of the fact that the Governments of the countries of the E.C.A.F.E. region should give higher priority in their development programmes than heretofore to the provision of housing for the people, particularly housing for the low-income groups, in view of the immense social and material benefits as a result of better housing. The Working Party recommended that a liaison body, to be styled the Regional Housing Centres Advisory Committee, be constituted with a view to developing those centres, and to act generally as a co-ordinating agency for the activities of the two centres.

NEW TIMBER TREATMENT: METHOD DISCOVERED

The secret of a timber that can withstand all forms of fungus rot and termite and insect attack has been discovered by a British firm as the result of three years' intensive research on behalf of the U.K. Ministry of Supply. The present methods of impregnating solid timber have the basic defect that, when such timber is cut or drilled, unprotected surfaces are exposed. The new discovery consists of a plywood in which each separate lamination is completely impregnated before it is bonded together. As each lamination is rarely more than 1/16 in. thick, the impregnation is the maximum possible and all the fibres of the wood are completely saturated with the protective. Plywood manufactured by this new technique can be cut, shaped or machined without the newly exposed surfaces detracting in any way from the general resistance to insects and fungi. A new basic raw material is made available to industry.

The research work, which resulted in this triumph for a British firm, began when the Ministry of Supply asked for plywood that would withstand long immersion in water under any atmospheric condition in the world—the extremes of the Arctic and the tropical jungle. Wood was required for the manufacture of pontoons for the War Office, particularly for Bailey bridges, not only for military purposes but for colonial development and rehabilitation schemes as well. The Ministry of Supply had for many years used plywood which had been impregnated after manufacture whereby only the surfaces and edges became treated. The problem facing the research chemists—apart from impregnating the separate layers of wood out of which plywood is manufactured to give it the tensile strength of steel—was to find a glue which would stick the laminations together without chemical reaction from the solution used to impregnate the wood. It is this secret of a glue, which does not chemically react to the impregnating material, of which copper is a base, that has been discovered. The glue line is indestructible.

Practical tests have been conducted over the past 25 years by Government research stations in India, the U.K., the U.S. and other parts of the world which have demonstrated that the chemicals used for impregnating the new plywood are completely proof against all known termites, wood worms, and destructive fungi. The chemical used for impregnating the plywood laminations is a balanced mixture of copper sulphates and chromates in solution. The new plywood—a basic industrial raw material of great strength and durability—has many potential uses, notably for prefabricated bungalows, for rail and road vehicle bodies for use in tropical countries, and in all forms of packaging.

CENSUS OF CHEMICAL UNITS

The chemical industry in India is scattered all over the country, although the majority of the units is concentrated in Bombay and West Bengal States. Of a total number of 290 chemical units, including those manufacturing drugs and pharmaceuticals, 117 are located in Bombay, 87 in West Bengal, 20 in Madras, 16 in Uttar Pradesh and 14 in Bihar. The remaining 34 units are situated in the Punjab (6), Delhi (11), Saurashtra (5), Andhra (8) and Madhya Pradesh and Rajasthan (4). According to the Census of Manufacturing Industries, 1953, organised by the Directorate of Industrial Statistics, Calcutta, about 90 per cent. or 262 of the total number of units submitted returns for compilation.

The average number of days worked by these factories, employing 20 or more workers and using power, was 291. Productive capital employed by the reporting factories in 1953 amounted to Rs. 60.81 crores. Of this total, Bihar, which had 14 factories, accounted for Rs. 25.36 crores, whereas Bombay and West Bengal with a far larger number of factories accounted for a productive capital of Rs. 18.80 crores and Rs. 8.67 crores, respectively. The share of Madras was Rs. 2.37 crores and of U.P. Rs. 3.33 crores. The proportion of fixed capital and working capital in the total productive capital employed was 3:1. The bulk of the expenditure under fixed capital was on plant and machinery amounting to Rs. 18.03 crores.

The reporting units employed 41,600 men comprising 32,700 workers and 8,900 persons other than workers. The total earnings of these workers amounted to Rs. 6.34 crores, which included money value of other benefits and privileges of the order of Rs. 20 lakhs.

The chemical factories consumed 502,893 tons of coal valued at Rs. 120 lakhs. Electricity consumption amounted to 71,48,000 kw.h. worth Rs. 41.13 lakhs. The consumption of lubricating oils and other type of fuels aggregated 172,600 gallons, costing Rs. 121.7 lakhs. The value of fuels, electricity, etc., consumed by the factories in the year was Rs. 2.90 crores.

The value of total materials consumed was Rs. 26.65 crores and the amount paid to other concerns for work done by them was Rs. 11.83 lakhs.

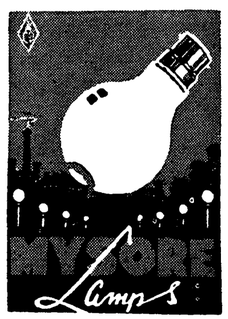
During the year, 3,076 tons of zinc oxide and 97,439 tons of fertilisers, excluding ammonium sulphate, were produced by the reporting units. Ammonium sulphate produced amounted to 265,687 tons. The quantity of tinctures and galenicals turned out by the factories was 5.6 million lbs. The aggregate value of these chemicals, including that of a few others, amounted to Rs. 48.56 crores. The amount received by these factories for work done for other concerns was Rs. 44.43 lakhs.

The ex-factory value of products and work done for other factories amounted to Rs. 47.62 crores. Value at factory of materials, fuels, etc., consumed and work done for the units by other concerns aggregated Rs. 26.54 crores. The amount earmarked for depreciation amounted to Rs. 2.89 crores. The value added by manufacture was Rs. 18.18 crores. Of this, Bombay units accounted for Rs. 8.26 crores, West Bengal for Rs. 3.63 crores and Bihar for Rs. 3.48 crores.

FACTORY EQUIPMENT EXHIBITION IN U.K.

The 1956 Factory Equipment Exhibition—fourth of the series—will be held from 9th to 14th April at Earls Court, London. The exhibition will occupy 250,000 sq. ft. of floor space, and display the products and services of 240 companies. The theme of the 1956 event is "Productivity", and the British Productivity Council—a voluntary body dedicated to the raising of British industrial production through greater efficiency—is staging a three-day work study conference during the exhibition. The 1955 exhibition, it may be noted, was attended by visitors from 43 oversea countries. Although the majority of the exhibiting firms will be British this year, there will be a number of exhibits from Continental countries.

The 40th Swiss Industries Fair will take place in Basle from 14th to 24th April 1956. This is the leading industrial exhibition in Switzerland where the main export groups such as watchmaking, textiles, textile machinery, general engineering and the electrical industry will offer an excellent display of Swiss industrial production. At the Swiss Industries Fair, the 26th Swiss Watchmaking Fair will also be held at which more than 150 watch manufacturers will be present in support of this most important professional show in the watchmaking industry.



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Notices

W. H. BRADY AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-third Ordinary General Meeting of the Company will be held at the Registered Office of the Company, Brady House, 12-14, Veer Nariman Road, Bombay, on Monday the 5th day of March 1956, at 10-30 a.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December 1955.
2. To sanction the payment of Dividend.
3. Messrs. R. S. Smith and E. F. Morrey, Whole-time Service Directors and Technical Advisers, retire, and being eligible offer themselves for re-election.
4. To appoint Auditors for the ensuing year and to fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 17th February to Friday the 9th March 1956, both days inclusive.

By Order of the Board,
JOSEPH KAY,
Managing Director.

BOMBAY, *8th February* 1956.

To the Shareholders of W. H. Brady & Company, Ltd., and in particular to:—

F. W. Bennetts, Mrs. A. A. Dickinson, Mrs. O. M. Sharpe, T. W. Bennetts, Mrs. L. B. Postlethwaite, Mrs. I. C. Foxley, Mrs. J. P. Watson, Warren H. Brady, Mrs. E. O. Cock, Mrs. M. M. Katgara, A. V. Crowle, S. J. Crowle, Mrs. B. J. Peek, Mrs. Margaret Vernon, Mr. Joaquim Pinto, Mr. Alvaro Miranda.

THE EMPIRE DYEING AND MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-sixth Ordinary General Meeting of the Shareholders of THE EMPIRE DYEING AND MANUFACTURING COMPANY, LIMITED, will be held at the Registered Office of the Company, Brady House, 12/14, Veer Nariman Road, Fort, Bombay, on Monday the 5th day of March 1956, at 12-15 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st December 1955.
(2) To sanction the declaration of a Dividend.
(3) To confirm the appointment of Mr. F. Edwards as a Director of the Company.
(4) To confirm the appointment of Mr. Kishore M. Premchand as a Director of the Company.
(5) To appoint Directors in place of Mr. J. L. B. Heale and Mr. F. Edwards, who retire by rotation in accordance with Article 135 of the Articles of Association, but are eligible for re-election.
(6) To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 17th February to Friday the 9th March 1956, both days inclusive.

By Order of the Board,
W. H. BRADY & CO., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, *6th February* 1956.

N.B.—The Dividend when declared will be made payable at the Registered Office of the Company on and after 20th day of March 1956. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 9th March 1956.

To the Shareholders of The Empire Dyeing and Manufacturing Company, Ltd., and in particular to Mr. A. H. Baker, Mr. G. H. Everitt, Mr. W. L. A. Radcliffe, Mr. J. Slater and Mrs. J. S. Forrest.

G. CLARIDGE AND COMPANY LIMITED
BOMBAY

NOTICE IS HEREBY GIVEN THAT THE THIRTY-SIXTH ANNUAL ORDINARY GENERAL MEETING of the Shareholders of the above Company will be held at the Registered Office of the Company, Brady House, Veer Nariman Road, Fort, Bombay, on MONDAY the 5th day of March 1956, at 12-45 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December 1955.
2. To sanction the payment of a Dividend.
3. To confirm the appointment of Mr. Kishore Premchand as a Director.
4. To appoint Directors in place of Mr. J. L. B. Heale and Mr. Kantilal Nahalchand, who retire by rotation, but are eligible for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 17th February 1956 to Friday the 9th March 1956, both days inclusive.

By Order of the Board,
W. H. BRADY & CO., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, 6*th February* 1956.

N.B.—The Dividend when declared will be made payable at the Registered Office of the Company on and after the 20th day of March 1956. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 9th day of March 1956.

To the Shareholders of G. Claridge & Co., Ltd., and in particular to:—

A. H. Baker, Esq., and Warren Hollinshed Brady, Esq.

THE NEW CITY OF BOMBAY MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-first Ordinary General Meeting of the Shareholders of The New City of Bombay Manufacturing Company, Limited, will be held at the Company's Registered Office, "Brady House," 12-14, Veer Nariman Road, Fort, Bombay, on Monday the 5th March 1956, at 2-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the Statement of Accounts for the year ended 31st December 1955.
2. To sanction the payment of Dividend.
3. To approve the appointment of Mr. Kishore M. Premchand as Director of the Company.
4. To appoint Directors in place of Mr. Nanabhoy B. Jeejeebhoy and Mr. J. L. B. Heale, who retire by rotation in accordance with Article 140 of the Articles of Association, but are eligible for re-election.
5. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 17th February 1956 to Friday the 9th March 1956, both days inclusive.

By Order of the Board,
W. H. BRADY & COMPANY, LIMITED,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, 7*th February* 1956.

N.B.—The Dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after 20th March 1956. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 9th day of March 1956.

To the Shareholders of The New City of Bombay Manufacturing Company, Ltd., and in particular to:

Mrs. Amy Blanche Connell, Mr. Francisco Xavier Domingos Quadros, and Mr. Jose Vetarino Alvares E. Britto.

THE NEW GREAT EASTERN SPINNING AND WEAVING CO., LTD.

NOTICE IS HEREBY GIVEN THAT THE Eighty-second Ordinary General Meeting of the Shareholders of The New Great Eastern Spinning and Weaving Company, Limited, will be held at the Company's Registered Office, "Brady House," 12-14, Veer Nariman Road, Fort, Bombay, on Monday the 5th March 1956, at 3-30 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st December 1955.
2. To declare a Dividend on Preference and Ordinary Shares of the Company.
3. To approve the appointment of Mr. Kishore M. Premchand as Director of the Company.
4. To elect two Directors in place of those who retire by rotation but are eligible for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 17th February 1956 to Friday the 9th March 1956, both days inclusive.

By Order of the Board,
W. H. BRADY & COMPANY, LIMITED,
JOSEPH KAY,
Managing Director,
Secretaries & Agents.

BOMBAY, 7*th February* 1956.

N.B.—The Dividends when declared will be made payable through the Bank of India Ltd., Bombay, on and after Tuesday the 20th March 1956. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on 9th March 1956.

To the Shareholders of The New Great Eastern Spinning and Weaving Company, Ltd., and in particular to:—

Mrs. Allu Faredoon Dastur, Mr. Cyril M. Carvey, and Mrs. Meherbanoo P. Dubash.

THE BRADY ENGINEERING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Tenth Ordinary General Meeting of the Shareholders of The Brady Engineering Company, Ltd., will be held at the Registered Office of the Company, Brady House, 12-14, Veer Nariman Road, Fort, Bombay, on Monday the 5th March 1956, at 4-45 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1955.
2. To sanction the payment of a Dividend.
3. To confirm the appointment of Mr. F. Edwards as a Director of the Company under Article 146 of the Articles of Association.
4. To confirm the appointment of Mr. Kishore M. Premchand as a Director of the Company under Article 146 of the Articles of Association.
5. To appoint Directors in place of Mr. Nanabhoy B. Jeejeebhoy and Mr. J. L. B. Heale who retire by rotation in accordance with Article 140 of the Articles of Association, but are eligible for re-election.
6. To appoint Auditors for the current year and fix their remuneration.

The Transfer Books of the Company will be closed from Friday the 17th February to Friday the 9th March 1956, both days inclusive.

By Order of the Board,
W. H. BRADY & CO., LTD.,
JOSEPH KAY,
Managing Director,
Managing Agents.

BOMBAY, 6*th February* 1956.

N.B.—The Dividend when declared will be made payable through the Bank of India Ltd., Bombay, on and after the 20th day of March 1956. The Dividend Warrants will be posted to those Shareholders whose names stand on the Register on the 9th March 1956.

To the Shareholders of The Empire Dyeing ing Co., Ltd., and in particular to:

Arthur Henry Baker, Esqr., William Vans Agnew, Esqr., Rustom Merwanji Bamboat, particular to Mr. A. H. Baker, Mr. H. G. H. Everitt, Esqr.

Notices

THE GANGES MANUFACTURING COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Eightieth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday the 24th February 1956, at 10-30 a.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September 1955.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 15th to 24th February 1956, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 1*st February* 1956.

THE NUDDEA MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Half-yearly General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday the 24th February 1956, at 10-45 a.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September 1955.
2. To declare a Dividend.
3. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 15th to 24th February 1956, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 1*st February* 1956.

THE GOUREPORE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Half-yearly General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday the 24th February 1956, at 11-00 a.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September 1955.
2. To declare Dividends.
3. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 15th to 24th February 1956, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 1*st February* 1956.

THE GANGES ROPE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Sixth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday the 24th February 1956, at 10-20 a.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September 1955.
2. To declare a Dividend.
3. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 15th to 24th February 1956, both days inclusive.

By Order of the Board,
MACNEILL & BARRY LTD.,
A. H. FORSTER,
Secretary,
Managing Agents.

2, FAIRLIE PLACE,
CALCUTTA, 31*st January* 1956.

THE BANK OF INDIA LIMITED
BOMBAY

NOTICE IS HEREBY GIVEN THAT THE Fiftieth Annual Ordinary General Meeting of the Shareholders of THE BANK OF INDIA LIMITED will be held at the Registered Office of the Bank, Mahatma Gandhi Road, Fort, Bombay, on Thursday the 8th March 1956, at 4 o'clock in the afternoon:

(1) To receive the Report of the Directors and the Audited Accounts for the year ended 31st December, 1955;
(2) To declare a Dividend;
(3) To elect Directors in place of those retiring by rotation; and
(4) To appoint Auditors and fix their remuneration.

NOTICE is also given that the Transfer Books of the Bank will be closed from Wednesday the 22nd February 1956 to Friday the 9th March 1956, both days inclusive.

D. R. THOM,
General Manager.

BOMBAY, 4*th February* 1956.

THE VELLORE ELECTRIC CORPORATION, LIMITED

INTERIM DIVIDEND ANNOUNCEMENT

NOTICE IS HEREBY GIVEN THAT THE Directors have declared

(*a*) An interim dividend of 3 per cent. less tax on the Preference Shares for the year 1955-56.

(*b*) An interim dividend of 5 per cent. or Re. 0-8-0 per share tax-free on Ordinary Shares for the year 1955-56.

The dividend warrants will be posted on or after 22nd February 1956 to their shareholders whose names stand on the register of Members on 15th February 1956.

The Share Transfer Books of the Company will be closed from 11th February 1956 to 18th February 1956, both days inclusive.

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

MADRAS, 25*th January* 1956.

RALLIS INDIA LIMITED

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE Seventh Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office, No. 16, Hare Street, Calcutta, on Tuesday the 28th February 1956, at 3-30 o'clock in the afternoon, for the following purposes:

(1) To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st August 1955, and the Balance Sheet as at that date.
(2) To elect Directors.
(3) To appoint Auditors and to fix their remuneration.
(4) To transact such other competent business as may be brought before the meeting.

The Share Transfer Books of the Company will be closed from 17th February 1956 to 28th February 1956, both days inclusive.

By Order of the Board,
KENNETH SHEPPARD,
Secretary.

16, HARE STREET,
CALCUTTA, 31*st January* 1956.

MADURA MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the Company will be held in Tuticorin on Monday the 26th March 1956, at 4 p.m. The Share Transfer Books will be closed from 6th to 26th March 1956, both days inclusive. It is recommended that:

1. All persons holding shares on blank transfers should immediately arrange to have the shares registered in their own names, as the Company will pay any dividend declared only to the person(s) in whose name the share stands on the date of declaration of dividend.
2. Shareholders desiring dividends to be paid to Banks or other Mandatees should register the mandates with the Company before 6th March 1956.
3. Intimation of any change of address should be given to the Company immediately.

A. & F. HARVEY LIMITED,
Managers.

MADURAI, 28*th January* 1956.

ROHTAS INDUSTRIES LIMITED

THE DIRECTORS OF THE COMPANY HAVE recommended to the forthcoming General Meeting of the Company payment of the following dividends (free of income-tax) for the year ended 31st October 1955.

Rs. 9 per share on Cumulative Preference Shares.

Rs. 4-4 per share on 'B' Cumulative Preference Shares.

Rs. 1-8 per share (i.e. 15 per cent.) on old Ordinary Shares.

Notice is hereby given that the Share Transfer Books of the Company will be closed from 21st February 1956 to 6th March 1956, both days inclusive.

SAHU JAIN LTD.,
Managing Agents.

CALCUTTA, 28*th January* 1956.

MARKED RISE IN PROFIT OF E.I.D. & S.

CAPITAL STRUCTURE TO BE REORGANISED

THE audited accounts of the East India Distilleries and Sugar Factories Ltd. (Managing Agents and Secretaries: Messrs. Parry & Co., Ltd., Madras) for the year ended 30th September 1955 make encouraging reading. The earnings of the Company, which had suffered a sizable shrinkage in the previous year, have registered a considerable improvement, thanks to a record production of sugar in the past season. Consequent on the good performance, the reserves of the Company have been strengthened considerably and the distribution to shareholders is also proposed to be raised.

The gross profit for the year under review amounts to £359 726, an increase of £85,644 over that (£274,082) for the previous year, in refreshing contrast to the drop of £84,803 in 1953 54. The net profit, which had dwindled from £170,700 to £110,053, has gone up to £187,709. The addition to the general reserve has been stepped up from £25 000 to £75 000, thus restoring it to the allocation made two years ago. In addition, the capital reserve has been allocated £16 500, being the amount of relief in taxation which the Company expects following the grant of development rebate under the Finance Act 1955 in respect of new plant and machinery purchased subsequent to 31st March 1954. Last year, it may be recalled, the capital reserve had been strengthened by a sum of £88,416, being the exceptional credit resulting from the revision of the rates of exchange.

After payment of the 7 per cent. cumulative preference dividend and the fixed non-cumulative dividend of 10 per cent. on 'A' ordinary shares, the distribution on 'B' ordinary shares is being raised. An interim dividend of 5 per cent. on these shares has already been paid. This was on the present 'B' ordinary capital of £300,000. The Directors propose to pay a final dividend of 10 per cent. on a higher capital of £400 000, which will result from the issue of £100,000 of the 'B' ordinary capital to the ordinary shareholders of Messrs. Parry & Co., Ltd., a detailed reference to which will be made later. They also propose to pay on this increased capital a special additional dividend of 5 per cent. For the previous year, the 'B' ordinary shareholders got a dividend of 15 per cent. on the present capital, in addition to a special dividend of 12½ per cent. in connection with the distribution of the shares of Parrys Confectionery Ltd.

Results Compared

The following comparative table will give an idea of the Company's progress during the last two years:

(In £ sterling)

	For the year ended 30th September		
	1955	1954	1953
Sale proceeds	2,383,106	2,137,541	2,844,664
Cost of production, sales, etc. ..	2,055,656	1,857,963	2,493,833
Other expenses	9,012	10,312	14,330
Other income	41,288	13,816	22,434
Gross profit	359,726	274,082	358,885
Provision for—			
Depreciation	72,811	73,943	84,401
Taxation	99 206	90,086	103,784
Net profit	187,709	110,053	170,700
Adjustment on revision of rates of exchange	..	88,416	..
Adjustment of revaluation of opening stocks	..	17,047	..
To reserves	91,500	113,416	75,000
Dividends—			
7 per cent. preference	14,000	14,000	14,000
Ordinary—A	8,000 (10%)	8,000 (10%)	8,000 (10%)
,, B	75,000 (20%)†	45,000 (15%)	60,000 (20%)
Special on 'B' shares	..	37,500* (12½%)	..
Carry forward	56,499	57,290	59,690

* Paid in connection with the distribution of 300,000 ordinary shares of Rs. 1 each in Parrys Confectionery Ltd.

† Of this, the final dividend of 10 per cent. and the special additional dividend of 5 per cent. are on the proposed increased capital of £400,000 to be raised by the new issue of £100,000 to the shareholders of Parry & Co., Ltd.

The Company's crushing of sugarcane during the season 1954 55 amounted to 368,989 tons yielding 32,272 tons of sugar, as compared with 254,581 tons of cane crushed in the previous season producing 23.475 tons of sugar. The quantities of cane crushed and sugar produced during the season 1954-55 both constitute a record for the Company's factory at Nellikuppam. The record quantity of cane crushed was the result of the extension of the season and the increase in yield from 28.55 tons to 36.33 tons per acre. The recovery of sugar, however, declined from 9.22 per cent. to 8.75 per cent. because of the extension of the season resulting in crushing of cane of low sucrose content. The increase in excise duty from Rs. 75 to Rs. 112-8 per ton with effect from 1st March 1955 did not result in a corresponding rise in price and the incidence of a large part of the increased excise duty had to be borne by the Company and the ryots growing cane who, in consequence of the reduced realisation price for sugar, did not receive any bonus under the S.I.S.M.A. formula.

As regards the other sections of the Company's business, the new distillery for the production of spirit at Nellikuppam went into production in October 1954 and helped the Company to reduce the cost of production, thereby leading to a substantial increase in the profitability of this department. Trading in carbonic acid continued to be difficult during the year under review. However, the turnover and profit in this section were higher, consequent on a reduction in production costs, resulting from modernisation of the plant. The production of acids and heavy chemicals continued to expand and the output of sulphuric acid reached a record level of 12,436 tons, an increase of more than 10 per cent. over the year. Since the close of the year under review, however, the Government of India took steps to exercise control over the selling price of sulphuric acid. The Directors feel that this step will have the effect of reducing the profitability of his product during the current and subsequent years. The reorganisation of the pottery section was continued during the year under review, with emphasis on the production of sanitary ware. It may be noted here that the Company accounts for at least 50 per cent. of the Indian output of this product. The demand for the Company's products continues to expand in line with the improvement in the standard of living of the people.

The following synopsis of the Company's balance-sheet as on 30th September 1955 provides an idea of its financial position.

Liabilities	£	Assets	£
Capital	580,000	Gross block	1,302,585
Reserves and surplus..	931,777	*Less*—Depreciation ..	566,540
Taxation equalisation reserve	120,000	Net Block	736,045
Provision for current taxation	77,024	Stocks	863,329
Liabilities	550,157	Cane crop	17,338
		Investments	52,510
		Debts and advances ..	401,873
		Cash	167,863
	£2 238,958		£2,238,958

The financial position of the Company, as will be evident from the above summary of its balance-sheet, is quite impressive. The reserves and surplus stand considerably in excess of the capital. The current assets cover the current liabilities and provision for taxation nearly two and a half times. The addition to the gross block during the year amounts to £88,270 and the expenditure up to the end of the year on buildings, plant and machinery in course of construction accounts for £11,110. The total capital commitments at the end of the year, for which no provision has been made in the accounts, are estimated to amount to £46,500.

Change in Capital

The capital structure of the Company would undergo considerable change if the proposals of the Directors, circulated to the shareholders along with their report, were adopted. The first proposal is to purchase the entire ordinary share capital of Parry & Co., Ltd., the Managing Agents of the E.I.D. & S. The purchase price will be one fully paid 'B' share of £1 of the E.I.D. & S. for every five ordinary shares of Rs. 2 each of Parry & Co., Ltd. Alternatively, for each ordinary share of Parry & Co., Ltd., a cash payment of Rs. 5-8 will be made, save that in the case of individual holdings in excess of 100,000 ordinary shares, only Rs. 4-8 per share will be paid. The new share capital, which will have to be issued in the event of the acceptance of the first alternative, is not expected to exceed £100.000 and this will rank for the additional dividend declared on the 'B' share capital of the Company for the year ended 30th September 1955. The Directors have already made provision for such a payment from the profit of the year. The offer is subject to the sanction of the Controller of Capital Issues and the permission of the Reserve Bank of India and of the Bank of England so far as the non-resident shareholders of Parry & Co., Ltd., are concerned. If the proposal materialises, the ordinary 'B' capital of the E.I.D. & S. will increase to £400.000. The Directors of the Company observe that they are satisfied that the proposed purchase of Parry's shares at the prices offered will benefit the Company. They believe that the two businesses will be administered with economy and with improved efficiency as one composite unit.

The second proposal is to extinguish the distinction between the two classes of ordinary shares of the Company, by consolidating them into one class of ordinary shares. As a first step towards this, a sum of £20,000 will be capitalised out of the capital reserve and applied to 100 000 'A' shares of 4s. each, created by sub-dividing 20,000 unclassified shares of £1 each. These 100,000 'A' shares of 4s. each will be allotted to the holders of the existing 100,000 'A' shares of 16s. each and these will then be consolidated into 100,000 'A' shares of £1 each. The effect of this will be to restore the sum of 4s. per share written off in 1903. The next step will be to amalgamate two classes of shares, namely, 100,000 'A' ordinary shares of £1 each and 300,000 'B' ordinary shares of £1 each, into a single class of ordinary shares of £1 each. Thus, the two classes of shares will lose the special rights attached to them now and will rank *pari passu* for participation in profits and assets and in all other respects. The reorganisation will take effect from 31st March 1956. The combined class of ordinary dividend will rank for all dividends from the current financial year onwards.

The 'B' ordinary shares (£1 fully paid-up) are being currently quoted at Rs. 30 *cum-div.* (final dividend 15 per cent.). On an *ex-div.* basis, the shares offer a yield of 8 per cent. per annum, free of income-tax.

NASKARPARA JUTE

A small setback in earnings is disclosed by the audited accounts of the Naskarpara Jute Mills Co., Ltd. (Managing Agents: Howrah Trading Co., Ltd., Calcutta) for the six months ended 30th April 1955. The gross profit for the half-year has dropped to Rs. 4.39 lakhs from Rs. 5.80 lakhs, to which level it had jumped up in the previous year from Rs. 2.81 lakhs earned in the six months ended 30th April 1954. It will, however, be noted that the profit for the latest half-year under review compares very favourably with that for the corresponding period of 1954.

The net profit has shrunk from Rs. 1.87 lakhs to Rs. 1.32 lakhs, after having risen from Rs. 0.98 lakh for the half-year ended 30th April 1954. No addition to the reserves has been made, while a sum of Rs. 50,000 had been transferred from the profit of the previous half-year. The dividend has, however, been maintained at As. 10 per share of Rs. 10, or 12½ per cent. per annum, to which level it had been raised in the previous half-year from 10 per cent. per annum paid for the six months ended 30th April 1954 and 6¼ per cent. per annum for the half-year ended 31st October 1953.

The following table compares the salient features of the Company's working results for the past four half-years:

(In lakhs of rupees)

	For the half-year ended			
	30-4-55	31-10-54	30-4-54	31-10-53
Sale proceeds (net)	61.94	68.43	48.91	60.68
Other income	0.78	0.47	0.35	0.34
Stocks	5.00	3.08	4.70	4.43
Expenses	60.25	56.52	46.71	44.45
Gross profit	4.39	5.80	2.81	3.46
Managing Agents' commission..	1.52	1.65	1.33	1.30
Depreciation	0.51	0.78	0.50	..
Taxation	1.04	1.50	..	..
Net profit	1.32	1.37	0.98	2.16
To reserves	..	0.50	..	..
Dividend	1.25 (12½% p.a.)	1.25 (12½% p.a.)	1.00 (10% p.a.)	0.62 (6¼% p.a.)
Carry forward	0.18	0.10	0.04	0.06

It will be noted from the above table that the fortunes of the Company have been fluctuating, a feature which is not unusual with the jute industry in recent years. Throughout the half-year under review, the Company's mills worked, in accordance with the Supplemental Working Time Agreement of the Indian Jute Mills Association, 48 hours per week, with 12½ per cent. of the looms sealed. It was not till 9th January 1956 that this arrangement in respect of sealing of looms was changed, in terms of the resolution passed by the Indian Jute Mills Association which permitted the unsealing of 2½ per cent. of the looms.

The paid-up capital of the Company stands at Rs. 20 lakhs, the whole of which is made up of ordinary shares of Rs. 10 each. Of this capital, a sum of Rs. 8 lakhs represents the new shares issued in August 1952 in the ratio of two new shares for every three old ones, by capitalising a part of the reserves. The reserves and surplus now aggregate Rs. 18.02 lakhs. There is a debenture liability to the extent of Rs. 5.16 lakhs (including accrued interest) on account of 5½ per cent. mortgage bearer debentures issued in April 1947. These debentures, which originally carried interest at 3½ per cent., were due for redemption in March 1954. The date of redemption was, however, extended to 31st March 1959 and the rate of interest was also raised from 3½ per cent. to 5½ per cent. The provision for taxation stands at Rs. 4.41 lakhs and current liabilities at Rs. 34.16 lakhs. The gross block of the value of Rs. 29.01 lakhs stands written down to Rs. 10.80 lakhs. The current assets amount to Rs. 70.95 lakhs, thus providing ample cover to current liabilities and provision for taxation.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 20 cum-div. On an ex-div. basis, the latest dividend gives a yield on the shares of 6.4 per cent. per ann

JESSOP TO RAISE FRESH CAPITAL

EXPANSION PLAN TAKEN UP

THE year ended 31st October 1955 was a notable one in the history of Jessop & Co., Ltd. (Managing Directors: Mr. S. S. H. Sitwell and Mr. C. V Graham), for two reasons. First, it was during that year that the last remaining effective block of shares held in England passed to Indian interests. Secondly, it was a year of substantial progress in the working of the Company. The sales of the Company recorded an increase (*in terms of value*) of Rs. 170 lakhs to establish a fresh record of over Rs. 673 lakhs. The expansion in business brought a commensurate reward in the shape of an encouraging improvement in profit. The gross profit advanced from Rs. 33.06 lakhs to Rs. 53.73 lakhs, thus maintaining the upward trend in earnings for the eighth year in succession. This has enabled the Directors to plough back as much as Rs. 14 lakhs to the reserves, as compared with Rs. 8.75 lakhs made last year, and to recommend a handsome dividend of 30 per cent. on ordinary shares and that too after doubling the provision for taxation from Rs. 10.10 lakhs to Rs. 20.26 lakhs.

The aforesaid dividend for the year under review has been stepped up from 15 per cent. paid for the previous five years and is the highest to be paid by the Company since its inception.

The following comparative table shows the progress of the Company during the past three years:

(In lakhs of rupees)

	For the year ended 31st October			
	1955	1954	1953	1952
Sale proceeds	673.19	503.38	402.44	}
Other income	8.02	4.80	6.36	} N.A.
Stocks and work-in-progress ..	90.22	110.46	112.39	}
Expenses	668.14	473.29	380.05	
Gross profit	53.73	33.06	30.92	29.53
Managing Directors' commission	1.21	3.00	2.83	2.71
Provision for—				
Depreciation	5.25	3.10	2.62	2.39
Taxation	20.26	10.10	10.00	9.50
Net profit	27.01	16.86	15.47	14.93
To reserves	14.00	8.75	7.25	6.75
Dividends—				
6 per cent. preference ..	0.50	0.50	0.50	0.50
Ordinary	15.30 (30%)	7.65 (15%)	7.65 (15%)	7.65 (15%)
Carry forward	0.14	2.93	2.97	2.90

N.A.—Not available.

The Company has been making strident progress for some years past, the progress being quite marked during the last two years, when the sale proceeds had gone up by nearly 70 per cent. The gross profit has risen by over 80 per cent. during the past three years. As much as Rs. 36.75 lakhs has been added to the reserves during the last four years, in keeping with the policy of ploughing back substantial portions of the Company's profits. This policy, as the Chairman of the Company, Mr. H. D. Mundhra, points out in his statement accompanying the Directors' report, "has paid handsomely and has been mainly responsible for the progress so far achieved." Of the sum of Rs. 14 lakhs transferred from the profit for the year under review, Rs. 4.75 lakhs represent the allocation to the special reserve which had received a like amount in the previous year and Rs. 9.25 lakhs to the general reserve, an increase of Rs. 5 lakhs over the amount set aside last year.

The balance-sheet of the Company as on 31st October 1955 shows that the reserves and surplus aggregate Rs. 57.91 lakhs, as against a paid-up capital of Rs. 61 lakhs, of which Rs. 10 lakhs are in 5 per cent. cumulative preference shares of Rs. 100 each, the entire balance being in ordinary shares of Rs. 10 each. The provision for taxation stands at Rs. 21.02 lakhs and current liabilities amount to Rs. 151.64 lakhs. The gross block of the value of Rs. 98.22 lakhs, including an addition of Rs. 9.78 lakhs during the year, has been written down to Rs. 45.58 lakhs. The current assets amount to Rs. 245.99 lakhs, of which stock-in-trade, stores and work-in-progress account for Rs. 105.01 lakhs and book debts (unsecured) for Rs. 106.34 lakhs.

The Company proposes to issue shortly fresh capital to the extent of Rs. 51 lakhs, on the basis of one new share for each old share held. The sanction of the Controller of Capital Issues has been obtained for this issue. It is, however, not stated whether the new issue will be at par or at a premium. The increase in capital is for the purpose of financing the Company's expansion, particularly the proposed manufacture of electric suburban railway coaches, for which a substantial contract has been secured by the Company. The Company is now busy on the work preparatory to erecting a new factory for the manufacture of these coaches on a plot of land adjacent to the Company's works at Dum Dum. The Company has undertaken to manufacture in India road rollers under licence from Messrs. Aveling Barford, who are claimed to be the largest makers of diesel road rollers in the world and with whom Jessop and Company have been associated as agents for many years. This is not an entirely new line of production in which the Company has ventured. For, during 1950 and 1951, it had completed a sub-contract for the part manufacture of 475 ten-ton Aveling Barford diesel road rollers. There are also other schemes of development on hand, the details of which are not yet available. The Chairman assures the shareholders that the Company "will not be found wanting in its contribution to India's growing engineering industry."

The outlook for the Company is thus promising. Reiterating this, Mr. Mundhra says in his statement to the shareholders as follows:

"India's crying need now is industrialisation; in fact, that is the essence of the second Five-year Plan, and industrialisation depends largely on a sound and healthy engineering background. As your Company is one of those in the forefront of the Indian engineering industry, I feel confident that it has an excellent future. I have already indicated plans for increased production which are now in active course of implementation and have told you that there are others still in the more delicate stages of formulation where due discretion must be observed. Such progress can only be beneficial to the Company which includes all of us—shareholders and employees alike."

The Rs. 10 fully paid up shares of the Company are being currently quoted at Rs. 57-10 ex-div., at which rate and on the basis of the latest dividend, the yield works out to 5.2 per cent. per annum, free of income-tax.

A notable feature of the Company's latest report and accounts is the inclusion of the Chairman's explanatory statement on the working of the Company during the year under review, supplemented by additional information in the form of photographs, diagrams and summaries, so that the shareholders may get a full picture of their Company's affairs. These new features are in line with the modern practice of presenting the annual accounts to the shareholders, which the majority of joint-stock companies in India have yet to follow. The chart showing how the Company's income for 1954-55 has been spent reveals that, out of the total income of Rs. 685 lakhs, materials used account for Rs. 468 lakhs or 68.3 per cent., wages for Rs. 109 lakhs (16 per cent.), overheads for Rs. 58 lakhs (8.4 per cent.), taxes for Rs. 20 lakhs (2.9 per cent.) reserve for Rs. 14 lakhs (2.1 per cent.) and dividends for Rs. 16 lakhs (2.3 per cent.). It will be noted that the Government's share in the total income is greater than that of the shareholders and that, next to raw materials and others used, wages take up a sizable share of the income. An idea of the Company's contribution to employment and the benefits the employees derive from its increased activity is also given by the Chairman. The number of men directly employed by the Company is now almost 5,000, an increase of about 50 per cent. during the last five years. The employees have also shared the prosperity of the Company through the annual bonus scheme which is related to the profits. On the basis of the profits of 1953 and 1954, the employees got a bonus equivalent to 3-1/16 and 3½ months' basic pay in 1954 and 1955, respectively.

THE
UNITED COMMERCIAL
BANK LTD.
HEAD OFFICE : CALCUTTA
LONDON BRANCH : 15, THROGMORTON AVENUE, E.C.2.
C. D. BIRLA Chairman
Subscribed Capital .. Rs. 4 Crores
Paid-Up Capital .. .. Rs. 2 Crores
Reserve Fund .. .. Rs. 95 Lacs
Total Working Funds
(As on 31-12-55) Over .. Rs. 81 Crores
BRANCHES IN INDIA, PAKISTAN, BURMA, MALAYA & HONGKONG
Agents all over the world
S. T. SADASIVAN
General Manager
Rupee Travellers' Cheques issued in convenient denominations.

COMPANY MEETINGS AND DIVIDENDS

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD. Annual General Meeting, Madras, 21st February 1956. Final dividend of 5 per cent. on "A" shares and 15 per cent. on "B" shares. Transfer books will remain closed from 29th February to 13th March 1956, both days inclusive.

SOUTH KARANPURA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 24th February 1956. Transfer books remain closed from 10th to 24th February 1956, both days inclusive.

OUCHTERLONY VALLEY ESTATES (1938) LTD. Annual General Meeting, Coimbatore, 25th February 1956. Dividend: As. 2 per share. Transfer books will remain closed from 15th to 25th February 1956, both days inclusive.

THIRUMBADI RUBBER CO., LTD. Annual General Meeting, Coimbatore, 25th February 1956. Dividend: As. 2 per share. Transfer books will remain closed from 16th to 25th February 1956, both days inclusive.

MALABAR INDUSTRIAL CO., LTD. Annual General Meeting, Skinnerpuram Estate, 25th February 1956. Transfer books remain closed from 10th to 25th February 1956, both days inclusive.

ALKALI AND CHEMICAL CORPORATION OF INDIA LTD. Annual General Meeting, Calcutta, 7th March 1956. Transfer books will remain closed from 23rd February to 7th March 1956, both days inclusive

MADURA MILLS CO., LTD. Annual General Meeting, Tuticorin, 26th March 1956. Dividend: Rs. 3 per share. Transfer books will remain closed from 6th to 26th March 1956, both days inclusive.

AUCKLAND JUTE CO., LTD. Dividend of Rs. 4 per ordinary share, for the half-year ended 30th September 1955.

DALHOUSIE JUTE CO., LTD. Dividend of Re. 1 per ordinary share, for the half-year ended 30th September 1955.

LANSDOWNE JUTE CO., LTD. Dividend of Rs. 2 per ordinary share, for the half-year ended 30th September 1955.

LAWRENCE JUTE CO., LTD. Dividend of Re. 1 per ordinary share, for the half-year ended 30th September 1955.

KINNISON JUTE MILLS CO., LTD. Dividend of Rs. 6 per ordinary share, for the half-year ended 30th September 1955.

NORTHBROOK JUTE CO., LTD. Dividend of As. 12 per ordinary share, for the half-year ended 30th September 1955.

UNION JUTE CO., LTD. Dividend of Rs. 5 per ordinary share, for the half-year ended 30th September 1955.

ROHTAS INDUSTRIES LTD. Dividend of Re. 1-8 per share (i.e., 15 per cent.), on old ordinary shares, free of income-tax, for the year ended 31st October 1955. Transfer books will remain closed from 21st February to 6th March 1956, both days inclusive.

VELLORE ELECTRIC CORPORATION LTD. Interim dividend of As. 8 per ordinary share, free of tax, for the year 1955-56. Transfer books remain closed from 11th to 18th February 1956, both days inclusive.

UNITED NILGIRI TEA ESTATES CO., LTD. Interim dividend of Rs. 10 per ordinary share, for the year ending 31st March 1956. Transfer books will remain closed from 20th to 28th February 1956, both days inclusive.

COMPANY REGISTRATIONS

SANGEET CHITRA LTD. (First Director: Mr. K. K. Kapur.) Business: Cinematograph trade and industry. Authorised capital: Rs. 5,00,000. Private company. Address: Nilam Mansions, Lamington Road, Bombay 4.

HARI RAJ LTD. (Managing Director: Mr. Shiv Raj Singh.) Business: Buyers, sellers, selling agents and distributors of vegetable products. Authorised capital: Rs. 5,00,000. Private company. Address: 166, Dadabhoy Naoroji Road, Fort, Bombay 1.

TEXTILE PAPER AND TIMBER INDUSTRIES LTD. (First Director: Mr. Navnitlal G. Dalal.) Business: Manufacturers, importers, exporters and dealers in textile stores, paper tubes, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Punja Wadi, Sion-Trombay Road, Devnar, Bombay S.D.

BOMIS SOAP FACTORY LTD. (First Director: Mr. Rustom Merwanji Master.) Business: Manufacture, produce, use, buy, sell and deal in all metallurgical and chemical products. Authorised capital: Rs. 5,00,000. Private company. Address: Colah House, 77, Tardeo Road, Bombay 7.

DALAL ENGINEERING CO., LTD. (Mr. Chimanlal Pranjivandas Dalal.) Business: Iron, stainless steel and other metal founders, mechanical, electrical and chemical engineers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Victoria Bunder Road, Colaba, Bombay 5.

HIGHER EXCISE DUTY AND FALL IN PRICE AFFECT CAWNPORE SUGAR

CLIVE MILL RESUMES DIVIDEND

Cawnpore Sugar Works, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Begg, Sutherland & Co., Ltd., Kanpur, U.P.) submit the audited accounts of the Company for the year ended 31st October 1955.

The results for the year, after providing for all charges including provisions for taxation and depreciation, and taking into account profit on realisation of an investment, and having written back earlier provisions no longer required, show a surplus of Rs. 8,07,327 (Rs. 11,36,060) from which has been deducted the amount transferred to contingencies reserve of Rs. 80,000 (*nil*) and to rehabilitation reserve Rs. 4,00,000 (Rs. 5,00,000), leaving a balance of Rs. 3,27,327 (Rs. 3,11,060). After adding the carry forward from the previous year of Rs. 59,696 (Rs. 53,636), there is an available balance of Rs. 3,87,023 (Rs. 3,64,696). This balance, the directors recommend, should be disposed of as follows:—

In payment of a dividend on the preference shares of 8 per cent. per annum, free of income-tax, for the year ended 31st October 1955 Rs. 80,000 (Rs. 80,000), in payment of a dividend on the ordinary shares of As. 12 (As. 12) per share, free of income-tax, for the year ended 31st October 1955 Rs. 2,25,000 (Rs. 2,25,000) and to carry forward Rs. 82,023 (Rs. 59,696).

The quantity of cane crushed by both factories during the season 1954-55 showed a considerable increase over that crushed during the previous season, and in the case of Gauri Factory the cane crushed was the highest ever recorded. Marhowrah Factory crushed 32,62,453 (19,20,390) maunds of cane with a recovery of 10.21 (10.39) per cent. while Gauri Factory crushed 24,14,693 (11,21,882) maunds with a recovery of 10.68 per cent. Marhowrah Factory commenced crushing on 6th December 1954 and finished on 13th May 1955. Gauri Factory commenced crushing on 6th December 1954 and finished on 14th April 1955.

Stocks of sugar remaining unsold on 31st October 1955, have been valued at market rate on that date, but a contingency reserve has been provided to cover the estimated fall in price of sugar remaining to be sold.

On 1st March 1955, the Government of India increased the excise duty by Re. 1-6 per maund. The sugar produced in India during the period was the highest on record at some 16 lakh tons which, together with 6 lakh tons of foreign sugar imported by the Government of India, resulted in a total of 22 lakh tons as against an estimated consumption of some 16 lakh tons. This state of affairs has resulted in a steady and continuous fall in prices which, together with the increase in excise duty, has had its effect on the trading results of the Company for the year under review. The cane price was Re. 1-7 per maund at the factory gate and Re. 1-5 at outstations.

The prospects for season 1955-56 indicate that a good cane crop will be available for the Marhowrah Factory but adverse weather conditions have reduced the quantity of cane available for the Gauri Factory. The directors have recently approved plans to expand the sugar interests of the Company. A separate communication will be sent to shareholders as and when those plans are implemented.

The Company's distilleries worked satisfactorily during the year, and while the Marhowrah Distillery continues to work at a modest profit, Cawnpore Distillery, on account of the higher cost of molasses incurred a further loss for the year under review.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	19,12,196
Reserves ...	57,83,651	Stock-in-trade	21,67,382
Provision for taxation ...	7,35,185	Stores and spare parts	25,76,910
Liabilities ...	21,27,492	Loose tools and office equipment	1,76,408
Profit and loss account ...	3,87,023	Other assets	2,414
		Debts and advances ...	45,54,394
		Investments	4,00,273
		Cash ...	12,43,374
Rs.	1,30,33,351	Rs.	1,30,33,351

Clive Mills Co., Ltd.

The directors of the above Company (Managing Agents: Shree Krishna Investment Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st March 1955.

The result of the year's working was a profit of Rs 19,51,134 (Rs. 4,55,111). From this was deducted reserve for income-tax and super-tax Rs. 13,70,000 (Rs. 2,90,000) and depreciation Rs. 1,28,495 (Rs. 70,005), leaving a balance of Rs. 4,52,639 (Rs. 95,106). With the credit balance brought forward from last year of Rs. 9,753 (Rs. 18,647), there was a total amount of Rs. 4,62,392 (Rs. 1,13,753). Out of this the directors have paid preference dividend at 7 per cent. Rs. 56,000 (Rs. 56,000), preference dividend at 6 per cent. Rs. 48,000 (Rs. 48,000), paid dividend on ordinary shares at Re. 1-4 (*nil*) per share Rs. 2,00,000 (*nil*) dividend on 80,000 bonus shares at As. 10-3 (*nil*) per share Rs. 51,250 (*nil*) and carried forward to next year Rs. 1,07,142 (Rs. 9,753).

In accordance with the Indian Jute Mills Association's main and supplementary working time agreements the mills worked 42½ hours per week with 12½ per cent. of the looms sealed throughout the year under review.

80,000 bonus shares have been issued as mentioned in the last report.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	11,99,754
Reserves ...	9,00,000	Stock-in-trade	59,04,795
Provision for taxation ...	29,60,000	Stores and spare parts	5,86,709
Liabilities ...	35,16,896	Debts, deposits and advances ...	37,51,583
Profit and loss account ...	1,07,142	Investments	6,498
		Cash ...	34,699
Rs.	1,14,84,038	Rs.	1,14,84,038

South Behar Sugar Mills Ltd.

The directors of the above Company (Chairman: Mr. Chandradeva Prakash Sinha) submitted the audited accounts of the Company for the year ended 31st October 1954.

The year's working has resulted in a loss of Rs. 24,454. The cane crushed in the factory during the year under report, was the lowest crushing in the history of the Company. The quantity crushed was 7.28 lakh maunds, which represents a crushing of only about 25 days working at full capacity. As a measure of economy, staff were retrenched and/or laid off and compassionate relief amounting to Rs. 19,899-14-3 had to be paid to retrenched workmen. By this means and because of favourable sugar prices, the loss was not large.

In view of recurrent losses consequent to inadequate supplies of sugarcane, the directors were trying to shift the plant to a new site in Hubli Dist., Bombay State. In this connection, advances for travelling and other accounts had been made and commitments entered into.

The Company was successful in obtaining permission of the Government of India to shift the plant to the Bombay State site, but the State Government of Bihar were anxious to retain the factory at Bihta, and to this end, they have agreed to assist the Company to rehabilitate itself at Bihta. Pursuant to this policy, the Government of Bihar have taken very keen interest in propagating cane growth and have agreed to lend Rs. 19 lakhs to the Company for cane development, mechanised transport and improvements to plant. The Government of Bihar have also agreed to provide 40 tubewells in the vicinity of the factory on a subsidised basis so that half the cost is subsidised by the State and the other half met by the Company. As an outcome of these measures, it is expected that the area under sugarcane will go up and the Company will be assured of adequate supplies in the future. The area under cane has already registered an increase and the quantity of sugarcane offered to the Company during the current season 1955-56 is about twice the average crushing achieved by the factory in the past ten years.

In order to rehabilitate the factory at Bihta, the Government of Bihar have further agreed to refund to the Company cane cess (which amounts at present to three annas per maund of sugarcane) in the years when supply of sugarcane to the factory is below 15 lakhs maunds. This concession is, for the present, granted for a period of three years.

With a view to make the working of the factory profitable, the directors have made improvements to the plant and have changed the process of manufacture of sugar from sulphitation process to the carbonatation process for production of superior quality of sugar. This process is now being worked in the season 1955-56 and the plant is running satisfactorily as and from December 1955 and good prices are being offered for the new production sugar.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,55,000	Block ...	15,95,427
Debentures ...	15,00,000	Stock-in-trade	99,835
Reserves ...	47,592	Stores, spare parts and tools ...	5,86,013
Liabilities ...	24,64,787	Other assets	89,202
		Debts, deposits and advances ...	18,19,683
		Investments	10,729
		Cash ...	51,887
		Profit and loss account ...	16,14,603
Rs.	58,67,379	Rs.	58,67,379

Upper Ganges Sugar Mills Ltd.

The directors of the above Company (Managing Agents: The Cotton Agents Ltd., Bombay) submitted the audited accounts of the Company for the year ended 30th June 1955.

The profit and loss account, after payment of interest and managing agents' remuneration, providing for depreciation and taxation, transferring Rs. 1,00,000 (Rs. 2,50,000) to general reserve and taking into account the credit balance of the previous year, showed a surplus of Rs. 3,98,244 (Rs. 3,64,031). The directors disposed of the amount as under:—

Paid dividend on 12,000 cumulative preference shares of Rs. 100 each at 5 per cent. free of tax Rs. 60,000 (Rs. 60,000), paid dividend on 15,000 cumulative preference shares of Rs. 100 each at 5 per cent, subject to tax Rs. 55,313 (Rs. 55,313), paid dividend on 80,000 ordinary shares of Rs. 10 each at Rs. 2-8 (Rs. 2-8) per share (free of tax) Rs. 2,00,000 (Rs. 2,00,000) and carried forward Rs. 82,931 (Rs. 48,719).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Block ...	38,92,308
Reserves ...	21,91,685	Stock of sugar and molasses	1,12,23,610
Provision for taxation ...	21,13,121	Stores and raw materials ...	7,76,510
Liabilities ...	1,18,63,138	Other assets	4,12,526
Profit and loss account ...	82,931	Debts, deposits and advances ...	24,85,685
		Investments	1,53,031
		Cash ...	8,07,205
Rs.	1,97,50,875	Rs.	1,97,50,875

Kesar Sugar Works Ltd.

The directors of the above Company (Managing Agents: Messrs. Kilachand Devchand & Co., Bombay) submitted the audited accounts of the Company for the year ended 31st July 1955.

The working of the year showed a profit of Rs. 2,96,363 (Rs. 74,752) after charging the amount of Rs. 23,72,789 (Rs. 12,97,967) for excise duty, Rs. 9,28,925 (Rs. 4,79,792) for cane cess and providing Rs. 3,00,134 (Rs. 3,30,296) for depreciation for the year 1953-54. After adding the balance of Rs. 43,657 (Rs. 29,748) carried forward from last year, the amount available for disposal was Rs. 3,40,020 (Rs. 1,04,500) which the directors disposed of as under:—

Paid dividend at 5½ per cent. on preference shares Rs. 82,500 (Rs. 82,500), less income-tax Rs. 21,656 (Rs. 21,656), Rs. 60,844 (Rs. 60,844), dividend at Rs. 4-8 (*nil*) per share free of income-tax on ordinary shares of Rs. 100 each Rs. 67,500 (*nil*), dividend at Rs. 2-4 (*nil*) per share free of income-tax on ordinary shares of Rs. 50 each Rs. 33,750 (*nil*), provision for taxes Rs. 1,50,000 (*nil*), and carried forward to next year's account Rs. 27,926 (Rs. 43,657).

The factory started operations from 22nd day of November 1954. The quantity of cane crushed was 49,54,265 maunds during 177 days of crushing as compared with 25,58,828 maunds crushed during the previous season. The sugar produced during the year under report was 4,45,372 maunds as against 2,42,381 maunds during the previous season. The recovery was 8.99 per cent. against 9.47 per cent. during the previous year. The reduced recovery was due to inferior quality of cane and also due to allotment of areas having cane of very low recovery. In this connection the factory has made representations to the U.P. and Central Government. But for this the results would have been much better. During the year the excise duty on sugar was increased by 50 per cent. and the burden of increased excise duty has fallen on the industry as the prices of sugar have since actually gone down. Owing to the increased production and the inadequate supply of wagons during the year, the carry-over was very large at the close of the year. The acreage under cane for the current year is reported to be about the same as last year and, on the whole, the condition of the crop looks satisfactory. The production of power alcohol was satisfactory during the year and the manufacturing efficiency has also improved.

The Company's chemical factory has been able to maintain its production and also sales. The Government of India have now withdrawn protection to the sodium thiosulphate, sodium sulphite and sodium bisulphite industry on the recommendation of the Tariff Commission but it seems from the assurances received from the Government that the imports of these chemicals from foreign countries will continue to be restricted. The production of hydroquinone has been resumed while the production of X-ray chemicals has been maintained.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Block ...	75,81,309
Reserves ...	8,61,000	Stock-in-trade	71,85,718
Provision for taxation ...	1,23,709	Stores, etc.	11,67,065
Depreciation fund ...	42,63,455	Crop-in-progress ...	4,64,172
Liabilities ...	93,57,890	Livestock	10,278
Profit and loss account ...	3,40,020	Debts, deposits and advances ...	12,65,596
		Deposits with Government, railway and others ...	1,01,635
		Investments	1,90,230
		Cash ...	2,80,071
Rs.	1,82,46,074	Rs.	1,82,46,074

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

GILT-EDGED FIRM

(From Our Own Correspondent)

BOMBAY, 8th *February*

The short-term money market continued to display stringent conditions during the week under review also. There was no sign of even a slight abatement of the demand for funds. The volume of inter-bank business was, however, extremely small, due to paucity of funds. The Reserve Bank of India's decision to put up the discount rate for usance bills of Scheduled banks from 3 per cent. to 3½ per cent. with effect from 1st March 1956 did not have any marked effect on interest rates, except that a few banks offered a fractionally higher rate for short-term deposits. Interest rates on inter-bank dealings were unchanged.

Thus, inter-bank call money was bid at the self-same rate of 3 per cent., as also house money at call. Short-term deposits were in demand at 3 per cent., while a few banks offered 3¼ per cent. per annum for periods from one to six months.

The tenders for 91 days' Government of India Treasury Bills brought an offer of Rs. 168.25 lakhs, as against an invitation for Rs. 100 lakhs, while the sum offered in the previous week was Rs. 172 lakhs. The average rate of accepted tenders, which had declined in the previous week from Rs. 2-8-5 to Rs. 2-8-3 per cent., stood unchanged at Rs. 2-8-3 per cent. per annum.

After two weeks of successive small decline, the notes in circulation have expanded by Rs. 13.29 crores during the week ended 3rd February 1956, according to the Reserve Bank of India statement for that week. The total notes issued, however, is down by Rs. 1.22 crores, as notes held in the Banking Department have gone down by Rs. 14.51 crores. On the assets side, the variation in total notes issued has been offset by a corresponding fall in rupee coin. There has been a fall of Rs. 14.91 crores in foreign securities and a corresponding increase in rupee securities. A decrease of Rs. 1.14 crores is noted in deposits of Central Government and of Rs. 4.07 crores in those of other Governments. Reflecting the keen demand for money, deposits of banks have further fallen by Rs. 2.01 crores. Balances held abroad are up by Rs. 14.36 crores. Loans and advances other than to Governments show an increase of Rs. 5.29 crores, of which outstanding loans to Scheduled banks against usance bills account for Rs. 1.18 crores. The total amount of advances availed of by Scheduled banks against usance bills since 1st January 1956 up to the end of the week under review was Rs. 11.49 crores, as against Rs. 4.39 crores in the corresponding period of 1955. Government Treasury Bills purchased and discounted are lower by Rs. 2.35 crores.

In contrast to the successive rise noted in the previous four weeks, the demand deposits of Scheduled banks have dropped during the week ended 27th January 1956 by Rs. 5.68 crores. Time deposits also have declined by Rs. 1.63 crores. Inter-bank borrowings are lower by Rs. 47 lakhs. Borrowings from the Reserve Bank have gone up by Rs. 1.83 crores and those from the State Bank by Rs. 35 lakhs. Advances disclose a rise of Rs. 11.45 crores and inland bills purchased and discounted Rs. 1.04 crores. Foreign bills purchased and discounted show a decline of Rs. 70 lakhs. Very minor variations are noted in cash balances, balances with other banks in current account and money at call and short notice.

The Gilt-edged market continued to display cheerful conditions for the second week in succession. There was a further rise in prices in most of the counters, particularly medium and long-dated securities. It is reported that a substantial volume of business was put through in these loans on account of life insurance funds. Sustained demand and shrinkage in floating stocks were mainly responsible for the strength of the market. The 4 per cent. 1967 State loans were in favour, but turnover in them was limited, due to absence of sellers.

2½ per cent. 1961 attracted good enquiries and rose, in consequence, by As. 4 to Rs. 93-5. 2½ per cent. 1960 gained As. 2 to Rs. 96-3. 2½ per cent. 1976 was quoted As. 4 higher at Rs. 82-6, following the Reserve Bank's action in putting up its selling rate for this security from Rs. 82-2 to to Rs. 82-6. 3 per cent. 1957 and 3 per cent. 1958 were unchanged at Rs. 99-10 and Rs. 99-8, respectively. 3 per cent. 1959-61 gathered an anna to Rs. 98-4, as also 3 per cent. 1963-65 to Rs. 94-12. 3 per cent. 1964 held its own at Rs. 94-11. 3 per cent. 1966-68, which was in short supply, advanced by an anna to Rs. 92-5 and 3 per cent. 1970-75 by As. 2 to Rs. 88-6. 3 per cent. 1986 Conversion Loan was marked up by As. 3 to Rs. 80-9. 3½ per cent. 1961, 1964 and 1965 were maintained at Rs. 99-8, Rs. 98-12 and Rs. 98-9, respectively. Among State loans, 4 per cent. 1967 loans were in good demand. Bombay 1967 put on As. 2 to Rs. 100-13, West Bengal 1967 an anna to Rs. 100-1 and Madras 1967 appreciated by As. 2 to Rs. 99-12. U.P. loan was up by an anna at Rs. 99-10, as also Madhya Pradesh loan at Rs. 99-9. Mysore 1967 shot up by As. 3 to Rs. 99-9, Saurashtra and Hyderabad by an anna each to Rs. 99-13 and Rs. 99-5, respectively.

In the foreign exchange section, rupee was unchanged in terms of the U.S. dollar at Rs. 477½ per $100 (banks' selling) and Rs. 473 (banks' buying). Sterling moved within narrow range, but the undertone was steady. In New York, spot sterling gained a fraction from $2.80-9/16—2.80-11/16 to $2.80⅜—2.80⅜, while three months' forward sterling moved down from $2.79 7/16—2.79-5/16 to $2.79-5/16—2.79-7/16. Transferable sterling was unchanged on balance at $2.77⅞—2.77⅞.

HIDES LACK SUPPORT

(From Our Own Correspondent)

KANPUR, 5th *February*

The hides and skins market lacked support during the week under review. The new arrivals were considerable. This being the coldest season of the year, the local butcheries supplied a big proportion of the new arrivals. The enquiries from the Madras dealers were few. The main purchasers were the local tanners headed by Cooper Allens.

The latest available quotations are: Wet salted cow, 1st grade Rs. 290 to Rs. 300, 2nd grade Rs. 240 to Rs. 280 and 3rd grade Rs. 160 per score; wet salted buff, 1st grade 2 lbs. and 2nd grade 2 lbs. 20 ozs. per rupee; goat, 1st grade Rs. 300 and 2nd grade Rs. 200 per 100 pieces; and sheep, 1st grade Rs. 225 and 2nd grade Rs. 180 to Rs. 190 per 100 pieces.

BULLION ERRATIC

(From Our Own Correspondent)

BOMBAY, 8th *February*

The bullion market was somewhat indecisive during the week under review. Early in the week, it was depressed on heavy selling by bull operators and bear pressure, due to renewed fears that the Government might exercise control over forward dealings in bullion. There were also apprehensions of heavy taxes on sale of bullion. At the lower levels, however, replacement buying and bear-covering emerged. These were induced by reports of good offtake of gold in the ready section. Accordingly, prices staged a smart recovery. Later, the higher levels themselves attracted profit-taking. A drop in offtake in gold during the last two days was an additional bearish factor. On balance, forward silver disclosed a loss of a few annas, while gold emerged a shade better.

Forward silver (28th February settlement) opened better, moving up from Rs. 175-3 to Rs. 175-11, but made a hasty retreat to a low of Rs. 173-5 on Saturday last. Good offtake in ready silver and the buoyancy of gold lifted the price to Rs. 175-8. The closing was, however, lower at Rs. 174-14.

Ready silver (.996 Mint) slumped from Rs. 174-3 to Rs. 172-9. The loss was more than made good yesterday when the price touched Rs. 174-14. A part of the gain was, however, erased today when the ready metal closed at Rs. 174-2. The floating stocks of silver are reported to be 1,200 oars. The daily average offtake was 35 bars. Consequent on this encouraging offtake, the discount of ready under forward narrowed down from Re. 1 last week to As. 12.

Gold forward (27th February settlement), after an early advance from Rs. 95-5 to Rs. 95-12, reacted to Rs. 94-7 on Saturday. It, however, came up to Rs. 96-3, before finishing at Rs. 95-13.

Ready gold gave way from Rs. 95-3 to Rs. 94-7, but recovered to Rs. 96-6 before retreating to Rs. 95-14 at the close today. It may be noted that, early in the week, ready had been quoting at a discount of As. 2 as compared with the forward price. Today, however, it commanded a premium of one anna over the forward, although two days back the premium stood at As. 3. The floating stocks of gold are placed at 35,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was 5,000 to 6,000 tolas, on an average.

In London, silver ruled better, after an early recession, and recovered the loss suffered in the previous week. Spot silver reacted from 77¾d. Forward silver closed at 77¾d., after moving down from 77d. to 76½d. Gold gained from 249s. 3d. to 249s. 4d. The price of silver in New York was stepped up twice during the week from 90c. to 90¼c. and again to 90¼c.

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

	3-2-56	Highest	Lowest	1-2-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	95 14	96 6	94 7	95 3
Forward*	95 13	96 3	94 7	95 5
Sovereign	61 0	61 0	60 12	£60 12
SILVER				
Ready (.996 fine Mint) ..	174 2	174 14	172 9	174 3
Forward†	174 14	175 8	173 5	174 3
London Silver Ready ..	77¾d.	77¾d.	76½d.	77¼d.
London Forward	77¼d.	77¼d.	76¼d.	77¼d.
London Gold	249s. 4d.	249s. 4d.	249s. 3d.	249s. 3d.
New York Ready	90¼c.	90¼c.	90¼c.	90c.

* 27th February settlement.
† 28th February settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

TEA PRICES ADVANCE

(From Our Own Correspondent)

CALCUTTA, 7th *February*

Offerings during yesterday's export sale aggregated 67,250 chests. Although at the opening there was less demand, steady conditions developed as the auction progressed and more demand was in evidence. Keen attention was paid to bright liquoring teas, prices of which advanced by As. 2 to As. 3. C.T.Cs. were better by an anna to As. 2. Fanning grades also shared in the advance and improved by As. 2 to As. 3. At the opening of the sale commonest and common broken teas were quoting lower by an anna to As. 2, but the loss was soon made good. On the other hand, whole leaf grades received less support and declined by As. 2 to As. 3. The quotations were: best C.T.C. Assam B.P. Rs. 2-5 to Rs. 2-6, clean black pekoe Re. 1-13, medium Assam B.P. Re. 1-9-6 to Re. 1-10, and plain B.P. Re. 1-7.

Export quota right was done lower at 10 to 11 pies.

Steady conditions prevailed during last week's sale for internal consumption. Dusts offered amounted to 20,600 chests. C.T.C. Assams with good liquors rose by an anna to As. 2, but the poorer lots lost by an anna to As. 2. Black leaf teas received strong support as did bright liquoring teas. The rates were: best Assam C.T.C. Rs. 2-4 to Rs. 2-6, medium Assam grainy dust Re. 1-8-6 to Re. 1-9, and medium Dooars Re. 1-7-6.

Leaf grades on offer amounted to 2,200 chests, of which fannings were very strong. For a time green teas also received good support.

FORWARD COTTON AT A STANDSTILL

(From Our Own Correspondent)

BOMBAY, 8th *February*

It looks as though the deadlock in the cotton futures market will soon be ended. As requested by the Board of the East India Cotton Association (E.I.C.A.), the hearing of the suit filed in the High Court by some cotton traders challenging the validity of the Forward Markets Commission's directive to the E.I.C.A. to close out hedge contracts and to amend by-laws has been advanced from 14th March to the 15th of this month. Meanwhile, the E.I.C.A. has decided not to effect interim clearing settlements of February and May contracts until the High Court gives its verdict on the cotton dispute.

The Forward Markets Commission has asked the E.I.C.A. to obtain from members entitled to the use of the Clearing House statements of position in respect of sales and purchases in February and May contracts, including those of their clients, for the period 7th to 24th January. In accordance with this directive, the E.I.C.A. has requested the members to submit to the Clearing House, on or before the 9th inst., statements of the business done by them during the aforesaid period, together with their previous carried forward positions as at the close of business on 23rd December 1955.

While the futures market is at a standstill pending the High Court's verdict, the terms and conditions for the commencement of business in I.C.C. August are understood to have almost been finalised by the E.I.C.A. Sub-committee. The exact decisions of the Sub-committee are not available. From enquiries made in certain circles, it is, however, gathered that no change has been made in the basis and the staple length of the contract. The only change made, it is said, relates to the fixation of clearing rates on the basis of forward market rates. The E.I.C.A. has addressed a communication to the Forward Markets Commission, urging the latter to permit commencement of trading in August contract as early as possible.

Last week's active trading in the spot cotton market abated during the week under review. Operators did not evince much interest in fresh buying, while stockists were inclined to sell. Besides the deadlock in the cotton futures market, there were deterrents like large new crop arrivals from upcountry centres, absence of hedge facilities and the consequent disinclination on the part of banks to finance operations on a large scale. Vijay, Punjab, Bengals, and Jarillas, however, evoked mill interest, but the business actually put through was only moderate. Among exportable styles, Kalyan, Kala, C.P. I and II and 197/3 met with enquiries from overseas purchasers. Old Jarillas, Berar *Deshi*, Bengals and Zodas also elicited support from a few shippers. In the foreign section, activity was subdued, owing to budget uncertainty. African B.P. 52 and Bukhedi came in for only stray business, with their prices ruling easy. Sudans and Egyptians were neglected.

The latest available quotations from the Sewri market are: Bengal *Deshi* Rs. 680; Berar Jarillas Rs. 780; Khandesh Rs. 760; Vijay Rs. 880; Oomra *Deshi* Rs. 740; Moglai Rs. 635.

For the fourth week in succession, the Karachi cotton market exhibited a firm trend. In fact, conditions akin to a boom prevailed in the market. There was persistent trade demand, inspired by renewed overseas purchases and active mill enquiries. Consequently, cotton prices continued to forge ahead. The improvement would have been more marked but for profit-taking at higher levels, large arrivals from interior and encouraging advices from Liverpool. N.T. March delivery rallied Rs. 6-7 to Rs. 84-10 on Monday, but finished lower at Rs. 82-3 per 82 lbs. yesterday. May contract advanced from Rs. 78-3 to Rs. 82-12 before closing at Rs. 80-5. The upward trend in the prices of ready cotton gathered further momentum. The extent of the improvement in prices in the past week is indicated in the following table which compares yesterday's closing rates (in rupees per 82 lbs.) for a few popular varieties of Pakistan cotton with those a week before:

	7th Feb.	31st Jan.
	Rs. a.	Rs. a.
Sind *Deshi*	71 8	70 0
Punjab *Deshi*	67 0	65 0
4F Punjab R.G.	77 8	74 4
S.G.	84 8	81 4
L.S.S. Punjab R.G.	84 0	81 4
S.G.	91 0	87 4
N.T.R.G.	87 8	84 4
S.G.	94 4	90 0
289F Punjab R.G.	90 8	87 4
S.G.	98 8	95 4

The bullish fervour noted in the Alexandria cotton futures market last week persisted this week too, reflecting the tight supply position. The operators continued to be busy extending their commitments, on fears that the 1955-56 Karnak and Ashmouni crop will be 400,000 cantars lower than the official estimate. They were also induced by continued foreign demand for all qualities of Egyptian cotton, especially Ashmouni and Giza 30. The prices of cotton, as a result, recorded a further handsome rise.

The latest available quotations in tallaries per lb. (figures in brackets relate to last week's closing rates) from the Alexandria cotton futures market are: Karnak: March 82.85 (80.85) and May 81.80 (79.85); Ashmouni: February 63.74 (61.70) and April 63.12 (61.68).

The yield of Uganda cotton crop in the current season is expected to aggregate 372,000 bales, according to private circles. Of this quantity, about

72,000 bales are reported to have already been sold at the auctions up to 20th January. The prices received by the Lint Marketing Board at the later auctions were good. Demand from shorts, particularly for early deliveries, is expected to continue. Notwithstanding a bearish outlook for world cotton prices, Uganda shippers are generally inclined to believe that there will not be an early appreciable fall in the prices of A.R. Uganda styles.

The Liverpool cotton futures market depicted a fully steady trend during the week under review also, thanks to American buying, mill fixing and commission house buying with offerings restricted to hedging at limits. The values, therefore, registered a rise which, however, attracted profit-taking later in the new contract, so that the best levels were not maintained. The Egyptian contracts were firm. The following are the latest available quotations (in pence per lb.) from the Liverpool cotton futures market:

Old contract: March-April 25.30; May-June 24.65; July-August 23.75. *New contract*: May-June 29.80; July-August 28.35; October-November 26.50; December-January 26.20. *Egyptian Karnak contract*: March-April 46.50; May-June 45.95; July-August 45.95.

Cotton futures in New York continued to advance under the impetus of buying support. Contrary to general expectations, the official mid-January parity was fixed lower at 34.84 cents per lb. This no doubt induced some selling which brought about a decline in the prices of May and distant deliveries. The market, however, picked up strength soon, following the Agriculture Department's decision not to permit substitution of free stocks against the present C.C.C. export sales programme. The Department made it clear that the cheap C.C.C. cotton would not enter domestic channels and thereby exert a depressing influence on prices.

The mid-January parity for cotton has been fixed, as already stated, at 34.84 cents per lb. This figure has been worked out by the Bureau of Agricultural Economics on the modernised formula based on price relationships during the last ten years, instead of during the old 1910-14 base. The price support for the new crop will be based on this parity figure.

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

(In cents per lb.)

	7-2-56	31-1-56	24-1-56
Spot	35.80	35.45	35.25
March	35.07	34.74	34.48
May	34.60	34.15	33.83
July	33.65	33.05	32.63
October	31.81	31.55	30.98

YARNS ADVANCE

(From Our Own Correspondent)

BOMBAY, *8th February*

Cheerful conditions prevailed in the yarn market during the week under review. There was much enthusiasm on the part of operators to extend their commitments. This was in evidence in all the three sections of the market—cotton yarn, rayon yarn and staple fibre yarn. Cotton yarns ruled firm, thanks to the Central Government's decision to allot export quota for cotton yarn for the current half-year on the basis of mill packings during 1955, besides allocating a new export quota (amounting to 38,000 bales) to the mills for the last quarter of 1955. In addition, there was the revival of demand from consuming centres within the country. These factors induced excellent buying support for cotton yarns, the prices of which registered an improvement. Rayon yarns also elicited good attention, following enlarged buying orders from the handloom sector which was reported to be busy purchasing yarns on fears of a levy of excise duty on yarns in the next budget. Staple fibre yarns, too, evoked encouraging enquiries, on fears of lower production. This fear was based on the Centre's move to grant import licences for staple fibre only to actual users and not to established importers for importing on their account. There was, therefore, good demand for staple fibre yarns, while stocks were not readily available and mill deliveries were irregular, so that prices showed a hardening tendency.

In the cotton yarn section, 60 counts were in special request. Finlays jumped up by Re. 1-12 to Rs. 60-12. Moderns rallied As. 12 to Rs. 60-12 and Maduras As. 8 to Rs. 45. Forty counts were also well supported. Maduras spurted by Re. 1-10 to Rs. 27-12. Minaxis advanced by Re. 1-9 to Rs. 27-12. Hinds strengthened by Re. 1-4 to Rs. 27. Moderns gathered As. 9 to Rs. 26-12. Deals in 30s were put through at higher levels, Hinds rising by Re. 1-2 to Rs. 22 and Maduras by As. 2 to Rs. 22-10. Among 20s, Hinds increased by As. 9 to Rs. 16-10, Podars by As. 6 to Rs 17, Sassoons by As. 4 to Rs. 16-8 and Edwards by As. 2 to Rs. 16. Among 10s, Gokaks gained an anna to Rs. 13-6. Moderns were firm at Rs. 13-4. The prices of 80 count yarns were throughout maintained at last week-end's levels, Finlays being quoted at Rs. 70 and Elphinstones at Rs. 62.

The Government of India has, as already stated, decided to continue to allow for export limited quantities of cotton yarn during the first half of the current year, with a view to providing an incentive to mills to pack increased quantities of "free yarn." During 1955, the packings of free yarn by both composite and spinning mills, it is said, were higher than at any time before. Allotments for export will accordingly be made to mills on a revised procedure based on the mills' packings during 1955. The procedure for applying for allotments and the licensing procedure have been notified by the Export Trade Control authority at ports.

The spot prices of rayon yarns recorded a handsome improvement, reflecting good demand. 150 Japan firmed up by As. 2-9 to Rs. 4-1-9. 120 Japan put on 18 pies to Rs. 4-6-6. 150 Italy was fully steady at Rs. 40-6. 120 Italy, however, was somewhat quiet at Rs. 47, as against Rs. 4-0-6 a week before. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade hardened by an anna and a half to Rs. 3-9-6. 120 Bt. cones 1st grade was fully steady at Rs. 3-14-6. Snia rayon yarn (120 dull cones) for February delivery was transacted at Rs. 868, as against Rs. 810, and April delivery at Rs. 819, as against Rs. 820.

Among staple fibre yarns (40×2) Centurys evoked enlarged demand and rose by 18 pies to Rs. 4-3. Sitarams and Seksarias gained a like amount to Rs. 4-2-6 and Rs. 4-1-6, respectively. Srirams improved by 15 pies to Rs. 4-2-3. Hinds gathered an anna to Rs. 4-2-3. Sassoons recorded a rise of nine pies to Rs. 4-1-9. Citys were better by three pies at Rs. 4-4.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	8-2-1956	1-2-1956	25-1-1956
	Rs. a.	Rs. a.	Rs. a.
Art silk yarn (per case of 200 lbs.)—			
120 Dull Cone Sale February	808 0	810 0	800 0
" " April	819 0	820 0	811 0
120 Japan (per lb.)	4 6½	4 5	4 4½
150 Japan (per lb.)	4 1½	3 15	3 15
120 Italy (per lb.)	4 0	4 0½	4 1
150 Italy (per lb.)	4 0½	4 0½	4 0
Staple fibre yarn (per lb.)—			
40×2 New Great	4 2½	4 2½	4 1½
40×2 Century	4 3	4 1½	4 0
40×2 City	4 4	4 3½	4 1½
Cotton yarn (per bundle of 10 lbs.)—			
10s Elphinstone	12 8	12 4	12 8
20s Hind	16 10	16 1	16 1
30s Madura	22 0	20 4	—
40s Minaxi	27 12	26 8	25 9
60s Madura	45 0	44 8	44 8
80s Finlay	70 0	70 0	70 0

OILSEEDS DECLINE FURTHER

(From Our Own Correspondent)

BOMBAY, 8th *February*

The easier trend witnessed towards the end of last week in the oilseeds and oils market gathered further momentum during the week under review. Lack of overseas demand for edible oils from overseas countries, reported movement of new castor crop from Hyderabad and considerable arrivals of groundnut contributed to the weakness of the market. In fact, there was a general wave of selling pressure in almost all the sections. Although there was some improvement in the prices of linseed today, on reports of renewed enquiry for the oil from the U.K. and the Continent, it was not such as to cover up the earlier losses. On balance, the values of all sections declined and recorded sizable losses over the week.

The Bombay Oilseeds Exchange has, through a telegram, requested the Government of India to permit free export of linseed oil, at least upto the end of June 1955. According to the present policy, free exports are permitted until further notice. The Exchange has stated that such permission as is given for the export of *kardi* and *niger* seed oils is necessary for negotiating business with foreign buyers. It has also stated that the linseed crop season would be at its height during the months of March, April and May.

Bold F.A.Q. ready in the groundnut section declined from Rs. 30-12 to Rs. 29-8. February-March delivery receded from Rs. 31 to Rs. 29-9 and April-May from Rs. 31-12 to Rs. 30-2. Coromandals were down by Re. 1-14 to Rs. 29-4 and Khandesh quality by Re. 1-4 to Rs. 29-14. Groundnut oil *ex-mill* ready eased from Rs. 15-14 to Rs. 15-4. April and May deliveries were enquired lower at Rs. 15-9 and Rs. 15, as against Rs. 16-3 and Rs. 16-5, respectively.

In the castorseed section, May delivery opened the week at Rs. 121-14, as compared with Rs. 120-12. It fluctuated between 124-2 and Rs. 116-2 before closing at Rs. 117-12. Madras quality suffered Re. 1-6 to Rs. 23 and Kanpur Re. 1-8 to Rs. 21. Castoroil B.S.S. eased from Rs. 14-2 to Rs. 13-12 and commercial quality from Rs. 13-2 to Rs. 12-10.

Bold ready, in the linseed section, declined from Rs. 31-4 at the end of the last week to Rs. 28-6 on the 6th inst. But, today, it advanced by As. 10 to Rs. 29. But, on balance, it lost as much as Rs. 2-4. February-March delivery declined from Rs. 30-14 to Rs. 28 on the 6th inst., though it recovered by As. 4 to close at Rs. 28-4. It lost Rs. 2-10 over the week. April-May delivery declined by Rs. 2-10 to Rs. 27-12. Small Sutnas eased from Rs. 29-4 to Rs. 27-8. Linseed oil disclosed a loss of Re. 1 at Rs. 17-12.

Among others, *kardi* Bold was lower by Re. 1-4 at Rs. 16-8 and Madras quality by As. 4 at Rs. 27.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	8-2-1956	1-2-1956	24-1-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	29 14	31 2	29 8
February-March	29 9	31 0	29 4
April-May	30 2	31 12	29 13
Linseed—			
Bold Ready (per cwt.) ..	29 0	31 4	30 0
February-March	28 4	30 14	30 2
April-May	27 12	30 6	29 4
Castorseeds—			
May	117 12	120 12	119 2
Madras (per cwt.)	23 0	24 6	23 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	15 4	15 14	15 0
Castor Oil—			
Commercial (per quarter) ..	12 10	13 2	12 12
Linseed Oil—			
Ready	17 12	18 12	18 2

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, *8th February*

The sugar market ruled firm during the week under review, thanks to renewed rumours of an increase in excise duty on sugar in the ensuing budget. The comparatively small release of sugar—aggregating about 85,000 bags—issued to all the Bombay-Deccan mills by the Union Food Ministry also imparted strength to the market. The sugar mills were reported to have urged the authorities to issue a further *ad-hoc* release of sugar in order to meet the pressing spot demand. But no reply had been received up to the time of writing. The rise in prices would have been more marked but for larger arrivals of indigenous sugar into the market, being 13,100 bags, as against 12,400 bags in the previous week.

The forward section was in the hands of bulls. Under the impetus of sustained purchases by them, *fagan* delivery contract for C grade sugar swiftly advanced from Rs. 91-12 to Rs. 93-4 per bag.

In the spot section, D grade indigenous sugar spurted by a rupee to Rs. 90-93. B grade was quoted at Rs. 95-98, as against Rs. 96-97, and A grade at Rs. 98 to Rs. 102, as against Rs. 99-100. C grade was fully maintained at Rs. 90-95. British refined sugar was quoted at Rs. 84.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER MOVES UP

(Messrs. Parekh & Co.)

BOMBAY, *8th February*

After the distressed selling by stale bulls of about 50 tons for February shipment at $0.29½ having been absorbed, Malabar black pepper showed some signs of improvement, in sympathy with New York, and owing to sizable buying by exporters who had booked freight in one more Non-conference steamer loading on the 9th inst. Non-conference is reported to be booking freight with further reduction in competition with Conference. If the freight war between Conference and Non-conference is continued, it is possible that Conference lines will also be forced to give larger rebate. After haggling to buy February shipment at $0.29, New York is reported to have bought some quantity at $0.30, with further buyers at a fractionally higher rate.

Alleppey improved from Rs. 750 to Rs. 800 and Cochin from Rs. 762½ to Rs. 812½. Garbled at Cochin were done at Rs. 137½, the lowest being Rs. 130.

Pepper at terminal markets in southern Malabar being cheaper, most of the exporters are covering their requirements from there. Activities in the primary centres of north Malabar are, consequently, smaller. As a result, growers there are unwilling to bring down pepper in large quantity until the demand from overseas broadens.

Inland demand at round about the present rate is reported to be good. Looking to the export during November to January, which is estimated at 4,250 tons, analysts in the market are of the opinion that about 11,250 tons out of the total production of 23,000 tons will be absorbed by export and inland consumption during November to March 1956, leaving 11,750 tons as stock on 1st April 1956. This quantity is considered to be not so heavy for the requirements from April to October 1956. Traders, therefore, expect an improvement in prices after March. However, the future of pepper will depend upon the prospects of the new crop in Sarawak, Lampong and Muntok and on the attitude of New York buyers.

February shipment improved from $0.29 to $0.30¼. March rose from $0.30 to $0.31½ and April-May-June from $0.30½ to $0.32½. Monthly delivery also showed improvement, the highest and the lowest for February delivery being Rs. 750 and Rs. 705, respectively.

Today's nominal quotations are: Ready delivery Rs. 107 per Bengal maund; February Rs. 740-Rs. 750 and March Rs. 745-Rs. 755 per candy of 5½ cwts.

GENERAL DEMAND FOR TEA STRONG

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 3rd *February*

The offerings in Sale No. 3 which was held on Tuesday 31st January, amounted to almost 1,000,000 lbs. Quality continued to show improvement, particularly amongst the high-grown teas, and there were some attractive flavoury teas on offer. The sale opened to a strong general demand. Low-grown brokens remained steady, but similar fannings were As. 2 to As. 3 dearer. Bright liquor-both brokens and fannings grades advanced As. 3 to As. 4. Best liquoring high-grown teas were rather irregular and, although there was an improvement in quality, these types were occasionally easier. There was a keen enquiry for black leaf Middle East type fannings and these descriptions were dearer in price. Buyers showed much more interest in whole leaf grades and these types must be quoted As. 2 dearer. High-grown leaf teas were often up to As. 4 dearer. The following are the quotations:—

	1956	1955
	Rs a. p.	Rs. a. p.
Low-grown Travancore B.O.P.	1 12 0	3 10 0
Medium Travancore B.O.P. ...	2 2 0	3 10 6
Anamallais B.O.P.	2 8 0	3 13 0
The best liquoring Nilgiri B.O.P.	4 3 0	4 8 0
Well made black leaf O.P. ...	2 7 0	3 9 0

London Market—Sale of 30th January 1956.—Market irregular, but unchanged on balance.

Sale of 31st January 1956.—Easier except for very best.

Colombo Market—Sale of 30th January 1956.—Good demand. Lower for dusts, black leaf fannings and stalky kinds. Others very firm, sometimes dearer for useful quality.

Sale of 31st January 1956.—Low-grown brokens declined 10 cents, mediums 10 to 15 cents. High-grown brokens opened weaker, but later strengthened and closed dearer, particularly for improved quality.

Calcutta Market—Export.—Slightly less general demand with prices for most sorts easing half to one anna. Fannings and useful liquoring C.T.C. types strongest feature usually dearer.

Intesnal.—25,900 packages. Fair general demand. Market half to one anna easier for most kinds. Best C.T.C. dearer. Leaf 2,400 packages were irregularly easier.

Export Quota.—A further release of export quota has been announced and it is understood that the total quantity released for 1955-56 is 480 million lbs. The new release will, therefore, be approximately 70 million lbs. The market reacted and fell steeply on receipt of this news; later, however, the market steadied at the lower level and there are now buyers at 16 pies.

Export Duty.—It was announced on 1st February that the price of tea for the month of February has been fixed at Rs. 2-14-1, as against Rs. 3-1-5 for the previous month. The export duty, however, remains unchanged at As. 6.

Forthcoming Auctions.—Sale No. 4 will be held on Tuesday 14th February.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"*Dust Sale* C.—425,000 lbs. Strong general demand. Prices tending higher."

JUTE GOODS HARDEN

(From Our Own Correspondent)

CALCUTTA, *7th February*

Following more interest shown by foreign buyers, prices of jute goods staged a moderate recovery during the week under review. Raw jute prices also advanced further. There was a Burmese inquiry for a large quantity, and the recent visit of the Burmese purchasing mission led trade circles to believe that Burma's requirements of sacking was large, in view of the need to have more bags to pack the higher output of rice for export. Of more lively interest to the trade, however, was the strong possibility of Russia substantially increasing purchases of Indian jute goods. It will be remembered that, during the visit of the Russian leaders, it was agreed in New Delhi that Russia would supply India one million tons of steel in the three years 1956-58 and also export to this country equipment for the production of oil, mining and other equipment. The terms and prices of all these sales were left to subsequent negotiations, but it was agreed that, in return, the U.S.S.R. would increase substantially its purchases from India of both raw materials and manufactured goods. The rumours that the U.S.S.R. would require more jute goods were thus immediately connected with the above agreement and it was thought that, of the manufactured goods Russia would buy for steel, jute manufactures would amount to 200,000 tons in the three years. From other countries also, inquiries for both hessian and sacking were received. South America, Australia, East Africa, West Africa and China, were the good buyers of sackings, while, in respect of hessian, overseas interest during the week was mainly from the U.K. All things considered, trade circles were confident that the increased production which the mills had planned from this month would be marketed without any difficulty whatsoever.

The speech of Mr. Maqbal Ilahi to the annual meeting of the Pakistani Jute Association, held at Narayanganj on Tuesday last, was read with disappointment in jute circles here. For Mr. Ilahi said that the official estimate of the 1955-56 crop was 5.6 million bales and that, for the next season, the Government would control the jute area so as to give a crop of only 5.5 million bales. With exports of raw jute being very satisfactory, the carry-over to the next season will undoubtedly be insignificant. It is a pity that, despite a significant increase in jute goods, consumption all over the world, Pakistan should not plan for an increase in raw jute output. Mr Ilahi himself told the meeting that, by next year, Pakistan would have expanded its own jute industry in such a way as to consume as much as 1.2 million bales of raw jute. So, by his own admission, Pakistani consumption of raw jute is increasing, and the same is probably true in many countries which have jute mills. Against such a background, we are told that Pakistan is actually planning for a lower jute crop. The conclusion that Pakistan is attempting to realise higher prices by purposely keeping down the crop cannot be resisted. But the policy-makers across the border should at the same time realise that, by doing so, they are sacrificing the long-term interests of the jute industry.

Mr. Ilahi spoke with equal satisfaction when he said that the Pakistani rupee devaluation was well-timed to profit the cultivator. For maintenance of the minimum export prices meant an increase in local prices by 44 per cent. By keeping down the crop, the authorities apparently do not desire any alteration in export prices. Ample evidence that mills in Europe are finding the Pakistani prices uneconomic are not wanting. And because Indian mills consume only a small percentage of jute from East Bengal, they have been able to offer successful competition in world markets and evolve a policy of planned increase in production. Even if Pakistani export prices are revised, no harm can be done to the ability of Indian mills to quote lower, because of lower costs of production and lesser expenditure in transporting the raw material.

The market opened last Tuesday on a steady note, as reports of more Russian interest resulted in keen covering business in both hessian and sacking goods. Ready B. twills improved from Rs. 111-4 to Rs. 112-8 and hessian 40″ 10 oz. ready from Rs. 40-5 to Rs. 40-9. In the meantime, mills showed more interest for raw jute, prices of which rose. This gave further strength to the goods market, and speculative activity revived to take B. twills to Rs. 114-4 and 40″ 10 oz. hessian to Rs. 40-13. Mills sold a fair quantity at higher levels and, despite profit-taking on Thursday last, hessian maintained the gain. Ready B. twills were at the same time pushed to Rs. 114-12. Speculators were again active, as foreign inquiries increased. Business for export was also subsequently done. The uptrend was fully maintained yesterday, with both hessian 40″ 10 oz. and B. twills gaining further fractionally. Forward quotations for both hessian and B. twills were higher than the ready goods. The difference between April-June and ready quotations was narrowed down in respect of hessian as the week progressed, but, as regards B. twills, the difference widened as prices gained.

Mills gave good support to raw jute, as they purchased fair quantities. Sellers were as usual reserved. These factors were sufficient to raise prices for the different constructions by one to two points. From Rs. 29, Indian northern bottoms gained to Rs. 31 and, at Rs. 31-8, local daissee bottoms were higher by Re. 1-8. The latest quotations are given below with those of a week ago in brackets:

	Middles Rs.	Bottoms Rs.
Pakistani:		
Northern ...	35-8 (33-8)	33-8 (30-8)
District ..	36-0 (34-0)	33-0 (31-0)
Indian:		
Northern ...	34-0 (32-0)	31-0 (29-0)
Assam Upper ...	34-0 (32-0)	31-0 (29-0)
Assam Lower ...	34-0 (32-0)	31-0 (29-0)
Daissee ...	34-8 (32-8)	29-8 (31-8)
Murshidabad ...	33-0 (31-0)	30-0 (28-0)
Western ...	33-0 (31-0)	30-0 (28-0)
Jungli ...	33-0 (30-0)	29-0 (27-0)
Orissa ...	35-0 (32-8)	32-0 (29-8)
Uttar pradesh	32-0 (30-0)	29-0 (27-0)
Daissee *mesta*	31-8 (30-0)	28-8 (27-0)
Bimli f.a.q.	Rs. 29-0 (27-0)	

Pucca bale 1st marks Rs. 193-8 (182-8) per bale.

LINSEED EASY

(Messrs. A Bradley & Co.)

CALCUTTA, 6th *February*

Easier conditions prevailed during the past week, after the firm upward trend of the past few weeks, and prices were marked down appreciably, owing to less keen overseas demand for linseed oil. Local shippers also were somewhat reserved in anticipation of an imposition of export duty on linseed oil.

There is still an acute shortage of ready linseed, owing to poor arrivals from the centres, but new crop forward delivery goods are being offered at lower levels.

In the oil market, little fresh business has been placed, while buyers and sellers alike are pausing at present.

Latest quotations are as follows: February-March Rs. 23 and April-May Rs. 20 per maund.

WHEAT PRICES DECLINE

(From Our Own Correspondent)

HAPUR, 6th *February*

Quiet to easy conditions continued to prevail in the foodgrains market during the week. The Government of India's decision to ban exports of wheat products had a further quietening effect on wheat prices. Some quantity of imported wheat was diverted from Delhi to Hapur and that being of fine quality was sold at Rs. 14-12 per maund. Wheat prices of average quality sagged by As. 8 per maund to Rs. 14-6 and fine quality to Rs. 15-4 per maund. The week's offtake was negligible, mostly to meet local requirements and one *khati* to Meerut. Stock is now put at 41 *khaties* as against 19 *khaties* at this time last year. The State Government has arranged to sell wheat at a price of two seers and 10 chhataks per rupee in U.P.'s Kabal towns and this has accounted for a fall in demand from east U.P. centres.

Rice prices also ruled a shade easy on good supply position and expectations of higher production during the year 1955-56 as reflected by the second all-India estimates which showed an increase of 4.1 per cent. in area and 7.4 per cent. in production over last year at 72,332,000 acres and 23,775,000 tons, respectively. The current prices are: Rangooni Rs. 14-4, mainpori Rs. 17-12, and coarse Rs. 12-14 per maund.

Except barley which was steady at unchanged level, due to scarcity of stocks, other coarse grains eased in line with wheat and were today quoted at: barley Rs. 10-4, bejhar Rs. 9-12, jowar Rs. 10-8, maize Rs. 10-12, bajra Rs. 9 and guwar Rs. 9 per maund.

Following easy advices from Madhya Pradesh and Hyderabad, where new crop arrivals of *arhar* have begun, *arhar* prices here recorded further fall of Re. 1 per maund to Rs. 11 per maund. Stocks are estimated at 7 *khaties*. Peas prices, on the other hand, hardened slightly on reports of fast decreasing stocks due to substantial offtake from Howrah and east U.P. Stocks are estimated at 4 *khaties* only. Peas *dara* is now transacted at Rs. 9 per maund. Other pulse prices also eased fractionally to *urd* Rs. 15-8 to Rs. 16-4, *moong* Rs. 13-6 and masoor Rs. 13-2 per maund.

While *urd magh* future prices declined during the week on heavy bear pressure, other pulses futures ruled quiet at near last week's level and were quoted on Monday at: Peas *jeth* Rs. 7-11; peas white *jeth* Rs. 8-3 and *maha* Rs. 9-10-6; *arhar jeth* Rs. 9-3, *urd magh* Rs. 14-8 and *baisakh* Rs. 14-15.

Standing crops are now reported to be in want of rains in areas where there are no irrigations facilities, while in other areas they are reported to be satisfactory.

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, 6th *February*

The sugar market remained depressed during the week. The demand was confined to very small lots from Punjab and Delhi. The increased production at 359,162 tons during the first two months of the current season, as against 331,402 tons during the same period last year, accounted for the depressed conditions as the overall production is expected to reach a fresh record figure this season. The Government of India has released quotas for free sale. Mill delivery prices during the week declined by As. 2 to As. 4 per maund and the latest prices as on Monday are:

Jaswant Rs. 28-4, Simbhauli Rs. 28-10, Mowana Rs. 28-12, Daurala Rs. 29, Amroha Rs. 27-8, Bijnore Rs. 27-10, Mansoorpur Rs. 29-4, Rampur Rs. 30-6; retail Rs. 31 per maund. The *khandsari* market ruled dull and demand was practically dormant. Inferior grade was quoted between Rs. 20 and Rs. 23 and superior between Rs. 24 and Rs. 26.

After initial fall to Rs. 10-8 per maund, ready *gur* prices improved to Rs. 10-12 per maund quoted today. Booking was restricted and the demand at the prevailing rates was also reported slack. The week's arrivals amounted to 20,000 maunds and local stock has swelled to 65,000 maunds. The total arrivals since the beginning of the season were put at 360,000 maunds, as against 420,000 maunds by this time last year.

In the forward section, *gur fagan* moved both ways during the week on speculative bouts of buying and selling. Opening at Rs. 11-5 for *fagan* delivery on Monday last week, prices touched the highest of the week at Rs. 11-11-Rs. 10-10½ on Wednesday and then declined to the lowest at Rs. 10-13½. The latest prices today were Rs. 11-1½.

Sowing operations for next crop have begun in some areas.

ENGINEERING

(*Concluded from page 252*)

continued, it will very adversely affect the private sector. Another point I would stress is the question of purchase by D.G.S. & D. Large quantities of machine tools are still being imported directly for the requirements of various State-owned factories, which the indigenous manufacturers are in a position to supply. We have approached the D.G.S. & D. with a request to let us know why foreign machines are imported when indigenous capacity for similar machines is available. In a particular instance, we had requested the D.G.S. & D. to arrange for a meeting between the representatives of the industry and the factory concerned, but up to date, for one reason or another, this meeting has not yet taken place."

LATEST U.K. FURNACES FOR INDIAN TRAINEES' USE

The latest type of British heat-treatment furnaces is being made available for the training of students at Indian technical and rehabilitation centres. A consignment of 26 of these furnaces is now on its way from the British firm of manufacturers. These furnaces, valued at £7,000, have been bought in England by the U.S. Government through the Indian Supply Mission in Washington for the Indian Government.

The furnaces—called electric heat-treatment batch furnaces—have a working space of 15 in. deep by 6 in. high and 12 in. wide, and can operate up to a maximum temperature of 1,000° C.

NEW TITANIUM PLANT

Europe's first full-scale plant for processing titanium with the use of metal rectifiers of special design will soon be put into continuous operation at a Sheffield factory. The power plant is rated to work continuously and the total rectifier capacity is 18,000 amperes at 40 volts. The system, it is claimed, combines high efficiency with a wide range of output characteristics. The control panel is arranged so that each furnace operator has all his controls immediately around him. He is neither distracted in his work by any other operator nor does his use of power interfere with their work.

NEW FEATURES IN LATEST P. & O. FREIGHTERS

Several features new to Peninsular and Oriental Steam Navigation Company (P. & O.) ships are incorporated in the new cargo ships built for the Company. One of these is the 8,000-ton *Salsette*, which has just been launched on the River Clyde, Scotland. Among the new features are bipod masts, folding hatch covers, and glass-fibre (instead of the orthodox steel) lifeboats. The sister ship, *Salmara*, which is expected to be launched on the Clyde in April, has the same new features. Each of the new freighters will carry a complement of 84, but no provision has been made for passenger accommodation. There have been two previous ships named *Salsette* in the P. & O. fleet. The first was a single-screw steamer of only 1,491 tons, built of iron, which entered service in the India trade in 1858 and continued until 1871. The second, specially designed for the Bombay-Aden service, was of 5,842 tons. It continued in service from 1908 till 1917, when it was torpedoed off Portland (Dorsetshire), in the English Channel.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	8
Canada	10th Nov., 1955	2½	2¾
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	15th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1946	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1953	3½	3
Italy	4th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	7th April, 1953	3	2½
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1953	2½	3½
Pakistan	14 July, 1948	..	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1950	4	3½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	20th Nov., 1936	1	1½
Turkey	28th June, 1955	3	4½
United Kingdom	24th Feb., 1955	3½	4½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	18th Nov., 1955	2½	2¾
West Germany	4th Aug., 1955	3	3½

CLEARING HOUSE RETURNS

Centre	Week ended 3rd February, 1956		Week ended 27th January, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,03,402	74,96,05,000	1,58,112	45,41,09,000
Calcutta	2,41,606	81,79,55,898	2,29,324	48,42,16,532
Madras	91,009	9,85,58,850	79,030	6,99,57,295
All Centres—				
1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Oct., 1955	..	..	2,889,000	6,16,32,00,000
Nov., ,,	..	..	3,116,000	6,73,96,00,000
Dec., ,,	..	..	3,267,000†	7,23,52,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 3rd Feb., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		10,00,00,000
National Agricultural Credit (Stabilisation) Fund		....
Deposits:—		
(a) Government—		
(1) Central Government		52,87,58,000
(2) Other Governments		14,40,46,000
(b) Banks		63,23,09,000
(c) Others		19,79,83,000
Bills Payable		17,85,52,000
Other Liabilities		24,42,47,000
	Rupees	208,59,25,000

ASSETS	Rs.	Rs.
Notes		8,45,54,000
Rupee Coin		3,76,000
Subsidiary Coin		6,72,000
Bills Purchased and Discounted—		
(a) Internal		45,50,000
(b) External		....
(c) Government Treasury Bills		2,11,53,000
Balances held abroad*		81,41,00,000
Loans and Advances to Governments		2,52,00,000
Other Loans and Advances		49,62,20,000
Investments		50,37,50,000
Other Assets		13,53,50,000
	Rupees	208,59,25,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 18,87,50,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 11,49,50,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,45,54,000	
Notes in circulation	1392,36,87,000	
Total Notes issued		1400,82,41,000
Total Liabilities	....	1400,82,41,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	652,15,97,000	
Total of A		692,17,68,000
B. Rupee Coin		105,38,04,000
Government of India Rupee Securities		603,26,69,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1400,82,41,000

Ratio of Total of A to Liabilities: 49.412 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 27th Jan., 1956

	Rs.	Rs.
1. Demand Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		8,44,52,000
(ii) Other demand liabilities		642,43,58,000
2. Time Liabilities in India:		
(i) Borrowings from banks other than the State Bank and a notified bank†		3,30,50,000
(ii) Other time liabilities		406,57,58,000
3. Borrowings in India from the State Bank and/or a notified bank:		
(i) Demand liabilities		11,56,29,000
(ii) Time liabilities		37 31,81,000
4. Cash in India		62,04,38,000
5. Balances with the Reserve Bank in India		10,80,02,000
6. Balances with other banks in current account in India		9,45,25,000
7. Money at call and short notice in India		881,77,20,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		548,19,13,000
9. Advances in India		86,55,24,000
10. Inland Bills purchased and discounted in India		47,85,24,000
11. Foreign Bills purchased and discounted in India		

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	7th February 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot s.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months s.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months s.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months s.	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D. Rs.	477 1/2	477 1/2
Buyers T.T. Rs.	473	473
London on New York $	2.80 2.80	2.80 2.80
London on Paris Frs.	985	985
London on Berne Sw. Frs.	12 24-12 27 1/2	12 24 1/2-12 25 1/2
New York on London $	2.80 1/32-2.80	2.80 1/32-2.80

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'53-'54	373.37	..	..	10,600	284
Pakistan	'53-'54	78.81	..	..	1,931	245
Burma	1953	19.05	Kyats	3,928	392	206
Ceylon	1953	8.16	..	..	441	540
Japan	1953	86.70	Y.	5,965,000	7,890	910
Philippines	1953	21.02	Ps.	7,375	1,654	787
New Zealand	1953	2.05	£ (N.Z.)	727	969	4,727
Australia	1953	8.33	£ (A)	3,714	4,127	4,900
U.K.	1953	50.86	£	14,719	19,625	3,858
U.S.A.	1954	162.41	$	300,000	144,423	9,016
Canada	1953	14.78	$	19,043	8,407	5,688
France	1953	42.86	F.Fr.	10,470,000	14,420	3,364
W. Germany	1953	48.99	Dm.	103,000	11,705	2,389
Italy	1953	48.07	Lr.	8,967,000	6,832	1,421
Norway	1953	3.36	Kr.	17,102	1,152	3,428
Sweden	1953	7.17	Kr.	36,957	3,422	4,772
Netherlands	1953	10.49	Grs.	19,360	2,451	2,336
Denmark	1953	4.37	Kr.	22,915	1,580	3,616
Switzerland	1953	4.88	Sw.Fr.	20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, March, 1955.

† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 27th Jan., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	20,08,93,000
(b) Provincial Governments	51,13,000
(c) Banks	12,16,00,000
(d) Others	20,37,00,000
Bills Payable	8,09,000
Other Liabilities	6,61,50,000
Rupees	66,32,65,000

ASSETS	Rs.
Notes	9,33,93,000
Rupee Coin	8,000
Subsidiary Coin	11,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	59,13,000
Loans and Advances to Governments	1,60,00,000
Provincial Governments Debtor Balances	2,10,34,000
Other Loans and Advances	20,12,49,000
Investments	21,64,22,000
Other Assets	10,92,35,000
Rupees	66,32,65,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,33,93,000	
Notes in circulation	286,74,15,000	
Total Notes issued		296,08,08,000
Total Liabilities	....	296,08,08,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,68,000	
Silver Bullion		
Sterling Securities	80,00,28,000	
Government of India Securities	26,53,67,000	
Indian Notes representing assets receivable from the Reserve Bank of India	43,11,81,000	160,85,34,000
B. Rupee Coin	6,89,42,000	
Government of Pakistan Securities	122,43,26,000	
Internal bills of exchange and other commercial paper	....	129,32,68,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	296,08,08,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 56.22 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	27th Jan., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,379.07	1,382.71	1,361.98	1,217.72
Notes held in Banking Department	35.05	22.97	19.11	12.04	17.60
Foreign Securities	59.50	667.07	667.07	686.88	653.21
Rupee Securities	37.39	588.37	588.36	538.67	437.62
Banking Department					
Deposits of:					
Government of India	14.89	54.32	50.30	54.01	54.02
Other Governments	..	18.47	13.38	10.62	20.77
Balances held abroad	10.08	67.05	72.55	48.30	76.40
SCHEDULED BANKS					
Demand Liabilities	134.36	648.88	655.46	614.48	579.97
		(6.45)†	(7.34)†	(5.22)‡	(10.24)†
Time Liabilities	102.24	409.88	411.08	418.40	370.43
		(3.31)†	(2.88)†	(5.34)†	(2.91)†
Borrowings from Reserve Bank	..	29.37	27.54	30.02	8.15
		(17.70)‡	(15.25)‡	(18.86)‡	(3.57)‡
Borrowings from State Bank	..	11.56	11.21	7.23	4.21
Cash in India	6.70	37.32	36.28	38.06	33.04
Balances with Reserve Bank	..	88.5	86.8	86.7	86.6
Money at call and short notice in India	..	9.45	9.97	10.50	17.52
Investments (at book value)	..	381.77	381.60	385.05	352.79
Advances and bills	105.09	677.60	665.80	631.45	559.97
STATE BANK					
Deposits	..	87.76	238.42	241.90	222.30	231.03
Investments	..	51.99	116.12	116.32	118.37	110.71
Advances	..	30.35	114.47	110.39	103.31	105.75
Cash	..	14.69	32.04	30.77	21.62	29.22

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	November,		Eight months, April to Nov.,	
	1954	1955	1954	1955
Import Duties†				
Revenue	12.42	9.90	79.28	74.41
Protective	0.78	0.87	5.10	6.59
On surplus disposals	—	—	0.12	0.07
Total Import duties	13.20	10.77	84.50	81.07
Export Duties	5.20	2.78	22.26	24.48
Land Customs	0.23	0.20	1.27	0.69
Miscellaneous	0.07	0.06	0.72	0.48
Gross total customs	18.70	13.79	108.75	106.72
Refunds and drawbacks	0.17	0.20	0.90	1.75
Net Customs	18.53	13.59	107.85	104.97
Gross excise	8.73	11.67	66.92	96.63
Refunds	0.20	0.17	1.19	3.03
Net Excise	8.53	11.50	65.73	93.60
Net total of customs and excise†	27.06	25.09	173.58	198.57

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 3rd Feb., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,02,500 shares of Rs. 100 each.	5,02,50,000	
		5,02,50,000
Reserve Fund and Other Reserves	..	6,35,00,000
Deposits and Other Accounts	..	236,08,37,000
Borrowings from Other Banking Companies, Agents, etc.	..	90,00,000
Bills Payable	..	8,20,56,000
Bills for Collection being Bills Receivable as per contra	..	62,40,000
Acceptances, Endorsements and Other Obligations per contra	..	17,55,000
Other Liabilities (including Inter-Office Adjustments)	..	11,44,74,000
Total ..	Rs.	270,01,12,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	26,21,34,000
Balances with other Banks	..	3,36,59,000
Money at Call and Short Notice	..	1,20,00,000
INVESTMENTS:		
Government and other Trustee Securities	107,31,13,000	
Other Authorised Investments	9,59,65,000	
		116,90,78,000
ADVANCES:		
Loans Cash Credits, Overdrafts, etc.	89,36,06,000	
Bills Discounted and Purchased	28,35,82,000	
Bills Receivable being Bills for Collection as per contra		117,71,88,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		62,40,000
Premises less Depreciation		17,55,000
Furniture and Fixtures less Depreciation		1,15,56,000
Other Assets (including Inter-Office Adjustments)		48,19,000
		1,90,34,000
Total ..	Rs.	270,01,12,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS§§

	National Savings Certificates						Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-Year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates§	
	5-Year†		7-Year		12-Year										
	Out-standings*	Re-ceipts	Out-standings*	Re-ceipts	Out-standings*	Re-ceipts	Re-ceipts	Out-standings*		Re-ceipts	Out-standings*	Re-ceipts	Out-standings*	Re-ceipts	Out-standings*
1952-53	6,83	65	3,26	23,66	84,17	1,13,35	92,03	— 31,07		7,55	25,64	..	..	..	..
1953-54	5,91	1,50	4,26	26,64	1,04,38	1,17,37	1,06,29	— 34,19		6,94	33,11	..	..	..	..
1954-55	4,70	1,62	4,99	27,26	1,24,64	1,33,76	1,30,57	— 36,36		5,57	37,15	7,40‡	7,38	55‡‡	54
November 1954	5,06	12	4,64	2,25	1,16,76	10,24	11,31	— 35,68		37	35,84	58	5,23	6	34
December ,,	4,96	11	4,68	2,34	1,18,40	11,36	1,18,56	— 35,86		40	35,98	57	5,79	6	39
January, 1955	4,88	14	4,76	2,48	1,20,28	10,51	1,20,10	— 36,02		43	36,37	54	6,33	6	45
February ,,	4,81	12	4,79	2,27	1,21,88	11,13	1,22,03	— 36,18		40	36,74	48	6,81	5	50
March ,,	4,70	26	4,99	3,41	1,24,64	18,51	1,30,57	— 36,36		47	37,15	58	7,38	4	54
April ,,	4,60	11	5,00	2,35	1,26,45	12,41	1,32,91	— 36,51		45	37,55	48	7,80	4	58
May ,,	4,52	36	5,24	2,01	1,27,93	11,82	1,34,03	— 36,65		41	37,89	66	8,51	4	61
June ,,	4,44	13	5,12	2,09	1,29,49	12,26	1,35,93	— 36,77		37	38,22	84	9,33	5	65
July ,,	4,36	12	5,15	2,27	1,31,28	12,80	1,40,23	— 36,86		41	38,54	94	10,20	4	69
August ,,	4,29	12	5,17	2,09	1,32,92	12,25	1,43,50	— 36,97		39	38,87	91	10,80	4	73
September ,,	4,21	13	5,21	2,54	1,34,88	12,39	1,46,80	— 37,12		44	39,28	94	11,40	3	72
October ,,	4,14	10	5,21	2,10	1,36,37	11,35	1,48,68	— 38,24		46	39,68	80	11 80	4	75
November ,,	4,07	10	5,21	1,98	1,37,67	11,26	1,50,10	— 38,35		43	40,05	82	12,49	5	80
December ,,	..	..	..	..	..	..	..	..		36	40,84	..	13,21	5	85

* At the end of period.

† Issued from 1st June, 1948 to 30th June, 1953.

§ From July, 1954. §§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‡ Issued from 10th May, 1954. ‡‡ Relating to nine months from July, 1954.

‡ Relating to twelve months from July, 1954. E—Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 29-1-'56	31-12-'55*	21-1-'56	28-1-'56
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.6	91.1	91.1	91.1
1. Government of India	90.5	90.9	91.0	91.0
2. Indian States	96.1	96.5	96.5	96.5
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	101.1	101.1	101.1
1. Electricity	102.0	102.6	102.6	102.6
2. Jute	98.3	98.0	97.6	97.6
3. Plantations	99.6	99.1	99.1	99.1
4. Sugar	99.3	99.0	99.0	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	101.0	100.9	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.3
8. Others	100.8	101.0	101.0	101.0
PREFERENCE SHARES	88.3	87.6	87.2	87.1
1. Electricity	97.0	95.4	94.7	94.7
2. Cotton	78.8	80.1	79.8	79.8
3. Jute	88.5	86.8	86.7	86.6
4. Coal	91.0	90.7	90.5	90.5
5. Iron and Steel	90.0	89.5	88.9	88.4
6. Sugar	94.3	85.5	85.5	85.5
7. Paper	90.4	89.4	86.5	86.5
8. Plantations	96.3	102.4	101.2	101.2
9. Miscellaneous	87.4	84.7	84.6	84.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	115.8	128.9	125.8	123.8
(a) Financial	89.7	94.6	93.7	92.4
1. Banks	98.3	93.6	92.6	91.8
2. Insurance	110.0	100.0	99.7	95.3
3. Investment Trust	90.1	97.3	96.9	95.1
(b) Public Utilities	115.7	118.0	118.6	115.4
1. Electricity	124.6	122.2	120.7	120.1
2. Shipping and other Transport	102.6	115.2	113.8	110.6
3. Railways	88.2	92.3	92.3	92.3
(c) Manufacturing Industries	113.8	139.7	134.5	132.0
1. Cotton, Woollen and Silk	105.4	130.8	125.5	124.4
2. Jute	98.4	92.5	91.1	90.7
3. Iron and Steel	142.2	164.7	156.4	148.4
4. Paper	210.4	294.8	290.9	286.5
5. Cement	147.3	184.4	175.8	173.0
6. General Engineering	160.4	205.7	204.5	201.7
7. Sugar and Breweries	106.6	111.3	108.5	107.4
8. Chemicals	138.3	158.0	153.0	151.6
(d) Non-Manufacturing Industries	157.3	185.6	183.8	181.2
1. Coal	81.6	84.4	86.8	85.6
2. Mining and Oil	194.0	284.4	282.6	253.8
3. Plantations	187.2	173.7	169.4	168.5
(e) Miscellaneous	99.4	109.3	106.0	103.9
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.1	—	90.6	90.6
2. Calcutta	90.5	91.0	91.0	91.1
3. Madras	90.9	91.4	91.4	91.4
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.8	—	100.2	100.2
2. Calcutta	101.3	101.9	101.9	101.9
3. Madras	100.6	100.1	100.1	100.1
PREFERENCE SHARES:				
1. Bombay	91.7	—	90.4	90.0
2. Calcutta	85.1	88.2	83.1	83.1
3. Madras	93 7	98.1	97.1	96.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	119.7	—	130.3	126.8
2. Calcutta	109.4	117.9	116.9	115.8
3. Madras	111.5	124.4	132.5	131.4
4. Delhi	114.6	140.8	130.9	131.0

Source: Department of Research and Statistics, Reserve Bank of India. * Bombay market remained closed during the week.

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Man-days lost
1951	1,071	661,831	3,818,928
1952	962	809,242	3,336,961
1953	772	486,307	3,382,008
1954	840	477,186	3,377,630
October 1953	101	80,211	402,116
November ,,	68	41,681	345,211
December ,,	81	60,780	479,358
January 1954	84	51,978	326,514
February ,,	85	41,351	344,295
March ,,	91	54,302	381,419
April ,,	101	56,988	307,547
May ,,	90	60,078	314,062
June ,,	83	51,589	305,078
July ,,	122	80,189	377,492
August ,,	79	51,090	323,337
September ,,	97	60,454	342,578
October ,,	88	41,734	276,294
November ,,	68	25,118	229,701
December ,,	101	54,455	362,763
January 1955†	95	49,088	328,807
February ,,	91	39,270	144,328
March ,,	112	70,042	534,696
April ,,	90	29,815	203,658
May ,,	119	69,054	485,415
June ,,	154	85,172	1,035,704
July ,,	108	57,709	681,158
August ,,	893	90,350	816,961
September ,,	249	91,843	857,332
October ,,	113	24,496 (a)	139,066 (b)

† Figures for 1955 are provisional. * Revised.

(a) 104 known in one case. (b) Not known in 5 cases.

§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.8
1953-54	648	6,876.8	5,572.7
1954-55	686	7,750.9	6,319.2
September 1954	669	647.6	523.3
October ,, ,,	669	686.5	511.6
November ,, ,,	674	656.5	524.6
December ,, ,,	679	683.5	558.9
January 1955	684	668.5	548.3
February ,, ,,	685	625.7	521.2
March ,, ,,	686	696.7	568.3
April ,, ,,	690	691.1	563.9
May ,, ,,	691	706.5	569.2
June ,, ,,	696	714.2	576.1
July ,, ,,	700	724.8	583.3
August ,, ,,	705	706.9	574.4
September,,	707	719.2	587.1
October ,,	716	720.7	591.9

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

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	21st Jan., 1956	14th Jan., 1956	22nd Jan., 1955	December 1955	December, 1954	Percentage of increase (+) or decrease (—) in Dec., 1955 as compared with Dec., 1954	Annual Average 1955	Annual Average 1954
Food Articles	333.6	333.8	305.6	323.7	318.0	+ 1.8	304.5	358.3
Cereals	397	399	342	385	364	+ 5.8	355	404
Pulses	370	362	241	345	236	+46.2	259	318
Other	238	237	285	234	268	—12.3	241	298
Industrial Raw Materials	452.0	455.2	430.9	438.3	436.3	+ 0.5	411.1	447.1
Fibres	460	458	474	440	468	— 6.0	431	444
Oil seeds	457	458	391	431	391	+10.2	370	438
Minerals	447	426	411	434	417	+ 4.1	420	429
Others	453*	458*	481	402	442	+ 4.5	444	410
Semi-Manufactures	354.4	352.4	344.6	346.6	374.4	— 0.2	333.3	355.4
Leather	424	418	387	400	381	+ 5.0	373	377
Mineral oils	202	202	221	202	221	— 8.6	211	221
Vegetable oils	424*	426	411	411	411	— 0.7	374	454
Cotton yarn	434	433*	451	424	453	— 6.4	423	454
Metals	280	280	240	279	240	+16.3	254	229
Oil cakes	359	359	301	355	378	— 4.8	320	410
Others	330	330	334	330	318	+ 3.8	330	305
Manufactured Articles	374.4	375.8	376.4	373.0	375.1	— 0.6	373.4	375.5
Textiles	407	409	421	405	418	— 3.1	411	418
Jute	412	426	463	415	451	— 8.0	430	438
Cotton	403*	403*	411*	399*	412*	— 3.2	396*	418*
Rayon and Silk	486*	486	464*	458*	447*	+ 8.7	478*	469*
Woollen	278	278	310	278	310	—10.3	292	311
Metal products	371	371	361	340	378	— 4.8	351	369
Others	285	285	254	284	285	— 0.4	286	286
Miscellaneous	534.6	538.4	587.1	544.2	579.7	— 6.1	555.1	646.8
All Commodities	376.6	376 1	362.1	368.4	368.8	0.2	355.1	386.7

R—Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

Year ended August, 1939=100

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugarf	Gur	Tobacco	Raw cotton	Raw jutef	Groundnut	Linseed	Castorf	Jute manufactures	Cotton manufactures	Iron and steel
1954																		
October	463	479	166	213	254	606	541†	301	230†	909†	468†	400	420	238	257	451	415

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop	Forecast	Unit	Acreage 1954-55	Acreage 1953-54	Outturn 1954-55	Outturn 1953-54
Rice	final	tons	74,424	77,032	24,209	27,561
Wheat	final	,,	26,842	26,310	8,539	7,373
Jowar	final	,,	43,456	43,657	9,092	7,913
Bajra	final	,,	27,350	30,094	3,555	4,459
Barley	final	,,	7,999	8,721	2,786	2,904
Maize	final	,,	9,325	9,360	2,944	2,964
Ragi	final	,,	5,747	5,714	1,778	1,619
Small millets	final	,,	13,680	13,979	2,424	2,427
Total cereals	final	tons	208,823	214,867	55,327	57,920
Kharif	final	,,	173,982	179,836	44,002	47,143
Rabi	final	,,	34,841	35,031	11,325	10,777
Kharif pulses@	final	tons	14,935	15,192	1,497	1,543
Rabi pulses†	final	,,	10,498	11,214	1,977	2,089
Total pulses	final	,,	54,004	53,715	10,474	10,458
Tur	final	,,	5,944	5,931	1,661	1,627
Gram	final	,,	20,991	19,754	5,125	4,775
Jute	final	bales	1,581†	1,243††	4,137†	2,928††
Cotton	final	,,	18,846	17,182	4,298	3,965
Sugarcane	2nd	tons	3,080†	3,718††	5,079†	4,853††
Groundnut	final	tons	12,647	10,869	3,623	3,573
Linseed	final	,,	3,290	3,860	888	874
Castorseed	final	,,	1,273	1,373	112	108
Rape and Mustard seed	final	,,	5,665	5,534	962	855
Sesamum	final	,,	6,460	6,346	592	552
Tobacco	final	tons	880	912	243	263
Black pepper	final	,,	208	208	26	24
Ginger	final	,,	44	45	13	14
Dry chillies	final	,,	1,472	1,326	356	297
Potato	final	,,	665	635	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
@ Excludes Tur. ‡ Excludes Gram and Tur.
† Refers to 1955-56 †† Refers to 1954-55

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Productionl	During December, 1955	97.3
	Corresponding month, 1954	94.0
	Six months ended Dec., 1955	519.4
	Corresponding period, 1954	495.5
Stocks	At the end of December, 1955	64.2
	Corresponding month, 1954	69.6
		(In 000 bags)
Exports (Jute Bags)	Week ended 17th Dec., 1955	15,049
	Corresponding week, 1954	6,879
	From 1st Jan., to 17th Dec., 1955	459,983
	Corresponding period, 1954	443,981
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 17th Dec., 1955	8,606
	Corresponding week, 1954	5,135
	From 1st Jan., to 17th Dec., 1955	1,323,310
	Corresponding period, 1954	1,386,595
	RAW JUTE	(In lakhbales)
Consumption by Mills†	December, 1955 (in lakh bales)	5.64
	Corresponding month, 1954	5.45
	Six months ended Dec., 1955	30.13
	Corresponding period, 1954	28.74

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,84,000	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,51,200
Ten months ended Jan., 1956.	9,55,100	8,76,400	6,60,200
August 1954	98,700	90,400	67,100
September ,,	86,800	82,400	63,800
October ,,	96,500	89,200	66,500
November ,,	98,800	95,500	68,000
December ,,	1,05,600	95,000	73,500
January 1955	1,02,500	95,800	72,200
August ,,	92,500	83,900	63,700
September ,,	95,800	87,500	65,700
October ,,	91,700	83,800	64,800
November ,,	91,900	86,200	63,400
December ,,	1,03,900	97,500	72,300
January 1956	1,03,900	96,800	71,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,202	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,093
Three months ended Dec., 1953.	1,81,680	1,16,800	1,05,940
Mar., 1954.	1,87,750	1,28,510	1,16,940
June, 1954.	1,82,770	1,17,870	1,07,480
Sept., 1954.	1,89,018	1,29,741	1,12,561
Dec., 1954.	1,88,053	1,36,801	1,20,616
Mar., 1955.	1,65,108	1,48,828	1,18,136
June, 1955.	1,85,605	1,34,333	1,16,281
Sept., 1955	1,76,181	1,30,680	1,08,714
Dec., 1955	1,60,750	1,24,696	1,05,752

OVERALL BALANCE OF TRADE OF INDIA
October, 1955†

Particulars	October, 1954	October, 1955	Seven months, April to Oct., 1954	Seven months, April to Oct., 1955
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise— (a) Exports	47,25	46,87	301,51	336,64
b) Re-exports	36	53	3,11	3,12
Less—Transit trade	4	..	27	8
Net re-exports	32	53	2,84	3,04
Total exports	47,57	47,40	304,35	339,68
2. Imports	56,33	51,79	358,59	354,97
Less—Transit trade	..	1	9	8
Net imports*	56,33	51,78	358,50	354,89
Balance of trade in merchandise	— 8,76	— 4,38	—54,15	—15,21
Balance of trade in gold and silver	..	..	— 2	— 4
Total overall visible balance of trade	— 8,76	— 4,38	—54.17	—15,25

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands) Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953	1,168	34,406	128,773	28,539	11,413	2,635	949	171	169	209	169	297
1953-1954	1,179	35,215	129,009	29,365	11,082	2,512	899	153	153	168	190	344
1954-1955	..	..	..	..	11,768	2,711	885	183	160	167	158	397
September 1954	95	2,630	9,902	2,394	914	241	66	11	9	11	12	31
October ,,	99	2,881	10,181	2,458	939	241	65	15	10	19	14	32
November ,,	..	..	..	..	986	226	73	15	13	25	10	34
December ,,	..	..	..	..	1,064	229	70	20	14	21	10	30
January 1955	..	..	..	..	1,082	223	74	20	17	19	15	35
February ,,	..	..	..	..	1,021	209	72	18	16	15	15	33
March ,,	..	..	..	..	1,096	227	78	20	19	16	14	33
April ,,	..	..	..	..	1,034	222	77	21	18	11	13	33
May ,,	..	..	..	..	993	223	80	19	17	8	13	32
June ,,	..	..	..	..	946	217	80	15	15	6	12	32
July ,,	..	..	..	..	1,000	223	87	13	6	6	15	31
August ,,	..	..	..	..	1,009	239	88	15	13	9	16	34
September ,,	..	..	..	..	999	232	79	13	12	11	14	32
October ,,	..	..	..	..	1,031	246	74	13	12	17	10	33

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 2nd Feb., 1956	43,238
	Corresponding week, 1955	49,594
	1st Sept. to 2nd Feb., 1956	568,738
	Corresponding period, 1955	549,890
Cotton Exports‡	Week ended 2nd Feb., 1956	14,144
	Corresponding week, 1955	16,099
	1st Sept. to 2nd Feb., 1956	335,902
	Corresponding period, 1955	131,140
Mill Consumption (Estimated)	1st Sept. to 2nd Feb., 1956.	512,252
	Corresponding period, 1955	528,397
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 2nd Feb., 1956	468,320
	Corresponding date, 1955	374,160
Cotton Exports from Bombay (by sea)	During November, 1955	65,180§
	1st Sept., '55 to 31st Nov., 1955	266,531
	1st Sept. '54 to 31st Nov., 1954	75,778
Karachi (Pakistan)—		
Receipts	1st Sept. to 19th Jan., 1955-56	786,621
	Corresponding period, 1954-55	708,007
Exports	1st Sept. to 19th Jan., 1955-56	361,181
	Corresponding period, 1954-55	216,080

† Incomplete. ‡ Excluding Zoda and Yellow Pickings, etc § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept., 1955 to 6th Feb., 1956 Bales	From 1st Sept., 1954 to 6th Feb., 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom	34,089	11,597
Continent	67,500	15,932
Hongkong	27,238	....
China	84,651	1,409
Japan	155,341	44,632
U.S.A.	2,658	8,199
Other Countries	2,235	760
Total to all foreign countries	324,612	85,579
Coastal Ports	62,416	46,833
Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	September, 1955	382,979
Foreign		48,174
Indian	Twelve months ended Aug., '55	4,138,438
Foreign		680,474
Indian	Same Period 1954	3,888,748
Foreign		719,073
Stocks (Mills and Elsewhere)—		
Indian	As on 30th Sept., 1955	1,278,133
Foreign		172,306
Indian	As on 30th Sept., 1954	916,006
Foreign		169,918
	Week ended 27th Jan., 1956	19,933
Cotton Pressed in India† (In running bales)	Corresponding week, 1955	116,547
	1st Sept. to 27th Jan., 1956.	920,766
	Corresponding period, 1955	1,493,024

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-33	63,30,26,000	1950-70	101
3 % Loan	1938-39	1,16,17,46,000	1963-65	94
2½ % Loan	1950	30,33,10,000	1964	92
3 % Fg. Loan	1943	1,10,11,78,000	1966-68	92
3 % V. Loan	1944	1,14,06,89,000	1967	88
3 % Loan	1945	1,15,06,58,000	1970-75	88
3 % 2nd V. Loan	1945	1,18,65,64,000	1969-61	98
3 % Loan	1951	50,35,53,000	1958	99
2½ % Loan	1941	45,65,07,000	1960	96
2½ % Loan	1946	57,00,69,000	1961	93
2½ % Loan	1946	14,77,48,000	1976	88
2½ % Loan	1947	75,86,72,000	1963	93
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99
3½ % N.P. Loan	1954	157,35,41,000	1964	98
3½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	80
3 % Loan	1946	£45,91,66,000		80
REPATRIATE STERLING LOANS				
4½ % Loan	1926	5,85,20,000	1958-63***	103
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99
3 % Bombay	1943	2,99,35,000	14th Sept. 1956	99
3 % Bombay	1945	1,26,06,000	15th Aug. 1958	98
3 % Bombay	1949	5,63,12,000	1st Aug. 1962	94
3 % Bombay	1950	2,92,30,000	31st July 1960	96
3½ % Bombay	1951	2,97,86,900	17th Sept. 1963	101
4 % Bombay	1952	5,50,35,000	15th July 1963	101
4 % Bombay	1952	8,61,31,700	1st Aug. 1964	101
4 % Bombay	1955	9,00,00,000	1st Sept. 1967	100
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99
3 % Cochin	1945	1,00,00,000	16th Dec. 1953-58	98
3½ % Cochin	1936	70,09,000	1st June 1956-61	99
Br. Gu (New)	1936-37	1,95,96,700	1956-66	98
4 % Hyderabad	1956	2,00,00,000	1st Sept. 1967	99
3 % Madras	1939	1,22,95,500	21st June 1959	98
3 % Madras	1943	1,25,15,000	14th Sept. 1956	99
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98
3 % Madras	1945	3,78,44,300	14th Sept. 1960	98
3½ % Madras	1946	2,81,77,200	1st Sept. 1961	92
3 % Madras	1950	4,58,28,400	31st July 1960	96
3½ % Madras	1951	3,01,49,200	17th Sept. 1962	96
4 % Madras	1953	10,32,62,300	15th July 1963	100
4 % Madras	1953	4,34,81,200	1st Aug. 1964	100
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-63	101
4 % Mysore(f)	1936	9,99,72,500	30th Apr. 1956-61	99
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99
4 % Mysore	1953	3,33,47,000	15th July 1963	100
4 % Mysore	1955	8,25,00,000	1st Sept. 1967	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	99
3 % M.P.	1944	52,6w,800	15th Aug. 1958	98
3 % M.P.	1948	2,03,28,800	15th Sept. 1954	98
3 % M.P.	1950	1,01,44,700	31st July 1960	94
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,02,18,100	15th July 1963	100
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98
3 % Punjab**	1943	2,46,78,200	14th Sept. 1956	99
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97
4 % Saurashtra	1955	3,25,00,000	1st Sept. 1967	99
3½ % Travancore	1938	50,00,000	16th Aug. 1956	99
4 % Travancore-Cochin	1953	3,25,60,000	15th July 1963	100-1
3 % U.P.	1936	1,57,42,600	15th Sept. 1961-66	90
3 % U.P.	1944	3,02,24,500	15th Aug. 1958	98
3 % U.P.	1945	2,17,39,700	14th Sept. 1960	96
3 % U.P.	1946	3,20,93,600	1st Sept. 1961	93
3½ % U.P.	1951	1,94,11,700	17th Sept. 1962	98
4 % U.P.	1953	6 11,45,200	1st Aug. 1964	100
4 % U.P.	1953	6 65,15,500	15th July 1963	100
4 % U.P.	1955	8,50,00,000	1st Sept. 1967	99

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
35,50,000	4	1904	1964	100
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
10,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,976	4	1913*	1960	D
80,00,000	4	1913	1974	100¾N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
10,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				Rs.
90,34,800	4	1914	1974	99
70,90,100	4	1915	1975	99
1,50,00,000C	3††	1921	1981	82
68,02,500C	6½	1921	1981	144N
98,31,000	5½	1926	1956-86	102
99,84,540B	5	1926	1956-86	102
1,49,49,500B	5	1927	1957-87	102
1,49,30,000	5	1928	1958-88	103
50,00,000	3½	1935	1961	95
60,09,900	3½	1935	1965	97
25,00,000	3	1938	1963-68	80
50,00,000	3	1945	1965	74
50,00,000	3	1945	1975	66
40,80,900	3	1946	1976	84
50,00,800	3	1948	2008	74
50,00,000	2½	1947	1977	79
50,00,800	3	1948	1978	83
50,00,800	3	1949	1959	97
1,00,00,000	3	1949	1959	97
50,00,000C	3	1940	1980	82
1,00,00,800	3	1950	1960	95
1,00,80,000	3	1950	1960	95
50,00,000	3	1951	1961	93
1,50,00,000	3½	1951	1961	98
50,00,000	4	1953	1963	100
90,00,000	4	1953	1963	99
90,00,800	4	1953	1985	97
STERLING LOANS				
£592,500	5	1923	1958-88	£87½
£901,000	5	1924	1954-84	£91½
£835,100	5½	1932	1962	£96
MADRAS				Rs.
Rs.				
$1,47,169	3½	1947	1977	
9,88,000	3	1947	1977	A
3,00,000	3	1949	1979	
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.				
BOMBAY				Rs.
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	97½N
30,00,000	4	1906	1966	
20,00,000	4	1907	1967	
30,00,000	4	1908	1968	
28,50,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,50,000	4	1916	1976	
66,00,000	5	1919	1957-79	113N
25,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	4	1927	1961-70	98N
10,00,000	4	1934	1966	
STERLING LOANS				
£566,600	4	1909	1959	£95½N
£333,000	4	1910	1970	£95½N
Rs.	**CALCUTTA**			Rs.
26,00,000	5½	1929	1959	107
50,00,000	5	1924	1964	99
35,00,000	5½	..	95½	96
30,00,000	3	1936	1966	80
50,00,000	3	1937	1962	90
20,00,000	3	1938	1963-68	81
80,00,000	4	1953	1963	99

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,80,000	4	1918-19	1974	100
10,00,000	5	1929	1980	113N
25,00,000	5	1929	1958	104
8,45,500	5	1929	1954-59	102
28,21,500	5	1930	1959	102
4,50,00,000	3½	1937	1977	86
2,50,00,000	3½	1949	1979	86
4,99,99,900	3½	1950	1965	92
2,50,00,000	4	1952	1964	100
2,00,00,000	4	1953	1963	100
1,50,00,000	4	1954	1964	100
1,00,00,000	4	1954	1964	100
2,50,00,000	4	1955	1967	100
CALCUTTA				
38,00,000	5	1928	1958	103
25,00,000	5	1928	1958	103
25,00,000	5	1929	1959	103
10,00,000	5½	1932	1962	90
10,00,000	5	1933	1963	94
60,00,000	3	1938	1968	80
47,50,000	3	1938	1968	80
10,87,700	3	1938	1955	99
17,44,400	3	1939	1956	99
15,56,800	4	1939	1959	99
15,56,800	4	1940	1957	99
17,44,400	3½	1942	1959	96
21,71,000	3½	1951	1973	97
15,49,000	3½	1951	1960	97
16,33,000	3½	1951	1961	97
66,88,000	3½	1951	1966	97
87,36,000	3½	1952	1962	99
72,50,000	4½	1954	1979	100
Rs.	**MADRAS**			Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1953	1963	107

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1 75,00,000	17th Sept. 1958	96
4 % W. Bengal	1953	3,00,00,000	1st Aug. 1964	100
4 % W. Bengal	1953	5 60,25,000	15th July 1963	100
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100

ABBREVIATIONS
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
† Bombay State Transport. †† Rate of Interest reduced from 6 to 3 per cent. with effect from 1st June, 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April 1944. N—Nominal.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	105	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	6-2xd	5
¶East India Distilleries	£200,000	1897	7	Jan. July	17-0	£1
Gwalior Sugar	5,75,000(e)	1940	7(a)	Dec. ..	63	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	58	100
Partabpore Co.	6,00,000	1922	10	Oct. ..	17	10
Ramnagore Cane	10,00,000	1933-36	6	Aug. ..	104	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8½	100
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	113	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,500	1901-19	7	Apr. Oct.	122xd	100
Do. (2nd)	4,50,000	1946	5(a)	.. ..	84xd	10
Equitable	4,00,000	1895	6	Mar. Sept.	116xd	100½
Karanpura Collieries	7,50,000	1946	5(a)	.. ..	70	75(pp)
††Khas Kajora	1,25,000	1921	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13½	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	100	100
Bangalore	6,00,000	1884	6	Jan. July	125	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	5	10
Benares Cotton	1,05,200	1919	7	July Jan.	15N	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	110	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	135	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	70	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	142	100
Cambodias	1,00,000	1938	7	Apr. ..	125½	100
Central India	50,00,000	1913	5	Apr. Oct.	480	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	111	100
Elgin	11,00,000	1913	8	May Nov.	130	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	10	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	87	100
Kesoram	20,00,000	1919	7	June Dec.	134	100
Khatau Makanji (2nd)	39,92,500	1947	4	Apr. Oct.	84	100
Kothari	12,00,000	1937	6	Nov. ..	10	10
Lakshmi Cotton (Bombay)	16,00,000	1898	5(a)	.. ..	206	250
Moraljee Goculdas Spg. & Wvg.	17,35,000	1947	6	January ..	98	100
Muir Mill	30,00,000	1900	6	Jan. July	88N	100
Mysore Spg.	7,45,050	1944	4½	.. ..	80	50
National Rayon	1,74,54,700	1947	5(a)	.. ..	67	100
New Great	5,00,000	1918	5½(a)	Mar. ..	185	200
New Victoria	26,05,500	1920	6	Apr. Oct.	3	5
Podar Mills	10,00,000	1943	4	Feb. ..	77	100
Rajalakshmi	2,00,000	1938	6½	Apr. ..	54	50
Shree Niwas Cotton	4,80,000	1944	6	.. ..	..	100
Shoiapoor	32,00,000	1943	5(c)	.. ..	78	100
Svadeshi	15,00,000	1935	5	Apr. Oct.	110	100
Svadeshi (Kanpur)	35,00,000	1927	6	June ..	93	100
Vasanta (1st)	3,00,000	1931	6½	Apr. Oct.	114	100
Do. (2nd)	1,50,000	1938	6	.. ..	104	100
Vishnu	15,66,900	1908	7(a)	Apr. ..	540	500
ELECTRICS						
Andhra Valley Power Supply	49,34,000	1917	7(a)	May Nov.	1,175	1,000
Amalgamated

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Non final quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years.

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	76,28,421	43,05,372	—1,17,209	Bajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2-13½	2	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	24,02,000	1,34,85,531	72,25,655	—5,76,311	B. K. Sons, Ltd.	50,596	1,021	B. K. Cotton Mills	45	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
2,50,98,000	2,33,99,019	4,25,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	515½	250	20 0	22 8*	20 0	7 81	12	Y.
10,00,000	27,86,559	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	168½	50	100 0	100 0	75 0		3	Y.P.
1,09,43,800	2,27,54,197	2,83,17,250	1,85,12,280	21,82,663	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	456½	100	20 0	22 0	22 0	6 01	12	Y.
49,00,000	15,44,690	1,16,09,462	65,58,399	—33,25,729	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	60	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	11,35,470	31,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd	30,228	680	Coorla Spg. & Wvg.	1324	100	7 8	7 8	7 8	7 8	12	Y.
10,00,000	27,17,561	53,47,587	53,45,041	47,117	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	90	50	6 0	6 0	6 0		12	Y.
34,00,000	27,75,000	73,60,731	64,78,724	30,168	Purannal Radhakishan & Co.	50,084	928	Edward Textiles	822	200	15 0	15 0	15 0		12	Y.
20,00,000	11,93,292	1,10,92,641	75,74,225	32,706	M	41,300	886	Elphinstone Spg. & Wvg.	50	50	8 0	*Nil*	8 8	2 81	12	Y.P.
50,00,000	64,81,875	1,05,11,445	71,58,296	3,90,661	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	322	100	20 0	16 0	16 0		12	Y.
11,54,000	76,64,589	1,27,76,810	99,11,500	9,223	Thac ersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	3,825	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
16,000									992½	250	50 0	56 4*	56 4	75 0		
2,00,00,00000	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,32,640	6,278	India United Mills	(12-9½	0 10D.	*Nil*	0 10	*Nil*	0 10½	12	Y.
50,00,000D									2-2½	0 1D.	*Nil*	0 1	*Nil*	0 1½		
5,65,000	74,24,043	1,80,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	4,770	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
25,000									—	500	100 0	112 8*	112 8	150 0		
59,35,000	40,58,451	2,27,18,607	1,92,88,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	210	100	10 0	10 0	8 0	10 0	6	Y.P.
1,00,00,000	1,44,50,000	3,49,59,105	12,186	Killick Industries Ltd.		1,20,504	1,846	Kohinoor Mills	332	100	18 0	20 0*	18 0	6 01	12	Y.
22,80,000A	64,00,782	4,86,527	88,878	6,08,586	Dina Nath, Esq.	61,648	1,640	Madhusudan Mills	112½	100A	6 4	6 4			6	Y.P.
3,60,000B										20B	1 1	1 4				
22,12,050	29,74,916	1,14,37,217	54,72,963	16,412	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	80N	50	5 0	5 0	5 0		10	Y.T.
51,75,000	32,02,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	70 416	1,652	Morarjee Goculdas Spg. & Wvg.	230	100	12 0	12 0	14 0		6	Y.P.
1,87,71,402	61,70,518	5,74,05,779	1,55,00,000	5,78,076	Chinai & Co., Ltd.		..	National Rayon Corporation	212½	100	*Nil*	9 0	10 0		12	Y.P.
24,00,000	25,60,685	74,52,403	46,04,785	27,546	W. H. Brady & Co., Ltd.	45,044	432	New City of Bombay Mfg.	161½	100	10 0	10 0	10 0		12	Y.
30,00,000	15,47,407	89,82,880	61,42,740	12,517	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	194	100	10 0	10 0	7 8		12	Y.P.
12,70,10	26,26,004	42,69,552	12,76,680	423	Mafatlal Chandulal & Co., (Bombay), Ltd.	34,100	873	New Union Mills	37	10	1 4				12	Y.
48,00,000	36,62,278	1,49,03,112	99,56,811	1,26,364	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	120	100	8 0	8 0	8 0		12	Y.
40,00,000	45,65,014	81,80,325	23,00,000	3,18,562	Podar Sons, Ltd.	32,600	930	Podar Mills	167½	100	10 0	10 0	10 0	5 01	12	Y.P.
5,00,000	5,16,999	21,21,521	19,01,340	—1,73,154	David Sassoon & Co., Ltd.	9,320	277	Sassoon & Alliance Silk Mill	20xr	10	1 4	0 12	0 8		12	Y.
25,00,000	69,06,474	1,24,22,606	81,47,283	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	40	10	1 4	1 4	1 0		12	Y.
60,00,000	1,33,00,061	91,25,908	50,71,284	1,53,662	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	213½	100	12 8	14 0	14 0		12	Y.P.
43,00,000	35,76,550	98,88,962	71,00,000	15,898	Forbes, Forbes Campbell & Co. Ltd.	36,116	1,274	Simplex Mills	188	50	15 0(p)	15 0	11 0	10 0	3	Y.
56,00,000	1,32,33,867	1,85,08,331	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons	52,036	1,633	Standard Mills	401½	100	20 0	20 0	8 0		12	Y.P.
1,00,00,000	89,26,842	1,92,83,887	1,05,25,292	48,799	Tata Industries Ltd.	73,402	2,000	Swadeshi Mills	212	100	16 0	16 0	16 0		12	Y.P.
50,00,000	82,78,466	1,17,42,921	70,32,715	3,59,764	James Finlay & Co., Ltd.	33,328	552	Swan Mills	407½	100	30 0	20 0	20 0		12	Y.
32,57,488	49,96,889	1,59,55,305	48,92,129	11,417	Tata Industries Ltd.	61,488	1,800	Tata Mills	25	1 0	1 8	1 8	1 8		12	Y.T.P.
13,00,000	62,65,709	1,15,36,436	81,90,000	2,816	Thackersey Mooljee Son & Co.	54,136	1,209	Western India Spg. & Mfg.	4,950	1,000	200 0*	225 0*	225 0	300 0	3	Y.
AHMEDABAD																
33,00,000	21,11,650	1,36,23,272	60,47,902	5,406	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	180½	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	20,53,633	59,33,424	45,39,267	7,378	P. M. Hathesaing & Sons, Ltd.	42,763	913	Arvind Mills	620	100	20 0*	20 0*			12	Y.P.
32,35,000	2,40,17,401	1,48,07,666	1,03,05,000	46,584	Narottam Lalbhai & Co.	45,448	1,216	Arvind Mills	1,380	100	25 0	25 0	25 0		12	Y.P.
20,00,000	38,43,340	79,44,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd.	35,884	872	Aryodaya Ginning & Mfg.	422½	200	15 0	15 0			12	Y.P.
12,00,000	1,08,35,621	83,14,168	66,70,738	55,358	Lalbhai Dalpatbhai & Co.	37,868	914	Asoka Mills	650	100	22 0	22 0*	22 0		12	Y.P.
1,24,79,011	1,11,66,208	4,24,86,178	2,07,63,444	16,00,756	Karamchand Premchand Ltd.	1,30,120	2,272	Calico	408	125	18 0	18 0	18 0		12	Y.P.
62,48,000	25,04,000	1,10,89,063	79,50,000	1,96,242	Trisumlal Bhoglal & Co., Ltd.	45,836	866	New Commercial Mills	1,300	1,000	70 0	70 0	70 0		12	Y.P.
99,00,000	66,61,702	1,14,89,185	91,85,806	6,887	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	752	125	35 0	35 0	35 0		12	Y.
5,00,000	61,15,982	45,72,745	31,76,001	700	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	395	100	20 0*	20 0*			12	Y.P.
12,50,000	1,09,22,589	79,71,788	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	31,120	630	Raipur Mfg.	1,325	100	25 0	17 8			12	Y.P.
12,00,000	13,58,067	74,95,069	59,57,450	—39,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	202½	100	*Nil*	*Nil*	*Nil*		12	Y.P.
32,50,000	16,74,325	84,53,808	54,67,303	4,020	Lalljibhai Govdhandas Ltd.	33,156	648	Rohit Mills	202½	100	9 0	9 0			12	Y.P.
28,98,150	1,90,84,538	1,30,01,812	1,24,25,000	2,52,570	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	518	50	16 0	18 0	20 0		12	Y.P.
19,52,500	59,00,194	78,08,018	62,08,800	6,484	Mafatlal Chandulal & Co., (Ahmedabad), Ltd.	35,624	720	Shorrock Spg. & Mfg.	452½	100	20 0	20 0	25 0*		12	Y.
88,00,000	26,96,488	1,03,76,340	68,35,291	33,764	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	605	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,32,800	$4,23,069	$1,01,810	1,08,080	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	6	10	*Nil*	0 4	0 8		12	Y.P.T.
7,11,280	5,40,775	43,42,881	25,67,597	98,788	Bengal Textile Agency, Ltd.	32,544	936	Bengal Luxmi Cotton Mills	40 N	40	*Nil*	*Nil*	*Nil*		3	Y.
6,00,000	22,71,792	81,32 222	51,53,000	—24,31,401	Kettlewell Bullen & Co., Ltd.	42,572	841	Bowreah Cotton Mills	360	100	*Nil*	*Nil*	*Nil*	*Nil*	6-12	H.P.
19,00,000	25,17,571	1,01,41,489	69,33,260	—7,06,925	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	305	100	*Nil*	*Nil*	*Nil*	*Nil*	6-12	H.
1,80,00,000	1,98,18,540	3,42,43,838	1,03,56,138	8,15,714	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	17	10	1 12	1 12	0 14		6-12	H.
6,00,000	9,75,000	84,54,400	67,06,257	8,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	25	1 4				12	Y.P.
33,96,238										10	0 8					
19,47,7500	5,75,000	41,29,452	21,64,463	26,832	Hazaresmull Heeralall	23,036	795	Rampooria Cotton Mills	11½ N	1D	*Nil*	0 8	0 10		6	Y.
5,00,000D									1½		*Nil*		*Nil*			
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,27,101	29,09,649	—8,54,223	Ramia & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	7½	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
O.B.71,94,400	46,36,807	2,10,01,206	50,40,012	..	Industrial Trust Fund	35,136	708	Aram Jahi Mills	84½	100	6 0	6 0	*Nil*		9	Y.
40,50,000	1,91,68,745	2,87,22,995	2,24,71,643	3,44,711	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	543½	100	15 0	25 0	20 0	16 0t	12	Y.P.
57,00,000	15,50,000	77,25,152	53,72,182	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	11	10	0 3	*Nil*	*Nil*		6-12	H.P.T.
1,15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	95	10	3 0	3 0	3 0		3	Y.
1,78,47,800	1,54,59,697	4,50,39,808	1,14,94,492	3,99,006	Binny & Co. (Madras), Ltd.	1,20,856	2,787	Buckingham & Carnatic	171	10	4 0	10 0	10 0		12	Y.P.T.
20,00,000	20,00,408	84,17,820	19,76,034	8,58,087	Petrie, Leslie & Co., Ltd.	38,706	..	Cambodia Mills	13	10	1 0	0 12	*Nil*		12	Y.P.
15,00,000	4,51,500	44,03,466	21,80,176	44,657	K. Damadaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	143	100	12 0	12 0	20 0	12 0	3	Y.
30,00,000	25,98,976	58,07,118	50,34,815	29,614	Begg, Sutherland & Co., Ltd.	25,796	591	Cawnpore Textiles	9½	5	0 0	0 0	0 8	*Nil*	3	Y.
12,00,000	20,60,000	30,85,972	24,85,699	4,01,121	B. Ebrenne Naidu & Co.	28,264	..	Coimbatore Cotton Mills	346	100	9 0	20 0	20 0		12	Y.
50,00,000	14,50,000	1,08,00,000	51,28,500	14,053	T. E. N. Naidu & Co.	22,738	..	Coimbatore Pioneer Mills	242	100	9 0	15 0	20 0		6	Y.
20,75,900	4,19,814	1,15,51,599	82,06,019	16,884	R. G. S. Naidu & Co.	72,823	407	Coimbatore Spg. & Wvg.	81	50	*Nil*	*Nil*	3 0	6 0	6	Y.
45,87,500	52,82,449	2,48,18,409	1,58,09,833	3,703	Tata Industries, Ltd.	1,15,188	2,062	Central India	95	100	5 0	5 0	5 0	5 0	3	Y.P.
3,33,85,125	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. E. Charat (Ram & Co., Ltd.	3,16,636	2,254	Delhi Cloth & General Mills	84½	25	0 4	0 8	0 8	0 8	6	Y.P.T.
1,00,568										2½	0 1 4/5	0 2 4/5	0 2 8/5	0 2 8/5		
24,84,800	24,72,758	47,34,037	33,88,512	9,248	M. N. Chettiar & Sons	32,568	20	Dhanalakshmi Mills	355	100	20 0	20 0	30 0		12	Y.
65,00,000	56,38,560	1,52,16,382	1,29,71,651	95,358	Begg, Sutherland & Co., Ltd.	70,452	1,198	Edalin Mills	100	100	10 0	10 0	10 0	1 0	3	Y.P.
48,81,000	28,91,175	88,01,779	65,24,070	57,169	Forbes, Forbes Campbell & Co., Ltd.	72,904	4	Gokak Mills	225	100	17 0*	17 0	18 0		12	Y.
50,00,000	3,09,554	1,29,85,712	1,03,08,420	6,150	Govindram Saksaria (Indore)	51,180	1,420	Indore Malwa United	130	100	6 0	6 0	6 0		12	Y.
8,90,000	10,65,688	30,91,189	16,77,746	—50,124	G. V. Naidu & Co., Ltd.	24,823	..	Janardana Mills	83	50	8 12	8 0	8 0		12	Y.
24,00,000	15,25,000	78,85,866	62,50,000	29,832	Kothari & Sons	48,000	300	Kothari Textiles	17½	10	0 12	0 8	0 8	1 0	6	Y.P.
22,00,000	69,23,519	1,42,27,744	1,05,78,587	19,080	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	666½	250	37 8	37 8	33 12	12 81	12	Y.P.
25,04,100	66,55,960	1,11,86,880	75,29,338	74,876	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	178cd	50	5 0	5 0	10 0	12 8	3	Y.
17,52,050									89cd	25	2 8	2 8	5 0	6 4		
1,75,02,480	4,18,81,878	5,66,32,343	3,44,90,463	9,66,800	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	494cd	15	2 0	2 0	3 0		12	Y.
12,00,000	4,17,262	29,20,768	16,72,262	—99,073	A. L. A. R. S. Chettiar and Brothers	22,492	100	Malabar Spg. & Wvg.	109	200	3 0	3 0	3 0		12	Y.
60,00,000	66,00,000	62,41,446	41,60,235	1,45,408	W. A. Beardsell & Co., Ltd.	24,720	608	Metter Industries Ltd.	872½	100	12 8	12 8	12 8*	35 0	3	Y.
29,59,700	19,47,902	84,18,677	44,58,184	9,999	N. Sirur & Co., Ltd.	39,896	704	Minerva Mills	86	100	5 0	7 0*	5 0(e)		12	Y.
94,91,650	37,24,404	1,61,29,118	78,81,528	—7,44,362	Bansilal Abirahand Dadabhoy & Co.	51,840	948	Model Mills (Nagpur)	155	250	7 8	7 0*	5 0(e)		6	Y.
30,00,000	56,19,600	1,53,39,372	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	58,640	1,584	Muir Mills	118N	100					12	Y.P.
24,85,500	50,84,547	99,04,000	63,69,282	28,708	N. Sirur & Co., Ltd.	50,128	500	Mysore Mills	51,200	10	1 0*	10 0*	8 8*	6 0(e)	3	Y.P.
11,61,750	3,56,745	43,03,993	31,37,000	8,856	K. Suryanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills	4½	10	*Nil*	*Nil*			3	Y.
28,89,8820	25,05,522	1,02,16,206	58,90,719	—29,82,329	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	1½	10	0 3½	*Nil*	*Nil*		12	Y.P.
5,07,095D											D. *Nil*	*Nil*	*Nil*			
37,14,800	57,72,270	1,68,68,562	62,53,093	.....	Industrial Trust Fund	37,788	856	Osmanshahi Mills	69	100	7 0	4 0	*Nil*		9	Y.
4,00,000A	7,50,000	35,04,758	21,95,715	9,122	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	150	50A	7 8	12 0	12 0		12	Y.P.
6,00,000B									225	75B	11 4	18 0	18 0			
15,00,000	2,25,000	34,50,911	16,41,045	—18,87,240	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	69½	100	*Nil*	*Nil*	*Nil*		12	Y.
14,31,250A	20,00,000	73,20,458	41,41,578	23,587	A. G. Gurusamy Naidu & Co.	51,664	301	Radhakrishna Mills	268	100A	6 0	8 0	16 0		12	Y.
3,49,200B									134	50B	3 0	4 0	8 0			
15,00,000	33,75,000	84,37,775	17,67,022	12,337	B. E. Naidu & Sons	35,472	..	Rajalakshmi Mills	80	40	4 8	7 8	8 0		12	Y.
22,22,275	12,10,000	38 91,585	14,22,254	23,508	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	187	100	6 0	6 0	9 0		12	Y.
80,00,000	62,66,506	1,00,39,567	86,40,191	—19,59,428	J. P. Srivastava & Sons (Rampur)	34,582	600	Raza Textiles	10	*Nil*	*Nil*	*Nil*			12	Y.P.
16,00,000	1,60,39,516	2,39,37,048	2,04,27,279	1,50,02,067	Morarka & Co.	95,282	2,284	Sholapoor Spg. & Wvg.	7N	1,000	*Nil*	*Nil*	*Nil*		3	Y.P.
36,69,700	16,63,628	71,75,918	51,35,889	27,871	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	90	50	4 0*	4 0*	4 8		3	Y.
26,14,800	1,00,246	35,15,906	17,78,000	—2,46,779	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Rajlan Mills	90N	100	*Nil*	*Nil*	*Nil*		3	Y.
15,00,000	2,49,73,985	87,88,169	62,02,085	81,22,917	Birla Brothers, Ltd.	35,556	1,242	Sutlej Cotton Mills	125N	100	4 0	4 0	5 0		3	Y.
17,50,000 O	2,25,00,000	4,86,48,014	1,62,17,868	5,89,600	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	9½	10 O.	*Nil*	0 8	0 12		12	Y.P.
1,57,50,000Pc	99,24,040	12,00,000	2,75,11,606	1,00,26,764	1,83,123	Kmoole & Sons (Travancore), Ltd.		..	Travancore Rayons	16	10P.O.	*Nil*	0-14 2/5	1-2 2/5	12	Y.P.T.
13,86,670	8,79,479	13,99,207	10,45,196	8,331	Mooljee Ramjee & Sons	17,600	..	Trichinopoly Mills	10	10	0 11 1/5	0 11 1/5	0 14 2/5		12	Y.
31,00,000	32,00,000	56,22,256	36,81,499	26,500	R. K. S. Chetty & Brothers	38,544	270	Vasanta Mills	15-3½	100	12 0	12 0	15 0		12	Y.
82,00,000	31,99,443	1,58,35,086	1,00,33,590	23,250	Bombay Co., Ltd.	46,490	1,331	Vishnu Cotton	12½	100	4 0	4 0	4 0	2 81	12	Y.P.
									257½	100	10 0				12	Y.P.
									180	100	10 0	4 0			12	Y.

2 Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.
(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 68,000 shares of Rs. 50 each. X.R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	8½	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,20,630	18,38,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6½	5	0 8	0 8	0 8	0 9	3	Y.
£90,000A.	£897,579	£1,225,541	£513,606	£57,290	Parry's Holdings Ltd.	East India Distilleries and Sugar	26½cd	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh.0 3/5	9	Y.P.
£300,000B.							30½cd	B. £1	Sh. 2	Sh. 4	Sh. 5 4/5	Sh 1 0		
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	138½	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
11,37,700A.	10,35,516	79,90,234	39,22,658	26,622	Andhra Engineering Co., Ltd.	Andhra Cement Co.	15½	A. 100	7 8	10 0*	10 0		12	Y.P.T.
29,79,020B.							15½	B. 10	0 12	1 0*	1 0			
43,14,600C.	13,13,133	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	7½	C. 10	*Nil*	*Nil*	*Nil*		3	Y.P.
4,70,976D.							7½	D. 1						
12,71,86,208	5,49,40,618	24,90,99,271	8,74,71,582	5,02,770	Cement Agencies Ltd.	Associated Cement Companies	205xd	100	9 8	9 8	8 8	10 0	7	Y.
60,00,0000.							13½	O. 10	0 10	1 0	1 0			
25,50,0000.	48,20,901	89,92,667	29,67,544	2,86,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)	2½	O. 2½	0 2½	0 4	0 4		12	Y.P.T.
5,00,0000D.							2½	D. 1	*Nil*	0 1-3/5	0-1 3/5			
61,91,0300.	14,00,000	1,46,64,600	47,05,770	3,31,546	Rasen) Ltd.	India Cements Ltd.	32½	O. 25	1 4	*Nil*	1 4	1 14	3	Y.P.
1,50,0000D.							6½	D. 5	0 4	*Nil*	0 4	0 6		
59,88,375	28,50,000	1,88,78,057	68,96,459	2,77,144	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	108½	100	6 0	6 0	8 8		12	Y.P.
75,00,000	20,95,000	1,83,36,123	1,41,94,359	88,454	Martin Burn Ltd.	Sonevalley Portland Cement	7½	5	0 8	0 8	0 4		12	Y.
50,00,000	....	1,04,00,851	34,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	35,61,841	2,00,40,004	1,45,07,804	1,73,122	Balmer Lawrie & Co.	Bengal Paper Mills	116	25	1 9	*Nil*	1 9	2 8½	6,12	H.P.T.
80,00,000	33,44,805	1,10,02,828	74,22,575	2,10,695	Andrew Yule & Co., Ltd.	India Paper Pulp	23½	10	5 0	6 0	7 0	0 11 1/5[	8,9	H.
25,00,000	16,12,500	1,18,13,367	47,51,061	49,179	B.P.Ramakrishnan Esq. (Gen.Manager)	Mysore Paper Mills	17½	10	1 0*	1 0*	0 12*		8	Y.
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,582	Birla Bros:	Orient Paper	33½	10	1 0	1 0	0 7		8,9	H.P.T.
1,25,07,295	57,28,637	1,42,28,142	85,60,932	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18¼	10	1 0	1 0	0 8		8,9	H.P.T.
									0 12	0 12	0 12	0 10[	6,12	H.P.T.
20,00,000	6,58,694	53,19,789	29,44,824	6,038	Baloria & Co.	Star Paper Mills	12½	O. 10	0 8	0 12	0 8		8,9	H.P.T.
10,00,000A.							12½	A. 10	0 12	1 0	0 12			
							45	A. 10	1 0	1 0*	0 12	1 0*[		
54,00,000A.	3,07,07,316	5,39,14,072	3,13,50,222	89,160	P. W. Heilgers &Co., Ltd.	Titaghur Paper Mills Co., Ltd.	45	B. 10	1 0	1 0*	0 12	1 0*[	8,9	H.P.
54,04,800S.							5	P.O. 2½	0 2	0 2	0 2	0 2[		
4,87,500P.O.									0 2	0 2	0 2			
PRESSING														
4,00,000	6,12,365	15,78,488	11,12,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	*Nil*	9	Y.
4,30,000	1,00,000	6,89,526	4,78,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	7 0	5 0	5 0	7	Y
5,00,000	1,95,000	10,91,511	9,30,877	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	6	Y
PROPERTY AND LAND														
50,00,7800.	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq. & others (Directors)	Humayun Properties	13½	O. 10	0 8	0 11½	0 9 3/5		9	Y.P.
3,00,000D.							2½	D. 1	*Nil*	0 4/5	*Nil*			
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	12½	100	1 0	1 8	4 0	*Nil*	4	Y.
84,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	36	100	2 0	1 8	4 0	8 0	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	25,23,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	5½xdN	2	0 4	*Nil*	*Nil*		9	Y.
50,00,000	4,13,57,280	3,35,90,682	1,47,51,851	61,090	Wallace & Co.	Bombay-Burmah Trading Corpn.	535	Old125	12 8	15 0	20 0	37-8	5	Y.
42,00,000							189½	New50	9 0	6 0	8 0	15-0		
6,00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	44N	100	*Nil*	*Nil*	*Nil*		6	Y.P.
20,00,000	18,15,487	18,19,049	18,58,015	1,70,668	Gillander Arbuthnot & Co., Ltd	Indian Wood Products.. ..	4½	10	2 0	2 8	2 12	1 0[	6	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	23,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	9½	5	*Nil*	*Nil*	0 12	0 1	6	Y.
12,00,000A.	29,18,356	49,46,285	23,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	155dN	A. 100	10 0	10 0	10 0		4	Y.
5,00,000B.							14N	B. 10	1 0	1 0	1 0			
19,49,050	5,50,000	81,91,657	28,33,812	49,906	Bangur Bros., Ltd.	Belsund Sugar	11¼	74	0 12	0 12	0 12		6	Y.
15,50,000	13,90,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8	1 8	6	Y.P.
22,00,000	26,79,451	1,86,76,869	88,78,177	61,723	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	11¼	10	*Nil*	*Nil*	0 12		6	Y.P.T.
80,00,000	57,83,651	1,02,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	23xd	10	2 8	2 0	1 0	0 12	10	Y.
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd.	Champarun Sugar	33½	10	2 0	1 0	1 0	1 8	6	Y.
5,99,452	6,18,562	24,58,580	15,39,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	94N	10	0 8	1 0	0 12		8	Y.T.
50,00,000A.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd	Hindustan Sugar Mills	260N	'A' 100	12 0*	15 0*	15 0*	15 0*	6	Y.P.
10,00,000O.								O. 100	12 0*	15 0*	15 0*	15 0*		
12,00,000	8,61,001	75,81,300	42 63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	60N	80	*Nil*	*Nil*	*Nil*	4 8	7	Y.P.
							42xdN	10	2 8	2 8	2 8	2 8	6	Y.P.T.
7,89,100	22,14,058	34,94,612	19,35,833	1,364	Cotton Agents Ltd.	New India Sugar Mills	6	10	0 8	0 4	0 6		6	Y.
11,00,000	4,20,000	42,21,480	24,87,558	4,135	Karamchand Thapar & Bros. Ltd.	New Savan	840N	100	20 0	20 0	20 0			
10,37,500A.	49,84,457	68,27,736	19,27,000	25,558	Cotton Agents Ltd.	New Swadeshi Sugar[Mill ..	60N	25	5 0	5 0	5 0		6	Y.
2,71,875B.							120N	100	6 0	11 0	11 0		7	Y.P.
77,48,500	52,22,414	1,75,96,488	88,00,000	36,028	Cotton Agents Ltd.	Oudh Sugar	117N	100	6 0	10 0	10 0		10	Y.
12,00,000	12,74,223	28,77,669	19,95,926	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	10xd	10	1 0	1 0	0 8	0 12	10	Y.P.
9,00,000	17,54,369	37,85,803	20,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	21N	10	1 0	0 8	0 8		6	Y.P.
8,00,000	6,54,762	25,48,782	21,01,618	24,340	M.	Ryam Sugar	14½	10	1 0	0 8	0 8	*Nil*	6	Y.
11,99,000	18,36,779	38,65,583	22,92,150	8,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	12½	10	1 8	1 8	1 8	1 0[	8	Y.P.T.
30,00,000	21,68,560	1,08,88,819	57,06,717	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar								
9,99,950	61,825	25,85,548	11,03,827	—3,98,353	H. K. Ghosh, Esq., and B. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	14½	10	1 0	1 0*	1 8*		6	Y.
						Shri Sitaram Sugar	13	O. 10	*Nil*	*Nil*	*Nil*		7	Y.T.
7,95,462	18,82,040	31,60,785	17,68,003	1,06,227	Karamchand Thapar & Bros ..	South Behar Sugar	4N	D. 2½	*Nil*	*Nil*	*Nil*		10	Y.P.
9,15,000O.	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.	Upper Ganges Sugar	70N	10	2 0	0 8	2 8	2 8	6	Y.P.
4,40,000D.						United Provinces Sugar ..	23½	10	1 8	0 8	1 4		9	Y.
8,00,000	21,91,635	99,42,062	57,49,754	82,931	Cotton Agents Ltd.									
16,00,000	7,99,778	32,06,850	25,98,848	89,061	James Finlay & Co., Ltd.									
Other Centres														
46,99,750	74,53,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company !	223xr	50	16 0	16 0	16 0	16 0	9	Y.
17,50,000	9,24,292	33,03,879	21,36,722	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	56N	10	3 0	*Nil*	*Nil*		6	Y.P.
15,93,900	2,45,841	39,19,958	20,01,146	51,998	Sir J. P. Srivastava & Sons (M.B.)Ltd.	Gwalior Sugar	21½	10	2 8	2 8	1 12		9	Y.P.
28,70,610	14,00,000	26,96,629	18,50,803	4,80,236	India Sugar Agencies Ltd.	India Sugar and Refineries ..	14½N	10	0 12	1 0	1 0		10	Y.
33,57,620	41,27,060	41,95,605	20,78,418	1,408	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	127½	O.100	7 7	7 7	7 7	7 8	6	Y.P.
33,57,620	41,27,060	41,95,605	20,78,418	1,408	Govan Bros. (Rampur), Ltd. ..	K. C. P. Ltd.	100	D. 10	10 0	10 0	10 0	10 0[		
10,52,2000.	60,50,000	95,98,952	31,00,078	48,494	S. Munianjappa, Esq. (Managing Director)	Mysore Sugar	50½	10	2 0	2 0	2 0	2 0	6	Y.
8,87,190D.						Phaltan Sugar	126½	10	2 0	2 0	2 0	2 0	6	Y.
21,79,280	95,00,001	1,31,37,677	78,17,730	2,90,340		Mafatlal, Apte and Kantilal Ltd.	24½	10	2 0	2 0	1 8		8	Y.P.T.
						Anderson Wright Ltd.	86N	O. 50	9 0	*Nil*	3 0		8	Y.P.T.
							10¼	D. 5	10 1¼		*Nil*		9	Y.P.T.
						Walchand & Co.,Ltd.	102N	10	0 12	1 0	0 12		9	Y.
						Govan Bros. (Rampur), Ltd. ..	12½	10	*Nil*	*Nil*	*Nil*		7	Y.P.
						Travancore Sugars	237½	100	14 0	14 0	16 0		9	Y.P.T
						Walchandnagar Industries								
TRANSPORT														
20,00,000	1,06,42,425	1,33,68,272	13,76,188	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	158	100	12 8	10 0	7 8		10	Y.P.
1,00,00,000	16,67,690	4,65,14,760	1,80,06,587	89,648	Dinshaw Ltd.	Bharat Line	70	100	5 0	5 0	5 0		12	Y.
50,00,000	24,35,838	2,50,21,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	15	10	1 0	1 0	1 0	*Nil*	6	Y.P
						India General Navigation & Rly.Co..	125	£10	8h.10	*Nil*	8h.10		12	Y.P.
						India Steamship Co.	8½	10	0 8	0 8	*Nil*	*Nil*	12	Y.P.
£555,580	£960,878	£5,515,631	£3,344,778	£21,366	Kilburn & Co., Ltd.	India Steamship Co.	16½	£0	0 8	0 12	0 8		6	Y.P.
2,25,00,000	74,99,233	7,93,25,462	1,81,54,990	1,28,661	Lionel Edwards Ltd.	Scindia Steam Navigation Co. ..	2½	O. 1	as. 1 2/25	as. 1 3/25	1 22/25		12	Y.
9,40,19 673	6,94,92,081	13,36,63,413	4,34,44,300	2,73,683	Narottam Morarjee & Co.	Walford Transport Ltd.	2½	P.O. 1	as. 1 0/25	as. 1 9/25	1 19/25		12	Y.
5,40,8000.	18,58,194	11,38,000	6,80,211	1,34,122	R. R. Alyer, Esq. (Manager) !—									
8,10,200P.O.														
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0	32 0	9	
15 98,860	2,04,173	7,18,642	90,000	42 582	Parakh Agencies Ltd.	Bombay-Uganda	62½	80	4 0	5 0	4 8		12	Y.
35,00,000	1,00,000	25,74,281½§	9,264	3 394	Dena Sons, Ltd.	Devkaran Nanji Investmen Co. ..	13	25	0 12	0 12	0 12	0 12	3	Y.
14,98,840	2,45,585	29,00,000	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	80	250	2 8	*Nil*	2 8	2 0	3	Y.P.
1,00,00,000	19,07,876	1,27,52,603§§	....	2,85,005	Premchand Roychand & Sons ..	Industrial Investment Trust ..	80	100	4 8	4 8	4 8		12	Y
						Killick Industries	168½	100	10 0	10 0	11 0	11 0	6	Y
99,99,975	35,08,351	35,10,399	9 31,529	6,154	K. G. Milne, Esq. (Mg. Director) ..									
2,97,02,800A.	5,28,634	2,87,33,373	1,25,90,292	5,86,717	Auto-Auto Ltd.	Premier Automobiles	88	A.100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
10,00,000B.							——	B. 10	*Nil*	*Nil*	*Nil*	*Nil*		
10,21,200	5,43 605	14,40,720	7,10,720	38 055	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	20½	10	3 0	3 8	2 0		12	Y.
3,75,00,000	75,25,566	2,92,47,116	1,54,26,500	5,28,887	T. Rydin, Esq. (Managing Director) ..	Western India Match Co.	188½	100	11 0*	11 0*	11 0*		12	Y.
49,00,000	58,74,847	7,24,608	3,07,108	45,948	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	850	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000	15,00,000	1,88,62,301	58,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd...	9½	O. 10	*Nil*	*Nil*	*Nil*		8	Y.P.
2,50,000							3½N	D. 2½						
30,00,000	40,60,690	31,77,196	21,11,902	2,39,798	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	2¢	10	1 4	1 4	1 4		3	Y.
30,00,000	8,25,000	35,74,632	20,11,857	1,17,498	T. Rydin, Esq. (Mg. Director) ..	Assam Match Co., Ltd.	19½	10	1 4*	1 4*	1 4*		12	Y.
20,00,000	23,47,883	1,00,29,510	39,87,380	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India	44xdN	10	0 8	0 8 1/5	0 8 1/5		8	Y.P.T
80,01,400	82,94,263	66,81,988	32,21,988	1,49,717	O. T. Jenkins, Esq (Director)	Balmer Lawrie & Co., Ltd.	185	100	20 0*	20 0*	13 0	2 8	12	Y.
12,00,000	9,10,000	31,07,472	23,35,472	72,375	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	29½	10	0 10	1 8	2 8	1 8	12	Y.P.
20,00,000	2,99,470	57,83,5044§	....	1,21,733	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		9	Y.P.
45,97,020	20,44,314	1,00,74,580	29,49,001	1,98,548	K. Julian Scott, Esq. (Mg. Director) ..	Britannia Biscuits	14½	10	0 12	0 8	1 0	1 0	8	Y.P.T
2,25,00,000	1,00,82,962	2,69,29,657	2,07,14,167	2,81,143	Sir Robert Menzies	British India Corporation Ltd. ..	11½	5	0 10	0 8	0 12		12	Y.
1,60,00,000	1,79,00,000	4,83,17,764	3,06,58,184	11,98,891	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd.	32½	10	1 8	1 8	1 8		12	Y. P.
1,60,00,000	53,36,753	1,34,39,915§§	....	5,13,808	Ltd.	Eastern Investments Ltd.	152	100	9 0	9 0	9 0		12	Y.P.
51,28,000						Ganges Rope Co., Ltd.	194	100	20 0	10 0	7 8		8	
14,00,000	9,97,000	33 18,800	18,66,225	52,823	MacNeill & Barry Ltd...	Gillanders Arbuthnot & Co. Ltd.	14½	10	10 0	10 0	7 8	7 8	9	H
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq.	Great Eastern Hotel	240	250	15 0	15 0	4 0	7 8	6	Y.P.
80,00,000	11,42,804	73,81,701	54,80,659	2,86,132	B. P. E. Syndicate	Hind Cycles	150N	100	8 0	8 0	10 0	1 6 3/5	8	Y.
13,42,800	3,57,964	73,81,701	54,80,659	2,86,132	Birla Bros., Ltd.	Hindustan Motors	9½	10	*Nil*	*Nil*	*Nil*		8	Y.P.T
4,96,13,350	2,92,450	2,66,34,606	1,54,14,699	2,96,513	Birla Bros., Ltd.	Indian Aluminium Co.	185	100	5 0	*Nil*	*Nil*		6	Y.P.
1,60,00,000	26,77,704	2,66,21,857	57,17,651	28,98,462	J. W. Cameron, Esq.	Indian Cables	80½	10	1 0	1 0*	1 0*	4 0	12	Y.P.
1,20,00,000	1,20,50,000	1,55,72,391		5,19,485	A. R. Driessen, Esq.	Indian Rubber Manufacturers ..	13	10	1 0	0 12	0 8	0 8	12	Y.P.
1,52,89,220	1,25,00,000	16,40,508	8,96 110	82,916	G. S. Monga & Co. (India), Ltd. ..	Imperial Tobacco Co. of India Ltd.	14	10	1 0		0 9 3/5	0 12 4/5	8	Y.P.
8,27,470	5,38,000	3,55,94,947	1,17,80,408	25,00,732	Mr. Eric Henry Hare (Chairman) ..	Jardine Henderson	108	100	10 0	7 8	7 8	7 8	3	Y.P.
15,15,00,000	7,28,52,583	24,83,960	8,60,060	4,70,107	G. M. Mackinnay, Esq.									
2,00,00,000	55,29,566	54,83,960	4,31,766	2,240	James & Co., Ltd.	Macfarlane & Co.	2½	O. 5	*Nil*	*Nil*	*Nil*		3	Y
6,54,0000.	8,48,848	6,89,880					1	D. 1						
66,000D.							210N	O.100	7 8	10 0	17 0			
60,00,0000.	72,01,900	25,16,760	7,97,301	1,87,884	A. T. Dolg. Esq. (Mg. Director) ..	McLeod & Co.	——	D.0.10	0 4	0 8	0 8		12	Y.P
4,00,000D.						Martin Burn Ltd.	27½	10	1 8	1 8	1 8 1/5		9	Y.P
1,50,95,750	52,14,868	19,97,616	8,95,141	2,52,480	T. Leslie Martin, Esq. (Mg. Director) ..	Metal Box Co. of India, Ltd. ..	25½	10	1 0	1 0	1 0		8	Y.P
1,15,00,000	44,50,000	1,76,84,926	67,97,457	14,43,141	H. Chiswell Jones, Esq. (Chairman) ..	Mysore Glass and Enamel Works	4½	10	*Nil*	*Nil*	*Nil*	1 4	8	Y.
6,32,255	1,58,858	7,91,449	2,60,987	—15,229	Ogale Glass Works Ltd.	Mysore Lamp Works	14½	10	1 0	1 0	*Nil*		12	Y.
6,56,250	9,55,113	10,40,250	4,40,947	73	G. Chandy, Esq. (Controller)	Mysore Tobacco	10½	10	1 0	1 0	1 0	1 0	8	Y.T
10,00,000	1,23,000	15,18,188	5,10,226	20,916	T. Shamanna, Esq. (Chairman); Associated Industrial Development Co. Ltd.						1 4	1 0	8	Y.T
40,00,000	51,21,172	59,09,527	39,20,120	2,22,282		National Insulated Cable Co...	20½	10	0 12	1 0	1 0	1 8*	3	Y.T.
					B. N. Elias & Co., Ltd.	National Tobacco Co.	11½	10	*Nil*	*Nil*	*Nil*		3	Y.P.
79,97,000	31,15,337	1,14,74,878	52,77,582	9,03,480	Coromandel Investment Trust Ltd. ..	Parry & Co.	6½	8	0 4 4/5	0 4 4/5	0 4 4/5		12	Y.P.
40,00,000	37,00,000	44,15,474	19,71,424	1,31,468	T. A. Lytiardopulo, Esq.	Rallis (India) Ltd.	37	100	*Nil*	*Nil*	*Nil*		12	Y.P.
2,25,00,000	6,41,684	1,61,45,956	43,79,829	—43,97,067	Sahu Jain Ltd.	Robtas Industries	22½	10	1 0	1 4	1 8		10	Y.P.
1,14,00,000	1,17,70,208	6,94,43,187	2,00,81,612	4,46,951	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	17½	10	1 8	1 8	1 8		12	Y.P.
40,00,000	95,00,294	1,15,78,870	70,99,587	5,10,675	B. H. D. Campbell, Esq.	Travancore Ogale Glass	19½	10	1 0	1 0	1 4	1 8	8	Y.P.
75,00,000	49,00,000	13,88,865§	4,16,784	3,63,651	Ogale Bros., Ltd.		3½	10	*Nil*	*Nil*	*Nil*		12	Y.
9,98,880	1,50,000	14,56,885	5,40,446	—2,06,050										

§§ Investments at cost. * Includes bonus. § Exceeding Rs. 1,49,01,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	325	Amluckie	500N	100	7 8	25 0	30 01		12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,039	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	43N	10	0 12	1 4	7 81		12	Y.
3,50,000	6,43,250	10,47,414	2,93,958	72,098	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	44	10	*Nil*	2 8	8 0*		12	Y.
5,50,000	11,21,511	16,95,977	6,43,357	93,058	McLeod & Co., Ltd.	513	Bachmari	24½	10	*Nil*	*Nil*	3 8		12	Y.
5,10,000	8,50,000	11,03,193	3,80,461	93,033	Andrew Yule & Co., Ltd.	369	Bamutia	32NT	10	2 0	2 8	3 0		12	Y.
3,30,600	4,05,000	10,11,265	5,46,265	18,304	National Tea Corporation	560	Bateli	24½	5	0 4	2 0	4 0		12	Y.
3,20,000	8,70,000	9,09,744	2,50,311	63,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	40½	10	*Nil*	2 0	10 0*		12	Y.
16,50,000	20,80,000	52,30,169	22,95,169	1,99,517	Williamson Magor & Co., Ltd.	3,967	Bishnauth	36½	10	*Nil*	3 8			12	Y.
6,00,000	2,53,500	10,49,416	2,09,130	61,929	Octavius Steel & Co., Ltd. ..	455	Bokakhat	21	10	*Nil*	*Nil*	1 0		12	Y.
7,50,000	6,52,400	8,92,227	2,33,050	1,44,105	McLeod & Co., Ltd.	450	Borman Jan Tea	19	10	*Nil*	0 12	3 8		12	Y.P.T.
35,60,000	11,92,015	73,30,473	19,49,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	10½	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,00,426	5,55,963	1,85,593	6,542	McLeod & Co., Ltd.	232	Dejoo Valley	40	10	1 8	2 0	4 8		12	Y.
6,00,000	10,99,000	26,04,194	16,84,471	51,550	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	425N	100	10 0	20 0	40 0		12	Y.
7,53,440	9,87,993	22,73,420	4,17,846	44,551	James Warren & Co., Ltd. ..	620	Dhekakhat	18½	10	1 0	1 8	2 8		12	Y.
4,68,970	3,95,000	10,93,269	3,77,333	8,779	James Finlay & Co., Ltd.	458	Dhunseri	24½	10	*Nil*	1 0	4 0	

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,00,000	3,72,783	25,000	22,734	Planting Agencies Ltd. ..	Balmadies Plantations ..	3½xr	2	0 3¼	0 4	0 4	0 4 4/5	5	Y.P.
17,91,186	18,15,787	35,42,456	3,75,655	1,19,069	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar ..	7	3	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,99,175	32,97,455	5,25,906	1,21,050	Cons. Coffee Estates (Secretaries) ..	Coffee Lands and Industries ..	17½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70,000	63,72,744	1,07,35,444	19,78,244	2,42,884	E. C. Paterson, Esq. ..	Consolidated Coffee ..	20½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,25,578	3,55,957	48,564	7,751	Associated Planters Ltd. ..	Cottanad Plantations ..	15½	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,95,343	22,72,570	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce ..	15	10	1 0	1 4	2 8		12	Y.P.
4,00,000	10,16,012	10,53,666	1,23,156	11,970	A. V. Thomas & Co., Ltd. ..	Kadiyetta Estates ..	25½	10	2 0	2 0	2 0		4	Y.P.
9,00,000	7,25,979	8,44,017	2,55,893		K. T. Thomas Kathanar, Esq. ..	Malankara Rubber ..	27½	10	3 8	5 8	2 4	2 4	3	Y.
27,00,000	27,35,000	51,39,275	6,74,892	59,720	A. V. Thomas & Co., Ltd. ..	Midland Rubber ..	18½	10	1 8	1 8	1 12*		3	Y.P.
3,37,500	2,81,000	11,01,422	1,45,291	12,146	A. V. George & Co., Ltd. ..	Nemmoory Rubber ..	21½	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	2,20,000	2,72,754	44,184	4,650	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	13	10	1 0	1 0	1 0		12	Y.P.
19,45,780	24,01,985	37,10,924	10,21,385	69,334	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5 5/6d	2	0 3½	0 3½	0 9 3/5		10	Y.P.T.
12,50,000	6,00,000	29,43,758	3,06,746	54,658	A. V. Thomas & Co., Ltd. ..	Rahaini Rubber ..	21½	10	1 8	1 12*	1 12*		6	Y.P.
3,66,780	2,50,000	5,04,702	49,313	80,904	Peirce, Leslie & Co., Ltd. ..	Savamalai Estates Ltd. ..	27½	10	3 8	3 0	2 8		11	Y.
10,00,000	3,00,000	21,81,045	1,32,358	1,227	East India Agencies ..	Teekoy Rubber (India) Ltd. ..	9½	10	0 14½	0 14 2/5	0 12		3	Y.P.T.
2,50,000	2,37,500	3,25,515	37,325	15,715	A. V. George & Co., Ltd. ..	Thariyanjalli Rubber ..	29	10	2 0	3 0	3 0		12	Y.P.
6,10,290	7,75,000	7,78,918	62,162	17,420	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2 4/6d	1	0 4	0 4¾	0 1 3/5		9	Y.
6,00,000	46,474	7,49,611	1,11,200	3,744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber ..	23½	10	2 0	2 0	2 0		12	Y.
41,00,000	14,29,073	74,56,907	7,65,148	3,28,925	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	12½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
20,00,000	20,00,000	25,00,048	5,63,078	2,275	P. T. Thomas, Esq. (Mg. Director).	Vaikundam (Travancore) Rubber ..	37½	25	2 8	3 0	3 0		12	Y.
6,25,580	4,49,670	7,27,154	14 119	21,363	Harrisons & Crossfield Ltd. ..	Woodland Estates ..	20½	10	2 0	2 0	2 4		12	Y.
1 65,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)		10½xr	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	56,00,000	97,35,670	52,40,244	1,03,973	R. N. Elias & Co., Ltd. ..	879	Acarnara ..	12	10	1+1	1+1	1+1		3, 9	H.T.P.
6,00,000	9,50,000	51,48,604	35,31,395	94,088	McLeod & Co., Ltd. ..	448	Alexandra ..	248xd	100	*Nil*	*Nil*+2½	2½+5		6, 12	H.P.T.
30,00,000	9,84,000	1,17,45,904	91,71,959	2,55,737	McLeod & Co., Ltd. ..	1,264	Alliance ..	160xd	100	*Nil*	*Nil*+5	6+6		6, 12	H.P.
49,20,700	71,94,144	2,71,07,506	1,32,09,000	1,41,421	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India ..	100	100	10+10	7½+5	2½+5	5+	3, 9	H.P.
40,00,000	43,68,595	1,73,35,457	85,98,036	14,245	McLeod & Co., Ltd. ..	910	Auckland ..	138	100	7+4	7+7½	1+2½	6+	3, 9	H.P.T.
20,00,000	25,92,136	98,25,857	65,19,459	18,759	Jardine Henderson & Co. ..	959	Bally ..	165	100	*Nil*	4+*Nil*	*Nil*		3, 9	H.P.
£275,000	£631,523	£1,556,339	£1,003,227	£84,858	Sir John H. Burder (Chairman) ..	1,889	Barnagore ..	160	£5	£1	£1	£1	£½	3	Y.P.
28,00,000	35,49,023	89,72,903	49,51,944	63,428	Andrew Yule & Co., Ltd. ..	1,229	Belvedere ..	122	100	7½+7½	7½+7½	5+5	5+	6, 12	H.P.
4,50,000	36,45,000	55,76,991	29,60,822	2,95,071	Bird & Co., Ltd. ..	609	Bengal ..	18	10	1	1½	1½		6	Y.P.T.
91,26,000	2,15,77,044	3,32,32,892	29,72,760	3,12,630	Birla Bros., Ltd. ..	3,733	Birla ..	18	10	3	3	1	1	3	Y.P.
36,00,000	29,62,926	1,11,73,690	72,37,911	1,61,163	Andrew Yule & Co., Ltd. ..	991	Bowreah ..	280	100	6½+6½	6+6	4+5	5+	4, 10	H.P.
7,47,780	3,16,924	42,43,494	30,09,884	35,424	Thyssen & Sons ..	502	Budge-Budge ..	13	10	0+8	0+*Nil*	*Nil*		6, 12	H.P.
18,00,000	32,31,234	77,55,567	41,06,135	74,452	Andrew Yule & Co., Ltd. ..	616	Caledonian ..	240	100	6+6	6+6	4+4		6, 12	H.P.T.
59,15,400	98,58,404	2,22,41,517	1,07,46,003	1,30,505	James Finlay & Co., Ltd. ..	1,600	Champdany ..	170xd	100	7+8	3+3	*Nil*+3	4+6	3, 9	H.
15,75,000	20,14,282	80,09,473	65,19,459	54,375	Andrew Yule & Co., Ltd. ..	580	Cheviot ..	230	100	6+6	6+6	6+8	6+	5, 11	H.P.
30,15,000	28,25,000	60,73,544	46,01,200	1,52,253	McLeod & Co., Ltd. ..	1,128	Chitavalsah ..	150	100	2½+1½	1½+1	2+2	6+	5, 11	H.T.P.
16,00,000	24,00,000	78,22,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	1,052	Clive ..	15	10	2	*Nil*	*Nil*		6, 12	H.T.P.
32,17,200	60,41,579	1,51,76,991	69,60,822	11,882	Bird & Co., Ltd. ..	766	Dalhousie ..	125	100	6+7	5+3	1+1½	1–4z	3	Y.P.
28,00,000	44,74,179	75,27,531	46,70,110	94,604	Andrew Yule & Co., Ltd. ..	779	Delta ..	250	100	10+10	10+10	5+5	5+	3, 9	H.P.T.
15,00,000	33,50,000	81,98,924	59,15,360	1,43,894	McLeod & Co., Ltd. ..	506	Empire ..	22	10	1+1	1+1	1+1	1	5, 11	H.P.
24,00,000	50,00,176	2,72,42,353	1,87,05,541	71,082	Kettlewell Bullen & Co., Ltd. ..	1,854	Fort Gloster ..	400N	100	10+*Nil*	*Nil*	*Nil*	1+1	6, 12	L.T.P.
14,00,000	17,75,000	84,16,162	53,09,759	1,16,743	Bangur Bros., Ltd. ..	1,014	Fort William ..	26xr	10	*Nil*	*Nil*+5	*Nil*+5	10+5	3, 9	H.P.T.
84,52,100	4,67,566	2,04,08,327	1,30,18,226	1,23,024	Macneill & Barry Ltd. ..	1,709	Gangess Mfg. ..	84	100	*Nil*	*Nil*+*Nil*	*Nil*+*Nil*	10+10	3, 9	H.T.P.
10,80,000	28,00,000	71,59,967	—74,093	1,34,475	Gillanders Arbuthnot & Co., Ltd.	667	Gondalpara ..	1,300	300	30	15	*Nil*	24+	3, 9	H.P.
24,00,000	31,49,163	2,12,27,812	1,84,00,218	1,04,666	Macneill & Barry Ltd. ..	1,394	Gourepore ..	315	100	1½+*Nil*	*Nil*+3½	*Nil*		12	Y.
40,00,000	55,68,234	99,03,890	57,88,999	3,27,745	Mancur Bros., Ltd. ..	1,078	Hastings ..	114N	100	10	10	2½+7½	7½+	3, 9	H.P.
16,80,000	18,52,926	66,38,255	45,81,416	22,401	Gillanders Arbuthnot & Co., Ltd.	729	Hooghly ..	42	10	1½	1½	1½	1½+	3	Y.P.
60,52,500	64,54,528	1,88,96,983	1,08,71,020	92,110	Jardine Henderson Ltd. ..	1,749	Howrah ..	25½	10	1+½	½+½	½+½	½–	3, 9	H.P.
52,50,010	23,00,000	2,58,15,037	1,54,15,937	1,19,762	Ramdutt Ramkissendas ..	2,272	Hukumchand ..	30	5	5	3	2	2	3	Y.P.T.
O. 87,00,000	18,75,000	1,29,99,497	76,70,146	45,363	Mackinnon Mackenzie & Co. ..	1,076	India ..	155	125	3½+3½	3½+3½	*Nil*+3½	3½+	3	Y.P.T.
D. 30,000								D.		As 1+½	a2½+2.6	a2½+2.6	a2½+2.6		
24,00,000	23,52,233	1,37,58,585	1,23,68,657	24,686	Jardine Henderson Ltd. ..	1,797	Kamarhatty ..	180	100	8+6	6+3	3+6	2½+	3, 9	B.
B. 19,20,000								160	100	8+6	6+3	3+5	2½+		
30,00,000	13,77,539	1,32,70,035	99,85,481	19,297	Jardine Henderson Ltd. ..	1,527	Kankinarrah ..	124	100	6+4	5+2½	2½+4	1+	6, 12	H.P.
B. 24,00,000								118	100	6+4	5+2½	2½+4	1+	6, 12	H.P.
21,00,000	49,50,000	1,12,88,750	79,26,276	1,70,687	McLeod & Co., Ltd. ..	703	Kelvin ..	285	100	7½+7½	7½+7½	10+10	1+	6, 12	H.P.
54,00,000	24,85,375	1,71,07,983	1,15,44,627	57,501	Anderson Wright Ltd. ..	1,530	Khardah ..	165	100	*Nil*	*Nil*+2½	7½+7½		6, 12	H.P.
48,00,000	1,04,52,175	2,29,68,971	1,11,12,348	32,590	F. W. Heilgers & Co. ..	1,230	Kinnison ..	195	100	10+7	4+5	7½+5	6+	3, 9	H.P.
24,18,000	50,25,241	1,59,66,444	78,72,440	11,059	Birs & Co., Ltd. ..	931	Lansdowne ..	130	100	7+8	2+5	2+5	7+	3, 9	H.P.T.
28,80,000	66,65,021	1,15,01,206	63,62,123	14,440	Bird & Co., Ltd. ..	840	Lawrence ..	145	100	11+4	4+3	1+1	5+	3, 9	H.P.
81,65,200	29,14,412	1,99,74,174	1,21 64,314	1,32,079	Mackinnon Mackenzie & Co. ..	1,098	Meena ..	96	100	2½+2½	2+3	2+4	5+	3, 9	H.P.
29,38,900	41,12,992	1,32 29,295	96,26,321	—4,25,178	F. W. Heilgers & Co. ..	815	Nalinati ..	118	100	6+*Nil*	*Nil*	*Nil* 2½	2½+	3, 9	H.
20,00,000	15,55,000	29,01,565	18,21,709	17 816	Howrah Trading Co. ..	425	Naskarpara ..	125½	10	2 0	2 0	2 0	1 *Nil*+	3, 9	H.
20,00,000	44,29,326	24,60,298	9,84,389	1,35,688	Andrew Yule & Co., Ltd. ..	852	National ..	27½	10	3 8	5 8	2 4	2 4	4, 10	H.T.
26,25,000	24,50,000	26,82,794	20,20,619	1,43,752	McLeod & Co., Ltd. ..	316	Nellimarla Jute ..	18	10	1 8	1 8	1+1	1+	4, 10	H.P.
31,50,000	34,13,003	50,02,515	25,21,978	3,01,610	Saroj Jain Ltd. ..	709	New Central ..	17	10	1+1	1+1	1+1	1+	6, 12	H.P.T.
16,79,840	62,39,636	1 24,90 192	60,35,786	65,116	Bird & Co., Ltd. ..	567	Northbrook ..	25½	10	1+1	1+1	1+1		6, 12	H.P.
60,79,500	31,41,695	2,15,35,514	1,39,33,386	45,550	Macneill & Barry Ltd. ..	1,092	Nuddea ..	45½	50	1+*Nil*	*Nil*+½	*Nil*+½	½	3, 9	H.P.T.
24,01,000	27,81,049	71,59,178	40,01,600	68,095	Andrew Yule & Co., Ltd. ..	691	Orient ..	170	100	1+6	6+6	4+4	4+	3, 9	B.
25,00,000	6,23,498	80,72,591	63,77,961	1,03,954	McLeod & Co., Ltd. ..	490	Presidency ..	6½	5	*Nil*	*Nil*+½	5+5	5+	5, 11	H.P.
20,00,000	1,44,936	28,56,830	8,39,130	—12,15,983	Birla Bros. Ltd. ..	305	Rameshwara ..	7½	10	*Nil*	*Nil*	½+½	½	6, 12	H.T.
49,50,000	8,12,500	1,23,99,293	58,56,886	45,251	Jardine Henderson Ltd. ..	1,276	Reliance ..	10	10	*Nil*	½+½	*Nil*	*Nil*+	3, 9	H.P.
£600,000	£1,093,713	£1,296,315	...	£83 658	Thomas Duff & Co. (India) Ltd.	2,013	Samnuggur ..	13½	21	10%	10%	10%	*Nil*+	3, 9	H.P.T.
30,00,000	18,12,193	1,04,21,440	73 39,904	38 764	Bacaria More & Co. Ltd. ..	911	Shree Ambica ..	15½	10	1+1	1+1	1+1	3%½	12	Y.P.
14,00,000	11,08,733	66,09,992	31 82,593	19,821	Bird & Co., Ltd. ..	650	Standard ..	10½N	10	*Nil*	½+½	½+½		3, 9	H.P.
47,30,000	15,50,000	1,15,68,273	67,07,251	£110,316	Thomas Duff & Co. (India), Ltd.	1,704	Titaghur ..	125	100	8+1	1+1	1+1	1f	12	Y.P.
£600,000	£925,119	£990,895	...	21,363	Harrisons & Crossfield Ltd. ..	1,326	Union ..	£1	100	10%	10%	10%	3%½	12	Y.P.
85,38,600	87,65,700	1,93,97,433	79,46,416	£97,816	Thomas Duff & Co. (India) Ltd.	1,331	Victoria ..	18S	100	10+1	10%	10%	3%½	12	Y.P.
£400,000	£684,935	£1,092,723	...	35 624	McLeod & Co., Ltd. ..	465	Waverley ..	£1	100	10%	10%	1+½	5f	3, 9	H.P.T.
2,50,000	4,95,000	55,94,678	37,77,741					6½	1	*Nil*	*Nil*+¼	10%	3%½	12	Y.P.
												½		6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23½	10	½+½	7/10+7/10	½+½	½+	3,9	H.
12,00,000	8,34,319	38,77,312	35,73,612	12,449	Jardine Henderson Ltd. ..	Bararee Coke ..	21½	10	3/5+½	½+½	½+½	½+	3,9	H.
4,40,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd. ..	Benzal-Bhatdee ..	6N	10	*Nil*	*Nil*	*Nil*	*Nil*	3,9	H.
1,00,00,000	1,34,49,223	5,81,71,227	3,82,21,119	7,86,665	Andrew Yule & Co., Ltd. ..	Benzal-Jore ..	54S	200	20+20*	17½+15*	15+15*	17½*	3,9	H.
2,25,000	4,96,231	25,34,435	22,57,553	...	Andrew Yule & Co., Ltd. ..	Benzal-Nagpur ..	16	10	*Nil*	*Nil*	*Nil*		6,12	H.
15,97,000	4,73,358	37,70,192	22,77,364	13,408	H. V. Low & Co., Ltd. ..	Bhalgora ..	5½	10	½	½	½		4,10	H.P.
40,00,000	14,81,010	1,30,60,104	68,66,790	13,844	John Jain Ltd. ..	Bharat Collieries ..	8½	10	*Nil*	*Nil*	*Nil*		6,12	Y.
7,15,000	15,03,380	52,40,025	37,09,987	—1,65,136	F. W. Heilgers & Co. Ltd. ..	Bhulanbararee ..	14N	10	½	½	½		9	Y.P.T.
16,00,000	16,22,936	68,16,454	36,74,841	—1,36,132	Andrew Wright (Ramgarh), Ltd.	Bokaro-Ramgur ..	15½	10	*Nil*	*Nil*	*Nil*		6	H.
7,50,000	23 50,000	42,07,858	26,07,691	68,656	F. W. Heilgers & Co., Ltd. ..	Borrea	29	10	*Nil* f	*Nil*	*Nil*	*Nil*+	6,12	H.T.
3,50,000	2,07,483	4,16,32,554	1,80,95,449	2,310	Bird & Co., Ltd. ..	Burrakur ..	15	10	1½+1½*	1½*+1½*	1+1	1+	6,12	H.P.
90,22,480	1,76,70,564	34,81,955	2,57,645	5,907	Hindustan Investment Corpn., Ltd.	Central India ..	7½	10	½+½	½+½	½+½	½+	6,12	H.T.
49,97,750	...	40,10,414	32,63,954	82,782	W. ..	Central Kurkend ..	12½N	10	*Nil*	*Nil*	*Nil*		6,12	H.P.
8,00,000	13 54,302	7,28,48(k)	...	12,201	F. W. Heilgers & Co., Ltd. ..	Chuilia	8	10	*Nil*	*Nil*	*Nil*		3	Y.
6,00,000	1,43,603	12,64,321	28,91,190	—2,43,279	Macneill & Barry Ltd. ..	Dhemo Main ..	4	10	½+½	½+½	½+½		6	Y.P.
16,00,000	1,20,000	52,67,321	29,52,605	2,59,767	Jardine Henderson, Ltd. ..	East Indian ..	8½	10	*Nil*	*Nil*	*Nil*		6,12	H.
£240,000	£380,553	£936,945	£702,277	£96,277	Macneill & Barry Ltd. ..	Equitable ..	31½	10	*Nil*	*Nil*	*Nil*		6,12	H.P.
29,63,700	76,84,250	3,80,97,499	2,87 14,387	93,266	Phatter's Acency Ltd. ..	Ghusick and Muslia ..	32½	10	2(!)	2½	*Nil*	*Nil*+	6,12	Y.
10,00,000	2 11,139	0,72,721	3,23,063	40,234	Killick Industries Ltd. ..	Hindir-Rampur ..	14½N	10	2 +1½	1 +	2½	3	4	H.P.T.
12,00,000	1,22,000	39,02,565	20,99,824	3,226	Macneill & Barry Ltd. ..	Hurriladih ..	43	10	½	½ + ½	½+	½+	6, 12	Y.
8,00,000	6,75,000	21,43,057	18,61,214	65,461	Macneill & Barry Ltd. ..	Jogta Coal ..	25	10	½	½	½		3	Y.P.
22,00,000	1,08,577	31,70,015	10,56,545	—1,95,248	Bajpaie Trust Ltd. ..	Kalapahari ..	2½	10	½+½	½+½	*Nil*	2 4	6	H.
3,50,000	2,07,483	13,53,458	7,08,130	...	Andrew Yule & Co., Ltd. ..	Karanpura Collieries ..	22½N	10	*Nil*	½+½	½+1	1½+	6, 12	Y.P.
20,00,000	17,325	20,07,391	3,43,150	2,661	Bird & Co., Ltd. ..	Katras Jherriah ..	160	100	1½+1½	1½+1	*Nil*	*Nil*	12	H.
5,00,000	15,60,000	45,16,229	35,85,877	1,26,128	Andrew Yule & Co., Ltd. ..	Khas Kajora	64	10	*Nil*	*Nil*	*Nil*	*Nil*	2, 8	H.
1,38,400	5,72,960	12,35,941	5,72,960	—2,60,236	Beriwala & Co. ..	Kuardi	5N	10	2+2	2+2	*Nil*	2½	2	H.
11,00,240	64,314	16 72,961	10,41 863	—41,320	H. V. Low & Co., Ltd. ..	Lakurka	4½N	10	*Nil*	*Nil*	2+2	2½+8	1, 7	H.P.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd. ..	Nazira	10N	10	½	*Nil*	*Nil*		6, 12	Y.
7,48,240	1,50,000	11,58,128	8,95,686	25,598	S. P. Tantia, Esq. ..	New Banadeopur ..	7	10	½	½	½		6	Y.
7,00,000	29,617	10,33,740	5,20,205	4,560	Amritlal Ojha & Co., Ltd. ..	New Beerbhoom ..	10N	10	½	½	½		4	H.
17,76,230	19,41,763	1,17,05,493	87,10,712	95,478	Andrew Yule & Co., Ltd. ..	New Mashbhoom ..	21	10	½	½	½		6, 12	H.
6,00,000	85 000	28,44,928	16,65,990	36,426	Octavius Steel & Co., Ltd. ..	North West	12½	10	*Nil*+½	*Nil*	*Nil*		3, 9	H.P.
1,15,000	2,47,693	12,96,801	8,28,807	13,249	Andrew Yule & Co., Ltd. ..		21½N	10	*Nil*	½+*Nil*	*Nil*	½ f	4, 10	H.
1 57,500							18N	10	½	½+*Nil*	*Nil*	*Nil* f	5, 9	H.
1,50,000	12 21,853	3,07,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd. ..	Ondal	7½	10	½+½	½+*Nil*	*Nil*	As. 10 f	3, 9	H.
10,00,000	1,10,000	39,70,662	29,69,858	3,809	K. C. Thapar & Bros. ..	Oriental Coal ..	18N	10	½	*Nil*	*Nil*	As. 7½		
8,34,000	12 942	17,42,586	8,01,923	7,443	Deepchand Kishenlall ..	Parasea	9N	10	1+1	1+1	½+½	½+	6, 12	H.P.
15,75,000	15 00 000	46,12,471	34 02,471	88 203	Shaw Wallace & Co., Ltd. ..	Pench Valley ..	13½N	10	*Nil*	*Nil*	*Nil*		12	Y.P.
23,29,500	18,67,105	1,19,38,839	83,82,615	33,013	N. B. Elias & Co., Ltd. ..	Ramegunxe	25	10	½	½	½		12	H.
13,50 000	8 53,385	35,36,785	27,73,764	28,521	Shaw Wallace & Co., Ltd. ..	Rewa	12	10	½	½	½		6, 12	H.
20,00,000	8,55,068	32,32,218	13,30,500	438	Jaipuria Sons Ltd.	Samla Collieries ..	22½	10	½+1	*Nil*	½+½	½+	3, 9	H.
1,25 000	1,95,802	13,78,450	12,21,237	21 070	M.	Searsole	10N	10	½+½	½+1	½+½	½	3, 9	H.
2,80,000	7 36,593	29,87 021	18,41 629	40,137	Andrew Yule & Co., Ltd. ..	Seebpore	7½RR	10	½	½	½	½+	6, 12	H.
8,00,000	5,46,849	52,491	28,667	6 601	F. W. Heilgers & Co., Ltd. ..	Sendra	33	7	½	½	½		6, 12	H.
63,21,450	16,00,050	3,82,71,101	2,85,68,501	—4,46,963	Industrial Trust Fund (Govern ment of Hyderabad) ..		10½N	10	2 +1	1 + ½	1 + ½	1½	6, 12	H.
17 50,000	10,80,625	37,77,449	14,88,826	7,546	Bird & Co., Ltd.	Singareni	9½	10	*Nil*	*Nil*	*Nil*+½	½+	6, 12	H.
8 00,000	13,69,545	1 69,570	25,510	7,937	F. W. Heilgers & Co., Ltd. ..	South Karanpura ..	12	10	½	*Nil*				Y.
10 00,000	12,950	30,15,423	15,43,501	—3,64,536	Villiers Ltd.	Standard	22	10	½ + ½	½ + ½	0–11 1/5		12	Y.
3,50,000	3,59,000	19,72,979	15,13,079	47,938	Williamson Magor & Co., Ltd.	Tatcher	3½	10	½ + 1	1 + 1	*Nil*+½	½ f	2, 8	H.
49,98 000	...	49,06,356	19,01,545	31,004	Hindustan Investment Corpn., Ltd	Union	24½	10	½	½	½ + ½	½+	6, 12	H.
7,00,000	1,38,190	55,22,133	22,66,981	122	Macneill & Barry Ltd. ..	Western Bengal ..	17	10	1½+1½	1 + ½	+ ½		0	Y.
						West Jamuria ..	14	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.

M—Managed by the board of directors ‡ Less income-tax. (a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments

(f) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March 19

PUBLIC ACCOUNTABILITY OF STATE UNDERTAKINGS

(*Concluded from page 243*)

considerations apply with even greater force in the case of State industrial units in competition with private units in the same field.

There is a continued controversy on the question of public accountability of the State undertakings. It has even been suggested that, by the device of the formation of companies, they were being placed beyond the pale of Parliamentary control. This suggestion, fostered by interested parties, does not bear serious examination. In the first instance, when a new company is to be floated, a demand for grant for the share capital to be invested, is placed before the House, thus affording it an opportunity of discussing the investment and the form in which it is proposed to be made. Subsequently also, it is the convention to place the annual report along with the balance-sheet and profit and loss account on the table of the House, thus, once again, giving the members an opportunity of studying these documents and raising a debate, should they so desire. In addition to the normal audit by the auditors of the company, there is the provision that the Comptroller and Audit

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,301	Allahabad Bank	365	100	18 0	18 0½	18 0½		12	Y.P.
14,50,000				184	50	9 0	9 0½	9 0½			
1,01,050	13,51,000	1,28,560	Andhra Bank	115	100	6 0	6 8	7 8	3 0½	6,12	H.
81,29,720				85	70	3 0	3 4	3 12	2 1 3/5½		
1,00,00,000	1,28,00,000	2,70,302	Bank of Baroda	95	50	6 0	6 0½	6 0½	1 8	12	Y.
50,00,000	17,00,000	11,705	Bank of Bikaner	13½N	25	0 12	0 12			12	Y.
2,50,00,000	3,52,00,000	9,10,851	Bank of India	150‡	50	7 0	7 0	7 0	3 0½	6,12	R.L.Y.
15,30,375	26,00,000	64,703	Bank of Indore	52N	25	3 0	3 0	3 0	1 12½	12	Y.
50,00,000	19,00,000	25,128	Bank of Jaipur	20½	50	1 8	1 8	2 0		12	Y.
50,00,000	85,00,000	2,60,591	Bank of Mysore	260	100	16 0½	16 0½	16 0½	8 0½	12	Y.
61,21,700	58,73,013	10,059	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	86	50	4 8	4 8	4 8		12	P.Y.
7,50,000	11,25,000	2,518	Canara Banking Corporation Ltd.	86cd	50	5 0½	5 0½	5 0		12	Y.P.
2,02,11,375	4,00,55,697	17,88,899	Central Bank of India Ltd.	49	25	3 8	3 0	3 0	1 8½	12	R.L.Y.
52,42,375 'A'				51½	25	3 8	3 0	3 0	1 8½		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co.	45	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	23,50,000	1,12,820	Hind Bank	32½	50	1 0	1 8	1 8		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9½	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	14	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	80N	100	5 0	5 0	6 0½	5 0	9	Y.
24,00,000	77,50,000	1,30,785	Indian Bank	102	100	12 0½	12 0½	12 0½	6 0½	6,12	R.L.H.
17,00,000				104	85	10 3½	10 3½	10 3½	5 2 2/5½		
16,80,000				115½	60	7 3½	7 3½	7 3½	3 9 2/5½		
49,19,675	26,00,000	2,15,339	Indian Overseas Bank	130	100	6 0	6 0	6 0		12	Y.
6,25,990	5,64,500	—1,12,440	Indo-Commercial Bank	42½	100(A)	6 0	Nil	Nil		6,12	H.
2,50,000				11	25(B)	1 8	Nil	Nil			
10,00,000				26½	50(C)	3 0	3 0	Nil			
87,50,000	92,50,000	4,99,040	Punjab National Bank	46	25	1 8	2 0	3 0	1 8½	12	Y.
1,00,00,000	21,75,000	93,031	Travancore Bank	17½	25	—	0 12	1 12		12	Y.
40,00,000	33,00,000	1,75,874	Union Bank of India	6	5	0 5½	0 6	0 5½		12	Y.
2,00,00,000	86,50,000	1,08,725	United Commercial Bank	50½	50	2 0	2 0	2 8		12	Y.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£392,910	Chartered Bank of India, Australia and China	£2-0-3	£1	16†	14†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£8	£5	7†	8†	8†		12	R.L.Y.
H.K. $20,000,000	H.K $128,000,000	H.K $10,215,256	Hongkong and Shanghai Banking Corporation	£94½	H.K. $125	5*	5*	5*	2*	12	Y.
£17,066,195 'A'	£14,500,500	£516,557	Lloyds Bank	£2-15-6	£5 A	12†	14†	15†		12	R.L.Y.
£1,437,206 'B'				£1-6-3	£1 B	5†	5†	5†		12	R.L.Y.
£375,000 'A'				£4⅜	A £2½	14†	14†	14†	7†		
£375,000 'B'	£1,750,000	£200,284	Mercantile Bank of India	£4⅜	B £2½	14†	14†	14†	7†	12	R.L.Y.
£720,000 'C'				—	C £1	14†	14†	14†	7†		
£2,851,563	£3,104,687	£326,266	National Bank of India	£1-1-3	sh. 12½	16†	16†	15†	7½†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June 1963
4,00,000	5½	1st March and 16th September	Carew & Co. (2nd mortgage)	1941	95	28th February 1960
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	1936	99⅜	30th December 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	88	1st November 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	91½	30th June 1967(a)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December 1968(a)†
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	99	15th November 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	101½	1st March 1972(a)
13,68,000	5½		Jayshree Textiles	1949	80N	1st January 1956-59
39'90,000	5	1st June	Tata Mills	1951	100	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March 1965(a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100½	14th June 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98	1st October 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December 1964(a)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	101	31st January 1970(a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	87	31st December 1970
15,00,000	5	1st January and 1st July	Sijua (Dherjiah) Electric Supply Co., Ltd.	1951	96	30th June 1976(a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	98½	15th July 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	98½	1st October 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	30th September 1953-63
4,63,800	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1st July 1970
2,50,00,000	4	1st April and 1st October	Tata Power		93½	15th September 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99	31st December 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Reserve)	1942	102	1st July 1957-62
41,146,800	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£88	31st December 1966(‡‡)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	102½	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100‡	31st December 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	£99‡	31st March 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	100	30th June 1966
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90½	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93‡	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July 1959
30,59,000	5	30th June and 31st December	Chitavisah Jute Mills	1951	96	30th June 1966
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March 1966(a)
8,86,000	5	15th January and 15th July	Empire	1951	95	15th July 1966(a)
25,00,000	3½	1st January and 1st July	Hastichand	1947	92	30th June 1957
80,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	100	31st March 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	96½	31st December 1964(a)
25,00,000	5½	30th June and 31st December	Nalhati	1952	98	31st March 1967(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December 1964
8,00,000	4	30th June and 31st December	Presidency	1943	93	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co. Ltd.	1950	91	5th September 1965(a)
6,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September 1957
12,00,000	4½	30th June and 31st December	Union	1937	96‡	30th June 1957
10,00,000	3½	31st January and 31st July	Waverly	1925	88	31st July 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1936	90N	1st July 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£77½N	1st October 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90½	31st December 1959(a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months' notice (c)
4,83,28,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	96‡	1st September 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1952	102	1st July 1957-63
12,50,000	5	31st March and 30th September.	Nilgiri Tea		100	1st April 1958-68
1,80,700	5½	31st March and 30th September.	Teekoy	1944	100	31st March 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December 1965
26,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	86	31st December 1962
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June 1957
8,00,000	5½	1st March and 1st September	Burmah-Shell	1954	104	1st September 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	103½	1st October 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February 1964
20,92,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89½	1st July 1986
20,00,000	4	15th March and 15th September.	Dalhousie Property	1946	87½	15th September 1960
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Ltd.	1946	92	1st January 1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	102½	30th June 1977(a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June 1969(a)†
17,75,000	5	15th March and 15th September.	Meitur Chemical Industries	1949	95½	30th September 1964
38,08,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	560	30th September 1976(a)
45,00,000	4	30th June and 31st December	McLeod & Co., Ltd. (Convertible Notes)	1947	470 (per note)	31st December 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	89½N	1st April 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	103‡	30th June 1971
1,00,00,000	4½	31st March	Orient Paper Mills Ltd.	1951	92	31st March 1965-70
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91	31st December 1961(a)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	105½	1st May 1959

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 2 per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-8-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-8-1964. ‡‡ Redeemable out of a sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed on 1-9-1964. ¶ Company has option to redeem at 105 per cent. on 1st May, 1958, on six months' notice. †† Option to repay at par on 6 months' notice at any time after 1-5-1964 but before 1-5-1969 and 1 per cent. premium on or after 1-5-1969. ‡‡ Option to repay at par on 6 months' notice at any time after 1-5-1964 but before 1-5-1969 and 1 per cent. premium on or after 1-5-1969. ‡‡ Redeemable on 1st May, 1964 or on any subsequent interest date on 6 months' notice.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 9th February, 1956.

	Closing quotations 2-2-1956	High	Low	Closing quotations 9-2-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	160‡	—	—	160‡
Apollo (2)	2-11‡	2‡	2‡	2-12‡
Bombay Dyeing (250)	498‡	516‡	497‡	507‡
Central India (100)	135‡	142	137	139
Century Mills (100)	449	461‡	447	451‡
Colaba (100)	60	—	—	60
Edward Textile (200)	320	—	—	320
Elphinstone (50)	50	—	—	50
Finlay (100)	312	322	312	320
Gokak (100)	217	225	218	224
Ind. Untd. Defd. (1)	2‡	2‡	1-15‡	2‡
Ind. Untd. Ord. (10)	12‡	12-10‡	11‡	12‡
Indore Malwa (100)	124‡	135‡	121‡	129‡
Khatau (100)	206‡	210	206‡	210
Kohinoor (100)	323	332	322‡	327‡
Lakshmi (250)	665	670	665	668‡
Madhusudhan (100)	112‡	—	—	112‡
Minerva Mills (100)	86‡	86‡	82	82
Model Nagpur (250)	155	150	148‡	148‡
Morarji (100)	230	—	—	230
Mysore (50)	99‡xd	—	—	99‡
National Rayons (100)	212	220	210‡	215‡
New City (100)‡	161‡	161‡	160	160
New Great (100)	190	194	191	194
New Union (10)	108‡	—	—	37
Phoenix (100)	137‡	137‡	120	120
Podar Mills (100)	162‡	167‡	165	165
Sassoon Silk (10)	20	—	—	20
Sassoon Spg. (10)	40	40	39	39
Sholapur (1,000)	1,900	—	—	1,900
Shrinivas (100)	207‡	215	206‡	210
Simplex (50)	182	189	180‡	185‡
Standard (100)	381‡	402‡	380	401‡
Svadeshi (100)	202‡	213	202	209
Swan (100)	405	412‡	390	412‡
Tata Mill (25)	51	53‡	51	51‡
Vishnu (100)	177‡	180	177‡	180
Western India (1,000)	5,000	—	—	5,000
BANKS				
Bank of India (50)	150‡	151	147‡	151
Bank of Baroda (50)	94	95	94	95
Central (25)	46	49	45‡	49
Central 'A' (25)	49	51‡	48‡	50‡
Dena Bank (50)	45	—	—	45
Punjab National (25)	46	—	—	46
Union Bank (5)	6‡	—	—	6‡
United Com. (50)	50	6-15‡	6‡	6‡
		53‡	48‡	50‡
ELECTRIC COS.				
Ahmedabad (100)	104‡	104‡	103‡	103‡
Amalgamated (10)	11‡	11‡	11‡	11‡
Andhra Valley (1,000)	1,300	1,302‡	1,295	1,302‡
Bom. Suburban (100)	118‡	120	117‡	120
Surat (100)	119‡	120	118‡	120
Tata Hydro (100)	132	133	131‡	133
Tata Power (1,000)	1,350	1,368‡	1,347‡	1,366‡
INSURANCE COS.				
British India (10)	13‡	—	—	13‡
Empire of India (100)	600	—	—	600
Ind. Mercantile (20)	42	43	42	42
Jupiter (15)	8‡	—	—	8‡
New India (15)	41	41‡	40	40
Oriental (500)	3,575	3,800	3,650	3,800
Universal (10)	14	—	—	14
Vulcan (10)	15‡	15‡	15‡	15‡
STEEL COS.				
Ind. Iron (10)	33-4‡	33‡	32‡	32‡
Tata Steel Ord. (75)	225	229‡	223‡	225
SUGAR COS.				
Belapur (50)	218xr	224	216‡	222
Bhopal (10)	14‡	—	—	14‡
Phaltan (50)	126	131	126‡	128
Walchand Ind. (100)	226‡	238‡	230	235‡
CEMENT COS.				
Associated Cts. (100)	208‡	206	197‡	202‡xd
Digvijay (100)	165	169‡	165	168‡
MISCELLANEOUS				
Alcock Ashdown (100)	340	380	338‡	368‡
Bom. Burmah (125)	518‡	538‡	518‡	524‡
Do. (New) (50)	187‡	190	186‡	190
Br. B. Petrol (4 sh.)	3‡	4-0‡	3‡	3‡
Br. I. Corpn. (5)	11‡	12-2‡	11-0‡	11-12‡
C. P. Rly. (100)	96‡	96‡	92	93‡
Indian Copper (Sub.)	6-7‡	6-12‡	6‡	6‡
Ind. Inv. Tr. (100)	80‡	80‡	80	80
Kemp (200)	195‡	—	—	195‡
Killicks (100)	165	168‡	166‡	166‡
Polson (100)	160	160	157‡	157‡
Port Canning (100)	19	19	12	12‡
Premier Con. (30)	160‡	175‡	168‡	171‡
Scindia (20)	16‡	16‡	15‡	15‡
Shivraj Jute (10)	100‡	103‡	100‡	101
Tata Chemicals (10)	15‡	16‡	15‡	16‡
Tata Oil (25)	42	42	42	42‡
Tata Loco (100)	139‡	144	139	141‡
W. I. Match (100)	188‡	190‡	185	187‡

GOVERNMENT SECURITIES	3-2-1956	Gross Yield: Earlier Redemption	Later Redemption	9-2-1956
	Rs.			Rs.
2½% 1961	93‡	—	3.83	93‡
2½% 1960	95‡	—	3.70	95‡
2½% 1962	93‡	—	3.80	93‡
2½% 1976	93‡	—	3.80	93‡
3% 1957	88‡	—	4.04	88‡
3% 1958	99‡	—	3.25	99‡
3% 1950-51	99‡	—	3.20	99‡
3% 1964	98‡	3.56	3.55	98‡
3% 1968-65	94‡	—	3.75	94‡
3% 1965-66	94‡	3.88	3.86	94‡
3% 1970-75	92‡	3.92	3.78	93‡
3% 1966 Con. Loan	88‡	4.08	3.85	88‡
4% 1960-70	80‡	—	3.78*	80‡
4½% 1958-68**	101‡	3.59	3.84	101‡
3½% 1961 N.P. Bonds	103‡	3.05	4.16	103‡
3½% 1964 N.P. Loan	99‡	—	3.50	99‡
3½% 1965 N.P. Bonds	98‡	—	3.67	98‡
	96‡	—	3.69	96‡

BRITISH GOVERNMENT SECURITIES	3-2-1956	Low	High	6-2-56
	£	£	£	£
2½% Brit. Consols				
3% Savings Bonds 1965-75	55‡	—	—	55‡
3% War Loan 1955-59	76‡	76‡	76‡	76‡
3½% War Loan	95‡	95‡	95‡	95‡
4% Victory Bonds 1976	74‡	74‡	77‡	74‡
4% Funding 1960-90	93‡	93‡	93‡	93‡
	91‡	91‡	91	91

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Rights.

COMMERCE

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

VOL. XCII. No. 2346 BOMBAY, 18th FEBRUARY 1956 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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PHILOSOPHY OF THE SECOND PLAN

THE draft outline of the second Five-year Plan is more of a discourse on economic philosophy and less of a down-to-earth plan for raising the country's living standard. It bears the impress of ivory-tower dwellers more than that of the people who are intimately connected with fields and factories. The objectives of the Plan are ambitious. They are, of course, not overambitious when viewed from India's needs, but they certainly are when viewed from its capacity. Not only that; they are rendered less practical by the ideological approach to them. Such an approach has led to a number of internal contradictions in the Plan, thereby weakening a number of links in the chain.

If the experience of the first Plan shows anything, it is that, first, when people are left to themselves, they can achieve far greater results than when they are controlled by the State and, secondly, the performance of the public sector, which took 50 per cent. of the responsibility for development, does not equal that of the private sector. The removal of controls was accompanied by all-round increases in production which, in turn, enabled the planners to raise the size of the Plan without any inflationary impact on the economy. The absence of the drastic type of land reform now advocated has not stood in the way of increased agricultural production, and whatever conflicts there were between landlords and tenants have been liquidated by regulating the terms of tenancy. The increase in industrial production has been much greater in the private sector than in the public sector. Indeed, the public sector has miserably failed in this direction. Whereas the private sector has excelled in fulfilling the targets, the public sector has been lagging far behind. The present shortage of steel, cement and certain types of capital goods is due partly to the failure of the public sector to implement the programme it itself undertook and partly to the dog-in-the-manger policy it followed towards the private sector. The Planning Commission itself clearly admits that the public sector could not utilise the provisions in the Plan for setting up a new iron and steel plant, as well as a heavy electrical plant. It further admits that not all the amounts earmarked for education, medicine, community projects, village and small industries, etc., could be utilised. There has no doubt been a perceptible improvement in irrigation facilities and power generated, both in the public sector, but even here the achievements are not as much as they should or could have been. Imagine, for instance, the tragic delay that has been caused in the implementation of the Tungabhadra project, thanks to the reorganisation of States, or of the power schemes in the Bombay State.

Despite all this past experience, the Plan has earmarked more responsibilities and, consequently, more resources for the public sector. And these responsibilities are in the very spheres where this sector has singularly failed. One of the chief reasons for giving prominence to the public sector is to prevent concentration of economic power. If this approach is not doctrinaire, one does not know what is. It may be argued that, as the State does not have enough experience in setting up industries, some delay is unavoidable in the initial stages and that, as it gathers enough experience, it will do infinitely better than the private sector. Even this argument is not convincing, considering the long period which the State is taking to finalise its deals for putting up iron and steel plants and the continued financial failure of such undertakings as machine tools, locomotives and shipbuilding. But this argument apart, why should the country's economic progress be arrested or delayed, merely because the State feels that certain spheres of production should be reserved for itself, even when the private sector can do that function quite efficiently, expeditiously and at a lower cost to the community?

What is it that the country needs? It needs more food, more cloth, more schools, more houses and more hospitals. These needs are so large that, in the process of meeting them, gainful employment can be found for all its able-bodied citizens, provided the approach is made on practical, modern lines. India's large population provides valuable scope for developing its vast natural resources, without having to find colonial markets outside the country. Unfortunately, its rulers are making the task of development needlessly complicated by bringing in ideological considerations and introducing class conflict, where hardly any existed before. By decrying *entrepreneurs* and by condemning profit motive, they are creating a situation in which private enterprise and initiative will soon be crippled, thereby paving the way for the early establishment of a monolithic State. As a result of this policy, the creation of gainful employment opportunities will be delayed and so also production. Such a delay will only aggravate the unemployment problem and add to the discontentment among the people. The political implications of such a situation are obvious; it will make the country less safe for democracy than what it is now.

If this state of affairs is to be avoided, the Plan must be recast in such a way as to entrust the function of production—this means creation of employment opportunities—to those who are better suited to perform that task. In saying this, it is not suggested that the State should have no part at all; nor is it suggested that the private sector should be completely free from

tural, development will be brought about by the private sector. For it is inconceivable that any worthwhile expansion of industries under the ægis of the private sector can take place without resulting in an increase in the living standards of the common man. This will be borne out by an impartial study of the economic development that has taken place in a free country like the United States. If those who are in charge of the Government are wise and patient, they can certainly ensure, without upsetting the rate of progress, that a substantial part of the expanding cake of national income goes to the common people and that the shares of *entrepreneurs* and capital in it are not excessive.

The Government of India is naturally very keen that the pace of economic development should be rapid and that the national income should be doubled in little over a decade. The attainment of this objective, over which there is no difference of opinion, will by no means be impeded by giving a bigger role to the private sector in industrialisation. It is necessary to emphasise this point, because there is a widespread impression among those who are in power that the public sector alone can bring about such a speedy development. It has already been shown that this impression is belied by experience of State-ownership and State-management of industries so far. On the contrary, the private sector has proved abundantly that it can produce quick results. The prerequisites for rapid development are diligent initiative, ability to procure capital and know-how, freedom for taking quick decisions, and drive to implement a given project. For all these purposes, the private sector is eminently suited, but, wherever it is found wanting, or is unable, for reasons beyond its control, to get things done, the State must step in to strengthen the chain and to keep up the momentum. If a bigger role is allotted to the private sector, it will, perhaps, be easier for the country to get more foreign capital, as well as technical and scientific know-how, provided the Government is prepared to give its backing and blessings to the deals that are negotiated for these purposes by business men.

It is, of course, always possible for the State to secure the services of industrialists and the executives working under them to manage the industries and commercial activities of the public sector. And, since the majority of business men in this country is unwilling to challenge the economic theories and philosophies of the party-in-power in the hustings and is, instead, content to toe, albeit reluctantly, the line taken by the Congress, it is quite likely that the Government will succeed in doing so. Evidence of this is already found in such of those undertakings which have been nationalised, as, for instance, aviation, road transport and the Imperial Bank. More of it may be forthcoming when the central organisation for administering the recently nationalised life insurance business is set up. The private sector has also been giving valuable help to the State for putting up some of the heavy industries such as the proposed three iron and steel plants. While this commendable action of the Indian business community reflects its spirit of patriotism, it will be a pity if it has encouraged the Government to extend the sphere of the public sector in a spirit of complacency. Such assistance, when taken on a large scale, will amount to conferring rights and privileges on persons who have no stake of their own in the enterprises placed under their care. It is needless to add that arrangements of this nature for managing State-owned undertakings will lead to waste and inefficiency, not to mention evils of political nepotism. It will be no substitute for an enlightened private sector.

To sum up, the economic philosophy of the second Plan represents a radical departure to the left from the one that underlined the first Plan. This departure is not conducive to the future of democracy in this country, not only because the new philosophy expounds principles of expropriation of land (the compensation mentioned is only of a farcical nature) and confiscatory taxation of income, as well as savings, but also because it dampens private initiative and enterprise which in turn will slow down economic development, without which poverty—the enemy of democracy—cannot be eradicated. It is very necessary, therefore, to modify this approach on the lines indicated above and in a manner which will engender due regard for sanctity of private property.

PROSPECTS FOR COTTON

IT is becoming increasingly clearer that cotton is the weakest link in the world commodity chain. This is a matter of no small concern not merely to the forty and odd countries which are interested in cotton as producers but to the entire world, for cotton is the major textile fibre. The imbalance in the supply and distribution of cotton, caused by the excess of available supply over effective demand, has been in evidence for some time now. But it was believed that the steps taken by the U.S., the major cotton producer, to curb production and possible increase in demand for cotton would cure the malady that afflicts this king of textile fibres. Apparently, King Cotton is too seriously ill to be cured by simple palliatives, and may, in fact, need some surgical remedy.

World supply of cotton continues to increase year by year, and, for the current season (1955-56), it is placed at 62.1 million bales (of 478 lbs. each), as against 58.8 million bales. In the free world alone, the supply is placed at 51.1 million bales, consisting of an output of 30.8 million bales and carryover stocks of 20.3 million bales, as compared with 48.3 million bales, made up of production of 29.4 million bales and stocks of 18.9 million bales, in the last season. The consumption of cotton in the free world has not caught up with increased production, so that world stocks have continued to mount up. In the last season, free world consumption was placed at 27.6 million bales, as against 26.8 million bales in 1953-54; cotton production in the respective years was 29.4 million bales and 30.3 million bales. Assuming that free world consumption this season will be maintained at the last season's level of 27.6 million bales, stocks at the end of the current season (1st August 1956) would aggregate some 23 million bales, as compared with 20.3 million bales a year earlier. This is by no means a very happy prospect.

Taking the world as a whole (that is, including communist countries), cotton production has expanded from 28.8 million bales in 1948-49 to 40.3 million bales (the estimate for the current season). There are many reasons for this increase in output. As the shortages in food supply, noticeable in early post-war years, were wiped out, it became possible for many countries to divert more land to cotton. The completion of irrigation systems in many countries led to expansion of the land under cotton and also to an increase in the per-acre yield of cotton. The adoption of superior agricultural practices, including mechanisation of agriculture, has also considerably augmented production. But the main reason for expansion in cotton output is undoubtedly the price umbrella which the U.S. indirectly holds for the world's cotton farmers.

The rigid price support which the U.S. has lent to its cotton has been mainly responsible for the increase in supply of cotton in the U.S., even as it has stimulated cotton production elsewhere. For the current season, the supply of cotton in the U.S. has been estimated at 25.6 million bales, consisting of 11.1 million bales of carryover stocks and 14.5 million bales of production, as against 23.3 million bales, 9.7 million bales and 13.6 million bales, respectively, in the last season. Thus, the supply of cotton in the U.S. in the current season is slightly over 50 per cent. of the free world's total supply. The U.S. Department of Agriculture has estimated that domestic consumption this year might aggregate 9.2 million bales. Exports are expected to absorb only 2.4 million bales—one million bales less than in 1954-55. The carryover stocks at the end of the current season are estimated at 14 million bales —about 3 million bales more than at the commencement of this season and one million bales more than the previous record of 1939. Small wonder, then, that the American authorities are at great pains to find some way to relieve the country of the burdensome cotton surplus it is now carrying.

The U.S. price support policy, as already stated, has been the main cause of growing surpluses within that country and increased production elsewhere. The Commodity Credit Corporation, to which the farmer can pledge his cotton at the support price, can sell in the domestic market the cotton not redeemed by the farmer at not less than 105 per cent. of the domestic price *plus* the appropriate carrying charges. Since 1947, this rule has been made applicable to sales to foreign countries also. This explains how the U.S. price support policy has served as an umbrella to cotton farmers the world over. All that the cotton farmer in far-off Turkey or Brazil has to do is to grow as much cotton as possible and sell it on the world market at slightly less than the American support price. Since this support price, determined from the high American living standards, gives a comfortable margin for the growers elsewhere, it has been difficult to arrest the expansion of cotton output in non-American countries. The result is a certain distortion in world trade; the non-American producers continue to capture larger and larger share of the world market, while the U.S. carries year after year increasingly heavier stocks.

So far, the only positive measures which the American authorities have taken, in order to reduce the surplus, are acreage controls and limited exports of cotton at competitive prices. Neither of these measures has been helpful. The farmers have got round the acreage control by bringing only their best land under cotton and by improving the per-acre yield of cotton. The second measure was not, of course, intended to solve the entire cotton problem. It was only a limited offer, commencing from this year, of one million bales—and, only short-stapled varieties, at that—at competitive prices. Since the Government had announced this decision several months before it actually commenced selling its cotton at competitive prices, the other countries took care to dispossess themselves of as much cotton as possible before the U.S. arrived in the market. The C.C.C. has so far sold only about 616,000 bales of cotton under this special export programme.

World producers are naturally nervous that the U.S. might be compelled, sooner or later, to disgorge all its surplus at competitive prices. Their fear is that the U.S. might follow an aggressive export policy. So far, the authorities have not attempted it for two reasons. In the first place, such a policy would depress the prices to an extent that would mean considerable loss to the U.S. Secondly, it would demoralise the world market, hit many underdeveloped countries, and would not, therefore, be consistent with the U.S.'s role as a promoter of world trade. Nevertheless, the U.S. cannot possibly hold on to its stocks indefinitely. Discussing the question from the point of view of the countries outside the U.S., the *N.B.I. Review*, the quarterly journal of the National Bank of India, makes certain notable observations. It says:

"Foreign producers of cotton cannot justly complain, because the U.S. has at length grown tired of holding an umbrella over production in the rest of the world; an adjustment was bound to come. It would seem to be in their interests not to spoil their case at the State Department by objecting to more competition; but they should concentrate, instead, on trying to ensure that the competition is fair and that the U.S. announces a long-term policy as quickly as possible, so that the world trade in raw cotton and cotton goods can get back to normality. In particular, they should urge that the reduction in export prices should be accompanied by a reduction in support prices. The U.S. has a long purse, and it could afford to subsidise cotton exports for years. No foreign producer could compete on those terms. By urging that reductions in home and export prices should keep in step, these countries will also help to ensure that the American adjustment is made in an orderly fashion. What is sauce for the goose is sauce for the gander."

Thus, the long-term outlook for cotton is intimately bound up with the long-term policy which the U.S. pursues. In his message to the Congress, President Eisenhower outlined some proposals designed to solve the problem of agricultural surpluses. He emphasised the need for legislative changes which would permit the C.C.C. to sell to the domestic market at less than 105 per cent. of the support price *plus* carrying charges and to effect sales to countries which are outside the present surplus disposal programmes. He also stressed the need for a flexible parity and for computation of parity prices on the basis of average grade and quality and not on middling ⅞" as at present. But the most important of his proposals was for a somewhat more rigid control of production through the implementation of the "soil bank" scheme, and the replacement of acreage allotments by quantity allotments. It remains to be seen how the American Congress will react to this scheme. If the latest decision of the Senate, referred to elsewhere, is an indication of the likely decision of the Congress, there is not much room for hoping that it would be fully endorsed. In any case, it should be clear that, unless the U.S. solves its surplus problem, the cotton world will continue to be assailed by periodical doubts as to what the American authorities might do, in order to get rid of the huge stocks in that country.

ACUTE STRINGENCY IN MONEY MARKET

BANK CREDIT MAY COST MORE—AN ECONOMIST'S SOLUTION TO STOP GOLD SMUGGLING

THURSDAY, 5 P.M.

THE share markets are slightly steady, with the lists showing fractional gains over a wide range. There has been selective buying by investors on a small scale and a fair measure of bear covering, especially in textile scrips. It is only steel shares that have become friendless. As the settlement muddle in Calcutta has not yet been completely cleared, there is persistent liquidation of Indian Irons, which in turn is having an adverse effect on Tata Steel Ordinaries also. Over the week, both the scrips are lower, the drop in Indian Irons being heavier than in Tata Steels. Technically, the position of the market seems to be still unhealthy. In any case, there is no improvement in the market sentiment. A feeling of uneasiness about the Central budget persists, especially as Mr. Dhebar, the Congress President, indicated, in his speech at the Amritsar session, a number of taxation measures, with a view to reducing the inequalities in income and finding resources for financing the Plan. The detailed reference made by him to this subject suggested that he was almost giving a mandate to the Union Government as to how it should frame its budget for 1956-57, the first year of the second Plan.

MARKET GOSSIP

* * * *

The short-term money market is passing through a period of acute stringency. Very little activity is reported in the inter-bank section, for want of lenders and the rate of 3 per cent. is mostly nominal. The pressure is, however, reflected in the keen competition that is going on for short-term deposits and house money. Apart from the customary trade demand for funds, the substantial withdrawal of call deposits by the custodians of insurance companies for investment in Gilt-edged securities has led to a shrinkage in the liquid resources of banks. This development, as well as the Reserve Bank's advance notice that, with effect from 1st March 1956, it would discount usance bills only at 3½ per cent., instead of at 3 per cent. as at present, besides withdrawing the concession given by it in respect of stamp duties, has forced the banks to offer more for deposits. Last week, some of them stepped up the rate for term deposits by ¼ per cent., while this week they have raised the rate for house money also by ¼ per cent., that is, to 3½ per cent. There are also strong rumours that banks are contemplating to increase the rate of interest on their loans and advances. We will not be surprised if these rumours turn out to be correct, for the banks had a good case for putting up the cost of credit even before the Reserve Bank decided to increase the rate of interest on usance bills. With the Reserve Bank's decision, their case has become stronger.

Bank credit in India is definitely cheap. Speculative forces are already strong and, with a large dose of deficit financing well under way, these forces will gather further momentum, unless all possible measures are taken to keep them under check. One of these is higher interest rates. It will, therefore, be perfectly in order if steps are taken to make bank credit a little costlier. Viewed in this context, the Reserve Bank's decision to withdraw the stamp duty concession on usance bills and to raise the rate of interest thereon by a quarter per cent. to 3¼ per cent. is highly significant. It may be noted here that, with a view to encouraging the development of a usance bill market, the Reserve Bank has been bearing half the cost of stamp duty incurred by banks for converting demand bills into usance bills, in addition to keeping the rate of interest at so low as 3 per cent., that is, at ¼ per cent. below the Bank rate. If account is taken of the loss of the stamp duty concession, the effective rate of interest on usance bills will be nearly 3¾ per cent. from the first of next month. Consequently, the difference between the bill rate and the Bank rate will be virtually be eliminated.

The system of discounting usance bills was introduced in January 1952. It has proved quite useful to the banking system in meeting the credit needs of trade during the busy season. In the initial stages, the facility was made available only to a limited section of the banking system, but it was gradually extended to all the Scheduled banks in possession of a licence granted under Section 22 of the Banking Companies Act. The number of banks eligible for this facility is now 45, as against 27 four years ago. Advances availed of by banks under the scheme have also increased, from Rs. 81 crores in 1952 to Rs. 225 crores in 1955. These figures show the extent to which the usance bills scheme affects the organised money markets. In fact, it will be no exaggeration to say that the rate of interest on these bills is the *de facto* Bank rate. Accordingly, when this rate of interest goes up, it is as good as the Bank rate going up.

* * * *

The fight against inflation in Western Europe and elsewhere in the free world by a resort to the use of the traditional monetary weapons continues. In New Zealand, where the Bank rate is already as high as 7 per cent., the use of credit has been tightened further and increase in rates of interest on deposits has been officially permitted. In Holland, the Bank rate was raised last week and the commercial banks were told to exercise restraint in sanctioning credit. In Britain, the new Chancellor of the Exchequer, Mr. Harold MacMillan, who had asked the bankers to tighten the credit facilities further shortly after he took over the office from Mr. Butler, has just taken the unpleasant step of putting up the Bank rate by a stiff one per cent. to 5½ per cent. Thus, for the third time in just over a year, the Bank rate in Britain has been raised. How often the Bank rate has been altered in that country in recent years will be clear from the following table:

Date of change	*Per cent.*
26th October 1939	2
8th November 1951	2½
12th March 1952	4
17th September 1953	3½
14th May 1954	3
27th January 1955	3½
24th February 1955	4½
16th February 1956	5½

The immediate provocation for raising the Bank rate must have been the renewed weakness of sterling during the past few days and the insistent demand for increase in wages. Despite the slightly favourable gold returns for January last, the sterling-dollar rate, which was so steady around $2.80⅞ in the third week of last month, has now eased to $2.80-7/16. The Labour Party's censure motion tabled in Parliament yesterday, in order to force a showdown on the country's deepening economic crisis, must have also induced the British Conservative Government to reiterate its faith in monetary controls in preference to physical controls, the favourite weapon of the Labour Party for fighting economic imbalance.

* * * *

Although many bullion interests will deplore that the Forward Markets Commission should have undertaken an enquiry into the utility of forward trading in gold and silver, there is no doubt that the case for such trading has been considerably weakened by the fact that there is no major internal source of supply and private imports have been banned. The Commission has, however, invited applications for recognition from commercial bodies trading in bullion. The Commission, it is stated, will consider these applications "without prejudice to any conclusion that it might reach on the desirability of permitting such trading."

An important source of continuous supply of gold to the country (apart from the small output of the Indian gold mines) is smuggled gold. The problem of smuggling has practically defied solution, thanks partly to India's traditional hunger for gold and partly to difference in internal and international price levels. In this connection, some of the points made by Prof. B. R. Shenoy, Director, University School of Social Sciences, Gujarat University, Ahmedabad, in the course of the Sir William Mayer Endowment Lectures which he delivered at Madras, will be read with interest. Mr. Shenoy computed that the quantity of gold imported by India during the 42 years ended 1930-31 amounted to 97.2 million ounces or an annual average of 2.31 million ounces. At current prices, the value of imports would be about Rs. 62 crores per annum. During the 12 years following the devaluation of sterling (and the rupee) in 1931, total exports of gold amounted to Rs. 337 crores, the annual average of the actual quantity exported being 3.6 million ounces. Since 1946-47, gold has again started moving into the country with the help of smugglers. Gold smuggling is the combined result of an improvement in the economic condition of the agricultural population and the phenomenally wide disparity between the internal and the external prices of gold which, in a large measure, reflects an exchange overvaluation of the rupee. There is no direct means of estimating the amount of gold that is being smuggled. On the basis of the gold processed at the refinery of the Bombay Bullion Association, the National Refinery and at the Government mints in Bombay and Calcutta, Mr. Shenoy estimates the amount of smuggled gold at Rs. 34 crores per annum. This estimate also agrees with the common estimate of Rs. 30 to Rs. 40 crores. This represents about 6 per cent. of the estimated national savings.

Government's efforts to prevent smuggling, as Mr. Shenoy said, have proved of no avail. Confiscation of the gold, *plus* imprisonment has not acted as deterrents. In April 1955, the Sea Customs Act was amended to provide that the onus of proof that gold, which the authorities may seize on reasonable suspicion, was not smuggled gold rested on the person owning the gold. But, this made little difference to the availability of gold in the bullion markets; only the detoning of gold was now done, instead of at the refineries, in the fireside privacy of the smugglers. The incentive to smuggle is provided by the phenomenal difference of about Rs. 36 per tola between the internal and the external prices of gold. So long as this difference remains, gold, as Mr. Shenoy pointed out, will continue to be smuggled. The vast sea and land frontiers do not permit a close enough vigilance, even assuming that the customs authorities are all incorruptible.

What then is the way out of the gold tangle? How can smuggling be prevented? Mr. Shenoy suggests that the price differential should be removed through a downward revision of the exchange rate of the rupee to its economic level. He argues that sterling is about the cheapest "economic goods in India today, its price of 1s. 6d. per rupee having remained unchanged since 1927." Most commodities in the meanwhile, have risen by 3½ to over 6 times. Money supply in India, since 1939, has risen by 6¼ times, as against a rise of 3½ times in the U.K. Other reasons mentioned by Mr. Shenoy for concluding that the prevailing exchange rate of the rupee is, probably, acting as a drag on exports, unlike the exchange rate of sterling, and that there exists a strong case for a review of the exchange value of the rupee are:

In recent years, the international payments position on account of goods and services (which is more relevant than the overall current account payments position to discussions relating to exchange rates) has shown substantial surpluses in the U.K. During the four years ending 1954, the goods and services account in India, however, showed a surplus only in 1953. There were deficits of Rs. 14 to Rs. 92 crores in the remaining three years.

The volume of exports of U.K. rose to 132 in 1954, as against 100 in 1948. They were 60 per cent. higher than in 1937. In India, notwithstanding a 40 per cent. increase in industrial production and a 13 per cent. increase in agricultural production, the post-war volume of exports was below the pre-war level. The index of the volume of exports was 94 in 1954, as against 100 in 1948.

Mr. Shenoy's thesis is that a more appropriate exchange valuation would help to eliminate the price differential of gold, and remove the present inducement for smuggling gold. In place of gold, the community may, then, consider importing goods more essential to the economy. Alternatively, the movement of gold might once again conform to the payments requirements of the country, gold flowing in, in times of payments surpluses and flowing out, in times of payments deficits.

Such adjustments, said Mr. Shenoy, would remove the present handicap to exports in many lines and would enable the raising of export duties on commodities in which our export position was strong even under the present exchange rate. As the experience of many countries, notably Canada, had shown, an economically appropriate exchange rate would so stimulate exports and restrict imports as to contribute to a lasting solution of our payments difficulties. It may also improve our terms of trade as had been the case in countries which had adjusted their currencies for overvaluation. With the sellers' market a thing of the past, he averred, there was now no case for currency over-valuation. Finally, Mr. Shenoy pointed out that the issue of over-valuation of the rupee was no less fundamental to a healthy functioning and stable progress of the economy than the issue of inflationary deficit financing. He regretted that the former had received hardly any attention in recent discussions. The currency and exchange policy of the country was last reviewed by a Royal Commission in 1926. In view of the complexity of the problem and its vital significance, Mr. Shenoy felt that it merited competent and early examination by a high-powered commission.

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On the previous page of this issue is to be found an article which reviews the general outlook for cotton. A notable feature of the world cotton situation, to which reference has been made there, is the large surplus which the U.S. now carries. In this context, it may seem somewhat surprising that the New York Market has ruled firm in recent weeks. Since the beginning of the current calendar year, the March contract has improved from 33.88c. to 35.74c. and May from 33.20c. to 35.10c. This rise reflects certain purely temporary factors such as the improvement in demand for cotton from certain countries and the shortage of "free" supplies in the U.S. Explaining the paradox of rise in cotton prices against the background of the increase in world cotton supply, the *London Financial Times* says:

"There is no simple answer to the paradox. One fact is that actual free supplies of cotton inside the U.S. are relatively short at present. Making allowance for some 13 million bales of Government stocks, there was a free supply of something like 7 million bales of cotton in the U.S. at the start of the year. This year a surprisingly large amount of cotton has been pledged with the Commodity Credit Corporation—close on 1 million bales in the first three weeks of January. As a result, there is an indicated supply of around 6.4 million bales between now and the end of the season in July, during which time American domestic consumption is roughly estimated at 5 million bales. The resultant margin between free supplies and absorption is thus rather less than the normal 2 million bales for carryover at the end of July. Besides this general tightness in the U.S., to which the sale of the 1 million bales overseas may have contributed, there is a particular shortage of the finest cottons. This has also affected the market, which, inside America, is also influenced by the improved activity of the textile industry. The eagerness with which buyers outside America have bought the surplus U.S. cotton remains somewhat surprising but this too probably to some extent follows from higher textile activity especially in the U.K. Another factor, of course, may be the reaction of market sentiment to President Eisenhower's soil bank programme for the reduction of cotton output and the output of other surplus commodities. The present rise in cotton values reflects an amalgam of all these influences. It is a trend which could continue for some time, but it would be wrong to allow it to distract attention from the basic realities of the cotton situation."

Apparently, the "basic realities" of the cotton situation are reflected in the quotations for the distant deliveries. Thus, as against the 35.74c. for the March contract, the quotation for July is 33.82c. while that for October is still lower at 31.97c. In the meantime, it is interesting to note how the American authorities are busy tackling the "basic realities" of the cotton situation. Some decisions of the Senate Agricultural Committee run counter

(*Continued on page 327*)

CORRECTION

In our editorial on Asian Economy last week, the population of Asia and the Far East was inadvertently given as 2,620 millions, instead of 1,450 millions. The figure of 2,620 millions relates to world population.

INDECISIVE TREND IN SHARES

TEXTILES FARE WELL

(From Our Own Correspondents)

BOMBAY, 16*th February*

TRADING on the Stock Exchange during the week under review disclosed an indecisive trend in prices. After an initial depression, equity values staged a smart recovery, but the recovery was not well sustained and leading industrials, under the leadership of steels, moved somewhat erratically. Nevertheless, textile shares were active and, on good support at lower levels, scored smart gains over the week, while steels disclosed losses on balance.

Early in the week, conditions akin to panic prevailed, the selling pressure noted at the close of the previous week gathering further momentum. The nervousness was attributed to fresh fears regarding the financial implications of the second Five-year Plan. Though the Draft Plan did not contain any fresh surprises, as most of the bearish factors contained in the Plan, such as the pursuance of a socialistic pattern of society by the Government, the prospects of heavy taxation to raise additional resources, imposition of a ceiling on incomes, etc., had all been known already and discounted in prices, the market was in jitters and, under pressure of heavy liquidation, values recorded sharp declines on Friday last. Its main anxiety was about additional levies in the ensuing Railway, Central and State Budgets. Fears regarding the settlement crisis in Calcutta which remained unresolved weakened the sentiment of operators. On Monday this week, the market, however, opened on a cheerful note and prices rallied all round. Although the higher levels attracted some profit-taking, there was no appreciable recession in values, in the absence of fresh adverse factors. Towards the close, equities moved in a narrow groove, due to uncertainties regarding the Calcutta settlement impasse and the Central Budget.

In the steel section, Tata Ordinaries slumped from Rs. 225 to Rs. 219-8 on Friday last, but shot up to Rs. 226 in the new account on Monday. Receding again to Rs. 220-4 on Tuesday, they gathered some strength and closed at Rs. 224. Indian Irons ruled weak. After a landslide from Rs. 32-14 to Rs. 31-5, the shares recovered to Rs. 32-8½, but the recovery was not sustained in the face of heavy liquidation and the scrips wound up the week at Rs. 31-13½.

Textile shares received good attention and, in active dealings, leading counters scored smart gains. Bombay Dyeings receded early in the week from Rs. 507-8 to Rs. 493-12, but rallied smartly to touch Rs. 519-6 before closing at Rs. 517-8. Kohinoors moved between Rs. 323 and Rs. 332 and finished at Rs. 331 with a gain of Rs. 3-8. Centurys came up to Rs. 464-8, after an early drop from Rs. 451-4 to Rs. 443, and closed at Rs. 461-8. Central Indias were, however, Rs. 3-8 lower at Rs. 135-8. Finlays registered a gain of Rs. 2 to Rs. 322 and Gokaks Rs. 6 to Rs. 230. Indu Ordinaries were steady around Rs. 12-3. New City Mills dropped Rs. 5 to Rs. 155 and New Greats Re. 1 to Rs. 193. Shree Niwas were prominent and rose by Rs. 3-12 to Rs. 213-12. Simplex advanced from Rs. 185-8 to Rs. 191-8. Standards received good attention and appreciated by Rs. 13-2 to Rs. 415. Svadeshis were up by Re. 1-8 at Rs. 210-8, while Swans shed Rs. 2-8 to Rs. 410.

Selective scrips in the banking section were in good form on sustained support. Barodas, for instance, gathered Rs. 3 to Rs. 98 and Bank of Indias put on Rs. 5 to Rs. 156. Centrals, on the other hand, were marked down by Re. 1-8 to Rs. 47-8 and the New shares were quiet at Rs. 50-8. Punjab Nationals were lower by Rs. 2-8 at Rs. 43-8, United Commercials had business As. 12 lower at Rs. 50.

In the insurance section, Orientals were again in form with a further rise of Rs. 170 to Rs. 3,970. The closing was, however, a shade lower at Rs. 3,900. New Indias fluctuated within a small range and closed unchanged at Rs. 40. Vulcans were put through As. 10 lower at Rs. 14-14.

Among electricity shares, Ahmedabad Electrics moved up from Rs. 103-7 to Rs. 105-10 on optimism regarding dividend, but finished lower at Rs. 104-11. Amalgamated Electrics were unchanged at Rs. 11-9. Bombay Suburbans declined by Rs. 3-12 to Rs. 115-4, while Surat Electrics strengthened by Rs. 3-2 to Rs. 123-2. Tata Hydros were done at Rs. 133 and Tata Powers Re. 1-4 higher at Rs. 1,367-8, while Andhra Valleys shed Rs. 2-8 to Rs. 1,300.

A sharp fall from Rs. 222 to Rs. 212-8 in Belapurs, on fears of a levy of excise duty on sugar, was a feature in the sugar group. Phaltans were dull at Rs. 127-8, while Walchandnagars rallied from Rs. 235-10 to Rs. 243-2, following the stepping up of the dividend from Rs. 16 to Rs. 18 per share. Cement shares were steady, A.C.C. gaining Re. 1-8 to Rs. 203-12 and Digvijays Re. 1 to Rs. 169-8. In the engineering and mining group, Alcocks were again in the limelight with a rise from Rs. 368-12 to Rs. 382-8 before closing at Rs. 371-4. Premier Constructions received good support from interested quarters and rose by Rs. 8-4 to Rs. 179-8. Tata Locomotives were steady at Rs. 141-8. Larsen and Toubros were sought As. 12 higher at Rs. 14-8, following their promotion to the forward list on the Stock Exchange. Mahindra and Mahindra were done at Rs. 12-11. Shivrajpurs gained on balance Re. 1 to Rs. 102. Indian Coppers closed at Rs. 6-2½ *ex-div.*, as against Rs. 6-10 *cum-div.* last week. B.B. Petrols were a shade better at Rs. 3-13¾.

In the shipping and transport section, Scindias moved between Rs. 16 and Rs. 15-7, before closing at Rs. 15-14½. Great Easterns were unchanged at Rs. 13-12, while India Steamships were done lower at Rs. 7-15. Hindustan Motors were marked down from Rs. 9-2 to Rs. 8-14 and Premier Automobiles were steady at Rs. 82. Among other miscellaneous industrials, Bombay Burmahs (old) reacted from Rs. 524-6 to Rs. 508-2 before gathering strength to Rs. 525-10 at the close. National Rayons gained, on balance, Rs. 3 to Rs. 218-8, while B.I.Cs shed As. 10 to Rs. 11-2½. Tata Chemicals put on As. 6 to Rs. 16-7 and Tata Oils As. 8 to Rs. 42-12. Wimcos changed hands Re. 1-14 higher at Rs. 185-10.

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Calcutta Stock Exchange

CALCUTTA, 15*th February*

Although there was a small improvement in the number of transactions, conditions on the Calcutta Stock Exchange during the week under review were far from normal. So far, deliveries of non-clearing shares for transactions done up to 30th December have been completed, and the settlement in clearing shares for business done up to 28th December was satisfactorily done. On Monday, the settlement in clearing shares dealt in up to 24th January bristled with difficulty and grave doubts about this settlement had been entertained earlier. A delivery date for transactions done after 13th January remains to be fixed. Transactions in two clearing shares, namely, Texmacos and Orient Papers, were done this week, but the prices fell below the settlement levels. However, the difficulty was of a temporary nature only. This realisation led to the beginning of a revival of confidence, and, indeed, there were a few firm features for a while. News from New Delhi and the Amritsar Congress, however, was not encouraging. The inclination on the part of the Planning Commission to fix a ceiling on net personal incomes was among the powerful unfavourable factors which stood in the way of an expansion of business. It is now feared in the market that the Finance Minister may take the opportunity to increase direct taxes, which would automatically put a ceiling on individual incomes.

In the textile section, Elgin Mills were fractionally lower at Rs. 27-2 and Cawnpores at Rs. 9. Kesorams were today as low as Rs. 15-15, as against Rs. 17-2 previously.

New low levels were touched in the coals section. East Indians at Rs. 31-12 dropped by As. 6. Bengals fell to Rs. 540 from Rs. 548. At Rs. 8-3 Dhemo Mains were lower by more than one point. New Beerbhooms changed hands at Rs. 19-13, as against Rs. 20-14 previously. Standards were weak at Rs. 21-4.

Jute shares were subdued and the discouraging results of a few jute companies for the last half-year published during this week cautioned the buyers in this section. It is feared that, as a result of the existing high prices for raw jute and low prices for jute goods, working results of jute companies for the current accounting period would be unsatisfactory. The number of transactions were very few. Kinnisons were done at Rs. 190, as against Rs. 200 previously and Belvederes at Rs. 181, as against Rs. 183.

In the engineering section, Jessops had earlier recovered to Rs. 60 from Rs. 58-4 but by today they relapsed to Rs. 57-8. Burns fell to Rs. 303 from Rs. 312 and Richardson and Cruddas to Rs. 25-12 from Rs. 27. Kumardhubis, after improving to Rs. 11-12 from Rs. 11-2, closed lower at Rs. 11-1. In Texmacos, business was done at Rs. 20-13.

Excepting for an earlier steadiness, miscellaneous industrials were featureless. Calcutta Electrics, after being done higher at Rs. 14-2, fell to Rs. 13-11 today. Orient Papers attracted interest at Rs. 35-4 only to close lower at Rs. 33-11. Alkali and Chemicals changed hands at Rs. 21-4, as against Rs. 23-10 previously. India Steamships at Rs. 8 were As. 8 lower, with British Burma Petroleums being quiet at Rs. 3-12. Titaghur Papers were dealt with at Rs. 44, as against Rs. 45 earlier and Indian Cables at Rs. 30-1, as against Rs. 30-10. Martin Burns at Rs. 26-2 were lower by one point over the week.

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Madras Stock Exchange

MADRAS, 15*th February*

Steady conditions prevailed on the Madras Stock Exchange during the week under review. Despite budget uncertainties, operators evinced considerable interest in buying shares of companies under sound management. Textiles were particularly in the limelight, thanks to reports of recovery in the offtake of cloth for domestic consumption and for export. Tea scrips met with renewed buying support, as also rubber and coffee scrips to some extent. Among miscellaneous shares, purchases were selective, attention being concentrated on cement shares. Bank shares, however, proved an exception and tended to move down for want of support.

Two important dividend announcements have been made this week. First, the United Breweries Ltd. has declared an interim dividend of 10 per cent. for the year ending 31st March 1956. The shares of this Company were quoted at Rs. 188-8 *cum-div.*, as against Rs. 188-8 a week before. Secondly, the India Sugars and Refineries Ltd. has recommended a dividend of 14 per cent. on ordinary shares for the year ended 30th September 1955. The dividend compares unfavourably with 17½ per cent. paid last year. Reflecting the disappointment of operators over the reduced dividend, the Company's scrips registered a loss, yesterday's closing rates being Rs. 21-4 *cum-div.*, as against Rs. 21-8.

Textile shares, as already stated, evoked good demand and scored gains. Bangalore Woollens rallied Rs. 12-8 to Rs. 556. Palani Andavars 'A' shares advanced by Rs. 8-8 to Rs. 158-8. Coimbatore Cottons picked up Rs. 6 to Rs. 352 and Kaleeswars Rs. 5 to Rs. 310. Dhanalakshmis hardened by Rs. 3-8 to Rs. 358-8. Janardanas put on a like amount to Rs. 86-8. Metturs strengthened by Rs. 2-8 to Rs. 375. Balasubramanias 'B' shares, Coimbatore Spinnings and Rajalakshmis gathered a rupee each to Rs. 120, Rs. 82 and Rs. 159, respectively. Pankajas rose by As. 8 to Rs. 69.

In the planting section, rubber shares were in request by operators. Rajagiris moved up by As. 4 to Rs. 21-6. Be Bes, Kailas and Teekoys improved by As. 2 each to Rs. 4-4, Rs. 5-3-6 and Rs. 9-10, respectively. Thirumbadis gained an anna to Rs. 2-4 *cum-div.* Pullangodes were higher by half an anna at Rs. 4-3-6. Among tea shares, United Nilgiris spurted by Rs. 5 to Rs. 315 *cum-div.* Highlands rose by As. 8 to Rs. 15-8. Nonsuch Teas advanced by As. 4 to Rs. 32-8. Waterfalls increased by As. 2 to Rs. 5-13. Periakaramalais gathered 18 pies to Rs. 8-2. Among coffee shares, Consolidated Coffees hardened by As. 2 to Rs. 20-12. Mysore Coffees were better by half an anna at Re. 1-9-6. Kadur Coffees were firm at Rs. 2-9.

Bank shares staged a retreat. Bank of Mysores receded from Rs. 263-8 to Rs. 262-8 *cum-div.* Indian Overseas and Punjab Nationals declined by Rs. 2 each to Rs. 128 and Rs. 44, respectively. Indo-Commercial 'C' shares dropped Re. 1-8 to Rs. 25. Travancores lost As. 2 to Rs. 17-2.

Cement shares were the favourites of operators in the miscellaneous section. Andhra Cement 'A's rallied Rs. 3-8 to Rs. 156-8 and 'B' shares rose by As. 6 to Rs. 15-12. Travancore Cements put on As. 2 to Rs. 11-8. India Cements were fully maintained at Rs. 32-4. A rise of Re. 1 was recorded by Mysore Safes which were quoted at Rs. 46. Mysore Tobaccos were better by As. 2 at Rs. 11. The other shares ruled dull, Ranes and Singarenis being quoted both As. 2 lower, the former at Rs. 8-14 and the latter at Rs. 9-4.

CREDIT SQUEEZE IN NEW ZEALAND

Maximum and minimum rates which trading banks in New Zealand were permitted to charge on overdrafts have now been abolished. The average rate will hereafter be 5 per cent. Since 1941, these banks had been adhering to an arrangement whereby they charged between 4 and 5 per cent. with an average of 4¾ per cent. on overdrafts.

The New Zealand Government has also permitted the banks to pay a higher rate of interest on fixed deposits to be announced shortly. The new measures represent a break in the Government's policy which so far had been to operate the credit squeeze without increasing interest rates.

For some time now, it has been clear that monetary control was not sufficient to curb spending to the extent the Government wanted, unless it was extended to interest rates. Trading bank advances had risen by £4.4 million from £173.1 million in January 1955 to £177.5 million last month.

THE UNITED COMMERCIAL BANK LTD.

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LONDON BRANCH : 15, THROGMORTON AVENUE, E.C.2.

G. D. BIRLA *Chairman*

Subscribed Capital .. Rs. 4 Crores
Paid-Up Capital .. Rs. 2 Crores
Reserve Fund .. .. Rs. 95 Lacs
Total Working Funds
(As on 31-12-55) Over.. Rs. 81 Crores

BRANCHES IN INDIA, PAKISTAN, BURMA, MALAYA & HONG KONG

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General Manager

Rupee Travellers' Cheques Issued in convenient denominations.

NEWS IN BRIEF

PRODUCTION of finished steel, which was 1,243,467 tons in 1954—a record till then—rose to 1,263,782 tons in 1955.

The Sindri Fertiliser factory, which has been producing ammonium sulphate since 1951, has helped the country to save over Rs. 33 crores by way of foreign exchange.

The *per capita* consumption of electricity will be 25 units at the end of the first Five-year Plan period, as against 14 units in 1952. It is expected to rise to 50 units by 1961.

India has spent Rs. 809 crores on irrigation and power projects since independence. This is four times the amount invested on such projects when the country was under British rule.

A Bill to extend the Control of Shipping Act, 1947, for a further period of two years from April next has been introduced in the Budget session of Parliament.

The Annual General Meeting of members of the Indian Jute Mills' Association for the year 1955 will be held at the Royal Exchange, Calcutta, on Friday, 16th March 1956.

The official Burmese Purchase Mission has placed orders worth about Rs. 2 crores in Calcutta for gunny bags, jute and jute goods. Part of the order for jute and jute goods, worth about Rs. 35 lakhs, has been given to firms with interests in Pakistan.

Import of aluminium scrap of commercial quality having a purity of 99 per cent. and above will be liberally licensed from the soft currency area to all categories of importers during the current half-year. A part of these licences will also be validated for imports from the dollar area.

India will import 42,000 tons of wheat next month. Of this quantity, 20,000 tons will be from the U.S.S.R., 18,000 tons from Australia and 4,000 tons from the U.S.A. With these imports, the aggregate imports during February and March will come to over 71,800 tons.

A coal mine, estimated to yield 50,000 tons of coal per month and considered to be the richest single quarry in India, was opened in Adilabad district, Hyderabad State, early this week. The mine is estimated to have a deposit of 45 million tons of coal.

All the six textile mills in Nagpur, employing about 14,000 workers, were closed down with effect from 11th February, following the continued strike by the workers. The management of the mills announced that the mills would remain closed till such time as a substantial number of workers indicated their willingness to resume normal working "in a disciplined manner."

The Government of India has decided to grant a special rebate of six pies in the rupee on all genuine retail sales of handloom cloth from Weavers' Co-operative Societies, Government Emporia and Consumers' Co-operative Societies. This is in addition to the existing rates of rebate on sales of handloom cloth. The special rebate will be admissible on sales effected during the third All-India Handloom Week from 19th to 25th February 1956.

Deposits of china-clay have been located by the Geological Survey of India near Dumka, the district headquarters of Santal Paraganas, in Bihar State. Large deposits of good quality china and ball clays have also been located in Quilon and Trivandrum districts of Travancore-Cochin. The deposits are estimated to yield 60,000 tons of crude clay in Bihar and 7.5 million tons of refined china-clay in Travancore. On washing, it can be used in the manufacture of pottery and in the paper and textile industries. The prospecting is, in the first instance, confined only within the exposed limits of the deposits and further prospecting was necessary to find out the full extent of the deposits. The total reserves of refined ball clay of good quality in the above districts of Travancore-Cochin are estimated at 10 million tons.

The nine oil mineral experts from Russia, who arrived in India in the last week of November to make recommendations to the Union Government on the development of oil and mineral field, have completed their study visits. They are now in Calcutta writing their report. They are expected to proceed to New Delhi next week when important discussions are scheduled to be held on the schemes of the Ministry of Natural Resources and Scientific Research. The Government policy is to conduct oil and gas prospecting and exploration under State auspices. The Ministry has, meanwhile, set up an Oil and Natural Gas Division with headquarters at Dehra Dun. This Division will be in charge of the operations connected with oil and mineral prospecting. Dr. A. Ghosh, who accompanied Mr. K. D. Malaviya, Minister for Natural Resources and Scientific Research, during his visit to the Soviet Union, will be in charge of the Division.

The Government of India has appointed an expert committee, with Prof. H. G. Champion, Professor of Forestry, Oxford University, as Chairman, to review the working of the Forest Research Institute and Colleges, Dehra Dun. According to its terms of reference, the Commitee will review the progress of research done during the past five years, study the organisation of the Institute and suggest improvements in the quality of research. It will also advise on steps to be taken for ensuring efficiency in the conduct of investigations, establishing liaison with other research institutions and securing quick publication of the results of research. The other members of the Committee are: Prof. M. S. Thacker, Additional Secretary, Ministry of Natural Resources and Scientific Research, Mr. M. D. Chaturvedi, retired Inspector-General of Forests, Dr. B. P. Pal, Director of the Indian Agricultural Research Institute, and Mr. C. R. Ranganathan, Inspector-General of Forests. The Committee is expected to begin its work in the third week of March.

The Government of India has set up the National Small Industries Corporation Ltd., New Delhi, with a view to assisting small-scale industrial units. The Corporation will arrange for execution of certain requirements of the Director-General of Supplies and Disposals through small-scale units registered with it on the recommendations of State Governments. To begin with, over 200 items of stores have been reserved for procurement through the cottage and small-scale sector only. Such small-scale units in Bombay State as are interested in manufacturing and supplying these stores may apply to the Department of Industries for an application form and a copy of the proforma for getting their names registered with the National Small Industries Corporation. The lists of items will be available for inspection in the office of the Director of Industries, Old Customs House Yard, Fort, Bombay 1, and also in the offices of all the Industries Inspectors and the Regional Assistant Directors of Industries throughout the Bombay State.

* * * *

From Abroad

A four-year replanting programme for Ceylon's rubber industry has been drawn up. The programme envisages a replantation of 100,000 acres which will raise the crop by 50 per cent.

Pakistan and the United States of America have signed an agreement, under which the U.S. will give an aid of $8.5 million for the Karanafuli multi-purpose project in East Pakistan.

Life insurance sales in the U.S. during 1955 aggregated $48,800 million, the highest for any year on record, according to the Life Insurance Agency Management Association. These sales represented an increase of $3,300 million over 1954.

The World Bank has agreed to give Egypt a loan of $200 million for the construction of the Aswan High Dam, according to Cairo radio reports. The same source said that discussions between Mr. Eugene Black, the Bank's President, and the Egyptian Government, held in this connection, had ended.

Production and export of Italian motor vehicles reached record levels during 1955. The output of vehicles amounted to 268,756, including 230,833 passenger cars, 24 per cent. more than in 1954. Exports, at 74,645 vehicles, were 69 per cent. higher than in the previous year.

The sales of U.S. manufactures reached a record total of $317,000 million in 1955, which was $36,200 million more than in 1954. Sales of durable goods accounted for $157,900 million, showing a rise of $24,300 million, while those of non-durables went up by $11,800 million to $159,000 million.

The Burmese Embassy in London announced last week that the Government of Burma had fixed the price of rice for the year 1956 of S.M.S. (small mills special, or basic quality) at £36 5*s.* per long ton f.o.b. This represented a reduction of £5¾ per long ton from the 1955 price of £42 per long ton for the same quality of rice.

On the basis of the latest information received, world population as of mid-year 1954 is estimated at 2,655 million by the latest quarterly issue of *Population and Vital Statistics Reports*, published last week by the Statistical Office of the United Nations. Some of the breakdown figures are: Africa, 214 million; Asia 1,451 million; North America, 233 million; and the U.S.S.R., 214.5 million.

An agreement between the Ceylon Government and four American and British oil companies for the setting up of an oil refinery in Colombo is expected to be signed shortly. Negotiations in this connection between Ceylon and Shell, British Petroleum, Standard-Vacuum and Caltex Oil companies have reached the final stage and details are being worked out. The refinery, if finally agreed upon, will have an annual output of about 1.05 million tons.

Production tests carried out by the Kuwait Oil Company (jointly owned by the Gulf Oil Corporation and the British Petroleum Company) on the first well drilled at Randhatain, North Kuwait, have proved the existence of considerable oil accumulation, the actual extent and commercial value of which can only be established by further test drilling. The new well is described as unquestionably a major discovery. A second exploratory well is being drilled now.

The Esso Export Corporation of the U.S. has announced an increase of 7 cents per barrel to $2.46 per barrel f.o.b. in its postal price for crude oil of 36 degrees A.P.I. gravity available at Eastern Mediterranean loading ports, with effect from 9th February. Shell Petroleum Company of U.K. has also increased its prices for bunker oil fuel at sterling-priced ports varying from 2*s.* to 9*s.* 6*d.* per ton. The prices at main U.K. installations have been raised by 5*s.* per ton. The new prices have come into effect from the 8th inst. British Petroleum Trading is yet another company to raise its posted prices for gravity 36.0/36.9 A.P.I. f.o.b. Tripoli and Banias by 10 cents to $2.49 per barrel. The increases are all said to be due to higher freight costs.

The U.S Senate Agriculture Committee has approved of a Farm Bill which provides for rigid price supports, along with President Eisenhower's "soil bank" plan. The Senate's approval thus overrides the President's contention that rigid support would defeat the main object of the "soil bank" plan, under which farmers would be paid to plant less of the surplus crops than their allotments under the control programme. The Committee has deleted a provision to sell surplus cotton for export at competitive world prices and added provisions to benefit dairymen and tobacco growers. It also approved of a provision to exempt surplus sales for export from the present requirement that half of all U.S. Foreign Aid shipments must be made in U.S. ships.

World mine production of tin in concentrates, exclusive of China and the Soviet Union, is estimated by the International Tin Study Group of The Hague at 168,000 tons. This estimate is 0.9 per cent. lower than the actual production in 1954. Malaya's output in 1955, at 61,425 tons, set up a new post-war record and was 0.9 per cent. higher than that in 1954. Output of Belgian Congo rose by 4.8 per cent. to 15,200 tons, of Siam by 11.2 per cent. to 10.875 tons and of Nigeria by 1.7 per cent. to 8,060 tons. Indonesian production declined from 35,861 tons in 1954 to 33,368 tons and that of Bolivia fell by 5 per cent. to 27,400 tons. World consumption in metals (exclusive of China and Soviet Union) during 1955 is estimated to have risen by 7.6 per cent., from 138,500 tons to 149,000 tons. Consumption of tin for the manufacture of tinplate rose from 59,200 tons to 62,700 tons.

PERSONAL

MR. B. P. Aderianwala, an officer of the State Bank of India, has been appointed Manager of the London Office of the Bank.

Mr. S. L. Manshoit, the Netherlands Minister for Agriculture, Fisheries and Food, has arrived in India on a twelve-day visit of this country.

Dr. L. N. Palar, Indonesian Ambassador in India, has left for Singapore, *en route* to Djakarta, on completion of his three-year term in this country.

Dr. R. Sankaran, Deputy Secretary of the Indian Central Cotton Committee, Bombay, has been appointed Secretary of the Indian Central Oilseeds Committee, Hyderabad, under tte Ministry of Food and Agriculture.

Colonel Lyndall F. Urwick, one of Britain's leading consultants on management, has arrived in India to advise the Government of India on the future training of India's industrial managers. Col. Urwick's visit has been arranged under the Colombo Plan Technical Co-operation Scheme.

Prof. T. H. Marshall of the University of London has been appointed Director of the Department of Social Sciences of the United Nations Educational, Scientific and Cultural Organisation, Paris. Mr. Marshall, who will take over his new duties on 1st May, succeeds Mrs. Alva Myrdal, who recently became Swedish Minister to India, Burma and Ceylon.

Mr. R. H. Macnab, a Fellow of the Pharmaceutical Society of Great Britain and head of the Veterinary Department of A. J. White Limited, of London, specialists in British nitrofuran products, will arrive in India on 2nd March. Mr. Macnab has a full programme of meetings with eminent veterinary research scientists to discuss the new methods of treating animal diseases.

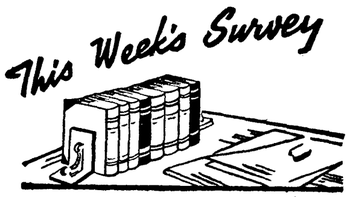
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 21*st February*

The Rupee Ratio

One of the peace terms offered by Mr. Gandhi is that the rupee ratio should be brought down from 1*s.* 6*d.* to 1*s.* 4*d.*, the pre-war level—a level at which it had stood the test of time. There are, of course, two sets of views about this knotty problem—one in favour of the alteration and the other against it. The former is, of course, pre-eminently and predominantly Indian and the latter, more or less, official. Rumour was persistently busy, when the Round Table Conference was in session in London, about the impending alteration of the rupee ratio and it gained so wide a currency that an official denial had to be published both in India and England. With a view to dispel all doubts in the matter, Mr P. Freeman asked in the House of Commons last week whether His Majesty's Government intended to continue to maintain the rupee at 1*s.* 6*d.* Mr. Wedgwood Benn, the Secretary of State for India, replied that the Government regarded the rupee ratio question as settled in 1927, when the Indian Legislature passed the Currency Act, whereby the rupee was rated at 1*s.* 6*d.* The Government, he added, would use all means in their power to maintain this rate in accordance with their statutory obligations.



FROM AVADI TO AMRITSAR

THE Congress has turned left and is moving fast towards socialism. At the Avadi session, last year, the party defined its goal as the "socialistic" pattern of society. This year, it has re-defined its goal as a "socialist" pattern of society. The terminological change, it is stated, is not casual but deliberate. The objective of the Congress, according to Mr. Jagjiwan Ram, Minister for Communications, is now "unmistakably one of dispensing social justice as quickly as possible." It would seem that the Congress has not only chosen the establishment of a socialist State as its goal but is also determined to increase the pace of the country's progress towards this ideal. The Prime Minister, Mr. Nehru, emphasised that it had been decided that the aim of India was to build a "socialist structure of society" and even those who had some doubts about it were seeing that "steps are being taken to bring it about." He felt that only a few people were against this objective but others had begun to believe in it. He, however, stated that the goal would be reached "step by step," and no hard and fast doctrine could be laid down in this respect.

The Congress President, Mr. Dhebar, was more outspoken in his general affirmation of the goal of the Congress. He said that the party felt that the objective of a "co-operative commonwealth" did not express in sufficiently clear terms the nature of the society it intended to evolve. So it decided to give its thoughts a firm foothold and clothe them in a language beyond doubt; the result was the resolution on "socialistic" pattern of society adopted at Avadi. Elucidating the significance of this goal, he said that it implied the "existence of not only a dynamic objective but a dynamic programme." "From a society accustomed to privilege and profits to a society based on the concept of equality of status and opportunities," he said, "is a far cry." But the Government had taken several steps to reduce social and economic disparities. In this connection, he referred to the removal of the princely order, the rationalisation of the tax structure in Parts B and C states, the elimination of the *zamindari*, tenancy reforms, legislation relating to estate duty, nationalisation of the Imperial Bank, the amendment of the Companies Act and nationalisation of insurance. These steps, he assured the party, were only the beginnings of a process of reducing economic disparities.

Mr. Dhebar thought that a wider measure of reducing disparity in incomes and wealth could only be secured by implementation of "deliberate" social and economic policies. He then indicated what the party had in mind in regard to the future of the country's economy. He said:

"So far as rural economy is concerned, we have started on the road to socialism in action by the application of ceilings on land holdings. But, in other sectors of our economic life, we are still in a discussion stage, more or less. Application of ceilings on private incomes is inescapable. There are other measures which are being discussed, namely, graded surcharge on incomes beyond a certain limit, a compulsory deposit of an amount equal to the surcharge on agricultural incomes, enhancement of estate duties and an annual tax on wealth. *We hope to reach some positive decisions on these in the near future*" (italics ours).

The economic policy resolution adopted by the Congress at its Amritsar session, generally reflected the socialist sentiments which were expressed by the Party leaders. After emphasising that the Avadi resolution gave a "new direction" to the programme of planned development of the country, the resolution goes on to point out that the "conversion of the Imperial Bank of India into a public-owned and public-managed State Bank and the recent nationalisation of life insurance are significant steps towards the evolution of a socialist structure." In the interests of rapid industrialisation, special stress is laid on the development of basic industries such as steel, heavy machinery, coal and heavy chemical industries. Likewise, the exploitation of mineral resources has been emphasised. The resolution repeats the language of the Draft Outline when it refers to the public and the private sectors. Thus, the public sector must expand but the private sector also has an important part, though only within the framework of the Plan. The *basic* test for determining the lines of advance should be social gain, and not private profit. Industrial co-operatives should be encouraged in decentralised industry. A socialist structure of society, it is pointed out, necessarily involves equality of opportunity for all and a "progressive equalisation of income." The resolution has generally approved of the "approach, policy and proposals" of the Draft Outline of the second Five-year Plan. By means of another resolution on small savings, the Congress has stressed the vital role of such savings and their investment in Government loans. "Any conspicuous and unnecessary spending," the resolution declares, "is completely out of place and anti-social and must be discouraged."

So much for the economic policy of the Congress party, as it is reflected in the resolution on the subject and in the speeches of its leaders. It is now quite obvious that the party has made it plainer than ever that it is socialism that it seeks. The public sector is to grow and all possible steps will be taken to see that it does. That is clear enough. But it is anybody's guess as to what the party means when it says that the private sector has also to play an important part within the framework of the Plan. This is because all lines of advance are to be determined by a reference to social gain rather than to private profit. And, "social gain" is a vague standard. Perhaps, it would not be wrong to surmise that what the party really means is that the private sector will be allowed to live its life only until the public sector grows powerful enough to supplant it. This is not a prospect which will evoke much enthusiasm in the men who are engaged in the private sector.

The dynamics of the variety of socialism preached by the Congress is not very clear. The emphasis on heavy and capital goods industries is understandable. But how can such industries thrive in the context of a deliberate policy for keeping alive uneconomic industries? Equally difficult to understand is the logic of ceiling on incomes. Obviously, it cannot bring any large revenue to the Government while its disincentive effect on the private sector will be immeasurably great. Further, as has been repeatedly pointed out by the Government's critics, this excessive emphasis on "soak-the-rich" policy will only end in levelling down of incomes, without in any way contributing to the levelling-up process.

To the Congress, the acceptance by its members of the goal of socialism may indicate a political gain in the sense that the party has stolen the thunder of its political opponents. But the gain may be purely temporary. For the other political parties might conceivably move further left from their positions, in order to show how deplorably rightist the Congress is. But the fundamental question is whether the Congress is following socialism, because it considers that it is the only right goal for this country or because there is an insistent demand for it from the party members. If its faith in socialism is based upon the conviction that it is the only goal worth pursuing, it only means that the party is acting from purely doctrinaire considerations. If, on the other hand, the Congress leadership is being compelled by the rank and file of the party to adopt socialism as its goal, it means that the leaders, instead of leading, are being led.

NATIONALISATION

The view that nationalisation is a panacea for all economic ills has no doubt been held by many political groups in this country. The earlier view, supported by no less an authority than the Prime Minister, that the Government's resources are better utilised in starting new enterprises than in taking over the existing ones is apparently receding to the background. Nationalisation of insurance has led to a demand from certain sectors for similar action in respect of banking, shipping and a host of other industries. At the recent Congress session, there was even a demand for nationalising textile mills. Very often, such demands proceed from just mental inaction, a tendency to over-simplify problems and a pious and convenient belief that the State, like some ministering angel, can always set things right. In this context, the views on nationalisation, held by Mr. Hugh Gaitskell, Leader of the Labour Opposition in the U.K., in the course of replies to questions put to him by journalists, will be read with interest. Asked to state his attitude to public ownership and nationalisation, he said:

"It is hard to explain in a few words. First, I look on nationalisation as a means towards more fundamental ideals. I recently suggested that these included social and economic equality, full employment, maximum productivity, industrial democracy, and not as an end in itself. Secondly, I believe that the arguments put forward for nationalising fuel and power, transport, steel, etc., have been abundantly justified by the results. These arguments were for the most part that only nationalisation would give us the best technical framework for maximum productivity while avoiding private monopoly. Thirdly, I recognise that there are criticisms and disappointments, especially in the field of worker-management relations. These, I would like to see investigated. Fourthly, we have to admit that the simple, direct and unique relationship between wholesale nationalisation and the ultimate ideals of socialism which early theorists took for granted cannot be assumed in the new circumstances today. This is an open question on which we need to and shall think afresh, as announced at our Margate Conference. Fifthly, it is wrong to identify nationalisation and public ownership. You could have public ownership, e.g., through public authorities owning land, buildings, and the State extending its holding of industrial securities without necessarily nationalising industries. There are also other forms of public ownership and enterprise which should be considered, such as co-operative production, Government firms within an industry, Government factories, etc."

There are two aspects of Mr. Gaitskell's statement which deserve notice. They are his insistence that nationalisation cannot be conceived in terms of an end in itself and his reference to the fact that socialism, in the modern context, does not necessarily mean wholesale nationalisation.

EQUIPPING INDIAN RAILWAYS

The contract entered into between the Government of India and a U.S. engineering firm, Messrs. Sanderson and Porter, New York, on the 11th inst., for the determination by the latter of the most practical way for equipping India's railways system to cope with its expanding traffic load, is rightly hailed as another instance of the many ways in which the U.S. has been contributing to India's economic development under the Indo-American Technical Co-operation Agreement of January 1952. The Contract, which extends over a period of 20 months, provides for the deputation of an 18-man team of U.S. engineers to study the present and future problems of the Indian railway system. The dollar cost of the study will be borne by the U.S. International Co-operation Administration (I.C.A.). The total cost of the project is estimated at about $520,000 (Rs. 24.9 lakhs), of which the cost to be borne by the U.S. is placed at about $450,000 (Rs. 20.6 lakhs).

The proposed study has great significance to the economic development of India. For, with the growing pace of economic activities in the next five-year period, the pressure on the Indian railway system which is already heavy will increase further. The next Five-year Plan contemplates an expenditure of as much as Rs. 900 crores on the development of railways, a sum which is more than double the amount that would have been actually spent by the end of the first Plan. It is estimated that the actual expenditure on development of railways in the first Plan will be about Rs. 419.2 crores, as against the target of Rs. 400 crores. The studies to be undertaken shortly will assist the Government of India in determining the most practical methods by which the necessary expansion of transportation facilities can be achieved in the most efficient manner.

Perhaps, the chief reason why the Government of India entered into this contract with the U.S. firm is that the Indian railway system is more or less similar to that of the U.S. The Indian railway stretches over vast distances, as does the railway system in the U.S. The U.S. railway system, it may be mentioned here, is the largest network in the world, with 223,000 miles of track, while the Indian is the fourth largest, with a total mileage of 35,000. The problems relating to signalling, tracking and other controls in India may be similar to those of the U.S. railways and American experience may be more useful than that of any other country for solving them. It is noteworthy that the team of experts from the U.S. will be drawn from all branches of railway operation, such as transportation, signalling and mechanical engineering. It is expected to arrive in India at the end of this month. Some of the Indian engineers will be seconded to the American team. This is intended to provide the team with any information it may need in order to arrive at correct decisions.

LABOUR MANAGEMENT

The sixth all-India annual conference of the Indian Institute of Personnel Management, held in Madras early this week, discussed, among others, problems relating to labour management. Inaugurating the Conference, Mr. Sri Prakasa, the Governor of Madras, stated that the basis of labour-management relations was chiefly psychological, inasmuch as it related to the handling of human material. He regarded the human touch "to be far more important than all rules and regulations." He asserted that promotion and maintenance of peaceful industrial relations would not be possible unless all persons who were connected with production were made to feel that they were doing their own.

In the course of his presidential address, Mr. S. C. Joshi, Director of Personnel, Tata Iron and Steel Co., Ltd., urged the need for giving as much importance to personnel management as to any other function of management. Pleading for a professional code of conduct, he stated that those entrusted with personnel management should be equipped with the essential qualities of courtesy, patience, freedom from prejudice and readiness for compromise, when necessary, without sacrificing principles and impartiality. It was his firm conviction that personnel officers should have only advisory powers and not executive powers. He remarked that a personnel officer would be valued and respected by all concerned, only if his advice was impartial, just and correct.

Mr. S. Anantharamakrishnan, Chairman of Simpson & Co., Ltd., Madras, emphasised the need for creating conditions under which the principal interests concerned in industry, namely, capital, labour and consumer, would all be treated fairly, so that industrial peace might be ensured. He suggested the appointment of a wage commission to see that labour was paid fair emoluments for a fair output and also the establishment of a statutory board, on the lines of the Price Adjustment Board of the U.S., to fix the retail prices of goods, after determining the reasonable return to capital and providing adequate wage and safeguards to labour. He was of the considered view that it would be better for industry, in particular, and the country, generally, to allow the representatives of labour to participate in management even now. But he emphasised that the consumer also should be represented on any board with which labour was associated, in order to see that neither capital nor labour enjoyed more than they were entitled to.

Mr. S. Guruswamy, General Secretary of the All-India Railwaymen's Federation, pointed out that there was no single standard for prescribing measures to avoid industrial disputes, because the disputes varied from establishment to establishment. Elucidating this statement, he said that the nature of the establishment determined the mode of dispute and the method of settlement. An industrial dispute, he claimed, did not merely mean a dispute between the employers and the employees, but it also covered disputes between workers and workers and employers and employers. He welcomed the idea of one union for one industry, provided it was based on the principle of industrial democracy. Finally, he expressed the view that it was necessary to have a standing industrial council for every undertaking, with representatives of workers and management on it to consider the day-to-day problems. He, however, stated that all these could only minimise industrial disputes and added that he did not know whether there was any talisman that would completely root out industrial disputes.

Mr. H. Smith, General Manager, Aspinwall & Co. (Travancore) Ltd., expressed the view that negotiation at the factory level was the most valuable in the avoidance of disputes. He said that it should be based on the will to conciliate. He added that it was sometimes believed that conciliation displayed weakness, because conciliation was confused with concession. He did not think that the goodwill of workers could be purchased by concession but that it had to be earned by persistent and determined wish to understand the difficulties of workers and by doing everything possible to remove them. Holding that it was equally important that the manager should not surrender his rights and obligations, Mr. Smith said that there should at all times be a firm insistence on the maintenance of discipline.

Mr. R. P. Billimoria, Management Research Officer, Tata Iron and Steel Co., Ltd., said that management training was not the monopoly of any individual sector. It should be imparted simultaneously at three different levels—the

(*Continued on page 327*)

LIFE INSURANCE

LIFE BLOOD OF NATIONAL PROGRESS

BY THE Life Insurance (Emergency Provisions) Ordinance, 1956, promulgated by the President on 19th January 1956, the Management and Control of Life Insurance business in India, including the foreign business of Indian Insurers and the Indian business of Foreign Insurers vest, with immediate effect, in the Central Government.

This is the first step towards complete Nationalisation of Life Insurance business—a step never before attempted anywhere in the world on such a gigantic scale—and opens a new chapter in the history of Indian Insurance.

How does the new set-up affect YOU?

EXISTING POLICYHOLDERS

If you are insured with any Insurer in India, the terms, conditions, benefits and privileges attaching to your Policies remain exactly as they are and claims will be settled as and when they arise, with absolutely no delay or trouble. What is more, Government Control will ensure prompt and efficient service to which you are entitled as a Policyholder.

Keep your Policies in force. Do not lapse them or make them paid-up. Continue to pay your premiums in the normal manner.

LIFE INSURANCE AGENTS

If you are a Life Insurance Agent your appointment will continue to remain in force.

Armed with the knowledge that the Policies you now sell have the entire backing of Government, go ahead and spread the glorious message of life insurance to as large a section of the public as possible, confident in the belief that thereby you will not only be increasing your income but, at the same time, will also be directly serving the country towards planned economic development.

INSURING PUBLIC

Nationalisation of Life Insurance is primarily aimed at widening and deepening of all possible channels of public savings and is an important step towards mobilising these savings more effectively than heretofore to finance the National Plan.

Every rupee you invest in Life Insurance to-day will not only secure the future financial security of your family but also ensure greater prosperity for more and more people.

The Policies you now effect will have the full backing of the Government and be subject to liberal Policy conditions, uniform throughout India. The rates of premiums will also be uniform as indicated below:

REDUCTION OF PREMIUM

The Premium applicable to Life Insurance contracts completed on and after the 20th January 1956 will be Re. 1 per Rs. 1,000 Sum Assured per annum less than the rates of premium of the ORIENTAL GOVERNMENT SECURITY LIFE ASSURANCE CO., LTD., for all terms and ages and for all schemes of Insurance, provided that where the annual premium is below Rs. 20 per Rs. 1,000 sum assured the reduction will be 5% of the premium. This reduction is not applicable to Single Premium Policies. Only those Schemes of Insurance which appear in the Tables of Rates of the ORIENTAL in force prior to 20th January 1956 will be offered.

NATIONALISATION

offers to you

ABSOLUTE SECURITY — BETTER POLICY CONDITIONS — CHEAPER RATES — DEPENDABLE SERVICE — ECONOMIC MANAGEMENT — FAVOURABLE RETURNS.

So take out a Policy NOW and become eligible to reap the benefits of Nationalised Insurance.

INSERTED BY COMPANIES TRANSACTING LIFE INSURANCE BUSINESS IN INDIA

PHYSICAL PLANNING AND FINANCIAL PLANNING—I

BOLDER APPROACH NEEDED

By A Special Correspondent

WHEN the Panel of Economists was constituted early last year, one of the first questions assigned to it for study was the "Implications of Physical Planning." The question was discussed but one finds little mention of this approach to planning either in the voluminous publication, entitled *Papers relating to the Formulation of the Second Five-year Plan* or the *Draft Outline of the Second Plan*. The question remained more or less forgotten till Professor Mahalanobis brought it to the forefront again last month, when, delivering a popular lecture at the Agra session of the Indian Science Congress, he said:

"In spite of the ridicule poured on it, I still maintain that what we require is a type of physical planning and planning in terms of men, material and resources."

Physical planning is often spoken of in contradistinction from financial planning. Some members of the Panel of Economists have given expression to their views on the difference between the two in their recent writings here and there. Dr. A. K. Das Gupta, writing in the *Papers*, says that the distinction between physical and financial planning could be valid "if by financial planning were meant merely a planned adjustment of aggregate money flows, with a view to avoiding inflation or deflation as distinct from a planned allocation of resources. . . . Where, however, the object of planning is to accelerate the pace of economic development through the enlargement of the capital base, emphasis must necessarily be on allocation of resources. In this sense, planning for economic development will inevitably take the character of physical planning. On the other hand, unless you have a totalitarian economy ... allocation of physical resources, even though planned from the Centre, will have a financial counterpart." Dr. R. Balkrishna, another member of the Panel, has the same views. Writing in *Commerce Annual Review Number*, he says: "The controversy between financial and physical planning is needless, as the two are not really contradictory. Physical planning is absolutely essential for giving concreteness to effort. But finance is the mobiliser of physical planning. Neither financial nor physical planning by itself can set things going without an integration between them."

Savings Should Be Camp-follower

But the Press report of Professor Mahalanobis's Agra speech (referred to above) clearly shows that he is not acting on this literal and superficial meaning of "physical planning." He further said: "Planning should be directed to solve the problem of unemployment and vast poverty and provide people with educational and cultural amenities. This requires what may broadly be described as physical planning."

The Press report of Professor Mahalanobis's speech does not give the precise definition of this controversial concept, but an increasing number of people have begun to believe that what we in India require is a sort of planning in which the size of the plan is determined not by the financial resources or the "savings fund" of the community but by the physical resources in terms of men and materials. Availability of investment resources in financial terms is low in India, but in physical terms investment resources are in abundance. Our approach to planning should, therefore, be such that investment of physical resources is not dependent on the "savings fund" but savings themselves should be a sort of camp-follower of investment.

When one reads the employment and income potentials of the second Plan in the *Draft Outline*, one feels—as Professor Mahalanobis does—the urgent necessity of a change in our present approach to planning. The *Draft Outline* puts the employment content of the second Plan at 8 million. This is only a little more than half of the total demand for jobs and job opportunities estimated as follows for the period of the second Plan:

Demand for Employment during Second Plan

(Million persons)

	Urban	*Rural*	*Total*
New entrants to labour force ...	3.8	6.2	10.0
Backlog of unemployed ...	2.5	2.8	5.3
Total ...	6.3	9.0	15.3

These figures, which are admittedly based on inadequate surveys, may well represent a highly incomplete account of the demand for employment. Professor Kesava Iyengar, writing in *Commerce Annual Review Number*, says that "in the recent socio-economic survey of Hyderabad-Secunderabad City, in the age-group between 13 and 70 the number of 'do-nothings' and 'sit-at-homes' comprised 55 per cent. of the total number of persons. Allowing for a liberal margin for domestic work, students, disabled persons, etc., there should still remain a huge quantity of manpower that should be absorbed in any modern plan." Besides the unemployed, the second Plan also leaves a vast mass of under-employment inadequately tackled. This incites one to question the present basis of planning.

From the viewpoint of *per capita* income, too, the same disappointing picture is visible. *Per capita* income, which at 1955 prices is estimated to be Rs. 21 per month, is expected to rise to Rs. 24-8 per month at the end of 1960-61. The lower third of the population has *per capita* income of about Rs. 15 per month, which is expected to go up to Rs. 18 in 1960-61. This means that, at the end of the second Plan, that is, after the lapse of a 10-year long period of planning, the average Indian will be able to take three-fourths and the lower third of the population only one-half of the standard diet, even if they were to spend all their income on food. This cannot satisfy the aspirations of the people. An annual increment of As. 10 in the monthly income of an average person cannot be called progress in the true sense of the word. One is inevitably inclined to think that something is wrong with the present approach to planning.

As everyone knows, ours is among the countries with the lowest *per capita* incomes. It is not the poverty in the absolute sense that is felt so much as the poverty of the Indian people relatively to people in other parts of the world. The income of an average person in India is roughly 1/30th of that of an average American, 1/20th of an average Canadian, 1/18th of an average person in Norway, Sweden, Switzerland and New Zealand, and 1/15th of average in the U.K. and Australia. A 5 per cent. increase in *per capita* income in the U.K., for instance, means an increase of Rs. 200 per annum, but the same rate of increase in India means an addition of only Rs. 12 per annum. It is thus clear that, unless we increase our rate of investment several times higher, the gap between the incomes of people in India and other countries will go on widening. At the rate of investment envisaged in the second Plan, we will become increasingly poor as compared with the people in advanced countries, whose ranks we aspire to enter. We must have a much higher rate of investment, and, if this is not possible under the purely financial planning based on the theory of savings determining the rate of investment, a different approach will have to be found.

What Maurice Dobb Said

Maurice Dobb, in one of his three lectures at Delhi University in 1951, said something very instructive for the purpose of the present discussion. He said:

"According to the traditional view, the available and mobilisable 'saving fund' of the community is the crucial bottleneck which sets a limit to the possible rate of economic development. ... But to speak of development as being limited by the size of the basic saving fund ... only makes sense on the assumption that the margin between production and consumption can only be enlarged by lowering consumption and cannot be enlarged to any appreciable extent by enlarging total production. As soon as we drop this assumption and allow the possibility of an increase in total production, the limit upon development of which we have spoken loses its absolute character, and may even cease to have much meaning as a limiting factor at all. It will be one of the contentions which I shall recommend to your consideration in this lecture that the problem of industrialisation is essentially not a financial one, but a problem of economic organisation." (*Lecture on Industrialisation in Agricultural Countries.*)

Incidentally, Professor Mahalanobis was, perhaps, thinking on similar lines when, in his Agra speech he discounted the austerity appeals and said: "But a country like India could advance only by stimulating consumption and providing goods during the transition by utilisation of available craft."

Maurice Dobb derives his theory from the history of economic development in Russia, the subject on which he is an authority. Russia was by no means better industrialised at the time it entered the planning era than what India is today. Nor did she have a larger savings fund than India has today. Yet it was able to solve its problems far more speedily than is being contemplated in our country. At the time the first Five-year Plan was launched in Russia, the country had inherited a huge problem of unemployment from the N.E.P. period. But, during the third year of the Plan, that is, in 1930, a statement was issued to the effect that unemployment had been liquidated. The quick tempo of economic development had absorbed all the workers who had registered at employment exchanges. In the period that followed, an actual shortage was felt of workers, especially of certain categories, and steps had to be taken to rationalise the use of labour. The total number of wage and salary earners actually doubled over the period. The rate of investment was between 25 and 33 per cent. of the national income. According to official estimates, the increase in national income during the first and the second Five-year Plans was 3.85 fold. (This and the following information has been taken from the *Russian Economic History*, by Alexander Baykov, *Soviet Economic Growth*, edited by Abraham Bergson and Maurice Dobb's book on Russian Economic Development since 1917.)

Physical Approach

This leaping progress in Russia was made possible by what may be called the physical approach to planning, or to be more precise, securing independence from financial limitations. At the end of the first Five-year Plan in Russia, it had begun to be realised that "the financial aspect of the ensuing plans would encounter no difficulty and the finances would be adjusted to the course of the material processes of the country's national economy. Finances were to be moulded to suit the evolution of these processes." Such a marvellous progress in Russia urges us to ask ourselves: Can we not eliminate unemployment by 1960-61? Can we not at least double our national income between 1951 and 1961? Can we not speed up our economic progress, so that the gap between the *per capita* income levels in our country and the advanced countries of the world narrows down?

According to present approach to planning, even the limited targets set out in the *Draft Outline* may not be achieved. The uncertainty about the availability of financial resources for the Plan has been repeatedly emphasised in the Draft and also repeated in the outline. A clear gap of Rs. 400 crores has been left unfilled. Small savings have been assumed at an average of Rs. 100 crores a year. It is assumed that these savings which rose from Rs. 33 crores in 1950-51 to Rs. 54 crores in 1954-55 will rise to more than Rs. 150 crores in 1960-61. Rs. 450 crores are to be realised from additional taxation. This, it is stated, would necessitate taxation of commodities of mass consumption. This amount may be difficult to realise, especially when the additional demand for consumption goods is to be met from the small-scale industry sector, the prices of whose products would tend to be higher than those of factory consumer goods. Imposition of higher taxation may affect receipts from small savings and public loans. In fact, the whole premise of savings of the community rising from 7 per cent. of the national income to 11 per cent. has been considered problematic by eminent economists. If these fears are genuine, employment and income generation during the second Plan period may be even smaller than the envisaged scale, not to speak of our trying to approach the scale of development realised in Russia.

Two Sources

The two sources of finance which made planning in Russia free from the shackles of the savings fund of the community were

(i) Turnover tax; and

(ii) Credit expansion.

The turnover tax is the difference between the cost of production of a commodity and the price it fetches, and it forms an item of revenue for the State's expenditure on society. The actual cost of production of a commodity in the socialised sector was the wages paid to labour at successive stages of production. But their

(Continued on page 317)

AMERICAN LETTER

BANKERS ON ECONOMIC TRENDS

GOLD AND DOLLAR HOLDINGS OF FOREIGN COUNTRIES CONTINUE TO GROW

From Our Special Correspondent

THE strongest impression of this year's bank stockholder meetings in the United States was the confidence of presiding officers in the economic outlook for the year. Naturally, there are variations of opinion, but the consensus at this point is that 1956 may equal last year in productivity and national income. Optimists look for an even higher gross national product than in 1955. If any summary can be made of the on-the-record and off-the-record statements of American bankers at annual meetings last month, it seems they expect the demand for loans to remain high. Public income is still at top levels and so are public expenditures. Since no drastic reduction in the demand for loans is expected, interest rates are expected to remain at present levels and most responsible banking officials anticipate that the credit and fiscal authorities will not relent their pressure on the money market.

There are exceptions to this rule, though. Wherever weaknesses appear, some easing of monetary controls has been in evidence. The U.S. Veterans Administration and the Federal Housing Administration, because of sharply declining demand for mortgage credit, went back to their former terms of thirty years' maturities. Consumer credit—or hire-purchase, as it is called in Britain—is another cause for concern. Nobody seems to know precisely how much credit is required to support the U.S. mass production system without destroying the foundation of savings which make possible the vast public spending.

The publication of a leading U.S. investment company suggests that "the total volume of goods and services produced reached an estimated value of $396,000 million a year in the final quarter of 1955, against a gross national product of $364,500 million for the previous record year of 1953. The gross national product, or the total of production and services, is now almost twice that of the first post-war year and nearly four and a half times the level of 1939. In the last few years, this gain has been achieved without the benefit of paper dollar inflation. Purchasing power has remained relatively stable. Of course, increased use of electronics, mechanical gadgets of all kinds, and thus greater investments for industrial installations to conform with new scientific requirements, have had a lot to do with the boost in outlays for expansion, services and production. Corporate profits, too, are increasing owing to a sympathetic tax legislation and high production. This will continue, no doubt in the ensuing year.

Uncertainties

But there remain a number of uncertainties. Among them are the forthcoming decision of the President of the United States to run or not to run again. If he decides to be a candidate, many people feel, even conservatives, that they would be voting, in fact, for the Vice-President, owing to Mr. Eisenhower's heart attack this summer. This may or may not be fair, but it is a fact and reality. Other uncertainties include the gradual disappearance of the conciliatory spirit of Geneva between the East and the West so that, despite all optimism, nothing seems quite certain at this point.

There has been a slow-down in housing starts and also a reduction in the purchases of automobiles. This has been expected by many for some months, but so far it has not made itself felt in national statistics. Since the automobile and home-building industries have been two of the mainstays of the U.S. economy, their course is being followed closely.

The securities markets have been hesitant and some large investment companies have shortened their holdings of common stocks in favour of bonds and other senior securities. Inventories continue to be built up, but there are no signs of excesses and clear signals are absent that business is at a turning point. In the financial field, commercial loans continue high. Normally, at this time of year, there is a relapse in demand for money by borrowers who are trying to liquidate their commitments undertaken to satisfy holiday purchases by the public.

The real test of the course of the U.S. economy is likely to come in the second quarter of the year. Borrowings to pay taxes will reveal how large commitments are and have been. Meanwhile, prospects of a balanced Budget in the next fiscal year, beginning 1st July next, have soothed the nerves of conservatives who have been complaining about incessant inflation for the past two decades.

In foreign trade quarters, much attention is being paid to a study by the Federal Reserve Bank of New York, just published, which states that the gold and dollar holdings of countries outside of the U.S. are continuing to grow, although somewhat more slowly than in the two previous years. As of the last year-end, such holdings are estimated to have reached $26,600 million, or $1,600 million more than in the previous year. This compares with gains, as reported by the New York Central Bank, of $1,900 million in 1954 and of $2,600 million in 1953. About two-fifths of the estimated rise of such holdings was represented by gold. This is just about the same percentage as in the preceding year. On balance, the U.S. sold only $68 million worth of gold to other countries last year, against $327 million in 1954 and $1,164 million in 1953. The principal buyer last year was France and, in the second half of 1955, Washington was a small net purchaser.

The rapid expansion of U.S. exports which was due largely to the record level of business activity in Western Europe was a striking development in the balance of payments position in 1955. American imports also rose substantially. While no final figures are available, it appears that, for the year as a whole, the rate of import growth may have been as large as that for exports.

Although much remains to be done to restore and maintain monetary stability in many parts of the world, financial quarters here feel, the ability and willingness which many countries have shown in the task, augurs well for the re-establishment of a sustainable balance between demand and available resources. Fuller convertibility of currencies will depend more or less on the efforts of individual countries to put their house in order. Reduction of the remaining obstacles to world trade is also held to be an important point in the advance of international economic stability, as outlined in messages of the President of the U.S. and important American industrial leaders.—*All Rights Reserved.*

The U.S. International Co-operation Administration has announced new authorisations amounting to $765,000 for the purchase of trucks and spare parts for use in India. Procurement of the trucks and spare parts will be carried out through the emergency procurement service of the U.S. General Services Administration. The authorisations carry out a programme agreed upon earlier by the U.S. and Indian Governments.

Habib Bank Limited

ESTABLISHED 1941

Head Office: KARACHI (PAKISTAN)

	Pak. Rs.		Pak. Rs.
Authorised Capital - -	3,00,00,000	Paid-up Capital - -	1,50,00,000
Issued and Subscribed Capital -	1,50,00,000	Reserve Funds - -	1,50,00,000

Deposits as on 31-12-1955 - - Pak. Rs. 46,87,00,000

PAKISTAN BRANCHES:

KARACHI.
1. BOMBAY BAZAR.
2. BOHRI BAZAR.
3. BUNDER ROAD.
4. BURNS GARDEN BRANCH.
5. CENTRAL OFFICE.
6. CLOTH MARKET BRANCH.
7. FOREIGN EXCHANGE BRANCH.
8. IDDGAH BRANCH.
9. INDUSTRIAL TRADING ESTATE BRANCH.
10. NAPIER ROAD.
11. NEW CHALLI.
12. SADDAR.
13. SAFE DEPOSIT VAULT BRANCH.
14. SHOE MARKET.

WEST PAKISTAN
15. DHORONARO.
16. HYDERABAD.
17. JACOBABAD.
18. KHAIRPUR MIRS.
19. LARKANA.
20. MIRPURKHAS.
21. NAWABSHAH.
22. SHAHDADPUR.
23. SHAHDADKOT.
24. SHIKARPUR.
25. SUKKUR.
26. BHAKKAR.
27. GUJRANWALA.
28. JAUHARABAD.
29. JHELUM.
30. KASUR.
31. KHANEWAL.
32. LAHORE (Cantt.).
33. LAHORE (Circular Road).
34. LAHORE (Punjab University).
35. LAHORE (Shahalam Market).
36. LAHORE (The Mall).
37. LIAQUATABAD.
38. LYALLPUR.
39. LYALLPUR (Kohinoor Nagar).
40. MONTGOMERY.
41. MULTAN.
42. OKARA.
43. RAWALPINDI (Cantt.).
44. RAWALPINDI (City).
45. RAWALPINDI (Kohinoor Mills).
46. SARGODHA.
47. SIALKOT.
48. BANNU.
49. CHARSADDAH.
50. MARDAN.
51. MINGORA (Swat State).
52. PESHAWAR.
53. WARSAK.
54. HARNAI.
55. QUETTA.

EAST PAKISTAN
56. CHITTAGONG (K. C. Dey Road).
57. CHITTAGONG (Khatunganj).
58. DACCA (Moulvi Bazar).
59. DACCA (Nawabpur Road).
60. DACCA (Saddarghat).
61. KHULNA.
62. NARAYANGANJ.
63. RANGPUR.
64. SYLHET.

FOREIGN BRANCHES:

65. BOMBAY (INDIA).

Habib Bank (Overseas) Limited

Head Office: KARACHI (PAKISTAN). *Branches:* 66. COLOMBO (CEYLON). 67. MOMBASA (B. E. AFRICA). 68. RANGOON (BURMA).

All kinds of banking business including Foreign Exchange business such as opening of Letters of Credit, Collection and Negotiation of Foreign Bills, Remittances to Foreign Countries and Issuance of Travellers Cheques all over the world, undertaken.

EXPANSION OF RURAL CREDIT FACILITIES

RESERVE BANK ESTABLISHES LONG-TERM OPERATIONS FUND

THE customary weekly statement of the Reserve Bank of India for the week ended 3rd February 1956 differs from its predecessors in one important respect, in that it carries two new items on the liabilities side of the Banking Department. These are: "National Agricultural Credit (Long-term Operations) Fund" and "National Agricultural Credit (Stabilisation) Fund." The former, which, for the sake of convenience, may be called Long-term Operations Fund, has been credited with Rs. 10 crores, while the latter—Stabilisation Fund, for short—has not yet been provided with any credit. The incorporation of these items in the Banking Department formally signifies the Reserve Bank's direct entry into the sphere of agricultural finance, a function which it was supposed to undertake even at the time of its inception. There are very few central banking institutions in the world the functions of which include provision of credit specifically for financing agricultural operations. The assumption of this responsibility by the Reserve Bank is thus a unique development in the world of central banking and marks the dynamic character of India's economic policy.

The credit for this fund has been provided by the Government, in the same way as was done for creating a reserve fund of Rs. 5 crores when the Bank was first established. Readers will recall that the Bank was first started as a shareholders' institution. While the capital of Rs. 5 crores was subscribed by the public, the Government paid a sum of Rs. 5 crores by way of reserve fund. The question as to how exactly Government found the resources for crediting this Rs. 10-crore fund is easily explained. The Government must have created *ad-hoc* rupee securities to this extent and given it to the Bank. Against these securities, the Bank must have issued notes and strengthened its liquid position. A part of these balances may have already been lent to the institutions and State Governments dispensing agricultural credit. Thus, we find that, in the week under review, other loans and advances had gone up by no less than Rs. 5.29 crores.

The establishment of the aforesaid two funds is, it may be maintained here, in pursuance of the recommendations of the All-India Rural Credit Survey Committee appointed by the Reserve Bank of India. This Committee, which submitted its report in 1954, suggested, as readers are aware, that the Reserve Bank should contribute for a period of five years not less than Rs. 5 crores per annum to the Long-term Operations Fund and not less than Rs. 1 crore per annum to the Stabilisation Fund. It further stated that the position in regard to these contributions should be reviewed at the end of every five years. In addition, there should be, according to it, an initial non-recurring contribution of Rs. 5 crores to the Operations Fund. The operations of these two Funds and the planning and execution (within the Reserve Bank's own sphere) of the programmes and policies governing the Funds are, the Committee stated, the responsibility of the Reserve Bank and its Board and should not be vested in a separate body, statutory or not.

The Government of India accepted these recommendations and amended the Reserve Bank of India Act accordingly last year. The amended Act, known as the Reserve Bank of India (Amendment) Act, 1955, received the assent of the President of India on 8th May 1955. Under section 46A of the Act, the Reserve Bank is required to "establish and maintain a Fund to be known as the National Agricultural Credit (Long-term Operations) Fund." To this Fund is to be credited, according to the provision, (a) an initial sum of Rs. 10 crores by the Bank and (b) such further sums of money as the Bank may contribute every year. The sum to be thus credited during each of the five years commencing from the year beginning July 1955 should not be less than Rs. 5 crores. There is, however, a provision empowering the Central Government to authorise the Bank to increase or reduce the amount of its annual contribution in any year.

The section referred to above, namely, 46A, also lays down the purpose for which the Long-term Operations Fund should be utilised as also the conditions under which it should be put to use. The purpose of the Fund is fourfold:

First, to give loans and advances to State Governments for subscribing, directly or indirectly, to the share capital of co-operative credit societies. The State Governments should repay these loans on the expiry of fixed periods not exceeding 20 years from the date of making such loans.

Secondly, to give loans to State Co-operative banks for agricultural purposes. These are to be medium-term loans repayable on the expiry of specified periods not being less than 15 months and not exceeding five years from the date of making such loans.

Thirdly, to give loans to Central Land Mortgage banks for a period not exceeding 20 years.

Fourthly, to purchase debentures of Central Land Mortgage banks.

Loans and advances made to the Co-operative banks and Land Mortgage banks are subject to guarantee of repayment of both principal and interest by the State Governments concerned.

The proposed increase in the share capital of State co-operative societies is intended to facilitate a considerable increase in the volume of short-term agricultural credit now supplied by the Reserve Bank. This increase will, in part, be related to the increase in the share capital itself. The amount of medium-term loans to be given from the Long-term Operations Fund to State co-operative banks will be determined by the Reserve Bank on the financial position of each of the borrowing institutions.

As already stated, no amount has yet been credited to the National Agricultural Credit (Stabilisation) Fund. It is likely that arrangements will be made to credit a sum of Rs. 1 crore to this Fund, if not this week, in due course before 30th June next. For the Reserve Bank of India is required to establish this Fund before that date under section 46B of the Reserve Bank of India Act, as amended last year. Under this provision, the Bank is required to contribute annually, beginning from the year ended 30th June 1956, a sum of Rs. 1 crore for a period of five years. But, as in the case of the Long-term Operations Fund, the Government has been empowered to authorise the Reserve Bank to reduce or increase the amount of its annual contribution to this Fund also.

The Stabilisation Fund is intended to make loans and advances to State Co-operative banks for periods not less than 15 months and not exceeding five years from the date of the loan, for enabling them to pay any dues, in respect of bills of exchange and promissory notes purchased or rediscounted by the Reserve Bank, which the banks are unable to pay in time owing to drought, famine or other natural calamities. These loans, too, are required to be guaranteed by the State Governments concerned in respect of both principal and interest. In such cases, the short-term loans will be technically treated as repaid to the Reserve Bank's Banking Department, but, in effect, they will be converted into a medium-term loan from the Reserve Bank's National Agricultural Credit Stabilisation Fund. "The Reserve Bank may make this facility," observed the Rural Credit Survey Committee, "conditional on the State Co-operative bank concerned maintaining a similar Agricultural Credit Stabilisation Fund, the same applying to central banks and, where feasible, the larger sized primary societies. The Reserve Bank may also insist that part of the overdue liability should be met from such Stabilisation Funds kept within the co-operative credit structure itself."

THE BANK OF INDIA, LTD.

ESTABLISHED 7th SEPTEMBER, 1906

CAPITAL SUBSCRIBED ... ... Rs. 5,00,00,000
CAPITAL PAID-UP ... ... Rs. 2,50,00,000
RESERVE FUND ... ... Rs. 3,52,00,000

Head Office:
MAHATMA GANDHI ROAD, FORT, BOMBAY.

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BOMBAY — Andheri, Bandra, Bullion Exchange, Colaba, Kalbadevi, Malabar Hill
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GANDHIDHAM (Kutch)
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JAMSHEDPUR
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Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.
Foreign Exchange Business Transacted and Letters of Credits opened for approved customers.
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D. R. THOM, *General Manager.*

CREDIT SQUEEZE IN U.K. AFFECTS MOTOR INDUSTRY

During the six months since Mr. Butler's request last July for a significant reduction in bank loans, the response of U.K. bankers is stated to be encouraging, inasmuch as the banks have been able to cut down loans by about 7 to 8 per cent. The banks have drawn up plans for implementing the second stage of the credit squeeze during the next six months and these plans are reported to have received the approval of the authorities. This approval has been taken to mean that official quarters do not object to the bankers' proposal that they should, from now on, aim at reducing credit lines in a general way without committing themselves to the achievement of a specific target within a specified date.

Meanwhile, the credit squeeze would appear to have handicapped the British motor industry. This industry is demanding from the banks additional overdraft facilities for financing stocks of unsold motor vehicles. The distributors of British cars at home and abroad are well stocked, and, in the face of a decline in the demand for vehicles, cars are piling up at the works. This is pressing hard on the working capital of some car manufacturers, who are, therefore, turning to banks for additional advances to deal with the difficulty. As the cars are mostly for export, the producers see no reason why banks should not grant them credit. The banks, on the other hand, seem to be feeling that, by granting advances to the industry, their efforts to trim advances would prove futile. It seems that they intend seeking official guidance to get over the dilemma.

DUTCH BANK RATE RAISED

For the first time since 7th April 1953 the Dutch Bank rate has been raised from 2½ per cent. to 3 per cent. The action has been necessitated by the continued expansion in bank credit.

A statement issued by the Netherlands Bank stated that, at the beginning of September 1955, the Bank drew the attention of private banks to the desirability of exercising restraint on the extension of credit under the existing boom conditions. Although the extension of credit since then had been slowed down, the latest figures indicated substantial increase in advances. Thus, loans to industry and trade had risen from Fls. 2,199 million to Fls. 2,644 million in 1955. In the same period, loans to public bodies had increased from Fls. 3,117 million to Fls. 3,155 million. Consequently, the Bank was obliged to raise the interest rates along the whole line.

The increase in the Dutch Bank rate is said to mark the Netherlands Bank's dissatisfaction at the development of bank loans and the volume of money in general. A fresh round of wage claims has also caused some concern. Faced with increasing inflationary pressure, the monetary authorities appear to have had recourse to the orthodox measure of making money more expensive.

The Netherlands is the first country to increase its Bank rate during 1956.

U.S. AID TO INDIA'S SECOND PLAN

A proposal to make available to India $225 million, probably in the form of a loan, to aid its second Five-year Plan, is stated to be under the consideration of the U.S. Senate Foreign Relations Committee. Details of the programme are not available but the U.S. Ambassador to India, Mr. Cooper, stated last week at Washington, that the purpose of his visit was to do all in his power towards "the adoption of a substantial programme of economic aid to India that Congress could reasonably approve." He said that India needed assurances that the programme would be sustained over a period of years.

According to Press reports emanating from Washington, the objective of the proposal mentioned above is to enable India to purchase from outside capital goods necessary to build a sound industrial base for development in the first three crucial years of the Plan. The $225 million aid is reported to be in addition to current schemes for U.S. technical assistance and for the provision of surplus farm commodities to India. The programme of aid for India in the current year ending 30th June 1956 provides for $60 million but only a part of this is available in other currencies. But most of the new funds now proposed would be available for being spent in other countries.

At present, the U.S. Congress is able to appropriate only on a yearly basis. President Eisenhower has, however, suggested that he should be given "limited authority" to make long-term foreign aid commitments where this is necessary in such cases as that of India's Five-year Plan. If the Congress accepts this suggestion, it could endorse the $225 million plan in general terms and appropriate $75 million now for the year ending June 1957.

The purpose of the programme is to prevent the deterioration in Indo-U.S. relations in recent months, as also to meet Soviet economic thrusts in Asia and the Middle East. In order to achieve the latter purpose, the U.S. is speeding up its foreign aid, spending about $250 million a month in February, March and April this year, as against $72 million in December last and $142 million in January this year. Thus, of the total $1,700 million approved by Congress for overseas aid this year, the U.S. Administration hopes to spend $1,570 million. Recently two new aid projects, one of $33 million for Thailand and another for $24 million for Yugoslavia, were announced by the U.S. administration.

STERLING AREA'S GOLD AND DOLLAR RESERVES

The sterling Area's gold and dollar reserves rose by $29,000,000 during January 1956 and stood at $2,149 million on the last day of the month. Receipts of defence aid from the United States during the month are estimated at $6,000,000. The sum of $23,000,000 was paid in gold and dollars to the European Payments Union (E.P.U.) in respect of December, and $2,000,000 was paid to the creditors of the Union in bilateral settlements. On the provisional E.P.U. figures for the month, the United Kingdom had a deficit of £4,000,000, which falls to be settled in February as to 75 per cent. in gold and dollars, and as to 25 per cent. by increase of debt to E.P.U.

The reserves, it is noted in London, show a continuation of the change for the better which started in October. Excluding the North American debt payment in December, the movement of reserves over the last four months has been: October, minus $48,000,000; November, minus $14,000,000; December, plus $25,000,000; and January, plus $29,000,000. This is fairly satisfactory, but the surpluses are still small, and with the reserves at their present level it can be regarded as only a small beginning.

LOAN TO BRAZIL

The U.S. Export-Import Bank has decided to grant a loan of $35 million to Brazil. It is intended for a general extension of the biggest steel mills in South America at Volta Redonda, 60 miles west north-west of Rio de Janeiro on the Parahyba River. The loan will increase the annual production at the mill from 650,000 ingot tons to 1 million ingot tons. Two previous loans of $45 million and $25 million were made by the Bank in 1941 and 1950. Mr. Nixon, Vice-President of the U.S., stated recently that the U.S. had contributed $2,000 million to Brazil through loans, investments and development capital in the last 15 years.

UNITED COMMERCIAL BANK LTD.

A rise of Rs. 5,62,632 to Rs. 36,69,036 is disclosed by the profit (subject to audit) of the United Commercial Bank Ltd. for the year ended 31st December 1955. This increase follows the rise of Rs. 8.05 lakhs recorded by the previous year's profit and has enabled the Bank to establish a fresh record, exceeding the previous best of Rs. 36.48 lakhs earned in 1948.

With the surplus of Rs. 1,08,724 brought in from the previous year, the sum available for appropriation is Rs. 37,77,761. Consequent on the encouraging results, the Directors have raised the allocations also, the transfer to the reserve fund having been increased from Rs. 6,50,000 to Rs. 8,50,000, provision for taxation from Rs. 12,50,000 to Rs. 14,00,000 and distribution to the shareholders from Rs. 2-8 per share to Rs. 2-12 per share of Rs. 50 each, which takes up Rs. 1,00,000 more at Rs. 11,00,000. This is the second successive year for which the dividend has been raised, the same having been enhanced from Rs. 2 per share to Rs. 2-8 in 1954. These appropriations leave a surplus of Rs. 4,27,761 to be carried forward, subject to payment of bonus to staff, for which purpose a sum of Rs. 2,50,000 had been utilised last year.

PUNJAB NATIONAL BANK LTD.

A sharp rise of Rs. 14.85 lakhs to Rs. 68.61 lakhs is disclosed by the preliminary results of working of the Punjab National Bank Ltd. for the year ended 31st December, 1955. This increase follows the impressive rise of Rs. 13.90 lakhs noted in 1954 and has enabled the Bank to set up a fresh record in profit. With the surplus of Rs. 4.99 lakhs brought forward from 1954, the profit available for appropriation amounts to Rs. 73.60 lakhs.

The Bank's deposits as at the end of the year under review reached a record total of Rs. 90 crores, an increase of over Rs. 14 crores or 19 per cent. over those at the end of 1954, as against an increase of 8.87 per cent. in the case of other Scheduled banks. With this increase, the Bank has maintained the upward trend in deposits since 1949. During the year the Bank opened 14 offices, bringing the total number of offices to 326.

A group of the World Bank's experts is to visit Austria this month for discussing the possibility of granting another loan for the development of the country's water power stations. It is stated that the Bank is willing to grant a loan of Sch.1,000 million under the "specially favourable conditions" to the Austrian Verbundgesellschaft.

TASK FACING BRITISH ECONOMY

REALISTIC ASSESSMENT BY NEW CHANCELLOR

By Paul Bareau

WHAT are the economic facts which Britain faces as she moves further into the year 1956? They are, as usual, a mixture of good and inspiring developments on the one hand, of less good and cautionary warnings on the other. In assessing this mixture, it is all-important to avoid the all too easy temptation of exaggerating, of focussing on one or other of the extremes. At the present moment, there is, perhaps, an undue tendency to fasten on the darker side of the picture and to evoke and use the word "crisis," which fits all too well into the politician's and journalist's language.

The word "crisis" does less than justice to realism and truth at the present moment. It has just been announced that industrial production in the United Kingdom in 1955 was nearly five per cent. greater than in 1954. Gold losses, which gathered such momentum in the early and middle months of the year, have recently shown a reassuring tendency to disappear. Industrial investment has never been higher, and there is every indication that, in the coming year, it will again break all records.

Employment has remained higher. British goods are still competitive, as witness the fact that exports last year were five per cent. higher than they had been in 1954 and created a record both in respect of values and volume. All this is hardly the context in which to speak of "crisis." And yet it would be idle to pretend that Britain does not face considerable difficulties. Strong and weak points in the economy were recently subjected to a realistic diagnosis by Mr. Harold Macmillan, the new Chancellor of the Exchequer, who was not inclined to understate the difficulties with which he is being called upon to deal.

It would not have helped him, in the psychological aspect of his task, to give undue prominence to the favourable factors in the situation. If he is about to apply the brake to British economy, the mood he wants to create is one of awareness of the difficulties and of the dangers that threaten if these difficulties are not overcome in the reasonably near future.

Mr. Macmillan certainly painted a rosy picture of the state of the consumer. Nearly everyone, he said, is doing very well. Sixteen per cent. more household goods had recently been going into the average home than two years earlier. Eight per cent. more clothing was bought and 5½ per cent. more food in the first 11 months of 1955, and 75 per cent. more new cars were registered, than in the corresponding period of 1954. In its turn, this has encouraged industry to launch out on big new development schemes. All this has meant an improvement in the British way of life, which, said Mr. Macmillan, "is a very fine thing while it lasts—if it lasts."

What did the Chancellor mean by this ominous little reservation? His meaning was made abundantly clear in the figure of speech in which he compared the British economy to the electric circuit in the household. It was a highly appropriate figure of speech, since it was uttered at a time when Britain lay in the grip of a truly Arctic spell, when the pressure put on the available supply of electric current was at times such as to cause momentary breakdowns.

In Britain's "electric circuit," said Mr. Macmillan, power was supplied by the productive efforts of the nation. That power was tapped for various needs of the nation—food and clothing, roads and schools, factories and machines, and a vast defence programme. Every time the nation made some further demand, it was like plugging in another appliance. If the circuit was overloaded, the fuse blew and there was a blackout.

The fuse, said Mr. Macmillan, is confidence in the pound sterling all over the world on which the functioning of the whole economy depends. In 1949, the system was grossly overloaded by the many demands made upon it, the fuse blew, and the pound was devalued. That, said Mr. Macmillan, must not be allowed to happen again, and that was why he would be deciding very soon "which plugs to pull out" so as to reduce the pressure on the somewhat overloaded economy.

The point to bear in mind in this metaphor is that even a small overload can blow the fuse. That is precisely the problem with which Britain is struggling at the moment. The demands on the resources of the nation are, at the moment, excessive—but not by more than, say, three per cent. Between 1953 and 1954, wage rates and output of goods per person in industry went up more or less equally by four to five per cent., but last year, while output per person went up by three per cent. wage rates went up by seven per cent., while dividends reported by industrial companies rose at an even higher rate.

With this additional purchasing power let loose in the economy, in excess of the real increase in output, the inevitable result was to draw in more imports and to encourage consumption at home of all kinds of goods that ought to have been exported. The margin may have been small, but its effect on the balance of payments was substantial, as may be judged by the fact that the reserve of gold and dollars fell by £229,000,000, last year.

That is a state of affairs which cannot continue for long, and it is to the credit of the Government that, in contrast with some of the earlier balance of payments crises, remedial measures have been taken at this stage. Credit restriction has been put into effect, and an attempt is being made to curtail the overall purchasing power of the country.

Additional measures may yet have to be resorted to, and the new Chancellor of the Exchequer hinted at them when he said he would soon have to make up his mind which "plugs to pull out," in order to reduce the load on the domestic electric circuit. The problem is marginal. A relatively unspectacular effort, superimposed on measures already taken, should be sufficient to put the British balance of payments back into some semblance of reasonable equilibrium during the coming year.

COTTON TEXTILES UNDER SECOND PLAN

MILLOWNERS WARN AGAINST TOO MUCH RELIANCE ON HANDLOOMS

THE draft outline of the second Five-year Plan does not give any indication of the size of development envisaged for the cotton textile industry. All that is said therein is that the targets for the output of cloth and yarn in the organised textile industry will be determined in a few months, after a clearer assessment becomes possible of the results of investigations, now in progress, into the technical and economic factors relating to Ambar *Charka*. It has thus left the question open. This itself is a victory to the votaries of Ambar *Charka*, for they have succeeded in inducing the Planning Commission to believe that Ambar *Charka* may provide a useful solution to the problem of unemployment. There is no denying the fact that both the planners and the powers-that-be are now keenly anxious to do all they can to develop the decentralised sector of the cotton industry, irrespective of the consequences on the mill sector, in particular, and on the community, in general. Referring to Ambar *Charka*, the Planning Commission observes: "The use of Ambar *Charka* and the introduction of decentralised spinning on a large-scale will make possible addition to full-time employment on such a substantial scale as to justify the expenditure which may be involved during the period of the second Plan" These words have been echoed by Mr. Gulzarilal Nanda, Union Minister for Planning. Speaking on the Congress Working Committee's resolution on the Government's economic policy and the draft Plan at the A.I.C.C. session at Shahidnagar, Mr. Nanda said:

"Development of village and cottage industries will also help solve the problem of unemployment. There can be no controversy about development in this field. It is argued that consumers would be hard hit, if the cottage and village industries were developed at the cost of the mill industry. This will not be much of a sacrifice, if it is remembered that employment of the Ambar *Charka* and impetus to village industries in other directions will absorb millions of idle hands.

"Those who have held its (Ambar *Charka's*) trial are of the view that it is capable of meeting the demands of the weavers. There should be no doubt about its utility. Licences for 2.1 million spindles have been given and *no further licences will be granted*" (italics ours).

A Moot Point

From the foregoing statement of Mr. Nanda, it is evident that there will be no further expansion in the spinning capacity of the mills and that the rise in weaving capacity will be only negligible. Indeed, there is every possibility of the Government imposing fresh burdens on the mill sector, such as an upward revision in taxes and extension of the reservation of markets for handlooms, in the belief that, thereby employment opportunities can be widened. The desire to create more employment opportunities is certainly understandable, but it is a moot point whether it is worthwhile putting the community to such severe hardship as is implied in this approach, especially as the type of employment to be provided by Ambar *Charka* and handlooms will not be gainful; in fact, such employment belongs to the sweated category, yielding as it does only a pittance. As we have so often pointed out in this journal, the policy of giving an artificial boost to the handlooms and Ambar *Charka* through restrictions on the mill sector is bound to involve a considerable strain on the country's economy, leading to disproportionate sacrifice on the part of the consumer. This aspect has been lucidly explained by the Millowners' Association, Bombay, in the course of a detailed memorandum submitted to the Planning Commission.

A noteworthy feature of the memorandum is that the points made therein have been adequately supported on the basis of statistics made available by official and other reliable and relevant sources. Facts and figures have been given to prove that the magnitude of sacrifice to be made by consumers and taxpayers for supporting the uneconomic means of production will be quite out of proportion to the possible gain in the form of additional employment. Another feature of the memorandum is the attempt to show that much more fruitful small-scale employment can be created in other spheres at a much lower cost to the community.

At the very outset, the Bombay Millowners' Association warns that, if handlooms were to be relied upon to produce 3,200 million yards—this figure represents more than 100 per cent. of the present estimated capacity—the consumer will have to pay a higher price for handloom cloth and the exchequer will suffer a loss of revenue which will also have to be made good by the public by paying enhanced taxes. Out of this sacrifice, the handloom weaver, it points out, will receive only a "very small" portion. The cost of the experiment to the country will thus be entirely out of proportion to what is really required to provide additional employment.

Consumer's Sacrifice

The Millowners' Association estimates the total extra amount which the consumer will have to pay as a result of the implementation of the Kanungo and Karve Committees' recommendations at Rs. 30.84 crores. This estimate has been arrived at by taking into account two considerations. First, the target of 3,200 million yards of handloom cloth fixed by the above Committees is 1,200 million yards more than what is actually required for providing handloom weavers with full-time employment. Secondly, the price of handloom cloth will be very much higher than that of cloth produced in the mills. On an average, the price of handloom fabric works out to Re. 1-3 per yard (including the rebate borne by the Government), as against the average retail price of As. 15 for mill cloth (inclusive of all taxes). How these figures have been arrived at is explained below:

According to the 1953 Census of Manufacturing Industries, the ex-mill price of 4,321 million yards of cloth is Rs. 300.4 crores. This gives an ex-mill price of As. 11 per yard of cloth. The average rate of excise duty works out to 13 pies per yard which makes a total of As. 12.1. Taking the cost of distribution at 15 per cent. and sales tax at 0.5 anna in the rupee, the retail price paid by the consumer works out at As. 14.4 or in round figures As. 15 per yard of mill cloth.

Dr. J. D. Sundaram, in his article entitled "Ambar *Charka*: Tentative Prices of Yarn and Cloth," published in the December 1955 issue of *Khadi-Gramodyog*, the journal of the All-India *Khadi* and Village Industries Board, says: "The study of comparative prices of cloth—Ambar, handloom with all-mill yarn and mill—shows that the retail price of Ambar cloth of 20s in urban centres is likely to be on an average above the prices of mill cloth and As. 2 more than the prices of handloom cloth woven with mill yarn, and Ambar cloth of 16s may show a difference in urban areas of As. 4½ with mill cloth and As. 3-7 with handloom cloth with mill yarn. It must, however, be noted that low count handloom cloth of mill yarn is of very poor quality and texture. The price of Ambar cloth is thus taken as As. 5 to As. 6 above mill cloth and As. 2 above handloom cloth, which means that the difference between handloom cloth and mill cloth is As. 3 to As. 4. Although the similar difference for very coarse counts is not as much, it is pointed out that low count handloom cloth of mill yarn is of very poor quality. Furthermore, in counts higher than 20s, the differential between handloom cloth and mill cloth would be greater than As. 3 to As. 4 which is the differential in the case of cloth of 20s. This shows that, quality for quality, the differential between mill cloth and handloom cloth would actually be more than As. 3 on an average.

In the aforesaid comparison, mill-spun yarn is a common factor. The cost of yarn required to weave 1,200 million yards of cloth will also be more in the case of handlooms than mills, being Rs. 69 crores, as against Rs. 57 crores. The difference of Rs. 12 crores is arrived at as follows:

The 1953 Census of Manufacturing Industries puts the price realised by mills on sale of 359 million lbs. of yarn at Rs. 72.4 crores, giving an average price of Rs. 2 per lb. In the case of cloth of lower counts, a pound of yarn produces something like 4 yards of cloth on an average. The production of 1,200 million yards of cloth would, therefore, require 300 million pounds of yarn, the ex-mill cost of which would be Rs. 60 crores. On an examination of the balance-sheet of a few representative yarn spinning mills, it is observed that the profits of the mills are of the level of 5 per cent. on realisation. The profit element in the ex-mill price of Rs. 60 crores would, therefore, be Rs. 2 crores. As the composite mills would get their own yarn at cost price, the price of yarn to the composite mills can be taken at Rs. 57 crores. As regards handlooms, adding to the ex-mill price of yarn of Rs. 60 crores distribution charges of 15 per cent., the price of yarn to handloom weavers would come to Rs. 69 crores.

The Millowners' Association turns next to labour costs. In the case of mills, only that labour which is employed on the weaving side is taken into account. The calculations made by the Association reveal that the number of workers required for manufacturing 1,200 million yards of cloth in the mills will be 84,000 with an annual wage bill of Rs. 13.08 crores. In the case of handlooms, assuming that one handloom produces six yards of cloth per day and works 300 days in a year, the number of persons required for producing 1,200 million yards of cloth comes to 840,000 taking the employment at 1¼ persons per loom. The wages required to pay them—at Re. 1 per day or Rs. 300 per year—amount to Rs. 25.2 crores. Thus, the community will have to pay Rs. 12.12 crores more by way of wages alone to get the same amount of cloth through handlooms.

Loss to Exchequer

The reliance on handlooms for the additional production of 1,200 million yards will also result in a large loss of revenue to the exchequer, as will be seen from the following statement based on the Millowners' Association's memorandum:

In the case of mills, out of the realisation by sale of cloth a good part goes to the exchequer by way of excise duty, income-tax and sales tax. The excise duty is paid at a higher rate for fine and superfine cloth. But, even assuming that all the additional cloth is manufactured only from indigenous cotton, 1,200 million yards would consist of 1,140 million yards of coarse and medium cloth and 60 million yards of fine cloth. On the existing rates of 9 pies per yard for coarse and medium cloth and 18 pies per yard for fine cloth, the excise duty paid would come to Rs. 5.88 crores. Taking the sales tax at 6 pies per rupee, the amount of Rs. 112.56 crores paid by the consumer for mill cloth includes sales tax amounting to Rs. 3.48 crores. As regards income-tax, according to the returns of the Central Board of Revenue, the cotton textile industry paid during the year 1954-55 a sum of Rs. 10.33 crores. This was on the 1953-54 production of less than 5,000 million yards. The income-tax on 1,200 million yards thus comes to over Rs. 2.52 crores. As against all these, the handloom cloth does not have to pay any excise duty, while sales tax, if any, is a negligible amount. It is needless to add that it pays no income-tax.

The consumer's sacrifice in the form of higher prices for handloom cloth is, as already noted, Rs. 30.84 crores. Of this, the amount utilised for the common good is expected to be not more than Rs. 24 lakhs. According to the Millowners' Association, out of Rs. 112.56 crores that he pays for mill cloth, Rs. 13.08 crores are utilised for giving employment and Rs. 11.88 crores are returned for his benefit to the exchequer. The balance of Rs. 87.60 crores can be accounted for as distribution charges (15 per cent. of Rs. 112.56 crores, that is Rs. 16.88 crores), cost of yarn (Rs. 57.00 crores), stores (Rs. 6.00 crores), power and fuel, overheads, depreciation and profit (Rs. 8.28 crores). In the case of handlooms, out of Rs. 143.40 crores that the common man pays for 1,200 million yards, Rs. 25.20 crores are utilised for providing employment. The balance of Rs. 118.20 crores can be accounted for as cost of yarn (Rs. 60.00 crores mill price+Rs. 9.00 crores middlemen's profits), stores (Rs. 6.00 crores), overheads, depreciation, and middlemen's profits Rs. 43.20 crores. It will thus be seen that, in the case of handlooms, the amount utilised for the common good is Rs. 25.20 crores, being the wages paid to 740,000 workers, while in the case of mills it is Rs. 24.96 crores, being the total of wages and taxes. In other words, the consumer is made to pay for handloom cloth an additional amount of Rs. 30.84 crores, so that only Rs. 24 lakhs thereof may be utilised for the common good! The balance of Rs. 30.60 crores of the additional amount paid by the consumer goes to people other than the handloom weavers in whose name the consumer is asked to pay a higher price for his cloth.

If, instead of handloom cloth, the consumer were to be provided with mill cloth, he would, in the opinion of the Association, be in a position to buy 27 per cent. more cloth with the same outlay. This will help not only to raise his standard of living but also to create more employment in cotton fields, mills and all the channels through which the additional production of cotton and cloth passes, besides increasing receipts to the exchequer. When 1,200 million yards of cloth are produced on handlooms, extra employment is no doubt created for 756,000 workers who receive wages aggregating Rs. 22.68 crores. But the exchequer has to pay out a rebate of Rs. 8.40 crores and lose a revenue of Rs. 11.88 crores which it can earn from mill cloth. The total loss to the exchequer thus comes to Rs. 20.28 crores. If the estimated rise of 27 per cent. in consumption of cloth is also taken into account, the loss will be equal to the wages of Rs. 22.68 crores earned by the additional workers.

Ambar Charka

So much for the handloom industry. The position would be still worse if the Ambar *Charka* were introduced in the place of mill spindles for producing the extra yarn that will be required to manufacture the additional cloth referred to above. The Millowners' Association points out that the protagonists of this *charka* themselves admit that Ambar cloth will be

(*Continued on page 294*)

SHARP FALL IN COTTON IMPORTS

MILLOWNERS REJECT CLAIM FOR HIGHER WAGES

From Our Special Correspondent

MANCHESTER, *7th February*

MANCHESTER LETTER

THROUGHOUT the first six months of the current cotton season the uncertainty over future price trends arising from the accumulation of supplies has persisted. In such circumstances, it is not altogether surprising that the flow of international trade in the raw material has declined to a considerable extent.

The sharp contraction in purchases in the first half of this season on behalf of British merchants and spinners has been most marked. In the past six months, imports have been not much more than half those in the comparable period a year ago when substantial supplies were being obtained from the United States.

The following table shows comparative imports during the first half of the last two seasons and the total supplies secured in the whole of last season:

(In bales)

	1st half 1955-56	*1st half* 1954-55
American	99,409	417,573
Mexican	69,730	67,831
Nicaraguan	7,388	4,632
Brazilian	85,006	164,491
Argentine	1,813	50,379
Peruvian	30,608	27,054
Egyptian	11,308	23,322
Sudan	101,243	84,388
East African	12,726	34,979
Nigerian	67,279	40,955
Congo	13,481	12,079
Turkish	497	653
Syrian	21,015	22,215
Pakistani	21,671	22,623
Indian	42,262	10,548
Russian	41,690	34,445
Others	52,717	40,959
Total ...	679,943	1,059,126

The paralysis which has now so greatly curtailed world trade in raw cotton had already set in in the second half of last season, when imports into this country were only half those arranged during the previous six months. More cotton has certainly been acquired so far this season than in the second half of last but the joint total of little more than 1,200,000 bales is still very small, even when set against the reduced requirements of the mills.

An outstanding development has been the phenomenal decline in the quantity of American cotton bought for use in Lancashire. Admittedly the supplies acquired in the first half of last season were exceptionally large but the reduction to less than 100,000 bales is remarkable, particularly as the imports in the second half of last season were only about 60,000 bales.

Smaller supplies have also been taken from South American countries, with the exception of Peru, and there has been a further drop in the quantities imported of Egypt and East Africa. On the other hand, the Sudan has shown a revival in shipments after suffering a temporary eclipse and more cotton is now coming from India than for some time past, the supplies imported in the first half of this year exceeding the total arrivals in the whole of last season.

America Holds Key

However widely the growers of the world extend their activities, America still holds the key to immediate prospects and the possibility of sudden action which may cause considerable price changes is a constant threat to market stability. The situation is currently made more complicated by the likelihood that free supplies of cotton for the trade may become tighter as the season progresses. Large quantities of the raw material are being transferred by American farmers into the Government loan with the result that supplies on the open market are falling. This factor, above all else, has prompted the recent firmer trend in New York futures and the upward movement in prices which is in direct contrast to many anticipations.

Confronted with such an aggravated statistical situation it is small wonder that trading in the Liverpool market has been lately practically at a standstill. Operators are loth to extend their commitments at such a critical time and business has been reduced to a minimum. Efforts to find a way round the existing difficulties are being made but everything has certainly conspired to detract from the value of the market since its reopening in 1954. Until world conditions take on a greater degree of stability Liverpool faces an uncertain future and a confused present.

Impact of Recession

Short-time working and lack of orders reduced output of cloth by Lancashire weaving operatives last year by more than 295,000,000 yards.

Figures given in Manchester by the Cotton Board illustrated the toll of the recession. Production of cotton and rayon cloth aggregated only 2,479,320,000 yards as compared with 2,774,560,000 yards in 1954. The figures also indicate how serious was the drift of labour from the mills. Some 14,000 workers were lost to the weaving section of the industry during the year, reducing the weaving labour force from 140,690 to 126,630.

The total loss of operatives in the cotton industry was more than 30,000. Over the twelve months, the mill manpower total fell from 286,460 to 256,080. The weaving section had a serious setback in the final month of the year when there was a loss of 1,160 full-time weavers and 40 part-time workers.

Lancashire millowners have rejected outright a claim for a 2s.-in-the-£ pay rise for 256,000 cotton operatives. Union leaders, "bitterly disappointed" that their demands have been rejected, plan to submit the matter to the Minister of Labour, who, they hope, will put their claim before the Industrial Disputes Tribunal.

The employers, who would have had to pay out an extra £10,000,000 a year in wages had they granted the claim, gave no reason for rejecting it. Sir Alfred Roberts, General Secretary of the 50,000-strong Cardroom Workers' Amalgamation, said: "They feel we must be prepared to accept this to allow them to compete in foreign markets. That would mean rice wages if we allowed it." Mr. Lewis Wright, General Secretary of the Northern Counties' Textile Trades Federation, representing 130,000 weavers, said the arguments the employers put forward had nothing at all to do with the wage claim. They had introduced, he said, the problems of tariffs and cloth imports.

Exports of rayon goods in 1955 followed a similar trend to those made from cotton. There was a corresponding decline in cloth shipments, the total for the twelve months being 133,853,000 square yards, valued at £21,089,621. This compared with 175,256,000 square yards, worth £27,887,841 in 1954.

Although exports of rayon and synthetic fibre yarns were a little lower than in 1954, the earnings from these shipments improved from £11,722,089 to £12,450,378. The volume of exports was 30,842,100 lb., against 32,345,200 lb.

As in the case of cotton, Australia maintained its position as the leading importer of British rayon goods, taking 23,518,000 square yards of cloth and 8,156,500 lb. of yarn. In both instances, however, purchases were distinctly below the 1954 levels. A feature was the rise into second place among cloth buyers of Rhodesia and Nyasaland, with 15,479,000 square yards, and India among consumers of yarn, with 4,463,500 lb.

Cut-throat competition will face the world's textile industries unless steps are taken to tackle the recurring problem of lack of balance between supply and demand on a global basis, Mr. Fred Wood, President of the Master Cotton Spinners' Federation, warned in a message to the All-Japan Cotton Spinners' Association. Profit margins, he said, would not be sufficient to cover current depreciation or allow for mill modernisation.

How Others React

"A growing feeling is evident on the part of leading members of almost every branch of the cotton industry that the Government has decided the cotton industry is expendable—at least to a considerable degree. The suspicion is that the cotton industry, because of its international nature, has had the finger put on it as a natural sacrificial offering on the altar of international goodwill."

This statement might well have been made by a number of prominent people in Lancashire during the past year when resentment was running high against the authorities on the question of imported cloth. In point of fact it refers to the American cotton industry and is quoted by a Memphis trade journal. The sentiments expressed are held to be the views of growers as well as spinners and others in the industry.

Textile manufacturers in the United States are now feeling the effects of imports of Japanese cloth on much the same lines as Lancashire did during 1955 and similar arguments are being raised about the need to institute quotas to maintain some sort of curb on the volume of foreign goods entering the country in direct competition with local products. The element of uncertainty is the main factor now handicapping the American mill industry, just as it has done in this country.—*All Rights Reserved.*

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PAKISTAN'S RAW JUTE POLICY

PRODUCTION TARGET FOR 1956-57 SET AT 5.5 MILLION BALES

THE annual meetings of two bodies, namely, the Pakistan Jute Association, Narayangunj and the Associated Chambers of Commerce, Karachi, held during the last two weeks, provided an opportunity for a discussion of the problems facing the Pakistan authorities in regard to raw jute. A review of the Press reports on the proceedings of these meetings indicated that there is considerable amount of satisfaction regarding the jute policy of the Pakistan Government. One of the reasons for this satisfaction appears to be the high prices received by the jute cultivator in Pakistan during the last season. This is evident from the speech of Mr. Maqbul Ilahi, President of the Pakistan Jute Association, delivered at the meeting of this body held at Narayangunj on the 30th ultimo. He said: "In anticipation of a large new crop, prices declined from Rs. 25 per maund at the time of the last annual general meeting, to Rs. 18 in the month of July. Most of the jute was marketed, however, at very satisfactory levels averaging about Rs. 24 per maund for bottoms, and it is calculated that, based on the season's sale prices, cultivators had been able in the last season to buy about 2 maunds of rice for every maund of jute sold. This year's trends had been similar as far as local prices are concerned. When there was little jute available in July, prices were at their lowest level, Rs. 17 a maund, but immediately on the news of devaluation, prices shot up to Rs. 21 and by the middle of August, they had stabilised in the region of Rs. 23 per maund. Since that time, due to steady demand of the available jute, we have seen a progressive rise in prices."

It will be seen that a part of this improvement in jute prices is attributed to the devaluation of the Pakistani rupee which, according to Mr. Maqbul, was the most significant event of the preceding year. Devaluation had been well-timed to profit the cultivator, and caused a sharp rise in local prices. The price rises due to devaluation, he remarked, had only been in the local markets. Throughout the period, except for a rise of £2 or £3 per ton in the lower qualities of white jute, export prices had remained unchanged.

Apart from devaluation, there were other factors too which helped maintenance of high prices for raw jute. One was the damage done by floods to the jute crop last year. Commenting on this aspect, Mr. Maqbul observed: "We were note quite aware (last year) of the effect the unprecedented floods would have on the outturn of the crop. As it turned out, the Association's anticipation was correct and the carry-over was a small normal one, thought to be of 300,000 to 500,000 bales. At the meetings of the Jute Advisory Committee, members of this Association represented on that body advised the Government to licence an area estimated to grow a crop of 5.5 million bales for the year 1955-56, and those recommendations, I am pleased to say, were accepted."

Output in 1955-56

Mr. Maqbul is gratified because, according to the Government forecast issued recently, the estimated outturn for 1955-56 is about 5.6 million bales or a million bales more than the target suggested by the Association. Although the trade estimates are far higher than this figure, Mr. Maqbul is of the view that there will not be an embarrassing quantity of jute to be carried over into the next season, namely, 1956-57. According to him, there will be little cause for concern, provided the Government is able to control the sowings sufficiently well to provide for the planned production of 5.5 million bales for the coming season.

A more or less similar view was expressed by Mr. T. W. Cree at the seventh annual conference of the Associated Chambers of Commerce held at Karachi on the 10th inst. He remarked: "Estimates of current crop outturn indicate that there is not likely to be any embarrassing glut, especially as there is reason to believe that the total export for this season will exceed last season's total of 5.1 million bales. Up to the end of December, approximately 2.3 million bales were exported to overseas countries and 100,000 bales to India. Supply may slightly exceed the demand towards the end of this season, and the carry-over may, therefore, be larger than last year. However, this need not occasion any concern, provided the Government maintains an effective crop control next season."

Similarly, Mr. Maqbul also emphasises the need for effective crop control, with a view to maintaining prices at a remunerative level. At the same time, he stressed that there must also be ample jute to supply the world's needs; for too little jute would cause the fibre to become uncompetitive with cotton and paper. These views were endorsed by the Chief Minister of East Bengal, who stated at the Association's meeting that the ultimate objective should be to earn the maximum foreign exchange by selling at such a price as would be remunerative to the growers and at the same time competitive in the world markets. It was time, he added, that, with the Association's co-operation, ways were devised to stabilise jute prices at an economic level without encouraging the use of substitutes.

Target for Next Year

Referring to the target for the coming year, he said that it had been fixed in consultation with the Association and that the Government would pay utmost attention to see that the regulation of jute cultivation was made effective under the new arrangement. "The Government is determined," he asserted, "to ensure fair and economic prices to the growers from the beginning of the season. It is gratifying to note that world consumption of jute has increased, and I am confident that this demand would still go up, as other countries like Turkey, Egypt and Indonesia have completed erection of their jute mills.

During 1954-55, Pakistan's exports of raw jute amounted to 5.1 million bales. The combined exports by both land and sea for 1955-56 will be, according to Mr. Maqbul, 10 per cent. higher than the total for the previous year or 5.6 million bales.

From the foregoing account, certain salient points of considerable interest to the industry and trade in India emerge. First, it is evident that the main objective of the jute policy of the Government of Pakistan is to stabilise jute prices at a level which is both competitive in world markets and remunerative to the jute grower in Pakistan. This is undoubtedly a sound one but from past experience it can be said that in giving effect to it, the Government has not always been guided by the interests of jute consumer abroad. For the schedule of minimum export prices fixed by the Government has handicapped the jute mills abroad, especially in Europe, and this, in turn, has given scope for paper and cotton substitutes to hold their own against gunnies as a packaging material. The cry that Pakistan jute prices are high is still frequently heard from Britain, the Continent and other jute-consuming areas.

Secondly, the fixation of the target for crop at 5.5 million bales for 1956-57 overlooks the growing demand for raw jute in a number of countries which are manufacturing jute fabrics. In India, for instance, thanks to the unsealing of 7½ per cent. of the 12½ per cent. of the looms sealed, mill consumption of jute is expected to go up from about 5.5 million bales to over 6.15 million bales. Again, Pakistan's own requirements are expected to reach, by this time next year, a figure of 1.2 million bales. Besides, new mills are being established at Turkey, Egypt, Indonesia, Burma, etc., and these may add to the total world demand at present estimated to be over 10 million bales. As against this, the estimated total crop of raw jute in India and Pakistan is only 9.73 million bales (official figures for 1955-56). This would push up the raw jute prices, which in turn, would compel India to extend its raw jute policy of "near-self-sufficiency" further, so that the country may become still less dependent on Pakistan than it is now. In its own interest, Pakistan will, therefore, do well to follow a more liberal policy in regard to the cultivation of jute crop. Production of more jute will not only reduce the prices of raw jute but enable the country to earn more foreign exchange which it needs for financing its essential imports.

In this context, it will be pertinent to mention here the Pakistan Government's welcome decision to abolish licensing of raw jute exports. An announcement to this effect was made by the Governor-General at the Associated Chambers' meeting. He said that the Government had decided to abolish in the near future, licensing of raw jute exports to the non-American account area. Exports of jute to the dollar area are already on the O.G.L., so that exports to all parts of the world will become free from irksome restrictions when this decision is implemented.

TEXTILES

(*Concluded from page 292*)

costlier than the mill-spun and hand-woven cloth by as much as As. 4 per yard. If a computation similar to the one above were made for Ambar cloth, the strain on the national economy would be many times that indicated by those figures.

In conclusion, the Millowners' Association states that the employment provided through the medium of handlooms will, even according to the Karve Committee, be only of a transitional character. While it is not opposed to the creation of additional employment, the Association submits that the sacrifice which the common man is called upon to make is out of all proportion to the benefit which is derived in this process. "We contend," to quote it, "that it is not fair to call upon the consumer to pay an additional amount of Rs. 30.84 crores for his cloth, so that only Rs. 24 lakhs thereof should be utilised for the common good."

In the considered opinion of the Association, if cloth is produced by mills, instead of handlooms, the exchequer gains by an amount which is almost equal to the wages earned by the additional weavers employed by the handloom industry. The exchequer can, with greater benefit, utilise this amount to start nation-building activities such as construction of roads and wells in the rural areas and provide employment of a more useful nature at an identical level of earning. The additional production of 1,200 million yards of handloom cloth will provide employment for 840,000 workers on a wage of Rs. 300 per annum. If the suggestion of the Association is accepted, 84,000 new workers can be employed in mills at a wage level 500 per cent. greater than this, and the remaining 756,000 workers can be given employment in nation-building activities at a wage rate equal to that in the handloom industry. Simultaneously, the consumer will pay less for his cloth and would be in a position to increase his consumption of cloth and his standard of living. The nation-building activities will themselves bring a return to the economy and all in all, positive good will result to the national economy.

Price Aspect

There is considerable force in the aforesaid observations of the Millowners' Association. Employment is no doubt an important consideration, but it must be balanced against the no less significant consideration, namely, the price the consumer is called upon to pay. The following quotation from the Karve Committee report itself (*vide* para 33) supports our contention:

"The importance and relevance of this consideration may be illustrated as follows. The objective of providing additional employment may be achieved by creating special opportunities of work for large numbers of people in productive activity carried on in ways which may yield only a very small amount of net income to them. Programmes of creation of such work would then have to be supported by direct or indirect subsidies to yield a minimum level of subsistence income. In effect, this would involve relief of the unemployed through public funds, with only a very small contribution being received from the fruit of their employment. Further, if this involves either bringing in new persons who are not engaged traditionally in those occupations or creating new equipments for the purpose, it would result in the employment of labour in directions where its use is patently uneconomic. In a programme of future development, this would prove a handicap, as, presumably, these resources and personnel will soon have to be withdrawn from these uses. The same reasoning applies to the extent and duration of the protection given to existing employment in means of production which have become completely obsolete or relatively very uneconomic."

The output of handlooms has all along been, and will continue to be, uneconomic. Even more uneconomic will be production of yarn on Ambar *Charka*. The reservation of markets for this output exposes the country to the great risk of spiralling prices in such an essential item as cloth. What is urgently required is, therefore, an upward revision in the production target for mill output of yarn and cloth. Equally imperative is the need for a vigorous rehabilitation and modernisation of plant and equipment in mills. It is to be hoped that all these basic economic needs will receive due attention at the hands of the Planning Commission when it takes up the question of finalising its programme for the development of the cotton textile industry during the second Plan period.

NATIONALISATION OF LIFE INSURANCE—II

EXPERIENCE IN OTHER COUNTRIES

LAST week we attempted in these columns to subject some of the arguments advanced in favour of nationalisation of life insurance to a critical, though necessarily brief, scrutiny. We propose to continue the discussion on this page.

State ownership of insurance is not a peculiar invention of the Government of India for which it can claim international patent rights. This measure has been considered in many countries, and rejected as unworthy of adoption. Indeed, it is a discredited device—discredited after mature deliberation. And in the countries where it has been tried there is unmistakable evidence to show that its actual performance, so far from being a pronounced success, has belied the hopes of its ardent advocates.

In the U.K., State ownership of insurance (partial, of course) was attempted in 1865 through the Postal Insurance Scheme. The Scheme, as is well known, was closed down in 1928. Here, the point which has been overlooked by many observers is that the Scheme had been dead long before it was actually buried. It had ceased to be a force to reckon with even before it was formally closed, thanks to the growth of private insurance. This suggests that, although State-operated insurance may play a notable role in the early years of the history of insurance, it can never compete with private insurance when the latter has developed. Be that as it may, nationalisation of life insurance became a live issue in the U.K., in 1949, when the Labour Party included State ownership of industrial life assurance in its election programme. Naturally, this attempt met with stiff opposition from the life offices. But what is more important, on a poll being taken, it became known that only 3.6 per cent. of the policy-holders favoured nationalisation.

Real Danger

The public became alive to the real danger of nationalisation of insurance when it realised that it may lead to virtual nationalisation of other industrial units also. Since this danger is not perhaps far distant in this country too, now that life insurance has been nationalised, it is well to recall the statement of Sir James Grigg, India's Finance Member before the war, on this aspect of the problem. Sir James said:

"Incidentally, in taking over these funds, the State would acquire substantial holdings in many companies quite unconnected with any existing or proposed nationalisation scheme. In other words, a great number of private businesses and organisations, large and small, concerned with all types of industry, will find that the State has suddenly become a shareholder. This is socialisation with a vengeance. It is true that, at the first take-over, the Government are unlikely to get actual control of more than a few private enterprise undertakings. The industrial offices have never used their investments to secure a preponderant interest in particular concerns; and, even when the individual holdings of these offices are aggregated, it can only rarely happen that the total in any one company will amount to a majority shareholding. But, after the take-over, the Government will do what they like with the insurance funds and there will be nothing to prevent their being used to acquire the dominant vote in the affairs of private businesses and—so to speak—to nationalise them without anybody realising what is happening."

The British public also realised that, whereas in the world of insurance, promise and performance were synonymous, no matter how long a period of time separated the two, this quality was not always obvious in governmental affairs. The Labour Party had to bow down to the general opposition to its programme. The Party has now practically abandoned it, as is clear from the fact that the list of industries whose nationalisation was demanded at last year's Party Conference at Margate, does not contain insurance.

Leftist tradition is particularly strong in France, so that it was hardly surprising that the Government carried through, in 1946, a policy of nationalisation in respect of the larger insurance offices, about 34 in all. Events have proved that this policy has not been a great success. Between 1946 and 1953, the share of the nationalised companies (these were the largest companies in the country) fell from 62 per cent. of the total life business to 58 per cent. And what is particularly noteworthy, lapses in nationalised companies worked out to 13.2 per cent., as against 7.9 per cent. in private companies.

A French social democrat, reviewing the progress of nationalised insurance in the *Socialist Review*, said: "If we disregard the expropriation of the shares and the change in executive control, these innovations show nothing constructive or original. Basically, nothing has changed and no progress has been achieved." Some apologists for the French official policy, however, seem to contend that the result might have been different if the whole sector of insurance had been nationalised. But this is pure speculation, for there would then be no standard by which one could measure the progress of State-owned insurance. Perhaps, a more correct view would be that, if partial nationalisation in France has ended in a partial or relative failure, wholesale nationalisation would have ended in greater failure.

Both in Sweden and Norway, the Governments appointed committees, with a predominantly leftist element, to investigate the subject of nationalisation of insurance. The Swedish Royal Commission, which after three years of most thorough investigation of the problem, submitted its report in 1949, emphasised that provision must be made for securing, democratic influence on insurance. The Commission expressed itself against nationalisation of the entire insurance industry or of only the joint-stock companies. It felt that the positive objectives which nationalisation seeks to attain could be secured by simpler methods such as extended democratisation of insurance. It commended the mutual type of organisation for life business. But, in other branches, such as marine and fire business, it preferred the joint-stock type. It also commended the process of amalgamation of insurance offices which had been taking place in that country. The Norwegian Committee, which examined the problem in 1947, was unanimous in its opinion that nationalisation of the life branch was neither necessary nor desirable. In fact, it paid a high tribute to private life insurance. The majority of the Committee, however, favoured the principle of mutualisation, particularly in the case of large companies.

In Germany, several attempts at nationalising insurance have been made. When the proposal was first mooted after World War I, private insurers succeeded in convincing the Government of the unwisdom of nationalising insurance. During the Hitler regime, a proposal to nationalise fire insurance was made, but it was subsequently dropped. Another attempt at nationalising the industry was made after World War II. As the reconstruction of the economy proceeded at a rapid pace, particularly after the currency reforms of 1948, and the private insurers were again able to convince the Government that nationalisation of the industry would bring no special benefit, the agitation for the proposal died a natural death. In West Germany, between 1948 and 1953, new life business expanded by 87 per cent. In East Germany, which is under the Communist regime, State-owned insurance is reported to have made no such appreciable progress.

Holland

The opinions expressed by two committees appointed in 1917 in Holland to investigate the problem of nationalisation of insurance are noteworthy, though their views were based only on the conditions which prevailed during the post-World War I period. Both the Committees reported against nationalisation of insurance. Their view was: (1) that nationalisation precludes the entire commercial aspect of the business; (2) following elimination of competition, the structure of the premium rates would be affected for the worse, and rates would have to be raised; (3) the very existence of the competition between insurance companies must be considered a guarantee for "a flexible policy of acceptance and loss adjustment" which will be impossible under nationalisation, particularly in view of the inability of State-managed insurance to deviate from "stringent regulations and red-tape."

So much for what are comparatively recent attempts at nationalising insurance. In some countries, however, the attempts at State ownership date back to the late nineteenth and early twentieth centuries. Also, some of these countries are relatively underdeveloped regions or small countries where such attempts have been made out of a sense of insurance nationalism. For instance, in Mexico, the Government, actuated by "insurance nationalism," established an insurance office in 1936. But it handed over, after five or six years, the office to private management. Again, in Costa Rica, a tiny State with a population less than one-third of that of Bombay City the Government established a life office. Marine insurance is, however, still under private management. In Uruguay, a small and underdeveloped country with a life business of less than Rs. 30 crores, the State-owned insurance operates side by side with a private office. A study of insurance in these countries cannot obviously provide any lesson for India.

Other Countries

Among other countries, where State ownership of insurance, albeit partial, has been attempted, mention must be made of Denmark, Switzerland, Italy, Australia and New Zealand. In Denmark, the State entered the field of insurance about the middle of the last century. The State life insurance offices now work in competition, and on equal terms, with private life offices. Nevertheless, the premium income of private offices increased over the 1949-55 period by 21.2 per cent. as against 17.9 per cent. for Government offices. Denmark has apparently adopted the principle that it is only when the State-owned office works in competition with private offices that the public will be enabled to judge the relative efficiency of the two systems. A similar practice is followed in Switzerland in respect of fire insurance. But there is evidence to show that private insurance is more popular than State-owned insurance. A proposal for nationalisation of fire insurance was rejected by two-thirds majority of people when a referendum was held in 1938 in the canton of Valacies.

The Italian Government established in 1912 a State-owned life office, known as the I.N.A., which was originally intended to operate as a monopoly. This office, however, now operates side by side with private offices. It is somewhat difficult to compare the progress of the two sectors, because the Act of 1923 required private companies to cede compulsorily to the I.N.A. a fixed percentage of their business every year. The I.N.A. now controls about half the life insurance business in the country; it controlled more than half in pre-war years. But it does not work in fair competition with private companies. Nevertheless, during the 1950-54 period, the total life business (direct) of the I.N.A. increased from 262 to 449 million lires or by 72 per cent., as against an increase in the total life business of the country of about 90 per cent. from 561 million to 1,054 million lires. That life insurance in Italy has lagged behind the general progress of the economy is evident from the fact that, while bank deposits have increased 62 times the pre-war level, the total life premium income is only 35 times the pre-war level.

The State-owned insurance offices in Australia and New Zealand, however, work in free and fair competition with private offices. In Australia, there are now six State life offices. These offices handle only a small proportion of the total business. In 1953, for instance, private life offices accounted for 98.1 per cent. of the total premium income and the Government offices for only 1.9 per cent. In New Zealand, the Government established a life department as early as 1869 at a time when the country had poor facilities for life assurance. Private companies came into existence only at the end of World War I. A feature of the New Zealand market is that foreign companies (that is, non-New Zealand offices) operate extensively in the New Zealand market. In 1951, the life premium income of such companies aggregated £11.8 mil-

(*Continued on page 311*)

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EXPORT OF INDIAN TEA

GOVERNMENT RAISES QUOTA

THE Government of India has announced a quota of 480 million lbs. for export for the year 1955-56. This represents an increase of 15.1 million lbs. over the previous season's quota of 464.9 million lbs. The new ceiling of export quota is equivalent to 69.3 per cent. of the total crop production. This is the final allocation of export quota for the year. It will be recalled that, in April 1955, the Government had announced an interim quota of 50 per cent. Pending the final notification of the export allotment for 1955-56, the Government of India authorised the Tea Board in August last to make a second interim release of export quotas to tea estates equivalent to 10 per cent. of their crop basis, making a total of 60 per cent. of the total crop, which worked out to 412 million lbs.

The final export allotment now announced represents, in terms of the standard export figure under the International Tea Agreement for the quinquennium 1950-55, 138 per cent., that is, 3 per cent. more than the maximum permissible under the Agreement. The Agreement, which expired on 31st March 1955, has, however, not been renewed so far. The prospects for its renewal appear bleak, as Ceylon is reported to be putting forward terms which are quite unacceptable to India. Indeed, there are strong reports in Calcutta that keen competition for markets will soon arise. Thanks to these reports, sellers of tea shares are predominant on the Calcutta Stock Exchange. Tea circles in Calcutta would appear to feel that, in going beyond the limit set under the Tea Agreement, one of the intentions of the Government of India is to inform Ceylon, another important signatory to the Tea Agreement, that it considers the Agreement dead.

The comparative table published on this page shows the export quotas and actual exports of India during the last six years.

Another object of increasing the export allotment for the current year is to bring relief to the Indian tea industry which, according to tea circles, has been facing a near crisis. It is stated that large stocks of tea are lying undisposed in the Calcutta godowns and in the gardens. This large accumulation is causing great concern to trade and industry. It, however, remains to be seen whether any sizable relief will emerge from this action, in view of the none-too-encouraging demand from foreign countries and the rising trend in production.

The following table gives an idea of the trend of shipments of Indian tea to foreign countries so far during the current season:

(In million lbs.)

	1955-56	1954-55
North Indian tea (1st April to 28th January)	241.65 1955	322.56 1954
South Indian tea (January to December)	75.93	78.04

The crop of North Indian tea as at the end of December 1955 amounted to 533.2 million lbs., as compared with 513.6 million lbs. a year before. South Indian tea production for the year ended 31st December 1955 aggregated 129.02 million lbs., a rise of nearly 490,000 lbs. over the year.

AGRICULTURAL INCOME-TAX ON COFFEE

The question whether Rule 10 of the rules framed under the Madras Agricultural Income-tax Act (Act V of 1955) is *ultra vires* the Act is to be decided by the Madras High Court. The issue has arisen from a petition filed by a coffee planter of Wynaad, North Malabar, against the order of the Agricultural Income-tax officer, Kalpatta, Wynaad, whose assessment of the petitioner's income was based on Rule 10 of the above Act.

The facts of the case are that the petitioner delivered to the Coffee Board about 233 cwts. of coffee out of a total yield of 516 cwts. for the year 1st April 1954 to 31st March 1955. The balance of the crop was in the process of preparation for delivery to the Board. He received from the Coffee Board, in respect of the quantity of coffee delivered to the Board, a sum of only Rs. 9,047-14. The petitioner, therefore, contended that his actual income for the year 1954-55 was only Rs. 9,047-14, whereas the Income-tax officer concerned computed the income as Rs. 66,315 and demanded the payment of Rs. 10,318 as tax by the petitioner. The above assessment, it is stated, was based on Rule 10 of the rules framed under the Madras Agricultural Income-tax Act. The petitioner's contention was that his income should be assessed, as per the Act, on the basis of the actual amount received by him from the Board during the year and not on the basis of Rule 10 of the Act.

Under the Coffee Act (Central Act VII of 1942) as amended by the Coffee Market Expansion Amendment Act, 1954, the control of the coffee industry vests in the Central Government. This Act lays down that all the coffee grown is to be delivered to the Coffee Board and no owner of an estate can sell coffee to anyone else. The income derived by a coffee-estate owner during a particular year is, therefore, the price paid to him by the Coffee Board in the course of that year. The Coffee Board makes payment from time to time after deducting from the price of the coffee crop delivered to it under the Act, all expenses, duties, cesses, etc.

The Madras Agricultural Income-tax Act provides for the levy of a tax on agricultural income from plantations in the Madras State. According to Rule 10 of the rules framed under the Act, agricultural income from coffee, for the purpose of assessment, was not the amount received by an estate-owner from the Coffee Board, but the proceeds on the coffee realised by the auction of the crop by the Coffee Board. If that was not ascertainable, the Income-tax officer might calculate the income at the market value of the coffee crop at the time of the assessment, subject to later alterations based on the value fixed by the Coffee Board.

The petitioner preferred an appeal to the Assistant Commissioner of Agricultural Income-tax, Kozhikode, against the order of the Income-tax officer. The Assistant Commissioner, however, ruled that it was not possible for him to decide the appeal except on the basis of Rule 10 of the Act. The petitioner, therefore, sought the relief of the High Court. He submitted that, according to the Madras Agricultural Income-tax Act, the income-tax was leviable, at the rates prescribed, on the amount of money actually received by an estate-owner on his agricultural produce during the accounting year and not as provided under Rule 10. He contended that Rule 10 was *ultra vires* the Act and the order of the Income-tax officer, based on this invalid rule, was illegal. He prayed for the issue of a writ of *mandamus*, directing the Assistant Commissioner for Income-tax to hear and determine the appeal in conformity with the Act, disregarding Rule 10 of the rules framed thereunder.

The presiding Judge admitted the petition and ordered notice. His Lordship also granted interim stay of the collection of the tax assessed and of hearing of the appeal pending before the Assistant Commissioner.

Export Quotas and Actual Exports of Tea

(In million lbs.)

	For the year ended 31st March					
	1956	1955	1954	1953	1952	1951
Permissible exports under I.T.A.	..	470.13 (135%)	470.13 (135%)	470.13 (135%)	470.13 (135%)	452.72 (130%)
Export allotment given by Government	480.00	464.91 (133.5%)	437.05 (125.5%)	452.72 (130%)	452.72 (130%)	452.72 (130%)
Balance of export quota brought forward from previous year and during the year	N.A.	10.08	43.48	90.43	63.44	60.34
Total export quota	..	474.99	480.53	543.15	516.16	513.06
Actual exports under licence	267.00*	449.19	467.18	422.94	418.67	444.52
Export quota unused at the end of the year ..	..	25.80	13.35	120.21	97.48	68.54

* Provisional up to the end of December, 1955.

PLAN TO RAISE TEA PRODUCTION IN CEYLON

A programme to raise tea production in Ceylon to 452 million lbs. by 1972 has been outlined in a report on a survey of tea plantations under the Census of Agriculture, 1952. It is stated that the output, which is estimated at 360 million lbs. in 1956, will be reduced, in the first instance, to 350.8 million lbs. by 1960, but will be raised steadily thereafter. In order to achieve the aforesaid target of 452 million lbs., a programme of uprooting and replanting 5,750 acres, or one per cent. of the total acreage, annually with high-yielding plants for a period of 10 years will have to be undertaken. The expansion in acreage envisaged in this programme, it may be noted here, is within the limits provided in the International Tea Agreement. This does not, therefore, provide any clue about the intentions of Ceylon in regard to the future of the Agreement.

The cost of replanting is estimated variously at Rs. 4,500 to Rs. 6,000 per acre. This level of replanting costs, the report, however, states, will not stand in the way of planters launching carefully planned programmes of replanting, provided the Government grants a subsidy or some such incentive. The tea industry, in fact, has already submitted a memorandum to the Government asking for a subsidy equivalent to half the cost of replanting 5,000 acres per year for a period of ten years.

The yield of tea in Ceylon is said to be well below that in India or Pakistan, but above that in Indonesia; the actual figures of yield per acre are: Ceylon 398 lbs., India 770 lbs., Pakistan 757 lbs. and Indonesia 424 lbs.

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COAL IN SECOND PLAN

TARGET FIXED AT 60 MILLION TONS

THE rate at which development of coal industry takes place and the extent to which coal is used for industrial production constitute one of the principal indicators of a country's economic development. It is in the fitness of things, therefore, that the Planning Commission should have given priority for the development of this industry in the second Five-year Plan. More so, because the emphasis in this Plan is on industrial expansion on a large scale, with great stress being laid on the development of heavy industry.

The Planning Commission has fixed the production target at 60 million tons to be reached at the end of the second Plan. This, according to the Commission, represents an increase of about 23 million tons over the level of output at the end of the first Plan. The Commission has proposed to raise, out of the estimated increase in output, 15 million tons in the public sector and 8 million tons in the private sector. The exact distribution between the two sectors is, however, still stated to be under consideration.

It may be noted, in this connection, that the production of coal increased from 34.3 million tons in 1951 to 36.8 million tons in 1954. The output of coal in 1955 is estimated to have touched a peak of about 38.2 million tons. The bulk of this production was accounted for by the private sector, the public sector's share being only 4.5 million tons.

An important consideration to be borne in mind while drawing up the detailed plan for the production of coal is economic utilisation of rail transport. In order to ensure this, it would be desirable to develop coal mining over a wider area if possible. In the Plan now drawn up, this requirement does not seem to have been fully met, for, by and large, the geographical pattern of coal mining is the same as it is at present, except that Madhya Pradesh has received some attention. The bulk of coal production now comes from West Bengal and Bihar. This position will remain materially unchanged as will be seen from the following table, showing the expected distribution of coal output at the end of the second Plan, as compared with that in 1954-55:

(In million tons)

	Output in 1953-54	Output in 1960-61	Increase
Assam	0.50	0.50	..
West Bengal—			
Darjeeling	0.03	0.03	..
Raniganj	12.22	18.16	5.94
Bihar—			
Jharia	13.19	16.69	3.50
Karanpura	1.44	6.00	4.56
Bokaro	2.38	2.88	0.56
Giridih	0.26	0.26	..
Other small fields in Bihar	0.14	0.14	..
Madhya Pradesh—			
Chindwara and Chanda	2.25	2.25	..
Korba	..	4.0	4.0
Sarni	0.07	0.07	..
Central India Coalfields	2.31	5.31	3.0
Orissa	0.52	0.52	..
Hyderabad—			
Singareni	1.43	2.93	1.5
Rajasthan—			
Bikaner	0.03	0.03	..
Total ..	36.77	59.77	23.0

The target of 60 million tons includes the coking coal needed for iron and steel and other metallurgical industries, as well as essential consumers. The Commission has pegged the output of coking coal at 14 million tons per annum. The current rate of production is a little short of this limit.

As is well known, the country is wasting its best coal by using it in its railways and in certain other industries, which can very well use lower grades of coal without any great disadvantage. The present consumption of coking coal for purely essential purposes is placed at 3.5 million tons only, so that the balance of about 10 million tons is consumed by railways and other industries with a small quantity being exported.

The Planning Commission is of the view that, owing to the expansion in iron and steel industry envisaged in the second Plan, about 9.73 million tons of coking coal will be required by this industry alone. The requirements of other essential consumers are put at 1.68 million tons. Thus the total requirements will be of the order of 11.41 million tons in terms of clean washed coal, or about 16.5 million tons in terms of raw coal.

In the light of these figures and of the need to supply coal of fairly uniform quality to the steel industry, the Commission has come to the conclusion that washing of metallurgical coal has become necessary. It has, therefore, expressed itself in favour of washing, generally, of all coking coal. It has suggested the location of a washery in the Bokaro colliery to meet the requirements of the Rourkela steel plant and, to some extent, of the Bhilai steel plant as well. It has yet to determine the location for putting up additional washing capacity.

COAL STATISTICS

According to the latest available statistics, the raisings of coal in 1955 were 38.2 million tons, as against 36.7 million tons in 1954, an increase of 1.5 million tons. The despatches, too, were higher at 32.8 million tons, as compared with 31.9 million tons, a rise of 0.9 million tons. Coal stocks at pitheads at the end of the year under review were 3.6 million tons, as against 3.5 million tons at the end of the previous year.

The improvement in raisings and despatches was chiefly due to some improvement in domestic demand, as well as in the supply of wagons. It is estimated that wagon loadings during the year under review were of the order of 3,220 per day, as against 3,130 in the previous year.

Exports of coal during the nine months ended September 1955, the latest month for which particulars are now available, were 1.2 million tons, valued at about Rs. 3.63 crores, as compared with 1.4 million tons, valued at Rs. 4.62 crores, during the corresponding period of the previous year. On the basis of declared value in sea- and land-borne statistics, the average price realised during January-September 1955 was about Rs. 31-0-6 per ton, as against Rs. 31-3-9 per ton in the previous year. This means a decline of As. 3-3 per ton over the period under review.

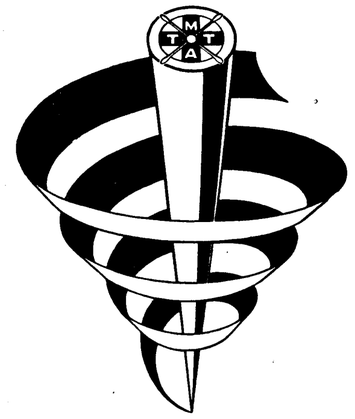
It would appear that the prospects for coal industry in the current year are better. The Government of India has pegged the output of selected A and B grades of coal at 7.70 million tons, as against 7.35 million tons for 1955. The output of grades I and II has been pegged at 4.2 million tons and 3.1 million tons, as against 3.95 million tons and 3.05 million tons, respectively. It is stated that ceilings on output for individual collieries in 1956 will be fixed after taking into consideration the ceilings fixed for 1955 and the actual output. Increased ceilings might be allowed for collieries which have plans for stowing and which propose to carry out coal washing in the current or the next year.

ATOM PLANT TO AID COAL GASIFICATION

Designs for an atomic power unit to produce heat for gasifying coal are being developed by the U.S. Atomic Energy Commission. In such a plant, the nuclear reactor furnace will be used as a direct source of heat and not for the production of electricity. The unit will form the central unit of a plant for gasifying the coal underground, thus avoiding much of the expense involved in conventional forms of mining. This form of coal mining has been particularly highly developed in Russia.

The engineering difficulties which will have to be overcome before the project can be developed to pilot plant scale are, however, great since one of the requirements of the coal gasification process is the heat-producing unit which is capable of producing heat at really high temperatures. Nevertheless, this form of using the power produced by the fission of atomic fuels direct, which both U.S. and U.K. and European scientists and engineers believe will be achieved, is of great industrial importance.

In the first place, direct use of the heat from nuclear reactor furnaces (which may eventually be harnessed to blast furnaces in the steel industry and ore treatment plants, in other metal industries) uses the power produced by the "burning" of the uranium and plutonium atoms in the form in which most of it is produced, namely, the form of heat. Electrical energy can be obtained direct from uranium and plutonium atoms only by the harnessing of the radiation thrown off by the fission products, or ash, which are produced when atomic fuel is burnt. Secondly, far more power is used by industry in the form of heat, than is used in the form of electricity. The harnessing of nuclear reactor furnaces as heat sources will, therefore, greatly expand their importance as sources of industrial power.



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IMPROVING SUGARCANE CULTIVATION

SCIENTIFIC BREEDING, SOIL SURVEY AND PEST CONTROL ESSENTIAL

THE developments in world sugar engineering, in chemical analysis and factory reporting, and in utilisation of by-products, as indicated by experts at the meetings of some of the sectional committees of the International Society of Sugarcane Technologists (I.S.S.T.), held at New Delhi recently, were reviewed in these columns last week. It will be seen therefrom that technologists and research workers play a vital part in evolving improved manufacturing techniques. But whatever progress is achieved on the manufacturing side—which is only the secondary stage in sugar production—must be accompanied by a similar progress in the primary stage, that is, cultivation of sugarcane. This is precisely what has been lacking in the Indian sugar industry. While much headway has been made in raising the technical efficiency of the industry, conditions in the agricultural sector have not improved to any great extent in the main areas of sugar production, excepting in some parts of the Deccan where cane is being raised by the factories themselves on a plantation scale. Not only is the yield of cane per-acre very low—the all-India average is not more than 14 tons—but the quality of cane grown is also poor, the average recovery percentage being just 10. If, therefore, the production of quality sugar at an economic cost is to be stepped up, it is of the utmost importance that a more vigorous drive for intensifying cane cultivation be launched. Viewed from this angle, the speeches made by the Presidents of the various sectional committees on sugarcane at the recent New Delhi Congress have great value.

Presiding over the Agronomy Section of the Congress, Mr. K. L. Khanna, Director, Sugarcane Research and Development, Bihar, rightly stated that the chief problem of the sugar industry was one of producing high quality raw material at as low a cost as possible. This, he said, meant research on varieties—both breeding and selection—as also in soils, plant functions and agro-biology in relation to land use and cropping power. Mr. Khanna dwelt at length on those various fundamental aspects of varietal, nutritional and cultural work on sugarcane which have an important bearing on the well-being of the sugar industry. He made a plea for co-operative endeavour both in the different specialised branches of science and among workers engaged on similar lines of investigation all over the world, and laid particular emphasis on free exchange of breeding material as well as proven commercial varieties developed in different countries with nearly identical climatic conditions. The two specific suggestions which Mr. Khanna put forward related to development of seed nurseries and effective screening of varieties against disease.

Cane-breeding Operations

The need for cultivating quality cane in as cheap a manner as possible was equally strongly stressed by Dr. T. S. Venkatraman, President of the Cane-breeding Section. The time was now ripe, Dr. Venkatraman declared, not only to work for larger recovery of sugar from cane but also to produce this energy-giving article of food at a cheaper cost, so that it might become available to the richer, middle and poorer classes alike. The task before the sugarcane breeder of the future, he said, was difficult and would require the harnessing of the latest scientific developments to solve the problems connected with cane-breeding. To quote him: "Till now, cane-breeding has been largely a hit-and-miss method and the stations producing useful types have depended almost directly on the number of chances which the breeder is able to work into his programme. There is, therefore, urgent need for introducing greater certainty and methodicity in cane-breeding operations.

Dr. Venkatraman felt that it would be a very desirable thing, if the various regional cane-breeding stations came together and started a sort of super-station where fundamental work pertaining to cane-breeding could be successfully tackled. The world was getting smaller every day with the great inventions in science and it was essential that, in future, cane-breeding was so organised as to serve all the regions from a central super-station.

Cultural Practices

The improvement in the per-acre yield of high sucrose-content sugarcane through breeding and selection is possible only by the adoption of suitable cultural practices, with special reference to the prevailing soil conditions. Dr. B. K. Mukerji, Director of the Central Sugarcane Research Institute, Lucknow, and President of the Soil Section of the I.S.S.C. Congress, did well, therefore, to urge, in the course of his speech, the importance of a thorough and intimate knowledge of the soils "which alone can help planning of cane cultivation on a long-term basis for ensuring high levels of yield and quality without unduly taxing the capacity of the soils." He accordingly suggested the setting up of an international committee of sugarcane soil workers for co-ordinating the data available in the different countries and standardising the methods of cane soil survey and analysis. Dr. Mukerji reviewed the recent advances in cane soil survey and explained the application of tracer elements to assess mineral transformations in cane soils and the influence of sub soil cultivation and manuring on the production of cane. Pointing to the low average yields of cane in India, he revealed that yields ranging between 60 and 80 tons per acre were actually secured by some growers even under the unfavourable climatic conditions of North India. He, therefore, felt that the adverse influence of climatic factors could be counteracted by adoption of suitable cultural practices. Elucidating this aspect, Dr. Mukerji observed:

"As resistance to drought, water-logging and alkalinity are mainly correlated with the root system of cane varieties, the main objective of cane-breeding should be the production of a range of varieties best suited to different soil-climatic regions of a country. In breeding cane varieties, attention must be concentrated on evolving such varieties as show the best response to every pound of fertiliser applied to the soil. . . . The methods of appropriate crop rotation, manuring and irrigation must be relied upon to a much greater extent for securing increased yields, as also the soil differences studied in detail, in planning measures of improvements on rational lines. In categorising cane soils in the tropics and sub-tropics, the diagnostic characteristics may have to be very different from those recognised for soil classification in temperate countries."

Pest Control

Closely allied to the problem of cultural operations is that relating to pest control. Few crops are said to be more liable to attack by pests than sugarcane, on which no less than 1,398 species of insects and mites are known to be feeding. Pests, particularly insects, constitute, as Dr. K. B. Lal, Plant Protection Adviser to the Government of India and President of the Entomology Section, said, a major problem in cane cultivation and, in most cases, the yield at harvest and the quality of cane juice depend largely on the extent of success of control over the pests. According to Dr. Lal, the last decade has seen a gradual replacement of the older methods of mechanical and cultural control by newer methods based on the use of chemical insecticides. This has been helped by the evolution of various organic insecticides, especially those of the chlorinated hydro-carbon group, and by the development of various types of machines for the dispersal of insecticides on the crop. The mere evolution of these insecticides is not enough; they must be readily made available to cane growers at a cost which suits their pockets. After all, the gains achieved as a result of pest control measures should be evaluated, as Dr. Lal pertinently remarked, in terms of the saving in the cost of cultivation and of the extent to which the sugarcane crop can bear expenditure on plant protection measures.

INTERNATIONAL SOCIETY OF SUGARCANE TECHNOLOGISTS

Several important decisions were taken by the International Society of Sugarcane Technologists (I.S.S.T.) at the last plenary session of its ninth congress held on the 2nd inst. The decisions were based on the recommendations made by the various sectional committees. The Society approved of the suggestion—put forward by the Sugar Manufacture Section—that there was need for continuation of efforts for bringing about uniformity in the methods of factory control and reporting data and that the activities of the Special Committee appointed for the purpose be maintained till the factory control system was made up-to-date and international.

The Society authorised its Pathology Section to proceed with the preparation of a monographic treatise on each of the most important cane diseases of the world through the co-operative effort of pathologists having specialised experience with the different diseases. As the Pathology Section had already undertaken and completed the preparation of a list of all the known cane diseases and their world distribution, it decided to publish the list as part of its Congress proceedings. It also accepted the recommendation of the Administrative Committee for the appointment of a standing committee of entomologists to investigate the feasibility of preparing an authoritative monograph on the principal cane pests of the world.

The Society expressed its appreciation to the Government of India and the Sugarcane Breeding Institute (Coimbatore) for their generous collection of cane varieties of breeding importance and to safeguard the collection against disease. It recognised the cane collections of the U.S. Department of Agriculture at Canal Point, Florida, and the Coimbatore Institute as world cane collections. In the course of a resolution, the Society expressed the view that the Indian Government had satisfied the major objective of the cane collection project by authorising expansion of the cane collection maintained at Coimbatore to the status of a world collection, essentially duplicating that kept by the U.S. Agriculture Department.

As the Cane-breeding Group had expressed a desire for a Committee to promote the progress of cane-breeding to focus the attention of cane-breeders throughout the world on important problems, to disseminate information on the breeding behaviour of canes, as also on new breeding procedures, and to encourage co-operative effort, wherever possible, the Society resolved that the present Standing Committee on Varieties be renamed "Standing Committee on Germ Plasm and Breeding" with the addition of such members as might seem desirable.

Sugar production in India during the month of December 1955, was 280.046 tons which brought the total production for the first two months of the current sugar season to 359,162 tons, as against 331,402 tons in the corresponding period of the previous season, according to the Indian Sugar Mills Association. About 132 factories had already started crushing by the end of December, as against a total of 140 factories expected to crush during this season. The offtake of sugar from the factories during the month was 117,498 tons, as against only 53,679 tons in the same period last year. The total offtake during the first two months of the current season was 256,323 tons, as against 90,520 tons a year before. The closing stock with the factories as on 31st December 1955 was 533,236 tons, as against 307,917 tons a year before.

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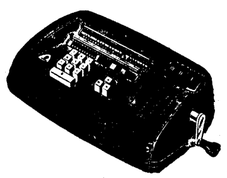

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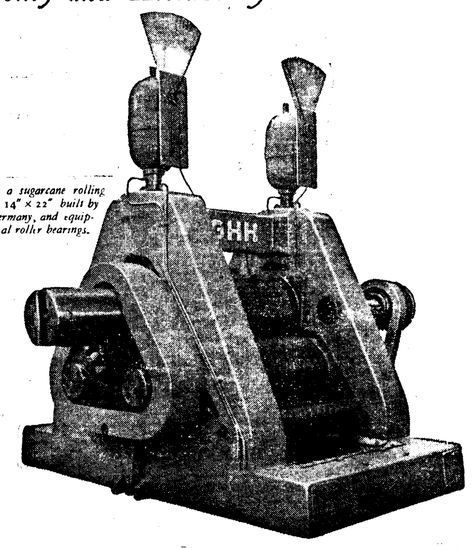

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REORGANISATION OF TRANSPORT ADMINISTRATIONS

HIGH-POWER COMMITTEE TO BE SET UP

THE fifteenth session of the Transport Advisory Council held in New Delhi last week, discussed, among others, matters relating to reorganisation of transport administrations. The most notable outcome of this session was the decision to set up a high-powered *ad hoc* committee, in order to advise the Government on the reorganisation of transport administrations in the various States. The Council proposed that the Committee must be composed of members of Parliament and State Legislatures, representatives of the interests connected with development of road transport and of large-scale transport operators and a few officials with knowledge and experience of motor transport administration. The Committee, according to the Council, should survey the existing arrangements for the administration of road motor transport in the States and make recommendations for a model administrative set up, which, in addition to establishing close liaison with the statutory transport authorities at different levels, will be adequate to undertake the task of studying the traffic requirements of the areas under its administrative charge and plan and foster the development of road services to meet traffic requirements and to make the fullest use of the available road facilities.

The Council considered the suggestion for the abolition of the present levy of octroi so as to facilitate free flow of goods through towns and agreed that the system of issuing transit passes for vehicles on payment of a nominal fee and of providing escort, wherever possible, should be adopted by all States. It was further agreed that the transit fee charged should not be a source of revenue for the municipality and that it should be limited to the maximum of Re. 1 per goods vehicle. It was felt that no transit fee must be collected from passenger vehicles.

Ideal System

It will be recalled that the Committee of the Transport Advisory Council on the levy of octroi had suggested that the ideal system to avoid delay in movement of vehicles in transit would be to have "chord roads" or by-pass roads outside the municipal limit for through traffic. This was, however, considered impracticable, for the reason that, when such roads were created, the municipalities would tend to go beyond their jurisdiction. As an alternative, therefore, it was suggested that the system prevalent in the Punjab, namely, issuing transit passes to vehicles on payment of a nominal fee and providing escort, wherever possible, should be adopted, or the octroi should be collected at the point of entry and immediately refunded at the point of exit. This suggestion, too, was considered impracticable by some, particularly in small towns, as it might involve handling of large amounts of cash by small staff. The Conference of State Transport Commissioners held in August last year, however, suggested the adoption of the Punjab policy of issuing transit permits and held that the fee charged should not be a source of revenue but be limited to a maximum of Rs. 2 per vehicle and that no fee at all should be charged on passenger vehicles.

The Conference discussed also the proposals for legislation relating to national highways, a legislation that falls within the sphere of the Central Government. The proposals considered were three. The first provided for the declaration of the present national highways as statutory highways. The second wanted measures for the prevention and removal of encroachments on national highways. The State representatives, however, desired a two-month period for formulating their views on this proposal. The third related to ribbon development alongside the highways.

The Council considered the desirability of imposing a single-point direct tax in place of several taxes payable to taxing authorities of the States by the operators and felt that the matter should be left to the State Governments to decide. It will be recalled that, at its previous meeting, the Council recommended that the State Governments should, without waiting for action on other parts of the Report of the Taxation Enquiry Commission, agree to single-point taxation and take steps to implement it under the existing legislation itself. While most of the State Governments agreed to this, the Madras, Bombay and U.P. Governments expressed some reservations. These related particularly to the position arising out of difference in rates of taxation between several States. The Government of Bombay suggested that the operators should pay the difference between the higher and the lower rates to the States where higher rates prevailed and obtain permits for plying the vehicles in those States also.

The Council decided that the Union Ministry of Transport should work out a pilot scheme in the matter of conversion of professional type (public carrier) of bullock carts with iron tyres into pneumatic-tyred carts. The State Governments agreed that they would be prepared to contribute a share of the subsidy required for the conversion, provided the balance was met by the Government of India.

Inland Water Transport

It would appear that no decisions were taken on the subject of development of inland water transport which also came up for consideration by the Council. It may be noted here that there are at present 5,500 miles of navigable waters in India, among which the most important ones are the Ganga and the Brahmaputra and their tributaries, the Godavari and the Krishna, the backwaters and canals of Travancore-Cochin, the Buckingham Canal and the Mahanadi canals in Orissa. For the development of waterways in the North and North-Eastern region, the Ganga-Brahmaputra Water Transport Board was set up in 1951. This Board, we are told, has finalised a pilot project for testing the feasibility of operating shallow draft tugs and barges on those sections of the Ganga where conditions for navigation have deteriorated. Orders for the craft have been placed and the project is likely to be launched before the end of this year. The Board has prepared also projects for the improvement of the most important riverine ports, for provision of navigational aids and for the running of regular ferry services in the Assam Valley, in co-ordination with road services. Provision has been made in the second Five-year Plan for widening and deepening the Euckingham Canal and for ultimately connecting it with the Madras harbour, as well as for the improvement of the canal system on the West Coast. For all these schemes, a sum of Rs. 3.4 crores has been allocated in the second Plan. Necessary measures for bringing about complete co-ordination between the railways and the steamer services in the North-Eastern waterways are still under consideration.

Taxation

The Conference was addressed by Mr. Lal Bahadur Shastri, Union Minister for Transport. Mr. Shastri's speech was notable for some candid observations on taxation of motor vehicles. He admitted that the taxes on vehicles were so high as to retard the growth of motor transport and that they were not generally based on any clearly defined principle or accepted policy. He quoted approvingly the views of the Motor Vehicles Taxation Enquiry Committee which had observed that "there can obviously be no fair basis of taxation on the motor vehicle user, if each taxing authority in India is merely concerned with collecting as much revenue as possible from the motor vehicle user" and which had recommended that the Centre should promote legislation laying down the principles on which taxes on motor vehicles should be levied by State Governments and the incidence thereof.

Further, he reminded the Council that the recommendations of this Committee had been considered by the Council earlier and the view that a ceiling should be imposed on taxes of motor vehicles had been expressed by it. Since then the Taxation Enquiry Commission (Dr. Matthai Commission), the report of which was released early last year had also gone into this question. Endorsing the necessity for limiting these taxes, this Commission had suggested that the matter should be resolved at the meeting of the Transport Advisory Council. If, however, no agreement could be reached by discussions at the Council meeting the Commission had suggested the matter might be placed before the inter-State Taxation Council advocated by it. Despite this timely reminder by the Union Transport Minister and his appeal to the Council that it should make up its mind on this important question, it would apear that the Council failed to put forward a solution. Consequently, the Centre should now resort to the next expedient advocated by the Matthai Commission.

Reciprocal Arrangements

Expressing the view that reciprocal arrangements should be entered into between bordering States for the free flow of inter-State traffic, Mr. Shastri observed:

"As the Council are aware, on their own recommendation, the States have been repeatedly advised to enter into reciprocal arrangements for the promotion of inter-State transport, but such arrangements have still to be finalised in many cases. As agreed at the last meeting of the Council, model principles for reciprocal arrangements for the inter-State operation of transport vehicles have been drawn up and circulated for the consideration of the Council. It is hoped that the acceptance by the Council of the model principles will facilitate the finalisation of reciprocal arrangements in the remaining cases and the permissive powers assumed by the Centre in cases where no agreement has been reached will, I hope, in practice prove unnecessary. I might also mention, in this connection, that these provisions will provide a handy statutory machinery for giving effect to any measures for the promotion of inter-State road motor transport that may be decided upon by the zonal councils, which are likely to come into being, as a result of the suggestion made by the Prime Minister some time back."

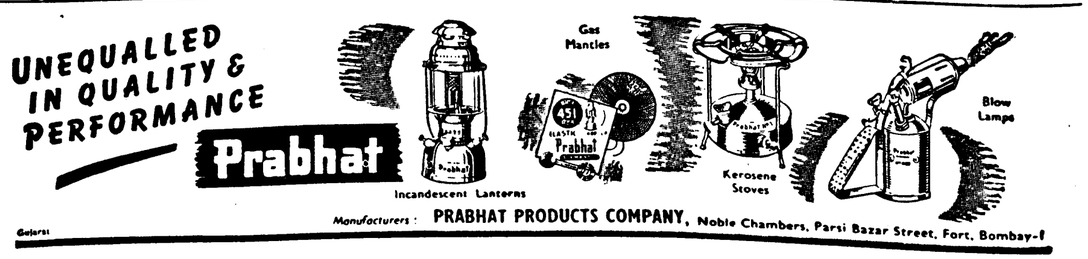
Mr. Shastri then referred to the vital role roads play as an important carrier of goods, and said:

"It is no doubt urgent to provide communications between and among far-off towns and isolated villages and for this purpose roads are the best and perhaps the most economic means. I do feel that we should now build roads, keeping in mind the problem of the developing traffic in the future. There should be wider roads, which might generally be between 18 and 22 ft. wide. Sufficient attention should be given to their proper maintenance also. It is not only the heavy traffic moving on the roads but also the ever-increasing size of power-driven vehicles themselves which seriously comes in the way of faster movement on our narrow roads and I would, therefore, like the Centre and the State Governments to give their earnest consideration to this aspect of the matter, as our plans are fairly big for the second Five-year period."

Dealing with the position of the individual transport operator, Mr. Shastri remarked:

"It is obvious that, with increased road mileage in the country, there should be a corresponding increase in the number of motor vehicles. State Governments, barring a few, are gradually going in for nationalisation of their passenger services, but the position in the case of goods services is wholly different. The individual operator still holds the field there. I do not think that position could or should be disturbed suddenly, as it is in our interest to have a larger number of vehicles plying on the road, so that it might, at least to some extent, ease the transport position of the country.

(*Continued on page 311*)



NEW PRODUCTS AND PROCESSES

Atomic Plane

SLOW but steady progress toward the development of atomic-powered planes is being made in the United States, according to reports made by Government officials and aircraft engineers, Eugene Zuckert, former member of the U.S. Atomic Energy Commission, has predicted that the U.S. will have its first nuclear-powered plane in the air within three years. One of the principal problems in connection with such planes is that the nuclear reactor or atomic furnace in which heat will be generated to produce power must be shielded with heavy protective coverings to prevent the escape of radiation. Improvements in reactors in recent years have been so great, however, that this problem may already be partly overcome. This seems to be evidenced by the fact that the U.S. Atomic Energy Commission recently announced plans for the building of a special laboratory to develop designs for atomic-powered planes. Engineers point out that new materials, as yet unannounced, may be used for shielding the nuclear reactors used in planes. These would replace the customary shield of lead and cement, which weighs from 50 to 100 tons. At the same time, the point is made that an atomic plane's fuel would provide an important saving in weight. One pound of uranium 235 contains heat equal to 1,700,000 pounds of gasoline. This means that an atomic airplane's fuel consumption can be measured in pounds per day instead of thousands of pounds per hour as in a conventional plane.

Protective Coating for Aluminium

While aluminium has good weather-resistant properties, it does, if unprotected, become discoloured and pitted when continuously exposed to the weather for periods of about 12 months. This can be prevented by applying a protective coating to aluminium. One such lacquer coating, which depends for its effectiveness on the use of a butyrate chemical base, which has been developed by Eastman Chemical Products, U.S., is said to dry hard within half a second. This lacquer, which is manufactured by the Egyptian Lacquer Company, U.S., is said to be particularly effective when used for the protection of the skins or outer surfaces of aircraft. Butyrate-based coatings applied to aluminium sheeting of the wings and fuselage of aircraft have been found to remain effective 16 months after their application, during which distances exceeding 120,000 miles have been flown. One advantage of the compound is said to be the fact that even where dents do cause breaks in the coating, the coating does not peel or chip.

Fibre Metals

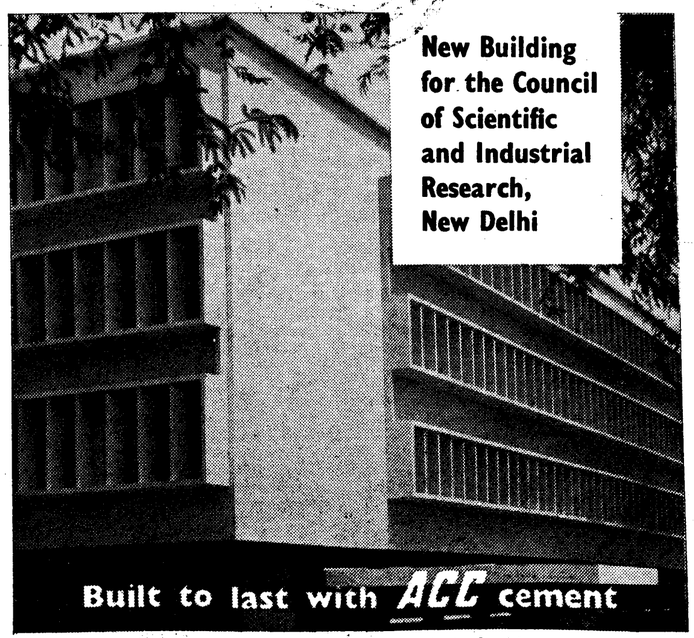
Light porous metal parts are now being made from metal "fibres" by means of a process which has been developed by the Armour Research Foundation, U.S. The process depends on the use of a "felting" process resembling that used in the manufacture of paper. Advantages of the process are said to include the ease with which complex shaped parts can be constructed by the metal fibre process and the fact that parts made by the process are stronger than those made by powder metallurgy techniques. In manufacturing metal fibre parts, the minute fibres of metal are poured on to a screen in the form of a slurry, whereupon the liquid drains away leaving a matt of tightly massed fibres —the felt. This felt is then either pressed, or sintered to yield the tough finished product. Additional strength can be given to a "fibre metal" part by using metal fibres which have been shaped in an irregular form, as for example, by making them barb-shaped, when the barbs on the fibres increase the tenacity with which the individual fibres cling together within the felt.

Insect-proof Plants

New types of chemical insecticides which bring about slight changes in the chemical composition of agricultural plants and other plants of economic importance may be used in the future. Unlike present-day insecticides, which act by killing the insect when it attacks the plant, these insecticides convert the plant into an unsuitable food plant for the insect, while leaving its other qualities, such as those which made it suitable for human consumption, unaffected. The development and use of such chemicals was suggested recently by Professor V. B. Wigglesworth, Quick Professor of Biology, Cambridge University, a leading expert on the physiology of insects, in a lecture to the Royal Society of Arts in London. It should be possible, he declared, to apply some harmless chemical which would affect the chemistry and physiology of a plant as, for example, the potato, in such a manner that the Colorado beetle would grow more slowly if it fed on it and would not be able to breed. Yet, the plant would remain unchanged so far as man was concerned.

New Atomic Reactor

Successful tests have been conducted at the U.K. Atomic Energy Research Establishment at Harwell, Berkshire, with a new type of atomic reactor known as Z.E.U.S. (Zero Energy Uranium System). It is a fast breeder reactor designed to create more fissile material than it consumes, and is of the same type as the one to be used in the experimental power station now being built at Dounreay, in the north of Scotland. According to an Atomic Energy Authority spokesman, the Z.E.U.S. is expected to come into regular use shortly. The reactor is designed to study the problems involved in a large-scale power station.



VOCATIONAL TRAINING IN JAPAN

SALIENT FEATURES DESCRIBED

[The vital role played by vocational training in the industrial development of a country was impressively brought out by the Asian Technical Conference held at Rangoon sometime ago under the auspices of the International Labour Organisation. No other country in Asia has achieved such remarkable progress in the field of vocational training as Japan. An account of the way in which vocational training is organised in Japan will, therefore, be read with much interest. Accordingly, we publish on this page the salient features of vocational training in Japan as contained in the book entitled "Present Situation of Vocational Training in Japan," prepared by the Japanese Ministry of Labour.—ED.]

VOCATIONAL education has been an integral part of Japan's modern school system ever since the "Education System" was promulgated in 1872. This has further been strengthened when the "Vocational Education Promotion Law" was put into force in 1951. The vocational education in junior high schools aims at providing the students with general knowledge and information concerning vocations, skills and domestic and vocational life. While, in senior high schools, they cover such courses as agriculture, industry, commerce, fishing, household, etc. Vocational education in the university system provides for specialised knowledge and technique and general culture deemed necessary for future leaders in various fields. The so-called short-term university courses of two or three years put particular stress on practical and professional education on the foundation made at senior high schools.

Vocational training for employment service in Japan made its start more than 30 years ago. Since 1947, with the coming into force of the Employment Security Law, it has become a part of the work of the employment security administration. At present, there are 287 Public Vocational Training Centres (P.V.T.C.) for the able-bodied and eight for the disabled. Seventeen were especially established under the special account of the Unemployment Insurance to cover various trades. The total number of trainees during the year 1954 was 23,860 in case of P.V.T.C. for able-bodied. Not only is this training given free of charge but the trainees are also paid allowances and provided with dormitories. Almost all the trainees finishing the course receive employment.

Apprenticeship Scheme

The apprenticeship scheme in our country has been operated on the basis of the Labour Standards Law (1947), Apprenticeship Ordinance (1954), Ordinance on Apprenticeship Council (1947) and Ordinance on Apprenticeship Instructor (1951). The purpose of the apprenticeship scheme is to eliminate the evil practices of the old apprentice system and to train versatile workers.

In accordance with the Apprenticeship Ordinance, the Ministry of Labour compiles manuals for apprenticeship instructors, which list the detailed contents of matters to be taught in relation to the instruction and the performance of work classified by jobs. The manuals also provide guidance to the establishments concerned in the planning of the apprentice training. The employer desiring to train apprentices in accordance with the Ordinance must fix their number, method of indoctrination, period of contract, working hours, wage standards, and methods of payments, and he must obtain the permission of the administrative office. The jobs designated for the training now total 124. They are classified into 12 for industrial arts, nine for textiles, 20 for metals, eight for electricity, five for precision instruments, 14 for machinery, 11 for shipbuilding, five for rolling-stock, 19 for chemicals, 12 for construction, three for mining and six others.

Statistics relating to apprenticeship in recent years are as follows:

	No. of authorised establishments	*No. of apprentices*
1952	24,146	50,012
1953	27,505	64,135
1954	28,282	64,981

Qualified instructors of P.V.T.C. are chosen by a selection committee on the basis not only of their knowledge and skill but also of their high character. The prefectural government is responsible for improving the quality of instructors by giving them intensive training. The Ministry supplies prefectural governments with necessary materials and qualified lecturers.

During the period from 1947 to the end of 1954, 102,338 licences were issued and 37,296 persons are now engaged in training, showing a ratio of one instructor to 1.7 apprentices. In order to promote the instructors' knowledge as well as their skill and guidance ability, Labour Standards Office also offers training programmes.

Management and Supervisory Training

Representative types of this kind of training in Japan are the T.W.I. (Training Within Industry), M.T.P. (Management Training Programme) and J.S.T. (Japanese Supervisory Training).

T.W.I. was introduced to Japan in 1949 and, in the following year, an institute for T.W.I. trainers was organised in Tokyo. Training is given according to the three training programmes known as "Job Instruction," "Job Methods" and "Job Relations." Since then, the T.W.I. has become increasingly popular in industrial circles through the technical assistance extended by the Ministry of Labour and the efforts of private enterprises. According to the Labour Ministry, the industrial establishments making use of the T.W.I. programme at the end of 1954 numbered 3,808. And the number of supervisors who received training up to March 1955 was 352,613.

The Management Training Programme was first introduced in 1950 and is under supervision of the Ministry of International Trade and Industry. This training is conducted in conference form outside the workshop as well as training on the job (O.J.T.). The M.T.P. is divided into organisation, training, job methods and job relations. The training lasts 40 hours and is given in 22 sessions. Films and film strips are used and demonstrations are carried out as training aids.

In March 1955, the Japan Productivity Centre was established and, under it, the Japan Industrial Training Association was formally started in July, in correlation with the M.T.P.

Supervisory Training

Japanese Supervisory Training was officially established in April 1951 and the National Personnel Authority is dealing with the programme. This offers supervisory training for those holding positions of deputy section chiefs and unit chiefs in charge of clerical work.

The four-year-old J.S.T. programme was developed rapidly and has been adopted not only by Government agencies and local public bodies but also by private enterprises. The instructors are employees who are recommended by the Ministries or offices concerned as having the proper qualifications as fixed by the Authority, and who have successfully finished the J.S.T. Instructor Training course. The number of training instructors in July 1955 was 616 Government employees, 538 local public body employees and 239 private enterprises employees.

Co-operation with Asian Countries

Co-operation with Asian countries should be promoted not only through vocational training but also through broad activities contributing to economic development. It is especially important, therefore, to establish a framework for effective co-operation in the field of vocational training which, among other things, forms the basis of economic development. Co-operation has hitherto been promoted through the institute on vocational training based on the I.L.O. Expanded Technical Assistance Programme, but, at the same time, it is desired that effective training institutes should be organised much more often in future. Japan is willing to offer opportunities to make available the contents of its vocational training programmes and to organise inspection tours of the vocational training being undertaken by it.

VOCATIONAL GUIDANCE

The importance of evolving a proper basis on which suitable psychological tests could be applied for determining the inherent aptitude of employment seekers to various categories of employment was stressed by Dr. John Matthai, Vice-Chancellor, University of Bombay, in the course of his inaugural address at the fifth annual career conference for University students held at Bombay on Monday this week under this joint auspices of the Vocational Guidance Bureau and the Bombay University. Dr. Matthai called upon the Bureau to take up this work and observed that vocational guidance would assume greater importance and the work before the Bureau would increase manifold during the second Five-year Plan period, what with the greater emphasis now placed on the development of small-scale and cottage industries and the difficulty in collecting reliable and useful data about the avenues of employment in these industries. He felt that, during the second Five-year Plan period, small-scale industries would have a greater employment potential. As these industries were scattered all over the country and conditions and problems of employment varied greatly, the task of collecting statistics about the avenues of employment and their suitability to the needs of the "inherent aptitude" of those who sought employment would, he said, become complex and difficult. Hence there was a need, he added, for greater advance in the methods of approach adopted by the Bureau towards the problem of collecting such data.

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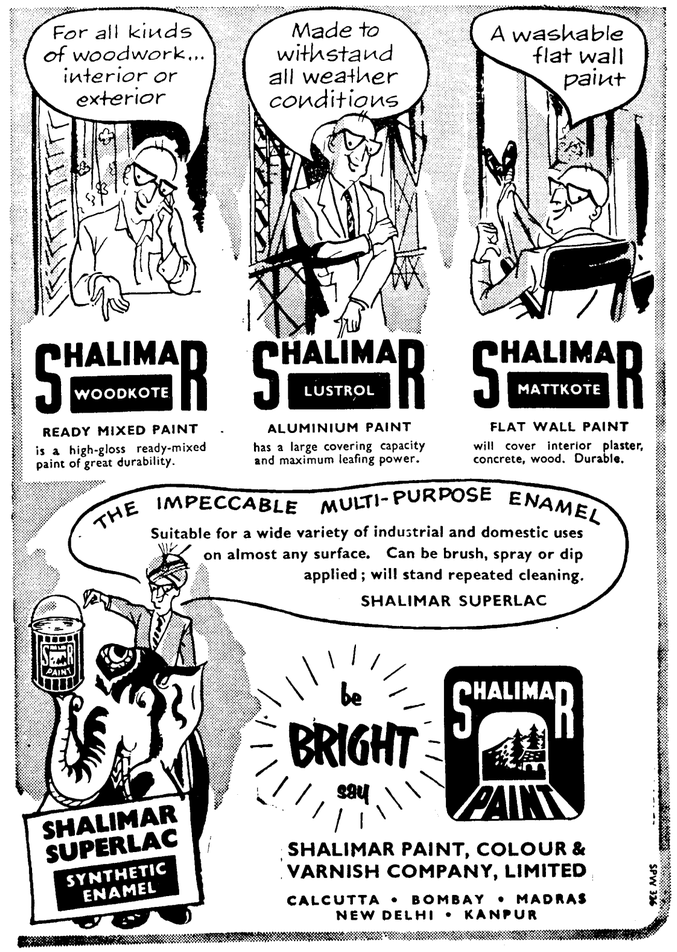

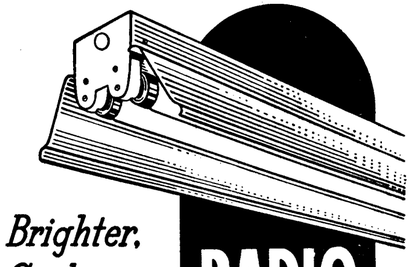

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SALIENT FEATURES OF THE SECOND FIVE-YEAR PLAN

NATIONAL INCOME TO BE RAISED BY ONE-FOURTH

THE main objectives of the second Five-year Plan are increase in national income, rapid industrialisation (with particular emphasis on basic and heavy industries), expansion of employment opportunities and reduction of inequalities in income and wealth. The achievement of a socialistic pattern of society has been accepted as the objective of economic policy. This means, according to the draft-outline, that the basic criterion for determining the lines of advance is not private profit but social gain. The benefits of economic development, it is further stated, must accrue more and more to the relatively less privileged classes of society, and there should be a progressive reduction of the concentration of incomes, wealth and economic power.

The State, it is emphasised, has to take on heavy responsibilities as the principal agency speaking for and acting on behalf of the community as a whole. The public sector has to expand rapidly and the private sector has to play its part within the framework of the comprehensive plan accepted by the community. Public ownership, partial or complete, and public control or participation in management are specially required, say the planners, in those fields in which technological considerations tend towards a concentration of economic power and wealth. In several fields, it is further stated, private enterprise can, and under present-day conditions, make little headway without assistance and support from the Government, and in these cases, the public or semi-public character of the resources drawn upon has to be recognised. In the rest of the economy, conditions have to be created in which there is fullest scope for private initiative and enterprise either on an individual or on a co-operative basis. In a growing economy, which gets increasingly diversified, there is scope, say the planners, for both the public and private sectors to expand simultaneously.

The Framework

Turning from this statement, which sets out the Government's economic policy, to the actual framework of the Plan, one notes that it contemplates an outlay (by the Central and State Governments) of Rs. 4,800 crores in the public sector, as against Rs. 2,356 crores in the first Five-year Plan. The distribution of this outlay by major heads of development is as follows:

(Rs. in crores)

	First Plan		Second Plan	
	Total provision	Per cent.	Total provision	Per cent.
Agriculture and community development ..	372	16	565	12
Irrigation and flood control ..	395	17	458	9
Power	266	11	440	9
Industries and minerals ..	179	7	891	19
Transport and communications	556	24	1,384	29
Social services, housing and rehabilitation ..	547	23	946	20
Miscellaneous	41	2	116	2
Total ..	2,356	100	4,800	100

These allocations reflect the priorities adopted for the Plan. The main stress in the second Plan is on industrialisation. With industry are associated mining and railway development. Railways have also a large backlog of replacements and renewals to make up. In consequence, industrial and mineral development together with transport and communications claims nearly one-half of the total expenditure in the second Plan as compared to about a third of the total in the first Plan. If power is also taken as a part of industrial development, the outlay for this purpose works out at 57 per cent. In the first Plan, irrigation and schemes directly related to agricultural development accounted for about one-third of the total outlay; the corresponding provision in the second Plan is about one-fifth of the total. The outlay on social services, including housing, and rehabilitation, is about 20 per cent. of the total; this is about the same percentage as was devoted to these heads in the first Plan.

The case for a big advance towards industrialisation hardly needs to be argued in detail. The Indian economy at present depends excessively on agriculture. It has to be diversified, and special stress has to be laid on basic and capital goods industries if more rapid rates of development in the future are to be sustained. The increases in agricultural production and in national income during the first Plan period have prepared the ground for a greater emphasis on industrialisation. The need for a large provision for industries in the second Plan is all the greater for the reason that the expenditure under this head has lagged behind the provisions made in the first Plan. From the data available, it appears that expenditure under large-scale industries, scientific research and minerals over the period of the first Plan will amount to about Rs. 75 crores as against the allocation of Rs. 149 crores. The second Plan allocates Rs. 691 crores to these heads. The provision of Rs. 200 crores for village and small industries is additional to this allocation. The ancillary requirements of industrial development in the form of economic overheads are reflected in the large provision of Rs. 1,384 crores on transport and communications, which includes Rs. 900 crores for railways.

The shortages of food and essential raw materials which presented a serious problem when the first Plan was formulated have now been overcome. Nonetheless, there cannot be any question of a relaxation of efforts to increase agricultural productivity. The population of India is increasing at the rate of 4.5 to 5 million a year. The large programme of investment proposed for the second Plan period will create new incomes, a significant proportion of which will be spent on food. The demand for raw materials will also go up with industrialisation. For many years to come, the raising of agricultural yields will remain an important objective of development.

Of the total developmental outlay of Rs. 4,800 crores, Rs. 2,214 crores is shown in the plans of States. The size of each State plan is given below:

Size of State Plan

(In crores of rupees)

Andhra, 116.2; Assam, 56.4; Bihar, 192.9; Bombay, 264.4; Madhya Pradesh, 123.3; Madras, 170.3; Orissa, 97.3; Punjab, 126.2; Uttar Pradesh, 248.6; West Bengal, 152.5. Total 1,548.1.

Hyderabad, 100.0; Madhya Bharat 66.5; Mysore, 78.0; P.E.P.S.U., 36.1; Rajasthan 96.8; Saurashtra 47.6; Travancore-Cochin, 71.2; Jammu and Kashmir, 33.1. Total 529.3.

Ajmer, 7.8; Bhopal 14.3; Coorg 3.7; Delhi 17.5; Himachal Pradesh, 14.7; Kutch, 7.8; Manipur, 6.2; Tripura, 8.5; Vindhya Pradesh, 24.7. Total 105.2.

Andaman and Nicobar Islands, 5.0; North-East Frontier Agency, 9.5; Pondicherry, 4.7. Total 19.2.

Centre's share of D.V.C. 12.2.

Grand total, 2,214.0.

Investment in Second Plan

Of the aggregate developmental outlay of Rs. 4,800 crores in the public sector, Rs. 1,000 crores represents current expenditure of a developmental nature and Rs. 3,800 crores represents investment, that is, outlay on the building up of productive assets. Investment in the private sector for the period of the second Plan is envisaged roughly at Rs. 2,300 crores. Of this, about Rs. 500 crores is expected to be in organised industries and mining. The information available in regard to plantations, private transport and electricity undertakings does not permit anything more than a guess. An allowance of Rs. 100 crores of investment has been made on this account. Investment in agriculture and village and small industries is largely non-monetised in character. This has been kept outside our present estimates. Monetised investment in this sector may roughly be placed at Rs. 300 crores. Construction (houses, shops, schools, hospitals, etc.) may account for as much as Rs. 1,000 crores of investment over the five-year period. This may be compared with the Taxation Enquiry Commission's estimate of an investment of Rs. 120 crores in urban housing in 1953-54. Finally, in view of the expected increase in the volume of production and economic activity, additional investment in stocks would be called for. This may be taken as Rs. 400 crores.

Taking the public and the private sectors together, investment in the economy over the second Plan period works out at Rs. 6,100 crores—Rs. 3,800 crores in the public sector and Rs. 2,300 crores in the private sector. A total investment of Rs. 3,500 crores was envisaged in the first Plan; of this about a half was in the public sector. For the second Plan, the total investment envisaged is some 75 per cent. larger than in the first Plan, and the ratio of public to private investment works out at 62: 38.

An investment programme of Rs. 6,100 crores implies a big effort on the part of the community. If, as is expected, national income over the next five years increases by about 25 per cent., this programme would mean raising the rate of investment in the economy from the present level of about 7 per cent. of national income to nearly 12 per cent. by the end of the second Plan. Allowing for a measure of external resources being available to supplement domestic savings, the latter will have to rise from the current level of about 6 to 7 per cent. of national income to more than 10 per cent.

Targets of Production

Briefly, the Plan envisages an increase in agricultural output by about 18 per cent. The production of foodgrains is to increase by 10 million tons or 15 per cent. and somewhat larger increases are expected in the case of cotton (34 per cent.), sugar (29 per cent.) and oilseeds (21 per cent.). At the end of the Plan, the consumption of foodgrains will, as a result, increase to 18.3 oz. per adult as compared to 17.2 oz. at present and of sugar to 1.7 oz. (in terms of raw sugar) from 1.4 oz. The population covered by the national extension and community development programmes in the period of the second Plan will increase from 80 to 325 million and the land brought under irrigation will increase by 21 million acres as compared to an increase of 17 million acres in the period of the first Plan. The generation of electric power will be stepped up by installation of additional capacity of 3.4 million kw. to 6.8 million kw. in 1960-61 as against 2.3 million kw. at the beginning of the first Plan.

There will be substantial increases in the domestic production of steel, coal, cement and fertilisers. The output of finished steel is planned to increase from 1.3 million tons in 1955-56 to 4.3 million tons in 1960-61; of coal, from 37 to 60 million tons; of cement, from 4.8 to 10 million tons; of nitrogenous fertilisers in terms of ammonium sulphate from 0.4 to 1.6 million tons; and of phosphatic fertilisers in terms of superphosphates 0.1 to 0.6 million tons. The total output of producer goods in the country is expected to go up by 150 per cent. over the next Plan period. Considerable advance is envisaged in education, health, housing, rehabilitation of displaced persons and other social services.

National Income

The sum total of these developments is reflected in the movement of national income. The national income is expected to increase from Rs. 10,800 crores in 1955-56 to about Rs. 13,480 crores in 1960-61, i.e., by about 25 per cent. This will result in an increase of about 13 per cent. in *per capita* income (from Rs. 280 in 1955-56 to Rs. 330 in 1960-61), as compared with an increase of 10 per cent. over the first Plan period (from Rs. 255 to Rs. 280).

It will be recalled that the first Plan contained an illustrative model of long-term development which envisaged a doubling of national income by 1971-72. The increase in national income over the first Plan period has been about 18 per cent. If the rate of increase in national income in the third and subsequent Plan periods is of the order of 25 per cent. over five years, as in the second Plan, it will be possible to double the national income by 1967-68, that is, four years in advance of the time originally estimated.

Additional employment likely to be generated over the second Plan period in sectors, other than agriculture, is estimated at 8 million. In this estimate only full-time employment has been taken into account. Altogether, in aggregate terms, the Plan offers the hope of a sufficient increase in the demand for labour to match the increase in the labour force amounting to 10 million.

Financial Resources

A tentative estimate of financial resources against the outlay of Rs. 4,800 crores is given below:

(In crores of rupees)

Surplus from current revenues	800
(a) At existing rates of taxation ...	350
(b) Additional taxation	450
Borrowings from the public	1,200
(a) Market loans	700
(b) Small savings	500
Other budgetary sources	400
(a) Railway contribution to the development programme	150
(b) Provident fund and other deposit heads	250
External assistance	800
Deficit financing	1,200
Uncovered gap	400
Total ...	4,800

It will be seen from the above table that about Rs. 350 crores can be made available for the Plan out of current revenues at existing rates. Another Rs. 450 crores has to be raised from fresh taxation. Taking the two items together, the surplus from current revenues works out at one-sixth of the total resources required. The railways are expected to contribute about Rs. 150 crores for financing their development programme. Part of this will come from the increased earnings expected. Part will have to be found through adjustments in rates and freights. The estimate of Rs. 250 crores under provident funds and other debt heads is a projection of the current and expected trends of receipts under these heads.

The targets for market loans and small savings have been raised considerably over the performance in recent years. The average level of net receipts by way of market loans from the public has in the last two years been around Rs. 100 crores. The capital market is more responsive now than it was a few years ago. This improvement may be expected to continue and the target of Rs. 700 crores for the Plan period is probably not over-optimistic. There are, on the other hand, large maturities and the task of raising net loans of the order mentioned represents in terms of gross borrowings quite a large programme, especially in the context of a brisk demand for funds for investment in the private sector.

The collections under small savings have gone up from a level of Rs. 33 crores in 1950-51 to about Rs. 60 crores in the current year. The target for the Plan period is Rs. 100 crores a year on an average. It can be attained, given an intensification of the small savings drive and sufficient follow-up at the district and sub-district levels, reaching down to every family. What is needed is a concerted effort by State Governments and non-official organisations to spread the savings habit to all strata of society. The Plan relies upon market borrowings and small savings for providing as much as 25 per cent. of the resources required. Given the limitations in an underdeveloped economy of taxation as such or by way of profits of public enterprises, the effort to mobilise savings through borrowings from the public has to be correspondingly larger.

Controls Needed

The total of resources mentioned so far amounts to Rs. 2,400 crores. The problem is to find another Rs. 2,400 crores. Some 50 per cent. of this, that is, Rs. 1,200 crores, can at the outside be raised through deficit financing. This, of course, is a draft on domestic savings. The fact that a fairly large proportion—25 per cent.—of the funds needed for the Plan have to be mobilised in this manner reflects the difficulty of increasing the coverage of taxation in the relatively early stages of development. A developing economy requires an increasing money supply, and, upto a point, deficit financing is safe and even necessary. But, beyond a point, deficit financing is inflationary. Reliance on this mode of raising resources to the extent proposed involves considerable risk. This has to be undertaken in the interest of development, but there must be readiness on the part of the community and the public authorities to adopt the necessary safeguards, correctives and controls as the situation may require.

In the nature of things, external resources that may become available to supplement domestic savings cannot be estimated in advance. In the first Plan period, these resources have averaged Rs. 40 crores a year. As compared to this, an average of Rs. 160 crores a year proposed in the scheme of financing presented above represents a large increase, even allowing for the newer form of trade credits for steel plants or other industrial undertakings. But, Rs. 800 crores represents the order of requirements. A Plan which accords high priority to industrial development has necessarily a large foreign exchange component. As will be seen later, the gap in foreign exchange resources over the five-year period works out at Rs. 800 crores, after providing for a reasonable drawing down of the country's foreign exchange reserves and for net private foreign investment. An inflow of external resources of the order of Rs. 800 crores is not beyond the range of practical possibilities in terms of the surpluses available in more developed countries for investment abroad.

There still remains a gap of Rs. 400 crores. This has to come from domestic savings. It is not possible to indicate at this stage how this amount is to be raised. *Prima facie*, the task is exceedingly difficult. The Plan, as stated earlier, a broad framework, and within it concrete programmes for each year will be worked out. There will thus be a continuous review of needs and requirements. Uncertainties as to financial resources, supply of basic materials like steel and of equipment to be imported from abroad are among the factors to be taken into account through annual plans within the five-year framework.

Strain Obvious

The strain on financial resources implied in the Plan is perhaps too obvious to be stressed further. Clearly, the Plan can be implemented fully only with commensurate effort. Not only must domestic resources be raised in the measure indicated above; there must be a readiness to make good, to the extent possible, any shortfall in the availability of external resources. An adequate tax effort is of vital importance in this context. Resources have to be saved for implementing the programme of investment, and taxation is about the most effective and equitable way of securing the required savings. It has its limits, but additional taxation of Rs. 450 crores over the five-year period is by no means excessive either in relation to possibilities or of needs.

Developmental planning with large programmes in the public sector requires that an increasing proportion of the national income comes into the public exchequer by way of revenues. This proportion is low in India—only a little over 7 per cent. Additional taxation of Rs. 450 crores will raise this proportion marginally. It has, therefore, to be regarded as the minimum to be achieved. The reliance on non-tax resources in the Plan is so large that a failure on the taxation programme is likely to jeopardise the entire Plan. Taxation, it may be added, should not be regarded as merely a means of raising revenues. It has a bearing on some of the basic purposes and objectives of the Plan. Additional taxes on factory products may be necessary in order to promote decentralised modes of production. Taxation has also to play a part in reducing inequalities.

The Centre and the States are required to share this additional tax effort equally. The lines along which the States have to raise resources have been settled on the basis of detailed discussions with State Governments. The Centre has already implemented some of the recommendations of the Taxation Enquiry Commission and the necessary further action has to be taken. The States have also to strive to their utmost to raise resources upto the targets accepted more or less along the lines suggested by the Taxation Enquiry Commission. With the large capital commitments both at the Centre and in the States, revenue deficits—which imply borrowing to meet recurrent needs—have to be ruled out. In fact, in a developing economy current revenues should make an appreciable contribution to the financing of projects on capital account.

The initial effort to find resources for large developments in the public sector is naturally beset with difficulties. But, as public enterprises start bringing in surpluses, the resources for further investment become available in increasing degree. For the community, as a whole, the basic decision is as to the quantum of investment to be undertaken. Given this decision, the system has to put forth the surplus needed. The price policy of public enterprises has to be framed with due regard to this aspect of the problem. The socialist pattern of society and the extension of the public sector are not to be regarded merely as ends; they are a part of the means of promoting rapid development. It is only as public enterprises accumulate surpluses for capital formation on an increasing scale that they lay the foundations for a progressive economy.

Foreign Exchange

The balance of payments position of the country has shown considerable improvement over the last two years. In 1954, the payments position on current account was virtually in balance and a small surplus is expected in 1955. This improvement, in spite of the heightened tempo of development in the country, is a measure of the growing strength of the economy over the first Plan period. Nonetheless, the second Five-year Plan, with its substantially larger investment outlay and an accent on the development of basic industries and transport, will necessarily involve a heavy strain on foreign exchange resources.

Estimates of foreign exchange earnings and requirements over a period of five years cannot be made without a large margin of uncertainty. Several of the important Indian exports such as jute goods and manganese are subject to sharp fluctuations in demand. Most of India's exports including tea, jute and cotton textiles have to reckon with increasing competition from other countries. An unfavourable turn in the monsoon is apt to necessitate large imports of foodgrains. Even in regard to imports directly needed for the development programmes in the Plan, availability of key materials such as steel from abroad can by no means be reckoned as certain. What can be indicated at this stage, therefore, is only a tentative assessment of the foreign exchange requirements of the Plan and the problems involved in financing these requirements.

On a preliminary view of requirements and likely earnings, it would appear that the balance of payments on current account would show a total deficit of Rs. 1,100 crores over the next Plan period. This deficit of Rs. 1,100 crores has to be covered by external resources, including net private foreign investment and withdrawal from the accumulated foreign exchange reserves of the country.

Imports of machinery and equipment of the order of Rs. 1,350 crores will be required in view of the large programmes of industrial and transport development. In the public sector alone, the requirements of imported machinery and equipment amount to some Rs. 950 crores. Of this, Rs. 425 crores is on account of transport and communications, Rs. 280 crores for the programmes of industrial development, Rs. 170 crores for irrigation and power projects and the rest for programmes in agriculture and social services. The estimated requirements of Rs. 400 crores of imported machinery and equipment for the private sector relate mainly to programmes of industrial development.

Export Promotion

Every effort has to be made to promote exports in view of the large foreign exchange requirements of the second Five-year Plan. The range of India's exports at present is narrow; but it is desirable to nurture and develop markets for exports such as jute, tea, cotton textiles, ores and oilseeds. In the case of the newer exports of miscellaneous consumer goods and engineering products, earnings from exports are only of a small order at present and sizable increase in export earnings from these commodities in absolute terms cannot be expected in the short run. Nonetheless, it is important that a beginning is made with the diversification of our exports as the industrial base of the economy expands.

The estimated deficit of Rs. 1,100 crores on current account can be financed to the extent of some Rs. 200 crores by a withdrawal from the accumulated sterling balances of the country. If these balances are drawn down to the extent of Rs. 200 crores over the next Plan period, they would fall to approximately Rs. 500 crores at the end of the Plan. Reserves of this order would then correspond to about seven months' imports and should be regarded as essential for enabling the country to tide over temporary balance of payments difficulties.

Credit may also be taken for a net inflow of private capital of about Rs. 100 crores over the next Plan period. During the five and a half years ending December 1953, private foreign investment in the country increased by Rs. 132 crores, but some Rs. 60 to Rs. 70 crores of this represented re-investment of profits earned within the country. The net inflow of private capital during the period thus works out to about Rs. 70 crores. It is reasonable, therefore, to expect a net inflow of private foreign capital of the order of Rs. 100 crores over the Plan period.

External Assistance

The gap of Rs. 800 crores in foreign exchange resources, which remains after taking credit for net private foreign investment and withdrawals from accumulated sterling balances, can only be bridged by external assistance from international agencies and assistance obtained on a Government-to-Government basis. India is receiving external assistance at present from a number of countries and the International Bank. The strength that the Indian economy has acquired over the last few years has added to the capacity of the country to service foreign loans. There are considerable prospects for obtaining trade credits for some of the bigger projects of industrial development.

Programmes abroad for disposal of agricultural surpluses offer an opportunity for a greater flow of assistance. All these factors add up to a reasonable prospect of external assistance being available on a larger scale than in the past. Nonetheless, this is a field where the uncertainties in the estimation of foreign exchange requirements and in the availability of external resources necessitate a periodic and continuous review of needs and possibilities.

IRRIGATION AND POWER IN SECOND FIVE-YEAR PLAN

ECONOMIC AND SOCIAL ASPECTS REVIEWED

By Gulzarilal Nanda

UNION MINISTER FOR IRRIGATION, POWER AND PLANNING

TODAY, as in ancient times, India's history is being made in the valleys and basins of its rivers. Here are rising dams, barrages and weirs —the new temples and places of pilgrimage as our Prime Minister has termed them. We embarked on their construction in the shadow of a war-ravaged economy and the birth pangs of freedom. India was then confronted with the formidable task of staving off nation-wide starvation. Scarcity of food had reached alarming proportion. Under the pressure of vital needs, some giant multi-purpose river valley projects—Bhakra-Nangal, Hirakud, Tungabhadra and D.V.C.—the like of which the country had never undertaken before, and several medium and minor irrigation schemes were started even though at the time much remained to be done in securing adequate data, proper equipment and experienced technical personnel. It was only natural that a host of problems should arise, and we have been grappling with them, in the course of these years with an increasing measure of success.

About 290 million acres out of 809 million acres of India's area were under cultivation in 1951. Nearly 51 million acres were under irrigation, utilising less than 6 per cent. of our water resources. Power generation capacity was 2.3 million kw. including installations in self-generating industries. With these paltry assets, it was obviously impossible to cover the gap in the food and industrial needs of the country. In accelerating the basic development of the country in terms of water and power, a long-term view was essential, to fit into the perspective of the wider objectives of national planning and to create the necessary conditions for the fulfilment of the targets for irrigation and power, over a stretch of years. At that stage the Planning Commission visualised doubling of the area under irrigation and raising the power generation capacity to 7 million kw., i.e., an increase of about 200 per cent. in 15 years. Towards this goal, 229 schemes costing Rs. 708 crores were included in the first Plan. These schemes, it was estimated, would add 22 million acres of irrigated land and 2.3 million kw. of power. As some of the multi-purpose major projects will run into the second Plan, the first Plan benefits will be 7 million acres from big works and 10 million acres from minor schemes, increasing the total irrigated area to 68 million acres. About 1.3 million kw. more of power capacity will be installed by March this year.

Rise in Food Yield

While favourable seasons made their own contribution, it was largely due to these measures that, in 1954-55, when the target for food production was exceeded by about 4 million tons, the nation experienced a sense of relief in respect of its anxieties about our food supply. By this time nearly 4 million acres of virgin and irrigated soil had been either provided fresh canal water facilities or greater supplies through existing irrigation networks. A rise in food harvests from 50 million tons in 1950-51 to 65.8 million tons in 1954-55, resulted in a reduction in imports from 4.7 million tons to 0.77 million tons in 1955.

The change thus brought about had a tremendous significance for the nation in various ways. It gave the people of the country and the administration a new confidence. It cleared the way for a sure advance in industrial development and other directions. The strain on our foreign exchange resources was eased to a considerable extent and more room was thus created for the import of capital goods. The inflationary pressures were thus got rid of. The need for physical controls and rationing of foodstuffs and other essential commodities progressively diminished and the restrictions which had operated over a number of years causing increasing annoyance, were removed, one by one. This was a token of achievement on which a nation could well congratulate itself.

It will be a mistake, however, to make it a ground for complacency about the future. Our population is growing. By the end of 1961, there will be 2.6 crores more mouths to feed. That will require an addition of 4.5 million tons of food at the existing level of consumption, i.e., 17.2 ozs. per day per adult. While this is itself about 1.2 ozs. more than 1949-50, the base year of the first Five-year Plan, it does not provide an adequate standard of nutrition. The intention is that the consumption be raised to 18.2 ozs. by the end of the second Plan. It will involve an increase of about 10 million tons by 1960-61.

We have also envisaged improvements in the standard of living in other directions, such as consumption of sugar, cloth and other commodities based on agriculture raw materials which are also expected to increase considerably. All these new targets call for increased production from land in varying degree. It has been estimated that along with the results which will necessarily be secured by other measures, viz., improved seeds, a larger application of manure and fertiliser, the realisation of these targets will require additional irrigation to the extent of about 21 million acres by 1960-61.

Second Plan Proposals

The second Five-year Plan, which is now on the anvil, may therefore, include some 220 irrigation and power schemes. As a few first Plan projects will spill over into the second Plan, some of whose schemes will enter the third Plan, the expenditure during the coming five years will be of the order of Rs. 790 crores. By 1961, the area irrigated through new major schemes and the first Plan carryover projects will come up to 12 million acres. With 9 million acres covered by minor irrigation, the total irrigated area in the country will be 89 million acres, about 73 per cent. more of the figure at the beginning of the first Plan. The completion of the first and second Plan projects will raise it further to about 107 million acres. Our irrigation programmes aim at securing irrigation facilities for a rising proportion of the cultivable area of the country.

IRRIGATION AND POWER

(Estimates made in Draft Outline of second Five-year Plan)

State	Additional area to be irrigated in Second Plan ('000 acres)	Additional installed generating capacity in Second Plan (kw.)
Andhra	290	140,300
Assam	(a)	21,500
Bihar	1,140	265,000
Bombay	1,000	425,000*
Madhya Pradesh	400	193,000
Madras	140	247,000
Orissa	1,800	546,000
Punjab	1,700	302,000
Uttar Pradesh	1,310	241,500*
West Bengal	1,270	75,000
Hyderabad	610	11,000
Jammu and Kashmir	120	56,000
Madhya Bharat	300	47,600
Mysore	200	(b)
PEPSU	250	72,500
Rajasthan	1,160	50,000
Saurashtra	40	161,000
Travancore-Cochin	140	170
Ajmer	14	5,000
Bhopal	12	(c)
Coorg	8	(b)
Delhi	21	3,100
Himachal Pradesh	20	6,300
Kutch	36	340
Manipur	(a)	400
Tripura	(a)	23,000
Vindhya Pradesh	68	(d)
Pondicherry	6	1,150
N.E.F.A.	(a)	
Total	11,850	3,121,960†

(a) Irrigation to be done by minor works.
(b) Bulk power from Bhakra Nangal.
(c) Bulk power from Mysore.
(d) Bulk power from Madras.
* Includes major plant additions by companies in the electric supply industry.
† Excludes the addition of 0.3 million kw. anticipated in self-generating industries.

Prospects for Expansion

In the case of power, there are no limits to the prospects for expansion. The extent of power generated in the country has become today a key to economic development as well as a kind of measure of economic progress. In a dynamic situation our most optimistic forecasts prove inadequate in relation to the emerging needs and possibilities. It appears that our 15-year target of 7 million kw. will be reached much sooner than was anticipated. It has been estimated that we should have not less than 15 million kw. in 1956.

During the first Plan, the installed capacity has been increased from 2.3 to 3.6 million kw. The second Plan envisages an additional installed capacity of 3.2 million kw. of which 2.9 million kw. will come from the public sector made up of 2.1 million kw. of hydel power and 0.8 million kw. thermal power. In all, 42 hydro and steam power generating schemes will be undertaken during the Plan, of which 23 will be hydro-electric and 19 thermal schemes. Energy generated which stood at 6.6 billion kw.h. before the first Plan is expected to increase to 11 billion kw.h. in 1955-56 and 22 billion kw.h. at the end of the second Plan. Our *per capita* consumption which was 14 units in 1952 will thus have risen to 25 units in 1955-56, and 50 units in 1960-61.

Social Aspects

The growth of power consumption has its social aspects. We are concerned to know how far the supply of power has served as an aid in the conquest of poverty in rural areas and the expansion of employment opportunities. This has to be judged by the number of small towns and rural areas which acquire access to the use of power. By the end of the first Plan, about 95 per cent. of towns with a population of about 20,000 have been electrified.

The aim in the second Plan is to provide electric supply for small towns with a population between 5,000 and 20 000 which are centres for the development of the adjoining rural areas. In this group, there are about 4,000 small towns, of which only 40 per cent. have been electrified so far. During the second Plan 80 to 90 per cent. of these towns are expected to be provided with electricity.

Large-scale electrification of the villages with a population less than 5,000 is a difficult problem. There are over half a million of them spread all over the country. Many of these are far away from the developed power resources. With the planning of the various grid systems covering large areas, power supply will be given to an increasing number of villages which lie in proximity to the grid lines.

During the second Plan, electric supply will reach 7,500 towns and villages in addition to those now served. This is by no means a very satisfactory position, and efforts will have to continue to improve it as quickly as possible.

Floods

There is another aspect of our responsibility in this sphere which has been causing deep concern to the nation. In 1954, unprecedented floods wrought havoc in most of the States fringing the Himalayas, and the nation, moved by harrowing accounts from flood-stricken areas, called for immediate protective measures. It was decided that urgent steps should be taken to give security and protection to the people to the maximum extent as speedily as possible.

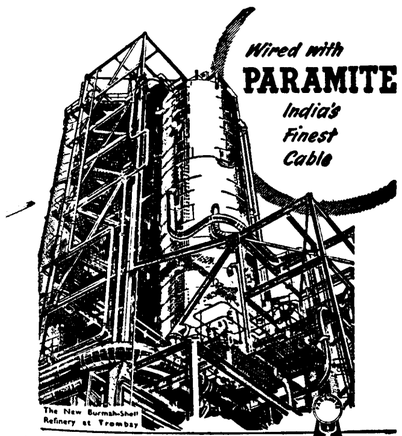
A programme was drawn up to be carried out in three stages: immediate, short-term and long-term. Steps have been taken to build up in all parts of the country an organisation capable of effectively handling the programme. River Commissions have been set up for the Ganga and the Brahmaputra and for rivers in North-West and Central India for working out flood control schemes for different river basins. Flood control programmes are co-ordinated by the flood control wing of the Central Water and Power Commission and at the policy level by the Central and local control boards.

The works already carried out, on an emergency basis, have succeeded in providing a measure of protection which has strengthened the hope that the recurring flood menace will be brought under control to a reasonable degree within the next few years.

Finance

I may now give you, in financial terms, an overall view of the performance in this field during the period of the first Five-year Plan. Some of you will perhaps be surprised to know that, since independence, we will have incurred on irrigation and power projects an expenditure of the order of Rs. 809 crores, i.e., about four times the amount invested under the entire British rule.

The amount of Rs. 656 crores was allotted for irrigation and power in the first Plan. In terms of expenditure, the Plan for irrigation and power for the country has been implemented to the extent of 95 per cent. The performance in the State sector has been about 93 per cent. while in the Central sector, it has exceeded 100 per cent. As against Rs. 83 crores in 1951-52, the first year of the first Plan, the expenditure in 1955 56 has been estimated at Rs. 210 crores. —*A.I.R.*



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INDUSTRIES IN SECOND PLAN

BIGGER ROLE FOR PUBLIC SECTOR ENVISAGED

THE Draft Outline of the Second Five-year Plan released by the Planning Commission on the 10th inst. sets out only the substance of the industrial development envisaged by the Commission during the next five years. It, therefore does not throw adequate light on the details of the various industrial projects of the Government. These details are expected to be dealt with in "a fuller version of the second Plan" which the Commission proposes to present to the nation, after taking into consideration the reactions of the public to the Draft Outline. To get a detailed picture of the industrial development now envisaged, one has to await the publication of the final Plan.

Rapid industrialisation, with particular emphasis on basic and heavy industries, is one of the four principal objectives of the second Plan, the other three being (i) a sizable increase in national income, (ii) a large expansion of employment opportunities and (iii) reduction of inequalities in income and wealth and a more even distribution of economic power. Says the Plan: "All these objectives require a diversified economic pattern. Low or static standards of living, underemployment and unemployment and to a certain extent, even the gap between the average incomes and the highest incomes are all manifestations of the basic underdevelopment which characterises the economy, depending mainly on agriculture. Rapid industrialisation is thus the core of development."

Accepting thus the importance of industrial development to the economy, the Planning Commission further observes that, if industrialisation is to be rapid enough, the country must aim at developing industries which make machines to make the machines needed for the large number of industries in the field of consumer goods and intermediate products. This is possible only, it declares, if substantial expansion is undertaken in iron and steel, non-ferrous metals, coal, cement, heavy chemicals and other industries of basic importance. These deficiencies which were brought into bold relief by the experience of the first Plan are sought to be corrected in the second Plan by laying down priorities and programmes of industrial development. The most important single weakness which made itself felt hard on the community was the low level of steel production. This is being made good, the Commission says, by the programmes for the expansion of steel production through the establishment of three new plants in the public sector and the expansion of production in the existing units. Although there has been a marked progress in the manufacture of locomotives, electric motors and transformers, and in the manufacture of machinery for textiles, cement, sugar and jute industries, on the whole, development in the capital goods sector has generally lagged behind the needs of the economy. In order to make up the leeway, the Commission proposes to expand industrial capacity according to the following priorities:

(1) Development of iron and steel production, machine building, heavy engineering and heavy chemicals, including nitrogenous fertilisers;

(2) expansion of capacity in respect of other development commodities and producer goods, such as cement, phosphatic fertilisers;

(3) modernisation and re-equipment of "national industries" already in existence, for example, jute, cotton and sugar;

(4) fuller utilisation of the installed capacity in existing industries wherever there are wide gaps between capacity and production; and

(5) expansion of capacity for consumer goods.

In so far as industries falling under (4) and (5) above are concerned, it is emphasised in the Plan, the need for assisting production programmes in village and small industries and the requirements of common production programmes in related fields for large and small units have to be kept fully in view.

Public Sector

The keynote of the development programme is the major role provided for the public sector. "If industrial development is to play its true role in the economic progress of the country, the State should," observes the Planning Commission, "play a greater part in it." The total provision made by the Government under the second Five-year Plan for industrial and mineral development amounts to about Rs. 710 crores. In addition, Rs. 200 crores are allotted for the development of village and small industries.

Among the development programmes proposed to be implemented by the public sector during the second Plan period, the establishment of three steel plants, with a capacity of a million ton ingots each, stand out prominently. In addition, it is planned to produce, at one of these plants, 350,000 tons of pig iron. The plant at Rourkela in Orissa is expected to produce 720,000 tons of flat products of steel, hot and cold rolled. It is being designed to operate the L.D. process and will be equipped for the recovery of by-product chemicals from coke-oven gases and coal tar. The second plant at Bhilai is expected to manufacture 750,000 tons of saleable steel, mainly heavy and medium products. The third plant at Durgapur is to produce 750,000 tons per annum of light and medium sections of steel and billets. Steel production at the Mysore Iron and Steel Works is to be expanded to 100,000 tons. By the end of the second Plan, the plants in the public sector will produce 2 million tons of finished steel.

Heavy Engineering Industries

Next in importance among the industries planned for the public sector are the heavy engineering industries. These include a heavy steel foundry at the Chittaranjan Locomotive Factory for meeting the requirements of railways for heavy castings and the establishment of heavy foundries, forge shops, etc., under the auspices of the National Industrial Development Corporation. A heavy electrical equipment manufacturing project, with a total investment of Rs. 25 crores, is also envisaged. The project may take about seven to eight years for completion. Expansion of activities of the Hindustan Machine Tools Ltd., the Government Electric Factory at Bangalore, the Chittaranjan Locomotive Factory and the Hindustan Shipyard is also envisaged. Provision is also made for the manufacture of 350 railway coaches per annum in the Integral Coach Factory at Perambur.

The Lignite Project at Neivelli in South Arcot district is proposed to be taken up during the second Plan period. Under this project, 3.2 million tons of lignite are to be used for (a) generation of power, (b) production of carbonised briquettes in a carbonation plant of 700,000 tons capacity, and (c) production of 70,000 tons of fixed nitrogen in the form of urea and sulphate nitrate. Besides, two more fertilisers factories are proposed to be set up, one at Nangal and the other at Rourkela. The former will produce 70,000 tons of fixed nitrogen per year and the latter 80,000 tons of the same fertiliser per annum.

Light and Medium Industries

Among light and medium industries, the Plan provides for the expansion of the existing D.D.T. plant, Hindusthan Cables, the National Instruments Factory and the Indian Telephone Industries. A second D.D.T. plant will be established at Travancore-Cochin.

A number of industrial projects have been proposed for inclusion in the plans drawn by State Governments. These include production of foundry coke and by-products of coal carbonisation and thermal power based on waste gases in West Bengal, and electric porcelain insulators and transformers in Mysore. The expansion of the U.P. cement factory, the Bihar Superphosphate Factory and the Paper Mill in Andhra is also envisaged. The Praga Tool Factory in Hyderabad is to be reorganised.

The National Industrial Development Corporation, a State-owned financing agency, has in view, we are told a considerable programme of development during the second Plan. Besides assisting the programme of modernisation of textile and jute industries, the Corporation proposes to take steps towards establishing a new unit in the aluminium industry and manufacture of heavy machinery like earth-moving equipment, high pressure boilers rolls and rolling mill equipment required in ferrous and non-ferrous industries.

Private Sector

The Plan has drawn up programmes for the private sector. The Planning Commission opines that, while the public sector has to expand rapidly, the private sector also has to play an important part within the framework of the Plan. The two sectors are viewed as parts of a single plan to be worked in co-ordination with each other, and not as two independent sectors of the economy. Within the scope indicated for the private sector encouragement is proposed to be given to private initiative and enterprise.

The total investment on industrial programmes in the private sector is expected to be of the order of Rs. 620 crores. This includes new investment of Rs. 470 crores and an outlay of Rs. 150 crores on replacement and modernisation of existing industries. As for resources, about Rs. 100 crores are reckoned on account of foreign private investment, including suppliers' credit. Internal resources of industrial undertakings available for investment are estimated at Rs. 300 crores. New capital issues may, it is surmised, provide Rs. 80 crores and miscellaneous sources such as advances from managing agents, etc., about Rs. 80 crores. Loans from various Finance Corporations may fetch about Rs. 40 crores. About Rs. 20 crores may come from the equalisation fund and as capital or loans by the Central and State Governments.

Industrial programmes in the private sector are also governed by a scheme of priorities. Steel production is expected to go up in this sector from 1.25 million tons to 2.3 million tons, as a result of the completion of expansion programmes, by 1958, of the TISCo. and IISCo. The value of industrial machinery produced in the country is expected to increase five to six times. This includes machinery for cotton textiles, jute, sugar, paper and cement industries and the manufacture of electric motors and electric transformers. There are projects for the manufacture of tea machinery, dairying equipment, road-making machinery and agricultural machinery. In the chemical industry development programmes relate mainly to soda ash, caustic soda, phosphatic fertilisers, industrial explosives, dyestuffs and intermediates. Production will be expanded in a number of consumer goods industries also.

The table on page 308 contains the target of production and capacity in relation to industrial development programmes to be undertaken in the private sector.

The Draft Outline lays emphasis on the development of minerals also, keeping in view the ambitious industrial programme referred to above. In this field, coal gets the highest priority. Its output is expected to be stepped up from 36.8 million tons in 1954 to 60 million tons at the end of the second Plan period. The targets for other minerals are: iron ore 12.5 million tons, manganese ore 2 million tons, limestone 18.5 million tons, gypsum 1.86 million tons and bauxite 175,000 tons. Provision has been made for conducting intensive surveys of the country's mineral resources and for exploration and development of mineral oil deposits.

Small-scale and Cottage Industries

A special feature of the Draft Outline is the importance attached to small-scale and cottage industries. The main objective of the policy in respect of these industries is the need for creating greater opportunities for employment. In this connection, attention may be drawn to the Congress Working Committee's Resolution on Economic Policy passed at the Amritsar session of the Congress. The Resolution says: "While heavy industries and capital intensive undertakings will provide some employment, they cannot adequately meet the urgent needs of the country in this respect. For this purpose, therefore, household, village and small-scale industries have a vital role in affording a large volume of employment as well as in the supply of certain essential consumer goods. The decentralised sector of industry as an integral part of the economic structure must, therefore, be given every help and encouragement to increase its efficiency and perform its tasks effectively."

In its anxiety to achieve the above objective, the Planning Commission seems to have been guided by the recommendations of the Small-scale Industries (Second Five-year Plan) Committee, popularly known as the Karve Committee. In making its proposals, this Committee kept three important aims in view, namely, (a) to avoid as far as possible, during the Plan period, technological unemployment, (b) to provide for as large a measure of increased employment as possible, and (c) to provide the basis for the structure of an essentially decentralised society and for progressive economic development at a fairly rapid rate. The progressive expansion and modernisation of rural industry can be best brought about, the Karve Committee observes, by the spread of small industrial units, along with necessary services, among big villages or small towns located all over the country.

The Planning Commission considers that, for the effective promotion of village and small industries, the network of organisations brought into existence during the past three or four years should be made full use of by the Government. These organisations are the All-India *Khadi* and Village Industries Board, the All-India Handicrafts Board, the All-India Handloom Board, the Small-scale Industries Board, the Coir Board, and the Silk Board. The draft plans which these Boards have drawn up have been examined by the Commission. These plans covered programmes involving an investment of Rs 260 crores. The planners have, however, pruned it down to Rs. 200 crores, as stated already. The allocation of this sum is to conform to the Karve Committee's scheme. The Boards are required strictly to operate in their chosen fields. In the States, self-contained departments are to be entrusted with the problems of village and small industries. These departments should be supported at the district level by a whole-time officer to be in charge of programmes for groups of villages.

Restrictive Policy Upheld

For building up a decentralised sector in modern industry, the three measures now in vogue, namely, demarcation of spheres of production, limitation of capacity of large units and the levy of cess on products of large-scale units have been generally upheld, albeit subject to certain conditions. As regards the first one, the Commission observes that demarcation of spheres of production is a source of material assistance to small units and that this approach should be adopted in appropriate fields, irrespective of whether the large units are in the public sector or in the private sector. As regards the application of the principle of limitation to the capacity of large units the Commission is of the opinion that there is need for review of the position of the industry concerned from time to time in the light of changing economic conditions. It observes that, within the limits set by the need to avoid shortage of goods, on the one hand, and the extent to which, production in small units can be organised effectively to take advantage of a larger market (in any individual case), on the other, the balance of public advantage will determine whether and at what level the capacity of a large-scale industry should be limited. Viewing the position thus, the Commission considers that licensing of industries should be extended to the field of agricultural processing, especially rice mills, oil mills, flour mills. In order to encourage handpounding of rice, it has supported the recommendations of the Karve Committee that the setting up of new sheller-huller or huller mills or single hullers should not be permitted except under certain special conditions. In respect of village oil industry, as the conditions are being investigated by a special committee appointed by the Central Government, the Commission prefers to defer its decision till the findings of that Committee are made available to it. The imposition of a cess or an excise duty in appropriate situations is, the Commission avers, a well recognised fiscal device to assist small units and says that each case has to be considered on its merits. It is, however, opposed to subsidies on production or rebate on sales of products of these units.

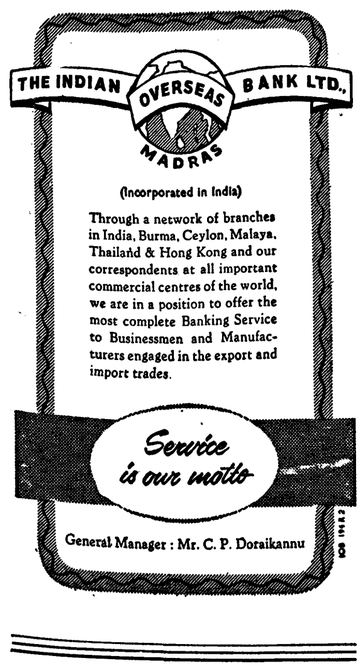
The Commission has laid stress on the necessity for organising supply and marketing co-operatives as also producing co-operatives for the promotion of small and cottage industries. The setting up of co-operatives will, in its opinion, enable small industry to utilise, in increasing measure, financial assistance from the Government and other institutions as also guidance from technical service institutes, training centres and mobile technical services.

INDUSTRIAL TARGETS UNDER SECOND PLAN

Industry	Unit	1955-56 Capacity (estimated)	1955-56 Production (estimated)	1960-61 Capacity	1960-61 Production
1. Iron and steel—					
(a) Finished steel (main producers)	'000 tons	1,300	1,800	4,500	4,300
(b) Pig iron for foundries	,,	380	380	750	750
2. Structural fabrication	,,	242,000	180,000	500,000	500,000
3. Heavy foundry-cum-forge shops—					
(a) Steel foundry	,,	..	..	15,000	15,000
(b) Forging shops (3)	,,	..	..	12,000	12,000
(c) Cast iron foundries	,,	..	..	10,000	10,000
4. Ferro-manganese	,,	28,000	28,000	160,000	160,000
5. Aluminium	,,	7,500	7,500	30,000	25,000
6. Locomotives	Nos.	170	170	300	300
7. Automobiles	,,	35,000	23,000	57,000	57,000
8. Heavy Chemicals—					
(a) Sulphuric acid	'000 tons	268	160	500	450
(b) Soda ash	Tons	90,000	80,000	280,000	250,000
(c) Caustic soda	,,	46,000	35,000	133,000	120,000
9. Fertilisers—					
(a) Nitrogenous (fixed nitrogen)	,,	85,000	70,000	390,000	320,000
(b) Phosphatic, as P_2O_5	,,	35,000	20,000	120,000	120,000
10. Ship-building	G.R.T.	..	50,000 (51-56)	..	90,000 (56-61)
11. Cement	'000 tons	5,100	4,800	12,000	10,000
12. Refractories	Tons	343,800	260,000	1,000,000	800,000
13. Petroleum refining	Mill. tons	3.625	2.5	4.31	3.8
14. Paper and paper board	'000 tons	220	180	450	350
15. Newsprint	Tons	30,000	10,000	60,000	60,000
16. Rayon—					
(a) Rayon filament	Mill. lbs.	28.1	16.1	55.0	55.0
(b) Staple fibre	,,	12.0	12.0	25.0	25.0
(c) Chemical pulp	'000 tons	..	..	30.0	30.0
17. Diesel engines	H.P.	200,000	100,000	216,000	205,000
18. Bicycles	'000 No.	500	500	765	1,000*
19. Electric motors	H.P.	376,700	240,000	600,000	600,000
20. A.C.S.R. conductors	Tons	15,370	9,000	15,370	15,000

This programme is, it is stated, large and comprehensive enough to provide scope for a rapidly expanding public sector and also to utilise fully the resources in personnel, and experience available in the private sector. Its execution according to schedule and with due regard to economy in the use of resources will, the Commission opines, go a long way towards giving the country a strong, well-balanced and rapidly developing industrial structure.

* 250,000 bicycles are expected to be produced in the decentralised sector so that the total production would be 1,250,000.



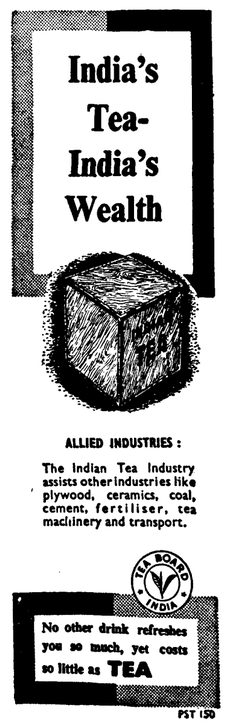
ASSISTANCE TO TOBACCO CO-OPERATIVES

The Indian Central Tobacco Committee decided at its eighteenth meeting held at Anand on the 11th inst., to offer financial assistance to the extent of 50 per cent. of the recurring expenditure to the tobacco co-operative marketing societies. It recommended to the Central Government that the supply of coal for redrying of tobacco should be given the same priority as for flue-curing. The Committee further decided to shift its Cigar and Cheroot Tobacco Research Station from Vadasandur in Madura District to some suitable site to be located in the Coimbatore District. The Committee has referred the question of creating a statutory monopoly agency in India for tobacco exports to the Tobacco Export Promotion Council for consideration.

Presiding over the meeting of the Committee, Mr. M. S. Randhawa, Additional Secretary, Ministry of Food and Agriculture, announced that the Central Government proposed to give a special grant of Rs. 26.5 lakhs to the Committee for tobacco research under the second Five-year Plan. He revealed that the Government had further agreed to provide warehousing facilities for tobacco under the State Warehousing Corporations scheme to be instituted shortly. Mr. Randhawa advised the tobacco trade to realise before it was too late that the shift in tobacco transactions after the war had changed from quantity to quality. The trade was no longer in the hands of the seller. With the easing of dollar shortage and the rapid strides made by the Rhodesian tobacco growers in quality improvement, the purchaser was looking, he added, for quality.

Reviewing the work of the Tobacco Delegation to Far Eastern countries, Mr. Randhawa said that due to the contacts established by the delegation and the publicity given to Indian tobacco not only the large stocks accumulated for several years were sold off but the supplies went short of demand. The tobacco production in 1954-55 was estimated at 556 million pounds from an area of about 0.86 million acres, as compared to 890 million pounds from 0.91 million acres in the previous year. The exports by sea and air during 1954-55 amounted to 88.8 million pounds valued at Rs. 128.9 million, as against 72.2 million pounds worth Rs. 120.9 million in 1953-54.

Referring to the need for co-ordination of research work, Mr. Randhawa observed that the Indian Council of Agricultural Research had recently taken up the task of co-ordinating the work carried on by the various commodity committees. If the present individual commodity stations were converted into multi-purpose commodity stations, more useful work could be done with less staff. The Indian Central Oilseeds and Cotton Committees had accepted this principle and the research stations would soon be co-ordinated. The Chairman suggested that an expert sub-committee might be appointed to examine all the existing research stations on tobacco and suggest co-ordination with research stations on cotton, oilseeds and millets.



Notices

THE INDIA SUGARS AND REFINERIES, LIMITED

MADRAS-17

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Ordinary General Meeting of the Company will be held at the Factory of the Company, at Hospet, on Monday the 12th March 1956, at 4 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 30th September 1955.

2. To declare a dividend on Ordinary Shares.

3. To elect two Directors in place of:

(i) Sri M. R. Morarka

(ii) Rukn-ul-Mulk S. Abdul Wajid

who retire and are eligible for re-election.

4. To appoint Auditors for the year 1955-56 and fix their remuneration, and

5. To consider and, if thought fit, to pass the following resolutions as Special Resolutions with or without modifications:—

A. Resolved as a Special Resolution that the Articles of Association of the Company be and are hereby altered in the manner following, that is to say:—

(1) In place of the words 'one per cent.' appearing in Article 6, the words 'three per cent.' shall be and are hereby substituted.

(2) In place of existing Article 12, the following shall be and is hereby substituted:—

The Nominal or Authorised Share Capital of the Company shall be Rupees One Crore (Rs. 1,00,00 000) divided into 20 000 Preference Shares of Rs. 100 each, and 8,00,000 Ordinary Shares of Rs. 10 each. The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons and on such terms and conditions and at such times as the Directors think fit.

(3) In place of existing Article 13, the following shall be and is hereby substituted:—

13. (*a*) The Preference Shares shall confer on the holders such rights as may be specified by the Directors at the time of each issue. In the absence of any such rights being specified by the Directors at the time of the issue, they shall be deemed to have the right to a fixed cumulative preferential dividend at such rate (subject to tax, or tax-free), as may be specified in the terms of issue, on the paid-up amount of the share; and the right in any winding-up, to repayment of the paid-up amount of such shares, or the face value of the shares, as the case may be; and also to all arrears of dividend whether declared or not, up to the commencement of winding-up, in priority to the Ordinary Shares and the dividends thereon; but they shall not have any further right to participate in the profits or in the assets.

(*b*) Notwithstanding anything contained above it is expressly provided that upon any increase of capital the Company is to be at liberty to issue any new shares with any preferential, deferred, qualified or special rights, privileges or conditions attached thereto. It is also expressly provided that any Preference Share may be issued on the terms that it is, or at the option of the Company is, liable to be redeemed.

(*c*) The rights and privileges attached to Preference Shares may be altered or dealt with by an agreement in writing made by some members of the class and ratified by the holders of at least two-thirds of the shares of the class, subject to the provisions of section 66A of the Companies Act.

(4) In place of the existing Article 14, the following shall be substituted:—

The Directors may from time to time increase the Issued Capital of the Company to any sum not exceeding the total amount of Authorised Capital of the Company and may for that purpose issue such new shares as they think fit.

(5) In Article 15, the words 'by special resolution' shall be deleted.

B. Resolved as a Special Resolution that 3,20,000 Ordinary Shares of Rs. 10 each be issued, subject to Central Government sanction, on the following terms:—

(*a*) that the issue will be at a nominal premium of annas 8 per share; and that the full premium of annas 8 per share and Rs. 5 being half the nominal value of each share, will be payable along with the application,

(*b*) that the balance amount of Rs. 5 on each of the said shares shall be called up later either in one lump sum or in such instalments and at such times as the Board of Directors think fit,

(*c*) that these shares will rank for dividend as from the 1st day of July 1956, in proportion to the Capital for the time being paid up thereon,

(*d*) that the shares will in all other respects rank *pari passu* with the existing issued Ordinary Shares of the Company,

(*e*) that these shares will be offered to the persons who are on the 12th day of March 1956 holders of the issued Ordinary Shares of the Company in the proportion of one share for every one, now held by such shareholders,

(*f*) that where a shareholder or his approved nominee does not, within a date to be specified by the Directors, accept the offer, the Directors may deal with such shares in the manner they think fit,

(*g*) that the Company shall be entitled to issue certificates for the shares allotted, within six months after allotment.

You are requested to be present in person or by proxy.

The Share Transfer Books of the Company will be closed from 22nd February to 12th March 1956, both days inclusive.

By Order of the Board,
for THE INDIA SUGAR AGENCIES LTD.,
Managing Agents,
C. HARIPRASAD,
General Manager.

MADRAS, 13*th February* 1956.

The dividend when declared will be made payable on or after 25th April 1956, at the State Bank of India, Madras, and Dividend Warrants will be posted to the Shareholders whose names stand in the Register of Members as on 12th March 1956. Shareholders may kindly intimate to the Company any changes in address immediately.

THE BANK OF INDORE, LIMITED

(*Incorporated in Indore, 1920*)

NOTICE IS HEREBY GIVEN THAT THE Thirty-sixth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Bank, Prince Yeshwant Road, Indore City, on Thursday the 8th March 1956, at 4 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1955.

(2) To declare a Dividend.

(3) Rai Bahadur Sir S. M. Bapna, Kt., C.I.E., and Seth Bhanwarlal Sethi retire by rotation but are eligible for re-election.

(4) To elect Auditors for the ensuing year and to fix their remuneration.

By Order of the Board of Directors,
N. D. JOSHI,
Manager.

INDORE CITY, 4*th February* 1956.

N.B.—The Transfer Books of the Company will be closed from 23rd February 1956 to 8th March 1956, both days inclusive.

The Dividend when sanctioned will be payable on and from Friday the 9th March 1956.

Shareholders are requested to intimate the Bank their change of address, if any, immediately.

THE MEGNA MILLS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Sixty-ninth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 16, Strand Road, Calcutta, on Tuesday the 28th February 1956, at 11-00 a.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September 1955.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from 18th day of February 1956 to the 28th day of February 1956, both days inclusive.

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

By Order of the Board,
MACKINNON, MACKENZIE & CO., LTD.,
G. G. ROBERTSON,
Managing Director,
Managing Agents.

CALCUTTA, 9*th February* 1956.

THE INDIA JUTE COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Seventy-seventh Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 16, Strand Road, Calcutta, on Tuesday the 28th February 1956, at 11-15 a.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the half-year ended 30th September 1955.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other competent business that may be brought forward.

The Share Transfer Books of the Company will be closed from the 18th day of February 1956 to the 28th day of February 1956, both days inclusive.

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

By Order of the Board,
MACKINNON, MACKENZIE & Co., LTD.,
G. G. ROBERTSON,
Managing Director,
Managing Agents.

CALCUTTA, 9*th February* 1956.

ROHTAS INDUSTRIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-third Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Dalmianagar on Tuesday the 20th March 1956, at 11-30 a.m., to receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st October 1955, to declare dividends, to elect Directors in place of the retiring Directors, to appoint Auditors for the current year and fix their remuneration and to transact any other business that under the Articles of Association of the Company may be transacted at an Ordinary General Meeting.

Share Transfer Books of the Company will remain closed from 20th February 1956 to 6th March 1956, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA, 8*th February* 1956.

Dividends when declared will be payable to those shareholders whose names stand on the Register on 6th March 1956.

Notices

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

AN EXTRAORDINARY GENERAL MEETING of the Shareholders of THE TATA IRON AND STEEL COMPANY, LIMITED, will be held on Monday the 12th March 1956, at 4-30 p.m. (S.T.), at the Registered Office of the Company, Bombay House, 24, Bruce Street, Fort, Bombay, to transact the following business:—

To consider, and if thought fit, to pass the following resolutions as Special Resolutions:—

1. (i) That the Capital of the Company be increased from Rs. 17,38,75,000 divided into 50,000 six per cent. Cumulative Preference shares of Rs. 150 each, 700,000 seven-and-half per cent. Cumulative Second Preference shares of Rs. 100 each and 1,285,000 Ordinary shares of Rs. 75 each to Rs. 27,02,50,000 divided into 50,000 six per cent. Cumulative Preference shares of Rs. 150 each, 700,000 seven-and-half per cent. Cumulative Second Preference shares of Rs. 100 each and 2,570,000 Ordinary shares of Rs. 75 each by the creation of 1,285,000 new Ordinary shares of Rs. 75 each.

(ii) Subject to the conditions prescribed by the consent of the Controller of Capital Issues, the said 1,285,000 new Ordinary shares of Rs. 75 each shall be issued upon the following terms and conditions and subject to the following rights:—

(*a*) Such shares shall be issued and offered in the first instance at a premium of Rs. 30 per share to the holders of the existing Ordinary shares on the Register of Members of the Company on such date as may be fixed by the Directors (with the right to renounce in favour of nominees approved by the Board) in the ratio of one new Ordinary share for one existing Ordinary share held by such holders respectively and such offer be made by notice specifying the number of shares, which each holder of existing Ordinary shares shall be entitled to apply for and take up, wholly or in part, and limiting a time within which the offer if not accepted will be deemed to be declined, with liberty to the Directors from time to time to extend the time for acceptance as aforesaid either generally or in respect of any particular holder or holders.

(*b*) A sum of Rs. 35 per share (made up of Rs. 10 on premium and Rs. 25 on Capital account) shall be payable to the Company on application for such new Ordinary shares as aforesaid and the balance of Rs. 70 per share shall be payable on allotment and/or as and when called up by the Directors from time to time at their discretion.

(*c*) The new Ordinary shares shall not confer on the holders thereof the right to any dividend declared at or prior to the Annual General Meeting to be held in the year 1956, but shall entitle such holders to all dividends declared after such meeting in proportion to the capital for the time being paid-up on such shares, provided that if interest is paid out of capital on such shares for any period in accordance with the provisions of Section 107 of the Indian Companies Act, an amount equal to the gross amount of such interest shall be deducted from the actual (net) dividends so payable and such shares shall for all other purposes rank *pari passu* with the existing Ordinary shares of the Company.

(*d*) The Directors shall be authorised and empowered, with the previous permission of the Controller of Capital Issues, to dispose of and allot any of the said new Ordinary shares not taken up by the holders of the existing Ordinary shares or remaining undisposed of at such price or prices and on such terms as may be approved by the Controller and to such persons, whether shareholders of the Company or not, as the Directors may think fit.

(*e*) The certificates in respect of the new Ordinary shares shall be completed and ready for delivery within nine months after the last allotment thereof.

(*f*) For the purpose of giving effect to this resolution the Directors be and are hereby authorised to prescribe the forms of application and renunciation and other documents in respect of such new Ordinary shares and to give such other directions as they think fit including directions for settling any question or difficulty that may arise in regard to the issue and allotment of the new Ordinary shares.

II. That the Articles of Association of the Company be altered in manner following:

The following Article shall be substituted for Article 4 of the Articles of Association of the Company:

"4. *Amount of Capital.*—The present capital of the Company is Rs. 27,02,50,000 divided into 50,000 six per cent. Cumulative Preference shares of Rs. 150 each, 700,000 seven-and-half per cent. Cumulative Second Preference shares of Rs. 100 each and 2,570,000 Ordinary shares of Rs. 75 each."

By Order of the Directors,
TATA INDUSTRIES LIMITED,
Managing Agents,
J. D. CHOKSI,
Director.

BOMBAY, 2*nd February* 1956.

Note.—Copies of letters recording the consent of the Controller of Capital Issues to the proposed issue of new Ordinary shares may be inspected by shareholders during office hours at the Registered Office of the Company.

THE UNITED COMMERCIAL BANK LIMITED

NOTICE

CLOSING OF SHARE REGISTER AND TRANSFER BOOKS

NOTICE IS HEREBY GIVEN THAT REGISter of Members and Transfer Books of The United Commercial Bank Limited will be closed from Thursday the 8th March to Wednesday the 28th March 1956, both days inclusive.

By Order of the Board,
S. T. SADASIVAN,
General Manager.

CALCUTTA, 13*th February* 1956.

REORGANISATION OF TRANSPORT ADMINISTRATIONS

(*Concluded from page* 300)

In fact, in respect of goods vehicles, it has been considered that absorption of about 10,000 to 12,000 trucks per annum during the next few years, in addition to those required for the replacement of average trucks, would be desirable."

It is high time the State Governments took note of these views. They are the carefully considered opinions of a person who belongs to the same Party which is in charge of administration in the States. As the Transport Minister in the Centre, Mr. Shastri knows where the shoe pinches and is in a position to take an impartial view. The State Governments will be weakening his hands if they do not follow his lead in these matters.

Mr. Wenzel's Observations

While on this subject, it will be pertinent to record here some of the important observations made by Mr. A. D. Wenzel, Managing Director of the Firestone Tyre Company, at the fifteenth annual general meeting of the Federation of Motor Transport Associations, Bombay. Mr. Wenzel remarked that the time had definitely come when a separate Ministry should be constituted at the Centre for shipping, inland water transport and road transport. In support of this view, he recalled that the Transport Committee of the Congress Party in Parliament had itself recommended such a step. By making this suggestion, he was not casting any aspersion on the working of the present Ministry for Transport. He only meant that the problems of railways alone were so numerous and pressing that one Ministry would not be able to consider those of other means of transport as well.

Another important point made by him related to the need for strengthening and maintaining the roads in good condition. He pointed out that, if the efficiency of motor transport operations were to be increased, the motor vehicles should be made to carry more weight and that would be possible only if the bridges and culverts were substantially strengthened. In other words, top priority should be given to surveying bridges and culverts and strengthening them. He further stated that, unless road surfaces were greatly improved and well maintained, it would not be possible to reduce operational cost. The logic behind this argument is obvious enough not to require further elucidation to prove its soundness.

INSURANCE

(*Concluded from page* 295)

lion out of the total premium income of £14.4 million. So far as the purely domestic offices (Government as well as private offices) are concerned—the share of both these sections in total business is strictly limited—the Government department transacts more business than the non-Government offices, thanks to the former's age and standing in the domestic insurance sphere. Even so, the share of the Government's life department has declined from 71.3 per cent. of the total life premium income (excluding the very large premium income of foreign offices) in 1949 to 69.3 per cent. in 1953, whereas the share of the private offices has increased from 28.7 per cent. to 30.7 per cent.

This survey reveals two significant features of the working of life insurance in the free world. In the first place, in the countries where the Governments have thought it necessary to enter the life insurance field, they have supplemented, rather than supplanted, private offices. Secondly, even in such countries, private managements have always been able to withstand the competition from State-owned life offices; the former have invariably been more successful than the latter. In the light of all this evidence, the decision of the Government of India to nationalise life insurance is certainly deplorable. Further, it should be clear that, if the Government had chosen to run a life office of its own, the country would have had an opportunity to study the relative merits of the Government-owned and private offices. By nationalising the entire life insurance industry, the Government has denied such opportunity to the country. At the same time, it has taken upon itself the entire responsibility for life insurance which no other Government in the free world has deemed it desirable to take upon itself. It is not always wise for a country to attempt something which other countries have deliberately refrained from doing, even if it gives an appearance of distinction or courage. It remains to be seen whether the Government of India has been wise in its decision on insurance.

(*Concluded*)

EARNINGS OF BRADY GROUP MILLS IMPROVE

NEW GREAT RESTORES CUT IN DIVIDEND

THE statements of accounts of the two cotton textile mills under the management of Messrs. W. H. Brady & Co., Ltd., Bombay, namely, the New Great Eastern Spinning and Weaving Company, Ltd., and the New City of Bombay Manufacturing Company, Ltd., for the year ended 31st December 1955 disclose a welcome improvement in the earnings of both the Companies, thanks to better trading conditions in cloth and yarn. Thus, the gross profit of the New Great Mills has appreciated from Rs. 3.41 lakhs to Rs. 6.32 lakhs and that of the New City Mills from Rs. 4.48 lakhs to Rs. 5.12 lakhs It will be noted that the improvement in profit has not been uniform in both the cases; the rise is sharper in the former than that in the latter. The result is that the New Great has been able to make good the decline in 1954, while the New City's profit is still lower than that for 1953.

The net profit of the New Great has advanced from Rs. 2.95 lakhs to Rs. 4.61 lakhs and that of the New City from Rs. 2.77 lakhs to Rs. 3.26 lakhs. After providing Rs. 1 lakh to the reserve fund which had not received anything last year, and raising the allocation to the employees' pension and gratuity and welfare fund from Rs. 15,000 to Rs. 25,000, the New Great has raised the dividend from 7½ per cent. to 10 per cent. per annum, thus restoring the cut effected in the previous year. The New City also has placed to the reserve fund a sum of Rs. 1 lakh, as against *nil* last year, but has cut the provision for employees' gratuity and welfare fund from Rs. 25,000 to Rs. 10,000. The dividend has, however, been maintained at 10 per cent. per annum, a rate at which the Company had paid dividend for the previous three years, after reducing it from 15 per cent. for 1951.

As already indicated, the higher earnings of the two Companies have been due to better marketing conditions during the year. Referring to these conditions, the Directors observe, in their reports to the shareholders, as follows:

"This year 1955 opened with conditions in the cloth and yarn markets at a low ebb. As the year progressed, however, cloth trading conditions improved, and the latter months of the year have presented a better tone With regard to yarn, improvement has been of a very slow nature and it was only after *Diwali* that yarn selling rates could be represented as reasonable."

During the year under review, a further Industrial Court Award made on behalf of the clerical staff required payment to the clerks of the mills of a sum of Rs. 57,233 in the case of the New Great and of Rs. 51,039 in the case of the New City. These sums represented accumulations of dear food allowance increases from the date the Award was to be brought into force.

The following comparative table gives an idea of the progress of the New Great Mills during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds (net)	205.59	218.26	221.13	192.40
Transfer from general reserves.	..	6.20	..	..
Expenses	199.50	215.13	217.06	190.26
Liability under L.A.T. Award.	..	6.18	..	..
Gross profit	6.32	3.41	4.32	2.68
E.P.T. refund (less tax) ..	..	..	0.09	3.90
Secretaries' and Agents' commission	0.76	..	0.54	1.11
Provision for—				
Depreciation	0.95	0.46	1.12	1.77
Taxation	..	..	..	..
Net profit	4.61	2.95	2.57	3.70
To reserves	1.00	..	..	..
,, pension and gratuity fund ..	0.25	0.15	..	0.25
Dividends—				
5½ per cent. preference ..	0.44	0.44	0.44	0.44
Ordinary	3.00	2.25	3.00	3.00
	(10%)	(7½%)	(10%)	(10%)
Carry forward	0.04	0.12	0.01	0.70

The Company's sale proceeds of cloth, yarn and waste have declined further, but the fall is more pronounced than that in the previous year. Nevertheless, the profit has risen sharply, on account of the substantial drop in expenses. Of these expenses, cotton, stores, spares, etc., consumed account for Rs. 104.53 lakhs, as against Rs 118.70 lakhs in the previous year, and other manufacturing and establishment expenses for Rs. 94.97 lakhs, as compared with Rs. 96.42 lakhs in 1954.

The latest balance-sheet of the Company shows that its reserves and surplus aggregate Rs. 16.76 lakhs, as against a paid-up capital of Rs. 38 lakhs, made up of 30,000 ordinary shares of Rs. 100 each and 4,000 5½ per cent. cumulative preference shares of Rs. 200 each. Of the aforesaid equity capital, as much as Rs. 15 lakhs represent the capitalisation of reserves. The provision made for tax liability amounts to Rs. 8.50 lakhs. The current liabilities aggregate Rs. 33 lakhs. The additions to the gross block during the year under review were Rs. 3.03 lakhs, bringing the total value of the fixed assets to Rs. 92.86 lakhs. This has been well written down to a book value of Rs 31.43 lakhs. The current assets amount to Rs. 65.80 lakhs, exceeding, the current liabilities and provision for taxation by Rs. 24.30 lakhs.

The progress of the New City Mills in recent years is reflected in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds (net)	140.01	145.20	154.06	149.24
Transfer from reserves ..	..	3.25	..	..
Expenses	135.28	141.13	147.24	143.74
Liability under L.A.T. Award.	..	3.25	..	..
Gross profit	5.12	4.48	6.97	0.97
E.P.T. refund (less tax) ..	..	..	0.12	4.40
Managing Agents' commission.	0.51	0.12	0.70	0.10
Provision for—				
Depreciation	1.35	1.59	2.26	2.52
Taxation	..	..	..	..
Net profit	3.26	2.77	4.13	2.75
To reserves	1.00	..	1.75	..
To employees' gratuity and welfare fund	0.10	0.25	0.25	..
Dividend	2.40	2.40	2.40	2.40
	(10%)	(10%)	(10%)	(10%)
Carry forward	0.03	0.27	0.16	0.42

As in the case of the New Great, the New City's sale proceeds and expenses have recorded a fall. The cost of cotton, stores and machinery parts consumed has declined from Rs. 88.96 lakhs to Rs. 85.09 lakhs and other expenses from Rs. 52.16 lakhs to Rs. 50.19 lakhs.

The latest balance-sheet of the Company discloses a satisfactory financial position. The paid-up capital is unchanged at Rs. 24 lakhs, 75 per cent. of which represents the amount capitalised from reserves. The reserve and surplus aggregate Rs. 26.74 lakhs. There is a provision of Rs. 3.80 lakhs for taxation. The current liabilities amount to Rs. 20.21 lakhs. The gross block of the value of Rs. 73.57 lakhs (including an addition of Rs. 2.10 lakhs during the year) stands written down to Rs. 30.53 lakhs. The current assets aggregate Rs. 53.87 lakhs, the excess over current liabilities and provision for taxation being Rs. 25.66 lakhs.

The Rs. 100 fully paid-up shares of the New Great are being currently quoted at Rs. 193 *cum-div.* and those of the New City at Rs. 160 *cum-div.* On an *ex-div.* basis and on that of the latest dividend, New Great provides a yield of 5.5 per cent. and New City 6.6 per cent. per annum, respectively.

BRADY ENGINEERING DOUBLES DIVIDEND

Encouraging progress in the working of the Brady Engineering Company Ltd. (Managing Agents: Messrs. W. H. Brady & Co., Ltd., Bombay), is disclosed by the Directors' report of the Company for the year ended 31st December 1955. The Company's gross profit, which had declined from Rs. 1,69,640 to Rs. 1,10,350 in 1954, has gone upto Rs. 2,25,901 in the year under review. The profit has thus more than doubled itself. The Managing Agents' commission absorbs Rs. 17 134, as against *nil* in the previous year. The provision for depreciation has been stepped up from Rs. 42,359 to Rs. 85,378, while that for taxation has been reduced from Rs. 22,190 to Rs. 5,000. The reserve fund, which had not received anything last year, has been strengthened by the addition of Rs. 40,000. The dividend has been doubled from 2½ per cent. (Re. 1-8 per share of Rs. 60) to 5 per cent per annum, thus restoring the cut made last year from the maiden dividend of 5 per cent. paid for 1953. The surplus left to be carried forward is Rs. 9,402, as against Rs. 6,013 brought in.

The Company had suffered a setback in business in 1954 on account of the "non-co-operative attitude" of labour, resulting in a strike for nearly 2½ months. Thanks, however, to the absence of labour trouble and to the securing of some very good orders for machinery and equipment required in connection with new industrial plants that are being erected in this country, the Company's turnover in 1955 increased substantially, which, in turn, has resulted in a sizable rise in profit as shown above. In order to cope with the increased orders, the Company incurred further capital expenditure, amounting to Rs. 89,617, on plant and machinery.

PROFIT OF O.V. ESTATES SHRINKS

DIVIDEND CUT—FINANCES SOUND

THE cut in dividend from 30 per cent. to 20 per cent. for the year ended 31st October 1955, recommended by the Directors of the Ouchterlony Valley Estates (1938) Ltd. (Managing Agents and Secretaries: Messrs. Peirce, Leslie & Co., Ltd., Kozhikode, Malabar), may not come as a surprise to those shareholders who have been in close touch with the trend of tea crop and prices during the past year. In line with the general trend, the production of tea by the Company's estates during the year under review had gone up to establish a fresh record level, but the prices realised suffered a sharp fall. In the case of coffee both output and prices declined. The decline in coffee crop too is not unexpected, for the Chairman had indicated, in his speech at the annual general meeting last year, a lower crop not for the season under review but also for the next one.

The aforesaid factors, along with a rise in cost of production of tea, have affected the Company's earnings adversely. The gross profit, which had gone up in the previous two years from Rs. 3.37 lakhs in 1951-52 to a bumper one of Rs. 18.41 lakhs in 1953-54, has dropped to Rs. 10.68 lakhs. It is, however, comforting to note that, despite this decline of 42 per cent. from the previous year's level, the profit for the year under review represents the third highest in the history of the Company. The net profit has shrunk from Rs. 10.06 lakhs to Rs. 3.60 lakhs, the recession being steeper than that in the gross profit. This is due to the larger proportion of provision for taxation. The net profit is not sufficient even to pay the reduced dividend of 20 per cent. and the Directors have had to fill the gap by drawing the required amount, albeit small, from the previous year's surplus.

The following comparative table presents the salient features of the Company's results for 1954-55 against the background of those for the previous three years:

(In lakhs of rupees)

	For the year ended 31st October			
	1955	1954	1953	1952
Sale proceeds of tea	16.93	15.30	11.42	9.90
Stocks of tea	3.64	5.03	2.61	1.23
Proceeds of coffee crop ..	22.43	27.77	15.54	15.58
Other income	0.46	0.24	0.37	0.49
Estate expenditure	30.44	29.21	25.08	23.07
Other expenses	0.87	0.72	0.69	0.77
Gross profit	10.68	18.41	4.16	3.37
Managing Agents' commission.	0.61	0.73	0.44	0.48
Depreciation	2.07	2.62	1.81	1.41
Taxation	4.40	5.60	..	..
Net profit	3.60	10.06	1.91	1.48
To reserves	..	4.61	0.23	..
,, depreciation on investments.	..	..	0.01	0.06
Dividend	3.89	5.84	1.95	1.95
	(20%)	(30%)	(10%)	(10%)
Carry forward	0.49	0.69	0.08	1.26
Tea crop (in lbs.)	987,979	934,600	828,710	703,692
Cost of production (cents per lb.)	139.63	129.06	126.50	130.69
Average price realised (cents per lb.)	..	..	..	..
Coffee crop (in cwts.)	207.67	231.37	170.19	156.46
	10,707	13,826	8,449	7,084

The tea crop harvested during the year under review rose by 53,379 lbs. to a fresh record level. Notwithstanding this increase, the cost of production staged a further rise to 139.63 cents per lb., while the price realised was less favourable, though much higher than that realised in any one of the years preceding 1953-54. After two years of successive rise, the coffee crop was down during the year under review. It was, however, higher than the Directors' earlier estimate of 10,500 cwts. For the purpose of accounts closing, the entire stock has been valued at Rs. 2-4 per point, as against Rs. 2-8 per point in the previous year. Payment received from the Coffee Board up to 19th January 1956, however, amounted to Re. 1-15 per point.

The rise in estate expenditure is mainly accounted for by tea, which has gone up from Rs. 12.15 lakhs to Rs. 13.79 lakhs, thus maintaining the upward trend since 1949-50. The expenditure on coffee has, on the other hand, declined from Rs. 17.06 lakhs to Rs. 16.64 lakhs.

The financial position of the Company, as seen from its latest balance-sheet, is quite satisfactory. The reserves and surplus aggregate Rs. 24.41 lakhs, as against a paid up capital of Rs. 19.46 lakhs, the whole of which represents equity capital. Of this capital, as much as a sum of Rs. 12.97 lakhs was raised by capitalisation of reserves in two stages, once in March 1948 and again in July 1952. During the year under review, the Directors transferred Rs. 5 lakhs, which had stood to the credit of the debenture-stock redemption reserve, to the general reserve, consequent on the repayment on 30th June 1955 of the entire outstanding balance (Rs. 3.53 lakhs) of the 5½ per cent. (tax-free) debenture-stock (second series) for Rs. 5 lakhs. The reserve for taxation stands at Rs. 8.65 lakhs and the current liabilities aggregate Rs. 6.04 lakhs. The gross block of the value of Rs. 41.20 lakhs has been written down to Rs. 29.15 lakhs. The current assets amount to Rs. 29.41 lakhs, of which cash balances alone amount to Rs. 12.72 lakhs. Though the cash balances show a decline of Rs. 5.92 lakhs over the year, probably due to the repayment of the debentures as stated above, they are large enough to cover a substantial part of the current liabilities and the provision for taxation.

The Rs. 2 fully paid-up shares of the Company are being currently quoted at Rs. 5-7 *cum-div.* On an *ex-div.* basis, the latest dividend provides a yield of 7.9 per cent. per annum.

DETAILS OF T.I.S.CO.'S NEW ISSUE

The long-awaited details of the Tata Iron and Steel Company's proposal to raise fresh capital for financing a part of its expansion plan to increase the steel production to 2 million tons have been announced by the Managing Agents of the Company in a circular to the shareholders. An extraordinary general meeting of the Company will be held on 12th March 1956 to seek their approval of the proposal. The consent of the Controller of Capital Issues has been obtained for the proposed issue.

The proposal to issue fresh capital has been the subject of prolonged discussions between the Company and the Government. The main point around which the discussions centred was the premium which the Company should collect from the shareholders. In fact, the Company desired that the new shares should be issued at par, while the Government insisted on a premium. Finally, the Government gave permission to the Company to issue the shares at a premium of Rs. 30 per share and subject to certain conditions mentioned below.

The Company proposes to raise the authorised capital of the Company from the present level of Rs. 17,38,75,000 (of which the ordinary shares account for Rs 9,63,75,000, made up of 1,285,000 shares of Rs. 75 each) to Rs. 27,02,50,000, by the creation of 1,285,000 new ordinary shares of Rs. 75 each. The present paid-up ordinary capital is Rs. 9,63,75,000, which, after the proposed issue is fully subscribed, will become Rs. 19,27,50,000. The new ordinary shares will be issued at Rs. 105 per share, including a premium of Rs. 30 per share.

The new shares will be issued and offered in the first instance to the existing ordinary shareholders (with the right to renounce in favour of nominees approved by the Board) in the ratio of one new share for every ordinary share held by them. A sum of Rs. 35 per share (made up of Rs. 10 on premium and Rs. 25 on capital account) will be payable on application. The balance of Rs. 70 per share will be payable on allotment and/or as and when called up by the Directors from time to time at their discretion. The new ordinary shares will rank for any dividend declared only after the annual general meeting held in 1956 (that is, for the year 1956-57 and onwards), in proportion to the capital for the time being paid-up on such shares.

In granting permission to issue the new shares, the Controller of Capital Issues has laid the condition that, in case any of the said new ordinary shares are not taken up by the shareholders and their nominees, such shares should be disposed of by the Directors only with the previous permission of the Controller, at such price or prices and on such terms as may be laid down by him. This restriction does not apply to nominees under renunciation forms signed by shareholders, who may, therefore, dispose of their rights to the new shares.

The cost of the Company's expansion programme is estimated at Rs. 60 to Rs. 65 crores. The Company proposes to meet nearly half of this cost from loans obtained from foreign sources and negotiations have already been started abroad for the purpose. The balance of the requisite funds is proposed to be met from the increase in steel retention prices and by a fresh issue of capital mentioned above.

EMPLOYEE-SHAREHOLDERS SWEDISH ENTERPRISES

The employees of the Addo Company, one of Sweden's leading enterprises, have taken up the greater part of a new share issue, amounting to no less than 30 per cent. of the total share capital, which the Company is about to put on the market.

Addo, known throughout the world as one of the foremost European producers of adding machines and other office machinery, has hitherto been exclusively a family business. Its new share offer aims at strengthening still further the spirit of co-operation, for which the firm is justly noted. These shares, which employees can pay for by instalments (a new and attractive form of save-as-you-earn), have proved more popular than even the most sanguine prophets had foreseen, and also aroused such keen outside interest that eager would-be purchasers went to the length of inserting conspicuous advertisements in the daily Press. Of the shares on offer, the majority were reserved for Addo's employees, and this parcel was fully subscribed very shortly after the lists were opened.

JOINT-STOCK COMPANIES IN 1955-56

According to the monthly Blue Book on joint stock companies in India, issued by the Department of Company Law Administration, the number of new registrations in all the States of India, excluding Jammu and Kashmir, during the month of November 1955, amounted to 102 companies with a total authorised capital of Rs. 16.24 crores. Of these new companies, 22 were public and 80 private companies having a total authorised capital of Rs. 12.40 crores and Rs. 3.84 crores, respectively.

The cumulative total of the newly formed companies at the end of November 1955 in the current fiscal year was 892, having a total authorised capital of Rs. 96.73 crores. The number of new registrations exceeded the registrations during the corresponding period of the preceding fiscal year by 144. The progressive total of 892 companies comprises 128 public and 764 private companies.

Of the 102 new companies formed during November 1955, 32 companies having an authorised capital of Rs. 3.51 crores were registered in the State of West Bengal. The States of Madras, Bombay, Delhi and Travancore-Cochin registered 18, 17, 9 and 8 new companies with a total authorised capital of Rs. 1.84 crores, Rs. 1.36 crores, Rs. 1.32 crores and Rs. 9 lakhs, respectively. During the eight months ended November 1955, the States of West Bengal, Bombay and Madras together recorded about 68 per cent. of the total number and 63 per cent. of the total authorised capital of all new registrations during this period.

The reports received from the Registrars in the various States disclosed that 47 companies (i.e., 15 public and 32 private) were liquidated, dissolved, or declared as defunct during the month of November 1955. The total paid-up capital of these companies amounted to Rs. 6 lakhs. The progressive total of the liquidated companies for the period from April to November 1955 came to 540 with a total paid-up capital of Rs. 5.55 crores. Of these liquidated companies, the number of public companies was 181 with a paid-up capital of Rs. 2.69 crores.

A net total increase of Rs. 30.82 crores in the paid-up capital of existing companies was recorded during the eight months ended November 1955. The contribution of the companies registered during the April-November 1955 period in this net total increase was Rs. 1.30 crores. The State of Bombay recorded a net increase of Rs. 20.44 crores and the State of West Bengal a net increase of Rs. 4.43 crores. Thus, the two States of Bombay and West Bengal together accounted for about 81 per cent. of the total net increase during April-November 1955. During the eight months ending November 1955, the total paid-up capital raised by the new companies amounted to Rs. 1.55 crores. The companies registered in the month of November 1955, however, did not raise any paid-up capital.

During April-November 1955, of the 892 newly registered companies only 15 are reported to have managing agents and the rest have been floated under other forms of management. It is also reported that during the above period, 15 managing agency companies have been formed and all of these are private companies.

Points From The Chair

Indian Tube Company to Expand

"I REFERRED last year to our collaboration with the Tata Iron and Steel Company, as a result of which the Indian Tube Company (1953) Limited was formed. The first plant, a continuous weld mill for the production of commercial quality tubes, has recently commenced operation according to plan. We are now engaged in installing, for the Indian Tube Company an electric resistance weld tube plant which will produce high quality tubes for use in the boiler and bicycle industries and for other pressure and non-pressure purposes. We are also installing a mill for cold rolling strip which is essential for the production of precision tubes on the electric resistance weld tube plant and which will also supply strip for bicycle components, electrical parts, box strapping and other similar purposes. These units should be completed early in 1957. At 1st October 1955, we had invested £658,000 in the Indian Tube Company, representing our 40 per cent. interest. Tata and ourselves are now considering a further expansion and have formally applied to the Government of India for permission to erect a seamless tube plant to complete the range of tubes up to about 6" diameter which the Indian company will be able to offer. The seamless tubes are required for high pressure work and for certain other special purposes."

A. G. STEWART,
Stewarts and Lloyds, Ltd.

U.K. Faces Foreign Competition

"In recent years I referred to intensive competition being encountered from other countries, particularly Japan and Germany, and this threat to our very existence is more real today than ever. It has recently been estimated that since 1950 Germany has increased her share of world exports of manufactured goods from 8.3 to 15.2 per cent. and Japan her share from 3.5 to 4.9 per cent., while our own share has dropped from 25.7 to 19.8 per cent. These figures demonstrate the nature of the task confronting us, a task which is not being made any easier by the current demands for higher wages which, if granted and not accompanied by increased productivity must lead to further increases in prices, thus adversely affecting our competitive power overseas. It must be abundantly clear to all that we cannot hope for the necessary increase in our exports if we do not quote to overseas buyers prices and terms of delivery which are fully competitive with those offered by manufacturers in other countries."

DUKE OF BUCCLEUGH AND QUEENSBERRY,
Royal Bank of Scotland.

COMPANY MEETINGS AND DIVIDENDS

GANGES MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 24th February 1956. Dividend: *Nil.* Transfer books remain closed from 15th to 24th February 1956, both days inclusive.

GOUREPORE CO., LTD. Half-yearly General Meeting, Calcutta, 24th February 1956. Dividend: Rs. 7-8 per share. Transfer books remain closed from 15th to 24th February 1956, both days inclusive.

NUDDEA MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 24th February 1956. Dividend: As. 8 per share. Transfer books remain closed from 15th to 24th February 1956, both days inclusive.

GANGES ROPE CO., LTD. Half-yearly General Meeting, Calcutta, 24th February 1956. Dividend: Rs. 7-8 per share. Transfer books remain closed from 15th to 24th February 1956, both days inclusive.

ARRAH-SASARAM LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 27th February 1956. Dividend: Rs. 3 per share less income-tax costings. Transfer books remain closed from 17th to 27th February 1956, both days inclusive.

CHAPARMUKH-SILGHAT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 27th February 1956. Dividend Re. 1-4 per share. Transfer books remain closed from 17th to 27th February 1956, both days inclusive.

HOWRAH-AMTA LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 27th February 1956. Dividend: Rs. 3 per share, less income-tax. Transfer books remain closed from 17th to 27th February 1956, both days inclusive.

HOWRAH-SHEAKHALLA LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 27th February 1956. Dividend: Rs. 3 per share, less income-tax. Transfer books remain closed from 17th to 27th February 1956, both days inclusive.

FUTWAH-ISLAMPUR LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 27th February 1956. Dividend: Re. 1 per share. Transfer books remain closed from 17th to 27th February 1956, both days inclusive.

SHAHDARA (DELHI)-SAHARANPUR LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 27th February 1956. Dividend: Rs. 6 per share, less income-tax. Transfer books remain closed from 17th to 27th February 1956, both days inclusive.

RALLIS INDIA LTD. Annual General Meeting, Calcutta, 28th February 1956. Dividend: *Nil.* Transfer books remain closed from 17th to 28th February 1956, both days inclusive.

W. H. BRADY & CO., LTD. Annual General Meeting, Bombay, 5th March 1956. Dividend: Rs. 20 per share. Transfer books remain closed from 17th February to 9th March 1956, both days inclusive.

EMPIRE DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 5th March 1956. Dividend: Rs. 3 per share. Transfer books remain closed from 17th February to 9th March 1956, both days inclusive.

NEW CITY OF BOMBAY MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 5th March 1956. Dividend: Rs. 10 per share, payable on and after 20th March 1956. Transfer books remain closed from 17th February to 9th March 1956, both days inclusive.

NEW GREAT EASTERN SPINNING AND WEAVING CO., LTD. Annual General Meeting, Bombay, 5th March 1956. Dividend: Rs. 10 per share, payable on and after 20th March 1956. Transfer books remain closed from 17th February to 9th March 1956, both days inclusive.

BRADY ENGINEERING CO., LTD. Annual General Meeting, Bombay, 5th March 1956. Dividend: Rs. 3 per share, payable on and after 20th March 1956. Transfer books remain closed from 17th February to 9th March 1956, both days inclusive.

G. CLARIDGE & CO., LTD. Annual General Meeting, Bombay, 5th March 1956. Dividend: Rs. 16-8 per share. Transfer books remain closed from 17th February to 9th March 1956, both days inclusive.

MADURA MILLS CO., LTD. Annual General Meeting, Tuticorin, 26th March 1956. Dividend: Rs. 3 per share. Transfer books will remain closed from 6th to 26th March 1956, both days inclusive.

ALUMINIUM INDUSTRIES LTD. Interim dividend of 6¼ per cent., i.e., As. 10 per share, on all shares (excluding the recent issue of 1,50,000 shares which rank for dividend only from 1st December 1955), for the year 1955-56. Transfer books will remain closed from 27th February to 12th March 1956, both days inclusive.

COMPANY REGISTRATIONS

INSULATION MATERIALS MANUFACTURING CO., LTD. Business: Dealers in rock wool, glass wool and other insulation materials. Authorised capital: Rs. 20,00,000. Private company. Address: 5, Fairlie Place, Calcutta.

BYCULLA REAL ESTATE AND INVESTMENTS LTD. (First Director: Mr. Maneklal Premchand.) Business: To purchase for investment, land and house and other properties of any tenure, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 63, Apollo Street, Fort, Bombay.

BENGAL LIME AND STONE CO., LTD. (First Director: Mr. A. K. Ray.) Business: Coke manufacturers, lime burners and manufacturers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 11, Rajani Sen Road, Calcutta-26.

RESULTS OF THREE MACNEILL & BARRY GROUP JUTE COMPANIES

RALLIS INDIA CONTINUES TO SUFFER LOSS

Gourepore Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

The profit on revenue account amounts to Rs. 5,17,342 (Rs. 9,36,624). Adding thereto dividends forfeited Rs. 1,694 (Rs. 1,678), share transfer and sub-division fees Rs. 192 (Rs. 192), rebate on foodstuffs charges Rs. 3,361 (Rs. 5,146), provision for doubtful debts no longer required Rs. 1,603 (Rs. 15,361), refund of income-tax for the year ended 31st March 1948 Rs. 42,379 (*nil*) profit on sales of jute mills machinery Rs. 34,500 (Rs. 4,250) and war damage claim on stock Rs. 2,070 (*nil*), there is a total amount of Rs. 6,03,141 (Rs. 9,90,091). After deducting retiral gratuities to workers Rs. 17,703 (Rs. 13,559), dividends previously forfeited now paid Rs. 125 (*nil*), provision for contingencies Rs. 1,09,549 (*nil*), depreciation Rs. 1,50,000 (Rs. 2,66,880), loss on sale of oil mill machinery Rs. 750 (*nil*) and provision for directors' commission on proposed dividends Rs. 12,975 (Rs. 12,975), there is a balance of Rs. 3,12,039 (Rs. 5,64,289). To this is added the amount brought forward of Rs. 1,04,669 (Rs. 1,51,644). And after transferring to reserve for machinery renewals and replacements Rs. 1,00,000 (Rs. 3,00,000), there is available for disposal a sum of Rs. 3,16,708 (Rs. 4,15,927). The directors propose that this sum be dealt with as follows:—

By payment of a dividend on preference shares of Rs. 3 (Rs. 3) per share or 6 per cent. per annum Rs. 79,500 (Rs. 79,500), payment of a dividend on ordinary shares of Rs. 7-8 (Rs. 7-8) per share or 15 per cent. per annum Rs. 1,80,000 (Rs. 1,80,000) and leaving to be carried forward Rs. 57,208 (Rs. 1,56,427).

In accordance with the provisions of the working time agreement of the Indian Jute Mills Association, the mills worked 48 hours per week with 12½ per cent. of their total complement of looms sealed. Labour co-operated fully with management in maintaining a good level of productive efficiency.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,50,000	Block ...	47,19,965
Reserves ...	33,38,409	Stock of cloth, bags and jute	25,84,600
Provision for sales tax in dispute ...	2,827	Stores ...	9,88,155
Liabilities ..	77,65,787	Debts, deposits and advances ...	33,67,935
Profit and loss account ...	57,208	Investments	43,95,262
		Cash ...	1,58,314
	Rs. 1,62,14,231		Rs. 1,62,14,231

Ganges Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

The profit on revenue account amounts to Rs. 10,930 (Rs. 7,33,300). After adding to this share transfer and sub-division fees Rs. 945 (Rs. 352), unclaimed dividend forfeited Rs. 2,356 (Rs. 2,145), rebate on foodstuffs Rs. 1,560 (Rs. 4,294), provision for doubtful debts no longer required Rs. 1,545 (Rs. 872) and profit on sales of capital assets Rs. 2,000 (*nil*), there is a total sum of Rs. 19,336 (Rs. 7,40,936). And after deducting retiral gratuities to workers Rs. 33,628 (Rs. 19,357) and depreciation Rs. 3,00,000 (Rs. 1,80,958), the debit balance is Rs. 3,14,292 (credit of Rs. 5,40,648). After deducting the amount brought forward of Rs. 1,23,024 (debit of Rs. 3,72,557) and transferring from reserve for machinery renewal and replacement Rs. 3,00,000 (*nil*), there is available for disposal a sum of Rs. 1,08,732 (Rs. 1,68,091). The directors propose that this sum be dealt with as follows:—

By payment of a dividend on preference shares of Rs. 4 (Rs. 4) per share or 8 per cent. per annum Rs. 24,000 (Rs. 24,000) and leaving to be carried forward Rs. 84,732 (Rs. 42,161 after paying dividend at As. 8 per ordinary share, absorbing Rs. 1,20,000).

In accordance with the provisions of the working time agreement of the Indian Jute Mills Association, the mills worked 48 hours per week with 12½ per cent. of their total complement of looms sealed. On 9th January 1956, 2½ per cent. of the Association's total complement of looms was unsealed and a further 5 per cent. will be unsealed with effect from the 20th February 1956.

Profitable working during the period under review was difficult with the raw jute supply position maintaining prices at uneconomical levels in relation to those of finished goods, which during the period fell sharply.

Following on the labour disturbances at the mills in March 1955, when it was found necessary to close the mill for some days, relations between management and labour were slow to return to normal and the mill's efficiency suffered in consequence.

The Government of West Bengal Industrial Tribunal publishing its Award dated 20th September 1955 enhanced mill labour's earnings by approximately 4.5 per cent. This increase became effective from the 6th November 1953. The mills with modernisation still in its early stages, are particularly affected by this further *per capita* increase in wage earnings.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	90,32,100	Block ...	71,03,613
Reserves ...	1,66,021	Stock of cloth, bags and jute ...	30,03,260
Liabilities ...	56,50,980	Stores ...	13,06,602
Profit and loss account ..	84,732	Debts, deposits and advances ...	29,95,137
		Investments	4,83,215
		Cash ...	41,106
	Rs. 1,49,32,933		Rs. 1,49,32,933

Nuddea Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

The loss on revenue account amounted to Rs. 80,628 (profit of Rs. 2,62,447). To this is added retiral gratuities to workers Rs. 4,157 (Rs. 6,950), dividend previously forfeited now paid Rs. 472 (*nil*), provision for contingencies Rs. 1,10,254 (*nil*) and depreciation Rs. 3,50,000 (Rs. 2,00,000). And after deducting dividend forfeited Rs. 2,017 (Rs. 1,363), share transfer and sub-division fees Rs. 554 (Rs. 193), profit on sale of launch Rs. 40,624 (*nil*), profit on sale of cargo boats Rs. 1,52,000 (*nil*), dividends on investments Rs. 15,000 (Rs. 15,000), rebate on foodstuffs charges Rs. 1,941 (Rs. 2,845), provision for doubtful debts no longer required Rs. 7,081 (Rs. 379) and items relating to previous year of Rs. 5,772 (*nil*), there is a debit balance of Rs. 3,20,482 (credit of Rs. 93,454). After deducting the amount brought forward of Rs. 45,550 (Rs. 6,420) and after transferring from general reserve Rs. 4,00,000 (*nil*), there is available for disposal a sum of Rs. 1,25,068 (Rs. 99,874). The directors propose that this sum be dealt with as follows:—

By payment of a dividend on ordinary shares of As. 8 (As. 8) per share or 2 per cent. per annum Rs. 66,795 (Rs. 66,795) and leaving to be carried forward Rs. 58,273 (Rs. 33,079).

In accordance with the provisions of the Working Time Agreement of the Indian Jute Mills' Association, the mills worked 48 hours per week with 12½ per cent. of their total complement of looms sealed. Labour co-operated fully with management in maintaining a satisfactory level of productive efficiency.

Profitable working during the period under review was difficult with the raw jute supply position maintaining prices at uneconomical levels in relation to those of finished goods, which during the period fell sharply.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	66,79,500	Block ...	73,31,804
Reserves ...	28,30 793	Stock of cloth, bags and jute ...	26,56,878
Liabilities ...	36,85,919	Stores ...	12,40,179
Profit and loss account ...	58,273	Debts, deposits and advances ...	15,45,697
		Investments	4,22,176
		Cash ...	56,751
	Rs. 1,32,54,485		Rs. 1,22,54,485

Rallis India Ltd.

The directors of the above Company (Managing Director and Chairman: Mr. M. P. A. Paspatti, Calcutta) submit the audited accounts of the Company for the year ended 31st August 1955.

Members have already been informed in the interim report of 5th February 1955 and the notice to shareholders of 22nd April 1955 of the circumstances which necessitated the reorganisation and curtailment of the Company's trading activities in the Calcutta area. Although this reorganisation was effected during the year under review substantial losses had been incurred before the reorganisation was completed and the accounts for this period also bear the heavy cost of compensation payable to retrenched staff amounting to no less than Rs. 14,70,456. Although turnover was slightly below the corresponding figure for the previous year, the gross profit made by the Company showed a considerable increase (i.e., Rs. 15,78,652) over the gross profit for the year ended 31st August 1954. The result of the year's working, after providing for all the abovementioned expenses but without charging depreciation was a loss of Rs. 22,02,273 (Rs. 52,44,629). The allocations to profit and loss account for the year are as follows:—

The loss for the year is Rs. 22,02,273 (Rs. 52,44,629) which is reduced by part of reserve for depreciation of investments no longer required Rs. 1,00,000 (Rs. 29,913) and profit on realisation of investments Rs. 161 (*nil*) and balance brought forward from last account of Rs. 42,97,067 (Rs. 17,649) leaving a balance to the debit of profit and loss account to be carried forward to the next account Rs. 63,99,179 (Rs 42,97,067). It is regretted that no dividend can be paid on either the preference or ordinary shares for the year ended 31st August 1955.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,00,000	Block ...	1,13,34,982
Reserves ...	7,25,185	Stocks ...	2,48,06,264
Provision for taxation ...	10,70,748	Stores ...	12,16,372
Liabilities ..	2,05,67,973	Debts, deposits and advances ...	1,17,28,578
		Investments	6,04,628
		Cash ...	22,73,903
		Profit and loss account ...	63,99,179
	Rs. 5,83,63,906		Rs. 5,83,63,906

Ganges Rope Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Macneill & Barry Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

The profit for the half-year is Rs. 89,746 (Rs. 2,02,846). Adding thereto the surplus on sale of assets Rs. 4,325 (*nil*) and balance brought forward at credit of profit and loss account of Rs. 52,823 (Rs. 48,285), there is a total sum of Rs. 1,47,394 (Rs. 2,51,318). After deducting provision for doubtful debts Rs. 5,000 (*nil*) and provision for taxation Rs. 6,000 (Rs. 50,000), there is available for distribution a sum of Rs. 1,36,394 which, together with the balance brought forward from last year's account of Rs. 5,963 (Rs. 41,548) gives an amount for disposal of Rs. 2,18,224 (Rs. 2,35,963). This sum the directors propose to dispose of as follows:—

Pay a dividend of Rs. 3 (Rs. 4) per share on 60,000 shares of the Company, free of income-tax, Rs. 1,80,000, (Rs. 2,00,000) transfer to general reserve Rs. 20,000 (Rs. 20,000) and to staff gratuity fund Rs. 10,000 (Rs. 10,000), leaving a balance to carry forward to next year's account of Rs. 8,224 (Rs. 10,000).

Production of the plant during the early part of 1955 fell away from capacity, but later months reversed this position and all departments were fully occupied and productions achieved are slightly more in the majority of cases than those of the year 1954.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	4,97,046
Reserves ...	9,01,563	Stock-in-trade	84,773
Provision for taxation ...	3,30,074	Stores and spare gear	1,02,718
Liabilities ...	5,56,943	Debts, deposits and advances ...	4,12,199
Profit and loss account ...	2,18,224	Investments	3,19,153
		Cash ...	14,90,915
	Rs. 29,06,804		Rs. 29,06,804

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

Empire Dyeing and Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. W. H. Brady & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The net profit on the year's working after writing off depreciation of Rs. 35,512 (Rs. 39,073) on machinery and plant, etc., setting aside Rs. 1,00,000 (Rs. 1,00,000) for taxation, and charging the managing agents' commission amounting to Rs. 38,971 (Rs. 33,978) is Rs. 2,12,261 (Rs. 1,94,416), which together with the balance brought forward from last year's account of Rs. 5,963 (Rs. 41,548) gives an amount for disposal of Rs. 2,18,224 (Rs. 2,35,963). This sum the directors propose to dispose of as follows:—

Pay a dividend of Rs. 3 (Rs. 4) per share on 60,000 shares of the Company, free of income-tax, Rs. 1,80,000, (Rs. 2,00,000) transfer to general reserve Rs. 20,000 (Rs. 20,000) and to staff gratuity fund Rs. 10,000 (Rs. 10,000), leaving a balance to carry forward to next year's account of Rs. 8,224 (Rs. 10,000).

Production of the plant during the early part of 1955 fell away from capacity, but later months reversed this position and all departments were fully occupied and productions achieved are slightly more in the majority of cases than those of the year 1954.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	4,97,046
Reserves ...	9,01,563	Stock-in-trade	84,773
Provision for taxation ...	3,30,074	Stores and spare gear	1,02,718
Liabilities ...	5,56,943	Debts, deposits and advances ...	4,12,199
Profit and loss account ...	2,18,224	Investments	3,19,153
		Cash ...	14,90,915
	Rs. 29,06,804		Rs. 29,06,804

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

CALL MONEY RATE HARDENS

(From Our Own Correspondent)

BOMBAY, *15th February*

Persistent demand for credit to finance the seasonal movement of crops and cloth trade, in the face of growing shortage of funds, kept the short-term money market firm for yet another week. The paucity of funds was so great that even the slightly higher rates offered by a few banks failed to attract sufficient money to ease the position. Inter-bank call money was, however, done at 3 per cent. though the volume of business at this rate was small. In Calcutta, inter-bank call money was keenly bid at 3¼ per cent. House money at call generally fetched 3 per cent., but one or two banks were reported to have offered 3¼ per cent. albeit for amounts over Rs. 5 lakhs.

Short-term deposits were generally bid at 3¼ per cent. for one to three months and at 3 per cent. for four to six months.

The Government of India 91-day Treasury Bill rate remained unchanged at Rs. 2-8-3 per cent. per annum for the third week in succession. The tenders for Rs. 1 crore brought an offer this week of Rs. 1.53 crores, which was Rs. 15.25 lakhs less than in the previous week. The invitation for the next week remains unchanged at Rs. 1 crore.

For the first time in the history of India, the notes in circulation crossed the Rs. 1,400-crore mark during the week ended 10th February 1956. This is disclosed by the Reserve Bank's statement for that week. Notes in circulation, as at the end of the week, at Rs. 1,407.65 crores, shows a rise of Rs. 15.28 crores over the week and of Rs. 165.08 crores as compared with the position a year before. Notes held in the Banking Department have fallen by Rs. 1.14 crores, so that the increase in total notes issued is Rs. 14.14 crores. On the assets side, foreign securities show a rise of Rs. 15 crores and rupee coin a decline of Rs. 82 lakhs. In the Banking Department, there has been no change in National Agricultural Credit (Long-term Operations) Fund, a new item introduced in the statement last week. This fund, created for the first time with an initial credit of Rs. 10 crores, is in pursuance of the recommendations of the All-India Rural Credit Survey Committee accepted by the Government of India last year. There has been an increase of Rs. 7 67 crores in the deposits of the Central Government, while deposits of other Governments and banks have fallen by Rs. 3.40 crores and Rs. 10 22 crores, respectively. On the assets side, balances held abroad have declined by Rs. 10.34 crores. Loans and advances to Governments disclose an increase of Rs. 1.17 crores and other loans and advances Rs. 4.74 crores. Fresh advances to Scheduled banks against usance bills during the week amounted to Rs. 2.29 crores, while outstanding balances on this account show a net rise of only Rs. 53 lakhs.

The Scheduled banks' statement for the week ended 3rd February 1956 reveals a sharp fall of Rs. 13.56 crores in demand deposits of banks. Time deposits, on the other hand, have gone up by Rs. 2.17 crores, as also inter-bank borrowings by Rs. 69 lakhs. Borrowings from the Reserve Bank are up by Rs. 5.42 crores and those from the State Bank by Rs. 2 17 crores. A rise of Rs. 2.87 crores is noted in advances and of Rs. 2.01 crores in inland bills purchased and discounted. Foreign bills are also higher by Rs. 56 lakhs. Investments have declined by Rs. 1.32 crores. Cash and balances with the Reserve Bank have together dwindled by Rs. 1 49 crores.

The Gilt-edged market maintained a steady tone almost during the whole of the week under review. Prices of securities were well maintained over a wide front; in some cases, in fact, there was a further hardening, on account of some demand and scarcity of stocks. Enquiries on behalf of insurance companies were patchy and on a small scale. Today, however, there were some sellers in a few counters and a drop in prices was recorded.

3 per cent. 1957 was maintained at Rs. 99-10, as also 3 per cent. 1958 at Rs. 99-8. 3 per cent. 1959-61 was held at Rs. 98-4. 3 per cent. 1963-65 stood unchanged at Rs. 94-12, while 3 per cent. 1964 was done an anna higher at Rs. 94-12. 3 per cent. 1966-68 held ground at Rs. 92-5, while 3 per cent. 1970-75 rose further by As. 4 to Rs. 88-10. 3 per cent. 1986 Conversion Loan was marked down towards the close by As. 2 to Rs. 80-7. 3½ per cent. 1961 was kept at Rs. 99-8. 3½ per cent. 1964 and 1965, on the other hand, shed an anna each to Rs. 98-11 and Rs. 98-8, respectively. Among State loans, 4 per cent. 1967 Bombay and West Bengal were unchanged at Rs. 100-13 and Rs. 100-1, respectively 4 per cent. 1967 Madras put on an anna to Rs. 99-13. Andhra 1967 also gained an anna to Rs. 99-6 and U.P. 1967 to Rs. 99-11. Bihar 1967 rose by As. 4 to Rs. 99-5 and Hyderabad 1967 by an anna to Rs. 99-6.

The Saurashtra Electricity Board, Rajkot, has come out with a borrowing programme for Rs. 2 crores. The loan, the list for which opened today, is guaranteed by the Saurashtra Government in respect of both principal and interest and issued at par. It is redeemable in 1966 and bears interest at 4½ per cent. per annum. The interest is payable half-yearly at the Board's office at Rajkot. The list will be closed as soon as the loan is fully subscribed and in any case not later than 29th February 1956.

In the foreign exchange section, there was a weakening of the rupee in terms of the U.S. dollar, in sympathy with a similar trend in sterling. Banks' selling rate for ready dollars moved up from Rs. 477½ to Rs. 477⅞ per $100 and their buying rate from Rs. 473 to Rs. 473¼. In New York, spot sterling declined from $2.80⅜-2.80⅝ to $2.80.7/16-2.80 9/16. Forward sterling (three months) dropped from $2.79.5/16-2.79.7/16 to $2.79¼-2.79⅜ and transferable sterling from $2.77⅝-2.77¾ to $2.77⅛-2.77⅜.

GOLD FIRM

(From Our Own Correspondent)

BOMBAY, *15th February*

A sharp rise in gold prices was the main feature of trading in the bullion market during the week under review. Silver, on the other hand, was erratic, though it ended the week with a gain of a few annas.

Gold was very active and presented a firm front on strong bull support and frantic covering by shorts. Buying movement gathered momentum on reports of good offtake in the ready section, particularly from Madras and Calcutta, with the result that the premium of ready over forward prices widened from just an anna at the close of the previous week to As. 8 towards the close of this week. The details of the draft second Five-year Plan proposing a large dose of deficit financing and the tax measures envisaged therein were bullishly interpreted in the market and this in turn resulted in a keen enquiry for the yellow metal.

After an initial decline, following heavy unloading by a bull operator, who had heavy commitments in other markets, silver staged a sizable recovery on revival of bull squeeze. Good offtake in the ready section also assisted the upward trend. The improvement was, however, short-lived and from Monday onwards there was a reaction, in sympathy with weaker advices from Delhi and Calcutta. Large arrivals of unrefined metal also affected the sentiment adversely. Today, however, there was again an attempt to recoup the earlier loss, in tune with the firm trend in gold, but at the close a reaction set in.

Forward gold (27th February settlement) advanced from Rs. 95-13 to Rs. 97-3 on Saturday. After a short-lived mild recession to Rs. 96-9, the yellow metal rallied to touch a high of Rs. 97-15 today before finishing at Rs. 97-7. Business in the next settlement opened on Monday at Rs. 97-2 and rose to Rs. 97-14 today. The closing was done at Rs. 97-6.

Ready gold appreciated from 95-14 to Rs. 98-7 and closed at Rs. 97-15. The floating stocks of gold are reported to be 35,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was higher at 4,000 tolas on an average.

Silver for forward delivery (28th February settlement) moved down on the opening day from Rs. 174-14 to Rs. 173-7, but staged a sharp recovery to Rs. 176-12 on Saturday. After receding to Rs. 174-11 later in the week, it came up today to Rs. 176, only to close lower at Rs. 175-3. The next (March) settlement reacted from Rs. 176-8 to Rs. 175-9, but the loss was made good today, when it touched Rs. 176-12. At the close, however, it dropped to Rs. 175-15.

Ready silver (.996 Mint) closed today with a gain of As. 13 over the week at Rs. 174-15, after registering a high of Rs. 176-4 earlier in the week. The floating stocks of silver are estimated at 1,300 bars. The daily average offtake was 20 bars.

In contrast to the trend in India, silver prices in London and New York rose sharply. Spot silver in London hardened from 77⅞d. to 79½d. and forward from 77⅞d. to 79½d. It will be noted that the slight premium which spot silver had commanded in the earlier week disappeared from Friday onwards and spot and forward prices came to be quoted at par from that date. In New York, silver was marked up from 90¼c. to 91c. London gold price also moved up from 249s. 4d. to 249s. 5½d., thanks to the weakening of sterling in terms of U.S. dollars.

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

	15-2-56	Highest	Lowest	8-2-56
	Rs. a.	Rs. a.	Rs. a	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	97 15	98 7	95 14	95 14
Forward*	97 7	97 15	95 13	95 13
Sovereign	61 12	62 4	61 0	61 0
SILVER				
Ready (.996 fine Mint) ..	174 15	176 4	173 15	174 2
Forward†	175 3	176 12	173 7	174 14
London Silver Ready ..	79½d.	79½d.	77⅞d.	77⅞d.
London Forward	79½d.	79½d.	77⅞d.	77⅞d.
London Gold	249s 5 ½d.	249s 5½d.	249s 3½d	249s 4d.
New York Ready	91c.	91c.	90¼c.	90¼c.

* 27th February settlement.
† 28th February settlement.

N.B.—Foreign bullion prices shown in the above table relate to the previous day.

KIPS WEAK

(From Our Own Correspondent)

MADRAS, 13*th February*

U.K. trading in kips has been negligible, as U.K. importers have not been keen to buy, in view of large stocks with dressers. Though Madras shippers are not keen to offer stocks as per the resolutions of S.I.S.H.M.A., prices in the local market have not recovered due to weak holders of stocks here. Arrivals of cow hides are moderate and offtake by shippers good. There is some demand for buff calf at a penny less than last prices. Prices in the local market are weak in sympathy.

There is good call for lining sheep at unchanged prices from the Continent, but, as demand has outpaced arrivals, prices are hardening in the local market. There has been no change in the goat skins market—ordinary tannages. Continental buyers are trying to buy better tannages of goat skins at 3d. to 6d. less.

SPOT COTTON LISTLESS

(From Our Own Correspondent)

BOMBAY, *15th February*

If nothing goes wrong again, futures trading in cotton, which has remained closed out since 25th January last, will be resumed within a fortnight. The suit filed by some cotton traders challenging the validity of the Forward Markets Commission's directive to the Board of the East India Cotton Association (E.I.C.A.) to close out hedge contracts and to amend by-laws is being heard in the High Court. In the meantime, the E.I.C.A. Board is reported to have submitted to the Forward Markets Commission certain proposals—to be made applicable to the current season's cotton crop only—concerning the amendments of the by-laws governing the Indian Cotton Contract. These are: The basis and grade of the hedge contract must be retained as fine stapling 13/16". The method of fixing tendering differences should be changed, so that these will be fixed on the basis of forward prices, instead of on spot prices, as provided in the existing by-laws. Permission must be given to commence trading in a new May contract in place of the closed one, as well as in August contract.

While the reaction of the Commission to these proposals are awaited with keen interest, the cotton market is, as usual, thick with all sorts of rumours on the eve of the budget. Some apprehend that there might be an upward revision in import duty on cotton, while others expect an increase in excise duty on cloth.

Listless conditions prevailed in the spot cotton market during the major part of the week under review. Enquiries were strictly limited. There was, however, sizable business done in Vijay, the prices of which tended to look up. Khandesh and Berar Jarillas also met with some support. Kalyan, too, evoked stray demand. Among exportable styles, shippers' interest was concentrated on Bengals, Wagad, Oomra *Deshi*, Lower Jarillas and Zoda cotton. Stocks of Wagad and Bengals would appear to be getting reduced. The foreign section ruled quite active, with good mill demand for East African cottons, particularly B.P.52 and Busoga. The rates at which these two varieties were purchased by a prominent group of mills were Rs. 1,540 and Rs. 1,440, respectively. A small quantity of Sudan G6L was also reported to have changed hands at 36.25d. per lb. Egyptians evoked some enquiries yesterday.

The latest available quotations from the Sewri market are: Bengal *Deshi* Rs. 685; Berar Jarillas Rs. 785; Khandesh Rs. 770; Vijay Rs. 875; Oomra *Deshi* Rs. 750; Moglai Rs. 650.

The persistent buying spree noted in the Karachi cotton market in the past four weeks gathered considerable momentum this week. The buying spree was fanned by two factors. First, turnover in spot market continued to be sizable. Secondly, there was excellent demand from abroad; during the four weeks ended 10th February alone, export business booked amounted to as much as 80,000 bales. Induced by these bullish trends, the operators lent sustained support to the market and cotton prices forged further ahead. N.T. R.G. March delivery rallied Rs. 2-8 to Rs. 84-11 per 82 lbs. May contract advanced by Rs. 2-4 to Rs. 82-5. The spread between the two contracts would, it was expected, widen from Rs. 2-2 to Rs. 3 or even to Rs. 4 in the not distant future, on account of short-covering in the near position.

The spurt in the cotton prices was very much more marked in the spot section. Sind *Deshi* registered an impressive gain of Rs. 5-8 to Rs. 77. Punjab *Deshi* moved up from Rs. 67 to Rs. 72-4. The latest available quotations (in rupees per 82 lbs.) for a few other popular varieties of Pakistan cotton (figures in bracket giving the rates prevailing a week before) are: 4F Punjab Roller 82 (77-8); S.G. 87-12 (84-8); L.S.S. Punjab Roller 86-8 (84); S.G. 92-8 (91); 289F N.T. Roller 89-8 (87-8); S.G. 95-8 (94-4); 289F Punjab Roller 95 (90-8); S.G. 101-8 (98-8).

Buoyant conditions prevailed in the Alexandria cotton futures market during the week under review also. Under the impetus of broader export offtake, particularly in Ashmouni, firm advices from New York and heavy short-covering in Ashmouni February, prices advanced sharply. The advance was further assisted by fears that the final Ashmouni crop might be 10 per cent. below previous expectations. Karnak March contract was on special request 5.70 tallaris higher at 88.55 tallaris per lb. May delivery rose by 4.94 T to 86.74 T. Ashmouni February and May deliveries put on 4.82 T. and 4.46 T. to 68.56 T. and 67.58 T., respectively.

In the spot market, there was a further sharp increase in the price of Ashmouni, grades good and above attracting much attention. Both Karnak and Giza 30 maintained their high levels. The Egyptian Cotton Commission has been selling, by weekly auctions, previous season's stocks of Giza 30. The stocks are being lifted by shippers at high prices. The aggregate quantity of Egyptian cotton exported since the beginning of the season up to the 1st inst. was 417,934 bales (of 730 lbs. each), as against 305,343 bales in the corresponding period of the last season.

Thanks to the firm trend in Egyptian cotton prices, the private holdings of Sudans are commanding continuously rising prices. Reports regarding new crop cotton are very satisfactory. The leading shippers, it is said, have been impressed with the quality and staple length of small samples of S cotton that have arrived in Port Sudan. The Gezira Board has not yet announced the reserve price for the new crop. Traders are, however, somewhat inclined to feel that, should the Board base the prices on those of Egyptian cotton, Sudans would record a sharp rise of 250 to 350 Liverpool points.

At the auctions held upto and including the 7th inst., the Lint Marketing Board sold 120,000

bales of new crop Uganda cotton which fetched steadily good prices. The rise in prices was all round, ranging from 50 to 250 penny points. The largest price increases were obtained for Jinja. Encouraged by these results, the Board recently decided to sell a further quantity of 110,000 bales at auctions to be held every Tuesday and Thursday. The first auction was held on the 9th inst.

Trading in the Liverpool cotton futures market during the week was marked by a notable rise in quotations for Egyptian contracts. New contracts also ruled strong, due to a further widening in the Liverpool Cotton Association's official values for American 1" staples over 15/16" staples. Old contracts were fully steady. The latest available quotations (in pence per lb.) from the Liverpool cotton futures market are given below:

Old contract: March-April 26.00; May-June 24.92; July-August 24.00; new contract May-June 29.95; July-August 28.40; October-November 26.45; December-January 26.05; Egyptian Karnak cotton: March-April 49.15; May-June 48.60; July-August 48.60.

The firm undertone of the New York cotton market continued unabated this week too, reflecting tight supply position, thanks to growing volume of cotton entries into the loan and improved domestic textile sales. The report that the Senate Agricultural Committee had tentatively approved of a farm bill designed to restore rigid 90 per cent. parity price support to basic farm crop and other measures to improve farm prices also imparted considerable strength to the market. Buying support was, therefore, sustained and prices of cotton continued their upward march.

The House Agricultural Sub-committee of the U.S. Congress, it is reported, is now engaged in considering legislation authorising the Commodity Credit Corporation to export at competitive prices such quantities of cotton as would re-establish and maintain for the U.S. its fair share of the world cotton market. This legislation also seems to limit cotton textile imports to 150 per cent. of the 1953-54 average figure. The U.S. Department of Agriculture is, however, understood to be opposed to such mandatory legislation.

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

(In cents per lb.)

	14-2-56	7-2-56	31-1-56
Spot	36.50	35.80	35.45
March	35.75	35.07	34.74
May	35.05	34.60	34.15
July	33.93	33.65	33.65
October	32.20	31.81	31.55

PEPPER IMPROVES

(Messrs. Parekh & Co.)

BOMBAY, 15*th February*

Malabar black pepper, during the week, continued to improve in sympathy with New York, where dealers are reported to have bought some parcels for February shipment at $0.31 and $0.31¼. Alleppey advanced to Rs. 850, the lowest being Rs. 750. Garbled at Cochin were done at Rs. 145, the lowest being Rs. 130. Calicut, after touching the lowest of Rs. 800, has advanced to Rs. 912½ with arrivals declining. Abatement in the pressure of arrivals at this time of the season in the Calicut area is viewed with optimism, as opinion among the trade is veering round the fact that the crop in the area may be less than expected earlier.

As now Indian prices are stabilising at round about the present level, broadening of foreign demand is generally expected, particularly from New York where dealers were reported to be waiting Malabar to reach the bottom before putting in any sizable buying.

March shipment was done up to $0.32½ while April-May-June were traded up to $0.33½.

In the delivery section, prices improved under pressure of short-covering and in sympathy with improved demand in ready.

Following are today's nominal quotations: Ready delivery Rs. 112 (as against Rs. 107 a week ago) per Bengal maund, February Rs. 775-85 (Rs. 740-Rs. 750) and March Rs. 785-95 (Rs. 745-Rs. 755) per candy of 5½ cwts.

MIXED TREND IN YARNS

(From Our Own Correspondent)

BOMBAY, 15*th February*

The yarn market this week presented a mixed trend. Thus, rayon yarn ruled firm, while staple fibre yarns were weak and cotton yarns quietly steady. The firmness in rayon yarns was aided by good demand from consuming centres in the wake of reduced arrivals. The aggregate quantity of rayon yarn imported into Bombay Port during the month of January was not more than 2.65 million lbs., as against 3.55 million lbs. a month before. Staple fibre yarns, however, lacked support, as operators feared that there would be a marked rise in the indigenous production of yarn, following reports regarding the issue of liberal licences for import of staple fibre by the Import Control authorities. Cotton yarns failed to evoke follow-up support, as operators preferred to watch the trend of developments in the raw cotton and piecegoods markets.

Snia rayon yarn (120 dull cones) for April delivery met with buying support and moved up by Rs. 5 to Rs. 824. February delivery hardened by Rs. 3 to Rs. 811. In the spot section, 120 Japan spurted by As. 2 to Rs. 4-8-6. 120 Italy gained an anna to Rs. 4-10. 159 Italy was fully maintained at Rs. 4-0-6. 150 Japan, on the other hand, was a shade easy at Rs. 4-13. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade was throughout steady at Rs. 3-9-6, but 120 Bt. cones 1st grade lost half an anna to Rs. 3-14.

Staple fibre yarns were subjected to considerable selling pressure. New Citys were particularly weak, their quotation sliding down by As. 2-6 to Rs. 4-1-6. Kohinoors dropped As. 2 to Rs. 4-2-3. New Greats receded by 18 pies to Rs. 4-1. Centurys lost a like amount to Rs. 4-1-6.

In the cotton yarn section, 10 counts Elphinstones shed an anna to Rs. 12-7, but Podars rose by an anna to Rs. 13. Moderns were unchanged at Rs. 13-4. Deals in 20s were put through at lower rates, Hinds declining by As. 2 to Rs. 16-8 and Maduras by an anna to Rs. 17-12. Among 30s, Hinds suffered a decrease of As. 2 to Rs. 21-14. Maduras were quiet at Rs. 22-10. Forty count yarns staged a retreat. Centurys climbed down by As. 12 to Rs. 26-12. Minaxis receded by As. 8 to Rs. 27. Sixty count yarns, however, were firm, Maduras rising by As. 8 to Rs. 45-8 and Moderns by As. 4 to Rs. 61. Business in Finlays and Elphinstones, among 80s, was done at Rs. 70 and Rs. 62, respectively, being the same as last week.

The imports—in lbs.—of different kinds of yarn into Bombay Port during January 1956 (figures in brackets relating to previous month's imports) were: Rayon yarn 2,649,713 (3,552,469): staple fibre yarn 14,164 (41,152); staple fibre 1,022,670 (2,057,521); cotton yarn 52,654 (31,577).

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	15-2-1956	8-2-1956	1-2-1956
	Rs. a.	Rs. a.	Rs. a.
Art silk yarn (per case of 200 lbs.)—			
120 Dull Cone Sala February	811 0	808 0	810 0
" April	824 0	819 0	820 0
120 Japan (per lb.)	4 8½	4 6½	4 5
150 Japan (per lb.)	4 14	4 12	3 15
120 Italy (per lb.)	4 1	4 0	4 0½
150 Italy (per lb.)	4 0½	4 0½	4 0½
Staple fibre yarn (per lb.)—			
40×2 New Great	4 1	4 2½	4 2½
40×2 Century	4 1½	4 3	4 1½
40×2 City	4 1½	4 4	4 3½
Cotton yarn (per bundle of 10 lbs.)—			
10s Elphinstone	12 7	12 8	12 4
20s Hind	16 8	16 10	16 1
30s Madura	22 10	22 10	20 4
40s Minaxi	27 0	27 12	26 8
60s Madura	45 8	45 0	44 8
80s Finlay	70 0	70 0	70 0

OILSEEDS GAIN

(From Our Own Correspondent)

BOMBAY, 15*th February*

Prices in the oil and oilseeds market experienced a two-sided movement during the week under review. The groundnut section put on an upward trend in the first few sessions of the week on short covering at the low levels touched at the end of the previous week, induced by limited arrivals of the seed and oil. The subsequent sessions, however, a weak trend set in on renewed reports of a possible increase in the duty on export of groundnut oil. As a result, only a portion of the earlier gains was erased. The castorseed section ruled easy in sympathy with the groundnut section. The linseed section too disclosed a similar trend almost upto the end of the week, when recovery set in on reports of sizable business done in linseed oil with the U.K. at £130 c.i.f. On balance, however, the losses being relatively small, almost all the sections recorded modest gains over the week.

In the groundnut section, Bold ready was enquired early in the week at Rs. 30, as against Rs. 29-8 at the end of the previous week. It advanced gradually to Rs. 30-8 on the 11th inst., but, subsequently, declined by stages to close at Rs. 30-2. February-March delivery changed hands at Rs. 30-2, as against Rs. 29-9, and April-May delivery at Rs. 30-12, as compared with Rs. 30-2. Coromandals disclosed a gain of Re. 1-6 at Rs. 30-10. Khandesh quality improved from Rs. 29-14 to Rs. 30-10 over the week. Groundnut oil ready gathered As. 5 to Rs. 15-9. On the Continent, groundnut oil was enquired at £123 per ton c.i.f. as against £120 a few days back.

Bold ready, in the linseed section, opened the week quiet at Rs. 29. After improving to Rs. 29-14 on the 11th inst., it declined gradually to Rs. 29-12 on the 14th inst. On support at this level, it advanced by As. 4 to close at Rs. 30. February-March delivery changed hands at Rs. 30, as against Rs. 28-4 and April-May delivery at Rs. 29-12, as compared with Rs. 27-12. Small Sutnas gathered Re. 1 to Rs. 28-8. Linseed oil was quoted at Rs. 18-10, as against Rs. 17-12.

May futures delivery, in the castorseed section, changed hands early in the week at Rs. 118-2, as against Rs. 117-12. Fluctuating between Rs. 120-14 and Rs. 116-14, the rate closed finally at Rs. 119-12. Madras quality (ready delivery) put on As. 4 to Rs. 23-4 and Kanpur As. 8 to Rs. 21-8. Castoroil B.S.S. was enquired at Rs. 13-14, as against Rs. 13-12, and Commercial quality at Rs. 13, as compared with Rs. 12-10.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	15-2-1956	8-2-1956	1-2-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	30 10	29 14	31 2
February-March	30 2	29 9	31 0
April-May	30 12	30 2	31 12
Linseed—			
Bold Ready (per cwt.) ..	30 0	29 0	31 4
February-March	30 0	28 4	30 14
April-May	29 12	27 12	30 6
Castorseeds—			
May	119 12	117 12	120 12
Madras (per cwt.)	23 4	23 0	24 6
Groundnut oil—			
Ex-mill Ready (per quarter) ..	15 9	15 4	15 14
Castor Oil—			
Commercial (per quarter) ..	13 0	12 10	13 2
Linseed Oil—			
Ready	18 10	17 12	18 12

SUGAR ADVANCES

(From Our Own Correspondent)

BOMBAY, 15*th February*

The firm trend noted in the sugar market last week continued unabated during the week under review. There were renewed rumours of an upward revision in excise duty on sugar. Even the reported issue of an *ad hoc* release of sugar produced by the mills in the Bombay-Deccan region for sale in free market failed to have any effect. The bull operators lent sustained support to the market and sugar prices, as a consequence, moved up further.

In the spot market, C grade indigenous sugar advanced from Rs. 90-Rs. 95 to Rs. 96-Rs. 98 per bag. A grade rose by Re. 1-Rs. 2 to Rs. 99-Rs. 104. B grade was done at Rs. 95-Rs. 99, as against Rs. 95-Rs. 98, and D grade at Rs. 89-Rs. 94, as against Rs. 90-Rs. 93. British refined sugar was throughout firm at Rs. 84 per 2 cwts. Demand for this sugar from traders and consumers was reported to have broadened considerably of late.

Early in the week, *Fagan* delivery contract for C grade sugar receded from Rs. 93-4 to Rs. 92-14 on rumours regarding the *ad hoc* release. But, later, the contract recovered to Rs. 93-2 on sustained buying by bulls.

Considering the overall satisfactory supply position of indigenous sugar and the prospects of a further rise in production during the current season, sugar traders are somewhat inclined to believe that the spot prices of sugar have reached the saturation point. In their opinion, if the expected upward revision of excise duty does not materialise, sugar prices will collapse to at least the same level which prevailed prior to the hectic rise in recent weeks.

N.B.—The rates for Indian sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

DUST TEAS SOLD WELL

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 10*th February*

A little over 425,000 lbs. were on offer in dust sale "C" which was held on Tuesday 7th February. The sale opened to a strong general demand for all types. Milled dusts and low medium types continued to receive support. Medium dusts sold well at dearer rates and a small quantity of high-grown types advanced by an anna to As. 2. There was a useful demand for clean black Middle East descriptions.

London Market—Sale of 6th February 1956.—Except for best coloury, market irregular and 1d. to 3d. easier.

Sale of 7th February 1956.—Except for best, market declined 3d. to 5d. Medium fannings weakest.

Colombo Market—Sale of 6th February 1956.—Good demand. Black grainy dusts dearer. Off grade fannings and broken mixed firm to dearer. Inferior dusts lower.

Sale of 7th February 1956.—Low-grown brokens 10 cents lower. Medium and high-grown brokens firm to dearer, following quality. Persian Gulf types weaker.

Calcutta Market—Export.—Market opened one anna to As. 2 easier, strengthening later and closed half to one anna easier for commons. Whole leaf As. 2 to As. 3 easier. Good liquoring teas strong and often As. 2 to As. 3 dearer.

Internal.—21,000 dust. Opened strongly, eased towards the close. Clean good liquoring and C.T.Cs. firm. Commonest slightly easier. Leaf 3,500. Fair demand half anna to As. 1½ easier.

Export Quota.—The market has been rather quiet and there are now sellers at 9 pies with no declared buyers.

Forthcoming Auctions.—Dust sale "D" will be held on the 21st February.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"*Sale* 4.—1,175,000 lbs. Strong general demand. Low mediums fully firm. Good mediums irregular, but often As. 2 to As. 4 dearer. Best liquoring about steady. Whole leaf grades less demand."

JUTE GOODS DECLINE

(From Our Own Correspondent)

CALCUTTA, 14*th February*

Although moderate interest was shown in jute goods, and exporters accepted a fair quantity, prices declined, following the publication of figures relating to jute goods stocks with mills as at the end of January. With the unsealing of 2.5 per cent. of the looms as from 10th January and with January being usually a dull month for export of jute goods, and increase in stocks had been anticipated by the trade. However, the actual rise was more than earlier expectations. The total stocks of all constructions was higher by as much as 14,900 tons at 78,400 tons. Sackings at 45,300 tons accounted for the lion's share of the rise, by 10,900 tons. Hessians were higher by 2,100 tons and miscellaneous constructions by 1,900 tons. These spectacular increases in month-end stocks chilled sentiment in the market, which was reflected by quotations falling to low levels. As expected, shipping during January was also unsatisfactory, and figures relating to the same made buyers cautious. Shipments including coastal shipments, of hessians and sacking goods aggregated 53,000 tons, as against 76,000 and 64,000 tons in December and November respectively. During the present month, production would further increase as an additional 5 per cent. of the looms would be unsealed as from 20th February. This was also a reason why buyers were prepared to go slow in covering their requirements. However, Australia, Russia and Burma are showing very good interest in sacking goods, and before long shipments to these countries are expected to show moderate increases. Already, with the visit of the Burmese trade mission to Calcutta, orders for jute goods worth more than Rs. 1 crore have been placed on Calcutta for shipment to Burma in the coming few months. In the near future, the United States is expected to show more interest in hessians. All these factors have made trade circles entertain the hope that the increase in production of jute goods would not affect the prices of goods, and that fluctuations, if any, would prove only temporary. For, Calcutta quotations are much lower than those for jute goods on the Continent.

The lack of proper hedging facilities for raw jute and jute goods is the main cause why the illegal *fatka* has shown signs of revival even after Government's strong measure to wipe it out. Admitted that the *fatka*, as it operates, is harming the two commodities, and fluctuations in the *fatka* have, more often than not, brought instability to prices. The Government long ago accepted the trade demand to set up a futures market which would be on lines similar to those of the East India Cotton Association in Bombay. The matter is now in the hands of the Forward Markets Commission, but it is now years since the *fatka* was banned, and raw jute and jute goods go without hedging facilities. The sooner the Commission finalises a constitution for a futures market and submits it to the Government for acceptance, the better.

The raw jute market was extremely steady, despite the increase in stocks of jute goods. For, stockists were certain that mills, with the programme to step up production were bound to lift raw jute sooner or later. And sure to this belief, mills bought a fair quantity of the fibre during this week. Even the possibility of a shortage in raw jute, before the new crop begins reaching mills, is strongly hinted. Strong conditions continued to prevail in the agencies, and in Cossipore, arrivals registered a moderate increase, although a fair portion of them was inferior jute. For this reason, the large arrivals did not affect prices noticeably; all the same prices were lower by about As. 8 for most constructions, the latest quotations of which, ruling in Calcutta, are given below, as compared with those of a week ago (in brackets):—

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
Northern	35-8 (35-8)	32-8 (33-8)
District	36-0 (36-0)	33-0 (33-0)
Indian:		
Northern	33-8 (34-0)	30-8 (31-0)
Assam Upper ...	33-8 (34-0)	30-8 (31-0)
Assam Lower ...	33-8 (34-0)	30-8 (31-0)
Daissee	34-0 (34-8)	31-0 (31-0)
Murshidabad ...	32-0 (33-0)	29-0 (30-0)
Western	32-0 (33-0)	29-0 (30-0)
Jungli	31-8 (33-0)	28-8 (29-0)
Orissa	34-0 (35-0)	31-0 (32-0)
Uttar Pradesh ...	31-8 (32-0)	28-8 (28-8)
Daissee Mesta ...	31-0 (31-8)	28-0 (28-8)
Bimli f.a.q.	Rs. 28-8	(29-0)
Pucca bale 1st marks ...	Rs. 190-0	(193-8)

Earlier in the week, B. twills recovered to Rs. 115-4 from Rs. 114-4 following *fatka* revival. However, on Thursday there was a drop in the rate to Rs. 114-12, as the big increase in stocks of sacking goods was announced. After this, even the news of the placing of the Burmese order did not change the declining trend, with the result that the rate touched Rs. 114-4 by the week-end and yesterday as low as Rs. 113-10. Forward rates were higher than ready quotations. A similar trend was in evidence in hessians, the 40" 10 oz. of which, after moving to Rs. 41-2 from Rs. 40-12, gave way to Rs. 40-12 by the week-end. Yesterday, in accord with the general dullness, the rate gave way to Rs. 40-10 with the 8 oz. quoting lower at Rs. 33-4.

HEAVY WITHDRAWALS IN TEA EXPORT SALE

(From Our Own Correspondent)

CALCUTTA, 14*th February*

Prices during yesterday's export sale eased noticeably. Demand was less and there were heavy withdrawals. Offerings amounted to 61,000 chests. Although fannings were in good demand, prices eased by ½ to 1 anna in consonance with the general trend. Black fannings, the offered quantity of which was small, on the other hand, were fractionally better. Medium Assam B.O.Ps. lost by 1 to 1½ annas, medium brokens by 1 anna, and commonest and common brokens by an anna to As. 2. Among C.T.C. Assams, the best teas were in good form, but the plainer liquoring teas joining the general trend gave way by an anna to As. 1½. Among Darjeelings, the flavoury lots received support, but here again the plain liquorings suffered a decline. The whole leaf grades were irregularly supported. The quotations were: best C.T.C. Assam B.P. Rs. 2-5 to Rs. 2-6, clean black pekoe Re. 1-11 to Re. 1-12, medium Assam B.P. Re. 1-8-6 to Re. 1-9, and plain B.P. Re. 1-5-6 to Re. 1-6.

From 11 pies last week, export quota right lost to 8 pies with buyers supporting 7 pies only. However, there was steadiness at the lower rate.

Demand was fair during last week's sale for domestic consumption, but conditions were mixed. Dusts offered aggregated 24,800 chests. Good support was given to black clean leaf teas possessing bright colours while prices of plainer fannings with thin liquors eased by half to 1 anna. Among C.T.C. teas, the best liquorings were well supported but the poorer teas gave way by half to 1 anna. Although black leaf teas suitable for Middle East consumption were in good demand, prices were lower. The quotations were: best Assam C.T.C. Rs. 2-4 to Rs. 2-6, medium Assam grainy dust Re. 1-8-6, and medium Dooars Re. 1-7.

Leaf teas offered aggregated 3,300 chests. Demand was lower and prices eased by an anna to As. 1½.

FOODGRAINS QUIET TO STEADY

(From Our Own Correspondent)

HAPUR, 13*th February*

The foodgrains market ruled quiet to steady during the major part of the week. Prices recorded some gains in the week-end on fresh buying enquiry of wheat from Bihar. The Government of India is liberally selling wheat from its godowns in different deficit centres and, in order to strengthen the stock position further, imports from abroad have been expedited. During the month of March, wheat imports into India will amount to 42,000 tons. With these imports, the total wheat imported during February and March will come to over 71,000 tons.

Wheat prices, which had touched the lowest level at Rs. 14-2 per maund for average quality and at Rs. 13-9 for *khati*, recovered towards the week-end to Rs. 14-8 and Rs. 14, respectively. The week's offtake aggregated 8 *khaties*, leaving the stock position at 33 *khaties*, as against 17 *khaties* at this time last year. Rice prices ruled quietly steady, the current prices being *basmati* Rs. 24 to Rs. 31-8, *rangooni* Rs. 14-8 and coarse Rs. 13 per maund.

Gram prices ruled quiet, in the absence of fresh driving force. Stock position was unchanged at 12 *khaties*. Falling seasonal demand accounted for a some decline in the prices of maize and barley, while those of other coarse grains were unchanged. The current prices were: Gram Rs. 9-12 to Rs. 10-2, barley Rs. 10-2, *bejhar* Rs. 9-12, maize Rs. 10-6, *bajra* Rs. 8-10, jowar Rs. 10-12 and *guwar* Rs. 8-8 per maund.

Arhar prices continued to drift lower, on week advices from Madhya Pradesh where arrivals of new crop were in full swing and some quantity of *arhar* was being brought into U.P. from that centre. *Arhar* ready was quoted at Rs. 10-8 per maund, as against Rs. 11 last week-end. Stocks are put at 5 *khaties* only. Peas, however, tended to harden, thanks to fast decreasing stock due to some outside buying enquiry. It was transacted at Rs. 8-12 per maund for *dara* quality and at Rs. 9-8 for white quality. Other pulses ruled quiet, prices remaining unchanged. The standing crop of *arhar* and peas are now suffering for want of rains.

While *urd* futures further declined during the week, other pulses futures ruled quietly steady. The latest prices as on Monday were: Peas *jeth* Rs. 7-12, peas white *jeth* Rs. 8-4-3, *maha* Rs. 9-10, *arhar jeth* Rs. 9-1-6, *urd magh* Rs. 14-3 and *baisakh* Rs. 14-11-6.

SUGAR IMPROVES

(From Our Own Correspondent)

HAPUR, 13*th February*

Prices of indigenous sugar recorded an improvement during the week, under the impetus of persistent rumours of an increase in excise duty on sugar. Some demand was also visible for new quality sugar, the quota of which was released last week. The prices of old quality sugar, however, eased by As. 4 per maund. Crushing operations are in full swing and, due to depressed conditions in ready *gur* prices, it is expected that the production of sugar will increase and may surpass last year's record level.

The latest mill delivery prices of sugar are: Jaswant Rs. 28-8, Simbhauli Rs. 28-12, Mowana Rs. 29, Daurala Rs. 29, Amroha Rs. 28-4, Bijnore Rs. 28-6, Mansoorpur Rs. 29-8 to Rs. 30, Rampur Rs. 32-4; retail Rs. 31 per maund. *Khandsari* prices, however, ruled quiet, current rates being Rs. 22 to Rs. 26-8 per maund, according to quality.

Restricted loading facilities were responsible for an early fall in the ready *gur* price to Rs. 10 per maund. The price recovered towards the week-end to Rs. 10-12. The recovery was due to the reported decision of the State Government to extend its price support policy to *gur* prices also, if prices tend to fall below Rs. 10-4 per maund. Arrivals during the week were moderate, being estimated at 16,000 maunds and the stock locally was 75,000 maunds. There was a small offtake in sugar during the week by the Punjab and Rajasthan interests.

Gur futures moved both ways during the week on heavy bouts of speculative selling and buying. Opening at Rs. 11-1-3, *phagun* delivery, declined to the lowest at Rs. 10-4 and, after recovering to Rs. 11-6, was quoted today at Rs. 10-15. *Baisakh* delivery was quoted at Rs. 11-13-3.

HIDES QUIET

(From Our Own Correspondent)

KANPUR, 12*th February*

The hides and skins market ruled rather quiet during the week under review. There were no violent fluctuations. The new arrivals were, however, reported absorbed easily. Cooper Allens were specially interested in the upper grades of cow and buff. The Madras dealers were lukewarm. The main purchasers were the local tanners.

The latest available quotations are: Wet salted cow 1st grade Rs. 360 to Rs. 400, 2nd grade Rs. 300 to Rs. 320, and 3rd grade Rs. 140 to Rs. 250 per score; wet salted buff 1st grade 1 lb. 12 ozs. and 2nd grade 1 lb. 14 ozs. to 2 lbs. per rupee; goat 1st grade Rs. 300 and 2nd grade Rs. 225 per 100 pieces; and sheep 1st grade Rs. 325 and 2nd grade Rs. 180 to Rs. 190 per 100 pieces.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, 13*th February*

Firmer conditions have been maintained in the linseed market during the week after a weaker opening. Prices have registered a further advance. Firm conditions rule upcountry and despatches have been very scarce. Despite good enquiries from crushers for all positions, turnover has been small. Prices in the oil section have improved, following a slight rise in foreign markets. Trading, however, has been rather small, owing to the uncertainty regarding export duty on linseed oil.

Latest available quotations are February-March Rs. 23-8 and April-May Rs. 20-12 per maund.

PHYSICAL PLANNING AND FINANCIAL PLANNING—I

(*Concluded from page* 288)

"social cost" must include not only the actual cost but also the expenditure incurred by the State on capital construction (which is for the future benefit of society) and on various social and cultural activities of the State. If the number of people employed in the production of means of production and in various services including health and education, grew faster than the number of people employed to produce consumer goods, then the margin between the immediate cost of the community and their social cost must be greater. In other words, the turnover tax must be greater. The turnover tax is just like our sales tax. But the difference is that, while sales tax is half anna or one anna in a rupee, the turnover tax could be so high as sometimes to raise the retail price of an article several times higher than the cost of production and distribution. This turnover tax gave a high degree of flexibility to financial resources and made planning free from the limitations of finance.

Bank Credit

The other major source of finance in Russia was bank credit. The State Bank gave short-term credit to projects, enterprises and institutions according to approved plans for each of them. For long-term credit, there were four specialised banks. The Industrial Bank was entrusted with the task of financing the construction of industrial enterprises. The agricultural Bank financed capital investment in State and collective farms. The Commercial Bank met the long-term credit needs of State and co-operative trading organisations. The Central Municipal Bank financed housing, cultural and welfare construction like schools, hospitals and clubs. In this way, projects and enterprises planned on the basis of availability of physical resources were automatically financed either from the State budget (predominantly from the proceeds of the turnover tax) or from bank credit.

Can we adopt these measures in order to make possible a physical approach to planning? The relative merits of the two measures used in Russia may be examined. Both have the inflationary effect, but the inflation caused by the turnover tax affects essential commodities more or less equally with the non-essential commodities. If only small sums are to be raised from the turnover tax, it can be levied on non-essential and luxury goods. But when huge amounts are to be collected, this tax has to be imposed on articles of mass consumption. Credit expansion also leads to inflation but that inflation can be made to spare essential commodities through controls. As against this, credit expansion has the disadvantage over the turnover tax, in that the inflation created by the latter is controlled inflation. Turnover tax had another principal advantage in the completely socialised economy of Russia: it served as a useful means of keeping control over the accounts and efficiency of individual enterprises. But, in a democratic country, where the bulk of the production comes from scattered unorganised producers, there is the difficulty of its levy and the possibility of widespread evasions, apart from the popular resentment it may create for its incidence on essential commodities.

If in India, the rate of savings is not to determine but is to be determined by the rate of investment, both the instruments of turnover tax (or some variant of it) and bank credit will have to be used, the latter to a much larger extent than the former. Much has been said in this country against the risks involved in large-scale credit expansion (including deficit finance, which is nothing but Government borrowings from the Reserve Bank). Those who counsel a strictly limited use of it lose sight of the meagre scale of economic development that is possible without it. As already stated, even if the second Plan is fulfilled 100 per cent. and the entire investment programme of Rs. 6,100 crores, including Rs. 1,200 crores of deficit finance is put through, it will result in an increment of 10 annas in the average monthly earnings of the people. Fortunately, the example of Russia is before us; otherwise, those suggesting a much higher rate of investment based on the availability of physical resources, would have been considered cranks.

(*To be continued*)

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	5
Bolivia	20th Sept., 1950	5	6
Canada	19th Nov., 1955	2½	2¾
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4
Colombia	18th July, 1933	5	5
Costa Rica	1st April, 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mex'co	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pak'stan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	10th April, 1955	2½	3
Switzerland	26th Dec., 1936	4	1½
Turkey	28th June, 1955	3	4½
United Kingdom	24th Feb., 1955	3½	4
U.S.S.R.	1st July, 1936	4	4
U.S.A.	18th Nov., 1955	2½	2½
West Germany	4th Aug., 1955	3	3½

CLEARING HOUSE RETURNS

Centre	Week ended 10th February, 1956		Week ended 3rd Febuary 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,91,507	68,67,17,000	3,03,402	74,96,05,000
Calcutta	2,03,131	68,18,13,458	2,41,606	81,79,55,898
Madras	93,009	9,19,61,224	91,009	9,85,58,850
All Centres—				
1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Oct., 1955	..	..	2,889,000	6,16,32,00,000
Nov., ,,	..	..	3,116,000	6,73,96,00,000
Dec., ,,	..	..	3,267,000	7,23,52,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 10th Feb., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	10,00,00,000
National Agricultural Credit (Stabilisation) Fund	....
Deposits:—	
(a) Government—	
(1) Central Government	60,54,78,000
(2) Other Governments	11,00,36,000
(b) Banks	53,01,16,000
(c) Others	15,92,94,000
Bills Payable	18,97,03,000
Other Liabilities	24,39,30,000
Rupees	208,85,57,000

ASSETS	Rs.
Notes	7,31,47,000
Rupee Coin	8,21,000
Subsidiary Coin	4,75,000
Bills Purchased and Discounted—	
(a) Internal	45,50,000
(b) External	....
(c) Government Treasury Bills	3,52,42,000
Balances held abroad*	71,06,45,000
Loans and Advances to Governments	3,99,00,000
Other Loans and Advances	54,36,36,000
Investments	49,75,51,000
Other Assets	13,55,00,000
Rupees	208,85,57,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 19,40,50,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 13,78,50,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,31,47,000	
Notes in circulation	1407,64,97,000	
Total Notes issued		1414,96,44,000
Total Liabilities		1414,96,44,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	667,15,97,000	
Total of A		707,17,68,000
B. Rupee Coin		104,55,84,000
Government of India Rupee Securities		603,22,92,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1414,96,44,000

Ratio of Total of A to Liabilities: 49.978 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 3rd Feb., 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	6,88,18,000
(ii) Other demand liabilities	628,87,50,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	3,55,50,000
(ii) Other time liabilities	408,74,89,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	13,73,42,000
(ii) Time liabilities	
4. Cash in India	24,65,53,000
5. Balances with the Reserve Bank in India	63,21,66,000
6. Balances with other banks in current account in India	11,20,38,000
7. Money at call and short notice in India	8,89,80,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	280,45,40,000
9. Advances in India	546,06,32,000
10. Inland Bills purchased and discounted in India	88,56,78,000
11. Foreign Bills purchased and discounted in India	48,41,18,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	14th February 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5/32	1-5/32
Sellers T.T. D.D. upto six months	1-5/32	1-5/32
Buyers T.T. spot to nine months	1-6/32	1-6/32
Buyers T.T. 10 to 12 months	1-6/32	1-6/32
Bombay on New York—		
Sellers T.T. D.D.	477½	477½
Buyers T.T.	473	473
London on New York	2.80½-2.80½	2.80½-2.80½
London on Paris	985	985
London on Berne	12.24-12.27½	12.24½-12.24½
New York on London	2.80½-2.80½	2.80½-2.80½

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'53-'54	373.37	..	..	10,600	284
Pakistan	'53-'54	78.81	..	..	1,931	245
Burma	1954	19.24	Kyats	3,905	390	204
Ceylon	1954	8.38	..	..	477	569
Japan	1954	88.20	Y.	6,148,000	8,133	922
Philippines	1954	21.44	Ps.	7,438	1,770	825
New Zealand	1954	2.09	£ (N.Z.)	802	1,070	5,119
Australia	1954	8.99	£ (A)	3,957	4,220	4,694
U.K.	1954	50.78	£	15,718	20,950	4,100
U.S.A.	1954	162.41	$	300,000	144,423	9,016
Canada	1954	15.20	$	18,751	9,100	6,046
France	1953	42.86	N.Fr.	10,470,000	16,420	3,864
W. Germany	1953	48.99	Dm.	103,000	11,705	2,389
Italy	1953	48.07	Lr.	8,967,000	6,832	1,421
Norway	1954	3.39	Kr.	16,424	1,230	3,638
Sweden	1953	7.17	Kr.	30,957	3,422	4,772
Netherlands	1953	10.49	Grs.	19,360	2,451	2,336
Denmark	1953	4.37	Kr.	22,915	1,580	3,616
Switzerland	1953	4.88	Sw.Fr.	20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, Dec., 1955.

† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 3rd Feb., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	19,78,38,000
(b) Provincial Governments	50,62,000
(c) Banks	11,60,78,000
(d) Others	20,78,07,000
Bills Payable	8,58,000
Other Liabilities	7,44,01,000
Rupees	66,20,44,000

ASSETS	Rs.
Notes	4,36,04,000
Rupee Coin	8,000
Subsidiary Coin	10,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	16,43,000
(c) Government Treasury Bills	2,42,00,000
Provincial Governments' Debtor Balances	2,72,96,000
Loans and Advances to Governments	20,02,90,000
Other Loans and Advances	25,82,83,000
Investments	10,67,01,000
Other Assets	....
Rupees	66,20,44,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	4,36,04,000	
Notes in circulation	291,51,45,000	
Total Notes issued	....	295,87,49,000
Total Liabilities	....	295,87,49,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion	....	
Sterling Securities	80,00,28,000	
Government of India Securities	26,53,67,000	
Indian Notes representing assets receivable from the Reserve Bank of India	43,11,31,000	160,85,34,000
B. Rupee Coin	6,68,83,000	
Government of Pakistan Securities	122,43,26,000	
Internal bills of exchange and other commercial paper	....	129,12,09,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	295,87,49,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 56.26 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	3rd Feb., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,392.37	1,379.07	1,385.71	1,231.83
Notes held in Banking Department	35.05	8.46	22.97	11.60	12.79
Foreign Securities	59.50	652.16	667.07	691.91	663.15
Rupee Securities	37.39	603 27	588.37	558.55	437.63
Banking Department					
Deposits of:					
Government of India	14.89	52.88	54.32	54.11	48.84
Other Governments	..	14.40	18.47	9.73	19.36
Balances held abroad	10.08	81.41	67.05	43.40	71.72
SCHEDULED BANKS					
Demand Liabilities	134.36	635.76	648.88	614.63	581.99
		(6.88)†	(6.45)†	(5.06)†	(10.22)†
Time Liabilities	102.24	412.39	409.86	413.33	369.17
		(3.56)†	(3.31)†	(3.17)†	(2.56)†
Borrowings from Reserve Bank	..	34.79	29.37	29.84	9.53
		(18.38)‡	(17.70)‡	(14.62)‡	(4.59)‡
Borrowings from State Bank	..	13.73	11.56	9.84	5.96
Cash in India	6.70	34.66	37.32	38.27	32.77
Balances with Reserve Bank	25.17	63.22	62.04	50.48	54.97
Excess over statutory limits	15.52	23.19	21.40	11.49	18.49
Balances with other banks in current account in India	..	11.20	10.80	11.53	10.25
Money at call and short notice in India	..	8.90	9.45	8.35	17.69
Investments (at book value)	..	380.45	381.77	382.93	354.47
Advances and bills	105.09	683.04	677.60	652.00	569.92
STATE BANK					
Deposits	87.76	236.68	238.42	223.80	232.10
Investments	51.99	116.91	116.12	116.64	112.51
Advances	30.35	117.71	114.47	109.62	109.66
Cash	14.69	29.58	32.04	17.97	25.85

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	November,		Eight months, April to Nov.,	
	1954	1955	1954	1955
Import Duties †	12.42	9.90	79.28	74.41
Revenue	0.78	0.87	5.10	6.59
Protective	..	..	0.12	0.07
On surplus disposals	13.20	10.77	84.50	81.07
Total Import duties	2.20	2.76	22.26	24.48
Export Duties	0.23	0.20	1.27	0.69
Land Customs	0.07	0.06	0.72	0.48
Miscellaneous	18.70	13.79	109.75	106.72
Gross total customs	0.17	0.20	0.90	1.75
Refunds and drawbacks	18.53	13.59	107.85	104.97
Net Customs	8.73	11.67	66.02	96.63
Gross excise	0.20	0.17	1.19	3.03
Refunds	8.53	11.50	65.73	93.60
Net Excise				
Net total of customs and excise†	27.06	25.09	173.58	198.57

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 10th Feb., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,35,00,000
Deposits and Other Accounts		235,59,88,000
Borrowings from Other Banking Companies, Agents, etc.		95,00,000
Bills Payable		7,62,01,000
Bills for Collection being Bills Receivable as per contra		65,66,000
Acceptances, Endorsements and Other Obligations per contra		18,30,000
Other Liabilities (including Inter-Office Adjustments)		5,87,36,000
Total .. Rs.		262,86,31,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		17,37,41,000
Balances with other Banks		3,95,63,000
Money at Call and Short Notice		1,33,33,000
INVESTMENTS:		
Government and other Trustee Securities	106,77,23,000	
Other Authorised Investments	9,59,65,000	
		116,36,88,000
ADVANCES:		
Loans Cash Credits, Overdrafts, etc.	88,84,08,000	
Bills Discounted and Purchased	31,09,87,000	
		119,43,95,000
Bills Receivable being Bills for Collection as per contra		65,66,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		18,30,000
Premises less Depreciation		1,15,58,000
Furniture and Fixtures less Depreciation		48,26,000
Other Assets (including Inter-Office Adjustments)		1,91,31,000
Total .. Rs.		262,86,31,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS‖

	National Savings Certificates 5-Year† Outstandings*	5-Year† Receipts	7-Year Outstandings*	7-Year Receipts	12-Year Outstandings*	12-Year Receipts	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings*	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates Receipts	2½% Ten-year Treasury Savings Deposit Certificates Outstandings*	10-Year National Plan Certificates‡ Receipts	10-Year National Plan Certificates‡ Outstandings*	15-Year Annuity Certificates§ Receipts	15-Year Annuity Certificates§ Outstandings*
1952-53	6.83	65	3.26	23.66	84.17	1,18.35	92.09	— 31.07	7.55	25.54	..	..	..	..	..
1953-54	5.51	1.50	4.28	26.54	1,04.83	1,17.37	1,06.29	— 34.19	6.94	32.11	..	..	..	..	..
1954-55	4.70	1.62	4.99	27.26	1,24.04	1,33.75	1,30.57	— 36.36	5.57	37.15	7.40E	7.88	55‡‡	54	..
November 1954	5.06	12	4.64	2.25	1,16.76	10.24	1,16.31	— 35.88	37	35.84	56	5.23	6	54	..
December ,, ,,	4.96	11	4.68	2.34	1,18.40	11.36	1,15.56	— 35.36	40	35.98	57	5.79	6	39	..
January, 1955	4.88	14	4.76	2.48	1,20.28	10.51	1,20.10	— 36.02	43	36.37	54	6.33	6	45	..
February ,, ,,	4.81	12	4.79	2.27	1,21.88	11.18	1,22.28	— 36.18	46	36.74	48	6.81	5	50	..
March ,, ,,	4.70	26	4.90	3.41	1,24.04	18.51	1,30.57	— 36.36	47	37.15	58	7.88	4	54	..
April ,, ,,	4.60	11	5.00	2.56	1,26.45	12.41	1,23.91	— 36.51	45	37.55	48	7.56	4	58	..
May ,, ,,	4.52	86	5.24	2.01	1,27.93	11.82	1,24.08	— 36.65	41	37.89	66	8.51	5	61	..
June ,, ,,	4.44	18	5.12	2.09	1,29.49	12.26	1,25.23	— 36.86	41	38.22	84	9.33	5	65	..
July ,, ,,	4.36	12	5.15	2.27	1,31.28	12.80	1,40.28	— 36.97	39	38.57	91	10.20	4	69	..
August ,, ,,	4.29	13	5.17	2.09	1,32.82	12.25	1,43.50	— 37.12	44	39.23	94	11.00	4	73	..
September ,, ,,	4.21	13	5.21	2.54	1,34.88	13.39	1,46.60	— 37.12	44	39.23	94	11.80	4	75	..
October ,, ,,	4.14	10	5.21	2.10	1,36.57	11.25	1,48.68	— 38.24	46	39.86	80	12.49	5	80	..
November ,, ,,	4.07	10	5.21	1.96	1,37.87	11.24	1,50.10	— 38.35	43	40.05	83	13.21	5	85	..
December ,, ,,									36	40.24					

* At the end of period.

† Issued from 1st June, 1948 to 30th June, 1953.

‡ From July, 1954.

@ Outstandings do not include Indian Union's share of the pre-partition liabilities from the pre-partition holdings of Indian investors.

‖ Progressive net repayments at the end of period from 15th August 1947.

‡‡ Issued from 10th May, 1954.

E-Relating to eleven months from May, 1954.

‡‡ Relating to nine months from July, 1954.

§ Relating to twelve months from Dec., 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 5-2-'55	7-1-'56	28-1-'56	4-2-'56
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.6	91.1	91.1	91.2
1. Government of India	90.5	91.0	91.0	91.0
2. Indian States	96.1	96.5	96.5	96.6
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	101.1	101.1	101.1
1. Electricity	102.1	102.6	102.6	102.6
2. Jute	98.8	97.6	97.6	97.6
3. Plantations	99.8	99.1	99.1	99.1
4. Sugar	99.3	99.0	99.0	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.8	100.9	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.3
8. Others	100.8	101.0	101.0	101.0
PREFERENCE SHARES	88.3	87.1	87.0	87.0
1. Electricity	97.1	94.7	94.7	94.7
2. Cotton	78.8	80.0	79.8	80.3
3. Jute	85.0	86.8	86.6	86.8
4. Coal	91.6	90.7	90.5	90.5
5. Iron and Steel	89.4	89.3	88.4	87.9
6. Sugar	84.2	85.5	85.5	85.5
7. Paper	90.4	86.4	86.5	86.5
8. Plantations	97.5	102.3	101.2	101.2
9. Miscellaneous	87.5	84.7	84.5	84.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	115.4	128.8	123.6	121.9
(a) Financial	89.7	94.0	92.4	90.6
1. Banks	86.4	93.0	91.8	90.1
2. Insurance	99.8	98.3	95.3	91.7
3. Investment Trust	94.6	97.0	95.1	94.9
(b) Public Utilities	115.6	117.2	115.4	114.0
1. Electricity	124.7	121.4	120.1	119.3
2. Shipping and other Transport	102.0	114.2	110.6	107.5
3. Railways	87.5	92.0	92.3	92.3
(c) Manufacturing Industries	118.1	135.9	132.0	130.0
1. Cotton, Woollen and Silk	105.0	123.1	124.4	122.6
2. Jute	97.4	91.6	90.7	90.4
3. Iron and Steel	141.6	159.0	149.4	144.5
4. Paper	215.7	289.8	288.5	285.0
5. Cement	143.4	176.8	173.0	168.5
6. General Engineering	202.8	201.3	201.7	198.9
7. Sugar and Breweries	106.4	109.5	107.4	106.7
8. Chemicals	138.6	155.1	151.6	149.2
(d) Non-Manufacturing Industries	158.1	164.0	161.2	159.4
1. Coal	81.2	84.5	85.6	85.3
2. Mining and Oil	193.5	257.7	253.8	248.5
3. Plantations	189.2	173.1	168.5	167.3
(e) Miscellaneous	98.6	107.4	103.9	102.7
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES				
1. Bombay	90.1	90.6	90.6	90.7
2. Calcutta	90.5	91.1	91.1	91.1
3. Madras	90.9	91.4	91.4	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.2	100.2	100.2	100.2
2. Calcutta	101.4	101.9	101.9	101.9
3. Madras	100.5	100.1	100.1	100.1
PREFERENCE SHARES:				
1. Bombay	91.3	90.0	90.0	89.7
2. Calcutta	95.3	93.1	93.1	93.2
3. Madras	94.2	98.1	96.7	96.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	118.8	132.4	126.8	123.8
2. Calcutta	109.4	116.9	115.8	115.3
3. Madras	111.6	124.2	121.4	119.7
4. Delhi	114.3	138.1	131.0	127.3

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost.
1951	1,071	661,321	2,213,928
1952	963	809,241	3,336,961
1953	773	456,807	2,382,806
1954	840	477,138	2,372,630
October 1953	101	80,211	408,116
November ,, ,,	88	41,481	245,211
December ,, ,,	81	40,780	475,252
January 1954	84	51,973	225,514
February ,, ,,	86	41,251	244,256
March ,, ,,	91	54,322	231,419
April ,, ,,	101	34,983	207,247
May ,, ,,	90	40,073	216,042
June ,, ,,	83	51,589	205,078
July ,, ,,	122	80,189	277,492
August ,, ,,	79	51,090	228,587
September ,, ,,	97	50,414	343,575
October ,, ,,	86	41,734	276,294
November ,, ,,	88	25,115	230,701
December ,, ,,	101	54,455	262,763
January 1955†	95	49,088	322,307
February ,, ,,	91	38,270	144,328
March ,, ,,	112	70,042	534,695
April* ,, ,,	99	39,515	305,553
May* ,, ,,	119	56,064	335,415
June* ,, ,,	154	85,178	1,035,704
July* ,, ,,	108	57,709	551,153
August* ,, ,,	233	90,250	518,961
September* ,, ,,	249	91,843	567,332
October ,, ,,	113	24,496 (a)	135,066 (b)

† Figures for 1955 are provisional. * Revised.

(a) Not known in one case. (b) Not known in 5 cases.

§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,201.4	5,124.2
1953-54	643	6,976.8	5,972.7
1954-55	666	7,760.9	6,619.5
September 1954	669	647.6	553.5
October ,, ,,	669	686.5	611.6
November ,, ,,	674	656.5	564.6
December ,, ,,	679	685.5	585.9
January 1955	684	688.5	545.2
February ,, ,,	685	626.7	521.5
March ,, ,,	686	686.7	588.3
April	690	661.1	562.9
May ,, ,,	691	702.6	589.2
June ,, ,,	691	676.8	576.1
July ,, ,,	709	734.5	592.2
August ,, ,,	707	705.9	574.4
September ,, ,,	707	719.5	587.1
October ,, ,,	716	720.7	601.9

*Excluding railways, mines and factories owned by Defence, Chota Power Schemes, Industries employing less than 10 and Power Houses, the loads of which are less than 100 kW. ‡ Provisional figures. § Not available.

† Provisional

‡ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	28th Jan., 1956	21st Jan., 1956	29th Jan., 1955	December 1955	December, 1954	Percentage of increase (+) or decrease (—) in Dec., 1955 as compared with Dec., 1954	Annual Average 1955	Annual Average 1954
Food Articles	333.7	333.6	302.5	323.7	318.0	+ 1.8	304.5	358.3
Cereals	398	397	336	385	364	+ 5.8	356	404
Pulses	356	370	346	345	256	+46.2	259	318
Other	240	238	264	234	268	—12.3	241	298
Industrial Raw Materials	457.3	452.0	427.6	438.3	436.3	+ 0.5	411.1	447.1
Fibres	454	450	478	440	468	— 6.0	431	444
Oil seeds	474*	457	360	431	391	+10.2	370	468
Minerals	433	447	389	434	417	+ 4.1	420	429
Others	449*	453*	481	462	442	+ 4.5	444	410
Semi-Manufactures	347.6	354.4	342 0	346.8	374.4	— 0.2	333.3	355.4
Leather	335	424	387	400	381	+ 5.0	373	377
Mineral oils	202	202	221	202	221	— 8.6	211	221
Vegetable oils	426	424*	402	414	411	— 0.7	374	454
Cotton yarn	436	434	445	424	453	— 6.4	423	454
Metals	280	280	240	279	240	+16.3	254	229
Oil cakes	372	394*	301*	355	373	— 4.8	320	416
Others	330	330	334	330	318	+ 3.8	330	305
Manufactured Articles	374.9	374.4	376.5	373.0	375.1	— 0.6	373.4	376.5
Textiles	408	407	421	405	418	— 3.1	411	438
Jute	457	412	464	455	451	+ 0.9	430	388
Cotton	403*	403*	411*	399*	412*	— 3.2	405*	413*
Rayon and Silk	436*	436*	464*	436*	447*	+ 8.7	476*	458*
Woollen	278	278	310	278	310	— 9.7	292	311
Metal products	371	371	340	371	340	+ 9.1	351	339
Others	285	285	284	284	285	— 0.4	286	286
Miscellaneous	536.2	536.0	571.8	544.2	579.7	— 6.1	555.1	546.8
All Commodities	375.3	375.6	360 0	368.4	368.8	0.2	358.1	386.7

R—Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

Year ended August, 1939=100

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw cotton	Raw jute	Groundnut	Linseed	Coal‡	Jute manufactures	Cotton manufactures†	Iron and steel
1954	

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop	Forecast	Unit	Acreage 1954–55	Acreage 1953–54	Outturn 1954–55	Outturn 1953–54
Rice	2nd	tons	72,332†	60 456*	28,775†	22,126*
Wheat	final	,,	26,842	26,310	8,539	7,573
Jowar	final	,,	43,456	43,657	9,992	7,913
Bajra	final	,,	27,350	30,094	3,555	4,459
Barley	final	,,	7,999	8,721	2,786	2,904
Maize	final	,,	9,325	9,360	2,944	2,964
Ragi	final	,,	5,747	5,714	1,778	1,819
Small millets	final	,,	13,680	13,979	2,424	2,427
Total cereals	final	tons	208,823	214,867	55,827	57,920
Kharif	final	,,	173,982	179 836	44,002	47,143
Rabi	final	,,	34,841	35,031	11,825	10 777
Kharif pulses@	final	tons	14,935	15,192	1,497	1,543
Rabi pulses†	final	,,	10,498	11,214	1,977	2,089
Total pulses	final	,,	54,004	55,715	10,474	10,458
Tur	final	,,	5,944	5,931	1,661	1,627
Gram	final	,,	20,991	19,754	5,125	4,775
Jute	final	bales	1,581†	1,243*	4,187†	2,928*
Cotton	final	,,	18 346	17,192	4,298	3,965
Sugarcane	2nd	tons	3,930†	3,718*	5,079†	4,858*
Groundnut	final	tons	12,647	10,869	3,823	3,573
Linseed	final	,,	3,290	3,350	398	374
Castorseed	final	,,	1,373	1,373	112	108
Rape and Mustard seed	final	,,	5,665	5,534	962	855
Sesamum	final	,,	6,460	6,346	592	552
Total Oilseeds	final	,,	29,335	27,482	5,877	5 402
Tobacco	final	tons	860	912	248	263
Black pepper	final	,,	208	208	26	24
Ginger	final	,,	44	45	13	14
Dry chillies	final	,,	1.472	1,326	356	297
Potato	final	,,	665	635	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
@ Excludes Tur. ‡ Excludes Gram and Tur.
† Refers to 1955-56. * Refers to 1954-55.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During January, 1956	88.9
	Corresponding month, 1955	83 9
	Seven months ended Jan., 1956	608.3
	Corresponding period, 1955	579 4
Stocks	At the end of January, 1956	78 4
	Corresponding month, 1955	76 4
		(In 000 bags)
Exports (Jute Bags)	Week ended 24th Dec., 1955	3,243
	Corresponding week, 1954	5,196
	From 1st Jan., to 24th Dec., 1955	483,226
	Corresponding period, 1954	449,177
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 24th Dec., 1955	6,406
	Corresponding week, 1954	6,406
	From 1st Jan., to 24th Dec., 1955	1,329,946
	Corresponding period, 1954	1,393,001
	RAW JUTE	(In lakh bales.
Consumption by Mills†	January, 1956 (in lakh bales)	5.15
	Corresponding month 1955	4.86
	Seven months ended Jan., 1956	35.23
	Corresponding period, 1955	33.60

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION

In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,600
Do. 31st March, 1954	11,54,000	10,70,300	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,300
Ten months ended Jan., 1956	9,56,100	8,76,400	6,60,200
August 1954	96,700	90,400	67,100
September ,,	86,300	82,400	63,300
October ,,	96,500	89,200	68,500
November ,,	93,900	90,500	68,000
December ,,	1,05,600	95,000	73,800
January 1955	1,02,500	95,800	72,200
August ,,	92,500	83,900	63,700
September ,,	95,300	87,500	65,700
October ,,	91,700	83,800	64,500
November ,,	91,900	86,200	63,400
December ,,	1,03,900	97,500	72,300
January 1956	1,03,900	96,800	71,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	5,80,020	5,49,930	2,92,440
Do. 31st March, 1955	7,15,949	5,82,240	4 59,093
Three months ended Dec., 1953	1,81,680	1,15,300	1,05,940
,, ,, ,, Mar., 1954	1,87,750	1,28,610	1,16,940
,, ,, ,, June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, S-pt., 1954	1,80,018	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,88,058	1 36,801	1,20,516
,, ,, ,, Mar., 1955	1,65,103	1,43,328	1,18 136
,, ,, ,, June, 1955	1,85,606	1,34,333	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,630	1 08 714
,, ,, ,, Dec., 1955	1,60 750	1 24 696	1 05,752

OVERALL BALANCE OF TRADE OF INDIA

November, 1955†

Particulars	November, 1954 (Rs. lakhs)	November, 1955 (Rs. lakhs)	Eight months, April to Nov., 1954 (Rs. lakhs)	Eight months, April to Nov., 1955 (Rs. lakhs)
1. Trade in merchandise—				
(a) Exports	65,19	48,81	366.70	385,45
b) Re-exports	37	39	3.47	3.51
Less—Transit trade	3	..	30	8
Net re-exports	34	39	3.17	3.43
Total exports	65.53	49.20	369.87	388.88
2. Imports	63.95	62.71	432,88	417.68
Less—Transit trade	..	2	9	10
Net imports*	63.95	62.69	432.79	417.68
Balance of trade in merchandise	+ 1,58	—13,49	—62 92	—28.70
Balance of trade in gold and silver	— 1	..	— 2	— 4
Total overall visible balance of trade	+ 1,57	—13,49	—62.94	—28.74

† Total values of foreign trade of India by all routes (i.e., sea, air and land).

*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (in thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953	1,168	34,406	128,773	28,589	11,413	2,635	949	171	169	209	169	297
1953-1954	1,179	35,216	129,009	29,365	11,082	2,512	899	153	153	168	190	344
1954-1955	..	..	..	..	11,768	2,711	885	183	160	167	158	397
September 1954	95	2,630	9,902	2,294	914	241	66	11	9	11	12	31
October ,,	99	2,881	10,181	2,455	939	241	65	13	10	19	14	32
November ,,	..	..	..	..	986	226	73	15	13	25	10	34
December ,,	..	..	..	..	1,064	229	70	20	14	21	10	30
January 1955	..	..	..	..	1,082	223	74	20	17	19	15	35
February ,,	..	..	..	..	1,021	209	72	18	16	15	15	33
March ,,	..	..	..	..	1,096	227	78	20	19	15	15	33
April ,,	..	..	..	..	1,084	222	77	21	18	11	12	33
May ,,	..	..	..	..	993	223	80	19	17	8	13	33
June ,,	..	..	..	..	946	217	80	15	15	6	13	33
July ,,	..	..	..	..	1,000	223	87	18	13	6	12	32
August ,,	..	..	..	..	1,009	230	88	15	13	9	15	32
September ,,	..	..	..	..	999	232	79	13	12	11	16	34
October ,,	..	..	..	..	1,031	246	74	13	12	17	14	32
											10	33

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 9th Feb., 1956	45,230
	Corresponding week, 1955	32,396
	1st Sept. to 9th Feb., 1956	616,468
	Corresponding period, 1955	582,913
Cotton Exports	Week ended 9th Feb., 1956	10,050
	Corresponding week, 1955	6,560
	1st Sept. to 9th Feb., 1956	343,952‡
	Corresponding period, 1955	137,700
Mill Consumption (Estimated)	1st Sept. to 9th Feb., 1956	517,259(a)
	Corresponding period, 1955	552,106
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 9th Feb., 1956	489,853(a)
	Corresponding date 1955	371,263
Cotton Exports from Bombay (by sea)	During November, 1955	65,180§
	1st Sept., '55 to 31st Nov., 1955	266,531
	1st Sept. '54 to 31st Nov., 1954	75,778
Karachi (Pakistan)—		
Receipts	1st Sept. to 2nd Feb., 1955-56	920,706
	Corresponding period, 1954-55	796,282
Exports	1st Sept. to 2nd Feb., 1955-56	423,288
	Corresponding period, 1954-55	255,296

Particulars	From 1st Sept. 1955 to 13th Feb., 1956 (Bales)	From 1st Sept. 1954 to 13th Feb., 1955 (Bales)
From Bombay Cotton Shipments to—		
United Kingdom	33,790	12,663
Continent	69,540	19,206
Hongkong	28,140	
China	34,651	1,409
Japan	159,551	47,850
U.S.A.	2,764	9,329
Other Countries	2,301	760
Total to all foreign countries	335,737	91,217
Coastal Ports	64,179	50,503

Consumption of Cotton— Period	Quantity (Bale of 400 lbs.)
November, 1955	852,672
Three months ended Nov., '55	1,121,560
Same Period 1954	133,998 988,256 177,903

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian		
Foreign		
Indian		
Foreign		
Indian		
Foreign		
Stocks (Mills and Elsewhere)—		
Indian	As on 30th Nov., 1955	1,055 219
Foreign		157 865
Indian	As on 30th Nov., 1954	890 221
Foreign		161.141
Cotton Pressed in India (In running bales)	Week ended 3rd Feb., 1956	21,059
	Corresponding week, 1955	16,764
	1st Sept. to 3rd Feb., 1956	972 834
	Corresponding period, 1955	1,599,788

† Incomplete. (a) Adjusted. ‡ Exonding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding (Rs.)	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-28	63,30,26 000	1960-70	101 3/8
3 % Loan	1938-39	1,16,17,46,000	1963-65	94 1/4
3 % Loan	1950	30,33,10 000	1966-68	92 1/4
3 % Fg. Loan	1943	1,10,11,76 000	1957	99 1/4
3 % V. Loan	1944	1,14 06,99,000	1970-75	98 3/4
3 % Loan	1945	1,15,05,33 000	1959-61	98 3/4
3 % 2nd V. Loan	1945	1,13,66,54,000	1958	99 1/4
3 % Loan	1951	50,35,53,000	1960	96 1/4
2½ % Loan	1945	45 63,07,000	1961	93 1/4
2½ % Loan	1946	87,00,69,000	1976	82 1/4
2½ % Loan	1946	14,77,48,000	1962	93 1/4
2½ % Loan	1947	75,86,72,000		
2½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99 1/4
2½ % N.P. Loan	1954	187 35,41,000	1964	98 1/4
2½ % N.P. Bonds (2nd Series)	1955	100,00,00,000	1965	
NON-TERMINABLE LOANS				
3 %[Loan	1896-97	8,93,36,000‡	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	80
3 %[Loan	1946	245,91,66,000‡		80 1/4
REPATRIATE[STERLING LOANS				
4½%[Loan§	1928	£5,25,20,000	1958-68***	103 1/8
STATE[LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99 1/2
3 % Bombay	1948	2,99,8.,000	14th Sept. 1956	99 1/4
3 % Bombay	1949	2,06,66,000	15th Aug. 1958	98 1/4
3 % Bombay	1949	5,63,12,000	1st Aug. 1962	94
3 % Bombay	1950	2,92,30,000	31st July 1960	96
3½ % Bombay	1951	2,97,86,000	17th Sept. 1962	98 1/4
4 % Bombay	1951	6,50,35,000	30th July 1963	101 1/4
4 % Bombay	1952	3,61,31,700	1st Aug. 1964	101 1/4
4 % Bombay	1955	9,00,00,000	1st Sept. 1967	100
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99 1/4
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98 3/4
3½ % Cochin	1936	70,09,000	1st June 1956-61	99 1/4
Br dge (New)	1936-37	1,95,96 700	1956-66	95 1/4
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99 1/4
3 % Madras	1919	1,23,95,600	21st June 1959	98 1/4
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99 3/4
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98 1/4
3 % Madras	1948	2,78,44,.00	14th Sept. 1960	96 1/2
2½ % Madras	1948	2,81,77,200	1st Sept. 1961	92 3/4
3 % Madras	1950	4,38,25,400	31st July 1960	96 1/2
3½ % Madras	1951	3,01 49,300	17th Sept. 1962	97 1/4
4 % Madras	1953	10,33,53,000	15th July 1963	100 1/4
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100 1/4
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99 1/4
4 % Mysore(f)	1933	2,95 85,200	1st Sept. 1953-58	101 1/4
4 % Mysore(f)	1936	2,99 72,900	30th Apr. 1956-61	99 3/4
3 % Mysore	1947	5,08 05,700	25th Jan. 1958	99 1/4
3 % Mysore	1953	3 33,47 000	15th July 1963	100 1/4
4 % Mysore	1953	3,25,00,000	1st Sept. 1967	99 1/4
3 % M.P.	1943	50,54,200	14th Sept. 1956	99 1/4
3 % M.P.	1944	52 6x 800	15th Aug. 1958	98 1/4
3 % M.P.	1948	2,03,28,800	15th Sept. 1954	98
3 % M.P.	1950	1,01,44,700	31st July 1960	94 1/4
3½ % M.P.	1951	1,02 18 100	17th Sept. 1962	98 1/4
4 % M.P.	1953	1,02,18,100	15th July 1963	100 1/4
4 % M.P.	1955	1,50,00 000	1st Sept. 1967	99 1/4
3 % Punjab**	1938-44	3,49,87,200	15th Aug. 1958	98 1/4
3 % Punjab**	1942	2,46,78,200	14th Sept. 1956	99
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97 1/4
3 % Saurashtra	1953	2,50,00,000	1st Sept. 1967	99 1/4
3½ % Travancore	1938	50,00,000	16th Aug. 1956	99 1/4
4 % Travancore-Cochin	1953	2,50,00 000	15th July 1963	100–1/4
3 % U.P.	1936	1,57,42,600	15th Sept. 1961–66	90 1/4
3 % U.P.	1944	3,02,24,500	15th Aug. 1958	98 1/4
3 % U.P.	1945	2,17,49,700	14th Sept. 1961	96 1/4
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	92 3/4
3 % U.P.	1951	1,94,11,700	17th Sept. 1962	98 1/4
4 % U.P.	1953	3 11 45,200	1st Aug. 1964	100 1/4
4 % U.P.	1955	5 66 15 500	15th July 1963	100 1/4
4 % U.P.	1955	3,50,00 000	1st Sept. 1967	99 1/4

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 25,50,000	4	1904	1964	Rs.
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
64,00,000	4	1907	1968	100N
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
16 16,16,000	4	1913	1960	D
80,00,000	4	1914	1974	100¼N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
85,00,000	4	1915*	1965	
61,61,000	4	1922*	1960	
11,61,000	4	1924*	1960	
10,25,000	5½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1938*	1966	
48,04,000	3½	1940*	1968	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,24,300	4	1914	1974	Rs. 99
76,90,100	5	1915	1975	99
1,50,00,000C	3††	1921	1981	82
68,02,300C	6‡	1921	1981	144N
98,21,600	5‡	1926	1956–86	102
99,84,500B	5	1926	1956–86	101 1/2
1,49,49,500B	5	1927	1957–87	102 1/2
1,49,30,000	5	1928	1958–88	103
80,00,000	4	1931	1991	95
50,00,000	3½	1935	1965	97 1/2
50,00,000	3	1938	1963–68	90
90,00,000	3	1945	2005	74
50,00,000	3	1945	1976	84
90,00,000	3	1946	2006	74
50,00,000	3	1947	1977	79 1/2
50,00,000	3	1948	1978	83 1/2
50,00,000	3	1949	1959	97
1,00,00,000	3	1949	1959	97
50,00,000C	3	1950	1960	82
1,00,00,000	3	1950	1980	95 1/4
50,00,000	3	1950	1980	95 1/4
50,00,000	3	1951	1981	81 1/2
1,50,00 000	3½	1951	1981	88 1/2
50 00 000	4	1953	1983	100
90,00,000	4	1953	1983	98 3/4
	4	1953	1985	97 1/4
STERLING LOANS				
£892,600	5	1923	1953–83	£87 1/2
£901,000	5	1924	1954–84	£87 1/2
£835,100	5½	1932	1962	£96
MADRAS				
Rs. $1,47,169	3½	1947	1977	Rs.
9,98,000	3	1947	1977	A
5.00 000	3	1949	1979	
45 00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
Rs.				Rs.
BOMBAY				
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
40,00,000	4	1908	1968	
25,00,000	4	1909	1969	
15,00,000	4	1913	1973	
40,00,000	4	1914	1974	97½N
25,00,000	5	1914	1978	
40,00,000	5	1919	1979	
66,00,000	6	1920	1957–79	113N
25,00,000	6	1920	1955–80	
25,00,000	4	1927	1956–86	111N
10,00,000	3	1936	1961–76	96N
STERLING LOANS				
£566,500		1909	1959	£95½N
£333,000		1910	1970	£88½N
Rs.		CALCUTTA		Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1936	1966	90
20,00,000	3	1938	1963–68	90
80.00 000	4	1952	1962	99½

MUNICIPAL LOANS

Rs.		BOMBAY		Rs.
20,40,000	4	1915–16	1974	100
10,00,000	5	1920	1980	113N
25,00,000	5	1928	1958	102½
5,45,500	5	1929	1954–59	‡
26,21,500	5	1929	1959	102½
4,25,00,000	3½	1947	1977	86
2,50,00,000	3½	1940	1979	86
4,00,00,000	3½	1941	1981	86
2,50,00,000	4	1952	1964	101½
2,50,00,000	3½	1951	1966	97½
1,50,00,000†	4	1953	1968	100 3/4
1,00,00,000†	4	1954	1966	100
2,50,00,000	4	1955	1967	100½
Rs.		CALCUTTA		Rs.
36,00,000	5	1928	1958	103
25,00,000	5	1929	1957	102½
25,00,000	5	1929	1958	102½
10,00,000	5½	1932	1962	103
33,91,000	3½	1935	1965	94
60,00,000	3	1936	1966	90
15,00,000	3	1938	1968	90
10,67,700	3	1938	1956	99
15,56,800	4	1939	1956	99
15,56,800	4	1939	1956	99
15,56,800	4	1940	1957	99
17,54,400	3½	1942	1959	96½
21,10 000	3½	1942	1972	92
15,49 000	3½	1951	1966	97
16,33,000	3½	1951	1966	97
66,88,000	3½	1951	1966	97
87,35,000	4	1952	1962	99½
72,50,000	4½	1954	1979	100
Rs.		MADRAS		Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding (Rs.)	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1 75,00,000	17th Sept. 1962	96
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	2 50,22,000	15th July 1963	100½
4 % W. Bengal	1955	7 00,00 000	1st Sept. 1967	100

ABBREVIATIONS: N—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
† Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June, 1946.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‡—Interest free to first 15 years. §—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	106	100
Cawnpore Sugar Works	10,00,000	1905–24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	6–2½	5
†East India Distillers'es	£200,000	1897	7	Jan. July	17–0½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	6,00,000	1940	7(a)	Dec. ..	68	100
Furtabpore Co.	6,00,000	1922	10	Oct. ..	17	10
Ramnugger Cane	4,00,000	1933–36	6	Aug. ..	108	100
Ravalgaon Sugar	20,00,000	1943	6½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1952	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	113	100
Borree	4,00,000	1896–97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,800	1901–19	7	Apr. Oct.	120	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8½	10
Equitable	5,00,000	1936	6	Mar. Sept.	116xd	100½
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	70	75(pp)
†Khas Kajora	1,93 000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12½	10
Ondal	2,00,000	1898–99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1929	5	Apr. Oct.	103½	100
Bangalore	6,00,000	1884	6	Jan. July	125	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Benares Cotton	1,05,200	1919	7	July Jan.	15N	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	110	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	135	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	70	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	142	100
Cambodia	1,00,000	1928	7	Apr. ..	122½	100
Central India	50,00,000	1918	5	Apr. Oct.	485	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	111½	100
Elgin	11,00,000	1912	8	May Nov.	136	100
Do. 'B' Pref.	4,80,000	1948	5	May Nov.	91	10
Hiphinstone	25,00,000	1919	7(a)	May Nov.	87½	100
Kesoram	20,00,000	1919	7	June Dec.	134	100
Khatau Makanji (2nd)	29,92,500	1947	4	Nov. ..	84	100
Kothari	5,00,000	1937	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	206½	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January ..	88	100
Muir Mill	30,00,000	1900	6	Jan. July	88N	100
Mysore Spg.	11,00,000	1944	4½	.. ..	80½	50
National Rayon	1,74,64,700	1947	5(a)	.. ..	86½	100
New Great	8,00,000	1913	5½(a)	Mar. ..	155½	200
New Victoria	20,05,900	1920	6	Apr. Oct.	3½	5

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y—Accounts published yearly. H—Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal notations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
50,00,000	62,567	76,28,421	43,06,372	—1,17,209	Rajputana Textiles (Agencies) Ltd. ..	55,008	898	Apollo Mills	2-13½	$	0 4(e)	0 4 (e)	0 2(e)		12	Y.
40,00,000	24,00,000	1,24,85,581	72,20,555	—5,76,511	B. S. Sons, Ltd.	2,21,008	4,855	B. B. Cotton Mills ..	516½	250	20 0	22 8*	20 0	7 81	12	Y.P.T.
2,50,98,000	2,32,99,019	4,25,75,784	3,54,21,668	53,570	Nowrosjee Wadia & Sons, Ltd. ..	44,680	950	Bradbury Mills	160½	50	100 0	100 0	75 0		3	Y.P.
10,00,000	27,35,559	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	1,26,344	2,598	Century Spg. & Mfg. ..	460½	100	20 0	22 0	22 0	8 01	12	Y.
1,09,43,800	2,37,54,197	2,58,17,250	1,55,12,250	81,25,653	Birla Bros., Ltd. (Chairman and Pilani (Managing Director)	39,408	798	Colaba Land & Mill ..	60	100	*Nil*	*Nil*	*Nil*		12	Y.
49,00,000	15,44,690	1,16,09,463	65,52,089	—33,25,720	V. J. Thakersey & Co., Ltd. ..	30,822	680	Coorla Spg. & Wvg. ..	127½	100	7 8	7 8	7 8	7 8	3	Y.
								Dawn Mills	91	50	6 0	6 0	6 0		12	Y.
26,00,000	11,35,470	51,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd. ..	40,992	..	Edward Textiles	312	200	15 0	15 0	15 0		12	Y.
16,00,000	27,17,861	53,47,557	53,45,041	47,117	Ramnarain Sons, Ltd.	50,084	928	Elphinstone Spg. & Wvg. ..	50	50	3 0	*Nil*	3 8	2 81	12	Y.
24,00,000	27,75,000	73,60,731	64,73,724	20,158	Punanmal Radhakishan & Co. ..	41,300	886	Elphinstone Spg. & Wvg. ..	325	100	20 0	16 0	16 0		12	Y.P.
30,00,000	11,93,292	1,10,92,641	75,74,225	32,796	M	49,332	784	Finlay Mills	4,800	1,000	200 0*	225 0*	225 0	300 0	12	Y.
50,00,000	64,31,875	1,05,11,445	71,58,396	3,90,661	James Finlay & Co., Ltd. ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills	992½	250	50 0	56 4*	56 4	75 0	3	Y.P.
11,64,000	76,64,589	1,27,76,810	99,11,500	9,223	Thac ersey Mooljee & Co. ..	2,32,640	6,278	India United Mills	0 10D. / 2-1½	*Nil* / 0 1D.	*Nil*	0 1	*Nil*	0 10 / 0 11	12	Y.
16,000 / 2,60,00,000 / 50,00,000D	1,18,37,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	4,800	1,000	Indian Mfg.	4,800 / 500	200 0* / 100 0	225 0* / 112 8*	225 0 / 112 8	300 0 / 150 0		3	Y.P.
8 65,000	74,34,048	1,80,07,908	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	206½	100	10 0	12 8*	12 8	16 0	3	Y.P.
25,000	40,59,451	2,37,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg. ..	331	100	18 0	20 0*	18 0	6 01	12	Y.
89,85,000	1,46,50,000	3,49,59,105	2,46,94,456	12,185	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	112½	100A / 50B	6 4 / 1 4	6 4 / 1 4			6	Y.P.
88,80,000A / 5,00,000B	64,00,782	4,86,587	88,878	6,08,586	Dina Nath, Esq.	61,648	1,640	Madhusudan Mills	80N	50	5 0	5 0	5 0		12	Y.T.
22,18,000	29,74,916	1,14,37,317	54,72,963	16,412	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	280	100	12 0	12 0	14 0		6	Y.P.
51,75,000	32,32,000	1,94,11,154	1,47,72,041	1,06,579	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	230	100	12 0	12 0	14 0		12	Y.P.
57,71,408	61,70,518	3,74,08,779	1,55,00,000	8,79,076	Piramal & Co., Ltd.	45,944	482	National Rayon Corporation ..	217½	100	*Nil*	*Nil*	*Nil*		12	Y.P.
24,00,000	24,50,060	79,57,853	40,04,750	3,015	New City of Bombay Mfg. ..	49,018	1,018	Lalbhai & Co., Ltd.	160	100	10 0	10 0	10 0	10 0	12	Y.
30,00,000	14,61,250	92,85,599	61,42,741	4,330	W. H. Brady & Co., Ltd.			New Great Spg. & Wvg. ..	193	100	10 0	10 0	7 8	10 0	12	Y.P.
12,70,10	36,36,004	42,69,552	18,76,680	423	W. H. Brady & Co., Ltd.											
					Mafatlal Chandulal & Co. (Bombay), Ltd.	84,100	873	New Union Mills	37	10	1 4	1 4	1 4		12	Nil
48,00,000	36,62,278	1,49,08,112	99,59,811	1,26,384	Ramnarain Sons, Ltd.	60,208	1,190	Phoenix Mills	120½	100	8 0	8 0	8 0		12	Y.
40,00,000	48,68,014	81,89,885	23,00,000	3,12,563	Podar Sons, Ltd.	9,520	277	Podar Mills	166½	100	10 0	10 0	10 0	5 01	12	Y.P.
5,00,000	8,16,999	21,51,121	19,91,340	—1,72,154	Sassoon & Alliance Silk Mill ..	60,608	1,254	Sassoon & Co. & Wvg. ..	20xr	10	1 4	1 4	1 8		12	Y.
25,00,000	69,06,474	1,24,22,606	81,47,282	10,145	David Sassoon & Co., Ltd. ..	66,886	1,640	Shree Niwas Cotton Mills ..	213½	100	12 8	14 0	14 0		12	Y.
60,00,000	1,93,00,061	91,25,908	50,71,254	1,83,062	M. G. Investment Corporation, Ltd.											
48,00,000	25,75,550	98,38,993	71,00,000	15,898	Marwar Textiles (Agency) Ltd. ..											
					Forbes, Forbes Campbell & Co. Ltd.	36,116	1,274	Simplex Mills	190	50	15 0(p)	15 0	11 0	10 0	3	Y.
56,00,000	1,22,23,867	1,85,08,331	1,10,85,485	17,128	Mafatlal Gagaibhai & Sons	62,036	1,633	Standard Mills	415	100	20 0	20 0	20 0		12	Y.P.
1,00,00,000	82,25,843	1,92,53,387	1,02,23,292	45,799	Tata Industries Ltd.	73,492	2,000	Swadeshi Mills	211	100	16 0	16 0	16 0		12	Y.P.
86,00,000	68,78,466	1,17,42,921	70,22,715	3,89,764	James Finlay & Co., Ltd.	38,923	552	Swan Mills	410	100	30 0	20 0	20 0		12	Y.
82,57,488	49,95,589	1,59,55,305	48,92,129	11,417	Tata Industries Ltd.	61,488	1,800	Tata Mills	25	1	1 8	1 8	2 8		12	Y.T.P.
12,00,000	62,55,709	1,15,36,486	81,90,000	2,816	Thakersey Mooljee Son & Co. ..	54,136	1,209	Western India Spg. & Mfg. ..	4,950	1,000	200 0*	225 0*	225 0	300 0	3	Y.

AHMEDABAD

33,00,000	21,11,650	1,36,23,272	60,47,202	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	154 XR	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	90,53,638	89,33,424	65,39,067	7,878	P. M. Huthesing & Sons, Ltd. ..	42,768	912	Arvind Mills	1,380	100	25 0	25 0	25 0		12	Y.P.
26,35,000	2,40,17,401	1,48,07,666	1,03,05,000	46,584	Narottam Lalbhai & Co.	62,448	1,216	Aryodaya Ginning & Mfg. ..	422½	200	15 0	15 0			12	Y.P.
20,00,000	58,43,846	79,44,379	56,25,000	3,90,074	Mangaldas & Bros., Ltd.	35,884	872	Asoka Mills	650	100	22 0	22 0*	22 0		12	Y.P.
12,00,000	1,05,35,021	88,14,168	66,70,738	55,358	Lalbhai Dalpatbhai & Co.	37,368	914	Calico Mills	440½	125	18 0	18 0	18 0		12	Y.P.
1,24,75,011	1,11,56,203	4,24,85,718	2,07,53,844	16,00,756	Rarameshand Premchand Ltd. ..	1,39,120	2,272	New Commercial Mills	1,300	1,000	70 0	70 0	70 0		12	Y.
62,48,000	28,04,000	1,10,89,083	79,50,000	1,96,243	Tricumlal Bhogilal & Co., Ltd.	45,836	866	New Shorrock Spg. & Wvg. ..	765	125	35 0	35 0	35 0		12	Y.
39,00,000	66,61,702	1,14,89,191	91,35,806	6,387	Mafatlal Chandulal & Co., Ltd.	51,152	864									
5,00,000	61,15,982	46,72,745	31,76,001	700	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	395	100	30 0*	30 0*			12	Y.P.
12,50,000	1,09,22,589	79,71,788	52,25,077	52,522	Laibhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	1,325	100	20 0	17 8			12	Y.P.
12,00,000	13,03,067	74,95,069	39,67,450	—39,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,096	Rajnandgaon Spg., Wvg. & Mfg.	302½	200	*Nil*				12	Y.P.
33,50,000	16,74,825	84,33,940	52,67,803	4,020	Lalbhbhai Geerdhardas Ltd. ..	33,156	1,025	Rohit Mills	202½	100	9 0	9 0			12	Y.P.
38,98,150	1,90,84,538	1,50,18,812	1,34,25,000	3,52,570	Harivallabhdas Kalidas & Co. ..	73,796	1,325	Shri Ambica Mills	523	50	16 0	18 0	20 0		12	Y.P.
19,52,500	99,00,194	78,08,018	62,08,800	‡ 6,434	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	35,624	720	Shorrock Spg. & Mfg.	461½	100	20 0	20 0	25 0*		12	Y.
									605	400	35 0*	35 0*	35 0*		12	Y.
33,00,000	26,96,488	1,03,76,340	68,35,291	33,764	Haridas Ashratlal & Co., Ltd. ..	36,176	780	Vijaya Mills								Y.P.

WEST BENGAL

15,00,000	1,92,800	24,23,069	21,01,810	1,03,080	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	6	10	*Nil*	0 4	0 8		12	
7,11,250	3,40,775	43 42,351	25,67,597	96,783	Bengal Textile Agency, Ltd. ..	32,544	936	Bengal Luxmi Cotton Mills ..	40 N	40	3 0	*Nil*	4 0	4 0	12	Y.P.T.
5,00,000	23,71,793	81,82,222	51,52,000	—24,31,401	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	360	100	*Nil*	*Nil*	*Nil*	Nil*	6.12	H.P.
19,00,000	25,17,571	1,01,41,469	68,82,262	—7,06,225	Kettlewell Bullen & Co., Ltd. ..	42,944	1,090	Kesoram Cotton Mills	305	100	*Nil*	*Nil*	*Nil*	*Nil*	6.12	H.
6,00,000	1,95,18,540	5,42,45,388	1,08,56,388	3,15,714	Birla Brothers, Ltd.	70,384	1,990									
6,00,000 / 33,96,288 / 19,47,7500 / 5,00,000D	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	1 / 10 / 10	1 4 / 0 8 /				12	Y.
	5,75,000	41,29,452	21,54,462	26,932	Hazaremull Heeralal	23,036	795	Rampooria Cotton Mills ..	11½ N / ½M / 1D	10 / 10 /	0 8 / *Nil*	0 8 / *Nil*	0 10 / *Nil*		12 / 6	Y.P.

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	60,87,191	29,09,649	—8,54,233	Ramla & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	7½	10	*Nil*	*Nil*	*Nil*		6	
O.S. 71,54,400	44,93,307	2,10,91,206	50,50,018	..	Industrial Trust Fund	36,136	708	Aram Jahi Mills	84½	100	6 0	6 0	*Nil*		12	Y.P.T.
40,50,000	1,91,68,745	2,87,22,995	2,24,71,648	2,44,711	Binny & Co. (Madras), Ltd. ..	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	556	100	15 0	25 0	30 0	10 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,986	810	Bengal-Nagpur Cotton Mills ..	11 ⅜	10	0 0	0 0	0 0		6.12	H.P.T.
1,15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	1,20,356	2,787	Birla Cotton Spg. & Wvg., Delhi	95	10	3 0	3 0	3 0		3	Y.
1,78,47,500	1,54,69,659	1,54,69,659	1,14,94,493	3,59,000	Binny & Co. (Madras), Ltd. ..	38,706	..	Buckingham & Carnatic Mills ..	170	100	10 0	10 0	10 0		3	Y.
80,00,000	20,00,406	24,17,820	19,76,684	3,55,087	Peirce, Leslie & Co., Ltd. ..	13,200	130	Cannanore Spg. & Wvg. ..	143	100	10 0	10 0	*Nil*		12	Y.P.T.
15,00,000	4,51,500	44,03,466	21,80,176	44,557	K. Damodaran, Esq.	17,496	..	Canmpore Textiles	94	10	12 0	12 0	20 0	12 0	12	Y.
20,00,000	25,93,976	58,07,118	50,84,815	39,514	Begg, Sutherland & Co., Ltd. ..	28,796	591	Coimbatore Cotton Mills ..	5	5	0 0	0 0	0 0	0 0	3	Y.
12,00,000	10,50,000	80,85,973	24,65,699	4,614	R. Bheema Naidu & Co.	28,864	..	Coimbatore Pioneer Mills ..	352	100	20 0	20 0	0 8	*Nil*	3	Y.
20,00,000	14,20,000	36,95,513	21,28,500	14,053	T. R. N. Naidu & Co.	23,788	..	Colimbatore Spg. & Wvg. ..	241	100	9 0	15 0	25 0		12	Y.
20,76,900	4,19,814	1,15,51,599	82,06,019	16,884	R. G. B. Naidu & Co.	72,333	407	Colimbatore Spg. & Wvg. ..	82	50	*Nil*		0 12		6	Y.P.
45,87,500	52,82,449	2,48,18,409	1,55,09,583	5,708	Tata Industries, Ltd.	61,972	2,062	Central India	158½	100	8 0	8 0	8 0		6	Y.
2,32,50,125 / 1,00,563	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. R. Charat Ram & Co., Ltd. ..	1,16,636	2,354	Delhi Cloth & General Mills ..	84½ / 25 / 2½	1 / 1 / 1	1 12 / 0 1 4/5		2 4 / 0 2 4/5	2 4 / 0 2 8/5	6	Y.P.
24,34,600	24,72,768	47,34,037	42,88,512	9,248	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	358	100	20 0	20 0	20 0		6	Y.P.T.
33,00,000	66,33,360	1,52,16,383	1,29,71,631	93,386	Begg, Sutherland & Co., Ltd. ..	48,452	1,198	Elgin Mills	27½	10	1 0	1 0	1 0		12	Y.
48,81,000	33,91,175	88,91,779	65,24,070	87,169	Forbes, Forbes Campbell & Co., Ltd.	72,904	..	Gluck Mills	227½	100	17 0*	17 0	1 0		3	Y.P.
50,00,000	3,09,554	1,29,35,712	1,03,08,450	6,150	Govindram Saksaria, Indore)	51,180	1,420	Indore Malwa United	130	100	6 0	6 0	12 0		12	Y.
5,00,000	10,55,553	30,91,192	16,77,748	—50,124	G. V. Naidu & Co., Ltd.	24,828	..	Janardana Mills	86½	50	6 0	6 0	6 0		12	Y.
24,00,000	16,25,000	78,88,868	26,50,000	29,382	Kothari & Sons	43,000	300	Kothari Textiles	50	10	3 0	3 0	3 0	3 0	12	Y.
32,00,000	69,32,519	1,42,37,744	1,05,78,587	19,080	Bombay Co., Ltd.	51,972	1,319	Lakshmi Cotton Mfg.	17½	10	0 12	0 8	1 0		12	Y.P.
25,54,100	66,55,960	1,11,86,880	75,29,888	74,876	G. K. Naidu & Co.	65,908	201	Lakshmi Mills	668½ / 176cd	250 / 50	37 8 / 5 0	37 8 / 5 0	33 12 / 5 0	12 81 / 10 0	12	Y.P.
1,75,02,480	4,12,81,578	5,56,33,248	3,44,90,688	9,86,800	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	89cd / 494cd	25 / 25	3 0 / 3 0	3 0 / 3 0	3 0 / 3 0	12 8 / 6 4	3	Y.
15,00,000	4,17,363	26,26,768	16,72,252	—99,078	L. A. & E. S. Chettiar and 2 others	22,592	100	Malabar Spg. & Wvg.	109	200	3 0	3 0	3 0		12	Y.
60,00,000	69,00,000	93,41,446	41,80,225	1,48,408	W. A. Beardsell & Co., Ltd. ..	24,720	608	Mestur Industries Ltd.	102	100	12 0	12 0	12 0		12	Y.
29,59,700	19,47,903	84,13,677	44,88,184	9,999	N. Sirur & Co., Ltd.	39,896	704	Minerva Mills	375	100	13 8	12 8	22 8*	35 0	3	Y.
24,91,850	27,34,404	1,61,29,118	78,51,588	—7,44,923	Ramalal Abraham Dadabhoy & Co.	51,540	948	Model Mills (Nagpur)	82	100	5 0	7 0	7 0		12	Y.
30,00,000	53,93,600	1,53,39,278	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,534	Muir Mills	149½	250	7 8	7 8*	5 0(e)		12	Y.
24,83,500	50,34,547	99,04,000	68,69,988	23,706	N. Sirur & Co., Ltd.	50,128	500	Mysore Spg. & Mfg.	118N	100			5 0(e)		12	Y.
19,61,780	2,58,745	29,43,992	15,27,000	5,986	K. Suryanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills	99	50	10 0*	10 0*	5 0*	5 0(e)	12	Y.P.
22,89,880 / 3,07,085D	25,62,582	1,02,16,296	58,90,719	—39,62,829	J. P. Srivastava & Sons, Ltd. ..	52,428	1,225	New Victoria Mills	4½ / 2	10 / 10	*Nil* / *Nil*	*Nil* / *Nil*	*Nil*		3	Y.P.
87,14,800	57,72,270	1,58,58,562	62,58,093	.....	Industrial Trust Fund	37,788	856	Osmanshahi Mills	—	[D. 1]	*Nil*	*Nil*				
4,00,000A / 3,00,000B	7,50,000	25,04,758	21,95,715	9,122	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	158½ / 225	100 / 75	7 8 / 11 4	12 0 / 16 0	12 0 / 16 0		9	Y.
5,00,000B	2,25 000	24,59,511	16,41,045	—18,87 240	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills	69	100	*Nil*	*Nil*	18 0		12	Y.P.
16,81,200A / 3,49,200B	20,00,000	73,90,455	41,41,878	25,867	A. G. Guruswamy Naidu & Co. ..	51,664	301	Radhakrishna Mills	268	100A	6 0	*Nil*	10 0		12	Y.
15,00,000B	33,75,000	24,37,775	17,67,922	12,337	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	134	50B	3 0	4 0	3 0		12	Y.
22,23,575	12,10,000	3s 91,595	14,22,254	23,506	Rayalaseema Development Co. ..	14,800	..	Rayalaseema Mills	159	100	4 8	7 8	10 0		12	Y.P.
60,00,000	62,66,508	98,29,567	35,62,291	—19,56,423	J. P. Srivastava & Sons (Rampur)	34,533	600	Rama Textiles	137	100	6 0	6 0	9 0		12	Y.P.
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,62,067	Morarka & Co.	95,282	2,224	Sholapoor Spg. & Wvg. ..	7N / 1,000 / 500	10 / 1,000 / *Nil*	*Nil* / *Nil*	*Nil*	*Nil*		12 / 3	Y.P.
26,69,700	16,63,628	71,75,918	51,35,889	27,871	H. N. Pallegar, Esq.	31,668	202	Sri Krishnarajendra Mills ..	90	50	4 0*	4 0*	4 8		3	Y.
24 14,800	2,00,246	35 18 906	17,78,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	90N	100	*Nil*	*Nil*	*Nil*		3	Y.
15,00,000	3,11,00,237	96,09,567	72,44,724	31,27,883	Birla Brothers, Ltd.	35,556	1,243	Surjaj Cotton Mills	4	10	4 0	4 0	4 0		3	Y.
17,50,000 / 1,67,50,000Pd	2,25,00,000	4,36,43,014	1,62,17,868	5,89,600	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	2½ / 257½	10 / 10	*Nil* / 0 14 2/5	0 8 / 1-8 2/5	0 12 / 2 0	6 0	3	Y.P.
99 84,040	16,00,000	2,75,11,606	1,90,28,764	1,23,122	Emcots & Sons (Travancore), Ltd.		..	Travancore Rayons	15	10	*Nil*	0 8	0 10		12	Y.P.
12,26 670	8,79,479	12,36,207	10,45,186	8,321	Moodlee Ramjee & Sons	17,600	..	Trichinopoly Mills	12½	10	0 0	0 0	0 10		12	Y.P.T.
31,00,000	32,00,000	56,92,295	26,21,499	29,500	K. K. S. Chetty & Brothers ..	38,544	570	Vasanta Mills	20	10	0 11 1/5	0 11 1/5	0 14 2/5		12	Y.P.
22,00,000	21,99,443	1,38,35,086	1,09,33,290	23,250	Bombay Co., Ltd.	46,490	1,831	Vishnu Cotton	100	100	12 0	12 0	15 0		12	Y.P.
									180	100	10 0	4 0	4 0	2 81	12	Y.P.

* Includes bonus. M=Managed by board of directors. (p) Interim dividend of Re. 5 per share was paid on 43,000 shares of Rs. 50 each; final dividend of Re. 10 per share was paid on the increase capital of 93,000 shares of Rs. 50 each. (b) Subject to taxation and workers' bonus (e) Paid out of reserves. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	8 ¼	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,20,630	18,38,917	27,26,861	14,67,212	8,143	Mr K. G. Khanna	Dyer Meakin Breweries ..	6⅜	5	0 8	0 8	0 8	0 9	3	Y.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	37cd / 30[illegible]ed	A. 10sh. / B. 75	Sh. 1 3/5 Sh. 1 3/5	Sh. 1 3/5 Sh. 1 3/5	Sh. 1 3/5 Sh. 1 3/5		9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	188½ed	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
11,37,700A / 39,79,020B / 48,14,800D	10,85,516	79,90,234	39,32,658	26,623	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	156½ / 15½ / 1¼	A. 100 / B. 10 / D. 1	7 8 / 1 0*	10 0* / 1 0	10 0 / 1 0		12	Y.P.T.
4,70,976D.	18,13,133	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement ..	1¼	D. 1	*Nil*	*Nil*	*Nil*		3	Y.P.
12,71,66,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies ..	203½	100	9 8	9 8	8 8	10 0	7	Y.
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MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	35,61,841	2,00,40,004	1,45,07,804	1,73,122	Balmer Lawrie & Co.	Bengal Paper Mills	115	25	1 9	*Nil*	1 9	2 8½	6,12	H.P.T.
									Nil	1 9	1 9			
30,00,000	33,44,805	1,10,08,823	74,22,575	2,10,695	Andrew Yule & Co., Ltd.	India Paper Pulp	23	10	5 0	6 0	7 0	0 11 1/5†	8,9	H.
									5 0	6 0	7 0			
25,00,000	16,12,500	1,18,13,867	47,51,061	49,179	B.P.Ramakrishnan Esq. (Gen.Manager)	Mysore Paper Mills	17½	10	1 0*	1 0*	0 12*		8	Y.
									1 0*	1 0*	0 12*			
1,46,82,500	1,69,72,408	3,91,23,962	91,37,779	2,47,582	Birla Bros	Orient Paper	83½	10	1 0	1 0	0 8		8,9	H.P.T.
									1 0	1 0	0 8			
1,25,07,295	57,28,637	1,42,28,142	85,60,932	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18¼	10	0 12	0 12	0 12	0 10‡	6,12	H.P.T.
									0 12	0 12	0 12			
80,00,000	6,52,694	58,19,789	29,44,824	6,038	Baloria & Co.	Star Paper Mills	12½	O. 10	0 8	0 12	0 8		8,9	H.P.T.
10,00,000A.							12½	A. 10	0 8	0 12	0 8			
66,00,000A.	3,07,07,316	5,39,14,072	3,13,50,222	89,160	F. W. Heilgers &[Co., Ltd.	Titaghur Paper Mills Co., Ltd.	45½	A. 10	1 0*	1 0*	0 12	1 0*‡	8,9	H.P.
56,04,800B.									1 0*	1 0*	0 12			
4,87,500P.O.							45½	B. 10	1 0*	1 0*	0 12	1 0*‡		
							5	P.O. 2½	0 2	0 2	0 2	0 2‡		
PRESSING														
4,00,000	6,12,365	15,78,488	11,13,891	—85,478	Andrew Yule &[Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	*Nil*	9	Y.
4,80,000	1,00,000	2,89,526	4,73,066	2,354	Pyne & Sons	Camperdown	88N	100	7 0	7 0	5 0	5 0	7	Y.
8,00,000	1,95,000	10,91,811	9,80,377	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	6	Y
PROPERTY AND LAND														
10,00,780O.	7,49,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq. & others (Directors)	Humayun Properties	13½	O. 10	0 8	0 11½	0 9 8/5		9	Y.P.
2,00,000D.							2½	D. 1	*Nil*	0 4/5	*Nil*			
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	12½	100	1 0	1 8	1 8	*Nil*	4	Y.
94,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	34½	100	2 0	1 8	4 0	3 0	4	Y.P
SAW MILLS AND TIMBER														
18,99,998	28,23,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	5½	8	0 4	*Nil*	*Nil*		9	Y.
80,00,000	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	522½	Old125	22 8	15 0	20 0	37-8‡	5	Y.
42,00,000							180½	New50	9 0	6 0	8 0	15-0		
6,00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	44N	100	*Nil*	*Nil*	*Nil*		6	Y.P.
20,00,000	18,15,487	18,19,049	13,58,015	1,79,568	Gillander Arbuthnot & Co., Ltd	Indian Wood Products	42	10	2 0	2 8	2 12	1 0‡	6	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,287	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	9½	5	*Nil*	*Nil*	0 12	0 1	6	Y.
12,00,000A.	29,18,356	49,46,285	33,16,660	16,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	156cdN	A. 100	10 0	10 0	10 0		8	Y.
5,00,000B.							14N	B. 10	1 0	1 0	1 0		4	Y.
19,49,050	5,50,000	31,91,657	23 33 812	49,906	Bansur Bros., Ltd.	Belsund Sugar	11½	10	0 12	0 12	0 12		9	Y.
15,00,000	13,00 295	16,40 479	11,77 841	13 206	Cotton Agents Ltd.	Bharat Sugar	10	10	1 8	1 8	1 8	1 8	6	Y.P.
22,00,000	26,79 431	1,35,76,859	88,78,177	61,722	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	11½	10	*Nil*	*Nil*	0 12		6	Y.P.T.
30,00,000	57,83 651	1,03 44 647	84 32,451	82 023	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	21½	10	2 0	2 0	0 12	0 12	10	Y.P.
18,00,000	38,04,891	72 85,757	53 46,902	24,019	Begg Sutherland & Co., Ltd. ..	Champarun Sugar	33½	10	2 0	1 0	1 0	1 8	6	Y.
5,99,452	6,18,862	24,58,340	15,38,747	48,804	Karamchand Thapar & Bros. ..	Deoria Sugar	94N	10	0 8	1 0	0 12		8	Y.T.
50,00,000A.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd	Hindustan Sugar Mills	260N	A. 100	12 0*	15 0*	15 0*	15 0*	6	Y.P.
10,00,000O.								O. 100	12 0*	15 0*	15 0*	15 0*		
12 00,000	8,61,001	75 81 309	42 63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	60N	80	*Nil*	*Nil*	*Nil*	4 8	7	Y.P.
							24N	40	*Nil*	*Nil*	*Nil*	2 4		
7,89,100	22 14 058	84 94,612	19 35,833	1,364	Cotton Agents Ltd.	New India Sugar Mills	42xdN	10	2 8	2 8	2 8	2 8	6	Y.P.T.
11,00 000	4,20,000	42 21,480	24,87,558	4,185	Karamchand Thapar & Bros.,Ltd.	New Savan	6	10	0 0	0 4	0 8		6	Y.
10,97,500A.	49 60 297	67 74 122	21,56,900	5,817	Cotton Agents Ltd.	New Swadeshi Sugar Mill ..	240N	100	20 0	20 0	20 0	20 0‡	6	Y.
5,71,875B.							60N	25	5 0	5 0	5 0	5 0		
77,45,350	52,18,159	1,86,90 446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	120N	100	6 0	11 0	11 0	11 0	7	Y.P.
12 00 000	12 74,223	2,77,009	19 95,928	55 000	Narang Bros. & Co., Ltd.	Punjab Sugar	117½N	100	6 0	10 0	10 0		10	Y.
9,00,000	17,64,369	37,85,808	30,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	16xd	10	1 0	1 0	0 12	0 12	10	Y.P.
8,00,000	6 54,762	25,43,782	21,01,613	24 840	M.	Ryam Sugar	21N	10	1 0	0 8	0 8		6	Y.P.
11,99,000	18,86,779	38,63,583	22 92 180	8,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	14½	10	1 0	1 0	0 8		6	Y.
30,00,000	21,58,560	1,06,85,819	57,08,717	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	1 8	1 8	1 8	1 0‡	8	Y.P.T
9,99,950	61,825	26,83,548	11,93,827	—3,98,358	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4½	10	0 6‡	*Nil*	*Nil*		6	Y.
7,95,462	18,82,940	21,60,735	17,68,003	1,06,227	Karamchand Thapar & Bros ..	Shri Sitaram Sugar	14½	10	1 0	2 0*	1 8*		8	Y.T.
9,15,000O.	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd....	South Behar Sugar	12N	O. 10	*Nil*	*Nil*	*Nil*		10	Y.P.
4,40,000D.							6N	D. 2½	*Nil*	*Nil*	*Nil*			
8,00,000	21,91 635	96 42 062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 0	0 8	2 8	2 8	6	Y.P.
16,00,000	7,99,778	32,06,650	25,98,846	39,061	James Finlay & Co., Ltd.	United Provinces Sugar	23½	10	1 8	0 8	1 4		9	Y.
Other Centres														
46,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapor Company	215xr	50	16 0	16 0	16 0	16 0	9	Y.
17,50,000	9 24,292	33,03,879	21,38,722	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	14½	10	1 0	0 10	1 0	1 0	9	Y.P.
2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.),Ltd.	Gwalior Sugar	55N	100	3 0	*Nil*	*Nil*			6	Y.P.
28,70,610	14,00,000	26,96,629	18,50,808	4,80,286	India Sugar Agencies Ltd.	India Sugar and Refineries ..	21½cd	10	2 8	2 8	1 12		9	Y.P.
23,57,620	41,27,060	41,95,606	20,78,418	1,403	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	14½N	10	0 12	1 0	1 0		10	Y.
10,52,2000.	69,50,000	95,98,052	31,00,978	48,494	V. Ramakrishna, Sons Ltd[.. ..	K. C. P. Ltd.	157½	Q.100	7 8	7 8	7 8	7 8	6	Y.P.
2,87,190D.							100	D. 10	10 0	10 0	10 0	10 0‡		
21,79,280	95,00,001	1,31,37,677	78,17,780	2,90,340	S. Muninanjappa Esq. (Managing Director)	Mysore Sugar	50½	10	2 0	2 0	2 0	2 0	6	Y.
50,00,000	48,40,631	1,08,28,164	59,35,509	11 063	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	127½	80	8 0	6 0	8 0	8 0	9	Y.
16,59 820	25,50,880	53,90,015	25,76,747	29,230	Anderson Wright Ltd.	Ramnugger Cane and Sugar ..	24½	10	2 0	2 0	1 8	8 0	8	Y.P.T
20,00,000O.	24,67,171	87,47,627	53,31,890	61,432	Walchand & Co., Ltd.	Ravalgaon[Sugar Farm	86N	O. 50	9 0	*Nil*	2 0		9	Y.P.T
4,00,000D.							12	D. 10	0 11½	*Nil*	*Nil*			
10,00 808	44,88,457	47,06,689	21,78,094	4 635	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	101N	10	0 12	0 10	0 12		10	Y.
80,00,000	10,37,776	59,76,294	17,87,159	—82 224	Parry & Co., Ltd.	Travancore Sugar	12½	10	*Nil*	*Nil*	*Nil*		7	Y.P.
1,01,00,000	61,19,890	1,85,70,980	1,04,68,312	1,79,088	Premier Construction Co., Ltd.§	Walchandnagar Industries ..	239½	100	14 0	14 0	16 0		9	Y.P.T
TRANSPORT														
20,00,000	1,08,42,425	1,33,68,272	13,76,183	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	158	100	12 8	10 0	7 8		10	Y.P.
1,00 00,000	16 67,690	4 65,14,760	1,80,06,587	89,648	Dinabaw Ltd.	Bharat Line	78	100	5 0	5 0	5 0		12	Y.
50 00,000	24,36,838	2,50,21,208	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	132	10	1 0	1 0	1 0		6	Y.P
	£666,878	£5,515,631	£3,344,773	£21,366	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	124	£10	8h.10	*Nil*	*Nil*	*Nil*	6	Y.P
3,25 00,000	74,99,233	7 93 26 462	1,81,54,690	1,28,161	Lionel Edwards Ltd.	India Steamship Co.	7½	10	0 8	0 8	*Nil*	*Nil*	3	Y.P.
9,40,19 673	6 94,92,081	18 36,78 413	4,34 44,300	2,73,683	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	15-12½	20	0 8	0 12	*Nil*	*Nil*	3	Y.P.
8,40,000O.	18,58,194	11,38,000	6,80,214	1,34,122	R. B. Alyar, Esq. (Manager) [.. ..	Walford Transport Ltd.	24	O. 1	as. 1 3/25	as. 1 3/25	1 23/25		6	Y.
3,10,200P.O.							1½	P.O. 1	as. 1 9/25	as. 1 9/25	1 19/25		12	
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	25 0	32 0	32 0	32 0	9	Y.
10 98,860	2,04,178	7,18,542	90,000	42,582	Parakh Agencies Ltd.	Bombay-Uganda	62½	80	4 0	5 0	4 8		12	Y.
25,00,000	1,00,000	25,74,281§§	9 294	3 894	Dena Sons, Ltd.	Devkaran Nanji Investmen Co.	13	25	0 12	0 12	0 12		12	Y.
14,98,840	3,48,585	28,00,500	17,75,000	4,110	Chocolat Menier Ltd.	Estrela Batteries	80	50	2 8	*Nil*	3 0	2 0	3	Y.P.
1,00,00,000	19,07,876	....	1,27,52,603§§	2,85,005	Premchand Roychand & Sons ..	Industrial Investment Trust ..	80	100	4 8	4	4 8		12	Y
99,99,975	35,08,351	35,10,899	9 31 529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick[Industries	168	100	10 0	10 0	11 0	11 0	6	Y
2,07,02,800A.	5,28,634	2,87,33,373	1,25,90,292	5,86,717	Auto-Auto Ltd.	Premier[Automobiles	81½	A.100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
10,00,000B.								B. 10	*Nil*	*Nil*	*Nil*	*Nil*		
10,21,200	5,43 605	14,40,720	12,10,720	88,055	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22½	20	2 0	3 0	2 0		12	Y.
2,75,00,000	75,25,568	2,92,47,116	1,53,24,540	5,31,887	T. Eydin, Esq. (Managing Director)	Western India Match Co.	185	100	8 0*	11 0*	11 0*		12	Y.
45,00,000	55,24,847	7,24,608	3,07,108	36,434	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
47,50,000	15,00,000	1,88,63,801	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	9½	O. 10	*Nil*	*Nil*	*Nil*		8	Y.P.
2,50,000							3½N	D. 2½						
30,00,000	40,60,690	31,77,196	21,11,902	2,39,798	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	24½	10	1 4	1 4	1 4		8	Y.
80,00,000	8,25,000	35,74,582	20,11,857	1,17,402	T. Eydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 4*	1 4*	1 4*		8	Y.
30,00,000	23,47,883	1,00,29,510	59,87,880	41,561	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	7	10	0 4	0 3 1/5	0 3 1/5		8	Y.P.T
80,01,400	32,94,263	66,81,988	22,21,988	1,49,717	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	185	100	20 0*	20 0*	13 0	2 8	12	Y.
12 00,000	9,10,000	31,07,472	23,35,472	72,375	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	29½	10	0 10	1 8	2 8	1 8‡	6,12	Y.
20,00,000	7,99,470	57,53,564§§	....	1,21,733	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4		9	Y.P.
45,07,262	22,44,314	1,00,74,580	29,49,001	1,98,548	R. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits	14½	10	1 0	1 0	1 0	1 0	8	Y.P.
2,25,00,000	1,00,82,962	2,69,29,657	2,07,14,167	2,81,142	Sir Robert Menzies	British India Corporation Ltd. ..	11½	5	0 10	0 8	0 10		12	Y.P.T
1,80,00,000	1,79,00,000	4,82 17,964	3,08,53,184	11,88,891	Cecil Stack, Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	31½	10	1 8	1 8	1 8		12	Y.P.
51,26,000	53,05,753	1,34,39,918§§	....	3,13,308	Bird & Co. Ltd.	Eastern Investments Ltd.	152	100	10 0	10 0	10 0		12	Y.P.
14,00,000	10 02,000	33 81,772	18,80,772	27,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.'	194	100	10 0	10 0	7 8		8	Y.
									10 0	10 0	7 8			
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	14	10	10 0	10 0	7 8	1 6 2/5	8	H
30,00,000	11,42,254	68,39,438	29 41,525	1,866	B. F. R. Syndicate	Great Eastern Hotel	240	250	15 0	15 0	15 0		8	Y.P
30,00,000	9 57,964	53,31,701	53 60,659	36,686	Birla Bros., Ltd.	Hind Cycles	150N	100	8 0	8 0	10 0		12	Y.
13,42,800	4 96,13,350	2,56,34,606	94,52,719	5,19,485	Birla Bros., Ltd.	Hindustan Motors	9½	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.T
1,60,00,000	2,92,450	3,56,34,606	2,96,81,557	1,54,14,699	Birla Bros., Ltd.	Indian Aluminium Co.	186	100	5 0	*Nil*	*Nil*	*Nil*	12	Y.T
1,55,39,220	86,77,764	1,65,72,391	57,17,651	29,94,612	A. R. Driessen, Esq.	Indian Cables	80	10	1 0	1 0*	1 0*	4 0‡	9	Y.P
8,37,970	1,20,50,000	16,40,508	8,96 110	32,616	G. S. Moulton & Co. (India), Ltd.	Indian Refractories	11½	10	1 0	0 12	0 8	0 8	9	Y.P
15,16,00,000	5,38,000	3,55,94 047	1,17,80,408	25,00,783	Mr. Eric Henry Hare (Chairman)	Imperial Tobacco Co. of India Ltd.	13½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P
2,00,00,000	7,22,52,683	3,55,94 047	1,17,80,408	25,00,783	Mr. Eric Henry Hare (Chairman)	Jardine Henderson	107	10	10 0	7 8	0 9 3/5	0 12 4/5	8	Y.P
2,00,00,000	55,29,566	84,83 960	8,60,060	4,76,107	G. M. Mackinlay, Esq.						7 8	7 8	8	Y.P.
6,84,0000.	3,48,843	6,89,880	4,81,766	2,240	James & Co., Ltd:	Macfarlane & Co.	24½	O. 5	*Nil*	*Nil*	*Nil*		8	Y
68,000D.							210N	D. 1						
40,00,0000.	72,01,900	25,16,760	7,97,801	1,87,824	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	0.100	7 8	10 0	17 0			6	Y.
5,00,0000.							D.0.10	0 4	0 8	1 8 1/5			12	Y.P
1,80,95,750	53,14,868	19,97,616	8,95,161	2,52,480	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	27½	10	1 6	1 6*	1 6		8	Y.P
1,16,00,000	44,50,000	1,76,54,305	67,87,457	14,48,141	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	25½	10	1 0	1 0	1 0		9	Y.P
6,35,255	1,55,888	7,81,449	2,80,987	—15,239	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	4½	10	*Nil*	*Nil*	*Nil*	1 4	8	Y.P
6,56,250	9,56,118	10,40,250	4,40 947	73	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	14½	10	1 0	1 0	1 0		12	Y.
10,00,000	1,23,000	15,18,188	8,10,626	30,916	T. Shamanna, Esq. (Chairman)	Mysore Tobacco	11	10	1 0	1 0	1 4	1 0	3	Y.T
40,00,000	51,21,172	59,09,527	39,20,120	2,22,382	Associated Industrial Development Co. Ltd.	National Insulated Cable Co. ..	21	10	0 12	1 0	1 0	1 8*	8	Y.P.
						National Tobacco Co.	10½	10	*Nil*	*Nil*	*Nil*		3	Y.T.
79,97,000	21,15,337	1,14,74,878	52,77,582	9,06,430	B. N. Elias & Co., Ltd.	Parry & Co.	8½	5	0 4 4/5	0 4 4/5	0 4 4/5		12	Y.P
40,00,000	27,00,000	44,15,474	19,71,484	Covernandai Investment Trust Ltd.	Ballia (India) Ltd.	37½	100	*Nil*	*Nil*	*Nil*		12	Y.P.T	
2,25,00,000	7,25,185	1,58,49,091	40,14,109	—63,99 179	M. P. A. Paspatti, Esq.	Bobtas Industries	21½	10	1 0	1 4	1 8	*Nil*	8	Y.P
1,14,00,000	1,17,70,208	6,94,43,187	3,00,81,612	4,46,951	Sahu Jain Ltd.	Spencer & Co., Ltd.	17½	10	1 8	1 8	1 8		10	Y.P
40,00,000	98,60,594	1,18,78,870	70,99,687	5,10,676	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	12½	10	1 8	1 8	1 8	1	6	Y.P
75,00,000	49,00,000	1,18,86,365§§	4,16,784	2,68,561	R. H. D. Campbell, Esq.	Travancore Ogale Glass	3½	10	*Nil*	*Nil*	1 4		12	Y.P
9,98,880	1,50,000	14,56,825	3,40,446	—2,06,050	Ogale Bros., Ltd.								12	Y.

§§ Investments at cost. * Includes bonus. § Existing Rs. 1,49,01,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amlokie	500N	100	7 8	25 0	30 0		12	Y.P.
8,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	43N	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,014	2,93,093	72,093	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	44	10	*Nil*	2 8	8 0*		12	Y.
5,50,000	11,21,541	16,95,377	6,44,337	93,035	McLeod & Co., Ltd.	513	Bachmari	24½	10	*Nil*	*Nil*	3 8		12	Y.
5,10,910	8,50,000	11,69,193	3,49,461	93,033	Andrew Yule & Co., Ltd.	399	Bismatia	32xr	10	2 0	2 8	3 0		12	Y.
3,30,000	4,65,000	10,11,265	6,46,265	18 304	National Tea Corporation	569	Bitell	24½	5	0 4	2 0	4 0		12	Y.
3,20,000	8,70,000	9,60,764	2,59,311	63,794	Gillanders Arbuthnot & Co., Ltd.	3,367	Bishnath	40½	10	*Nil*	3 8	2 0		12	Y.
16,50,000	20,60,000	52,30 169	22,95,169	1,99,547	Williamson Magor & Co., Ltd. ..	485	Bokakhat	21	10	*Nil*	*Nil*	1 0		12	Y.
6,00,000	2,53,500	10,49,416	2,98,130	61,929	Octavius Steel & Co., Ltd. ..	450	Bormah Jan Tea	19	10	*Nil*	0 12	3 8		12	Y.P.T.
7,50,000	6,52,440	8,93,227	2,33,050	1,44,105	McLeod & Co., Ltd.	1,100	Brooke Bond	20½	10	1 0	0 8	1 4		6	Y.P.
35,50,000	11,92,045	73,39,473	19,49,496	26,092	Brook Bond India Ltd.	2,334	Brooke Bond	20½	10	*Nil*	1 0	6 0		12

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00 000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	3 ½xr	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	8 ½	3	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	19,49,195	32,07,456	5,25,306	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	17½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70 000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	20½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00 000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd.	Cottanad Plantations	15½	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,95,543	22,72,370	4,51 852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce	15½	10	1 0	1 4	2 8	..	12	Y.P.
4,00,000	10,19,061	10,85,666	1,39,566	11,970	A. V. Thomas & Co., Ltd. ..	Kaipetta Estates	20½	10	2 2	2 0	2 0	..	4	Y.P.
9,00 000	7,28,329	18,44,917	2,55,893	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	27	10	3 8	5 8	2 4	2 4	3	Y.
27,00,000	27,35,000	71,30,225	6,74,892	99 729	A. V. Thomas & Co., Ltd. ..	Midland Rubber	18½	10	1 8	1 8	1 12*	..	3	Y.P.
3,35,000	2,31,000	14,31,422	1,45,231	13 146	A. V. George & Co., Ltd. ..	Nemmeny Rubber	21½	10	0 10	0 12	1 8	..	12	Y.P.T.
2,00,000	2,99,688	7,20,895	44,185	8,690	Associated Planters Ltd.	Nilambur Rubber Co.	13	10	1 0	1 0	1 0	..	12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	5½cd	2	0 3½	0 3½	0 0 3/5	0 6 2/5	10	Y.P.T.
13,50 000	6,80,000	39,49,798	3,66,748	54,858	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	21½	10	1 8	1 12*	1 12*	..	6	Y.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce Leslie & Co., Ltd. ..	Savannalai Estates Ltd.	27½	10	3 8	3 0	2 8	..	11	Y.
10,00,000	3,09,600	21,81,045	1,32,358	1,227	East India Agencies	Teekoy Rubber (India) Ltd. ..	9½xd	10	0 14½	0 14 2/5	0 12	..	3	Y.P.T.
2,50,000	2,37,500	5,29,518	27,325	15,715	A. V. George & Co., Ltd. ..	Thamaraiyalay Rubber	29½	10	2 0	3 0	3 0	..	12	Y.P.
6,10 200	3,00,005	9,01,561	60,565	24,020	Peirce, Leslie & Co., Ltd. ..	Tirumladi Rubber Co., Ltd. ..	2½cd	1	0 4	0 4½	0 1 3/5	0 2	9	Y.
6,00,000	46,474	7,49 611	1,11,200	3 744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	23½	10	2 0	2 0	2 0	..	12	Y.
41,00 000	14,29,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	12½	10	0 9 3/5	1 0	1 8	..	12	Y.P.T.
20 00,000	90,000	25,55,508	5,65,978	2,276	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	37½	25	2 8	3 0	5 0	..	12	Y.
6,28,380	4,40,670	7,77,154	14 119	21,363	Harrisons & Crosfield Ltd. ..	Vaikundam (Travancore) Rubber ..	26½	10	2 0	2 0	2 4	..	12	Y.
1 65,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	10½xr	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12 ¾	10	1+1	½+½	½+½	½+	3, 9	H.T.P.
6,00,000	9,50,000	51,48,608	35 31,395	94 986	McLeod & Co., Ltd.	446	Alexandra	248xd	100	*Nil*	*Nil* +2½	2½+5	..	6, 12	H.P.T.
30,00,000	9,84,130	1,17,45,984	91,71,069	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	180xd	100	*Nil*	*Nil* +5	6+6	..	6, 12	H.P.
49 20 790	71,94,144	2,71 07,506	1,82,90,000	1,41 421	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	191	100	10+10	7½+5	2½+5	5+	3, 9	H.P.
40 00,000	43,68,595	1,73,35,857	85 98,036	14,235	Bird & Co., Ltd.	810	Auckland	138	100	5+4	2+2	1+2½	6+	3, 9	H.P.T.
20,00,000	24,80,769	98,35,925	65,94,459	7,778	Jardine Henderson & Co.	950	Bally	165	100	*Nil*	4+*Nil*	*Nil*	3½+	3, 9	H.P.
£275,000	£631,523	£1 556,539	£1,003,227	£64,858	Sir John ff. Burder (Chairman)	1,889	Barnagore	103	£5	£1	£1	£1	£½	3	Y.P.
28,00,000	35 49,823	80,72,503	49,51,944	63,428	Andrew Yule & Co., Ltd.	820	Belvedere	181	100	7½+7½	7½+7½	5+5	5+	6, 12	H.P.
45,00,000	36,45,000	55,76,391	29 00,822	2,95,071	Soorajmull Nazarmull	600	Bengal	18	10	1	1½	1½	..	6	Y.P.T.
91,26,000	2,15,77,944	3,32,32,892	29,72,760	3,12,630	Birla Bros. Ltd.	1,373	Birla	18	10	3	3	1	1	3	Y.P.
36,00 000	29 62,926	1,11,73,640	72,37,911	1,61,163	Andrew Yule & Co., Ltd.	991	Budge-Budge	180	100	6½+6½	6+4	4+5	5+	4, 10	H.P.
7 47,380	8,16,924	42,43,434	30,69,845	35,424	Davaram & Sons	502	Calcutta Jute Mfg.	13	10	0+8	*Nil*	½+½	..	6, 12	H.P.T.
18,00,000	32,31,254	77,55,507	41,06,135	74,372	Andrew Yule & Co., Ltd.	616	Caledonian	240	100	6+8	5+6	4+5	4+	5, 11	H.
59,16,400	98,58,404	2,22,41,517	1,07,46,003	1,30,505	James Finlay & Co., Ltd.	600	Champdany	170xd	100	7+8	3+3	*Nil* +3	4+6	3, 9	H.
15,95,000	30,14,282	80,99,473	56,13,386	54,375	Andrew Yule & Co., Ltd.	530	Chevlot	230	100	6+6	6+6	6+8	6+	5, 11	H.P.
20,15,000	28,25,000	60,73,514	46,01,260	1,52,253	McLeod & Co., Ltd.	500	Chitavalsah	15½	10	2½+1½	1½+1½	½+½	..	6, 12	H.T.P.
16,00,000	24,00,000	78,28,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	15	10	2	*Nil*	*Nil*	1-4x	8	Y.
31,49,200	63,41,519	1,31,94,667	63,93,883	11,382	Bird & Co., Ltd.	766	Dalhousie	125	100	6+1	1+3	1+1½	3+	3, 9	H.P.T.
28,00,000	44,74,179	75,27,531	46,70,110	94,004	Andrew Yule & Co., Ltd.	779	Delta	250	100	10+10	10+10	6+6	5+	5, 11	H.P.
15,00 000	33,50,000	81,98,824	59,15,560	1,43,894	McLeod & Co., Ltd.	600	Empire	22	10	2+1½	1+1	½+½	½+	6, 12	H.T.P.
21,00,000	59,60,176	2,72,92,353	1,87,05,641	71,982	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	400N	100	10+*Nil*	*Nil*	*Nil*+5	10+5	3, 9	H.P.T.
14,00,000	17,75,000	84,18,102	53,99,759	1,14,743	Bangur Bros., Ltd.	1,014	Fort William	26xr	10	*Nil*	*Nil*+5	10+10	10+10	3, 9	H.T.P.
84,32,100	1,66,021	2,03,72,498	1,32,68,885	84,732	Macneill & Barry Ltd.	1,709	Gauzes Mfg.	*Nil*	*Nil*	*Nil*+3	*Nil*+3	*Nil*+1	2½+*Nil*	3, 9	H.P.
10,80,000	28,00,000	71,52,983	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,300	300	30	15	*Nil*	..	12	Y.
24,00,000	33,33,400	2,12,33,183	1,65,13,213	57,208	Macneill & Barry Ltd.	1,394	Gourepore	315	100	1½+*Nil*	*Nil*+3½	2½+7½	7½+7½	3, 9	B.P.
40,00,000	55,68,234	99,03,990	57,88,099	3,27,745	Bangur Bros. Ltd.	1,078	Hastings	114N	100	10	10	10+10	11½+	3	Y.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hoozhly	42	10	1½	1½	1½	..	3	Y.P.
65,82,500	64,54,528	1,38,96,868	1,08,71,020	92,110	Jardine Henderson Ltd.	1,940	Howrah	25⅜	10	1+½	½+½	½+½	½+	3, 9	H.P.
52,50,000	89,00,000	2,58,15,937	1,54,15,937	1,19,762	Andrew Yule & Co., Ltd.	2,272	Hukumchand	30	7½	5	2	2	3	3, 9	Y.P.T.
O. 87,00,000	18,75,000	1,20,99,497	76,70,146	45,363	Mackinnon Mackenzie & Co. ..	1,076	India	156	O. 125	3½+3½	3½+3½	*Nil*+3½	3½+		
D. 30,000									D. 1	As.1+½	a2/5+2.5	*nil*+a2/5	As.2/5+	3, 9	H.
24.00.000	23,52,233	1,37,58,585	1,23,68,657	24,686	Jardine Henderson Ltd.	1,527	Kamarhatty	180	100	8½+6	6+3	3+6	2½+		
B. 19 20,000								150	'B' 100	8½+6	6+3	3+5	2½+	6, 12	H.P.
30,00 000	18,77,539	1,32,79,035	99,85,481	19,297	Jardine Henderson Ltd.	1,527	Kankanarrah	124	100	6+4	5+2½	2½+4	1+		
B. 24 00,000								118	'B' 100	6+4	5+2½	2½+4	1+	6, 12	H.P.
21,00,000	49,50,000	1,12,88,750	79,26,276	1,70 687	McLeod & Co., Ltd.	703	Kelvin	262	100	7½+7½	7½+7½	10+10	10+10	6, 12	H.P.
54,00,000	23,85,375	1,71,07,938	1,15,44,627	57,501	Anderson Wright Ltd.	1,530	Khardah	170	100	10+15	10+7½	7½+5	6+	3, 9	H.P.
48,00,000	1,04,52,175	2,29,59,971	1,11,12,348	32,593	F. W. Heilgers & Co.	1,250	Kinninson	191	100	10+7	4+5	2+5	7+	3, 9	H.P.T.
24,48,000	50,25,281	1,39,60,448	79,72,840	11,135	Birt & Co., Ltd.	931	Lattadowne	125	100	7+3	2+5	1+1	5+	3, 9	H.P.
28,00,000	60,65,021	1,16,01,266	63,62 123	14,440	Bird & Co., Ltd.	840	Lawrence	145	100	11+4	2+5	2+4	5+	3, 9	H.P.
31,65,200	25,14,412	1,99,74,432	1,21,64,314	1,32,079	Mackinnon Mackenzie & Co. ..	1,008	Meuna	96	100	2½+2½	*Nil* 24	*Nil* 24	2½+	3, 9	H.
29,98,900	41,12 992	1,82,29,295	96,26,321	—4,25 342	F. W. Heilgers & Co.	815	Nalhati	118	100	6+*Nil*	*Nil*	*Nil*	*Nil*+	3, 9	H.
20.00.000	15,55,000	29,01 563	18,21,709	17 816	Howrah Trading Co., Ltd. ..	425	Naskarpara	48	10	1+½	*Nil*+½	½+½	½+	4, 10	H.T.
25,00,000	44,29,328	2,26,60,298	9,84,389	1,35,088	Andrew Yule & Co., Ltd.	852	National	29½	10	1+1	1+1	1+1	½+	4, 10	H.P.
26,25,000	24,50,000	28,82,794	20,20,619	1,43,792	McLeod & Co., Ltd.	316	Nellimarla Jute	12	10	2+1	1+½	½+½	½+	6, 12	H.P.T.
31,50,000	34,13,033	50,02 515	25,21,978	3 01,610	Sahu Jain Ltd.	709	New Central	10½	10	1 8	1 8	1 12*	..	6, 12	H.P.
16,79,880	52,39,698	1,24,90 192	60,85,786	65 116	Bird & Co., Ltd.	567	Northbrook	25½	10	0 10	0 12	1 8	..	3, 9	H.P.T.
66,79,500	28,30,000	3,15,19,998	1,39,37,806	58,278	Macneill & Barry Ltd.	1,092	Nuddea	45½	50	1+*Nil*	*Nil*+½	*Nil*+½	½+½	3, 9	B.
24,91,000	27,31,049	71,59,178	49,91,690	63 095	Andrew Yule & Co., Ltd.	601	Orient	170	100	5+5	6+6	5+6	5+	5, 11	H.P.
25,00,000	6,23,468	80,72,591	63,77,961	1,03,954	McLeod & Co., Ltd.	400	Presidency	61	*Nil*	*Nil*	*Nil*+½	½+½	..	6, 12	H.P.
20,00,000	1,44,936	29,56,430	8,39,130	—12,15,942	Birla Bros. Ltd.	305	Rameshwara	6½	10	*Nil*	*Nil*	*Nil*	*Nil*+	3, 9	H.P.
49 50,000	8,12,560	1,23,99,293	58,56,886	45,581	Jardine Henderson Ltd.	1,276	Reliance	12	10	*Nil*	*Nil*	*Nil*	*Nil*+	3, 9	H.P.T.
£800,000	£1 093,713	£1 236,315	....	£33 658	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	13½	10	½+½	½+½	½+½	*Nil*+	3, 9	H.P.T.
30,00,000	18,12,192	1,04,21,440	73 39,004	38,764	Bazaria More & Co., Ltd.	911	Shree Ambica	15½	10	10%	10%	10%	3%†‡	12	Y.P.
14,00,000	11,08,733	66,00 902	31 22,593	1,66,788	Hindustan Investment Corporation.	401	Soorah	10½N	10	*Nil*	½+½	½+½	..	3, 9	H.P.
25,19,800	47,30,992	1,15,05,773	57,07,251	19,821	Bird & Co., Ltd.	650	Standard	125	100	8+1	1+1	1+1	1f	12	Y.P.T.
£600,000	£925,119	£990,895	....	£110,316	Thomas Duff & Co. (India), Ltd..	1,794	Titaghur	13½	£1	10%	10%	10%	3%†‡	3, 9	H.P.
35,98 600	87,85,700	1,93,97,413	79,46,416	6 219	Bird & Co., Ltd.	1,328	Union	185	100	10+1	1+4	1+6	6f	12	Y.P.
£400,000	£683,035	£1,092,723	....	£97 816	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	12½	£1	10%	10%	10%	3%†‡	3, 9	H.P.T.
2,50,000	4,95,000	55,94,678	37,77,741	35 624	McLeod & Co., Ltd.	485	Waverley	6½	1	*Nil*	*Nil*+½	½+½	½+	12	Y.P.
														6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23½	10	½+½	½+½	½+½	½+	3,9	H.
12,00,000	8,34,319	38,77,312	35,78,612	12,440	Jardine Henderson Ltd. ..	Bararee Coke	21½	10	3/5+½	7/10+7/10	½+7/10	½+	3,9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	6N	10	1+1	*Nil*	*Nil*	*Nil*	6,12	H.
1,00,00,000	1,34,49,223	5,81,71,327	3,82,07,110	7,80,965	Andrew Yule & Co., Ltd. ..	Bengal Coal	540	200	20+20*	17½+15*	15*+15*	17½*†	4,10	H.P.
2,25,000	4,98,231	25,34,835	22,57,553	....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	16	10	½+½	*Nil*	*Nil*	..	6,12	H.P.
15,97,000	4,73,353	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd. ..	Bhaltora	5½	10	..	..	..	..	6,12	Y.
40,00,000	14,81,010	1,30,60 104	68,66,790	13,644	Sahu Jain Ltd.	Bharat Collieries	8½	10	½	..	..	..	0	Y.T.P.
7,15,000	15 09,580	52,49,025	37 09,987	—1,65,136	F. W. Heilgers & Co. Ltd. ..	Bhulanbarasee	14½N	10	½ *Nil*	*Nil*	*Nil*	*Nil*+	C	H.
16,00,000	16,22,936	68,16,454	39,74,841	—1,36,132	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur	15½N	10	*Nil*†	..	..	..	6,12	H.
7,50,000	23,50,000	42,07,858	26,07,691	68,856	F. W. Heilgers & Co., Ltd. ..	Borrea	29	10	1½*+1½*	1½*+1½*	1+1	½+	6,12	H.T.
90,92,850	1,76,70,564	4,16,22,554	1,80,95,440	1,40,510	Bird & Co., Ltd.	Burrakur	15	10	½+½	½+½	½+½	½+	6,12	H.P.
49,97,750	....	34,81,955	2,57,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	*Nil*	..	..	..	6,12	H.P.T.
8,00,000	13 54,302	49,10,414	32,03,954	82,768	M.	Central Kurkend	124N	10	½+½	½+½	½+½	..	3	Y.
6,00,000	1,43,698	7,28,438(k)	....	12,201	F. W. Heilgers & Co., Ltd. ..	Charlia	3	4	½+½	½+½	½+½	..	6,12	H.
16 00,000	1,30,000	52,67,321	28,91,190	—2,43,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6,12	H.T.
£240,000	£380,553	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	31½	21	3*(f)	2½	2½	3	4	Y.
29,83,760	76,84,250	3,80,97,499	2,87 14,367	93,266	Macneill & Barry Ltd.	Equitable	33½	10	2+1½	1+½	½+½	½+	6, 12	H.P.T.
10,00,000	2 11,139	9 72,721	3,23,963	40,284	Phatter's Agency Ltd.	Ghusick and Mualia	14½N	10	..	..	..	..	3	Y.
12,00,000	1,22,000	39,02,565	20,99,824	3,226	Killick Industries Ltd.	Hindri-Rampur	43	50	4	3	*Nil*	2 4	6	Y.P.
8,00,000	6,75,000	21,43,057	18,61,214	65,461	Macneill & Barry Ltd.	Hurriladih	25	10	½+½	½+½	½+½	½+	6, 12	H.
22,00,000	1,09,577	31,70,015	10,56,245	—1,95,248	Bajnate Trust Ltd.	Jogta Coal	2½	10	*Nil*	*Nil*	*Nil*	*Nil*†	12	Y.P.
3,52,000	2,07,448	13,53,458	7,08,130	....	Andrew Yule & Co., Ltd.	Kalapahari	22½N	10	1½+1½	1½+1	*Nil*	*Nil*	2, 8	H.
20,00,000	17,325	29,07,891	3,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries	160	100	*Nil*	*Nil*	*Nil*	2½	2	Y.P.
5,00,000	15,60,000	45,16,229	35,85,877	1,36,128	Andrew Yule & Co., Ltd.	Katras Jherriah	64	10	2+2	2+2	2+2	2½+8	1.7	H.
1,38,400	5,72,960	12,55,941	5,72,960	—2,80,236	Berlwala & Co.	Khas Kajora	5N	10	*Nil*	*Nil*	*Nil*	..	6, 12	H.P.
11,00,240	64,374	16 72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kuardi	4½N	10	..	*Nil*	*Nil*	..	6	Y.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	105N	10	..	..	..	..	4	Y.
7,48,240	1,50,000	11,58,128	8,95,686	25,598	S. P. Tantia, Esq.	Nazira	6½	10	..	..	..	..	6, 12	H.
7,00,000	26,617	10,33,740	5,20,295	4,560	Amritlal Ojha & Co., Ltd. ..	New Banadeopur	10N	10	..	..	..	..	6, 12	H.
17,76,230	19,41,763	1,17,95,498	87,10,712	95,478	Andrew Yule & Co., Ltd.	New Beerbhoom	20½	10	..	..	..	..	3, 9	H.
8.00 000	85 000	28,44,928	16,65,990	86,426	Octavius Steel & Co., Ltd. ..	New Manbhoom	12½	10	*Nil*+½	½+½	½+½	½+	4, 10	H.P.
1,15,000	2,47,693	12,96,801	8,28,607	13,249	Andrew Yule & Co., Ltd.	North West	19½N	10	½+½	*Nil*	*Nil*	*Nil*†	3, 9	H.
1 67.500							16½N	10	½+½	½+*Nil*	*Nil*	As. 10†	3, 9	H.
1,50,000	12,21,853	3,97,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd. ..	Ondal	7½	10	½+½	*Nil*	*Nil*	As. 7½†		
10.00.000	1,10,000	39,70,662	17,99,638	3,809	K. C. Thapar & Bros.	Oriental Coal	18N	10	1+1	1+1	½+½	½+	6, 12	H.P.
8,34,000	12 942	17,42,596	8,01,923	7,443	Deepchand Kishenlall	Parasea	9N	10	..	..	..	..	12	Y.
15,75,000	15 00 000	46,12,471	34 02,471	38,203	Shaw Wallace & Co., Ltd. ..	Pench Valley	13½N	10	*Nil*	½+½	½+½	½+	6, 12	H.P.
20,00,500	18,67,105	1,19,88,839	83,82,615	33,013	N. B. Elias & Co., Ltd.	Ranegunge	25	10	½+½	*Nil*	½+½	½+	6, 12	H.
18,50,000	5,55,068	32,52,218	13,30,500	438	Jalpuria Sons Ltd.	Rewa	12	10	..	..	..	..	3, 9	H.
20,00 000	1,25 000	13 78,480	12,21,237	21 070	M.	Samla Collieries	22½	10	½+½	½+½	½+½	½+	3, 9	H.
2,80,000	7 36,598	29,87 021	18,41 629	40,187	Andrew Yule & Co., Ltd.	Seasoale	13½N	10	½+½	½+½	½+½	½+	6, 12	H.
8,00,000	5 46,869	52 491	28,867	6 601	F. W. Heilgers & Co., Ltd. ..	Seebpore	74½EEN	10	2½	1½	1½	1½	6, 12	H.
63 21,450	16,96,050	3,82,71,101	2,85,68,501	—4,46,983	Industrial Trust Fund (Govern- ment of Hyderabad)	Sendra	2½	7	2	1	1	1	1	Y.
						Singareni	10½N	10	½+½	*Nil*	*Nil*	*Nil*+½	6, 12	H.T.
17,50,000	10,84,016	37,86,103	15,14,990	—51,588	Bird & Co., Ltd.	South Karanpura	9½	10	..	*Nil*	0-11 1/5	..	6, 12	H.T.
8 00,000	13,69,545	1 09,570	25,510	7,937	F. W. Heilgers & Co., Ltd. ..	Standard	11½	10	½+½	½+½	*Nil*+½	½+*Nil*	12	Y.
10,00,000	12,950	30,15,423	15,43,501	—3,54,536	Villiers Ltd.	Talcher	23	10	½+½	½+½	½+½	½+	2, 8	H.
3,50,000	3,59,000	19,72,979	15,13,979	47,938	Williamson Magor & Co., Ltd. ..	Union	3½	10	..	..	..	..	6, 12	H.
49,98 000	....	49,06,856	18,91,545	31,694	Hindustan Investment Corpn., Ltd	Western Bengal	17	10	1½+1½	1+½	½+	*Nil*+	9	Y.
7,00,000	1,38,190	55,22,183	22,66,981	122	Macneill & Barry Ltd.	West Jamuria	7½	10	*Nil*	½+½	½+½	½+	6, 12	H.
							14	10	*Nil*	*Nil*	22,66,981	*Nil*+	6, 12	H.

M—Managed by the board or directors ‡ Less income-tax. (x) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments
(1 Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
15,00,000	1,08,00,000	11,36,301	Allahabad Bank	365	100	18 0	18 0	18 0		12	Y.P.
14,50,000				18¼	50	9 0	9 0	9 0			
1,01,000	13,51,000	1,28,560	Andhra Bank	115	100	6 0	6 8	7 8	3 0	6,12	H.
21,25,750				85	70	3 0	3 4	3 12	2 1 3/5		
1,00,00,000	1,28,00,000	2,70,302	Bank of Baroda	98	50	6 0	6 0	6 0	1 8	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	13¼N	25	0 12	0 12			12	Y.
2,50,00,000	8,52,00,000	9,10,851	Bank of India	155	50	7 0	7 0	7 0	3 0	6,12	R.L.Y.
15,00,375	26,50,000	64,703	Bank of Indore	52N	25	3 0	3 0	3 0	1 12½	12	Y.
50,00,000	19,00,000	29,128	Bank of Jaipur	20¼	50	1 8	1 8	2 0		12	Y.
50,00,000	85,00,000	2,60,291	Bank of Mysore	202½xd	100	16 0	16 0	16 0	8 0	12	Y.
61,21,700	58,73,913	10,069	Bombay State Co-operative Bank.	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	86	50	4 8	4 8	4 8		12	P.Y.
7,50,000	11,25,000	2,518	Canara Banking Corporation Ltd.	Seed	50	5 0	5 0	5 0		12	Y.P.
2,02,11,575	4,00,55,597	17,88,899	Central Bank of India Ltd. ..	47¼	25	3 8	3 0	3 0	1 8	12	R.L.Y.
52,42,375 'A'				50¼	25	3 8	3 0	3 0	1 8		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co. ..	45	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	23,50,000	1,12,820	Hind Bank	32½	50	1 0	1 8	1 8		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank ..	9½	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	14	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	89N	100	5 0	5 0	6 0	5 0	9	Y.
24,00,000	77,50,000	1,30,785	Indian Bank	192	100	12 0	12 0	12 0	6 0	6,12	R.L.H.
17,00,000				164	85	10 3½	10 3½	10 3½	5 1 2/5		
10,00,000				115¼	60	7 3½	7 3½	7 3½	3 9 2/5		
49,19,675	26,00,000	2,15,839	Indian Overseas Bank	128	100	6 0	6 0	6 0		12	Y.
6,25,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½	100(A)	6 0	Nil	Nil		6,12	H.
2,50,000				11	25(B)	Nil	Nil	Nil			
10,00,000				25	50(C)	3 0	3 0	Nil			
87,50,000	92,50,000	4,99,040	Punjab National Bank	46	25	1 8	2 0	3 0	1 8	12	Y.
1,00,00,000	21,75,000	93,631	Travancore Bank	17½	25	—	1 10	1 12		12	Y.
40,00,000	33,00,000	1,75,874	Union Bank of India	6¾	5	0 5½	0 5½	0 5½		12	Y.
2,00,00,000	86,50,000	1,08,725	United Commercial Bank	50½	50	2 0	2 0	2 8		12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£392,910	Chartered Bank of India, Australia and China	£1-19-9	£1	16†	14†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£8	£5	7†	8†	8†		12	R.L.Y.
H.K. $20,000,000	H.K.$28,000,000	H.K.$10,215,256	Hongkong and Shanghai Banking Corporation	£97½	H.K. $125	5*	5*	5*	2*	12	Y.
£17,966,195 'A'	£14,500,500	£516,557	Lloyds Bank	£2-14-9	£5 A	12†	14†	15†		12	R.L.Y.
£1,437,296 'B'				£1-6-3	£1 B	5†	5†	5†		12	R.L.Y.
£375,000 'A'				£4¾	A £2¾	14†	14†	14†	7†		
£375,000 'B'				£4¾	B £2¾	14†	14†	14†	7†	12	R.L.Y.
£750,000 'C'	£1,750,000	£200,284	Mercantile Bank of India ..	—	C £1	14†	14†	14†	7†		
£2,851,563	£3,104,687	£326,266	National Bank of India	£1-1-3	sh. 12½	16†	16†	15†	7½	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††U.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	100	1st June .. 1963
4,00,000	5½	1st March and 1st September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December ..	Ramnagar Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	97	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June† .. 1956
20,00,000	4½	30th June and 31st December ..	Burrakar Coal Co.	1947	91½	30th June .. 1967(a)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1968(a)‡
COTTON						
8,50,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	99	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Parkinsham and Carnatic	1952	101½	1st March .. 1972(a)
13,68,000	5½	.. ..	Javshree Textiles	1949	80N	1st January .. 1956-59
89,90,000	5	1st June	Tata Mills	1951	100½	* 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd. ..	1950	95	31st March .. 1965(a)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100½	14th June .. 1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	98	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(a)
2,40,01,850	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	104½	1st January .. 1970(a)
25,00,000	4	30th June and 31st December ..	Gennore Electric Supply Co. Ltd.	1945	87	31st December .. 1970
15,00,000	5½	1st January and 1st July ..	Sijua (Dherriah) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(a)
4,05,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	98½	15th July 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	98½	1st October .. 1960-64
1,90,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94½	30th September .. 1953-63
4,63,800	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,73,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July 1976
2,50,00,000	4	1st April and 1st October ..	Tata Power	..	93½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1928	99	30th June .. 1958
30,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer)	1942	102	1st July 1957-62
£1,146,850	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1936	£88	31st December .. 1966(§§)
4,10,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	100½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100½	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	99½	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	100	30th June .. 1966
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	93½	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July 1959
10,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	96	30th June .. 1966
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1960(a)
8,86,000	5	15th January and 15th July ..	Empire	1951	95	15th July .. .. 1956(a)
25,00,000	3½	1st January and 1st July ..	Hukumchand	1947	92	30th June .. 1957
30,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co., Ltd. ..	1955	100	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1949	96½	31st December .. 1964(a)
25,30,000	5½	30th June and 31st December ..	Naihati	1952	98	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December ..	Presidency	1943	93	30th June .. 1958
25,56,000	5	31st March and 30th September.	Reliance Jute Mills Co., Ltd. ..	1950	91	5th September .. 1965(a)
8,00,000	4½	14th March and 14th September.	Soorah Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December ..	Union	1937	96½	30th June .. 1957
10,00,000	3½	31st January and 31st July ..	Waverly	1925	88	31st July 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Baraset-Basirhat Light Railway ..	1939	£90N	1st July 1956
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months notice or at par or every seventh year thereafter
£139,363	5	1st April and 1st October ..		1933	£77½N	1st October .. 1974
6,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1959(a)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months' notice (a)
4,33,26,597	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	96½	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffee	1952	102	1st July 1957-63
12,50,000	6	31st March and 30th September.	Nilgiri Tea	..	100	1st April 1958-68
1,80,700	5½	31st March and 30th September.	Teekoy	1944	100	31st March† .. 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
26,80,000	4½	1st January and 1st July ..	Associated Hotels of India	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
8,00,00,000	5½	31st March and 1st September ..	Burmah-Shell	1954	104	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	103½	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February .. 1964
20,92,200	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	89½	1st July 1966
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87½	15th September .. 1960
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Ltd.	1946	92	 1960
1,30,00,000	5	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd. ..	1950	102½	1st January .. 1971(a)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(a)‡
17,75,000	5	15th March and 15th September.	Mettur Chemical Industries	1949	95½	 1964
88,08,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	560	30th September .. 1976(a)
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)	1947	470 (per note)	31st December .. 1972(a)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	89½N	1st April 1971
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1955	103½	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	98	31st March .. 1961(a)
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	91	31st December .. 1956
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	105	1st May .. .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium, (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. † With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 18 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. ‡§ Redeemable out of a cumulative sinking fund of 1¼ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1956 onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1965, on six months' notice. †† Option to repay at par on 6 months' notice, on or [illegible] from 1st [illegible]

WEEK'S STOCK EXCHANGE TRENI

THE following quotations indicate the trend o transactions on the Bombay Stock Exchang during the week ended 16th February, 1956.

	Closing quotations 9-2-1956	High	Low	Closing quotation 16-2-1956
	Rs.	Rs.	Rs.	Rs.
TEXTILES				
Ahm. Adv. (100) ..	160½	—	—	160½
Apollo (2)	2-12½	2-13½	2½	2½
Bombay Dyeing (250).	507½	519½	499½	517½
Central India (100) ..	139	147	133	135½
Century Mills (100) ..	451½	464½	443	461½
Colaba (100)	60	—	—	60
Edward Textile (200).	320	—	—	320
Elphinstone (50) ..	50	—	—	50
Finlay (100)	320	323	315	322
Gokak (100)	224	230	221½	230
Ind. Untd. Befd. (1) ..	2-¾	2-1	1-13	2-1½
Ind. Untd. Ord. (10).	12½	12 ⅞	11 ⅜	12 ⅜
Indore Malwa (100) ..	129½	135½	123½	130
Khatau (100)	210	210	206½	206½
Kohinoor (100)	327½	332	323	331
Lakshmi (250)	668½	—	—	668½
Madhusudhan (100) ..	112½	—	—	112½
Minerva Mills (100) ..	82	—	—	82
Model Nasgar (250) ..	148½	152½	148½	149½
Morarji (100)	230	—	—	230
Mysore (50)	99⅜	—	—	99
National Rayons (100).	215½	219½	209	218½
New City (100)	160	160	155	155
New Great (100)	104	—	—	103
New Union (10)	37	—	—	37
Phoenix (100)	120	120½	120	120½
Podar Mills (100) ..	165	166½	165	166½
Saraswati Silk (10) ..	20	—	—	20
Sassoon Spg. (10) ..	39	—	—	39
Sholapur (1,000) ..	1,900	—	—	1,900
Shrinivas (100)	210	215	203½	213½
Simplex (50)	185½	191½	181	191½
Standard (100)	401½	418½	387½	415
Svadeshi (100)	209	212	205	210½
Swan (100)	412½	410	402½	410
Tata Mill (25)	51½	51½	49½	51
Vishnu (100)	180	180	178½	178½
Western India (1,000).	5,000	—	—	5,000
BANKS				
Bank of India (50) ..	151	156	150	156
Bank of Baroda (50) ..	95	98	96½	98
Central (25)	49	48	47½	47½
Central 'A' (25) ..	50½	51	50½	50½
Dena Bank (50)	45	—	—	45
Punjab National (25).	46	—	—	43½
Union Bank (5)	6⅜	—	—	6⅜
United Com. (50) ..	50½	50½	50	50
ELECTRIC COS.				
Ahmedabad (100) ..	103½	105½	102½	104⅜
Amalgamated (10) ..	11 ⅜	11 ⅜	11⅛	11 ⅜
Andhra Valley (1,000).	1,302½	1,302½	1,297½	1,300
Ford, Bdy. Ahl. (100) ..	129	129	116½	116½
Surat (100)	120	123½	120	123
Tata Hydro (100) ..	133	—	—	133
Tata Power (1,000) ..	1,366½	1,367½	1,345	1,367½
INSURANCE COS.				
British India (10) ..	13 ⅜	—	—	13 ⅜
Empire of India (100).	600	—	—	600
Ind. Mercantile (20).	43	—	—	43
Jupiter (15)	8½	—	—	8½
New India (15)	40	40½	39½	40
Oriental (100)	3,800	3,970	3,900	3,900
Universal (10)	14	—	—	14
Vulcan (10)	15½	15½	14½	14½
STEEL COS.				
Ind. Iron (10)	32½	32-8½	31 ⅜	31-13
Tata Steel Ord. (75)..	225	226	219½	224
SUGAR COS.				
Belapur (50)	222	222	211	212
Bhopal (10)	14 ⅜	—	—	14 ⅜
Phaltan (50)	128	129	125	127½
Walchand Ind. (100)..	235½	243½	230	243½
CEMENT COS.				
Associated Cts. (100)..	202½xd	205	199	203½
Digvijay (100)	168½	170½	165	169½
MISCELLANEOUS				
Alcock Ashdown (100).	368½	382½	357½	371½
Bom. Burmah (125)..	524½	520½	508½	525½
Bo. (New) (50)	190	187½	186½	186½
Br. B. Petrol (4 sh.)..	3 ⅜	3-15½	3 ⅜	3-13⅜
Br. I. Corpn. (5) ..	11-12½	11½	11	11-2½
C. P. Ry. (100)	93½	—	—	93½
Indian Copper (2sh.)..	6⅜	6⅜	6⅜	6 2½
Ind. Inv. Tr. (100) ..	80	—	—	80
Kemp (200)	195½	—	—	195½
Killick (100)	168½	169	167	168
Polson (100)	157½	158½	156½	158½
Port Canning (100) ..	12½	—	—	12½
Premier Con. (30) ..	171½	170½	166	170½
Scindia (100)	15⅜	16	15-5½	15-14½
Shivrajpur (10) ..	101	102	99	102
Tata Chemicals (10) ..	16 ⅜	16 ⅜	15½	16 ⅜
Tata Oil (25)	42½	43½	41½	42½
Tata Loco (100) ..	141½	142½	137	141½
W. I. Match (100) ..	187½	186½	184½	186½

GOVERNMENT SECURITIES	10-2-1956	Gross Yield Earlier Redemption	Later Redemption	16-2-1956
	Rs.			Rs.
2½% 1961	93⅛	—	3 83	93⅛
2½% 1960	96 ⅜	—	3 68	96 ⅜
2½% 1962	93⅛	—	3 80	93⅛
2½% 1976	82⅛	—	4 04	82⅛
3 % 1957	99⅛	—	3 25	99⅛
3 % 1958	99⅛	—	3 39	99⅛
3 % 1959-61	98⅜	3 53	3 37	98 ⅜
3 % 1964	94⅛	—	3 73	94⅛
3 % 1963-65	94⅛	3 81	3 67	94⅛
3 % 1966-68	92 ⅜	3 90	3 78	92 ⅜
3 % 1970-75	88 ⅜	4 06	3 84	88 ⅜
3 % 1986 Con. Loan..	80¼	—	3.73*	80¼
4 % 1960-70	101 ⅜	3 50	3 84	101 ⅜
4½% 1958-68** ..	103 ⅜	3 05	4 16	103 ⅜
3½% 1961 N.P. Bonds.	99⅛	—	3 60	99⅛
3½% 1964 N.P. Loan..	98⅜	—	3 67	98⅜
3½% 1965 N.P. Bonds.	98 ⅜	—	3.69	98 ⅜

BRITISH GOVERNMENT SECURITIES

	8-2-1956	Low	High	13-2-56
	£	£	£	£
2½% Brit. Consols.	55	55	53⅛	53⅛
3% Savings Bonds 1965-75	76½	76½	75⅜	75⅜
3% War Loan 1955-59.	95 ⅜	95 ⅜	94⅛	94⅛
3½% War Loan	74	74	72⅝	72⅝
4% Victory Bonds 1976	93 ⅜	93 ⅜	93⅛	93⅛
4% Funding 1960-90..	91 ⅜	90 ⅜	90⅛	90⅛

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Eight.

COMMERCE

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

VOL. XCII. No. 2347 BOMBAY, 25th FEBRUARY 1956 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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BRITAIN STRIKES AT INFLATION

AT last, the British Chancellor of the Exchequer, Mr. Harold Macmillan, has struck a heavy blow against inflation which has been dogging his country for several months now. He has made his line of attack clear in what amounts to an emergency budget. Like a bulldog, he has tenaciously stuck to his party's policy of not invoking physical controls to kill inflation and to correct the imbalance on trade account. On the contrary, he has shown that he fully believes in his predecessor's faith in the efficacy of monetary and fiscal measures for curing his country of economic malaise. Not all the criticisms of the Opposition have convinced him of the necessity to change his approach. In fact, he has received the overwhelming support of Parliament which has affirmed its confidence in Sir Anthony Eden's Government by casting 325 votes in favour to 258 votes against.

The move to kill inflation is a combined operation by the Bank of England and the Government. The former entered the scene first (on the 16th inst.) and bumped up the Bank rate by 1 per cent. to 5½ per cent., a level which Britain has not known for a quarter century, since the Great Depression crisis of 1931. But how different are today's circumstances of Britain! In the classical phrase, there is today too much prosperity—that is, too much employment, too high incomes and too much consumption—as distinct from too much depression 25 years before. It may sound as a strange feature of economics that a high Bank rate comes as a handy solution for great depressions and great booms alike. But there is at least one similarity in the two extreme situations in Britain's affairs. And that is the necessity to ensure the stability

payment for such semi-luxuries as radio, washing machines, refrigerators and motor cars has been raised from 33⅓ per cent. to 50 per cent. Similar restrictions have been made applicable to a comprehensive range of capital goods, too. These goods were often bought on credit. The industrial consumers, therefore, have been subjected to two handicaps, namely, drastic restrictions on bank loans and reduction in the facility of hire-purchase finance.

Besides the foregoing, industrial investments are being cut in other ways. The special tax allowances of the palmy days of 1954—which, in effect, gave investors in capital equipment a tax rebate—are abolished and the old-fashioned percentage depreciation allowances for tax restored. The credit squeeze is, moreover, intensified by the banks continuing their unbending attitude towards advances and by the Capital Issues Committee—which has to approve public issues—taking a critical attitude towards such issues. This means, in effect, that new issues will be deemed unnecessary until the borrower can prove otherwise.

One of the common criticisms to be heard from British commentators was that there could be little hope of bringing inflation under control, if the public sector went on spending on development of nationalised industries and on other programmes. This criticism seems to have gone home, for the nationalised industries are to postpone their investments by £50 million by reassessing priorities and rephasing their programmes. Besides, a cut of £20 million is to be made in other capital expenditures of the British Government. There will also be a severe restraint on the capital expenditure of local authorities. On this step, our London Correspondent has the following comment to make:

"It is absurd for the Chancellor to plead that he is not reducing investment but merely postponing it. Investment is always a current affair and, if essential investment is not made when it is essential but postponed to a later date, then investment is being effectively reduced. Atomic energy is not affected, but electrical and gas development are being cut by £19 million in 1956, railways by £22 million, coal development (but not direct production) by £5 million, airways by £2¼ million. Fewer tears need be shed over the investment cuts imposed on radio and television, but the great power and transport industries can ill-afford the economies now proposed; it must be remembered that their programmes had already been pruned before the new cuts. Local authorities will be restrained in their borrowing, meaning less housing and school and public buildings, while it is expected that factory building will be reduced through a combination of the other hazards put in the way of new investment. All this, of course, is before the budget in six weeks' time. That will be the opportunity for the tax weapons to be used and the present measures indicate clearly that they will be used freely."

Taken as a whole, all the measures detailed above can hardly fail to be effective, It is, however, a moot question whether Britain has been wise in refusing to use discriminatory controls for no other reason than doctrinaire considerations. May be, it will have to pay a high price in terms of lagging industrial power and inability to render timely help to the underdeveloped countries of the Commonwealth such as India, Pakistan, Ceylon, Malaya and Rhodesia, in their efforts to improve their economies. In any case, it is not the way that great countries like America and Russia are choosing. The question can hardly be avoided: In this world of mixed economy, can an industrial power like Britain afford to pursue such out-of-date, purely orthodox economic policies and practise rigorous economy in investment and, if so, for how long?

NATIONALISATION OF INSURANCE—WHY NOT RECONSIDER IT?

THE Government of India continues to speak with two voices on nationalisation of insurance. The President, Dr. Rajendra Prasad, like Mr. U. N. Dhebar, the Congress President, referred to nationalisation of insurance in his opening speech in Parliament and stated that it would prove to be a "step towards the socialist ideal we have before us." The statement of objects of the Bill to replace the Ordinance nationalising insurance by an Act harps, on the other hand, upon the financial and moral lapses of the insurance companies in an attempt to justify the nationalisation policy. Some clarification is obviously needed, if the Government's policy has to carry conviction to wider sections of the people.

There is no necessary connection between nationalisation of insurance and progress towards socialist society. Such nationalisation could, in fact, come at a later stage of socialist progress, rather than at the beginning—that is, even assuming that socialism is the most desirable and practicable ideal and that nationalisation of insurance is part of the means for achieving that ideal. It is well to remember that the Socialist Government in the U.K. did not think that nationalisation of insurance was a measure vitally essential for transition to a socialist society. If, on the other hand, nationalisation of insurance is deemed necessary in the interests of the progress of this industry, it is equally wrong. For, in a State committed to socialist philosophy, the incentive for a citizen to save for his future can never be so strong as under a system of free enterprise and individual initiative. The Welfare State is, in fact, inimical to individual saving. Why should the individual save for his future when the State is ready to assure him and his progeny the basic needs of life? In a socialist set-up, the future of insurance is, therefore, dark, rather than bright. The powers-that-be are doing a distinct disservice to insurance by frequently referring to nationalisation of this industry as a socialist measure.

As regards the charge against insurers of misapplication of funds, the Government has not taken the public into confidence over the magnitude of the funds and the names of the companies and the persons involved. Now that the Government has appointed custodians to all the insurance companies, it must be in possession of all the data relating to the state of financial affairs in this industry. It is to be hoped that the Government will lay before Parliament all the data in its possession, so that the public can judge whether the malady needed so drastic a remedy as nationalisation and whether the nature and the magnitude of commissions and omissions attributed to insurers in the private sector compare favourably or unfavourably with similar drawbacks from which the public sector, too, is not free. Incidentally, such information should be able to reveal whether the misapplication of funds could not have been prevented through prompt application of the law.

If an impartial examination reveals that the black sheep are few and could be separated from the white, the Government should, in our opinion, retrace its step, to some extent, by denationalising at least the really good companies and allowing them to function, subject to suitable controls. The Government and the private sector could then operate in the field of insurance. There would be some scope at least for competition and a choice for the public. The Government, too, would be free from the charge of creating a State monopoly which is repugnant to those who believe in a free, democratic society. This would also provide an opportunity to the Government to prove the *bona fides* of its oft-repeated statement that it is not in favour of doctrinaire policies and that its whole object in nationalising insurance is to cleanse the Augean stables.

The existence of State-sponsored and private insurance will, as just mentioned, lead to a fair amount of healthy competition, a variety of policy conditions and greater service to policyholders. So far, nationalisation of life insurance has meant only standardisation of policies. The only constructive result has been a certain reduction in premium rates. The Government has ordered a 5 per cent. reduction in the premium rates over the rates quoted by the Oriental. As compared with the rates quoted by some companies, however, this reduction implies no gain at all. For, according to the Indian Chamber of Commerce, Calcutta, out of 101 companies, the premium rates charged for a twenty-year endowment policy for age group 30 was less than the Oriental's rate in the case of no less than 78 companies; in many cases, the difference in the premium between the companies' rate and the Oriental's rate was more than one rupee and in several cases, as much as Rs. 2 per Rs. 1,000 sum assured.

Be that as it may, the fact remains that, if the Government had not stifled competition in insurance, such a reduction in premium rates would have taken place ere now. When private insurers held the field, the Government always interfered with any scheme that was designed to lower premium rates. This was done on the ground that small insurers would be affected adversely by aggressive competition. Some of the restrictions which were placed on premiums of policies of certain leading life offices were contrary to the spirit of private enterprise and opposed to the interests of policyholders. Apparently, what was then considered not sauce for the goose (private insurers) is now believed to be more than sauce for the gander (nationalised insurance organisation). Indeed, by keeping competition under excessive check, the Government was actually encouraging the growth of mushroom and uneconomic insurers. As all students of economics know, a free, competitive enterprise has its own corrective for eliminating undesirable and uneconomic elements. But, in this country, this force was repressed by the Government through the introduction of controls. At the same time, the Government failed properly to use its powers for control against the misbehaving elements in the insurance world. Accordingly, it was also responsible for the continued existence of Augean stables. All this may be past, but Parliament must remember them when the relevant Bills come up for its consideration.

If it is felt that only nationalised insurance can deliver the goods, it must, however, be acknowledged that the Government could not have made a more satisfactory arrangement than the one it has now evolved. A corporation, which will enjoy a wide measure of autonomy in its day-to-day affairs, is the best organisation for running insurance. And it is all to the good that nationalised insurance will not be operated as a departmental affair. The Government has not, however, abdicated all authority, for it retains powers to issue directions on policy matters. It is to be hoped that the Bill will not be assailed on the ground that Parliament will not have adequate control over the affairs of the Corporation. It will always be open to Parliament to scrutinise, in a general way, the working of the Corporation. But, in the interests of the future of insurance, both the Government and Parliament will do well to see that the Corporation is free from political influence or vexatious interference. The success of this Corporation will, of course, depend on the choice of personnel for this 15-member body as well as for the three-member Executive Committee which will be in charge of the general superintendence and direction of affairs of the Corporation. The Directors, as well as the members of the Executive Committee, should be men with technical knowledge, of proved experience and merit. Many will, however, regret the absence of any elected element in the organisation. Surely, the Government could have provided for elected representatives of policyholders on the Corporation. That would be quite in keeping with the spirit of co-operation which the Government has been advocating for other economic functions.

The principles of compensation have, on the whole, been generally regarded as fair. It is true that any formula for compensation will treat both the good and the bad companies alike. In this process, the really good offices cannot expect to get all that is justly due to them. For instance, the Oriental, on the basis of the formula, is expected to get as compensation about Rs. 4,150 per share, as against about Rs. 8,800 per share proposed (on the basis of expert actuarial calculation) under the abortive mutualisation scheme to which the Finance Ministry itself had given its informal consent. Compensation to foreign offices may conceivably raise certain intricate technical issues. All disputes arising from nationalisation will be referred to a three-member tribunal, of which one will be a person who is or has been a judge of a High Court or of the Supreme Court. In all matters concerning foreign insurers, the Government as well as the tribunal will, perhaps, be well advised to take a broad and liberal view and thereby avoid giving any impression of either discrimination or partial expropriation.

The problems of integration of all the insurance companies under a single organisation will prove to be complex and formidable. The Bill for setting up the Corporation empowers it to reduce the amounts of insurance under contracts in the case of certain companies, if such reduction is found necessary in the light of the financial condition of these offices. Nationalisation of insurance will thus prove to be of no avail to the policyholders of such companies. The integration of the policies of the different companies and of their staff will thus lead to complicated actuarial and administrative problems. It is not clear how long and how painful will be this process. Meanwhile, there is a danger of life insurance business itself receiving a serious setback for want of adequate attention and sales service. From this point of view alone, if not on other considerations, the Government would do well to give some second thoughts to its nationalisation policy.

COST OF BANK CREDIT GRADUALLY RISING

CONVERSION LOAN—BANK RATE—T.I.S.CO'S EXAMPLE—RAILWAY BUDGET

THURSDAY, 5 P.M.

MARKET GOSSIP

MONEY and Gilt-edged markets were the talk of the City this week. The rise in the British Bank rate on Thursday last led to a lot of speculation about the future of the Indian Bank rate. The withdrawal of the Reserve Bank from the Gilt-edged market at this juncture only served to strengthen the speculative fervour. But much of this guesswork was unwarranted, for, even if there was a case for increasing the Indian Bank rate, political considerations alone would have prevented the authorities from making a move this week or in the very near future. Had they raised the Bank rate yesterday, their critics would have dubbed them as camp followers of the British Government. The same criticism might be made, if they were to raise the Bank rate even after a few weeks hence. Further, several days ago, the Reserve Bank had announced its decision to raise the *de facto* Bank rate (that is, the usance bill rate) from 3 to very nearly 3½ per cent. from 1st March 1956. It is beyond our ken to say whether the Reserve Bank had taken this decision in anticipation of the Bank of England's action last week. But the fact remains that, from next Thursday onwards, the commercial banks' principal discounting rate will be up by about ½ per cent., as against the rise of 1 per cent. in the British Bank rate. Accordingly, where is the need for a further rise?

The *de jure* Bank rate in India is, of course, 3½ per cent; that is the rate at which the Reserve Bank lends money to member banks against Government securities. Ever since the introduction of the usance bill scheme, there has been a gradual decline in the practice of banks borrowing from the Reserve Bank against these securities. In fact, the Reserve Bank itself has been discouraging it. As the cost of borrowing against usance bills is ½ per cent. less than that against Government securities, most banks have preferred to use the bill system. Now that this attraction will be removed after a week, it remains to be seen whether the popularity of the usance bills will tend to wane. Borrowing against these bills does require some effort, in that a bank has to induce its customer obtaining an overdraft to draw a three months' bill instead of a demand promissory note. If the banks again begin to show a pronounced preference to make use of Government securities for obtaining credit from the Reserve Bank, then it may be necessary to raise the *de jure* Bank rate, or to reduce the *de facto* Bank rate to 3 per cent. The latter is unlikely, if at that time the level of interest rates the world over happens to be on the high side, as it is at present.

Another factor likely to necessitate an increase in Bank rate is the extent to which the high interest rates in London throw the burden of financing India's foreign trade on the Indian money markets. It is not easy to assess the magnitude of this burden, for it is not known what it was like when the British bank rate was 4½ per cent. It is only the Reserve Bank that can give an idea of it. If, however, the Exchange banks make much larger calls on the Reserve Bank than they have been doing all along, it may be necessary to raise both the usance bill rate and the Bank rate.

All available indications go to show that for two reasons Exchange banks cannot help leaning on the Reserve Bank more heavily than they have been doing hitherto. First, they cannot draw on the resources of their head offices, for the cost of money in London is prohibitively high. Secondly, in spite of higher interest rates they are alleged to be paying in order to attract deposits, their resources in India have not expanded, at any rate not on the same scale as those of Indian banks. With more and more money going to the interior, Exchange banks, with their limited number of branches, cannot garner deposits at the same pace and to the same extent as the Indian banks can do with their large network of branches throughout the country. It is stated that, out of Rs. 225 crores advanced by the Reserve Bank against usance bills in 1955, a substantial part was on account of Exchange banks. This could be true for reasons just mentioned.

From what has been stated above, one should not jump to the conclusion that the Exchange banks are the cause of the pressure towards higher interest rates. Any such conclusion will be absurd. It is not the Exchange banks that link India with foreign money markets like London. It is not they who transmit the effects of higher interest rates abroad. It is India's trade with foreign countries that provides the link and the channel through which the impact of developments in the rest of the world is felt. The greater the size of India's foreign trade, the stronger will be the impact. It is, therefore, wrong to think that, if the Exchange banks were removed from the scene, conditions would be different. The place of Exchange banks would be taken by Indian banks, for there could be no vacuum, and the latter would be obliged to do the very same thing which the Exchange banks are doing.

In a planned economy like India, where trade and industry are regulated, the considerations mentioned above may not be weighty enough to warrant a rise in the Bank rate. (In any case, the maintenance of the Bank rate does not pose a big problem as that of maintaining the exchange rate against an adverse balance of trade). But, in actual practice, Indian economy is not a completely planned and regimented economy yet, though it seems to be heading fast in that direction. There is still a large measure of free trading and speculators are able to enjoy sufficient freedom for carrying on their activities. Despite all restrictions on private initiative and enterprise, the inherent tendency among Indian business men to overtrade is still very strong and active. There is, indeed, the risk of this tendency gathering momentum if the profit margin goes down. Lower rates of interest and easy availability of bank credit are the main factors that sustain such speculation and overtrading.

Advocacy of higher interest rates and other restraints on credit creation will, however, sound illogical at a time when heavy deficit financing is contemplated and when the whole country is expected to invest large sums on expansion of existing industries and development of new ones. But, at the same time, precisely because of the large deficit financing that is expected, it will be necessary to keep speculation, etc., that distort the economy, under effective control. The task before the monetary authorities, therefore, will be to reconcile, in a judicious manner, the conflicting considerations just mentioned. The problem, however, does not appear to be of a pressing nature at present, though it may make itself felt at a later date.

Meanwhile, the stringency in the money market is more acute than last week. There has, of course, been no change in the interest rates for short-term deposits and house money, but inter-bank call money has gone up by a fraction, that is, by ½ per cent., to 3½ per cent. today. Some of the Exchange banks have raised their rates of interest on commercial loans and overdrafts by ¼ to ½ per cent. This is quite understandable for causes already mentioned. A couple of the big Indian banks initiated a move for raising the loans and advances rate by ¼ to ½ per cent. through a general understanding among all the Indian banks. The first reaction to this move has been unfavourable. The State Bank of India is very reluctant either to give or follow the lead. Since past experience of gentleman's agreement of the type proposed has not been satisfactory, a few other Indian banks also are chary of supporting the move. This hesitation is not understandable, because the demand for credit is so large and resources are not by any means inexhaustible that the fear of unhealthy competition is not wholly justified.

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The Gilt-edged market has made history this week, because, for the first time since 1946, when the 3½ per cent. undated loan yielded place to the present 3 per cent. 1986 Conversion loan, it touched as low a level as Rs. 79. Even when there was a debacle in November-December 1951, following the increase in the Bank rate from 3 to 3½ per cent., the lowest level touched was only Rs. 80. The sudden retreat of this loan during the week was due to the realisation that the Reserve Bank has suspended its floor of Rs. 80 for this security. When the market offered the loan to the Reserve Bank at this rate soon after the Bank rate in England was enhanced, the Bank politely declined it. And since it has not come out to support the market even at lower levels, the dealers are inclined to feel that a major shift in the monetary authority's policy is in the offing. There are, therefore, no buyers and the fall of a rupee in the quotation for this security has taken place without much of a turnover.

Ever since the closing weeks of 1951, the 3 per cent. Conversion loan has been standing at a level totally out of parity with the yields on the dated loans. For instance, whereas 3 per cent. 1970-75—a loan repayable 11 to 16 years ahead of the first date of option for repayment of the 3 per cent. Conversion loan—has been giving a yield of 4.03 to 3.82 per cent. (according to the redemption year as the case may be), the yield on the Conversion loan has been no more than 3.75 per cent. If anything, it should have been a little above 3.82 per cent. at least, which is the later redemption yield on 3 per cent. 1970-75. This anomaly was due to the Reserve Bank fixing the floor for this loan—considered to be the barometer of the market, only, of course, when it suits the convenience of speculators—at the artificially high level of Rs. 80. If this loan is to find its real level, then it must be allowed to float down at least until it touches Rs. 75, when the yield on it will be 4 per cent., if not Rs. 72 or Rs. 73.

Perhaps, the present intention of the Reserve Bank in withdrawing the floor of Rs. 80 is to let the loan fit in with the yield pattern of the rest of the Gilt-edged market. No one is likely to suffer very much as a result of allowing this loan to go down to its intrinsic level now. The banks do not have this loan in their portfolio. The insurance companies may be having a small lot and a depreciation in value suffered by them will not have any adverse effect on either policyholders or shareholders of these companies, now that they have been nationalised. The Reserve Bank must be holding the major portion of this issue, but a loss to it is only a book entry or will be borne ultimately by the tax-payer. Anyway, who cares for him nowadays?

But the most intriguing question is this: Why has the Bank chosen the present time to take off the floor for the Conversion loan? Why did it not wait for some more time? Or why did it not do so earlier? Two answers are possible to this question. One, this may be a preliminary action for unloading a part of the big holding of this loan in its portfolio. It is obvious that no one will buy big parcels of this loan when its yield is lower than what can be had even on the longest-dated loan. And, second, it may be a move to clear the deck for the next borrowing programme. There have been vague hints for some time past that the Finance Minister is thinking of a very long-dated loan at suitable rate of interest, the year of repayment mentioned being A.D. 2000. The hints have been so vague, indeed, that market circles have been inclined to treat them as a joke. But, in the light of this latest development, can it be said that such an issue is not even within the pale of possibility?

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It is not our practice to go eavesdropping. Even so, we have heard—rather read—with great interest the gently persuasive talk which Mr. J. R. D. Tata, Chairman of the Tata Iron and Steel Company, Ltd., has given his workers. It is a stimulating address. With singular clarity and in a very intimate way, the Chairman has explained the intricacies of the Company's finances to them. It is a story worth telling and Mr. Tata has put it across very ably, indeed, in the form of an illustrated folder. We heartily commend this approach for getting the co-operation of workers to the attention of other employers. It is a satisfactory method of explaining the different roles of the State, the consumer, the management and the workers in a productive enterprise and serves as an effective reply to exaggerated accounts of the managements' or the shareholders' share of the total cake.

The story is all about what the Company does with the immense amount of money it gets through the sale of steel. Does it all go to swell the purses of the idle shareholders? Or, does it vanish into the management's private coffers? These questions are often posed by a certain class of political thinkers who expect to get answers to their questions only in the affirmative. But facts are always against them. Indeed that is the only reason why they will not look facts in the face. The T.I.S.Co.'s facts, in particular, should be an eye-opener to them, provided, of course, they are not wilfully blind.

Large figures do generally dazzle and confuse many men who, in their school days, found

(Continued on page 379)

LISTLESS CONDITIONS IN SHARE MARKET

TEXTILES FIRM

(From Our Own Correspondents)

BOMBAY, 23rd *February*

WITH hardly a week to go for the Central Budget to be presented in Parliament, the Stock Exchange passed, this week, through the usual pre-Budget listlessness. With minor fluctuations in prices and with volume of business at a low ebb, trading on the Exchange, with the exception of textiles, lacked strength. Though there was a general feeling that most of the bearish factors which the Budget was expected to contain had already been discounted in prices, operators and investors were in no mood to extend their commitments till the Budget proposals were actually out. The fears about an increase in Bank rate also chilled the enthusiasm of the operators. The Reserve Bank's announcement last evening showed no variation in the Bank rate; however, there was no improvement in business today. The undertone was, nevertheless, steady throughout the week in the absence of any fresh adverse influence. The sentiment was kept intact by the strength of textile shares which were in the forefront, in the otherwise featureless market, as also by reports that the settlement difficulties were got over in Calcutta. Encouraging advices from the cloth market and expectations of higher profits and better dividends induced some interest in textiles and sizable gains were recorded in leading counters. Still, there was no hectic activity in this section.

Steel shares were cheerful early in the week and smart rises in prices were recorded. Profit-taking at higher levels erased the gains, but revival of support arrested the recession. Tata Ordinaries hardened from Rs. 224 to Rs. 228-8 early in the week and after moving between that level and Rs. 224-12, the scrips closed today at Rs. 226. Indian Irons advanced from Rs. 31-13½ to Rs. 32-15½, but declined to Rs. 32-3 before finishing at Rs. 32-6½.

As stated above, textiles were in the limelight, prominent among them being Bombay Dyeings, Centurys, Kohinoors and Standards. Bombay Dyeings shot up from Rs. 517-8 to Rs. 530 on influential buying and optimism regarding higher dividend. Profit-taking, however, brought them down to Rs. 524-6 at the close. Centurys came up from Rs. 461-8 to Rs. 484-8, but wound up at Rs. 480. Kohinoors staged a rise of Rs. 4-8 over the week to Rs. 335-8, though the highest level touched was Rs. 338-12. Central Indias were unchanged at Rs. 135-8, while Finlays gathered Re. 1-8 to Rs. 323-8. Gokaks were steady at Rs. 230-8. Indu Ordinaries put on As. 3½ to Rs. 12-6½. Indore Malwas rose by Rs. 14-6 to Rs. 144-6, Khataus by Rs. 6-4 to Rs. 212-8, New Greats by Rs. 7 to Rs. 200 (the highest level touched being Rs. 210) and New Kaiser-i-Hinds by Rs. 2-8 to Rs. 111-4. Shree Niwas were a fraction lower at Rs. 212-8, while Simplex moved narrowly and closed at Rs. 191-12. Standards appreciated by Rs. 9-6 to Rs. 424-6. Svadeshis showed no change at Rs. 210-8. Tata Mills were featureless at Rs. 51-4, while Vishnus moved up by Rs. 3-2 to Rs. 181-4.

Bank shares were dull with business very much restricted. Bank of Indias were, however, prominent with a drop of Rs. 4 to Rs. 152, despite the general expectations of a bonus issue by the Bank to commemorate its Golden Jubilee this year. Barodas were maintained at Rs. 98 and Centrals at Rs. 47-8. Centrals (New) were a fraction better at Rs. 51. Punjab Nationals shed As. 8 to Rs. 43 and United Commercials were done As. 8 lower at Rs. 49-8.

Insurance shares were lifeless. The terms of compensation provided in the Life Insurance Nationalisation Bill had no notable effect on the shares either way. Orientals were marked up by Rs. 60 to Rs. 3,900, even though the compensation would, according to general expectations, be about Rs. 4,200. New Indias were quiet at Rs. 39-12. Other shares were unchanged.

Electricity shares were quiet for want of support. Ahmedabad Electrics dropped Re. 1-14 to Rs. 102-13. Bombay Suburbans held ground at Rs. 116-4, while Surat Electrics were a shade better at Rs. 123-12. Andhra Valleys declined by Rs. 13-12 to Rs. 1,286-4, Tata Hydros by Rs. 2 to Rs. 131 and Tata Powers by Rs. 15 to Rs. 1,352-8. Poona Electrics changed hands Rs. 12-8 lower at Rs. 137-8.

The miscellaneous section ruled in sympathy with the general trend. Among sugar shares, Belapurs came up from Rs. 212-8 to Rs. 215-14 before closing at Rs. 213. Phaltans were dull at Rs. 127-4 and Walchandnagars shaded off from Rs. 243-2 to Rs. 241-4, despite the higher dividend of 18 per cent. declared for the year ended 30th September 1955, as against 16 per cent. for the previous year. In the cement group, A.C.C.s reacted to Rs. 198-4, after an early advance from Rs. 203-12 to Rs. 205, following reports that the premium on the new issue was likely to be Rs. 25 per share. Digvijays on the other hand, gained Rs. 2 to Rs. 171-8. In the engineering and mining group, Alcocks receded by Rs. 11-4 to Rs. 260, despite the report that the Company proposes to build a workshop at Bhavnagar at a cost of Rs. 40 lakhs. Premier Constructions moved down by Rs. 4-8 to Rs. 175, although the dividend has been raised from Rs. 7 to Rs. 8-8. Larsen and Toubro were done Re. 1-4 higher at Rs. 15-12. Tata Locomotives dropped Rs. 2 to Rs. 139-8. Shivrajpurs looked up by a rupee to Rs. 103 and Indian Coppers were done As. 3½ higher at Rs. 6-6. B.B. Petrols were dull at Rs. 3-13½.

In the shipping and transport group, shipping shares responded to optimism about increase in freight rates. Scindias advanced by As. 6½ to Rs. 16-5 and Great Easterns by Re. 1-1 to Rs. 14-13. India Steamships were steady at Rs. 8-1. Hindustan Motors were featureless at Rs. 8-15 and Premier Automobiles at Rs. 83. Among other miscellaneous industrials, Bombay Burmans came up from Rs. 325-10 to Rs. 536-4 before shading off to Rs. 529-6.

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Calcutta Stock Exchange

CALCUTTA, 22nd *February*

Trading on the Calcutta Stock Exchange remained more or less dull and poor throughout the week. On Friday and Monday, there was some activity, thanks to the decision taken by the Stock Exchange on the 17th inst., but later the market relapsed and became listless once again under the influence of a number of bearish factors. On Friday last, the Stock Exchange authorities decided that shares of Orient Paper, National Jute, Texmaco and Indian Copper in the clearing list could be dealt in freely. It permitted only squaring-up transactions at market rates in Indian Irons and Burrakur Coal. As it decided to end current clearing on the 20th inst., dealers were asked to carry over business in Indian Irons at Rs. 33-8 and Burrakur Coal at Rs. 14, with their carry-over rates being fixed at As. 2 and As. 1, respectively. New business, including cash transactions in these shares, was allowed only with the previous permission of the Stock Exchange. Accordingly, the settlement passed off on the 20th inst. without any difficulty, with the principal operator agreeing to settle his accounts in Indian Irons at Rs. 36, a rate originally fixed by the authorities.

Following this development, a slightly more confident undertone was in evidence but this had no effect on prices, which, in the absence of sustained support, were confined to very narrow movements. Fears of a rise in the Bank rate, the central budget uncertainties and the West Bengal Finance Minister's hint at covering the budget deficit for 1956-57 through additional taxation, all these combined to scare away buyers. The additional taxation contemplated by the State Finance Minister was the entry tax on tea, extension of sales tax to more commodities, irrigation rates, etc. The undertone remained hesitant.

Among coals, Burrakurs had earlier changed hands today at Rs. 14 but weakened to Rs. 13-10. Bengals were quoted lower at Rs. 539. But New Beerbhoons picked up to quote fractionally higher at Rs. 19-15. On the other hand, Pench Valleys were lower at Rs. 22-8 and Amalgamateds at Rs. 23-5.

A feature in the textile section was the recovery today in Elgin Mills to Rs. 27-7 from Rs. 27-3 last Friday, and Kesorams were enquired at Rs. 15-14, which was one anna lower than the previous rate. New Victorias were done at Rs. 2-1 and Cawnpores at Rs. 9-2, both these rates being higher by one to two annas.

A widening of interest was the feature in the jute section, but transactions took place at lower rates, which were the principal attraction. Howrahs gradually lost to close at Rs. 24-12 from Rs. 25-7 previously. Nationals declined to Rs. 27-10 from Rs. 29-10.

Selected counters in the engineering section were in the forefront with Jessop & Cos. recovering from Rs. 57 a week ago, to Rs. 60-6 today, and Richardson & Cruddas to Rs. 26-11 from Rs. 25-11. At Rs. 11-8 Kumardhubis recovered by As. 7 but Burn & Cos., at Rs. 300, were lower by three points on balance, after having risen to Rs. 306 in midweek.

The volume of transactions in the tea section improved, as the removal of export restrictions on unsold North Indian tea provided a favourable background. Tezpores were earlier steady at Rs. 22 but today abruptly fell to Rs. 21-6.

Mixed interest was shown to miscellaneous industrials. Thus, while Metal Corporations improved to Rs. 11 from Rs. 10-8 and India Pulps to Rs. 23-4 from Rs. 22-14, Calcutta Electrics receded to Rs. 13-7 from Rs. 13-12 and Alkali & Chemicals to Rs. 21 from Rs. 21-4. At Rs. 26-15 Martin Burns put on a better appearance as did B.I. Corporations at Rs. 11-8.

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Madras Stock Exchange

MADRAS, 22nd *February*

The Madras Stock Exchange came in for restricted activity during the week under review. Textiles fared relatively better. Select scrips in the plantation section met with some support, while the miscellaneous section ruled easy. Budget uncertainties and the fears in certain circles of a possible increase in Bank rate were responsible for the subdued tone in the market. As a result, business done in the market was limited and prices moved both ways within narrow levels, with the result that closing quotations, on balance, revealed a sprinkling of both gains and losses.

There have been a few more dividend announcements this week also. The Coimbatore Cotton Mills Ltd. have maintained the dividend of 25 per cent. for the year ended 31st December 1955. The shares are being transacted at Rs. 356 *cum-div.*, as against Rs. 352. The Bank of Mysore Ltd. have declared a final dividend of 8 per cent., thereby making a total of 16 per cent. for the year ended 31st December 1955, being the same as in the previous year. The scrip is quiet at Rs. 262-8 *cum-div.* The Ahtimattam Rubber Co., Ltd. has also maintained its dividend of 3½ per cent. for the year ended 28th February 1955. The share is quoted at Rs. 1-5 *cum-div.*

The Bangalore Woollen, Cotton and Silk Mills Co., Ltd., has decided to hold an extraordinary general meeting on 17th March to increase the authorised capital of the Company from Rs. 46,50,000 to Rs. 1,50,00,000 comprising 1,44,000 ordinary shares of Rs. 100 each and 6,000 (6 per cent.) cumulative preference shares of Rs. 100 each and to capitalise a sum of Rs. 81,00,000 out of reserve, as also to allot and distribute 81,000 new ordinary shares as bonus to holders as on 17th March 1956 in the proportion of two such new ordinary shares for every one of the issued ordinary share. The new ordinary shares will rank for dividend and in all other respects *pari passu* with the existing issued ordinary shares and shall not participate in any dividend declared in respect of the year ended 31st March 1955.

The India Sugars and Refineries Ltd. has proposed to increase the authorised capital from Rs. 60 lakhs to Rs. 1 crore, by the creation of 10,000 (7½ per cent.) cumulative preference shares of Rs. 100 each and 3,00,000 ordinary shares of Rs. 10 each. As many as 3,20,000 ordinary shares of Rs. 10 each are proposed to be issued to holders as on the 12th March 1956 at a premium of As. 8 per share, the full premium of As. 8 per share and Rs. 5 being payable along with the application and the balance amount of Rs. 5 on each of the said shares shall be called up later. These shares will rank for dividend as and from 1st July 1956 and rank *pari passu* with the existing issued ordinary shares. Consequently the dividend paid this year registered an increase—and not a decrease as stated in these columns last week—over last year's payment and represents nearly 27.5 per cent. tax-free on the cash invested in the Company as ordinary capital.

In the textile section, Buckinghams put on Rs. 2 to Rs. 172. Coimbatore Pioneers were better by As. 8 at Rs. 241-8. Kaleeswarars gathered Rs. 2-8 to Rs. 312-8 and Krishna Rajendras Re. 1 to Rs. 91. Metture improved from Rs. 375 to Rs. 377-8 and Ranga Vilas from Rs. 72 to Rs. 77. Rajalakshmis disclosed a gain of Rs. 2 at Rs. 161 and Loyals Re. 1-4 at Rs. 39. Vasantas shot up from Rs. 257-8 to Rs. 264-12. Vijayakumars rose from Rs. 106 to Rs. 107-8.

Blue Mountains, among teas, in the planting section, rallied an anna to Rs. 4-12, Nonsuch Tea As. 8 to Rs. 33 and Talyar Tea As. 5 to Rs. 12-10. Haileyburias improved from Rs. 25-4 to Rs. 25-6. Chandramalais, however, lost an anna to Rs. 5-10 and Waterfalls As. 2 to Rs. 3-11. Be Bes, among rubbers, gained As. 2 to Rs. 4-6 and Kallas As. 2½ to Rs. 5-6.

In the miscellaneous section, Aluminium Industries disclosed a loss of As. 6 at Rs. 20-6 *cum-div.* Andhra Cement 'A' were down by Re. 1-8 at Rs. 155 and 'B' by As. 2 at Rs. 15-10.

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NEWS IN BRIEF

OVER 45,600 goods wagons are expected to be produced by the end of the first Five-year Plan, as against the target of 30,000 wagons.

The fourth session of the Railway Sub-Committee of the E.C.A.F.E. Inland Transport Committee will be held at New Delhi from 26th to 31st March next.

Owing to paucity of funds, there is no likelihood of setting up a large synthetic oil plant in the country. This was disclosed by Mr. K. C. Reddy in the Lok Sabha on Tuesday last.

An unofficial trade delegation from Yugoslavia is expected to arrive in India sometime in April to explore the prospects of expanding the trade between the two countries.

A team of experts from the Bristol Aircraft Factory will arrive in Delhi from the U.K. this month to discuss with the Union Government the terms for the manufacture of jet engines in India.

The Government of India has constituted a National Building Council, with Sardar Swaran Singh, Union Minister for Works, Housing and Supply as the President, to guide and direct the activities of the National Building Organisation.

If the negotiations now going on with the Indian Steel Works Construction Co., Ltd. (a consortium of British steel interests) are successful, the supply of machinery to the proposed steel plant at Durgapur will be entirely from British sources.

Burma has purchased Rs. 274 lakhs worth of certain essential goods from manufacturers in India for immediate export. The articles for which orders have been placed are jute bags and twine (Rs. 199 lakhs), textiles (Rs. 45 lakhs), dry prawns (Rs. 24 lakhs) and tyres and tubes (Rs. 6 lakhs).

The Government of India proposes to import about 5 million tons of steel during the years 1956 to 1958. The imports, according to Mr. T. T. Krishnamachari, would be arranged from whichever countries that would be able to supply at favourable prices and deliver early.

The common field pea—a popular Indian cereal—can be used as a contraceptive, according to Dr. S. N. Sanyal of the Calcutta Bacteriological Institute. Trials on 727 women have shown that the oral use of capsules prepared from field pea results in a significant reduction in the pregnancy rate. The capsules can be made available at As. 2 each. The Government of India has decided to put this method on trial and has sanctioned Rs. 1,20,000 for further experiments.

An average of 3.6 million people travelled by rail daily in India during 1955, according to preliminary official estimates. In other words, roughly one per cent. of India's total population sat in the trains every day, all through the year. Fifteen years earlier, that is, in 1940-41, the railways in undivided India carried an average of 1.57 million passengers daily, or approximately 0.4 per cent. of the population, according to the 1941 census. During 1954-55, for which complete figures are now available, the people of India undertook nearly 1,260 million train journeys, travelling a total of 38,850 million miles.

Sea passage fares and freight rates on the India-Africa route will be increased by about 10 per cent. from 27th March next, as a result of a steady rise in the operational cost of ships. Similar increases, excepting on cotton and soda-ash shipments, will also apply in the Africa-West Coast service with the sailing of the British India liner *Amra* from Dar-es-Salaam on 28th March and also subsequent departures. An increase of about 10 per cent. in the current tariff rates on all commodities will become effective for cargo loaded on the *State of Bombay*, sailing on 27th March, and also subsequent departures. From the same date, all passage fares for all classes of accommodation will be similarly increased.

In a joint reply to the questionnaire issued by the Committee on Amalgamation of Small Collieries, the Indian Mining Association and the Indian Mining Federation have warned against any large-scale change in the structure of collieries. Favouring voluntary amalgamation, they have expressed the view that the ideal shape of a colliery should be rectangular and, in general, the aim should be to evolve colliery units of 100 acres each, although there may be cases where smaller units may be found equally efficient. They have suggested the constitution of a statutory body, consisting of a retired High Court Judge with practical experience of company law and three assessors, to carry out amalgamation of small collieries. They have also urged that the Chief Inspector of Mines should be given powers to investigate cases of amalgamation and report to the statutory body.

The Government of India has obtained the services of two foreign experts for its heavy light-house development programme. Mr. C. H. Bejrock, a Swedish engineer, has been appointed for two years to assist in the construction of a new light-house at Laushington in the Gulf of Kutch. This lighthouse, it is claimed, will be unique in this part of the world both in technical design and construction. It will be built on a seabed site, about 50 ft. deep where monsoon seas and cyclones are frequent. Mr. Dominique Navarre, a French engineer, has arrived under the U.N. Technical Assistance Programme to assist the Indian Lighthouse Department in the installation of new electric and other equipment. Primarily meant to aid the country's coastal navigation, the lighthouse programme is expected to cost about Rs. 7.24 crores. The Union Lighthouse Department has so far constructed 25 new light-houses and improved 10 existing ones. Improvements recommended for adoption in the second Plan relate to buoyage system and radio communications between lighthouses and ships.

The total gross sea and land customs revenue collected in India during December 1955 amounted to Rs. 15.66 crores, as compared with Rs. 16.36 crores in the corresponding month of the previous year. Of the total customs revenue collections, import duties accounted for Rs. 11.95 crores, as against Rs. 11.41 crores, export duties for Rs. 3.38 crores, as against Rs. 4.70 crores, and land customs and miscellaneous for Rs. 33 lakhs, as against Rs. 25 lakhs. The total gross collection of Union excise duties amounted to Rs. 1,308 lakhs, as compared with Rs. 928 lakhs. During the nine months April to December 1955, the grand total of gross customs and Union excise revenue realised was Rs. 232.38 crores, as compared with Rs. 201.83 crores in the corresponding period of the preceding year. Of this amount, import duties accounted for Rs. 93.03 crores, as against Rs. 95.92 crores, export duties for Rs. 28.11 crores, as against Rs. 27.55 crores, land customs and miscellaneous for Rs. 149 lakhs, as against Rs. 22.24 crores, and Union excise duties for Rs. 109.75 crores, as against Rs. 76.12 crores.

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From Abroad

The Commonwealth countries have spent $550 million under the Colombo Plan since 1951.

The Government of Pakistan has arranged to secure 200,000 tons of rice from the U.S., in order to tide over the current rice shortage in East Bengal.

The British Government, subject to the approval of Parliament, is making available to the Kenya Government a grant of £4,000,000 with a further interest-free loan of £2,000,000 for the period 1956-57.

The next meeting of the International Federation of Cotton and Allied Textile Industries will be held at Munich, Germany, from 3rd to 10th June 1956. Further meetings of the Federation will be held in Egypt in November 1956, in conjunction with the formal opening of the new spinning test mill at Alexandria.

An assurance that he would take into account everyone's view on the question of removing State control on jute imports was given recently by Mr. Peter Thorneycroft, President of the Board of Trade, in the British House of Commons. He said that it had not yet been possible to find appropriate measures, conducive with efficiency, to safeguard the British jute manufacturing industry without this particular form of control.

The West German Government has proposed to spend £160 million on a four-year naval construction programme, under which German yards will be asked to construct 153 vessels, including destroyers, mine sweepers, high-speed petrol boats and small submarines. No orders for foreign yards are contemplated. The Budget and Defence Committees of the Lower House of the Federal Parliament have now approved an initial appropriation of £28 million.

Bakers in the United States are showing increased interest in commercially frozen bread, according to the U.S. Department of Agriculture. The baking industry's interest results from superior keeping qualities of frozen bread, fewer losses from unsold loaves and elimination of costly night-baking. Bread, it is claimed, can be kept at top quality for a week if stored at 10°F (minus 18°C) but 0°F is needed for long storage. Bread keeps best when frozen as soon as it leaves the oven.

World production of peanuts in 1955 is estimated at a record 12,100,000 tons, which represents an increase of 5 per cent., as compared with the production in the previous two years. The most significant increase occurred in the United States, where production was higher by about 70 per cent. Harvests in Africa, particularly French West Africa and British West Africa, were also expected to be considerably larger than in the preceding year. Production in India was down slightly and in Argentina was 16 per cent. below the production of 1954.

The U.S. International Co-operation Administration (I.C.A.) has announced that an additional $20 million will be made available to Iran to assist that country's economy. Iran will use the new funds to purchase commodities, including industrial machinery and parts. These will be sold for local currency and the proceeds will be used by Iran for general governmental expenditures. The I.C.A. had previously approved a $10-million grant for the purchase of commodities by Iran, a $10-million loan, and a grant of $8 million for technical co-operation.

More than 250 exhibitors will be participating in the Mechanical Handling Exhibition, which will be held at Earls Court, London, from 9th to 19th May 1956. Occupying 400,000 sq. ft., it will, it is claimed, be the largest display of labour-aiding equipment the world has ever seen. In addition to its many thousands of exhibits, there will be a convention of speakers on labour-aiding equipment drawn from many countries and free display of films on the subject. This exhibition will, it is stated, be of the greatest possible importance to everyone concerned with production. Through the media of working models, diagrams, photographs, films and cutaways themselves, visitors will be able to see the latest labour-aiding devices in their own industry—whatever type of business they may be connected with.

A nuclear reactor, the first in the United Kingdom to be privately owned, designed and built, is to be erected at the laboratories of Associated Electrical Industries at Aldermaston, Berkshire, by the A.E.I.-John Thompson nuclear energy group. The reactor, which will be called "Merlin," is of the water-moderated "swimming pool" type and will have a maximum power rating of five megawatts. It will use uranium fuel supplied by the U.K. Atomic Energy Authority. The firm has already selected and cleared the site for "Merlin," and it is hoped that the reactor will be in operation by the end of 1957. "Merlin" will be used for research purposes and as the prototype for the research reactors which the group hopes to sell in considerable numbers.

An average 4 per cent. increase in wages and salaries in 1956 is the result of this year's co-ordinated wage negotiations on the Swedish labour market, the first of their kind ever to be held in that country. The negotiations led to a preliminary agreement on the 4th inst., which has since been approved by the parties concerned, the Employers Confederation, the Trade Union Confederation and the Central Organisation of Salaried Employees. While the agreement stipulates a 4 per cent. increase in salaries, the rise in hourly wages and piece-time pay for trade union workers will be 3.7 per cent. This rise, however, must not be lower than 16 *ore* per hour. This clause is expected to raise the overall increase for trade union workers to about 4 per cent. Furthermore, the agreement is flexible enough to permit an eventual shift of the "wage-pot" total, so as to make possible a higher compensation to those in the lower wage brackets at the expense of those in the higher.

During January 1956, the European Office of the Technical Assistance Administration, which has its headquarters at the Palais des Nations, Geneva, was visited by 13 experts who had come either to receive instructions before proceeding on assignments entrusted to them by the Administration or to submit reports on assignments which they had just completed. These experts included three from the United Kingdom and one each from Denmark, the Netherlands, France, Switzerland, Canada and Sweden. Experts will be going to Turkey, Ethiopia, Indonesia, India, Malaya, Iran, Lebanon and Yugoslavia. The projects on which they are to assist cover a very wide field and include advice on road transport, improvement in fruit packaging and conservation methods, courses in telecommunications, town-planning studies, light-house equipment, use of modern dyes in cotton mills, welding and telephone cables, operation of power-mill output, and assistance in the prevention of crime.

PERSONAL

MR. Nagendra Singh, I.C.S., until recently Joint Secretary, Union Ministry of Defence, has taken charge as Director-General of Shipping. Mr. Singh has succeeded Mr. B. R. Patel, I.C.S., who is at present Vice-Chairman and General Manager of Air-India International.

Mr. Prem Krishen, Joint Secretary, Ministry of External Affairs, Government of India, has been appointed Indian Commissioner (with the rank of Minister) in British East Africa, Nairobi, with jurisdiction extending to the Federation of Rhodesia and Nyasaland.

Mr. Shantilal K. Somaiya, Mr. Indraji T. Parekh and Mr. Lachhmandas P. Dabrai have been elected President, Vice-President and Honorary Secretary, respectively, of the *Shakkar Vyapari Mandal Ltd.*, Bombay, for the current year.

Mr. Donald A. Gardner, an American dredging specialist, is arriving in India shortly to assist the Governments of India and Bombay in solving dredging problems now hampering the fishing industry of Bombay State. Mr. Gardner has been sent to India by the U.S. International Co-operation Administration in Washington, which is represented in India by the U.S. Technical Co-operation Mission. During his three-month stay in India, he will survey the ports involved, estimate the amount of dredging required for passage of vessels, and draw up designs and specifications for the type of dredger needed for operation along the Bombay coast.

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 28th *February*

Tea Last Year

We almost invariably look forward with pleasant—sometimes with unpleasant—anticipations for the appearance of Messrs. Brooke Bond and Company's annual review of the tea industry. Although their report for 1930, a copy of which reached us by the last mail, is not altogether reassuring as regards the outlook, yet it is replete with interesting and instructive details relating to the occurrences of the past season. The year 1930 provided little cause for congratulation, but, certainly, cause for thankfulness that tea, of all the great agricultural industries, suffered least during the great slump. This is not due to favourable trade conditions but solely to the fact that the growers are efficiently organised and had the business acumen to agree to a scheme of restriction of crops. Had there been no restriction, it is difficult to imagine the condition of the world's tea markets today, but it is certain that many estates would be going out of cultivation and ruined.

FINANCIAL CONTROL

IN the sphere of governmental expenditure, the task of evolving a form of financial procedure that will make for speedy execution of projects, without sacrificing the importance of adequate control on expenditure, continues to attract attention as well as baffle administrators. The analysis of this problem, which Mr. A. K. Chanda, Comptroller and Auditor-General of India, presented in the course of his address on the occasion of the laying of the foundation-stone of the office of the Accountant-General at New Delhi, throws some new light. The adoption of his suggestions, which of course might be varied in the light of actual experience in implementing them, may yet show a way out of the financial woods in which many good Government-sponsored projects get lost at present. And even when they do not actually get lost, there is often an enormous delay in taking a decision and wide variation between actuals and estimates of expenditure.

Mr. Chanda feels that a modification of the budgetary procedure will partially rectify the position. In essence, his suggestion is that, while departmental estimates should continue to be prepared and consolidated after financial scrutiny and accepted, as at present, such a statement should be treated as a budget plan—a segment of the overall plan. A small provision for each new scheme, he says, could be made at the first instance; as and when the schemes mature, supplementary demands should be placed before Parliament, if in session; otherwise allotment of funds should be made out of the Contingency Fund. Mr. Chanda recognises that a possible objection to his suggestion is that it would not enable the Finance Minister to get a "reasonably accurate picture of expenditure in the financial year." But he argues that such criticism would be valid only if the annual budgets were to be regarded in isolation. He observes that, since the Five-year Plan itself provides a comprehensive picture of the expenditure during the entire Plan period, the expenditure scheme in any particular year loses much of its original significance.

Such a modification in budgetary procedure, as Mr. Chanda points out, will reflect more accurately the actual requirements of finance but will not, by itself, ensure that the estimates are better or more accurately compiled. He puts his finger on the right spot when he declares that the "inability of an administrative ministry to spend up to the budgetary demands is not attributable merely to an imperfection but also to a tendency which has become ingrained in our administrative practice to inflate the demands for grants." Some of the spending ministries are obviously acting on two inherently wrong assumptions. In the first place, they seem to think that he serves the country best who aims at spending the most. This leads to the drawing up of grandiose schemes and impressive blueprints. Secondly, in a bargaining spirit, they ask for more than they can spend in the belief that, in the nearly certain event of a cut by the Finance Ministry, there would still be enough money to spend. These two practices should be deprecated, if the Finance Ministry's task has to be lightened or rendered less unpleasant.

In the context of the growing functions of the Government, what should be the right relationship between the Finance Ministry and the spending ministries? Mr. Chanda suggested that it would, perhaps, expedite matters if, at the stage of obtaining the Finance Ministry's approval, a spending Ministry was not asked to give complete details of the scheme but required to give sufficient details to enable the Finance Ministry to view the scheme as a whole and its ultimate cost. He added: "Once the scheme has been included in the budget estimates, after such scrutiny as Finance considers adequate, it should be left to the administrative Ministry to sanction further details, both of staff and expenditure, subject to the ceilings and within the specified provisions by major categories included in the sanctioned scheme." He agreed that overall financial control should vest in the Finance Ministry, but thought that "detailed scrutiny of proposals at expert level should vest in the administrative Ministry by installing 'balancing personnel' within the Ministry."

Mr. Chanda does not believe that the mere installation of external financial advisers in each ministry would serve any real purpose. These advisers cannot be expected to be familiar with the peculiar difficulties which arise in the execution of schemes, so that their advice "tends to become unreal and detached." He has rightly emphasised the need for the development of a system of internal financial advice and for the growth of financial consciousness at all levels. An essential corollary to this scheme is a process of delegation to executive officers at all levels of authority appropriate to their status and responsibilities. Clearly, such decentralisation of authority is necessary in the interests of wider diffusion of financial responsibility and financial consciousness. Only, this process has to be continuously watched, in order to ensure that financial control is not abdicated in favour of those least able to exercise it.

The importance of the role which the office of the Accountant-General has to play in the context of the widening of the public sector was emphasised by the Vice-President, Mr. S. Radhakrishnan, who laid the foundation-stone for the new building. He pointed out that India's financial resources were limited and they should be made to go a long way. He added: "In these circumstances, the public must have the confidence that they are getting an adequate return for the amounts spent, that there are no leakages or wastages on account of incompetence or dishonesty. If the people feel unhappy about the way in which moneys are spent, discontent will spread and undermine the stability of the Government itself." Accordingly, he rightly exhorted the staff to perform their duties diligently, and not to be diverted from their path of duty by thoughts of the "political effects" of their observations on the financial affairs of the Government.

WAREHOUSING AND GRADING OF COMMODITIES

The construction of a network of warehouses and godowns in the country has been long overdue. Although the importance of warehouses to an agricultural economy as that of India was stressed as far back as in the beginning of this century, no concrete steps were taken to establish warehouses. Warehouses and godowns in almost all important rural centres will bring with them innumerable advantages. They will help proper storage of well graded commodities, prevent wastage due to insects and moisture, facilitate provision of rural credit, assist handling and marketing of commodities in bulk and enable Governments to conduct market operations with a view to stabilising prices of agricultural commodities. It was, therefore, in the fitness of things that the All-India Rural Credit Survey Committee attached high priority to warehouse construction as an integral part of its scheme for establishing institutional system of rural credit in India. The Union Government, which has approved of this scheme, has already taken a decision to set up an All-India Warehousing Corporation and a series of State Warehousing Corporations. This information was revealed by the Minister for Food and Agriculture, Mr. A. P. Jain, in his inaugural address at the meeting of the Agricultural and Food Products Division Council of the Indian Standards Institution held at New Delhi on the 18th inst. This Division Council of the I.S.I. is the fifth of its kind, the other Division Councils already set up being those for chemicals, engineering, textiles and building. These Councils act as the authority on all standardisation matters falling within their respective scopes and, in the international sphere, they speak collectively on behalf of the country on these matters.

Drawing the attention of the Agricultural Division Council to the Ministry's Plan for the construction of warehouses and godowns, Mr. Jain observed that the Ministry would set up no less than 1,700 warehouses and godowns, in the principal *mandis* and markets of the country. At the primary level, it was proposed to construct 5,000 new godowns and acquire or hire another 7,000 structures for use as godowns for storing different types of agricultural commodities. These godowns would be owned by large-sized credit co-operatives which would cater to the needs of five villages in irrigated areas. In all, they would cover, during the second Plan period, about a third of India's villages.

As warehouses facilitate proper grading of commodities, Mr. Jain emphasised the need for compulsory regulation, according to specified grades and standards, of commodities, especially those meant for export. In view of complaints from abroad that commodities despatched from India are usually mixed with foreign matter, the Minister's emphasis must be considered as quite appropriate. Standardisation and grading will help raise India's ability to compete in foreign markets. Mr. Jain further pointed out that there was also a great need for standardisation in basic raw materials for industries. Some sort of quality grading was, of course, being exercised by industries themselves, while making purchases of raw materials. But, with the exception of sugarcane, there were always found numerous middlemen intervening between the primary producer and the industrial consumer. The result was that the grower was deprived of the incentive to improve quality. Mr. Jain, therefore, called upon the Council to use its skill and resources to find out some simple and inexpensive scheme for getting grading done at the primary stage.

The Union Minister stated that the State Governments would be requested to develop regulated markets in their States on a scientific and practical basis, so that there might not be an haphazard growth of warehouses and godowns.

The Council reviewed the work of formulation of standards for agricultural and food products so far carried out. It set up a sectional committee to frame standards for tobacco products such as cigarettes, *bidis*, cigars, smoking mixtures and pipe tobacco. A Dairy Industrial Committee was also set up to deal with the standardisation of dairy products (excluding *ghee* and butter) and containers, machinery and equipment used in dairies.

LABOUR PROBLEMS

The Planning Commission's Panel on Labour which met on the 20th inst. at New Delhi discussed the draft report on labour intended to be included in the final version of the second Five-year Plan. The draft report, based on the recommendations of the sub-committees of the Panel, deals with several aspects of labour policy, including trade union movement, wage policy and labour participation in management. The labour policy and programmes proposed to be included in the second Plan are expected to help create industrial democracy, which is claimed to be the prerequisite to the establishment of socialist society for the future. It will be recalled that the Labour Panel had appointed three sub-committees to go into the problems relating to labour policy and programmes.

Addressing the Panel, Mr. Gulzarilal Nanda, Union Minister for Planning, stressed the necessity for maintaining industrial peace in the country, with a view to stepping up production. Declaring that labour policies had to be "drawn up not in isolation but in the context of the Plan as a whole," he stated that the policy had to be so formulated as to ensure industrial peace in the country. Elucidating this statement, he remarked: "Our economy has to be dynamic and we cannot afford to lose any aspect of our resources including that of manpower. This could be achieved through industrial peace."

Mr. Nanda emphasised the need for discipline in the ranks of labour. He expressed the view that this could be achieved only by giving sufficient opportunities both to labour and employers for mutual consultation. He hoped that the joint consultative board, which was examining the whole question, would arrive soon at some practical solutions. He disclosed that the experience of wage boards in certain States, where they were established, had been quite encouraging and that the Planning Commission had recommended that representatives of employers and workers should be represented on the wage boards, so that agreed solutions could be easily evolved.

Suitable alterations in labour policy require to be made, according to the authors of the draft report on labour, because "a socialist society is built up not solely on monetary incentives, but on ideas of service to society and the willingness on the part of the latter to recognise such service." It is in this context, that it is held necessary that the worker should be made to feel that "he is building up in his own humble way a progressive State."

It would appear that the topic which attracted considerable attention related to participation of labour in management. The draft report on labour claimed that, for the successful implementation of the Plan, increased association of labour with management was necessary. Such a measure, it stated, would help (1) in promoting increased productivity for the general benefit of the enterprise, the employees and the community, (2) in giving employees a better understanding of their role and importance in the working of industry, (3) in the process of production and (4) in satisfying the urge for self-expression, thus leading to industrial peace, better relations and industrial co-operation. This is sought to be done by providing councils of management consisting of the representatives of management, technicians and workers. It should be the responsibility of management to supply full information to such councils and the latter should be entitled to discuss all matters, *other than financial*, pertaining to the establishment. Some of the labour representatives demanded that the councils should have the right to discuss even financial matters relating to an employer. This was, however, strongly opposed by the representatives of employers. Mr. Nanda, too, supported the stand taken by the Planning Commission on this point. He is said to have countered the labour leaders' demand by pointing out that even the rights of shareholders to ask for information from the management on financial matters were greatly restricted. As a compromise, it was finally agreed that the councils should be provided with such financial information as was relevant for settling disputes relating to wages, bonus, etc. The councils, the Panel felt, should recommend steps for the better working of the establishment. Matters which fall within the purview of collective bargaining should, however, be excluded from the scope of discussion in these councils.

The second important subject that was discussed related to the evolution of a wage policy. It was disclosed that the "major difficulty experienced in the fuller implementation of the fair wage principle was the drag experienced by marginal units in determining the wage structure." The draft report on labour remarked: "While the financial position of average units in a centre requires to be made the basis of wage and price fixation, if progress towards fair wage is to be accelerated, the conflicting considerations of closure of marginal units and its effect on unemployment also become pertinent in the context of Planning. This means that steps require to be taken to improve the working of marginal units." The Panel is stated to have felt that one way of making such units more viable is their amalgamation into larger units, voluntarily if possible, compulsorily if need be, consistent with the need for a decentralised economy.

It is, indeed, gratifying to note that the Panel recognised that improvement in wages could result mainly from increased productivity. The Panel, however, felt that increase in productivity did not necessarily involve installation of new machinery or more exertion on the part of labour. The view was expressed that steps like better lay-out of plants, improvement in working conditions and training of workers could ensure an increase in output without any corresponding increase in the strain on the workers. Another step in this direction, it was felt, would be the introduction of payment-by-results in areas where it is at present not applicable. This should be done subject to adequate safeguards for workers, the main guarantees being a guaranteed minimum (fall back) wage and protection against fatigue and undue speed-up. The Panel, however, conceded that earnings beyond the guaranteed minimum wage should necessarily be related to result. It was further felt that arrangements for the extension of the system of payment-by-results should be made only after prior consultation with workers.

The next important subject that attracted much notice was the promotion of a strong trade union movement, which, it was claimed, was necessary both to safeguard the interests of labour and to help in advancing the targets of production. The Panel urged the need for a reduction in the number of outsiders as office-bearers of trade union organisations and, in order to fill the gap in the executive personnel of the trade union organisation by this reduction, it suggested training of workers in trade union philosophy and methods. Other measures considered necessary for building up strong trade unions were the grant of recognition to trade unions as representative unions under certain conditions and the improvement of the finances of the trade unions from their internal resources. It was pertinently felt that a strong trade union movement could not be built up solely on the basis of legislation. After all, legislation could only help in developing the setting which would give scope to efforts for improvement coming from within the movement itself. Unity in the trade union movement could facilitate the achievement of this objective. In this connection, an important point that was emphasised at the Panel meeting was that trade unions with different affiliations could come together on the basis of a common programme, covering methods, objectives and procedure.

RAILWAYS IN 1954-55

The Annual Report of the Ministry of Railways for the year 1954-55, just published, makes encouraging reading. It discloses that more goods and more passengers were carried during the fourth year of the first Five-year Plan than in any previous year. It also refers to the several directions in which the railways touched new peaks of performance. The result was an increase in net revenue and, therefore, in the net surplus.

The net revenue of the railways was Rs. 44.06 crores during the year under review, as against Rs. 36.92 crores during 1953-54, an increase of Rs. 7.14 crores. The contribution to general revenues was slightly higher at Rs. 34.96 crores, as compared with Rs. 34.36 crores. The net surplus for the year, the whole of which was allocated to development fund, amounted to Rs. 9.10 crores, as against Rs. 2.56 crores in 1953-54.

The gross traffic receipts of the Government railways during the year amounted to Rs. 286.78 crores, an increase of Rs. 12.49 crores over the 1953-54 receipts. Passenger earnings aggregated Rs. 102.62 crores and goods earnings Rs. 158.69 crores, the balance of receipts amounting to Rs. 25.47 crores, being contributed by parcels, luggage and other miscellaneous sources of revenue. The corresponding figures for the previous year were Rs. 100 crores, Rs. 147.18 crores and Rs. 27.11 crores, respectively. The ordinary working expenses during 1954-55 amounted to Rs. 205.87 crores, that is, Rs. 4.40 crores more than during the previous year. The appropriation to the depreciation fund absorbed Rs. 30.37 crores, including Rs. 37 lakhs chargeable to capital, being the depreciation on the capital assets of the Chittaranjan Locomotive Works; the corresponding figures for the previous year were Rs. 30.36 crores and Rs. 36 lakhs. The operating ratio, however, declined from 85.06 per cent. in 1953-54 to 81.77 per cent. in the following year.

A significant feature of the year under review was that the goods traffic handled by the railways was the highest level ever touched. Thus, the traffic handled was 107 million tons, as against 99.4 million tons, and 32,136 million ton-miles, as compared with 29 493 million ton-miles. Even during the pre-war years in undivided India, or at the height of the war, these figures were not exceeded. Passenger traffic too showed a similar upward trend, the number of originating passengers being 1,259 million, as against 1 220 million. Passenger miles increased from 37,549 million to 38,649 million. The upward trend in freight tons, freight ton-miles, train miles and freight earnings of the previous year continued during the year under review, too. It will be recalled that past records since 1947-48 were broken in 1953-54 in all these directions.

The capital outlay as on 31st March 1954 amounted to Rs. 910.91 crores on all Indian railways (including lines under construction), as against Rs. 878.46 crores in the previous year. Of this, Rs. 901.58 crores represented the capital-at-charge of the Indian Government railways. The balance of Rs. 9.33 crores was the capital raised by companies and district boards.

The total route mileage of all railways in India at the end of the year was 34,705, of which 34,152 miles were under Government management. The balance of 553 miles represented the mileage of minor railways under the management of non-Government agencies. A length of 324.39 miles was opened during the year under review, of which 97.17 miles represented new lines and 227.22 miles restoration of lines dismantled during the war. At the end of the year, 488.33 miles of lines were still under construction.

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AMERICAN LETTER

WILL EISENHOWER RUN AGAIN FOR PRESIDENCY?

ALL IS WELL WITH BUSINESS WORLD

From Our Special Correspondent

NEW YORK, 16*th February*

PRESIDENT Eisenhower's health still predominates the sentiment in the United States, politically and economically. The recent report by a group of physicians that the General's recovery from his heart attack (on 24th September last) has been almost complete, sent stock prices surging upward.

The announcement is still awaited eagerly whether or not the President will be a candidate for a second term in White House. It is somewhat enigmatic why the health and life of one single person should have such extraordinary impact upon the thinking of some 130 million people in the United States.

It can be understood only, perhaps, in the difference of final and crucial decisions made by the Chief Executive of the United States under the Administrations of Franklin Delano Roosevelt and Harry S. Truman.

The popularity of Mr. Eisenhower is as strong as ever and, if an election were to be held tomorrow and he were a candidate, there is no question in this correspondent's mind that he would win over anyone whom the Democrats might choose as a running mate, owing to his record and personality.

This does not mean that a victory of the Democratic Party under whatever conditions in the next Presidential elections next November might be a depressing factor. Indeed, the opposite may be true. It is a question of degree and of basic philosophy.

Under the Eisenhower Administration, remarkable progress has been made in fiscal matters. A balanced Federal Budget is in sight and no American armed forces are engaged in active combat since the truce in Korea, except volunteers. The Republican Administration aims to uphold this record and better it, if it should come to power again at the next elections.

There has also been an increase in social security and trade unions certainly have not suffered under the Republican regime, despite the charges that it is a "big business" Administration which favours the large corporations over the individual taxpayer. This charge can hardly be maintained. In the social sphere, too, its record has been commendable. The U.S. Supreme Court, for example, issued its famous edict which would end the separation of whites and non-whites gradually and eventually.

The furore which was created by this decision can be understood in India, perhaps, better than in other parts of the world, because of the variety of racial and basically different population groups.

No Need To Fear Democrats

There is no reason abroad to fear the results of a possible Democratic victory this November either. The Democrats have been mild inflationists for the past 20 years when they were in power and were responsible for a considerable increase in the general standard of living here and abroad. So, wherever the pendulum may swing, the guiding motives, nationally and internationally, on the part of the United States, seem well assured to remain where they are now domestically and for the people in all parts of the Western world abroad.

Business in the U.S. is still running at a very satisfactory level. Retail sales have been extraordinarily satisfactory, owing to high personal incomes.

As always in a competitive society and in all phases of human relations, the outlook is not, even. Some describe it as "cloudy," because of cutbacks in certain industries. There have been larger than usual layoffs in the automobile industry and related industries making auto hardware and stampings.

There were also overall drops noted in lumber, food processing, textiles, leather, apparel and petroleum. The suspicion has arisen, therefore, that a production slowdown is in the offing.

Statistically, this cannot be supported since the number of employed was larger in January than a year ago and the number of jobless was smaller, despite the increasing population and thus the growing number of employables and wage earners.

One of the chief industries to watch will be building and construction. There was a slight decrease in this field in January for the fourth consecutive month. Residential building has been dropping for the past six months, fractionally. While commercial building also dipped, industrial building continues to gain because of the huge expansion plans which are being planned in so many fields. Washington estimates for construction in January were at the rate of $41,500 million annually, against the actual 1955 outlay of $42,300 million in this area. The estimate for the whole of 1956 is $44,000 million, but the experts think this may prove a bit too optimistic.

No Contraction

Almost anything can be proven by statistics. Banking statistics, for example, which are issued weekly by the central bank do not show any contraction whatever. In fact, the seasonal drop in loans by business from banks which usually begins early in January, is considerably less this year than in 1955. The Federal Reserve system has kept somewhat aloof. It has reduced the restrictions under which money may be borrowed on real estate because of the lower construction volume, but it has done little in other fields. More definite signals will be required before the central bank will be compelled to act.

In the meantime, the national economic health of the U.S. cannot be disputed. Loan repayments, another important factor in the American economy, by both business and individuals remain at high levels. In fact, they have improved over last year. In many lines, the demand for money is stronger now than a year ago.

Despite all pessimistic forecasts early in 1955, last year produced a record volume of income. In December 1955, personal income alone was running at an annual rate of $315,000 million. This was $22,000 million higher than the figure for December 1954. Substantially higher dividend payments were chiefly responsible. Corporations were able to retain more profits owing to a more favourable tax treatment and many passed on part of their earnings in distributions to stockholders. Because of year-end book-keeping adjustments, December dividends are always the largest for the year and January inevitably shows a decline, against the preceding month. So far all is well in spite of the pessimists.—*All Rights Reserved.*

The U.S. consumption of burlap in January 1956 declined slightly to 72 million yards, as compared with 74 million yards in the previous month. Despite this decline, the U.S. consumption figures are considered satisfactory, bearing in mind that the beginning of the year is generally the slack time in the U.S. The U.S. burlap consumption in January last year was only 62 million yards and, in the corresponding month of 1954, it was 63 million yards. Burlap stocks in the U.S. declined from 247 million yards at the end of December 1955 to 243 million yards at the end of last month. While spot stocks improved from 129 million yards to 136 million yards at the end of January, afloat stocks fell sharply by 11 million yards to 107 million yards, reflecting poor shipments of burlap from Calcutta last month.

A new and effective method of controlling maize borers will become available to maize growers in the United States next summer. The new method —using D.D.T. in granular form—was developed through tests conducted jointly by Iowa State College and the U.S. Department of Agriculture.

(Concluded from next column)

haps higher taxes on *distributed* profits and higher taxation to leave the consumer with less to spend. So in the midst of prosperity we are to be in depression—more employment, more activity than ever before and less and less money left in the public's pocket. Not an easy medicine for a Conservative Chancellor to administer, but it seems to be the sort of prescription towards which his diagnosis is leading.—*All Rights Reserved.*

LONDON LETTER

MORE HOUSES BUILT IN U.K.

INCREASED INVESTMENT IN INDUSTRY

From Our Own Correspondent

LONDON, 11*th February*

THERE is a body in this country, representing employers and trade unions and of which the Chancellor of the Exchequer is Chairman, which was formed in 1940 as a vehicle of high-level consultation on industrial and economic matters. It is called the National Production Advisory Council and its quarterly meeting recently was the occasion chosen by the new Chancellor of the Exchequer to voice his first thoughts on the inflation situation. It seemed a little trite for the Chancellor to announce that after a good deal of thought—implicit in his exposition—he had arrived at the conclusion that there was too much inflation and that this must be stopped. And also for him to say that the inflation was due to too much spending. Of course the Trade Union side of the table couldn't help thinking that the Chancellor was the same man who rose to popularity on the success of his scheme for 300,000 new houses a year. It was his political opponents who denounced the scheme as economic trickery—of course, one could have 300,000 new houses if one went without a great many other items of capital investment; though it never occurred to them that the third way out would be chosen—to have both the houses and the rest of the investment and then by excess competition for scarce resources to inflict inflation upon the economy.

But Mr. Macmillan was even better than his word: in 1954, with adequate subsidy nearly 350,000 houses were built and even last year when the spur was taken away 317,000 were completed. The total of those built by local authorities has been steadily dropping and this year will perhaps be under 200,000, but the private sector has been growing so that, in spite of the credit squeeze, the total for 1956 is not likely to be far short of that for 1955. Mr. Macmillan was too successful and now as Chancellor he finds that the demand for materials and labour which he pressed so hard has been a main contributory to our difficulty of "trying to do too much." Thus retail prices rose 6 per cent. last year against 4 per cent. the year before, the value of imports rose "by three times as much as exports," while the gold and dollar reserves dropped by one-quarter. Mr. Macmillan was a prime mover in the aim to "set the people free" and "build all the houses they want"—so his was a difficult role when he found himself trying to explain how a brake must be put on the economy.

Press Comments

Best comments came from *The Times* which called the Chancellor's diagnosis "standard" and from the *Financial Times* which called his proposals "disappointing." He found a new simile for the economy—"an overloaded circuit ... and soon I shall have to decide which plug to pull out." But he had not yet decided—except that somehow the stream of purchasing power from Government, industry, wage and salary earners had to be slowed down. As for the banks, the Chancellor simply saw them as the instruments of the spending surge—but approved of the credit squeeze. Was this a straw in the wind? Does it mean that while the Chancellor thinks that the credit squeeze is necessary in present circumstances he can no longer rely just on monetary controls? Further evidence to support this view lies in Mr. Macmillan's known dislike of any policy that might increase unemployment.

The Board of Trade have just published figures to show that, in 1955, manufacturing industry invested 18 per cent. more, in *real* terms, than the rate for the previous five years: a further rise of 17 per cent. is forecast for this year. This means that the inflationary pressure from industry will be as heavy in the future as it was in the past and the Chancellor gave no hint that he thought the investment boom should be checked. We are left then with the possibility of savings in Government spending (the remaining subsidies?) and soaking the consumer. The last thought is the one that has been left behind in most City minds after the speech. The next Budget will be tough—per-

(Continued in previous column)

TAXATION FOR FINANCING SECOND FIVE-YEAR PLAN

PROPOSED BURDEN WILL BE TOO HEAVY

By P. C. Jain
READER IN ECONOMICS, UNIVERSITY OF ALLAHABAD

ACCORDING to the draft outline of the second Five-year Plan, the revenue surplus of the Central and State Governments for financing the developmental outlay over a period of five years would amount to Rs. 350 crores, at the existing rates of taxation. In order to find Rs. 800 crores from this source it would be necessary to increase the direct and indirect taxation so as to create an additional revenue surplus of Rs. 450 crores. The vital question is: Can the Indian economy stand the strain which the additional taxation would involve? The Taxation Enquiry Commission came to the conclusion that, at present, the total tax revenue of the Government was only 7 per cent. of the national income, that along with non-tax revenue it amounted to only 8½ per cent. of the national income and that there was still considerable scope for an increase in the total tax revenue of the Government. On this basis, the draft outline of the Plan points out that (*a*) the "additional taxation of Rs. 450 crores will raise this proportion only *marginally*" (italics mine); (*b*) that this increase in revenue surplus "has, therefore, to be regarded as the minimum to be achieved"; and (*c*) that "The reliance on non-tax resources in the Plan is so large that a failure of the taxation programme is likely to jeopardise the entire Plan."

The Planning Commission has further pointed out that, as against an increase of 18 per cent. in India's national income in the first Five-year Plan, the proposed outlay in the second Plan would increase the national income by nearly 25 per cent. The national savings would increase from 6 to 9-10 per cent. of the national income, thus making it possible for the Government to increase its tax revenue from 7 to 9-10 per cent. of the national income. This idea rests on the concept of taxable capacity. It means that the people's taxable capacity will increase as their income increases. But, in considering the taxable capacity, we have to consider not only the level of national income but also the minimum nutritional and other requirements of the people and the distribution of the national income. The taxable capacity of a people will be high when their minimum requirements are relatively small as compared with the level of the national income and when such income is more equitably distributed.

Taxable Capacity

In the highly developed Western countries, the *per capita* income is higher than the minimum requirements of the people and a vast majority of people have an income in excess of the average *per capita* income. It is on this basis that the maximum taxable capacity of a fully developed economy has been estimated at 25 per cent. of the national income. It is also on this basis that in the highly developed Western countries the Government revenues form a much higher proportion of the national income than in India without producing adverse effects. In India, however, in spite of the increase in the national income from Rs. 9,110 crores in 1950-51 to Rs. 10,800 crores in 1955-56 and the proposed increase to Rs. 13,480 crores in 1960-61 (all at 1952-53 prices), the *per capita* income will increase only from Rs. 255 in 1950-51 and Rs. 280 in 1955-56 to Rs. 330 in 1960-61. Again, a vast majority of people in India have a smaller income than the average *per capita* income, while only a small proportion of the population has an income in excess of the *per capita* income. The former have no taxable capacity at all, as even the *per capita* income is not enough to meet people's minimum requirements and, what is more, their income is less than the *per capita* income. It is only the latter class of people who have a taxable capacity, but their number is so small that, even if their entire income is confiscated by the State, it would not bring the proportion of Government's tax revenues to the national income anywhere near the level of Western countries.

India and the West

The difference in conditions in India and the Western countries renders a comparison wrong and unscientific. As things are, the proportion which the Government revenues in India bears to the national income is high enough and, unless the national income rises sufficiently to make the *per capita* income relatively greater than the minimum requirements of the people, there can be no justification for increasing the Government's tax revenue beyond a narrow limit.

Another important consideration is that the taxable capacity is intimately connected with the price level. If along with an increase in the *per capita* income, there is a simultaneous increase in the price level, there is no reason to expect an increase in people's taxable capacity. With deficit financing to the tune of Rs. 1,200 crores, an expansion in bank credit and other inflationary features of the second Plan, a very considerable increase in the price level is inevitable in India, as a result of the second Plan. If the Planning Commission had taken this fact into account, it would not have considered the increase in taxation to create a revenue surplus of Rs. 450 crores as only "marginal" and as the "minimum to be achieved." It must be mentioned here that, with a rise in the price level, not only will the taxable capacity of the people go down but there will also be an increase in Government's expenditure outside the Plan. This means that, with every increase in Government's expenditure, the level of taxation also will have to be increased to produce an additional revenue surplus of Rs. 450 crores.

For a vast majority of people in India, there is no margin between their income and their minimum requirements and even for those whose income exceeds their minimum requirements, the margin, except in the higher income groups, is small. Along with this we should consider the fact that the tax revenue of the Government has already been increased by nearly Rs. 100 crores in the course of the first Plan as shown below:

Government's Total Tax Revenue
(In crores of rupees)

	1951-52 (*Actuals*)	1955-56 (B.E.)
The Central Government ...	368.00*	415.91
Part A States	219.32	260.31
Part B States	61.73	70.67
Part C States	6.05†	7.56
Total	655.10	754.45

*An average for five years from 1948-49 to 1952-53. This gives a more correct idea.
†The figures relate to 1952-53.

There is no doubt that the Government's revenues would increase as the national income increases, because people who pay income-tax and other direct taxes will have a larger income and more persons would become liable to pay the income-tax as their incomes rise above the minimum exemption limit and because the output of goods paying all kinds of indirect taxes will also increase. But, since taxation has already been increased to the extent of Rs. 100 crores during the past five years, there is not much scope for increasing the tax revenue in the same proportion as the rise in the national income.

Inflation May Be Strengthened

There is no reason at all why in an underdeveloped country like India one should place such a heavy reliance on additional taxation to finance the development expenditure. For a highly developed country, additional taxation to finance public works or developmental expenditure, if there is still scope for it, would be justified, but not so in the case of an underdeveloped country. Economic development secured with the help of borrowed or created money would be as effective as that secured with the help of additional taxation. It might be mentioned here that additional taxation has been supported on the ground that it is necessary to counteract the inflationary forces which deficit financing is bound to create. Under certain conditions, such an argument would be sound, but, in the peculiar conditions prevailing in India, further taxation is likely to add to the inflationary forces by increasing the costs of production of industry. In the course of the first Five-year Plan, it may be noted, the price level remained high, in spite of a decline in prices towards the end of the Plan period, because of high taxation which has kept the costs of production high and has prevented the prices from falling, except to the extent to which world forces induced a fall in Indian prices of certain goods. We, therefore, come to the conclusion that, although heavy taxation may help increase the finances for developmental expenditure, its total effect may be to reduce investment and output by reducing people's *real* purchasing power and by discouraging private initiative and enterprise. If our logic is correct, the Planning Commission's idea that "a failure on the taxation programme is likely to jeopardise the entire Plan" is wrong.

It is not suggested here that the Government should not make any efforts whatsoever to increase the tax revenue or that the tax revenue would not automatically increase to some extent as the national income increases. Our objection is to the Planning Commission's assumption that Rs. 450 crores of additional revenue surplus is the "minimum to be achieved" and its attempt to create a scare that, if we are not able to raise this amount of additional revenue surplus, the second Plan would be jeopardised. Nothing of the kind will happen even if the additional revenue surplus of the Government is much less, as it would no doubt be. The only thing necessary in that case would be to cut down the Plan to a more reasonable level. The Planning Commission is trying to run so fast with the economic development of the country that it is bound to do the country's economy a positive harm. The solution is to cut down the total developmental outlay in the second Plan to, let us say, half its present level. Slower progress is more stable and better from many points of view.

Tax on Total Wealth

Before we consider some practical ways of increasing the Government's tax revenue, let us consider two most fantastic suggestions which have been made. The first one is a "small" tax on total wealth. Such a tax if levied would do much damage. In India, public and private enterprises have to exist side by side for a considerable time in the future, as public enterprise is not in a position to manage the work by itself. If a tax is levied on total wealth, the people would lose interest in accumulating savings on which the working of private enterprise so vitally depends. Why should anyone work hard and stint himself if the results of his labour are to be taken away by the Government by means of a "small" tax on total wealth. In highly developed countries, where people have too much wealth and where they cannot help saving whether they like it or not, if such a country exists anywhere in the world, a tax on total wealth can be successful. Secondly, it would need so much account-keeping both by the individual taxpayers and by the Income-tax Department that it would violate the principle of economy. Finally, it would give an inducement to people to try and find out ways and means of evading taxation. A tax which deliberately demoralises the people is not worth having even if it yields a huge revenue. Those who think in terms of this tax are taking a narrow view of their responsibility and are at the same time crediting human nature with idealistic qualities which unfortunately it lacks.

(Continued on page 343)

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DEVELOPMENT OF LAND MORTGAGE BANKING

SOME IMPEDIMENTS TO PROGRESS

THOSE States where land mortgage banking has yet to develop surely stand to benefit much from the experience gained by the Madras State in dispensing long-term credit for the development of lands through a network of land mortgage banks. In this form of credit, Madras has not only been the pioneer, but also occupies the pride of place. The Madras Central Mortgage Bank, together with the primary banks, is playing a significant role. There are at present 73 land mortgage banks in the State, with a membership of 92,717 and a paid-up share capital of Rs. 27.5 lakhs. The working capital of the banks as on 30th June 1955 was Rs. 337.61 lakhs. The Central Land Mortgage Bank has, on its rolls, besides the 73 banks mentioned above, 331 individuals. Its working capital as on 30th June 1955 was Rs. 486.38 lakhs. It raised its funds by floating debentures with the guarantee of the State Government. The total of such debenture issues was Rs. 429.29 lakhs.

Many factors have been responsible for the success of land mortgage banking in Madras These were, in fact, highlighted by Mr. M. Bhaktavatsalam, Minister for Agriculture, Madras, while inaugurating in the city last week, the Twenty-sixth Conference of Land Mortgage Banks in the State. The secret of success of these banks in the State lay, according to him, in keeping the short-term credit structure separate from, and independent of, the long-term credit structure. Another important factor was the ceaseless efforts of a line of successive boards of management of the Central Land Mortgage Bank. These managements were also able to take the best advantage of the assistance extended to the system by the State Governments and the Reserve Bank of India. In fact, the present stature of the Bank not a little due to the assistance of the latter agencies.

From the proceedings of the Conference, it is clear that the Land Mortgage Bank is on the threshold of a new era of development. A voluntary programme for the development of land mortgage banking drawn up by the Government of Madras for inclusion in the second Plan has as its object the issue of long-term loans for an amount of Rs. 380 lakhs through the banks and through 25 more to be opened during the Plan period. The primary society proposed to be helped with subsidy in the cost of additional supervisors to be employed by them. It is also proposed to be maintained in the departmental staff for land mortgage banks, so that intensive development may be possible. Provision has been made for the appointment of an agricultural officer and an agricultural engineer as also P.W.D. supervisors. The officers are intended to advise the prospective borrowers regarding the line of land improvement measures they could adopt and to help the land mortgage banks in the valuation of lands. They are required to help the banks in the work of collateral security for loans from the banks. These provisions are sure to further land development in the State, but there are other impediments to its progress. A reference to these was made by Mr. N. S. Ramalingam, President of the Central Land Mortgage Bank, who presided over the Conference.

High rates of interest charged by the Bank, namely, 6¼ per cent., is considered to be a serious handicap to the progress of land mortgage banking. The Reserve Bank is stated to be of the opinion that at least 40 per cent. of the loans should be issued during the Plan period for productive purposes; but, according to Mr. Ramalingam, this practice is only possible, if the rate of interest is kept at as low as 3 per cent. He suggested that the Government might subsidise the difference between the lending rate to the borrower, namely, 6½ per cent., and the concessional rate. While the Madras Agricultural Relief Act provided for a moneylender to lend to an agriculturist at a rate not more than 5½ per cent., it was regrettable, Mr. Ramalingam said, that a quasi-Governmental institution like theirs should lend at a higher rate. A further complication was created by the duplication of work such as the need to reckon with the issue of loans under the Land Improvement Loans Act and *Takkavi* loans. He suggested that the duplication could be avoided, if the Government were to entrust the work to land mortgage banks.

The points raised by Mr. Ramalingam were dealt with by Mr. Bhaktavatsalam in his address. He stated that, though in recent years there had been an increasing awareness on the part of banks of the need to orientate their loan policy by granting more loans for productive purposes, not much has been done in this direction in actual practice. He stressed that the aim should be to give loans for land development instead of for discharge of prior debts. The All-India Rural Credit Survey Committee had laid emphasis on this objective and it was necessary for land mortgage banks to align themselves with such a policy. He, therefore, preferred to call land mortgage banks as "land development banks." Since this question is closely connected with the rate of interest, the Minister also referred to it. He said that the rate might be high, but, in the present context, it could not perhaps be avoided as the lending rate was linked with the debenture rate, which, in turn, was dictated by the conditions of the money market.

It may be mentioned here that co-operative institutions all over India are complaining against the high rates of interest they have to charge on their loans. But those who complain thus overlook the fact that, in the existing circumstances, lower rates of interest would also impede the progress of credit expansion. For they would diminish the volume of interest income which in turn cause a shrinkage in the volume of owned capital of co-operative institutions which alone, being free from interest obligations, would help reduce the rate of interest over a period of years. Again, the reduction in income will prevent the societies from employing highly paid trained staff to conduct their affairs. It is with a view to enabling the societies to have a large volume of owned capital that the All-India Rural Credit Survey Committee recommended State participation in the share capital of these societies.

Further, the borrower could be enabled to carry the burden of high interest rate, if he is helped to bring about an improvement in his earning power through the adoption of modern methods of agriculture. The ultimate aim of co-operative institutions should be to stabilise, as far as practicable, interest rates at an optimum level which would be advantageous to both the lending institutions and the borrower.

The recent cyclone in the State had devastated vast areas of Tanjore, Trichy, Ramanathapuram and Madurai. It had upset the economy of agriculturists, and there had been defaults and in some cases loans had to be foreclosed. This question figured in the discussions of the Conference. It was suggested that a revolving fund should be constituted to meet this as well as similar situations that might arise in future. Alluding to this question, the Minister averred that the question of constituting a revolving fund was examined previously and dropped. But, in the light of the experience gained as a result of the drought and the cyclone, the Bank might examine the matter again and formulate suitable proposals for consideration by the Government. It may be pointed out, in this context, that the All-India Rural Credit Survey Committee had recommended the institution of a similar fund by the Reserve Bank of India. Under the amended Reserve Bank of India Act, the Bank is required to establish a National Agricultural Credit (Stabilisation) Fund by crediting it with a sum of Rs. 1 crore, a reference to which was made in detail in these columns last week. The Committee recommended that the Reserve Bank should insist on the co-operative institutions maintaining such funds within their structure. Consequently, the land mortgage banks have no option but to establish the funds, if they propose to take advantage of the Stabilisation Fund established by the Reserve Bank of India.

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SOME ASPECTS OF CANADIAN CO-OPERATIVE SYSTEM

The report of the Indian Mission which visited Canada towards the close of 1953 to study important aspects of the Co-operative Movement in Canada has just been released for publication. The Mission visited more than 80 co-operative institutions of national, inter-provincial, provincial and regional importance in Canada as also certain colleges and centres connected with Co-operation. The observations of the Mission and its recommendations contained in the report should prove to be of considerable benefit to India which has come to regard the Movement as the right type of agency to improve the economic conditions of the masses in rural areas. The Mission was headed by Mr. M. R. Bhide, then Joint Secretary in the Union Ministry of Food and Agriculture; its other members were Mr. D. A. Shah, then Principal of the Co-operative Training College, Poona; Mr. R. P. Bhardwaj, Registrar of Co-operative Societies, U.P., and Mr. Shyam Bharosay, Registrar of Co-operative Societies, Bhopal.

Although the report of the Mission is three years old, some of the recommendations contained in it are worth consideration. The Mission has, no doubt, done well to strike a cautious note in the preface that though conditions in Canada are different from those in India, the Indian Co-operative Movement could derive considerable benefit by adopting certain important features of the Canadian system, with some suitable modifications.

For long, there has been a controversy in India whether a co-operative society should be organised on the basis of limited liability or unlimited liability. The Mission's findings in Canada supports neither of the two exclusively. It says that the agricultural credit society in India should be larger in size and that there should be option to choose between limited and unlimited liability. The next point stressed by the Mission is that local deposits should be encouraged and that efforts should be made in States where co-operation has developed well to support mutual aid fund for agricultural credit societies. Under this scheme, a certain percentage of profits of every credit union is paid into a fund to be used to help such credit unions as get into financial difficulty. Encouragement of local deposits as suggested by the Mission is undoubtedly a very sound principle and its application in practice is bound to strengthen the structure of Co-operation in India. The Commission further suggests that membership should cover all residents of the area and not merely agriculturists owning land.

There are also some aspects for consideration in the Mission's remarks on marketing and purchasing societies. It says that the system of revolving credit—built out of patronage dividend withheld for a specific period—should be introduced in marketing consumer and industrial co-operatives. Again, it advocates the appointment of full-time paid presidents, vice-presidents or directors of big societies and federations. And it is in favour of introducing the system of preference shares in marketing and producers' societies for raising capital, especially funds needed for long-term purposes. Although under existing conditions it might not be possible for co-operative institutions to issue preference share capital, the proposal may be kept in view for introduction after the Movement acquires considerable strength and stands on its own feet. The Mission's suggestion that marketing contracts binding a marketing society and its members for specific periods regarding the delivery of produce should be tried. Its suggestion that joint co-operative undertakings for the production of their requirements or for processing their produce is worthy of adoption, as it would facilitate bulk handling and bulk marketing for the benefit of members of these societies.

The Mission seems to have been greatly impressed with the importance attached to training of employees of co-operative institutions in Canada. Happily this aspect has found emphasis in the report of the All-India Rural Credit Survey Committee also and arrangements are in progress to provide for enlarged facilities for training superior as well as subordinate staff of co-operative institutions. It has also done well in insisting on greater collaboration between Government departments, universities, co-operatives, and farmers' organisations. It feels that there is scope for the publication of more journals and bulletins on Co-operation.

BANK OF INDIA'S EXCELLENT RESULTS

RECORD PROFIT—ADVANCES AT A PEAK—SHARP RISE IN DEPOSITS

THE year 1956 constitutes an important landmark in the history of the Bank of India Ltd. (General Manager: Mr. D. R. Thom, Bombay), in that the Bank celebrates, during the year, its golden jubilee. It is a happy augury that this occasion is being heralded by the Bank's excellent results for the year ended 31st December 1955. The profit for the past year has touched a record level of Rs. 84.91 lakhs, exceeding the previous highest of Rs. 79.55 lakhs reached in 1951. It also represents an increase of Rs. 7.90 lakhs over that (Rs. 77.01 lakhs) for 1954, thus maintaining the upward trend for the second year in succession.

Consequent on this encouraging progress in working, the Directors propose to step up the dividend to 16 per cent. per annum after having maintained it at 14 per cent. for nine years in succession from 1946 onwards. During this period, it must be mentioned here, the paid-up capital of the Bank had been raised twice, once in May 1948 and again in April 1951, from Rs. 1.50 crores to Rs. 2.50 crores.

The other notable features of the Bank's working during 1955 are: (1) Deposits have expanded by Rs. 7.17 crores to Rs. 67.55 crores, the highest since 1947 when they had touched a peak of Rs. 68.63 crores; (2) advances have gone up by Rs. 6.34 crores to Rs. 46.09 crores, a record in the history of the Bank, exceeding the previous highest of Rs. 42.43 crores touched in 1951; and (3) liquid assets have been strengthened further. The expansion in deposits and advances of the Bank is in line with the general trend of the consolidated position of Scheduled banks. However, the ratio of advances to deposits in the case of the Bank is much higher, at 68.2 per cent., than the average of 62 per cent. for all Scheduled banks at the end of the year.

An idea of the Bank's progress during the past three years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount earned ..	2,18.41	1,89.08	1,75.76	1,75.99
Commission and exchange	53.90	38.82	33.35	40.44
Gross income	2,80.51	2,34.96	2,16.31	2,23.63
Interest paid	72.49	54.87	42.25	46.23
Expenses	1,22.49	1,02.56	97.54	99.00
Depreciation and repairs	0.32	0.50	0.49	0.50
Profit	84.91	77.01	76.03	77.51
Provision for taxation ..	25.00	29.00	29.00	31.00
To bonus to staff ..	12.75	11.20	11.10	10.75
To Bank's landed property account	3.00			
Dividend	40.00 (16%)	35.00 (14%)	35.00 (14%)	35.00 (14%)
Carry forward	13.27	9.11	7.30	6.36

	As on 31st December			
	1955	1954	1953	1952
Capital	2,50.00	2,50.00	2,50.00	2,50.00
Reserve fund	3,52.00	3,52.00	3,52.00	3,52.00
Deposits	67,55.37	60,38.16	54,68.73	56,12.52
Borrowings from other banks ..	2,00.00	2,00.00	..	..
Advances (including bills purchased and discounted and money at call and short notice)	46,09.55	39,74.94	33,58.40	32,21.76
Investments	20,50.28	19,86.78	19,34.93	19,57.61
Cash	9,50.64	9,52.30	6,45.17	10,48.26
Bills for collection (contra item)	2,70.76	1,38.47	1,12.90	88.10
Acceptances, endorsements, etc. (contra item)				
Fixed assets	10,31.89	6,10.37	5,68.41	7,68.74
	28.12	26.19	23.26	17.60
Balance-sheet total ..	89,28.62	77,22.49	68,72.13	71,33.07
Ratio to deposits of—	%	%	%	%
Advances	68.2	65.8	61.2	57.4
Investments	27.4*	29.6*	25.0	34.9
Cash	14.3	15.8	15.4	18.7

* Arrived at after taking into account the securities pledged against borrowings from other banks to the extent of such borrowings.

It will be noted that the upward trend in the Bank's gross income has been maintained for the second year in succession. The pace of increase in income during 1955 has been much higher than that during 1954 and this rise has been well shared by interest and income, as well as by commission and exchange earned. On the expenditure side, the rise in interest paid by Rs. 17.62 lakhs is evidently due to the increase in fixed deposits, referred to below, and possibly to the larger borrowings from the Reserve Bank against usance bills. There is, however, no indication as to how far the Bank had utilised the facility of discounting usance bills, during the year. Of the rise of Rs. 19.91 lakhs in other expenses, salaries and allowances and provident fund account for Rs. 12.93 lakhs and rent, taxes, insurance, etc., for Rs. 5.07 lakhs.

An impressive feature of the Bank's balance-sheet as at the close of the year under review is the rise of Rs. 7.17 crores in deposits, thus maintaining the upward trend for the second year in succession. The deposits at the end of the year fell short of the record levels touched in 1947 by only Rs. 1.08 crores.

Of the advances as at the end of the year, loans, cash credits and overdrafts account for Rs. 37.49 crores, as against Rs. 33.31 crores, and bills discounted and purchased for Rs. 8.60 crores, an increase of Rs. 2.17 crores over the year. It may be noted that the Bank's business outside India has further expanded during the year, particularly its bills business. Thus, loans, cash credits and overdrafts granted outside India have risen by Rs. 1.05 crores and bills purchased and discounted payable outside India have gone up by Rs. 1.25 crores. A similar trend is noted in the Bank's bills for collection, of which those payable outside India amount to Rs. 74.79 crores, having expanded from Rs. 59.49 crores as at the end of 1954. The increase in acceptances, endorsements and other obligations is very striking, being as much as Rs. 4.21 crores. Of the investments (which are shown at below market value), those in Government and other trustee securities amount to Rs. 19.14 crores, as against Rs. 18.81 crores a year ago. The increase in cash balances is solely due to the rise in balances with other banks on current account outside India from Rs. 92 lakhs to Rs. 1.85 crores, while those in India have declined from Rs. 17 lakhs to Rs. 12 lakhs and cash on hand and balances with the Reserve Bank of India and the State Bank of India have dwindled from Rs. 8.43 crores to Rs. 7.73 crores. The relatively small increases in investments and cash balances, as compared with the increase in deposits, account for the drop in their ratios to deposits to the lowest levels in the past four years and reflect the intensive utilisation of funds for financing trade.

(*Concluded from next column*)

have experienced an increase in their working costs.

As will be noted from the above table, while there has been an increase of Rs. 7.45 lakhs in the gross income over the past three years, the rise in outgo by way of interest paid and expenses is as much as Rs. 7.19 lakhs, so that the profit has advanced by only Rs. 0.20 lakh over this period.

The Bank's reserves stand at the impressive level of Rs. 27 lakhs, which, however, do not include the contingency fund to which the Bank has been adding every year a sizable sum. The expansionist trend in deposits has been maintained during the year under review also. At Rs. 6.73 crores, the deposits constitute a record for the Bank and exceed the previous year's level by Rs. 68 lakhs. A breakdown of this item shows that fixed deposits have risen by Rs. 31 lakhs to Rs. 4.15 crores, savings bank deposits by Rs. 11 lakhs to Rs. 72 lakhs and current and contingency accounts by Rs. 26 lakhs to Rs. 1.86 crores. Loans, cash credits and overdrafts disclose a rise from Rs. 3.37 crores to Rs. 3.43 crores and bills purchased and discounted from Rs. 28 lakhs to Rs. 32 lakhs.

BANK OF INDORE KEEPS UP PROGRESS

DIVIDEND INCREASED

IN consonance with the general trend of bank results for the past year, the profit of the Bank of Indore Ltd. (Manager: Mr. N. D. Joshi, Indore City) for the year ended 31st December 1955 has gone up, though the extent of rise is not marked as in the case of many other banks. The Bank's profit, which had risen from Rs. 4.87 lakhs to Rs. 5.02 lakhs for 1954, has further moved up to Rs. 5.07 lakhs for the year under review. This is the highest level to be witnessed in the history of the Bank so far As usual, a sizable part of the profit has been utilised to strengthen the reserves. The reserve fund and the contingency fund have received Rs. 1 lakh each, as they did in the previous year. The allocation to the gratuity fund has been raised from Rs. 15,000 to Rs. 25,000. The payment of bonus to staff takes up Rs. 0.71 lakh, as against Rs. 1.01 lakhs in the preceding year.

The distribution to shareholders has been raised to 14 per cent. per annum from 12 per cent. paid consistently for the previous ten years. It will be recalled that, in 1945, the distribution to shareholders was raised from 9 per cent. to 12 per cent. including a bonus of 2 per cent. and that too on a capital raised by the issue of new shares. It was in 1952 that the dividend and the bonus parts of the distribution were consolidated. The enhanced dividend for 1955 is the highest paid by the Bank so far.

The Bank's progress in recent years is clearly brought out in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Gross income	30.49	28.12	24.47	23.04
Interest and discount	27.11	25.16	22.02	20.73
Commission and exchange ..	3.02	2.55	2.10	1.97
Interest paid	12.73	11.65	9.62	9.53
Expenses	12.32*	11.13*	9.70*	9.33
Depreciation and repairs ..	0.32	0.32	0.28	0.26
Profit	5.07	5.02	4.87	4.87
To reserve and other funds ..	2.25	2.15	2.10	2.16
To bonus to staff	0.71	1.01	0.93	0.86
Dividend	2.14 (14%)	1.84 (12%)	1.84 (12%)	1.84 (12%)
Carry forward	0.61	0.62	0.63	0.63

	As on 31st December			
	1955	1954	1953	1952
Capital	15.30	15.30	15.30	15.30
Reserves	27.00	25.00	25.00	24.00
Deposits	6,72.87	6,06.24	5,45.27	4,94.55
Advances and bills	3,75.54	3,65.31	3,56.36	3,01.60
Investments	2,65.29	2,04.78	1,81.79	1,81.70
Cash	75.48	79.56	61.60	58.31
Balance-sheet total ..	7,66.19	6,82.63	6,17.91	5,61.79
Ratio to deposits of—	%	%	%	%
Advances	55.8	60.3	65.3	61.0
Investments	39.4	33.8	33.3	36.7
Cash	11.2	13.1	9.5	11.8

* Including provision for taxes on income.

The upward trend in gross earnings has been maintained during the year under review also, as witness the further rise of Rs. 2.37 lakhs in gross income, though the extent of increase is slightly lower than that in the previous year. The rise in income has, however, been very nearly wiped out by the increase of Rs. 1.13 lakhs in interest paid and of Rs. 1.19 lakhs in expenses. This is not a peculiar feature of the working of this Bank alone. Almost all banks

(*Continued in previous column*)

PLACING HANDLOOMS ON FIRM FOOTING

CONVERSION TO POWERLOOMS INEVITABLE

THE All-India Handloom Board has, once again, focussed public attention on the problem of the handloom industry by organising the third Handloom Week—from the 19th to 25th inst. As in the previous year, the Week has been celebrated with vigorous publicity and propaganda, urging the importance of handlooms to the national economy and placing this premier cottage industry on a sound and stable footing. The various programmes followed during the Week covered public meetings addressed by Ministers, co-operators and other prominent men, processions of weavers, illumination of sales emporia and depots, exhibition of films, broadcast speeches, and competitions in weaving, designs, etc. With a view to boosting sales of handloom cloth during the Week, the Government of India announced a special rebate of an additional half anna per rupee on all retail sales of handloom cloth effected by co-operative bodies.

To these customary measures for reminding the public of the existence of handlooms and of the need for supporting them, there has been a significant addition this year. The Reserve Bank has informed the Government that it has given its approval to the proposal for financing the production and marketing by handloom co-operative societies at 2 per cent. interest, as against the Bank rate of 3½ per cent. Rules and procedure relating to this matter are now under examination by the Reserve Bank in consultation with the Centre. Incidentally, it may be noted that the total provision made in the second Five-year Plan for the development of handloom industry is Rs. 66.5 crores. Of this amount, the sum of Rs. 63 crores is for cotton weaving handlooms, Rs. 2 crores for wool weaving and Rs. 1.5 crores for silk weaving.

Progress Made

On an occasion such as the celebration of Handloom Week, it is but appropriate to take stock of the progress made with the implementation of the series of schemes for the development of handloom industry. During the 30 months ended December 1955, about Rs. 6 crores (out of the Rs. 11 crores sanctioned by the Government of India) were spent on improving the lot of the weavers, according to Mr. A. S. E. Iyer, Secretary, All-India Handloom Board. So far, the Centre has placed at the disposal of the States Rs. 55 lakhs for opening sales depots. Rs. 2.5 lakhs for the setting up of 19 inter-State depots and Rs. 13 lakhs for 36 mobile vans. It has also sanctioned a sum of Rs. 25 lakhs for erecting 296 dye-houses of different sizes for the dyeing of yarn in fast colours, Rs. 7.5 lakhs for establishing 45 pattern-making factories, and Rs. 19 lakhs for installing 14 finishing plants. Two other important steps taken recently relate to formation of industrial co-operatives and provision of housing for weavers. The Government has also helped the weavers to improve their techniques of production by inducing conversion of the low productivity throw-shuttle looms into fly-shuttle looms the productivity of which is relatively higher. It is trying to provide groups of handloom weavers with warping frames. Take-up motion attachments like dobbies, jacquards, etc., too, are being provided for the looms, which would enable production to be increased by at least two yards per day. In order to encourage people who are not traditional weavers to take to handloom industry, they have also plans to set up industrial co-operatives. Some success, according to Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, had been achieved in this direction in Malabar.

With a view to boosting sales of handloom cloth for domestic consumption, the Government gives rebates on sales. In order to stimulate exports to foreign markets, a scheme of external marketing of handloom cloth has been put into operation by the Board in the last two years. The scheme, Mr. Iyer claims, has achieved "reasonable success" and the marketing officers posted in West Asian and South-East Asian countries have endeavoured to popularise Indian handloom fabrics in these regions. The Board has already participated in several exhibitions. At the Indian Industries Fair held at New Delhi during November-December 1955, the Handloom Board took part in a big way. Sizable quantities of handloom fabrics have been despatched to the International Trade Fair at Leipzig and similar quantities are being sent to the Industries Fair that is being organised by the Government of India in the Gold Coast in West Africa. It is proposed to organise a special exhibition of handloom fabrics alone at Venice some time this year.

The extent to which all these measures have succeeded in improving the conditions in the handloom sector was indicated by Mr. T. T. Krishnamachari when he inaugurated the Handloom Week at New Delhi. Mr. Krishnamachari's review reveals that handloom production has gone up, the quantity actually produced during 1955 being 1,450 million yards, as against 850 million yards in 1951. The rise in production has been accompanied by an increase in offtake; during the third quarter of 1955, the sales of handloom cloth in the four apex co-operative societies in Madras, Andhra, Hyderabad and Uttar Pradesh aggregated 29.3 million yards, which compare very favourably with 13.3 million yards a year before. The earnings of weavers, it is said, have gone up, over the last three years, by 15 to 30 per cent., the highest being in Salem (Madras). Alluding to this, Mr. Iyer observes: "There is a progressive diminution in the number of idle looms in the country. Many of the weavers who had left their household to seek employment outside are slowly reported to be returning to this old profession. This modest achievement within a short period of nearly 30 months at a cost of about Rs. 2 per loom per month in the co-operative sector is something over which one cannot feel dissatisfied."

Output Uneconomic

Notable though the progress in the field of handloom industry has been, the fact cannot be disputed that the output of the sector continues to be uneconomic. If, in spite of this, improvement in production and offtake has been registered, it is because of the artificial props given by the powers-that-be at a heavy cost to the taxpayer. Particular mention must be made of the severe restrictions on the manufacture of *dhotis, saris* and a few other popular varieties of cloth by the mills. As though this is not enough, the Government has practically reserved for handlooms all expansion in the demand for cloth by placing a ceiling on the weaving capacity of mills. Mention may also be made of the heavy taxation to which mill cloth has been subjected, whereas the handloom products are actually given substantial tax concessions in the form of rebates and subsidy in the form of low interest-bearing loans, not to mention outright grants. All these artificial props are being given to handloom weavers even at a time when the total quantity of cloth produced in the country is not adequate to assure a *per capita* supply of 16 yards—a very modest target indeed—after excluding exports.

Notwithstanding all this, the finances of the handloom sector are still in a deplorable state. As we had mentioned on an earlier occasion, several co-operative societies are reported to have not paid back the loans which they took years ago. Indeed, in many cases, the authorities are said to have written off the loans. What is worse, even the response of weavers to the offer of financial assistance has not been encouraging. Out of the total outlay of Rs. 11 crores sanctioned for the development of handloom industry since July 1953, not more than 55 per cent. has actually been spent. The progress in the direction of encouraging the formation of handlooms in the co-operative fold has also not been quite encouraging. The number of looms in the co-operative fold has in the past three years risen from 700,000 to 970,000, which is not more than a mere third of the total estimate loomage in existence. What better indication than these is wanted to prove that the problem of organisation is enormous and beyond the capacity of the present administration?

A Candid Admission

The foregoing account clearly emphasises the view that the solution to the ills of the handloom industry lies not in palliatives but in the removal of defects in the very structure of the handloom industry which is outmoded. This point was clearly recognised by Mr. T. T. Krishnamachari in his speech at New Delhi on the 19th inst. He frankly admitted that the reservation of markets for certain varieties of cloth "did not help the weavers at all." He was firmly of the opinion that, in a big country like India, where the producers and consumers were not near each other, such reservations would not help. He realised that, "in view of the limited restrictions on mill *dhotis*, the prices of such *dhotis* were far above their cost of production." Realising that this type of negative approach did not benefit the handloom industry, the Government was, Mr. Krishnamachari said, taking action in the direction of strengthening the organisation for marketing and supply of raw materials and for improving the techniques of production.

The Right Solution

Thus, so long as the industry is labour-intensive in character, its production is bound to be uneconomic. Surely, there is no hope for handlooms, unless they are converted into powerlooms and at least four or five such powerlooms are operated by one weaver. Mr. Krishnamachari did well, therefore, to stress this aspect. He thought that, in the next 10 or 15 years, all existing handlooms would be converted into powerlooms. Characterising that this conversion was inevitable, Mr. Krishnamachari said:

"... the weaver will desire to earn more than Rs. 60 or Rs. 70 he is now getting. But he can be enabled to earn say Rs. 200, only if they provided the weaver with power. There are at present about 1,550,000 looms. On this basis, there are four million weavers and, in terms of families, 20 million people depend on the looms. Inevitably, they (weavers) would want to earn more in the future. I am not one of those who believe in keeping them on their present earnings of Rs. 50 or Rs. 60 a month. But, if their earnings have to be increased, it can only be through the conversion of handlooms into powerlooms. This is inevitable. But we have to take care that the changeover is gradual, that the looms are decentralised, and the handloom weaver remains independent and not indebted to some master weaver or the person supplying yarn to him but continue to be a self-employed person.

"This is an inevitable development in a socialist society. A socialist society cannot be wedded to the old-world production methods. I am concerned only with the individual behind the loom, and not with the philosophy of the loom as such. If we want that rich men should disappear gradually and there should be an equitable distribution of wealth, we must also take steps to raise the infessors or philosophers might say, in the next 15 or 20 years, most of the handlooms would switch over to power. All that we would have to see is that the period of time is spread over and that the changeover is not accompanied by social problems. But, if we do not allow the changeover and thus prevent the weavers from earning more, there will be a rebellion. I have no doubt about it."

comes of the people at the bottom. Whatever pro-

This warning of Mr. Krishnamachari is, indeed, not only timely but also quite realistic. But the point is whether he will be able to give effect to his convictions based on practical experience, what with the pull exercised by the other protagonists of no-change in the structure of handloom industry, such as Mr. Gulzarilal Nanda, Union Minister for Planning, Mr. V. L. Mehta, Chairman of the All-India *Khadi* and Village Industries Board, and Shriman Narayan Agarwal, one of the General Secretaries of the A.I.C.C. Whether or not he succeeds in carrying these good-intentioned philosophers with him, there is no doubt that, unless the cottage industries are reorganised on modern lines and their productivity per worker is raised at least four-fold, there is no future for them. Any attempt to force such old industries on the people by statutory compulsions will only have a boomerang effect on the very people or the party that tries to do so. This will, of course, take some time. And, perhaps, those who advocate this philosophy may not live to experience it. But it is sure to happen one of these days, if the authorities are foolish enough to persist for long in following that approach to the problem of unemployment. A wise Administration, however, will not wait for the inevitable to happen. It will, on the contrary, take time by the forelock by straightaway trying to facilitate a smooth changeover of cottage industries from the old to the modern lines.

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SPINNERS' MINIMUM PRICE SCHEME HELD UNFAIR

INCREASE IN WORLD SPINDLEAGE

From A Special Correspondent

MANCHESTER, 14*th February*

MANCHESTER LETTER

AN outspoken call to employers and workers in the Lancashire cotton textile industry to face up to the challenge of competition was made by Mr. H. E. Pardoe in his presidential address to the annual meeting of the Manchester Chamber of Commerce. He criticised the minimum price schemes operated by employers in some sections of the industry and urged a change of attitude on the part of operatives towards the introduction of new ideas.

Mr. Pardoe said it was not surprising that the confidence of the workers had been largely undermined in view of the continuous chorus of gloom which the industry's spokesmen had chanted with monotony during the past eighteen months. Customers, too, had had their confidence in Lancashire badly shaken by the repeated reminders that Lancashire's competitors could sell so much cheaper.

Criticising what he termed the high profits made by the spinning industry on a small turnover with the help of a minimum price scheme, he said it was certain the industry had lost many of the 30,000 operatives who had left it during the past year because of this unfair and short-sighted policy. He welcomed the action the Government was taking against price schemes in industry.

Call to Workers

Turning to the part the workers could play in making the industry more efficient, Mr. Pardoe suggested that in their own interests they should spur on employers to modernise the mills. They could do this by welcoming all new arrangements which were reasonable and fair.

Mr. Pardoe suggested that as an experiment Sir Alfred Roberts, a prominent trade union leader, should be appointed to a high executive position at the Cotton Board to concentrate on the job of creating a new attitude of mind on the part of workers towards the adoption of new methods and techniques.

He did not believe that wages were too high but rather that production was too low, thus making the unit cost of production too high. Mr. Pardoe added: "I think nothing of a welfare state where so many mothers of young babies go out to work, even if father only works a five-day week and can stay in bed on Saturday mornings. When compared with the great advances in science and technology during the last 50 years the average standard of life in the country has not risen to the level it could have done."

The new President of the Chamber, which is the second largest in the country, is Mr. Frank Rostron. His election breaks a long tradition in which the President of the Chamber has been identified with the textile industry or allied trades. Mr. Rostron is the Export Sales Manager of Ferranti Ltd., Electrical and General Engineers, Hollinwood, near Oldham.

Wage Claim

The application for a 2*s.* in the £ wage increase for the 256,000 workers in the Lancashire cotton industry was rejected outright by millowners when joint talks were resumed in Manchester. The discussions lasted an hour. Afterwards cotton union leaders announced their intention of referring the matter to the Minister of Labour as a dispute.

They see little prospect of the employers departing from their refusal to entertain the claim even if the Minister attempts conciliation, and envisage its eventual submission to the Industrial Disputes Tribunal.

Trade Union officials are bitterly disappointed and not a little angry at the rejection of their claim, which was based mainly on the increased cost of living. The millowners made no public announcement about their reasons for turning down the application. Union spokesmen said arguments had been advanced by the employers which had no bearing at all on the wage claim. These included, it was said, the impact on the industry of cloth imports, tariffs and dual price systems in overseas countries.

Sir Alfred Roberts, General Secretary of the Cardroom Workers' Amalgamation, one of the three main cotton unions, commented: "They feel they are now trying to hold the inflationary spiral. We must be prepared to accept this to allow them to compete in foreign markets. That would mean rice wages if we were to allow it."

Mr. William Roberts, President of the United Textile Factory Workers' Association, claimed the employers had admitted the unions had a good case for an increase. Of the rejection of the claim, he said: "This has become the pattern in the industry—they turn down our demands and let us refer the application to arbitration."

The last wage increase for workers in the Lancashire cotton industry became effective from October 1954, when the Industrial Disputes Tribunal awarded a six per cent. advance after the millowners had refused to make any offer in response to a demand for a 10 per cent. increase.

Arbitration on Claim?

Within 48 hours of the demand being rejected outright by the employers, leaders of the nine cotton spinning and weaving trade unions informed the Ministry of Labour that a wages dispute exists in the industry.

The unions, which had claimed an extra 10 per cent. for more than 250,000 operatives, sent the communication to Mr. James Johnstone, the Ministry's Chief Industrial Relations Officer in the region. A spokesman of this department said in Manchester that if the dispute could not be resolved by local conciliation it would be referred to the Minister of Labour with a view to its submission to the Industrial Disputes Tribunal.

Spindles at Work

Although world spindleage continues to rise, the increase in spinning capacity is centred almost entirely on mills in Asia and the Far East. Latest figures released by the International Cotton Federation show that the number of spindles in the world at the end of July last was 129,838,000, an increase of 516,000 compared with two years previously.

But whereas spinning capacity in Europe in the twelve months to July fell by over 1,500,000 spindles, Asiatic mills added more than 2,200,000 spindles to their existing plant. In addition a further 700,000 spindles were in the course of erection.

In Britain spindleage maintained its downward trend, with rings continuing to usurp mules. Over the year, the number of mule spindles in this country fell by nearly 1,500,000, but there was a slight rise of about 80,000 in the quantity of ring spinning machinery. A sharp revival occurred in the number of spindles engaged in spinning rayon staple fibre from 1,822,000 to 2,630,000.

It is now becoming rather monotonous to repeat the figures for working hours, showing how far behind Lancashire is, in keeping machinery in operation, compared with every other country. The latest returns indicate a further setback as spindles in our local industry only worked an average of 1,677 hours, as against 1,834 hours in the comparable period a year ago.

Machinery in British mills is now used for considerably less than one-third the time employed by their main rivals. Only in several European countries are spindles in operation for below 3,000 hours in the twelve months under review, while at the other end of the scale machinery in Hong Kong is working at an average of 7,470 hours. Indian and American mills are working at almost the same rate, running for nearly 5,500 hours in each case.

In the year to the end of July last the world used more cotton than ever before, mill consumption being 35,707,000 bales, an increase of some 60,000 bales on the previous season, which was itself a record. Due to the rise in spindleage, however, consumption per 1,000 spindles declined from 275.23 bales to 275.01 bales.

Most of the rise in the use of cotton came from the continued transfer of allegiance among spinners to what were at one time called "outside growths." These miscellaneous supplies amounted to 17,152,000 bales consumed by the world's mills last season, as compared with between 8,000,000 and 9,000,000 bales just before the war.—*All Rights Reserved.*

The Organisation for European Economic Co-operation (O.E.E.C.) forecast increasing uneasiness in the European textile trade mainly due to uncertainty about the U.S. raw cotton policy and growing competition from Asia. The Textiles Committee of the 17-member body reported "a clear declaration by the American Government stating the long-term policy that it intends to follow is essential to re-establish confidence and improve the present condition in the affected industries." Competition of Asian textiles, which has caused big cuts in European textiles exports, particularly of cottons, was beginning to be felt on the internal markets of member countries.

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MR. DHARAMSEY M. KHATAU'S SPEECH AT ANNUAL MEETING

INCREASED PARTICIPATION OF INDIAN LINES IN OVERSEAS TRADE ENVISAGED

THE urgent need for granting early relief to Indian shipping lines by way of an interim increase of 15 per cent. in current freight rates on coal and general cargo on the coastal trade, pending the recommendations of the Rail-Sea Co-ordination Committee, was stressed by Mr. Dharamsey M. Khatau, Chairman of the Scindia Steam Navigation Company, Ltd., in the course of his address to the shareholders of the Company at their Thirty-sixth Ordinary General Meeting held at Bombay on 22nd February 1956. Mr. Khatau also indicated that the ambition of Indian lines is to get an equal share in the carriage of foreign trade of this country.

The following are extracts from Mr. Khatau's speech:

"GENTLEMEN,

"I assume that, as usual, you will permit me to take as read the Directors' report and the audited accounts for the year ended 30th June 1955, which have been in your hands for some time now.

"It is regrettable that the results this year have been less satisfactory than in the previous year. There are four main causes for this. The Dockers' strike in the U.K. and the congestion at the U.K. and Indian ports and the 'go-slow' of port and stevedoring labour caused a delay of 380 voyage days. The loading of rice at Rangoon was about 400 tons per day, as against the anticipated 800 tons per day on which the freight rates were based. This caused considerable loss. The cost of stevedoring has risen to the extent of about 15 per cent. over the previous year. The cost of marine dues, claims etc. have also gone up. The cost of coal increased by about As. 10 per ton. The necessity of chartering vessels to fulfil commitments for rice liftings from Burma was unprofitable. This would not have been necessary if the construction of ships at the Visakhapatnam Shipyard had proceeded according to programme.

"In view of the unsatisfactory results, the Managing Agents have agreed to accept Rs. 8 lakhs only and waive the balance of Rs. 2,26,951 provided that the amount so waived is exempted from income-tax in their hands. Our thanks are due to the Managing Agents for this gesture.

"Our reserves and surplus now amount to Rs. 6.51 crores, as against Rs. 6.27 crores last year. Our specific reserves have increased from Rs. 5.29 crores to Rs. 5.94 crores at the end of the year.

"As we are in need of finance for further modernisation of our tonnage, we have requested the Government to release Rs. 2.47 crores invested in the shares of Hindustan Shipyard Ltd. and Eastern Shipping Corporation Ltd.

Coastal Freights

"The tonnage plying on the coast today is hardly sufficient to carry all available cargoes. Though coastal trade has been reserved for national shipping and loans are available from Government for the acquisition of additional ships, these measures have achieved little success in promoting the development of coastal shipping. During the five years from 1950 to 1955 coastal tonnage has increased only by about 22 per cent. from about 200,000 tons gross to 244,000 tons gross. I do not wish, on this occasion, to take you into the several factors, beyond the control of shipowners, that have been responsible for this position. Suffice it to say that, due to the prevailing unsatisfactory conditions all round, about 20 per cent. more tonnage is now required to carry the same volume of traffic. This has artificially aggravated the shortage of tonnage on the coast.

"There is, therefore, no doubt that expansion of coastal shipping is necessary in order not only to cope with the increasing demand but also to relieve its pressure on the railways in the larger interests of the country's economy. But expansion means building new ships or buying second-hand ships at the very high prices prevailing today. A standard coastal ship which used to cost about Rs. 44 lakhs in 1950 would now cost about Rs. 80 lakhs. Taking all these factors into consideration, it is impossible for any company to acquire additional tonnage at today's prices when there is hardly any prospect of operating costs diminishing, unless the rates of freight are raised to an economic level.

"It was with full realisation of this serious position that, in April 1955, the Coastal Conference decided to make a modest increase of 10 per cent. in freight rates on general cargo with effect from 1st June and to request the Government for a similar increase in coal rates with effect from shipments for May 1955. Prior to that, many of the Overseas Conferences had already increased their rates by 10 per cent., in order to cover the increased costs of operation. Due to some unfortunate developments—into the details of which I do not wish to take you—the proposed increase in coastal rates could not be brought into effect. In the meantime, it was suggested by the Government that the freight rate structure on the coast should be maintained without any increase until the findings of the Rail-Sea Co-ordination Committee were available. On further representations by the Conference, the Government have allowed a meagre increase of 5 per cent. in the rates on coal and general cargoes with effect from 15th October last, pending the recommendations of the Committee.

Return-on-capital Basis

"In the opinion of the Coastal Conference the rates of freight should be fixed at a level at which it will be possible for the companies not only to meet fully the costs of operation and at least normal depreciation but also to make a reasonable provision for rehabilitation of fleet and earn a fair return on capital employed. The operating costs show an average increase of about 2½ per cent. every year. Therefore, if the rates that may be fixed as a result of the present enquiry are to remain in force during at least the next three to four years, an allowance of 5 per cent. should be made on the current level of operating costs. The existing coastal fleets include a number of ships which were acquired at low cost and which, being now very old, will require replacement at no distant date. A provision for rehabilitation of fleet out of earnings is, therefore, a necessity. This should be equal at least to the normal depreciation on the cost of ships, though it will by no means be adequate, considering that it will be liable to taxation. As regards return on capital, it is understood that the Tariff Commission allows 10 per cent. on gross block value. This is intended to cover interest on loans or debentures, managing agents' remuneration, income-tax, profit-sharing bonus, dividend to shareholders and allocation to reserves. There is no reason why a similar return should not be granted in the case of the shipping industry while fixing the rates of freight.

"It has been estimated that, on the above basis, the shortfall of earnings over operating expenses, etc., comes to 28 per cent. of the earnings, as against the increase of only 5 per cent. made last October. In the case of a newly built ship, the shortfall on the above basis, but without providing for rehabilitation, comes to over 50 per cent. While I am not suggesting that the rates should be enhanced to this extent, I do hope and trust that the Government will recognise the necessity to provide reasonable incentive to the shipping companies for expansion of their tonnage to the extent required in order to cope with the country's requirements of coastal transport. Unless the question is dealt with from this point of view, a serious transport bottleneck may develop during the second Five-year Plan period.

"Pending the submission of the report by the Committee and its consideration by Government, some further interim relief is urgently necessary. The Conference has, therefore, urged that, as an interim measure, the current rates of freight on coal and general cargo be increased at least by 15 per cent. with effect from 1st March 1956. We trust that the urgency of this question will be taken into consideration and early relief granted by Government.

"Gentlemen, I informed you last year that we would be compelled to stop this service altogether, unless we could secure adequate assistance from the Government to enable us to cover our losses caused by considerable decline in cargo and passenger traffic. The attention of the Government was drawn to the seriousness of the position long in advance. Though the Government were willing to grant the necessary loan for acquisition of a new passenger vessel, the complete cessation of rice imports and the decline in trade between the two countries led us to the conclusion that the employment of a new ship, which would cost Rs. 1½ crores or more, would be an uneconomic proposition. For this reason and also in view of Government's policy not to grant any direct financial assistance, we had no alternative but to discontinue this service in July 1955 after giving sufficient notice to all concerned. There was, however, a pressing demand from the travelling public for resumption of this service and, as desired by the Government, we restarted it last August with the m.v. *Sonavati* by withdrawing her for the purpose from her normal service on the West Coast. While she is rather small and was not built for such a passenger service, no other more suitable ship was available. The Government were fully advised of the type and condition of this vessel. It is, therefore, unfortunate that it should have been stated in the Lok Sabha last September that the service 'was suddenly stopped' and that 'a sort of rickety ship had been put on the voyage.'

"At the moment the m.v. *Sonavati* is undergoing her special survey and is expected to be again in commission towards the end of next month. It is intended to revert her to the West Coast as soon as other arrangements are made by the Government to maintain this passenger-*cum*-cargo service.

India-U.K.-Continent Trade

"We have now secured full membership of the Conferences governing the trades from the U.K. and Continental ports to India and Pakistan and *vice versa*. We have also been admitted as member of the Conference which governs the trade between Western Italy and Pakistan and Ceylon. Some of the foreign lines also have secured increased rights and have expanded their tonnage.

"I informed you last year that we have not been admitted to membership of the Conferences governing the trade from the U.K. and Continental ports to Aden and Colombo and *vice versa*. This unsatisfactory position, I regret to say, still continues. I cannot emphasise too strongly that Indian Lines have a legitimate claim for participation in these way-port trades. We are still pursuing this matter and shall make every effort to secure our rights.

"The combined liftings of the two Indian Lines—Messrs. India Steamship and ourselves—of the exports from India to the U.K. and Continental countries amount barely to 15 per cent. of our total exports to these countries. As soon as the new ships on order are delivered we intend to employ 18 ships in these trades. Even so, in the entire overseas trade of this country, the participation of Indian Lines comes barely to 5 per cent. We have, therefore, still to go a long way towards the target of attaining a 50 per cent. share in the carriage of our overseas trade. But we are going to expand and I wish to emphasise that it is the ambition of the Indian Lines to participate equally in the carriage of the foreign trade of this country.

Tonnage Programme

"The question of building new ships for the coast is very difficult. I have already informed you about the very unsatisfactory state of affairs on the coast at present. Needless to repeat that no shipowner can think of building new ships for the coast unless the existing conditions show material improvement.

"As already stated by me, we are now full members of the India-U.K.-Continent Conferences and are at liberty to employ in this trade such volume of tonnage as we consider reasonable. We propose to employ 18 modern ships in this service. But on delivery of all the ships now on order we shall have only 15 modern ships —six 17-knotters, four 14-knotters and five 12-knotters. The four 14-knotters are already in commission. Two 12-knotters delivered by the Visakhapatnam Shipbuilding Yard are also in commission; the third ship is expected to be delivered next May and the remaining two in the second half of 1957. Six 17-knotters have been ordered with Messrs. Lubeck's Shipbuilding Yard in Western Germany. The first three of them were ordered in March 1955, and three more ships were ordered in August last after I had discussions with shipbuilders in the U.K. and on the Continent and after visiting the Lubeck Yard. We have placed these orders at an agreed base price subject to the usual 'rise and fall' clause, but with a ceiling. Since then the prices of new ships have risen and deliveries are longer. Further, the shipyards in the U.K. and on the Continent, being now fully booked with orders for cargo and tanker tonnage, are reluctant to accept orders at a base price subject to a ceiling, with the result that shipowners' liability under the 'rise and fall' clause will be unlimited. There is no knowing as to what the final price of the ship would be when she is delivered. Your Company, therefore, has done well in placing these orders at an appropriate time and on satisfactory terms.

"In order to have a fleet of 18 fast ships we shall need three new ships; besides, one or two more ships will be required by way of substitutes when other ships are under special survey. It means ordering four or five ships similar to the new *Jal-Azad* and *Jal-Jawahar* which are already in commission. As you know, we are committed to borrow from the Government about Rs. 8½ crores in respect of the ships already ordered in Germany. Purchase of additional four or five ships will involve further borrowing from the Government, which will be of the order of about Rs. 5 crores. Though the prospects in the India-U.K.-Continent trade are likely to continue to be promising in view of our country's increased requirements under the second Five-year Plan, owing to the large sum of money involved, your Directors are giving serious consideration to this question and will reach a decision after examining it from every angle.

B.S.N. (1953) Ltd.

"The operations of this subsidiary during the year have resulted in a loss of Rs. 4.25 lakhs. This is due to heavy cost of repairs and surveys, owing to old age of its vessels; these costs for the ensuing year are likely to be still heavier. Another factor responsible for the loss is the complete suspension of the Company's passenger service between Bombay and Panjim (Goa). It is difficult at the moment to surmise as to when it would be possible to resume this service.

"Four of the six vessels operated by this Company are more than 20 years old and will need to be replaced during the next three to four years. The cost of replacement of four ships is estimated at about Rs. 3 crores and, even if orders were placed now, it would take not less than 24 months to obtain deliveries. Before we can decide to make such a heavy commitment we would like to make sure that we would be able to earn an adequate return on capital after meeting costs of operation and providing for at least normal depreciation. This is not possible at the present level of fares. In these circumstances, we requested the Government as early as last August for an increase of 33-1/3 per cent. in the existing passenger fares. The Government have now referred our proposals to a Shipping Rates Advisory Board consisting of Shri N. S. Lokur, Chairman, Railway Rates Tribunal.

"You will agree with me that the Company cannot go on incurring losses year after year and, unless adequate increase in passenger fares is allowed, we may have to consider seriously, the question of closing down these services. I hope and trust that the authorities will consider this question seriously, keeping in mind the importance of maintaining these services which provide the only convenient link between the Konkan ports and Bombay for 12 lakhs of passengers.

Prospects for the Current Year

"I would now like to acquaint you with the prospects for the current year as they appear to me. On the expenditure side, costs of operation under various heads show no signs of decrease. Actually there is bound to be increased expenditure under certain items; for example, we shall have to spend considerably more on ship repairs in view of a larger number of ships having to be put through special surveys during 1955-56. Some of these ships are older and will, therefore, require heavier repairs. Stevedoring costs are already high and will increase further, on account of the introduction of piece-rate system of payment to labour. As regards fuel oil, there was an increase of 5s. in the prices with effect from March 1955, and a further increase of 7s. 6d. from 1st January of the current year; from the 15th of next month the prices will further increase by about 3s. On the other hand, as I have already stated, two German-built and two Visakh-built ships were delivered to us during 1955. Three of them will have been in commission practically for the whole of the current year and one for nearly six months. The increase of 10 per cent. in freight rates from February 1955 together with comparatively brisk movement of cargoes from the U.K. and Continental ports to India will show its full effect in the current year. The further increase of 10 per cent. in rates which will be effective from next month will be only partly reflected in the current year. A distinct improvement in our freight earnings in the India-U.K.-Continent service may, therefore, be expected. On the Coast, so far as working conditions at ports are concerned, one may hope that the corner will be turned as a result of the introduction of the piece-rate system of payment. The rate of freight on salt from Saurashtra to Calcutta has been fixed at Rs. 31-4 per ton for the year 1956, which is Rs. 3-2 more than the previous rate. The rates on coal and general cargoes were increased by 5 per cent. last October. Any further increase, that it may be possible to secure in coastal rates, will not be fully reflected in the current year. Having regard to the position I have indicated, it appears to me that on the whole the working during the current year should be reasonably satisfactory compared with the year under review."

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TAXATION FOR FINANCING SECOND FIVE-YEAR PLAN

(*Concluded from page 337*)

Another equally fantastic suggestion is that the income-tax should either be replaced or supplemented by an expenditure tax in such a way that the rate of taxation on an annual expenditure of over Rs. 10,000 increases to a cent per cent level. By such a tax the richest people would not be much distressed and the poorer ones will not be touched. It is the middle class, which is the backbone of the nation, that will suffer the greatest hardship. In the absence of allowances based on the number of persons in a family, their health, education and other requirements, such a tax can prove highly inequitable. What is more important, in the context of rising prices which are bound to result from inflationary forces generated by deficit financing, an expenditure tax would lead to a double hardship. If prices rise, the assessee will not only have to find a larger amount of money to be able to get the goods and services to which he is accustomed but, in addition, he will have to pay a higher tax, as his money expenditure would rise by reason of the higher prices. Such a tax presupposes that people's standard of living is flexible, which it is not. The expenditure tax would cause excessive hardship to the middle class in the conditions prevailing in our country. Its psychological effects alone make it a bad tax, apart from the other adverse effects it is bound to produce.

Although it is not advisable to increase taxation to an unbearably high level to be able to finance developmental expenditure, it is nonetheless necessary to finance a part of the developmental expenditure out of taxation. As has already been pointed out, the tax revenue of the Government would automatically increase to some extent with an increase in the national income. Apart from this, it should be possible to increase Government's net tax revenue by anything from Rs. 15 to 20 crores per annum, if effective measures are taken to prevent tax evasion. Such measures would not create any additional strain—in any case not much—on the economy and would produce much valuable revenue. The staff of the Income-tax Department will have to be increased and properly trained to detect tax evasion but the additional cost would be worth the trouble. It has always remained a mystery to me as to why the Government has been unable to take effective steps to prevent tax evasion, although it has been a public scandal for a long time.

Excises

It is also possible to increase certain existing Central excise duties and to levy new excise duties on certain goods such as bicycles, sewing machines, electrical goods not yet subject to such duty. In the field of State taxation, the Taxation Enquiry Commission has made detailed recommendations and some of the taxes can be levied without causing too much hardship. In the case of income-tax and estate duty, there might be a scope for upgrading the rates on certain slabs and of changing the exemption limits to produce a small amount of additional revenue. But such adjustments can by no stretch of imagination produce an additional tax revenue of an order to give an additional revenue surplus of Rs. 450 crores. If the Central and the State Governments obtain an additional tax revenue (not necessarily an additional revenue surplus) of Rs. 100 to Rs. 150 crores over a period of five years, they would be lucky.

In economic planning, it is necessary to take an overall picture not only so far as the total outlay and the output targets are concerned but also with regard to the rate of progress and the overall effects which any policy might have. In India, we have already taken many vital steps —the abolition of *zamindari*, the elimination of the princely order, expansion of State enterprise, nationalisation of life insurance and the Imperial Bank of India—in the direction of a "socialist structure of society." We should now allow people to get accustomed to them and to let their effects be stabilised before taking further steps in this direction. An essential feature of a socialist economy is gradualness, that is, evolution and not revolution. If the Government ignores this vital principle and takes haphazard and unco-ordinated action to hasten the achievement of socialism without caring for the interim maladjustments and hardships, the result might be disastrous.—*All Rights Reserved.*

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LINKING CANE PRICE TO QUALITY—I

EXPERIENCE OF OTHER COUNTRIES

IT is now widely realised that, unless the cultivation of quality sugarcane is intensified, the prospects of India producing sugar at an economic cost are very bleak. The issue is of special significance in the present context when the sugar industry has entered a new era of expansion and development. If the development programme for the sugar industry envisaged in the second Five-year Plan—the programme sets the target of installed capacity at 2.5 million tons, which represents as much as 56 per cent. of the present capacity—it is of the utmost importance that an all-out drive should be made to step up the per-acre yield of high sucrose-content sugarcane. After all, the quality of cane delivered to the factory plays, as Mr. Colin W. Waddell stressed, in effect, in his paper read at the symposium on payment of cane prices on quality basis, organised in connection with the ninth Congress of the International Society of Sugarcane Technology (I.S.S.T.) held at New Delhi recently, such an important part in its value and the efficiency of technical processes involved, that measures designed to improve sugarcane will have far-reaching effects on the fortunes of the cultivator and the sugar industry. Whether sugarcane is supplied from large estates or small independent farms, there is, according to Mr. Colin Waddell, a growing tendency in most countries to find suitable incentives to raise cane quality. Since these incentives involve the technical problems of weighing, sampling and analysis, as well as administrative problems of costs, sugar prices and the system adopted for division of proceeds between grower and miller, they require a considerable amount of skilled work and supervision.

The problem of giving incentives to agriculturists to intensify cane cultivation has not received adequate attention in India. It is true that the Governments—Central and State—have been giving various forms of assistance to agriculturists to intensify cane cultivation. But the progress actually achieved has been none too encouraging, thanks to the continued adoption of the defective system of linking the price of sugarcane to weight, ignoring completely the quality aspect, and the policy of fixing *minimum* price for cane delivered to the sugar mills. Naturally, the cultivator is interested in yield of cane per acre only and devotes little attention to its quality. India is, perhaps, the only country other than Cuba which has been adopting this system. In all the other sugar-producing countries, the payment for cane is based not only on the weight of the cane but also on the percentage of sugar contained in it. The sugarcane grower is thus made conscious of both the vital aspects, namely, sugar-content and yield.

Cane Payments in Other Countries

The Government of India is considering the possibility of introducing a system for the payment of cane price based on sucrose content. It has already before it the report of the expert committee. Before considering the question of formulating a system of payments for sugarcane on the basis of quality, it is necessary to examine the systems prevalent in the other sugar-producing countries. It is, of course, true that the most important difficulty that has to be solved in India does not exist in most of the foreign countries, namely, that of paying individually a very large number of suppliers for the cane that makes up the crush of a single day. Nevertheless, the experience of other countries would, as Messrs. R. R. Panje and K. V. Gopala Aiyar said in their note read at the I.S.S.T. symposium, be useful and it would be possible to adopt the procedures to suit the conditions in our country.

In Java, the sugar factories enter into agreements with large plantations for the supply of cane. The price of cane is based on the polarisation of the first expressed juice, with a correction factor for each variety determined mainly on the basis of its fibre-content. The cane grower is entitled to half the profits that accrue from the sale of sugar, but he is also liable to half the losses.

Mauritius has adopted a different system for making payments for cane. The special feature of the system is the cane test, which is somewhat similar to the mill tests conducted by cane research stations in India. The cane supplied for testing is assumed to be representative of the bulk supply made by the grower, and the extractable sugar from this test sample is determined through a series of estimations, ranging from brix of crusher juice to bagasse-pol, fibre in cane and bagasse, and purities of mixed juice and last mill juice. The grower gets the value of two-thirds of the sugar computed to have been made from his cane on the basis of figures. This system is somewhat unique in that attention is paid not to the sampling of the raw material but to the estimation of sugar recovery.

The method of determining the share of the cane grower differs from place to place in Louisiana. The cane is first sampled from the wagons as they arrive and then the sample is crushed in a laboratory mill. Certain apparently arbitrary, but presumably well-based, corrections are applied to the laboratory-mill figures. Payment is based on pol by laboratory analysis only; no account is taken of the other factors which affect the recovery of sugar. The schedule for payment has a standard sucrose value —called 100 per cent. standard cane—which increases by one unit for every 0.1 per cent. sucrose difference in favour of the sample. The grower is paid approximately at the rate of one dollar per ton of cane (standard) for every cent in the prevailing price per pound of sugar. If, for example, the sugar recovery percentage is about 10, this computation in effect means that the cane grower gets 50 per cent. of the value of the extra sugar made on account of the better juice quality. The factory thus derives a part of the benefit from improvement in juice quality.

System Not Reliable for India

The three principal features of the system in vogue in Louisiana which is somewhat complex and variable are: (1) Unusual simplicity of the sampling system for cane, (2) laboratory-mill analysis being the basis of payment, and (3) variability in the grower's share of the profits. Whether, all the complexities and schedules notwithstanding, the payments are based on a correct estimate of the cane quality and whether the sliding scales are equitable, can be decided only with a more intimate knowledge of the conditions affecting the sugar industry in Louisiana. Under the conditions existing in India, the laboratory-mill analysis of 3-4 stalks of cane is not considered to be a very reliable system of sampling.

Cuba is the only other country which, like India, has a system under which the price of cane is linked to weight and no account is taken of its juice quality. This is so because cane is grown and supplied to factories by small peasants and farmers. Naturally, the quality of cane supplied is poor. The grower does not concern himself with the sugar-content of his cane. In fact, it is said that, with the effect of quotas on sugar production, the system then actually acts as a direct stimulus to the production of cane with low juice quality.

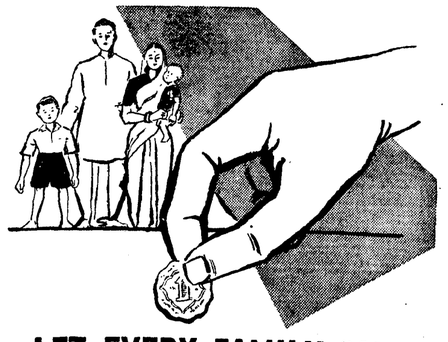
In Puerto Rico, the colonos are not as small growers as in Cuba. It is, therefore, possible for the factories to estimate the juice quality of the individual lots of cane supplied by them. Here, again, simple sucrose per cent. juice value is adopted to represent sucrose recovered, a rough and ready index which is quite suitable where too much variation in cane does not exist. The cane supplier apparently shares in the profits from the sale of sugar.

In South Africa, the basis for determining the quality of cane is the sucrose per cent. of the crusher juice which is multiplied by the Java ratio in order to get the sucrose per cent. cane. This is again multiplied by an efficiency factor to arrive at the sugar recovery. The value of cane is fixed by the division of the price at mill value of 96° sugar in the proportion of 64.3 per cent. to cane and 35.7 per cent. to sugar.

Queensland System

Computations for sugarcane payment in the Philippines are said to involve so many determinations and uses of formulæ that their description will not serve any useful purpose in so far as India is concerned. Of special interest, however, is the system in vogue in Queensland (Australia). The formula adopted for assessing sugar recovery is called the C.C.S. formula which, in a slightly modified form, is the counter-

(*Continued on page 363*)



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AMALGAMATION OF SMALL COLLIERIES

TERMS OF REFERENCE OF MEHTA COMMITTEE ENLARGED

PRESS reports from Jharia disclose that the terms of reference of the Committee on Amalgamation of Small Collieries, appointed by the Commerce and Industry Ministry in November last, with Mr. Balvantray G. Mehta as Chairman, to examine the position of small collieries in Jharia and Raniganj and to make proposals for their amalgamation, have been enlarged by the inclusion for investigation of the position of all collieries in Bihar and West Bengal. Accordingly, the Committee will undertake a survey of the present position of collieries in West Bengal and Bihar with a view to their amalgamation into economic units. In making the investigations, the Committee will give due consideration to the area of holdings, the current output and the capacity of the collieries, the geological and geographical and other relevant features, the need for efficient and economic production and the conservation and preparation of coal by such processes as washing, etc. On the basis of such a survey, the Committee will recommend to the Government the principles, procedures and methods in general and the time schedule and legislation, if any, to be adopted for carrying out the scheme of amalgamation.

It will be appropriate to refer, in this connection, to the conflicting views on amalgamation of the small colliery owners and the workers employed in the mines. The small colliery owners of Jharia and Raniganj have opposed the proposal for the amalgamation of small collieries. They have, through a memorandum to the Committee on Amalgamation of Small Collieries, mentioned above, represented that the present time is inopportune for the amalgamation of small collieries and have, therefore, urged that it should be postponed for the next 10 years at least. They have refuted the charge that small collieries are uneconomical "by reason of their smallness," if not for any other. They have contended that the small collieries are more efficiently managed than the bigger ones. They have refuted also the contention that blocking of coal in barriers is the peculiarity of small collieries alone and held that coal blocked in barriers between contiguous areas of small collieries is insignificant, as compared with coal blocked in "panel barriers." The small colliery owners have further held that coal blocked in barriers between contiguous areas of small mines could more often be recovered than that blocked in panel barriers. They have opposed amalgamation also on the ground that the actual working of two contiguous mines might differ in so many essential aspects that make them incapable of being amalgamated. Elucidating this statement, they have observed:

"The difference may be in the grades and seams of coal being worked, in their depths of present operations, in shapes and sizes, in gradients and inclinations, in the galleries driven in the two mines, which may not be on the same lines and in the same surfaces, in the size and height of standing pillars and, generally, in the condition of the two contiguous mines. One of the mines may be approaching exhaustion of the particular seam being at the last stage depillaring and full of goafs and water, while the other may be at the first stage of development of the seam or may be working in an entirely different seam, may be well-planned, based on scientific working, prosperous with much less cost of production, etc., and the amalgamation of the two may mean the dragging of the latter mine to the uneconomic level of the other instead of the former mine being brought to the economic level of the other. The two mines may be working at such different depths that amalgamation may have no meaning and sense—may be a physical impossibility. The geological, geographical and other features may be so different as to exclude the possibility of amalgamation. The lease terms under which the two contiguous mines are being held may be entirely different, one on fixed rents and the other on commission basis, so that their amalgamation is not legally permissible. The owner of the one mine may be a limited company and that of the other an individual, an undivided family, a corporation, a trust property, etc., which will stand in the way of amalgamation. One mine may be partially on fire and amalgamation may bring the fire extended to the other mine and even to a whole set of mines in the neighbourhood. Instances of such difficulties, incompatibilities, incongruities may be multiplied to warn against amalgamation of mines simply because they are contiguous to one another."

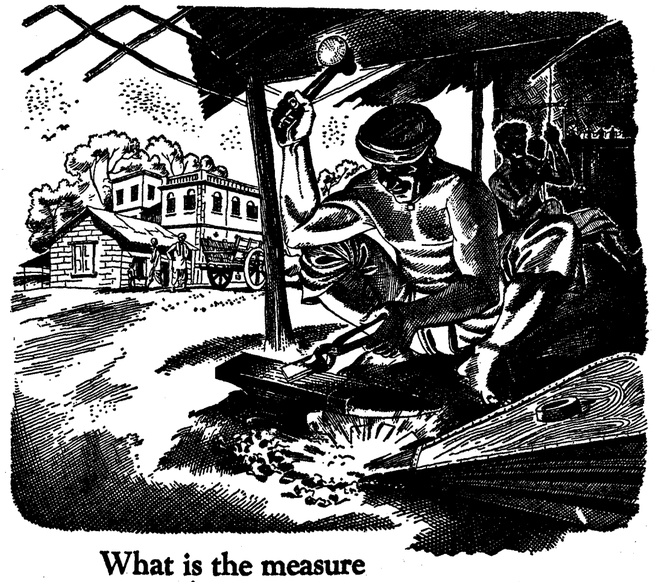
While mineowners have thus expressed themselves against amalgamation of small collieries, the Indian National Mineworkers' Federation, Dhanbad, in its replies to the questionnaire issued by the Committee on Amalgamation, has, on the contrary, welcomed the proposal for amalgamation of small collieries as a step towards nationalisation, which, it has claimed, is "the only permanent solution for solving the problems confronting the coal industry." It has held that amalgamation will help adopt sound mining practices and improve the position of coal transport, inasmuch as it will lessen the burden on the lines, as well as pilot capacity, and improve the turnover of wagons. Briefly stated, the overall advantages of amalgamation are claimed to be as follows:

(1) Enlarged output at low cost;
(2) easier haulage and pumping;
(3) recovery of coal blocked in barriers or unsuitable positions;
(4) reduction in office establishment costs;
(5) utilisation of existing machinery to its full capacity;
(6) better planning and higher output;
(7) better supervision and utilisation of technical manpower;
(8) better organisation of workers and the development of a strong trade union movement; and
(9) better amenities to workers.

As regards the agency for amalgamation, the Federation has suggested that either a statutory expert body be set up or the proposed Coal Commission be vested with powers to amalgamate. It has not felt that there will be any appreciable reduction in the labour strength as a result of amalgamation; on the other hand, there will, it has stated, be new avenues for employment. The Federation has suggested also uniformity in the rates of royalty.

The plea for the amalgamation of small collieries is an old one and received considerable prominence in the course of investigations by the Indian Coalfields Committee 1946, which, among others, strongly recommended amalgamation of small collieries. Even the Working Party for Coal Industry 1951, expressed similar views. It is true, they all admit, that some small collieries have been working economically and efficiently but they have held that such collieries are only exceptions. To quote the Indian Coalfields Committee: "The uneconomic nature of an undertaking should be judged from the broad angle of national interests. From that aspect, small mines, with exceptions, tend to be uneconomic and harmful." The Working Party has expressed the view that "coal extraction suffers in irregularly shaped mines and limited resources of capital prevent correct developments, planning and mechanisation. The danger of small leaseholds is that the colliery proprietor tends to work coal at shallow depths, so that coal remains unexploited at greater depth."

It would appear that there is a strong case for amalgamation. This could be done by bringing the lessors and lessees of neighbouring *mauzas* or leased areas to agree to certain terms. The Indian Coalfields Committee has expressed "that, for the future, fragmentation should be avoided by control over leases and sub-leases." It has observed: "The evils of the past can be remedied by the Government insisting on amalgamation and adjustment of boundaries." It is true that there are some sections which are opposed to compulsory amalgamation. But it would be wrong to oppose amalgamation even when that is the only way of securing economic sizes for coal mines. As the Working Party has emphasised, legislation should be carried through to "amalgamate such small colliery units, which, according to the opinion of the Government, are necessary in the country's interest."



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FALL IN OUTPUT OF JUTE GOODS

STOCKS, HOWEVER, RISE

THE output of jute goods by mills reporting to the Indian Jute Mills Association, during January 1956, amounted to 88,900 tons, as compared with 97,300 tons in December and 90,500 tons in November 1955. The decline of 8,400 tons during the month under review is contrary to earlier expectations, for the unsealing on the 10th of that month of 2½ per cent. of the jute looms which had remained sealed for a long time was expected to result in the output for the month exceeding that of December 1955. Now that actual production in January has turned out to be lower than the production in the preceding two months, it is clear that the mills, for some reason or other, were not able to utilise their capacity to the full extent. High prices of raw jute, scarcity of quality jute thanks to transport bottlenecks, and fewer orders for jute goods from overseas might have been the causes for the fall in production.

The table given below shows the output of the three principal varieties of goods during each of the three months ended January 1956, as well as during the corresponding month of last year:

Jute Goods Production

(In tons)

	January, 1956	December, 1955	November, 1955	January, 1955
Hessian ..	30,300	34,000	34,600	32,500
Sacking ..	52,600	56,600	49,900	48,500
Others ..	6,000	6,700	6,000	2,900
Total ..	88,900	97,300	90,500	83,900

It will be seen from the table above that the fall in output was shared by all the three types of goods. Thus the manufacture of hessians declined from 34,000 tons in December 1955 to 30,000 tons in January this year. Similarly the output of sackings went down from 56,000 tons to 52,600 tons and that of other varieties from 6,700 tons to 6,000 tons. Thus, while hessians accounted for 34.1 per cent. of the total, the share of sackings was as much as 59.2 per cent. The corresponding percentages six months previously, that is, in August 1955, were 40.8 and 53.6. In other words, the output of sackings during the six-month period increased, while that of hessians declined considerably. The increase in sackings evidently reflects the growing demand for these from Burma, East Africa, Russia, Australia, etc.

Raw Jute Consumption

The consumption of raw jute by the reporting mills during January 1956, based on the output of jute goods for the month, may be placed at 518,620 bales, as against 486,620 bales in January 1955.

With the months' production, the total output of jute goods during the first seven months of the season 1955-56 amounted to 608,345 tons, as compared with 579,442 tons in the same period of the preceding season. The consumption of raw jute by mills during the seven-month period this season must have aggregated 3.53 million bales, as against 3.36 million bales.

Stocks

The upward trend in the accumulation of jute goods stocks with mills which started in November 1955 persisted further during January 1956. From 62,300 tons, the lowest for several years, at the end of October 1955, stocks rose to 63,000 tons by the end of November, and since then they have risen steadily. They stood at 63,500 tons in December 1955 and rose further to 78,000 tons in January last. This rise in stocks, despite a fall in the output of jute goods in that month, clearly suggests that the volume of despatches during the month under review must have shrunk.

Viewed against this background, the last month's decision of the I.J.M.A. to increase the loomage under active working by unsealing a further 5 per cent. of the looms sealed sounds rather strange. It will be recalled that, at that time, no official explanation for this decision (which took effect from the 20th inst.) was given. The only surmise that appeals to common sense is that the Association must have been forced by the Government of India to take that decision. And why did the Government do so is, again, a question of surmise. The Government was probably aware that sooner or later big orders for jute goods would be forthcoming and that the industry should be prepared to meet them. Following a number of trade deals which it has been putting through with the Communist countries, the Government may be in a position to foresee the likely requirements of these markets. Significantly enough, for some days past, there have been strong rumours of impending heavy purchases of jute goods by Russia. There have also been a steady flow of orders from China.

More Sackings

The table below shows the stocks at the closing of each of the three months ended January 1956, as compared with those at the close of the same month last year:

Jute Goods Stocks

(In tons)

	As on 31st Jan., 1956	As on 31st Dec., 1955	As on 30th Nov., 1955	As on 31st Jan., 1955
Hessian ..	25,600	23,500	27,900	24,000
Sacking ..	45,300	34,400	30,800	51,200
Others ..	7,500	5,600	4,300	1,200
Total ..	78,400	63,500	63,000	76,400

A glance at the table above discloses that stocks of sackings increased sharply by 10,900 tons to 45,300 tons. The rise in hessians, having been of the order of only 2,100 tons to 25,600 tons, was smaller. Other manufactures increased by 1,900 tons. If there is no improvement in the offtake of goods during this and the coming months, stocks are likely to go up further, as from the 20th inst. a further 5 per cent. of the unsealed looms has gone into action. This step will raise mills' production to about 100,000 tons in a full working month and that at a time when Pakistan's output of jute goods also is growing.

CONTROL ON MUSHROOM JUTE MILLS

The Government of India has promulgated an order announcing its decision to control manufacture of jute goods in India. The order, which came into force with effect from the 15th inst., provides that no person other than the owner of a jute mill, registered or licensed under the Industries (Development and Regulation) Act of 1951, will be allowed to manufacture jute textiles, either wholly or partly, from jute in any factory with the aid of power, unless he has obtained a licence for that purpose from the Jute Controller. The order further enjoins that any person who was manufacturing jute textiles immediately before the commencement of the order in any factory which was not registered or licensed under the Industries (Development and Regulation) Act is required, under the provisions of the order, to apply within three months of the date of issue of the order, to the Jute Controller for a licence.

Accordingly, the Government of India has appointed Mr. A. P. Mathur, Joint Chief Controller of Imports and Exports, Calcutta, as Jute Controller for the purpose of the above order. He is vested with powers either to refuse or cancel a licence, and all appeals against his orders will lie with the Central Government, the decision of which will be final.

The circumstances which prompted the Government to issue the order make interesting reading. It is motivated purely by the desire to enable the jute industry in India to meet the growing competition from both Pakistan and Continental mills. Recently a number of persons seems to have started several mushroom jute mills, taking advantage of the growing demand for jute goods from abroad. It is stated that these persons had been setting up small establishments for producing jute goods by acquiring plant and machinery discarded by bigger jute mills, as a result of their modernisation programmes. With capital shown in their records at less than Rs. 1 lakh and with workers employed being less than 50, they had been circumventing the Industries (Development and Regulation) Act. These small units had no regard for the quality of products they manufactured and the substandard goods produced by them invariably tended to harm the interests of the genuine industry and trade. Besides, at a time when the industry was getting back to its normal working of 48 hours a week, with the sealed looms being gradually unsealed, the output of these mushroom establishments was considered to be a source of serious danger, threatening the reputation of the industry abroad. As much as 2½ per cent. of the 12½ per cent. of the looms was unsealed on 10th January last, and a further 5 per cent. was unsealed on the 20th inst. The industry at present is working with only 5 per cent. of its looms sealed. It is expected that with more demand for Indian goods even these looms could be brought into production. This would, of course, not be possible, if the Government did not intervene and put an end to the growing evil.

TEA FOR FOREIGN AUCTIONS

GOVERNMENT REMOVES CEILING

THE Government of India has decided, according to a news agency report from Calcutta, to withdraw the ceiling on the amount of tea that can be consigned from North India for auctions in foreign centres during the current season. It may be recalled that, for the current season, the Government of India had fixed in July last a limit of 140 million lbs. on the quantity of tea which might be consigned from North India to London for auctions in that centre. In the case of South India, the Government did not consider it necessary to fix a specific ceiling during the current season, because it was satisfied that actual consignments were not likely to exceed the previous level of 23 million lbs.—a quantity well below 25 per cent. of the South Indian crop.

The aforesaid decision followed the Government's acceptance of the recommendation of the Ghoshal Committee on Tea Auctions that there should be a progressive reduction in the quantity of tea consigned to auctions, with a view to making Calcutta the principal marketing centre for Indian tea. The idea behind this objective was to ensure for India the full benefit of marketing service and the invisible incomes that go with it, instead of allowing them to go to Britain as has been the case for decades. The Government, however, modified the recommendation of the Committee in respect of the actual ceiling. The Committee had recommended that the quantity of consignments to London should not exceed 30 per cent. of the crop in the current season and 25 per cent. of the crop in 1956-57. It had also recommended that the position should be reviewed thereafter to see if the quantity could be further reduced to 20 per cent. The Government, on the other hand, did not think it necessary or desirable to fix the ceiling in terms of the percentage of the crop. Having regard to the size of the current season's crop, the steady internal demand and trend of trade, it fixed the limit for foreign auction for the 1955-56 season at 140 million lbs. of North Indian tea. This quantity is equivalent to 26.4 per cent. of the North Indian crop amounting to 533.2 million lbs. up to the end of December last.

What Of The Future?

The latest decision to abolish the aforesaid ceiling within eight months of its fixation has come as a surprise and follows the increase in the export quota for the current season from 469 million lbs. to 480 million lbs. announced only two weeks back. This change in the Government's policy within so short a period proves that the Government must have been convinced that its policy of restricting the quantity to be sold by auction in foreign auctions has failed, however laudable the idea of enlarging auctions in India may be. It is significant that the Government has not revised the limit in a downward direction but has completely abolished it. Does this mean that the Government has abandoned its goal for ever or for only this season? The absence of any indication about the future policy reflects the complicated nature of the problem. It is also proof of the fact that it is not easy to plan successfully a country's foreign trade which is always susceptible to a number of unpredictable factors. Such a task will be practically impossible for a country like India which has no effective arrangements for storing and financing its surplus production. In the light of what has happened, it is clear that the judgment of both the Committee and the Government has been belied by events.

Be that as it may, the abolition of the limit is due to the piling up of unsold tea stocks in Calcutta since last autumn, consequent on the increase in production, and the falling prices of tea. In November and December last, there was a slump in tea prices, partly because of the increase of 10 million lbs. in the November crop and of 4 million lbs. in the December crop of North Indian tea and partly on account of the credit stringency in the U.K. which resulted in buyers confining their attention to spot supplies in London. What is more, much of this increased crop represented low quality teas. Though there has been an increase in prices since December, it is confined only to good liquoring teas, as buyers in export sales have been discriminatory in absorbing good grades. In fact, the supply of good grade teas has been short as compared with the demand. The quantity of stalky teas and inferior grades offered in auctions has been so heavy that it has been difficult to sell them. At last week's export auctions in Calcutta, as much as 12,000 packages, out of a total of 60,000 packages offered, had to be withdrawn, as the price offered was very uneconomic to producers. Last year, the end of January witnessed the closing of export sales in the Calcutta market, whereas this year export sales are still being prolonged, with 25 per cent. of the teas remaining to be disposed of. It is expected that the current season will easily extend up to the end of May. The weight of this crop and of those to come in the next few months will have considerable influence on the trend of prices in the rest of the season, though it is being hoped in trade circles that the recent decision of the producers' association to destroy all tea waste and residue teas of doubtful quality will have a salutary effect on the prices to be realised for the balance of the current season's crop.

Near Outlook

In the context of the aforesaid conditions, namely, the heavier crop of low quality teas and discriminatory buying by foreign countries, particularly by the U.K., the largest customer for Indian tea, it is doubtful whether the present decision of the Government to remove the ceiling on export for foreign auctions will be of any avail. Market circles in London seem to be of the view that the relaxation has come too late to have any stabilising influence on prices. It would have proved so, they say, if the relaxation had been made in November when the London market prices were substantially above Calcutta. Since then prices in London also have declined. Market circles in Calcutta, however, anticipate that the U.K. would emerge a keen buyer of Indian teas in the next few months, although they are not unaware that Ceylon is a keen competitor with India in London. Their expectations are based on the present statistical position in London. The latest figures of U.K. stocks (including teas afloat) as at the end of January shows that stocks have declined from 160.7 million lbs. to 133.7 million lbs. According to a recent survey, the *per capita* consumption in the U.K. for 1955 was 9.3 lbs. On this basis the annual requirements of the country are estimated at 475 million lbs. The imports by the U.K. during April to December 1955 aggregated 325 million lbs. and the balance of its requirements will have to be met during the next three or four months. It is, therefore, expected that the U.K. will remain active in the Calcutta market for the rest of the season. Further, market circles in Calcutta expect the other foreign countries also to maintain their purchases during the next few months, despite the fact that some of these markets have been lost to Ceylon.

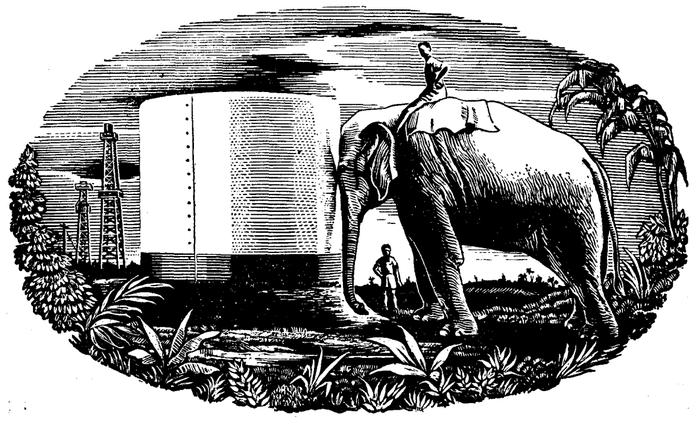
The aforesaid calculations of the expected purchases from the U.K. during the next few months were made, it may be noted, before the announcement of the sharp rise in the British Bank rate. Though the British Chancellor of the Exchequer has stated that there will be no restrictions on imports, it is doubtful whether imports of tea will be maintained at the same level as before. Consequent on the increase in Bank rate, the financing of stocks by traders will become very costly and importers are, therefore, likely to live on a hand-to-mouth basis. With the subsidy on milk and bread substantially cut and with the possibility of an increase in the number of unemployed, consumption of tea in Britain is likely to go down. In view of this, the Government of India's removal of ceiling on consignment of tea for foreign auctions is not likely to be of any practical value.

* * * *

Reports appearing in the daily Press subsequent to the preparation of the aforesaid account say that the Government's decision freely to allow the export of unsold tea for London auctions is up to 31st May 1956, only. This implies that the relevant policy for the next season will be decided later on.

TEA ASSOCIATION OF INDIA

With a view to promoting and protecting the common interests of indigenous tea planters and to foster the trade, commerce and industry connected with tea, an all-India association called the Tea Association of India has been formed in Calcutta. For some time past there has been a growing feeling among the indigenous sections of tea planters that there should be only one strong national association of Indian tea planters, and towards that end there have been informal discussions among representatives of the Indian tea industry. The Tea Association of India is the result of these discussions. The Association is an all-India body and its activities extend to the whole of India. Besides fostering the interests of the tea industry generally, the Association will provide also facilities for obtaining materials by the tea industry, facilities for representing the case of members of the Association before tribunals and other public bodies, and facilities for research. Membership of the Association has been thrown open to all tea estates and tea gardens.



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MANUFACTURE OF ELECTRICAL EQUIPMENT

SHORTAGE OF RAW MATERIALS HOLDS UP PROGRESS

THE problems relating to the development of electrical manufacturing industry figured prominently in the presidential address of Mr. A. R. Driessen at the eighth annual general meeting of the Indian Electrical Manufacturers Association held in Bombay on the 18th inst. He held that shortage of pig iron and steel, as well as aluminium, and the Government's import policy regarding electric motors and transformers were chiefly responsible for retarding the growth of this essential industry. He regretted that neither the Association nor the representatives of the electrical steel sheets industry were represented on the Development Councils for Electrical Industries set up early last year.

That there is shortage of pig iron and steel is common knowledge. The very fact that the Centre has decided to import steel at the rate of one million tons per annum for three years with effect from 1955-56 is a clear indication of this. But even if these imports were to materialise, the scarcity of steel would continue. Consequently, Mr. Driessen advocated imports of steel in still larger quantities. While this suggestion may be readily endorsed and even the Government may agree with it, the question is whether more steel could be had from foreign countries. There is a shortage of steel in almost all exporting countries; prices are high and delivery dates distant for whatever steel that is available. Mr. Driessen would have made a more useful contribution in his speech had he indicated the source from which more steel could be procured at reasonable prices.

Aluminium is the most important non-ferrous metal largely used in the various consumer industries, such as transport, utensils, cables and conductors, extrusions and foil. The versatile properties of this metal, such as lightness, malleability and ductility, have been chiefly responsible for its increasing use. As Mr. Driessen put it, even aluminium, whether in the form of ingot, bar or rods, is "almost unobtainable in foreign markets." In view of world-wide shortage of the metal, the Aluminium Union of Canada is supplying aluminium only to manufacturers of overhead conductors. The only indigenous company able to produce electrolytic aluminium ingots or bars is the Indian Aluminium Company. But this Company is not yet in production. The proposed expansion at Hirakud of a 10-ton smelter, in the opinion of Mr. Driessen, is barely enough, since the total production would only be approximately 18,000 tons of ingot per annum. As against this, he expects the approximate consumption of electrolytic aluminium by the electrical conductor industry to touch 20,000 tons by the end of 1958. Besides, consumption of aluminium is expanding in other directions also. His solution for meeting this growing consumption is as follows:

The Government, in common with Governments of other countries, should purchase and import this metal for distribution to the electrical conductor and utensil and packing industries, always bearing in mind that two different qualities of aluminium are needed by these industries;

alternatively, with the rich bauxite deposits in this country, the Government should plan larger indigenous production.

Mr. Driessen considered the Government's decision to relax restrictions on the import of motors from 3 to 10 h.p. in the first half of 1956 as being unwarranted and detrimental to the development of the indigenous industry. For, in his view, the indigenous industry is capable of meeting the country's requirements upto 100 h.p.; besides, the manufacture of motors up to 500 h.p. is also within the competence of the industry. Discussing the possible causes for the present decision, Mr. Driessen observes:

"Perhaps a case has been made out by a section of the consuming industries that indigenous electric motors are in short supply. That, let me point out, is the apparent position, because of lack of planning by the indentors in respect of their motor requirements. It has been observed that, while much planning is done by certain industries to increase productivity by investing in new machinery, little thought is given to the procurement of prime movers and electric motors. So it happens that modern fast machinery is installed and the motors, without which the most modern piece of machinery is apt to become something extremely useless, are not placed on order until the machinery is in position and ready to start. When in these instances, and they are quite numerous, the indigenous manufacturer quotes a delivery from three to five months, there is an immediate outcry for imports. A motor offered from Europe with a delivery of 8 to 10 weeks, which is normal, cannot arrive in this country within four months; in other words, no earlier than the indigenous manufacturer can deliver anyhow. May I prevail upon Government, therefore, to scrutinise more closely requests for import licences not only for motors but for all foreign manufactured goods that are submitted on the plea that the delivery quoted by the indigenous manufacturer is too long. May I prevail upon Government to answer such requests by insisting on better forward planning, so that an equitable even machine loading is assured for those whose business it is to keep the wheels of industry turning."

The President of the I.E.M.A. is of the view that the apparent shortage of transformers is also due to the failure of indentors to plan in advance. In the interests of the development of the indigenous industry on healthy lines, he advises the indentors to plan their requirements at least one year ahead.

It would appear that there are several anomalies in the duties on import of aluminium bars and rods as well as parts for the manufacture of motors and transformers. Dealing with this issue, the President observed:

"...the adjustment of the import duties on aluminium bars and rods, which took place on 1st September 1954, stipulated that aluminium bars and rods thus imported may only be used for the manufacture of A.C.S.R. This unfortunately does not take into account the fact that the item all-aluminium conductors under 72(e) of the I.T.C. allows finished foreign all-aluminium conductors to be imported into this country at the rate of duty of 5½ per cent. It will be apparent that, as long as foreign all-aluminium conductors can be imported at the rate of duty of 5½ per cent., the indigenous manufacturer of overhead conductors cannot compete since he is obliged to pay a duty of 31½ per cent., if the metal is imported for this purpose. May I, therefore, once again plead that this matter should be investigated with all speed and that the import of foreign all-aluminium conductors of 5½ per cent. duty should be stopped and aluminium imported under the existing import duties be available for the manufacture of all-aluminium conductors also.

"A similar discrepancy exists in the import duty on parts for the manufacture of motors and transformers. These parts are subject to a duty of 25 to 30 per cent., while duty on an imported complete product is much less. May I once again plead that this matter be investigated and that the import duty be adjusted on a basis where the indigenous manufacturers can compete on at least equal terms with the foreign product."

The electrical equipment industry is still in its infancy. The 100 per cent. increase in electricity generated in this country during the past eight years and the prospects for expansion in the next Five-year Plan period underline the need for speedy development of industries which manufacture electrical equipment of all kinds. It is to be hoped that the Government will enquire into the grievances of the industry and render all possible aid for its healthy growth.

WORLD ZINC PRODUCTION AND CONSUMPTION

1955 was another record year for production of slab zinc. World production rose by 11 per cent. to 2,643,000 long tons, according to the British Bureau of Non-Ferrous Metal Statistics. This included an estimated production of 385,000 tons in the U.S.S.R., Poland and other Soviet-controlled territories; production in the rest of the world aggregated 2,258,000 tons, as compared with 2,047,000 tons in 1954.

The year was one of increased output for all countries, except Belgium and Australia. Over one-third of the total was produced in the U.S.A., where, after falling substantially in the previous year, output rose 12 per cent. to 920,000 tons. Approximately half of this was produced from imported ores. In Canada, where output had followed the same trend, there was a 36,000-ton increase. A summary of production in the main countries is as follows:

(In thousands of long tons)

	1953	1954	1955
U.S.A.	865	775	920
Canada	221	194	230
Belgium	190	210	207
Germany	148	167	177
Japan	76	100	111
France	77	107	108
Australia	90	105	101
Soviet Sphere (estimate) ...	323	377	385
Other countries	338	389	404
World Total	2,328	2,424	2,643

The aforesaid figures cover the total production of primary and secondary electrolytic and distilled zinc in the form of slabs, ingots and other shapes, and represent the amount of marketable metal available to consumers.

Indications are that world consumption of slab zinc increased by nearly 300,000 tons in 1955 and was roughly equal to production at approximately 2,600,000 tons. In recent years, world consumption has been considerably lower than production, though some part of the surplus has been drawn off into stockpiles.

The 1955 increase was largely due to recovery in the U.S.A., where consumption rose by 160,000 tons to approximately 960,000 tons. Consumption was higher in the United Kingdom, France, Germany and other large consuming countries, though the increases were not so great as in 1954.

ARTIFICIAL RAIN-MAKING

FINDINGS OF EXPERTS

THE subject of artificially induced rain or snow is an absorbing one. In this connection, the latest report of the World Meteorological Organisation on rain-making by artificial means will be read with much interest by scientists and laymen alike. It will be recalled that, early in 1954, a preliminary report on rain-making in arid and semi-arid regions was released by this organisation and a working group of experts was established with a view to making a complete review of the developments on this subject. The present report contains the conclusions reached by these experts. Although the report has not received the official endorsement of the Organisation, it has been published, in view of the topical nature of the subject.

The report discloses that suitable seeding agents may influence the behaviour of some clouds and the readiness with which precipitation forms within them. It reveals that laboratory work has already led to the discovery of agents, which can be used to affect very large volumes of cloud air at moderate expense. It further states that there exists the possibility of at least temporarily or locally reducing or preventing precipitation from certain clouds and thereby preventing hail- and thunder-storms in certain circumstances. Attention is also drawn to the fact that the appraisal of the economic value of artificially provoking or modifying precipitation over any particular region must take into consideration the likely effects on neighbouring regions.

The report deals specifically with small- and large-scale experiments on rain-making in various parts of the world. Dealing with small-scale experiments, the report states that, on many occasions, the introduction of ice crystals into suitable clouds had led to precipitation which would not otherwise have occurred. Other kinds of seeding have also had some encouraging trials. Consequently, the report observes that "it is appropriate to spend a great effort to develop the ability to exert an occasional influence into an economically valuable degree of control."

Dealing with large-scale experiments, the authors of the report point out that the purpose of most of the programmes had been to produce results and not information and that they had been, therefore, inadequate to serve as tests of effectiveness. This premature emphasis on practical results, they say, has been to a great extent the reason why, even after almost a decade of intense cloud-seeding activity, one cannot say whether or not the results have been positive.

The report emphasises also that the best operational techniques are unlikely to be invented until improved knowledge and understanding have been gained of the physical successes involved. The report concludes with a summary of the present situation as given by the group of experts who investigated this problem. The substance of this summary is as follows:

(1) On a number of occasions seeding from aircraft has beyond reasonable doubt led to a modification of clouds and a release of precipitation. The theoretical explanation of the processes involved is not yet complete.

(2) In the absence of sufficient theoretical knowledge and past records, it is not yet possible to predict the result of large-scale seeding operations in any particular place, especially if they are carried out from the ground. Nevertheless, there is some justification for supposing that, where certain special kinds of cloud frequently occur, skilfully conducted seeding operations might result in a local net increase in precipitation of economic benefit. It is emphasised that this supposition can be justified only in respect of certain simple clouds and cannot yet be extended to include places where other more complex cloud systems are predominant and provide most of the natural precipitation.

(3) In the opinion of experts, a net increase of precipitation has not been demonstrated beyond reasonable doubt in any seeding operations yet described in the scientific literature. It seems that, at least, most of the claims made in other publications and newspapers have not had adequate foundation.

(4) At least, several years of fundamental investigations and of meticulously planned and analysed seeding experiments will be needed before a reliable assessment of the economic potential of seeding operations can be made.

NEW PRODUCTS AND PROCESSES

New Method of Taking Footprints

AN orthopedic concern at Enschede (the Netherlands) has devised a new method of taking footprints, to replace the cumbersome and not too clean conventional method of making plaster casts. According to the new method, a slab of a specially compounded wax product, reinforced by a thin tissue, is softened in water of about 55° C. and laid round the foot, thus forming a true imprint of it, which hardens in about one minute.

Thorium Alloys

The possibility of using thorium as an atomic fuel has led to a number of investigations into methods of improving the structural strength of titanium metal. One series of newly developed high-strength thorium alloys which have been developed by the Battelle Memorial Institute, U.S., are based on the addition of carbon to the thorium. Experiments have, it is claimed, shown that the addition of carbon as an alloying material leads to a marked increase in strength. The alloys can be heat-treated to high-strength levels either by a precipitation hardening process or by means of cold working. The investigations are said to have shown that the greatest degree of strengthening can be achieved by cold working followed by an ageing treatment.

Toughening Metal Surfaces

A number of processes for electrically hardening the surface layers of steel and other metals are now in industrial operation in Russia. Such processes depend on the fact that when an electrical discharge is produced in the air between an electrode made either of especially hard metal, or of graphite, and a steel article, the surface layers of the steel component being treated are toughened. This toughening of the surface of the metal increases the wear resistance of the part concerned. Although it does not give the metal sufficient protection against corrosion for it to be used commercially, it is stated that it greatly improves the resistance of the surface of the metal to etching. The cost of the Russian plants used for this purpose is estimated from 1,000 roubles to 3,000 roubles.

Spirit Cleansing for Raw Wool

A revolutionary method of removing grease from wool was demonstrated at a recent meeting of the International Wool Textile Research Conference at Geelong, Victoria. This method, developed by the Wool Textile Research Laboratory of the Commonwealth Scientific and Industrial Research Organisation, cleanses raw wool with white spirit instead of scouring it with soap solutions. Industrial trials show that the fibres of wool treated by this process are only slightly tangled. Much tangling occurs, on the other hand, in normal scouring and causes trouble to the manufacturers of worsteds. Spirit cleansing yields a higher proportion of tops and the yarn produced from them is of better colour and feel.

Inexpensive Plastic Greenhouse

An inexpensive new plastic greenhouse has been developed by the University of California at its Los Angeles campus, one of the University's two largest sub-divisions. Flowers grown in the experimental plastic greenhouse have been of as good quality as those grown in regular glass greenhouses. Designed by two staff members of the University's department of floriculture and ornamental horticulture, the structure utilises polyethyline plastic. It is heated by thermostatically controlled gas heaters. Evaporative systems, similar to home air-conditioning units used generally in the United States, reduce day-time temperatures in hot weather. The plastic is rolled over a wooden framework and lasts six to nine months, which is about the time it is needed during the year. It may be replaced by cheese-cloth during the summer.

Broadcasting Device for Human Heart

Radio broadcasts direct from the human heart have been made possible by a new device developed at the U.S. Naval Medical Research Centre at Bethesda, Maryland. At distances as great as a quarter mile, these broadcasts reveal what is happening to the heart while a person is at work, playing golf, just walking around, or lying down in bed. The new device is called a broadcasting electrocardiograph. The conventional electrocardiograph is the standard tool of all heart specialists. Electrodes are strapped on the patient—generally on an arm and a leg—and electrical impulses produced by heart beats are picked up and recorded. From the intensity and regularity of these impulses, much can be learned about the heart's condition. There is one major drawback to the standard electrocardiograph. It can be used only when the patient is at rest, usually lying down. Thus, all that it can record is the condition of the heart when no strain is placed upon it. It is impossible to obtain a comparative reading of the heart's actions during various degrees and kinds of bodily exercise. With the new broadcasting device, heart beat changes under almost any conditions of exertion can be determined. It consists of the electrodes and amplifier of the conventional electrocardiograph, a radio transmitter and batteries, all of which are worn by the patient. In addition, there is a radio receiver, amplifier, speaker and recorder, which are located in the doctor's laboratory. The precision of this receiver is such that it picks up faint signals of a certain wavelength clearly in spite of any disturbing elements in the laboratory, such as electrical equipment, fluorescent lights and surrounding walls. The messages received from the patient's heart can be heard through a high fidelity speaker or can be written down on paper by a moving pen recorder.

Potash from Sea-water

Large quantities of potash may be made from sea-water in Norway, if the projected plans for the establishment of a plant for this purpose are fulfilled. Potash is present in sea-water in commercially significant quantities. About 4,068,250 tons of potash salt in the form of potassium sulphate occur, on the average, in every cubic mile of sea-water. A number of processes have been developed for the recovery of this salt in Britain and in other countries. The majority of these processes depend on chemical precipitation to drive off the large quantities of unwanted water in which potassium sulphate and other mineral salts which are present in the sea-water are dissolved. During this precipitation process, the salt compounds in the sea-water are reduced to a crystalline form. The potassium sulphate is subsequently separated from magnesium chloride, magnesium sulphate, magnesium bromide, sodium chloride (ordinary salt) and other mineral salts which are present in significant quantities in the sea, by a series of further chemical processes. Other processes having commercial potentialities, however, have been developed now besides these precipitation and chemical separation processes, which are already used in both the U.K. and the U.S. for the extraction of both magnesium and bromine from sea-water. One such method depends, for example, on the use of large ion-exchange columns, which will separate the large volumes of unwanted water present in the sea-water from the potentially valuable mineral salts. Further, the ion-exchange columns separate one from another, not only the five mineral salts, which occur in quantities of more than 1 million tons per cubic mile of sea-water, but also a number of other potentially industrially valuable elements, such as fluorine and rubidium. The sea contains considerable quantities of gold. Recent research, however, has confirmed the experience of early experiments and indicates that the chances of obtaining the gold, which is present in sea-water in quantities of the order of 23 tons per cubic mile of sea-water, are unlikely to prove a commercial proposition so long as gold can be mined from the ground. This gold is carried in the form of minute particles in the bodies of microscopic animals which live in the sea and is reputed to be particularly abundant in parts of the North Atlantic.

Lisasorb—Absorbent for Carbon Dioxide

When it is desired to penetrate into atmospheres which are not respirable either on the score of oxygen shortage or of the presence of poisonous or harmful gases, it becomes necessary to employ self-contained breathing apparatus in which oxygen is available or is generated and in which the carbon dioxide produced in breathing is absorbed. For the absorption of such carbon dioxide, it is necessary to use suitable carbon dioxide absorbent. The absorbent used for the purpose should have the following characteristics:

(1) rapid and efficient carbon dioxide absorption capacity;

(2) low resistance to the flow of the air and gases;

(3) the temperature rise produced should not be excessive;

(4) should be resistant to disintegration or agglomeration; and

(5) absence of excessive alkali or other material in the absorbent which may affect rubber and other delicate parts of the breathing equipment.

An absorbent (*Lisasorb*) suitable for use in respiratory protective devices and possessing the requisite properties, has been developed at the Fuel Research Institute, Jealgora. Practical performance tests of *Lisasorb* prepared by the Institute, undertaken by the Mines Rescue Stations, Jharia, have established that its performance is satisfactory and comparable to standard products of imported origin. This will be clear from the following data:

	Lisasorb (by wt.) (in percentage)	*A standard absorbent of imported origin (by wt.) (in percentage)*
(i) Total CO_2 absorption capacity	35.01	30.05
(ii) Total CO_2 absorption capacity after 2 hours wearing test in the training gallery	27.6	22.2
(iii) Total CO_2 absorption capacity after 4 hours use	27.1	22.1

The total demand of such carbon dioxide absorbents being imported at present is not known accurately. The annual requirement of such products are several lakh pounds and the requirement of the mines' rescue stations of the Government of India and the mines are in the neighbourhood of over 200,000 pounds per annum. In addition to mines' rescue stations and coal mines, other mines such as Kolar Goldfields use such absorbents. Further, the product is extensively used by fire brigades and is also important for defence services. In fact, the material is required in factories, mines, industries and in any circumstances where one is to penetrate into irrespirable atmospheres with self-contained breathing apparatus where the carbon dioxide produced in breathing has to be absorbed.

The process of manufacture of *Lisasorb* is covered by Indian Patent No. 53607 and consists essentially of fixing soda lime on a kieselguhr—alumina base under defined and controlled conditions. The main raw materials required are good quality burnt lime, caustic soda and kieselguhr, all of which are easily available. The equipment needed for manufacture is simple and can be easily fabricated or procured. Parties desirous of undertaking the commercial development of the process are invited to correspond with the Secretary, National Research Development Corporation of India, Mandi House, Lytton Road, New Delhi, 1.

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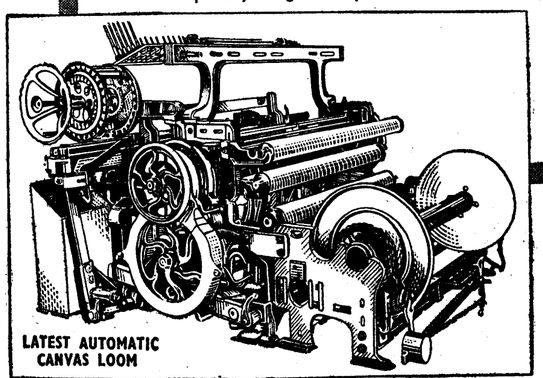

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INSURANCE FIRMS TO BE MERGED IN A NEW CORPORATION

BILL INTRODUCED IN LOK SABHA

THE Government has been criticised on the ground that if it had consulted the interests concerned before it took the decision to nationalise life insurance, the transition of this industry from the private to the public sector might have been effected in a comparatively smooth manner. Obviously, the Government does not feel the need for any such consultation even now. It has not taken the industry into confidence in framing the provisions relating to the future structure of insurance organisation, nor has it done so in the matter of compensation payable to the companies taken over by it. In framing the two Bills—one providing for the establishment of a statutory life insurance corporation and the other for converting into an Act the recent ordinance relating to nationalisation of insurance—introduced in the Lok Sabha on 17th February 1956, the Government could have consulted the interests at least in regard to the former Bill.

In the statement of objects attached to the Bill replacing the ordinance, the Government has returned to its favourite theme of maligning the insurers. It points out that it was necessary to issue the ordinance in order to save the interests of the policyholders from damage till legislation for nationalisation was passed and put into effect. It says:

"The Government has during the last few months been studying the problems facing the insurance industry in its role as an effective instrument of mobilising peoples' savings and putting them to use in a constructive manner. As a result of such study the present management of the industry has been found wanting in several respects. By the amendment of the Insurance Act, which was effected in 1950, the Government took powers to appoint administrators to manage companies where the interests of the policyholders were in grave jeopardy. In the short period that has elapsed since then, a number of companies had to be put under administrators as investigation into their affairs revealed gross mismanagement—even embezzlement—very often resulting in insolvency. It has been observed that with a few exceptions, the Indian life insurers are virtually controlled by individuals who are prone to utilise the funds of these companies to subsidise or prop up their investments in other ventures to the detriment of the industry and the policyholder who is its backbone. Tightening up the provisions of the Insurance Act is no remedy since it is only of a negative character. The Government has, therefore, decided to nationalise the life insurance business."

This language is somewhat different from the one used by Mr. U. N. Dhebar, President of the Congress, when he referred to nationalisation of insurance in the course of his presidential address at the recent Amritsar session of this body. He said that this measure was one of the steps undertaken by the Government in order to reduce social and economic disparities. The Economic Policy Resolution, adopted by the Congress, emphasised that the "conversion of the Imperial Bank into a public-owned and public-managed State Bank and the recent nationalisation of life insurance are significant steps towards the evolution of a socialist structure." A similar note was struck by Mr. Shriman Narayan, General Secretary of the All-India Congress Committee, in the course of his introduction to the book on insurance, published by the Committee. He said: "Nationalisation of insurance is to be welcomed, because it is an important step in the direction of establishing the pre-eminence of the public sector in the economy of India." He added: "There is need for an extended public sector to provide for large planned development, to prevent emergence of inequalities and to discourage greater concentration of economic power."

From this it should be clear that the main reason for the decision to nationalise life insurance was political. It is, perhaps, unnecessary for the Government to trot out the so-called moral lapses on the part of a few insurers as the reason for nationalisation of insurance. Indeed, an impartial study of the trends in Congress opinion shows that it would have persuaded the Government to nationalise life insurance even if the industry had been more ably managed than it was. It is not inconceivable that the Government's reason would then have been that life insurance was too good, too ably conducted, to be left in the private sector.

The Bill for nationalisation of life insurance provides that all such business in the country will be transacted through a Life Insurance Corporation whose share capital will be provided entirely by the Central Government. The statement of objects says that the Government has nationalised life insurance in order to "ensure absolute security to the policyholder in the matter of his life insurance protection, to spread insurance much more widely and in particular to the rural areas, and as a further step in the direction of more effective mobilisation of public savings." Into the proposed Corporation will be integrated all the "insurance companies now engaged in life business, as also the organisations functioning under the control of State Governments and conducting such business for the benefit of the public." The Bill will not, however, apply to the Post Office Life Assurance Fund as well as any schemes in existence in which the payment of money is assured by the Government on account of certain compulsory deductions made by Government from the salaries of its employees.

A New Corporation

The Corporation will be established on a date to be announced by the Government with an original capital of Rs. 5 crores, which will be provided by the Central Government. It will have the exclusive right of carrying on life insurance business in India and will also transact such business in foreign countries. Payment of sums assured for the policies issued by insurance companies, the liabilities of which have vested in the Corporation under the Bill, will be guaranteed by the Central Government.

The Corporation will consist of not more than 15 members. Before appointing a person as a member, the Central Government will satisfy itself that the person to be appointed has no such financial or other interest as is likely to affect prejudicially the exercise of his functions as a member. It is provided that a member who is directly or indirectly interested in a contract made or proposed to be made by the Corporation should not take part in any deliberations or discussions of the Corporation with respect to that contract.

The Central Government is empowered to issue from time to time directions to the Corporation on matters of policy involving public interest. The general superintendence and direction of the affairs of the Corporation will, however, be entrusted to an executive committee which may have a managing director as a whole-time officer. Zonal offices of the Corporation will be established at Bombay, Calcutta, Delhi and Madras and subject to the previous approval of the Central Government, the Corporation may establish such other zonal offices as it may think fit.

The duty of the Corporation, as already stated, will be to carry on life insurance business whether in or outside India. Its other functions include capital redemption business, annuity certain business or re-insurance business in so far as such re-insurance business appertains to life insurance business.

From the appointed day, every whole-time employee of an insurance company whose business has been transferred to and vested in the Corporation shall become an employee of the Corporation on the same terms and conditions as he enjoyed before transfer. The Central Government, however, retains the right, for the purpose of rationalisation, to reduce pay scales or alter the terms of service of the employees.

Settlement of Disputes

For settlement of disputes arising in the process of nationalisation, the Act provides for the constitution of a tribunal consisting of three members appointed by the Central Government, one of whom shall be a person who is, or has been, a Judge of a High Court or Supreme Court. The tribunal will take action on the cases referred to it by the Corporation where the insurance companies whose business has been transferred to the Corporation had acted prejudicially within two years before 19th January 1956. These include transactions completed 'without consideration' or for inadequate consideration' or for 'excessive consideration.' The tribunal will also have to decide on disputes concerning compensation to be paid to the insurance companies.

The principles governing compensation have been defined in the Bill as follows:

"The compensation to be given by it to the Corporation to an insurance company which has allocated to shareholders any share of the surplus as disclosed in the abstracts prepared in accordance with Part II of the fourth schedule to the Insurance Act in respect of the last actuarial investigation relating to its controlled business as at a date earlier than the first day of January 1955 shall be computed in accordance with the provisions contained in Para I or Para II whichever is more advantageous to the insurer.

"Para I: Twenty times the annual average of the share of the surplus allocated to shareholders as disclosed in the abstracts aforesaid in respect of the last two actuarial investigations as at dates earlier than the first day of January 1955.

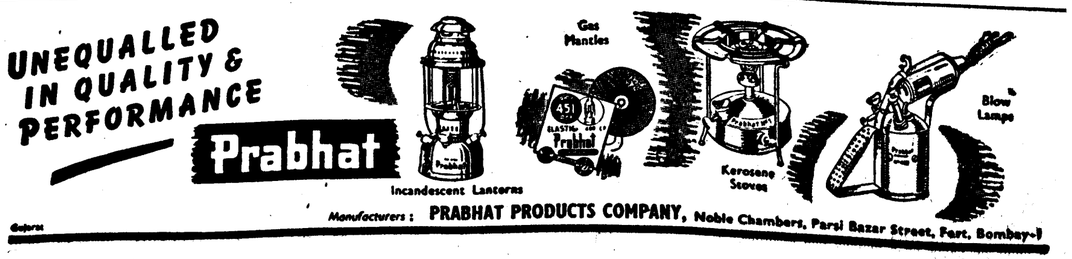
"Para II: Ten times the annual average of the share of the surplus allocated to shareholders as disclosed in the abstracts aforesaid in respect of the last two actuarial investigations as at dates earlier than the first day of January 1955, *plus* the paid-up capital or assets equivalent thereto or, in the case of a composite insurer, that part of the paid-up capital or assets equivalent thereto which has or have been transferred to and vested in the Corporation under this Act less the amount, if any, of expenses or losses or both capitalised by the Insurer for the purposes of form A in the schedule to the Insurance Act.

"For the purpose of paragraphs 1 and 2 where an insurer has allocated to shareholders more than 5 per cent. of any such surplus as is referred to therein, the insurer shall be deemed to have allocated only 5 per cent. of the surplus, and where an insurer has allocated to shareholders less than 3 per cent. of any such surplus, the insurer shall be deemed to have allocated 3 per cent. of the surplus.

"To other insurance companies which are not covered by the conditions stated above, compensation will be paid taking into consideration the assets and the liabilities of the companies as they stood on 19th January 1956. For an insurance company which has no share capital or has no share capital on which dividends or bonuses are payable or an insurance company which is an uncorporated body of individuals, compensation shall be in the form of an addition at the rate of rupee one per thousand in respect of the sum assured (excluding bonuses) under each 'with-profit' policy."

It is clear from the foregoing account that the Government has finally decided in favour of a single life insurance Corporation for the entire country. Private interests had, however, suggested the retention of the existing structure of company-organisation under the ownership, direction and control by the Government. Thus, the Committee of the Federation of Indian Chambers of Commerce and Industry had urged the Government to preserve the flexible structure of Indian insurance following its decision to nationalise life insurance in the country. If the purpose of nationalisation was to acquire control

(*Continued on page 369*)



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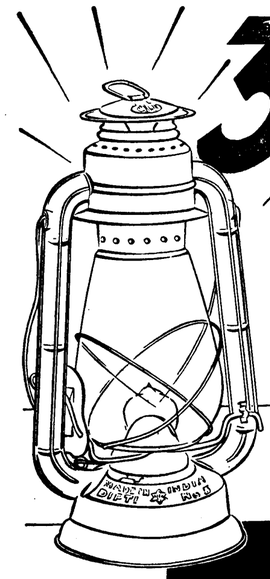
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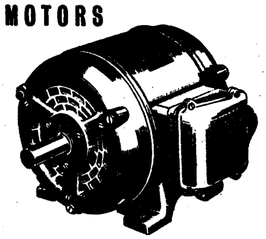
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CAPITAL AUTHORISED & ISSUED .. .. **Rs. 5,00,00,000** **CAPITAL PAID-UP** .. .. **Rs. 2,50,00,000**
CAPITAL SUBSCRIBED.. .. .. **Rs. 5,00,00,000** **RESERVE FUND** .. .. **Rs. 3,52,00,000**

HEAD OFFICE—MAHATMA GANDHI ROAD, FORT, BOMBAY.

LOCAL BRANCHES: ANDHERI .. GHODBUNDER ROAD (GREATER BOMBAY). BANDRA .. HILL ROAD (GREATER BOMBAY). BULLION EXCHANGE .. SHAIKH MEMON STREET. COLABA .. .. .. CUSROW BAUG. KALBADEVI .. PRINCESS STREET. MALABAR HILL .. HUGHES ROAD.

BRANCHES: AHMEDABAD. AHMEDABAD, ELLIS BRIDGE. AHMEDABAD, GANDHI ROAD. AHMEDABAD, MANEK CHOWK. AHMEDABAD, STATION BRANCH. AMRITSAR. BANGALORE. BHUJ (KUTCH). CALCUTTA. CALCUTTA, BARA BAZAR. CALCUTTA, CHOWRINGHEE SQUARE. COIMBATORE. DELHI. NEW DELHI. GANDHIDHAM (KUTCH). HYDERABAD (DECCAN). JAMSHEDPUR. JUNAGADH. KOZHIKODE (FORMERLY CALICUT). MADRAS. NAGPUR. NAGPUR CITY. PALANPUR. POONA. POONA CITY. RAJKOT. SHOLAPUR. SURAT. VERAVAL.

LOCAL COMMITTEES:

AHMEDABAD— MR. AMBALAL SARABHAI. MR. NAROTTAM LALBHAI. MR. MADANMOHAN MANGALDAS.
AMRITSAR— LALA DEWAN CHAND MEHRA.
BANGALORE— MR. JEHANGIR DAVIDOSS.
CALCUTTA— MR. JUGMOHAN PRASAD GOENKA. MR. M. P. BIRLA. MR. N. D. ELIAS.
DELHI— LALA BHARAT RAM.
JAMSHEDPUR— SARDAR AJAIB SINGH. MR. RANGLAL AGARWALA.
MADRAS— DEWAN BAHADUR SIR ARCOT LAKSHMANASWAMI MUDALIAR. MR. S. LALCHAND DADHA. MR. M. S. M. M. MEYYAPPA CHETTIAR.
NAGPUR— RAO BAHADUR SIR MADHAVRAO G. DESHPANDE, K.B.E. SETH RAMANLAL RATHI.
POONA— KHAN BAHADUR SIR MANEKJI N. MEHTA, C.I.E., M.B.E. MR. S. H. RATHI, M.L.C.
SURAT— MR. LALITMOHAN C. GANDHI, B.SC., M.A., LL.B. MR. MOIZ S. VASI.

FOREIGN BRANCHES:

LONDON BRANCH:—17, MOORGATE, LONDON, E.C. 2. ADEN. DAR-ES-SALAAM. JINJA. KAMPALA. KARACHI. MOMBASA. NAIROBI. OSAKA. SINGAPORE. TOKYO.

AGENTS IN ALL THE PRINCIPAL COUNTRIES OF THE WORLD.

ANNUAL REPORT

To be submitted to the Shareholders at the Fiftieth Annual Ordinary General Meeting to be held at the Registered Office of the Bank, Mahatma Gandhi Road, Fort, Bombay, on Thursday, the 8th March, 1956, at 4 o'clock in the afternoon.

Directors' Report for the year ended 31st December, 1955.

The Directors submit to the Shareholders the Balance Sheet and Profit and Loss Account for the year ended 31st December, 1955. The Auditors' Report is also annexed.

	Rs.	a.	p.
The transactions for the past year, including the balance brought forward from the previous year, Rs. 9,10,851-5-5, have resulted in a profit of	94,01,630	3	5
An interim dividend was paid for the half-year ended 30th June, 1955, at the rate of 8 per cent. free of Income-tax on the Paid-up Capital of Rs. 2,50,00,000, which absorbed	15,00,000	0	0
Provision made for Income-tax and Super-tax for the year	25,00,000	0	0
Bonus to Staff	12,75,000	0	0
The Directors now propose :—			
To pay a final dividend for the half-year ended 31st December, 1955, at the rate of 10 per cent. free of Income-tax, making 18 per cent. for the year, on the Paid-up Capital of Rs. 2,50,00,000, which will absorb	25,00,000	0	0
To place to the Bank's Landed Property Account	3,00,000	0	0
To carry forward to the next account	13,26,630	3	5
Total .. Rs.	94,01,630	3	5

The Bank's business continued to function satisfactorily.

The Official Bank Rate remained stationary at 3½ per cent.

Branches were opened during the year in India at Delhi and Bangalore and abroad at Dar-es-Salaam (Tanganyika).

In accordance with Article 92, read with Regulation 78 of Table "A" of the Indian Companies Act, Mr. Ambalal Sarabhai, Mr. Dinshaw K. Daji and Mr. Ramniwas Ramnarain retire from the Board by rotation, but are eligible and offer themselves for re-election.

The Shareholders are requested to appoint Auditors for the ensuing year and to fix their remuneration.

COWASJEE JEHANGIR, *Chairman.*
Directors.— AMBALAL SARABHAI, JOSEPH KAY, DINSHA K. DAJI, RAMNIWAS RAMNARAIN, BHAGVANDAS C. MEHTA, K. M. D. THACKERSEY, A. D. SHROFF, MADANMOHAN MANGALDAS.

H. T. COULTAS, *Chief Accountant.*
D. R. THOM, *General Manager.*

BOMBAY, 2nd *February*, 1956.

N.B.—The Dividend, when sanctioned, will be payable on and from Saturday, the 24th March, 1956, to Shareholders whose names are on the Register on 9th March, 1956.

Dividend Warrants will be posted to Shareholders at their Registered Addresses. Early intimation should be given to the Bank of any change of address.

BALANCE SHEET AS AT 31st DECEMBER, 1955.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 5,00,000 Shares of Rs. 100 each	5,00,00,000	0	0			
ISSUED CAPITAL— 5,00,000 Shares of Rs. 100 each	5,00,00,000	0	0			
SUBSCRIBED CAPITAL— 5,00,000 Shares of Rs. 100 each	5,00,00,000	0	0			
AMOUNT CALLED UP— At Rs. 50 per share	2,50,00,000	0	0			
LESS—Calls unpaid	Nil					
ADD—Forfeited shares	2,50,00,000	0	0			
				2,50,00,000	0	0
2. Reserve Fund and Other Reserves—						
Reserve Fund .. .. (*Includes Rs. 2,00,00,000 received as Premiums on issues of Shares in past years*)				3,52,00,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	16,60,08,200	4	6			
Savings Bank Deposits	8,72,36,396	3	4			
Current Accounts, Continxency Accounts, etc. ..	42,22,92,863	10	8			
				67,55,37,460	2	6
4. Borrowings from Other Banking Companies, Agents etc.—						
(i) In India	2,00,00,000	0	0			
(ii) Outside India	Nil					
				2,00,00,000	0	0
PARTICULARS—						
(i) Secured by part of Bank's Investments	2,00,00,000	0	0			
(ii) Unsecured	Nil					
5. Bills Payable				46,37,569	15	5
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	95,97,142	4	2			
(ii) Payable outside India	74,72,937	5	0			
				1,70,76,079	9	2
7. Other Liabilities—						
(i) Unexpired Discounts	1,68,517	13	1			
(ii) Branch Adjustments	71,51,716	11	4			
(iii) Unclaimed Dividends	2,75,001	2	0			
				75,95,235	10	5
8. Acceptances, Endorsements and Other Obligations per contra (Includes Rs. 43,50,490-5-0 in respect of Guarantees given to Government Departments secured against part of the Bank's Investments)				10,31,88,778	7	4
9. Profit and Loss—						
Balance as per Balance Sheet as at 31st December, 1954 ..	29,10,851	5	5			
LESS—Final Dividend at 8 per cent., making 14 per cent. for the year 1954, free of Income-tax	20,00,000	0	0			
ADD—Profit for the year ended 31st December, 1955 ..	9,10,851	5	5			
	84,90,778	14	0			
	94,01,630	3	5			
LESS—	Rs.	a.	p.			
Provision for Income-tax and Super-tax for the year	25,00,000	0	0			
Interim Dividend at 8 per cent. for the half-year ended 30th June, 1955 ..	15,00,000	0	0			
Provision for Bonus to Staff for the year 1955	12,75,000	0	0			
	52,75,000	0	0			
				41,26,630	3	5
10. Contingent Liabilities—	Rs.	a.	p.			
(i) On partly paid Shares	775	0	0			
(ii) Claims against the banking company not acknowledged as debts ..	3,37,592	6	6			
(iii) Liability on Bills of Exchange Re-discounted— U. S. Dollar Bills Re-discounted $33,228·17 of which $20,207·19 have run off as at 2nd February, 1956.						
(iv) Liability on account of outstanding Forward Exchange Contracts ..	19,57,04,049	11	4			
NOTES:—Provision to the full extent for future gratuities to Staff has not been made—the liability for which has not been ascertained. The Profit and Loss Account includes expenses of the Bank of India (U.K.) Nominees Limited, a subsidiary Company of this Bank.						
Total .. Rs.				89,23,61,749	0	3

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash— In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)				7,72,98,315	13	0
2. Balances with Other Banks on Current Account—						
(i) In India	11,95,142	3	1			
(ii) Outside India	1,84,76,860	12	1			
				1,96,71,002	15	2
3. Money at Call and Short Notice				Nil		
4. Investments at Below Market Value—						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	18,92,84,923	10	3			
(ii) Shares—						
(a) Fully paid Preference Shares	8,64,337	4	6			
(b) Fully paid Ordinary Shares	58,44,297	1	0			
(c) Partly paid Ordinary Shares	2,325	0	0			
(iii) Debentures or Bonds	60,08,025	0	0			
(iv) Other Investments— Pakistan Government and Trustee Securities ..	21,22,256	4	0			
(v) Gold	Nil					
				20,50,26,164	3	9
5. Advances—						
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(I) Loans Cash Credits, Overdrafts, etc.— Rs. a. p.						
(i) In India 34,24,78,211 3 1						
(ii) Outside India 3,24,48,433 14 8						
	37,49,26,645	1	9			
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India .. 5,47,47,451 14 10						
(ii) Payable outside India .. 5,12,80,556 7 8						
	8,60,28,008	6	6			
				46,09,54,653	8	3
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the banking company is fully secured	35,88,58,724	0	10			
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	2,02,93,126	9	1			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the *personal security of the debtors* ..	8,28,02,802	14	4			
(iv) Debts considered doubtful or bad, not provided for ..	Nil					
	46,09,54,653	8	3			
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	1,03,79,334	15	11			
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, *in the case of private* companies, as members	7,70,25,626	10	8			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	1,04,60,020	8	7			
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members ..	8,73,43,544	12	9			
(ix) Due from banking companies	13,10,104	1	3			
6. Bills Receivable Being Bills for Collection as per contra—						
(i) Payable in India	95,97,142	4	2			
(ii) Payable outside India	74,72,937	5	0			
				1,70,76,079	9	2
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				10,31,88,778	7	4
8. Premises, less Depreciation—						
At cost as at 31st December, 1954	99,02,974	5	7			
Additions during this year	1,93,288	4	6			
	1,00,96,262	10	1			
LESS—*Written off up to 31st December, 1954*	72,84,301	10	3			
				28,11,960	15	10
9. Furniture and Fixtures, less Depreciation				Nil		
10. Other Assets—						
(i) Shares of the Bank of India (U.K.) Nominees Limited, at cost						
(ii) Advance Payments of Tax	1,885	10	5			
(iii) Stamps	51,33,813	2	0			
(iv) Interest accrued on Investments to 31st December, 1955	13,063	10	4			
(v) Silver	11,91,501	1	0			
	Nil					
				63,39,763	7	9
11. Non-Banking Assets Acquired in Satisfaction of Claims				Nil		
Total .. Rs.				89,23,61,749	0	3

(Continued on next page)

PHYSICAL PLANNING AND FINANCIAL PLANNING—II

DEFICIT FINANCING—AGRICULTURAL PRODUCTION

By A Special Correspondent

THE secret of physical planning lies in credit expansion. Prof. Shenoy is, perhaps, the most vehement critic of credit expansion and deficit finance. What are his arguments? He says the money income of the community represents the creation of real resources like goods, machines and services; and the expenditure of the community represents the consumption of real resources. The savings of the community represent the unspent real resources. It is only the unspent real resources that can be invested, and savings of the community are merely the financial counterpart of the unspent real resources. Therefore, investment cannot exceed savings. Creation of new money cannot create real resources; it will not accelerate the process of development, but will only result in inflation. If Prof. Shenoy's attention is drawn to the existence of a vast mass of unemployed people (which is the *raison d'etre* for a physical approach to planning), he would say that labour alone cannot produce goods; they must have machines and raw materials to act upon.

If Prof. Shenoy is assured that Government and the private enterprise will create new money and spend it only if all the factors of production including labour, equipment and raw materials are available, it should calm down his opposition. In other words, so long as new money is spent not on doles but on projects and enterprises, there should be no objection to its creation. The other logical conclusion that follows from Prof. Shenoy's arguments is that, so long as there are unemployed people in this country, the labour part of the investment expenditure can be met from new money (i.e., bank credit), since he says that new money can be created only to the extent that unspent real resources have not been invested. Thus, if the argument of "real resources" put forward by Prof. Shenoy in several of his recent writings on the subject of deficit finance is carried to its logical conclusion, it will go against his thesis and not support it.

Then, it might be said that there would be a time interval between investment and output and inflationary conditions would appear during this interval. This is a very common and simple—and the only weighty—argument against credit expansion. But those who are inspired by the rapid rate of progress in Russia and realise the risks and dangers involved in the slow rate of progress contempated in the *Draft Outline* would not leave the matter at that. They would ask: Why is inflation considered bad and undesirable? The obvious answers are: (i) the poor are adversely affected by it; and (ii) inflation hampers production and defeats its own purpose. These points deserve closer examination.

Pattern of Expenditure

The pattern of consumer expenditure in the country given below indicates the overwhelming importance of foodgrains and other agricultural commodities in the consumer expenditure.

Percentage of total expenditure

	Rural areas	*Urban areas*	*All-India*
Food articles	64.1	51.5	61.3
Clothing	8.1	8.8	8.2
Fuel and light	5.5	5.6	5.5
Tobacco	1.9	2.0	2.0
Services	5.3	6.9	5.6
Ceremonials	5.8	4.8	5.6
Miscellaneous	9.3	20.5	11.8
Total ..	100.0	100.0	100.0

Nearly four-fifths of the consumer expenditure is directly on agricultural commodities and cloth. In the case of poorer sections, the weight of these commodities must be still greater. Expenditure on services and ceremonials must also be dependent on the prices of foodgrains, cloth, fuel, tobacco, etc. Thus, if we are able to rapidly increase the production of agricultural commodities, as well as cloth, and prevent a rise in their prices, no amount of inflation can affect their standard of living. And since the stepped-up planned expenditure would be disbursed largely among the poorer sections of the community, a plan of heavy investment would not affect but greatly benefit the poorer sections—given a reasonable stability of prices of agricultural commodities and cloth.

How Inflation Can Be Checked

An isolated rise in the prices of individual commodities is not the thing that matters. But when bottlenecks in certain vital commodities lead to general inflation, and price inflation and wage inflation chase each other, the deleterious effects of inflation get at work. Of crucial importance in this regard are the prices of food and cloth. Never in history has there been an inflation unaccompanied by a rise in the prices of food and cloth, and, where prices of these two groups of commodities have been held in check, inflation has been successfully averted. We need not go far. The gradual reduction of inflationary pressures in our economy since the second half of 1953 has been due to a more comfortable supply and price position of food articles and the raw material for cloth.

Thus, our ability to embark upon physical planning and expand total investment through larger use of bank credit depends upon our ability to achieve speedy expansion of the output of agricultural commodities and cloth. Maurice Dobb, speaking of economies with surplus labour power, says:

"If there is any factor to be singled out as the fundamental limiting factor upon the pace of development, then I suggest that it is this 'marketable surplus' of agriculture . . . . In terms of this marketable surplus as a determining bottleneck, something resembling the traditional savings fund theory could be reconstructed."

What are the possibilities of increasing the output of agricultural products? The targets of additional production laid down in the *Draft Outline* do not reflect that this is all that is physically possible during the period of the second Plan. These targets have been framed with reference to the additional demand for agricultural products likely to be created as a result of a 25 per cent. increase in the national income. Then, the financial needs for bringing about the necessary output to meet additional

THE BANK OF INDIA LIMITED—*(Continued)*

Profit and Loss Account for the year ended 31st December, 1955

EXPENDITURE	Rs.	a.	p.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	72,40,064	14	0	1. Interest and Discount	2,18,40,641	14	10
2. Salaries and Allowances and Provident Fund .. .. .. Salary and Allowances to *General Manager* Rs. 81,633-6-0.	89,29,155	13	8	2. Commission, Exchange and Brokerage	53,90,395	6	2
3. Directors' and Local Committee Members' Fees and Allowances	59,276	0	0	3. Rents	3,12,700	14	2
4. Rent, Taxes, Insurance, Lighting, etc.	15,91,811	6	7	4. *Net Profit on Sale of Investments*, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Law Charges	47,487	10	9	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account) ..	Nil		
6. Postage, Telegrams and Stamps	54,428	10	10	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil		
7. Auditors' Fees	86,000	0	0	7. Other Receipts	5,07,709	4	7
8. *Depreciation on and Repairs to the Banking Company's Property*	61,752	5	11				
9. Stationery, Printing, Advertisement, etc.	6,06,685	9	6				
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil						
11. Other Expenditure	9,25,006	2	6				
12. Balance of Profit (subject to Taxation)	84,90,778	14	0				
Total .. Rs.	2,80,51,447	7	9	Total .. Rs.	2,80,51,447	7	9

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Bank of India Limited, as at 31st December, 1955, and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the authenticated returns from Branches, and report that :—

(a) we have obtained all the information and explanations we have required and have found them to be satisfactory ;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;
(c) the returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit ;
(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law ;
(e) such Profit and Loss Account shows a true balance of profit for the year ;
(f) such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and
(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

A. F. FERGUSON & CO., *Chartered Accountants.*
S. B. BILLIMORIA & CO., *Chartered Accountants.*

Statement pursuant to Section 132-A of the Indian Companies Act of 1913 as amended by Act XXII of 1936.

The Profit and Loss Account of the Bank of India Limited for the year ended 31st December, 1955, does not include any profit or loss of its subsidiary, the Bank of India (U.K.) Nominees Limited (a Nominee Company operating in the United Kingdom), as no profit was made and no loss was sustained by that subsidiary. All expenses incurred were borne and paid by the Bank.

THE BANK OF INDIA (U. K.) NOMINEES LIMITED

Balance Sheet, 31st December, 1955.

Capital Authorised and Fully Paid-up— *100 Ordinary Shares of £1 each*	£100	Cash at Bankers	£100
	£100		£100

Signed on behalf of the Board,
J. DONALDSON,
S. H. BRADFORD, } *Directors.*

We have obtained all the information and explanations which we have required and which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Company. We have examined the above Balance Sheet which is in agreement with the books of account. In our opinion such Balance Sheet gives the information required by the Companies Act, 1948, in the manner so required and is properly drawn up so as to exhibit a true, correct and fair view of the state of the Company's affairs at 31st December, 1955, according to the best of our information and the explanations given to us and as shown by the books of the Company.

No Profit and Loss Account has been prepared as the Company has no income and the expenses are paid by the Holding Company.

27, Old Broad Street,
LONDON, E.C. 2.
2nd January, 1956.

FERGUSON, ROWLAND & DAVIES,
Chartered Accountants, Auditors.

COWASJEE JEHANGIR, *Chairman.*
Directors.— AMBALAL SARABHAI, JOSEPH KAY, DINSHA K. DAJI, RAMNIWAS RAMNARAIN, BHAGVANDAS C. MEHTA, K. M. D. THACKERSEY, A. D. SHROFF, MADANMOHAN MANGALDAS.

H. T. COULTAS, *Chief Accountant.*
D. R. THOM, *General Manager.*

BOMBAY, 2nd *February*, 1956.

demand have been worked out. If financial allocations to the agricultural sector are increased, larger additions to output would be made possible during the 1956-61 period and this can form the basis of a much expanded programme of overall investment in the national economy.

Agriculture Deserves Higher Allocation

Investment programme in the public sector on the development of land resources comes under the following three heads:

	First Five-Year Plan		Second Five-Year Plan	
	Amount of investment	Percentage of total investment	Amount of investment	Percentage of total investment
	(In crores of rupees)		(In crores of rupees)	
Agriculture	252	12	362	8
Community projects and N.E.S.	90	4	200	4
Irrigation and flood control	395	17	458	9
Total ..	737	33	1,023	21

Not the entire amount under these heads is to be spent on the development of land resources. The share of agriculture, etc., in the total investment in the second Plan has been reduced to a little more than half the share in the first Plan. If the investment in the private sector is also included, the share of expenditure on agricultural development would be still smaller. There is absolutely no warrant for such reduction, when it is borne in mind that larger and quicker development of agriculture will enable us to enlarge the size of the second Plan without any fear of harmful inflation. The truth is that so long as there is superfluity of labour, the development of agriculture holds the key to the pace of economic development, and smaller percentage allocations are entirely unjustified. The argument that for making possible a substantial shift of population away from agriculture and for raising the living standards of the cultivating classes, it is necessary that the secondary and tertiary sectors should develop at a faster rate than agriculture is not valid. Large allocations to agriculture do not militate against these aims in a situation where one crore of additional investment in agriculture makes possible several times larger investment in the non-agricultural sector. Also agriculture, animal husbandry, forestry and fisheries which have been allocated about 10 per cent. of the investment funds in the second Plan are expected to account for about 32 per cent. of the increase in national income during this period. From this criterion also, agriculture deserves higher allocations.

Higher production in agriculture comes from six major types of schemes, namely, (a) major irrigation, (b) minor irrigation, (c) land reclamation, (d) fertilisers and manures, (e) improved seeds and (f) improved methods of cultivation. Among these, some are quick-maturing schemes; others like irrigation and fertilisers may not have much impact on additional production in the first year of the Plan. Until these late-maturing projects begin to show results, we can intensify our effort on quick-maturing type of schemes, so that, soon after the larger programme of total investment based on the physical approach to planning goes into operation, we have the correspondingly larger output of agricultural commodities.

Cloth

About cloth, which is next in importance to food as an article of mass consumption not much need be said. Far from there being any anxiety about our ability to increase production, Government is taking steps to curb the expansion of production in the mill sector. On the one hand, they do not increase the size of investment for fear of inflation; on the other hand, they do not allow the expansion of goods which are a remedy for inflation. Expansion of mill-made cloth can take place immediately without much foreign exchange being involved. Hardly 40 per cent. of the installed loom manufacturing capacity and 50 per cent. of the ring spinning frames manufacturing capacity in the country is being utilised at present.

If we provide for a 50 per cent. increase in the amount of investment on land resources envisaged in the *Draft Outline*, would not the resultant higher and quicker output of agricultural products permit a proportionate increase in the overall investment programme without any fear of what may be called general inflation. It is no indulging in mere reverie. Can anyone give a convincing picture of the harmful effects of inflation that might result from increasing the development expenditure from Rs. 7,100 crores to Rs. 10,000 crores, assuming a commensurately larger increase in agricultural production? All that has so far been said against credit expansion is vague and unconvincing.

Some Assumptions Examined

As representative of the arguments against large-scale credit expansion may be examined the following points in the light of the assumption of larger additions to the output of agricultural commodities and cloth:

(1) It may be argued that credit expansion and deficit finance will start an inflationary trend, which, if unchecked, could be highly regressive. This argument holds no water. Credit expansion accompanied by larger increase in the marketable surplus of agricultural commodities will not impair the real value of money incomes and will lead to a rapidly rising standard of living of the masses on whose employment new money will be spent.

(2) Credit expansion may lead to changes in relative prices which may obstruct the working of the Plan. One does not understand how it can be so. If the prices of essential articles are held stable through larger agricultural output, the higher money incomes will lead to greater demands for commodities other than food and cloth. There is a growing belief that the production of commodities other than food and cloth is not rapidly expanding merely because the demand for these articles is poor. The existence of excess capacity in factories producing articles such as automobiles, bicycles, electric fans, leather goods and many others is symptomatic of the lack of demand. If this is so, then credit expansion and deficit financing will not distort prices, but will bring a healthy change in the price structure which is essential for turning the present lopsided pattern of production into a more balanced one.

(3) It has been stated that the crucial question is the time-lag between overall investment in the economy and the additional output of agricultural commodities. Prof. Shenoy, for instance, says that much disturbance may occur during the period, and "it would be incorrect to suppose that inflation would be liquidated when the compensatory increase in output becomes available." He has only echoed the views of the I.M.F. Mission to India whose report was published in the form of a booklet, *Economic Development with Stability*. The Mission said: "Suppose that, after an interval of two years, the effect of new investment is to increase agricultural production annually by an amount equivalent to the additional investment financed by bank credit. Even under such circumstances, the maintenance of the same level of investment would generate inflation." The argument is that subsequent increase in output will be accompanied by its own financial counterpart. As the Mission put it, "the increase in output accrues as income to some part of the economy, except as it results in additional tax revenue or is set aside as reserves for depreciation."

All this seems to be a difference of words. The actual position is that agricultural production is seasonal. It has been noticed that increased crop arrivals in the market during the busy season following a higher output, leads to a slump in the prices of the commodity, unless the higher output is *preceded* by a larger money flow and larger demand for these commodities. Some interval between credit expansion and increased agricultural output is essential for preserving stability and preventing a commodity slump. In advanced countries, new production, both in the agricultural and industrial spheres, is, in a large measure, financed by banks. But, in India, agricultural production has been making progress with only negligible bank credit, that is, new money. Thus, while in advanced countries, in the normal course of production, new money is created before new production takes place, in India this is not so. In such circumstances, there is nothing to fear if there is some time-lag between credit expansion in the economy as a whole and agricultural output. An interval of one year or a little more will make for stability and not inflation. If this consideration is kept in mind, the size of the Plan can be enlarged even with the present programme of agricultural development. And, if the tempo of agricultural development is stepped up from what is envisaged in the second Plan, a development expenditure of Rs. 10,000 crores will not entail any serious situation.

(4) It is argued that a higher rate of investment made possible through credit expansion would create balance of payments difficulties. Further, a higher rate of development is not possible, because the foreign exchange component of a higher investment programme would not be forthcoming, and, unless we have the wherewithal to buy machinery and equipment from abroad for the use of our surplus labour, it is no use thinking in terms of physical planning and doing away with the financial limitations.

Foreign Exchange

In several ways however, the higher investment programme based on larger marketable surplus of agricultural commodities will find its own foreign exchange resources. First, the *Draft Outline* provides for an import of 6 lakh tons of foodgrains and one lakh tons of sugar annually during 1956-61. As a result of higher marketable surplus of agricultural commodities and the ensuing standards of consumption considerably above the subsistence level, these imports can be eliminated bringing a saving of

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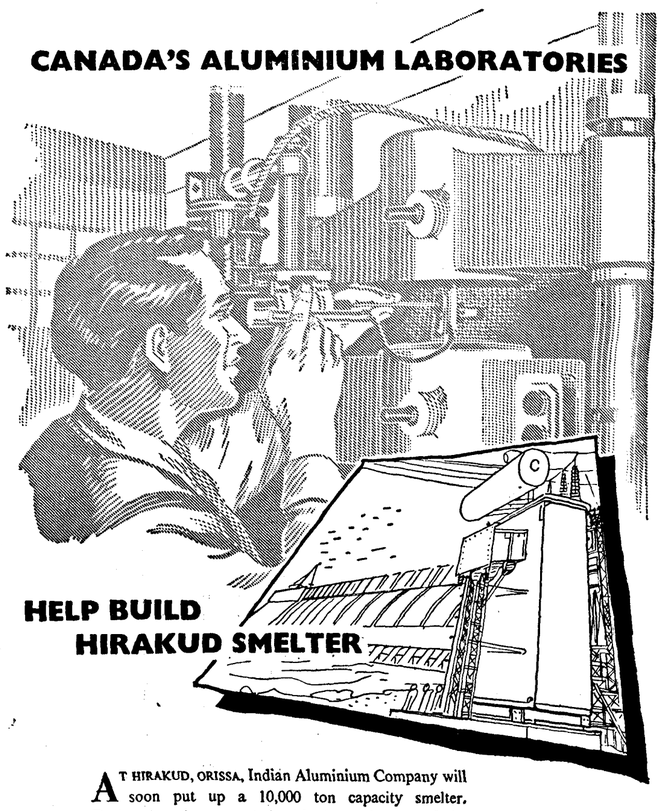

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THE BANK OF INDORE, LIMITED

(INCORPORATED IN INDORE, 1920)

REPORT OF THE DIRECTORS TO BE SUBMITTED TO THE SHAREHOLDERS AT THE THIRTY-SIXTH ORDINARY GENERAL MEETING

GENTLEMEN,

Your Directors have the pleasure to lay before you the Balance Sheet and Profit and Loss Account of the Bank for the year ended 31st December, 1955, duly audited by Messrs. A. F. Ferguson & Co., Chartered Accountants.

	Rs.	a.	p.
The Net Profit for the year including the sum of Rs. 64,703-1-2 brought forward, amounts to	5,71,830	12	2
An ad-interim Dividend was paid for the half-year ended 30th June, 1955, at the rate of 14 per cent. per annum on 61,215 shares absorbing	1,07,126	4	0
Amount transferred to Reserve Fund (bringing that Fund upto Rs. 27,00,000)	1,00,000	0	0
Amount transferred to Contingency Fund	1,00,000	0	0
Bonus paid to the Bank's Staff	71,442	4	0
	3,78,568	8	0
Your Directors now recommend :—			
To pay a Final Dividend at the rate of 14 per cent. per annum on 61,215 Shares for the half-year ended 31st December, 1955, amounting to	1,07,126	4	0
To transfer to Gratuity Fund	25,000	0	0
To donate to the Indian Red Cross Society, Madhya Bharat Branch	500	0	0
To carry forward to the next account	60,636	0	2
Rs.	5,71,830	12	2

Nawabzada Masood Quli Khan being out of station has not signed the Balance Sheet.

The Directors hope that you will find the progress of the Bank satisfactory.

By Order of the Board of Directors,

N. D. JOSHI,
Manager.

THE BANK OF INDORE, LTD.,
INDORE CITY, 4th February, 1956.

BALANCE SHEET AS AT 31st DECEMBER, 1955.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED—						
1,00,000 Shares of Rs. 50 each	50,00,000	0	0			
ISSUED—						
75,000 Shares of Rs. 50 each	37,50,000	0	0			
SUBSCRIBED—						
61,215 Shares of Rs. 50 each	30,60,750	0	0			
AMOUNT CALLED AND PAID-UP in cash at Rs. 25 per share				15,30,375	0	0
2. Reserve Fund and Other Reserves				26,00,000	0	0
3. Deposits and Other Accounts—						
(i) Fixed Deposits	4,14,81,189	3	6			
(ii) Savings Bank Deposits	71,69,183	0	5			
(iii) Current Accounts, Contingency Accounts, etc.	1,86,36,577	9	7			
				6,72,86,955	2	6
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil					
				Nil		
5. Bills Payable				3,11,319	9	9
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	14,17,428	2	6			
(ii) Payable outside India	7,390	1	5			
				14,24,818	3	11
7. Other Liabilities—						
(i) Gratuity Fund	1,71,270	0	0			
(ii) Branch Adjustments	5,14,266	8	5			
(iii) Unclaimed Dividends	36,299	14	6			
				7,21,836	6	11
8. Acceptances, Endorsements and Other Obligations as per contra				23,13,400	15	3
9. Profit and Loss Account—						
Balance as per last Balance Sheet as at 31st December, 1954	4,39,752	9	2			
LESS—Appropriations—	Rs.	a.	p.			
Dividend at 12 per cent. per annum for the half-year ended 31st December, 1954	91,822	8	0			
Transfer to Reserve Fund	1,00,000	0	0			
Transfer to Contingency Fund	1,00,000	0	0			
Transfer to Gratuity Fund	15,000	0	0			
Donation to Indian Red Cross Society, M. B. Branch	500	0	0			
Bonus to Staff	67,727	0	0			
	3,75,049	8	0			
	64,703	1	2			
ADD—Profit for the year ended 31st December, 1955	5,07,127	11	0			
	5,71,830	12	2			
LESS—	Rs.	a.	p.			
Interim Dividend for the half-year ended 30th June, 1955, at 14 per cent. per annum	1,07,126	4	0			
Bonus to Staff	34,687	0	0			
	1,41,813	4	0			
				4,30,017	8	2
10. Contingent Liabilities—						
	Rs.	a.	p.			
On partly paid Shares	7,63,750	0	0			
Total .. Rs.				7,66,18,722	14	6

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In Hand and with Reserve Bank of India and State Bank of India				70,21,904	6	5
2. Balances with Other Banks on Current Account—						
(i) In India	5,26,532	11	3			
(ii) Outside India	Nil					
3. Money at Call and Short Notice				5,26,532	11	3
4. Investments (at below Market Value)—				Nil		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills (Rs. Nil) of the Central and State Governments (Securities of the face value of Rs. 2,25,000 deposited with Reserve Bank of India against guarantees given by the Bank of Indore to Government Departments on behalf of Constituents)	2,35,92,947	13	0			
(ii) Shares— Rs. a. p.						
(i) Fully paid Preference Shares. 1,94,250 0 0						
Partly paid Preference Shares. 6,250 0 0						
(ii) Fully paid *Ordinary* Shares.. 1,00,000 0 0						
Partly paid Ordinary Shares. 2,50,000 0 0						
	5,40,500	0	0			
(iii) Debentures or Bonds	23,95,450	7	3			
(iv) Other Investments	Nil					
(v) Gold	Nil					
5. Advances—				2,65,28,898	4	3
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(1) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
(i) In India 3,43,47,497 3 3						
(ii) Outside India Nil						
	3,43,47,497	3	3			
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India 31,49,037 4 9						
(ii) Payable outside India 57,317 10 0						
	32,06,354	14	9			
PARTICULARS OF ADVANCES—				3,75,53,852	2	0
(i) Debts considered good in respect of which the Banking Company is fully secured	3,69,87,307	7	0			
(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security	2,93,696	3	0			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,72,848	8	0			
(iv) Debts considered doubtful or bad, not provided for	Nil					
	3,75,53,852	2	0			
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	44,910	0	3			
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	21,62,395	7	9			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	68,428	13	9			
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members	21,86,435	13	3			
(ix) Due from Banking Companies	2,56,535	10	11			
6. Bills Receivable Being Bills for Collection as per contra—						
(i) Payable in India	14,17,428	2	6			
(ii) Payable outside India	7,390	1	5			
				14,24,818	3	11
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra				23,13,400	15	3
8. Premises—						
At cost upto 31st December, 1954	3,50,360	13	7			
Less—Depreciation written-off to date	1,10,459	13	7			
				2,40,400	0	0
9. Furniture and Fixtures—						
At cost upto 31st December, 1954	3,94,023	15	10			
Additions during the year	19,129	11	6			
	4,13,153	11	4			
LESS—Cost of Sales during the year	330	11	6			
	4,12,822	15	10			
LESS—Depreciation written-off to date after adjustments in respect of items sold, etc.	1,86,566	15	10			
				2,26,256	0	0
10. Other Assets—						
(i) Interest accrued on Investments	2,53,874	11	5			
(ii) Sundry Advances	79,162	0	6			
(iii) Advance Payment of Income-tax	4,49,623	7	6			
(iv) Silver	Nil					
11. Non-Banking Assets Acquired in Satisfaction of Claims				7,82,660	3	5
				Nil		
Total .. Rs.				7,66,18,722	14	6

(Continued in next page)

foreign exchange resources to the extent of Rs. 200 crores over and above the estimates of the *Draft Outline*. For similar reasons, savings may be possible by way of reduced imports of long-staple cotton, increased exports of short-staple cotton, less dependence on Pakistani jute, greater exports of groundnut and other oils, tea, pepper, etc. Since increased agricultural output will come partly through higher yields per acre, farmers will be able to afford price reductions on export items. This will increase our competitive power in world markets. Another Rs. 50 crores may be saved or earned on these items.

Secondly, the Planning Commission is thinking of drawing down sterling balances to the extent of Rs. 200 crores only during the second Plan period. The rest, it is thought, is essential for keeping as monetary reserves. Such a high currency reserve as about Rs. 500 crores in the form of foreign exchange is considered necessary, because of the uncertainties of our agriculture and because increased national income is likely to be associated with larger fluctuations in foreign exchange receipts and payments. But the higher agricultural output envisaged here will make us secure against any food emergency. Our people would be above the subsistence line of food consumption, and as such even in bad agricultural years, we can do without food imports. We can, therefore, do with much smaller amount of foreign exchange resources. Even after reserving foreign exchange equal to three or four times the range of fluctuations in our holdings in recent years, we can afford to draw down our sterling balances to the extent of Rs. 500 crores, leaving a balance of roughly Rs. 200 crores. It may be noted that this figure will relate to the final year of the second Plan; for the remaining years, the balance would be much higher. There would also be the facilities afforded by the I.M.F. As we have already paid the bulk of our borrowings from the Fund, it is possible for us to rely on short-term borrowings (up to five years) to the extent of Rs. 40 crores. Moreover, if the undervalued gold holdings of the Reserve Bank are revalued at current prices or at U.S. prices, its value will rise to about three times what it is in the books of the Reserve Bank. In this way, another Rs. 80 crores or so of foreign exchange can be found after meeting the requirement of a minimum holding of Rs. 40 crores worth of gold by the Reserve Bank.

It may also be pointed out that the greater part of the foreign exchange component of the investment programme of the second Plan is on transport and communications and basic and heavy industries. Investment over and above the currently envisaged figure of Rs. 6,100 crores need not follow the same pattern. In this connection, the views of Dr. S. R. Sen (who, incidentally, seems to be an optimist in otherwise a Panel of Pessimists), are very much relevant. He writes in the "Papers":

"In addition to a basic investment programme of Rs. 6,000 crores, or any other figure that may be agreed upon, we should have a supplementary programme .... Heavy industries should have relatively greater preponderance in the basic plan .... The supplementary plan should, on the other hand, have a preponderance of early maturing production schemes and schemes of economic and social overheads."

If this is accepted, the foreign exchange component of the investment programme over and above the target envisaged at present will be of much smaller proportion, which can be met from resources that would be rendered available as discussed above. We cannot be meticulous about appropriate pattern of production when such a pattern means reduction in the scale of development. We can expand those sectors of production which it is possible to do —as Prof. Mahalanobis said—with the available craft.

What we are concerned with is total credit expansion and not merely the deficit financing part of it. But, while in advanced countries, commercial bank credit plays a greater role, in India, the currency expansion is more important in the total supply of money, as would be clear from the following table:

Country (1)	Notes in circulation (2)	Demand deposits (3)	Ratio of (3) to (2)
U.S.A.	27,100	98,300	3.6
U.K.	1,570	3,890	2.5
Canada	1,419	3,792	2.7
Australia	340	1,241	3.7
Japan	505	798	1.6
India	1,210	6,000	0.5

Figures are in national currencies as on June, 1954.

It would perhaps be better if instead of borrowing from the Reserve Bank and financing State enterprises with that money, Government, or the State enterprises directly, borrow from the State Bank of India, the State Bank being permitted to rediscount these credit instruments at the Reserve Bank of India to the extent of an appropriate proportion of the amount of the credit. In this way, increase in money supply would, to a much smaller extent, be in the form of currency and would, therefore, not exert much inflationary pressure. This way of credit expansion would also not gain that publicity as deficit financing would. In so far as inflation is caused not so much by the expansion of money supply as by the news of it, borrowings of State enterprises from the State Bank would be a better device than borrowings from the Reserve Bank.

Physical Resources

All the above analysis shows that it is possible for us, within the non-totalitarian concepts of government, to make a physical approach to planning in which the scale of investment would be determined not by the current financial savings of the society but by the availability of the physical resources in men and materials. By this approach, it is possible considerably to step up the rate of income and employment expansion from what is envisaged in the draft second Plan. We may not be able to achieve Russia's rate of development, but the difference should not be between, what the poet compared. an aeroplane and a slow-moving cart. Some of the practical implications of the physical planning, in the sense in which the term has been discussed above, will be as follows:

(i) The State Governments proposed their development programmes totalling Rs. 5,741 crores. Their Plans were revised down to Rs. 2,344 crores and further revised to Rs. 2,214 crores. In so far as these State Plans were scaled down for reasons of financial resources, the cut would have to be reconsidered. Some of the schemes in the State Plans which involve excessive draft on scarce materials like steel and cement can be scrutinised. but the States should be encouraged to make alternative proposals in lieu of the cuts made on this ground.

(ii) The conflict between the private sector and the public sector for claims on the limited "savings fund" of the community would cease. If the private sector progresses speedily, it would not be at the cost of the public sector.

(iii) The conflict between the small-scale and large-scale sector would also vanish, because the two sectors would be producing not for a limited market but to satisfy the demand which may well be in excess of the capacity of both.

(iv) The conflict between the heavy and light industries would also disappear. The present conflict arises because allocations for the industrial sector are, in large measure, being devoted to the basic and heavy industries, and light industries are being starved. In the expanded programme, over and above the one now envisaged, heavy industry would find it difficult to take up a sizable share, because of the shortage of foreign exchange for importing the machinery needed for it. Most of the allocations would inevitably go to light industry. Thus both the heavy and light industries would be satisfied.

(v) The Government will have to give extra special attention to agriculture, because speedier and larger expansion of production in that sector forms the very basis of the idea of physical planning.

(vi) Arrangements will have to be made for the grant of long-, medium- and short-term bank credit on approved schemes, whether in the private or the public sector, the Reserve Bank making available rediscounting facilities to the lending banks as under the Bill Market Scheme.

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(Concluded)

THE BANK OF INDORE, LIMITED—*Continued*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955.

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	12,77,661	9	10
2. Salaries and Allowances and Provident Fund (Salary and Allowance to the Manager Rs. 26,000-0-0, excluding Bonus Rs. 5,400-0-0)	6,65,741	15	1
3. Directors' Fees and Allowances	2,320	0	0
4. Rent, Taxes, Insurance, Lighting, etc. (including provision for taxes on income)	4,07,641	11	0
5. Law Charges	1,128	8	0
6. Postage, Telegrams and Telephones	39,591	7	9
7. Auditors' Fees	12,500	0	0
8. Depreciation on and Repairs to the Banking Company's Property	31,628	14	9
9. Stationery, Printing, Advertisement, etc.	66,684	1	6
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. Other Expenditure	36,829	9	9
12. Balance of Profit	5,07,127	11	0
Total .. Rs.	30,48,855	8	8

INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	27,11,283	2	6
2. Commission, Exchange and Brokerage	3,02,006	8	5
3. Rents	2,565	0	0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	5	0	0
7. Other Receipts	32,995	13	9
Total .. Rs.	30,48,855	8	8

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Bank of Indore, Ltd., as at 31st December, 1955, and also the foregoing Profit and Loss Account for the year ended upon that date, in which are incorporated the audited returns of the Branches, and report that:—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) the returns received from the Branch Offices of the Bank have been found adequate for the purpose of the audit;

(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(e) such Profit and Loss Account shows a true balance of profit for the year;

(f) such Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank; and

(g) in our opinion, books of account have been kept by the Bank as required by Section 120 of the Indian Companies Act, 1913.

A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 30th January, 1956.

S. M. BAPNA, Chairman.

K. A. CHITALE,
B. K. CHATTERJEE,
BHANWARLAL SETHI,
SUGANMAL BHANDARI,
BALKISHAN MUCHHAL,
N. D. JOSHI, Directors.

N. D. JOSHI,
Manager.

K. G. PANDIT,
Chief Accountant.

NEW PUBLICATIONS

F.A.O. Yearbook of Fishery Statistics, 1952-53. Published by the U.N. Food and Agriculture Organisation, Rome. Parts I and II. Price: $3 each.

INDIA increased its fish exports from 21,861 metric tons in 1938, valued at Rs. 73,11,000, to 30,998 metric tons in 1953, valued Rs. 4,44,03,000, according to the *F.A.O. Yearbook of Fishery Statistics*, 1952-53 (Volume IV, Part 2, International Trade), which has just been published in Rome by the Food and Agriculture Organisation of the United Nations. During the same period imports of fish fell from 10,007 to 4,101 tons although the value rose from Rs. 19,50,000 to Rs. 59,41,000. The big increase in exports was due to the sale of more dried, salted or smoked fish. This export rose from 17,088 metric tons, worth Rs. 69,29,000 to 28,257 metric tons, valued at Rs. 4,30,35,000. India's best customers for this export were Ceylon, which took more than 17,000 metric tons, Burma, which took 6,371 metric tons, and Singapore, which took 2,476 metric tons.

The following list, extracted from the *Yearbook*, shows the trend of imports and export trade in fish in Asia. Out of the 21 countries listed, 13 showed increased imports and seven exports. Aden, Hong Kong and Syria increased both imports and exports in the period under review:

(In metric tons)

Country	Imports		Exports	
	1938	1953	1938	1953
Aden	1,765	4,498	1,264	7,082
Brunei	106	270	..	..
Burma	12,343	5,596	1,539	177
Ceylon	31,482	38,353	668	26
Taiwan	58,153	19,843	9,175	137
Cyprus	368	1,361	..	..
Hong Kong	7,370	31,829	7,145	9,311
India	10,007	4,101	21,861	30,998
Indonesia	72,703	38,355	9,092	12,987
Iran	384*	167	1,102*	4,333
Israel	5,735†	24,975	..	..
Japan	11,302	14,880	236,592	149,949
Lebanon	978	1,476	568	16
Malaya and Singapore.	69,513	61,406	58,866	44,138
North Borneo ..	186‡	620	2,291	1,120
Pakistan	..	..	19,532‡	28,483
Philippines	16,847	31,212	875	762
Sarawak	1,472	12,302	417	233
Thailand	17,083	3,117	27,793	18,387
Syria	316§	713	54§	391
Turkey	169	216	14,791	4,782

* 1949-50. † 1939. ‡ 1949. § 1950.

The increased imports of more than half the countries listed were made up chiefly of fresh fish, which gained ground in a number of countries. There was also a noticeable increase in imports of fresh, frozen, dried or salted crustaceans and mollusces and in fishmeal and fertilisers. While imports of dried, salted or smoked fish, and fish in airtight containers declined in some instances, this loss was more than offset by bigger sales in other countries on the list.

The *Yearbook* (Part 2, International Trade) is divided into nine sections. The first three contain the summarised tables, one for each continental group of countries, based on the detailed data given country by country in the last six sections. The summarised tables permit easy international comparisons in terms of broad groups of fishery commodities, while reference to the country tables provides details of the composition of the commodity groups and the countries of origin and destination. Quantities are given in metric tons and, in the first three sections, the values in United States dollars. National currencies are used in each of the national tables.

In view of requests for greater international comparability, the commodity groups have been adjusted to conform to the classification used in the Standard International Trade Classification, recommended by the Economic and Social Council to be used by the countries in rearranging their details on imports and exports. Part I (Production and Craft) containing statistics of catch and landings, utilisation, production of preserved and processed commodities and fishing craft, was published earlier this year.

Handbook of Vital Statistics Methods. Published by the Statistical Office of the United Nations, New York. Price : $2.50.

This *Handbook* gives a lucid and interesting account of the actual practices, procedures and methods of the operations of a vital statistics system adopted in the different countries of the world, with tabular analyses giving international comparisons. The practices and procedures discussed pertain primarily to those in use in connection with records and statistics of live birth, death, stillbirth, marriage and divorce. The aspects relating to adoptions, recognitions, legitimations, annulments or legal separations are, however, excluded, except by inference. For all practical purposes, the date of reference is 1st January 1950.

There are as many as 14 chapters and 4 annexes in the *Handbook*. The first three chapters deal with the vital statistics system, in general, that is, with the history, uses and general organisation of the system. The subsequent four chapters describe the responsibilities for, and the procedures followed in, the registration of vital events. Chapters 8 to 13 are devoted to the collection of data for vital statistics, compilation and tabulation programme, and computation procedures. The last chapter presents methods of evaluating the efficiency of the vital statistics system. The four annexes are (1) chronological history of the development of vital statistics, (2) principles for a vital statistics system, (3) collection of stillbirth definitions, and (4) selected list of references.

The understanding of the history of vital records and statistics that the *Handbook* gives will enable one to appreciate the value and importance of vital statistics methods. Indeed, a knowledge of the origin of vital records, the various methods by which statistics may be obtained, the present status of the system and the efforts of international organisations—past and present—to remedy deficiencies "provides the background against which current methods, procedures and recommendations can be evaluated."

Social Welfare in India. Published by the Publications Division, Ministry of Information and Broadcasting, Government of India, New Delhi. Price: Rs. 8-8.

In his foreword to this neatly got-up 850-page publication, issued by the Planning Commission, and published by the Publications Division of the Government of India, the Prime Minister, Mr. Nehru, rightly avers that "the preparation of a standard reference book on this subject by the Planning Commission is particularly to be welcomed." He adds: "This will be of great value to the thousands of social workers in the country and many others will profit much by it." This is a well deserved tribute to a book which provides not only an insight into the welfare problems in this country but also a guide to the welfare organisations and the immensely useful work some of them are doing.

The book gives a historical background of social welfare service in India; the article on this subject is by Mr. M. S. Gore, Principal, Delhi School of Social Work, Delhi University. Other contributed articles deal with specific aspects of social welfare such as child welfare, youth welfare, women's welfare and services for the handicapped. These articles practically cover the entire field of social work. And the articles, since they have been written by experts in the field who have both a theoretical and practical knowledge of the topics, have more than a mere academic value. A notable feature of the book is a directory of social welfare organisations—this section also describes the work done by them—and a bibliography of the literature on social welfare and related subjects. We commend this book to the attention of welfare workers in this country. Since social programme, as Mrs. Durgabai Deshmukh, Chairman, Central Social Service Board, Government of India, points out in the preface, is a "dynamic process," we hope the volume will be periodically revised so as to provide a continuous review of the problems and achievements in this field.

The Statistical Outline of India, first published by the Tata Industries Ltd., Bombay, in 1953, has now been brought up to date, and some new features have also been added. The 1955 edition of this valuable handbook provides data relating to national income, population, natural resources, industry and transport, labour, foreign trade, banking and insurance, public finance, prices, Five-year Plan and certain miscellaneous topics such as loans from World Bank and foreign assistance for development. Compiled from authentic sources and presented in a readable form, the booklet is a small mine of very vital statistical information. It is also easy to handle and even to carry, thanks to its small size. A comprehensive index, given at the end of the publication, has greatly added to its utility. The booklet will serve as a valuable work of desk-reference to all those that are interested in different facets of Indian economy.

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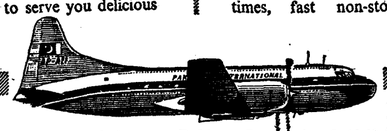

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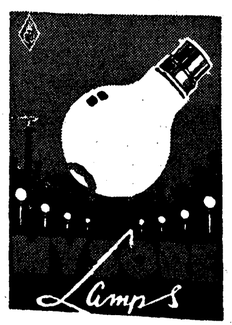

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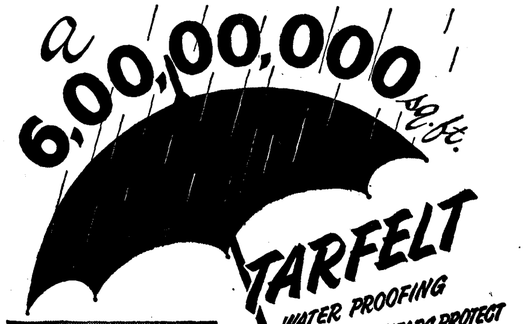

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PROGRESS OF VANASPATI INDUSTRY

PRODUCTION AND CONSUMPTION BETTER

THE *vanaspati* industry seems to have found 1955 a relatively more comfortable year than 1954. According to the Chairman of the Vanaspati Manufacturers' Association of India, Mr. A. J. C. Hoskyns-Abrahall, "a record increase in output in 1954 looked very much like reckless overproduction, a further increase of 30,000 tons in 1955, giving a total of nearly 260,000 tons, might very well have looked the same. In fact, it did not. Indeed, the year ended with manufacturers' stocks 5,000 tons less than at the beginning, indicating that demand had increased faster than our production." Besides, in 1954, a steep fall in groundnut oil prices and a rather frantic scramble by the industry to dispose of its high output at almost any price portended a gloomy outlook. But, in 1955, conditions in the oil market were stable and the industry was enabled to stage a recovery.

The year witnessed a steady increase in *vanaspati* production and consumption. Not only those factories that had been in production were able to improve the utilisation of their plant and capacities but four factories which had remained closed for long periods, were also in a position to resume production. Besides, two new units started production. The total number of factories in production during 1955 at 43 was the highest yet reached. The availability of sufficient supplies of edible oils at stable and very reasonable prices was chiefly responsible for this recovery. After nearly a decade, oil prices came down, according to the Annual Report of the Vanaspati Manufacturers' Association of India covering 1955, to parity with the general price level in the country during the 1954-55 crop year and, what is more important to the industry, they were fairly stable throughout the year. Ready groundnut oil prices in Bombay, for instance, fluctuated within a range of not more than 100 points on either side of Rs. 900 per ton. The low level of *vanaspati* and other food prices and the rising level of incomes from higher industrial production and other development activities appreciably helped increase the level of *vanaspati* consumption. On account of lower prices, the industry was able to export abroad 15,000 tons of *vanaspati*, as compared with about 7,500 tons in the preceding year.

The following table shows the trend of production of *vanaspati* since 1930:

Year	*Production* Tons	*Year*	*Production* Tons
1930	298	1943	90,654
1931	2,394	1944	113,030
1932	3,296	1945	132,827
1933	6,199	1946	142,836
1934	15,345	1947	97,160
1935	17,000	1948	127,664
1936	19,372	1949	154,923
1937	29,781	1950	172,437
1938	87,346	1951	171,551
1939	52,031	1952	190,597
1940	65,658	1953	191,182
1941	86,304	1954	230,749
1942	75,766	1955	260,000 (estimated)

The trend of consumption of *vanaspati* during the past four years is indicated by the following set of figures:

Year	Tons	*Year*	Tons
1952	195,629	1954	222,557
1953	183,679	1955	266,000

Some Problems

The encouraging performance of the industry in 1955 should not be taken to mean that all is well with the industry. On the contrary, the industry is still faced with a number of problems. The first Five-year Plan had set a production target of 300,000 tons. But, in the last year of the Plan, its output at 260,000 tons, though better than in previous years, was still well below the target. Further, the productive capacity, estimated at 500,000 tons, indicates the existence of a large volume of idle capacity. There are still, according to the Annual Report of the Association, seven factories completely closed and of those that are in production many are still operating below economic levels. The industry remains, therefore, vulnerable to periodical crises which usually follow sharp fluctuations in oil prices and, therefore, in the *vanaspati* trade.

This much maligned industry more sinned against than sinning, is also facing the dangers of public prejudices based on misconceptions and irrational attitudes even among men placed in positions of responsibility. One result of this attitude has been the demand for coloration of *vanaspati* when no suitable colour is available. This demand comes from those who believe that *vanaspati* is responsible for all the ills of the *ghee* trade. One of these ills is the adulteration of *ghee* and *vanaspati* is blamed for it on the ground that it facilitates this evil. But those who argue thus, conveniently overlook the fact that adulteration was in existence even before the advent of *vanaspati*. Referring to this issue in a pointed manner, Mr. Hoskyns-Abrahall said, in his speech at the annual meeting of the manufacturers, thus:

"*Ghee* was adulterated long before *vanaspati* was discovered. *Ghee* is still being extensively adulterated with substances other than *vanaspati*—witness the Studies in *Ghee*, I, recently published by the Agricultural Marketing Adviser to the Government of India—and according to which 54 per cent. of adulterated samples of *ghee* had, as their adulterants, such substances as animal body fats and vegetable oils like coconut and groundnut. Manifestly, therefore, the elimination of *vanaspati* as an adulterant of *ghee* by colouring or by any other means, does not stop the adulteration of *ghee*. From the figure given above, it would not seem to go even half-way towards solving the problem. Indeed, if it induced a false sense of security to prevail—a comfortable, if mistaken, feeling that at least some good had been achieved—the position might well become worse than it is now."

Demand for Colouring Persists

Unfortunately, an argument so convincing as this seems to fall on deaf years. The demand for colouring *vanaspati* continues to be the favourite pursuit of certain persons. The U.P. Vidhana Sabha, for instance, debated last year a private Bill demanding coloration and failing that, a ban on the manufacture of *vanaspati*. The Bill was rejected but the State Minister announced an increase in the prize offered for finding suitable colour for *vanaspati* from Rs. 10,000 to Rs. 25,000. It is understood that a private member has tabled a resolution in the Lok Sabha deploring the inordinate delay on the part of the Government in implementing its decision to colour *vanaspati*. This resolution is expected to be taken up for discussion in the present session.

These prejudices persist, in spite of the fact that, following the debate in 1954 in the Lok Sabha on a Bill seeking to ban the manufacture of *vanaspati*, the conference of leading scientists convened by the Union Food Minister was unanimously of the opinion that no suitable colour for colouring *vanaspati* was available and that there was no need for colouring *vanaspati*, as the latter contained a latent colour which would be effective in detecting its presence in *ghee*. The solution advocated by the conference was that the public authorities should enforce the Prevention of Food Adulteration Act more rigorously to root out the evil of adulteration.

The insistence by some for colouring *vanaspati* is based, perhaps, on the belief that they are being bluffed. There are people who still refuse to believe that a suitable colour is undiscoverable, when, for instance, sweets and drinks are so commonly coloured. Mr. Hoskyns-Abrahall's answer to such people is as follows:

"Such people overlook the simple fact that such colours are reckoned to increase the attraction of the foods to which they are added and there is thus no incentive to remove them. Those who adulterate *ghee* would have every incentive to remove a colour from *vanaspati* and the addition of any removable colour is consequently sheer waste of time. But besides being irremovable, a colour would have to be harmless to the human system, not unpleasant to the eye and readily and cheaply available. It is really not at all surprising that India's best scientists and in fact scientists all over the world, say that no such colour is available."

Industry's Anxiety

What is stated above should not, however, be taken as an indication of the Industry's desire to ignore the problem of adulteration or to minimise the gravity of the problem. Far from it. The industry is, indeed, very anxious to eradicate the evil, as witness the remarks of Mr. Hoskyns-Abrahall:

"I now categorically state that we are fully aware of this evil, that we deplore its existence, that we appreciate the difficulty of uprooting it and that we sincerely wish to play a full part in the process of doing so. We have in *vanaspati* a nutritious, vitaminised hygienically prepared and packed product, which is enjoying increasing favour with the public, and we wholeheartedly deplore its misuse as an adulterant of *ghee*."

He sincerely believes that the only solution to stop adulteration of *ghee* lies in the proper enforcement of the Prevention of Foods Adulteration Act.

During 1955, the industry was able to increase the vitamin A potency of *vanaspati* from 300 I.Us. to 700 I.Us. per ounce. With the increased vitamin A potency, *vanaspati* has, we are told, become as good a source of vitamin A as good *ghee*. This should enable the people to choose between *ghee* and *vanaspati* as comparable edible fats in the same way as people in other countries consume margarine and butter.

Target Under Second Plan

The Planning Commission, in consultation with the representatives of the industry, has fixed a target for the production of *vanaspati* at 350,000 tons at the end of the second Five-year Plan. Considering the trend of progress in the last two years and the expected substantial increase in the tempo of economic activity, the target is taken to be a modest one. Provided no unforeseen impediments are placed in the way of its progress, the industry hopes to achieve or even exceed the target. So far as the immediate outlook for the industry is concerned, Mr. Hoskyns-Abrahall struck a note of caution. He stated that, if the rate of increase in production in 1955 were to continue, it was quite possible that a crisis in the raw material supply position would arise. Giving his rationale for this conclusion, he remarked:

"The less good 1955-56 groundnut crop and the recent rather alarming increase in price form a danger signal not to be disregarded. Although I do not intend it to be the main theme of my remarks on this occasion, I cannot let it pass without saying that the cultivation, conservation and extraction of groundnuts, which provide the main raw material to our industry and a wonderful earner of foreign exchange to the country, cries out for all the encouragement that Government can give it. This, indeed, applies to edible oilseeds in general; and the cost of underestimating their importance to the economy could be disastrously high."

That there is considerable force in the aforesaid quotation cannot be denied. If the cost of living in India is to be kept stable, it is very essential to ensure an adequate supply of vegetable oils and fats, as they account for a sizable portion of the grocery bill of every household in this country, much more so in the case of the middle and lower income groups.

WHEAT CONFERENCE AT GENEVA

India is participating in the International Wheat Conference which has been in session at Geneva since the 20th inst. The Indian Delegation is headed by Mr. P. N. Thapar, Secretary of the Union Ministry of Food and Agriculture. Its other members are Mr. C. S. Ramakrishna, Director-General of Food, Government of India, Mr. S. K. Basu, Food Liaison Officer, High Commission of India, in London, and Mr. H. N. Vissanji of Wallace Flour Mills, Bombay.

The current Wheat Agreement signed in 1953 is due to expire towards the end of July next. The U.N.O. had convened a wheat conference in Geneva in October-November last year to consider renewal or replacement of the existing Wheat Agreement. That session discussed the various international measures designed to meet the special difficulties that existed or might arise in future, concerning wheat, and made certain recommendations for consideration by individual Governments. It took the existing Agreement as the basis for the negotiation of a new Agreement. All these questions are once again being discussed in the present session, so that a new Agreement can be drawn up with all important wheat exporting/importing countries in the world as members. The current session is expected to last for five weeks.

India is likely to import, according to official circles, substantial quantities of wheat from abroad during the next few years. Consequently, the Government has decided to take part in the deliberations of the Conference. The U.K., the world's largest importer of wheat, abstained from being a party to the current Wheat Agreement, as it felt that the maximum price of wheat ($2.05 per bushel) fixed was higher than what it should be.

ROPE INDUSTRY IN INDIA

The needs of defence, shipping and fishing provide a large scope for expansion of rope industry in India. The development of shipping, as envisaged in the second Five-year Plan, alone should offer a good opportunity for rope manufacturers to utilise their idle capacity to the utmost. Unfortunately, this is an industry about which very little authentic information is available. Some idea of the existence of idle capacity was, however, provided by Mr. K. N. Mukherjee, President of the Indian Rope Manufacturers' Association, Calcutta, in his address at the sixth annual meeting of this body held a few days ago. According to him, the existing capacity of the industry for sisal and manila rope production is around 5,000 tons, which, along with production of other ropes, may easily be 7,000 tons per annum on a single-shift basis, or over 20,000 tons on a three-shift basis. During the war, the industry produced about 10,000 tons yearly on a multiple-shift basis and fed the Eastern armies of the allied forces. This manufacturing capacity has since expanded further by the installation of new and small units. Mr. Mukherjee is, therefore, of the opinion that the expansion of the industry by further units should not be encouraged till the current output is fully absorbed by local demand for ropes. He seems to have no doubt at all that the expansion of shipping during the next five years would result in some increase in demand for ropes. But it is stated that some Indian shipping companies are getting their requirements of ropes from ports outside India, as these ropes are slightly cheaper than the Indian ropes. Besides, some companies are in the habit of importing them in large quantities and keeping them in bond, so that they may use them later whenever they want. These two practices, according to Mr. Mukherjee, would appear to have adversely affected the sales of Indian ropes.

Among others, two factors seem to be responsible for the high cost of production of Indian ropes, especially manila and sisal ropes. First, the industry is entirely dependent on foreign sources for its principal raw materials, namely, manila and sisal fibres. Secondly, although sisal prices in 1955, as compared with those in 1954, were not very unfavourable to the industry, their prices advanced substantially in the latter part of last year. Prices of manila fibre were relatively steady early in 1955 but towards the close registered an upward trend. The high price of the raw materials has affected its cost of production. The rope industry, therefore, is keen on reducing its dependence on foreign fibres, by augmenting indigenous supplies of fibre. In this context, Mr. Mukherjee says: "While manila fibre cannot be substituted, in many cases, chiefly due to its inherent superiority in breaking strength, sisal can be substituted and has been substituted to a great extent. It is wide to do so, as it results in considerable conservation of foreign exchange. The import of sisal fibre by the industry as compared with the previous years has declined. This decline in import was made possible by resorting to the use of aloe fibre grown chiefly in the Western Districts of Ahmednagar and the South Indian tract of Cochin." Unfortunately, as pointed out by Mr. Mukherjee, this fibre is not systematically cultivated, collected, graded or even purchased. In the result, the supplies are not only inadequate but the extractable growth of this fibre is also fast getting depleted. With a view to overcoming this drawback, Mr. Mukherjee has suggested that the cultivation of this fibre should be encouraged through co-operatives by supplying the cultivators information regarding right methods of cultivation and right kinds of seeds. He has also suggested for consideration the question of evolving a scheme for large-scale cultivation of sisal itself.

The Indian manufacturers of ropes are stated to be seriously handicapped by the sea freight paid for imported fibre. Although the distance between Manila and India by sea is far less than the distance between Manila and the U.S. and the U.K. seaports, the Indian industry pays £3 more per ton as freight than that paid by the industry in the U.K. or the U.S. This has reduced the ability of the Indian rope industry to compete in world markets.

Another handicap of the rope industry is the high freight rate payable on both manufactured ropes and the fibre consumed by the industry. On the ground that the classification of fibre is higher than that of the manufactured product, the railways have, it is stated, placed ropes in class VIII. Most of the traffic in fibre, however, has special station-to-station rates almost in the vicinity of class III. The high classification of ropes, it is stated, results in a heavy incidence of freight on the user. The industry has put forward for sympathetic consideration its case before the Railway Freight Structure Enquiry Committee.

The rope industry wants adequate facilities for importing rope fibres freely, since India has been a net importer of these fibres. It has suggested the need for renewing O.G.L. for import of sisal and manila in advance of the expiry of the relevant licensing periods and for making the licences valid for one year at a time, so that the difficulties of opening letters of credit or keeping them alive could be avoided.

LABOUR CONDITIONS IN CIGARETTE INDUSTRY

Of the 11,588 workers employed in 14 out of 19 cigarette factories in India, as many as 99.4 per cent. were time-rated, according to a survey conducted by the Labour Bureau, Government of India. A large number of them, namely, 95.3 per cent., were permanent. The total employment in these factories decreased from 12,300 in 1952 to 11,747 in 1953 and to 11,445 in 1954 but increased to 11,588 in 1955. Labour turnover was negligible during the years 1952 to 1954. Not only was the bulk of labourers permanent, but the labour force in the industry was more or less static.

The lowest basic wage for unskilled workers as on 1st May 1955 was Rs. 22-5 and Rs. 18 per month for males and females respectively in one unit in Hyderabad; while the maximum wage of Rs. 40 per month existed in one unit in Bombay.

With the exception of one unit in Bombay, all the units paid dearness allowance to their employees. It varied from Rs. 3 and Rs. 2 per month for male and female workers, respectively, in one unit in Hyderabad to Rs. 66-9 per month in one unit in Bombay.

In May 1955, an amount of Rs. 6,16,353-12 was paid as basic wages, dearness allowance, etc., for a total of 137,199 man-days worked in selected occupations (viz., machine operators, machine feeders, etc.) in all the units except one in West Bengal. The average earnings per day per worker, therefore, amounted to Rs. 4-7-11.

All the factories except one each in Bombay and Hyderabad and two in West Bengal pay annual bonus to their workers. The factories belonging to the Tobacco Manufacturers (India) Ltd., and Vazir Sultan Company in Hyderabad pay one-twelfth basic wages of the workers as annual bonus and one-sixth of the basic wage as gift every year. They also give a cigarette allowance or free cigarettes and free uniforms to their workers.

The hours of work are generally 48 per week. The period of rest interval is one hour. Seven units, i.e., two in Bombay and one each in Bihar, Uttar Pradesh, West Bengal, Hyderabad and Mysore work a late shift which extends up to midnight. All the units grant weekly holidays and, in addition, workers also enjoy certain leave privileges.

Only two units, one each in Bombay and West Bengal, have provided housing facilities to their workers. With the exception of one unit each in Bombay and Hyderabad, all units have provident fund schemes. About 10,943 out of a total of 11,514 workers employed in these units are members of these funds. Except for two units each in Bombay and Hyderabad and one in West Bengal, the remaining units have gratuity schemes. Only nine units, one each in Bihar, Uttar Pradesh, Hyderabad and Mysore, two in West Bengal and three in Bombay incurred expenses on welfare amenities, the amounts spent by them during the years 1952, 1953 and 1954 being Rs. 21,90,695-9, Rs. 21,19,870 and Rs. 17,57,819-11, respectively.

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FUTURES IN COCONUT OIL

The Government of India has decided to accord recognition to the Alleppey Oil Millers and Merchants Association, Alleppey, to conduct forward trading in coconut oil. The recognition will become effective as soon as the Association has completed the modifications in its articles of association, trading by-laws and working procedures to the satisfaction of the Forward Markets Commission.

The above decision has been taken in pursuance of the recommendations of the Forward Markets Commission which submitted its report after examining the question of permitting futures trading in coconut oil and considering applications for recognition from the various associations concerned with the establishment of futures market in coconut oil. In its report the Commission recommended that section 15 of the Forward Contracts (Regulation) Act should now be applied to coconut oil in the State of Travancore-Cochin, that a futures market should be established immediately at Alleppey and that the Association mentioned above should be recognised for a period of three years. The Government, it may be noted, had banned, on 28th January 1955, transferable specific delivery contracts for purchase or sale of coconut oil in the country, except in the State of Travancore-Cochin, under section 17 of the Forward Contracts (Regulation) Act, 1952. Now under section 15 of the Act, futures market operations have been permitted.

BRITISH EXPORTS

The value of Britain's exports in January this year was £258,000,000. This was one per cent. less than the monthly average for the fourth quarter of 1955, but 6½ per cent. above the average for 1955 as a whole. Imports amounted to £346,300,000, 3½ per cent. more than the average for the fourth quarter of 1955, and seven per cent. above the average for 1955 as a whole.

Re-exports increased sharply to £14,200,000, £4,300,000 more than the monthly rate in 1955.

The excess of imports (valued c.i.f.) over exports and re-exports (valued f.o.b.) was £74,200,000 in January, £12,100,000 more than the average for the fourth quarter, and just over £2,000,000 more than the monthly average for 1955.

U.K. exports to North America in January were valued at £26,100,000, 15½ per cent. less than the monthly average in the fourth quarter of 1955.

Exports to the U.S.A. amounted to £16,000,000, 11 per cent. below the monthly average for the last quarter of 1955, but five per cent. above the monthly rate for the whole of 1955. Exports to Canada, which are usually seasonally low at this time, amounted to £10,100,000.

An Indo-Swedish Combine is shortly to put up an up-to-date factory for the manufacture of typewriting machines in Madras. This concern proposes to produce about 2,000 to 3,000 units a year for the present. Later on, the factory would be expanded to produce 6,000 units per annum. Prior to the manufacture, the concern will start "assembling" the machines; a Swedish technician is expected to arrive at Madras shortly for this purpose. Some Indian personnel are already undergoing training in Sweden and three more qualified engineers will be sent for training shortly. The factory is to be located at Guindy, a suburb of Madras City.

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MIDDLE CLASS IN BOMBAY CITY

RESULTS OF SURVEY OF ECONOMIC CONDITIONS

COMMENTING on the report on middle class economic survey conducted by the Gujarat Chamber of Commerce in Ahmedabad City, we observed in these columns three weeks ago that there was an urgent need for improving the conditions of this class. This need is all the greater in an urban centre like Bombay City, where, thanks to high living costs, this class is subjected to relatively greater hardship. A perusal of the report on the survey of economic conditions of middle class families—middle class here covers persons paying house rent ranging from Rs. 16 to Rs. 75 per month—carried out by the Bombay Branch of the Indian Statistical Institute sometime ago brings out clearly the difficulties of middle class families in the City. Out of the 1,024 middle class households (with an average of 5.62 persons each) investigated in the survey, as many as 970 families (94.7 per cent. of the total) live beyond their means, the extent of their deficit ranging from 13.6 per cent. for the Rs. 75-Rs. 99 expenditure level group to 4.6 per cent. for the Rs. 100-Rs. 149 group. Only 54 households—that is, Rs. 150 and above expenditure level group—are in a position to save something; even here, the average level of saving is not more than 1 per cent.

The average monthly expenditure per household comes to Rs. 326, as against receipts (including money value of concessions) amounting to Rs. 303. The deficit thus averages Rs. 23. In addition to this deficit, there are payments for old debts (Rs. 7) and provident fund and insurance premium (Rs. 22). In other words, the average middle class household has to meet an expenditure of Rs. 355 or 17 per cent. over and above its monthly income of Rs. 303. The average deficit is highest—26.2 per cent.—for persons employed in commercial firms and least—17.6 per cent.—for Government employees. The percentage deficit for persons employed in railways and other institutions is 19.1 and 21.2, respectively. Even assuming that the middle class households meet the additional outlay from past savings or from undisclosed sources of current income, it is clear that a large majority of this class must be leading a hand-to-mouth existence. It is also likely that they are getting into debt. The average outstanding indebtedness per household is estimated at Rs. 367.

Details of Expenditure

The total average monthly expenditure of a middle class household, including expenses on current consumption items but excluding remittances for supporting dependents, is Rs. 319. The bulk of this expenditure is accounted for by food, followed by rent and electricity, clothing and footwear, and fuel. The following table gives the major items of expenditure and the percentage share of each in the total:

	Amount actually spent	*Percentage share*
	Rs.	
Food	153.88	48.1
Rent and electricity ...	26.77	8.4
Clothing and footwear ...	18.63	5.8
Fuel	14.35	4.5
Services	20.36	6.4
Conveyance	8.74	2.7
Amusements and recreation	3.08	1.0
Cigarettes, tobacco, etc.	4.86	1.5
Educational	9.57	3.0
Medical	10.37	3.3
Religious ceremonies ...	13.63	4.3
Travel	8.58	2.7
Other items	26.60	8.3
Total ...	319.42	100.00

There is, according to the Bombay enquiry, considerable variation in all the aforesaid items of expenditure, except fuel, among the different expenditure level groups. The expenditure per house on food items in the highest group is nearly twice that in the lowest group, although the average number of consumption units in the latter is higher at 5.3, as against 3.3 in the former. Similarly, the average expenditure per household on rent and electricity in the highest group is nearly twice that in the lowest group and the expenditure on clothing, footwear, etc., is four times greater.

The average monthly income of a middle class household is, as already stated, Rs. 303. The income from main occupations is the chief source, contributing about 92 per cent. of the total income of the head of the household. Subsidiary occupations yield only 2.8 per cent. and the money value of concessions account for less than 1 per cent. The balance is made up of income from property (1.7 per cent.), income from investments (0.2 per cent.) and income from "other" sources (2.8 per cent.). The principal occupation is the mainstay for most of the households and only at higher income levels, income from property and some subsidiary occupations give a little additional remuneration. Further, persons in Government service appear to rely entirely on their main source, whereas persons in "other" institutions have to supplement their main income by some other means. The popular belief that members of a large number of middle class households depend, to a sizable extent, on supplementary earnings does not appear to be true, though it may be true in particular cases.

Extent of Unemployment

About 6.7 per cent. of all adult males in the households is unemployed and the average number of persons (adults as well as children) dependent on the head of an average middle class household is about 3.6. Nearly 67 per cent. of the households lives in chawl-type tenements and the rest in self-contained flats or houses. Each middle class residential tenement has, on an average, less than two living rooms of 243 sq. ft. each. The average living area available per resident is thus only about 43 sq. ft. Only 45 per cent. of the tenements possesses separate kitchens and less than 40 per cent. has bathrooms exclusively for the use of residents of the tenement. In about 65 per cent. of the tenements, no arrangements exist inside for washing clothes or cleaning utensils. Regular repairs are carried out only in about 38 per cent. of the tenements and whitewashing is done regularly in not more than 9 per cent. of the tenements. The majority of tenements cannot boast of any extra amenities such as a compound, a garden, or a common room.

World rice (rough) production in the 1955-56 crop year (August to July) is forecast by the U.S. Department of Agriculture at 270,000 million lbs. This represents an increase of 3 per cent. over the 261,300 million lbs. produced in the preceding year and is 2.5 per cent. below the record harvest of 276,000 million lbs. in 1953-54. The increase in production is attributed to higher yields per acre in some areas and some extension of acreages. World rice acreage is reported at 199 million acres, as compared with 196 million acres a year before and 202 million acres two years before. The largest crop increases are in Asia, where 88 per cent. of the world's rice output is expected to be harvested. Particularly good yields are reported in Japan and Thailand, and the rice crops of Burma, Pakistan and the Philippines exceed those of the last crop year.

A Bill which seeks to wipe out any restrictive trade practices that may be breaking the nation's drive for economic recovery has been published by the British Government. The two main objects of the Bill are (1) to end the practice whereby manufacturing interests, through collective action, can enforce resale price conditions on their products and (2) to set up an official register of existing restrictive trading agreements—open to public inspection except where this would betray legitimate trade secrets. The restrictive agreements to which the Bill applies include recommendations by trade associations to their members and also agreements not explicitly restrictive which give benefits to people who comply with certain conditions. Restrictions applying exclusively to exports or overseas trade which does not involve imports into Britain or which relates to employment, wages, hours and conditions of work are not, however, affected by the Bill.

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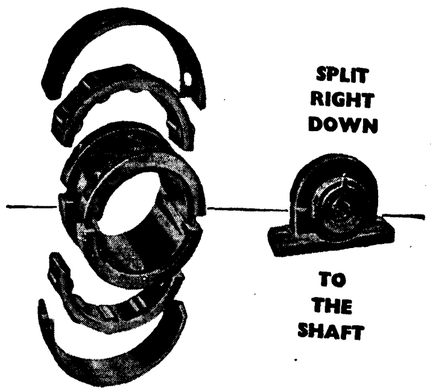

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Notices

THE NEW UNION MILLS, LIMITED

NOTICE

THE NINETEENTH ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office, Mafatlal House, Back Bay Reclamation, Bombay, on Wednesday the 28th March 1956 at 4-00 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1955.
2. To declare a Dividend.
3. To elect a Director in place of Shri Maneksha N. Pochkhanawalla who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Shri Kaushikprasad Chandulal who retires by rotation and is eligible for re-election.
5. To appoint Auditors for the current year and fix their remuneration.
6. To transact any other business the Chairman may bring before the Meeting.

The Transfer Books of the Company will be closed from Monday the 27th February 1956 to Tuesday the 20th March 1956, both days inclusive.

By Order of the Board of Directors,
MAFATLAL CHANDULAL & Co. (BOMBAY), LTD.,
ARVIND N. MAFATLAL,
Director,
Managing Agents.

MAFATLAL HOUSE,
BACK BAY RECLAMATION,
BOMBAY, 15*th February* 1956.

N.B.—Dividend, as recommended by the Directors, when sanctioned at the General Meeting will be paid from 2nd April 1956 to 31st July 1956 at the United Commercial Bank Ltd., Churchgate Reclamation Branch, Bombay, during business hours and thereafter at the Registered Office of the Company during office hours excepting Saturdays to those Shareholders whose names are on the Company's Register on 20th March 1956.

Shareholders are requested to intimate immediately any change in their registered address to the Company.

THE KOHINOOR MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE SIXTY-FIRST ORDINARY GENERAL MEETING of the Shareholders of THE KOHINOOR MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Home Street, Fort, Bombay, on Monday, the 19th March 1956, at 4-30 p.m., to transact the following business:—

ORDINARY BUSINESS

1. To adopt the Directors' Report and the Audited Statement of Accounts made up to 31st December 1955.
2. To declare a Dividend.
3. To elect Directors in the place of those who retire by rotation under Article 107 of the Company's Articles of Association but are eligible for re-election.
4. To elect a Director who retains Office until the General Meeting under Article 98 of the Company's Articles of Association but is eligible for re-election.
5. To appoint an Auditor or Auditors for the current year and to fix his or their remuneration.

SPECIAL BUSINESS

1. To confirm the agreements with the Company's Cloth and Yarn Selling Agents.

The Transfer Books of the Company will be closed from the 20th February to 19th March 1956, both days inclusive.

By Order of the Board,
For THE KOHINOOR MILLS COMPANY, LIMITED,
KILLICK INDUSTRIES LIMITED,
E. D. SHEPPARD,
Managing Director,
Agents.

BOMBAY, 16*th February* 1956.

THE SASSOON SPINNING AND WEAVING COMPANY, LIMITED

NOTICE

THE EIGHTY-THIRD ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office, Mafatlal House, Back Bay Reclamation, Bombay, on Wednesday the 28th March 1956 at 5-00 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1955.
2. To declare a Dividend.
3. To elect a Director in place of Shri Maneksha N. Pochkhanawalla who retires by rotation and is eligible for re-election.
4. To elect a Director in place of Shri Kaushikprasad Chandulal who retires by rotation and is eligible for re-election.
5. To elect a Director in place of Shri Hemant B. Mafatlal who holds office till the Ordinary General Meeting and is eligible for re-election under the Articles of Association of the Company.
6. To appoint Auditors for the current year and fix their remuneration.
7. To transact any other business the Chairman may bring before the Meeting.

Transfer Books of the Company will be closed from Monday the 27th February 1956 to Tuesday the 20th March 1956, both days inclusive.

By Order of the Board of Directors,
M. G. INVESTMENT CORPORATION LTD.,
ARVIND N. MAFATLAL,
Director,
Managing Agents.

MAFATLAL HOUSE,
BACK BAY RECLAMATION,
BOMBAY, 16*th February* 1956.

N.B.—Dividend, as recommended by the Directors, when sanctioned at the General Meeting will be paid from 2nd April 1956 to 31st July 1956 at the United Commercial Bank Ltd., Churchgate Reclamation Branch, Bombay, during business hours and thereafter at the Registered Office of the Company during office hours excepting Saturdays to those Shareholders whose names are on the Company's Register on 20th March 1956.

Shareholders are requested to intimate immediately any change in their registered address to the Company.

THE TATA MILLS LIMITED

NOTICE

THE TRANSFER BOOKS OF THE TATA Mills Limited will be closed from Monday the 12th March to Monday the 9th April 1956, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 17*th February* 1956.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE TRANSFER BOOKS OF THE SVADESHI Mills Co., Ltd. will be closed from Monday the 12th March to Monday the 9th April 1956, both days inclusive.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 17*th February* 1956.

THE RAYALASEEMA MILLS LIMITED
ADONI

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE TENTH ORDINARY GENERAL MEETING of the Shareholders of the Company will be held at the Registered Office of the Company, Rayanagar, Adoni-Thungabhadra Road, Adoni P.O., on the Eighteenth Day of March 1956, at 2.00 p.m. (S.T.), to transact the following business:—

1. To receive, consider and adopt the Directors' Report and the Audited Statements of Account for the year ended 31st December 1955.
2. To sanction the payment of Dividend.
3. To elect four Directors in the place of Sri Molagavalli Lakshmikantha Reddy, Sri C. B. Raghava Reddy, Sri H. Sitarama Reddy, and Janab Bharpet Md. Haniff Saheb, who retire by rotation but being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and fix their remuneration. Messrs. Brahmayya & Co., the retiring Auditors, offer themselves for reappointment.

Notice is also given that the Transfer Books of the Company will be closed from 12th March to 26th March 1956, both days inclusive.

By Order of the Board of Directors,
For THE RAYALASEEMA DEVELOPMENT COMPANY,
M. SOMAPPA,
Senior Partner.
Managing Agents.

ADONI, 28*th January* 1956.

Note.—The Dividends if sanctioned at the General Meeting will be paid by Warrants to all those shareholders whose names stand on the Register of the Company on the 26th March 1956.

SUGAR

(*Concluded from page* 344)

part of the Srivastava formula in India. The formula is comparatively simple, although it calls for determination of fibre per cent. cane, in addition to brix and sucrose-content. Juice samples are analysed and fibre determined by a Government check chemist for every 30 tons of cane crushed. The sugar extractable from the cane supplied is then calculated, applying the C.C.S. formula. The standard for payment each week is the average cane quality in that week. The average cane price is worked out for the whole season and the cane supplier receives payment either at this price rate each week or at a proportionately higher or lower rate according as the quality of his cane is superior or inferior to the average quality for that week. Another special feature of the Queensland system is that the supplier is paid at a fixed and presumed efficiency rate of sugar extraction, whatever may be the actual rate of extraction by the factory. This gives the factory the benefit of its own improvements in the processing of sugar.

The foregoing account will reveal that the system of payment for sugarcane varies from country to country, but the general principle adopted is that the sugarcane grower gets for his product a certain proportion, varying from 50 to 70 per cent. of the price of sugar that is manufactured from the same. The payment for cane on quality basis has been rendered feasible in these countries by the fact that sugarcane is grown either by the factories themselves or by private cultivators on large estates. The estates sell their cane to a factory on agreement. The basis for the determination of the sucrose content of the cane for making payment is the pol per cent. first expressed juice with a correction factor computed from the data relating to the previous crop. The question now arises as to which system will suit India, where, with some exceptions, sugarcane cultivation is carried on by thousands of agriculturists on small plots of lands scattered all over the country. This issue will be discussed in these columns next week.

INDIA SUGARS AND REFINERIES MAINTAIN PROGRESS

PRODUCTIVE CAPACITY TO BE DOUBLED

A SHARP rise in the quantity of sugarcane crushed, an equally impressive expansion in the output of sugar to a record level, and a modest increase in earnings are the outstanding features of the results of the India Sugars and Refineries Ltd. (*Managing Agents:* The India Sugar Agencies Ltd., Madras) for the year ended 30th September 1955. The gross profit for the year under review has been marked up to Rs. 13.21 lakhs from Rs. 12.17 lakhs, to which level it had risen from Rs. 10.42 lakhs earned in 1952 53. Thus, the rise in profit has been maintained for the second year in succession. The net profit which had gone up from Rs. 1.95 lakhs to Rs. 5.18 lakhs in the previous year, has staged a further, albeit small, rise to Rs. 5.39 lakhs in the year under review.

A dividend of 14 per cent. has been recommended by the Directors for the year under review, as against 17½ per cent. distributed for 1953-54; but the latest dividend is on an increased capital. It may be recalled that the dividend of 17½ per cent. paid for the previous year was itself on a higher capital of Rs. 28.71 lakhs raised by the issue of bonus shares of the value of Rs. 12.71 lakhs, out of a sum of Rs. 16 lakhs capitalised from out of the general reserve. The latest dividend is on a still higher capital of Rs. 31.48 lakhs raised by a further issue of shares of the value of Rs. 2.80 lakhs, out of the bonus shares suspense amounting to Rs. 3.29 lakhs, so that the quantum of distribution is much higher than that paid in either of the two preceding years. It also represents over 27.5 per cent. on the old capital before the capitalisation of reserves.

Record Sugar Output

The Company's factory crushed 127,609 tons of sugarcane during the year under review and produced 13,067 tons of sugar, as compared with 97.155 tons of cane crushed, producing 9,985 tons of sugar. Though the quantity of cane crushed by the factory has gone up substantially in the past two years, it still falls short of the record crushing of 1951-52. The output of sugar is, however, a record and exceeds the previous best of 12,502 tons by 565 tons. The Company has made a provision for the payment of Rs. 2 lakhs as bonus to sugarcane growers under the S.I.S.M.A. formula. The Government of India has not revised its bonus-payment formulæ for sugarcane purchases; however, the Company is committed to paying a bonus of about Rs. 2 lakhs for the past season to its sugarcane suppliers, if the Government of Mysore adopts the S.I.S.M.A. formula in its factory at Mandya. Accordingly, a provision for this liability has been made.

The Company's progress during the past three years is reflected in the following comparative table:

(In lakhs of rupees)

	For the year ended 30th September			
	1955	1954	1953	1952
Sales and closing stock ..	117 54	90 24	107 28	133 66
Other income	2 81	4 82	2 67	1 71
Expenses	107 14	82 89	99 53	115 20
Gross profit	13 21	12 17	10 42	20 17
Managing Agents' remuneration	1 36	1 11	0 72	1 96
Depreciation	0 46	0 38	4 00	1 37
Provision for taxation and contingencies	6 00	5 50	3 75	7 50
Net profit	5 39	5 18	1 95	9 34
To reserves	..	..	..	6 00
Dividends—				
7½ per cent. preference ..	0 09	0 09	0 09	0 09
Ordinary	4 41 (14%)	3 11 (17½%)	3 25 (25%)	3 25 (25%)
Carry forward	5 22	4 30	2 32	3 71
Cane crushed (in tons) ..	127,609	97,155	89,660	132,634
Sugar produced (in tons) ..	13 067	9,985	9,425	12,502

The paid-up capital was increased during the year under review from Rs. 29.01 lakhs to Rs. 32.71 lakhs, as stated above, by the issue of 27,971 ordinary shares of Rs. 10 each as bonus shares. There are still 4,968 ordinary shares, out of the 160,000 bonus shares, to be issued. The present paid-up capital is thus made up of 327 068 ordinary shares of Rs. 10 each and 1 229 (7½ per cent.) cumulative preference shares of Rs. 100 each. Besides this paid-up capital, there is a sum of Rs. 2.91 lakhs standing to the credit of preference share application money received in respect of preference issue made in September last (a reference to which is made below). The reserves and surplus aggregate Rs. 19.22 lakhs and provision for taxation and contingencies amount to Rs. 31.19 lakhs. The current liabilities aggregate Rs. 39.13 lakhs. The gross block of the value of Rs. 30.53 lakhs has been written down to Rs. 11.84 lakhs. The current assets, at Rs. 99.83 lakhs, exceed the current liabilities and provision for taxation and contingencies by a margin of Rs. 43 51 lakhs.

The Company has decided to increase its crushing capacity from 700 tons to 1,000 tons per day by putting up an additional plant. The necessary permission has been obtained from the Union Ministry of Commerce and Industry. While implementing this scheme, the Directors also wish to replace and rehabilitate partly the existing plant, so that the Company can have, when the expansion is complete, a modern and efficient factory to crush 1,000 tons per day and capable of crushing 1,500 tons per day with some minor additions. The additional plant is expected to commence operations by the beginning of December 1956.

Financing the Scheme

The total cost of the scheme is estimated at Rs. 58 lakhs, including an additional working capital of Rs. 10 lakhs. More than half of this expenditure will be on imported plant. Part of this capital expenditure is proposed to be met from the Company's internal resources and the working capital is expected to be met by way of borrowings from banks. As regards the balance, the Company had already issued 4,771 preference shares (7½ per cent. taxable cumulative) of Rs. 100 each at par to the holders, as on 15th September 1955 in the ratio of one preference share for every Rs. 700 worth of preference and ordinary shares held. An application has been made to the Controller of Capital Issues for permission to issue 320,000 ordinary shares of Rs. 10 each at a premium of As. 8 per share to the existing shareholders as on 12th March 1956 in the ratio of one new share for every old share. A sum of Rs. 5-8 per share is payable on application, including the premium of As. 8, and the balance of Rs. 5 per share will be called later on either in one lump sum or in instalments. The new ordinary shares will rank for dividend as from 1st July 1956 in the proportion to the capital for the time being paid-up thereon.

The Company has also a stake in the Salar Jung Sugar Mills Ltd. This Company has also been permitted to expand its crushing capacity to 600 tons per day. The Directors hope that the expansion programme of the Salar Jung Mills will synchronise with that of the India Sugar and that, by this time next year, both the units will be in economic production and gainful working, so that about 275,000 bags of sugar will be available every year in this region.

Outlook

Referring to the outlook for the Company, the Directors observe, in the course of their circular to the shareholders regarding the proposed issue of capital, as follows:

"Your Directors need not point out that the profits we shall make with our expanded capacity largely depend on sugar marketing and sugarcane-buying conditions existing from time to time. You also know that these conditions are largely influenced by State policy. We have every reason to hope that, with their interest in increased production of sugar, both State and Central Governments will *foster reasonably favourable conditions.*"

The Company has been manufacturing sugar in Hospet from 1935 onwards. Since then, it has produced 134 844 tons of sugar and paid income-tax amounting to over Rs. 55 lakhs, in addition to other taxes aggregating Rs. 1.16 crores. The cane growers have received Rs. 4.79 crores as purchase price for cane supplied and shareholders Rs. 30 lakhs by way of tax-free dividends. An idea of the improvement brought about by the Company in the conditions for sugarcane farming in the area where the Company's factory is situated can be had from the following table:

	1953-54	1945-46
Yield of cane per acre (in tons)	30 to 35	18
Yield of sugar (tons per acre)	3.3	1.6
Sugar recovery (per cent.) ...	10.3	9
	Rs.	Rs.
Price paid for cane per ton ...	42	26
Gross return per acre to the cultivator	1,400	470

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 21-2 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 7.1 per cent. per annum, free of income-tax.

THIRUMBADI RUBBER'S PROFIT IMPROVES

FRESH CAPITAL TO BE RAISED

THE earnings of the Thirumbadi Rubber Company, Ltd. (Agents and Secretaries: Messrs. Peirce Leslie & Co., Ltd., Kozhikode, Malabar), for the year ended 30th September 1955, disclose a moderate improvement over those for the previous year. The gross profit, for instance, has gone up from Rs. 1.58 lakhs to Rs. 1.84 lakhs. This increase in profit is in refreshing contrast to the shrinkage noted in the previous year and has served to restore the upward trend in the Company's earnings noted since 1947-48. Also, the profit for the year under review has very nearly come up to the record level of Rs. 1.88 lakhs touched in 1952-53 and is the second highest in the history of the Company. The net profit, which had declined from Rs. 1.71 lakhs to Rs. 0.93 lakh in the previous year, has recovered to Rs. 1.08 lakhs in the year under review.

The allocation to the general reserve has been maintained at Rs. 25 000, to which level it had been reduced last year from Rs. 1 lakh. The cut in dividend from 30 per cent. paid for 1952-53 to 10 per cent. for 1953-54 on the increased capital doubled by the capitalisation of part of the reserves (which is equivalent to 20 per cent. on the old capital) has been partially restored with the proposed distribution of 12½ per cent. for the year under review or 25 per cent. on the old capital—the same as that paid for 1951-52.

The chief factors which have contributed to the improvement in profit to a near-record level are: (1) the increase in the rubber crop harvested, (2) the small decline in the cost of production and (3) the increase in the controlled selling prices granted during the year. The Company's crop of rubber harvested amounted to 323,000 lbs., an increase of 8 000 lbs. over that for the previous season. Though this increase has partially restored the fall in crop for 1953-54 from 328,260 lbs. to 315,000 lbs., the crop still falls short of not only the original estimate for the season of 335 000 lbs. but also the actual crop harvested in 1952-53 or 1951-52. The shortfall in crop is attributed to influence of weather. The cost of production has, however, shown a small but welcome decline from As. 12 81 per lb. to As. 12 66 per lb., thus reversing slightly the upward trend in costs noted since 1949-50. Nevertheless, the cost of production for the year under review is very much higher than that for any of the years preceding 1953-54. The average price realised has gone up from As. 20.73 per lb. to As. 22.02 per lb., thanks to the increases in statutory price of rubber, once in February 1955 from Rs. 138 to Rs. 150 per 100 lbs. (for Group I rubber f.o.b. Cochin) and again in September 1955, to Rs. 155-12 per 100 lbs.

The following comparative table brings out the progress of the Company during the past three years:

	For the year ended 30th September			
	1955	1954	1953	1952
	Rs.	Rs.	Rs.	Rs.
Sale proceeds of rubber	3,64,037	3,54,647	3,62,778	3,06,121
Stocks	85,203	59,126	62,007	97,641
Other income	8,650	7,451	5,183	4,219
Estate expenditure ..	2,58,573	2,52,205	2,81,037	2,24,200
Other expenses	13,055	11,345	12,205	12,690
Loss on sale of Government securities	326	..	31	10,000
Gross profit	1,88,936	1,57,718	1,87,588	1,57,425
Agents' and Secretaries' commission	4,498	4,773	4,609	8,953
Depreciation	14,200	11,116	11,046	8,167
Taxation	56,800	48,071	1,279	..
Net profit	1,08,369	93,157	1,70,706	1,45,805
To reserves	25,000	25,000	1,00,000	75,000
Dividend	76,275	61,020	61,530	76,275
	(12½%)	(10%)†	(30%)	(25%)
Carry forward	24,920	17,826	10,686	31,810
Crop harvested (in lbs.) ..	323,000	315,000	328,260	325,000
	As.	As.	As.	As.
Cost of production per lb. ..	12 66	12 81	11 26	11 04
Average sale price per lb. ..	22 02	20.73	20 58	19.63

† On the higher capital of Rs. 6,10,200, doubled during the year by the capitalisation of Rs. 3,05,100.

The crop for the current season is estimated at 335,000 lbs. to be produced at a cost of As. 12.69 per lb. f.o.b.

The Company's balance-sheet as on 30th September 1955 shows that the authorised capital of the Company stands raised from Rs. 6.10 lakhs to Rs. 9.15 lakhs. In August 1955, the authorised capital was increased by the creation of 305,100 new ordinary shares of Re. 1 each. The new shares have not yet been issued to the shareholders, as the sanction of the Controller of Capital Issues has not been received yet. The new issue is for the purpose of financing the purchase of a new estate. The paid-up capital is unchanged at Rs 6.10 lakhs, after it had been doubled by the capitalisation of Rs. 3.05 lakhs in June 1954. With the addition of Rs. 25,000 from the profit for the year under review, the reserves and surplus stand at Rs. 3.25 lakhs, besides which there is a taxation reserve amounting to Rs. 1.04 lakhs, including a provision of Rs. 1.01 lakhs to cover the liability under the Madras Agricultural Income-tax Act for the seasons 1953-54 and 1954-55. The current liabilities aggregate no more than Rs. 1.15 lakhs. The gross block of the value of Rs. 8.97 lakhs, including cost of development amounting to Rs. 5.80 lakhs, has been written down to Rs. 8.31 lakhs. During the year, the Company spent Rs. 64,403 on the upkeep of immature areas and on opening and planting of 1955 new clearing of 50 acres. The current assets amount to Rs. 3.23 lakhs and more than adequately cover the current liabilities and provision for taxation.

The Company has decided to purchase the Calicut Estate, consisting of 1,023 acres of mature rubber of a total extent of 1,455 acres, from the Kerala Calicut Estates Ltd. The purchase of this estate is to be financed out of the proposed issue of ordinary shares (referred to above) and a debenture issue of Rs. 5 lakhs. As soon as the sanction of the Controller of Capital Issues is obtained, arrangements will be made for the issue of the new ordinary shares and debentures. The new ordinary shares will be issued at par to the stockholders as on 16th August 1955, in the ratio of one new ordinary share of Re. 1 for every Rs. 2 in the nominal value of stocks held. The debentures will carry interest at 7½ per cent. per annum taxable. They are redeemable after five years from the date of issue at Rs. 50,000 per annum.

The ordinary stocks of the Company in units of Re. 1 each are being currently quoted at Rs. 2-4 *cum-div.* On an *ex-div.* basis, the proposed dividend gives a yield of 6 per cent. per annum.

APPOINTMENT OF MANAGING AGENTS OF COMPANIES

On applications received by the Central Government under sections 86J, 87B(C) and 87CC of the Indian Companies Act, 1913, many companies have been informed by the Government that their proposals for appointment or reappointment of managing directors or managing agents or transfer of office of the managing agents will be favourably considered by the Government, if they accept the modifications suggested by the Government in regard to the tenure, remuneration and powers of managing directors or managing agents concerned.

Since the Companies Act, 1956, is expected to be brought into force with effect from 1st April 1956, all companies, which have been so informed, will have to apply *afresh* to the Government under the provisions of the new Act, if they do not get the final approval of the Government to their proposals before 31st 1956. This fact is being brought to the notice of the companies concerned, so that, if they desire their applications to be finally disposed of under the provisions of the present Act, they may intimate to the Government as early as possible, and in any case not later than 15th March 1956, their acceptance of the conditions imposed by the Government.

INVESTMENT CORPORATION OF INDIA LTD.

The Investment Corporation of India Ltd. one of the companies affiliated to the Tata organisation, has been appointed Registrars for the redeemable preference shares of the Standard-Vacuum Refining Company of India Ltd.

It is the first time in this country that an organised service of this nature is being offered to large industrial concerns. This type of service, normally available in countries like England and America, consists of advising industrial concerns as to the proper and correct procedure for the issue of prospectus, for the handling of publicity and of applications, for suggesting a fair basis of allotment in case of oversubscription, for expediting the issue of allotment letters and refund of excess subscriptions. It also advises on the proper methods of maintaining registers and subsequent handling of transfer of shares. In order to ensure quick and expeditious running of this service, most modern methods are being employed.

The Standard-Vacuum Refining Company of India Ltd. is the first company in India to have its share issue handled by the Investment Corporation.

COMPANY LAW COMMISSION

A five-man statutory commission under the chairmanship of Mr. Tenneti Viswanathan, former Finance Minister of Andhra State, will be appointed to advise the Government of India on the administration of the Indian Companies Act, 1956, which is expected to be enforced from 2nd April next. Mr. J. D. Choksi, of the Tata Industries, Bombay, Mr. G. D. Ambekar, President of the Indian National Trade Union Congress, Mr. C. S. Shastri, President of the Institute of Chartered Accountants, and Mr. B. N. Chatturvedi, President of the Calcutta Stock Exchange, will be its members. Mr. Viswanathan, who will be the wholetime chairman, will have his headquarters in New Delhi. The Commission will be required under the new Companies Act, to inquire into and advise the Government on applications for the termination of a managing agency, appointment of managing director and managing agents, the remuneration of directors, variation in their terms of a managing agency agreement and related subjects as well as such matters as may be referred to it by the Government.

Points From The Chair

Development of Sugarcane in Bhopal

"IT is heartening to note that the Government is alive to the very important question of sugarcane development under the second Five-year Plan. The area covered under intensive cane cultivation in the first Five-year Plan period was small being only about 625,000 acres which represents jute one-fifth of the total acreage under sugarcane. I only hope that the Bhopal Government would take some concrete steps to develop sugarcane in our factory area as non-availability of cane has always been our main problem, and although our farms have been showing steady improvements in yields . . . . water-supply for irrigation has always been our limiting factor. Unfortunately, the area under sugarcane in our zone of supply, since it decreased in the year 1951 due to the failure of the monsoon, has not been showing signs of returning to normal at a sufficiently fast pace and even after four years, it is still 20 per cent. lower than what it used to be. The normal area of cultivators in our zone used to be about 4,300 acres and, unless this is doubled, we cannot expect to have a reasonably good crush as supplies from our farms are now not likely to increase appreciably. I have referred above to the efforts the Government is proposing to make in this connection, but till now no tangible results are visible and I am afraid the problem would remain as serious as ever unless the Government takes a more realistic view of the situation and their intentions are translated into action."

M. M. AMERSEY,
Bhopal Sugar Industries Ltd.

Wider Use of Office Machinery

"Much the larger proportion of the equipment we manufacture, distribute, install and service is rented to users. The system of renting equipment in an expanding market necessitates the provision of more capital and financial resources of one kind and another as the business develops. This is a requirement with which your Board is at present dealing. This need for loans and capital for expansion is, in fact, the best indication of both the progress and the strength of your Company. The revenue of your Company has more than doubled since 1950. This not only reflects the trend towards the wider use of office machinery, but gives some indication of the scale on which we should be prepared to expand our activities, provided trading conditions remain favourable and assuming we are accordingly to maintain our place in the market. I would like to emphasise the important role taken in our business by our card-producing works in Letchworth and Alderley Edge, and in India, South Africa, Australia and Egypt. Cards are the basic requirement of our equipment and the sale of these represents a significant element in our revenue."

SIR CECIL M. WEIR,
British Tabulating Machine Co., Ltd.

World Sugar Agreement

"The sugar Bill does not interfere in any way with the terms of the Commonwealth Sugar Agreement, which gives Empire producers a market at fair negotiated prices for a large proportion of their production up to the end of 1963. For the remainder of their production British refiners have expressed their willingness to buy Empire sugar in preference to that of any non-Empire country and, as the duty on Empire sugar is £3 15s. per ton less than on foreign sugar, they have undertaken to pay this amount more for Empire sugar compared with foreign sugar. We support the Agreement, because not only does it ensure a remunerative market for Empire sugar, the crop on which many of the Colonies depend almost entirely for their prosperity, but it also ensures that over 90 per cent. of the sugar consumed here will come from sterling sources. The agreement also has the effect of setting a limit to the amount of sugar manufactured from home-grown beet. The beet industry is important to agriculture, particularly in the Eastern counties. It is also important strategically. While we support the view that it should continue at its present scale, we, as refiners and Empire producers, are naturally not anxious to see it expand."

IAN D. LYLE,
Tate and Lyle, Ltd.

True Measure of Disinflation

"All this clearly implies that the true measure of the disinflation brought about since February is the decline of just on 6 per cent. in bank deposits, leaving them no higher than in the middle of 1953. It is this decline in deposits—and, therefore, in the totality of bank assets—which is ultimately of importance, not the movement of the single asset, advances.... Conversely, a curtailment of advances would not spell credit restriction in the wider sense if it were to be offset by an increase in other bank assets: sooner or later, and through one channel or another, the funds created by the acquisition of those other assets would find their way into active employment. It is for this reason that a policy directed only to the restriction of advances can never really be a substitute for a proper monetary policy."

THE RT. HON. SIR OLIVER FRANKS,
Lloyds Bank Ltd.

COMPANY MEETINGS AND DIVIDENDS

AGARPARA JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 27th February, 1956. Dividend: As. 6 per share. Transfer books remain closed from 17th to 27th February 1956, both days inclusive.

INDIA JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 28th February 1956. Transfer books remain closed from 18th to 28th February 1956, both days inclusive.

MEGNA MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 28th February 1956. Transfer books remain closed from 18th to 28th February 1956, both days inclusive.

NORTH WEST COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th February 1956. Dividend: As. 12 per share (i.e., 7½ per cent.). Transfer books remain closed from 20th to 29th February 1956, both days inclusive.

BUDGE-BUDGE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 2nd March 1956. Dividend: Rs. 2-8 per share. Transfer books remain closed from 18th February to 2nd March 1956, both days inclusive.

NATIONAL CO., LTD. Half-yearly General Meeting, Calcutta, 2nd March 1956. Dividend: As. 12 per share. Transfer books remain closed from 18th February to 2nd March 1956, both days inclusive.

DALHOUSIE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 3rd March 1956. Dividend: Re. 1 per share. Transfer books remain closed from 21st February to 3rd March 1956, both days inclusive.

KINNISON JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 3rd March 1956. Dividend: Rs. 6 per share. Transfer books remain closed from 21st February to 3rd March 1956, both days inclusive.

LANSDOWNE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 3rd March 1956. Dividend: Rs. 2 per share. Transfer books remain closed from 21st February to 3rd March 1956, both days inclusive.

LAWRENCE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 3rd March 1956. Dividend: Re. 1 per share. Transfer books remain closed from 21st February to 3rd March 1956, both days inclusive.

NAIHATI JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 3rd March 1956. Dividend: *Nil.* Transfer books remain closed from 21st February to 3rd March 1956, both days inclusive.

STANDARD JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 3rd March, 1956. Dividend: *Nil.* Transfer books remain closed from 21st February to 3rd March 1956, both days inclusive.

UNION JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 3rd March 1956. Dividend: Rs. 5 per share. Transfer books remain closed from 21st February to 3rd March 1956, both days inclusive.

ANGLO INDIA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 9th March 1956. Transfer books will remain closed from 1st to 9th March 1956, both days inclusive.

INDIA SUGARS AND REFINERIES LTD. Annual General Meeting, Hospet, 12th March 1956. Dividend: Rs. 1-8-2/5 per ordinary share. Transfer books remain closed from 22nd February to 12th March 1956, both days inclusive.

ROHTAS INDUSTRIES LTD. Annual General Meeting, Dalmianagar, 20th March 1956. Dividend: Re. 1-8 per old ordinary share, payable on 6th March 1956. Transfer books remain closed from 20th February to 6th March 1956, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Dividend of Rs. 2-8 per ordinary share, for the half-year ended 31st December 1955.

BELVEDERE JUTE MILLS CO., LTD. Dividend of Rs. 2-8 per ordinary share, for the half-year ended 31st December 1955.

BENGAL COAL CO., LTD. Dividend of Rs. 17-8 (includes a bonus of Rs. 7-8 per share) per ordinary share, for the half-year ended 31st October 1955.

KOHINOOR MILLS CO., LTD. Dividend of Rs. 12 per share (final) for the year ended 31st December 1955, payable on 20th March 1956. Transfer books remain closed from 20th February to 19th March 1956, both days inclusive.

WALCHANDNAGAR INDUSTRIES LTD. Dividend of Rs. 18 per ordinary share, payable on 2nd April 1956. Transfer books will remain closed from 16th to 31st March 1956, both days inclusive.

COMPANY REGISTRATIONS

C. S. MEHTA & CO., LTD. (First Director: Mr. Chimanlal S. Mehta.) Business: Buyers, sellers, importers and exporters in mercantile commodities. Authorised capital: Rs. 5,00,000. Private company. Address: Latif House, Iron Market, Bombay 9.

FRANCO-INDIAN MANUFACTURERS LTD. (First Director: Mr. Michel Postel.) Business: Manufacturers of drugs, patent medicines, chemicals, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Bapnu Ghar, Hornby Vellard, Bombay 18.

S. BHUR LTD. (First Director: Mr. S. Bhur.) Business: Merchants, traders, commission agents, brokers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 2, Russell Street, Calcutta.

DIFFICULT PERIOD ENVISAGED FOR INDIAN JUTE MILLS

SOUTH KARANPURA COAL SUFFERS LOSS

Standard Jute Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

After providing Rs. 2,43,207 (Rs. 37,680) for depreciation, the profit and loss account shows a loss of Rs. 2,95,112 (profit of Rs. 30,694) which is to be reduced by amount brought forward from previous half-year Rs. 19,821 (Rs. 2,588), transfer from general reserve Rs. 26,946 (Rs. 20,000), leaving a balance of Rs. 2,48,345 (credit of Rs. 53,282). To this amount has to be added the transfer to provision for contingencies Rs. 26,946 (*nil*), leaving a net loss of Rs. 2,75,291 (credit of Rs. 53,282) which the directors recommend should be carried forward.

The modernisation programme of the mill was completed in November 1955. The process of modernisation did not proceed, according to the Directors, as smoothly as in certain other mills, due mainly to labour resistance and full efficiency was not achieved until December 1955. Modernisation was also carried out during a period of falling goods prices, so that the additional production obtained was sold at a loss. During the period a substantial sum was paid to labour by way of retrenchment benefits.

With the removal of all export duties by the Government of India with effect from 1st August 1955, Indian mills were put in a stronger position to meet competition from other countries.

The devaluation of the Pakistani rupee on 31st July 1955, has not proved of any benefit to the Indian industry, in view of the decision of the Government of Pakistan to maintain its minimum export prices at the same sterling level as previously. Further, it has increased the export duty on raw jute, excluding habi jabi and cuttings, by Re. 1 per maund.

As a result of the Third Omnibus Tribunal Award the mill is called upon to shoulder an additional burden of approximately Rs. 10 per ton.

With effect from 9th January 1956, 2½ per cent. of the total looms in the mill were unsealed and as from 20th February 1956, a further 5 per cent. will be unsealed—leaving 5 per cent. of the total looms sealed.

Since the close of the half-year under review, the Supreme Court of India has issued judgment in favour of the West Bengal Government in respect of an appeal made by the Shree Ganesh Jute Mills Ltd., against the levy of Bengal Sales Tax on sales to the Government of India during the years ended 31st March 1947 to 31st March 1949. Sales tax claimed by the West Bengal Sales Tax Authorities on the Standard Jute Company's sales to the Government of India amounts to Rs. 57,767. Out of this, a sum of Rs. 30,821 relates to contracts wherein it is stipulated that any sales tax ultimately payable to the Bengal State Government will be paid by the Central Government, but in respect of the balance of Rs. 26,946, no specific stipulation to the same effect exists. Representations, however, are now being made to the Government of India through the medium of the Indian Jute Mills' Association seeking assurance that local sales tax payable in respect of those non-stipulated contracts will also be paid by the Central Government.

The directors are unwilling to acknowledge any liability for sales tax on such sales, but in view of the Supreme Court's decision and as a matter of prudence the sum of Rs. 26,946 has been transferred this half-year out of general reserve account to profit and loss account and a like sum provided under the head of provision for contingencies.

In the period under review, trading conditions continued to be difficult. Initially prices of raw jute and manufactured goods drifted lower in the expectation of a bumper crop of good quality low priced jute and the removal of the fear of a tight position developing for old crop. The advent of serious flooding in the jute-growing districts with a consequent disruption of communications resulted in a shortage of raw material at consuming centres where prices advanced substantially. Even after communications were restored, imports were small and near delivery jute commanded a premium, making it difficult to dispose of the Company's goods at a profit. Stocks of finished goods in the industry have declined and now represent rather less than one month's production. During the half-year under review simultaneous business in standard constructions could only be concluded at a loss and the earning of even gross profits in the industry is thus dependent on taking correct speculative views as to the course of raw jute and goods prices.

Against the above background, shareholders may be interested to know that the approximate cost to the Birds/Heilgers group of jute mills of the benefits, apart from wages and dearness allowance, now granted to jute mill labour is Rs. 46 lakhs per annum made up of statutory leave Rs. 11 lakhs, festival leave Rs. 9 lakhs, sick leave Rs. 3 lakhs, provident fund Rs. 15.5 lakhs, retiring gratuities Rs. 5 lakhs and State Insurance Rs. 2.5 lakhs. In addition to the above, the latest Tribunal Award has increased the wages bill by approximately Rs. 14 lakhs per annum.

The desirability of improving the standard of living of jute mill workers is not in question but, with production costs thus substantially increased, the difficulties facing the industry in working at a profit under current market conditions will be readily appreciated. It should also be pointed out that the group's annual charge for depreciation is now approximately Rs. 35 lakhs. With growing competition from Pakistan and elsewhere, it would appear likely that the next few years will prove an extremely difficult period for the Indian jute mill industry.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	34,19,600	Block ...	79,57,504
Debentures	25,00,000	Stock-in-trade	10,91,979
Reserves ...	42,44,180	Stores and spare gear	9,60,937
Liabilities ...	14,98,610	Oil and coal	42,382
		Capital expenditure in-progress	5,938
		Debts and advances ...	9,58,275
		Investments	1,56,507
		Cash ...	13,577
		Profit and loss account ...	2,75,291
Rs.	1,16,62,390	Rs.	1,16,62,390

South Karanpura Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st August 1955.

Raisings and despatches.—84,571 (99,663) tons of coal were raised and 85,487 (96,490) tons were despatched during the period in comparison with 90,000 tons raised and 93,324 tons despatched during tte previous half-year.

In the last report the directors referred to the proposal to change over from quarry to undercover mining. This is now in the process of implementation, but it will require a minimum of two years to obtain an economic output from this development. In the interval working conditions in the quarries have become difficult, owing to exhaustion of economic working with the result that raising costs now exceed selling prices.

Provided transport facilities become available in due time, it is hoped progressively to increase output from the Company's colliery from the present average of 12,000 tons per month to 30,000 tons per month.

After providing Rs. 26,164 (Rs. 32,469) for depreciation and including the sum of Rs. 7,546 (Rs. 276) brought forward from last half-year, the profit and loss account shows a debit balance of Rs. 51,533 (credit balance of Rs. 3,853 after paying 2½ per cent. dividend absorbing Rs. 21,875), which the directors propose to carry forward. The managing agents have decided to forgo their allowance in respect of this half-year.

As the Companies Act, 1956, which will come into effect as from the 1st of April 1956, provides for annual accounts and balance sheets with annual general meetings and as the computation of commission payable to directors and managing agents is required under the new Act to be on the basis of a percentage on net profits for the financial year of the Company, it has been decided that the Company adopts annual closing of accounts as from the year ending on the 31st August 1956. It has further been decided that the Board will review the position half-yearly with a view to pay an interim dividend, if possible.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	17,50,000	Block ...	22,71,113
Reserves ...	10,84,016	Capital expenditure in progress	10,872
Provision for taxation ...	3,590	Stock-in-trade	1,59,701
Liabilities ...	8,54,972	Stores and spare plant	1,94,099
		Debts, deposits and advances ...	9,41,606
		Investments	4,032
		Cash ...	59,622
		Profit and loss account ...	51,533
Rs.	36,92,378	Rs.	36,92,378

Budge-Budge Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October 1955.

After making necessary adjustments for taxation and transferring Rs. 1,25,000 (*nil*) from dividend equalization reserve there is a balance of Rs. 1,23,771 (Rs. 3,32,109) at the credit of profit and loss account from which the directors recommend payment of dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 31,500 (Rs. 31,500) and on ordinary shares at Rs. 2-8 (Rs. 5) per share Rs. 90,000 (Rs. 1,80,000), leaving Rs. 2,271 (Rs. 1,20,609) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association the mills worked 48 hours per week with 12½ per cent. of the total looms sealed. Trading during the period was unprofitable owing to the high price of raw jute in relation to the market for manufactured goods.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Block ...	40,31,627
Reserves ...	27,37,926	Stock of jute	19,73,448
Provision for taxation ...	27,640	Stock of cloth and bags	8,35,042
Liabilities ...	10,39,731	Stores ...	7,33,017
Profit and loss account ...	2,271	Debts, deposits and advances ...	4,36,198
		Investments	75,813
		Cash ...	1,71,823
Rs.	83,07,568	Rs.	83,07,568

Associated Stone Industries (Kotah) Ltd.

The directors of the above Company (Managing Agents: Rajputana Mining Agencies Ltd., Ramganjmandi, Rajasthan) submit the audited accounts of the Company for the year ended 30th September 1955.

The working of the Company has been quite satisfactory. The sales of polished stone has been showing a gradual increase for the last two years and this year also the sales of polished stone has increased and were 12,04,413 square feet. The total sales of rough and polished stone were 90,98,829 square feet and the sales of kheemuch stone were 1,61,680 square feet and 1,007 cubic feet during the period under report. The question of further development of company's business has been given active consideration by the directors and keeping in view numerous enquiries that are being received for the sand stone from various customers, during the year under review, the Company has acquired sand stone quarries, the stone excavated from which has been put in the market as an acid and alkali proof stone.

The year's working after allowing depreciation of Rs. 61,347 (Rs. 54,144) on assets has resulted in a profit of Rs. 4,21,820 (Rs. 12,19,288) which with the brought forward profits of the previous year of Rs. 9,34,100, makes a total of profits of Rs. 13,55,920 (Rs. 12,19,288). Out of these profits the directors recommend the following appropriations:—

For provision for charity and donations Rs. 10,000 (Rs. 10,000), for bonus to staff Rs. 25,000 (Rs. 15,000), and for bonus to labourers Rs. 25,000 (Rs. 21,000). The above appropriations, leave a balance of profits of Rs. 12,95,920 (Rs. 12,65,288) out of which the directors propose to appropriate a total of Rs. 2,39,188 (Rs. 2,39,188) as under:—

On 2,000 6 per cent. cumulative preference shares Rs. 12,000 (Rs. 12,000), on 85,000 ordinary shares at Re. 1 (Re. 1) per share Rs. 85,000 (Rs. 85,000) and on 1,00,000 deferred shares at Re. 1-6-9 (Re. 1-6-9) per share Rs. 1,42,188 (Rs. 1,42,188). This leaves a balance of profit of Rs. 10,56,733 (Rs. 9,34,100) which the directors propose to carry forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,50,000	Block ...	4,37,785
Reserves ...	4,49,950	Stock-in-trade	18,49,204
Liabilities ...	12,79,873	Stores, spare parts, etc.,	1,41,780
Profit and loss account ...	13,55,920	Other assets	2,000
		Debts, deposits and advances ...	18,31,882
		Investments	15,974
		Cash ...	3,57,118
Rs.	46,35,743	Rs.	46,35,743

W. H. Brady and Co., Ltd.

The directors of the above Company (Managing Director: Sir Joseph Kay, K.B.E., Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The result of the year's working, after providing Rs. 7,00,000 (Rs. 5,00,000) for taxation, is a net profit of Rs. 10,80,061 (Rs. 10,79,736) which, together with the balance of Rs. 45,948 (Rs. 63,107) brought forward from last year's account, amounts to Rs. 11,26,009 (Rs. 11,42,843). The directors propose to make the following appropriations:—

To writing down investments Rs. 1,39,575 (Rs. 96,895), to writing down property Rs. 2,00,000 (Rs. 2,00,000), transfer to general reserve Rs. 1,00,000 (Rs. 1,00,000), transfer to gratuity fund Rs. 50,000 (*nil*) and paying a dividend of Rs. 20 (Rs. 20) per share free of income-tax Rs. 6,00,000 (Rs. 6,00,000). The balance to be carried forward to next year's account is Rs. 36,434 (Rs. 45,948).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	45,00,000	Block ...	4,17,500
Reserves ...	53,74,847	Stock-in-trade	52,50,084
Provision for taxation ...	16,37,903	Work-in-progress ...	1,34,046
Liabilities ...	39,09,172	Debts, deposits and advances ...	45,75,551
Profit and loss account ...	11,26,009	Investments	31,80,931
		Cash ...	29,89,819
Rs.	1,65,47,931	Rs.	1,65,47,931

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

GILT-EDGED WEAK

(From Our Own Correspondent)

BOMBAY, 22*nd February*

With the seasonal demand for bank credit gathering momentum, the call for funds from banks on the short-term money market was rather pressing during the week under review. But, as there was an acute shortage of floating funds, the volume of business was small. Nor was there any change in interest rates, as the Reserve Bank was a ready lender against usance bills at 3 per cent. It may be noted here that the new rate of 3½ per cent. plus the loss of stamp duty concession, is due to operate only from the 1st of next month.

In the inter-bank section, call money was quoted at 3 per cent. House money at call was unchanged at 3½ per cent. There was a good demand for short-term deposits and most of the banks offered 3¼ per cent. for one to six months.

The acute stringency in the money market is fully reflected in the poor response to this week's sale of the Government of India 91-day Treasury Bills and the sharp rise in the average rate of accepted tenders. The total amount offered was only a little over the amount invited for, namely, Rs. 100 lakhs. The exact amount offered was Rs. 100.75 lakhs, as against Rs. 153 lakhs in the previous week. The average rate of accepted tenders has gone up by 3 pies per cent. to Rs. 2-8-6 per cent. per annum, after having been maintained at Rs. 2-8-3 per cent. per annum for three successive weeks. This is the highest rate on record since the week ended 23rd September 1955. That, however, has not deterred the Reserve Bank from inviting tenders for next week, the amount of bills offered remaining unchanged at Rs. 1 crore.

Very minor changes are disclosed in the Issue Department of the Reserve Bank's statement for the week ended 17th February 1956. Notes in circulation are lower by Rs. 82 lakhs, while those held in the Banking Department have risen by Rs. 88 lakhs. In the Banking Department, the National Agricultural Credit (Long-term Operations) Fund is unchanged at Rs. 10 crores. Deposits of the Central Government and of other Governments have gone up by Rs. 4 crores and Rs. 2.06 crores, respectively. Deposits of banks also have risen by Rs. 1.11 crores. The rise of Rs. 88 lakhs in notes held in the Banking Department is reflected in an increase of Rs. 89 lakhs in cash balances. Balances held abroad are almost unchanged, while there has been a fractional rise in loans and advances to Governments. Other loans and advances have, however, fallen by Rs. 85 lakhs, of which advances to Scheduled banks against usance bills account for Rs. 69 lakhs. Fresh advances to banks against these bills during the week amount to Rs. 2.91 crores.

A further drop of Rs. 6.99 crores in demand deposits is disclosed by the Scheduled banks' statement for the week ended 10th February 1956. This follows the aggregate fall of Rs. 19.24 crores noted in the previous two weeks. Time deposits have, on the other hand, gone up by Rs. 1.49 crores. Inter-bank borrowings are lower by Rs. 99 lakhs. Borrowings from the Reserve Bank are up by Rs. 4.67 crores, while those from the State Bank are lower by Rs. 1.04 crores. The upward trend in advances is maintained with an increase of Rs. 2.67 crores during the week. Inland bills purchased and discounted have also increased by Rs. 2.70 crores and foreign bills by Rs. 3.43 crores. Investments have declined by Rs. 1.46 crores, cash and balances with the Reserve Bank by Rs. 10.64 crores, balances with other banks by Rs. 61 lakhs and money at call and short notice by Rs. 1.41 crores.

In distinct contrast to the recent spell of cheerfulness, Gilt-edged market ruled weak during the week under review, though the volume of business was small. There was no support from life insurance companies which provided the main prop for the market in recent weeks; nor was there any demand from other institutional investors. On the other hand, most of the counters attracted sellers. The main reason for the change in sentiment was fears of a possible increase in the Bank rate, following the sharp upward revision in the U.K. Bank from 4½ per cent. to 5½ per cent. on Thursday last. The Reserve Bank, too, chose to keep out of the market. Its inaction only served to strengthen the fears about the Bank rate. Sizable fall in prices was recorded in all securities, the exceptions being 3 per cent. 1957 and 1958 loans and 3 per cent. 1970-75 loan. The worst sufferer was the Conversion loan.

3 per cent. 1957 hardened by an anna to Rs. 99-11, while 3 per cent. 1958 was better at Rs. 98 *ex-voucher*, as against Rs. 98 *cum-voucher* a week ago. 3 per cent. 1959-61 was placed an anna lower at Rs. 98-3 *ex-voucher*. 3 per cent. 1963-65 and 1964 were marked down by As. 3 each to Rs. 94-9, 3 per cent. 1966-68 held ground at Rs. 92-5, while 3 per cent. 1970-75 gathered As. 2 to Rs. 88-12. 3 per cent. 1986 Conversion Loan, however, lost As. 7 over the week to be nominally placed at Rs. 80. In the absence of any support from the Reserve Bank at this conventional support level, there were offerings in this counter even at Rs. 79-12, but much of these was of a speculative character. 3½ per cent. 1961 shed As. 2 to Rs. 99-6, 3½ per cent. 1964 As. 4 to Rs. 98-8 and 3½ per cent. 1965 As. 3½ to Rs. 98-5½ with sellers at the lower levels. In the State loans section, there was hardly any business. 4 per cent. 1967 Bombay was on offer As. 2 lower at Rs. 100-11 and 4 per cent. 1967 Madras an anna down at Rs. 99-12.

In the foreign exchange section, there was no change in the rupee-U.S. dollar exchange rate, banks' selling rate for ready dollars being maintained at Rs. 477½ per $100 and their buying rate at Rs. 473½ per $100. Sterling, on the other hand, gained strength in terms of the dollar, following the increase in the U.K. Bank rate. In New York, spot sterling moved up from $2.80-7/16—2.80-9/16 to $2.80¾—2.80⅞. Three months' forward, however, dropped from $2.79½—2.79½ to $2.78-15/16—2.79-1/16, while transferable sterling was unchanged on balance at $2.77½—2.77⅝.

GOLD TOUCHES NEW HIGH LEVEL

(From Our Own Correspondent)

BOMBAY, 22*nd February*

Gold continued to rule firm in the bullion market during the week under review also, while silver was featureless with the undertone remaining just steady.

The outstanding development of the week was the announcement by the Forward Markets Commission early in the week that it was examining the utility of forward trading in bullion and invited evidence from the trade associations concerned on the question. The first reaction of the market to this announcement was bearish and there was heavy unloading. Silver suffered most under this selling pressure, while gold managed to remain fairly steady, as the offerings were well absorbed, due to the favourable technical position. Subsequently, however, silver gained some ground on reports of an increase in offtake and in sympathy with the exceedingly cheerful tone in gold.

Persistent support from bulls, accompanied by heavy covering by short sellers and good offtake of ready metal lifted up the price of gold to record high levels since February 1952.

Silver for forward delivery (28th February settlement) was marked down early in the week from Rs. 175-3 to Rs. 174, but gathered strength to touch Rs. 175-9 today before finishing at Rs. 175-2. Forward silver for the March settlement fell from Rs. 176 to Rs. 175, but improved to close today at Rs. 176-4.

Ready silver (.996 Mint) advanced to Rs. 175-15, after an initial reaction from Rs. 174-15 to Rs. 173-14, and finished at Rs. 175-8. The floating stocks of silver are estimated at 1,300 bars. The daily average offtake was 25 bars.

Forward gold (27th February settlement) appreciated from Rs. 97-7 to Rs. 99-5, the highest level to be seen during the last four years, and closed at Rs. 99-3. The March settlement advanced from Rs. 97-6 to Rs. 98-15 before winding up at Rs. 98-13. It will be noted that the carry forward charges which were just an anna against sellers at the close of last week, widened to as much as As. 6 today, thus reflecting the extent of short position in this metal.

Ready gold picked up from Rs. 97-15 to Rs. 99-15 before closing at Rs. 99-10. The floating stocks of gold are reported to be 25,000 tolas. The daily average arrivals were 4,000 tolas, while the offtake, which was 3,000 tolas early in the week, rose to 8,000 tolas today, the average for the week being 5,000 tolas per day.

There was a further hardening of silver prices in London and New York during the week. In London, the spot and forward prices rose from 79½*d.* to 79¾*d.* In New York, the white metal advanced from 91c. to 91⅝c. There was a decline in London gold price from 249s. 5½*d.* to 249s. 3½*d.*, due to hardening of sterling against U.S. dollars.

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

	22-2-56	Highest	Lowest	15-2-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	99 10	99 15	97 11	97 15
Forward*	99 3	99 5	97 3	97 7
Sovereign	62 8	62 8	61 12	61 12
SILVER				
Ready (.996 fine Mint) ..	175 8	175 15	173 14	174 15
Forward†	175 2	175 9	174 0	175 3
London Silver Ready ..	79¼*d.*	79¾*d.*	79¼*d.*	79¼*d.*
London Forward	79¼*d.*	79¾*d.*	79¼*d.*	79¼*d.*
London Gold	249*s.* 5½*d.*	249*s.* 7½*d.*	249*s.* 3½*d.*	249*s.* 5½*d.*
New York Ready	91⅛c.	91⅝c.	91⅛c.	91c.

* 27th February settlement.
† 28th February settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

BETTER LIQUORING TEAS FIRM

(From Our Own Correspondent)

CALCUTTA, 21*st February*

Offerings during yesterday's export sale amounted to 61,300 chests. The market opened on an easy note, but as the sale progressed strong conditions developed and prices of best liquoring C.T.C. teas gained. The better liquoring teas and black fannings were firm, while prices for ordinary low mediums and commons sorts eased. The poorer C.T.Cs sold at rates below valuations. Whole leaf grades with style were fully steady and prices rose. Darjeelings with appearance were also steady. The quotations were: best C.T.C. Assam B.P. Rs. 2-5 to Rs. 2-6, plain B.P. Re. 1-5, clean black pekoe Re. 1-13, and medium Assam B.P. Re. 1-7-6 to Re. 1-8.

Export quota right was priced at eight pies.

Following improved demand, prices during last week's sale for domestic consumption rose. Offerings were lower at 19,300 chests, and the smallness of the quantity was also a reason for steadiness. The best liquoring C.T.C. Assams were strongly supported and were a few annas higher. A similar trend was in evidence in the black leaf teas suitable for Middle East consumption. The poorer C.T.C. Assams were easy by an anna to As. 2, but prices for non-wither Dooars were maintained. The rates were: best Assam C.T.C. Rs. 2-5 to Rs. 2-7, medium Assam grainy Re. 1-8-6 to Re. 1-9 and medium Dooars Re. 1-7 to Re. 1-8.

Leaf on offer amounted to 4,000 chests, of which residue grades were hardly wanted by buyers. Clean well-made teas fell by As. 2 to As. 3

IMPORT OF PAKISTAN COTTON

(From Our Own Correspondent)

BOMBAY, 22*nd February*

Cotton interests, the Forward Markets Commission and the Government of India are all eagerly awaiting the verdict of the Bombay High Court on the issue whether the Commission's directive to the East India Cotton Association (E.I.C.A.) to close out hedge contracts and to amend by-laws is valid. The Court is still hearing the petition filed by Dr. I. P. Gupta and two others challenging the directive. Although the High Court has not yet given its verdict, some cotton traders are reported to be considering the question of taking the case to the Supreme Court.

Meanwhile, there are rumours in the market that the authorities are contemplating to take some definite steps to prevent speculation in cotton trade for all time to come. The rumours are based on the remarks which Mr. T. T. Krishnamachari, Union Minister for Commerce and Industry, made in the Rajya Sabha during the debate on the Cotton Cess Amendment Bill. Justifying the Government's interference, Mr. Krishnamachari said: "The main reason for the recent Governmental interference in regard to the East India Cotton Association was the complete ineptitude of the Association and the fact that many members of the Association themselves were operating on the market. The fact of the matter was that, this year, the cotton crop was less than last year. Also, the staple link (length) had deteriorated in many parts of the country. Gambling was done in a particular type. Those who did this knew very well that somebody would have to be squeezed when gambling was done." The four considerations which weighed with the Government in deciding to intervene in the market, according to the Minister, are: (1) Complete ineptitude of the E.I.C.A., (2) activities of the Association members themselves, (3) harmful effects of gambling, and (4) Government's responsibility to keep prices of all agricultural produce at a parity.

A notable development in the spot cotton market is the Central Government's decision to allow with immediate effect import of raw cotton of staple length ⅞" and above from Pakistan. The application for licences, which will be valid for shipment for six months from the date of issue, are required to be accompanied with evidence of purchase from suppliers in Pakistan. The decision has had no effect on the market, since the operators feel that the price of Pakistan cotton is too high to permit imports into India, thanks to the heavy export duty levied by the Pakistan Government. The varieties of Pakistan cotton permitted to be imported are now quoted in India at about Rs. 900 to Rs. 950 per candy, as against Rs. 1,200 in Pakistan. It is also said that these varieties are not such as are needed in India, inasmuch as India produces about 1.5 million bales of similar varieties such as Punjab, Laxmi and Surti.

The spot market was quiet to steady during the major part of the week under review. Berar Jarillas, 1973 and Punjab styles met with good support from mills. Stray enquiries were reported for Vijay and Khandesh. Among exportable styles, Kalagin, Dholleras, Wagad, Zoda and Bengal *deshi* elicited sizable enquiries. Japan was particularly interested in Dholleras. Limited deals were put through in K4S and G6S Sudan cottons, at Rs. 2,175 and 42.50*d.* per lb., respectively. Some purchases were also reported in Africans, the prices of which recorded an improvement.

The latest available quotations from the Sewri market are: Bengal *deshi* Rs. 710; Berar Jarillas Rs. 785; Khandesh Rs. 770; Vijay Rs. 890; Oomra *deshi* Rs. 750; Mogali Rs. 660.

The Karachi cotton market continued to rule very firm for the sixth week in succession. The persistent firmness was aided by the Government of India's decision to allow import of Pakistan cotton of staple length ⅞" and above. There were, besides, renewed enquiries from indigenous mills and overseas interests. Buying support was, therefore, sustained and prices of cotton registered a further rise. Improvement was, however, not so marked as in the last week. N.T. R.G. May delivery hardened from Rs. 82-9 to Rs. 83-1 before finishing yesterday at Rs. 82-15 per 82 lbs. March delivery improved by As. 7 to Rs. 85-2 yesterday, but closed lower at Rs. 84-5. The latest available quotations (in rupees per 82 lbs.) for a few popular varieties of Pakistan cotton in the spot market are given below:

Sind *deshi* 77; Punjab *deshi* 72-12; 4F Roller 82-8; S.G. 88-4; Punjab Roller 87; S.G. 93; 289F N.T. Sind Roller 90; S.G. 97; 289F Punjab Roller 95-8; S.G. 102.

The buying spree noted in the Alexandria cotton futures market in the past two weeks gathered considerable momentum this week. Thanks to excellent demand from abroad and renewed bullish advices from New York, operators showed keen attention to enlarge their commitments and, the sellers being reserved, values continued to forge ahead. The following are the closing rates—in tallaris per lb.—prevailing at Alexandria yesterday, as compared with those a week before:

	21-2-56	14-2-56
Ashmouni March	73.00	68.56
Ashmouni May	71.82	67.58
Karnak February	91.18	88.55
Karnak April	90.25	86.74

Egypt has officially informed the U.S. Government, through the U.S. Deputy Under-Secretary of State for Economic Affairs, Mr. Herbert Prochnow, that any sharp reduction in U.S. imports of long-staple Egyptian cotton may mean the end of U.S.-Egypt trade relations. Mr. Prochnow is understood to have promised that the Egyptian position would be carefully considered. Egypt supplies nearly all the U.S. imports of long-staple cotton—about 40 million lbs. of this year's quota of 45,656,420 lbs. It is much concerned, lest the quota should be cut, as this is almost its sole source of dollars. But the

Supima Association of America has other ideas. The members of this Association produce in the south-west a cotton known as Pima S-1, introduced commercially two years ago. The 1955 crop was 41,500 bales. A harvest of 50,000 bales is expected this year. The growers are confident that they can compete in price with Egyptian imports.

The estimate of the Uganda cotton crop in the current season is now placed lower at 320,000 bales, as against 365,000 bales anticipated earlier. An auction in Uganda cotton was held yesterday, when offerings aggregated 10,000 bales. A similar quantity will be auctioned tomorrow. Owing to the damage to crop, the price is expected to be higher than that obtained sometime ago.

A fully steady trend was in evidence in the Liverpool cotton futures market during the week under review. New May-June contract was particularly strong, due to commission house buying induced by reports that the local stocks of this description were negligible. In sympathy with this contract, the other contracts also ruled strong. Trading in Pakistan cotton was practically at a standstill, as the recent sharp advance in prices had put these varieties out of parity with the American C.C.C. releases. The latest available quotations (in pence per lb.) from the Liverpool cotton futures market are given below:

Old contract: March-April 26.15; May-June 25.40; July-August 24.50. *New contract*: May-June 30.40; July-August 28.75; October-November 26.60; December-January 26.20. *Egyptian Karnak contract;* March-April 50.90; May-June 50.35; July-August 50.35.

Firm conditions prevailed in the New York cotton market during the week under review too. There was enlarged trade support for both old and new crops, together with some buying in forward positions credited to foreign interests. The mills were buying later positions against the requirements for the second half-year, influenced by apprehensions of further price boosting as proposed in the new Farm Bill. Commission houses bought new crop position, in the belief that the maintenance of the rigid 90 per cent. parity price support would be approved of, despite the opposition by the Administration.

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

(In cents per lb.)

	21-2-56	14-2-56	7-2-56
Spot	36.60	36.50	35.80
March	35.77	35.75	35.07
May	33.39	35.05	34.60
July	34.19	33.93	33.65
October	32.10	32.20	31.81

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, 22*nd February*

For the third week in succession, the sugar market ruled distinctly firm. Buying support was sustained, thanks to renewed rumours of an upward revision in excise duty on sugar and of a possibility of the Centre imposing a levy on movement of sugar from one State to another in lieu of inter-State sales tax. Deals put through in sugar were quite large and prices continued their upward march. The rise in prices would have been more marked but for heavy arrivals—11,300 bags—of indigenous sugar into the market during the week.

D grade indigenous sugar was particularly strong in the spot section, its quotation spurting from Rs. 89-Rs. 94 to Rs. 92-Rs. 96 per bag. B grade rose from Rs. 95-Rs. 99 to Rs. 98-Rs. 99 and A grade from Rs. 99-Rs. 104 to Rs. 100-Rs. 104. C grade was done at Rs. 93-Rs. 99, as against Rs. 96-Rs. 98 a week before. British refined sugar was well maintained at Rs. 84 per 2 cwts. There has been heavy buying of this sugar, estimated at 10,000 bags, by spot merchants who did not want to take the risk of a fall in the price of sugar in case the expectations of a stiff increase in excise duty were not to materialise. As pointed out in this report last week, those sugar merchants who are speculating on the possibility of an increase in excise duty on sugar will suffer a loss if their surmise goes wrong. The risk has now become quite substantial, because the rise in prices during recent days has been large and the supply position of this commodity in the country is heavy, thanks to a record production and a large carryover of the previous season.

In the forward section, *Fagan* delivery for C grade sugar moved up from Rs. 93-2 to Rs. 93-14—the highest price reached since the commencement of business in this settlement—but was quoted lower at Rs. 93-8 today. The hectic activity witnessed in the settlement is attributed to rumours of excise duty and imposition of sales tax on inter-State movement of trade in sugar. Since Bombay State is deficit in sugar, imports from Uttar Pradesh and Bihar would, it is said, attract the proposed levy, thereby raising the cost of the commodity to that extent. At the time of writing, however, trade circles are cautious in making fresh commitments at the prevailing levels which are considered as quite risky.

N.B.—The rates for Indian sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

YARNS STRONG

(From Our Own Correspondent)

BOMBAY, 22*nd February*

The yarn market exhibited distinctly firm conditions during the week under review. Rayon yarns evoked enlarged buying demand on reports of good offtake in rayon fabrics. Cotton yarns also elicited support from operators, due partly to the inability of several mills to give early deliveries of yarn and partly to encouraging advices from consuming centres. In sympathy with these yarns, staple fibre yarns, too, ruled strong, despite the expectation of an improvement in the output, following the recent liberalisation in controls on production and comfortable staple fibre supply position.

In the forward section of the rayon yarn market, Snia rayon yarn (120 dull cones) tended to move up, under the impetus of better demand from local silk weaving mills, as well as upcountry markets. Over the week, February and April deliveries advanced each by Rs. 4 to Rs. 815 and Rs. 828, respectively. In the spot section, National Rayons 150 deniers Bt. cones 1st grade hardened by 18 pies to Rs. 3-11. 120 denier Bt. cones 1st grade was firm at Rs. 3-13-9. Among imported yarns, 150 Japan rose by three pies to Rs. 4-1-6. 120 Italy was fully maintained at Rs. 4-1, as also 150 Italy at Rs. 4-0-6. 120 Japan, however, was a shade easy at Rs. 4-8 for want of support.

The Government of India has decided to issue only one consolidated licence to actual users for import of art silk yarns for the current period (January-June) based on looms, shifts and days worked during the July-December 1955 period. No separate supplementary licences on an *ad hoc* basis will, therefore, be issued during the current period. In the previous licensing periods, it will be recalled, the practice was to issue regular licences on per loom quota basis and supplementary licences on looms, shifts and working days basis to the three Art Silk Mills Associations at Bombay, Amritsar and Calcutta, and also to those mills manufacturing artificial silk fabrics which are not members of the above Associations. According to the latest decision, only one application should be submitted (for both basic and *ad hoc* licences) so as to reach the authorities on or before the 29th inst. As there is only a limited monetary ceiling available for this item and as it is decided to distribute it amongst the applicants within the next few days, it is necessary that the applications submitted are complete in all respects within the time stipulated.

The prices of staple fibre yarns (40 x 2) staged an advance. Kohinoors rallied an anna to Rs. 4-3-3. Citys and Sitarams strengthened by nine pies each to Rs. 4-2-3 and Rs. 4-0-9, respectively. New Greats gathered half an anna to Rs. 4-1-6. Hinds rose by a like amount to Rs. 4-1-3. Srirams were better by 3 pies at Rs. 4-1.

The firmness of the cotton yarn section was particularly pronounced in 40 count yarns, the prices of which registered sharp gains. Minaxis were specially favoured, the quotation advancing by Re. 1-6 to Rs. 28-6. S'Rajas and Indus finished each Re. 1-4 higher, the former at Rs. 29-10 and the latter at Rs. 28-4. Moderns spurted by As. 12 to Rs. 27-4 and Maduras by As. 10 to Rs. 28-2. Among 60s, Finlays put on As. 14 to Rs. 61-6. Moderns were fully steady at Rs. 61. Deals in 80s were put through at higher levels, Moderns gaining As. 8 to Rs. 66 and Elphinstones As. 4 to Rs. 62-4. Ten count yarns were steady, Moderns being quoted at Rs. 13-4 and Podars at Rs. 13. Among 30s, Moderns rose by As. 4 to Rs. 22-14. Twenty counts, however, were quiet. Maduras receded by As. 2 to Rs. 17-10. Hinds lost an anna to Rs. 16-7. Raghuvamshis were dull at Rs. 16-12.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

		22-2-1956	15-2-1956	8-2-1956
		Rs. a.	Rs. a.	Rs. a.
Art silk yarn (per case of 200 lbs.)—				
120 Dull Cone Sala	February	815 0	811 0	808 0
	April	828 0	824 0	819 0
150 Japan (per lb.)	.. ..	4 6	4 6½	4 6½
150 Japan (per lb.)	.. ..	4 1¼	4 1½	4 1½
120 Italy (per lb.)	.. ..	4 1	4 1	4 0
150 Italy (per lb.)	.. ..	4 0½	4 0½	4 0½
Staple fibre yarn (per lb.)—				
40 x 2 New Great	.. ..	4 1½	4 1	4 2½
40 x 2 Century	.. ..	4 1½	4 1½	4 2
40 x 2 City	.. ..	4 2½	4 1½	4 4
Cotton yarn (per bundle of 10 lbs.)—				
10s Elphinstone	.. ..	12 6	12 7	12 8
20s Hind	.. ..	16 7	16 8	16 10
30s Madura	.. ..	22 14	22 10	22 10
40s Minaxi	.. ..	28 6	27 0	27 12
Finlay	.. ..	61 6	60 8	60 12
80s Finlay	.. ..	70 0	70 0	70 0

LINSEED BETTER

(From Our Own Correspondent)

BOMBAY, 22*nd February*

A feature of the week under review was the sharp rise in the prices of linseed and linseed oil in the first few sessions of the week. Consistent bull support induced by favourable advices for linseed oil from the Continent at as high as £145 in the middle of the week, as against £125 a few days back, was chiefly responsible for the upward trend. Although linseed prices declined subsequently on profit-taking at the high levels, the decline was not enough to wipe out entirely the earlier gains. Almost a similar tendency was in evidence in the groundnut and oilseed sections. The upward trend in the castorseed section was particularly due to expectations of a broadening of demand for castoroil from the U.S. and in the groundnut section due to hopes of expectation of fresh quotas in groundnut oil. The decline witnessed in the last few sessions on budget uncertainties was, however, heavier than in the linseed section, with the result that the earlier gains in both the seeds were generally wiped out. The undertone remained uncertain at the close.

A notable development of the week under review was the permission granted by the Forward Markets Commission to the Bombay Grain and Oilseeds Merchants' Association to transact business in non-transferable specific delivery contracts in castor and cotton seeds with effect from the 16th inst.

According to a notification issued by the Joint Chief Controller of Exports, Bombay, it has been decided not to release any quota of groundnut oil to newcomer crushers who have applied for such quotas. Consequently, crushers (established shippers or crusher-exporters) who have relinquished their claim to allotments in the category of established shippers or crusher-exporters, as the case may be, in order to obtain quotas against the newcomer crushers' scheme, will be allotted quotas of groundnut oil admissible to them. The period of shipment of this allotment will be upto the end of February 1956 and no extension beyond that date will be granted.

In the groundnut section, Bold ready advanced from Rs. 30-2 at the end of last week to Rs. 30-8 on the 18th inst. Thereafter, it gradually declined to close at Rs. 29-5. On balance, it lost As. 13 over the week. February-March and April-May deliveries changed hands at Rs. 29-8 and Rs. 30-2, as against Rs. 30-2 and Rs. 30-12, respectively. Coromandals declined by As. 10 to close at Rs. 30. Khandesh quality receded by As. 8 to Rs. 30-2. Groundnut oil ex-mill, however, gathered As. 2 to Rs. 15-11. April and May deliveries were quiet today at Rs. 15-12 and Rs. 15-14. Groundnut oil was enquired at £128 per ton from Hong Kong and at £123 per ton from the U.K.

Bold ready, in the linseed section, opened the week at Rs. 30-14, as against Rs. 30 at the close of last week. It advanced to Rs. 31-8 on the 18th inst. Subsequently, it staged a downward trend and closed today at Rs. 30-4. On balance, it gained As. 4 over the week. April-May delivery was better by As. 6 at Rs. 30-2. Small Sutnas recorded a gain of As. 4 to Rs. 28-12. Linseed oil improved from Rs. 18-10 to Rs. 19-2. Linseed oil was quoted today on the Continent at £139 per ton.

May futures, in the castorseed section, changed hands early in the week at Rs. 120-10, as against Rs. 119-12 at the end of last week. It fluctuated between Rs. 122-6 and Rs. 117-4, before closing at Rs. 117-14. After improving from Rs. 23-4 to Rs. 23-14, Madras quality, in the ready section, declined to close at Rs. 23-2. Kanpurs were down by As. 6 at Rs. 21-2. Castoroil B.S.S. eased from Rs. 13-14 to Rs. 13-13 and Commercial quality from Rs. 13 to Rs. 12-13. Castoroil Commercial quality, was quoted on the Continent at £113 per ton.

Among others, *kardi* Bold gained As. 4 to Rs 16-10, while *niger* Madras lost As. 8 to Rs. 26-8.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	22-2-1956	15-2-1956	8-2-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	30 2	30 10	29 14
February-March	29 8	30 2	29 9
April-May	30 2	30 12	30 2
Linseed—			
Bold Ready (per cwt.) ..	30 4	30 0	29 8
February-March ..	30 4	30 0	29 4
April-May	30 2	29 12	27 12
Castorseeds—			
May	117 14	119 12	117 12
Madras (per cwt.)	23 2	23 4	23 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	15 11	15 9	15 4
Castor Oil—			
Commercial (per quarter) ..	12 12	13 0	12 10
Linseed Oil—			
Ready	19 2	18 10	17 12

PEPPER WEAK

(Messrs. Parekh & Co.)

BOMBAY, 22*nd February*

Malabar black pepper, during the week, turned weak in sympathy with New York where prices for spot after touching $0.33 went down to $0.31, owing to paucity of buyers and under pressure of arrivals of unsold parcels. Prices offered by New York being out of parity, business during the entire period remained meagre. As a result, Alleppey after touching Rs. 850, came down to Rs. 800 and is steady at Rs. 825. Garbled at Cochin moved down to Rs. 137½, but improved to Rs. 142½ under pressure of short covering and replacement buying by sellers to Canada and Europe.

All terminal markets are said to be steady with undertone healthy, there being no pressure of arrivals and consequently no anxiety to press sales.

Russian steamer for loading the former purchases of the U.S.S.R. is due by the first week of March, and a section of the trade believes that further purchases may be done for shipment by the same boat, if reasonable prices are offered.

The general opinion among the trade is for a sizable improvement during March when New York is likely to enter the Indian market after the liquidation of the heavy unsold consignments shipped during January. Rumours are current in the market regarding the reimposition of export duty on pepper in the coming Budget. There are also rumours regarding the devaluation of sterling in the near future.

Business in delivery was very small for want of interest by outsiders.

In the A.S.T.A., March, after touching $0.32½, went down to $0.31, while April-May-June, after reaching $0.33½ came down to $0.31½.

Following are today's nominal quotations: Ready delivery Rs. 112 (as against Rs. 112 a week ago) per Bengal maund, February Rs. 770-80 (Rs. 775-85) and March Rs. 770-80 (Rs. 785-95) per candy of 5½ cwts.

MEDIUM TEAS IMPROVE

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 16*th February*

Offerings in Sale No. 4, which was held on Tuesday, 14th February, amounted to 1,175,000 lbs. Quality remained much the same as the previous sale, although there was a much smaller quantity of high-grown tea on offer. Many of the medium teas showed improvement. From the outset there was a strong general demand with competition from all exporters. Common and low medium teas sold at rates which were fully firm on last prices. Good medium types were irregular, but improved quality invoices were often As. 2 to As. 4 dearer. Best liquoring teas met with some competition and showed little change although there was slightly less demand for high-grown fannings. There was a useful demand for pekoe grades, but all other whole leaf teas were neglected. Tippy teas sold well and clean black leaf types were about steady.

As our system of quotations is apparently confusing, in future we propose quoting as follows:—

	1956 Rs. a. p.
Plain B.P.	1 8 6
Low medium B.O.P.	2 0 0
Medium B.O.P.	2 6 0 to 2 8 0
Good B.O.P.	3 8 0
Well made black leaf O.P. ...	2 6 0

London Market—Sale of 13th February 1956.—Good tea strong. Others about 1d. easier following quality.

Sale of 14th February 1956.—Both Ceylons and South Indians strong at top and bottom. Others tended easier. Demand lessening as sale progressed.

Colombo Market—Sale of 13th February 1956.—Very strong demand. Generally dearer, particularly for better grainy dusts and fannings and broken mixeds with useful liquor.

Sale of 14th February 1956.—Strong demand. High-grown brokens irregular. Best flavoury kinds much dearer. Others below best frequently lower. Mediums five to eight cents dearer. All useful liquoring fannings very strong demand, appreciably dearer. Low-growns declined five cents. Persian Gulf types firm.

Calcutta Market—Export.—Limited demand. Commons one anna to As. 2 easier. Medium brokens one anna, medium Assam B.O.Fs. As. 1½ lower. Selected fannings again strongest feature. C.T.Cs. steady. Whole leaf grades neglected.

Internal.—Good general demand. Market firm to dearer for medium Dooars and Assams. Best C.T.C. and Middle East types strongest features. Commonest unwanted. Leaf market generally As. 2 to As. 3 easier.

Export Quota.—The market has again been easier and business has been done at 8 pies at which figure there are sellers.

Forthcoming Auctions.—Sale No. 5 will be held on Tuesday, 28th February.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"*Dust Sale D.*—360,000 lbs. Stronger market, particularly black Middle East types. Best liquoring As. 3 to As. 4 dearer. Others irregularly one anna to As. 2 higher."

SMALL RECOVERY IN JUTE GOODS

(From Our Own Correspondent)

CALCUTTA, 21*st February*

A small recovery in the prices of jute goods was recorded during the week under review. This followed the revival of enquiries from overseas countries for both hessians and heavy goods. A good amount of covering business was done against the Burmese order, the delivery period of which is between April and June. Rumours of anticipated Russian orders continued. Speculative buying in the *jatRa* was another cause for this week's firmness. The jute trade and the industry unanimously welcomed the Government's Jute Textiles Control Order. Modernisation in jute mills is taking place at a rapid pace and is expected to be through in about six months. The old machines are disposed of as scrap, but instances were not wanting where speculative elements had purchased the machines discarded by the modernising mills and commenced producing jute goods without regard to quality. The growing competition from Pakistani mills, which all have modern machinery, can be met only if Indian prices are lower and a high quality is maintained. So there is all the more need to put a stop to the ingenious tendency to produce jute goods from the old machines. In this connection, it should be stated that the modernising mills have been in a hurry to dispose of the discarded machines as scrap.

Another news of significance to the jute trade and industry during this week has been the announcement in Karachi of Pakistan's intention to assist Iraq and Egypt in the construction of jute mills there. Pakistan is indeed anxious to increase raw jute exports as only by such a method the possible loss of the Indian market by stages can be made good in other countries. The assistance Pakistan will provide these two countries will be in the form of supplies of raw jute. During recent years, Pakistan has been placing many hurdles in the way of exports of raw jute to Indian mills, and Pakistani prices together with the high export duty are, frankly speaking, uneconomic to competitive production of jute goods. The minimum export prices are being maintained high by Pakistan in order that Pakistani mills may continue to offer competition in the export markets. At present, India is dependent on East Bengal for only a portion of its raw jute requirements, but as quality of the indigenous fibre improves the dependence on foreign jute will become less. Pakistan is only too well aware of this, and as such its anxiety to create more markets abroad for its raw jute can be understood.

Early in the week, prices of jute goods were quiet, with 40" 10 oz. quoting Rs. 40-8 and B. twills at Rs. 113-8, both for ready delivery. At this stage, figures relating to production during January were available, and the total of all constructions produced at 88,900 tons were lower by 8,400 tons compared to December 1955. The decline in hessians was as much as 3,700 tons, in sacking 4,000 tons, and miscellaneous constructions 700 tons. However, these lower figures were no consolation to the market as in spite of the fall in production (which was due to the lesser number of working days during January notwithstanding the increase in the loomage for better part of the month) stocks at the end of the month had increased by as much as 14,900 tons. At the lower levels, there was keen speculative enthusiasm and covering business was also done by shippers. Hessians recovered to Rs. 40-10 and B. twills to Rs. 113-12. Thursday was a holiday on account of *Basant Panchami* (*Saraswati Pooja*). The market reopened on Friday on a very steady note, following renewed covering demand. Hessians strengthened to Rs. 40-13 and B. twills to Rs. 115, but the closure for the week-end was slightly lower at Rs. 40-12 and Rs. 114-12 respectively. Yesterday, the reaction continued and the prices looked back to Rs. 40-10 and Rs. 114-4.

Only sparse interest was shown by mills in raw jute. All the same, sellers were reserved and quotations were maintained. Nevertheless, there were some changes which were in the downward direction to the extent of about As. 8 for certain constructions only as is evident from the latest rates given below with those of a week ago in brackets. There was a further increase in arrivals of raw jute, which was mostly Daissee Mesta. Strong Pakistani markets and the programme of increased production in mills were the factors which continued to encourage local stockists in maintaining the higher quotations:

	Middles Rs.	*Bottoms* Rs.
Pakistani:		
Northern ...	35-8 (35-8)	32-8 (32-8)
District ...	36-0 (36-0)	33-0 (33-0)
Indian:		
Northern ..	33-0 (33-8)	30-0 (30-8)
Assam Upper	33-0 (33-8)	30-0 (30-8)
Assam Lower	33-8 (33-8)	30-8 (30-8)
Daissee ...	33-8 (34-0)	30-8 (31-0)
Murshidabad ..	32-0 (32-0)	29-0 (29-0)
Western ...	32-0 (32-0)	29-0 (29-0)
Jungli ...	31-8 (31-8)	28-8 (28-8)
Orissa ..	34-0 (34-0)	31-0 (31-0)
Uttar Pradesh ...	31-8 (31-8)	28-8 (28-8)
Daissee Mesta	31-0 (31-0)	28-0 (28-0)
Bimli f.a.q.		Rs. 28-0 (28-8)
Pucca bales 1st marks ready		Rs. 187-0 (190-0)

METALS STEADY

(From Our Own Correspondent)

CALCUTTA, 21*st February*

Steady conditions were in evidence in the metal market during the week under review, following good consumer demand and strong advices from overseas markets. Electrolytic copper, at Rs. 275, picked up 10 points. In view of the increased activity by the wire drawing industry, wire bars were in good demand, and all near shipments have already been booked. Consumers are reluctant to enter into forward commitments, in view of the uncertainty as to which side the wind would blow. At Rs. 241, the fire-refined material was also a few points higher. As usual, scrap was in good demand, and, because electrolytic scrap was in short supply, buyers turned their attention to scrap from the fire-refined ingots. Virgin lead advanced from Rs. 82-8 to Rs. 84-8. Demand was good and market circles averred that supplies were just sufficient to meet requirements. This factor naturally imparted strength to the price-trend. Earlier tin was quiet at Rs. 499, but subsequently an impressive recovery was made to Rs. 520. Electrolytic zinc also recovered to Rs. 70-4 from Rs. 69-4, following the strong conditions on the London Metal Exchange. Enquiries were for a moderate quantity.

FOODGRAINS BETTER

(From Our Own Correspondent)

HAPUR, 20*th February*

Hardening in foodgrains prices continued during the week under review, despite Government's efforts to check the upward trend. Besides releasing stocks of wheat from its reserves, other steps taken by the Government to reduce the prices were the ban on exports of *jowar*, maize, pulses, gram, rice and wheat products. Mr. A. P. Jain, Union Food Minister, informed the Lok Sabha that the Government's intention was to build up central reserves of 7.5 lakh tons of rice and wheat each and that the Government proposed to negotiate further purchases only to the extent that this stock had to be built up.

Wheat prices at Hapur advanced by As. 8 per maund during the week to Rs. 14-12 for average quality and *khati* prices also improved to Rs. 14-4. Fresh demand from Delhi millers was noticed dur-

(Continued on page 378)

INSURANCE

(*Concluded from page* 350)

over the use of life insurance funds, the Committee, said, "the same could be achieved without undue centralisation in administration." It added: "It is quite conceivable and in fact feasible to allow the existing insurance companies to continue under their existing names under State direction and control of their investments. Some rationalisation may be necessary. The life business of small composite companies and smaller life companies might be amalgamated with larger units in the region. Such a procedure would ensure that these companies, while retaining their autonomy in operation, would continue to compete with each other as at present." An alternative suggested by the Committee was the setting up of a number of corporations on an all-India basis, instead of a single agency. These corporations should have enough independence to enable them to compete with each other.

In the course of a commendably analytical exposition of the case for retaining the flexibility of organisation under a virtually nationalised set-up in insurance, the Mahratta Chamber of Commerce, Poona, has suggested that the Government could, on the analogy of the nationalisation of the Imperial Bank of India, take over a leading life office (like the Oriental) and subsidise its activities in the rural areas. As regards the remaining sector of life insurance business, the Chamber has suggested that while the entire controlled funds should vest in Government, the Government should keep intact various units which are carrying on life insurance business on sound and healthy lines. It has urged the Government to consider whether the purpose of nationalisation would not be best served by taking over the complete control of the controlled funds but allowing the existing well-managed insurance companies to function as autonomous units. This scheme would ensure nationalisation of controlled funds but, under it, there would be: (1) complete freedom to the companies to formulate their own plans, within the framework of the Insurance Act, and (2) competing agency organisation, there being no standardisation of premiums, policy conditions and agency commission but working within the expense ratio laid down by the Government.

The type of organisation suggested by the Federation or the Mahratta Chamber of Commerce, it is now obvious, does not appeal to the authorities. The Government feels that only a monolithic organisation, owned, controlled and directed by the State can effectively serve the purpose it has in view.

The proposal to set up a re-insurance corporation has not been given up. The recent decision of the Government to nationalise life insurance will not stand in the way of setting up this corporation, as it will be concerned with re-insurance of general insurance and not life insurance.

Notice

THE IMPERIAL TOBACCO COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have decided to declare a second Interim Dividend on 5th March 1956 (additional to the Interim Dividend of 2 per cent., free of income-tax, declared on 17th August, 1955) in respect of the Company's financial year ending 31st March 1956, of 2 per cent., free of income-tax, payable on or after 28th March 1956, to registered shareholders whose names appear in the Register on 5th March 1956 or to their mandatees.

Transfers received at the Company's Registered Office before 1 p.m. on 3rd March 1956 will, if in order, be registered in time for the transferees to receive the Dividend.

By Order of the Board,
J. R. BLAIKIE,
Secretary.

VIRGINIA HOUSE,
37, CHOWRINGHEE,
CALCUTTA, 23*rd February*, 1956.

N.B.—Shareholders should inform the Registrar of any changes in their registered addresses.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936		3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	5
Bolivia	30th Sept., 1950	5	6
Canada	19th Nov., 1956	2½	2½
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	16th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	6
Peru	13th Nov., 1947	5	6
Portugal	12th Jan. 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	28th June, 1955	3	4½
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	18th Nov., 1955	2½	2½
West Germany	4th Aug., 1955	3	3½

CLEARING HOUSE RETURNS

Centre	Week ended 10th February, 1956		Week ended 16th Febuary 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,84,134	68,50,50,000	2,91,507	68,67,17,000
Calcutta	1,59,390	58,99,29,384	2,03,181	68,18,13,458
Madras	90,575	9,30,00,103	93,069	9,19,01,224
All Centres—				
1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Oct., 1955	..	..	2,889,000	6,16,32,00,000
Nov., „	..	..	3,116,000	6,75,96,00,000
Dec., „	..	..	3,267,000	7,35,52,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 17th Feb., 1956

BANKING DEPARTMENT

Liabilities	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		10,00,00,000
National Agricultural Credit (Stabilisation) Fund		....
Deposits :—		
(a) Government—		
(1) Central Government		64,55,00,000
(2) Other Governments		13,06,06,000
(b) Banks		54,12,40,000
(c) Others		15,69,96,000
Bills Payable		16,51,57,000
Other Liabilities		27,04,16,000
	Rupees	204,99,14,000

Assets	Rs.
Notes	8,19,67,000
Rupee Coin	8,30,000
Subsidiary Coin	5,37,000
Bills Purchased and Discounted—	
(a) Internal	
(b) External	45,50,000
(c) Government Treasury Bills	3,09,84,000
Balances held abroad*	71,11,39,000
Loans and Advances to Governments	3,34,00,000
Other Loans and Advances	53,50,97,000
Investments	49,39,47,000
Other Assets	15,24,15,000
Rupees	204,99,14,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 18,71,50,000 advanced to Scheduled banks against isance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 16,69,50,000.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	8,19,67,000	
Notes in circulation	1406,82,62,000	
Total Notes issued		1415,02,29,000
Total Liabilities		1415,02,29,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	667,15,97,000	
Total of A		707,17,68,000
B. Rupee Coin		104,61,69,000
Government of India Rupee Securities		603,22,92,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1415,02,29,000

Ratio of Total of A to Liabilities : 49.076 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 10th Feb., 1956

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	6,18,88,000
(ii) Other demand liabilities	621,88,78,000
2. Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	3,25,50,000
(ii) Other time liabilities	410,24,19,000
3. Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	12,69,76,000
(ii) Time liabilities	....
4. Cash in India	34,02,97,000
5. Balances with the Reserve Bank in India	52,30,23,000
6. Balances with other banks in current account in India	10,59,13,000
7. Money at call and short notice in India	7,48,29,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	378,98,82,000
9. Advances in India	549,73,36,000
10. Inland Bills purchased and discounted in India	91,87,18,000
11. Foreign Bills purchased and discounted in India	44,98,28,000

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

† Excludes borrowings from the Reserve Bank/state.

EXCHANGE RATES

	21st February 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5/16	1-5/16
Sellers T.T. D.D. upto six months	1-5/16	1-5/16
Buyers T.T. spot to nine months	1-6/16	1-6/16
Buyers T.T. 10 to 12 months	1-6/16	1-6/16
Bombay on New York—		
Sellers T.T. D.D. Rs.	477/	477/
Buyers T.T. Rs.	473	473
London on New York $	2.80½-2.80½	2.80½-2.80½
London on Paris Fcs.	985	985
London on Berne Sw. Fcs.	12.23-12.23½	12.27½-12.27½
New York on London $	2.80½-2.80½	2.80½-2.80½

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India†	'53-'54	373.37	..	10,600	284
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	890	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,433	1,770	825
New Zealand	1954	2.09	£(N.Z.) 802	1,070	5,119
Australia	1954	8.99	£(A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 800,000	144,428	9,016
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1953	42.86	F.Fr. 10,470,000	14,420	3,364
W. Germany	1953	48.99	Dm. 103,000	11,705	2,389
Italy	1953	48.07	Lr. 3,997,000	6,932	1,441
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1953	7.17	Kr. 36,957	3,422	4,772
Netherlands	1953	10.49	Grs. 71,960	2,451	2,336
Denmark	1953	4.37	Kr. 22,915	1,580	3,616
Switzerland	1953	4.88	Sw.Fr. 20,600	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source : United Nation. Monthly Bulletin of Statistics, Dec., 1955.

† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 10th Feb., 1956

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :	
(a) Central Government	20,97,08,000
(b) Provincial Governments	52,70,000
(c) Banks	11,70,45,000
(d) Others	21,00,56,000
Bills Payable	9,43,000
Other Liabilities	7,87,46,000
Rupees	68,17,64,000

Assets	Rs.
Notes	5,78,75,000
Rupee Coin	10,000
Subsidiary Coin	13,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	16,43,000
Loans and Advances to Governments	2,11,00,000
Provincial Governments' Debtor Balances	2,96,66,000
Other Loans and Advances	20,77,19,000
Investments	24,94,04,000
Other Assets	11,43,34,000
Rupees	68,17,64,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	5,78,75,000	
Notes in circulation	294,92,29,000	
Total Notes issued		300,71,04,000
Total Liabilities		300,71,04,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion		
Sterling Securities	85,00,28,000	
Government of India Securities	26,58,67,000	
Indian Notes representing assets receivable from the Reserve Bank of India	43,11,81,000	165,85,34,000
B. Rupee Coin	6,52,38,000	
Government of Pakistan Securities	122,43,26,000	
Internal bills of exchange and other commercial paper	....	128,95,64,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	300,71,04,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 67.02 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	10th Feb., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,407.65	1,392 37	1,388 75	1,242.57
Notes held in Banking Department	35.05	7.31	8.46	13.00	11.44
Foreign Securities	59.50	667.16	652.16	691.91	663.15
Rupee Securities	37.39	603.23	603 27	563.52	447.74
Banking Department					
Deposits of :					
Government of India.	14.89	60.55	52.88	52.11	52.58
Other Governments.	..	11.00	14.40	8.46	11.08
Balances held abroad	10.08	71.06	81.41	43.96	69.38
SCHEDULED BANKS					
Demand Liabilities	134.36	628.08	635.76	633.11	580.91
		(6.19)†	(6.88)†	(6.35)†	(9.77)†
Time Liabilities	102.24	415.00	412.30	412.51	370.95
Borrowings from		(3.20)†	(3.56)†	(3.75)†	(2.50)†
Reserve Bank	..	39.46	34.79	28.45	10.26
		(19.41)‡	(18.88)‡	(14.38)‡	(4 92)‡
Borrowings from State Bank	..	12.70	13.73	11.33	6.41
Cash in India	6.70	34.93	34.66	35.95	32.00
Balances with Reserve Bank	25.17	52.30	63.22	51.92	47.59
Excess over statutory limits	15.52	12 63	23.19	12.02	11.17
Balances with other banks in current account in India	..	10.59	11.20	11.86	10.09
Money at call and short notice in India	..	7.48	8.90	9.59	17.74
Investments (at book value)	..	378.99	380.45	381 92	355.24
Advances and bills	105.09	685.99	688.04	663.06	575.16
STATE BANK					
Deposits	87.76	235.60	236.68	231.12	229.24
Investments	51.99	116.37	116.91	116.58	112.95
Advances	30.35	119.44	117.71	111.84	112.88
Cash	14.69	21.33	29.58	23.10	19.20

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and *promissory notes.*

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	November,		Eight months, April to Nov.,	
	1954	1955	1954	1955
Import Duties				
Revenue	12.42	9.90	79.28	74.41
Protective	0.78	0.87	5.10	6.50
On surplus disposals	..	..	0.12	0.07
Total import duties	13.20	10.77	84.50	81.07
Export Duties	5.20	2.76	22.26	24.48
Land Customs	0.23	0.20	1.27	0.69
Miscellaneous	0.07	0.06	0.72	0.48
Gross total customs	18.70	13.79	108.75	106.72
Refunds and drawbacks	0.17	0.20	0.90	1.76
Net Customs	18.53	13.59	107.85	104.97
Gross excise	8.73	11.67	66.92	96.63
Refunds	0.20	0.17	1.19	3.03
Net Excise	8.53	11.50	65.73	93.60
Net total of customs and excise†	27.06	25.09	173.58	198.57

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 17th Feb., 1956

Capital and Liabilities	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up :		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	238,27,27,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	95,00,000
Bills Payable	.. ..	6,63,45,000
Bills for Collection being Bills Receivable as per contra	.. ..	67,88,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	17,40,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	4,59,46,000
Total ..	Rs.	263,27,91,000

Property and Assets	Rs.	Rs.
Cash in hand and with Reserve Bank	.. ..	17,24,88,000
Balances with other Banks	.. ..	3,36,50,000
Money at Call and Short Notice	.. ..	36,07,000
INVESTMENTS :		
Government and other Trustee Securities	.. ..	106,95,49,000
Other Authorised Investments	..	9,75,46,000
		116,70,95,000
ADVANCES :		
Loans Cash Credits, Overdrafts, etc.	88,90,64,000	
Bills Discounted and Purchased	81,91,77,000	
		120,82,41,000
Bills Receivable being *Bills for Collection* as per contra	.. ..	67,88,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	.. ..	17,40,000
Premises less Depreciation	.. ..	1,15,78,000
Furniture and Fixtures less Depreciation	.. ..	48,07,000
Other Assets (including Inter-Office Adjustments)	.. ..	1,77,47,000
Total ..	Rs.	263,27,91,000

SMALL SAVINGS

(In lakhs of rupees)

	National Savings Certificates						POSTAL SAVINGS@									
	5-Year†		7-Year		12-Year		Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates§	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.88	65	3.26	23.66	64.17	1,18.85	92.03	— 31.07	7.55	25.54	—	..	..	..	..
1953-54	5.91	1.50	4.26	26.54	1,04.38	1,17.27	1,06.29	— 34.19	6.94	29.11	—	..	..	..	..
1954-55	4.70	1.62	4.99	27.26	1,24.64	1,33.76	1,30.57	— 36.36	5.57	37.15	—	..	..	..	..
November 1954	5.06	12	4.64	2.25	1,16.76	10.24	1,16.31	— 35.68	37	35.54	—	7.40‖	7.38	55‡‖	54
December „	4.96	11	4.68	2.84	1,18.40	11.36	1,18.56	— 35.86	40	35.98	57	58	5.23	6	54
January, 1955	4.88	14	4.76	2.45	1,20.28	10.51	1,20.10	— 36.02	43	36.37	54	6.33	6	6	59
February „	4.81	12	4.79	2.37	1,21.86	11.12	1,22.25	— 36.18	40	36.74	48	5.81	5	5	50
March „	4.70	26	4.99	3.41	1,24.64	18.51	1,30.57	— 36.36	47	37.18	58	7.38	4	5	54
April „	4.60	11	5.00	2.35	1,26.45	13.41	1,32.91	— 36.51	45	37.55	48	7.56	4	4	58
May „	4.52	36	5.34	3.01	1,27.95	11.82	1,34.05	— 36.65	41	37.89	66	5.61	4	4	61
June „	4.44	18	5.12	2.09	1,29.49	13.24	1,35.33	— 36.77	37	38.23	84	9.33	5	5	66
July „	4.36	12	5.15	2.27	1,31.28	15.80	1,40.23	— 36.88	41	38.54	91	10.80	4	4	69
August „	4.29	18	5.17	2.09	1,33.22	12.22	1,43.50	— 36.97	39	38.87	87	11.00	5	5	73
September „	4.21	13	5.21	2.54	1,34.88	13.39	1,46.50	— 37.12	44	39.38	94	11.80	4	5	75
October „	4.14	10	5.21	2.10	1,36.27	11.32	1,45.58	— 36.94	46	39.58	80	13.49	5	5	80
November „	4.07	10	5.21	1.98	1,37.67	11.26	1,50.10	— 36.35	48	40.05	88	15.21	5	5	84
December „	..	..	..	..	..	..	..	..	66	40.24	..	..	..	..	..

* At the end of period.

† Issued from 1st June, 1948 to 30th June, 1953.

‡ From July, 1954.

@ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‖ Issued from 10th May, 1954.

§ Relating to nine months from July, 1954.

‖ Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 12-2-'56	14-1-'56	4-2-'56	11-2-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.6	91.1	91.2	91.3
1. Government of India	90.5	91.0	91.0	91.1
2. Indian States	96.1	96.5	96.6	96.7
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.8	101.1	101.1	101.1
1. Electricity	102.5	102.6	102.6	102.6
2. Jute	98.8	97.6	97.6	97.6
3. Plantations	99.6	99.1	99.1	99.1
4. Sugar	99.3	99.0	99.0	99.0
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.3
8. Others	100.8	101.0	101.0	101.1
PREFERENCE SHARES	88.2	87.3	87.0	87.0
1. Electricity	97.2	94.5	94.7	94.7
2. Cotton	78.8	79.7	80.3	80.2
3. Jute	88.5	86.8	86.6	86.7
4. Coal	91.8	90.6	90.5	90.3
5. Iron and Steel	89.3	89.1	87.9	87.7
6. Sugar	92.8	85.5	85.5	85.5
7. Paper	90.4	86.5	86.5	86.5
8. Plantations	97.6	101.1	101.2	101.3
9. Miscellaneous	87.7	84.7	84.5	84.4
†VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	114.4	128.8	121.9	121.4 ‡
(a) Financial	89.7	93.8	90.8	89.8
1. Banks	86.6	92.8	90.1	89.1
2. Insurance	108.6	99.3	91.7	90.6
3. Investment Trust	95.0	97.2	94.9	94.8
(b) Public Utilities	114.8	117.2	114.0	113.6
1. Electricity	124.1	120.9	119.3	119.0
2. Shipping and other Transport	100.8	115.3	107.5	107.2
3. Railways	87.7	92.8	92.3	90.7
(c) Manufacturing industries.	116.9	136.0	130.0	129.6
1. Cotton, Woollen and Silk	104.0	127.6	122.6	122.7
2. Jute	96.3	91.3	90.4	90.3
3. Iron and Steel	139.2	160.2	144.5	143.3
4. Paper	214.1	286.0	285.0	280.7
5. Cement	141.2	176.7	168.5	166.7
6. General Engineering	163.2	205.6	198.9	198.1
7. Sugar and Breweries	105.8	109.3	106.7	106.8
8. Chemicals	138.1	153.6	149.2	149.1
(d) Non-Manufacturing industries	157.2	164.3	159.4	159.1
1. Coal	80.5	87.2	85.3	85.0
2. Mining and Oil	191.4	261.6	248.5	247.0
3. Plantations	188.6	170.8	167.3	167.5
(e) Miscellaneous	96.6	107.5	102.7	102.3
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90.1	90.6	90.7	90.8
2. Calcutta	90.5	91.1	91.1	91.2
3. Madras	90.9	91.4	91.5	91.5
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay	99.2	100.2	100.2	100.2
2. Calcutta	101.6	101.9	101.9	101.9
3. Madras	100.5	100.1	100.1	100.1
PREFERENCE SHARES :				
1. Bombay	91.2	90.5	89.7	89.6
2. Calcutta	85.2	83.1	83.2	83.1
3. Madras	98.9	97.4	96.7	96.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :				
1. Bombay	117.1	132.4	123.3	123.1
2. Calcutta	108.7	117.2	115.3	114.6
3. Madras	110.3	123.5	119.7	120.2
4. Delhi	114.4	138.7	127.3	124.9

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,386,961
1953	772	466,907	3,382,606
1954	840	477,138	3,379,630
October 1953	101	80,211	402,116
November „	83	41,431	345,211
December „	81	40,780	475,352
January 1954	84	51,978	325,514
February „	85	41,351	344,295
March „	91	34,202	331,419
April „	91	34,963	207,247
May „	101	40,073	216,092
June „	82	21,589	305,078
July „	122	80,189	277,492
August „	79	51,090	322,887
September „	97	50,414	363,378
October „	88	41,724	376,294
November „	62	25,115	239,701
December*	101	54,455	262,783
January 1955†	95	49,038	322,807
February „	91	38,370	144,302
March „	112	70,042	334,996
April*	99	29,315	393,658
May*	119	66,064	335,415
June*	154	35,172	1,035,704
July*	108	57,709	681,153
August*	238	90 260	518,961
September*	249	91,843	567,332
October „	113	24,496(a)	133,066(b)

† Figures for 1955 are provisional. * Revised.

(a) Not known in One case. (b) Not known in 5 cases.

§ Current as any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
September 1954	669	647.6	523.3
October „	669	626.5	511.6
November „	674	656.5	534.6
December „	679	683.5	553.0
January 1955	684	668.5	545.2
February „	685	623.7	521.8
March „	686	698.7	568.3
April „	690	691.1	563.9
May „	691	705.5	569.8
June „	696	716.2	576.1
July „	700	734.8	588.8
August „	700	708.9	574.4
September „	703	719.3	587.1
October „	716	730.7	591.9

*Excluding railway, military and factory power stations. Chola Power Station, being interconnected with the Tata Power System, has been included. †Including purchase, from non-electric utilities.

‡ At the end of period. § Provisional. ‡ Estimated.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939=100)

Particulars	5th Feb., 1956	28th Jan., 1956	4th Feb., 1955	January, 1956	January, 1955	Percentage of increase (+) or decrease (—) in Jan., 1956 as compared with Jan., 1955	Annual Average 1955	Annual Average 1954
Food Articles	303.4	334.0 R	331.1	333.2	310.3	+ 7.4	304.5	358.3
Cereals	340	398	398	398	348	+14.3	355	404
Pulses	244	256	345	361	239	+51.0	259	318
Other	262	241 R	236	238	269	—11.5	241	298
Industrial Raw Materials	428.5	456.1 R	468.4	455.5	432.9	+ 5.3	411.1	447.1
Fibres	473	451 R	468	455	469	— 3.0	431	444
Oil seeds	356	474*	490	462	373	+23.8	370	468
Minerals	411	433	431	438	417	+ 5.0	420	429
Others	432	449*	441*	456*	476	— 4.0	444	410
Semi-Manufactures	340.8	347.6	348.3	351.8	344.5	+ 2.0	333.3	355.4
Leather	335	338	345	396	386	+ 2.9	373	377
Mineral oils	221	202	202	202	221	— 8.6	211	221
Vegetable oils	397	426	429	425	409	+ 3.9	374	464
Cotton yarn	444	436	439*	434	450	— 3.5	423	454
Metals	241	280	280	280	240	+16.6	254	299
Oil cakes	201	372	363	371	309	+20.0	320	416
Others	335	330	330	330	332	— 0.6	330	305
Manufactured Articles	376.8	374.9	375.4	375.2	375.5	— 0.2	373.4	378.5
Textiles	421	408	409	408	419	— 2.6	411	418
Jute	467	417	418	420	455	— 7.6	430	438
Cotton	411*	403*	403*	403*	411*	— 1.9	405*	413*
Rayon and Silk	464*	436*	494*	436*	460*	+ 5.6	476*	469*
Woollen	310	278	278	278	310	—10.3	311	299
Metal products	340	371	371	371	340	+ 9.1	351	339
Others	284	285	285	285	284	+ 0.3	286	286
Miscellaneous	549.6	537.1 R	531.5	539.8	568.8	— 5.1	555.1	646.8
All Commodities	359.8	375.3	376.3	375.8	363.9	+ 3.2	355.1	386.7

R=Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugarf	Gur	Cotton	Tobacco	Raw Cotton	Raw Jute‡	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures†	Iron and steel
1954																			
October	463	478	166	213	254	696	541†	301	280†	390†	465†	400	420	339	357	451	415	274
November	448	431	148	233	235	673	556†	300	195	919	486†	441	404	329	357	459

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop	Forecast	Unit	Acreage 1954-55	Acreage 1953-54	Outturn 1954-55	Outturn 1953-54
Rice	2nd	tons	72,332†	69,456*	23,775†	22,126*
Wheat	final	,,	26,842	26,310	8,539	7,873
Jowar	final	,,	48,456	48,657	9,092	7,913
Bajra	final	,,	27,350	30,094	3,555	4,459
Barley	final	,,	7,999	8,721	2,786	2,904
Maize	final	,,	9,325	9,360	2,944	2,964
Ragi	final	,,	5,747	5,714	1,778	1,819
Small millets ..	final	,,	13,680	13,979	2,424	2,427
Total cereals ..	final	tons	206,823	214,867	55,327	57,920
Kharif	final	,,	173,982	179,836	44,002	47,143
Rabi	final	,,	34,841	35,031	11,325	10,777
Kharif pulses@ ..	final	tons	14,935	15,192	1,497	1,543
Rabi pulses† ..	final	,,	10,408	11,214	1,977	2,089
Total pulses ..	final	,,	54,004	53,715	10,474	10,468
Tur	final	,,	5,944	5,931	1,661	1,627
Gram	final	,,	20,991	19,754	5,125	4,773
Jute	final	bales	1,581†	1,243*	4,187†	2,928*
Cotton	final	,,	18,846	17,182	4,298	3,965
Sugarcane ..	2nd	tons	3,930†	3,718*	5,079†	4,855*
Groundnut ..	final	tons	12,647	10,869	3,823	3,573
Linseed	final	,,	3,290	3,360	388	374
Castorseed ..	final	,,	1,273	1,373	112	108
Rape and Mustard seed ..	final	,,	5,665	5,534	962	855
Sesamum ..	3rd	,,	5,587†	6,123*	461†	558*
Total Oilseeds ..	final	,,	29,335	27,482	5,577	5,462
Tobacco	final	tons	860	912	243	263
Black pepper ..	final	,,	208	208	26	24
Ginger	final	,,	44	45	13	14
Dry chillies ..	final	,,	1,472	1,826	356	297
Potato	final	,,	665	685	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
@ Excludes Tur. ‡ Excludes Gram and Tur.
† Refers to 1955-56. * Refers to 1954-55.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During January, 1956 ..	88.9
	Corresponding month, 1955 ..	83 9
	Seven months ended Jan., 1956..	608.3
	Corresponding period, 1955 ..	579 4
Stocks	At the end of January, 1956 ..	76.4
	Corresponding month, 1955 ..	76 4
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 31st Dec., 1955 ..	11,646
	Corresponding week, 1954 ..	6,486
	From 1st Jan., to 31st Dec., 1955	474,872
	Corresponding period, 1954 ..	454,663
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 31st Dec., 1955 ..	57,144
	Corresponding week, 1954 ..	37,226
	From 1st Jan., to 31st Dec., 1955	1,387,890
	Corresponding period, 1954 ..	1,480,227
	RAW JUTE	(In lakh bales)
Consumption by Mills† ..	January, 1956 (in lakh bales) ..	5.15
	Corresponding month, 1955 ..	4 66
	Seven months ended Jan., 1956..	35.28
	Corresponding period, 1955 ..	33.60

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION

In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1953 ..	11.58.000	10.61.900	7.91.800
Do. 31st March, 1954 ..	11.54.000	10.70.200	7.80.500
Do. 31st March, 1955 ..	11.84.400	10.42.900	7.81.200
Ten months ended Jan., 1955.	9,55,100	8,76,400	6.60.300
August 1954	96,700	90,400	67,100
September ,, ...	86,800	82,400	63,300
October ,, ...	96,500	89,200	66,500
November ,, ...	98,800	90,500	68,000
December ,, ...	1,05,600	95,000	73,800
January 1955	1,02,500	95,800	72,200
August ,, ...	92,500	88,900	68,700
September ,, ...	93,300	87,500	65,700
October ,, ...	91,700	88,500	64,800
November ,, ...	91,900	86,200	63,400
December ,, ...	1,03,900	97,500	72,300
January 1956	1,03,900	96,800	71,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954 ..	5,80,020	4,49,920	2,92,440
Do. 31st March, 1955 ..	7,15,949	5,23,940	4,59,068
Three months ended Dec., 1953.	1,81,630	1,18,900	1,05,940
,, ,, ,, Mar., 1954.	1,87,750	1,35,510	1,10,940
,, ,, ,, June, 1954.	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954.	1,80,018	1,32,742	1,18,561
,, ,, ,, Dec., 1954.	1,88,053	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,65,108	1,48,828	1,18,136
,, ,, ,, June, 1955.	1,85,605	1,34,883	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,680	1,08,714
,, ,, ,, Dec., 1955.	1,80,750	1,24,696	1,05,752

OVERALL BALANCE OF TRADE OF INDIA
November, 1955†

Particulars	November, 1954 (Rs. lakhs)	November, 1955 (Rs. lakhs)	Eight months, April to Nov., 1954 (Rs. lakhs)	Eight months, April to Nov., 1955 (Rs. lakhs)
1. Trade in merchandise—				
(a) Exports	65,19	48.81	366.70	385.45
b) Re-exports ..	37	39	3.47	3.51
Less—Transit trade ..	3	..	30	3
Net re-exports ..	34	39	3.17	3.48
Total exports ..	65.53	49.20	369.87	388.88
2. Imports	68,95	62.71	482.86	417.68
Less—Transit trade ..	..	2	9	10
Net imports* ..	68,95	62.69	482.79	417.58
Balance of trade in merchandise	+ 1.58	—13.49	—62.92	—28.70
Balance of trade in gold and silver	— 1	..	— 2	— 4
Total overall visible balance of trade	+ 1.57	—13.49	—62.94	—28.74

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands) Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953 ..	1,168	34,406	128,773	28,539	11.413	2,635	949	171	169	209	169	297
1953-1954 ..	1,179	35,215	129,009	29,365	11.082	2,512	899	153	153	168	190	344
1954-1955 ..	..	..	..	..	11,768	2,711	885	183	160	167	158	397
September 1954 ..	95	2,630	9,902	2,394	914	241	66	11	9	11	12	21
October ,, ..	99	2,881	10,181	2,458	939	241	65	13	10	19	14	33
November ,, ..	..	..	..	..	936	226	73	15	13	25	10	34
December ,, ..	..	..	..	..	1,064	229	70	20	14	21	10	30
January 1955 ..	..	..	..	..	1,082	223	74	20	17	19	15	25
February ,, ..	..	..	..	..	1,021	209	72	18	16	15	15	23
March ,, ..	..	..	..	..	1,096	227	78	20	19	15	14	23
April ,, ..	..	..	..	..	1,034	222	77	21	18	11	12	23
May ,, ..	..	..	..	..	993	223	80	19	17	8	13	23
June ,, ..	..	..	..	..	946	217	80	15	15	6	12	23
July ,, ..	..	..	..	..	1,060	228	87	19	17	16	15	23
August ,, ..	..	..	..	..	1,009	239	88	15	13	9	16	24
September ,, ..	..	..	..	..	999	232	70	13	12	11	14	23
October ,, ..	..	..	..	..	1,031	248	74	13	12	17	10	23

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 16th Feb., 1956 ..	46,814
	Corresponding week 1955 ..	42,459
	1st Sept. to 16th Feb., 1955-56 ..	665,782*
	Corresponding period, 1954-55 ..	627,372*
Cotton Exports ..	Week ended 16th Feb., 1956 ..	15,522
	Corresponding week, 1955 ..	1,588
	1st Sept. to 16th Feb., 1955-56 ..	359,474‡
	Corresponding period, 1954-55 ..	145,533
Mill Consumption .. (Estimated)	1st Sept. to 16th Feb., 1955-56 ..	538,987
	Corresponding period, 1954-55 ..	575,815
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 16th Feb., 1956 ..	493 242
	Corresponding date, 1955 ..	378,580
Cotton Exports from Bombay (by sea)	During December, 1955 ..	60,403§
	1st Sept. '55 to 31st Dec., 1955	327,074
	1st Sept. '54 to 31st Dec. 1954	100,549
Karachi (Pakistan)—		
Receipts	1st Sept. to 9th Feb., 1955-56	971,512
	Corresponding period, 1954-55 ..	836,006
Exports	1st Sept. to 9th Feb., 1955-56	435,995
	Corresponding period, 1954-55 ..	268,852

Particulars	From 1st Sept. 1955 to 20th Feb., 1956 Bales	From 1st Sept. 1954 to 20th Feb., 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom ..	41,891	12,980
Continent ..	71,502	20,209
Hongkong ..	28,989	
China	84,851	1,409
Japan	167,855	49,907
U.S.A. ..	3,070	9,878
Other Countries ..	2,567	808
Total to all foreign countries ..	350,515	95,191
Coastal Ports ..	65,502	56,438
Total	416,017§	151,629
	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton—		
Indian	November, 1955	252,272
Foreign		42,891
Indian	Three months ended Nov., '55	1,121,560
Foreign		133,998
Indian	Same Period 1954	988,256
Foreign		177,903
Stocks (Mills and Elsewhere)—		
Indian	As on 30th Nov., 1955 ..	1,055,219
Foreign		167,865
Indian	As on 30th Nov., 1954 ..	850,221
Foreign		161,141
	Week ended 10th Feb., 1956 ..	58,823
	Corresponding week 1955 ..	134,635
Cotton Pressed in India (In running bales) ..	1st Sept. to 10th Feb., 1955-56 ..	1,121,166
	Corresponding period 1954-55 ..	1,734,681

† Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-33	62,30,26,000	1960-70	101⅜
3 % Loan	1928-29	1,16,17,46,000	1965-66	94¼
3 % Loan	1950	30,88,10,000	1964	94⅛
2½ Fg. Loan	1943	1,10,11,78,000	1966-68	92
3 % V. Loan	1944	1,24,06,86,000	1967	96
3 % Loan	1945	1,15,06,88,000	1970-75	88⅛
2½ End V. Loan	1945	1,18,56,64,000	1969-91	98⅛
2½ Loan	1946	50,35,69,000	1959	96⅝
2½ Loan	1946	45 68,07,000	1960	96⅛
2½ Loan	1946	47,00,69,000	1961	98⅛
2½ Loan	1946	14,77,48,000	1976	89⅛
2½ Loan	1947	75,86,72,000	1963	98⅛
2½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99¼
2½ % N.P. Loan	1954	157,35,41,000	1964	98⅛
2½ % N.P. Bonds (2nd Series)	1955	100,00,00,000	1965	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,03,86,000	At option of Government after three months' notice.	80
3 % Loan	1946	245,91,66,000	On September, 1986 or later at option of Government after three months' notice.	80
REPATRIATE STERLING LOANS				
4½% Loan§	1928	5,85,20,000	1958-68***	108⅛
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
3 % Bombay	1943	4,99,85,000	15th Aug. 1958	99⅛
3 % Bombay	1944	2,06,66,000	16th Aug. 1958	99⅛
3 % Bombay	1945	5,88,18,000	1st Aug. 1963	94
3 % Bombay	1945	2,96,82,000	26.1 July 1960	96
2½ % Bombay	1951	2,97,88,900	17th Sept. 1962	94⅛
4 % Bombay	1952	5,50,25,000	15th July 1963	101⅛
4 % Bombay	1953	3,61,31,700	1st Aug. 1964	101⅛
4 % Bombay	1955	9,00,00,000	1st Sept. 1967	100⅛
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99⅛
4 % Cochin	1955	1,00,00,000	1st Sept. 1967	99⅛
2½ % Cochin	1926	70,09,000	16th Dec. 1955-56	98⅛
2½ % Howrah Bridge (New)	1926-27	1,95,98,700	1st June 1956-61	99⅛
4 % Hyderabad	1955	8,00,00,000	1956-66	95⅛
3 % Madras	1939	1,28,36,600	1st Sept. 1967	99⅜
3 % Madras	1943	1,25,10,000	21st June 1958	99⅛
3 % Madras	1944	1,07,95,000	14th Sept. 1956	99⅛
3 % Madras	1945	1,78,44,000	15th Aug. 1958	98⅜
2½ % Madras	1946	3,81,77,200	14th Sept. 1960	96⅛
2½ % Madras	1950	4,85,25,400	14th Sept. 1961	92⅜
2½ % Madras	1951	5,01,49,300	31st July 1960	96⅛
4 % Madras	1952	10 88,58,000	17th Sept. 1962	97⅛
4 % Madras	1953	5,24,81,200	15th July 1963	100⅛
4 % Madras	1955	7,00,00,000	1st Aug. 1964	100⅛
4 % Mysore§	1922	1,92,88,200	1st Sept. 1967	99⅛
3 % Mysore§	1936	9 99,72,900	1st Dec. 1956-61	101⅛
4 % Mysore	1947	5,08,05,700	30th Apr. 1956-61	99⅛
4 % Mysore	1952	3,88,47,000	25th Jan. 1958	99⅛
4 % Mysore	1955	3,25,00,000	15th July 1963	100⅛
3 % M.P.	1943	50,54,800	1st Sept. 1967	99⅛
3 % M.P.	1944	52,9c,800	14th Sept. 1956	99⅛
3 % M.P.	1945	2,08,25,800	15th Aug. 1958	98⅛
3 % M.P.	1950	1,01,44,700	15th Sept. 1964	98
2½ % M.P.	1951	1,02 18,100	31st July 1960	96⅛
4 % M.P.	1952	1,06,15,100	17th Sept. 1962	98⅛
4 % M.P.	1955	1,50,00,000	15th July 1963	100⅛
3 % Punjab**	1938-44	3,49,37,200	1st Sept. 1967	99⅛
3 % Punjab**	1943	2,46,78,200	15th Aug. 1958	99⅛
3 % Punjab**	1944	2,96,51,600	14th Sept. 1956	99⅛
4 % Saurashtra	1955	3,50,00,000	14th Sept. 1960	97⅛
2½ % Travancore	1938	50,00,000	1st Sept. 1967	99⅛
4 % Travancore-Cochin	1952	9,25,00,000	16th Aug. 1956	99⅛
3 % U.P.	1936	1,57,43,600	15th July 1963	100-14
3 % U.P.	1943	3,05,34,800	15th July 1961-66	99⅛
3 % U.P.	1945	3,17,98,700	15th Aug. 1958	99⅛
3 % U.P.	1946	3,20,39,900	14th Sept. 1956	99⅛
2½ % U.P.	1951	1,94,11,700	14th Sept. 1961	92⅛
4 % U.P.	1952	4 11,48,700	17th Sept. 1962	98⅛
4 % U.P.	1953	5 65,15,500	1st Aug. 1964	100⅛
4 % U.P.	1955	8,50,00,000	15th July 1963	100⅛
4 % U.P.	1955	8,50,00,000	1st Sept. 1967	99⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
85,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1957	
75,00,000	4	1908	1968	100N
40,00,000	4	1909	1970	
50,00,000	4	1910	1977	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14 25,875	4	1912*	1962	D
80,00,000	4	1913	1974	100¾N
88,25,000	4	1914	1976	100N
10,00,000	4	1914*	1962	
85,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	2½	1926*	1961	
25,00,000	2½	1929*	1959	
12,50,000	2½	1930*	1960	D
12,50,000	2½	1931*	1961	
15,50,000	2½	1932*	1962	
24,58,000	2½	1935*	1975	
15,00,000	2½	1936*	1966	
46,04,000	2½	1936*	1950	
10,00,000	2½	1938*	1968	
7,00,000	2½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,84,800	4	1914	1974	99
76,90,100	4	1915	1975	99
1,54,00,000	3½†	1921	1981	88
68,02,3000	6½	1921	1981	144N
98,21,606	5½	1926	1956-86	103
99,84,540 B	5	1926	1956-86	101½
1,49,45,000	5	1927	1957-87	102⅛
1,49,30,000	5	1928	1958-88	103
50,00,000	4½	1931	1991	96
60,08,100	3½	1933	1964	97⅛
25,00,000	3	1938	1964-68	90
50,00,000	3	1942	2003	74
50,00,000	3	1946	1976	85
50,00,000	3	1946	1978	84½
50,00,000	3	1946	2006	74
50,00,000	2½	1947	1977	79½
50,00,000	3	1948	1978	83½
50,00,000	3	1949	1958	97
1,00,00,000	3	1949	1959	97
1,00,00,0000	3	1949	1980	83
1,00,00,000	3	1950	1960	96
1,00,00,000	3	1950	1960	96
50,00,000	3	1951	1981	81½
1,50,00,000	3½	1951	1981	88½
50,00,000	4	1952	1962	100
80 00,000	4	1953	1983	98½
90,00,000	4	1954	1985	97½
STERLING LOANS				
£592,600	5	1922	1958-68	£87½
£901,000	5	1924	1964-84	£87½
£584,100	5½	1933	1963	£96
MADRAS‡				
Rs.				Rs.
$1,47,100	3½	1947	1977	
9,58,000	3	1947	1977	A
3,00 000	3	1948	1978	
45,00,0000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
50,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
90,00,000	4	1905	1965	97½N
20,00,000	4	1905	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
15,00,000	4	1913	1973	
25,00,000	4	1914	1974	
25,00,000	4	1916	1976	113N
40,00,000	5	1919	1957-79	
66,00,000	5	1920	1958-80	
25,00,000	5	1926	1956-86	111N
25,00,000	4	1927	1961-70	
10,00,000	4	1928	1969	
STERLING LOANS				
£256,600		1909	1969	£96½
£333,000		1910	1970	£96½
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	96
35,00,000	3½	1935	1965	93
80,00,000	3	1936	1966	91
50,00,000	3	1937	1963	96
80,00,000	3	1938	1963-68	96
80.00.000	4	1953	1983	96

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
BOMBAY				
Rs.				Rs.
20,60,000	4	1913-15	1974	113N
10,00,000	5	1920	1956	106
25,00,000	5	1928	1958	106
8,45,500	5	1929	1954-59	106
26,21,500	5	1929	1959	106
4,56,00,000	3½	1937	1977	86
2,50,00,000	3½	1940	1979	86
4,00,00,000	2½	1850	1965	70
2,66,00,000	3	1951	1966	77
1,50,00,000†	4	1952	1966	100
1,50,00,000†	4	1953	1968	100
2,50,00,000	4	1955	1967	
CALCUTTA				
Rs.				Rs.
50,00,000	5	1928	1958	106
25,00,000	5	1929	1957	106
25,00,000	5	1929	1956	106
10,00,000	5½	1929	1958	106
33,91,000	5½	1929	1956	106
50,00,000	5	1930	1966	106
47,50,000	3	1935	1965	91
10,67,700	3	1938	1956	91
15,50,800	3	1939	1956	91
15,56,800	4	1939	1956	104
15,56,800	4	1940	1957	104
17,64,400	3½	1942	1962	91
21,10,300	3½	1943	1973	91
15,40 000	3½	1951	1960	91
16,33,000	3½	1951	1961	91
36,33,000	3½	1951	1962	91
97,33,000	4	1952	1968	104
72,50,000	4½	1954	1979	104
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	1971
15,00,000	3½	1952	1962	1972

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bonds	1951	1,75,00,000	17th Sept. 1961	97
4 % W. Bonds	1952	8,00,00,000	1st Aug. 1962	100
4 % W. Bonds	1953	5 60,35,000	15th July 1963	100
4 % W. Bonds	1955	7,00,00,000	1st Sept. 1967	99

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(I) Income-tax free. * Loans held entirely by the Trustees. ** Guaranteed by Govt. of India.
† Bombay State Transport. †† Rate of interest reduced from 6½ to 4 per cent. with effect from the date of maturity of the loan.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from the date of maturity of the loan. § Nominal.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharas Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	105	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	144	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	6-2½	5
East India Distilleries ..	£200,000	1897	7	Jan. July	17-0½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Parishpore Co.	6,00,000	1922	10	Oct. ..	17	10
Ramnagar Cane	4,00,000	1932-36	6	Aug. ..	108	100
Ravalgaon Sugar	30,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8½	10
Upper Ganges	15,00,000	1933	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	113	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	122	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8	10
Equitable	4,00,000	1898	6	Mar. Sept.	116xd	100½
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	70	75(pp)
††Khas Kajora	1,93 000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12½	10
Ondal (1st)	2,00,000	1898-99	6½	Apr. Oct.	115	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	103½	100
Bangalore	6,00,000	1884	6	Jan. July	125	100
Basanti Cotton	5,00,000	1936	6½	Nov. ..	8	10
Benares Cotton	1,00,200	1919	7	July Jan.	153N	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	110	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	135	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	70	100
Bradbury	6,00,000	1907	7	June Dec.	65	50
Buckingham & Carnatic	£1,80,200	1920	7½	Jan. July	143	100
Cambodian	1,00,000	1923	7	Apr. ..	122½	100
Central India	50,00,000	1913	8	Apr. Oct.	485	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	111½	100

STOCK & SHARE QUOTATIONS

Abbreviations:—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d. = Ex.Dividend. c.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	78,28,421	43,05,878	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2½	2	Nil	Nil	Nil		12	Y.
40,00,000	24,00,000	1,34,85,581	72,25,655	—5,76,311	B. K. Sons, Ltd.	35	100	Nil	Nil		Nil				3	Y.P.T.
2,50,98,000	2,33,99,019	4,25,75,764	3,54,21,888	52,579	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,856	Bombay Dyeing & Mfg.	625½	250	20 0	22 8*	20 0	7 81	12	Y.
10,00,000	27,86,559	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	16½	50	100 0	100 0	75 0		12	Y.P.
1,09,42,800	2,27,54,197	2,83,17,250	1,85,13,280	31,32,663	Birla Bros., Ltd.	1,20,344	2,698	Century Spg. & Mfg.	481½	100	20 0	22 0	22 0	8 01	12	Y.P.
49,00,000	15,44,690	1,16,09,462	65,52,089	—33,25,720	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	60	100	Nil	Nil	Nil		12	Y.
25,00,000	11,38,470	81,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,828	680	Coorla Spg. & Wvg.	127½	100	7 8	7 8	7 8	7 8	3	Y.
16,00,000	27,17,861	63,47,587	52,46,041	47,117	Ramnarain Sons, Ltd.	40,902	91	Dawn Mills	50	50	6 0	6 0	6 0		12	Y.
84,00,000	27,75,000	73,60,731	64,75,724	30,168	Purusmal Radhakishan & Co.	50,084	928	Edward Textiles	312	200	15 0	15 0	15 0		12	Y.
80,00,000	11,93,292	1,10,92,641	75,74,225	32,796	M	41,360	886	Elphinstone Spg. & Wvg.	50	50	3 0	Nil	3 8	2 81	12	Y.
50,00,000	64,81,875	1,05,11,445	71,56,396	3,90,661	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	325½	100	20 0	16 0	16 0		12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thac ersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	4,800	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
2,00,00,000									992½	250	50 0	56 4*	56 4	75 0		
50,00,000	1,18,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,32,640	6,278	India United Mills	12½	0 100	Nil	0 10	Nil	0 101	12	Y.
8 65,000									2½	0 1D.	Nil	0 1	Nil	0 11		
25,000	74,24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	4,800	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
59,85,000	40,58,451	2,37,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd.	57,740	1,505	Khatau Makanji Spg. & Wvg.	500	100	100 0	112 8*	112 8	150 0	3	Y.P.
1,00,00,000	1,44,50,000	3,49,59,105	2,46,94,456	12,185	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	212½	100	10 0	10 0	8 0	10 0	6	Y.
28,80,000 A	64,00,782	4,36,527	88,878	6,03,536	Dina Nath, Esq.	61,648	1,640	Madhusudan Mills	212½	100A	6 4	6 4			6	Y.P.
2,50,00,000 B										20B	1 4	1 4				
22,13,050	29,74,916	1,14,37,317	54,72,963	16,412	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	80N	50	5 0	5 0	5 0		12	Y.P.
51,75,000	32,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	70 416	1,652	Morarjee Goculdas Spg. & Wvg.	230	100	12 0	12 0	14 0		12	Y.P.
57,71,400	61,70,518	5,74,46,779	1,55,00,000	5,78,076	Chinai & Co., Ltd.			National Rayon Corporation	220½	100	Nil	9 0	10 0		12	Y.P.
24,00,000	24,50,000	76,57,853	40,04,750	3,015	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	162½	100	10 0	10 0	10 0	10 0	12	Y.P.
80,00,000	14,61,250	92,85,599	61,42,741	4,330	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	210	100	10 0	10 0	7 8	10 0	12	
12,70,10	86,30,004	42,69,552	18,76,820	423	Matatial Chandulal & Co., (Bombay), Ltd.	34,100	873	New Union Mills	37	10	1 4	1 4	1 4		12	Y.
48,00,000	36,62,273	1,49,03,112	99,59,811	1,26,364	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	87	10	1 4	1 4	1 4		12	Y.
40,00,000	45,68,014	81,89,335	28,00,000	3,18,562	Podar Bros., Ltd.	32,600	930	Podar Mills	108½	100	8 0	8 0	8 0		12	Y.
5,00,000	3,16,949	21,21,621	16,21,340	—1,72,154	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	13xr	10	1 4	0 12	0 8		12	Y.
25,00,000	69,06,474	1,24,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	39	10	1 0	1 4	1 12		12	Y.
60,00,000	1,48,00,951	91 25,908	50,71,884	1,53,662	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	213½	100	12 8	14 0	14 0		12	Y.P.
42,00,000	35,75,550	93,88,962	71,00,000	15,898	Forbes, Forbes Campbell & Co. Ltd.	36,116	1,274	Simplex Mills	193½	50	15 0(p)	15 0	11 0	10 0	3	Y.
56,00,000	1,22,33,867	1,85,08,331	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons	52,036	1,683	Standard Mills	420	100	20 0	20 0	20 0		12	Y.P.
1,00,00,000	82,25,342	1,92,33,497	1,02,23,292	43,799	Tata Industries Ltd.	73,492	2,000	Svadeshi Mills	211	100	16 0	16 0	8 0		12	Y.P.
36,00,000	62,78,465	1,17,42,921	70,22,715	3,59,764	James Finlay & Co., Ltd.	38,928	552	Swan Mills	412½	100	20 0	20 0	20 0		12	Y.P.
32,57,433	49,96,589	1,59,55,305	48,92,129	11,417	Tata Industries Ltd.	61,488	1,800	Tata Mills	25	1 0	1 8	2 8	2 8		12	Y.
12,00,000	62,55,709	1,15,36,438	81,90,000	2,616	Thackersey Mooljee Son & Co.	54,136	1,209	Western India Spg. & Mfg.	4,950	1,000	200 0*	225 0*	225 0	300 0	3	Y.
AHMEDABAD																
23,00,000	21,11,650	1,36,23,272	60,47,202	5,403	Tata Industries, Ltd.											
10,00,000	90,53,638	99 33 424	65,39,067	7,878	P. M. Hutheesing & Sons, Ltd.	49,144	1,016	Ahmedabad Advance Mills	155	100	10 0	10 0*	5 0	7 6	6	Y.P.
26,25,000	2,40,17,401	1,48,07,666	1,03,05,000	46,584	Narottam Lalbhai & Co.	42,768	912	Aruna Mills	620	100	20 0*	20 0*			12	Y.P.
20,00,000	88,43,340	79,44,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd.	62,438	1,216	Arvind Mills	1,375	100	25 0	25 0	25 0		12	Y.P.
12,00,000	1,06,38,951	82,14,167	68,70,788	55,359	Lalbhai Dalpatbhai & Co.	35,884	872	Aryodaya Spinning & Mfg.	422½	200	15 0	15 0	15 0		12	Y.P.
1,24,79,011	1,11,66,203	4,24,88,718	3,07,53,344	16,00,756	Karamchand Premchand Ltd.	37,366	914	Asoka Mills	650	100	22 0	22 0*	22 0		12	Y.P.
82,48,000	28,04,000	1,10,59,083	79,50,000	1,96,242	Tricumlal Bhoolal & Co., Ltd.	45,856	1,209	Calico	442½	125	18 0	18 0	18 0		12	Y.
99,00,000	65,61,712	1,14,89,135	81,25,000	6,387	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	781	125	35 0	35 0	35 0		12	Y.
5,00,000	61,15,962	46,72,745	31,76,001	760	Jambhai Bhoglal Nanavaty & Co., Ltd.											
12,50,000	1,09,22,589	79,71 738	52,25,077	32,522	Lalbhai Dalpatbhai & Co.	24,840	572	Nutan Mills	395	100	30 0*	30 0*			12	Y.P.
12,00,000	18,93,067	74,95,069	39,67,450	—29,90,510	Manugaldas Girdhardas Parekh Ltd.	31,120	636	Rajpur Mfg.	1,325	100	25 0	17 8			12	Y.P.
82,50,000	16,74,825	84,88 940	52,67,803	4,020	Lalubhai Govindbhai Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	302½	250	Nil				12	Y.P.
38,98,150	1,90,84,538	1,50,18,812	1,34,25,000	2,52,570	Harivallabhdas Kalidas & Co.	38,156	648	Rohit Mills	211½	100	9 0	9 0			12	Y.P.
19,52,500	59,00,194	76,06,018	62,38,500	5,634	Matatial Chandulal & Co., (Ahmedabad) Ltd.	73,796	1,325	Shri Ambica Mills	570	50	16 0	18 0	20 0		12	Y.
23,00,000	26,96,488	1,08,76,240	68,35,291	22,764	Haridas Achratlal & Co., Ltd.	36,624	720	Shorrock Spg. & Mfg.	461½	100	20 0	20 0	25 0*		12	Y.
						36,176	780	Vijaya Mills	605	100	35 0*	35 0*	35 0*		12	Y.
WEST BENGAL																
15,00,000	1,32,800	34,23,069	21,01,810	1,03,030	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	4½	10	Nil	0 4	0 8		12	Y.P.T.
7,11,280	5,40,775	43 42,381	25,67,597	26,783	Bengal Textile Agency, Ltd.	82,544	936	Bengal Luxmi Cotton Mills	40 N	40	Nil	Nil	4 0	4 0	3	Y.
6,00,000	22,71,793	81,33 222	51,52,000	—84,31,461	Kettlewell Bullen & Co., Ltd.	46,274	841	Bowreah Cotton Mills	360	100	Nil	Nil	Nil	Nil	6	H.
1,60,00,000	1,01,41,469	62 43,080	—7,06,925	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	300	100	Nil	Nil	Nil	Nil	6	H.	
6,00,000	1,98,18,540	2,42,43,385	1,08,56,385	2,15,714	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	15½	10	1 12	1 12	0 14		3	Y.P.
88,96,888	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	—					12	Y.P.
19,47,7500	5,75,000	41,29,452	21,54,462	26,932	Hazaresmull Heeralall	23,036	795	Rampooria Cotton Mills	12½ N	10	0 8	0 8	0 10		6	Y.
5,00,000D									4½ N	1D.	Nil	Nil	Nil			
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,87,191	29,09,649	—8,54,233	Ramia & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	6¾	10	Nil	Nil	Nil		12	Y.P.T.
0.5.71,94,400	44,93,817	2,10,91,206	50,50,019		Industrial Trust Fund	86,186	708	Arani Jahi Mills	84½	100	6 0	6 0	Nil		9	Y.
40,50,000	1,91,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd.	40,068	1,157	Banaalore Woollen, Cotton and Silk Mills	507½cd	100	15 0	25 0	30 0	10 0	12	Y.P.
27,00,000	15 50,000	77,25,762	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	11¾	10	0 4	Nil	Nil		6.12	H.P.T.
1,15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,80,791	Birla Brothers, Ltd.	89,896	1,046	Birla Cotton Spg. & Wvg., Delhi	95	10	3 0	3 0	3 0		12	Y.
1,00,00,000	1,54,69,697	4,50,39,808	1,34,94,498	2,69,006	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckinghum & Carnatic	171	100	4 0	10 0	12 0		12	Y.P.
20,00,000	20,00,406	84,17,820	19,76,284	5,55,067	Pelrce, Leslie & Co., Ltd.	38,706	..	Cambodia Mills	10	1	0 1	0 1	Nil		12	Y.
15,00,000	4,51,500	44,03,466	21,80,176	44,857	K. Dasaratan, Esq.	17,496	..	Cannanore Spg. & Wvg.	13½	10	1 0	1 0	1 0		12	Y.
80,00,000	25,93,976	58,07,118	50,34,818	29,514	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	144	100	12 0	12 0	20 0	12 0	3	
12,00,000	20,50,000	30,85,973	24,55,999	4,914	R. Bheema Naidu & Co.	28,864	..	Coimbatore Textiles	9½	5	0 9	0 9	0 9	Nil	3	
20,00,000	14,20,000	36,95,613	21,28,500	14,053	T. E. N. Naidu & Co.	28,738	..	Coimbatore Cotton Mills	356cd	100	20 0	20 0	25 0		3	
20,76,900	4,19,814	1,15,51,599	82,06,019	16,884	R. G. S. Naidu & Co.	72,723	2,107	Coimbatore Pioneer Mills	50	50	3 0	3 0	3 0		6	
48,87,500	52,32,449	2,48,18,409	1,58,09,322	3,703	Tata Industries, Ltd.	1,15,188	2,062	Coimbatore Stg. & Wvg. Central India	82½	50	Nil	Nil	3 0	6 0	6	
3,38,36,225	2,55,00,000	9,09,78,765	5,08,00,000	82,759	B. K. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills	84¾N	100	8 0	8 0	8 0	8 0	6	Y.P.
1,00,563	24,84,500	24,72,753	47,34,037	33,52,512	M. N. Chettiar & Sons	9,248	201	Dhanalakhmi Mills	2½	0 1 4/5	0 2 4/5	0 3 8/5	0 3 8/5		12	Y.P.
50,00,000	66,33,366	1,52,15,329	1,29,71,631	93,398	Begg, Sutherland & Co., Ltd.	49,452	1,198	Elgin Mills	355½	100	20 0	20 0	20 0		12	Y.
48,51,000	33,91,175	88,91,779	65,24,070	37,169	Forbes, Forbes Campbell & Co., Ltd.	72,904	4	Gokak Mills	10	1	1 0	1 0	1 0		12	Y.
50,00,000	3,09,654	1,29,35,712	1,03,08,420	6,150	Govindram Sekasaria, Indore)	51,180	1,452	Hindustan Cotton Mills	230	100	17 0*	17 0	13 0		12	Y.
1,00,00,000	10,55,643	1,30,11,199	76,77,748	—50,124	G. V. Naidu & Co., Ltd.	72,738	..	National Rayon Corporation	145	100	6 0	6 0	6 0	3 0	12	Y.P.
24,00,000	16,25,000	78,88,868	26,50,000	29,382	Kothari & Sons	24,828	..	Janardana Mills	86½	50	5 12	4 8	5 0		6	Y.
32,00,000	69,32,519	1,42,27,744	1,05,78,587	19,080	Bombay Co., Ltd.	43,000	800	Kothari Textiles	50	50	3 12	3 8	3 8		6	Y.P.
35,64,100	66,55,960	1,11,86,880	75,29,838	74,376	G. K. Naidu & Co.	51,972	1,219	Lakhmi Cotton Mfg.	27½	100	10 0	10 0	10 0	10 0	12	Y.
17,82,050	1,76,02,480	4,13,81,878	3,56,33,243	3,44,90,463	2,66,800	A. & F. Harvey Ltd.	85,908	201	Lakshmi Mills	672½	50	5 0	5 0	5 0	3	
12,00,000	4,17,856	28,26,768	16,72,262	—99,073	A. L. A. R. S. Chettiar and Sothers	5,00,000	..	Madura Mills	174xd	50	5 0	5 0	10 0	12 8	3	
40,00,000	69,00,000	69,41,000	41,90,235	1,43,408	A. L. Beardsell & Co., Ltd.	22,592	100	Malabar Spg. & Wvg.	25	25	2 8	2 8	2 8	2 8	3	
29,99,700	19,47,903	84,19,677	46,82,184	9,299	N. Sirur & Co., Ltd.	24,720	608	Mettur Industries Ltd.	109	200	8 0	8 0	8 0		12	Y.
94,91,850	27,24,404	1,61,29,118	78,81,528	—7,44,932	Ranallal Abirchand Dadabhoy & Co.	39,896	704	Minerva Mills	574½	100	12 8	12 8	12 8*	25 0	12	Y.
30,00,000	52,19,809	1,58,39,272	1,08,91,651	—7,77,290	Indian Textile Syndicate Ltd.	51,240	845	Model Mills (Nagpur)	82	100	10 0	10 0	5 0(e)	5 01	12	Y.
14,58,500	50,54,247	99,04,000	63,90,933	23,705	N. Sirur & Co., Ltd.	50,128	1,254	Sassoon Spg. & Wvg.	150	250	7 8	7 8*	5 0(e)		12	Y.
12,61,780	2,58,745	29,42,992	15,27,000	3,986	R. Suryanarayana Rao Esq. Manager	6,000	..	Mysore Spun Silk Mills	118N	100					12	Y.
22,89,8820	25,62,582	1,02,16,296	58,90,719	—89,02,329	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	99	10	10 0*	10 0*	8 8*	6 0(e)	3	Y.
57,095D	57,72,270	1,66,64,562	62,58,082	.....	Industrial Trust Fund	87,788	856	Osmanshahi Mills	4½	10	Nil	Nil			3	Y.
4,00,000A	7,50,000	85,04,758	21,95,715	9,122	Bhaghjralakshmi & Co.	29,924	..	Palani Andavar Mills	2½	2	Nil	Nil			9	Y.P.
6 00,000B									D. 1½	1	Nil	Nil				
12,00,000	2,25 000	34,59,511	16,41,045	—18,87,240	C. S. R. Mudaliar & Sons	30,706	..	Pankaja Mills Ltd.	69	100	Nil	Nil			12	Y.
16,81,800A	20,00,000	78,90,455	41,41,878	28,697	A. G. Gurusamy Naidu & Co.	51,664	301	Radhakrishna Mills	268	100A	6 0	6 0	16 0		12	Y.
8,49,200B									134	50B	3 0	3 0	8 0		12	Y.
16,00,000	23,75,000	24,37,775	17 67,922	12,587	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	159	50	4 8	4 8	10 0		12	Y.
22,22,375	12,10,000	2s 91,585	14,22,264	22,506	Rayalaseema Development Co.	14,400	..	Rayalaseema Mills	187	100	6 0	6 0	6 0		12	Y.
60,00,000	62,56,508	98,29,567	55,53,291	—19,59,428	J. P. Srivastava & Sons (Rampur)	54,534	600	Raza Textiles	10	10	0 0	0 0	0 0		12	Y.
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	95,232	2,224	Shoiapoor Spg. & Wvg.	7½N	1,000	Nil				12	Y.P.
									1,900	500	Nil	Nil				
26,69,700	16,62,628	71,75,918	51,25,880	27,871	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	91	50	4 0*	4 0*	4 8		3	Y.
26 14,800	2,00,245	25,15,946	17,73,040	—2 46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	90N	100	Nil	Nil	Nil		12	Y.
15,00,000	3,11,90,237	96,09,567	72,64,724	31,27,688	Birla Brothers, Ltd.	56,556	1,248	Sutlej Cotton Mills	125N	10	4 0	4 0	5 0	6 0	3	
17,50,000 O	2,25,00,000	4,26,43,014	1,62,17,868	5,89,660	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	10½	10 O.	Nil	0 8	0 12		12	Y.P.
1,57,50,000P									10P O.	10P	Nil	Nil	Nil			
99,84,040	16,00,000	2,75,11,606	1,00,28,764	1,23,122	Ernesto & Sons (Travancore), Ltd.		..	Travancore Rayons	15½	10	Nil	0 4	0 10		12	Y.P.
18,98 670	8,79,479	12,86,297	10,45,168	3,321	Moolee Ramlee & Sons	17,600	..	Trichinopoly Mills	12½	10	0 11 1/5	0 11 1/5	0 14 2/5		12	Y.P.
81,00,000	82,00,000	56,92,295	36,61,499	30,500	K. S. Chetty & Brothers	38,544	270	Vasanta Mills	257½	100	12 0	12 0	15 0		12	Y.P.
22,00,000	31,99,443	1,38,35,086	1,00,38,990	22,250	Bombay Co., Ltd.	45,490	1,331	Vishnu Cotton	181½	100	10 0	4 0	4 0	2 81	12	Y.P.

* Includes bonus. M=Managed by Board of directors. (b) Subject to taxation and workers' bonus. (e) Paid out of reserves

(g) Interim dividend of Re. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend o. Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	8	5	Nil	Nil	Nil	0 8	5	Y.P.
16,20,630	18,38,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meaklin Breweries	6½	5	0 8	0 8	0 8	0 9	3	Y.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	27cd / 30¾cd	A. 16sh. / B. £1	Sh. 1 3/5 / Sh. 3	Sh. 1 3/5 / Sh. 4	Sh. 1 3/5 / Sh. 5	Sh. 1 3/5 Sh1 3/5 / Sh. 4 5/6 Sh4	9	Y.P.
6,00,000	9,00,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	188cd	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
11,27,700A	10,85,516	79,90,234	39,32,658	26,623	Andhra Engineering Co., Ltd.	Andhra Cement Co.	155	A. 100	7 8	10 0*	10 0		12	Y.P.T.
39,79,920B							13½	B. 10	0 12	1 0*	1 0			
48,14,800O							7½	O. 10	Nil	Nil	Nil		3	Y.P.
4,70,976D	13,13,132	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	1½	D. 1	Nil	Nil				
12,71,66,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	202½	100	9 8	9 8	8 8	10 0	7	Y.
60,00,000O.							13½	O. 10	0 10	1 0	1 0			
25,50,000O.	48,20,901	89,92,667	29,67,544	2,86,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	3	O. 2½	0 4	0 4			12	Y.P.T.
5,00,000D.							4	D. 1	Nil	0 1-3/5	0 1-3/5			
61,91,030O.	14,00,000	1,46,64,600	47,05,770	3,31,546	Essen Ltd.	India Cements Ltd.	32½	O. 25	1 4	Nil	1 4	1 14	3	Y.P.
7,50,000D.							6½	D. 5	0 4	Nil	0 4	0 6		
59,88,375	28,50,000	1,88,78,057	68,96,459	2,77,144	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	171½	100	6 0	6 0	8 8		12	Y.P.
75,00,000	20,95,000	1,83,36,123	1,41,94,359	88,454	Martin Burn Ltd.	Sonevalley Portland Cement	7½	5	0 8	0 8	0 8		12	Y.
80,00,000	....	1,04,00,351	34,33,980	2,75,454	Essel Ltd.	Travancore Cements Ltd.	11½	10	0 8	0 8	0 10	0 81	12	Y.
CERAMIC, MINING AND QUARRYING														
81,70,655	2,00,000	62,32,603	26,81,553	17,540	Bharat Ram Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 2½	0 4		12	Y.
10,00,000	25,12,725	57,20,295	33,23,355	9,142	Bird & Co., Ltd.	Biara Stone Lime Co.	41 N	10	0 14	0 14	0 8	0 14‡	3, 9	H.
£914,200	£1,322,766	£2,037,815	£1,086,237	£111,715	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	6-3½	Sh. 2	0 14	0 14	0 14		12	Y.
20,00,000	27,32,396

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	35,61,841	2,00,40,004	1,45,07,804	1,73,122	Balmer Lawrie & Co.	Bengal Paper Mills	118½	25	1 9 *Nil* 5 0 5 0 6 0 1 0*	*Nil* 1 9 6 0 7 0 7 0 1 0*	1 9 *Nil* 5 0 6 0 7 0 1 0*	2 8† 0 11 1/5† 0 12* 0 8† 0 12*	6,12	H.P.T.
80,00,000	33,44,805	1,10,02,828	74,22,575	2,10,605	Andrew Yule & Co., Ltd.	India Paper Pulp	23½	10						
25,00,000	16,12,500	1,36,83,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	17½	10					3,9	H.
1,46,82,500	1,86,87,959	4,12,77,410	97,21,214	2,05,870	Birla Bros	Orient Paper	33½	10					3,9	Y.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	18½	10					3,9	H.P.T.
20,00,000 } 10,00,000'A' }	6,50,000	54,00,869	30,16,681	4,492	Baloria & Co.	Star Paper Mills	{ 12 12	O. 10 A. 10	0 12 0 8	0 12 0 12	0 12 0 12	0 10f 0 8f	3,9	H.P.T.
56,00,000A. } 56,04,800B. } 4,87,500P.O. }	3,07,07,316	5,39,14,072	3,13,50,222	89,160	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	{ 43¾ 43¾ 5	A. 10 B. 10 P.O. 2½	1 0 1 0 1 0 0 2	1 0* 1 0* 1 0* 0 2	1 0* 1 0* 1 0* 0 2	1 0*† 0 9 2f	3,9	H.P.
PRESSING														
6,00,000	3,13,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	*Nil*	7	Y
4,80,000	1,00,000	5,89,528	4,78,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	7 0	5 0	5 0	5	Y
5,00,000	1,95,000	10,91,811	9,80,377	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	6	Y
PROPERTY AND LAND														
10,00,7800. } 2,00,000D. }	7,48,065	42,46,067	21,43,279	96,047	S. A. Basil, Esq., & others (Directors)	Humayun Properties	{ 18½ 2½	O. 10 D. 1	0 8 *Nil* 1 0 2 0	0 11½ 0 4/5 1 8 3 8	0 9 3/8 *Nil* 1 8 4 0	*Nil* 5 0	9	Y.P.
60,00,000	18,07,874	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	102	100						
94,00,000	36,71,574	96,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	35	100					4	Y
													4	Y.P
SAW MILLS AND TIMBER														
12,99,998	28,23,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	4½	2	0 4	*Nil*	*Nil*			
80,00,000 } 42,00,000 }	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	{ 536 188‡	Old125 New50	15 0 9 0	20 0 8 0	*Nil* 15-0	37-8	9	Y.
6,00,000		7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	*Nil*	*Nil*	*Nil*		5	Y.
20,00,000	18,15,487	18,19,049	13,58,015	1,79,568	Gillander Arbuthnot & Co., Ltd	Indian Wood Products	41	10	2 0	2 8	2 12	1 0†	6	Y.P.
													6	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	9½	5	*Nil*	*Nil*	0 12			
12,00,000A. } 8,00,000B. }	22,18,856	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	{ 155N 14N	A. 100 B. 10	10 0 1 0 1 0	10 0 1 0 1 0	10 0 1 0 1 0	0 1	6	Y.
19,49,060	5,50,000	31,91,657	23,33,812	49,906	Bansur Bros., Ltd.	Belsund Sugar	11	7½	0 12	*Nil*	0 12		4	Y.
15,00,000	13,90,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17	10	1 8	1 8	1 8	1 8	6	Y.
32,00,000	26,79,451	1,35,76,459	88,78,177	61,782	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	10	10	*Nil*	*Nil*	0 12		6	Y.P.
80,00,000	57,33,551	1,03,44,647	84,32,451	62,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	21½	10	2 0	2 0	0 12		6	Y.P.T.
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd.	Champarun Sugar	33	10	2 0	1 0	0 12	0 12	10	Y.P.
5,99,452	6,18,562	24,86,580	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	9½N	10	0 8	1 0	0 12	1 8	6	Y.
50,00,000A. } 10,00,000C. }	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd	Hindustan Sugar Mills	{ 266N 'A' 100 O. 100		12 0* 15 0*	15 0* 15 0*	15 0* 15 0*	15 0*	6	Y.T.
12,00,000	8,61,001	75 81 309	42 63,455	27,926	Kisachand Devchand & Co. ..	Kesar Sugar	{ 60N 24N	80 40	*Nil* *Nil*	*Nil* *Nil*	4 8 2 4	16 0*	6	Y.P.
7,89,100	22 14 068	34 94,612	19 35 833	1,364	Cotton Agents Ltd.	New India Sugar Mills	42N	10	2 8	2 8	1 12	1 6 2/5	7	Y.P.
11,00,000	4,20,000	42 81,480	24,87,558	4,185	Karamchand Thapar & Bros., Ltd.	New Savan	15	10	0 12	1 0	0 8	2 8	6	Y.P.T.
10,87,500A. } 2,71,875B. }	49 60 297	67,74 122	21,56,900	5,317	Cotton Agents Ltd;	New Swadeshi Sugar Mill	{ 240N 60N	200 25	20 0 6 0	20 0 5 0	20 0 5 0	20 0	6	Y.
77,45,350	52,18,159	1,86,00 446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	120N	100	6 0	11 0	11 0	11 0	7	Y.P.
12 00 000	12 76,238	2r. 77,669	19 95,928	55 000	Naraug Bros. & Co., Ltd.	Punjab Sugar	117 1N	100	11 0	11 0				
9,00,000	17,64,349	37,85,808	20,57,249	6,871	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	16	10	1 0	1 0	0 12		10	Y.
8,00,000	6 54,762	25,43,782	21,01,613	74 340	M.	Ryam Sugar	21N	10	1 0	0 8	0 8	0 12	10	Y.P.
11,99,900	16,36 779	38,63 583	22 92 150	6,477	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	14	10	1 0	0 8	0 8		6	Y.P.
80,00,000	21,68,560	1,06,85 319	57,08,717	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	1 8	1 8	1 8	*Nil*	6	Y.
9,99,950	61,825	26,88,548	11,93,827	—3,98,353	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	0 6½	*Nil*	*Nil*		6	Y.P.T.
7,95,462	18,82,940	31,60,785	17,68,003	1,06 227	Karamchand Thapar & Bros	Shri Sitaram Sugar	14½	10	1 0	5 0*	*Nil* 1 8*		6	Y.
9 15,0000 } 4 40,000D. }	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.... ..	South Behar Sugar	{ 1N D. 10	O. 10 D. 10	*Nil* 2 0	*Nil* 1 0	*Nil* *Nil*		10	Y.P.
8,00,000	21,91 635	95 42 062	57,49,754	62,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 0	2 8	2 8	2 8	6	Y.P.
16,00,000	7,99,778	32,06,850	25,98,846	89,061	James Finlay & Co., Ltd. ..	United Provinces Sugar	23½	10	1 8	0 8	1 4		6	Y.
Other Centres														
49,99,750	74,53,470	1,50,12,876	1,09 10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company't	213	50	16 8	16 0	16 0	16 0	9	Y.
17,50,000	9 24,292	33,03,879	21 36 722	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd.	14½	10	1 0	0 10	1 0	1 0	6	Y.
18,93,900	2,45,841	29,19,958	20,01,146	51,998	Sir J. P. Srivastava & Sons (M.B.) Ltd	Gwalior Sugar	38N	100	2 0	*Nil*	*Nil*		6	Y.P.
31,47,780	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Ltd.	India Sugar and Refineries ..	21½d	10	2 8	2 8	1 12	1 6 2/5	6	Y.P.
23,57,620	41 27,060	41,96,505	20,78,418	1,408	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	14½N	10	0 12	1 0	1 0	1 0	8	Y.P.
10,52,2900. } 2,87,190D. }	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd;	K. C. P. Ltd.	{ 127½ 100	O.100 D. 10	7 8 10 0	7 8 10 0	7 8 10 0	7 8†	10 6	Y.
21,79,280	95,00,001	1,31,37,677	78,17,730	2 90,340	S. Muniananjappa Esq. (Managing Director)	Mysore Sugar	50½	10	2 0	2 0	2 0	2 0	6	Y.
50,00,000	48,49,631	1,08,28,164	59,35,509	11 063	Mafatlal, Apte and Kasliwal Ltd. ..	Phaltan Sugar	127½	50	2 0	2 0	2 0	8 0	6	Y.
16,50 820	28,50,880	53,90,015	26,76,747	29,230	Anderson Wright Ltd.	Ramnagar Cane and Sugar ..	24½	10	2 0	1 8	1 8	8 0	9	Y.
80,00,0000. } 4,00,0000D. }	24,87,171	87,47,627	53,31,890	61,432	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	{ 88N 70	O. 50 D. 10	{ 8 0 0 0	*Nil* *Nil*	*Nil* 2 0		9	Y.P.T.
19,99 608	44,88,457	47,06,689	21,78,094	4 635	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	155N	10	0 12	1 0	0 12		9	Y.P.
40,00,000	10,87,776	59,76,224	17,87,159	—32 224	Parry & Co., Ltd.	Travancore Sugars	12½	10	*Nil*	*Nil*	*Nil*		10	Y
1,01,00,000	61,19,890	1,85,70,980	1,04,58,313	1,79,068	Premier Construction Co., Ltd.	Walchandnagar Industries ..	24½	100	14 0	16 0	*Nil*		7	Y.P.T.
													9	Y.P.T.
TRANSPORT														
80,00,000	1,06,42,425	1,33,68,272	19,76,188	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	147	100	12 8	10 0	7 8			
1,00 00,000	18 67,690	4 65,14 760	1,80,06,587	89 648	Dinshaw Ltd.	Bharat Line	78	100	5 0	5 0	5 0		10	Y.P.
50 00,000	24 35,888	2,50 21 298	82,65,795	1,47 959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	14	10	1 0	1 0	1 0		12	Y.
£555 880	£960,878	£5,515,631	£3,844,778	£21,366	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	113	£10	8h.10	*Nil*	8h.10	*Nil*	6	Y.P
2,25 00,000	74 99 283	7 93 25 462	1,81 54,690	1,24,161	Lionel Edwards Ltd.	India Steamship Co.	8½	10	0 8	0 8	*Nil*	*Nil*	12	Y.P.
9,40,19 678	6 94,92,081	18 56,78 418	4,54 44 350	2,73 653	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co.	16½	50	0 8	0 12	0 8	0 8	6	Y.P.
5,40,4800. } 3,10,200P.O. }	18,58,194	11,88,000	6,80,21i	1,84,122	B. R. Alyer, Esq. (Manager) ..	Walford Transport Ltd.‡	{ 2½ 1½	O. 1 P.O. 1	as. 1/25	as. 1 2/25	as. 1 22/25	1 22/25	12	Y.
									as. 1 9/25	as. 1 9/25	as. 1 19/25	1 19/25		
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,853	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0	32 0	9	
19 98,800	2,94,173	9,18,542	90,000	42 583	Parakh Agencies Ltd.	Bombay-Uganda	62½	80	4 0	5 0	4 8			
25,00,000	1,00,000	25 74,281‡	9 294	3 394	Dena Sons, Ltd.	Devkaran Nanji Investment Co.	13	25	0 12	0 10	0 8		12	Y.
14,98,740	3,42 585	28,00 500	17,76,000	4 110	Chocolal Manilal Ltd.	Estrela Batteries	80	50	2 8	*Nil*	0 12	0 12	8	Y.
1,00 00,000	19,07,478	1,27 52,5084	.. ..	2,99,005	Premier Investment Trust	Industrial Investment Trust ..	70½	100	4 8	4 8	3 0	2 0	12	Y.P.
99 99,975	85 06,851	35,10,899	9 91 529	6,164	K. G. Milne, Esq. (Mg. Director)	Killick Industries	167	100	10 0	10 0	11 0	11 0	12	Y
2,07,02,800A. } 10,00,000B. }	5,28,634	2,87,33,373	1,25,90,292	5,86,717	Auto-Auto Ltd.	Premier Automobiles	{ 83 —	A.100 B. 10	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*	6	Y.
10 21,200	5,43 505	14 40,720	12,10,720	33 055	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22½	20	2 0	2 0	2 0	*Nil*		
2,75,00,000	75 25,568	2,92,47,116	1,53,26,909	15 987	T. Krylls, Esq. (Managing Director)	Western India Match Co. ..	186½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	55,24,847	7,24,606	3,07,108	86,484	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	80	150	20 0	20 0	20 0	20 0	12	Y.
													12	Y.
Other Centres														
47,50,000 } 2,50,000 }	15,00,000	1,88,62,901	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	{ 9½ 8½N	O. 10 D. 2½	*Nil*	*Nil*	*Nil*		8	Y.P.T.
30,00,000	35,05,079	32,06,626	21,94,951	3,43,061	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.'	212d	10	1 4	1 4	1 4	2 0*	8	Y.
20,00,000	27 47,883	1,01,49,337	39,87,830	32,683	O T Jenkins, Esq. (Director)	Assam Match Co. Ltd.	19½	10	1 4	1 4	1 4		6	Y.
80,01,400	82,94,263	65,81,988	22,21,988	1,49 717	Balmer Lawrie & Co., Ltd.	Associated Hotels of India	64N	10	0 4	0 3 1/5	0 3 1/5	0 6 2/5	12	Y.
12 00 000	9,10,000	31,07,472	23,35,472	29,315	Lovelock & Lewis	Bengal Flour Mills Co., Ltd. ..	185	100	20 0*	20 0*	12 0	2 -	12	Y.P.T.
20,00,000	7,99,470	57,58,56484	.. ..	1,21,733	K. Julian Scott Esq. (Mg. Director) ..	Birds Investment Ltd.	10	10	0 10	1 8	2 8	1 8†	6,12	Y.
45,97,180	25 44 814	1,00 74,580	29,49 001	1,98 548	Cotton Agents Ltd.	Britannia Biscuits	17	10	1 4	1 4	1 4		9	Y.P.
2,25,00,000	1,00,83,962	2,69,29,057	2,07,14,167	2,61,142	Sir Robert Menzies	British India Corporation Ltd.	11½	10	0 10	0 8	1 0	1 0	8	Y.P.T.
1,80,00,000	1,79,00,000	4,38 17,964	3,05,58,184	11 98,691	Cecil Stack, Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	91½	10	1 8	1 8	1 8		12	Y.P.
81,29,000	53,06,763	1,84,39 91564	.. ..	5,18,808	Bird & Co., Ltd.	Eastern Investments Ltd.	151	100	8 0	8 0	8 0		12	Y.P.T.
14 00,0 00	10 02,000	33 81,772	18,89 772	27 194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.'	194	100	{ 80 0	0 10	0 8	0 8	12	Y.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	14	10	10 0	7 8	7 8	7 8	8	H
30,00,000	11,42,554	56,59,482	29,41 525	1,866	B. P. R. Syndicate	Great Eastern Hotel	240	250	15 0	0 12	1 0	1 6 2/5	6	Y.
18,42,800	9,67,964	73,81,701	53 60,649	36,686	Birla Bros., Ltd.	Hindustan Motors	160N	100	8 0	0 0	10 0		9	Y.
4,96,13,350	2,92,450	3,56,34 606	94,58,719	8 85	Birla Bros., Ltd.	Indian Aluminium Co.	9½	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.T.
1,50,00,000	36,77 754	3 96,21 557	1,54,14,699	3,96 512	J. W. Cameron, Esq.	Indian Cables	186	100	6 0	*Nil*	*Nil*	4 0	12	Y.
1,52,89,220	1 20,50,000	1,55,72,391	57,17,651	28 98 402	A. R Driemers Esq.	Indian Rubber Manufacturers ..	29½	10	1 0	1 0*	1 0*	1 0*	12	Y.P.
6 87,970	5,50,000	15,40,506	8 90 110	32,616	G. E. Moulton & Co. (India), Ltd.	Imperial Tobacco Co. of India Ltd.	11½	10	1 0	0 12	0 8	1 4*	3	Y.P.
15,15,10,000	7,23,72,593	3,55,94 147	1,17,76,408	25 00,733	Mr. Eric Henry Hare (Chairman)	Jardine Henderson	24	2	D. 1	*Nil*	*Nil*	0 12 4/5	6	Y.
2,00,00,000	55,29,566	84,88 960	8,60,060	4,70,107	G. M. Mackinsay, Esq.		107½	100	10 0	7 8	7 8	7 8	3	Y.
6,34 0000 } 96 000D. }	3 48,343	6,89,830	4,31,766	2,240	James & Co., Ltd.	Macfarlane & Co.	{ 24 2	O. 5 D. 1	*Nil*	*Nil*	*Nil*		9	Y.P.
40,00 0000. } 5,00 000D. }	73,01,900	25,16,760	7,97 301	1,87,834	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.	210N	O.100 D.O.10	7 8 0 4 1 0	10 0 0 8 1 0	17 0 1 3 1/5		12	Y.P.
1,80,00,750	38,16,868	19,97,616	5,68,161	2,83,480	T. Leslie Martin, Esq. (Mg. Director) ..	Martin Burn Ltd.	24½	10	1 0	1 0*	1 6		9	Y.P.
1,15,00,000	44,50,000	1,76,64,805	67 87,487	14 43,141	H. Chiswell Jones, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	24½	10	1 0	1 0	1 0		9	Y.P.
6 95,255	1,53,555	7,81,449	2,80,987	—15,229	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	41	10	*Nil*	*Nil*	*Nil*	1 4	3	Y.P.
3,50,250	2,55,118	10,40,250	4,40 947	.. ..	G. Chandra Esq. (Controller) ..	Mysore Lamp Works	14½	10	1 0	1 0	1 0		12	Y.
10,00,000	1,32,000	15,15,148	8 10,698	20,916	T. Shamanna, Esq. (Chairman) ..	Mysore Tobacco	11½	10	1 0	1 0	1 4	1 0	3	Y.
40,00,000	51,51,178	50,09,527	29,20,150	2,72,382	Associated Industrial Development Co., Ltd.								9	Y.T.
79,97,000	21,15,337	1 14,74,878	52 77,582	9,05,420	B. N. Elias & Co., Ltd.	National Tobacco Co.	21½	10	0 12	1 0	1 0	1 8*	3	Y.T.
40,00,000	37,00,000	44,15,474	19,71,484	1 81,468	Commander Investment Trust Ltd.	Parry & Co.	10½	10	0 8	0 8	0 8		12	Y.P.
2,99,90,000	7,25,188	1,58,49 091	40 14 109	—88 99 179	M. P. A. Pagratti, Esq.	Kalifs (India) Ltd.	351	100	*Nil*	*Nil*	0 4 4/5	0 4 4/5	12	Y.P.
1,72,24,400	1,31,30,338	2,56,84,688	5,47 04,070	4,01,924	Sahu Jain Ltd.	Kothas Industries	19½	10	1 0	1 0	1 0	*Nil*	12	Y.P.
40,00,000	99,00,504	1,15,75,870	70,99,057	8,10,075	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 0	1 0	1 8	1 8	6	Y.P.
75,00,000	49,00,000	15,26,2665	4,16,784	3,63,551	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	15½	10	1 0	1 0	1 8	1	6	Y.P.T.
9,99,980	1,50,000	12,56,288	2,00,000	3,40,446	Ogale Bros., Ltd.	Travancore Ogale Glass	8½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
													12	Y.

@ Investments at cost. * Includes bonus. ‡ Excluding Rs. 1,49,01,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amlukie	500N	100	7 8	25 0	30 0		12	Y.P.
3,50,000	3,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	43N	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	44	10	*Nil*	2 8	8 0*		12	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,058	McLeod & Co., Ltd.	513	Badhmari	31	10	*Nil*	*Nil*	3 8		12	Y.
5,10,000	8,50,000	11,69,193	3,89,461	93,033	Andrew Yule & Co., Ltd.	369	Basnauda	32cr	10	2 0	2 8	3 0		12	Y.
3,30,600	4,85,000	10,11,265	6,46,265	18,304	National Tea Corporation	569	Batell	24½	5	0 4	2 0	4 0		12	Y.
3,20,000	8,70,000	9,60,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	49½	10	*Nil*	2 0	10 0*		12	Y.
6,50,000	20,60,000	52,30,169	22,95,169	1,90,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	35½	10	*Nil*	3 8			12	Y.
5,00,000	2,33,500	10,49,416	2,03,130	61,929	Octavius Steel & Co., Ltd. ..	485	Bokakhat	31	10	*Nil*	*Nil*	1 0		12	Y.
7,50,000	6,52,400	8,92,327	2,33,050	1,44,105	McLeod & Co., Ltd.	450	Bormah Jan Tea	17½	10	*Nil*	0 12	3 8		12	Y.P.T.
35,00,000	11,92,045	73,80,473	19,49,495	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	20	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,00,426	5,55,983	1,35,593	5,542	McLeod & Co., Ltd.	232	Dejoo Valley	40	10	*Nil*	1 0	6 0		12	Y.
6,00,000	10,99,000	26,64,194	16,84,471	51,559	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	425N	100	10 0	20 0	40 0		12	Y.
7,53,440	9,57,943	22,73,420	4,17,546	44,551	James Warren & Co., Ltd. ..	620	Dhekakhat	1½xd	10	1 0	1 8	2 8		12	Y.
4,88,970	3,95,000	10,93,289	3,77,383	8,779	James Finlay & Co., Ltd.	644	Dhunseri	25½	10	*Nil*	2 0	5 0		12	Y.P.
4,50,000	5,75,000	9,00,834	2,00,317	54,692	McLeod & Co., Ltd.	453	Dibrugarh	28½	10	*Nil*	1 0	4 0		12	Y.
2,36,700	6,60,000	10,29,006	5,54,006	55,532	Williamson Magor & Co., Ltd.	611	Dimakusi	57	10	1 0	4 8	6 0		12	Y.P.
5,60,500	8,82,000	19,35,951	13,34,016	1,54,360	Williamson

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	3½xr	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,04,180	18,13,757	33,42,456	3,75,655	1,19,069	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	8☆	3	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,195	22,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries) ..	Coffee Lands and Industries ..	18½	10	0 14 2/5	0 4 4/5	0 12	1 12 4/5	6	Y.P.T.
47,70,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	21½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,75,708	5,55,057	48,744	7,744	Associated Planters Ltd. ..	Cottamal Plantations	15	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,55,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce	15½	10	1 1 0	1 4	2 8		12	Y.P.
4,00,000	10,52,963	17,78,335	1,92,091	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	26½	10	2 0	2 0	2 0	2 12	4	Y.P.
9,00,000	7,28,329	18,44,917	2,58,903	..	K.T. Thomas Kathanar, Esq. ..	Malankara Rubber	20½	10	3 8	5 8	2 4	2 4	4	Y.P.
27,00,000	24,39,000	74,32,314	7,71,929	1,45,508	A. V. Thomas & Co., Ltd. ..	Midland Rubber	18½	10	1 8	1 8	1 12*	2 8	3	Y.P.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd. ..	Nennemy Rubber	21½	10	0 10	0 12	1 8		12	Y.P.
2,00,000	2,00,688	7,20,863	41,185	8,093	Associated Planters Ltd. ..	Nilambur Rubber Co.	13	10	1 0	1 0	1 0		12	Y.P.T.
19,45,380	24,00,201	41,19,703	12,44,057	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5-2½cd	2	0 2½	0 3½	0 9 3/5	0 6 2/5	10	Y.P.T.
13,50,000	7,80,000	40,02,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajaciri Rubber	21½	10	1 8	1 12*	1 12*	2 0	6	Y.P.
3,66,780	2,50,000	5,04,562	49,343	89,004	Peirce, Leslie & Co., Ltd. ..	Savumalai Estates Ltd.	27½	10	3 8	3 0	2 8		11	Y.P.
10,00,000	9,98,310	22,01,120	1,38,529	2,934	East India Agencies	Teekoy Rubber (India) Ltd. ..	9½	10	0 14½	0 14 2/5	0 12	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	5,20,518	27,925	15,515	A. V. George & Co., Ltd. ..	Thamaraipally Rubber	28½	10	2 0	3 0	3 0		12	Y.P.
6,10,200	3,00,995	8,91,564	69,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2½cd	1	0 4	0 4½	0 1 3/5	0 2	9	Y.
6,00,000	45,474	7,49,011	1,11,209	3,744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	23½	10	2 0	2 0	2 0		12	Y.
41,00,000	14,29,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	12½	10	0 9 3/5	1 0	1 0		12	Y.P.T.
20,00,000	99,000	25,53,508	5,65,978	2,276	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	37	25	2 8	3 0	3 0		12	Y.
6,28,580	4,40,750	7,77,154	14,119	21,263	Harrisons & Crosfield Ltd. ..	Valkumdam (Travancore) Rubber ..	26½	10	2 0	2 0	2 4		12	Y.
1,65,000	87,250	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	10½	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,930	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12½	10	1+1	1+1	1+1	1+	3,9	H.T.P.
6,00,000	9,50,000	51,48,688	35,31,395	94,987	McLeod & Co., Ltd.	446	Alexandra	248xd	100	*Nil*	*Nil*+2½	2½+1	1+	6, 12	H.P.
30,00,000	9,84,139	1,17,45,964	91,73,959	2,55,797	McLeod & Co., Ltd.	1,204	Alliance	140	100	*Nil*	*Nil*+5	6+6	1+	6, 12	H.P.
49,20,700	71,94,144	2,71,07,506	1,32,90,000	1,41,421	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	109	100	10+10	7½+5	2½+5	5+	3,9	H.P.
40,00,000	43,84,505	1,73,35,857	85,98,036	14,285	Bird & Co., Ltd.	810	Auckland	138	100	6+4	5+2½	1+2½	5+	3,9	H.P.
24,80,760	24,80,759	98,35,925	65,94,459	7,378	Jardine Henderson & Co.	959	Bally	165	100	6+4	4+*Nil*	*Nil*	3½+	3,9	H.P.T.
£275,000	£631,523	£1 556,539	£1,003,227	£64,458	Sir John H. Burder (Chairman)	1,889	Barnagore	103	£5	£1	£1	£1	£1	3,9	H.P.
28,00,060	35,49,023	89,72,503	49,51,044	63,428	Andrew Yule & Co., Ltd.	820	Belvedere	181	100	7½+7½	7½+7½	5+5	5+	3	Y.P.
45,00,000	30,45,000	55,76,291	29,00,922	2,95,071	Soorajmull Nagarmull	600	Bengal	17½	10	1	1½	1½	1+	6, 12	H.P.
21,26,000	2,15,77,044	3,32,32,892	29,72,760	3,12,630	Birla Bros., Ltd.	1,373	Birla	18	10	1	1½	1½	1	6, 12	Y.P.T.
36,00,000	27,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	180	100	*Nil*	3	1	1	3	Y.P.
7,47,780	3,16,924	42,43,494	30,09,548	5,424	Davaram & Sons	502	Calcutta Jute Mfg.	13	10	6½+6½	6+4	4+5	5+2½	6,12	H.P.
18,00,000	32,31,234	77,55,567	41,06,135	74,452	Andrew Yule & Co., Ltd.	616	Caledonian	240	100	0+8	*Nil*	2½		4,10	H.P.
59,16,400	98,58,404	2,24,41,517	1,07,46,903	1,30,505	James Finlay & Co., Ltd.	600	Champdany	170xd	100	6+6	6+6	4+5	4+	6, 12	H.P.T.
15,05,000	30,14,292	80,90,473	56,13,386	54,375	Andrew Yule & Co., Ltd.	530	Cheviot	230	100	7+8	3+3	*Nil*+3	4+6	5,11	H.
80,15,000	28,25,000	60,73,514	46,01,290	1,52,253	McLeod & Co., Ltd.	500	Chitavalsah	100	100	6+6	6+6	6+8	6+	3,9	H.P.
16,00,000	24,00,000	78,22,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	15	10	2½+1½	1½+1½	1½	1+	5,11	H.P.
31,45,200	61,22,953	1,34,26,320	94,46,961	1,996	Bird & Co., Ltd.	766	Dalhousie	125	100	6+1	1+3	1+1½	1-4x	6, 12	H.T.P.
45,00,000	44,74,179	75,27,531	46,70,110	94,604	Andrew Yule & Co., Ltd.	779	Delta	240	100	10+10	10+10	6+6	5+	3,9	H.P.T.
15,00,000	33,50,000	81,98,824	59,15,560	1,43,894	McLeod & Co., Ltd.	500	Empire	22	10	1½	1	1	1	5,11	H.P.
21,00,000	50,00,176	2,72,28,253	1,87,05,641	1,87,982	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	400N	100	10+*Nil*	*Nil*	*Nil*	4+	6, 12	E.T.P.
14,00,000	17,75,000	84,16,102	63,69,750	1,16,743	Banzur Bros., Ltd.	1,014	Fort William	26xr	10	*Nil*	*Nil*+5	*Nil*+5	10+5	3,9	H.P.T.
84,32,100	1,66,021	2,03,72,493	1,32,68,885	84,732	Macneill & Barry Ltd.	1,709	Gances Mtg.	84	100	*Nil*	*Nil*+5	10+10	10+10	3,9	H.T.P.
28,80,000	28,00,000	71,52,963	48,43,092	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	19	100	*Nil*	*Nil*+*Nil*	*Nil*+½	2½+*Nil*	3,9	H.P.
24,00,000	33,78,409	2,12,33,183	1,65,14,218	57,208	Macneill & Barry Ltd.	1,394	Gouripore	300	30	15	*Nil*	7½		12	Y.
40,00,000	55,68,224	99,03,890	57,88,999	3,27,745	Banzur Bros. Ltd.	1,078	Hastings	315	100	1½+*Nil*	*Nil*+3½	2½+7½	7½+7½	3,9	H.P.
18,40,000	18,52,626	66,58,235	45,81,418	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hoochly	114N	100	10	10	10+10	11½+	3	Y.P.
65,62,500	64,54,528	1,88,96,868	1,08,71,020	92,110	Jardine Henderson Ltd.	1,940	Howrah	42	10	1½	1½	4		3	Y.P.
62,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	25	10	1+½	2+½	2+½	2+	3,9	H.P.
O. 87,60,000 } D. 30,000 }	18,75,000	1,20,99,497	76,70,146	45,363	Mackinnon Mackenzie & Co. ..	1,076	India	30	7½	5	5	5	5	3	Y.P.T.
24,00,000	23,52,233	1,37,58,585	1,23,68,657	24,686	Jardine Henderson Ltd.	1,797	Kamarhatty	180	100	8+6	6+3	3+3	3+	3,9	H.
30,00,000 } 80,00,000 }	13,77,539	1,32,79,035	99,85,481	19,297	Jardine Henderson Ltd.	1,527	Kankanrrah	150	100	8+6	6+3	3+5	2½+	6, 12	H.P.
21,00,000	49,50,009	1,12,88,750	79,26,276	1,70,687	McLeod & Co., Ltd.	703	Kelvin	124	100	6+4	5+2½	2½+4	1+	6, 12	H.P.
84,00,060	23,33,375	1,71,07,938	1,15 44,627	57,501	Anderson Wright Ltd.	1,530	Kharadah	255	100	7½+7½	7½+7½	10+10	10+	6, 12	H.P.
48,00,000	1,04,27,157	2,31,57,437	1,12 99,755	52 710	F. W. Heilgers & Co.	1,250	Kinnison	170	100	10+15	10+7½	7½+5	6+	6, 12	H.P.
24,48,000	49,37,787	1,39,32,288	80,55,707	10,707	Bird & Co., Ltd.	931	Lansdowne	189	100	10+7	4+5	2+5	7+6	3,9	H.P.
26,00,000	56,39,470	1,19,05,711	64,93,958	2,154	Bird & Co., Ltd.	840	Lawrence	125	100	7+3	5+2½	2+1	5+2	3,9	H.T.P.
81,65,200	26,14,412	1,99,74,174	1,21 64,314	1,32,079	Macklinnon Mackenzie & Co. ..	1,008	Mesna	145	100	11+4	2+3	3+4	5+1	3,9	H.P.
29,98,000	38,14,415	1,34,76,420	98 81,406	—3,19,252	F. W. Heilgers & Co.	815	Nalhati	90½	100	2½+2½	2½+2½	*Nil* 2½	2½+	3,9	H.P.
20,00,000	10,55,563	29,01,563	18,21,376	17 879	Thomas Duff & Co. (India) Ltd. ..	426	Naskarpara	118	100	6+*Nil*	*Nil*	*Nil*	*Nil*	3,9	H.
35,00,000	43,29,326	29,10,124	10,08,222	70,554	Andrew Yule & Co., Ltd.	852	Kalpetta Estates	18½	10	2+½	*Nil*+½	1+½	1+	3,9	H.
26,25,000	24,50,000	26,82,794	20,20,619	1,43,752	McLeod & Co., Ltd.	316	Nellimarla Jute	28xd	10	1+1	1+1	1+½	1+	4,10	H.T.
34,13,033	34,13,033	50,02,515	25,21,978	8 01,695	Bird & Co., Ltd.	709	New Central	12	10	2+1	1+½	1+½	1+	4,10	H.P.
16,79,880	52,39,696	1,24,00 192	60,85,786	65 110	Bird & Co., Ltd.	567	Northbrook	18½	10	1 8	1 8	1 12*	2 8	3	Y.P.
66,79,500	28,30,703	2,12,69,608	1,39,37,804	58,273	Macneill & Barry Ltd.	1,092	Nuddea	16½	10	1+1	1+1	1+½	1+	6, 12	H.P.
24,31,000	27,81,049	71,59,178	49,91,690	1,03,954	Andrew Yule & Co., Ltd.	601	Orient	25½	10	1+*Nil*	*Nil*+½	*Nil*+½	½+	6, 12	H.P.T.
25,00,000	6,23,468	80,72,591	63,77,961	1,03,954	McLeod & Co., Ltd.	400	Presidency	170	100	1+6	6+6	6+6	6+	3,9	H.
20,00,000	1,44,936	26,56,830	8,39,130	—12,15,988	Birla Bros. Ltd.	305	Rameshwara	6½	5	*Nil*	*Nil*+½	½+½	6+	5,11	H.P.
49,50,000	8,12,560	1,23,99,293	58,56,886	45,787	Jardine Henderson Ltd.	1,276	Reliance	10	10	*Nil*	*Nil*	*Nil*		6, 12	H.T.
£600,000	£1 095,713	£1 236,315	..	£33 658	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	11½	10	*Nil*	½+½	*Nil*	*Nil*+	3,9	H.P.
30,00,000	13,12,193	1,04,21,440	73,39,904	38 764	Bagaria More & Co. Ltd.	911	Shree Ambica	13½	10	1+1	*Nil*	*Nil*+½	*Nil*+	3,9	H.P.T.
14,00,000	11,08,733	66,05 602	31,92,503	1,60,758	Hindustan Investment Corporation	401	Soorah	15½	10	1+½	*Nil*+½	½+½	3%½	12	Y.P.
25,19,600	42 44,180	1,30,76,167	51,18,663	—2,75,291	Bird & Co., Ltd.	656	Standard	19½N	10	*Nil*	1	1		3,9	H.P.
£600,000	£925,119	£990,895	..	£110,316	Thomas Duff & Co. (India), Ltd. ..	1,704	Titaghur	125	100	8+1	1+1	1+1	1+*Nil*	12	Y.P.T.
85,98,600	88,14,823	1,05,49,069	81,71,517	14,518	Bird & Co., Ltd.	1,326	Union	13½	£1	10%	10%	10%	3%½	3,9	H.P.
£400,000	£688,035	£1,092,723	..	£97 816	Thomas Duff & Co. (India) Ltd. ..	1,321	Victoria	18½	100	10+1	1+½	1+½	5+5	3,9	Y.P.
2,50,000	4,95,000	55,94,678	37,77,741	35 624	McLeod & Co., Ltd.	465	Waverley	1½	£1	10%	10%	10%	3%½	3,9	H.P.T.
								6½	1	*Nil*	*Nil*+½	½		12	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	23½	10	½+½	½+½	½+½	½+	3,9	H.
12,00,000	8,34,319	38,77,312	35,73,612	12,449	Jardine Henderson Ltd.	Bararee Coke	8☆	10	3/5+½	7/10+7/10	½+½+7/10	½+	3,9	H.
4,49,350	70,000	8,49,159	5,40,966	4,561	Andrew Yule & Co., Ltd.	Bengal-Bhatdoee	19½	10	1	1	½+½	½+	6, 12	H.P.T.
1,00,00,000	1,34,40,223	5,81,71,227	3,82,07,119	7,80,965	Andrew Yule & Co., Ltd.	Bengal Coal	53☆	200	20+20	17½+15*	½+½+15*	17½*1	3,9	H.
2,25,000	4,96,231	25,34,835	22,57,553	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	16	10	½+½	*Nil*	½+½		6,12	H.
15,97,000	4,73,333	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	5½	10	½	*Nil*	*Nil*		4,10	H.P.
40,00,000	14,81,010	1,30,60,104	68,66,700	12,644	Shaw Jain Ltd.	Bharat Collieries	8½	10	½				6,12	H.P.
7,15,000	15 09,580	52,40,025	37 09 987	—1,65,136	F. W. Heilgers & Co. Ltd.	Bhulabhanjore	14½N	10	*Nil*	*Nil*	*Nil*	*Nil*+	9	Y.
16,00,000	16,17,936	68,14,856	39,09,841	—79 106	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	15½N	10	*Nil*				6	Y.T.P.
7,50,000	25,07,868	42,42,057	26,07 991	68,020	F. W. Heilgers & Co., Ltd.	Borrea	29	10	1½+1½	1½+1½	1 + 1	1+	6,12	H.
90,92,480	1,76,70,564	4,16 32,554	1,80,95,440	1,40,510	Bird & Co., Ltd.	Burrakur	14	10	½+½	½+½	½	½+	6,12	H.T.
49,07,750		34,81,955	2,57,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	1	1	1	1+	6,12	H.P.
8,00,000	13 54,302	4,10,10,114	32,63,954	82,966	.. .. ..	Central Kurkend	12½N	10	*Nil*	£1	£1	£1	6,12	H.P.T.
6,00,000	1,43,608	7,28,438(k)	..	12,201	F. W. Heilgers & Co., Ltd.	Churlia	3	4	1	½+½	½	½	3	Y.
16 00,000	1,20,000	52,67,321	28,91,190	—2,43,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	*Nil*	½+½	½	½+	6,12	H.
£240,000	£350,553	£936,945	£702,277	£59,787	Jardine Henderson, Ltd.	East Indian	3½	£1	3(0)	½+½	*Nil*	*Nil*+	6,12	H.
20,63,760	76,84,250	3,80,67,409	2,87 14,367	93,286	Macneill & Barry Ltd.	Equitable	33½	10	2+1½	1	2½	2	6,12	H.
10,00,000	2,15,000	10,76,864	3,73,963	11,273	Phatter's Agency Ltd.	Ghusick and Muslia	14½N	10	0+8	*Nil*	½+½	2½	4,10	H.P.
12,00,000	1,22,000	39,02,565	20,99,824	3,229	Killick Industries Ltd.	Hingir-Rampur	48	50	½	½	½	½	4	H.
8,00,000	6,75,000	21,43,057	18,81,214	65,461	Macneill & Barry Ltd.	Jhurriladih	25	10	2+2	2+2	3	3	6, 12	H.P.T.
22,00,000	1,12,060	24,74,412	6,18,546	—5,57,293	Bajnale Trust Ltd.	Jodia Coal	2½	10	½+½	½+½	½+½	2+	3	Y.
3,50,000	2,07,448	13,53,458	7,08,130	....	Andrew Yule & Co., Ltd.	Kalajahari	22½N	10	*Nil*	*Nil*	*Nil*	1½+	6	Y.P.
20,00,000	17,325	29,07,891	3,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries	160	100	1½+1½	1½+1	*Nil*		6, 12	H.
5,00,000	15,60,000	45,16,229	35,85,877	1,26,128	Andrew Yule & Co., Ltd.	Katras Jherriah	64	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
1,38,400	5,72,990	12,85,941	5,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	6N	10	2+2	2+2	2+2	2½	2,8	H.
11,00,240	64,314	16,72,961	10,41,993	—41,320	H. V. Low & Co., Ltd.	Kuardi	44N	10	*Nil*	*Nil*	*Nil*	2½+3	2	Y.P.
9,00,000	11,86,413	23,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	99½N	10		*Nil*	*Nil*		1 7	H.
7,43,240	1,50,000	11,58,128	8,95,686	25,598	S. P. Tantia, Esq.	Nazira	6½	10					6, 12	H.P.
7,00,000	28,617	10,33,740	5,39,295	4,560	Amritlal Ojha & Co. Ltd.	New Ranadeopur	10N	10					6	Y.
17,76,230	19,41,763	1,17,95,498	87,10,712	95,478	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10					6, 12	Y.
5 00 000	85 000	28,44,928	16.65.990	36,426	Octavius Steel & Co., Ltd.	New Mashkoom	12½	10	*Nil*+½	½	½	½	6	H.
1,15,000 } 1 57,500 }	2,55,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	1½N 16½N	10	*Nil*	*Nil*	*Nil*	*Nil*+	4, 10 3, 9	H.P. H.
1,50,000	12.21.853	3,97,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd.	Ondal	7½	10	½+½	½+*Nil*	*Nil*	½+½	3,9	H.
10 00,000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	18N	10	1+1	½+*Nil*	*Nil*	*Nil*		
8,34,000	12 942	17,42,596	8,01,923	7,443	Deepchand Kishenlall	Parasea	9N	10		1+1	½+½	½+	6, 12	H.P.
25,75,000	15 00 000	46 12 471	34 02 471	88 203	Shaw Wallace & Co., Ltd.	Perch Valley	13½N	10	*Nil*	½+½	½		12	Y.T.
23,99,500	18.67.105	1,19,88,839	83,32,615	83,013	N. B. Elias & Co., Ltd.	Ramegunge	22½	10	½+½	½+½	½+½	½+	6 12	H.P.
13,50 000	8 53,385	35,36 765	21,73,764	28,521	Shaw Wallace & Co., Ltd.	Rewa	12	10	*Nil*	½+½	½+½	½+	3,9	H.
20,00 000	3,95,008	32,32,218	13,30,590	438	Jaipuria Sons Ltd.	Samla Collieries	22½	10	½+½	½+½	½+½	½+	3,9	H.
1,25 000	1,95 892	13 78 480	12,21,237	21 070	M.	Searsole	13½N	10	½+½	1+1	½+½	½+	6, 12	H.
2,80,000	7 36,598	29,87 021	13,41 629	40,187	Andrew Yule & Co., Ltd.	Seebpore	7½xRN	24	½	½			6, 12	H.
8,00,000	8 46,849	52 491	28,867	6 601	F. W. Heilgers & Co., Ltd.	Sendra	33	7	2+1	½+½	½+½	½+	6, 12	H.
68 21,450	16,96,050	3,82,71,101	2,85,38,501	—4,46,963	Industrial Trust Fund (Government of Hyderabad)		10½N	10	*Nil*	1	1 + 1	½+	1	Y.
						Singareni	9½	10		*Nil*	*Nil*+½	½+	6, 12	H.P.
17,50,000	10,84,016	37,86,103	15,14,990	—81,533	Bird & Co., Ltd.	South Karanpura	11½	10	½+½	½+½	0-11 1/5		6, 12	H.T.
8 00 000	13 69,545	1 09,570	25,510	7,987	F. W. Heilgers & Co., Ltd.	Standard	21½	10	½+½	½+½	*Nil*+½		12	Y.T.
10 00,000	12,950	30,15,423	15,43,501	—8,64,536	Villiers Ltd.	Telcher	3☆	10	½+1	1+1	½+½	½+*Nil*	2,8	H.
3,50,000	3,59,000	18 66,784	14 07,784	47,938	Williamson Magor & Co., Ltd. ..	Union	2½	10			½+½	½+	6, 12	H.
49,98 000	....	49,06,356	18,91,545	81,894	Hindustan Investment Corpn., Ltd	Western Bengal	17	10	1½+1½	1+½			6	Y.
7,00,000	1,38,190	55,22,138	22,66,981	122	Macneill & Barry Ltd.	West Jamuria	6½	10			½+½	½+*Nil*	6, 12	H.
							14	10	*Nil*	*Nil*	*Nil*	*Nil*+	3	H.

M—Managed by the board of directors ‡ Less income-tax. (s) Cilve Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus.
(i) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (k) Investments
(s) For seven months ended 31st March 1956

MARKET REPORTS

(*Concluded from page 369*)

ing the week and the week's offtake aggregated 8 *khaties*, reducing the local stock to 25 *khaties*, as against 13 at this time last year. While wheat prices continued steady in Bombay and Madras markets, prices improved appreciably in North

that, against the Rs. 375 crores which they are required to provide, their resources would amount only to Rs. 325 crores, made up of Rs. 225 crores to be contributed through the depreciation reserve fund during the Plan period, and Rs. 100 crores from revenue including expenditure on open line works, interest on the Railway fund balances, and revenue surpluses, which will be very small since a large proportion of the additional traffic will be low-rated and the dividend liability to general revenues on account of increases in the capital overhead will rise very steeply during this period. The gap of about Rs. 50 crores has to be filled to avoid a further restriction in the scope for the development of the transport capacity, and the railways must, therefore, endeavour to increase their earnings so as to meet the contribution required of them, and, if possible, something more, in order to reduce the margin between the present lower targets and the original targets of transport capacity. It is in these circumstances that I have to approach you to agree to a surcharge of one anna in the rupee on all freight traffic, with the exception of grains and pulses, fodder, manure, khadi, newspapers, newsprint and books."

The impact of the variations of the railways on the depreciation reserve fund, the revenue reserve fund and the development fund is indicated in the following table:

Reserve Funds and Capital At Charge

(As at end of each year)

(In crores of rupees)

	1953-54	1954-55	Revised estimate, 1955-56	Budget, estimate 1956-57
Depreciation Reserve Fund ..	112.8	100.7	-100.7	104.1
Revenue Reserve Fund ..	37.2	38.4	46.9	48.4
Development Fund	20.6	17.5	8.1	9.2
Capital at charge	869.3	901.6	973.7	1,087.1

Finally, it seems necessary to reiterate that the private sector cannot possibly ignore—let alone excuse—the fact that the Plan promises no relief from transport bottlenecks during the next five-year period. The revised Plan will provide only an additional transport capacity of 15 per cent. for passenger traffic and 47 million tons of goods. The total goods movement during the current year is expected to be 115 million tons, against an estimated demand of 120 million tons, leaving a gap of 5 million tons; this gap will, however, be covered. It has been computed that the net increase in carrying capacity during the second Five-year Plan would be about 42 million tons, as against an original estimate of 60.8 million tons. This increase is expected to meet fully the additional traffic load of 25 million tons on account of coal, and other raw materials required for expanding steel industry and its finished products, 6 million tons more coal and 4 million tons more cement. But the contemplated increase in railway capacity, the Minister himself admitted, would be insufficient to meet the increase in demand from other quarters. All this means that there is no hope of any relaxation of controls on movement of rail traffic; indeed, the business community must thank its stars, if the existing controls are not tightened. In this context, the following quotation from the Minister's speech is significant. "I am afraid it will leave a meagre margin for increase in trade and output in other sectors of our economy. It is also feared that the small increase of 3 per cent. per year in passenger train-miles now planned will not help much to relieve overcrowding as long as passenger traffic continues to grow as anticipated."

The Minister must be congratulated on the candid way in which he has explained the position. If the prospects for transport for the private sector are thus none too bright, there will, however, be no disposition to blame the Railway Ministry, for it has striven hard to plan for a larger increase in the transport capacity of the railways. At this stage, three observations might be made. First, is the Government not open to the charge of step-motherly treatment towards the private sector in that it has approved such portion of the Plan as will make it easy for the Public sector to meet all its transport requirements, ignoring the claims of the private sector? Secondly, will this not result in the creation of pockets of shortages in goods and commodities in different parts of the country and in needless suffering for the people, especially because a large amount of deficit financing is proposed to be resorted to? Thirdly, if the railways, for whatever reason, cannot be allowed to increase their carrying capacity to the necessary limit, why should not the Central and State Governments revise their road transport policy, in order to give greater scope for private transport operators? Clearly, these questions have a vital bearing on the progress of the country's economy.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
15,00,000	1,08,00,000	11,36,301	Allahabad Bank	365	100	18 0	18 0‡	18 0‡			Y.P.
14,50,000				184	50	9 0	9 0‡	9 0‡		12	
1,01,000	13,51,000	1,28,560	Andhra Bank	115	100	6 0	6 8	7 8	3 0‡		H.
$1,29,720				85	70	3 0	3 4	3 12	2 1 3/5‡	6,12	
1,00,00,000	1,28,00,000	2,70,302	Bank of Baroda	98	50	6 0	6 0‡	6 0‡	1 8‡	12	Y.
60,00,000	17,00,000	11,795	Bank of Bikaner	25 N	25	3 0	3 0	3 0	3 8	12	Y.
2,50,00,000	3,32,00,000	13,26,630	Bank of India	152	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	25,00,000	60,636	Bank of Indore	52 N	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	19,00,000	25,128	Bank of Jaipur	25‡	50	1 8	1 8	2 0		12	Y.
50,00,000	85,00,000	2,60,591	Bank of Mysore	262‡cd	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
61,21,700	58,73,013	10,069	Bombay State Co-operative Bank.	57 N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	86	50	4 8	4 8	4 8		12	F.Y.
7,50,000	11,25,000	2,518	Canara Banking Corporation Ltd.	86cd	50	5 0‡	5 0‡	5 0‡		12	Y.P.
$2,02,11,575	4,00,55,697	17,88,899	Central Bank of India Ltd. ..	47‡	25	3 8	3 0	3 0	1 8‡		R.L.Y.
$6,42,375 'A'				51	25	3 8	3 0	3 0	1 8‡	12	
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co. ..	45	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72 N	20	4 0	4 0	4 0		12	Y.
50,00,000	23,50,000	1,12,320	Hind Bank	39	50	1 0	1 8	1 8		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank ..	9‡	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	14	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	89 N	100	5 0	5 0	6 0‡	5 0		Y.
24,00,000				190	100	12 0‡	12 0‡	12 0‡	6 0‡	9	
17,00,000	77,50,000	1,30,785	Indian Bank	164	85	10 8‡	10 8‡	10 8‡	5 1 2/5‡		R.L.H.
16,80,000				114	60	7 8‡	7 8‡	7 8‡	3 9 2/5‡	6,12	
49,19,675	26,00,000	2,15,839	Indian Overseas Bank	127	100	6 0	6 0	6 0		12	Y.
6,25,000	5,64,500	—1,12,440	Indo-Commercial Bank ..	42‡	100(A)	6 0	Nil	Nil			
2,50,000				11	25(B)	1 8	Nil	Nil		6,12	
10,00,000				25	50(C)	3 0	3 0	Nil			H.
87,50,000	92,50,000	4,99,040	Punjab National Bank	43‡	25	1 8	2 0	3 0	1 8‡	12	Y.
1,00,00,000	21,75,000	93,631	Travancore Bank	17‡	25	—	0 10	0 12		12	Y.
40,00,000	33,00,000	1,75,874	Union Bank of India	5	5	0 5‡	0 5‡	0 5‡		12	Y.
2,00,00,000	86,50,000	1,08,725	United Commercial Bank ..	49‡	50	2 0	2 0	2 8		12	H.
PRINCIPAL EXCHANGE BANKS						**Dividend (per cent.)**					
$3,500,000	£5,000,000	£392,910	Chartered Bank of India, Australia and China	£1-19-4‡	£1	16†	14†	15†		12	R.L.Y.
$1,000,000	$1,250,000	£69,917	Eastern Bank	£8‡	£5	7†	8†	8†		12	R.L.Y.
H.K. $20,000,000	HK $125,000,000	H.K $10,215,256	Hongkong and Shanghai Banking Corporation	£97	H.K. $125	5*	5*	5*	2*	12	Y.
$17,966,195 'A'	£15,000,000	£554,006	Lloyds Bank	£2-13-6	£5 A	12†	14†	15†	12†	12	R.L.Y.
$1,437,296 'B'				£1-6-3	£1 B	5†	5†	5†	5†	12	R.L.Y.
$375,000 'A'	£1,750,000	£200,284	Mercantile Bank of India ..	£4‡	A £2‡	14†	14†	14†	7†		
$375,000 'B'				£4‡	B £2‡	14†	14†	14†	7†	12	R.L.Y.
$750,000 'C'				—	C £1	14†	14†	14†	7†		
£2,551,563	£3,104,687	£826,266	National Bank of India	£1-0-0	sh. 12‡	16†	16†	16†	7‡†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††U.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	100	1st June .. 1968
4,00,000	5½	1st March and 18th September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1959
6,00,000	5½	30th June and 30th December ..	Ramnagger Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10 00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1958-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	97	1st November .. 1959-64
COAL						
20,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June .. 1956
20,00,000	4½	30th June and 31st December ..	Burrakar Coal Co.	1942	91½	30th June .. 1967(a)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1968(a)†
COTTON						
8,50,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	15th May and 15th November ..	Benzal-Nagpur	1897	99	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	101½	1st March .. 1972(a)
13,68,000	5½	.. .. ..	Jayshree Textiles	1940	80N	1st January .. 1956-59
39 90,000	5	1st June	Tata Mills	1951	100	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd. ..	1950	95	31st March .. 1965(a)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd.		100‡	14th June .. 1960
95,25,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	98½	1st October .. 1959
12,50,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(a)
2,45,01,800	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	104‡	1st January .. 1970(a)
25,00,000	6	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd.	1945	97	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Sitlua (Jhertala) Electric Supply Co., Ltd.	1951	96	30th June .. 1967(a)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply	1940	98½	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	96½	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply	1940	94½	30th September .. 1958-62
4,62,800	4½	1st April and 1st October ..	Tata Power	1940	94	1st July .. 1956-61
47,75,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July .. 1970
2,50,00,000	4	1st April and 1st October ..	Tata Power		93‡	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	99	31st December .. 1960
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1928	99	30th June .. 1958
20,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer)	1938	102	1st July .. 1957-62
$1,145,500	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1936	88‡	31st December .. 1966(‡‡)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	100‡	1st October .. 1970
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100‡	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	99‡	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	100	30th June .. 1966
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1939	90‡	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co. Ltd.	1945	93‡	30th June .. 1966
9,00,000	5	31st January and 31st July ..	Calcutta	1945	90	31st July .. 1959
10,00,000	5	30th June and 31st December ..	Chitavalah Jute Mills	1949	99	30th June .. 1966
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1951	96	31st March .. 1959(a)
8,86,000	5	15th January and 15th July ..	Empire	1954	99	15th July .. 1966(a)
25,00,000	5½	1st January and 1st July ..	Hukumchand	1951	95	30th June .. 1957
30,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co. Ltd.	1947	98	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1955	100	31st December .. 1964(a)
25,00,000	5½	30th June and 31st December ..	Naihati	1949	96‡	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd. ..	1952	98	14th May .. 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd.	1939	98	31st December .. 1958
8,00,000	4	30th June and 31st December ..	Presidency	1945	88	30th June .. 1958
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co. Ltd.	1948	91	6th September .. 1956(a)
8,00,000	4½	14th March and 14th September.	Soorah Jute	1950	96‡	14th September .. 1957
12,00,000	4½	30th June and 31st December ..	Union	1937	96‡	30th June .. 1957
10,00,000	5½	31st January and 31st July ..	Waverly	1925	88	31st July .. 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4‡	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	1939	90N	1st July .. 1956
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£86½N	At 105% at any time on 6 months' notice
£189,363	5	1st April and 1st October ..		1933	£77‡N	or at par or every seventh year thereafter
6,50,000	5½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1948	90‡	1st October .. 1974
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	£55½N	31st December .. 1959(c)
4,83,26,697	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	96‡	Any time on six months' Notice (c)
						1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffee	1952	102	1st July .. 1957-62
12,50,000	6	31st March and 30th September.	Nilgiri Tea	..	100	1st April .. 1956-62
1,89,700	5½	31st March and 30th September.	Teekoy	1944	100	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
25,50,000	4½	1st January and 1st July ..	Associated Hotels of India	1946	86	31st December .. 1963
4,90,500	4½	30th June and 31st December ..	Bengal Paper Mills	1947	97	30th June .. 1958
9,00,00,000	3½	1st March and 1st September ..	Burmah-Shell	1954	104	1st September .. 1967
2,00,00,000	3½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1954	103	1st October .. 1966-69
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1938	92	1st February .. 1970
20,92,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1918	97	1st July .. 1956
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1936	93‡	15th September .. 1960
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Ltd.	1946	87‡	 1966
1,50,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd. ..	1946	97	1st January .. 1971(c)
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1950	102‡	30th June .. 1968(a)
17,75,000	5	15th March and 15th September.	Mettur Chemical Industries	1954	108	1st July .. 1968
25,05,800	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	95‡	30th June .. 1968(a)
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)	1946	100	 1968
				1947	470	30th September .. 1970(c)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.		(per note)	31st December .. 1970(a)
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1951	99‡N	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1936	102‡	30th June .. 1965-70
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1951	96‡	31st March .. 1961(a)
4,00,00,000	3½	1st May and 1st November ..	Standard-Vacuum Refining Co., India, Ltd.	1952	100	31st December .. 1965
						1st May .. 1968(a)†

COMMERCE

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

VOL. XCII. No. 2348 BOMBAY, 3rd MARCH 1956 PRICE Rs. 1/8

REFLECTIONS ON THE BUDGET—I

THE Congress Party can congratulate itself on its good fortune in having been able to retain the services of Mr. C. D. Deshmukh for manning the portfolio of Finance. This portfolio is important, for it is the way in which the fiscal and monetary policies are framed and administered that will determine the pace of ushering in a socialist society in a democratic country. The taxes proposed should be such as not to provoke a violent reaction or to tire out prematurely the donkey that carries the burden. At the same time, they should be sufficiently effective in carrying the country forward towards the declared goal of the ruling party. It is a job that requires considerable understanding of human psychology and dexterity in action. Mr. Deshmukh possesses these qualities in an abundant measure. He had already proved his efficiency in the task assigned to him. Nevertheless, there were doubts in certain sections of the Congress Party whether he really believed in the economic philosophy of theirs and whether he would be able to give a practical shape to it. After the new taxation proposals incorporated in the budget for 1956-57, these doubting Thomases in the Congress Party could have no reason at all for continuing their misgivings about his loyalty to their creed. In fact, they ought to be grateful to him, for he is very cleverly pushing the country to the goal of socialism, so cleverly, indeed, that not many of the victims seem to realise that they have already been made victims. For instance, the reactions of the captains of the business community and the share markets, who are most concerned with the tax proposals, suggest that they have swallowed the pill administered by Mr. Deshmukh on Wednesday last with apparent satisfaction. In fact, they have heaved a sigh of relief. "It could have been easily worse" is the general reaction to the new tax proposals.

Herein lies the skill of Mr. Deshmukh. The budget proposals were preceded by frightful reports of what they were likely to be: A tax on total wealth, fixation of low ceilings for individual incomes in urban areas, a stiff tax on expenditure, rationalisation of sales tax by introducing heavy excise duties, direct control on dividends, a straight increase in corporation tax and estate duty, and so on. The tax payers were thus prepared for the worst. Hardly any believed us when we said that most of these suggestions were impractical. Now that their worst fears have not materialised, many feel thankful to Mr. Deshmukh. But has he really let them off lightly? Not by any means. On the contrary, he has made a frontal attack on the private sector so tactfully that it will take quite a considerable time for its effect to be felt fully but will surely spread socialism throughout the country more quickly than many expect.

The budget for the coming year has been distinctly attuned to the ideology already proclaimed. It has been repeatedly stated in recent weeks that the goal before the country is the establishment of a socialist society, in which the public sector will hold the dominant place, with private sector in finance, industry and commerce relegated to an insignificant place. The increase in super-tax at the higher income brackets above Rs. 70,000, the enhancement of corporation tax in a novel way, the abolition of the one anna rebate on undistributed profits that had been in vogue for several years now, the further attack on the privileges of company managements and the assumption, on the ground of tax evasion, of drastic powers for assessing taxpayers—all these will narrow the scope of operation for the private sector and make it easy for the State to swallow the enterprises started and nourished by this sector.

The taxes on dividends and bonus shares are uniquely inequitable. They amount to taxing profits already taxed once. Nowhere in the free world do such taxes exist. Nor were they proposed by the Taxation Enquiry Commission whom Mr. Deshmukh quotes as his mentor. It is now clear that for him the report of this Commission is only a bible of convenience. He will swear by it when it suits him and disregard it without any qualms when it does not. The Commission had recommended that it would not be equitable to tax bonus shares and that it would be advisable to retain the rebate of one anna on the undistributed profit. It had, of course, expressed itself in favour of dividend limitation when warranted by inflationary conditions. But it had not advocated the type of curb now chosen by Mr. Deshmukh. He has thus ignored the Commission's recommendations even in regard to vital matters. Incidentally, it is worthwhile pointing out that, by withdrawing the rebate on undistributed profit, he has removed what little justification he had for subjecting bonus shares to a tax.

The underlying motives of the Finance Minister are now clear. The main idea of the scheme of taxation suggested by the Taxation Commission was to reduce the importance of individual enterprise by discouraging personal savings beyond modest ranges of income and exalt corporate enterprise by encouraging savings by corporations. Mr. Deshmukh framed his budget for 1955-56 on this pattern. Readers will recall that in this budget he had heaped direct taxes on a wide range of personal incomes. This year he has attacked the corporate sector also, besides proceeding a step further in appropriating more of individual incomes. It is not surprising that he has done so, for, after the Taxation Commission's report was published a year ago, the Congress Party decided to give a far greater prominence to the public sector than was originally intended, with a view to reducing, *inter alia*, concentration of economic power in the hands of a few individuals or groups of individuals. When this objective was given prominence, the contradiction, or lack of logic, in the approach of the Taxation Commission became quite glaring. Naturally, therefore, the Finance Minister has gone at the corporate sector. Thus, his proposals have at least one merit and, that is, they are logical with the policy he initiated last year, though they may not be economically sound or far-sighted.

The new taxes on corporation incomes will add to the difficulty of the private sector in finding capital for new development and expansion of existing industries. They, therefore, mean one more fetter to the hands of private enterprise which will ultimately provide an excuse for nationalisation of industries. Later on, the Government may conceivably argue that, since the private sector has failed to expand, the State must step in. It is probably with this ultimate aim in mind that the taxes on dividends and bonus shares have been introduced. This assumption is not unwarranted; nor is it far-fetched, because, if the raising of additional revenue was the main consideration, the Finance Minister could have raised the rate of corporation tax straightaway. An increase of 6 pies in corporation tax would have fetched about Rs. 7.5 crores, as against the Rs. 8 crores he hopes to collect as a result of all the three changes in the corporation tax structure.

By imposing a heavy tax on dividends, together with a tax on bonus shares, the Finance Minister is penalising companies which have been soundly managed. If certain companies are able to pay larger dividends on their paid-up capital today, it is because they followed a conservative policy in the past, built up large reserves and did not capitalise all of them. If, instead of doing so, they had paid big dividends in the past and/or capitalised the reserves as and when they reached a sizable level, they would not have to suffer much now. Prudence has thus been subjected to penalty, while extravagance has been rewarded. Why has Mr. Deshmukh, who was an ardent champion of private enterprise, and all that it stood for only less than eight years ago, done this most unnatural and unfair thing? For this simple reason, namely, to keep the cost of nationalisation in future at as low a level as possible and to attract as much money as possible to the public sector by way of both taxes and loans. His designs are very clear. By taxing big dividends, he apparently hopes to keep the market value of first class equities depressed, so that when the Government decides to take them over, it may not have to pay much by way of compensation. In fine, by resorting to this novel method of enhancing the collection of corporation tax, he is killing two birds with one stone.

To the credit of Mr. Deshmukh it must be said that he does not claim that the tax on dividends or that on bonus shares has been imposed primarily for the purpose of checking inflation. He has assigned the anti-inflationary function to this weapon as a secondary one. Even if he were to claim it to be the primary function, the argument would not hold much water, as there is no inflation in the country yet, at any rate not of that magnitude which warrants this curb at this juncture. In any case, if he wanted to be forearmed against inflation, in view of the heavy deficit financing he has contemplated, he could have introduced a more equitable and direct method of dividend control, as, for example, by pegging future dividends to an average of the past three or four years or by relating them to a specified percentage of capital employed.

The inequitable nature of the method now chosen by Mr. Deshmukh will be clear further from the fact that it will operate harshly on companies engaged in activities, where the fortunes fluctuate widely for more than one reason, or where the profit is had only after an interval of a number of years during which period the shareholders get no dividend at all. Typical examples of these are provided by plantation and heavy industries, such as chemical and iron and steel. As readers are aware, plantation companies pay high dividends in

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some years when profits are high but nothing or very little when they run into adverse weather and make no profit. In these cases, the high dividends in certain years are meant to offset the lean ones in previous years. It will, therefore, be most unfair to tax these high dividends heavily. Similarly, in the case of heavy industries, the dividends received by shareholders have to be viewed in the context of the number of years they have gone without getting a dividend.

Then, there is the case of mining companies which are engaged in developing depreciating assets. Many successful mining companies, such as the Bengal Coal and Indian Copper, pay high dividends. In such cases, a part of the dividend represents repayment of actual capital. It is, therefore, most unfair to tax the dividends of these companies on the same footing as those of concerns engaged in a growing industry. It is this utter disregard which the Finance Minister has shown for fundamental principles of taxation that makes one fear that he has sinister motives in introducing a novel form of corporate taxation. What guarantee is there that a year or two before nationalising a particular industry or a group of industries, the Government will not enhance the rates of these new corporation taxes? In any case, a bad precedent has been set now by violating the sound principle of not taxing a profit twice.

The comment that the middle class has been spared in the budget is meaningless. It is true that there is no increase in the direct taxes payable by this section of population. But the enhancement of indirect taxes, especially on cloth, vegetable oils and art silk fabrics, means a far greater burden than what the Finance Minister can ever hope to get by raising the direct taxes without serious adverse effects on incentives and morale of the people. Of the additional Rs. 14.5 crores which the Finance Minister expects to collect through increased excise on cloth, as well as of the Rs. 5.5 crores on vegetable oils, the major portion will be borne by middle class people, especially in the urban areas, because it is these people that absorb a large portion of the cloth and oil produced in the country. Again, as a great bulk of shares of joint-stock companies is held by the middle class—of course, in the higher strata—the increase in corporation taxes is also a tax on middle class. Indeed, the richer class will not be interested in declaring high dividends, because it will result in its having to pay more direct taxation. For these reasons, it will not be wrong to say that this budget, too, belongs, as did its predecessor, to the "soak-the-middle-class" variety.

From the point of view of industries, the increases in excise and import duties have come at a time when they cannot be resisted effectively. In the case of most of the industries affected, the market is in favour of sellers now and they will be able to pass on the bulk of the increase, if not the entire increase, to consumers. The one comment that we wish to make here, in passing, is that the large taxes which the power-driven large-scale industries are paying and made to pay should open the eyes of the authorities and the Congress Party to the importance of these industries to the nation's economy and to the consequent necessity for improving their productive capacity through modernisation. It should be obvious even to the dullest person that the higher the efficiency of these industries the greater will be their capacity to contribute to the Exchequer without unduly straining the pockets of consumers.

While the budget now framed is consistent with the socialist philosophy of the Government, it is a moot point whether it will help bring about a speedy economic development of the country, without which there can be no real improvement in the living standards of the people. Mere levelling down of the haves can give only a psychological satisfaction to the have-nots. But any sense of contentment that may be induced among the latter in this way will, it is needless to add, be only of a fleeting nature.

RAILWAY BUDGET

IT is of the utmost importance that the Railways, being the single largest national enterprise, should have a prosperous career. And, it is also necessary that it should be run as a commercial enterprise, in the sense that the taxpayer, who has invested some Rs. 974 crores, should get a reasonable return. At the same time, the fact that it is a national and monopoly enterprise casts a certain special responsibility on the authorities to ensure that the consumer is not made to bear a particularly heavy burden. Judging from these considerations, the Railways have by and large acquitted themselves creditably. The lapses, such as they have been, are largely due to physical shortages which, despite the administration's best efforts, persist in a somewhat acute form.

The income of the Railways has been expanding at a satisfactory pace. From Rs. 274.3 crores in 1953-54, the gross traffic receipts rose to Rs. 286.8 crores in 1954-55 and the revised estimate for such receipts in 1955-56 places them at Rs. 314.1 crores. This improvement reflects the buoyancy of the Indian economy. There has been a great increase in agricultural and industrial production in recent years. This is due partly to the implementation of the Five-year Plan and partly to favourable monsoons (the floods notwithstanding) and to the absence of large-scale industrial unrest. Thus, during the first 10 months of 1955, the index of industrial production (base 1951=100) was 125.7, as against 112.9 for the whole of 1954, while the agricultural production for 1954-55 was almost on par with the previous year's record level. This improvement has naturally been reflected in the earnings of railways. The point to be noted is that these earnings cannot be isolated from the general progress in the overall economy. Since there is reason to hope that the pace of this progress will be maintained, if not improved, in the next few years, thanks to the second Five-year Plan, the Railways' earnings should climb to continually higher levels.

The long-term outlook for the Railways is thus bright. At the same time, there is need for meeting some of the heavy demands for capital equipment in the near future. The allocation made to the Railways under the second Plan is of the order of Rs. 1,125 crores, of which the Railways are expected to find Rs. 375 crores from their internal resources. It is in this context that one has to view the proposal for a 6¼ per cent. surcharge on freight on all items (with the exception of grains and pulses, fodder, manure, *khadi*, newspapers, newsprint and books) made by the Railway and Transport Minister, Mr. Lal Bahadur Shastri, in his budget. As a result of this charge, the Railways' earnings are expected to improve by about Rs. 12 crores. Normally, such an impost, especially at a time when the earnings are comfortable, would be rightly regarded as unjust. But one should look at it in the context of the future economy of the Railways and that of the country as a whole.

From the point of view of the Railways, there is, as already stated, an urgent need to improve the earnings, in order to provide for capital equipment and normal replacements of worn-out rolling and other stock. The question which arises here is whether such equipment should be financed out of current income. Now, the Railways, like any other commercial enterprise, should naturally look to current income for meeting a part of their capital needs. The fact is that the Government has agreed in principle to such a method of financing capital equipment in respect of certain controlled industries, as, for instance, steel, cement and raw rubber. This indicates a welcome trend in official policy, in that it shows that the Government is fully alive to the imperative need for permitting at least a part of capital expansion to be financed from current earnings.

Now that this principle has been accepted by the Government and applied by it in relation to the private sector, it would not be wrong for the Government to apply the principle to the public sector also. It is true that equity demands that the principle should be applied cautiously; care should be taken to ensure that the railway users are not made to bear too heavy a burden. There is no reason to believe that the new impost proposed by the Railway Minister violates this essential safeguard. It is particularly small; the incidence of the increase in goods freight will be in the neighbourhood of 8 pies per maund or less than a quarter pie per *seer*. From the larger point of view of the national economy, too, there is something to be said in favour of covering a part of capital expenditure through current earnings. The alternative to this is only deficit financing, which, when carried beyond a limit, will lead to inflation. But, as everyone knows, inflation is the worst form of taxation.

The fact that the Railways are trying to finance a part of their capital needs from their current income imposes a special responsibility on the authorities to see that increased earnings are not frittered away in running expenses. Economy must be vigorously pursued. Special efforts should be made to cut down wasteful expenditure. Some of the programmes for building imposing edifices for the less important stations could be wisely held up and the money diverted to the purchase of more productive equipment. It is not merely in this negative sense that economy should be pursued. It must be adopted in the more positive way of a more efficient handling of equipment. In this connection, it is gratifying to be told that the tonnage lifted in the first nine months of the current year was higher by 8¼ per cent. on the broad-gauge and 18 per cent. on the metre-gauge than during the corresponding period for last year. Again, the net ton-miles per wagon day during the year 1954-55 reached 483, as against the wartime peak figure (451). Also, the net ton-miles per day per engine in use on the broad-gauge rose to 29,345 or by 9 per cent. over the previous record in 1941-42; the corresponding figure over the metre-gauge was 12,851 or 4 per cent. over the previous record. A particularly welcome feature is that the Efficiency Bureau which has been set up by the authorities is maintaining a close watch over the problems relating to the efficient running of the Railway administration; its activities have been extended to cover such important aspects of the working of the Railways as civil engineering repairs and office organisation.

There will be widespread regret over the fact that there is no early prospect of seeing an end of the deplorable conditions of overcrowding in the trains. The allotment made under the Plan to the Railways is insufficient to augment its carrying capacity, whether in respect of goods or passengers. The Minister said that he feared that "the small increase of 3 per cent. per year in passenger train miles now planned will not help much to relieve overcrowding, as long as passenger traffic continues to grow as anticipated." Nevertheless, it is to be hoped that, within the limits imposed by lack of finance, special attention will be devoted to the problem of over-crowding in suburban trains in important cities like Bombay. Such attention is justifiable on two grounds. In the first place, over-crowding in suburban trains, since it is a daily ordeal for the passengers, cannot be regarded merely as part of the problem of general over-crowding in trains in which the passengers travel only occasionally. The suburban passenger's lot is, therefore, worthy of special attention. Secondly, the speed and efficiency with which suburban trains are run have a bearing on national economy. A break-down in suburban train service in an industrial area like Bombay means the loss of a day's production in many factories. Further, because of housing shortages, many workers as well as members of the technical and administrative staff are compelled to live in suburbs at great distance from their places of work. Travel in over-crowded trains destroys their efficiency to a degree that is not generally recognised. It is to be hoped that the authorities will take special care to relieve, as far as is humanly possible, over-crowding in the suburban trains.

There are two aspects of Railway administration which deserve special notice. The one relates to the zonal division of the Railways and the other to the organisation of the Railway Ministry. Both these issues have been examined at some length by the Estimates Committee. Pleading for the setting up of a high-power technical committee to study the zonal problem, the Estimates Committee quotes the opinion of Mr. I. S. Puri, ex-Financial Commissioner of the Railways, that "re-grouping has till now remained, to a large extent, reorganisation in paper only." Surely, if zonal division of the Railway system, initiated with such zeal and publicity, has led to a no more concrete result than changes in nomenclature, it is a matter that calls for expert study. As regards the reorganisation of the Transport Ministry, in view of the manifold problems of each of the different forms of transport and the gigantic problem of expansion of the Railways, the Committee has suggested the bifurcation of the Ministry of Transport and Railways. We do not believe in proliferations of ministries which makes subsequent co-ordination of efforts much more difficult. But there is some need to ensure that a senior Minister, like Mr. Shastri, is enabled to give his undivided attention to the Railways and that, in addition to his being ably assisted, as now, by the Deputy Minister or by a person with a higher ministerial rank, the whole Ministry is staffed by more men with knowledge of, and experience in handling, transport problems.

SHORT-COVERING PREVENTS LANDSLIDE IN EQUITIES

WORLD WHEAT TALKS—CONTROL OF CAPITAL ISSUES

THURSDAY, 5 P.M.

THE way in which the share markets have reacted to the budget may be an enigma to the uninitiated. But it is not so to those who know their ways. The budget is definitely a bearish one, from the investors' point of view. But many are puzzled, because the markets have not gone down very much after it was made public. After fluctuating within a wide range, the leading speculative counters have closed at levels well above the lowest seen in the early post-budget session. Over the week, of course, they show losses, but only of a minor nature. The volume of selling pressure, too, has not been aggressive and the tendency is to steady up at ruling rates. The explanation for this is simple. The markets had discounted the present budget well in advance. For several weeks now, equities have been retreating, owing to continuous liquidation, both by investors and speculators, induced by fears of heavy taxation. Further, a day or two before the budget the market was thick with rumours of almost all the measures that were announced by the Finance Minister in Parliament yesterday. To be candid, the budget had leaked out to an extent greater than at any time in recent years. That is what every responsible share broker tells us. So, when the proposals were actually broadcast, the element of surprise was absent. That apart, those who had got scent of the new taxes in advance had sold short; they booked their profits today, while the going was good. It is this short-covering that imparted some steadiness to the markets today. It remains to be seen as to how long this steadiness will last.

MARKET GOSSIP

Another factor that has neutralised, to some extent, the bearish implications of the budget to equities is the fairly substantial buying of Tata Ordinary and A.C.C. by the Chief Custodian of Life Insurance. It would appear that he has been buying Tata Ordinary at Rs. 220 and A.C.C. at Rs. 200. The object of this operation may be to cushion the shock of the budget and to create an impression that the new taxation proposals are not as heavy as they are said to be by some. If this surmise is correct, this special buyer will be out of the equities market after a while.

The worst sufferer as a result of the new tax proposals will be the cotton mill industry. It will have to bear a new burden of Rs. 14.5 crores, according to Mr. Deshmukh's estimate, by way of additional excise duty. This may, for all we know, be an under-estimate. Even if we assume that a part of it will be paid by consumers, the fact remains that the industry will have to pay the balance on top of heavier cost of production consequent upon (1) increased railway freight charges, (2) the new excise duty on diesel oil, vapourising oil and furnace oil, and (3) higher prices of raw cotton. Since there is not much scope for expansion of cloth production, except through modernisation which will require heavy capital investment, the profits of the cotton mill industry as a whole are unlikely to expand to any significant extent. It is against this general background that one has to view the effect of the tax on ordinary dividend and the increase in other corporation taxes.

* * * *

The significance of the tax on dividend is explained in our first reactions to the budget on the previous two pages of this issue. It may, however, be added here that the effect will vary from company to company. Accordingly, its incidence will have to be carefully calculated for every company. Generally speaking, however, if a company has a relatively small paid-up capital as compared with its turnover and profits, the incidence will be heavier than in the case of companies with large paid-up capital. In other words, in the case of companies where the percentage of dividend is higher, the incidence will be heavier than in the case of companies with smaller percentage of dividends. To give an example. The dividend of Bombay Dyeing is only 8 per cent., but it is 20 per cent. in the case of Kohinoor. The incidence of the tax on the dividend of the latter will be more marked than in the case of the former. The tea companies and some sugar companies—Belapur, for instance, pays 32 per cent.—have been paying big dividends in terms of percentage. They will, therefore, be hard hit. The dividend tax, it must, however, be borne in mind, applies only to ordinary dividend and that, too, only of non-section 23A companies. Another point to be remembered is that, since this tax is treated as corporation tax, individual investors will not be entitled to any refund of tax.

* * * *

So far as the tax on bonus shares is concerned, the tax will be collected from the companies themselves and not from shareholders, as had been originally expected. But this tax, too, is described as a corporation tax.

* * * *

What is a non-essential vegetable oil? There is a lot of confusion on this question. Even the Finance Bill, in which there is a clause imposing excise duty on this oil, contains no definition. Some are under the impression that the term covers only such non-edible oil as linseed oil. But they are wrong. Non-essential oils, according to our understanding, include both edible and non-edible vegetable oils such as groundnut, sesamum, linseed, castorseed, cotton seed, etc. For there are oils known as "essential vegetable oils" from which essence is extracted and are highly useful for the manufacture of medicines and perfumery. To this variety belong lemon-grass oil and sandalwood oil. So any vegetable oil that does not come under this category is non-essential oil.

* * * *

The fate of the International Wheat Agreement, which expires on 31st July next, hangs precariously in the balance. The withdrawal of the U.K. from the 60-nation Conference which commenced its session at Geneva on 20th February 1956, has made the task of reaching an agreement considerably more difficult, in view of the fact that the U.K. is the world's leading importer of wheat. The delegates of the other wheat-importing countries have, however, announced that they would continue negotiations with exporting countries for a new wheat agreement without Britain's participation.

The wheat situation is admittedly difficult, thanks to a world-wide increase in supply over anticipated demand. This was clearly indicated by Mr. F. Sheed Anderson, Chairman of the Conference, who said: "The present situation is still one of abundant supplies and, although we must keep in mind that certain grades of wheat are in short supply, or barely meet demand, and that wheat stocks should be related to domestic as well as to international market for human and animal consumption, the estimated total volume of wheat available for marketing is greater than last year." He pointed out that the prices of wheat, except of those grades for which demand in relation to supply is strongest, have been declining—those for the lower grade quite substantially. He further said that there was little evidence that lower price levels, although they may be warranted by the supply position, had affected significantly the overall demand for wheat. He added: "While the possibility of still lower prices remains, buyers naturally buy on a short-term basis."

If no agreement has so far been reached, it is at least not due to any lack of expert study of the problem. No less than three committees have submitted their reports to the Conference. The first of them, the Committee on International Measures, reported on possible alternative means of achieving the objective of the present Agreement, namely, to assure supplies of wheat to importing countries and markets to exporting countries at equitable and stable prices. A Technical Committee examined the technical aspects of a number of questions arising from various suggestions or from the operation of the present Agreement. The Committee on Surpluses considered the question of disposal of existing surplus stocks. It recognised that governmental measures guaranteeing or supporting wheat prices are operated in both importing and exporting countries and concluded that those policies do contribute to an increase in world production of wheat. The Committee admitted that the Governments must decide on their production policies in the light of their own needs and circumstances and that it would be impossible to incorporate in an agreement provisions which would impose regulations upon them in this field. It nevertheless suggested that further thought should be given by the concerned Governments to the international wheat problem.

Since the trend of the discussions at the Conference showed that there was no likelihood of any significant departure from the present type of agreement to which it is opposed, the U.K. Government has, as stated at the outset, decided to withdraw from the Conference. Announcing this decision, Mr. George Bishop of the Board of Trade said that the British Government did not consider an agreement of the present type would make a positive contribution to the solution of the problem of wheat surpluses. His objections against the Agreement were: (1) It contains no provisions which would link disposal of existing surpluses to the working of the Agreement (2) It does nothing to discourage continuance of production in excess of effective demand. (3) It does nothing to encourage increased consumption. (4) There are no effective provisions to ensure that prices are allowed to move freely even within the present price-range in accordance with current conditions of supply and demand. Yet another reason determining Britain's attitude, according to Mr. Bishop, is that any renewed participation of the U.K. Government in an agreement of the present type would necessitate a "reversion to Government control over the import of wheat into the U.K. and perhaps, even a return to State trading, in order to enable the Government to honour obligations which it would undertake if it were to subscribe to the agreement." The British Government, he said, would not find it possible to justify to public opinion such a major reversal of domestic policy, unless it could be shown that a new agreement made a positive and effective contribution to the world wheat problem. Thus, Britain's objections to any agreement of the present type are both clear and convincing. They should serve to exonerate that country of the charge that it is obstructing the conclusion of a really useful international agreement in wheat. It remains to be seen whether other countries would be able to negotiate an agreement without Britain's participation, and whether, even if they did, the Agreement would be a workable one.

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The debate on the Capital Issues (Continuance of Control) Amendment Bill, which was passed by the Lok Sabha this week, provided an occasion for the Finance Minister, Mr. C. D. Deshmukh, to give

(*Continued on page 431*)

EFFECT OF BUDGET ON SHARES

Scrips	Highest in 1955	Pre-budget closing 29-2-1956	Lowest after budget	Closing on 1-3-1956
Steel	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Tata Ordy. ..	277 4	223 0	218 8	222 8
Indian Iron ..	44 7	31 13¼	31 0	31 15
Textiles				
Bombay Dyeing ..	628 12	514 6	507 8	523 12
Century ..	528 0	472 0	458 0	473 0
Central India ..	170 0	135 8	135 0	137 0
Finlay	375 0	317 0	317 0	320 0
Gokak	253 0	229 8	226 8	228 8
"Indu," Defd. ..	2 14	2 1¼	2 0¾	2 1¼
Ordy. ..	16 8¼	12 1¼	11 14	12 1¼
Kohinoor	372 12	327 0	323 0	328 0
National Rayon ..	258 8	217 •8	207 8	214 8
Simplex	221 0	189 8	180 0	186 0
Svadeshi	249 0	210 0	205 0	210 8
Miscellaneous				
A.C.C.	233 8	201 4	199 0	205 0
Belapur	387 0	212 8xr	206 0xr	212 0xr
B. Burmah (F.P.) ..	712 8	525 0	512 8	524 8
Central Bank ..	56 0	46 0	46 8	46 8
B.I.C.	14 12	11 8	11 0	11 2
New India	54 4	39 0	38 12	38 12
Scindias	19 15¼	15 11¼	15 10	16 2¼
Tata Oils	55 8	42 0	41 0	42 4
Wimco	213 12	188 12	187 8	188 2

N.B.—The highest levels during 1955 were touched mostly in the last week of October.

CEILING ON BANK MANAGERS' SALARIES

As we go to press, we reliably understand that an amendment to the Banking Companies Act is imminent. Under this amendment, the Government will take powers to appoint its nominees on the Board of Directors of banks. Further, a provision has been inserted for fixing a definite ceiling on the salaries of bank managers. It is reported that the ceiling will be in the neighbourhood of Rs. 3,500 per month.

It is also reliably understood that the salary of Custodians of life insurance business will not exceed the maximum of Rs. 2,500 per month.

Statement Showing Changes in Super-tax Payable on Individual Incomes of Over Rs. 70,000

Income	Tax at 1955-56 rates on total income				Tax at 1956-57 rates on total income			
	Married persons		Unmarried persons		Married persons		Unmarried persons	
	Amount of tax	Percentage	Amount of tax	Percentage	Amount of tax	Percentage	Amount of tax	Percentage
Rs.	Rs.		Rs.		Rs.		Rs.	
72,000 ..	32,844	45.6	32,894	45.7	32,910	45.7	32,960	45.8
84,000 ..	41,769	49.7	41,819	49.8	42,098	50.1	42,148	50.2
85,000 ..	42,557	50.1	42,606	50.1	42,835	50.4	42,935	50.4
90,000 ..	46,494	51.7	46,544	51.7	46,823	52.0	46,873	52.0
96,000 ..	51,219	53.4	51,269	53.4	51,745	53.8	51,795	53.8
1,00,000 ..	54,369	54.4	54,419	54.4	55,026	55.0	55,076	55.0
1,50,000 ..	97,023	64.7	97,073	64.7	98,667	65.8	98,717	65.8
2,00,000 ..	1,41,322	70.7	1,41,372	70.7	1,44,604	72.3	1,44,654	72.3
2,50,000 ..	1,85,519	74.2	1,85,569	74.2	1,90,541	76.2	1,90,589	76.2
3,00,000 ..	2,29,916	76.6	2,29,966	76.6	2,36,478	78.8	2,36,528	78.8
3,50,000 ..	2,74,212	78.3	2,74,263	78.3	2,82,415	80.7	2,82,466	80.7
4,00,000 ..	3,18,509	79.6	3,18,559	79.6	3,28,353	82.1	3,28,403	82.1
5,00,000 ..	4,07,103	81.4	4,07,153	81.4	4,20,228	84.0	4,20,278	84.0
10,00,000 ..	8,50,072	85.0	8,50,122	85.0	8,79,603	88.0	8,79,653	88.0
20,00,000 ..	17,30,069	86.5	17,30,069	86.5	17,98,353	89.9	17,98,403	89.9
30,00,000 ..	26,21,867	87.4	26,21,867	87.4	27,17,103	90.5	27,17,153	90.5

NEW TAXATION PROPOSALS

FINANCE MINISTRY'S MEMORANDUM

THE details of the new taxation proposals contained in the 1956-57 budget are explained at great length in a memorandum, prepared by the Union Finance Ministry. The text of this memorandum, together with the additional revenue expected against each head, is published below. The reference clause numbers in the memorandum relates to the Finance Bill, 1956 introduced in Parliament on Wednesday:

Customs Duties

1. (*a*) *Liquid gold for glass making.*—The duty on liquid gold for glass making is being raised from 31¼ per cent., including surcharge, to 62½ per cent., including surcharge. The indigenous industry in liquid gold has to pay more for its raw materials and is also otherwise at a disadvantage *vis-a-vis* the imported product.

(*b*) *Flashlights and flash light cases.*—The present duty of 39⅜ per cent. on flashlights and flashlight cases is being raised to 50 per cent. This will be applicable to flashlights imported complete or in parts, but not to batteries which are also used for other purposes, e.g., hearing aids. This is being done in order to assist the indigenous industry against cheap imports from certain areas.

(*c*) *Spectacles.*—At present, while complete spectacles are charged to duty at 20 per cent. *ad valorem* as optical appliances, spectacle frames and parts thereof (excluding those plated with gold or silver) are assessed at 50 per cent. *ad valorem*. The favourable treatment accorded to complete spectacles is being abused by importing spectacle frames fitted with plain glasses or cheap glasses and passing them off as complete spectacles. The change in duty is intended to prevent this abuse. Before the abuse started, the normal pattern of trade was for spectacle frames and glasses to be imported separately.

(*d*) *Trade catalogues, advertising circulars, etc.*—At present, no import duty is charged on trade catalogues and advertising circulars imported by packet, book or parcel post. The International Convention to facilitate the importation of Commercial Samples and Advertising Material, to which India is a party, has come into force with effect from the 20th November 1955. It is, accordingly, necessary to amend this classification so as to bring it into conformity with the terms of the Convention.

(*e*) *Chemical manures.*—At present, no import duty is charged on manures, including certain chemical manures specified in the Tariff Schedule. The list of chemical manures has been re-examined and some items have been removed because they are not, and are not likely to be, in use in agriculture or because their import is detrimental to the development of indigenous industry.

Muriate of potash, urea and ammonium sulphates, which have also important uses in industry, have been excluded from the list, but a notification is being issued simultaneously authorising Collectors of Customs to grant duty-free entry to such imports of these chemicals as will be ultimately used only as manure.

(*f*) *Mineral oils.*—The existing entries in the Import Tariff relating to mineral oils are being amended so as to make the classification more rational and less difficult of administration. Countervailing duties are also being levied on certain items consequent on the levy of central excise duty on the same items indigenously produced.

The net effect of all the aforesaid changes will be an addition of about Rs. 1 crore to the revenues.

(*g*) *Vegetable non-essential oils.*—Countervailing duties on vegetable non-essential oils are being levied consequent on the imposition of a duty of central excise on indigenous vegetable non-essential oils. Consequently, the duty will be half an anna per lb. on all such oils.

[Clause 29.]

(*h*) *Tea.*—Export duty is levied at present on the basis of a slab system as follows:

When the price of tea	As. per lb.
(i) does not exceed Rs. 2-8 per lb.	4
(ii) exceeds Rs. 2-8 per lb. but does not exceed Rs. 3-4 per lb.	6
(iii) exceeds Rs. 3-4 per lb. but does not exceed Rs. 4-0 per lb.	8
(iv) exceeds Rs. 4-0 per lb. but does not exceed Rs. 4-12 per lb.	10
(v) exceeds Rs. 4-12 per lb.	12

The duty of eight annas on "slab (iii)" is being reduced, by notification, to six annas. The effect of this is that all teas falling within a price range "exceeding Rs. 2-8 per lb. but not exceeding Rs. 4 per lb." will be assessed at a uniform rate of six annas per lb. The reduction is being made in the interests of the tea industry.

The loss of revenue involved is expected to be about Rs. 1 crore.

Central Excise

2. (*a*) *Amendment of certain sections and schedules of the Central Excise and Salt Act.*—At present, only manufacturers in the taxable sectors can be licensed, and licensing of wholesalers dealing in excisable commodities is not permissible except in respect of tobacco, and to a limited extent, in the case of coffee. It is proposed to give powers to the Central Government to direct by notification, where necessary, that exempted categories of manufacturers of excisable manufactured products, and wholesale dealers in such products, may be brought under excise surveillance by licensing. This power is required for the proper administration of the exemptions given to the smaller units in the tariff and to prevent evasion.

[Clauses 32, 33 and 35.]

(*b*) *Kerosene and motor spirit.*—Definitions of petroleum products with reference to measurable specifications such as "flame height," "flashing point," "viscosity," are being more precisely provided. This is a part of a scheme of rationalisation of customs and Central excise definitions of such products designed to remove certain administrative difficulties which have hitherto been experienced in classifying them for assessment to customs and excise duties. The "flash point" now proposed for motor spirit is the same as the flash point of "dangerous petroleum" as prescribed in the Petroleum Act, 1934, and is sufficiently low to exclude "power kerosene" employed in agricultural tractors from the scope of the definition of "motor spirit" for which the rate of duty of Re. 0-15-9 per imperial gallon has been provided. No changes in the rates of Central excise duty on "kerosene" and "motor spirit" have been proposed.

[Clause 34 (*a*) and (*b*).]

(*c*) *Cotton fabrics.*—An increase of 6 pies per sq. yd. is proposed on all categories of cotton fabrics, except coarse *dhotis* and *saris*. The existing and the proposed rates of duty are as follows:

Category	Existing rate of duty (exclusive of a handloom cess of Re. 0-0-3 per square yard)	Proposed rate of duty (exclusive of handloom cess of Re. 0-0-3 per square yard)
	Per sq. yard Rs. a. p.	Per sq. yard Rs. a. p.
(i) Superfine ..	0 2 0	0 2 6
(ii) Fine	0 1 3	0 1 9
(iii) Medium	0 0 6	0 1 0
(iv) Coarse	0 0 6 (For all varieties)	(*a*) *Dhotis* and *Saris* 0 0 6 (*b*) All other sorts 0 1 0

Duties collected on the various categories of cloth during the last few years have been:

Category	Duty collected (in crores of rupees)				
	1951-52	1952-53	1953-54	1954-55	1955-56*
Superfine	6.80	3.62	4.15	4.60	5.00
Fine	5.61	3.90	5.26	4.05	3.98
Medium	3.31	4.42	5.08	10.81	11.17
Coarse	0.50	0.61	0.71	1.22	1.57
	16.22	12.55	15.20	20.68	21.70
Plus handloom cess..	..	0.87	0.57	6.91	7.55
Grand Total ..	16.22	13.42	21.77	27.59	29.25

* Estimated.

In Part B of the Finance Minister's Budget speech, reference has been made to the rise in the price of agricultural commodities and the fall in stocks of cotton fabrics carried by mills. The index for food articles which was 276.2 for the week ending 28th May 1955 has risen to 328.8 for the week ending 11th February 1956. Stocks with mills which amounted to 2.6 lakh bales on 26th March 1955 had declined to 1.4 lakh bales on 4th February 1956.

For the review of Bombay Stock Exchange, please see page 431.—ED.

Cotton powerloom factories (without spinning plants) have been given the administrative facility of paying duty on their production of cotton fabrics according to a system of compounded rates per loom per shift. With the increases now proposed in the tariff rates of duty on mill-made cotton fabrics, these compounded rates are being revised as follows:

	Rates per loom per shift per month	
	Present	Revised
	Rs. a. p.	Rs. a. p.
(1) Manufacturer employing more than 24 looms	22 8 0	30 0 0
(2) Manufacturer employing more than 9 but not more than 24 looms ..	20 0 0	24 0 0
(3) Manufacturer employing more than 4 but not more than 9 looms ..	18 0 0	(No change)
(4) Manufacturer employing not more than 4 looms	*Nil*	(No change)

The above proposals are expected to yield Rs. 14.5 crores.

[Clause 34 (*c*).]

(*d*) *Rayon or artificial silk fabrics.*—The existing rate of duty prescribed in the Central Excises and Salt Act, 1944, for rayon or artificial silk fabrics is 6 pies per sq. yard, exclusive of the handloom cess of 3 pies per sq. yard, but powerloom factories producing these fabrics have, as in the case of cotton powerloom factories, been given the administrative facility of compounding their tax liability on the basis of a rate per loom per shift.

As compared to the tax-free sectors of units consisting of four looms each in the cotton and woollen powerloom industries, the size of that sector at 24-loom per unit in the art silk industry is considered too large. This position is now being sought to be readjusted by—

(*a*) withdrawing the exemption to manufacturers employing upto 24 looms;

(*b*) replacing it by complete exemption from excise duty for manufacturers employing up to nine looms;

(*c*) exempting from the compounded levy, the first nine looms employed by any manufacturer in the production of rayon or artificial silk fabrics, and revising the current compounded rates as follows:

	Rates per loom per shift per month	
	Present	Revised
	Rs. a. p.	Rs. a. p.
First shift	22 8 0	27 0 0
Second shift	15 0 0	18 0 0
Third shift	11 4 0	10 0 0

[Clause 34 (d).]

(*e*) *Soap.*—At present, only those manufacturers of soap who employ power for their manufacture are liable to Central excise duty. It is now proposed to levy a new excise duty on soap produced by manufacturers who do not employ power. For practical reasons, the exemptions provided in the existing tariff definition for small manufacturers of soap are being withdrawn, and are being replaced by equivalent exemptions by executive notification. Similar exemptions are also being provided for small manufacturers of soap who do not employ power.

The following table shows the duty payable by manufacturers of soap employing power and those not employing power:

Manufacturers employing power (1954-55)		Manufacturers not employing power brought under excise duty (Estimated)	
Production	Duty realised	Production	Duty
86,300 tons	Rs. 1.36 crores	37,000 tons	Rs. 0.20 crores

Under the tariff definitions adopted in the Bill and the exemptions granted by executive notification, there will be the following differences between manufacturers of soap not employing power and those employing power:

(i) Manufacturers employing power are required to pay a higher duty (Rs. 14 per cwt.) on "toilet soap" than on "washing soap" (Rs. 5-4 or Rs. 6-2 per cwt. depending upon size). In the case of manufacturers not employing power, the distinction between toilet soap and washing soap is proposed to be dispensed with.

(ii) Manufacturers not employing power are proposed to be charged on their products at the rate of Rs. 4-8 or Rs. 5-4 per cwt. (according to size), i.e., at a rate which is one-seventh lower than the rate charged on "washing soap" produced by manufacturers employing power.

(iii) A manufacturer of soap employing power is now entitled to exemption from excise duty if his output does not exceed 125 tons per year of washing soap and 50 tons per year of toilet soap. A manufacturer not employing power is proposed to be exempt from duty if his output of all kinds of soap does not exceed 200 tons per year; it is thus proposed to give him an overall advantage of 25 tons.

[Clause 34 (e).]

(*f*) *Strawboard.*—At present, millboard is charged to duty at the rate of 6 pies per lb. but strawboard is exempted. Both types of board sell at more or less the same price and are used for the same purpose. It is, therefore, proposed to withdraw the exemption at present granted to strawboard. In order, however, to assist the smaller producers of "strawboard" as well as "millboard," an exemption is being provided by executive notification, for the first 500 tons of millboard, other than white and coloured, and strawboard, taken together, cleared by any manufacturer for home consumption in the financial year.

The total revenue effect of the changes in excise duties in respect of soap, strawboard and art silk fabrics is an increase of Rs. 50 lakhs.

[Clause 34 (f).]

(*g*) *Paints, pigments, etc.*—In the administration of the existing tariff for "paints, pigments, etc.," an anomaly arose between the rates of duty prescribed for the medium-size group of manufacturers of "water paints" and "oil paints and enamels" and the exemption provided for manufacturers of these products whose annual output does not exceed 50 tons. The exemption for the latter class of manufacturers is, therefore, being withdrawn from the tariff and replaced by an equivalent exemption by executive notification which has been so framed as to remove the anomaly now present in the tariff.

[Clause 34 (g).]

(*h*) *Vegetable non-essential oils.*—It is proposed to levy a new duty of Rs. 70 per ton (6 pies per lb.) on vegetable non-essential oils in the manufacture of which power has been employed. An exemption is also being provided, by executive notification, for the 125 tons first cleared by any manufacturer for home consumption during the financial year. The combined effect of this exemption and the proposal in the Bill would be to exclude from the scope of the taxation *ghanies* and such other non-power-operated units, as well as small power-operated units not producing in excess of 125 tons per year.

A rough survey has recently been conducted

(*Continued on page 429*)

NEWS IN BRIEF

THE Government of Mysore will introduce, in the current session of the State Assembly, a measure providing for labour participation in industry.

Further licensing of cotton sewing thread for export during the current half-year has been stopped with effect from Tuesday this week.

The Andhra Government proposes to raise the tax on petrol from an anna and a half to As. 3 per gallon. Disclosing this, the State Transport Minister said at Vijayawada the other day that the proposal would yield Rs. 9 lakhs annually.

In view of the unsatisfactory position of water levels in the Madras hydro-electric system, the State Government has felt it necessary to enforce, with effect from next month, a 25 per cent. cut in power consumption for industrial purposes in areas served by the system.

The Assam Finance (Sales Tax) Bill, which will be moved in the ensuing budget session of the State Assembly, due to commence on the 6th inst., seeks to impose a tax of six pies in the rupee on sugar and matches. The proposed tax will be realised at the source—manufacturers or importers.

The Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, which provides certain minimum standards in respect of various aspects of employment of working journalists and others in the newspaper industry, will, like similar other measures, be administered by the Ministry of Labour.

The Government of India has accepted the principle of a centralised machinery for the purpose of buying Government requirements of stores, with adequate safeguards for direct purchases where necessary. The majority of the recommendations of the Stores Purchase Committee for improving the working of the Central Purchases Organisation has been examined and accepted by the Government.

More than half of a consignment of 1,000 railway wagons for India has been completed by the Austrian firm, the Simmering Graz Pauker Works. This firm has received—in competition with 30 other firms—a U.S. International Co-operation Administration order worth $1,942,000 for railway equipment for India. The consignment is due to be shipped through Hamburg to Visakhapatnam.

At its seventh general meeting held at Mysore last week, the Indian Coir Board decided to send a six-member delegation to Ceylon to study the production technique of coir mattresses there. It also decided to open show rooms and sales emporia in all important cities in the country, including Delhi, Bombay, Calcutta and Madras. The Board considered draft rules which would give it an effective control over the industry in the country. The rules were not accepted and were sent back for eliciting opinion from the various State Governments, co-operative bodies and other interests concerned.

The 23rd Annual General Meeting of the Indian Sugar Mills Association, Calcutta, will be held at New Delhi on 24th March 1956. The meeting will be inaugurated by Mr. Ajit Prasad Jain, Minister for Food and Agriculture, Government of India. Besides reviewing the various important developments in the sugar industry in the past year, it is understood that the Association will take up for consideration certain important aspects having a vital bearing on the sugar industry, such as measures for maximisation of production, intensification of cane development, future expansion of the industry, etc.

The Government of Saurashtra has set up the Saurashtra State Road Transport Corporation, with a capital of Rs. 2 crores. The Western Railway has contributed one-third of the capital for forming the Corporation. The Corporation which has been set up to nationalise the existing private-owned road transport, will not take over the entire privately operated routes immediately. Nationalisation will be brought about by stages. By October this year, half of the existing private-owned transport systems will be taken over and the remaining half will be brought under the Corporation by October 1959.

The railway repair workshop at Izzatnagar on the North-Eastern Railway is to undergo extensive remodelling, in order to equip it for the much larger outturn required during the second Five-year Plan period. The remodelling scheme is expected to cost approximately Rs. 1.86 crores. The scheme covers extension of accommodation available in the workshop and purchase of new equipment to deal satisfactorily with modern locomotives, carriages and wagons. The remodelled workshop will be in a position to give periodic overhaul to 104 locomotives, 2,400 passenger coaches and 3,000 goods wagons per year, in addition to immediate overhaul to 98 locomotives per annum.

A contract for the supply, erection and commissioning of plant for the expansion scheme of the Sindri Fertilisers and Chemicals has been awarded to Montecatini of Italy. The contract has been awarded on the "turn key" basis (completely erected and fully commissioned) at an all-inclusive price of £5.3 million. The Government of India has decided to set up three more fertiliser plants of 70,000 tons capacity at an estimated cost of Rs. 23 crores (£17 million) each. They are to be located at Rourkela steel works in Orissa, Bhakra Nangal Canal headworks in the Punjab and at Neiveli in South Arcot (South India).

The Punjab Cabinet is reported to have decided to levy an agricultural income-tax on a sliding scale on all landowners paying land revenue exceeding Rs. 70 per annum. The tax will be enforced after obtaining the concurrence of the State Legislature. The Government will either incorporate this measure in the next Finance Bill or introduce separate legislation. Under the proposed tax, a maximum surcharge of 200 per cent. will be levied on those who pay annual land revenue ranging between Rs. 1,000 and Rs. 2,000. In the lowest slab, those paying land revenue between Rs. 71 and Rs. 100 will be required to pay an additional agricultural income-tax of 50 per cent. on assessed revenue payable by them.

An interest rate of 3½ per cent. on the provident fund accumulations for 1956-57 under the Employees' Provident Fund Scheme was recommended by the Central Board of Trustees at its meeting held at New Delhi on Monday this week. The Board also recommended that loans from the Fund should be allowed to members in cases of serious sickness and for the marriage of their daughters. The annual report on the working of the Employees' Provident Fund Scheme and the budget for 1956-57 were also approved of at the meeting. The Employees' Provident Fund Act, which came into force in November 1952, covers nearly 1.6 million employees in 1,950 factories. The Act at present applies only to six major industries, namely, cement, cigarettes, electrical, mechanical or general engineering products, iron and steel, paper and textiles. The collections so far made under the Scheme amount to nearly Rs. 55 crores.

A sericulture training institute is to be established at Srinagar, in order to meet the need for providing training facilities, particularly, in silkworm rearing. The Jammu and Kashmir Government has been sanctioned Rs. 14,070 for setting up the institute. Another sum of Rs. 13,953 has been given for implementing a scheme to improve silkworm rearing, by opening 10 centres in Kashmir and one in Jammu for one year for collective incubation. For financing a scheme to introduce short-stemmed mulberry plantations in the State, a sum of Rs. 11,250 has been sanctioned. About 500 centres are to be established for the purpose on experimental basis. Over Rs. 17,400 have been sanctioned to the Punjab Government for establishing a nursery for the supply of mulberry saplings and a basic mulberry nursery for the production of Japanese mulberry grafts. Himachal Pradesh has been sanctioned Rs. 10,000 for the scheme to provide irrigation facilities in Dadoh mulberry nursery in Mandi district. Manipur gets Rs. 15,200 for continuing the scheme for the muga seed producing centre.

The paper industry in India provided employment to 23,700 persons during 1955. With the expanding demand and increase in production, the industry is expected to provide 20,000 additional jobs by 1960-61. Another 5,000 additional jobs are expected to be provided by the newsprint industry. In addition, the number of labourers to be employed for the procurement of raw material is expected to be five times the number employed in factories. There are, at present, 21 units manufacturing paper and board, as against 17 at the end of 1950. The annual installed capacity of paper and board production units expanded from 137,000 tons in 1950-51 to 173,700 tons up to December 1954. The production is expected to increase to 450,000 tons by 1960-61. The *per capita* consumption of paper and paper-board is likely to go up from 1.9 lbs. in 1954 to 3 lbs. by 1961 with the expansion of literacy. Only 900 persons are reported to be employed in the newsprint industry at present. With the increased target of 100,000 tons of newsprint for 1961, under the second Five-year Plan, the employment potential is expected to increase.

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From Abroad

The Australian wool surplus is expected to aggregate 110 million bushels in the ensuing season.

The Singapore Government has published a Bill which seeks to simplify income-tax provisions regarding dividends and to grant concessions to rubber and tin companies.

Canada's output of electricity during 1955 aggregated 76,297 million kilowatt hours—an all-time peak—as against 69,137 million kilowatt hours, representing a rise of 10 per cent.

The Italian draft Bill on exploitation of the domestic oil industry is expected to be amended by a Parliamentary Commission so as to give an equal share in profits to both the State and the producer, instead of the present suggested 60 : 40 ratio.

The first part of the 1956 British Industries Fair opened at Earls Court (London) on 22nd February. The second part of the Fair will be held simultaneously at Olympia (London) and Castle Bromwich (Birmingham) from 23rd April to 4th May.

The East German fiscal authorities have imposed, with retrospective effect from 1st January 1954, a levy of 25 per cent. on all blocked accounts owned by non-residents. In addition, a capital tax of 1 per cent. is imposed on all those accounts which exceed 1,000 marks.

France has opened credits for financing the programme of imports from Indonesia. Under this programme, France will import black tea, leaf tobacco, hides and skins, cocoa, copra and copra meals, kapok, sisal, rubber, tin, spices, essential oils, oilseed and bones. Quotas for coffee, pepper and maize will be released later.

PERSONAL

MR. Murarji J. Vaidya has been elected President of the Indian Council of Foreign Trade for 1956. Messrs. P. B. Advani, D. C. Kothari, B. N. Banerjee and Sankalchand G. Shah have been elected Vice-Presidents, and Mr. D. M. Desai, Honorary General Secretary.

Mr. D. N. Hosali and Mr. K. M. Nanjappa have been elected President and Vice-President, respectively, of the Mysore Chamber of Commerce for the year 1956.

Mr. Maneklal Ujamshi has been re-elected President of the Bombay Sugar Merchants' Association for the current year. Mr. Chunilal Manekchand and Mr. Jamnadas Thakkurdas Talreja have been elected Vice-President and Honorary Secretary, respectively.

Dr. H. J. Bhabha, Chairman, Indian Atomic Energy Commission, and Mr. Arthur S. Lall, India's representatives at the U.N. Headquarters, are representing India at the negotiations for the establishment of an International Atomic Energy Agency which began at Washington on Monday last.

Mr. Charles H. Thaw has been named Assistant to the Vice-President in Charge of Foreign Operations, Worthington Corporation, U.S.A. Mr. Thaw assumes the responsibilities of co-ordination of product development, and sales and engineering problems which concern foreign corporation subsidiaries having manufacturing facilities.

Mr. R. L. Powell, F.C.I.I., Assistant Managing Director of the British India Corporation Ltd., has been elected President of the Upper India Chamber of Commerce for the year 1956. Mr. H. Hill has been elected Vice-President. The other members of the Committee are Messrs. A. H. Buckland, J. M. Heeramaneck, *Rai Bahadur* Ramnarain, P. K. Sahgal and K. M. Wilcox.

Dr. Parker D. Trask, a lecturer in geological engineering in the division of mineral technology, University of California, is arriving in India shortly to conduct a series of seminars on geological engineering which is becoming increasingly important to construction engineers. Dr. Trask will visit India as the representative of the U.S. Geological Survey under the educational exchange programme of the U.S. Department of State. He has also been appointed U.S. representative to the golden jubilee celebration of the Indian School of Mines and Applied Geology at Dhanbad.

OBITUARY

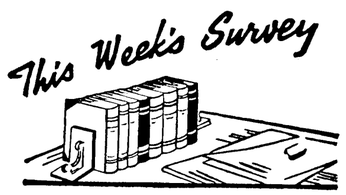
We deeply regret to record the sudden demise of Mr. John McNeil, one of the well-known metallurgists of India, in Bombay on 21st February 1956. Mr. McNeil was born in 1889 and educated at the Rothesay Academy and the Royal Technical College, Glasgow. He joined the Development and Research Department of the Mond Nickel Company in 1927. From 1940 until 1944, he acted as the Company's technical representative in Sydney, Australia. In 1944 he became the Manager of their Technical Office in Bombay. Mr. McNeil was elected a Fellow of the Institution of Metallurgists in 1949 and was a member of many metallurgical organisations, to which he presented numerous technical papers.

Construction will start soon at Columbus (Ohio) on the largest radio telescope in the world. The huge reflector-type telescope will be 700 feet long and 75 feet high. The designer of the telescope is Dr. John D. Krause of the Ohio State University's Electrical Engineering Faculty. Dr. Krause expects to be able to receive signals with the new radio telescope from as far off in outer space as the eye now can see with regulation-type telescopes.

The commercial banks in the Rhodesian Federation and building societies in Southern Rhodesia have raised their loan rates as from 22nd February 1956. The increases are said to be necessitated by the increase in the U.K. Bank rate. The interest rate on housing loans of Rhodesian building societies, some of which are subsidiaries of South African insurance groups, has been increased from 6½ to 7½ per cent. and interest on business premises from 7 to 8 per cent. Deposit rates of both banks and building societies in Rhodesia have also been increased by ½ per cent.

Last year's world output of merchant ships, excluding Russia, China and Poland, was the highest since 1920, except for the war years, according to *Lloyd's Register*. The tonnage of the ships launched was 5,316,742, an increase of over 64,000 tons as compared with 1954. During the year, 276 merchant ships, aggregating 1,473,937 tons, were launched in the U.K. The U.K.'s share of world output also increased. It was 27.7 per cent. last year, as compared with 26.8 per cent. in 1954. Tankers accounted for 44 per cent. of the total British output. Output from British shipyards in 1955 was nearly 1,500,000 tons, 65,063 tons more than in the previous year and the highest since 1929.

Long-term investigation into the preservation of hides and skins by treatment with radio-active materials such as atomic waste has been instituted in Britain. The investigation is announced in the annual report of the British Leather Manufacturers' Research Association. The Director of Research of this Association, Dr. Henry Phillips, says that investigation has begun at the Atomic Energy Research Establishment at Harwell, Berkshire. He has given the results of experiments into prevention of the growth of red heat organisms in dry-salted hides while stored in India and during shipment to the United Kingdom. Dr. Phillips has revealed that spraying the dry-salted hides with a solution of sodium pentachlorphenate can prevent these growths.



DEVELOPMENT OF TRANSPORT

IT is hardly surprising that Mr. B. M. Chinai, President of the Indian Merchants' Chamber, Bombay, devoted a large portion of his speech at the recent annual general meeting of the Chamber to a survey of the transport problems of the country. For, next to finance, transport is, perhaps, the most important of the conditions which must be fulfilled if the economic programmes under the Five-year Plan have to be successfully completed. And, what is equally important, transport is needed for implementing the economic programmes whether in the private or the public sector.

Appropriately enough, Mr. Chinai dealt with practically all forms of transport. After all, transport is like a multi-horsed carriage; all horses have to move abreast if the carriage is to run smoothly. The fact that some of the horses are State-owned and some are owned by the private sector does not in any way lessen the importance of seeing that they keep in step with one another. The Government, being the owners of the railways, has necessarily to see that no bottlenecks develop on this front. The Government is fully alive to this need. The Union Minister for Railways and Transport, Mr. Lal Bahadur Shastri, who inaugurated the Chamber's annual meeting, admitted that, if the "railway system is not geared up to sustain the manufacturing operations envisaged in the Plan, the progress of development contemplated would seriously be jeopardised." The allocation made in the Plan for the railways has been less than what they perhaps deserve to get. It is to be hoped that this allocation will be periodically reviewed, in order to see whether it could be supplemented, consistent with the availability of resources and the capacity of the Railways to utilise further investment. At the same time, necessary steps, as Mr. Chinai suggested, should be taken "to improve the existing facilities by increasing the turn-round of wagons, line capacity and the facilities at marshalling yards and at loading and unloading points."

We have repeatedly expressed the view that road transport is the weakest horse in India's transport stable. Since road transport could be an effective supplement to the railways, it is necessary to ensure that the motor vehicles come into their own. From this point of view, Mr. Chinai was right in stressing that "road transport, the development of which is inhibited by various imposts, including an admittedly very high rate of motor vehicle taxation and various kinds of restrictions on movement, should be encouraged so that it could also play an effective part in the transport economy of the country."

As regards shipping, Mr. Chinai deplored that India's tonnage is less than ½ per cent. of world shipping. He emphasised that if India has to secure its legitimate place in the maritime world, it should make a substantial addition to its shipping tonnage. Mr. Shastri admitted that the provision made for shipping in the Five-year Plan was much below what it ought to be. He quoted the limitations of finance as the cause for this inadequate provision. Shipping companies, as is well known, have been urging the Government to liberalise the terms and conditions under which the Government's loans are given to them. It is gratifying to note that the Government, according to the Railway Minister, is giving its "earnest" consideration to this issue. He added: "We hope to come to a satisfactory decision in this regard before long."

Mr. Chinai also raised the issue of the difficulties experienced by the exporters in obtaining freight for Mombasa and for ports in West Asia and South-East Asia and also referred to the hardship caused by inadequate facilities in some of the major ports and by lack of ancillary facilities in Kandla. Replying to some of these points, Mr. Shastri said that considerable progress had been made in extending and expanding port facilities in the first Five-year Plan. The Government, he said, was also paying special attention to the development of minor ports. A programme for improving 50 such ports had been "almost finalised." It is true that the Government's efforts at improving port facilities have not yet resulted in any corresponding improvement in the turnround of ships. But this, as Mr. Shastri himself pointed out, is due to deterioration in labour output. Clearly, the quicker turnround of ships will depend mainly upon the efficiency of port labour.

SHIPPING POLICY

Two important shipping developments were disclosed by Mr. O. V. Alagesan, Deputy Minister for Transport, in the course of his reply to the debate on the Control of Shipping (Continuance) Bill. First, the Government has decided to take over the entire capital and management of the Eastern Shipping Corporation. The Deputy Minister, however, preceded this announcement by the remark that "we do not propose to erase the private sector in the shipping line. But, whenever the shipping companies find it difficult to conduct the enterprise, the Government will step in." The slogan was, he said, "not nationalisation but more and more tonnage." Secondly, the Government would set up a second shipping corporation in a couple of months.

A notable feature of the Deputy Minister's speech is the immunity, albeit partial, granted to private enterprise in shipping against nationalisation. This is a welcome assurance. It is true that there has been some demand for nationalisation of shipping on the ground that the Government has not only to give large loans to shipping companies but also to find the men from its ranks to run the companies. But the advantages of letting private enterprise to operate shipping far outweigh such considerations. There are many aspects of operating a shipping concern which the Government would find it difficult or inconvenient to handle. In any case, the Government would still need to spend more resources in the event of nationalisation than if it let private shipowners to run the ships, even after taking into account the subsidy element. Again, it must be remembered that the very nature of shipping enterprise demands Governmental assistance of some kind or other. This has been the experience of all countries. Few maritime nations have developed their shipping service or shipbuilding industry without extensive State aid. Further, such assistance has proved more than economically justified in view of the invisible income the shipping industry brings to the country which owns it.

We have advisedly stated above that Mr. Alagesan's assurance gives only partial immunity against nationalisation, because much will depend on how the shipping companies in the private sector conduct themselves and the extent to which they reduce their dependence on the Government. While the need for State assistance to shipping is conceded, the type of, and the manner in which, aid is being sought are likely to aggravate the demand for nationalisation of shipping by the critics of private enterprise, who wield considerable influence over the Government, and may provide a convenient excuse for the powers-that-be to yield to that demand. The shipping companies must, therefore, set their house in order, be business-like in their attitude towards expansion of shipping and strive to achieve maximum efficiency in their operations. Now that the Government itself has entered the field of deep-sea shipping by assuming complete ownership of one corporation and proposing to start another, the private sector in this field has to be more alert and competent, if it is to survive.

Mr. Alagesan revealed that the Government proposed to take over the entire capital and management of the Eastern Shipping Corporation, because the other partner, namely, the Scindia Steam Navigation Co., Ltd., proposed to "walk away." The Corporation, which was set up in 1950 as a company under the Indian Companies Act, has an authorised capital of Rs. 10 crores. The issued and subscribed capital of the Company is Rs. 5.5 crores, of which a sum of Rs. 4.07 crores has been subscribed by the Government and the balance of Rs. 1.43 crores by the Scindia Steam Navigation Co., Ltd., which is the managing agent of the Corporation now but will cease to be so in August, 1956 under the provisions of the new Company Law. For the first time since its inception, the Corporation incurred a loss of Rs. 17.99 lakhs during the year ended 31st December 1955. This compares with the profit of Rs. 40.5 lakhs earned by the Company in the earlier years, of which Rs. 7.4 lakhs went to Government as dividend. According to an agreement between the Corporation and the Government, the latter has agreed to indemnify the Corporation for any loss it may incur.

The second shipping corporation is likely to be set up with capital of Rs. 10 crores. Mr. Alagesan advanced two reasons for the decision to set up this corporation, namely, (1) the need to have "our own ships" to cope with trade that was developing with the Soviet Union and other countries, and (2, the "tendency of private shipping companies to withdraw their ships from routes which do not pay." It is stated that, besides establishing a shipping line between Bombay and Odessa, the extension of the present Bombay-Hamburg service to Russian and Baltic ports will be considered shortly by the officials of the Soviet Ministry of Foreign Trade and the Government of India.

Now that the Government has announced that it would not nationalise shipping in the private sector, it is to be hoped that private *entrepreneurs* will leave no stone unturned to reach the target of 9 million tons fixed for the second Plan. At the beginning of the first Plan, India had a tonnage of 390 707 g.r.t. The target for the first Plan was fixed at 600,000 g.r.t. This falls short by nearly 100,000 tons, but this slack will be made in the second Plan period. After allowing for the obsolescence of 90 000 g.r.t., the total tonnage is expected to reach 900,000 g.r.t. in the second Plan. The proportion of overseas trade that will be carried by Indian ships at the end of the second Plan is expected to rise to about 15 per cent.

With regard to movement of oil on the coast, the Government of India has taken a firm decision to have at least three tankers. One of these will be owned by the private sector and is expected to be registered in India before the end of March 1956. The other two tankers will be acquired for the public sector by the Eastern Shipping Corporation shortly.

It is gratifying to note that the Central Government is considering further expansion of facilities for training of merchant navy personnel. Presiding over the seventh annual general meeting of the Nautical and Engineering College, Bombay, the other day, Mr. Lal Bahadur Shastri, Minister for Railways and Transport, stated that the Government had already spent about Rs. 2 crores on the various merchant navy training establishments. Welcoming the introduction in the College of a radar observer's course, Mr. Shastri suggested the desirability of instituting courses of study for the extra Masters' and extra first class engineers' examination, with a view to avoiding Indian officers being sent to the U.K. for advanced training. The Railway and Transport Minister further stated that the question of increasing the admission to the *Dufferin* and the Directorate of Marine Engineering Training—the two pre-sea training establishments in India—was under examination and soon more boys might be admitted. In view of the increase in the shipping tonnage contemplated under the second Plan, there is certainly need to augment the number of technical personnel for manning the ships.

FLAGS OF CONVENIENCE

In its latest report, published last week, the Chamber of Shipping, United Kingdom, has dealt with a number of international shipping problems, in general, and with "flags of convenience," in particular. The Chamber has alleged that ships flying "flags of convenience" have begun to threaten the development of world sea trade. To quote the Chamber, they have created "a situation with an element of farce in world sea transport." It has pointed out that the "flags of convenience" countries—Panama, Honduras Liberia, and Costa Rica—have registered a more than ten-fold expansion of tonnage under their flags in the past 10 years. Thus, the total tonnage of these countries today is estimated at about 9 million tons, as against 800,000 tons in 1946. Liberia with over 4½ million tons has emerged as a leading maritime nation. The increase, which is described as the "most startling phenomenon in international shipping," is attributed chiefly to two factors, namely, the avoidance of taxation and savings in operating costs. Elaborating this statement, the Chamber states:

"To be able to exchange a heavy burden of taxation for what is, in effect, no burden at all, is an advantage too obvious to require elaboration. The result is that shipowners, who are free to do so, have available to them a most convenient and profitable method of solving their replacement problems and so a means of increasing the size of their fleets at a rate quite beyond that of their competitors. Avoidance of taxation is, therefore, one, and almost certainly the principal motive."

The Chamber admits that the prospect for countries, such as Liberia and Costa Rica, being used as pocket boroughs to influence international shipping may seem fantastic, but, it feels that such a development cannot be ruled out altogether. It fears that, by virtue of their technical ownership, a number of countries, which have emerged as nominal owners of a large bloc of tonnage, although they have had no traditional maritime associations, may be able to participate in international discussions. They may by their vote affect both maritime law and safety regulations through, for instance, an inter-governmental maritime consultative organisation, if ever it should be set up. It is indeed a situation which, the Chamber says, could not have been envisaged either by the sponsors of that organisation or by the countries, which have acquiesced in transfer of ships from their flags. It is further stated that, in times of slump, these untaxed fleets may have a very serious deleterious effect upon those, such as the British fleet, "which are finding fleet replacement even in a period of buoyant world trade so difficult a problem."

The Chamber has dealt also with the problem of flag discrimination, which, it claims, "is continuing to grow." More and more countries have been turning to the system of cargo preference as a means to foster or maintain their national fleets. In the last three years, for instance, there were 19 trade treaties which contained clauses seeking to restrict the movement of cargoes under these treaties to ships of the signatory powers. It is pointed that in one case—Hungary—one of the parties has no seaboard at all. In addition, some seven countries had during this period "attempted to divert cargoes to the national flag by unilateral action," too. The Chamber attributes the reappearance of this type of flag discrimination to the encouragement given by the U.S. by its "application of the system of cargo preference in post-war years." Proceeding it states: "Although the American system is confined to Government-financed cargoes, some countries openly cite the American legislation on this subject, as justification for action on their part which goes even further by including privately-owned cargoes as well."

Finally, the Chamber makes the notable point that, in spite of the increase in the number of passengers carried by air transport, there has been no decline in the number carried by sea on the major passenger routes. In fact, this number has, it says, increased. Germany has now rebuilt its merchant fleet up to nearly 60 per cent. of its pre-war tonnage. Japan continues to expand its merchant fleet by Government aid. In this connection, it points out that British shipowners have objected to the Japanese Government's action by which, regardless of commercial considerations, "national fleets are artificially stimulated to force their services on the world and thus disorganise the international shipping scene." Finally, it discloses that, although there has been a serious shortage of pilots to operate ships through the Suez Canal, the Egyptian authorities have not been finding it "convenient to grant visas to foreign pilots to bring the services up to the required strength." As a result, it would appear that the flow of traffic through the Canal has been affected.

IMPORT TRADE CONTROLS

Judged by the observations made by Mr. Shantilal M. Shah, President, All India Importers' Association, Bombay, in the course of the speech at the annual meeting of this body held on the 27th ultimo, the trading community in India seems to be generally satisfied with the Government of India's import control policy. It can hardly view it otherwise as the present import policy has been the final outcome of a series of modifications and adjustments made, from time to time, in order to serve the interests of the consumer and domestic industry. Although opinion is divided as to how far the present import policy has been successful in fully serving these ends, it is sure to be unanimous on the broad principles on which the policy is based. Thus the policy is framed to secure speedier industrial development of the country. It has kept in view the magnitude of the requirements of the Plan and the shortfall of the available reserves. By extending the basic period, namely, 1954-55, to 135 items, it has afforded trading opportunities to commercial interests, and by enhancing the value of small licences and granting certain other similar concessions the small importers' interests too are being served. Consequently, as Mr. Shah has stated, the policy should receive a "warm welcome from both the trade and the industry."

But the policy seems to have, in the opinion of Mr. Shah, a snag, a serious one at that. It is the introduction of the monopoly imports in regard to certain commodities, whereby the State has sought to channel the trade in certain selected commodities through official or officially sponsored agencies. Mr. Shah criticised this system on the ground that it gave rise to monopolistic tendencies, deprived the established trade of its sphere of activity thereby causing unemployment at a time when everything was being done to increase the volume of employment in the country. Imports of raw silk from China, for instance, have been handled by the Central Silk Board, a Government agency. Two other agencies have been exclusively entrusted with the work of importing soda ash, in return for 12½ per cent. margin over the landed costs as charges. Mr. Shah contended that this system had not benefited anyone, not even the consumer in whose interest it was professed to have been designed, since the prices of these commodities had ruled unduly high. This contention of Mr. Shah is misplaced. Further, he is not fair to the Government, for he does not even properly present the reasons which impelled the Government to resort to the measures criticised by him. The special arrangements made by the Government for regulating imports of soda ash through certain specified trade channels are for protecting the interests of indigenous chemical industry, as other measures for doing so had not proved satisfactory. Similarly, import of raw silk through the Silk Board has been found necessary for safeguarding the fortunes of indigenous raw silk production—a cottage industry—in a manner without imposing undue hardship on consumers of natural silk. By repeatedly harping on this minor aspect of import control, Mr. Shah is making a mountain out of a molehill.

Another aspect of import policy which is of immense importance to the private sector is the proposal to establish a State Trading Corporation to handle foreign trade. One of the objects of State entry into the sphere of trade is stated to be to augment the resources of the State to finance development plans. This proposal stems from the belief that easy money could be had from trading operations conducted by the State. Evidently those who think on these lines seem to be quite unaware of the risks of huge losses to which trading operations are exposed and the skill and techniques needed by those who handle the trade. It is often forgotten that this skill is the result of acquiring not theoretical knowledge from text books but practical experience in a particular sphere over a period of years. Mr. Shah's observations in this context are worth reproducing here.

"The present channels of foreign trade have effectively contributed to the national development of the country and played their part in a very commendable form. Thus, there is no need to replace the existing channels by official agencies lacking in personnel with specialised experience of business to handle such responsible positions where initiative and judgment are most vital. Success in trading in commodities requires a close and continuous watch on the market situation, changes in tastes and price trends which require readiness to take normal risks and quick decisions, as the rapidly changing market conditions would demand. A State-sponsored institution by its very nature would be so slow in taking proper decisions that there is every likelihood of its incurring losses which would ultimately be borne by the taxpayers."

The logic of Mr. Shah's argument is too convincing to be treated lightly and deserves to be pondered by those who are responsible for taking decisions on trade policies. To think that there are easy profits in trade is only to entertain illusions.

The trading community, according to Mr. Shah, is experiencing innumerable difficulties while getting imported cargo cleared from the customs. Unduly long time taken in completing various formalities is causing them considerable loss of time and money. The delay is attributed to either the inefficiency or the inadequacy of the staff or lack of proper departmental co-ordination, delays are also caused by the long time involved in obtaining test-reports of certain merchandise from the customs laboratory. Again, holding up of seasonal goods like woollen fabrics for several weeks results in such goods being carried for sale to the next season, thereby needlessly blocking the funds of the importer concerned and adding to the stringency in the money market. Mr. Shah pointed out in his speech that the number of varied executive instructions which had been issued from time to time, had rendered the customs procedure both complicated and cumbersome with the result that the Sea Customs Act of 1871 had become outdated and unsuited to the needs of a growing enlightened democratic regime He, therefore, suggested the appointment of a Customs Enquiry Committee to enquire into the working of the Act and rules framed under it. This is, indeed, a reasonable suggestion.

DURGAPUR STEEL PLANT

After protracted negotiations, the Government of India has arrived at an agreement with the India Steel Works Construction Co., Ltd.—a consortium of British engineering firms—for the construction by the latter of a Rs. 106-crore steel plant at Durgapur, with one million tons ingot capacity. According to the terms of the Agreement, the plant, machinery and equipment, as also a considerable part of the steel structures, refractories and other materials required for the plant will be supplied by the member firms of the British consortium. The consortium will also carry out the entire work of erection and civil engineering at site under the supervision of the consulting engineers of the Government of India. Foreign exchange cost of the plant is expected to be about £50 million sterling. The rupee cost of the erection, engineering and materials, freight, etc., in India is estimated at about Rs. 39 crores.

Broad agreement has been reached also regarding the arrangement for financing the foreign exchange cost of the plant. A syndicate of British banks has agreed to give a credit of £11½ million sterling. The U.K. Government has offered to the Government of India a loan of £15 million sterling. Both will be used for making payments to the suppliers of the plant, etc., during the latter half of the second Five-year Plan. Payments that fall due during the next two years or so will be made out of India's own sterling resources.

The details of the Indo-British agreement, especially those relating to interest charges, etc., are yet to be worked out. It would appear to have been agreed that the rate of interest on the proposed loan would be linked to the prevailing British bank rate. Press reports from London indicate that the Indian Government has secured a substantial reduction in the cost of the imported steel plant. It is also stated to have secured the waiver of the escalator clause providing for unforeseen rise in labour and other costs. It is further stated that the Indian Government could freely draw from its sterling balances the amount required to finance the project. The U.K. Government seems to have agreed to replenish the sterling balances, when required by the Government of India, by raising a loan on the London money market. The British Government would act as trustees to the loan.

The Durgapur steel plant will be a complementary unit to the Rourkela and Bhilai steel plants, which will also be of one million tons ingot capacity each. The Durgapur plant will produce 750,000 tons per annum of light and medium sections of steel. The Rourkela plant is expected to manufacture 720.000 tons of flat products of steel, hot and cold rolled. The Bhilai plant will produce 750,000 tons of saleable steel, mainly heavy and medium products, including 140,000 tons of billets for the re-rolling industry. Besides, steel production at the Mysore Iron and Steel Works will be expanded to 100,000 tons. Thus, by the end of the second Plan, plants in the public sector will produce about 2 million tons of finished steel.

The Government of India expects to complete negotiations with a Russian official delegation for the erection of the Bhilai steel plant within a fortnight. In the case of this plant, a package deal is being negotiated and the cost of Russian equipment, materials, etc., is likely to be Rs. 43 crores out of a total of Rs. 125 crores that are expected to be spent on the plant. It is stated that the disproportion between the rupee and the foreign exchange cost of the British and the Russian plants is due to the fact that, while India will buy a considerable part of the necessary steel equipment for the Durgapur project from the British consortium, a greater part of the steel requirements in the case of the Bhilai project will be met from internal resources. The Russian Government has, it may be noted, already promised the Government of India credit at 2½ per cent. interest, repayable in 12 annual instalments. So far as the steel plant to be set up by the German firm, Krupps-Demag, is concerned, it is stated that the Government has decided against inviting global tenders chiefly on the ground that world prices were generally known and the question of calling for global tenders was causing undue delay.

INDIA'S ECONOMIC CONDITIONS SOUND

FINANCE MINISTER'S SURVEY

THE Finance Minister's speech presenting the Budget for 1956-57 consisted, as usual, of two parts, Part A and Part B. Part A consisted of 26 pages, of which the first half was devoted to a survey of economic conditions in India. Brief though this survey was, it provided an authentic account of all the essential aspects of India's economic position. A substantial summary of this survey is published on this page, so that it may serve as a record for our readers. Part B consisted of taxation proposals, a summary of which appears elsewhere in this issue:

The Finance Minister began by referring to the first Five-year Plan which, in his opinion, had been fulfilled generally to a satisfactory extent due to the encouraging response from the public and the friendly assistance from foreign countries. The second Plan envisaged a total outlay of Rs. 4,800 crores on development and investment in the public sector. A Plan of that size with possibilities of marginal increases and corresponding financial resources not fully within sight was, in his opinion, about the utmost that the country could, with realism, adopt. The second Plan was a bolder step forward in the direction of developing the economy. It involved an increase in the rate of investment from the present level of about 7 per cent. of national income to something like 12 per cent., and this could be feasible only if the necessary restraint in the matter of consumption was exercised by all sections of the community, each according to its capacity. Foreign assistance, though most welcome, could only help within limits and the bulk of the effort had to come from within the country by a progressive tax system and mobilisation of the savings of the community.

Reviewing the economic situation, the Finance Minister said that economic conditions in the country changed for the better in 1953 and 1954 and the Indian economy achieved greater strength in the course of 1955. The decline in agricultural prices was halted by May 1955, and, over the remaining part of the year, an upward trend was registered. In most industries, production reached significantly higher levels and the performance in regard to agricultural production was satisfactory. The rate of planned outlay was stepped up considerably without apparently releasing inflationary pressure. The slack in the economy which came into evidence after the collapse of the Korean boom had virtually disappeared. The first Plan had strengthened the economy a great deal and the stage was set for more rapid development.

Increase in Production

The output of foodgrains during 1954-55 amounted to 65.8 million tons, just over 4 million tons in excess of the Plan target. The easy supply position of foodgrains enabled the Government to remove the last remnants of controls on 18th March 1955, when the inter-zonal restrictions on movement of wheat were removed. The general crop prospects for 1955-56 were considered to be satisfactory.

The production of commercial crops showed further improvement. Oilseeds output at 5.9 million tons and raw cotton at 4.3 million bales had exceeded the first Plan target by 400,000 tons and 100,000 bales, respectively. Sugar production touched the record level of 1.59 million tons, while jute production had shown a significant increase of about 1.2 million bales.

The upward trend in industrial production had persisted through 1955, the increase over the previous year being 11 per cent. This increase was shared by almost all the important industries. The output of finished steel at 1.26 million tons was higher than the record of 1.243 million tons achieved in 1954. The production of mill cloth stood at 5,087 million yards in 1955 and exceeded the Plan target by 387 million yards. Production of handloom cloth had also increased to 1,450 million yards, the highest since independence. Cement production reached 4.5 million tons, against the highest since 1947. In jute, chemicals and paper, too, the performances were high.

Amongst significant developments, Mr. Deshmukh referred to the steps being taken to plan and execute large-scale development of the chemical industry, the plans of the National Industrial Development Corporation for laying the foundations of heavy machine making industries, and substantial expansion by the two major producers of steel and of the cement output. Special measures, he added, had also been taken for the promotion and development of small industries. A National Small Industries Corporation with four Regional Small Industries Service Institutes had been set up. A number of schemes for various small-scale industries in co-operation with the State Governments had been approved and financial assistance was being given, through the State Governments, on a greatly enhanced scale. The development of the *Khadi* and Village Industries and Handicrafts continued to receive systematic assistance.

Industrial enterprises in the public sector also advanced to higher levels of performance. Amongst the enterprises which had shown encouraging results, the Finance Minister mentioned, the Sindri Fertiliser Factory, the Hindustan Cable Factory and the Penicillin Factory. The Machine Tool Factory, the Integral Coach Factory and the D.D.T. Factory had commenced production.

Amongst the new projects to be taken up during the coming year was the Heavy Electrical Equipment Factory for the manufacture of generators, transformers, turbines, etc. Of the three new steel plants, the work on the first was progressing satisfactorily at Rourkela and a fair amount of progress was expected during the year on the preliminary stages of Bhilai and Durgapur Projects.

The downward trend in wholesale prices, which began in 1953 and gathered momentum in 1954, was halted by May 1955 and, since then, there had been a continuous rise. In December 1955, the prices were on par with the level in December 1954. The prices of food articles advanced from 276.1 in May 1955 to 323.7 in December 1955 and of industrial raw material from 396.4 to 438.3. The prices of manufactured articles remained virtually unchanged.

The fact that prices in general did not record any net rise over the year as a whole was, the Finance Minister said, significant in the context of the considerable expansion that had occurred in money supply with the public which had recorded an increase of 11 per cent. during the year.

Referring to the measures taken by the Government to arrest the downward trend of agricultural prices, which caused some anxiety early last year, the Finance Minister mentioned the purchases made by the Government of wheat and coarse grains at selected centres and the grant of larger quotas for the export of several agricultural commodities. Later, the Government had to release stocks of wheat for sale to prevent an undue rise in prices. The Finance Minister observed that measures for imparting relative stability to agricultural prices could not be fully effective without properly organised and integrated facilities for credit and marketing. An integrated programme of co-operative development covering all important aspects of rural economic life, including processing, warehousing and storage, had been formulated.

In regard to the employment situation, the Minister said that, notwithstanding the progress achieved in different sectors of the economy, the employment problem remained a matter of concern. The measure of unemployment and underemployment in an undeveloped economy, the Finance Minister continued, presented difficult problems of definition and procedure. From the inadequate data furnished by the employment figures, it appeared that unemployment in the urban areas was increasing. Whilst the increase might be due to a greater readiness to register with the employment exchanges and also to some movement from rural to urban areas, "the need for stepping up the pace of development and for diversifying the economic structure of the country is obvious."

Referring to the balance of payments, the Finance Minister observed that, on the trend of the first nine months' figures, the year as a whole might show a surplus of about Rs. 35 crores, as compared with the deficit of Rs. 4 crores in the previous year. The sterling balances stood at Rs. 735 crores at the end of 1955, as compared with Rs. 731 crores at the beginning of the year. The dollar position had also improved and India made a net contribution of $53 million to the Central reserve in 1955 as compared with the net withdrawal of $15 million in 1954. The improvement was achieved at a higher level of trade than in the preceding year, particularly in export of vegetable oils, jute manufactures, raw cotton and shellac.

Despite the satisfactory payments position, the projected increase in the pace of development contemplated in the second Plan would impose "a heavy strain," the Minister said, "on our payments position in future." In urging a note of caution, he observed that, if the second Plan were to proceed according to schedule, "not only shall we not be able to achieve any surplus in our external account but we are also likely to be faced with fairly substantial deficits." It was, therefore, necessary to promote exports by taking urgent and effective steps to modernise and rationalise major industries like jute and cotton textiles so as to make them capable of withstanding foreign competition. All-out efforts, he urged, were required to encourage export industries and otherwise to save or earn foreign exchange.

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CENTRAL GOVERNMENT BUDGET

OVERALL DEFICIT ESTIMATED AT RS. 390 CRORES

THE Central Government's budget for 1956-57, which Mr. Chintaman Deshmukh, the Union Finance Minister, presented to the Lok Sabha on 29th February 1956, discloses an overall deficit of Rs. 390 crores. Of this, the deficit on revenue account is estimated at Rs. 51.83 crores and that on capital account at Rs. 338.17 crores. The revenue deficit of Rs. 51.83 crores is in striking contrast to the surplus of Rs. 12.31 crores in the revised budget for 1955-56. A considerable part of the deficit—as much as Rs. 34.15 crores—is proposed to be covered by recourse to additional taxation—direct and indirect. The huge deficit of Rs. 338.17 crores on capital account is due to the marked expansion in capital outlay, the estimate of which is placed at Rs. 703 crores. As against this, the resources expected to be available aggregate Rs. 365 crores—Rs. 100 crores from market loan, Rs. 70 crores from small savings, Rs. 85 crores from foreign aid, and Rs. 110 crores from other miscellaneous and remittance transactions. The uncovered revenue deficit of Rs. 17.68 crores and the capital deficit of Rs. 338.17 crores will together amount to Rs. 345.85 crores. In other words, if all the expenditure is incurred according to schedule, the Government will have created by the end of the year "paper money" of the order of about Rs. 346 crores through expansion of treasury bills.

The revenue deficit of Rs. 17.35 crores estimated in the current year's budget is now likely to be converted into a surplus of Rs. 12.31 crores. The improvement is due to a rise of Rs. 20.19 crores in revenue and a shortfall of Rs. 9.57 crores in expenditure.

Despite the abolition of or reduction in a number of export duties during the year, the customs revenue stand almost at the same figure as originally anticipated, due to improvement in import duties. Similarly, the income-tax receipts are not expected to show any variation. The major increase in revenue has occurred under Union excise duties which are now estimated to yield Rs. 7.73 crores more and in the Posts and Telegraphs revenue which is expected to be Rs. 1½ crores better. There is also a formal increase in revenue of Rs. 11.2 crores on account of sale proceeds of evacuee property which is offset by a corresponding increase in expenditure on its transfer to the compensation pool.

Of the savings in expenditure, Rs. 3.16 crores are in civil expenditure and Rs. 17.61 crores in defence expenditure, arising mainly from difficulties in procuring supplies; but these are offset by the transfer of Rs. 11.2 crores to the compensation pool, leaving the net savings at Rs. 9.57 crores.

The revised capital outlay in the current year is estimated at Rs. 170 crores, as against the budget estimate of Rs. 223.3 crores.

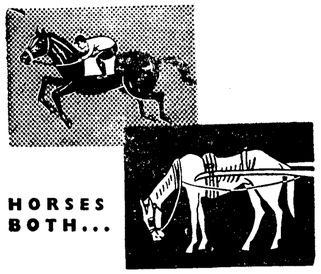
The next year's revenue, on the basis of existing taxation, is estimated at Rs. 493.6 crores and expenditure at Rs. 545.43 crores leaving a deficit of Rs. 51.83 crores on revenue account.

The revenue from customs would be less by Rs. 15 crores, while Union Excise duties would go up by Rs. 5.45 crores. The former is due largely to the full year's effect of the abolition of export duties made this year, cessation of imports of sugar and reduction in the imports of motor spirit as a result of increase in indigenous production. The last item, together with an improvement of Rs. 1.2 crores in tobacco, explains the increase in Union excises. The other significant increases are Rs. 6.3 crores in income-tax and Rs. 3.5 crores in the dividend payable by Railways, but these will be offset partly by decrease of Rs. 1.62 crores in the P. and T. revenue.

The Defence expenditure, estimated next year at Rs. 203.97 crores, shows an increase of Rs. 18.9 crores over the revised estimates for the current year, due to the normal expansion of the Navy and Air Force and, in the case of the Army, to the carryover of demands for stores which have not materialised in the current year.

Civil expenditure next year is expected to be Rs. 43.37 crores more, on account of the rising tempo of development expenditure. The expenditure on nation-building and development services is placed at Rs. 23 crores more than the current year. The provision for Community Development and National Extension Service has been increased by Rs. 1.4 crores, for welfare of scheduled tribes, scheduled castes and backward classes by Rs. 3.4 crores, for grants to the Central Social Welfare Board and expenditure on social and moral hygiene by Rs. 1.6 crores and for expenditure on displaced persons by Rs. 2.7 crores.

For the next year, capital expenditure is estimated at Rs. 316.7 crores, of which Rs. 113 crores are for Railways, Rs. 26.3 crores for Defence, Rs. 44 crores for the three new steel plants, Rs. 20 crores for cash compensation to displaced persons, Rs. 9.5 crores for Government trading schemes mostly for purchase of foodgrains and Rs. 5 crores for the Life Insurance Corporation. In addition to the provision for capital outlay, the estimates for 1956-57 include a provision of Rs. 386 crores for loans to State Governments and others, mostly for the execution of projects in the Five-year Plan. The budget and revised estimates for 1955-56 under this head are Rs. 355 crores and Rs. 327 crores, respectively.



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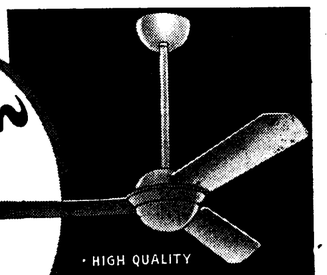

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BRITAIN REJECTS PHYSICAL CONTROLS AS REMEDY FOR INFLATION

MR. MACMILLAN'S EXPLANATION

THOSE who want to know as to how Britain has been grappling with inflation should find a helpful guide in the two-day debate in the House of Commons last week on the new Chancellor of the Exchequer, Mr. Harold Macmillan's statement on Government measures to check inflation. The debate highlighted the confirmed belief of the present Government in the efficacy of these measures as also the Opposition's reactions to them. The Chancellor of the Exchequer reiterated his firm faith in the principle that physical controls were more likely to do harm than good. The views of the Opposition were in accordance with the established socialist policy in which physical controls as opposed to monetary measures are given prominence.

The Government's measures which were debated included (1) the raising of Bank rates; (2) suspension of investment allowances to industry for capital expenditure and restoration of initial allowances; (3) tightening of hire-purchase controls and imposition of control on rental on a wide range of consumer goods; (4) adoption of a more critical attitude towards new issues by the Capital Issue Committee; (5) imposition of a cut of £38 million in the bread and milk subsidies and enhancement of retail prices; (6) cut, in the capital programmes of national industries, of the order of £50 million during 1956-57 and curtailment of local authority projects; and (7) reduction in direct Government spending to the extent of £20 million in the same year. These steps were intended to meet an industrial boom which has followed "much the same course in all the countries of Western Europe, with heavy investment in housing, leading first to a revival in consumers' demand, then to stock building and a rising export effort, and more recently to an upsurge in industrial investment and the demand for durable consumer goods."

Opening the debate, Mr. Macmillan declared that the stiffening of hire-purchase terms, the restraints on local authority investments, the removal of investment allowances, and the raising of the Bank rate represented a cut of several hundreds of millions of pounds. He made it clear that he had rejected the idea of import controls. For they would deal not with the causes of the malady but with symptoms. Unless they were applied over a large field, they would not bring very much relief. If they were applied over a large field, the Government would have to create the whole apparatus of allocation and rationing, involving a lot of expenditure of an unproductive nature. Again, there would also be, he pointed out, serious repercussions on the country's exports and the whole of its international trading relations, because imposition of restrictions might lead to retaliation by other countries. He maintained that retaliation would not follow, if imports dropped from natural causes, but it was likely soon to follow artificial cuts by quotas or licences.

Mr. Macmillan expressed his views on import controls in anticipation of criticism from the Opposition. In this anticipation he was not disappointed; for physical controls constituted one of the planks on which the Labour leaders rested to attack the Treasury Bench. Mr. Hugh Gaitskell, Leader of the Opposition, for instance, said that he could not understand why the Chancellor condemned import controls wholesale. "It is said," he remarked, "these controls would lead to retaliation, but, after all, one-fifth of our imports and half our dollar imports are still subject to import licensing, but this does not lead to retaliation." The Labour Party believed, he observed, in a combination of monetary and physical controls because the physical controls enabled a Government "to block up weak spots in the economy." This argument was rebutted by Mr. Peter Thorneycroft, President of the Board of Trade, who replied to the debate. He observed that the Government was not putting a stop to investment but moderating demand. It was not doctrinaire about import restrictions, but it did not believe they would benefit the country in its present circumstances. To quote Mr. Thorneycroft: "Increases in imports into this country are really not made up of handbags from Italy and matters of that kind. They are the imports created by the solid demand of an expanded industry—coal £57,000,000, steel £71,000,000, etc." A vast majority were essential, he added, and to cut them must lead inevitably to savagely rising prices or strict allocation and a rigid rationing scheme. The imports were the type of goods which would lead almost automatically and immediately to retaliation.

Price control was another form of physical control advocated by the Opposition. Mr. Macmillan dealt with this point also. He declared that objections to import controls applied with even greater force to the control of prices. "The basic cause of our trouble," he asserted, "is this —more purchasing power than there are goods to spend it on. Price control does not make more goods available from our own production. What it must inevitably do is to lead to more consumption. Therefore, if the price-controlled goods were imported, that would make our balance-of-payments position worse. Imports would have to be limited, the goods would have to be rationed. But if we keep down one set of prices, there is more money available to spend somewhere else. By sitting on one pressure point, the pressure is transferred with extra force to another place, and, if imports are not drawn in to relieve the pressure, then exports would be held back." Commenting on the efficacy of physical controls, as a whole, Mr. Macmillan said that there were two broad approaches to the problem of prescribing a treatment to the malady of inflation. To those who advocated a direct method of physical control internally and externally, there was, he said, the opposite approach holding that such measures never had been and never would be successful for their purpose. And he asked himself two practical questions: "Would the controls that were suggested do the trick and was there anything that had happened in the past to encourage us to believe they would work better in the future? Would they have to be applied so widely to enforce a degree of regimentation that no democratic party and no democratic people would accept?" Since these questions had within themselves their reply, Mr. Macmillan did not proceed to answer them and left them there for the Opposition to do it.

The cancellation of investment allowances was criticised by the Opposition as being "short-sighted." Mr. Harold Wilson, who spoke for the Opposition, stated that investment was still needed and that the U.K. needed all it could get of the right kind in the right use of industries. Because both essential and inessential investment had gone up, he accused the Chancellor of "blindly swinging an axe at the whole lot." He produced from the O.E.E.C. report a figure which showed that, in 1954, Britain spent the smallest proportion of the gross national product on fixed investment of any European country, except Greece. But, as the *Financial Times* pointed out, he conveniently omitted to quote the portion in the report which showed that public consumption, that is, the current expenditure of Government, was a higher proportion in Britain than in any other European country. This took the sting out of the criticism of Mr. Wilson.

Mr. Gaitskell also criticised the investment policy of the Government by pointing out that the new measures involved a cut in investment, while nearly every other industrial country was devoting more of its resources to investment. It was deplorable, he averred, that the country should be cutting back the very thing on which its future prosperity and productivity depended.

These criticisms were answered by Mr. Macmillan who stated that the extension of the control to capital goods was intended to meet the excess of investment demand which was now plain for all to see. The nation could not afford to be inflated yet further by credit through hire purchase. Supporting the views of Mr. Macmillan, Sir Edward Boyle, Economic Secretary to the Treasury, maintained that the main feature of 1955 was the striking increase in fixed investments other than in dwellings and, in particular, investment by the manufacturing industry. There was no question, he said, of any fall in investment in 1956. The information the Government had received showed that the manufacturing industry was expecting a further increase of pretty well comparable size in 1956. Informed opinion in the U.K., however, does not seem to agree with the overall investment policy of the Government. For, it is pointed out that the cut in investment, particularly in productive investment, tantamounts to mortgaging the future to provide for the present. It is felt that industry is investing too little and is falling behind in the creation of productive capacity. Attention is being drawn to the fact that the Chancellor's programme has been one of relatively big cuts in consumption and in social investment, of very big cuts in productive investments and of small cuts in Government expenditure. It is, in fact, this criticism which has prompted the Government spokesman to promise further cuts in Government expenditure.

Mr. Macmillan made certain interesting observations on the monetary measures adopted by the Government. He said that he had seen very little criticism of the higher Bank rate, except, perhaps, that it should have been done before. He opined that the policy of the bankers in reducing overdrafts and restricting new lending was becoming more and more effective. He did not subscribe to the opinion that bankers were concentrating only on small men. He recalled that many large industries, besides using their internal resources, were accustomed to borrowing from their bankers to finance the expansion of their enterprises until permanent capital would be raised. These "bridging operations" were being curtailed and industry was being forced to borrow from the market. Here the Capital Issues Committee was expected to operate in a more critical way. When these enterprises borrowed from the market, two advantages followed, according to Mr. Macmillan. First, the public would become a critical judge even more than the banker, because it was the public which decided whether or not to make an investment of its own money in the new issues. Secondly, if these market issues succeeded, they were drawing upon real savings and not upon inflationary credit.

The debate ended, as stated last week, in a victory for the Government's motion endorsing the latest measures to fight inflation by 325 to 259 votes.

BANCO DI ROMA
HEAD OFFICE: ROME
ESTABLISHED 1880
PAID-UP CAPITAL AND RESERVE
L3,000,000,000

OVER 200 BRANCHES IN ITALY.
BRANCHES ABROAD:

TURKEY	ISTANBUL, IZMIR
LEBANON ..	BEIRUT, SAIDA, TRIPOLI
SYRIA	DAMASCUS
ERITREA	ASMARA, MASSAUA
LIBYA	TRIPOLI
SOMALIA ..	MOGADISHU, MERCA

REPRESENTATIVE OFFICES:
LONDON—NEW YORK—BUENOS AIRES
FRANKFORT-ON-MAIN.
FOREIGN AFFILIATED BANKS:
BANCO DI ROMA (France): Paris, Lyons, Monte Carlo.
BANCO DI ROMA PER LA SVIZZERA: Lugano, Chiasso.
BANCO DI ROMA (Belgique): Brussels.
BANCO ITALO-EGIZIANO: Alexandria, Cairo.
CORRESPONDENTS ALL OVER THE WORLD

TRAVANCORE BANK'S RECORD PROFIT

The working of the Travancore Bank Ltd. during the year ended 31st December 1955 has resulted in a profit of Rs. 10,19,966, which shows a rise of Rs. 2,83,926 over that for 1954. With this increase not only the small decline of Rs. 68,922 noted in 1954 has been more than made good but a record level of profit has been established, exceeding the previous high of Rs. 8.05 lakhs reached in 1953 by Rs. 2.15 lakhs. After bringing in the unappropriated surplus of Rs. 93,631 from the previous year, the Directors have raised the provision for taxation from Rs. 1,25,000 to Rs. 4,00,000 and the transfer to the reserve fund from Rs. 1,75,000 to Rs. 2,05,000. The allocation for bonus to staff has been maintained at Rs. 35,000, while that for gratuity fund has been reduced from Rs. 25,000 to Rs. 5,000 and for reserve for depreciation on investments from Rs. 50,000 to Rs. 25,000. No provision for contingencies has been made, while a year ago a sum of Rs. 25,000 had been utilised for that purpose. The dividend to the shareholders has been stepped up to 4 per cent. from 3 per cent., to which level it had been raised last year from the maiden distribution of 2½ per cent. made for 1953.

STATE BANK'S PROFIT WELL MAINTAINED

SMALL DECLINE IN DEPOSITS

THE first six months' working of the State Bank of India, since its inception on 1st July 1955, as a sequel to the Government of India's decision to assume effective control over the Imperial Bank of India, shows that neither the business of the Bank nor its earning has suffered on account of the change-over, except for a small recession in the Bank's deposits, a reference to which is made below. The total advances of the Bank as on 31st December 1955 disclose an increase of Rs. 5 crores. Investments have been strengthened by over Rs. 8 crores. The profit for the half-year is well maintained at the same level as that earned by the Bank's predecessor, the Imperial Bank of India, for the corresponding six months of 1954, and the dividend has been repeated at 16 per cent. per annum.

The gross earnings of the Bank for the half-year under review, in fact, have recorded a sharp rise from Rs. 372.71 lakhs to Rs. 416.10 lakhs, perhaps a record for any half-year. A break-up analysis of the gross income shows that interest and discount earned have gone up from Rs. 289.73 lakhs to Rs. 302.20 lakhs and the income from commission, exchange and brokerage has risen from Rs. 81.13 lakhs to Rs. 112.13 lakhs. The outgo by way of interest paid on deposits and borrowings is higher at Rs. 64.26 lakhs, as against Rs. 61.32 lakhs in the corresponding half-year of 1954. Expenses have gone up by no less than Rs. 40.80 lakhs to Rs. 277.22 lakhs and this rise has offset much of the increase in income. The principal rise in expenses is in respect of establishment, which has cost the Bank Rs. 35.11 lakhs more than in the corresponding period of 1954. Of this, Rs. 23 lakhs represent the increase in salaries, allowances, etc., given to clerical, cash department and subordinate staff arising mainly out of the adjustments made in implementing the Gajendragadkar Award. In the result, the net profit for the half-year, at Rs. 68.59 lakhs, shows just a fractional rise over that of Rs. 68.55 lakhs for the corresponding six months of 1954.

The dividend for the half-year under review has been maintained at the rate of 16 per cent. per annum, a rate which the Imperial Bank of India has been paying from the half-year ended 30th June 1950 onwards, when it had been raised from 14 per cent. per annum, paid successively since the half-year ended 31st December 1944. The aforesaid dividend gives a return of about 4.6 per cent. per annum on the purchase price of Rs. 350 per share, that is the price at which the shares of the State Bank of India (of Rs. 100 each) were issued to such of the shareholders who applied for the shares of the State Bank, in lieu of compensation payable to them. This is, however, of little consequence to the investing public, as only a small proportion of the State Bank's shares is held by the general public. By far the bulk of the State Bank shares is held by the Reserve Bank of India and so the major portion of the dividend declared for the half-year under review accrues to the Reserve Bank.

Although the face value of the Bank's shares is Rs. 100 per share, as the shares were issued at Rs. 350 per share, a suggestion would appear to have been made that a note be incorporated on the Bank's share certificate to the effect that the share was issued at Rs. 350 per share. Referring to the suggestion, Dr. John Matthai, Chairman of the Bank, observed, in his speech to the shareholders at their first annual general meeting held this week, as follows:

"The matter was given full consideration and it was, however, generally felt that, while there was nothing in law to preclude the inclusion of such a note, it was most unusual for a share certificate to mention anything more than the nominal amount of the share. Apart from the fact that this suggestion may not meet with the approval of all the shareholders, there are practical and technical difficulties involved which prevent its wholesale adoption. As the issue price of Rs. 350 was announced by the Reserve Bank by a special notification, it was considered unnecessary to make a note on the share certificate as suggested. The shareholders' natural desire to see that the price of Rs. 350 at which the share had been acquired is taken into account in determining the rate of the dividend has already been duly fulfilled by the State Bank declaring its dividend at the rate of Rs. 8 per share for the half-year, which is the equivalent of 16 per cent. per annum."

The Bank's deposits as on 31st December 1955 stand at Rs. 225.99 crores, as compared with Rs. 231.36 crores of the Imperial Bank at the end of 1954. This decrease of Rs. 5.37 crores over the year, though contrary to the general experience of other Scheduled banks which actually registered an increase, should be considered satisfactory in the context of a much sharper recession which took place earlier in the year. For, soon after the Government's decision to assume effective control over the Imperial Bank was announced, the Bank's deposits in India had fallen, from Rs. 203 crores in January 1955 to Rs. 184 crores in June 1955. This drop of Rs. 19 crores, according to the Chairman, "can only be explained by the initial apprehension in the minds of the public regarding the future policy of the Bank and the continuance of its commercial character in its altered status." These fears would appear to have proved baseless, as witness the steady rise in deposits in India during the last six months of the year, which stood at Rs. 202 crores at the end of December 1955, thus almost regaining the level of January 1955.

On the assets side of the balance-sheet, the Bank's advances are up at Rs. 105.81 crores, as compared with Rs. 100.82 crores at the end of 1954. A break-up of the advances show that loans, cash credits and overdrafts have declined from Rs. 94.65 crores to Rs. 89.01 crores, while bills purchased and discounted have risen sharply from Rs. 6.17 crores to Rs. 16.80 crores. Investments (shown below their market value) at Rs. 116.97 crores are higher by Rs. 8.25 crores, mainly on account of the increase in the Bank's holdings of Government securities and Treasury Bills from Rs. 96.47 crores to Rs. 106.40 crores. The Bank's holdings of Pakistan and other Government securities stand reduced from Rs. 11.34 crores to Rs. 9.20 crores. Other investments have gone up from Rs. 91 lakhs to Rs. 1.37 crores, consequent on the Bank's investments in the shares of State Financial Corporations and Land Mortgage Bank debentures, consistent with its enlarged responsibilities. Money at call and short notice has risen from Rs. 1.23 crores to Rs. 1.53 crores. Cash on hand and balances with other banks have declined from Rs. 36.64 crores to Rs. 29.38 crores.

NETHERLANDS TRADING SOCIETY
(Nederlandsche Handel-Maatschappij, N. V.)
BANKERS
Established by Royal Charter 1824
Paid-up Capital:
Nf. 60.030.000 (= £59.00.000)
Reserve:
Nf. 30.015.000 (= £29.50.000)
Extraordinary Reserve:
Nf. 10.000.000 (= £9.50.000)
Head Office: AMSTERDAM
Over 130 branches in the Netherlands and Indonesia, in Malaya, Singapore, India, Pakistan, Burma, New Guinea, Hongkong, Japan, Lebanon, Saudi Arabia, Kenya, Tanganyika, Uganda and in New York.
Banking Transactions of every Description.
Bombay: 14, VEER NARIMAN ROAD.
Calcutta: 18A, BRABOURNE ROAD.

FIRST NATIONAL CITY BANK OF NEW YORK

NOTABLE EXPANSION IN BUSINESS

THE year ended 31st December 1955 was an eventful one in the history of the National City Bank of New York, in that it witnessed the integration of the Bank with the First National Bank of the City of New York on 30th March 1955, the integrated institution coming to be known as the First National City Bank of New York. What made the merger a notable event was the fact that both the institutions were age-old ones. The National City Bank of New York was established in 1865, before which it was known as the City Bank of New York. The First National Bank had held a high position in American banking since its establishment in 1863, immediately after the enactment of the National Bank Act.

The working of the First National City Bank of New York during the nine months since the merger shows that the expectation held at the time of the merger that the activities of the two banks would broaden and complement each other and that the growth potential of the merged institution would be greater than that of the two banks separately has not been belied. In other words, the benefits of the merger had not been overestimated. For the merged institution has not only been able to cater to the American business at home and the diversified banking services overseas in this dynamic and competitive era but also improve its earnings and strengthen its financial position.

Business conditions in the U.S. during 1955 disclosed a very high level of activity, the highest in the history of the Company. Correspondingly, the demand for bank credit and services also expanded. While maintaining the conservative standards of lending, the Bank endeavoured to meet the enlarged demand of its customers wherever it was found that the loans would be soundly and constructively used to finance production and trade. At the same time, the resources of the Bank expanded, the deposits at the end of 1955 being larger than the combined deposits of the National City Bank and the First National Bank at the end of 1954. Though there was a decline in deposits soon after the merger, which is not unusual in cases of such merger on account of the duplication of accounts, the recession was much less than expected and was more than made good before the year-end. The Bank's performance in this respect is particularly gratifying in the context of the general banking trends and the Federal Reserve Policy of restraining inflationary growth of money supply. The impact of this policy was more marked on New York city banks, because of the shift of funds from the city to other centres and of the tendency among corporations to invest their funds in more remunerative Government securities.

Consequent on the larger turnover, the Bank was able to increase its earnings and to raise the dividend to 65 cents per share of $20 per quarter or an annual rate of $2.60 per share, as compared with $2.40 per share paid for the previous year.

The gross operating earnings of the Bank for the year under review amounted to $158.23

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BOMBAY STATE BUDGET

SOME GENERAL ISSUES REVIEWED

ALTHOUGH the budget for the Bombay State for the year 1956-57, presented by the Finance Minister, Dr. Jivraj Mehta, reveals a small surplus of Rs. 23 lakhs (being the excess of receipts placed at Rs. 78.10 crores over the estimated expenditure of Rs. 77.86 crores) and no fresh imposts are contemplated, it should not lead one to think that higher taxation could be long delayed. For the State has a large Rs. 282-crore second Five-year Plan to implement, so that the State Government will, in course of time, be compelled to raise larger resources for meeting the expenditure on nation-building activities. Before the Government comes to the State Legislature with demands for fresh taxes, it is incumbent upon the State Government to show that no avoidable leakage in revenue is taking place and, further, that the people are getting the value for the money that is being spent.

These general considerations, which are important at all times, are of particular relevance in the context of the planned economic development of the country, in which the public sector has been assigned a considerably larger role than what it was expected to play in former years. Surely, it is reasonable to expect the State Governments to give a fuller account of their financial position than formerly, for they, like the Central Government, are encroaching upon the spheres formerly reserved for the private sector. No longer can the State or Central budgets be described as the revenue and expenditure pattern of an authority, the duty of which was merely to maintain law and order. From this point of view, the Bombay State budget papers should be regarded as somewhat deficient in the matter of giving a complete account of all its activities. Now that the Government is engaged in some trading activities, as well as in certain manufacturing activities, the budget papers ought to contain a detailed account of such activities. Some of these activities, like the fertiliser distribution or Aarey milk colony or State Transport, deserve separate treatment in the budget.

The public should be enabled to judge the efficiency with which these organisations are being run in just the same way as shareholders of a joint-stock company are given an authentic account of the working of the company. The absence of such treatment as part of the budget papers is a serious deficiency that deserves to be rectified. It is regrettable that the Central and State Governments should continue to follow the same method of presentation of budgets as used to be adopted in the earlier pre-independence period. This mode of presentation might have been appropriate in those days, because Governmental activity was then confined to a restricted and fairly well-defined sphere. The expansion of the State sector demands a certain change in the mode of presentation of the financial statements of the Governments. The budget should, as already stated, give a fuller financial picture of the activities of the State and, what is more, treat it separately.

Value for Money

Another important consideration is that people should get full value for the money spent. This, of course, is a vague concept, for, there is bound to be room for honest differences of opinion. Even so, it should be possible to form some objective judgment through the institution of periodical expert enquiries. The point is that the Government and the people should not merely equate expenditure with achievement. Here, one might take, for instance, that intangible but nevertheless vital function of the State Government, namely, education. The Bombay State Government, as is well known, is spending a considerable proportion of its revenue on education; for 1956-57 this accounts for Rs. 16.02 crores, as against Rs. 15.73 crores, the revised estimate for 1955-56 and Rs. 14.11 crores for 1954-55. It is important to know whether this high expenditure is justified by results. There is a growing feeling that educational standards have fallen. It is true that this is an all-India problem, for the complaints of a fall in scholastic standards have been made in every State in India. But that is no reason why the Bombay State, which can boast of a long succession of distinguished scholars, research workers and men of high professional attainments, should quietly reconcile itself to a fall in academic attainments. An enquiry should be held in order to ascertain whether there has been a fall, and to find the reasons for this fall, so that a drive for increased efficiency could be initiated. Besides, such an enquiry should cover the quantum of success achieved in recent years in relation to the actual money spent.

Sales Tax

An equally vital consideration is that there should be no leakage of revenue. This is best illustrated by reference to sales tax. The revenue from this source has been growing year after year, primarily because the incidence of the tax has been increased by 50 per cent. In 1951-52, the revenue from sales tax (on commodities other than petrol) was Rs. 11.89 crores, while the revised estimate for 1955-56 places the revenue from this source at Rs. 20.0 crores. Between these two years, there have been two changes in the system of sales tax. In 1952, the system was changed from single-point to the multi-point system and in 1954, it was changed into a double-point system. And yet, there is ground to believe that considerable evasion does take place in sales tax.

This is partly due to the presence of unscrupulous elements in the trade, and corruption in the tax collecting machinery, both of which should be given no quarter, and partly due to the complicated nature of the system itself. Now that the Government has ample data about the turnover of the merchants and has acquired greater knowledge and experience about the working of the sales tax system, it is a moot point whether the Government should not seriously consider the question of evolving a system that will be readily understood by the assessees and that will also ensure a steadily expanding source of income to the State exchequer. Many honest business men continue to complain that the deplorable aspect of the system of sales tax is not its incidence but the uncertainty of this incidence. And their task is rendered particularly difficult, because the authorities themselves are not always in a position to answer the complicated questions which arise in the matter of payment of tax.

Revenue and Expenditure

Turning to the broad pattern of the State budget, the following figures indicate the changes in revenue and expenditure since 1954-55:

(In crores of rupees)

	Revenue	*Expenditure*	*Surplus*
1954-55 (Revised Estimate)..	71.80	71.23	0.57
1954-55 (Actuals)	79.43	71.49	7.95
1955-56 (Budget)	80.11	79.88	0.23
1955-56 (Revised Estimate)..	79.72	78.89	0.83
1956-57 (Budget)	78.10	77.87	0.23

The large increase in actual receipts in 1954-55 over estimated receipts is attributed to larger collections from sales tax as a result of the general improvement under the double-point system introduced in April 1954 and collection of arrears. This factor led to an increase of Rs. 3.5 crores in revenue. There was also certain purely accounting receipts in the shape of adjustment of unclaimed deposits, the reimbursement by the Government of India of the expenditure incurred by the State on rehabilitation of displaced persons and larger transfer from the Central Road Fund.

The table above also shows how the budget position reveals a small surplus from year to year. This has caused jubilation in certain quarters. But it must be remembered that the surplus ought really to be larger than what the budget reveals, considering the general buoyancy in the economy of this premier industrial State. Further, if the taxes were more rigorously enforced the surplus could be still larger. Also, as already emphasised, there is need for keeping expenditure under constant scrutiny. It is true that the Public Accounts and Estimates Committees periodically examine the expenditure of the State Government. But their reports are published long after the accounts for the years to which they relate have been completed so that they have only an academic value. The Government should, therefore, be constantly conscious of the imperative need for economy. A large proportion of the total expenditure, estimated at nearly Rs. 9½ crores, is taken up by the police. This is understandable in view of the unrest that sometimes occurs and the growing number of anti-social elements in the society. Even so, it requires to be examined whether such expenditure is necessary. In any case, through economy in expenditure, it should be possible for the State Government to show larger surpluses.

It would then be possible to provide relief in taxation. In suggesting tax reliefs we are not unmindful of the need for maximising tax revenue for financing economic development. But, in the interest of such development itself, tax relief in certain spheres is clearly needed. Such relief is necessary, for instance, in the sphere of motor transport. There is urgent need to stimulate this means of transport in this State, for the economy of this industrial region is dependent upon the availability of adequate transport. Now that the Railway Minister has himself admitted that there is no possibility of any relief in the matter of goods transport even at the end of the second Five-year Plan period, it is all the more incumbent upon the States to develop motor transport. The Bombay Government has already nationalised passenger transport. The return on this investment is disproportionately low as compared with the capital invested. Not content with this, it is following a "dog-in-the-manger" policy in respect of goods transport. It would be much better if the Government abandoned this policy and created facilities for the private sector to expand goods transport by motor vehicles. Such facilities should take the form of the withdrawal of the threat of nationalisation and adequate tax relief. In the long run, the Government would, in fact, be the gainer through relief in taxation on motor vehicles, especially on those used in the transport of goods. This is because more vehicles will be pressed into service in road transport and there would be a general improvement in the economy of the State through the removal of at least part of the bottlenecks in transport by private operators.

Agricultural Income-tax

The State will need large resources for carrying out its economic programme under the second Five-year Plan. From this point of view, a possible source of income is the tax on agricultural income. It is not clear why the Finance Minister has not made any reference to this subject at all. Surely, the Government is aware of the possibility of enriching its coffers through a levy on agricultural income. Perhaps, one explanation is that, in view of the uncertainty in regard to the future of the State as a result of the disagreement among the principal parties over the States Reorganisation Commission's Report, the Government is unwilling to embark upon fresh taxation. But, if this uncertainty continues for more than a year, the Government will have lost sizable revenue. In any case, the political considerations regarding the future of the State should not be allowed to stand in the way of the imposition of agricultural income-tax. If the Government now settled the nature, the rates and the mode of collection of agricultural income-tax, it would have done a service to its successors in different linguistic regions in the event of a break-up of the State.

A notable feature of this year's Budget speech of the State's Finance Minister is the discussion of the second Five-year Plan. The Bombay State's Plan, as is well known, is the biggest of the States' Plans. The State Government approaches the second Plan with a sense of fulfilment in respect of the first. Thus, the total expenditure on the first Plan (inclusive of the revised estimate for the year 1955-56) is Rs. 147.2 crores, against the target of Rs. 146.31 crores. Of the total expenditure in the first Plan, agriculture and rural development claims Rs. 26.34 crores, major irrigation and power projects Rs. 27.25 crores, cottage and other industries Rs. 1.11 crores, roads, road transport and ports Rs. 30.10 crores, and social services (like education and public health) Rs. 62.38 crores. Besides the expenditure on these items, the State incurred expenditure on certain additional State schemes to the tune of Rs. 46.43 crores, so that the total expenditure during the period of the first Plan amounts to Rs. 193.6 crores.

Second Plan

As regards the second Plan, the State Govenment has proposed a draft outline involving an outlay of Rs. 282.8 crores. The Planning Commission has reduced this total to Rs. 264.4 crores, so that some changes will be required in the draft outline. Nevertheless, the broad pattern is likely to remain the same as in the draft outline. This contemplates substantial investment in irrigation and power schemes which will absorb 40.2 per cent., in agriculture and community development which will account for 22.1 per cent., and in public health (13.0 per cent.). Other heads

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FINANCES OF SOME STATE GOVERNMENTS

SIZABLE DEFICITS DISCLOSED

A PECULIAR feature of the budgets of West Bengal, Uttar Pradesh and Madhya Pradesh is that the Finance Ministers of these States have merely endorsed the need for raising resources through additional taxation, as urged by the Planning Commission, but have not announced any fresh tax proposals for the ensuing year (1956-57). The West Bengal Finance Minister merely says that he intends to raise, in the next five years, the tax yield by Rs. 12.1 crores through measures such as entry tax on tea, extension of coverage of sales tax and irrigation rates, etc. His counterpart in Madhya Pradesh also says the same thing. Thus, he has stated that additional taxation is expected to yield a total of Rs. 12 crores in the next five years. In U.P., we are told, the level of existing taxes, including sales tax, will be raised, but it is not known how and when.

While thus the Finance Ministers of these three States have declared their intention to raise additional taxes, they have not sought to impose any of these in the budget for 1956-57. Nor have they given any reasons to justify the course they have chosen to follow. This is strange, indeed. Here are three State Finance Ministers who say that they want more money, that a part of this requirement must be found through new taxation and that they propose to levy new taxes. Yet, they do not say as to why they have not made a beginning in that direction now. Are they afraid of introducing new taxes just because 1956-57 is election year?

In striking contrast to this attitude, the Finance Ministers of Madras and Bihar have given a clear indication of the new burdens they would be imposing on the people of their States in 1956-57. The additional taxation proposed by the Madras Government is expected to yield Rs. 1.45 crores during 1956-57. The details of these proposals are as follows: Enhancement of the tax on diesel oil from 1¼ annas to As. 4 a gallon: this is estimated to bring in Rs. 30 lakhs. An additional sales tax of As. 1 in the rupee on the sale of sugar at any one suitable point; this is expected to yield about Rs. 40 lakhs. *Ryotwari* assessment on *inam* lands in lieu of quit rent, estimated to yield Rs. 30 lakhs, and a 30 per cent. increase in the rate of supply of electric energy to licensees and bulk consumers on the high tension tariff in the hydro-electric areas. This measure is expected to yield about Rs. 45 lakhs. The Madras budget proposes only one relief. It is exemption from sales tax on the sale of palm *gur* at all points. Bihar's Finance Minister has proposed to take recourse to three new taxation measures, namely, levy of a cess of one anna in the rupee on rent, tax of As. 3 per gallon of diesel fuel and levy of multi-point sales tax at low rates, as against the existing higher single-point tax.

A brief factual account of the budgetary position of the States of West Bengal, Madhya Pradesh, Uttar Pradesh, Madras and Bihar is given below:

West Bengal

The West Bengal budget for 1956-57 discloses an overall deficit of as much as Rs. 16.89 crores, of which the deficits on current and capital accounts amount to Rs. 14.19 crores and Rs. 2.70 crores, respectively. The deficit will be in excess of the opening balance of Rs. 6.42 crores, with which the new year begins, by Rs. 10.47 crores. Incidentally, the Government proposes to raise, in the coming months, a loan of Rs. 5 crores to finance certain development schemes of the second Five-year Plan. The current year's (1955-56) closing balance of Rs. 6.42 crores represents the sum left after meeting the net deficit of Rs. 2.64 crores. This deficit would have been considerable but for the sizable surplus of Rs. 12.45 crores outside the revenue account, the deficit on which is estimated at Rs. 15.09 crores.

The revenue deficit of Rs. 14.19 crores anticipated for 1956-57 is lower than that for the current year by Rs. 90 lakhs, notwithstanding a decline of Rs. 1.33 crores in receipts. The reduction in deficit is due to the anticipated fall in expenditure from Rs. 65.78 crores to Rs. 63.55 crores. The following table gives the estimates of revenue and expenditure for 1956-57, as compared with the actuals for 1954-55 and estimates (budget and revised) for 1955-56:

(In crores of rupees)

	1956-57 (Budget)	1955-56 (Revised)	1955-56 (Budget)	1954-55 (Actuals)
Expenditure ..	63.55	65.78	62.88	49.15
Revenue	49.36	50.69	45.76	42.65
Deficit ..	14.19	15.09	17.12	6.50

Out of the estimated expenditure of Rs. 63.55 crores for 1956-57, education claims the largest amount—Rs. 9.16 crores, to be precise. The next biggest item is police which accounts for Rs. 7.15 crores, followed by medical and public health departments with a provision of Rs. 6.50 crores.

The capital budget of the West Bengal Government provides for a total expenditure of Rs. 25.62 crores during the ensuing year, an increase of Rs. 11.20 crores, as compared with the revised estimate for the current year. The bulk of this outlay is accounted for by the Damodar Valley Project, the sum actually earmarked being Rs. 11.67 crores. The other important items of expenditure are building programme and colonisation scheme for displaced persons (Rs. 2.70 crores), coke oven plant-*cum*-power project at Durgapur (Rs. 2.28 crores), and payment of compensation under the Estates Acquisition Act (Rs. 0.74 crore). The major part of the capital expenditure is expected to be met from loans received from the Union Government, the estimate of which is placed at Rs. 28.28 crores, as against Rs. 35.42 crores in the current year. The decrease is due mainly to reduced provision for Central loan in respect of development schemes. In view of this, the West Bengal Government proposes, as already stated, to borrow next year Rs. 5 crores to finance development schemes. The public debt of the State is accordingly expected to rise to Rs. 19.94 crores at the end of 1956-57. This is in addition to debts due to the Centre. The total of these latter debts will increase from Rs. 136.65 crores at the end of the current year to Rs. 162.86 crores a year later.

In about four weeks' time, the first Five-year Plan will terminate and the State will be embarking on the second Five-year Plan. The aggregate amount spent during the first Plan period is estimated at Rs. 71.58 crores, as against the estimated outlay of Rs. 69.1 crores. This is exclusive of the State's share of expenditure on the D.V.C. and the schemes sponsored by the Centre on the basis of shared expenditure such as the Community Development Project and National Extension Service. Claiming that the implementation of the several schemes under the first Plan had been successful, Dr. B. C. Roy, Chief Minister and Minister for Finance, referred to the increase in industrial production, stabilisation of prices at a relatively low level, fairly steady cost of living index, satisfactory labour situation, rise in the earnings of the factory worker and increase in *per capita* income by 10 per cent.

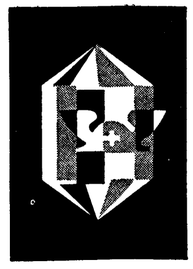
The second Five-year Plan of the State envisages an aggregate outlay of Rs. 153 crores, including the State's share of expenditure on the D.V.C. Of this, 35.5 per cent. is expected to be spent on social services—education, health and housing. The percentage shares of other items are 21.7 for agriculture and Community Development, 19.8 for irrigation and power, 12.4 for transport and communications, and 10.0 for industry and mining. The State resources available for the Plan are: Rs. 12.1 crores by taxation plus Rs. 22 crores by borrowings plus Rs. 8.8 crores from small savings minus Rs. 13.4 crores being the deficit at current level of spending and taxation; or Rs. 29.5 crores in the aggregate. These estimates were prepared a few months back. Under arrangements made since then, the State will have to increase its effort correspondingly. Justifying the Government's intention to raise fresh taxation, Dr. Roy observes:

"West Bengal has a large current deficit. Hence taxation at current rates leave nothing for the Plan. Our current deficit at present level of revenue is large, but it is expected that, partly through the gradual strengthening of the administration and partly through improvement of the economic condition of the people, the taxes at current rates will be made to yield gradually increasing revenue, so that the total deficit in five years will be reduced to Rs. 13.4 crores only. We shall thus have to raise, by additional taxation or borrowing, money enough for covering this deficit of Rs. 13.4 crores and for paying our contribution towards financing the second Plan. It has been estimated that, by additional taxation, the State of West Bengal will be able to improve the aggregate yield of its taxation system by Rs. 12.1 crores in five years and that the State will, over a period of five years, be able to raise Rs. 25 crores by loan from the public. This loan of Rs. 25 crores will, after paying interest and sinking fund charges, leave a net sum of Rs. 22 crores for expenditure on the Plan. The additional taxes contemplated are the entry tax on tea, extending coverage of sales tax, irrigation rates, etc."

West Bengal's share of expenditure on the D.V.C., which is being financed by loans from the Government of India, amounts to about Rs. 15 crores in the second Plan period. Excluding the D.V.C., the State's plan is a Rs. 138-crore plan. As stated before, the estimated resources of the State are Rs. 29.5 crores. The balance of Rs. 108.5 crores is, therefore, to be allocated from the resources which will be raised by the Centre.

Madhya Pradesh

The budget of Madhya Pradesh for 1956-57 reveals a revenue deficit of Rs. 3.82 crores, the estimates of revenue and expenditure being placed at Rs. 30.93 crores and Rs. 34.75 crores, respectively. The deficit would have been more but for the anticipated reduction of Rs. 61 lakhs in expenditure as compared with the revised estimate for 1955-56. Nearly half of this deficit —Rs. 1.64 crores—is proposed to be covered by recourse to additional taxation measures. Explaining the deficit, the Revenue Minister said on behalf of the Chief Minister that, with the rising tempo of expenditure for the implementation of the second Plan, it could not be otherwise. He, however, pointed out that the financing position of the Government was not weak, as the deficit was only on revenue account, while the closing balance was still to the tune of Rs. 7 crores.



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The second Plan for Madhya Pradesh contemplates a financial outlay of Rs. 139.93 crores, though the Planning Commission has so far accepted it only to the extent of Rs. 123.3 crores. The amounts (in crores of rupees) earmarked for some of the main heads of development are: Power 24.23; Community Development and *panchayats* 22.43; irrigation 20.05; agriculture 19.74; education 17.24; health 9.61; transport and communications 7.51; industry and mining 6.54; and housing 5.06.

The outlay of Rs. 139.93 crores represents a rise of as much as Rs. 91.33 crores, as compared with the overall financial target of Rs. 48.60 crores in the first Five-year Plan; the Government has fulfilled 91.7 per cent. of this outlay. Under the Plan, the Government has completed one and nearly completed three out of seven major irrigation projects, bringing under irrigation 34,635 additional acres; and completed 43 tank projects to irrigate 10,281 acres; electrified 56 new towns and 203 villages; exceeded the target of 13,000 primary schools; opened 9 new professional and technical college and institutions; opened 160 dispensaries and hospitals; completed the country's first newsprint project, namely, the Nepa Mills.

Uttar Pradesh

The U.P. budget for 1956-57 reveals a revenue deficit of Rs. 9.55 crores, with receipts estimated at Rs. 85.35 crores and expenditure at Rs. 94.91 crores. The estimate of capital expenditure is placed at Rs. 42.98 crores. The following table gives the budgetary position of the State Government in the past two years and in the ensuing year:

(In crores of rupees)

	1956-57 Budget	1955-56 Revised	1955-56 Budget	1954-55 Actuals
Opening balance	2.16	4.91	1.40	15.66
Consolidated fund—				
Revenue receipts	85.36	85.97	84.56	78.19
Revenue charges	94.91	85.97	90.06	77.58
	— 9.55	..	— 5.50	+ 0.61
Capital expenditure	42.98	29.44	32.70	16.00
Net receipts from public loans..	+11.65	+ 9.47	+ 6.00	..
Other debt and deposit heads (net)	+27.00	+22.20	+22.33	+17.19
Contingency fund	..	+ 0.01	..	— 0.03
Public account fund (net) ..	+12.40	+ 4.99	+ 9.36	—12.52
Net result of all transactions ..	— 1.48	— 2.75	— 0.51	—10.75
Closing balance	+ 0.68	+ 2.16	+ 0.89	+ 4.91

A salient feature of the budget is additional expenditure on welfare programme. Expenditure on education goes up by Rs. 2.60 crores, on industries by Rs. 1.15 crores, on medical and public health by Rs. 1.06 crores, on planning and development by Rs. 1.30 crores, on veterinary aid by Rs. 0.48 crore and on co-operation by Rs. 0.37 crore.

The State's second Five-year Plan aims at an increase in national income by 25 per cent., rapid industrialisation and expansion of employment opportunities. With a view to effecting industrial development, the Plan includes many schemes for the expansion of existing industries, improvement of marketing and establishment of new industries in both the public and private sectors. It also proposes to undertake other schemes and measures which are expected to provide employment to 1.3 million persons in the State. These schemes are calculated to promote production in various fields, which will raise the national income. The total outlay on the second Plan is estimated to be Rs. 248 crores, of which about Rs. 17 crores will be spent on industrial development. In the budget year itself, a provision of Rs. 44.66 crores has been made for the various schemes included in the second Plan, of which the State Government will spend Rs. 11.43 crores from its own resources and the balance will be contributed by the Government of India.

The overall size of the State's second Five-year Plan has been tentatively fixed at about Rs. 248 crores and the Plan drawn up within that ceiling provides for a revenue expenditure of about Rs. 85.5 crores and capital expenditure, including disbursement of loans, amounting to Rs. 162.5 crores. Out of this, provision has been made in the budget for a net expenditure of Rs. 12.32 crores on second five-year Plan schemes on the revenue side and of Rs. 30.85 crores on the capital side, making a total of Rs. 13.17 crores during the year 1956-57. Out of the revenue expenditure of Rs. 12.32 crores, a sum of Rs. 5.8 crores is expected to be provided by the Centre and the rest will have to be met by the State. In the same way, out of the capital expenditure of Rs. 30.85 crores, assistance amounting to Rs. 26.50 crores will be available from the Government of India and the rest will have to be found by the State. Apart from Plan expenditure, an expenditure of Rs. 82.59 crores from revenue and Rs. 21.65 crores from capital has been provided for. In this manner, the total net budget of Uttar Pradesh for 1956-57 comes to Rs. 147.41 crores, out of which Rs. 94.91 crores is revenue expenditure and Rs. 52.50 crores capital. As against this, the estimate of revenue receipts in the budget year comes to Rs. 85.36 crores only; and the revenue expenditure thus exceeds the anticipated revenue receipts by Rs. 9.55 crores.

Madras

The financial statement of the Government of Madras which Mr. C. Subramaniam, Minister for Finance, presented to the State Assembly this week, discloses a revenue deficit of Rs. 3.11 crores, the estimates of revenue and expenditure being placed at Rs. 59.33 crores and Rs. 62.44 crores, respectively. Nearly half of the deficit—Rs. 1.45 crores—is to be met by way of additional taxation, as indicated at the outset. The balance of Rs. 1.66 crores is left uncovered. The uncovered deficit is quite large, but it should not, Mr. Subramaniam declares, cause alarm, "because it is of the order which can be wiped off by the upward trend in revenue in a year of fair seasonal conditions," in addition to the possibility of revenue derived from readjustments in taxes proposed in the Central budget.

The Madras Government is expected to incur an aggregate capital expenditure of Rs. 27.61 crores during 1956-57. This, together with the net disbursements of Rs. 4.51 crores under loans and advances, repayment of debt to the Centre and the public (Rs. 3.68 crores), uncovered revenue deficit (Rs. 1.66 crores), and the balance to be kept in the Reserve Bank and the Treasuries (Rs. 0.50 crore), brings the total amount required under ways and means to Rs. 37.96 crores. This sum will be met from (1) opening cash balance of Rs. 1.66 crores, (2) net credit within the year under deposit heads and State trading schemes amounting to Rs. 1.80 crores. (3) loans from the Centre aggregating Rs. 24.50 crores, and (4) borrowings in the open market Rs. 10.00 crores.

Bihar

The Bihar budget for 1956-57 shows a deficit of Rs. 29.47 crores, the estimates of revenue and expenditure being placed at Rs. 66.75 crores and Rs. 96.23 crores, respectively. On the expenditure side, education occupies the first place, the sum actually earmarked being Rs. 10.33 crores, as against Rs. 8.26 crores in 1955-56 (revised).

During 1956-57, the Bihar Government will be spending about 18 per cent. of the total outlay of the second Five-year Plan. The Planning Commission has allotted a total ceiling of Rs. 204 crores for Bihar for the Plan. The original estimate drawn up by the State for the second Plan was Rs. 643 crores. The break-up figures for the Plan for Bihar are: Agriculture Rs. 15.31 crores; animal husbandry Rs. 6.12 crores; co-operation Rs. 4.17 crores; forestry Rs. 3.30 crores; N.E.S. blocks and Community Projects Rs. 19 crores; irrigation Rs. 30.30 crores; power including D.V.C. Rs. 28.43 crores; industry and mining Rs. 13.40 crores; roads Rs. 17.60 crores; education Rs. 25 crores; health Rs. 19 crores; housing Rs. 5 crores, and welfare of scheduled tribes, scheduled castes and backward classes Rs. 6 crores.

According to the Finance Minister of Bihar, the Government has undertaken to raise Rs. 55 crores out of its own resources for the Plan. Of this Rs. 14.9 crores will be found from the surplus from current revenues, Rs. 19.3 crores from additional taxation, Rs. 10 crores from public borrowing and Rs. 5 crores by withdrawal from reserves. As the deficit even on the non-developmental and the non-Five-year Plan part expenditure is already excessive, it is not possible to make any contribution from the current revenues for financing the second Five-year Plan in 1956-57. In order to make up the above deficit, apart from other measures, the Government has, as stated already, decided to enforce three additional taxation measures.

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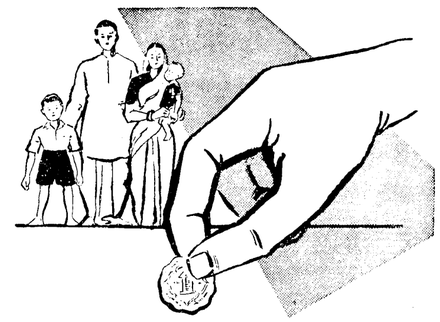

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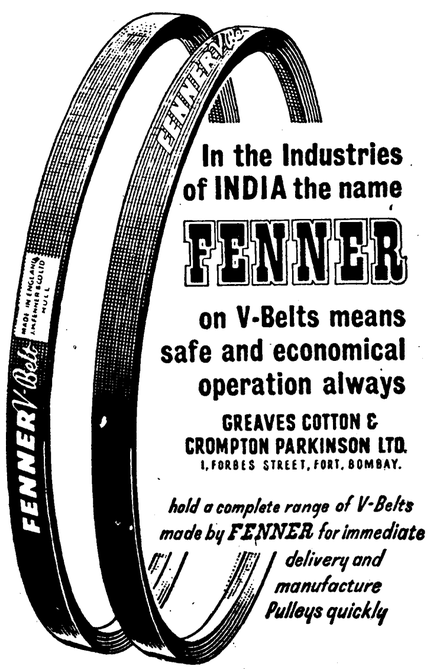

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LINKING CANE PRICE TO QUALITY—II

CAN IT BE DONE IN INDIA?

LAST week, we examined in these columns the systems for the payment of sugarcane price on the basis of quality prevalent in several leading sugar-producing countries of the world. It is proposed to discuss this week the methods that are considered as suitable for adoption in India.

Mr. S. C. Sen, of the Indian Institute of Sugar Technology, Kanpur, is of the view that the payment for cane should be fixed according to recovery percentage of sugar in cane derived each day. This percentage should be determined for each factory by taking into account either the middle internodal brix of the standing cane or the Brix or the Pol. percentage of the primary juice of the mills. The salient features of the scheme suggested by Mr. Sen are: The optimum recovery period is from mid-January to the end of March. The cultivators supplying canes in this period are likely to get higher price if the payment is made on sucrose-content basis than growers supplying cane in the early or late crushing season. A little higher percentage of profit on the sugar produced should be fixed for these growers, in order to counterbalance their cane losses.

Commending this scheme, Mr. Sen observes: "Millowners would definitely get higher recovery in the early season and higher overall recovery on the basis of cane supply according to surveyed schedule than at random supply. They would, therefore, not murmur to pay the price as suggested." Taking 50 per cent. of the price of sugar as the cane price, Mr. Sen recommends a sliding scale for fixing the price adjusted to make up the losses to growers due to early or late supply; the percentage share of cane in the price of sugar produced is worked out as 55 for both November-December and April-May periods and as 50 for January-March period. Such a system of fixing the cane price, Mr. Sen claims, will impart quality-consciousness to the growers and will yield more sugar and more dividends.

Difficulties

There are, however, several difficulties in the way of payment for sugarcane on quality basis. Among these, three stand out prominently, according to Mr. Girdhari Lal, of the Daurala Sugar Works, Daurala. First, thanks to widespread illiteracy among cane growers, it is hard to believe that cane growers will be readily agreeable to a system of sampling, determination of its quality in the laboratory and payment on that basis. Secondly, an average factory in West Uttar Pradesh draws its requirements of cane from 8,000 to 12,000 growers. The supplies are made very largely in bullock carts and each unit of sampling will be approximately one ton. Taking the daily cane-crushing capacity of a factory as 1,000 tons, about 1,000 samples of cane will have to be drawn at the gate and the outlying road and rail centres for purposes of analysis. The existing facilities are, according to Mr. Girdhari Lal, too inadequate to venture such a large-scale sampling system. Even assuming such is possible, there will have to be several Government inspectors as well as factory representatives at various stages of sampling and analysis. The total expenses of such an analysis are estimated at over six pies per maund of cane. Thirdly, the handling of 1,000 to 1,500 samples of cane a day needs a simpler, reliable and fool-proof method of assessing quality. The hand refractometers giving brix, it is said, are not of much use for this purpose and there is no other handy reliable method available for such a procedure.

Indirect Measures

In view of all these difficulties, the task of assessing the quality of each lot of sugarcane purchased by the sugar factory is considered to be a formidable one. Mr. Girdhari Lal, therefore, lays stress on the need for some indirect measures for assessing the quality of cane which are simple to follow and intelligible to cane growers. He accordingly suggests a system for linking the price of cane to quality on the basis of its purity, nature of planting and the period of its supply. Under this system, the price of cane may be fixed on the basis of the cane being plant or ratoon and on the basis of its date of supply. The price of ratoons in the early period would be higher than the plant cane, the price of early varieties would be higher than late varieties, particularly in the early period, and the price in the earlier season would be paid for at lower rates than when these varieties are ripe. Such a system will, Mr. Girdhari Lal points out, serve the interest of both the cane grower and the sugar industry. In support of this view, he says:

"It (the system suggested) would pay the grower to supply early varieties in the beginning of the season and free his land for a second crop. The much higher price that he tends to obtain from these early varieties in the early period is another big attraction. Supplies of mid-season cane will tend to be offered when they are ripe enough and, as these give good ratoons, the supply of good ratoon crop is also assured. Supplies of early plant varieties can also be justified in the beginning of the season, thus enabling these varieties to be ruised only for plant crop and it will be seen that such a system will be conducive to a healthy crop in the area."

If the aforesaid scheme were to be implemented successfully, it should, Mr. Girdhari Lal emphasises, be entrusted to the care of persons who are trained in the nature of the planting of cane—ratoon or plant—and in the identification of varieties. According to him, there is also need for drawing up a scheme—this work can be done by the Director, Sugarcane Research—based on results of mill tests and average recoveries for the period in respect of each variety and planting. The schedule should be such as to cover factories with a more or less uniform climate and pattern of varietal distribution. As, however, the quality of cane varies from year to year, it would be helpful to draw up the schedule in the light of expected recoveries, instead of sticking to one standard set of figures.

Analysis of Primary Juice

A slightly different system for assessing the quality of sugarcane for making payment has been suggested by Mr. S. V. Parthasarathy, Sugarcane Specialist, Palur, Madras State. In his considered opinion, the only feasible method of assessing the quality of cane is to analyse the primary juice. This can be done by grouping the cane growers on a geographical regional basis or supply time basis as is indicated below:

Spatial groups: The factory supply area may be divided into convenient number of regions, keeping each region as homogeneous as possible. Distance from the factory and transport facilities have to be considered in demarcating the regions. The supply from each region is to be regulated, so that the factory may crush the canes from a region for a minimum of one or two shifts (6 to 12 hours) in a day. The primary juice at the mill may be tested for assessment of quality. Cane prices may be decided for each zone either for the whole season or for each supply concerned. This system has the advantage of locating the bad regions which could be pulled up in the coming seasons.

Time groups: Where spatial groups cannot be formed for any reason, time groups may be adopted. The primary juice may be analysed for every one or two-hour intervals for assessment of quality. For corresponding time units, the list of suppliers and quantity supplied may be drawn up. The cane supply cannot be grouped into homogeneous units of suppliers or regions. This time group may be adopted as a first step in a phased programme and is to be adopted where spatial grouping is not feasible.

With regard to cane deliveries, the maturity test on the crop in the field should be the basis. The delivery is required to be decided on the basis of (1) variety, (2) plant or ratoon and (3) date of planting or ratooning. Mr. Parthasarathy is, however, of the view that the percentage share of cane price derived by the grower cannot be fixed on any scientific basis; it has to be negotiated. Since the two basic factors, namely, cost of cane and cost of manufacturing sugar, are highly variable, the former should be the basis for the minimum price and the latter for the ceiling price. The percentage should be varied according to the sugar recovery per cent., in order to offer incentive for producing good quality canes. The selling price of sugar can be ascertained from the books of the sugar factory or assessed on the basis of market quotations. In this connection, Mr. Parthasarathy urges the need for constituting a price board for each sugar factory or region. Each board should have two agencies—one to assess the quality of cane on spatial or time zone and the other to determine the selling price of sugar. On the basis of data furnished by these two agencies, the price board may fix the price that should be paid for the cane supplied to the factory.

Lower Sugar Price

Whatever formula is adopted for fixing the price of sugarcane, the resultant should be such as to ensure a satisfactory margin of profit to sugar mills, on the one hand, and to induce the cultivators to raise the per-acre yield of better quality canes, on the other. In evolving a formula, due consideration must be given to the need for bringing down the price of sugar which at present is high in all conscience. It is of the utmost importance that the efficiency of production, both in the fields and in the factories, is stepped up. It is, for instance, said that Hawaii, one of the world's major sugar producing countries, has recently achieved a distinct improvement in the production of sugar per acre through research. Introduction of new varieties, it is claimed, has contributed to the increase in yield by 40-45 per cent. a change in manures has led to a rise of 15-20 per cent., in irrigation of 20-25 per cent., and in pest control methods of 10-15 per cent. If, therefore, the payment of sugarcane is linked to quality, the cultivator will be encouraged to take all possible care and steps for raising quality cane and for enhancing the yield per acre.

Before concluding this account, we wish to correct an incorrect impression in our last article. Summing up the survey of the systems of payment for sugarcane prevailing in other countries, we had observed that the share of the cane grower varied from 50 to 70 per cent. of the cost of sugar. The sugar meant here was raw sugar and not refined sugar. In terms of refined sugar, which is the basis adopted in certain areas in India—the S.I.S.M.A. formula, for example—the growers get a share varying from 40 to 50 per cent. only. Drawing our attention to this important point, which makes a lot of difference between the position in India and other sugar-producing countries, one of our esteemed readers says: "In most of the countries, the growers get a fixed portion of the sugar price realised and they do not have to do anything with profits or losses from the sale of sugar."

THE BANK OF MYSORE LTD.

(ESTABLISHED 1913)

(Incorporated in Mysore State, Liability of members limited.)

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Subscribed Capital	,, 50,00,000
Paid-up Capital	,, 50,00,000
Reserve Fund	,, 84,00,000

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BOMBAY BRANCH: 24-26, Dalal Street.

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DISPOSING OF SUGAR SURPLUS

A proposal for examining the question of disposal of surplus stocks of sugar, should indigenous production exceed the demand in future, will be considered by the Development Council for Sugar Industry at a meeting to be held at New Delhi on the 9th inst. The Council will discuss the programme formulated for developing the sugar industry in the country under the second Five-Year Plan. Another important item on the agenda is examination of the recommendations of the Indian delegation sent to Australia and Indonesia to make a study of the industry. The Council will also have before it for consideration reports of the various committees set up by it for (*a*) devising a system for making payment for cane on the basis of its quality, (*b*) preparing a plan for the rehabilitation of unsuitably located and idle sugar factories, (*c*) advising on the establishment of subsidiary industries for the utilisation of the by-products of sugar, (*d*) introducing a uniform system of chemical control and reporting of technical data by factories, (*e*) standardising methods of costing used in factories, (*f*) encouraging employment of technically-qualified persons in the industry, (*g*) determining the comparative suitability of "A" and "L" twill bags for packing sugar, and (*h*) preparing a standard contract form for the sale and purchase of sugar.

Sugar production in India during the month of January 1956, according to the Indian Sugar Mills Association, was 357,092 tons, bringing the total production during the first three months of the current sugar season to 716,254 tons, as against 664,198 tons in the corresponding period last season. Out of a total of 142 factories expected to work this season, 139 had already started crushing by the end of January, as against 136 factories a year before. The offtake of sugar from the factories during the month of January was 125,545 tons, as against only 86,597 tons during the corresponding period last year. The total offtake during the first three months of the current season was 381,868 tons, as against 177,117 tons a year before. The closing stock with the factories on 31st January was 758,396 tons, as against 553,145 tons on the corresponding date last season.

NEIVELI LIGNITE PROJECT

LAST PHASE OF PRELIMINARY INVESTIGATIONS COMMENCES

THE progress of execution of the pilot project for mining lignite at Neiveli (South Arcot) discloses that the day may not be far off when mining operations on a commercial scale can be begun. Large-scale pumping tests were started on Wednesday, 29th February 1956. This is the last phase of preliminary investigations for finalising plans for actual mining and utilisation of lignite. It will be recalled that actual quarry operations started in March 1953. Since then, the Government of India has appointed Messrs. Powell Duffryn Technical Services (London) as consultants.

The Neiveli Project is perhaps the biggest among the industrial projects for South India included in the second Plan. Estimated to cost Rs. 70 crores, the project, when completed, will result in a production of three-quarter million tons of lignite per annum. Experts have calculated that there are 2,000 million tons of lignite over an area of 100 sq. miles at Neiveli. The project is a multi-purpose one. It provides for the erection of a thermal generating plant with a capacity of 200,000 kw. Lignite will serve as fuel for this plant. The first 50,000 kw. unit of the plant is expected to commence operations from January 1960. It also provides for the establishment of a plant for producing 200,000 tons of fertiliser by using gasses thrown off by lignite in the process of carbonisation and gypsum from deposits at Tiruchirapalli. It is expected to employ 5,000 workers of all grades. When completed, the Project is expected to support a further force of 3,000 people of the trading and allied classes.

It is said that successful exploitation of lignite on a commercial scale will be a tremendous engineering feet. For nowhere in the world, we are told, does lignite occur over strata containing water under as high a pressure as in Neiveli. Briefly speaking, this water is kept down under high pressure due to the weight of lignite as well as the overburden above it. If, therefore, the overburden is removed without controlling water, the confined water may heave the lignite up, break through and flood the mine, damage the mining machinery and imperil the lives of workers. Consequently, simple digging of lignite is out of question.

As the overburden of the lignite extends up to a depth of about 160 to 250 ft. from the ground and the thickness of the lignite seam is, on an average, about 55 ft., pump wells must be drilled to about 400 ft. below the ground. It is, however, stated that it will neither be necessary nor practicable to pump out all the water. All that is necessary is, it is reported, to lower the water level in the immediate locality to a depth of at least 50 ft. below the base of the lignite, thus reducing the pressure of water after which only the lignite can be taken out safely.

The discovery of lignite deposits in South Arcot has opened up new vistas of opportunities for economic development of not only the Madras State, but also the adjacent States of Andhra and Mysore, not to mention distant Travancore-Cochin. First, it will help ease the chronic fuel shortage in the South which has been an obstacle to industrial development of that area. It is estimated that the supply of coal to the South is hardly 2 million tons, whereas the demand is more than 3 million tons. Secondly, the lignite-fed thermal power stations will reduce dependence on hydro-electric power which is greatly affected by the vagaries of the monsoon. The cheap electric power will be available also for the development of electro-chemical and electro-metallurgical industries. The bauxite ores in Salem District, for instance, can be advantageously used for the manufacture of aluminium. Besides its value as fuel, lignite is also the source of numerous by-products, such as petrol, plastic and phenol.

The site from which lignite is being mined has also deposits of other products. There is a thick layer of white clay, which can help start ceramic industry and the manufacture of fire-bricks. The lignite contains also a high percentage of montan wax—essential for defence industries. The water that gets released in the course of lignite mining can be conveniently utilised for irrigation. Thus, all the contents of the mine, namely, the cover of clay, lignite, montan wax and water—can be effectively utilised. Verily, therefore, the lignite mines of South Arcot constitute a gold mine, richer in every respect than the gold mines of Kolar. They are indeed the black-diamond mines of the South.

The importance of banking to the COFFEE INDUSTRY

COMMERCIAL cultivation of coffee in India dates from about 1830, and is still almost entirely confined to South India. The yearly crop varies between 20,000 and 30,000 tons, most of which is consumed in India. When a surplus of Indian coffee is available for export, it finds ready buyers in fastidious foreign markets.

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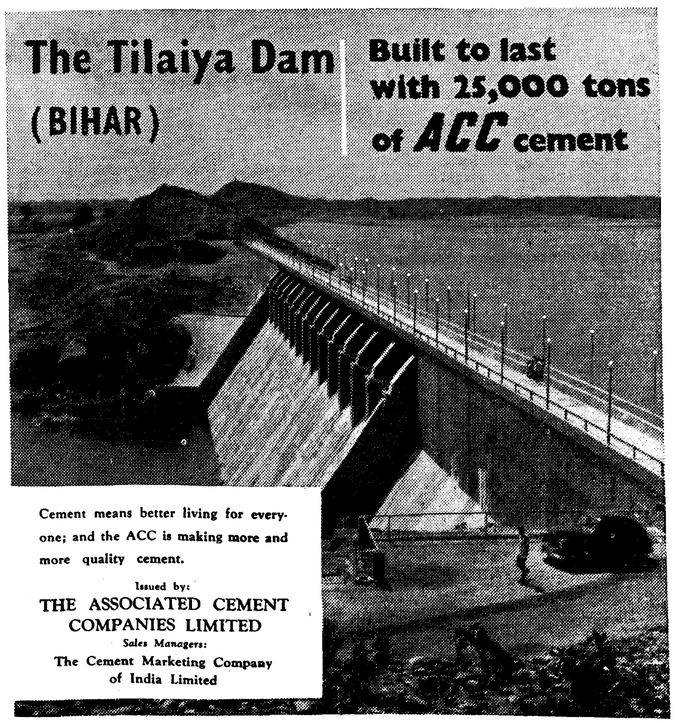

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WORLD RUBBER SITUATION

DEMAND FOR NATURAL RUBBER EXPECTED TO RISE

WORLD production of natural rubber during 1955, according to figures released by the International Rubber Study Group, amounted to 1,895,000 tons, as compared with 1,802,000 tons for the previous year. Consumption during the past year aggregated 1,830,000 tons, thus leaving a surplus of 65,000 tons, as compared with 77,500 tons a year before. The consumption figure for 1955 includes an estimated import of 24,400 tons by Russia and of 31,750 tons by China.

The world production of synthetic rubber in 1955 amounted to 1,085,000 tons, an increase of 370,000 tons over the output in 1954.

It will be noted from the aforesaid figures that consumption of natural rubber during the past year rose by 105,500 tons, the pace of increase being much more than that in output, so that the world was left at the end of the year with a lower surplus than at the end of 1954. The increase in consumption of natural rubber was mainly due to the insistent demand from manufacturing industries throughout the world and, in particular, by the phenomenal output of the automobile industry in the U.S. This factor, coupled with the Russian buying on a substantial scale since May last, lifted the price of rubber to levels higher than those that prevailed during the previous two or three years. The price of spot rubber in London, for instance, touched a high of 3*s.* 7¾*d.* per lb. in the third quarter of 1955.

Of late, however, the increase in synthetic rubber production, noted above, and the recent cutback in automobile production in the U.S. and the U.K. have been having a depressing effect on natural rubber prices and spot rubber in London is being currently quoted at 2*s.* 4½*d.* per lb. This recession, coupled with the schemes of several countries to produce synthetic rubber or increase the capacity of the existing plants, has, once again, focussed attention on the future of natural rubber. Four major tyre manufacturing companies have decided to erect a plant for producing 50,000 tons of general-purpose synthetic rubber per annum. The United States is expected to produce over 1 million tons of general-purpose synthetic this year. Canada, West Germany and Russia are already manufacturing synthetic rubber. Italy also plans to produce the synthetic variety. These plans are subject to review, but it is estimated that, by 1961 or 1962, the capacity for synthetic production will be double that obtained in 1955.

Import of Synthetic by U.K.

Though the capital outlay on the British synthetic plant will be rather heavy, the benefit accruing from the large investment will be the considerable saving in foreign exchange now spent on purchase of synthetic rubber from foreign countries. Incidentally, it may be noted here that British rubber manufacturers have been given permission to import up to 70,000 tons of synthetic rubber during 1956 and further imports are not unlikely, if the balance of payments position permits, during 1957 and subsequent years till the plans for increased production of synthetic in the U.K. mature. The plan to produce synthetic rubber in the U.K. is the result of the post-war refinery programme, for these refineries and the closely associated petroleum chemical plants will provide the butadiene and styrene, the principal raw materials for synthetic rubber production.

The decision to erect a plant in Britain for manufacturing synthetic rubber is quite understandable, because the manufacturers of rubber goods in the U.K. have to compete for overseas markets with manufacturers of other countries which have the advantage of cheaper raw material and cannot, therefore, be expected to buy a raw material which is not only more expensive but technically unsuited for some varieties of products. In this connection, an interesting analysis of the outlook for natural rubber has been made by Mr. K. M. G. Anderson, Chairman of the Rubber Trade Association of London, in his address at the recent annual general meeting of the Association.

It is often stated that world consumption of rubber doubles itself every ten years. Though the truth of the statement largely depended upon the base year taken, Mr. Anderson said that it was broadly true, if the year-to-year fluctuations were ignored and the consumption over a full decade was taken into account. By way of illustration he quoted the following figures:

	Total consumption of new rubber for the decade (Tons)
1906-15	1,045,000
1916-25	3,397,000
1926-35	7,392,000
1936-45	10,734,000
1946-55	21,877,000

A significant feature of this trend is the increasing rate of consumption in countries other than the U.S. during the last ten years. Till ten years ago, the U.S. accounted for more than two-thirds of the total world consumption. In the post-war decade, however, the progress of the rest of the world gathered considerable momentum so that it is now consuming nearly as much as the U.S. Mr. Anderson considers it probable that, unless war intervenes, the consumption of the rest of the world will outstrip that of the U.S. In fact, for the first time, the rest of the world is expected to consume more than the U.S. during the current year itself.

The expectation that the demand for rubber will grow at a fast pace in the near future is based on three factors, namely, (1) the plans announced by automobile manufacturers all the world over for huge expansion, (2) the plans to establish extensive plantations in Liberia and Nigeria, and (3) the continued development of new uses, as witness the large demand for concentrated liquid latex, which amounted to 160,000 tons in 1955, despite the very high prices of this product.

It would, therefore, appear that the demand for rubber is not likely to slacken and all the natural rubber produced will be absorbed. The main factor which will, however, influence the manufacturer to make his choice between the natural rubber and the synthetic rubber for the products for which either of them is suitable, is the cost of the raw material. It is this consideration which has led the U.K. Government to permit an import of 70,000 tons of synthetic rubber during the current year.

According to Mr. Anderson, there are many ways in which economies can be made in the production of natural rubber. The most important of these is the replacement of uneconomic and obsolescent trees with high yielding material. Next to the price-factor, the manufacturers look for quality, more particularly uniformity of quality than actual grade, and for cleanliness and sound packaging. A notable step taken in this direction was the agreement reached at the second International Rubber Quality and Packing Conference held in New York in May last to adopt International type descriptions and samples, to which, it is expected, producers all over the world will conform and from which consumers will know precisely what they can expect to be delivered to them.

(*Concluded from next column*)

of domestic demand. The mills which have survived the crisis by virtue of their sheltered position as subsidiaries of other industries have emerged the stronger economically due to the elimination of a considerable weight of competition. Some of these mills have, in fact, stepped up their rate of production and taken new plans for expansion on hand.

Although much reduced, at present, than its original size, the Italian jute industry is still a strong and well-equipped producing unit. Disunity among mill owners continues to be a threat and the trade circles believe that the existing mills should proceed on some minimum joint programme even if they cannot agree to a common pricing policy. Otherwise, it is feared, trade conditions may easily bring about a recurrence of the crisis that has damaged the industry during the past year.

Imports of raw jute and similar fibres into Italy during January-September 1955, amounted to 37,698.3 tons of which 37,692 tons were supplied by Pakistan. Another 8,366.8 tons were received during this period, as temporary imports, scheduled for re-export after processing. Under a trade agreement with Albania, Italy is to export to that country jute goods of the value of $70,000 until September 1956.

About 33 jute mills are stated to have modernised—some of them partially—their preparatory and spinning sections. A statement to this effect was made in the Lok Sabha by the Minister for Commerce, Mr. D. P. Karmarkar. Asked about the extent to which modernisation had led to a lowering of cost of production and improvement in the quality of the goods, the Minister said that precise information was not available, because actual savings in costs or improvement in quality varied from mill to mill. He added that the output of a modern spinning frame was reported to be higher by about 25 per cent.

CENSUS OF JUTE TEXTILES IN 1953

FALL IN OUTPUT AND VALUE

THE number of jute mills in India in 1953, according to the *Census of Manufacturing Industries* 1953, an abstract of which has just been released by the Director of Industrial Statistics in Calcutta, showed no change, as compared with that in 1952. There were 109 jute mills, of which 98 were in West Bengal, 4 in Andhra and 7 in U.P., Bihar and Madhya Pradesh. Of the total, 104 mills submitted returns. The average number of days worked by these mills was 271 in 1953, as compared with 276 in the previous year.

The total production of jute goods (excluding carpets) dropped from 983,810 tons, valued at Rs. 170.64 crores, to Rs. 897,696 tons worth Rs. 113.86 crores. The fall in both the quantity and value was shared by all the regions. Thus, in West Bengal the output declined from 927,028 tons to 844,124 tons. In Andhra, it receded from 25,383 tons to 25,292 tons. The production of jute manufactures in U.P., Bihar and Madhya Pradesh receded from 31,399 tons to 28,280 tons. The value in the three areas came down from Rs. 161 crores to Rs. 107.85 crores, Rs. 4.52 crores to Rs. 2.88 crores and Rs. 4.98 crores to Rs. 3.13 crores respectively.

The total capital employed by the industry during 1953 was Rs. 66.86 crores, as compared with Rs. 68.69 crores in 1952. The fixed capital aggregated Rs. 29.71 crores and the working capital Rs. 37.15 crores, as compared with Rs. 28.36 crores and Rs. 40.33 crores respectively in 1952.

The number of persons engaged in the industry declined from 291,323 to 271,431 in 1953. The number of wage earners was 255,181 and that of salaried workers 16,250. The total pay bill, including other benefits, aggregated Rs. 28.12 crores, of which Rs. 23.79 crores were paid as wages and Rs. 3.76 crores as salaries. In 1952, the pay bill amounted to Rs. 29.70 crores.

The quantity of raw jute consumed by the mills in 1953 was 898,968 tons valued at Rs. 59.44 crores, as compared with 989,469 tons worth Rs. 109.58 crores in 1952.

The table below shows the quantity and value of different categories of jute manufactures produced in 1953:

	Quantity (In tons)	*Value* (Rs. in crores)
Yarn and twist	13,327	1.72
Twine	12,680	1.19
Cotton bagging cloth	20,889	1.45
Webbing	2,304	0.49
Other manufactures	407	0.05
Hessian—		
Cloth	380,098	60.23
Bags	16,047	2.24
Sacking—		
Cloth	26,839	2.83
Bags	423,328	42.89
Carpets (square yards)	615,682	0.10

The ex-factory value of products and work done for others during the year was Rs. 112.90 crores. The value at factory of materials, fuels, etc., consumed and work done for factory by other concerns (including the value of semi-finished products or finished parts manufactured earlier but consumed during the year) was Rs. 70.32 crores. The amount earmarked for depreciation was Rs. 1.66 crores. The value added by manufacture was Rs. 40.91 crores, as compared with Rs. 45.17 crores.

A summary of the State-wise position of jute mills in 1953 is given in the table below:

	West Bengal	*Andhra*	*U.P., Bihar and Madhya Pradesh*
No. of factories which submitted returns	95	4	5
Employees	255,379	6,828	9,224
	(Rupees in crores)		
Salaries and wages	26.55	68.51	0.89
Total capital	63.40	1.56	1.91
Value of materials consumed ..	63.54	1.69	2.12
Value of production	107.85	2.88	0.13

It will be seen that West Bengal accounts for the great bulk of the Indian jute industry.

ITALIAN INDUSTRY REDUCED IN SIZE

The Italian jute industry, one of the most modern and best equipped in Europe, last year experienced the worst trading conditions in its history, when six leading mills failing to work on the basis of agreed prices either ceased operations or went into liquidation, reports the *Jute Bulletin* of the Indian Central Jute Committee.

The loss of foreign business in face of strong Indian competition was the primary cause of weakness of the industry, but the practice of price-cutting for the home market, widespread among manufacturers, precipitated a crisis, as the aggregate rated capacity of the mills was far in excess

(*Continued in previous column*)

Notices

PALAI CENTRAL BANK LIMITED

NOTICE IS HEREBY GIVEN THAT THE 28th Annual General Meeting of the above Company will be held at the Registered Office of the Company at Palai on Thursday the 22nd March 1956, at 3-30 p.m., to transact the following business:—

1. To adopt the Directors' Report and the Audited Statements of Account for the year ended 31st December 1955.
2. To declare a Dividend.
3. To elect two Directors.
4. To appoint an Auditor or Auditors and to fix his or their remuneration. The retiring Auditor, Sri S. Srinivasa Iyer, Chartered Accountant, is eligible for re-appointment. A notice dated 13th January 1956 has been received from Sri Veraragavarajam, 42-IInd Main Road, Gandhinagar, Madras, of his intention to nominate Sri V. Ramarathnam, Chartered Accountant, Madras-18, to the office of Auditor of the Company.
5. To consider whether it is necessary to have the accounts of the Branch Offices of the Company audited as per Section 228 of the Companies Act, 1956.
6. To transact the special business referred to in the separate Notice of even date.

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

By Order of the Board,

K. JOSEPH AUGUSTI,
Managing Director.

PALAI, 18*th February* 1956.

RICHARDSON AND CRUDDAS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of Shareholders of Richardson & Cruddas Ltd. will be held at 12, Old Court House Street, Calcutta, the Registered Office of the Company, at 11 a.m. on Wednesday the 21st March 1956, for the following purposes:—

(1) To receive, consider and adopt the Report of the Directors and the Audited Accounts of the Company for the year ended on the 30th June 1955;

(2) To declare Dividends;

(3) To elect Directors of the Company;

(4) To appoint Auditors of the Company for the ensuing year.

The Share Transfer Books and the Register of the Members of the Company will remain closed from the 7th of March to 21st of March 1956, both days inclusive.

By Order of the Board,

S. B. INDUSTRIAL DEVELOPMENT CO., LTD.,
Managing Agents.

CALCUTTA, 15*th February* 1956.

RICHARDSON AND CRUDDAS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of Shareholders of Richardson and Cruddas Ltd., will be held at 12, Old Court House Street, Calcutta, the Registered Office of the Company, at 11-30 a.m. on Wednesday the 21st March 1956, to consider and, if thought fit, to adopt with or without modification the following resolutions proposed as specified, that is to state

AS AN EXTRAORDINARY RESOLUTION

1. Be it RESOLVED that the first sentence of Clause 5 of the Memorandum of Association of the Company be amended to read:—

"The Capital of the Company is Rs. Three Crores divided into 75,000 5½ per cent. (Income-tax-free) Cumulative Preference Shares of Rs. 100 each and 22,50,000 Ordinary Shares of Rs. 10 each subject to being increased or reduced or converted into stock in accordance with the Articles of Association of the Company and the legislative provisions for the time being in force in this behalf"

instead of

"The Capital of the Company is Rs. One Crore divided into 40,000 5½ per cent. (Income-tax-free) Cumulative Preference Shares of Rs. 100 each and 6,00,000 Ordinary Shares of Rs. 10 each subject to being increased or reduced or converted into stock in accordance with the Articles of Association of the Company and the legislative provisions for the time being in force in this behalf."

AS SPECIAL RESOLUTIONS

2. Be it RESOLVED that Article 5 of the Articles of Association of the Company be amended to read:—

"The Capital of the Company is Rs. 3,00,00,000 divided into 22,50,000 Ordinary Shares of Rs. 10 each and 75,000 5½ per cent. (Income-tax-free) Cumulative Preference Shares of Rs. 100 each"

instead of

"The Capital of the Company is Rs. 1,00,00,000 divided into 6,00,000 Ordinary Shares of Rs. 10 each, 40,000 5½ per cent. (Income-tax-free) Cumulative Preference Shares of Rs. 100 each."

3. Be it RESOLVED that the Article 6(*a*) of the Articles of Association of the Company be amended by deleting the full stop after the words:—

"nor confer any voting rights"

and adding thereafter

"except to vote on a poll only in proportion to the paid-up share value of the preference shares of the paid-up share value of the ordinary shares of the Company and only on resolutions placed before the Company which directly affect the rights attached to the Preference Shares."

4. Be it RESOLVED that the existing Article 100 of the Articles of Association of the Company be reconstructed to read:—

"On a show of hands every member present in person shall have one vote and upon a poll every member present in person or by proxy shall have one vote for every ordinary share of Rs. 10 held by him and ten votes for every Preference Share of Rs. 100 held by him where vote for preference share is admissible as hereinbefore mentioned provided that no member shall be entitled to vote so long as any dues on his shares remain unpaid and also provided that the holders of preference shares shall have no right to vote either in person or by proxy at any General Meeting by virtue or in respect of their holdings of preference shares unless a resolution is proposed affecting the rights or privileges of the holders of preference shares or for the winding-up of the Company"

instead of

"On a show of hands every member present in person shall have one vote and upon a poll every member present in person or by proxy shall have one vote for every share held by him provided that no member will be entitled to vote so long as any dues on his shares remain unpaid and also provided that preference shareholders shall not be entitled to vote."

By Order of the Board,

S. B. INDUSTRIAL DEVELOPMENT CO., LTD.,
Managing Agents.

The 15*th February* 1956.

WALCHANDNAGAR INDUSTRIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FORTY-EIGHTH ORDINARY GENERAL MEETING of the Company will be held at 'Construction House,' Ballard Estate, Fort, Bombay, on TUESDAY the 20th March 1956 at 4-00 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September 1955 and to declare dividends on Preference and Ordinary Shares.
2. To elect Directors in place of those who retire by rotation and who are eligible for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.

The TRANSFER BOOKS of the Company will remain CLOSED as from FRIDAY the 16th March 1956, to SATURDAY the 31st March 1956 (both days inclusive).

By Order of the Board,

THE PREMIER CONSTRUCTION CO., LTD.,
Agents,
B. D. SARDESAI,
Secretary.

CONSTRUCTION HOUSE,
BALLARD ESTATE,
BOMBAY, 14*th February* 1956.

Note.—The Dividends, if sanctioned, will be paid at the Bank of India Ltd., Fort, Bombay, on and from Monday the 2nd April 1956 to those Shareholders whose names stand on the Company's Register on Saturday the 31st March 1956.

To the Shareholders of the above Company and more particularly to:—Mrs. Marie Mascarenhas Monterio of Goa.

JARDINE HENDERSON, LIMITED

NOTICE IS HEREBY GIVEN THAT AN Interim Dividend at the rate of 2¾ per cent., less Indian Income-tax thereon, will be paid to the Registered holders as on the 5th April 1956, of the 50,000 Cumulative Preference Shares of Rs. 100 each in the Company in respect of the year ending 31st March 1956.

The Share Transfer Books of the Preference Shares will be closed from the 2nd April 1956 to the 5th April 1956, both days inclusive.

By Order of the Board,

D. FORDWOOD,
Secretary.

4, CLIVE ROW,
CALCUTTA 1, 23*rd Februdry* 1956.

NEW BRIDGE OVER GANGA AT MOKAMEH

LINK BETWEEN NORTH AND SOUTH BIHAR

THE foundation-stone of the Ganga bridge at Mokameh in Bihar was laid on 26th February by Dr. Rajendra Prasad, President of India. On completion, this road-*cum*-rail bridge, estimated to cost Rs. 15 crores, will link north and south Bihar. It will also link West Bengal with its northern districts and Assam. The bridge will be able to take in all 20 broad-gauge, passenger and goods trains a day in each direction. This is besides the traffic that can be hauled by road transport vehicles.

The proposal for a bridge across the river Ganga in the neighbourhood of Mokameh dates as far back as 1909. It was, however, only in 1945 that the Railway Board sanctioned engineering and traffic surveys for a rail-*cum*-road bridge either at Patna or at Mokameh. The surveys indicated that, of the two places, Mokameh offered a more suitable site for the proposed bridge. The work was sanctioned by the Ministry of Railways in July 1948. In fact, preliminary work had been taken in hand in right earnest. But, as the Government of Bihar continued to press that the bridge should be built at Patna, work was slowed down so as to study the problem afresh. Unfortunately, however, as the ways and means position of the Government of India towards the end of 1949 became difficult, the Ministry of Railways decided to postpone the work. In the meantime, the hydraulic research station at Khadakvasla, near Poona, was asked to examine the relative merits of the Patna and Mokameh sites and to determine the optimum length of the guide bund and to wet the design of training works.

Fresh Examination

Consequent upon the Partition of the country and the construction of the Assam Rail Link, which changed the trend and flow of traffic to and from North Bengal and Assam, a fresh examination of the position was ordered in 1952. In March that year Dr. M. Visveswaraya, the famous engineer-*cum*-statesman, was approached to enquire into the whole question and recommended the most advantageous location for the bridge. After careful investigation, Dr. Visveswaraya adjudged, taking into consideration the flow of traffic and operational requirements and recurring costs, engineering factors and other relevant considerations, Mokameh as the most suitable site for the proposed bridge. As a result, in September 1953, the Railway Board set up an organisation, under a general manager and chief engineer at Hathidah, to resume the construction of the bridge.

The Ganga River near Mokameh has a discharge at mean flood level of 1,850,000 cusecs and at the highest flood level of 2,500,000 cusecs. Provision is made in the design of the bridge for a peak discharge of 2,750,000 cusecs. The deepest estimated scour for the guide bund at its head has been taken at a depth of 148 ft. below low-water level. According to Mr. H. K. L. Sethi, General Manager and Chief Engineer of the project, the maximum discharge of 2.75 million cusecs "is not an observed discharge, but has been compiled by the extrapolation of the various discharges observed for different H.F.Ls." The highest flood level recorded at Mokameh, it may be noted, was R.L. 141.5 in 1908.

The Project will consist of "14 main spans of 397 ft. centre to centre of bearings each and 4 shore spans of 104 ft. 9 in. centre to centre of bearing each." Only one guide bund along the left bank is being constructed, as the south bank consists of clay which is not known to have been eroded for the last century or so. Dealing with certain details of engineering problems, Mr. Sethi observes as follows:

"For the main spans, the wells will be 53 ft. 6 in. x 32 ft. with semi-circular ends and with two dredging holes of 7 ft. radius. On top of the wells will be a 6-ft. reinforced concrete raft. The wells will be constructed of mass concrete, and the steining will be 9 ft. thick. The piers will consist of a solid base upto 2 ft. above the highest flood level and will then have two circular columns of 15 ft. diameter each, with 4 ft. thick slab again on the top. The idea of providing circular columns is to economise in weight and thus reduce the pressure on the bottom of the foundation. About 40 lakh cubic ft. of concrete will go into the piers and well foundations. The wells have to be sunk 180 to 190 ft. below the bed of the river. At least, five to six well curbs have to be laid in 25-ft. deep water. As far as is known, these are the deepest foundations provided for any bridge in the world.

"The main girders are of the Petit truss type, somewhat modified at the ends. The top and bottom booms are parallel and the diagonals are of the double intersection type with vertical supports at the points of intersection. The girder consists of 16 panels of 24 ft. 9½ in. each, the span from centre to centre spacing of two girders is 29 ft. The main girders will be 60 ft. high.

"The railway track will be carried by a welded floor system bearing on the bottom booms, while the roadway will be carried on an upper floor with a clearance of 17 ft. 9 in. for the railway moving dimensions. The girders have been designed for railway main line B.G. Standard and for the Indian Highway Loading Class A/AA. The quantity of steel required for the main girders is nearly 13,000 tons, most of which is being imported from the U.K. The girders will be erected by the cantiliver method commencing from the south bank."

The economic importance of this bridge is great. The absence of a direct rail and road link between north and south Bihar has adversely affected the development of the State. While in U.P., the river Ganga has been bridged at six places over a length of about 600 miles, there is no bridge at all on the river in its course of about 250 miles in Bihar. Consequently, the passenger and goods traffic are being handled in barges across the river. The working of the barges, slow by its very nature, has resulted in delays at transhipment points. Again, frequent shifting of the ghats to suit the moods of the river has not only made transport a costly affair but has placed severe restrictions on traffic. It is stated that, at present, it is easier to transport coal from Dhanbad to Delhi than to northern districts of Bihar so close to the collieries. The capacity of the wagon ferry is limited to a maximum of about 250 ft. metre-gauge wagons per day.

The bridge, intended to replace the ferry barge, will connect north and south Bihar all the year round, irrespective of the intensity of the floods and other conditions of the river. It will help development of north Bihar by ensuring free movement of essential commodities such as steel, coal, cement, etc., from south Bihar. It is needless to point out here that north Bihar is primarily agricultural and produces large quantities of sugar and foodgrains while south Bihar is rich in such minerals as coal, copper, mica and cement.

Laying the foundation-stone, Dr. Prasad stated that, since the partition of India and the subsequent closing of the old Bengal-Assam railway route, it was most urgent to provide adequate traffic facilities between south and north Bihar and from Calcutta side to north Bengal and Assam. The construction of the Assam Rail Link seven years ago was only the first step taken towards joining north Bihar with Assam and the southern districts of West Bengal with its northern districts and Assam. The construction of the bridge at Mokameh would complete the process by providing a direct link between the abovementioned areas. This bridge would, therefore, be a vital link in the system of communications in eastern India. Proceeding, Dr. Prasad remarked: "Let me hope the Ganga bridge, which will link north and south Bihar, will be symbolic of the unity and strength of the Indian nation, which was once so well reflected in the glory and grandeur of Mithila, on the one hand, and of Magadha on the other—the two regions which this bridge will join together.

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BALL BEARINGS INDUSTRY

Last week, it was the turn of the ball bearings industry to receive the attention of the Tariff Commission. The industry has put in a claim for the continuance of protection beyond 31st December 1956, when the present period of protection of four years is due to expire. The industry has asked also for assistance in the form of removal of import duty on raw materials and on large-sized grinding wheels, which are not manufactured in the country. Further, it has asked for a complete ban on the imports of those types and sizes that are manufactured in the country and their substitutes.

The rates of duty at present are 9½ per cent. *ad valorem* on items covered by Nos. 72 (35) and 72 (36) of the Indian Tariff Customs Schedule and 10 per cent. *ad valorem* on items covered by No. 72 (37). It will be recalled that the preferential treatment for ball bearings of U.K. origin falling under item 72 (35) was removed by the Finance Act, 1954. As a result, a standard rate of duty operates on all items of ball bearings.

Prima facie there seems to be a case for continuing protection to this industry, although the details of such protection have to be decided by the Commission. Four years is too short a period of protection for any industry to stabilise itself on economic foundations. Moreover, ball bearings industry occupies a key position in an industrial economy.

Mr. K. R. Damle, Chairman of the Tariff Commission, revealed, in the course of his address, while opening the public enquiry into the claims of the industry for the continuance of protection, that "the industry was in the peculiar position of having only one producer, namely, the National Bearing Company, Ltd., Jaipur." Its output in 1955 was 810,350, as against 708,220 in 1954, 648,376 in 1953 and 416,769 in 1952. As against this, the Planning Commission had estimated the demands for ball bearings in 1960-61 at about 2.1 million. The National Bearing Company, Ltd., had placed the current annual demand at 800,000 and expected that it would increase to 1 million tons within three years. Other estimates vary between 1.20 million to 2 million bearings. The Tariff Commission will, therefore, have to arrive first at an accurate estimate of the present and future demand for ball bearings.

Be that as it may, there is no doubt that there is a big gap between demand and output. Given sufficient protection, the industry can certainly rise to the occasion to a considerable extent. In that event, however, the industry owes a duty to its consumers to improve the quality of its products and to keep the prices thereof at reasonable levels. On the question of quality, the comment that is heard is that, while the quality of the indigenous product is good, there is still scope for improvement especially in regard to noiseless performance, smooth running and dimensional tolerance range. The industry will do well to pay prompt attention to this aspect of its manufacture.

BRITISH FIRM TO BUILD NEW COKE OVENS AT JAMSHEDPUR

A contract worth about £1,750,000 has been awarded by the Tata Iron and Steel Co., Ltd., Jamshedpur, to Simon-Carves Ltd., of Stockport, Cheshire. The order covers the reconstruction of two large coke-oven batteries and the building of 18 new ovens. Simon-Carves has had a long association with the Tata interests and has built a total of 216 ovens with an annual carbonising capacity of about 2,000,000 tons of coal. The first three coke-oven batteries were built by Simon-Carves about 20 years ago and the fourth in 1953. Under an earlier contract, the British firm is already engaged in reconstructing the oldest of the first three coke-oven batteries and the second and third batteries are to be reconstructed under the new contract. These three batteries comprise 124 coke ovens. Much of the material to be used will be of Indian origin, and the work will be done by Indian labour under the direction of Simon-Carves' resident technical staff. Besides this coke-oven reconstruction, Simon-Carves is at present engaged in a number of contracts placed with it during the last two or three years for the building of new steelworks equipment for Tatas at Jamshedpur, including a new steel-melting shop, blast furnaces, ore bins, open-hearth furnaces, soaking pits and the re-lining of blast furnaces.

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NEW PRODUCTS AND PROCESSES

Producing Ultra-high Temperatures

ONE method for producing ultra-high temperatures that may become of industrial importance is that of using supersonic shock waves. Experiments have shown that, when a plunger or other device in a special container, such as a shock tube having a closed end, is moved at a speed sufficient to reproduce the effect of a speed faster than that of sound and the shock wave thus produced is reflected back from the end of the tube, temperatures of the order of 17,750 degrees centigrade can be produced. At such temperatures the shock also produces conditions where exceptional electrical conductivity occurs.

Hard Insulating Material

A new material which has both extremely good physical hardness and is, at the same time, a good electrical insulator, has been developed by the American Cyanamid Company, New York, U.S. The material, which is a plastic, called polyacrylonitrile, is also said to be unaffected by most industrial solvents, with the exception of a few highly active ones, such as ethylene carbonate. It is manufactured in the form of a white powder composed of particles of uniform size. This regularity of grain size enables it to be easily handled, since the uniformity of the dimensions of the individual particles enables the material to flow easily and freely through the plant in which it is being handled. Although the material is chemically inert, its form and chemical composition can be modified by certain types of chemical reactions, as, for example, hydrolysis.

Titanium Valves for Corrosive Fluids

Experiments with control valves made from titanium in place of stainless steel for handling the flow of corrosive fluids in chemical plants are said to have shown that they greatly increase valve life. The valves which have been developed and manufactured by the Valve Division of the Minneapolis-Honeywell Regulator Company, U.S., are made from titanium metal forgings each weighing 120 lbs. produced by Rem-Cru Titanium Inc., a jointly owned subsidiary of the Remington Arms Company and the Crucible Steel Company. In one test, these titanium valves were tried out in a chemical plant against valves made from stainless steel under conditions where both sets of valves had to handle a corrosive solution at an inlet pressure of 3,000 lbs. per square inch with a pressure drop of 2,700 lbs. per square inch across the valve. Under these stringent conditions, the stainless steel valves failed after seventy hours of routine operation, while the titanium valves worked for 1,680 hours without, it is claimed, requiring any attention.

Controlling Mosquito Larvæ in Rice Fields

Water-soluble insecticides can effectively destroy mosquito larvæ in irrigation water, according to the U.S. Department of Agriculture. At a recent meeting in Cincinnati, Ohio, of the Entomological Society of America, the scientists of the Department of Agriculture reported successful use of such insecticides against the larvæ of *Psorophora* mosquitoes. Mr. James B. Gahan of the Department's research service disclosed that less than an ounce of one insecticide added to 1,000,000 gallons of irrigation water as it flowed into a canal leading to rice fields was enough to kill all larvæ of the predominant mosquito species present in the water. The insecticide parathion was the most effective of four chemicals tested. Not normally soluble in water, parathion was rendered soluble by mixing it with a chemical emulsifier. It was found that, upon being dripped evenly into the irrigation water, the concentrated solution readily diffused in the water and flowed a half-mile through the canal and 400 feet further across the test fields. All of the *Psorophora* mosquito larvæ in the test area were dead within 48 hours.

Nickel-Iron Alloy

A new nickel-iron alloy recently made available in the U.S. represents, it is stated, a striking example of the ability of modern technology to produce alloys, the physical performance of which can be exactly forecast. The alloy is used to manufacture three small and very thin pieces of metal for a newly developed automatic safety aid for pilots flying supersonic jet aircraft. The alloy, which is manufactured by H. A. Wilson of New Jersey, U.S., contains nickel, iron, chromium and titanium in varying quantities. The alloy is claimed to measure virtually the altitude of the pilot after he has baled out and thereby forms the vital element of an automatic parachute opening device. This is achieved because the composition of the alloy, which is used in the form of three minute metal diaphragms, is so designed that it retains exactly the same flexibility at temperatures well above 200 degrees Fahrenheit as it does at temperatures of minus 90 degrees Fahrenheit—far below freezing point. Yet, at the same time, the behaviour of the alloy diaphragms varies according to the differences in pressure experienced at different altitudes. The alloy, by its response to the pressure of the air, and therefore to the altitude, and its subsequent activation of the automatic parachute opening device, enables a pilot to bale out from a jet plane at great heights in safety when he is either only partly conscious or even completely unconscious. When only partly conscious, a pilot may pull the rip cord releasing the parachute too soon and in consequence fall too slowly through the atmosphere where oxygen supplies are inadequate to keep him alive. If he is completely unconscious, on the other hand, he will, without the accurate and automatic measurement of these nickel alloy discs, plummet to the ground.

ASSOCIATED STONE INDUSTRIES (KOTAH) LTD., RAMGANJMANDI

SPEECH OF SARDAR DALJIT SINGHJI

THE Tenth Annual General Meeting of the shareholders of the Associated Stone Industries (Kotah) Ltd., held on 18th February 1956, at Ramganjmandi, Kotah District (Rajasthan), was presided over by Sardar Daljit Singhji, Chairman of the Company. Addressing the shareholders at the meeting, the Chairman said:

"GENTLEMEN,

"I deem it a great privilege in welcoming you all here this afternoon and presenting the Directors' report and the audited statement of accounts of your Company together with the auditors' report for the year ended 30th September 1955. These have already been circulated and it is hoped that you have gone through them.

"On looking to the aforesaid reports, you will agree with me that the result of working of the Company is quite satisfactory and that the financial stability of the Company is quite sound.

"Last year, I had occasion to comment on the problem of the availability of wagons to the Company which had assumed serious proportions. I am glad to report that the railway authorities have been very kind enough to pay their immediate attention to ameliorate the difficulties of this industry. Such imaginative sympathy in understanding the problems of an important industry is rare these days and I hope the gentlemen present here will join me in expressing our sense of gratitude to these authorities. I also hope that the facilities in regard to wagon supply will continue to be extended to this Company.

"It is gratifying to note that the relations between the management and the labour during the period under report have been harmonious throughout. The labour and the staff have given their unstinted co-operation in the working of the Company and have worked with steadfast loyalty. I assure you all that this Company will always have the welfare of labour at its heart and will try to provide still better amenities to its workers. I hope, with the financial assistance of the Central and State Governments, the scheme for providing better houses to the workers will be given concrete shape in the near future.

"This is the age of national reconstruction. Our Government have undertaken a constructional programme which is unparalleled in our history. Great capitals, beautiful buildings, industrial colonies and vast constructions are being built. We hope and trust that Kotah Stone, which has already attained popularity, will play its role in the service of the nation. Particularly in Rajasthan, where the prosperity of the State depends upon a plan of rapid industrialisation, Kotah Stone is assured of a great future.

"This Company is one of the few enterprises in Rajasthan which has worked with remarkable success so far and has also contributed much to the revenue of the State. Let me hope that the Rajasthan Government and their officers will adopt a more sympathetic and imaginative policy towards this concern in future.

"The credit for the successful working of the Company should largely go to our Director-in-charge, Shri Hiralal M. Parikh, who has guided the destinies of the Company with such remarkable skill and untiring efforts. In this he is assisted by our energetic Manager and Secretary, Shri J. D. Kora. Our thanks are due to them, as also to our officers, staff, labourers and customers for their sincere co-operation.

"I also thank our auditors and legal advisers for their invaluable advice and guidance.

"Thanking you all, once again, I now commend for your approval the resolution to adopt this report and the statement of accounts."

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P. H. KOTHARI,
General Manager.

RECENT TRENDS IN GOVERNMENT'S ECONOMIC POLICIES

MR. W. H. J. CHRISTIE'S SURVEY

NO business man ever regards risks as deterrents to activity. Rather, he believes that they call for additional effort on his part. But they must, of course, be calculable risks which he, as a prudent citizen, could take. How does a hard-working and conscientious business man in India react to the conditions around him? Do they permit him to go forward, to plan ahead and to make his effective contribution to national economy? To this question, the speech of Mr. W. H. J. Christie, President of the Upper India Chamber of Commerce, at the annual meeting of the Chamber, held at Kanpur on 24th February 1956, provides a comprehensive reply.

It is becoming increasingly obvious that there are elements in the present situation which must make even the habitually optimistic business man feel a little despondent. And yet, it should be possible for the Government to avoid creating this feeling through following somewhat more realistic economic policies than it has so far adopted, on purely political, rather than on economic, considerations. Mr. Christie's address is notable for the reason that it not only presents an objective assessment of the recent trends in Governmental policies but also gives a few concrete suggestions for such reorientation of the policies as will increase the pace of the country's economic progress.

Five-year Plan

Mr. Christie prefaced his address by a reference to the events that followed the emergence of India as a free country. The chief event was the "miracle" of administrative and political consolidation. Under wise and liberal leadership, India achieved political and economic stability which was the envy and admiration of its neighbours, and what is, perhaps, equally important, it was, after a period of natural hesitation, just coming to be regarded as a "good investment risk for foreign capital." The first Five-year Plan made rapid progress. There was a perceptible improvement in general standard of living. During this period, the concept of "mixed economy" held the field. Last year, this phrase was replaced by another, the "socialistic pattern of society." This year, the word "socialistic" has been dropped. There is talk of a new statement of industrial policy which in present circumstances is "hardly likely to be reactionary." In this connection, Mr. Christie quoted a shrewd observer who was in India recently. This observer had said that the prevailing trend of political and social thought in India was a mixture of Gandhism, Marxism and Liberalism. Mr. Christie's comment was: "I don't think she was far wrong, nor do I think that such an intellectual tonic or cocktail is necessarily bad for India in the context of the tremendous problems which have to be solved. It all depends on the proportions of the mixture. It is easy to see that, in certain proportions, it is liable to be not only intoxicating but explosive."

More recently there have been a few changes to which Mr. Christie drew pointed attention. There have been two acts of nationalisation—of the Imperial Bank and the insurance industry. In between these two acts came the Fourth Amendment of the Constitution, empowering the State to acquire property on its own terms and denying the courts the rights to pronounce on the justice of these terms. Next came the report of the Taxation Enquiry Commission, the publication of which was held up to coincide with a budget "that owed much to its recommendations and which stood forth as an avowedly socialistic budget." This was followed by the new Companies Bill, some of the provisions of which "seem to have been inspired, if not by vindictiveness, by a deep suspicion of private enterprise which, if occasionally justified, is surely not justified overall, to the extent of putting the whole private enterprise under duress."

It is true that private enterprise continues to receive the assurance that it has great scope in India of the future. But a great change has occurred through the emphasis on socialism. This change, according to Mr. Christie, is aptly summed up as follows:

"It means that Society and the State are more important than the individual. It envisages a far bigger role for the State than for individual initiative and enterprise."

Supplementing this quotation, Mr. Christie observed: "Sixty years ago, a King of England said: 'We are all socialists nowadays.' What was a paradox then is nearer to the truth today; and in India of 1956, we must certainly accept the fact that we are all socialised now."

Individual Liberty

Mr. Christie is not alone in indicating the meaning of this change to the individual. The precise implications of this change are being slowly discovered in this country. Already, some leaders are becoming aware of the inroads which the growth in administrative law could make into individual freedom. Last week, at a symposium on "Legal Problems of a Welfare State," held in Bombay, some of the foremost legal luminaries of this country expressed the view that the individual must zealously guard his rights and privileges guaranteed by the Constitution. One speaker pointed out that, while the Government could prevent the concentration of wealth in a few hands, it could not at the same time claim to avoid corruption in the State machinery.

An important result of this policy providing for increasing role of the public sector and for making the private sector conform to certain preconceived notions of national priority is the proliferation of administrative law. This serves as a severe handicap to private enterprise. On this subject, Mr. Christie had some notable observations to make. He said that India's leaders, who knew what they wanted, were "tempted, perhaps by over-confidence, perhaps by mistrust, to drive and compel where, perhaps, they should guide and persuade, tempted to experiment with inadequate resources, when perhaps they should allow the instruments of their policy to acquire a little more experience, tempted to jump to conclusions, which may be wrong, about who are on their side and who are not." He added:

"The outside observer would not see anything perturbing, wrong or disastrous in all this; indeed, he would see much that is commendable. He might recognise that it involved a certain amount of waste of effort and resources, and might admit that there were elements of danger in the situation, particularly if the present leaders should change. But what about ourselves? We are business men in what is called the private sector. Abandoning objectivity for a moment, but without complaining or justifying ourselves can we give, without exaggeration, a fair picture of the condition under which we have to conduct our business? We have enormous internal markets to serve and a good footing (though this barely applies to us in Kanpur) in international trade. We see prospects and the fact, of a rising standard of living around us; and inflation for the time being, held in check. We are told that we have a full scope in the expansion of economic activity and we are encouraged, even commanded to take part in it. We earnestly desire to do so, and moreover we are sincerely at one with the objectives of increasing the general level of prosperity, reducing inequalities of wealth, expanding employment and improving conditions of labour and relations between employer and workmen. We admit the need for a measure of regulation and direction. We should bend to our task with courage and confidence, and face the future jubilantly.

"What prevents us from doing so? In a very few words, it is this. With all this tantalising prospect before us, the prospect, not so much of personal or corporate profit but of service, we are pinioned, bound hand and foot; or rather, since we have agreed to eschew exaggeration, the illusory remnant of freedom and initiative that is left to us is about as much as the convict has in his daily walk for exercise round the prison yard. There is scarcely anything we can do in our business without Government's permission, and the delays attendant on it. We cannot start or close a business, expand or contract a factory without Government permission. We cannot raise capital or distribute to shareholders the reserves which are their property without permission. We cannot appoint a new director, a director cannot retire (it has even been said that the new Companies Act will not let a director die!) without Government's consent. Much that we buy and much that we sell is subject to official controls. In some industries, for instance the sugar industry, the price of 75 per cent. of all that enters into the cost of production is controlled by Government. We are dependent on State-controlled electricity for our power and State-owned railways for the transport of our fuel, our raw material, our finished goods. We cannot pay our staff at our discretion, though certain members of our staff have to be employed and paid at Government's dictation. We certainly cannot reduce our labour force without Government's consent, and without severe penalty. About the only thing we are free to do without consent is to pay a bonus to our labour, provided, of course, we pay enough. All this—and taxation too."

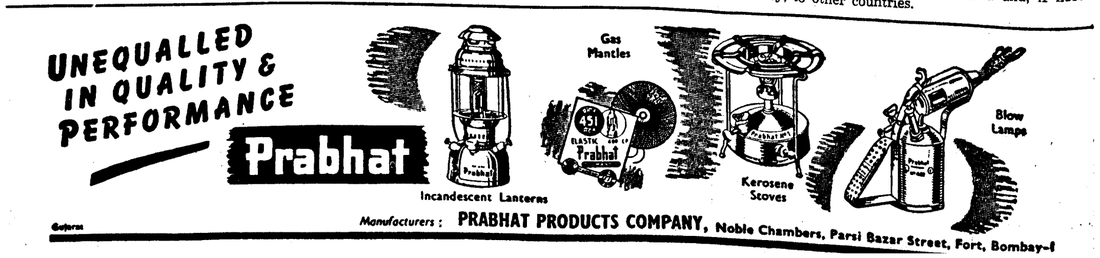
Mr. Christie, on his part, was aware that, if the men engaged in the private sector asked for more freedom, they also had to shoulder larger responsibilities. Accordingly, he emphasised that they should pay their taxes, should be honest in their business dealings, should treat labour fairly and maintain and improve the efficiency of their factories. At the same time, he pointed out that they should be allowed to make profits, for without profits, no industry could pay wages or increase jobs, or maintain efficiency, or expand production. And, without profits a company cannot attract capital nor look to the interests of either of its shareholders or its customers, and it cannot contribute to the revenues of the Government.

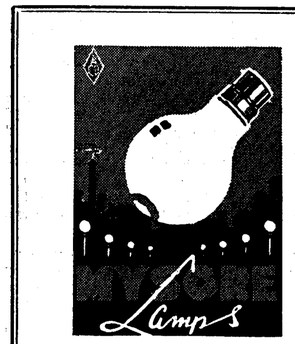
State's Responsibility

As regards the State's responsibilities, Mr. Christie said that its primary duty must be to guard against inflation. He said: "History has shown us that nothing can ruin a country or bring democracy to an end so rapidly as inflation." Secondly, there was the responsibility for promoting good labour relations in industry. He deplored that too many disputes "have been allowed to come to adjudication, litigation has been encouraged, and discipline has been undermined." He urged the revision of the trade union law, so that the unions could become genuine guardians of the workers' interests, and the removal from the field of dispute of "those two prolific sources of misunderstanding and litigation—bonus and workload." Thirdly, the State's responsibility should be to see that adequate transport was provided. Fourthly, the Government should allow capital formation to take place. In this connection, he warned that it would be wrong to underestimate the disincentive effect of high taxation on the man "who has to work with his brains more than with his hands." Fifthly, he stressed the importance of efficient administration of the new Company Law.

Surely, these responsibilities which Mr. Christie emphasised, are the minimum which should be fulfilled by the State if the private sector is to play its role in the national economy. To ignore them and then to expect this sector to make its contribution to the task of raising the living standards would certainly be to court disappointment, apart from the fact that it would be most unfair to the private sector itself.

The proposal for the creation of a "Scientific Civil Service" was now being considered by the Council of Scientific and Industrial Research. This was revealed by the Minister for Natural Resources and Scientific Research, Mr. K. D. Malaviya, in the course of his reply to a question in the Lok Sabha. The service would, to begin with, be confined to the Council and allied organisations. In reply to another question, he stated that it was intended to depute a batch or batches of technicians for training in foreign countries in oil drilling and other technique. The exact number and types of technicians to be sent but had not yet been finalised. It was probable that they would be sent to oilfields in Russia and Rumania and, if necessary, to other countries.





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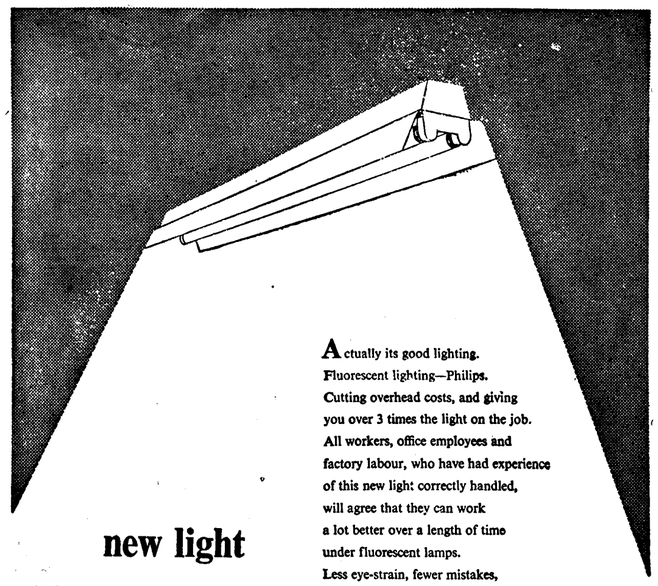

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TEXTILE MEN MEET PRESIDENT OF BOARD OF TRADE

CASE AGAINST CLOTH IMPORTS PRESENTED

From A Special Correspondent

MANCHESTER, 21*st February*

MANCHESTER LETTER

A DELEGATION from the cotton industry this week told Mr. Thorneycroft, President of the Board of Trade, that Lancashire feared that big orders for cotton cloth had recently been placed by customers in Britain with mills in Hong Kong. Delegates claimed that when cloth import figures for the first three months of the year are released they are likely to show record arrivals.

On the question of imports of cheap, duty-free cloth from Hong Kong and India, the industrialists were referred to a statement on 3rd May last year, by Sir Anthony Eden. Mr. Thorneycroft said the general considerations underlying the decision in that statement remained unchanged.

An agreed statement issued after the meeting said that the President of the Board of Trade recognised that the industry had made a strong case. He asked the industry to keep in close touch with him about all developments in the situation. "The deputation informed the President that early next week they would report his response to the case at a meeting of the industry's appropriate Standing Committee which would have to decide the policy to be pursued," the statement said.

Previous Submission

Lancashire's case for protection against imports of cheap cloth from Hong Kong and India was rejected by the Government last March. The Cotton Board's Standing Conference on Overseas Trade submitted a fresh case to Mr. Thorneycroft in December.

On 3rd May 1955, the Prime Minister told the House of Commons that India had announced a substantial reduction in tariff rates covering all cotton textiles. The general effect, he said, would be to reduce the rates on British goods by more than a half, to a level of 25 per cent. In addition, there was a specific duty of about 5 per cent. which Indian producers would pay.

The Government "are not prepared, at this time and in existing circumstances, to depart from their long-established arrangements for duty-free entry from the Commonwealth," Sir Anthony said. Last year, more than 268,000,000 yards of cotton grey cloth was shipped into Britain, including 130,552,000 yards from India, 48,761,000 yards from Hong Kong, and 63,879,000 yards from Japan.

Textile Prices Probe

Trade associations in the textile industry are among those who have received a questionnaire from the Monopolies Commission inquiring into "common prices and agreed tendering." This investigation, being made at the request of the Board of Trade, is aimed at obtaining information about restrictive practices in industry which the Government intends to curtail by legislative action as a result of new measures which are to be debated in Parliament.

According to the Silk and Rayon Users' Association, the questionnaire from the Commission asks for particulars of any agreements which have the effect of controlling the prices of goods or services supplied by member-firms. Although the association indicates its willingness to answer the appropriate questions it objects to being asked to comment on systems adopted by other organisations.

Mr. R. R. Catty, Director of the Association, says: "It should not be part of the responsibility of a trade association to provide an information service for the Monopolies Commission on the activities of other organisations in the industry."

New Take-over Bid?

Strong rumours have been current in Manchester textile circles that a take-over bid was imminent for the Amalgamated Cotton Mills Trust Ltd., the spinning and weaving combine. Linked with the reports was the name of Mr. Isaac Wolfson, Chairman of Great Universal Stores Ltd. An official of the Trust, however, refused to comment on the rumours.

According to usually well-informed sources, Mr. Wolfson was in contact with Mr. William Pickles, Chairman of Amalgamated Cotton Mills Trust Ltd., last year, but his approaches were then rejected. The price of the 2*s.* shares of the Trust has advanced from 9*s.* to 10*s.* 7½*d.*

Formed in 1918, Amalgamated Cotton Mills Trust controls about one million spindles and over 4,500 looms. In addition to spinning and weaving plant, the group owns a chain of 20 shops specialising in its "Aertex" brand of clothing.

Action Against Mutual Aid

Another stage in the Government's campaign to deal with restrictive practices has been reached by the publication of the Parliamentary Bill which is shortly to be debated in the House of Commons. The main outline of the proposals had already been indicated by the President of the Board of Trade and the details show no fundamental departure from the original scheme. Every effort has been made to provide a comprehensive plan offering no loopholes for evasion.

There is no doubt that the Government is taking the whole matter very seriously, even at the risk of aggravating some of its supporters who have for many years adopted some of the principles which are now to be condemned. The main source of criticism has been that the system is too long-winded, involving many months before individual practices can be investigated and action taken if they are found to be "against the public interest."

The scope of the Bill is so wide that few mutual aid schemes adopted by industrialists can escape the net. Certainly, there will have to be some adjustment to those in operation in various sections of the cotton industry if they are to avoid being banned. The most obvious method would seem to be the introduction of voluntary schemes on a similar basis, as the legal enforcement of the system is the main objection.

A great deal would then depend on whether mutual pacts on the lines of the pre-war "gentlemen's agreements" would stand the strain of current conditions within the industry. After years of working relatively harmoniously together some show of co-operation might still be achieved, but in adverse circumstances when orders were running short there could well be a reversion to the internal strife which was so characteristic of the trade a generation ago.

On the other hand, those who pledge their faith in unrestricted competition at all times contend that a more realistic price level will force out business and improve prospects. Indications point to the likelihood of a "free-for-all" before long, although under the Government's existing scheme it will be months at least, before any positive action can emerge.

Assessing Earnings

With attention once more focussed on the profitability of the industry—and particularly the spinning branch—following the comments made at the annual meeting of the Manchester Chamber of Commerce, it is as well that current trends should be closely observed. Since the turn of the year a number of textile companies have announced their results, which in most cases covered a large part of 1955.

Some variation in earnings is inevitable at all times but the general experience reflects the lower earning power of the industry, although there have been no real casualities as yet. Of the score of companies which have indicated their position, nearly all have reported lower gross profits and it is noticeable that purely spinning concerns have been the hardest hit. Those combining spinning and weaving have lost a little ground but in the majority of cases dividends have been maintained.

Reserves remain strong practically throughout the industry and cash balances for carry forward have been rarely altered and in some cases have been increased. There are signs in some instances, however, of adverse tidings yet to come, for at least one company has passed its interim dividend distribution and another has forecast that the year's results, when announced, will show a loss.

It is significant that companies largely devoted to the distribution of textiles have shown up to advantage in the figures so far disclosed, this being the result of the intensive home trade clearances which took place last summer. It provides a guide to what can be expected in similar returns during the months ahead. Producers are not so favourably situated but they have shown that adverse conditions can be surmounted and any revival of demand this year will increase their chances of financial success.—*All Rights Reserved.*

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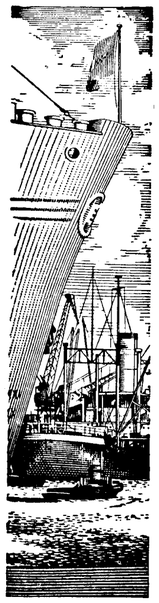

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THE STATE BANK OF INDIA—FIRST ANNUAL MEETING

HUNDRED PLACES SELECTED FOR OPENING MORE BRANCHES

"INCREASE IN USANCE BILL RATE A RIGHT MOVE"

CHAIRMAN, DR. JOHN MATTHAI'S SPEECH

THE First Annual General Meeting of the shareholders of the State Bank of India was held at Bombay on 29th February 1956. Presiding over this meeting, Dr. John Matthai, Chairman, traced the history of the Bank and explained the progress that has been made in the fulfilment of the objectives for which the Bank was created. He disclosed that special arrangements were being made by the Bank to render financial assistance to small industries.

The following is the full text of Dr. Matthai's speech:

"I have much pleasure in welcoming you to the first annual general meeting of the shareholders of the State Bank of India.

"I would like at the outset to dwell briefly on the genesis of the State Bank and the objects Government had in view in forming it, so as to be able to assess the results that have been achieved in the first six months of our working. On the 20th December 1954, the Finance Minister announced in the Lok Sabha the decision of the Government of India to assume effective control over the Imperial Bank of India as a first step towards the setting up of a State Bank of India. This decision was taken by Government on the recommendations of the Committee of Direction of the All-India Rural Credit Survey, which had suggested, among other measures, the creation of 'one strong integrated State-partnered commercial banking institution with an effective machinery of branches spread over the whole country for stimulating banking development by providing vastly extended remittance facilities for co-operative and other banks and following a policy which would be in effective consonance with national policies adopted by Government without departing from the canons of sound business.' Following this announcement, the State Bank of India Act was passed by Parliament in May 1955.

"On the 1st July 1955, the State Bank of India came into being and the undertaking of the Imperial Bank of India, which was formed in 1921 by the amalgamation of the three Presidency Banks, was transferred to the new institution with the exception of the assets and liabilities of foreign branches to which a reference will be made later in my speech. The process of transfer from the Imperial Bank to its successor Bank was completed smoothly and it is a matter of gratification that the good work put in by all concerned and the satisfactory arrangements made have enabled the changeover to take place without any dislocation or difficulties either within the Bank or in the general economic life of the country. It will be agreed that, with the establishment of the State Bank, a new chapter has commenced in the history of banking in India.

Central and Local Boards

"The Bank started to function under the direction of a Central Board and three Local Boards at Bombay, Calcutta and Madras, initially appointed by Government, consisting of men of outstanding ability and experience in various fields of economic activity. The Central Board has had a variety of difficult problems to face during the initial period and I would like to take this opportunity of expressing my appreciation of the help and co-operation the Directors have extended to me in handling them.

Foreign Offices and Foreign Exchange

"In regard to the transfer of the assets and liabilities of the undertaking of the Imperial Bank to the State Bank as contemplated by the State Bank of India Act, it was felt that, while there would be no difficulty about the transfer in India, it was doubtful whether such 'vesting' would be recognised and given effect to in foreign countries. As a precautionary measure, it was therefore decided, on legal advice, to provide for the continued existence of the Imperial Bank as a corporate entity beyond the 'appointed day' to enable it to make over its assets and liabilities at its foreign branches to the State Bank. Accordingly, the State Bank of India Act was amended by an Ordinance on the 23rd June 1955 which was later passed into an Act of Parliament on the 21st September 1955. The present position is that the Imperial Bank of India is nominally in existence for the purpose of enabling the transfer of assets and liabilities in London, Burma, Ceylon and Pakistan to be effected. While the bulk of these assets and liabilities have already been transferred to the State Bank, there are still a few legal formalities to be completed for effecting the transfer completely and as soon as these are finalised the Imperial Bank as a corporate entity will cease to exist.

"While on the subject of our foreign branches, I would mention that these continue to serve a useful and important purpose and we have during the past six months examined the question of opening new branches in foreign countries with the object of fostering Indian trade and expanding our activities, particularly in the field of foreign exchange to which we attach much importance. For diverse reasons, our progress in the matter of further expanding foreign exchange business has been slow, but, in view of the great expansion in India's foreign trade, which will result from the second Five-year Plan, it is our intention to adopt a more vigorous drive towards attracting what we consider to be our legitimate share of this important sphere of banking business.

Branches in Pakistan

"In so far as our eight branches in Pakistan are concerned, the Pakistan Authorities have informed us that, in accordance with their policy not to allow any foreign bank to open branches in the interior of the country, the State Bank of India will be allowed to operate in port towns only. The position now is that, while our branches at Karachi, Chittagong and Narainganj may be allowed to continue permanently and those at Lahore and Dacca up to the 30th June 1959, our branches at Hyderabad (Sind), Mirpurkhas and Lyallpur will not be allowed to function beyond the 30th June 1956. Arrangements will therefore be made to close these three branches as required by the Pakistan Authorities. While on the subject of Pakistan branches, I would like to say that no loss has been suffered by us as a result of the devaluation of the Pakistan rupee which took place in August last.

Branch Expansion and Rural Credit

"I now pass on to deal with the question of the expansion of banking facilities in rural areas which is one of the main objectives before us towards furthering the banking development of the country. Arising from the recommendations of the Rural Banking Enquiry Committee, 1950, the Imperial Bank of India had, in consultation with the Reserve Bank of India, agreed to open 114 branches (both new and Treasury Pay Offices to be converted) during the period 1st July 1951 to the 30th June 1956. Up to the 30th June 1955, 63 offices had been opened by that Bank and, since that date, a further 20 offices have been established, leaving 31 centres where branches are still to be opened. The State Bank has a statutory obligation to open 400 new branches during the first five years of its existence or such extended period as the Central Government may specify in this behalf. The places where such additional branches are to be established have to be determined by the Central Government in consultation with us and the Reserve Bank. As a first step in this process, 100 places have been selected which are confined mostly to district treasury and the relatively more important sub-treasury centres; it is obviously not possible to include every centre which requires banking facilities in the initial list. These 100 centres, together with the 31 centres left over, will be covered in the first programme and thereafter a further list will be drawn up.

"It must be stated that the Imperial Bank experienced considerable difficulty in securing suitable premises and, in some cases, where accommodation was available in the local treasury buildings, there was inordinate delay in effecting the necessary alterations and additions to make them suitable for the Bank. The Reserve Bank gave the Imperial Bank the requisite assistance in several cases of this nature but even so the progress was slow for reasons beyond control. In the present phase of the expansion programme and with the assistance of the Reserve Bank, we are intensifying our efforts to open branches as expeditiously as possible. The Reserve Bank of India have been requested to ask the various State Governments to instruct the District Authorities to give all possible assistance to the Bank in securing accommodation for the office and, where necessary, for the members of the staff at the new centres where it is proposed to open branches. I need hardly add that arrangements are being made by us to recruit and train the staff, both supervising and clerical, required for the phased opening of branches.

"One of the chief reasons which prevented the Imperial Bank from pursuing a more vigorous policy of expansion was that, as a private shareholders bank it could not afford the heavy expenditure involved in opening new branches which were likely to prove unremunerative. This position has changed in the new context, as provision has been made in the Act for meeting the losses beyond an agreed figure on unremunerative branches, from an 'Integration and Development Fund' into which are paid the dividends due to the Reserve Bank on its holding of 55 per cent. of the total issued capital in the State Bank.

"An essential part of the development of the rural credit programme is the availability of adequate facilities for storage, warehousing and marketing of agricultural produce, in which the country has been lacking. The Government of India are shortly setting up an All-India Central Warehousing Corporation and State Warehousing Corporations, with a view to affording facilities for storage of commodities. An organised system with effective State participation will then come into existence, in which we, along with other interested institutional agencies, will be required to play our legitimate part. I welcome this move in the larger interests of the country and, from our own point of view, I have no doubt that this will increase our ability to make advances against suitable security to the small producer in rural areas.

Remittance Facilities

"Passing now to the question of providing extended remittance facilities for co-operative and other banks, which was one of the objects Government had in view in setting up the State Bank of India, we have, as agents of the Reserve Bank, agreed to liberalise the existing remittance facilities available to Scheduled banks (and State co-operative banks who enjoy similar facilities) by permitting free transfer facilities *twice* (instead of once) a week, with effect from the 1st November 1955. This matter will be reviewed during the year with the object of considering in what directions remittance and other ancillary facilities to Scheduled banks could be further liberalised without imposing any undue burden on our working.

Interest Rates and Collection Charges

"The State Bank's schedule of charges for the negotiation and collection of bills and interest rates on advances have been fixed in relation to its operating cost and the comparative rates charged by other banks. These rates are necessarily subject to review from time to time in the light of prevailing business and monetary conditions. The transformation of the Bank into a State Bank does not by itself justify relaxing the basis on which the rates are fixed. In any action which the Bank may be called upon to take in the matter, apart from the normal considerations governing the problem, it is necessary to take account also of the obligation placed on it to develop banking in rural areas and the mounting cost of its establishment charges on account of the successive Bank awards.

"Another matter which affects banks generally and which requires careful consideration is the gradually increasing burden of interest paid for attracting deposits. I understand that an attempt was made in 1954 to reach an agreement amongst banks in the matter of fixing ceilings on deposit rates. Unfortunately, this did not succeed, with the result that each bank now pursues its own policy in this highly competitive field. I cannot but view with concern the present trend amongst banks to offer increasingly higher rates of interest for deposits and consider that this is unhealthy competition which should be discouraged. A voluntary agreement among banks appears to be the solution, but, if this is not possible because of the diversity in their size and standing, the alternative is for Government to consider suitable action for regulating deposit rates.

Bill Market Scheme

"At this point, I feel I must make a reference to the helpful role played by the Reserve Bank of India through their bill market scheme inaugurated in 1952, by which cash was provided to banks against commercial bills, in terms of section 17 (4) (c) of the Reserve Bank of India Act. The scheme has been of considerable assistance to banks, including ourselves, during the busy season. When the scheme was introduced, the Reserve Bank agreed to charge interest at ½ per cent. below the Bank rate as a concessionary measure to popularise this method of finance and also to bear a part of the cost of the stamp duty incurred by banks in converting demand bills into usance bills. The Reserve Bank recently announced that, as the scheme is now well established and as the resources of banks have now materially changed, advances under the scheme will be made at 3½ per cent., instead of 3 per cent. and the concession of bearing a portion of the stamp duty will be withdrawn, with effect from the 1st March 1956. Although this step will result in some increase in the cost of our borrowings under the scheme, I consider that, under existing monetary conditions, it is a move in the right direction.

State-associated Banks

"The subject of the amalgamation of State-associated banks with the State Bank of India has been receiving our attention. While the broad outlines of the policy to be followed in this regard must await future developments, we are exploring, in consultation with the Reserve Bank, the feasibility of taking over some of the minor State-associated banks. We have made a beginning in this regard and have set arrangements in train for an investigation of a few selected institutions, with a view to making a fair and reasonable appraisement of their position and the problems that will have to be faced before integration takes place.

Small-scale Industries

"The second Five-year Plan accords high priority to the development of village and small-scale industries. Government are providing greater credit facilities to these industries under the State Aid to Industries Acts by liberalising the conditions for distribution of loans. While Government assistance would go some way, the bulk of the credit finance would have to be provided by institutional agencies operating in the field, whose support is likely to prove of more permanent value to the industries concerned. While the State Bank does not differentiate between small-scale and large-scale industries for purposes of providing credit, we feel that more positive efforts should be made to ascertain the credit requirements of small-scale industries and to devise methods by which substantial assistance could be made available to them so as to place them on a firm footing.

"Small industries run by co-operative societies naturally look to the co-operative credit organisation for assistance. Small industries requiring working capital for short periods and able to provide readily realisable security are normally helped by commercial banks. Those which require long-term capital on fixed security have usually to approach the State Financial Corporations. The credit requirements of small industries cannot, however, be adequately satisfied, unless a scheme is evolved for co-ordinating in an effective manner the activities of the above credit agencies. The initiative for planning such a co-ordinated scheme has been taken up by the State Bank. In this connection, we have had exploratory discussions with the representatives of the Reserve Bank of India and various institutional agencies. A 'pilot' scheme for providing credit to small-scale industries at certain centres in the three Circles of the Bank has recently been drawn up and arrangements are now in progress to work the scheme. In the light of the experience so gained, a general scheme for providing credit in a co-ordinated manner by the State Bank and the institutional agencies concerned will be drawn up and extended to various centres in the country. With a view to facilitating the work of the various institutional agencies, who have no branch organisation, we are arranging for the services of our branch agents to be placed at their disposal in the matter of compiling and furnishing opinions and confidential reports on the worth of prospective borrowers and generally assisting such credit agencies in their operational activities in the centres where they are not represented.

Section 31 (3) of the State Bank of India Act

"Before passing on to a consideration of the accounts and other matters of interest, I would like to refer briefly to section 31(3) of the State Bank of India Act which prohibits Directors of the Bank, even if they are merely ordinary shareholders in companies borrowing from us, from being present at any meeting of the Executive Committee of the Central Board (or the Local Board) when advances for such companies are being considered. This restriction often results in the want of a quorum for the meeting when the majority of the Bank's Directors are 'interested' in a particular company (although their interest may be merely that of a shareholder), thus necessitating the postponement of consideration of such proposals. It will be agreed that this is not satisfactory from the point of view of the Bank or its constituents and it is expected that Government will take early steps to remove the present disability which is hampering the expeditious conduct of the Bank's business.

Balance-sheet and Profit and Loss Account

"Turning now to the accounts, although the State Bank has been in existence only for the past six months, I propose to compare the figures of our first balance-sheet as at the 31st December 1955 with the corresponding figures of the Imperial Bank of India as at the 31st December 1954 and, similarly, the profit and loss account figures for the last half-year with the figures for the corresponding period in the previous year. Thus, it will be seen from our balance-sheet that our fixed deposit, savings bank, current and other accounts stood at about Rs. 226 crores, as compared with Rs. 231 crores at which this item appeared a year previously. Although there is a decrease of Rs. 5 crores over the year, the present position must be considered satisfactory if the downward trend in our deposits which started early in the year soon after the Government's announcement of their decision to assume effective control over the Bank is taken into account. Our deposits in India fell from Rs. 203 crores in January 1955 to Rs. 184 crores in June 1955 and this drop of Rs. 19 crores can only be explained by the initial apprehension in the minds of the public regarding the future policy of the Bank and the continuance of its commercial character in its altered status. I am glad to say, however, that any fears entertained in this regard have proved entirely groundless as is evidenced by the steady increase in our deposits in India during the past six months, which reached the figure of Rs. 202 crores at the end of December 1955, thus almost regaining the level of January 1955.

"On the other side of the balance-sheet, our total advances have shown satisfactory improvement and at about Rs. 107 crores are some Rs. 5 crores higher than a year previously. Amongst our assets, investments at Rs. 116 crores were some Rs. 8 crores up on the year. While a substantial portion of our investments portfolio consists of short-dated Government securities and Treasury Bills, we have, consistently with our enlarged responsibilities, participated in and taken up State Financial Corporation shares and Land Mortgage Bank debentures in suitable lots. It is needless for me to state that our investments appear in our balance-sheet at a figure lower than their market value. Of the remaining assets, cash in hand and with other banks stood at around Rs. 29 crores which represents a little over 13 per cent. of our total deposits, as compared with the 15 per cent. cash ratio which last year's balance-sheet disclosed.

"I come now to our trading results from which it will be found that, after allowing for interest paid, our gross profits for the half-year at over Rs. 351 lakhs are approximately Rs. 40 lakhs better than those of the corresponding period last year, as against which our charges are up by a like amount of Rs. 40 lakhs. The principal increase in charges is in respect of establishment which cost us some Rs. 35 lakhs more than in the corresponding period of 1954. Of this, Rs. 23 lakhs have gone to the clerical, cash department and subordinate staffs and represent for the most part increases in salaries, allowances, etc., arising out of the adjustments made in implementing the Gajendragadkar Award, which was published in August 1955. In the result, our net profit for the last half-year, at approximately Rs. 68 lakhs, is about the same as that for the corresponding period in the previous year.

Dividend

"The dividend has been declared by the State Bank at the same rate as was done by the Imperial Bank in June 1955 and the previous years, namely, 16 per cent. per annum. This on the purchase price represents a net return of about 4.5 per cent. By far the largest part of the sum distributed as dividends is payable to the Reserve Bank. Although, in terms of the notification issued by the Reserve Bank, it was laid down that the new shares of the State Bank would be issued to those shareholders who applied for such shares, in lieu of the compensation payable to them, at a price of Rs. 350 for each share of Rs. 100, only a small proportion of the old shareholders opted for the new shares, with the result that the Reserve Bank of India are at present holding a major portion of the State Bank shares. It follows, therefore, that the private shareholders who benefit from the dividend payable by the State Bank form only a very small minority and the matter consequently is one which affects the investing public to a small extent only.

Share Price

"At this stage, it is appropriate to refer to a suggestion which has been made that a note be incorporated on the Bank's share certificate to the effect that the share was issued at the rate of Rs. 350. The matter was given full consideration and it was, however, generally felt that, while there was nothing in law to preclude the inclusion of such a note, it was most unusual for a share certificate to mention anything more than the nominal amount of the share. Apart from the fact that this suggestion may not meet with the approval of all the shareholders, there are practical and technical difficulties involved which prevent its wholesale adoption. As the issue price of Rs. 350 was announced by the Reserve Bank by a special notification, it was considered unnecessary to make a note on the share certificate as suggested. The shareholder's natural desire to see that the price of Rs. 350 at which the share had been acquired is taken into account in determining the rate of the dividend has already been duly fulfilled by the State Bank declaring its dividend at the rate of Rs. 8 per share for the half-year which is the equivalent of 16 per cent. per annum.

Industrial Disputes and Awards

"As you are aware, the banking industry has been passing through a difficult time during the past eight years with disputes between banks and their employees dragging on from one Award to another without reaching a final solution. Arising out of the modifications made by Government in the Labour Appellate Tribunal's decision, which was implemented by the banks in November 1954, the Bank Award Commission was appointed by Government to conduct a fact-finding enquiry, which submitted its recommendations in July 1955. This Award, known as the Gajendragadkar Award, confirmed the decisions of the Labour Appellate Tribunal, with certain modifications and was accepted *in toto* by Government. Parliament have also given their approval to the Award by passing the Industrial Disputes (Banking Companies) Decision Act, 1955. The banks have accepted the terms of the Award and have interpreted them in a liberal manner, although their impact on certain institutions was considered to be onerous. The employees have taken objection to certain cuts that have been imposed upon them by the application of the Award and have, without resorting to the constitutional remedies provided in the Act, indulged not only in demonstrations but in various forms of direct action, which disrupted normal banking business in a number of centres, particularly in Calcutta.

(Continued on page 417)

STATE BANK OF INDIA

(SUCCESSORS TO THE IMPERIAL BANK OF INDIA)

Incorporated in India under the State Bank of India Act, 1955. The Liability of the Members is Limited.

CENTRAL BOARD OF DIRECTORS

Chairman :—DR. JOHN MATTHAI.
Vice-Chairman :—SHRI VAIKUNTH L. MEHTA.
Managing Director :—SHRI S. K. HANDOO.
Appointed by the Central Government under clause (c) of sub-section (1) of section 19 of the Act :—
SHRI V. N. CHANDAVARKAR.
SHRI BADRIDAS GOENKA.
SHRI S. V. RAMAMURTY.
SHRI NEVILLE NESS WADIA.
SIR GEORGE M. MACKINLAY.
SHRI A. M. M. MURUGAPPA CHETTIAR.

Nominated by the Central Government under clause (d) of sub-section (1) of section 19 of the Act :—
SHRI J. D. CHOKSI.
SHRI R. G. SARAIYA.
SHRI A. D. GORWALA.
PROF. D. R. GADGIL.
SHRI SACHINDRA CHAUDHURI.
SHRI SATYA PAUL VIRMANI.
SHRI MACHANI SOMAPPA.

Nominated by the Central Government under clause (e) of sub-section (1) of section 19 of the Act :—SHRI H. M. PATEL.

Nominated by the Reserve Bank under clause (f) of sub-section (1) of section 19 of the Act:—SHRI B. VENKATAPPIAH.

MEMBERS OF LOCAL BOARDS

BOMBAY

DR. JOHN MATTHAI, *Chairman.*
SHRI V. N. CHANDAVARKAR, *President.*
SHRI J. D. CHOKSI, *Vice-President.*
SHRI NEVILLE NESS WADIA.
SHRI R. G. SARAIYA.
SHRI A. D. GORWALA.
PROF. D. R. GADGIL.
PROF. D. G. KARVE.
SHRI S. L. KIRLOSKAR.
SHRI M. H. HASHAM PREMJI.

CALCUTTA

SHRI BADRIDAS GOENKA, *President.*
SIR GEORGE M. MACKINLAY, *Vice-President.*
SHRI SACHINDRA CHAUDHURI.
PROF. A. K. DAS GUPTA.
SHRI SATYA PAUL VIRMANI.
SHRI DHIRENDRA NATH SEN.
SHRI SURESH CHANDRA ROY.
SHRI DHIRENDRA NATH MITRA.
SHRI SURAJ LAL DASS.

MADRAS

SHRI S. V. RAMAMURTY, *President.*
SHRI A. M. M. MURUGAPPA CHETTIAR, *Vice-President.*
SHRI MACHANI SOMAPPA.
SHRI KASTURI SRINIVASAN.
SHRI T. M. CHINNAIYA PILLAI.
R. E. CASTELL, ESQ.
SHRI R. RAMANATHAN CHETTIAR.

LOCAL HEAD OFFICES: BOMBAY CALCUTTA MADRAS

OVER 250 BRANCHES & SUB-BRANCHES AND 200 SUB-OFFICES

LONDON OFFICE:—25, OLD BROAD STREET, E.C., 2.

REPORT OF THE CENTRAL BOARD FOR THE HALF-YEAR ENDED 31st DECEMBER, 1955

The Directors report that, the usual and necessary provisions having been made, the net profit of the Bank for the half-year ended the 31st December, 1955, amounted to Rs. 68,59,396-1-0 which, with Rs. 33,56,438-13-8 transferred from the Imperial Bank of India, makes a total of Rs. 1,02,15,834-14-8.

This sum the Directors of the Bank have disposed of as follows :—

		Rs.	a.	p.
1.	In payment of a Dividend to the Shareholders at the rate of Rs. 8 per share	45,00,000	0	0
2.	Transferred to Pension Funds	2,78,500	0	0
3.	Bonus to Staff	20,00,000	0	0
4.	Balance carried forward to the Profit & Loss Account	34,37,334	14	8
	Total .. Rs.	1,02,15,834	14	8

The Balance Sheet of the Bank as at the 31st December, 1955, and the Report of the Auditors are annexed, together with a statement of the Profit and Loss Account for the half-year ended the 31st December, 1955.

By Order of the Central Board,
S. K. HANDOO,
Managing Director.

9th February, 1956.

BALANCE SHEET OF THE STATE BANK OF INDIA AS AT 31st DECEMBER, 1955

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL—						
20,00,00,000 shares of Rs. 100 each	20,00,00,000	0	0			
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL— (pursuant to Section 5 (1) of the State Bank of India Act, 1955)—						
5,62,500 shares of Rs. 100 each				5,62,50,000	0	0
2. Reserve Fund and Other Reserves				6,35,00,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	33,90,64,193	14	5			
Savings Bank Deposits	27,92,80,237	4	4			
Current Accounts, Contingency Accounts, etc. ..	164,15,83,667	2	11	225,99,28,103	5	8
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	5,00,00,000	0	0			
(ii) Outside India	....					
	5,00,00,000	0	0			
PARTICULARS—						
(i) Secured by Bills Discounted per contra ..	5,00,00,000	0	0			
(ii) Unsecured	....					
	5,00,00,000	0	0	5,00,00,000	0	0
5. Bills Payable				7,80,78,009	3	7
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	39,71,210	15	4			
(ii) Payable outside India	8,38,910	0	5	48,10,120	15	9
7. Other Liabilities—						
*Dividend for the current half-year	45,00,000	0	0			
Inter-Office Adjustments (after deducting Rs. 9,16,542-6-9 due from Imperial Bank of India)	5,42,64,076	1	3	5,87,64,076	1	3
8. Acceptances, Endorsements and Other Obligations per contra				13,17,894	1	7
9. Profit and Loss—						
Balance transferred from the Imperial Bank of India	33,56,438	13	8			
Net Profit for the half-year	68,59,396	1	0			
	1,02,15,834	14	8			
Amount set aside for payment of a Dividend ..	45,00,000	0	0			
Amount transferred to Pension Funds	2,78,500	0	0			
Bonus to Staff	20,00,000	0	0	34,37,334	14	8
10. Contingent Liabilities—	Rs.	a.	p.			
Claims against the Bank not acknowledged as debts ..	6,49,754	12	8			
Bills of Exchange rediscounted	28,571	7	0			
Outstanding Forward Exchange contracts	16,28,93,925	4	7			
Guarantees given on behalf of Directors, Local Board Members or Officers of the Bank	29,031	4	6			
Guarantees given on behalf of others	4,89,97,724	9	9			
Total .. Rs.				257,60,85,538	10	6

* Of which Rs. 24,75,000 to be credited to Intergration and Development Fund in terms of Section 36 (1) (a) of the State Bank of India Act, 1955.

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank (including foreign currency notes)				25,17,25,404	10	8
2. Balances with Other Banks—						
On current account: (i) In India .. .. Rs. a. p. .... (ii) Outside India 4,20,81,268 9 10						
On deposit:						
	4,20,81,268	9	10	4,20,81,268	9	10
3. Money at Call and Short Notice				1,53,33,333	5	4
4. †Investments (securities valued in accordance with Regulation 73 ; shares, debentures or bonds at or below cost)—						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments				106,40,44,520	11	4
(ii) Shares authorised under the State Bank of India Act, 1955				58,75,952	13	0
(iii) Debentures or Bonds				79,96,875	0	0
(iv) Other Investments—Pakistan and other Government Securities, etc.				9,20,21,901	8	3
†Of which investments of the face value of Pakistan Rs. 2,07,10,900 are pledged against borrowings from other Banks, Agents, etc.				116,97,39,250	0	7
5. Advances—						
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
(i) In India 83,56,05,522 0 11						
(ii) Outside India .. 5,45,38,412 14 0				89,01,43,934	14	11
¶(II) Bills Discounted and Purchased—						
(i) Payable in India .. 14,49,78,666 3 10						
(ii) Payable outside India .. 2,30,02,628 7 0				16,79,81,294	10	10
¶ Of which bills of the value of Rs. 7,95,00,000 are held by the Reserve Bank of India as security against borrowings as per contra.				105,81,25,229	9	9
PARTICULARS OF ADVANCES (see separate Statement appended).						
6. Bills Receivable Being Bills for Collection as per contra—						
(i) Payable in India	39,71,210	15	4			
(ii) Payable outside India	8,38,910	0	5	48,10,120	15	9
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				13,17,894	1	7
8. *Premises Less Depreciation—						
As transferred from the Imperial Bank of India on the 1st July, 1955				1,16,70,315	8	10
Additions (Rs. 29,361-5-0) less Deductions (Rs. 351-8-0) during the half-year				29,509	13	0
Depreciation written off during the half-year ..				1,16,99,825	5	10
				1,54,955	0	0
9. *Furniture and Fixtures Less Depreciation—						
As transferred from the Imperial Bank of India on the 1st July, 1955				44,41,853	14	2
Additions (Rs. 6,08,449-10-2) less Deductions (Rs. 12,316-4-10) during the half-year ..				5,95,633	5	4
Depreciation written off during the half-year ..				50,37,487	3	6
				2,81,564	0	0
10. Other Assets, including Gold and Silver—						
Bullion				....		
Adjusting Account of Interest, Commission, etc.				1,07,94,776	8	10
Stationery, Stamps, Suspense, etc.				58,57,467	2	10
11. Non-Banking Assets Acquired in Satisfaction of Claims						
12. Profit and Loss				....		
* NOTE.—Includes Rs. 4,68,512-10-0 (against which a sum of Rs. 58,947-10-0 is still to be received) being written down value of certain Pakistan assets sold, pending completion of formalities.						
Total .. Rs.				257,60,85,538	10	6

METALS OF RARE SOILS AND THEIR ALLOYS

THEIR VALUE IN INDUSTRY

By Madame Gaume-Mahn
NATIONAL CENTRE OF SCIENTIFIC RESEARCH, FRANCE

OVER the past few years, scientific research has made great strides in the field of mineral chemistry, making a systematic survey of certain subjects and compiling a comprehensive index of physical and chemical properties. Let us consider the section devoted to Rare Earth. We find that the metals of rare soils form a family of 14 elements: lanthanum, cerium, praseodymium, neodynium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium and lutetium, with closely related properties, so closely related in fact that their separation is a very intricate matter and has called for a great deal of time and effort. Several teams of research workers are still working on them, both in France and abroad. In what way can these metals, so difficult to obtain, be used?

In their pure state, these elements have very few applications by reason of their high cost price and their oxidation properties. However, they do possess certain exceptional properties. Gadolinium is sensitive to magnetism below 16° C. and its ferro-magnetic moment is higher than that of iron. Considering the small number of metals possessing this property, it is highly probable that this metal could be used in the production of permanent magnets. Another curious element, only recently isolated, is thulium, of which the artificial isotope, of atomic mass 170, possesses the extraordinary property of giving off X-rays which can be used in making diagrams and negatives. This source of X-rays, already in use in medicine, may profitably replace the cumbersome equipment hitherto used.

But it is in the form of alloys that the metals of rare earth are at present chiefly used. A recent survey made by Monsieur Ballay gives an idea of the progress made in this field.

First of all, let us mention the alloy of lighter flints, ferro-cerium (30 per cent. iron and 70 per cent. cerium), with which everyone is familiar, and which will probably continue in use for a long time to come.

In the fusion of metals, the addition of small quantities of cerium (0.02 per cent.) induces desulphurisation and considerably improves the mechanical properties. This improvement can be readily understood on examination of the metals fused; they contain graphite which becomes localised in lamellate or granular form. It is particularly desirable to have the graphite crystallise in this latter form, for the lamellæ situated among the iron crystals create lower resistance areas. Very small quantities of cerium help the graphite to separate in the form of granules.

In magnesium fusing, certain elements, called subversive elements, such as lead, bismuth, antimony, aluminium and titanium prevent the crystallisation of the graphite in the form of almost spherical. The addition of cerium or misch-metal (mixed metal comprising most of the non-separated rare earth) neutralises the influence of these elements.

The properties of steels are also improved by the addition of misch-metal: increase in shock resistance at low temperature, improvement in welding qualities. In fact, in the cases of metals of rare earth, sulphur inclusions give sulphides with a low fusion rate which solidify before combation, giving rounded inclusions which cause much less difficulty among the primary grains than films or chain structures.

It is in the field of stainless steels that the rare earth have produced the most spectacular improvements. Certain special steels, composed of many elements, are almost impossible to work under heat (processes such as forging, and laminating). The addition of small quantities of rare earth enables such work to be carried out. Apart from misch-metal, the use of cerium fluoride has been suggested, chiefly for stainless steels containing titanium.

With regard to light alloys, with an aluminium or magnesium basis, the role of the rare earth is chiefly to improve the mechanical properties under heat (resistance to extrusion). In this case, the metal contents of the rare earth must be higher (about 10 per cent.). Among light alloys, remarkable results have been achieved in the matter of resistance to extrusion, with the alloy Mg-Zn-Misch-metal.

The field of research is a vast one by reason of the enormous variety of alloys possible between the known metals and those of rare earth. Hitherto, industry has mainly been concerned with the use of misch-metal without seeking to determine the individual effect of such and such a rare metal. Apart from its scientific interest, this systematic study would help us to a better knowledge of the properties of alloys by understanding their composition. There is a great deal of research to be done in this line.

From the few examples quoted, it will be readily seen that rare earth have taken their place in metallurgy, and it seems that this place will become increasingly important in the years to come.

STATE BANK OF INDIA—*(Continued)*

PARTICULARS OF ADVANCES

	Rs.	a.	p.
(i) Debts considered good in respect of which the Bank is fully secured ..	94,58,01,558	7	9
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	3,11,74,770	2	7
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	8,11,48,900	15	5
(iv) Debts considered doubtful or bad, not provided for	....		
	105,81,25,229	9	9

	Rs.	a.	p.
(v) Debts due by Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons ..	1,89,810	1	11
(vi) Debts due by companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	15,13,14,189	7	8
(vii) Maximum total amount of advances, including temporary advances made at any time during the half-year to Directors or Local Board Members or Officers of the Bank or any of them either severally or jointly with any other persons	2,51,614	5	3
(viii) Maximum total amount of advances, including temporary advances granted during the half-year to the companies or firms in which the Directors or Local Board Members of the Bank are interested as directors, partners or managing agents or, in the case of private companies, as members	15,19,59,620	14	6
(ix) Due from banking companies	8,42,62,857	8	10

PROFIT AND LOSS ACCOUNT FOR THE HALF-YEAR ENDED 31st DECEMBER, 1955

EXPENDITURE	Half-year ended 31-12-1955 Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	64,26,044	15	2
2. Salaries and Allowances and Provident Fund (including Salaries and Allowances of Chairman Rs. 24,000-0-0 and Managing Directors Rs. 52,635-7-9 for the half-year)	2,29,26,922	9	10
3. Directors' and Local Board Members' Fees and Allowances	50,550	0	0
4. Rent, Taxes, Insurance, Lighting, etc..	11,88,928	15	3
5. Law Charges	88,979	11	8
6. Postage, Telegrams and Stamps	3,20,561	3	4
7. Auditors' Fees	25,000	0	0
8. Depreciation on and Repairs to the Bank's Property	6,02,591	10	1
9. Stationery, Printing, Advertisement, etc.	13,31,618	5	5
10. Loss from Sale of or Dealing with Non-Banking Assets	....		
11. Other Expenditure	13,14,714	9	7
12. Balance of Profit	68,59,396	1	0
Total .. Rs.	4,16,10,288	1	4

INCOME (less provision made during the half-year for bad and doubtful debts and other usual or necessary provisions)	Half-year ended 31-12-1955 Rs.	a.	p.
1. Interest and Discount	3,02,19,815	13	0
2. Commission, Exchange and Brokerage	1,12,13,240	1	10
3. Rents	1,77,232	2	6
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets	....		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets	....		
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	....		
7. Other Receipts	....		
8. Loss	....		
Total .. Rs.	4,16,10,288	1	4

REPORT OF THE AUDITORS TO THE PRESIDENT OF INDIA

We, the undersigned Auditors of the State Bank of India, appointed under Section 41 (1) of the State Bank of India Act, 1955, do hereby report to the Central Government upon the Balance Sheet and Accounts of the Bank as at the 31st December, 1955.

We have examined the above Balance Sheet and the Profit and Loss Account and the Accounts relating thereto of the Central Office and the Local Head Offices at Bombay and Calcutta and the Returns submitted and certified by the Secretary and Treasurer of the Local Head Office at Madras and by Branch Agents, which Returns have been incorporated in the above Balance Sheet and Accounts, and report (i) that, in our opinion, the Balance Sheet is a full and fair one, containing all the necessary particulars and properly drawn up so as to exhibit a true and correct view of the affairs of the Bank, according to the best of our information and the explanations given to us and as shown by the Books of the Bank ; (ii) that where we have called for any explanation or information such explanation and information have been given to us and have been satisfactory ; (iii) that the transactions of the Bank which have come to our notice have been within the powers of the Bank ; (iv) that the Returns received from the Local Head Office at Madras and from the Branches of the Bank have been found adequate for the purpose of our audit ; (v) that the Profit and Loss Account shows a true balance of profit for the period covered by such account ; (vi) that in our opinion, the Balance Sheet and Profit and Loss Account are drawn up in conformity with the law ; and (vii) that, in our opinion, Books of Account have been kept by the Bank as required by law.

The audit of the Books and Accounts of the Central Office has been carried out jointly by Messrs. S. B. Billimoria & Co. and Messrs. Ray and Ray. The audit of the Books and Accounts of the Local Head Offices has been carried out at Bombay by Messrs. S. B. Billimoria & Co. and at Calcutta by Messrs. Ray and Ray.

S. B. BILLIMORIA & CO.,
RAY AND RAY, } *Auditors.*

V. N. CHANDAVARKAR,
NEVILLE N. WADIA,
J. D. CHOKSI,
R. G. SARAIYA,
A. D. GORWALA,
D. R. GADGIL,
B. VENKATAPPIAH,
BADRIDAS GOENKA,
G. M. MACKINLAY. } *Directors.*

JOHN MATTHAI,
Chairman.
VAIKUNTH L. MEHTA,
Vice-Chairman.
S. K. HANDOO,
Managing Director.

9th February, 1956.

EAST INDIA DISTILLERIES AND SUGAR FACTORIES LTD.

MR. C. R. SRINIVASAN'S ADDRESS AT FIFTY-EIGHTH ANNUAL MEETING

MISGIVINGS ABOUT PURCHASE OF PARRYS' SHARES AND CAPITAL REORGANISATION CLEARED

THE Fifty-eighth Annual General Meeting of the East India Distilleries and Sugar Factories Ltd. was held at Madras on 23rd February 1956. Addressing the shareholders of the Company on the occasion, Mr. C. R. Srinivasan, Chairman, devoted almost the entire speech to clear the misunderstanding that had prevailed among a section of the shareholders about the terms offered by the Company for purchasing the entire paid-up ordinary capital of Messrs. Parry & Co., Ltd., and about the move for consolidation of 'A' and 'B' shares into one class of ordinary shares.

The following is the full text of Mr. C. R. Srinivasan's speech:

"GENTLEMEN,

"For the first time in the history of this Company, with a record, extending to well over 50 years, of great achievements in the industrial sector to its credit, you find an Indian presiding over the annual meeting of the Company. I have ventured to draw your attention to this fact for the reason that it has a significance that should not be missed. The E.I.D. is a sterling company registered in U.K., but with all its business interests in India. The management and control of the Company were shifted to India with the advent of *swaraj* and vested in a Board of Directors, on which the majority at the moment continues to be Europeans. In keeping with the spirit of the times, however, I expect an Indian majority to serve on the Board presently. During recent years, the majority of shareholding also has moved to this country and, in due course, I expect the Company will be placed on the Indian Register with a rupee capital. We are today on the edge of an expanding economy and naturally it is expected of every concern operating in the country to give of its best in the service of the motherland. It is in the confident hope that I can count on your goodwill and co-operation to make this Company play its allotted role in the redemption of our economy that I have made bold to accept additional responsibilities.

Confidence Not Misplaced

"That this confidence is not misplaced has been abundantly proved by what has happened during the past 48 hours. Shareholders in Madras will, doubtless, be aware of the litigation in which the Company and its Directors have recently been involved and which precluded us from proceeding with the consideration of one of the resolutions to be placed before you at the annual general meeting on the date convened, and with the consideration of any business at the class meetings and extraordinary general meeting convened for the same date. The main contentions of the plaintiff, who is a substantial shareholder in your Company, were (a) that your Company was offering to pay too high a price to the ordinary shareholders of Parry & Co., Ltd., who include certain of your Directors as stated in the documents annexed to the Directors' report circulated to you, (b) that the ratio of five Parry & Co., Ltd., shares for one E.I.D. 'B' share was unfavourable to the E.I.D. 'B' shareholders and (c) that the proposed capitalisation of reserves in favour of 'A' shareholders in the Company and equalising it with the 'B' share rode roughshod over the rights of the 'B' shareholders. Following the appeal I had made when adjourning the meetings, discussions were held by members of your Board with the shareholder concerned and I am happy to inform you that we were able to satisfy him that the price offered and the ratio proposed for exchange of shares by your Company to Parry & Co., Ltd., ordinary shareholders were fair and reasonable. Incidentally, I think it right that, in view of the publicity that the case has attracted, I should make it clear to you that such of the Directors of your Company as may claim to control the major shareholding in Parry & Co., Ltd., had *suo moto* at the time the original offer was made offered to accept a smaller price for those shares than that offered to individual shareholders, namely, Rs. 4-8, as against Rs. 5-8. This is clearly set out in the terms of the offer of 18th October 1955. This is *prima facie* evidence of their *bona fides*. As regards the other points made by the plaintiff who claims to speak for certain other 'B' shareholders also, his case was that the 'B' shareholders were being unfairly treated by the proposed conversion of 'A' shares into ordinary shares. It has never been the practice of your Board to attempt to ride roughshod over the rights of any class of shareholders and the argument that the resolution deprives 'B' shareholders of their rights to surplus profits in the Company, while only conferring on them the right to share in the surplus assets on liquidation, is not without force in the present context. Your Board after careful consideration of the matter has now come to the conclusion that they should approach the necessary authorities with a view to obtaining permission to capitalise reserves to the extent of £75,000 and issue simultaneously bonus shares to existing 'B' shareholders also in the ratio of 1 to 4, being the same ratio as the contemplated bonus issue in favour of 'A' shareholders. On receipt of assurances that this consent would be sought and that the class meetings and that part of the extra-ordinary general meeting dealing with the capitalisation of reserves would be adjourned to a suitable date the plaintiff withdrew the suit. It is but fair that I should state that the plaintiff has shown by the way he reacted to my appeal that the action he took was not intended in his own self-interest or for his own benefit, but to safeguard what he considered to be the rights of the shareholders generally, and 'B' shareholders in particular. Whilst ordinary shareholders of Parry & Co., Ltd., who have accepted the offer made to them by your Company and have elected to accept 'B' shares in lieu of cash will not participate in the proposed bonus issue to existing 'B' shareholders, I am happy to state that their rights will be fully protected as a result of a generous decision taken by the shareholders of the Coromandel Investment Trust Ltd. The persons concerned will receive in due course a letter from the Coromandel Investment Trust advising them of what is proposed.

Future of Sugar Industry Uncertain

"Let me now deal with what is relevant for consideration at the annual meeting. The report and accounts for the year ended 30th September 1955 have now been in your hands for some time and, with your permission, I propose to take them as read; the report of the Directors, as usual, gives a very full account of the activities of the Company during the year under review and I do not think there is any need to amplify what has already been stated in the report except to express the hope that you will share the satisfaction of the Board in the substantial improvement in the profits of the Company which has been recorded during the year under review. During the 1954 sugar season, the estimated all-India consumption of white sugar fell to 17 lakhs of tons, as against which the production of the Indian factories amounted to slightly under 16 lakhs of tons. The Government continued to import sugar and imports in this country during the season were over 5 lakhs of tons. This has resulted in an increase in the level of sugar stocks in the country from approximately 60,000 tons at the commencement of the sugar season to approximately 525,000 tons at the end. Licences have been issued for the integration of new units of production and the second Five-year Plan estimates consumption potential to move up to 22 and odd lakhs of tons by the end of the period. Desirous as I am to give due weight to this estimate, I wonder, if it is prudent for this Company to depend so much on the profit potential of the sugar industry to service its large capital. You will remember that Mr. S. G. H. Davis, my predecessor in office, in his address at the last annual meeting referred to the aura of uncertainty shrouding the future of the sugar industry. This uncertainty, I am afraid, continues to prevail and your Directors have, therefore, given time and thought to the possibilities and potentialities of your Company expanding its interests in other directions. The changes in Company Law which are due to come into force from April next, emphasise also the need for some hard thinking in respect of reconstruction both in structure and management.

Purchase of Parrys' Shares

"It is against this background that, in October last, your Directors decided to make an offer to Messrs. Parry & Co., Ltd., for the purchase of the whole of the issued ordinary share capital of the Company. Particulars of this offer and the advantages we expect to accrue are clearly set out in the Directors' report. The novelty of the proposal, for one thing, and the terms offered, for another, have attracted attention and provoked comment in some quarters, but it only needs dispassionate consideration to establish that the proposals made are fair to both companies, and, if anything, the E.I.D. shareholders stand to benefit by the transaction. Parrys have an established reputation all over the country. A study of their last balance-sheet will bear out that the price we offer is amply covered by real assets. It is relevant to point out in this context that no price is offered for the goodwill of Parry and Company; no compensation is paid either for the benefit arising from the agencies held by this firm; nor is any consideration paid for the transfer of a well-knit organisation, operating in the main cities of India and holding valuable internal and international connections. In fact, E.I.D. will only be paying fair value on investments and none for services.

"The purchase will include the Parry 1955 profit, subject to a small interim dividend of 5 per cent. paid in last October, and the profits for the year are rated higher than the figure for 1954. After servicing the Parrys' preference share capital, the net amount of Parrys' profits available for E.I.D. equity will exceed Rs. 10 lakhs and there is no reason to presume, on the data available, that this figure will not be maintained and improved upon in future. The ordinary dividend on the extra shares we propose to create in E.I.D., including the present 'A' share capital, will not cost more than Rs. 3 lakhs a year and, therefore, the advantages of the purchase, so far as the E.I.D. is concerned, are obvious. Apart from the direct benefits I have above referred to, the indirect advantages that will accrue to the E.I.D. are even more important, in the dynamic conditions which prevail today. We are on the threshold of a new industrial era and whoever can command talent and resources will most certainly play a great part in the build-up of our new economy. The E.I.D. has the resources, but has not the advantage of independent talent at its control, to make good. Parrys offer that in good measure; and in the new set-up contemplated, E.I.D. will control Parrys and not *vice versa*. Directed by a Board, whose concern will be to study and serve Indian interests, and possessed of the advantages that an institution like Parrys can offer, I hold that the future of the E.I.D. is assured. I commend, therefore, in all sincerity, the resolution that is placed before you in this behalf for confirmation.

'A' and 'B' Class Shares

"Shareholders have been duly notified that following this meeting, separate class meetings of 'A' and 'B' shareholders and an extraordinary general meeting thereafter will be held. Since giving notice and, as a result of exchange of views with shareholders who had alternative suggestions to make in the adjustment of equity between 'A' and 'B' shares prior to their integration into one class, the Board of the E.I.D. desires that these two class meetings be adjourned with your permission to Thursday, 29th March 1956, at 3-30 p.m. to enable the Board to take necessary action on the lines indicated. As a consequence, consideration of the first resolution set out in the notice of the extraordinary general meeting to the shareholders will also stand adjourned to the same day at 4 p.m. But the extraordinary general meeting will, however, proceed to consider and, if thought fit, to pass the second resolution, notice of which has been duly given. I hope I shall have your support for this course of action.

Misunderstanding Clarified

"In view of the misunderstanding that has prevailed in some quarters, I feel I should avail myself of this opportunity to set out the position in proper perspective. The first resolution intended to be placed before the extraordinary general meeting, but now to be adjourned, proposes that the nominal and paid-up value of each 'A' share, which was reduced to 16s. in 1903, should be restored to £1 and that 'A' and 'B' shares should both be converted into a new class of ordinary shares ranking *pari passu*. The first point to note in this context is that 'B' shareholders were not primary shareholders of the Company. The original shareholders of the Company were preference shareholders and 'A' shareholders. 'B' shareholders came to be created to adjust equities between these two; and that was taken on hand in the first stage of reconstruction. What is now proposed is the second stage of reconstruction. When people talk of the rights of 'B' shares they seem to forget that without 'A' shares there would have been no 'B' shares. I have heard arguments advanced that the equities of 'A' shareholders are sufficiently covered by the initial allotment of 'B' shares to them. This to my mind is merely begging the question. Obviously, bonus shares can only be allotted to the then existing shareholders. The present position is that the 'A' shares are entitled to all surplus assets of the Company and 'B' shares to all surplus income. It cannot be denied that any scheme for reorganisation or development must inevitably trench on the rights of one or the other class of shareholders. By way of illustration, I may point out that this question cropped up when Parrys Confectionery Ltd. was promoted and 'A' shareholders had to be satisfied that their rights would be adequately safeguarded. The powers that 'A' shareholders possess over surplus assets, therefore, are neither unreal nor illusory as some imagine. Should the Company be transferred to the Indian Register, for example, the problems posed would prove very real indeed. On a balance of considerations, the proposals should normally commend themselves, if it is remembered that 'B' shares were largely the creation of 'A' shares, that they came into the picture to achieve a definite purpose, and that it is to the interests of 'B' shareholders to recover their freedom of action for separating and streamlining their range of activities as and when need or occasion arises. However, during the last few days, as I have already indicated, another point of view has been firmly put before us and it could not be ignored. It is conceded that these two classes of shares should be merged into one. Only the question of capitalising a part of the reserves for the purpose of raising 'A' shares from 16s. to £1 before merging them with 'B' shares, it is argued, is inequitable and it has been suggested that, in order to protect the interests of the present 'B' shareholders, it would be desirable to capitalise another £75,000 from the reserve and issue it to present 'B' shareholders simultaneously. The idea is that, if £20,000 are to be capitalised for £80,000 worth of 'A' shares in the same proportion, £75,000 may be capitalised for £300,000 worth of 'B' shares. Certainly, the Company can afford to do this from its resources. If such a step will eliminate any undercurrent of discontent, it is certainly worth attempting. The Directors are agreeable to do so, but time is needed to make an application to the Controller of Capital Issues and get Government sanction for this additional bonus issue. That is why this adjournment is proposed.

Company Will be Controlled by Directors

"The second resolution is conditional and consequential upon the Company's offer dated 18th October 1955, to purchase the ordinary shares in the capital of Parry & Co., Ltd., becoming effective, in which event that Company will cease to be Managing Agent for your Company which will then become Director-controlled. It is, therefore, necessary that the Articles of Association should be altered in order to remove the present powers of the Managing Agents and to provide for the appointment of Executive Directors and for the provision of powers for such Directors.

"Before concluding, there is one other point I should like to refer to. For some years past, the Auditors of the Company have received remuneration of Rs. 6,000 per annum in respect of their statutory audit and have, in addition, received a fee of Rs. 5,000 per annum, plus out-of-pocket expenses, for carrying out an internal audit of the Company's factory accounts. The Auditors are of the opinion that the factory audit should form part of their statutory audit and have accordingly requested that the remuneration to be voted to them should be Rs. 10,000 per annum, plus out-of-pocket expenses, and the resolution has been framed to this effect. The total amount payable to the Auditors will, therefore, be Rs. 1,000 per annum less than in past years, this sum representing the cost of the factory audit at Nellikuppam, applicable to Parrys Confectionery Limited.

"In conclusion, I would like, on behalf of us all, to express our appreciation of the services of the Company's staff and labour during the year under review, which have so largely contributed to the satisfactory financial results. Before proposing the adoption of the report and accounts for the year ended 30th September 1955, I shall be glad to answer any questions which any shareholder may wish to put to me concerning such report and accounts."

HARNESSING OF SOLAR ENERGY

IS IT A FEASIBLE COMMERCIAL PROPOSITION?

By Rene Sudre

THE uninitiated who speak of using solar energy perhaps forget that agriculture already does so, since, by the still mysterious mechanism of protosynthesis, it is the sun which makes the plants, on which all life on the earth is dependent, grow. It is our foster-mother, the sun, which also assures the circulation of water in the atmosphere and thus keeps up the supply of water-power and stream-power which add to the energy of coal, another product of its solar activity during the first stages of the globe. In actual fact, solar energy is never lost, because it maintains the earth's temperature at a constant average and is responsible for a whole host of meteorological phenomena that one may sometimes find troublesome on a small-scale, but which go to make up a general harmony.

However, when one sees the energy given out over the immense sterile stretches of the Sahara, for example, one cannot help thinking that one could capture a good deal of it without harming the life of the rest of the planet. At the limits of the atmosphere, a surface of a square yard perpendicular to the sun's rays would receive a little more than 19 large calories per minute, that is to say, the third of a kilowatt-hour per hour. At soil level, the quantity can vary a great deal, because it depends on latitude, the density of the atmosphere crossed by the rays, the height of the sun, and the orientation of the receiver. In addition, with heat, energy subject to reduction, one must take into consideration its quality, that is to say, the temperature at which it arrives. The higher the temperature, the greater the amount of brute energy or electricity. It is for this reason that it is so advantageous to concentrate the heat by optical means.

French Experiments

A congress at Arizona in America had recently assembled several hundred scientists, in order to discover the best methods of using solar energy. It seems that there is not much optimism as to the time when nuclear energy will be universally used by industry, and it is known it will not be long before man will have exhausted the reserves of coal and petroleum. The sun is now counted on to provide the supply of energy that it once amassed in the bowels of the globe. The apparatus for extraction, which is known as a solar furnace, fortunately does not cost too much. The problem has been studied for a long time and solutions to it were found in France. We must remember that Buffon succeeded, by means of 130 mirrors and lenses, to make wood catch alight and even to make a piece of sheet-iron glow red at a distance of 65 metres. In 1772-1774 Lavoisier built a system of two big lenses drawn by a cart and free to swivel owing to mechanical works. The heat concentrated on the focussing-point easily melted iron and even platinum.

Experiences of this kind were abandoned for a century and a half, but a French scientist, M. Felix Trombe, started them up again after the war at Meudon, under the patronage of the National Centre for Scientific Research. The results obtained were so encouraging that General Bergerson, President of the Committee for Scientific Action at the Ministry of National Defence, created a Solar Energy Committee composed of high-up personalities. Mr. Trombe and his collaborators succeeded in doubling the temperatures obtained by Lavoisier. Even the most refractory oxides, ranging from aluminium (2,050°) to magnesium (2,800°), were melted. Even graphite was vaporised. Theoretically in a vacuum, without causes of absorption and loss, the temperature at the focussing point of a parabolical mirror should rise to that of the outer surface of the sun, that is to say, about 6,000°. No earthly body could resist this extreme heat. One is usually satisfied with collecting a little more than half.

Experience at Meudon

The experiences at Meudon lasted three years (1946-49), after which the Centre for Scientific Research sought a more favourable climate in the south of France. Its choice fell on Montlouis in the Eastern Pyrenees where the sunshine is almost perpetual. M. Trombe installed there a semi-industrial solar furnace of from 60 to 75 kw. in power. The reflector system is a paraboloid, 90 metres square. As it would have been difficult to realise such a curved surface out of a single piece, it was built by the juxtaposition of small squares of sheet glass of 50×50 cm. and a few millimetres thick. These squares are flat, but, by a special system, they acquire the necessary curve which is always very slight. The general fitting is obtained at the laboratory by geometrical methods. The focussing point of the paraboloid is six m. away from the top. The surface of the squares is silvered.

In order to follow the position of the sun, the mirror required to be constantly orientated by means of an equatorial frame similar to that of a telescope. With such a large surface, the problem was without a solution. The reflector has, therefore, been fixed in the vertical position and a beam of horizontal light is sent back on to it by means an automatic free-swivel mirror. It has a surface of 135 mq. and is formed like the reflector of a number of flat mirrors, 50×50 cm. The orientation in the two rectangular directions is given by motors directed by photo-electric cells. The cells are placed in the form of a cross around the opening of a screen through which a part of the reflected ray must always cross. If the ray ceases to be in the centre, it bites into the cells which make the motors undertake the necessary corrections.

Not A Dream

The prototype at Montlouis has been realised with a view to a maximum of low costs. As M. Trombe declared, it can easily be improved and, above all, enlarged in order to obtain a better output. It is not a wish-dream, according to him, to think of building a unit of 1,000 kw. along the same lines. At the American Congress at Arizona, it was pointed out that solar furnaces, of course small models, cost between 15 and 50 dollars. With large-scale production, it would be possible to produce them for 5 dollars, which means that they would be within the means of poor populations in sunny countries. Installations for central heating by water vapour are envisaged. The solar energy, instead of being concentrated on a single point, will be spread out by accumulation in a cavity and will then slowly give off its heat. This is the "golden energy" of which M. Trombe spoke.

Without at the moment counting too much on household services, France is interested in its industrial uses. Metallurgy there would find a much less expensive energy than electric energy, even in the water-power districts. For the fusion of precious metals and the preparation of their alloys, a furnace of 100 kw. like that of Montlouis would allow for the treatment of hundreds of kilogrammes of matter a day. The solar furnace can be adapted to the needs of the ceramic industry in which the baking of articles does not need such high temperatures.

The chemical industries also use golden energy, for example, in the synthesis of nitric acid from atmospheric nitrogen. This is a reaction which has been studied in detail by M. Trombe. At a temperature of from 2,500°-3,000° it is very economical. As for the transformation of the heat into mechanical energy, it is extremely advantageous at a high temperature and one day we will no doubt see solar generating stations in privileged countries. Perhaps the desert will one day be a flourishing region.

HEDGE TRADING IN COCONUT OIL

FORWARD MARKETS COMMISSION'S VIEWS

THE recognition granted to the Alleppey Oil Millers' and Merchants' Association, Alleppey, to conduct forward trading in coconut oil, as reported in these columns last week, is the outcome of a comprehensive enquiry conducted by the Forward Markets Commission into the position of the coconut oil industry. The Commission's report on the subject is undoubtedly the latest authoritative document which throws a flood of information on production, consumption and marketing of coconut oil in the country. In the view of the importance of the oil as raw material to the soap industry and as an edible commodity, especially to the people in the South-West Coast of India, the brief account of the coconut oil industry given below will be of benefit to those interested in it.

In India, the coconut palm grows in abundance right from the low-lying coastal areas to the far-off places in the interior. The most important region, however, is the South-Western Coast of the country, otherwise known as "Keralam" (Land of Coconuts) which extends over a narrow strip of land between the Western Ghats and the Arabian Sea and comprises the coconut area in Travancore-Cochin State and in the Malabar district of Madras State. This region accounts for more than one million acres of coconuts and more than two-thirds of India's coconut industry is concentrated there. The other important producing regions occur in deltas of the Cauvery, Godavari, Krishna and the Mahanadi Rivers and the Mysore plateau lying at a height of about 2,500 ft. from the mean sea level.

The table below shows the area and production of coconuts in the different States of the country in 1952-53.

	Area Thousand acres	Production of coconuts
Travancore-Cochin	663	1,335,478,000
Madras	639	1,994,490,000
Mysore	174	273,961,000
Bombay	32	47,351,000
West Bengal	18	22,205,000
Orissa	11	33,669,000
Assam	4	21,912,000
Others	1	2,000,000
Total	154	3,310,066,000

The area and production of coconuts in India in each of the ten years ended 1952-53 are given in the table below:

	Area under coconuts Thousand acres	Production of coconuts
1943-44	1,403	3,180,123,000
1944-45	1,486	3,217,834,000
1945-46	1,490	3,277,072,000
1946-47	1,499	3,284,770,000
1947-48	1,517	3,256,567,000
1948-49	1,534	3,303,227,000
1949-50	1,542	3,310,485,000
1950-51	1,548	3,323,364,000
1951-52	1,552	3,379,252,000
1952-53	1,544	3,301,066,000

The inner fruit of the tender coconut, when dried, is termed copra and is used partly for edible purposes and partly for crushing to obtain coconut oil. What is left over after extracting oil from copra is known as poonac or coconut oilcake, and serves as cattle feed. The fibre of the palm tree, known as coir fibre, is another of its important by-products. Indeed, it can be said that practically every part of the tree is brought into the service of mankind.

It is estimated that half of the tender coconuts grown is consumed for edible purposes, the remaining half being left for drying. Copra is either sun-dried or artificially dried. The latter is also called "smoked" copra and does not fetch as good a price as that of the sun-dried variety. Mechanical methods of drying copra are in vogue in other parts of the world but are rarely employed in India.

Yield of Oil

In India, about 20 per cent. of the total amount of copra, produced or imported, is used for edible purposes, while the balance is crushed into oil. The yield of coconut oil varies from about 65 per cent. in weight in case of mechanically dried or fully sun-dried copra to about 62.5 per cent. in case of smoked copra. The yield of oilcake is about 32 per cent. in weight. Clean coconut oil is obtained by storing the crushed oil in containers for about one full day for sediment to settle down.

The total production of coconut oil, crushed from imported as well as indigenous copra, amounted to 131,000 tons in the year 1952-53. The States of Travancore-Cochin and Madras shared equally between themselves about 86 per cent. of the total Indian production. The output in the Travancore-Cochin State shows practically no change over the years, while that in Madras shows an increase to some extent. The other States producing copra are Bombay, West Bengal, Orissa and Assam.

The estimated annual production of coconut oil from Indian and imported copra for the 10-year period ended 1952-53 is indicated below:

(In tons)

Year	From Indian copra	From imported copra	Total output of coconut oil
1943-44	105,369	23,669	129,188
1944-45	106,575	29,005	135,580
1945-46	105,981	21,859	130,476
1946-47	105,598	2,669	123,295
1947-48	107,992	12,614	120,516
1948-49	109,448	2,234	111,702
1949-50	168,574	7,940	117,514
1950-51	110,121	5,283	115,404
1951-52	111,967	7,139	119,106
1952-53	119,391	12,014	131,405

The Indian Central Coconut Committee has formulated plans for increasing the production of coconuts by 30 per cent. during the second Five-year Plan through intensive cultivation and pest control measures. On this basis, the target of coconut oil output to be reached by 1960-61 is estimated at 140,000 tons.

India is importing increasing amounts of both copra and coconut oil. Imports of copra rose from 4,000 tons in 1948-49 to 30,000 tons in 1953-54, and imports of coconut oil from 7,000 tons to 26,000 tons over the same period. The principal source of imports of copra is Ceylon, and the copra imported from the Island rose from 3,000 tons in 1948-49 to 19,000 tons in 1953-54. Coconut oil is imported from various other sources also, such as Straits Settlements, Ceylon and the Federated Malaya States.

Among the principal vegetable oils consumed in India, coconut oil is the only one which is imported, the other oils like groundnut oil, castor oil, linseed oil, rapeseed oil and mustard oil being on the export list.

Coconut oil is traditionally employed for edible purposes in Travancore-Cochin. It is also used in the manufacture of soap, as it has a higher saponific value than hydrogenated groundnut oil. The oil is also used in certain toilet preparations and as an illuminant and lubricant in certain parts of the country.

The second Five-year Plan envisages a production target of 250,000 tons of soap by 1960-61. On this basis, the industry's total requirements of coconut oil are estimated at about 50,000 tons.

Marketing

In marketing of copra and copra oil, the grower, the middleman, the crusher or miller, and the shipper, who buys coconut oil in his own containers through non-transferable contracts with the miller and ships the oil, figure prominently. The operations of copra crushing normally extend throughout the entire year. The busy season for millers is from about 15th February to 15th May. During this period, they take advantage of large arrivals of copra in the terminal markets to replenish their stocks so as to provide for rainy days, when arrivals of copra dwindle down to a meagre quantity owing to difficulties of drying and transport.

Prices of copra and coconut oil influence the prices of other oilseeds and oils and normally remain at relatively higher levels. In India, prices generally exhibit a trend similar to those in London which are the index of world prices. Since the beginning of World War II coconut oil prices have risen considerably. Between 1938-39 and 1945-46, the price of coconut oil rose from Rs. 200 to Rs. 709 per ton. When price control was removed in 1947, the rate advanced to Rs. 1,925. Subsequently, the devaluation of 1949 and the Korean War were instrumental in raising prices to an all-time high of Rs. 2,413 per ton in October 1951.

The tide, thereafter, turned and a decline in prices set in. It was partly due to a general fall in commodity prices and partly to the halt in the U.S. stockpiling programme. The reduction of import duty in November 1951 also accentuated the fall and, by March 1952, the rate came down to Rs. 1,212 per ton. There was a recovery to Rs. 1,878 by March 1953 and the price ruled around this level till the monsoon period 1954. Heavy arrivals from Ceylon at competitive rates brought about a downward trend again and the quotation dropped to Rs. 1,440 in April 1955. Subsequently, it staged an upward trend to touch Rs. 1,720 per ton towards the end of June that year. The present rate is Rs. 1,500 per ton.

Futures trading has been conducted only in coconut oil and not in copra or coconuts. It is confined to two centres in Travancore-Cochin, namely, Alleppey and Cochin. Apart from these, there does not seem to be any tradition of a futures market in any part of the country in this commodity. In Bombay, the Oil Merchants' Chamber has been conducting non-transferable contract but has not been engaged in hedge trading.

Is Futures Trading Necessary?

The Forward Markets Commission examined the question whether coconut oil was a suitable commodity for futures trading and whether there was need for permitting such trading in any part of the country. On the first issue, it came to the conclusion that there was a need, because coconut oil met all the principal requirements for the successful operation of a futures market. First, coconut oil is a standardised commodity and does not suffer from the existence of complicated varieties. Secondly, its prices have been fluctuating over a wide range since the last few years and the consumers cannot plan their purchases ahead without a futures market. Thirdly, the demand for coconut oil is wide, as it arises from a number of agencies such as soap manufacturers, producers of toilet articles and individual consumers. Fourthly, its supply is large but is concentrated on the West Coast of the country. The millers have to hold large stocks of copra and are, therefore, in need of hedge facilities. Fifthly, the functioning of two or three futures markets at Alleppey and Cochin in the past has shown that an adequate number of operators are available to deal in the commodity, and to hold its stocks. Lastly, ample storage facilities exist at terminal markets like Calicut, Cochin and Alleppey and stocks can be stored without deterioration in quality.

Applications Invited

With a view to granting recognition for conducting futures trading, the Commission invited applications from bodies interested in the operations. Three organisations responded to the invitation, namely, the Alleppey Oil Millers' and Merchants' Association, Alleppey (T.-C. State), the Oil Merchants' Association, Mattancherry, Cochin (T.-C. State), and the Oil Merchants' Chamber Ltd., Bombay. Both Alleppey and Cochin, from where two applications came, are served by adequate transport communications. Both are connected with important coconut centres in the interior. Both have telephone facilities. They are also well served by banking facilities. Futures trading was conducted at both the centres in the past. But Alleppey, according to the Commission, has a few more favourable advantages than Cochin. In the immediate vicinity of Alleppey, important coconut-growing areas are situated. Secondly, a large number of millers and dealers reside in Alleppey and an adequate number of operators are available to deal in the commodity and hold stocks. Thirdly, futures trading in coconut oil has been conducted at Alleppey more or less without any break for the last eight years under the auspices of two independent associations. One of these, namely, the Alleppey Chamber of Commerce, supported the application of the Alleppey Oil Millers' and Merchants' Association. Consequently, the Commission recommended the case of this Association for recognition. The recognition is for a period of three years and for the whole of India, subject to certain modifications in the by-laws of the Association on the lines indicated by the Commission.

As regards the application from the Oil Merchants' Chamber, Bombay, the Commission was of the opinion that three factors, namely, long distance of the city from the coconut oil producing area, small arrivals of copra and coconut oil, and absence of any tradition of futures trading in coconut oil in the city went against Bombay, as being a centre for hedge trading in this oil at present. The Commission, however, stated that the need for hedging facilities in Bombay City could be examined at a later date, after sufficient experience had been gained in the working of the market in Travancore-Cochin.

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CONTROLLED IMPORTS OF CEMENT

The Government of India has decided to import 500,000 tons of cement during the current half-year. It is stated that the Associated Cement Companies will finance, import and distribute the entire imported cement on behalf of the Central Government without any charge. There have been offers for sale of cement from a number of countries including Russia, Yugoslavia, Poland, Bulgaria, Czechoslovakia, Denmark, Belgium, Italy, France, Britain, and Japan. It is, however, proposed to buy the commodity in the cheapest market.

The decision to import cement is not, it would appear, prompted by considerations of bringing down internal prices of the commodity. For the foreign supplies are expected to cost about Rs. 130 to Rs. 140 per ton, whereas in India the controlled price is Rs. 71 per ton, including freight. Nor does there appear to be any intention on the part of the Government to evolve a price equalisation scheme for cement, as in the case of steel.

The impact of the development programmes in the country under the two Five-year Plans on the demand for cement is expected to be such that, despite a rapid rise in cement production, there is bound to exist a gap between supply and demand, and this gap is expected to continue for a year or two more. In order to fill this gap, the Government is stated to have decided on a policy of controlled imports of cement.

The output of Indian cement rose from 3.29 million tons in 1951-52 to 4.5 million tons in 1955-56. The Government had expected that India would be in a position to export 200,000 to 30,000 tons. These expectations, however, did not materialise, as domestic consumption had expanded faster than expected.

Under the second Five-year Plan, the target for the cement industry is likely to be raised from 12 million to 15 million tons. The present construction programme of various cement companies indicates that the capacity will rise to about 8 million tons by the middle of next year. The Government has licensed the installation of new cement factories which will raise the capacity from 4.8 million tons at present to 11.95 million tons. About Rs. 85.8 crores will have been invested in the industry, if all licensed factories go into production.

NITROGENOUS FERTILISERS

The Conference of Ministers of Agriculture of different States which met at New Delhi on the 25th ultimo decided to recommend the launching of a concerted campaign all over the country for popularising new nitrogenous fertilisers and superphosphates. The new nitrogenous fertilisers are stated to be cheaper than ammonium sulphate and easier to transport at a lower cost, in view of their higher nitrogen content. For maintaining the soil fertility and for securing quality grain, it is necessary to encourage the utilisation of superphosphates. The necessity becomes all the more urgent, in view of the bringing into use of new lands under the river-valley projects which are being completed one after annother as envisaged in the First Plan. The maximum benefits of irrigation under these projects can be derived by only a judicious application of chemical fertilisers and organic manures. Besides, the targets of consumption for nitrogenous fertilisers to be achieved by 1960-61 have been fixed at 3.72 lakh tons in terms of nitrogen or 18.5 lakh tons in terms of ammonium sulphate. The achievement of this consumption target is possible by means of organising various measures of publicity and propaganda for educating the cultivators in the correct use and placement of fertilisers. Consequently, the conference mentioned above did well in emphasising the need for popularisation of nitrogenous fertilisers.

In this context mention must be made of a new method evolved in the National Chemical Laboratory, Poona, for the production of a mixed nitrogen-phosphorus fertiliser. The new method opens up possibilities of utilising the huge surpluses resulting from the caustic soda industry. Under the new method, the fertiliser is produced by adding rock phosphate to commercial hydrochloric acid at a temperature of 40-45° C. followed by the addition of ammonium sulphate to the slurry. On grinding the final product is a free flowing powder, stable to weather changes and containing 7.4 and 15 per cent. nitrogen and phosphorus respectively.

India has achieved self-sufficiency in the nitrogenous fertilisers, but the production of phosphatic fertilisers falls far short of its requirements.

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ROHTAS INDUSTRIES MAKE STRIKING PROGRESS

PRODUCTION GOES UP—PROFIT AT A RECORD

SUBSTANTIAL progress in the working of the Rohtas Industries Ltd. (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) is indicated by the statement of accounts of the Company for the year ended 31st October 1955. The upward trend in production was well maintained, except in cement. The earnings, therefore, show a further sharp rise to stand at a record level. The dividend, maintained at the previous year's enhanced level, is comfortably covered.

The Company's gross profit for the year under review amounts to no less than Rs. 1.39 crores, an increase of Rs. 20 lakhs over that for the previous year, thus not only maintaining the upward trend in profit for the second year in succession but establishing a fresh record in the history of the Company. Indeed, the gross profit for the year under review would have been higher still but for the fact that the amount written off for bad debts and irrecoverable advances was far larger than in the preceding year, the exact amount utilised for this purpose being Rs. 10.75 lakhs, as against Rs. 1.21 lakhs in the previous year. No explanation has been offered by the Directors in their report for writing off such a large sum. The only clue to this loss is to be found in the previous year's balance-sheet, wherein the Directors had stated that, out of the total advances (namely, Rs. 51.19 lakhs) outstanding at the end of the year, a sum of Rs. 10.68 lakhs was considered doubtful, of which a sum of Rs. 10.47 lakhs was due from a company in liquidation which had a counter-claim against the Rohtas Industries. Presumably, this sum must have been considered irrecoverable and written off by the Directors.

As already indicated, the Directors have maintained the dividend at 15 per cent. to which level it had been raised last year from 12½ per cent. for 1952-53. The Directors' decision to repeat the dividend may seem incompatible with the sharp rise of Rs. 22.57 lakhs in net profit, even after writing off the aforesaid bad debts. The explanation for this is that the Company has had to pay accumulated bonus to staff and workmen for the years 1951-52, 1953-54 and 1954-55, aggregating Rs. 25.81 lakhs, and has strengthened its finances by transferring Rs. 15 lakhs to the general reserve; it may be noted here that a like amount was credited to this account last year. As regards bonus for workers in respect of 1952-53, the issue is before the Appellate Court. Pending the final disposal of the issue, the Company has made advance payments to the staff and workmen amounting to Rs. 7.62 lakhs and this sum is shown under advances to staff in the balance-sheet.

The progress in the Company's working during the past three years is reflected in the following comparative table:

(In lakhs of rupees)

—	For the year ended 31st October			
	1955	1954	1953	1952
Sale proceeds	9,76.31	6,71.61	5,43.98	6,03.90
Other income	11.64	7.53	6.61	5.83
Stocks	1,45.69	79.52	67.07	83.32
Raw materials, stores, etc., consumed	6,53.56	4,01.14	3,02.79	3,96.45
Other expenses	2,50.80	1,70.38	1,47.12	1,47.55
Bad debts and irrecoverable advances written off	10.75	1.21	0.32	0.81
Gross profit	1,38.99	1,18.85	84.10	97.14
Managing Agents' remuneration	7.93	8.85	5.60	5.73
Depreciation	47.29	43.80	41.06	39.70
Taxation	20.00	25.00	..	..
Net profit	63.77	41.20	37.44	39.15
Transfer from reserves	..	..	..	1.15
To reserves	15.00	15.00	35.00	50.00
Bonus to staff and workmen	25.81†	..	..	12.56*
Dividends—				
Preference	5.41	5.41	5.41	5.41
Ordinary	17.10	17.10	14.25	11.40
	(15%)	(15%)	(12½%)	(10%)
Carry forward	4.92	4.47	0.78	12.59

—	For the year ended 31st October			For the quarter ended January 1956
	1953	1954	1955	
Paper and boards (tons)	12,338	16,074	20,135	5,343
Cement (tons)	302,746	353,238	325,032	94,283
Asbestos (tons)	2,929	4,334	6,156	1,546
Caustic soda (tons)	1,355	1,604	1,757	446
Sugar (tons)	13,271	6,718	9,999	3,124
Vanaspati (tons)	..	688	6,857	2,163
Power (lakhs k.w.h.)	736	832	875	227

* For the two years 1950-51 and 1951-52.
† For the three years 1951-52, 1953-54 and 1954-55.

It will be noted that the production during the year under review has gone up on all fronts, except in the case of cement, wherein the output has fallen from the previous year's record level. The decline in cement production is said to be due to operational difficulties and the consequent interruptions in the first kiln, because the machinery supplied for the modernisation of the kiln had to be altered several times. Consequently, the Directors' earlier anticipation that the full effect of the modernisation would be obtained during the year under review did not materialise. The position is, however, said to be improving. The production of clinker from the second kiln is stated to be satisfactory. If the rate of production attained during the first quarter of the current year shown in the table above is maintained during the rest of the year, the output for 1955-56 will exceed that of even 1953-54.

As regards the working of the other sections, the following extract from the Directors' report will be read with interest:

"The programme of paper factory modernisation and expansion is proceeding satisfactorily. Shipments have been made of the two Yankee paper machines and the glazing cylinders are expected to arrive by the end of March this year. If the transport of these big size cylinders is arranged promptly as promised by the railways, the work will be greatly facilitated. A new coating machine of 10,000 tons output per year is arriving this month and is expected to go into operation by the end of this year. It will enable your factory to meet the entire demand of the Indian market for coated varieties of boards.

"The expansion of the caustic soda and chlorine plants to meet the increased requirements of the pulp and paper factories was taken up. Certain alterations were made in the mercury cells to enable production of rayon grade caustic and the installation of the plant is now expected to be completed by the end of the year.

"The results in respect of refining of imported raw sugar were satisfactory in the early stages, but the position took an adverse turn after March 1955, particularly due to increase in the excise duty from Rs. 3-12 to Rs. 5-10 per cwt. from 1st March 1955, the entire burden of which had to be borne by the industry and your Company suffered considerable loss.

"The *vanaspati* factory worked in full swing and its products are finding improving demand."

During the year under review, in August 1955 to be precise, the Company issued 1,140,000 ordinary shares of Rs. 10 each to the then existing ordinary shareholders in the ratio of one new share for every old ordinary share (with option to such holders to apply for additional new ordinary shares). Of this new issue, 582,440 shares of Rs. 10 each have been subscribed and paid-up as on 31st October 1955. These new ordinary shares rank for any dividend that may be declared for 1955-56 and onwards. With the aforesaid issue, the paid-up capital of the Company has been raised from Rs. 219.05 lakhs to Rs. 277.29 lakhs, made up of 20,000 7 to 9 per cent. cumulative preference shares of Rs. 100 each, 85,047 4½ per cent. 'B' cumulative preference shares of Rs. 100 each and 1,722,440 ordinary shares of Rs. 10 each. Reserves and surplus as at the close of the year amount to Rs. 137.62 lakhs, besides the reserve for taxation at Rs. 45 lakhs. There is a debenture liability of Rs. 122 lakhs. The current liabilities aggregate Rs. 365.30 lakhs, including share application money (refundable). This money has since been refunded. The additions to the gross block during the year under review amounted to Rs. 63.53 lakhs, bringing the total value of the block account to Rs. 756.35 lakhs. The written-down value of this block is Rs. 408.40 lakhs. The current assets amount to Rs. 538.53 lakhs, exceeding the current liabilities and provision for taxation by a margin of Rs. 128.23 lakhs.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 19-8 *ex-div.*, at which rate and on the basis of the latest dividend, the yield on the shares works out to 7.7 per cent. per annum.

(*Concluded from next column*)

620,000 ordinary shares of Rs. 10 each. As against this capital, the reserves and surplus aggregate Rs. 43.90 lakhs, besides a reserve of Rs. 23.21 lakhs for deferred income-tax liability. The current liabilities and provision for taxation amount to Rs. 91.55 lakhs. The gross block of the value of Rs. 189.39 lakhs has been written down to Rs. 150.41 lakhs. The current assets aggregate Rs. 101.25 lakhs, more than adequately covering the current liabilities and provision for taxation.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 20-6 *ex-div.*, at which rate and on the basis of the latest dividend, the yield on these shares works out to 3.9 per cent. per annum.

ALKALI AND CHEMICAL'S PROFIT HIGHER

DIVIDEND STEPPED UP

THE decision of the Directors of the Alkali and Chemical Corporation of India Ltd. [Secretaries: Imperial Chemical Industries (India) Ltd., Calcutta] to step up the dividend for the year ended 30th September 1955 from 6 per cent. to 8 per cent. per annum, follows the sharp rise in earnings for the year, thanks to very satisfactory production of all units, most of which worked to their capacity. The gross profit has increased from Rs. 17.21 lakhs to Rs. 28.89 lakhs, the highest in the last three years. It, however, still falls short by Rs. 5.97 lakhs of the profit earned in 1951-52, namely, Rs. 34.86 lakhs, from which level it had precipitously fallen to Rs. 16.33 lakhs in 1952-53. Thus, the decline experienced in 1952-53 has been made good to a large extent during the last two years. The profit for the year under review would have been higher still but for the loss of Rs. 3.20 lakhs suffered on foreign exchange.

The provision for depreciation has been raised slightly from Rs. 8.84 lakhs to Rs. 9.49 lakhs, while no provision has been made, as in the previous year, for taxation, as there is no current tax liability due to initial depreciation allowances. The Directors have, however, set aside as much as Rs. 12.50 lakhs, as against Rs. 3 lakhs a year ago, to reserve for deferred income-tax liability. They have transferred back a sum of Rs. 2.40 lakhs standing to the credit of reserve for exchange losses, as such reserve is considered no longer necessary, and have transferred Rs. 2.73 lakhs to the dividend equalisation fund, as against *nil* in the previous year.

The dividend of 8 per cent. proposed to be paid for the year under review is the highest in the history of the Company. It will be recalled, in this connection, that the Company paid a maiden dividend of 2½ per cent. for the year ended 30th June 1945. This was stepped up to 4 per cent. in the following year and maintained for 1946-47 also, before the Company went off the dividend list. In 1949, the Company's financial year-end was changed from 30th June to 30th September. The Company returned to the dividend list with a distribution of 4 per cent. for the year ended 30th September 1950. In the following year, the dividend was raised to 6 per cent., at which level it was maintained for the three succeeding years. It will also be noted that there has been no change in the capital of the Company since its inception.

The following comparative table shows the Company's progress during the past three years:

(In lakhs of rupees)

—	For the year ended 30th September			
	1955	1954	1953	1952
Sale proceeds	1,56.10	1,17.69	1,90.31	1,68.66
Stocks	33.25	80.02	31.94	43.77
Manufacturing expenses	81.62	67.41	1,07.93	1,06.55
Other expenses	44.30	31.92	54.70	52.19
Loss on exchange	3.20	..	..	..
Gross profit	28.89	17.21	16.33	34.86
Depreciation	9.49	8.84	8.03	8.22
Provision for taxation	..	..	6.78*	10.88
Reserve for deferred income-tax liability	12.50	3.00	3.00	3.07
Reserves	2.73	..	..	10.50
Transfer from reserves	2.40	..	5.27	1.73
Dividends—				
5 per cent. preference	1.55	1.55	1.55	1.55
Ordinary	4.96	3.72	3.72	3.72
	(8%)	(6%)	(6%)	(6%)
Carry forward	1.19	1.14	1.03	2.62

* Represents adjustment of provision for taxation for previous years and provision for income-tax on profit out of sales of Khewra fixed assets.

N.B.—The accounts for the years 1953-54 and 1954-55 exclude business of the Khewra Alkali Works in Pakistan, the sale of which was completed in 1953.

Referring to the working of the Company's various units, the Directors observe in their report to the shareholders as follows:

"All units of the Rishra Factory had a very satisfactory year of production. The chlorine-caustic soda plant ran at almost rated output and the usage of chlorine on site for the manufacture of other products increased substantially. The hydrochloric acid plant worked on maximum output throughout the year.

"The 'Gammexane' Benzene Hexachloride (B.H.C.) series of plants also had a good year. The output of Crude B.H.C. and of 'Gammexane' formulations, particularly Water Dispersible Powder, increased steadily.

"There was a keen demand for 'Duco' and 'Dulux' paints and we had no difficulty in disposing of all our production. This plant worked at maximum capacity and is being extended."

The Company's balance-sheet as on 30th September 1955 discloses a satisfactory financial position. The paid-up capital of the Company, at Rs. 93 lakhs, is made up of 31,000 5 per cent. cumulative preference shares of Rs. 100 each and

(*Continued in previous column*)

KOHINOOR MAINTAINS DIVIDEND

PROFIT A SHADE BETTER

THE general expectation that the profit margins of cotton textile mills for 1955 would be higher, following the high level of production and good demand for cloth, and that their dividend levels would be stepped up, has not materialised in the case of the Kohinoor Mills Company, Ltd. (Agents: Killick Industries Ltd., Bombay). The earnings of the Company for the year ended 31st December 1955 do not show any marked rise over those for 1954, the gross profit for the year amounting to no more than Rs. 41.74 lakhs, as against Rs. 40.86 lakhs for the previous year. In the circumstances, it is not surprising that the Directors have decided only to maintain the distribution to the shareholders at 18 per cent., to which level it had been reduced last year from 20 per cent. (made up of a dividend of 18 per cent. and a bonus of 2 per cent.) paid for 1953, by withholding the bonus.

The Company's net profit for the year under review, however, shows a rise of Rs. 9.21 lakhs to Rs. 22.72 lakhs. This has been mainly due to the sharp reduction from Rs. 17.76 lakhs to Rs. 6.33 lakhs in the provision for depreciation. This does not mean that adequate provision for depreciation has not been made. For, in addition to the aforesaid allocation made from the profit for the year under review, the Directors have appropriated for this purpose a sum of Rs. 15 lakhs from the machinery reserve account, as against Rs. 8 lakhs drawn last year. In other words, if the Directors had chosen to provide for the entire depreciation out of the year's profit, the net profit would have shown a sharp shrinkage and the dividend could not have been maintained, without drawing from the reserves. The provision for taxation has been raised from Rs. 5.55 lakhs to Rs. 8.50 lakhs. The Directors point out that the assessment of the Company's profit for 1954 has not yet been taken up by the income-tax authorities.

If, despite the higher net profit, the Directors have not raised the dividend for the year, it is because they have chosen to strengthen the reserves, which they could not do last year. The following comparative table shows at a glance the progress of the Company in recent years:

(In lakhs of rupees)

—	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds (net)	6,66.09	6,81.33	7,06.74	7,25.27
Other receipts	0.41	0.67	0.49	1.59
Cotton and fibre consumed	3,10.74	3,24.11	3,38.69	4,32.45
Silk and other yarn consumed	15.89	15.96	14.33	30.92
Other expenses	2,98.64	3,01.06	2,89.06	2,40.33
Gross profit	41.74	40.86	65.16	23.16
Agents' commission	4.19	4.04	6.50	5.36
Depreciation	6.33	17.76	14.97	14.38
Taxation	8.50	5.55	17.80	3.00
Net profit	22.72	13.51	25.88	0.42
E.P.T. post-war refund (net)	..	..	..	18.33
Transfer from reserves	..	2.50	..	..
To reserves	4.50	..	6.00	1.00
Dividend	18.00 (D. 18%)	18.00 (D. 18%)	20.00 (D. 18% +B2%)	18.00 (D. 18%
Carry forward	0.84	0.12	2.11	2.23

Note.—D = Dividend. B = Bonus.

It will be seen from the table that even for 1954 the reduced dividend of 18 per cent. had been paid only by drawing upon the reserves and the surplus brought in from 1953. This year, however, the dividend is more comfortably covered and there has, therefore, been no necessity to supplement the net profit by drawing from the reserves. Further, the Directors have placed a sum of Rs. 3 lakhs to the development reserve and of Rs. 1.50 lakhs to the employees' pension and gratuity fund.

Referring to the trading conditions during the year under review, the Directors observe:

"During the year no further controls were imposed and all existing controls continued without change. Cotton prices remained steady in the early part of the year, but declined somewhat before the start of the cotton season, as the crop was expected to be about 55 lakh bales which would have amply covered all demands. However, due to unseasonal rains, the Punjab, Madhya Pradesh and, to some extent, the Southern crops suffered a setback and this had the effect of pushing up the prices of all indigenous growths. At the close of the year, the prices of these growths were very much higher than the previous year and the tendency was firm. Foreign cotton remained fairly steady throughout the year with a slight tendency to harden towards the close of the financial year. Cloth prices and offtake were well maintained during the year, but there was a definite slump in the prices and demand for yarn and it was only in the last quarter of the year that a slight recovery was noticeable and the demand improved."

The Company's reserves and surplus as on 31st December 1955 aggregate Rs. 134.34 lakhs, as against a paid-up capital of Rs. 100 lakhs. Of these reserves, general reserve accounts for Rs. 22.25 lakhs, machinery reserve for Rs. 75 lakhs, development reserve for Rs. 3 lakhs, dividend equalisation reserve for Rs. 21.25 lakhs and employees' pension and gratuity fund for Rs. 12.50 lakhs. The current liabilities amount to Rs. 143.20 lakhs. There has been an addition of Rs. 7.42 lakhs to the gross block during the year, bringing the total value of the block to Rs. 356.88 lakhs. This has been well written down to Rs. 88.73 lakhs. The current assets amount to Rs. 288.80 lakhs, of which stock-in-trade and stores, fuel and grain alone account for Rs. 265.98 lakhs. The excess of current assets over current liabilities is as much as Rs. 145.30 lakhs.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 335 *cum-div.* (final dividend Rs. 12 per share). On an *ex-div.* basis, the yield on these shares works out to 5.6 per cent. per annum, free of income-tax.

Points From The Chair

Interest Rates

"THE State Bank's schedule of charges for the negotiation and collection of bills and interest rates on advances have been fixed in relation to its operating cost and the comparative rates charged by other banks. These rates are necessarily subject to review from time to time in the light of prevailing business and monetary conditions. The transformation of the Bank into a State Bank does not by itself justify relaxing the basis on which the rates are fixed. In any action which the Bank may be called upon to take in the matter, apart from the normal considerations governing the problem, it is necessary to take account also of the obligation placed on it to develop banking in rural areas and the mounting cost of its establishment charges on account of the successive Bank awards. Another matter which affects banks generally and which requires careful consideration is the gradually increasing burden of interest paid for attracting deposits. I understand that an attempt was made in 1954 to reach an agreement amongst banks in the matter of fixing ceilings on deposit rates. Unfortunately, this did not succeed with the result that each bank now pursues its own policy in this highly competitive field. We cannot but view with concern the present trend amongst banks to offer increasingly higher rates of interest for deposits and consider that this is unhealthy competition which should be discouraged. A voluntary agreement among banks appears to be the solution, but if this is not possible, because of the diversity in their size and standing, the alternative is for Government to consider suitable action for regulating deposit rates."

DR. JOHN MATTHAI,
State Bank of India.

Future of Sugar Industry

"During the 1954 sugar season, the estimated all-India consumption of white sugar fell to 17 lakh tons, as against which the production of the Indian factories amounted to slightly under 16 lakh tons. The Government continued to import sugar and imports in this country during the season were over 5 lakh tons. This has resulted in an increase in the level of sugar stocks in the country from approximately 60,000 tons at the commencement of the sugar season to approximately 5,25,000 tons at the end. Licences have been issued for the integration of new units of production and the second Five-year Plan estimates consumption potential to move up to 22 and odd lakhs tons by the end of the period. Desirous as I am to give due weight to this estimate, I wonder if it is prudent for this Company to depend so much on the profit potential of the sugar industry to service its large capital. You will remember that Mr. S. G. H. Davis, my predecessor in office, in his address at the last annual meeting, referred to the aura of uncertainty shrouding the future of the sugar industry. This uncertainty, I am afraid, continues to prevail."

C. R. SRINIVASAN,
East India Distilleries & Sugar Factories Ltd.

Uncertainty Facing Coffee Growers

"The shadow of Central income-tax continues to loom over us, and one could wish that there was some machinery for disposing speedily of income-tax cases of such far-reaching importance. In the present instance, the Income-tax Department levied assessments on a portion of coffee profits early in 1954, contending that part of the income from the production of coffee was non-agricultural in character and, therefore, taxable. This contention, in the opinion of coffee growers, was manifestly wrong and a test case was filed with the Appellate authority concerned. This was decided in favour of the growers in March 1955, but the Income-tax Department appealed against the decision to the Income-tax Appellate Tribunal. This Tribunal upheld the previous decision in favour of the growers, but it is not yet known whether the department will again appeal to the High Court. In the event of such an appeal being made, further delay will be involved and a final decision may not be available for a year or even longer."

J. N. A. HOBBS,
Kumergode Estates Ltd.

COMPANY MEETINGS AND DIVIDENDS

KOTAMULLAI TEA CO., LTD. Annual General Meeting, Calcutta, 6th March 1956. Dividend: *Nil*. Transfer books remain closed from 1st to 6th March 1956, both days inclusive.

ORIENT JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 16th March 1956. Dividend: Rs. 4 per share. Transfer books remain closed from 3rd to 16th March 1956, both days inclusive.

RAYALASEEMA MILLS LTD. Annual General Meeting, Adoni-Thungabhadra Road, Adoni P.O., 18th March 1956. Transfer books will remain closed from 12th to 26th March 1956, both days inclusive.

KOHINOOR MILLS CO., LTD. Annual General Meeting, Bombay, 19th March 1956. Dividend: Rs. 18 per share (includes interim dividend of Rs. 6 per share). Transfer books remain closed from 20th February to 19th March 1956, both days inclusive.

SHREE CHANGDEO SUGAR MILLS LTD. Annual General Meeting, Bombay, 23rd March 1956. Dividend: Rs. 2 per share. Transfer books will remain closed from 9th to 23rd March 1956, both days inclusive.

NEW UNION MILLS, LTD. Annual General Meeting, Bombay, 28th March 1956. Dividend: Re. 1-12 per share, payable from 2nd April 1956. Transfer books remain closed from 27th February to 20th March 1956, both days inclusive.

SASSOON SPINNING AND WEAVING CO., LTD. Annual General Meeting, 28th March 1956. Dividend: Re. 1-12 per share, payable on 2nd April 1956. Transfer books remain closed from 27th February to 20th March 1956, both days inclusive.

IMPERIAL TOBACCO CO. OF INDIA LTD. Second interim dividend of 2 per cent., free of income-tax for the year ending 31st March 1956, payable on 28th March 1956.

SHIVRAJPUR SYNDICATE, LTD. Dividend of Rs. 8 per share (includes bonus of Rs. 3 per share), for the year ended 30th November 1955. Transfer books will remain closed from 16th March to 5th April 1956, both days inclusive.

ORISSA MINERALS DEVELOPMENT CO., LTD. Dividend of Re. 1 per share, for the half-year ended 30th June 1955.

CHRESTIEN MICA INDUSTRIES LTD. Interim dividend of As. 12 per share, free of income-tax and As. 8 per deferred share, free of income-tax for the period ended 31st December 1955. Transfer books will remain closed from 6th to 12th March 1956, both days inclusive.

PREMIER CONSTRUCTION CO., LTD. Dividend of Rs. 8-8 per share, for the year ended 31st December 1955, payable on 24th April 1956. Transfer books will remain closed from 16th March to 7th April 1956, both days inclusive.

COIMBATORE COTTON MILLS LTD. Dividend of Rs. 25 per share, for the year ended 31st December 1955. Transfer books remain closed from 2nd to 15th March 1956, both days inclusive.

ATHIMATTAM RUBBER CO., LTD. Dividend of 3½ per cent. (one anna per share), for the year ended 28th February 1955.

DELTA JUTE MILLS CO., LTD. Dividend of Rs. 5 per share, for the half-year ended 30th November 1955.

CHEVIOT MILLS CO., LTD. Dividend of Rs. 4 per share, for the half-year ended 30th November 1955.

TIDE WATER OIL CO. (INDIA) LTD. Dividend of As. 8 per share, for the half-year ended 31st October 1955.

INDIA PAPER PULP CO., LTD. Dividend of As. 11-1/5 per share, for the half-year ended 30th September 1955.

NEW BEERBHOOM COAL CO., LTD. Dividend of As. 8 per share, for the half-year ended 31st October 1955.

SOOM TEA CO., LTD. Interim dividend of Re. 1 per share, for the year 1955.

DHELAKHAT TEA CO., LTD. Interim dividend of As. 8 per share, for the year 1955.

KALLINUGGER AND KHOREEL TEA CO., LTD. Interim dividend of Rs. 15 per share, for the year ended 31st December 1954.

COMPANY REGISTRATIONS

CROWE BODA & CO., LTD. (First Director: Mr. J. B. Boda.) Business: To act as correspondents, attorneys, managers and insurance agents, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Yusuf Building, 2nd Floor, Room No. 23, 49, Veer Nariman Road, Fort, Bombay.

BANTRA PAL CHOWDHURY ESTATES LTD. (First Director: Mr. R. K. Pal Chowdhury.) Business: To deal in lands and houses and other landed property. Authorised capital: Rs. 5,00,000. Private company. Address: 1, Narasinha Dutta Road, Kodamtala, Howrah.

ANGELO BROS. EARN HANDSOME PROFIT

NATIONAL COMPANY CUTS DIVIDEND

Angelo Bros., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Turner, Morrison & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 31st August 1955.

The profit for the year after providing for depreciation, directors' fees and taxation, amounts to Rs. 6,89,131 (Rs. 1,90,008), with the transfer from provision for taxation of Rs. 15,032 (*nil*) and the balance brought forward from last year of Rs. 2,39,798 (Rs. 4,24,790), there is a total amount of Rs. 9,43,961 (Rs. 6,14,798). The directors recommend payment of a dividend of 12½ (12½) per cent. and a bonus of 7½ (*nil*) per cent. absorbing Rs. 6,00,000 (Rs. 3,75,000), leaving a balance to be carried forward of Rs. 3,43,961 (Rs. 2,39,798).

The directors have much pleasure in recording this very satisfactory result for the Company's "Centenary" season especially since, as anticipated in the last report, trading conditions continued difficult throughout the first half of the year due to high prices and the scarcity of raw materials. Sales however, were well maintained and slightly in excess of the previous season in volume.

With the advent of a good Bysaki crop conditions improved considerably during April-June and have since remained favourable as winter crops have also been satisfactory. Prices however have again risen during recent months due to a temporary shortage of T.N. which can be attributed to the fact that production upcountry has for some time past been largely confined to seedlacs for which relatively high prices have been obtainable.

T.N. was quoted at Rs. 140 at the beginning of the season and fluctuated within fairly narrow limits until November when a sharp rise occurred to Rs. 177. The top was reached in December when the market rose to Rs. 183. A gradual decline then took place during the next six months in anticipation of a good crop and Rs. 120 was seen in June which represents the lowest level touched. At the end of the season T.N. was quoted at Rs. 130. The price at the time of writing this report is Rs. 157.

There were no major alterations to buildings during the year but several units of the production plant were replaced by more modern equipment.

The directors wish to express their appreciation of the good work done by the staff and workers whose wholehearted co-operation has been an important factor in making the season a success. A special centenary bonus has already been distributed to the staff and workers.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	10,11,675
Reserves ...	38,05,079	Stock on hand	30,99,803
Provision for taxation ...	4,89,513	Stores ...	3,77,586
Liabilities ...	14,94,419	Debts, deposits and advances ...	32,02,592
Profit and loss account ...	3,43,961	Investments	4,81,126
		Cash ...	9,60,190
Rs.	91,32,972	Rs.	91,32,972

National Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October 1955.

After providing Rs. 1,20,000 (Rs. 3,30,000) for taxation and transferring Rs. 1,00,000 (*nil*) from dividend equalisation reserve, there is a balance of Rs. 3,50,554 (Rs. 5,55,626) at the credit of profit and loss account from which the directors recommend payment of dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share Rs. 17,500 (Rs. 17,500) and on ordinary shares at As. 12 (Re. 1) per share Rs. 2,62,500 (Rs. 3,50,000) leaving Rs. 70,554 (Rs. 1,88,126) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 48 hours per week with 12½ per cent. of the total looms sealed. Trading during the period was difficult owing to the high price of raw jute in relation to the market for manufactured goods.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	19,01,902
Reserves ...	43,29,326	Stock of cloth and bags	7,03,813
Provision for taxation ...	1,00,275	Stock of jute	10,16,045
Liabilities ...	10,76,206	Stores and spare gear	9,02,766
Profit and loss account ...	70,553	Debts, deposits and advances ...	4,23,044
		Investments	15,69,845
		Cash ...	30,58,945
Rs.	95,76,360	Rs.	95,76,360

Agarpara Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st March 1955.

With the sum of Rs. 4,13,973 (Rs. 85,788) brought forward from the previous half-year and after providing for depreciation and all other charges, there remains a balance of Rs. 9,52,027 (Rs. 2,06,436) from which the directors have set aside Rs. 1,40,000 (Rs. 1,17,000) for taxation leaving a balance of Rs. 8,12,027 (Rs. 89,436). After deducting from this balance, the dividends and allocation to general reserve for the half-year ending 30th September 1954, there remains a balance of Rs. 5,02,027 (Rs. 2,39,436 after transferring Rs. 1,50,000 from reserve account) which the directors propose to deal with as follows:

To payment of dividend on 10,000 preference shares at 7 (7) per cent. per annum free of income-tax Rs. 35,000 (Rs. 35,000), to payment of dividend on 6,00,000 ordinary shares at 7½ (5) per cent. per annum free of income-tax Rs. 2,25,000 (Rs. 1,50,000) and to carry forward to next period Rs. 2,42,027 (Rs. 54,436).

In accordance with the provisions of the Indian Jute Mills' Association's working time agreement, the mills worked for 45 hours per week upto the 16th October 1954 and thereafter for 48 hours per week with 12½ per cent. of the total looms remaining sealed throughout the period.

Trading conditions were fair during the period under review. Prices of raw jute however rose steeply towards the close of the period without a corresponding rise in the prices of manufactured goods, whereby trading conditions again became difficult.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Block ...	49,23,111
Debentures	12,00,000	Stocks ...	75,44,724
Reserves ...	54,00,000	Stores and spare gear	8,82,068
Provision for taxation ...	8,81,915	Capital expenditure in-progress	15,946
Liabilities ...	29,51,407	Debts, deposits and advances ...	41,50,828
Profit and loss account ...	8,12,027	Investments	5,50,673
		Cash ...	1,77,999
Rs.	1,82,45,349	Rs.	1,82,45,349

Lansdowne Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

After providing Rs. 35,000 (*nil*) for taxation and Rs. 82,867 (Rs. 88,873) for depreciation, the profit and loss account shows a profit of Rs. 51,004 (loss of Rs. 53,836) to which is to be added the amount brought forward from previous half-year Rs. 11,135 (Rs. 5,230), transfer from general reserve Rs. 36,518 (Rs. 1,30,000), transfer from jute stock reserve Rs. 10,000 (*nil*) and transfer from provision for taxation Rs. 40,000 (*nil*), making a total of Rs. 1,48,657 (Rs. 81,394). This amount is reduced by transfer to provision for contingencies Rs. 36,518 (*nil*), leaving an available balance of Rs. 1,12,139 (Rs. 81,394). The directors propose to dispose of this as follows:—

In paying a dividend on the preference shares at the rate of 7 (7) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 52,500 (Rs. 52,500), in paying a dividend on the ordinary shares of Rs. 2 (Re. 1) per share, without any deduction for income-tax paid by the Company Rs. 48,932 (Rs. 24,466) and in carrying forward Rs. 10,707 (Rs. 4,428)

In accordance with the working time agreement of the Indian Jute Mills' Association, the mill worked 48 hours weekly and 12½ per cent. of the total looms remained sealed.

In regard to the scheme for partial modernisation of the mill, some of the machinery has arrived on site and the balance is in transit.

With the removal of all export duties by the Government of India with effect from 1st August 1955. Indian mills were put in a stronger position to meet competition from other countries.

The devaluation of the Pakistani rupee on 31st July 1955, has not proved of any benefit to the Indian industry in view of the decision of the Government of Pakistan to maintain their minimum export prices at the same sterling level as previously. Further they have increased the export duty on raw jute excluding habi jabi and cuttings by Re. 1 per maund.

As a result of the Third Omnibus Tribunal Award your mill is called upon to shoulder an additional burden of approximately Rs. 10 per ton.

With effect from 9th January 1956, 2½ per cent. of the total looms in the mill were unsealed and as from 20th February 1956, a further 5 per cent. will be unsealed—leaving 5 per cent. of the total looms sealed.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,48,000	Block ...	59,26,581
Reserves ...	49,37,097	Stock-in-trade	8,41,333
Provision for taxation ...	47,447	Stores and spare gear	11,40,312
Liabilities ...	10,48,799	Oil and coal	32,064
Profit and loss account ...	10,707	Capital expenditure-in-progress	62,761
		Debts, deposits and advances ...	18,00,490
		Investments	1,62,696
		Cash ...	25,813
Rs.	99,92,050	Rs.	99,92,050

Lawrence Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

After providing Rs. 46,862 (Rs. 43,987) for depreciation, the profit and loss account shows a loss of Rs. 2,41,274 (profit of Rs. 1,55,256) to which is to be added transfer to provision for contingencies Rs. 63,570 (*nil*) making a total of Rs. 3,04,844 (credit of Rs. 1,55,256). This is reduced by the amount brought forward from previous half-year Rs. 14,440 (Rs. 14,415), transfer from provision for taxation Rs. 25,000 (*nil*), transfer from equalisation of dividends reserve Rs. 75,000 (*nil*) and transfer from general reserve Rs. 2,65,555 (*nil*), leaving an available balance of Rs. 75,151 (Rs. 1,69,671). The directors propose to dispose of this as follows:—

In paying a dividend on the "A" preference shares at the rate of 7 (7) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 17,500 (Rs. 17,500), in paying a dividend on the "B" preference shares at the rate of 5½ (5½) per cent. per annum, without any deduction for income-tax paid by the Company Rs. 27,500 (Rs. 27,500), in paying a dividend on the ordinary shares of Re. 1 (Rs. 4) per share, without any deduction for income-tax paid by the Company Rs. 27,997 (Rs. 1,11,988) and in carrying forward Rs. 2,154 (Rs. 12,683).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	43,00,000	Block ...	51,93,756
Debentures	16,74,000	Stock-in-trade	12,24,617
Reserves ...	56,89,479	Stores and spare gear	8,58,743
Provision for taxation ...	68,903	Oil and cake	56,475
Liabilities ...	7,28,922	Debts and advances ...	11,41,008
Profit and loss account ...	2,154	Investments	3,64,880
		Cash ...	36,23,979
Rs.	1,24,63,458	Rs.	1,24,63,458

G. Claridge & Co., Ltd.

The directors of the above Company (Managing Director: Sir Joseph Kay, K.B.E., Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

After charging Rs. 40,865 (Rs. 54,961) for depreciation and providing Rs. 75,000 (Rs. 50,000) for taxation, shows a net profit of Rs. 3,10,417 (Rs. 2,06,314), which together with the balance of Rs. 24,891 (Rs. 13,577) brought forward from last year's profit and loss account, gives Rs. 3,35,308 (Rs. 2,19,891) and this amount the directors propose to dispose of as follows:—

To pay a dividend of Rs. 16-8 (Rs. 12-8) per share on 8,000 shares of the Company, free of income-tax, Rs. 1,32,000 (Rs. 1,00,000), to transfer to rehabilitation of plant fund Rs. 1,00,000 (*nil*) and to transfer to gratuity and welfare fund Rs. 75,000 (Rs. 20,000), leaving a balance to be carried forward to next year's account of Rs. 28,308 (Rs. 24,891).

Government restrictions on the imports of printed matter have helped to increase the volume of business transacted and consequently the Press has been kept fully working for most of the year, with satisfactory results.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	3,23,296
Reserves ...	9,75,076	Stock-in-trade and work-in progress	14,43,305
Provision for taxation ...	7,14,188	Debts, deposits and advances ...	11,39,579
Liabilities ...	5,51,557	Investments	1,900
Profit and loss account ...	3,35,308	Cash ...	4,68,049
Rs.	33,76,129	Rs.	33,76,129

Kotamullai Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the period ended 31st December 1954.

As the shareholders are already aware, the Indian estates of the Patrakola Tea Co., Ltd., were transferred at book value to the Company as at 1st December 1954 and the proportionate profits from that date have accordingly been transferred to the Company. The balance at credit of profit and loss account amounts to Rs. 73,171, which it is proposed to carry forward.

Planted area is 1,637.18 acres. Estimates for 1955 provide for a total crop of 16,300 maunds at a cost of Rs. 21,91,054, including inland freight and sale charges.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35	Block ...	17,00,000
Share suspense account ...	55,135	Stores and supplies for season 1955	66,010
Provision for taxation ...	45,000	Other assets	29,900
Liabilities ...	18,62,532	Advances and deposits ...	82,542
Profit and loss account ...	73,171	Cash ...	1,57,421
Rs.	20,35,873	Rs.	20,35,873

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

QUESTION HOUR IN PARLIAMENT

World Bank Mission to India

A WORLD Bank Mission will shortly visit India to discuss with the Government of India the requirements of help from the Bank for the second Five-year Plan. During 1955, the total amount of loans which India drew from the Bank was Rs. 3.53 crores. Negotiations are still pending with the Bank in respect of the Koyna Hydro-electric Project.

—*B. R. Bhagat*

Closure of Banks

About 88 offices of Indian banks in foreign countries were closed from the beginning of 1950 to the end of 1955. Of those, 56 were closed or merged with other offices in Pakistan. Of the remaining two, one was merged with its main office in Thailand and another was classified as a non-banking company in Malaya. Full information about the reasons for the closure of the banks in Pakistan is not available, as banks are not required statutorily to furnish reasons for closing any of their offices.

—*A. C. Guha*

Oil Exploration

The terms offered to the Standard-Vacuum Oil Company for exploration of oil in West Bengal will be placed before Parliament at the appropriate time. At present, the Government is carrying on negotiations with others (for oil exploration) and it would be "disadvantageous" to these negotiations to publish now the terms offered to the Standard-Vacuum Oil Company. Undoubtedly, all these matters will be laid before the House at the appropriate time.

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Atomic Energy

India has entered into agreement with the United Kingdom for the promotion and development of peaceful uses of atomic energy. The agreement is in the form of an umbrella agreement providing for co-operation and mutual help in the peaceful uses of atomic energy. Under the agreement, specific topics for co-operation can be undertaken by mutual agreement from time to time. The immediate project on which co-operation has been initiated under this agreement relates to the first Indian reactor of the swimming pool type now under construction. Except for the core of the reactor which is of standard design, the Indian reactor, its control system and its research facilities have all been designed and built by Indian personnel under the Department of Atomic Energy. The fuel elements for this reactor will be supplied by the United Kingdom.

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Remittances to Burma

The Indian Embassy in Burma has taken up with the Burmese Government the question of remittance facilities for Indians in Burma. Owing to the difficult foreign exchange position, the Burmese Government has recently tightened remittance facilities. It has also prescribed an elaborate procedure for the grant of such facilities, apart from strictly controlling the amount to be remitted.

—*Jawaharlal Nehru*

Russian Experts

Russian mining experts now in India are being paid Rs. 95 per day and Russian interpreters attached to them Rs. 65 a day. There are at present 13 experts and four interpreters who are expected to stay about 12 weeks in the country. I do not know whether the figures will aggregate Rs. 25,000 per month. (Mr. G. L. Bansal estimates that the rates of pay and other benefits provided for the Russians would aggregate about Rs. 25,000 per month.) However, the Government considers these terms to be quite reasonable and perhaps they are the cheapest. I doubt whether India can have so many experts from any other country under the Colombo Plan.

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Oil Investigations

Gravity and magnetic surveys have been completed and seismic investigations are in progress for locating mineral oil near Cambay in Kaira District (Bombay). A team of Russian oil experts visited the area during the first week of January. The Government is considering the question of drilling operations in this area.

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Oil Experts for Russia

Some Indian oil experts and trainees will be sent to the Soviet Union for studying the method of drilling oil-wells and exploration of oil.

—*K. D. Malaviya*

Technological Institute

The Soviet Government has agreed to assist in the establishment of the Western Higher Technological Institute at Bombay under the U.N.E.S.C.O.'s expanded programme of technical assistance for 1956. The assistance will be in the form of 15 specialists to work as instructors at the proposed Institute, three translators to prepare English versions of Russian texts for use at the Institute, supply of equipment for certain specified laboratories and higher training facilities for 20 Indian teachers of the Institute in the Soviet Union. The cost of the building of the Institute will be borne by the Government of India. The estimated cost of the building is Rs. 2 crores. Subject to parliamentary sanction, a provision of Rs. 28 lakhs for building and Rs. 15 lakhs for staff and equipment has been made in the next year's budget.

—*Dr. K. L. Shrimali*

Foodgrains Import

The Government's intention is to build up central stocks of 7.5 lakh tons of rice and wheat each. This may even go up to 10 lakh tons in each case. The Government proposes to negotiate for further purchases only to the extent that this stock has to be built up. Imports of foodgrains are only to build up the reserve stocks. The Government has always stated that it would import foodgrains to build up the stocks. Secondly, the food position in India is dependent on the monsoon, which varies. In addition, they are also subject to floods, cyclones, droughts, etc.

—*A. P. Jain*

Rise in Food Prices

The recent rise in prices of foodgrains is not abnormal; it is almost in sympathy with rises in prices of other commodities like oilseeds, cotton, etc. The price of wheat had gone up by about Re. 1 to Rs. 2 per maund, but this trend was checked immediately the Government released its stocks from the reserve. The other steps taken by the Government to reduce the price are the ban on exports of *jowar*, maize, pulses, gram, rice and wheat products. The rise in price has nothing to do with the export of 96,000 tons of rice in 1955. These exports were permitted to stabilise the price of rice which had begun to fall at the time. The wheat imports contemplated for 1956 and 1957 will be under the existing agreement with the international wheat organisation. It has nothing to do, therefore, with the proposed negotiations with the organisation for a reduction in the price of wheat for the future.

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Reconditioned Rice

The reconditioned rice taken possession of by the Centre from some of the States has already been partly disposed of. In other areas, it is in the process of being disposed of. The Government will not allow prices of rice to go up. In fact, the production of rice, in spite of damages caused by floods, has gone up by 7.5 per cent. this year. There is nothing to worry, therefore, about rice.

—*M. V. Krishnappa*

Price Index

A scheme for conducting fresh family budget enquiries and constructing consumer price index numbers for working classes on an all-India basis is being finalised in consultation with the State Governments. After the scheme is finalised, it is proposed to start the field enquiry, which is expected to last for about 12 months. Processing of data will take at least another year and preparations of index numbers can be taken up thereafter.

—*C. D. Deshmukh*

Heavy Electricals

India's new heavy electrical equipment plant would commence production in about five years from now and would develop its full capacity over a period of seven years thereafter. This is the fastest possible speed at which the Government can go.

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Coal Stocks

Inadequate transport facilities and inferior quality are the reasons for the accumulation of coal stocks at pitheads in the Bengal and Bihar coalfields. At the end of last year, 3.6 million tons of coal, mostly lower grades of slack coal, were lying at the pitheads.

—*Satish Chandra*

Housing and Insurance

The middle-income group housing scheme has to be reconsidered in the light of the Government of India's decision to nationalise life insurance. Under the scheme, loans are to be granted jointly by the Government of India and life insurance companies up to a maximum of Rs. 25,000 for every individual who comes under the middle-income group for constructing a house. The future of this scheme depends on the investment policy that will be followed by the proposed Corporation which will manage nationalised life insurance. It is hoped that the Corporation will be able to spare some funds for this scheme.

—*Sardar Swaran Singh*

Manufacture of Typewriters

An agreement has recently been entered into between an Indian and a Swedish firm for the manufacture of 6,000 English typewriters annually in India. The country requires 30,000 typewriters annually. Although two firms are already engaged in the manufacture of typewriters, permission is given to a third company (an Indian concern getting technical co-operation from a Swedish firm) also to manufacture these machines, so that the country will not be short of typewriters.

—*Nityanand Kanungo*

Employees State Insurance Fund

A sum of Rs. 3,06,42,615 was received during 1954-55 as contribution by the Employees State Insurance Fund, while Rs. 81,92,943 were expended. Of the contributions received, Rs. 1,87,89,480 were income from employers, Rs. 97,26,312 from employees, Rs. 11,97,574 as income from miscellaneous sources and Rs. 9,29,349 as grant-in-aid from the Central Government. Of the expenditure, Rs. 21,29,773 were by way of medical benefit, Rs. 17,13,303 for sickness benefit, Rs. 6,923 for maternity benefit, Rs. 7,59,125 for disablement benefit, Rs. 1,05,000 for dependents' benefit, Rs. 34,73,578 for administrative expenses and Rs. 5,239 for other benefits.

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Employment Bureaus

It is proposed to increase the number of employment exchanges in the country by 125 during the second Plan.

—*Abid Ali*

THE STATE BANK OF INDIA

(*Concluded from page 407*)

As a result of the intervention of the Chief Minister of West Bengal, to whose sympathetic and untiring efforts I would like to pay a special tribute, the employees in Calcutta agreed to complete the annual closing of accounts and also work overtime to clear arrears. This has been done and conditions have since returned to normal in the affected centres.

Warning Against Indiscipline

"In regard to acts of indiscipline committed by employees, the State Bank had to take action, in consultation with other banks, by issuing charge sheets. These, however, have not been proceeded with so far in the hope that better relations will hereafter be established between the banks and their employees. It is necessary for me to utter a warning that no institution, whether public or private, can possibly survive if respect for constituted authority is absent or gross indiscipline prevails. While it is impossible to overlook or condone acts of indiscipline committed by employees in violation of the laws, which is tantamount to flouting Parliament's authority, there can be no objection whatever to employees following approved trade union methods to ventilate their legitimate grievances and safeguard their rights and to work for the amelioration of their conditions of service. In fact, a move in these directions would lead to the creation of an effective machinery for solving labour problems by means of mutual consultations and to the establishment of healthier relations which will be for the benefit of the parties concerned and the country as a whole. Now that the unhappy events of the recent past are over and normal work is proceeding, it is a matter for consideration, if satisfactory conditions for smooth working of banks hereafter can be ensured, whether further avenues should not be explored to remove any undue hardships to the employees.

"Personally, I have great faith in direct and friendly talks across the table with the leaders of the staff unions and in exchanging ideas frankly with them, with a view to arriving at an amicable settlement wherever possible. I have already made a beginning in this regard and have met office-bearers of the unions in Calcutta, Bombay and Madras. The talks I have had have been useful and I am confident that this approach will contribute to a clearer understanding of the problems and a closer appreciation of the realities which have to be faced by both parties. I make an earnest appeal to all concerned to co-operate in finding a satisfactory solution to this problem and, for my own part, I would be prepared to do my best, so that the unpleasant chapter of strained relations between banks and their employees is finally closed.

Tribute to the Staff

"Before I conclude, I must pay a warm tribute to the supervising staff of the Bank for their loyal and devoted service during an exceptionally difficult period. Apart from the many transitional problems, which arose from the change-over to the Bank's new status, the difficulties due to disputes with our employees placed upon the supervising staff a heavy load of responsibility. I am grateful to them not merely for the work done by them but for the spirit in which they have done it. I would like also, in spite of the unfortunate happenings to which I have referred, to add a word of appreciation regarding the work done by the clerical and other staffs. I know the bulk of them are loyal and normally discharge their duties faithfully and competently and I shall be failing in my duty if I do not acknowledge the good work they have done during the period under review.

"My thanks are specially due to the Managing Director, Mr. S. K. Handoo, whose experience and knowledge of banking problems and whose administrative ability have been of the greatest value to us. I wish to place on record my deep appreciation of the energy and zeal with which he has applied himself to the discharge of his responsibilities as the first Managing Director of the State Bank of India."

Notices

THE RAVALGAON SUGAR FARM LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-THIRD ORDINARY GENFRAL MEETING of the Company will be held at CONSTRUCTION HOUSE, Ballard Estate, Fort, Bombay, on MONDAY the 19th March 1956, at 4-30 p.m. (S.T.), for the purpose of transacting the following business:—

1. To receive and adopt the Directors' Report and Audited Statement of Accounts for the year ended 30th September 1955 and to declare dividends on Preference, Ordinary and Deferred Shares.
2. To elect Directors in place of those who retire by rotation and who are eligible for re-election.
3. To appoint Auditors for the current year and to fix their remuneration.

The TRANSFER BOOKS of the Company will remain CLOSED as from MONDAY, the 5th March 1956 to FRIDAY the 23rd March 1956 (both days inclusive).

By Order of the Board,
WALCHAND & Co., LTD.,
Managing Agents,
GULABCHAND HIRACHAND,
Director.

CONSTRUCTION HOUSE,
BALLARD ESTATE,
BOMBAY, 14*th February* 1956.

Note.—The Dividend if sanctioned, will be paid at the Devkaran Nanjee Banking Co. Ltd., Fort, Bombay, on and from Tuesday the 27th March 1956, to those Shareholders whose names stand on the Company's Register on Friday the 23rd March 1956.

THE DURBHANGA SUGAR COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-fourth Ordinary General Meeting of The Durbhanga Sugar Company, Limited, will be held at the Maharaja's Office (Raj Secretariate) at Darbhanga, on the 28th day of March 1956, at 10 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Accounts for the year ended 31st August 1955, and the Balance Sheet and Report of the Auditors thereon.
(2) To declare a Dividend.
(3) To consider remuneration of the Directors under Article 93 of the Company's Articles of Association.
(4) To elect a Director in the place of the retiring Director.
(5) To elect Auditors for the ensuing year and to fix their remuneration.
(6) To transact the ordinary business of the Company.

The Share Transfer Book of the Company will be closed from the 10th March 1956 to 28th March 1956, both days inclusive.

By Order of the Directors,
W. F. MALDEN,
Secretary.

LOHAT,
DISTRICT DARBHANGA, 29*th January* 1956.

SHREE KRISHNA GYANODAY SUGAR LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Annual General Meeting of the Shareholders of the Company will be held on Thursday the 29th March 1956, at 11-30 a.m., at the Registered Office of the Company at Dalmianagar (Bihar), to adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st July 1955, to declare dividends free of Tax at Rs. 6 per share on "A" class Preference Shares, Rs. 5 per share on "B" class Preference Shares and final dividend of Annas 12 per share, making a total of Re. 1-12 per share on Ordinary Shares (existing on the 31st July 1955) for the year ended July 1955, to elect a Director in place of the one retiring, to appoint Auditors for the current year and fix their remuneration and to transact any other business that under the Articles of Association of the Company may be transacted at an Annual General Meeting.

The Share Transfer Books of the Company will be closed from the 23rd March 1956 to 29th March 1956, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA, 22*nd February* 1956.

Payment of any dividend declared will be made only to those members whose names are registered in the books of the Company on the 29th March 1956 or to their mandatees.

CALTEX OIL REFINING (INDIA) LTD

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent. Debenture Stocks 1966-70 will be closed for transfers from 19th March 1956 to 31st March 1956, both days inclusive.

P. A. ENGINEER,
Secretary and Treasurer,
State Bank of India.
Agents for Caltex Oil Refining (India) Ltd., for the management of Debenture Stocks.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY 1, 1*st March* 1956.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

(*Incorporated in England*)

THE DIRECTORS OF THE CALCUTTA TRAMways Company Limited announce that an Interim Dividend of 3½ per cent. free of Income-tax will be paid on the Ordinary Shares to the Shareholders registered in the Books on the 6th March 1956, in respect of the profits for the year ended 31st December 1955. Transfer Books will be closed from 6th March to the 19th March 1956, inclusive, and Dividend Warrants will be posted on the 19th March 1956.

By Order of the Board,
A. C. T. BLEASE,
Agent.

P-4, MISSION ROW EXTENSION,
CALCUTTA, 22*nd February* 1956.

MARTIN BURN LIMITED

NOTICE

AT A MEETING OF THE BOARD OF DIRECtors of Martin Burn Limited, held on 25th February 1956, the Directors recommended the payment of a dividend at the rate of Rs. 1-8-0 per share on the Ordinary Shares ranking for dividend for the year ended 30th September 1955. In addition, the Directors have recommended a cash bonus of Four Annas per share on the Ordinary Shares ranking for dividend. These recommendations await sanction by the shareholders at the Annual General Meeting of the Company to be held on Wednesday, 28th March 1956.

The Ordinary Share Register of the Company will be closed from the 21st to 28th March 1956, both days inclusive, and the dividend and cash bonus, if sanctioned, will be paid on or after the 23rd April 1956.

By Order of the Board,
MARTIN BURN LTD.,
A. G. GIDLEY,
Secretary.

27*th February* 1956.

BOMBAY STATE BUDGET

(*Concluded from page* 392)

of development include transport and communications (9.1 per cent.), housing (6.4 per cent.), education (3.4 per cent.) and industry and mining (3.2 per cent). The major irrigation projects which will be undertaken are the Mahi project, Sabarmati project, Narmada project, Banas Valley project, Vir Dam project, Khadakvasla project, Mula project, Girna project and Gangapur project. The various measures proposed to be undertaken during the second Plan are expected to increase the yield of foodgrains by 6.44 lakh tons, of cotton by 5.16 lakh bales and of sugarcane by 12.26 lakh tons.

In the course of his discussion of the financing of the second Plan, the Finance Minister raised an issue of some far-reaching significance to the financial relationship between the Centre and the States. For fulfilling the financial target of the second Plan, the State Government will require Central assistance to the tune of about Rs. 175 crores. Normally, this assistance will be in the form of grants (about 20 per cent. of the total assistance) and loans and advances (80 per cent.). The State's indebtedness to the Central Government has already increased from Rs. 18.57 crores in 1951-52 to Rs. 68.61 crores in 1955-56. This is expected to increase to about Rs. 140 crores during the second Plan period. In this connection, the Finance Minister raised the issue of the terms and conditions under which loans are granted to State Governments. These loans are now made available at rates of interest varying from 3½ to 4½ per cent. The duration of the loans is generally 10 to 15 years, though, in the case of housing loans, it is 25 years.

The point that the Finance Minister made was that the terms and conditions of the Central Government's loan must be liberal. He based his argument on three grounds. In the first place, these loans are expended by the State Government on capital works which take a long time to yield results in terms of additional revenue. The Finance Minister's complaint was that the "legitimate annual depreciation provisions on the capital assets which have to be based on the life of the works and the paying capacity of the benefited citizens will not and do not pay for the annual equated instalments required to be paid to the Government of India." Secondly, the debt charges on the basis of the existing terms and conditions would impose a heavy burden on the State's revenues. Thirdly, the Central Government grants loans to the State Governments out of its own open market borrowing, from funds obtained by deficit financing and from foreign aid. There must be some "equitable harmony" between the terms and conditions under which the Centre raises its funds and those under which they are given to the States The Finance Minister has thus raised an issue, the importance of which is bound to increase in the next few years. It remains to be seen how the Centre will solve this problem.

ACUTE STRINGENCY IN MONEY

(*From Our Own Correspondent*)

BOMBAY, 29*th February*

The stringency experienced in the short-term money market for several weeks past became more acute during the week under review. While the supply of funds dwindled further, the pressure for bank credit was on a greater scale, with the result that banks had to seek accommodation from the Reserve Bank and the State Bank of India. The scramble for funds resulted in a further hardening of interest rates; even so, the volume of business done was very small.

In the inter-bank call money section, the rate among the Exchange banks was raised from 3½ per cent. to 3¾ per cent., while the common rate among the Indian banks was 3¼ per cent. House money was also bid up to 3¼ per cent. short-term deposits fetched 3¼ per cent. to 3¾ per cent. for periods up to six months. One or two banks are even reported to have offered 3½ per cent. for Rs. 5 lakhs and over.

There was, however, no change in the Government of India 91-day Treasury Bill rate which was maintained at Rs. 2-8-6 per cent. per annum. The amount offered was a little higher at Rs. 102.75 lakhs, as compared with Rs. 100.75 lakhs in the previous week, the amount invited being the same at Rs. 100 lakhs. Tenders for a like sum have been invited for the next week also.

A decline of Rs. 3.98 crores in notes in circulation is disclosed by the Reserve Bank of India's statement for the week ended 24th February 1956. Notes held in the Banking Department are up by Rs. 4.40 crores. The resulting rise of Rs. 42 lakhs in total notes issued is covered by a corresponding increase in rupee coin. In the Banking Department, there has been a further rise in deposits of the Central Government and other Governments by Rs. 1.96 crores and Rs. 3.06 crores, respectively. Deposits of banks have also gone up by Rs. 1.04 crores. On the assets side, cash balances have risen by Rs. 4.41 crores, while balances held abroad have shrunk by Rs. 3.46 crores. There has been an increase of Rs. 2.64 crores in loans and advances other than to Governments, mainly due to the rise of Rs. 2.93 crores in advances to Scheduled banks against usance bills. Fresh advances to banks against usance bills during the week amounted to Rs. 4.98 crores.

The Scheduled banks' statement for the week ended 17th February 1956 shows a rise of Rs. 2.75 crores in demand deposits and of Rs. 3.40 crores in time deposits. Borrowings from banks are lower by Rs. 72 lakhs and those from the Reserve Bank by Rs. 81 lakhs, while borrowings from the State Bank are up by Rs. 36 lakhs. A rise of Rs. 3.77 crores is noted in advances and of Rs. 2.02 crores in inland bills purchased and discounted, while foreign bills purchased and discounted have declined by Rs 4.21 crores. Investments have further declined by Rs. 1.55 crores. Cash on hand and balances with other banks have shrunk by Rs. 1.02 crores.

The Gilt-edged market continued to rule weak for the second week in succession, with no change in the Reserve Bank's policy in respect of supporting the market. Except for the long-dated loans, which attracted some buyers and consequently displayed a steady tone, the entire list sagged further.

2¾ per cent. 1976 rose by As. 2 to Rs. 82-8, following the stepping up of the Reserve Bank's selling rate to Rs. 82-8. Proximity of interest payment attracted buyers in 3 per cent. 1957 As. 2 lower at Rs. 99-9. 3 per cent. 1958 had sellers at Rs. 99-8, though there were buyers at Rs. 99-7½. 3 per cent. 1959-61 dropped an anna to Rs. 98-2, as also 3 per cent. 1963-65 and 1964 an anna each to Rs. 94-9. 3 per cent. 1966-68 had buyers an anna higher at Rs. 92-6 and 3 per cent. 1970-75 was sought for an anna higher at Rs. 88-13. 3 per cent. 1986 Conversion Loan slumped further to Rs. 77-8 at which some business was done. 3½ per cent. 1961 was offered at Rs. 99-6, 3½ per cent. 1964 an anna lower at Rs. 98-8 and 3¾ per cent. 1965 at Rs. 98-5. Among State loans, 4 per cent. 1967 Bombay and Madras shed As. 2 to Rs. 100-9 and Rs. 99-10, respectively. U.P. 1967 dropped an anna to Rs. 99-10, while West Bengal 1967 was unchanged at Rs. 100-1.

In the foreign exchange section, the rupee displayed strength in terms of the dollar, following the improvement in sterling, banks' selling rate of ready dollars being quoted at Rs. 476¾ per $100, as against Rs. 477¾ per $100 a week ago, and their buying rate at Rs. 472¾ per $100, as against Rs. 473¾ per $100. In New York, spot sterling improved from $2.80¾-2.80¾ to $2.80¾-2.80¾. Three months' forward rose from $2.78-15/16-2.79-1/16 to $2.79¼-2.79¼ and transferable sterling from $2.77½-2.77⅝ to $2.77-9/16-2.77-11/16.

LINSEED BETTER

(*Messrs. A. Bradley & Co.*)

CALCUTTA, 27*th February*

After ruling easy in the first few sessions of the week, the linseed market looked up. The price of linseed oil in the U.K. declined appreciably early in the week and this, together with the uncertainty regarding export duty, gave cause for local buyers of linseed, as well as shippers of linseed oil, to be rather reserved. The U.K. prices, however, reacted again to higher levels and there was, therefore, revival of demand from crushers for both ready and forward linseed. Sellers were, however, reserved. The stock of ready goods was scarce. The weekly turnover was small. The latest available quotations are: February-March delivery Rs. 24-8 and April-May delivery Rs. 21-8 per maund.

GOLD CROSSES Rs. 100-MARK

(*From Our Own Correspondent*)

BOMBAY, 29*th February*

Gold made history in the bullion market during the week under review by crossing Rs. 100-mark after a lapse of nearly four years; it remained well above that level throughout the week. Forward gold touched a high of Rs. 102 and ready Rs. 102-7, the highest levels touched since February 1952. At this level, forward gold was only about Rs. 17 less than the all-time peak touched in May 1950. The bullish trend in the yellow metal was attributed to speculative buying and frantic short-covering induced by continued heavy offtake in the ready section. Madras, Delhi and Calcutta were reported to have been the main buyers in the ready section. The higher levels, however, attracted heavy profit-taking and the closing prices today were perceptibly below the highest levels for the week, due to renewed fears about Budget proposals.

Silver, on the other hand, was listless, though the undertone was just steady. Early in the week, silver was depressed on rumours that the Government of India had granted licences for import of silver from Tibet. These rumours did not, however, find official confirmation. Consequently, the white metal gained some strength later in the week, thanks to the fairly good offtake in ready. The strong bullish trend in gold also aided sentiment.

Forward silver (28th February settlement) was marked down from Rs. 175-2 to Rs. 174-4 early in the week, but staged a rally to Rs. 176-9 before the settlement ran out at Rs. 176. The March settlement came up to Rs. 177-8, after an early relapse from Rs. 176-4 to Rs. 175-5. The closing was, however, lower at Rs. 176-7.

Ready silver (.996 Mint) advanced from Rs. 175-8 to Rs. 176-11, but closed lower at Rs. 175-15 today. The floating stocks of silver are placed at 1,200 bars. The daily average offtake was 20 bars.

Forward gold (27th February settlement) rallied from Rs. 99-3 to Rs. 102 before the settlement ran out at Rs. 101-15. The March settlement rose from Rs. 98-13 to Rs. 101-7, but finished at Rs. 100-7. The carry forward charges against sellers further widened from As. 6 to As. 11 during the week.

Ready gold improved from Rs. 99-10 to Rs. 102-7 before winding up at Rs. 101-6. The floating stocks of gold are estimated at 25,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was higher at 4,500 tolas on an average.

In London, there was a fall in silver and gold prices. Spot silver declined from 79¾d. to 78¾d. and forward silver from 79¾d. to 78¾d. Gold moved down from 249s. 3½d. to 249s. 1d. In New York also, silver retreated from 91⅛c. to 90⅜c.

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

	29-2-56	Highest	Lowest	22-2-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	101 6	102 7	99 5	99 10
Forward*	100 7	101 7	98 9	99 8
Sovereign	64 0	64 0	62 0	62 8
SILVER				
Ready (.996 fine Mint) ..	175 15	176 11	174 8	175 8
Forward†	176 7	177 8	175 5	175 2
London Silver Ready ..	78¾d.	79¼d.	78¾d.	79¼d.
London Forward	78¾d.	79¼d.	78¾d.	79¼d.
London Gold	249s. 1d.	249s. 3d.	249s 1d.	249s. 3½
New York Ready	90⅜c.	91⅛c.	90⅜c.	91⅛c.

* 27th March settlement.
† 28th March settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

PEPPER STEADY

(*Messrs. Parekh & Co.*)

BOMBAY, 29*th February*

During the earlier part of the week, Malabar black pepper showed improvement under pressure of buying by exporters, who after waiting for a lower price came out to buy against their uncovered balance of sale to Russia and the fresh sale of about 300 tons to Communist China. During the later part, however, the terminal markets both at Cochin and Alleppey eased on withdrawal of exporters as buyers. Alleppey after touching Rs. 850 came down to Rs. 837½, while garbled at Cochin marked down from Rs. 145 to Rs. 141½ with sporadic buying. In spite of the accumulation of floating stock in all the primary markets, which is estimated at more than 4,000 candies, the prices were well maintained showing resistance at lower prices. The growers were regulating the inflow of pepper in the terminal market according to the day-to-day sales effected.

There are various rumours regarding fresh business of about 1,000 tons with Russia but these have remained so far unconfirmed.

Despite healthy statistical position of Malabar black, opinion among a section of the trade is veering round the fact that, unless there is concentrated buying by America, the present prices may not be maintained, as growers are likely to get tired and come out to sell before the pressure of Sarawak new crop in the market. In A.S.T.A. section, long interests are reported to be trying to support the market and March shipments were done at $0.31½. For April-May-June shipments, there are buyers at $0.33.

In delivery section prices were well maintained. The following are today's nominal quotations: Ready delivery Rs. 113 (as against Rs. 112 a week ago) per Bengal maund, March delivery Rs. 800 to Rs. 810 (Rs. 770 to Rs. 780) and April delivery Rs. 810 to Rs. 820 per candy of 5½ cwts.

DEADLOCK IN COTTON PERSISTS

(*From Our Own Correspondent*)

BOMBAY, 29*th February*

The deadlock in the cotton futures market still persists, despite Mr. Justice Coyajee's verdict in favour of the Forward Markets Commission (F.M.C.). Dismissing the petition challenging the F.M.C.'s directive to the East India Cotton Association (E.I.C.A.) to close cut hedge contracts and to amend by-laws, His Lordship observed that the Commission had denied *mala fides* and had said that, before the hearing of Mr. Shah's appeal, the Commission had concluded that forward trading in cotton was detrimental to the interest of the trading or public interest and to the larger interests of the economy of India and, therefore, the Government had considered amendment of by-law 52AA immediately and without previous publication. The Commission had felt that, if an upward revision were effected in cotton, that would be detrimental to other commodity markets and to the public. His Lordship also held that the petitioners' contracts had been subject to the by-laws of the Association and there was no undertaking by the Association that the conditions of the contracts must or should necessarily remain the same until the contracts were worked out. On the contrary, there was an agreement that the contracts were to be worked out under the by-laws of the Association as they stood or as they might stand at all times. The substitution of the machinery under by-law 52AA, namely, the Forward Markets Commission for the Textile Commissioner, did not, he contended, affect the incidence of contracts.

This verdict was greatly disappointing to the aggrieved bull operators who immediately went in appeal and secured an interim injunction restraining the E.I.C.A. and its Directors from giving effect to the directive of the Commission. The case is being heard by the Chief Justice and Mr. Justice Tendolkar. Meanwhile, the E.I.C.A. had fixed the closing date on the 25th inst. and had asked the members to arrange inward payment. The outward payment will, however, be made after the legal hitch is solved.

In the spot market, Vijay, Khandesh and Punjab 320F varieties met with good buying support from mills. Sizable lots of Vijay and Wagad were reported to have been purchased by Kanpur and Delhi interests. Among exportable styles, Jarillas, Wagad, Zoda and *Deshi* cottons evoked particular interest from shippers. Fresh large export business was done with Japan. In the foreign section, Africans received buying enquiries; deals were put through in Budoma at Rs. 1,535 and in Busoga at Rs. 1,525. A small quantity of Garan was also lifted at 42.75d. per lb. The ruling rates of B.P.52, Bukhedi and Jinja were Rs. 1,615, Rs. 1,475 and Rs. 1,445, respectively. There has been no enquiry for Pakistan cotton stapling 7/8" and above which is now allowed to be imported. The landed cost of such cotton is presently about Rs. 300 per candy (approximately 7*d.* per lb.) above comparable domestic styles. The large export duty of Rs. 270 per candy is doubtless responsible for this. A prominent Pakistan shipper has pointed out that, although the market there is somewhat erratic, there is no indication of a big drop in prices at present, since the statistical position is sound.

The latest available quotations from the Sewri market are: Bengal *deshi* Rs. 710; Berar Jarillas Rs. 785; Khandesh Rs. 770: Vijay Rs. 890; Oomra *deshi* Rs. 750; Moglai Rs. 660.

The firm trend witnessed in the Karachi cotton market in the past six weeks abated during the week under review. In fact, the market ruled distinctly easy, thanks principally to lack of encouraging response from Indian cotton interests to the Government of India's decision to allow import of Pakistan cotton of staple length 7/8" and above. Traders would appear to feel that, so long as the heavy export duty was not reduced, there might not be any sizable shipments of Pakistan cotton to India. As there were no signs of the Government lowering the duty, operators did not evince any interest in extending commitments. Some even were inclined to sell their holdings which they had bought in anticipation of large export business with India. Consequently, cotton values staged a retreat. N.T.R.G. May delivery dropped from Rs. 82-15 to Rs. 81-8 before closing yesterday at Rs. 81-15 per 82 lbs. March delivery suffered over the week a loss of As. 14 to Rs. 83-7. In the spot section, barring Sind *deshi* and Punjab *deshi* which were on special request, the prices of all other popular varieties tended to recede. The following are the latest available quotations—in rupees per 82 lbs.—from the Karachi cotton market, figures in brackets giving last week-end's prices:

Sind *deshi* 78-8 (77); Punjab *deshi* 73-4 (72-12); 4F Roller 81-3 (82-8); S.G. 86-15 (88-4); Punjab Roller 85-7 (87); S.G. 91-7 (93); 289F N.T. Roller 88-7 (90); S.G. 95-15 (97); 289F Punjab Roller 93-15 (95-8); S.G. 100-7 (102).

The current Pakistan cotton crop is estimated at 1.70 million bales, of which Punjab varieties account for 1.15 million bales and Sind varieties for 550,000 bales. The local mills were expected to consume a total of 800,000 bales. Excluding this and also the 500,000 bales exported so far, the surplus that is still available for export amounts to 300,000 bales.

The Alexandria cotton futures market exhibited a firm trend in the first two sessions of the week on renewed buying enquiries from abroad and rumours of the possibility of further large barter deals with the communist countries of Europe and China. The market developed a weakness on the 23rd inst., following slackness in overseas demand, especially from Czechoslovakia, China, Rumania and Yugoslavia. Operators lent reduced support to the market and, the sellers being eager to sell in anticipation of a further fall in prices, quotations slided downwards. There was, of course, some recovery yesterday, which, however, was not so marked as to

erase the earlier losses. Over the week, the prices were lower. The following are the latest available closing rates—in tallaris per lb.—prevailing at Alexandria, as compared with those on the 23rd and 21st inst.

	28-2-56	23-2-56	21-2-56
Karnak March ..	90.20	94.55	91.18
Karnak May	89.30	93.40	90.25
Ashmouni April ...	69.43	93.15	71.70
Ashmouni June ...	68.30	—	—

The progress of the Gezira crop is reported to be quite satisfactory. Samples of S cotton from the early new crop arrivals already made available to buyers in Port Sudan included GS, XG2S and G2S. The impression of a prominent shipper is that the samples are superior in quality as compared with cotton of the same grades of the last crop. Auctions are expected to commence early next month. Following the high values of Egyptians, private holdings of Sudans are now quoted 400 to 500 Liverpool points per pound above the prices asked for a month ago. As compared with the previous auction, prices received for the 10,000 bales new crop A.R. Uganda, auctioned on Tuesday last week, were somewhat higher. A small quantity of A.R. Mwanza cotton which was also auctioned on the same day fetched an even better price than Lango. Compared to the prevailing values of Egyptian Ashmouni and Californians, A. R. new crop Uganda is selling at a very considerable discount even at current rates. Some quarters, therefore, envisage that the Lint Marketing Board is likely to obtain still higher prices in futures auctions. The recent tendency has been a strengthening of world prices for medium to long-staple cottons.

The Liverpool cotton futures market presented a fully steady trend this week too. The steadiness was due to trade and commission house buying. There was some Americans selling in near months which was, however, fully absorbed by mill fixations. While sellers were reserved, there was trade buying in new May-June contract. Prices of cotton, as a consequence, continued their upward march.

An extraordinary general meeting of the Liverpool Cotton Association will be held on 15th March when a Liverpool Sudan futures contract will be proposed for adoption. If approved, it is expected that trading in the new contract will be inaugurated as soon as possible.

The latest available quotations (in pence per lb.) from the Liverpool cotton futures market are given below:

Old contract: March-April 25.35; May-June 74.75; July-August 24.25. *New contract*: May-June 31.40; July-August 28.55; October-November 25.90; December-January 24.75. *Egyptian Karnak cotton*: March-April 51.15; May-June 50.60; July-August 50.60.

A quiet trend was in evidence in the New York cotton market. The chief unhelpful factor was the possibility of an increase in the C.C.C. releases of surplus cotton which would include higher grades and longer staples. There was some hedge selling and profit-taking. Prices, therefore, declined. The decline would have been more marked but for reports of continued good demand for new crop cotton in the South and expectation that the Senate would approve the rigid 90 per cent. of parity price supports in the new Farm Bill. The Secretary of Agriculture has declared his opposition to dumping American farm surpluses abroad. It is believed that the Department of Agriculture is contemplating an expansion of the present limited surplus disposal programme and will sell all grades and staples for export starting from 1st August 1956, with a somewhat smaller concession in price of the medium staples than is now being given for the 1 million bales short-staple cotton. No further sales on a competitive bid basis are anticipated during the current season, as the Secretary of Agriculture has repeatedly made statements to this effect.

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

(In cents per lb.)

	28-2-56	21-2-56	14-2-56
Spot	36.60	36.60	36.50
March	35.70	35.77	35.75
May	34.90	35.39	35.05
July	33.87	34.19	33.93
October	31.90	32.10	32.20

YARNS FIRM

(From Our Own Correspondent)

BOMBAY, 29*th February*

The yarn market was this week thick with all sorts of rumours regarding tax proposals in the Central Budget. The majority of traders was inclined to feel that there would be an upward revision in the excise duty on cotton cloth. Some operators expected a levy of excise duty on rayon yarn and a rise in import duty on foreign yarn, while others anticipated imposition of a higher level of excise on rayon fabrics. In view of these rumours, operators were extremely cautious in making fresh purchases. Deals put through were, therefore, not much. The undertone of the market, however, was distinctly firm, on expectations of an improvement in the offtake of yarn.

In the rayon yarn section, Snia rayon yarn (120 dull cones) for February and April deliveries met with buying support and spurted by Rs. 5 each to Rs. 820 and Rs. 833, respectively. Spot yarns evoked good enquiries from consuming centres and recorded an improvement in prices. 150 Japan rallied As. 2 to Rs. 4-3-6. 120 Japan strengthened by an anna to Rs. 4-9. 150 Italy gathered six pies to Rs. 4-1. 120 Italy was quoted at Rs. 4-0-6. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade rose by 15 pies to Rs. 3-12-3. 120 Bt. cones 1st grade gained a like amount to Rs. 3-15.

Prices of staple fibre yarns moved within a narrow range. 40×2 Kamlas advanced by half an anna to Rs. 3-13. Citys increased by three pies to Rs. 4-2-6. Kohinoors were higher by a similar amount at Rs. 4-5-6. New Greats were firm at Rs. 4-1-6, as also Centurys at Rs. 4-1-6. Sitarams, on the other hand, receded by six pies to Rs. 4-0-3.

Cotton yarns ruled distinctly strong, on expectation of enlarged buying enquiries from consuming centres. It was felt that, if the Union Finance Minister were to raise the excise duty on mill cloth, the competitive capacity of handloom cloth would improve. Buying support ensued, as a consequence, and prices registered a rise. Fine and superfine counts were specially favoured. Thus, 80 counts Finlays forged ahead by Rs. 3 to Rs. 73. Elphinstones picked up As. 4 to Rs. 62-8. Sixty counts Moderns rallied Rs. 2 to Rs. 63. Maduras advanced by Re. 1-12 to Rs. 46. Finlays put on Re. 1-2 to Rs. 62-8. Among 40s, Moderns and Indus gathered As. 4 each to Rs. 27-8 and Rs. 28-4, respectively. Maduras gained an anna to Rs. 28-3. Transactions at higher rates were reported in 20 counts yarns, Moderns rising by As. 4 to Rs. 17, Maduras by As. 2 to Rs. 17-12 and Hinds by an anna to Rs. 16-8. Among 10s, Podars rose by an anna to Rs. 13-1. Moderns were fully maintained at Rs. 13-4, as also Elphinstones at Rs. 12-6.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	29-2-1956	22-2-1956	15-2-1956
Art silk yarn (per case of 200 lbs.)-	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia February	820 0	815 0	811 0
,, ,, April	833 0	828 0	824 0
120 Japan (per lb.)	4 9	4 8	4 8½
150 Japan (per lb.)	4 3½	4 1¼	4 1¼
120 Italy (per lb.)	4 0¼	4 1	4 1
150 Italy (per lb.)	4 1	4 0¼	4 0¼
Staple fibre yarn (per lb.)—			
40 × 2 New Great	4 1¼	4 1¼	4 1
40 × 2 Century	4 1¼	4 1¼	4 1¼
40 × 2 City	4 2¼	4 2¼	4 1¼
Cotton yarn (per bundle of 10 lbs.)-			
10s Elphinstone	12 6	12 6	12 7
2/8 Hind	16 8	16 7	16 8
30s Madura	22 12	22 14	22 10
40s Mitaal	28 6	28 6	27 0
60s Finlay	62 8	61 6	60 8
80s Finlay	73 0	70 0	70 0

TEA DUSTS DEARER

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 23*rd February*

There were 360,000 lbs. of dust on offer in Dust Sale "D" which was held on Tuesday 21st February. From the outset there was a much stronger tone. Low medium and medium types were irregularly an anna to As. 2 higher. There was strong competition for black leaf Middle East types and these were appreciably dearer. Best liquoring dusts were keenly sought after and were As. 3 to As. 4 higher.

London Market.—Sale of 20th February 1956.—Best liquoring dearer. All others difficult of sale. Prices often 2d. to 3d. lower.

Sale of 21st February 1956.—Good demand for Ceylons. Good mediums and best often dearer; low growns and poorer mediums irregularly easier. Best South Indians sold well, but all others 1d. to 3d. lower.

Export Quota.—Following the announcement given above, the market showed a temporary stronger tendency. The present quotation is 10 pies nominal.

Forthcoming Auctions.—Dust Sale "E" will be held on Tuesday, 6th March.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"*Sale* 5.—1,300,000 lbs. Less demand for low medium and medium types which are irregularly one to two annas easier, particularly fannings. Good medium and best quality very strong demand and prices advanced following quality. Whole leaf strong Middle East types much easier. Bazaar buyers very quiet."

LINSEED IMPROVES FURTHER

(From Our Own Correspondent)

BOMBAY, 29*th February*

The most notable feature of the week under review is the further advance in prices of linseed and oil, despite the fears of an excise levy on linseed oil in the budget to be presented this evening. The improvement was chiefly due to extremely encouraging overseas advices. Thus, linseed oil was quoted on the Continent at as high as £145 per ton, as against £139 end of last week. It will be recalled that the peak of £145 was touched once in the middle of last week also. The groundnut section too advanced partly in sympathy with the linseed section and partly due to the paucity of floating stocks. The castorseed section proved no exception to the general upward trend. Advices from the U.K. for castor oil, commercial quality, were better at £114 per ton, as against £110 per ton a fortnight back. As a result, business done on the market was substantial and prices recorded handsome gains over the week.

The budget session will be held on the Exchange today between 6 p.m. and 8-30 p.m.

Madras dealers are reported to have made representations to the authorities requesting them to extend the validity of export permits expiring today by a week, since steamers due to arrive during the last fortnight are scheduled to reach the Port only next week.

In the linseed section Bold ready delivery advanced from Rs. 30-4 to Rs. 32. April-May delivery rallied Re. 1-13 to Rs. 31-15. Small Sutnas improved from Rs. 28-12 to Rs. 30-8. Linseed oil disclosed a gain of Re. 1-12 at Rs. 20-14.

Bold F.A.Q. ready, in the groundnut section, put on Re. 1-4 to Rs. 30-12. April-May delivery changed hands higher at Rs. 31-4, as against Rs. 30-2. Coromandals gathered Re. 1-4 to Rs. 31-4 and Khandesh quality Re. 1-2 to Rs. 31-4. Groundnut oil *ex*-mill fared better at Rs. 16-5, as against Rs. 15-11. April and May deliveries were enquired at Rs. 16-9 each, as compared with Rs. 15-12 and Rs. 15-14.

May futures, in the castorseed section, opened the week at Rs. 118-4, as against Rs. 117-14, was done today at Rs. 118-12. The highest and the lowest touched during the week were Rs. 119-10 and Rs. 115-14, respectively. Madras quality, in the ready section, was done better at Rs. 23-4, as against Rs. 23-2 and Kanpur at Rs. 21-8, as compared with Rs. 21-2. Castor oil B.S.S. disclosed a gain of As. 3 at Rs. 14. Commercial quality too put on a similar amount to Rs. 13.

Among others, kardi Bold gained As. 10 to Rs. 17-4 and niger Madras As. 8 to Rs. 27.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	29-2-1956	22-2-1956	15-2-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
Khandesh Quality Ready (*per cwt.*)	31 4	30 2	30 10
February-March	30 12	29 8	30 2
April-May	31 4	30 2	30 12
Linseed—			
Bold Ready (per cwt.) ..	32 0	30 4	30 0
February-March	32 0	30 4	30 0
April-May	31 15	30 2	29 12
Castorseeds—			
May	118 12	117 14	119 12
Madras (per cwt.)	23 4	23 2	23 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	16 5	15 11	15 9
Castor Oil—			
Commercial (per quarter) ..	13 0	12 13	13 0
Linseed Oil—			
Ready	20 14	19 2	18 10

SUGAR BEARISH

(From Our Own Correspondent)

BOMBAY, 1*st March*

The earlier expectation that the Finance Minister's budget proposals would propose heavier levies on sugar did not materialise. Consequently, the existing rate of excise duty and inter-State sales tax remained unchanged. As a result, the sugar market recorded the anticipated all-round fall in values in all sections, namely, ex-mill quotations, spot and forward prices. Ex-mill quotations of Bombay Deccan mills immediately fell by Rs. 2 per bag, spot values by Rs. 2 per bag on an average, in spite of a very thin spot stock position in the City and the forward section also recorded a fall of more than Rs. 2-4.

Arrivals of indigenous sugar during the week under review amounted to 6,900 bags and the fall in spot prices recorded a comparatively moderate fall. D grade sugar was quoted Rs. 89-91, C grade Rs. 91-97, B grade Rs. 97-100, and A grade Rs. 100-102 per bag, respectively, including sales from the bearish onslaught and this variety was freely offered at Rs. 83-8 per bag excluding sales tax.

In the forward section *Fagan* delivery contract for C grade sugar collapsed from Rs. 93-12 to Rs. 90-8 per bag with sellers at this price. The undertone of the market was essentially disquieting and weak at the close.

JUTE PRICES DECLINE

(From Our Own Correspondent)

CALCUTTA, 28*th February*

Prices of jute goods fluctuated within narrow limits during the week under review, but at lower levels covering demand was fair. Raw jute prices moved down fractionally. The feeling that during the month of February shipping has not been satisfactory is shared by a large section of the trade. As a result, stock figures as at the end of the month are expected to show a further rise over those of January, and this would be all the more so in view of the higher loomage at work compared to January. What with the present increased labour costs, higher prices for raw jute, and keen competition from foreign manufacturers (which rules out the possibility of higher prices for jute goods), the profit margin of mills has considerably been reduced is common knowledge.

This week's decline in prices of raw jute is welcome in this context. But the fall was fractional and followed continued weakness in the goods market and the consequent necessity on the part of mills to keep away from the raw jute market. Raw jute prices tend to move higher the moment mills enter the market. It is on account of such a tendency that the prices of goods and the fibre invariably bear an uneconomic relationship, and, although raw jute supply has been sufficient, fears of shortage are expressed often by interested quarters. The trade in jute goods is, therefore, looking forward to the day when all these uncertainties would no longer exist. The only remedy lies in more output of the domestic fibre and an improvement in quality. During the week under review, local daissee bottoms declined to Rs. 30 from Rs. 31, and Indian northern bottoms and upper Assam bottoms were both priced at Rs. 29-8, as against Rs. 30 a week ago. Quotations in the agencies were higher.

The markets were closed on Friday on account of the general *hartal* organised by the leftist organisations in Calcutta to oppose the proposed West Bengal-Bihar merger. By the week-end, ready 40" 10 oz. hessian lost to Rs. 40-2 from Rs. 40-8, and at the lower level covering demand developed. A small recovery to Rs. 40-4 was the feature in yesterday's trade. Forward quotations were higher, and the highest and lowest levels for April-June goods were Rs. 40-12 and Rs. 40-8 respectively. In heavy goods also there was some covering demand. Australia continued to show interest and purchased a fair quantity of woolpacks for April-June delivery. From Rs. 113-14 ready B. twills gave way to close at Rs. 113-6 by the week-end but recovered to close better at Rs. 114-4 in trading yesterday. Rumours of impending business with Russia continued, and although it was believed that an Indo-Russian understanding had been reached for barter, confirmation was lacking. This was a factor for more covering business during this week, but the lack of confirmation in this regard caused prices to fall.

GOOD DEMAND FOR TEA

(From Our Own Correspondent)

CALCUTTA, 28*th February*

Although there was good demand during the export sale yesterday, when offerings amounted to 59,240 chests, prices displayed a divergent trend. Thus, C.T.C. fannings and stylish leaf grades advanced, medium and low medium B.O.Ps gave way by an anna. Fannings were maintained at previous rates, and, among the remaining lots, teas with quality were well supported. Most other teas declined by half to one anna. The quotations were: best C.T.C. Assam B.P. Rs. 2-5 to Rs. 2-6 (nominal), clean black pekoe Re. 1-13 to Re. 1-14, medium Assam B.P. Re. 1-7, and plain B.P. Re. 1-14 to Re. 1-4-6.

Transactions in export quota rights were reported at rates varying from 7 to 9 pies.

Fairly steady conditions were in evidence during last week's sale for domestic consumption. Dusts offered aggregated 19,000 chests. Prices recorded fractional gains. Among C.T.C. Assams, the poorer lots advanced by ½ to 1 anna, while the best liquorings realised several annas above valuations. Black leaf teas were, however, slightly easier, but good support was afforded by buyers on behalf of the Middle East. All other teas gained by ½ to 1 anna. The quotations were: best Assam C.T.C. Rs. 2-9, medium Assam grainy dust Re. 1-8-6 to Re. 1-9-6, and medium Dooars Re. 1-7-6 to Re. 1-8-6.

Offerings of leaf grades totalled 4,500 chests. Demand was fair and prices rose by an anna to As. 2.

HIDES EASY

(From Our Own Correspondent)

MADRAS, 27*th February*

The E.I. tanned hides and calf market continued weak and prices declined further during the week under review to a level lower than what they were a year ago. Arrivals from the tanneries were as usual and clearance moderate. Enquiries from the U.K. were limited. Prospects for larger trading and improvement in prices appeared remote, as U.K. leather dressers had found their trade extremely disappointing.

The raising of the Bank rate in U.K. to 5½ per cent. on the 16th instant, the highest level since 1932 will have adverse effect on prices of hides and skins. The E.I. tanners will, therefore, be well advised to reduce their soakings in their tanneries and regulate the quantities exported, as otherwise they will be unable to arrest further decline in prices.

Tanned goat skins—market quality—declined by one to two annas per lb. and superior tannages by 3d. in the overseas market. Lining sheep skins ruled unchanged. In the auctions, which will commence in London on 12th March 5,70,000 tanned goat skins and 7,00,000 sheep will be available for sale and, in view of the large quantities involved, prices are expected to decline further.

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 27*th February*

Sugar prices ruled quiet during the week as traders desired delivery before the announcement of the Budget proposals, but sugar factories were inclined to cover the risk of likely increase in excise duty. The volume of business thus was restricted. Renewed rumours of an upward revision in excise duty on sugar and of a possibility of the Centre imposing a levy on the movement of sugar from one State to another in lieu of inter-State sales tax were not ruled out. The Government has reduced the prices of some varieties of imported sugar. The latest available mill delivery prices are: Jaswant Rs. 28-14, Simbhauli Rs. 28-14, Mowana unquoted, Daurala Rs. 30-4, Amroha Rs. 28-4, Bijnore Rs. 28-8, Mansoorpur Rs. 30-4, Rampur Rs. 32 and retail Rs. 31 per maund. *Khandsari* prices ruled quiet and featureless in absence of any driving force at Rs. 23 to Rs. 28 per maund according to quality.

Ready *gur* prices continued to rule depressed, the only brightening factor being the allotment of 20 wagons to Gujerat in the beginning of the week and another 15 wagons at the end of the week. The daily arrivals have gone down, the total quantity put in the market during the week being 16,000 maunds. The local stock has swelled to 140,000 maunds. The estimated arrivals from the beginning of week were 4 lakh maunds. Prices are quoted from Rs. 10 to Rs. 10-4 per maund.

Future *gur* prices eased appreciably during mid-session, but covering at low levels accounted for some improvement at close. Opening at Rs. 10-5 and Rs. 11-5 for *phagun* and *baisakh* deliveries on Monday last, and touching the lowest at Rs. 9-12-3 and Rs. 10-9-3, respectively, in mid-session, the respective prices today touched Rs. 10 and Rs. 10-14. Sowings for the new cane crop are in full swing.

FOODGRAINS ADVANCE FURTHER

(From Our Own Correspondent)

HAPUR, 27*th February*

Almost firm conditions prevailed in the grain markets during the week under review and thus was partly attributed to some shortfall in the production *kharif* crops this year, following excessive rains and floods, and partly to speculation on the part of the trade, particularly in regard to wheat. The Government of India has been issuing about one lakh tons of wheat monthly from its reserves and it expects that prices of wheat will fall when the standing crop is about to come in the market in April.

Wheat prices at Hapur recorded further gain of As. 6 per maund to Rs. 15-2 per maund for average quality and *khati* prices advanced to Rs. 14-9. Millers from Delhi and Meerut were the main purchasers. The 300 tons of wheat released in Delhi daily from Government stocks is considered insufficient. The week's offtake was 3 *khaties*, reducing the local stock to 22 *khaties*, as against 12 at this time, last year. Rice prices also recorded modest gains during the week in sympathy with wheat prices. The latest available rates are: basmati Rs. 24 to Rs. 32, mainpuri Rs. 18-4, mungoni Rs. 15 and coarse quality Rs. 13-4 per maund. India exported 98,787 tons of rice during 1955, while the total quantity imported amounted to 2.65 lakh tons.

Coarse grains continued to rule steady for most part of the week. Cloudy weather and expectations of rains, however, accounted for slight fall in prices in the week-end. Gram prices ruled quiet at previous week's level. The latest available prices are: barley Rs. 10-8, *bejhar* Rs. 10, gram Rs. 10-4 to Rs. 10-8, maize Rs. 10-8, *bajra* Rs. 9-6, *jowar* Rs. 10-8 and *guwar* Rs. 8-8 per maund.

Hardening in pulses prices continued on poor stocks and peas *dara* was transacted at Rs 9-12 and white quality at Rs. 10-8 per maund. Stock position ran down to one *khati*, as against 16 at this time last year. *Arhar* prices advanced by As. 4 per maund to Rs. 11-8, with stock being placed at 3 *khaties* at the end of the week. Other pulses ruled quietly steady.

Pulses futures ruled quietly easy during the week. The prices on Monday were: peas *jeth* Rs. 8-0-7½, peas white *jeth* Rs. 8-14, *arhar jeth* Rs. 9-2-6 and *urd baisakh* Rs. 15-8, as against Rs. 8-4, Rs. 8-15-6, Rs. 9-8-3 and Rs. 15-7, respectively, quoted on 20th February.

BANKING

(*Concluded from page* 391)

million, having risen from $133.33 million earned in 1954 by the National City Bank of New York alone. Of these, interest on loans accounted for $85.61 million, as against $68.76 million in 1954. interest and dividends on investments for $49.02 million ($43.37 million) and other operating earnings for $23.59 million ($21.20 million). Operating expenses amounted to $118.15 million, an increase of $16.71 million over the year. Salaries were higher by $3.77 million at $37.26 million, consequent on the increase in staff and increment in their salaries. The outgo by way of interest increased by $1.28 million to $14.87 million and provision for taxes and assessments by $6.95 million to $31.85 million. The net operating earnings amounted to $40.08 million, an increase of $16.71 million over those of the National City Bank for 1954. The transfer to the reserves was reduced from $14.43 million to $8.14 million, while that for dividend reserve was raised from $17.12 million to $23 million. The undistributed surplus amounted to $7.34 million, bringing the accumulated surplus to a total of $60.01 million at the end of the year.

The total resources of the Bank as at the end of the year amounted to $7,001.30 million, as against $6,323.10 million (of the National City Bank of New York) at the close of 1954. Much of this increase reflected the additions resulting from the merger. Of these resources, deposits alone accounted for $6,308.78 million, as against $5,639.19 million at the end of 1954. There was no change in the capital of the Bank, at $200 million, despite the merger, because the shareholders of the First National Bank were paid cash instead of issue of National City Bank's shares in exchange. Loans and discounts rose from $2,337.06 million to $3,184.56 million, the increase being the result of sustained demand for funds during most of the year. To satisfy these demands, the Bank had to reduce its investments, the outstanding investments in U.S. Government securities at the end of the year amounting to $1,319.31 million, as against $1,843 million. Cash balances, gold and dues from banks aggregated $1,616.57 million, a rise of $305.46 million over the year.

EUROPE'S PROBLEM

O.E.E.C.'S INTERESTING ANALYSIS

From Our Own Correspondent

LONDON, 25*th February*

LONDON LETTER

THE O.E.E.C.'s Seventh Annual Report comes at a timely moment to remind persons in this country nervous about inflation that Britain's problem is by no means isolated. All Europe is suffering from inflation, but, whereas the North-Western Nations are at least enjoying full employment comparable to, if not quite at, the level of this country, the countries of Southern Europe have been as unable as the United States to escape from unemployment.

It is equally interesting to note that this country and those across the Channel have been using similar methods to combat inflation and with as much indifferent success. Their weapons have been greatly restricted credit and dear money, and, just as in Great Britain, they have unfortunately had the effect of attacking investment. The overseas international problem of these countries measures comparably to that of Great Britain: they have been equally recipient of dollar aid and, indeed, they have received aid in increasing ratio contrary to the trend in the United Kingdom. In spite of dollar aid, they have been importing more from the dollar area and they have failed to export more. Their increased dollar imports have been due to requirements of raw materials, including coal and iron from the United States.

It is not in this context that convertibility is likely—the report sagely comments! The overseas balance of payments apart, two significant features come to the O.E.E.C.'s notice. First, that wages have, with the apparent exception of Switzerland, tended to outstrip prices; it is, of course, this factor which is fundamentally responsible for inflation. For demand is outstripping output on all investment goods as a result of the continuous pressure on consumer goods.

The second feature has been the restriction of investment—the paradox of the situation is the way in which the shortage of investment goods is to be cured by reducing the purchase of investment goods! But among the four recommendations of the Organisation there is one which says that further restrictive measures should bear as little as possible on industrial investment.

The other points made by the Organisation are not particularly illuminating. They declare that the measures taken to restrict inflation might be insufficient and might therefore have to be supplemented and developed by such measures as raising interest rates and restricting credit with fiscal and budgetary measures. It is this stage which we have reached in the United Kingdom.

A last point made is that which will appeal to every Chancellor: increases in wages, profits and unearned incomes "must not exceed realistic limits, particularly . . . where it is necessary to improve the competitive position of exports." The diagnosis has been made but the remedy remains to be found.

We have already learnt that it will not be found by restricting investment and, as befits the international position of the Organisation, it has emphasised that it must not be found by restricting trade between countries; indeed, trade barriers should be further reduced and exports, we are told, should be increased. However, there is one important point which is emphasised in the recommendations: the international mobility of labour should be increased. In blunt language, the unemployed Italians who are willing to work in the undermanned coal mines of Britain should be let to come in. But, on the rock of trade union intransigence, the wisdom of the O.E.E.C. will undoubtedly break.

For the United Kingdom, the report nevertheless has an important lesson: Some of the European countries—Western Germany is the obvious example—are overcoming their problem with greater success than is this country. They are increasing their exports, and they are succeeding also in increasing their investments. In this country, the recent budgetary debate has shown that the Opposition will give the Government no help at all in the way of reducing the inflationary strain. Will the Government have the courage both to combat the inflationary pressure and see to it that vital investment is no longer restricted?

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	4½	3½
Austria	17th Nov., 1955	6	5
Belgium	4th Aug., 1955	2½	5
Bolivia	30th Sept., 1950	5	8
Canada	24th Nov., 1955	2½	2½
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1936	6	4½
Colombia	18th July, 1938	5	4
Costa Rica	1st April, 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1954	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	16th Nov., 1951	3	3½
Indonesia	1st April, 1940	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4	3½
Japan	10th Aug., 1956	6.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	29th Nov., 1936	3	1½
Turkey	7th June, 1955	3	4½
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	18th Nov., 1955	2½	2½
West Germany	4th Aug., 1955	3	3½

CLEARING HOUSE RETURNS

Centre	Week ended 24th February, 1956		Week ended 17th Febuary 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,85,669	78,69,43,000	2,84,134	68,50,50,000
Calcutta	1,46,490	58,67,37,643	1,59,390	58,98,29,384
Madras	82,862	9,32,29,547	90,575	9,30,00,103
All Centres—				
1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Oct., 1955	..	..	2,889,000	6,1* 22,00,000
Nov., „	..	..	3,116,000	6,73,96,00,000
Dec., „	..	..	3,267,000	7,23,52,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 24th Feb., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		10,00,00,000
National Agricultural Credit (Stabilisation) Fund		....
Deposits:—		
(a) Government—		
(1) Central Government		66,51,06,000
(2) Other Governments		16,12,16,000
(b) Banks		55,16,00,000
(c) Others		15,97,92,000
Bills Payable		9,21,77,000
Other Liabilities		25,94,26,000
	Rupees	208,93,17,000

ASSETS	Rs.	Rs.
Notes		12,59,41,000
Rupee Coin		8,75,000
Subsidiary Coin		5,93,000
Bills Purchased and Discounted—		
(a) Internal		45,50,000
(b) External		....
(c) Government Treasury Bills		8,77,59,000
Balances held abroad*		67,66,14,000
Loans and Advances to Governments		3,60,00,000
Other Loans and Advances		56,15,09,000
Investments		49,28,59,000
Other Assets		15,26,17,000
	Rupees	208,93,17,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 21,64,50,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 21,67,50,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,59,41,000	
Notes in circulation	1402,85,11,000	
Total Notes issued		1415,44,52,000
Total Liabilities		1415,44,52,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	667,15,97,000	
Total of A		707,17,68,000
B. Rupee Coin		105,03,92,000
Government of India Rupee Securities		603,22,92,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1415,44,52,000

Ratio of Total of A to Liabilities : 49·961 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 17th Feb., 1956

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	5,47,13,000
(ii) Other demand liabilities	624,64,15,000
2. Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	3,25,50,000
(ii) Other time liabilities	413,63,81,000
3. Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	13,05,72,000
(ii) Time liabilities	....
4. Cash in India	36,30,97,000
5. Balances with the Reserve Bank in India	49,90,08,000
6. Balances with other banks in current account in India	10,51,00,000
7. Money at call and short notice in India	7,13,53,000
8. Investments (at book value) in India in (central and State Government securities including Treasury Bills and Treasury Deposit Receipts	377,43,77,000
9. Advances in India	553,50,16,000
10. Inland Bills purchased and discounted in India	93,28,82,000
11. Foreign Bills purchased and discounted in India	44,20,70,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	28th February 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6⅛	1-6⅛
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	476¾	477¼
Buyers T.T. Rs.	478	478
London on New York $	2.80-4/5–2.80⅘	2.80⅘-2.80⅘
London on Paris Frs.	985	985
London on Swiss Sw. Frs.	12 24⅛-12 24½	12 23-12 23½
New York on London $	2 80⅘-2 80⅘	2 80⅘-2 80⅘

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'53-'54	373.37	..	..	10,600	284
Pakistan†	'53-'54	78.81	..	..	1,931	245
Burma	1954	19 24	Kyats	3,905	890	204
Ceylon	1954	8 38	..	..	477	569
Japan	1954	88 20	Y.	6,148,000	8 133	922
Philippines	1954	21 44	Ps.	7,438	1,770	825
New Zealand	1954	2 09	£ (N.Z.)	802	1,070	5,119
Australia	1954	8 99	£ (A)	3,057	4,220	4,694
U.K.	1954	50 78	£	15,718	20,950	4 100
U.S.A.	1954	162 41	$	300,000	144,423	9,016
Canada	1954	15 20	$	18,751	9,190	6,046
France	1953	42 86	Fr. Fr.	10,470,000	14,420	3,364
W. Germany	1953	48 99	Dm.	103,000	11,705	2,389
Italy	1953	48 07	Lr.	8,067,000	6,832	1,421
Norway	1954	3 39	Kr.	18,424	1,230	3,638
Sweden	1953	7 17	Kr.	36,952	3,422	4,772
Netherlands	1953	10 49	Grs.	19,360	2,451	2,336
Denmark	1953	4 37	Kr.	22,915	1,580	3,616
Switzerland	1953	4 88	Sw. Fr.	20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation Monthly Bulletin of Statistics, Dec., 1955.

† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 17th Feb., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	20,98 05,000
(b) Provincial Governments	50,20,000
(c) Banks	11 44 85,000
(d) Others	21,18 38,000
Bills Payable	8,39,000
Other Liabilities	8,25,05,000
Rupees	68,44 92,000

ASSETS	Rs.
Notes	6,36,38 000
Rupee Coin	9,000
Subsidiary Coin	12,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	16,47,000
Loans and Advances to Governments	40,00,000
Provincial Governments Debtor Balances	2,89,69,000
Other Loans and Advances	21,31,89,000
Investments	25,06,97,000
Other Assets	12,23,31,000
Rupees	68 44,92,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,36,38,000	
Notes in circulation	294,42,41,000	
Total Notes issued		300,78,79,000
Total Liabilities		300,78,79,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion		
Silver Bullion	11,19,58,000	
Sterling Securities		
Government of India Securities	85,00,28,000	
Indian Notes representing assets receivable from the Reserve Bank of India	26,58,67,000	
	43,11,81,000	
B. Rupee Coin	6,60,13,000	165,85,34,000
Government of Pakistan Securities	122,43,26,000	
Internal bills of exchange and other commercial paper	....	
	1,00,90,000	
	29,61,000	
		5,90,06,000
Total Assets		300 78,79,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 67·00 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	17th Feb., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,406 83	1,407 65	1,382 71	1,241.16
Notes held in Banking Department	35 05	8 20	7 31	19 11	13 04
Foreign Securities	59 50	667 16	667 16	667 07	663 15
Rupee Securities	37.39	603.23	603 23	688 36	447.74
Banking Department					
Deposits of:					
Government of India	14.89	64 55	60 55	50 30	51 74
Other Governments	..	13 06	11 09	13 38	14 12
Balances held abroad	10.08	71.12	71.06	72 55	68.59
SCHEDULED BANKS					
Demand Liabilities	134.36	630 11	628 08	655 46	590 91
		(5 47)*	(6 19)†	(7 34)*	(10 17)*
Time Liabilities	102.24	416 89	413 50	411 08	371 37
Borrowings from Reserve Bank	..	(3 26)*	(3 26)*	(2 88)*	(2 35)*
		38 65	39 46	27 54	9 02
		(18 72)‡	(19 41)‡	(15 25)‡	(4 97)‡
Borrowings from State Bank	..	13 06	12 70	11 21	6 37
Cash in India	6.70	36.31	34 93	36 28	32 06
Balances with Reserve Bank	25.17	49.90	52 30	63 23	49.21
Excess over statutory limits	15.52	10 06	12 63	22 24	12 24
Balances with other banks in current account in India	..	10.51	10.59	10.99	10.00
Money at call and short notice in India	..	7.14	7.48	9.97	19.94
Investments (at book value)	105.09	377 44	378 99	381 60	354 33
Advances and bills		600 99	685 99	665 80	5o2 27
STATE BANK					
Deposits	..	37.76	238 27	235 60	241 90	232 48
Investments	..	51 99	116 71	116 37	116.32	112 08
Advances	..	80.35	120 82	119 44	119 39	115 62
Cash	..	14.69	20.61	21.33	30 77	21 40

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	November,		Eight months, April to Nov.,	
	1954	1955	1954	1955
Import Duties				
Revenue	12 42	9 90	79 28	74.41
Protective	0.78	0.87	5 10	6.59
On surplus disposals	..	—	0 12	0 07
Total import duties	13 20	10 77	84 50	81 07
Export Duties	5 20	2.76	22 26	24 48
Land Customs	0 23	0 20	1 27	0.69
Miscellaneous	0 07	0.06	0 72	0 48
Gross total customs	18.70	13.79	108.75	106 72
Refunds and drawbacks	0 17	0 20	0 90	1 75
Net Customs	18 53	13 59	107 85	104 97
Gross excise	8.73	11.67	66 92	96 63
Refunds	0 20	0 17	1 19	3 03
Net Excise	8.53	11 50	65 73	93 60
Net total of customs and excise†	27.06	25.09	173 58	198.57

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 24th Feb., 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.		236,93,82,000
Bills Payable		1,00,00 000
Bills for Collection being Bills Receivable as per contra		6,97,60,000
Acceptances, Endorsements and Other Obligations per contra		63,42,000
Other Liabilities (including Inter-Office Adjustments)		17,32,000
		6 47 35,000
Total .. Rs.		264,16,51,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		20,14 29,000
Balances with other Banks		3,63,76 000
Money at Call and Short Notice		66,67,000
INVESTMENTS :		
Government and other Trustee Securities	105,11,87,000	
Other Authorised Investments	9,75,46,000	
		114,87,33,000
ADVANCES :		
Loans Cash Credits, Overdrafts, etc.	86 68,10,000	
Bills Discounted and Purchased	33,74,36,000	
		120,42,46,000
Bills Receivable being Bills for Collection as per contra		63,42,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		17,32,000
Furniture and Fixtures less Depreciation		1,15,88 000
Other Assets (including Inter-Office Adjustments)		48 33 000
		1,97,10,000
Total .. Rs.		264,16,51,000

SMALL SAVINGS

(In lakhs of rupees)

	National Savings Certificates						POSTAL SAVINGS‖									
	5-Year†		7-Year		12-Year		Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates‡		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.83	55	3.26	23.66	84.17	1.13.55	92.08	—	31.07	7.55	25.64	..	..	..	..
1953-54	5.91	1.50	4.26	26.54	1.04.38	1,17,37	1 06,29	—	34,19	6 94	32.11	..	..	..	..
1954-55	4.70	1,62	4.99	27.26	1,24.64	1,33,75	1,30,67	—	36,36	5,57	37,15	7,40£	7 38	551‡‡	54
November 1954	5.06	12	4.64	2.25	1,16.76	10.74	1,16.51	—	35 68	37	35 84	58	5 23	6	54
December „ „	4,96	11	4.68	2.34	1,18,40	11.80	1,15,95	—	35,86	40	35,98	57	5.79	6	59
January, 1955	4.88	14	4.76	2.48	1,20.28	10.51	1,20,10	—	36.02	43	36.37	54	6 33	6	45
February „ „	4.81	12	4.79	2.27	1,21.86	11,18	1,22,28	—	36,18	40	36.74	48	6.81	5	50
March „ „	4.70	26	4.99	3.41	1,24.64	18.51	1,30,57	—	36,36	47	37.15	58	7,38	4	54
April „ „	4.60	11	5.00	2.35	1,26.45	12 41	1,32,91	—	36.51	45	37,55	58	7,38	4	58
May „ „	4.52	36	5 24	2.01	1,27.98	11.82	1,34,08	—	36,65	41	37,89	66	8,51	4	61
June „ „	4.44	13	5.12	2.09	7,29,49	12.26	1,35,93	—	36,77	37	38,22	84	9,33	5	65
July „ „	4.36	12	5.15	2.27	1,31,28	12.89	1,40,23	—	36,86	41	38,64	91	10,20	4	69
August „ „	4.29	12	5.17	2.09	1,32 82	12.25	1,43,50	—	36,97	39	38,87	87	11 06	3	72
September „ „	4.21	13	5.21	2.24	1,34,68	12,39	1,46,60	—	37,12	44	39,28	94	11 80	3	75
October „ „	4.14	10	5.21	2.10	1,36,37	11 85	1,45,68	—	37,24	46	39,68	80	12,49	5	80
November „ „	4.07	10	5.21	1,98	1,37,67	11,25	1,50,10	—	38,35	48	40,05	88	13,21	5	85
December „ „	..	..	..	..	..	..	..	..	..	86	40 84	..	..	..	..

* At the end of period.

† Issued from 1st June, 1948 to 30th June, 1953.

‡ Issued from 10th May, 1954.

§ From July 1954.

‖ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@ Prorrecurve net repayments at the end of period from 15th August 1947.

‡‡ Relating to nine months from July, 1954.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50 = 100)

Group and Sub-Group	Week ended			
	19-2-'55	21-1-'56	11-2-'56	18-2-'56
ALL INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90 6	91 1	91.3	91 3
1. Government of India	90 5	91 0	91.1	91 2
2. Indian States	96.1	96.5	96.7	96.7
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100 7	101 1	101.1	101 2
1. Electricity	102.0	102.6	102.6	102.8
2. Jute	98.8	97.6	97.6	97.6
3. Plantations	99.6	99 1	99.1	99.1
4. Sugar	99.3	99.0	99.0	99.0
5. Coal	90 6	90 6	90.6	90.6
6. General Engineering	100.6	100 9	100 9	100 9
7. Shipping	100.5	102.3	102.3	102.3
8. Others	100 8	101 0	101.1	101 1
PREFERENCE SHARES	88 1	87 2	87 0	86 8
1. Electricity	97.2	94.7	94 7	94.6
2. Cotton	78.6	79.8	80.2	79.7
3. Jute	87.7	86.7	86.7	86.7
4. Coal	91.8	90 5	90 3	90.1
5. Iron and Steel	89.5	88.0	87 7	87.5
6. Sugar	86.2	85.5	85.5	85.5
7. Paper	90.5	88.5	88.5	88.5
8. Plantations	97.7	101.2	101.3	101.4
9. Miscellaneous	87.7	84.6	84.4	84.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	113 5	125 8	121 4	120 5
(a) Financial	89 2	93 7	89 6	89 3
1. Banks	86.0	92 6	89.1	88 8
2. Insurance	109.1	92.7	90.6	90.8
3. Investment Trust	95 1	96 9	94.8	94.7
(b) Public Utilities	114.8	116 6	113 6	113.1
1. Electricity	124.2	120.7	119.0	118.7
2. Shipping and other Transport	100.4	113.8	107.2	106.3
3. Railways	87.8	92.3	90 7	89.7
(c) Manufacturing Industries	115 8	134 5	129 6	128.7
1. Cotton, Woollen and Silk	103.3	125 5	122.7	122.6
2. Jute	94.9	91.1	90 3	89.6
3. Iron and Steel	137.7	156.4	143 3	139.9
4. Paper	209.9	299.9	280.7	279.9
5. Cement	140.1	175.8	168.7	167.1
6. General Engineering	161.4	204 5	198.1	196.3
7. Sugar and Breweries	105.4	108 5	106 8	105.8
8. Chemicals	137.1	163.0	149.1	147.4
(d) Non-Manufacturing Industries	156 1	163 8	159.1	158 1
1. Coal	80 5	86 8	85.0	83.9
2. Mining and Oil	190 8	282 6	247.0	244.1
3. Plantations	136 7	169.4	167.5	167 2
(e) Miscellaneous	95.4	106 0	102 3	100 8
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90.1	90.6	90.8	90.8
2. Calcutta	90 6	91 0	91 2	91 3
3. Madras	90.9	91.4	91.5	91.6
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay	99.3	100 2	100.2	100.2
2. Calcutta	101 3	101 9	101.9	102.1
3. Madras	100.5	100.1	100.1	100.1
PREFERENCE SHARES :				
1. Bombay	91.3	90.4	89.6	89.4
2. Calcutta	84.9	83.1	83.1	83.0
3. Madras	94.0	97.1	96.7	96.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :				
1. Bombay	116.3	130.3	123.1	122.8
2. Calcutta	107.9	116 9	114.5	113.0
3. Madras	109 9	122 5	120.2	120.2
4. Delhi	113 0	136.9	124.9	123.9

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,336,961
1953	772	466,507	3,382,608
1954	840	477,138	3,375,630
October 1953	101	80,211	402,116
November „ „	83	41,431	345,211
December „ „	81	40,780	475,392
January 1954	84	51,973	325,514
February „ „	85	41,351	344,295
March „ „	91	34,202	331,419
April „ „	101	34,963	207,247
May „ „	80	40,073	216,063
June „ „	82	21,589	305,079
July „ „	122	30,139	277,492
August „ „	79	51,090	322,327
September „ „	97	50,414	363,878
October „ „	88	41,724	276,294
November „ „	62	25,115	239,701
December* „ „	101	54,455	293,763
January 1955† „	95	49,038	322,307
February „ „	91	35,370	144,302
March „ „	112	70,042	334,696
April* „ „	99	29,815	303,658
May „ „	119	66,064	833,415
June* „ „	154	85,173	1,035,704
July* „ „	108	57,709	681,153
August* „ „	238	90 260	513,961
September* „ „	240	91,843	567,332
October „ „	118	54,496(a)	183,066(b)

* Figures for 1955 are provisional. † Revised.

(a) Not known in One case. (b) Not known in 5 cases.

§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‖	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	643	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
September 1954	669	647.6	523.3
October „	669	626.5	511.6
November „	674	655.5	534.6
December „	679	683.5	556.0
January 1955	684	685.5	545.2
February „	685	628.7	521.6
March „	686	698.7	568.3
April „	690	691.1	563.9
May „	691	706.5	569.3
June „	696	716.2	578.1
July „	700	734.8	583.2
August „	705	705.9	574.4
September „	707	719.8	587.1
October „	716	730.7	591.9

* Excluding railway, military and factory power stations. Chola Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from a re-electric utilities.

‖ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939 = 100)

Particulars	11th Feb., 1956	4th Feb., 1956	12th Feb., 1955	January, 1956	January, 1955	Percentage of increase (+) or decrease (—) in Jan., 1956 as compared with Jan., 1955	Annual Average 1955	Annual Average 1954
Food Articles	328 8	331.1	308.5	333.4	310 3	+ 7 4	304 5	358 3
Cereals	399	398	346	398	348	+14 4	355	404
Pulses	341	345	242	361	239	+51 0	259	318
Other	231	236	267	238	269	—11.5	241	298
Industrial Raw Materials	465.0	468.4	444.1	454 2 R	432.9	+ 4 9	411.1	447.1
Fibres	472	468	497	453 R	469	— 3 1	431	444
Oil seeds	473	490	367	463 R	373	+24 1	370	408
Minerals	439	431	411	438	417	+ 5 0	420	429
Others	443	441*	484	456*	476	— 4.2	444	410
Semi-Manufactures	354.0	349.3	340.1	351.6	344.5	+ 2 1	333.3	355.4
Leather	408	345	389	396	385	+ 2 9	373	377
Mineral oils	222	202	221	228	220	+ 3 6	211	221
Vegetable oils	425	429	398	425	409	+ 3.9	374	464
Cotton yarn	445	439*	442	434	450	— 3.6	423	454
Metals	249	249	249	242	240	+16.7	254	229
Oil cakes	344*	383	285	371	309	+20.1	320	416
Others	331	330	336	332	330	— 0.6	330	305
Manufactured Articles	375.6	375.4	377.8	375.2	375 5	— 0 1	373.4	375.5
Textiles	409	409	423	408	419	— 2.6	411	418
Jute	429	418	488	430	455	— 7 7	430	438
Cotton	403*	403*	409*	403*	411*	— 1 9	405*	413*
Rayon and Silk	464*	464*	486*	470*	446*	+ 5.7	476*	469*
Woollen	278	278	310	278	310	—10 3	292	311
Metal products	371	371	340	371	340	+ 9 1	351	339
Others	285	285	284	285	284	+ 0 4	286	286
Miscellaneous	528 8	531.5	561 8	540 0	566 8	— 5 1	555 1	646 8
All Commodities	375.9	376.3	364.5	375 7 R	363 9	+ 3 2	355 1	386 7

R=Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939 = 100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugarf	Gur	Tobacco	Raw Cotton	Raw Jutef	Groundnut	Linseed	Coalf	Jute manufactures	Cotton manufactures†	Iron and steel
1954																		
October	463	478	166	213	254	696	541†	301	280†	399†	465†	400	420	339	357	451	415	274
November	448	431	148	233	235	673	556†	300	105	919	486†	441	404	329	357	459	415	274
December	424	488	147	206

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop	Forecast	Unit	Acreage 1954-55	Acreage 1953-54	Outturn 1954-55	Outturn 1953-54
Rice	2nd	tons	72,332†	69,456*	23,775†	22,126*
Wheat	final	,,	26,842	26,310	8,539	7,873
Jowar	final	,,	43,456	43,657	9,092	7,913
Bajra	final	,,	27,850	30,094	3,555	4,459
Barley	final	,,	7,999	8,721	2,786	2,904
Maize	final	,,	9,325	9,360	2,944	2,964
Ragi	final	,,	5,747	5,714	1,778	1,819
Small millets	final	,,	13,680	13,979	2,424	2,427
Total cereals	final	tons	208,823	214,867	55,927	57,020
Kharif	final	,,	173,992	179,836	44,002	47,143
Rabi	final	,,	34,841	35,031	11,325	10,777
Kharif pulses@	final	tons	14,935	15,192	1,497	1,543
Rabi pulses‡	final	,,	10,498	11,214	1,977	2,089
Total pulses	final	,,	54,004	53,715	10,474	10,458
Tur	final	,,	5,944	5,931	1,661	1,627
Gram	final	,,	20,991	19,754	5,125	4,772
Jute	final	bales	1,631†	1,243*	4,137†	2,928*
Cotton	final	,,	18,346	17,182	4,298	3,965
Sugarcane	2nd	tons	3,030†	3,718*	5,079†	4,858*
Groundnut	final	tons	12,547	10,869	3,823	3,578
Linseed	final	,,	3,290	3,860	388	374
Castorseed	final	,,	1,273	1,373	112	108
Rape and Mustard seed	final	,,	5,665	5,534	962	855
Sesamum	3rd	,,	5,557†	6,123*	461†	558*
Total Oilseeds	final	,,	29,335	27,482	5,877	5,462
Tobacco	final	tons	860	912	243	263
Black pepper	final	,,	208	208	26	24
Ginger	final	,,	44	45	13	14
Dry chillies	final	,,	1,472	1,326	356	297
Potato	final	,,	665	635	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
@ Excludes Tur. ‡ Excludes Gram and Tur.
† Refers to 1955-56. * Refers to 1954-55.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During January, 1956	88.9
	Corresponding month, 1955	83.9
	Seven months ended Jan., 1956	608.3
	Corresponding period, 1955	579.4
Stocks	At the end of January, 1956	78.4
	Corresponding month, 1955	76.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 7th Jan., 1956	9,794
	Corresponding week, 1954	5,099
	From 1st Jan., to 31st Dec., 1955	474,872
	Corresponding period, 1954	454,663
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 7th Jan., 1956	40,839
	Corresponding week, 1954	69,502
	From 1st Jan., to 31st Dec., 1955	1,387,390
	Corresponding period, 1954	1,430,227
	RAW JUTE	(In lakh bales)
Consumption by Mills†	January, 1956 (In lakh bales)	5.15
	Corresponding month, 1955	4.86
	Seven months ended Jan., 1956	35.28
	Corresponding period, 1955	33.60

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
Ten months ended Jan., 1955	9,55,100	8,70,400	6,60,200
August 1954	96,700	90,400	67,100
September ,,	86,800	82,400	63,300
October ,,	96,500	89,200	68,500
November ,,	98,800	90,500	68,000
December ,,	1,05,600	95,500	73,300
January 1955	1,02,500	95,800	72,200
August ,,	92,500	83,900	63,700
September ,,	95,800	87,500	65,700
October ,,	91,700	83,800	64,800
November ,,	91,900	86,200	63,400
December ,,	1,03,900	97,500	72,300
January 1956	1,03,900	96,800	71,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,930	2,92,440
Do. 31st March, 1955	7,15,940	5,22,240	4,59,098
Three months ended Dec., 1953	1,81,630	1,15,300	1,05,940
,, ,, ,, Mar., 1954	1,87,750	1,28,510	1,16,940
,, June, 1954	1,82,770	1,17,870	1,07,480
,, Sept., 1954	1,80,018	1,29,741	1,12,861
,, Dec., 1954	1,86,553	1,36,901	1,20,619
,, Mar., 1955	1,85,108	1,43,823	1,18,136
,, June, 1955	1,85,605	1,34,338	1,16,281
,, Sept., 1955	1,76,161	1,30,630	1,08,714
,, Dec., 1955	1,60,750	1 24 696	1,05,762

FOREIGN TRADE OF INDIA

Particulars	October, 1954	October, 1955	Seven months, April to Oct., 1954	Seven months, April to Oct., 1955
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	14.62	3.07	55.74	33.05
Raw materials	13.32	10.45	119.72	90.27
Manufactures	28.38	35.51	170.23	215.26
Other Items	21	57	1.68	1.74
Total	54.02*	49.60*	347.37*	341.02*
By land	2.31	2.18	11.22	13.95
Total Imports	56.33	51.78	358.59	354.97
Exports :				
By sea and air—				
Foodstuffs	18.95	15.76	97.65	87.95
Raw materials	9.26	12.32	55.99	99.26
Manufactures	18.17	18.18	142.10	150.64
Other Items	38	27	2.60	2.48
Total	46.76	46.53	298.34	338.33
By land	49	34	3.17	3.31
Total Exports	47.25	46.87	301.51	336.64
Total Re-exports	36	53	3.11	3.12
Balance of trade in merchandise	— 8.76	+ 4.38	— 54.15	— 15.21
Balance of transactions in private treasure			2	4
Total visible balance of trade	— 8.76	+ 4.38	— 54.17	— 15.25
Imports : ‡				
Total C'wealth countries	22.88	21.80	152.56	156.76
Total Foreign countries	31.14	27.80	194.81	184.26
Exports : ‡				
Total C'wealth countries	28.49	24.46	166.02	166.71
Total Foreign countries	18.27	22.07	132.32	166.62

* Includes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (in thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953	1,168	34,406	128,773	28,539	11,413	2,635	949	171	169	209	169	297
1953-1954	1,179	35,216	129,009	29,365	11,082	2,512	899	153	153	168	190	344
1954-1955	..	..	..	..	11,768	2,711	885	183	160	167	158	397
September 1954	95	2,630	9,902	2,294	914	241	66	11	9	11	12	31
October ,,	99	2,881	10,181	2,458	939	241	65	13	10	19	14	32
November ,,	..	..	..	..	936	226	73	15	13	25	10	34
December ,,	..	..	..	..	1,054	229	70	20	14	21	10	30
January 1955	..	..	..	..	1,082	223	74	20	17	19	15	35
February ,,	..	..	..	..	1,021	209	72	18	16	15	15	33
March ,,	..	..	..	..	1,096	227	78	20	19	15	14	33
April ,,	..	..	..	..	1,034	222	77	21	18	11	12	33
May ,,	..	..	..	..	993	223	80	19	17	8	13	33
June ,,	..	..	..	..	946	217	80	15	15	6	12	32
July ,,	..	..	..	..	1,000	228	87	18	13	6	15	33
August ,,	..	..	..	..	1,009	230	88	15	13	9	16	34
September ,,	..	..	..	..	999	232	79	13	12	11	14	32
October ,,	..	..	..	..	1,031	246	74	13	12	17	10	33

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 23rd Feb., 1956	69,168
	Corresponding week, 1955	54,241
	1st Sept. to 23rd Feb., 1955-56	737,450*
	Corresponding period, 1954-55	681,613*
Cotton Exports	Week ended 23rd Feb., 1956	23,807
	Corresponding week, 1955	9,018
	1st Sept. to 23rd Feb., 1955-56	383,281‡
	Corresponding period, 1954-55	155,451
Mill Consumption (Estimated)	1st Sept. to 23rd Feb., 1955-56	616,208(a)
	Corresponding period, 1954-55	605,416
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 23rd Feb., 1956	456,877
	Corresponding date, 1955	387,404
Cotton Exports from Bombay (by sea)	During December, 1955	60,493§
	1st Sept., '55 to 31st Dec., 1955	327,074
	1st Sept. '54 to 31st Dec. 1954	160,549
Karachi (Pakistan)—		
Receipts	1st Sept. to 16th Feb., 1955-56	1,018,147
	Corresponding period, 1954-55	877,443
Exports	1st Sept. to 16th Feb., 1955-56	473,704
	Corresponding period, 1954-55	284,688

Particulars	From 1st Sept. 1955 to 27th Feb., 1956 Bales	From 1st Sept. 1954 to 27th Feb., 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	42,013	
Continent	73,802	14,004
Hongkong	29,698	21,720
China	34,651	.....
Japan	188,461	1,409
U.S.A.	3,195	62,239
Other Countries	2,607	808
Total to all foreign countries	375,328	100,058
Coastal Ports	66,441	61,847
Total	441,769§	161,905(f)

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	December 1955	397,245
Foreign		
Indian	Four months ended Dec., '55	51,650
Foreign		1,518,805
Indian	Same Period 1954	185,643
Foreign		1,351,714
Stocks (Mills and Elsewhere)—		287,404
Indian	As on 31st Dec., 1955	1,083,361
Foreign		
Indian	As on 31st Dec., 1954	159,221
Foreign		942,266
	Week ended 17th Feb., 1956	162,344
Cotton Pressed in India† (In running bales)	Corresponding week, 1955	40,861
	1st Sept. to 17th Feb., 1955-56	116,840
	Corresponding period, 1954-55	1,208,293
		1,850,486

† Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. (f) Includes Coastal ports and reshipments of foreign Cotton.
(a) Adjusted § Includes and Zoda Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-33	63,30,26,000	1960-70	101 11/16
3 % Loan	1938-39	1,16,17,46,000	1958-65	94 5/8
2½ % Loan	1950	20,38,10,000	1964	94¼
2½ % Fg. Loan	1943	1,10,11,78,000	1966-68	92 3/8
2½ % V. Loan	1944	1,14,06,89,000	1967	92
2½ % Loan	1945	1,15,06,83,000	1970-75	88 3/8
2½ % Ind V. Loan	1945	1,18,65,64,000	1959-61	98 3/8
2½ % Loan	1945	1,45,03,07,000	1968	99 1/8
2½ % Loan	1946	45,63,07,000	1960	96 1/8
2½ % Loan	1946	67,00,69,000	1961	93 3/8
2½ % Loan	1946	14,77,45,000	1974	82 1/8
2½ % Loan	1947	75,86,72,000	1962	93 1/8
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99 1/8
2½ % N.P. Loan	1954	157,35,41,000	1964	98 3/8
2½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98 1/8
NON-TERMINABLE LOANS				
3 % %[Loan	1896-97	8,93,36,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	80
3½ %[Loan	1946	245,91,66,000		77½
REPATRIATE[STERLING LOANS				
4½ % Loan	1928	5,85,20,000	1958-68***	106 1/4
STATE, LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99 7/8
2½ % Bombay	1943	2,99,45,000	14th Sept. 1956	99 1/8
2½ % Bombay	1944	3,06,66,000	17th Aug. 1958	98 3/4
2½ % Bombay	1949	5,63,12,000	1st Aug. 1962	94
2½ % Bombay	1950	2,92,80,000	31st July 1960	96
2½ % Bombay	1951	2,97,58,900	17th July 1962	94 1/8
4 % Bombay	1953	5,50,25,000	15th July 1963	101 1/4
4 % Bombay	1954	3,61,31,700	1st Aug. 1964	101 1/4
4 % Bombay	1955	9,00,00,000	1st Sept. 1967	100
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	98
3 % Coorg	1955	1,00,00,000	16th Dec. 1955-58	98
3½ % Howrah Bridge (New)	1956-57	70,09,000	1st June 1956-61	99 1/4
4 % Hyderabad	1955	1,05,96,700	1956-66	95 1/4
2½ % Madras	1939	2,00,00,000	1st Sept. 1967	99 1/4
2½ % Madras	1939	1,23,35,500	31st June 1959	94
2½ % Madras	1942	1,35,10,000	14th Sept. 1956	99 1/4
2½ % Madras	1944	1,07,85,000	14th Aug. 1958	98 3/4
2½ % Madras	1945	2,76,44,900	14th Sept. 1960	95 1/2
2½ % Madras	1946	2,81,77,200	1st Sept. 1961	92 3/4
3 % Madras	1946	4,58,25,400	31st July 1960	96
3 % Madras	1951	3,01,49,300	17th Sept. 1967	97 1/4
4 % Madras	1953	10,53,53,000	15th July 1963	100
4 % Madras	1953	3,54,31,200	1st Aug. 1964	100 1/4
4 % Madras	1954	7,00,00,000	1st Sept. 1967	99
4 % Mysore(f)	1953	2,95,55,200	1st Dec. 1953-63	101
3 % Mysore(f)	1936	5,99,72,900	20th April 1956-61	99
4 % Mysore	1947	1,05,05,700	25th Jan. 1958	99
4 % Mysore	1953	3,33,47,000	15th July 1963	100
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99
2½ % M.P.	1943	50,24,200	14th Sept. 1956	99
2½ % M.P.	1944	56,50,200	14th Aug. 1958	98
2½ % M.P.	1948	2,08,28,800	15th Sept. 1964	98
3 % M.P.	1950	1,01,44,700	31st July 1960	95
3½ % M.P.	1951	1,02,15,100	17th Sept. 1962	98
4 % M.P.	1953	1,02,15,100	15th July 1963	98
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99
2½ % Punjab**	1935-44	2,49,27,200	15th Aug. 1956	98
2½ % Punjab**	1945	2,65,75,300	14th Sept. 1956	98
2½ % Punjab**	1945	2,96,81,600	14th Sept. 1960	99
4 % Saurashtra	1955	3,25,00,000	1st Sept. 1967	99
3½ % Travancore	1936	50,00,000	16th Aug. 1956	99
4 % Travancore-Cochin	1953	3,25,00,000	15th July 1963	100-1/4
2 % U.P.	1936	1,57,42,500	15th Sept. 1961-66	99
2½ % U.P.	1944	3,02,24,500	15th Sept. 1956	98
2½ % U.P.	1945	2,17,39,700	14th Sept. 1960	98
2½ % U.P.	1946	3,20,98,600	1st Sept. 1961	93
2½ % U.P.	1951	1,94,11,700	17th July 1962	95
4 % U.P.	1953	6,11,45,200	1st Aug. 1964	100
4 % U.P.	1954	5,65,15,500	15th July 1963	100
4 % U.P.	1955	8,50,00,000	1st Sept. 1967	99

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				
36,50,000	4	1904	1964	Rs.
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,50,000	4	1907	1968	100N
75,00,000	4	1908	1968	
46,00,000	4	1909	1970	
50,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
1,35,57,100	4	1913*	1960	D
80,00,000	4	1913	1974	100½N
88,25,000	4	1914	1975	100N
10,00,000	4	1914*	1960	
55,00,000	4	1915*	1960	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1928*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,50,000	3½	1935	1972	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3	1941	1971	
CALCUTTA				
Rs.				
90,24,300	4	1914	1974	Rs.
76,99,100	4	1915	1975	99
1,50,00,000(f)	5††	1921	1961	99
48,58,2,000(f)	5	1926	1966	82
92,31,600	5½	1926	1956-66	101
99,84,5600	5	1926	1956-66	101½
1,48,48,500	5	1927	1957-67	102½
1,49,30,000	5	1928	1958-68	102
80,00,800	4½	1931	1991	95
60,00,000	3	1935	1966	97½
25,00,000	3	1938	1968-88	90
50,00,000	3	1945	2005	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84
50,00,800	3	1946	2006	84
50,00,000	2½	1947	1977	79½
50,00,000	3	1947	1972	83½
50,00,000	3	1948	1978	87
1,00,00,000	3	1949	1959	97
50,00,000(f)	3	1949	1962	82
1,00,00,000	3	1950	1960	86½
1,00,00,000	3	1950	1960	86½
1,50,00,000	3	1951	1961	81½
50,00,000	4	1951	1961	86½
50,00,000	4	1952	1962	86½
50,00,000	4	1953	1963	92½
50,00,000	4	1954	1965	97½
STERLING LOANS				
£582,600	5	1922	1952-82	£87½
£801,000	5	1924	1954-84	£87½
£885,100	5½	1952	1982	£96
MADRAS				
Rs.				Rs.
21,47,100	2½	1947	1977	
9,95,000	3	1947	1977	▲
3,00,000	3	1949	1979	
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
40,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
40,00,000	4	1914	1974	97½N
25,00,000	4	1914	1974	
40,00,000	5	1919	1957-79	112N
66,00,000	5	1920	1958-80	
25,00,000	5	1926	1956-86	115N
25,00,000	4	1927	1961-71	98N
10,00,000	3	1934	1966	
STERLING LOANS				
£566,600		1900	1950	£95½N
£338,000		1910	1970	£95½N
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
30,00,000	3	1937	1963	91
20,00,000	3	1938	1968-88	80
80,00,000	4	1952	1962	99½

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,00,000	4	1913-18	1974	100
10,00,000	4	1919	1958	113M
25,00,000	5	1928	1968	106
8,45,500	5	1929	1954-59	to
25,00,000	5	1929	1959	102½
4,25,00,000	3½	1935	1977	86½
2,50,00,000	3½	1940	1979	86½
2,50,00,000	3½	1940	1965	92½
2,50,00,000	3	1941	1966	90½
2,00,00,000	2½	1951	1956	97½
1,30,00,000	3	1953	1968	100
1,00,00,000	4	1954	1964	100
1,00,00,000	4	1954	1968	100
2,50,00,000	4	1955	1967	100½
		CALCUTTA		Rs.
50,00,000	5	1923	1958	103
25,00,000	5	1929	1957	103½
25,00,000	5	1929	1958	103½
50,00,000	5½	1930	1960	108
25,00,000	5	1933	1958	108
60,00,000	3	1936	1956	99
47,50,000	3	1938	1968	80
10,67,700	3	1938	1958	99½
18,56,500	4	1939	1956	99½
11,56,800	4	1939	1956	99½
15,56,800	4	1939	1956	99½
17,44,400	2½	1942	1950	98½
21,10,000	3½	1942	1972	98
15,49,000	3	1951	1960	97
16,33,000	3½	1951	1961	97½
66,88,000	3½	1951	1966	97½
87,36,000	3½	1952	1962	97½
72,50,000	4½	1952	1962	99½
			1979	100
		MADRAS		Rs.
15,00,000	2½	1951	1961	107N
15,00,000	2½	1952	1968	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1968	99½
4 % W. Bengal	1952	3,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,50,25,000	15th July 1963	100½
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Issues—Agra Area. * Loans held entirely by the Trustee. ** Quotations in Pak. Currency. *** Rupee Counterparts.
† Bombay State Transport. †† Rate of Interest reduced from 6 to 5 per cent. with effect from 1st June, 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‖—Interest free to first 15 years. §—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	5,00,000(b)	1875	6½	Mar. Sept.	104	100
Cawnpore Sugar Works	10,00,000	1935-54	6	Feb. Aug.	138	100
Deccan Sugar & Abkhari 'A'	7,00,000	1932	7	July Apr.	6-2½	5
¶Hast India Distilleries	£200,000	1897	7	Jan. July	17	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	68	100
Peria Karur Co.	5,00,000	1922	10	Oct.	16	10
Ramnagger Cane	4,00,000	1933-36	6	Aug.	108	100
Ravalgaon Sugar	£0,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	80N	100
Travancore	15,00,000	1946	5(c)	Dec.	91	100
Upper Ganges	15,00,000	1946	5	Dec.	90N	100
Do.	15,00,000	1946	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,13,500	1905	7	Jan. July	113	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,800	1901-19	7	Apr. Oct.	123	100
,,Do. (2nd)	4,00,000	1946	5(a)		8½	10
Equitable	4,00,000	1895	6	Mar. Sept.	105	100‡
Karanpura Collieries	7,50,000	1946	5½(a)		70	75(pp)¶
††Khas Kajora	1,25,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	3,00,000	1920	7	Jan. July	13½	10
Ondal [...	2,00,000	1898-99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	103½	100
Bangalore	5,00,000	1884	6	Jan. July	135	100
Basanji Cotton	5,00,000	1888	6½	Nov.	8	10
Benares Cotton	1,05,200	1910	7	July Jan.	15N	100
Bengal-Nagpur	3,00,000	1898	7	Apr. Oct.	105	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	135	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	72	100
Bradbury	14,75,000	1919	7	June Dec.	68	50
Buckingham & Carnatic	21,50,200	1920	7½	Jan. July	144	100
Cambodia	1,00,000	1895	7	Apr.	132½	100
Central India	50,00,000	1913	6	Apr. Oct.	488‡	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov.	111½	100
Elgin	11,00,000	1913	8	May Nov.	135	100
Do. 'B' Pref.	4,20,000	1945	5	July Jan.	93	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	97	100
Gannon	20,00,000	1919	7	June Dec.	134	100
Khatau Makanji (Rs5)	20,02,500	1947	4	Nov.	35	100

STOCK & SHARE QUOTATIONS

Abbreviations :—D = Deferred shares. P.O. = Preferred Ordinary shares. Y = Accounts published yearly. H = Accounts published half-yearly. P = Company has Preference shares. T = Company has Debentures. N = Nominal quotations. x.d. = Ex Dividend. c.d. = Cum. Dividend. i = Interim Dividend. f = Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. **Reserves** include general and other reserves and all other funds which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. **Block** represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Account Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	76,28,421	43,05,372	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2½	2	0 4(c)	0 4 (c)	0 2(c)		12	Y.
40,00,000	24,00,000	1,34,45,581	72,25,653	—6,76,311	B. R. Sons, Ltd.	56,596	1,021	B. R. Cotton Mills	26	100	Nil	Nil	Nil		12	Y.
2,50,88,000	2,33,99,019	4,25,75,764	3,54,21,668	8,54,279	Nowrojee Wadia & Sons, Ltd.	44,088	4,255	Bombay Dyeing & Mfg.	250	100	20 0	22 8*	20 0	7 8‡	3	Y.P.T.
10,00,000	27,86,559	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	10½	50	100	0	75 0		12	Y.
1,09,42,800	2,27,54,197	2,83,17,250	1,85,13,240	$1,32,663	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	472	100	20 0	22 0	22 0	8 01	12	Y.
49,00,000	15,44,690	1,16,09,402	55,52,030	—33,25,720	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	60	100	Nil	Nil	Nil		12	Y.
26,00,000	11,38,470	81,39,789	48,80,041	20,755	Cawasjee Jehangir & Co., Ltd.	30,328	680	Coorla Spg. & Wvg.	127½	100	7 8	7 8	7 8	7 8	12	Y.
10,00,000	27,17,861	63,45,387	52,46,041	47,117	Ramnarain Sons, Ltd.	40,912	...	Dawn Mills	60	50	6 0	6 0	6 0		3	Y.
84,00,000	27,75,000	73,60,731	54,73,724	30,168	Purannal Radhakishan & Co.	50,084	928	Edward Textiles	312	100	15 0	15 0	15 0		12	Y.
30,00,000	11,93,262	1,10,92,641	75,74,225	92,796	M	41,360	886	Elphinstone Spg. & Wvg.	53½	50	3 0	Nil	3 8	2 8i	12	Y.
50,00,000	64,31,575	1,05,11,448	71,58,206	$36,661	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	317	100	20 0	16 0	16 0		12	Y.P.
11,64,000	76,64,589	1,27,76,810	99,11,500	9,223	Thac ersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	4 80	1,000	200 0*	225 0*	225 0	300 0	3	Y.
16,000									992½	250	50 0	56 4*	56 4	75 0		
2,00,00,000	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,32,640	6,278	India United Mills	132-11	0 100	Nil	0 10	Nil	0 10	3	Y.P.
50,00,000									0 10	0 10	Nil	0 1	Nil	0 10		
8 65,000	74,24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	4,800	1,000	200 0*	225 0*	225 0	300 0	12	Y.
30,00,000										500	100	112 8*	112 8	150 0		
59,85,000	40,58,451	2,37,18,607	1,92,9 ,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	2104	100	10 0	10 0	8 0	10 0	6	Y.P.
1,00,00,000	1,21 50,000	3,56,85,695	2,68,14,796	33,080	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	327	100	18 0	20 0	18 0	18 0	6	Y.P.
88,80,000A	64,00,782	4,86,527	88,878	6,03,586	Dina Nath, Esq.	61,648	1,640	Madhusudan Mills	112½	100A	6 4	6 4			3	Y.
8,60,000B										20B	1 4	1 4				
22,18,050	59,74,916	1,14,87,317	54,72,962	16,412	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	80N	50	5 0	5 0	5 0		6	Y.P.
51,75,000	32,02,000	1,94,11,111	1,47,72,041	3,06,579	Piramal & Sons	70,416	1,652	Morarjee Gokuldas Spg. & Wvg.	250	100	12 0	12 0	14 0		10	Y.T.
57,71,400	61,71,518	5,74,16,779	1,55,40,960	5,74,078	Chimal & Co., Ltd.		2174	National Rayon Corporation	100	Nil	0 0	0 0	10 0		6	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	3,015	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	100	100	10 0	10 0	10 0		12	Y.
30,00,000	14,61,250	92,85,509	61,42,741	4,380	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	105	100	10 0	10 0	7 8	10 0	12	Y.
12,70,110	95,26,004	1,40,76,869	13,76,869	423	Maf atlal Chandulal & Co. (Bombay), Ltd.	34,100	873	New Union Mills							12	Y.P.
48,00,000	36,62,278	1,49,63,112	99,59,811	1,26,364	Ramnarain Sons, Ltd.	69,208	1,199	Phoenix Mills	38	10	1 4	1 4	1 4		12	Ys
40,00,000	45,66,014	81,89,335	23,00,000	3,15,662	Podar Sons, Ltd.	32,600	930	Podar Mills	121½	100	8 0	8 0	8 0		12	Y.
5,00,000	8,16,999	21,21,521	19 0 ,840	—1,72,154	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	165	100	10 0	10 0	10 0	5 01	12	Y.P.
25,00,000	69,06,474	1,24,22,606	81,47,288	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	30	10	1 4	1 4	1 12		12	Y.
60,00,000	1,78,06,961	91 25,008	50,71,256	1,58,992	Marwar Textiles (Agency) Ltd.	66,886	1,640	Shree Niwas Cotton Mills	212½	100	12 8	14 0	14 0		12	Y.
42,00,000	35,75,550	93 88,962	71,00,040	15,898	Forbes, Forbes Campbell & Co. Ltd.	36,116	1,274	Simplex Mills	180½	50	15 0(p)	15 0	11 0	10 0	3	Y.
56,00,000	1,22,33,867	1,85,08,831	1,10,85,485	17,128	Mafatlal Gagalbhai & Sons	72,036	1,633	Standard Mills	410½	100	20 0	20 0	20 0		3	Y.
1,60,00,000	82,26,342	1,92,83,887	1,02,23,292	43,799	Tata Industries Ltd.	73,402	2,000	Svadeshi Mills	210	100	10 0	10 0	8 0		12	Y.P.
26,00,000	62,75,466	1,17 42 921	70,22,715	$,59,764	James Finay & Co., Ltd.	38,828	552	Swan Mills	405	100	30 0	20 0	20 0		12	Y.P.
32,37,435	49,96,540	1,09,85,340	48,92,128	31,417	Tata Industries Ltd.	61,488	1,800	Tata Mills	514	25	1 0	1 8	2 8		12	Y.P.T.
12,00,000	62,55,709	1,16,36,436	61,90,000	2,816	Thackersey Mooljee Son & Co.	54,136	1,209	Western India Spg. & Mfg.	4,950	1,000	200 0*	225 0*	225 0	300 0	12	Y.T.P.
AHMEDABAD																
33 00,000	21,11,650	1,36,28 272	60,47,202	5,408	Tata Industries Ltd.	49,144	1,016	Ahmedabad Advance Mills	155	100	10 0	10 0*	5 0	7 0	6	Y.P.
10 00 000	90,58,638	89 88 424	65,39,067	7,878	P. M. Hutheesing, & Sons, Ltd.	42,768	912	Aruna Mills	595	100	20 0*	20 0*			12	Y.P.
26,25,000	2,40,17,401	1,48,07,666	1,03,05,000	46,584	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,372	100	25 0	25 0			12	Y.P.
30,00,000	38,43,276	79,44,275	56,25,000	2,90,074	Mafatlal Gagalbhai & Sons	37,368	841	Ashoka Printing & Mfg.	422½	200	15 0	15 0			12	Y.P.
12 00,000	1,08,38,621	82,14,168	66,70,788	55,358	Lalbhai Dalpatbhai & Co.	37,368	914	Asoka Mills	650	100	22 0	22 0*			12	Y.P.
1,24,76,111	1,11,66,243	4,24,38,718	3,07,83,344	16,30,756	Kasturchand Premchand Ltd.	1,39,120	2,372	Calico	441	125	18 0	18 0	18 0		12	Y.P.
62,48,000	28,04,000	1,40,59 085	79,50,000	1,96,242	Tricumlal Bhoosal & Co. Ltd.	45,308	866	New Commercial Mills	1,000‡N	1,000	70 0	70 0	70 0		12	Y.P.
89,00,000	66,61,702	1,14 89,185	9 ,35,306	6,387	Mafatlal Chandulal & Co., Ltd.	61,152	864	New Shorrock Spg. & Wvg.	774	125	35 0	35 0	35 0		12	Y.P.
5,00,000	61,15,982	46,72 745	31,76,001	700	Jaisinhai Bhoghai Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	395	100	30 0*	30 0*			12	Y.
12 50,000	1,09,22 589	79 71 788	52,25,077	32 522	Laldas Dalpatbhai & Co.	31,120	630	Raipur Mfg.	1,220	100	25 0	17 8			12	Y.P.
12 00,000	13 93 067	74,95,069	39,67,450	—89,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	1,250	100	25 0				12	Y.P.
25 50,000	16,74 825	84,83 940	52,67,803	4,020	Lalubhai Gordhandas Ltd.	33,156	648	Rohit Mills	253	50	Nil				12	Y.
25,38,150	1,00,84,538	1,60 18 812	1,34,25,000	2,92,570	Harivallabhdas Kasidas & Co.	73,706	1,325	Shri Ambica Mills	210	100	9 0	9 0			12	Y.P.
19,52,500	59,00,194	78,08,018	62,03,800	6,434	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,024	720	Shorrock Spg. & Mfg.	551	50	16 0	18 0	20 0		12	Y.P.
88,00,000	26,96,488	1,03,76,840	68,85,291	32,764	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	460	100	20 0	20 0	25 0*		12	Y.
									605	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15 00 000	1 32,800	84,23 069	21 01 810	1,03,030	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	5	10	Nil	0 4	0 8		12	Y.P.T.
7,11 280	5,40 775	43 42 341	25,67 597	98,783	Bengal Textile Agency, Ltd.	32,544	536	Bengal Luxmi Cotton Mills	40 N	40	3 0	Nil	4 0	4 0	3	Y.
6,00,000	22,71 793	81 32 222	51 52 ,08	—14 31 403	Kettlewell Bullen & Co., Ltd.	42,772	841	Howrah Cotton Mills	310	100	Nil	Nil	Nil	4 0	12	Y.
19 00,000	25 17 571	1 01,41 469	64 83 ,80	—7,06,927	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	280	100	Nil	Nil	Nil	Ni ‡	12	H.P.
1,60,00,000	1,98,18,540	3 42 43,38	1,08,56,38	2,15,714	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	10	10	1 12	1 12	0 14	Ni ‡	3	H.
6,00,000									25	1 4					3	Y.P.
33,95,250	9,75,000	84,54,400	67,06,257	5,15	Chakravarti Sons & Co.	23,484	442	Mohini Mills	10	0 8					12	Y.P.
19,47,7500	5,75,000	41,29,452	21,54,462	26,932	Hazareemull Heeralall	23,036	795	Rampooria Cotton Mills	112 N	0 8	0 8	0 10			6	Y.
5,00,0000									4N	1D	Nil	Nil	Nil			
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9 00 000	60 27,191	29 09 649	—8,54,233	Ramla & Co., Ltd.	50,000	...	Alagappa Textiles (Cochin) Ltd.	6 8	10	Nil	Nil	Nil		12	Y.P.T.
0.8.71,94,400	44,93,87	2,10,91 206	90,00,013	...	Industrial Trust Fund	36,136	768	Arani Jahl Mills	82½	100	6 0	8 0	Nil		12	Y.
40,80,000	1,91,88,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	601cd	100	15 0	25 0	30 0	10 0i	9	Y.
27,00,000	15 50,000	77,25,162	58,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	0¼	10	0 4	Nil	Nil		12	Y.
1,15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	89,906	1,046	Birla Cotton Spg. & Wvg., Delhi	0¼	10	0 4	Nil	Nil ‡		6.12	H.P.T.
1,78 47,000	1,54,09,997	4,50,39,308	1,14 94,493	2,69,005	Binny & Co. (Madras), Ltd.	1 20,356	2,787	Buckingham & Carnatic	85N	10	3 0	3 0	3 0		3	Y.
20,00,000	20,00,000	34,17,220	19,75,634	8,58,067	Peirce Leslie & Co., Ltd.	26,746	571‡	Cambodia Mills	37½	100	8 0	10 0	10 0		3	Y.
15,00,000	4,51,500	44,08,466	21,80,176	44,567	K. Damodaran, Esq.	17,496	322	Carnatic Spg. & Wvg.	10	10	1 0	1 0	1 0	4 01	12	Y.P.T.
30,00,000	25,83,976	58,07,118	50,34,815	29,514	Begg, Sutherland & Co., Ltd.	28,706	591	Cauvpore Textiles	144	100	12 0	12 0	20 0	12 0	12	Y.P.
12,00,000	20,60,000	30,05,972	24,65,749	4,014	K. Bheema Naidu & Co.	28,264	...	Coimbatore Cotton Mills	5	10	0 0	0 0	0 8		3	Y.
30,00,000	14,20,000	2,06,95,513	21 28,540	14,663	T. R. Naidu & Co.	23,736	...	Coimbatore Pioneer Mills	350cd	100	0 0	20 0	25 0	Nil	12	Y.
20,76,960	4,19,214	1,15 51,999	82,06,019	16,884	K. G. S. Naidu & Co.	72,723	407	Coimbatore Spg. & Wvg.	245	100	10 0	15 0	20 0		12	Y.
46,87,500	52,52 449	2,49 16,409	1,38,09 833	8,713	Tata Industries, Ltd.	1,15,188	2,062	Central India	87	50	Nil	Nil	3 0	6 0	6	Y.P.
8,30,39,325	2,55,00,000	9,99,78,765	5,08,00,000	52,759	B. R. Charat Ram & Co., Ltd.	1,30,686	2,364	Delhi Cloth & General Mills	3 4N	10	1 4	1 4	2 0	2 8	6	Y.P.
1,00,568									25	1 2	0 0	0 0	2 0	2 8		
24,34,400	24 72,768	47,34,037	33 22,012	9,248	M. N. Chettiar & Sons	32,268	201	Dhanalakshmi Mills	2½	0 1 4/5	0 2 4/5	0 3 8/5	0 3 8/5		6	Y.P.T.
63,00,000	66,33,000	1,52,16,982	1,20,71,831	38,956	Begg, Sutherland & Co., Ltd.	49,452	1,198	Elgin Mills	200‡	100	20 0	20 0	30 0		6	Y.
48,11,400	39,91,175	1,85,91,779	65,74,070	37,169	Forbes, Forbes Campbell & Co., Ltd.	72,916	...	Gokak Mills	27½	10	1 0	1 0	1 0		12	Y.
50,00,000	5,09,5 4	1,29,86,712	1,03,1 ,420	6,150	Gowardhan Bekaram, (Indore)	51,180	1,420	Indore Malwa United	2204	100	17 0*	17 0	13 0	1 0	9	Y.
8,00,000	10,05,853	30,91,199	16,77,748	—50,124	G. V. Naidu & Co., Ltd.	24,228	...	Jatandara Mills	1254	100	6 0	6 0	6 0		12	Y.
24,00,000	10,25,000	76,38,868	26,50,000	29,382	Kothari & Sons	48,440	800	Kothari Textiles	88	50	12 0	8 0	8 0	8 01	12	Y.
32,00,000	69,32,519	1,42,27,744	1,05,78,687	19,080	Bombay Co., Ltd.	51,972	1,219	Lakhani Cotton Mfg.	17½	10	0 12	0 8	0 8		12	Y.
35,64,100	66,65,960	1,11,68,800	75,29,838	74,376	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	170	250	37 8	37 8	33 12	1 0	6	Y.P.
17,82,000									178	50	5 0	5 0	5 0	12 8i		
1,75,02,480	4,18,81,878	5 73 76,126	3,68,74 019	18 86 813	A. & F. Harvey Ltd.	5,00,000	...	Madura Mills	89	25	2 8	2 8	10 0	12 8	3	Y.
12,00,000	4,17,363	28,20,764	16,72,262	—9,073	A. L. A. R. S. Chettiars and Others.	22,992	100	Malabar Spg. & Wvg.	50‡cd	10	3 0	3 0	3 0	6 4		
60,00,000	64,00,000	62,41,446	41,60,235	1,43,406	W. Beardsell & Co., Ltd.	24,720	480	Meenakshi Mills	100	100	8 0	8 0	8 0	8 0	12	Y.
29,59,700	19 47,903	84,18,677	46,82,184	9,899	N. Sirur & Co. Ltd.	39,816	704	Minerva Mills	305	100	12 8	12 8	Nil		12	Y.
94,91,850	27,24,404	1,61,29 118	78,81,528	—7,44,982	Pandian Adityadhan Pandithoy & Co.	51,840	948	Model Mills (Nagpur)	82	100	5 0	7 0*	22 0*	25 0	3	Y.
30,00,000	52,19,000	1,58,39,272	1,05,91,651	—7,77,290	India Textile Syndicate Ltd.	68,640	1,124	Muir Mills	110	250	7 8	7 8*	5 0(c)		12	Y.
24,83 500	50,84,647	99,14,000	68,69,938	23,706	N. Sirur & Co., Ltd.	56,128	800	Mysore Spg. & Mfg.	152N	100			5 0(c)		6	Y.
13,61,780	2,58,745	29,42,992	15,27,000	3,986	K. Suryanarayana Rao Esq. Manager	6,660	...	Mysore Spun Silk Mills	99	50	10 0*	10 0*	8 8*	6 0(c)	12	Y.P.
22,29,9 0	25,62,532	1,02,16 295	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	4 ½	10	Nil	Nil	Nil		3	Y.P.
5,07,0661									10 ‡	10	0 8	0 8			12	Y.
87,14,800	57,72,270	1,68,58,562	62,58,093	.....	Industrial Trust Fund	87,788	856	Osmanchahi Mills	1 D	Nil	Nil	Nil			12	Y.P.
4,00,000A	7,50,000	35,04,768	21,95,715	9,122	Bhashyalakshmi & Co.	29,924	...	Palani Andavar Mills	68	100	7 0	4 0	Nil		9	Y.
6,00,000B									1642	50A	7 8	12 0	12 0			
15,00,000	2,25 000	34,59,511	16,41,045	—18,87 240	C. S. R. Mudaliar & Sons	30,796	...	Pankaja Mills Ltd.	225	75B	11 12	16 0	12 0		12	Y.P.
16 81,200A	2C,00,000	73,90,455	41,41,878	28,607	A. G. Gurusamy Naidu & Co.	51,664	301	Radhakrishna Mills	71	100	Nil	Nil	Nil		12	Y.
8,49,200B									273	100A	6 0	6 0	16 0			
15 00,000	33,75,000	84,37,775	17 67,922	12,387	B. R. Naidu & Sons	35,472	...	Rajalakshmi Mills	1134	50B	3 0	3 0	8 0		12	Y.
22 23 375	12 10 000	8c 91 546	14,22,264	23,506	Rayalaseema Development Co.	14,400	...	Rayalaseema Mills	168	50	4 8	7 0	10 0		12	Y.
60,00,000	62,66,508	98,29,567	35,53 291	—19,59,428	J. P. Srivastava & Sons (Rampur).	84,832	600	Raza Textiles Ltd.	137cd	100	6 0	9 0	9 0		12	Y.
18,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,80,02,067	Morarka & Co.	95,332	2,234	Sholapoor Spg. & Wvg.	7 8N	Nil	Nil	Nil			12	Y.P.
									1,000	Nil						
36,69,700	16 63 628	71,76,918	51,35,889	27,871	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	600	Nil	Nil	Nil			3	Y.P.
26 14,800	2 00,246	35 1a 906	17 73 040	—2 46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	90½	50	4 0*	4 0*	4 8			
15,00,000	3,11,90,237	90,09,567	72,44,724	31,27,683	Birla Brothers, Ltd.	35,556	1,242	Sutlej Cotton Mills	90N	100	Nil	Nil	Nil		3	Y.
									130N	100	4 0	4 0	5 0		3	Y.
17,80,000 O	2,25,00,000	4,36,43,014	1,62,17,868	5,89 690	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	10½	10 O.	Nil	0 8	0 12		3	Y.
1,57,80,0000									11	10P.O.	Nil	0 14 2/6	1 2 2/6			
99 84,000	16,00,000	2,76,11,606	1,00,28,764	1,23,122	Empcote & Sons (Travancore), Ltd.		...	Travancore Rayons	12½	10	Nil	0 14 2/6	1 2 2/6		12	Y.P.T.
13,96 670	9,79 479	13,36,297	10,45,1 6	8,321	Moosjee Ramjee & Sons	17,800	...	Trichinopoly Mills	15½	10	Nil	0 8	0 10			
31,00 000	32,00,000	56,92,295	36,41,499	30,503	K. S. Chetty & Brothers	38,544	870	Vasanta Mills	12½	10	0 11 1/5	0 11 1/5	0 14 2/6		12	Y.P.T.
32,00,000	31,99,443	1,85,35,026	1,00,43,890	22,250	Bombay Co., Ltd.	46,400	1,351	Vishnu Cotton	264‡	100	12 0	12 0	15 0		12	Y.
									183‡	100	10 0	4 0	4 0	2 8i	12	Y.P.

* Includes bonus. M—Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend o. Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. X. R.—Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1952	1953	1954	1955	Account Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,19,30,179	54,33,074	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	8½	5	Nil	Nil	Nil	0 8	5	Y.P.
16,20,630	18,38,917	27,20,801	14,67,212	8,143	Mr K. G. Khanna	Dyer Meakin Breweries	6	5	0 8	0 8	0 8	0 9	3	Y.
£580,000	£925,777	£1,302,585	£566 540	£56 499	Parry's Holdings Ltd.	East India Distilleries and Sugar	27cd	A. 10sh.	Sh. 1 3/5	Sh. 1 3-6	Sh. 1 3/5	Sh. 1 3/5	9	Y.P.
							34cd	B. £1	Sh. 3	Sh. 4	Sh. 5 4/5	Sh. 4		
6,00,000	9,60,000	12,47,805	12,47,799	9.111	Vittal Mallya, Esq. (Chairman)	United Breweries	18cd	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
21,37,700A	10,85,516	79,90,234	39,32,658	26,623	Andhra Engineering Co., Ltd.	Andhra Cement Co.	156	A. 100	7 8	10 0*	10 0		12	Y.P.T.
39,79,020B							15½	B. 10	0 12	1 0*	1 0			
48,14,800C	13 13,132	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	7½	O. 10	Nil	Nil	Nil		3	Y.P.
4,70,976D							11	D. 1						
22,71,66,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	201	100	9 8	9 8	8 8	10 0	7	Y.
60,00,0000							14½	O. 10	0 10	1 0	1 0			
26,50,0000	48,20,901	89,92,667	29,67,544	2,66,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	3	O. 2½	0 2½	0 4	0 4		12	Y.P.T.
5,00,0000							3½	D. 1	Nil	0 1-3/5	0-1 3/5			
61,91,8300	14,00,000	1,46,64,600	47,05,770	3,31,546	Esaen Ltd.	India Cements Ltd.	32½	O. 25	1 4	Nil	1 4	1 14	3	Y.P.
7,50,0001D							6½	D. 5	0 4	Nil	0 4	0 6		
59,98,375	24,50,000	1,85,78,057	68,96,459	2,77,144	Shree Digvijay Cement	Shree Digvijay Cement	173	100	6 0	6 0	8 8		12	Y.P.
75,00,000	20,95,000	1,83,36,123	1,41,94,359	88,454	Martin Burn Ltd.	Somevalley Portland Cement	7½	5	0 8	0 6	0 4		12	Y.
50,00,000	....	1,04,00,351	34,33,980	2,75,454

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. p.		
PAPER														
45,00,000	35,61,841	2,00,40,004	1,45,07,804	1,78,123	Balmer Lawrie & Co.	Bengal Paper Mills	128	25	1 0 / NG	NG / 1 0	1 0 / 1 0	2 8 / 0 12	6,12	H.P.T.
80,00,000	23,44,805	1,10,02,823	74,22,575	2,10,695	Andrew Yule & Co., Ltd.	India Paper Pulp	23½	10	5 0	6 0	7 0	0 11 1/5	3,9	H.
25,00,000	16,12,500	1,36,83,385	56,31,638	35,487	K. Narayanaswamy Esq. (Mg. Director)	Mysore]Paper Mills	17½	10	1 0	1 0	0 12	0 12	3	V.
1,46,82,500	1,86,87,959	4,12,77,410	97,21,214	2,05,870	Birla Bros:	Orient Paper	84½	10	1 0 / 0 12	1 0 / 0 12	1 0 / 0 12	0 7 / 0 8	3,9	H.P.T.
1,25,07,295	62,23,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18¼	10	0 12	0 12	0 12	0 10[f]	6,12	H.P.T.
20,00,000 / 10,00,000'A'	6,50,000	54,00,869	30,16,681	4,492	Baloria'& Co.	Star Paper Mills	12½ / 12½	O. 10 / A. 10	0 8 / 0 12	0 12 / 0 12	0 12 / 0 12	0 8[f]	3,9	H.P.T.
56,00,000A. / 56,00,000B. / 4,87,500P.D.	3,07,07,316	5,39,14,072	3,13,50,222	89,160	F. W. Heilgers &[Co., Ltd.	Titaghur]Paper Mills Co., Ltd. ..	44 / 44 / 5	A. 10 / B. 10 / P.O. 2½	1 0 / 1 0* / 0 2	1 0 / 1 0* / 0 2	1 0 / 1 0* / 0 2	1 0* / 1 0* / 0 2	5,9	H.P.
PRESSING														
5,00,000	9,12,265	15,75,488	11,12,591	—35,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	NG	b	Y.
4,30,000	1,00,000	6,99,598	4,78,056	3,354	Pyne & Sons	Camperdown	88N	100	7 0	7 0	4 0	5 0	7	Y.
5,00,000	1,90,000	10,91,511	9,80,377	12,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	5 0	5 0	5 0	6	Y.
PROPERTY AND LAND														
10,00,7800. / 2,50,000D. / 60,00,000	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq., & others (Directors)	Humayun Properties	13½ / 24 / 12	O. 10 / D. 1 / 100	0 8 / 0 4/5 / 1 0	0 11½ / NG / 1 0	0 9 3/5 / NG / Nil		9 / 4	Y.P. / Y.
94,00,000	18,07,874	84,89,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	35	100	2 0	1 8	4 0	5 0	4	Y.P.
	36,71,674	95,09,308	1,19,461	63,064	Andrew Yule & Co.	Midnapore Zamindary								
SAW MILLS AND TIMBER														
13,99,995	23,23,970	29,97,501	3,95,501	—4,17,492	Bird & Co.	Assam Saw Mills	5	2	0 4	!NG	NG		9	Y.
50,00,000 / 43,00,000 / 6,00,000	4,15,57,250	5,35,90,662	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn. ..	525 / 187½ / 40N	Old125 / New50 / 100	22 8 / 9 0 / NG	15 0 / 6 0 / NG	20 0 / 8 0 / NG	37-8 / 15-0 /	5 / 6	Y. / Y.P.
20,00,000	18,15,487	18,19,049	13,53,015	1,70,565	Jardine Henderson Ltd.	Bengal Timber Trading								
		7,23,560	4,89,207		Gillander Arbuthnot & Co.,Ltd ..	Indian Wood Products..	88½	10	2 8	2 8	3 12	1 0[f]	6	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,923	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	9	5	NG	!NG	0 12	0 1	6	Y.
12,00,000A. / 8,00,000B.	29,18,356	49,46,285	33,16,660	16,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	158N / 143N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	10 0 / 1 0		4	Y.
19,49,050	5,80,000	31,91,557	23,33,512	49,906	Bangur Bros., Ltd.	Belsund Sugar	11½	7½	0 12	0 12	0 12		9	Y.
15,00,000	15,90,238	15,40,479	11,77,841	15,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8	1 8	6	Y.P.
33,00,000	29,79,421	1,35,76,856	86,75,177	61,723	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	108	10	NG	NG	0 12	1 8	6	Y.P.T.
20,00,000	57,53,451	1,08,44,647	54,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	21½	10	2 0	2 0	0 12	0 12	6	Y.P.
15,00,000	28,04,891	72,55,757	53,42,926	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	31½	10	2 0	1 0	1 0	1 8	10	Y.
1,99,454	6,15,542	24,55,330	15,32,747	45,804	Karamchand Thapar & Bros. ..	Deoria Sugar	94N	10	0 8	1 0	0 12	1 8	6	Y.
50,00,000A. / 10,00,0000.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd	Hindustan Sugar Mills	'A' 260N / O. 100	'A' 100 / 12	12 0* / 15 0*	15 0* / 15 0*	15 0* / 15 0*		6	Y.P.
12,00,000	8,61,001	75,31,309	43 63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	60N / 24N / 45N	80 / 40 / 6	NG / NG / NG	NG / NG / Nil	4 8 / 2 4 / 2 8		6 / 7	Y.P.
7,80,100	22,14,065	24,94,612	19,35,533	1,564	Cotton Agents Ltd.	New India Sugar Mills								
10,00,000	11,43,284	65,59,423	29,41,595	1,966	B. P. R. Syndicate	Great Eastern Hotel	10	10	0 8	0 8	0 8	0 8	9	Y.
12,42,900	9,57,064	72,31,701	55,80,660	96,388	Birla Bros., Ltd.	Hind Oyster	240	250	1 0	1 0	1 0	1 0	9	Y.P.
4,90,10,250	5,29,450	5,85,34,906	94,56,719	5,19,485	Birla Bros., Ltd.	Hindustan Motors	150N	100	7 0	7 0	7 8	1 6 2/5	9	Y.P.
1,80,00,000	36,77,754	3,06,21,557	1,54,14,099	2,80,512	J. W. Cameron, Esq.	Indian Aluminium Co.	117N	100	6 0	6 0	7 8		10	Y.P.
1,58,59,220	1,20,50,000	1,55,72,891	57,17,551	23,96,463	A. R. Driemen, Esq.	Indian Cables	15½	10	1 0	1 0	0 12	0 12	10	Y.P.
2,87,970	5,82,000	10,40,508	2,96,110	32,616	G. S. Meathen & Co. (India), Ltd.	Indian Rubber Manufactures ..	24	10	1 0*	1 0*	1 0*		9	Y.
15,16,00,000	7,14,24,283	8,55,94,047	1,17,80,408	25,00,723	Mr. Eric Henry Hare (Chairman)	Imperial Tobacco Co. of India Ltd.	14½	10	1 0	1 0	1 0	1 0	9	Y.
2,00,00,000	55,29,566	54,83,960	6,60,080	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	105	100	10 0	7 8	9 0 3/5	9 12 4/5	9	Y.
4,54,0000. / 98,000D.	3,45,343	6,89,380	4,81,766	2,340	James & Co., Ltd:	Mactariane & Co.	32 / 2	O. 1 / D. 1	NG	NG	NG	7 8	3	Y.P.
40,00,0000. / 5,00,000D.	78,01,900	25,16,760	7,97,301	1,97,534	A. T.[Doig,' Esq. (Mg. Director)	McLeod & Co.	218N	O.10 / D.10	7 8	10 0	17 0		8	Y.
1,50,50,750	58,14,262	19,97,616	8,95,141	2,82,489	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22½	10	1 0	0 8	1 8		12	Y.P.
1,15,00,000	44,50,000	1,76,64,205	67,87,457	14,48,141	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	22½	10	1 0	1 0*	1 8½		12	Y.
5,25,255	1,58,258	7,81,449	2,60,967	—15,299	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	10	10	1 0	1 0	1 0		9	Y.
3,00,000	9,45,113	10,40,980	4,40,947	32	S. Chendy, Esq. (Controller) ..	Mysore Lamp Works	14½	10	NG	NG	NG	1 4	9	Y.
10,00,000	1,52,000	15,15,155	5,17,088	30,916	T. Shamanna, Esq. (Chairman)	Mysore Tobacco	11½	10	1 0	1 0	1 0	1 0	12	Y.
40,00,000	51,21,172	59,09,527	39,20,120	2,23,262	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..			1 0	1 0	1 4	1 0	3	Y.
79,87,000	31,15,337	1,14,74,878	52,77,562	9,03,430	R. N. Mitra & Co., Ltd.	National Tobacco Co.	21½	10	0 12	1 0	1 0	1 0*	3	Y.
40,00,000	27,00,000	44,15,474	19,71,484	1,21,660	Commercial Investment Trust Ltd.	Parry & Co.	10N	10	NG	NG	NG		12	Y.
2,25,00,000	7,25,185	1,58,49,091	40,14,109	—63,99,170	M. P. A. Pappaiah, Esq.	Rallis (India) Ltd.	2	2	0 4 4/5	0 4 4/5	0 4 4/5		12	Y.
1,72,54,400	1,51,20,206	7,56,54,980	3,47,94,970	4,91,294	Sahu Jain Ltd.	Rohtas Industries	34½	100	Nil	Nil	Nil		12	Y.
40,00,000	62,20,524	1,18,76,570	70,96,587	5,10,075	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	20½	10	1 8	1 8	1 8	1 8	10	Y.
75,00,000	48,00,000	13,26,9654	4,15,784	2,03,561	R. K. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	15½	10	1 0	1 0	1 0	1 0	10	Y.
2,96,250	1,50,000	14,56,285	8,40,440	—2,06,080	Ogale Bros., Ltd.	Travancore Ogale Glass	8½	10	NG	NG	NG		12	Y.

[f] Investments at cost. *Includes bonus. § Excluding Rs. 1,49,01,000 which represent share in the firm of Shaw Wallace & Co.

NEW TAXATION PROPOSALS

(*Concluded from page 384*)

of the mills **producing** these oils and the following figures will be found of interest:

Range of annual production	No. of factories	Labour employed	Production Tons
Above 500 tons	492	27,945	684,316
More than 125 tons but not more than 500 tons	762	17,065	200,086
More than 100 tons but not more than 125 tons	124	1,579	13,847
More than 75 tons but not more than 100 tons	193	1,998	16,993
More than 50 tons but not more than 75 tons	254	2,689	15,865
More than 25 tons but not more than 50 tons	522	4,015	18,696
More than 0 tons but not more than 25 tons	4,197	13,084	21,904
Total ..	6,544	68,375	971,707

No exemption is being given to vegetable oils consumed in the production of vegetable products or soap.

The yield expected is Rs. 5.5 crores.

[Clause 34 (h).]

(*i*) *Refined Diesel Oils and Vaporising Oil (Power Kerosene).*—It is proposed to levy a Central excise duty of As. 4 per imperial gallon on "Refined Diesel Oils" and "Power Kerosene" employed in heavy motor vehicles such as buses, lorries and agricultural tractors. In effect, this duty is merely a counterpart of the customs duty of approximately the same size chargeable at present on imports of "High Speed Diesel Oil" which have been almost wholly replaced by internal production.

(*j*) *Diesel Oils not otherwise specified and Furnace Oil.*—It is proposed to levy a new excise duty of Rs. 30 per ton (approximately 2 annas per imperial gallon) on "Diesel Oil not otherwise specified" (Low and Medium Speed Diesel Oil), and a duty of Rs. 15 per ton (approximately 1 anna per imperial gallon) on "Furnace Oil." These grades of mineral oil are also being produced in considerable quantities in Indian oil refineries and are replacing imported industrial fuel oils, which are liable to import duty.

These new duties are expected to yield Rs. 4.5 crores.

(*k*) *Surcharge on Motor Spirit.*—The basic import and excise duty on "Motor Spirit" is As. 15 per imperial gallon. There is at present a surcharge of 5 per cent. on this rate, which raises the effective duty to As. 15-9 per imperial gallon. It is proposed to continue this surcharge for another year.

[Clause 36]

Discontinuance of Salt Duty.—It is proposed to discontinue the import and excise duty on salt for another year.

[Clause 37]

Income-Tax

3. *Rates of tax applicable to individuals, firms, etc.*—(*a*) The rates of income-tax and surcharge on income-tax for individuals, Hindu undivided families, unregistered firms and associations of persons for the year 1956-57 will continue to be the same as for the year 1955-56. The only change proposed is in respect of super-tax rates as explained under (*c*) below.

(*b*) One important change in the income-tax rate structure is the proposal to levy income-tax on registered firms also. At present, a partnership firm which is registered under the Income Tax Act does not itself pay any tax, but the partners are directly assessed to tax on their share of profits at their personal rates of tax. It is now proposed that a registered firm as such should pay income-tax at the following rates:

On the first Rs. 75,000 of total income ..	9 pies in the rupee.
On the next Rs. 75,000	1 anna in the rupee.
On the balance of total income	1 anna 6 pies in the rupee

The partners of registered firms will of course be assessed to tax directly as before on their share of profits, but they will get a rebate for income-tax at their personal rates on their share of the tax paid by the firm under the new procedure. This new tax on registered firms will be levied only in cases where the total income exceeds Rs. 40,000 so that firms with small incomes are not subjected to this tax. Further, in order to remove hardship in border line cases, marginal relief is provided, that is, a firm whose total income ranges between Rs. 40,000 and Rs. 44,140 will, instead of paying the full tax at the proposed rates, pay only one half of the difference between Rs. 40,000 and its actual total income.

The effect of this new tax may be illustrated by the following example:

A firm with four partners having equal shares and earning Rs. 1,00,000 pays no tax as such at present. The partners, however, are assessed each on an income of Rs. 25,000, assuming they have no income from any other source. According to the proposal now made, the firm as such will be required to pay a tax of Rs. 5,078. For purposes of taxing the partners, the share of income of each will still be Rs. 25,000, but for purposes of income-tax (and *not* for super-tax), each will be assumed to have paid tax on one-fourth of Rs. 5,078 (i.e., Rs. 1,270) at the rate applicable to an income of Rs. 25,000.

(*c*) The slabs and the rates for super-tax are proposed to be altered from the stage of Rs. 70,000 of total income. The present and the proposed rates are as follows:

Existing	As.	Proposed.	As.	
First Rs. 20,000..	*Nil*	First Rs. 20,000..	*Nil*	
Next Rs. 5,000..	1	Next Rs. 5,000..	1	
Next Rs. 15,000..	3	Next Rs. 15,000..	3	
Next Rs. 10,000..	5	Next Rs. 10,000..	5	
Next Rs. 10,000..	6	Next Rs. 10,000..	6	
Next Rs. 20,000..	7	Next Rs. 10,000..	7	Surcharge at 1/20th as in 1955-56.
Next Rs. 20,000..	8	Next Rs. 10,000..	7½	
Next Rs. 50,000..	9	Next Rs. 10,000..	8	
Balance of total income ..	9½	Next Rs. 20,000..	8½	
		Next Rs. 20,000..	9	
		Next Rs. 30,000..	9½	
		Balance of total income ..	10	

(*d*) The effect of these proposals is that there is no change in the tax liability of an individual with incomes of Rs. 70,000 or less, unless a part or whole of his income is derived from share in a registered firm with an income of more than Rs. 40,000. For persons with incomes higher than Rs. 70,000, the changes in the total tax liability (income-tax, super-tax plus surcharge) may be illustrated by the following examples:

A person having a total income of	Total income-tax, super-tax and surcharge for 1955-56	Total income-tax, super-tax and surcharge for 1956-57 as proposed
	Rs.	Rs.
Rs. 80,000	38,920	38,948
Rs. 1,00,000	54,370	55,026
Rs. 1,50,000	97,026	98,667
Rs. 2,00,000	1,41,323	1,44,004
Rs. 5,00,000	4,07,104	4,20,229

The extra revenue on this account will be about Rs. 2 crores.

4. *Rates of tax applicable to companies.*—(*a*) The effective rates of tax now applicable to companies and the proposed new rates may be summarised as follows:

	Present rates per rupee		Proposed rates per rupee	
	Income-tax	Super-tax	Income-tax	Super-tax
	Rs. a. p.	Rs. a. p.	Rs a. p.	Rs. a. p.
(1) *Companies which have made prescribed arrangements for the declaration and payment in India of dividends and for the deduction of super-tax from dividends paid to shareholders not resident in India* :—				
(*a*) Companies in which the public are substantially interested, with total income not exceeding Rs.25,000.	4 annas *plus* surcharge at 1/20th	0 1 9	No change	No change [but please see para. (*c*) below]
(*b*) Other companies ..	,,	0 2 9	,,	,,
(2) *Public companies not included in* (1) (*e.g., foreign public companies*) :—				
(*a*) Income other than dividends from subsidiary Indian company.	,,	0 4 3	,,	0 5 9
(*b*) Dividends from a subsidiary Indian company.	,,	0 3 3	,,	0 3 3
(3) *Private companies not included in* (1) (*e.g., foreign private companies*) :—				
(*a*) Income other than dividends from subsidiary Indian company.	,,	0 4 9	,,	0 5 9
(*b*) Dividends from a subsidiary Indian company.	,,	0 4 9	,,	0 3 3

(*b*) As against the income-tax payable at the rates mentioned above, a rebate of one anna in the rupee is at present given on the amount by which the total income (less tax) of a company (to which section 23A does not apply) exceeds the amount distributed as dividend. This rebate is proposed to be discontinued. Adequate provision is being made for recovering the rebate given in the past, if dividends are distributed out of the amounts on which rebate was given. Where the dividends distributed by a company (to which section 23A does not apply) are in excess of its total income, the present law provides for the levy of an additional income-tax on the excess dividends if they have been distributed out of sums which have been subjected to tax at a rate less than five annas in the rupee. This additional income-tax is proposed to be discontinued.

(*c*) In addition to the normal super-tax payable by a company at the rates mentioned in paragraph (*a*) above, a special super-tax is proposed to be levied on dividends distributed by it during the previous year in excess of 6 per cent. of the paid-up capital. The rate of this tax will be 2 annas in the rupee on the amount of dividends in excess of 6 per cent. but not more than 10 per cent., and 3 annas in the rupee on the excess over 10 per cent. For this purpose, paid-up capital includes bonus capital but does not include "preference" capital. Dividends on preference shares will not be taken into account for determining the amount of excess dividends to be subjected to this extra super-tax. This extra super-tax will apply only to the companies referred to at (1) (*b*) of the table above. But it will not apply to companies in which the public are substantially interested having incomes not exceeding Rs. 25,000.

(*d*) It is also proposed to levy on the companies mentioned at (1) (*a*) as well as (1) (*b*) of the table, an extra super-tax at the rate of 2 annas in the rupee on the face value of bonus shares issued during the previous year. The extra super-tax on excess dividends and bonus issues taken together will not exceed an amount calculated at 4 annas in the rupee on the total income of a company of the type mentioned at (1) (*b*) of the table.

(*e*) Incidentally, the total tax liability on the profits made by foreign companies operating through branches is sought to be brought into line with the liability of such companies operating through an Indian subsidiary, which distributes the whole of its profits after tax as dividends. The existing distinction between foreign public and private companies for purposes of super-tax is being removed.

The net effect of all these changes in corporation tax will yield about Rs. 8 crores.

[Parts I and II of the First Schedule.]

5. *Proposals which have the effect of increasing the tax liability.*—(*i*) *Subjecting to tax the distributions out of profits, whether capitalised or not, made on the liquidation of a company.*—As defined in the Income-tax Act, the term "dividend" includes "any distribution made to the shareholders of a company out of accumulated profits of the company on the liquidation of the company." (The amount so distributed is taxable as dividends in the hands of the shareholder). One High Court, however, recently held that, if the company has capitalised any portion of its accumulated profits by issuing bonus shares, before going into liquidation, only the balance of the accumulated profits which have not been capitalised should be taken into account for ascertaining the amount which should be treated as dividend. It is, therefore, now proposed to make it clear that all distributions made on liquidation out of profits accumulated upto the date of liquidation, whether previously capitalised or not, will be treated as dividends.

[Clause 3 (a).]

(*ii*) *Disallowance in the assessment of a company of excessive remuneration or value of amenities or benefits provided by it to its directors or shareholders substantially interested in the company.*—By virtue of the control which they exercise over the affairs of the company, directors and shareholders who have substantial interest therein, vote for themselves, under colour of business necessity, extravagant benefits at the expense of the company. For instance, the company is made to purchase cars or build big houses which are meant wholly or mainly for the personal use of such persons, and the company is thus saddled with expenses and liabilities which legitimately should be regarded as their personal or private expenses. In order to prevent such abuses, it is now proposed that in cases where any expenses of the nature described above are excessive or unreasonable, considering the legitimate business needs of the company, the amount in excess should not be allowed in computing the profits liable to tax in the assessment of the company. This will be without prejudice to the assessment of the full remuneration or the benefits in the hands of the recipients under the law as it stands.

[Clause 7 (b).]

(iii) *Discontinuance of initial depreciation allowance on new buildings, plant and machinery, brought into use after the 31st March 1956.*—At present, the following allowances are made to an assessee in respect of the capital cost of erection of new buildings, or purchase of new plant or machinery:

(*a*) normal depreciation allowance at the usual rates,

(*b*) an additional depreciation allowance equal to the normal depreciation allowance for five years, but not beyond the assessment year 1958-59,

(*c*) a development rebate of 25 per cent. of the cost on new plant and machinery installed in any business, and

(*d*) initial depreciation allowance for the first year, for new assets other than plant and machinery entitled to the development rebate.

The initial depreciation allowance which was introduced in 1946 has lost its significance by the introduction of the development rebate last year. At present, such initial depreciation is allowable only for items such as buildings, motor cars, office equipment, etc., and for depreciable assets owned by persons assessed under the head "profession." It is now proposed to discontinue this initial depreciation allowance, and it will not be available for new assets brought into use after the 31st March 1956. Development rebate will, however, continue to be given thereafter for such of those assets as are eligible for that rebate.

[Clause 7 (a).]

(iv) *Increasing the flat rate of super-tax for non-residents.*—At present, non-residents have the option of paying super-tax at a flat rate or at the rate appropriate to their total world income. Under the existing law, this flat rate is the lowest slab of super-tax rate. This rate was 3 annas in the rupee in 1954-55. With the insertion, however, of a new lower slab of super-tax in 1955, the flat rate has now become 1 anna in the rupee. This reduction in the flat rate had been ignored in the 1955 Act having in view the Taxation Enquiry Commission's suggestions. According to the Commission's recommendations, however, this rate would have been reduced from 3 annas to 2 annas only which was the lowest slab proposed by it. It is now proposed to restore the flat rate of super-tax to 3 annas from 1956-57.

[Clause 13.]

(v) *Increasing the flat rate of super-tax for undistributed profits in the case of investment companies assessed under section 23A.*—At present, companies to which section 23A applies are required to pay a special super-tax at a flat rate of 4 annas per rupee on the whole of their undistributed profits if the profits distributed as dividends in any year are less than the prescribed minimum. The flat rate of 4 annas is low for purely investment companies which do not need to have any large reserves and the shareholders may prefer the company to pay this special super-tax at a comparatively low rate rather than themselves pay super-tax at higher rates which they will have to if the profits are distributed to them as dividends. It is, therefore, proposed to increase the rate of super-tax on such undistributed profits from 4 annas to 8 annas per rupee in the case of section 23A investment companies only. The rate for non-investment companies will remain unchanged.

[Clause 15.]

(vi) *Readjustment of the tax relief given to shareholders of a company on dividends received by them in cases where the company defaults in paying the tax due by it.*—Two taxes are imposed

on companies—a super-tax and an income-tax. By a legal fiction, they are deemed to have paid this income-tax on behalf of their shareholders in respect of dividends distributed out of the taxed profits of the companies. When the assessments of shareholders are made, including in their income the dividends received from the company, they are credited with the amount of income-tax deemed to have been paid on their behalf by the company. The credit is given on the basis of certificates issued by the companies that taxes in respect of the profits out of which the dividends are distributed have been paid or will be paid. It happens sometimes that this credit is given in shareholders' assessments even before the company has actually paid the tax on the corresponding profits. If, in any case, the company ultimately does not pay tax on its profits fully or in part the shareholders will have received refunds without Government having received corresponding taxes from the companies. In other words, refund will have been given of a tax which has never been paid. In order to remedy this situation, it is proposed to empower the department to make the necessary readjustment in the assessment of the shareholder if it is found that the company concerned has not paid its tax within a period of three years from the end of the year in which the dividend was distributed.

[Clause 19]

(vii) *Provisions relating to the reopening of assessments in cases of evasion and the grant of adequate powers to the income-tax authorities in dealing with such cases.*—(1) At present, there are two sections of the Income-tax Act which enable the department to deal with cases of tax evasion:

(*a*) Under section 34(1) (*a*) cases can be opened or reopened within eight years after the expiry of the year in which the income was first assessable. This section also provides:

(i) that the sanction of the Commissioner of Income-tax should be obtained before the opening or reopening of such a case; and

(ii) that the assessment or reassessment concerned should be completed within the aforesaid period of eight years or within one year from the date of issue of the relevant notice for assessment or reassessment, whichever is later.

(*b*) Under section 34(1A), cases of tax evasion during the war period can be opened or reopened subject to the following conditions:

(i) the sanction of the Central Board of Revenue should be obtained before any case is opened or reopened;

(ii) the notice for opening or reopening the case must be issued before the 31st March 1956;

(iii) the amount of income which has evaded tax must be at least Rs. 1 lakh.

No time-limit as in section 34(1) (*a*) is prescribed for completing the assessment or reassessment.

(2) There is also a section 34(1B) which applies only to cases opened or reopened under section 34(1A), but not to those dealt with under section 34(1) (*a*). Under this section, the assessee can, within six months of the receipt of notice opening or reopening his case, offer to the Central Board of Revenue to have his case settled.

(3) It is now proposed to incorporate, with certain modifications, the provisions of section 34(1A) in section 34(1) (*a*). The object is sought to be achieved by amending section 34(1) (*a*). The effects of the amendment are as follows:

(i) The time-limit of eight years mentioned above with reference to the existing section 34(1) (*a*) will be dropped. No assessment for the years earlier than 1940-41 will, however, be started or reopened.

(ii) As is now the case with assessments or reassessments made under section 34(1A), there will be no time-limit for the completion of the assessment or reassessment to be made under section 34(1) (*a*).

(iii) Opening or the reopening of cases more than eight years old will continue to be subject to the conditions prescribed in the existing section 34(1A), namely, (*a*) the sanction of the Central Board of Revenue will be necessary before any such case can be opened or reopened; and (*b*) the amount of income which has evaded tax must not be less than Rs. 1 lakh.

(iv) The provision relating to settlement now applicable to cases dealt with under section 34(1A) will continue to be effective in respect of cases of tax evasion relating to the war years dealt with under section 34(1) (*a*). The Central Board of Revenue will have no powers to make such settlements in respect of other years.

The Taxation Enquiry Commission has recommended that, as in many other countries, there should be no time-limit for dealing with cases of fraud.

(4) The experience of the Income-tax Investigation Commission and latterly of the Department itself has shown that the existing powers conferred by the Income-tax Act on the Income-tax authorities are very inadequate for dealing effectively with cases of evasion. The Investigation Commission itself was in a position to discover large amounts of concealed incomes because of the powers of search of premises, seizure of documents, etc., conferred upon it. Some State tax authorities are vested with such powers for dealing with local tax cases and the Taxation Enquiry Commission has recommended the conferment of these powers on the Income-tax authorities to prevent evasion of tax. It is now proposed to empower the Income-tax authorities to enter buildings, search the premises and seize any documents, take notes, and so on, which may be relevant to or useful for any proceeding under the Income-tax Act. Such powers can be exercised only with the previous approval of the Commissioner of Income-tax. The amendment also authorises Government to lay down rules in this connection.

[Clauses 18, 20 and 21]

6. *Proposals which have the effect of reducing the tax liability.*—(viii) *Deduction of expenses incurred by a salaried employee on the maintenance of a conveyance of his own used for purposes of his employment.*—At present, no tax relief is given to a salaried employee for the maintenance of a conveyance of his own even though such conveyance is used partly for purposes of his employment. However, in the case of business men, doctors, lawyers, etc., a portion of the expenses incurred by them on the maintenance and running of their conveyance is deducted from their income if the conveyance is used also for the purposes of the business, profession or vocation. Salaried employees have been denied a similar relief on the ground that their conditions of service do not require them to incur out of their remuneration expenditure on the maintenance of conveyances "wholly, necessarily and exclusively" in the performance of their duties. However, as a matter of fact, salary earners, quite often, do use their conveyances partly, if not wholly, for the purpose of their employment as it facilitates the performance of their duties and otherwise contributes to their efficiency. It is, therefore, proposed to permit in their assessments the deduction of a reasonable portion of the expense and wear and tear which can be attributed to the use of the conveyance on employment purposes as distinct from their purely private purposes.

[Clause 5 (b)]

(ix) *Grant of unilateral relief in India for income charged to agricultural income-tax in Pakistan.*—Agricultural income arising in Pakistan to a resident in India is assessed to agricultural income-tax by the States in Pakistan and is again chargeable to Indian income-tax as non-agricultural income on the ground that no income arising outside India can be classified as agricultural income for the purposes of the Indian Income-tax Act. Thus, the same income is liable to tax in India and Pakistan and the assessee is unable to get any relief from double taxation as the agreement with Pakistan for the avoidance of double taxation does not extend to income classified as agricultural in either of the countries. In order to remove this hardship, it is proposed to allow relief in India on this doubly taxed income equal to the Indian Income-tax or the Pakistan agricultural income-tax, whichever is less. As the double taxation has been in existence on incomes arising after the 15th August 1947, it is proposed to grant the relief retrospectively from the assessment year 1948-49. For this purpose, the assessee concerned has to make an application within 4 years from the end of the Indian assessment year. Applications for such relief in respect of the years 1948-49 to 1951-52 will however be treated as in time if they are made before 31st March 1957.

[Clause 23.]

(x) *Exemption of salaries of foreign technicians employed in Government undertakings.*—Provision was made in the Finance Act, 1955, exempting from tax for a limited period the remuneration received by a foreign technician employed in a business in India. The exemption does not apply to the cases of technicians employed directly by Government and other public bodies. Further, under the law as it stands at present a foreign technician who stays in India for 365 days or more, loses the benefit of the exemption for the second financial year of his stay in India, while one whose stay is for less than 365 days gets that benefit. It is, therefore, proposed to re-enact the provision with the following modifications:

(*a*) granting exemption to foreign technicians employed by Government, local authority or statutory corporations;

(*b*) granting exemption for the remuneration for one full year from the date of the technician's arrival in India in cases where the technician stays in India for more than 365 days. It is proposed to give retrospective effect to this amended provision from the 1st April 1955, the date on which the original provision came into force.

[Clause 4.]

(xi) *Continuance of the exemption for new industrial undertakings.*—At present, manufacturing and other industrial undertakings newly established are exempted from tax for a period of five years from commencement of manufacture or production if they satisfy certain conditions. The exemption is limited in each of the five years to profits not exceeding six per cent. on the capital employed in the undertaking.

The existing exemption will be available to undertakings established before 31st March 1956. It is now proposed to extend the date by another five years, so that the exemption will be available similarly to industrial undertakings established during the years 1956-1961 also.

[Clause 11]

7. *The other changes in the Income-tax law proposed are either consequential to the proposals mentioned above, or are clarificatory, or relate to matters of procedure.*

[Clauses 6, 8, 9, 10, 12, 14, 16, 17, 22, 24, 25, 26, 27, 28.]

COAL COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations	Paid-up per Share	Dividend per Ordinary Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
25,50,000	22,00,000	85,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	22⅜	10					3,9	H.
12,00,000	8,34,319	38,77,312	35,73,612	12,449	Jardine Henderson Ltd.	Bararee Coke	19½	10					3,9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	5xd	10					4,10	H.P.
1,00,00,000	1,34,49,223	5,31,71,227	3,82,07,119	7,80,965	Andrew Yule & Co., Ltd.	Bengal Coal	550	200	20+20	17½+15	15+15	17½+	6,12	H.
2,25,000	4,96,231	23,34,335	22,57,553	...	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10					6,12	H.
15,97,000	4,73,358	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6	10					4,10	H.P.
40,00,000	14,81,010	1,30,80,104	68,66,790	13,544	Sahu Jain Ltd.	Bharat Collieries	8¼	10					6,12	H.P.
7,15,000	15,09,580	59,49,095	37,09,987	—1,65,136	F. W. Heilgers & Co., Ltd.	Bhuliantarree	14¾	10	Nil	Nil	Nil	Nil	9	Y.
15,00,000	16,17,936	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur	12¾N	10					6	Y.T.P.
7,50,000	23,80,000	42,07,858	26,07,691	68,656	F. W. Heilgers & Co., Ltd.	Borrea	27½	10					6,12	H.
90,92,480	1,76,70,564	4,16,32,554	1,80,96,449	1,40,510	Bird & Co., Ltd.	Burrakur	12¾	10	11+11	11+11	1+1	1+1	6,12	H.T.
49,97,750	...	34,81,955	2,57,645	5,907	Hindustan Investment Corpn., Ltd.	Central India	7½	10	Nil	Nil	Nil	Nil	6,12	H.P.
5,00,000	13,54,302	49,10,414	32,68,954	82,788	M. ...	Central Kurkend	11¼N	10					6,12	H.P.T.
5,00,000	1,48,698	7,28,438(k)	...	12,201	F. W. Heilgers & Co., Ltd.	Churulia	3	4					3	Y.
10,00,000	1,20,000	55,67,321	28,91,190	—2,48,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	1½	1½	½	½	6,12	H.
£340,000	£380,553	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	32	21	Nil	Nil	Nil	Nil	6,12	H.
29,63,760	76,84,250	3,89,27,499	2,87,14,367	93,286	Macneill & Barry Ltd.	Equitable	32½	10	3(t)	2½	3	Nil+	6,12	H.T.
10,00,000	5,15,000	10,76,554	3,73,963	11,273	Phatter's Agency Ltd.	Ghusick and Muslia	10	10	2 +1½	1 +	2½	3	4	Y.
12,00,000	1,22,000	39,02,565	20,99,824	3,226	Killick Industries Ltd.	Hingir-Rampur	45	10					6,12	H.P.T.
8,00,000	6,75,000	21,49,057	18,61,214	65,451	Macneill & Barry Ltd.	Hurriladih	60	10	4	3	Nil	2	8	Y.
22,00,000	1,12,000	24,74,712	6,18,243	—5,57,293	Balpale Trust Ltd.	Jogta Coal	22	10	2½	2	2	2	4	Y.P.
2,50,000	2,07,448	13,53,455	7,08,130	...	Andrew Yule & Co., Ltd.	Kalapahari	27½N	10	Nil	Nil	1½	1½	6,12	H.
20,00,000	17,325	29,07,891	5,48,150	2,661	Bird & Co., Ltd.	Karanpura Collieries	140	100	11+11	11+1	Nil	Nil	12	Y.P.
5,00,000	15,85,000	45,16,329	38,55,977	1,26,128	Andrew Yule & Co., Ltd.	Kesai Marhah	61½	10	Nil	Nil	Nil	Nil	2,9	H.
1,83,400	5,72,960	12,85,941	5,72,960	—2,50,236	Beriwala & Co.	Khas Kajora	43	10	2 +2	2 +2	2 +2	2½ +3	1,7	Y.P.
11,00,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kujadi	4¾	10	Nil	Nil	Nil	Nil	6,12	H.
9,00,000	11,54,113	26,69,288	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakhra	9¾	10					6,12	H.P.
7,48,240	2,00,000	12,18,473	9,28,179	11,096	Tantia Brothers Ltd.	Nastra	6½	10					6	Y.
7,00,000	25,617	10,33,740	5,20,295	4,560	Amritlal Ojha & Co., Ltd.	New Banadeopur	8½d	10					4	Y.
17,76,230	19,41,768	1,17,35,498	97,10,712	96,478	Andrew Yule & Co., Ltd.	New Beerbhoom	20½	10					12	Y.
4,00,000	85,000	25,44,923	16,55,399	18,426	Octavius Steel & Co., Ltd.	New Mahbhoom	11¾	10	Nil+	Nil	Nil	Nil	2,9	H.
1,75,000 } 1,87,500 }	2,55,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	18xd 16½xd	10 10	3 +3	3 +Nil	Nil	Nil	4,10 9,9	H.P. H.
1,50,000	12,21,853	3,97,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd.	Ondal	7¾	10	Nil	Nil+Nil	Nil	Nil	2,9	H.
10,00,000	1,10,000	39,70,662	17,99,688	2,809	K. C. Thapar & Bros.	Oriental Coal	17N	10	1 +1	1 +1	Nil	Nil	3,9	H.
2,24,000	12,942	17,42,596	9,01,923	7,443	Deepchand Kishenlall	Parasea	9¾	10					6,12	H.P.
15,75,000	15,60,000	46,15,471	34,02,471	38,203	Shaw Wallace & Co., Ltd.	Pench Valley	12¾N	10	Nil	Nil	Nil	Nil	6,12	H.P.
22,92,500	13,87,105	1,19,58,599	83,83,615	89,019	R. B. Ellas & Co., Ltd.	Ramagundy	22½	10	Nil	Nil	Nil	Nil	6,12	H.P.
13,50,000	3,83,385	35,36,785	27,73,764	28,521	Shaw Wallace & Co., Ltd.	Rewa	11	10					3,9	H.
20,00,000	3,05,006	22,32,218	13,30,500	488	Jaipuria Sons Ltd.	Samla Collieries	22½	10	Nil	Nil	Nil	Nil	2,9	H.
1,25,000	1,50,892	13,73,850	12,21,297	21,697	M. ...	Sarupolie	12½N	10					6,12	H.
2,50,000	7,36,596	29,37,021	18,41,620	40,187	Andrew Yule & Co., Ltd.	Seebpore	29½xd	25					6,12	H.
8,00,000	5,46,689	58,491	28,887	6,601	F. W. Heilgers & Co., Ltd.	Sendra	20	7	Nil	Nil	Nil	Nil	6,12	H.
68,21,450	16,96,050	3,82,71,101	2,86,68,501	—4,66,963	Industrial Trust Fund (Government of Hyderabad)	Singareni	10N	10					6,12	H.P.
17,50,000	10,84,016	37,86,108	15,14,990	—51,583	Bird & Co., Ltd.	South Karanpura	9¾	10	Nil	Nil	0-11 1/5	Nil	6,12	H.T.
6,00,000	13,89,545	1,89,870	25,510	7,957	F. W. Heilgers & Co., Ltd.	Standard	10¼	10					12	Y.T.
10,00,000	12,950	30,52,289	15,43,502	—4,07,745	Villiers Ltd.	Talcher	9¾	10					3,9	H.
3,50,000	3,50,000	18,66,784	14,07,784	47,988	Williamson Magor & Co., Ltd.	Union	13	10	Nil	Nil	Nil	Nil	6,12	H.
49,98,000	...	49,06,356	18,91,545	51,694	Hindustan Investment Corpn., Ltd.	Western Bengal	...	...					9	Y.
7,50,000	1,36,190	25,22,133	22,56,861	123	Macneill & Barry Ltd.	West Jamuria	13	10	1½	1½	1½	1½+	6,12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. ♦ Including bonus.
(f) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (d) Investment. (e) For seven months ended 31st March ,1954.

EQUITIES CLOSE STEADY

RECOVERY ON SECOND THOUGHTS ABOUT BUDGET

(From Our Own Correspondent)

BOMBAY, 1st *March*

THE behaviour of the share market during both the special Budget session held today evening and the regular session held today indicated, as a whole, that the operators were not in a position rightly to assess the full implications if the Union Finance Minister's proposals. During the Budget session, as the proposals came in one after the other on the ticker, the market developed an erratic tendency and quotations fluctuated rather violently. In the initial stages, the sentiment was better, but later when news regarding dividend controls appeared, the market almost collapsed, though there was some recovery subsequently, at the end of the session. Today, too, more or less a similar trend was in evidence. For, on first thoughts, it appeared that the proposals would have a depressing effect on both capital formation and cost of living in the country. In fact, the super-tax on higher income groups has been raised, an extra burden has been cast on companies in several ways. Thus, the withdrawal of the rebate of one anna on undistributed funds of companies not covered by section 23-A, the levy of tax on dividends declared in excess of 6 per cent., the imposition of a tax on bonus issues, the additional excise duty of six pies on cloth, except in the case of *dhotis* and *saris* of the coarse variety, and an excise duty on vegetable (non-essential) oils, diesel and vapouring oils all seemed to be cumulatively responsible for producing an unsettled effect on the market.

Towards the close today, on second considerations, the market would appear to have, however, changed its earlier opinion regarding the overall effect of the Budget proposals on company finances. The absence of taxes either on wealth or on expenditure, or an increase in estate duties, as was feared earlier, was viewed favourably. The incidence of taxation on companies was considered to be not very heavy. It was felt that many well-managed concerns would be able to maintain dividends, since the amounts of additional tax they would have to pay on dividend distributed by them in excess of 6 per cent. being relatively small, was within the ability of these companies to pay. Besides, some of the Budget proposals had been discounted in prices during the pre-Budget sessions, as some market men were understood to have got scent of the propossals a few days ahead. Consequently, there was a fair-sized recovery in prices over a wide front due to bear-covering, though, on balance, the quotations were lower than those a week ago. The undertone of the market remained steady at close.

In the pre-Budget trading, the market remained quiet with values marked down due to the usual Budget uncertainties, thus preparing the ground for the worst.

In the steel section, operators seemed to have no clear ideas regarding the implications of the Budget proposals in the context of the impending issue of new shares. There was a tendency to await the outcome of the extraordinary general meeting of the Tata Iron and Steel Company, Ltd., on the 12th inst. Trading in Tata Ordinaries during the week revealed wide fluctuations in values. Earlier in the week, they rose from Rs. 226 to Rs. 229-8, but dropped to Rs. 222 in the immediate pre-Budget session. In the initial stages of the Budget session they shot up to Rs. 228, but receded to Rs. 219 on news of control on dividends. The closing today was, however, better at Rs. 222-8. Indian Irons came up from Rs. 32-6½ to Rs. 33, but slumped to Rs. 31 in the Budget session. There was a recovery to Rs. 31-15 at the close today.

Despite the increase in excise duty on cloth, except *dhotis* and *saris* of coarse variety, textile shares improved today, making good to a large extent the earlier losses. Bombay Dyeings fell from Rs. 524-6 to Rs. 509-6. In the Budget session they shot up to Rs. 541-4 before receding quickly to Rs. 507-8. Today again there was a recovery to Rs. 523-12. Centurys came up to Rs. 485 in the Budget session, as against the previous closing of Rs. 480. After dropping to Rs. 458 the shares improved to Rs. 473. Kohinoors finished the week at Rs. 328, with a loss of Rs. 7-8 over the week. Central Indias were better by Re. 1-8 at Rs. 137. Finlays were marked down by Rs. 2-8 to Rs. 320, Gokaks by Rs. 2 to Rs. 228-8, Indu Ordinaries by As. 5 to Rs. 12-1½ and Indore Malwas by Rs. 3-12 to Rs. 140-10.

Bank shares were listless with the volume of business at a low ebb on reports of nationalisation of a few more State-associated banks. Centrals lost Re. 1 over the week to Rs. 46-8 and their new shares Re. 1-8 to Rs. 49-8. Bank of India were unchanged at Rs. 152, while Barodas were a fraction better at Rs. 98-8. United Commercials had business at Rs. 45-8, with no change in price over the week.

The insurance section was quiet. Orientals declined from Rs. 3,960 to Rs. 3,910 and New Indias from Rs. 39-12 to Rs. 38-12. The other shares were unchanged.

Electricity shares ruled lower. Ahmedabad Electrics fell by Rs. 2-13 to Rs. 100, while Bombay Suburbans disclosed no change at Rs. 116-4. Surat Electrics moved down by Re. 1-4 to Rs. 122-8. Tata Hydros were a fraction higher at Rs. 131-8, while Tata Powers shed Rs. 7-8 to Rs. 1,345 and Andhra Valleys Re. 1-4 to Rs. 1,285.

In the miscellaneous section, A.C.C. recovered from Rs. 198-4 to Rs. 207 in the Budget session, but slumped to Rs. 199 before recovering to Rs. 205 at the close today, gaining Rs. 6-12 over the week. Digvijays also advanced by Re. 1-8 to Rs. 173. Sugar shares were fairly steady in the absence of any increase in excise duty on sugar. Belapurs came down from Rs. 213 to Rs. 206, but closed higher at Rs. 212. Walchandnagars improved by Re. 1-4 to Rs. 242-8. Phaltans were steady at Rs. 127. In the engineering and mining group, Alcocks fell by Rs. 5 to Rs. 355 and Larsen and Toubros by As. 10 to Rs. 15-2.

In the shipping and transport group, Scindias were done at Rs. 16-2½ *ex-div.*, as against Rs. 16-5 *cum-div.* a week ago. Great Easterns were better by As. 3 at Rs. 15. Hindustan Motors were dull at Rs. 8-14 and Premier Automobiles at Rs. 83. Among miscellaneous industrials Bombay Burmahs declined from Rs. 529-6 to Rs. 517-8, but in the Budget session rallied to Rs. 557-8 following the relief in export duty on tea. Today, however, they closed lower at Rs. 524-6. National Rayons were brought down from Rs. 220 to Rs. 207-8, before they recovered to Rs. 214-8 at the close. British India Corporations lost As. 8 to Rs. 11-2. Despite the levy of excise duty on vegetable oils, Tata Chemicals recorded a gain of As. 13½ to Rs. 17-6½. Tata Oils were steady at Rs. 42-4 and Wimcos at Rs. 188-2.

MARKET GOSSIP

(Concluded from page 383)

some valuable information about the working of the regulations relating to capital issues. The control on capital issues, it may be recalled, was first introduced in May 1943 under the Defence of India Rules. It was continued after the termination of the war by an ordinance and thereafter in 1947 by an Act for a term of three years. It was again successively extended in 1950 and 1952. When the Act was first introduced in 1943, the object was primarily to conserve the available investible resources of the country with a view to utilising them for war effort, and secondly, to combat inflation. Explaining the need for continued retention of this control, the Finance Minister said that, in the context of the Five-year Plan which calls for the mobilisation of the entire investible resources of the country for the implementation of approved projects both in the public and private sector, the control on capital issues "has become a specially important financial weapon in the repertory of the administration for regulating and directing the flow of funds in accordance with the requirements of the Plan."

The Government has used the powers under the Act, according to Mr. Deshmukh, in order to prevent the diversion of investible resources to non-essential projects. The powers have also been used to serve certain ancillary purposes: the regulation of the issue of bonus shares, regulation of capital reorganisation of companies, including mergers and amalgamations, the regulation of capital structure of companies, with a view to discouraging undesirable practices (such as the issue of shares with disproportionate voting rights), regulation of the terms and conditions of additional issues of capital, that is, issue prices of new shares, underwriting and brokerage charges.

The number of cases in which capital issues were sanctioned fell from 254 in 1952 to 232 in 1953 and to 220 in 1954 but rose to 289 in 1955. The total amount of issues involved in these sanctions rose from Rs. 39.8 crores in 1952 to Rs. 81.4 crores in 1953, Rs. 110.6 crores in 1954 and Rs. 125.4 crores in 1955. The bulk of these issues was in the form of equity shares, the proportion of the equities to sanctioned issues varying from 67 per cent. in 1952 to 45.5 per cent. in 1955. The total amount of capital involved in applications for consent which were rejected was the largest in 1952, being Rs. 112.5 crores. It would appear that this figure was unduly inflated through two "erratic" applications of Rs. 50 crores each. For subsequent years, the amounts covered by refusals were Rs. 8.4 crores in 1953, Rs. 6.4 crores in 1954 and Rs. 26 crores in 1955.

It must, however, be remembered that the consent for an issue of capital is not always followed by actual raising of capital. There is no reliable information about the actual amount of capital raised. This is because the companies, which are given 24 months following the grant of consent by the authorities and asked to submit periodical returns about the progress they make, do not regularly supply such returns. The Finance Minister emphasised that an important administrative problem "relating to the working of the capital issue control in recent years has been to reorganise and strengthen the machinery and follow-up work." It would appear that suitable separate cells for this purpose have recently been created in almost all the important offices of the Registrars of Joint Stock Companies. It is to be hoped that through this measure it would be possible for the Government to obtain the data about the actual raising of capital against the consent orders issued under the Act.

In the administration of the Act, the Government is assisted by a five-member Advisory Committee of representatives of trade and industry and the general public, constituted in accordance with Section 11 of the Act. The Committee does not deal with individual applications as such. It is, however, consulted on major issues of policy relating to corporate investments. Paying a tribute to the services which the Committee had rendered to the Government, Mr. Deshmukh said: "The help and assistance which the Government have received from the Advisory Committee in the past has been invaluable and I should like to take the opportunity of acknowledging the services which the members of the Advisory Committee have rendered to the administration."

Two important issues were raised in the course of the debate. In the first place, many members pointed out that considerable delay occurred in the grant of consent to applications for capital issues. It was also pointed out that more information about the working of the organisation should be made available to the public. The Minister himself agreed that the periodical reports issued by the authorities should be more informative. Secondly, the question of taxation of the issue of bonus shares was raised. Mr. Deshmukh did not reveal the Government's attitude towards this question. He said that the question was "very complicated," with opinion being sharply divided on the necessity or otherwise of a tax on bonus issues.

Obviously, as the budget proposal for the taxation of bonus issues (As. 2 on such issues) shows, he had made up his mind but could not reveal it. Nevertheless, Mr. Deshmukh is wrong in suggesting that opinion is sharply divided on this issue. Actually, all informed opinion has held that a tax on bonus issue is an unjust levy, since it tantamounts to taxing an income that has already been taxed. And, it is for this and other very good reasons, that the Taxation Enquiry Commission held that bonus issues should not be taxed. In a very unconvincing reference to his proposal, Mr. Deshmukh declared in his budget speech: "I have taken due notice of the recommendation of the Taxation Enquiry Commission that there should not be any tax on bonus shares. I consider, however, that there is adequate justification for imposing such a tax and, in any case, such tax is an integral part of the scheme I have proposed." Mr. Deshmukh seems to want the best of both worlds. When the Commission's report suits his case, he quotes it approvingly and when it does not, he says he is not convinced.

Notice

THE EAST INDIA DISTILLERIES AND SUGAR FACTORIES LIMITED

THE Speech made by Mr. C. R. Srinivasan at the Annual General Meeting held on the 23rd February 1956 has already been published.

2. At the Meeting:

(*a*) The Report of the Directors and the Accounts for the year ended 30th September 1955 were adopted.

(*b*) The consideration of the Resolution relating to the declaration of dividends was adjourned to 11 a.m. on the 27th February 1956.

(*c*) Mr. G. N. Noel-Tod and Mr. V. Ramakrishna, I.C.S. (Retd.), were re-elected Directors of the Company.

(*d*) The remuneration of the Auditors was fixed.

(*e*) Resolution No. 5 approving the acquisition by the Company of the Ordinary Share Capital of Parry and Company, Limited, was approved.

All resolutions were passed *nem com.*

3. The Class Meetings of the 'A' and 'B' shareholders were adjourned to the 29th March 1956 at 3-30 p.m. and 3-45 p.m. respectively. Consideration of Resolution No. I of the Extraordinary General Meeting was adjourned to 4 p.m. on the 29th March 1956.

4. The Directors of The East India Distilleries and Sugar Factories, Limited, have pleasure in announcing that their offer to purchase the Ordinary Share Capital of Parry and Company, Limited, as set out in their letter of the 18th October 1955 and confirmed at the Annual General Meeting of the Company on the 23rd February 1956 has been accepted and effect thereto has been given.

5. The allotment of shares to those shareholders of Parry and Company, Limited, who opted to take 'B' shares in this Company in exchange for their Ordinary Shares in Parry and Company Limited was duly made at a Meeting of the Board of Directors held on the 26th February 1956.

6. At the adjourned Annual General Meeting held at 11 a.m. on the 27th February 1956, final dividends for the year ended 30th September 1955, without deduction of Indian Income-tax, at the rate of 5 per cent. on the Company's 'A' Share Capital and at the rate of 10 per cent. on the Company's 'B' Share Capital, together with a special additional dividend of 5 per cent. on the Company's 'B' Share Capital were declared, payable on the 14th March 1956 to shareholders on the Register as at the close of business on the 29th February 1956.

By Order of the Board,
PARRY'S HOLDINGS LIMITED,
Secretaries.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
15,00,000	1,08,00,000	11,36,301	Allahabad Bank	365	100	18 0	18 0‡	18 0‡		12	Y.P.
14,50,000				154	50	9 0	9 0‡	9 0‡			
1,01,000	13,51,000	1,28,560	Andhra Bank	115	100	6 0	6 8	7 8	3 0‡	6,12	H.
£1,29,750				84½	70	3 0	3 4	3 12	2 1 3/5‡		
1,00,00,000	1,28,00,000	2,70,302	Bank of Baroda	98½	50	6 0	6 0‡	6 0‡	1 8‡	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	13½N	25	0 12	0 12			12	Y.
2,50,00,000	3,52,00,000	13,26,630	Bank of India	152	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	28,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	19,00,000	25,128	Bank of Jaipur	26½	50	1 8	1 8	2 0		12	Y.
40,00,000	85,00,000	2,60,591	Bank of Mysore	262½cd	100	16 0‡	16 0‡	16 0‡	8 0‡	12	Y.
61,31,700	58,73,013	10,069	Bombay State Co-operative Bank.	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	25,00,000	20,774	Canara Bank Ltd.	80	50	4 8	4 8	4 8		12	F.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	86cd	50	5 0‡	5 0‡	5 0	5 8‡	12	Y.P.
2,62,11,875	4,00,55,697	17,88,899	Central Bank of India Ltd. ..	46	25	3 8	3 8	3 8	1 8‡	12	R.L.Y.
$8,42,375 'A'				48	25	3 8	3 8	3 0	1 8‡		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co. ..	42	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	23,50,000	1,12,280	Hind Bank	38	50	1 0	1 8	1 8		12	Y.
1,25,00,000	15,45,000	16,919	Hindustan Commercial Bank ..	9½	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	14	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	5 0	6 0‡	5 0	9	Y.
£4,00,000				188	100	12 0‡	12 0‡	12 0‡	6 0‡		
17,00,000	77,50,000	1,30,785	Indian Bank	163	85	10 3‡‡	10 3‡‡	10 3‡‡	5 1 2/5‡	6,12	R.L.H.
16,80,000				113‡	60	7 3‡‡	7 3‡	7 3‡	3 9 2/5‡		
49,19,575	26,00,000	2,15,839	Indian Overseas Bank	127	100	6 0	6 0	6 0		12	Y.
6,25,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½	100(A)	6 0	Nil	Nil		6,12	H.
2,50,000				11	25(B)	1 8	Nil	Nil			
10,00,000				24	50(C)	3 0	3 0	Nil			
87,50,000	92,50,000	4,99,040	Punjab National Bank	43	25	1 8	2 0	3 0	1 8‡	12	Y.
1,00,00,000	21,75,000	98,631	Travancore Bank Ltd.	125cd	25	—	9 10	9 12		12	Y.
40,00,000	35,00,000	1,99,233	Union Bank of India	6½	5	0 5‡	0 5‡	0 5‡	0 6	12	Y.
2,00,00,000	86,50,000	1,08,725	United Commercial Bank	49½	50	2 0	2 0	2 8		12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£5,500,000	£5,000,000	£392,910	Chartered Bank of India, Australia and China	£1-18-6	£1	16†	14†	15†		12	R.L.Y.
£1,000,000	£1,250,000	£60,917	Eastern Bank	£8 ⅛	£5	7†	8†	8†		12	R.L.Y.
H.K. $20,000,000	H.K $128,000,000	H.K $10,215,256	Hongkong and Shanghai Banking Corporation	£94½	H.K. $125	5*	5*	5*	2*	12	Y.
$17,966,195 'A'	£15,000,000	£554,006	Lloyds Bank	£2-13-6	£5 A	12†	14†	15†	12†	12	R.L.Y.
£1,437,296 'B'				£1-6-8	£1 B	5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'				£4½	A £2½	14†	14†	14†	7½		
£375,000 'B'				£4½	B £2½	14†	14†	14†	7½		
£750,000 'C'				—	C £1	14†	14†	14†	7½		
£2,851,563	£3,104,687	£326,266	National Bank of India	£1-0-0	sh. 12½	16†	16†	16†	7½	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	100	1st June 1963
4,00,000	5½	1st March and 18th September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December ..	Ramnugger Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1955-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1941	101	1st April 1956-61
£5,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)	1944	97	1st November .. 1959-64
COAL						
£0,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June .. 1956
£0,00,000	4½	30th June and 31st December ..	Burrakar Coal Co.	1947	91½	30th June .. 1957(e)
£0,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1965(e)‡
COTTON						
8,50,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	99	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	101½	1st March .. 1972(e)
13,88,050	5½	..	Jawahre Textiles	1949	80N	1st January .. 1956-59
£9,90,000	5	1st June	Tata Mills	1951	100	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September ..	Agra Electric Supply Co. Ltd.	1950	95	31st March .. 1965(e)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100½	14th June .. 1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	98⅛	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(e)
2,45,01,850	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	100½	1st January .. 1970(e)
25,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd.	1945	87	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Sijua (Jharriah) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(e)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	98½	15th July 1957-61
2,00,000	5½	31st March and 30th September ..	South Madras Electric Supply ..	1939	98½	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94½	30th September .. 1953-62
4,63,800	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,78,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July 1979
2,50,00,000	4	1st April and 1st October ..	Tata Power		93½	15th September .. 1966-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	99	31st December .. 1969
3,00,000	5	30th June and 31st December ..	Bridge and Roof (India) Ltd. ..	1928	98	30th June .. 1958
£0,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1942	102	1st July 1957-62
£1,146,600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage) .	1936	£88	31st December .. 1956(‖)
10,00,000	4	31st May and 30th November ..	Kirkaldy Testing Engineering Works Ltd. ..	1946	87	31st May 1971
1,50,00,000	4	1st April and 1st October ..	Tata Locomotive	1950	100½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100‡	31st December .. 1960(e)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	99‡	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	100	30th June .. 1966
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	90‡	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co. Ltd. ..	1945	93‡	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July 1959
10,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	96	30th June .. 1966
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1969(e)
8,88,000	5	15th January and 15th July ..	Empire	1951	95	15th July .. .. 1959(e)
£5,00,000	3½	1st January and 1st July ..	Hukumchand	1947	92	30th June .. 1957
£0,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co. Ltd. ..	1955	100	31st March .. 1970
£0,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd. ..	1949	90½	31st December .. 1959(e)
£5,00,000	5½	30th June and 31st December ..	Naihati	1952	98	31st March .. 1967(e)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd. ..	1939	93	14th May 1959
£0,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	98	31st December .. 1964
8,00,000	4	30th June and 31st December ..	Presidency	1943	93	30th June .. 1958
£5,00,000	5	31st March and 30th September.	Reliance Jute Mills Co., Ltd. ..	1950	91	5th September .. 1965(e)
8,00,000	4½	14th March and 14th September.	Samuel Jute	1937	96	14th September .. 1957
12,00,000	4	30th June and 31st December ..	Union	1937	96½	30th June .. 1957
10,00,000	3½	31st January and 31st July ..	Waverly	1925	88	31st July 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway	1939	90N	1st July 1956
£850,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,863	5	1st April and 1st October ..		1933	£77½N	1st October .. 1974
9,50,000	3½	30th June and 31st December ..	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1959(e)
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway ..	1905	£35½N	Any time on six months' notice (e)
4,33,26,697	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	90½	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffee	1952	102	1st July 1957-62
13,50,000	6	31st March and 30th September.	Nilgiri Tea		100	1st April 1958-63
1,89,700	5½	31st March and 30th September.	Teokoy	1944	100	31st March 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd. ..	1948	98	31st December .. 1965
26,80,000	4½	1st January and 1st July ..	Associated Hotels of India	1948	96	31st December .. 1963
4,90,500	4½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
8,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	103‡	1st September .. 1964-69(e)
2,80,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd.	1955	102‡	1st October .. 1970
£1,00,000	4½	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February .. 1956
20,92,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	89½	1st July 1966
30,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87½	15th September .. 1960
2,00,00,000	4	31st March and 30th September.	Dalmia Cement Ltd.	1946	92	 1966
1,80,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd. ..	1950	102½	1st January .. 1971(e)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	105	30th June .. 1966(e)‡
17,75,000	5	15th March and 15th September.	Metlur Chemical Industries	1949	95½	 1964
£8,05,500	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes) ..	1946	580	30th September .. 1976(e)
45,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)	1947	470 (per note)	31st December .. 1972(e)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	90‡N	1st April 1971
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1955	103	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	98	31st March .. 1961(e)
1,00,00,000	4	30th June and 31st December ..	Robins Industries Ltd.	1946	91	31st December .. 1959
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 8 months' notice at any time at 8 per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures with 4 per cent of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‖ Rs. 1,50,00,000 debentures with 4 per cent. to debentures at 101 per cent. on 1-6-1964. ‡‡ Redeemable May 1968 onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1965, on six months' notice. †† Option to repay at par on [illegible] by drawings from 1st

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 1st March, 1956.

—	Closing quotations 23-2-1956 Rs.	High Rs.	Low Rs.	Closing quotations 1-3-1956 Rs.
TEXTILES				
Ahm. Adv. (100) ..	155	—	—	155
Apollo (2) ..	2-12½	2-12½	2 ⅜	2-11½
Bombay Dyeing (250).	524½	541½	507½	523½
Central India (100) ..	135½	136½	133	137
Century Mills (100) ..	480	481	458	473
Colaba (100)	60	—	—	60
Edward Textile (200).	320	—	—	320
Elphinstone (50) ..	50½	53½	53	53½
Finlay (100)	323½	328	310	317
Gokak (100)	230½	232	226½	228½
Ind. Untd. Defd. (1) ..	2-2½	2-3½	2-0½	2-1½
Ind. Untd. Ord. (10)..	12-6½	12½	11½	12-1½
Indore Malwa (100) ..	144½	143½	132½	140½
Khatau (100)	212½	210	209⅛	210
Kohinoor (100)	335½	335	323	328
Lakshmi (250)	672½	672½	663½	670
Madhusudhan (100) ..	124½	—	—	115½
Minerva Mills (100) ..	82	—	—	82
Model Nagpur (250) ..	150	150	148½	150
Morarji (100)	230	—	—	230
Mysore (50)	99	—	—	99
National Rayons (100).	220	225	207½	214½
New City (100)	162½	—	—	162½
New Great (100)	200	205	196	196
New Union (10)	37	—	—	37
Phoenix (100)	120⅜	122½	120⅜	121½
Podar Mills (100) ..	166½	—	—	165
Sassoon Silk (10) ..	20	—	—	20
Sassoon Woollen (10) ..	39	—	—	39
Sholapur (1,000) ..	1,900	—	—	1,900
Shrinivas (100)	212½	215	210	215
Simplex (100)	191½	193	190	186
Standard (100)	424½	422½	408½	413½
Swadeshi (100)	210½	212	205	210½
Swan (100)	412½	412½	405	410
Tata Mill (25)	51½	52½	50	50½
Vishnu (100)	181½	—	—	181½
Western India (1,000).	5,000	—	—	5,000
BANKS				
Bank of India (50) ..	152	—	—	152
Bank of Baroda (50)..	98	—	—	95½
Central (25)	47½	47½	46	41½
Central 'A' (25) ..	51	51	48	49½
Dena Bank (50)	45	42½	42	42
Punjab National (25).	48	—	42	43
Union Bank (5)	6⅛	—	—	6⅛
United Com. (50) ..	49½	50	49	49½
ELECTRIC COS.				
Ahmedabad (100) ..	102⅜	101½	99½	100
Amalgamated (10) ..	11⅛	—	—	11⅛
Andhra Valley (1,000).	1,286½	1,286½	1,282½	1,285
Bom. Sub-El. (100) ..	116½	116½	115	116½
Surat (100)	123½	124⅜	122½	122½
Tata Hydro (100) ..	131	133	131	131½
Tata Power (1,000) ..	1,352½	1,373½	1,342½	1,345
INSURANCE COS.				
British India (10) ..	13⅛	—	—	13⅛
Empire of India (100).	600	—	—	600
Ind. Mercantile (20)..	43	—	—	43
Jupiter (15)	8	8	7	7
New India (15)	39½	39½	38½	38½
Oriental (200)	3,960	3,960	3,900	3,910
Universal (10)	14	—	—	14
Vulcan (10)	14½	—	—	14½
STEEL COS.				
Ind. Iron (10)	32-0½	33	31	31⅜
Tata Steel Ord. (75)..	220	229½	218½	222½
SUGAR COS.				
Belapur (50)	213	216	206	212
Bhopal (100)	14⅛	—	—	14⅛
Phaltan (50)	127½	129	124	127
Walchand Ind. (100)..	241½	247½	237½	242½
CEMENT COS.				
Associated Cts. (100)..	198½	207	197½	205
Digvijay (100)	171½	173	171	173
MISCELLANEOUS				
Alcock Ashdown (100).	360	367½	352½	355
Bom. Burmah (125)..	529½	557½	512½	524½
Do. (New) (50) ..	188½	190	186½	190
Br. B. Petrol (4 sh.)..	3-13½	4	3½	3½
Br. I. Corpn. (5) ..	11½	11⅜	11	11½
C. P. Ely. (100) ..	93	—	—	93
Indian Copper (2 sh.)..	6½	6⅛	6–1½	6½
Ind. Inv. Tr. (100) ..	79	80	79½	80
Kemp (200)	195½	—	—	196½
Killicks (100)	167	167½	166	166
Polson (100)	158½	—	—	158½
Port Canning (100) ..	12	12	11	11
Premier Con. (80) ..	175	176	168	168
Scindia (20)	16⅛	16½	15½	16-2½
Shivkrishna (10) ..	103	102½	88	94½
Tata Chemicals (10) ..	17⅛	17½	16⅛	16-9½
Tata Oil (25)	41½	42½	41	42½
Tata Loco (100)	139½	144	137½	142
W. I. Match (100) ..	188½	190	186½	188½

GOVERNMENT SECURITIES	24-2-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	1-3-1956
	Rs.			Rs.
2½% 1961	93⅝	—	3.83	93⅝
2½% 1962	96⅛	—	3.66	96⅛
2½% 1963	93⅛	—	3.80	93⅛
2½% 1974	82⅛	—	4.04	82⅛
3% 1957	99⅛	—	3.25	99⅛
3% 1958	99⅛	—	3.20	99⅛
3% 1959-61	98⅛	3.58	3.88	98⅛
3% 1964	94⅜	—	3.75	94⅜
3% 1965-66	94⅜	3.64	3.69	94⅜
3% 1966-68	92⅜	3.90	3.78	92⅜
3% 1970-75	88⅛	4.03	3.82	88⅛
3% 1986 Con. Loan..	70½N	—	3.88*	77⅛
4% 1960-70	101⅛	3.58	3.84	101⅛
4% 1968-68** ..	103⅜	3.06	3.16	103⅜
2½% 1961 N.P. Bonds.	96⅛	—	3.63	96⅛
2½% 1964 N.P. Loan..	96⅛	—	3.71	96⅜
2½% 1965 N.P. Bonds.	96⅜	—	3.72	96⅜

BRITISH GOVERNMENT SECURITIES	22-2-1956 £	Low £	High £	23-2-56 £
2½% Brit. Consols. ..	54⅜	55	54⅜	55
3% Savings Bonds 1955-75	75⅛	—	—	75⅛
3% War Loan 1955-59.	93⅛	—	—	93⅛
2½% War Loan 1966-71	74⅛	74⅛	73⅝	73⅝
4% Victory Bonds 1976	93⅛	93⅝	93⅛	93⅝
4% Funding 1960-90..	89⅛	89⅝	89½	89⅝

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Eight.

COMMERCE

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

VOL. XCII. No. 2349 BOMBAY, 10th MARCH 1956 PRICE Rs. 1/8

NEED FOR FLEXIBLE PLAN

THE one, though not the only, common ground on which the Government and the business community seem to meet is the need for flexibility of approach in achieving the economic tasks ahead of the nation. This was particularly clear from the deliberations of the Federation of Indian Chambers of Commerce and Industry at its annual session, held at New Delhi, last week. Mr. Nehru, who addressed this body, emphasised the need for "flexible" thinking in an age which was "progressively becoming qualitatively different from the past." The President of the Federation, Mr. Shantilal Mangaldas, too, stressed that an "element of flexibility" should be introduced into the schemes of economic development formulated by the Government. Since there is a danger that a "flexible approach" might degenerate into a mere slogan; or the phrase may be used as an excuse for abrupt changes in policy, it is well to remember that it essentially implies an attitude of mind, a certain pragmatic outlook. Given such an attitude on the part of the Government, the business community and the workers, it should still be possible to find an ever-widening sphere of activity in which the three essential elements can co-operate in the interests of India's economic progress.

Looking at problems, as he generally does, in the global perspective, Mr. Nehru pointed out that, on the one hand, capitalism today in the very highly developed countries was different from what it was 50 years ago, and, on the other, the Soviet Union, so much given to theorising, had been compelled by circumstances to change its rigid attitudes. He envisaged a society in which class conflict ceases to exist. He pleaded for a reduction in economic disparities which were "psychologically, politically and economically bad." This is now generally accepted, for it is recognised that excessive inequalities breed malignant political evils. Even so, the many who accept this view might find it difficult to agree that socialism is inevitable and that "no other solution is possible." After all, all arguments about the inevitability of a particular social change are open to the charge that they deny human will, that they imply the reduction of human beings into automatons. Mr. Nehru was, however, on firmer ground when he stressed the concept of equality of opportunities. He said: "Everyone must have the same opportunities, though some might be able to make better use of them than others."

There is no particular reason why this concept of "equality of opportunities," though it was developed in a purely individual context, should not be applied to larger groups. In the economic sphere, the artificial dichotomy into the private and public sectors is particularly deplorable. So far, no convincing reason, apart from the arguments based on ideological considerations, has been advanced to justify the larger role allotted to the public sector in the second Five-year Plan. There is no getting away from the fact that the whole concept is a denial of that "flexible" approach which really makes for the success of a plan. In its resolution on economic policy, the Federation rightly insisted that the "activities of both the State and the people should be looked upon as national activities undertaken by the community as a whole, working in unison and co-operation in the mighty task of economic development that has been placed before the present generation." The chief justification for such co-operation lies in two factors. In the first place, it is widely recognised that, at least in the immediate future, the emphasis must all be on production of wealth. Obviously, there is no point in distributing poverty. Secondly, the private sector is in entire agreement with many of the major objectives of the Plan. As Mr. Shantilal Mangaldas said: "I would straightaway say that there are certain features of the new Plan that give us satisfaction. The clear emphasis on rapid industrialisation, the importance of basic industries, as also the developmental targets envisaged for different industries, and the recognition that the unemployment problem has to be tackled in a realistic manner are all in keeping with the approach which we in the Federation had outlined in our draft note on the second Five-year Plan."

It is, therefore, somewhat disconcerting to note that the private sector, even if it has not been given short shrift, has been assigned less than an adequate role. Judging by its past achievements—nobody can deny that this is an important standard to go by—it does certainly deserve a better deal. During the period of the first Plan, the private sector invested some Rs. 340 crores on modernisation, expansion and establishment of new industries, as against the target of Rs. 373 crores. The shortfall, small as it is, is more apparent than real. In some cases, there was some delay in the availability of power and certain basic requirements. Again, the estimates of investment could fortunately be revised downwards through a certain fall in the prices of capital equipment. Finally, the private sector actually improved upon the first Plan by venturing into certain important fields, not envisaged in detail in the Plan, such as dyestuffs and steel tube mills. The second Plan, as is well known, envisages a ratio of 62:38 in respect of the public and private sectors, respectively, as against the 50:50 ratio in the first Plan. But this is not the whole matter.

Mr. Shantilal Mangaldas brought out the inequity of the allocation of resources between the private and public sectors when he pointed out that, in the sphere of industry, while the investment in the public sector was being stepped up from Rs. 75 crores in the first Plan (the actual amount spent, as against the total allocation of Rs. 149 crores) to Rs. 691 crores or by 800 per cent., the investment in private industry is to be increased from Rs. 340 crores to about Rs. 500 crores (exclusive of Rs. 100 crores on plantations, private transport and electricity undertakings), or by 47 per cent. He did not, of course, suggest that the rate of investment in industry in the public sector was not capable of being increased beyond the level attained in the first Plan. Nor was he unaware of the fact that a substantial proportion of the investment was to be on three new iron and steel plants. But he could not resist the impression that, even after taking into account these two factors, the "desire to extend the public sector in the field of industry by reserving certain lines of activity to itself might have the result of slowing the pace of development." Surely, it cannot be the objective of the Government to see that industrial development is sacrificed at the altar of ideological considerations. It will, therefore, be well-advised to keep the Plan flexible at every stage, so that the two sectors might continually be engaged in supplementing, rather than supplanting, each other.

Clearly, it would be wrong to deny the claim of the private sector for a larger role in the national economy on the ground that it wants to carve a safe niche for itself. Actually, it wants no more favour than to be allowed to exist, to engage itself in a field into which all who want to enter may enter. In other words, it wants no monopoly for itself. Mr. Mangaldas did well to refute the charge that Indian industry was in the nature of "monopoly cap

feelings of the business community when he said:

"I realise that it is part of a major policy decision that the State must control and regulate the entire economic activity for planned development and enlarge the field of its ownership and running of certain basic industries essential to the community. Even if we may not be able to see eye to eye with this policy, I believe that it is possible to obtain the same objective through the type of regulation and control which obtains at present and by Government taking control of strategic heights of the economy. In a modern State with the vast power that it has, it is not necessary for Government to own and run in the physical sense businesses excepting those which the people generally are not in a position to undertake or which are essential to be so owned and run by Government for certain overriding considerations."

The view, expressed above, is not a purely academic one. It is based upon recent trends in governmental regulation and control over economic activity. Indeed, in India, it has been a particularly marked feature of legislative labours in recent years. The Government has armed itself with tremendous powers. Whether the assumption of these powers is justified or not, the Government at least cannot—rather, should not—complain that it is unable to prevent the growth of undesirable practices in the industrial sector. If it learns to use them well, with circumspection, deliberation and due regard to the prosperity of the managements, the investors and the workers, it will not have assumed the powers in vain. In any case, the point is that any plea that it does not have the necessary powers to control and direct economic development along desirable channels will not carry conviction to the people. Now that it enjoys such extensive powers, it would, on the part of the Government, be nothing short of vainglorious display of ideology, if it denied to the private sector a larger and more effective role in national economic development—a role which the sector is both anxious to play and so eminently capable of playing.

REFLECTIONS ON THE CENTRAL BUDGET—II

A COMMON criticism of the budgets presented by Mr. C. D. Deshmukh, India's Finance Minister, is that he underestimates the revenue and overestimates the expenditure, in order to justify the new taxes proposed by him. There is every reason to feel that the budget for 1956-57—the sixth one presented by him—will also not escape this charge. What prompts one to make this charge is the experience of the year drawing to a close. Taking into account the changes in the initial tax proposals made in the budget for 1955-56, the Finance Minister had expected the year to close with a deficit of Rs. 17.35 crores on revenue account, but the revised estimates show a handsome surplus of Rs. 12.31 crores, following an increase of about Rs. 20 crores in revenue and a fall of Rs. 9.50 crores in expenditure. The actuals for this year, which will be disclosed a year hence, may show a still greater surplus. In any case, in the light of the revised estimates themselves, it can be stated that the heavy taxes imposed on individual incomes in the 1955-56 budget were unwarranted.

The experience of 1955-56 is by no means an isolated one. It is but a continuation of the trend witnessed ever since Mr. Deshmukh assumed the office of Finance Minister. He has scrupulously endeavoured and succeeded in ending every year with a substantial surplus on revenue account, as will be seen from the following figures:

(In crores of rupees)

	Surplus (+) or Deficit (−)	
	Budget	*Actuals*
1951-52	+26.10	+128.09
1952-53	+18.75	+ 38.93
1953-54	+ 0.45	+ 8.50
1954-55	−14.21	+ 33.51
1955-56	−17.35	+ 12.31*
1956-57 before new taxes ...	−51.83	—
1956-57 after new taxes ...	−17.68	—

*Revised estimate.

There is, of course, nothing new in this criticism. It has been made almost every year and Mr. Deshmukh, too, has offered some explanation or other, while replying to the budget debates. But the fact remains that even the years which were definitely expected to close with a deficit —1955-56 was one of them—have wound up with a surplus.

Anticipating this criticism against the 1956-57 tax proposals also, Mr. Deshmukh had suitably prefaced them. Thus, at the very outset of "Part B" of his budget speech, he said:

"I believe that, with the administrative machinery both at the Centre and in the States getting increasingly geared to the execution of the Plan, shortfalls in expenditure of the order which have occurred in recent years will tend to diminish. The estimates for the coming year have been framed with as much care as possible; in particular, substantial reductions have been made under heads which have shown persistent savings and the provision for grants to States for various development schemes has been based on a proper assessment of the ability of the States to find their share of the resources required to finance those schemes. Although it is not possible to say categorically that the shortfalls will be entirely eliminated or that there will be no variations in estimates of revenue, the margin of fluctuations is likely to be narrower than in the past. Indeed, it may be said that the cuts that have been made in some of the demands for next year may prove to be too fine. I cannot but stress again the principle that current expenditure should, as far as possible, be met from current taxation. It is, therefore, necessary to cover the gap on revenue account in the coming year, if not wholly, at least substantially. My proposals for additional taxation are related to this objective."

While it must be admitted that no precise estimate of revenue and expenditure is possible in respect of a vast country like India, especially since its economy is influenced by several unpredictable factors, it stands to reason that, on the basis of experience in the past five years, a more optimistic view of the revenues in the coming year and a more sober view of the capacity to spend were warranted. If such an approach had been made, the necessity for imposing a heavy burden on the corporate sector would not have arisen. It would be wrong to assume that, if the Finance Minister had not enhanced the corporate taxes, the implementation of the second Five-year Plan would suffer a setback. On the contrary, it would receive a great fillip for three reasons. First, the savings which the Finance Minister now seeks to take away by these taxes would then be utilised by the corporate sector to expand its activities or to establish new industries. Secondly, the new corporation taxes are very likely to act as a brake on fresh enterprise and expansion of the existing industries in the private sector. This handicap would not have emerged, had these taxes not been imposed. Thirdly, investment by the private sector produces quicker results—and at less outlay—than investment by the public sector.

The general impression is that the Finance Minister has underestimated the revenue through the new taxes imposed by him. The increase in excise duty on cloth will easily fetch him five or six crores of rupees more than the Rs. 14.5 crores expected by him. Similarly, the increase in corporation tax and the imposition of a tax on bonus shares may yield Rs. 15 crores or Rs. 16 crores, instead of the modest sum of Rs. 10 crores he visualises. Since the export duty on tea was not more than As. 6 per lb. during the best part of 1955-56, the provision for a loss of Rs. 1 crore consequent on the reduction in the duty for the slab relating to the price range of Rs. 3-4 to Rs. 4 per lb. from As. 8 to As. 6 seems to be unwarranted. On the whole, the revised estimates for next year also may show a net surplus, instead of a net deficit of Rs. 17.68 crores, unless, of course, some unforeseen developments upset the present economic conditions in the country. Be that as it may, if Mr. Deshmukh is of the view that a revenue deficit of Rs. 17.68 crores can be safely left uncovered, he can, in the light of what has been stated, nay, should, for reasons mentioned in our last leading article on the budget, revise the corporation tax in a downward direction.

The revised expenditure estimates for the current year provide a number of instances where the Government has been unable to spend in full the amounts mentioned in the budget for that year. These instances are found in the revenue and capital sides alike. On the revenue side, the expenditure on education as well as on social welfare measures has been below expectation. The Defence Services, too, were not able to absorb the entire budgeted amount, the shortfall being no less than Rs. 17.61 crores. A convincing explanation given by the Finance Minister in so far as this item is concerned is that sufficient supplies could not be procured. Nonetheless, the provisions for these heads of expenditure in the budget for next year are substantially higher. The need for a higher provision may be there. It is, however, an entirely different question whether the departments would succeed in spending the enhanced allocations.

The extent to which the Government failed to implement the capital budget for 1955-56 is far greater than in the revenue budget. From about Rs. 223.30 crores estimated in the budget, the capital outlay, according to revised estimates, has fallen to Rs. 170 crores, a drop of over Rs. 53 crores. A sum of Rs. 29 crores had been earmarked for State trading schemes, such as imports of foodgrains and sugar. Of this, only Rs. 18 crores were utilised, owing to reduced imports of wheat and sugar, so that there was a saving of Rs. 11 crores. This shortfall is, of course, no reflection on the Government, but what is, is the shortfall in a number of industrial projects meant to be developed by the Central and the State Governments. To give an instance, a sum of Rs. 5 crores had been earmarked for Hindustan Steel Ltd., whereas not a pie was expended on this project. The provision for the second steel plant has been revised upward from Rs. 10 lakhs to Rs. 250 lakhs, but it is doubtful whether all this will be spent before the end of this year. It is true that, taken as a whole, the shortfall in the provision for industrial development by the Centre is only nominal, the revised estimate being Rs. 15.88 crores, as against the budget estimate of Rs. 16.42 crores. It is also true that, of the amount of Rs. 20.99 crores earmarked for displaced persons, only a sum of Rs. 99 lakhs is now expected to be spent. Further, the Finance Ministry may point out that it had set apart Rs. 279.29 crores for advances to State Governments, and, if the latter could take up only Rs. 250.98 crores, it should not be blamed. But all this is beside the point. The real point is that the Government frames a big, ambitious capital budget, without due regard to its capacity to spend. Having framed such a budget, it plans its borrowing programme and intensifies the small savings drive. When these plans and drives succeed, as they did during 1955-56, it drains away from the community's total savings an amount which is disproportionately large as compared with the ratio of deficit financing and borrowing to the total capital investment envisaged in the budget. The result is that the quantum of savings available for investment by the private sector needlessly gets depleted. This, in turn, retards the economic progress of the country. A clear picture of the extent to which the Government has overshot its mark is clear from the fact that the overall budget deficit for 1955-56 has shrunk from the estimated figure of Rs. 327 crores to Rs. 222 crores (revised).

The capital budget for next year also seems to suffer from the same defect. Under the head "industrial development," for instance, the Central Government has provided for an expenditure of Rs. 79.60 crores, as against a mere Rs. 15.88 crores for 1955-56, that is, a five-fold increase. The sums set apart for State Governments and under "other loans and advances" are also substantially higher than the revised estimates for the current year. We are afraid that the story of achievements, to be told a year hence, will not be materially different from the one which we have just stated. With the reorganisation of States still in preliminary stages, with the general elections falling due in the budget year 1956-57—these developments will necessarily take up the time and energy of the Ministers all over the country—and with incentives for the private sector further curtailed under the latest tax proposals, it will be most unrealistic to expect that the implementation of the capital projects will be on the same scale and at the same pace as is envisaged in the budget. Another factor that strengthens this conclusion is the acute shortage of technical manpower, not to mention that of basic raw materials such as cement and steel. It is extremely doubtful whether there will be such substantial improvement in this position during the coming twelve months as is necessary in order to implement the large investment programmes now proposed. In these circumstances, any discussion of large-scale deficit financing (placed in the neighbourhood of Rs. 360 crores) will essentially be of an academical nature. The fears about the consequences of an inflation of this order may be tempered by the prospect of the Governments, both at the Centre and in the States, not being in a position to implement the plans fully.

STEADY TREND IN EQUITIES PERSISTS

TAXING GENUINE PROFITS—EXCISE ON CLOTH—GENERAL INSURERS

THURSDAY, 5 P.M.

THE share market has put on a steady note. The improvement which followed the announcement of budget proposals last week has persisted, despite frequent profit-taking. Operators seem to have been guided by immediate developments, rather than by long-term prospects for industrial equities. Since the last few days, there have been good dividend announcements by a number of textile mills. Thus, Bombay Dyeing, Gokak, Phoenix and Dawn have stepped up their dividends, while a number of others have maintained the previous year's levels. The market is also thick with expectations of new bonus issues, as there seems to be a growing feeling in certain sections that companies with large reserves would prefer issue of bonus shares to announcement of higher dividends. Besides, some custodians of insurance firms are also stated to have extended limited support to the market. As a result, prices of equities have staged a sizable rally under the leadership of textiles. Despite the improved tendency, the tone of the market remains cautious, as there is still an undercurrent of misgivings regarding the long-term outlook for industries.

MARKET GOSSIP

At the moment, the minds of operators on the Stock Exchange are being exercised over the dividend limitation policy of the Central Government as enunciated by Mr. C. D. Deshmukh, Union Finance Minister, in his latest budget statement. In market circles, it is conceded that the Minister has had to gear his budget to the requirements of a "bold and ambitious plan," but it is felt that, in distributing the burdens arising from the need for financing the Plan, he has not been able to strike a reasonable balance. They view with concern the deleterious effect on industrial concerns of some of the corporation taxes proposed by the Minister. The graduated tax on dividends over 6 per cent. and the tax of As. 2 in the rupee on the face value of bonus issues, it is feared, will have an adverse effect on the psychology of investors. Thus, the investors cannot possibly look forward either to higher dividends or to appreciation of capital which are the two inducements to attract risk capital to industry. They tend to diminish the flow of such capital, particularly to new industrial ventures which, in turn, will arrest the progress of industrial expansion.

The graduated dividend tax and bonus tax are considered objectionable for several reasons. The former particularly does not stand scrutiny on grounds of economic justice. For this tax is a new tax on the same assessable income of companies, in addition to income-tax and corporation tax. The tax overlooks the fact that most companies—Tata Chemicals, for instance—yield no dividend in the initial years. In order to make up for passing over dividends in these years, it is only equitable and just that higher dividends should be declared in later years. Again, the companies which were managed on sound lines in the past and which built up reserves by ploughing back profits are generally the companies which give larger dividends. The present proposal to tax these dividends at a progressively increasing rate means penalisation of efficiency, especially because the tax takes into account only paid-up capital and not the reserves built by their companies.

The proposed bonus tax, too, is unjust and discriminatory in character. It is unjust because it is tantamount to double taxation. It is discriminatory because it places in an advantageous position the companies which have been paying higher dividends without building up reserves *vis-a-vis* companies which have been following a conservative and consistent dividend policy for ploughing money back into industry. Further, as both dividends and bonus issues are proposed to be taxed, the tendency among the companies will be to prefer bonus issues to dividends. For, in the case of the former, taxes are paid only once, whereas dividends are subject to tax every year. This tendency, in its turn, makes the finances of companies somewhat vulnerable, since they are left with only small reserves after capitalisation.

It looks as though the proposal to tax dividends at progressive rates has stemmed from the belief that companies are indulging in unduly large distribution of dividends and that the State should arrest the resulting inflationary trend in time by pursuing a policy of dividend limitation. If this is a correct reading of State policy, then it is open to several objections. First, at present, there is no boom in dividends such as to warrant a limitation of dividends. Secondly, such companies as have declared higher dividends have, in many cases, done so from enlarged profits resulting not from profiteering but from efficient and prudent management. To tax a portion of such genuine profits by an additional tax at a progressive rate is to punish efficiency. Moreover, it is doubtful whether, in the context of this country's developing economy, recourse to statutory limitation of dividends is an advisable step to adopt, when the U.K., which is passing through a critical phase of inflation, has opposed it. Only last month, Sir Edward Boyle, Economic Secretary to the Treasury, rejected the pressure from the Opposition in Parliament for dividend limitation on the ground that it was "impracticable to operate equitably." He stated in Parliament that Mr. Harold Macmillan did not favour the statutory limitations of dividends, "since it was impracticable to lay down any statutory standard which would equitably treat, in their widely varying circumstances and needs, all the companies concerned."

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It is somewhat surprising that the shares of cotton mills have registered a sharp rally in the past week, notwithstanding the fresh tax burden imposed on the mills by the Union Finance Minister. Thus, the excise duty on all categories of mill cloth, with the exception of coarse *dhotis* and *saris*, has been stepped up by half an anna. The new rates of duty (including the handloom cess of three pies) per square yard come to 33 pies for superfine, 24 pies for fine, and 15 pies for both medium and coarse counts. The excise on coarse *dhotis* and *saris* remains unaltered at 9 pies. The increase in the excise duty on mill cloth, together with that on cotton powerlooms, is expected to yield Rs. 14.5 crores during 1956-57. If at all this additional burden has not adversely affected the sentiment of operators in cotton mill shares, it is probably because of the feeling that the burden can conveniently be borne by the mills. In support of this view, attention is drawn to the steady upward trend in cloth consumption, which is reflected in the gradual depletion of stocks with mills; on 4th February 1956, the mills were estimated to have held with them a total of about 140,000 bales of cloth, as against 260,000 bales on 26th March 1955.

Whether or not the above interpretation is correct is a different issue. The real point is that it would be wrong in principle to step up the tax on a particular commodity merely on the ground that its consumption has gone up. This is especially so in the case of an essential item of consumption like cloth. Even before the recent increase in rates, the incidence of excise duty on cloth was very heavy, as will be seen from the following figures:

Representative variety of cloth	*Ex-mill price per yard*	*Excise duty including cess (pre-budget)*	*Percentage of excise duty to the price*
	As. ps.	As. ps.	
Grey drill (coarse) ..	11 0	1 3	11.4
Grey longcloth (medium) ..	7 4	1 3	17.0
Bleached longcloth (fine) ..	30 6	2 0	6.6
Bleached mull (superfine) ..	14 10	2 9	18.7

In addition to the excise duty, there is the sales tax. As if these taxes were not enough, the Union Finance Minister has again revised upwards the rates of excise duty by half an anna uniformly. In doing so, he does not seem to have taken into account the actual burden of higher duty that falls on the different categories of cloth. The extent of the increase in duty works out to 66⅔ per cent. for coarse and medium cloth, 33⅓ per cent. for fine counts and 22-1/5 per cent. for superfine categories. In other words, the Finance Minister has taxed the middle and lower classes and the agricultural community which use mostly the coarse and medium varieties of cloth more heavily than those who consume mostly finer counts. The additional burden is so heavy that the mills will find it difficult to pass it on to consumers by a straight increase in prices. They may, therefore, try to shift at least a part of the burden on to the cotton grower. Some of them may also reduce the quality of cloth which is another form of levy on the consumer.

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The Directors of the Bank of India have proposed to issue a golden jubilee bonus issue of Rs. 50 paid-up for every five shares held. The issue is subject to the consent of the Controller of Capital Issues. Information to this effect was given by the Chairman of the Bank, Sir Cowasjee Jehangir, Bart., at its annual meeting held today. With the proposed issue, there will be two kinds of shares, one, a fully paid-up share and the other a partly paid-up one.

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Official pronouncements about the future of general insurance lack clarity. It is true that the Government has not taken over general insurance companies. During the debate on the nationalisation of insurance, many members of Parliament expressed the view that insurance as a whole should have been nationalised. At a meeting of the Congress Parliamentary Party too, a similar view is understood to have been expressed. It would, however, appear that the Finance Minister, Mr. C. D. Deshmukh, stated that the suggestion for the nationalisation of general insurance business was not acceptable to the Government. Replying to the debate in the Lok Sabha, he expressed the same view in relation to general insurance. He said:

"We do not consider from the point of view of assistance to our Plan, that general insurance is going to offer any significant help. Life funds are in the neighbourhood of Rs. 350 crores, whereas general insurance funds are less than Rs. 50 crores. Accumulation of life funds in private hands carries with it a danger. The funds may not be used in the interests of the country as a whole. This factor is not present in any degree in the case of the general insurance business. Moreover, persons who take out life insurance policies are men of small or moderate means. But policyholders in general insurance are persons in commerce and industry, who have given evidence of being able to look after themselves."

Mr. Deshmukh made it clear that the decision not to nationalise general insurance was not because foreign companies were doing the business. "Such a suspicion is entirely unwarranted," he said. Nevertheless, it is not clear why the Government should have undertaken to run the general insurance companies which were subsidiaries of life insurance companies which it has taken over. Mr. Deshmukh said: "But unwittingly we have become owners of three general insurance companies which are subsidiaries of life companies. We shall be getting a little experience in managing the general insurance business also. We do not intend to give it up." This is somewhat surprising; if it is not the Government's intention to nationalise general insurance business, why should it try to run the three general insurance companies which are subsidiaries of life companies? The argument that the Government wants to gain some experience in running general insurance business sounds a little odd. After all, the Government is not like an apprentice who wants to gain training and experience in a new field. A disconcerting aspect of the Finance Minister's statement is his announcement that he might have to re-examine the whole question at a later date. He said: "We are aware of the malpractices in the general insurance business also and if there is no significant improvement in that respect, we shall try to follow the advice of Mr. Asoka Mehta and see how effectively we can exercise our controls. We may have to re-examine the question." From this, it should be clear that general insurance will have to be constantly on its guard against any possible threat of nationalisation.

Meanwhile, it is interesting to note that the Government has taken some action against one aspect of what it regards as a violation of the Code of Conduct for general insurers. The Secretary to the Executive Committee of the General Insurance Council, it is stated, has issued a circular to general insurance companies to the effect that premium bills that are issued by the principal agents should be in company forms and further that they should be serially numbered. Each principal agent should send a copy of every premium bill to the office of the insurer to whom he is attached. This requirement, it is stated, has been enforced because, in respect of non-tariff policies, some agents used to charge the insured a higher rate than the one quoted by the insurance companies. For these policies, the insurance offices do not generally mention the premium rates; they use the phrase "as arranged." Some principal agents are in the habit of issuing their own bills and charging the insured more than what the companies would charge the insured. The restriction now enforced by the Government, it is believed, gives better protection to the insured.

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Although the basis of compensation provided in the Life Insurance Corporation Bill was generally regarded as satisfactory at the time it was announced, a detailed consideration of the provisions would appear to have induced certain misgivings. It is now believed that, in the case of certain companies, the mutual insurers, in particular, the compensation would be less than fair. Even in respect of other companies, it is felt that the Bill reduces the surplus available to shareholders from 7½ per cent. allowed under the Act, to 5 per cent. This is deemed a particularly invidious restriction, considering that even the statutory provision of 7½ per cent. of the surplus for the shareholders is lower than the 10 per cent. level in vogue in certain foreign countries. Apart from this consideration, it is felt that the period chosen for determining the annual average of the surplus includes years during which the insurers faced serious difficulties.

In a communication addressed to the Government of India, the Indian Insurance Companies' Association has suggested that, in order to arrive at the correct present position, which should form the basis of fair and equitable compensation to the shareholders, an actuarial investigation into the assets and liabilities of all insurers in respect of their life insurance business should be conducted as on 19th January 1956, being the date on which the management of the business has been taken over by the Central Government. This would have the advantage of covering the loss and/or profit accruing to the shareholders during the period since the last valuation and will also take into account the present market value of all their assets. If, however, for practical considerations, this is not considered feasible, the Association submits that the proper course would be to take only the last actuarial investigation as at a date preceding 1st January 1955, submitted to the Government in accordance with the Insurance Act.

In order, further, that a fair approximation to the surplus, which might have been disclosed in the valuation as on 19th January 1956, could be achieved, it will be necessary to project the result of the last actuarial valuation up to 31st December 1955 by adding to, or subtracting from, the surplus. The Association illustrates its suggestion by citing an example. The surplus as disclosed by company A in its last valuation as at 31st December 1954 was, say, Rs. 6 lakhs. This was for a period of three years and so the annual average surplus would amount to Rs. 2 lakhs. The surplus disclosed by the said company in its valuation preceding the valuation as at 31st December 1954 for a period of three years was, say, Rs. 3 lakhs. Thus, the increase in its surplus as at the last valuation over the preceding valuation would amount to Rs. 3 lakhs. The annual average of the said increase in surplus would, therefore, amount to Rs. 1 lakh. If, therefore, the said company A had undergone a valuation as at 31st December 1955, it would be reasonable to assume that the surplus disclosed would have increased by at least Rs. 1 lakh. The Association has, therefore, suggested that the annual average of the share of the surplus allocated to the shareholders should, therefore, be taken as 7½ per cent. or lesser percentage, as might have been adopted by the company at the time of allocation of such surplus in the past, of such surplus calculated on this revised basis, namely, on the basis of only the last actuarial investigation projected for the period since the last valuation.

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Trading in the short-term money market has of late been marked by a distinct hardening of interest rates, thanks to increased pressure on bank credit in the wake of reduced supply of funds. Short-term deposits up to six months are now fetch-

(Continued on page 483)

SHARE MARKET FULLY STEADY

TEXTILES SHAPE WELL

(From Our Own Correspondents)

BOMBAY, *8th March*

THE performance of the share market during the week under review, fully conformed to the pattern set during the post-Budget session held on Thursday last week. There was an all-round rise in equity values to a substantial extent, under professional buying and heavy short-covering. The higher levels induced some caution among operators who preferred to book their profits, in view of the approaching settlement tomorrow. Advices from Calcutta, too, were not quite helpful. Nevertheless, the general sentiment was quiet cheerful in the absence of any adverse influences. Just at the close of the session today also, there was widespread profit-taking on fortnightly settlement considerations, but the undertone was quite steady.

The improvement in equity values during the week was attributed to the fact that the adverse factors of the Budget proposals had already been discounted in prices on account of the Budget leakage. Further, second thoughts about the Budget proposals would appear to have induced a feeling that the taxation measures were not very heavy. There were also talks that the free limit of super-tax on dividends would be raised from six per cent. to nine per cent. The declaration of higher dividends by some textile mills, notable among which was Bombay Dyeing, and expectations of more mills raising their dividend levels kept up the bullish sentiment.

In the steel section, Tata Ordinaries shot up from Rs. 222-8 to Rs. 228-8 on Monday. At higher levels, buyers were hesitant and the shares moved narrowly between Rs. 225 and Rs. 227-4 before closing at Rs. 226. The hesitancy was attributed to the operators' preference to await the clarification by the Chairman, at the forthcoming extraordinary general meeting on the 12th inst., regarding the premium on new shares and dividend prospects. Indian Irons gained ground from Rs. 31-15 to Rs. 33-2½ on Monday, but reacted to Rs. 32-6 at the close today on none-too-helpful advices from Calcutta.

The textile section was in the forefront with sharp rises in many counters. Bombay Dyeings staged a hectic rise from Rs. 523-12 to Rs. 557-8 on Monday this week, on expectations of bumper results and higher dividends. The market's optimistic expectations were not, however, belied, when the Directors declared on Monday a cash bonus of Rs. 5 per share, in addition to maintaining the final dividend at Rs. 12-8 per share, thus making a total distribution of Rs. 25 per share for the year, as against Rs. 20 per share for the previous year. The higher level, however, brought some profit-taking and the scrips finished today at Rs. 548-12. Centurys advanced from Rs. 473 to Rs. 491, before winding up at Rs. 486. Kohinoos advanced from Rs. 328 to Rs. 342, but closed at Rs. 340. Central Indias put on Rs. 3 to Rs. 140 and Finlays Rs. 12 to Rs. 332. Gokaks advanced by Rs. 15-8 to Rs. 332, following the Directors' decision to step up the dividend from Rs. 13 to Rs. 15. Indu Ordinaries gained As. 6¼ to Rs. 12-8, Khataus Rs. 6-11 to Rs. 217-3, New City Mills Rs. 7-8 to Rs. 170 and New Greats Rs. 39 to Rs. 235. Shree Niwas gathered Rs. 7-9 to Rs. 222-8 and Simplex Rs. 8 to Rs. 194. Standards provided a notable exception to the general trend with a fall of Rs. 3-12 to Rs. 4-10, following the Directors' decision to maintain the dividend at Rs. 20 per share. Svadeshis moved up by Rs. 8-8 to Rs. 219, Swans by Rs. 7-8 to Rs. 417-8 and Tata Mills by Rs. 3-4 to Rs. 55-12. Bradburys shot up by Rs. 24-6 to Rs. 191-4. Dawns rallied from Rs. 90-4 to Rs. 140, consequent on the increase in dividend from 12 per cent. to 30 per cent. The Directors' decision to step up the dividend from 8 per cent. to 10 per cent. pushed up Phœnix from Rs. 121-14 to Rs. 135.

Barring a rise of Rs. 2-12 to Rs. 49-4 in Central Banks, the banking section displayed a quiet trend. Centrals New were dull at Rs. 49-4. Barodas fell from Rs. 98-8 to Rs. 95 and Bank of Indias from Rs. 152 to Rs. 150. United Commercials were dull at Rs. 49-8 and Punjab Nationals were neglected at Rs. 43.

A rise of Rs. 2-4 to Rs. 41 in New Indias was a feature in the insurance section, in which business was at a low ebb. Orientals were further marked down from Rs. 3,910 to Rs. 3,800. Indian Mercantiles had business Re. 1 higher at Rs. 44. Other shares were neglected.

There was some activity in the electricity group and fair-sized gains were recorded in leading counters. Ahmedabad Electrics were keenly bid Rs. 2-8 higher at Rs. 102-8, following the encouraging Directors' report. Bombay Suburbans were unchanged at Rs. 116-4, while Surats gained Re. 1-4 to Rs. 123-12. Tata Hydros rose by Rs. 2-4 to Rs. 133-12, Tata Powers by Rs. 17-8 to Rs. 1,362-8 and Andhra Valleys by Rs. 10 to Rs. 1,295.

The miscellaneous section presented a cheerful note with sharp rise in value of several leading counters. In the sugar group, Belapurs were lifted from Rs. 212 to Rs. 223-8, before they wound up at Rs. 222-8. Bhopals gained As. 6 to Rs. 14-15. Phaltans rallied from Rs. 127 to Rs. 135-8 and Walchandnagars from Rs. 242-8 to Rs. 249-6. Cement shares also were in the forefront. On expectations that the premium on new issues would not be large, A.C.Cs. came to be lifted up from Rs. 205 to Rs. 212, before they wound up at Rs. 209. Digvijays moved up by Rs. 13 to Rs. 186. In the engineering and mining group, Alcocks gained Rs. 2-8 to Rs. 357-8. Premier Constructions were keenly bid Rs. 9-4 higher at Rs. 172-4. Tata Locomotives gathered Rs. 4 to Rs. 146 and Larsen and Toubros were done As. 6 higher at Rs. 15-8. Shivrajpurs changed hands Rs. 7-8 higher at Rs. 102. Indian Coppers were maintained at Rs. 6-6, while B. B. Petrols put on As. 5¾ to Rs. 4-3¾.

In the shipping and transport section, Scindias came up from Rs. 16-2½ to Rs. 17-3, but closed lower at Rs. 16-13½. Great Easterns changed hands As. 7 higher at Rs. 15-7. India Steamships were better at Rs. 8-5, as against Rs. 8-1. Hindustan Motors were bid up to Rs. 9-10, as against Rs. 8-14 and Premier Automobiles at Rs. 90, as against Rs. 85. Among miscellaneous industrials, Bombay Burmahs provided the highlight with a sharp rise from Rs. 524-6 to Rs. 577-8, before finishing at Rs. 568-12, on unfounded rumours about bonus issue. British India Corporations declined by As. 10 to Rs. 10-8, following the Directors' decision to pass over the dividend. National Rayons gained Rs. 10-8 to Rs. 225. Tata Chemicals picked up As. 1½ to Rs. 17-8, while Tata Oils put on Rs. 2 to Rs. 44-4 on expectations of encouraging corporate news. Industrial Investments were done Re. 1 higher at Rs. 81 and Wimcos rallied from Rs. 188-2 to Rs. 193-2.

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Calcutta Stock Exchange

CALCUTTA, *7th March*

The reaction of the market to the Central budget proposals was one of optimism and, since the proposals for new taxes did not justify the gloomy forecasts earlier, steadier conditions were in evidence on the Calcutta Stock Exchange during the week under review. The recovery that took place in some counters was just fractional, since there was buying support only in a restricted way. But the volume of business showed an increase. Indeed, as compared with the dullness of recent sessions, it was impressive. The Finance Minister has aimed to realise an additional revenue of Rs. 34.15 crores from all sections of the country's economy by the proposed changes in taxes. This sum is certainly large, but the recent publication of the second Plan and the Amritsar Congress session, as also the several speeches of the Finance Minister himself in recent months, had prepared industry and trade circles to expect much more additional burdens than those now proposed to be imposed. It is mainly on account of this mental preparation of *entrepreneurs* and traders prior to the budget that the market circles consider the proposed changes in taxes as being less burdensome.

Sentiment was cheered when, contrary to earlier rumours, there was no proposal to levy excise duties on jute goods, although it was realised that this was hardly the time to impose burdens on jute goods, as, in that event, it would have amounted to a partial withdrawal of the benefits to the jute industry as a result of the abolition of the export duties. Likewise, the proposal to reduce the export duty on tea had also a favourable effect on the Calcutta market. True, the proposal to levy an additional super-tax on dividends above 6 per cent., the tax on bonus issues and the raising of super-tax on personal incomes, all caused disappointment, which did not, however, invite lethargic conditions, in view of the benefits expected from increased industrial activity in both the public and the private sectors. Admitting that new taxes were inevitable, Mr. B. N. Chaturvedi, the President of the Calcutta Stock Exchange Association Ltd., did not see any reason in some proposals made against the share-holding community generally belonging to the middle class.

Sectionwise, cotton textiles were quiet, although there was no doubt that the increase in excise duties on cotton fabrics would be passed on to the consumer. Kesorams, at one time, had declined to Rs. 16-4 from Rs. 16-9 and closed at Rs. 16-6. New Victorias were unchanged at Rs. 2-1, but Bowreahs were marked down to Rs. 300.

The slight broadening of enquiries in evidence in the coal section was due to the realisation that there would be greater opportunities for the private collieries to increase production. From Rs. 13-4, Burrakurs picked up to Rs. 14-4 and finished at Rs. 13-12. East Indias, after easing to Rs. 31-12, regained to Rs. 32-4. Churulias were enquired at Rs. 3-4 and Amalgamated at Rs. 23-8. Bengals closed at Rs. 545, after having fallen from Rs. 548-8 to Rs. 538. New Beerbhooms were fractionally better at Rs. 19-15.

Jute shares were far from lively, and such a trend reflected the difficulties being met by mills in having to pay high prices for raw jute. During the special budget session on Wednesday last, Nationals had declined from Rs. 26-10 to Rs. 26-2, but subsequently made good the loss. Speculative Howrahs were fractionally better at Rs. 24-1, but Champdanies fell to Rs. 150 and Caledonians to Rs. 220 from Rs. 182 and Rs. 250, respectively. At Rs. 142, Alliances were higher by Rs. 2, Indias being unchanged at Rs. 153. Ganges sagged from Rs. 86-8 to Rs. 70.

A mixed trend was in evidence in the engineering section. Thus, while Indian Standard Wagons recovered from Rs. 166 to Rs. 171, Braithwaites and Cos. fell from Rs. 28-1 to Rs. 27-12. Indian Irons opened at Rs. 31-8 and closed at Rs. 32-9, after recovering to Rs. 33-1. Texmacos at Rs. 21-2 were better. Transactions in Kumardhubis were recorded at rates varying between Rs. 11-3 and Rs. 11-8. Jessop and Cos. changed hands at Rs. 35-4 on ex-right basis.

Teas came in for more attention, with shares of gardens in the Sylhet (Pakistan) area being the favourites of buyers. Thus, Patrakolas at Rs. 192 picked up Rs. 23. Dauracherras advanced from Rs. 7 to Rs. 11-15 and Lacktoorahs from Rs. 22-12 to Rs. 24-6. Among other counters, Dhelakhats were an anna better at Rs. 18, while Brooke Bonds and East Indias were fractionally lower at Rs. 20-2 and Rs. 23-2, respectively.

Among minings, Metal Corporations were a strong feature and rose from Rs. 11-8 to Rs. 12-14. From Rs. 6-7, Indian Coppers improved to Rs. 6-10, but subsequently sagged to Rs. 6-5.

Miscellaneous industrials were quietly steady with selected counters recovering. Thus, Bengal Flours hardened from Rs. 29-8 to Rs. 30-4 and Niccos from Rs. 21-4 to Rs. 23-4. Titaghur Papers were steady at Rs. 44-8, but B.I.Cs. at one time had declined to Rs. 10-10 from Rs. 11-7 on reports of nil dividend. From Rs. 8-6, India Steamships were done up to Rs. 8-10.

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Madras Stock Exchange

MADRAS, *7th March*

The Madras Stock Exchange put on an upward trend during the week under review. In fact, there was a mild wave of buying pressure in almost all the sections. The much expected depression, following the taxation proposals which included those relating to taxes on dividends and bonuses, failed to materialise. There seemed to be a feeling that well-managed companies could maintain, if not increase, the current dividends even after bearing the new dividend tax. Besides, there is a feeling of better prospects for industries and plantations. In fact, this feeling induced operators to indulge in some hectic activity this week. The reduction in duty on export of tea was particularly responsible to enthuse the sentiment in the tea section. The volume of business done on the exchange during the week was on the whole sizable and prices advanced, thereby recording good gains over the week.

There were a few dividend announcements this week also. The Indian Bank Ltd. declared a final dividend of 6 per cent., thereby making a total of 12 per cent. for the year ended 31st December 1955, the same as in the previous year. The share (Rs. 100 paid-up) was dull at Rs. 188 *cum-div.*, (Rs. 90 paid-up) at Rs. 163 *cum-div.* and (Rs. 65 paid-up) at Rs. 113-8 *cum-div.* Binny & Co., Ltd., has announced a final dividend of 6 per cent., thereby making a total of 10 per cent. for the year ended 31st December 1955, as against 8 per cent. in the previous year. The scrip was quoted at Rs. 162 *cum-div.* The Rayalaseema Mills increased the dividend from 9 per cent. to 10 per cent. for the year ended 31st December 1955. The share was dealt in at Rs. 137 *cum-div.*

A notable feature of the week under review is that 254 bearer debentures of Rs. 100 each of Cauveri Spinning and Weaving Mills Ltd. have been drawn for redemption on 1st April 1956. These debentures will cease to carry interest from 1st April 1956. Another feature which needs mention is that the share and transfer books of The Consolidated Coffee Estates (1943) Ltd. will remain closed from 16th to 24th March 1956 (both days inclusive) for the issue of bonus shares at 1 share for every 2 ordinary shares now held for which Government sanction has been received.

In the textile section, Bangalore Woollens advanced by Rs. 5 to Rs. 605 *cum-div.*, *cum-right*. Buckinghams improved from Rs. 171 to Rs. 179 and Coimbatore Cottons by Rs. 2 to Rs. 358 *cum-div.* Coimbatore Spinnings gathered Rs. 5 to Rs. 92. Lakshmis (Rs. 50 paid-up) were better by Rs. 2 at Rs. 180 and Janardhanas by Rs. 12 at Rs. 101. Radhakrishnas (Rs. 100 paid-up) put on Rs. 2 to Rs. 276. Premiers, however, were quiet at Rs. 175. Dhanalakshmis were lower by Re. 1-4 at Rs. 367-8 *cum-div.*

Blue Mountains, among teas, in the planting section, gained As. 5 to Rs. 5-3 and Coorg Teas As. 2 to Rs. 10-2 *cum-div.* Periakaramalais rallied As. 3½ to Rs. 8-2 and Talyars As. 5 to Rs. 13-4. Highlands advanced from Rs. 15-14 to Rs. 16 and Nilgiri Teas from Rs. 12-10 to Rs. 13-4. United Nilgiris, however, lost Rs. 5 to Rs. 305 *ex-div.* and Peermades As. 4 to Rs. 35-12. Among rubbers, Cochin Malabars gained As. 6 to Rs. 8-8 and Vaikundams As. 4 to Rs. 26-12. Teekoys gathered As. 8 to Rs. 10-8. Be Bes were, however, dull at Rs. 4-8 and Nenmenys at Rs. 21-8. Among coffee shares, Coffee Lands put on As. 12 to Rs. 19-10. Consolidated Coffees changed hands at Rs. 25-2 *cum-right*, as against Rs. 21-13. Kadur Coffees were dull at Rs. 2-9.

In the miscellaneous section, Aluminium Industries were up by As. 3 at Rs. 20 *cum-div.* and F.A.C.Ts. by As. 7 at Rs. 6-15. India Cements rallied As. 2 to Rs. 32-12 and Mysore Chemicals and Fertilisers As. 6 to Rs. 8-14. Ballis were quiet at Rs. 34 and Spencers at Rs. 17-8.

NEWS IN BRIEF

THE 1955-56 coffee crop in India is estimated at 28,795 tons, which is 1,415 tons over the previous estimate. The total crop is made up of plantation 12,610 tons, *arabica* cherry 6,800 tons and *robusta* 9,385 tons.

Japan is likely to invest several million dollars in the development of iron ore mines on the east coast of India. Japan, in return, will receive iron ore up to the value of its investment. The Japanese enterprise is likely to form part of the mining operations connected with the Rourkela steel project in Orissa.

It is estimated that gross investment in manufacturing and electrical undertakings which was placed at Rs. 802 crores in the private sector and Rs. 134 crores in the public sector at the beginning of the first Plan will have increased to Rs. 1,142 crores and Rs. 454 crores, respectively, at the end of the first Plan.

The Assam-Bengal Indian Tea Planters' Association has urged the Union Finance Minister to reduce the export duty on tea by at least As. 2 per pound in both the first and second slabs. While appreciating the Government's gesture of sympathy with the tea industry in its reduction in the export duty in the third slab between Rs. 3-4 and Rs. 4, it has, however, considered that this reduction is of no avail, in view of the fact that the present price level has been considerably below the third slab.

An agreement between the Government of India and Russia for the purchase of 20 drilling righs at a cost of Rs. 21,53,400 was signed recently. The righs, according to the agreement, shall be shipped by the suppliers as soon as possible but not later than the first quarter of 1956. The drilling righs will be utilised for prospecting and proving of coal in the Korba, Karanpura, Jharia, Raniganj, Chirimiri, Jhilimili and Ramgarh coalfields in Bihar, West Bengal and Madhya Pradesh. This was disclosed by Mr. K. D. Malaviya, Union Minister for Natural Resources, in Parliament.

A private limited company, known as the Nangal Fertilisers and Chemicals Ltd., has been, it is stated, registered to take over the control and management of the Nangal Fertiliser-Heavy Water Project to be started by the Government of India. The authorised capital of the company is Rs. 30 crores. The factory will have a capacity of 70,000 tons of nitrogen in the form of ammonium nitrate, and about seven to eight tons of heavy water per year. Mr. S. S. Khera, Secretary, Ministry of Production, is Chairman of the Board of Directors.

Consent was given by the Controller of Capital Issues to 109 applications from various industrial and non-industrial joint stock companies for the issue of capital amounting to about Rs. 30.74 crores during the third quarter, 1st July to 30th September 1953. Out of this, 22 applications were from new companies for the issue of capital amounting to about Rs. 15.63 crores. Of the 109 applications, 62 were from industrial companies, 23 from non-industrial and 24 from those carrying on agricultural and allied activities.

During the question hour in Parliament, Mr. Manilal C. Shah, Minister for Revenue and Civil Expenditure, stated that the Planning Commission had suggested an annual tax on total wealth. It was one of the fiscal devices, mentioned in the draft outline of the second Five-year Plan, for reducing inequalities of income and wealth. The Minister added that this, along with other fiscal devices proposed in the draft outline, were under examination by the Government and it was not possible at this stage to say what exactly the implications of this tax, if imposed, would be.

The value of India's total foreign trade in 1955 increased by Rs. 69 crores to Rs. 1,248 crores over that in 1954. Increased domestic output, on the one hand, and the growing need for capital goods for development activities in the country, on the other, were mainly responsible for this increased volume of trade. Exports during the year were valued at Rs. 604 crores, as against Rs. 563 crores during 1954. Imports rose to Rs. 644 crores from Rs. 616 crores in the previous year. The total trade thus increased from Rs. 1,179 crores in 1954 to Rs. 1,248 crores in 1955. The overall trade deficit declined from Rs. 53 crores in 1954 to Rs. 40 crores.

The Godhra-Ratlam section of the Western Railway, a distance of 116 miles on the main line, is to be doubled at an estimated cost of Rs. 9.5 crores. The existing line capacity of this section was increased recently by over 100 wagons per day by extending the loops at stations, but it is still working to saturation. In order to meet the further increased demand for the movement of coal *via* Agra East Bank and Ujjain to Ahmedabad district and to destinations on the metre-gauge in Saurashtra and North Gujerat, and also the anticipated increase in other goods traffic, an increase in line capacity by the doubling of this section has, it is stated, become necessary.

The 69-year old railway carriage and wagon workshop at Ajmer, on the Western Railway, is to be remodelled as part of the railway development programme during the second Five-year Plan period. The remodelling scheme, estimated to cost Rs. 108,00,000, will more than double the repair capacity of the workshop and enable it to undertake the periodical overhaul of about 2,000 passenger coaches and 3,600 goods wagons per annum. Originally built in 1887 by the ex-Rajputana-Malwa Railway, the Ajmer workshop has undergone very little major changes since then. Its capacity at present is considerably short of the Western Railway's requirements, which are likely to increase substantially during the second Five-year Plan period.

The construction of a wagon erection plant designed to assemble 750 broad-gauge goods wagons every month is now nearing completion at Visakhapatnam. Located inside the Visakhapatnam port area, about one and half miles from the main docks, the plant will go into production shortly. The South Eastern Railway, which is setting up the plant, has provided the requisite yard and the permanent structures like gantries. The contractors, who have been given the work of assembling the wagons, are supplying compressors, mobile cranes and other machinery. A Calcutta firm has been given the contract for assembling at this plant 8,800 wagons, both covered and open types, which are being imported in a semi-knocked-down condition from Japan, the U.S., the U.K., Australia and Poland against the railways' own procurement programme, as well as under international and technical co-operation schemes.

The work on increasing the capacity of the thorium plant at Trombay has been completed and the plant will now go into full production. It is expected that the plant will produce a few hundred tons of thorium and a few tons of uranium per annum, which is equivalent in fuel value to roughly a thousand million tons of coal. This is about thirty times the present annual production of coal in India. The work on the construction of the thorium plant, which will treat the crude thorium cake produced at the Monazite Factory at Alwaye in Travancore-Cochin State, started in May 1953. The plant went into regular production in August 1955 and two months later, it was possible to increase production by 30 per cent. more than the rated capacity of the plant. In the meanwhile, the Department of Atomic Energy decided to multiply the capacity of the plant and the work on the extension of the plant was immediately taken in hand. The plant was erected entirely by Indian engineers and a large portion of the equipment installed there was made in India.

A new trade agreement is likely to be signed between India and Bulgaria by the end of this month. It will be recalled that the agreement of 17th June 1953, governing Indo-Bulgarian trade expired on 31st December last year. A six-man trade delegation, led by Bulgaria's Deputy Minister for Foreign Trade, Mr. Ivan Perpeliev, will arrive in India shortly to explore the possibilities of intensifying Indo-Bulgarian trade. Bulgaria, which has trade relations with 41 countries, is stated to be keen to step up its imports of jute bags, shellac, furs and drugs from India. Indian spices also have a good market in Bulgaria. Bulgaria feels that it could import also a substantial quantity of Indian rubber, cotton and raw wool in exchange for its heavy chemical industry products. Fertilisers and urea are already being exported to India. A market is sought for Bulgarian agricultural, mining and textile machinery in India. In order to promote closer trade relations between the two countries, Bulgaria has invited India to participate in its annual trade fair starting September next.

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From Abroad

Swedish Technical Assistance to Pakistan, which will take the form of training in small industry, will shortly start operation. Nine Swedes, out of whom one will be the supervising head, five teachers and technical personnel, will train their Pakistani counterparts.

The consumption of deep-frozen food per head of the population in Sweden amounted to 1.6 kilogrammes in 1955. The consumption has gone up from 200 tons in 1947 to 11,000 tons in 1955. Fish accounted for 5,200 tons and vegetables for 4,500 tons during the year under review.

The Norwegian Government has asked Parliament to approve a contribution of £140,000 to the United Nations' Programme for Technical Assistance to economically underdeveloped countries this year. This represents a considerable increase compared with last year's contribution of £25,000.

Ceylon had a record favourable trade balance of Rs. 478.9 million in 1955. The previous peak was Rs. 412 million in 1954. Nearly three-fifths of the total export revenue accrued from tea and slightly more than one-fifth from rubber. The exports during 1955 aggregate 357,260,000 lbs., valued at Rs. 1,175.9 million. Tea exports to the U.K. alone last year was 121,400,000 lbs., valued at Rs. 382.7 million.

Chile has 12 uranium deposits in the province of Atacama, according to Sr. Carlos Ruiz, Under-Secretary for Mines. The value of the mineral varies from 0.2 to 0.3 per cent., but samples have been found as high as 2 per cent. The Chilean Government proposes to form an agency to establish buying sources. It is stated that the Anaconda Copper Mining Company has been studying the possibility of starting an atomic plant in Chile to produce electric power.

Canada and Russia have entered into a three-year trade agreement, which provides for the exchange of most-favoured-nation treatment and for Russian purchases of between 400,000 and 500,000 metric tons of Canadian wheat in each of the next three years. Unless extended, Russia's most-favoured-nation treatment will end when its wheat purchases finish. The quantities involved will put Russia among Canada's first four or five customers for wheat.

It is expected that the National Coal Board, the U.K., will submit within the next few weeks its long-term investment programme, covering 10 to 15 years, to the Minister of Fuel and Power, Mr. Aubrey Jones. After receiving this programme, the Minister will submit to the Cabinet the amount by which the Coal Board's borrowing power is to be increased. There is no question of covering at the present stage the entire additional requirements arising from this programme, but the Government proposes to obviate the need of having to introduce legislation at too frequent intervals. The present limit of £300 million, which is nearing exhaustion, was fixed in 1951. The Minister is likely to introduce after Easter a Bill on the lines of the Coal Industry Act 1951, which contains two clauses, fixing the maximum limit of outstanding loans and the limit of the amount that can be borrowed in any one year.

According to an agreement signed between the U.S. and Indonesia recently, the latter will purchase $96 million (over £34 million) worth of surplus U.S. farm commodities. The purchase will be made in Indonesian *rupiahs*. It is stated that a part of the Indonesian currency will be loaned back to the country for financing development projects. The farm products to be purchased include about 550 million lbs. of rice valued at $35.8 million, about 206,000 bales of cotton worth $36 million, 23 million lbs. of leaf tobacco valued at $15 million, and about 1,270,000 bags of wheat flour worth $5 million.

The Standard Oil Company of New Jersey has announced that its affiliates will spend $60 million on constructing new refining units, embracing a process known as "power-forming." This uses a new type of catalyst, employing relatively small quantities of platinum to produce gasoline. Two of the new units are already in operation and 14 more are under construction, being designed or planned. Esso Standard Oil Company, one affiliate, will also construct a new plant for the production of ethylene at its Bayway refinery, Linden, New Jersey. The plant will be the first installation on the U.S. east coast to produce concentrated ethylene for sale to the chemical industry.

PERSONAL

MR. G. D. BIRLA left last week for the U.K., the Continent and the U.S. on a business tour.

Dr. Philip Cardon (of the United States), Director-General of the U.N. Food and Agriculture Organisation, has resigned.

Mr. J. R. D. Tata, Chairman of the Tata Iron and Steel Co., Ltd., who had been on a visit to Europe and the U.S., has returned to Bombay.

Mr. John Sherman Cooper, U.S. Ambassador to India, who had been to the U.S. for consultations, returned to New Delhi on Friday, the 2nd inst.

Mr. Dharam Vira, I.C.S., till recently India's Ambassador to Czechoslovakia, has been appointed Secretary to the Ministry of Rehabilitation, Government of India.

Mr. Satish Chandra, I.C.S., Deputy Commissioner of Delhi, has been appointed Joint Secretary in the Union Ministry of Commerce and Industry, to formulate proposals for the establishment of a State Trading Corporation. Mr. Satish Chandra is expected to submit his report in two months.

Messrs. Purshottamdas R. Ashar and N. H. Kotak have been elected President and Vice-President, respectively, of the All-India Exporters' Association, Bombay, for the year 1956. Mr. K. H. Narayan has been elected Hon. Secretary and Mr. Jayantilal R. Shroff, Hon. Treasurer.

Mr. Lakshmipat Singhania, the noted industrialist of Calcutta, has been elected President of the Federation of Indian Chambers of Commerce and Industry for the year 1956-57 and Mr. Babubhai M. Chinai, of Bombay, Vice-President. The following were co-opted to the Committee of the Federation: Mr. Shantilal Mangaldas, Mr. B. P. Singh Roy, Mr. S. L. Kirloskar, Mr. B. L. Jalan, Mr. Kamalanayan Bajaj and Mr. G. P. Kapadia.

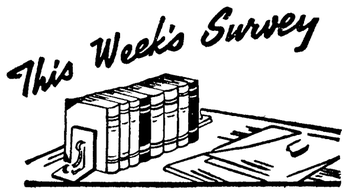
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *14th March*

Tax Burden Upon Industry

The fact that excessive taxation results in less money being available for business and enterprise is only too clearly apparent. Economists and industrialists know that the bad effects, though indirect, are none the less real, and that high taxation definitely retards the power of industry to increase employment. We cannot expect industry to recover, as it should be free to do, under the progressive loading of the real burden of taxation which arises from falling prices; and, as Lord Inchcape puts it: "Few will be found to dispute that relief which approaches too nearly, and in some cases oversteps, the wages level is, morally and financially, a sin against the people. It is truly a rake's progress." When a Chancellor of the Exchequer or a Finance Member is faced with a heavy deficit, he cannot reasonably impose additional taxation until economy has been practised to its utmost feasible extent in the public services; and, in this connection, we applaud what was said in the Legislative Assembly on Monday by Sir Hugh Cocke, when he asserted, as regards the Indian budget, that he was not satisfied that more economy could not be effected. In the aggregate, the civil services and local budgets, both in England and, in India, absorb hundreds of millions of pounds and many lakhs of rupees more each year than before the war. There is abundant room for reduction, without calling into question the debt services and necessary administrative and social outlays. Only by rigid economy can any Government confer upon industry that relief which it so sorely needs.



ROLE OF PATENTS

THE Indian patents centenary celebrations, held at Calcutta last week-end, mark the completion of 100 years of working of the patent system in India. The celebrations comprised the holding of a symposium on "the role of inventions in India and their protection" and the organisation of ten-day exhibition of patented articles, registered designs and other products of Indian manufacture. The Conference was presided over by Mr. C. R. B. Menon, Director-General of Commercial Intelligence and Statistics, Calcutta, and Chairman of the celebrations and inaugurated by the Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari.

It was a century ago, in 1856, that the patents system was established in India with the passage of the Indian Patents Act. Although India is one of the very few countries in the world which can boast of having a century-old patents law, there is very little evidence to show that the system has benefited the country much. For the Patents Enquiry Committee, appointed in 1948 by the Union Government to survey and report on the working of the patent system in India, in its report, after examining the readily available records, observed: "The Indian patent system has failed in its purpose, namely, to stimulate invention among Indians and to encourage the development and exploration of new inventions for industrial purposes in the country so as to secure the benefits thereof to the largest section of the public. There were aiso numerous complaints that the patent system was being misused and in some cases abused, to the detriment of Indian interests."

If the Indian patent system has failed to achieve its object as noted above, such has been due to several peculiar features prevailing in India. Before referring to these features it may, in passing, be pointed out that a patent granted by the Government under the law, confers on the grantee "the exclusive privilege to make, sell and use an invention and also to authorise others to do so for a limited term." The grant is made in exchange for the disclosure of the invention to the public. Despite the exclusive privilege granted to inventors in this country, the progress of invention has remained insignificant. For, only 10 per cent. of the patents granted in India are held by Indians while as much as 90 per cent. were granted to foreigners. "The percentage of foreign patents," to quote Mr. J. C. Ghosh, a member of the Planning Commission, who inaugurated the symposium mentioned at the outset, "was 13.2 in the U.S., 24 in Japan, 25.8 in Germany, 29.9 in France and 51.7 in the U.K."

One of the causes for India's backwardness in inventions is the age-long separation of the sections of population which had learning and knowledge of theory from those which had only practical experience. "As a result, theoretical knowledge," to quote Mr. C. R. B. Menon, "was not fertilised by direct familiarity with materials and objects and those who had such familiarity were too ignorant to understand or interpret, the phenomena they observed." Secondly, the patent system in India owes its origin to the British system. For, it was introduced in India not so much for encouraging Indian inventors as for extending to India the protection which British manufacturers enjoyed in Great Britain. Further, another difficulty is that all technical literature has been in English and illiterate workmen have had no access to it and wherever such was made available, conservatism and reluctance to hug new ideas on the part of workers prevented it from being put to good use. Lastly, there was a tendency to keep inventions secret and this hindered progress.

At present, however, some increased attention is being directed by the Government to encourage inventions. This is indicated by Mr. Krishnamachari's speech at the centenary celebrations. The Government of India has, according to him, decided to institute a system of awards for inventions and new processes evolved by Indian or foreign workers in India. He said that popularity of patents depended on the number of patents secured by Indian inventors and considered that the future rested on the shoulders of young workers in the scientific and engineering fields. Incidentally, he referred to the controversy whether the patent law should be abrogated or tightened, and observed that India had to strike a golden mean between the two approaches. The Minister remarked that the social purpose of the Act should always be recognised and a monopoly should not be allowed to grow. He added that if sufficient steps were not taken to protect indigenous inventions —which was a national duty—then any system devised would provide an umbrella for foreign inventions.

CONTROL ON STOCK EXCHANGES

The report of the Joint Committee of Parliament on the Securities Contracts (Regulation) Bill, which was presented to Parliament by its Chairman, Mr. M. C. Shah, last week, makes a number of suggestions to modify the original Bill. Of these, its recommendation that the Government should be armed with extraordinary powers of control over Stock Exchange operations is sure to be viewed with some concern by the Stock Exchange authorities in the country. The fact that as many as six members of the Committee have appended minutes of dissent demonstrates how the issues involved in the reformation of Stock Exchanges are controversial and complex in nature.

While expressing the view that spot delivery contracts should ordinarily be freely transacted, the Committee has considered that power should, at the same time, be retained by the Central Government to regulate them by a system of licensing (in both notified and non-notified areas) where there is any abuse. It has proposed a new clause to the Bill which seeks to make all unrecognised Stock Exchanges illegal. The Committee does not see any special advantage in consulting—and this should be considered rather strange—the recognised Stock Exchanges concerned while taking action to prevent undesirable speculation. It has further felt that the Government should have the right to decide as to what should be the membership of a Stock Exchange. The Committee has restricted to three the number of Government nominees on the board of each Stock Exchange.

Regarding the regulation or prohibition of blank transfers, the Committee has felt that the currency of such transfers should be limited to a period of six months. The Committee has made changes also in clause 27 dealing with title to dividends, with a view to clarifying the clause. The object of the clause is to discourage blank transfers indirectly. It has, however, felt at the same time that the inclusion of bonus and other rights within the ambit of this clause might involve any person concerned in loss of capital and might also mean too severe a penalty. The Committee has, therefore, excluded from the purview of this clause bonus and other rights.

The Committee considers that a regular periodical audit of the accounts of members is not necessary and that it will be sufficient to provide for audit of accounts only where such audit is considered necessary by the Government. A new sub-clause has been added to clause 9 of the Bill which deals with the power of recognised Stock Exchanges to make by-laws. The sub-clause says that by-laws may provide for the publication of certain information by the clearing house at the end of every settlement period. The Committee is of the view that this information will provide an overall picture of the transactions on a Stock Exchange during a settlement period and be of considerable help to the public.

In his minute of dissent, Mr. U. M. Trivedi has, among others, referred to the limit of membership of a particular Stock Exchange and observes: "This may or may not work any hardship depending upon the maximum number so fixed, but it does interfere with the exercise of fundamental rights vested in every citizen of India. Article 19(1)(C) and (G) gives us the freedom to form associations and to practise any profession or to carry on any occupation, trade or business. The inhibitions to this freedom are that of interest of public order or morality or the lacking of professional or technical qualifications for carrying on any occupation, trade or business. If these restrictions are not covered by the restrictions provided for under the fundamental rights, then the law to that extent will be invalid."

In a joint note, Mr. K. K. Basu and Mr. T. B. Vittal Rao have suggested that blank transfers which have been peculiar to India should be prohibited or so regulated as to apply only to spot delivery within a few days. The Government should transfer and impose certain fees or charges on the transactions that pass through the clearing house on any clearing day. This would bring considerable revenue. Expressing "disappointment" with the various provisions of the Bill, they have declared that the measure, in its present form, will only allow bureaucratic control of the Stock Exchange.

NATIONALISATION OF INSURANCE

The resolution on insurance adopted by the Federation of Indian Chambers of Commerce, makes a very modest and very convincing defence of insurance in the private sector. This is the more notable because this body, as a representative of this sector, has reasons to feel aggrieved at the very exaggerated charges made against private insurers. At the outset, the resolution records the Federation's sense of disappointment over the "manner and method" in which the Government has chosen its decision to nationalise life insurance. In this, the Federation is supported even by Mr. Asoka Mehta, the ardent advocate of nationalisation. He said, in the course of this speech in the Lok Sabha, that the ordinance method, adopted by the Government, had served to give the impression that the executive was the dominant party and the legislature was merely a "registering body." Referring to the decision itself, the Federation points out that the Government has not advanced sufficiently strong and convincing reasons for the measure. The general record of insurance companies, it holds, is a "proud one, second to none in any part of the world." Now that insurance has been nationalised, it suggests that life insurance business should be conducted not through one large corporation but through half a dozen corporations.

A demand that the Government should appoint an impartial investigation commission into charges of malpractices levelled against the private sector of life insurance was made by two members of the Federation, Mr. Lalchand Hirachand Doshi and Mr. G. D. Somani. Mr. Doshi said: "A sort of vilifying campaign is going on against the private sector and it is necessary that we stand up and tell the public that this campaign must stop. If there is any doubt about anything, an impartial enquiry should be started so that the facts can be placed before the public." In the Lok Sabha, Mr. Tulsidas Kilachand too had taken strong exception to this campaign. He said that if the Government wanted to nationalise insurance it could do so without indulging in wild accusations against the private sector. The fact is that it is difficult to know from the general tone of Mr. Deshmukh's speech whether he felt happy that malpractices existed in private insurance—for, that provided the excuse for nationalisation —or he really deplored them.

In any case, some of his charges were clearly wide of the mark. For instance, he alleged that, in 1954, "about a thousand complaints were received in the Department of Insurance against various companies alleging delay or even non-payment of claims. Under section 47A of the Insurance Act, the Controller of Insurance is entitled to decide disputes relating to the settlement of claims on life policies assuring a sum not exceeding Rs. 2,000. The facts mentioned by Mr. Deshmukh are at variance with those given in the *Insurance Year Book*. The number of cases, according to the latest issue of the Insurance Year Book, was only 98, of which 11 cases were not entertained by the Controller, 69 cases were withdrawn, 16 cases were decided in favour of claimants and one in favour of the insurer and one was pending at the end of the year. It is noteworthy that one of the reasons given by the Controller for not entertaining certain disputes is that the concerned cases "did not come within the ambit of section 47A. Assuming that all the 16 cases, which he decided in favour of the claimants, were Rs. 2,000-policies, the amount involved was Rs. 32,000, as against the total claims of Rs. 14.26 crores paid by Indian insurers in 1954.

There is one aspect of the "vilifying" campaign which requires special notice. It has been suggested that the message of insurance had not been carried to the low-income groups. Mr. Deshmukh contrasted the position in India where industrial life assurance had not been attempted at all with that in the U.K. where such insurance had made rapid strides. Apart from the inappropriateness of comparing conditions in India with those in the U.K., it is well to remember that even in the U.K. which has had a long and unbroken history of industrial prosperity, insurance was for long confined only to the upper classes. In the Victorian era, the companies believed that life insurance was a luxury for which the poor could not afford to pay. Industrial life assurance is of recent origin even in that highly industrialised country. In India, industrial population forms a microscopic minority. Apart from this consideration, the fixation of statutory basic limit for insurance at Rs. 1,000 prevents insurers from offering policies for smaller sums.

There is also the lack of insurance consciousness to contend with. In this connection, it is well to remember that even the Government has failed to persuade the workers to agree to receiving national savings certificates as part of their bonus. In recent years, the workers have received crores of rupees worth of bonus; taking only one centre, Bombay City, the textile workers alone have received annually about Rs. 2½ crores. What has the Government, or the ruling political party, done to help the workers save at least part of this bonus for the rainy day? On the other hand, the record of private insurers is not much too black. As against about 5 lakhs of income-tax assessees, there are more than 40 lakh policyholders. At any rate, the Government cannot have it both ways. It cannot accuse the private insurers for keeping the profit motive uppermost in their minds and yet charge them with having left large fields, particularly rural areas, unexploited.

INDIAN SHIPPING

Problems facing the development of Indian shipping figured prominently in the addresses delivered by Mr. C. H. Bhabha, Chairman of the State-owned Shipping Corporation, and Mr. M. A. Master, a noted authority on shipping, at the meeting of the Standing Transport Committee of the Congress Parliamentary Party, held at New Delhi on the 2nd inst. Describing shipping "as one of the essential pillars of the very existence of our nation," Mr. Bhabha remarked that the mercantile navy was the country's second line of defence and its expansion should, therefore, be treated as an ancillary to the growth of India's defence forces. Elucidating this statement, he observed: "Without trying to be too presumptive, it cannot be considered improper if a small portion of our defence budget is earmarked for the growth of Indian shipping." Stating that the Defence Ministry spent annually a few crores on imports, Mr. Bhabha averred that, if only a calculation of the freight paid for these, and that too at high tariff rates, were made, it would surely reveal various good and sound reasons why the Defence Ministry should try and assist ships of the Indian flag. Through some social arrangement, he felt, a diversion of some of the defence funds needed to be made, at least for a few years, towards the expansion and encouragement of Indian tonnage. Mr. Bhabha suggested further that a complete tax exemption might be granted to shipping companies for a period of five years to enable them to raise their own finance, partly at least, for the purpose of adding rapidly to the tonnage of the country. There seems to be no serious objections to these constructive suggestions, and the authorities will do well to examine them from all angles; for the suggestions stem from the desire to have a strong line of second naval defence for protecting the country.

In his illuminating address, Mr. Master concurred generally with the views of Mr. Bhabha. He urged the Government to consider most favourably the suggestion of Mr. Bhabha for a complete tax exemption for a period of five years. Expressing the view that the shipping industry had failed to receive the priority it deserved, he recalled how, apart from granting loans of several hundred crores of rupees, Germany had struck upon a very novel method of raising finance for the construction of ships. "Loans granted out of the profits made by any industry for the purpose of constructing new ships," he said, "would be free of income-tax in accordance with paragraph 7(d) of the German Income-tax Law. It is estimated that about Rs. 140 crores were made available from this source for financing new German tonnage upto 1954. This ingenuous device demonstrates that, where there is a will, a way can be found to raise the necessary finances."

A notable feature of Mr. Master's speech is his reference to the hesitation on the part of the Government to permit a rise in rates of shipping freights and passenger fares, although the Government was so eager to raise the rates in the case of nationalised services, such as the air services. Recalling how the Railway Minister had raised the provision for depreciation on railways, he significantly observed: "My only appeal, therefore, to him is that the policy which is considered sound and proper for the railways and air services, important wings of transport, should also be considered desirable for another vital wing of transport, namely, shipping."

Mr. Master is a champion of private enterprise in shipping. That explains why he has not favoured the transformation of loans advanced by the Government for the acquisition of tonnage into equity capital. He called upon the Government to make it clear, beyond doubt, to all concerned that the loans granted to shipping companies would be created as loans alone.

One more aspect of Mr. Master's address to which a reference must be made relates to the carriage of Government cargoes by conference lines "at tariff rates *less* 40 to 50 per cent. and, sometimes even at tariff rates *less* 70 per cent." While appreciating the desire of the Government to see to it that its cargo was carried at the lowest rate possible, he observed: "I would most respectfully bring to their notice the fact that, if Indian companies are also required to carry cargo at tariff rates *less* 40 per cent., or even more, they will soon find that very little distance is left between efficiency and insolvency," and added: "That is not the way to build up a merchant navy and I do submit that the situation requires the most urgent and sympathetic consideration."

EXPANSION PLANS FOR COAL INDUSTRY

TRANSPORT HELD VITAL TO THEIR SUCCESS

THE importance of coal to the industrialisation of the country has, appropriately enough, received generous recognition by the Planning Commission which, in its draft-outline of the second Five-year Plan, has stated that during "the second Five-year Plan, on account of the requirements of steel and transport, the development of coal production will claim the first attention." Accordingly, it envisages an increase of about 23 million tons in coal output to 60 million tons at the end of the second Plan. It has, however, assigned a somewhat larger place to the public sector. Thus, this sector, which accounts for an output of about 4½ million tons, will increase its production to about 19 million tons or by 15 million tons and the private sector has been asked to expand its production by 8 million tons to about 41 million tons.

Although the public sector of the coal industry will expand faster than the private sector, there is no doubt that the latter has quite an important role to play. Quantitatively speaking, the private sector will still be the more important one. In a mixed economy of the kind visualised for the coal industry, there is an imperative need to ensure that both the segments are allowed to contribute their share to the national economy, and, what is more important, the private sector is not discriminated against. The chief problems which agitate the minds of private colliery owners were dealt with in a very comprehensive manner by Mr. B. Mitter, Chairman of the Indian Mining Association, in the course of his speech at the annual meeting of the Association, held last week at Calcutta.

The two important issues which he raised were the compensation payable to coal mines in the event of nationalisation of the coal industry and the transport bottlenecks. It may seem inappropriate to raise the question of compensation even before the Government has decided to take over the industry. But the view that the Government should nationalise the industry has been repeatedly expressed in certain quarters, so that no prudent business man can afford to ignore these statements. If the Government had at least given clear assurances to the industry in respect of security of tenure, there would be less misgivings about the future. But, since the Government has not been helpful in the matter of security of tenure too, the colliery owners have naturally to plan their expansion programme in the light of the official statements made on the subject of compensation to the management of coal mines in the event of nationalisation. These statements, as Mr. Mitter said, have indicated that if coal producers in the private sector laid out money for purposes of expansion of output, then, in the event of nationalisation, full compensation, after taking into account depreciation, would be paid for whatever money was laid out with the approval of the Government for this additional production. Mr. Mitter, when he subjected this formula to a critical scrutiny, found that it lacked the elements which would provide reasonable assurances for private management. Analysing this formula, he said:

"If the formula is examined, it will be seen to consist of three main parts, which lay down that compensation would be paid on capital outlay for increasing production, that it would be paid on capital expenditure less depreciation, and, finally, that it would be paid only on expenditure incurred with the approval of the Government. As regards the first part, in an extractive industry like coal which works a wasting asset, even the maintenance of existing levels of production requires a steady flow of new investments and it is technically impossible to distinguish between capital outlay for maintaining production and capital outlay for increasing production. The two are very closely linked when incurred in one and the same mine, and even the sinking of a new shaft in the same or another property might be regarded as necessary for maintaining production."

Even the second part of the formula, as Mr. Mitter showed, was unsatisfactory. This part relates to compensation in the form of capital expenditure less depreciation. Here, the point is that capital expenditure may yield returns over a long period of years and that, in the short run, it may show a disproportionately low rate of return. Commenting on this part of the compensation formula, he said:

"If a company were to invest a crore of rupees on fresh capital development and the Government were to decide to acquire the industry, say in five years' time, then taking into account the rates of depreciation applicable in the coal industry, the depreciated value of the outlay would be very substantially less than this crore at the end of five years. At the same time, in the course of these five years, the Company can hope to earn very little by way of return on its investment. Consequently, the outlook can hardly be construed as being reassuring to those who contemplate making large financial commitments."

The third part of the formula, though it has no direct relevance to the financial aspect of nationalisation, involves considerable administrative complications. This part implies prior approval of the Government for items of capital expenditure. Referring to the complications, which might result from this condition, Mr. Mitter said:

"If the necessity of having the initial investment approved by the Government were conceded, should the formula imply that an account had to be kept of every single item of plant and machinery installed at each individual colliery, and, further, that this had to be done for an indefinite period, various practical and procedural problems would inevitably arise making the satisfactory maintenance of the records extremely difficult, if not impossible, both from the point of view of the Government as well as that of individual producers."

That this is by no means an exaggerated view of the difficulties, which the colliery owners might have to face under the formula, will be realised by those who have had anything to do with the cumbrous and slow way in which the Government departments generally function.

Surely, the Government cannot expect the private colliery managements to take far too many risks in the matter of investment in capital expansion plans, if they are not certain that their reasonable claims for compensation will be met by the Government. Such an assurance is particularly necessary for two reasons. In the first place, the question of compensation is now outside the purview of the Courts. Secondly, the coal industry has certain distinctive features so that the question of compensation is a more vital issue for the industry than for other industries. It is to be hoped that the Government will be able to evolve a more comprehensive formula for compensation than the one it has now suggested.

Transport is one of those problems which continue to exercise the minds of colliery-owners. It is true that the Railway Plan provides for transporting larger quantities of coal. Even so, Mr. Mitter did well to emphasise that the "success of the coal plan cannot be assured, unless transport can move the expected volume of traffic." Since, in the immediate future, the transport that will be available will be somewhat restricted in relation to the demand for it, the authorities will necessarily have to continue some system of allocation of wagons. In this connection, Mr. Mitter complained that "it seems to have become the practice for the State collieries to get first priority in such allocations to the detriment of collieries in the private sector." He added: "If private enterprise is to be given a fair chance of expanding output, distribution of wagons should be made without arbitrarily subordinating the interests of one integral section of the coal industry to the dictates of another." The authorities will do well to investigate this grievance and also redress it, in the interests of justice as well as harmony between the two sectors of the coal industry.

PATENT SYSTEM IN INDIA

RIGHTS OF INVENTORS PROTECTED

By K. B. Lall, I.C.S.
JOINT SECRETARY, MINISTRY OF COMMERCE AND INDUSTRY

THE Indian patent system has its origin in an Act—the Exclusive Privileges Act, 1856—designed to protect the inventions in India. This Act came into force on 28th February 1856, just 100 years ago. It provided that the inventor of a new manufacture could petition to the Governor-General of India-in-Council for leave to file a specification, and after this leave had been granted and the specification filed, the inventor became entitled to the sale and exclusive privilege of making, selling and using the invention in India and of authorising others so to do for a term of 14 years.

The Act of 1856 was repealed and the provisions contained therein were re-enacted in an Act of 1859 which not only validated the exclusive privileges granted by the 1856 Act but extended their term to 14 years from the date of the 1859 Act. The Act was amended in 1872 and 1883; and in 1888 all the previous Acts were repealed and replaced by a consolidated Act, namely, the Inventions and Designs Act, 1888.

The Act of 1888 was revised and replaced by the Indian Patents and Designs Act, 1911, which has been amended from time to time since then. With the attainment of independence, questions relating to patents assumed a special significance, a new urgency. Soon, a Committee of Enquiry was appointed with comprehensive terms of reference to examine the patent system in all its aspects and to recommend what measures should be taken to ensure that the system becomes more conducive to national interests. This Committee submitted two reports—one an interim report and the other a final report. The Government of India accepted the recommendations in the interim report and enacted the Indian Patents and Designs (Amendment) Act, 1950, in order to implement them. Most of the recommendations in the final report have also been accepted by the Government. The Patents Bill, 1953, which was introduced in the Lok Sabha some time ago, embodies most of the recommendations in the Committee's report.

In law, the patent in India is a grant from Government; it confers on the grantee the exclusive privilege of using or selling an invention for a specified period of years. This grant is made in consideration of the disclosure of the invention to Government and through them to the public. The law of patents thus seeks to stimulate invention, and to persuade the inventor to disclose it by securing for him a share in the fruits of invention.

Nevertheless, the system of patents has from time to time been criticised on the ground that, as the exclusive privilege involved in a patent creates monopolies, it operates as a handicap to the industrialisation of the country. This criticism, however, fails to take account of the fundamental difference between a patent monopoly and other forms of monopolies. The owner of a patent brings into being a new process, a new article, which the community did not possess before and thus helps to add to the choice of goods available to the consumer. The patent monopoly does not prevent or restrain any member of the public from continuing any manufacture or trade he exercised before the grant of the patent; its scope is limited to only articles having qualities not present in articles previously in the market, and that too only for a strictly limited period. The system of patents does not thus inhibit free competition: in fact, because of it, a patentee is enabled to offer competition, not by offering the same article as the established manufacturer, but by offering a different article serving the same or a similar purpose and satisfying the same need more economically or perhaps even more efficiently. In this view, it will be readily conceded, the patent monopoly, even though it confers on the inventor certain limited but exclusive rights, constitutes an "addition to and not a subtraction from the public wealth."

It is a truism that "invention begets invention" and that, by appealing to the profit motive of the inventor, the patent system acts as a strong stimulus to invention. There are various types of inventions and the reward secured to the inventor by the grant of a patent may not always be commensurate with the importance of the invention. Nevertheless, the patent system recognises the principle that the size of the reward should be proportionate to the merit of the invention. The better the invention the greater the profit. The inventor is by nature an optimist and believes in the worth of his invention and the opportunity of being able to monopolise it for some time, therefore, attracts him and spurs him to further efforts.

It must be admitted with regret that although the patent system has been in vogue in the country for full 100 years, the nation has yet to derive substantial advantage from it. The law itself is not very well known and the number of Indian inventions protected by it is by no means considerable. That, however, is not the fault of the law. It is only lately—with the advent of independence—that the nation is waking up from sloth and slumber, and it is to be hoped that the centenary celebrations, held last week at Calcutta will serve to promote interest in inventions and to stimulate the inventive urge in our people.

If India's development is not to be based on cheap imitation of foreign products, and if the nation is determined to progress by its own exertions and according to its own genius, much greater attention will have to be paid to the need for new and more fruitful inventions, to the desirability of encouraging and stimulating inventive genius, and to the importance of assuring to the prospective inventor a reasonable share in the gains of the invention.

The patent law provides all the guarantees that a patriotic inventor can legitimately seek and it is to be earnestly hoped that with the improvements—procedural and structural—in the offing the Indian system of patents will help to create and maintain conditions conducive for the nation's inventive genius to blossom and to flower.

BILL TO LEGALISE MONOPOLIES

CURBS ON COMPETITION

From Our Own Correspondent

LONDON, *4th March*

PARLIAMENT this week will be discussing the Government's Bill to implement the report of the Monopolies Commission published last year. It will be remembered that that Commission had both a majority and a minority recommendation — advocating respectively rather more severe and rather less severe methods of attacking industrial and commercial monopolies. It was at the time feared that the Government would incline to the less severe—amounting fundamentally to registration by every firm indulging in monopolistic practices, thus enabling an inquiry into those practices to be made.

LONDON LETTER

In fact, the Government's Restrictive Practices Bill is even less severe than the minority report proposed. The most striking departure from the recommendations of the whole Commission is to permit, indeed to legalise by recognition, retail price maintenance. This pernicious practice is at the root of much of the commercial apathy in this country where no price competition is possible. If a trader can sell an article cheaper than someone else and make his business pay by selling more of that article, the manufacturer can stop him and put him on a level with the unenterprising seller who wants a quiet life and is content to go on selling his limited quantities in the confident knowledge that no one can outbid him. Up to now the sanctions on the price-cutting trader could only be applied by a manufacturer who would blacklist the offender and advise all his associated fellow-manufacturers to do the same. The legality of such proceeding was contested by the Monopolies Commission who insisted that manufacturers should not be permitted to enforce their prices in this way. The new Bill is cynical enough to prohibit black-listing by the manufacturer *but* to permit the latter to obtain a court injunction to prevent price-cutting. Thus the monopoly wielded by private business is now reinforced by the power of the courts.

This aspect of the Bill is anathema to all believers in competition. In America anti-monopolistic laws are severe and competition is regarded as the life-blood of enterprise—though this is not to say that American manufacturers do not try to dodge competition just as much as do their British counterparts. But Americans have always considered that in practice the road of the monopolist was always easier here than across the Atlantic and it looks as if it is going to be made even easier. Unfortunately 15 years of controls, fixed margins between traders, and excessive post-war demand have helped to create enormous vested interests in favour of limiting price competition and the latitude given to restrictive agreements in the new Bill springs from —or appears to spring from—habit.

Another difficulty is that interpretation of what is a restrictive practice is left to the courts.

(*Continued in previous column*)

(*Concluded from next column*)

Naturally the lawyers (and the money for paying counsel will be on the side of the manufacturers' associations rather than on that of the consumer) will enjoy themselves pointing out the hallowed nature of most restrictive practices—and will always be able to fall back on the final *alibi* of trade union restrictive practices (if the worker can do it, why can't his boss?) which it is not sought to control in any way under the proposed legislation.

Should not the whole approach to restrictive practices be economic rather than legalistic? Can the United Kingdom, back to the wall in the fight to increase exports and improve its balance of payments, afford not to have the keenest price competition? Competition is uncomfortable, it gives no peace, permits no business man to rest on his laurels—but in an unkind world can a nation such as this afford to ignore its spur? And yet it is doubtful whether Parliament will speak with a proper sense of urgency on this matter in the coming days.—*All Rights Reserved.*

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FINANCES OF CENTRAL GOVERNMENT

PROVISION FOR DEVELOPMENT SCHEMES STEPPED UP

A BRIEF summary of the Central Government's budget for 1956-57, which Mr. Chintaman Deshmukh, the Union Finance Minister, presented to the Lok Sabha on 29th February 1956, was given in our last week's issue—*vide* page 388. It will be seen therefrom that the budget reflects the increasing tempo of development expenditure. Thus, the revenue deficit (Rs. 51.83 crores) and the overall deficit (Rs. 338.17 crores) are larger than those of any post-war year. The year 1956-57 coincides with the first year of the second Five-year Plan, under which the capital outlay in the public sector has been more than doubled as compared with the first Plan, the target actually fixed being as much as Rs. 4,800 crores, as against Rs. 2,356 crores. Naturally, the estimate of the capital outlay, including loans to State Governments and others mostly for the execution of the projects in the Plan, for 1956-57 is placed considerably high at Rs. 703 crores. This falls short of the anticipated available resources by Rs. 338.17 crores as stated above. This, together with the revenue deficit of Rs. 51.83 crores, brings the total overall deficit to Rs. 390 crores. Deducting from the revenue deficit the receipt of Rs. 34.15 crores, which the Government will receive as a result of the new taxation proposals, the total uncovered deficit on revenue and capital accounts comes to Rs. 355.85 crores. This deficit is proposed to be covered by expansion of Treasury Bills.

The revenue deficit of Rs. 51.83 crores disclosed in the budget for the coming year (1956-57) is in striking contrast to the surplus of Rs. 12.31 crores in the revised budget for 1955-56. The huge deficit is the result of a setback in revenue receipts, on the one hand, and expansion in expenditure, on the other. There is a drop of Rs. 8.00 crores to Rs. 493.60 crores (before the effect of the budget proposals) in revenue receipts. The fall is accounted for mainly by revenue derived from customs and Civil Administration. The estimate of revenue expenditure for 1956-57 is, as already stated, placed higher at Rs. 545.43 crores, as against Rs. 489.36 crores in the revised budget for 1955-56. The improvement is in a large measure due to the stepping up in the provisions made under Civil Administration, Defence Services (net), direct demands on revenue, and contributions and grants-in-aid to States.

Budgetary Position

The following table gives the summary of the final estimates for the year 1956-57, as compared with the budget and revised estimates for 1955-56 and actuals for 1954-55:

(In lakhs of rupees)

	1954-55 Account	1955-56 Budget	1955-56 Revised	1956-57 Budget
REVENUE				
Customs	1,84,86	1,64,50	1,65,00	1,50,00
Union excise duties	1,08,22	1,32,27	1,40,00	{ 1,45,45 +25,00*
Corporation tax	37,33	39,77	39,84	{ 41,84 +6,50*
Taxes on income	1,22,26	1,33,93	1,33,86	{ 1,38,16 +3,50*
Estate duty	81	3,00	2,00	2,50
Opium	2,42	2,00	2,27	2,10
Interest	3,86	2,91	4,22	5,49
Civil Administration	10,03	10,54	14,21	11,06
Currency and Mint	20,55	23,18	23,13	23,67
Civil works	2,35	1,90	2,38	2,39
Other sources of revenue	9,98	20,49	23,35	19,39
Posts and Telegraphs (net contribution)	2,60	70	2,27	{ 65 +95*
Railways—net contribution	6,68	6,15	6,17	6,57
Deduct—Share of income-tax payable to States	—55,95	—56,97	—55,16	{ —53,35 —1,80*
Deduct—Share of estate duty payable to States	—57	—2,79	—1,87	—2,32
Total Revenues	4,56,13	4,81,58	5,01,67	{ 4,93,60 +34,15* 5,27,75
EXPENDITURE				
Direct demands on revenue	29,48	33,13	33,08	37,15
Irrigation	7	13	12	5
Debt services	39,72	39,20	37,85	35,50
Civil administration	75,11	1,11,76	1,05,41	1,35,91
Currency and mint	3,23	3,36	3,51	3,76
Civil works	13,45	16,33	14,95	15,90
Miscellaneous	29,86	43,22	60,22	60,49
Defence Services (net)	1,86,66	2,02,68	1,85,07	2,03,97
Contributions and grants-in-aid to States	29,79	35,93	35,79	38,00
Extraordinary Items	15,25	13,19	13,36	14,70
Total Expenditure	4,22,62	4,98,93	4,89,36	5,45,43
Surplus (+) or Deficit (—)	+33,51	—17,35	+12,31	—17,68

* Effect of Budget proposals.

Capital Outlay

Next year's budget provides for a capital outlay of Rs. 316.7 crores, including Rs. 9.5 crores for Government trading schemes, mostly for the normal purchases of foodgrains for the Central reserve. This represents an increase of Rs 146.7 crores over the revised estimate of Rs. 170.0 crores for 1955-56. The bulk of this rise—Rs 105.07 crores, to be precise—is expected to be accounted for by industrial development and railways. The provisions made during 1956-57 under these heads are Rs. 79.60 crores and Rs. 113.43 crores, as against Rs. 15.88 crores and Rs. 72.08 crores, respectively, in the revised estimate for 1955-56. In addition to the enlarged provision for capital outlay, the budget estimates for 1956-57 include a larger provision for loans to State Governments and others mostly for the execution of the projects in the Plan, the sum earmarked being Rs. 386 crores, as against Rs. 327 crores and Rs. 355 crores in the revised and budget estimates for 1955-56, respectively. The capital outlay and loan requirements of State Governments and others together amount to Rs. 703 crores during 1956-57. As against this, credit has been taken for Rs. 365 crores, of which new loan accounts for Rs. 100 crores—incidentally, it is said that there is no loan maturity next year—small savings for Rs. 70 crores, foreign aid for Rs. 85 crores, and other miscellaneous and remittance transactions for Rs. 110 crores. The gap in the capital budget thus comes to Rs. 338 crores.

The current year's budget provided for an overall deficit of Rs. 327 crores to be met by expansion of Treasury Bills. On the basis of the revised estimates, the overall deficit is now expected to be Rs. 222 crores. As the opening balance of the year was about Rs. 18 crores less than the minimum of Rs. 50 crores, the expansion of Treasury Bills will amount to about Rs. 240 crores. Unlike the previous year when a combined loan was floated to cover the requirements of both the Central Government and the State Governments, this year the normal procedure of separate loans by the Centre and the States was followed. The Central Government floated a 10-year loan, the 3½ per cent. National Plan Bonds—second series. This loan which was for Rs. 100 crores was fully subscribed, the amount accepted being Rs. 103.7 crores.

Small savings have shown substantial improvement, the collections now expected being Rs. 65 crores, as against Rs. 52 crores in the budget. While the response so far has been encouraging, the task set for the next Plan is much bigger. As it is evident from the draft outline of the Plan, small savings are expected to yield Rs. 500 crores during the next Plan, which is more than double the target for the current Plan. The Government has been taking various steps to intensify the small savings movement.

The improvement in the ways and means position this year is due largely to the surplus in the revenue account and the savings in the capital expenditure and loans to State Governments and others. Foreign aid this year is now expected to amount to about Rs. 56 crores, as against Rs. 74 crores in the budget, but this has been more than offset by improvement in other heads.

Two loans which fell due for repayment this year were duly repaid, the amount involved being Rs. 69 crores.

Debt Position

The outstanding public debt of the Government of India is expected to go up by Rs. 525.55 crores during the next year, that is, from Rs. 2,586.19 crores at the end of March 1956 to Rs. 3,111.74 crores at the end of March 1957. The major portion of the rise—Rs. 390.00 crores—will be short-term, in the form of Treasury Bills and Ways and Means advances, which incidentally indicates the extent to which the Finance Minister proposes to resort to deficit financing with a view to covering the deficit on revenue and capital accounts. Current rupee loans and dollar loans are also expected to be higher by Rs. 100.49 crores and Rs. 27.37 crores, respectively. Loans from the U.S.S.R. amount to Rs. 9.20 crores. Expired rupee loans and capital portion of railway accounts, however, are placed lower, the former by Rs. 57 lakhs and the latter by Rs. 91 lakhs.

The statement below gives a broad analysis of the debt position of the Centre as on 31st March 1957, as compared with that at the end of 1955-56 and 1938-39:

(In crores of rupees)

	As on 31st March		
	1939	1956	1957
Rupee Loans:			
Current loans	437.87	1,509.61	1,610.10
Treasury Bills and Ways and Means advances	46.30	711.87	1,101.87
Special floating loan	..	212.60	212.60
Expired loans	0.65	11.31	10.74
Total	484.82	2,445.39	2,935.31
Sterling Loans:			
Current loans	396.50	0.59	0.56
War contribution	20.62	20.62	20.62
Capital portion of railway annuities	47.82	1.99	1.08
Expired loans	0.01	0.03	0.03
Total	464.95	23.23	22.29
Dollar loans	..	117.57	144.94
Loan from U.S.S.R.	..	..	9.20
Grand Total	949.77	2,586.19	3,111.74

The liability for the British War Loan remains suspended, while the outstanding railway annuities are covered by an equivalent deposit with the United Kingdom Government, which provides the necessary sterling as the payments fall due. Omitting these items, the total outstanding debt will be Rs. 2,564 crores at the end of the current year and Rs. 3 090 crores at the end of 1956-57. At the end of the Budget year, the outstanding debt would, as compared with the figure at the end of 1938-39, have risen by Rs. 2,209 crores.

In addition, the Government is liable to repay the balances in the various provident funds, the Post Office Savings Banks, the Post Office Cash, National Savings and National Plan Certificates, including Annuity Certificates, the Depreciation and Reserve Funds of the Railways, Posts and Telegraphs, etc., and certain other deposits, mainly relating to excess profits tax and income-tax. These balances are estimated at Rs. 9,49 crores at the end of the current year and Rs. 1,043 crores at the end of 1956-57, after making a very rough allowance for Pakistan's probable share in them. Taking the regular debt and these liabilities together, the debt position of the Government of India will stand as follows:

(In crores of rupees)

	As on 31st March	
	1956	1957
Regular loans	2,586.19	3,111.74
Other liabilities	940.34	1,043.32
British War Loan and railway annuities	(—) 22.61	(—) 21.70
Total	3,512.92	4,133.36

This outstanding debt may be analysed with reference to the purpose on which the money has been utilised or the assets by which it is covered. An analysis is given below:

(In round crores of rupees)

	As on 31st March	
	1956	1957
Railways	974	1,087
Posts and Telegraphs and other commercial departments	112	126
Investment in commercial concerns	56	135
Loans and advances	959	1,287
Purchase of annuities for sterling pensions	65	59
Subscriptions to the International Monetary Fund and World Bank	218	218
Debt due from Pakistan	300	300
Cash and other investments	50	51
Total	2,729	3,258

Allowing for these, the uncovered debt will amount to Rs. 875 crores at the end of the budget year, as against the pre-war figure of Rs. 188 crores. The whole of this cannot, however, be called unproductive debt, for the large grants to States for development in recent years, which increase the productive capacity of the country as a whole, are not entirely unremunerative. Similarly, the large capital outlay on Central property, the value of which is either not shown at all in the Government's accounts or is shown as non-commercial (such as the capital outlay on New Delhi and Defence capital outlay), is not without value.

Out of the total debt noted above, the interest-bearing obligations of the Government of India are expected to stand at Rs. 3,931.69 crores by the end of 1956-57, as against Rs. 3,311.59 crores (revised) at the end of the current year and Rs. 1,201.58 crores (excluding Rs. 4.18 crores on account of Service Funds—England) at the end of 1938-39. The bulk of this liability is covered by interest-yielding assets, the actual amount of such as on 31st March 1957 being Rs. 2,995.96 crores. This figure compares well with Rs. 2,468.29 crores (revised) at the end of March 1956 and Rs. 896.65 crores at the

(*Continued on page 483*)

WORLD BANK'S OPERATIONS IN SECOND HALF OF 1955

FURTHER RISE IN NET EARNINGS

THE financial operations of the International Bank for Reconstruction and Development (World Bank) during the six months ended 31st December 1955 resulted in an increase in the Bank's net earnings which improved to $13.7 million, as compared with $12.3 million for the corresponding period in 1954. This sum was credited to the supplemental reserves against losses on loans and guarantees. In addition, the Bank increased its special reserve by $7.2 million to $69.4 million during the period under review. On 31st December 1955, the total reserves of the Bank amounted to $204.6 million. Gross income, exclusive of loan commissions, was $31 million as compared with $29.3 million in 1954. Expenses during the six-month period aggregated $17.3 million.

Afghanistan and Korea became the members of the Bank during the half-year under review. Afghanistan's subscription to the Bank's capital stock is 100 shares with a total par value of $10 million. Korea's subscription is 125 shares, having a par value of $12.5 million. The Bank has now on its roll 58 members and its total subscribed capital stands at $9,050.5 million.

During the period under review, the Bank made 15 loans aggregating the equivalent of $146.3 million. This brought the number of loans since the start of operations to 139 in 41 countries and raised the gross total of commitments to $2,470.4 million.

Repayments of principal received by the Bank amounted to $12.6 million. The total of such repayments, including prepayments, amounted to $226.5 million on 31st December. This included $152.9 million repaid to the Bank and $73.6 million to investors who had purchased borrowers' obligations from the Bank.

The table below gives the names of countries to which loans were granted and the period as well as the rate of interest on the loans.

Country	Amount of loan	Period of loan	Rate of interest	Date when amortisation begins
	Million $	Years	Per cent.	
Algeria	10.0	20	4½	Mar. 1957
Guatemala	18.2	15	4½	Feb. 1959
Honduras	4.2	9	4½	Dec. 1957
Japan	5.3	15	4½	Mar. 1958
Lebanon	27.0	25	4½	Aug. 1961
Nicaragua	9.0	12	4½	Oct. 1957
Pakistan	19.0	15	4½	Aug. 1958
Panama	5.9	9	4½	May 1959
Peru	5.0	9	4½	Aug. 1958
Thailand	12.0	15	4½	Aug. 1958
U. South Africa ..	25.2	10	4½	July 1958
Uruguay	5.5	20	4½	May 1958

During the period under review the World Bank redeemed the outstanding balance of Can. $13.6 million of the 4 per cent. ten-year Canadian dollar bonds of 1952 due in 1962. A guilder issue of the World Bank bonds was offered in the Netherlands by an underwriting group headed by Nederlandsche Handel-Maatschappij. The issue consisted of £40 million (U.S. $10.5 million) of 3½ per cent. 20-year bonds. Further, a Swiss franc issue of Bank bonds was offered in Switzerland by an underwriting group headed by the Union Bank of Switzerland, Credit Suisse and the Swiss Bank Corporation. The issue consisted of Sw. Fr. 50 million (approximately $11.6 million) of 3½ per cent. 20-year bonds, due 1976. The bonds are dated 1st January 1956 and payment was made by the banking group on 3rd January 1956. The value of all Bank bonds outstanding on 31st January 1956 was $860.8 million.

Private investors have participated directly in 12 of the 15 loans made by the Bank since 1st July 1955. These participations amounted to the equivalent of $9.5 million, and took place in connection with loans in Algeria, Guatemala, Honduras, Japan, Nicaragua, Pakistan, Panama, Peru, Thailand and Uruguay. All of these participations were undertaken without the guarantee of the Bank. Between 1st July and 31st December 1955, sales from the Bank's loan portfolio, together with the participations, amounted to $20.6 million. Of this amount, $392,500 was sold with the Bank's guarantee and $20.2 million without guarantee. Total participations and portfolio sales amounted to $224.6 million on 31st December 1955, of which $165.7 million was without the guarantee of the Bank.

Ten countries have completed the action necessary for membership in the International Finance Corporation, the proposed new affiliate of the Bank. They are Australia, Canada, Costa Rica, Ecuador, Egypt, Ethiopia, Iceland, Mexico, the United Kingdom and the United States; their prospective subscriptions amount to $56,794,000, which is approximately three-quarters of the minimum capital required. The charter of the Corporation requires a minimum membership of 30 countries, together subscribing at least $75 million, before the Corporation can come into being. In addition to the ten countries that have completed action, 39 other member-countries of the Bank have expressed their intention of joining the Corporation and many of these have already carried to an advanced stage the domestic legislation required to authorise membership.

The Economic Development Institute was opened in Washington, D.C., on 9th January 1956. There are 14 participants in the first course, and all of them are senior officials of the country, or territory of the member-country, which nominated them. They come from Belgium (African Territories), Ceylon, Colombia, Egypt, Haiti, India, Japan, Mexico, Nigeria, Pakistan, Philippines, Thailand, Uganda and Yugoslavia.

INDUSTRIAL CREDIT AND INVESTMENT CORPORATION

Started on 1st March 1955, the Industrial Credit and Investment Corporation of India Ltd., Bombay, has just completed a year of useful service to industry. An account of its activities, as explained by the Directors of the Corporation in their first report for the period ended 31st December 1955, makes encouraging reading. The Corporation is stated to have had many requests for loans or other forms of assistance. But many of these requests related to businesses run by partnerships and individuals, and as such, did not lie within the scope of the Corporation's activities. For the Corporation has decided that it should not entertain applications for assistance from individual and partnership concerns.

During the period under review, the Corporation received enquiries covering a wide range of industrial activities from all corners of India. Of these, only 11 applications were accepted for providing financial assistance in one form or another, and at the close of the year, 25 applications were pending consideration. The Corporation decided to offer loans or other aid only in five cases, and the Directors observe: "It will be appreciated that since the Company examines all aspects of a project for the establishment of a new industry or the modernisation or expansion of an existing one before it agrees to give assistance, there is necessarily a substantial time lag between the receipt of an application and the disbursement of funds."

Of the 11 applications, five related to the underwriting of public issues of ordinary or preference capital, four called for direct subscriptions to ordinary or preference capital and two were concerned with loans. The industries covered by the applications included manufacture of paper, electric equipment, fuel injection equipment, chemicals and equipment for the textile industry, refining of sugar and metal ores, and cotton spinning. The amounts which it was agreed to provide for any one concern ranged from approximately Rs. 5 lakhs to Rs. 1 crore.

It is encouraging to note that the Corporation has bestowed much attention on the problem of underwriting public issues of capital. The establishment of a regular organisation for this purpose was long overdue. In fact, many official enquiries including that conducted by the Shroff Committee appointed in 1954 by the Reserve Bank of India had emphasised the urgency for establishing an organisation which could underwrite new capital issues. This lacuna has now been filled by the underwriting operations undertaken by the Corporation.

The audited accounts of the Corporation for the period under review shows a net profit of Rs. 25.33 lakhs. The income from interest and dividends was Rs. 32.16 lakhs. Underwriting commission and brokerage earned aggregated Rs. 2.04 lakhs.

The Directors have decided to write off, from the net profit, a sum of Rs. 1.09 lakhs by way of preliminary expenses and Rs. 1.42 lakhs, being the brokerage paid on the issue. A sum of Rs. 5 lakhs has been credited to general reserves. The provision for taxation has amounted to Rs. 10.58 lakhs.

STERLING AREA DOLLAR RESERVES IMPROVE

The gold and dollar reserves of the sterling area as at 29th February last show a smart increase of $61 million, a rise which is the biggest inflow for nearly two years. This compares with an increase of $29 million recorded in the preceding month. The fact that, for the second consecutive month, the reserves have shown an increase reflects an improvement in the British economy. It may be mentioned here that with the exception of January and April 1955, when the reserves registered a net gain of just over $1 million and $19 million respectively, there was an almost continuous outflow from the reserve.

The relevant figures published by the British Treasury last week-end show that at the end of February, the sterling area gold and dollar reserves stood at $2,210 million, as compared with $2,149 million in the preceding month.

Defence aid received from the U.S. in February was $6 million which was the same amount as in January.

The improvement in February is stated to be not wholly due to the increase in the Bank rate effected in the mid-month. For it is pointed out by officials of the Treasury that the inflow of gold was fairly even throughout the month and that it had been taking place before the Bank rate was put up.

That there is no cause for any undue complacency as a result of the inflow into reserves is, however, indicated by Britain's continuing deficits with the E.P.U. In February the U.K. had a deficit of £8 million, following deficits of £4 million in January last and £11 million in December 1955. There have been deficits every month since June 1955. In February a sum of $8 million was paid to the European Payments Union as 75 per cent. of Britain's January deficit, the balance being added to book debt. In addition, $2 million was paid to E.P.U. off old debts under bilateral settlements.

In spite of a deficit with the European Payments Union, Britain reaffirmed only last week at the O.E.E.C. meeting its adherence to the trade liberalisation programme. It is pointed out that several countries in Europe with whom Britain is individually deficit are less advanced than Britain in the matter of trade deficit.

MERCANTILE BANK OF INDIA LTD.

The Directors of the Mercantile Bank of India Ltd. have declared a second interim dividend of 7 per cent. less income-tax on all shares of the Bank for the year ended 31st December 1955. The dividend is payable on 20th March 1956. It will be recalled that the first interim distribution of 7 per cent. for the year was made in September 1955.

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BANK OF MYSORE'S PROFIT NEARLY MAINTAINED

FURTHER RISE IN DEPOSITS

A FURTHER expansion in the resources and the turnover of business is indicated by the audited accounts of the Bank of Mysore Ltd. (General Manager: Mr. B. V. Narayana Reddy, Bangalore), for the year ended 31st December 1955. Thus, the deposits of the Bank, at the end of the year under review, disclose a rise of Rs. 56.50 lakhs. Advances show an expansion of over Rs. 42 lakhs and the investments and cash balances have been well maintained at the previous year's level. This expansion of business is duly reflected in the rise of nearly Rs. 4 lakhs in gross income. The profit has, however, suffered a small shrinkage, in distinct contrast to the general trend of bank profits, consequent on the sharp rise in expenses.

The profit of the Bank for the year under review amounts to Rs. 17.21 lakhs, as compared with Rs. 17.64 lakhs for the previous year and Rs. 17.91 lakhs for 1953. Thus, this is the second year in succession for which the Bank's profit has suffered a decline, albeit a small one. The provision for taxation, which had been raised last year from Rs. 6 lakhs to Rs. 7 lakhs, has been restored to Rs. 6 lakhs. The reserves, which had not received anything in the previous three years, have, on the other hand, been strengthened by the addition of Rs. 1 lakh to the reserve for contingencies. The allocation for distribution of bonus to staff has been further stepped up from Rs. 2.75 lakhs to Rs. 2.84 lakhs. The distribution to the shareholders has been maintained at 16 per cent. per annum, made up of a dividend of 12 per cent. and a bonus of 4 per cent., and this is the eleventh year in succession for which the distribution is being repeated.

The salient features of the Bank's profit and loss account for the past four years and the balance-sheet as at the close of each of these years provide an idea of the Bank's progress:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount ..	50.90	49.55	47.35	43.18
Commission and exchange ..	9.64	7.04	5.69	5.79
Gross income	60.73	56.80	53.24	49.18
Interest paid	19.18	17.91	15.47	13.13
Expenses	23.53	20.58	19.10	18.04
Depreciation on and repairs to property	0.81	0.67	0.76	0.71
Profit	17.21	17.64	17.91	17.30*
Appropriations for—				
Taxation	6.00	7.00	6.00	6.00
Depreciation on investments	..	..	..	2.81
Reserves	1.00	..	..	..
Bonus to staff	2.84	2.75	2.50	2.25
Dividend	8.00 (D.12% +B.4%)	8.00 (D.12% +B.4%)	8.00 (D.12% +B.4%)	8.00† (D.12% +B.4%)
Carry forward	1.79	2.27	2.38	0.86

	As on 31st December			
	1955	1954	1953	1952
Capital	50.00	50.00	50.00	50.00
Reserve fund	84.00	84.00	84.00	84.00
Deposits	10,55.36	9,98.86	8,88.90	8,77.93
Advances (incl. bills purchased and discounted and money at call)	7,52.33	7,10.19	6,93.78	6,03.20
Investments	3,33.83	2,99.88	2,92.61	3,00.34
Cash	91.24	1,72.58	81.14	1,53.38
Balance-sheet total ..	13,45.75	13,05.03	11,58.25	11,34.23
Ratio to deposits of—	%	%	%	%
Advances	71.3	71.1	78.0	68.8
Investments	36.7	30.0	32.9	33.2
Cash	8.6	17.3	9.1	17.5

* Before providing for depreciation on investments.
† Includes Rs. 1 lakh drawn from dividend equalisation fund.

The upward trend in gross income of the Bank noted in the previous two years has been maintained in the year under review also. What is more, with a further rise of Rs. 3.93 lakhs, it has established a fresh record in the history of the Bank. The increase has been shared by the income from interest and discount and that from commission and exchange, the rise in the latter being more marked than that in the former. The pace of increase in outgo by way of interest paid has also slowed down, while a sharp rise of Rs. 2.95 lakhs is noted in expenses, of which salaries and allowance and provident and gratuity fund contributions alone account for Rs. 2.67 lakhs.

The latest balance-sheet of the Bank discloses an increase of Rs. 56.50 lakhs in deposits over the year. Though this expansion in deposits is not as impressive as that noted at the end of 1954, it is no doubt a useful one and has served the Bank not only to maintain the upward trend since 1952, when the deposits fell from Rs. 9.92 crores as at the end of 1951 to Rs. 8.78 crores, but to establish a fresh record since the close of 1948. The rise in deposits is mainly accounted for by fixed deposits which have gone up by Rs. 56 lakhs to Rs. 4 crores and thrift and savings bank deposits which are up by Rs. 22 lakhs to Rs. 2.23 crores. Current accounts, contingency accounts, etc., have, on the other hand, declined by Rs. 22 lakhs to Rs. 4.32 crores, in distinct contrast to the rise of Rs. 85 lakhs noted at the close of 1954. On the assets side, advances show an increase of Rs. 42 lakhs, which has not, however, been shared by all classes of advances. For loans, cash credits and overdrafts are actually lower by Rs. 10 lakhs at Rs. 5.80 crores. Bills discounted and purchased are up by Rs. 20 lakhs at Rs. 1.21 crores and money at call and short notice by Rs. 32 lakhs at Rs. 51 lakhs. Investments (at or below cost) have been strengthened by Rs. 84 lakhs to Rs. 3.84 crores, most of which represent those in Central and State Government bonds and other trustee securities, the market value of the same being Rs. 3.77 crores. The difference between the market value and book value of the investments is more than adequately covered by the provision for depreciation in investments amounting to Rs. 9.33 lakhs. Cash balances have shrunk by Rs. 81 lakhs and, with the rise in deposits noted above, the cash coverage to deposits has halved from 17.3 per cent. at the end of 1954 to 8.6 per cent. at the close of the year under review. The total liquidity ratio is, however, very comfortable at 45.3 per cent.

(Concluded from next column)

It will be observed that the upward trend in the Bank's gross income has made a large stride during the year under review with a rise of Rs. 9.46 lakhs. This improvement in earnings has been well shared, as the table shows, by interest and discount earned, as well as exchange and commission. A substantial part of the rise in income has been offset by the increase of Rs. 1.94 lakhs in interest paid and of Rs. 4.57 lakhs in expenses.

With the addition of Rs. 2 lakhs out of the profit for the year under review, the Bank's reserve fund stands at Rs. 35 lakhs, as against a paid-up capital of Rs. 40 lakhs. As already pointed out, the deposits have gone up by Rs. 3.22 crores, thus more than making good the decline of Rs. 40.02 lakhs noted at the end of 1952 when the deposits declined to Rs. 5.66 crores from the then record level of Rs. 6.07 crores in 1951. The bulk of this rise in deposits is accounted for by current accounts, contingency accounts, etc., which have gone up from Rs. 3.51 crores to Rs. 5.97 crores. Savings bank deposits are up by Rs. 8 lakhs at Rs. 66 lakhs and short and fixed deposits and 3-year cash certificates by Rs. 69 lakhs at Rs. 2.48 crores. Consequent on the substantial improvement in cash balances, the borrowings from banks, which had stood at Rs. 40 lakhs at the end of 1954, have been repaid. Of the rise of Rs. 1.86 crores in advances, loans, cash credits and over-drafts account for Rs. 89 lakhs and bills purchased and discounted for Rs. 77 lakhs. At Rs. 5.50 crores, the total advances constitute a record (so far as the year-end figures are concerned) in the history of the Bank.

SHARP RISE IN UNION BANK'S PROFIT

DEPOSITS AT A RECORD LEVEL

THE audited accounts of the Union Bank of India Ltd. (General Manager: Mr. F. K. F. Nariman, Bombay) for the year ended 31st December 1955 make impressive reading, in that they indicate a substantial improvement in the Bank's turnover, accompanied by a sharp rise in earnings. The expansion in business is duly reflected in the rise of Rs. 5.09 crores to Rs. 13.05 crores in the balance-sheet total, thanks mainly to the increase of Rs. 3.22 crores in deposits to a record level of Rs. 9.11 crores. The expansion in resources, it may be noted here, has been well utilised to raise the main revenue-earning asset, namely, advances, from Rs. 3.84 crores to Rs. 5.50 crores, without in any way affecting the liquidity ratio.

The profit of the Bank shows a marked increase from Rs. 6.76 lakhs to Rs. 9.45 lakhs, thereby not only reversing the downward trend noted in the previous three years, when the profit declined from Rs. 8.92 lakhs earned in 1951 to Rs. 6.76 lakhs in 1954, but establishing a fresh record in the history of the Bank. Thanks to this impressive improvement in earnings, the provision for taxation has been raised from Rs. 1.15 lakhs to Rs. 1.75 lakhs and the addition to the reserve fund under section 17 of the Banking Companies Act, 1949, has been stepped up from Rs. 1.50 lakhs to Rs. 2 lakhs. The transfer to the contingencies account has, however, been maintained at Rs. 50,000, whereas the provision for payment of bonus to staff has been increased from Rs. 90,000 to Rs. 1.25 lakhs. In addition, a sum of Rs. 75,000 (as against *nil* a year ago) has been utilised to write off premises account. The dividend to shareholders has also been stepped up to 7½ per cent. per annum (free of income-tax) from 6¾ per cent.

The following comparative table provides an idea of the Bank's progress during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Gross income	40.53	31.07	27.00	26.28
Interest and discount earned ..	31.52	26.74	24.55	23.00
Exchange and Commission ..	5.21	1.07	1.02	0.79
Interest paid	14.08	12.14	10.32	9.87
Expenses	16.57	12.00	9.61	9.02
Depreciation	0.43	0.17	0.25	0.21
Profit	9.45	6.76	6.79	7.18
Appropriations—				
Taxation	1.75	1.15	1.00	1.00
Reserves	2.50	2.00	2.00	2.75
Bonus to staff	1.25	0.90	0.80	0.72
Premises written off ..	0.75	..	0.50	..
Dividend	5.00 (7½%)	2.75 (6¾%)	2.75 (6¾%)	2.75 (6¾%)
Carry forward	1.96	1.76	1.80	2.06

	As on 31st December			
	1955	1954	1953	1952
Capital	40.00	40.00	40.00	40.00
Reserves	35.00	33.00	31.50	30.00
Deposits	9,10.74	5,88.66	5,78.00	5,66.82
Borrowings from banks ..	..	40.00	14.50	..
Advances	5,50.26	3,83.75	3,06.84	2,54.45
Investments	2,94.90	2,34.31	2,80.76	2,50.06
Cash	1,40.42	74.38	72.46	1,00.60
Balance sheet total	13,05.01	7,95.61	7,01.32	6,60.01
Ratio to deposits of—	%	%	%	%
Advances	60.4	65.2	54.7	44.9
Investments	32.4	34.5†	47.0†	49.4
Cash	15.4	12.6	12.5	17.7

(Continued in previous column)

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CENTRAL GOVERNMENT'S CAPITAL BUDGET

RECEIPTS FROM TREASURY BILLS ESTIMATED AT RS. 390 CRORES

THE capital budget of the Government of India for 1956-57 discloses a surplus of Rs. 52.24 crores, which compares with the surplus of Rs. 5.78 crores in the revised budget for 1955-56. The improvement in surplus has occurred despite the marked expansion of Rs. 141.44 crores in the capital disbursements, the estimate of which is placed at Rs. 691.63 crores, as against Rs. 550.19 crores. The improvement, it must, however, be said, is not real, inasmuch as it is largely the result of the Finance Minister taking credit for Rs. 390 crores as net receipts from Treasury Bills. The aggregate capital receipts of the Government for 1956-57 are expected to be Rs. 743.87 crores, as against Rs. 555.97 crores (revised) in the current year, or a rise of Rs. 187.90 crores.

The anticipated increase in capital receipts during 1956-57 has been shared principally by Treasury Bills, the net receipts from which are estimated, as already mentioned, at Rs. 390 crores, as against Rs. 240 crores in the revised budget for 1955-56. Receipts from new loans are also estimated higher at Rs. 139.50 crores (excludes the effect of budget proposals), as against Rs. 112.91 crores. The other important sources which are expected to yield larger receipts are 'other' loan repayments (+Rs. 4.55 crores), National Plan certificates (+Rs. 2.50 crores), other unfunded debt (+Rs. 1.26 crores) and post office savings banks (+Rs. 1.90 crores). The receipts under 'other' deposits and advances (net), on the other hand, are estimated lower at Rs. 66.89 crores, as against Rs. 74.51 crores.

The major portion of the expansion of Rs. 141.44 crores in capital disbursements for 1956-57, as noted above, must be attributed to the enlarged capital outlay on industrial development and railways, the increase being to the extent of Rs. 63.72 crores and Rs. 41.35 crores, respectively. Provision for other loans and advances and advances to State Governments have also been stepped up by Rs. 40.33 crores and Rs. 23.28 crores, respectively. Capital outlay on displaced persons, too, has been raised by Rs. 25.25 crores. The outlay on the discharge of permanent debt, however, is estimated substantially lower at Rs. 4.56 crores, as against Rs. 73.12 crores.

The details of capital disbursements in the 1956-57 budget, as compared with those for 1955-56 (budget and revised) and 1954-55 (accounts) are as follows:

(In crores of rupees)

	1956-57 Budget	1955-56 Revised	1955-56 Budget	1954-55 Account
Railways	113.43	72.08	66.09	32.25
Irrigation	0.18	0.11	0.23	0.24
Posts and Telegraphs	9.75	10.73	11.85	9.33
Industrial Development	79.60	15.88	42.42	13.37
Aviation	3.37	4.91	5.28	3.28
Broadcasting	1.55	1.75	2.00	0.33
Ports	5.76	5.10	5.29	0.43
Mint	0.38	0.43	0.50	0.33
New Capital at Delhi	10.07	6.86	6.86	4.06
Multi-purpose River Schemes	2.37	3.05	4.30	3.36
Electricity Schemes	0.77	0.45	0.38	0.08
Civil Works	18.24	22.33	10.26	13.08
Commutation of Pensions	—0.19	—0.28	0.01	0.02
Sterling Pensions	—8.32	—5.78	—6.95	—7.05
Defence Capital Outlay	26.30	20.40	22.38	8.47
Schemes of Government Trading	9.51	—11.02	29.00	63.47
Development Grants	12.39	14.83	18.31	10.31
Displaced Persons	26.24	0.99	20.99	11.74
Shipping Tankers, etc.	1.35	0.50	1.00	..
Other Civil Heads	4.50	9.42	9.10	0.30
Discharge of Permanent Debt	4.56	73.12	73.05	49.49
Inter-State Debt Settlement	0.06	0.68	0.45	1.10
Advances to State Governments	274.26	250.98	279.29	193.27
Other Loans and Advances	96.00	55.67	56.36	29.70
Total	691.63	550.19	632.45	440.90

It will be seen from the above table that, next to Railways, capital outlay on industrial development is the largest single item of its kind, the total sum earmarked being Rs. 79.60 crores. This includes provisions which the Government has made for a variety of undertakings—Government and quasi-Government. The provision for the three new steel plants alone is put at Rs. 44 crores, which represents as much as 56.5 per cent. of the total outlay of Rs. 79.60 crores. The details of the other items expenditure—in lakhs of rupees—under "industrial development" for 1956-57 (figures in brackets are the revised estimates for 1955-56) are given below:

Bhilai steel plant Rs. 18,74 (2.50); Rourkela steel plant 15,00 (5.00 budget); Durgapur steel project 10,00 (25) ; collieries 10,71 (1,16) ; Air Corporations 3,94 (4,90) ; purchase of shares of International Finance Corporation 2,11 (nil); grants to the Council of Scientific and Industrial Research 1,50 (79) ; oil exploration scheme 1,33 (59) ; Hindustan Shipyard 90 (64) ; Coal production programme 79 (nil) ; lignite development project 76 (89) ; Eastern Shipping Corporation 74 (37) ; Hindustan Antibiotics Ltd. 50 (70) ; National Instruments Factory 40 (20) ; Overseas Communicative Service 37 (40) ; heavy electrical equipment factory 37 (2) ; salt works 35 (13) ; Institute of Small-scale Industries 30 (nil) ; second D.D.T. factory 29 (3) ; corporation for mineral and sand separation industry 25 (nil) ; Hindustan Machine Tools Ltd. 25 (nil) ; additional fertilisers 25 (20) ; purchase of shares in Nangal Fertilisers and Chemicals Ltd. 25 (nil) ; civil explosives factory 24(8); uranium metal processing plant 20 (nil); acquisition of land for atomic energy establishment 18 (nil) ; atomic energy establishment buildings, store house, fencing and levelling 10 (nil); investment in State Trading Corporation 10 (nil) ; Housing Corporation, Delhi 5 (nil) ; Hindustan Insecticide Ltd. 5 (22) ; titanium metal sponge plant 5 (nil) ; equipment for Bureau of Mines 5 (nil) ; plant and equipment for dry freeze vaccine laboratory, Guindy 3 (nil) ; scheme for industrial development of Andamans 2.5 (nil).

Provision has been made in the capital budget for civil works estimated to cost Rs. 20,000 or more. This item will absorb Rs. 18.24 crores during 1956-57, as against Rs. 22.33 crores in the revised estimate for 1955-56. Of this, national highways and other roads account for Rs. 12.00 crores (Rs. 16.30 crores in the 1955-56) and construction of buildings for Rs. 8.47 crores (Rs. 4.16 crores). The estimate of expenditure on construction houses, etc., for displaced persons is placed at—Rs. 2.23 crores (Rs.+1.87 crores).

The Defence capital outlay is estimated at Rs. 28 crores, as against Rs. 24.06 crores. Credit has been taken under this head for Rs. 3.26 crores this year and Rs. 1.49 crores next year on account of realisation of sale proceeds of surplus stores and Rs. 40 lakhs this year and Rs. 21 lakhs next year for donations for the National Defence Academy.

Among the schemes of Government trading, the most important is purchase of foodgrains. As against the net expenditure of Rs. 29 crores budgeted for the year, the revised estimate shows a net recovery of Rs. 11.02 crores. The variation of over Rs. 40 crores is due almost entirely to less expenditure on food purchases and reduced imports of sugar from abroad, following improvement in indigenous production and the corresponding reduction in transfer of profits to revenue. Budget includes a net expenditure of Rs. 9.44 crores for the purchase of foodgrains, Rs. 66 lakhs for land reclamation scheme and a net recovery of Rs. 19 lakhs on account of import of iron and steel under Technical Co-operative Agreement. The expenditure of Rs. 2.24 crores for fertilisers imported from abroad is expected to be recovered in full from their sale proceeds. No sugar will be imported next year, but the Budget includes Rs. 1.25 crores on account of certain outstanding charges for the imports made this year and Rs. 5 crores for transfer to revenue of the accumulated profits on the sale of imported sugar. The whole expenditure of Rs. 6.25 crores will, however, be met from the sale proceeds of sugar.

A provision of Rs. 12.39 crores (as against Rs. 14.83 crores in 1955-56) has been made for giving development grants to States in the coming year. The purposes for which the grants will be given are: Local works Rs. 3.77 crores (Rs. 5.07 crores), industrial housing Rs. 3.70 crores (Rs. 2.90 crores) ; grants to Part B States Rs. 1.29 crores (Rs. 4.63 crores) ; national rural water supply and sanitation schemes Rs. 80 lakhs (Rs. 2.25 crores) ; roads of inter-State or economic importance Rs. 1.84 crores (nil) ; and grant to Punjab Government for construction of capital at Chandigarh Rs. 1.00 crore (nil).

Budget provides for the purchase of two tankers at an estimated price of Rs. 2 crores, of which only Rs. 1 crore are likely to be utilised during the year. In addition, Rs. 35 lakhs have been included on account of the cost of conversion of the third survey ship. Budget also includes Rs. 15 lakhs for the establishment of a security paper mill in India and Rs. 55 lakhs for the balance of payment to be made to the Reserve Bank next year on account of the shortfall in the Hyderabad paper currency reserve.

Apart from the aforesaid items of capital outlay, the capital disbursements in the 1956-57 budget include Rs. 274.26 crores that will be given as advances to State Governments. This sum represents a rise of Rs. 23.28 crores as compared with the revised estimate of Rs. 250.98 crores for 1955-56. The broad details of advances to States are given below:

(In crores of rupees)

Particulars	1956-57 Budget	1955-56 Revised	1955-56 Budget
Irrigation loans	69.71	60.00	80.56
Miscellaneous Development loans	48.83	67.56	51.00
Rehabilitation of displaced persons	9.53	9.36	14.50
Grow-more food schemes including tube-well schemes and Agricultural finance	28.88	38.40	48.90
Community Development Projects and National Extension Services schemes	14.55	8.02	10.50
Industrial Housing and other Housing Schemes	7.70	2.02	6.80
Low and Middle Income Group Housing Schemes	6.00	8.80	4.00
Relief Work in Natural Calamities and Improvement in Scarcity affected areas	8.00	19.00	21.00
Flood Control	5.00	9.50	10.00
Expansion of Power facilities for increasing employment	4.00	5.00	10.00
Development of Handloom and Small Scale Industries	5.80	4.55	4.57
Vaitarana cum Tansa Schemes of Bombay Municipal Corporation	..	2.50	1.50
Urban Water Supply Scheme	3.00	5.17	6.00
Schemes of sharing Small Savings Collections	18.00	16.00	..
Abolition of inter-State transit duty in certain Part B States	..	1.96	1.96
Food Purchase by Jammu and Kashmir Government	..	1.00	..
Ways and Means	50.00	..	..
Industrial Estates	1.00	..	..
Others	3.06	2.80	8.84
Total	283.06	261.73	290.19

A part of the loans for development purposes included above is proposed to be met out of the Special Development Fund, the credit actually taken being Rs. 5.00 crores, as against Rs. 7.44 crores, and other funds. The latter include fund for development of handloom and *khadi* industries Rs. 3.20 crores (Rs. 2.85), fund for benefit of cotton growers Rs. 40 lakhs (Rs. 28 lakhs), and sugar (temporary) excise fund Rs. 20 lakhs (Rs. 17 lakhs). All these together aggregate Rs. 8.80 crores, as against Rs. 10.74 crores. The net advances to State Governments thus come to Rs. 274.26 crores for 1956-57, as against Rs. 250.99 crores in 1955-56.

Another important item of capital disbursements is "other loans and advances," the provision for which has been enhanced, from Rs. 55.67 crores to Rs. 96.00 crores. Out of this amount, advances to Part C States account for Rs. 11.39 crores, as against Rs. 11.90 crores, while those to foreign Governments and Port Trusts for Rs. 15.00 crores and Rs. 7.06 crores, as against Rs. 5.19 crores and Rs. 8.11 crores, respectively. The sums proposed to be advanced to some of the other projects in the private and public sectors during 1956-57, as compared with those for the current year (budget and revised) are indicated below:

(In crores of rupees)

	1956-57 Budget	1955-56 Revised	1955-56 Budget
Loans to Tata Steel Company and Hindustan Steel Ltd.	20.42	12.96	12.50
Loans to private companies for Visakhapatnam built ships and ships for coastal and overseas trade	10.50	6.21	8.32
Industrial Finance Corporation	6.00	0.24	..
Sindri Fertilisers and Chemicals	3.84	1.63	1.50
Development of village and *khadi* industries	2.55	2.52	2.50
National Industrial Development Corporation	2.01	0.50	4.90
Life Insurance Corporation	2.00	..	..
Rehabilitation Finance Administration	1.50	0.65	2.45
Air corporations	1.50	2.09	1.10
Displaced persons	1.30	2.93	3.75
Low and middle class housing	1.11	0.06	..
National Small Industries Corporation	0.80	0.09	0.10
Loan to Atul Products Ltd.	0.75	..	0.75
Loans to private firms for industrial housing	..	..	..
Delhi Road Transport Authority	0.80	0.42	1.00
	0.70	0.28	0.58

The one item in the list of capital disbursements for 1956-57 which shows an appreciable fall is the provision made for discharge of permanent debt; the estimate is placed at Rs. 4.56 crores, as against Rs. 73.12 crores in 1955-56 (revised). This is because of the fact that no rupee loan is due for discharge next year. The budget includes Rs. 57 lakhs for expired loans, Rs. 94.67 lakhs for Railway sterling annuities, etc., Rs. 213.25 lakhs for loans from the World Bank (103.35 lakhs for the Railway project from Rs. 56.33 lakhs for the agricultural machinery project loan, Rs. 39.97 lakhs for Bokaro-Konar project loan and Rs. 13.6 lakhs for 11 Damodar Valley Corporation loan), and Rs. 80 lakhs as the first instalment of the repayment to the U.S.S.R. on account of equipment for the Bhilai steel project to be received during the year. Provision is included under this head for Rs. 11 lakhs on account of the repayment of the principal portion of 15-year Annuity Certificates.

TEXTILE EXPORTS IN JANUARY

FUTURE OF COTTON BOARD DISCUSSED

From Our Special Correspondent

MANCHESTER, *28th February*

ALTHOUGH exports of both yarn and cloth last month were slightly higher than in December, earnings from cotton goods as a whole declined so that the depressing picture of foreign trade remains unrelieved. The value of shipments was £7,402,243, the lowest figure for a number of years, if months when dock labour troubles intervened are disregarded.

MANCHESTER LETTER

Cotton yarn exports at 3,269 919 lbs. worth £1,303,254, were certainly in excess of several months during 1955 but the quantity now being shipped abroad is meagre in relation to former trade of this kind. The share of business absorbed by Australia is shrinking, with shipments during January of 552,000 lbs., but a revival has taken place in exports to India and Pakistan which amounted to 354,000 lbs. and 388,000 lbs. respectively.

Chief Buyers

The movement of cloth to overseas markets at 40,923,000 square yards, valued at £5,207,414, was below the monthly average for last year and current conditions do not foreshadow any immediate improvement. Chief buyers were unaltered compared with recent months, although takings by Australia were again down at 6,364 000 square yards. Business with South Africa accounted for 4,575,000 square yards and reduced purchases were also recorded for Nigeria and the Gold Coast, which took 2,871,000 yards and 2,230,000 yards respectively.

Against these trailing export figures must be set the volume of imported grey cloth which has lately shown signs of reviving. In January, arrivals aggregated 20,518,000 square yards, the highest figure since August, but well below the January 1955 level when more than 33,500,000 yards of material entered this country. It is significant that arrivals of foreign rayon cloth reached nearly 9,000,000 yards last month against only 5 000,000 yards in January 1955.

Imports of foreign cotton grey cloth last month were mainly from India, whose mills supplied 9,528,000 square yards. Arrivals from Hong Kong were 4,768,000 yards and from Japan 3,081,000 yards.

Cloth Imports

Although another delegation to London has failed to impress Mr. Peter Thorneycroft, President of the Board of Trade, with Lancashire's arguments for restrictions on cotton cloth imports, the campaign for what the cotton industry regards as justice seems likely to continue.

The first move towards more protests against unrestricted imports was taken in Manchester by the Legislative Council of the United Textile Factory Workers' Association which decided to press for a demonstration meeting of representatives from every section of the industry. This proposal will be put forward at a meeting of the Cotton Board Joint Standing Conference on overseas trade policy.

Mr. Harold Bradley, Secretary, said keen disappointment was expressed at the meeting of the Legislative Council that the delegation to Mr. Thorneycroft had been unable to make progress. "If trade remains as it is there will be no cotton industry in five years' time," he said.

Union leaders intend to summon a special meeting of the Legislative Council to discuss whatever action the Cotton Board Standing Conference decided to take.

Cotton Board's Future

Talks opened in Manchester this week between officials of the Board of Trade and representatives of the cotton industry on the future of the Cotton Board. A review of the functions and constitution of the Board is required every five years under the terms of the Industrial Organisation and Development Act, 1947, by which the Cotton Board was established.

During the past few months trade organisations in the industry have been considering their attitude towards the Board, as its current period of existence under the Act expires at the end of next month. Various recommendations have been submitted to the Board of Trade, resulting in the conference which was attended by Mr. L. H. Robinson, a Second Secretary at the Board of Trade.

According to the official statement issued after the two-hour meeting, "various proposals concerning the constitution and functions of the Cotton Board were discussed." Consultations were continuing, the statement added, and further meetings will be held on points of sectional interest with the trade bodies concerned.

There has been much speculation in Lancashire cotton circles at the outcome of these discussions. Leading figures in the industry have been outspoken in their criticism of the Board's handling of the case presented to the Government on foreign cloth imports and other important topics affecting the mills.

The view is widely held that certain sections are opposed to the retention of a permanent chairman of the Board and would prefer that a part-time chairman from the industry itself should be elected in place of Sir Raymond Streat.

Russia has become Lancashire's second best customer for textile machinery. Last month she purchased more plant than any of the 40 other countries which bought machinery from Lancashire, with the exception of India.

Figures given by the Board of Trade show that shipments to Russia aggregated 25,732 cwts., valued at £563,863. It is the first time that details of British textile plant exported to the Soviet have been given in Board of Trade returns.

A spokesman for the Textile Machinery and Accessory Manufacturers' Association said in Manchester this week: "It includes plant for spinning, weaving and finishing. The substantial shipments follow the £7,000 000 contracts placed by Russia some time ago."

Mill Manpower Rising

An improved recruitment trend since the beginning of the year has enabled Lancashire cotton spinning mills to increase their labour force by 650 workers.

Figures given by the Cotton Board show that the majority of the new recruits have been full-time operatives. These aggregated 384 as compared with 270 part-time workers. The number of operatives on spinners' books has increased to 100,610. Of this total, 91,200 were at work in the week ended 11th February, when output of cotton, rayon and mixture yarn rose by 20,000 lbs. to 17,670,000 lbs. Production in the corresponding week last year was almost 2,000,000 lbs. higher at 19,660,000 lbs.

Disappointment

A special committee representing every section of the cotton industry is to be set up to continue the campaign to persuade the Government of the merits of Lancashire's case for cloth import restrictions. This was the decision taken at a two-hour meeting of the Cotton Board Joint Standing Conference on overseas trade policy which expressed "profound regret" at what was described as the Government's inability to take action.

Suggestions on how the new campaign should be waged will be considered in detail by this special committee and it has already been decided to publish the full 30-page document presented to the President of the Board of Trade, Mr. Peter Thorneycroft, outlining Lancashire's arguments for controls.

Basically the function of the committee, until such time as it is thought opportune to make another approach to Mr. Thorneycroft, will be to acquaint responsible public opinion with the facts about the serious effects in Lancashire of growing imports of cheap cotton cloth.—*All Rights Reserved.*

UK'S IMPORTS OF CLOTH

Cotton traders in Lancashire have not given up the struggle to convince the Government that some curb on the import of foreign cloth is necessary, if the industry is to maintain its position and not lose further ground. Although members of the delegation who visited Mr. Thorneycroft recently returned to Manchester feeling that further journeys of such a nature were useless for the time being, the fact that the President of the Board of Trade admitted that their case was a good one has given them some heart to continue the struggle. Already, meetings have taken place and a fresh campaign is being planned. The idea is to publicise the case presented to the Government and leave it to the judgment of customers at large as to whether the call for protection is justified.

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PROMOTING COTTON TEXTILE EXPORTS

SALE EFFORTS IN PRICE, QUALITY AND SERVICE MUST BE INTENSIFIED

WITH renewed emphasis, Mr. Chinoobhai C. Javeri, President of the All-India Exporters' Association, Bombay, in the course of his speech at the thirteenth annual meeting held in Bombay the other day, urged that the export trade in cotton textiles called for intensive selling efforts in price, quality and service. The trade needed, he declared, organising and systematising on sound scientific basis. While much care and caution were to be exercised by trade and industry in their dealings, a certain degree of Government assistance was, he said, necessary. In this connection, he specially pleaded for abolition of export duty on coarse cloth and removal of hardships involved in following the procedural formalities for collecting the duty.

Mr. Chinoobhai did not, of course, cry "wolf"; he stated that the writing on the wall did not warrant it. But he made it clear that the textile interests could not afford to be complacent, especially when the tempo of competition in world textile trade had gathered momentum. There is no exaggeration whatever in this view. As. Mr. Chinoobhai himself revealed, Lancashire has been clamouring for protection against imports of low-priced cloth from India, Japan, and Hong Kong. Since some time, the U.S.A. has been protesting against excessive imports of cloth from Japan, which was 115.98 million yards last year, as against 50.85 million yards in 1954. New China and Pakistan have also gained ground as competitors in the field. Thus, the world markets are contracting, while sellers are increasing in number. To cap it all, the domestic prices are high and more lucrative to induce mills to sell for export. Our position in export of medium and coarse count cloth has become vulnerable. More competitors are entering the field. Bulgaria has recently sold substantial quantities of coarse and medium counts cloth to Ethiopia and Sudan. Reports are also received that Afghanistan has imported a large percentage of its requirements from Russia. This indicates clearly that, in our natural markets, we are losing ground. No more do we enjoy our former monopoly.

What more evidence is required to underline the supreme importance of not merely stimulating exports to the traditional markets of India but also to explore new markets? This aspect has been lucidly stressed by Mr. B. C. Shroff, of Messrs. Chhaganlal Kasturchand, in his report on the prospects for Indian textiles in Aden, Ethiopia and Sudan, published in the *Texprocil Bulletin*. The report assumes added usefulness, inasmuch as it has been written on the basis of first-hand knowledge of the conditions obtaining in the aforesaid textile markets which Mr. Shroff gathered during his recent visit to these countries. In this report, the author surveys the position that actually obtains in the textile markets, draws attention to the complaints of overseas purchasers, examines the extent to which cotton textile exports can be stepped up, and suggests ways and means of meeting foreign competition effectively.

Importance of Markets

The importance of Mr. Shroff's study of the markets in the Sudan, Aden and Ethiopia lies in the fact that these three countries together account for as much as 22 per cent. of the total exports of cloth from India. Thus, out of the 760 million yards shipped during 1954-55, the three countries lifted nearly 171 million yards. The bulk of this quantum—82.52 million yards—was purchased by the Sudan, the share of Aden and Ethiopia being 51.15 million yards and 37.28 million yards, respectively. India is the largest individual supplier of cotton textiles to the Sudan, Aden and Ethiopia. The latter two countries buy from India every year about 66 per cent. and 50 per cent. of their total requirements of textiles, respectively. The principal varieties imported into these centres are grey sheetings, grey drills, leopards, bleached longcloth and mulls, and gadlapat.

Mr. Shroff considers that there is some possibility of augmenting exports of coarse and medium cloth to the aforesaid countries, provided the grievances of importers and consumers are redressed. According to him, there is also scope for stepping up exports of fine and superfine counts, which, however, depends on the ability of the mills to produce comparable foreign qualities at competitive prices. In this connection, he draws attention to the efforts that are now being made by the other leading textile producing countries to gain a foothold in the cotton textile markets referred to above. In the Sudan, for instance, Japan is said to have been successful in cutting out India completely in the trade in prints and in the Continental countries to some extent in bleached longcloth. Similarly, in Ethiopia, Japan has been successfully competing in the trade in khaki. Japan is mostly exporting printed goods and art silk goods with a sprinkling of other cotton textiles. Japan also sends cotton sheetings mixed with staple fibre which is becoming popular. The Russian and Bulgarian manufacturers are now shipping to some of these countries grey sheetings of a better variety than the Indian product at cheaper prices. There has not been much competition in the bulk of the varieties entering the Sudan. However, bleached goods, particularly longcloth from Holland, has been for some time successfully competing with similar Indian product, because of its finish, get-up and cheapness. Japan's efforts in this direction have not met with much success so far. Japan is mostly exporting printed goods and art silk goods. Japan is also exporting cotton sheetings mixed with staple fibre which is becoming popular there. There seems, however, a likelihood of formidable competition from a different quarter in grey sheetings in the near future. Russia has commenced the export of grey sheetings of high quality which are cheaper than the Indian variety of the same standard. While the U.S.S.R. has not pushed its wares further, Bulgarian grey sheetings have now appeared in the Sudan market, of quality similar to Indian greys, manufactured from better quality of Bulgarian cotton and at cut prices—below the comparable Indian variety. The quality and finish of the Bulgarian cloth is, however, much superior.

Valuable Suggestions

The foregoing account clearly brings out the fact that, unless energetic measures are taken to meet foreign competition in Aden, Ethiopia and Sudan, there is the danger of Indian cloth suffering a severe setback in the coming years. Emphasising this aspect, Mr. Shroff has put forward the following suggestions:

(1) The mode of packing must be improved; the Textile Commissioner should see that it is compulsorily adopted by all the mills in the case of exports; there is also need for a uniform system of packing of pieces according to qualities.

(2) Stamping of grey or even white goods should be neat and tidy, and the ink used must be of the glossy type.

(3) While efforts should be made to minimise the number of two-part pieces with a view to eliminating them completely, the stipulated specifications must in no circumstances be departed from.

(4) The tendency on the part of a section of the mills to delay deliveries whenever there is an increased domestic demand which results in late shipments of contracted goods must be curbed.

(5) There is an absolute need for more generous sampling, as it would help importers to show the sample to prospective buyers and secure orders.

(6) Claims for deficiency in quality or delay in shipment or damage to goods, etc., should be settled within a reasonable time.

(7) The ocean and railway freight on cloth exported must be revised downwards.

(8) There is need for appointment of trade representatives and establishment of showrooms.

The aforesaid suggestions of Mr. Shroff are both sensible and timely. If they are implemented in right earnest, the capacity of Indian textiles in overseas markets will be enhanced. Apart from the usual varieties of cloth now being exported, there is scope for exporting other varieties, though this will depend, as Mr. Shroff rightly remarks, on the capacity of the mills to supply goods at competitive prices.

(Concluded from next column)

The legal hitch over the cotton dispute having been solved, the way has been made clear for the commencement of trading in I.C.C. August contract. The proposals concerning the amendments to the by-laws governing the contract have already been submitted to the F.M.C. by the E.I.C.A. The proposals are: the basis and grade of the contract must be retained as fine stapling 13/16". The method of fixing tendering differences should be changed, so that these will be fixed on the basis of forward prices, instead of on spot prices as provided in the existing by-laws. These proposals, it is stated, are under the consideration of the F.M.C. which is expected to give permission for resumption of futures trading in the next few days.

DEADLOCK IN COTTON ENDS

FORWARD MARKETS COMMISSION'S DIRECTIVE UPHELD

THE deadlock in the cotton futures market has at last ended, thanks to the dismissal of the two appeal cases pending in the High Court by the Chief Justice and Mr. Justice Tendolkar. Of these cases, one had challenged the authority of the Forward Markets Commission to issue a directive to the East India Cotton Association (E.I.C.A.) to close out the ruling contracts and the other had challenged the E.I.C.A.'s resolution declaring an emergency in cotton.

Following the suspension of trade in hedge contracts by the Government of India with effect from 24th December 1955 the Directors of the E.I.C.A., it will be recalled, passed, on 6th January, a resolution fixing the ceiling price for hedge contract at Rs. 700 per candy. A member of the Association, Mr. Balchand Shah, thereupon filed a suit against the Directors of the Association to restrain them from acting on the resolution. This suit was eventually compromised on 24th January and it was agreed that the Directors should meet on 25th January and reconsider the fixing of the ceiling price; but, in the meantime, on the evening of 24th January, the Forward Markets Commission, acting under the amended by-law 52AA, fixed the closing out rates for February and May contracts at Rs. 700 and Rs. 686-8, respectively. By-law 52AA was challenged on two grounds. One was that it had a retrospective application and, therefore, was void. The second ground was that it purported to confer upon the Forward Markets Commission power which it could not do for fixing closing out rates.

The cases were heard by Mr. Justice Coyajee recently who upheld both the F.M.C.'s directive to the E.I.C.A. and the latter's resolution on the following grounds:

The allegation of *mala fides* on the part of the Commission is only a technical one, but there is no proof of *mala fides*. On the other hand, the Commission is a statutory body appointed by Government under the Forward Contracts (Regulation) Act with certain functions. Therefore, the allegation of *mala fides* fails. The petitioners have challenged the validity of the notification issued by the Central Government on 21st January last by which by-law 52AA of the E.I.C.A. was amended, and the closing out rates were fixed by the Commission under the amended by-law. Under section 12 of the Act, the Government has power to make or amend the by-laws of the Association, and its powers are co-extensive with the powers of the Association. Therefore, the notification is proper and the communication issued by the Commission is also valid.

Appeal Dismissed

This verdict was greatly disappointing to the aggrieved bull operators who went in appeal and received an interim injunction restraining the E.I.C.A. and its Directors from giving effect to the directive of the F.M.C. The case was heard by the Chief Justice and Mr. Justice Tendolkar. Dismissing the appeal, their Lordships referred to the scheme of the Forward Markets (Regulation) Act, particularly to sections 11 and 12, which confer powers to amend the by-laws. Their Lordships agreed with Mr. Justice Coyajee that the appellants, being members of the E.I.C.A., were bound by its by-laws for the time being in force and by any change in the by-law; it was not open to the appellants to urge that their rights should be regulated by a by-law which was no longer in existence. Their Lordships rejected the argument that a change in a by-law was binding on the appellants only if it was made by the E.I.C.A. but not if the change was made by the Government under the Forward Markets Contracts (Regulation) Act. The views expressed by their Lordships in support of the rejection may be summarised as follows:

Once the Central Government makes or amends a by-law, it is binding in the same way as a by-law made by the Association is binding. Therefore, by-law 52AA is valid and binding upon the appellants. There is no provision in the Act which prohibits the Commission from performing the functions, in certain circumstances, of regulating and controlling forward markets. The Commission has not acted *mala fide*. The affidavit filed by the Chairman of the Commission to the effect that the communication was issued in the interest of the economy of India is a complete answer to the allegation of *mala fides*. In the result, the appeal is dismissed with costs.

Immediately after the High Court dismissed the appeals, the Board of the E.I.C.A. met on Thursday last week and decided to effect outward payments on the 2nd inst. relating to the settlement of I.C.C. February and May contracts. The amount involved in payments was estimated at Rs. 65 lakhs. The inward payments had already been completed on Saturday last week.

(Continued in previous column)

COTTON TEXTILES IN THE SECOND PLAN

NEED FOR ENSURING SUPPLY OF CHEAP AND QUALITY CLOTH PARAMOUNT

By A Special Correspondent

THE draft outline of the second Five-year Plan does not contain production targets for the cotton textile industry. This omission, it has been explained, is due to the need for investigating the "technical and economic factors" relating to the possibilities of the *Ambar Charkha* as an instrument for producing yarn on a mass scale. The targets for cloth and yarn output in the organised sector will, therefore, be determined in a few months "after a clearer assessment becomes possible."

Two issues arise from these observations. In the first place, in a vastly complex and important matter like the clothing of a large and growing population, formulation of policies on the basis of a limited experiment may not prove to be wise. Even assuming that the present tests with the *Ambar Charkha* will be satisfactory, there is no certainty that the experiment can be successfully implemented on a country-wide scale. The distribution of the *charkha* in thousands of widely scattered villages in order that the yarn produced on it may become available to the handloom weaver at his doorstep involves considerable organisation which cannot be brought into existence overnight. Once the scheme is accepted and included in the Plan, it may not be possible to change it even when its inadequacy becomes obvious. This may lead to an acute shortage of cloth and yarn when more of both will be required in the coming years.

In this connection, I can do no better than recall the weighty observations of the Prime Minister who, it must be remembered, is as anxious to popularise the *Ambar Charkha* as its most ardent champions are. Drawing attention to the great difficulty of organisation and of spreading out the *charkha* "over thousands of villages," Mr. Nehru says: "The servicing of it, if something little goes wrong, is another problem. The giving of raw materials and the collection of yarn is a tremendous job. If this machinery does not work satisfactorily, as one might expect, then there might be a lack of production. Therefore, one should rather err on the side of overproduction. It is from that point of view, therefore, that one has to think of what spindles might be required in the mills or elsewhere."

Yarn Requirements

Secondly, in a recent memorandum, the Union Minister for Planning has stated that, by a more extensive operation of their spindles in the second and third shifts, the mills can produce far more yarn than will be required during the second Plan period. One may not agree with Mr. Nanda that all the spindles used in the first shift can be operated in the second shift or that a third shift can be introduced on a more extensive scale than at present, but his conclusion that the mills are capable of delivering the goods is important. Similarly, the Karve Committee has conceded that, "with the mill spindleage already in commission and taking into account the recently licensed spindleage which may, on reasonable estimate, be installed, the additional yarn supply which might be available for the handloom industry is estimated at about 150 million lbs. by the end of 1957-58, that is, just about equal to the estimated additional yarn requirements."

In these circumstances, it is not clear what necessity exists for exploring another source of yarn supply. Indeed, in the controversy over the *Ambar Charkha*, the predilections of the handloom weaver, who will be the major customer for its product, do not appear to have been given any importance. Price and quality will be the most decisive factors, if *Ambar* yarn is to become popular with the weaver. The campaign, launched in certain quarters, for overcoming this hurdle by suggesting the establishment of price parity between mill yarn and *Ambar* yarn cannot find favour with any right-thinking person. For instance, it has been suggested that an expenditure of Rs. 100.18 crores should be incurred during the second Plan period in order to sustain the *Ambar Charkha* in the national economy. It is for serious consideration whether the country's scare resources should be diverted to causes such as the propagation of a manifestly outmoded instrument of production, like this spinning unit, when most experts are agreed that encouragement to hand and household enterprises is only a temporary expedient for reducing the high incidence of unemployment.

A study of the budget of the second Plan makes it abundantly clear that finance will be the Achilles' heel of the Plan. Out of the proposed outlay of Rs. 4,800 crores in the public sector, as much as Rs. 1,200 crores is sought to be raised through deficit financing. The position regarding the other estimated resources is hardly encouraging. The anticipation that market loans and small savings will jointly yield Rs. 1,200 crores is clearly based on overoptimism, just as the expectation that external assistance will amount to Rs. 800 crores is divorced from the realities of the situation. Similarly, the provision of Rs. 450 crores by way of additional taxation ignores the capacity of the hard-pressed taxpayer to bear more burdens. It is significant that, in spite of such lavish budgeting, the planners are still confronted with an uncovered gap of Rs. 400 crores. In these circumstances, would it be wise to impose more burdens on the economy?

A Real Danger

Nor would it be prudent, in the larger interests of the country, to enforce an arbitrary curb on mill production. As the second Plan gathers momentum, there is every likelihood of an appreciable increase in the demand for cloth. There is, therefore, a real danger in the proposal to leave all the additional cloth requirements to be met exclusively by the handlooms. Should there be a shortage of cloth at a time when the pressure of demand becomes great, there will be an inevitable rise in cloth prices, thus rendering all anticipations of higher consumption illusory. Commenting on this aspect of the question, the Prime Minister observes that, if demand outstrips supply, conditions will be created that might affect "not only our cloth position but our whole economy."

It is, of course, not suggested that hand and household enterprises should not be encouraged. Indeed, so long as unemployment remains a major problem, the need for encouraging labour-intensive industries will remain. This is precisely the reason why the spokesmen of the cotton mill industry have whole-heartedly endorsed proposals for giving a higher production target to the handloom sector. They have, however, urged that the production goals of the two sections of the industry should be based on an impartial appraisal of both their capabilities and limitations.

It is evident that the Kanungo and Karve Committees have not given sufficient attention to this aspect of the problem. Both have recommended that the entire additional requirements of cloth during the second Plan period should be met exclusively by the non-mill sector by imposing a rigid ceiling on mill output at the present level of 5,000 million yards per annum. The Committees estimate that the *per capita* consumption of cloth in 1960-61 will be 18 yards. This will necessitate the production of 7,200 million yards to clothe a domestic population of 400 million. If we include 1,000 million yards per annum for purposes of export, the bulk of which has to be found from mill output, the share of the non-mill sector in the total cloth output will be 3,200 million yards per annum.

Complaint Baseless

Leaving the powerlooms to produce 200 million yards per annum as at present, it is too much to expect the handlooms to double their output within the short period of five years. It is part of State policy to give generous assistance to handlooms. Even so, handloom production was 1,200 million yards in 1953, 1,318 million yards in 1954 and 1,450 million yards in 1955. It is noteworthy that, even in the last year of the first Five-year Plan, the output of handloom cloth has fallen short of the target by 25 million yards. It has been argued that the handlooms would have given a better account of themselves, if there had been an adequate supply of yarn. There is, however, no foundation for this complaint. The fact that it has become necessary to export yarn is a clear proof that, so far, the handlooms have not shown any capacity for rapid expansion.

Experts feel that the estimates of *per capita* consumption of cloth made by the Kanungo and Karve Committees are needlessly low. Besides the Minister for Commerce and Industry, the two dissenting members of the Karve Committee, both of whom have intimate knowledge of the textile industry, have expressed the view that the rate of offtake will be 20 yards per head. The textile trade and industry, however, consider that 22 yards would be a more appropriate figure. Even taking the modest estimate of 20 yards *per capita*, the industry will be required to produce 8,000 million yards per annum to clothe 400 million people by the end of the second Plan, besides 1,250 million yards for export.

Undue Reliance

Current production by the three sectors is: 5,000 million yards by mills, 200 million yards by licensed powerlooms and 1,450 million yards by handlooms, all of which amount to 6,650 million yards. By freezing mill and powerloom production at 5,000 million yards and 200 million yards, respectively, would it be possible for the handlooms to expand their output from 1,450 million yards to 4,050 million yards, representing an increase of 2,600 million yards per annum? It is obvious that they are being asked to bite off much more than they can chew.

The spokesmen of the mill industry have, therefore, urged that the assignment of production targets to the different sectors should be both equitable and realistic. They consider that 2,000 million yards per annum would be a reasonable quota for the handlooms. Such a target will fulfil the twofold object of fuller employment and better wages to the men at present engaged in hand weaving.

Moreover, the national economy will greatly benefit, if the mills are permitted to raise their annual output of cloth to 7,000 million yards. Their contribution to the national income will increase from Rs. 130 crores to Rs. 188 crores, while the yield from taxes and levies will rise from Rs. 53 crores to Rs. 74 crores. There is, however, a strong case for reducing the tax burdens which are already weighing heavily upon the industry. The value of fuels, electricity, lubricants, etc., consumed will go up from Rs. 15 crores to Rs. 21 crores and that of materials from Rs. 239 crores to Rs. 335 crores. Wages, salaries and other benefits, accruing to the employees in the industry, will increase from Rs. 99 crores to Rs. 139 crores.

Moreover, the industry will be required to engage an extra 300,000 persons in order to give an additional output of 2,000 million yards of cloth. The textile machinery manufacturing enterprises in the country and the various auxiliary industries catering to the mills will receive a tremendous impetus by an expansion of mill activity. In fact, the impact of higher production by mills will be felt over an extensive area of the national economy, which is to the best advantage of the country as a whole.

To sum up, it is earnestly to be hoped that the allocation of production targets to the two sectors of the industry will be made after taking into consideration the paramount need for ensuring an abundant supply of cheap and good quality cloth in the coming years for both domestic and foreign consumption, so that the planners' dream of giving a better life to the common man may come true.

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ECONOMICS OF STATE TRADING

EXPERIENCE IN INDIA AND OTHER COUNTRIES ANALYSED

By R. G. Saraiya

[The Federation of Indian Chambers of Commerce and Industry which met at New Delhi last Sunday adopted a resolution which stated that the Federation viewed with great concern the proposal for setting up a State trading corporation by the Government of India. The resolution emphasised that State trading was far from helpful in augmenting the resources of the State and might, in fact, lead to the dissipation of the existing resources. The resolution was moved by Mr. R. G. Saraiya who, in the course of a comprehensive address dealing with all aspects of the problem, stressed that no single agency, however well-informed and competent, was in a position to negotiate commercially satisfactory trade deals with a host of foreign suppliers. He argued that, even for purposes of carrying on trade with communist countries, there did not seem to be any necessity for setting up a State trading corporation. In view of the topical nature of this question, the summary of Mr. Saraiya's speech which is published below is bound to be read with great interest.—ED.]

A GOOD deal has, during the last few years, been said and written on the subject of State trading. The Federation, as a representative body of trade, commerce and industry in the country. has, on more than one occasion in the past, placed its considered views on the subject before the authorities, and drawn their pointed attention to the defects and drawbacks inherent in the system of State trading. Fresh discussion on the subject has been necessitated by the announcement by Government spokesmen recently about their proposal to set up a State trading corporation to deal in certain commodities in foreign and/or internal trade.

The idea of a State trading corporation was examined by the Government from time to time —a committee under the chairmanship of Dr. Punjabrao Deshmukh examined it but it was later given up. The idea has, however, been revived now so as to make it necessary for the Federation to reiterate its views.

The wider incursion of the State into trading operations has been advocated on different grounds. The three broad arguments that have been advanced by the advocates of this form of trading are:

(1) Augmentation of the resources of the State; (2) facilitating trade in specific commodities with the communist countries; and (3) bringing about greater social and economic equality.

Let us examine each of these arguments. As regards the possibility of augmenting the resources of the State through State trading, one has only to see what the Taxation Enquiry Commission had to say. The Commission has, in this connection, observed as follows:

"We think that no spectacular results, purely from the point of view of revenue, may be expected from State trading over a short period. State trading requires personnel with specialised experience of business and raises the question of the adequacy of the Governmental machinery at present for the task. Also, the best time to extend State trading would be when prices are generally on the upgrade; the present, therefore, does not seem to be an opportune time for a wider incursion into this field. Altogether, the immediate scope for increasing non-tax revenue by enlarging State activity in the sphere of foreign trade seems to be limited, at any rate, for the time being.

"Another aspect of State trading relates to the domestic economy; in India, the most notable instances of this has been State trading in foodgrains during and after the war years. This, as well as other civil supplies schemes, have been concerned with regulated provision of certain essential articles in a period of relative scarcity and were generally conducted on a 'no-profit-no-loss' basis over a period, apart from the (substantial) subsidies directly provided in the budgets of Central and State Governments."

Wasteful

The experience in our country as also in foreign countries has already shown that State trading is both wasteful and costly. As will be seen from some of the instances of State trading which I will quote, bulk buying under the ægis of the State has generally led to a rise in prices in the supplying countries, especially in a period of rising markets. The State buyer enters the market for very large supplies and the fact of such large-scale buying becomes an incentive for the supplying countries to put up prices. The importing country, embarking on State trading, has thus to foot a higher bill than would be the case if several private traders made purchases on their own and explored the possibilities of procuring supplies from the cheapest source. Further, no single agency, however well-informed and competent, is in a position to negotiate deals with a host of foreign suppliers, whereas private traders with their traditional experience and continuous contacts with foreign suppliers are better able to secure the goods on favourable terms and conditions.

This is no reflection on the State agency, but by its very nature, it is incapable of taking executive decisions to fit a fluid or flexible situation. The question of the activity of a State trading organisation cannot, therefore, be expected to result in accrual of profits or additional resources for the State. On the contrary, it is very likely that the activities of such an organisation may actually reduce the income and resources of the State. Today, the State gets substantial revenues from the profits of private enterprise through income-tax and other taxes. If the State undertakes trading operations directly or under its own auspices, the revenue which is assured to it at present will not be forthcoming and, in fact, if past experience is any guide, the activities of the proposed State trading organisation might involve the State into actual losses, or the losses may be passed on to the country in the shape of higher prices for things bought and lower prices for things sold. The argument, therefore, that wider incursion of the State into the trading activities would bring in larger income and resources for the State which is required for the implementation of the various schemes of development under the second Five-year Plan is, therefore, a doubtful proposition.

Trade with Communist Countries

As regards the argument that State trading should be undertaken with a view to facilitating trade with the communist countries, one may first of all raise the fundamental question as to whether it is necessary at all to boost trade with those countries by artificial methods. I am saying this not out of any ideological prejudices in my mind against the political and economic systems in existence in those countries but from the experience of the other democratic countries in regard to their business relationship with the U.S.S.R. and the Soviet-bloc countries. The experience of the Swiss industrialists and bankers in regard to their post-war trade agreements with Poland, Switzerland, Rumania and Hungary was disappointing. The Poles defaulted in their coal-delivery contract with the Swiss. The wheat imported by Switzerland from Rumania a few years ago was of inferior quality and the price charged therefor was well above the international rate. The quality of the Czechoslovakian cars imported into Switzerland was inferior to that of the German, British and American cars and the prices were also relatively high. The experience of Greece in regard to trade with the Soviet Union is also similar. The Greeks have found it almost impossible to sell their commodities to the Soviet Union because of the persistent unreliability of the Russians in regard to price and quality of the goods and their deliveries. The Turks have also had a bitter experience about trading with countries with a State-controlled economy. A leading business man of Turkey is understood to have observed that it is impossible to carry on business with a State-controlled economy. Such instances can well be multiplied. Suffice it to say that it would be worthwhile to learn from the experience of other countries in regard to trading with the Soviet Union or the Soviet-bloc countries.

Even if we want to carry on trade with the communist countries, there does not seem to be any necessity or desirability to set up a State trading corporation for the purpose. From the discussions which the Indian industrialists and business men had recently with the trade delegations from those countries who had come to India in connection with the Indian Industries Fair, it would appear that the communist countries would be willing to appoint traders in the private sector as their agents and to contact Indian business men on commercial terms. Further, it is necessary to point out that, once a State trading corporation is set up, it will find it necessary to deal in certain commodities with the communist countries simply with a view to justifying its existence. Such a corporation will also want to trade with the other countries with a view to either increasing its turnover for meeting the overheads or balancing the losses which may be incurred in dealings with the communist countries in the same or similar goods. It must also be noted that a State trading organisation which is established for the purpose of trading with the communist countries may be required compulsorily to import goods from those countries which may not be needed in India or which may be more easily and cheaply available from other countries. The proposal for a State trading corporation for the purpose of carrying on trade with the communist countries is thus likely to disturb the pattern and composition of our trade without any economic or material advantages or benefits to the country. It would be worth while, in this connection, to recall some of the recent trading operations undertaken by the Government of India with the communist countries. The purchase of raw silk from China through the Central Silk Board is a case in point.

Lastly, we may examine the argument that State trading should be resorted to with a view to bringing about greater economic and social equality. It would not require any great effort to refute this argument. Ensuring adequate supplies of goods to the consumers at reasonable prices is an important aspect of the socio-economic advancement of the people, and in this, as already seen, State trading has not been successful. Any wider incursion of the State into the trading activities will, without bringing benefit to the community generally, result in displacement of the countless small agencies which have been traditionally engaged in the trade and lead to unemployment on a large scale. This is a prospect which cannot be viewed with equanimity in the context of one of the important objectives of the second Five-year Plan, namely, creation of additional employment opportunities.

Experience in U.K.

Participation by the State in trading activities both here and abroad has not been found successful and it has placed a heavy burden on the consumers and the community in general. The United Kingdom Commercial Corporation (U.K.C.C.) is a well-known example of a Government-sponsored organisation undertaking trading activities in that country during the period of the last world war. Although the Corporation was understood to be working on commercial principles, the results of its working were not found to be quite satisfactory. It was, however, envisaged as a war-time measure and was dismantled at the earliest opportunity after the cessation of hostilities. Similarly, the experience of the results of the schemes of bulk buying which were in operation in England was also far from satisfactory and it is worth noting that there were outspoken expressions in the British Parliament of the general discontent that was caused by the working of the schemes.

Arrangements for price fixation and for purchases on a long-term basis may have an advantage under conditions of rising prices, but when prices start falling, the community is naturally burdened with prior commitments. The adverse effect of the bulk purchase policy in regard to the requirements of metals, such as copper, zinc, etc., adopted by the U.K. led to that country being denied the benefit and advantage of the subsequent reductions in prices consequent upon the re-emergence of competitive conditions. In the same way, the experience of the spinning mills in the U.K. about the purchases of raw cotton through the agency of the Raw Cotton Commission was also none too happy. The Raw Cotton Commission first set up its own purchasing agencies in some of the foreign cotton-producing countries. The activities and functioning of the Commission, however, resulted in the prices of raw cotton in those markets being maintained at high levels. When it was, later on, found out that the system of buying through its agencies in the various cotton-producing countries was not serving the interests of the country, the Commission closed its agencies abroad and started purchasing their requirements in Liverpool itself through the agency of the established representatives of exporters in foreign countries in competition with the international buyers.

Another notable foreign experiment in State trading with wide scope and ramifications in recent years is that of the Argentine. The Argentine Institute for the Promotion of Trade (A.I.P.I.) was the sole buying agency in that country for all the requirements of the Government. It was also the only importer of a wide variety of goods and commodities needed by the people. The result of the working of this organisation should, if anything, serve as a sufficient warning against any feeling of complacency and

(*Continued on page 473*)

RECORD OUTPUT OF COAL IN EUROPE

SHORTAGE STILL PERSISTS

ALTHOUGH the output of coal in Europe broke all previous records in 1955, it fell short of demand. According to provisional figures published by the Secretariat of the United Nations Economic Commission for Europe (E.C.E.), the output of hard coal in European countries (excluding that in the U.S.S.R.), was as much as 616 million metric tons. As compared with the production of 610 million tons in 1954, this represents an increase of 6 million tons. The previous peak was 607 million tons in 1929. It is stated that the output of hard coal in all major coal-producing countries, except in the United Kingdom and the Netherlands, surpassed the 1954 levels.

The largest increases in the output of hard coal in 1955, as compared with 1954, occurred in Poland and West Germany (up by 2.7 million tons each). The output of France increased by a little less than one million tons and of Belgium by 0.8 million tons. Smaller increases occurred in Czechoslovakia and the Saar. On a calendar-year basis, the output in the United Kingdom fell by 2.7 million metric tons and that of the Netherlands fell below 12 million tons for the first time since 1949. The aggregate output of hard coal and lignite in the U.S.S.R. was up by 44 million tons over the level attained in 1954. The following table gives the output of hard coal in the various European countries:

(In millions of metric tons)

Country	1937	1952	1953	1954	1955
Belgium	29.9	30.4	30.1	29.2	30.0
Czechoslovakia	16.8	20.3	20.3	21.6	22.1
France	44.3	55.4	52.6	54.4	55.3
Saar	13.4	16.2	16.4	16.8	17.3
Western Germany ..	137.6	123.3	124.5	128.0	130.7
Netherlands	14.3	12.5	12.3	12.1	11.9
Poland	66.0	84.4	88.6	91.6*	94.3
United Kingdom	244.3	230.1	227.8	227.9	225.2
Other European countries (except U.S.S.R.) ..	12.9	26.3	27.4	28.2	28.7†
Total Europe (except U.S.S.R.)	579.5	598.9	600.0	609.8	615.5
U.S.S.R.‡	127.0	300.7	320.0	346.0	390.0

* Revised figure. † Provisional. ‡ Including lignite.

Despite this increase in output in 1955, the demand remained dissatisfied, with the result that the import of coal in Europe was heavy. It is estimated that the import of coal from the U.S. in 1955 was as much as 24 million tons, as against 9 million tons in 1954. The principal importers of U.S. coal in 1955 were West Germany (7 million tons), Italy and the United Kingdom (5.6 million tons each).

Imports of hard coal in general (imports from within and outside Western Europe) aggregated 82 million tons in 1955, as against 63 million tons in the previous year. Apart from the increase in imports from the U.S., imports from Belgium at 7.6 million tons were higher by 1.9 million tons over the previous year. Imports from France were up by 3.2 million tons at 6.3 million tons. Imports from Poland were higher by just over a million at 6.8 million tons. Imports from the U.S.S.R. at 1.3 million tons disclosed an increase of nearly half a million tons over those of 1954. On the other hand, imports from West Germany were below 3.5 million tons at 13 million tons and those from the U.K. disclosed a drop of one million tons at 11.4 million tons.

On balance, West Germany was the largest coal importer (16 million tons in 1955, as compared with 8.4 million tons in 1954). The United Kingdom moved up to second place with 11.7 million tons, recording thereby an increase of 8.7 million tons over the previous year. France, which has traditionally been Europe's largest importer of hard coal, occupied third place with a total of 11.2 million tons. Other large hard coal importers in 1955 were Italy (10.3 million tons, as compared with 9.6 million tons in 1954), the Netherlands (8 million tons, as against 7 million tons) and Denmark (5 million tons as against 4½ million tons).

It would appear that, despite plans for increased production of coal in the various European countries, especially Schuman Plan countries, it may not be in the very near future that a balance will be struck between indigenous production and demand for coal. For, with a steady rate of progress of plans for economic development, the demand for coal is bound to rise. Consequently, the European countries will have to depend for some time to come on imports.

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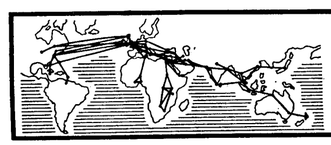

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BONUS FOR PLANTATION WORKERS IN TRAVANCORE-COCHIN

CHIEF MINISTER GIVES HIS AWARD

TWO recent events of some significance to the South Indian plantation industry are the grant of an award on the question of bonus to workers in tea and rubber estates in the Travancore-Cochin State by the Chief Minister of the State, Mr. P. Govinda Menon, and the publication by the Government of Madras of rules under the Plantation Labour Act. The Madras Government has further announced that it will appoint special staff to supervise the implementation of the rules it has framed under the Act.

In recent years, the South Indian plantation industry has had its share of labour unrest in the shape of shoddy work turned out by the workers who have not also hesitated to employ go-slow tactics. Travancore-Cochin was particularly affected by these troubles. There has no doubt been some improvement in the situation. But those who know how easily plantation labour in India can be excited over small issues and what part the external political elements can play in these troubles will realise how difficult it is to maintain industrial peace in the estates. Whether difficult or not, there is no doubt that good industrial relations are important. Indeed, they are essential if the industry is to make an effective contribution to the national economy.

Generally speaking, the State Governments have tried to solve the problem of industrial disputes through labour tribunals. It is becoming increasingly clear that this method, whatever its virtues in other industrial spheres, has little to commend itself when it is applied to the plantation industry. It may be recalled that Mr. J. L. H. Williams, in the course of his presidential speech at the last conference of the United Planters' Association of Southern India, at Coonoor, made a critical review of the labour problems.

In Madras, Mr. Williams stated, a special plantation tribunal was in existence for the past three years. During its lifetime, the tribunal personnel had been changed four times. A vast amount of evidence had been collected from both sides which did not seem to bring them any nearer settlement. One of the worst effects of these prolonged proceedings was the indiscipline engendered by the necessity for endless petitions under section 33, which not only delayed the course of the main hearings but were themselves also delayed for months at a time before they could be heard and settled. He thought that employers, and probably labour too, would be very glad to have a decision on the main issues, and to see the end of these protracted and unsettling proceedings. In Travancore-Cochin, a plantation tribunal had been appointed. The number of issues, unions and estates concerned, he said, was much greater than those of the Madras proceedings. Continuing, Mr. Williams observed:

"Some years ago, when I was President of E.L.R.O., I expressed the opinion that tribunals were not the best way of effecting settlements of disputes. I hold that view even more strongly today, and I think that much better results could be achieved by direct negotiations, and fair and unbiased arbitration, if necessary. But to achieve this, legislation is required to ensure that such agreements shall be binding, and not merely used as stepping stones for further exaggerated demands as soon as they are concluded. It is also essential that both labour and employers' organisations should have trust in and respect for each other. One effect of the tribunal system now seems to be that both sides tend to regard each other as natural enemies, and to drift further and further apart, which, of course, is quite wrong fundamentally."

These observations, although they were made in connection with the plantation industry, are capable of wider application. Be that as it may, it is regrettable that the question of bonus to the workers in the tea and rubber estates in Travancore-Cochin has proved a difficult issue. In North India, however, an agreement on bonus for plantation workers has been negotiated this year. The agreement is applicable to about 8 lakh workers in the tea gardens of North-East India. So far as the South Indian plantation industry is concerned, a scheme of bonus payment has been in operation since 1947. Unlike the North Indian estates which grow only one produce, namely, tea, the plantation estates in South India grow many crops—coffee, tea, rubber and other produce. The bonus for the workers is, therefore, fixed each year, taking into account the different conditions attaching to the main plantation crops.

So far as the bonus question in respect of the tea and rubber estates in Travancore-Cochin is concerned, it would appear that a tripartite conference, which was held in Trivandrum on 25th February, 1956, failed to reach a settlement. Following this failure, the Chief Minister has given his award. In regard to tea estates, the award relates to bonus for the years 1951-54. While the parties were asked to accept what has been paid, or finally decided by the tribunals as the proper bonus for 1951 and 1952, the Chief Minister awarded an increase to 12½ per cent. of annual basic wages for 1953 and 1954 from 6¼ per cent. and 8⅓ per cent. respectively paid already. The question for the two subsequent years—1955 and 1956—were deferred for settlement later, as the employers' representatives said that the figures for these years were not complete.

The award said that the price of rubber was fixed by the Government of India and, consequently, bonus payable had also been fixed at 6¼ per cent. While employers paid the workers this rate of bonus, their staff were paid higher rates. The Chief Minister, therefore, advised them to increase the rate to the workers to 8⅓ per cent. for the years 1953 to 1955, and asked the workers to accept what was already paid to them in the years 1951 and 1952 as final.

A notable feature of the award is that the Government decided to constitute a standing committee for plantations within a month to settle all other outsanding disputes. The Chief Minister assured the rubber estate owners that the Government would help them by putting forward their claim for better prices for rubber, before the Central Government to meet the increased expenditure arising out of the settlement. A Press note issued by the Government stated that in the interest of peace in the industry, and for the harmonious settlement of other outstanding issues, the Government hoped that the award would be accepted by the parties concerned.

As regards the bonus issue for plantation labour in Madras, the representatives of managements and workers have already reached a settlement for bonus for the year 1954. The question of bonus for the previous years, namely, 1952 and 1953, is before a special tribunal. The State Government has published the rules framed under section 43(1) of the Plantation Labour Act. It is noteworthy that the Government, according to Mr. M. Bhaktavatsalam, Minister for Labour, has decided to appoint special staff to implement these rules.

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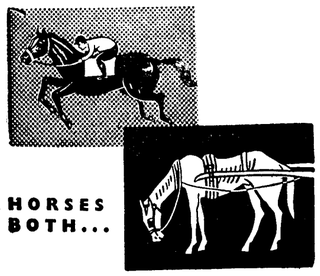

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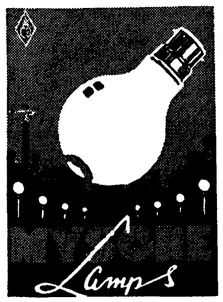

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DISCONCERTING FEATURES IN RAILWAY OPERATIONS

PLANNING BODY ASSURES PERIODIC APPRAISAL OF TRANSPORT NEEDS

THE letters exchanged between the Chairman of the Estimates Committee on the Ministry of Railways, Mr. Balwantray G. Mehta, and the Deputy Chairman of the Planning Commission, Mr. V. T. Krishnamachari, disclose the steps that the Planning Commission will take during the second Plan period for proper expansion of the railways. Mr. Krishnamachari has assured, in his reply to the letters of Mr. Mehta, that the Commission would make periodic appraisal of transport requirements during the second Five-year Plan and take steps to ensure that the progress of the Plan was not impeded by inadequacy of rail transport. Admitting the need for the adequate expansion of both passenger and goods transport, the Commission could not, according, to Mr. Krishnamachari, allot the amount asked for by the railways due to a number of factors—the Commission allotted only Rs. 1,125 crores, as against Rs. 1,480 crores asked for by the railways. The Commission, he says, "had to keep in mind, while allocating funds to the railways, the difficult problem of foreign exchange and uncertainties of steel supplies, apart from the claims of other sectors on the available finances. The Commission proposed an outlay of Rs. 900 crores for the railways in addition to Rs. 225 crores which would be available from the depreciation reserve fund in the Plan period, as against the Plan-frame provision of Rs. 625 crores, excluding Rs. 175 crores as contribution from the depreciation reserve fund."

Dealing with passenger traffic, Mr. Krishnamachari admits that the 15 per cent. increase in passenger miles carried during the second Plan period may not give much relief to the existing state of overcrowding. But he hopes that a certain number of replaced coaches and passenger locomotives may be found in sufficiently serviceable condition to be retained in service in order to add to the facilities for dealing with increased passenger traffic within the available resources.

Rehabilitation

The Deputy Chairman of the Planning Commission further states that the rehabilitation programme of railways for rolling stock and track under the present allotment was considered quite satisfactory. The ratio of average rolling stock to the total track in line would be reduced also considerably. Proceeding, he remarks: "You will appreciate that there are some uncertainties in a Plan of this magnitude."

The foregoing explanation was given by Mr. Krishnamachari in reply to a number of disconcerting features in the operation of railways pointed out by Mr. Mehta, as Chairman of the Estimates Committee, in his letters to the Deputy Chairman. Mr. Mehta had, in his letters, emphasised the need for making adequate provision for rehabilitation and expansion of the railways. Referring to the serious overcrowding in trains, he urged the provision for additional coaching stock and other facilities in order to introduce more trains to relieve overcrowding. He had complained that, in view of the progressive increase in coal and goods loading, the availability of rail transport was totally inadequate. He, therefore, urged the need for additional wagons, increased capacity in the shape of expansion of marshalling yards, the break of gauge points and increased capacity on the various sections to carry more trains to cope with the situation.

Pointing out the need for replacement of a substantial percentage of overaged rolling stock and track, Mr. Mehta remarked: "The Indian railways will, therefore, have to make a supreme effort to complete the process of rehabilitation expeditiously. They will have to plan on a sufficiently large scale to improve their equipment and facilities in an adequate measure to enable them to discharge their functions properly."

Mr. Mehta had further urged for increased allotment of steel to railways, more funds to produce extra transport for general goods and track renewals. Regarding track renewals, he had stated the railways had something like 7,300 miles of track renewal arrears. If 5,000 miles or so of those renewals falling due in the second Plan period were added to this, the total would be about 12,000 miles. But according to the present programme, the railways will be able to renew only 8,000 miles, leaving about 4,000 miles of arrears by the end of the second Plan.

The problems relating to railways referred in the correspondence above, as also a few others of a certain amount of importance, figured during the three-day debate on the Railway Budget in the Rajya Sabha, which concluded on the 2nd inst. Intervening in the debate on the 1st inst., Mr. O. V. Alagesan, Deputy Minister for Railways, said that the railways had overreached their targets for the first Plan and he was sure that they would do so for the second Plan too. Most of the speakers had referred to the hiatus between the magnitude of the work that the railways had been called upon to do and the resources placed at their disposal. It was certainly there. But there was no use in their criticising the Planning Commission; they had to suggest the resources too. Nevertheless, he was sure that the appeal of members to the Commission would not go in vain. The plan was to be a flexible plan and the Deputy Chairman of the Planning Commission had assured the Estimates Committee that it was their intention to take steps, within the resources available, to ensure that the progress of the Plan was not impeded by inadequacy of rail transport.

As regards the capacity of the railways to carry traffic offered to them, the position, now, the Deputy Minister stated, was much better than before. It could not be said that they were able to carry all the traffic offered to them. But it had been done to a very great extent. A number of works had been carried out to enable the railways to have 20 per cent. more loadings. From 1st November 1955, they had been able to carry more. Simultaneously, steps had been taken to see that the detention of wagons in sick lines, in workshops and marshalling yards were reduced and more work was taken out of the wagons. Increase in loadings in January for the railways as a whole was 6.4 per cent. more on the broad-gauge and 10.7 per cent. on the metre-gauge.

Bottlenecks

As regards the bottlenecks at Vijayawada, this year there were no arrears of rice loading, the outstanding registration being only 285. For the next year, the railways had fixed a target of 20 per cent. more loading over the figures for the current year.

The unaudited figures from April to November 1955 of the wagon miles per wagon-day had gone up to 46 on the broad-gauge and net ton miles per wagon-day to 571, as against 43.5 and 483, respectively during 1954-55. The performance on the metre-gauge was not as good as on the broad-gauge, Mr. Alagesan added in reply to interruptions from members.

The Deputy Minister said that a question had been raised as to why last year the surplus had been funded in the revenue reserve fund, while this year it would be put in the development fund. Last year, he said, it was thought that the railways would now be in for a period of deficits. They were very much influenced by the picture that was before the Railway Convention Committee. It was felt that, in future, the railways might not be in a position even to pay their share to the general revenues. The picture was now different. That was why the surplus had now been funded in the development fund.

Referring to observations on overcrowding, Mr. Alagesan said that it was really a depressing feature. He did not wish to underrate the amount of suffering caused on that account. A recent census showed that overcrowding was bad on several broad-gauge sections and worse on some of the metre-gauge ones. For the present "we are forced to put up with this not very satisfactory state of affairs. We are doing everything possible with the available coaches and locomotives to mitigate the suffering." From 1st April 1955 to the end of December of that year, 105 passenger trains were strengthened, 66 extended, and 56 new trains introduced.

Replying to the three-day debate, Mr. Lal Bahadur Shastri, Railway Minister, feared that the limitation on the funds for railway development in the second Plan would come in the railways carrying the total load offered. He, however, expressed that "we will certainly try to make it good by better performance."

The Railway Minister expected that divisionalisation on most railways would be completed in about a year. At some future stage, when all these divisionalisation and other works were completed, it might be necessary, he said, to undertake a further reorganisation of the zones. To launch it now, he added in passing, might give rise to a situation "resembling on a minor scale the S.R.C. troubles."

On the question of speed of goods trains, Mr. Shastri said that it dropped by 0.98 per cent. in 1954-55, as compared with that in the previous year, whereas the density of goods traffic increased by 3.2 per cent. Viewed in the light of numerous disturbing factors, which arose in day-to-day operations, it must be accepted that traffic was being moved at very high pressure. Normally, there might be 20 per cent. flexibility to provide adequately for eventualities. The Minister feared that, in the next two or three years, the speed might be further reduced due to developmental works involving sometimes heavy and greatly complicated technical works. But the railways would, he assured, do their best to improve.

MR. ALAGESAN ON INDIAN SHIPPING

According to a statement laid by Mr. O. V. Alagesan, Deputy Minister for Transport, on the table of the Rajya Sabha, on the 1st inst., 34 ships aggregating 2,25,560 g.r.t. ply at present on six overseas routes. On four of the six routes only cargo is carried and on the rest passenger-*cum*-cargo. Besides setting up the Eastern Shipping Corporation Ltd., and grant of loans to Indian shipping companies at concessional rates of interest for acquisition of ships for the overseas trade, the Government of India is at present considering the establishment of a second shipping corporation for operating passenger-*cum*-cargo ships in the near trades. The overseas routes on which Indian shipping at present ply are: India-U.K.-Continent; India-Persian Gulf; India-Australia; India-Japan-Far East; India-Malaya; India-East Africa. The largest tonnage is on India-U.K.-Continent route with 1,73,406 g.r.t. The India-Australia route occupies the second place with 14,433 g.r.t. Orders for 22 ships aggregating 122,200 g.r.t. have been placed with Indian and foreign shipyards. Of the 22 ships, 11 are to be constructed in Germany, one in Japan and the rest at the Hindustan Shipyard, Visakhapatnam. Of the 11 ships ordered from Germany by two Indian shipping companies, three are expected by the end of 1956, another three by March 1957, one by May 1957, two by March 1956, one by June 1957 and one by July 1958. One ship ordered from Japan is expected to be delivered by February 1957. Of the 10 ships to be constructed at Hindustan Shipyard, Visakhapatnam, two are expected by May-September this year, two by February 1957 and another two by December 1957.

BERYLLIUM COPPER MOULDS

One growing use of beryllium, according to Beryllium Smelting Company, London, is the use of beryllium copper alloys as a material for the manufacture of the moulds and dies used in the production of plastic products having intricate patterns. These alloys have a number of advantages over steel as pattern-forming materials; firstly, they can be moulded into shape more quickly than steel. Indeed, it is claimed that a time saving of as much as 40 per cent. in the set-up for production time may result when beryllium copper alloys are used in place of steel, owing to the fact that the alloy reaches its moulding temperature more quickly than steel. Secondly, the beryllium alloy gives an exceptionally close reproduction of the surfaces of the castings, owing to the close dimensional tolerances to which the moulds can be made. The alloy can also withstand the repeated shocks which are experienced in long production runs on the moulding press and has excellent resistance to corrosion. The alloys, which are made from beryllium combined with aluminium, cobalt, silver, silicon, chromium, copper, nickel, tin, lead, iron and zinc, are also said to reduce the power required to heat the plastic-forming dies by about 50 per cent.

RADIO SHOW IN U.K.

The Queen will again be the patron of the National Radio Show, which will be held this year at Earls Court, London, from 22nd August to 1st September. This will be the first radio show since commercial television started in Britain on 22nd September 1955. Details released by the Radio Industry Council disclose that, for the first time, the Independent Television Authority and the commercial-television programme contractors will be co-operating in the exhibition. The British Broadcasting Corporation's wholehearted co-operation is assured once again with a large studio and outside-broadcast arena from which programmes will be released and transmitted daily. There will be a careers and electronics display.

Messrs. Lazard Brothers & Co., London merchants, have announced that they have arranged the £11,500,000 credit to the Indian Government which will be given by a syndicate of British banks for the construction of a 1,000,000-ton steel plant at Durgapur, West Bengal. The syndicate is composed of Lloyds Bank, Barclays Bank, the District Bank, Glyn, Mills & Co., and Martins Bank. The credit will be available for making payments to British manufacturers of equipment supplied from the United Kingdom.

NEW PRODUCTS AND PROCESSES

Pine Oil from Indian Turpentine

PINE oil, a product of wood rosin and turpentine industry, enjoys a world-wide market due to its intrinsic properties which permit of its being put to a variety of unrelated uses. In India, pine oil finds use in the concentration of ores by flotation, as a wetting agent for textiles, as an ingredient of laundry detergents, in pharmaceuticals, as a degreasing agent in leather manufacture, as a solvent and thinner for protective coatings, as a softener for rubber, as a constituent of disinfectants and deodorants and as a synergist for insecticides. The present requirements are met almost entirely from imports, mainly from hard currency areas. Exact statistics of quantities imported are not available but it has been estimated that the total requirements are of the order of 600 tons per annum. Consumption of pine oil may be expected to increase with rapid industrialisation and improved standards of living. A synthetic substitute of pine oil is obtained by reacting turpentine oil with a mixture of water, ethyl alcohol and sulphuric acid in defined proportions followed by suitable processing; the product obtained is sweet smelling and possesses the characteristic of natural pine oil. Indian turpentine, being derived from *Pinus longifolia*, contains appreciable proportions of carenes and is not amenable to the usual processing described above. Because the carene esters decompose during distillation, resulting in the liberation of free acid, and consequent dehydration of terpene alcohols. The pine oil so obtained would be of a definitely inferior grade. Investigations at Indian Agricultural Research Institute, New Delhi, have led to the working out of a simple modification in the usual technique by which the production of inorganic esters is avoided and a product corresponding to 50 per cent. terpene alcohols and 14 per cent. terpene ethers is obtained. Natural pine oil contains about 5-10 per cent. of terpene ethers and 20-25 per cent. of terpene hydrocarbons, the rest being terpene alcohols. Depending upon the efficiency of fractional distillation, the characteristics of the synthetic product can be improved even further. Synthetic pine oil so obtained is as good as natural pine oil and as a deodorant has properties even better than the natural product. Besides 45-50 per cent. of synthetic pine oil, about 50 per cent. of residual turpentine oil, the qualities of which are in many respects better than the starting material, is also obtained, the improvements being caused by the isomerization of some of the original terpenes to hydrocarbons of greater stability resulting in better keeping qualities. The recovered turpentine due to its more pleasant odour and better characteristics can be used with advantage for the same purpose as original turpentine oil. The process, covered by Indian Patent No. 48429 is of particular interest to rosin and turpentine industry and to chemical manufacturers. Parties desirous of undertaking the commercial development of the process are invited to correspond with the Secretary, National Research Development Corporation of India, Mandi House, Lytton Road, New Delhi-1.

"Tramp Metal" Trouble

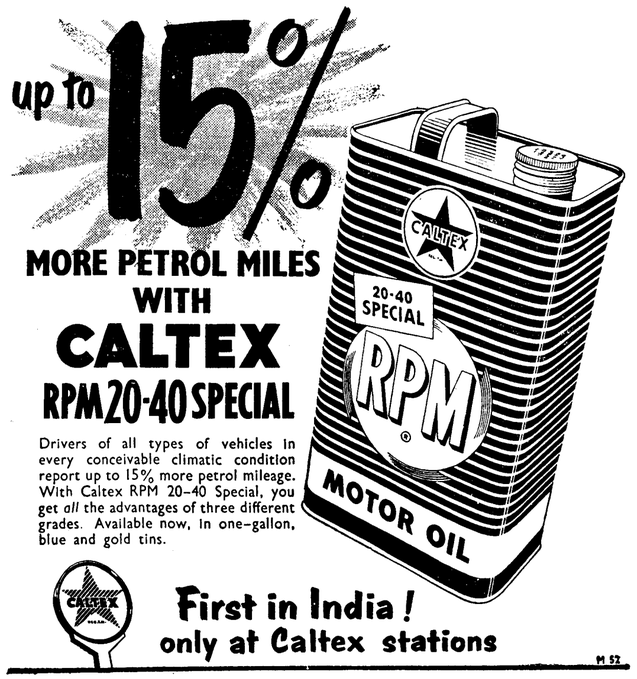
Two British firms are working together to devise equipment for removing broken pieces of metal—known as "tramp metal"—that find their way into coal and ore. Tramp metal includes such things as chain links from pit tubs and teeth from automatic cutters. If these get into crushing-machinery, they cause considerable damage. Ferrous metals can be removed by passing the coal or ore under electro-magnets. An electronic equipment has been devised, which detects both ferrous and non-ferrous metals and gives warning of their presence. The electronic equipment and electro-magnets are made by two Birmingham firms, which are now co-operating in designing tramp-metal removers embodying both principles.

Radio-active "Sleuths"

Insects and germs can now be made radio-active to keep track of their functions in causing such diseases as influenza, polio, malaria, plague and leprosy, according to the World Health Organisation. Radioisotopes, which are peaceful products of atomic energy, are used for this purpose. Radio-isotopes are ordinary substances, such as iron, phosphorus or cobalt, which have been made radio-active in an atomic furnace or nuclear reactor. Their movements can be followed by means of radiation detecting instruments. Houseflies, made radio-active by introducing radioisotopes into the dirt from which they carry disease, can be tracked as far as 30 miles. Mosquitoes, the larvæ of which have been reared in radioactive liquid, have been traced for nearly half a mile. In addition, 11 disease organisms have been given radioisotope "labels," thus making it possible to follow their behaviour inside the living body.

"Cat Eye"

Development of an electronic device that, like the eye of a cat, "can see in the dark with daylight clarity," has been announced by the U.S. Air Force. The device, called an "optical amplifier," was developed by physicists of the U.S. Air Research and Development Command's aeronautical research laboratory at Wright Field, Dayton, Ohio, and is being perfected under contracts with Westinghouse Electric Corporation and Radio Corporation of America. It is hoped that the equipment can be adapted for colour work. The "cat eye" is stated to present a cathode ray tube image not unlike a television picture. The optical amplifier is approximately a thousand times more sensitive than the standard television camera. Even when used under the poorest lighting conditions at night, it presents a clear and sharp picture. In a flight test at Wright Air Development Centre, airborne observers were able to see the ground clearly on a moonless winter night.



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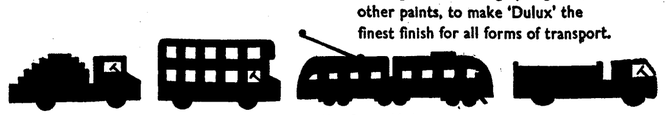

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PROGRESS OF FRENCH EXPERIMENTS

By Armand Hadni

NATIONAL CENTRE OF SCIENTIFIC RESEARCH, FRANCE

THE use of infra-red rays in the industrial field has extended considerably since the last war, and there is no one in the world of today who has not heard of infra-red with its manifold possibilities ranging from the detection of enemy aircraft to the roasting of chickens on a spit. We know that infra-red constitutes the electro-magnetic radiation which, in the spectrum, extends visible light (as does ultra-violet), but in this case, beyond the red. Like any radiation, infra-red has calorific, photo-electric and photo-chemical effects, the particular character of which is not only the invisibility of the radiation set up, but more especially the fact that this light has a special texture which makes it intermediary between visible light and radio waves. This texture is expressed by a "wave length." For blue, it is about 0.4 thousandths of a millimetre. For red, 0.7 thousandths of a millimetre. Radar waves begin at a centimetre and range up to a metre (radio short wave). It is generally admitted that infra-red ranges from red to radar waves, that is, from 0.7 thousandths of a millimetre to 1 centimetre, and it is the extent of this field that makes it so particularly interesting.

The use of the calorific effects of infra-red for "infra-red drying" or "infra-red heating" is one of the applications best known to the general public. It is the simplest. It is based on the conversion of electro-magnetic energy into heat. It must be admitted that this does not date from yesterday. Our grandmothers, when drying their washing in the sun, were already using infra-red, just as Monsieur Jourdain used to speak in prose without being aware of it. However, its use has been rationalised for the construction of particularly well contrived apparatus. We shall first quote three recent and particularly practical sources of infra-red. The first two were put forward last year by a subsidiary of Saint-Gobain specialising in fused silica. This material, transparent in a large range of infra-red, is at the same time very refractory. It is thus an excellent material for infra-red generators. The most limited of these sources is chiefly intended for use in chemical laboratories. It takes the form of a half-sphere with a handle, and is placed 5 or 6 cms. above the product to be dried. Thus, evaporation takes place without risk of projection and without altering the compound. The apparatus, through the chemical inertia of the silica, is absolutely proof against the steam given off. The greatest is the powerful source of infra-red rays in outward appearance very like fluorescent lighting tubes. It can give off rays on all sides, or else be used with reflectors. It is in this latter form that it is used for heating large spaces—factories, garages, theatres, rooms not in constant use, such as restaurant cloakrooms, and particularly for outdoor heating. The third source of infra-red rays that we shall describe is an electric burner, which is likely to replace the old Bunsen burners. An element is situated in the centre of a parabolic reflector which concentrates its radiation into a cone very like that in a Bunsen burner. In certain zones, the temperature may reach 700° C. and the regulating of the temperature can easily be made automatic. This burner, produced in Paris by a firm hitherto specialising solely in measuring apparatus, uses the same principles as the Mount-Louis solar furnace, in which the aim is to produce, by the concentration of the sun's rays, the very highest temperatures and to melt the most refractory materials. Perhaps, we are here on the threshold of a new technique which, theoretically, could create considerable sources of power in the Sahara.

We might recall, for memory's sake, the interest aroused in 1934 by the infra-red ray tunnels in the automobile industry for the ultra-rapid drying of the coachwork. But the process is now extending to all branches of industry in which slow drying often represents a large-scale immobilisation of capital—the drying of green or treated woods, leathers, etc.—The process is advantageous not only in large factories, but often in secondary industries—ornamental moulding, plastic gloves, dry cleaning and dyeing, etc.

In short, it may be said that the calorific effects of infra-red rays are widely sought after. Not only is the evaporation more rapid, but the heat is better utilised than in the older appliances in which it was first necessary to raise the temperature of often considerable masses of air which, by conduction and convexion finally heated and eventually dried the object in question. The advantages of the method are spectacular in the heating of streets. However, it must be noted that this usage demands certain precautions by reason of the fact that infra-red rays, like ordinary light, are propagated in a straight line. The object to be heated casts a shadow, in the extent of which everything will remain cold.

The photo-electric properties of infra-red rays, that is, the possibility of transforming them into electricity, are frequently made use of in signalling devices, which are very unobtrusive by reason of the invisibility of infra-red rays. Such devices are similar to those used in the Paris subway to set the escalators in motion as someone approaches them. A pencil of rays is constantly trained on a photo-electric cell which delivers a current as long as it is lighted up. When a person walks across the beam, the cell stops working, the electric current is checked and an electric relay is started up which activates an escalator, bell, etc. By means of a series of reflections, infra-red rays can create whole sheets of invisible light which bar the entrance to a strong-room, for example, or in front of the dangerous part of a piece of machinery. Military appliances, now well known, also use the photo-electric properties of infra-red rays, as, for instance, the "patrol-detector" recently put forward at the Institute of Optics by a French engineer. The infra-red signal is set up by the men themselves who in this case play the part of the warm bodies and as we know all bodies give off infra-red rays. Obviously, the apparatus must be very sensitive when the source of the infra-red rays is at a temperature hardly higher than its surroundings. All recent progress in the technique has been aimed at improving the detectors and today the outputs used are very often less than one-billionth of a watt.

Infra-red photography uses the photo-chemical properties of this invisible light, provided it is not too far removed from the red. An exhibition now being held in Paris in a room of the Louvre Museum shows how, in the particular case of paintings, this method can bring to light details hitherto invisible.

We shall now go on to deal with the applications of infra-red rays to chemistry, which are extremely important and much less generally known because they come into the field of molecular science. We have said that infra-red rays are electromagnetic, that is, rays capable of giving off a charge of electricity. If we remember that molecules are made up of atoms carrying electric charges, we will more readily understand that infra-red light can set up inter-atomic movements in the molecules it encounters. The energy given off by the infra-red rays is thus transformed into mechanical energy which finally produces the heat to be used in the ways we have mentioned above.

More detailed analysis of the phenomena of absorption, which we have not the space to discuss here, shows that the wave-lengths of the incident light are not absorbed, that is, do not manage to set up intra-molecular movements. Only a limited radiation series possesses this property. These radiations are greater in number as the molecule contains a greater number of atoms—a molecule of two atoms (for example, hydrochloric acid, HCl) absorbs strongly only one radiation (of a wave-length of about three thousandths of a millimetre for HCl), a molecule of three atoms absorbs three (for example, soda, NaOH., strongly absorbs radiations of wave-lengths of 3, 5, and 16 thousandths of a millimetre) and benzene, C_6H_6, absorbs 15. We find an analogy in music when, for example, every string in the piano corresponds to a characteristic note, that is, the physical object corresponds to a determined acoustical wave-length. The case of molecules in chemistry is a far richer one. For to every molecule corresponds an often large number of wave-lengths, which determine the character of the molecule in question. We may say that they make up a veritable anthropometric index for this chemical species. This index is called the spectrum of the molecule and experience shows that most of the wave-lengths forming it belong to the infra-red group.

Appliances called spectrometers give the infra-red spectrum of any compound within about half an hour and generally a fraction of a milligram of a compound is sufficient to obtain its spectrum. Gard-index systems for thousands of pure bodies already exist. It is thus easy to see the value of infra-red spectrometry in chemistry to identify a compound that has been isolated; it is enough to recognise that its spectrum is identical with that of a body already known. If further wave-lengths appear, we may assume the existence of some impurity, identify it by its spectrum and even determine its concentration.

Experiments in this direction had already been made at the Sorbonne by Mr. J. Lecomte well before the last war. It was at a time when a scientist had to construct his own spectrometer and the technique, which had not yet been exploited by industry, required several days to establish the spectrum which is so easily obtained today. These experiments had nonetheless been positive and it was possible, among other things, to bring to light the main components of an essence. Today, infra-red spectrometers are entirely automatic and are mass-produced. A firm in the United States sells hundreds every year in spite of the high cost of the apparatus (4 to 6 million francs). France, which was in the forefront of this research, seems to have caught up on the setback caused by the last war. O.N.E.R.A., among other organisations, has produced industrial spectrometers (National Centre of Aeronautic Researches), which can bear comparison with similar apparatus produced abroad. The university and industrial research centres now possess several hundred modern spectrometers for infra-red rays. Without betraying any secret, we may say that at the Petroleum Institute or in the Renault factories, the following substances are commonly added to hydro-carbons—hexane, heptane, benzene, etc. Similarly, lubricating oils are tested by infra-red rays for the addition, for instance, of fatty acids to increase their spreading on metal. Trhône-Poulenc, which prepares thousands of bodies—many of them for the pharmaceutical industry—systematically makes use of infra-red rays in its research and testing laboratories. The Atomic Energy Commission uses the infra-red spectrometer for treating of

(*Continued on page 483*)

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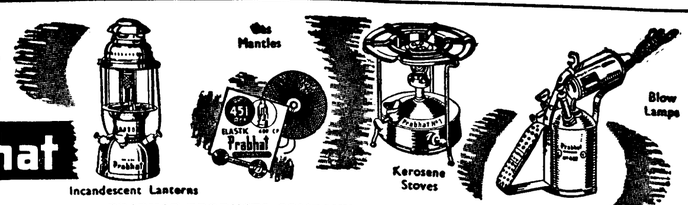

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NATIONALISATION OF INSURANCE

MR. C. D. DESHMUKH'S DEFENCE UNCONVINCING

THOSE who had expected to hear from Mr. C. D. Deshmukh, the Union Finance Minister, startling revelations of shockingly deplorable lapses on the part of Indian insurance companies, when he rose to move the Life Insurance (Emergency Provisions) Bill in the Lok Sabha—the Bill was passed by the Lok Sabha on 3rd inst.—must have been agreeably disappointed to find that the instances he quoted, amusing as they were, did not add up to a significant total in relation to the Rs. 301-crore assets which the life insurers own in this country. A somewhat disagreeable surprise was that he generally continued to urge in favour of nationalisation of insurance the arguments which have been used before by its advocates and met successfully by its opponents. The arguments related to high expenses of Indian insurers, lapses in policies and the failure of insurers to extend their operations to rural areas. The only two arguments which had not been hitherto used were that the Indian insurers' premium rates were high and that they were not prompt in the payment of claims.

Justifying the issue of the Ordinance, he stated, in effect, that if time had been allowed it might have led to additional malpractices. In this connection, he quoted a reference, made in this journal, to certain malpractices on the stock exchange by insurers, and said that comment was needless. We have never concealed the fact that malpractices exist. But we have always contended that they were confined to a few insurers, and that prompt and strict enforcement of the law, rather than nationalisation, was the obvious remedy. Be that as it may, the recent instances of malpractices by insurers he quoted were: a case in Bombay where Government securities worth Rs. 30 lakhs were missing, two cases in Calcutta where the amounts involved were Rs. 15 lakhs each, one case in U.P. involving Rs. 12 lakhs worth of securities, purchase of Rs. 1 lakh worth of land by an insurance company (in liquidation) from a person who had no title to the land and failure on the part of another company (in liquidation) to account for Rs. 20 lakhs worth of Government securities.

A Comprehensive View

Proceeding, Mr. Deshmukh explained the reasons which impelled the Government to decide on nationalisation. He said that the examination of this question by journals, students of economics and leaders of industry and commerce lacked comprehensive view of the problem whereas the Government, because it had the experience of the administration of insurance law, was able to appraise the points of view of all the interests concerned. This broad appraisal showed that the industry "was not being managed either efficiently or with an adequate sense of responsibility." A detailed enquiry with no "preconceived notions" was thereupon undertaken. The Government had been engaged in it since 1951. The conclusion it reached was:

"The industry was not playing the role expected of insurance in a modern State and efforts at improving standards by further legislation were unlikely to be any more successful than in the past. The concept of trusteeship which should be the corner-stone of life insurance seemed entirely lacking; indeed, most managements had no appreciation of the clear and vital distinction that exists between trust moneys and those which belong to joint stock enterprises."

Insurers' Faults

The Minister then dealt with the faults and imperfections of the Indian insurers. He said that the expense ratio was very high, about 27 per cent., as compared with 15 per cent. in the U.K. and 17 per cent. in the U.S. He added: "It has been contended on behalf of the companies that the high expenses are due to the small average sum assured in India. The matter is not so simple. The high expenses are due, in a very large measure, to extravagance in the field." Nor was there, according to Mr. Deshmukh, any post-sales service to policyholders. The result was that "lapses continue to be high."

Refering to premium rates, he said:

"Let us take the next criterion—premium rates. They are the highest to be found in any of the advanced countries of the world—a serious obstacle to any programme of expansion. It might be contended that the high premiums in this country are due to the higher mortality rates. There is no doubt that mortality rates are higher in India than in the U.K. and other Western countries but even after allowance is made for this it is the view of the experts that the difference in the premium rates should not be as much as it is. In other words, the difference has to be explained on some other grounds. And so far as our examination shows the only ground which can adequately explain the difference is our higher management costs."

Apparently, Mr. Deshmukh thinks that any stick is good enough to beat private insurance with. But the premium stick is hardly the one that could be so wielded. The premium rates in any two countries are not strictly comparable for, interest rates, mortality experience, tax rates, the total business in force and management costs differ from country to country. Even so, the Indian premium rates are not very much higher than those in the U.K. For instance, a leading British insurer quotes for age 30, for a 20-year endowment policy (without profits) about £4 6s. 9d. per £1,000 sum assured. The corresponding premium rate in India is about Rs. 46-14. If allowance were made for the concession which the Indian insurers give for annual payment of premiums, the difference in the rate between the Indian and the British premium comes to about Rs. 2-6. This cannot be considered very high in the context of the unfavourable mortality experience in India and lower interest rates as compared with the conditions in the U.K. It must also be pointed out here that it is somewhat unreal to discuss premium rates as if they are the only thing to consider in relation to selling of insurance. Insurance is not one of those commodities for which there is a very high elasticity of demand.

Settlement of Claims

Mr. Deshmukh also blamed the insurers for not settling the claims properly. He said:

"In 1954 alone, about a thousand complaints were received in the Department of Insurance against various companies alleging delay or even non-payment of claims. As against this, in Australia, where the number of life insurance policies in force is about the same, according to the report of the Commissioner of Insurance, there was only one complaint in 1954 relating to non-payment of claim! A number of cases were referred to the Controller of Insurance under section 47A after the claimants had despaired of getting satisfaction from the insurance companies. In most of these cases, the companies were found to be in the wrong."

A few other malpractices were mentioned by Mr. Deshmukh. He said that insurers had given loans on every type of security, good, bad and indifferent, and often, on no security at all. Unnecessary turnover of securities, granting loans on inadequate security and buying property at inflated prices were some of the ways in which the funds were jeopardised. He said that house properties had no clear-cut market value and investments in these categories offered considerable scope for malpractices. Although the Act prohibited the granting of loans to companies where the directors of the insurance companies were also directors, the managements had got round this restriction by floating debentures and making the insurance companies subscribe to them. Again, the Act limited the shareholding of any one person to five per cent. of the capital of the insurance company. This provision was overcome by holding the shares in the names of family members, friends and employees.

Insurance Should Not Fail

The Minister felt sorry that the truly well-managed companies were a small minority. Legislation and control, therefore, could no longer be considered as giving the Government a reasonable chance of achieving its objective. In his view, the fact that the minority of the well-run companies accounted for a considerable part of the business did not in any way affect this argument. He said insurance "is a business in which there ought never to be a failure and not a single policyholder should ever find his life's savings endangered." It may be recalled that the Finance Minister, in the course of his speech over A.I.R., at the time the Nationalisation of Insurance Ordinance was issued, had said that "insurance was a type of business which ought never to fail if properly run." Commenting on this statement, "Oudeis," in the leading British insurance journal, *Policy-Holder*, said:

"Of course, if that statement is viewed as a pious hope, it may be accepted, but in the mouth of the Finance Minister (whose words I quote) it is a terrible disclosure of ignorance; for the long history of insurance goes to prove that it is the type of business which will not run on pious hopes or good intentions. Insurance demands underwriting skill, organising ability, and investment knowledge of the highest order—and in combination—and frailty in any of these essentials will lead to disaster. Indeed, the record is strewn with just such disasters, and companies that have survived have done so because of all-round excellence which no government department can replace."

As regards the future of life insurance, Mr. Deshmukh said:

"Today, less than 30 lakhs of persons in this country are insured. Even if we were to do no better than double this number, we shall have increased the savings significantly. Actually, the possibilities of expansion are even greater. The urban areas alone contain a much bigger earning population, while the rural areas are as yet a wholly unexplored field. It had been claimed on behalf of private enterprise that it was confident of increasing the total life business in force from a little over Rs. 1,200 crores to Rs. 8,000 crores and the *per capita* insurance from Rs. 25 to Rs. 200 per head in the course of the next 10 years. I have very little doubt that the nationalised life insurance will be able not only to achieve this target but exceed it. And in doing so, we shall have made available for the implementation of our plans—the second and succeeding plans—substantial sums of money from the people's own savings."

It seems necessary to point out here that when private insurers confidently predicted the increase in the scope of life insurance business, they had not taken into account the possible emergence of inflationary conditions. It is to be hoped that any expansion that might take place in nationalised life insurance will not stem from mere inflation. Indeed, it should be the responsibility of the Government to see that inflation did not rob the people of their hard-earned savings.

Investments

Replying to the debate, Mr. Deshmukh said there would be no reduction in the investment of insurance funds in the private sector. He added:

"My main point is that, if our hopes are fulfilled we shall find such a rapid expansion in the total volume of business that there will be more available both for the public and private sectors—not in percentages, perhaps, but in absolute figures. But it is our firm intention to ensure that any disposal of funds in the private sector is in accordance with our plans and in accordance with the real interests of the country and not in the interests of any particular industrial or financial group."

During the clause-by-clause consideration of the Bill, the Minister for Revenue and Civil Expenditure, Mr. M. C. Shah, disclosed that the Government intended to start the proposed Life Insurance Corporation by 15th June at the latest. He added that the Bill for the confirmation of the Corporation would come up for discussion in the House on 19th March. The report of the Select Committee would be ready by the middle of April and before the end of the budget session the Bill would become an Act.

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1. Capital— As per capital reduction scheme sanctioned by the High Court of Bombay on 24-3-1926)		
AUTHORISED CAPITAL— 20,00,000 Shares of Rs. 5 each	1,00,00,000 0 0	
ISSUED, SUBSCRIBED AND PAID-UP— 8,00,000 Shares of Rs. 5 each, Fully Paid-up		40,00,000 0 0
2. Reserve Fund and Other Reserves		35,00,000 0 0
3. Deposits and Other Accounts— Short and Fixed Deposits and 3 Year Cash Certificates	2,48,10,983 2 2	
Savings Bank Deposits	66,67,639 10 5	
Current Accounts, Contingency Accounts, etc	5,96,55,822 0 3	9,10,74,444 12 10
4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	Nil	
(ii) Outside India	Nil	Nil
Particulars: (i) Secured	Nil	
(ii) Unsecured	Nil	
5. Bills Payable		3,68,495 12 6
6. Bills for Collection being Bills Receivable as per contra— (i) Payable in India	56,22,882 3 3	
(ii) Payable outside India	24,25,268 8 6	80,48,150 11 9
7. Other Liabilities		12,02,051 10 4
8. Acceptances, Endorsements and Other Obligations per contra		2,18,11,950 4 6
9. Profit and Loss Account— Balance as per Balance Sheet as at 31st December, 1954	4,50,873 10 7	
Less—Dividend at Annas 5 Pies 6 per share for the year ended 31st December, 1954	2,75,000 0 0	
Balance brought forward	1,75,873 10 7	
Profit for the year ended 31-12-1955 brought from the Profit and Loss Account	9,45,364 5 10	
	11,21,238 0 5	
Less— Rs. a. p.		
Amount transferred to Reserve Fund.. 2,00,000 0 0		
Amount transferred to Contingency Account 50,000 0 0		
Amount written off Premises Account 75,000 0 0		
Amount set apart towards payment of Taxation 1,75,000 0 0		
Amount provided for Bonus to Staff.. 1,25,000 0 0	6,25,000 0 0	4,96,238 0 5
10. Contingent Liabilities— Rs. a. p.		
(a) On Investments in Shares of Joint Stock Companies 19,150 0 0		
(b) Claim against the Banking Company not acknowledged as debts 15,000 0 0		
(c) Money for which the Banking Company is contingently liable Nil		
(d) Liability on account of outstanding Forward Exchange Contracts 48,75,648 15 10		
(e) Liability on Bills of Exchange re-discounted— Nil		
Total .. Rs.		13,05,01,331 4 4

PROPERTY AND ASSETS.	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)		1,28,68,391 2 5
2. Balances with Other Banks in Current Account— (i) In India	9,46,240 2 7	
(ii) Outside India	2,26,976 5 7	11,73,216 8 2
		Nil
3. Money at Call and Short Notice		
4. Investments (at or under Market Value)— (i) Securities of the Central and State Governments and other Trustee Securities	2,79,52,409 4 10	
(ii) Shares— Rs. a. p.		
(a) Preference Shares Fully Paid 20,300 0 0		
Preference Shares Partly Paid.. 38,000 0 0	58,300 0 0	
(b) Ordinary Shares Fully Paid 8,57,863 5 4		
Ordinary Shares Partly Paid 12,611 0 0	8,70,474 5 4	
(c) Deferred Shares Fully Paid	16,871 5 0	
(iii) Debentures	5,02,000 0 0	
(iv) Other Investments	Nil	
(v) Gold	Nil	2,94,00,054 15 2
(Part of Investments lodged with other banks for borrowing and other arrangements)		
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 3,71,72,645 14 6		
(ii) Outside India Nil	3,71,72,645 14 6	
(II) Bills Discounted and Purchased—		
(i) Payable in India 1,36,88,668 7 10		
(ii) Payable outside India 41,65,114 8 0	1,78,53,782 15 10	
(Particulars of Advances as per separate Schedule attached)		5,50,26,428 14 4
6. Bills Receivable being Bills for Collection as per contra— (i) Payable in India	56,22,882 3 3	
(ii) Payable outside India	24,25,268 8 6	80,48,150 11 9
7. Constituents' Liabilities for Acceptances, Endorsements and other Obligations per contra		2,18,11,950 4 6
8. Premises Less Depreciation— At Cost	25,43,849 0 9	
Less—Written off as per capital reduction scheme sanctioned by the High Court on 24-3-1926	10,00,000 0 0	
	15,43,349 0 9	
Additions during the year	1,39,847 0 0	
	16,83,196 0 9	
Deductions during the year	49,172 0 0	
	16,43,024 0 9	
Less—Total amount written off for depreciation	6,57,010 8 6	9,86,013 0 3
9. Safe Deposit Vaults, Furniture and Fixtures Less Depreciation— Rs. a. p.		
Safe Deposit Vaults 4,56,928 15 11		
Additions during the year 32,035 15 0		
	4,88,964 14 11	
Deductions during the year Nil		
	4,88,964 14 11	
Less—Total amount written off for depreciation	1,13,307 4 3	3,75,657 10 8
Office Furniture and Fittings 4,58,887 0 1		
Additions during the year 2,04,914 15 0		
	6,63,801 15 1	
Deductions during the year	9,104 9 0	
	6,54,697 6 1	
Less—Total amount written off for depreciation	2,04,748 4 10	4,49,949 1 3
		8,25,606 11 11
10. Other Assets— (i) Interest accrued on Investments	2,18,893 8 3	
(ii) Stock of Printing	77,164 0 0	
(iii) Stamps	5,460 15 9	3,01,518 8 0
		Nil
11. Non-Banking Assets Acquired in Satisfaction of Claims		
Total .. Rs.		13,05,01,331 4 4

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949) Attached to and forming part of the Balance Sheet as at 31st December, 1955.

	Loans, Cash Credits, Overdrafts, etc.	Bills Discounted and Purchased	Total Advances
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	3,10,74,148 14 2	1,14,55,187 11 7	4,25,29,336 9 9
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	26,74,020 6 5	6,53,052 4 6	33,27,072 10 11
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	34,23,876 9 11	57,45,542 15 9	91,69,419 9 8
(iv) Debts considered doubtful or bad, not provided for	Nil	Nil	Nil
Total .. Rs.	3,71,72,645 14 6	1,78,53,782 15 10	5,50,26,428 14 4
(v) Debts due by directors or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	Nil	Nil
(vi) Debts due by companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	3,37,666 8 8	Nil	3,37,666 8 8
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	Nil	Nil
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members	8,46,274 5 5	Nil	8,46,274 5 5
(ix) Due from Banking Companies	Nil	Nil	Nil

Profit and Loss Account for the year ended 31st December, 1955.

EXPENDITURE	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.		14,08,125 14 10
2. Salaries and Allowances and Provident Fund— Rs. a. p.		
(i) To the General Manager 30,186 9 3		
(ii) To the Staff 10,04,131 4 0	10,34,317 13 3	
3. Directors' and Local Committee Members' Fees and Allowances	14,250 0 0	
4. Rent, Taxes, Insurance, Lighting, etc.	2,24,902 10 5	
5. Law Charges	4,214 14 0	
6. Postage, Telegrams and Stamps	33,765 3 10	
7. Auditors' Fees	5,000 0 0	
8. Depreciation on and Repairs to the Banking Company's Property	42,522 12 6	
9. Stationery, Printing, Advertisement, etc.	1,75,971 10 9	
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil	
11. Other Expenditure	1,66,728 6 5	
12. Balance of Profit (subject to Taxation)	9,45,364 5 10	
Total .. Rs.	40,53,499 11 10	

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	31,51,904 6 0
2. Commission, Exchange and Brokerage	5,21,103 3 3
3. Rents on Building	92,175 12 0
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	1,32,638 10 8
5. Net Profit on revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. Other Receipts	1,55,677 11 11
Total .. Rs.	40,53,499 11 10

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Union Bank of India, Limited, as at 31st December, 1955, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the audited Returns of Kalbadevi, Rajkot, Mandvi and Surat Branches and the certified Returns from ten other Branches, and report that:—

(a) we have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) the Returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit;

(d) in our opinion the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(e) such Profit and Loss Account shows a true balance of profit for the year;

(f) such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and explanations given to us and as shown by the books of the Bank, and

(g) in our opinion the books of account have been kept by the Bank as required by Section 120 of the Indian Companies Act, 1913.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

BOMBAY, 17th February, 1956.

J. R. NANAVUTY, Chief Accountant. F. K. F. NARIMAN, General Manager.

D. A. BIJOOR, Secretary.

M. S. CAPTAIN
LACHHMANDAS H. DAGA
K. R. P. SHROFF
BEHRAM N. KARANJIA
DEVJI RATTANSEY
DEBI PRASAD GOENKA
BALKRISHNA HARIVALLABHDAS
JAL HORMUSJI MEHTA
} Directors.

ANNUAL MEETING OF INDIAN MINING ASSOCIATION

PLEA FOR ASSURANCES TO PRIVATE PRODUCERS

MR. B. MITTER'S SPEECH

ADDRESSING the Annual General Meeting of the Indian Mining Association, held in Calcutta on Friday, 2nd March 1956, the Chairman of the Association, Mr. B. Mitter, deprecated the tendency to take every opportunity of casting aspersions on the working of collieries under private ownership. He pleaded for a comprehensive formula for compensation to the coal industry in the event of nationalisation so that private producers could be encouraged to undertake development of mines.

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

"GENTLEMEN,

"The year that has passed since we last met has been primarily concerned in giving concrete shape to the future and the second Five-year Plan has dominated the affairs of the coal industry. I need hardly emphasise how vital it is for the industrial development of the country that the aspirations of the Plan should be matched by actual attainments, nor need I stress how closely its success hinges on the ability of the coal industry to meet its new responsibilities.

"In the past the industry has on the whole been able to give the country all the coal it required and if on occasions some consumers have had to go short, the cause was usually to be found either in special circumstances such as prevailed during the last war, or in the limitations of transport.

"The task before the industry today is, however, greater than it has ever been called upon to face in the past. It is required to make available 60 million tons of coal by 1960 as against the 38 million tons produced last year. The achievement of this target in the short space of five years undoubtedly poses a problem of formidable proportions, but with the concentrated and co-ordinated effort of all who are in a position to help, there is no reason why the goal should not be successfully attained. In coal the pattern of production is one in which collieries worked by private enterprise operate alongside those worked by Government, and, in the context of the immense increase of potential required, there is ample scope for both to develop and to make their respective contributions towards a common cause. For this mixed economy to function effectively it is important to create an atmosphere in which both the sectors can work to maximum effect in close co-operation. They should both have equality of opportunity and both be allowed to operate under similar conditions.

"In some quarters, there is a tendency to take every opportunity of casting aspersions on the working of collieries under private ownership. No one claims that in an industry which has several hundred individual producing units conditions everywhere are ideal. Similarly, I think, it would be difficult even for the stoutest champion of State enterprise to establish that the Government collieries are models of perfection. Negative generalisations against the private sector serve little useful purpose, and, at a time when so much depends on the fulfilment of the coal plan, the accent must be not on creating divisions but on mobilising all our resources behind one gigantic effort.

"To achieve the success we all desire it is important to examine what are the obstacles which stand in the way and I propose, therefore, within the time available to me, to lay before you what in my view are some of the main problems facing us at present. In mentioning these difficulties, however, I wish to emphasise that, contrary to what some people are only too ready to assume, there is no desire on our part to be obstructive in any way. On the contrary, I believe that only by a frank statement of difficulties will it be possible to devise remedies to overcome them.

Security of Tenure

"To achieve the new momentum in production required by the Plan, it is obvious that vast new development programmes will have to be launched involving large financial outlays. In the private sector, we are prepared to marshall our full potential behind these development projects and to finance them very largely from our own resources. However, whilst we are used to accepting normal commercial risks in the course of business, we cannot ignore the fact that, in a mineral industry like coal, it must necessarily take many years before any return on the capital outlay can be expected. We had accordingly hoped that the Government would be in a position to give the industry some reasonable security of tenure in the face of frequent mention of the possibility of nationalisation. The Government have unfortunately found themselves unable to give any security of tenure but it has been indicated that, if producers in the private sector made plans for increasing their production and laid out money for the purpose, then in the event of nationalisation full compensation, after taking into account depreciation, would be paid for whatever money was laid out with the approval of the Government for this additional production. Whilst we welcome the reasons which prompted this indication, it must be emphasised that the formula is too limited in scope and its application in practice is fraught with too many difficulties to enable it to instil any great sense of confidence amongst those who are not only able but eager to undertake large-scale capital outlays on development work.

"If the formula is examined it will be seen to consist of three main parts, which lay down that compensation would be paid on capital outlay for increasing production, that it would be paid on capital expenditure less depreciation, and, finally, that it would be paid only on expenditure incurred with the approval of the Government. As regards the first part, in an extractive industry like coal which works a wasting asset, even the maintenance of existing levels of production requires a steady flow of new investments and it is technically impossible to distinguish between capital outlay for maintaining production and capital outlay for increasing production. The two are very closely linked when incurred in one and the same mine, and even the sinking of a new shaft in the same or another property might be regarded as necessary for maintaining production.

An Illustration

"An example may help to illustrate the point. Let us assume, for instance, that a property is being worked through two shafts and that a small area round the shaft bottom has been developed. In order to develop in accordance with approved mining methods the remaining area of the property towards its boundaries, more haulage engines, motors, switches, cables, steel wire ropes, rails and a host of other things would be required. Such additional installations, far from increasing output immediately, may only enable the mine to maintain its output for five, ten or even fifteen years until the depillaring stage is reached, when output will rise sharply. Will the capital outlay on such additional plant and machinery be regarded as necessary to maintain output or to increase output? The outlay is necessary to maintain present production but it is equally necessary to increase future raisings.

"Examples such as this can be easily multiplied to bear out the fact that no distinction is possible between the two forms of capital investment. Turning to the second part of the formula, it is suggested that compensation would be paid on capital outlay less depreciation. If a company were to invest a crore of rupees on fresh capital development and the Government were to decide to acquire the industry, say in five years time, then taking into account the rates of depreciation applicable in the coal industry, the depreciated value of the outlay would be very substantially less than this crore at the end of five years. At the same time, in the course of these five years, the company can hope to earn very little by way of return on its investment. Consequently, the outlook can hardly be construed as being reassuring to those who contemplate making large financial commitments. As regards the approval of the Government to items of expenditure, if the necessity of having the initial investment approved by the Government were conceded, should the formula imply that an account had to be kept of every single item of plant and machinery installed at each individual colliery, and, further, that this had to be done for an indefinite period, various practical and procedural problems would inevitably arise making the satisfactory maintenance of the records extremely difficult, if not impossible, both from the point of view of the Government as well as that of individual producers.

"In the absence of any security of tenure, the terms of compensation are naturally of great significance to those who are making ready to make large investments of money in developing the coal resources of the country. Furthermore, the formula suggested, in its present shape, postulates the laying down by the Government of certain intricate procedural arrangements in regard to maintenance of records before any new development work can be undertaken. In view of all these considerations, I hope the Government will find it possible to evolve a more comprehensive formula which will transcend the limitations of the one mentioned. It has been stated by various Government spokesmen from time to time and even during the debate on the Fourth Amendment to the Constitution that the objective of the Government was not to deny compensation but only to make it non-justiciable. If that is the avowed objective of the Government, then the present suggestion militates against the fulfilment of the objective.

Transport

"In considering the general state of the coal industry, I cannot recall any occasion over the years where reference has not been made to the inadequacy of transport facilities available for moving coal. Nevertheless, I feel that I must dwell for a while on this old problem which, under the impact of the second Plan, has assumed new dimensions of magnitude and urgency.

"After the inevitable strains and dislocations caused by the last world war, the railways have made commendable efforts to restore the position, and to improve upon it, but the situation still remains one in which the capacity available is sadly deficient in relation to requirements. In 1946, the railways had stated that they were confident of attaining within two years a daily loading of 3,600 wagons in the coalfields of Bihar and Bengal. In 1955, however, after a lapse of nine years, the average number of wagons loaded daily in these two areas was only 3,262. Although this figure was a slight improvement on the 1954 figure of 3,205 wagons, it is manifest that the improvement is not keeping pace with the expanding output. When production plans are being designed to raise the output of coal by 22 million tons in five years, the industry is apprehensive that transport is not being expanded sufficiently to cope with the vastly increased traffic which will be offering. I referred the other day from another platform to the cut in allocations for the Railway Ministry under the second Plan. Since then the general managers of our railways have together given voice to what has been described as 'a chorus of complaints' emphasising their difficulties arising from shortages of steel, cement and timber. They are reported to have expressed misgivings about the ability of the railways to adhere to their schedules of work. Planning in their view had become increasingly difficult and so had the possibility of giving any assurances for the future.

"If there is any substance in these reports which have appeared in the Press, they naturally give rise to doubts as to whether adequate importance is being attached to the imperative necessity of achieving the closest co-ordination between the production and transport of coal. We are familiar with the results of the lack of such co-ordination in the shape of accumulated stocks at the pitheads and losses caused by spontaneous combustion. The Railway Budget presented last week also indicates that the development plans will be inadequate to cope with the level of coal production envisaged. The success of the coal plan cannot be assured unless transport can move the expected volume of traffic and I would urge that even greater efforts must be made for the breaking of this bottleneck.

"Apart from directly expanding the capacities of the railways, one way in which the strain on the railway system can be mitigated would be to make fuller use of coastal shipping for the carriage of coal. From this Association we accordingly welcomed the setting up last year of the Rail-Sea Transport Co-ordination Committee and urged before it our views that coastal freight rates for coal should be readjusted so as to bear a closer relation to rail freight rates. At present the disparity is glaring and this prevents the optimum utilisation of these two forms of transport.

"Within a restricted field, the possibility of improving transport was examined in 1955 by a committee set up to investigate pilot and depot capacities in the West Bengal and Bihar coalfields. This Committee has made some recommendations but only from the short period aspect of meeting requirements up to the end of 1957. Although it was limited to examining pilot and depot capacities, the Committee felt that existing route and junction limitations would have to be liberalised considerably in order to achieve a lasting solution and, it became obvious during its deliberations, that the transport problem could not be considered satisfactorily in small segments. For the movement of coal, a more comprehensive policy is required and not merely the stringing together of a number of *ad hoc* expedients.

"Since it appears almost inevitable, however, that for some time to come at least the insufficiency of wagon supplies will continue, steps should be taken to ensure that such supplies as are available for coal loading are allocated in an equitable manner. It seems to have become the practice for the State collieries to get first priority in such allocations to the detriment of collieries in the private sector. It is sometimes said that, in fact, no discrimination is made, the wagons being allotted strictly on the basis of priority of orders. This is, however, merely a form of sophistry for, if every order placed with a State colliery is *ipso facto* given a high priority, the resultant position is unaltered. If private enterprise is to be given a fair chance of expanding output, distribution of wagons should be made without arbitrarily subordinating the interests of one integral section of the coal industry to the dictates of another.

New Collieries

"The expansion of production and the development of new collieries will necessitate provision of new sidings and there are indications that the railways are now not averse to the construction of sidings on assisted terms. This is undoubtedly an improvement on their previous policy, followed for some time, of considering only applications on private siding terms. There is a possibility, however, that the rules governing the provisions of assisted sidings may be revised with a view to increasing the financial burden on the owners and proportionately easing the burden on the railways themselves. If the terms are modified in this fashion the effect would be to saddle on the owners most of the onerous provisions of private sidings. Private enterprise has already expressed its eagerness to embark on large financial outlays for the development of collieries and I trust that in respect of sidings no fresh impositions will be made as compared with the assisted terms known to the industry previously.

"Turning from availability of transport, the expansion in production contemplated under the second Plan will make it necessary for large-scale import of such plant and machinery as are not made in this country at present. Since Government collieries themselves would be interested in such imports, there is need to ensure that collieries in the private sector are not discriminated against in respect of import facilities, and further that, on the procedural side, all unnecessary hold-ups are obviated. In regard to essential requirements produced in India, some co-ordination at a high level is called for to see that the coal industry gets its fair share. I would like to stress, in this connection, that the position of cement supplies is far from satisfactory and is already causing considerable concern to colliery owners. The present allocations are quite insufficient to meet existing demands of the industry and this raises the doubt as to whether sufficient quantities will be available for capital works required in connection with the Plan.

"Some of the largest coal producers in the country, for instance, applied between them for a total of 2,364 tons of cement for period IV of 1955, against which actual allocations issued by the Cement Adviser amounted to only 428 tons. This insignificant figure included 178 tons of the more expensive sea-borne supplies from South India. Even though the collieries concerned agreed to accept their full balance requirements in cement imported from South India costing over Rs. 50 per ton more than the cement produced in Eastern India, the shortfalls were not made good. The example I have cited applies to a very large number of privately run collieries and perhaps I may be permitted to enquire whether the State collieries are in a similar position both as regards the proportionate allocation against demands as well as allocation of cheaper cement from factories located nearer the coalfields.

"The mention of the cost of cement brings me to the wider issue of production costs and prices. To shoulder effectively its onerous responsibilities, the coal industry must be placed in a position where it can secure an adequate selling price for its output. I think most of you are already aware that today's controlled prices are based on production costs of eight years ago and that over these eight years costs have moved steadily upwards, thus narrowing considerably the margin left to the industry. This process is still continuing.

"Under the Coal Mines (Temporary) Regulations introduced last year, for instance, additional precautions are required to be taken in regard to open cast workings and there are new stipulations governing the use of winding ropes, the construction of precautionary fire dams and the installation of electric lighting underground. The new Mines Rules (1955) require, amongst other things, additional provisions for first aid personnel and equipment, ambulance rooms, shelters and canteens. They also provide for employment of a much larger number of welfare officers who are required to have certain specified qualifications and to be of a certain status. The draft Electricity Rules, gazetted in 1954, lay down many stipulations regarding earth leakage protection gear, flameproof gear, and switchgear at sub circuits. They restrict the length of trailing cables, thus necessitating more gate-end boxes. Furthermore, they require that all cables in certain areas are to be double-wire armoured.

"All reasonable measures necessary to ensure the better working of mines, whether in the State sector or in the private sector, have our full support. It must be realised, however, that to implement all these new rules and regulations costs money. In so far as these provisions are progressive they are welcome, but the dynamics of progress cannot be contained indefinitely within the straight-jacket of an inflexible price structure.

"It is appreciated that coal being a basic commodity, the level of its selling prices has a bearing on costs in other industries; but these considerations apply equally to important commodities like steel and cement. Whilst this aspect should no doubt be borne in mind, I am sure you will all agree that no single industry should be made to subsidise others if its own economics justify an increase in selling prices. Nor can such an increase be denied on the ground that when production goes up in future, and when transport is available to move this increased production, costs would tend to go down. Consideration of this vital problem should not be allowed to languish in vague generalities of this nature. What is needed now is to make today's controlled selling prices reflect today's costs, and if the industry's costs go down in future, there is no reason why future prices should be impervious to such changes. I would suggest that the Government should no longer delay a comprehensive review of coal prices and that the results of this review should be made known at the earliest opportunity.

"Labour costs, as you are aware, constitute the most important single element in the cost of producing coal, and the wage structure of the industry is being reviewed at present by the All-India Industrial Tribunal. The issues before the Tribunal are of great consequence and its findings, which are expected shortly, will no doubt have an important bearing on the future of the coal industry.

"You have heard in the past references to the question of stowing and the quantum of assistance received for it. There has been no change in the position in the last year and the subsidy continues to be grossly inadequate. The rules governing the grant of assistance are in a large measure illogical, with the result that they give rise to various anomalies. For instance, owing to the peculiar rules governing depreciation, capital investment on mechanisation is penalised as compared with inefficient installations worked manually. Again, under the present rules a colliery situated on a river bank receives the same limit of assistance as a colliery situated many miles away from the source of sand supply. These and many other cases have been the subject of discussion for some considerable time but measures are still awaited to rectify the position. Nor is any solution yet available to the complaint that payment of stowing subsidies continues to be six months or so in arrears. There is need for urgent action in this matter as the present practice is a source of considerable hardship to those collieries which stow and, in so doing, implement one of the best known methods of promoting safety as well as of conserving coal.

"Very close to the subject of stowing is that of washing and for some time now the question of arranging supplies of washed coal for the steel works has been before the Government and the industry. I trust that before long we shall have a clearer picture both as to the location of washeries and as to the price to be paid for washed coal.

"Gentlemen, the years that lie ahead hold a great opportunity for the coal industry to make a significant contribution to the industrial growth of the country. The very magnitude of the expansion envisaged poses a challenge however, and there are many problems to be tackled. To overcome them we must all strive to our utmost and must all pull together. If the authority and power of Government is linked in a joint endeavour with the resources and potentialities of private enterprise, I am sure we shall be able to face with confidence the challenge of this new opportunity.

"I would like to conclude, gentlemen, by thanking your Vice-Chairman and the outgoing Committee for the help and support they have given me during the last twelve months. My appreciation also goes to our secretariat, both here and in the coalfields, for the work they have put in, and, finally, I wish to thank your technical adviser, Mr. L. J. Barraclough, and all the others whose untiring efforts have proved so valuable to me during the past year."

THE BANK OF MYSORE, LIMITED

(INCORPORATED IN MYSORE STATE IN 1913. LIABILITY OF MEMBERS IS LIMITED.)

Head Office: AVENUE ROAD, BANGALORE, 2

BRANCHES

1. ARSIKERE
2. BANGARAPET
3. BELLARY
4. BHADRAVATI
5. BOMBAY
6. CHANNAPATNA
7. CHICKBALLAPUR
8. CHICKMAGALUR
9. CHICKPET BRANCH, BANGALORE CITY
10. CHINTAMANI
11. CHITALDROOG
12. CITY BRANCH, ARCOT SRINIVASA-CHAR STREET, BANGALORE CITY
13. COCHIN
14. COIMBATORE
15. DAVANGERE
16. FORT BRANCH, BANGALORE CITY
17. HASSAN
18. KOLAR
19. KRISHNARAJANAGAR
20. LADY CURZON ROAD, BANGALORE CIVIL AREA
21. MADANAPALLE
22. MADRAS
23. MANDYA
24. MARKET BRANCH, MYSORE
25. MYSORE
26. OORGAUM
27. SAGAR
28. SAKLESPUR
29. SHIMOGA
30. SOUTH PARADE BRANCH, BANGALORE CIVIL AREA
31. TIPTUR
32. TUMKUR

BOARD OF DIRECTORS

RAJASEVASAKTHA SRI. P. SUBRARAMA CHETTY
LOKASEVANIRATHA DHARMAPRAKASA SRI. V. R. CHIKKACHANNANJAPPA SETTY
DHARMAPRAKASA SRI. L. S. VENKAJI RAO
SRI. D. M. SHANKARAPPA
SRI. S. M. RAMAKRISHNA RAO
SRI. S. RAMANATHAN
SRI. G. V. RUDRAPPA
DHARMAPRAKASA SRI. M. V. VEERAPPA
SRI. K. SUBBA RAO RAMASWAMY
SRI. A. R. BADRINARAYAN
SRI. J. L. KUNDU, I.A.S., Central Government Nominee
SRI. N. MADHAVA RAO, I.A.S., Secretary to Government of Mysore, Finance Department, Mysore Government Nominee
SRI. G. BALASUBRAMANIAN, Reserve Bank of India Nominee.

REPORT OF THE DIRECTORS TO BE PRESENTED TO SHAREHOLDERS AT THE FORTY-THIRD ANNUAL GENERAL MEETING TO BE HELD AT THE REGISTERED OFFICE OF THE BANK IN BANGALORE CITY

The Directors have pleasure in submitting to the Shareholders the Balance Sheet and Profit and Loss Statement as at 31st December, 1955.

The result of the Bank's working for the year ended 31st December, 1955, is a surplus of Rs. 17,21,293-15-4, which sum, together with Rs. 2,41,960-4-9 brought forward from 31st December, 1954, aggregates Rs. 19,63,254-4-1.

The following appropriations have been made :—

	Rs.	a.	p.
An Interim Dividend at the rate of 12 per cent. per annum and a Bonus at the rate of 4 per cent. per annum, free of Income-tax, was paid for the half-year ended 30th June, 1955, which absorbed	4,00,000	0	0
Transferred to Reserve for Income-tax and Super-tax	3,50,000	0	0
Transferred to Reserve for Contingencies	1,00,000	0	0
The Directors now propose:			
To pay a final Dividend at the rate of 12 per cent. and a Bonus of 4 per cent. per annum for the year ended 31st December, 1955, free of Income-tax, which will absorb	4,00,000	0	0
To provide for Income-tax and Super-tax	2,50,000	0	0
To pay a Bonus to Staff of three months' salary about	2,84,000	0	0
To carry forward to next account	1,79,254	4	1
Total .. Rs.	19,63,254	4	1

The Central and Head Office accounts, as at 30th June and 31st December, 1955, have been audited by Messrs. Fraser and Ross, Chartered Accountants, while the accounts of the Branches have been audited by Messrs. B. K. Ramadhyani & Co., Chartered Accountants, R. E. Kotre & Co., Chartered Accountants and Sri. S. R. Mandre, Chartered Accountant. Sri. R. V. Subramanyam, Deputy Controller, has examined the accounts for the year on behalf of the Government of Mysore.

Dharmaprakasa Sri. L. S. Venkaji Rao and Sri. S. M. Ramakrishna Rao are the two Directors who retire on this occasion. They are eligible for re-election and offer themselves accordingly.

The Auditors, Messrs. Fraser and Ross, B. K. Ramadhyani & Co., R. E. Kotre & Co., and Sri. S. R. Mandre, also retire and offer themselves for re-appointment.

The Dividend, when sanctioned, will be payable on and after 21st March, 1956.

THE BANK OF MYSORE, LIMITED,
AVENUE ROAD, BANGALORE CITY,
10th February, 1956.

By Order of the Board,
B. V. NARAYANA REDDY,
General Manager.

BALANCE SHEET AS AT 31st DECEMBER, 1955.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED—1,00,000 shares of Rs. 100 each	1,00,00,000	0	0			
ISSUED, SUBSCRIBED AND PAID-UP IN CASH—50,000 shares of Rs. 100 each				50,00,000	0	0
2. Reserve Fund and Other Reserves— Reserve Fund (includes Rs. 46,70,613-0-0 on account of premia on Shares received in prior years)				84,00,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	4,00,48,778	15	2			
Thrift and Savings Bank Deposits	2,23,22,780	13	11			
Current Accounts, Contingency Accounts, etc. (including provision for Depreciation on Investments Rs. 9,33,255-0-8)	4,31,64,550	15	8			
				10,55,36,110	12	9
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil					
				Nil		
5. Bills Payable				9,74,853	13	3
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	65,23,517	3	6			
(ii) Payable outside India	1,18,411	8	6			
				66,41,928	12	0
7. Other Liabilities—						
Provision for Income-tax and Super-tax	17,68,671	15	6			
Staff Gratuity Fund	6,98,798	10	1			
Unclaimed Dividends	1,31,217	6	8			
Sundries Payable	2,79,329	15	10			
Rebate on Bills Discounted	47,414	8	0			
Branch Adjustments	25,74,932	8	1			
				55,00,165	0	2
8. Acceptances, Endorsements and Other Obligations per contra				14,08,552	15	1
9. Profit and Loss—						
Balance as per Balance Sheet as at 31st December, 1954				12,52,018	1	3
LESS—Appropriated to—	Rs.	a.	p.			
Dividend Account	4,00,000	0	0			
Provision for Income-tax and Super-tax	3,50,000	0	0			
Bonus to Staff	2,60,057	12	6			
				10,10,057	12	6
				2,41,960	4	9
ADD—Profit for the year brought from the Profit and Loss Account				17,21,293	15	4
				19,63,254	4	1
LESS—Appropriated during the year as follows—	Rs.	a.	p.			
Interim Dividend and Bonus	4,00,000	0	0			
Reserve for Income-tax and Super-tax	3,50,000	0	0			
Reserve for Contingencies	1,00,000	0	0			
				8,50,000	0	0
				11,13,254	4	1
10. Contingent Liabilities—	Rs.	a.	p.			
(i) Claims against the Banking Company not acknowledged as debts	1,13,335	12	8			
(ii) Money for which the Banking Company is contingently liable showing separately the amount of any guarantee given by the Banking Company, on behalf of directors or officers :—						
(a) Guarantee given on behalf of directors or officers	Nil					
(b) Guarantee given on behalf of others	Nil					
(iii) Arrears of cumulative preference dividends	Nil					
(iv) Liability on Bills of Exchange re-discounted	Nil					
(v) Liability on account of outstanding Forward Exchange contracts	Nil					
Total .. Rs.				18,45,74,865	9	4

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash— In hand and with the Reserve Bank and State Bank (including Foreign Currency Notes)				75,62,069	0	2
2. Balances in Current Accounts with Other Banks—						
(i) In India	9,55,373	1	3			
(ii) Outside India	6,06,166	14	8			
				15,61,539	15	8
3. Money at Call and Short Notice				51,00,000	0	0
4. Investments (at or below cost)—						
(i) Rs. 3,81,71,800 of the Central and State Government Bonds and other Trustee Securities (Market Value Rs. 3,77,46,676-4-0)	3,83,56,388	4	0			
(ii) Ordinary Shares of Banks or other Joint-Stock Companies—						
Partly paid-up shares	26,345	8	0			
(Amount uncalled Rs. 15,000-0-0) (Market Value Rs. 30,300-0-0)						
Full provision for the difference between the market value and the cost of the Investments has been made as per contra.						
(The above Investments include securities to the value of Rs. 6,99,000-0-0 held on behalf of the Staff Gratuity Fund.)				3,83,82,733	12	0
5. Advances (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)—						
I. Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
(i) In India	5,80,28,354	9	9			
(ii) Outside India	Nil					
				5,80,28,354	9	9
II. Bills Discounted and Purchased—						
(i) Payable in India	1,19,80,233	13	11			
(ii) Payable outside India	1,24,019	14	0			
				1,21,04,253	11	11
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the Banking Company is fully secured				7,01,32,608	5	8
(ii) Debts considered good for which the Banking Company holds no other security than the Debtors' personal security (including Rs. 88,63,958-6-11 on joint and several signatures)				5,23,75,326	10	11
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the Debtors				1,72,57,281	10	9
(iv) Debts considered doubtful or bad, not provided for				Nil		
Total .. Rs.				Nil		
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons				7,01,32,608	5	8
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members				11,71,254	12	3
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons.				43,32,169	6	8
(viii) Maximum total amount of advances, including temporary advances, granted during the year to the companies or firms in which the Directors of the Banking Company are interested as directors, partners or managing agents or, in the case of private companies, as members				25,28,224	7	6
(ix) Due from Banking Companies				44,50,767	10	5
				6,76,337	14	10
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India				65,23,517	3	6
(ii) Payable outside India				1,18,411	8	6
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				66,41,928	12	0
				14,08,552	15	1
8. Premises less Depreciation—						
At cost as at 31st December, 1954				10,96,291	0	0
Additions during the year	Rs.	a.	p.			
Transferred from Other Properties (Madras Buildings)	9,116	6	6			
	16,06,494	4	6			
				16,15,610	11	0
LESS—Deductions during the year				27,11,901	11	0
				330	0	0
LESS—Depreciation to date				27,11,571	11	0
				7,27,091	1	1
9. Furniture and Fixtures—						
At cost as at 31st December, 1954				5,81,687	8	7
Additions during the year				76,532	4	3
				6,58,419	12	10
LESS—Deductions during the year				4,101	10	1
LESS—Depreciation to date				6,54,318	2	9
				3,49,318	2	9
						19,84,480	9	11
10. Other Assets—						
Other Properties—	Rs.	a.	p.			
At cost as at 31st December, 1954	12,73,974	1	7			
Additions during the year	3,91,039	9	0			
	16,65,013	10	7			
LESS—Transferred to Premises	16,06,494	4	6			
				58,519	6	1
Balances with Mysore Government Treasuries				18,170	3	0
Advance Payment of Income-tax and Super-tax				9,64,710	0	0
Interest accrued on Investments and Commission				4,85,582	11	9
Deposit with Government Departments				7,078	6	0
						3,05,000	0	0
11. Non-Banking Assets— Acquired in satisfaction of claims—						
Lands and Buildings at cost as on 31-12-1954				12,860	0	0
LESS—Depreciation to date				463	8	0
						14,84,055	10	10
Total .. Rs.						11,896	8	0
						18,45,74,865	9	4

FOREIGN TRADE UNDER SECOND PLAN

DIVERSIFICATION OF EXPORTS WANTED

By Chinoobhai C. Javeri
PRESIDENT, ALL-INDIA EXPORTERS' ASSOCIATION, BOMBAY

UNDER the second Five-year Plan, our total requirements of foreign exchange for capital goods are estimated at 1,600 crores, including Rs. 400 crores for imports of equipment for replacement. Assuming that we could finance Rs. 600 crores worth of capital goods from current earnings and save Rs. 200 crores of foreign exchange in imports on items where domestic production is likely to increase, there would still be a problem to find Rs. 800 crores of foreign exchange. About Rs. 200 crores will be available from sterling balances. This will leave a balance of Rs. 600 crores. Credit has been taken for Rs. 400 crores of foreign aid, which, even if forthcoming, would still leave in our foreign exchange a gap of Rs. 200 crores. This can be met by larger exports. But can we do it? Have we the means and the resources for spiralling up exports commensurate with the gap which will widen, if the expected foreign aid is not forthcoming. The Rs. 20 crores freely convertible loan given to Burma recently will constitute a further charge on our foreign exchange resources. The authors of the Plan have, however, made no attempt to discuss the prospects of earning the required foreign exchange, nor are any practical schemes and measures suggested for promoting exports.

The figures of our foreign trade during the last seven years show, on comparison, an average deficit of Rs. 105 crores per year, though the deficit during 1953-54 and 1954-55 were only Rs. 50 crores. The problem before the country is not only of striking a balance in our payment account but also of earning more foreign exchange to pay for larger imports as provided in the second Five-year Plan.

A Large Stake

We have a large stake in international trade. The total external trade places us among the first 10 countries with the largest share in international trade. Some of our important industries such as jute, tea, mica and coir, are dependent upon export. During the war, the cotton textiles and jute industries were strained to the utmost, wearing out the machinery. These are the key industries. Their rehabilitation as well as the construction of other new industries will account for large imports of capital goods.

On the other hand, with the growth of industries and as more money flows into the hands of the people, the demand for both consumer goods and industrial raw materials will greatly increase. When more money begins chasing after goods, prices will go up, which can be checked by larger imports sufficient to fill the widening gap between supply and demand during the intervening period, until production catches up the demand. Or demand has to be restrained by limiting consumption and by adopting strict austerity, but our standard of living is so low that little can be achieved in that direction. Thus, more foreign exchange for larger imports of merchandise other than capital goods will have to be provided, because the volume of our present imports, on the whole, is to the minimum and allows little scope for further reduction. Contemporaneously necessary controls will have to be imposed to prevent price inflation.

There is, therefore, no room for curtailing imports furthermore. Since the scope for retrenchment in our imports is small, there is correspondingly greater need for increasing exports. It is exports which ultimately can pay for larger imports visualised under the second Five-year Plan for which production of export goods will have to be stepped up. No amount of discussion and appeal will suffice. Subsidies, though helpful to an extent, will not achieve the objective. They might provide a temporary fillip but they do not offer a long-term solution. All our wits and ingenuity have to be applied to the task. The intensive international competition, the changing pattern of trade in all the countries of the world, the competitive position of our exportable goods and their quality are also factors to reckon with.

There have been vast changes in the composition and distribution of our trade. With the expansion of the dyestuff and chemical industries, their imports could be retrenched. Likewise, import of paper and art silk, staple fibre yarn could be tapered off. By the same token in cotton, too, import could be scaled down, since we have been successful in growing a variety of staple cotton hitherto imported. It is in these and other items that a saving of about Rs. 200 crores is estimated. A close and constant watch on the figures of production, the trend of demand, and fluctuation in prices is, therefore, paramount. In the light of these findings, an appropriate import policy may then be framed and followed, so that production may not be affected nor any shortage or scarcity created.

Potentialities

Let us review the prospects and potentialities of our export trade. The main commodities which have been earning us large foreign exchange may not help us to the same extent in future. Cashewnut is a valuable dollar earning item. It is imported into India from East Africa and, after being processed, re-exported to the U.S.A. A scheme is reported to be afoot for constructing processing plants for it in East Africa to develop direct export trade with the U.S.A. This scheme, when put through, will impair export of cashewnuts. In jute goods, Pakistan will be our formidable competitor, the industry having got the advantage of the latest type of machinery. In cotton textiles, too, the competition is growing and the cotton growing countries which are also the big consumers have started erecting cotton textile mills. The tea industry is in the throes of a crisis. It is seriously threatened by the expansion of the industry in East Africa. The tea acreage in British East Africa, Mozambique and Nyasaland has doubled in the last 14 years. New plantations are taking place in other parts of Africa. On the other hand, the *per capita* consumption of tea in importing countries has not only failed to rise but actually fallen compared to increase in population. Therefore, to withstand the growing international competition, the Indian tea industry must improve the quality and bring down the cost of production.

The improved foodgrain position in the country last year held out hopes as a promising item for export. But the recent ban on export of foodgrain and import of wheat, on the other hand, tell a different tale. Export of oils has substantially increased from Rs. 9 crores to Rs. 21 crores in 1954-55. This performance, let us hope, will excel in coming years.

Cotton is an item the crop of which can be increased, leaving a larger surplus available for export. But, instead of exporting our cheap cotton and creating competition for our cloth in foreign markets, we should spin the surplus cotton and encourage export of yarn, earning thereby more foreign exchange than by exporting cotton. Art silk fabrics, plastic ware, electric fans, sport goods, sewing machines, shoes, light engineering goods and umbrellas are a few of the important manufactured items, the export of which could be stepped up. Markets could be found for many new finished products in our neighbouring countries. It is here that our Trade Commissioners could help and guide us. Export of waste material provides considerable scope for earning more foreign exchange. The Government will do well to investigate in this matter and explore the possibilities of developing the export of these materials.

Tourism

Given proper and liberal facilities and amenities, tourism could earn us more foreign exchange. We should also develop our exports to Russia and other communist countries, reducing thereby the gap in our foreign exchange earnings. We could barter our products for their machinery, equipment and consumer goods, which will call for as great an effort and sacrifice on our part as the expansion of our exports in the traditional markets. Until production of our newly set up steel plants is forthcoming, large quantity of steel required by us will have to be imported. The proposed purchase of a million tons of steel from Russia, if matched by exports of Indian goods to Russia, will reduce the gap in our foreign exchange. However, our ability to sell will depend upon the willingness of those countries to offer fair prices for our products. It is, perhaps, with that object in view that the Government is working on the formation of a State Corporation for trading with communist countries. But, I hope, it is not a prelude to Government's plan of taking over ultimately the country's export trade in major items. I do not propose to discuss here the question of State trading. I may only mention that no less a body than the Federation of Indian Chambers of Commerce and Industry has strongly opposed its formation even for trading with communist countries. Much of the gain

(*Continued on page 483*)

THE BANK OF MYSORE, LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	19,17,699	13	4
2. Salaries and Allowances, Provident and Gratuity Fund Contributions (including General Manager's Salary and Allowances Rs. 27,450)	19,24,282	15	3
3. Directors' Fees and Allowances	35,271	2	0
4. Rent, Taxes, Insurance, Lighting, etc.	1,72,822	2	6
5. Law Charges	9,074	14	3
6. Postages, Telegrams and Stamps	42,363	3	4
7. Auditors' Fees	12,000	0	0
8. Depreciation on and Repairs to the Banking Company's Property	80,779	14	7
9. Stationery, Printing, Advertisement, etc.	1,33,498	9	7
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. Other Expenditure	23,750	12	7
12. Balance of Profit before providing for Taxation carried to Balance Sheet	17,21,293	15	4
Total .. Rs.	60,72,807	6	9

INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	50,90,037	8	7
2. Commission, Exchange and Brokerage	9,64,217	10	1
3. Rents	18,552	4	1
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil		
7. Other Receipts	Nil		
Total .. Rs.	60,72,807	6	9

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE BANK OF MYSORE LIMITED.

We have audited the Balance Sheet of the Bank of Mysore, Ltd., as at 31st December, 1955, and the Profit and Loss Account for the year ended that date and report that :

(a) We have obtained all the information and explanations we have required.
(b) Such information and explanations have been found to be satisfactory.
(c) The transactions of the Bank as have come to our notice have been, in our opinion, within the powers of the Bank.
(d) The returns received from the Branches have been found adequate for the purpose of our audit.
(e) In our opinion the Profit and Loss Account shows a true balance of profit and loss for the period covered by the audit.
(f) In our opinion the Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law and the Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of our information and the explanations given us and as shown by the books of the Bank.
(g) We are further of the opinion that the books of account have been maintained in accordance with the Law.

S. R. MANDRE,
R. E. KOTRE & CO.,
B. K. RAMADHYANI & CO.,
FRASER & ROSS.
Chartered Accountants.

BANGALORE, 10th *February*, 1956.

M. V. VEERAPPA, *Chairman.*
P. SUBBARAMA CHETTY,
V. R. CHIKKACHANNANJAPPA SETTY,
S. M. RAMAKRISHNA RAO,
D. M. SHANKARAPPA,
A. R. BADRINARAYAN,
G. V. RUDRAPPA,
S. RAMANATHAN,
K. SUBBA RAO RAMASWAMY,
L. S. VENKAJI RAO,
G. BALASUBRAMANIAN. } *Directors.*

SHANKAR JAVALY, *Chief Accountant.*

B. V. NARAYANA REDDY, *General Manager.*

METRIC SYSTEM OF WEIGHTS AND MEASURES

PRESENT IS THE RIGHT TIME FOR CHANGE-OVER

By H. V. R. Iengar

SECRETARY, MINISTRY OF COMMERCE AND INDUSTRY

SOME days ago, I had a visit from an English friend of mine who used to work in India before independence and has been paying an annual visit to this country ever since. He is a very sympathetic observer of events in our country. I happened casually to mention to him that I was soon going to broadcast a talk on the subject of introducing the metric system in India. He threw up his hands in dismay.

He spoke feelingly and at some length and what he said amounted to something like this: "You have had a tremendous major job in settling down as an independent country and you have not completed that job yet, not by any means. From the very day you started off, on 15th August 1947, you had to tackle the problem of refugees, you had to provide millions of them with shelter and food and then jobs and ultimately to settle them down. You had the task of integrating the old Indian States with the rest of the country. That in itself was a colossal task and has appeared simple only because of the sheer genius displayed by Sardar Patel. You have had to deal with communal problems and communist problems and now you have got a problem which transcends in importance all those mentioned previously, namely, of settling down as one nation in the aftermath of the S.R.C. Report. In the meanwhile, economic problems of great importance have been clamouring for attention. The Community Projects Administration is tackling a job which is of historic significance in contemporary history. You are engaged in virtually reshaping your economic structure into a socialistic pattern. In the midst of all these preoccupations, which tax to the fullest both your political ingenuity and your administrative skill, why," asked the Englishman, "do you bother about things like the introduction of the metric system in India? England is still carrying on with her pounds, feet and inches. So is the United States. Why should India, of all countries, attach importance to this, at a time of exceptional stress and difficulty such as the present?"

I think this is a fair question to ask and one that demands an answer. Why indeed is it that, at a time when our resources are being stretched to the utmost, we are considering a problem of this sort, devoting the services of badly needed funds and even more badly needed administrative personnel to the disturbance of arrangements that have been in existence for generations?

Lack of Uniform System

Before we answer the above question, It is necessary to understand certain basic facts which form the essential background against which the whole problem has to be considered. If we had in India the same system as exists in the United Kingdom and in the U.S., namely, a *uniform* system of weights and measures, then there would be a good case for arguing that we might leave things well alone and consider the necessity for a change when our administrative apparatus is less subjected to strain than it is now. Unfortunately, the system in use in India is the very opposite of being uniform; it is completely chaotic in its diversity. Some time ago the National Sample Survey conducted a survey regarding the weights and measures that have been in use in the country. The sample was conducted in some 1,100 villages scattered all over the country. It disclosed that, in terms of a standard *tola*, the local *seer* in use in different parts of the country varied between 8 tolas and over 120 tolas. That is to say, in some places, the so-called *seer* is only 8 tolas and, in some, 120 tolas. Similarly, the maund weighs between less than 400 tolas and over 5,600 tolas. The position is even worse where measurements based on linear distances are concerned.

In other words, although the same nomenclature may be used, it means completely different things in different parts of the country. If in *whole* States or *whole* districts there was a uniform weight or measurement, then perhaps it might have been argued that the need for a change is not particularly pressing. But, unfortunately, even that is not the case. These vary from district to district and quite often within the district. And these variations have a very practical consequence. The cultivator suffers. As long ago as 1928, the Royal Commission on Agriculture noted that, for example, in 16 markets of the one district, namely, East Khandesh of the Bombay Presidency, the maund had 13 different values ranging from 21½ *seers* to 80 *seers*. It added that innumerable other examples of a similar character could be cited and that the present lack of system affords great opportunities for cheating the cultivator. The position has not materially changed since then.

Once it is established that there is a chaotic diversity of weights and measurements and that these are causing injury to our people, the obvious corollary is that we should take steps to make a change and introduce a uniform system. The question then arises whether the present is the right time to do it. The answer to this question is clearly "yes," and the reasons are twofold. In the first place, this reform has been on the anvil for several generations. In fact, in the year 1870, the then Government of India actually passed a law introducing the metric system, but failed to carry it out. Since then, the matter has been repeatedly brought to the attention of Government.

Optimism Beyond Reason

A problem, which has attracted the serious attention of Government for nearly 100 years, cannot be postponed except on the basis that it is postponed indefinitely, that is to say, that it is considered never really worth taking up. There will always be political and administrative difficulties in the modern world, although their scale and intensity may vary, and I imagine there would scarcely be a time when it would be possible for a Government to sit back and say, "We have now solved most of our difficult problems and now we can take up the relatively simple matter of the metric system." To think that such a time will come is to be optimistic beyond reason.

Uniformity Will Have Cohesive Effect

The second point is this. Uniformity in standards that affect the daily life of the people is not a mere administrative matter. It is a matter that has political implications. I think it is a reasonable argument that the introduction, throughout the length and breadth of our country, of one system of measurements will actually help politically. I do not think it has been adequately realised that one of the factors that led, during the British regime, to the cohesion of the whole country was the uniformity of certain administrative standards and practices. It is, in my view, by no means far fetched to say that the uniformity of weights and measurements between the foothills of the Himalayas and the Cape Comorin will tend to have a cohesive effect and would then be desirable on political no less than on other grounds.

Apart from the above two reasons, it is also necessary to point out that in the context of the vast changes that are taking place in our country, the particular change proposed, namely, the introduction of a uniform system of weights and measures, is neither particularly expensive nor particularly burdensome on the administration, more specially because the change is proposed to be effected gradually and not overnight.

I think we have by now established two propositions, namely, (1) that a change is necessary and (2) that a change should be effected now rather than later. The question, then, is: "What should the change be? Shall we go in, as in the U.K. and the U.S. for an uniform system based on pounds, feet and inches, or shall we go over to an entirely new system with which we have been hitherto unfamiliar?" The answer to this question depends on whether the alternative system proposed has such intrinsic advantage over the existing system that, in the long run, it outweighs the disadvantages inherent in any change-over. It does not appear to me that there can be any argument but that the metric system is intrinsically far and away superior to the system of pounds, feet and inches.

Most of us would recall, with a shudder, the arithmetical problems we used to have in our school days, involving the conversion of feet, inches and pounds. These problems involved elaborate calculations of multiplication, division and fractions. These problems still plague the young generation today. Picking up the arithmetic textbook of my young daughter the other day, I came across the following:

> In a courtyard 67 ft. 6 in. long and 42 ft. 9 in. wide, there is a footway 5 ft. 6 in. wide running the whole length of the yard. What is the cost of paving the whole, the price per sq. yd. for the footway being Rs. 2-10 and for the remainder Rs. 2-4?

It must be an unusual person who can get through an exercise of this sort without acquiring a passionate and permanent feeling of hatred for arithmetic as a subject. My own attitude towards arithmetic in my young days was never enthusiastic, but it was not actively hostile till I was asked to tackle the horrors of these conversions.

Easily Understandable

From the educational point of view, I think it is fair to say that the use of the existing system causes among children a sense of difficulty and frustration which persists till quite late in life. On the other hand, the metric system is so simple that most children not only understand it but actually like it. A straight forward multiplication or division, followed by a mere transfer of a dot, appeals to the child, both because of its simplicity and of the ability completely to change the meaning of figures by the mere transfer of a dot gives the child a feeling of power and a sense of mystery and romance. Moreover, in ordinary trade and business, calculations all round become simple and easily understandable.

It is for this reason that the metric system has been in use in practically all countries of the world, with the exception of the U.K. and the U.S. As we have come to the conclusion that a change is necessary, we might as well change to a system that is simple and is in vogue in the greater part of the world rather than one which is complicated, is in vogue only in two important countries and is bound to die out even there.

Gradual Change-over

It has never been suggested that the change-over should be effected all at once. This, in fact, is impossible. The use of a particular system of weights and measures is so much a part of our daily life that a complete change-over will actually take several years. When we go along one of our roads, for instance, our milestones are marked in miles and furlongs. These will have to be changed. The rails of our railway tracks are measured in feet and inches and, in fact, all railway measurements have at present the same basis. Machinery is likewise based on feet and inches. Building measurements are calculated likewise. It would be necessary, in fact, to make a wholesale revolution in many things which we have always taken for granted and this would take time.

The first thing that it has been decided to do is to change our coinage system. Parliament has passed a measure amending the Coinage Act; this enables Government, on a date to be notified, to introduce a rupee divided into hundred units. That will mean a great deal of improvement over the existing system, but it will take some time for the public to get accustomed to the decimal coinages. Thereafter, it is proposed to make other changes gradualy and it is hoped to complete these changes over a period of 15 years. At the end of that period, we could truthfully claim that an important, though not spectacular, revolution has been added to the many that are taking place in our country.—*By Courtesy—All-India Radio.*

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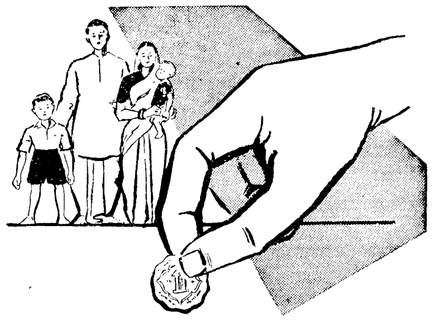

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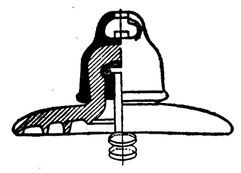

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MANUFACTURE OF PLASTICS PRODUCTS

CONTINUANCE OF PROTECTION URGED

THE case of the plastics industry for the continuance of protection to such sections of the industry as are at present having tariff protection is now before the Tariff Commission for consideration. The plastics products which are protected are: (*a*) phenol formaldehyde moulding powder (p.f. moulding powder), (*b*) electrical accessories made by phenol p.f. moulding powder, and (*c*) plastic buttons. On behalf of the units engaged in the manufacture of these products, the All-India Plastics Manufacturers' Association, Bombay, has submitted a memorandum to the Tariff Commission urging the continuance of State assistance and protection to the three products for a few years more.

Referring to the present position of the units producing p.f. moulding powder, the Association states that there was only one firm manufacturing this commodity in 1949 when the last enquiry was held. The rated capacity of this unit was 450 tons per annum on a single-shift basis. But at present, there are three firms with a total estimated productive capacity of 1,182 tons. As against this, the actual production in 1954 was 472 tons, as compared with 373 tons in 1953 and 298 tons in 1952. The consumption of the powder was, however, higher at 650 tons in 1955. It is expected that it would go up to 900 tons by 1958. The gap between actual output and demand is covered by imports. One of the primary reasons why the indigenous output could not be increased was the lack of demand from the moulders. The industry, however, experienced no difficulty regarding the supply position of all the basic chemicals needed for the manufacture of p.f. powder.

In 1950, protection was granted to p.f. moulding powder by converting the then existing revenue duty of 30 per cent. into a protective duty. The duties of 25 per cent. standard on phenol and of 30 per cent. standard and 20 per cent. preferential on the powder were to be refunded on import to the manufacturers of the p.f. powder who had an annual output of 200 tons. This protection was later on extended to 31st December, 1955.

Imports of p.f. powder have been restricted since early 1950, and only limited imports are being permitted to actual users in cases where superior quality material is required for manufacturing electrical accessories and other special items. Again, the price of general purpose indigenous powder is stated to be ordinarily lower than the landed cost (inclusive of duty) of the imported variety, inasmuch as it amounts to Re. 1 as compared with 1*s.* 2*d.* (less 5 per cent. c.i.f.) for the Czech material, 1*s.* 3½*d.* (f.o.b. 50 per cent. resin) for the British product and 1*s.* 2*d.* (f.o.b. less 5 per cent.) for the German variety.

In view of the existence of a large unutilised productive capacity in the p.f. moulding powder producing units, the Association pleads for the continuance of not only the existing quantum of protection but also the present import policy. As regards the quality of the indigenous powder, it says that the units should be asked to improve their quality in order to satisfy the required standards of the manufacturers of electrical accessories. It suggests that the latter should be asked to utilise progressively the indigenous powder.

There has been good progress in the electrical accessories section of the plastics industry. But the pace of this progress is stated to have been arrested owing to unfavourable import policy of the Government of India in regard to p.f. moulding powder. In this context, the Association observes:

"Perhaps, with a view to protecting the indigenous p.f. moulding powder manufacturing section of the industry, the Government banned imports of p.f. moulding for some time. After several representations the Government granted licences for limited imports of special grade powder. Unfortunately, there was considerable delay in the issue of licences and by that time, owing to international developments, the supply position of these raw materials deteriorated with the consequent rise in prices. P.F. moulding powder, particularly of the electrical grade, is of special significance during war, as it is required for manufacture of electrical items. The licences issued to electrical accessories manufacturers were not of any material assistance as they were issued very late."

The supply position of non-ferrous materials, such as non-ferrous sheets, rods, tubes, etc., also worsened owing to the international situation and their prices, too, soared high. As a result of these difficulties, the output as well as the competitive ability of the industry would appear to have suffered a setback.

The present demand for electrical accessories is placed by the Association at 750,000 dozen, as against the installed capacity of the indigenous industry of about 1,300,000 dozen. The value of imports in 1954-55 amounted to Rs. 50.31 lakhs, as compared with Rs. 49.73 lakhs and Rs. 49.97 lakhs in the preceding two years respectively. The quality of the indigenous products is claimed to compare favourably with the imported products. There is, however, a prejudice among consumers which has affected the sales of the product.

The Association suggests that its present policy of allowing import of special grades of p.f. moulding powder not manufactured in India through actual users should be continued. It desires that at least a protective duty of 62½ per cent. *ad valorem* should be levied on imports of electrical accessories. The Government, it says, should also patronise the electrical goods and accessories manufactured in the country.

The production of plastic buttons is estimated at 950,000 gross in 1954 as compared with 857,000 gross two years before, in 1952. Some of the firms have imported the latest types of equipment for manufacturing plastic buttons. The rated capacity of the industry is estimated at 4 million gross. The consumption of plastic buttons at present is stated to be of the order of 2 million gross.

The raw materials required by the plastics buttons industry are urea formaldehyde moulding powder, p.f. moulding powder, melamine formaldehyde moulding powder, polystyrene moulding powder and polishing compositions. Of these only p.f. moulding powder is, as stated above, manufactured in the country. The rest are imported from abroad on payment of customs duty amounting to 31½ per cent. *ad valorem*. This rate of duty is considered by the industry to be very high. Besides, the industry has to pay a very high freight charge for the transport of its main industrial raw material, namely, urea formaldehyde moulding powder which is imported in refrigerator storage with a view to preventing deterioration in its quality owing to exposure to heat and moisture. The freight works out to, it is stated, as much as 15 per cent. of the total price. Again, it has to be stored subsequently also in cold storage, involving additional cost. On occasions plants of the units have to remain idle on account of delays in the receipt of imported raw materials. There is an inevitable high percentage of loss of raw material in the manufacturing process—about 40 to 45 per cent.—and import duty has to be paid on this waste which cannot be utilised. Further, the total capital invested in the industry is higher, as considerable portion of the same remains locked up in importation of raw materials. These would result in higher cost of production which evidently places the foreign competitor in a more advantageous position than the indigenous producer in marketing the product in India. What is more, the landed cost of foreign buttons is far lower than the fair exworks price of the indigenous buttons. The c.i.f. price of 16/18" foreign buttons—to quote an instance—amounts to As. 3.6 per gross, as against the ex-factory price of Re. 1 per gross of the comparable variety. In view of these difficulties, the Association pleads for State assistance.

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THE SECURITIES CONTRACTS (REGULATION) BILL, 1954

MR. TULSIDAS KILACHAND'S MINUTE OF DISSENT

*[The Securities Contracts (Regulation) Bill now before Parliament seeks, as readers are aware, to prevent undesirable transactions in securities by regulating in a number of ways the business of dealing in securities on stock exchanges. In its last session, Parliament had referred the Bill to a Joint Select Committee. This Committee submitted its report to Parliament on 29th February last. Six members have appended to it their minutes of dissent. We reproduce below the dissenting minute of one of them, Mr. Tulsidas Kilachand, a member of the Committee. It will be seen therefrom how some of the provisions in the Bill are not only controversial but impracticable. Mr. Kilachand's emphasis on the undesirability of arming the Government with wide powers is worthy of attention.—*ED.*]*

THE Securities Contracts (Regulation) Bill, 1954, seeks to regulate stock exchanges and makes other provisions relating to the business of dealing in securities. "The legitimate function of a stock exchange," according to the Gorwala Committee, "is to provide, consistently with the larger public interest, a forum and a service which are so organised, in the interests of both buyers and sellers, as to ensure the smooth and continual marketing of shares." It is only to the extent that the Bill enables stock exchanges to fulfil this function more efficiently than at present that it can be said to be necessary or useful. The Bill needs examination only from this point of view.

While regulation may be desirable, excessive regulation is not. Mr. C. D. Deshmukh, when he was the Governor of the Reserve Bank of India, had said in 1948: "I am inclined to favour Government's framing minimum legislation covering only the vital aspects of reform, rather than its attempting a complete regimentation of the stock exchanges." For this purpose, it should have been sufficient had the Government taken the power to grant recognition to, and withdraw recognition of, stock exchanges. Had the Government restricted its interference to cases where the governing bodies of such exchanges had been unable owing to lack of powers, or unwilling owing to personal interest or inefficiency, to take action necessary to prevent unhealthy speculation or check it when it arises, that might have been understandable.

The present Bill appears to go beyond these limits. It grants to the Government, in addition to the powers listed above, the powers to approve by-laws made by stock exchanges, to make or amend by-laws on its own initiative, to direct stock exchanges to suspend business, and to supersede the governing bodies of stock exchanges. These are vast powers and will need to be exercised with care and after consultation with, at least, the governing bodies of the stock exchanges.

The Government, however, has not only taken powers finally to decide on many of these subjects, but to do so without consulting the governing bodies. The provisions to consult the governing bodies would not have detracted from the powers of the Government; they would certainly have added to their authority. However, the Government prefers to disregard procedure in its haste to assume unobstructed and absolute powers.

A market like the stock exchange is a sensitive market, and depends for its efficient and smooth functioning on confidence—confidence in its members that contracts will be performed as entered into and that there will be no outside interference affecting the making and performance of such contracts. Where interference does take place, it should be by persons whom the market trusts as acting in its general interest and in accordance with principles already laid down and known. However, the Government has assumed vast powers, such as those to suspend business and to prohibit contracts in certain securities except with Government permission, which may have a one-sided impact on the making and performance of contracts, affecting their sanctity and impairing the market's confidence in the proper fulfilment of contracts voluntarily entered into.

As the Gorwala Committee put it, "within its own sphere, the exchange should have a large measure of autonomy and Government's role should be limited to keeping in touch with happenings on the exchange and ensuring that it enforces its by-laws properly." Internal autonomy in the case of a market is not merely meant to satisfy the democratic urge of its members, it is also an essential condition for its smooth and efficient functioning. By giving powers to the Government to suspend business and to supersede the governing bodies, the Bill encroaches on the internal autonomy of the stock exchanges, and, I am afraid, may adversely affect their working.

In the following paragraphs, detailed comments are given on some important clauses of the Bill.

Clause 4 (2) (i) *and* (iii): These sub-clauses provide for Government power to lay down conditions regarding number of members of a stock exchange and for Government representation, by up to three nominees, on its governing body.

Transactions on the stock exchange are time contracts and are often made orally; the members of the stock exchange depend on each other's integrity for the carrying out of such time or oral contracts. Any insistence on the number of membership, by introducing persons who may not have the same standards, is likely to upset the smooth carrying out of contracts. Transactions being offsetting or interrelated, even a single failure to fulfil a contract may have repercussions disproportionate to the original failure. An unhealthy increase in numbers, by bringing about cut-throat competition, may lead to unhealthy speculation; if genuine investing business does not justify such increase, it will also increase the speculative business, destabilising the market and preventing it from fulfilling its function of satisfying genuine investors' needs.

The representation of the Government on the governing bodies of commercial bodies is obnoxious in principle as it gives power without responsibility or accountability; it is unhealthy in practice as the Government, from being a final arbiter in difficult times, becomes a participant in the process of making decisions. Should it be argued that Government representation is necessary to enable it to take informed decisions and exercise powers with knowledge—that is, to provide a liaison between the Government and the governing body—it should be sufficient to have one Government observer for the purpose; as the Gorwala Committee had recommended, such a person should be a Government or a Reserve Bank of India officer.

Clause 5 (*also clause* 11): The right of the governing body in the Government Bill to receive a "show cause" notice, and to make representations, has been whittled down in the Joint Committee to that of "being heard in the matter." While this does not preclude the former, the Government can, should it so desire, reduce the whole procedure into a mere formality. The original procedure was not only democratic; it would also have enabled the Government to take informed decisions.

Clause 6: This clause now empowers the Government to call upon a member of the stock exchange to supply information.

It should not matter to the Government whether the information required is obtained through the stock exchange or, as now provided, direct from the member concerned. The amendment is, however, bad in principle as it enables the Government to by-pass the governing body of the stock exchange. It trenches on the internal autonomy of the stock exchange.

Clause 9: The words "and from time to time amend" have been omitted from the Draft Bill. The Bill does not define "make" to include "amend." In other clauses of the Bill where powers have been given to the Government, as in clause 8(2) and 10(1), the words "and from time to time amend" have been used along with the word "make." It is likely, therefore, that a court may not hold the General Clauses Act definition of "make" including "amend," to apply. As everybody is agreed that stock exchanges should have the power to amend the by-laws, and as, with the deletion of the words "from time to time amend" the position is obscure, it would be proper, in the interest of clarity, to restore the words "and from time to time amend."

The publication of carry-over figures, as required under one of the amendments to Clause 9(2), would be fraught with serious risks. It would make generally known the market position, and place the market at the mercy of powerful bulls and bears who would exploit such information for engineering large-scale manipulations of a dangerous character. Manipulative operations based on knowledge of the carry-over position would introduce an element of instability, dislocate trading every now and again, and disrupt the normal working of the market. It also does not seem feasible to collect information regarding the number of squared up transactions in each security. At the most, the information would be available in respect of securities settled through the Clearing House; even then the work of collation would be extremely laborious and the results would serve no useful purpose.

As regards furnishing information regarding the total number of shares received and delivered, such information should be restricted to shares settled through the Clearing House.

The amendment which requires disclosure of the total value of differences for each security is *prima facie* impracticable. First, as is well known, members make up their accounts overall and not security by security. Secondly, these overall accounts are *temporarily* adjusted at, what are called, making-up prices. The differences arising therefrom are entirely fictitious. The differences would vary, and be large or small according as one making-up price or the other is fixed. In fact, the differences based on the making-up prices are an accidental offshoot of an accounting process, and the aggregate of such differences is of no real significance. The working out of such differences security by security would be impossible; the publication of figures relating to the aggregate differences would be mischievous and misleading as they would lend themselves to all sorts of erroneous misinterpretations and would be exploited by operators to manipulate the market.

The majority of the Joint Committee "feel that the currency of blank transfers should be limited by by-laws to a period not exceeding six months." Blank transfers lend negotiability to shares by reducing the cost of their transfer and stability to the market by increasing the floating stock of shares. With the right now taken by the Government to approve changes in management, there should be no fear that the system will enable some persons to capture control of companies on the sly. The Gorwala Committee considered this question in detail, and its report contains notes by its members on blank transfers. The practical difficulties are immense. In view of this, it would be advisable to keep the position flexible, by allowing the stock exchanges to use its discretion on the subject, as was proposed by the Gorwala Committee.

Clause 12: The Government were not required, either under the Gorwala draft or the Draft Bill, to consult the governing body prior to suspending business on a stock exchange for the purpose of meeting an emergency. The Select Committee amendment would empower the Government to determine when an emergency is deemed to have arisen, enabling it to suspend business whenever it so decides. Under clause 9(2) (*q*), the governing body is given power to determine whether an emergency has arisen or not. This may create avoidable conflicts between the Government and the governing body as to whether an emergency has arisen or not. It is essential that the Government intervene only when necessary and when certain circumstances exist. Either the Government should provide for consultation with the governing body of the stock exchange, or its decision about the existence of an emergency should be subject to appeal to court.

A broker acts as an agent between two parties, and for every transaction with his principal, he has to make a corresponding transaction with the other side; thus on the stock exchange, agency, offsetting and hedging transactions take place continuously. Should the original transactions not be enforceable, this will, by making impossible the fulfilment of the corresponding transactions, penalise innocent constituents or bazar parties. As it stands, the clause may punish not merely the guilty, but also in the process penalise third parties who may not be aware of the contravention under the clause. The extent of penalty will depend upon the difference in prices at the time of entering into the contract and at the time of its settlement. Where this is nil, no penalty may

(*Continued on page* 483)

PROFIT OF MADURA MILLS SHRINKS

DIVIDEND WELL MAINTAINED—IMPRESSIVE FINANCIAL POSITION

AFTER two years of successive rise, the earnings of the Madura Mills Company, Ltd. (Managers: Messrs. A. & F. Harvey Ltd., Madurai), have suffered a setback during the year ended 31st December 1955. The Company's gross profit, for instance, which had gone up from Rs. 90.48 lakhs in 1952 to Rs. 131.90 lakhs (the highest since 1948) in 1954, has dropped to Rs. 106.32 lakhs in the year under review. Despite this recession, the gross profit for 1955 stands well above that (Rs. 102.13 lakhs) for 1953. The net profit, which had gone up from Rs. 45.46 lakhs in 1953 to Rs. 55.31 lakhs in the following year, has shrunk to Rs. 44.20 lakhs in the year under review and is the lowest since 1950.

The dividend to shareholders has, however, been maintained at 20 per cent. per annum and this is the fifth year in succession for which this dividend is being repeated, after it had been stepped up in 1951 from 15 per cent. paid for 1950. Unlike in the previous four years when the aforesaid dividend had been paid after strengthening the reserves considerably—during these four years alone the addition to the reserves aggregates Rs. 70 lakhs—the Directors have repeated the dividend for the year under review without any addition to the reserves and have preferred to carry forward as large a surplus as Rs. 18.87 lakhs.

As the aforesaid dividend for the year under review is more than 6 per cent., the Company has to pay super-tax on the balance of 14 per cent. as per the latest Finance Bill, at the rate of As. 2 in the rupee on 4 per cent. of the paid-up capital and at As. 3 in the rupee on the balance of 10 per cent. The amount of super-tax on the dividend in excess of 6 per cent. works out to Rs. 4.16 lakhs. In addition, the Company will also lose the rebate of one anna in the rupee on income-tax on the undistributed amount of Rs. 18.87 lakhs, unless the Finance Bill is modified before it is passed.

The following comparative table, giving the salient features of the Company's working results for the past four years, provides an idea of its progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds (net)	14,82.85	16,01.79	15,22.48	16,51.70
Other income	3.27	2.07	2.20	2.25
Raw materials consumed ..	9,48.18	10,35.08	9,72.44	11,36.45
Wages and other expenses ..	4,31.62	4,36.88	4,50.11	4,27.03
Gross profit	1,06.32	1,31.90	1,02.13	90.48
Managers' commission	9.73	12.30	7.99	8.79
Provision for—				
Depreciation	18.73	19.03	17.98	8.70
Taxation	33.66	45.25	30.69	26.70
Net profit	44.20	55.31	45.46	46.28
To reserves		20.00	10.00	15.00
Dividend	35.00 (20%)	35.00 (20%)	35.00 (20%)	35.00 (20%)
Carry forward	18.87	9.67	9.36	8.90

There has been a sharp fall of Rs. 1.19 crores in sale proceeds of yarn and waste which at Rs. 14.83 crores are the lowest since 1950. The cost of cotton and rayon consumed has also declined by Rs. 87 lakhs, while the decline in wages and other expenses is of the order of Rs. 5.26 lakhs. A break-up analysis of this item shows that while wages (including bonus) have fallen from Rs. 2.95 crores to Rs. 2.79 crores, the other expenses have gone up from Rs. 1.42 crores to Rs. 1.52 crores. The all-round fall in sale proceeds, raw material consumed and wages indicate that the production of yarn by the Company must have been on a lower scale during the year under review.

The Company's balance-sheet as on 31st December 1955 discloses an impressive financial position. The paid-up capital is unchanged at Rs. 175.02 lakhs, made up of 1,166,832 shares of Rs. 15 each. Of this capital, as much as Rs. 115.86 lakhs represent that raised by the capitalisation of reserves. The reserves and surplus, even after the capitalisation of the aforesaid huge sum, aggregate Rs. 432.69 lakhs, of which renewal and replacement reserve accounts for Rs. 243.82 lakhs and general reserve for Rs. 170 lakhs. The provision for taxation, less advance payments, stands at Rs. 15.71 lakhs. The current liabilities aggregate Rs. 159.67 lakhs, having risen from Rs. 137.86 lakhs at the end of 1954, mainly due to the loans from banks secured by stocks and by guarantee, the outstanding amount of which as at the end of the year is Rs. 52.43 lakhs. There has been an addition of Rs. 7.43 lakhs to the gross block during the year, bringing the total value of the block account to Rs. 573.76 lakhs, the book value of the same being Rs. 215.02 lakhs. The current assets aggregate Rs. 568.07 lakhs, of which stock-in-trade accounts for Rs. 326.92 lakhs, stores and spares for Rs. 72.09 lakhs, investments in shares for Rs. 47.80 lakhs, book debts and advances for Rs. 90.22 lakhs and cash balances for Rs. 31.05 lakhs. Thus, the current assets exceed the current liabilities and provision for taxation by a huge margin.

The Rs. 15 fully paid up shares of the Company are being currently quoted at Rs. 50-6 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 6.3 per cent. per annum, free of income-tax.

JAY SHREE TEA DIVIDEND UNCHANGED

The distinction of being the first among tea companies to publish the statement of accounts for the year ended 31st December 1955 goes to the Jay Shree Tea Gardens Ltd. (Managing Agents: Messrs. Birla Brothers Ltd., Calcutta). The Company has earned a gross profit of Rs. 24.87 lakhs for the past year, which represents a fall of Rs. 24.18 lakhs or 49.3 per cent. from the record level of Rs. 49.05 lakhs for 1954. This sharp decline in earnings may seem incompatible with the record production of tea companies in general, but in the context of the drastic fall in tea prices during the year—in some cases the prices fetching below the cost of production—the results can be considered satisfactory. What is more comforting is that the profit for the year under review is much higher than that for any of the years preceding 1954 and, therefore, constitutes the second highest in the history of the Company.

The net profit has dropped from Rs. 21.70 lakhs to Rs. 8.89 lakhs, at which it is also lower than that (Rs. 10.75 lakhs) for 1953. After writing back a sum of Rs. 1.09 lakhs as a result of the readjustment of Managing Agents' commission and office allowance for 1953 and 1954 and making provision of Rs. 1.50 lakhs for bonus to labour for 1953 and 1954, the Directors have transferred Rs. 2.50 lakhs to the reserve fund, as against Rs. 15.52 lakhs set aside last year (after writing off Rs. 1.08 lakhs being the loss on revaluation of shares in a subsidiary company).

The Directors propose to pay a dividend of 10 per cent. per annum, the same as that paid for 1954 on the increased capital of Rs. 58.57 lakhs raised in March 1954 by the capitalisation of Rs. 19.52 lakhs and the issue of bonus shares in the ratio of one share for every two shares. As the Company's dividend distribution exceeds six per cent. of the paid-up capital, it is liable to pay the special super-tax levied under the latest Finance Bill at the rate of As. 2 per rupee on the amount distributed in excess of 6 per cent., unless the proposal is modified or withdrawn before the Bill is passed. The dividend distribution absorbs Rs. 5.86 lakhs leaving a surplus of Rs. 72,556 to be carried forward.

The following summary of the Company's balance-sheet as on 31st December 1955 reflects its satisfactory financial position:

Liabilities	Rs.	Assets	Rs.
Capital ...	58,56,900	Net block	1,09,00,000
Reserves and surplus ...	35,13,395	Stock - in - trade ...	32,82,280
Provision for taxation ...	24,43,222	Stores ...	9,39,360
Liabilities	68,97,377	Debts, deposits and advances ...	19,14,679
		Investments	4,31,139
		Cash ...	12,28,436
		Suspense ...	15,000
	Rs. 1,87,10,894		Rs. 1,87,10,894

During the year under review, the Company acquired the Towkok Tea Estate in Assam with 1,266.55 acres under tea cultivation and an annual crop of about 16,000 maunds at a cost of Rs. 47.20 lakhs. The Company also became the holding company of Messrs. Woodcraft (Assam) Ltd., which produces plywood and manufactures tea chests. It sold out the Lohagarh Tea Estate in Terai (440.13 acres under tea) and the Invercauld Estate (322.75 acres under tea), the former on 1st January 1955 and the latter on 1st January 1956. It has also been decided to amalgamate the Rishechat Tea Company, Ltd., with the Jay Shree Tea, subject to the sanction of the Calcutta High Court, with effect from 1st January 1956, from which date the Rishechat Tea Company will stand dissolved. The Company has built a new modern factory at a cost of about Rs. 9 lakhs for the Nahor Habi Tea Estate. This factory will be able to manufacture tea both of the Nahor Habi Estate as also of the Rajabari Division of the Lukwah Tea Estate which had been acquired in 1954. The Directors are also seriously considering the question of expanding the activities of the Company in other industrial and/or commercial spheres.

The Directors feel that the outlook of the industry for the current year is uncertain, in view of the increased production of tea in India, as well as in other major producing countries, without any corresponding increase in world demand, and the substantial increase in the cost of production in India and the heavy taxation imposed on the industry by the State and Central Governments.

THE
BANK OF JAIPUR
LIMITED
Treasurers to
The Rajasthan Government
Chairman
Shri RAMNATH A. PODAR

Authorised Capital	.. Rs. 2,00,00,000
Issued and Subscribed Capital	.. Rs. 1,00,00,000
Paid-up Capital	.. Rs. 50,00,000
Reserve and Other Funds ..	.. Rs. 19,00,000

Complete Banking Services inclusive of Foreign Exchange
S. L. KOTHARI, *General Manager.*

BJ.-1 NAS

NIZAM SUGAR MAINTAINS DIVIDEND

A substantial decline in earnings is indicated by the audited accounts of the Nizam Sugar Factory Ltd. (Managing Agents: Hyderabad Government Industrial Trust Fund, Hyderabad-Dn.) for the year ended 30th June 1955. The gross profit has shrunk from Rs. 80.49 lakhs earned in 1953-54 to Rs. 56.26 lakhs in the year under review. The net profit shows a fall from Rs. 36.59 lakhs to Rs. 31.95 lakhs, thus reversing the upward trend seen in the previous three years. The addition to the reserves has been reduced from Rs. 2.82 lakhs to Rs. 0.97 lakh, while the distribution to the ordinary shareholders has been maintained at 18 per cent., made up of a dividend of 12 per cent. and a bonus of 6 per cent., to which level it had been raised last year from 16 per cent. paid for 1952-53, by increasing the bonus part of the distribution from 4 per cent. to 6 per cent. Even this higher distribution made last year, it will be remembered, was on a higher capital raised in January 1954 by the capitalisation of Rs. 18.40 lakhs and issue of bonus shares in the ratio of one share for every five ordinary shares held.

The following comparative table gives a comprehensive view of the Company's progress during the past three years:

(In lakhs of rupees)

	For the year ended 30th June			
	1955 I.G.	1954 I.G.	1953 O.S.	1952 O.S.
Sale proceeds of sugar, molasses, etc.	305.40	373.33	446.67	243.19
Proceeds of cane, etc.	94.50	91.63	66.17	79.92
Stocks of sugar	173.61	108.63	177.98	220.06
Other income	0.97	0.65	0.04	0.09
Manufacturing expenses ..	306.01	241.45	291.01	311.86
Cane cultivation expenses	76.62	76.44	69.97	69.06
Management and other expenses	25.95	24.00	28.29	25.56
Gross profit	56.26	80.49	81.62	59.29
Managing Agents' commission..	3.59	4.52	5.37	4.08
Depreciation	10.52	21.76	27.01	18.99
Taxation	10.20	16.00	13.00	14.00
Net profit	31.95	36.59	30.34	22.27
Provision for bonus to employees	9.84	11.89	9.93	6.80
Additional bonus liability for earlier years	4.40	0.62	0.13	1.58
Excess provisions written back ..	4.68			
To reserves	0.97	2.82	3.76	1.73
Dividends—				
Preference	1.56	1.56	1.56	1.56
Ordinary	19.87 (D. 12% +B6%)	19.87 (D. 12% +B.6%)	14.72 (D. 12% +B.4%)	11.04 (D. 9% +B.3%
Carry forward	0.04	0.06	0.27	0.03

The figures for the year under review indicate that the output of sugar during the year has gone up. The manufacturing expenses, for instance, show a rise of Rs. 64.56 lakhs. While the sale proceeds of sugar, molasses, etc., have declined by Rs. 67.93 lakhs, stocks have risen by about Rs. 65 lakhs. In addition to the payment of Rs. 9.84 lakhs as bonus to employees, the Directors have utilised a sum of Rs. 4.40 lakhs being the balance of additional bonus paid to employees in terms of an award in respect of the years 1950-51, 1951-52 and 1952-53 (the provisions made in previous years for this purpose having fallen short). However, they have drawn back Rs. 4.68 lakhs from certain other provisions made in previous years. A sum of Rs. 27,500 has been transferred to the general reserve, as against Rs. 40,409 provided a year ago, Rs. 5,000 to the dividend equalisation reserve (Rs. 2,429), Rs. 20,000 to the investment depreciation reserve (Rs. 70,000), Rs. 20,000 to the special depreciation reserve (Rs. 56,171) and Rs. 25,000 to labour welfare and amenities reserve (Rs. 1,00,143).

The Company's reserves and surplus aggregate Rs. 67.48 lakhs, as against a paid-up capital of Rs. 145.90 lakhs, made up of 48,000 tax-free 5 per cent. cumulative preference shares of Rs. 25 each, 95,348 tax-free 4 per cent. cumulative preference shares of Rs. 25 each and 441,006 ordinary shares of Rs. 25 each. The provision for taxation stands at Rs. 23.33 lakhs and current liabilities aggregate Rs. 305.39 lakhs. There has been an addition of Rs. 14.41 lakhs to the gross block during the year, bringing the total value to Rs. 258.09 lakhs, as against which a depreciation reserve of Rs. 138.88 lakhs has been built up. The current assets amount to Rs. 428.48 lakhs, which more than adequately cover the current liabilities and provision for taxation.

Points From The Chair

Effects of British Credit Squeeze Overseas

"AS a British overseas bank our interest in the economic measures taken by this country lies partly in the repercussions they have elsewhere. For instance, it is vital that the United Kingdom should be able to continue to make important contributions to the Colombo Plan and to other similar developments within the Commonwealth as well as to expand its investments abroad through private enterprise. If we cannot do these things we shall lose our place in the market and in the regard of the countries concerned. It has also to be realised that the effects of the credit squeeze do not begin and end in London or in the United Kingdom. It is true that the centre of the sterling area naturally takes the first pressure; but the effects of action at the centre necessarily work their way outwards, and it would be idle to suppose that borrowers nearer the periphery of the sterling area will remain unaffected by recent monetary measures in this country. It will be of interest to watch the longer-term effects in this wider context. Overseas banking cannot but be made increasingly aware of this aspect of the squeeze during the current year, and I would not be surprised to see firmer rates in many countries which to outward appearances so far have not been affected."

J. K. MICHIE,
National Bank of India Ltd.

Economies of Argentina and Brazil

"The major economies of Argentina and Brazil offer the most complex and interesting examples of inflation in South America. Their experience has been fundamentally similar: both have extensive natural resources and have been tempted into over-ambitious programmes of economic development which, while achieving, particularly in Brazil, real progress, have involved a considerable degree of investment inflation. In the last few years the inflation has become increasingly one of costs, in which Government spending and uneconomic wage demands have been major elements. In Argentina, deficit budgeting has been essentially of the indirect kind, involving the subsidising of Government agencies rather than through the official budget. In Brazil, there has been an orgy of deficit budgeting, both direct and indirect. There are now good prospects that the economic problems of Argentina may be taken firmly in hand. The recommendations of the Prebisch Report do indeed involve some additional rise in prices as part of the effort to restore the balance between primary and secondary production, but only as an unavoidable measure in the attempt to restore a fundamental economic stability. Political considerations in Brazil since the death of President Vargas in August 1954 offer some explanation of the failure to come to grips with the inflationary problem, and it is to be hoped that the new Administration will be prepared to take the necessary drastic measures."

SIR FRANCIS M. G. GLYN,
Bank of London & South America Ltd.

World Price of Sugar

"A word of explanation is required about the term 'world price.' Almost every country in the world, except San Domingo and Formosa, has a guaranteed market for the bulk of its production. Take Cuba as an example. Cuban sugar commands a higher price in the United States than the Commonwealth negotiated price. It is only the surpluses, therefore, which establish the so-called world price, which, as a result, is quite artificial, being based as it is on sales of some 5 million tons a year (produced at marginal cost) out of a total world production in excess of 40 million tons. The negotiated Commonwealth price is at present approximately £10 per ton higher than the so-called world price, which has created an impression that the sole purpose of the Commonwealth Sugar Agreement is to provide a subsidy to Empire farmers who are growing sugarcane. Admittedly, it helps Empire farmers, indeed the economy of such Islands as Jamaica, Barbados and Mauritius is wholly dependent on it. But there is another side to the subsidy picture. It is surprising to learn that since 1940, when negotiated prices were first paid by the United Kingdom Government, the average price of Commonwealth sugar has actually been below the average world price."

PETER RUNGE,
West Indies Sugar Co., Ltd.

Monetary Weapon in India

"The recent decision of the Reserve Bank to put up its charges for discounting the bills of the banks has created apprehensions that the policy will be further extended so as to check the volume of bank credit and make it costlier. These have become real during the past few days, as a result of the rise in the British Bank rate. Whether credit will be costlier in future and restricted depends on the view the Central banking authority takes of a particular situation. I can only assure you that those in charge of the monetary policy do not suffer from any ideological dogma and their approach will remain sufficiently flexible. In wielding the monetary weapon, I am sure, they will take care to see that the axe does not fall so heavily as to create deflationary conditions in the country. And though the banking system will have to submit to the broad policies which might be decided by the Reserve Bank, the banks will have sufficient freedom to serve their clientele, provided sound banking is blended with national objectives while formulating their own policies."

D. K. SATHE,
Bank of Maharashtra Ltd.

COMPANY MEETINGS AND DIVIDENDS

UNITED MOTORS (INDIA) LTD. Annual General Meeting, Bombay, 13th March 1956. Transfer books remain closed from 6th to 20th March 1956, both days inclusive.

RAYALASEEMA MILLS LTD. Annual General Meeting, Adoni-Thungabhadra Road, Adoni P.O., 13th March 1956. Dividend: Rs. 10 per share. Transfer books will remain closed from 12th to 26th March 1956, both days inclusive.

RAVALGAON SUGAR FARM LTD. Annual General Meeting, Bombay, 19th March 1956. Transfer books remain closed from 5th to 23rd March 1956, both days inclusive.

RICHARDSON AND CRUDDAS LTD. Annual General Meeting, Calcutta, 21st March 1956. Dividend: Re. 1-8 per share. Transfer books remain closed from 7th to 21st March 1956, both days inclusive.

DURBHANGA SUGAR CO., LTD. Annual General Meeting, Durbhanga, 28th March 1956. Transfer books remain closed from 10th to 28th March 1956, both days inclusive.

MARTIN BURN LTD. Annual General Meeting, Calcutta, 28th March 1956. Dividend: Re. 1-8 per share plus a cash bonus of As. 4 per share. Transfer books will remain closed from 21st to 28th March 1956, both days inclusive.

SHREE KRISHNA GYANODAY SUGAR LTD. Annual General Meeting, Dalmianagar (Bihar), 29th March 1956. Dividend: Re. 1-12 per ordinary share. Transfer books will remain closed from 23rd to 29th March, 1956, both days inclusive.

DAWN MILLS CO., LTD. Annual General Meeting, Bombay, 29th March 1956. Transfer books will remain closed from 12th March to 9th April 1956, both days inclusive.

GOKAK MILLS LTD. Annual General Meeting, Bombay, 29th March 1956. Dividend: Rs. 15 per share, payable on 2nd April 1956. Transfer books remain closed from 2nd to 22nd March 1956, both days inclusive.

HOWRAH SOAP CO., LTD. Annual General Meeting, Calcutta, 29th March 1956. Transfer books will remain closed from 20th to 29th March 1956, both days inclusive.

UNION PAPER AND BOARD MILLS CO., LTD. Annual General Meeting, Calcutta, 29th March 1956. Transfer books will remain closed from 19th to 29th March 1956, both days inclusive.

SNOW WHITE FOOD PRODUCT CO., LTD. Annual General Meeting, Calcutta, 29th March 1956. Transfer books will remain closed from 19th to 29th March 1956, both days inclusive.

INDUSTRIAL CREDIT AND INVESTMENT CORPORATION OF INDIA LTD. First Annual General Meeting, Bombay, 2nd April 1956. Dividend: *Nil*. Transfer books will remain closed from 19th March to 2nd April, 1956, both days inclusive.

CALCUTTA TRAMWAYS CO., LTD. Interim dividend of 3½ per cent. free of income-tax on ordinary shares, for the year ended 31st December 1955. Transfer books remain closed from 6th to 19th March 1956, both days inclusive.

DHANALAKSHMI MILLS LTD. Dividend of Rs. 30 per share, free of tax, for the year ended 31st December 1955. Transfer books will remain closed from 17th to 30th March 1956, both days inclusive.

CENTRAL SCIENTIFIC SUPPLIES CO., LTD. Interim dividend of As. 4 per share, for the year ending 31st March 1956. Transfer books will remain closed from 27th to 31st March 1956, both days inclusive.

COORG TEA CO., LTD. Interim dividend of As. 8 per ordinary share for the year ending 31st March 1956. Transfer books will remain closed from 15th to 31st March 1956, both days inclusive.

COMPANY REGISTRATIONS

ROSIN INDUSTRIES LTD. (First Director: Mr. A. L. Sud.) Business: Manufacturers, buyers, sellers and dealers of rosin, turpentine and their by-products, etc. Authorised capital: Rs. 15,00,000. Public company. Address: 10, Clive Row, Calcutta.

GOSSAIN AND CO. (PRINTERS) LTD. (First Director: Mr. N. K. Gossain.) Business: Printers, stationers, lithographers, type founders, etc. Authorised capital: Rs 15,00,000. Private company. Address: 7/1, Grant Lane, Calcutta-12.

DURGA SUNDARI RICE MILLS LTD. (First Director: Mr. H. M. Poddar) Business: Exporters, importers and retail dealers in rice, paddy, etc. Authorised capital: Rs. 5,00,000. Private company. Address: P.O. Nayabazar, District Dinajpur.

ATTESWARI RICE MILLS LTD. (First Director: Mr. M. M. Manna.) Business: Husking paddy into rice, wheat into flour, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 20, Mango Lane, Calcutta.

QUESTION HOUR IN PARLIAMENT

Atomic Reactor

THE possibility of establishing atomic reactors using thorium, instead of uranium, for breeding is now being examined by the Government. By the middle of this year, the swimming pool reactor in Bombay, now under construction, will begin functioning. A sum of Rs. 26 lakhs, including the cost of fuel elements which were obtained on hire from the U.K. Atomic Energy Authority, has been expended on this project.

—*Jawaharlal Nehru*

Foreign Investments

Ten foreign companies have been transferred to Indians during 1955. Certain incentives for the investment of foreign capital already exist. No additional steps are being taken to attract foreign capital.

—*M. C. Shah*

Small Savings Scheme

The system of appointing agents in connection with small savings scheme has worked satisfactorily on the whole in improving the collections. From 1st April 1952 to the end of November 1955, the total number of agent organisations appointed was 15,774, excluding *panchayats*, office-bearers of *panchayats*, presidents, vice-presidents, chairmen and vice-chairmen of municipalities and others appointed as agents on experimental basis under rural agency system in certain States. Up to the end of November 1955, a sum of about Rs. 33.64 lakhs had been paid as commission at the rate of 1¼ per cent. on their collections. The intensification of the savings campaign is under constant review and, among measures under consideration are formation of savings groups, extension of agency system, particularly in rural areas, wider publicity and introduction of the new schemes as gift coupons.

—*A. C. Guha*

Export of Iron Ore

The Government of India has not decided to enter into any economic co-operation with Japan during the second Five-year Plan. However, the Government has under consideration a project for additional transport facilities which would enable export of larger quantities of iron ore to Japan.

* * * *

Trade with Japan

India will supply to Japan two million tons of iron ore and Japan, in return, will supply to India 75 locomotives and also help in the development of harbours on the East Coast of India and the laying of new railway lines.

—*B. R. Bhagat*

Textile Exports

There had been some decline in Indian exports of textiles to Ceylon, Malaya and Singapore and Australia during 1955, as compared with 1954, while the Japanese exports to those countries had registered a rise. Apart from this, the Government has no precise assessment of the effects of Japanese competition.

—*D. P. Karmarkar*

Rourkela Steel Plant

The final report on the steel plant at Rourkela, prepared by the German experts, has been received by the Government. It has been decided to employ the "L. D. Process" of steel making for 75 per cent. and the "Open Hearth Process" for the rest of the total production.

* * *

Industrial Estates

The Government has a plan to set up industrial estates in the States during 1956-57. The construction and management of the industrial estates will be the responsibility of the States. The Centre has offered to advance the entire cost of estates as a long-term loan. If the rents to be charged on the users of the estates have to be subsidised, the Government of India will give 50 per cent. of this for a period of five years. Schemes for industrial estates for five places have been sanctioned during the current year and their construction is expected to be completed during 1956-57.

—*Nityanand Kanungo*

Purchase of Iranian Oil

India has signed an agreement with Iran for purchase of oil.

—*Sardar Swaran Singh*

Ambar Charkha

It will be possible to spin about 16 hanks of yarn on an average on *Ambar Charkha* by working eight hours a day, if the worker is not engaged in other operations such as carding. About the quality of the yarn, tests are being carried out. About 4,500 *Ambar Charkhas* are now working in the country.

* * * *

Fertiliser Factories

In addition to the fertiliser-heavy-water factory at Nangal, it has been decided to establish two more fertiliser factories. One of those factories will be located at Rourkela and the other at Neiveli in Madras State. The Rourkela factory will have a capacity of approximately 80,000 tons and the Neiveli factory 70,000 tons of nitrogen per annum. The factories are expected to cost Rs. 20 crores each. Both will be Government-owned.

—*Satish Chandra*

Newsprint Manufacturing

The Planning Commission has not approved any of the proposals for the establishment of newsprint factories. Proposals have been received from the Governments of Punjab, Himachal Pradesh and Uttar Pradesh. The question of bringing into existence additional capacity for manufacturing newsprint is under examination by experts with reference to locations, processes and raw materials.

—*S. N. Misra*

Notices

CALCUTTA CREDIT CORPORATION LIMITED

NOTICE IS HEREBY GIVEN THAT THE 18th Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, at 36, Chowringhee Road, Calcutta-16, on Tuesday the 27th March 1956, at 4.30 p.m., to transact the following business:—

1. To receive and pass the Audited Balance Sheet as at 30th June 1955 and the Profit and Loss Account, and the Directors' Report for the year ended the same date.
2. To declare Dividend.
3. To elect two Directors in place of Shri H. P. Poddar and Shri C. L. Poddar who retire under Article 116 of the Articles of Association of the Company but being eligible, offer themselves for re-election.
4. To appoint Auditors for the year ended 30th June 1956 and to fix their remuneration.
5. For incorporating in the Memorandum of Association of the Company specifically the power to give charities, etc., and for the purpose of it to consider and pass, if thought fit, with or without modification the following resolution which will be moved as Special Resolution:—

"Resolved that the Clause 3(x) of the Memorandum of Association be deleted and following clause be and is hereby inserted in substitution thereof:—

"*Clause* 3(x)—To support, subscribe or donate to any charitable or public object, fund, institution, trust, society, club or organisation, which may have its object to give assistance for advancement of education, public welfare, religion, sports, medical relief or help to the poor; or which may be in connection with any national or public object, or which may be calculated to assist directly or indirectly, the Company in the conduct of its business or for the benefit of its employees or any employee including officers who may have served the Company, or to the wives, children or other relations of such persons."

6. To transact any other business incidental to above.

The Share Transfer Register will be closed from 13th to 27th March 1956, both days inclusive.

By Order of the Board,
JAINARAIN RAMCHANDER,
Managing Agents.

Dated 1st March 1956.

THE GOKAK MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-seventh Annual General Meeting of Shareholders of The Gokak Mills Limited, will be held at the Registered Office of the Company, Forbes Building, Home Street, Fort, Bombay, on Thursday the 29th March 1956, at 5.00 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and audited Statements of Account for the year ended 31st December 1955.
(2) To sanction the declaration of a Dividend.
(3) To elect Directors in the place of those who retire from Office but are eligible for re-election.
(4) To appoint Auditors for the coming year and to fix their remuneration.

The Transfer Books of the Company will remain closed as previously advertised, from the 2nd March 1956 to the 22nd March 1956, both days inclusive.

By Order of the Board,
FORBES FORBES CAMPBELL & CO., LTD.,
Agents.

BOMBAY, 1*st March* 1956.

Note.—The Dividend, when sanctioned, will be made payable, free of Income-tax, at The Chartered Bank of India, Australia and China, Bombay or Madras, on and after 2nd April to those shareholders whose names stand on the Register on the 22nd March 1956, to whom Dividend Warrants will be posted.

THE BENGAL PAPER MILL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held at the Registered Office of the Company at 21, Netaji Subhas Road, Calcutta, on Thursday the 29th day of March 1956, at 12 noon, to consider and, if thought fit, to pass the following Ordinary Resolutions:—

(1) "That as from the date of the commencement of the Companies Act, 1956, subject to the approval of the Central Government, Balmer Lawrie and Company Limited shall be and are hereby reappointed the Managing Agents of the Company for a period of ten years, and that as from that date the Managing Agents shall hold such office upon the terms and subject to the conditions contained in the draft Agreement previously circulated to the members of the Company and submitted to this meeting and for the purposes of identification signed by the Chairman thereof and that, accordingly, the Directors be and they are hereby authorised to enter into an Agreement with Balmer Lawrie and Company Limited in terms of the said draft subject to any modification thereof that may be agreed between the Company and the Managing Agents for the purpose of complying with any condition imposed by the Central Government in granting its consent as aforesaid."

(2) "That as provided in Clause 9 of the said draft Agreement Balmer Lawrie and Company Limited and any Associate or Associates of theirs (as defined in subsection (3) of Section 2 of the Companies Act, 1956) be and are hereby authorised to retain any commission or other remuneration earned or to be earned by them respectively as the managing agents, secretaries and treasurers, manager, agent, secretary or selling or buying agent of any firm, body corporate, or other concern in respect of any goods, power, freight, repairs or other services, including insurance, for the sale, purchase, supply or rendering of which a contract has been or is to be entered into by such firm, body corporate or concern with the Company provided that the prices or amounts charged to or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

A copy of the draft Agreement referred to in the proposed Resolutions accompanies this Notice.

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
A. T. MONTGOMERY,
Director,
Managing Agents.

CALCUTTA, 1*st March* 1956.

MARTIN BURN LIMITED

NOTICE

THE TENTH ORDINARY GENERAL MEETING of the Shareholders of Martin Burn Ltd. will be held on Wednesday, 28th March 1956, at 12 noon at the Registered Office of the Company, 12, Mission Row, Calcutta, to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 30th September 1955.
(2) To declare a Dividend and Cash Bonus.
(3) To elect Directors.
(4) To appoint Auditors for the current year and to fix their remuneration.

The Ordinary Share Registers of the Company will be closed from 21st to 28th March 1956, both days inclusive.

By Order of the Board,
A. G. GIDLEY,
Secretary.

CALCUTTA, 5*th March* 1956.

Note.—The Dividend and Cash Bonus, if sanctioned, will be paid on or after 23rd April 1956 to those Shareholders so entitled whose names appear in the Company's books on the 28th March 1956 or to their mandatees. No application for dividend warrants will be necessary.

THE JAY SHREE TEA GARDENS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Tenth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Managing Agents at 8, Royal Exchange Place, Calcutta, on Wednesday the 28th March 1956, at 3 p.m.

(*a*) to receive and pass the Directors' report and audited accounts for the year ended 31st December 1955,
(*b*) to declare Dividend on Ordinary shares,
(*c*) to elect Directors,
(*d*) to appoint Auditors for the current year and to fix their remuneration,
(*e*) to approve and confirm payment of Donations of Rs. 1,27,005 as per Profit and Loss Account,
(*f*) to confirm the sale of Lohagarh and Invercauld Tea Estates, and
(*g*) to transact any other business that may be brought forward with the permission of the Chairman.

The Share Transfer Register will remain closed from 12th March to 28th March 1956, both days inclusive.

By Order of the Directors,
BIRLA BROTHERS LTD.,
Managing Agents.

8, ROYAL EXCHANGE PLACE,
CALCUTTA, 28*th February* 1956.

In particular to the non-resident shareholders:

Sri Jagannath Gupta, Gopal Das Seigell, Moolchand Khemka, Krishta Lal Ghosh, Sudhir Chandra Chakravorty, Mrs. Zaheda Khatun, K. M. Spalding and D. B. Spalding, Bankim Chandra Dutt, Victor Samuel Koland, Col. C. J. Clarke, Mrs. B. E Honeybone, Monomohan Saha, Mrs. K. Watson, George Fogt, Mrs. L. D. Jenkins and Mrs. L. P. Douglas Stone, A. D. Gaul, Lt. Genl. S. S. J. B. Rana, P. N. Haksar, Kedarmani Acharya Dikshit and Mrs. Bidya Devi Acharya Dikshit, Estate of Late A. H. Johnstone, Estate of Late J. A. Mackerrow, Nagendra Man Singh, Mrs. E. E. Thompson and Mr. W. B. Joiner, Rani Jagadamba Kumari Debi, David Victor Sassoon, Sm. Manick Devi, Narendra S. S. J. B. Rana, Kamalmani Acharya Dikshit, Prakashmani Acharya Dikshit.

Note.—Dividend on Ordinary Shares as recommended by the Directors if passed at the meeting will be payable only to the Registered Shareholders whose names are on the Company's Register on 28th March 1956. No application need be sent for dividend as relative dividend warrants will be posted to such shareholders on and from 25th April 1956. Shareholders are requested to notify change of address, if any, without delay.

MARTIN BURN LIMITED

NOTICE

AT A MEETING OF THE BOARD OF DIRECTORS of Martin Burn Limited, held on 1st March 1956, further consideration was given to the question of the distribution of profits as shown in the accounts for the year ended 30th September 1955, and it was resolved that the Cash Bonus recommended in the resolution passed on 25th ultimo be increased by one anna per share free of Income-tax.

The Directors further resolved that the abovementioned additional Cash Bonus of One Anna be incorporated in the Report and Accounts for the year ended 30th September 1955.

The Directors, therefore, now recommend a Dividend of Rs. 1-8 per share on the Ordinary Shares of the Company for the year ended 30th September 1955 together with an additional distribution by way of Cash Bonus of Five Annas per share, both without deduction of Income-tax.

This Dividend and Cash Bonus if passed by the Shareholders will be payable on and after the 23rd April 1956 to those members so entitled who are registered in the Company's books on the 28th March 1956. It was agreed that the Ordinary Share Register of the Company be closed from the 21st to the 28th March 1956.

By Order of the Board,
A. G. GIDLEY,
Secretary.

2*nd March* 1956.

Notices

THE UNITED BANK OF INDIA LIMITED

Registered Office:
United Bank Buildings
4. CLIVE GHAT STREET, CALCUTTA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Next Ordinary General Meeting of the Shareholders of UNITED BANK OF INDIA LIMITED will be held at the Registered Office of the Bank at the UNITED BANK BUILDINGS, 4, Clive Ghat Street, Calcutta, on Saturday the 31st March 1956, at 10 a.m., to transact the following business:—

1. To receive the Directors' Report and Audited Accounts for the year ended 31st December 1955.
2. To declare a Dividend.
3. To elect Directors in place of those retiring by rotation.
4. To appoint Auditors and fix their remuneration.
5. To pass the following resolution intended to be moved as a special resolution:—

"Resolved that the Company consents to each of the following employees who is a relative of the Director of the Company mentioned against his name continuing to hold his employment with the Company.

Name of the employee	*Name of the Director*
Sri Bhupendra Mohan Sengupta	Sri N. C. Datta
„ Dwijesh Chandra Sen	Do.
„ Chittatosh Das ...	Dr. S. B. Dutt
„ Kshiti Bhusan Datta	Do.
„ Jyoti Bhusan Datta	Do.
„ Jagat Suhrid Datta	Do.
„ Biswaranjan Das Gupta	Sri K. C. Das
„ Dhruba Narayan Gupta	Do.
„ Prasanta Ranjan Mallick	Do.
„ Pabitra Kumar Sen ...	Sri B. K. Datta
„ Ranjit Kumar Datta ...	Sri N. C. Datta and Sri B. K. Datta
„ Satyendra Krishna Datta Roy	Do.
„ Dhiresh Chandra Dutta Gupta	Do.
„ Dhirendra Kumar Sen	Do."

By Order of the Board,
A. K. ROY,
Secretary.

CALCUTTA, 1*st March* 1956.

N.B.—The Share Transfer books of the Bank will remain closed from Saturday the 17th March to Saturday the 7th April 1956, both days inclusive.

The Dividend, when sanctioned, will be payable on and after the 23rd April, to those Shareholders whose names stand on the Register on the 7th April 1956.

Dividend Warrants will be posted to Shareholders at their registered addresses or in accordance with their mandates.

Early intimation should be given to the Bank of any change of address.

NOTICE UNDER SECTION 289B(4) OF THE INDIAN COMPANIES ACT, 1913

To

THE MEMBERS OF W. H. BRADY & CO., LTD.

NOTICE IS HEREBY GIVEN THAT AN application will be made to the Central Government in pursuance of Section 87-BB of the Indian Companies Act, 1913, for the approval of the Government to the retirement of four existing Directors and to the appointment of four new Directors on the Board of the Company.

Dated this sixth day of March 1956.

For and on Behalf of
W. H. BRADY & COMPANY, LIMITED,
JOSEPH KAY,
Managing Director.

BALLY JUTE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventy-fifth Ordinary General Meeting of the Shareholders of the Bally Jute Company, Limited, will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Thursday the 29th March 1956, at 11-45 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th September 1955, and the Balance Sheet as at that date.
(2) To declare a Dividend on the Preference Shares.

The Share Transfer Books of the Company will be closed from the 15th March 1956 to 29th March 1956, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA, 27*th February* 1956.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 29th day of March 1956, or to their Mandatees.

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

HOWRAH MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One hundred and thirtieth Half-yearly Ordinary General Meeting of Shareholders of Howrah Mills Company, Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Thursday the 29th March 1956, at 12-00 noon, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th September 1955, and the Balance Sheet as at that date.
(2) To declare Dividends.

The Share Transfer Books of the Company will be closed from 15th March to 29th March 1956, both days inclusive.

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

CALCUTTA, 27*th February* 1956.

Note.—Payment of any Dividend declared will be made only to those members whose names are registered in the Books of the Company on the 29th day of March 1956, or to their Mandatees.

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

THE RELIANCE JUTE MILLS COMPANY, LIMITED.

NOTICE IS HEREBY GIVEN THAT THE Ninety-eighth Half-yearly Ordinary General Meeting of Shareholders of The Reliance Jute Mills Company, Ltd., will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Thursday the 29th March 1956, at 12-15 p.m., for the following purpose:—

To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 30th September 1955, and the Balance Sheet as at that date.

The Share Transfer Books of the Company will be closed from 15th March to 29th March 1956, both days inclusive.

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

CALCUTTA, 27*th February* 1956.

THE MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-fifth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office, Mafatlal House, Back Bay Reclamation, Bombay 1, on Thursday the 29th March 1956, at 2-30 p.m. (S.T.), to transact the following business:

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1955.
2. To declare Dividends on Preference Shares and Ordinary Shares.
3. To elect a Director in place of Mr. Arvind N. Mafatlal who retains Office till the General Meeting and is eligible for re-election.
4. To elect a Director in place of Mr. Hemant B. Mafatlal who retains Office till the General Meeting and is eligible for re-election.
5. To elect a Director in place of Shri Kumuchandra K. Mahadevia who retires by rotation and is eligible for re-election.
6. To elect a Director in place of Shri Bipinchandra P. Patel who retires by rotation and is eligible for re-election.
7. To appoint Auditors for the current year and fix their remuneration.

To transact any other business the Chairman may bring before the Meeting.

The Transfer Books of the Company will be closed from Friday the 2nd March 1956 to Friday the 23rd March 1956, both days inclusive.

By Order of the Board of Directors,
NAVINCHANDRA PURSHOTAMDAS & CO., LTD.,
ARVIND N. MAFATLAL,
Director,
Secretaries, Treasurers and Agents.

MAFATLAL HOUSE,
BACK BAY RECLAMATION,
BOMBAY, 1*st March* 1956.

N.B.—The Dividends, as recommended by the Directors, when sanctioned by the Shareholders will be paid at the Bank of Baroda Ltd., Back Bay Reclamation Branch, Bombay 1, from 2nd April 1956 to 31st July 1956 during business hours and thereafter at the Registered Office of the Company during Office hours, excepting Saturdays, to those Shareholders whose names are on the Company's Register on 23rd March 1956.

Shareholders are requested to intimate to the Company immediately any change in their Registered Address.

INDUSTRIAL INVESTMENT TRUST LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY-THIRD ANNUAL GENERAL MEETING of Industrial Investment Trust Limited, will be held at the Registered Office of the Company, 61 Apollo Street, Fort, Bombay, on Saturday the 31st day of March 1956, at 11 a.m. (S.T.), to transact the ordinary business of an Annual General Meeting of the Company.

THE SHARE TRANSFER REGISTERS OF THE COMPANY WILL BE CLOSED FROM SATURDAY, the 17TH MARCH 1956 to SATURDAY, THE 31ST MARCH 1956, BOTH DAYS INCLUSIVE.

By Order of the Board,
PREMCHAND ROYCHAND AND SONS,
Secretaries.

BOMBAY, 27*th February* 1956.

To the Shareholders of Industrial Investment Trust Limited, and in particular to:—

Richard Austein Leigh Esq., P. C. Francis Mascarenhas Esq., Noorul Hasan Qadri Esq., Kishenchand Verma Esq., Mrs. Edith Dawn Kingham and Jagan Nath Awal Esq.

RESULTS OF TIDE WATER OIL COMPANY SATISFACTORY

ANGLO-INDIA JUTE PAYS LOWER DIVIDEND

Tide Water Oil Co. (India), Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st October 1955.

After providing Rs. 5,425 (Rs. 7,327) for depreciation and Rs. 36,000 (*nil*) for taxation, there is a balance of Rs. 58,582 (debit of Rs. 70,248) at the credit of the profit and loss account. The directors recommend the payment of a dividend of As. 8 (*nil*) per share, absorbing Rs. 30,000 (*nil*) and leaving a balance of Rs. 28,582 (debit of Rs. 70,248) to be carried forward.

Trading for the six months was satisfactory. Since the close of the half-year, it has become necessary to increase the selling prices of some oils consequent upon increases in freight rates and in the prices of certain base bulk stocks.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	67,632
Reserves ...	8,95,900	Goodwill ...	2,00,000
Provision for taxation ...	1,14,581	Stocks ...	16,76,593
Liabilities ...	18,89,103	Debts, deposits and advances ...	12,11,095
Profit and loss account ...	28,582	Cash ...	3,72,346
	Rs. 35,28,166		Rs. 35,28,166

Anglo-India Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Duncan Brothers & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

After providing an increased figure of Rs. 5,00,000 (Rs. 4,00,000) for depreciation because of new machinery and Rs. 2,25,000 (Rs. 3,50,000) for taxation, there is a credit balance on profit and loss account of Rs. 3,00,632 (Rs. 4,38,265). With the transfer from capital reserve of Rs. 5,94,144 (*nil*) and balance brought forward from previous half-year of Rs. 1,41,421 (Rs. 1,45,413), there is a total amount of Rs. 10,36,197 (Rs. 5,83,678). From this sum have been transferred to reserve account Rs. 5,00,000 (*nil*) and to machinery replacement reserve Rs. 1,0,000 (*nil*), leaving a balance of Rs. 4,36,197 (Rs. 5,33,678). Out of this the directors now recommend payment of a dividend on preference shares at Rs. 3-8 (Rs. 3-8) per share absorbing Rs. 1,40,000 (Rs. 1,40,000) and on ordinary shares at Rs. 3-8 (Rs. 5) per share absorbing Rs. 1,72,224 (Rs. 2,46,035), leaving to be carried forward a balance of Rs. 1,23,973 (Rs. 1,47,643).

Since the preparation of these accounts, the Supreme Court has delivered judgment in the Shree Ganesh Jute Mills' sales tax case and has awarded in favour of the Government of West Bengal. However attempts are being made through the good offices of the Indian Jute Mills' Association for reimbursement by the Government of India of tax payable on supplies made to the Department of Industries and Supplies. The Company's liability in this respect amounts to Rs. 2,70,141 which has been recorded as a contingent liability in the balance sheet.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 48 hours per week throughout the period with 12½ per cent. of the total looms sealed. As from 9th January, 2½ per cent. of the total looms were unsealed and a further 5 per cent. will be unsealed from 20th February 1956.

There was a bare sufficiency of jute to last the mills until the new season's crop arrived and at most times there would have been a loss on simultaneous purchase and sale. The current crop is larger and should suffice for the increased offtake necessitated by the unsealing of looms in the industry.

Government removal of export duties on manufactured goods on 2nd August, 1955 largely restored the competitive position of the Calcutta industry after the devaluation of the Pakistan rupee.

An increase in basic wages was awarded by the Third Jute Tribunal and became effective from 6th November 1955. This must inevitably increase the cost of production.

In order to minimise the rising tendency of costs, Jagatdal Mill was closed at the end of the year and Upper Mill commenced working on double shift as from 2nd January 1956. This rationalisation is calculated to reduce the eventual cost of re-equipment. Active investigations are proceeding for a suitable new use for the building and facilities at Jagatdal Mill. The first consignment of modern machinery for Middle Mill has arrived at site and erection will proceed over the coming six months.

Messrs. Landale & Clark Ltd. and Messrs. Landale & Clark (Pakistan) Ltd., both being subsidiary companies have not fared well. The results of both are still unsatisfactory although the restricted scale of operation and economies described a year ago have done much to reduce the losses.

Trading conditions in Pakistan during the current season have been favourable to date.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	89,20,700	Block ...	85,08,335
Reserves ...	72,00,000	Stock ...	65,44,006
Provision for taxation ...	12,97,297	Stores ...	11,83,556
Liabilities ...	53,51,354	Debts deposits and advances ...	23,34,175
Profit and loss account ...	1,23,973	Investments ...	41,20,153
		Cash ...	2,02,799
	Rs. 2,28,93,324		Rs. 2,28,93,324

Cheviot Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November 1955.

After making necessary adjustments for taxation and transferring Rs. 1,00,000 (*nil*) from dividend equalisation reserve and Rs. 75,000 (*nil*) from general reserve there is a balance of Rs. 1,01,415 (Rs. 3,00,079) at the credit of profit and loss account from which the directors recommend payment of dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share absorbing Rs. 35,000 (Rs. 35,000) and on ordinary shares at Rs. 4 (Rs. 8) per share absorbing Rs. 63,800 (Rs. 1,27,600), leaving Rs. 2,615 (Rs. 1,37,479) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 48 hours per week with 12½ per cent. of the total looms sealed. Trading during the period was unprofitable owing to the high price of raw jute in relation to the market for manufactured goods.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,95,000	Block ...	24,74,480
Reserves ...	28,39,282	Stock of cloth and bags	6,50,971
Provision for taxation ...	19,362	Stock of jute	15,17,114
Liabilities ...	7,39,310	Stores ...	9,47,631
Profit and loss account ...	2,615	Debts and advances ...	2,75,987
		Investments	66,291
		Cash ...	2,63,095
	Rs. 61,95,569		Rs. 61,95,569

Delta Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November 1955.

After making necessary adjustments for taxation, there is a balance of Rs. 1,68,412 (Rs. 3,27,008) at the credit of profit and loss account from which the directors recommend payment of dividends on preference shares at Rs. 2-8 (Rs. 2-8) per share absorbing Rs. 12,500 (Rs. 12,500) and on ordinary shares at Rs. 5 (Rs. 6) per share absorbing Rs. 1,40,000 (Rs. 1,68,000), leaving Rs. 15,912 (Rs. 1,46,508) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 48 hours per week with 12½ per cent. of the total looms sealed. Trading during the period was unprofitable owing to the high price of raw jute in relation to the market for manufactured goods.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	33,00,000	Block ...	28,56,589
Reserves ...	44,74,179	Stock of cloth and bags	7,59,130
Provision for taxation ...	1,55,325	Stock of jute	12,82,388
Liabilities ...	10,02,366	Stores ...	9,62,094
Profit and loss account ...	15,912	Debts and advances ...	4,60,757
		Investments	15,13,729
		Cash ...	11,13,095
	Rs. 89,48,282		Rs. 89,48,282

Dalhousie Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September 1955.

After providing Rs. 79,118 (Rs. 71,241) for depreciation and Rs. 18,182 (*nil*) for taxation, the profit and loss account showed a loss of Rs. 50,927 (profit of Rs. 1,00,839) which was increased by transfer to provision for contingencies of Rs. 75,934 (*nil*). After adding the amount brought forward from previous half-year of Rs. 11,882 (Rs. 14,194) and the transfer from general reserve of Rs. 2,00,934 (*nil*), there was an available balance of Rs. 85,935 (Rs. 1,15,033). The directors have paid a dividend on the preference shares at the rate of 7 (7) per cent. per annum, without any deduction for income-tax paid by the Company absorbing Rs. 52,500 (Rs. 52,500) and a dividend on the ordinary shares of Re. 1 (Re. 1-8) per share, without any deduction for income-tax paid by the Company absorbing Rs. 31,459 (Rs. 47,189) and carried forward Rs. 1,996 (Rs. 15,344).

With regard to the modernisation scheme eighteen sliver spining frames and ancillary machinery have been installed by January 1956, and in order to make space for the layout and installation of the balance of machinery—part of which is afloat —double shift working of the mill came into operation from 2nd May 1955.

The difficulties found to be inseparable from the modernisation of a running mill are being experienced in the transition stage of the modernisation of the mill.

The directors inform that subscriptions to the 5½ per cent. debenture loan to finance the modernisation scheme, amount to Rs. 20.28 lakhs at the time of this report.

With the removal of all export duties by the Government of India with effect from 1st August 1955, Indian mills were put in a stronger position to meet competition from other countries.

The devaluation of the Pakistani rupee on 31st July 1955, has not proved of any benefit to the Indian industry in view of the decision of the Government of Pakistan to maintain their minimum export prices at the same sterling level as previously. Further they have increased the export duty on raw jute excluding habi jabi and cuttings by Re. 1 per maund.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	46,49,200	Block ...	69,79,719
Debentures ...	19,28,000	Capital expenditure in progress ...	5,15,796
Reserves ...	61,22,363	Stock-in-trade	7,61,915
Liabilities ...	6,27,498	Stores and spare gear	8,52,875
Profit and loss account ...	1,996	Oil and coal	32,495
		Debts, deposits and advances ...	12,09,599
		Investments	4,70,314
		Cash ...	25,05,844
	Rs. 1,33,29,057		Rs. 1,33,29,057

North-West Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

After providing Rs. 18,074 (Rs. 22,294) for depreciation and transferring Rs. 7,500 (*nil*) to general reserve, there remains a balance of Rs. 35,405 (Rs. 8,676) at the credit of profit and loss account out of which the directors recommend payment of dividend at 15 (*nil*) per cent. per annum Rs. 20,438 (*nil*) and carry forward Rs. 14,967 (Rs. 8,676).

Raisings during the half-year were 60,004 (52,902) tons as compared with 58,577 tons and despatches 64,684 (66,580) tons as compared with 65,074 tons during the last half-year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,72,500	Block ...	4,51,490
Reserves ...	2,55,192	Stores ...	20,226
Provision for taxation ...	5,096	Debts and advances ...	3,80,098
Liabilities	3,94,113	Cash ...	90,055
Profit and loss account ...	14,968		
	Rs. 9,41,869		Rs. 9,41,869

Orient Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November 1955.

After transferring Rs. 1,00,000 (*nil*) from dividend equalisation reserve there is a balance of Rs. 1,05,423 (Rs. 2,45,745) at the credit of profit and loss account from which the directors recommend payment of a dividend on ordinary shares at Rs. 4 (Rs. 5) per share thus absorbing Rs. 99,640 (Rs. 1,24,550) and leaving Rs. 5,783 (Rs. 1,21,195) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 48 hours per week with 12½ per cent. of the total looms sealed. Trading during the period was unprofitable owing to the high price of raw jute in relation to the market for manufactured goods.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,91,000	Block ...	22,10,696
Reserves ...	26,81,049	Stock of cloth and bags ...	6,05,930
Provision for taxation ...	75,629	Stock of jute	13,75,205
Liabilities ...	7,88,680	Stores ...	9,62,035
Profit and loss account ...	5,783	Debts and advances ...	3,42,378
		Investments	53,242
		Cash ...	4,92,654
	Rs. 60,42,141		Rs. 60,42,141

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

STRINGENCY IN MONEY GROWS

(From Our Own Correspondent)

BOMBAY, *7th March*

The acute stringency in the short-term money market noted for some weeks past showed no signs of relaxation during the week under review. In fact, conditions were even more difficult during the week in the face of a rising trend in demand for money and growing shortage of floating funds. Banks had, therefore, to seek accommodation once again from either the Reserve Bank of India or the State Bank, notwithstanding the fact that the rate of discount of usance bills by the former had been put up from 3 per cent. to 3½ per cent. and the concession regarding stamp duty had been withdrawn with effect from the 1st inst.

The aforesaid conditions were duly reflected in a further hardening of the interest rates. Inter-bank call money was bid at 3½ per cent. more commonly among the Exchange banks and Indian banks, although a few were still offering no more than 3¼ per cent. House money at call was bid at 3½ per cent., as also short-term deposits for one to six months. Some banks offered 3½ per cent. for deposits of Rs. 5 lakhs and over.

There was, however, a fractional decline in the Government of India 91-day Treasury Bill rate this week from Rs. 2-8-6 per cent. to Rs. 2-8-5 per cent. per annum. The total amount offered was again higher this week at Rs. 136 lakhs, as compared with Rs. 102.75 lakhs last week and Rs. 100.75 lakhs two weeks ago. Tenders for Rs. 100 lakhs have been invited for next week also.

The Reserve Bank of India's statement for the week ended 2nd March 1956 discloses a sharp rise of Rs. 15.81 crores in notes in circulation, in distinct contrast to the aggregate decline of Rs. 4.80 crores in the previous two weeks. Notes held in the Banking Department, on the other hand, have dropped by Rs. 1.87 crores. The consequent rise of Rs. 13.94 crores in total notes issued is covered on the assets side by the increase of Rs. 15 crores in foreign securities and a contraction of Rs. 1.06 crores in rupee coin. In the Banking Department, the rising trend in deposits of the Central Government noted in the previous three weeks has been reversed with a decline of Rs. 6.95 crores during the week under review. Deposits of other Governments have, however, further risen by Rs. 1.90 crores, while those of banks have dropped by Rs. 5.81 crores. On the assets side, cash balances are lower by Rs. 1.92 crores and balances held abroad by Rs. 13.74 crores. Loans and advances to Governments are lower by only Rs. 71 lakhs, whereas other loans and advances are up by Rs. 7.14 crores, of which advances to Scheduled banks against usance bills account for Rs. 3.67 crores. Fresh advances to banks against these bills during the week amount to Rs. 4.22 crores.

The Scheduled banks' statement for the week ended 24th February 1956 shows a further rise of Rs. 2.01 crores in demand deposits and of Rs. 1.18 crores in time deposits, while inter-bank borrowings have declined by Rs. 1.05 crores. Borrowings from the Reserve Bank have gone up by Rs. 2.17 crores, while those from the State Bank have declined by Rs. 88 lakhs. A rise of Rs. 1.62 crores is noted in advances, Rs. 3.57 crores in inland bills purchased and discounted and Rs. 82 lakhs in foreign bills. Investments have declined by Rs. 2.17 crores. Cash and balances with the Reserve Bank are together higher by Rs. 1.87 crores, while money at call and short notice are lower by Rs. 1.61 crores.

The Gilt-edged market was featureless during the week under review, though the undertone was steady. Most of the counters, particularly medium and long-dated issues, attracted buyers, the notable exception being 3 per cent. 1986 Conversion Loan which continued to be on offer. There was no change in the Reserve Bank's policy in respect of supporting the market, despite the fall of Rs. 3 in 1986 Conversion Loan from the former support level of Rs. 80.

3 per cent. 1957 was in request at Rs. 99-9 ex-voucher, as against Rs. 99-9 *cum*-voucher last week. 3 per cent. 1958 was maintained at Rs. 99-8, while 3 per cent. 1959-61 was an anna lower at Rs. 98-1. 3 per cent. 1963-65 and 1964 held ground at Rs. 94-9 each. 3 per cent. 1966-68 gained As. 2 to Rs. 92-8, at which level also there were buyers. 3 per cent. 1970-75 was in demand an anna higher at Rs. 88-14. 3 per cent. 1986 Conversion Loan fell by As. 8 to Rs. 77, at which rate there were sellers. 3½ per cent. 1961 was unchanged at Rs. 99-6, though there were buyers at Rs. 99-5½. 3½ per cent. 1964 was in request at Rs. 98-7½ and 3½ per cent. 1965 an anna higher at Rs. 98-6. 4 per cent. 1967 State loans attracted enquiries at lower levels. 4 per cent. 1967 Bombay, after receding by As. 2 to Rs. 100-7, was in demand and rose to Rs. 100-8. West Bengal was sought an anna lower at Rs. 100. Madras fell by As. 4 to Rs. 99-6 before gaining to Rs. 99-7. U.P. dropped As. 2 to Rs. 99-8, Mysore As. 3 to Rs. 99-5, Hyderabad As. 2 to Rs. 99-3 and Saurashtra As. 3 to Rs. 99-9.

In the foreign exchange section, the rupee ruled weak in terms of the U.S. dollar during the week, banks' selling rate of ready dollars being quoted today at Rs. 478¼ per $100, as against Rs. 476¾ per $100 a week ago, and their buying rate at Rs. 474 per $100, as against Rs. 472¾ per $100. This is in tune with the similar trend displayed by sterling. In New York, for instance, spot sterling fell from $2.80¾—2.80⅞ to $2.80¼—2.80⅜. Three months' forward declined from $2.79¼—2.79⅛ to $2.78-7/16—2.78-9/16 and transferable sterling from $2.77-9/16—2.77-11/16 to $2.77¼—2.77⅜.

(Concluded from next column)

leaf teas also advanced. Prices of mediums, commons and Dooars were maintained, but the weaker quality from these types were easier. The quotations were: best Assam C.T.C. Rs. 2-9 to Rs. 2-11, medium Assam grainy dust Re. 1-8-6 to Re. 1-9, and medium Dooars Re. 1-7 to Re. 1-8.

Leaf grades on offer amounted to 4,370 chests. Demand was fair but prices were easier.

BULLION MOVES DOWN

(From Our Own Correspondent)

BOMBAY, *7th March*

While gold made history in the bullion market last week by crossing Rs. 100-mark per tola after a lapse of nearly four years, silver came into the limelight this week with a sharp drop of over Rs. 3 per 100 tolas early in the week. Though a part of this fall in the white metal was made good during the rest of the week, consequent on the excellent demand in the ready section, the undertone was still hesitant. Gold also ruled lower, in distinct contrast to the sharp rise noted in the previous week, due to slackness in offtake and apprehensions about import of gold coins. Just at the close, however, there was a notable recovery following a sharp rise in demand for gold of the order of 8,000 tolas today.

The heavy recession in silver early in the week was attributed to large arrivals of silver coins of Tibetan origin. Enquiries in market circles would appear to have revealed that the arrivals of these coins were under import licences against barter deal. However, no official statement about the appearance of these coins, which were a few days ago confiscated by the customs authorities, was forthcoming. The Board of the Bullion Association proposes to seek a clarification from the customs authorities in this regard. Fears of more arrivals of such coins chilled the enthusiasm of operators, though the good offtake in the ready section paved the way for a small recovery.

Silver for forward delivery (28th March settlement) slumped early in the week from Rs. 176-7 to Rs. 173-3. There was, however, a recovery to Rs. 174-7 on Monday this week on replacement buying encouraged by good offtake in the ready section. After a recession again to Rs. 173-8 yesterday on apprehensions about further imports of silver coins, forward silver staged a brisk rally to Rs. 175 today before finishing at Rs. 174-12, the recovery having been helped by the persistent demand in the ready section.

Ready silver (.996 Mint) dropped early in the week from Rs. 175-15 to Rs. 172-11, but slowly gathered strength to Rs. 174-4 at the close today. The floating stocks of silver are reported to be 1,000 bars. The daily average offtake was 30 to 35 bars.

Forward gold (27th March settlement) maintained the downward trend noted towards the close of the previous week and dropped this week from Rs. 100-7 to Rs. 98-6 yesterday on reports of unauthorised arrivals of gold and fears of import of gold coins against barter deal. Today, however, there was a brisk rally to Rs. 99-12, following the encouraging demand for ready gold.

Ready gold receded from Rs. 101-6 to Rs. 98-14 before gaining strength to Rs. 100-6 at the close today. The floating stocks of gold are reported to be 30,000 tolas. The daily average arrivals were 4,000 tolas, while the offtake, which was 3,000 tolas till yesterday, rose to 8,000 tolas today.

In London, the price of spot and forward silver moved up from 78½d. to 79d. and gold from 249s. 1d. to 249s. 8½d. In New York also, silver advanced from 90¾c. to 91¼c.

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

	7-3-56	Highest	Lowest	29-2-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Gold				
Ready (.99 fine Mint) ..	100 6	101 8	98 14	101 6
Forward*	99 12	100 5	98 6	100 7
per *Sovereign*	63 8	63 8	63 0	64 0
Silver				
Ready (.996 fine Mint) ..	174 4	175 10	172 11	175 15
Forward†	174 12	176 2	173 3	176 7
London Silver Ready ..	79d.	79d.	78¾d.	78¾d.
London Forward	79d.	79d.	78¾d.	78¾d.
London Gold	249s. 8¼d.	249s. 8¼d.	249s. 1d.	249s. 1d.
New York Ready	91¼c.	91¼c.	90¾c.	90¾c.

* 27th March settlement.
† 28th March settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

TEAS STEADY IN EXPORT AUCTIONS

(From Our Own Correspondent)

CALCUTTA, *6th March*

The reduction in the export duty on tea by As. 2 per lb. in the present price range of Rs. 3-4 to Rs. 4 has been naturally welcomed in trade and industry circles. This is all the more so, because tea gardens are provided some relief and exporters can look forward to increase their activity within the quota. It was not surprising, therefore, to see that prices during yesterday's auctions were fully steady and rose several annas above brokers' valuations in respect of the market favourites. Offerings amounted to 54,000 packages, including Assam and Dooars teas, some of which was better in quality. C.T.C. brokens and fannings were the cynosures of all eyes and realised rates which were above brokers' valuations by As. 12 to Re. 1. The lesser attractive fannings were sold As. 3 higher. Clean broken teas advanced by ¼ anna. Poor liquoring stalky teas and low mediums opened easy, but conditions improved as the sale progressed. Stylish whole leaf grades were a particularly interesting feature and rose to surpass valuations. The quotations were: clean black pekoe Re. 1-15, medium Assam B.P. Re. 1-7 to Re. 1-7-6, plain B.P. Re. 1-4-6 to Re. 1-5, and best C.T.C. Assam B.P. not quotable.

Export quota right changed hands at 6 pies as well as 7 pies, sellers insisting on the latter rate.

Dusts offerings aggregated 19,000 chests during last week's sale for domestic consumption. General demand was good, and the best liquoring C.T.C. Assams were supported at higher rates. Black

(Continued in previous column)

FORWARD TRADING IN COTTON TO BE RESUMED SOON

(From Our Own Correspondent)

BOMBAY, *7th March*

Cotton traders have heaved a sigh of relief at the removal of the legal hurdle in the way of resuming futures trading in cotton which has remained suspended since 23rd December last. On Thursday this week, the Full Bench of the Bombay High Court upheld the decision of Mr. Justice Coyajee to dismiss the petitions challenging the validity of (1) the directive of the Forward Markets Commission to close out the hedge contracts in I.C.C. February and May at Rs. 700 and Rs. 686-8 per candy, respectively, and (2) the amendment effected by the Central Government in By-law 52AA of the East India Cotton Association (E.I.C.A.). The details of the judgment of the Full Bench have been covered elsewhere in this issue. Briefly, the judgment is as follows:

The Forward Markets Commission is not a corporation under the Forward Contracts (Regulation) Act, 1952, but a statutory body invested with certain functions. Amongst the functions set out in the Act is that the Commission will exercise such powers and duties as may be assigned to the Commission by or under the Act or as may be prescribed by the Rules. Section 12 of the Act, read with Section 11 which gives the Central Government power to make by-laws for the regulation and control of forward contracts, includes power to confer a function on the Commission of closing hedge contracts if that function has been conferred on the Commission, as has been done in the present case by the By-law 52AA. Therefore, such by-law conferred a function on the Commission "under the Act" and is, therefore, within the ambit of the Act.

After the above judgment was delivered, the E.I.C.A. Board effected outward payments on Friday Inward payments, it will be recalled, were done on the 25th ultimo. The payments having been made, cotton traders are now looking forward to the early commencement of futures trading in I.C.C. August. Some of the changes proposed by the E.I.C.A. in the contract are now being examined by the Forward Markets Commission which is expected to announce its decision shortly. Should these changes be approved by the Commission, the basis and grade of the hedge contract will continue to be the fine stapling 13/16" and the tendering differences will be fixed on the basis of forward prices, instead of on spot prices as provided in the existing by-laws.

The spot cotton market was quite active during the week under review. There were good mill enquiries for Vijay, Surti, Jarillas, Khandesh and Punjab styles. A large quantity of Vijay cotton for March-April delivery was bought by a leading mill at Rs. 885 per bale. Among foreign cottons, some deals were put through in old Jinja around Rs. 1,375. Old crop Sudans also evoked revival of interest. Business was done in XG6S and other lower varieties. Egyptians, however, failed to elicit support. Covering by shipping against commitments in view of the proximity of the current licensing period's maturity was the feature of trading in the export section, which was otherwise dull following the decision of the U.S. to sell its cotton at competitive prices in the world market. There were stray enquiries for Wagad, Dholleras and Bengal *Deshi*.

The latest available quotations from the Sewri market are: Bengal *Deshi* Rs. 720; Berar Jarillas Rs. 785; Khandesh Rs. 760; Vijay Rs. 895; Oomra *Deshi* Rs. 720; Moglai Rs. 660.

Conditions akin to panic prevailed in the Karachi cotton market. The chief bearish factor was the U.S. official announcement that it would launch a new cotton export sales programme on a competitive bid basis covering all qualities after 1st August next. The proposed sale would, traders feared, offer severe competition to Pakistan cotton in world markets. The fears let loose a wave of selling which brought about a precipitous fall in cotton prices. N.T.R.G. May delivery was hammered down by Rs. 3-4 to Rs. 78-11. March delivery slumped from Rs. 83-7 to Rs. 80-7. In sympathy with the futures, spot prices also suffered a severe break, with the exception of Sind and Bengal *deshi* varieties which continued to rule firm. The latest available quotations—in rupees per lb.—for a few popular varieties of Pakistan, figures in brackets giving last week-end's prices, are given below:

Sind *deshi* 79 (78-8); Punjab *deshi* 74-8 (73-4); 4F Roller 77-4 (81-3); S.G. 82-14 (86-15); 4F Punjab Roller 82-6 (85-7); S.G. 88-6 (91-7); 289F N.T. Roller 85-2 (88-7); S.G. 91-14 (95-15); 289F Punjab Roller 90-7 (93-15); S.G. 96-10 (100-7).

After depicting a firm trend in the first few sessions of the week, the Alexandria cotton futures market experienced a relapse on Monday which persisted till the close today. The initial firmness was aided by excellent buying enquiries from abroad in the wake of tight supply position. Some prominent shippers were reported to have suspended offers of higher grades Giza 30 due to paucity of stocks. Consequently, prices registered an improvement. The upward trend was checked on Monday when, following the U.S. move to sell cotton at competitive rates, the market came under pressure of sales and prices drifted lower. Much of the earlier gains were erased, so that yesterday's closing rates were slightly higher than those at the end of last week.

The latest available rates—in tallaris per lb.—from Alexandria market are: Karnak: March 90.50 and May 90.70; Ashmouni: April 71.05 and June 69.95.

The Managing Director of the Sudan Gezira Board has announced the opening of a pure Sudan futures market in Liverpool during the second half of this month. The New York futures market, even in normal circumstances, was never a good hedge for Sudan cotton. It is likely to be even less so, following the announcement of the accelerated

tempo of surplus sales. The Board has also decided to sell on fixed prices as from the start of the new season. This would mean that bids made at auction would represent fixed prices and there would, therefore, be no "on call" facilities. This decision was taken at a meeting of the Board on Wednesday last when representatives of cotton firms were also present. In the event of there being no possibility of opening the Liverpool Sudan futures market, the Board would, it is said, re-consider its decision.

There was active bidding at the recent auctions in A.R. Uganda new crop cotton and prices of all qualities registered an increase. B.P. 52 was in special request, induced by bullish interpretation of crop conditions. The crop, it is apprehended, has suffered in grade and staple. The harvest is also expected to be lower than that anticipated. The damage to the crop is attributed to abnormal weather conditions with late rains during the ripening period.

Despite the announcement of the new U.S. cotton export sales programme, the Liverpool cotton futures market presented a steady tone. Buying support was lent by trade and commission houses, and prices of cotton were fully maintained. The Egyptian contracts were neglected. The latest available quotations (in pence per lb.) from Liverpool are:

Old contract: March-April 25.65; May-June 25.47; July-August 24.65. New contract: May-June 31.75; July-August 28.00; October-November 26.25; December-January 25.85; March-April 25.75; Egyptians Karnak cotton: March-April 51.05; May-June 50-50; July-August 50-50.

Irregular conditions were in evidence in the New York cotton futures market during the week under review. Thus, nearby deliveries ruled firm, while distant positions were easy. Delivery notices against the spot month in which dealings will end on the 13th inst. were absent.

This, together with the mill, spot house and shipper demand, imparted strength to the May delivery. Buying in near position was also attributed to covering by exporters against commitments to Spain and tightening spot situation in the wake of heavy loan impoundings.

The U.S. Department of Agriculture has announced that it will initiate a new cotton export sales programme after 1st August next. Under this programme, the sales abroad of cotton will be on a competitive bid basis, on the same lines as the present programme. Substitution of cotton bought under the programme with cotton held privately is expected to be permitted. By this move, the U.S. is launching a new effort to recapture its cotton markets throughout the world. The goal, as announced at a Press conference by Mr. Benson, Secretary of Agriculture, is to export about 5 million bales of surplus short-staple or Upland cotton on a competitive basis with other nations. Mr. Benson said that sales through the new programme would be made in an orderly manner. To quote him: "I think this cotton will sell at the world level and I think sales will tend to firm up and give stability to world cotton prices. Our great surpluses have been one of the most uncertain things in the whole cotton picture." Mr. Benson, however, assured that, in making the sales, due consideration would be given to the need for avoiding any disruption in the world market prices and impairing of the traditional competitive position of friendly Governments.

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

(In cents per lb.)

	6-3-56	28-2-56	21-2-56
Spot	36.60	36.60	36.60
March	35.77	35.70	35.77
May	35.43	34.90	35.39
July	33.79	33.87	34.19
October	31.47	31.90	32.10

YARNS BEARISH

(From Our Own Correspondent)

BOMBAY, *7th March*

From the point of view of yarn traders, the latest budget of Mr. Chintaman Deshmukh is definitely a bearish one. For the budget contains two changes in excise duty which affect the prospects of trade in yarns. First, the compounded rates per cotton powerloom (per shift per month) have been revised upwards by Rs. 7-8 to Rs. 30 for manufacturers employing more than 24 looms and by Rs. 4 to Rs. 24 for those employing more than 9 but not more than 24 looms. Secondly, the position with regard to excise duty on rayon fabrics has been readjusted by reducing the exemption limit from 24 looms to 9 looms, and thirdly, raising the compounded levy of duty (per loom per shift per month) by Rs. 4-8 to Rs. 27 for first shift and by Rs. 3 to Rs. 18 for second shift. The duty for third shift has, however, been reduced by Re. 1-4 to Rs. 10. The incidence of these changes, yarn traders apprehended, would fall heavily on the cotton powerlooms and rayon weaving mills, forcing the latter to curtail output, which meant reduced demand for yarns. The apprehensions induced selling. and prices of both cotton and rayon yarns suffered a decline. In sympathy, staple fibre yarns also ruled weak, although the budget does not contemplate any revision in taxes on either staple fibre or yarn or fabrics.

Rayon yarns were subjected to much selling at lower rates. The decline in prices would have been precipitous but for reports of late arrivals of some purchases from foreign countries. Snia rayon yarn (120 dull cones) for April delivery dropped Rs. 8 to Rs. 825 before closing at Rs. 827. June delivery was quoted at Rs. 831—it had gone down even to Rs. 828—as against Rs. 838 at which business in this contract commenced on the 5th inst. In the spot section, 120 Japan and 150 Italy fell by As. 2 each to Rs. 4-7 and Rs. 3-15, respectively. 120 Italy receded by 18 pies to Rs. 3-15. 150 Japan was neglected at Rs. 4-3-6, same as last week. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade declined by 15 pies to Rs. 3-11. 120 Bt. cones 1st grade lost an anna to Rs. 3-14.

The staple fibre yarn section exhibited a weak trend. Kohinoors (40×2) were the worst to suffer, their quotation sliding down by As. 3 to Rs. 4-0-6. Citys decreased by As. 2 to Rs. 4-0-6. New Greats shed 18 pies to Rs. 4. Centurys lost a like amount to Rs. 4. Among imported yarns (80x2) S'Sellos retreated by As. 4 to Rs. 7-8. Suicos were neglected at Rs. 8-10, as against Rs. 8-13 a week before.

Cotton yarns of all counts staged a relapse. Sixty counts came in for sustained selling pressure Raghuvamshis dropped As. 12 to Rs. 59. Moderns fell by As. 4 to Rs. 62-8. Barodas and Citys suffered a loss of As. 4 each to Rs. 53-4 and Rs. 49, respectively. Among 40s, Minaxis receded by As. 4 to Rs. 28-4 and Maduras by As. 3 to Rs. 28. Shardas were lower by As. 2 at Rs. 26-12. Finlays, among 80s, lost As. 4 to Rs. 72-12. Elphinstones were quiet at Rs. 62-8. Moderns at Rs. 68 and Mahendras at Rs. 68. Deals in 20s were put through at reduced rates, Maduras, Moderns and Seksarias all losing As. 2 each to Rs. 17-10, Rs. 16-14 and Rs. 16-4, respectively. Sitarams lost an anna to Rs. 16-5. Business in 30s was also not encouraging, with Maduras declining by As. 2 to Rs. 22-10. Indus were dull at Rs. 22-8. In the 10 counts section, Podars receded by an anna to Rs. 13. Moderns were quiet at Rs. 13-4, as also Elphinstones at Rs. 12-6.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	7-3-1956	29-2-1956	22-2-1956
Art silk yarn **(per case of 200 lbs.)-**	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia April ..	827 0	833 0	824 0
June ..	831 0	—	—
120 Japan (per lb.)	4 7	4 9	4 8
150 Japan (per lb.)	4 3½	4 3½	4 1½
120 Italy (per lb.)	3 15	4 0½	4 1
150 Italy (per lb.)	3 15	4 1	4 0½
Staple fibre yarn **(per lb.)—**			
40 × 2 New Great	4 0	4 1½	4 1½
40 × 2 Century	4 0	4 1½	4 1½
40 × 2 City	4 0½	4 2½	4 2½
Cotton yarn **(per bundle of 10 lbs.)**			
10s Elphinstone	12 6	12 6	12 6
20s Hind	16 8	16 8	16 7
30s Madura	22 10	22 12	22 14
40s Minaxi	28 4	28 6	28 6
60s Finlay	62 8	62 8	61 6
80s Finlay	72 12	73 0	70 0

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *7th March*

Despite the introduction of an excise duty of 2 pice per lb. on vegetable non-essential oils, the oil and oilseeds market depicted a firm trend. This was due chiefly to scarcity of arrivals of oilseeds and oils and the prospects of better export demand for vegetable oil. Advices from North Indian markets also were encouraging and there were fears too of a shorter groundnut crop. As a result, prices advanced and recorded sizable gains over the week.

One section of the operators was of the view that the market was heading in for a higher rise. It was opined that, as vegetable oils were essential edible commodities, the trade would easily pass the burden of the excise duty on to consumers. The other section, however, failed to share this optimistic feeling. It seemed to believe that the present rise would not last long. If there were to be a sharp rise, the Government, they felt, would not hesitate in clamping further restrictions on exports of edible oils.

Referring to the levy of excise duty on non-essential oils, the Bombay Oilseeds Exchange has sought from the Government clarification regarding the procedure it would follow for permitting drawback of excise duty to shippers of vegetable non-essential oils. It states that, normally, where excise duty is levied on any goods or commodities, drawback is permitted to shippers when they are exported. It may be noted, in this connection, that excise duty is levied on all vegetable non-essential oils pressed by factories operated by power; exemption, however, is allowed for the first 125 tons cleared per year.

Sectionwise, groundnut Bold F.A.Q. advanced from Rs. 30-12 to Rs. 31-6. April-May delivery was higher at Rs. 32-3, as against Rs. 31-4. Coromandals gathered As. 12 to Rs. 32 and Khandesh quality As. 10 to Rs. 31-14. Groundnut oil ex-mill rallied As. 15 to Rs. 17-4. April and May deliveries were better at Rs. 17-3 and Rs. 17-4, respectively, as against Rs. 16-9 each.

In the linseed section, Bold ready improved from Rs. 32 to Rs. 33. April-May delivery gained Re. 1-3 to Rs. 33-2. Small Sutnas were up by Re. 1 at Rs. 31-8. Linseed oil gathered As. 4 to Rs. 21-2.

May, future delivery, in the castorseed section, which changed hands at Rs. 118-8, as against Rs. 118-12, was done today at Rs. 122. The highest and the lowest levels touched during the week were Rs. 123-2 and Rs. 116-2, respectively. In the ready section, Madras quality improved by As. 12 to Rs. 24 and Kanpur Re. 1 at Rs. 22-8. Castorseed B.S.S. were better by As. 12 at Rs. 14-12. Commercial quality was also up by a similar amount at Rs. 13-12.

Among others, *kardi* Bold improved from Rs. 17-4 to Rs. 18-8. *Niger* Madras quality gathered As. 4 to Rs. 27-4.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	7-3-1956	29-2-1956	22-2-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
Khandesh Quality Ready (per cwt.)	31 14	31 4	30 2
April-May	32 3	31 4	30 2
Linseed—			
Bold Ready (per cwt.) ..	33 0	32 0	30 4
April-May	33 2	31 15	30 2
Castorseeds—			
May	122 0	118 12	117 14
Madras (per cwt.)	24 0	23 4	23 2
Groundnut oil—			
Ex-mill Ready (per quarter) ..	17 4	16 5	15 11
Castor Oil—			
Commercial (per quarter) ..	13 12	13 0	12 13
Linseed Oil—			
Ready	21 2	20 14	19 2

SUGAR WEAK

(From Our Own Correspondent)

BOMBAY, *7th March*

The spot section of the sugar market continued to rule distinctly bearish during the week under review also. Those traders who had purchased large stocks of sugar in the past few weeks, in anticipation of an upward revision in the excise duty on sugar, unloaded their stocks, thanks to absence of any change in excise duty. The selling pressure, coupled with reports of a drop of Re. 1 in ex-mill quotations for sugar produced in Bombay-Deccan region, brought about a further fall in sugar prices. The fall was also assisted by a marked rise in arrivals of indigenous sugar in the market, being 16,200 bags, as against 6,900 bags in the previous week.

Spot indigenous sugar A and B grades fell by Rs. 2 each to Rs. 98-Rs. 100 and Rs. 95-Rs. 98 per bag, respectively. C grade sugar declined from Rs. 91-Rs. 97 to Rs. 90-Rs. 95. D grade sugar lost a rupee to Rs. 88-Rs. 90. British refined sugar was unchanged at Rs. 83-8 per 2 cwts.

In distinct contrast to the weak trend of the spot section, the forward section exhibited a fairly steady trend. The steadiness was aided by large short sales in this contract, with comparatively slim stock position of tenderable variety. *Fagun* delivery contract for C grade sugar was fully maintained at Rs. 90-8.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugars are exclusive of the tax.

PEPPER MOVES NARROWLY

(Messrs. Parekh & Co.)

BOMBAY, *7th March*

Malabar black pepper ruled steady to quiet during the week with narrow fluctuations, the highest and the lowest at Alleppey being Rs. 850 and Rs. 825, respectively. Garbled at Cochin fluctuated between Rs. 140 and Rs. 145 per cwt.

New York dealers remained selective buyers and were reported to have paid $0.31½ for afloat and $0.31 for March shipment. They refused to pay anything higher as spot stocks at New York were selling slowly without margin.

Accumulated stocks—loaned or otherwise—in the primary centres were not moving as desired by the growers. Consequently, the market appeared to be vulnerable. If no sizable demand was coming forth during this month, prices might, it was feared, go down during April when the new crop of Sarawak would begin to cast its shadow, affecting the sentiment of New York and Europe reflecting on India.

In the A.S.T.A. section, March was done at $0.31, while April was sold out at $0.32 and April-May-June at $0.32½. Turnover in the market is poor, confining to short covering only. Buyers are holding off, awaiting new developments.

In the delivery section, the market, after improving to Rs. 825, went down to Rs. 810.

Today's nominal quotations: Ready delivery Rs. 112 per Bengal maund; March Rs. 790-Rs. 800 and April Rs. 800-Rs. 810 per candy of 5½ cwts.

BETTER QUALITY TEAS RULE HIGHER

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, *1st March*

Almost 1,300,000 lbs. were on offer in sale No. 5 which was held on Tuesday, 28th February. The quality of low medium and medium teas remained much the same as the previous sale. There was, however, a much larger weight of high-grown tea on offer and a number of really flavoury invoices were catalogued. There was also a weight of good medium tea of attractive quality, particularly from the Anamalais District. The sale opened to less demand for low medium and medium tea, particularly fannings grades, and these types were As. 1 to As. 2 easier. All improved quality teas sold well and exporters competed keenly for the best flavoury types. Prices advanced following quality. There was an improved demand for whole leaf grades, particularly Pekoes and Flowery Pekoes. Black leaf Middle East types met less demand and must be quoted easier. The following are the quotations:

	1956
	Rs. a.
Plain B.P.	1 7
	(nominal)
Low medium B.O.P.	1 13
Medium B.O.P.	2 2
	to 2 3
Good B.O.P.	3 0
	to 3 4
Well-made black leaf O.P.	2 6

London Market.—Sale of 27th February 1956:—A better market. Best appreciably dearer. Medium and plain sorts irregular, but often ½*d.* to 1½*d.* dearer.

Sale of 28th February 1956:—Best dearer. Others irregular and sometimes easier, following quality.

Colombo Market.—Sale of 27th February 1956:—Stalky off grades weaker. All others very strong demand, inclined dearer, particularly useful quality fannings.

Sale of 28th February 1956:—Active demand. High-growns dearer, following quality. Low-grown medium brokens 10 cents to 15 cents dearer. Persian Gulf types substantially dearer.

Calcutta Market.—Export:—Fair general demand. Commons and low mediums irregularly As. 1 to As. 1½ easier. Medium Assams full As. 1½ easier. Good liquoring and clean fannings often annas dearer. Stylish whole leaf good demand. Remainder irregular.

Internal:—19,800 packages. Good general demand. Best C.T.C. and black exportable types strongest features, being several annas dearer. Mediums, Assams and sweet liquoring Dooars firm to occasionally dearer. Commons and Commonest As. 1 to As. 2 easier. Leaf market irregular.

Export Quota:—The market has shown an easier tendency and business has been done at 8 pies and there are sellers at this figure.

Forthcoming Auctions:—Sale No. 6 will be held on Tuesday, 13th March.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:—

"*Dust Sale E*:—400,000 lbs. Strong general demand. Commons and Mediums fully firm, occasionally one anna dearer; best liquoring As. 2 to As. 3. Black Middle East types strongest feature."

JUTE GOODS ACTIVE

(From Our Own Correspondent)

CALCUTTA, *6th March*

Contrary to general expectations that, in his search for more revenue, Mr. Chintaman Deshmukh would propose an excise duty on jute goods, there is nothing in the Central Budget proposals which can have a direct effect on jute goods. This contributed to a smart recovery in the prices of jute goods from last Thursday onwards, and, to a rising market, covering demand gave powerful support. Mr. Deshmukh's proposals to tax dividends over 6 per cent. as well as bonus issues would hardly affect jute mills, if their working results were to continue to be as unsatisfactory as at present. And current trends do not indicate any noticeable change in the fortunes of mills in the near future. It will be remembered that analysing the prospects of the different export industries, the Planning Commission had stated that exports of jute goods would be lower in the second Plan period in view of keener competition from other producing countries. If only prices of raw jute move down, mills can arrest the losses. But current trends do not provide much hope in this regard, and mills are left with the only alternative, that of increasing production and of sales in an attempt to reduce costs of production. In fact, during this week mills were extremely cautious in purchasing raw jute. It had been known that huge quantities of new arrivals were being retained by the stockists so that prices would go up. But any chance of a shortage in fibre supplies before the new crop is ruled out. Mills have a moderate quantity of both Indian and Pakistani fibres in stock. Stockists can ill-afford to continue blocking huge funds and, therefore, it is thought that they may begin selling at lower rates to attract buying by mills. Mills are awaiting some such opportunity to break the present high levels.

Early in the week good business was done in non-standard constructions, and that made the market fairly active, although in standard goods only moderate interest was shown. During this week also, the market derived support from continued rumours of imminent orders from Russia. However, covering demand from both local dealers and shippers was satisfactory, and that accounted for recovery in prices. From Rs. 113-14 ready B. twills advanced to quote Rs. 115 by the week-end. Moderate business was done, and speculators became active when they found that each stage of the advance was stabilising. Considerable speculative support raised the price further to Rs. 115-14 yesterday, and on Australian support cornsacks were as high as Rs. 118-12. At Rs. 116-6 April-June B. twills goods gained Re. 1-10, with one-month delivery advancing to Rs. 116-6 from Rs. 114-6. In hessians, the recovery was less substantial, and what recovery took place was merely in sympathy with the heavy goods market. Support from foreign countries was extremely limited to small quantities. Ready 40" 10 oz. hessians improved to quote Rs. 40-6 by the week-end, as against Rs. 40-3 early in the week. Further support was afforded yesterday and the price advanced to Rs. 40-11.

Raw jute was steady, and as the week progressed mills began purchasing. Prices gained by As. 8 for most varieties. Stocks in the bazar were believed to be heavy, and any question of shortage was overruled. However, stockists were disinclined to discount rates in the hope that the need for more fibre would make mills purchase on sellers' terms. This is, of course, not possible, if mills are to continue selling jute goods at current prices. In view of the keen competition, the margin by which prices for jute goods can move up has narrowed down very much. In the meantime, arrivals of raw jute from mofussil centres are on the increase, and cultivators are disposing of unsold jute in "good" time. During this week, local daisee bottoms improved to Rs. 30 from Rs. 30-8 and Indian northern bottoms to Rs. 30 from Rs. 29-8. The increased arrivals coupled with mills' cautious purchases suggest that this season's heyday for raw jute stockists is over and that prices may move down much quicker than expected earlier.

METALS BETTER

(From Our Own Correspondent)

CALCUTTA, *6th March*

Largely due to encouraging advices from overseas markets and partly due to the fact that the rigours of the new taxation proposals were much less than anticipated earlier, the metal market evidenced better conditions during the week under review. It was realised that the Finance Minister, in having to do a clever job to raise as much revenue as possible from new sources, had purposely given the impression during recent weeks as though he was going to raise taxes right and left and introduce several new levies. While the ground had thus been prepared for a high level of taxes, the actual proposals, when they came through the teleprinter on the evening of Wednesday last, proved to be much less than anticipated and were thus a blessing in disguise.

Thus, for trading in metals also, circumstances were much more conducive, and much encouragement was derived from the fact that trade and industry would expand considerably as a result of the execution of the several plans. Electrolytic copper, after an early jump from Rs. 280 to Rs. 296, was maintained at Rs. 290 for most part of the week under review. Consumers thought that the rising trend would prove only temporary and so were cautious to purchase only small quantities. However, supplies became tight and traders thought that the firm conditions in London and New York were indicative. I.C.C. fire-refined copper gained from Rs. 248 to Rs. 249. Despite weakness in the Far Eastern and London markets, tin displayed considerable strength in Calcutta and rose from Rs. 527 to Rs. 540. This was due to the support given by local consumers. Lead opened at Rs. 87 and, following heavy arrivals, sagged to Rs. 85. Moderate activity was reported in electrolytic zinc, with the price moving between Rs. 72 and Rs. 73.

LINSEED FIRM

(Messrs. A. Bradley and Co.)

CALCUTTA, *6th March*

The linseed market continued to rule firm, thanks to scarcity of ready supplies. The budget announcement of an excise duty of half an anna per lb. on oil crushed by power-operated mills had an unsettling effect on the market and trading was very much restricted. In addition, millers were unable to effect any deliveries, pending the enactment of the new regulations. The oil market showed little change. Overseas prices were maintained at around £148 for early shipment and at £142 for May-June, but little fresh business was reported.

The latest available quotations are: March Rs. 25 and April-May Rs. 22-8 per maund.

SUGAR RECEDES

(From Our Own Correspondent)

HAPUR, *5th March*

Sugar prices which had improved recently on apprehensions of an increase in excise duty subsided in the absence of any such proposal in the Budget. Traders who were reported to be keen on building up stocks are now anxious to liquidate their holdings. The first official sugar forecast for 1955-56 placing the production at 1,686,000 tons, as against the actual production of 1,590,000 tons in 1954-55, thus recording an increase of 6 per cent. over last year, also acted as a depressing factor. The total production in the current season upto 7th February was 797,511 tons, as against 741,606 tons in the corresponding period last year, and stocks with factories on this date were 808,866 tons, as against 608,899 tons a year before. Mill delivery prices recorded a fall towards the week-end and the latest prices on Monday were: Jaswant Rs. 28-8; Simbhauli Rs. 28-4; Daurala Rs. 29-8; Amroha Rs. 28; Bijnore Rs. 28; Mansoorpur Rs. 29-8; Rampur Rs. 31, retail Rs. 31 and *khandsari* Rs. 23 to Rs. 26-8 per maund.

Ready *gur* prices continued to be depressed around Rs. 10 to Rs. 10-4 per maund. Daily arrivals went down to an average of 2,000 maunds and the local stock had swelled to 150,000 maunds. Want of loading facilities and slack outside demand were the main depressing factors. *Gur* futures moved both ways on speculative bouts of buying and selling. The latest available rates as on Monday were very near the opening levels of the week, *gur phagun* being quoted at Rs. 10-2 and *Baisakh* at Rs. 11-1.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, *5th March*

Steady to firm conditions prevailed in the foodgrains market during the week. Despite several measures taken by the Government, the upward trend in prices still persisted. The earlier expectations of a bumper *rabi* crop, it was reported, were being revised and the current shortage would

(*Continued on page 483*)

ECONOMICS OF STATE TRADING

(*Concluded from page 448*)

confidence that trading activities under monopolistic conditions can be successfully undertaken by Government either departmentally or through a specially set up body. During the period of the three years of operation of the A.I.P.I., the international prices of some of the staple primary products of the Argentine, such as linseed and wheat, slumped so much that it led inevitably to a reduction in the acreage under cultivation of those items. The retail prices of some of the essentials of life, such as sugar and vegetable oils, on the other hand, soared high. Plenty of stocks of materials, which were built up by the organisation, were understood to be not saleable. As a result of the activities of the A.I.P.I., the return to the farmer for the primary products was far less, being only about one-third of the price actually secured in the export markets. On top of all these, numerous instances of extravagence and inefficiency of management on the part of those in charge of the affairs of the organisation were noticed.

Experience in India

In India, State trading has so far been carried on in some of the items like foodgrains, fertiliser, steel, cloth, etc. In the case of foodgrains, the overhead costs paid by the State for purchases of foodgrains, particularly in the foreign countries, were heavy. As the Government was the only buyer in the foreign markets, the suppliers there tried to make the best of the bargain and quoted more than the normal rates. It is common knowledge that the cost of food rationing has been colossal and there were frequent complaints about the bad quality of the stuff given to the consumers. The Foodgrains Investigation Committee, which submitted its report in the year 1950 stated that there was "substance in most of the complaints" about the cost of administration and the quality of grains supplied and added that some of the complaints "are perhaps to some extent inherent in all systems of State trading." The arrangements made by the State in regard to storage, handling, distribution, etc., were also not quite satisfactory.

In the case of steel, the bulk purchases made on Government account placed a heavy burden on the community. The rates at which the purchases were made were invariably much higher than those at which the private business houses would have secured the supplies. Moreover, the lack of thorough knowledge about market conditions on the part of those in charge of the purchasing operations led to the purchase of supplies of the wrong type and in the wrong markets and the payment therefor at an exorbitant rate. Thus, the steel bars were on one occasion procured from Belgium at a price of $200 per ton, when the same quality goods could be bought from the U.S.A. at a much lower price, viz., $70 per ton. Many of the sections, sizes and qualities purchased from abroad were not suitable for Indian requirements, with the result that unwanted materials had to be forced down the throats of the unwilling buyers as a condition for getting supplies of the wanted varieties of the material.

The purchase abroad of fertilisers on Government account is another muddle by a Government department, which is too well known to require any elaborate mention. Similarly, the purchase of about 60 million yards of cloth from Japan was an unsuccessful deal. The price for the cloth was unduly high and the cloth could not be disposed of for a number of years. These instances of the various State trading operations, both abroad and in this country, amply justify the point of view that the machinery of the State or a State-sponsored organisation is singularly ill-suited for undertaking direct trading activities.

I think it is not necessary for me to dilate too much on the experiences of the other countries in regard to State trading. The examples, which I have already cited, should suffice to bring home the fact that the countries concerned had subsequently to abandon the experiments of State trading altogether or to modify the system in such a manner as to divest it of its original rigidity. It is rather strange that, in the face of these unpleasant and discouraging experiences of even the advanced countries in regard to State trading and when they are retracing their steps in the matter, our Government should think in terms of undertaking trading operations on a much wider scale through the agency of a State trading corporation. As a matter of fact, the limited experience in State trading in this country in the recent past does not justify such a move.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	19th Nov., 1955	2½	2½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	16th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	2½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1952	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Portugal	13th Jan., 1944	2½	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	28th June, 1955	3	4½
United Kingdom	16th Feb., 1939	4½	2½
U.S.S.R.	1st July, 1936	3	4
U.S.A.	18th Nov., 1955	3	3½
West Germany	4th Aug., 1955	3	3½

CLEARING HOUSE RETURNS

Centre	Week ended 2nd March, 1956		Week ended 24th Febuary 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,87,608	69,50,74,000	2,85,689	78,69,43,000
Calcutta	1,75,642	32,31,44,095	1,46,490	58,67,37,648
Madras	82,053	9,49,57,882	82,862	9,32,29,547
All Centres—				
1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Dec., 1955	..	..	3,267,000	7,23,52,00,000
Jan., 1956	..	..	3,210,000	6,07,58,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 2nd March, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	10,00,00,000
National Agricultural Credit (Stabilisation) Fund	....
Deposits :—	
(a) Government—	
(1) Central Government	59,56,09,000
(2) Other Governments	18,02,51,000
(b) Banks	49,84,86,000
(c) Others	18,81,89,000
Bills Payable	9,88,27,000
Other Liabilities	26,10,99,000
Rupees	199,74,11,000

ASSETS	Rs.
Notes	10,72,59,000
Rupee Coin	2,99,000
Subsidiary Coin	6,32,000
Bills Purchased and Discounted—	
(a) Internal	45,50,000
(b) External	....
(c) Government Treasury Bills	3,62,75,000
Balances held abroad*	53,92,51,000
Loans and Advances to Governments	2,89,00,000
Other Loans and Advances	63,28,95,000
Investments	47,41,74,000
Other Assets	17,31,76,000
Rupees	199,74,11,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 25,31,65,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 25,89,65,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,72,59,000	
Notes in circulation	1418,65,68,000	
Total Notes issued		1429,38,27,000
Total Liabilities		1429,38,27,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	682,15,97,000	
Total of A		722,17,68,000
B. Rupee Coin		103,97,67,000
Government of India Rupee Securities		603,22,92,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1429,38,27,000

Ratio of Total of A to Liabilities : 50.524 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 24th Feb., 1956

	Rs.	Rs.
1. Demand Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank †		4,40,36,000
(ii) Other demand liabilities		626,65,17,000
2. Time Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank †		3,26,50,000
(ii) Other time liabilities		414,81,80,000
3. Borrowings in India from the State Bank and/or a notified bank :		
(i) Demand liabilities		12,17,25,000
(ii) Time liabilities		....
4. Cash in India		24,62,12,000
5. Balances with the Reserve Bank in India		53,25,77,000
6. Balances with other banks in current account in India		10,66,77,000
7. Money at call and short notice in India		5,52,07,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		375,26,37,000
9. Advances in India		555,12,74,000
10. Inland Bills purchased and discounted in India		96,86,23,000
11. Foreign Bills purchased and discounted in India		45,01,87,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	28th February 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot s.	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months s.	1-5⅛	1-5⅛
Buyers T.T. spot to nine months s.	1-6¼	1-6¼
Buyers T.T. 10 to 12 months s.	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	476‡	477‡
Buyers T.T. Rs.	473	473
London on New York $	2.80-4/5-2.80‡	2.80¼-2.80‡
London on Paris Fcs.	985	985
London on Berne Sw. Fcs.	12.24¼-12.24‡	12.23-12.23‡
New York on London $	2.80‡-2.80‡	2.80‡-2.80‡

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'53-'54	373.37	..	10,600	284
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£ (N.Z.) 892	1,070	5,119
Australia	1954	8.99	£ (A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 300,000	144,428	9,014
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1953	42.86	F.Fr. 10,470,000	14,420	3,364
W. Germany	1953	48.99	Dm. 103,000	11,705	2,389
Italy	1953	48.07	Lr. 8,967,000	6,332	1,421
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1953	7.17	Kr. 36,957	3,422	4,772
Netherlands	1953	10.49	Grs. 19,360	2,451	2,336
Denmark	1953	4.37	Kr. 22,915	1,580	3,616
Switzerland	1953	4.88	Sw.Fr. 20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source : United Nation, Monthly Bulletin of Statistics, Dec., 1955.

† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 24th Feb., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	20,87,98,000
(b) Provincial Governments	1,84,11,000
(c) Banks	12,78,14,000
(d) Others	21,13,26,000
Bills Payable	7,78,000
Other Liabilities	5,88,43,000
Rupees	68,59,72,000

ASSETS	Rs.
Notes	9,03,31,000
Rupee Coin	11,000
Subsidiary Coin	14,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	22,14,000
Loans and Advances to Governments	13,00,000
Provincial Governments' Debtor Balances	1,76,33,000
Other Loans and Advances	20,04,92,000
Investments	25,75,67,000
Other Assets	11,64,10,000
Rupees	68,59,72,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,03,31,000	
Notes in circulation	291,72,84,000	
Total Notes issued	....	300,76,15,000
Total Liabilities	....	300,76,15,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion	....	
Sterling Securities	85,00,28,000	
Government of India Securities	26,53,67,000	
India Notes representing assets receivable from the Reserve Bank of India	43,11,81,000	
B. Rupee Coin	6,57,49,000	165,86,84,000
Government of Pakistan Securities	122,43,26,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		129,00,75,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets	....	5,90,06,000
		300,76,15,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.01 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	24th Feb., 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,402.85	1,406.83	1,379.07	1,241.99
Notes held in Banking Department	35.05	12.59	8.20	22.97	12.57
Foreign Securities	59.50	667.16	667.16	667.07	663.15
Rupee Securities	37.39	603.23	603.23	588.37	447.74
Banking Department					
Deposits of:					
Government of India	14.89	66.51	64.55	54.32	51.88
Other Governments	..	16.12	13.06	18.47	22.68
Balances held abroad	10.08	67.66	71.12	67.05	65.50
SCHEDULED BANKS					
Demand Liabilities	134.36	631.06	630.11	648.88	588.07
		(4.41)†	(5.47)†	(6.45)†	(9.80)†
Time Liabilities	102.24	418.08	416.89	409.86	370.62
Borrowings from Reserve Bank	..	(3.27)†	(3.26)†	(3.31)†	(2.43)†
	..	19.32	38.65	29.37	12.81
		(21.05)‡	(15.72)‡	(17.70)‡	(6.44)‡
Borrowings from State Bank	..	12.17	13.06	11.56	7.32
Cash in India	6.70	84.82	86.31	87.32	82.82
Balances with Reserve Bank	25.17	58.26	49.90	62.04	46.76
Excess over statutory limits	15.52	13.35	10.06	21.40	9.95
Balances with other banks in current account in India	..	10.67	10.51	10.80	9.62
Money at call and short notice in India	..	5.52	7.14	9.45	17.96
Investments (at book value)	105.09	375.26	377.44	381.77	352.31
Advances and bills		697.01	690.99	677.60	589.43
STATE BANK					
Deposits	87.76	236.93	238.27	228.42	236.95
Investments	51.99	114.87	116.71	116.12	100.21
Advances	30.35	120.42	120.82	114.47	120.17
Cash	14.69	23.78	20.61	32.04	17.74

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December,		Nine months, April to Dec.,	
	1954	1955	1954	1955
Import Duties				
Revenue	10.79	10.92	90.06	85.33
Protective	0.62	1.03	5.71	7.83
On surplus disposals	..	..	0.13	0.07
Total Import duties	11.41	11.95	95.90	93.03
Export Duties	4.70	3.88	27.43	28.10
Land Customs	0.17	0.26	1.43	0.95
Miscellaneous	0.08	0.07	0.51	0.54
Gross total customs	16.36	15.66	125.57	122.62
Refunds and drawbacks	0.21	0.17	1.11	1.91
Net Customs	16.15	15.49	124.46	120.71
Gross excise	9.02	13.07	75.87	109.75
Refunds	0.15	0.44	1.35	3.48
Net Excise	8.87	12.63	74.52	106.27
Net total of customs and excise†	25.02	28.12	198.98	226.98

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 2nd March, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves	..	5,62,50,000
Deposits and Other Accounts	..	6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.	..	233,38,52,000
Bills Payable	..	97,00,000
Bills for Collection being Bills Receivable as per contra	..	6,74,55,000
Acceptances, Endorsements and Other Obligations per contra	..	58,72,000
Other Liabilities (including Inter-Office Adjustments)	..	17,18,000
	..	10,49,88,000
Total ..	Rs.	264,23,35,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	14,36,92,000
Balances with other Banks	..	8,74,53,000
Money at Call and Short Notice	..	19,33,000
INVESTMENTS :		
Government and other Trustee Securities	..	105,45,78,000
Other Authorised Investments	..	9,79,43,000
ADVANCES :		115,25,21,000
Loans, Cash Credits, Overdrafts, etc.	90,44,40,000	
Bills Discounted and Purchased	25,71,65,000	
Bills Receivable being Bills for Collection as per contra		126,16,05,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		58,72,000
Premises less Depreciation		17,18,000
Furniture and Fixtures less Depreciation		1,15,95,000
Other Assets (including Inter-Office Adjustments)		28,88,000
Total ..	Rs.	264,23,35,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖											
	National Savings Certificates					Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year†		7-Year		12-Year									
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.68	65	3.26	23.66	84.17	1,19.35	92.08	— 31.07	7.55	25.64	..	..	..	..
1953-54	5.91	1.50	4.28	26.54	1.04.38	1,17.27	1,06.29	— 34.19	6.94	32.11	..	..	..	..
1954-55	4.70	1.62	4.99	27.26	1,24.64	1,33.78	1,30.57	— 36.36	5.57	37.15	7.40R	7.88	55‡‡	54
January, 1955	4.88	14	4.76	2.48	1,20.28	10.51	1,20.10	— 36.02	48	36.37	54	6.33	6	45
February	4.81	12	4.79	2.27	1,21.88	11.18	1,22.25	— 36.18	40	36.74	48	6.81	5	50
March	4.70	26	4.99	3.41	1,24.64	18.51	1,36.57	— 36.36	47	37.15	58	7.38	4	54
April	4.60	11	5.00	2.35	1,26.45	12.41	1,32.91	— 36.51	46	37.55	48	7.86	4	58
May	4.52	36	5.24	2.01	1,27.93	11.82	1,34.03	— 36.65	41	37.89	66	8.51	4	61
June	4.44	13	5.12	2.09	1,29.49	13.23	1,35.93	— 36.77	37	38.22	54	9.33	5	65
July	4.36	12	5.15	2.27	1,31.28	12.80	1,40.23	— 36.86	41	38.54	91	10.20	4	69
August	4.29	12	5.17	2.09	1,32.92	12.25	1,43.50	— 36.97	39	38.87	87	11.00	3	73
September	4.21	13	5.21	2.54	1,34.88	12.39	1,46.60	— 37.12	44	39.22	94	11.80	4	75
October	4.14	10	5.21	2.10	1,36.77	11.38	1,46.68	— 38.24	46	39.68	89	12.49	5	80
November	4.07	10	5.21	1.98	1,37.67	11.26	1,50.10	— 38.35	43	40.05	82	12.91	5	85
December	4.00	13	5.27	2.59	1,39.48	12.94	1,52.14	— 38.45	36	40.34	88	13.99	4	88
January 1956	..	..	..	..	..	..	..	..	32	40.61	..	..	..	..

* At the end of period.

† Issued from 1st June, 1948 to 30th June, 1953.

‡ From July, 1954.

§ Outstandings do not include Indian Union's share of the pre-partition liabilities from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‖ Issued from 10th May, 1954.

†† Relating to nine months from July, 1954.

R-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 26-2-'56	28-1-'56	18-2-'56	25-2-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.6	91.1	91.3	91.3
1. Government of India	90.5	91.0	91.2	91.1
2. Indian States	96.1	96.5	96.7	96.7
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	101.1	101.2	101.0
1. Electricity	102.1	102.6	102.8	102.8
2. Jute	98.8	97.6	97.6	97.6
3. Plantations	99.6	99.1	99.1	99.1
4. Sugar	99.3	99.0	99.0	96.7
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.7	102.3	102.3	102.3
8. Others	100.8	101.0	101.1	101.1
PREFERENCE SHARES	88.1	87.1	88.8	85.9
1. Electricity	97.2	94.7	94.6	94.2
2. Cotton	78.5	79.8	79.7	79.1
3. Jute	87.7	86.6	86.7	83.9
4. Coal	90.5	90.5	90.5	90.4
5. Iron and Steel	89.6	88.4	87.5	86.7
6. Sugar	83.8	85.5	85.5	85.5
7. Paper	89.9	86.6	86.6	86.5
8. Plantations	87.7	101.2	101.4	101.1
9. Miscellaneous	87.7	84.5	84.1	83.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	113.5	123.6	120.5	120.1
(a) Financial	89.0	92.4	89.3	89.1
1. Banks	85.0	91.5	88.8	88.7
2. Insurance	109.1	95.3	90.8	89.9
3. Investment Trust	95.1	95.1	94.7	94.6
(b) Public Utilities	114.5	115.4	113.1	112.8
1. Electricity	124.5	120.1	118.7	117.9
2. Shipping and other Transport	99.7	110.6	106.3	107.1
3. Railways	87.6	92.3	89.7	89.5
(c) Manufacturing Industries.	116.0	132.0	128.7	128.3
1. Cotton, Woollen and Silk	103.1	124.4	122.6	123.3
2. Jute	95.0	90.7	89.6	88.3
3. Iron and Steel	139.6	148.4	139.9	139.3
4. Paper	207.3	286.5	279.9	279.3
5. Cement	141.1	173.0	167.1	165.6
6. General Engineering	161.5	201.7	196.3	193.8
7. Sugar and Breweries	105.8	107.4	105.8	105.3
8. Chemicals	135.1	151.6	147.4	145.2
(d) Non-Manufacturing Industries	155.9	181.2	158.1	157.4
1. Coal	80.7	85.6	83.9	83.1
2. Mining and Oil	192.3	253.8	244.1	242.8
3. Plantations	185.6	168.5	167.2	166.7
(e) Miscellaneous	98.7	103.9	100.8	100.2
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90.1	90.6	90.8	90.7
2. Calcutta	90.6	91.1	91.3	91.3
3. Madras	90.9	91.4	91.6	91.5
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay	99.5	100.2	100.2	100.1
2. Calcutta	101.4	101.9	102.1	102.1
3. Madras	100.5	100.1	100.1	99.5
PREFERENCE SHARES :				
1. Bombay	91.4	90.0	89.4	88.5
2. Calcutta	84.8	88.1	83.0	81.7
3. Madras	94.1	96.7	96.7	96.5
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :				
1. Bombay	116.9	126.8	122.8	123.0
2. Calcutta	107.6	115.8	113.0	111.7
3. Madras	109.3	121.4	122.2	120.6
4. Delhi	113.5	131.0	123.9	125.1

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,336,961
1953	772	466,607	3,332,608
1954	840	477,138	3,373,330
November 1953	83	41,431	345,211
December „	81	40,780	475,352
January 1954	84	51,973	325,514
February „	85	41,351	344,226
March „	91	34,302	331,419
April „	101	34,963	207,247
May „	80	40,073	216,062
June „	82	21,589	305,078
July „	122	30,189	277,492
August „	79	51,090	252,337
September „	97	50,414	363,378
October „	88	41,724	276,294
November „	62	25,115	239,701
December* „	101	54,455	383,783
January 1955†	95	49,038	322,307
February „	91	35,370	144,302
March „	112	70,042	334,696
April* „	99	29,315	303,658
May* „	119	56,084	385,415
June* „	154	35,172	1,035,704
July* „	108	57,709	681,153
August* „	233	90 260	518,931
September* „	249	91,543	567,332
October* „	189	46,466	139,350
November „	91	44,893(a)	155,310(b)

† Figures for 1955 are provisional. * Revised.

(a) Not known in 5 cases. (b) Not known in 5 cases.

§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	643	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
October 1954	669	626.5	511.6
November „	674	656.5	534.6
December „	679	683.5	553.0
January 1955	684	668.5	545.2
February „	685	699.7	521.8
March „	686	698.7	568.3
April „	690	691.1	563.9
May „	691	706.5	569.2
June „	696	716.2	576.1
July „	700	724.8	583.2
August „	705	706.9	574.4
September „	707	719.3	587.1
October „	716	720.7	591.9
November „	721	725.5	597.0

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

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939=100)

Particulars	18th Feb., 1956	11th Feb., 1956	19th Feb., 1955	January, 1956	January, 1955	Percentage of increase (+) or decrease (—) in Jan., 1956 as compared with Jan., 1955	Annual Average 1955	Annual Average 1954
Food Articles	338.3	328.8	304.9	333.4	310.3	+ 7.4	304.5	358.3
Cereals	419	399	343	398	348	+14.4	355	404
Pulses	359	341	236	361	239	+51.0	259	318
Other	228	231	264	238	269	—11.5	241	298
Industrial Raw Materials	459.8	464.9 R	483.8	454.2 R	432.9	+ 4.9	411.1	447.1
Fibres	466	472	492	453 R	469	— 3.4	431	444
Oil seeds	467	467	359	463 R	373	+24.1	370	468
Minerals	444	439	411*	433	417	+ 5.0	420	429
Others	411	443	483	458*	476	— 4.2	444	410
Semi-Manufactures	355.5	355.7 R	340.8	351.6	346.5	+ 2.1	333.3	355.4
Leather	398	408	399	398	389	+ 2.9	373	377
Mineral oils	202	202	221	202	221	— 8.6	211	221
Vegetable oils	426	425	395	425	409	+ 3.9	374	454
Cotton yarn	446*	446	441	434	450	— 3.6	423	454
Metals	280	280	242	280	240	+16.7	254	229
Oil cakes	342*	344*	307	371	309	+20.1	320	416
Others	364	364 R	337	330	332	— 0.6	330	305
Manufactured Articles	375.5	375.6	376.2	375.2	376.5	— 0.1	373.4	375.5
Textiles	409	409	421	408	419	— 2.6	411	416
Jute	416	420	480	420	455	— 7.7	430	438
Cotton	403*	403*	409*	403*	411*	— 1.9	405*	413*
Rayon and Silk	502*	504*	455*	498*	460*	+ 5.7	476*	469*
Woollen	278	278	310	278	310	—10.3	292	311
Metal products	371	371	340	371	340	+ 9.1	351	339
Others	285	285	284	285	284	+ 0.4	286	286
Miscellaneous	527.4	528.8	563.7	540.0	568.8	— 5.1	555.1	646.8
All Commodities	378.7	376.1 R	362.3	375.7 R	363.9	+ 3.2	355.1	386.7

R.=Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and Steel
1954																		
November	448	431	148	233	235	673	556†	300	195	919	436†	441	404	329	357	459	415	274
December	424	438	147	208	203	651	556†	278	176	852	454†	465	409	329	357	451	412	274
1955																		
January	399	498	136	203	200	808	575	270	160	840†	436†	492	376†	335	357	455	411	274
February	401	502†	117	226	205	744†	583	275	144	770†	427†	547	370	331	357	477	410	274
March	416	458	102	219	198

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop	Forecast	Unit	Acreage 1954–55	Acreage 1953–54	Outturn 1954–55	Outturn 1953–54
Rice	2nd	tons	72,332†	69,456†	23,775†	22,126*
Wheat	final	,,	26,842	26,310	8,539 †	7,378
Jowar	final	,,	45,456	43,657	9,092	7,913
Bajra	final	,,	27,350	30,094	3,555	4,450
Barley	final	,,	7,999	8,721	2,786	2,904
Maize	final	,,	9,325	9,360	2,944	2,964
Ragi	final	,,	5,747	5,714	1,778	1,819
Small millets	final	,,	13,680	13,979	2,454	2,427
Total cereals	final	tons	208,823	214,867	55,327	57,920
Kharif	final	,,	178,932	179,836	44,002	47,142
Rabi	final	,,	34,841	35,031	11,325	10,777
Kharif pulses●	final	tons	14,935	15,192	1,497	1,543
Rabi pulses‡	final	,,	10,498	11,214	1,977	2,089
Total pulses	final	,,	54,004	53,715	10,474	10,458
Tur	final	,,	5,944	5,931	1,561	1,627
Gram	final	,,	20,091	19,754	5,125	4,775
Jute	final	bales	1,581†	1,243*	4,137†	2,928*
Cotton	final	,,	17,189†	16,003*	3,284†	3,621*
Sugarcane	2nd	tons	3,930†	3,718*	5,079†	4,858*
Groundnut	final	tons	12,647	10,869	3,823	3,573
Linseed	final	,,	3,290	3,860	883	874
Castorseed	final	,,	1,373	1,373	112	108
Rape and Mustard seed	final	,,	5,668	5,584	962	853
Sesamum	3rd	,,	6,587†	6,123*	461†	538*
Total Oilseeds	final	tons	29,335	27,482	5,877	5,462
Tobacco	final	tons	860	912	248	263
Black pepper	final	,,	208	203	25	24
Ginger	final	,,	44	45	13	14
Dry chillies	final	,,	1,472	1,326	356	297
Potato	final	,,	665	635	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
● Excludes Tur. ‡ Excludes Gram and Tur.
† Refers to 1955-56. * Refers to 1954-55.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During January, 1956	88.9
	Corresponding month, 1955	83 9
	Seven months ended Jan., 1956	606.3
	Corresponding period, 1955	579 4
Stocks	At the end of January, 1956	78.4
	Corresponding month, 1955	76 4
		(In 000 bags)
Exports (Jute Bags)	Week ended 14th Jan., 1956	4,962
	Corresponding week, 1955	8,564
	From 1st Jan., to 14th Jan., 1956	14,765
	Corresponding period, 1955	24,473
		(In 000 sq.yds.)
Exports* (Jute Cloth)	Week ended 14th Jan., 1956	6,125
	Corresponding week, 1955	14,816
	From 1st Jan., to 14th Jan., 1956	47,104
	Corresponding period, 1955	84,315
	RAW JUTE	(In lakh bales)
Consumption by Mills†	January, 1956 (in lakh bales)	5.15
	Corresponding month, 1955	4 86
	Seven months ended Jan., 1956	35.28
	Corresponding period, 1955	33.60

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION

In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1955	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,90,000
Do. 31st March, 1953	11,34,400	10,42,900	7,81,200
Ten months ended Jan., 1956	9,55,100	8,76,400	6,60,200
August 1954	96,700	90,400	67,100
September ,,	86,300	82,400	63,300
October ,,	95,500	89,200	66,500
November ,,	86,800	80,500	60,000
December ,,	1,05,600	95,000	73,800
January 1955	1,02,500	95,800	72,200
August ,,	92,500	85,900	63,700
September ,,	95,800	87,300	65,700
October ,,	91,700	85,800	64,900
November ,,	91,900	86,200	63,400
December ,,	1,05,900	97,500	72,300
January 1956	1,03,900	96,800	71,600
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1955	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	3,49,980	2,92,440
Do. 31st March, 1955	7,15,949	5,28,340	4,59,063
Three months ended Dec., 1955	1,81,630	1,15,300	1,05,940
,, ,, ,, Mar., 1954	1,87,750	1,28,510	1,16,940
,, ,, June, 1954	1,82,770	1,17,870	1,07,480
,, ,, S-pt., 1954	1,80,018	1,29,741	1,12,561
,, ,, Dec., 1954	1,83,668	1,36,801	1,20,616
,, ,, Mar., 1955	1,65,108	1,43,828	1,18,126
,, ,, June, 1955	1,85,605	1,34,338	1,16,281
,, ,, Sept., 1955	1,76,181	1,20,680	1,08,714
,, ,, Dec., 1955	1,60 750	1,24,696	1,05,752

OVERALL BALANCE OF TRADE OF INDIA
December, 1955†.

Particulars	December, 1954 (Rs. lakhs)	December, 1955 (Rs. lakhs)	Nine months, April to Dec., 1954 (Rs. lakhs)	Nine months, April to Dec., 1955 (Rs. lakhs)
1. Trade in merchandise— (a) Exports	60.54	51.60	427.24	43.886
b) Re-exports	36	42	3.24	3.03
Less—Transit trade	5	..	34	8
Net re-exports	31	42	3.50	3.85
Total exports	60.85	52.02	430.74	442.71
2. Imports	52.62	59.33	485.50	477.18
Less—Transit trade	1	1	10	11
Net imports*	52.61	59.32	485.40	477.02
Balance of trade in merchandise	+ 8,24	— 7,30	—54.66	—34.31
Balance of trade in gold and silver	..	— 1	— 2	— 5
Total overall visible balance of trade	+ 8,24	— 7,31	—54.68	—34.36

† Total values of foreign trade of India by all routes (i.e., sea, air and land).

*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953	1,168	34,406	128,773	28,539	11,413	2,635	949	171	169	209	169	297
1953-1954	1,179	35,215	129,009	29,365	11,082	2,512	899	153	168	190	144	307
1954-1955	..	..	..	..	11,768	2,711	885	183	160	167	158	307
October 1954	99	2,881	10,181	2,458	939	241	65	13	10	19	14	33
November ,,	..	..	..	..	986	226	78	15	13	25	10	34
December ,,	..	..	..	..	1,064	229	70	20	14	21	10	30
January 1955	..	..	..	..	1,082	222	74	20	17	19	15	35
February ,,	..	..	..	..	1,021	209	72	18	16	15	15	33
March ,,	..	..	..	..	1,096	227	78	20	19	15	14	33
April ,,	..	..	..	..	1,034	222	77	21	18	11	12	33
May ,,	..	..	..	..	903	223	80	19	17	8	13	33
June ,,	..	..	..	..	946	217	80	15	15	6	12	33
July ,,	..	..	..	..	1,000	228	87	18	13	6	15	33
August ,,	..	..	..	..	1,009	230	88	15	13	9	16	34
September ,,	..	..	..	..	999	232	79	13	12	11	14	32
October ,,	..	..	..	..	1,031	246	74	13	12	17	10	33
November ,,	..	..	..	..	1,070	237	79	19	12	26	10	35

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 29th Feb., 1956	64,639
	Corresponding week, 1955	35,093
	1st Sept. to 29th Feb., 1955-56	802,060●
	Corresponding period, 1954-55	722,706●
Cotton Exports	Week ended 29th Feb., 1956	7,727
	Corresponding week, 1955	6,454
	1st Sept. to 29th Feb., 1955-56	391,006‡
	Corresponding period, 1954-55	161,005
Mill Consumption (Estimated)	1st Sept. to 1st March, 1955-56	[642,442
	Corresponding period, 1954-55	630,778
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 1st March, 1956	487 301
	Corresponding date, 1955	486,354
Cotton Exports from Bombay (by sea)	During December, 1955	50,493‡
	1st Sept., '55 to 31st Dec., 1955	327,074
	1st Sept. '54 to 31st Dec. 1954	100,549
Karachi (Pakistan)—		
Receipts	1st Sept. to 23rd Feb., 1955-56	1,073,050
	Corresponding period, 1954-55	913,076
Exports	1st Sept. to 23rd Feb., 1955-56	497,881
	Corresponding period, 1954-55	297,430

Particulars	From 1st Sept., 1955 to 5th March, 1956 (Bales)	From 1st Sept., 1954 to 5th March, 1955 (Bales)
From Bombay		
Cotton Shipments to— United Kingdom	44,543	14,214
Japan	75,794	22,891
Hongkong	97,489	
China	34,651	1,409
Indian	194,419	52,946
U.S.A.	3,105	10,300
Other Countries	2,607	808
Total to all foreign countries	385,698	102,568
Coastal Ports	69,592	65,521
Total	455,290‡	168,089

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.)
Indian	December 1955	397,245
Foreign		51,650
Indian	Four months ended Dec., '55	1,518,805
Foreign		185,643
Indian	Same Period 1954	1,351,714
Foreign		287,404
Stocks (Mills and Elsewhere)— Indian	As on 31st Dec., 1955	1,033,861
Foreign		159 221
Indian	As on 31st Dec., 1954	942 266
Foreign		152 344
Cotton Pressed in India† (in running bales)	Week ended 24th Feb., 1956	39,195
	Corresponding week, 1955	158,291
	1st Sept. to 24th Feb., 1955-56	1,310 320
	Corresponding period, 1954-55	2,008,377

† Incomplete. ● By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

TERMINABLE LOANS

Loan	Issued	Outstanding (Rs.)	Repayable	Latest Available Quotation Rs.
4 % Bonds	1926–32	63,30,26,000	1960-70	101⅛
3½ % Loan	1935–39	1,16,17,46,000	1953-65	94⅞
3 % Loan	1950	80,83,10,000	1964	94
2½ % Fg. Loan	1943	1,10,11,78,000	1956-65	92⅛
2½ % V. Loan	1945	1,14,06,89,000	1967	99
2½ % L. Loan	1946	1,15,05,88,000	1970-75	88
2½ % 2nd V. Loan	1945	1,13,55,54,000	1959-61	98½
2 % Loan	1951	50,35,53,000	1958	99
2½ % Loan	1946	45 63,07,000	1960	96
2½ % Loan	1946	57,00,59,000	1961	93
2½ % Loan	1946	14,77,48,000	1976	82
2½ % Loan	1947	75,86,72,000	1962	93½
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99⅛
3½ % N.P. Loan	1954	1,57,32,41,000	1964	98⅜
3½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98⅜

NON-TERMINABLE LOANS

Loan			
3 % Loan	1896–97	8,93,36,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice. 80
2 ½ % Loan	1946	245,91,66,000	77½

REPATRIATE STERLING LOANS

4½ % Loan	1928	5,85,20,000	1958-68•••	105⅛

STATE LOANS

4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99⅛
3 % Bombay	1948	2,99,25,000	14th Sept. 1958	96⅝
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	96⅛
3 % Bombay	1945	4,63,12,000	15th Aug. 1958	96
3 % Bombay	1950	2,92,30,000	31st July 1960	90
2½ % Bombay	1951	2,97,86,900	17th Sept. 1962	98⅛
2½ % Bombay	1952	3,50,35,000	16th July 1963	101⅛
4 % Bombay	1952	3,61,31,700	1st Sept. 1964	101⅛
4 % Bombay	1955	9,00,00,000	1st Sept. 1967	100⅛
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99⅛
3 % Cochin	1945	1,00,00,000	10th Dec. 1956-58	98⅛
2½ % Cochin	1938	70,09,000	1st June 1956-61	99⅛
2½ % Howrah Improvement Trust	1956–57	1,98,96,700	1956-66	95⅛
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99⅜
3 % Madras	1939	1,23,85,600	21st June 1959	96⅛
3 % Madras	1943	1,35,10,000	14th Sept. 1958	96⅜
3 % Madras	1944	1,07,86,000	15th Aug. 1958	96⅛
3 % Madras	1945	2,78,44,800	14th Sept. 1960	96⅛
3 % Madras	1946	2,81,77,200	1st Sept. 1961	92⅜
2 % Madras	1950	4,88,28,400	31st July 1960	95⅛
2½ % Madras	1951	3,01,49,200	17th Sept. 1962	97⅛
4 % Madras	1952	10,28,61,000	16th July 1963	100⅛
4 % Madras	1955	5,24,81,200	1st Sept. 1967	100⅛
4 % Mysore●	1946	7,00,00,000	1st Sept. 1967	99⅛
3 % Mysore	1947	5,06,08,700	25th Jan. 1958	99
4 % Mysore	1953	8,32,47,000	15th July 1963	100⅛
4 % Mysore	1954	9,25,00,000	1st Sept. 1967	99⅛
3 % M.P.	1943	50,54,200	14th Sept. 1958	96⅛
3 % M.P.	1944	52,64,800	15th Aug. 1958	96⅛
3 % M.P.	1945	3,08,28,800	14th Sept. 1964	92
3 % M.P.	1950	1,01,44,700	31st July 1960	95
2½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98⅛
4 % M.P.	1953	1,02,18,100	15th July 1963	100⅛
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99⅛
3 % Punjab●	1938–44	3,49,27,200	15th Aug. 1958	96⅛
3 % Punjab●	1943	2,46,78,200	14th Sept. 1958	96
3 % Punjab●	1945	2,94,31,600	14th Sept. 1960	97⅛
4 % Saurashtra	1953	2,25,00,000	1st Sept. 1967	99⅛
2½ % Travancore	1938	50,00,000	16th Aug. 1956	99⅛
4 % Travancore-Cochin	1953	3,25,80,000	15th July 1963	100–1⅛
3 % U.P.	1936	1,57,42,600	15th Sept. 1961-66	90⅛
3 % U.P.	1944	3,02,24,500	15th Aug. 1958	96⅛
3 % U.P.	1945	2,17,92,700	14th Sept. 1960	96⅛
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	92⅛
2½ % U.P.	1951	1,94,11,700	17th Sept. 1962	98⅛
4 % U.P.	1953	2 11,45,200	1st Aug. 1964	100⅛
4 % U.P.	1953	3 03,15,500	15th July 1963	100⅛
4 % U.P.	1955	3,50,00,000	1st Sept. 1967	99⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs. 3,50,000	4	1904	1964	Rs.
35,00,000	4	1904	1964	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	100N
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,35,876	4	1913●	1960	D
80,00,000	4	1913	1974	100¾N
88,25,000	4	1914	1975	100N
10,00,000	4	1915●	1960	
85,00,000	4	1915	1975	
61,61,000	4	1925●	1960	
11,51,000	4	1924●	1960	
10,25,000	3½	1926●	1960	
35,00,000	3½	1926	1960	
12,50,000	3½	1930●	1960	D
12,50,000	3½	1931●	1961	
13,50,000	3½	1932●	1962	
24,58,000	3½	1935●	1975	
15,00,000	3½	1936●	1966	
48,04,000	3½	1937●	1968	
10,00,000	3½	1938●	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,34,800	4	1914	1974	Rs. 99
76,90,100	4	1915	1975	99
1,50,00,000	4††	1921	1981	95
48,02,400	4½	1921	1981	144N
99,50,000	5½	1926	1956-86	103
99,84,500	5	1926	1956-86	101⅛
1,49,48,400	5	1927	1957-87	102⅛
1,49,50,000	5	1928	1958-88	103
90,00,000	5	1931	1961	98
49,99,800	3½	1885	1965-68	97½
33,99,000	3	1888	1968-73	90
50,00,000	3	1903	2003	74
54,08,300	3	1905	2005	74
54,00,000	3	1906	2006	86
54,00,000	3	1946	1976	104
50,00,800	3	1948	2008	74
54,00,800	2½	1947	1977	79½
54,00,800	3	1948	1978	79½
50,00,800	3	1949	1979	97
1,00,00,000	3	1950	1980	97
50,00,9000	3	1950	1980	97
1,00,00,000	3	1960	1980	86
50,00,800	3	1960	1980	86
50,00,800	3	1951	1981	81
1,50,00,000	2½	1951	1981	98
50,00,000	3	1952	1982	96
50,00,000	3	1953	1983	100
50,00,800	4	1953	1983	97½
STERLING LOANS				
£392,000	5	1922	1956–58	£87½
£801,000	5	1924	1954–64	£87½
£888,100	5½	1955	1962	£96
MADRAS				Rs.
Rs. 81,47,100	2½	1947	1977	
9,86,000	3	1947	1977	A
2,00,000	4	1949	1979	
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 50,00,000	4	1899	1959	Rs. 100
20,00,000	4	1901	1961	
80,00,000	4	1902	1962	
80,00,000	4	1903	1963	
60,00,000	4	1904	1964	
80,00,000	4	1905	1965	97½N
80,00,000	4	1906	1966	
15,00,000	4	1907	1967	
20,00,000	4	1908	1968	97½N
25,00,000	4	1913●	1972	
25,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000	4	1915	1975	
25,00,000	4	1916	1976	
66,00,000	5	1926	1957-79	118N
25,00,000	5	1928	1955-80	
25,00,000	5	1928	1956-86	115N
10,00,000	5	1929	1967-79	98N
			1964	
STERLING LOANS				
£566,600	5	1909	1969	£95½N
£333,000	5	1910	1970	£95½N
CALCUTTA				
Rs. 25,00,000	5½	1929	1959	Rs. 107
50,00,000	4	1924	1954	99½
25,00,000	5½	1925	1955	94
80,00,000	5	1927	1957	98
50,00,000	3	1927	1953	92
20,00,000	3	1938	1963–68	90
50,00,000	4	1952	1962	99½

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,00,000	4	1913–18	1974	100
10,00,000	5	1929	1958	113N
10,00,000	5	1928	1958	113
8,45,500	5	1929	1964–69	108
26,21,800	5	1928	1958	102½
1,00,00,000	3½	1947	1977	86
2,50,00,000	3½	1947	1977	86
4,00,00,000	3½	1948	1978	86
2,00,00,000	4	1952	1964	100
2,00,00,000	4	1952	1966	100
1,50,00,000	4	1953	1963	100
1,00,00,000	4	1952	1964	100
1,00,00,000†	4	1953	1963	100½
2,50,00,000	4	1953	1963	100½
CALCUTTA				
50,00,000	5	1928	1958	103
25,00,000	5	1929	1958	103½
25,00,000	5	1929	1958	103½
10,00,000	5½	1928	1958	106
50,00,000	5	1928	1958	106
60,00,000	3	1936	1966	90
67,50,000	3	1938	1968	90
10,67,700	3	1938	1968	90
15,56,300	4	1939	1965	99½
15,56,300	4	1940	1967	99½
17,64,400	2½	1941	1961	97
51,10,000	2½	1942	1962	97
15,49 000	2½	1951	1960	97
33,33,000	2½	1951	1961	97
66,66,000	2½	1951	1962	97
37,36,000	4	1952	1962	99½
72,50,000	4½	1954	1979	100
MADRAS				
Rs. 15,00,000	2½	1951	1961	107⅜
15,00,000	2½	1952	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding (Rs.)	Repayable	Latest Available Quotation Rs.
2½ % W. Bengal	1951	1,75,06,000	17th Sept. 1962	96⅛
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100⅛
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100⅛

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(I) Income-tax free. ● Loans held entirely by the Trustees. •• Quotations in Pak. Currency. ••• Repo Counterparts.
† Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June, 1944.
‡ Rate of interest reduced from 4½ to 4 per cent. with effect from 1st April, 1956. †—Interest free to first 12 years. §—Interest free for first 7 years.
N—Nominal.

PREFERENCE SHARES

Company.	Amount issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank	15,00 000	1901	6	Mar.	Sept.	132	100
BREWERIES AND SUGAR							
Bharat Sugar	5,00,000	1931	5	Dec.	..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar.	Sept.	104	100
Cawnpore Sugar Works ..	10,00,000	1905–24	9	Feb.	Aug.	138	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July	Apr.	6–2½	5
East India Distilleries ..	£200,000	1897	7	Jan.	July	17	£1
Gwalior Sugar	6,75,000(e)	1940	7(a)	Dec.	..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	..	68	100
Parrishpore Co.	6,00,000	1922	10	Oct.	..	16	10
Ramnuggar Cane	4,00,000	1938–56	6	Aug.	..	108	100
Ravalgaon Sugar	20,00,000	1943	6½	Oct.	Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	..	20N	100
Travancore	15,00,000	1946	5(c)	Dec.	..	80	100
Upper Ganges	15,00,000	1923	6	Dec.	..	90N	100
Do.	15,00,000	1946	5(a)	Dec.	..	70N	100
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	113	100
Borrea	4,00,000	1896–97	6½	Oct.	Apr.	117	100
Barrakur (1st)	22,99,800	1901–19	7	Apr.	Oct.	122	100
Do. (2nd)	4,50,000	1946	6(a)	..	..	8½	10
Equitable	4,00,000	1895	6	Mar.	Sept.	116	100½
Karanpura Collieries	7,50,000	1946	5½(a)	..	..	70	75(pp)¾
†† Khas Kajora	1,93,000	1921	6	Mar.	Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan.	July	12½	10
Oudal	2,00,000	1898–99	6½	Apr.	Oct.	113	100
COTTON							
Ahmedabad Advance	10,00,000	1929	5	Apr.	Oct.	103½	100
Bangalore	6,00,000	1884	6	Jan.	July	125	100
Banasai Cotton	5,00,000	1933	6½	Nov.	..	8	10
Benares Cotton	1,05,200	1919	7	July	Jan.	15N	100
Bengal-Nagpur	2,00,000	1896	7	Apr.	Oct.	105	100
Bowreah 'A'	6,00,000	1900	8	Feb.	Aug.	125	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	72	100
Bradbury	14,75,000	1919	7	June	Dec.	65	50
Buckingham & Carnatic	21,80,200	1920	7½	Jan.	July	144	100
Cambodias	1,00,000	1923	7	Apr.	..	122½	100
Central India	50,00,000	1913	5	Apr.	Oct.	437½	500
Coimbatore Pioneer	1,00,000	1925	6½	Nov.	..	111½	100
Elgin	11,00,000	1913	8	May	Nov.	135	100
Do. 'B' Pref.	4,30,000	1943	5	July	Jan.	9½	10
Elphinstone	25,00,000	1919	7(a)	May	Nov.	87	100
Empcram	30,00,000	1919	7	June	Dec.	134	100
Khatau Makanji (2nd)	29,28,500	1947	4	Nov.	..	36	100
Kohari	12,00,000	1937	6	Nov.	..	10½	100
Lakhmi Cotton (Bombay)	10,00,000	1946	5(a)	..	..	20½‡	250
Morarjee Goculdas Spg. & Wvg.	17,85,000	1947	4½	January		86	100
Muir Mill	30,00,000	1900	6	Jan.	July

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. I=Interim Dividend. F=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amounts per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	78,25,421	48,06,372	—1,17,209	Rajputana Textiles (Agencies) Ltd..	56,008	898	Apollo Mills	2⅜	2	0 4(e)	0 4 (e)	0 2(e)		12	Y.
40,00,000	24,00,000	1,54,85,581	72,25,663	—5,76,311	B. K. Sons, Ltd.	50,596	1,021	B. B. Cotton Mills	36	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,85,000	3,33,99,015‡	4,25,75,754	3,54,21,688	8,59,579	Nowrosjee Wadia & Sons, Ltd. ..	2,21,008	4,855	Bombay Dyeing & Mfg. ..	550‡	250	20 0	22 8*	20 0	7 81	12	Y.
10,00,000	27,26,559	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	41,080	560	Bradbury Mills	166‡	100	0 0	100 0	75 0		12	Y.P.
1,99,42,800	2,27,54,197	2,83,17,250	1,35,12,290	21,32,563	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg. ..	488	100	20 0	22 0	22 0	8 01	12	Y.
40,00,000	15,44,090	1,14,09,462	65,52,039	—33,25,720	V. J. Pilani (Chairman and Managing Director) ..	39,408	798	Colaba Land & Mill	60	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	11,35,479	31,39,789	45,80,041	20,755	Cowasjee Jehangir & Co., Ltd. ..	30,828	680	Coorla Spg. & Wvg.	127½	100	7 8	7 8	7 8	7 8	12	Y.
10,00,000	27,17,861	63,47,587	52,46,041	47,117	Ramnarain Sons, Ltd.	50,054	928	Edward Textiles	140	50	6 0	6 0	6 0		12	Y.
24,00,000	27,75,000	78,80,781	64,78,724	30,168	Puranmal Radhakishan & Co. ..	41,300	886	Elphinstone Spg. & Wvg. ..	53	50	2 0	*Nil*	2 0	2 81	12	Y.
30,00,000	11,93,292	1,10,92,541	75,74,224	22,726	M	49,332	784	Finlay Mills	331	100	20 0	16 0	16 0		12	Y.P.
99,00,000	54,31,378	1,05,11,449	71,58,296	2,90,661	James Finlay & Co., Ltd.				4,800	1,000	200 0*	225 0*	225 0	300 0	3	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thos. ersey Mooljee & Co. ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills	992‡	250	50 0	56 4*	56 4	75 0	3	Y.P.
16,000									12-9½	0 10	*Nil*	0 10	*Nil*	0 10½		
2,99,80,0000	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,32,640	6,278	India United Mills	12 2*	0 1D.	*Nil*	0 1	*Nil*	0 11	12	Y.
50,80,000D									4,800	1,000	200 0*	225 0*	225 0	300 0		
3,65,000	74,24,048	1,30,07,908	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	—	500	100 0	112 8*	112 8	160 0	3	Y.P.
35,000									114‡	100	20 0	20 0	20 0	30 0		
59,85,000	40,58,451	2,37,15,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg...	214‡	100	10 0	10 0	8 0	10 0	6	Y.P.
1,80,00,000	1,21 50,000	3,56,88,095	2,68,14,796	33,980	Killick Industries Ltd.	1,20,504	1,546	Kohinoor Mills	342	100	16 0	20 0*	18 0	18 0	12	Y.
88,96,000A	64,00,782	4,86,587	88,878	6,08,536	Dina Nath, Esq.	61,643	1,640	Madhusudan Mills‡	112‡	100A	6 4	6 4			6	Y.P.
5,60,000B										20B	1 4	1 4				
23,13,050	29,74,916	1,14,37,317	54,72,982	16,412	N. Sirur & Co., Ltd.	40,000	644	Modern Mills	60	5	5 0	5 0	5 0		10	Y.T.
51,75,000	32,62,000	1,94,11,194	1,47,72,041	1,09,579	Piramal & Sons	70 416	1,553	Morarjee Goculdas Spg. & Wvg.	222‡	100	12 0	12 0	14 0		12	Y.P.
57,71,408	61,70,518	2,74,05,779	1,55,00,000	5,72,078	Chinai & Co., Ltd.			National Rayon Corporation ..	225‡	100	*Nil*	9 0	10 0		12	Y.P.
24,00,000	24,50,000	76,57,658	46,04,750	3,016	W. H. Brady & Co., Ltd. ..	45,544	482	New City of Bombay Mfg. ..	170	100	10 0	10 0	10 0	10 0	12	Y.
80,00,000	14,61 250	92,85,599	61,42,747	4,930	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	235	100	10 0	10 0	7 8	10 0	12	Y.P.
12,70,100	26,02,994	58,27,949	22,21,142	5,178	Mafatlal Chandulal & Co., (Bombay), Ltd.	54,100	873	New Union Mills	88	10	1 4	1 4	1 4		12	Y.
48,00,000	36,62,278	1,49,08,112	99,59,811	1,26,264	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	185	100	8 0	8 0	8 0		12	Y.
40,00,000	43,68,014	81,89,224	45,00,000	2,12,563	Podar Bros., Ltd.	32,600	930	Podar Mills	171‡	100	10 0	10 0	10 0	5 01	12	Y.P.
5,00,000	5,16,999	21,21,621	19,91,240	1,73,154	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill ..	13xr	10	1 4	0 12	0 8		12	Y.
25,00,000	99,06,474	1,84,23,606	81,47,252	1,10,148	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	39	10	1 4	1 4	1 12		12	Y.
60,00,000	1,32,00,061	91,32,908	50,71,854	1,32,662	Marwar Textiles (Agency) Ltd. ..	66,836	1,640	Shree Niwas Cotton Mills ..	221‡	100	12 8	14 0	14 0		12	Y.P.
43,00,000	35,75,550	93,88,962	71,00,000	15,898	Forbes, Forbes Campbell & Co. Ltd.	36,116	1,274	Simplex Mills	195	50	15 0(p)	15 0	11 0	10 0	3	Y.
56,00,000	1,32,33,367	1,55,08,331	1,10,85,485	17,125	Mafatlal Gagalbhai & Sons ..	52,036	1,533	Standard Mills	410	100	20 0	20 0	20 0		12	Y.P.
1,88,00,000	82,26,843	1,92,63,337	1,02,22,292	42,799	Tata Industries Ltd.	73,492	2,000	Svadeshi Mills	220‡	100	16 0	16 0	8 0		12	Y.P.
26,00,000	62,78,468	1,17,42,521	70,22,715	3,29,764	James Finlay & Co., Ltd.	38,882	553	Swan Mills	300	100	20 0	20 0	20 0		12	Y.
23,57,433	49,96,858	1,39,55,906	65,92,129	11,417	Tata Industries Ltd.	61,488	1,800	Tata Mills	56	25	1 8	1 8	2 8		12	Y.P.
12,00,000	62,55,709	1,15,86,436	81,90,000	5,216	Thakersey Mooljee Son & Co. ..	54,186	1,209	Western India Spg. & Mfg. ..	4,950	1,000	200 0*	225 0*	225 0	300 0	3	Y.
AHMEDABAD																
23,00,000	21,11,650	1,36,23,272	60,47,926	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	155	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	90,53,635	59,83,424	54,39,067	7,878	P. M. Rathewalla & Sons, Ltd. ..	43,768	912	Arvna Mills	650	100	20 0*	20 0*			12	Y.P.
26,25,000	2,40,17,491	1,48,07,666	1,03,05,000	46,584	Narottam Lalbhai & Co.	62,448	1,316	Arvind Mills	1,368	100	25 0	25 0	25 0		12	Y.P.
39,00,000	33,43,240	79,44,378	56,25,000	2,90,074	Mangaldas & Bros., Ltd.	25,884	872	Aryodaya Ginning & Mfg. ..	422‡	200	15 0	15 0			12	Y.P.
12,00,000	1,08,38,631	82,14,168	66,70,782	55,258	Lalbhai Dalpatbhai & Co.	27,892	914	Asoka Mills	705	100	12 0	12 0	22 0		12	Y.P.
1,24,79,013	1,11,98,268	4,54,89,710	3,07,57,544	16,00,756	Kasamchand Premchand Ltd. ..	1,39,120	2,372	Calico	463‡	125	18 0	18 0	18 0		12	Y.P.
22,45,000	28,04,000	1,10,69,083	79,50,000	1,96,248	Trisumlal Bhogilal & Co., Ltd.	45,586	866	New Commercial Mills	1,092‡N	1,000	70 0	70 0	70 0		12	Y.P.
99,00,000	66,61,702	1,14,89,125	91,85,806	6,387	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg. ..	778	125	35 0	35 0	35 0		12	Y.
5,00,000	61,18,982	45,72,745	31,76,021	700	Jagabhai Dhirajlal Kanavaty & Co., Ltd.	24,840	572	Nutan Mills	480	100	30 0*	30 0*			12	Y.P.
12,50,000	1,09,22,589	79,71,782	52,25,077	22,522	Lalbhai Dalpatbhai & Co. ..	21,120	636	Raipur Mfg.	1,225	100	25 0	17 8			12	Y.P.
12,00,000	18,93,067	74,90,966	52,57,452	—99,901	Manmalas Ghanshyam Parekh Ltd.	47,832	1,095	Rajnagar Spg., Wvg. & Mfg. ..	275	250	*Nil*				12	Y.P.
23,00,000	24,74,525	56,49,940	52,67,803	4,020	Lallubhai Gordhandas Ltd. ..	32,156	648	Rohit Mills	220	100	9 0	9 0			12	Y.P.
23,98,150	1,90,84,533	1,60,18,812	1,34,25,000	2,52,670	Harivallabhdas Kalidas & Co. ..	73,796	1,825	Shri Ambica Mills	538‡	50	16 0	18 0	20 0		12	Y.P.
19,52,500	59,00,194	78,08,018	62,08,800	6,434	Mafatlal Chandulal & Co., (Ahmedabad), Ltd.	36,624	730	Shorrock Spg. & Mfg.	460	100	20 0	20 0	25 0*		12	Y.
28,00,000	26,96,482	1,03,76,240	68,35,291	82,764	Haridas Ashratlal & Co., Ltd. ..	36,176	780	Vijaya Mills	605	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,52,500	24,23,069	21,01,816	1,08,080	Calcutta Agency, Ltd.	18,044	356	Basanti Cotton Mills	4⅜	10	*Nil*	0 4	0 8		12	Y.P.T.
7,11,886	1,40,775	45,42,881	35,57,597	26,788	Bengal Textile Agency, Ltd. ..	32,544	936	Bengal Luxmi Cotton Mills ..	40 N	100	*Nil*	*Nil*	4 0	4 0	3	Y.
10,00,000	23,71,792	81,33 222	51,52,000	—26,31,401	Kettlewell Bullen & Co., Ltd.	42,572	841	Bowreah Cotton Mills	300	100	*Nil*	*Nil*	*Nil*		6-12	H.
19,00,000	25,17,571	1,01,41,469	69,83,080	—7,66,925	Kettlewell Bullen & Co., Ltd.	43,944	818	Dunbar Mills	289	100	*Nil*	*Nil*	*Nil*		6-12	H.
1,50,00,000	2,07,59,266	5,59,23,374	1,20,23,709	2,45,438	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	16‡	10	1 12	1 12	0 14	0-14	3	Y.
6,00,000				5,158	Chakravarti Sons & Co.	29,464	442	Mohini Mills	—	1	1 4				12	Y.P.
83,96,288	9,75,000	84,54,400	67,06,257							10	0 8	0 8				
19,47,7500	5,75,000	41,29,452	21,54,462	26,932	Hazaresmull Hosralal	23,036	795	Rampooria Cotton Mills	11¾N	10	0 8	0 8	0 10		6	Y.
5,00,0000D									1M	1D.	*Nil*	*Nil*	*Nil*			
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,37,101	29,09,649	—8,54,223	Ramia & Co., Ltd.	50,000	708	Alagappa Textiles (Cochin) Ltd.	6⅜	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
9.5.71,94,400	64,92,307	2,10,91,206	80,80,019		Industrial Trust Fund	86,186	2,268	Asam Jahi Mills	82½	100	6 0	6 0	6 0		12	Y.
40,50,000	1,91,68,745	2,87,22,995	2,24,71,643	2,44,711	Binny & Co. (Madras), Ltd.† ..	40,068	1,187	Bangalore Woollen, Cotton and Silk Mills	600cd	100	15 0	25 0	20 0	10 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,190	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	9⅜	10	0 8	0 4	*Nil*		6-12	H.P.T.
1,15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	89,896	1,046	Birla Cotton Spg. & Wvg., Delhi	85N	10	3 8	0 8	0 8		3	Y.
1,75,47,800	1,54,69,697	4,50,39,308	1,14,94,498	3,69,066	Binny & Co. (Madras), Ltd. ..	1,20,356	2,787	Buckingham & Carnatic	176‡	100	4 0	10 0	10 0		12	Y.P.T.
80,00,000	80,00,406	84,17,820	19,76,634	3,55,087	Pelree, Leslie & Co., Ltd.	38,706	..	Cambodia Mills	18‡	10	1 0	0 12	*Nil*		12	Y.
15,00,000	4,51,500	44,03,466	21,80,176	44,557	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	144	100	12 0	12 0	20 0	12 0	3	Y.
30,00,000	25,28,976	58,07,115	50,84,818	29,514	Begg, Sutherland & Co., Ltd.	23,796	591	Cawnpore Textiles	9⅜	5	0 8	0 8	0 8	*Nil*	3	Y.
12,00,000	20,00,000	58,07,115	24,45,699	4,614	R. Bheema Naidu & Co.	23,864	..	Coimbatore Cotton Mills ..	356cd	100	9 0	20 0	25 0		12	Y.
10,00,000	14,20,000	$6,95,513	21,25,500	14,083	T. E. N. Naidu & Co.	23,788	..	Coimbatore Pioneer Mills ..	245	100	9 0	15 0	20 0		6	Y.
20,76,900	4,19,614	1,15,51,599	88,06,013	16,884	K. G. S. Naidu & Co.	72,833	407	Coimbatore Spg. & Wvg. ..	90	50	*Nil*	*Nil*	2 0	6 0	6	Y.
45,87,900	52,82,446	1,58,09,883	1,35,09,338	3,708	Tata Industries, Ltd	1,15,188	2,062	Central India	141	100	2 0	5 0	5 0	7 0	12	Y.
8,85,86,125	2,55,00,000	9,99,78,765	5,08,00,000	82,759	R. R. Charat Ram & Co., Ltd. ..	1,16,636	2,354	Delhi Cloth & General Mills ..	85N	25	1 12	1 12	2 4		6	Y.P.T.
1,00,563										2½	0 1 4/5	0 2 4/5	0 2 8/5	0 3 3/5		
24,24,800	24,72,758	47,34,087	23,82,512	9,248	M. N. Chettiar & Sons	22,568	201	Dhanalakshmi Mills	3674cd	10	2 0	2 0	2 0		12	Y.
48,00,000	66,53,650	1,52,16,388	1,29,71,631	93,386	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	27½	10	1 8	1 0	1 0	1 0	12	Y.
48,81,000	33,91,176	88,91,779	65,24,070	87,169	Forbes, Forbes Campbell & Co., Ltd.	72,904	..	Indore Malwa United	244	100	17 0*	17 0	12 0	1 0	12	Y.
50,00,000	3,09,674	1,29,35,712	1,03,04,482	6,150	Govindram Sakaaria (Indore) ..	34,828	..	Jayajirao Cotton Mills	144‡	50	6 0	6 0	8 0	8 0	12	Y.
2,90,000	10,53,683	30,91,139	18,77,748	—50,124	G. V. Naidu & Co., Ltd.	24,828	..	Jayardana Mills	101	50	0 12	1 8	1 8		6	Y.
24,00,000	16,28,000	78,88,868	26,50,000	29,882	Kothari & Sons	43,000	800	Kothari Textiles	17½	10	0 12	0 8	0 8		6	Y.P.
22,00,000	69,33,519	1,43,27,744	1,06,78,587	19,086	Lakshmi Cotton Mfg.	51,972	1,219	Lakshmi Cotton Mfg.	665	250	37 8	37 8	25 0	1 0	12	Y.P.
55,54,100	66,58,960	1,11,66,880	75,29,888	74,376	G. K. Naidu & Co;	35,908	201	Lakshmi Mills	180	50	5 0	5 0	5 0	12 8	3	Y.
17,82,050									90	25	2 8	2 8	2 8	5 0		
1,76,02,480	4,13,51,878	5,78,76,128	3,55,76,019	18,86,813	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	514cd	10	2 0	2 0	2 0	3 0	12	Y.
12,00,000	1,17,658	33,26,768	16,72,252	—99,078	A. L. A. R. S. Chettiar and Brothers.	22,992	100	Malabar Spg. & Wvg.	100	100	*Nil*	*Nil*	*Nil*		12	Y.
60,00,000	69,00,000	62,41,446	41,90,285	1,43,409	W. A. Beardsell & Co., Ltd. ..	24,720	608	Meltor Industries Ltd.	408	100	12 8	12 8	12 8*	25 0	12	Y.
30,00,000	19,47,903	84,12,077	44,32,174	9,399	M. Birnie & Co., Ltd.	39,896	704	Minerva Mills	82	100	5 0	7 0	7 0	5 0(e)	12	Y.
29,59,700	37,54,442	1,01,29,118	78,81,922	—7,44,982	Bansilal Abirchand Dadabhoy & Co.	51,240	948	Model Mills (Nagpur)	150	100	7 8	7 8*	5 0	5 0(e)	6	Y.
94,91,850	58,19,600	1,58,39,272	1,05,91,651	—7,77,980	Indian Textile Syndicate Ltd. ..	58,640	1,334	Muir Mills	112N	100					6	Y.
30,00,000	50,84,547	99,04,000	62,59,288	22,700	M. S. Birla & Co., Ltd.	30,000	500	Mysore Spg. & Mfg.	99	50	10 0*	10 0*	8 8*	6 0(e)	12	Y.P.
13,61,780	3,58,745	29,42,992	15,37,000	3,086	R. Suryanarayana Rao, Esq. Manager	6,900	..	Mysore Sugar Mills	4½	10	*Nil*	*Nil*	*Nil*		3	Y.
29,19,8850	25,62,522	1,02,16,298	58,90,719	—99,62,329	J. P. Srivastava & Sons, Ltd. ..	52,428	1,225	New Victoria Mills	2⅜	10	*Nil*	*Nil*	*Nil*		12	Y.P.
2,07,085D	57,78,270	1,68,58,562	62,88,093		Industrial Trust Fund	37,788	856	Osmanabad Mills	—	100	7 0	4 0	*Nil*		9	Y.
37,14,800									68	100	7 0	4 0	*Nil*			
4,80,000A	7,50,000	85,04,755	21,95,715	9,122	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	1544‡	50A	7 8	12 0	12 0		12	Y.
6,00,000B									675‡	75B	11 4	15 0	18 0			
15,00,000	2,25,000	84,59,511	16,41,045	—18,87,240	C. S. R. Mudaliar & Sons	80,796	..	Pankaja Mills Ltd.	72	100	*Nil*	*Nil*	*Nil*		12	Y.
16,81,300A	20,00,000	78,90,455	41,41,878	22,687	A. G. Gurusamy Naidu & Co. ..	51,664	801	Radhakrishna Mills	276	100A	6 0	8 0	16 0		12	Y.
8,49,500B									185	50B	2 0	4 0	8 0			
15,00,000	33,75,900	84,37,775	17,67,922	12,337	B. R. Naidu & Sons‡	35,472	..	Rajalakshmi Mills	168	50	4 8	7 8	10 0		12	Y.P.
23,23,375	18,10,000	83,91,595	14,25,764	22,505	Rayalaseema Development Co. ..	14,800	..	Rayalaseema Mills	187cd	100	8 0	6 0	9 0		12	Y.
60,00,000	62,66,508	98,26,567	35,33,291	—19,59,428	J. P. Srivastava & Sons (Rampur)..	24,582	600	Raza Textiles	—	100	*Nil*	*Nil*	*Nil*		12	Y.
16,00,000	1,80,39,516	2,89,27,048	2,04,27,279	1,50,02,067	Mozarka & Co.	99,282	2,234	Sholapoor Spg. & Wvg. ..	1,900	1,000	*Nil*	*Nil*	*Nil*		3	Y.P.
26,69,700	18,62,628	71,75,918	51,25,589	27,871	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills ..	90‡	50	4 0*	4 0*	4 8		3	Y.
28,14,300	3,02,246	85,15,905	17,78,000	—2,46,777	Gopaldas Lladhar & Co., Ltd. ..	17,880	440	Shree Sajjan Mills	90N	100	*Nil*	*Nil*	*Nil*		12	Y.
15,00,000	3,11,90,287	96,09,567	72,44,724	81,27,583	Birla Brothers, Ltd.	35,556	1,243	Sutlej Cotton Mills	130N	10	6 0	4 0	5 0	6 0	3	Y.
17,50,000 O	2,25,00,000	4,26,43,014	1,82,17,268	5,89,690	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	10‡	10 O.	*Nil*	0 8	0 12		12	Y.P.
1,57,50,00090									11‡	10P.O.	*Nil*	0-14 9/5	1-2 2/5			
99,84,040	18,00,000	2,75,11,606	1,90,23,764	1,23,122	Ruttonia & Sons (Travancore), Ltd.	17,600	..	Travancore Rayons	15½	10	*Nil*	0 8	0 10		12	Y.P.T.
12,95,870	8,79,479	18,56,297	13,46,186	8,321	Mooljee Ramjee & Sons	12,000	..	Trichinopoly Mills	12½	10	0 11 1/5	0 11 1/5	0 14 2/5		12	Y.
21,00,000	32,00,000	54,92,295	36,81,498	26,500	K. K. S. Chetty & Brothers ..	38,544	270	Vasanta Mills	267‡	100	12 0	12 0	15 0		12	Y.
32,80,000	31,99,443	1,85,35,086	1,06,25,990	25,250	Bombay Co., Ltd.	46,490	1,331	Vishnu Cotton	181‡	100	10 0	4 0	4 0	2 81	12	Y.P.

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	8½	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,20,630	18,38,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6	5	0 8	0 8	0 8	0 9	3	Y.
580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	27cd / 24cd	A. 16sh. B. £1	Sh. 1 3/5 Sh. 5	Sh. 1 3/5 Sh. 4	Sh. 1 3/5 Sh. 4	3/5 Sh. 5 4/5	9	Y.P.
40,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq., (Chairman) ..	United Breweries	180½xd	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
11,37,700A	10,35,516	79,90,234	39,22,658	26,622	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	156	A. 100	7 8	10 0*	10 0		12	Y.P.T.
19,79,020B							15½	B. 10	0 12	1 0*	1 0			
18,14,500C							7½	C. 10	*Nil*	*Nil*	*Nil*		3	Y.P.
4,70,976D	13,13,133	18,73,893	7,89,496

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	35,61,841	2,00,40,004	1,45,07,804	1,73,122	Balmer Lawrie & Co.	Bengal Paper Mills	126	25	Nil	Nil	1 9	2 8½	6,12	H.P.T.
62,98,250	63,78,861	1,11,56,730	76,81,808	83,945	Andrew Yule & Co., Ltd.	India Paper Pulp	23½	10	5 0	6 0	7 0	0 11½	3,9	H.
25,00,000	16,12,500	1,36,83,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	17	10	1 0*	1 0*	0 12*	0 12*	3	Y.
1,46,82,500	1,86,87,959	4,12,77,410	97,21,214	2,05,870	Birla Bros.	Orient Paper	34½	10	1 0	1 0	0 8	0 8½	3,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	0 12	0 12	0 12	0 10½	6,12	H.P.T.
20,00,000 10,00,000'A.'	6,50,000	54,00,869	30,16,881	4,492	Baloria & Co.	Star Paper Mills	12½ 12½	O. 10 A. 10	0 8	0 12	0 12	0 8½	3,9	H.P.T.
54,00,000A. 54,04,800B. 4,87,500P.U.	3,07,07,316	5,39,14,072	3,13,50,222	89,160	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	44½	A. 10	1 0	1 0*	0 12	1 0*	3,9	H.P.
							44½	B. 10	1 0	1 0*	0 12	1 0*		
							5	P.O. 2½	0 2	0 2	0 2	2½		
PRESSING														
8,00,000	6,12,365	15,78,468	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	2 0	4 0	Nil	9	Y.
4,50,000	1,00,000	6,89,056	4,75,056	2,554	Fyne & Sons	Camperdown	88N	100	7 0	7 0	5 0	5 0	6	Y.
8,00,000	1,95,000	10,91,611	9,30,877	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	7	Y.
PROPERTY AND LAND														
10,00,780D. 5,00,000D.	7,43,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq. & others (Directors).	Humayun Properties	18½ 2½	O. 10 D. 1	0 8 Nil	0 11½	0 9 8/5 Nil	Nil	9	Y.P.
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	11	100	1 0	1 8	1 8	Nil	4	Y.
94,00,000	36,71,074	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	85	100	2 0	1 8	4 0	3 0	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	25,23,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	5	8	0 4	Nil	Nil		9	Y.
60,00,000 4,13,57,280		3,85,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	578½ 205	Old125 New50	22 8 0 0	15 0 0 0	20 0 8 0	37-8½ 15-0½	9	Y.
42,00,000		7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	Nil	Nil	Nil		6	Y.P.
5,00,000					Gillander Arbuthnot & Co., Ltd	Indian Wood Products	88½	10	2 8	2 12	2 12	1 0	6	Y.
20,00,000	18,15,487	18,19,049	13,53,015	1,79,568										
SUGAR (U.P. and Bihar)														
14,00,000	15,41,227	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd.	Balrampur Sugar	9	5	Nil	Nil	0 12	0 1	6	Y.
12,00,000A. 5,00,000B.	29,18,356	49,46,285	23,16,660	16,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	158N 14N	A. 100 B. 10	10 0 1 0	10 0 1 0	10 0 1 0		4	Y.
19,49,050	5,50,000	21,91,667	22,38,812	49,906	Rangur Bros., Ltd.	Belsund Sugar	11½	7½	0 12	0 12	0 12	2 8	12	Y.
15,00,000	13,90,295	16,40,479	11,77,541	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8	1 8	6	Y.P.
22,00,000	26,79,431	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd.	Carew & Co.	10½	10	Nil	Nil	0 12		6	Y.P.
30,00,000	57,83,651	1,08,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	21½	10	2 0	2 0	0 12	0 12	10	Y.
18,00,000	38,04,991	72,85,757	58,46,903	24,019	Begg, Sutherland & Co., Ltd.	Champarun Sugar	31½	10	2 0	2 0	1 0	1 8	6	Y.
5,99,452	6,13,562	24,58,580	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	94½	10	0 8	1 0	0 12		6	Y.
50,00,000A. 10,00,000O.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	260N 'A' 100 O. 100	'A' 100 12	12 0* 12 0*	15 0* 15 0*	15 0* 15 0*	15 0*	6	Y.P.
12,00,000	3,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	60N 24N	80 40	Nil Nil	Nil Nil	Nil Nil	4 8 2 4	7	Y.P.
7,89,100	22,14,058	34,94,612	19,35,833	1,864	Cotton Agents Ltd.	New India Sugar Mills	33	5	2 8	2 8	2 8	2 8	6	Y.P.
11,00,000	4,20,000	42,21,480	24,87,558	4,185	Karamchand Thapar & Bros., Ltd.	New Savan	6	10	0 8	0 4	0 4		6	Y.
10,87,500A. 2,71,875B.	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	240N 60N	100 25	20 0 5 0	20 0 5 0	20 0 5 0		6	Y.P.
17,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	135N	100	6 0	11 0	11 0	11 0	7	Y.
12,00,000	12,74,228	23,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	117N	100	6 0	10 0	10 0		6	Y.
9,00,000	17,64,369	37,55,308	30,57,249	6,871	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	19½	10	1 0	1 0	0 12	0 12	6	Y.
8,00,000	6,54,762	25,41,782	21,01,013	24,340	M.	Ryam Sugar	24	10	1 0	0 8	0 8		6	Y.
11,99,000	18,86,779	38,63,583	22,92,150	8,477	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar	14	10	1 0	0 8	0 8	Nil	6	Y.
30,00,000	21,68,560	1,08,85,319	57,06,717	5,475	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	11½	10	1 8	1 8	1 8	1 01	6	Y.P.
9,99,950	61,825	26,55,548	11,98,337	—8,98,353	H. K. Ghosh, Esq., and E. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	44	10	0 6½	Nil	Nil		6	Y.
7,95,462	18,82,940	31,60,785	17,68,003	1,06,227	Karamchand Thapar & Bros	Shri Sitaram Sugar	14½	10	1 0*	1 0*	1 8*		6	Y.P.
9,15,000A. 4,50,000D.	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	10N 8N	O. 10 D. 2½	Nil Nil	Nil Nil	Nil Nil		10	Y.
8,00,000	21,91,685	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	1 0	0 8	2 8	3 8	6	Y.
16,00,000	7,99,778	32,06,650	25,98,844	39,081	James Finlay & Co., Ltd.	United Provinces Sugar	28½	10	1 8	0 8	1 4		6	Y.
Other Centres														
46,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	222½	50	16 9	16 0	16 9	16 0	9	Y.
17,50,000	9,24,292	33,03,879	21,86,722	4,692	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	14½	10	1 0	1 0	1 0	1 0	6	Y.
15,98,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.), Ltd.	Gwalior Sugar	65N	100	8 0	Nil	Nil		6	Y.P.
31,47,780	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Ltd.	India Sugar and Refineries	21½cd	10	2 8	2 8	1 12	1 6 2/5	9	Y.
23,57,620	41,27,060	41,95,605	20,78,418	1,408	Govan Bros. (Rampur), Ltd.	Buland Sugar	144N	10	0 12	1 0	1 0		10	Y.
10,82,2000. 2,87,190D.	69,50,000	95,98,952	81,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	127½ 100	O.100 D. 10	7 8 10 0	7 8 10 0	7 8 10 0	7 8½ 10 0	6	Y.P.
21,79,280	95,00,001	1,31,57,677	78,17,730	2,90,340	S. Muninandjappa Esq. (Managing Director)	Mysore Sugar	50½	10	2 0	2 0	2 0	2 0	6	Y.
80,00,000	48,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kanillal Ltd.	Phaltan Sugar	135	50	8 0	6 0	8 0	8 0	6	Y.
16,59,920	28,50,880	53,90,015	28,76,747	29,230	Anderson Wright Ltd.	Ramnagore Cane and Sugar	24	10	2 0	2 0	1 8		6	Y.
98,00,0000. 24,50,000D.	24,67,171	87,47,627	53,81,890	61,482	Walchand & Co. Ltd.	Ravalgaon Sugar Farm	85N 7N	O. 10 D. 10	0 11½	0 12	Nil		6	Y.P.
19,99,508	44,88,457	47,06,689	21,73,004	4,625	Govan Bros. (Rampur), Ltd.	Rasa Sugar	10	10	0 12	1 0	0 12		10	Y.
80,00,000	10,87,772	50,76,254	17,87,155	—32,224	Parry & Co., Ltd.	Travancore Sugars	12½	10	Nil	Nil	Nil		7	Y.
1,01,00,000	61,10,890	1,35,70,980	1,04,58,313	1,79,083	Premier Construction Co., Ltd.	Walchandnagar Industries	246½	100	14 0	14 0	16 0		9	Y.
TRANSPORT														
80,00,000	1,06,42,425	1,33,68,373	12,76,182	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co.	144	100	12 8	10 0	7 8		16	Y.
1,00,00,000	16,67,690	4,65,14,760	1,80,06,587	89,548	Dinshaw Ltd.	Bharat Line	78	100	5 0	5 0	5 0		15	Y.
50,00,000	24,35,888	2,50,21,298	68,66,796	1,47,999	J. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	15½	10	1 0	1 0	1 0	Nil	6	Y.P.
£655,580	£960,878	£5,515,631	£2,244,772	£21,566	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	118	£10	5h.10	Nil	5h.10	Nil	6	Y.P.
2,25,00,000	74,92,238	7,58,31,463	1,51,54,990	1,25,061	Lionel Edwards Ltd.	India Steamship Ltd.	18½	10	0 8	0 8	Nil	Nil	3	Y.
9,40,19,673	6,94,95,081	16,36,52,413	6,54,44,300	2,78,683	Narottam Morarjee & Co.	Scindia Steam Navigation Co.	17	20	0 8	0 12	0 8	0 8	3	Y.
8,46,50000. 2,10,3500P.O.	18,58,194	11,38,000	6,80,311	1,34,122	R. B. Atyer, Esq. (Manager)	Walford Transport Ltd.	24 12	O. 1 P.O. 1	as. 1 2/25 as. 1 0/25	as. 1 2/25 as. 1 0/25	1 2/25 1 10/25		12	
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,321	4,32,563	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0	32 0	9	Y.
15,00,580	3,04,172	9,16,543	90,000	43,582	Parakh Agencies Ltd.	Bombay-Uganda	62½	50	4 0	5 0	4 8		12	Y.
25,00,000	1,00,000	25,74,281½	9,294	2,394	Dena Sons, Ltd.	Devkaran Nanji Investmen Co.	13	25	0 12	0 12	0 12	0 12	12	Y.
14,96,840	3,48,585	22,00,500	17,78,000	4,110	Choonilal Maniklal & Co.	Industrial Investment Trust	20	50	2 0	Nil	2 0	2 0	12	Y.
1,00,00,000	19,07,876	1,37,52,603½	.....	2,88,005	Premchand Roychand & Sons	Killick Industries	81	100	4 8	4 8	4 8		12	Y.
99/99,975	35,06,851	35,10,999	9 31,529	6,154	K. G. Mihe, Esq. (Mg. Director)	Premier Automobiles	165	100	10 0	10 0	11 0	11 0	6	Y.
3,87,02,800A. 16,00,000B.	5,28,634	3,87,33,373	1,25,90,292	5,86,717	Asco-Auto Ltd.		91 —	A.100 B. 10	Nil	Nil	Nil	Nil	6	Y.
10,21,200	3,42,505	14,40,720	12,10,720	38,055	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	11½	20	2 0	2 0	2 0		12	Y.
2,75,00,000	72,25,566	2,97,47,116	1,52,96,500	5,38,887	T. Rydin, Esq. (Managing Director)	Western India Match Co.	158½	100	15 0*	15 0*	11 0*		12	Y.
48,00,000	55,24,847	7,24,608	3,07,108	36,434	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0	20 0	12	
Other Centres														
47,50,000	15,00,000	1,86,68,301	58,00,000	90,556	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	10½ 5½	O. 10 D. 5	Nil	Nil	Nil		8	Y.
5,50,000	35,05,079	32,06,626	21,94,951	3,43,961	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	22½	10	1 4	1 4	1 4	2 0*	12	Y.
30,00,000	5,25,000	38,74,823	29,11,887	1,17,466	T. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 4*	1 4*	1 4*		12	Y.
80,00,000	27,47,883	1,01,49,257	39,97,880	33,653	Oberoi Hotels (India) Ltd.	Associated Hotels of India	61N	10	0 4	0 3 1/5	0 3 1/5	0 6 2/5	12	
80,01,400	83,94,263	69,51,963	32,31,963	1,49,717	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd.	185	100	20 0*	20 0*	15 0	2 8	12	
12,00,000	9,10,000	21,07,473	23,35,472	72,375	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd.	30½	10	0 10	1 8	2 8	1 8	6,12	
20,00,000	7,99,470	57,53,550½	.....	1,21,733	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 4	1 4	1 8	6	
45,97,020	22,44,814	1,00,74,580	29,49,001	1,95,548	K. Julius Scott, Esq. (Mg. Director)	Britannia Biscuits	14	10	0 12	1 0	1 0	1 0	12	
3,36,90,000	1,00,82,903	3,99,29,557	2,07,14,167	5,11,143	Sir Ratan Mansiles	British India Corporation Ltd.	114	5	0 10	0 8	0 8		12	
1,80,00,000	11,79,00,000	4,63,71,964	3,06,58,184	11,38,891	Cecil Stack, Esq. Mg. Director)	Dunlop Rubber (India) Ltd.	21½	10	2 8	2 8	2 8		12	
1,80,00,000	81,94,000	1,24,99,915@@	.....	3,13,808	Bird & Co., Ltd.	Eastern Investments Ltd.	156	100	10 0	10 0	7 8	7 8	9	
14,00,000	10,02,200	33,61,772	18,39,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	180N	100	20 0	10 0	7 8	7 8	9	
65,00,000	42,00,000	19,27,688	8,08,872	1,51,860	J. F. R. d'A. Wills, Esq.	Gillanders Arbuthnot & Co. Ltd.	14½	10	1 0	1 0	1 0	1 0	6	
80,00,000	11,42,554	68,59,433	29,41,525	1,246	B. P. R. Syndicate	Great Eastern Hotel	240	250	15 0	15 0	4 4	1 6 3/5	6	
12,48,800	9,57,954	78,31,701	58,60,559	26,626	Birla Bros., Ltd.	Hind Cycles	150N	100	8 0	8 0	10 0		12	
4,94,12,350	2,92,450	8,56,34,606	94,52,719	5,19,455	Birla Bros., Ltd.	Hindustan Motors	98	10	Nil	Nil	Nil		12	
1,80,00,000	35,77,754	2,06,21,557	1,34,14,660	4,96,512	J. W. Cameron, Esq.	Indian Aluminium Co.	186	100	8 0	Nil	Nil		12	
1,53,89,220	1,20,50,000	1,58,72,291	25,94,428	2,31,613	A. R. Dykes, Esq.	Indian Cables	114	10	1 0	1 0*	Nil	1 4*	12	
3,27,970	9,58,000	9,58,000	8,96,110	23,616	G. S. Moulton & Co. (India), Ltd.	Indian Leather Manufacturers	114	10	1 0	0 8	0 8	0 6	6	
15,15,00,000	7,25,56,583	8,55,94,047	1,17,80,408	25,00,733	Mr. Eric Henry Hare (Chairman)	Imperial Tobacco Co. of India Ltd.	112	10	1 0	1 0	0 12 4/5	0 12 4/5	6	
2,00,00,000	56,39,566	84,83,960	58,60,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	106½	100	10 0*	7 8	7 8	7 8	9	
4,94,0000. 1,00,000D.	3,48,343	9,89,880	4,31,766	2,940	James & Co., Ltd.	Macfarlane & Co.	24 2	O. 5 D. 1	Nil	Nil	Nil		8	
48,00,0000. 5,00,000D.	78,01,900	25,16,760	7,97,301	1,87,234	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	210N	O.100 D.O.50	7 8	10 0	17 0		12	
1,80,98,736	58,14,868	19,97,616	3,95,141	2,56,486	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	27½	10	1 0	1 0	1 8 1/5		9	
1,15,00,000	44,50,000	1,76,64,305	67,87,457	14,43,141	H. Chiswell Jones, Esq. (Chairman)	Motal Box Co. of India, Ltd.	26	10	1 0	1 0	1 0		12	
9,36,384	1,58,886	7,81,440	2,80,987	—15,326	Doyle Glass Works Ltd.	Mysore Glass and Enamel Works	41	10	Nil	Nil	Nil	1 4	12	
2,25,350	6,56,762	25,41,782	4,40,847	73	G. Chandy, Esq. (Controller)	Mysore Lamp Works	14½	10	1 0	1 0	1 0		12	
10,00,000	1,23,000	15,16,188	8,10,628	20,916	T. Shanmanna, Esq. (Chairman)	Mysore Tobacco	11½	10	1 0	1 0	1 4	1 0	6	
40,00,000	51,21,172	59,09,527	39,20,120	2,29,283	Associated Industrial Development Co., Ltd.	National Insulated Cable Co.	41	10	1 0	1 0	1 0	1 0*	9	
79,97,000	21,15,337	1,14,74,876	58,77,562	9,09,490	B. N. Elias & Co., Ltd.	National Tobacco Co.	23½	10	0 12	1 0	1 0	1 0*	12	
40,00,000	27,00,000	44,15,474	19,71,484	1,21,466	Covenanted Investment Trust Ltd.	Parry & Co.	5½	5	Nil	Nil	Nil		12	
2,50,00,000	7,35,183	1,58,40,091	40,14,109	—88,99,179	M. P. A. Pazpatti, Esq.	Rallis (India) Ltd.	23½	100	0 4 4/5	0 4 4/5	0 4 4/5		12	
1,72,24,400	1,31,20,308	7,56,34,689	3,47,94,070	4,01,024	Sahu Jain Ltd.	Robbins Industries	20½	10	Nil	Nil	Nil	Nil	12	
40,00,000	98,50,594	1,18,78,870	70,99,887	3,10,673	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 0	1 4	1 8	1 4	12	
75,00,000	48,00,000	13,83,9654	4,10,784	5,58,431	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	16½	10	1 0	1 0	1 0	1 0	12	
2,96,280	1,90,000	14,56,282	3,60,446	—3,06,050	Ogale Bros., Ltd.	Travancore Ogale Glass	5½	10	Nil	Nil	Nil		12	

@@ Investments at cost. *Includes bonus. § Rupeedine Rs. 1,49,01,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amluckie	425N	100	7 8	25 0	30 0		12	Y.P.
8,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	41N	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	19,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	42	10	Nil	2 8	8 0*		12	Y.
5,50,000	11,21,541	10,95,977	6,44,367	93,058	McLeod & Co., Ltd.	513	Baghmari	21½	10	Nil	Nil	3 8		12	Y.
5,10,000	8,50,000	11,69,193	3,89,401	92,033	Andrew Yule & Co., Ltd.	369	Basnatia	31½xr	10	2 0	2 8	3 0		12	Y.
3,30,600	4,65,000	10,11,265	6,46,265	18,304	National Tea Corporation	569	Batell	23½	5	0 4	2 0	4 0		12	Y.
3,20,000	3,70,000	9,60,764	2,59,311	68,704	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	48	10	Nil	2 0	10 0*		12	Y.
4 6,50,000	20,60,000	52,30,169	22,95,189	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	37½	10	Nil	3 8			12	Y.
5,00,000	2,53,500	10,49,416	2,03,130	61,929	Octavius Steel & Co., Ltd.	485	Bokakhat	19½	10	Nil	Nil	1 0		12	Y.
7,50,000	6,52,400	8,92,327	2,83,050	1,44,105	McLeod & Co., Ltd.	450	Bormah Jan Tea	18½	10	Nil	0 12	3 8		12	Y.P.T.
85,00,000	25,00,000	73,80,473	19,48,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	20½	10	1 0	0 8	1 4		6	Y.P.
1,20,000	11,92,045	5,55,983	1,38,593	6,543	McLeod & Co., Ltd.	282	Dejoo Valley	39	10	Nil	1 0	6 0		12	Y.
6,00,000	10,99,000	26,64,194	16,84,471	51,859	Jardine Henderson Ltd.	1,220	Dessai & Farbattia	402N	100	10 0	20 0	40 0		12	Y.
7,53,440	9,87,383	22,73,420	4,17,845	44,551	James Warren & Co., Ltd.	620	Dhalakhat	18	10	1 0	1 8	2 8		12	Y.
4,68,970	10,93,209	3,95,000	3,77,383	8,779	James Finlay & Co., Ltd.	644	Dhunseri	23½	10	Nil	2 0	5 0		12	Y.P.
4,50,000	6,75,000	9,00,834	2,06,317	54,992	McLeod & Co., Ltd.	458	Dibrugarh	25½	10	Nil	1 0	4 0		12	Y.
2,38,700	6,80,000	10,29,006	5,54,004	55,532	Williamson Magor & Co., Ltd.	611	Dilmah	27	10	1 0	4 8	6 0		12	Y.P.
5,60,500	9,82,000	19,95,351	13,34,010	1,64,360	Williamson Magor & Co., Ltd.	615	Dufflaghur	41½	10	2 0	4 0	5 0		12	Y.P.
10,00,000	5,40,000	23,25,313	9,78,312	78,633	Williamson Magor & Co., Ltd.	1,160	East India Tea	23½	10	0 4	2 8	3 8		12	Y.
3,50,000	3,50,000	4,33,590	2,07,205	5,997	L. C. Kanoi, Esq.	407	Gillapukri	31½	10	Nil	1 8	2 8		12	Y.
3,38,000	5,05,000	8,25,214	4,39,235	88,216	Williamson Magor & Co., Ltd.	546	Gohpur	41	10	1 8	3 0	5 0		12	Y.
4 7,41,540	7,25,000	7,25,000	7,25,000					34	A 10	2 0	3 0	5 0			
B 5,51,185	15,26,250	30,58,902	6,17,945	56,376	Octavius Steel & Co., Ltd.	1,912	Grob	18½	B 5	1 0	1 8	2 8		12	Y.
2,00,000	8,75,000	7,76,574	2,63,300	84,780	Andrew Yule & Co., Ltd.	476	Hoograjuli	36N	10	1 8	3 0	9 0		12	Y.
8,70,000	11,47,716	13,90,576	10,80,337	1,45,234	Andrew Yule & Co., Ltd.	1,298	Hoolangooree	272N	100	Nil	12 8	55 0		12	Y.
7,50,000	7,85,000	14,15,643	2,57,360	97,136	Gillanders Arbuthnot & Co., Ltd.	1,067	Jutilbari	28½	10	Nil	4 8	3 8		12	Y.P.
2,40,000	4,65,000	11,47,523	6,37,220	6,193	G. D. Kothari, Esq.	1,166	Kingsley-Golaghat (Assam)	335½	100	Nil	Nil			12	P.Y.
6,50,000	6,59,133	7,20,222	1,70,222	44,588	Duncan Bros. & Co., Ltd.	1,046	Ledo	21½	10	Nil	2 0	2 12		12	Y.
3,00,000	11,40,000	19,48,410	4,74,285	45,532	Octavius Steel & Co., Ltd.	612	Mahtoni	19½	10	Nil	1 8	4 8		12	Y.
2,80,000	2,50,000	9,01,153	1,01,153	10,712	Duncan Bros. & Co., Ltd.	673	Mohseema	26	10	Nil	Nil	Nil		12	Y.P.
1,50,000	7,22,434	7,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	3¼	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,855	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	8½	3	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	19½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson, Esq.	Consolidated Coffee	25½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,704	7,754	Associated Planters Ltd. ..	Cottanad Plantations	15	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,95,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce	16	10	1 0	1 4	2 8		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	27	10	2 0	2 0	2 0	2 12	4	Y.P.
9,00,000	7,28,329	18,44,917	2,55,893	....	K. T. Thomas Kathanar, Esq.	Malankara Rubber	27	10	3 8	5 8	2 4	2 4	3	Y.
27,00,000	29,30,000	74,32,314	7,74,629	1,45,508	A. V. Thomas & Co., Ltd. ..	Midland Rubber	18½	10	1 8	1 8	1 12*	2 8	3	Y.P.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd. ..	Neumeny Rubber	21½	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	2,50,000	7,20,295	44,183	8,060	Associated Planters Ltd. ..	Nilambur Rubber Co.	13	10	1 0	1 0	1 0		12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	4–14½	2	0 3½	0 4	0 9 3/5	0 6 2/5	10	Y.P.T.
13,50,000	7,80,000	40,92,283	3,91,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	21½	10	1 8	1 12*	1 12*	2 0	6	Y.P.
3,66,780	2,50,000	5,94,562	49,313	89,904	Peirce Leslie & Co., Ltd. ..	Savannah Estates Ltd.	27½	10	3 8	3 0	2 8		11	Y.
10,00,000	3,98,340	22,01,120	1,35,329	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	10½	10	0 14½	0 14 2/5	0 12	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	5,20,518	27,825	15,715	A. V. George & Co., Ltd. ..	Thamaraipally Rubber	29½	10	2 0	3 0	3 0		12	Y.P.
6,10,200	3,00,005	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2–3½	1	0 4	0 4½	0 1 3/5	0 2	9	Y.
6,00,000	46,474	7,49,611	1,11,200	3,744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	23½		2 0	2 0	2 0		12	Y.
41,00,000	14,29,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore)	Travancore Rubber and Tea Co., Ltd.	12½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
20,00,000	90,000	25,53,398	5,65,978	2,275	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	36½	25	2 8	3 0	1 8		12	Y.
6,28,580	4,40,670	7,77,154	14,119	21,363	Harrisons & Crosfield Ltd. ..	Valkundam (Travancore) Rubber ..	26½	10	2 0	2 0	2 4		12	Y.
1,65,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	10½	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
80,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12½	10	1+1	1+1	1+1	1+	3, 9	H.T.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,096	McLeod & Co., Ltd.	446	Alexandra	245xd	100	*Nil*	*Nil*+2½	2½+5		6, 12	H.P.T.
20,00,000	9,84,130	1,17,45,064	91,71,009	2,65,797	McLeod & Co., Ltd.	1,264	Alliance	141	100	*Nil*	*Nil*+5	6+6		6, 12	H.P.
49,20,700	72,00,000	2,72,98,335	1,87,90,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	195	100	10+10	7+5	2½+5	5+3½	3, 9	H.P.
40,00,000	42,94,285	1,73,44,642	88,94,896	9,783	Bird & Co., Ltd.	810	Auckland	186	100	5+4	2+2	1+2½	6+4	3, 9	H.P.T.
20,00,000	24,80,760	98,35,925	65,94,459	7,778	Jardine Henderson & Co. ..	950	Bally	146	100	*Nil*	4+*Nil*	*Nil*	3½+	3, 9	H.P.
£275,000	£631,523	£1,556,539	£1,003,227	£54,858	Sir John H. Burder (Chairman)	1,889	Barnagore	146	£5	£1	£1	2½	2½	3	Y.P.
28,000,000	32,30,123	92,27,342	49,03,231	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	174	100	7½+7½	7½+7½	5+5	5+2½	6, 12	H.P.
45,00,000	86,45,000	55,78,391	29,80,823	2,95,071	F. W. Heilgers & Co., Ltd. ..	600	Bengal	18	10	1	1½	1½		6	Y.P.T.
91,26,000	2,15,77,044	3,32,32,892	29,72,760	3,12,630	Birla Bros., Ltd.	1,373	Birla	14	10	3	1	1	1	6	Y.P.
36,00,000	27,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	174	100	6½+6½	6+4	4+5	5+2½	4, 10	H.P.
7,47,380	3,16,924	42,43,494	30,99,548	35,424	Davaram & Sons	502	Calcutta Jute Mfg. ..	13	10	0+8	*Nil*	1+1		6, 12	H.P.T.
18,00,000	30,46,234	87,18,271	41,48,795	6,248	Andrew Yule & Co., Ltd. ..	616	Caledonian	14	10	6+6	6+6	4+5	4+2½	5, 11	H.
59,16,400	98,58,404	2,22,41,517	1,07,46,003	1,30,505	James Finlay & Co., Ltd. ..	2,920	Champdany	150	100	7+8	3+3	*Nil*+3	4+6	3, 9	H.
15,95,000	23,39,282	81,34,655	36,60,175	2,615	Andrew Yule & Co., Ltd. ..	530	Cheviot	220	100	6+6	6+6	6+8	6+4	5, 11	H.P.
30,15,000	28,25,000	60,73,514	46,91,290	1,52,252	McLeod & Co., Ltd.	500	Chitavalsah	11½	10	2½+1½	1½+1	1+1	1	6, 12	H.T.P.
16,00,000	24,00,000	78,22,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	18	10	2	*Nil*	*Nil*		6, 12	Y.P.
31,49,200	61,22,303	1,34,26,320	84,46,601	1,066	Bird & Co., Ltd.	766	Dalhousie	120xd	100	6+1	1+3	1+1½	1-4x	3, 9	H.P.T.
23,00,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd. ..	779	Delta	240	100	10+10	10+10	6+6	5+5	6, 11	H.P.
15,00,000	33,50,000	81,98,824	59,15,660	1,43,894	McLeod & Co., Ltd.	500	Empire	21½	10	1½+1½	1½+1½	1½+1½	1½+1½	6, 12	A.T.P.
21,00,000	59,50,176	2,72,22,333	1,87,05,841	71,982	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	390N	100	10+*Nil*	*Nil*	*Nil*+5	10+5	3, 9	H.P.T.
14,00,000	17,75,000	84,16,102	53,69,759	1,16,743	Bangur Bros., Ltd.	1,014	Fort William	24	10	*Nil*	*Nil*+5	10+10	10+10	3, 9	H.T.P.
84,32,100	1,66,021	2,03,72,498	1,32,68,885	84,782	Macneill & Barry Ltd.	1,709	Ganges Mfg.	70	100	*Nil*	*Nil*+*Nil*	*Nil*+1	2½+*Nil*	3, 9	H.P.
10,80,000	28,00,000	71,52,983	48,45,922	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,300	200	30	15	*Nil*		12	Y.
24,00,000	33,38,400	2,12,33,183	1,65,13,218	57,208	Macneill & Barry Ltd.	2,000d	Goorepore	1,394	100	11½+*Nil*	*Nil*+3½	2½+7½	7½+7½	3, 9	H.P.
40,00,000	55,68,234	99,03,890	57,88,999	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10	10	10+10	11½	3, 9	H.
16,80,000	18,52,626	66,38,235	45,31,418	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	42	10	1½	1½	½		3	Y.P.
56,52,500	64,54,523	1,58,96,983	1,08,71,020	92,110	Jardine Henderson Ltd.	1,949	Howrah	10	10	1½	1½	1½	½+	3, 9	H.P.
52,50,000	23,00,000	2,58,15,937	1,54,15,937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	30	10	7½	5	2	2	3	Y.P.T.
O. 87,00,000	16,55,558	1,23,66,655	78,55,428	7,731	Mackinnon Mackenzie & Co.	1,076	India	153	O. 125	3½+3½	3½+3½	*Nil*+3½	3½+1½		
D. 30,000									D. 1	As.½+½	a2½+2½	*Nil*+a2½	a2½+1½	3, 9	H.
24,00,000	23,52,233	1,37,58,585	1,23,68,657	24,686	Jardine Henderson Ltd.	1,797	Kamarhatty	157	100	8½+6	6+3	3+6	2½+		
B. 19,20,000								136	'B' 100	8½+6	6+3	3+6	2½+	6, 12	H.P.
30,00,000	18,77,539	1,32,79,025	99,85,481	19,297	Jardine Henderson Ltd.	1,527	Kankanarrah	138	100	6+4	5+2½	2½+4	1+	6, 12	H.P.
B. 24,00,000								118	'B' 100	6+4	5+2½	2½+4	1+		
21,00,000	49,50,000	1,12,88,750	79,26,276	1,70,687	McLeod & Co., Ltd.	703	Kelvin	280	100	7½+7½	7½+7½	10+10		6, 12	H.P.
54,00,000	23,33,375	1,71,07,938	1,15,44,627	57,501	Anderson Wright Ltd.	1,539	Khardah	171	100	10+15	10+7½	7½+5	7+	3, 9	H.P.
48,00,000	1,04,27,157	2,31,57,457	1,12,99,755	52,710	F. W. Heilgers & Co.	1,250	Kinnison	185xd	100	10+7	4+7	2½+5	7+6	3, 9	H.P.T.
24,48,000	49,37,000	1,39,32,208	86,55,707	10,707	Bird & Co., Ltd.	931	Lansdowne	126xd	100	7+3	2+5	1+1	5+2	3, 9	H.P.
25,00,000	56,39,479	1,16,02,741	64,08,985	2,164	Bird & Co., Ltd.	840	Lawrence	144xd	100	11+4	2+3	2+4	5+1	3, 9	H.P.
81,65,200	25,04,412	2,01,00,682	1,24,40,304	10,614	Mackinnon Mackenzie & Co.	1,008	Mesna	90xd	100	2½+2½	2½+2½	*Nil*+2½	2½+1½	3, 9	H.
29,98,900	38,14,451	1,84,76,420	98,31,406	—3,19,252	F. W. Heilgers & Co.	815	Naihati	104	100	6+*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	18½	10	2+1	1+1	1+1	1+1	3, 9	H.
35,00,000	43,29,326	29,10,124	10,08,222	70,554	Andrew Yule & Co., Ltd. ..	852	National	26½	10	2+1	*Nil*+½	1+1	1+	4, 10	H.T.
26,25,000	24,50,000	26,32,794	20,20,619	1,48,752	McLeod & Co., Ltd.	316	Nellimarla Jute	11½	10	2+1	1+1	1+1	1+1	4, 10	H.P.
31,50,000	34,13,033	50,02,515	25,21,978	2,01,618	Sahu Ltd.	709	New Central	25½	10	10+12	12+12	12+5		6, 12	H.P.
16,79,880	48,95,164	1,17,37,858	48,80,655	46,862	Bird & Co., Ltd.	567	Northbrook	23½	10	1+1	1+1	1+1	1+1	3, 9	H.P.T.
66,79,500	28,30,793	2,12,69,608	1,39,37,804	58,273	Macneill & Barry Ltd.	1,092	Nuddea	41	50	1+*Nil*	*Nil*+1	*Nil*+½	1+½	5, 9	H.
24,91,000	29,51,049	72,46,385	50,35,990	5,794	Andrew Yule & Co., Ltd. ..	601	Orient	165	100	1+6	6+6	6+5	5+4	5, 11	H.P.
25,00,000	6,23,468	80,72,591	63,77,961	1,03,954	McLeod & Co., Ltd.	400	Presidency	5½	5	*Nil*	*Nil*+1	1+½		6, 12	H.T.
20,00,000	1,44,936	26,56,830	8,89,130	—12,16,988	Birla Bros. Ltd.	305	Rameshwara	6½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.P.
49,50,000	1,23,99,238	1,23,99,238	58,56,586	45,581	Jardine Henderson Ltd.	1,270	Rallance	10½	10	*Nil*	1+½	*Nil*	*Nil*+	3, 9	H.P.T.
£500,000	£1,093,713	£1,236,315	....	£88,658	Thomas Duff & Co. (India) Ltd.	2,013	Samnuggur	18	£1	10%	10%	10%	8%11	3, 9	H.P.
30,00,000	18,12,193	1,04,21,440	78,39,904	38,764	Bagaria More & Co., Ltd. ..	911	Shree Ambica	15	10	1+½	*Nu*+½	1+1		12	Y.P.
14,00,000	11,08,733	66,05,602	31,22,593	1,66,758	Hindustan Investment Corporation.	401	Soorah	19½N	10	*Nil*	1	1+1		3, 9	H.P.
25,15,000	42,44,180	1,30,76,167	51,18,668	—2,75,291	Bird & Co., Ltd.	650	Standard	120	100	8+1	1+1	1+1	1+*Nu*	3, 9	H.P.
£600,000	£925,119	£990,895	....	£110,316	Thomas Duff & Co. (India), Ltd..	1,794	Titaghur	13	£1	10%	10%	10%	8%11	3, 9	H.P.
35,98,600	98,14,833	1,95,40,009	81,71,517	14,181	Bird & Co., Ltd.	1,328	Union	175xd	100	10+1	1+4	1+5	5+5	3, 9	H.P.T.
£400,000	£688,035	£1,092,723	....	£97,816	Thomas Duff & Co. (India) Ltd.	1,331	Victoria	12½	£1	10%	10%	10%	8%11	12	Y.P.
2,50,000	4,95,000	55,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	5½	1	*Nil*	*Nil*+½	1+½		6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	88,026	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23½	10	½+½	½+½	½+½	½+	3, 9	H.
12,00,000	8,62,573	38,78,477	36,13,477	22,703	Jardine Henderson Ltd.	Bararee Coke	19½	10	½+½	½+½	½+½	½+	3, 9	H.
4,49,350	70,000	8,49,159	5,40,996	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	5½xd	10	½+½	½+½	½+7/10	½+7/10	3, 9	H.
1,00,00,000	1,34,22,250	5,51,71,227	3,32,07,119	7,80,965	Andrew Yule & Co., Ltd. ..	Bengal Coke	545	200	20+20*	17½*+15*	15*+15*	17½*+	4, 10	H.P.
2,25,000	4,77,174	24,81,806	22,28,968	....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	15	10	½+½	½+½	*Nu*	*Nil*	3, 9	H.P.
15,97,000	4,78,358	37,70,192	22,77,364	13,408	H. V. Low & Co., Ltd.	Bhalgora	6	10	½+½	½+½			6, 12	H.P.
40,00,000	14,51,110	1,80,10,104	66,86,790	13,544	Sahu Jain Ltd.	Bharas Collieries	8½	10	½	½	½		9	Y.
7,15,000	15,09,580	52,49,025	37,09,987	—1,65,136	F. W. Heilgers & Co. Ltd. ..	Bhulanbararee	142	10	½ *Nu*	*Nu*	*Nu*	*Nu*+	6	Y.T.P.
16,00,000	16,17,936	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur	124N	10	*Nu*				6, 12	H.
7,50,000	32,50,000	42,07,858	25,07,691	86,057	F. W. Heilgers & Co., Ltd. ..	Borree	27½	10	1	1½	1½		6, 12	H.P.
90,22,480	1,76,70,554	4,16,32,554	1,80,95,440	1,40,510	Bird & Co., Ltd.	Burrakur	14½	10	11*+11*	11*+11*	1+1	1+	6, 12	H.P.
4,97,750		39,62,720	3,82,645	14,019	Hindustan Investment Corpn., Ltd.	Central India	7½	10	½+½	½+½	½+½	½+	6, 12	H.P.T.
8,00,000	13,54,302	49,10,414	32,63,954	88,783	M.	Central Kurkend	11½N	10	½+½	½+½	½+½	½+	3	Y.
5,00,000	1,43,698	7,38,438(k)	....	12,201	F. W. Heilgers & Co., Ltd. ..	Churliaj	3½	4	½+½	½+½			6, 12	H.
16,00,000	1,20,000	52,57,321	28,91,190	—2,43,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	½+½	½+½	½+½	½+	6, 12	H.
£240,000	£380,653	£686,945	£702,277	£59,787	Jardine Henderson, Ltd.	East Indian	32	£1	*Nil*	*Nu*	*Nu*	*Nu*+	6, 12	H.P.
26,25,750	76,54,350	3,59,97,499	2,87,14,557	93,256	Macneill & Barry Ltd.	Equitable	32½	10	38(f)	½+½	½	½	3	Y.
10,00,000	2,15,000	10,76,864	3,73,963	11,273	Phatter's Agency Ltd.	Ghusick and Muslia	14N	10	2 +1½	1 + ½	½ + ½	½+	6, 12	H.P.T.
12,00,000	1,22,000	39,02,565	20,99,824	2,258	Killick Industries Ltd.	Hingir-Rampur	48	50	½	½	½	½	3	Y.
8,00,000	6,75,000	31,43,057	18,61,314	55,451	Macneill & Barry Ltd.	Hurriadih	22	10	½	½	*Nu*	2 4	6	Y.P.
22,00,000	1,12,060	24,74,412	6,18,546	—5,57,293	Bajpale Trust Ltd.	Jogta Coal	2½	10	½	½	½ + ½	½+	6, 12	H.
2,50,000	2,07,448	13,53,458	7,06,130	....	Andrew Yule & Co., Ltd. ..	Kalapahari	18½N	10	½+½	½+½	*Nu*		12	Y.
20,00,000	17,355	29,07,891	3,45,150	2,661	H. V. Low & Co., Ltd.	Karanpura Collieries	14N	100	½+½	½+½	*Nu*	*Nu*	2, 8	H.
5,00,000	15,60,000	45,16,229	35,55,877	1,96,123	Andrew Yule & Co., Ltd. ..	Katras Jherriah	61½	10	*Nu*	*Nu*	*Nu*	*Nu*	3, 9	H.
1,88,400	5,72,960	12,85,941	5,72,960	—2,60,226	Beriwala & Co.	Khas Kajora	4N	10	2 + 2	2 + 2	2 + 2	2½+3	1, 7	H.
11,00,240	64,814	16,72,961	10,41,933	—41,280	H. V. Low & Co., Ltd.	Kunardi	4N	10	*Nu*	*Nu*	*Nu*		6, 12	Y.
9,00,000	11,86,413	28,09,268	22,97,367	2,255	H. V. Low & Co., Ltd.	Lakurka	9N	10	½	½	½		6	Y.
7,46,540	2,00,000	12,18,473	9,23,179	11,096	Tantia Brothers Ltd.	Nagra	6½	10	½	½			4	Y.
7,00,000	26,617	10,33,740	5,26,296	4,560	Amritlal Ojha & Co., Ltd. ..	NewJBansdeopur	84xd	10	½	½			12	Y.
17,76,280	19,41,763	1,17,25,493	87,10,713	98,473	Andrew Yule & Co., Ltd. ..	New Beerbhoom	19½	10	½	½			3, 9	H.
8,00,000	88,000	25,44,928	16,65,990	36,426	Octavius Steel & Co., Ltd. ..	New Manbhoom	7½	10	*Nu*+½	½ + ½	½ + ½	½ + ½	4, 10	H.P.
1,15,000	2,55,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd. ..	North West	18xd	10	½ + ½	½ + *Nu*	½ + *Nu*	*Nu* +	3, 9	H.
1,57,500							16½xd	10	½ + ½	½ + *Nu*	½ + *Nu*	½ + ½		
1,50,000	12,21,853	3,97,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd. ..	Ondal	7½	10	½ + ½	½ + *Nu*	½ + *Nu*	½ + ½	3, 9	H.
10,00,000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	17N	10	1 + 1	1 + 1	½ + ½	½+	6, 12	H.P.
8,34,000	12,942	17,42,596	8,01,923	7,443	Deepchand Kishenlall	Parasea	9N	10	½	½		½+	6, 12	Y.
15,75,000	15,00,000	46,12,471	34,09,871	83,203	Shaw Wallace & Co., Ltd. ..	Pench Valley	22½	10	½ + ½	½ + ½	½ + ½	½+	6, 12	H.
23,99,500	15,97,105	1,19,38,339	83,32,515	33,018	N. B. Elias & Co., Ltd.	Raneegunge	11½	10	½ + ¼	½ + ½	½ + ½	½+	6, 12	H.
13,50,000	8,58,385	35,36,765	27,73,764	28,521	Shaw Wallace & Co., Ltd. ..	Rewa	22½	10	*Nu*	*Nu*	½ + ½	½+	3, 9	H.
20,00,000	3,95,008	28,32,218	15,30,500	438	Jalpuria Sons Ltd.	Samla Collieries	12½N	10	½ + ½	½ + ½	½ + ½	½+	6, 12	H.
1,25,000	1,95,302	13,78,490	12,21,227	21,070	M.	Seamole	7½xd	10	½	½	½	½+	6, 12	Y.
2,80,000	7,38,598	29,87,021	18,41,629	40,187	Andrew Yule & Co., Ltd. ..	Seebpore	2½	10	½	½	½	½+	6, 12	Y.
8,00,000	9,46,689	....	52,491	28,867	F. W. Heilgers & Co., Ltd. ..	Sendra	30	7	2 + ½	½ + ½	½ + ½	½+	3, 9	H.P.
63,31,450	18,96,060	3,82,71,101	2,55,58,501	—4,46,968	Industrial Trust Fund (Government of Hyderabad)		10N	10	*Nu*	*Nu*	*Nu*+½	½+	6, 12	H.P.
17,80,000	10,84,016	37,86,106	15,14,990	—51,588	Bird & Co., Ltd.	Singareni	9½	10	½	½	½	½+	6, 12	H.
5,00,000	13,99,545	1,60,570	95,510	1,937	F. W. Heilgers & Co., Ltd. ..	South Karanpura	10½	10	½ + ½	½ + ½	0–11 1/5		12	Y.P.
10,00,000	12,950	30,62,229	15,43,502	—4,07,745	Standard	Talcher	21½	10	½ + ½	½ + ½	*Nu*+½	½+*Nu*	2, 8	H.
2,50,000	3,59,000	18,66,784	14,07,784	47,938	Villiers Ltd.	Williamson Magor & Co., Ltd. ..	3	2½	½ + ½	*Nu* + ½	*Nu* + ½	*Nu*+	6, 12	H.
49,98,000	7,90,000	49,06,858	18,91,545	81,934	Williamson Magor & Co., Ltd. ..	Union	15	10	*Nu*	*Nu*	*Nu*	*Nu*+	6, 12	H.
7,00,000	1,38,190	55,22,133	22,66,961	122	Hindustan Investment Corpn., Ltd.	Western Bengal	7½	10	1½+1½	1 + ½	½ + ½	½+½	6, 12	H.
					Macneill & Barry Ltd.	West Jamuria	14½	10	½ + ½	½ + ½	½ + ½	½+	6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (x) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(f) Made up of an interim dividend of Re. 1-12 per

Notices

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held at its Registered Office on Saturday the 31st day of March 1956 at 11-30 a.m. (S.T.), when the following Resolution will be proposed and if thought fit passed as a Special Resolution:

"RESOLVED that the Company hereby consents to New Textiles Ltd., a Private Company of which Mr. Surajratan Damani, a Director of this Company, is a Director and a member, continuing to hold its office or place of profit as the Sole Selling Agent of the Company."

An Explanatory Statement in respect of the above Resolution is sent to each shareholder by post.

The Agreement dated the 5th day of June 1951 between the Company and New Textiles Ltd., under which the Company has appointed New Textiles Ltd. as its Sole Selling Agent, is open for inspection by you at the Registered Office of the Company between 11 a.m. and 4 p.m. (S.T.) on working days.

By Order of the Board,
For THE SIMPLEX MILLS CO., LTD.,
For FORBES FORBES CAMPBELL & CO., LTD.,
F. H. KEMPLE,
Director,
Agents.

FORBES BUILDING,
HOME STREET, FORT,
BOMBAY, 6*th March* 1956.

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 31st March 1956 to the Registered holders as at that date, interest due on the Preference Shares for the year ended that date at the rate of 6 per cent. per annum.

Preference Share Transfer Register will be closed from 28th March 1956 to 31st March 1956, both days inclusive.

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

COCHIN, *2nd March* 1956.

THE BANKURA DAMOODAR RIVER RAILWAY COMPANY, LIMITED

THE FORTY-NINTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Wednesday, the 28th March 1956, at 4-25 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March 1955.
2. To declare a Dividend.
3. To elect Directors.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 19th to 28th March 1956, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 10*th March* 1956.

Note.—Payment of the proposed dividend, if declared, will be made on or after 18th April 1956 to those members whose names are registered in the Books of the Company on 28th March 1956 or to their Mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE BURDWAN CUTWA RAILWAY COMPANY, LIMITED

THE FORTY-NINTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Wednesday, the 28th March 1956, at 4-15 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March 1955.
2. To declare a Dividend.
3. To elect Directors.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 19th to 28th March 1956, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 10*th March* 1956.

Note.—Payment of the proposed dividend, if declared, will be made on or after 18th April 1956 to those members whose names are registered in the Books of the Company on 28th March 1956 or to their Mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE AHMADPUR KATWA RAILWAY COMPANY, LIMITED

THE FORTY-EIGHTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Wednesday the 28th March 1956, at 4-20 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March 1955.
2. To declare a Dividend.
3. To elect Directors.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 19th to 28th March 1956, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 10*th March* 1956.

Note.—Payment of the proposed dividend, if declared, will be made on or after 18th April 1956 to those members whose names are registered in the Books of the Company on 28th March 1956 or to their Mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

THE TEXTILE MACHINERY CORPORATION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Textile Machinery Corporation Ltd. will be held at 8, Royal Exchange Place, Calcutta, on Thursday the 29th day of March 1956, at 3-30 p.m., to consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:—

"Resolved that the Articles of Association of the Company be amended in manner following.

In Article 81, in line three, Rs. 200 be substituted in place of Rs. 50."

By Order of the Board,
BIRLA BROTHERS LTD.,
Managing Agents.

CALCUTTA, *2nd March* 1956.

THE UNITED COMMERCIAL BANK LIMITED

Registered Office:
Bhagirath Palace, Chandni Chowk, DELHI
Head Office:
2, Royal Exchange Place, CALCUTTA 1

NOTICE

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH ORDINARY GENERAL MEETING of the Shareholders of THE UNITED COMMERCIAL BANK, LIMITED, will be held at the Head Office of the Bank at 2, ROYAL EXCHANGE PLACE, CALCUTTA, on Wednesday the 28th March 1956, at 4 p.m., to transact the following business:

1. To receive the Report of the Directors and the Audited Balance Sheet as on 31st December 1955, and Profit and Loss Account for the year ended 31st December 1955.
2. To declare a Dividend.
3. To elect four Directors in the place of Shri G. L. Bangur, Shri P. D. Himatsingka, Shri M. L. Dahanukar and Shri M. L. Shah who retire under Article 95 of the Articles of Association of the Bank, and, being eligible, offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To consider the following as a Special Resolution:

"RESOLVED that the employment in the Bank of the following persons, who are relatives of Directors of the Bank, be and is hereby approved:

1. Nirodie Kumar Seal—Sister's son of Mr. A. C. Law, Director.
2. G. H. Wandrekar—Sister's son of Mr. M. L. Dahanukar, Director."

By Order of the Board,
S. T. SADASIVAN,
General Manager.

CALCUTTA, 3*rd March* 1956.

N.B. (i) The transfer books of the Bank will be closed from Thursday the 8th March 1956 to Wednesday the 28th March 1956, both days inclusive.

(ii) The dividend, if sanctioned, will be payable on or after 2nd April 1956, to those Shareholders whose names appear in the Register of Members on Wednesday the 28th March 1956.

(iii) Dividend Warrants will be posted to shareholders at their registered addresses or in accordance with their mandates. Shareholders are requested to advise change in their addresses, if any.

THE KALIGHAT FALTA RAILWAY COMPANY, LIMITED

THE FORTY-SEVENTH ORDINARY GENERAL Meeting of the Shareholders will be held at the Registered Office of the Company, No. 3, Netaji Subhas Road, Calcutta, on Wednesday the 28th March 1956, at 4-30 p.m., to transact the following business:—

1. To receive the Directors' Report and the Auditors' Report and to pass the Accounts for the year ended 31st March 1955.
2. To declare a Dividend.
3. To elect Directors.
4. To elect Auditors and fix their remuneration.

The Share Transfer Books of the Company will be closed from the 19th to 28th March 1956, both days inclusive.

By Order of the Board,
McLEOD & Co., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 10*th March* 1956.

Note.—Payment of the proposed dividend, if declared, will be made on or after 18th April 1956 to those members whose names are registered in the Books of the Company on 28th March 1956 or to their Mandatees.

Applications for warrants will not be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

COMMERCE

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

VOL. XCII. No. 2350 BOMBAY, 17th MARCH 1956 PRICE Rs. 1/8

Commerce
A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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DEFICIT FINANCING—NEED FOR MINIMISING THE RISKS

IT is not surprising that, in the Houses of Parliament and outside, considerable concern is being expressed over the prospect of the large volume of deficit financing contemplated in the first year of the second Plan. As readers are aware, the budget for 1956-57 discloses an overall deficit of Rs. 356 crores—Rs. 360 crores, to take a round sum—even after taking into account the new taxes, which are expected to yield a sum of about Rs. 35 crores. This is, indeed, a big deficit and the concern expressed is understandable, especially because the situation today is less favourable than it was a year ago when the deficit to be covered stood at Rs. 327 crores. The Finance Minister himself is fully conscious of the risks involved in undertaking deficit financing of this magnitude. Said he in his budget speech on 29th February:

"There is not, at the moment, any great slack left in the economy which would justify anything more than a reasonable amount of deficit financing. Up to a point, deficit financing is not only permissible, but even desirable in a developing economy. Experts differ as to the permissible limit, but it would be quite unrealistic to assume that deficit financing of this order can be maintained for any length of time without inviting inflation. The road to inflation is easy enough, but it opens floodgates which it would later be impossible to close. We are, in fact, taking a measure of risk with deficit financing proposed for 1956-57 and we shall have to watch its effects carefully and adjust subsequent programmes in the light of these effects."

Further evidence of the Government's realisation of the consequence of deficit financing was given by Mr. Deshmukh in his reply to the debate on the budget in the Rajya Sabha on the 8th inst., and more of it will be available when he winds up the general debate in the Lok Sabha shortly after this issue goes to print. Nevertheless, it is better to let the country have a broad picture of the extent of risk that is being taken and how that risk could be minimised.

Over the year, the climate for deficit financing, as already stated, has worsened. In the first place, since May last, there has been a steady rise in commodity prices. From a low level of 342, the wholesale price index (Base: year ended August 1939=100) has climbed up to 378 (mid-February), an increase of over 10 per cent. The upward trend continues, with little sign of any break in the near future. The rise which has taken place is more than that needed to offset he sharp fall in prices that occurred towards the close of 1954 and early in 1955. What is rather disquieting is the marked increase in the prices of such essential articles as foodgrains, vegetable oils and clothing. The index of food prices has advanced from 276 in May last to 329, that of vegetable oils from 330 in April last to 426 and that of textiles from 402 in October last to 409. The unbroken rise in price levels is the outcome of supply of goods not catching up with the increase in demand. In the case of foodgrains, there has actually been a contraction in supply, with the result that it has become necessary to reimpose the ban on exports and to arrange for larger imports. At the time of writing, there are optimistic reports that the forthcoming crops would be bumper; but, as yet, they have made no significant impression on the trend of foodgrain prices.

The world supply of commodities is no doubt plentiful, but, as world commodity prices, particularly prices of essential commodities such as wheat, rice and cotton, are well above those in India, its effect on the inflationary situation in this country caused by deficit financing can be felt only after the internal prices rise to world levels. It is needless to add that any such increase in prices will add to the cost of economic development. The alternative to this will be to subsidise the distribution of imported commodities among domestic consumers. But this, too, will require substantial sums which, in turn, will cut into the resources available for development. The position in regard to some of the basic materials such as steel and cement is worse than that of foodgrains and clothing, in that there is definite scarcity of these commodities in India. Efforts are being made to close the gap through imports. It remains to be seen how far they will succeed. Apart from the fact that world prices of these materials are appreciably higher than domestic prices, their availability is difficult.

It is obvious that, in a situation such as the one described above, deficit financing of the order now contemplated will lead to a big rise in prices, other things remaining the same. That will be so in theory at any rate. But, actually, it may not turn out to be so bad, for other things may change and the extent of increase in prices may be less than what is feared. The supply of goods, for instance, may increase or the velocity of money may go down, thanks to a part of the newly created purchasing power being hoarded or attracted by borrowings, not to mention taxes. If Dame Nature helps us by being kind enough to ensure fair weather throughout the year, there may be an increase in agricultural output. It is thus not easy to foresee quite clearly the extent of damage that may be inflicted on the rupee's purchasing power by the deficit financing now contemplated. But prudence demands that one should proceed to meet the situation on the assumption that deficit financing of Rs. 360 crores would actually materialise and that the worst might happen. It is in this context that there is good reason to fear that the Government's economic policy is not realistic and accentuates the risk of deficit financing. Its thinking is more on negative than on positive lines.

Answering the question as to what safeguards the Government is taking, the Finance Minister said in the Rajya Sabha:

"I can assure the House that I shall be careful. We know which indicators to study and watch. A little more experience has been gathered and we shall see how we get along. This is also the reply to those who state that Rs. 1,200 crores (for the whole Plan period) is too high a figure for deficit financing in the Plan. This is a matter of 'marco planning' as we say. Afterwards, all these things have to be split up into their different phases. Since we have already made a beginning, the immediate programme before us in the next year's time is to find out what this measure of deficit financing, minus the shortfall in expenditure, has done to our economy. If we find then that there are danger signals, that the red light has gone up, then we shall have to take notice and devise such measures as are practicable. Hon'ble members often ask: What are those measures? One answer can be given out of the textbooks on economics. Another answer can be given out of the experience of various other countries which are dealing with incipient inflationary situations in their own countries. My general answer is that we are now fairly familiar with fiscal, monetary and physical measures which enabled the country to deal with an incipient inflation. We have had a little experience ourselves. In 1952, we were charged with having somewhat overdone

this particular deflationary policy. Therefore, I am confident that when the time comes, we shall be able to check inflationary tendencies before too great a harm is done to the economy of our country."

One cannot help feeling that the aforesaid reply suffers from a tone of overoptimism and overconfidence in the efficacy of such negative measures as physical, monetary, and fiscal controls. In the first place, the quantum of deficit financing contemplated is very much more than what the country has already had in any one year; for 1956-57, it is nearly twice as much as it was in 1955-56, which has led to a rise of more than 10 per cent. in prices. Similarly, for the whole of the second Five-year Plan, it is nearly thrice as much as it was in the first Plan. Secondly, the 1951-52 experiment in monetary measures against inflation coincided with a depression all over the world as a sequel to the Korean war boom. There is no certainty that, when similar measures are taken in future, the world situation will once again oblige us. Thirdly, the three years following 1951-52 witnessed good monsoons which served to bring about a marked increase in agricultural production. One cannot be sure that the cycle will not turn against us just at the time when inflation gathers momentum. And fourthly—this is very important—the economic policies followed by the countries which Mr. Deshmukh has in mind are not so unrealistic as those of the Government of India, so that what applies to them may not equally effectively apply to India. They do not have, for instance, such contradictions in their economic policy as cottage industries *versus* large-scale industries and desire for rapid industrialisation *versus* desire to kill the rich, or opposition to monetary incentives. Further, the countries referred to by Mr. Deshmukh do not practise such ideological measures as prohibition which result in loss of valuable source of revenue, in unproductive employment and in a decline in the respect for law. Above all, they do not put a premium on uneconomic means of production as this country does.

It is obvious that the Government is thinking mainly in terms of physical controls for keeping inflation under check. Past experience tells us that physical controls will not be sufficient; they will not be effective in a vast country like India where the administrative machinery is weak and is being asked to take up, on top of it, many economic functions from which it was free in the past when there were no controls. What is more, such controls will weaken the moral fabric of the country which has already suffered a serious setback as a result of the war and early post-war inflation. They will make the party-in-power unpopular with the people and undermine the chances of its victory in the elections that will follow. Let it not be forgotten, in this connection, that, if the vast majority of masses are satisfied with the rule of the Congress Party today, it is because of the removal of controls on food and clothing. Mr. Deshmukh and his colleagues will do well to remember that the political stock of Rajaji and the late Kidwai, which was low at one time, suddenly went up because they had the courage to remove these controls. The Government's objective must, therefore, be to rely on physical controls only in the last resort. It must avoid such restrictive regulations as far as possible by adopting suitable measures for bringing about an early increase in the production of food, cloth and other essentials of life, and for moving these goods promptly from centres of production to those of consumption. The present policy of the Government in these respects is not conducive to such a development. The production of cloth by mills is being frozen at current levels, in order to promote the handlooms; similarly the output of yarn by mills is being sought to be restricted in order to prop up the *Ambar Charka*. Development of road transport is being retarded by the nationalisation programmes of the State Governments, by penal rates of taxation and by inadequate attention to road building. The expansion of rail transport is not going to be on a scale necessary to meet the demands that will arise as a result of increase in population and in production of goods. Unless something effective is done to remove these bottlenecks, and that without any further delay, deficit financing of the order envisaged in the budget for 1956-57 and in the Second Plan will subject the people to severe hardship and seriously undermine the value of the rupee.

TEA IN TROUBLE

THE transformation that has taken place in the fortunes of Indian tea industry during the last two years denotes that the industry has begun once again to tread on a slippery path. In 1954, the industry was very prosperous. Thanks to shortage and high prices of other competitive beverages, the demand for tea throughout the world was on the increase. Consumption of tea in Britain, India's chief customer for this produce, increased considerably. In the course of two or three years preceding 1954, it moved up by about 50 million lbs. Easy money conditions obtaining in the U.K. then enabled the innumerable small dealers of Mincing Lane to operate freely in London tea auctions. Demand from America also rose by about 10 per cent. With the reopening of the Iranian market after the end of the oil deadlock and the diversion of Egyptian demand from Ceylon to India, tea commanded a strong market. Tea prices were, therefore, ruling at their peak levels, export teas being sold at an average of Rs. 3-12 per pound. This prosperity, however, did not flourish long. With the turn of the year, tables were turned against the industry. Encouraged by high prices of tea, all countries increased their production. In 1955, world output of tea rose by 24 million lbs. to 1,350 million lbs., while consumers' resistance and other restraining factors curtailed world consumption by 26 million lbs. to 1,009 million lbs. At the end of the year, supplies were 142 million lbs. more than the world demand for tea. Of this excess, North Indian tea gardens and the warehouses in Calcutta accounted for as much as 100 million lbs. The average price of export teas had come down to Rs. 1-8 per lb.

The unhappy position of the tea industry, especially in North India, can be attributed to a number of reasons. A major contributory factor was the increase in the output of tea in North India from 513 million lbs. to 533 million lbs. in 1955. It was noted towards the end of the year that, thanks to favourable weather conditions, Assam crop alone had gone up by as much as 10 million lbs. With an additional crop of 23 million lbs.—besides the carry-over from the previous year—the North Indian tea gardens were not well placed in their struggle for markets. The hurdles they had to cross were many. As was pointed out by Mr. H. K. Stringfellow, Chairman, Indian Tea Association, Calcutta, in his address at the annual meeting of this body held on the 9th inst., North Indian teas "must make a long, costly and often interrupted journey to the ports; they must comply with customs formalities *en route*; they are subject to a multiplicity of Central and State taxes; and there are difficulties of supply—notably machinery, cement and coal—which do not seem to affect other producing countries."

Another chief cause for the setback in the tea industry in North India has been the fall in offtake of tea by some leading tea-consuming countries. Thus, imports of tea into Britain in 1955 dropped from 491 million lbs. to 482 million lbs. Similarly there was a fall in the U.S. purchases of tea from 114 million lbs. to 105 million lbs. Another country which lifted less tea was Australia, its absorption having amounted to only 55 million lbs., as against 60 million lbs. in 1954. Minor declines in offtake were noticed in respect of Canada and the Netherlands. A point to be noted here is that the fall in imports by countries such as Britain and Australia was due to anti-inflationary measures initiated by these countries to curb inflationary pressures there. The tight money conditions resulting from the credit squeeze in Britain, for instance, have brought about a considerable shrinkage in the volume of tea handled by distributors in London.

The Government policy, too, cannot, to a certain extent, escape the blame for the present unhappy position of tea gardens. It imposed restrictions on the quantity of North Indian tea which could be exported to London, with a view to expanding tea auctions in Calcutta. This restriction was, of course, in accordance with the recommendations of the Tea Auctions Committee. But this decision came at a time when the industry actually needed freedom to dispose of its stocks. The restriction, in fact, coincided with nine months of the 1955 season and hindered flexibility of selling arrangements. The U.K. buyers, being dealers of small means, were not enthusiastic about entering the Indian market. Consequently, no brisk shipments to London took place and the gardens had to accumulate stocks. It is, however, encouraging to note that the Government of India has suspended the operation of the limitation on shipments to London until 31st May next. Had this action been taken earlier, the industry would have had some relief from the growing tea stocks.

The high incidence of export duty on tea and its variation from month to month were further factors that added to the industry's difficulties. Taking advantage of the rising tea market, the Government raised the duty from As. 7 to As. 10 in January 1955. In the budget proposals last year, a new sliding scale of duties was introduced. This duty would rise or fall in accordance with the price of tea realised in London. "Since this London price," to quote Mr. Stringfellow, "is enhanced by the customer's readiness to pay more for goods at his doorstep than for goods many thousands of miles away, and since the amount of tea which can be exported unsold to London has until recently been restricted, it follows that the rate of duty in 1955 was generally to our disadvantage, particularly in the latter part of the season." In order to remove this handicap, the industry has suggested the establishment of a link between the tax and—not the London price of tea as at present—the weighted average of London, Calcutta and Cochin prices. The Government does not seem to have taken any decision in the matter. Even the merging of two slabs in the scale of duties, envisaged in the latest budget proposals, has afforded little relief to the industry. For the reduction in the duty will only take place if the price of tea rises to as much as Rs. 3-4, the official price of tea now being substantially lower. There is, therefore, a need to reduce the rate of duty in the slab which applies to current prices.

Today competition in world markets, fall in exports of tea, continuance of an unfavourable export levy, and accumulation of heavy stocks have all rendered the position of the tea industry in North India very vulnerable. If the situation is allowed to drift further, a worse slump is bound to hit the industry this year. The remedy lies in taking quick and adequate measures. One of the remedies suggested by Mr. Stringfellow is the destruction of all tea waste and all residue teas. This has been advocated for a considerable time now and experience has shown that it could be only of limited use. Another remedy lies in the renewal of the International Tea Regulation Scheme which lapsed in March last year. Although discussions are taking place for its renewal, it will be some time before an acceptable scheme is drafted and put into operation. Much of its success depends on the attitude of Ceylon which appears to be demanding an unduly higher quota of exports. However that may be, the industry in India can hardly afford to wait indefinitely.

The chief remedy, therefore, lies in initiating measures which would augment consumption of tea at home and abroad. At present propaganda to popularise tea drinking is being conducted on a large-scale, but it cannot by itself produce quick results. It should be supplemented by a reduction in the prices of tea to the consumer. This calls for rationalisation of the industry, which, in turn, depends on the measure of co-operation extended to the industry by both labour and Government. Since the production costs are somewhat rigid, there is little scope for effecting economies within the industry itself. Thus, wages remain high; transport charges have risen considerably; and the industry's obligation under the Plantation Act and the Provident Fund Act are expected to expand rather than shrink. In the circumstances, the initiative to provide relief could come mainly from the Government. The Central Government should be realistic enough to cut down drastically the export duty on tea, if at least it has no desire to abolish the duty totally, as it did in the case of jute goods. This is necessary in order to give the industry a fair start to compete in overseas markets. The State Governments of Assam and West Bengal, too, can provide relief by abandoning their proposals for a levy on the movement of tea. As regards housing in plantations, a statutory obligation has now been imposed on the industry. But the industry, it its present state, cannot be expected to undertake this burden single-handed. There is need to assist it with loans and grants-in-aid, as the Government has done in the case of other industries on which there is no statutory obligation for provision of housing. Until such assistance could be extended, the industry should be freed from the obligation to provide housing schemes. These concessions are necessary, if the industry has to play its role "as the largest employer of labour, the biggest earner of foreign exchange and pre-eminent amongst taxpayers."

OPTIMISM PERSISTS IN SHARE MARKET

OUTLOOK FOR T.I.S.CO.—IMPLICATIONS OF INCREASE IN BANK RATES

THURSDAY, 5 P.M.

MARKET GOSSIP

AN undercurrent of optimism still persists in the share market. This is confined mostly to speculators, and, strangely enough, is engendered by the proposed dividend tax and the impost on bonus issues. These tax measures have been interpreted to mean that the companies with large reserves as also those which earn large profits will hereafter think twice before taking a decision to make large allocations to their reserves. For one thing, it is well known that, when a new tax is introduced, it is rarely withdrawn. On the contrary, not only will it stick, but there is every likelihood of an increase in the burden of its incidence through a progressive rise in the rate of the tax. This tendency is particularly likely to persist from now, thanks to the fact that the Government has to find resources for financing its huge five-year development programme. In this context, one might, therefore, expect an increase in the rates of taxes both on dividends and bonus issues. Besides, the way in which the private sector is being treated in the name of establishing a socialist pattern of society, as, for instance, the nationalisation of the Imperial Bank of India or of the business of life insurance, has also created an anxiety among managements to avoid being caught napping. These considerations are expected to prompt business concerns to step up their distribution to shareholders as much, and as soon, as possible. An additional impetus to this tendency is provided by another factor. Hitherto, sound managements had imposed on themselves a voluntary limitation on dividends for two reasons. One was the desire to conserve funds for lean years, and the other the disinclination to adopt a distribution policy which would run counter to the anti-inflationary policy of the Government. Now that the Government itself has come forward to have its share in the distribution by way of new taxes on the same assessed income, it is felt that the Government is not opposed to declaration of high dividends by companies. Consequently, the managements seem to feel that there is no longer any need to impose on themselves a voluntary limitation on dividends. The origin of higher dividends declared recently by a number of textile concerns in Bombay, Ahmedabad and elsewhere is traced to these considerations.

The position, is however, somewhat different in the case of banking companies. Under section 17 of the Banking Companies Act, every bank is required to maintain a reserve fund and should add to it, before declaring a dividend, a sum equivalent to not less than 20 per cent. of its net profits every year till such time as the reserve fund comes up to the level of the paid-up capital. This reserve fund is to be kept intact and it can be neither diminished nor disposed of otherwise. In effect, the reserve is practically blocked up with the capital. In case a banking company has reserves equal to its paid-up capital, it is only just and equitable that for the purposes of the levy on dividends, both the capital and reserves should be taken into account and that the percentage of dividend paid should be calculated on the aggregate amount of capital and reserves. Take, for instance, the case of a bank which has a paid-up capital of Rs. 1 crore and a reserve of Rs. 1 crore and pays a dividend of 16 per cent. on the paid-up capital. The distribution for the purpose of the proposed dividend tax will be 8 per cent. only on the aggregate amount of paid-up capital and reserves. In this case, only the excess dividend of 2 per cent. over the free limit of 6 per cent. would have to be taxed. On the contrary, if, as it is now proposed, only the paid-up capital of Rs. 1 crore is taken, the bank has to pay tax at the graduated rate on the excess dividend of 10 per cent. above the 6 per cent. free limit. This will be harsh on banks which are consistently maintaining the dividends at high levels. They are placed in a disadvantageous position *vis-a-vis* the banks which have not so far brought up their reserves to the level of their paid-up capital. These latter can transfer any sums from out of the profits to the reserve fund, even restricting the dividend that could otherwise be paid to the shareholders, and thus avoid payment of the additional levy on sums thus transferred. In order to avoid this discrimination, due relief should be given to such of the banks as have brought up their reserves to the level of their paid-up capital.

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The shareholders of the Tata Iron and Steel Co., Ltd. (T.I.S.Co.) have—on Monday last—approved the new capital issue programme of the Company. Although approval was accorded by the shareholders, the discussions on the various aspects of the programme generated a considerable amount of heat. Much credit naturally goes to the Chairman of the Company, Mr. J. R. D. Tata, for his having convinced the shareholders on every issue raised by them. The resolution, unanimously adopted at the extraordinary general meeting, now empowers the Board of Directors to increase the capital of the Company by Rs. 9,63,75,000 by the addition of 12,85,000 new ordinary shares of Rs. 75 each at a premium of Rs. 30 per share or Rs. 105. With the new issue, the capital of the Company will increase from Rs. 17.38 crores to Rs. 27.02 crores. The new ordinary shares will be issued to the existing ordinary shareholders in the proportion of one share for every share held. They will not be made available to the preference shareholders "as the Company cannot take away the equity from the equity holders." It is proposed to close the transfer books from 12th to 26th April next. The payment of Rs. 105 per share will be in three equal instalments of Rs. 35 each, spread over a period of 18 months. The first instalment will be collected early in July. The second instalment will be in December this year and the third in June 1957.

The chief grievance of the shareholders, as was only to be expected, was over the decision of the Company to issue the new shares at a premium of Rs. 30 each. They were justified in raising a hue and cry regarding the premium, as the Chairman himself had promised in the last annual meeting to issue it at par. But it is now common knowledge that, thanks to the interference of the Government, the Company has not been able to keep its promise. Mr. Tata's reasoning to justify the change in issuing the new shares at a premium is quite convincing. It is a common practice to issue shares at a premium. The Company itself in the past had issued its now defunct deferred shares of Rs. 30 each at a substantially high premium. There is, therefore, nothing wrong in adopting the practice now. What is more, the Government wanted that the shares should be issued at a premium of Rs. 75, but the management has been able to get it reduced to Rs. 30, and in this, it has made the best of a bad job.

According to Mr. Tata, the premium now asked is not excessive in view of the profitability of the expansion scheme and the Company's earning power. The new scheme does not involve any increase in the existing labour force though the workers might get slightly higher wages. On the other hand, with the new plant and machinery, the cost of production will go down and efficiency will increase. The expansion programmee, when completed, will help produce 2 million tons of steel ingots annually, and the benefit will accrue as soon as the plant is built. It is stated that in the next five years, the increase of Rs. 63 per ton in steel prices will produce, after tax, about Rs. 20 crores. This will undoubtedly strengthen the Company's finance.

Mr. Tata has done well to throw some light on the future policy of distribution to shareholders. Although out of the price increase granteo for expansion, no dividend can be disbursed, there "is nothing to prevent"—to quote Mr. Tata—"the Company from declaring dividends from extra profits out of extra steel produced". The Company will try to maintain the yield on both the old and new issues including the premium, at 5 per cent. Besides, as soon as sufficient resources are available, the Company may, according to the Chairman, either capitalise certain reserves or increase the paid-up value of the shares. This is expected to be done over a period of three years.

On the issue of nationalisation, Mr. Tata's remarks are worth noting. He drew the attention of shareholders to the fact that although the Government did not intend to nationalise T.I.S.Co., it was not prepared to give any categorical assurance about it. In fact, it had not given such assurance to any Indian company. The only exception was the case of oil refineries in respect of which the assurance given was to foreign investors. Further, the Government did not want to commit future Governments.

Incidentally, Mr. Tata pointed out that the funds would be raised by borrowing from the World Bank. The terms of the loan were under negotiation. The loan is expected to be for a period of 15 years and to carry interest at 4¾ per cent. including the statutory commission of 1 per cent. According to Mr. Tata, the terms are favourable and there will be no repayment of the loan during the period of construction. Repayments, therefore, will be in instalments. The deal is expected to be finalised by Mr. J. D. Choksi, Vice-Chairman of the Company, who is to proceed to America at the end of this month.

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It is sometimes said that, if the first half of the current century was a prolonged period of unemployment and depression, the second half might well turn out to be an era of boom in business and industrial conditions and monetary inflation. Indeed, the problem in the second half of the century might well be how best the world could live amidst inflationary conditions. In any case, there is no gainsaying the fact that in the immediate future, inflation will be a source of great danger. All this cannot be a matter of unconcern to this country. After all, India cannot isolate itself from the rest of the world. Further, the next Five-year Plan involves large-scale purchases from abroad of plant, machinery and equipment. It has been estimated that imports of machinery by the public as well as the private sectors of Indian economy during the period of the next Five-year Plan will amount to Rs. 1,250 crores. Besides these, India will also require considerable quantities of iron and steel, cement and intermediate products, not to mention foodgrains or sugar. If world inflationary conditions persist, the value of these imports will certainly go up.

Among the countries from which India can buy its capital goods, mention must be made of Western Europe, the U.K. and the U.S. Inflation has already reared its ugly head in these countries. This might conceivably affect the prospects of obtaining capital goods at fairly advantageous terms. It is, however, true that efforts are being made in these countries to counter inflation. The U.K. has struck the first blow this year by increasing its Bank rate from 4½ per cent. to 5½ per cent. with effect from 16th February and also put into effect several anti-inflationary measures. In the U.S., too, there has been a hardening of interest rates. For instance, the interest rate on savings accounts alone has been pushed up to about 3 per cent. per annum. Fiscal and credit authorities in that country have appealed for the renewal of controls over credit. The danger of inflation is, of course, less serious in the U.S. than in the U.K. Nevertheless, the authorities over there are alive to the need for combating inflation. In Western Europe, Holland, as is well known, has already raised its Bank rate from 2½ per cent. to 3 per cent. and West Germany has raised its Bank rate by 1 per cent. to 4½ per cent.

An important aspect of the increase in Bank rates in these countries is that it might reduce the export credit facilities which many industrially advanced countries were giving to their customers. Clearly, if these countries find it hard to raise the necessary funds at attractive rates of interest, they cannot possibly give export credit facilities to their overseas buyers. The cost of development in underdeveloped countries is, therefore, bound to go up. This aspect has been explained by Mr. V. A. Grantham, Chairman of the Chartered Bank of India, Australia and China, in the course of his statement circulated with the reports and accounts of the Bank for the year 1955. He says:

"The money markets of the Sterling Area are of necessity highly sensitive to policy pursued in the City of London and we have, therefore, to pay close attention to the policy of credit restriction now in operation in this country. While it is obviously proper for us to observe the official directive so far as it applies to customers who deal and trade exclusively in this country, it will be clear that our operations overseas must, in the end, be related to the policies and needs of those countries in which we operate, where we have obvious responsibilities to the Governments concerned, some of which are outside the Sterling Area. The rates of interest imposed in the United Kingdom must to some degree affect the cost of finance of new projects in the undeveloped countries, but the extent to which finance for those projects should be provided is properly a matter for the countries themselves to determine and our main concern must be to see that our own operations are carried out on sound lines in each country in relation to local conditions. The Sterling Area has far-flung ramifications and it is only too clear that uncertainties as to the results of the credit squeeze in this country could have

(*Continued on page 539*)

EQUITIES BUOYANT

SHARP RISE IN BOMBAY DYEING

(From Our Own Correspondents)

BOMBAY, 15*th March*

THE buoyancy in the Bombay share market noted in the previous week gathered considerable momentum during the week under review. Buying activity was not only on an increased scale but widespread and almost every scrip on the list participated in the rise. The buoyancy was more marked in Tata Steels, textile scrips and some of the leading miscellaneous industrial counters. The market's buoyancy is particularly noteworthy in the context of extreme stringency in the short-term money market and the general pessimism regarding the Government's policy towards the private sector of industries.

Several factors were responsible for the market's cheerfulness. The operators would appear to have ignored the effects on capital formation of the withdrawal of the rebate of one anna on profits ploughed back, the tax on dividends in excess of 6 per cent. and the impost on bonus issues of companies. On the other hand, they would appear to have taken a bullish view of the effects of deficit financing during the second Five-year Plan and the prospects of lighter tax measures for the first one or two years of the Plan period. Expectations of higher dividends, particularly from textile mills, despite the tax on dividends, the reassuring speech of Mr. J. R. D. Tata, Chairman of the T.I.S.Co., at the extraordinary general meeting held on Monday this week, hinting at the prospects of a bonus issue, thus repaying the premium to be taken on the new issue, and the payment of a reasonable dividend to provide a yield of 5 per cent. on the new and old shares, and the support lent by custodians of insurance companies to the market, though this was confined to a few counters, have cumulatively induced hectic buying and heavy short-covering. The undertone at the close was very firm.

In the steel section, Tata Ordinaries were very firm. Operators from Calcutta also extended good support by replacing their holdings of Indian Irons with Tata Steels. Consequently, the scrips rallied from Rs. 226 to Rs. 238, before closing at Rs. 237-12. Though Indian Irons also closed better, they were hesitant on rumours that the Bombay Stock Exchange authorities were considering some measures to impose margin on transactions in excess of 5,000 shares. After moving up from Rs. 32-6 to Rs. 33-8½, the shares gave way to Rs. 33-4½ at the close.

Textiles were conspicuous in this week's rise and almost every scrip scored smart gains. Heading the list were Bombay Dyeings, good blocks of which were reported to have been bought on behalf of a leading industrialist. From Rs. 548-12, they came up to Rs. 592-8 and closed at Rs. 591-14. Centurys shot up, on keen enquiries, from Rs. 488 to Rs. 508. Kohinoors gathered Rs. 9-8 to Rs. 349-8. Central Indias picked up Rs. 8 to Rs. 148. Finlays advanced sharply by Rs. 27 to Rs. 359, following the increase in dividend for the year ended 31st December 1955 from Rs. 16 to Rs. 20 per share. Gokak's moved up by Rs. 5 to Rs. 249 and Indu Ordinaries by Re. 1-1 to Rs. 13-9. Indore Malwas recorded a gain of Rs. 5-10 to Rs. 150 and Khataus Rs. 16-9 to Rs. 233-12. Morarjees improved by Rs. 12-8 to Rs. 235, Mysore Spinnings by Rs. 7-8 to Rs. 103-12, New Greats by Rs. 5 to Rs. 240 and New Kaiser-I-Hinds by Rs. 15 to Rs. 125-10. Phœnix gained further Rs. 2-8 to Rs. 137-8. Shree Niwas gathered Rs. 7-8 to Rs. 230. Simplex rallied from Rs. 194 to Rs. 212-8 and Svadeshis from Rs. 219 to Rs. 232-8. Swans shot up from Rs. 417-8 to Rs. 447-8, following the stepping up of the dividend from Rs. 20 to Rs. 25 per share.

Bank shares ruled steady, though business was still restricted and price-changes were small. Barodas gained As. 8 to Rs. 95-8, while Centrals were unchanged at Rs. 49-4. Centrals (New) put on As. 4 to Rs. 49-8, whereas Bank of Indias appreciated by Rs. 2-8 to Rs. 153 and United Commercials by Re. 1-8 to Rs. 51.

The insurance section was again featureless, but the undertone remained steady. New Indias gained As. 12 to Rs. 41-12. Orientals were restored to Rs. 3,910. Indian Mercantiles were done a fraction higher at Rs. 44-4, while British India Generals shed As. 5 to Rs. 13-4.

The miscellaneous section maintained its cheerful appearance with impressive rise in values of leading counters. In the sugar group, Belapurs gained Rs. 6-8 to Rs. 229, Phaltans Rs. 6-8 to Rs. 144 and Walchandnagars Rs. 10-10 to Rs. 260. In the cement group, Associated Cements advanced from Rs. 209 to Rs. 214-12 and Digvijays from Rs. 186 to Rs. 188. Among engineering and mining shares, Alcocks fluctuated widely. After an initial dip from Rs. 357-8 to Rs. 321-4, they shot up to Rs. 356-4 at the close.

Among shipping and transport shares, Scindias gained ground from Rs. 16-13¼ to Rs. 17-7, while Great Easterns, which were admitted on the forward list, were held at Rs. 15-7. India Steamships gained As. 2 to Rs. 8-6. Hindustan Motors steadied up to Rs. 9-12 and Premier Automobiles improved further from Rs. 90 to Rs. 95. Among miscellaneous industrials, Bombay Burmahs (old) were a bright spot and moved up from Rs. 568-12 to Rs. 618-12, before closing at Rs. 614-6. National Rayons were well fancied and rose by Rs. 10-4 to Rs. 235-4 on expectations of good results and better dividend. Industrial Investment Trust were done at Rs. 81 and Killick Industries Re. 1 higher at Rs. 165-8. Tata Chemicals also participated in the general rise and gained Re. 1-12 to Rs. 19-4. Tata Oils staged a smart rise of Rs. 3-4 to Rs. 47-8 and Wimcos were impressive with a gain of Rs. 11-14 to Rs. 205.

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Calcutta Stock Exchange

CALCUTTA, 14*th March*

During the first two days of the week under review, there was little of note in the trading that took place on the Calcutta Stock Exchange, but since Monday, the lower levels attracted fresh buying support and a recovery was in evidence followed by a widening of interest. Market circles had had ample time to study the Budget proposals in detail, and second thoughts did not reflect the earlier optimism in full. For the stock market, the proposals relating to the levy of a super-tax on dividends of 6 per cent. and above, the tax on bonus issues, and the increase in corporation tax are particularly important, since these will affect the investors in a direct way.

There was very little activity in the textile section, Kesorams being fractionally lower at Rs. 16-10 and Elgin Mills finding it difficult to move beyond Rs. 27-7. At Rs. 310, Bowreahs made a slight recovery.

In the tea section, Sylhet (Pakistani) gardens were again in the limelight. The rise in prices in the tea auctions held this week and expectations of Russian interest in Indian tea were the factors which attracted buyers for Indian scrips, albeit at lower levels. From Rs. 179, Teliaparas moved up to Rs. 196 and at Rs. 224 Patrakolas made a further striking improvement. On strong support, Daurracherras advanced to Rs. 12-12 from Rs. 11-15, and New Samanabaghs to Rs. 17-8 from Rs. 15-2. Among Indian scrips, Brooke Bonds gained to Rs. 20-9 from Rs. 20-3 and Tezpores to Rs. 21-12 from Rs. 21. Hasimaras at Rs. 33-8 put on As. 4. On the other hand, Choonabhuttis eased to Rs. 305 and Brahmaputras to Rs. 8-9.

After early dullness, interest was in evidence for jute shares following the fall in raw jute prices. This, however, failed to change the trend in a noticeable way. From Rs. 24, Howraths receded to Rs. 23-2. Nuddeas and Kinnisons were lower at Rs. 40-8 and Rs. 179 respectively.

In the engineering section, a recovery set in after earlier weakness. Speculative Indian Irons closed at Rs. 33-4, after having risen to Rs. 33-10 and given way to Rs. 32-12. Jessop & Cos. had given way to Rs. 31-8 from Rs. 34-4 before recovering to Rs. 33. Texmacos gained to Rs. 21-6 from Rs. 20-14.

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Madras Stock Exchange

MADRAS, 14*th March*

The upward trend in equity values noted on the Madras Stock Exchange last week gathered further momentum during the week under review. In fact, the market exhibited a distinctly firm trend. The firmness was aided by the belief that the burden of additional corporate taxation imposed by the Union Finance Minister might be borne easily, what with the expansion in economy envisaged under the second Five-year Plan. The operators, therefore, lent sustained support to equities, the prices of which continued to move forward.

During the week under review, several dividend announcements were made. The Trichinopoly Mills Ltd. has recommended a tax-free dividend of 9 per cent. for the year ended December 1955, same as that for the previous year. The Buckingham and Carnatic Co., Ltd., has recommended a final dividend of 6 per cent. for the year 1955, making a total of 10 per cent., which is the same as that for 1954. The Indian Overseas Bank has recommended a dividend of 7½ per cent. for 1955, as against 6 per cent. The Janardana Mills Ltd. has recommended a dividend of 20 per cent. on ordinary shares for 1955, as against 10 per cent. The Directors of the Bangalore Woollen, Cotton and Silk Mills Co., Ltd., have recommended a final dividend of 20 per cent., making in all 30 per cent. for 1955, the same as that declared for the previous year.

Textile shares attracted good attention of operators and registered handsome gains. Bangalore Woollens rallied Rs. 15 to Rs. 590 *cum-div. cum-right*. Venkatesas picked up Rs. 14-8 to Rs. 155 and Vasantas Rs. 12-8 to Rs. 280. Coimbatore Pioneers forged ahead by Rs. 11 to Rs. 256. Lakshmis jumped up by Rs. 10 to Rs. 190 and Lakshmi 'A's by Rs. 6 to Rs. 96.

In the planting section, tea scrips met with enlarged buying demand. United Nilgiris were specially favoured, their quotation advancing by Rs. 15 to Rs. 323 *ex-div.* Highlands increased by Re. 1 to Rs. 17. Peermades put on As. 12 to Rs. 36-8. Chandramalais gathered As. 10 to Rs. 6-7, Haileyburias As. 8 to Rs. 26-8, Emerald Valleys As. 7 to Rs. 8-3 and Parksides As. 4 to Rs. 19-4. Rubber shares also received good support. Kalpettas rallied Rs. 2 to Rs. 29. Anandams strengthened by Re. 1-4 to Rs. 21-4. Cottanad and Malankaras finished each Re. 1 higher, the former at Rs. 16 and the latter at Rs. 28. Vaikundams improved by As. 4 to Rs. 27 and Pullangodes by As. 2 to Rs. 4-3. Among coffee shares, Coffee Lands climbed up by As. 9 to Rs. 20-3. Kadur Coffees were fully maintained at Rs. 2-9 and Mysore Coffees at Rs. 1-12.

In the miscellaneous section, Mysore Chemical Fertilisers were the brightest spot, the quotation advancing by As. 10-6 to Rs. 9-6-6. Indian Steel Rollings and Bangalore Transports moved up by As. 8 each to Rs. 12-4 and Rs. 13-12, respectively. India Cements rose by As. 5 to Rs. 33-1.

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Notices

BENGAL JUTE MILL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 25th Ordinary General Meeting of the Members of the Company will be held at the Registered Office of the Company at 8, Dalhousie Square East, Calcutta, on Wednesday the 28th March 1956, at 4-30 p.m. for the purpose of receiving the Directors' Report, passing the Audited Accounts, declaring the Dividend recommended by the Directors for the year ended 30th June 1955, electing Directors in place of the retiring Directors, appointing Auditors and for transacting any other business of the Company that may be transacted thereat.

The Share Transfer Registers of the Company will remain closed from the 21st March 1956 to the 28th March 1956, both days inclusive.

By Order of the Board,

For and on behalf of
BENGAL JUTE MILL CO., LTD.,
SOORAJMULL NAGARMULL,
Managing Agents.

8, DALHOUSIE SQUARE EAST,
CALCUTTA. 9*th March* 1956.

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Register of Members and the Transfer Books of the Company will be closed from Thursday the 12th April 1956 to Thursday the 26th April 1956, both days inclusive.

Notice is also hereby given that pursuant to the Special Resolutions passed at the Extraordinary General Meeting of the Company held on Monday the 12th March 1956, the holders of Ordinary shares on the Register of Members of the Company on the 26th April 1956, being the date fixed by the Directors pursuant to the above Resolutions will be entitled to apply for the new Ordinary shares in respect of their holdings of Ordinary shares on such date. Application and Renunciation forms will be posted to the shareholders in due course.

By Order of the Directors,

TATA INDUSTRIES LIMITED,
Managing Agents,
J. D. CHOKSI,
Director.

BOMBAY, 12*th March* 1956.

NEWS IN BRIEF

THE estimated expenditure during 1955-56 on the construction and development of roads was Rs. 22.27 crores and that on the maintenance of existing roads Rs. 4.90 crores.

The Government of India is re-examining its industrial policy resolution of 1948 and a revised statement in line with the objective of a socialist pattern of society is expected to be ready in about two months. This was disclosed by Mr. Nityanand Kanungo, Minister for Industries, in Parliament on the 13th inst.

Kandla port is to be equipped with the latest harbour control radar equipment. The installation, estimated to cost Rs. 3.18 lakhs, is expected to be completed by 31st March 1957. There are proposals to install two experimental radars, one at Khanderi island at the approaches to the Bombay harbour and the other at Saugor island at the approaches to the Calcutta port.

The foundation-stone for a ferro-manganese plant in Dandeli (Karwar) was laid by the Governor of Bombay on the 13th inst. The plant, which is expected to go into production next year, is estimated to cost about Rs. 40 lakhs. According to Mr. Laibhai Patel, Managing Director, the plant would earn the country foreign exchange to the tune of Rs. 1 crore initially and Rs. 3 crores ultimately.

The Companies Act 1956, which was passed by Parliament at its last session and which received the President's assent on 18th January 1956, will be brought into force on 1st April 1956. The Companies (Central Government's) General Rules and Forms, the Companies Regulations and the Restricted Auditors' Certificates (Part 'B' States) Rules, which have been made by the Central Government under the new Act, will also be brought into effect simultaneously with the Act.

The Government of Saurashtra proposes to levy a betterment charge ranging from Rs. 100 to Rs. 150 per acre on land under the irrigable command of a canal in areas coming under new irrigation projects in the State. A Bill to amend the Saurashtra Irrigation Act 1951, with a view to enabling the Government to introduce the betterment levy has been published in the State *Gazette*. The Bill proposes also the levy of an irrigation cess on lands which are under command of an irrigation project but which are not irrigated by the owner.

The Government of India has approved of a project to manufacture polythene in India. Polythene is a tough, flexible, thermoplastic material with outstanding electrical insulating properties. The manufacture will be undertaken by the Imperial Chemical Industries' associate, the Alkali and Chemical Corporation of India Ltd., in which the Indian public has a substantial shareholding. Technical assistance in design, construction and operation of this plant will be provided under an agreement by I.C.I. The project will involve a total investment of about Rs. 3 crores.

More than 1,10,000 maunds of ghee were graded under the provisions of the Agricultural Produce (Grading and Marking) Act in 30 laboratories in India in 1954. The largest quantity—57,378 maunds—was graded in Uttar Pradesh where 13 laboratories are in operation. These facts have been revealed in a recently published brochure entitled "Grading of Ghee Under Agmark." The pamphlet is the second in the "Studies in Ghee" series brought out by the Directorate of Marketing and Inspection of the Union Ministry of Food and Agriculture.

The U.S. Atomic Energy Commission has announced that it has approved the shipment of 129 tons of heavy water to help the peace-time atomic programme carried on by India, Great Britain, France, Italy, Switzerland and Australia. Heavy water is used as a moderator to govern the action of neutrons in nuclear reactors. It is stated that, of the 129 tons of heavy water, 11 tons have already been shipped to Great Britain and five tons to France. The 129 tons have been allocated as follows: United Kingdom, 50 tons; France 30 tons; Italy, 10 tons; Switzerland, 7 tons; India, 21 tons; and Australia, 11 tons.

About 75 per cent. of India's total requirement of printing inks is met from indigenous production. The production of printing inks in India in 1955 was 2,090 tons, as against 1,675 tons in 1954. India is self-sufficient in respect of certain types of printing inks like letterpress, offset and litho. Facilities for increasing production are being provided to the industry which is being developed in the private sector. The production of fountain pen ink in the country in 1955 was 331,686 dozen of 2-oz. bottles, as compared with 597,606 dozen of such bottles in 1954 and 442,800 dozen in 1953. This information was given by the Minister for Commerce and Industry, Mr. T. T. Krishnamachari, in Parliament on the 12th inst.

Railway experts from several E.C.A.F.E. region countries began a 10-day tour of India on Wednesday, the 14th inst., prior to the fourth session of the Railway Sub-committee of the E.C.A.F.E.-Inland Transport Committee which opens in New Delhi on the 25th inst. The tour, which started from Calcutta, has been organised by the Railway Board in order to enable leading railwaymen from the various countries of the E.C.A.F.E. region to see important railway and other projects in the country. The itinerary includes, among other things, visits to the Chittaranjan Locomotive Works, Tata Steel Works, Visakhapatnam port, Integral Coach Factory, Perambur, Railway Research Sub-centre at Lonavla, Railway workshops in Bombay and the Railway Staff College, Baroda.

With a view to making ammonium sulphate fertiliser available at interior places at controlled rates, the Government of Bombay has sanctioned further facilities for transport of ammonium sulphate to centres far away from the railheads. Indentors for small quantities at places which have not so far been approved as centres for distance rebate may approach the District Agricultural Officers conerned, who will make allotments of ammonium sulphate and direct the indentor to purchase the fertiliser at not more than the controlled rates from a place nearest to his centre from a distributor, who has already taken the stocks from Government. The small indentors will get a fixed remuneration of Rs. 5 per ton and transport charges at As. 4 per ton per mile, subject to a maximum of Rs. 5 per ton, which limit is extended to Rs. 15 per ton in the case of Panchmahals, Sabarkantha, Banskantha, Dangs, Bijapur, Dharwar and Kanara districts.

Financial assistance to co-operative housing societies under the low-income group housing scheme will henceforth be granted by the Bombay Co-operative Housing Finance Society, Limited, Bombay. Hitherto, the scheme was being executed by the Registrar of Co-operative Societies. The Bombay Co-operative Housing Finance Society will separately administer the scheme for loans to the co-operative societies of low-income groups. The valuation of the properties and land as well as searching of legal title of the co-operative housing societies seeking loans under the scheme will be carried out by the Bombay Co-operative Housing Finance Society as at present and the costs thereof will be borne by the borrowing societies. The maximum period of repayment of loans will be 25 years, instead of 20 years as laid down earlier. The co-operative housing societies of low-income group people are granted loans to the extent of 70 per cent. of the actual estimated price of the houses, inclusive of land, subject to the maximum of Rs. 8,000 per house. As the Housing Finance Society advances loans to other co-operative housing societies to the extent of 60 per cent. only, the Government has guaranteed the Housing Finance Society for losses, if any, sustained by it to the extent of 10 per cent. only, i.e., the difference between the Society's loaning rate of 60 per cent. and the Government's loaning rate of 70 per cent.

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From Abroad

The U.S. Supreme Court upheld, on the 5th inst., a lower court decision that the 1954 High Court ban on racial segregation in public schools applies not only to primary and secondary schools but to tax-supported colleges and universities. The Supreme Court affirmed the lower court decision without hearing arguments.

Canada's population on 1st January aggregated 15,818,000, according to a special estimate by the Bureau of Statistics, Canada. This represents an increase of 181,000 in the six months from 1st July last year. This gain compares with increases of 198,000 in the first half of last year and 233,000 in the second half of 1954. During the calendar year 1955, the population thus increased by an estimated 379,000. The estimated increases for the two previous years are 404,000 in 1954 and 386,000 in 1953.

The Pennsylvania Railroad has adopted for switching cars in its freight yard at Jersey City (New Jersey), a new type rubber-tyred switch engine, namely, the Switch-mobile. Its flexibility enables it to traverse streets or rail tracks, or cross over tracks. It can move nine loaded freight cars on one string. The vehicle straddles the rails with its pneumatic tyres riding the ties. It turns on its own length and moves easily in congested areas, forward or backward.

The world's first commercial application of rubber highway-railroad crossing has been installed at West Salem, Ohio, U.S. Designed and built by the Goodyear Tyre & Rubber Company, the revolutionary rubber crossing has been laid at a highway crossing on the main tracks of the Erie Railroad. This highway crossing described by railroad officials as one of the most heavily travelled in the U.S., received an almost constant battering from automobiles, trucks and trains. The rubber slabs now provide a smooth, cushioned crossing, thus eliminating a source of major irritation to motorists.

The year 1955 was a record one for the Goodyear Tyre & Rubber Co., according to Mr. P. W. Litchfield, Chairman of the Company. The industry in the United States consumed during that year as much as 1,510,000 long tons of new rubber (natural and synthetic). Replacement tyre sales in 1956 are expected to exceed those in 1955, because of more vehicles in operation. Sales exceeded the billion-dollar mark in the first nine months of 1955. There is hardly a Goodyear plant which does not have an expansion programme under way and the capital expenditure programme aggregates to the impressive total of $114,000,000.

The fifth travelling science exhibition organised by the United Nations Educational, Scientific and Cultural Organisation (U.N.E.S.C.O.) will make a three-year tour of Asia after its three-week showing in Paris, where it opened on the 1st inst. The exhibition is entitled "Energy and its Transformation" and will be displayed in New Delhi and Colombo as well as in Saigon, Bangkok, Djakarta, Hong Kong, Tokyo. The present exhibition illustrates the application of various types of energy by means of diagrams, photographs, and models. Included in the display are two models of nuclear reactors used in the production of radio-isotopes and electricity.

A British company (Messrs. Ruston and Hornsby Ltd., of Lincoln) has secured an order worth more than £700,000 for the supply of engines and pumps to the Agricultural Bank of Iran, according to a statement issued in London. With the ancillary equipment—pipings and belts, etc.,—supplied by other British firms is taken into account, the order amounts to more than £1,000,000. The machinery ordered will be used for the irrigation scheme at Ahwaz, the main link between Teheran and the Persian Gulf. Three hundred Ruston horizontal oil engines, ranging from 20 h.p. to 156 h.p., will drive pumps to divert the waters of the Karun river to rice, date, maize, barley, cotton and tobacco crops in the area.

The production and export of the British plastics industry touched record heights during 1955. Thus, the output reached about 320,000 tons, an increase of 46,000 tons over the 1954 total of 274,000 tons and more than double the production 5 years ago (155,000 tons in 1950). Practically, all branches of the plastics industry improved their production and the increase was particularly marked in thermo-plastics materials. Exports of plastics materials in 1955 amounted to 85,000 tons, valued at £23 million, a rise of more than 11,000 tons and of £2.25 million on 1954, the previous highest figures. The tonnage shipped was more than 4 times that in 1947, when it was 21,000 tons, and approached 20 times the 1938 figure of 4,300 tons. Australia with over £3 million imports remained the best market, and South Africa, Denmark, Sweden and the Netherlands with over £1 million each were among the countries to which exports showed rises.

PERSONAL

MR. Naval H. Tata, a Director of Messrs. Tata Sons Ltd., Bombay, returned on Sunday this week after attending the meeting of the Governing Body of the International Labour Organisation.

Mr. C. E. J. Crawford of Imperial Chemical Industries of India Ltd. has been elected Chairman of the Paint Federation of India for the year 1956.

Mr. Shankarbhai P. Patel, District Traffic Superintendent, Bulsar, Western Railway, has been appointed Deputy Director (Transportation), Railway Board, Government of India.

Mr. H. T. Parekh, B.Sc. (Econ.) (Lond.), of the firm of Harkisondass Lukhmidass, Stock Brokers, Bombay, has been appointed Deputy General Manager of the Industrial Credit and Investment Corporation of India, Limited, and will join the Corporation on the 29th inst.

Prof. M. G. Kendall, Professor of Statistics in the University of London and a Director of the Division of Research Techniques in the London School of Economics, arrived in Bombay on Sunday last. During his brief visit, Prof. Kendall will discuss with the Indian Market Research Bureau, a subsidiary to Messrs. D. J. Keymer & Co., the problems connected with applied market research techniques in India.

Messrs. Chandulal Kasturchand, Rameshwardas Sabu, Bissessarlal Chirawawala, Nagarmal Sharaf, Basudeo Somani, Jwalaprasad Tiwari, Dalsukhlal Amthalal, Mangulal Trikamlal, Motilal Manilal, Kantilal Manilal, Mangaldas Kalidas, Maganlal S. Damani, Premchand Kedia, Mangaldas Ranchhoddas, Parikh Chandulal Dalsukhbhai and Vadilal Chhaganlal have been elected Directors of the Bombay Bullion Association for the new year. Mr. Chunilal B. Mehta and Mr. Mahavirprasad Ramrikhdas have been co-opted as Directors.

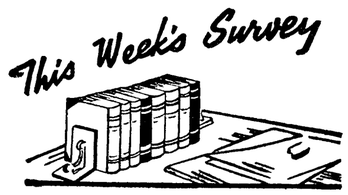
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 21*st March*

Motor Vehicle Trade

The immediate outlook for the motor vehicle trade may not seem to be so promising as it was a year or so ago. But better times are ahead. And an encouraging factor is the new road-building programme which, when completed, will provide India with a number of good roads suitable for motor traffic. Some of the existing Indian roads are undoubtedly as good as any in the world. The fact, however, remains that there are thousands of square miles of country where no roads of any kind whatever exist. British India, with an area of well over a million square miles and a population of 350 million, has 454,000 miles of roads of all classes, but only 60,000 miles of these are good surfaced roads and a large amount of this mileage is unsuitable during several months of the year. Fortunately, increased attention is now being paid by both the Central and Provincial Governments to the provision of more roads and better roads. Then, again, during the last four years, there has been a marked change in the viewpoint and habits of the people of this country. There has not only been considerable expansion of the railway system but also a corresponding increase in the demand for motor transport. One has only to go a few miles out of the great cities of India today to see how a growing system of passenger buses is linking up the villages and towns. If the present rate of progress in the use of cars and passenger and goods trucks continues—and there is no doubt that it will, since Mr. Gandhi himself often uses a motor car—there will, within the next twenty years, be more than a million motor vehicles on the roads of India, Burma and Ceylon.



PROBLEM BEFORE SUGAR INDUSTRY

THE current sugar season is expected to witness a record level of production of white sugar. Presiding over the meeting of the Development Council for Sugar Industry, held at New Delhi last week-end, Mr. T. C. Puri, Joint Secretary, Union Ministry of Food and Agriculture, for instance, estimated the output at 1.70 million tons during 1955-56, that is, 110,000 tons more than the previous peak production of 1.59 million tons, touched in 1954-55. Thanks to the anticipated rise in output and to the huge opening stocks of 553,000 tons—indigenous and imported—the aggregate supplies of sugar will amount to over 2.25 million tons, as against 2.24 million tons in the preceding season. The consumption of sugar is also expected to rise; Mr. Puri places it at more than 1.8 million tons. Nevertheless, the surplus of supplies over consumption will be fairly wide, being of the order of 450,000 tons. This surplus is likely to increase further in the coming seasons, what with the expansion in the production capacity of the industry accompanied by an increase in acreage under cane. Indeed, there is, as Mr. P. Hadfield, Managing Director, Parry & Co., Ltd., stated at the meeting of the Development Council, a possibility of over-production of sugar within the next two or three years.

This brief account brings to the fore a most important issue: How best could any surplus sugar be disposed of? The poser did no doubt figure prominently in the discussions at the recent New Delhi meeting of the Council, but the answers provided by several members lacked correct appraisal of the situation. Thus, all stress was laid only on the need for promoting exports and stopping imports, as witness the remarks of a prominent member of the Council, Sardar Lal Singh, M.P.: "In case of over-production, the surplus sugar should be exported on a subsidised basis, in order to remove uneasiness in the minds of millowners and to stabilise the industry for all time. This is done by all other exporting countries and can also be done easily in India, where the surplus, if any, will form a small portion of the total production. The Government should definitely make up their mind not to import sugar in future, because the Indian sugar industry is capable of meeting the entire domestic demand of this important article of food."

While exports of sugar may be considered desirable from the point of view of earning precious foreign exchange, the scope for any large exports is very much limited. Even if exports were to be subsidised, the competitive capacity of Indian sugar in world markets would be poor, on account of the high cost of manufacture *vis-a-vis* that of sugar produced in other countries. It is the high cost of sugar that has been responsible for the low level of domestic consumption; the *per capita* consumption of white sugar now averages just 10 lbs. If, therefore, the capacity of the country to absorb more white sugar is to be stepped up, it is imperative that the price of sugar should be reduced substantially. There are two obvious ways of bringing about such a reduction in price. First, the per-acre yield of sugarcane with a high sucrose content must be raised by intensifying cultivation, not to speak of the need for lowering cane prices. Secondly, the heavy burden of taxes—Central and States—must be lightened considerably. These are the most pressing problems confronting the sugar industry, to the solution of which the Development Council will have to address itself in right earnest. Viewed thus, the Council's decision to set up a committee to examine the question of disposal of surplus sugar stocks in case indigenous production exceeds internal demand in future is not of much importance.

Be that as it may, the Council at its recent meeting, adopted the report of its expert committee appointed to prepare a plan for the rehabilitation of unsuitably located and idle sugar mills. The Committee recommended the shifting of only two plants and feels that 14 factories could be rehabilitated at their existing sites, if measures were taken for the development of sugarcane and communications in their areas of operation. It did not consider it worthwhile taking any special measures for rehabilitating 13 factories, owing to their plants being of uneconomic size. It did not also favour the grant of any special help to individual factories considered to be unsuitably located for development, in view of the assistance to be provided under the second Five-year Plan.

The question of formulating a programme for the development of the sugar industry under the second Plan also came up for consideration before the Council. The discussions centred round the report of a committee appointed previously. The Council finally decided to call a meeting, some time next month, to consider the Committee's report. During the discussions, it was emphasised by a representative of labour that it would help achieve the production target in the second Plan, if measures were taken for enhancing the productivity of labour by provision of better working conditions and amenities. In view of the importance of the subject, the Council decided to set up a sub-committee to go into the issue.

The question of sugar machinery fabrication in India and its utilisation in new factories to be put up under the second Plan was also raised in this connection. It was pointed out that a large number of *entrepreneurs* of new factories preferred to import complete plants from abroad and were not prepared to use the machinery manufactured in the country. Even such small items as gutters and pumps were required to be imported. This is only to be expected. One of the reasons why the import of foreign machinery is insisted upon is that factories have no qualified staff to guide them regarding the selection of machinery. Before one thinks of giving an impetus to the sale of sugar machinery and equipment, it is necessary to employ adequate technical staff for preparing specifications and placing orders for the machinery from the supplies available in India and abroad. The Council did well to emphasise this aspect and there was general support to the present policy of restricting imports to such machinery as was not at present made in the country.

The issue relating to sugar machinery is a vital one, considering that the sugar industry has now entered a new phase of development and expansion. The production target for sugar is fixed at 2.25 million tons in the second Plan. For achieving the target, it is proposed to augment the installed capacity of the industry to 2.50 million tons per annum. In pursuance of this programme, licences have already been issued, according to Mr. T. C. Puri, for setting up 50 new factories, of which 25 will be established on a co-operative basis. Licences have also been issued for a substantial expansion in 46 existing units. The total additional capacity that will become available as a result of these measures will be 850,000 tons—550,000 tons from new units and 300,000 tons through expansion of existing capacity. Considering the speed with which the proposed expansion is being carried out and new factories set up, there is, of course, no reason why the target envisaged in the second Plan will not be achieved. But the question is: At what cost? For, it is not enough that the targets should be reached. It should be reached through production of sugar at a price that the consumer can pay, if burdensome surpluses are to be avoided.

BHILAI STEEL WORKS

The Government of India has accepted the detailed project report submitted by the Soviet authorities in December 1955 for the erection of a steel plant by the Russian Government at Bhilai. Letters relating to certain modifications, which have been agreed upon to be incorporated in the design of the steel works, have also been exchanged between the two Governments. The detailed project report, drawn after discussions between the Indian Steel Mission, which visited the U.S.S.R. in August-September last year, and the Soviet experts, provides for the construction of steel works at Bhilai with three blast and six open hearth furnaces. It will be recalled that the draft agreement concluded between the two Governments in February last contemplated the erection of a steel plant with only two blast furnaces.

It is stated that the output of these blast furnaces will be increased significantly by the use of high top pressure in the blast furnaces and the sintering of iron ore. Steel will be produced by the straight basic open hearth process in the six open hearth furnaces. Ingots produced will be of six to seven tons in weight. But the large 1,150 mm. blooming mill will also be capable of handling 10-ton ingots. The rolling mills will be of modern design and layout and incorporate technological improvements well proved in the U.S.S.R. The capacity of the plant will be, besides 300,000 tons of saleable pig iron, one million tons of ingots yielding about 770,000 tons of rails, heavy and medium structurals, light structurals, sleeper bars and billets. With slight additions to the plant, such as an additional open hearth and a group of soaking pits, the capacity of the plant can be raised at any time to 1.3 million tons of ingots. No further additions to the rolling mills will be required to finish the additional ingots. Apart from this, the plant will be so laid as to expand it in the future to produce up to 2.5 million tons of ingots.

The Bhilai steel works will use the hitherto unexploited iron ore resources in the Dalli-Rajhara Pahar area, about 60 miles to the south of Bhilai. Coal will be drawn from Jharia, Bokaro and the nearby Korba fields now being developed. Power for the steel works will be supplied from a thermal station to be established on the coalfields of Korba by the Madhya Pradesh Electricity Board.

The equipment for the plant and the cost of constructing is estimated together at about Rs. 110 crores. The cost of equipment to be supplied by the U.S.S.R. will be approximately half of this amount. The steel works is expected to achieve full production by December 1959, but two coke oven batteries, two blast furnaces, two open hearth furnaces and the blooming mill will be commissioned about a year earlier.

Giving more details about the Bhilai steel plant in the Lok Sabha on the 8th inst., Mr. T. T. Krishnamachari, Minister for Commerce and Industry, disclosed that about 300 Soviet experts were likely to arrive in India in connection with the erection of the Bhilai steel plant and Indian experts would be associated with them. He added that the requisite equipment for the steel plant would begin to be shipped from the U.S.S.R. from the middle of 1956. Shipments would continue up to the end of 1958.

The Commerce and Industry Minister further stated that the processes to be adopted at the Rourkela and Bhilai plants would be different from each other. The Rourkela process would be a new one by which oxygen would be blown into converters. This was expected to save certain amount of labour. Asked whether this would mean that the Soviet process was not as modern as that to be adopted at Rourkela, Mr. Krishnamachari said, "It depends on what type of steel you want. In Rourkela, where they would make steel sheets, etc., a certain amount of carbon content was required." Mr. Krishnamachari stated further that the report of the Indian Steel Mission, which visited the U.S.S.R. to study the Soviet steel plants, was confidential and that it would not be in the public interest to reveal any information contained in it.

PAYMENT TO DOCK WORKERS

It is gratifying to note that new schemes for ensuring more secure employment and speedier turnround of ships have been worked out by the Government of India. It is proposed to achieve these results chiefly by the introduction of payment by results and a better administrative machinery for handling the dock personnel in place of the existing ones which have been found to be inadequate. The new schemes also seek to increase progressively the minimum number of days in a month for which wages are guaranteed to registered workers in the reserve pool.

Drafts of the revised schemes for Calcutta and Madras, which have been formulated on the basis of recommendations of the Dock Workers Enquiry Committee, have been published for eliciting public opinion. The draft scheme for Bombay is expected to be published soon. Indeed, the most notable feature of the revised schemes is the importance attached to the system of payment by results. This system has been tried elsewhere and proved quite sound. The studies of the International Labour Office, Geneva, in wage problems have also disclosed that the system of payment by results is now widely prevalent in many important industrial centres of the world, and that, in many industries, workers paid by results generally earn more than those paid on time-work in the same occupation or trade. By the introduction of the system here, the Indian dock workers, too, stand to benefit considerably.

Under the new schemes, the Dock Labour Boards at ports will prescribe forms of productivity in respect of cargoes of different kinds. A worker will be entitled to daily wage proportionate to the standard of output and there will be a basic floor. He will be entitled to a liberal incentive bonus if his output is more than the specified standard.

The Dock Labour Boards will be concerned with matters of policy and will not be responsible for the day-to-day implementation of the decisions. The Chairman of the Board in Calcutta will be able to depute many of his powers to a Deputy Chairman. In Madras, the powers will be delegated to an executive officer by the Chairman of the Board there.

The powers of handling personnel matters vest at present in comparatively junior officers known as special officers, who have not been able to function effectively. The new schemes, therefore, provide that these powers should be exercised by senior officers having sufficient authority like the Chairman and Deputy Chairman, with provision for appeal to the Central Government against any original order of the Chairman. This will give a feeling of security to workers.

SELF-SUFFICIENCY IN COCONUTS

Self-sufficiency in coconuts is the aim of the various schemes proposed under the second Five-year Plan. The draft second Plan seeks to raise the production of coconuts by 30 per cent. over the present estimated output of 3,350 million nuts from an area of 15.64 lakh acres. How is this to be achieved? The cultivation of coconuts requiries both short- and long-term planning. And the cultivators must be assured of an adequate reward for their labour, if they are to be induced to implement such plans. In this connection, it is interesting to note that Mr. M. S. Randhawa, President of the Indian Central Coconut Committee, in the course of his address to the recent annual meeting of the Committee, suggested the constitution of a sub-committee of the Coconut Committee to consider the fixation of a fair minimum price for coconuts. This suggestion, it is stated, has been prompted by the recent downward trend in coconut prices. There is no doubt that this suggestion requires the consideration of the Government, as the persistence of an uneconomic price for coconuts will be hardly any incentive to extend coconut growing. But the question is whether such a scheme could be implemented in respect of a somewhat unstandardised commodity like coconut, grown in many regions.

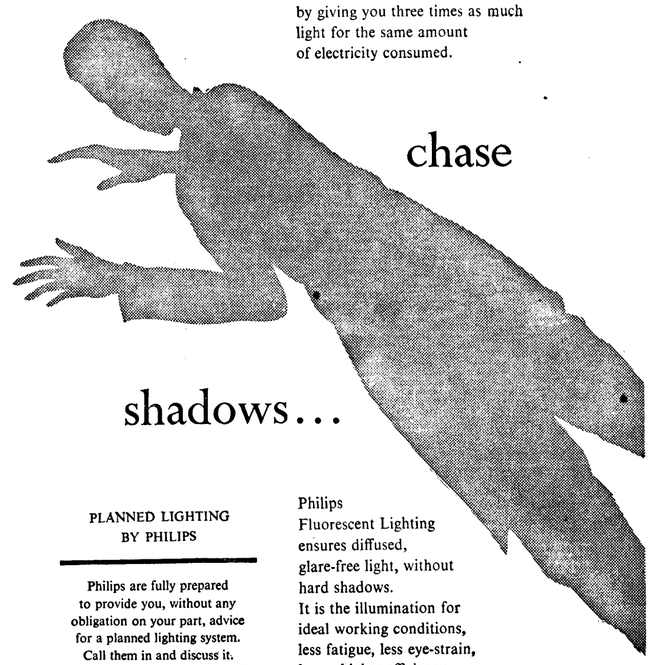
Mr. Randhawa suggested both long- and short-term measures to augment production of coconuts. The long-term measure as pertinently pointed out by him, should include augmentation of the production of coconut plants in nurseries, while the short-term measures should cover improvement in cultural and manurial practices as well as in the control of pests and diseases. A coconut tree, as is well known, will start bearing fruits only after about 10 years of its planting. The effect of increased production of seedlings from nurseries and planting of more area will not, therefore, be noticeable before 1965.

There is, according to Mr. Randhawa, considerable scope for the extension of coconut cultivation in Saurashtra, West Bengal, Hyderabad and the Andamans. It is stated that there is a stretch of land on the sides of railway lines in all coconut-growing States, which might be profitably brought under coconut cultivation. It will be recalled that, in 1953, the Coconut Committee requested the railway authorities to explore the possibility of growing coconut trees at the sides of railway lines. Unfortunately, no effective action has been taken so far. Mr. Randhawa disclosed further that there was scope for plantation of coconut palms in the Godavari and Krishna deltas and on the embankments of canals and channels in Mysore and Travancore-Cochin States.

A notable feature of Mr. Randhawa's address is the stress it laid on the need for greater co-ordination of the working of Coconut and Arecanut Committees. Both the Committees deal with tropical crops and have, therefore, many common problems. Mr. Randhawa expressed the view, that, through co-operation alone, these two Committees would be able to bring down the cost of administration and the savings effected thereby might be utilised for research work. He proposed the constitution of a five-member sub-committee to enquire into this problem and suggest ways and means for co-ordinating the work of the two Committees. Further, he suggested the re-organisation of the Agricultural Research Sub-committee of the Coconut Committee into Agricultural Research and Development Sub-committee, with two sections, one dealing with research and the other development.

PLX 68

don't chase shadows...



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RUPEE TRAVELLERS' CHEQUES ISSUED IN CONVENIENT DENOMINATIONS.

PARLIAMENT MEMBERS URGE STRENGTHENING COUNTRY'S DEFENCE

FINANCE MINISTER ON ADDITIONAL TAXATION

From A Special Correspondent

NEW DELHI, 13*th March*

THE echoes of the S.E.A.T.O. Conference held in Karachi a few days ago, particularly the pronouncements of the U.S. Secretary of State, Mr. John Foster Dulles, on this occasion, were fully reverberated in the Indian Parliament this week. Many responsible members of Parliament did not fail to draw the attention of the Prime Minister as well as that of the Defence Minister during their speeches on the Central Budget to the growing military strength of Pakistan as a result of large-scale military assistance given by the U.S. Some were of the opinion that the increasing number of Indo-Pakistan border incidents in recent weeks were the result of mounting U.S. military aid to the latter, and the deliberate effort of that country to continue to give India incessant trouble.

DELHI LETTER

Defence Economy

The repeated observations by members of Parliament on the need for strengthening the defence economy of the country during the Budget debate forced the Defence Minister, Dr. K. N. Katju, to intervene in the debate and to make some statements on the points raised by them. He pointed out that the basic idea of the Government of India was to make the armed forces well equipped and self-sufficient and to look after their comforts and conveniences. He also revealed that the armed forces had been almost completely Indianised but for a few officers in the navy and also contract officers in the army. About defence industries, he said that Government's objective was to become self-sufficient to as large an extent as possible in the production of war materials of every kind. He was anxious that there was no want of military equipment they required. He stated that machineries in ordnance factories were being adjusted in such a manner as to be able to produce some useful defence equipment. He also recounted briefly the progress of the Hindustan Aircraft Factory, Bharat Electronics, etc.

The debate on the Budget further revealed that all members were agreed on the building up of Indian industries with the utmost speed, although there were ideological differences in the approach. Business men naturally reiterated with emphasis the laudable part which the private sector had played during the first Plan by exceeding the target set for it in most spheres and urged rightly that if suitable climate were created and adequate opportunities were afforded, the private sector could contribute greatly to the development of the country. Some other members, particularly Praja-Socialists and orthodox Congress men, continued to harp on the great potentialities of the *Ambar Charka* and desired that full scope should be given to its development.

Generally speaking, many well-informed members of Parliament were inclined to approve the Government's economic policy, its philosophy behind the second Plan, its policy of flexibility and adjustability, etc. While broadly approving Government's proposal for large-scale deficit financing, they desired that Government should keep a strict watch over the progress of deficit financing, so as to prevent its deleterious effects sufficiently early. Some other members who participated in the Budget debate spoke from their local angles such as the development of particular projects which would confer benefits either to their constituencies, districts or States.

The Finance Minister, Mr. C. D. Deshmukh, who replied to the debate, was in a confident mood about the country's inherent capacity to go through the second Plan. He appeared to maintain that the proposed scale of deficit financing was within the ability of the country to withstand and that the Government would be able to check inflationary tendencies, should they arise during the implementation of the Plan. Mr. Deshmukh indicated a number of principles and policies which he would be following in the coming months in the orderly financing of the Plan. He pointed out that the total expenditure of a capital nature for the first year of the second Plan would come to a little over Rs. 700 crores, besides a certain amount of development expenditure which may roughly be estimated at about Rs. 100 crores. He revealed that in 1955-56, they had spent about Rs. 650 crores on Plan expenditure as against the proposed expenditure of a little over Rs. 700 crores. In order to prevent any slackness in planned expenditure, the Government must from now on accelerate the quantum of expenditure.

Taxation

This apart, the Finance Minister reiterated the view that additional taxation was inseparable from a bolder plan of economic development and drew the attention of Parliament to the fact that the successful implementation of the Plan could not be assured without the levy of additional taxation, and the proposals made in this respect should be judged in the light of the Plan and not in the light of the Budget surpluses. He revealed that taxation in the country in the coming years would be maintained on a progressive scale and in this connection, remarked: "Taxation has to come out of current increases in incomes. Since investments have to be made year after year, and since this is not a one-year but a five-year Plan and as national income rises out of the increased amount of marginal savings, we will take in more, both through borrowings and savings and taxation." In other words, fresh taxation would be imposed year after year taking into consideration the national income in the country, the general capacity of the people and general suitability of particular imposts, direct or indirect, etc.

Mr. Deshmukh maintained that borrowings from the public through the medium of loans and small savings would be kept up to the utmost limit with a view to reducing the dose of deficit financing. He, however, stated that a great deal of money would have to be put into circulation, before it would be possible for him to mop up the surplus. In this connection, he gave out some figures in order to indicate the success of Government's loan policy. The net borrowings (total borrowings minus repayment of loans) were Rs. 45 crores in 1953-54, Rs. 100 crores in 1954-55 and Rs. 82 crores in 1955-56. For the next year, he had budgeted for Rs. 100 crores for the Centre alone—and no loans were maturing next year for payment—and the States would be going in to the market separately. Last year, the States were able to collect nearly Rs. 50 crores and this year, they might repeat or even exceed this figure. The Finance Minister was conscious that he would be able to keep the country's economy on an even keel by preventing any runaway inflation. He stated that Government was fairly familiar with the fiscal, monetary and physical measures that would enable a country to deal with incipient inflation. He did not agree with the view expressed by some that corporate taxes would discourage investment, but pointed out that the whole question should be viewed in the light of large-scale expenditure in the second Plan on industrial development. Even in regard to the levy of excise duty, he was of the opinion that the common man too had to contribute his mite towards the running of the government and financing of development expenditure. He concluded by saying that "our taxes are as enlightened and as progressive as anywhere and they make no grave encroachment on the standard of life of anyone."

LIGHTENING THE PRESSURE ON BRITISH ECONOMY

EFFECT OF NEW MEASURES

By Ernest Atkinson

WITH the comfortable majority of 325 votes to 259 at the end of the recent two-day Commons debate on a motion of confidence in the measures the British Government proposes to use to deal with the economic position, attention now turns to the working out of these measures and the question, which some commentators have suggested, of whether they will, in fact, prove adequate. Briefly, these are: the credit "squeeze" and higher Bank rate, which could, of course, go higher still, if it were thought useful; cuts in national and local government expenditure and in the capital spending of the nationalised industries; discouragement of over-high levels of investment in industry; cuts in the subsidies on bread and milk; restrictions to make hire-purchase more difficult. All these weapons in the attack on inflation are to be used until demand can be seen to be matched with resources.

Before the debate, there had been fears that the economic point of the argument between the Government and the Opposition in the Commons might be lost in mere party-political bickering. But though indeed, there was a certain amount of recrimination of that kind, it was generally agreed afterwards that the Leader of the Opposition, Mr. Hugh Gaitskell, in particular had answered Mr. Harold Macmillan (now, as Chancellor of the Exchequer, holding the post Mr. Gaitskell had in the last Labour Government) with a very fair exposition, from his own point of view, of what was the matter and what remedy should be followed. And—as one commentator not always favourable to the Labour Party put it—little or nothing was said in the debate to bedevil the industrial situation.

There, indeed, is a point. For there are wage claims already in, or about to enter, the negotiating machinery; there is the General Council of the Trades Union Congress in the process of formulating its views on the prospect before us; and there is a situation—by no means desperate, but admittedly serious—to be cured. Any sound assurance that industrial trouble will not complicate it further is greatly to be welcomed.

Should the Chancellor of the Exchequer deem anything further to be necessary, he could, of course, act at any moment. But the next likely occasion for a review, and for any new measures to be taken, would be in the Budget.

The date for that is not yet officially announced, but the general view is that it would be in early April. We have, therefore, six weeks or so in which to see how matters develop and whether, in fact, the Chancellor will need to adopt the further measures that he assured the Commons, at the very outset of the debate, he has in reserve.

For, apart from the reductions in prospective expenditure that he listed—they come to something like £100,000,000 in all, and may well turn out larger—there are important incalculables; and they, according to unofficial as well as official estimates, may come to an additional £100,000,000 worth of excess demand on the capital side to be squeezed out of the economy.

One may put the sources of these incalculables under three heads: (1) The investment allowance for industry, which was, in effect, a subsidy for new plant, has been ended. This does not mean that new investment is brought to an end—far from it. But it does mean that firms will have to be convinced very thoroughly of the worthwhileness of investing in new plant before they go ahead. (2) If their new plant or other expansion projects involve raising more money, they will have to pass scrutiny of newly intensified strictness by the Capital Issues Committee. The effect here may well be—and indeed, there are signs that it already is, in some instances—that many less worthwhile projects will not come to the starting-point. But where the backers of an enterprise are convinced their project is in the national interest, they will have no fear in applying to the Committee for its authority. (3) Local-government authorities, whose capital investment is reckoned to account for perhaps a quarter of the national figure, have now a considerable accumulation of restraints on their capital spending. Decisions have to be made according to the merits of individual cases; but there must be a formidable effect here. In all, the extra £100,000,000 may well be an underestimate.

From the fine, confused welter of metaphors that economic discussions in Britain these last

(Continued in previous column)

(Concluded from next column)

few weeks has produced, there is one that stands out, in the suggestion that by cutting investment—and certainly industrial re-equipment can show some formidable needs—the Government is killing the goose that would be laying the golden eggs of future years.

The answer given to that is that indeed Britain's domestic capital investment ought to be higher than it has been, and that, in fact, investment this coming year may well be higher than before; but that this and continued advance can only be achieved, if the heavily excessive pressure on the economy can be lightened. This the new measures are intended to do.

AMERICAN LETTER

CONTROLS OVER CONSUMER CREDIT

FISCAL AND CREDIT AUTHORITIES PLEAD FOR THEIR RENEWAL

From Our Special Correspondent

NEW YORK, 9*th March*

THE outlook for the business and financial markets in the United States is still excellent on an overall basis. Some soft spots are in evidence, but they do not detract much from the picture of general prosperity. The demand for housing and automobiles has been slower in recent weeks and months, but the slack has been taken up by other industries like construction, so that the demand for steel, for example, remains at high levels.

The current wave of optimism was sustained and strengthened by President Eisenhower's announced decision to be a candidate for a second term in the White House. Since the law has been changed, this is his last chance to aspire to the highest political post in the country. No President may serve hereafter more than two terms of four years each.

The only thing which remains to be settled in the political arena in America is who the President's running mate as Vice-President is going to be. The final decision on that point is going to rest with the Republican National Convention at San Francisco this coming August.

Retail trade has held up better than expected and the prospects in this area are also very good, indeed. An indication of the general prosperity prevailing here also is that savings are pouring into mutual savings banks at a rate faster than they can invest them. It is quite a problem among managements.

The hardening of interest rates, which has been in progress for some time, has pushed up the interest rate on savings accounts to about 3 per cent. per annum. Most of the savings banks have invested just about half of their resources in mortgages which pay more than 3 per cent. However, when the influx of money becomes overwhelming, the banks face the dilemma of having to invest their funds in Treasury, State or municipal obligations, most of which pay considerably less than what they have to pay their depositors. The plethora of funds is a real problem.

Another indication of prosperity is spending by industry for plant and equipment. It looks, at this point, as though 1956 may be as good in this respect as 1955, if not better, owing to constant technological improvement which make necessary the replacement of machinery which was considered up to date, say, two years ago, but which is regarded as obsolete today.

One subject of particular interest to India should be cotton. Important progress is expected to be made in the disposal of farm products, now held by Washington agencies under the agricultural price support programme. As a first step, some $2,000 million worth of surplus cotton will be sold to the highest bidder overseas. Some 12 million bales of the commodity are involved. However adroitly the negotiations may be handled, the world price of cotton may be depressed by this offering.

The securities investment markets are in good shape. Many new issues are planned, but, in view of the large amount of savings, there should be no difficulty in placing them in the proper channels.

As usual, disturbing elements are in the minds of the American financial and business community. One of them is the smouldering controversy between Israel and the Arab countries. There is also still the unresolved problem of Asia in general.

The First National City Bank has just issued a very favourable report about the achievements of India's first Five-year Plan and the good it has accomplished in helping to feed the growing population of India. It has also outlined the aims of the second Five-year Plan of the Government of India.

Back in the United States, there have been no notable changes, except, perhaps, higher wages and higher fringe benefits for workers which are potentially inflationary. That is why there has been no real relaxation of tight monetary credit policies by the Federal Reserve System. In view, however, of the abovementioned soft spots in the U.S. economy, there have been no changes of import in interest rates. It is dubious, though, whether the U.S. can disassociate itself from the world trend and much attention has been paid in financial quarters to increase in the British Bank rate from 4½ to 5½ per cent.

Britain took steps to tighten its hire-purchase rules and, here, in the U.S., a similar trend is in evidence. Fiscal and credit authorities have made appeals for renewal of controls over consumer credit. New Federal legislation would be required to reinstate the regulations which were in effect during the war.

Like in Britain, in official quarters, the danger of inflation is regarded as much greater than that of deflation, despite the acknowledged soft spots in the U.S. economy. Hence, restrictive measures are being employed to stem the enthusiasm in a booming economy. Nobody knows whether this course is right or wrong. Many new factors have entered the American picture. Like in India, there is a constant increase in population in the U.S. It means greater demands for necessities, services, supplies and a variety of other human wants.

Along those lines, labour organisations have pressed for pension and retirement plans which are gradually becoming important factors as investors in the American securities markets. Despite the original objection of management to this movement, these trade union activities have turned out to be a stabilising element in the U.S. And as these organisations accumulate thousands of million of dollars, their influence in the U.S. economy is apt to increase.

An indication of the general U.S. prosperity is provided by the travel and resort industry. More people than ever get paid vacations and spend their money away from home. The expectation for 1956 is that 10 per cent. more will be spent in this field by Americans than last year. This type of spending supports many areas of endeavour and provides important sources of "invisible" income all over the world.—*All Rights Reserved.*

NEW MINIMUM WAGE IN U.S.

About two million industrial workers in the U.S. have received direct wage increases as the national minimum wage has become one dollar an hour with effect from the 1st inst. The previous minimum was 75 cents an hour. The new minimum wage will have an indirect influence on wage differentials for about 22 million other industrial, commercial and transportation workers covered by the law who already earn a dollar or more an hour. These workers are expected to receive compensating increases to maintain their differential over craftsmen with lesser skills.

The Labour Department estimates that consumer purchasing power will be increased by nearly $600 million annually, as a result of the new basic minimum. The new minimum is provided under an amendment to the Fair Labour Standards Act of 1938, which established a minimum wage and overtime pay provision for workers generally engaged in interstate commerce. The federal minimum of 75 cents has applied since a 1949 amendment. However, hourly pay for production workers in manufacturing industries today averages slightly more than $1.80.

Manufacture of Polythene in India

Imperial Chemical Industries Limited have received the approval of the Government of India to a project to manufacture polythene in India. The manufacture will be undertaken by the I.C.I. associate, The Alkali & Chemical Corporation of India Limited in which the Indian public has a substantial shareholding. The project will involve a total investment of about Rs. 3 crores.

Polythene was first discovered in the research laboratories of I.C.I. Ltd. in the U.K. The process to be used in India will be that developed by I.C.I. and used in the manufacture of their well-known 'ALKATHENE'. The use of this product in India has been developed by I.C.I. (India) Ltd. who have operated a plant at Calcutta for the manufacture of film from imported granules since 1953. Polythene is a tough, flexible, thermoplastic material with outstanding electrical insulating properties. Many thousands of tons are used every year throughout the world in the manufacture of packaging film, flexible pipes, submarine telephone cables, radar equipment and moulded domestic articles, to mention only some of the major uses. As elsewhere, the largest single use of polythene in India will probably continue to be for packaging purposes, both as film and as coating on paper and jute.

IMPERIAL CHEMICAL INDUSTRIES (INDIA) LIMITED

ICI

ICG 540

BANKER'S REVIEW OF ASIAN AND EAST AFRICAN ECONOMIES

FIRMER RATES OF INTEREST CONSIDERED LIKELY

WITH more goods available for export following the implementation of the development programmes, men engaged in Indian industry and trade will have to be on the look-out for expanding the existing markets and exploring new ones for disposal of surplus goods. They have, therefore, to keep themselves in closer touch than hitherto with the business conditions in the various countries, especially in Africa and Asia where they have already established trade relations. They will perhaps derive considerable benefit from the appraisal of the present state of the economies in the two continents made by Mr. J. K. Michie, Chairman, the National Bank of India Ltd., London.

In his customary statement issued along with the Directors' report for the year ended December 1955 to the shareholders of the National Bank of India, Mr. Michie has given a bird's-eye view of the business conditions in the areas where this Exchange Bank is carrying on banking operations through its branches. The review covers Britain, India, Pakistan, Burma, Ceylon, Aden and East African territories including Kenya, Uganda, Zanzibar, etc.

Mr. Michie appears to be concerned more with developments at home than in areas where his Bank is carrying on operations. This is as it should be. For the economic measures taken by the Government in the U.K. will have repercussions elsewhere. For instance, it is vital to the Bank, if the U.K. continued to make important contributions to the Colombo Plan and to other similar developments in the Commonwealth as well as to expand its investments abroad through private enterprise. "If we cannot do these things, we shall," says Mr. Michie, "lose our place in the markets and in the regard of the countries concerned." Again, he points out that the effects of the credit squeeze do not begin and end in London or in the U.K. It is true that the centre of the sterling area takes the first pressure, but the effects of action at the centre necessarily work their way outwards. And it would be idle, he avers, to suppose that borrowers near the periphery of the sterling area will remain unaffected by recent monetary measures in the U.K. Overseas banking cannot but be made, he emphasises, increasingly aware of this aspect of the squeeze during the current year. It is interesting to note that Mr. Michie does not rule out the prospect of seeing firmer rates of interest in many countries which to outward appearances so far have not been affected.

Describing the position which led to the raising of the Bank rate in the U.K. to 5½ per cent. and to other credit squeeze measures, Mr. Michie observes that, during 1955, production in the U.K. was increased by about 4½ per cent. but spendable incomes rose by 7 per cent. As these incomes were spent, inflation occurred at least to the extent of the difference in that year. Pointing out how the sharp fall in the gold and dollar reserves was reflected in the U.K.'s adverse balance of trade, he visualises the imposition of further anti-inflationary measures upon the country, if the people as a community, fail to impose restrictions on themselves. He opines that the alternatives to a policy of reducing the volume of goods for internal consumption is either to make them more expensive (by means of a purchase tax) or to ensure through taxation that less money chases the goods available.

In his review of economic conditions of India, Mr. Michie gives an outline of the second Five-year Plan and nationalisation of the Imperial Bank of India and life insurance business. The latter action has created an uncertainty in the minds of industrialists, Indian and foreign alike, regarding the Government's further intentions towards the private sector. He notes, not without some disappointment, that the uncertainty has not been relieved by the principles of policy outlined by the authors of the second Five-year Plan. He expresses regret at the bank strikes and suggests that if the Government is to lay down any rules, it should at least ensure that both banks and their employees observe them. The alternative, according to him, is anarchy and the impossibility of banks carrying out their obligations under the Negotiable Instruments Act, which, in turn, would mean the paralysis of business—a state of affairs which was within a hairbreadth of happening in Calcutta early this year.

Mr. Michie considers that the revaluation of the Pakistan rupee is a wise decision, as it puts the country in a much better position to market its exports. With good crops in 1955, the Pakistan economy is stated to be more stable. The stability is also due to the austerity campaign started by the Government which cut imports very severely.

The economic picture of Ceylon is stated to be a favourable one. The country's balance of trade has improved considerably owing to lower rice prices combined with a larger internal production. Rubber prices remained at remunerative levels, but tea prices oscillated. The increase in rice output is considered to be a fine achievement.

Burma's position is, however, not encouraging. Decline in prices of rice has adversely affected the economy and the country's balances have fallen sharply from £41½ million to £32 million. This is partly due to larger orders placed in the past for importation of machinery. Mr. Michie thinks that Burma is not likely to solve its problems by barter transactions. He opines that improved port facilities and internal transport are the first necessities of further economic progress in Burma.

Among East African territories, in Kenya, the extreme phase of the Mau Mau movement having been over, there is some relief to the Government which is today faced with rehabilitation work. In 1955, the crops there were good. In Uganda, cotton had to be supported by the Cotton Price Assistance Fund. Sisal prices in Tanganyika were favourable and there was expansion in cotton and coffee crops. In Zanzibar, clove stocks were rising, while copra prices remained steady. Aden continued to be one of the most important fuelling ports in the world. It is stated that prospecting work is being carried on there, and any success is sure to add to the importance of the colony. The traditional entrepot trade is being well maintained.

U.K. BANK RATE AND INDIA

Replying to a question in the Lok Sabha the other day, Mr. C. D. Deshmukh, the Union Finance Minister, stated that the change in the British Bank rate announced recently by the U.K. Government was not likely to affect India's export trade with the U.K. He said that it was difficult to say what exact effect this general tendency would have on the trade between India and the U.K. According to the Minister, the main items of India's exports to the U.K. were tea, jute goods, leather and leather manufactures and tobacco. The demand for most of these items was, generally speaking, not likely to be affected significantly by the disinflationary measures adopted by the U.K. Government. India's imports from the U.K. consisted mainly of machinery, chemicals, iron and steel, vehicles and metal manufactures.

It was not easy to estimate at this stage to what extent the supply of these articles would be augmented by the restrictions on the production of consumer goods which the disinflationary policy of the U.K. would cause. Nor was it possible, according to him, to say that the prices for these articles would go down appreciably.

Mr. Deshmukh was not in a position to envisage the effect of the disinflationary measures that were now being adopted either on the price or on the quantum of Indian imports from the U.K. As a member of the sterling area, India was, he said, interested in the balance of payments of the U.K., as of all members of the sterling area with the non-sterling world. This balance had for some considerable time been adverse, with the consequence that the central gold and dollar reserves of the sterling area have of late been substantially reduced. Any steps which had the effect of improving the balance of payments of the sterling area, such as the disinflationary policies being followed by the U.K., were welcome to the Government of India.

W. GERMANY RAISES BANK RATE

The West German Bank rate has been stepped up by 1 per cent. to 4½ per cent. Following this rise, the Bank Deutscher Lander has increased the rate for advances against securities (the Lombard rate) from 4½ to 5½ per cent. and that for short-term municipal loans from 3½ to 4½ per cent.

The aforesaid measure is a fresh bid of the West German authorities to curb excessive inflation. It was only in August last, it will be recalled, that W. Germany raised the Bank rate from 3 to 3½ per cent. and the Lombard rate from 4 to 4½ per cent. At that time, the monetary authorities had stated that the deflationary measures were prompted by excessive borrowings from the banks, over-heated nature of the housing programme, and threat of large wage increases before the year-end. All these considerations are, it is now said, as sound today as they were then.

CANARA BANKING CORPN. COMPLETES 50 YEARS

STEADY ALL-ROUND PROGRESS

THE twelfth day of March 1956 constitutes an important landmark in the history of the Canara Banking Corporation Ltd. (General Manager: Mr. V. R. Kamath, Udipi) in that it witnesses the completion of 50 years of the Bank's useful role in joint-stock banking in this country, particularly in South India. On this day, exactly 50 years ago, the Bank was established as a *Nidhi* (Fund) in South Kanara District of the Madras State by a noble band of citizens of the district to cater to the financial needs of trade and industry and to inculcate the habit of saving among people in that part of the country. In fact, it has earned the distinction of being the first joint-stock bank to be started in South Kanara.

These 50 years have not proved to be a period of smooth sailing for Indian joint-stock banking and it redounds to the credit of the Bank that it has been able to steer clear of all the economic stresses and strains caused by the two world wars and make commendable progress during the half a century of its existence, as will be seen from the relevant figures of the Bank's balance-sheets as at the close of the past five decades, published elsewhere in this issue. Its paid-up capital has been raised from a mere Rs. 5,000 at the end of 1906 to Rs. 20 lakhs at the close of 1955 and its reserves have been strengthened from Rs. 5,000 in 1916 to Rs. 12 lakhs. The Bank's deposits have been enlarged from Rs. 4,000 at the end of 1916 to Rs. 4.23 crores. An idea of the extent to which it has served the needs of commerce and industry in the areas in which its field of activity extends can be had from the expansion of its advances from Rs. 5,000 in 1906 to Rs. 2.23 crores at the end of 1955. In consonance with this trend of expansion of the Bank's business, its profit also has improved from Rs. 2,000 in 1916 to Rs. 3.35 lakhs in 1955.

It is a happy augury that this unique occasion is being heralded by not only an expansion in business during the year ended 31st December 1955 but a small improvement in profit. The Bank has earned a profit of Rs. 3,34,507 for the past year, as against Rs. 3,29,140 for 1954 and Rs. 3,17,797 in 1953. This is the second year in succession for which the Bank's profit shows a rise, albeit small. This improvement during the past two years has not, however, enabled the Bank to make good the recession from the record profit of Rs. 3,54,707 earned in 1951 to Rs. 3,17,797 in 1953. The Directors have placed a sum of Rs. 76,000 to the statutory reserve fund, which had received Rs. 75,000 last year, and of Rs. 18,093 to the contingent fund, as against *nil* a year ago. The provision for taxation has been reduced from Rs. 1.25 lakhs to Rs. 1 lakh. The distribution on ordinary shares has been maintained at 10 per cent., made up of a dividend of 8 per cent. and a bonus of 2 per cent., for the sixth year in succession. Besides this usual distribution, the Directors have declared a special cash bonus of 1 per cent. in commemoration of the Bank's golden jubilee. This distribution on ordinary shares, together with the payment of dividend on the 5 per cent. and 4½ per cent. first preference shares, absorbs Rs. 1,40,500, leaving a surplus of Rs. 2,432 to be carried forward, as against Rs. 2,518 brought in.

The Bank's latest balance-sheet shows that, as against a paid-up capital of Rs. 20 lakhs (made up of 15,000 ordinary shares of Rs. 50 each, 7,000 5½ per cent. first preference shares of Rs. 50 each and 18,000 first preference shares of Rs. 50 each), the reserves stand at Rs. 12 lakhs. Deposits have enlarged from Rs. 3.43 crores at the end of 1954 to Rs. 4.24 crores. The bulk of these deposits represents fixed, cumulative and golden jubilee deposits amounting to Rs. 2.51 crores, as against Rs. 2.00 crores at the close of 1954. The borrowings from other banks have also risen from Rs. 0.87 lakh to Rs. 25.73 lakhs. On the assets side, advances have gone up from Rs. 1.58 crores to Rs. 2.23 crores, the increase having been shared by loans, cash credits and overdrafts which have risen from Rs. 1.20 crores to Rs. 1.59 crores and by bills purchased and discounted which have moved up from Rs. 38.28 lakhs to Rs. 63.85 lakhs. While meeting the increased demand for bank credit, the Bank has also taken care to strengthen its liquid assets, as will be seen from the rise in its investment from Rs. 1.61 crores to Rs. 1.75 crores and in its cash balance from Rs. 71.46 lakhs to Rs. 93.67 lakhs. In short, the Bank has made satisfactory progress during the year under review.

IMPRESSIVE RESULTS OF INDIAN BANK

SHARP RISE IN PROFIT—DIVIDEND, HOWEVER, REPEATED

AN impressive rise of Rs. 6.34 lakhs to Rs. 20.28 lakhs in profit is disclosed by the audited accounts of the Indian Bank Ltd. (Secretary: Mr. N. Gopala Iyer, Madras), for the year ended 31st December 1955. With this increase, the Bank has maintained the upward trend in its earnings for the second year in succession, the aggregate rise for the past two years being Rs. 7.37 lakhs. It is also noteworthy that the profit for the year under review is the highest since 1946 and falls short of the record profit attained in that year by only Rs. 3.17 lakhs. The sharp rise in profit for the year under review is the result of a substantial expansion in turnover of the Bank during the year, as witness the increase of nearly Rs. 11 crores in the balance-sheet total.

Notwithstanding the notable increase in profit, the provision for taxation is unchanged at Rs. 5.75 lakhs, while the allocation to the reserves has been raised from Rs. 1 lakh to Rs. 7.13 lakhs, by stepping up the transfer to the reserve fund under section 17 of the Banking Companies Act, 1949 from Rs. 1 lakh to Rs. 3.50 lakhs and providing Rs. 1 lakh to the reserve fund other than under section 17 of the Act and Rs. 2.63 lakhs to the sinking fund, neither of which had received anything last year. Such large allocations to the reserves do not, however, permit a higher distribution to the shareholders, which is being maintained at 12 per cent. per annum, made up of a dividend of 10 per cent. and a bonus of 2 per cent., for the second year in succession. The Directors' decision to repeat the return to the shareholders, despite the impressive rise in profit, is in distinct contrast to the step taken by many other leading banks in India in declaring higher dividends. It is, however, no reflection on the Board's dividend policy. The stable dividend policy which is being followed by the Directors is a commendable one, indeed.

The following comparative table shows at a glance the progress made by the Bank during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount earned ..	106.66	94.79	88.85	89.86
Commission and exchange ..	26.49	25.05	22.23	19.79
Gross income	146.28	122.67	114.48	112.24
Interest paid	57.81	49.99	45.97	42.80
Expenses	66.74	57.18	53.44	48.47
Depreciation and repairs ..	1.45	1.50	1.32	1.42
Loss on sale of investments ..	..	0.01	0.83	5.37
Profit	20.28	13.94	12.91	14.18
Taxation	5.75	5.75	2.60	3.90
To reserves	7.13	1.00	3.00	3.50
,, building account ..	0.30	0.15	0.25	0.10
Dividend	6.96	6.96	6.87	6.56
	(D. 10%, +B. 2%)	(D. 10%, +B. 2%)	(D. 10%, +B. 2%)	(D. 10%, +B. 2%)
Carry forward	1.45	1.51	1.23	1.04

	As on 31st December			
	1955	1954	1953	1952
Capital	59.87	57.79	57.68	55.33
Reserves	79.75	77.50	76.50	73.50
Deposits	2,944.17	2,484.65	2,185.32	2,030.03
Borrowings from other banks ..	30.33	..	15.00	47.02
Bills for collection (contra) ..	226.15	227.77	199.22	200.29
Acceptances (contra)	695.52	144.10	91.32	110.49
Advances (including bills purchased and discounted and money at call)	1,754.24	1,344.70	1,128.04	1,073.06
Investments*	1,114.83	975.56	950.85	886.99
Cash balances	330.04	357.41	292.32	281.04
Balance-sheet total	4,190.10	3,109.58	2,720.85	2,613.76
Ratio to deposits of—	%	%	%	%
Advances	59.6	54.1	51.6	52.8
Investments†	36.8	39.2	43.2	41.4
Cash	11.2	14.4	13.4	13.9

* Include investments of staff security deposits.
† After taking into account securities earmarked against borrowings from other banks.

The increase in gross income for the year under review has been shared by the income from interest and discount, as well as that from commission and exchange. In fact, the rise in the latter is proportionately greater. Another notable feature is that the rise in income from both these sources during the year under review is much sharper than in the previous years. A similar trend is noted on the expenditure side also, where the outgo by way of interest paid is up by Rs. 7.82 lakhs and expenses are higher by Rs. 9.56 lakhs.

The capital of the Bank shows an increase of Rs. 2.08 lakhs. This is due to the calls of Rs. 5 per share made on 20,000 shares of Rs. 85 paid-up and on 28,000 shares of Rs. 60 paid-up making these shares Rs. 90 paid-up and Rs. 65 paid-up, respectively, while the calls unpaid have gone up by Rs. 0.32 lakh. It will be noted that though a sum of Rs. 7.13 lakhs has been, as stated at the outset, added to the reserves from the profit for the year under review, the reserves are higher by only Rs. 2.25 lakhs over the year. This is because a sum of Rs. 4.88 lakhs has been drawn from the sinking fund during the year. The deposits are higher by Rs. 4.59 crores, thus maintaining the upward trend since 1949. The break-up of the deposits shows that fixed deposits have improved from Rs. 6.67 crores to Rs. 10.66 crores, season and short-term deposits from Rs. 2.58 crores to Rs. 2.61 crores, savings bank deposits from Rs. 4.56 crores to Rs. 5.24 crores and current and contingency accounts from Rs. 9.03 crores to Rs. 10.93 crores. Thus, as in the previous year, the expansion in fixed deposits is much larger than that in other classes of deposits, which to some extent accounts for the increase in outgo by way of interest paid.

The improvement in lendable resources has enabled the Bank to meet the increased demand for credit, as witness the rise of Rs. 4.09 crores in advances to a new record level of Rs. 17.54 crores. Of these advances, loans, cash credits and overdrafts together account for Rs. 12.95 crores, as against Rs. 10.58 crores in 1954, bills discounted and purchased for Rs. 4.59 crores, as against Rs. 2.43 crores, and money at call and short notice for *nil*, as against Rs. 44 lakhs. At the same time, investments also stand strengthened by no less than Rs. 1.40 crores to Rs. 11.15 crores. The investments are shown at cost, at Rs. 11.15 crores, but their market value is only Rs. 10.67 crores. This shortfall of Rs. 47.47 lakhs in market value of the investments is not a new feature for this year, but it compares favourably with the fall of Rs. 80.64 lakhs noted at the end of 1954. The shortfall is partly covered to the extent of Rs. 17.25 lakhs, by the sum of Rs. 10 lakhs standing to the credit of the non-statutory reserve and by Rs. 7.25 lakhs to that of the sinking fund.

(*Concluded from next column*)

time of the reconstruction of the capital, is also unchanged at £3.10 million. The current and other accounts and deposits have gone up further by £1.71 million to a fresh record level of £130.03 million, though the extent of increase is not as sharp as that (£24.76 million) noted at the end of 1954. On the assets side, advances and loans have risen for the second year in succession. As in the case of deposits, the pace of increase in this main revenue yielding asset also is relatively much shorter than that noted a year ago. However, the rise in advances and loans is greater than that in deposits. The aggregate increase of £20.58 million during the past two years has more than offset the decline suffered in 1952 and 1953 from £65.48 million at the end of 1951 to £45.86 million and has helped the Bank to establish probably a record in its history. Bills of exchange are a shade lower, but they are still at a much higher level than those at the close of any of the years preceding 1954. Notwithstanding the increase in advances noted above, the Bank's liquid assets stand strengthened,

NATIONAL BANK'S PROFIT GOES UP

FURTHER EXPANSION IN BUSINESS

A WELCOME improvement in the earnings for the year ended 31st December 1955 is disclosed by the latest statement of accounts of the National Bank of India Ltd. (General Manager: Mr. N. W. Chisholm, London.) The consolidated profit of the Bank (including its subsidiaries) for the past year has gone up from £385,923 to £421,839, thus reversing the downtrend noted since 1951. This increase in profit for 1955 is not, however, sufficient to make good the decline of £55,534 suffered during the preceding three years. The improvement in earnings is clearly the result of the management's successful effort at expanding its business, as is borne out by the further increase of £5.69 million to £145.53 million (a record in the history of the Bank) in the Bank's balance-sheet total at the end of 1955.

The aforesaid consolidated profit has been arrived at, as in previous years, after providing for taxation and transfers to contingencies reserves, out of which provision has been made for diminution in the value of assets. From the above profit, the Directors propose to transfer to the premises account a sum of £75,000—the same as in the previous three years—in keeping with their policy of allowing this account to grow until the Bank's major building and rebuilding operations are completed. The provision for contingencies account, which had been gradually cut from £140,000 to £70,000 during the previous two years, has been increased to £85,000, presumably to provide against the considerable fall in the value of the Bank's holding of Government securities, in common with other banks. The dividend for the year under review has been maintained at 15 per cent. less income-tax, by raising the first interim distribution from 7 per cent. to 7½ per cent. and reducing the second interim dividend from 8 per cent. to 7½ per cent. However, the net cost to the Bank, after deduction of income-tax, is higher at £245,947, as against £235,254 last year.

The following synopses of the Bank's balance-sheets as at the close of the last four years give an idea of its progress:

(In thousands of £ sterling)

	As on 31st December			
	1955	1954	1953	1952
Liabilities (Main)				
Capital	2,852	2,852	2,281	2,281
Reserve fund	3,105	3,105	3,675	3,675
Unappropriated surplus	275	273	275	275
Current and other accounts and deposits	130,034	128,324	103,563	110,932
Bills payable	2,141	1,722	1,985	1,584
Loans payable	4,000	..	871	741
Acceptances for customers ..	904	1,032	938	1,010
Assets (Main)				
Cash balances	16,844	15,756	16,778	20,348
Investments—				
British Government and other securities	11,964	11,587	11,320	11,484
Other Government securities and unquoted investments	15,127	13,756	12,060	10,868
Bills of Exchange (including Treasury Bills)	29,747	30,077	25,866	23,722
Advances and loans	66,439	63,626	45,864	53,318
Fixed assets	2,375	2,131	1,705	1,262
Balance-sheet total	145,529	139,845	116,140	123,458

There is no change in the capital of the Bank, after its reconstruction in April 1954. The reserve fund, which had been reduced last year, following the capitalisation of £570,313 at the

(*Continued in previous column*)

COTTON TEXTILES DURING 1955

OUTPUT RISES, BUT EXPORTS FALL

REVIEWING the developments in the sphere of the Indian cotton textile industry and trade in our last *Annual Number*, we estimated the aggregate output of cotton cloth during the calendar year 1955 at 6,848 million yards on the basis of the figures for the first ten months. The production statistics now available for the whole of 1955 reveal that this estimate has very nearly proved correct. Thus, the quantity of cloth actually produced during the year was 6,621 million yards, as against 6,559 million yards in 1954, representing an increase of about 4 per cent. The improvement in cloth output was shared by all the three sectors—mill, handloom and powerloom. The mill production of cloth during 1955 aggregated 5,094 million yards, which compares favourably with 4,998 million yards in the previous year. The rise would have been still more noticeable but for the loss of about 34 million yards as a result of the Kanpur textile workers' strike during the months of May and June. Similarly, the output of handloom and powerloom cloth was higher at 1,454 million yards and 273 million yards, as against 1,318 million yards and 243 million yards, respectively.

The substantial rise in the production of cotton cloth followed a surfeit of yarn supplies. During the year under review, as much as 1,625 million lbs. of yarn came off the spindles, as compared with 1,565 million lbs. a year before. The loss in output on account of the Kanpur mill strike is placed at about 10 million lbs.

Trend of Output

The following table indicates the trend of cloth and yarn output in the mills—month by month—during 1955, as compared with the previous year:

(Cloth in million yards; yarn in million lbs.)

	Cloth		Yarn	
	1954	1955	1954	1955
January	418	430	132	132
February	398	399	122	124
March	405	422	125	133
April	424	419	129	131
May	422	407	129	129
June	415	415	128	132
July	440	446	136	144
August	411	415	132	137
September	410	435	131	143
October	380	437	123	144
November	423	432	135	132
December	452	437	143	144
Total ..	4,998	5,094	1,565	1,625

The bulk of the 1,625 million lbs. of cotton yarn produced during 1955 was consumed by the composite mills for weaving cloth. During the first two months of the year, for instance, 955.4 million lbs. were consumed, as against 945.9 million lbs. a year before. The deliveries of yarn for other purposes in the same period, as compared with the corresponding period of 1954, are shown in the following statement:

(In million lbs.)

	January-October	
	1955	1954
Quantity available for consumption by handlooms, powerlooms and others ..	365.78	367.48
Consumed for manufacturing hosiery and other articles	9.19	5.74
Delivered for export	15.13	4.43
Delivered for other purposes, excluding export and civil consumption	0.64	0.51

The mill sector of the cotton textile industry, as already stated, produced 5,094 million yards of cloth during 1955, that is, 96 million yards more than what was produced in the preceding year. As a detailed reference to the factors responsible for the rise in output has been made in the *Annual Review*, it is unnecessary to make a further reference to them here. Briefly, the main contributory factors are: (1) High level of offtake in cloth for domestic consumption which is reflected in the depletion of stocks with mills; on 4th February 1956, the mills were estimated to have held with them a total of 140,000 bales of cloth, as against 260,000 bales on 26th March 1955; (2) ready availability of large supplies of raw cotton at much reduced prices; (3) abolition of irksome controls on the purchase of cotton by mills; (4) better supply of wagons for transport of cotton and cloth; (5) improvement in power and fuel supplies; (6) absence of a big labour strike, barring the Kanpur mill strike; and (7) continuance of the decontrol policy in regard to prices and distribution of cotton textiles.

The distinctly upward trend in the mill production of cotton cloth during 1955 was accounted for solely by medium varieties, the share of which in the total output was 73.8 per cent., as against 64.3 per cent. in 1954. The percentage shares of coarse and superfine counts were almost at the same level as in 1954, being 11.2 and 6.0, respectively. The percentage share of output of fine categories, on the other hand, was lower at 9.0, as against 9.2.

Statistical data relating to the production of different varieties of cloth by the handlooms are not available. It is, however, stated that the year 1955 witnessed a shift towards the manufacture of fine and superfine categories of handloom cloth.

Retreat in Exports

While the offtake of cotton cloth for domestic consumption during 1955 was, as mentioned earlier, at a high level, that for exports staged a retreat. The total shipments of mill-made piecegoods in that year aggregated 836.0 million yards, as against 897.7 million yards in 1954, representing a fall of nearly 7 per cent. The downward trend in exports was in keeping with the world-wide recession in cotton textile trade, thanks to large offtake by various countries in 1954, imposition of trade barriers by several countries with a view to giving protection to the indigenous textile industry, and tightening of import restriction by a few countries for balance of payments considerations.

A month-by-month analysis of the exports of different varieties of mill cloth during the years 1955 and 1954 is given below:

(In million yards)

	Total	Coarse	Medium	Fine	Superfine
1954					
January	80.5	25.2	46.7	7.5	1.1
February	84.1	20.2	52.1	9.9	1.9
March	68.2	16.3	43.7	6.5	1.7
April	69.5	16.5	43.1	7.9	2.0
May	69.2	14.3	38.4	5.3	2.2
June	62.8	7.3	45.8	7.8	1.9
July	102.6	20.8	71.9	6.5	3.4
August	62.4	10.3	37.0	3.1	2.0
September	83.2	14.0	59.5	6.6	3.1
October	85.3	14.5	59.3	7.3	4.2
November	75.5	13.9	55.6	4.6	1.4
December	73.4	13.2	54.9	3.9	1.4
Total ..	897.7	186.5	608.0	76.9	26.3
1955					
January	63.9	9.5	51.2	2.3	0.9
February	69.5	7.8	59.0	1.4	1.3
March	72.8	14.6	53.0	2.8	2.4
April	76.2	16.4	51.8	4.8	3.2
May	71.2	16.0	48.4	4.7	2.1
June	77.2	19.2	52.1	3.9	2.0
July	77.5	17.2	54.5	4.0	1.8
August	66.6	15.1	46.7	3.0	1.8
September	73.3	17.8	49.3	3.9	2.3
October	61.4	13.6	44.6	2.0	1.2
November	61.9	15.4	44.2	1.2	1.1
December	64.5	14.0	47.8	1.8	0.9
Total ..	836.0	176.6	602.6	35.8	21.0

It will be evident from the figures given above that the decline in mill cloth exports was shared principally by fine varieties, the exports of which during 1955 were 35.8 million yards, as against 76.9 million yards. Similarly, the shipments of coarse counts were lower by 9.9 million yards at 176.6 million yards. The decline in exports of coarse and superfine counts was 5.4 million yards and 5.1 million yards, the quantity actually shipped being 176.6 million yards and 21.0 million yards, respectively.

During 1955, sheetings constituted the largest item of export; the quantity actually shipped from the port of Bombay was 336.28 million yards, or 43.1 per cent. of the total of 780.85 million yards. Next in importance came longcloth and drill. Exports of these categories amounted to 107.56 million yards and 105.00 million yards, representing 13.8 per cent. and 13.5 per cent. of the total shipments, respectively. The exports of other sorts (figures in brackets relate to the percentage shares) were: Shirting 85.80 million yards (11.0), voiles and mulls 54.27 million yards (6.9), coatings 33.48 million yards (4.2), domestics 28.97 million yards (3.7), chhintz 9.54 million yards (1.3), *dhotis* and *saris* 9.32 million yards (1.1), and "others" 10.63 million yards (1.4).

(*Concluded from next column*)

out on trade varieties for the Madhya Pradesh Government. Comparative large-scale saw ginning tests at a ginning factory at Nanded and double-roller ginning tests at the Laboratory were carried out on the same lots of 11 varieties and the lints obtained are being spun. A training course in ginning was started at the Laboratory and the literate personnel employed in the ginning factories were trained with a view to helping them to improve the ginning methods.

RESEARCH IN COTTON

WORK OF TECHNOLOGICAL LABORATORY

A WELCOME improvement is shown year after year in the quantum as well as the variety of research and experimental work conducted by the Technological Laboratory of the Indian Central Cotton Committee. Thus, during the year ended May 1955, according to the thirty-first Annual Report of the Director of the Technological Laboratory, Bombay (Dr. C. Nanjundayya), the total number of samples of cotton received for various tests at the Laboratory increased from 1,894 in 1952-53 to 2,405 in 1953-54 and still further to 2,683 in 1954-55. The results of the tests on samples were issued in the form of 663 reports during 1954-55 as against 544 in the previous year. The role of the Laboratory in relation to the actual cultivation of cotton will be evident from the fact that most of the testing work was connected with the evaluation of the quality of the new strains and improved varieties of cotton grown in India so that the results of the tests proved to be of immense use to agricultural officers in different regions.

The fact that the Laboratory is gaining strength as a link between the mills and the trade and the cotton-grower is evidenced by the large increase in the number of samples received for various tests this year at the Testing House, the increase being as much as 34 per cent. over that of last year's figure. Besides this, 114 samples were received from the East India Cotton Association, Bombay, for staple length and staple irregularity tests, and the reports sent expeditiously. In addition, the trade and industry sent a larger number of enquiries and asked for technical advice on various types of problems confronting them. One of the items on which technical advice was sought was in connection with the setting up of testing laboratories in the mills.

Technological bulletins on trade varieties of fair average quality usually handled by the trade and on Standard cottons grown in the experimental stations in the principal cotton-growing tracts were published for general information. Technological circulars on each trade variety were also issued as soon as tests on them were completed. These publications, it is stated, proved quite useful to the cotton trade and the textile industry. Some items of work done at the Laboratory deserve special mention. Tests carried out on Vijay cotton raised at Anand indicated that neither the different spacings, nor plants per hill nor manurings had any significant effect on yarn-strength. Tests of 11 Karunganni cultures grown at Coimbatore and Kovilpatti showed that 6188-8, 6312-4, 7907 and 8005A were significantly finer in staple and yielded significantly better spinning values than K2 and K5 controls. Mill tests carried out on Sea Island cotton grown in the West Coast of Madras State indicated that this cotton was suitable for making fine yarns upto 100s and it could replace Egyptians at present being used for this purpose.

As regards investigations on ginning, a technological leaflet on the most suitable settings, speeds, etc., in the saw, double-roller and single-roller gins for Westerns 1 cotton was written for publication. A bulletin was issued on the investigation of comparative tests carried out in the Laboratory gin when worked with hand and power. An experiment with the single-roller gin after conversion of bush bearings to ball bearings was completed and a brief note giving the results obtained, it is stated, will be published for the benefit of the owners of ginning factories. It was found that a saving of 30 to 40 per cent. in power consumption could be obtained by the conversion of bush bearings to ball bearings which is a substantial reduction in cost. The results of this investigation are of great commercial and economic utility.

Investigations on spinning and yarn characteristics continue to claim the attention of the authorities. All the results for the investigation of the effects of different processing treatments on the spinning value of M.A. 5 cotton are now complete; the data will now be statistically analysed. Experiments are continued with a view to ascertaining if it would be possible to breed varieties which would give almost nep-free lint, while maintaining its other fibre properties. Considerable experimental work was carried out with a view to standardising the nep-counting technique and a suitable method was devised.

In the ginning section, with a view to estimating the actual production of lint from that of *kapas*, ginning percentage tests were carried

(*Continued in previous column*)

NO CHANGE PREDICTED IN COTTON BOARD'S FUNCTIONS

STUDY OF WORKING CONDITIONS IN SPINNING INDUSTRY COMPLETED

From A Special Correspondent

MANCHESTER, *6th March*

MANCHESTER LETTER

NO change in the constitution and functions of Britain's Cotton Board, "for a period at least" is forecast in the Annual Report of the Master Cotton Spinners' Federation. Commenting on the discussions which have been in progress between the Board of Trade and representatives of the industry on the Board's future, the report confirms that the Federation has officially put forward the view that it would be preferable for the Chairman of the Board to be an honorary part-time officer appointed by and from the trade rather than an independent representative appointed by the Government.

"This is a matter of principle and does not imply any criticism of the present Chairman, whose devoted work in the interests of the industry is recognised," adds the Report. Sir Raymond Streat is the present Chairman, having served in that capacity for 15 years.

The final decision on the matter will rest with the Board of Trade, continues the Federation, and it is thought probable that, for a period at least, the Board will continue in approximately its present form, "although it is hoped that action will be taken long before a further five years elapse."

The survey of the year's working in the industry describes the recession in 1955 as not being as severe as in 1952, but the trade slackness in the former year was caused by factors which the Federation then forecast were artificial and temporary. "In 1955, the position was caused by more permanent factors which will continue to affect the industry adversely over a far longer period if no action is taken by the Government," the report declares. "The falling off in trade last year was also accentuated by uncertainty as to American price policy, which has caused business to be of a hand-to-mouth nature and which may persist until after the Presidential elections at the end of 1956."

According to the report, the Cotton Board is now taking the necessary steps to introduce a promotional activity campaign in the home market and the United States authorities have intimated that they would be willing to contribute funds towards such a campaign through the medium of the American disposal of surplus stocks programme. One of the difficulties of making cotton purchases through that channel at the present time is the importance to the national economy of utilising American aid funds by making purchases through the F.O.A. scheme. Discussions are also in progress with the Egyptian authorities with a view to a joint promotional effort for long-staple cotton.

The most favourable aspect of the announcement that the American Government is to dispose of more surplus cotton at world competitive prices from the beginning of next season is that it removes one more uncertainty from the confusing world cotton situation. Unfortunately, numerous uncertainties still remain and will persist so long as the lack of equilibrium between supply and demand is so pronounced.

Mr. Benson, the U.S. Secretary of Agriculture, has adopted a course which seemed his most obvious line in view of the way in which his first experimental venture has turned out. The disposal of the 1,000,000 bales of low-grade cotton can be termed a success as the whole of this surplus has been shifted in a matter of weeks. It is by no means certain that a larger quantity of better grade cotton will move off as freely but the plan is well worth trying from the Washington viewpoint.

Whatever the merits of the scheme, it has its detractors. Few merchants like the idea of a two-price system and the United States manufacturers are certain to intensify their campaign for curbs on imported cloth. It is not difficult to appreciate their natural antagonism to a system which offers rivals the opportunity of cheap cotton with which to compete on the American home market.

In Britain, an interesting development has been the final liquidation of the stocks held by the Raw Cotton Commission. These have lately consisted almost entirely of Egyptian types and have been sold at strictly competitive rates. The Commission has still to distribute supplies of Aden cotton, bought under the terms of past agreements.

Some years have passed since any serious attempt to revise the conditions of working in the Lancashire cotton industry was made. Since the committees set up soon after the war to produce more rational wage systems offered their suggestions numerous developments have taken place. The industry has passed through a phase of intense activity followed by a reversion to former seasonal trading and has seen both labour shortages and unemployment.

In the midst of this changing pattern, it is inevitable that existing wage structures and working conditions should become outdated. An attempt is now being made to move with the times, initiated by the Cardroom Amalgamation. According to the Annual Report of the Master Spinners' Federation, numerous joint meetings of a working party representing employers and unions in the ring spinning and cardroom sections have been taking place since October last.

In response to an approach to consider the improvement of working conditions throughout the departments involved, the Federation suggested discussions on a new alternative wage structure and a basis on which more shift working could be introduced in the spinning industry. The investigation is now nearing completion and final recommendations of the joint negotiators are likely to be submitted to the larger committees of both organisations at an early date.

Meanwhile, the deadlock on the wages issue seems to be following the traditional pattern. The Ministry of Labour has been notified that no local settlement appears likely, as the employers are standing firm in their rejection of a 10 per cent. increase, while the unions are equally anxious to press on with their demands. The failure of negotiations is being reported to the Industrial Disputes Tribunal, which will consider the respective cases in due course.

An 80-page "encyclopædia" about their industry, setting out prospects and opportunities, has been issued by Britain's textile finishing industry in a new drive to attract young recruits ready to make their career in the industry and qualify for posts of responsibility.

The Confederation of Textile Dyers and Finishers is to circulate 10,000 copies of the booklet to universities, public schools, technical colleges, grammar schools and youth employment centres.

It says that despite comment on the reduced size of the British textile industry "the need for young people to train to take responsibility in the dyeing and finishing section is greater than ever."

There is, the booklet says, a constant demand for technicians, chemists, engineers, research workers, foremen, managers, executives and other responsible posts. It adds: "The fundamental discoveries and rapid developments of recent years in the realm of man-made fibres have provided wide possibilities continually calling for further exploration and experiment."

More protests have been made by Lancashire cotton chiefs at the failure of the Government to assist Britain's textile mills against foreign competition.

Sir John Grey, Chairman of John Grey Ltd., the Burnley mill group, said severe competition had come not only from the East but from Western Europe and Iron Curtain countries. Rival prices not only reflected lower wage rates but dumping caused by subsidies or export incentives.

"Despite constant protests made by both employers and operatives and the serious loss of trade to Lancashire, our Government remains callously indifferent and does little or nothing to help," Sir John continued. Cloth production fell by 300 million yards last year and 35,000 operatives left the cotton and allied trades, due, he claimed, to under-employment caused by the Government, allowing the importation of cheap cotton fabrics from India and Hong Kong duty-free.

Mr. G. C. Neilson, Chairman of Jackson and Steeple Ltd., controlling mills at Nelson and Stalybridge, also blamed unrestricted and mounting imports of cloth from the East for the widespread lack of confidence throughout the industry. "No effective action was taken to deal with this situation," he said, in his Annual Report, "and the position deteriorated rapidly, particularly during the latter part of the year."

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LANDMARK IN INDIA'S INDUSTRIAL DEVELOPMENT

FIRST MODERN TUBE PLANT GOES INTO OPERATION AT JAMSHEDPUR

IN the drive for self-sufficiency in all essential materials, India moved a big step forward on Wednesday, 7th March 1956 when Dr. Sri Krishna Sinha, Chief Minister of Bihar, formally inaugurated the operations of an up-to-date tube works at Jamshedpur. Situated some two miles from the great steel works of Tatas, the tube works constitute a fruitful example of valuable Indo-British co-operation. They are owned by a joint-stock company, entitled the Indian Tube Company (1953) Ltd., in which the Tata Iron and Steel Company, Ltd., and its associates have 60 per cent. interest and Stewarts and Lloyds Ltd., England, the balance of 40 per cent.

How important are steel tubes in the economy of a nation? It is better to begin this article with an answer to this question, so that one may easily understand the significance of the event referred to at the outset. Steel tubes are as essential to a nation as are the networks of pipes, veins and arteries to the human body for conveying fluids, gases and air. These tubes are indispensable for the development of agriculture and industry alike and for rendering effective social service. In this modern age, without pipes, there can be no protected water-supply in cities and towns; nor can there be any effective service in a modern hospital. Without steel tubes, there can be no tube-wells for irrigating land in rural areas for providing good, clean water to people in villages at a low cost. Tubes are also necessary for protecting agricultural crops against pests through spraying of insecticides.

Equally vital are tubes for industrial development. Locomotives, land boilers and ships need boiler tubes and many other types of pipe work. Modern mining techniques rely on pipes for water and compressed air and for stowage and dust suppression. The oil industry would stagnate without the supply of great quantities and varieties of pipe. Numerous secondary industries require tubes as a raw material. Tremendous strides have been made in recent years in the use of tubular steel as a structural section. In fine, steel tubes play a vital part in the life of the community; it is rightly said that the tube, as a benefit to mankind, is second only to the wheel.

So numerous and multifarious are the essential uses of steel tubes that it is, indeed, surprising that India has had no tube-making plant so far. It is not sufficient if mere steel is produced. It is very necessary that such steel should be supplied in a form that consumers need. Somehow or other, India has all along managed to get on with imported steel pipes and tubes. But the large development that is envisaged in the second Plan will neither be possible nor complete unless this void in the country's economy is filled. To the credit of Tatas, it must be said that they foresaw the need for putting up a tube-making plant several years ago and tried hard to meet it. Circumstances were, however, not favourable to them.

A Tube Plant For India

In his welcome address at the inaugural function, Mr. Jehangir J. Ghandy, Chairman of the Indian Tube Company, Ltd., gave an interesting account of the history of the project that has now come to fruition. He revealed that Tatas had first thought of setting up a tube industry no less than 40 years ago, and that the credit for conceiving and developing this idea went to the late Mr. Padshah, then Director-in-Charge of T.I.S.C.O., and the late Mr. Howard, Vice-Chairman of Stewarts and Lloyds. Mr. Ghandy's account showed that, right from the beginning, Tatas were trying to get the co-operation and collaboration of Stewarts and Lloyds. That is only as it should be, for Stewarts and Lloyds are the largest and, perhaps, the oldest steel tube manufacturers in Europe—the history of this Company dates back to 1860. They know the technique of making both steel and steel tubes, and have successfully established tube plants in Australia and South Africa. According to Mr. A. G. Stewart, Chairman of Stewarts and Lloyds, who was also present on the occasion, Stewarts and Lloyds are one of the cheapest producers of steel in the world. Besides knowing the technique of making steel tubes on up-to-date modern lines, this British Company has enough experience of the Indian market for steel tubes for, since 1903, they have been trading in India in this material on an exclusive scale. They know what types of tubes India needs and how to sell them.

The fruitful partnership between Tatas and Stewarts and Lloyds is the outcome of the desire of both to unite and produce steel tubes—a desire that sprang from the realisation of the advantages of their joint endeavour to themselves and to the country as a whole. With the attainment of independence by this country, Sewarts and Lloyds must have realised that they could not hope to retain their Indian market merely as an importer of tubes from their home factory. Sooner or later, somebody or other would be encouraged by the Government to start making tubes in India itself. In that event, they would stand to lose a large part of their market. It was, therefore, in their own interests to think of establishing the industry themselves. For this purpose, to whom else could they have turned except Tatas as a suitable partner? It is essential, as Mr. Stewart himself mentioned in his speech at Jamshedpur on that memorable day, that a modern tube mill should be tied to an efficient steel plant, if it is to succeed in making its products at economic cost. For this purpose, the T.I.S.C.O., as the cheapest producer of steel in the whole world, with the possible exception of Australia, was ideally suited. Accordingly, the attraction between the two was mutual and their partnership was natural. Mr. Stewart gracefully acknowledged this fact when he said: "Although Stewarts and Lloyds had traded on their own in India for many years, when the time became ripe to install a works, the natural development was that it should be a partnership venture and it was not surprising, I think, that we should look to Tatas as, indeed, they looked to us."

It may be interesting to note, in this connection, that, before the last war, when an agreement had been signed with Stewarts and Lloyds for setting up a tube plant in India, Stewarts and Lloyds wanted to be the major partner with 60 per cent. of the share capital to be owned by them and 40 per cent. by Tatas. But, after the war and India's independence, when a new agreement was drawn up, Tatas wished to keep majority control in their hands by reversing the ratio of capital to be held by the two partners. To this Stewarts and Lloyds readily agreed. This instance brings out the adaptability of the British partner to changing conditions and shows his trust and confidence in Tatas—an attitude that augurs well for the success of the Tube Company.

The present agreement under which the factory has been erected and started functioning was finalised in 1952. The Indian Tube Company (1953) Ltd. was formed and registered in 1954. At about the same time, the Tata-S. & L. Sales Ltd. was also formed to sell and distribute tubes to be made at Jamshedpur and those special categories which, for some years to come, will, of necessity, have to be imported from abroad.

First Phase of Project

The project for making tubes at Jamshedpur has been divided into three phases according to the country's needs. The first phase relates to the manufacture of commercial tubes (sometimes known as G.I. or W.I. pipes) in India. It is this phase that has been completed now and production has been going on for some time. The Company has selected the Fretz Moon process for making the commercial tubes. This process is well known all over the world for the high standard of tubes produced. By far the greatest proportion of commercial tubes used throughout the world is produced by this method.

The Fretz Moon Mill at Jamshedpur is the first one in India. Designed on highly modern lines, the capacity of the mill is approximately 90,000 tons per annum and covers a range of tube sizes from ½ inch to 3 inches n.b. The bulk of commercial demand for pipes in this country is in these sizes. It is stated that this mill alone is sufficient to meet the demand in India for tubes of these sizes for several years to come, the current demand being placed at 35 000 to 40,000 tons. It may be noted here that imports of all types of steel tubes in the past year were of the order of 60,000 tons. The foreign exchange that the country will save as a result of the Jamshedpur plant going into production is about Rs. 3.5 crores to Rs. 4 crores, taking the average price at Rs. 1,000 per ton of tubes.

Fretz Moon tubes are, we are told, uniform in size and wall thickness, free from outside or inside ridges and, due to the high standards attained as a result of modern developments, are frequently used nowadays for purposes formerly demanding precision tubes produced at a high cost. The process is a continuous one and produces welded tubes from coiled steel skelp. The entire mill is so laid out as to maintain a logical flow of material through the various departments, culminating in the warehouse, where marking, bundling, weighing and the like take place before the tubes are despatched by rail to customers. All available modern methods have been adopted to ensure a high level of efficiency and economy in operation. The capital cost of this phase of tube-making is Rs. 3 crores.

Second Phase

The second phase of the project consists of two principal sections, namely, an electric resistance weld tube and a cold rolling plant for the production of cold rolled strip.

The electric resistance weld plant will produce high quality precision tubes used in the boiler and cycle industries and for other pressure and non-pressure categories. This type of tube is required for all uses where a high degree of dimensional accuracy and surface finish is needed. The plant has a capacity of over 13.000 tons per annum. The range of sizes to be produced will be ½ inch to 2½ inches outside diameter in thicknesses ranging from 0.036 in. to 0.192 in. It is estimated that this production will satisfy the demand in India for this class of tube for many years to come.

The cold rolling plant will be capable of rolling strip with high quality finish upto 12¾ in. wide and from 0.015 in. to 0.192 in. thick. It will produce the closely dimensioned strip necessary for the manufacture of precision tubes on the electric resistance weld mill. It will also have surplus capacity which will be available for the production of high quality cold rolled strip used in the manufacture of electrical parts, bicycle components, box strapping and for other similar purposes.

The cost of this second phase, work on which is well under way, is placed at Rs. 2 crores.

Third Phase

The third phase, estimated to cost Rs. 3 crores, is now under planning. It aims at manufacturing seamless tubes, the demand for which will considerably expand when industrialisation proceeds apace. This demand is partly for tubes for high pressure work and for defence purposes, for which Fretz Moon tubes are unsuitable, and also for tubes for a variety of purposes which are required in dimensions outside the range of the electric resistance weld tube plant. Application has already been made to obtain the Government's permission for installing a seamless plant of modern design.

Provision has been made on the Company's site to accommodate this third plant, so far as space and services are concerned, and, when this is installed, the Tube Company's plant at Jamshedpur will combine, on one site, three modern plants, specially designed to cater for the demand for the various types of tubes which are likely to be required in India for many years to come.

Raw Materials

In the foregoing paras, a brief picture of the project, its history and its importance to Indian economy has been given. Now there remains the question of raw material. The basic raw material is, of course, steel. But this has to be processed into a special steel, known as "skelp," in technical parlance. The T.I.S.C.O. had made the necessary arrangements for manufacturing "skelp" well in advance. But the past few years have been a difficult one for getting the necessary equipment, with the result that the construction of the skelp mill has lagged behind somewhat. The erection of this plant is, however, going apace and production of skelp is expected to begin in a month. The capacity of the plant, when in full production, is 200 000 tons of skelp, which will provide ample raw material for the tube mill. Meanwhile, the tubes are being rolled from imported skelp.

An interesting feature of the tube-making project is that, out of the total expenditure on the construction of the plant, no less than 74 per cent. was incurred in India and only 26 per cent. on materials imported from abroad. Of the plant

(*Continued on page 539*)

E.P.U.'S ROLE IN WEST EUROPEAN ECONOMIC PROGRESS

INSTRUMENT OF MULTILATERAL PAYMENTS SYSTEM

By John Kingsley

THERE can be no doubt that the steady progress of Western Europe's economy during the last five years has been greatly assisted by the operation of the European Payments Union (E.P.U.), which has just issued its fifth annual report.

In the first post-war years, nearly all countries in Western Europe were faced with difficult problems of reconstruction. At the same time their currency reserves were depleted by the war, and little international credit was available. In order to ensure essential import and export trade between each other, the countries concluded bilateral agreements under which trade was balanced at a low level. It was inevitable that these agreements should involve discrimination.

When the Organisation for European Economic Co-operation (O.E.E.C.) was established in 1948, its member-countries agreed to expand their trade and, progressively, to reduce trade barriers between themselves. At that time the dollar shortage made it necessary to maintain strict controls on imports from the dollar area, but there were not the same reasons for maintaining similar restrictions on intra-European trade. Nevertheless, it was laid down by the O.E.E.C. that progress in Western Europe alone should not lead to permanent discrimination against the outside world, but should facilitate the gradual establishment of a world-wide system of freer trade and payments.

Liberalisation of Trade

It took another two years until the general improvement in Europe's economic conditions enabled the O.E.E.C. to create a system for multilateral payments and to adopt common rules for reciprocal liberalisation of trade—that is, the progressive abolition of quantitative import restrictions—between member-countries.

E.P.U., the instrument of the multilateral payments system, began its operations on 1st July 1950. Its members are identical with the members of the O.E.E.C., but its scope extends beyond Western Europe, since Western Europe's trade with the rest of the world if settled in the currency of a member-country is covered by E.P.U. (The United Kingdom represents the whole sterling area in the E.P.U.) Thus the E.P.U. has enabled the Continental countries to buy the raw materials of the sterling area without currency difficulties, and facilitated the expansion of their exports.

It is worth noting that of the total trade of the E.P.U. countries with each other (excluding trade within the same monetary areas), which is estimated at $39,400 million in 1954, one-third represents the trade of the Continental countries with the sterling area as a whole and the dependent territories of Continental countries. The trade of the E.P.U. countries with each other accounted for no less than one-quarter of world trade.

Restrictions Abolished

The E.P.U. is not always easily understood by the ordinary business man, because he does not directly participate in its operations. Individual commercial and financial transactions are, in the first instance, settled through the ordinary banking machinery, and only the resulting surpluses and deficits between the member-countries (or, more precisely, their central banks) are brought into the E.P.U. settlements. These establish the monthly balance of each country with all the other members as a group. Only this net balance, instead of the bilateral balance, has to be settled.

This "multilateral" compensation makes it unnecessary to resort to discrimination in trade between member-countries, since, for settlement purposes, all European currencies are of equal use. Consequently, it was possible to make steady progress in the abolition of quantitative restrictions, and today average trade liberalisation between member-countries exceeds 85 per cent. In addition, multilateral clearing allows a substantial economy in the movement of reserves, since only the net balance of each country towards all other member-countries as a whole has to be settled.

The E.P.U., furthermore, provides not only for automatic settlement but also for automatic credit. Each country's net balance is settled partly in gold and partly in credit, in accordance with predetermined rules.

These facilities were established in order to enable member-countries to cope more easily with temporary fluctuations in their balance of payments. Although these credits have supplemented the reserves of the member-countries, it has been a rule from the beginning of the E.P.U. that part of a country's balance has to be settled in gold (or dollars) according to a predetermined scale within a system of quotas. (The share of gold in the settlement has been progressively increased to 75 per cent.) Thus the incentive to discriminate against the dollar area has been lessened and, in fact, restrictions against dollar imports have been relaxed by a number of countries, the U.K. taking the lead with the opening of free commodity markets.

Further Extension Likely

In spite of the violent fluctuations in the trade of its member-countries during the first two years of its existence, as a result of the Korea boom, the E.P.U. stood the test well and was able to minimise the consequences of these fluctuations. Since then the position has become more stable.

Credits, however, had to be extended for a longer period than had originally been expected; and in 1954, at the request of some creditors, for whom the further extension of credits caused internal difficulties, a scheme for the partial amortisation of old debts through voluntary bilateral agreements was evolved. The U.K. agreed to repay old debts to the equivalent of $395 million in monthly instalments spread over a number of years.

Trade within the E.P.U. area rose by 51 per cent. in value and by 35 per cent. in volume between 1950 and 1954—an adequate proof that the multilateral payments system provided by the Union has fulfilled its task of promoting the expansion of European trade.

When the step to convertibility can be taken, the E.P.U. in its present form will become unworkable. Last summer, in order to continue European co-operation in the field of payments, the European Monetary Agreement was concluded, providing for (non-automatic) credits and settlements under the conditions of convertibility. The time for convertibility has not yet come, and the prolongation of the E.P.U. for a further period can be taken for granted. The U.K. is expected to support the continuation of the E.P.U. in its present form, which has proved its value as an instrument of European economic co-operation.

(*Concluded from next column*)

Oil: Production is limited by the power available and by the capacity of the refinery.

Rice: Continued delays in preparation at the State Agricultural Marketing Board's office of bills of lading, which are almost always stale, and the attendant grave risks to shippers from non-acceptance of such documents are disturbing features. Shippers are still faced with difficulties arising from delays in service of cargo to ships for which deliveries have been contracted and it is most important that shipping commitments by the Board should be promptly honoured.

Summing up the survey, the Burma Chamber emphasises that the restoration of pre-war standards of production in timber, rubber and mineral industries offers one of the readiest means of augmenting Burma's foreign exchange earnings. The Government of Burma would do well to take note of this statement and revise its attitude towards foreign enterprise which can play quite a vital role in the economic development of Burma.

BURMA'S ECONOMY IN 1955

RESTRICTIVE OFFICIAL MEASURES CRITICISED

IT is on a note of dissatisfaction that the Burma Chamber of Commerce, Rangoon, records, in its latest annual review, the developments in Burma's economy during 1955. For business men, as well as for the consuming public, the past year was, the Chamber declares, one of the most difficult since the war. In support of this view, it mentions some of the measures taken by the Government of Burma to arrest the deterioration in the financial position. These measures, which created severe trading difficulties, were tightening of foreign exchange control, stringent import controls and curtailment of State's capital development programme. These steps no doubt imparted some strength to the balance of payments position. Burma's foreign exchange reserves, which had receded from Rs. 55 crores to Rs. 36.22 crores at the end of July 1955, stood higher at Rs. 42.72 crores five months later. But they would appear to have strained the country's economy in other directions, as witness the Chamber's remarks that "scarcity of many categories of goods, combined with a time-lag in the reduction of private money supply from Government expenditure, has had its inevitable result in rising prices and inflationary conditions." This view of the Chamber was ably substantiated by its Chairman, Mr. E. P. Stuart-Williams. Addressing the annual meeting of the Chamber at Rangoon a few weeks ago, Mr. Stuart-Williams said:

> "Stricter import controls which the Government has imposed for reasons whose force we cannot but recognise, and reservation of so much of the country's trade to the Civil Supplies Organisation, which is expected to cope with all the intricacies of supply and distribution formerly handled by hundreds of merchants with years of experience, have inevitably led to shortage of consumer goods and to inflated prices. Moreover, heavy internal expenditure by the Government on capital development continues to increase the amount of money in circulation and thereby intensifies the demand for available consumer goods."

These observations of Mr. Stuart-Williams, though they are addressed to the Burmese authorities, apply with equal force to the Governments—Central and State—in India which are too eager to implement schemes based on ideological considerations. The authorities should, as Mr. Stuart-Williams aptly stated, reduce public expenditure and then "match a designed demand with an adequate flow and distribution of supplies and allow free competition to exercise its beneficial effects." He, of course, recognised the political and economic considerations involved, but, as one representing a commercial body, he could do no more than state that "economic truths have an embarrassing way of displaying the irresistible power of the underlying forces involved."

The President of the Burma Chamber regretted that, in the past two or three years, the treatment of foreign investors in Burma had not been such as to encourage fresh investment. He made a pointed reference to remittance difficulties. Giving instances of delays regarding permission to remit money—in some cases over a year and in others 2½ to 3½ years—the President said: "There can be no doubt that potential foreign investors must take into account not only the public declarations of the Government but also the actual treatment of foreign enterprises which have already been invested in Burma." He also made a pointed reference to the difficulties encountered in connection with the prior commitments entered into by traders for which import licences had been applied and were still pending, and said: "The restrictive measures to which we are now subject have caused us to examine closely our prospects in this country."

To revert to the Chamber's annual survey. Deploring the lack of security in the areas of timber, rubber and mineral production, the Chamber has made the following points in its survey:

Rubber: In most of the rubber-producing centres, conditions were unsettled throughout the year. The absence of control on estates results in extensive damage to trees, the economic life of which is rapidly drawing to a close. Notwithstanding Government's guarantee against nationalisation for 30 years, progress achieved in replanting of rubber and extension of old acres has been small; indeed, little will be possible until security in the districts allows experienced personnel to supervise.

Timber: Extraction work still remains restricted. If full benefit is to be obtained from this valuable asset, skilful marketing is needed.

(*Continued in previous column*)

RAILWAY FREIGHT AND SUGAR INDUSTRY

DOWNWARD REVISION URGED

ALTHOUGH the Union Railway Minister's proposal to impose a 6¼ per cent. surcharge on freight must be viewed in the context of implementing a fairly ambitious development programme for railways under the second Five-year Plan, the proposal will be rightly regarded as unjust at least in so far as the sugar industry is concerned. The surcharge is estimated to involve an average increase of about eight pies per maund in railway freight. The incidence of the surcharge, it is feared, is bound to step up the price of sugar by raising the cost of transporting sugarcane from the fields to the factories, on the one hand, and the sugar produced from the latter to the consuming centres, on the other. It is, therefore, only natural that the Indian Sugar Mills' Association (I.S.M.A.) has expressed its serious concern over the proposed surcharge on railway freight. In the course of a telegraphic communication addressed to the Union Minister for Railways and Transport, the Association points out that the surcharge would adversely affect the working of sugar factories.

The Association is fully justified in its aforesaid contention. As it is, the existing freight rates have been a severe burden on the sugar industry. There are at present no station-to-station rates which were available prior to the revision of freight rates in October 1948. All the sugar manufactured is, therefore, now moving at the prescribed class rate subject to a maximum charge. Similarly, the freight charges on cane are very heavy.

Recent Increases

An idea of the recent increases in freight rates on sugar and sugarcane in the past few years can be had from the following figures culled from the reply sent by the Federation of Indian Chambers of Commerce and Industry to Part I of the *Questionnaire* issued by the Railway Freight Structure Enquiry Committee:

	Pre-1948 rates	From 1-10-1948	From 1-4-1955	Rates now proposed	Percentage rise of revised rates to pre-1948 rates
Sugar (in pies per maund per mile)					
1st 300 miles ..	0.42	0.58	0.64	0.68	62
Next 300 miles ..		1.12	1.18	1.25	198
Beyond 600 miles..		1.07	1.06	1.14	219
Sugarcane (in pies per maund)					
20 miles	3.86	16.91	19.20	20.40	428
25 ,, ...	4.24	16.91	21.26	22.59	433
30 ,, ...	4.24	16.91	23.32	24.78	484
35 ,, ...	4.24	16.91	24.99	25.50	501
40 ,, ...	4.63	16.91	26.06	27.69	498
45 ,, ...	4.63	16.91	27.08	28.77	521
50 ,, ...	4.63	16.91	29.14	30.96	568

It will be seen from the above table that the incidence of railway freight falls more heavily on sugarcane, the principal raw material, than on the final product, sugar. According to the I.S.M.A., while the actual average freight per maund of rain-borne cane worked out to about 5½ pies in pre-war years, the same was raised by about 300 per cent. in October 1948. A further increase was effected on 1st July 1953, besides the levy of terminal charges of half an anna per maund each at the loading and unloading stations. At the same time, the minimum distance for charge was reduced from 49 miles to 20 miles. All these revisions have considerably pushed up the freight charges which now work out to 500 per cent. more than they were in pre-war days. The progressive enhancement in freight thus has, the I.S.M.A. observes, made it uneconomical for the factories to crush rail-borne cane. An indication of this is provided by the fact that, between 1950-51 and 1954-55, the share of rail-borne cane to the total quantity crushed by the sugar mills in Uttar Pradesh, the largest sugar-producing State, has gone down from 38 to 22 per cent. Similarly, in Bihar, the percentage share has receded from 40 to 30; it was still lower at 30 in 1953-54.

What further evidence is required to prove that the sugar industry has already been hit hard by the heavy incidence of railway freight? Instead of reducing the burden, the Railway Minister has proposed to increase it. Surely, the increase will worsen the position in respect of cane supplies to the factories, thereby proving detrimental to cane growers who will be compelled to realise a much smaller amount by converting cane into *gur* or *khandsari*, the two substitutes for sugar. The production of sugar will also be affected greatly. Drawing attention to these aspects, the I.S.M.A. has urged the Railway Minister to exempt sugar and sugarcane from the proposed increase in railway freight.

The plea of the I.S.M.A. is, as stated earlier, justified and deserves to be conceded, especially in the present context when the sugar industry stands on the threshold of a new era of expansion and development. The production target for sugar under the second Five-year Plan is fixed at 2.25 million tons, which represents a rise of more than 40 per cent. of the present annual rate of output. For the successful achievement of this target, it is necessary that the cost of transporting cane from fields to factories is kept as low as possible. What is more, sugar is an essential article of food which is becoming increasingly popular in the rural areas and, therefore, there is need to move into these areas more sugar at cheaper rates. Viewed thus, it is to be hoped that the Railway Minister will see his way not merely to abandon the proposed increase but actually to revise downwards the existing railway freight on both sugar and sugarcane.

In this connection, it would be worthwhile to consider the suggestion of the I.S.M.A. for the reintroduction of the special station-to-station rates from the various sugar factory stations to distant markets and also to port towns which are important sugar-consuming centres. Such rates would, it is opined, help ensure a regular movement of sugar, thereby leading to a reduction in transportation cost to the railways, since wagons will be fully loaded, and resulting in better utilisation of wagons. The I.S.M.A. has also suggested the desirability of quoting wagon-load rates for long-distance movement of sugar. This is undoubtedly a sound suggestion. After all, it must be remembered that the incidence of freight charge that actually falls on a commodity such as sugar which is transported in bulk over long distances should be very light.

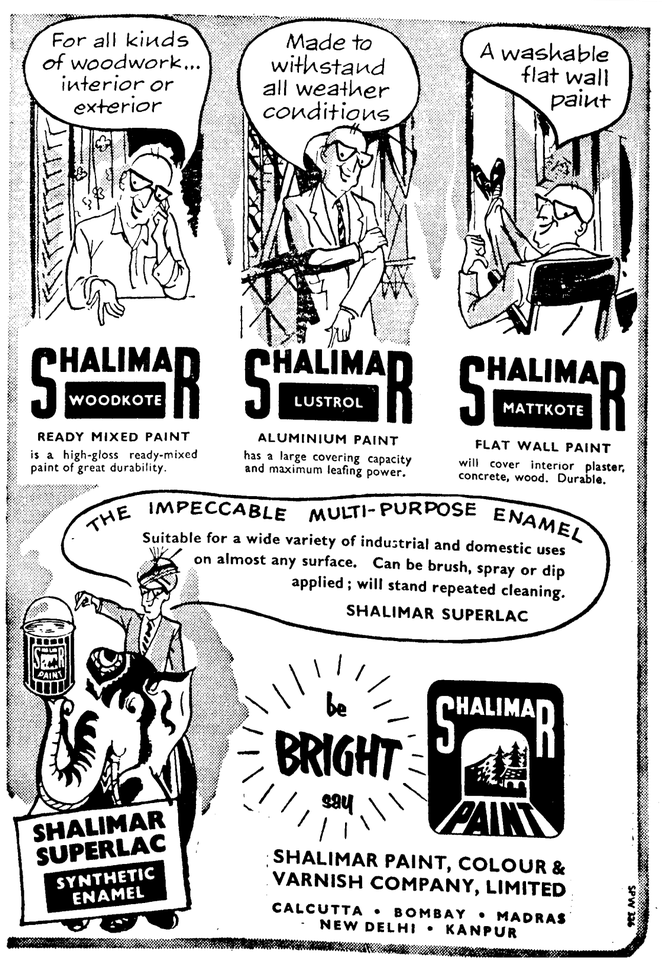
BARDOLI CO-OPERATIVE SUGAR FACTORY

The foundation-stone of the building of the Bardoli *khedut saharkari* sugar factory, the only sugar factory to be started on a co-operative basis in Gujarat and the twelfth in Bombay State, was laid by Mr. Morarji Desai, Chief Minister of Bombay, on Sunday last week. The sugar factory was started in February 1955 with a share capital of Rs. 30 lakhs, of which the share of the Bombay Government is Rs. 10 lakhs. The society has a membership of 1,300 farmers of Bardoli taluka. The factory is located in an area of 15 acres. The total cost of the factory, including machinery, buildings and other equipment, is estimated at about Rs. 75 lakhs. A loan of Rs. 45 lakhs has been granted to this factory by the Industrial Finance Corporation.

There will be no revision in the minimum price that the vacuum pan sugar factories will have to pay for the sugarcane purchased by them during the ensuing (1956-57) season. Thus, the minimum price for cane has been fixed by the Government of India at Re. 1-7 per maund for gate deliveries and Re. 1-5 for deliveries at rail centres. These prices are the same as those fixed for 1955-56.

Licences for the establishment of 20 new co-operative sugar factories were granted till the end of last year, according to the Union Deputy Food Minister. Thirteen out of these factories are to be established in Bombay State. Each co-operative sugar factory is expected to collect a minimum capital of Rs. 10 lakhs. The Government of India will give each factory a loan of Rs. 10 to Rs. 20 lakhs, depending on the merit of each case. The Industrial Finance Corporation will also give a loan up to Rs. 40 lakhs.

The aggregate quantity of sugar produced in the Indian mills during the period 1st November 1955 to 15th February 1956 is estimated at 896,000 tons, as against 834,000 tons in the corresponding period in the previous season, representing an increase of 7.4 per cent.



ATLANTIC COAL FREIGHT

NEW PEAK TOUCHED

URGENT demand for United States coal from European countries, and in particular from France, has raised Atlantic coal freight rates to a new high level of 72*s.* 3*d.* per ton. This compares with the peak of 72*s.* per ton touched in 1955. It would appear that the extreme cold weather throughout Europe during the past three or four weeks has caused heavy reductions in coal stocks. It is also reported that many coal cargoes have been frozen *en route* along inland waterways and railways. Further, there has been a shortage of vessels in the North Atlantic tramp trades, owing to the absorption of tonnage by grain trades and to the reluctance of many owners to ballast across the Atlantic from the Continent.

There is, however, a feeling that the present high level of freight rates might not persist long. It is true that there is a fairly good enquiry for North American grain shipments to a number of destinations and more activity in the trade is forecast in the coming months, following reports of severe damage to European crops by adverse weather conditions. But, as no strong demand is anticipated to develop in other regions, there is the likelihood of good tonnage being available for charter in Atlantic markets when spring gets under way. Besides, the expected continued absence of coal bookings on the U.K. National Coal Board's account will leave an appreciable marginal supply of tonnage free for employment. It will be recalled that coal bookings on the Board's account last year were chiefly responsible for maintaining North Atlantic rates at high levels during the customary quiet period.

European Coal Requirements

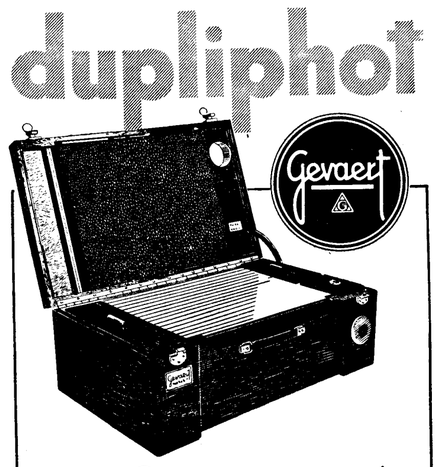
Coal requirements of the six nations of the European Coal and Steel Pool in the second quarter are estimated at about 3 million tons lower than in the first quarter. Unfortunately, the output of coal in these countries is likely to fall by more than 3 million tons, as compared with the first quarter. Thus, the output is placed at 60.8 million tons in the second quarter, as against 64.5 million tons in the first quarter, a fall of as much as 3.7 million tons.

Allowing for the maintenance of 1.9 million tons of exports to outside countries and for a reduction of another 1.6 million tons for consumption at the mines, etc., the production available for the Pool market will be in the region of 51.8 million tons, as compared with 53.9 million tons in the first quarter.

There are still over 7 million tons of pit-head stocks. Of these, 5.8 million tons are in France and since much of the stocks is low-grade, there may not be much demand on it. Imports are, therefore, scheduled at 7.3 million tons, an increase of some 800,000 tons over the first quarter. The major part of the imports will be secured from the U.S. The quantity that will be available from the U.K. is still under negotiation.

The estimates of coal consumption in the Pool countries are, it is stated, based on the continuance of the high rate of activity in the steel industry. It will be noted in this connection that European steel production in 1955 broke all records. The crude steel output in 1955 aggregated 138,883 million tons, or 13 per cent. increase over 1954. It is not yet possible to calculate fully the effect of the recent cold weather which by slowing deliveries to consumers and merchants has led to appreciable drawing from privately-held stocks.

There appears to be a general feeling that Europe would be having fuel shortage for some time to come. It is true that the European Pool as a whole is trying to boost the output of coal, but it will take considerable time for the U.K. and the Continent to become self-sufficient in coal. It is also true that some of the Pool countries are planning to supplement coal by atomic energy and liquid fuel but would not in the foreseeable future do more than that. Consequently, Europe is likely to be a net importer of coal for some more years. Here is an opportunity for India to find markets for some of its surplus coal. India may well include coal as one of the items of exchange in its trade agreements with European countries and scrupulously try to export coal of the required quality.



TRENDS IN WORLD COFFEE ECONOMY

BUMPER CROP ENVISAGED

THE inauguration of the Coorg Coffee-growers' Co-operative Society in Mercara last week provided an occasion for the Chairman of the Indian Coffee Board, Mr. K. Srinivasan, to remind the coffee planters of this leading coffee growing district of the need for conducting the affairs of the Society on such lines as would prove beneficial not only to the growers themselves but to the community at large. Mr. Srinivasan told the members of the Society that unless they faithfully fulfilled their obligations, they could not expect the Society to serve them satisfactorily.

The Coffee Board Chairman also made a reference to the representations by coffee growers for aid from the Coffee Board. He said that they would get aid from outside to the extent they efficiently conducted the affairs of the institution. Evidently, Mr. Srinivasan meant that coffee growers could not expect to get aid from the Board by reason of their having formed a co-operative society. He wanted the Society primarily to earn and maintain the confidence of the Board by its very conduct. As regards the plea for grant of loans, Mr. Srinivasan said that the Board could step in with justification only when the normal channels for getting loans failed.

In this context, it may be useful to pay attention to the trend of production in India and abroad and their possible effects on prices. The current coffee season bids fair to produce another bumper crop. As against the previous estimate of 27,800 tons, the Coffee Board expects the current season's crop to exceed 29,000 tons, which falls short by only 1,000 tons of the previous season's record output of 30,000 tons. Growers also anticipate a crop of over 29,000 tons. The conditions are stated to be ideal for another bumper crop next season. According to one leading coffee planter, a crop of about 40,000 tons can be expected in the 1956-57 season. This is the result of planting higher yielding strains of coffee in the past. The lowest unofficial estimate of next year's production is 33,000 tons. It is interesting to note here that the fifteen-year draft plan of the Coffee Board envisages the Indian output of coffee to reach 43,000 tons in the normal course under the existing voluntary expansion schemes of the producers, while the new plantings are expected to yield an additional 16,000 tons, so that the total output at the end of 1970-71 will be 59,000 tons. This target also is a revised one, having been reduced from 68,000 tons originally planned.

The trend towards higher production will not be a peculiar feature of the Indian coffee industry only. It has already been in evidence in other countries also. According to the U.S. Department of Agriculture, world exportable production during 1955-56 (that is the year ending 30th June, 1956) is expected to reach about 38.25 million bags of 132 lbs. each. This is said to be the largest supply during the last 15 years. Following the sharp fall in retail prices in the U.S. from the peak levels touched in 1954, the consumption is expected to improve, but, according to some sources, the increased demand will not be on such a scale as to offset the larger supplies. The U.S. Department of Agriculture estimates the world demand at 32 million bags, leaving a surplus of 6.25 million bags. Almost all producing countries would appear to have contributed to this increase in production, but the major increase in production is stated to have occurred in Brazil. According to the F.A.O., substantial stocks have accumulated in the two chief producing countries and there are prospects for further increase in production. The prices fetched in 1955, despite the fact that they have fallen, are said to be still generally very remunerative to producers and may continue to stimulate new planting. Should the experience of the previous three cycles be repeated, production may rise very substantially during the next five to seven years under the stimulus of attractive prices. There is, therefore, every possibility of the world coffee economy being confronted with a very difficult situation, not very much different from that experienced in the 1930's when large stocks of coffee had to be destroyed. Such a prospect can only be avoided by effective international co-operation.

The repercussions of this trend in production on coffee prices can easily be imagined. In this connection, it is noteworthy that the International Coffee Bureau formed last year to stabilise prices is expected to help coffee exporters, especialy new-comers to the world coffee trade from Asian and African continents. The U.S. has already opened its market for African producers, particularly those from Belgian Congo and Ethiopia, in its effort to get cheaper supplies of coffee. This has consequently affected to a considerable extent the marketing of Brazilian coffee. Prior to 1952, Brazil had been supplying almost 50 per cent. of the coffee consumed in the U.S., Columbia 23 per cent. and other Latin American countries about 17 per cent. The balance of 10 per cent. was supplied by other producing countries. But this pattern of trade has now changed considerably and, according to the latest estimates, supplies from Brazil to the U.S. account for 34 per cent. of the American imports, Columbia for 30 per cent. and other countries for 36 per cent. The total world imports during 1955 are estimated at 31.5 million bags, as compared with 30 million bags in 1954 and the record of 34 million bags in 1953.

While the major coffee-producing countries are thus confronted with the problem of stabilising coffee prices, a proposal to fix coffee prices in India on the basis of the average price realised during the past seven years, instead of assessing the cost from year to year, has been recommended by the Coffee Board. Producers, who form a small minority on the Board, are themselves said to be divided on the issue. There is, however, a section of opinion which believes that the Board should at least await the report of the Plantation Enquiry Commission before taking a decision on such an important issue.

RESEARCH IN NATURAL RUBBER

Despite the plans to make synthetic rubber on a commercial basis in Britain, research with natural rubber is extending its applications in industry and its use in domestic products, according to a report in the *Financial Times*, London. One example is a method of producing decorative finishes on pre-formed concrete. The method is applicable to modern pre-fabrication systems. This work follows an earlier experiment by the Natural Rubber Development Board and the Cement and Concrete Association. Full details of the process will not be available until later this year.

Latex foam sponge as an upholstery material for domestic furniture and automobiles continues to be in increasing demand. A new development which will help sustain the competitive position of natural rubber latex foam against other upholstery materials, including wholly synthetic foams, has recently been reported. This comes from the British Rubber Producers' Research Association, and involves the use of a modified natural rubber latex known as Heveaplus M-G.

Another innovation of interest to furniture manufacturers is a new form of upholstery webbing made entirely of natural rubber and called "Rotex." It was developed by Danish rubber and furniture experts. Its strength and resilience are said to be outstanding elongation at break being as high as 500 per cent. It is made in a variety of widths and lengths to meet all normal upholstery requirements. Prototype results indicated that it gives exceptional comfort in conjunction with latex foam cushions.

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frictional properties of jute and substitute fibres, filament length, binning treatment, etc., are some of the more important items of physical research done at these laboratories. With the object of throwing light on the susceptibility of jute and other fibres to weight finishing process, their reaction to actual service conditions, and to improve their serviceability, the nature of some constituents, e.g., fat and wax, mineral matter and hemi-cellulose, as also the size of the alpha-cellulose molecule, has been studied from the chemical point of view.

The bulk of jute hemi-cellulose, constituting about 25 per cent. of the fibre weight, consists of six molecules of xylose in combination with one of methyl-glucuronic acid. The hemi-cellulose is suggested to be the cementing material for the short fibre elements forming the filament. It is acidic and highly hygroscopic and is responsible for many of the characteristics of jute. The brochure enumerates the methods worked out for peroxide bleaching, rot-proofing, softening hard root cuttings, brightening dark hessian, preserving the common sizing material, etc., and some of these have been given mill trials.

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JUTE INDUSTRY IN 1955

MARKED RISE IN EXPORTS

WHILE the year 1955 turned out to be a good year for the jute industry, 1956 is likely to be a better one. The improvement is expected to be due partly to abolition of export duty on jute manufactures and partly to the provision of financial aid for modernisation of the obsolete machinery. A notable feature of the last year was that, while the production of jute goods in the country rose by 10 per cent. over the figure for the previous year, the exports of Indian jute manufactures were the highest since 1952. Thus, the output of Indian mills was 1.1 million tons in 1955, as against 949,000 tons in 1954. Exports of jute goods, the largest earner of foreign exchange, stood at 895,000 tons, as compared with 842 000 tons. The exports were 747,000 tons in 1953 and 736,000 tons in 1952.

Exports to the United States, which is the largest consumer of hessians, continued to rise. As much as 195,200 tons were exported during the jute season 1954-55. This compared with 181,600 tons exported in the previous season. During the five months ended November 1955, exports stood at as high as 88,100 tons, thereby recording a higher monthly average than in the 1954-55 season.

The most important step taken by the Government of India to help the development of the industry during the year under review was the abolition of export duty on jute manufactures in the wake of the devaluation of the Pakistan rupee. It will be recalled that the duties, which were at the high of Rs. 1,500 per ton on hessians and Rs. 350 on sackings during the Korean war boom, had been gradually reduced to Rs. 120 per ton and Rs. 80 per ton, respectively, before they were finally abolished.

As is only to be expected, the immediate result of the abolition of the export duty was to lower the prices of Indian jute goods to foreign buyers. Significantly, the internal prices of jute goods also did not rise following the removal of the duty. With cheaper prices, the demand for Indian jute goods increased, pushing up the rate of production. This led the industry to unseal 7½ per cent. of its looms in two stages. Only 5 per cent. of the looms now remain sealed. The industry worked the full 48-hour week during the whole year. It was in October 1954 that the mills, which had been working a 42½-hour week for a long time, started working full time.

Raw Jute

Supply of raw jute to Indian mills during the 1954-55 season were on the whole satisfactory. The indigenous production of raw jute during the season was 2.83 million bales, as compared with 3.13 million bales in the previous year. Imports from Pakistan during the season were 1.21 million bales, as against 1.54 million bales in the previous season. It may be noted, in this connection, that the devaluation of the Pakistani currency has not made Pakistani raw jute cheaper to India, as Pakistan has not reduced the export prices of its raw jute in terms of sterling. The requirements of the Indian jute industry have been on the increase on account of higher production.

It would appear that the year 1956 has opened with the Indian jute industry in a somewhat better position in the world markets than in the past few years. It has, however, still to face keen competition. Realising the need for helping the industry to modernise its equipment, the Government decided last year to grant loans to the mills through the agency of the National Industrial Development Corporation. Some steps in the direction of modernisation have already been taken and about 44 out of the 85 mills are reported to have modernised their equipment or are in the process of such modernisation. It is estimated that, since the beginning of 1954, licences up to the value of Rs. 8 crores have been issued to mills for the import of modern machinery. Arrangements are also being made for the manufacture of jute mill machinery in the country and licences have been issued to three firms under the Industries (Development and Regulation) Act.

PROGRESS OF JUTE TECHNOLOGY

The Technological Research Laboratories of the Indian Central Jute Committee have found a number of useful results having important bearing on the manufacturing process and quality control of jute products. A brief account of the progress made during 1949-54 is given in a brochure by Dr. P. B. Sarkar, published by the I.C.J.C. Elastic and

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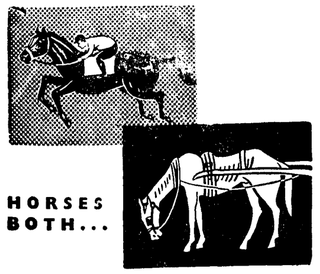

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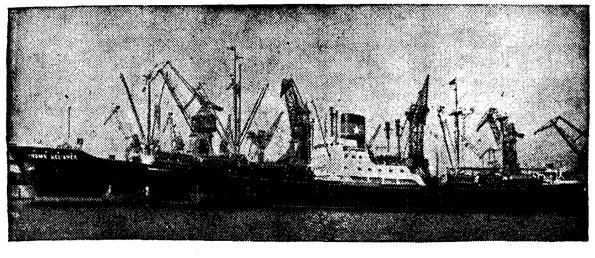

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ELECTRICITY IN E.C.A.F.E. REGION

SCOPE FOR DEVELOPMENT

THE possibilities of developing electricity in Asia and the Far East are being explored by the fifth session of the E.C.A.F.E. Sub-committee on Electric Power still being held—at the time of writing this article—since the 7th inst. at Bangalore. In a report on electric power prepared for facilitating discussion, the Secretariat of the E.C.A.F.E. has expressed the view that Asian countries may have to continue developing hydro-electric, steam and diesel units, as the actual use of nuclear fission may become economically feasible only after a decade or more. It has suggested also that the countries of the E.C.A.F.E. region should continue to study current developments in the use of nuclear fission for generation of electric power and prepare themselves for taking advantage of them by prospecting their own resources of radio-active minerals and by training manpower with the assistance of the industrially advanced countries.

In order to assist future utilisation of nuclear power, the Secretariat has urged the countries of the region to consider actively the extent to which their means of production can be economically mechanised. They should also prepare forecasts of their energy requirements in terms of both commercial and non-commercial sources, with particular reference to the requirements of their programmes for agricultural and industrial development. The Secretariat has, in addition, stressed the desirability of the countries assessing the hydro-electric power potential capacities of their rivers and of their fuel resources and of estimating the approximate capital costs of electric power generation at various suitable sites. They should draw up their programmes for installing generating units on the basis of the comparative economics of hydro and thermal generation in each area.

Power Potential

It would appear that the Secretariat has estimated the potential capacity for power generation, based on the water powers of the region, excluding China, at approximately 75 million kw., of which only 8 million, or approximately 11 per cent., has so far been developed. The estimates in some of the countries relate, it is stated, to only some of the rivers, and much work, according to the Secretariat, remains to be done in regard to collection of data which would enable closer and comprehensive estimates to be made. If the assessment of all rivers of the region were available, the total power potential would, it is stated, be found to be considerably greater than the present estimate of 75 million kw. The Secretariat is reported to have pointed out that the region suffers a widespread shortage or deficiency of hydrological records and of technical surveys necessary for planning hydro-electric plants and for multi-purpose river basis development.

Welcoming the delegates, Dr. P. S. Lokanathan, Executive Secretary of the E.C.A.F.E., said that power situation of the region had continued to improve at an increasing rate in the last few years. Electricity supply in most of the countries, however, was still inadequate to cope with the rapid rise in demand, especially from industry and agriculture. The installed capacity of public utilities increased in 1954 by 11.48 per cent. to a record level of 15,613 million kw. This advance, though significant, lagged behind the advance in the industrially more developed countries. Electricity production, however, rose in 1954 only by 6.68 per cent. This was because some of the new plants were commissioned late in 1954. Dr. Lokanathan further revealed that the region (excluding the mainland of China), with more than one-third of the world's population, produced only 5.38 per cent. of the world's electricity supply, that is 64,900 million kw., as against 1,209 thousand million kw. for the whole world.

Dealing with rural electrification, Dr. Lokanathan said that several countries were considering the establishment of special demonstration centres in rural areas. The E.C.A.F.E. Secretariat had been assisting these efforts by drawing up blue-prints for such centres. Ceylon and Thailand had taken the initiative with the help of the E.C.A.F.E. to prepare project reports for such centres. Pakistan and the Philippines had also evinced interest in the matter.

Reviewing the work of the E.C.A.F.E. Sub-committee during the last two or three years, Dr. Lokanathan said that it had been recognised that, to secure the maximum overall economy in the operation of the power system, the countries should aim at co-ordinated development of thermal and hydro-electric power stations. Special attention had been given to problems of rural electrification including generation, transmission and distribution of power and tariffs for rural power supplies. The Sub-committee had made special studies in the application of electric power to metallurgical and chemical industries, including the manufacture of fertilisers, exploitation of the raw material resources of the respective countries and increasing the industrial prosperity of the region.

Inaugurating the E.C.A.F.E. session, Mr. K. Hanumanthaiya, Chief Minister of Mysore, surveyed the steps taken by India during the first Five-year Plan for power development and emphasised the importance of rural electrification.

Electric power, said Mr. Hanumanthaiya, had come to be recognised as the key to economic development. In the field of industry as well as agriculture, electricity was a vital factor in achieving an increase in the productive capacity. It was also necessary to ensure a balanced and co-ordinated development covering, in its scope, not merely electric power but also growth in the other related fields of industry and agriculture.

Power in India

Referring to the proposed power development in India, Mr. Hanumanthaiya said that at the beginning of the first Five-year Plan, the total installed capacity of all generating plants was 2.3 million kw. The target for the first Five-year Plan was fixed at 1.3 million kw. of additional capacity. Of this, it was expected that about 1.1 million kw. would have been achieved by the end of March 1956 and work on power projects bringing an additional capacity of 1.29 million kw. was in progress. During the second Five-year Plan, new projects would be undertaken and that would add generating capacity to the extent of 2.1 million kw. It was expected that the total generating capacity would reach a target of 6.8 million kw. by the end of the second Five-year Plan, i.e., March 1961. The *per capita* production, which was 14 units in 1950-51, was expected to rise to 25 units by the end of March 1956, and to 50 at the end of the second Five-year Plan period. The *per capita* production in Norway was 6,421 units, in Canada 4,500 units, U.S. 2,904 units, U.K. 1,435 units and Japan 676 units.

The programme outlined for the second Five-year Plan period, said Mr. Hanumanthaiya, was a mighty one and the targets were likely to be reached before time. But the experience in Mysore, as well as in other places in India, had been that the demand for power had always outstripped the provision of generating capacity.

Mr. Hanumanthaiya said that rural electrification was a matter of vital importance to the countries of the region as more than 80 per cent. of the population lived in rural areas. The extension of electricity to rural areas was not an economic proposition from the commercial point of view, but unless electricity was made available to the remotest corners, the lot of the common man could not be improved. It was a subject for the electrical engineers to think over, he added.

About the peaceful uses of atomic energy with particular reference to the generation of electric power. Mr. Hanumanthaiya said he was glad to learn from the experts that there was no possibility of the power plants utilising nuclear energy replacing low-cost hydro-electric plants in the near future. Even the replacement of the conventional thermal power plants by nuclear energy power plants was not likely to materialise within the next two or three decades. There was, therefore, no need to feel alarmed about the possibility of the present hydro and thermal power plants or those that were being planned for implementation during the next 10 years or so becoming obsolete within their lifetime.

It would appear that the Sub-committee has taken the decision to depute 15 power experts from the E.C.A.F.E. region to make a study tour of eight to nine weeks of the U.K., U.S.S.R., France, Sweden, West Germany, Czechoslovakia, Switzerland and the U.S. for a study of the power development techniques adopted in these countries. The experts will study, among others, (1) the latest technical developments of power plant design and operation in the field of thermal power stations, (2) modern methods and practices in the field of electricity supply and (3) standards and specifications adopted in these countries with a view to meeting the specifications of Asian purchasers.

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EXPERIMENTS IN HOUSE BUILDING

The first meeting of the National Building Council, which was held in New Delhi last week, recommended the construction in each State of an adequate number of experimental buildings, involving departures from traditional specifications and designs, under the subsidised housing schemes of the Union Government. The Council suggested that about one per cent. of the annual building budget should be allowed to be utilised by each State and local authority for the construction of such experimental buildings. These buildings must incorporate new ideas likely to result in economy. The Council approved the opening of a building centre in Delhi under the control of the National Buildings Organisation. It suggested that, since the problem of building materials was to some extent local in character, the State Governments be requested to set up such centres, the National Buildings Organisation supplying the technical knowhow in organising them. The Council expressed the view that information on the constitution and working of the proposed building centre in Delhi, when finalised, be made available to all State Governments to enable them to assess the work and form an estimate of the expenditure involved. Another resolution directed the National Buildings Organisation to carry out in two States an intensive survey of the training facilities available for artisans and craftsmen in building trade, evaluate the standards, and recommend measures for their improvement.

The Council accepted in principle the appointment of liaison officers in the States, and laid down that the establishment cost of the organisation should be shared equally by the Centre and the States. It resolved further that the National Buildings Organisation should collect and collate information both about existing practices and desired improvements in the production of lime, bricks and timber. The resolution enjoined that the National Buildings Organisation should make available information likely to lead to economy in production, use of these materials and improvement in their quality. For this purpose, the National Buildings Organisation might select those States or regions where the quality of these products was at present inferior and production insufficient. The Council, by another resolution, approved the research programme of the National Buildings Organisation for the second Five-year Plan period. It recommended that highest priority should be given to the economic utilisation of traditional materials and manpower resources as they had a direct bearing on building costs.

DRYING AND PRESERVATION OF METAL STORES

Water displacing composition possesses the unique property of simultaneously drying and affording temporary protection against corrosion to metal parts. Its mode of application is simple dipping, spraying or flow-coating and requires no heating or power services. Such compositions find manifold industrial applications. The chief among them are as follows:

(i) Drying of metal parts particularly where conventional methods of drying, that is, drying at elevated temperatures or compressed air are inconvenient/unsatisfactory or definitely harmful.

(ii) Temporary protection of metal components awaiting further processing and temporary protection of freshly manufactured stores awaiting normal packaging.

(iii) Drying-*cum*-preservation of articles salvaged from water.

Small quantities of such water-displacing compositions are at present imported and used in ordnance factories and for other defence requirements; these requirements are likely to increase appreciably in the near future. Due to their essential utility in removing both loose and absorbed water from metallic surfaces, these materials are likely to find increased use in industrial engineering establishments also.

A water-displacing composition has been developed at Technical Development Establishment Laboratories, Kanpur. The process of manufacture involves the preparation of nitriles of higher fatty acids, followed by their dissolution along with organic soaps of higher fatty acids and an oil in a suitable solvent. The ingredients, excepting triethanolamine, which is used in very small quantities, are all indigenous. This composition, prepared by the above process, possesses all the essential and desirable features of a good water-displacing composition. Trials in engineering establishments have established that, in performance, it is equal to imported materials. Its production could profitably be undertaken by some industrial units already engaged in producing chemicals.

NEW PRODUCTS AND PROCESSES

New Man-made Fibre

A NEW synthetic fibre, namely, Darlan, which can be used for almost any kind of wearing apparel, has been developed by the B. F. Goodrich Chemical Company of Cleveland, Ohio, U.S. Darlan is expected to become as popular as nylon, rayon and Dacron. It is now being produced by the Company in a pilot plant at Avon Lake, Ohio, and has been found suitable for sweaters, dresses and suits. Women's coats, with a deep pile and soft, furlike texture, can be made with it. The chemical name of *Darlan* is vinylidenedinitrile.

Tin Compound Kills Fungi and Insects

A chemical compound of tin, originally used as a stabiliser in the manufacture of certain kinds of plastics and kinds of paints, has now been developed as a cure for tapeworm infections in poultry and chickens. Called dibutlytl tin dilaurate, the compound is widely used as an additive to transparent polyvinyl chloride plastics to increase their clarity. It is also used as a preservative in the manufacture of chlorinated rubber paints. Recent research has, however, shown, according to Dr. E. S. Hedges, Director of the Tin Research Institute, U.K., that the compound can be used in agriculture as a cure for worm infestation in poultry. Indeed, this tin compound, which is already in use in the United States for this purpose, is said to be one of the group of compounds which have been discovered to be among the most powerful fungicides known. In addition, they even, it is claimed, rival D.D.T. in potency as insecticides.

Increasing the Life of Wood-cutting Tools

Experiments carried out at the Forest Products Research Laboratory of the Department of Industrial and Scientific Research, U.K., have shown that the use of carefully sharpened tungsten cutting edges can lead to a greatly increased tool working life. The working life of such tungsten carbide tipped tools may be as much as from fifty to one hundred times that of a high-speed steel-tipped tool. Yet, it is claimed, the cleanness of cutting of the tungsten carbide cutters is equal to that of the high-speed steel cutters providing both the faces of the tool are ground to a fairly high order of smoothness. The extra care and labour required for this operation is regarded as obviously worthwhile. The experiments, which are described in detail in a special report published by the Forest Products Research Board of the Department of Scientific and Industrial Research (Stationery Office 2s), also indicate that the increasing of the sharpness angle of wood cutters can reduce the rate of tool blunting and so increase the general finish of the machined stock produced.

Keeping Air Clean

Researches in the United States steel industry believe they may at last have found an effective and economical way to end the clouds of dust and dirt that rise from the chimneys of open hearth furnaces where steel is made. For nearly two years, they have been conducting experiments with slag skimmed from molten metal and spun into fibre to form a filter. The tests will soon be expanded to include the operation of a pilot plant by Bethlehem Steel Company of Pittsburgh, Pennsylvania. Open hearth furnaces present a very difficult problem in keeping the air clean. The dust escaping from their flues is much finer than that from blast furnaces and is more difficult to prevent from escaping into the air. Also the great heat of the open hearth flues makes it difficult to install and maintain mechanisms to catch the dust. There is also an economic problem involved, since, whereas the dirt and dust from a blast furnace can be processed and iron ore and other chemicals recovered for use, the dirt and dust from an open hearth is valueless and represents merely an added cost for removal. This filter, made with the threadlike fibres of woolly slag, promises to be the most economical device that has been tried.

Rhenium for Industry

One material with many potential industrial uses in modern industry is the metal rhenium. Recent research has shown that the elasticity of the metal rhenium decreases with increasing temperature up to 900 degrees Centigrade in approximately linear manner, but, at certain pressures, it will remain constant even when exposed to very high test temperatures. Rhenium, which is currently primarily used in the manufacture of thermocouples, but which is finding increasing uses in other branches of the electrical industry, has high stress-rupture properties, the 100-hour being capable, it is estimated, of withstanding pressures of 20,000 lbs. per square inch at 1,000 degrees Centigrade and pressures of 800 lbs. per square inch at 2,000 degrees Centigrade. The researches, which were carried out by scientists at the Battelle Memorial Institute, London, also disclosed that annealed rhenium sheet has a yield strength of 131,000 lbs. per square inch, an ultimate tensile strength of 168,000 lbs. per square inch, and, when under standard test, shows an elongation of 28 per cent. in one inch. Rhenium sheet treated by cold working and reduced 30 per cent. has a yield strength of 282,000 lbs. per square inch, an ultimate tensile strength of 322,000 lbs. per square inch, and an elongation of two per cent. in one inch. It is also claimed that rhenium treated by cold by swaging, or wire drawing work, hardens more than does rhenium treated by rolling. Furthermore, the addition of thorium reduces the ultimate tensile strength and ductility of rhenium and lowers its recrystallisation temperature. It is corroded slowly by aluminium and quickly dissolved by molten nickel and molten iron but is resistant to attack by molten tin, zinc or silver.

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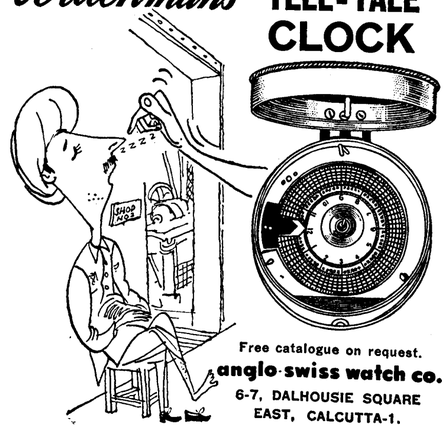

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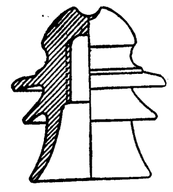

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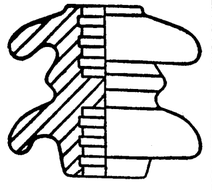

COMPENSATION TO INSURERS

GOVERNMENT URGED TO RECONSIDER BASIS PROVIDED IN BILL

LAST week, we made a brief reference to the opinion in insurance circles which, on a detailed consideration of the provisions of the Life Insurance Corporation Bill, feels that the compensation provided therein is less than adequate or fair to the shareholders of insurance companies and policyholders of mutual offices. We also referred to the plea of the Indian Insurance Companies' Association that the Government should undertake a revaluation of the companies as on the date of nationalisation or adopt as the basis for compensation the last valuation prepared by the companies themselves at a date preceding the date of nationalisation.

The fact that there has been some misgivings in the minds of shareholders over the compensation is evident from the brief reference made to this subject by Sir Cowasjee Jehangir, Bart., Chairman of the Bank of India Ltd., in the course of his speech at the recent annual meeting of the Bank. He said:

"Since the end of the year there has been a further major operation on the part of the Government which cannot but cause uneasiness. I refer to the nationalisation of life insurance business throughout the country on the 19th of January. It is not to our credit that this nationalisation should have been effected by the undemocratic method of an ordinance. The worst aspect of nationalisation is the unfair method of compensating shareholders for the value of their shares. This is being done under the amendments made in the Constitution on the 27th of April 1955 by the Constitution (Fourth Amendment) Act, 1955. I know of an instance where the shares of a life insurance company have been valued by actuarial calculation at a certain amount and it is now well known that, on the basis of the compensation indicated in the Bill which has followed the Ordinance, the Government intend to pay less than half that value. I do not think it was ever intended in a country governed under democratic principles that the Government should take advantage of the amendment of the Constitution to deprive shareholders of their legitimate dues, especially to such an extent as I have just mentioned."

Sacrifices

To revert to the memorandum submitted by the Association. Since the issue of compensation affects thousands of shareholders of insurance companies in the country, the points raised by the memorandum do certainly deserve the attention of the Government. The Association expresses the view that the idea underlying the payment of fair compensation should not be only the reimbursing the shareholder any loss of property or of the value, as at the date on which the business is nationalised, but should also cover a fair estimate of the future gains the shareholder would have made, had the business continued in the private sector. In a business like life insurance, this aspect is more important than in any other trade or industry. Life insurance is a business of very slow growth. Before the business becomes a paying one to the shareholders, it takes a long period of anything between 10 and 20 years from the commencement. During this period, the shareholders make sacrifices and forgo dividends so that they may be able to profit in future. This fact, it is stated, should be borne in mind in assessing the compensation payable in respect of taking over of life insurance business by the Government.

In this connection, the Association has referred to the growth of new life business in recent years which has expanded from Rs. 125.8 crores in 1950 to Rs. 213.3 crores in 1954. It feels that if a dispassionate view of the future is taken it could confidently be stated that this increase would continue, and at the end of five years, say, 1960, the new business would be Rs. 450 crores and would increase similarly in the future. It adds:

"The growth of business in the past, as also the expectation of growth in future, are due to the planning done by the insurers and to the sacrifice made by them in the past in the form of spending fairly large amounts on organisation. These organisational expenses went to a great extent in reducing the profits in the past and these sacrifices by the shareholders were made with the hope that at a future date these sacrifices will not go unrewarded."

The Association further submits that at the time of the valuation, the companies usually did not estimate the future in a rosy way, but underestimated the favourable factors and overestimated the unfavourable. These margins, taken as a whole, took away a very large portion of the surplus which would have been available to the shareholders. Because of nationalisation, they should not be deprived of a fair increased compensation. Those who have acted prudently and with foresight, it is contended, should not be penalised.

Three Considerations

It is further submitted that the Government in coming to a decision on this question should bear three important considerations in mind. In the first place, the book value of any life insurance unit as represented by capital and shareholder's share of surplus is not the whole value. From the stockholder's standpoint, the insurance in force is the basis of the earning power. It has real encashable value which is derived through continued operations. The shareholder is interested in the company as an organised going concern. Secondly, the actuarial system of valuation does not take into account items materially affecting the earning, such as the increase or decrease of the business in force and the increase or decrease of assets such as its goodwill, its good name and popularity, its organisation, investment appreciation and the like. These are immaterial in a periodical valuation meant to assess the surplus of a long-term business in a summary manner. Thirdly, the "surplus" in a life valuation is really a difference between policy liabilities and the life fund. It is neither identical with operational or commercial profit nor with profit at all in a commercial sense. The surplus of the valuation balance-sheet is the combined effect of all operational and non-operational profits made and losses suffered during the inter-valuation period plus the surplus brought forward, if any.

A large body of the shareholders of insurance companies, it is stated, belongs to the middle class. The shares of insurance companies, particularly life insurance companies, have always been considered to be almost a gilt-edged security and the moneys of many widows and orphans have been invested in the purchase of these shares, because of the confidence placed in most life insurance concerns. The shares are well distributed and provide an investment which, in the long run, proves very attractive. Because of this, the usual return on these shares works out at about 4 per cent. and people had been holding these shares on that basis and purchasing them in the market on that basis. The suggested compensation should not, therefore, be such as is likely to affect adversely the interests of the middle-class shareholders.

After pointing out that the reduction in the proportion of the surplus allocated to shareholders from 7½ per cent. allowed under the Act to 5 per cent. under the Bill and the method for calculating the annual average surplus are the two inequitable features of the provisions relating to compensation to shareholders, the Association has, as we indicated last week, suggested an alternative method for calculating compensation. Proceeding, it observes that the Government should, in the matter of arriving at figures of compensation payable to shareholders, take into account the funds, such as dividend equalisation fund, specifically allocated by the companies for the benefit of the shareholders. It also claims a 7½ per cent. share in the appreciation of the market value of investments, as compared with their book value. Further, it suggests that compensation should not be subject to taxation. It says:

"It is presumed that the amount of compensation to be paid to the shareholders would not be treated as dividend, as actually it is a return of approximate present value of the capital calculated in accordance with the principles finally approved by Parliament. It is necessary and desirable that this point should be made clear in order to avoid shareholders being made liable to pay income-tax and other similar tax thereon by the income-tax authorities subsequently, on the plea that no such distinction or clarification has been made either in the Bill or otherwise by an order of the revenue authorities. It is, therefore, earnestly submitted that this point should be cleared beyond doubt as otherwise it may have the effect of reducing still further the quantum of compensation which would ultimately reach the shareholders."

As regards mutual insurers, the Association submits that the proposed compensation is totally inadequate and would appear to be unfair to the policyholders. Hitherto, the entire surplus was utilised for the benefit of the policyholders in the case of such insurers. Further, the proposed Corporation will have a share capital and, as provided therein, only 95 per cent. of the profits disclosed in their future valuation would be applied for the benefit of the policyholders, who would in fact lose 5 per cent. of the surplus which normally would come to their share along with 95 per cent. The Association, therefore, suggests that, in their case also, the average surplus for the year 1955 should be determined on the principles it has advocated for joint-stock insurance offices and 5 per cent. thereof multiplied by the period of their fuuure duration allocated to the present policyholders. It adds that with a view to arriving at some definite amount to be added to the sum assured at present instead of leaving it indefinite, a fixed, fair and reasonable period may be taken which would on an average approximate to the future duration of the present portfolio, taken as a whole.

The Committee of the Bharat Chamber of Commerce, Calcutta, states that, according to its information, the custodians of life insurance companies in Calcutta have been instructed to invest 84 per cent. of the liquid funds of the companies in Government and approved securities and the balance of 16 per cent. in approved debentures, preference and ordinary shares of companies and also in any current building programmes that the companies may have on their books. It learns that the 16 per cent. investment will be mostly utilised for new industries' capital which will be essential for the second Five-year Plan, making it impossible for the existing companies to raise fresh capital from the market. The local custodians, according to the further information of the Chamber, have been instructed to refer investment matters to the Chief Custodian in Bombay who himself will make the investment. The Committee has expressed its apprehension that the major portion of the investment of life insurance funds will be canalised to Bombay, leading to a virtual cessation of investment in Calcutta or in Eastern zone generally. It has suggested to the Finance Minister that the investment ratio in approved investments other than Government securites should be increased to 32 per cent., as laid down in the Insurance Act, 1938 and that each zonal custodian or corporation should deal with payment and deliveries independently under the general supervision of the Chief Custodian.

The Minister for Revenue and Civil Expenditure, Mr. M. C. Shah, in the course of his reply to a question, denied in the Rajya Sabha that remuneration of field workers of insurance companies had been withheld by the custodians who had taken over the running of the companies. He said that certain representations were received regarding the delay in the payment of salaries to the staff of certain insurance companies. The matter was looked into and, where the grievances were found to be genuine, the custodians were instructed to make payments immediately. In reply to another question he said that a delegation of representatives of the United Kingdom and Canadian life insurance companies transacting business in this country, recently visited India and made certain representations to the Finance Minister.

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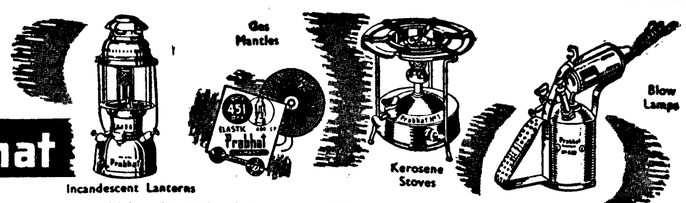

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PALANPUR
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FOREIGN BRANCHES:
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DIRECTORS
SIR COWASJEE JEHANGIR, Baronet, G.B.E., K.C.I.E. (Chairman).
Mr. AMBALAL SARABHAI.
SIR JOSEPH KAY, K.B.E.
Mr. DINSHA K. DALAL.
Mr. RAMNIWAS RAMNARAIN.
Mr. BHAGVANDAS CHUNILAL MEHTA.
Mr. KRISHNARAJ M. D. THACKERSEY.
Mr. A. D. SHROFF.
Mr. MADANMOHAN MANGALDAS.

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances from Rs. 500 to Rs. 1,00,000 at ½ per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.

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

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

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

Every Description of Banking Business Undertaken.

D. R. THOM, *General Manager.*

THE CENTRAL INDIA INSURANCE COMPANY, LTD.

Head Office: INDORE

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BOMBAY MADRAS CALCUTTA
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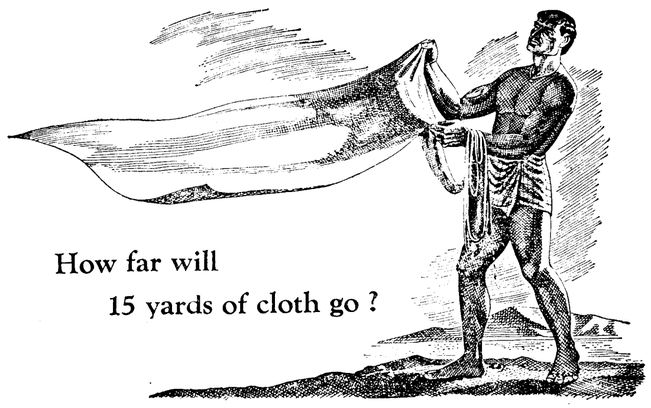

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1955	...	1,050,000 tons
1959	...	2,000,000 tons

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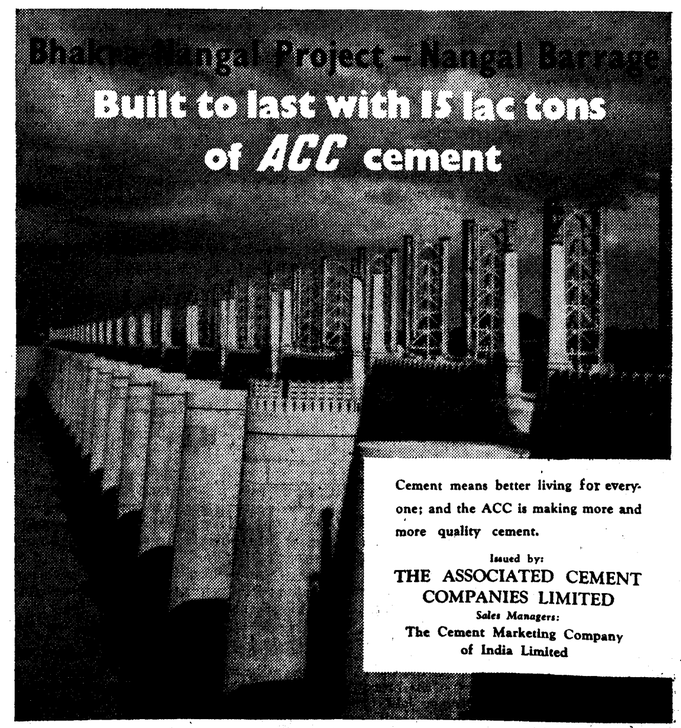

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Sales Managers:
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THE NATIONAL BANK OF INDIA, LIMITED

COMPLETES ANOTHER YEAR OF EXPANSION

MR. J. K. MICHIE ON REPERCUSSIONS OF CREDIT SQUEEZE IN U.K.

THE Annual General Meeting of the National Bank of India Ltd. will be held in London on 27th March 1956. The customary statement of the Bank's Chairman, Mr. J. K. Michie, circulated to the shareholders along with the Directors' report and accounts for the year ended 31st December 1955, provides a brief analysis of the economic conditions and developments in the various countries in which the Bank operates. Referring to the Government of India's action in nationalising life insurance, Mr. Michie says that one of the results of this is a recrudescence of uncertainty in the minds of industrialists, Indian and foreigner alike, regarding the Government's further intentions towards the private sector. He is of the view that this uncertainty has not been relieved by the principles outlined by the authors of the second Five-year Plan. Mr. Michie also dwells at length on the repercussions of the British credit squeeze elsewhere, particularly in the countries where the Bank operates.

The following is the full text of Mr. Michie's statement:

"Since I last addressed you, we have strengthened our Board by the addition to our number of the Rt. Hon. Lord Colgrain, M. C., who joined us in April last. Lord Colgrain is Chairman of Grindlays Bank Ltd., and his presence on our Board contributes greatly to the very necessary co-operation between the two Banks.

"His appointment comes up for confirmation at the annual general meeting.

"Our balance-sheet again reflects expansion, the total of our consolidated figures being £168,653,013, against £162,031,432 at 31st December 1954.

"For reasons which are alluded to later, this trend is much more likely to be reversed than continued during 1956.

"After full provision for taxation, bad and doubtful debts and other necessary reservations our consolidated net profits are £421,839, against £385,923 for the previous year.

"The two dividends declared total 15 per cent. which is the same rate as for 1954.

"Of the resultant balance, as last year £75,000 has been transferred to premises account and £85,000 has been allotted to contingencies reserve account, against £70,000 last year. The balance carried forward has been increased by £15,892 at £342,158.

"In common with other banks we have suffered a considerable fall in the value of our holdings in Government securities, but this has been taken care of internally.

India

"Irrigation schemes, the increasing supply of water from tube-wells and improved methods of agriculture have all contributed to a most gratifying increase in agricultural productivity, particularly of foodstuffs, and imports in 1955 fell to a new 'low' of just over three-quarters of a million tons. This additional production is all wanted to keep ahead of the growth of population.

"Generally, the production targets set for the first Five-year Plan have been reached or exceeded and the Government is facing its second programme with some confidence.

"An outline of this has recently been published which provides for a total investment of Rs. 6,100 crores (£4,575 millions), of which investment in the public sector will be Rs. 3,800 crores (£2,850 millions), whilst investment in the private sector is placed at Rs. 2,300 crores (£1,725 millions). The ratio of public to private investment is 62 per cent. to 38 per cent. Combined development expenditure by the Central and States Governments is to be of the order of Rs. 4,800 crores (£3,600 millions). The broad aims are to create 10 million additional jobs, of which 8 millions will be non-agricultural, and progressively to raise national income by 25 per cent. and *per capita* income by 18 per cent. between now and 1961. We sincerely hope these aims will be achieved. It is proposed to finance the Plan to the extent of 50 per cent. from budget surpluses and loans. £900 milions is to come from deficit financing, while £600 millions is expected from foreign sources, leaving a gap of £300 millions to be filled.

"In a proposed amendment to the Reserve Bank of India Act indications are given of how part of the finance for the Plan is to be found. There are two proposals, one to reduce the backing of the paper currency from 40 per cent. to 30 per cent., thereby enabling the note circulation to be increased by Rs. 135 crores, the other to revalue the gold in the Paper Currency Reserve to the International Monetary Fund rate of $35 per ounce, thereby raising its value by Rs. 78 crores. The second is an entirely logical move.

"The Planning Commission purposes the creation of a socialist pattern of society and that includes 'a more even distribution of wealth and power' with limited ceilings for personal net incomes. Higher taxation is, therefore, in view.

"As a part of her economic policy India has just announced her decision to nationalise life insurance, so that she may channel the growing funds from this source more directly into the Five-year Plan than happens through the individual investments by companies in Government securities, etc.

"The immediate results of the Government's action have been a sharp and general fall in Stock Exchange values and a recrudescence of uncertainty in the minds of industrialists, Indian and foreigner alike, regarding the Government's further intentions towards the private sector, and this uncertainty has not been relieved by the principles of policy outlined by the authors of the second Five-year Plan.

"The Imperial Bank of India is now the State Bank of India and a controlling interest has been acquired by the Government through the Reserve Bank of India. It was foreshadowed that certain other indigenous banks would be included in the new State Bank, but so far this has not been done. The primary reason for the change of ownership and control was the provision of banking facilities in rural areas at a faster tempo than a purely commercial undertaking could justify.

"A very regrettable feature of the banking year has been the strikes and at times near-riots initiated by banking clerical staffs at Calcutta, Bombay and other of the principal cities which arose out of certain provisions in the Industrial Disputes (Banking Companies) Decision Act, 1955, which laid down the general lines on which staff should be paid.

"At the time of writing, the atmosphere is one of comparative peace, but if the Central Government is to lay down rules they should at least ensure that they are kept by both sides. The alternative is anarchy and the impossibility of banks carrying out their obligations under the Negotiable Instruments Act, which in turn would mean the paralysis of business, a state of affairs which was within a hair-breadth of happening in Calcutta early in January.

"Throughout our history in India we have taken pride in the good relations that have existed in our offices and we regret exceedingly that these have been disrupted—we hope only temporarily—by circumstances beyond our control. To all those who, in most difficult conditions, have helped to keep the machinery of banking from coming to a full stop we offer our sincere thanks.

Pakistan

"On 31st July last Pakistan revalued her rupee at 1s. 6d. and so came into line with other sterling area currencies. This was a wise decision which has put her in a much better position to market her exports. It also opened the way for a resumption of trading with India which could be widely developed. While in some cases the products of the two countries are competitive, they are in many others complementary to the needs of each other.

"Development of industry has had a high place in Pakistan's planning and both in West and East Pakistan many factories have been brought into operation during the year.

"On the whole, crops were good in 1955 and the economy of the country is distinctly more stable, partly as a result of an austerity campaign which cut imports very severely.

"The draft Constitution is now under discussion; a major proposal is to establish the same connection between the U.K. and Pakistan as exists between the U.K. and India, i.e., a Republic within the Commonwealth.

"Mr. Ghulam Mahomed, who had given devoted service to his country as Governor-General, recently had to resign because of ill-health and his place has been taken by another national figure in Major General Iskandar Mirza.

"Our fine new principal office in Karachi, a photograph of which is our pictorial feature this year, was formally opened for business in April last, and Mr. Habib Rahimtoola, Minister of Commerce did us the honour of performing the opening ceremony.

Ceylon

"Generally, the economic picture of the Island is a favourable one. Lower rice prices combined with a larger internal production greatly improved her balance of trade. Rubber prices have remained at remunerative levels, but the course of tea prices has borne a close resemblance to a fever chart, and no one can yet say that it has settled at 'normal,' although it is thought that the principal factors which caused last year's extreme swings have worked themselves out. The recent rapid increase in Ceylon's rice production is a fine achievement, although at the moment a severe drought is causing a setback. The target is 650,000 tons per annum which would go far to meet the needs of the increasing population.

"The Development Finance Corporation, I mentioned last year, has not yet been formally constituted, but this is expected to happen in the very near future.

"It has just been announced that an oil refinery is to be built near Colombo by British and American oil interests, which will be an important addition to the economy of the Island.

Burma

"Falling rice prices have again troubled Burma, but this was countered to some extent by larger rice exports. Nevertheless, her sterling balances declined sharply from £41½ millions to £32 millions over the twelve months, as orders previously placed for large quantities of capital goods had to be paid for.

"Strict rationing of imports was put into effect early in 1955 and it is hoped that this measure, coupled with a more active rice selling policy, will bring equilibrium.

"The barter transactions, which have recently become a feature of Burma's trading, I fear, are not likely to provide a real solution of her rice problems nor will they provide imports at the most economical costs, while they are doing much damage to the established trades with the United Kingdom.

"Production of mineral oil is increasing and this means a considerable saving of foreign exchange.

"Improved port facilities and internal transport remain the first necessities of further economic progress and Burma's friends would prefer to see greater concentration on these rather than that money should be spent on projects of more dubious merit and which offer much less certain rewards.

"Given successful handling of the present somewhat critical balance of payments position, there is no reason why Burma should not achieve and maintain a favourable balance of trade.

"Her economic policy continues to be dominated by socialist ideas and increasingly trading is going into the hands of State or quasi-State organisations. A corollary of this is the Government-owned State Commercial Bank to which a considerable amount of business is now directed.

Colombo Plan

"The Colombo Plan is being steadily enlarged and the tempo of development in Asian member countries continues to rise, as is indeed highly necessary, for it is estimated that the population over the area covered by the Plan is increasing at the rate of 10 millions per annum.

"In the not very long run, in spite of very satisfactory increases in food production in deficit countries, there seems to be a certain market for any rice Burma and/or Siam can export, particularly as *per capita* standards of nutrition are still estimated to be below the 1939 level.

"It is only right to point out that at least two-thirds of the Colombo Plan funds are found by the countries which benefit, but outside aid is not only in money and to date 7,200 men and women have been or are being technically trained outside the area. The long-term advantages of this scheme will be very great.

East Africa

"Politically both in Kenya and Uganda more stability has been achieved and the economies of the two territories have benefited accordingly.

"In pursuance of our policy of providing banking services where and when justified, we have opened two branches in Kenya, at Nyeri and at Kilindini Road, Mombasa, and one in Tanganyika at Mbeya. Sub-branches have been opened at Kakamega from Kisomu, Kenya and at Iganga and Kamuli from Jinja, Uganda.

Kenya

"The extreme phase of the Mau Mau movement seems to be over, which is a matter for thankfulness, and if this is confirmed by events it will not only give great relief to the Government financially and otherwise, but will, too, give confidence to all concerned in the development of the country. To date, it is estimated to have cost £30 millions. In the circumstances, progress during 1955 was good and crops on the whole satisfactory, although recent unseasonable rains have badly damaged the standing wheat crop. The next problem in Kenya will be resettlement and rehabilitation of those who were not too deeply involved in Mau Mau. It will be a task calling for statesmanship of a high order.

Uganda

"Cotton and coffee are the backbone of the economy of the Protectorate. Both crops were good in 1955 and only small inroads had to be made into the Cotton Price Assistance Fund previously built up by the Government in the years of high prices. The large surplus being carried by the U.S.A. is a constant cloud over the cotton markets of the world.

"Recently, trade has been freer than before the return of the Kabaka to Kampala, but confidence has not yet fully returned and the turnover of consumer goods is still somewhat restricted in Buganda.

Tanganyika

"Sisal prices improved during 1955 and since the turn of the year first quality has touched £90 per ton, against £80 a year ago.

"Cotton and coffee crops were again good and continue to expand.

"The port of Tanga has been greatly improved and extensions to deep sea berths at Dar-es-salaam are under way. Mtwara still carries only a small volume of traffic, but hopes are held that there will be a steady expansion of production in the Southern Province.

Zanzibar

"In 1955 exports of cloves considerably exceeded the figures for 1954, but as the new crop is a large one stocks held by the Clove Growers' Association have been rising.

"Copra prices remained fairly steady throughout the year and exports, as also of coconut oil, were only slightly below 1954 totals.

Somaliland Protectorate

"Unspectacular, but steady, progress is being made in this territory and these remarks apply equally to our business there.

Aden

"Aden continues to be one of the most important fuelling ports in the world.

"Prospecting for oil on a considerable scale is being carried out in Aden's hinterland and any success will add further importance to the Colony. The traditional entrepôt trade is being well maintained. It is hoped that our new main office premises in Crater will be completed within the next few weeks.

Subsidiaries

"Grindlays Bank Ltd. had a satisfactory year and higher profits are shown. Expansion in the Rhodesias continues.

"Our Finance and Development Corporation made an increased profit which is being retained in the business.

General

"A year ago to combat inflation the Bank of England rate was raised to 4½ per cent.; later the 'credit squeeze' was ordered, but even together these measures unfortunately have been proved inadequate. As I write the Bank rate has been hoisted to 5½ per cent. and other measures taken aimed to restrict spending. During 1955 production in the United Kingdom was increased by about 4½ per cent., but spendable incomes rose by 7 per cent., and as, by and large, these incomes were spent, we had inflation to at least the extent of the difference. The sharp fall in the gold and dollar reserves is another disquieting feature and is a reflection of our adverse trade balance. So, without doubt, we shall have further and very necessary anti-inflationary measures imposed upon us, we as a community having failed to impose them on ourselves.

"In a totalitarian society there is no comparable problem. Management and labour just have to produce prescribed 'norms' and, of their production, only a certain percentage is released for internal consumption, the balance being ploughed back into development or directed into export. As only a small percentage of each annual increment in production is earmarked for domestic enjoyment, the rate—though not necessarily the volume—of increase in gross national

THE NATIONAL BANK OF INDIA, LIMITED

REGISTERED IN LONDON UNDER THE COMPANIES ACT OF 1862 ON THE 23RD MARCH, 1866.

ESTABLISHED IN CALCUTTA, 29th SEPTEMBER, 1863.

Subscribed Capital	£4,562,500	**Reserve Funds**	£3,104,687
Paid-up Capital	£2,851,563	**Number of Shareholders**	3,195

BALANCE SHEET, 31st DECEMBER, 1955.

1954		£	1955 £	1954 £		£	1955 £
	CAPITAL—				CURRENT ASSETS—		
4,562,500	Authorised and Subscribed—4,562,500 Shares of £1 each	4,562,500		15,756,003	Cash on Hand, at Call and Short Notice, and at Bankers		16,844,105
					Investments at under Market Value:—		
2,851,563	Paid-up 12/6d. per Share		2,851,563				
	RESERVE FUNDS—Including Share Premium Account £1,123,750			11,586,979	British Government and other Securities quoted on the London Stock Exchange	11,964,059	
3,104,687	(1954—£1,128,750)		3,104,687	13,545,717	Indian, Pakistan, Ceylon and East African Government and other Securities quoted on Overseas Stock Exchanges	14,802,755	
				208,926	Unquoted Investments	323,963	
			275,442				27,090,782
273,404	PROFIT AND LOSS ACCOUNT—Profit unappropriated		6,231,692	30,077,476	Bills of Exchange, including Treasury Bills		29,746,594
				63,625,933	Advances, Loans Receivable and other sums due to the Bank		66,439,122
6,229,654				1,032,549	Customers for Acceptances per Contra		903,681
	CURRENT LIABILITIES, PROVISIONS AND OTHER ACCOUNTS—						
	Current and other Accounts, including provision for diminution in value of assets, taxation on profits to date and reserves for contingencies	100,831,411		135,834,583	Total Current Assets		141,024,284
97,214,299		29,202,932					
31,109,964	Fixed and Short Deposits	2,094,954		1,700,000	SUBSIDIARY COMPANIES— Shares at cost less amounts written off	1,700,000	
2,410,751	Amounts due to Subsidiary Companies	4,000,000		178,835	Amounts due	429,551	
	Loans Payable	2,141,394					2,129,551
1,722,058	Bills Payable	903,681			FIXED ASSETS—		
1,032,549	Acceptances for Customers				Bank Premises, Property and Furniture at cost, less amounts written off		2,275,218
	Second Interim Dividend less Income Tax for the year ended 31st December, 1955	122,974					
125,469			139,297,356	2,131,336			
			£145,529,048				£145,529,048
£139,844,754				£139,844,754			

NOTES.

1. Securities to the nominal value of £695,000 (1954—£868,685) have been lodged as security for Government accounts and for guarantees issued to Indian Government Departments.
2. Bills receivable rediscounted amount to £240,804 (1954—£160,632) of which up to 22rd February, 1956, £180,331 have run off.
3. There are forward contracts outstanding for the purchase and sale of Bills and Telegraphic Transfers.
4. Liabilities have been incurred in respect of building contracts for new premises amounting to approximately £485,000 (1954—£489,000).
5. There are contingent liabilities in respect of confirmed credits outstanding amounting to £10,452,854 (1954—£9,985,477).
6. There are contingent liabilities in respect of guarantees entered into in the ordinary course of business.
7. Overseas Current Assets and Liabilities have been converted at the rate of 1/6d. per Indian Rupee, 1/6d. per Ceylon Rupee, 1/6d. per Burma Kyat, 1/6d. per Pakistan Rupee and £1 per 20 East African Shillings, and other currencies at the rates of exchange ruling on 31st December, 1955.

W. KERR *Deputy General Manager.*
D. A. DEELEY, *Accountant.*

J. K. MICHIE
R. L. BIRD
R. J. MACKENZIE HAY
Directors.

REPORT OF THE AUDITORS TO THE MEMBERS.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank so far as appears from our examination of those books and proper Returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the above Balance Sheet which is in agreement with the books of account and Returns. In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet gives the information required by the Companies Act, 1948, in the manner thereby authorised for Banking Companies and on such basis the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1955.

We have also examined the annexed Consolidated Balance Sheet and Consolidated Profit and Loss Account of the Bank and its Subsidiaries dealt with thereby with the audited accounts of those Companies. In our opinion such Consolidated Balance Sheet and Consolidated Profit and Loss Account have been properly prepared from such accounts in accordance with the provisions of the Companies Act, 1948, in the manner thereby authorised for Banking Companies and, on this basis, give a true and fair view of the state of affairs and of the profit ascertained in the manner therein indicated of the Bank and its Subsidiaries so far as concerns members of the National Bank of India, Limited.

COOPER BROTHERS & CO.
W. A. BROWNE & CO.
Chartered Accountants.

LONDON, 24th February, 1956.

product is greater in, say, Russia, than in democratic countries.

"In a free economy totalitarian methods are not permissible, and others must be used to produce similar effects. We, therefore, await the Budget in hope, tempered by some trepidation.

"The alternatives to a policy of reducing the volume of goods for internal consumption seem to be either to make them more expensive (e.g., by purchase taxes) or to ensure through taxation that less money chases the goods available. It would be far less painful to the Government and to us, if individuals were to save rather than spend and thereby achieve the twin necessities of a favourable balance of trade and a surplus for investment, but we cannot have the cake of economic freedom and simultaneously eat it.

"As a British overseas bank our interest in the economic measures taken by this country lies partly in the repercussions they have elsewhere. For instance, it is vital that the United Kingdom should be able to continue to make important contributions to the Colombo Plan and to other similar developments within the Commonwealth as well as to expand its investments abroad through private enterprise. If we cannot do these things, we shall lose our place in the markets and in the regard of the countries concerned.

"It has also to be realised that the effects of the credit squeeze do not begin and end in London or in the United Kingdom. It is true that the centre of the sterling area naturally takes the first pressure; but the effects of action at the centre necessarily work their way outwards, and it would be idle to suppose that borrowers nearer the periphery of the sterling area will remain unaffected by recent monetary measures in this country. It will be of interest to watch the longer-term effects in this wider context. Overseas banking cannot but be made increasingly aware of this aspect of the squeeze during the current year, and I would not be surprised to see firmer rates in many countries which to outward appearances so far have not been affected.

Staff

"With the qualification I have made we have had the usual high standard of service from our staff everywhere for which we offer our sincere thanks.

"Our General Manager, Mr. Chisholm, is nearing the end of a strenuous tour of our Eastern branches which is giving him and us an up-to-date appraisal of our business and of conditions in India, Pakistan, Ceylon and Aden from which we shall derive great benefit.

"This, of all times, is not one in which to indulge in prophecy, but, in so far as our immediate future is in our own hands, I see no reason to be pessimistic."

INTEREST RATES IN AUSTRALIA

Dr. Evatt, leader of the Labour Opposition in Australia's Federal Parliament, served notice on the Government on the 7th inst. to the effect that he would call on it to "employ all its possible powers" to reduce interest rates. Dr. Evatt gave notice of an amendment during the address-in-reply debate on Government policy, attacking the Government's "deliberate policy of failing to provide sufficient market support for Commonwealth securities." Because of this insufficient support, the amendment said, there had been a sharp fall in the market price of securities, a consequential increase in the interest yield, serious capital loss to original investors in Commonwealth bonds, and unfair gains to speculators. It is stated that this had aggravated inflation and caused a general rise in interest rates. The amendment called on the Government to reduce interest rates "for general public welfare, and so advance primary and secondary industry, home building, public works and national development." Ds. Evatt, giving notice of his amendment, remarked: "The Commonwealth Parliament has complete powers to fix rates of interest. It would be possible to tax income from interest, making it higher in relation to interest charges, which soon would bring interest rates down." Earlier, Mr. Menzies, the Prime Minister, had told the House that he was considering calling the State premiers together to deal with hire-purchase problems.

Self-Sufficiency in TUBES

On March 7, 1956, the works of the Indian Tube Company were formally opened in Jamshedpur by the Hon'ble Dr. Sri Krishna Sinha, Chief Minister, Bihar.

The Tata Iron & Steel Co. Ltd. and Stewarts & Lloyds Limited, the largest producer of steel tubes in Europe, have jointly sponsored this project. A Fretz-Moon Mill with an annual capacity of 12,000 miles of tubes (90,000 tons by weight) at a cost of Rs. 3 crores has been installed. A separate Electric Resistance Weld Mill for the manufacture of some 13,000 tons of high quality precision tubes will be in operation by 1957, and Government's permission is awaited to instal a third mill to make seamless tubes.

When all the three mills are commissioned the country's requirements of practically all varieties of steel tubes should have been met.

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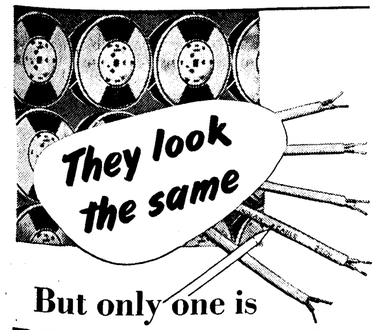

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ZAGREB SPRING FAIR

March 30th to April 8th, 1956

This year's Fair will be even bigger than the 1955 Spring Fair at which over 1,000 enterprises displayed more than 3,000 exhibits and 126,000 visitors attended. The rapidly expanding economy in Yugoslavia makes it possible to offer a wide range of products, including mining, timber and wood products, textiles, engineering and electrical equipment, handicrafts, tobacco and medicines, glassware, foodstuffs and wines. A special section of the Fair will be devoted to featuring Yugoslav Craftsmanship. There are exceptional facilities for buyers and visitors with Fair Certificates, including 25 per cent. reduction in fares on Yugoslav Federal Railways, Yugoslav Airways and Adriatic Shipping Line, and visas issued at a reduced price.

Further information and Fair Certificates can be obtained from

Yugoslav commercial and diplomatic representatives, or direct from

ZAGREBACKI VELESAJAM
Savska Cesta 25, Zagreb, Yugoslavia.

THE CANARA BANKING CORPORATION LIMITED

GOLDEN JUBILEE 1906—1956

FIFTY YEARS OF DEVOTED SERVICE TO INDIA

TWELFTH March 1956 is, indeed, a great landmark in the history of the Canara Banking Corporation Limited. Fifty years ago, this day, this Bank had its origin. It is the first joint-stock bank started in the district of South Kanara in Madras State, in 1906. When the wave of '*swadeshism*' was spreading far and wide in our country, a noble band of citizens, endowed with vision and forethought, conceived the vast potentialities for good to the country, as a whole, of forming a banking institution to cater to the needs of trade, commerce and industry, as well as to inculcate the habits of thrift in all classes of people. The seed of banking was thus sown in the district. The history of the Bank is, no doubt, a fascinating one to all interested in the growth of banking in this great country. It started as a *Nidhi*. Slowly and steadily it built up its present capital structure. Then followed its expansion with sound and rapid development. The result has been, the paltry resources of Rs. 38-13-3 left at the close of the first day's working on 12th March 1906, have now developed to over Rs. 5.45 crores.

The first President-Founder of the Bank was the late Khan Bahadur Haji Abdulla Haji Kasim Saheb Bahadur who guided the destinies of the Bank from 1906 to 1929. He was not only a pioneer among the bankers of the State but also a public worker of proved ability known for his character and integrity. He was an elected representative to the Madras Legislative Council and the Legislative Assembly at New Delhi for several years and rendered yeoman service to the country. Above all, he was a great philanthropist whose princely hospitality and magnificent charities are a household word in the district.

Haji Abdulla Haji Kasim Saheb Bahadur
Founder-President

The late Shri Haradi Keshava Pai, B.A., B.L., leading lawyer of the place, was a Director of the Bank since 1927. As President of the Bank since 1929, he shaped the policies of the Bank on right lines till his premature death in 1934. This period was marked by real and rapid progress in diverse directions. In fact, no administrator could have been more sincerely interested in the affairs of the institution, of which he was the head.

The Late Shri H. Keshava Pai
Former President

Development

The growth and progress of this Bank, in the beginning, was steady. Started with a small beginning at a time when people were not used to the banking habit, it was really an uphill task to educate the clientele in taking advantage of the manifold banking services. The constitution, under which this Bank began its working, was in the form of a *Nidhi*—i.e., a person contributing to its funds a rupee or multiples of a rupee, every month, for a period of 45 months was entitled to receive at the end of the 46th month Rs. 50 or multiples thereof. These contributors were the first shareholders of the Bank. This system was soon found to be not helpful, in view of the fluctuating and fleeting character of the capital. In the year 1917, a radical change was brought about by amending the Articles of Association and permanent shares were issued. Till 1937, the authorised capital of the Bank was Rs. 3,50,000 and in 1938, it was raised to Rs. 10,00,000. In 1943, it was further raised to Rs. 25,00,000 which continues to be its authorised capital to this day. The subscribed and paid-up capital, in 1934, stood at Rs. 2,25,000. With the growth of confidence in the Bank, the deposits increased steadily and the Board, in consonance with sound canons of banking, thought it fit to increase the capital. In 1935, 2,500 ordinary shares of Rs. 50 each were issued at a premium of Rs. 40 and this issue was over-subscribed. In 1939, 7,000 5 per cent. first preference shares of Rs. 50 each were issued and were fully subscribed. In 1943, there was a further issue of 18,000 4½ per cent. first preference shares of Rs. 50 each and this issue, too, was fully subscribed. The last issue of capital was again made in 1947 when 8,000 ordinary shares of Rs. 50 each were issued at a premium of Rs. 40 per share. It may be of interest to note that all these issues had uniformly encouraging response. This is proof positive of the popularity and confidence that the Bank has been continuously enjoying both with the shareholders and the public. Today, its entire issued and subscribed capital of Rs. 20,00,000 is fully paid-up.

Reserves

Trade, commerce and industry can never be the monopoly of any class or community. It has been the policy of the Directors from the very inception of the Bank to strengthen the reserves by annually setting apart a fair portion of the profits towards the reserve fund. In the case of every institution, particularly a banking institution, building of its reserves is the acid test of its intrinsic stability. From a small sum of Rs. 6,894 in 1918, by substantial additions almost every year, reserves have now reached the figure of Rs. 12,00,000.

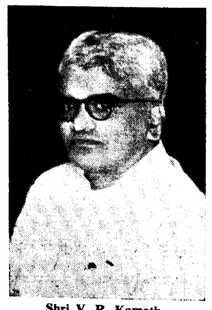
It is of particular interest to note that, as far back as nearly five decades, the Bank was formed with a cosmopolitan outlook without distinction of class or creed, motivated only by a spirit of ideal banking service. This wholesome tradition has been maintained by the shareholders of the Bank.

The cosmopolitan outlook is reflected even in the composition of the Board of Directors. It consists of men of eminence and high integrity coming from all walks of life. Their business acumen, farsightedness and cautious policy have all contributed towards attainment of the present stature of the institution in the banking field. The Bank is really fortunate in having such devoted men at the helm of affairs from time to time. One special feature of this Bank is that there has not been any Managing Director or Managing Agent from the very inception.

Dr. U. Sunder Ram Pai
Present Chairman

The mantle of presidentship of the Bank fell upon the able shoulders of Dr. U. Sunder Ram Pai, M.B.,B.S., the present Chairman. If the Bank owes its progress and popularity to any single individual, more than anybody else, it is the present popular Chairman of the Bank who continues to be associated with it since 1929. Though his jobs are not always pleasant, he works unceasingly with a pleasing word for everyone. A man of multifarious public activities, Dr. Pai is still never too busy to give the Bank his valuable guidance.

The present Chief Executive, Shri V. R. Kamath, B.A., LL.B., the General Manager, joined the Bank in 1934. He served in various capacities and rose to his present position as General Manager in 1937. "Service with a smile" is the slogan he preaches as well as practises. It is his tact and drive that make effective fulfilment of the Bank policy possible. In him, the staff of the head office and branch offices find a sympathetic and understanding officer. By his tact and ability of control and supervision he has been able to establish smooth work of the institution. Ably assisted by the Deputy General Manager and the inspectorate and other officers, he has been successful in maintaining a high level of efficiency both in the internal administration and public relations. This policy has enabled the Bank to tide over difficulties that came in the wake of bank failures. It also enabled the Bank to face successfully the heavy economic stress and strain caused by two devastating world wars and unprecedented inflation and slump during the last fifty years.



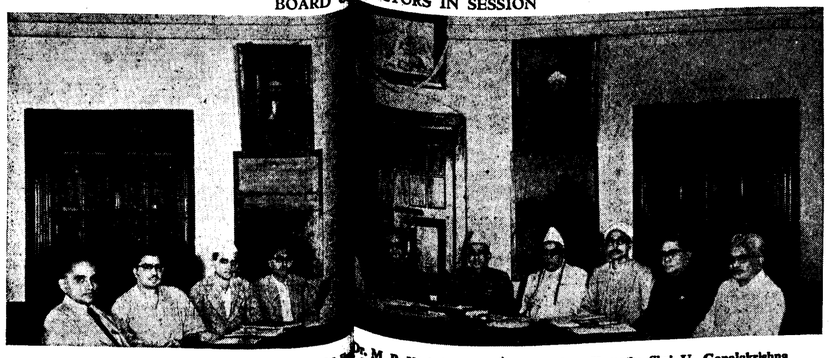
Shri V. R. Kamath
Chief Executive

Working of the Bank and Present Position

The Bank, at present, undertakes to make advances on approved securities and renders a variety of modern banking services. It has got a network of 42 branches spread over the States of Madras, Mysore, Bombay, Coorg, Andhra and U.S.T.C. It has got its own buildings at head office, Mangalore, Mercara and Malpe. There are safe deposit vaults for the convenience of the public at Mangalore and Mercara. As the Bank accepts deposits of not more than five years, it has to keep its resources in as liquid a state as possible. The high liquidity of the resources of the Bank and its intrinsic strength were demonstrated in the past, when some bank failures occurred in the country. As on 31st December 1955, the total cash in hand, including that with bankers and investments in gilt-edged securities, was at around 64 per cent. of the deposits. The total advances of the Bank were at 52 per cent. of the deposits. Seventy-six per cent. of total advances, including bills purchased and discounted, were fully secured. These factors indicate the Bank's policy of maintaining liquidity of its reserves and safety of its advances.

It is a matter of pride and joy that the Bank is ably served by its loyal and devoted staff who have, all along, worked with honesty and integrity, contributing their share to the growth of the Bank, both in size and reputation.

BOARD OF DIRECTORS IN SESSION



From left to right: Shri B. A. Mad... Nayak; Dr. U. P. Mallya; Dr. U. ... Shri Kalmady Rama Rao; Shri P. ... Dr. M. B. Kini; Shri M. Gopalakrishna Kamath; Shri U. Gopalakrishna Pai (Chairman); Shri B. Vaikunta Baliga; Shri K. Padmanabha Pai; Shri V. P. Pinto and Shri V. R. Kamath (General Manager).

PROGRESS REPORT

The Bank has been showing rapid progress and the following table shows the progress made by it during the last five decades:

(Rounded off to the nearest thousand)

Year	Paid-up capital	Reserves	Deposits	Cash	Investments	Advances	Working capital	Net profits
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1906	5,000	..	4,000	1,000	..	5,000	5,000	..
1916	26,000	5,000	6,44,000	46,000	..	35,000	38,000	2,000
1926	1,98,000	76,000	27,98,000	3,34,000	83,000	8,15,000	9,64,000	25,000
1936	2,89,000	3,52,000	2,07,48,000	13,67,000	14,87,000	24,13,000	46,32,000	45,000
1946	15,97,000	4,53,000	4,21,73,000	72,88,000	35,60,000	1,38,37,000	3,00,01,000	2,07,000
1955	20,00,000	12,00,000			1,86,99,000	2,23,27,000	5,45,09,000	3,35,000

The following will indicate the Bank's position among the 72 Indian joint-stock Scheduled banks as on 31st December 1954:

According to	Place
Date of incorporation	9
Paid-up capital	30
Reserves	29
Deposits	27
Loans and advances including ...	30
Total resources	27
Branches	21
Dividends and bonus on ordinary ...	13

MESSAGES

DR. S. RADHAKRISHNAN, *Vice-President of India*:

"... I am glad to know that the Canara Banking Corporation Limited will complete 50 years of service on the 11th March 1956. I wish your Golden Jubilee Celebration a success."

• • • •

SHRI S. V. KRISHNA MOORTHY RAO, *Deputy Chairman, Rajya Sabha*:

"... You have a very bright future for your Institution. .... Please accept my best wishes for your Institution. I hope and pray that it will grow sounder and stronger and reach greater heights in the service of the nation."

• • • •

SHRI K. C. REDDY, *Minister for Production, India*:

"... I congratulate the 'Corporation' on its creditable record of work during the 50 years of its existence. I am sure that the Canara Banking Corporation will make a signal contribution to the progress of the country. I wish the Golden Jubilee celebrations every success."

• • • •

SHRI GULZARILAL NANDA, *Minister for Irrigation and Power, India*:

"... Nandaji sends his blessings and good wishes for the occasion."

• • • •

SHRI D. P. KARMAKAR, *Minister of Commerce, India*:

"... The 'Corporation' has a creditable record of work and has rightly earned the confidence and goodwill of all who have had to deal with it in different capacities. I wish the 'Corporation' and function all success."

• • • •

SHRI A. B. SHETTY, *Minister for Health, Madras*:

"... The institution has grown from strength to strength during the last 50 years and attained a high place among the Indian Joint Stock Scheduled Banks.... I wish the Bank a still brighter future and many more years of useful service to the nation."

• • • •

SHRI V. K. KORATKAR, *Finance Minister, Hyderabad*:

"... The distinguishing record of the contributions made by the Canara Banking Corporation to the development of Industry and Trade in the area of its operations is a matter of pride not only to the 'Corporation' but to all those who are associated with the Banking Industry in India. I have every hope that the 'Corporation' will continue to prosper and to serve the needs of the people."

• • • •

DR. C. P. RAMASWAMI AIYAR, *Vice-Chancellor, Benares Hindu University*:

"... I wish the celebrations all success and the institution all prosperity."

SHRI A. S. P. AYYAR, *High Court Judge, Madras*:

"... A good bank is worth its weight in gold in this land of rapacious usurers and moneylenders. May your Bank continue its traditions and continue to serve the Motherland truly and well!!"

• • • •

SHRI F. H. HAYNE, *Principal, Bankers' Trading College*:

"... Hearty congratulations to the Canara Banking Corporation on 50 years of successful achievement and best wishes for continued progress and prosperity in the years ahead."

• • • •

SHRI V. R. RAMANATHA IYER, *Mayor of Madras*:

"... Judging from the trend of national and economic development, I feel sure that the Canara Banking Corporation Limited will play an even more effective part in building up the prosperity of South India. I wish it all success."

• • • •

SHRI RAM NATH, *Deputy Governor, Reserve Bank of India*:

"... I am glad to note that the Bank will be celebrating its Golden Jubilee on the 12th March 1956 and hope that it will continue to render useful service to the public."

• • • •

SHRI K. G. AMBEGAOKAR, *Deputy Governor, Reserve Bank of India*:

"... I have read with interest the brief history of the Bank which shows the tremendous progress it has made. I hope that your institution will continue to progress and render greater service to the public."

• • • •

SHRI BIKKANI VENKATARATNAM, *Member, Central Board, Reserve Bank of India*:

"... I wish the Bank every success in promoting not only the interests of the shareholders but also the interests of the public in obtaining financial accommodation for increasing the prosperity of the country by supplying the capital to Commerce and Industries."

• • • •

SIR SHRI RAM, *Director, Reserve Bank of India*:

"... I congratulate you on your success and wish and pray for continuance of the same."

• • • •

SHRI D. V. POTDAR, *Member, Local Board (Western Area), Reserve Bank of India*:

"... I wish the Bank all success. ..."

• • • •

SHRI M. L. TANNAN, O.B.E., I.E.S. (*Retired*), *Bombay*:

"... I hope and wish that your Bank will continue to serve the needs of the Nation in the years to come with the same efficiency, foresight and fortitude as it had been doing in the past."

• • • •

SIR COWASJEE JEHANGIR, *Chairman, The Bank of India, Ltd.*:

"... I am connected with one from its very inception which is celebrating its Golden Jubilee and therefore, it gives me peculiar pleasure to congratulate another Bank started in the same year and having a similar celebration in 1956."

• • • • •

SHRI C. S. RANGASWAMI, "*Indian Finance*," *Calcutta*:

"... The figures in the latest Balance Sheet and the trend of operations in the recent past, both suggest that the Canara Banking Corporation will progressively increase in strength and the services offered. In this task of financing Trade, Commerce and Industry in revitalised South India, I wish the Bank every success."

THE INDIAN BANK LIMITED, MADRAS

(ESTABLISHED 1907)

DIRECTORS' NINETY-SEVENTH REPORT

The Directors have the pleasure to submit a statement of Assets and Liabilities and of Profit and Loss Account of the Bank for the year ended 31st December, 1955. The Auditor's Report is also annexed.

2. The Net Profit of the Bank for the year amounts to Rs. 20,28,454-10-2 and together with the sum of Rs. 1,30,785-0-11 carried from the previous year's account, makes a total of Rs. 21,59,239-11-1.

3. Out of this sum, the Directors have made the following interim appropriations—

	Rs.	a.	p.
An *ad interim* dividend at the rate of 5 per cent. and a Bonus of 1 per cent. (both free of Income-tax) was paid which absorbed	3,48,000	0	0
The Directors now recommend that the following further appropriations may be made—			
To pay a final dividend of 5 per cent. and a bonus of 1 per cent. (both free of Income-tax) thereby making the dividend and bonus for the year amount to 12 per cent.	3,48,000	0	0
To provision for taxes	5,75,000	0	0
To transfer to the Reserve Fund under Section 17 of the Banking Companies Act, 1949, raising it to Rs. 62½ lakhs	3,50,000	0	0
To transfer to the Reserve Fund other than that under Section 17 of the Banking Companies Act, 1949, raising it to Rs. 10 lakhs	1,00,000	0	0
To transfer to Sinking Fund raising it to Rs. 7½ lakhs	2,63,100	0	0
To transfer to Bank's Buildings account	30,000	0	0
To carry forward	1,45,139	11	1
Total .. Rs.	21,59,239	11	1

4. The Bank rate remained unchanged at 3½ per cent. during the year under report.

5. Offices of the Bank were opened during the year at Annamalainagar (South Arcot), Calcutta, Khammameth and Mettupalayam.

6. In accordance with Articles 95 and 96 of the Articles of Association of the Bank four Directors, Messrs. O. M. SP. L. M. Meyyappa Chettiar, A. M. A. Mit. Muruzappa Chettiar, Rao Bahadur Dr. M. R. Guruswami Mudaliar and C. Krishnamoorthy Mudaliar retire this year by rotation and they, being eligible, offer themselves for re-election.

7. The Directors regret to report the sad demise of Rao Bahadur Sri M. R. M. S. Periannan Chettiar Director of the Bank, on 17th December, 1955. In his place Sri Rao Bahadur T. S. Kachapikesa Mudaliar was co-opted as a Director on 6th January, 1956.

INDIAN BANK BUILDINGS,
MADRAS, 3rd *March*, 1956.

BALANCE SHEET AS AT 31st DECEMBER, 1955

Corresponding figures 31st Dec., 1954 Rs. a. p.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
	1. **Capital**—		
	AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each	1,00,00,000 0 0	
	ISSUED CAPITAL FOR PAYMENT IN CASH— 72,000 Shares of Rs. 100 each	72,00,000 0 0	
	SUBSCRIBED CAPITAL— 72,000 Shares of Rs. 100 each	72,00,000 0 0	
	AMOUNT CALLED UP— 24,000 Shares of Rs. 100 each	24,00,000 0 0	
	On 20,000 Shares at Rs. 90 per share.	18,00,000 0 0	
	On 28,000 Shares at Rs. 65 per share.	18,20,000 0 0	
		60,20,000 0 0	
	LESS—Calls unpaid	32,800 0 0	
		59,87,200 0 0	
	ADD—Forfeited Shares	Nil	
57,79,175 0 0			59,87,200 0 0
	2. **Reserve Fund and Other Reserves**—		
	(I) Reserve Fund under Section 17 of the Banking Companies Act, 1949	59,00,000 0 0	
	(II) Reserve Fund other than that under Section 17 of the Banking Companies Act, 1949	9,00,000 0 0	
	(III) Sinking Fund	4,01,900 0 0	
76,50,000 0			72,01,900 0 0
	3. **Deposits and Other Accounts**—		
	Fixed Deposits	10,66,46,345 0 5	
	Season and Short-term Deposits	2,01,30,795 8 5	
	Savings Bank Deposits	5,23,71,790 13 7	
	Current Accounts, Contingency Accounts, etc.	10,92,67,753 8 2	
24,84,64,679 2 7			29,44,16,684 14 7
	4. **Borrowings from Other Banking Companies, Agents, etc.**—		
	(I) In India	25,07,993 6 6	
	(II) Outside India	5,25,219 2 11	
Nil			30,33,217 9 5
	PARTICULARS—		
	(I) Secured (secured by part of investments in Central and State Government securities as per contra) Rs. 30,33,217 0 5		
	(II) Unsecured Rs. Nil		
56,45,892 4 6	5. **Bills Payable**		75,29,071 15 10
	6. **Bills for Collection Being Bills Receivable** as per contra—		
	(I) Payable in India	1,60,62,349 6 9	
	(II) Payable outside India	65,52,383 7 3	
2,27,77,527 14 6	7. **Other Liabilities**—		2,26,14,732 14 0
	(I) Rebate on Bills	18,911 11 8	
	(II) Unclaimed Dividends	61,610 9 9	
	(III) T.Rs. Payable	6,35,115 5 9	
	(IV) Sundries Payable	5,59,535 5 3	
	(V) Branch Adjustment	37,94,108 5 9	
	(VI) *Provision for Taxes	16,93,219 7 0	
	(VII) Interest Realisable	51,293 0 1	
50,62,717 12 5			68,03,792 13 3
1,44,09,571 5 3	8. **Acceptances, Endorsements and Other Obligations** per contra		6,95,52,505 12 6
	9. **Profit and Loss**—		
	Profit as per Balance Sheet as at 31st December, 1954	11,63,785 0 11	
	LESS—Appropriations—		
	(I) Final dividend of 5 per cent. and a bonus of 1 per cent. (both free of Income-tax) Rs. 3,48,000 0 0		
	(II) Provision for taxes 5,75,000 0 0		
	(III) Reserve Fund 1,00,000 0 0		
	(V) Depreciation on Bank's Premises 15,000 0 0		
		10,38,000 0 0	
		1,30,785 0 11	
2,27,77,527 14 6	ADD—Profit for the year brought from the Profit and Loss Account	20,28,454 10 2	
1,44,09,571 5 3		21,59,239 11 1	
	LESS—Interim appropriations—		
	Ad-Interim Dividend of 5 per cent. and Bonus of 1 per cent. (both free of Income-tax)	3,48,000 0 0	
11,63,785 0 11			18,11,239 11 1
	10. **Contingent Liabilities**—		
	(1) On partly paid up shares of Banks Rs. 30,675-0-0.		
	(2) Claims against the Bank not acknowledged as debt—		
	(a) Rs. 25,000-0-0 failing which Rs. 670-11-0.		
	(b) Rs. 56,501-1-4.		
	(3) On guarantees given on behalf of constituents Rs. 28,14,321-12-1.		
	(4) On Forward Exchange Contracts Rs. 4,23,14,164-0-11.		
31,09,58,248 8 2	Total .. Rs.		41,90,10,846 10 8

* In respect of the additional assessment for the year 1942 on account of Malayan Offices which had resulted in a demand of Rs. 3,06,762-6-0 as was referred to in the earlier Balance Sheets, the assessment has been set aside on appeal and a fresh assessment has been ordered to be made. In view of the small profit for the branches in Malaya during the war period it is expected that the further liability to income-tax for 1942 will be negligible.

Corresponding figures 31st Dec., 1954 Rs. a. p.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
2,60,44,095 3 11	1. **Cash**— In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		2,52,37,920 7 1
	2. **Balances with Other Banks**—†		
	(I) In India— Rs. a. p. On Deposit Nil In Current Account 22,95,492 13 10	22,95,492 13 10	
	(II) Outside India— On Deposit Nil In Current Account 54,70,278 6 2	54,70,278 6 2	
96,97,014 2 9			Nil
44,02,278 12 1	3. **Money at Call and Short Notice**		77,65,771 4 0
	4. **Investments** (at cost)—†		
	(I) Securities of the Central and State Governments (Terminable Loans) and other Trustee Securities, including Treasury Bills of the Central and State Governments. Face Value Rs. 10,72,48,900-0-0 (Market Value Rs. 10,33,92,733-8-0)	10,80,02,802 6 0	
	(II) Shares— Preference (other than Banking Companies)— Rs. a. p. Fully paid .. 66,900 0 0		
	Ordinary (Banking & other Companies)— Fully paid .. 6,67,410 0 0 Partly paid .. 1,18,019 8 0	8,52,329 8 0	
	(Market Value Rs. 7,83,780-0-0)		
	(III) Debentures Face Value Rs.4,61,000 (Market Value Rs. 4,61,000)	4,61,000 0 0	
	(IV) Other Investments— Malayan and F.M.S. Terminable Loans of Face Value St. $550,500. (Market Value Rs. 7,92,838-4-3)	8,58,841 12 3	
	British 3½ 1955-59 War Loan Face Value £12,212-10-4 (Market Value Rs. 1,54,033-0-0)	1,59,783 4 4	
	Ceylon Government Terminable Loan Face Value Rs. 11,56,000 (Market Value Rs. 11,56,023-0-0)	11,56,336 0 0	
	(V) Gold (Provision in Sinking Fund and Non-statutory Reserve Fund as per contra about Rs. 13½ lakhs towards depreciation on investments.)	Nil	
9,75,56,497 8 7			11,14,87,992 14 7
	5. **Advances**— (Other than bad and doubtful debts for which provision has been made to the satisfaction of Auditors)		
	(1) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p. (I) In India .. 12,10,18,616 5 3 (II) Outside India 75,95,529 12 4	12,95,14,146 1 7	
	(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— Rs. a. p. (I) Payable in India .. 3,56,31,379 4 6 (II) Payable outside India.. 1,02,78,082 2 3	4,59,09,461 6 9	
13,00,67,976 8 6	(Particulars of Advances shown in next page)		17,54,23,607 8 4
	6. **Bills Receivable Being Bills for Collection** as per contra— (I) Payable in India .. .. (II) Payable outside India	1,60,62,349 6 9 65,52,383 7 3	
2,27,77,527 14 6			2,26,14,732 14 0
1,44,09,571 5 3	7. **Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		6,95,52,505 12 6
	8. **Premises**— At cost as at 31st December 1954 Rs. a. p. 7,41,509 1 0 Additions during the year Nil	7,41,509 1 0	
	Less—Depreciation written off to date	4,60,428 14 10	2,81,080 2 2
2,99,870 7 2	9. **Sales, Furniture and Fixtures**— At cost as at 31st December, 1954 Rs. a. p. 11,67,662 10 11 Additions during the year 1,70,980 15 10	13,38,643 10 9	
	Less—Deductions in the year.	1,52,503 12 3	
	Less—Depreciation written off to 31st December 1955	11,86,139 14 6 5,52,426 11 5	6,33,713 3 1
5,37,384 6 9			
	10. **Other Assets, including Silver**— Books and Stationery Sundries Receivable (including Advance Income-tax Rs. 40,35,815-9-8)	4,77,121 0 9	
	Interest Accrued on Investments	45,51,164 14 1	
	Stamps and Drafts	9,72,835 15 11	
	Silver	12,496 10 2	
51,16,032 2 8		Nil	60,13,122 8 11
Nil	11. **Non-Banking Assets Acquired in Satisfaction of Claims**		Nil
31,09,58,248 8 2	Total .. Rs.		41,90,10,846 10 8

† Includes investments of staff security deposits.

THE INDIAN BANK LIMITED, MADRAS—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955

Corresponding figures 31st Dec., 1954 Rs. a. p.	EXPENDITURE	Rs. a. p.	Rs. a. p.
49,93,740 0 2	1. Interest paid on deposits, borrowings, etc.	57,81,869 8 11	
	2. Salaries and Allowances, and Provident Fund and Bonus (Salary and Allowances other than Bonus paid to Secretary Rs. 48,071-5-3)	48,37,811 12 2	
40,52,972 11 0			
67,649 1 0	3. Directors' and Local Committee members' fees and allowances	78,574 14 5	
4,37,563 1 5	4. Rent, Taxes, Insurance, Lighting, etc.	4,84,217 5 7	
6,089 3 8	5. Law Charges	13,529 15 11	
3,32,329 5 1	6. Postage, Telegrams and Stamps	3,50,827 5 5	
17,260 6 5	7. Auditors' Fees	18,930 6 10	
1,55,721 10 2	8. Depreciation on and repairs to the banking company's property.	1,45,451 13 2	
2,63,579 4 7	9. Stationery, printing, advertisement, etc.	3,88,966 11 5	
Nil	10a. Loss from sale of or dealing with non-banking assets	Nil	
923 0 0	10b. Net loss on sale of investments	4,99,842 1 5	
4,40,833 1 0	11. Other Expenditure	20,28,454 10 2	
13,93,696 14 8	12. Balance of Profit		
1,22,67,157 11 2	Total .. Rs.	1,46,28,006 9 5	

Corresponding figures 31st Dec., 1954 Rs. a. p.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
94,79,262 4 0	1. Interest and Discount	1,06,65,988 13 2
25,05,735 8 6	2. Commission, Exchange and Brokerage	38,48,650 6 9
76,585 14 1	3. Rents	80,915 11 5
Nil	4. Net profit on sale of investments, gold and silver, land, premises and other assets. (Not credited to Reserves or any particular fund or account)	32,545 15 0
	5. Net profit on revaluation of investments, gold and silver, land, premises and other assets. (Not credited to Reserves or any particular fund or account)	Nil
Nil	6. Income from non-banking assets, and profit from sale of or dealing with such assets	Nil
2,05,574 0 7	7. Other receipts	2,00,305 11 1
1,22,67,157 11 2	Total .. Rs.	1,46,28,006 9 5

PARTICULARS OF ADVANCES REFERRED TO ON THE ASSETS SIDE OF THE BALANCE SHEET AS AT 31st DECEMBER, 1955

PARTICULARS	Amount Rs. a. p.	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	15,59,31,512 2 6	
(ii) Debts considered good for which the Banking Company holds no other security than the debtor's personal security Rs. a. p.	1,85,77,443 15 9	
Advances under Joint and several Promotes including Bills Discounted and Purchased 1,20,77,043 1 8		
Advances to individual parties including Bills discounted and purchased 65,00,400 14 1		
	1,85,77,443 15 9	
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,52,616 4 4	
(iv) Debts due on temporary overdrafts and other advances	7,62,035 1 9	
(v) Debts considered doubtful or bad not provided for	Nil	
Total .. Rs.	17,54,23,607 8 4	

PARTICULARS	Amount Rs. a. p.	Rs. a. p.
(vi) Debts due by Directors or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 11,07,985-9-9 is fully secured)	11,24,190 9 0	
(vii) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, partners or Managing Agents or, in the case of private companies, as Members (of which Rs. 11,17,112-0-0 is fully secured)	14,03,785 1 1	
(viii) Maximum total amount of advances, including temporary advances, made at any time during the year to Directors or Managers or officers of the Banking Company or any of them either severally or jointly with any other persons (of which Rs. 15,65,058-7-11 is fully secured)	15,76,711 14 5	
(ix) Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the directors of the Banking Company are interested as Directors, partners or Managing Agents or, in the case of private companies, as members (of which Rs. 12,06,044-10-6 is fully secured)	27,08,120 3 5	
(x) Due from Banking Companies	12,86,594 14 5	

We have audited the above Balance Sheet of the Indian Bank Limited as at 31st December 1955 and also the above Profit and Loss Account of the Bank for the year ended on that date in which are incorporated the authenticated returns from branches and sub-offices and report that :—

(a) We have obtained all the information and explanations we have required;

(b) Such information and explanations have been found to be satisfactory;

(c) The returns received from the branches have been found adequate for the purpose of our audit;

(d) The transactions of the Bank as have come to our notice have been, in our opinion, within the powers of the Bank;

(e) In our opinion, the Profit and Loss Account shows a true balance of Profit for the period covered by the Audit;

(f) In our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law;

(g) Such Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank; and

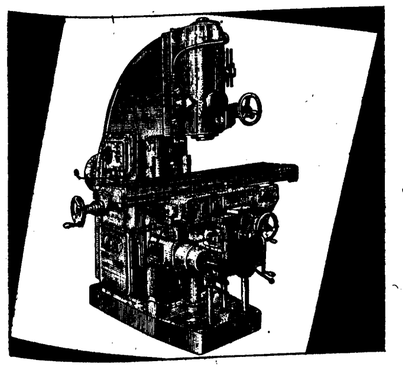
(h) In our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act 1913.

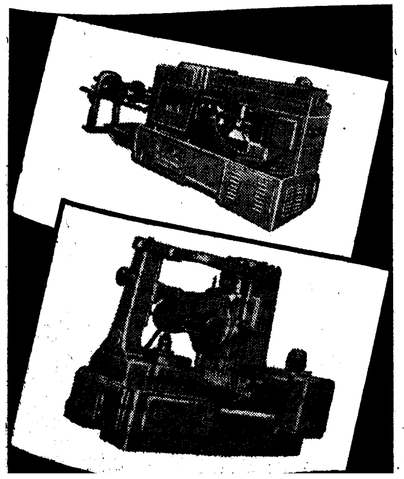
B. PURUSHOTTAM & CO.
BRAHMAYYA & CO.
SUNDARAM & SRINIVASAN
V. SOUNDARARAJAN & CO.
} Chartered Accountants, Auditors.

O. M. SP. L. M. MEYYAPPA CHETTIAR
A. M. A. MR. MURUGAPPA CHETTIAR
M. R. GURUSWAMI MUDALIAR
C. KRISHNAMOORTHY MUDALIAR
L. ALAGUSUNDARAM CHETTIAR
P. V. RM. KULANDAYAN CHETTIAR
} Directors
K. BALASUBRAMANIA IYER
R. M. MUTHAPPA CHETTIAR
M. A. M. MUTHIAH CHETTIAR
R. K. VENKATACHALAM
R. SUNDRAM IYER
T. S. KACHAPIKESA MUDALIYAR

A. K. PRABHU, Chief Accountant.
D. P. PARTHASARATHY, Deputy Secretary.
N. GOPALA IYER, Secretary.

MADRAS, dated 5th March, 1956.





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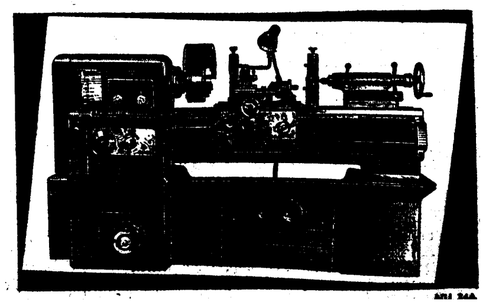

AMI 246.

DEMOCRATIC VERSUS COMMUNIST PLANNING

INFLATIONARY DEFICIT FINANCING DOES NOT LEAD TO PROGRESS

By "Subodh"

I HAVE read with interest the article on "Physical Planning and Financial Planning," by A Special Correspondent, which appeared in *Commerce* of 18th and 25th February 1956. May I offer some comments on some of the points made in the article?

One may readily agree with your correspondent that what Professor Mahalanobis means by physical planning is something deeper than the physical counterpart of the financial magnitudes of a programme of investment in a democratic set-up. It is not just a case of evaluation in physical terms of the financial estimates of the investment programmes.

Physical planning of the Mahalanobis pattern would first determine the programme of investment by reference to the "men, materials, and resources" in the economy wherever they may be presently situated. Finance, in the sense of savings, is, to quote your correspondent, a "sort of camp-follower of investment." The volume of savings would be adjusted to the needs of investment.

This technique of planning is indistinguishable from communist planning. Under communist planning, consumption may be forced down by reducing the output of consumption goods through control over the allocation of resources, and, within limits, the blue-print of the communist plan can find the resources it required, though, even in a communist economy, consumption cannot be forced down indefinitely.

In a democratic set-up the position is different. Here the blue-print of the plan must necessarily adjust itself to the available resources, which must be determined first. Otherwise inflation, instability, and frustration would result. The availability of resources would be measured by the sum of current savings, past savings held in the form of currency reserves, and foreign aid. This sum would include non-inflationary deficit financing.

The difference in the approach is fundamental. In a democratic society, savings are the result of the free choices of individuals with regard to spending and saving. It is, therefore, not capable of the same measure of variation, as is attainable in a communist society. The success of democratic planning lies in the reliability of the estimates of the available resources. Under communist planning, within limits, adjustment between saving and investment may be brought about by running the steam-roller on the output of consumption goods.

Fellow-travellers in India, seeing that the term communist planning is not yet popular, find it convenient to take shelter behind the less offensive phrase of physical planning. But the two are identical in content and process and the choice between them boils down to a choice between the communist and the democratic patterns of society. In view of the presence of certain personalities close to Authority in India, we should beware of communism being sold to us in the guise of physical planning.

Official statistics of the economic progress of iron curtain countries suggest that communist planning makes for more rapid capital formation than is permissible in a democracy. These statistics, however, have been challenged by some economists. It has been suggested that they have a considerable propagandist content.

Promise of Employment

In a background of vast urban unemployment and massive underemployment in the agricultural sector, promise of employment has a great propaganda appeal. Unemployment remedies have figured prominently in political salesmanship.

Your correspondent is of the view that financial (democratic) planning "based on the theory of savings determining the rate of investment" is congenitally incapable of tackling the problem of unemployment and poverty in India. To support his thesis, he has produced a figure of 15.3 million as being the aggregate labour force seeking jobs; the employment potential of the Draft Plan, which is based on the democratic technique, is 8 million. The impression which the first two Plans may make on the problem of Indian poverty would be negligible and "the gap between the incomes of the people in India and other countries will go on widening." His remedy to both problems is to abandon "the present basis of planning" and adopt physical (communist) planning. He quotes, in support, Maurice Dobb, who "derives his theory from the history of economic development in Russia," and refers to the "leaping progress" made by the Soviet Union under "the physical approach to planning."

That the acquisition of investment resources does not always involve a reduction in consumption is not a communist revelation. An increase in investment may take place simultaneously with increased consumption, if production can expand sufficiently. This has happened both in democratic and communist countries. Your correspondent is, doubtless, aware of the acute hardships suffered by Russia in the early days of its economic development. It is not as if communism is a passport which purchases immunity from the operation of economic laws. The pace of progress of Russia cannot be wholly attributed to the virtues of communism, even as the vastly more striking progress of the U.S.A. cannot be wholly attributed to the virtues of free enterprise. Both countries had special advantages, which they still have, of vast unsettled areas. The environmental difficulties which confront us will remain a drag on development, whether we have a communist or individualist pattern of society.

The massive underemployment in India is largely the legacy of 200 years of British rule when, owing to a combination of factors, the rate of investment fell short of the minimum necessary to absorb into employment the natural growth in the labour force. This legacy cannot be written off in a five-year period. A solution to it lies in investment exceeding the pace of increase in population. This has been achieved in the first Plan. The second Plan may be expected to make more progress in the same direction and cause a larger dent in the volume of underemployment. Our performance under this head would not, therefore, justify crucifixion of the individualist order of society, and of the sovereignty of man over his private affairs and personal beliefs.

Credit Creation in Russia

It would be misleading to suggest that Russian economic development was made possible by inflationary credit creation. The market mechanism and the pricing system do not regulate the allocation of resources under communist planning. Here diversion of resources into investment is an arbitrary function of the planning authority. Finance steps in only after resource allocations have been made. The banking system creates credit in accordance with the needs of investment, to meet the wages bill and other payments. Under such an arrangement, there is little room for an expansionary issue of money. The pace of economic development is determined as soon as the decision to allot resources to the investment trades (at the expense of consumption trades) has been taken. Credit creation does not make this decision.

Let us not deceive ourselves into thinking that Government and the private enterprise, under a regime of the individualist market system, would "create new money and spend it only if all the factors of production including labour, equipment and raw materials are available." That may be so under the Russian arrangement indicated above. In a market economy, where the allocation of resources is effected by finance and the price device, money is created first and investment only follows. It is money that tries to bring the investment resources together; it is not the latter (as in Russia) that call for the creation of the necessary money media. The shortage of resources is discovered as a result of the operation of market forces, the discovery being reflected in inflation. Let us not get mixed up and try to apply to the free market mechanism the logic which is valid only in relation to the authoritarian Russian mechanism.

Your correspondent states that those who counsel limited use of deficit financing "lose sight of the meagre scale of economic development that is possible without it," adding that, "even if the second Plan is fulfilled 100 per cent. and the entire investment programme of Rs. 6,100 crores, including Rs. 1,200 crores of deficit finance, is put through, it will result in an increment of ten annas in the average monthly earnings of the people." From his standpoint, deficit financing of even Rs. 1,200 crores is inadequate.

It is an illusion to suppose that deficit financing unlimited can permit economic development to take place, which would not be possible in the absence of it. The fact of the matter is the exact opposite. If deficit financing is pushed beyond the point at which inflation begins, the rate of economic development would be *less*, not *more*, because of the economic instability which would necessarily ensue from inflation. The second Plan aims at a 25 per cent. increase in national income, as against an achievement of 18 per cent. in the first Plan. This is no mean ambition. It represents a 20 per cent. increase in *per capita* income, allowance being made for the increase in population. The quotation above mis-states the contemplated increase in the "average monthly earnings of the people." The *per capita* increase in income from the second Plan would be, not 10 annas per month, as this statement might suggest, but Rs. 4-12, the *per capita* monthly income rising from Rs. 23-12 per month to Rs. 28-8 per month. Whatever else we may do, let us not mislead an uncritical public by suggesting false facts

Mincing Matters

Things in India appear to be coming to a stage which does not permit mincing matters. Fellow-travellers in India, well supported by their professional comrades, would like to utilise the machinery of planning for imposing communism on the country. Failing this they would much rather have uncontrolled inflation than steady progress with stability. It is apt to recall here the following statement of Lenin: "Debauch the currency of capitalism and you destroy capitalism." It is significant that the communist and fellow-traveller technicians, whether from overseas or from India, not only do not regard deficit financing of Rs. 1,200 crores too high, but would recommend deficit financing of several times this amount.

Neither under communism nor under democratic planning can inflationary deficit financing lead to overall economic progress. It is incorrect to suggest that credit expansion is the secret of physical (communist) planning in the sense that it was the first link in the chain. The first link in the chain was the availability of real resources and their allocation by authority. Credit came only second. Under democratic planning savings (current, past and imported) came first. When savings were available, credit would not act as a bottleneck. Thus, whether in India or in Russia, the size of a plan was limited by the amount of the real resources, and this amount cannot be augmented by inflationary credit creation.

Pattern of Consumption

Your correspondent argues that the bulk of consumer expenditure in India being on "food articles," and, next, on cloth, if we could ensure adequate supplies of the two, "no amount of inflation can affect" our standard of living. Since created money would bring about increased output, inflation would, on the other hand, ultimately raise the level of living! When theory fails to support our fancy, let us not try to take shelter behind imaginary models and a display of irrelevant facts. If, indeed, this hocus-pocus would work, we have the philosopher's stone in Nasik, and it would be merely a question of time before all the underdeveloped countries of the world march to El Dorado!

The combined weight of theoretical analysis and economic history has demonstrated that the influence of money is all-pervasive. It does not move, nor can it be made to move, in compartments, whichever side of the iron curtain, or of economic well-being, we may be in. The pattern of consumer expenditure is immaterial in this respect. It makes no difference whether food articles and cloth constitute the bulk of consumer expenditure, as it will in poorer economies, or only a minor part of such expenditure, as in richer economies. Under proper classification, most patterns of consumption expenditure should be capable of being presented as showing heavy weightages on the side of some articles. The inflationary process, which is ruthless, cannot be induced to operate with lesser severity on the poorer economies, than upon the richer. In actual fact, for a given amount of monetary expansion, inflationary pressures would appear earlier in a relatively poor economy. If prices of foodgrains, and of cloth, are held down *unduly* (no matter by what device), and if money supply continued to expand, the prices of other commodities will rise *unduly*, and the general cost of living will reflect the inflationary situation. Let us not forget that during the miserable regime of price controls in India, we were witness to queer facts of hay being costlier than grain, firewood being dearer than *atta*, and cattle being fed on pulses of which men went short. There is no device whereby inflation may be kept out of one (major) sector, and made to operate only on the other sectors.

It appears unfair by Maurice Dobb in his observations relating to agricultural surpluses, to quote him, as your correspondent does, to support his fallacious thesis regarding inflation. Inflationary finance of development is one thing, and the use of agricultural surpluses for the same purpose, is quite another. The latter constitutes savings and those who have argued against inflationary deficit financing in India have not argued against the appropriate use of agricultural surpluses. If these surpluses could be conserved and mobilised into the "savings fund," instead of being used up in increased consumption, as hitherto, to that extent economic development may be accelerated. This will, indeed, require an expansion of money, as will all investment of increased savings. But the expansion of money would be in proportion to the expansion of investment and output. It would be non-inflationary.

In India Inflation was Not Inflationary

Many have argued as if, in the Indian background, inflation was not inflationary. They base their case on, and draw their inspiration from, the Indian post-independence experience, when large deficit financing had failed to drive up prices soaring. In fact, money supply had been declining until 1952-53, and prices in the agricultural sector until May 1955. Your correspondent has drawn, from the latter part of this experience, support for his fallacy that inflation may be held in check by an increased output of food articles.

As Professor Shenoy has poined out in his articles on "Union Budgets" in the *Times of India* of 28th and 29th February 1956, the recent price history in India has to be viewed, not with an eye on budget deficits in isolation, as many have done, nor with an eye on budget deficits and agricultural output in isolation, as your correspondent has done. Variations in money supply are the resultant of three forces: the state of the budget, the international payments position, and the public debt and the credit policy of the banking system. If money supply declined until 1952-53, it was because, as Professor Shenoy has pointed out, the monetary expansion of budget deficits was more than negatived, firstly, by a contraction of credit by the banking system and, secondly, by the deflationary effect of payments deficits. If prices declined until May 1955, broadly, it was because total output increased faster than money supply expanded, the index of industrial output rising to 140 and agricultural output to 114. The trick was not done by an increase in the output of foodgrains alone. If foodgrain prices were unduly deflated, this was the combined result of the low elasticity of demand for them and of the restrictions on exports.

In 1954-55 and thereafter, all the three factors influencing money supply, which we have cited above, moved in the expansionary direction at record rates, money supply rose to new peaks, and, since May 1955, prices have been moving up at an annual rate of over 11 per cent. In the interests of economic stability and progress, and of the supreme importance of not upsetting the (precarious) balance in the private budgets of tens of millions of the already indigent families in India, pray, let us look at the elephant as a whole and not, like the blind men, only a part each, and recognise that inflation in India, too, is inflationary. Our recent price experience lends no support to your correspondent's fallacy.

Time-lag Between Investment and Output

Your correspondent quotes Professor Shenoy as under in the matter of the latter's views on the crucial importance of the time-lag between investment and output in an analysis of the inflationary process: "It would be incorrect to suppose that inflation would be liquidated when the 'compensatory' increase in output becomes available." Instead of coming to grips with this phenomenon, he begins by stating that, in this argument, Professor Shenoy "has only echoed the views of the I.M.F. 'Mission to India" as embodied in their report, *Economic Development with Stability*, published by the Ministry of

(*Continued on page* 518)

FOREIGN AID DURING FIRST PLAN

TOTAL AUTHORISATIONS AGGREGATE RS. 300 CRORES

THE total finances made available to India from external sources during the first Five-year Plan are of the order of Rs. 300 crores, according to a pamphlet issued by the Department of Economic Affairs of the Union Ministry of Finance. The largest single contributor to this amount is the U.S. Excluding the wheat loan of 1951, the total U.S. assistance authorised to India to date under the Indo-U.S. aid programme is about Rs. 142 crores ($298 million). If the wheat loan and the assistance provided by private philanthropic agencies like the Ford Foundation are also included, the total of U.S. assistance will come to Rs. 238 crores (nearly $500 million). The other contributors to finances from external sources have been the World Bank on a loan basis, and the Commonwealth member-countries of the Colombo Plan, namely, Australia, Canada and New Zealand on a grant basis. Apart from the agreed releases of sterling balances, assistance from the U.K. has been mainly in the field of technical assistance.

The total of loans sanctioned by the World Bank up to date amount to nearly Rs. 60 crores ($125 million). Of these, over Rs. 20 crores ($42 million) were utilised before the Plan. Of the balance of $83 million, $58 million have been sanctioned to the private sector. Thus, the total quantum of World Bank loans to the public sector during the first Plan period amount to a little over Rs. 12 crores ($25 million). Assistance on a grant basis authorised by the Governments of Australia, Canada and New Zealand over the five-year period amounts to the equivalent of nearly $100 million or about Rs. 48 crores.

Of the total authorised assistance by way of external resources of the order of Rs. 300 crores, it is expected that, up to the end of 1955-56, utilisation will be only to the extent of Rs. 204 crores. The main reason for the delay in utilising these resources is the inevitable time lag between the authorisation of assistance or sanction of a loan and its utilisation on agreed projects by procurement of stores, equipment, etc. This means that an amount of Rs. 94 crores of external resources authorised during the Plan period will be available for utilisation in the second Plan period.

Aid from U.S.

The external assistance provided on a Government-to-Government basis by the U.S. and the Commonwealth countries has been used both for the supply of commodities like wheat and steel, as well as for equipment required for the various development projects. A wheat loan of $100 million was obtained from the U.S. and has been fully utilised.

The Indo-U.S. programme started in December 1950 when the Point Four Technical Assistance Agreement was signed with the U.S. Government. This was followed by the General Agreement of January 1952. This agreement contemplates the undertaking of joint projects laying emphasis on agricultural development, which occupied a high priority in the first Plan. It was agreed that the U.S. would pay for goods and equipment imported from abroad and a matching contribution would be made by the Government of India for taking care of the rupee expenditure within the country. According to the objectives laid down in the main agreement, stress was laid on joint projects in the fields of Community Development, tube-wells, river valley development, fertilisers and steel for agricultural purposes. Up to 1953-54, these were the main activities for which external assistance from U.S. was utilised.

From 1953-54 onwards, assistance was provided on a separate basis for purposes of economic development and was described as development assistance. There was also a separate allocation for technical assistance, that is, for payment of charges on account of experts from overseas, training facilities abroad, for candidates nominated by the Government of India, and provision of equipment and stores for demonstration, research and training. With this widening of the scope of the U.S. aid, the activities selected for utilisation of external assistance were more in the field of transport and industrial development, as, for example, supply of locomotives and railway wagons for the railway plan; steel for industrial uses and financing of such major projects as the Rihand Power Project.

During the year 1954-55, the pattern of development assistance underwent a further change. A new feature was introduced, namely, that about 75 per cent. of the development assistance was to be on loan basis. It was also stipulated for the first time that about 50 per cent. of the development assistance would have to be taken in the shape of surplus agricultural commodities. Of the 1954-55 allocation, the Government of India agreed to take a loan of $45 million which is to be repaid over a period of 40 years. The payments of the principal and the interest can be in dollars or rupees, the rate of interest being 3 per cent. or 4 per cent., respectively, with waiver of interest for the first 2-3 years. The Government of India has elected to repay in rupees. This pattern has been continued for the assistance that has been authorised for the American fiscal year 1955-56. Against the total allocation of $50 million for 1955-56, the loan component will be $37.5 million. The terms of repayment of this loan and the rate of interest are expected to be the same as for the previous year. For 1955-56, India has been asked to take surplus agricultural commodities to the extent of $20 million out of the total allocation.

Assistance From Other Countries

The total aid authorised by the Government of Canada as capital assistance to India for the first Plan (from 1951-52 to 1955-56) comes to approximately $75 million or Rs. 36 crores. The assistance has been provided in the shape of both commodities for sale and equipment for projects included in the first Plan. Canadian assistance has been made available for the rehabilitation programme of railways in the form of locomotives and boilers and for the development of power, both through the supply of raw materials and of equipment manufactured in Canada.

As in the case of Canada, assistance from Australia for the first Plan has also been provided in the shape of commodities for the sale and of equipment for projects included in the first Plan. The total aid authorised by the Government of Australia as capital assistance to India from 1951-52 to 1955-56 comes to approximately Rs. 10 crores.

The Government of New Zealand sanctioned an amount of £1 million at the inception of the Colombo Plan as assistance to India. An initial amount of Rs. 33 lakhs was drawn from the New Zealand Government as the first instalment in 1951-52. No amount has been drawn in the subsequent years, but the balance will be used in 1956-57 and 1957-58. In 1954-55, the New Zealand Government agreed to make available an amount of £250,000 (Rs. 33 lakhs) to be utilised for dairy development schemes. Again, in 1955-56, the New Zealand Government agreed to make available an additional amount of £400,000 (Rs. 53 lakhs) to be utilised for additional dairy development schemes.

Assistance from the U.K. has been offered mainly for the supply of research and demonstration equipment for the technical institutes. Lists of requirements aggregating about Rs. 50 lakhs for the various technical institutes have been sent to the U.K. Government. It is expected that, by the end of 1955-56, equipment worth Rs. 33 lakhs would have been received.

Loans from the World Bank have been taken since 1949 for projects in both the public and the private sector. The net loans contracted, that is after deducting cancellations, amounts to approximately $125 million. The loans negotiated were the railway loan, the agricultural machinery loan, the two D.V.C. loans, the loan for expansion of steel production in the private sector (I.I.S.Co.), the loan for the Trombay power scheme (Tata) and the loan for the Industrial Credit and Investment Corporation.

The total assistance promised, or provided so far, by the Ford Foundation has been of the order of $11 million (this does not include cost of study tours or other grants for private institutions). The major part of this assistance has been for training men and women, at all levels, for rural development work.

The Government of Norway agreed in 1953-54 to provide an amount of 10 million Kroner (Rs. 67 lakhs) for the economic development of India. An additional amount of approximately Rs. 1 crore is proposed to be provided by the Norwegian Foundation.

BANK OF INDIA LIMITED

SIR COWASJEE JEHANGIR'S ADDRESS AT FIFTIETH ANNUAL MEETING

3½ PER CENT. BANK RATE CONSIDERED OUT OF GEAR WITH CURRENT RATES

THAT the Bank rate, which has been 3½ per cent. since 15th November 1951, is out of gear with the current rates of interest in India was the considered opinion expressed by Sir Cowasjee Jehangir, Bart., G.B.E., K.C.I.E., Chairman, the Bank of India Ltd., Bombay, in his address at the Annual General Meeting of the shareholders of the Bank held in the City on 8th March 1956. Incidentally, Sir Cowasjee referred to the new Companies Act also and stated that the law was a gigantic piece of legislation going further, in a number of respects, than corresponding legislation in any other country.

The following are extracts from the speech delivered by Sir Cowasjee on the occasion:

"The year saw far-reaching events take place in the direction of State ownership and the progress towards a socialist State in India. Such events included the passing of the Finance Act, 1955, with drastic, and almost penal, increases in the taxes on salaries and incomes, the nationalisation of the Imperial Bank of India and the submission of the Companies Bill which has now become an Act. To an increasing degree the actions of the Government dominate business and the commitments of traders are more and more dependent upon their assessment of the probable future policies of the Government.

"The new Companies Act, which was passed on the 18th of January last and comes into force from the 2nd of April, is a gigantic and voluminous piece of legislation which, I believe I am correct in saying, goes further in a number of respects than corresponding legislation in any other country. The Act would appear to have been drafted, to some extent, with regard to considerations other than those concerning only the needs of trade and industry and the interests of shareholders and investors. The comprehensive and far-reaching character of the legislation will give rise to many difficulties and there will be inconsistencies and incongruities, and I think you will find that substantial amending legislation will have to be passed before the new Act has been in force for any length of time. The ramifications of the Act will call for much tolerance on the part of those administering it during, at least, the first months of its life.

Nationalisation of Insurance

"Since the end of the year, there has been a further major operation on the part of the Government which cannot but cause uneasiness. I refer to the nationalisation of life insurance business throughout the country on the 19th of January. It is not to our credit that this nationalisation should have been effected by the undemocratic method of an ordinance. The worst aspect of nationalisation is the unfair method of compensating shareholders for the value of their shares. This is being done under the amendments made in the Constitution on the 27th of April 1955, by the Constitution (Fourth Amendment) Act, 1955. I know of an instance where the shares of a life insurance company have been valued by actuarial calculation at a certain amount and it is now well known that, on the basis of the compensation indicated in the Bill which has followed the Ordinance, the Government intend to pay less than half that value. I do not think it was ever intended in a country governed under democratic principles that the Government should take advantage of the amendment of the Constitution to deprive shareholders of their legitimate dues, especially to such an extent as I have just mentioned.

"Banks continue to suffer from having to pay higher rates of interest on deposits without being able to charge correspondingly higher rates of interest on advances. The establishment and overhead expenses of banks, which call for a large margin between the cost of money lodged and the yield on money lent, continue to expand. The bank rate, which has been 3½ per cent. since 15th November 1951, is out of gear with the current interest rates in this country. To obtain and keep deposits, banks must pay interest to depositors at market rates of interest which are governed by the supply and demand of money. On the other hand, banks usually grant advances at rates of interest related to the bank rate. The rates of interest charged to borrowers consequently do not rise, if the bank rate remains stationary and lags behind current upward movements in the market rates of interest. In such conditions, banks are paying increasing interest on deposits and getting very little more interest from advances.

"The Bank's profits for 1955 are nearly Rs. 85 lakhs, as against Rs. 77 lakhs for 1954. Before the profit figure has been struck, usual appropriate and prudent provisions have been made and shareholders will, I feel sure, consider the increase of nearly Rs. 8 lakhs in the profits as eminently satisfactory.

"The provision for taxation absorbs Rs. 25 lakhs, as against Rs. 29 lakhs last year. By reason, of the revised taxation proposals in this year's Central Budget introduced last week on the 29th February, the Bank's liability for tax will now be about Rs. 5 lakhs more than the provision, but that will be met in the current year's accounts.

"Your Directors propose to place to the Bank's landed property account the sum of Rs. 3,00,000 and to pay an increased final dividend of 10 per cent., free of income-tax, absorbing Rs. 25 lakhs, and making, with the interim dividend of 6 per cent. paid last August, a total of 16 per cent. per annum, or Rs. 40 lakhs for the year, free of income-tax. The amount carried forward is increased at something over Rs. 13 lakhs against Rs. 9 lakhs a year ago.

Central Budget

"I should like to refer to the Central Budget introduced in the Lok Sabha a week ago, on the 29th February. I must confess to a pessimistic view of the proposals. I might describe the Budget as one to make the poor poorer and the rich poor. Leaving aside China, about which we know little, India is one of the poorest countries in the world and, taking into consideration the size of its population, it has fewer rich men than any other country. We hear a great deal about the equalisation of wealth. Since the landed classes have already been more or less wiped out, I presume that this can only refer to the industrialists. Does the Government mean that these industrialists are of no service to the country and that they do not give employment to hundreds of thousands and serve the country in many other directions of which the Government are well aware. There is now an impression that the intention of the Government is to wipe out the private sector. Every obstruction is being placed in its way and when it is unable to fulfil the targets contemplated for it in the Five-year Plans, the Government may have an excuse for nationalising all industries.

"The Budget has introduced the principle of double taxation. Dividends paid by companies above 6 per cent. per annum on their paid-up capital are to be taxed. No distinction is made between companies recently brought into existence and companies of long standing which have been managed with efficiency and honesty and which have conserved their resources, enabling them to pay high dividends. All companies have already paid tax on their profits from which dividends are paid. This undoubtedly is double taxation, but, worse still, companies which intend to capitalise some of their accumulated profits on which they have already paid tax will have to pay tax again and companies which have already issued bonus shares from reserves which have been taxed will be taxed again on the dissolution of the companies. Again, the withdrawal of the rebate of one anna in the rupee on undistributed profits will cause a further drain on the resources of companies. The penal tax of eight annas in the rupee on undistributed profits of investment companies which come under Section 23A of the Income-tax Act will preclude any ploughing back of their profits for financing the further development of the country. Also, it appears that all companies which come under Section 23A will fall within the mischief of the new dividends tax. This is grossly unfair as it means that the Government compel such companies to pay a very high dividend and then tax them for doing so.

"Few outside India realise that India can claim to be one of the highest taxed countries in the world. The Government have included all sections in the orbit of taxation by increased excise duties. Formerly, deficit financing was unheard of by financiers and economists. India has put into operation very big schemes by deficit financing. The success of these schemes will depend upon good administration and no corruption. It appears to me that the success of deficit financing mainly depends on getting value for money. Maladministration and corruption may frustrate the very foundation of deficit financing. I am only speaking aloud what I know thousands are saying in ordinary conversation.

Fifty Years

"Later in the year, the Bank will complete fifty years of its existence, and shareholders may like to know the intentions of the Directors regarding commemoration of such an event.

"The Directors consider that the completion of fifty years of the Bank's life should be marked by the issue to shareholders of one bonus share of Rs. 50 fully-paid for each five shares of the Bank. The Directors, therefore, propose to apply to the Controller of Capital Issues, Government of India, for the necessary sanction.

"The sum of Rs. 50 lakhs would be transferred to capital from the reserve fund, making the paid-up capital rupees three crores and the reserve fund rupees three crores and two lakhs. The Bank's capital would thereafter consist of two classes of shares, namely, the present partly-paid shares and the new fully-paid shares.

"Shareholders will appreciate that with the 2 per cent. extra dividend already recommended and the further proposed increase in capital, if sanctioned by the Government, the future dividends will depend not only upon the profits of the Bank but also upon the Government's taxation policy."

DEMOCRATIC VERSUS COMMUNIST PLANNING

(*Concluded from page 517*)

Finance, Government of India. This report is a classic and merits close study by all students of the problems of Indian economic development. It may disillusion those who may fondly believe in inflationary short cuts to development, or fancy that Keynesian, or post-Keynesian, analysis supports such short cuts.

In this comment your correspondent is not exactly fair by Professor Shenoy. The phenomenon of the time-lag between investment and output is common enough and simple. Though the Austrian school, in particular, Professor Hayek, were among the first to make effective use of it in economic analysis, it was common property of current economic thinking. You can ignore the time-lag in a study of the process of inflation only at your own peril. To accuse an economist as echoing another's viewpoint in this respect is almost like accusing that we are all echoing the words of the Oxford dictionary! One who has read Professor Shenoy's booklet on the *Post-war Depression* and his pamphlet on the *Bombay Plan* would see that the idea was not first suggested to him by the I.M.F. mission. Both drew it from a common source.

Your correspondent's opinion that in an economy dominated by agriculture, there was scope for vast deficit financing does not merit serious notice. In face of the post-war experience of the world, so fresh in our minds, we need not also waste time on his assertion that inflation need have no repercussions on balance of payments.

To sum up, the long and short of your correspondent's thesis is that India's economic salvation is best sought in physical (communist) planning, as planning in a democracy cannot make much impression on our standard of living. The long and short of my position is that we have done very well in the first Five-year Plan. Our income had risen by 18 per cent. in place of the anticipated 11 per cent., which is very much in excess of the rate of our population growth. On the same technique of planning we should do considerably better in the second Plan. Our performance would not merit shoving into the gas chamber individual liberty and democratic institutions, which we value as dearly as life. We cannot exchange them for doubtful promises of accelerated economic progress under communism.

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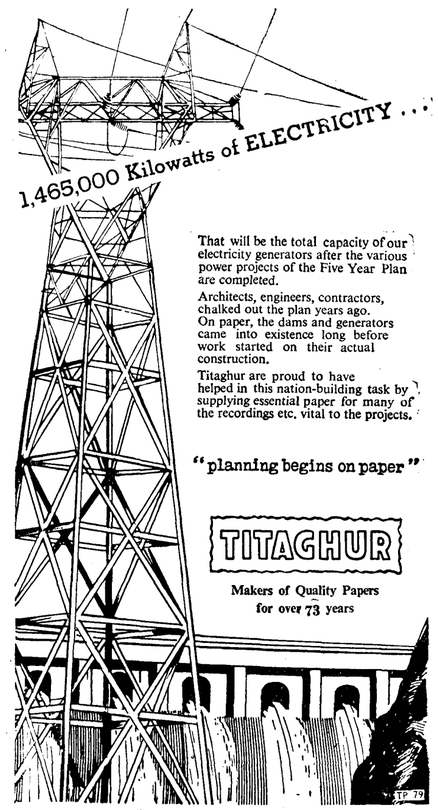

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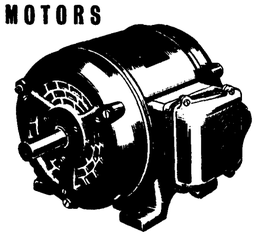
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PROBLEMS OF PAINT INDUSTRY

BAN ON ENTRY OF NEW UNITS SUGGESTED

THE hardships which the paint industry has had to undergo as a result of an excise levy on its products make sad reading. An idea of the difficulties with which the industry had to deal since 1st March 1955, when the levy came into force for the first time, is provided by Mr. B. Banerjee, Chairman, Paint Federation, Calcutta, in his address at the annual meeting of this body held in that city on the 2nd inst. He said: "It would, of course, be impossible, in the short time at my disposal, to present any detailed picture of the disorder which reigned during the succeeding months. Nor can I relate the hundred and one excise problems which the Federation has taken up with Government, both by personal and written representations, at all levels ranging between local factory officers and the Union Finance Minister." These troubles appear to be purely of an administrative and practical nature on account of certain peculiar features of the paint industry. The Federation seems to have had a trying time in overcoming the difficulties, as some of them stood unsolved even at the close of 1955.

The first difficulty of the Federation lay in persuading the Government of the unsuitability of an *ad-valorem* basis of excise collection. It succeeded in this, but the change-over to a tariff basis and the subsequent working of tariff classifications brought in their wake a crop of additional troubles which are stated to have not been settled even now. This position is attributed to a general lack of liaison, particularly between the customs and excise authorities, on the one hand, and between the excise authorities and the industry, on the other. The Federation has apparently succeeded in getting the consent of the Member (Excise) of the Central Board of Revenue to the setting up of a Regional Excise Liaison Committee comprising representatives of the trade, Excise Department and the respective Collectors or Assistant Collectors of Excise. The proposal is expected to take concrete shape in the coming months. Be that as it may, the Federation now seems to have reconciled itself to the fact that the possibility of a withdrawal of excise control is remote.

The Chairman of the Paint Federation seems to feel that the interests of the industry are not well served by the encouragement given to small units in the industry, whereas that is the avowed policy of the Government. He said that in view of the intricate nature of the paint industry, it was illogical to encourage small-scale industry in paint manufacture by means of exempting them from the excise duty, while pressing, at the same time, for an overall improvement in the quality of Indian production. In saying so, it is evident that he had at the back of his mind how these small units, lacking in technical personnel, latest equipment and adequate finance are not in a position to produce quality paints at relatively low costs.

According to Mr. Banerjee, the Paint Federation held discussions with the Planning Commission concerning the development programme for the industry during the second Five-year Plan. It is expected that the demand on paint and varnishes is likely to increase considerably during the Plan period, but the extent of such rise depends, it is stated, upon a number of imponderable factors which render accurate estimates of production target difficult. The Federation seems to have told the Planning Commission that most existing factories are running below their existing capacity, and could, therefore, easily absorb the expected increase in consumption. The Federation, however, feels that it will be in the interests of the industry, if no new units are allowed to be established during the Plan period.

The question of delays caused by the Government Departments in accepting tenders, in extension of delivery dates, and in payment of bills continued to engage the attention of the Federation this year also as in previous years. The Government was approached by the Federation on several occasions during the year in order to overcome the hardships caused to paint manufacturers. So far, the progress of its efforts does not appear to have been successful. In this context, Mr. Banerjee's remarks merit mention. He said:

"The Stores Purchase Report has made many recommendations to reform and improve the Central Purchase Organisation. It has recommended that requests for extension of the delivery date should be attended to within 15 days, and that payment of final bills should be ensured within 90 days from the despatch of stores. Athough Government has accepted these two recommendations in principle, the Federation has so far been unable to discern the effect of their practical application. In any case, the settlement of present disputes will take considerable time. Furthermore, the Federation feels that disputes will continue to arise even after the implementation of the above recommendations, since Government persists in defining the delivery date as the date on which acceptable goods are put on rails. Delays in the inspection and testing of samples by the Government Testing Laboratories make this definition the root cause of paint manufacturers' trouble with Government. The Stores Purchase Committee has recommended the restoration of a 21 days' grace period after the expiry of the contractual delivery date, but the Federation feels that this does not in any way kill the cause of the trouble. Disputes will continue to occur, until the delivery date is taken as the date on which acceptable goods are offered for inspection in writing."

Another difficulty experienced by the paint industry is stated to be the procedure employed by the Government Test House, Alipore. According to Mr. Banerjee, the methods at present being employed by the Test House are creating a situation in which production and supply of Government orders requiring Test inspection are seriously impeded and could be brought to a standstill. This experience is attributed to "lack of liaison between the Government and its various offshoots and the manufacturers." With a view to improving the situation, it is now proposed to set up a panel consisting of representatives of the Government Test House and the two paint associations. This panel is expected to help remove any misunderstandings and grievances through prompt consultations and mutual co-operation.

The Paint Federation faces certain difficulties regarding imports of lithopone. Referring to this, Mr. Banerjee said:

"As last year, however, members found their applications for licences for the import of lithopone so severely restricted that it became difficult to comply with Government orders specifying the use of lithopone. The Federation has drawn Government's attention to this anomalous situation, and is pleased to note signs that manufacturers are to be allowed to substitute the indigenous titanium dioxide wherever specifications mention lithopone. It should, however, be emphasised that lithopone is still not entirely dispensable as far as the industrial and civil markets are concerned and the Federation considers that the quantity of lithopone which manufacturers are at present permitted to import under licence constitutes an irreducible minimum."

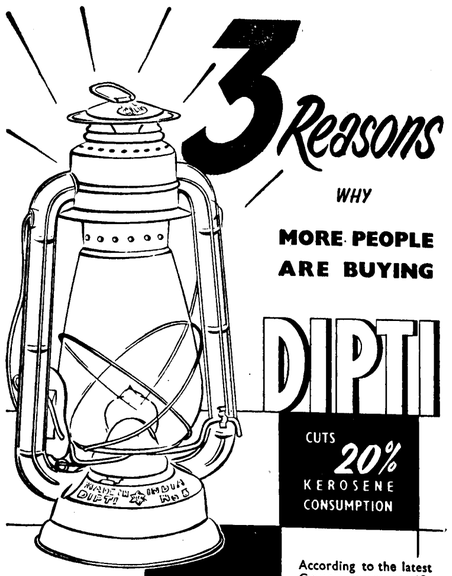
Mr. Banerjee referred to the scheme for drawback of import duty on raw materials contained in paints exported abroad and stated that the scheme evolved for the purpose had made slow progress. This position is, however, expected to change for the better, since the Government has suggested that a drawback scheme might operate under the supervision of excise officers, if arrangements could be made to manufacture paint meant for export in bond. The Federation has accepted this proposal in principle but is awaiting fuller working details from the Government.

MANUFACTURE OF TITANIUM THROUGH SODIUM PROCESS

Imperial Chemical Industries Ltd. has reduced the price of raw titanium to 21s. (below $3) per lb. This compares with the current price quoted in the U.S. at $3.45 per lb. The reduction means that titanium of the highest purity will be available at the lowest price in the world. It has been enabled by the adoption of a new sodium process in the techniques of extraction by I.C.I.

In August 1953, I.C.I. announced that it was going to build a plant to produce 1,500 tons of titanium a year by a new sodium process resulting from intensive research carried on in its laboratories. The plant went into operation in 1955. The titanium produced through this process has important advantages in its physical form. It is in the form of small granules which can be pelleted with alloying materials into a form ideal for the difficult process of melting.

Titanium, when free from harmful impurities, can be alloyed to possess the strength of stainless steel and is little more than half the weight. It has the highest strength-to-weight ratio of any commercial metal, and has outstanding resistance to corrosion. These properties make it immediately attractive for aircraft construction and for jet-engine components.



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INDO-BRITISH TRADE DURING 1955

SIZABLE INCREASE IN INDIA'S IMPORTS OF MACHINERY AND EQUIPMENT

THE upward trend in trade between the United Kingdom and India noticed in earlier years was maintained in 1955. Thus the value of mutual trade, according to the statistics published in the *Trade and Navigation Accounts* of the U.K. aggregated £288 million. This represents an increase of 9.4 per cent. over the preceding year and 26.3 per cent. over 1953. Principal exports from the U.K. to India were machinery, chemicals, and road vehicles and aircraft, while major imports from India consisted of tea, leather and manufactures thereof, tobacco, oils, and cotton yarns and woven fabrics.

The following table gives the principal exports from the U.K. to India and the chief items of imports of Indian origin into that country.

Principal Exports and Imports

(In £ 000's)

	1954	1955
U.K.'s exports to India	114,808	129,793
Of which :—		
Machinery other than electric	28,142	32,344
Electric machinery, apparatus and appliances	14,809	16,246
Chemicals	15,140	16,159
Road vehicles and aircraft	9,357	10,038
Imports from India	148,384	158,949
Of which :—		
Tea	76,898	75,420
Leather and manufactures and dressed furs	13,260	12,625
Cotton yarns and woven fabrics	6,849	7,041
Miscellaneous textile manufactures	16,363	14,400

The total value of mutual trade between the U.K. and India in 1955, as the table above shows, was over £288 million, as compared with £263 million in 1954 and just under £228 million in 1953. Total U.K. exports to India in 1955 were valued at over £129 million—13 per cent. higher than the 1954 and 1953 levels of nearly £115 million. The U.K.'s imports from India in 1955 were to the value of just under £159 million—7 per cent. higher than the 1954 level of £148 million. The 1953 figure was £113 million.

In 1955 India received 4.4 per cent. of total U.K. exports to all countries—the same as in 1953. The corresponding percentage for 1954 was 4.3. Both in 1954 and 1955, India stood sixth as a market for U.K. exports. Machinery dominated the export picture and represented 37 per cent. of total U.K. exports to India in 1955. The figure for 1954 was also 37 per cent.

The biggest increase took place in exports of iron and steel which rose from a little under £6 million in 1954 to nearly £9 million in 1955. There were increases also in exports of chemicals from £15 million in 1954 to £16 million in 1955; of manufactures of metals from £5 million to just under £7 million; and of road vehicles and aircraft from £9 million to £10 million. Exports of railway vehicles (£3 million) and of wool and other animal hair and tops (slightly less than £5 million) showed little change compared with the previous year. On the other hand, the U.K.'s exports of petroleum and petroleum products declined from over £4 million in 1954 to nearly £2 million in 1955.

The following table gives the principal items of machinery exported by the U.K. to India in 1954 and 1955:

(In £ 000's)

	1954	1955
Total machinery	42,951	48,590
Of which :—		
Boilers and boiler-house plant	1,471	1,782
Internal combustion engines	1,852	1,787
Agricultural machinery	197	187
Agricultural and track-laying tractors	745	909
Machine tools (excluding portable power tools)	1,997	2,408
Pumps	744	887
Industrial and works trucks and tractor and mechanical handling equipment	1,617	1,504
Excavating and earth-moving machinery and road rollers	653	1,395
Mining and well drilling machinery	474	414
Printing and bookbinding machinery and printing type	578	700
Textile machinery	6,953	7,296
Air-conditioning and refrigerating machinery	251	296
Generating sets, generators and motors	2,240	2,224
Converting machinery, transformers, switch gear and switchboards	4,010	3,954
Electronic valves and radio, television, radar and sound reproducing apparatus	1,544	1,979
Telegraph and telephone equipment and line apparatus	1,420	645
Electric cables, wires, strips and stranda, insulated	2,705	3,027

The U.K.'s machinery exports (electric and other than electric) to India in 1955 were valued at £49 million—an increase of nearly 14 per cent. over 1954. India was an important market for the U.K.'s exports of machinery and was the third largest customer for both types of machinery.

In 1955, India received 6.9 per cent. of total U.K. exports of machinery (other than electric) to all destinations as compared with 6.8 per cent. in the previous year. The comparable figures for electric machinery were 8.3 per cent. and 8.8 per cent. respectively. The largest individual machinery export items were machine tools; textile machinery; generating sets, generators and motors; converting machinery, transformers, switch gear and switchboards; and electric cables, wires, strips and strands (insulated).

The following table gives the principal items of exports from India to the U.K. in 1954 and 1955:

(In £ 000's)

	1954	1955
Total all imports	148,384	158,949
Of which :—		
Tea	76,898	75,420
Leather, leather manufactures and dressed furs	13,260	12,625
Tobacco and tobacco manufactures	6,908	7,177
Hides, skins and fur skins, undressed	973	808
Wool and other animal hair and tops	5,551	4,911
Cotton	2,579	4,535
Miscellaneous textile fibres and waste	1,069	1,392
Metalliferous ores and metal scrap	3,068	2,431
Miscellaneous animal and vegetable crude materials	4,523	4,949
Animal and vegetable oils, fats, greases and derivatives	1,865	8,497
Cotton yarns and woven fabrics	6,849	7,041
Miscellaneous textile manufactures	16,363	14,400

Imports from India

In 1955, the U.K.'s imports from India, as the table shows, accounted for 4 per cent. of total imports from all countries. The corresponding figure for 1954 was 4.3 per cent. Again, in 1955, India ranked fifth as a supplier of U.K. imports; India occupied the same position in 1954. Tea was by far the largest item and accounted for 47 per cent. of total U.K. imports from India in 1955. The value of tea imports at £75 million was about 2.6 per cent. less than in the previous year. In 1955, India provided 59 per cent. of U.K. tea imports from all sources compared with 60 per cent. in the preceding year.

The biggest increase was recorded in the imports of animal and vegetable oils, etc., which rose from slightly less than £2 million in 1954 to £8 million in 1955, followed by those of cotton which increased from £2 million to £4 million. There were small increases in respect of tobacco and cotton yarns and woven fabrics. As compared with 1954, decreases of varying sizes occurred in the imports of leather and manufactures; wool and other animal hair and tops; metalliferous ores and scrap; and miscellaneous textile manufactures.

INDUSTRIAL ESTATES

The first five industrial estates in India are expected to be completed during the financial year 1956-57. The construction of these estates, expected to stimulate the growth of small industrial units, was sanctioned during the current financial year. These five estates are being set up at Okhla in Delhi, Rajkot in Saurashtra, Guindy and Virudhunagar in Madras and Quilon in Travancore-Cochin. At the same time, proposals of the Uttar Pradesh Government to set up industrial estates in Kanpur and Agra, are being examined by the Union Ministry of Commerce and Industry. Proposals for more such estates during 1956-57 are expected from State Governments.

The construction and management of industrial estates is the responsibility of State Governments.

The State Governments may run the industrial estates directly or through corporations or other agencies. They undertake to develop land, construct workshops and other buildings required by small units, make arrangements for supply of electricity, water, gas, steam, drainage and other facilities, arrange for railway sidings within the estate and provide for various other facilities like community services.

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BENGAL COAL'S PROFIT LOWER

DIVIDEND, HOWEVER, MAINTAINED—FINANCIAL POSITION EXCELLENT

THE decline in production of coal from the record level attained in the six months ended 30th April 1955, accompanied by a fall in despatches, and a sharp rise in freight, shipping charges and commission, have been the main factors responsible for the setback in earnings of the Bengal Coal Company, Ltd. (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta), for the half-year ended 31st October 1955. The gross profit shows a decline from Rs. 50.42 lakhs for the previous six months to Rs. 44.91 lakhs. Notwithstanding this recession, the gross profit for the six months under review represents an increase of Rs. 7.56 lakhs over that (Rs. 37.35 lakhs) for the corresponding half-year of 1954 and is the second highest since 30th April 1952.

The provision for depreciation amounts to Rs. 14.27 lakhs, having been raised from Rs. 12 lakhs set aside for the previous half-year and Rs. 13.15 lakhs for the corresponding six months of 1954. The provision for taxation and cesses, which had been more than doubled from Rs. 8.59 lakhs to Rs. 17.60 lakhs six months back, have been reduced to Rs. 13.85 lakhs in respect of the half-year under review. The net profit has fallen from Rs. 18.14 lakhs for the half-year ended 30th April 1955 to Rs. 14.68 lakhs for the six months under review, but this is higher than that for any of the three half-years preceding that ended 30th April 1955. The reserves, which had received Rs. 7.23 lakhs for the six-month period ended 30th April 1955, have been further strengthened by Rs. 6 lakhs. The distribution to the shareholders has been maintained at 17½ per cent. per annum (made up of a dividend of 10 per cent. and a bonus of 7½ per cent.) to which level it had been raised last half-year from 15 per cent. per annum paid for three successive half-years since 30th April 1953.

The following comparative table shows the progress of the Company during the past three half-years:

(In lakhs of rupees)

	For the half-year ended			
	31-10-55	30-4-55	31-10-54	30-4-54
Sale proceeds	342.13	319.64	322.01	282.14
Other income	5.70	7.99	5.33	3.94
Stocks	8.63	11.91	9.02	22.72
Coal purchases	24.57	21.60	24.84	19.36
Freight, shipping charges, etc.	126.55	97.71	99.69	83.84
Mining, establishment and other expenses	148.51	160.79	151.76	155.92
Gross profit	44.91	50.42	37.35	30.45
Managing Agents' commission	2.11	2.68	1.67	1.37
Provision for—				
Depreciation	14.27	12.00	13.15	11.06
Taxation and cesses	13.85	17.60	8.59	8.60
Net profit	14.68	18.14	13.94	9.42
To reserves	6.00	7.23	5.29	2.50
Dividends—				
4½ per cent. preference	0.33	0.33	0.33	0.33
Ordinary	8.75	8.75	7.50	7.50
	(D. 10% + B.7½% p.a.)	(D. 10% + B.7½% p.a.)	(D. 10% + B. 5% p.a.)	(D. 10% + B 5% p.a.)
Directors' commission	0.09	0.09	0.09	0.09
Carry forward	7.32	7.81	6.07	5.30
	Tons	Tons	Tons	Tons
Raisings	1,182,551	1,327,236	1,162,401	1,178,629
Despatches (including purchased coal)	1,379,538	1,429,629	1,416,790	1,255,739

It will be noted that, despite the fall in raisings and despatches, the sale proceeds of coal are higher than those for the previous half-year and are, in fact, the highest since the half-year ended 31st October 1949. This is evidently due to the slight increases in the controlled prices of coal, once in July last when the price of grade I and above was raised by As. 3 per ton, in order to help the mines meet the increase in their provident fund obligations, and again in November when a further increase of As. 3 per ton in the prices of selected "A" and "B" grades I and II coals was allowed. The prices realised on export sales were, however, lower than those in the previous half-year or in the corresponding six months of 1954. The fall of Rs. 2.29 lakhs in "other income" is mainly due to the decline in *zamindari* income, from Rs. 2.69 lakhs to Rs. 0.49 lakh. The increase in freight, shipping charges and commission has been rather sharp, though this has, to some extent, been offset by the fall in colliery expenses and salaries and wages which account for Rs. 12.28 lakhs.

The Company's financial position as on 31st October 1955 is impressive. The reserves and surplus aggregate Rs. 147.81 lakhs, as against a paid-up capital of Rs. 120 lakhs, made up of 50,000 ordinary shares of Rs. 200 each fully paid (of which, Rs. 100 per share have been paid in cash and Rs. 100 per share for a consideration other than cash) and 20 000 4½ per cent. (taxable) cumulative preference shares of Rs. 100 each fully paid. The provision for taxation stands at Rs. 23.17 lakhs and that for cesses at Rs. 17.75 lakhs. The current liabilities amount to Rs. 181.32 lakhs. In pursuance of the policy of developing the collieries, the Company has spent, during the half-year under review, as much as Rs. 11.05 lakhs on the block account, bringing the total value of the block to Rs. 591.93 lakhs. This has been written down to Rs. 196.15 lakhs as at the end of the half-year. The current assets aggregate Rs. 293.90 lakhs, made up of plant in transit or pending installation of Rs. 14.54 lakhs, stocks of coal Rs. 8.63 lakhs, stores Rs. 80.80 lakhs, debts, deposits and advances Rs. 172.01 lakhs, investments Rs. 11.41 lakhs, and cash balances Rs. 6.50 lakhs. The excess of current assets over current liabilities and provision for taxation and cesses is as much as Rs. 71.66 lakhs.

The Rs. 200 fully paid-up shares of the Company are being currently quoted at Rs. 524 *ex-div.*, at which rate and on the basis of the latest dividend, the yield works out to 6.7 per cent. per annum, free of income-tax.

MARTIN BURN'S RECORD PROFIT

The working of Martin Burn Ltd. (Chairman and Governing Director: Mr. T. Leslie Martin, *Calcutta*) during the year ended 30th September 1955 has resulted in a bumper gross profit of Rs. 85.89 lakhs, representing an increase of Rs. 20.16 lakhs over that for the previous year. With this sharp rise, the Company has been able to maintain the upward trend in its earnings for the fourth year in succession. It may also be of interest to note that the Company's gross profit has, during these four years, gone up by no less than Rs. 40.40 lakhs, that is from Rs. 45.49 lakhs for 1950-51 to Rs. 85.89 lakhs for the year under review. The net profit for the year under review amounts to Rs. 37.53 lakhs, as compared with Rs. 32.82 lakhs for 1953-54. The relatively smaller increase in net profits is mainly due to the stepping up of the provision for taxation from Rs. 25 lakhs to Rs. 37.75 lakhs.

The distribution to the shareholders has been stepped up to 18¼ per cent. made up of a dividend of 15 per cent. and a cash bonus of 3¼ per cent., from 13¾ per cent., made up of a dividend of 12½ per cent. and a cash bonus of 1¼ per cent., paid consistently for the previous three years, after having been raised from 11¼ per cent. paid for 1950-51. Thus, it will be noted that the enhanced distribution for the year under review, after a lapse of three years, is being done by raising not only the dividend part of it but also the cash payment. The distribution for the year under review is also the highest so far in the history of the Company. It will also be of interest to note that the Directors had originally decided, at their meeting held on 25th *ultimo*, to distribute a cash bonus of As. 4 per share of Rs. 10, in addition to the dividend of Re. 1-8 per share of Rs. 10. At a meeting held subsequently on 1st March 1956, they reconsidered the question of distribution of profits and decided to raise the cash distribution by one anna to As. 5 per share. This decision of the Directors to enhance the distribution to the shareholders has evidently been done in the light of the latest Budget proposals announced on 29th ultimo.

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G. R. WEST, *Manager.*

The aforesaid increase in distribution to the shareholders has been done only after ploughing back a substantial sum of Rs. 11.60 lakhs, though this represents a reduction of Rs. 1.60 lakhs from that added to the reserves last year. The addition to the capital redemption reserve fund has been maintained at Rs. 2 lakhs, while that to the general reserve has been raised from Rs. 3.50 lakhs to Rs. 5.50 lakhs. No amount has been set aside for investment reserve, which had received Rs. 3.50 lakhs a year ago. The allocation to the reserve for bad and doubtful debts has, however, been reduced from Rs. 1.20 lakhs to Rs. 0.61 lakh. Besides allocations to these reserves, the Directors have made a provision of Rs. 3.49 lakhs for construction of a new hospital block for female patients at Burnpur works of the Indian Iron and Steel Company, Ltd., for which purpose no amount had been utilised last year.

The following comparative table indicates the Company's progress during the past three years:

(In lakhs of rupees)

	For the year ended 30th September			
	1955	1954	1953	1952
Sale proceeds	572.17	500.16	460.58	473.49
Closing stocks and work-in-progress	297.09	259.28	190.01	102.25
Other income	99.28	72.79	70.30	64.26
Materials consumed	500.38	428.35	385.16	409.30
Expenses	85.16	78.87	82.54	67.62
Gross profit	85.89	65.73	63.17	60.85
Managing Directors' commission	8.12	5.62	5.42	5.17
Provision for—				
Depreciation	2.49	2.29	2.36	1.81
Taxation	37.75	25.00	24.50	22.75
Net profit	37.53	32.82	30.89	31.10
To reserves	11.60	13.20	11.33	11.69
Dividends—				
6 per cent. preference	1.50	1.50	1.50	1.50
Ordinary	24.93	18.01	17.97	17.99
	(D. 15%+ B. 3¼%)	(D. 12½%+ B. 1¼%)	(D. 12½%+ B. 1¼%)	(D. 12½%+ B. 1¼%)
Carry forward	2.03	2.52	2.41	2.31

The Company's paid-up capital stands at Rs. 167.53 lakhs (made up of 1,375,300 ordinary shares of Rs. 10 each and 30,000 5 per cent. redeemable preference shares of Rs. 100 each). This shows an increase of Rs. 6.57 lakhs over the year, brought about by the conversion of convertible notes of the value of Rs. 13.14 lakhs at the rate of 25 ordinary shares for every note of Rs. 500. The surplus arising from the conversion is Rs. 6.57 lakhs which has been added to the reserves. After the conversion, the outstanding convertible notes amount to Rs. 24.94 lakhs. The reserves and surplus aggregate Rs. 72.24 lakhs. The provision for taxation amounts to Rs. 47.79 lakhs and the current liabilities aggregate Rs. 470.07 lakhs. The gross block of the value of Rs. 22.58 lakhs, including an addition of Rs. 2.84 lakhs during the year, has been written down to a book value of Rs. 11.24 lakhs. Goodwill at cost stands at Rs. 25.18 lakhs. The current assets amount to Rs. 698.38 lakhs, of which stocks, stores and spares account for Rs. 107.28 lakhs, work-in-progress for Rs. 208.24 lakhs, investments for Rs. 168.79 lakhs, debts, deposits and advances for Rs. 202.44 lakhs and cash balances for Rs. 11.02 lakhs.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 28 *cum-div.* On an *ex-div.* basis, the latest dividend provides a yield of about 7 per cent. per annum, free of income-tax.

NEW COMPANIES REGISTERED

The latest Monthly *Blue Book on Joint Stock Companies*, issued by the Department of Company Law Administration, shows an increase in new registrations during the first nine months of the current fiscal year. The total number of new companies registered during this period was 993 with a total authorised capital of Rs. 1,00,88 lakhs, as against 877 companies with a total authorised capital of Rs. 1,63,07 lakhs during the corresponding period of the preceding year (1954-55). The new companies comprised 138 public and 855 private companies, having an authorised capital of Rs. 55,54 lakhs and Rs. 45,34 lakhs, respectively.

During the month of December 1955, 101 new companies were floated with an authorised capital of Rs. 4,16 lakhs. Of these, ten were public companies with an authorised capital of Rs. 1.57 lakhs. Of these 101 new companies 36, 16, 15 and 9 companies were incorporated in the States of West Bengal, Madras, Bombay and Delhi.

A study of the size pattern of the new companies reveals that there is a heavy concentration of new companies in the authorised capital groups of over Rs. 50,000 to Rs. 1 lakh and of over Rs. 4 lakhs to Rs. 5 lakhs during the first nine months of the current year, as was the case during the corresponding periods of two preceding years. The two strata named above together contain 519 companies out of 993 new registrations during this year, that is, 52 per cent. of the total number of companies. Seventeen companies with a paid-up capital of Rs. 5 lakhs were reported to have been liquidated, dissolved or declared defunct during the month of December 1955. Five of these were public companies having a paid-up capital of Rs. 3 lakhs. Up to the end of December 1955 in the current fiscal year, the number of liquidated companies or those declared defunct aggregated 591 with a paid-up capital of Rs. 6,79 lakhs. Of these, the number of public companies was 200 having a paid-up capital of Rs. 3,83 lakhs and that of private companies 391 having a paid-up capital of Rs. 2,96 lakhs. The number of companies reported to have been struck off the registers under section 247(5) of the Indian Companies Act, 1913, during April-December 1955, was 394.

During the nine months ended December 1955, a total net increase of Rs. 34,82 lakhs in the paid-up capital of existing companies other than those incorporated during the current year was reported. Of this amount, Rs. 28,23 lakhs were raised by public companies and Rs. 6,59 lakhs by private companies, the share of the public companies in the total net increase being about 81 per cent.

AMBIKA SILK MAKES GOOD PROGRESS

DIVIDEND DOUBLED

THE decision of the Directors of the Ambika Silk Mills Company, Ltd. (Managing Agents: Messrs. Maganlal Bhagwandas & Co., Bombay), to double the dividend on the Company's shares for the year ended 31st December 1955 to 20 per cent. from 10 per cent. paid for the previous two years, follows the impressive performance of the Company during the past year. The gross profit of the Company has risen from Rs. 4.36 lakhs to Rs. 6.93 lakhs. With this increase the Company has been able not only to maintain the upward trend in earnings for the third year in succession but also to establish a record for the past seven years (for which period only statistics of the Company are available with us). After raising the provisions for depreciation and taxation, the net profit also has recorded a rise from Rs. 1.47 lakhs to Rs. 1.91 lakhs, at which level it is the highest in the past seven years.

As already indicated, the Directors have stepped up the return to the shareholders to 20 per cent. from 10 per cent., a level which had been paid from 1949 onwards, except for a break in 1952, when there was a cut to 8 per cent. The dividend for the year under review has been doubled, after transferring a sum of Rs. 41,280 to the reserve for rehabilitation of machinery, which had received Rs. 1.84 lakhs in the course of the previous five years.

The following comparative table, giving the salient features of the working of the Company during the past four years, provides an idea of its progress in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	73.78	61.89	59.17	50.17
Other income	0.75	0.79	1.51	1.72
Closing stocks	16.05	15.67	12.23	10.66
Manufacturing expenses (including yarn and stores consumed)	65.69	55.07	55.11	48.60
Other expenses	2.88	3.25	2.00	1.76
Gross profit	6.93	4.36	3.45	1.04
Managing Agents' commission	0.39	0.25	0.20	0.12
Depreciation	3.03	1.84	1.41	0.71
Taxation	1.60	0.80	0.75	0.40
Net profit	1.91	1.47	1.09	0.71
To reserves	0.41	0.31	0.31	0.10
Bonus to operatives	..	0.35	..	..
Dividend	1.54 (20%)	0.77 (10%)	0.77 (10%)	0.62 (8%)
Carry forward	0.05	0.09	0.05	0.04

The increase in sale proceeds, in the value of closing stocks, and in the manufacturing expenses indicates a larger turnover during the year under review, thus maintaining the progress made in preceding years. It will be noted that over the past three years, the sale proceeds are up by Rs. 23.61 lakhs, manufacturing expenses have risen by Rs. 17.09 lakhs and the value of closing stocks by Rs. 6 lakhs. The table also gives an idea as to how far the Company has been able to expand its output during the year under review to meet the increase in consumer demand, notwithstanding the slightly higher prices for art silk yarn.

The financial position of the Company is quite satisfactory, though it underlines the need for strengthening the reserves, as will be seen from the following synopsis of its latest balance-sheet:

Liabilities	Rs.	Assets	Rs.
Capital ...	7,70,000	Gross block ...	21,96,997
Reserves and surplus ...	3,36,441	*Less*—Depreciation ...	14,88,808
Provision for taxation ...	4,01,704	Net block ...	7,08,189
Liabilities ...	15,64,859	Stock-in-trade	15,30,266
		Stores and spares ...	2,60,406
		Debts, deposits and advances ...	5,69,637
		Cash balances	4,506
Rs.	30,73,004	Rs.	30,73,004

There has been no change in the paid-up capital of the Company at Rs. 7.70 lakhs, of which a sum of Rs. 1.70 lakhs represents the amount raised by the capitalisation of the reserves once in November 1947 and again in August 1948. Of the reserves, the general reserve accounts for Rs. 1 lakh, the amount ploughed back from the profit for 1949, after which there has been no further addition. The reserve for rehabilitation of machinery accounts for Rs. 2.25 lakhs. There has been an addition of Rs. 3.07 lakhs to the gross block during the year. The gross block has been well written down. The current assets exceed the current liabilities and provision for taxation by a comfortable margin.

Points From The Chair

Interest on Deposits

"BANKS continue to suffer from having to pay higher rates of interest on deposits without being able to charge correspondingly higher rates of interest on advances. The establishment and overhead expenses of banks, which call for a large margin between the cost of money lodged and the yield on money lent, continue to expand. The Bank rate, which has been 3½ per cent. since the 15th of November 1951, is out of gear with the current interest rates in this country. To obtain and keep deposits, banks must pay interest to depositors at market rates of interest which are governed by the supply and demand of money. On the other hand, banks usually grant advances at rates of interest related to the Bank rate. The rates of interest charged to borrowers, consequently, do not rise, if the Bank rate remains stationary and lags behind current upward movements in the market rates of interest. In such conditions banks are paying increasing interest on deposits and getting very little more interest from advances."

SIR COWASJEE JEHANGIR, BT.,
Bank of India Ltd.

Industries Should not be Penalised

"If we want a vigorous and expanding economy, able to compete with all forms of foreign competition, we must surely see to it that these leaders in the industrial field are not penalised by excessive taxation to a point where further effort on their part only adds to the burden they already bear. I say this in no party spirit, because I find it hard to believe that any political party should not be concerned to assist in every way possible those whole well-being is essential, if we are to compete successfully with foreign competition."

LORD HOWARD OF GLOSSOP,
Guardian Investment Trust Co., Ltd.

Saving and Inflation

"So far the efforts to combat inflation and to redress the balance of payments have, in the main, been concentrated on reducing capital investment and consumer spending. It is the other field of action for which I want to make a plea—that of saving. A significant increase in saving, which would reduce consumption and provide new capital for useful ends, would go far to easing the nation's financial problems. Unfortunately, there appears to be an attitude of despair about increasing savings. Too often, the conclusion is voiced that it is hopeless to expect people to save when inflation is in the air. Stop inflation, it is said, and then and only then will people save. But isn't it true that if we save sufficiently inflation will be arrested? Saving will kill inflation."

HARRY L. SCORE,
Co-operative Permanent Building Society.

International Tin Agreement

"No progress was made in bringing into operation the International Tin Agreement during the year 1955 due to delay in ratification of the scheme by Indonesia, the world's second largest producer of tin. It has recently been reported that the Indonesian Parliament has approved the ratification of the Agreement and it seems possible that the International Tin Council may be called together during the first half of the year and that the Agreement may be in operation before the end of the year. It is reported that the United States stockpile authorities are scheduled to withdraw from the market by the middle of 1956, and the operation of the International Tin Agreement may have an important bearing on the market price of tin during the latter part of the year."

S. H. SMITH,
British Tin Investment Corporation Ltd.

Tin Mining in Burma

"With a view to strengthening its attenuated overseas balances the Government of Burma has been pressing the Company to complete the rehabilitation of its mines and thus increase output, but in the opinion of the Directors further re-equipment must be preceded by a renewal of the Company's leases, protection for life and property at the mines and a guarantee against nationalisation, or the payment of fair compensation in the event thereof. Having regard to the policy of advanced socialism to which the Government of the Union of Burma adheres and to which we must conform, the differences in their views and ours brought about a stalemate, which does not benefit the Government or the Company. Your Directors believe that partnership is the best solution and we have committed the Company to the principles of a joint venture with the Government which, we think, is unlikely to break down by disagreement on details. I personally have represented the Company to a point where the foundation has been built, and I wish to say that the Government's representatives as well as ours have given way, with a view to formulating a scheme which will work and develop in an atmosphere of mutual confidence and profit. I have no doubt that the Government's distant object is nationalisation and I believe we can arrange that if and when that comes we shall be treated fairly."

W. J. C. RICHARDS,
Consolidated Tin Mines of Burma Ltd.

COMPANY MEETINGS AND DIVIDENDS

INDIA PAPER PULP CO., LTD. Half-yearly General Meeting, Calcutta, 19th March 1956. Dividend: As. 11-1/5 per share. Transfer books remain closed from 12th to 19th March 1956, both days inclusive.

BENGAL COAL CO., LTD. Half-yearly General Meeting, Calcutta, 20th March 1956. Dividend: Rs. 17-8 per share (includes bonus of Rs. 7-8 per share). Transfer books remain closed from 10th to 20th March 1956, both days inclusive.

AMBIKA SILK MILLS CO., LTD. Annual General Meeting, Bombay, 22nd March 1956. Dividend: Rs. 20 per share. Transfer books remain closed from 15th to 29th March 1956, both days inclusive.

BUCKINGHAM AND CARNATIC CO., LTD. Annual General Meeting, Madras, 23rd March 1956. Dividend: Rs. 10 per share (includes interim dividend of Rs. 4 per share). Transfer books remain closed from 7th to 23rd March 1956, both days inclusive.

CALEDONIAN JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 23rd March 1956. Dividend: Rs. 2-8 per share. Transfer books remain closed from 10th to 23rd March 1956, both days inclusive.

BELVEDERE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 23rd March 1956. Dividend: Rs. 2-8 per share. Transfer books remain closed from 10th to 23rd March 1956, both days inclusive.

BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD. Annual General Meeting, Bangalore, 24th March 1956. Dividend: Rs. 30 per share (includes interim dividend of Rs. 10 per share). Transfer books remain closed from 3rd to 24th March 1956, both days inclusive.

SIRSILK LTD. Annual General Meeting, Somajiguda, Hyderabad-Deccan, 24th March 1956. Dividend: *Nil*. Transfer books remain closed from 10th to 24th March 1956, both days inclusive.

BARAREE COKE CO., LTD. Half-yearly General Meeting, 27th March 1956. Dividend: As. 11-1/5 per share. Transfer books remain closed from 15th to 27th March 1956, both days inclusive.

JAY SHREE TEA GARDENS LTD. Annual General Meeting, Calcutta, 28th March 1956. Dividend: Re. 1 per share. Transfer books remain closed from 12th to 28th March 1956, both days inclusive.

TUNGABHADRA INDUSTRIES LTD. Annual General Meeting, Calcutta, 28th March 1956.

AHMEDABAD ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 29th March 1956. Dividend: Rs. 5 per share. Transfer books remain closed from 5th to 29th March 1956, both days inclusive.

ASSAM BENGAL CEMENT CO., LTD. Annual General Meeting, Calcutta, 29th March 1956. Transfer books will remain closed from 19th to 29th March 1956, both days inclusive.

ORIENT PAPER MILLS LTD. Half-yearly General Meeting, Calcutta, 29th March 1956. Transfer books will remain closed from 6th to 12th April 1956, both days inclusive.

BALLY JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 29th March 1956. Dividend: *Nil*. Transfer books remain closed from 15th to 29th March 1956, both days inclusive.

HOWRAH MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 29th March 1956. Dividend: As. 4 per share. Transfer books remain closed from 15th to 29th March 1956, both days inclusive.

RELIANCE JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 29th March 1956. Dividend: *Nil*. Transfer books remain closed from 15th to 29th March 1956, both days inclusive.

MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 29th March 1956. Transfer books remain closed from 2nd to 23rd March 1956, both days inclusive.

INDUSTRIAL INVESTMENT TRUST LTD. Annual General Meeting, Bombay, 31st March 1956. Dividend: Rs. 4-8 per share, payable on 25th April 1956. Transfer books remain closed from 17th to 31st March 1956, both days inclusive.

BHARAT COLLIERIES LTD. Annual General Meeting, Dalmianagar, 31st March 1956. Dividend: As. 10 per ordinary share. Transfer books will remain closed from 24th to 31st March 1956, both days inclusive.

SHIVRAJPUR SYNDICATE LTD. Annual General Meeting, Bombay, 5th April 1956. Dividend: Rs. 8 per share (includes a bonus of Rs. 3 per share), Transfer books remain closed from 16th March to 5th April 1956, both days inclusive.

COMPANY REGISTRATIONS

CHATURBHUJ PIRAMAL PRIVATE LTD. (First Director: Mr. Gopikisan Pirmal.) Business: Dealers in cotton, gold, silver and other precious metals, oilseeds, etc. Authorised capital: Rs. 25,00,000. Private company. Address: 60 Marwari Bazar, Bombay 2.

IRON PRODUCTS (ASSAM) LTD. (First Director: Mr. B. Nang.) Business: Manufacturers of iron and steel wires and rods. Authorised capital: Rs. 20,00,000. Public company. Address: 2, Netaji Subhas Road, Calcutta, 1.

GREAT INDIAN PLYWOOD MANUFACTURING CO., LTD. (First Director: Mr. Balaichand Biswas.) Business: Plywood manufacturers, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 76, Jessore Road, Dum Dum, 24-Parganas.

ALLIED METAL WORKS LTD. (First Director: Mr. Chinubhai P. Patel.) Business: Iron, steel and other metal founders, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 100, Dadasaheb Phalke Road, Dadar, Bombay.

Notices

THE CENTRAL BANK OF INDIA LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-fifth Ordinary General Meeting of the Shareholders of The Central Bank of India, Limited, will be held at the Central Bank Building, Mahatma Gandhi Road, Fort, Bombay, on Thursday the 29th day of March 1956, at 4 p.m. (S.T.), to transact the following business:—

1. To receive the Report of the Directors and the Audited Accounts for the period ended 31st December 1955.
2. To declare a Dividend.
3. To elect three Directors in place of Sir Homi Mody, Mr. Cooverji H. Bhabha and Mr. C. P. Wadia who retire by rotation under Article 92 of the Articles of Association read with Regulation 78 Table "A" of the Indian Companies Act and who are eligible for re-election.
4. To appoint Auditors and to fix their remuneration.

A separate Notice dated 1st March 1956 accompanied by a Circular of the same date has been given to the Shareholders of the Company that an Extraordinary General Meeting of the Shareholders of the Company will also be held at the Central Bank Building, Mahatma Gandhi Road, Fort, Bombay 1, on Thursday the 29th day of March 1956, immediately after the disposal of the business at the abovementioned Forty-fifth Ordinary General Meeting, to consider, and if thought fit, to pass as Special Resolutions, the Resolutions set forth in the said Notice dated 1st March 1956 which will be proposed at the said Extraordinary General Meeting, in the circumstances and for the reasons set out in the said Circular.

By Order of the Board,
N. K. KARANJIA,
General Manager.

BOMBAY, *7th March* 1956.

N.B.—The Transfer Books of the Bank will be closed from Thursday the 8th day of March 1956 to Thursday the 29th day of March 1956 (both days inclusive).

N.B.—Dividend Warrants for the half-year ended 31st December 1955 will be posted to the Shareholders at their registered address on and after the 31st day of March 1956. Shareholders are requested to intimate the Bank their change of address, if any, immediately.

CAREW AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company at 4, Fairlie Place, Calcutta, on Thursday the 29th day of March 1956, at 11-00 a.m., for the purpose of:—

1. Receiving the Directors' Report and passing the Accounts for the year ended 30th June 1955.
2. Declaring Dividends on the 6½ per cent. Cumulative Redeemable Preference Shares and Ordinary Shares.
3. Electing Auditors for the current year and fixing their remuneration.
4. Electing a Director.
5. Transacting such other business as may be brought before the Meeting.

The Transfer Books of the Company will be closed from the 16th March 1956 to the 29th March 1956, both days inclusive.

Preference Shareholders and/or Ordinary Shareholders and holders of Preference Shares and/or Ordinary Shares under blank transfer should note that upon the declaration of the Dividends the Dividend Warrants will be posted to Registered Preference Shareholders and/or Registered Ordinary Shareholders or their Mandatees on or after the 23rd April 1956. No application for payment will be necessary.

GLADSTONE LYALL & CO., LTD.,
A. R. ELIOTT LOCKHART,
Managing Director,
Managing Agents.

4, FAIRLIE PLACE,
CALCUTTA, *8th March* 1956.

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

RAMPOORIA COTTON MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE THIRTEENTH Annual Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, 147, Cotton Street, Calcutta, on Wednesday the 28th March 1956, at 11 a.m.

(*a*) To receive and pass the Directors' Report and Audited Accounts for the year ended 30th June 1955.
(*b*) To declare Dividends on Ordinary and Deferred Shares.
(*c*) To elect Directors.
(*d*) To appoint Auditors of the Company and to fix their remuneration.

And

(*e*) To transact any other business that may be brought forward.

The Share Transfer Register will be closed from 15th March to 28th March 1956, both days inclusive.

By Order of the Board of Directors,
NATHMULL RAMPURIA,
Director.

147, COTTON STREET,
CALCUTTA, *7th March* 1956.

ORIENT PAPER MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Thirty-seventh Ordinary General Meeting of the above named Company will be held at 8, Royal Exchange Place, Calcutta, on Thursday the 29th March 1956, at 11 a.m., for the purposes of adopting the Directors' Report and the Audited Accounts for the half-year ended 30th September 1955, and declaring dividends to be paid on or after the 30th April 1956, to registered holders in the Company as on the 12th April 1956.

The Share Transfer Books will remain closed from the 6th to 12th April 1956, both days inclusive.

By Order of the Board,
BIRLA BROTHERS LIMITED,
Managing Agents.

8, ROYAL EXCHANGE PLACE,
CALCUTTA, *7th March* 1956.

To all the Shareholders of the above named Company and in particular to those Shareholders who have no registered address in India and have not supplied any address within India for giving of notices to them.

MARTIN BURN LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ending 31st March 1956. The Preference Share Registers will be closed from the 1st April to the 16th April 1956, both days inclusive. Payment will be made on or after 16th April 1956, to those Preference Shareholders whose names appear on the Company's Registers on the 31st March 1956, or in accordance with their instructions.

By Order of the Board,
A. G. GIDLEY,
Secretary.

12, MISSION ROW,
CALCUTTA, *10th March* 1956.

MARTIN BURN LIMITED

CONVERTIBLE NOTES

NOTICE IS HEREBY GIVEN THAT INTEREST for the half-year ending 31st March 1956 will be paid on or after that date to those holders of Convertible Notes whose names appear on the Company's Register on the 31st March 1956, or in accordance with their instructions.

A. G. GIDLEY,
Secretary.

12, MISSION ROW,
CALCUTTA, *10th March* 1956.

SWADESHI COTTON MILLS COMPANY, LIMITED

KANPUR

NOTICE IS HEREBY GIVEN THAT THE Thirty-fifth Ordinary General Meeting of Shareholders of The Swadeshi Cotton Mills Company, Limited, will be held at the Registered Office of the Company at Swadeshi House, Civil Lines, Kanpur, on Saturday the 24th March 1956, at 12.00 noon, to transact the following business:—

1. To receive and consider the Audited Profit and Loss Account for the year ended 31st December 1956 and the Balance Sheet as on that date, and Reports of the Directors and Auditors thereon.
2. To elect Directors in place of those retiring.
3. To appoint Auditors in place of those retiring and to fix their remuneration.
4. To sanction the declaration of Dividend.
5. To transact any other business.

The Share Transfer Book and the Register of Members of the Company will be closed from the 18th March 1956 to 24th March 1956, both days inclusive.

By Order of the Board,
For JAIPURIA BROS. LIMITED,
GAJADHAR JAIPURIA,
Managing Director.
Managing Agents.

KANPUR, *1st March* 1956.

For Special Attention of:—

1. Mr. Francis Talbot Cragg,
C/o The Midland Bank Ltd.,
Charing Cross Branch,
449, Strand Road,
London, W.C. 2.
2. Mr. Norman Hamilton,
2, Ravelston Terrace,
Edinburgh-4,
Scotland.
3. Dr. P. D. Kapur,
40, Lullington Garth,
Woodside Park,
London N. 12.
4. Mr. John Leach,
Riverside Villa,
Riverside,
Ramsay, Isle of Man.
5. Col. Mohammad Junaid Quraishi,
C/o Travelogue,
Green House,
McLeod Road,
Karachi.

BHARAT COLLIERIES LIMITED

NOTICE

THE ELEVENTH ANNUAL GENERAL MEETING of the Shareholders of the Company will be held at the Registered Office of the Company at Dalmianagar on Saturday the 31st March 1956, at 12 noon, to receive and adopt the Directors' Report and Audited Accounts for the year ended 30th June 1955, to declare dividends at 5½ per cent. on the Preference and 6½ per cent. on Ordinary Shares, to elect a Director and to appoint Auditors.

Share Transfer Books of the Company will remain closed from 24th March 1956 to 31st March 1956, both days inclusive.

By Order of the Board of Directors,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA, *8th March* 1956.

HUMAYAN PROPERTIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors at their Meeting held on the 2nd March 1956 have declared a dividend on the Preference Shares at the rate of 6 per cent. per annum, free of Income-tax, for the year ended 31st March 1956 payable on the 21st April 1956 to those Shareholders whose names will appear on the Register of Members on the 11th April 1956.

For and on behalf of
HUMAYAN PROPERTIES LTD.,
S. A. BASIL,
Managing Director.

1, HUMAYAN PLACE,
CALCUTTA, *7th March* 1956.

Notices

THE STANDARD MILLS COMPANY LIMITED

NOTICE

To

THE SHAREHOLDERS OF
THE STANDARD MILLS CO., LTD.,
BOMBAY.

GENTLEMEN,

THE ANNUAL GENERAL MEETING OF THE Company was originally decided to be held on 29th March 1956 as advertised in *The Times of India* and the *Bombay Samachar* on 3rd of March 1956. However, it was not possible to send the individual Notices and the Balance Sheet and Profit and Loss Account of the Company to the Shareholders of the Company sufficiently in time. The Meeting will now be held on Monday the 9th of April 1956, instead of the 29th of March 1956, as notified below:—

NOTICE

Notice is hereby given that the Sixty-first Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, at Mafatlal House, Backbay Reclamation, Bombay 1, at 4 p.m. (S.T.) on Monday the 9th April 1956, to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account of the Company for the year ended 31st December 1955.

(2) To sanction the declaration of Dividends on First and Second Preference Shares and Ordinary Shares.

(3) To elect one Director in place of one who retires by rotation and who is eligible for re-election.

(4) To elect Shri Kishore M. Premchand appointed as Director under Article 124 of the Articles of Association of the Company who is eligible for re-election and offers himself accordingly.

(5) To elect Shri Jaykrishna Harivallabhdas appointed as Director under Article 124 of the Articles of Association of the Company who is eligible for re-election and offers himself accordingly.

(6) To elect Shri Bhupatirai M. Ghia, appointed as Director under Article 124 of the Articles of Association of the Company who is eligible for re-election and offers himself accordingly.

(7) To elect Shri Rasesh N. Mafatlal appointed as Director under Article 124 of the Articles of Association of the Company, who is eligible for re-election and offers himself accordingly, and for that purpose to propose the following Resolution as a Special Resolution as required by Section 261 of the Companies Act, 1956:

"Resolved that Shri Rasesh N. Mafatlal who is a Director of the Company and who retires under Article 124 of the Articles of Association of the Company, being eligible for re-election, be and is hereby re-elected as a Director of the Company."

Note.—It is necessary to propose this resolution as a Special Resolution because Shri Rasesh N. Mafatlal is a partner in Messrs. Mafatlal Gagalbhai and Sons, who are the Managing Agents of the Company, and therefore, his election as a Director of the Company requires a Special Resolution under Section 261 of the Companies Act, 1956.

(8) To appoint Auditors for the current year and to fix their remuneration.

(9) To transact any other business the Chairman may bring forward before the Meeting.

N.B.—A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

The Transfer Books of the Company will remain closed from Monday 27th February 1956 to Tuesday 20th March 1956, (both days inclusive).

By Order of the Board of Directors,
For THE STANDARD MILLS CO., LTD.,
MAFATLAL GAGALBHAI & SONS,
Managing Agents.

MAFATLAL HOUSE,
BACKBAY RECLAMATION,
BOMBAY, *8th March* 1956.

N.B.—The Dividends, when sanctioned, will be made payable from Friday, 13th April 1956 to Tuesday 31st July 1956, at the Bank of Baroda Ltd., Reclamation Branch, Mafatlal House, Backbay Reclamation, Bombay 1, during banking hours and thereafter, at the Registered Office of the Company during office hours on all week days to those shareholders whose names stand on the Register on 20th March 1956.

The shareholders are requested to intimate immediately any change in their registered address to the Company.

To,

The Shareholders of The Standard Mills Co., Ltd., and in particular to:—

Ahmed Mohomed Vaej, Cassim Ahmed Vaej, M. A. Vaej & E. A. Vaej, Faredoon Pestonji Dastoor & Aloo F. Dastoor, Gulam Husein Ismail Pahad, George D. Jayes, Ismail Ebrahim Minty, J. A. Robertson, John Rankine, Jivanlal Vithaldas Madhvani & Nirmala J. Madhvani, M. H. Crowder, Narayan Shum Shere Jung & Mriga Narayan, Narayan Shum Shere Jung & Rani Diviarajia Laxmi, Nawajbai Ardeshir Cama & M. S. Bilimoria, Omar Latiff, Shiavax Rustomji & Gool S. Rustomji, Timothy Mariano Fernandes, Ugni Shum Shere Jung B. Rana, Zubeda Ahmed Patel.

BENGAL POTTERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held on Friday the 30th March 1956, at 3-30 p.m., at the Registered Office of the Company at 45, Tangra Road, Calcutta, to consider and if thought fit to pass with or without modification the following Resolutions:—

(1) As Special Resolutions:—

(*a*) "That Allied Distributors & Co., a firm at present consisting of Messrs. Bharat Ram Charat Ram & Co., Ltd., The Hindusthan Selling Agencies Ltd., Shri R. K. Agarwal, Shri S. K. Agarwal, The Gupta Collective Farms Ltd., and Messrs. K. L. Poddar and Sons Ltd., sole selling agents of the Bengal Potteries Ltd., shall continue to be such sole selling agents after the commencement of the Companies Act, 1955, on the existing terms and conditions, subject however to such alterations as respects the period of their appointment as may be necessary in terms of the said Act."

(*b*) "That Shri H. P. Bhagat, Shri G. K. Bhagat and Shri R. N. Bhagat, who are officers in the service of the Bengal Potteries Ltd., shall remain in the service of the Company after the commencement of the Companies Act, 1955, subject to such agreements as the Managing Agents may on behalf of the Company enter into with them."

(2) As an Extraordinary Resolution:—

"Resolved that the Capital of the Company be increased to Rupees One Crore by creation of 27,03,115 new shares of Rs. 2-8 each ranking for dividends and in all respects *pari passu* with the existing shares in the Company, and that out of the said 27,03,115 new shares, or so much thereof, which the Directors may decide to issue at par, for subscription, with the permission of the Controller of Capital Issues, 1,00,000 shares of the face value of Rs. 2-8 each in the first instance, be issued to Mr. M. G. Bhagat (or his nominee or nominees) of 11, Rawdon Street, Calcutta, for consideration, payable in cash and thereafter the balance of the issue remaining after allotting the said 1,00,000 shares to Mr. M. G. Bhagat (or his nominee or nominees) as aforesaid, be offered to the existing members of the Company, as nearly as circumstances admit, in proportion to the existing shares held by each member of the Company as on the date of issue."

(3) In the event of the Extraordinary Resolution referred to above being passed with or without modification, the following resolution will be proposed as a **Special Resolution**:—

"That Article 4 of the Articles of Association of the Company be altered in the following manner, that is to say:—

(*a*) The figure 1,00,00,000 shall be substituted for the figure 32,42,212-8-0.

(*b*) The figure 40,00,000 shall be substituted for the figure 12,96,885.

(*c*) The figures 30-3-56 shall be substituted for the figures 19-6-47"

(4) As a Special Resolution:—

"That Article 47 of the Articles of Association of the Company be altered by deleting the words 'By Extraordinary Resolution.'"

By Order of the Board,
BHARAT RAM BHAGAT & CO.,
Managing Agents.

45, TANGRA ROAD,
CALCUTTA-15, *Dated 5th March* 1956.

EXPLANATORY NOTES

To comply with the provisions of the New Companies Act, 1955, which is due to come into force from 2nd April 1956 it is necessary that certain actions taken by the Directors and the Managing Agents are approved by the Shareholders in General Meeting.

1. The appointment of Messrs. Allied Distributors & Co. as sole selling agents has to be approved by the shareholders by a special resolution under Section 294 of the New Companies Act, 1955. Of the partners in Allied Distributors & Co., Shri R. K. Agarwal and Shri S. K. Agarwal are relatives of Shri Bishan Swarup Agarwal, a Director of Bengal Potteries Ltd., Sir Shri Ram and Shri Shri Dhar, Directors of the Bengal Potteries Ltd., are also Directors of Bharat Ram Charat Ram & Co., Ltd., Shri G. K. Bhagat and Shri R. N. Bhagat, relatives of Shri M. G. Bhagat, a Director of Bengal Potteries Ltd., are Directors of Hindusthan Selling Agencies Ltd. Both Bharat Ram Charat Ram & Co., Ltd., and Hindusthan Selling Agencies Ltd., are partners of Allied Distributors & Co.

2. According to Section 314 of the New Companies Act, 1955, certain categories of persons may be appointed to an office or place of profit under a company only with the previous consent of the shareholders accorded by a special resolution. Shri H. P. Bhagat, Shri G. K. Bhagat and Shri R. N. Bhagat are related to Shri M. G. Bhagat, one of the Directors of the Company.

3. An ordinary resolution to increase the Capital of the Company was passed at a General Meeting held on the 18th February 1956 at the Registered Office of the Company, but an amendment to the resolution provided that in order to comply with Article 47 of the Articles of Association of the Company the resolution be again passed as an extraordinary resolution.

4. Neither the Companies Act of 1913 nor the New Companies Act of 1955 require an Extraordinary Resolution to increase the Share Capital of the Company. It is thought fit to bring Article 47 of the Articles of Association in conformity with the statutes and therefore a special resolution is being placed before the shareholders to alter Article 47.

THE METAL BOX COMPANY OF INDIA LIMITED

THE BOARD OF DIRECTORS OF THIS COMpany have declared a dividend on the 6 per cent. (taxable) Redeemable Cumulative Preference Shares for the half-year ending 31st March 1956 at the rate of 6 per cent. per annum less tax. Payment will be made on or after 31st March 1956 to those Shareholders whose names appear in the Company's Registers on that date.

NOTICE is hereby given that the Preference Share Transfer Books of the Company will be closed from the 28th to 31st March 1956, both days inclusive.

By Order of the Board,
F. P. GILBERT,
Secretary.

CALCUTTA, *9th March* 1956.

INDIA PAPER MAINTAINS DIVIDEND ON INCREASED CAPITAL

AHMEDABAD ELECTRIC MAKES GOOD PROGRESS

India Paper Pulp Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

After providing Rs. 2,70,000 (Rs. 2,05,000) for depreciation and Rs. 2,50,000 (Rs. 85,000) for taxation, there is a balance at the credit of profit and loss account of Rs. 3,14,250 (Rs. 2,28,010) and after adding the balance brought forward of Rs. 2,10,695 (Rs. 2,16,318), the balance available is Rs. 5,24,945 (Rs. 4,44,328), from which the directors recommend a dividend at the rate of 7 (7) per cent. for the half-year absorbing Rs. 4,41,000 (Rs. 2,10,000), leaving Rs. 83,945 (Rs. 2,34,328) to be carried forward.

The 3,30,000 new ordinary shares of Rs. 10 each referred to in the circular of 3rd August 1955, to shareholders were fully subscribed, raising the Company's issued and subscribed capital to Rs. 63,00,000. The premium of Rs. 10 per share has been transferred to share premium account, the balance on which, after writing off brokerage and underwriting expenses, stands at Rs. 31,60,806.

Orders have been placed for plant to expand the mill's paper making capacity and the orders for the renovation and modernisation of the two existing paper machines will be placed shortly.

Production and sales during the half-year ended 30th September 1955, both showed a slight increase on the previous half-year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	62,98,250	Block ...	34,74,832
Reserves ...	66,03,861	Work-in-progress ...	2,56,851
Provision for taxation ...	5,31,272	Stock of paper and wrapper	5,71,060
Liabilities ...	18,75,935	Raw materials	13,78,753
Profit and loss account ...	83,945	Coal and stores	8,85,627
		Goods-in-transit ...	33,453
		Debts, deposits and advances .	19,63,654
		Cash ...	68,29,031
Rs.	1,53,93,263	Rs.	1,53,93,263

Ahmedabad Electricity Co., Ltd.

The directors of the above Company (Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September 1955.

Share Capital.—The first and second calls at Rs. 25 each per share, on the further issue of 1,75,000 ordinary shares made in September 1954, were made payable on 4th April and 4th October 1955, respectively, making the issue Rs. 75 called up. There are 168 shares remaining to be allotted in exchange for quarter share coupons at the date of the report.

Rates for Supply.—There was no change in the rates during 1954-55. Certain legal-*cum*-financial matters which arose out of the Rating Committee's Report in August 1954, having been decided by the Central Electricity Authority in the Company's favour, the Company in consultation with the State Authorities concerned, introduced a surcharge of 8¾ per cent. effective from 1st October 1955, on supplies to industrial and commercial high tension consumers.

New Connections.—3,676 new connections were made during the year, bringing the total at 30th September 1955 to 42,833, which includes 107 large high tension supplies and the North Gujerat Grid.

Sales.—The following table shows the progress of sales during the last three years:—

For the year ended 30th Sept.	Public and private lighting and fans kw.	Power kw.	North Gujerat grid kw.	Total kw.	Percentage of increase on previous year
1953	17,478,013	305,938,554	62,605,500	386,022,067	19.48
1954	18,839,000	334,556,782	73,397,500	426,794,188	10.56
1955	20,713,965	380,673,009	84,589,000	485,980,974	13.87

Sabarmati Power Station.—The third 15 m.w. turbine and the fourth boiler in "C" Station were brought into commission on 31st March and 13th April 1955, respectively, thus completing the first-stage of the first-half of this Station, and bringing the total installed plant capacity of the combined "A", "B" and "C" Stations to 142,500 kw. The highest peak demand recorded during the year was 100,000 kw. All the plant has worked and been maintained satisfactorily. The fourth 15 m.w. turbine for "C" Station has now been placed on order.

Government Control on Supplies.—With the commissioning of all new plant in "C" Station, Government restrictions on supplies for domestic purposes and for low tension power (with certain exceptions) were withdrawn from June 1955, but h.t. supplies continue to be controlled. Coal deliveries were not very satisfactory, the daily stock having dwindled from about 21,000 tons in October 1954 to 17,000 tons in September 1955, against an average monthly consumption of 30,000 tons. Since the close of the year, there has been an improvement in the position.

North Gujerat Grid Scheme.—The demand from this source continued to rise and the maximum load recorded during the year was 17,000 kw., as against 14,100 kw. in 1953-54.

Mains Extensions.—4.19 miles of h.t. mains and 19.47 miles of l.t. mains were laid during the year. There have been no additions to the 66 k.v. transmission lines which remain at 20¼ miles. Eight new sub-stations for general supply, three for rural electrification and three for municipal drainage pumping and tube well stations were erected and commissioned. Both the transmission and distribution systems operated satisfactorily.

The profit for the year amounts to Rs. 36,11,988 (Rs. 39,80,703) after charging depreciation in accordance with the provisions of the Electricity (Supply) Act, 1948, amounting to Rs. 36,34,214 (Rs. 22,44,067). To the profit of Rs. 36,11,988 (Rs. 39,80,703) there falls to be added Rs. 6,00,000 (Rs. 8,80,000) transferred from equalisation of dividends reserve and Rs. 1,517 (Rs. 3,707) brought forward from last year, making a total of Rs. 42,13,505 (Rs. 48,64,410). After providing Rs. 3,27,722 (Rs. 2,79,148) for statutory contingencies reserve and writing off Rs. 5,100 (Rs. 5,100) from promotion expenditure, Rs. 22,628 (Rs. 21,663) from stamp duty and brokerage on mortgage debentures, Rs. 6,975 (Rs. 4,869) from new share capital issue expenses and Rs. 1,705 (Rs. 1,705) from discount on new issue of mortgage debentures, all in compliance with the Electricity (Supply) Act, 1948, it is proposed to take Rs. 55,680 (Rs. 37,662) to employees' retiring gratuities reserve. There then remains a balance of Rs. 37,93,695 (Rs. 45,14,272) and after deducting from this the ad-interim dividend of Rs. 2-8 (Rs. 2-8) per share, proportionate to the amounts called up, absorbing Rs. 18,25,090 (Rs. 17,13,033), there is available Rs. 19,68,605 (Rs. 28,01,239) which it is proposed to apply as follows:—

To payment of a dividend for the half-year ended 30th September 1955 at the rate of Rs. 2-8 (Rs. 4) per share, proportionate to the amounts called up (making 5 (6¼) per cent. for the year) Rs. 19,68,417 (Rs. 27,99,882) and leaving a balance to be carried of Rs. 188 (Rs. 1,357). The balances of Rs. 89,663 in the premium on shares account and Rs. 4,61,943 in the general reserve account have been transferred to equalisation of dividends reserve account.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,87,32,895	Block ...	11,07,10,009
Debentures ...	2,00,00,000	Work-in-progress ...	1,84,298
Reserves ...	69,90,563	Stores ...	52,65,735
Liabilities ...	1,88,47,013	Loose tools and instruments ...	2,92,763
Profit and loss account ...	188	Other assets	9,04,088
		Debts, deposits and advances ...	31,31,626
		Investments	12,28,919
		Cash ...	8,53,221
Rs.	12,45,70,659	Rs.	12,45,70,659

Bengal-Nagpur Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June 1955.

After providing Rs. 4,800 (Rs. 17,315) for depreciation and transferring Rs. 17,780 (Rs. 10,448) to capital reserve, there remains a balance of Rs. 57,417 (Rs. 26,130) at the debit of profit and loss account. Rs. 3,938 (*nil*) has been transferred from the general reserve and the directors recommend that preference dividend for the half-year ended 30th June 1955, be paid out of it.

Arrangements have been made for the raising and despatching of approximately 20,000 tons of coal which remained to be worked at Bhuggutdih Colliery and to which a reference was made in the last report.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,37,500	Block ...	2,52,839
Reserves* ...	4,77,174	Stock of coal	11,143
Provision for taxation and cesses ...	12,048	Stores ...	6
Liabilities ...	1,15,473	Debts, deposits and advances ...	6,64,298
		Cash ...	13,909
Rs.	9,42,195	Rs.	9,42,195

Bararee Coke Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

The profit and loss account shows a balance of profit of Rs. 2,62,734 (Rs. 1,10,253) to which has to be added the balance brought forward from the previous half-year, viz., Rs. 12,449 (Rs. 31,068) and dividends forfeited, less paid Rs. 1,390 (*nil*), making a total of Rs. 2,76,572 (Rs. 1,89,248). Out of this sum there has been transferred to depreciation account Rs. 39,864 (Rs. 30,565), provided for taxation Rs. 1,05,000 (Rs. 40,000) and transferred to general reserve account Rs. 25,000 (*nil*), leaving a balance available for disposal of Rs. 1,06,708 (Rs. 1,04,386) which the directors recommend should be dealt with as follows:—

In payment of a dividend on the share capital of 7 (7) per cent. without any deduction for income-tax payable by the Company, absorbing Rs. 84,000 (Rs. 84,000), leaving a balance at credit of Rs. 22,708 (Rs. 20,386) to be carried forward to the next account.

Manufacture and despatches during the half-year were as follows:—

	Manufactured Tons	*Despatched* Tons
Coke	28,971 (23,187)	28,584 (23,638)
Tar and Pitch	1,242 (971)	1,169 (900)
Sulphate of ammonia ..	283 (210)	152 (197)
	Gallons	Gallons
Benzol	4,271 (4,007)	6,132 (6,422)

The directors consider the results for the half-year satisfactory under present-day conditions. Working during the current half-year has been satisfactory, so far.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	2,65,000
Reserves ...	8,52,573	Stocks ...	11,73,640
Provision for taxation ...	2,28,334	Debts and advances ...	15,74,179
Liabilities ...	8,95,226	Investments	5,708
Profit and loss account ...	22,708	Cash ...	1,80,314
Rs.	31,98,841	Rs.	31,98,841

Belvedere Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

After making necessary adjustments for taxation and transferring Rs. 1,75,000 (*nil*) from emergency reserve, Rs. 50,000 (*nil*) from general reserve and Rs. 94,500 (*nil*) from dividend equalisation reserve there is a balance of Rs. 95,505 (Rs. 2,76,411) at the credit of profit and loss account from which the directors recommend payment of dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share absorbing Rs. 24,500 (Rs. 24,500) and on ordinary shares at Rs. 2-8 (Rs. 5) per share absorbing Rs. 70,000 (Rs. 1,40,000), leaving Rs. 1,005 (Rs. 1,11,911) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 48 hours per week with 12½ per cent. of the total looms sealed. Trading during the period was unprofitable owing to the high price of raw jute in relation to the market for manufactured goods. Agitation against the introduction of the Employees' State Insurance Scheme ended in a riotous demonstration. This resulted in a closure of the mill which involved the loss of 1,09,701 loom hours and further adversely affected the financial results for the half-year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	35,00,000	Block ...	42,34,111
Reserves ...	32,30,123	Stock of cloth and bags	6,55,104
Provision for taxation ...	31,667	Stock of jute	23,57,930
Liabilities ...	21,08,106	Stores ...	8,97,308
Profit and loss account ...	1,005	Debts, deposits and advances ...	6,50,285
		Investments	55,358
		Cash ...	20,805
Rs.	88,70,901	Rs.	88,70,901

Caledonian Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th November 1955.

After making necessary adjustments for taxation and transferring Rs. 1,85,000 (*nil*) from general reserve there is a balance of Rs. 86,248 (Rs. 2,03,538) at the credit of profit and loss account from which the directors recommend payment of dividends on preference shares at Rs. 3-8 (Rs. 3-8) per share absorbing Rs. 35,000 (Rs. 35,000) and on ordinary shares at Rs. 2-8 (Rs. 5) per share absorbing Rs. 45,000 (Rs. 90,000) leaving Rs. 6,248 (Rs. 78,538) to be carried forward.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mills worked 48 hours per week with 12½ per cent. of the total looms sealed. Trading during the period was unprofitable owing to the high price of raw jute in relation to the market for manufactured goods.

During the half-year the Hessian Warp Section of the mill was modernised with the installation of 15 sliver spinning frames and ancillary machinery. This section of the mill has since been working double shift.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,00,000	Block ...	45,64,476
Reserves ...	30,46,234	Stock of cloth and bags	5,85,673
Provision for taxation ...	41,548	Stock of jute	15,11,719
Liabilities ...	19,14,416	Stores ...	7,16,207
Profit and loss account ...	6,248	Debts and advances ...	3,64,036
		Investments	45,642
		Cash ...	20,693
Rs.	78,08,446	Rs.	78,08,446

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

*Reserves have been shown after deducting the debit balance in the profit and loss account, amounting to Rs. 57,417.

GILT-EDGED STEADY

(From Our Own Correspondent)

BOMBAY, 14*th March*

The short-term money market continued to experience stringency during the week under review also. The pressure for bank credit was rather heavy, as a result of the progress of the busy season. With no fresh avenues of supplies, banks had to seek frequently accommodation from the Reserve Bank and the State Bank of India. In view of the paucity of supplies, the volume of business in the market was confined to small proportions. In the inter-bank section, call money among the Exchange banks and Indian banks was keenly bid at the self-same rate of 3½ per cent. House money at call was also placed at 3½ per cent. Short-term deposits were offered 3¼ per cent. for one to six months and 3½ per cent. for large sums of Rs. 5 lakhs and over.

There was a fractional rise in the Government of India 91-day Treasury Bill rate this week from Rs. 2-8-5 per cent. to Rs. 2-8-6 per cent. per annum. The amount offered was lower at Rs. 106 lakhs, as compared with Rs. 136 lakhs offered last week. Tenders for Rs. 100 lakhs have been invited for next week also.

An expansion in notes in circulation to the extent of Rs. 25.44 crores is disclosed by the Reserve Bank of India's statement for the week ended 9th March 1956. This is the second week in succession for which the active notes have recorded a sharp rise, the aggregate expansion for the two weeks being Rs. 41.24 crores. Notes held in the Banking Department are again lower by Rs. 1.86 crores, so that the rise in total notes issued is Rs. 23.58 crores, which is covered on the assets side by an increase of Rs. 15 crores in foreign securities and of Rs. 10 crores in rupee securities and a decline of Rs. 1.42 crores in rupee coin. In the Banking Department, deposits of the Central Government have declined further by Rs. 5.25 crores. There has also been a fall of Rs. 7.47 crores in deposits of other Governments and of Rs. 1.94 crores in those of banks. On the assets side, cash balances are lower by Rs. 1.81 crores and balances held abroad by Rs. 13.36 crores. Loans and advances to Governments are up by Rs. 1.48 crores and other loans and advances by Rs. 4.96 crores. Of the latter, advances to Scheduled banks against usance bills account for a decline of Rs. 1.85 crores. Fresh advances to Scheduled banks against these bills during the week amount to Rs. 2.37 crores. There has been a distinct fall of Rs. 9.80 crores in investments, while Government Treasury Bills purchased and discounted have risen by Rs. 5.94 crores.

In distinct contrast to the aggregate rise of Rs. 4.76 crores noted in the previous two weeks, the demand deposits of Scheduled banks have declined by Rs. 8.61 crores during the week ended 2nd March 1956. Time deposits are also lower, but by a negligible extent. Inter-bank borrowings have gone up by Rs. 1.36 crores, borrowings from the Reserve Bank by Rs. 7.65 crores and those from the State Bank of India by Rs. 1.86 crores. A sharp rise of Rs. 9.33 crores is noted in advances and of Rs. 5.53 crores in bills purchased and discounted. Investments are lower by Rs. 1.73 crores, while cash in hand and balances with the Reserve Bank are up by Rs. 1.17 crores. Balances with other banks in current account have gone down by Rs. 37 lakhs, while money at call and short notice show a rise of Rs. 1.35 crores.

The Gilt-edged market displayed a distinctly better tone during the week under review. There were small buyers in most of the dated securities, a few of which, as a consequence, hardened in prices. Even the Conversion Loan, which was on offer in previous weeks, attracted some buyers, in view of the approach of the half-yearly interest payment. The 4 per cent. 1967 State loans also had small enquiries at quoted rates. The volume of business, however, remained small.

3 per cent. 1957 was in demand and gained an anna to Rs. 99-10. 3 per cent. 1958 had buyers at the unchanged rate of Rs. 99-8 and 3 per cent. 1959-61 held its own at Rs. 98-1. 3 per cent. 1963-65 and 3 per cent. 1964 were in request at Rs. 94-9. 3 per cent. 1966-68 gathered As. 2 to Rs. 92-10 and 3 per cent. 1970-75 as much as As. 4 to Rs. 89-2, at which level also there were buyers. 3 per cent. 1986 Conversion Loan put on As. 4 to Rs. 77-4 *cum-voucher*. 3½ per cent. 1961 was wanted at Rs. 90-6, 3¾ per cent. 1964 an anna better at Rs. 98-8 and 3½ per cent. 1965 at Rs. 98-6. Among 4 per cent. 1967 State loans, Andhra, Mysore, Saurashtra and Hyderabad gained an anna each to Rs. 99-4, Rs. 99-6, Rs. 99-10 and Rs. 99-4, respectively.

In the foreign exchange section, the rupee gained some strength in terms of the U.S. dollar, in sympathy with a similar trend displayed by sterling. The Banks' selling rate for ready dollars moved from Rs. 478¼ to Rs. 477¼ per $100 and their buying rate from Rs. 474 to Rs. 473. In New York, spot sterling gained from $2.80¾-2.80⅞ to $2.80¼-2.80⅜, three months' forward from $2.78.7/16-2.78.9/16 to $2.78⅜-2.78½ and transferable sterling from $2.77¼-2.77⅜ to $2.77½-2.77⅝.

LINSEED FIRM

(Messrs. A. Bradley & Co.)

BOMBAY, 12*th March*

Firm conditions have been maintained in the linseed market and values remain more or less unchanged. Although ready goods are still very scarce, there has been a fair turnover for forward delivery. Prices in the oil section have been well maintained, but owing to slightly weaker advices received from the U.K., shippers are operating cautiously.

Latest quotations are as follows: March Rs. 25 and April-May Rs. 22-12 per maund.

BULLION FLARES UP

(From Our Own Correspondent)

BOMBAY, 14*th March*

The bullion market ruled distinctly firm during the week under review, in refreshing contrast to the soft tone displayed in the previous week. The prices of both the metals advanced sharply, but gold had the distinction of establishing a fresh record high since February 1952, by touching today Rs. 103-2 in the forward position and Rs. 103-14 in the ready. Over the week, forward silver gained Rs. 3-1 per 100 tolas and forward gold Rs. 3-5 per tola.

The rise in gold has been so marked that it attracted the operation of the margin clause. As the closing quotation today stood more than Rs. 5 above the starting rate of Rs. 97 fixed for the current settlement, the bulls were obliged to pay a margin of Rs. 7 per tola on their outstanding purchases. A special clearing was also enforced.

The flare-up in bullion prices during the week was attributed to attempts of squeeze by a bull syndicate. Rumours that the U.S. would raise its price of gold, reports of good offtake of gold in up-country centres and decline in stocks of silver were all the bullish factors which induced the bears to cover up their sales frantically.

Silver for forward delivery (28th March settlement) advanced from Rs. 174-12 to Rs. 176-11 on Monday this week. After a short-lived recession to Rs. 175-13 yesterday, the white metal jumped to Rs. 177-14 to-day and closed at Rs. 177-13.

Ready silver (.996 Mint) hardened from Rs. 174-4 to Rs. 178-1 at the close today. It will be noted that the ready metal which had been quoted at a discount of As. 8 last week came to command, from yesterday onwards, a premium of As. 4 over the forward, reflecting the shortage of ready stocks. The floating stocks of silver are estimated at 900 bars. The daily average offtake was 25 bars.

Forward gold (27th March settlement) rallied from Rs. 99-12 to Rs. 101-13 on Saturday last. Reacting therefrom to Rs. 100-10, the forward gold shot up to Rs. 103-1 at the close today.

Ready gold gathered strength from Rs. 100-6 to Rs. 103-13. The floating stocks of gold are reported to be 30,000 tolas. The daily average arrivals were 5,000 tolas, while the offtake was a shade lower at 4,500 tolas on an average.

In London, silver was unchanged at 79*d.* for both spot and forward deliveries, while gold declined from 249*s.* 8½*d.* to 249*s.* 4¾*d.* New York silver price was, however, unchanged at 91¼*c.*

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

	14-3-56	Highest	Lowest	7-3-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	103 13	103 14	100 7	100 6
Forward*	103 1	103 2	99 12	99 12
Sovereign	64 0	64 0	63 8	63 8
SILVER				
Ready (.996 fine Mint) ..	178 1	178 2	174 1	174 4
Forward†	177 13	177 14	174 9	174 12
London Silver Ready ..	79*d.*	—	—	79*d.*
London Forward	79*d.*	—	—	79*d.*
London Gold	249*s.* 4¾*d.*	249*s.* 7¾*d.*	249*s.* 4¾*d.*	249*s.* 8¾*d.*
New York Ready	91¼*c.*	—	—	91¼*c.*

* 27th March settlement.
† 28th March settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, 12*th March*

The foodgrain markets rules firm. The Government of India seems to be concerned over the rise in prices and more steps are being taken to ease the situation. Besides banning the export of husked rice, more wheat is being released through cheap depots in the affected areas of Northern India. The Punjab Government has requested the Central Government to impose a ban on export of wheat from the State until the arrival of the new crop. It has already released about 13,000 tons of wheat, in order to arrest the upward trend in prices.

Wheat prices at Hapur recorded a rise of As. 4 per maund during the mid-session of the week to Rs. 15-8 and *khati* prices rose to Rs. 14-12. Prices, however, receded to Rs. 15-6 and Rs. 14-9, respectively, towards the week-end, following Government's declaration to arrest the rising trend. Stock figure ran down by 6 *khaties* to 14 *khaties* during the week. Most of the offtake was for local requirements, as daily arrivals were scanty, the average being 50 maunds. Prices of other grains recorded a strident advance. Gram was transacted at Rs. 11-8 for local quality and Rs. 12 for Punjab quality. Stocks ran down by 3 *khaties* to 7 *khaties*. *Bejhar* and barley prices registered an improvement of As. 8 to Rs. 11-4 and Rs. 10-12 per maund, respectively. Maize and *bajra* prices also advanced to Rs. 11-4 and Rs. 10-4 per maund. Rice prices continued to harden, despite ban on export under previous contracts.

Stocks of peas and *arhar* went down and demand for pulses continued from Madras side. New arrivals of peas, it was expected, would begin by the end of the week. Prices of other pulses, namely, *urd*, *moong* and *masoor* appreciably advanced during the week and were quoted today at: *Urd* Rs. 17; to Rs. 18-8; *moong* Rs. 13-8; *masoor* Rs. 13-12.

Pulses futures registered an appreciable advance during the week on continuous bull support from Madhya Pradesh and Gujerat operators. The latest quotations as on Monday were: *Peas jeth* Rs. 9-1, peas white (gram) *jeth* Rs. 9-13-6, *arhar jeth* Rs. 10-8-6 and *urd baisakh* Rs. 16-14.

SPOT COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 14*th March*

The permission of the Forward Markets Commission for the commencement of futures trading in I.C.C. August is awaited with considerable interest in cotton circles. The Commission, it is reported, has almost completed examination of the changes in the new contract proposed by the Board of the East India Cotton Association (E.I.C.A.). Immediately after the Commission gives its sanction, which is expected any day, the E.I.C.A. Board will convene a meeting and decide the date for the resumption of futures trading in I.C.C. August.

A notable development of the week in the spot cotton market was the directive of the Cotton Adviser to the Textile Commissioner asking the shippers to utilise the export licences issued in their favour by the end of this month, "in order that they may not lapse." The directive induced the operators to lighten their commitments, with the result that the prices of delivery contracts suffered a sharp fall yesterday. Thanks to this fall, the mills withdrew support to some extent, in anticipation of a further decline in prices.

But for the setback in spot values yesterday, the Sewri market put on quite a cheerful appearance during the week, Vijay was particularly firm, thanks to withholding of stocks by co-operative societies and reduced arrivals. Khandesh and Berar lots also met with good demand. Surti, Jayadhar, Laxmi and Morbi-Dhollera styles, too, evoked some enquiries. The export section ruled active, shippers' attention being concentrated on Oomras, CP 1 and CP 2, Khandesh and Jarillas. Some transacting were put through in Zoda cotton. In the import section, there were signs of revival of mill demand. Africans were specially sought after. A fairly large quantity of Busoga was reported to have been bought by a group of mills at Rs. 1,440 April-May shipment. Deals in Budama were put through at Rs. 1,445. Higher grade Egyptians elicited some enquiries.

The latest available quotations for the Sewri market are: Bengal *deshi* Rs. 730; Berar Jarillas Rs. 785; Khandesh Rs. 770; Vijay Rs. 910; Oomra *deshi* Rs. 730, *Moglai* Rs. 675.

The depressed tone noted in the Karachi cotton market deteriorated further this week. In fact, the market ruled distinctly weak. The morale of operators was almost lost, thanks to renewed apprehensions of a severe competition in world cotton markets, following the impending sale of U.S. cotton with effect from August next. These apprehensions, coupled with increased upcountry arrivals, forced the longs into sales which brought about a heavy landslide in prices. The downward trend persisted till yesterday when, on account of support at lower levels, the market staged a recovery. The recovery was, however, not so marked as to make up the earlier losses, so that yesterday's closing rates were still very much below those prevailing at the end of last week. N.T.R.G. March delivery slumped from Rs. 80-7 to Rs. 77-2 on Monday before finishing at Rs. 78-14 per 82 lbs. May delivery, after dropping Rs. 3-1 to Rs. 75-10, closed at Rs. 77-2. The spot prices of cotton also suffered a sharp break, as will be seen from the following quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton:

	13*th March* Rs. a.	6*th March* Rs. a.
Punjab *deshi*	73 0	74 8
4 F. Roller	73 10	77 4
Punjab Roller	78 14	82 6
S.G.	83 14	88 6
289 F. NT Roller	82 2	85 2
S.G.	87 0	91 14
289 F. Punjab Roller ...	86 14	90 7
S.G.	92 14	96 10

Cotton futures at Alexandria were subjected to a continuous pressure of sales, on fears of reduced purchases by oversaes interests. Consequently, prices moved downwards. The undertone of the market was weak. The latest available quotations —in tallaris per lb.—from the Alexandria cotton futures market (figures in brackets giving last week-end rates) are given below:

Karnak: March 86.40 (90.50) and May 85.65 (90.70); Ashmouni: April 68.15 (71.05) and June 67.00 (69.95).

The first auction of the new crop Sudan cotton was held on the 8th inst. At this auction, 600 bales of GS, 1,200 bales of XG2S and 2,400 bales of G2S were offered; the reserve prices for these varieties were 53d., 57d. and 56d. per lb., respectively. As these prices were very high, Indian mills do not appear to have evinced any interest in the auction. The second auction, covering 1,500 bales of GS, 1,800 bales of XG2S and 2,400 bales of G2S, is being held today. It will be recalled that the facility of buying "on call" has been withdrawn. The new crop sales are on a fixed price basis.

There was a sharp fall in prices of new crop Uganda cotton at the recent auctions. This is surprising, considering the lower estimates of the crop, the yield of which is expected to aggregate not more than 340,000 bales. Of this quantity, about 210,000 bales have already been sold.

Easy conditions prevailed in the Liverpool cotton futures market during the week under review. The new July-August contract was particularly neglected on the assumption that the U.S. Commodity Credit Corporation cotton could be shipped in time to be tendered against this contract. Cotton traders at Liverpool remain anxious, lest the new Washington policy should lead to a world price war. It is pointed out, for instance, that, despite the reiterated assurances of the U.S. Secretary of Agriculture that the U.S. would do nothing to disrupt the markets, the fear exists that growers of American-type cotton elsewhere may start to undercut America in an attempt to secure business before the cheaper U.S. cotton becomes available from the start of next season. The Liverpool Cotton As-

sociation has expressed the view that world prices may drop to what it called unnecessarily low leve's, if there is an all-out battle between U.S. growers and their competitors. If the Department of Agriculture insists on a floor price, it will be relatively simple for other producers to offer their growths at a lower level and keep the business they have already taken from the U.S. From the spinners' point of view, however, a reduction in the price of U.S. cotton may, it is expected, stimulate purchases, as Lancashire spinners generally prefer the quality and the continuity of supply which can be obtained from America. A fall in world cotton prices would, some feel, probably not cause any substantial stock losses, since stocks are at their lowest for many years.

The latest available quotations (in pence per lb.) from Liverpool are: *Old contract*: March-April 25.95; May-June 25.35; July-August 24.25. *New contract*: May-June 31.50; July-August 27.55; October-November 26.10; December-January 25.80; March-April 25.70. *Egyptian Karnak cotton*: March-April 49.10; May-June 48.56; July-August 48.55.

A quiet trend was in evidence in the New York cotton futures market. Selling in new crop positions continued, because of the repeated official pronouncements backing the flexible support formula. Activity in the spot market was slow. Shippers were generally covering their requirements of higher quality cotton from the C.C.C. The Bureau of Agriculture has announced mid-February parity price for cotton at 34.72 cents, which is 12 points lower than the mid-January parity. The net stocks of cotton in the loan as on 24th February was 6,626,012 bales. The sale of 109,578 bales of cotton early this month, with adjustment and correction, brings the total quantity of surplus cotton sold by the C.C.C. to 1 million bales, that is the quantity set for the cotton export programme. No further offers, it is said, will be considered.

The U.S. Department of Agriculture has, as stated in this report last week, decided to launch a new export sales programme for C.C.C. stocks of upland cotton. The details of the programme are: Sales will be made periodically on a competitive bid basis, as under the current special cotton export programme which is limited to cotton of 15/16" staple length and shorter. While cotton cannot be exported under the new programme before 1st August 1956, the programme is being announced at this time so that the domestic cotton industry, as well as foreign users of cotton, will know the Department's export sales policy and can begin to make forward sales and purchases. Sales under the programme will begin in the near future, as soon as the necessary programme of details can be developed. All qualities of upland cotton in the C.C.C. inventory and listed in the catalogue will be available for sale. Cotton sold under the programme will be eligible for delivery against all sales, including Public Law 480 sales. The U.S. cotton will be made available for export on a competitive basis, but sales will be made in an orderly manner to avoid disrupting world market prices and impairing the traditional competitive position of friendly countries. Export requirements and conditions will be contained in an announcement to be issued by the Cotton Division, Commodity Stabilisation Service. Terms and conditions of sales will be released, the catalogue will be issued, and all sales will be made by the New Orleans C.S.S. Commodity Office.

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

(In cents per lb.)

	13-3-56	6-3-56	28-2-56
Spot	36.60	36.60	36.60
March	—	35.77	35.70
May	35.22	35.43	34.90
July	33.26	33.79	33.87
October	31.77	31.47	31.90

YARNS RECEDE FURTHER

(From Our Own Correspondent)

BOMBAY, 14*th March*

The yarn market continued to rule bearish during the week under review also. Rayon yarns were particularly weak. Thanks to absence of a levy of excise duty on yarn in the budget and reduced offtake by consuming centres, the operators who had purchased large quantities of yarn before the budget proposals were eager to lighten their stocks. Consequently, prices of rayon yarns moved further downwards. The staple fibre yarn section was also subjected to selling pressure, induced by reports that the import trade control authorities were granting liberal licences for imports of foreign yarns. Cotton yarns, too, failed to elicit adequate support, owing to reports of slackness in demand from handlooms.

In the rayon yarn section, Snia yarn (120 dull cones) for April delivery dropped Rs. 12 to Rs. 815. June delivery fell by Rs. 11 to Rs. 820. 120 Japan lost half an anna to Rs. 4-6-6. 120 Italy and 150 Italy were both quiet at Rs. 3-15. 150 Japan, however, evoked some special support and put on six pies to Rs. 4-4. Among indigenous yarns, National Rayons 120 Bt. cones I grade receded by 21 pies to Rs. 3-12-3. 150 Bt. cones I grade declined by an anna to Rs. 3-10.

There was, as already stated, a wave of selling in staple fibre yarns. 40 x 2 Centurys slumped by As. 3-6 to Rs. 3-12-6. New Greats were hammered down by As. 3 to Rs. 3-13. Citys and Kohinoors both dropped a like amount to Rs. 3-13. Imported yarns also suffered a break in values. 80 x 2 Suicos moved down by As. 6-6 to Rs. 8-3-6. Paramounts fell by As. 2 to Rs. 7-11. Fujis were down by an anna at Rs. 7-14.

The prices of cotton yarns of all counts staged a retreat during the week. Among 10s, Podars decreased by As. 2 to Rs. 12-14. Elphinstones eased by an anna to Rs. 12-5. Deals in 20 counts were put through at lower levels. Maduras and Hinds losing an anna each to Rs. 17-6 and Rs. 16-7, respectively. Thirty count yarns were neglected, Maduras being quoted at Rs. 22-10 and Indus at Rs. 22-8. Among 40s, Minaxis lacked support and retreated by As. 8 to Rs. 27-12. Centurys climbed down by As. 2 to Rs. 27-2. There was a fall of As. 10 in the prices of both 60 counts Finlays and Moderns which were done at Rs. 61-14. Among 80s, Finlays dropped As. 8 to Rs. 27-4. Elphinstones lost As. 4 to Rs. 62-4.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	14-3-1956	7-3-1956	29-2-1956
Art Silk yarn (per case of 200 lbs.)—	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia April ..	815 0	827 0	833 0
June ..	820 0	831 0	—
120 Japan (per lb.)	4 6½	4 7	4 0
150 Japan (per lb.)	4 4	4 3½	4 3½
120 Italy (per lb.)	3 15	3 15	4 0½
150 Italy (per lb.)	3 15	3 15	4 1
Staple fibre yarn (per lb.)			
40 x 2 New Great	3 13	4 0	4 1½
40 x 2 Century	3 12½	4 0	4 1½
40 x 2 City	3 13½	4 0½	4 2½
Cotton yarn (per bundle of 10 lbs.)—			
10s Elphinstone	12 5	12 6	12 6
20s Hind	16 7	16 8	16 8
30s Madura	22 10	22 10	22 12
40s Minaxi	27 12	28 4	28 0
60s Finlay	61 14	62 8	62 8
80s Finlay	72 4	72 12	73 0

GROUNDNUTS FIRM

(From Our Own Correspondent)

BOMBAY, 14*th March*

With the exception of linseed, other sections in the oilseeds market registered an upward trend during the week under review. The firmness witnessed in the groundnut section persisted on good demand for seeds by *vanaspati* interests and crushers and on reports of short supply position of the seeds and oil stocks. Stock holders were, therefore, unwilling to dispose of their stocks. Despite the high prices for groundnut oil, certain trade interests were optimistic enough to expect announcement of export quotas in groundnut oil. Groundnuts, as a result, depicted a firm trend. The castorseeds section also advanced further on reports of good enquiries for castor oil from the Continent. A rise in castor oil prices in the U.K. from £115 to £117 per ton c.i.f. for B.S.S. quality induced speculative support and values staged a smart rally. The linseed section, however, put on a quiet tone on profit-taking at the high level touched last week. Quotations in this section were a shade lower, disclosing small losses on balance.

In the groundnut section, Bold F.A.Q. advanced from Rs. 31-6 to Rs. 32-8 thereby recording a gain of Re. 1-2. April-May delivery changed hands at Rs. 33, as against Rs. 32-3. Coromandals gathered Re. 1 to Rs. 33 and Khandesh quality Re. 1-2 to Rs. 33. Groundnut oil ex-mill ready improved from Rs. 17-4 to Rs. 18. April and May deliveries changed hands at Rs. 18-1 and Rs. 18-2, as against Rs. 17-3 and Rs. 17, respectively.

In the castorseed section, May delivery opened the week at Rs. 123, as against Rs. 122. After fluctuating between Rs. 127-4 and Rs. 122-12, it finished the week at Rs. 127. Madras quality hardened by As. 12 to Rs. 24-12 and Kanpur by As. 6 to Rs. 22-14. Castor oil commercial quality, however, changed hands lower at Rs. 13-8, as compared with Rs. 13-12, and B.S.S. at Rs. 14-8, as against Rs. 14-12.

Bold ready in the linseed section declined from Rs. 33 to Rs. 32-14 and April-May delivery from Rs. 33-2 to Rs. 32-8. Small Satna suffered As. 2 to Rs. 31-6. Linseed oil was done at Rs. 20-15, as against Rs. 21-2.

Among others, *kardi* bold gained As. 8 to Rs. 19, while *niger* Madras was quiet at Rs. 27-4.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	14-3-1956	7-3-1956	29-2-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	33 0	31 14	31 4
April-May	33 0	32 8	31 4
Linseed—			
Bold Ready (per cwt.) ..	32 14	33 0	32 0
April-May	32 8	33 2	31 15
Castorseeds—			
May	127 0	122 0	118 12
Madras (per cwt.)	24 12	24 0	23 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 0	17 4	16 5
Castor Oil—			
Commercial (per quarter) ..	13 8	13 12	13 0
Linseed Oil—			
Ready	20 15	21 2	20 14

SUGAR FULLY STEADY

(From Our Own Correspondent)

BOMBAY, 14*th March*

The sugar market depicted a fully steady trend, thanks to considerable amount of support extended by speculative interests. Even heavy arrivals of indigenous sugar into the market—amounting to as much as 30,200 bags, as against 16,200 bags in the previous week—failed to have any effect on the market. Nor were the reports about a drop of As. 8 per bag in the ex-mill quotations for Bombay-Deccan sugar of any significance. Operators were generally busy making purchases, while bears were covering their positions, with the result that the prices of sugar tended to look up.

In the forward section, *Fagan* delivery contract for C grade sugar rallied Re. 1-5 to Rs. 91-13 before closing at Rs. 91-10 per bag. In sympathy, the new forward delivery improved from Rs. 91-2 to Rs. 91-14; at one time, it was quoted still higher at Rs. 91-15.

In the spot section, D grade indigenous sugar rose from Rs. 88-Rs. 90 to Rs. 88-Rs. 91. C grade was quoted at Rs. 91-Rs. 94, as against Rs. 91-Rs. 94, and A grade at Rs. 97-Rs. 101, as against Rs. 98-Rs. 100. B grade, however, lost a rupee to Rs. 94-Rs. 97. British refined sugar was fully maintained at Rs. 83-8 per 2 cwts.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER EASY

(Messrs. Parekh & Co.)

BOMBAY, 14*th March*

During the earlier part of the week Malabar black pepper ruled quiet with a downward tendency. Prices remained nominally unchanged. In spite of fair-sized accumulation of floating stock in the primary centres, bulls among growers and traders were reported trying to support prices with a view to attracting American buying. New York buyers were, on the other hand, reported to be stiff and refusing to pay anything more than $0.30 for March shipment. They were also said to be indicating the price for afloat and unsold spot at $0.30, but were not anxious to give firm bids. Despite small export during February from India, New York is persisting in hand-to-mouth buying. This is making Indian growers all the more nervous. Refusal by local bankers at port markets to give further loan on pepper is forcing small holders to liquidate their stock at best prices.

Singapore market is reported quiet with small buying interest. Sarawak Black is selling at Singapore $93, the highest being Singapore $96. The latest crop estimate of Sarawak pepper by knowledgeable sources is placed at about 16,000 tons with prospect of exportable quality coming in much earlier than usual during April. If it is so, Malabar shall have to mark down its price for selling pepper in quantity in U.S.A. and European markets. Otherwise Malabar has to look to the U.S.S.R. for support, which in the present circumstances looks doubtful.

In the later part, the market in Alleppey and Cochin ruled easy with growers pressing sales. They are reported willing to sell at Rs. 800, but no exporter is coming forward to take up the quantity. Small sales do not help stabilise prices.

In the A.S.T.A. section, there are sellers for April at $0.31, May-June at $0.31½ and July-August-September at $0.31¾.

In the delivery section, prices, after showing steadiness for some days past, are now reported easy without attracting buyers.

Following are today's nominal quotations: Ready delivery Rs. 111 (as against Rs. 112 a week ago) per Bengal maund, March Rs. 780-90 (Rs. 790-Rs. 800) and April Rs. 790-800 (Rs. 800-Rs. 810) per candy of 5¼ cwts.

STRONG GENERAL DEMAND FOR TEAS

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 9*th March*

Offerings in dust sale E which was held on Tuesday 6th March, amounted to 400,000 lbs. The sale opened to a strong general demand. Commons and mediums were fully firm and occasionally up to one anna dearer. Milled dusts were irregular and these types may be quoted slightly easier. Best liquoring dusts met with competition and advanced by As. 2 to As. 3. Clean black Middle East types were the strongest feature and prices were often As. 2 to As. 3 dearer.

London Market—Sale of 5th March 1956.—Best liquoring sorts and all fannings tended dearer. Brown leaf Dooars irregular. Plain firm to dearer.

Sale of 6th March 1956.—Improved quality high-growns appreciably dearer. Coloury mediums 1d. to 2d. dearer.

Colombo Market—Sale of 5th March 1956.—Off grades very strong. Generally dearer, particularly broken mixed and fannings with useful quality.

Sale of 6th March 1956.—Active demand. High-growns dearer, following improved quality, particularly finest. Good medium brokens irregular. Low mediums dearer. Low-grown brokens advanced 10 cents. Persian Gulf types substantially dearer.

Calcutta Market—Export.—Better general demand improving as sale progressed. Good liquoring C.T.Cs. and better whole leaf grades annas dearer. Black leaf fannings up to As. 3 dearer. Commons opened one anna to As. 1½ lower. Closed fully firm.

Internal.—20,000 chests. Fair general demand. Good liquoring Dooars and medium Assams strongest. Best C.T.C. fully firm. Fibrous teas easier. 4,750 internal leaf. Improved demand half to one anna dearer.

Export Quota.—The market has been rather quiet but small business has been done at 7 pies.

Forthcoming Auctions.—Dust sale F will be held on Tuesday 20th March.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:—

"*Sale* 6.—1,500,000 lbs. Exceptionally strong demand for good types, which sold at As. 6 to As. 8 above valuations. Low medium fully firm. Medium and best liquoring steady. Clean black leaf As. 2 to As. 3 dearer."

METALS ACTIVE

(From Our Own Correspondent)

CALCUTTA, 13*th March*

Fairly active conditions were in evidence in the metal market during the week under review. Consumers were interested for moderate quantities, and there was every indication that the busy season had commenced. Electrolytic copper was particularly an outstanding feature and at Rs. 295 was fully steady. Prices in both London and New York improved further, and the announcement of cuts in the British industry, which would lead to a reduction in copper consumption in the United Kingdom, had little effect on world prices. For world markets derived encouragement by the continuance of good demand by West Germany, the troubled situation in the Middle East, and the keen demand in the United States. In the local market, there was good demand for copper for wire drawing, but in view of the higher trend consumers were interested in small quantities only from Rs. 249, I.C.C. fire-refined copper rose further to Rs. 255. From Rs. 87, lead had lost to Rs. 85-8 earlier in the week, and reports of buoyant conditions in Bombay forced a recovery to Rs. 87. Some quantity changed hands, and covering was done for a Government enquiry. On the arrival of some shipments, ready tin returned to parity with Singapore prices. After touching Rs. 521 from Rs. 540, the price soon regained to Rs. 527, closing, however, lower at Rs. 523. Electrolytic zinc was quiet, the price remaining unchanged at Rs. 723.

SUGAR LISTLESS

(From Our Own Correspondent)

HAPUR, 12*th March*

Listless conditions prevailed in the sugar market. Fluctuations in prices were within fractional limits. Rajasthan, Gujerat and the Punjab bought small quantities. Crushing operations in the mills are in full swing and it is expected that sugar production this season will be more than last season. The latest mill delivery prices of sugar are: Jaswant Rs. 28-8, Simbhauli Rs. 28-4, Daurala Rs. 29-8, Amroha Rs. 28, Bijnore Rs. 28, Mansoorpur Rs. 29-8, Rampur Rs. 31.

The *khandsari* market ruled dull, demand being negligible. Inferior grades were quoted at Rs. 20—Rs. 23 and superior grades at Rs. 24—Rs. 27 per maund.

Ready prices of *gur* improved fractionally, as arrivals during the week were small, the average being 1,500 maunds daily. Loading facilities were, however, restricted and there was a small offtake by Punjab. The local stock is put at 150,000 maunds. The total arrivals this season were put at 425,000 maunds as against 530,000 maunds a year before. Ready *gur* was transacted at Rs. 14 to Rs. 10-6 per maund, according to quality. Prices of *gur* also improved in the markets in the South.

Future *gur* prices moved within narrow limits on purely speculative bouts. The latest quotations as on Monday were: *Gur phagun* Rs. 10 and *baisakh* Rs. 11-0-6.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, 12*th March*

The kip market ruled steady during the week under review. Arrivals met with good clearance at last prices. Stocks in the bazaar were small. E.I. tanners were not able to replace their tanned stocks at current raw levels. Shippers were active, and a few importers were trying to buy at current Madras prices, possibly because they believed that prices had touched bottom or near bottom. There was good demand for low grade cow hides from upcountry merchants. U.K. trading was patchy. Demand for buff hides and cow calf was poor from the U.K. Buff calf top marks were enquired after, but at very low prices, which were not accepted by the tanners. U.S.A. buyers showed some interest in buff calf skins.

The tanned skins market remained steady, in view of the proximity of tanned skins public sales this week. Evidently, importers are awaiting the result of the auctions.

Notice

GILLANDERS ARBUTHNOT AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Preference Share Register of Members of the Company will be closed from the 22nd March to the 2nd April 1956, both days inclusive, for payment on the latter date of a Second Interim Preferential Dividend for the year ending the 31st March 1956 on the Preference Shares of the Company at Rs. 2-8 per Share less Income-tax.

As Dividend Warrants are sent only to Registered Shareholders or to their Mandatees, shares on blank transfer should be submitted with completed transfer deeds for registration before the Preference Share Register of Members is closed.

By Order of the Board,
J. F. E. D'A. WILLIS,
Managing Director.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 6*th March* 1956.

QUESTION HOUR IN PARLIAMENT

Heavy Water Production

THE Department of Atomic Energy has engaged Messrs. Costain John Brown to submit a project report on the production of heavy water at Nangal, Sindri and elsewhere. Two other firms, Messrs. Vitro Engineering Division and St. Gobain Chauney and Cirey, have also been engaged by the Ministry of Production to prepare a project report on heavy water, as well as fertiliser production at the Nangal plant. Messrs. Vitro Engineering Division will be paid a fee of $131,725, comprising a fixed fee of $74,000, travel and subsistence expenses for technicians up to $16,500 and an additional fee of $41,225 for extra studies of two comparative processes. The additional fee will not be paid, if the studies are asked to be dropped by the Government and will be reduced by 40 per cent., if the studies are found by the consultants as not worth pursuing. The fee to be offered to Messrs. St. Gobain Chauney and Cirey is still under consideration.

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Radio Isotopes

The Government of India has been obtaining and permitting others to obtain radio isotopes from the U.S. for medical and agricultural purposes. Such imports were coming into the country even before. The Union Government has announced a liberalised procedure for their export.

—*Jawaharlal Nehru*

Nepa Mills

The Centre has given loans of a little over Rs. 1.8 crores to the Madhya Pradesh Government for financing the Nepa newsprint mills, while the State Government has invested Rs. 60 lakhs in the share capital and has given loans of about Rs. 4.08 crores. Assistance has also been given to the mills in the procurement and movement of raw materials, import of machinery and spare parts, and supply of controlled commodities like cement, iron and steel. Exemption has also been granted to the mills from excise duty on sales of newsprint manufactured by it to registered newspapers with effect from 17th December 1955. Imports of newsprint has been restricted so as to create congenial conditions for marketing newsprint produced by the mills. Assistance has been given in procuring substantial orders from some leading newspapers.

—*Nityanand Kanungo*

Standardisation of Ships

Shipowners have accepted in principle the proposal for the construction of ships in Indian shipyards according to a few standardised designs. A committee has been appointed to recommend the standard types and its report is expected shortly. The standardisation is expected to lead to a reduction in costs and earlier deliveries, although the expenditure on the development of shipyard will be the same. It is not possible to indicate at this stage what increase in costs the proposed standardisation will result in.

—*Satish Chandra*

Employment Exchanges

The Union Government has accepted in principle the recommendations of the Shiva Rao Committee that all recruitment to Government posts not filled through the Union Public Service Commission should be made through Employment Exchanges. The recommendation will be taken up with the State Governments as soon as the administration of the employment service is transferred to them. The compulsory recruitment to Government establishments, including local self-government institutions, through Employment Exchanges, together with other activities under the second Five-year Plan, will involve the establishment of more exchanges. The target is one exchange for every district. Provision has already been made in the second Plan for 125 additional exchanges.

—*Abid Ali*

Kandla Port

Kandla port will be equipped with the latest harbour control radar equipment. This equipment is expected to be installed by 31st March 1957 at a cost of Rs. 3.18 lakhs.

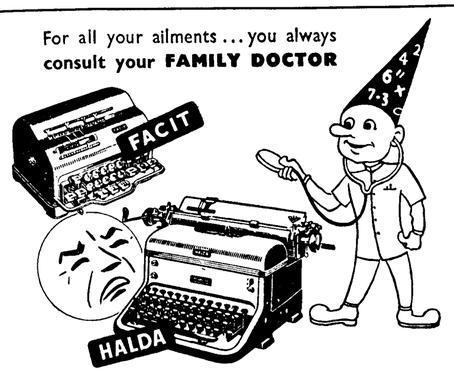
—*O. V. Alagesan*

Mercantile Marine

The development of the Indian mercantile marine will fall short of 110,000 tons of shipping of the target of 600,000 tons in the first Plan period. The shortfall is due to two reasons. First, shipyards have not been able to keep up to the schedule in delivering ships. Secondly, the target was raised in the course of the Plan period. Ships of a total tonnage of about 120,000 are under various stages of construction in Indian and foreign shipyards. Loans to the extent of Rs. 24.28 crores have been sanctioned to shipping companies for the acquisition of ships.

—*Shaw Nawaz Khan*

For all your ailments ... you always consult your **FAMILY DOCTOR**



Only your family doctor, and no other, is qualified to diagnose and treat. He alone understands ... he alone knows ... all about you.

So also with your HALDA and FACIT machines. Only the "factory-approved" concessionaires fully understand them. They alone are qualified to "doctor" them.

For repairs or servicing do not trust your HALDA and FACIT machines to "bazaar" mechanics or a competitive dealer. They cannot really help.

WARNING!

Don't expect HALDA and FACIT machines to serve you well if you don't protect them with genuine "factory-approved" replacement parts. Only authorized Sales and Service Concessionaires have them. See no one else for spares ... contract with no one else for servicing.

Authorised Service Concessionaires

Western & Northern India:
HALDA-FACIT Division of MOTOR HOUSE Limited.
BOMBAY 26, P. Box 6546 and NEW DELHI, P. Box 131
Branches:
Ahmedabad, Nagpur, Rajkot, Poona, Hubli — Gwalior, Jaipur, and Indore

Southern India:
THE RAYALA CORPORATION (Madras) LIMITED
MADRAS and BANGALORE
Dealers:
Hyderabad, Cochin, Rajahmundry — Bellary, Trichinopoly and Madura

HF.56.18

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	5
Bolivia	30th Sept., 1950	5	6
Canada	19th Nov., 1956	2½	2½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador ..	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	8th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands ..	6th Feb., 1956	2½	3
New Zealand ..	16th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1944	3	2½
South Africa ..	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland ..	28th Nov., 1936	4	1½
Turkey	28th June, 1955	3	4½
United Kingdom ..	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	18th Nov., 1955	2½	2½
West Germany ..	7th Mar., 1956	3½	4½

CLEARING HOUSE RETURNS

Centre	Week ended 9th March, 1956*		Week ended 2nd March, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,92,942	64,38,16,000	2,87,468	60,50,74,000
Calcutta ..	1,71,228	63,49,54,477	1,75,642	82,31,14,652
Madras ..	93,821	9,71,2,936	82,653	9,49,57,862
All Centres—				
1953-54* ..	..	..	2,69,000	5,595,400,000
1954-55* ..	..	..	2,885,000	6,041,200,000
Dec., 1955 ..	..	..	3,267,000	7,23,52,00,000
Jan., 1956 ..	..	..	3,210,000	6,07,68,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 9th March, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	10,00,00,000
National Agricultural Credit (Stabilisation) Fund	.....
Deposits:—	
(a) Government—	
(1) Central Government	54,31,44,000
(2) Other Governments	10,55,33,000
(b) Banks	47,49,70,000
(c) Others	16,87,65,000
Bills Payable	10,20,33,000
Other Liabilities	27,53,51,000
Rupees	186,91,57,000

ASSETS	Rs.
Notes	8,86,82,000
Rupee Coin	7,92,000
Subsidiary Coin	6,07,000
Bills Purchased and Discounted—	
(a) Internal	45,50,000
(b) External	.....
(c) Government Treasury Bills	9,56,32,000
Balances held abroad*	40,61,53,000
Loans and Advances to Governments	4,37,00,000
Other Loans and Advances	68,25,24,000
Investments	37,61,51,000
Other Assets	17,03,79,000
Rupees	186,91,57,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 23,46,15,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 28,26,65,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,86,82,000	
Notes in circulation	1444,09,48,000	
Total Notes issued		1452,96,30,000
Total Liabilities		1452,96,30,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	697,15,97,000	
Total of A		737,17,68,000
B. Rupee Coin		102,55,71,000
Government of India Rupee Securities		613,22,91,000
Internal Bills of Exchange and other commercial paper	.....	.....
Total Assets		1452,96,30,000

Ratio of Total of A to Liabilities: 50.736 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 2nd March, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	5,07,19,000
(ii) Other demand liabilities	618,04,34,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	3,06,50,000
(ii) Other time liabilities	414,73,48,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	14,03,77,000
(ii) Time liabilities	
4. Cash in India	34,73,26,000
5. Balances with the Reserve Bank in India	54,46,91,000
6. Balances with other banks in current account in India	10,29,31,000
7. Money at call and short notice in India	6,87,53,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	373,53,71,000
9. Advances in India	564,46,25,000
10. Inland Bills purchased and discounted in India	101,54,42,000
11. Foreign Bills purchased and discounted in India	45,86,87,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	14th March, 1956	Previous week
Bombay on London—		
Sellers T.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6⅜	1-6⅜
Bombay on New York—		
Sellers T.T. D.D. Rs.	477½	477½
Buyers T.T. Rs.	473	473
London on New York	2.80⅝–2.80½	2.80⅝–2.80½
London on Paris Fcs.	985	985
London on Berne Sw. Fcs.	12.23½–12.23½	12.21-12.24½
New York on London	2.80½–2.80½	2.80½–2.80½

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	'53-'54	373.37	..	10,600	284
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19 24	Kyats 3,905	390	204
Ceylon	1954	8.58	..	477	569
Japan	1954	88 20	Y. 6,148,000	8,133	922
Philippines	1954	21 44	Ps. 7,438	1,770	825
New Zealand	1954	2 09	£ (N.Z.) 802	1,670	5,119
Australia	1954	8 99	£ (A) 3,057	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162 41	$ 309,000	144,423	9,016
W. Germany	1953	15 20	$ 18,751	9,190	6,046
France	1953	42 86	F.Fr. 10,470,000	14,420	3,364
W. Germany	1953	48 09	Dm. 103,000	11,706	2,389
Italy	1953	48 07	Lr. 8,067,000	6,832	1,421
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1953	7.17	Kr. 36,957	3,422	4,772
Netherlands	1953	10.49	Grs. 19,960	2,451	2,336
Denmark	1953	4.37	Kr. 22,915	1,580	3,616
Switzerland	1953	4 88	Sw.Fr. 20,807	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, Dec., 1955.

† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 2nd Mar., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	8,00,00,000
Reserve Fund	8,00,00,000
Deposits:—	
(a) Central Government	16,05 69,000
(b) Provincial Governments	1,09,37,000
(c) Banks	14 82 54,000
(d) Others	21,26 57,000
Bills Payable	10,06,000
Other Liabilities	6,12,23,000
Rupees	66,27,86,000

ASSETS	Rs.
Notes	7,54,18,000
Rupee Coin	10,000
Subsidiary Coin	11,000
Bills Purchased and Discounted:—	
(a) Internal	.....
(b) External	14,12,000
(c) Government Treasury Bills	13,00,000
Loans and Advances to Governments	1,23,23,000
Provincial Governments Debtor Balances	17,87,37,000
Other Loans and Advances	26,90,27,000
Investments	12,14,78,000
Other Assets	66,27,86,000
Rupees	

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,54,18,000	
Notes in circulation	293,15,95,000	
Total Notes issued		300,70,13,000
Total Liabilities		300,70,13,000

ASSETS.	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion		
Sterling Securities	85,00,28,000	
Government of India Securities	26,53,67,000	
India Notes representing assets receivable from the Reserve Bank of India	43,11,81,000	
B. Rupee Coin	6,51,47,000	165,85,34,000
Government of Pakistan Securities	122,43,26,000	
Internal bills of exchange and other commercial paper	.....	128,94,73,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets		300,70,13,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.02 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	2nd March, 1956	A week ago	A month ago	A year ago
RESERVE BANK *Issue Department*					
Notes in circulation	172.37	1,418.66	1,402.85	1,392 37	1,265.56
Notes held in Banking Department	35.05	10 73	12 59	8.46	7.34
Foreign Securities	59.50	682 16	667 16	652 16	673.15
Rupee Securities	37.39	603.23	603.23	603.27	457.74
Banking Department Deposits of:					
Government of India	14.89	59 56	66.51	52.88	51.61
Other Governments	..	18 02	16 12	14 40	18.05
Balances held abroad	10.08	53.93	67.66	81.41	58.25
SCHEDULED BANKS					
Demand Liabilities	134.36	623.12	631.06	635.76	583.18
		(5 07)†	(4 41)†	(6 88)†	(7 65)†
Time Liabilities	102.24	418 70	418 08	412 30	371.29
Borrowings from Reserve Bank	..	(3 97)†	(3 27)†	(3 56)†	(2 21)†
		48 47	40 82	34 79	17 32
		(25.32)‡	(21.65)‡	(18.88)‡	(8.26)‡
Borrowings from State Bank	..	14 04	12 17	13 73	9.25
Cash in India	6.70	34.78	34.82	34.66	33.29
Balances with Reserve Bank	25.17	54.47	53.26	63.22	45.65
Excess over statutory limits	15.52	14 94	13.35	23.19	9.07
Balances with other banks in current account in India	..	10.29	10.67	11.20	10.21
Money at call and short notice in India	..	6.88	5.52	8.90	15.00
Investments (at book value)	..	373.54	375.26	380 45	348 48
Advances and bills	105.00	711.88	697.01	683.04	601.64
STATE BANK					
Deposits	..	87.76	233 34	236 03	226 68	228 89
Investments	..	51.99	115 25	114 87	116 91	105.26
Advances	..	30.35	126 16	120 42	117 71	124 01
Cash	..	14.69	18.11	23.78	29.58	16.83

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December,		Nine months, April to Dec.,	
	1954	1955	1954	1955
Import Duties				
Revenue	10.79	10.92	90.06	85.33
Protective	0.62	1.03	5.71	7.03
On surplus disposals	—	—	0.13	0.07
Total import duties	11.41	11.95	95.90	93.03
Export Duties	4.70	3.38	27.43	28.10
Land Customs	0.17	0.26	1.43	0.95
Miscellaneous	0.08	0.07	0.81	0.54
Gross total customs	16.36	15.67	125.57	122.62
Refunds and drawbacks	0.21	0.17	1.11	1.91
Net Customs	16.15	15.49	124.46	120.71
Gross excise	9.02	13.07	75.87	109.75
Refunds	0.15	0.44	1.35	3.48
Net Excise	8.87	12.63	74.52	106.27
Net total of customs and excise†	25.02	28.12	198.98	226.98

* Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 9th March, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
	79	5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	229,17,07,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	1,50,00,000
Bills Payable	.. ..	7,28,06,000
Bills for Collection being Bills Receivable as per contra	.. ..	57,64,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	12,56,000
Total ..	Rs.	8,41,01,000
		259,04,74,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	.. ..	12,13,46,000
Balances with other Banks	.. ..	3,71,27,000
Money at Call and Short Notice	..	73,33,000
INVESTMENTS:		
Government and other Trustee Securities	.. ..	97,87,31,000
Other Authorised Investments	..	9,79,43,000
ADVANCES:		107,66,74,000
Loans Cash Credits, Overdrafts, etc.	.. ..	95,28,77,000
Bills Discounted and Purchased	..	34,94,63,000
Bills Receivable being Bills for Collection as per contra	.. ..	130,23,40,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	..	57,64,000
Premises less Depreciation	.. ..	12,56,000
Furniture and Fixtures less Depreciation	..	1,15,97,000
Other Assets (including Inter-Office Adjustments)	..	48,41,000
Total ..	Rs.	2,22,06,000
		259,04,74,000

SMALL SAVINGS

(In lakhs of rupees)

POSTAL SAVINGS§§

	National Savings Certificates 5-Year† Receipts	5-Year† Outstandings*	7-Year Receipts	7-Year Outstandings*	12-Year Receipts	12-Year Outstandings*	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings*	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates Receipts	3½% Ten-year Treasury Savings Deposit Certificates Outstandings*	10-Year National Plan Certificates‡ Receipts	10-Year National Plan Certificates‡ Outstandings*	15-Year Annuity Certificates § Receipts	15-Year Annuity Certificates § Outstandings*
1952-53 ..	6.83	65	3.26	23.66	84.17	1,13.35	92.03	— 31.07	7.55	25.64	..	..	..	..	..
1953-54 ..	5.91	1.50	4.26	26.54	1,04.38	1,17.37	1,06.29	— 34.19	6.94	32.11	..	..	..	..	..
1954-55 ..	4.70	1.62	4.99	27.26	1,24.64	1,33.76	1,30.57	— 36.36	5.57	37.15	7.40E	7.88	..	551‡	54
January, 1955 ..	4.88	14	4.76	2.45	1,20.28	10.51	1,20.10	— 36.02	43	36.37	54	6.33	6	6	45
February ..	4.81	12	4.79	2.27	1,21.86	11.18	1,22.28	— 36.18	40	36.74	48	6.81	5	5	50
March ..	4.70	26	4.99	3.41	1,24.64	18.51	1,30.57	— 36.36	47	37.15	58	7.38	4	5	54
April ..	4.60	11	5.00	2.35	1,26.45	12.41	1,32.91	— 36.61	45	37.55	48	7.86	4	4	58
May ..	4.62	86	5.24	2.01	1,27.93	11.82	1,34.03	— 36.65	41	37.89	66	8.51	4	4	61
June ..	4.44	13	5.12	2.09	1,29.49	12.26	1,35.93	— 36.77	37	38.22	84	9.33	5	5	65
July ..	4.36	12	5.15	2.27	1,31.28	12.86	1,40.23	— 36.86	41	38.54	91	10.20	4	6	69
August ..	4.29	12	5.17	2.09	1,32.82	12.25	1,43.50	— 36.97	39	38.87	87	11.00	3	8	72
September ..	4.21	13	5.21	2.54	1,34.88	12.39	1,46.60	— 37.12	44	39.22	94	11.80	4	8	75
October ..	4.14	10	5.21	2.10	1,36.37	11.35	1,48.68	— 38.24	46	39.68	80	12.49	5	8	80
November ..	4.07	10	5.21	1.98	1,37.67	11.24	1,50.10	— 38.35	43	40.05	82	13.21	5	8	85
December ..	4.00	18	5.27	2.59	1,39.48	12.94	1,52.14	— 38.45	36	40.34	88	13.99	4	8	89
January 1956 ..	..	..	..	..	..	..	..	..	32	40.61	..	..	..	..	..

* At the end of period.

† Issued from 1st June, 1948 to 30th June, 1953.

‡ From July, 1954. §§ Outstandings do not include Indian Union's share of the pre-partition liabilities from the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‡ Issued from 10th May, 1954. ‡‡ Relating to nine months from July, 1954.

§ Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 26-2-'56	28-1-'56	18-2-'56	25-2-'56
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90 6	91.1	91.3	91.3
1. Government of India	90.5	91.0	91.2	91.1
2. Indian States	96.1	96.5	96.7	96.7
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100 7	101.1	101.2	101.0
1. Electricity	102.1	102.6	102.8	102.8
2. Jute	98.8	97.6	97.6	97.6
3. Plantations	99.6	99.1	99.1	99.1
4. Sugar	99.3	99.0	99.0	98.7
5. Coal	99.6	99.6	99.6	99.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.7	102.3	102.3	102.3
8. Others	100.8	101.0	101 1	101 1
PREFERENCE SHARES	88 1	87.1	86 8	85 9
1. Electricity	97.2	94.7	94 6	94.2
2. Cotton	78.5	79.8	79.7	79.1
3. Jute	87.7	86.6	86.7	83.9
4. Coal	91.9	90.5	90.1	90.4
5. Iron and Steel	89.6	88.4	87.5	86 7
6. Sugar	82.8	85.5	85.5	85.5
7. Shipping	89.9	86.5	86.5	86.5
8. Plantations	97.7	101.2	101.4	101.1
9. Miscellaneous	87.7	84.5	84.1	83.7
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	113.5	123.6	120 5	120.1
(a) Financial	89 0	92.4	89 3	89 1
1. Banks	85.6	91.8	88.8	89.9
2. Insurance	109.1	95.1	94.7	94.6
3. Investment Trust	99.3	99.5	99.4	99.7
(b) Public Utilities	114 5	115.4	113.1	112 8
1. Electricity	124.0	120.1	118.7	117.9
2. Shipping and other Transport	99.7	110.6	106.3	107.1
3. Railways	87.6	89.2	89.5	89.5
(c) Manufacturing Industries.	116 0	132.0	128.7	128.3
1. Cotton, Woollen and Silk	103.1	124.4	122.6	123.3
2. Jute	95.0	90.7	89.6	88.3
3. Iron and Steel	139.6	148.4	139.9	139.3
4. Paper	207.3	236.5	279.9	279.3
5. Cement	141.1	173.0	167.1	164.5
6. General Engineering	101.5	201.7	196.3	193.8
7. Sugar and Breweries	105.8	107.4	105.8	103.3
8. Chemicals	136.1	151.6	147.4	148.2
(d) Non-Manufacturing Industries	155 9	161.2	158.1	157.4
1. Coal	89.7	85.8	83.9	83.1
2. Mining and Oil	192.3	253.8	244.1	242.8
3. Plantations	185.6	168.5	167.2	166.7
(e) Miscellaneous	95.7	103 9	100 8	100 2
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	90.1	90.6	90.8	90.7
1. Bombay	90.6	91.1	91 3	91.3
2. Calcutta	90.9	91.4	91.6	91.5
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	99.5	100.2	100.2	100.1
1. Bombay	101.4	101.9	102.1	102.1
2. Calcutta	100.5	100.1	100.1	99.5
3. Madras				
PREFERENCE SHARES:	91.4	90.0	89.4	88.8
1. Bombay	84.8	83.1	83.0	81.7
2. Calcutta	94.1	96.7	96.7	96.5
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	116.9	126.8	122.8	123.0
1. Bombay	107.6	115.8	113.9	111.7
2. Calcutta	109.3	121.4	120 2	120.6
3. Madras	113.5	131.0	123.9	125.1
4. Delhi				

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951 ..	1,071	691,321	3,818,928
1952 ..	903	809,242	3,336,961
1953 ..	772	466,607	3,382,998
1954 ..	840	477,138	3,372,830
November 1953 ..	83	41,431	345,211
December „ ..	81	40,780	475,352
January 1954 ..	84	51,973	325,514
February „ ..	85	41,351	344,295
March „ ..	91	34,202	331,419
April „ ..	101	34,963	207,247
May „ ..	80	40,073	216,092
June „ ..	82	51,589	305,078
July „ ..	122	30,189	277,492
August „ ..	79	51,090	322,857
September „ ..	97	50,414	363,878
October „ ..	88	41,724	276,294
November „ ..	62	25,115	239,701
December* „ ..	101	54,455	262,763
January 1955†..	95	40,038	322,807
February „ ..	91	38,370	144,302
March „ ..	112	70,042	334,696
April* „ ..	99	29,815	303,658
May* „ ..	119	66,004	835,415
June* „ ..	154	85,172	1,035,704
July* „ ..	108	57,709	681,153
August* „ ..	233	90 260	545,196
September* „ ..	129	91,843	567,332
October* „ ..	129	48,461	189,360
November „ ..	91	44,893(a)	155,310(b)

† Figures for 1955 are provisional.

(a) Not known in 5 cases.

§ Current at any time during the month.

* Revised.

(b) Not known in 5 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53 ..	614	6,301.4	5,134.3
1953-54 ..	648	6,976.8	5,572.7
1954-55 ..	686	7,760.9	6,319.2
October 1954 ..	669	626.5	511.6
November „ ..	674	656.5	534.6
December „ ..	679	683.5	558.0
January 1955 ..	684	668.5	545.2
February „ ..	685	628.7	521.8
March „ ..	686	698.7	568.3
April „ ..	690	691.1	563.9
May „ ..	691	706.5	569.3
June „ ..	696	716.2	576.1
July „ ..	700	724.8	593.3
August „ ..	705	708.9	574.4
September „ ..	707	719.3	587.1
October „ ..	716	720.7	591.9
November „ ..	721	725.5	597.0

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

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	25th Feb., 1956	18th Feb., 1956	26th Feb., 1955	January, 1956	January, 1955	Percentage of increase (+) or decrease (—) in Jan., 1956 as compared with Jan., 1955	Annual Average 1955	Annual Average 1954
Food Articles	343.0	338.3	300.5	333.4	310.3	+ 7.4	304.5	358.3
Cereals	430	419	344	398	348	+14.4	355	404
Pulses	350	350	232	361	239	+51.0	259	318
Other	227	228	252	238	269	—11.5	241	298
Industrial Raw Materials ..	462.4	462.2 R	433.0	454 2 R	432.9	+ 4 9	411.1	447.1
Fibres	469	466	479	453 R	460	— 3.4	431	444
Oil seeds	465	468 R	358	463 R	373	+24.1	370	403
Minerals	459	444	416	438	417	+ 5.0	420	429
Others	409	411	432	456*	470	— 4.2	444	410
Semi-Manufactures	357.7	355.5	337.2	351.6	344.5	+ 2.1	333.3	355.4
Leather	398	398	390	396	385	+ 2.9	373	377
Mineral oils	208	202	221	202	221	— 8.6	211	221
Vegetable oils	422	426	375	425	409	+ 3.9	374	404
Cotton yarn	446	446	440	434	450	— 3.6	423	454
Metals	281	280	242	280	240	+16.7	254	220
Oil cakes	341*	342*	297	371	309	+20.1	320	416
Others	365	364	337	330	332	— 0.9	330	365
Manufactured Articles ..	375.3	375.5	376.1	375.2	375.5	— 0.1	373.4	375.5
Textiles	409	409	409	408	419	— 2.6	411	413
Jute	415	415	475	420	455	— 7.7	430	438
Cotton	403*	403*	409*	403*	411*	+ 1.9	403*	413*
Rayon and Silk ..	562*	562*	455*	486*	460*	+ 5.7	479*	469*
Woollen	274	273	310	278	310	—10.3	292	311
Metal products ..	371	371	340	371	340	+ 9.1	351	339
Others	285	285	284	285	284	+ 0.4	286	286
Miscellaneous	527.4	528 2 R	559 0	540 0	588 8	— 5.1	555.1	646.8
All Commodities	380.9	378 7	358.8	375 7 R	363.9	+ 3.2	355.1	386.7

R=Revised.

* Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

| Average of weeks. | Rice | Wheat | Jowar | Bajra | Gram | Tea | Coffee | Sugarf | Gur | Tobacco | Raw Cotton | Raw Jute

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop	Forecast	Unit	Acreage 1954-55	Acreage 1953-54	Outturn 1954-55	Outturn 1953-54
Rice	2nd	tons	72,332†	69,456*	23,775†	22,126*
Wheat	final	,,	26,842	26,310	8,539	7,373
Jowar	final	,,	43,456	43,657	9,092	7,913
Bajra	final	,,	27,350	30,094	3,555	4,459
Barley	final	,,	7,999	8,721	2,786	2,904
Maize	final	,,	9,325	9,360	2,944	2,954
Ragi	final	,,	5,747	5,714	1,778	1,819
Small millets	final	,,	12,680	13,979	2,424	2,427
Total cereals	final	tons	208,329	214,867	55,827	57,926
Kharif	final	,,	173,982	179,836	44,002	47,143
Rabi	final	,,	34,841	35,031	11,825	10,777
Kharif pulses‡	final	tons	14,935	15,192	1,497	1,543
Rabi pulses‡	final	,,	10,498	11,214	1,977	2,089
Total pulses	final	,,	54,004	53,715	10,474	10,458
Tur	final	,,	5,944	5,931	1,661	1,627
Gram	final	,,	20,991	19,754	5,125	4,778
Jute	final	bales	1,581†	1,243*	4,137†	2,924*
Cotton	,,	,,	17,180†	16,003*	3,286†	3,621*
Sugarcane	2nd	tons	3,930†	3,718*	5,079†	4,858*
Groundnut	final	tons	12,647	10,869	3,823	3,573
Linseed	final	,,	3,290	3,360	933	874
Castorseed	final	,,	1,273	1,373	112	108
Rape and Mustard seed	final	,,	5,665	5,534	962	855
Sesamum	3rd	,,	5,587†	6,123*	461†	589*
Total Oilseeds	final	,,	29,335	27,482	5,877	5,462
Tobacco	final	tons	860	912	248	265
Black pepper	,,	,,	208	208	26	24
Ginger	,,	,,	44	45	13	14
Dry chillies	,,	,,	1,472	1,326	356	297
Potato	,,	,,	665	635	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
● Excludes Tur. ‡ Excludes Gram and Tur.
† Refers to 1955-56. * Refers to 1954-55.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During January, 1956	88.9
	Corresponding month, 1955	88.9
	Seven months ended Jan., 1956	609.3
	Corresponding period, 1955	579.4
Stocks	At the end of January, 1956	78.4
	Corresponding month, 1955	76.3
		(In 000 bags)
Exports (Jute Bags)	Week ended 21st Jan., 1956	4,576
	Corresponding week, 1955	4,677
	From 1st Jan., to 21st Jan., 1956	19,332
	Corresponding period, 1955	20,150
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 21st Jan., 1956	3,758
	Corresponding week, 1955	9,829
	From 1st Jan., to 21st Jan., 1956	50,852
	Corresponding period, 1955	94,147
	RAW JUTE	(In lakhbales)
Consumption by Mills†	January, 1956 (in lakh bales)	5.15
	Corresponding month, 1955	4.86
	Seven months ended Jan., 1956	35.28
	Corresponding period, 1955	33.60

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION

In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
Eleven months ended Feb., 1956	10,52,600	9,65,900	7,27,900
September 1954	86,300	82,400	63,800
October ,,	96,500	89,200	68,500
November ,,	95,800	90,500	68,000
December ,,	1,05,600	95,000	78,800
January 1955	1,02,500	95,800	72,200
February ,,	93,500	84,500	63,900
September ,,	95,300	87,500	65,700
October ,,	91,700	83,800	64,500
November ,,	91,900	86,200	63,400
December ,,	1,03,900	97,500	72,300
January 1956	1,03,900	96,800	71,600
February ,,	97,500	89,500	67,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,450	3,12,940
Do. 31st March, 1954	5,80,020	3,49,980	2,92,440
Do. 31st March, 1955	7,15,949	5,28,240	4,59,093
Three months ended Dec., 1953	1,81,630	1,15,300	1,05,940
,, ,, Mar., 1954	1,87,750	1,28,510	1,16,940
,, ,, June, 1954	1,82,770	1,17,870	1,07,480
,, ,, Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, Dec., 1954	1,88,053	1,36,801	1,20,616
,, ,, Mar., 1955	1,65,108	1,43,828	1,18,136
,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, Sept., 1955	1,76,161	1,30,630	1,08,714
,, ,, Dec., 1955	1,60,750	1,24,696	1,05,752

OVERALL BALANCE OF TRADE OF INDIA
December, 1955†

Particulars	December, 1954 (Rs. lakhs)	December, 1955 (Rs. lakhs)	Nine months, April to Dec., 1954 (Rs. lakhs)	Nine months, April to Dec., 1955 (Rs. lakhs)
1. Trade in merchandise— (a) Exports	60.54	51.60	427.24	43.886
(b) Re-exports / *Less*—Transit trade	36 5	42 ..	3.84 .34	3.93 .8
Net re-exports	31	42	3.50	3.85
Total exports	60.85	52.02	430.74	442.71
2. Imports / *Less*—Transit trade	52.62 1	59.33 1	485.50 10	477.19 11
Net imports*	52.61	59.32	485.40	477.02
Balance of trade in merchandise	+ 8.24	— 7.30	—54.66	—34.31
Balance of trade in gold and silver	..	— 1	— 2	— 5
Total overall visible balance of trade	+ 8.24	— 7.31	—54.68	—34.86

† Total values of foreign trade of India by all routes (i.e., sea, air and land).

*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (in thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952-1953	1,168	34,406	128,773	28,589	11,413	2,635	949	171	169	209	169	297
1953-1954	1,179	35,215	129,009	29,365	11,082	2,512	899	153	153	168	190	344
1954-1955	..	..	..	..	11,768	2,711	885	183	160	167	158	397
October 1954	99	2,881	10,181	2,458	989	241	65	13	10	19	14	32
November ,,	..	..	..	..	986	226	78	15	13	25	10	24
December ,,	..	..	..	..	1,064	229	70	20	14	21	10	30
January 1955	..	..	..	..	1,082	223	74	20	17	19	15	35
February ,,	..	..	..	..	1,021	209	72	18	16	15	15	33
March ,,	..	..	..	..	1,096	227	78	20	19	15	14	33
April ,,	..	..	..	..	1,034	222	77	21	18	11	12	33
May ,,	..	..	..	..	993	223	80	19	17	8	13	33
June ,,	..	..	..	..	946	217	80	15	15	6	12	33
July ,,	..	..	..	..	1,000	228	87	18	13	6	15	32
August ,,	..	..	..	..	1,009	230	88	15	13	9	16	34
September ,,	..	..	..	..	999	232	79	13	12	11	14	32
October ,,	..	..	..	..	1,031	246	74	13	12	17	10	33
November ,,	..	..	..	..	1,070	237	70	19	12	26	19	35

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 8th Mar., 1956	86,947
	Corresponding week, 1955	55,483
	1st Sept. to 8th Mar., 1955-56	901,583*
	Corresponding period, 1954-55	865,729*
Cotton Exports	Week ended 8th Mar., 1956	20,714
	Corresponding week, 1955	9,831
	1st Sept. to 8th Mar., 1955-56	415,501
	Corresponding period, 1954-55	171,736
Mill Consumption (Estimated)	1st Sept. to 8th March, 1955-56	660,077
	Corresponding period, 1954-55	595,961
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 8th March, 1956	517,406
	Corresponding date, 1955	427,094
Cotton Exports from Bombay (by sea)	During December, 1955	60,493‖
	1st Sept., '55 to 31st Dec., 1955	327,074
	1st Sept. '54 to 31st Dec. 1954	100,549
Karachi (Pakistan)—		
Receipts	1st Sept. to 23rd Feb., 1955-56	1,073,050
	Corresponding period, 1954-55	913,076
Exports	1st Sept. to 23rd Feb., 1955-56	497,881
	Corresponding period, 1954-55	297,430

Particulars	From 1st Sept. 1955 to 5th March, 1956 (Bales)	From 1st Sept. 1954 to 5th March, 1955 (Bales)
From Bombay Cotton Shipments to—		
United Kingdom	44,543	14,214
Continent	75,794	22,891
Hongkong	30,459	
China	34,651	1,409
Japan	194,419	52,046
U.S.A.	3,195	10,300
Other Countries	2,607	808
Total to all foreign countries	385,698	102,568
Coastal Ports	69,592	65,521
Total	455,290§	168,089

Particulars	Period	Quantity (Bales of 400 lbs.)
Consumption of Cotton— Indian	December 1955	397,245
Foreign		51,650
Indian	Four months ended Dec., '55	1,513,809
Foreign		185,645
Indian	Same Period 1954	1,351,714
Foreign		227,404
Stocks (Mills and Elsewhere)— Indian	As on 31st Dec., 1955	1,083,361
Foreign		159,221
Indian	As on 31st Dec., 1954	942,296
Foreign		152,344
Cotton Pressed in India (In running bales)	Week ended 24th Feb., 1956	39,195
	Corresponding week, 1955	153,291
	1st Sept. to 24th Feb., 1955-56	1,310,829
	Corresponding period, 1954-55	2,008,377

† Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-33	63,30,26,000	1960-70	101⅛
3 % Loan	1938-39	1,16,17,46,000	1963-65	94⅛
Do. Loan	1950	30,33,10,000	1964	94¼
3 Fg. Loan	1943	1,10,11,78,000	1966-68	92⅜
3 % V. Loan	1944	1,14,06,89,000	1957	99⅜
2½ Loan	1945	1,15,05,83,000	1970-75	80½
2 % 2nd V. Loan	1945	1,13,55,54,000	1959-61	95⅜
3 % Loan	1951	50,35,53,000	1958	99½
2½ % Loan	1946	45,63,07,000	1960	96⅜
2½ % Loan	1945	57,00,09,000	1951	97⅛
2½ % Loan	1946	14,77,48,000	1976	82⅜
2½ % Loan	1947	75,86,72,000	1962	98⅛
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99⅜
3½ % N.P. Loan	1954	157,35,41,000	1964	98⅛
3½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	3,93,36,000	At option of Government after three months' notice.	80
3 %(Loan	1948	£45,91,66,000	On September, 1986 or later at Option of Government after three months' notice.	77½
REPATRIATE STERLING LOANS				
4½% Loan	1925	5,85,20,000	1958-68***	103½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99⅜
3 % Bombay	1948	2,99,35,000	14th Sept. 1956	99⅝
3 % Bombay	1946	3,06,66,000	15th Aug. 1956	98⅝
3 % Bombay	1949	5,63,12,000	1st Aug. 1962	94
3 % Bombay	1950	2,02,30,000	31st July 1960	96
3 % Bombay	1951	2,97,86,900	17th Sept. 1962	98½
4 % Bombay	1952	5,50,35,000	15th July 1963	101½
4 % Bombay	1953	3,61,31,700	1st Aug. 1964	101½
4 % Bombay	1954	9,00,00,000	1st Sept. 1967	100½
4 % Bihar	1956	1,80,00,000	1st Sept. 1967	99½
3 % Cochin	1948	1,00,00,000	16th Dec. 1955-58	98½
3 % Cochin	1938	70,09,000	1st June 1956-61	99½
3½ % Howrah Br dge (New)	1936-37	1,95,96,700	1956-66	98½
3 % Hyderabad	1938	2,00,00,000	1st Sept. 1967	99½
3 % Madras	1939	1,23,95,500	21st June 1959	96½
3 % Madras	1943	1,35,10,000	14th Sept. 1956	99⅜
3 % Madras	1944	1,07,95,000	15th Aug. 1956	98⅜
3 % Madras	1945	2,78,44,800	14th Sept. 1960	96½
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	92⅜
3 % Madras	1950	4,58,25,400	31st July 1960	96½
3½ % Madras	1951	3,91,49,300	17th Sept. 1962	97
4 % Madras	1953	10,33,33,000	15th July 1963	100½
4 % Madras	1952	6,34,31,200	1st Aug. 1964	100½
4 % Madras	1954	7,00,00,000	1st Sept. 1967	99½
4 % Mysore(f)	1923	2,95,85,200	1st Dec. 1953-62	101½
3 % Mysore(f)	1938	3,99,72,900	30th Apr. 1954-61	99⅜
3 % Mysore	1947	5,08,85,700	15th Jan. 1958	99⅜
3 % Mysore	1953	3,33,47,000	15th July 1963	100½
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99½
3 % M.P.	1943	50,84,200	14th Sept. 1956	99⅛
3 % M.P.	1944	52,64,800	15th Aug. 1956	98⅛
3 % M.P.	1948	3,03,28,800	15th Sept. 1964	92
3 % M.P.	1950	1,01,44,700	31st July 1960	95
3 % M.P.	1951	1,02,18,100	17th Sept. 1962	96⅜
4 % M.P.	1953	1,02,18,100	15th July 1963	100½
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99⅜
3 % Punjab●	1938-44	3,49,57,200	15th Aug. 1956	98⅝
3 % Punjab●	1945	2,45,78,300	14th Sept. 1956	99⅛
3 % Punjab●	1945	2,93,81,600	14th Sept. 1960	97½
4 % Saurashtra	1955	2,25,00,000	1st Sept. 1967	99⅜
2½ % Travancore	1938	50,00,000	16th Aug. 1956	99⅛
4 % Travancore-Cochin	1953	2,25,60,000	15th July 1963	100-1½
3 % U.P.	1936	1,57,42,600	15th Sept. 1961-66	99⅜
3 % U.P.	1943	3,02,24,500	15th Aug. 1956	98⅛
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	96⅜
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	92⅜
3 % U.P.	1951	1,94,11,700	17th Sept. 1962	96⅜
4 % U.P.	1952	3,11,45,800	1st Aug. 1964	100½
4 % U.P.	1953	2,65,15,500	15th July 1963	100½
4 % U.P.	1955	3,50,00,000	1st Sept. 1967	99⅜

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs. 35,50,000	4	1904	1964	Rs.
35,50,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	100N
40,00,000	4	1909	1970	
55,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14 85,876	4	1913*	1960	D
80,00,000	4	1913	1974	100½N
83,25,000	4	1914	1975	100N
10,00,000	4	1915●	1960	
55,00,000	4	1915●	1975	
61,51,000	4	1922●	1960	
11,51,000	4	1924●	1960	
10,25,000	3½	1926●	1960	
35,00,000	3½	1929●	1959	
12,50,000	3½	1930●	1960	D
12,50,000	3½	1931●	1961	
13,50,000	3½	1932●	1962	
24,58,000	3½	1935●	1975	
15,00,000	3½	1936●	1966	
43,04,000	3½	1938●	1960	
10,00,000	3½	1938●	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,34,800	4	1914	1974	Rs. 99
76,36,100	4	1915	1975	99
1,50,00,000	3†††	1921	1981	82
68,02,3000	6‡	1921	1981	144N
93,21,600	5½	1926	1956-86	102
92,84,500‖	5	1927	1956-86	101⅞
1,49,49,500‖	5	1927	1957-87	103½
1,49,30,000	5	1928	1958-88	102
50,00,000	4½	1931	1991	95
60,00,000	3½	1935	1985	97½
25,00,000	3	1938	1963-68	79
50,00,000	3	1945	2005	74
50,00,000	3	1946	1976	85
50,00,000	3	1947	1977	86
50,00,308	3	1948	2008	74
50,00,000	2½	1948	1977	73½
50,00,000	3	1948	1978	82½
50,00,000	3	1949	1959	97
1,00,00,000	3	1949	1979	82
1,00,00,000	3	1950	1960	95½
50,00,000	3	1950	1980	95½
50,00,000	3	1951	1981	81½
1,50,00,000	3½	1951	1981	88½
50,00,000	4	1953	1963	100
50,00,000	4	1953	1983	96½
90,00,000	4	1955	1985	97½
STERLING LOANS				
£392,600	5	1923	1953-63	£87½
£901,000	5	1924	1954-64	£87½
£335,100	5½	1932	1962	£96
MADRAS				
Rs. 31,47,100	3½	1947	1977	Rs.
9,88,000	3	1947	1977	A
5,00 000	3	1949	1979	
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs. 50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
50,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
30,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
50,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
50,00,000	5	1919	1957-79	118N
66,00,000	5	1920	1958-80	
25,00,000	5	1922	1962-82	115N
25,00,000	5	1926	1956-86	103N
10,00,000	5	1927	1961-79	98N
£566,600		1909	1969	£95½
£335,000		1910	1970	£95½
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
30,00,000	3	1937	1962	91
20,00,000	3	1938	1968-88	90
40,00,000	4	1952	1962	99½
1,02,00,000‡	4	1956	1988	99

MUNICIPAL LOANS

Rs.			Rs.
BOMBAY			
20,80,000	4	1913-15	1974	100
10,00,000	5	1939	1959	113N
25,00,000	3	1939	1964	91
8,45,500	5	1929	1954-59	103½
28,21,500	5	1929	1959	to
4,35,00,000	3	1947	1977	86½
2,50,00,000	3½	1949	1979	86
4,00,00,000	3½	1950	1965	92½
2,50,00,000	4	1952	1984	100½
2,00,00,000	4½	1951	1966	97½
1,50,00,000	4	1953	1983	100
1,50,00,000	4	1954	1984	100½
2,50,00,000	4	1955	1967	100½
CALCUTTA				
26,00,000	5	1923	1953	103
25,00 000	5	1929	1957	103½
25,00,000	5	1929	1958	103½
10,00,000	5	1930	1960	103
23,91,000	3½	1935	1965	94
60,00,000	3	1936	1966	90
47,50,000	3	1938	1968	90
25,00,000	4	1938	1968	99½
25,00,000	4	1940	1957	99½
17,54,400	3½	1941	1959	95½
21,10,000	3½	1942	1972	92
15,49,000	3½	1951	1960	97
15,33,000	3½	1951	1961	97½
66,88,000	3½	1951	1966	97
87,36,000	4	1952	1962	99
72,50,000	4½	1954	1979	100
		MADRAS		Rs.
15,00,000	3½	1951	1961	107⅜
15,00,000	3½	1952	1963	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,06,000	17th Sept. 1963	98⅛
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	2,50,23,000	15th July 1963	100½
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. ● Loans held entirely by the Trustees. ‡‡ Quotations in Pak. Currency. ††† Rupee Counterparts.
† Bombay State Transport. †† Rate of Interest reduced from 6 to 2 per cent. with effect from 1st June, 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‖—Interest free for first 7 years. §—Interest free for first 5 years. N—Nominal.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank	15,00 000	1901	6	Mar.	Sept.	132	100
BREWERIES AND SUGAR							
Bharat Sugar	5,00,000	1931	5	Dec.	..	70N	100
Garew & Co.	8,00,000(b)	1875	8	Feb.	Aug.	106	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb.	Aug.	138	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July	Apr.	6-2½	5
Bihat India Distilleries	£200,000	1897	7	Jan.	July	17	£1
Gwalior Sugar	5,75,000(c)	1940	7(a)	Dec.	..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	..	68	100
Partabpore Co.	6,00,000	1922	10	Oct.	..	16	10
Ramnagger Cane	4,00,000	1933-38	6	Aug.	..	108	100
Ravalgaon Sugar	20,00,000	1948	5½	Oct.	Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct.	..	50N	100
Travancore	15,00,000	1946	5(c)	Dec.	..	8½	10
Upper Ganges	15,00,000	1932	5	Dec.	..	90N	100
Do.	15,00,000	1946	5(a)	Dec.	..	70N	100
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	113	100
Borree	4,00,000	1896-97	6½	Oct.	Apr.	117	100
Burrakur (1st)	12,99,900	1901-19	7	Apr.	Oct.	122	100
Do. (2nd)	4,50,000	1946	6(a)	..	..	7½	10
Equitable	4,00,000	1896	5(a)	Mar.	Sept.	116	100½
Karanpura Collieries	7,50,000(d)	1946	5	..	..	70	75(pp)
†††Khas Kajora	1,93,000	1921	5	Mar.	Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan.	July	13½	10
Oudal	2,00,000	1898-99	6½	Apr.	Oct.	113	100
COTTON							
Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	103½	100
Bangalore	6,00,000	1934	6	Jan.	July	125	100
Basanti Cotton	5,00,000	1938	6½	Nov.	..	8	10
Benares Cotton	1,05,200	1919	7	July	Jan.	15N	100
Bengal-Nagpur	3,00,000	1906	8	Feb.	Aug.	135	100
Bowreah 'A'	6,00,000	1900	7	Feb.	Aug.	72	100
Do. 'B'	6,00,000	1900	7	June	Dec.	65	50
Bradbury	14,75,000	1919	7½	Jan.	July	144	100
Buckingham & Carnatic	21,30,300	1920	7	Apr.	..	132½	100
Cambodias	1,00,000	1928	5	Oct.	..	437½	500
Central India	50,00,000	1913	6½	Nov.	..	111½	100
Coimbatore Pioneer	1,00,000	1933	8	May	Nov.	135	100
Elgin	11,00,000	1913	6	July	Jan.	8	10
Do. 'B' Pref.	4,20,000	1943	7(a)	May	Nov.	87	100
Elphinstone	25,00,000	1919	7	July	Jan.	119	100
Gloucester	20,00,000	1919	7	June	Dec.	118	100
Gwalior	10,00,000	1919	7	Mar.	Sept.	116	100
Hirjee Vulcan	5,00,000	1920	6	May	Nov.	91	100
Ollve((1st Pref.)	8,00,000	1900	6	May	Nov.	101	100
Do. (A) (2nd Pref.)	8,00,000	1900	6	May	Nov.	112xd	100
Dalhousie	5,00,000	1936	6	June	Dec.	95	100
Delta	5,00,000	1897	5	..	..	116	100
Empire	10,00,000	1918	7	May	Nov.	121	100
First Glnner	10,00,000	1936-38	6	..	..	88	100
Do. (2nd Pref.)	7,00,000	..	5	May	Nov.	116	100
Fort William	10,00,000	1911	6	June	Dec.	126xd	100
Gangam	8,00,000	1919	6	May	Nov.	102xd	100
Georgette	20,50,000	1936-04	6	May	Nov.	105	100
Hiranagar	25,00,000	1935	6	Mar.	Sept.	116	100
Hoosainy	11,75,000	1919	7	May	Nov.	14

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	76,28,421	43,05,373	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2½	2	0 4(c)	0 4 (c)	0 2(c)		12	Y.
40,00,000	24,00,000	1,24,85,581	72,25,555	—5,76,311	B. R. Sons, Ltd.	50,596	1,021	B. B. Cotton Mills	86	100	*Nil*	*Nil*	*Nil*		3	Y.P.T.
2,50,95,000	2,33,99,019	4,25,75,764	3,54,21,688	43,579	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	577½	250	20 0	22 8*	20 0	7 81	12	Y.
10,00,000	27,36,559	55,58,179	25,57,495	2,43,761	Ramarain Sons, Ltd.	44,980	960	Bradbury Mills	197½	50	100 0	100 0	75 0		3	Y.P.
1,98,43,800	2,27,54,197	2,83,17,250	1,85,18,280	21,82,663	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	197½	100	20 0	22 0	22 0	8 01	12	Y.
49,00,000	15,44,590	1,16,09,462	65,52,089	—33,25,720	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	75	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	11,85,476	81,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,828	680	Coorla Spg. & Wvg.	127½	100	7 8	7 8	7 8	7	12	Y.
16,00,000	27,17,861	53,47,587	53,45,041	47,117	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	140	50	6 0	6 0	6 0		3	Y.
24,00,000	27,75,000	73,60,721	54,73,784	30,168	Purnamal Radhakishan & Co.	50,084	928	Edward Textiles	312	200	15 0	15 0	15 0		12	Y.
30,00,000	11,93,292	1,10,92,541	75,74,225	33,796	M	41,500	886	Elphinstone Spg. & Wvg.	54	50	2 0	*Nil*	3 8		12	Y.
50,00,000	64,81,875	1,05,11,445	71,68,296	5,90,561	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	356	100	20 0	16 0	16 0	2 81	12	Y.P.
11,84,000 10,000	76,64,589	1,27,76,810	99,11,500	9,223	Thac ersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	4,800 992½	1,000 250	200 0* 50 0	225 0* 56 4*	225 0 56 4	300 0 75 0	3	Y.P.
5,99,00,000 59,00,000D	1,12,27,588	4,58,17,544	3,07,00,000	—16,61,890	Agarwal & Co	2,32,640	6,278	India United Mills	13½ 2–2½	2	0 10 *Nil*	0 10 0 1	0 10 *Nil*	0 10½ 0 10½	12	Y.
5,25,000 25,000	74,24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	4,800	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
50,35,000	40,58,451	2,37,18,607	1,93,98,946	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	230	100	20 0	20 0	20 0	150 0	3	Y.P.
1,00,00,000	1,21,50,000	2,58,18,705	2,08,14,706	33,980	Killick Industries Ltd.	1,20,504	1,546	Kohinoor Mills	344	100	18 0	20 0*	18 0	10 0	6	Y.
23,13,050	29,74,916	1,14,37,317	54,72,963	16,412	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	80N	50	6 0	7 0	5 0		12	Y.
61,75,900	33,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	70 416	1,652	Morarjee Goculdas Spg. & Wvg.	226½	100	12 0	12 0	14 0		12	Y.
57,71,400	41,70,518	5,74,08,779	1,55,00,000	5,78,076	Chinai & Co., Ltd.	..	..	National Rayon Corporation	232	100	*Nil*	9 0	10 0		12	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	9,015	W. H. Brady & Co., Ltd.	45,044	432	New City of Bombay Mfg.	170	100	10 0	10 0	10 0		12	Y.
30,00,000	14,61,250	92,85,599	61,42,741	4,330	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	240	100	10 0	10 0	10 0	10 0	12	Y.P.
12,70,100	26,92,994	53,27,849	22,21,142	8,178	Mafatlal Chandulal & Co., (Bombay), Ltd.	24,100	373	New Union Mills	88	10	1 4	1 4	1 4		12	Y.
48,00,000	36,62,278	1,49,08,112	99,59,311	1,36,384	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	142½	100	10 0	10 0	10 0		12	Y.
40,00,000	46,58,014	81,89,335	23,00,000	3,18,563	Podar Sons, Ltd.	32,600	930	Podar Mills	171½	100	10 0	10 0	10 0	5 0½	12	Y.P.
8,00,000	8,16,999	21,21,581	10,91,240	—1,78,154	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	13½	10	1 4	0 12	0 8		12	Y.
25,00,000	69,06,474	1,24,23,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,508	1,254	Sassoon Spg. & Wvg.	38	10	1 4	1 4	1 12		12	Y.
60,00,000	1,33,00,061	1,14,89,125	91,35,306	6,357	Mafatlal Chandulal & Co., Ltd.	61,152	864	Shree Niwas Cotton Mills	227½	100	12 8	14 0	14 0		12	Y.P.
48,00,000	61,15,883	46,73,745	21,76,001	700	Jagatbhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	48	100	20 0*	20 0*			12	Y.
12,50,000	1,09,22,589	79,71,788	52,25,077	52,522	Laibhai Dalpatbhai & Co.	31,120	636	Raipur Mfg.	1,225	100	25 0*	17 8			12	Y.P.
12,00,000	13,98,057	74,95,099	29,87,450	—29,90,510	Mangaldas Girdhardas Parekh Ltd.	47,352	1,095	Rajnagar Spg., Wvg. & Mfg.	275	250	*Nil*				12	Y.P.
23,50,000	16,74,825	84,83,940	52,67,803	4,020	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	225	100	9 0	9 0			12	Y.P.
28,98,150	1,90,84,538	1,80,18,812	1,24,25,000	2,62,570	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	602	50	16 0	18 0	20 0		12	Y.P.
19,22,500	59,00,194	78,08,018	49,08,800	6,484	Mafatlal Chandulal & Co., (Ahmedabad), Ltd.	36,624	780	Shorrock Spg. & Mfg.	460	100	20 0	20 0	25 0*		12	Y.
22,00,000	26,96,488	1,03,76,240	68,25,291	32,764	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	605	400	35 0*	35 0*	25 0*		12	Y.
WEST BENGAL																
15,00,000	1,32,800	84,23,069	21,01,810	1,03,030	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	5	10	*Nil*	0 4	0 8		12	Y.
7,11,250	2,40,775	43,43,881	25,67,597	98,783	Bengal Textile Agency, Ltd.	32,544	936	Bengal Luxmi Cotton Mills	40 N	40	3 0	*Nil*	4 0		12	Y.P.
6,00,000	25,71,793	81,33,222	51,52,000	—84,31,401	Kettlewell Bullen & Co., Ltd.	43,572	841	Bengal Cotton Mills	310	100	*Nil*	*Nil*	*Nil*	4 0	6	Y.
19,00,000	25,17,571	1,01,41,469	69,83,080	—7,06,925	Kettlewell Bullen & Co., Ltd.	43,944	518	Dunbar Mills	295	100	*Nil*	*Nil*	*Nil*		6.12	H.
1,60,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,438	Birla Brothers, Ltd.	70,884	1,990	Kesoram Cotton Mills	16½	10	1 12	1 12	*Nil*		6.12	H.
6,00,000 25,96,288	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	443	Mohini Mills	—	25 10	1 4½ 0 8			0–14	3 12	Y. Y.P.
19,47,7500 5,00,000D	5,75,000	41,29,452	21,54,462	26,982	Hazarecmull Heeralal	23 036	795	Rampoorla Cotton Mills	11½ N 1½	10 1D.	0 8 *Nil*	0 8 *Nil*	0 10½ *Nil*		6	Y.
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,87,101	29,09,649	—8,54,223	Ramia & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	7½	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
9,8.71,94,400	44,98,337	2,10,91,707	80,80,013	..	Industrial Trust Fund	36,126	708	Asarm Jahi Mills	85	100	6 0	6 0	*Nil*		12	Y.P.
40,50,000	2,00,68,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,187	Bangalore Woollen, Cotton and Silk Mills	—	—	—	—	—		12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,123	18,199	M.	29,926	810	Bengal-Nagpur Cotton Mills	9½	10	0 8	0 8	0 4	30 0	12	Y.P.
1,15,00,000	1,12,09,588	1,12,05,727	78,65,727	5,50,791	Birla Brothers, Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	85N	10	2 0	2 0	*Nil*		6.12	H.P.T.
1,78,47,800	1,76,52,600	6,38,09,203	3,52,32,130	2,38,445	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckingham & Carnatic	178cd	100	3 0	3 0	3 0		3	Y.
20,00,000	20,00,496	84,17,820	19,76,534	8,55,087	Petros Leslie & Co., Ltd.	38,706	..	Cambodia Mills	18½	100	4 0	10 0	10 0	10 0	12	Y.P.
18,00,000	4,61,500	44,08,466	21,80,176	44,557	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	10	100	1 0	0 12	*Nil*		12	Y.
30,00,000	25,98,976	58,07,118	50,84,816	29,514	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	145	100	12 0	12 0	20 0	12 0	3	Y.
13,00,000	21,91,621	34,68,396	27,86,327	34,104	R. Bheema Naidu & Co.	23,554	..	Coimbatore Cotton Mills	9½	5	0 0	0 0	*Nil*		3	Y.
20,00,000	14,23,000	86,95,518	51,29,000	14,054	R. R. Naidu & Co.	23,783	..	Coimbatore Pioneer Mills	358cd	100	9 0	20 0	25 0	25 0	6	Y.
30,76,900	4,19,814	1,15,51,599	82,06,019	16,884	R. G. S. Naidu & Co.	72,823	407	Coimbatore Spg. & Wvg.	256	100	9 0	15 0	20 0		6	Y.
46,87,500	52,82,449	2,48,18,409	1,58,09,833	3,708	Tata Industries, Ltd	1,15,188	2,062	Central India	93	50	*Nil*	*Nil*	3 8		6	Y.P.
9,88,24,875 1,00,543	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. R. Charat Ram & Co., Ltd.	1,16,636	2,854	Delhi Cloth & General Mills	147 35N	100 10	20 0 2 8	20 0 2 12	16 0 2 8	2 4 2 4	6 6	Y.P.
24,84,800	24,72,758	47,84,087	33,82,512	9,248	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	24	0 1 4/5	0 2 4/5	0 3 3/5		0 3 3/5	6	Y.
63,00,000	56,33,360	1,52,16,382	1,29,71,631	93,886	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	100	20	3 0	4 0	4 0	3 0	12	Y.
48,51,000	35,22,175	1,00,55,167	68,05,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,074	4	Gokak Mills	27	10	1 8	1 0	1 0	1 0	3	Y.
50,00,000	3,09,654	1,29,85,712	1,03,08,420	6,150	Govindram Seksaria, (Indore)	51,180	1,420	Indore Malwa United	247	100	17 0	17 0	15 0	15 0	12	Y.
3,90,000	10,85,883	30,91,189	16,77,748	—50,124	G. V. Naidu & Co., Ltd.	24,888	..	Jayarama Mills	150	100	10 0	10 0	8 0*		12	Y.
24,00,000	15,29,000	78,88,858	25,00,000	29,882	Kothari & Sons	43,000	300	Kothari Textiles	106	50	2 12	4 8	5 0		12	Y.
32,00,000	69,82,519	1,42,27,744	1,05,78,587	19,080	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	27	10	0 12	0 8	0 8	1 0	6	Y.
85,64,100 17,82,000	66,55,960	1,11,86,880	75,29,888	74,376	G. K Naidu & Co;	85,908	201	Lakshmi Mills	665 100	250 50	27 8 5 0	27 8 5 0	22 12 10 0	12 8 5 0	12	Y.
1,75,02,480	4,18,81,878	5,73,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	98	25	2 8	2 8	5 0	5 4	3	Y.
12,00,000	4,17,868	28,26,768	16,72,202	—99,078	A. L. A. R. S. Chettiar and 5 others	22,592	100	Malabar Spg. & Wvg.	109	100	3 0	3 0	3 0	3 0	12	Y.
60,00,000	69,00,000	62,41,448	41,50,225	1,43,409	W. Beardsell & Co., Ltd.	24,720	608	Mayur Industries Ltd.	405	100	8 0	8 0	8 0		12	Y.
29,59,700	19,47,903	84,13,677	46,82,134	9,899	N. Sirur & Co., Ltd.	39,896	704	Minerva Mills	82	50	2 0	2 8*	2 8	25 0	3	Y.
94,91,850	27,24,404	1,61,29,116	78,81,628	—7,44,932	Bansilal Abirchand Dadabhoy & Co.	51,340	948	Model Mills (Nagpur)	150	250	7 8	7 0*	5 0(c)		12	Y.
50,00,000	58,19,600	1,58,39,271	1,01,58,551	—7,72,250	Madhusudan Textile Syndicate Ltd.	58,640	1,894	Mule Mills	150	100	7 8	7 0	5 0(c)		12	Y.
24,33,500	50,35,447	90,04,000	63,69,398	23,708	N. Sirur & Co., Ltd.	50,128	500	Mysore Spg. & Mfg.	101½	10	10 0*	10 0*	8 0*	6 0(c)	12	Y.P.
13,61,780	2,58,745	29,42,992	15,27,000	3,986	E. Suryanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills	10	10	*Nil*	*Nil*	*Nil*		3	Y.
23,59,8820 3,07,06,500	25,62,582	1,02,16,296	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd.	52,423	1,225	New Victoria Mills	2½ 2½	2 1	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		12	Y.P.
57,14,300	57,72,270	1,68,68,562	62,58,093	....	Industrial Trust Fund	37,785	856	Osmanshahi Mills	7	100	7 0	7 0	*Nil*		12	Y.
4,00,000A 6 00,000B	7,50,000	35,04,758	21,95,715	9,122	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	164½ 225	50A 75B	7 8 11 4	12 0 16 0	12 0 18 0		12	Y.P.
1,00,000A 16,81,200A	2,25 000	34,59,511	16,41,045	—18,87 240	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	72½	100 100A	*Nil* 6 0	*Nil* 8 0	*Nil* 12 0		12	Y.
8,49,200B	20,00,000	78,90,455	41,41,878	28,667	A. G. Gurusamy Naidu & Co.	51,664	301	Radhakrishna Mills	280 140	50B	3 0	4 0	8 0		12	Y.
15,00,000	33,75,000	84,37,775	17,67,922	12,337	B. B. Naidu & Sons	35,472	..	Rajalakshmi Mills	177½	100	4 8	7 8	10 0		12	Y.P.
23,23,375	12,10,000	3c 91,595	14,22,264	23,505	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	187cd	100	6 0	6 0	9 0		12	Y.
60,00,000	62,66,508	98,29,567	35,68,291	—19,59,42	J. P. Srivastava & Sons (Rampur)	34,538	600	Raza Textiles	10	10	*Nil*	*Nil*	*Nil*		12	Y.
16,00,000	1,60,29,516	2,89,27,048	2,04,27,279	1,50,02,067	Morarka & Co.	98,232	2,234	Sholapoor Spg. & Wvg.	74N 1,000	100 800	*Nil* *Nil*	*Nil* *Nil*	*Nil* *Nil*		3	Y.P.
86,69,700	16,68,628	71,75,918	51,35,889	27,871	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	90½	50	4 0*	4 0*	4 8		3	Y.
26,14,800	2,00,246	35,18,906	17,79 000	—2,46,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	90N	100	*Nil*	*Nil*	*Nil*		3	Y.
15,00,000	3,11,90,237	96,09,567	72,44,724	31,27,583	Birla Brothers, Ltd.	35,556	1,242	Satlej Cotton Mills	180N	10	4 0	4 0	5 0	6 0	3	Y.
17,50,000 1,57,50,00000	2,30,00,000	4,54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	11 11½	10 O. 10P.O.	*Nil* *Nil*	0 8 0-14 2/5	0 12 1–2 2/5	0 12 0 12	12	Y.P.
99,84,040	16,00,000	2,75,11,606	1,90,28,764	1,23,122	Emcete & Sons (Travancore), Ltd.	..	..	Travancore Rayons	15½	10	*Nil*	0 8	1 0		12	Y.P.T.
19,98,670	8,79,479	12,36,297	10,45,186	8,821	Mooljee Ramjee & Sons	17,600	..	Trichinopoly Mills	121cd	10	0 11 1/5	0 11 1/5	0 14 2/5		12	Y.
21,00,000	32,00,000	56,22,252	36,61,499	26,500	K. S. Chetty & Brothers	38,544	570	Vasanta Mills	280	100	12 0	12 0	15 0		12	Y.
32,00,000	31,99,443	1,38,25,036	1,00,33,390	22,250	Bombay Co., Ltd.	46,490	1,331	Vishnu Cotton	183½	100	10 0	4 0	4 0	2 81	12	Y.P.

* Includes bonus. M—Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves. (p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 65,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs	Rs.	Rs.	Rs.	Rs.			Rs	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	8-7½	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,20,630	18,38,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	*Dyer Meakin Breweries*	0	5	0 8	0 8	0 8	0 9	3	Y.
							276cd	A. 15sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh 3/5	9	Y.P.
5580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	333cd	B. £1	Sh. 5	Sh. 4	Sh. 6 4/5	Sh4		
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya Esq. (Chairman)	United Breweries	183xd	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
11,87,700A 39,70,020B	10,85,516	79,90,234	39,22,658	26,622	Andhra Engineering Co., Ltd.	Andhra Cement Co.	15⅝ 7½	A. 100 B. 10	7 8 0 12	10 0* 1 0*	10 0 1 0		12	Y.P.T.
43,14,600O. 4,70,976D.	13,13,132	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	1½	D. 1	*Nil*	*Nil*	*Nil*		3	Y.P.
							213½	100	9 8	9 8	8 8	10 0	7	Y.
12,71,86,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	14½	O. 10	0 10	1 0	1 0			
60,00,000O. 26,50,000C.	48,20,901	89,92,667	29,67,544	2,86,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)†	3½	O. 2½	0 2½	0 4	0 4		12	Y.P.T.
6,00,000D. 61,91,030O.	14,00,000	1,46,54,600	47,05,770	3,31,546	Easen Ltd.	India Cements Ltd.	3½	D. 1	*Nil*	0 1-3/5	0-1 3/5		3	Y.P.
7,50,000D.							33⅓	D. 2½	1 4	*Nil*	1 4	1 14		
59,88,375	28,50,000	1,88,78,057	68,98,459	2,77,144	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	6¾	D. 5	0 4	*Nil*	0 4	0 6	3	Y.P.
75,00,000	20,95,000	1,89,36,123	1,41,94,859	88,454	Martin Burn Ltd.	Sonevalley Portland Cement	18	100	6 0	6 0	8 8		12	Y.
50,00,000	....	1,04,00,351	34,33,980	2,75,454	Easel Ltd.	Travancore Cements Ltd.	12	10	0 8	0 8	0 10	0 81	12	Y.
CERAMIC; MINING AND QUARRYING														
						Bengal Potteries	3½	2½	0 2½	0 2½	0 4		12	Y.
81,70,655	2,00,000	62,32,608	26,81,552	17,540	Bharat Ram Bhagat & Co.	Biara Stone Lime Co.	41 N	10	0 14	0 14	0 8	0 14f	3, 9	H.
10,00,000	25,12,725	57,20,295	33,28,355	9,142	Bird & Co., Ltd.	Indian Copper Corporation	6–8½	Sh. 2	2d.	2 4d.	6d.		12	Y.
							222	10	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	H.
$914,200	£1,322,766	£2,037,845	£1,086,287	£111,715	Bird & Co., Ltd.	Karanpura Development	91	10	1 0	1 0	1 0	0 12	3	Y.
20,00,000	27,32,326	43,79,859	12,19,311	—30,704	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	1,060	10	1 8	2 0	1 0			
6,00,000	2,60,500	8,79,400	5,07,504	91,884	Bird & Co., Ltd.	Orissa Minerals	24½	10	1 8	2 0	1 0		6, 12	H.
30,00,000	32,59,757	44,31,048	23,89,079	..	..	..	1,000	10	2 10	*Nil*	*Nil*			
6,00,000	8,63,360	30,63,815	20,25,104	7,622	R. K. Agarwala & Brothers	Reliance Firebrick & Pottery	18N	10	0 8	0 4	*Nil*		2, 8	H.
							109	10	7 0*	8 0*	8 0*	8 0*	11	Y.
7,00,000	57,30,000	44,10,072	20,73,805	21,661	Killick Industries Ltd.	Shivrajpur Syndicate								
CHEMICAL														
25,00,000	$1,41,532	79,37,501	40,19,759	16,251	Bhailal Amin & Sons, Ltd.	Alembic Chemical Works Co.	107½	100	8 0	8 0	8 0		12	Y.P.
62,00,000	42,71,273	1,89,39,160	38,97,818	1,19,168	Imperial Chem. Ind. (India), Ltd.	Alkali and Chem. Corpn. of India	21½	10	0 9 3/5	0 9 3/5	0 9 3/5	0 12 4/5	9	Y.P.
1,00,00,000	....	1,81,43,218	18,58,896	..	Lalbhai Sons & Co.	Atul Products Ltd.	159	100	*Nil*	*Nil*	*Nil*		12	Y.
1,00,00,000						Bengal Chemical and Phar.	104½	100	6 0	6 0	6 0	6 0	4	Y.P.
48,50,000	....	....	....	—11,70,055	Dr. B. N. Ghose (Managing Director)	Dhrangadhra Chemicals	137N	100	15 0	12 0	12 0	12 0	12	Y.
45,63,200	45,95,059	1,07,96,424	51,87,530	47,892	Sahu Bros. (Saurashtra), Ltd.	P. A. C. T.	7½	10	*Nil*	*Nil*	*Nil*		12	Y.
21,50,000	41,82,560	1,39,86,144	37,06,386	—44,66,878	Seshasayee Bros. (Travancore), Ltd.	Kemp & Co.	180	200	20 0	20 0	12 0		3	Y.
3,46,97,500	....	4,20,88,176	1,66,41,211	16,942	S. V. S. Iyer (General Manager)	Mettur Chemicals and Fertilisers	9⅜	10	0 5	*Nil*	0 5	0 10	3	Y.P.T.
11,99,900	6,40,584	24,60,915	10,77,957	6,462	Seshasayee Bros. (Travancore), Ltd.	Mysore Chemicals and Fertilisers	9–10	10	0 10½	0 10	0 8	0 8	3

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	35,61,841	2,00,40,004	1,45,07,804	1,78,122	Balmer Lawrie & Co.	Bengal Paper Mills	126	25	1 9	*Nil*	1 9	2 3½	6,12	H.P.
									5 0	6 0	7 0	0 11½		
62,98,250	66,03,861	1,11,56,730	76,81,898	88,945	Andrew Yule & Co., Ltd. .. .	India[Paper Pulp	23½	10	5 0	6 0	7 0	0 11½	3,9	H.
25,00,000	16,12,500	1,86,83,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	17½	10	1 0*	1 0*	0 12*	0 12*	3	Y.
1,46,82,500	1,86,87,959	4,12,77,410	97,21,214	2,05,870	Birla Bros	Orient Paper	34½	10	1 0	1 0	0 7	0 8½	3,9	H.P.
									1 0	1 0	0 8			
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros	Shree Gopal Paper Mills	18½	10	0 12	0 12	0 12	0 10½	6,12	H.P.
									0 12	0 12	0 12			
20,00,000 } 10,00,000'A' }	6,50,000	54,00,869	30,16,681	4,492	Baloria & Co.	Star Paper Mills	12½	O. 10	0 8	0 12	0 12	0 8½	3,9	H.P.
							12½	A. 10	0 8	0 12	0 12			
56,00,000A. } 56,04,800B. } 4,37,500P.O. }	3,07,07,316	5,39,14,072	3,13,50,222	89,160	F. W. Heligers & Co., Ltd. .. .	Titaghur Paper Mills Co., Ltd. ..	44½	A. 10	1 0	1 0*	0 12	1 0*½	3,9	H.P.
									1 0	1 0*	0 12			
							44½	B. 10	1 0	1 0*	0 12	1 0*½		
									1 0	1 0*	0 12			
							4 ½	P.O. 2½	0 2	0 2	0 2	2½		
									0 2	0 2	0 2			
PRESSING														
4,00,000	6,12,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	*Nil*	9	Y.
4,50,000	1,00,000	6,89,526	4,78,056	2,354	Pyne & Sons	Camperdown	883	100	7 0	7 0	5 0	5 0	7	Y.
5,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	6	Y.
PROPERTY AND LAND														
10,00,750O. } 2,00,000D. }	7,43,055	43,46,067	21,43,279	96,047	S. A. Basil, Esq. & others (Directors)	Humayun Properties	13½	O. 10	0 8	0 11½	0 9 3/5		9	Y.P
							2½	D. 1	*Nil*	0 4/5	*Nil*			
60,00,000	18,07,874	84,89,704	15,00,000	540	David Sassoon & Co., Ltd. .. .	Port Canning Land	10	100	1 0	1 0	1 0	*Nil*	4	Y.
94,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	35	100	2 0	1 8	1 0	3 0	4	Y.P
SAW MILLS AND TIMBER														
13,99,998	25,28,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	5½	2	0 4	*Nil*	*Nil*		9	Y.
50,00,000 }	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	597½	Old125	22 8	15 0	20 0	37–8	9	Y.
42,00,000 }							220	New50	9 0	6 0	8 0	15–0	5	Y.
6,00,000		7,28,569	7,26,267	—4,89,907	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	*Nil*	*Nil*	*Nil*		6	Y.P
30,00,000	18,15,487	18,19,049	13,53,015	1,70,568	Gillander Arbuthnot & Co., Ltd	Indian Wood Products	38½	10	2 0	2 8	2 12	1 0	6	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd.‡ ..	Balrampur Sugar	9	5	*Nil*	*Nil*	0 12	0 1	6	Y.
12,00,000A. }	29,18,356	49,46,285	33,16,660	16,50,000	Narang Bros. & Co., Ltd. .. .	Basti Sugar	168N	A. 100	10 0	10 0	10 0		6	Y.P
8,00,000B. }							14N	B. 10	1 0	1 0	1 0			
19,49,050	8,50,000	31,01,657	23,38,812	49,906	Bangur Bros., Ltd.	Belsund Sugar	11½	7½	0 12	0 12	0 12		9	Y.
15,00,000	15,90,295	16,40,179	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8	1 8	6	Y.P
82,00,000	25,79,421	1,35,76,859	88,78,177	61,723	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	10	10	*Nil*	*Nil*	0 12		6	Y.P.
30,00,000	57,83,651	1,03,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	21½	10	2 0	2 0	0 12	0 12	10	Y.P
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	31½	10	2 0	1 0	1 0	1 8	6	Y.
5,99,452	6,15,503	24,58,580	15,38,747	48,304	Karamchand Thapar & Bros. ..	Deoria Sugar	94N	10	1 0	1 0	0 12		6	Y.P
50,00,000A. }	82,00,000	75,94,877	55,00,000	62,419	Baehbral & Co., Ltd.	Hindustan Sugar Mills	260N	'A' 100	12 0*	15 0*	15 0*	15 0*	6	Y.P
10,00,000O. }								O. 100	12 0*	15 0*	15 0*	15 0*		
12,00,000	8,61,001	75,31,309	42 63,455	27,926	Kilachand Devchand & Co. .. .	Kesar Sugar	60N	80	*Nil*	*Nil*	*Nil*	4 8	6	Y.P
							24N	40	*Nil*	*Nil*	*Nil*	4 8		
7,50,000	22,14,058	34,94,612	19,35,838	1,364	Cotton Agents Ltd.	New India Sugar Mills	38	10	2 8	2 8	2 8	2 4	7	Y.P.
11,00,000	4,80,000	42,21,480	24,87,558	4,185	Karamchand Thapar & Bros. Ltd.	New Savan	6	10	2 8	2 8	2 8	2 8	6	Y.
10,87,500A. }	49,80,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar[Mill	240N	100	20 0	20 0	0 4	20 0	6	Y.
2,71,875B. }							60N	25	5 0	5 0	1 0	5 0		
77,45,350	52,18,159	1,56,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	135N	100	11 0	11 0	11 0	11 0	7	Y.P
13,00,000	12,74,223	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd. .. .	Punjab Sugar	117N	100	6 0	10 0	10 0		10	Y.P
9,00,000	17,64,369	37,85,808	30,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	15½	10	1 0	1 0	0 12	0 12	6	Y.P
8,00,000	5,54,722	25,43,782	21,01,613	24,340	M.	Ryam Sugar	24	10	1 0	1 0	0 8		6	Y.P
11,99,900	18,36,779	38,63,588	22,92,180	8,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	14	10	1 0	0 8	0 8	*Nil*	6	Y.
20,00,000	22,85,569	1,35,20,110	62,59,321	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	11½	10	1 8	1 8	1 8	1 12	6	Y.P.
9,99,950	61,225	25,83,548	21,98,887	—3,98,858	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	0 6½	*Nil*	*Nil*		6	Y.
7,95,462	18,82,940	31,60,735	17,68,068	1,06,227	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	14½	10	1 0	2 0*	1 8*		6	Y.P
9,10,000O. }							O. 10	*Nil*	*Nil*	*Nil*				
4,40,000D. }	47,502	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.... ..	South[Behar Sugar	D. 2½	*Nil*	*Nil*	*Nil*			10	Y.P
8,00,000	21,01,685	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 0	0 8	2 8	2 8	6	Y.P
16,00,000	7,99,778	32,06,850	25,98,846	39,061	James Finlay & Co., Ltd. .. .	United Provinces Sugar	23½	10	1 8	0 8	1 4		6	Y.
Other Centres														
49,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd. .. .	Belapur Company'[..	228	50	16 0	16 0	16 0	16 0	9	Y.
17,50,000	9,24,592	33,03,979	21,36,722	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	14½	10	1 0	0 10	1 0	1 0	6	Y.
18,99,900	3,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.)[Ltd.	Gwalior Sugar	65N	100	8 0	*Nil*	*Nil*		6	Y.P.
31,47,780	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Ltd.	India[Sugar[and[Refineries	20½xd	10	2 8	2 8	1 12	1 6 2/5	9	Y.P
23,57,620	41,27,060	41,95,605	20,73,418	1,403	Govan Bros. (Rampur), Ltd. .. .	Buland Sugar	144N	10					9	Y.P
10,53,2000. }	69,50,000	95,98,952	31,00,978	48,494	K. C. P. Ltd.		127½	O.100	7 8	8 0	7 8		6	Y.P
2,87,190D. }							100	D. 10	10 0	10 0	10 0	10 0		
21,79,280		95,00,001	1,31,37,677	78,17,780	2,90,840	S. Muninanjappa, Esq. (Managing Director) ..								
50,00,000		48,49,631	1,03,28,164	59,35,509	11,053	Mafatlal, Apte and Kanitlal Ltd. ..	Mysore Sugar	49½	10	2 0	2 0	2 0	2 0	6	Y.
10,59,880		25,50,880	14,90,015	26,76,747	2,39,220	Anderson Wright Ltd.	Phaltan Sugar	141	50	8 0	8 0	8 0	8 0	6	Y.
99,00,00000. }		24,67,171	87,47,627	58,31,890	61,482	Walchand & Co., Ltd.	Ramnagar Cane and Sugar ..	24	10	2 0	2 0	1 8		6	Y.P.
4,00,000D. }							85N	O. 10	1 0	*Nil*	*Nil*			
19,99,608		44,68,457	47,06,689	21,78,094	4,685	Govan Bros. (Rampur), Ltd. .. .	Raza Sugar	7N	D. 10	0 11½	*Nil*	*Nil*	9	Y.P.
80,00,000		10,37,776	59,76,254	17,87,159	—32,224	Parry & Co., Ltd.	Travancore Sugars	151N	10	0 12	1 0	0 12	10	Y.
1,01,00,000		61,19,890	1,85,70,980	1,04,68,812	1,79,083	Premier Construction Co., Ltd. ..	Walchandnagar Industries ..	13½	10	*Nil*	*Nil*	*Nil*	7	Y.
							256‡	100	14 0	14 0	16 0		9	Y.P.
TRANSPORT														
20,00,000	1,08,42,425	1,33,68,272	12,76,122	99,699	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	144	100	12 8	10 0	7 8		10	Y.P
1,60,00,000	18,07,990	4,65,14,760	1,80,06,587	89,648	Dimbaw Ltd.	Bharat Line	78	100	5 0	5 0	5 0		12	Y.
50,00,000	24,35,838	2,50,21,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	15½	10	1 0	1 0	1 0		10	Y.P
£655,580	£960,878	£5,515,631	£3,844,778	£21,866	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	113	410	8h.10	*Nil*	8h.10	*Nil*	6	Y.P
2,25,00,000	74,99,223	7,93,25,462	1,81,58,690	1,28,061	Lionel Edwards Ltd.	India Steamship Co.	13½	10	0 8	0 8	*Nil*		12	Y.P
9,40,19,673	6,94,92,081	18,36,68,418	4,84,44,300	2,75,683	Narottam Morarjee & Co.	Scindia Steam Navigation Co.‡	17–3½xd	20	0 8	0 12	0 8	*Nil*	6	Y.P
5,40,8000. }	18,58,194	11,38,000	6,80,211	1,34,123	R. B. Aiyer, Esq. (Manager) '... ..	Walford Transport[Ltd.]	2½	O. 1	as. 1 3/25	as. 1 3/25	1 22/25		12	Y.
4,10,200P.O. }							1½	P.O. 1	as. 1 9/25	as. 1 9/25	1 19/25			
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0	32 0	9	Y.
15,98,860	2,04,173	7,18,542	90,000	42,853	Parakh Agencies Ltd.	Bombay-Uganda	62½	80	4 0	5 0	4 0			
25,00,000	1,00,000	25,74,381½	9,234	3,894	Dena Sons, Ltd.	Devkaran Nanji Investmen Co.	12	10	0 12	0 12	0 12		9	Y.
14,98,540	3,48,585	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	80	50	2 8	*Nil*	2 0	0 12	6	Y.
1,00,00,000	19,07,876	1,27,52,603½	.....	2,85,005	Premchand Roychand & Sons	Industrial Investment Trust ..	80½	100	4 8	4 8	2 0	2 0	8	Y
99,99,975	35,08,851	35,10,899	9 81,529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	167	100	10 0	10 0	11 0	11 0	12	Y
2,07,02,800A. }	5,23,684	2,87,33,378	1,25,90,292	5,86,717	Asco-Auto Ltd.	Premier[Automobiles '.. ..	95	A.100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
10,00,000B. }								B. 10	*Nil*	*Nil*	*Nil*	*Nil*		
10,21,200	5,43,505	14,40,720	12,10,720	38,055	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22½	20	2 0	2 0	2 0		12	Y.
2,75,00,000	75,25,568	2,93,47,116	1,53,96,500	5,28,887	T. Rydin, Esq. (Managing Director) ..	Western India Match Co.	201‡	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	55,24,847	7,24,608	3,07,108	36,484	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd. .. .	350	150	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
47,50,000 }	15,00,000	1,86,62,801	53,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd...	10½	O. 10	*Nil*	*Nil*	*Nil*		6	Y.P.
2,50,000							2½N	D. 2½						
20,00,000	35,05,079	32,06,626	21,94,951	3,43,961	Turner Morrison & Co., Ltd. .. .	Angelo Bros., Ltd.	22½	10	1 4	1 4	1 4	2 0*	6	Y.
20,00,000	2,35,000	35,74,582	20,11,857	1,17,498	T. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	10½	10	1 4*	1 4*	1 4*		12	Y.
20,00,000	27,47,883	1,01,49,337	39,87,330	32,683	Oberoi Hotels (India) Ltd. .. .	Associated Hotels of India ..	39	10	0 4	0 3 1/5	0 3 1/5	0 6 2/5	12	Y.
							63N	100						
80,91,400	82,94,263	46,81,988	22,21,988	1,49,717	O. T Jenkins, Esq. (Director) ..	Balmer Lawrie & Co.,Ltd.	185	100	20 0*	20 0*	13 0	2 8	12	Y.
12,00,000	9,10,000	31,07,473	23,35,472	72,375	Balmer Lawrie & Co., Ltd. .. .	Bengal Flour Mills Co., Ltd. ..	30	10	1 0	1 8	2 8	1 8	12	Y.
20,00,000	7,99,470	57,53,560½	.....	1,21,733	Lovelock & Lewis	Birds Investment Ltd.	17xd	10	1 0	1 8	2 8	1 8	6,12	Y.
45,97,020	26,44,814	1,00,74,380	69,49,001	2,86,548	K. Jaitan Sons, Esq. (Mg. Director) ..	Britannia Biscuits	14½	10	0 12	1 4	1 4		9	Y.
3,25,00,000	1,23,38,984	2,69,21,167	2,07,14,167	1,01,143	Sir Robert Menzies	British India Corporation Ltd. ..	10½	10	1 0	1 0	1 0	1 0	9	Y.
1,80,00,000	1,79,00,000	4,83,17,064	3,05,58,134	11,86,891	Cecil Stack, Esq. Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	31	10	*Nil*	*Nil*	*Nil*		12	Y.P.
51,26,000	53,05,753	1,84,39,918½	.....	5,15,808	Bird & Co., Ltd.	Eastern Investments Ltd.	154	100	2 8	2 8	2 8		12	Y.
14,00,000	10,02,000	33,31,772	18,99,772	27,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.]	180xd	100	10 0	10 0	10 0		12	Y.
									12 0	10 0	7 8	7 8		
65,00,000	48,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq. .. .	Gillanders Arbuthnot & Co. Ltd.	14½	10	12 0	10 0	7 8	7 8	6	Y.
30,00,000	11,42,354	68,59,483	29,41,525	1,946	B. F. R. Syndicate	Great Eastern Hotel	240	250	15 0	15 0	4 4	1 6 2/5	6	Y.
30,00,000	9,57,964	72,31,701	35,50,559	36,686	Birla Bros., Ltd.	Hind Cycles	150N	100	5 0	5 0	4 4		12	Y.
4,96,13,350	2,92,450	2,56,34,606	94,58,719	5,19,485	Birla Bros., Ltd.	Hindustan Motors	9½	10	*Nil*	*Nil*	10 0		12	Y.
1,80,00,000	26,77,784	2,96,21,557	1,54,14,699	2,96,518	J. W. Cameron, Esq.	Indian Aluminium Co.	186	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
1,53,39,220	1,20,50,000	1,55,72,501	1,05,87,651	1,54,499	E. S. Dotteson, Esq.	India Cables	31½	10	1 0	1 0*	1 0*	1 0*	9	Y.
8,37,970	2,35,000	16,45,008	8,96,110	32,616	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers ..	11½	10	1 0	1 0	0 8	1 4	6	Y.
15,15,00,000	7,23,58,683	3,55,94,067	1,17,80,408	85,00,782	Mr. Eric Henry Hare (Chairman)	Imperial Tobacco Co. of India Ltd.	14½	10	1 0	1 0	0 8	0 8	6	Y.
2,00,00,000	55,29,566	84,83,960	8,60,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	100	100	10 0	7 8	7 8	0 12 4/5	6	Y.
6,24,0000. }	3,48,343	6,89,330	4,81,766	2,340	James & Co., Ltd	Macfarlane & Co.	21	O. 5	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
60,000D. }								D. 1						
68,00,0000. }	72,01,900	25,16,760	7,97,801	1,87,884	A. T.'Doig,' Esq. (Mg. Director) ..	McLeod & Co.	210x	O.100	7 8	10 0	17 0		12	Y.P.
5,00,000D. }								D.O.10	0 4	0 8	1 3 1/8			
1,37,35,000	60,54,276	2,22,58,051	11,34,226	2,03,456	T. Leslie Martin, Esq. (Mg. Director) ..	Martin Burn Ltd.	27½	10	1 0	1 0*	1 0	1 13*	12	Y.
1,15,00,000	44,50,000	1,75,64,305	67,37,457	14,43,141	H. Chiswell Jones, Esq. (Chairman) ..	Metal Box Co. of India, Ltd. ..	26½	10	1 0	1 0	1 0		12	Y.P.
6,25,252	1,53,556	7,81,449	2,60,987	—15,290	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	4½	10	1 0	1 0	1 0	1 4	12	Y.P.
4,56,250	2,56,110	10,40,250	4,40,947	73	G. Chandy, Esq. (Controller)	Mysore Gramophone Works ..	14½	10	1 0	1 0	1 0		12	Y.P.
10,00,000	1,23,000	18,18,188	8,10,286	20,916	T. Shamanna, Esq. (Chairman) ..	Mysore Tobacco	11½	10	1 0	1 0	1 0	1 0	12	Y.
40,00,000	51,31,171	59,09,527	39,20,120	2,23,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	28	10	0 12	1 0	1 0	1 8*	3	Y.
79,97,000	31,15,337	1,14,74,878	52,77,582	9,03,480	B. N. Elias & Co., Ltd.	National Tobacco Co.	106	10	1 0	*Nil*	0 8		3	Y.P
45,00,000	37,00,000	44,15,474	19,71,484	82,931	Coromandel Investment Trust Ltd..	Parry & Co.	52½	10	0 4 4/5	0 4 4/5	0 4 4/5		12	Y.P
2,25,00,000	7,29,155	1,29,40,097	40,16,159	—63,96,179	M. P. A. Pramanik, Esq.	Ralli's (India) Ltd.	233	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
1,72,24,400	1,21,20,208	7,56,34,699	3,47,24,970	4,91,624	Sahu Jain Ltd.	Rohtas Industries	82½	10	1 0	1 4	1 8	*Nil*	12	Y.
40,00,000	96,80,594	1,16,79,870	70,96,987	5,10,675	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17½	10	1 0	1 4	1 8	1 8	12	Y.
75,00,000	49,00,000	18,50,2658	4,15,784	2,32,451	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	15½	10	1 0	1 0	1 0	1 0	12	Y.
5,00,280	1,50,000	14,58,285	3,60,446	—2,06,080	Ogale Glass Works Ltd.	Travancore Ogale Glass	10	10	*Nil*	*Nil*	*Nil*		12	Y.

‡‡ Investments at cost. *Includes bonus. ‡ Excluding Rs. 1,49,01,000 which represent share in the form of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	.....	McLeod & Co., Ltd.	325	Amluckie	425N	100	7 8	25 0	30 0		12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	41N	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd...	420	Ananda Bag	42	10	*Nil*	2 8	8 0*		12	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,058	McLeod & Co., Ltd.	513	Baghmari	21½	10	*Nil*	*Nil*	3 8		12	Y.
5,10,000	8,50,000	11,69,193	3,59,491	93,033	Andrew Yule & Co., Ltd.	369	Basmatia	31½xr	10	2 0	2 8	3 0		12	Y.
3,30,000	4,85,000	10,11,295	5,40,295	18 304	National Tea Corporation	569	Bateli	23½	5	0 4	2 0	4 0		12	Y.
3,20,000	5,70,000	9,60,784	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd..	594	Betjan	43	10	*Nil*	2 0	10 0*		12	Y.
6,50,000	20,80,000	52,30,109	22,05,189	1,99,547	Williamson Magor & Co., Ltd. ..	3,097	Bishnauth	20½xr	10	*Nil*	3 8			12	Y.
2,50,000	11,03,012	16,49,416	2,08,130	61,929	McLeod & Co., Ltd.	450	Bokahat	19½	10	*Nil*	*Nil*	1 0		12	Y.
1,00,000	6,52,400	8,92,327	2,83,050	1,44,105	McLeod & Co., Ltd.	1,344	Borpak Tea	17	10	*Nil*	0 12	3 8		12	Y.P.
35,00,000	11,92,045	73,80,473	19,49,498	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	20½	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,00,426	5,55,983	1,35,593	6,542	McLeod & Co., Ltd.	232	Dejoo Valley	39	10	*Nil*	1 0	6 0		12	Y.
5,00,000	10,39,000	20,94,194	16,84,471	51,359	Jardine Henderson

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
2,00,000	2,60,000	3,72,883	25,600	22,734	Plantinz Agencies Ltd.	Balmadies Plantations	3½	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,94,186	15,13,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	8½	5	0 3 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,105	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	20/6	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T
47,70,000	68,72,750	1,07,57,443	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	24½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T
4,00,000	2,76,708	5,55,957	48,704	7,754	Associated Planters Ltd. ..	Cortamad Plantations	16	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,05,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce	17	10	1 0	1 4	1 8	1 12*	3	Y.P.
4,00,000	10,93,963	17,78,345	1,02,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	29	10	2 0	2 0	2 0	2 12	12	Y.P.
9,00,000	7,28,329	18,44,917	2,35,893	....	K. T. Thomas Kadhanar, Esq.	Malankara Rubber	28	10	3 8	5 8	2 4	2 4	4	Y.P.
27,00,000	29,30,000	74,32,314	7,74,629	1 45,508	A. V. Thomas & Co., Ltd. ..	Midland Rubber	19½	10	1 8	1 8	1 12*	2 8	3	Y.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd. ..	Nennemy Rubber	21½	10	0 10	0 12	1 8	....	12	Y.P.T
2,00,000	2,00,000	7,20,885	44,185	8,660	Associated Planters Ltd. ..	Nilambur Rubber Co.	13	10	1 0	1 0	1 0	....	12	Y.P.
19,45,980	24,00,991	41,19,708	12,01,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	5/6	2	0 3½	0 3½	0 9 3/5	0 6 2/5	10	Y.P.T
13,50,000	7,80,000	40,92,383	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	21½	10	1 8	1 12*	1 12*	2 0	6	Y.P.
3,86,780	2,50,000	5,94,562	49,313	89,904	Peirce, Leslie & Co., Ltd. ..	Savannalai Estates Ltd.	27½	10	3 8	3 0	2 8	....	6	Y.
10,00,000	3,98,340	22,01,120	1,35,229	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	10¾	10	0 14½	0 14 2/5	0 12	0 14 2/5	11	Y.
2,50,000	2,37,500	5,29,518	27,925	15,715	A. V. George & Co., Ltd. ..	Thamarapally Rubber	29½	10	2 0	3 0	2 8	....	3	Y.P.T
6,19,200	3,00,095	8,91,564	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2-4½	1	0 4	0 4½	0 1 3/5	0 0 2	12	Y.P.
6,00,000	46,474	7,49,011	1,11,200	3 744	Eapen Thomas, Esq.(Mg. Director)	Travancore Rubber	23½	10	2 0	2 0	2 0	....	9	Y.
41,00,000	14,29,673	74,86,897	7,65,148	3,28,925	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13½	10	0 9 3/5	1 0	1 8	....	12	Y.P.T
20,00,000	30,000	25,53,508	5,65,978	2,276	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	36½	25	2 8	3 0	3 0	....	12	Y.
6,25,380	4,40,670	7,77,154	14,110	21,261	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber ..	27	10	2 0	2 0	2 4	....	12	Y.
1 65,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	10	*Nil*	1 0	1 8	2 0	....	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,09,939	2,42,027	B. N. Elias & Co., Ltd.	879	Acarpara	12⅞	10	1+1	½+½	½+½	½+	3, 9	H.T.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,086	McLeod & Co., Ltd.	446	Alexandra	230	100	*Nil*	*Nil*+24	24+½	½+	6, 12	H.P.T.
30,00,000	9,84,700	1,17,45,904	91,71,009	2,55,297	McLeod & Co., Ltd.	1,264	Alliance	135	100	*Nil*	*Nil*+5	6+6	....	6, 12	H.P.
49,20,700	72,00,000	2,72,18,335	1,87,00,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	186	100	10+10	7½+5	2½+5	5+3½	3, 9	H.P.
40,00,000	42,94,285	1,73,44,642	88,94,396	9,783	Bird & Co., Ltd.	810	Auckland	134	100	5+4	5+2	1+2½	6+4	3, 9	H.P.T.
20,00,000	24,80,769	98,55,925	65,94,459	7,778	Jardine Henderson & Co.	959	Bally	135	100	*Nil*	4+*Nil*	*Nil*	3½+	3, 9	H.P.
£275,000	£651,523	£1,556,530	£1,009,227	£64,858	Sir John H. Burder (Chairman)	1,889	Barnagore	145	£5	£1	£1	£1	£1	3, 9	H.P.
28,00,000	32,30,123	92,27,342	49,93,231	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	171xd	100	7½+7½	7½+7½	5+5	5+2½	6, 12	H.P.
45,00,000	36,45,000	55,76,391	29,60,822	2,95,071	Soorajmull Nagarmull	600	Bengal	18	10	1	1	1	....	3	Y.
91,20,000	2,15,77,044	3,32,32,892	29,72,760	3,12,030	Birla Bros., Ltd.	1,373	Birla	10½	10	3	3	1	1	3	Y.P.
85,00,000	27,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	170	100	6¼+6½	6+4	4+6	5+2½	4, 10	H.P.
7,47,380	3,16,924	42,43,494	30,69,848	55,424	Dayaram & Sons	502	Calcutta Jute Mfg.	12	10	0+8	0+8	4+6	5+2½	6, 12	H.P.
18,00,000	30,46,234	87,13,271	41,43,795	6,348	Andrew Yule & Co., Ltd.	616	Caledonian	218xd	100	6+6	6+6	4+5	4+2½	4, 10	H.T.P.
59,16,400	98,58,404	2,22,41,517	1,07,46,003	1,30,505	James Finlay & Co., Ltd.	600	Champdany	150	100	7+8	3+3	*Nil*+3	4+6	5, 11	H.
15,95,000	28,39,282	81,34,655	56,00,175	2,013	Andrew Yule & Co., Ltd.	530	Cheviot	214xd	100	6+6	3+3	*Nil*+3	4+6	3, 9	H.
20,15,000	68,25,000	60,73,514	46,01,290	1,52,253	McLeod & Co., Ltd.	450	Chitavalsah	14⅜	10	2½+1½	1½+1½	2+8	6+4	5, 11	H.
16,00,000	24,00,000	78,92,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	960	Clive	15	10	2	*Nil*	*Nil*	1-4z	3	H.T.P.
21,49,200	61,22,363	1,34,26,320	64,46,601	1,996	Bird & Co., Ltd.	766	Dalhousie	120	100	6+6	*Nil*	*Nil*	1-4z	3	Y.P.
28,00,000	44,74,179	75,26,099	47,09,110	15,912	Andrew Yule & Co., Ltd.	779	Delta	228xd	100	10+10	10+10	6+6	3+1	3, 9	H.P.T.
15,00,000	33,50,000	81,98,824	59,15,560	1,43,894	McLeod & Co., Ltd.	500	Empire	203	10	1½+½	1½+½	1½+½	1½+½	6, 11	H.P.
21,00,000	59,60,176	2,72,82,353	1,87,05,641	71,982	Kettleweil Bullen & Co., Ltd.	1,884	Fort Gloster	390x	100	10+*Nil*	*Nil*	*Nil*+5	2+	6, 12	B.T.P.
14,00,000	17,75,000	84,16,102	53,69,759	1,16,743	Bangur Bros., Ltd.	1,014	Fort William	22	10	*Nil*	*Nil*+5	10+5	10+5	3, 9	H.P.T.
84,32,100	1,66,021	2,03,72,498	1,32,68,885	84,732	Macneill & Barry Ltd.	1,769	Gauzee Mfg.	69½	100	*Nil*	*Nil*+*Nil*	10+10	10+10	3, 9	H.T.P.
10,80,000	28,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,300	300	20	*Nil*	*Nil*+*Nil*	2½+*Nil*	3, 9	H.P.
24,00,000	33,38,409	2,12,23,183	1,65,13,218	57,208	Macneill & Barry Ltd.	1,304	Gourepore	390	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
40,00,000	55,68,234	99,03,890	57,88,009	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	12+*Nil*	*Nil*+3½	2½+7½	7½+7½	3, 9	H.P.
16,80,000	18,52,026	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	37½	10	10	10	10+10	11½+	3	Y.P.
55,62,500	84,54,628	1,88,05,868	1,08,71,020	92,110	Jardine Henderson Ltd.	1,940	Howrah	22½xd	10	1½	1½	1½	....	3	Y.P.
52,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,702	Rendutt Ramkissendas	2,272	Hukumchand	24½	10	1+½	1+½	1+½	1+	3, 9	H.P.
87,00,000	16,55,558	1,23,66,855	78,55,428	7,731	Mackinnon Mackenzie & Co. ..	1,076	India	7½	10	5	3	2	2	3	Y.P.T.
30,000								164	O. 125	3½+3½	3½+3½	*Nil*+3½	3½+1½		
24,00,000								—	D. 1	As.1+1	a2/5+2/5	*nil*+a2/5	a3/5+1/5	3, 9	H.
19,20,000	23,52,233	1,37,58,585	1,23,68,657	24,686	Jardine Henderson Ltd.	1,797	Kamarhatty	157	100	8½+6	6+3	3+6	2½+		
30,00,000								137	'B' 100	8½+6	6+3	3+5	2½+	6, 12	H.P.
24,00,000	13,77,539	1,32,79,035	99,85,481	19,297	Jardine Henderson Ltd.	1,527	Kankinarrah	129	100	6+4	5+2½	2½+4½	1+		
21,00,000	49,50,000	1,12,88,750	79,26,276	1,70 887	McLeod & Co., Ltd.	703	Kelvin	112	'B' 100	7½+7½	7½+7½	2½+4½	1+	6, 12	H.P.
54,00,000	23,35,375	1,71,07,938	1,15,44,627	57,554	Anderson Wright Ltd.	1,530	Khardah	255	100	10+15	10+7½	7½+5	....	6, 12	H.P.
48,00,000	1,04,27,157	2,31,57,457	1,12,99,755	52,710	F. W. Heilgers & Co.	1,250	Kinnison	170	100	10+15	10+7½	7½+5	6+	6, 12	H.P.
24,48,000	49,37,057	1,30,82,238	80,55,767	10,707	Bird & Co., Ltd.	931	Lansdowne	179	100	10+7	4+6	2+5	7+6	3, 9	H.P.T.
26,00,000	56,39,479	1,10,92,741	64,08,985	2,154	Bird & Co., Ltd.	840	Lawrence	125	100	7+3	5+2	3+3	5+2	3, 9	H.P.
81,65,200	25,04,412	2,01,00,682	1,24,49,304	10,614	Mackinnon Mackenzie & Co. ..	1,908	Mesma	135	100	11+4	2+3	2+4	5+1	3, 9	H.P.
29,98,900	33,14,415	1,84,70,420	98,81,406	—3,19,252	F. W. Heilgers & Co.	815	Naihati	107	100	2½+2½	2½+2½	*Nil* 2½	2½+1½	3, 9	H.
20,00,000	16,35,000	29,01,583	18,21,709	17,316	Howrah Trading Co., Ltd... ..	425	Naskarpara	18	10	6+*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
35,00,000	43,29,326	29,10,124	10,08,222	70,654	Andrew Yule & Co., Ltd.	852	National	26	10	1½	1+½	1+½	1+	4, 10	H.T.
26,25,000	24,50,000	26,82,794	20,20,619	1,43,752	McLeod & Co., Ltd.	316	Nellimarla Jute	29	10	2 0	2 0	2 0	1+½	4, 10	H.P.
31,50,000	34,13,033	50,02,515	25,21,978	3 01,610	Sahu Jain Ltd.	709	New Central	28	10	3 8	5 8	2 4	2 4	3	Y.
16,79,880	45,35,154	1,17,37,858	48,80,655	49,892	Bird & Co., Ltd.	567	Northbrook	19½	10	1 8	1 8	1 12*	2 8	3	Y.
66,79,500	28,30,793	2,12,69,608	1,39,37,804	58,273	Macneill & Barry Ltd.	1,092	Nuddea	21½	10	0 10	0 12	1 8	....	12	Y.P.T
24,91,000	26,81,049	72,46,385	50,35,690	5 784	Andrew Yule & Co., Ltd.	601	Orient	40½	10	1 0	1 0	1 0	....	12	Y.P.
25,00,000	6,25,468	80,72,501	63,77,961	1,05,956	McLeod & Co., Ltd.	400	Prasidency	152xd	100	1+6	6+4	4+6	6+4	3, 9	H.P.
20,00,000	1,44,936	26,56,830	8,39,130	—12,15,988	Birla Bros. Ltd.	305	Rameshwara	5½	5	*Nil*	*Nil*+½	½+½	....	6, 11	H.P.
49,50,000	8,12,560	1,23,99,298	58,50,886	45,581	Jardine Henderson Ltd.	1,276	Reliance	6¾	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.
£600,000	£1,093,713	£1,230,315	....	£83,658	Thomas Duff & Co. (India) Ltd.	2,013	Samnuggur	10*	10	*Nil*	*Nil*	*Nil*	*Nil*+	3, 9	H.P.T.
30,00,000	13,12,193	1,04,21,440	78,39,904	38,764	Bazaria More & Co., Ltd.	911	Shree Ambica	18	£1	10%	10%	10%	10%	3, 9	H.P.T.
14,00,000	11,98,733	66,05,802	31,22,593	1,66,758	Hindustan Investment Corporation.	401	Soorah	17½	10	1+1	*Nil*+½	½+½	1	12	Y.P.
25,19,500	42,44,167	1,30,76,167	51,18,663	2,75,981	Bird & Co., Ltd.	650	Standard	13N	10	*Nil*				3, 9	H.
£600,000	£925,119	£990,895	....	£110,316	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	105	100	8+1	1+1	1+1	1+*Nil*	12	Y.
35,98,800	88,14,823	1,95,40,009	81,71,517	14,518	Bird & Co., Ltd.	1,326	Union	£1	10%	10%	10%	10%	3½	3, 9	H.P.
£400,000	£688,038	£1,092,723	....	£97,859	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	170	100	10+1	7½+4	1+5	6+5	12	Y.P.
2,60,000	4,95,000	55,94,678	37,77,741	35,624	M. K. Thomas, Esq. (Mg. Director)	465	Waverley	12½	£1	10%	10%	10%	3½	3, 9	H.P.T.
								6	1	*Nil*	*Nil*+½	½+½	....	12	Y.
														6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	35,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23	10	½ + ½	½ + ½	½+½	½+	3, 9	H.
12,00,000	3,82,578	38,79,477	36,13,477	22,703	Jardine Henderson Ltd.	Bararee Coke	20½	10	3/5 + ½	7/10+7/10	½+½	½+7/10	3, 9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhadee	5½N	5	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	526xd	200	20+20	17½+15	15+15	17½+17½	6,12	H.
2,25,000	4,77,174	24,21,806	22,25,968	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	½ + ½	½	*Nil*	*Nil*	4,10	H.P.
15,37,000	4,78,388	37,70,192	23,77,364	13,498	T. V. Low & Co., Ltd.	Bhalgora	5½	5	½ + ½	½	½	½	6,12	H.P.
40,00,000	14,81,010	1,30,60,104	68,66,790	13,644	Sahu Jain Ltd.	Bharat Collieries	7⅜	10	½ + ½	½	½	½	9	Y.
7,15,000	15,09,580	52,49,025	37,09,987	—1,65,136	F. W. Heilgers & Co., Ltd. ..	Bhulanbararee	14N	10	½ + ½	½	½	½	6	Y.T.P
35,00,000	16,17,958	68,14,856	39,99,941	—79,124	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur	12½N	10	*Nil*	*Nil*	*Nil*	*Nil*+	6,12	H.
7,50,000	23,50,000	42,07,858	26,07,691	68,656	F. W. Heilgers & Co., Ltd. ..	Borrea	20⅜	10	1½+1½	1½+1½	1 + ½	1 + ½	6,12	H.T.
90,92,480	1,76,70,564	4,16,32,554	1,80,95,440	1,40,510	Bird & Co., Ltd.	Burrakur	14½	10	*Nil*	*Nil*	*Nil*	*Nil*	6,12	H.P.
44,97,750		39,62,750	2,82,015	14,019	Hindustan Investment Corpn., Ltd.	Central India	7⅜	10	½ + ½	½	½	½	6,12	H.P.T
5,00,000	13 54,302	49,10,414	32,63,954	82,768	M.	Central Kurkend	11 1/4N	10	½ + ½	½ + ½	½ + ½	½ + ½	3	Y.
5,00,000	1,48,698	7,28,438(k)	....	12,201	F. W. Heilgers & Co., Ltd. ..	Churlia	3¾	4	½ + ½	½ + ½	½ + ½	½ + ½	6,12	H.
10,00,000	1,80,000	62,67,182	23,91,190	—2,43,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	*Nil*	*Nil*	*Nil*	*Nil*	6,12	H.
£240,000	£380,553	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	32½	£1	2(f)	*Nil*	*Nil*	*Nil*+	6,12	H.T.
29,63,760	76,84,250	3,89,97,499	2,87,14,367	93,266	Macneill & Barry Ltd.	Equitable	32½	10	2 + 1½	1 + ½	2½	3	4	Y.
10,00,000	2,15,000	10,76,864	5,73,963	11,273	Phatter's Agency Ltd.	Ghusick and Mualla	14N	10	½	½	½	½	6, 12	H.P.T
12,00,000	1,22,000	39,02,565	20,99,824	3,226	Killick Industries Ltd.	Hingir-Rampur	41½	60	4	3	3	3	9	Y.
8,00,000	6,75,000	21,43,057	18,61,214	66,461	Macneill & Barry Ltd.	Hurriladih	22	10	½ + ½	½ + ½	½ + ½	2 4	10	Y.P.
22,00,000	1,12,060	24,74,412	6,18,546	—5,57,293	Bajpaie Trust Ltd.	Jogta Coal	2⅜	10	*Nil*	*Nil*	*Nil*	1 + ½	6, 12	H.
3,50,000	2,07,448	13,53,458	7,08,130	....	Andrew Yule & Co., Ltd.	Kalapahari	21¼N	10	1½+1½	1½+1	*Nil*	1½	12	H.
20,00,000	17,325	29,07,891	3,48,150	2,661	Bird & Co., Ltd.	Karanpura Collieries ..	139	100	*Nil*	*Nil*	*Nil*	*Nil*	2, 8	H.
5,00,000	15,60,000	45,16,229	35,35,877	1,26,128	Andrew Yule & Co., Ltd.	Katras Jherriah	60	10	2 + 2	2 + 2	2 + 2	2½+3	4,10	H.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Beriwala & Co.	Khas Kajora	4N	10	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
11,00,840	64,314	16,72,961	10,41,963	—41,320	H. V. Low & Co., Ltd.	Kuardi	6N	10	*Nil*	*Nil*	*Nil*	*Nil*	1, 7	H.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	9N	10	½	½	½	½	6, 12	H.P.
7,48,240	2,00,000	12,18,473	9,23,179	11 096	Tantia Brothers Ltd.	Nazira	6½	10	½	½	½	½	6	Y.
1,20,000	26,617	10,33,740	5,30,295	4,859	Amritlal Ojha & Co., Ltd.	New Banadeopur	8¼N	10	½	½	½	½	4	Y.
17,76,230	19,41,763	1,17,95,493	87,10,712	95,478	Andrew Yule & Co., Ltd.	New Beerbhoom	102xd	10	½ + ½	½ + ½	½ + ½	½ + ½	12	H.
6,00,000	85 000	28,44,028	16,65,990	26,426	Octavius Steel & Co., Ltd. ..	New Manbhoom	11½	10	½	½	½	½	3, 9	H.P.
1,15,000	2,55,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	18N	10	½ + ½	½ +*Nil*	*Nil*	*Nil*	4,10	H.
1,57,500							16¼N	10	½ + ½	½ +*Nil*	*Nil*	½ + ½	3, 9	H.
1,50,000	12,21,853	3,97,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd. ..	Ondal	7½	10	½ + ½	½ +*Nil*	*Nil*	½ + ½	3, 9	H.
10,00,000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	17N	10	1 + 1	1 + 1	½ + ½	½ + ½	6, 12	H.P.
8,34,000	12,942	17,42,596	8,01,923	7,443	Deepchand Klaheniall	Parasea	9N	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.T.
15,75,000	15,00,000	46,12,471	34,09,471	38,268	Shaw Wallace & Co., Ltd.	Pench Valley	13¾N	10	½ + ½	½ + ½	½ + ½	½ + ½	12	H.P.
23,99,500	18,67,105	1,19,88,889	88,82,615	33,013	N. B. Elias & Co., Ltd.	Raneegunge	22½	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
15,50,000	8,53,385	35,36,765	27,73,764	28,521	Shaw Wallace & Co., Ltd.	Rewa	10½	10	½ + ½	½ + ½	½ + ½	½ + ½	3, 9	H.
20,00,000	3,90,000	44,35,585	16,73,118	2,20,175	Jaipuria Sons Ltd.	Samla Collieries	22½	10	½ + ½	½ + ½	½ + ½	½ + ½	3, 9	H.
1,25 000	1,95,809	18,78,480	12,21,237	21 070	M.	Searsole	14¼N	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
2,80,000	7 36,593	29,87 021	18,41 ..	40,187	Andrew Yule & Co., Ltd.	Seebpore	7¼xd	10	½ + ½	½ + ½	½ + ½	½ + ½	12	Y.
8,00,000	5,46,889	22,491	28,867	6,601	F. W. Heilgers & Co., Ltd. ..	Sendra	30½	10	2 + 1	1 + ½	1 + ½	1½ +	6, 12	H.P.
68,21,450	16,96,050	2 80 ..	.. ,11,101	2,86,68,501	Industrial Trust Fund (Govern- ment of Hyderabad)		10N	10	*Nil*	*Nil*	*Nil*+½	½ + ½	6, 12	H.T.
17,50,000	10,84,016	37,86,103	15,14,990	—51,538	Bird & Co., Ltd.	Singareni	9½	10	½ + ½	*Nil*	0–11 1/5	½ + ½	12	Y.
8,00,000	13,69,545	1,69,570	25,510	7,937	F. W. Heilgers & Co., Ltd. ..	South Karanpura	10½	10	½ + ½	½ + ½	*Nil*+½	½ + ½	3, 9	H.
10,00,000	12,960	30,82,289	15,43,502	—4,07,745	Villiers Ltd.	Standard	21½	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
3,50,000	3,59,000	18 66,784	14,07,784	47,938	Williamson Magor & Co., Ltd. ..	Talcher	9½	10	*Nil*	*Nil*	*Nil*	*Nil*	9	Y.
49,98,000	....	49,06,356	18,91,545	81,694	Hindustan Investment Corpn., Ltd.	Union	15

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
15,00,000	1,08,00,000	11,36,301	Allahabad Bank	365	100	18 0	18 0	18 0	18 0	12	Y.P.
14,50,000				184	50	9 0	9 0	9 0	9 0		
1,01,000	13,51,000	1,28,560	Andhra Bank	115	100	6 0	6 8	7 8	8 0	6,12	H.
£1,29,720				84½	50	3 0	3 4	3 12	2 1 3/4		
1,00,00,000	1,28,00,000	2,70,302	Bank of Baroda	95½	50	6 0	6 0	6 0	1 8	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	12N	25	0 12	0 12	—	—	12	Y.
2 50,00,000	3,52,00,000	13,26,630	Bank of India	155	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	25,00,000	80,626	Bank of Indore	52N	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	19,00,000	25,128	Bank of Jaipur	26	50	1 8	1 8	2 0	—	12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	202xd	100	16 0	16 0	16 0	16 0	12	Y.
41,21,700	58,75,913	10,069	Bombay State Co-operative Bank.	57N	50	2 8	2 8	2 8	2 0	6	Y.T.
15,00,000	26,00,000	20,774	Canara Bank Ltd.	86	50	4 8	4 8	4 8	4 8	12	P.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80xd	50	5 0	5 0	5 0	5 0	12	Y.P.
2,62,11,575	4,01,81,217	18,40,359	Central Bank of India Ltd. ..	104	25	3 8	3 8	3 0	3 0	12	R.L.Y.
58,42,375 'A'				49½	25	3 8	3 0	3 0	3 0		
40,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co. ..	40xd	50	1 12	2 0	2 0	—	12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0	—	12	Y.
50,00,000	23,50,000	1,12,820	Hind Bank	8	50	1 0	1 8	1 8	1 8	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank ..	9½	50	—	—	—	—	12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	14	50	—	—	—	—	12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	80N	100	5 0	5 0	6 0	5 0	9	Y.
24,00,000				185xd	100	12 0	12 0	12 0	12 0		
18,00,000	70,75,000	1,45,140	Indian Bank	163xd	85	10 3½	10 3½	10 3½	10 12½	6,12	R.L.H.
18,00,000				112xd	60	7 3½	7 3½	7 3½	7 12½		
49,19,675	26,00,000	2,15,839	Indian Overseas Bank	12N	100	6 0	6 0	6 0	—	12	Y.
6,25,000	5,64,500	—1,12,440	*Indo-Commercial Bank*	42½	100(A)	6 0	Nil	Nil		6,12	H.
2,50,000				11	25(B)	1 8	Nil	Nil			
10,00,000				22	50(C)	3 0	3 0	Nil			
87,50,000	92,50,000	4,99,040	Punjab National Bank	43	25	1 8	2 0	3 0	1 8	12	Y.
1,00,00,000	£1,75,000	93,631	Travancore Bank	171xd	25	—	—	0 10	0 12	12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	6½	5	0 5½	0 5½	0 5½	0 6	12	Y.
2,00,00,000	86,50,000	1,08,725	United Commercial Bank ..	51	50	2 0	2 0	2 8	—	12	H.

PRINCIPAL EXCHANGE BANKS

					Dividend (per cent.)					
£3,500,000	£5,000,000	£392,910	Chartered Bank of India, Australia and China	£1-15-0	£1	16†	14†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£8½	£5	7†	8†	8†	12	R.L.Y.
H.K. $20,000,000	H.K $128,000,000	H.K $10,215,256	Hongkong and Shanghai Banking Corporation	£90½	H.K. $125	5*	5*	5*	2*‡	12	Y.
£17,966,195 'A'	£15,000,000	£558,906	Lloyds Bank	£2-12-6	£5 A	12†	14†	15†	12†	12	R.L.Y.
£1,437,296 'B'				£1-6-3	£1 B	5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'	£1,750,000	£200,284	Mercantile Bank of India ..	£4	A £2½	14†	14†	14†	14†	12	R.L.Y.
£375,000 'B'				£4	B £2½	14†	14†	14†	14†		
£720,000 'C'				—	C £1	14†	14†	14†	14†		
£2,851,563	£3,104,687	£342,158	National Bank of India	£9-19-7½	sh. 12½	16†	16†	16†	16†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	100	1st June 1963
4,00,000	5½	1st March and 18th September..	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December ..	Ramnugger Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries	1941	101	1st April 1956-61
35,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	97	1st November .. 1959-64
COAL						
20,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June) .. 1956
20,00,000	4½	30th June and 31st December ..	Burrakar Coal Co.	1947	91½	30th June .. .. 1967(a)
40,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1968(a)‡
COTTON						
8,50,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	99	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	101½	1st March .. .. 1972(a)
18,68,000	5½	..	Jayshree Textiles	1949	80N	1st January 1956-59
39 90,000	5	1st June	Tata Mills	1951	100	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd. ..	1950	95	31st March .. 1965(a)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100‡	14th June .. 1960
12,50,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..	1940	98*	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(a)
3,45,01,800	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	100‡	1st January .. 1970(a)
25,00,000	5	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd.	1945	87	31st December .. 1970
15,00,000	5	1st January and 1st July ..	Sijua (Jherriah) Electric Supply Co., Ltd.	1951	96	30th June .. .. 1976(a)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	98½	15th June 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	98½	1st October 1960-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94½	30th September .. 1953-58
4,63,800	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,75,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July 1970
2,50,00,000	4	1st April and 1st October ..	Tata Power	..	93½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1928	99	30th June 1958
80,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Reserve) ..	1943	102	1st July 1957-62
£1,146,600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1936	£88	31st December .. 1966(‡‡)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	100‡	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100‡	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	99‡	31st March .. 1969
4,00,000	5½	30th June and 31st December ..	Alexandra	1939	100	30th June 1962
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	90½	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co. Ltd. ..	1945	93½	30th June 1960
8,00,000	5	31st January and 31st July ..	Calcutta	1949	90	31st July 1959
10,59,000	5	30th June and 31st December ..	Chittavalah Jute Mills		96	30th June 1966
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. .. 1969(a)
8,86,000	5	15th January and 15th July ..	Empire	1951	95	15th July .. .. 1966(a)
25,00,000	5½	1st January and 1st July ..	Hukumchand	1947	92	30th June 1957
30,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co., Ltd. ..	1956	100	31st March 1970
25,00,000	5	30th June and 31st December ..	Khanjoon Jute Mills Co., Ltd. ..	1949	96½	31st December .. 1964(a)
15,00,000	5½	30th June and 31st December ..	Nalhati	1952	98	31st March .. .. 1967(a)
6,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd. ..	1939	93	14th May 1959
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December ..	Presidency	1945	93	30th June 1958
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co. Ltd. ..	1950	91	5th September .. 1965(a)
8,00,000	4½	14th March and 14th September.	Soorah Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December ..	Union	1937	99½	30th June 1957
16,00,000	5½	31st January and 31st July ..	Waverly	1925	88	31st July 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Baraset-Basirhat Light Railway ..	1939	90N	1st July 1956
£350,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66‡N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October ..		1933	£77‡N	1st October .. 1974
6,50,000	5½	30th June and 31st December ..	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1959(a)
£300,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1906	£85‡N	Any time on six months' notice (a)
4,83,26,697	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	90½	1st September .. 1963
PLANTING						
18,00,000	5½	30th June and 31st December ..	Consolidated Coffe	1952	102	1st July 1957-62
12,50,000	6	31st March and 30th September.	Nilgiri Tea	..	100	1st April 1958-68
1,89,700	5½	31st March and 30th September.	Teekoy	1944	100	31st March 1949-59
MISCELLANEOUS						
16,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
26,80,000	4½	1st January and 1st July ..	Associated Hotels of India	1948	86	31st December .. 1963
4,90,500	4½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June 1957
2,90,00,000	5	1st March and 1st September ..	Burmah-Shell	1954	103‡	1st September .. 1964-69(a)
2,80,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1955	102‡	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February .. 1964
20,92,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	99½	1st July 1966
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87½	15th September .. 1960
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Ltd.	1946	92	 1966
1,50,00,000	5	1st January and 1st July ..	Dunlop Rubber Co. (India) Ltd...	1950	102‡	1st January .. 1971(a)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	105	30th June .. .. 1976(a)‡
17,75,000	5	15th March and 15th September.	Mettur Chemical Industries	1949	95½	 1964
24,04,000	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1946	560	30th September .. 1976(a)
48,00,000	4	30th June and 31st December ..	McLeod & Co., Ltd. (Convertible Notes)	1947	470	31st December .. 1972(a)
					(per note)	
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	89½N	1st April 1971
1,50,00,000	5	30th June and 31st December ..	National Rayon	1951	108	30th June 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	98	31st March .. .. 1965(a)
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	91	31st December .. 1959
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. .. 1968(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-3-1954 but before 1-3-1957 and ¼ per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 15 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-8-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. per annum commencing in 1941 by purchase at any price below par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1954 onwards. The Company has option to redeem all debenture at 101 per cent. on 1st May, 1963, on six months' notice. †† Option to repay at par on 6 months' notice, call or after 1st January, 1966.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the period ended 15th March, 1956.

	Closing quotations 1-3-1956	High	Low	Closing quotations 15-3-1956
	Rs.	Rs.	Rs.	Rs.
TEXTILES				
Ahm. Adv. (100) ..	155	156½	153½	153½
Apollo (2) ..	2–11½	3	2–12½	2–13
Bombay Dyeing (250).	523½	532½	520	521½
Central India (100) ..	137	150	132½	148
Century Mills (100) ..	474	508½	474	508
Colaba (100) ..	60	80	60	80
Edward Textile (200).	320	—	—	320
Elphinstone (50) ..	53½	55	53	55
Finlay (100) ..	317	360	320½	359
Gokak (100) ..	222½	250	235	249
Ind. Untd. Defd. (1) ..	2–11½	2 3/4	1–13½	2½
Ind. Untd. Ord. (10) ..	12–11½	13 1/4	12 3/4	13 3/4
Indore Malwa (100) ..	140½	153½	141½	150
Khatau (100) ..	210	233½	213½	233½
Kohinoor (100) ..	326	351	326½	349½
Lakshmi (250) ..	670	—	—	665
Madhusudhan (100) ..	112½	—	—	112½
Minerva Mills (100) ..	82	—	—	—
Model Nagpur (250) ..	150	—	—	150
Mcarji (100) ..	230	235	222½	235
Mysore (50) ..	99	103½	96½	103½
National Rayons (100).	214½	235½	215½	235½
New City (100) ..	162½	170	162½	170
New Great (100) ..	196	240	196	240
New Union (10) ..	37	—	—	37
Phoenix (100) ..	121½	142½	121½	137½
Podar Mills (100) ..	166	175	163½	173½
Sassoon Silk (10) ..	20	—	—	13½XB
Sassoon Spg. (10) ..	39	39	37½	38
Shahpur (1,000) ..	1,900	—	—	1,900
Shrinivas (100) ..	215	242½	213½	230
Simplex (50) ..	186	212½	187½	212½
Standard (100) ..	413½	422½	407½	420
Svadeshi (100) ..	210½	224½	211½	222½
Swan (100) ..	410	455	405	447½
Tata Mill (25) ..	52½	61	53	61
Vishnu (100) ..	181½	183½	181½	183½
Western India (1,000)	5,000	—	—	5,000
BANKS				
Bank of India (50) ..	152	153½	149½	153
Bank of Baroda (50)..	95½	98½	94½	95½
Central (25) ..	47½	49½	47	49½
Central 'A' (25) ..	40½	49½	40	40½
Dena Bank (50) ..	42	42	40½	40½xd
Punjab National (25).	43	—	—	43
Union Bank (5) ..	6½	7	6½	6½
United Com. (50) ..	49½	51	49	51
ELECTRIC COS.				
Ahmedabad (100) ..	100	103½	100 3/4	103½
Amalgamated (10) ..	11 3/4	11½	11 3/4	11½
Andhra Valley (1,000).	1,265	1,267½	1,265	1,265
Bom. Sub-El. (100) ..	116½	116½	115½	116½
Surat (100) ..	112½	123½	122½	123½
Tata Hydro (100) ..	131½	134½	131	132½
Tata Power (1,000) ..	1,345	1,387½	1,345	1,380
INSURANCE COS.				
British India (10) ..	13 3/4	13 7/8	13½	13½
Empire of India (100)	600	—	—	600
Ind. Mercantile (20).	43	44½	43	44½
Jupiter (15) ..	7	—	—	7
New India (15) ..	38½	42	39	41½
Oriental (250) ..	3,910	3,910	3,800	3,910
Universal (10) ..	14	—	—	14
Vulcan (10) ..	142	—	—	144
STEEL COS.				
Ind. Iron (10) ..	31½	33–3½	31–11½	33–4½
Tata Steel Ord. (75) ..	222½	238	224	237½
SUGAR COS.				
Belapur (50)	212	230½	214	229
Bhopal (10)	14 3/4	15	14 3/4	15
Phaltan (50)	127	147	127	144
Walchand Ind. (100).	242½	262½	244½	260
CEMENT COS.				
Associated Cts. (100)..	205	275	203	214½
Digvijay (100) ..	173	190	174½	188
MISCELLANEOUS				
Alcock Ashdown (100).	355	365	321½	356½
Bom. Burmah (125).	552½	618½	527½	614½
Do. (New) (50) ..	190	223½	191½	222½
Br. B. Petrol (4 sh.)..	3½	4–0½	3½	4–7
Br. I. Corpn. (5) ..	11½	11½	9½	10½
C. P. Rly. (100) ..	93	93½	92½	93½
Indian Copper (£sh.)..	6½	6 3/4	6½	6–8
Ind. Inv. Tr. (100) ..	80	81	80	81
Kemp (200)	165½	—	—	165½
Killicks (100)	166	168	162½	165½
Poison (100)	158½	—	—	158½
Port Canning (100) ..	11	11	10	10
Premier Con. (30) ..	163	183	164½	168
Scindia (20)	16–2½	17½	16½	17½
Shipping (100) ..	94½	110	94½	110
Tata Chemicals (10) ..	10–0½	10–0½	9½	10½
Tata Oil (25)	42½	49	42	47½
Tata (100)	142	150	143	149
W. I. Match (100) ..	188½	205	190	205

GOVERNMENT SECURITIES	1-3-1956	Gross Yield Earlier Redemption	Later Redemption	15-3-19
	Rs.			Rs.
2½% 1961	93½	—	3.89	93½
2½% 1960	96½	—	3.71	96½
2½% 1962	93½	—	3.80	93½
2½% 1976	82½	—	4.04	82½
3% 1957	90½	—	3.30	90½
3% 1959-61	89½	—	3.20	89½
3% 1964	86½	3.68	3.89	86½
3% 1965-66	84½	—	3.75	84½
3% 1966-68	84½	3.84	3.68	84½
3% 1970-75	82½	3.90	3.75	82½
3% 1986 Con. Loan..	88	4.03	3.78	89½
4% 1960-70	77½	—	3.88*	77½
4½% 1958-68** ..	101½	3.59	3.85	101½
3½% 1961 N.P. Bonds.	108*	3.06	4.15	108½
2½% 1964 N.P. Loan..	99½	—	3.64	99½
2½% 1965 N.P. Bonds.	98*	—	3.71	98½
	96*	—	3.71	96½

BRITISH GOVERNMENT SECURITIES

	6-3-1956	Low	High	12-3-1
	£	£	£	£
2½% Brit. Consols.	53½	53½	53½	53½
3% Savings Bonds 1965-75	75½	75½	75½	75½
3% War Loan 1955-59.	93½	93½	93½	94½
3½% War Loan	73½	73½	73½	72½
4% Victory Bonds 1976	93½	93½	93	93
4% Funding 1960-90.	89½	89½	88½	88½

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Rights.

COMMERCE

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

VOL. XCII. No. 2351 BOMBAY, 24th MARCH 1956 PRICE Rs. 1/8

JUTE INDUSTRY STILL IN THE DOLDRUMS

THE abolition of short-time working (in October 1954), the reduction in the percentage of looms kept out of commission from 12½ to 5, the shrinkage in stocks of jute goods in the face of higher production, and the improvement in exports and internal consumption alike may give the impression that the jute industry is in good form. But, in reality, it is not so. Those who do not believe this are advised to get a copy of the speech of Mr. M. P. Birla, delivered at the annual meeting of the Indian Jute Mills Association at Calcutta on the 16th inst. in his capacity as its Chairman, and read it carefully. This speech is a factual statement of the industry's affairs as they are found today. It contains no exaggeration nor any controversial pronouncements. A refreshing feature of the speech is its businesslike approach, in that it is confined only to the problems of the industry and trade with which the I.J.M.A. is concerned and makes no reference to either politics or general economic policies. That is only as it should be, for there are *other* appropriate platforms from which business men can air their views on these general topics. It will be no flattery to say that Mr. Birla's speech is a model worthy of emulation by chairmen of similar associations representing particular trades or industries. Speeches of this nature stand a better chance of being heard and well received in quarters that count.

Mr. Birla readily conceded that, in the past year, the jute industry had made some solid progress, that its position was definitely better than a year before, and that the Government was full of sympathy and understanding. This, however, does not mean that this premier export industry is out of the woods or that its working has become profitable. He gave enough evidence to substantiate this statement. Despite higher production, larger exports and better domestic consumption of jute goods, financial results of jute companies for the past year make distressing reading. For the half-year up to 30th September 1955, the results of 37 jute companies are now available. These companies are representative of the industry, inasmuch as they cover more than half of the entire jute mill loomage in India. Accordingly, they may be taken as a proper index of the financial position of the jute industry as a whole. Of the 37 companies referred to, no fewer than 12 incurred losses and, taken as a whole, the net profits of 37 companies for the half-year under reference amounted to only Rs. 4 lakhs. Since September last, the position must have deteriorated further, as the industry's labour costs have gone up sharply, thanks to the award of the third Omnibus Tribunal. Although this award is now being contested before the Labour Appellate Tribunal by both workers and employers, it has been in force from 5th November 1955 and has added a sum of approximately Rs. 1.25 crores to the industry's annual wage bill. These facts are sufficient to show that the working of the jute industry is far from profitable. What makes the position more tragic than it appears to be is that the industry should suffer from lack of profit at a time when it requires large financial resources for modernising plant and machinery and when its reserves, built up in the past, have been greatly depleted by trading losses for several years in succession.

In 1954, the Government of India progressively reduced the export duty on jute goods to substantially low levels and finally abolished it in August 1955, when the Pakistan rupee was devalued. The industry, assisted by the Government, launched an export drive which has yielded fairly satisfactory results. Why then is it unable to report satisfactory profits? This question is easily answered. The main reason for this is the high cost of production in the face of keen competition from substitutes and other rival producers of jute goods. Apart from the increase in wages, the cost of production has been adversely affected by a sharp rise in the price of raw jute. It has been computed that, during 1955, whereas the average price of jute manufactures was slightly lower than in 1954, the average price of raw jute increased by 15 per cent. The result was that raw material costs in 1955 were even more uneconomic than in the previous year, thereby more than offsetting the favourable effects of abolition of the export duty. In other words, the main beneficiaries of the withdrawal of export duty on jute goods have been the mill workers and the producers of raw jute.

The central problem of the jute industry relates to cost of production. Although world economy is in a buoyant state and production of goods requiring packaging material has gone up impressively throughout the world, this problem cannot be solved through the easy solution of passing on the increase in production costs to consumers, for the simple reason that there is a strong buyers' market in packaging materials. The problem can be solved only through the hard way of reducing the cost of production and selling jute goods as cheaply as possible. There is very little that can be saved in the workers' wage bill. In a highly populous democracy, where people are poor and leftist ideals have taken firm roots, it is politically neither feasible nor even desirable to ask the workers to accept a cut in their wages. All that one can legitimately expect from workers is a full day's work for a full day's pay. Appeals can be made to them to work hard and not to resort to go-slow tactics or strikes for settling their disputes with the management. It is comforting to hear from the Chairman of the I.J.M.A. that labour relations in the jute industry have been good and that there is no general discontentment among the workers, the dispute over the Omnibus Award notwithstanding.

As there is no scope for reducing the wage bill—indeed, there is every prospect of such going up, what with the threat of general inflation in the country—the cost of production can be brought down only in two ways, namely, modernisation of plant and machinery, and lower price for raw materials. Both are tough problems; they can be solved only by determined attempts on the part of both the industry and the Government. Fortunately, the Government of India is quite conscious of the depth and the width of the problems, though it is not as vigorous in its actions as is warranted by the situation. It can be said that the Government of India is doing its best for speeding up modernisation, but the same cannot be said so far as the raw material problem is concerned. A review of what is being done in both directions and of what yet remains to be done will plainly bring out this point. By providing much useful information in his speech, Mr. Birla has rendered this task fairly easy.

Modernisation of plant and machinery, it is needless to stress, will help bring down cost of production through high level of efficiency. It will lead to an increase in the productivity of workers. For some years now, the industry has been engaged on a large-scale programme of re-equipment, designed to replace the old type of spinning machinery with modern sliver spinning frames which operate at greater speed and considerably reduce the amount of manual attention required. By the end of 1955, approximately one-third of the programme had been completed, according to Mr. Birla, at a cost of Rs. 15 crores, all of it provided by the mills out of their own resources. To those mills—there is a good number of them—that are not in a position to finance modernisation schemes from their own resources, the Government has offered to give loans through the National Industrial Development Corporation. The first applications for loans were recently considered and sanctions are expected to be forthcoming very shortly. By agreeing to provide finance for

a complete success, for, even today, the Indian jute mills are dependent upon Pakistan for about a quarter of their raw jute requirements. This dependency is dangerous, in view of the hostile attitude of Pakistan towards the Indian jute industry. It is common knowledge that Pakistan has been placing all sorts of impediments in the way of a free flow of raw jute to India. To the extent this action is dictated by its anxiety to protect its nascent jute industry, it is understandable as something quite natural. But its actions have gone beyond what is required for this purpose. Thus, it has been trying to undermine the strength of the Indian jute industry by actively assisting in the dispersal of jute mills in many parts of the world. The sooner India achieves self-sufficiency in raw jute, therefore, the better for it. The problem was no doubt recognised by the Government long ago and has formed the subject of several studies and enquiries. But what is lacking is determined action, by both the Central and the State Governments.

A typical instance of inaction by the Governments is to be found in the manner in which the report of the Expert Committee on quality of jute has been dealt with. This report was submitted in October 1953. It contained a number of useful recommedations, the most important of them relating to the provision of better retting facilities, practical instruction in retting technique and, above all, the establishment of seed multiplication farms for the large-scale production of improved seed. These recommendations were accepted by the Government two years ago, but, so far, little has been done to put them into effect. Surely, it is high time that words were translated into deeds. The Indian Central Jute Committee has, we are told, already done all the necessary spade-work, particularly in the matter of research and the development of improved types of seed. All that is now needed is to ensure that the results of this work are made available to cultivators. This is undoubtedly the responsibility of State Governments, but the Centre cannot escape its share of responsibility. For here is a vital export industry languishing mainly for the reason that the raw material aspect of its economy has been badly neglected. This neglect is a far more serious matter than some of the developments to which public attention is sought to be drawn by a few of our zealous Members of Parliament by moving adjournment motions.

There is a special reason for laying so much stress on the necessity for increasing the output of jute through intensive cultivation. And it is this. The cost of raw jute to the mills has to be brought down without any adverse effect on the incentive of the grower to produce more. In other words, the grower must get a better return on his land. The best way to ensure this condition is to enable him to produce more quality jute per acre. It is unnecessary to add that the objective can be gained only through the use of improved seeds and adoption of better methods of cultivation.

In fine, the problem of raising the competitive capacity of the Indian jute mill industry is urgent and serious. At one time, it was thought that, with the abolition of export duty, the industry would be able to score over its competitors in other parts of the world. Experience during the past eight months has shown that, while this action has considerably strengthened the industry's position by placing it on an equal footing with its confreres, that by itself has not been adequate. The removal of the handicap has been neutralised by higher cost of production and the industry's competitors have managed to readjust their position. There has been no diminution in the steady growth of foreign jute manufacturing capacity or in the ability of substitutes to offer stiff competition. From what Mr. Birla stated, it seems that, within a very short time, there will be few countries in the Middle East without their own jute mills. The jute industry in Europe and Japan has also been firmly established. In Japan, it is actually expanding with another ultra-modern mill of 400 looms having gone into production recently. Strengthened by devaluation, the jute mills in Pakistan have emerged as powerful competitors to India in the US, Europe and the Far East. The rapid rate at which this neighbour of India is gaining a strong foothold in the world jute markets will be evident from the fact that, from 2,000 tons per month in the first quarter of 1955, the average monthly exports had risen to 8 000 tons by the last quarter of that year. This quantity is, of course, only one-tenth of India's present exports, but it must not be overlooked that the jute industry in Pakistan is growing and that every additional ton of goods produced there will be offered for export in direct competition with jute goods made in this country. In view of this growing challenge to Indian jute mills, complacency on the part of anyone—be they millowners, workers, or the Governments—in the task of restoring the competitive capacity of the industry will constitute a gross dereliction of duty.

COMPENSATION TO INSURERS

HOW far is the Union Finance Minister, Mr. C. D. Deshmukh, prepared to concede the demand of insurers for a more equitable compensation than the one now provided in the Insurance Corporation Bill? Although he spoke in a somewhat conciliatory tone when he dealt with this question in the course of his speech on the Bill in the Lok Sabha, he did not really yield much ground. Perhaps, he was concerned more with elucidating the compensation provisions of the Bill as they now stand than with committing the Government to a fresh approach to the problem. Perhaps, too, he preferred to let the Select Committee deal with the question. Whatever the reason, he gave the impression that he regarded the principles of compensation as generally fair and that they needed only slight modification.

Briefly, the compensation to insurers, in terms of the Bill, will be calculated at 20 times the annual average of the share of the surplus allocated to shareholders in the last two actuarial investigations as at dates earlier than 1st January 1955 or ten times such surplus *plus* the paid-up capital, whichever is more advantageous to the insurer. For purposes of calculating the surplus, it has been provided that, where an insurer has allocated to shareholders more than 5 per cent. of any such surplus, he shall be deemed to have allocated only 5 per cent. of the surplus and, where an insurer has allocated to shareholders less than 3 per cent. of any such surplus, he shall be deemed to have allocated 3 per cent. of the surplus. If no surplus has been allocated, the insurer will get the excess of his assets over liabilities. In the case of mutual and co-operative offices, compensation will be calculated at the rate of Re. 1 per Rs. 1,000 sum assured.

Insurers have contended that the compensation provisions are equitable, because first, they fix the maximum of the surplus allotted to shareholders at the unduly low level of 5 per cent. of such surplus and, secondly, the period taken for purposes of calculating the surplus was a disturbed one and would not, therefore, give a correct estimate of the compensation justly due to them. The first argument is based on the consideration that the Finance Act itself permits an allocation of 7½ per cent., which itself is lower than the proportion of the surplus allocated to shareholders in several other countries and also lower than the 10 per cent. permitted prior to 1950. It has also been represented that the insurers who took the full statutory provision for shareholders have been generously treated, while those who adopted a conservative policy for allocating surpluses have been penalised for their financial rectitude.

Mr. Deshmukh, on his part, recognised that "enlightened" insurers allocated a smaller percentage of the surplus than the maximum of 7½ per cent. Nevertheless, he naively argued that, if the Government based the compensation on the actual allocations, it would be rewarding those who had taken a "short-sighted view and allocated the maximum the law allowed." This is a funny argument, indeed; for implied in it is the assumption that the law itself was short-sighted enough to fix a high percentage. This is not altogether a correct assumption, in the light of the practice in other countries. In any case, where is the equity in treating the shareholders who received less than 5 per cent. of the surplus on a par with those who, without infringing the law, received the full 7½ per cent.? The principle now adopted comes to this: It is wrong for people to obey the letter of the law and equally wrong to observe the spirit of it. Surely, this is an absurd proposition. It is to be hoped that the Select Committee will examine the question in greater detail and render at least bare justice to the shareholders of insurance companies.

On the question of the period chosen for determining the surplus, however, Mr. Deshmukh was somewhat helpful. Here, the insurers' main grievance is that the two actuarial valuations prior to 1st January 1955 would cover a period which synchronised with a fall in the prices of gilt-edged securities and a rise in Bank rate, and leave out the year 1955 which was a favourable period from the point of view of the expansion of business. Referring to the suggestion that compensation should be based on the working during a standard period applicable uniformly to all and that the standard period should include 1955, Mr. Deshmukh said: "Now, we feel that there is something in this request and we propose to consider this suggestion at the Select Committee stage. It would be unnecessary—even unwise—to undertake a larger number of valuations and the results could be estimated by a suitable approximation." One has to be thankful to him even for this small mercy.

Mr. Deshmukh was brief—but less than just—in his reference to mutual and co-operative insurers. He said: "Now, it is doubtful if, in these cases, any compensation is at all payable." He added: "However, in order to avoid any possible legal objection, the schedule provides for payment of nominal compensation by way of addition to the sum assured at the rate of Re 1 per thousand of sum assured." This is condescension with a vengeance. Mutual insurers were allocating all their surpluses to policyholders, who under the law relating to the Corporation, are now entitled to get only 95 per cent. of the surplus. In concrete terms, the compensation they get is just nominal, being equivalent to one rupee bonus per Rs. 1,000 sum assured. Thus, in the case of the Bombay Mutual alone, it has been calculated that, if the Company had been a proprietory one, it would have received about Rs. 26 lakhs as compensation. It would now get only Rs. 2½ lakhs. The question is not whether there is any legal case for compensation to mutual or co-operative insurers, but whether they have not been more unfairly treated than even proprietory concerns.

The Government has done well to permit the foreign insurers to transfer to their head offices the policies in foreign currencies, issued to non-Indian temporary residents in India; such business, it has been calculated, forms about 15-20 per cent. of their business in India. This decision has been prompted by the consideration that it would be difficult for the Corporation to render satisfactory service to those policyholders when they return to their homes. Further, some of the foreign insurers have large assets in India, not all of which have been built out of receipts in this country. The Government has, therefore, agreed that the foreign insurers should be allowed to repatriate assets which are not required to meet their liabilities to policyholders in India. They will thus be permitted to transfer the excess of their assets over their liabilities. In other respects, they are being given compensation on precisely the same lines as the Indian companies. It is, however, gratifying to note that the "reserves they would leave behind would be as strong, if not stronger than, the reserves of the best of the Indian companies." But there is one thing more which nearly all of them will leave behind, and that it is a tradition for fair dealing which nationalised insurance may well learn to emulate. It is also well to place on record the fact that the association of many of the foreign insurers with India is as old as Indian insurance itself, and that they played a very vital and significant role in spreading insurance consciousness in this country.

In considering the question of compensation to insurers, the Government will do well to bear in mind that it is taking over, as a going concern, a very prosperous industry, with an immense potentiality. It is not as if the Government has underwritten a major risk in nationalising life insurance. The field is vast, the ground has been prepared through the labour of generations of workers. There is, therefore, nothing wrong in adopting a liberal attitude towards the shareholders of the companies which have spread the gospel of insurance in this country. Indeed, there can be no two opinions on the fact that the Government will not be able to nationalise any other industry with a comparable potentiality at less than the compensation it has to pay to insurers. It has been computed by a competent authority that only 52 out of the 154 companies that are being nationalised are entitled to compensation on the surplus-allocation basis. The total compensation in respect of these companies will be no more than Rs. 3 crores. The other 102 companies will get very small compensation, calculated on the basis of excess of assets over liabilities; actually, even here, the Government loses nothing. Thus, by spending a little over Rs 3 crores, the Government gets complete control over funds estimated at Rs. 400 crores, with prospects for further expansion in funds, thanks to its right to have a monopoly of life insurance business. Surely, it can afford a more generous gesture to those who have owned this business than what it now seems inclined to show.

RISE IN EQUITIES TOO RAPID TO STAY

BANGALORE WOOLLEN BONUS ISSUE—MANAGING AGENCY OF BENGAL PAPER

THURSDAY, 5 P.M.

MARKET GOSSIP

THE share markets are, once again, in the midst of a veritable boom. Equity values are going up, irrespective of intrinsic merits. Despite the increase in corporation tax, the graduated tax on dividends and the tax on bonus shares, values have shot up to levels which few would have expected on budget day. The pride of place in this boom goes to cotton textile scrips. Almost all the well-known shares such as Bombay Dyeing, Kohinoor, Svadeshi and Century have recovered so rapidly that they are now very near the peak levels touched in the last quarter of 1955. The rise in their case is, indeed, phenomenal, especially because the cotton mill industry has been subjected to fresh taxation of nearly Rs. 20 crores, besides the taxes on dividends, bonus shares, etc. To assume that cotton mills will be able to make a profit large enough to offset this additional burden and still be in a position to pay much bigger dividends than they have done for 1955 will be to indulge in hazardous speculation. Those who do so will do well to bear in mind that the day for the return of price and physical controls is probably not very far off and that the cotton textile industry will, perhaps, be the first to attract them. The prices of cloth and yarn have been steadily going up in recent months and so also those of cotton. A stage has already been reached when the Government is actively considering the necessity for reintroducing cotton quotas for the mills. If the Government finds it necessary to requisition cotton from growers, then the latter may demand that prices of cloth, too, should be controlled, so that they may not have to pay high prices for their clothing.

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The strident rise in equities after the budget can be attributed to the following factors:

(1) Short covering by bears who had entered the ring on a fairly large-scale after the nationalisation of life insurance and on the eve of the budget.

(2) Re-entry of bulls, inspired by bigger dividend announcements and hopes of still bigger dividends in the coming year.

(3) Expectation of heavy inflation in the following twelve months. The budget for 1956-57 provides for a net deficit of Rs. 360 crores to be covered by created money. This means deficit financing at the rate of well over a crore of rupees per day. The spurt in bullion and commodity markets have whetted the appetite of the bulls.

(4) A tremendous increase in the volume of option business.

(5) The apathy of real individual investors. Most of these neither sell when the market booms nor buy on any appreciable scale when values are down. If they at all act, they invariably buy in a rising market and sell in a falling market.

(6) Fairly substantial buying of selected scrips by custodians of life insurance shortly after the budget. This has helped in the absorption of floating stocks of shares.

(7) The fairly easy manner in which the bulls were let off by the stock exchange authorities in Calcutta in the last crisis. By cutting rates, squaring up contracts and effecting compromises, they allowed the professional speculators to conserve their strength and resources. Had the bulls been compelled to meet the losses in full, there could not have been such a quick resurgence of bullish activity.

It will be seen from the foregoing that much of the rise in prices has been due to speculation. Accordingly, it will be risky to follow the present upward trend, thinking that it will be sustained. If the budget proposals have not adversely affected the equity values, it is because they have undermined the confidence of company managements in the future. The way in which prudence and financial rectitude have been penalised by the Finance Minister has evidently encouraged these managements to pay as high dividends as possible so long as they have the freedom and capacity for doing so. In short, instead of encouraging conservation of profits, he has provoked them to indulge in a dividend spree, even if it means payment of a penal tax to the Government. Threats of fresh taxes in the coming years, of a ceiling on income, of nationalisation and of direct control on dividends have also aggravated this trend. "Take as much as possible by way of dividends while the going is good; why worry about the rainy days when the future of private enterprise is uncertain?" This sort of feeling seems to be spreading among those who are in charge of companies. This, however, is not a healthy development from the point of view of the larger interests of the country. Big dividends when profits are large will also mean small dividends when profits decline. An outcome of this will be wider fluctuations in equity values. While buying shares, therefore, investors will have to take this factor into consideration. They should change their ideas of yield in an upward direction. If they thought that 5 or 5.5 per cent. was satisfactory to them before the budget, they must now raise this limit by one per cent. It will not be advisable to take a lower basis of yield, as it will add to the risk of capital depreciation.

In staging a big rise in values, the share markets have ignored certain possible adverse developments. First, the large dividends which some companies have now declared may attract direct dividend control. Secondly, the Government may take some effective measures to restrain the upward trend in commodity and bullion markets. Thirdly, there may be a serious deterioration in Indo-Pakistan relations. Fourthly, some of the companies which have decided to issue bonus shares may drop the proposal on the ground that the tax on such issues is heavy. One of the biggest companies in Madras has already done so. Fifthly, the cost of bank credit may go up. It is reported that banks in Calcutta have already decided to raise the rates of interest on certain types of advances.

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It will be recalled that the Bangalore Woollen, Cotton and Silk Mills Co., Ltd. (Managing Agents: Messrs. Binny [Madras] Ltd. Bangalore), had proposed to capitalise a sum of Rs. 81 lakhs from the general reserve and issue bonus shares in the proportion of two such shares for every share held. This decision was taken in March 1954 and the Government's permission was sought in July 1954. But it was only in September 1955 that the Government gave its consent. Thereafter, the Company completed the usual procedure for getting the consent of shareholders. Notice of extraordinary general meeting to be held on 17th March 1956 was given on 17th February 1956. Then came the budget, with a tax of As. 2 per rupee on bonus shares. On a careful consideration of the effects of this tax, as well as of the tax on dividends, on the Company's finances, the Directors came to the conclusion that it would be in the best interests of the Company to defer action for the present. Accordingly, they advised the shareholders, at the Company's extraordinary general meeting referred to above, to vote against the resolutions placed before them for issuing bonus shares. This advice was heeded by them, with the result that the proposed bonus issue has been postponed.

It would appear that a rough and ready calculation made by the Company's authorities of the effects of the taxes proposed in the budget revealed the following position:

Assuming that there will be no change in future budgets in the rates of tax now proposed and also that the Company's profits and dividends remain constant, the Company would be faced with an initial cost of Rs. 10,12,500, being the tax at 2 annas in the rupee on the proposed bonus issue of Rs. 81,00,000, but, assuming the present 30 per cent. dividend on the present capital would be reduced to a 10 per cent. dividend on the new capital, there would be an annual saving of Rs. 1,11,375 on the excess dividend tax arrived at as follows:

Dividend payable on a 30 per cent. dividend on present paid-up capital

			Rs.			Rs.
6% of Rs.	40,50,000	=	2,43,000			Nil
4%	do.	=	1,62,000	at 2 annas	=	20,250
20%	do.	=	8,10,000	at 3 annas	=	1,51,875
30%			12,15,000			1,72,125

Dividend tax payable on a 10 per cent. dividend on proposed new capital

			Rs.			Rs.
6% of Rs.	1,21,50,000	=	7,29,000			Nil
4%	do.	=	4,86,000	at 2 annas	=	60,750
10%			12,15,000			

Annual saving.. Rs 1,11,375

It will be seen from the foregoing table that, while there will be an annual saving of Rs. 1.11 lakhs in the dividend tax on the increased capital, the initial cost of tax on bonus issues will be as large as Rs. 10.12 lakhs, a sum that is roughly equal to 9 times the additional amount that will be required to pay the dividend tax on the existing capital at the existing rate of dividend. Further, it would appear that the rates of tax now imposed refer to a bonus issue made and to dividends paid in the previous financial year, which in the case of the Company is that which ended on 31st December 1955. In that event, a bonus issue made in the Company's current year will be subject to whatever rate may be imposed in the next budget, that is, 1957 budget. In view of all this, it is not surprising that the directors came to the conclusion that the lesser of the two evils was to defer the issue of bonus shares. Incidentally, it may be interesting to note, in this connection, that, when the shareholders of the Kohinoor Mills, Bombay, suggested at the annual general meeting of the Company held this week, that a part of the reserves should be capitalised and bonus shares issued, the stand taken by the Chairman, Mr. Sheppard, was similar. Stating that the suggestion had to be examined in all its aspects, he pointed out that an issue of one bonus share for one share held would cost the Company Rs. 12.5 lakhs by way of bonus tax and that it would take a full decade to make up this amount by way of saving in the dividend tax which would be roughly Rs. 1.25 lakhs. If, however, the bonus tax was done away with, say, after two years, the Company would have paid the full tax on bonus issue without securing any substantial advantage on the dividend front. In any case, he thought that there was no point in examining the relative advantages before knowing the final version of the Finance Bill. The implication here is that he is hoping that some changes, apparently for the better, would be made in the Finance Bill before it is adopted by Parliament. It remains to be seen whether this hope will be fulfilled

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The boom on the stock exchanges last year witnessed a marked revival of cornering of shares of well-managed companies with the primary object of snatching away their managing agencies. Quite a number of tea, sugar, cotton textiles, engineering and jute companies have changed hands in this manner. In the case of some of them, the cornering and the subsequent take-over of the controlling interest took place with the connivance of the managements concerned. In most of the cases, however, the managing agency was forcefully taken away by the sheer weight of majority shareholding obtained by the "money bags" through purchases in the open market even by paying fantastically high prices. It may sound surprising to many that, despite the powers assumed by the Government to discourage trafficking in managing agencies, this evil tendency should persist. But the fact is that Government has never used these powers. We thought that this tendency would stop at least after the enactment of the new Company Law and the penal rates of taxation on Section 23A companies, because these developments have reduced the attractions of managing agency business. This expectation, too, has not materialised. The craze on the part of some Indian capitalists to snatch away the fruits of others still persists.

Apparently, the desire to make easy money continues to be the weakness of Indian capital. If any capitalist wishes to indulge in this game notwithstanding the new Company Law and Section 23A of the Indian Income-tax Act, it is reasonable to conclude that he must be having in mind adoption of very undesirable practices to recoup the heavy cost which he will have to incur for acquiring the control of a prosperous industrial concern. The victims of such practices will invariably be the workers, the Exchequer and the society as a whole. The Government must, therefore, be on the alert whenever it comes across instances of such cornering activities and try to nip them in the bud.

The latest victim of trafficking in managing agency seems to be the Bengal Paper Mill Co., Ltd., the Managing Agents of which are Messrs. Balmer Lawrie & Co., Ltd., Calcutta. Readers of this column will recall that, in our issue of 17th December 1955, we had drawn pointed attention to the possibility of this Company being faced with this danger sooner or later. A group of people went on buying the shares of the Company by paying very high prices completely unrelated to the prevailing yield on industrial equities. It now transpires that these people have found it necessary to come out in the open because of a move by the present management. They are trying to force the issue by resorting to well-known tactics.

Some of the shareholders of the Bengal Paper, under the leadership of one Mr. N. G. Maniar, have formed themselves into a committee and are leaving no stone unturned for terminating the managing agency of the Company. The present term of Messrs. Balmer Lawrie & Co. expires on 15th January 1957. The Board of Directors of the Bengal Paper has, however, thought it fit to enter into a fresh managing agency agreement on revised terms for a period of ten years with effect from 1st April 1956, that is, from the date of commencement of the Companies Act 1956, so that the services of such an experienced managing agency firm may be assured for the successful development of the Company's plans to modernise the plant and expand its capacity. The Directors have, it may be noted, planned to expand the capacity by the addition of one new modern high-speed machine, as this will greatly increase the output with little appreciable addition to the overhead costs, and bring down, at the same time, the unit cost of production. This will enable the Company to make handsome profits in good times and probably to compete successfully in times of keen competition. This programme of expansion requires adequate and guaranteed supply of raw materials.

As raw materials in any quantity are not obtainable in West Bengal and supplies from neighbouring States are not assured, the Company is faced with the only alternative of obtaining pulp from pulp mills. There is, however, no independent pulp mill which can meet the requirements of the Company. A scheme is, therefore, being examined by the Directors and the Managing Agents of the Company in conjunction with those of the India Paper Pulp Co., Ltd. for the erection of a bamboo pulp mill in an area where there are large and hitherto substantially undeveloped bamboo resources. In fact, this project, in one of the bamboo producing areas, solely for the manufacture of pulp for sale to the paper industry will be a major pioneering development in this country. The project is still in the stage of investigation, but preliminary reports would appear to have indicated the possibility of an assured supply of bamboo pulp to the Company at an economic cost. At this important stage of the Company's development plans, the discontinuance of an experienced managing agency as Messrs. Balmer Lawrie will mean a serious loss to the Company in particular and a definite setback to the economic development of the country in general. It is quite probable that the pulp manufacturing plans will fall through, if the present managing agency is terminated, as the India Paper Pulp Company may not be willing to join hands with the new management of the Bengal Paper.

The main grounds on which Mr. Maniar and his associates want to terminate the managing agency are inefficiency and lack of foresight on the part of the present Managing Agents. These charges sound farcical, indeed, in the light of plans disclosed above. In the course of a circular to fellow shareholders, they say that the Bengal Paper has been lagging behind other paper mills in respect of profits earned per ton of production, dividends paid to the shareholders and other allocations made. According to them, the Bengal Paper has earned

(Continued on page 593)

CAUTIOUS ADVANCE IN SHARES

UNDERTONE STILL FIRM

(From Our Own Correspondents)

BOMBAY, *22nd March*

THE upward trend in equity values on the Stock Exchange noted since the release of the Budget proposals was fully maintained during the week under review also. Many favourite counters received fresh support and fair-sized gains were recorded. However, the pace of advance was less marked than in the previous week, and the upward movement was somewhat irregular, because operators were more cautious in extending their commitments and preferred to book profit intermittently. The prospect of higher and additional taxation during the coming years, hinted at by the Finance Minister in Parliament, failed to check the bullishness, though it induced mild profit-taking at one time.

The main inspirations for the operators were the flow of good corporate news, particularly from textile mills, the rising trend in notes in circulation and good prospects for industries in general during the second Five-year Plan period. The buoyancy displayed by the bullion and oil-seeds markets also aided the bullish sentiment.

In the steel section, Tata Ordinaries continued to attract good attention following the report that the Company's expansion plans were being vigorously implemented. After an early recession from Rs. 237-12 to Rs. 233-4, the shares advanced to Rs. 240. Reacting to Rs. 237-8 on profit-taking, they recovered to Rs. 242 before finishing at Rs. 241-12. Indian Irons were concerned in a bout of fresh buying support, as a result of which the shares rallied from Rs. 33-4½ to Rs. 35-4½ and closed at Rs. 35-3½.

Textiles shares were, once again, in the forefront on sustained attention, following the encouraging results of working of the leading mills and good offtake in cloth. Bombay Dyeings and Kohinoors were particularly in good form, the former crossing the Rs. 600-mark after a lapse of nearly three months. The latter were keenly bid on prospects of better dividend for the current year. Bombay Dyeings moved up from Rs. 591-14 to Rs. 603-12 and, after a short-lived reaction to Rs. 596-14, jumped up to Rs. 615 today before finishing at Rs. 611-14. Kohinoors shot up from Rs. 349-8 *cum-div.* to Rs. 360-8 *ex-div.* (Rs. 12 final). Centurys picked up Rs. 9 to Rs. 517, Central Indias Rs. 3-8 to Rs. 146-8, Finlays Rs. 5 to Rs. 364 and Gokaks Re. 1-8 to Rs. 250-8. Indu Ordinaries fared well and gained As. 7 to Rs. 14. Minervas put on Rs. 4-12 to Rs. 86-12 and Morarjee Goculdas Rs. 5 to Rs. 240. New Citys hardened from Rs. 170 *cum-div.* to Rs. 173-12 *ex-div.*, while New Greats were done at Rs. 230 *ex-div.*, as against Rs. 240 *cum-div.* last week. Indore Malwas were lower by Rs. 3-12 at Rs. 146-4, as also New Kaiser-I-Hinds by Rs. 6-14 at Rs. 118-12. Shree Niwas lost Rs. 6-4 to Rs 223-12, while Simplex gained Rs. 2 to Rs. 214-8. Standards improved from Rs. 420 to Rs. 432-8. Svadeshis from Rs. 232-8 to Rs. 236-8 and Swans by Rs. 6-4 to Rs. 453-12. Tata Mills dropped Re. 1-12 to Rs. 59-4.

Interest in bank shares was selective. Bank of Indias received good institutional support and moved up by Rs. 6 to Rs. 159. On the announcement of a bonus issue, Punjab Nationals rose by Rs. 7-4 to Rs. 50-4. United Commercials also were in good form and gained Rs. 2 to Rs. 53. Barodas on the other hand, were quiet at Rs. 95. Centrals were steady at Rs. 49-8, while their New shares were up by Re. 1-8 at Rs. 50-12.

The insurance section was featureless and activity was very much restricted. New Indias softened from Rs. 41-12 to Rs. 40 and Orientals were dull at Rs. 3,900. Other shares were unchanged.

Electricity shares were quiet and fractional declines in prices were recorded. Ahmedabad Electrics were lower by As. 10 at Rs. 102-8, as also Bombay Suburbans at Rs. 115-10. Surat Electrics, however, gained As. 10 to Rs. 124-6. Tata Hydros shed Re. 1-12 to Rs. 132 and Tata Powers Rs. 5 to Rs. 1,375. Andhra Valleys were maintained at Rs. 1,295.

The miscellaneous section followed the general pattern of the market and kept up the firm undertone. In the sugar group, Belapurs came up from Rs. 229 to Rs. 234-8, before closing lower at Rs. 232-8. Phaltans rose by Rs. 3-8 to Rs. 147-8 and Walchandnagars by Rs. 6-4 to Rs. 266-4. In the cement group, A.C.C. continued to receive enquiries and moved up from Rs. 214-12 to Rs. 217. After an earlier recession from Rs. 188 to Rs. 186, Digvijays regained to Rs. 188-8, following the good outlook indicated by the Directors in their latest report. Among engineering and mining shares, Alcocks were conspicuous on good support from interested quarters. As a result the shares jumped by Rs. 21-4 to Rs. 377-8. Premier Constructions were in demand and rose by Rs. 3-8 to Rs. 186-8. Tata Locomotives added Re. 1-8 to Rs. 150-8 and Larsen and Toubros As. 4½ to Rs. 15-13½. Shivrajpurs were steady at Rs. 110-8, while Indian Coppers rose smartly from Rs. 6-8½ to Rs 7-3. B.B. Petrols lost some ground to Rs. 4-2½ on pessimism regarding dividend.

In the shipping and transport group, Scindias were a little erratic and closed As. 2½ lower at Rs. 17-4½, while Great Eastern Shippings advanced by Re. 1-3 to Rs. 16-10. Bharat Lines were on offer Rs. 2 lower at Rs. 73. Hindustan Motors improved by As. 5 to Rs. 10-1, but Premier Automobiles were Re. 1 lower at Rs. 94. Among miscellaneous industrials, good activity was witnessed in Bombay Burmahs. After a recession from Rs. 614-6 to Rs. 601-4, their old shares rallied to Rs. 621-4. National Rayons reacted from Rs. 235-4 to Rs. 231-8, but revived to Rs. 242 on expectations of higher dividend. British India Corporations were supported by interested circles, as a result of which they put on As. 7 to Rs. 10-14. Killick Industries were a rupee higher at Rs. 166-8. Tata Chemicals were quiet at Rs. 14-14, while Tata Oils were steady at Rs. 47-8. Wimcos maintained their upward trend with a further gain of Re. 1-4 to Rs. 206-4.

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Calcutta Stock Exchange

CALCUTTA, *21st March*

Although the undertone on the Calcutta Stock Exchange was quietly steady in the earlier part of the week under review, conditions improved as the week progressed. Sentiment was assisted by higher advices from Bombay. Despite the Finance Minister's clear indication that further new taxes would be added in the coming years, if scrips attracted buyers, that was principally due to the attractively lower levels. The daily list of transactions since Monday was impressively higher. That fortunes for tea gardens were changing for the better was clear from the trend during auctions and, naturally, more buyers were after tea shares. Miscellaneous industrials, too, recorded transactions in an impressive way, and one of the reasons for this was the expectation of the Government of India meeting development expenditure by deficit financing the largest sum in the first year of the plan. Jute shares came under selling pressure early in the week, but this abated when raw jute prices fell and it was expected that working results of the mills for the current accounting period would improve. However, the reference of the outgoing Chairman of the I.J.M.A., Mr. Birla, at the annual meeting of the Association last Friday to losses of mills in 1955 continued to depress sentiment.

In coals, fractional gains were recorded. From Rs. 13-15, Burrakurs moved to Rs. 14-6. On strong support, East Indians recovered to Rs. 33-14 from Rs. 32 and Bengals to Rs. 534 from Rs. 523. On the other hand, Raneegunges were unchanged at Rs. 11-4 and New Beerbhooms at Rs. 19-11.

More interest was shown for textile shares. Kesorams at Rs. 18-3, picked up Re. 1-8, and Dunbars hardened from Rs. 289 to Rs. 301, while Cawnpores receded from Rs. 9-2 to Rs. 8-15. Elgin Mills were taken over to Rs. 27-10 from Rs. 27-7 and Bowreahs were unchanged at Rs. 310.

In jutes, most shares moved within narrow limits either way, but, with the decline in raw jute prices, the section attracted more buyers at lower levels. Thus, the daily list of transactions tended to increase from Friday last. From Rs. 23-8, Howrahs moved down to Rs. 22-14 and, from a previous rate of Rs. 420, Ft. Glosters gave way to Rs. 350. At Rs. 154, Orients added Re. 1, Nationals easing to Rs. 24-10 from Rs. 25-10.

A better trend was in evidence in the engineering section. Indian Irons opened at Rs. 33 and improved to Rs. 34-9. Texmacos were raised from Rs. 21-2 to Rs. 22-13. Interested buying raised Richardson and Cruddas from Rs. 24-12 to Rs. 25-2 and Burn and Cos. at Rs. 335 were higher by several points. Jessop and Cos. at Rs. 34-8 put on a better appearance.

Teas forged ahead and attracted a considerable portion of the funds in the market. Brooke Bonds hardened from Rs. 20-10 to Rs. 25-2, Hantaparas from Rs. 245 to Rs. 285, Rajabhats from Rs. 24-8 to Rs. 25-8, and Hasimaras from Rs. 32-8 to Rs. 26-4. Patrakolas were fully steady at Rs. 208 *ex-div.*

Alkali and Chemicals, among other miscellaneous industrials, were a notable feature and rose from Rs. 21-2 to Rs. 23-2 following the decision to commence manufacturing a new product. Rohtas Industries were in good demand and scored a gain of Re. 1 to Rs. 20-10.

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Madras Stock Exchange

MADRAS, *21st March*

Buoyant conditions prevailed on the Madras Stock Exchange during the week under review. Induced by investment and speculative support, equities forged ahead. Textiles were particularly firm, thanks to reports of continued upward trend in offtake of cloth and yarn for both domestic consumption and export. Tea scrips also met with considerable buying enquiries, reflecting operators' optimism about the outlook for the industry based on the recent impressive rise in tea prices at the Calcutta and London auctions. Coffee and rubber shares, too, evoked the attention of operators, on expectation of better working results in the current season. In sympathy with the general trend, sugar and miscellaneous sections exhibited a firm tone and recorded handsome improvement in prices.

During the week under review, there were a few important company announcements. The East India Distilleries and Sugar Factories Ltd. has received the consent of the Controller of Capital Issues for the proposed issue of bonus shares amounting to £75,000 to holders of 'B' shares and application has been made to the Capital Issues Committee of the U.K. whose consent is also necessary, as the Company is a sterling company. The Bangalore Woollen and Cotton and Silk Mills Co., Ltd., has deferred action on the issue of bonus shares, since the resolutions to that effect were declared lost at the extraordinary general meeting held on the 17th inst. The Woodland Estates Ltd. has taken over possession of the Braemore Estate from the Poonmadi Tea and Rubber Co., Ltd., with effect from 28th February 1956. The United Nilgiri Tea Estates Co., Ltd., has received official permission for the issue of 82,248 ordinary shares of Rs. 10 each as fully-paid bonus shares at 3 bonus shares for every 5 shares now held.

Textile shares were, as already stated, in the limelight. Venkatesas spurted by Rs. 11 to Rs. 166. Balasubramania 'B's rallied Rs. 10 to Rs. 132-8 and 'A' shares picked up Rs. 3 to Rs. 78. Vasantas advanced by Rs. 7-8 to Rs. 287-8, Radhakrishnas by Rs. 7 to Rs. 287, Saradas by Rs. 6 to Rs. 120, Buckinghams by Rs. 3-12 to Rs. 183-12 *cum-div.* and Rajapalayams by Rs. 5-8 to Rs. 135-8. Radhakrishna 'B's and Ranga Vilas rose by Rs. 5 each to Rs. 145 and Rs. 90, respectively. Coimbatore Pioneers and Premiers finished each Rs. 4 higher, the former at Rs. 260 and the latter at Rs. 184. Lakshmis gathered Rs. 3 to Rs. 193. Vijayalakshmis hardened by Rs. 2-8 to Rs. 130 *cum-div.* The directors of the Vijayalakshmi Mills Ltd. have recommended a tax-free dividend of 10 per cent. for the year ended December, 1955, which is the same as that paid in the previous year. Metturs gained a like amount to Rs. 407-8. Maduras gathered Re. 1-8 to Rs. 54-14 *cum-div.*

In the planting section, there was a buying spree in tea shares. United Nilgiris provided the brightest spot, their quotation advancing by Rs. 30 to Rs. 350 *ex-div.* Nonsuch Teas picked up Re. 1-8 to Rs. 35-4. Haileyburias appreciated by Re. 1-2 to Rs. 27-10 and Peermades by Re. 1 to Rs. 37-8. Coonoor Teas strengthened by As. 12 to Rs. 28-8. Highlands and Talayar Teas rose by As. 10 each to Rs. 17-10 and Rs. 13-14, respectively. Perksides put on As. 8 to Rs. 19-12, Blue Mountains As. 7 to Rs. 5-12, Chandramalais As. 6½ to Rs. 6-13½ and Nilgiri Teas As. 4 to Rs. 14-2. Among rubber shares, Peninsulars jumped up by Rs. 3 to Rs. 24-8. Malankaras rallied Rs. 2 to Rs. 30. Rajagiris and Midlands scored a gain of Re. 1-12 each to Rs. 23-4 and Rs. 21, respectively. Vaikundams changed hands Re. 1-8 higher at Rs. 28-8. Among coffee shares, Consolidated Coffees hardened by Re. 1-9 to Rs. 26-3. Coffee Lands spurted by As. 15 to Rs. 21-4. Puthutotams gathered As. 4½ to Rs. 4-14½. Rajendras were firm at Rs. 7-5 and Sheveroys at Rs. 2-8.

Turnover in sugar shares were large. United Breweries found good buyers Rs. 2 higher at Rs. 185. Deccans strengthened by As. 11½ to Rs. 9-3 and Indias by As. 11 to Rs. 20-15 *ex-div.* Travancores gained As. 7 to Rs. 13-9. E.I.D. 'A's were done at Rs. 26-8 *ex-div.*, as against Rs. 27 *cum-div.* a week before

In the miscellaneous section, cement company shares experienced keen demand and registered a handsome rise in values. Dalmia Cements picked up a rupee to Rs. 14-12. India Cements and Travancore Cements advanced by As. 7 each to Rs. 33-8 and Rs. 12-7, respectively. Among other shares, India Steel Rollings rose by Re. 1-6 to Rs. 13-10. Mysore Tobaccos increased by As. 8 to Rs. 12-2 and F.A.C.Ts. by As. 6 to Rs. 7-6.

Notices

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

AT A MEETING OF THE BOARD OF DIRECtors held on the 15th March 1956, the following Dividends were recommended to be paid for the half-year ended 30th September 1955, without any deduction for Income-tax paid by the Company:—

On 1st Preference Shares—8 per cent. per annum

On 2nd Preference Shares—4½ per cent. per annum

On Preferred Ordinary Shares—10 per cent. per annum

On "A" and "B" Ordinary Shares—As. 12 per Share plus As. 4 Bonus per Share.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

THE AMALGAMATED ELECTRICITY COMPANY, LIMITED

THE REGISTERS OF MEMBERS AND TRANSfer Books of the Company will be closed from 30th March to 5th April 1956, both days inclusive, in connection with Interim Dividend for the half-year ended 30th September 1955, payable on or after 6th April 1956.

By Order of the Board,
THE CONSOLIDATED ELECTRIC AGENCIES LTD.,
Agents,
N. C. JAVERI,
Managing Director.

BOMBAY, *17th March 1956.*

DRAFT BILL ON REORGANISATION OF STATES

MAIN PROVISIONS ANALYSED

THE reorganisation of the Indian Union into 15 States and seven "Union Territories," the creation of five zones, with a council for each zone, and the abolition of the institution of Rajpramukhs are the principal features of the 121-clause draft States Reorganisation Bill which was placed before Parliament last week by the Government of India. The Bill follows prolonged consideration by the Government of the report of the States' Reorganisation Commission (Chairman; Mr. S. Fazl Ali) submitted to the Government in September last. It is now expected that the new States will commence functioning with effect from 1st October 1956. The State Governments have been requested to communicate the views of their respective legislatures by 16th April, and even earlier, if possible. The final Bill will be drafted in the light of their views as well as those of both Houses of Parliament.

The introductory chapter of the draft Bill says that the Government has, since the publication of the Report of the Commission, considered the outstanding issues very carefully in consultation with the State Governments and the parties and interests concerned. Referring to its proposal for the retention of Bellary in Mysore State in the face of the Commission's scheme for transferring it to Andhra in order to facilitate the smooth and efficient execution of the Tungabhadra project, the Bill says that the Government has already examined the high level canal scheme of the project in some detail and that the purpose the Commission had in view could be achieved without making any territorial changes or reopening the question of the future of Bellary which had been settled after detailed inquiries.

Two Classes

The Bill seeks, in accordance with the recommendations of the Commission, to create only two classes of component units—"States" and "Union Territories." The 15 States envisaged in the Bill are: Andhra-Telengana, Assam, Bihar, Gujerat, Kerala, Madhya Pradesh, Madras, Maharashtra, Mysore, Orissa, Punjab, Rajasthan, Uttar Pradesh, West Bengal and Jammu and Kashmir. The seven Union Territories are: Greater Bombay, Delhi, Himachal Pradesh, Manipur, Tripura, Andaman and Nicobar and Laccadives, Minicoy and Amindive islands. The President is empowered to constitute Regional Councils for the new States of Andhra-Telengana and Punjab-P.E.P.S.U. for ensuing equitable development of the States merged. He will also make rules in respect of the functioning and powers of these Councils.

So far as the States are concerned, the Bill's departure from the Commission's Report relates to Bombay and Andhra-Telengana in that, while the Commission recommended the retention of a composite Bombay State, the Bill splits it up into Greater Bombay (Centrally administered territory), Maharashtra and Gujerat; similarly while the Commission envisaged Andhra and Telengana as two units to begin with and their subsequent merger with the consent of the respective legislative assemblies after the next elections, the Bill seeks to merge them straightaway. So far as the Union Territories are concerned, the Commission recommended only three—Delhi, Manipur and Andaman and Nicobar Islands. The Bill envisages seven such territories. The more important of the other minor adjustments include the retention of Bellary in Mysore State as against the Commission's recommendation for a transfer of that district to Andhra. No reference has been made to the possibility of the formation of Dakshina Pradesh or other merger proposals. The explanatory note, appended to the Bill, however, refers to the proposal for the merger of West Bengal and Bihar. Any decision ultimately taken on this issue, it is stated, will be implemented by means of a separate Bill.

Five Zones

The five zones, which the Bill seeks to set up, are:

1. *Northern Zone*: Punjab, Rajasthan, Jammu and Kashmir, Delhi and Himachal Pradesh;
2. *Central Zone*: U.P. and Madhya Pradesh;
3. *Eastern Zone*: Bihar, West Bengal, Orissa and Assam and Manipur and Tripura;
4. *Western Zone*: Maharashtra, Gujerat and Greater Bombay and
5. *Southern Zone*: Andhra-Telegana, Madras Mysore and Kerala.

The Zonal Council for each zone is to consist of the following; (1) A Union Minister to be nominated by the President; (2) the Chief Minister of each of the States included in the zone and two other Ministers of each such State to be nominated by the Governor; (3) where any Union Territory is included in the zone, one member from each such territory to be nominated by the President; (4) in the case of the Eastern Zone, the person for the time being holding the office of the Adviser to the Governor of Assam for tribal areas. The Union Minister nominated by the President is to be the Chairman of each Zonal Council. Each Chief Minister of the State included in each zone is to act as vice-chairman of the Council by rotation for a period of one year. Each Zonal Council, it is proposed, will have the following persons as advisers; (*a*) one person nominated by the Planning Commission; (*b*) the persons for the time being holding the offices of Development Commissioners in the States included in the zone; (*c*) and Chief Secretaries of the States. The Zonal Councils are to be advisory. Each Council will have a permanent secretariat located within the zone. It will be competent to discuss any matter in which some or all of the member-States and/or the Union have a common interest and to tender advice to the Governments concerned. The Zonal Council may also discuss matters arising out of the reorganisation of the States such as border disputes, linguistic minorities and inter-State transport, matters relating to economic planning or of common interest and benefit to the people in the sphere of social planning.

Assets

As regards apportionment among the States of assets and liabilities, assets like land and buildings, stores, articles and other goods, arrears of taxes and the assets of State undertakings, will, it is explained, pass to the successor State in which such assets are physically located or with which they are territorially connected. Certain other assets like treasury and bank balances, the right to recover external loans and advances and credits in certain funds are to be divided between the successor States where there is more than one, according to the population ratio. This is defined as being the ratio in which the population of an existing State as ascertained at the 1951 census is distributed territorially among its successor States. Thus, in relation to the successor States of Hyderabad, namely, Andhra, Maharashtra and Mysore, the population ratio will be A; B; C; where A is the census population of territory transferred from Hyderabad to Andhra, B is the census population of the territory transferred from Hyderabad to Maharashtra, and C is the census population of the territory transferred from Hyderabad to Mysore. The Central Government, it is stated, will ascertain in due course the population ratios in all relevent cases.

Public Debt

The provision for the appointment of public debts of the States follows the pattern which was adopted in the case of the division of public debt between Andhra and Madras. The explanatory note further states that the debt outstanding with the public and payable by an existing State will be allocated to a specific successor State, the other successor States, if any, reimbursing the one which carries the liability. These reimbursements will be in proportion to the total expenditure on all capital works and other capital outlays incurred upto the appointed day in the territories of the existing State included respectively in each of the successor States. In the case of the public debts of Bombay and Hyderabad, however, it is proposed that they shall stand transferred to the Central Government on 30th September 1956 and that the Central Government shall be deemed to have made a loan to each of these States. The object, it is explained, is to ensure that Andhra and Maharashtra as the principal successor States of Hyderabad and Bombay may not be saddled with an exaggerated public debt which may affect their future borrowings.

There are at present 18 High Courts, one each for Part A State and Part B State and seven Judicial Commissioner's Courts one for each Part C State, other than Coorg and Delhi. Some of these High Courts and Judicial Commissioner's Courts will become unnecessary after the reorganisation of States. It is proposed that the High Court at Bombay shall continue to be a High Court for Gujerat, Maharashtra and Greater Bombay and the High Courts now exercising jurisdiction in relation to the existing States of Madhya Pradesh, Mysore, Punjab, Rajasthan and Travancore-Cochin shall become the High Courts for the corresponding new States. After this reorganisation, there will be 14 High Courts and three Judicial Commissioner's Courts. Rights and liabilities under subsisting contracts and outstanding liabilities in respect of actionable wrongs are matters of immediate concern to the public. Since it is desirable that the private party should know with which successor State he would have to deal after the reorganisation, general provisions have been made for this purpose. Where there is more than one successor State to an existing State and the rights or liabilities in respect of a contract or actionable wrong cannot be logically allocated to a particular successor State, it is allocated to the principal successor State subject to subsequent financial adjustment between that State and the other successor States which may be concerned in the matter.

The reorganisation of the States obviously calls for the reconstitution of the services. Accordingly, the Bill provides for the reconstitution of all the State cadres of the Indian Administrative Service and the Indian Police Service which are affected by reorganisation. It is proposed that the cadres for all Part B States, Bombay, Madhya Pradesh, Punjab and Vindhya Pradesh should be wound up and the members borne on those cadres should be allocated to the State cadres for the new States or for other existing States by order of the Central Government. The scheme for other State services is that all persons serving in those Part B and Part C States which are to be completely merged in a new State will be deemed to have been allotted to that new State. Those serving in any other existing State which is affected by the reorganisation will provisionally continue to serve in the principal successor State, unless they are required by general or special order of the Central Government to serve provisionally in other successor State. One clause empowers the Central Government to set up one or more advisory committees for the purpose of assisting it in regard to the determination of the final allotment of Government servants, the proper integration of the services and the ensuring of fair and equitable treatment to all persons affected by the territorial changes and formation of new States. There is also a provision for the establishment of Public Service Commissions in all States.

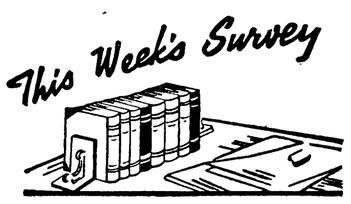
Many of the provisions in the Bill stem from the need for ensuing that there is no break in the continuity of financial, hydro-electric, industrial and transport arrangements which form part of the administration of the State Government. Thus, in order that the administration of a new State may be carried on until the State legislature has sanctioned expenditure from the consolidated fund of that State, provision is made for the Governor or Rajpramukh of the corresponding State to authorise such expenditure for a period of three months from the appointed day. All the existing agreements between the States and the Reserve Bank will be preserved. Some modifications of a more or less formal character will be necessary in these agreements in view of the changed circumstances; such changes will be made by the order of the Central Government.

Financial Corporations

The State Financial Corporations, constituted under the State Financial Corporations Act, 1951, for the existing States of Bombay, Hyderabad, Saurashtra and Travancore-Cochin will be deemed, with effect from the appointed day, to be the Financial Corporations for the States of Maharashtra, Andhra-Telangana, Gujerat and Kerala respectively. Provision has been made for payment of a part of share capital by each of the States to the States which lose the Corporation's services. Thus, the State of Maharashtra will be liable to pay to each of the new States of Mysore, Gujerat and Rajasthan and to the Central Government on account of its share of the paid-up capital of the Financial Corporation for the existing State of Bombay such amount as the Central Government may determine.

Some transitional provisions have been made for the functioning of the State Electricity Boards now existing in the States of Bombay;

(*Continued on page 595*)



INDO-BRITISH CO-OPERATION

BRITAIN, by reason of its traditional commercial relations with this country as well as of its steadily increasing role in India's economic development, has special reasons to appeal to India's business community. Even today, the U.K. constitutes the single largest market for India's total exports of which it takes some 32 per cent. and the single largest source for this country's imports, of which Britain's share is about 25 per cent. Many notable changes have taken place in the traditional lines of trade between India and the U.K. Thus, the U.K.'s offtake is not confined to raw materials alone; Indian cloth, for instance, finds a ready market there. Nor are the U.K.'s exports to this country restricted to the traditional supply of consumer goods. For a large part of Britain's exports to India now consists of machinery and equipment.

In his objective—and nevertheless very felicitous—appraisal of the problem of Indo-British economic co-operation. The Rt. Hon. Malcolm MacDonald, High Commissioner for the U.K. in India, in the course of his speech, at the Indian Merchants' Chamber, Bombay, emphasised that Britain's role in India's economic development would be essentially constructive. After pointing out that the "most effective" way of ensuring security amongst people was to create the economic and social conditions in which they could live happily. Mr. MacDonald cited the Colombo Plan in which a score of different nations now co-operate to promote the economic and social progress of more than 600 million people in Southern Asia. Referring to India, he realised that its vast economic programme implied the receipt of technical aid from the industrial West. He added realistically: "You are accepting it from many quarters. You are right to take it from every country where you can advantageously get it. We British have no quarrel with that, and are only glad that we can help in many ways. So far as we are concerned, the more ways the better."

There is one circumstance which facilitates Indo-British technical co-operation. It is the Indian technicians' familiarity with the English language. Further, the technical and engineering personnel in India, having acquired their knowledge from British text books and their experience from working with mostly British machines, find it easier to acquire technical know-how from Britain than from other countries. The imparting of technical knowledge and experience is a difficult process. A common linguistic medium could hasten this process and its absence retard it. It is sometimes too facilely assumed that he who knows can teach. The fact is that the communication of technical knowledge implies a certain rapport between the teacher and the taught—a rapport which is difficult to establish in the absence of a common medium of expression. Indians in Government-owned enterprises are known to find it hard to learn from non-British technical personnel. India cannot afford to take too long to learn the necessary technical know-how. It is, therefore, advisable perhaps to draw more heavily on British or American sources, inasmuch as it will eliminate the linguistic difficulty.

A welcome assurance—incidentally, one which can ring true only when it comes from a representative of a free country—is that Britain is not concerned with the national economic policies of this country. Mr. MacDonald said:

"The Indian Government is committed to creating in this country 'a socialist pattern of society.' Some people express qualms about that. So far as we in Britain are concerned, the policies which you choose for your national development are your own business. . . . We have, ourselves, engaged in a great deal of socialist action; and we are still actively seeking the right balance of co-operation between private enterprise and public enterprise in society."

The U.K. has made available technical and financial assistance to both the public and private sectors of Indian economy. The range of assistance, as an article on Indo-British trade in 1955 published in our last issue, shows, is commendably wide. Some of the more recent deals, which deserve mention, include the supply of one Viscount airliner (orders for five more liners have been placed by the Indian Airlines Corporation), £2-million order for 2,800 railway wagons. £1-million order for sugar machinery, £900 000-order for broad-gauge multiple unit trains, £500,000-order for Leyland Titan double-deckers for the Bombay Electricity Supply and Transport Undertaking, £200,000-order for supply of cranes and the contracts for the construction of bridges over the Chambal River (£290,000) and the Sone River £(349,000). The importance of Britain's private investments in India is brought out by the fact that the U.K. accounted for 82 per cent. of the net addition of Rs. 132 crores to private foreign investments in this country over the 1948-53 period. Nevertheless, there is, as Mr. Murarji J. Vaidya, President of the Chamber pointed out, great scope for many Indo-British ventures on a joint and co-operative basis in the private sector.

The conclusion of the Indo-British steel agreement is, of course, the most significant development in the sphere of economic co-operation between the two countries. It is of the greatest importance to the future of Indo-British economic relations that the Durgapur steel project should succeed. It is true that Britain labours under certain special disabilities. It has seriously to contend with its own inflationary conditions. Again, being a free country with a free economy, the U.K. cannot possibly give a political twist to a business deal. Thus, it cannot quote more attractive financial terms than are warranted by the economics of the undertaking. The authorities will, however, do well to ensure that these obstacles do not stand in the way of making a success of the steel project. Nothing succeeds like success, and, in the context of the divergent pattern of India's steel enterprises, nothing succeeds like comparative success.

RAILWAY LABOUR

Negotiations for patching up the differences between the All-India Railwaymen's Federation and the Indian National Workers' Federation have ended in success. Thanks to the intervention of Mr. Jayaprakash Narayan, the two unions have agreed once again to merge together to form a single Federation.

It will be recalled that an agreement had been arrived at between these two unions in April 1953 itself to form a single Federation, namely, the Federation of Indian Railwaymen. Unfortunately, differences crept in and they widened last year, resulting in the unions holding separate conventions, one at Bezwada and the other at Madras, each union claiming that it was the National Federation. It is, therefore, gratifying to find that the two unions have once again agreed to forget their differences and work in unison.

Under the terms of the agreement released on the 15th inst., the merger will first take place at the union level and later at the Federation level. A joint committee, consisting of one representative each of the affiliated unions, with an independent chairman, preferably a retired judge or, if no such person is available, the Regional Labour Commissioner, will scrutinise the membership lists of the two unions and will hold elections on the basis of the combined list of membership.

As a first step towards the merger of the two unions, joint committees, consisting of one representative each of the affiliated unions, will be formed to scrutinise the lists of membership for the year 1955-56. In the event of any dispute, the services of a retired High Court or Sessions Judge will be obtained and his award will be accepted as final by both sides.

Congratulating Mr. S. Guruswamy, General Secretary of the All-India Railwaymen's Federation, and Mr. Vasavada, General Secretary of the Indian National Workers' Federation, for their farsighted and large-hearted decision, Mr. Jayaprakash Narayan observed:

"I appeal to railwaymen all over the country to rally round and lend support to the two leaders who have brought about this unity in implementing it. Disunity has brought great harm to the cause of the railwaymen and I think this is the last chance to achieve unity. I hope all petty considerations and personal interest would be subordinated to the larger interests of unity."

Welcoming the agreement, Mr. V. V. Giri, a former Union Labour Minister, has appealed to all railwaymen to "adhere and carry out the terms of the agreement in all humility and without 'ifs' and 'buts' and accomplish the great task ahead of them." He has further expressed his appreciation by declaring that "no one is happier than myself that an agreement has been reached, as otherwise it would have resulted in the disintegration of one of the best trade union organisations in India to the detriment of peace in industry, thereby harming execution of the second Five-year Plan and the economic situation in the country."

The decision of the two bodies to merge into a single unit is, indeed, an encouraging development in the sphere of Indian labour. As all students of trade unionism will admit, each industry should have, as far as possible, one union only. For the success of collective bargaining, it is essential that there should be one single bargaining agent over as large an area of industry as possible. Separate unions for different units in the same industry are inimical to the growth of healthy trade unionism and their existence may be justified only in very exceptional circumstances. A single consolidated union will facilitate representation of grievances of workers forcefully and effectively. Such a step will accelerate progress towards the introduction of uniformity in wages and conditions of service throughout the country.

The Federation can hope to succeed only if its affairs are freed from the influence of any political parties. In fact, trade unions can serve their members effectively only by working for the improvement of the economic conditions of the workers. Unfortunately, contrary to trade union developments elsewhere in the industrial West, especially in the U.K., trade unions in India are in perpetual conflict with one another by virtue of their affiliations with the various political organisations.

There is a fear in certain quarters that a single union commanding allegiance of lakhs of workers, especially in public utility undetakings, is a potential danger not only to the undertaking in particular, but also to the country in general. It is said that the effect of labour unrest and the consequent stoppage of railways is only to be imagined. This fear is not wholly unwarranted, for, unless the union is led by leaders whose sense of responsibility to the society as a whole is high and who believe in negotiation and conciliation for settling disputes and not in a demonstration of the union's right by holding the authorities and the general public at its mercy, the merger will have been in vain. It is to be hoped that such a contingency will not arise in the railways.

The benefits of having a single union with large membership are enormous, apart from its role in the settlement of disputes. In view of its considerable resources by way of membership fee, it can initiate labour welfare activities on the lines undertaken by the unions in the industrial West. It can, for instance, run co-operative societies, undertake cultural activities and the like, thereby making the life of its members happier. Railwaymen have a vital role to play in making the second Five-year Plan a success. If only the National Federation were to make them realise the importance of duties and responsibilities before claiming rights and privileges, it will have fulfilled its national role.

SUGARCANE DEVELOPMENT

Sugarcane development will receive a fresh impetus during the second Five-year Plan period. Addressing a meeting of the Indian Central Sugarcane Committee at New Delhi on Monday this week, Dr. Punjabrao Deshmukh, Union Minister for Agriculture, gave the assurance that every possible assistance would be given to cultivators, with a view to obtaining much larger yields of sugarcane than hitherto. During the second Plan period, the cane development schemes are expected, according to Dr. Deshmukh, to cover the entire area under the crop, including *gur* areas which had not been attended to properly so far. Urging intensification of the tempo of research work on both cane and *gur*, along with the work on cane development, including the intensive cane campaign, the Minister observed:

"The Government of India has set apart Rs. 5 crores for sugarcane development schemes in the second Five-year Plan. For financing these schemes, Government has accepted certain principles of assistance in consultation with the Planning Commission. Due to the financial limitations of the Centre, it will not at present be possible to increase the allotment of Rs. 5 crores. Government will, however, endeavour to see that certain States in which no cane development work has been done so far are given increased assistance towards development than what will normally be possible."

These observations of the Minister are, indeed, reassuring. The responsibility now rests on the States to see that cane development is intensified. Mere increase in the quantum of Central assistance is not enough. What is urgently required is that the assistance should be made use of wisely. In other words, the amount must be spent on such schemes as would bring about an improvement in the per-acre yield of sugarcane with rich sucrose-content. In this connection, those in charge of the cane development work will do well to note the statement of Dr. Deshmukh that cane growers should be advised not only about the exact quantity of fertilisers that is to be used but also regarding the kind of mixture most suitable for different kinds of soil. It is again reassuring to be told that the Central Government is willing to give financial assistance to the States in order to enable the latter to grant loans to the cultivators for purchase of fertilisers.

In the course of his speech, the Agriculture Minister made a special reference to the campaign for top-dressing sugarcane with ammonium sulphate. He claimed that the campaign had been launched successfully, and quoted as proof the distinct improvement in sugarcane yields. The average increase in yields in Uttar Pradesh and the Punjab was of the order of 35.5 per cent. and 25.6 per cent., respectively. Dr. Deshmukh was so full of praise for this campaign that he said: "But for this campaign, I have not the shadow of a doubt, sugarcane production could not have progressed as well as it did and our sugar production would have, in all probability, fallen short of our requirements." He was of the view that, in spite of various handicaps, cane development during the first Plan period had turned out to be "very satisfactory." He felt that the target for cane output—63.1 million tons—would be achieved in the last year of the first Plan, that is, the current (1955-56) season.

RURAL CREDIT

The golden jubilee celebrations of the Canara Banking Corporation, Ltd., Udipi, South Kanara, held last week marked the completion of fifty years of its fruitful service to the nation. Started five decades ago—on 12th March 1906 to be precise—the Bank has made steady progress under the able and prudent management of a succession of presidents and chairmen, assisted by a board of directors comprising men of business acumen and integrity. In the initial days of its career when people were not used to banking habits, the Corporation must have had a trying time in winning the confidence of the public and in encouraging amongst them habits of thrift and saving. But ultimately, it succeeded in this direction admirably, as is evident from the working results of the Corporation reviewed in this journal last week. Mention must, however, be made here that, apart from playing an important role in the economy of the country, the Corporation has not only been subscribing liberally to the Government's borrowing programmes but also donating substantial sums for the various educational and philanthropic institutions.

A feature of the jubilee celebrations was the presidential address delivered by Mr. B. Rama Rau, Governor of the Reserve Bank of India. This address is noted for the emphasis laid by the Governor on the need for State participation in the work of expanding rural credit in India. Although commercial banks had played an important role in the development of trade and industry, Mr. Rama Rau pointed out that banking was still in its infancy in India. There were at least a hundred district headquarters in the country without a bank. The most important task of the State today was, according to him, the promotion of welfare of the masses through provision of adequate credit facilities to villages. Credit was needed for giving a fillip to agricultural production and small-scale industries. It was to achieve an increase in the standard of living of the masses and to build up a socialistic pattern of society that the Imperial Bank of India was nationalised and that the problem of rural credit was given top priority in the second Five-year Plan. Mr. Rama Rau was of the opinion that the State was better suited to serve rural areas than the private banking sector. The Government also proposed to spread the Co-operative Movement throughout the country, so that the people in villages might be well served with credit and other facilities. Today, he said, only 3 per cent. of the population enjoyed such facilities. At this stage, it is only to be hoped that the Movement will fulfil the tasks expected of it in a satisfactory manner.

The Governor of the Reserve Bank availed himself of the opportunity for drawing the attention of the private sector to the recent pronouncement of the Finance Minister in Parliament that the Government had no proposal to nationalise banking in India. He thought that the private sector had unlimited scope in the field and that well-organised banks such as the Canara Banking Corporation would serve the people with increased zeal and devotion in the future. Although these assurances are in line with the statements usually made by Ministers of the Central Government, the fact that the Government has, on several occasions, not stood by its professions may not induce confidence among the interests concerned in them. Nevertheless, such assurances serve a useful purpose in that they denote that nationalisation of the banking sector is not imminent.

PAKISTAN BUDGET

It seems that Pakistan's new Finance Minister, Mr. Amjad Ali, has so manipulated the figures as to present a surplus budget for the coming financial year, 1956-57. The budget discloses a fairly substantial surplus of Rs. 58 lakhs, which compares very favourably with the surpluses of Rs. 6 lakhs and Rs. 5 lakhs in the revised and budget estimates for the current year, respectively. But the surplus of Rs. 58 lakhs is, to say the least, fictitious and not real. For the figure has been arrived at after taking into account the anticipated net railway surplus of Rs. 7.68 crores. But for this surplus and for the amount of aid to be received from the U.S. Government—Rs. 6.9 crores for the fiscal year ending June 1956—the Pakistan Government budget would have shown a big deficit.

Be that as it may, Mr. Amjad Ali places the estimate of revenue receipts for 1956-57 at Rs. 131.02 crores, an increase of Rs. 3.32 crores over the revised estimate of Rs. 127.70 crores for 1955-56. The estimate of expenditure is also placed higher at Rs. 130.44 crores as against Rs. 127.62 crores (revised), thanks largely to the impact of the devaluation of the Pakistan rupee on Government expenditure. A bird's-eye view of the Pakistan Government's revenue and expenditure in 1956-57 (budget), as compared with the budget and revised estimates for the current year, can be had from the statement given below:

(In crores of rupees)

	1956-57	1955-56	
	Budget	*Revised*	*Budget*
Revenue	131.02	127.69	120.44*
Expenditure	130.44	127.62	120.39
Surplus	0.58	0.07	0.05*

*Effect of budget proposals.

Thanks to the improvement in the financial position of the Government, the Finance Minister of Pakistan has announced that he does not propose to levy any fresh taxes. In fact, he has endeavoured to provide some tax relief to the common man. The relief is in the form of a reduction in the import duty on drugs and medicines to 7½ per cent. *ad valorem* from 10 per cent. and 12½ per cent. in the case of the U.K. and other countries, respectively, (2) in the excise duty on coarse cloth from 6¼ to 4 per cent., and (3) in the sales tax on yarn from 10 to 6¼ per cent. In addition to these, the Finance Minister has announced two other important measures. First, the time limit for exempting money brought from abroad has been extended by another year. Secondly, foreign technicians employed by industrial undertakings under contracts of service approved by the Central

(*Continued on page* 585)

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PROSPECTING FOR OILS AND MINERALS

RUMANIA TO SUPPLY DRILLING EQUIPMENT

From A Special Correspondent

NEW DELHI, *20th March*

IT has now become customary for the various Ministries of the Government of India to publish, during the second half of March every year, their Annual Reports for the fiscal year that is to expire in the next few days. In these reports, they have been giving, in broad terms, their record of work, the problems that faced them during the year under review, the manner and method by which they have been able to overcome them, their plans for the forthcoming fiscal year, etc. They are presented to Parliament, and through it, to the general public. By doing so, these Ministries desire to avoid criticisms from the vociferous sections of Parliament on many of their omissions and commissions and also to create as favourable an atmosphere as possible for the passing of their respective budget grants by Parliament for the forthcoming fiscal year. Naturally, an attempt is made in these reports to explain away as neatly as possible some of the shortcomings in the working of Ministries during the preceding year.

DELHI LETTER

Generally speaking, considerable importance should be attached to the reports of such of the Ministries as are concerned with the economic and industrial development of the country. Of these, the Annual Report of the Ministry of Natural Resources and Scientific Research is of particular interest, in view of the intensive efforts that are now being made by it to discover and exploit oil-bearing areas in the country. This Ministry is concerned, among other things, with mines and minerals, scientific surveys such as geological survey, botanical survey, scientific and industrial research, etc. Before the end of this month, this Ministry is expected to come to an agreement with the Assam Oil Company for floating a separate rupee company for the exploration of oil in the new oilfields of that State, namely Narkatiya, Dubrijan, Moran, etc. In the proposed Company, the Government of India will have a controlling interest of 51 per cent. The Assistant Managing Director of the Assam Oil Company is expected in the Capital by next week for further discussions on the subject. There is also a proposal to establish a new oil refinery in Assam in case such a refinery is needed in order to refine new oil finds.

Agreement With Rumania

Another development in this connection has been the agreement concluded by the Government of India with Rumania for purchasing a drilling rig at a cost of Rs. 45.5 lakhs for prospecting oil in Jwalamukhi area in the Punjab. The agreement envisages the import of tools, accessories and spares for one year's working, which has 10,000 feet capacity. Satisfactory performance of the drilling rig tools and accessories for a period of 12 months has been guaranteed by Rumania. It is reported that the Russian oil experts, who recently toured India, have expressed the view in their interim report to the Government that the Jwalamukhi region is the likeliest source of oil in the country.

The Indo-Rumanian agreement for the purchase of an oil drill is the first of its kind. The Government of India is expected to buy many more drills for discovering oil when the final report of the Soviet experts is available. Maulana Azad, the Union Minister for Education, recently stated in the course of a Press Conference that during his proposed visit to the Soviet Union he would discuss the prospects of buying Soviet oil-drilling equipment.

The Government of India's policy is to carry out exploration as well as drilling of oil under the direct supervision of the Ministry of Natural Resources and Scientific Research. A new organisation has already been set up by Government for this purpose, its headquarters being in Dehra Dun. The general opinion of experts on oil is that conditions in this country are at least as favourable as in other countries where oil has been found recently. The maximum chances of successful exploration for oil and establishment of production are, however, linked up with exploration on a large scale, followed up by intensive prospecting, including drilling, in promising areas. Government has, therefore, decided that exploration for oil should be carried on not only in the Jaisalmer area, but should also be extended to the Cambay area, the Gangetic alluvium in U.P. and the Punjab and the areas in West Bengal and Assam. Geophysical exploration is already going on in the Jaisalmer area, while certain data is available in respect of the Cambay and the Jwalamukhi areas. An aeromagnetic survey has been arranged for the Jaisalmer area under the Colombo Plan through the good offices of the Canadian Government and plans are being made for carrying out aeromagnetic surveys over the U.P. Gangetic alluvium.

The exploration for oil has also been going on under participatory schemes with certain oil companies. The Standard-Vacuum Oil Company has completed refraction surveys and gravity surveys over a number of districts of West Bengal and are now carrying out reflection surveys in these regions in addition to geological prospecting. It is likely that, in the near future, they will be undertaking reference drilling. The Assam Oil Company is carrying out further prospecting work in addition to the sinking of a number of wells most of which have yielded oil.

Non-ferrous Metals

Another interesting feature of the Annual Report of the Ministry of N.R. and S.R. is the special attention devoted by the Ministry to the prospecting for non-ferrous metals, most of which are being imported at present. Geophysical investigations for copper in Kurnool, tin in Bihar, detailed mapping of and prospecting of copper deposits at Daribo Khetri in Rajasthan and Rangpo Copper Mines in Sikkim and Singhbhum Copper belt, detailed mapping of the lead-zinc deposits of Zawar, etc., are now being pursued with vigour. It may be mentioned that the Minister for Natural Resources personally led a team of senior technical officers to the Soviet Union, the U.K. and other European countries last summer with a view to studying the latest developments in practices and techniques in the field of petroleum and non-ferrous metals. Contacts of great value, says the Annual Report, were established as a result of their visit.

The Geological Survey of India has been carrying out geological mapping and investigation of various mineral deposits such as manganese, gold, coal, etc. It has taken exploration for coal in some of the coalfields in Bihar in connection with the expanded coal production programme under the second Five-year Plan. Detailed mapping of part of Ramgarh coalfield and Karanpur coalfield, investigation of semi-coking coals in Kanhan Valley coalfield, detailed mapping of Singrauli, Korba, Jhilimili coalfields by drilling, investigation of occurrences of coal in Tripura and East and West Godavari districts, etc., are being done at present. Large-scale mapping of the manganese belt in Madhya Pradesh is being continued. Numerous investigations on engineering geology and ground water are also in progress in different areas.

Prospecting for minerals required for the Rourkela Steel Project which was commenced by the Indian Bureau of Mines in July 1954 was completed by the end of January 1956. The Bureau is now carrying out similar work for the Bhilai Steel Project from May 1955. Since September 1955, drilling is being carried out for coal in the Korba coalfields. The Bureau and the Geological Survey of India have also been entrusted with the work of detailed prospecting in the Panna diamond fields with a view to deciding the future of Panna mining.

The Survey of India continued the preparation of maps to cover the country, to carry out geodetic and geophysical surveys, including tide predictions, and to prepare special large-scale maps for various projects and consolidation of holdings and flood control schemes. The Botanical Survey of India was being expanded by the setting up of three regional centres at Coimbatore, Poona and Shillong. The Zoological Survey of India was also being expanded.

Research work in the various National Laboratories under the Council of Scientific and Industrial Research and the National Research

(*Continued on page 595*)

AGRICULTURE IN BRITAIN

THE END OF FEATHERBEDDING

From Our Own Correspondent

LONDON, *17th March*

IT is a number of years now since a supporter of the Government responsible for introducing the agricultural guarantees of 1947 declared that the farmers of Britain were being featherbedded. It was no consolation to the farmers to be able to retort that their colleagues in the United States and the Commonwealth were also receiving Government assistance in some measure or other and that, indeed, since the end of the war farmers in all Western countries have been favoured members of the community. Britain has a manufacturing and importing complex, the slogan of efficiency is always to the fore, and the farmers knew that the sympathy which the nation always develops for them in war-time (and which this time was given some practical continuing basis in the 1947 guarantees) would fade the more rapidly the contention could be maintained that they were living off the backs of the taxpayer. Not unnaturally they viewed this year—with the Government committed to deflation—with particular foreboding. And the taxpayers waited to see whether Mr. Macmillan would carry his economies to the point of antagonising the powerful agricultural electoral support.

LONDON LETTER

Although this year's "February Review" of farm prices which has just concluded has not seen the drastic cuts in guaranteed prices which the "efficiency-at-all-cost" exponents would have liked, it has been sufficiently out of line with past reviews and sufficiently severe on the farmers to make it clear that feather-bedding is no longer an appropriate term of abuse. Indeed, the farmers have declared that this time the settlement is an imposed one with which they are not in agreement.

Economic Background

What is the economic background to this farming dispute? First of all, last year agriculture did not earn as much as had been anticipated, even though the farmers have been directly compensated for all wage increases made to agricultural workers. Secondly, they could show that output, though 2½ per cent. up on the year, was still nearly 3 per cent. short of the target the Government had set for this year and this, the producers argued, showed the need for more financial incentives. Thirdly, total costs have increased by some £35 million per annum. What the farmers wanted was a recoupment of this increase in costs *plus* some incentive to raise output further. What in the event they got was only £25 million against their increased costs and a demand that they should make ends meet by increased efficiency. Of course, the real difficulty about the whole principle of guaranteeing farmers in this country is that of not being able to pay the average farmer properly without overpaying the good farmer. But there is a good deal of realism in the approach of setting prices right for the efficient farmer and forcing the others to catch up.

As for the general principles behind the direction of British agriculture, this is seen in the special support given to livestock—fat cattle, fat sheep and milk have their costs met and so do the feed crops—oats, barley, potatoes, sugar-beet. But wheat, always an uneconomic crop in this country, is well under-recouped and so is wool. Pigs are costing far more here than they do in Denmark and now that herds have been made up from the war-time depredations pig-farmers are being forced to compete a little more closely with world prices. Egg production is also guaranteed in this country and so successfully that imports are now well under half the pre-war level; so they too are to get less encouragement. In short, there is a good deal of economic sense about this year's arrangements (it is also worth noting that the small farmer with difficult land gets benefit from the support given to oats and barley) simply because the Agricultural Ministers were free to adopt a tough policy and to confine help to where help was due. As far as the rest of the community are concerned, this £300 million industry will now be regarded as being as much subjected to the rigours of the time as everyone else, and nothing could be better for economic morale.

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ALKALI AND CHEMICAL CORPORATION OF INDIA LIMITED

MANUFACTURE OF POLYTHENE TO BE TAKEN UP

MR. N. D. HARRIS' SPEECH AT ANNUAL MEETING

THE Nineteenth Ordinary General Meeting of the Alkali and Chemical Corporation of India Ltd. was held at Calcutta on 7th March 1956. Mr. N. D. Harris, Chairman of the Company, who addressed the shareholders on the occasion, gave, as usual, a review of the Company's progress during the past year. He also disclosed that the Company proposed to launch a project, subject to Government's approval, for the manufacture of polythene in India. The project would involve a total investment of about Rs. 3 crores the methods of raising which were being studied by the Directors. Mr. Harris, however, added that it would take two to three years to bring the plant into economic production.

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

GENTLEMEN,

"The audited accounts and Directors' report for the year ended 30th September 1955 have been in your hands for some time and, with your permission, I propose to take them as read.

"Your Company has had another successful year in which production and sales of all its products have been considerably greater than in previous years.

"Production of chlorine and caustic soda was higher than during the previous year. Caustic soda sales improved, but there was very severe competition in liquid chlorine. We were able to sell the entire amount produced, but only at a considerably reduced price. An interesting factor, and one of deliberate policy has been the growth in the quantity of chlorine consumed internally for the manufacture of other profitable products. Investigations in this direction continue with vigour.

"Sales of hydrochloric acid and of zinc chloride, the latter a relative newcomer to our range, showed similar gratifying increases. In spite of very great competition from other manufacturers' products the demand for our well-known range of 'Gammexane' B.H.C. formulations has been difficult to satisfy. To meet this your Company installed greater formulating capacity during the year and sanctioned extensions, now being constructed, to the plant making Benzene Hexachloride (B.H.C.), the basic product.

"Our 'Dulux' and 'Duco' range of paints and allied products continue to be very popular indeed and we have been unable to meet the full demand for them. Your Directors have great confidence that the need for these high quality products will continue to grow as India develops industrially, and because of this they decided last year to double the factory's capacity. These considerable extension are now well in hand. An important new introduction is the range of metal-pretreatment products which, under the name 'A.C.P.', have already proved popular.

"I wish to mention here the introduction after the last Budget of an excise duty on paints. This sudden imposition on a range of manufactures very different from previously excisable products caused great dislocation to ourselves and to all others in the paint trade.

Cordial Relations with Employees

"Relations between the Company and its employees continued to be most cordial and the Works Committee set up at Rishra five years ago again proved its value by acting as a friendly and effective link between the management and the workers. I wish to express the thanks of the Company to all our staff and workers whose loyalty and hard work helped so much in achieving the year's good results.

"I have talked primarily about what we have produced. Products do not of course sell themselves and I would like to pay a tribute to the technical and sales staff of our selling agents, Imperial Chemical Industries (India) Ltd. They have made a remarkably fine effort in finding new markets and uses for our products. This applies in particular to our paints and 'Gammexane' products. I ascribe our successes in this direction during the last year very largely to their careful planning and hard work.

"The net profit for the year, after providing for depreciation, amounts to Rs. 19,39,845. This is more than twice that of the previous year. The sum available for distribution is Rs. 22,93,168, which includes a balance of Rs. 1,13,627 brought forward and a reserve for exchange losses previously held, but now no longer required.

"Once again there is no liability to taxation for the year due to initial allowances on the new plant installed, but a sum of Rs. 12,50,000 has been transferred to reserve for deferred income-tax liabilities. This brings this reserve to Rs. 23,21,000 which equals the total tax payment of which has been deferred by the operation of initial allowances. A sum of Rs. 2,73,000 has been transferred to dividend equalisation reserve. The dividends on the preference shares for the year absorbed Rs. 1,55,000 and your Directors recommend the payment of a dividend of 8 per cent. on the ordinary shares, 2 per cent. higher than that for last year. If you agree to this, a balance of Rs. 1,19,168 will be left to carry forward.

Manufacture of Polythene

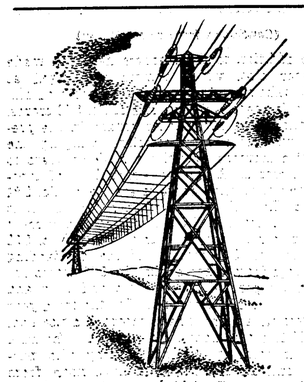
"You will be pleased to hear that we hope shortly to receive the Government's approval to a project to manufacture polythene in India. Imperial Chemical Industries Limited, your technical advisers, have agreed to supply their process and continuing 'know-how' on very favourable terms. Polythene was discovered by I.C.I. Ltd. who now manufacture large quantities in the U.K. and have licensed its manufacture in several other countries. The production, actual and projected, and consumption of polythene throughout the world have during recent years increased to a remarkable extent, and give every indication of continuing to do so.

"The process will be that used by I.C.I. in the manufacture of the well-known 'Alkathene' brand of polythene. The use of 'Alkathene' in India has been developed by I.C.I. (India) Ltd. who have operated a plant at Calcutta for the manufacture of film from imported granules since 1953. Polythene is a tough, flexible, thermoplastic material with outstanding electrical insulating properties. Many thousands of tons are used every year throughout the world in the manufacture of packaging film, flexible pipes, submarine telephone cables, radar equipment and moulded domestic articles, to mention only some of the major uses. The largest single use of polythene in India will probably continue to be for packaging purposes, both as film and as coating on paper and jute.

"The project will involve a total investment of about Rs. 3 crores, for which additional capital will have to be found. Methods of raising this are being studied by your Board at the moment, but I wish to take this opportunity of telling you that it will take two to three years at least to bring the plant into economic production. Although the project should ultimately prove profitable, capital invested during the construction period will earn no return and it may, therefore, be difficult for your Company to maintain the higher rate of dividend declared on the ordinary shares this year.

"The Directors retiring by rotation are Mr. B. R. Goodfellow, Mr. K. W. Young and Dr. E. C. Fairhead and my colleagues and I have pleasure in recommending their re-election.

"The Auditors, Messrs. Lovelock and Lewes, also retire and you are requested to re-appoint them for the current year. They have, however, asked for an increased fee of Rs. 7,500 as against Rs. 6,000 sanctioned for the previous year. As you are aware, the new Companies Act, which will come into force on the 1st April this year, imposes certain additional duties on Auditors for which we must necessarily pay. In my opinion the increased fee is justified and I recommend its acceptance."



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PROFIT OF CENTRAL BANK OF INDIA NEARLY MAINTAINED

SHARP RISE IN ADVANCES

THE decision of the Directors of the Central Bank of India Ltd. (General Manager: Mr. N. K. Karanjia, Bombay) to repeat the dividend at 12 per cent. for the year ended 31st December 1955, that is, for the third year in succession, is fully justified by the Bank's working results for the year. For the profit has very nearly been maintained at the previous year's level. To be more precise, the profit, at Rs. 78.67 lakhs, is just a fraction lower than that of Rs. 78.75 lakhs earned in 1954. Despite this small shrinkage, the profit for 1955 is still better, albeit by a small extent, than that of Rs. 77.37 lakhs for 1953. Though the recession is negligible, it is in distinct contrast to the general trend of bank earnings for the past year.

The gross income of the Bank for the year under review has gone up by over Rs. 28 lakhs to a fresh record level of Rs. 5.69 crores, thus maintaining the upward trend noted in the previous year. This follows the substantial expansion in the Bank's turnover, indicated by the sharp rise in the balance-sheet total from Rs. 144.92 crores to Rs. 158.07 crores. The Bank's deposits are up by about Rs. 5 crores and advances by over Rs. 10 crores. These trends in gross earnings and turnover are in consonance with the general trend, but the rise in gross income has been entirely wiped out by the increase of Rs. 29 lakhs in outgo by way of interest paid and administrative expenses.

The following table brings out clearly the progress of the Bank in recent years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Gross income	5,69.44	5,41.05	5,11.40	5,19.61
Interest and discount earned	4,52.42	4,43.12	4,19.91	4,20.77
Commission, exchange, etc.	93.59	85.04	80.94	91.66
Interest paid	1,39.52	1,65.28	1,55.44	1,41.91
Expenses	3,18.38	2,94.02	2,75.61	2,73.19
Depreciation	2.87	3.00	2.98	3.13
Profit	78.67	78.75	77.37	1,01.38
Provision for taxation	5.50	5.75	6.50	10.00
To sinking fund on property	0.91	0.87	0.86	0.77
,, investment account	15.00	15.00	20.00	35.00
,, bonus to staff	13.50	13.00	13.00	12.00
,, staff gratuity fund	5.50	5.00	..	..
Dividend	37.74	37.74	37.74	44.04
	(12%)	(12%)	(12%)	(14%)
Carry forward	18.40	17.89	16.50	17.23

	As on 31st December			
	1955	1954	1953	1952
Capital	3,14.55	3,14.55	3,14.55	3,14.55
Reserves	4,01.81	4,00.56	3,99.80	3,99.06
Deposits	128,66.82	123,97.06	117,97.35	123,21.13
Borrowings from other banks	4,54.28	20.79	5,03.75	89.61
Advances (including bills purchased and discounted and money at call)	72,44.03	62,17.14	59,31.98	56,33.20
Investments	56,71.95	57,33.53	58,54.50	62,26.35
Cash	15,36.43	15,18.42	15,03.83	15,32.15
Balance-sheet total	158,09.31	144,92.26	143,48.02	142,66.58
Ratio to deposits of—	%	%	%	%
Advances	56.3	50.1	50.3	45.7
Investments†	44.1	46.1	45.4	50.4
Cash	11.9	12.2	13.5	12.4

† The ratio for the years 1952, 1953 and 1954 is arrived at after taking into account the investment earmarked against borrowings from other banks. The ratio for 1955 does not take into account this, as the extent of investments earmarked for this purpose is not known.

An idea of the extent to which the mounting level of the Bank's expenses has affected the profit can be had from the above table. Thus, while gross income has gone up by Rs. 50 lakhs in the course of the past three years, interest paid on deposits and borrowings as well as expenses have together risen by Rs. 72 lakhs, thus bringing down the profit by Rs. 23 lakhs. It will also be noted that the rise in income from interest and discount for 1955 is very much less than that noted in 1954. Besides the higher income by way of interest, discount, commission and exchange, the Bank has also earned a profit of Rs. 15 lakhs on sale of investments, which compares well with that of Rs. 5 lakhs in 1954. Of the rise in expenses, salaries and allowances alone account for Rs. 23 lakhs.

The upward trend in deposits noted in 1954 has been maintained in the year under review also with a further rise of Rs. 4.69 crores; but the total deposits at the end of 1955 still fall short of the record level reached in 1948 by Rs. 3.56 crores. Of the deposits, fixed deposits and cash certificates account for Rs. 38.95 crores (having risen from Rs. 37.20 crores), savings bank deposits for Rs. 28.20 crores (as against Rs. 27.11 crores), and current accounts, call deposits and contingency accounts for Rs. 60.52 crores (as compared with Rs. 59.66 crores). Thus, the bulk of the expansion in deposits is accounted for by the high interest-bearing fixed deposits and cash certificates. There has also been a sharp rise in borrowings from other banks, reflecting the heavy pressure for bank credit. On the assets side of the balance-sheet, advances have established a fresh record. Of these advances, loans, cash credits and overdrafts represent Rs. 59.77 crores, a rise of Rs. 8.44 crores over the year, bills purchased and discounted Rs. 12.44 crores, as against Rs. 8.74 crores at the close of 1954, and money at call and short notice Rs. 0.23 crore, as against Rs. 2.10 crores. Investments are lower by Rs. 61 lakhs, mainly due to the reduction in holdings of shares and foreign investments. Investments in Government securities and trustee securities have gone up by Rs. 44 lakhs to Rs. 48.96 crores (at book value). The market value of the total investments stands at Rs. 55.09 crores, so that the depreciation is Rs. 1.63 crores, having been reduced from Rs. 2.41 crores at the end of 1954 and Rs. 3.13 crores at the close of 1953. The shortfall in the book value of investments is accounted by Government securities and trustee securities, the depreciation in which is Rs. 1.69 crores. Cash balances are slightly higher, but the cash coverage to deposits is a shade lower.

(Concluded from next column)

No addition to the reserves has been made this year also, which remain unchanged at Rs. 128 lakhs since 1951. As already pointed out, the Bank's deposits show a rise of Rs. 5.66 crores. This follows the expansion recorded in the previous two years in succession, bringing the aggregate increase over the past three years to Rs. 11.34 crores. A break-down analysis of deposits shows that fixed deposits are up by Rs. 2.84 crores at Rs. 21.26 crores, savings bank deposits by Rs. 0.61 crore at Rs. 6.33 crores and current accounts, contingency accounts, etc., by Rs. 2.22 crores at Rs. 12.93 crores. Of the outstanding borrowings from other banks, Rs. 3.75 crores are secured by part of investments and bills and Rs. 28.45 lakhs are unsecured. For the third year in succession, advances have recorded a rise and, at Rs. 30.41 crores, constitute a record. The bulk of the increase is accounted for by bills purchased and discounted which have risen from Rs. 5.48 crores to Rs. 9.87 crores, whereas the increase in loans, cash credits and overdrafts is of the order of only Rs. 52 lakhs at Rs. 20.54 crores. Of the investments, securities maturing in 1962 or earlier (at book value) stand reduced from Rs. 7.82 crores to Rs. 7.41 crores. The market value of these securities is Rs. 7.18 crores, thus showing a depreciation of Rs. 22.13 lakhs, but the extent of depreciation compares favourably with that of Rs. 31.64 lakhs at the end of 1954 and Rs. 36.62 lakhs at the close of 1953. As in the previous years, the Directors have not thought it fit to draw upon the reserve or other funds to cover this depreciation. Securities maturing in 1963 or later (at or below market value) amount to Rs. 3.34 crores, as against Rs. 2.48 crores at the end of 1954, trustee securities (at cost) Rs. 16.10 lakhs, as against Rs. 14.50 lakhs, and shares and debentures (at or below market rate) Rs. 1.39 crores, the same as at the end of 1954. Cash balances also stand strengthened. There has again been a substantial expansion in the Bank's bills business, as witness the rise in bills for collection (*contra* item) from Rs. 1.35 crores to Rs. 2.76 crores and acceptances, endorsements, etc. (*contra* item) from Rs. 3.53 crores to Rs. 5.32 crores.

During the year under review, the Bank opened three more branches, at Ghatkopar (Bombay), Guntur and Radhanpur, besides establishing a temporary branch at the Indian Industries Fair held in New Delhi during the last quarter of 1955.

BARODA BANK'S PROFIT SLIGHTLY BETTER

NOTABLE EXPANSION IN TURNOVER

THE statement of accounts of the Bank of Baroda Ltd. (General Manager: Mr. N. M. Chokshi, Baroda) for the year ended 31st December 1955 provides another instance of the extent to which banks in India have contributed to the general economic prosperity of the country. The expansion in the Bank's turnover consequent upon increased economic activity is reflected in the sharp rise of Rs. 9.63 crores in its balance-sheet total as at the close of the year. On the liabilities side, the deposits are up by Rs. 5.66 crores and on the assets side advances are up by Rs. 4.91 crores. The gross income has also gone up by Rs. 27.52 lakhs to a record level of Rs. 180.04 lakhs. This is not, however, fully reflected in the profit, as in the case of many other banks. At Rs. 29.65 lakhs, the profit is higher by only Rs. 1.63 lakhs. This fractional rise in profit is the result of a sharp rise in expenditure by way of interest paid and expenses.

It is, however, comforting to note that the Bank has been able to maintain the upward trend in profit for the second year in succession and establish the highest level since 1949, when a record profit of Rs. 31.98 lakhs was reached. The Bank has also not been able to raise the distribution to the shareholders, as many other banks have done. The reason for this is to be found in the fact that the profit, after making a larger provision for taxation—this has been raised by Rs. 1 lakh to Rs. 9 lakhs—does not permit of an increase of even 1 per cent. in the dividend. Accordingly, the directors have just maintained the distribution at 12 per cent., a rate which they had paid for the previous nine years in succession. There has, however, been one change in the distribution. While in the previous years, it comprised a dividend of 10 per cent. and a bonus of 2 per cent., this year these two parts have been consolidated into a dividend of 12 per cent.

The salient features of the Bank's accounts for the past four years are compared in the following table:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Gross income	180.04	152.52	119.76	122.39
Interest and discount earned	149.27	129.23	103.24	108.48
Commission, exchange, etc.	20.14	22.68	15.59	13.08
Interest paid	76.56	60.82	43.75	46.41
Expenses	71.95	62.36	53.02	50.56
Depreciation and repairs	1.58	1.32	0.54	0.56
Profit	29.65	28.02	22.45	25.09
Provision for—				
Taxation	9.00	8.00	3.00	3.00
Investment account	..	..	1.50	4.50
Bonus to staff	8.00	7.65	6.00	5.35
Dividend	12.00 (D. 12%)	12.00 (D.10% +B.2%)	12.00 (D. 10% +B.2%)	12.00 (D. 10% +B.2%)
Carry forward	3.36	2.70	2.33	2.38

	As on 31st December			
	1955	1954	1953	1952
Capital	1,00.00	1,00.00	1,00.00	1,00.00
Reserves	1,28.00	1,28.00	1,28.00	1,28.00
Deposits	40,51.62	34,85.88	30,85.88	29,17.12
Borrowings from banks	4,03.45	3,78.80	25.00	..
Advances and bills purchased and discounted	30,41.56	25,50.18	17,98.74	14,56.79
Investments	12,29.79	11,83.72	11,62.05	10,96.09
Cash	4,76.61	3,64.06	3,85.38	5,77.25
Balance-sheet total	56,29.03	46,65.94	38,86.79	33,73.75
Ratio to deposits of—	%	%	%	%
Advances	75.0	73.2	58.3	49.9
Investments	30.4	34.0	37.6	37.6
Cash	11.8	10.4	12.5	19.8

The upward trend in gross income has been maintained for the second year in succession and, in consonance with the rise in advances and the bills business, the rise has been shared well by interest and discount earned and the income by way of commission and exchange. Though the pace of increase in gross income is slightly less marked in the year under review, that in the outgo is as sharp as in the previous year. Almost the entire increase in expenses is accounted for by salaries and allowances and provident fund to staff which are higher by Rs. 9.28 lakhs.

(Continued in previous column)

PRODUCTIVITY OF INDIAN BANK EMPLOYEES REQUIRES TO BE STEPPED UP

MR. BHABHA VOICES FEAR OF STATE BANK TAKING AWAY BUSINESS OF COMMERCIAL BANKS

THE concern expressed over the unhappy employer-employee relations in the banking spheres by Mr. C. H. Bhabha, Chairman, Indian Banks Association, Bombay, calls for vigorous steps to bring about an improvement in the situation. In fact, it was thought that the seven-year-old bank dispute would end with the passage of the Industrial Disputes (Banking Companies) Act, 1955, which gave legal force to the recommendations of Mr. Justice Gajendragadkar. With large amounts to be paid by banks to their employees under this Act, it was further expected that a more cordial atmosphere would come to prevail. Unfortunately, these expectations do not seem to have materialised fully. For, speaking at the annual meeting of the Association mentioned above on the 19th inst., Mr. Bhabha remarked that "some mischievous and unwise forces seem to be at work, creating a bad atmosphere and necessitating even a statement of wise counsel by the Prime Minister of India." He remarked that certain practices and tendencies prevailing among bank employees were of an anti-social nature. Mr. Bhabha considered it unfair on the part of any party to indulge in any violation of the law of the land or to resort to objectionable tactics without taking recourse to remedies of a constitutional and peaceful nature provided by the law.

Being connected with one of the big banks in the country, Mr. Bhabha could not but view the unhappy state of affairs in the banking industry with a certain amount of anxiety. He seemed to consider that its future would be at stake, if no action was taken to bring the situation under control in time. In this context, he did well in focussing attention in the leeway yet to be made up by Indian banking, if it were to keep in line with the progress of banks elsewhere in the world. Thus, the total assets of banks in India, including those of the Banking Department of the Reserve Bank, were in the vicinity of only Rs. 1,500 crores, as compared with Rs. 12,000 crores in the U.K. and Rs. 80,000 crores in the U.S. Again, the total assets of all Indian banks put together were, according to Mr. Bhabha, no more than those of a single big British or American bank. Indian banks compared unfavourably with banks in foreign countries in respect of productivity of employees. The total number of bank employees in the U.K. was 85,000 and in the U.S. 375,000, whereas in India their number was 65,000. The employees of British banks handled seven to eight times more business than bank employees in India, though they were 20,000 more than the latter. With five times the number of bank employees in India, the U.S. banks handled 50 times the quantum of business. Further, the general wages paid to bank employees were hardly 30 per cent. of the gross earnings of banks in foreign countries, as against 40 per cent. in India.

Another Handicap

Banks in India suffered from another handicap as compared with their confreres abroad. That was, according to Mr. Bhabha, a larger number of public holidays observed by banks in this country. In a place like Bombay, for instance, the number was 22, in addition to half holidays on Saturdays and complete holidays on Sundays. As against this, the number of holidays observed in the U.S. was eight, including one holiday for Christmas but no holiday for New Year. In the U.K., the number was still less at six, including two days for Christmas but no holiday for New Year. Russia observed only five public holidays. Japan seven and France 13. Said Mr. Bhabha: "In a city like Bombay, owing to more holidays in the year, the total working hours are 120 less in the year than in the other countries mentioned above. In other words, full pay is given for no work on 15 days plus the earned holidays." Mr. Bhabha, therefore, felt that for India's progress and prosperity, Indian banks would have to increase efficiency and hours of work, reduce the number of holidays and introduce gradually mechanisation and rationalisation. "But by such processes alone," he declared, "will it be possible to meet a higher wage bill." None could dispute the logic of these suggestions of Mr. Bhabha, for it was by the adoption of these very measures that banks have reached a high level of efficiency in advanced countries.

Among the other suggestions made by Mr. Bhabha was the need for amending the Industrial Disputes Act suitably, so as to make the procedure to be followed for taking disciplinary action quicker and less elaborate. He desired that managements of banks should be vested with certain special discretionary powers other than suspension. Another suggestion was that, as in the U.S., the Government should recognise only those unions which have 50 per cent. of the employees of a bank on their register and which keep their funds with the State Bank of India. These unions should be subjected to surprise checks by officers of the Government. Their office-bearers should, in his opinion, be held personally responsible for resorting to false propaganda, disobedience of law, etc.

Nationalisation of Imperial Bank

Commenting on the nationalisation of the Imperial Bank of India, the Chairman of the Indian Banks Association stated, without wishing to go into the merits of that policy decision, that the taking over the shares of the Bank at a certain rate not co-related to the intrinsic value of the institution had resulted in a loss of actual revenue of about 33 per cent. in the case of several charitable institutions and trusts which had to replace them by low-yielding Government securities. Besides, the action tended to create, he said, a distrust in the public mind regarding the future of sound and solid institutions with large resources. Mr. Bhabha made a significant remark on the relationship between the State Bank of India and the commercial banks. He said:

"I must publicly acknowledge the recent co-operation of the State Bank of India with the commercial banks in general, and the Indian Banks Association in particular, in certain spheres pertaining to the banking industry of this country. On the other hand, I have to be critical of the role of a senior brother which the State Bank quite often has been playing *vis-a-vis* the other banking institutions of this country. With all the advantages it possesses, it does not seem to be able to appreciate the difficulties and hardships of commercial banks. I refer particularly to the attitude of the State Bank of India in the matter of interest rates charged on certain types of advances. The State Bank of India is entitled to assist the common man and the small *entrepreneur* or agriculturist by means of low rates on loans, but, it smacks of unfair and unhealthy competition, if the State Bank of India finances large industrial ventures at uneconomic rates which it can alone quote, owing to its privileged position and owing to its possessing funds carrying little or no burden of interest."

Incidentally, Mr. Bhabha made mention of the harm caused to a number of credit institutions by the creation of a special institution, enjoying almost extra-territorial jurisdiction and functioning as the superbody *vis-a-vis* the other organisations in the country. Without naming this institution, he remarked:

"That institution is neither a registered organisation under the Indian Companies Act, nor comes within the statutory jurisdiction of the Central Authority, but functions as a special type of Indian State-owned Corporation. Its income is exempt from income-tax, being in the nature of profits from State trade. Even its investments in securities at present are free from income-tax. An exemption of this nature is not enjoyed even by the State Bank of India. The Shops and Commercial Establishments Act as well as the Central Industrial Tribunal have no authority over this institution since it is construed to be a department of the State. As if all these advantages were not sufficient, the debts due to this institution are put on the same footing as arrears of land revenue, giving them precedence over all other debts and allowing their recovery under the usual process of recovery of land revenue, which includes arrest and imprisonment of the debtor and confiscation of his property by an order of the revenue officer. Not being satisfied with all these advantages, open canvassing is done by the State officials for and on behalf of this institution."

Mr. Bhabha added that the foregoing instance was an illustration of "how and to what extent such ventures can exist to the detriment of similar organisations, brushing aside all fair practices and spelling ruin to other well-established organisations." Proceeding, he sounded a note of warning that "commercial banks should watch the activities of the State Bank of India, which tends to draw business by all-out methods. It is generally known that State institutions and semi-State organisations like local bodies, municipalities, etc., are not only persuaded but indirectly compelled by directives to place their funds to the utmost extent with the State Bank of India and utilise the services of the State Bank of India even at some sacrifice to themselves."

Another Danger

Referring to another danger from this source, he observed:

"One danger which is rumoured to threaten commercial banks is a move from certain quarters to canalise all the foreign exchange business of Government, semi-Government and public corporations exclusively to the State Bank of India to the detriment of all the other Indian commercial banks. In this connection, I wish to make a reference to the representation sent by our Association to the Government of India in the context of a statement made by the Deputy Finance Minister on the floor of the Lok Sabha on enquiries made regarding some portion of Government foreign exchange business being given to non-Indian banking institutions. While the Government needs all-out assistance from Indian commercial banks for the implementation of its various programmes and for subscription to its various loans, I am sure it would not be considered fair and equitable to allow such Government business to pass on to non-Indian banking institutions, or even to allow it to be canalised to the State Bank of India. I feel that, if a proper banking structure is to be evolved in the country for our regeneration and progress, suitable opportunities and assistance must be accorded to banking institutions. The achievements of Indian banks during the last 50 years or so have been laudable. In addition, they have not failed to keep abreast of the changed conditions and to adjust their methods to suit the changing needs of all. In this valiant effort, some direct and indirect assistance from all quarters, including Government, is needed. Instead of this, it is disheartening nowadays to find unnecessary impediments and hardships placed in the way of the natural growth of Indian commercial banks. I feel sure that the authorities will make a dispassionate and fair evaluation of the situation and do proper justice to this very vital industry of the country."

Dwelling on banking trends, Mr. Bhabha was particularly gratified to note the rise in deposits of Scheduled banks in the country. He stated that between the end of 1954 and 1955, the demand liabilities of Scheduled banks had increased by Rs. 41.12 crores from Rs. 573.36 crores to Rs. 614.48 crores, their time liabilities has increased by Rs. 49.69 crores from Rs. 368.71 crores to Rs. 418.40 crores and their total liabi-

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WORLD COTTON SPINDLEAGE EXPANDS

MORE RING SPINDLES, WHILE MULE SPINDLES RECEDE

THE distinct expansion in the world cotton spinning capacity noted during the cotton year ended July 1954 gathered further momentum in the subsequent year, that is, 1954-55. The aggregate number of spindles in place in the world's textile producing countries as at 31st July 1955 was 129,838,000, which compares favourably with 129,521,000 and 129,322,000 on the corresponding dates in 1954 and 1953, respectively, according to the latest issue of the *International Cotton Statistics*, published by the International Federation of Cotton and Allied Textile Industries, Manchester. The net addition to the world cotton spindleage during the year under review was thus 317,000 spindles, as against 199,000 in the previous year. During 1952-53, it will be recalled, there was a fall of 260,000 spindles. Besides the 317,000 spindles actually installed during 1954-55, there were as many as 1,400,000 spindles in course of erection, of which 944,000 spindles represented an increase and 456,000 spindles were replacements to existing machinery. This figure is, however, lower by 174,000 spindles as compared with the 1,574,000 spindles which were in course of erection in 1953-54.

The bulk of the expansion in the world spindleage during the year ended July 1955 was accounted for by ring spindles, which aggregated 112.60 million, as against 110.60 million a year before. The number of spindles spinning rayon staple fibre also moved up from 5.17 million to 6.21 million. Mule spindles, on the other hand, suffered a decline, from 1.89 million to 1.72 million. Similarly, the number of spindles spinning Egyptian type cotton was lower at 1.71 million, as against 2.06 million. The change in the character of spindles thus brings out two significant features. First, the outmoded mule spindles are being scrapped and the world today has more modern spindles than before. Secondly, rayon staple is coming to play a more and more important role as a leading apparel fibre.

Changes in Spindleage

The upward trend in the cotton spindles installed has taken place entirely in Asia and Oceania, as also, to some extent, in Africa. The total number of spindles in place in the countries of Asia and Oceania as on 31st July 1955 was 28.95 million, which represents an increase of 2.26 million over that existing a year before. The African nations accounted for a higher spindleage, being 970,000, as against 943,000. The expansion in the cotton spindleage in these regions indicates the efforts on their part to develop the cotton textile industry with the twin objects of providing more employment opportunities to people and of reducing dependence on foreign textiles. Europe, North America and South America, however, experienced a reduction in spindleage, from 71.61 million, 25.05 million and 5.23 million to 70.04 million, 24.66 million and 5.21 million, respectively.

The following statement shows the changes in the spindleage in the world's leading cotton textile producing countries during the last three years:

(In millions)

	For the year ended July		
	1955	1954	1953
U.K.	25.18	26 56	27 26
U.S.A.	22.25	22 71	23 83
India	11 89	11.72	11 43
U.S.S.R.	10 15	10 15	9 00
Japan	7.06	7.85	7.50
France	7.62	7.63	7 81
W. Germany	6.01	6 06	6 31
Italy	5.70	5.76	5.78
China	5.40	4.15	4 10
Brazil	3.86	3 88	3 87
Czechoslovakia	2 45	2 42	2 41
Spain	2 34	2 34	2 23
Belgium	1.75	1 82	1.84
Pakistan	1.36	0 71	0 66
Other countries	16 42	16 26	15.88
Total	129 84	129.52	129.32

It will be seen from the above table that there was a sharp setback to cotton spindleage in the U.K. and the U.S., the actual decline in the number of spindles in these countries being 1.38 million and 460,000 respectively. The decline indicates that the spindles which had been worn out were not replaced but scrapped, following slackness in the export demand for cloth and downward trend in prices. Likewise, France, W. Germany, Italy, Belgium and Brazil suffered a setback. On the other hand, China accounted for a marked expansion in spinning capacity, the number of spindles installed rising by 1.25 million to 5.40 million. There was also a rise of 450,000 spindles in Pakistan and 170,000 spindles in India. In Japan, too, 110,000 spindles were added. Although this figure is lower as compared with the previous year when 350,000 spindles were added, it should not be concluded that the pace of expansion in spinning capacity of Japan has been retarded. For the Japanese cotton spinners are reported to be concentrating their attention more on modernisation of equipment designed to improve the technical efficiency and thereby enhance the quality and reduce the price of textile output than on expansion in the size of the industry.

Distribution of Spindles

An idea of the distribution of the different kinds of spindles in different countries can be had from the table given below:

(In thousands)

	Ring spindles	Mule spindles	Spindles spinning Egyptian cotton	Spindles spinning rayon staple
U.K.	10,889	14,294	9,773	2,630
U.S.A.	22,247	..	500	1,561
India	11,659	229	1,349	247
U.S.S.R.	9,150	1,000	..	N.A.
Japan	7,061	..	568	55
France	6,866	752	1,100	300
W. Germany	6,005	..	N.A.	N.A.
Italy	5,673	25	1,250	450
China	5,400	..	180	..
Brazil	3,361	..	..	40
Czechoslovakia	2,100	350	450	N.A.
Spain	2,190	145	450	140
Belgium	1,744	8	..	..
Pakistan	1,356	..	..	..

N.A.—Not available.

The foregoing figures reveal that ring spindles constitute the major portion of the spindleage of most of the countries. Mule spindles occupy a prominent place only in one country, that is, the U.K. As the efficiency of mule spindles is less than that of ring spindles, the spinners in the U.K. are making efforts to replace the former by the latter. The number of mule spindles installed in this country as at the end of July 1955 amounted to 14.29 million, as against 15.76 million a year before and 16.71 million two years before.

The expansion in the world cotton spinning capacity during the cotton year 1954-55, as noted above, was followed by a rise in cotton consumption, although at a slower rate. Thus, as against the increase of 0.24 per cent. in the number of spindles installed, the quantity of cotton consumed was higher by 0.19 per cent. at 35.71 million bales. Cotton consumption per 1,000 spindles actually declined to 275.01 bales, as against 275.23 bales a year before. The advance in cotton consumption was shared entirely by American cotton and sundries or outside growths, while East Indian, Pakistan and Egyptian varieties accounted for a fall.

COTTON TEXTILE EXPORTS

There was a sharp fall in exports of mill-made cotton piecegoods from Bombay port during the month of January 1956, the quantity actually shipped being 51.3 million yards, as against 63.3 million yards in the previous month and 56.5 million yards in January 1955. The *Textile Bulletin* attributes this fall mainly to reduced purchases by Asian, African and European markets. American and Oceanic markets, however, lifted from India a larger quantity of piecegoods.

The *Bulletin's* review of exports during the month under review reveals that 17.4 million yards were shipped to the Asian markets, as against 23 million yards a month before and 20 million yards a year before. The decline was due to lower offtake by Aden, Burma and Malaya. African and European markets took 2.2 million yards and 2.7 million yards less cloth from India than in the previous month. Thanks to improved offtake of Australia, the total exports from India to this zone were higher by 1.5 million yards. There was also a general improvement in Indian cloth exports to Canada, the U.S. and Haiti.

Out of the 51.3 million yards of mill-made piecegoods sent out of India from Bombay port during January, the major portion consisted of grey cloth, the quantity exported being 30.76 million yards, followed by coloured cloth 11.21 million yards and white cloth 9.83 million yards. The principal sort of cloth exported was sheeting which accounted for 26.85 million yards. The share of longcloth was 6.18 million yards and of drill 6.13 million yards. The exports (in million yards) of other sorts included shirting (4.21), voiles and mulls (2.40), coating (1.95), domestics (1.86), chintz (0.52), *dhotis* and *saris* (0.42) and others (0.78).

The U.K. was the biggest buyer of Indian mill-made cotton piecegoods during the month under review, followed by British West Africa, Sudan, Ethiopia and British East Africa. The next best customers were Australia, Malaya, Aden, Indonesia and Arabia. These ten countries together accounted for a total purchase of 38.30 million yards, or 74.7 per cent. of the aggregate shipments from Bombay port. The table below shows the quantities of cloth purchased by the aforesaid countries:

(In million yards)

	Grey	White	Coloured	Total
The U.K.	8.40	0.01	0.32	8.73
British W. Africa	3.45	0.50	0.90	4.85
Sudan	3.44	0.28	3.04	3.76
Ethiopia	2.63	0.53	0.59	3.75
British E. Africa	1.96	0.18	1.21	3.35
Australia	1.76	0.56	0.67	2.99
Malaya	0.44	1.86	0.68	2.98
Aden	1.89	0.81	0.26	2.96
Indonesia	0.58	1.00	1.16	2.74
Arabia	0.73	0.30	1.16	2.19
Total	25.28	6.03	6.99	38.30

Besides the export of 51.3 million yards of cotton piecegoods during the month under review, Rs. 90 lakhs worth of other miscellaneous items of textile manufactures, comprising cotton yarn, thread, hosiery, made-up garments and other related products were also shipped from Bombay port. This figure, when compared with the previous month's figure, however, shows a slight decline by Rs. 4 lakhs. This slight decline has been equally shared by all the markets, except the African markets where the *status quo* was maintained.

HANDLOOM FABRICS

The handloom industry constitutes the premier cottage industry in India. The production of handloom cloth during 1955 is estimated at 1,454 million yards. Now that the Government has assigned to this industry a significant role in the second Five-year Plan and has adopted certain measures for its development, standardisation of handloom products has assumed greater importance than ever before. Viewed thus, the 13 standards formulated by the Indian Standards Institution will, it is hoped, help the producers in eliminating unnecessary varieties and in maintaining uniformity of quality and the consumers in getting dependable supplies, thus establishing a steady market for handloom products in India and abroad.

The 13 standard specifications for handloom cotton fabrics cover bedsheets, blankets, bunting cloth, *dhotis*, *dungri* cloth, *maeri* cloth, *muslin*, *pugri* cloth, *saris*, *malmal*, *dosuti*, lint and gauze. The standards prescribe general requirements of the fabric, such as quality of yarn, freedom from defects in the cloth, and specific requirements such as ends per inch, picks per inch, weight, breaking strength, width and length, colour fastness, and scouring loss. Methods of test for the determination of the above characteristics have also been either included or referred to. The constructional details of different varieties were prescribed after a careful scrutiny of the manufacturing particulars and corresponding samples of handloom fabrics produced in different parts of the country.

NEW CRAFTSMANSHIP IN U.K. TEXTILE INDUSTRY

A new kind of craftsmanship emerging in the British textile industry was referred to by the Chairman of the Cotton Board, Sir Raymond Streat, in the course of his speech at a dinner to celebrate the 50th anniversary of Morton Sundour Fabrics Ltd., the firm which was the first to introduce fabrics with a non-fading guarantee, held at Carlisle last week. A new craftsmanship, Sir Raymond said, was emerging, of which science and technology were the first essentials, but which used scientific knowledge in combination with imaginative and creative feeling about the final product. The scientist had brought new fabrics to the textile world, but there was as yet no sign at all that man-made fibres would totally replace natural fibres. In this connection, he observed:

"Mother Nature has powers that the test tube cannot entirely reproduce. My own conviction is that, apart from certain end uses for which the planned fibre of the scientist is expressly and exceptionally superior, the most interesting and rewarding use of man-made fibres will be in mixtures with natural fibres. Mixing anything. . . . is a craftsman's work, and I think the textile industries of Britain, with all the inherited feeling for textiles on which they can draw, should lead the world in producing the best mixtures."

WORLD WOOL CONSUMPTION

Estimates compiled by the Commonwealth Economic Committee indicate that world consumption of virgin wool during 1955 reached a total of 2,580 million lbs. (clean), an increase of 3 per cent. over the figure of 2,502 million lbs. recorded for 1954. The estimate for 1955 is the third largest since the war, having been exceeded only in 1950 and 1953, when the respective aggregates were 2,681 million lbs. and 2,631 million lbs. (clean), respectively. In the eleven countries, which together use about two-thirds of the world's wool, consumption last year increased by 4 per cent. over 1954, the outstanding advances being in the U.S.A. (9 per cent.), West Germany (9 per cent.), Japan (13 per cent.), and Canada (22 per cent.). In the United Kingdom, still the largest user of wool in the world, the increase over the year was 3 per cent., but there was a sharp increase of 14 per cent. in the final quarter of the year. Wool consumption in France, however, was 4 per cent. less than in 1954, and in Italy the fall was 6 per cent., but France—like the U.K.—registered a sharp increase in consumption in the final quarter. Outside the eleven large manufacturing countries, wool consumption in the rest of the world during 1955 is estimated at 2 per cent. more than that in 1954. Approximately half the "rest of the world" total is accounted for by Russia, Eastern Europe and China; consumption estimates for which are 3 per cent. higher than 1954. The Soviet group of countries appear to have imported smaller quantities of wool than in the previous year, though their domestic clip is believed to have increased.

OUTLOOK FOR COTTON PRICES

INDUSTRIAL DISPUTES TRIBUNAL TO HEAR CLAIM FOR WAGE INCREASE

From A Special Correspondent

MANCHESTER, *13th March*

MANCHESTER LETTER

IT is doubtful whether raw cotton affairs have ever dominated the textile industry in Lancashire to quite the same extent as they have done in recent years. Gone maybe are the times when a variation of a penny-per-lb. in American cotton over a period of months would cause considerable agitation and have an appreciable effect on trade in manufactured goods, but the prevailing doubts over future prospects are an ever-present factor in assessing immediate business opportunities and the outlook for some months ahead.

The prospects of a battle over prices between producers of outside growths and the United States authorities is one which has always been a possibility since supplies held in American hands reached unmanageable proportions. The ultimate user of the raw material is not averse to securing his supplies at cheaper rates but he hopes to avoid unnecessary losses in the process. The fears of the Liverpool Cotton Association in this connection have been voiced in a cable sent to a trade paper in the United States.

Price-cutting

According to the Association, competitive growers of American-type cotton may well take the initiative and start cutting prices in order to make sales "before the pace gets too hot." It then remains to be seen whether the American Department of Agriculture will maintain a floor price and if such is the case their rivals will probably be able to sell at below these values and maintain at least a fair proportion of the available trade.

In such circumstances, the existing surplus would be reduced—although not to the extent which the authorities in Washington are perhaps anticipating. Spinners in many countries favour the use of the American staple for reasons of quality and continuity of supply and if the price differential is not too great would probably prefer to buy a larger proportion of their needs from the United States. Competitive growers, however, have so improved their crops in recent years and continue to expand production that their share in available markets must be expected to be considerably larger than it used to be.

The long-term prospect of cheaper rates for raw cotton is not entirely disturbing to Lancashire. More realistic price levels should stimulate sales of finished articles and increase the attractiveness of blends with synthetic fibres. The main cause for concern centres on whether the movement to lower price levels can be regulated so as to avoid undue stock losses.

In this connection, it should be pointed out that the hand-to-mouth buying which has been so prevalent in Lancashire for many months past means that few firms have built up an accumulation of supplies. Raw cotton stocks, too, are extremely low. Visible supplies at the moment barely exceed 200,000 bales at the ports or at sea. This is only half the quantity held a year ago and, with the elimination of the Raw Cotton Commission's stocks, makes the supply situation comparatively tight.

Advice In Adversity

History seems to be repeating itself industrially in various sectors of the United Kingdom's economy. It is four years since Lancashire mills faced the same sort of problems as those now confronting many firms in the Midlands and Southern countries. The 1952 recession in the cotton towns was widely publicised but received scant recognition in high places.

So far, at least, the motor car and allied trades have been offered much the same kind of advice as was given to Lancashire when unemployment rose sharply. It has been suggested that labour should become more mobile and that workers should be willing to change their employment according to the needs of the moment.

Short-time working in several basic industries can be attributed to a number of factors, including the Government's "credit squeeze." Sales resistance to expensive goods is also responsible for the development and casts its shadow over a far wider field of industrial endeavour than those immediately affected.

For instance, in recent weeks textile manufacturers catering for other industries have found what they have lately regarded as a valuable and permanent outlet for their products suddenly changed for the worse. Deliveries of specialised goods have been delayed as the finished products have accumulated and the assembly lines have slowed down. In this way, the repercussions of this slackening in activity can disturb British industry as a whole.

No doubt, in due course, the trades now adversely affected will make their own adjustments as textile traders have had to do since 1952. The situation may indeed have its brighter side for those cotton mills which are sufficiently well supplied with orders to be short of labour.

If the Lancashire cotton industry is to "keep in the field" it must always remain a few paces ahead of the rest of its competitors, Sir Raymond Streat, Chairman of the Cotton Board, told a one-day conference at the Textile Institute headquarters. The textile industry today was the most "highly" competitive in the world, he said. Where Lancashire had led more than 100 years ago, however, nations all over the world had followed its lead.

The textile industry was one composed of many independent units and decisions were not taken centrally but separately, by thousands of individual managers of firms and departments. He said: "For these reasons, the progress of the whole textile community depends on the wisdom, foresight and imagination which inspires these individual decisions in countless number and infinite variety."

Never before had techniques and technology been developing at so great a pace as today. Sir Raymond observed: "It is no longer sufficient for an individual to study alone, to think alone or to experiment alone. Life is too short for that and the pace is far too hot. The greatest genius who works in isolation today will be left behind." He said these were some of the reasons why it was important to study new techniques and the dissemination of information about them.

Fine Spinners and Doublers Ltd., the £25-million textile combine, has added more than 700 looms to its production by the acquisition of J. T. Clegg & Co., Ltd., cotton and rayon manufacturers, Nelson. A bid for the £36,360 capital has received 100 per cent. acceptance, it was announced from the group's Manchester headquarters.

The Bradley Mill, Nelson, owned by J. T. Clegg & Co. was constituted in 1893 and contains 728 looms, providing employment for nearly 300 operatives.

Cotton Workers' Pay

The Industrial Disputes Tribunal will sit in London on 17th April to hear the claim for a 2s.-in-the-£ wage increase for Lancashire's 256,000 cotton workers.

The application, which if granted in full would cost the industry an extra £10 million a year in wages, was rejected by the employers without a counter-offer being made. Both employers and union leaders will now begin to collate their arguments for presentation to the industrial court.

The Industrial Disputes Tribunal gave the cotton unions their last pay increase, in October 1954. The Tribunal awarded a six per cent. increase after millowners had rejected outright an application for a 2s-in-the-£ advance.

Output of cotton and rayon cloth by Lancashire weavers rose by 40 million yards weekly during January.

Figures given by the Cotton Board show that the mills produced an average of 47,370,000 yards of cloth a week. This compared with 43,350,000 yards weekly in the previous month and 53,690,000 yards in January last year.

During the month, the weaving mills gained 100 part-time workers but lost 330 full-time operatives. This reduced the weaving labour force to 126,350 and the manpower total for the industry as a whole to 256,580 compared with 286,490 in January, 1955.—*All Rights Reserved.*

The U.K. Board of Trade has announced that, pending decisions on which stockpiles should be run down and on the extent and period of disposal, it is not intended to make any further purchases of wool this season to replace sales made in the course of the normal turnover operations. This decision was made in view of the statement in the Defence White Paper to the effect that the Government had decided to make a start on running down to some extent the strategic holdings of industrial raw materials. The programme of turnover sales up to 31st March 1956, will be completed by the offerings at the current London wool sales. The turnover programme for the following year ending 31st March 1957, is for the sale of approximately 50,000 bales. These sales are carried out on behalf of the Board of Trade by the British Wool Federation.

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ECONOMICS AND ADMINISTRATIVE POLICY*

NEED FOR ADAPTING THE TECHNIQUE OF TEACHING TO CHANGED CONDITIONS

By D. L. Mazumdar, I.C.S.

I THINK it would be correct to say, as a historical fact, that the turn of the century or a few years later saw the beginnings of the decline in the popularity of the classical humanities, as subjects for university studies, and the gradual emergence of the natural sciences as their rivals. From the beginning of the century to the end of World War I, was a period of concentrated scientific studies in almost all the older universities of this country. This was the period during which the study of the natural sciences was consolidated in the older universities, and the important part which they could play in the ordering of our lives was widely and popularly recognised. The harnessing of the natural sciences to the material development of the country was, however, a tardy process. We need not, in this context, enquire why this was so, but it is common knowledge that, after independence, the potentialities of the natural sciences for building up our economy in many different directions have enormously increased. The achievement of these sciences in the years after independence are not only a measure of their contribution to the betterment of our lives, but also an earnest of the still greater services, which they and their practitioners can render us in future. The recognition of the role of the natural sciences or their widespread application to practical administrative problems has not, however, been accompanied by a corresponding and comparable growth of what our Prime Minister never tires of describing as the scientific outlook or the scientific frame of mind. The need for developing this outlook or attitude is, however, now fully recognised and the means by which this can be done are also well understood.

New Urges

While the natural sciences were thus growing in stature, scope and importance, the faint glimmerings of yet another major development which were destined to have an equally far-reaching influence on the character of administration and the quality of administrative thinking, were visible on the horizon. The urgencies of our economic problems, which had been hitherto masked by the priorities forced upon the nation by the compulsions of our political struggle against our alien masters, became suddenly exposed to the public view in all their bewildering complexity. The demand for a Welfare State, culminating in the recent formulation of the goal of a socialist pattern of society, and for a continuing National Development Plan, and for an All-India Economic Civil Service—to mention only some of the major economic demands—which have been made with increasing frequency and vehemence, since our independence, are symptomatic of the new urges which must inevitably alter the character and contents of our Administration. The so-called bread-and-butter lines of the business of administration as we knew it in the earlier years of our service, are fast losing their pride of place in the order paper of day-to-day administration. Administration has, indeed, already unobtrusively entered into the new "economic age," which places a new obligation on economists and on administrators, who have to deal with economic matters, comparable in their extent and dimensions to the obligations which were imposed, in an earlier era, by the emergence of the scientific age, on scientists and administrators who had then to deal with the application of the natural sciences to administrative problems. What I propose to tell you tonight is concerned with only a few of the more important of the consequences which, as I see them, have flowed from the emergence of this new *milieu* for our administration.

Before I pass on to the implications of this change in the climate for administration, I shou'd like to say a few words to bring home to you the additional complications in administration which have been introduced in this case. These further complications did not exist when the scientific age emerged in, in this country, shall I say, about 50 years ago.

While it is generally recognised that the emphasis now placed on economic problems in the administration must, of necessity, bring about a reorientation in administrative policies and administrative methods and practices, the extent to which sound economic knowledge can be fruitfully brought to bear on such methods and practices is by no means clear. Those of you who are professional economists and are interested in the application of economic theory to policy must be aware of the intensive discussions that have taken place on this difficult subject among professional economists of the Western countries during the last few years, not to speak of similar discussions in the formative years of so-called "Welfare Economics" in the early twenties. It is not my object, on this occasion, to enter into a debate on this subject in our Indian context. I should, however, like to review, if I may, very hurriedly, the terrain in which economic administration has necessarily to be carried on, and the limitations to which such terrain is inevitably subject, by the nature of economic problems. The relationship between the scientists and the administrators, who were called upon to assist in the application of scientific knowledge to administrative problems, in an earlier age, was relatively simple. For, the application of the natural sciences to those administrative problems, to which the knowledge derived from such sciences could be usefully applied, was not hindered by any of those basic difficulties which, in many cases, impede the fruitful application of economic knowledge to practical administrative problems. These difficulties arise mainly from:

(*a*) the different nature and scope of the natural sciences on the one hand and of economics on the other,

(*b*) the different nature and quality of the data and materials with which economists have to deal,

(*c*) the somewhat intractable problem of separating "value judgments" from an objective study and analysis of economic data, and lastly,

(*d*) the relatively *unstandardised* methods of economic analysis, which make it difficult for administrators, without the necessary training in economics, either to assess the merits of such analysis or, as in the case of the natural sciences, to accept the validity of these methods.

Tools of Analysis

To take the last point first, while the efficacy and value of the basic tools of scientific analysis are accepted generally without question, the efficiency of the tools of economic analysis, I regret to say, has not yet secured the same measure of recognition. While this has been largely due to the absence of standardisation even in the more commonly used tools of economic analysis, general appreciation of the usefulness of these tools by administrators has been hindered also by the historical fact that, while the classical humanities or the natural sciences have hitherto formed the staple of the university education of our top administrators, training in economics has been, till lately, confined to a relatively few of them. Our deficiency in this regard is, however, being rapidly made good, and, perhaps it will be correct to say that, since World War II, students with good university degrees in Economics have constituted the largest single group among our new recruits to the top grades of the administrative services. I cannot but feel that this is wholly to the good of our administration, and will, in due course, make the task of economic administration much easier than it has hitherto been. A great deal more has yet to be done in this direction. But I can assure you that administrative thinking has been concentrated on this subject for the last five years, and it has been already recognised in authoritative quarters that economic administration, at the higher levels, at any rate, can no longer be entrusted to members of the Civil Service, who have not received the necessary training or acquired the requisite experience for this specialised field of administration. But full appreciation of the efficiency of the tools of economic analysis can never be expected, till our tools have been standardised and proved their worth as effective instruments of analysis. As professional economists know so well, hitherto we have been generally content to borrow our economic tools from abroad. We have indeed borrowed freely and our professionals are already busy adding to their tool box the latest of these borrowed tools, fashioned by the statisticians and econometricians abroad, e.g., statistical measurement of demand functions, "input-output" analysis, "linear programming," or econometric models based on "period analysis," and such like. But have we checked up the shape and design of these tools from the point of view of our analytical problems and have we made sure that they are just the appropriate type of tools for our purpose? Apart from occasional murmurings indicating mild irritation at the inadequacy of these tools for the analysis of some of our special problems, I do not think our "tool-makers" have really applied their minds to this problem. And yet this methodological issue is so increasingly important that, unless our professional economists are clear in their mind and can demonstrate to the intelligent public the suitability and effectiveness of the tools which they use in their analysis, I fear widespread public recognition of the value and efficiency of the methods of economic analysis would be slow to come. This is a challenge to the "tool makers" in the profession of economists—but where are they?

Capacity to Appreciate New Trends

The other factors which render the application of economic knowledge to problems of administration difficult are much more formidable. I shall now turn to them *seriatim*. I mentioned earlier about the different nature and scope of the natural sciences, on the one hand, and economics on the other. In the natural sciences, the subject of study is relatively homogeneous; not so in economics. For example, the study of the results of the application of heat to different classes of metals can be neatly categorised under well-defined heads, and any student of average intelligence would have little difficulty in understanding these results and drawing conclusions from them. Economics is, however, not a science in this sense. Casual relationships in economics follow more devious and complicated processes. What is, therefore, of primary importance in the application of economic knowledge to economic facts and situations is not so much a sound knowledge of the so-called "laws" of economics—indeed the subject can hardly claim any "laws" properly so-called—as a capacity to locate, to size up and to place in their proper relationship and perspective a number of complicated variables, which through their interaction, produce certain economic results. It would, therefore, seem that, while, by and large, the natural sciences operate on the basis of laws whose study involves the ability to acquire and master certain types of "skills," in the widest sense of the word, the study of economics involves, essentially the development of a frame of mind, a technique of thinking, which cannot, however, be developed by merely theoretical study or practical experimentation in the laboratories, but must depend largely on the capacity of the mind to take in within its compass, large aggregates, often heterogeneous in character and to evolve out of these divergent aggregates a logical relationship of cause and effect.

Non-Economic Factors

Further, the data and materials with which economists have to deal are basically different from those of the natural sciences. This is so, not merely because the former are non-measurable while the latter are, by and large, capable of being weighed or measured, but also because the former are far more variable in time and space than the latter. Indeed, many dominant schools of thought in economics strongly hold the view that economics is essentially a study of economic relativity. This makes it essential for economists and economic administrators to study and analyse an economic situation, not only from the point of view of its past history but also against the background of existing institutions in a country, if such study and analysis are to be of practical value in the formulation of economic policy and of help to economic administration. Lastly, there is the surrounding penumbra of "non-economic" factors, which not only conditions the environment in which economists operate, but also affects the quality of the materials with which they have to deal. Unlike natural scientists, economists, as much as economic administrators, can ignore these non-economic factors only at the risk of producing policy recommendations and action programmes which have no chance of being politically accepted.

I now come to what I think is the most formidable of the basic difficulties of applying economic analysis to the practical problems of administration. This is the difficulty of separating objective study from what are called "value judgments." In the physical sciences, the problem hardly arises. In the study of economic problems, however, it is extremely difficult even for the most balanced and discriminating students of economics to eschew "value judgments" altogether. For, as Prof. Pigou told us many years ago, it is not the Carlylean sense of wonder at the mysteries of the economic order, but the more common social enthusiasm which revolts from the sordidness of mean streets and the joylessness of withered lives that is the beginning of economic science. But having said this he also quoted with approval Comte's great phrase—"It is for the heart to suggest our problems; it is for the intellect to solve them." The professional students of economics will recall the warning with which, perhaps, most of them started on their career as economists. Economics, they were warned, was a positive and not a normative science, and yet we know how often and how readily do economists deliver themselves as to what the Government should or should not do in respect of matters which clearly involve or imply judgments of value! The administrators, who have to deal with the recommendations of the physical scientists, are not plagued with this besetting defect of immature economic analysis; and yet I think it will be wrong to blame this defect entirely on the economists. Even if they could resist their natural impulse to introduce their dearly held conceptions of what was right or wrong into the analysis of economic problems, in the great majority of cases they would hardly be able to proceed with their analysis, unless they were to assume tacitly certain "value judgments" as the major premise in their chain of analysis. We administrators must, in fairness, admit our failure if in presenting an economic problem to the economists, we have been unable to indicate to them, at some stage or other in course of their analysis, what "value judgments" they must assume for the sake of their analysis. It may not be easy even for administrators always to do so, but they are closer to our political masters, and, in any case, it is their duty to obtain from their political chiefs an affirmation of their faith, on which alone major administrative policy decisions can be based.

Teaching of Economics

The basic difficulties in the way of the application of economic analysis to practical administrative problems, some of which I have just enumerated, are merely illustrative of the highly complex nature of the terrain in which economics has to operate. The nature and the limitations of this terrain are, of course, well known to professional economists. If, nevertheless, I have taken some pains to emphasise these limitations, I have done so only to bring out as clearly as I can why the mental disciplines needed of the practitioners of economic science are so much more exacting and many-faced than those required of the votaries of the natural sciences. I doubt if these difficulties are always fully brought home to young students of economics when they enter upon the study of this most complex of the social sciences, and even if they are made aware of them, I am not sure if they always keep these limitations in mind. My remarks on this subject are not, however, addressed merely to them, but are also to those members of the wider public outside the universities who may be present here this evening. In recent years, they have shown a lively interest in economic matters and in the problems of economic administration, and have been persuaded to expect from economists and economic administrators not merely illumination, but also help and guidance in economic matters. It is, therefore, important that they should recognise some of the basic limitations of economic studies and fully appreciate the terms and conditions on which alone economic analysis can be fruitfully and effectively applied to current economic problems.

Having said this, I think I should, at this stage, warn you against a possible misconstruction of my observations. While, for the reasons which I have mentioned, I have tried to stress the special nature and scope of economics and the difficulties in the way of the application of economic analysis to the problems of practical administration, I do not, for a moment, wish to underrate the very great importance of economic studies, properly planned and designed, to the understanding and elucidation of economic problems, in the first instance, and ultimately to their successful solution. To administrators, a clear appraisal of difficulties is an essential first step, but only a first step, towards the formulation of effective measures to overcome them, and it is our belief that, in the long run, administration is not helped but greatly hindered, if, consciously or unconsciously, difficulties are ignored or slurred over. It is in the same constructive spirit, and imbued with the same anxiety for overcoming difficulties, which may easily arise from the improper application of economic knowledge to the complex economic problems of the day that I have ventured to draw your attention to a few basic methodological issues in the application of economic analysis to economic policy and administration, which are not so well known, or, at any rate, are not always so adequately brought home to those who are not professional economists.

Systematic Study Needed

Subject to these basic limitations arising from the nature and scope of economics, the very great contemporary importance of economic studies arises from a number of facts, which I should now like to re-state in positive terms. It is my conviction that, with all its limitations and in spite of the basic difficulties which hinder the full and effective utilisation of economic knowledge for the solution of economic problems, it is only through a systematic study of this subject that one can arrive at an objective and discriminating understanding, but also at a balanced assessment, of the forces underlying the working of the economic order in its different sectors. I need hardly add that this conviction has not been born of any sentimental attachment to a subject of which I was an academic student many years ago, but of my experience over the last 16 years in different fields of economic administration. In the same way as an elementary knowledge of the physical sciences is now recognised to be part of the essential equipment of any intelligent man or woman, so must, I venture to think, a working knowledge of elementary economics be also recognised to be part of the essential training for citizenship of any educated man or woman of today. This is, however, not to say that all of us must be academic students of economics. As in the case of the physical sciences, so also in the case of economics, it is possible to acquire a reasonably sound working knowledge of economics even outside the schools and the universities. Academic students of economics in the present generation do, however, stand in a special position of vantage in the ranks of the so-called intelligentsia.

Our new-found interest in economic matters has created new opportunities for them and they can do a great deal to spread economic knowledge and understanding in the country. I do not know if it is usual for present-day university lecturers to emphasise in their first-term lectures to their first-year students the distinction beween the "light-bearing" and the "fruit-bearing" properties of economic knowledge. This was, however, the common practice in my student days. Probably in those days, there was a tendency to exaggerate the latter at the expense of the former, and perhaps we now know a little better of the relative proportions in which these two properties should be mixed by the salesman of economic knowledge. In any case, if I were to express my personal views, I would say that the "light-bearing" quality of economics is, at least, of as great practical moment today as its "fruit-bearing" aspect. If the great majority of students who pass out of the Departments of Economics in the different universities were to be no more than bearers of the light of economic knowledge, I believe the University Economic Faculties would have fully justified themselves and rendered a signal service to the country and the nation. For, it is of primary importance to the successful administration of economic problems that there should be adequate and sufficiently broadbased understanding of the structure and processes of the economic organisation in which we live. It is only this understanding that can produce an intelligent and balanced interest in economic affairs and thereby create an effective demand, in political terms, for a balanced and appropriate economic policy, which is capable of effective implementation within the limits of the resources under which economic administration in any country must necessarily be carried on.

Prof. Robbins Quoted

As I try to evaluate the administrative significance of economic studies in the universities, this seems to me to be a most important aspect of the high task which our Universities and their Faculties of Economics have set themselves. Not being a university teacher of economics, I am not competent to say to what extent university courses in economics, designed for the great majority of students in economics, facilitate the achievement of this object. Prof. Lionel Robbins of the London School of Economics, a great teacher of this subject, has recently commented sharply on the inadequacies of university courses in economics in the United Kingdom, and called for some urgent reforms in this direction. I quote the following few words from his presidential address to the Royal Economic Society delivered in July 1955—

"Clearly," he said, "we are out to teach a certain basic minimum of general principles: it would be great mistake to conceive the appropriate economics course at this stage to be nothing but descriptive. But what is needed is not refinement of analysis of the kind suitable for the theory paper in final honours, but rather thorough understanding of the great elementary platitudes of the subject—supply and demand theory rather than what may be called the metaphysics of the theory of value—combined with descriptions of the real world which permit exercises in the applications of these platitudes and provide some general feeling of the background of institutions amid which economic relations develop. At this stage it is much more important for a man to know, for instance, what the stock market is and how stock-exchange fluctuations affect the raising of funds by firms, than to be expert in distinguishing the significance of the difference between measureable and immeasureable utility or the four different kinds of cost curve."

If the pass courses in economics in the British universities, which have had such a long tradition of economic studies, need such large-scale revision, are we sure that our own universities, which have hitherto modelled their economic courses generally on those of the British universities, do not need some readjustment in the light of current re-thinking on this subject? I crave your indulgence for having rushed into a field on which even the angelic dons may fear to tread. But, as I have already explained, we in the administration have a vested interest in informed and intelligent economic awareness in the community, and from this point of view I feel sure you will concede that it is a matter of some practical importance to us to know that the university courses on this subject are suitable and adequate.

Economists As Advisers

The other task of economics, which is of more direct and immediate interest to administration, concerns the offer of advice in matters of high policy and the provision of advisory services to the administration in diverse ways. I am afraid here we are on more difficult ground. The last ten years, more particularly the last five years, have witnessed a tremendous expansion in the advisory and consultative services rendered by economists not only to the Central Government but also to many State Governments in this country. The scope and manner of such consultations have varied from time to time and from place to place, but, during the last five years, at any rate, continuous and sustained efforts have been made by the administration to seek economic advice and guidance from professional economists on many major issues of policy, at different administrative levels, not merely on an *ad hoc* but also on a systematic and permanent basis.

While there can be no doubt that this close and continuous contact between economists and administrators has been of mutual benefit through the inevitable, though somewhat tardy, seepage of economic and administrative ideas, from all that I have seen and heard during the last five years, I have been often left wondering if economists and administrators have always felt reasonably satisfied with the result of these contacts or exchange of ideas. Can this be always attributed to the different attitudes or approaches of economists and administrators, or their different experience, or the different nature of the media in which they work or of the materials which they handle? I venture to think that this is only a partial explanation. The difficulties would seem to me to stem primarily from those basic hurdles in the way of the application of economic analysis to practical administrative problems to which I referred a little while ago. I would not like to re-state them again, but would merely offer you my observations on this subject for what they are worth. I do so with some hesitation and reluctance, but I would beg of you to take it from me that my views on this subject have been formed only as a result of prolonged reflection and close and continuous observation.

The senior branches of the Civil Service have, in the past, been brought up on a tradition which has enabled their senior members to accept, in the last resort, the policy formulations by the Ministers as the first premise from which they must derive their working methods and techniques in working out the implications of these policies. This does not, of course, mean that they have not advocated or pressed for what they have thought to be the best lines of policy in matters for which they were administratively responsible, but, as Prof. E. A. G. Robinson of

(*Continued on page 582*)

*An extract from an extension lecture delivered at the University of Rajputana, Jaipur, on 16th March 1956.

REPORT OF SUGAR DELEGATION TO AUSTRALIA AND INDONESIA

INDUSTRY SHOULD NOT BE SUBJECTED TO CONTROLS

IT is, indeed, surprising that the Government of India should have taken such a long time as more than six months to release for publication not the full text but a summary of the conclusions and recommendations of the five-man sugar delegation to Australia and Indonesia. It was as early as in August last, it will be recalled, that the delegation submitted its report to the Government; it returned to India towards the end of July, after a month's study tour abroad. The sugar delegation was led by Mr. P. A. Gopalkrishnan, I.C.S., Joint Secretary to the Union Ministry of Food and Agriculture, and consisted of Sardar Lal Singh, M.P., President of the All-India Sugarcane Growers' Federation; Mr. K. P. Jain, Director for Sugar, Government of India; Mr. M. N. Pittie (Bihar) and Mr. S. S. Kanoria, Vice-President of the Indian Sugar Mills Association. All these persons have an intimate and thorough knowledge of the conditions obtaining on the Indian sugar front. It is this factor, coupled with the fact that Australia and Indonesia have achieved remarkable progress in the field of sugar manufacture, that imparts considerable value to the report of the delegation.

The sugar delegation has done well to preface its report with a clear emphasis that the development of the sugar industry is checked under controlled conditions, unless, of course, the prices fixed are very attractive. Past experience in India (and also in Australia) reveals that the consumption of sugar, which had all along stood around one million tons during the war years when this commodity was subjected to price and distribution controls, jumped to 1.6 million tons in 1952-53 following the decontrol in the previous season and is now running at the rate of more than 1.8 million tons. The impact of the first Five-year Plan has already affected, as the delegation rightly points out, the price structure of agricultural commodities. While the effect of the second Plan on the economic conditions in the country is yet to be seen, this much can be said, namely, that, "when production in different sectors is increasing and is expected to increase, it might produce incongruous results if the second largest industry in the country is selected for control measures which will be difficult to co-ordinate with the changing conditions in the rest of the country."

Marketing Board for Sugar

Precisely in view of the aforesaid consideration, the Gopalkrishnan delegation has recommended postponement of the question of setting up a central marketing body for sugar and *gur* until economic conditions reach a certain degree of stability. Even when conditions turn for the better, the delegation stresses that an exhaustive enquiry should be conducted into the wider implications of establishing a marketing organisation for regulating the production and prices of sugar and *gur;* such an enquiry must be postponed at least up to the end of the second Plan. There is considerable force in this view. For experience of the working of the former Indian Sugar Syndicate does hardly encourage one to believe that a central marketing body would serve the general interests of the country. It is, therefore, undesirable that an association like a central marketing body for sugar should be legally imposed on the sugar mills all over the country. Moreover, the conditions prevailing at present in the field of sugar industry do not at all warrant the establishment of a monopolistic body such as the one commonly advocated by certain sections of the sugar industry. And, if the ambitious scheme for the development and expansion of the sugar industry envisaged in the second Plan is to be implemented successfully, it is of the utmost importance that the industry should be accorded as much freedom as possible with regard to prices and distribution, with least interference from the authorities.

The sugar industry, just as any other industry, would flourish best, if the laws of supply and demand were allowed to have their play. It is from this point of view that one has to view the sugar delegation's suggestion for continuing for the present the existing Government's policy of regulating the price and distribution of sugar by exercising control on the release of sugar from factories, by keeping the right to requisition 25 per cent. of the production at controlled prices, and by importing sugar and selling it at fixed prices. Even this policy of limited overall controls should be done away with as soon as conditions become more conducive to the full play of forces of demand for and supply of sugar.

It is gratifying that the Gopalkrishnan delegation has taken a realistic view with regard to the issue relating to payment for sugarcane supplied to the mills for producing white sugar. It has suggested a scheme for payment of cane on the basis of quality, instead of on quantity as at present, by a system of group analysis of cane in the case of small growers and individual analysis in the case of large growers. The present system of linking the price of cane to weight and the policy of fixing a minimum price for cane delivered to the sugar mills are, as we have so often emphasised in this journal, both defective in that they ignore completely the quality aspect. What interests the cane grower most is the yield of cane per acre and, naturally, little attention is devoted to the need for growing cane with high sucrose-content. India is, perhaps, the only country other than Cuba which has been adopting this system. In all the other sugar-producing countries, the payment for cane is based not only on the weight of the cane but also on the percentage of sugar contained in it. The sugarcane grower is thus made conscious of both the vital aspects, namely, sugar-content and yield.

Committee for Fixing Cane Price

If the scheme for linking the price of cane to quality were adopted and the policy in regard to the price of sugar and *gur* judiciously followed, there would, as the sugar delegation rightly opines, hardly be any occasion for distributing the extra profits made by the factories between them and the farmers. Viewed thus, the suggestion of the delegation for setting up a standing advisory committee—consisting of an equal number of representatives of cane growers and factory owners with an independent chairman, preferably a judge—to advise the Government on the level at which the price of sugarcane should be fixed from year to year deserves to be considered.

In this connection, the sugar delegation recommends fixation of a floor price for *gur* every year, in order to maintain a balance between production and price of *gur* and sugar. In its opinion, the Government should announce in advance of the season that it would be prepared to purchase *gur* at important producing centres at that price, if the prices in the markets fall below that level. It also recommends establishment of marketing co-operatives in the important *gur*-producing areas, in order to facilitate the operation of the Government's programme for purchasing and selling *gur*. Whatever may be the policy adopted for *gur*, due consideration must be given to the fact that the policy will not adversely affect the competitive cane growers in different States under an Act on the one hand, and to sell the sugar produced, on the other.

The sugar delegation has put forward several valuable suggestions for stepping up the yield of sugar—not sugarcane— per acre. For fuller details regarding these suggestions, one has to await the publication of the full text of the report. According to the Press version of the summary, the suggestions made by the delegation include (1) evolution of varieties possessing high sucrose-content and resistance to common diseases; (2) import of selected high sugar-yielding varieties from Australia, Java and other countries for trial in India; (3) testing of new varieties in the field to try them under varying conditions of soil and climate before release; (4) publication of an all-India journal on sugarcane cultivation; and (5) formation of cane pest and disease control boards in districts having one or more sugar factories. There is, of course, nothing new or novel in these suggestions, inasmuch as they have been repeatedly referred to ere now. Nevertheless, by drawing attention to them once again, the delegation has emphasised the urgency which attaches to the need for cultivating quality sugarcane at an economic cost.

Other Suggestions

The question relating to the utilisation of the by-products of sugar industry has also been examined by the Gopalkrishnan delegation. It has, for instance, called for research work on molasses to make it fit for consumption by cattle in larger quantities and a survey to find out the possibilities of establishing factories for the manufacture of insulation and building boards and paper from bagasse and various chemicals from molasses. It has also recommended that, in the interest of more rational distribution and fixation of prices, molasses should be brought under the control of the Central Government as early as possible. The delegation recommends research work on the refining of cane wax so as to make it usable in various industries and to find new industrial uses for the wax. Further, it favours the establishment of organisations of cane growers in different States under an Act on the lines of the Queensland Cane-Growers Association and a common organisation of growers and millers on the lines of the Australian Sugar Producers' Association. The other suggestions made by the delegation relate to formation of a sugar research board, deputing of research workers abroad, supply of sugar at concessional rates to fruit products and condensed milk industries, expansion of existing units in preference to the establishment of new factories, and adoption of a system of allowing duty-free imports of such agricultural implements and sugar machinery as are not manufactured in India.

The foregoing recommendations of the delegation should, surely, be able to provide guidance for solving the several problems of the Indian sugar industry. Among them, three stand out most prominently. They are: (1) Improvement in quality of cane, (2) formulation of a scientific and satisfactory method of fixing cane and sugar prices so as to do justice to the different sugar interests, and (3) fixation of the price of cane on the basis of its quality with a view to giving incentive to the farmer to grow better varieties of cane yielding higher sugar recovery. It is to these problems that the authorities should address themselves in right earnest, uninfluenced by any political and ideological considerations.

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INTENSIVE SUGARCANE CULTIVATION

It was seven years ago—in 1948-49, to be precise—that the Indian Central Sugarcane Committee launched the scheme for intensifying cultivation of sugarcane in the factory areas of the important cane-growing States. The implementation of the scheme has been quite successful. The average per-acre yield of cane in blocks brought under the scheme, for instance, is now claimed to be 23.8 tons, which compares favourably with the all-India average of 13.9 tons. The extent to which the yields have gone up in the intensive cultivation blocks in different States in the past seven years is indicated below:

(Per-acre yield—In tons)

	1954-55	1948-49
Uttar Pradesh	18.9	12.9
Bihar	18.4	12.0
Punjab	20.7	12.9
Bombay	42.1	31.0
Madras	37.9	25.7
Andhra	30.5	25.0
W. Bengal	21.0	16.1
Mysore	31.4	18.8

These increases in the pre-acre yield, however, relate only to a very limited area, namely, 625,000 acres taken up under intensive development, which form about 16 per cent. of the total acreage under cane. It is now considered necessary that the entire area of nearly 4 million acres should be taken up under the development scheme and the average acre-yield over the area raised. The State Governments have been directed to do so under the second Five-year Plan and they have, accordingly, agreed to bring as much of the area as possible under such development.

COAL IN ASIA

INCREASED OUTPUT IN 1955

IT is provisionally estimated that the output of coal in Asia and the Far East increased from 151.1 million tons to 180.7 million tons in 1955, an increase of 29.6 million tons. Actual production in 1954 was 171 million tons, or 12 per cent. of the world coal output, excluding the U.S.S.R.

In China the output of coal increased from 63.5 million tons in 1952 to 83.3 million tons in 1954. The target for 1955 was 92.9 million tons, which is said to have been reached. The output is expected to touch a peak of 113 million tons in 1957.

Production of coal in South Korea is estimated to have increased from 890,000 tons in 1954 to 1,188,000 tons in 1955.

In Japan, however, the decline in coal production persisted. Thus, it dropped from 48 million tons in 1953 to 44.2 million tons in 1954 and again to 42.6 million tons (estimated) in 1955. This decline is attributed to increased competition of other industrial fuels, such as heavy oil and electricity.

It is understood that, under Japan's Six-year Plan, it is proposed to raise the productivity of labour from 12½ tons per worker per month in 1954 to 18.4 tons in 1960. This proposed increase in productivity is claimed to be necessary to reduce production cost to a point competitive with that of other conventional fuels.

India

More details are, however, available in regard to activities of coal industry in India. The output of coal in India increased from 36.88 million tons in 1954 to 38.22 million tons in 1955, according to provisional estimates released by the Chief Inspector of Mines in India. Despatches of coal also increased from 32.03 million tons to 32.91 million tons during the period. Coal stocks at pit-heads at the end of 1955 amounted to 3.61 million tons.

The average daily employment at the coal mines in India was 340,615 in 1955, as against 332,320 in 1954. On an average, miners worked about 8.5 million man-shifts per month in 1955, as against 8.3 million man-shifts per month in 1954. Average absenteeism was of the order of 14.0 per cent. in 1955, as compared with 13.3 per cent. in 1954. The output per man-shift worked by miners and loaders increased from 1.09 tons in 1954 to 1.10 tons in 1955. The productivity of underground and quarry workers also increased from 0.58 ton in 1954 to 0.59 ton in 1955.

The average weekly cash earnings of colliery labour increased slightly from Rs. 12-2 in 1954 to Rs. 12-5 in 1955. The average weekly hours showed a fractional increase and remained more or less stationary at 47.

An appreciable improvement was recorded in the use of mechanical equipment. During the year, about 8.5 million tons of coal were cut by coal-cutting machines, 1.3 million tons conveyed mechanically and 120,000 tons loaded mechanically. The corresponding figures for 1954 were 8.2 million, 1.2 million and 93,000 tons, respectively.

The picture thus presented may on the whole appear encouraging. But, except for India and China, almost all the other countries of Asia and the Far East are suffering from acute shortage of coal, which is so necessary for ensuring the economic development of these countries. This explains why there is intensive exploration for new reserves of coal and also lignite in most of the countries of the region.

All indications are that Asia and the Far East may not become self-sufficient in coal. It will have to supplement its coal resources with those of other fuels, such as hydro-electric power and oil. In fact, a balance of these three sources of fuel should be maintained. More so, because there are very little prospects of electricity being generated from atomic energy on a commercial scale—at a cost competitive with other conventional fuels—earlier than 10 to 15 years at least.

VOCATIONAL TRAINING IN COAL MINES

The question of recruitment and vocational training in coal mines and the problem of safety in the coal-mining industry are among the subjects for consideration by the sixth session of the I.L.O.'s Industrial Committee on Coal Mines, scheduled to meet at Istanbul on 30th April 1956. As usual, the Committee will consider also a general report dealing particularly with recent events and developments in the coal-mining industry. India is a member of the Committee and will be represented at the meeting by a tripartite delegation.

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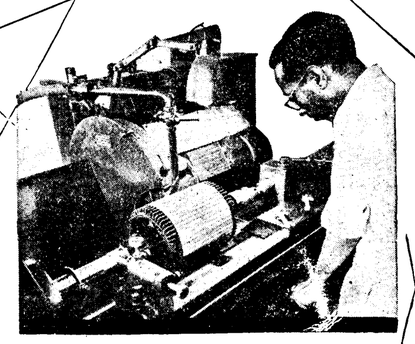

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BASIS FOR LEVY OF EXPORT DUTY ON TEA TO BE CHANGED?

TEA MARKETS RULE STEADY

IN tea market circles it is believed that the Government of India is considering a proposal to change the basis on which the world price of tea is determined for purposes of levying export duty on Indian tea. At present, the world price of tea is fixed only on the basis of the London sale averages and does not take into account the prices fetched either in Calcutta or in Cochin. For this reason, the present arrangement is considered highly unrepresentative and often proves disadvantageous to the Indian producers. Market circles, therefore, feel that the Government should take an early decision in this matter and fix the world price of tea for the purpose of levying export duty on the basis of the combined sale averages of London, Calcutta and Cochin. In fact, the tea producers have already suggested to the Government of India that a link should be established between the export duty and the weighted average of London, Calcutta and Cochin prices.

The change in the basis of determining world price as suggested above, if finally decided upon by the Government, will only be a natural sequence to the Government's desire to develop Calcutta and Cochin as marketing centres for Indian tea through a progressive reduction in the quantity of tea consigned to auctions in London, as recommended by the Ghosal Committee. It is too early to judge how far this change will bring relief in the incidence of tax to the tea industry. The existing slab system of export duty is considered onerous, particularly after the drastic fall in prices during the past several months. The incidence of the duty is more keenly felt by the producers of common and low medium teas which have been selling below cost of production. The recent taxation proposals, under which the export duty of As. 8 per lb. in the slab Rs. 3-5 to Rs. 4 per lb. has been reduced to As. 6 per lb., do not bring any relief to the industry. The effect of this change is that all teas falling within the price range "exceeding Rs. 2-8 per lb. but not exceeding Rs. 4 per lb." will be assessed at a uniform rate of As. 6 per lb. In other words, the slab in which the export duty of As. 6 per lb. will operate has been widened to cover the world price of tea from Rs. 2-9 to Rs. 4 per lb. It is unlikely that prices will go beyond this range in the foreseeable future and the reduction in the rate of export duty is, therefore, of no immediate consequence. The only welcome feature of this change is that it ensures a stable and fixed rate of duty on a wider range of prices. However, as the world price of tea based on London sale averages is out of tune with the actual prices realised in India, a change in the basis of determining the world price of tea is necessary.

Meanwhile, prices in tea auctions in India have shown a steady trend during the past few weeks, as will be seen from the following table of prices fetched in Calcutta auctions:

	12-3-1956	5-3-1956	27-2-1956	13-2-1956
Export sale	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Clean B.P.	1 14 6	1 15 0	1 13 0 to 1 14 0	1 11 0 to 1 12 0
Plain B.P.	1 8 0 to 1 9 6	1 4 6 to 1 5 0	1 4 0 to 1 4 6	1 5 6 to 1 6 0
Medium Assam B.P.		1 7 0 to 1 7 6	1 7 0	1 8 6 to 1 9 0
Best C.T.C. Assam B.P.	Not quotable	Not quotable	2 5 0 to 2 6 0 (nom.)	2 5 0 to 2 7 0
	13-3-1956	6-3-1956	28-2-1956	14-2-1956
Internal consumption	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Medium Dooars Dust	1 10 0 to 1 10 6	1 7 0 to 1 8 0	1 7 0 to 1 8 0	1 7 0 to 1 8 0
Medium Assam Grainy Dust	1 10 6 to 1 11 6	1 8 6 to 1 9 6	1 8 6 to 1 9 0	1 8 6 to 1 9 0
Best Assam C.T.C. Dust	2 14 0 to 3 0 0	1 12 0 to 2 14 0	2 9 0 to 2 11 0	2 5 0 to 2 7 0

The improvement in prices is more widespread and is not confined to the best grades only, though the rise in the latter is marked. It will be noted that plain Broken Pekoe, which had been hovering between Re. 1-4 and Re. 1-5 per lb., jumped sharply to Re. 1-8 at last week's auction. Medium Dooars dust and medium Assam grainy dust also rose sharply last week. It is stated that the larger internal blenders have been operating regularly for the past few weeks and it is mainly because of their efforts that the recession in prices has been checked. The sharp rise noted at last week's auctions is attributed to optimistic expectations about the renewal of the International Tea Agreement and the prospect of the voluntary crop regulation scheme, which is now being studied, taking final shape before long and being given effect to in the new season. The other factors which contributed to the improvement in prices were: (1) expectations that Russia would soon begin to buy a fair quantity of North Indian tea, (2) the easing of the pressure of stocks in Calcutta, on account of the large shipments to London for auction in that centre following the removal of restrictions on such shipments and (3) the decline in output in Ceylon, as a result of unfavourable weather and severe drought conditions.

The exact figure of additional quantities which will be released for the U.K. market consequent on the removal of restrictions on shipments is not available, but Messrs. J. Thomas & Co., Ltd., Calcutta, expect this to be in the neighbourhood of 30 million lbs. As a result of this diversion. Messrs. Thomas & Co. say a shortage of better quality teas, especially teas of C.T.C. manufacture, will be felt on the Calcutta market and these types should appreciate in value in Calcutta, while the existing gap in the price of such teas between the Calcutta and London markets should be narrowed down in the coming months. The removal of restriction on shipments to London auctions is also expected to make up substantially the shortfall in the U.K. imports before the close of the season.

The crop in Ceylon for January last was 2.3 million lbs. behind 1955 and a further shortfall of 5 million lbs. is expected for February, as a result of the drought in the tea districts. "Although this deficit may, perhaps, be made up at a later stage," Messrs. Thomas & Co. observe, "this shortfall will have a healthy reaction on the world buyers and may have, if only to a very small extent, the effect of helping the clearance of the present surplus on the world markets."

The outlook for the rest of the current season, therefore, appears to be good, as will be seen from the following observations of Messrs. Thomas and Company:

"There are now indications that the smaller internal buyers are realising that, with the increased amount on tea which has been shipped for direct sale in London, there may only be just enough available to carry them through to August, which is the earliest any quantity of new season's tea can be expected on this market. It, therefore, seems likely that with the United Kingdom buyers and other outmarkets operating in perhaps a limited fashion, and India's internal blenders and dealers continuing to purchase large quantities, the market will now start to rise and rather higher prices may be realised from now until the last offerings of 1955-56 crop have been sold."

Thus, the current season is expected to wind up on a buoyant note, which will augur well for the early sales of the 1956-57 season's teas.

CEYLON'S TEA POLICY

Addressing the Ceylon Chamber of Commerce at its annual meeting held last week, Mr. R. P. I. Ross, Chairman of the Chamber urged the Government of Ceylon to remove all restrictions on the export of tea to foreign markets.

Commenting on the reintroduction of controls at the beginning of last August, he said that surely the Government realised that it was against the interests of Ceylon to treat the Island's best market, London, in this way, to release unlimited quantities of tea for shipment to London when there was a slump at one moment, and to restrict shipments at another.

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AGRICULTURAL INCOME-TAX IN MADRAS

SOME GLARING DEFECTS

AGRICULTURAL income-tax on plantations in the State of Madras was introduced in March 1955 so as to take effect from 1st April 1954. The Rules under the Act as finalised were only published in the State *Gazette* late in December 1955, although many assessees were served with notices in advance requiring them to file their returns and otherwise comply with the regulations. The late publication of the Rules, coupled with the fact that a large number of assessees are being assessed to this form of tax for the first time, appears to have resulted in a great deal of confusion and some inconvenience to the majority of the assessees. Besides, a careful study of the Act and Rules now disclose the absence of various provisions which are normally provided in any income-tax legislation, in order to give the necessary relief to the assessees.

Section 16 of the Act requires an assessee to furnish to the Agricultural Income-tax Officer a return of income in the prescribed form to reach him before the 1st June every year. As stated above, the form 'prescribed' was only finalised and published late in December 1955. A number of assessees appear to have unwittingly delayed their returns and thus laid themselves open to action by the Department. One result was that some of them were assessed under Section 17(4) which is an assessment by the Officer "to the best of his judgment." The Act provides for no appeal against such assessments. Section 30 of the Indian Income-tax Act confers a right of appeal to the assessee against assessments of this type. The absence of similar provision in the Madras Plantations Agricultural Income-tax Act appears to be a serious lacuna and calls for an early remedy.

There is, however, a provision in Section 19 whereby the Agricultural Income-tax Officer, in certain circumstances can cancel his assessment and proceed to make a fresh assessment, but this is a purely discretionary power in the hands of the Officer. In fact, cases have arisen where the Officers concerned have declined to take action under this Section on some grounds or other.

It is reported that heavy penalties have been imposed by Officers in some cases where returns have not been filed before the date specified. In one case, a fine of Rs. 40,000 was imposed for not filing a return within the due date. In similar cases coming under the Indian Income-tax Act, penalties are usually small. Cases have also been reported where the Agricultural income-tax Officers have refused requests for extension of time required for submission of returns.

There appears to be considerable confusion over the definition of the term "previous year" under the Act. Many plantation assessees—companies as well as individuals—do not close their accounts on 31st March, the date on which the Government's financial year comes to a close. Thus, a company which closes its accounts on the 30th June 1954 should only be liable to pay income-tax for the period 1st April to 30th June 1954 since incomes earned before the 1st April 1954 are not taxable. But it appears that, in such cases, the whole of the income for the year 1st July 1953 to the 30th June 1954 has been held to be liable to tax. The reasonable thing to do is not to make any assessment now, but to add the broken period of three months (1st April—30th June 1954) to the next fiscal year and assess for the 15 months together. This would be in line with the procedure adopted by the Indian Income-tax authorities in assessing "new business."

There is also no provision in the Act or Rules for allowing bad debts written off, charities, in all reasonable cases, and medical and research expenditure where they are incurred. In regard to interest on borrowed capital, the Act allows only up to six per cent. on an amount equivalent to twenty-five per cent. of the agricultural income. In practice this amounts to a very negligible allowance. No other Agricultural Income-tax legislation in India fixes such a limit on the amount of interest admissible.

In addition to making the required adjustments in the Act and Rules, there is also a clear need for the law to be administered with sympathy and restraint, particularly during the early years of this legislation. The Government may also consider the appointment of expert commercial accountants (Chartered Accountants) to help the Revenue Officials in administering the Act and Rules during the early period.

THE FIRST NATIONAL CITY BANK OF NEW YORK

(INCORPORATED WITH LIMITED LIABILITY IN THE U.S.A.)

Balance Sheet of Indian Branches as at Close of Business, December 30, 1955.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital— 3% 1957 Government of India Bonds, face value Rs. 20,25,000 (market value as of date Rs. 20,14,875)	20,14,875 0 0	
2. Reserve Fund and Other Reserves		Nil
3. Deposits and Other Accounts— Fixed Deposits	3,46,54,823 3 2	
Savings Bank Deposits	12,803 5 4	
Current Accounts, Contingency Accounts, etc.	4,13,79,105 9 11	7,60,46,822 2 5
4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	1,204 3 9	
(ii) Outside India	45,533 6 2	46,737 9 11
PARTICULARS— (i) Secured	Nil	
(ii) Unsecured	46,737 9 11	
5. Bills Payable		8,42,875 11 2
6. Bills for Collection being Bills Receivable as per contra— (i) Payable in India	86,80,315 8 9	
(ii) Payable outside India	21,14,542 4 0	1,07,94,857 12 9
7. Other Liabilities— (i) Unexpired Discount	8,959 1 9	
(ii) Reserve for Interest Payable	2,92,373 1 5	
(iii) Reserve for Taxes	5,83,435 5 0	
(iv) Reserve for Other Expenses	6,855 10 4	
(v) Sundry Accounts	7,73,280 15 3	16,64,904 1 9
8. Acceptances, Endorsements and Other Obligations per contra		Nil
9. Profit and Loss— Profit for the year ended December 23, 1955, brought from the Profit and Loss Account (includes Rs. 10,436-3-11 profit for the period December 24, 1954 to December 30, 1954, shown in the last Balance Sheet)	15,75,662 7 9	
LESS— Rs. a. p. Reserve for Taxes .. 8,47,781 15 0 Amount remitted to Head Office .. 7,27,880 8 9	15,75,662 7 9	
	Nil	
ADD—Profit for the period from December 24, 1955 to December 30, 1955	9,703 2 6	9,703 2 6
10. Contingent Liabilities— (i) Outstanding Credits Unused	3,06,32,537 0 0	
(ii) Outstanding Forward Exchange Contracts	4,54,03,085 6 2	
(iii) Bills of Exchange Re-discounted	13,71,446 0 9	
(iv) Collection Documents released on our responsibility	5,900 0 0	
(v) Claims against the Bank not acknowledged as debts	35,400 0 0	
Total .. Rs.		8,94,05,900 8 6

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank and Imperial Bank (including Foreign Currency Notes)		71,61,905 3 0
2. Balances with Other Banks (in Current Account)— (i) In India	4,22,247 9 7	
(ii) Outside India	3,24,837 2 5	7,47,084 12 0
3. Money at Call and Short Notice		Nil
4. Investments at book value— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	95,02,375 0 0	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	95,02,375 0 0
5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)— (I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p. (i) In India .. 4,97,13,662 9 5 (ii) Outside India .. Nil	4,97,13,662 9 5	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India 71,79,098 11 10 (ii) Payable outside India .. 37,95,875 5 5	1,09,74,974 1 3	6,06,88,636 10 8
PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the banking company is fully secured	2,65,55,894 3 10	
(ii) Debts considered good for which the banking company holds no other security than the debtor's personal security	3,24,22,896 15 5	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	17,09,845 7 5	
(iv) Debts considered doubtful or bad, not provided for	Nil	6,06,88,636 10 8
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	Nil	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	Nil	
(ix) Due from banking companies	Nil	
6. Bills Receivable being Bills for Collection as per contra— (i) Payable in India	86,80,315 8 9	
(ii) Payable outside India	21,14,542 4 0	1,07,94,857 12 9
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		Nil
8. Premises Less Depreciation		Nil
9. Furniture and Fixtures— At cost as of December 30, 1954	5,02,345 15 9	
Additions during the year	35,157 10 9	
	5,37,503 10 6	
LESS—Deductions during the year	91,615 0 0	
	4,45,888 10 6	
LESS—Depreciation written off upto December 23, 1955	2,30,130 0 0	2,15,758 10 6
10. Other Assets— (i) Accounts Receivable	28,869 8 0	
(ii) Interest Earned Not Collected	1,42,398 5 5	
(iii) Clearing and Cash Items	400 0 0	
(iv) Revenue Stamps	2,263 4 6	
(v) Prepaid Expenses	64,035 12 11	
(vi) Due from Head Office and Branches	57,815 8 9	2,95,232 7 7
11. Non-Banking Assets Acquired in Satisfaction of Claims		Nil
12. Profit and Loss		Nil
Total .. Rs.		8,94,05,900 8 6

Profit and Loss Account of the Indian Branches for the Year Ended December 23, 1955.

EXPENDITURE	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	15,15,569 7 8
2. Salaries and Allowances and Provident Fund (including Salaries and Allowances to Manager Rs. 70,119-4-6)	16,00,279 3 9
3. Directors' and Local Committee Members' Fees and Allowances	Nil
4. Rent, Taxes, Insurance, Lighting, etc.	1,62,995 9 11
5. Law Charges	4,338 14 11
6. Postage, Telegrams and Stamps	1,03,303 10 11
7. Auditors' Fees	Nil
8. Depreciation on and Repairs to the Banking Company's Property	88,345 6 9
9. Stationery, Printing, Advertisement, etc.	70,660 12 0
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
11. Other Expenditure	4,52,153 14 0
12. Balance of Profit	15,75,662 7 9
Total .. Rs.	55,74,318 7 8

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other Usual or Necessary Provisions)	Rs. a. p.
1. Interest and Discount	30,15,462 5 9
2. Commission, Exchange and Brokerage	24,77,553 13 7
3. Rents	Nil
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	713 0 0
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. Other Receipts	80,589 4 4
8. Loss	Nil
Total .. Rs.	55,74,318 7 8

I, C. A. Dunham, having been appointed by the Comptroller of the Currency, and, therefore, being qualified under the Federal Reserve Act of the United States of America to examine and audit National Banks and their foreign branches, hereby certify that I have verified the attached statements to my satisfaction.

(Sd.) C. A. DUNHAM, National Bank Examiner.

(Sd.) J. K. COWAN, Sub-Accountant.

(Sd.) W. L. BULKELEY, Manager.

February 28, 1956.

Statement of Condition of The First National City Bank of New York.

ASSETS	Dec. 31, 1955	Dec. 31, 1954*
	$	$
Cash, Gold and Due from Banks	1,616,567,604	1,311,011,804
United States Government Obligations	1,310,312,958	1,843,996,322
Obligations of Other Federal Agencies	44,951,008	35,464,846
State and Municipal Securities	541,346,409	596,233,109
Other Securities	30,218,301	60,581,082
Loans and Discounts	42,126,245	43,819,480
Real Estate Loans and Securities	15,000,000	15,000,000
Customers' Liability for Acceptances	7,000,000	7,000,000
Stock in Federal Reserve Bank	35,961,202	27,177,771
Ownership of International Banking Corporation	11,003,921	32,100,739
Bank Premises	4,837,052	3,625,188
Items in transit with Branches		
Other Assets		
Total .. $	7,001,296,521	6,323,104,786

LIABILITIES	Dec. 31, 1955	Dec. 31, 1954*
	$	$
Deposits	6,306,788,237	5,639,188,380
Liability on Acceptances and Bills (Own Acceptances in Portfolio Deducted: 1955—$18,354,147; 1954—$22,344,569)	45,121,014	46,348,564
Due to Foreign Central Banks (in Foreign Currencies)	21,909,500	18,492,300
Reserves for— Unearned Discount and Other Unearned Income	25,231,364	22,472,680
Payments under Agreement of Merger dated March 1, 1955	216,700	
Interest, Taxes, Other Accrued Expenses, etc.	34,027,327	38,440,249
Dividend	6,000,000	5,500,000
Capital (10,000,000 shares—$20 Par)	200,000,000	200,000,000
Surplus	300,000,000	300,000,000
Undivided Profits	60,006,869	52,662,613
Total .. $	7,001,296,521	6,323,104,786

Figures of Overseas Branches are as of December 23.

For 1955, $454,849,290 ($400,361,995 in 1954) of United States Government Obligations and $22,571,200 ($19,083,200 in 1954) of other assets are pledged to secure Public and Trust Deposits and for other purposes Required or permitted by law.

Member, Federal Deposit Insurance Corporation.

* The National City Bank of New York.

POWER SUPPLY IN E.C.A.F.E. REGION

PROSPECTS FOR ATOMIC ENERGY DEVELOPMENT

THE E.C.A.F.E. Sub-committee on Electric Power, a reference to which was made in these columns last week, concluded its six-day deliberations in Bangalore on the 12th inst. Full details about the deliberations are not yet available. It would, however, appear from Press reports that the possibility of producing electricity from atomic energy figured prominently in the discussions. The United States offered 20,000 kg. of nuclear fuel to Asian countries wanting to develop atomic energy for peaceful purposes. While Russia made a statement amounting to an offer of general assistance and co-operation to Asian countries, in regard to atomic research, the U.K. is reported to have said that, at least, in the next five years, it would not be able to spare any atomic fuel.

It was pointed out at the Conference that nuclear electric power generating stations were being either designed or under construction in the U.K., the Soviet Union and the U.S. It was, however, considered that it would take at least another 10 to 15 years, before production of electricity from atomic energy could become economically competitive with other conventional fuels. Formosa (Taiwan), India, Pakistan and the Philippines reported that they were either installing nuclear reactors or negotiating for their construction.

Mr. A. F. Maddocks of the United Kingdom observed that there was little scope for hydroelectric development in his country. Hence, the United Kingdom had decided to embark upon an ambitious programme of electricity generation through atomic energy. An atomic energy station was nearing completion at Calder Hall in north England and this station was expected to supply power towards the end of the current year. This was to be followed by the construction of 12 stations in the next 10 years, using atomic energy for the supply of electricity to the national grid. Further, Mr. Maddocks stated that the U.K. would be glad to share the experience gained in the setting up of atomic energy stations with the countries of the E.C.A.F.E. region.

The United States delegate, Mr. F. S. Nevile, said that, in his country, seven power stations were under construction with a total of 750,000 kw. and among them was a reactor plant of 100,000 kw. capacity being designed. At the moment, his country had an installed capacity of 115 million kw. power and that by 1975, the estimated requirements would be between 360 and 420 million kw. It was hoped that, by then, 40 to 50 million kw. would be developed from atomic energy.

Mr. E. G. Mackie, the Indian delegate, said that the hydro-electric potential of India was estimated at between 35 and 40 million kw. The coal reserves were put at about 21,780 million tons of steam and coking coal and at about 39,650 million tons of non-coking coal. In addition, it was estimated that there was a reserve of about 2,000 million tons of lignite in the south. From this, it was seen that India "will not be short of power potential for many years to come."

Proceeding, Mr. Mackie said that the probable cost of power generation from nuclear energy had been placed at about 0.5 anna per unit for a station of 50,000 kw. or above. At present, the cost of generation at thermal stations, based on coal, in India was from 0.34 anna to 0.55 anna per kw., depending on the distance from the coal-producing areas. That of course was for stations of about 50,000 kw. capacity and above and the cost was as high as 1.2 annas per unit for smaller thermal stations. In certain circumstances, the installation of atomic power stations generating electricity could compete with power stations using coal, especially if the burden placed on an already overloaded railway system by the additional burden of hauling coal was taken into account. Surveys should, therefore, be undertaken and special cases examined.

The delegate from Japan speaking on the subject claimed that the theory of neutron was first introduced to the world by a Japanese, Yikawa. The results of the uses of atomic power should be open to the public and contribute to international co-operation. The Japanese Government he added, was at present selecting a suitable site for a reactor research laboratory. The reactor was to be imported from the United States and this was expected to be installed in 1957. The application of radio-isotopes for agricultural and medical purposes was also being actively pursued in Japan. The use of radio-isotopes for industrial purposes had rapidly advanced. In conclusion, the Japanese delegate said that his country's coal reserves were falling and the prices of coal rising continuously. As a result, the cost of electricity was going high and it was vital to the economy of Japan that the country should develop electric power from atomic energy within the next 10 years.

The Philippines delegate complained that the cost of nuclear fuel was very prohibitive and small countries like the Philippines could not afford the huge cost involved.

Mr. Mansur Ahmed of Pakistan said that his country was greatly interested in the development of atomic energy for electric power generation. The coal deposits in West Pakistan were of an inferior quality and were also limited in quantity. In East Pakistan, there was no coal.

The Conference devoted a good deal of attention to the problem of rural electrification. Speaking of the importance of rural electrification, Mr. S. S. Kumar, the Indian delegate, stated that the Government of India had on hand the preparation of a 20-year plan for rural electrification. With a view to effecting economies in rural electrification projects, the Government of India, through the Central Water and Power Commission, had been evolving a variety of economical designs which should be adopted for different parts of the country. The chief difficulty in accelerating the rural electrification programme in India recently had been the lack of adequate line materials—particularly supports and conductors. In spite of the attempts to arrange for the purchase of steel sections or second-hand rails and even wooden poles from outside the country, there had not been much success to meet the growing demands. In regard to conductors, India depended upon imported copper and aluminium ingots. A certain amount of rolling was being done here. Due to international shortage of these metals, the supply position was not as easy as it should be. Mr. Kumar urged also the need for investigation immediately into small power sites. He said that there were a number of localities in hilly areas where electricity generating sets could be established economically. He urged investigation into possibilities of utilisation of hilly streams for power generation.

Certain other important aspects that were discussed at the Conference were standards for electric plant and equipment and standardisation of system practices. Presenting a paper on these aspects, prepared by the E.C.A.F.E. Secretariat, Mr. Kulkarni of the Secretariat observed that standardisation helped simplify the manufacture of equipment. There were standard specifications of the International Electro-Technical Commission, but variations in climate presented problems. The Secretariat recommended that the countries of the region should, in establishing standards, take note of the recommendations of the appropriate international organisations, such as the I.S.O. and the I.E.C. and the standards established in other countries.

Mr. V. P. Appadurai (India), stressing the importance of standardisation of power system voltages and frequencies as the starting point for any electrical standardisation programmes, referred to the work of the Indian Standards Institution, which aimed at assisting the rationalisation of industry by co-ordinating the efforts of producers and consumers for the improvement of appliances, processes of manufacture, raw materials, etc., in India, especially in respect of ambient temperature. Continuing, Mr. Appadurai pointed out that standardisation would be stretched to cover layouts for power stations, sub-stations, fabrication of structures, etc., so that drawing work and fabrication of structures and equipment might be undertaken without much waste of time, when once the essential requirements were decided upon.

LIGHTHOUSE DEVELOPMENT SCHEMES

Schemes estimated to cost about Rs. 1 crore for lighthouse development and navigational aids were approved by the Central Lighthouses Advisory Committee, which met recently at New Delhi. Mr. N. M. Ayyar, Secretary, Union Ministry of Transport, presided. It was disclosed at the conference that the Union Lighthouse Department would be taking over the lighthouse on Minicoy island on or about 1st April 1956. It will be recalled that, seven years ago, the Committee had approved the proposal for the transfer of the lighthouse on Minicoy island from the U.K. Government to the Government of India. Negotiations with the U.K. Government for the actual transfer and subsequent arrangements for collection of light dues and transfer of assets were protracted. It has now been finally agreed that the U.K. Government would transfer the lighthouse to the Government of India. The Union Lighthouse Department is making arrangements for manning the lighthouse with Indian personnel from the date of taking over.

It was revealed also at the conference that the U.K. Government had agreed to give to the Government of India a proportionate share from the general reserve fund maintained by the U.K. Government on account of Minicoy island lighthouse and similar lights, and to continue collecting light dues in the U.K. on behalf of the Government of India. The Government of India would, however, be required to negotiate separate deeds with other countries, such as Ceylon and Pakistan, for collection of special Minicoy island lighthouse dues from ships visiting those countries.

The Committee approved a few schemes for development of lighthouses. They are: Decca navigator chains on the east and west coast of India (Rs. 80 lakhs); installation of a light near Samiyani island (Rs. 25,000); improvement of Samiyani lighthouse—purchase and installation of new optical equipment (Rs. 50,000); installation of a light and bell buoy off Veraval (Rs. 3,35,500); purchase of a tender for Khanderi island beacon and buoyed channel in Bombay harbour (Rs. 5 lakhs); replacement of the motor launch *Jambujay* by a new launch (Rs. 50,000); and six wreck-marking buoys for Indian waters (Rs. 9 lakhs).

The services of Mr. Dyminski and Mr. H. V. Hansen have been obtained from France and Denmark, respectively, under the auspices of the United Nations Technical Assistance Board, to assist the Union Lighthouse Department in the installation of costly and complicated equipment with which the new lighthouses have to be equipped. Besides functioning as technicians for the installation, testing and working of various complete units, optical equipment, fog signalling apparatus, their services will be utilised for training technical personnel of the Lighthouse Department who could ultimately take over charge of such installations and carry out the work.

Considering the isolated nature of lighthouses and arduous conditions of service, it is felt that the extra expenditure of approximately Rs. 6,300 per year involved in granting additional allowances now proposed for the lower paid staff is not excessive. At present, the total expenditure involved in continuing existing allowances is Rs. 3,000 per year. About 54 members of the staff will be benefited by the extra allowances now proposed.

WORLD SMELTER PRODUCTION OF COPPER

Despite a series of major strikes in the three largest producing countries in 1955, world smelter output of primary copper increased substantially above the previous record of 1954. According to the British Bureau of Non-Ferrous Metal Statistics, world production rose by 9 per cent. to 2,969,000 long tons, as compared with 2,720,000 tons in the previous year. This includes an estimated production of 355,000 tons in the U.S.S.R. Eastern Germany and other Soviet-controlled territories. Production in the rest of the world aggregated 2,614,000 tons, as compared with 2,371,000 tons in 1954.

With the exception of Northern Rhodesia, the smelter output of copper increased in most of the leading producing countries. In the U.S., which accounted for one-third of the world's total, the output rose by 17 per cent. to 988,000 tons, after having fallen substantially in 1954. Approximately 90 per cent. of this was smelted from domestic ores, the remainder being obtained from imported ores and concentrates.

There was a marked increase in production in Chile during 1955 and provisional statistics indicate an output of approximately 409,000 tons, making it once again the second largest producing country in the world. In recent years, the output had gradually fallen to approximately 350,000 tons per annum. In Northern Rhodesia, production fell by 30,000 tons to 316,000 tons, but, in Canada and the Belgian Congo, there were increases of 25,000 tons and 9,000 tons, respectively.

These five countries account for nearly 85 per cent. of world production excluding the Soviet sphere. A summary of world production in the last three years is given in the following table:

(In thousands of long tons)

	1953	1954	1955
U.S.	935	845	988
Chile	332	334	409
N. Rhodesia ...	340	346	316
Canada	192	234	259
Belgian Congo	206	216	225
Japan	63	68	79
Soviet Sphere ...	331	349	353
Other countries	315	328	338
Total ...	2,714	2,720	2,969

The figures cover total smelter production of primary copper in the form of blister and anodes, and do not include the considerable quantities of secondary copper recovered by refineries.

NEW PRODUCTS AND PROCESSES

A.C. Current in Aircraft

THE growing use of alternating electric current power supplies in certain types of aircraft is creating new problems for the manufacturers of aircraft instruments and special recording equipment. For example, operate on direct current power supplies of the order of 26 volts, whereas many new aircraft electric power systems are three-phase systems operating at from 200 to 400 volts. Yet, little space and weight is available for converting the alternating current into direct current. A number of systems for converting the alternating current into direct current have now been developed.

One miniature conversion system for overcoming this difficulty which has been developed by the U.S. Consolidated Electrodynamics Corporation occupies a total volume of only 4¼ inches by 5 inches by 7⅓ inches and weighs 13 lbs. The system is said to have functioned efficiently in experimental trials at altitudes up to 50,000 feet in a relative humidity of 95 per cent. It can withstand temperatures ranging from *minus* 65 degrees Centigrade to *plus* 150 degrees Centigrade.

Protecting Buildings

A material, which consists of carefully selected, graded and mixed minerals, cements and other components, has been developed in Norway. The compound, which can be applied to concrete, brickwork and other surfaces, including timber (with the aid of an independent wiring key for rendering) is available in Britain through Kendell's Stone and Paving Company. It can also be used to face precast concrete and to clad concrete slabs, moulded work and structural units. The compound is said to have high resistance to the passage of water, due to the fact that the aggregates in the material are themselves impervious to water, while the matrix contains water-proofing adhesives. The compacting of the material during its application is said to remove air-voids, surplus water and any excess of the fine aggregates present on the surface, which would otherwise weaken rendering. Rendering produced with the material is dense, but is at the same time resistant to shrinkage, cracking and crazing. The compound is being manufactured in 12 standard colours in the U.K., but can be made in other colours if required.

Insecticides Against Fruit Fly

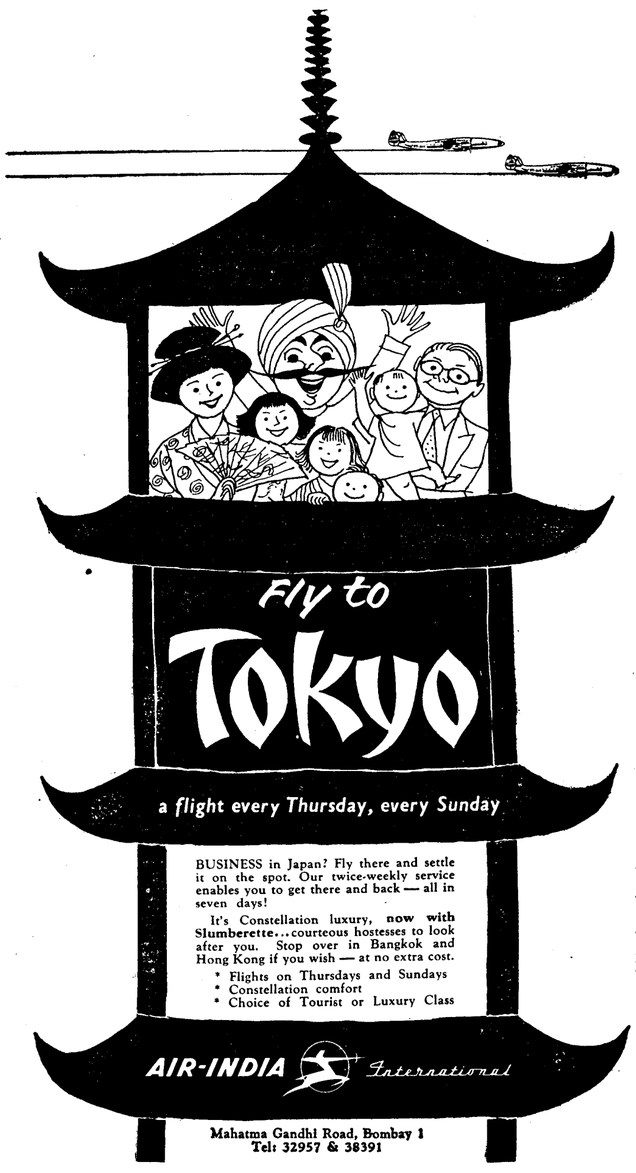
Danger of invasion of United States orchards by the Mexican fruit fly and resulting destruction of fruit is being lessened by the use of insect-attracting insecticides, according to the U.S. Department of Agriculture. The new baited insecticides, already proved effective against all kinds of fruit flies in the Hawaiian Islands, have been put to use against the Mexican fruit fly along the Mexico-California border in south-western United States. If the Mediterranean fruit fly, which appeared in Costa Rica last spring, should succeed in invading the United States again, the U.S. experts in charge of the programme expect these new insecticides to control the pest. The bait, the fruit flies find so attractive, is made from yeast partly or wholly decomposed (hydrolysed) with water or enzymes. The protein bait thus obtained is mixed with the insecticides, malathion or parathion and sprayed on plants. The fruit flies, attracted by the bait, actually fly to where the insecticide is to eat it, which means that the poison kills the maximum number.

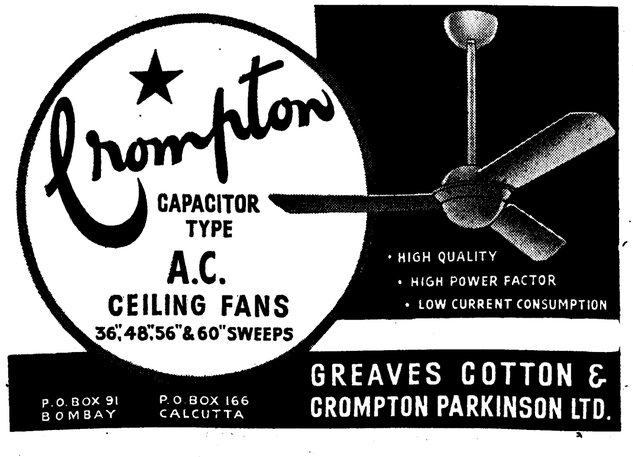
New Fertiliser

A new firm has been formed in Britain to market an entirely new type of fertiliser, which has been under test for some years. It incorporates a method of embedding the fertiliser chemicals in a special carrier material which replaces the essential trace elements in the soil. A majority of these trace elements—so called because they are found in plants only in minute quantities—are normally converted into compounds unavailable in plants growing in soil which has a certain degree of alkalinity. In order to counteract this difficulty, the carrier metal in which the new fertiliser is embedded, is rendered sufficiently acid to act as a buffer against alkalinity and so prevent "locking up" of the essential chemicals. Trials of the fertilizer are being undertaken by growers both in Britain and abroad, including Kenya, Malaya, and the Federation of Rhodesia and Nyasaland.

Bricks can now be made from Rice Hulls

A use for rice hulls, ordinarily discarded as waste, has been discovered by scientists at Louisiana State University in southern United States. From the ashes of the burnt hulls, they have developed a light-weight, low-cost brick that is especially valuable for farm buildings. When burned, the rice hulls undergo a chemical change, turning into a mineral ash which is 94.5 per cent. silica. The ash flakes are porous and contain numerous non-connecting cells, which give the bricks good insulating ability. When the bricks are made, equal quantities of ash and soil are mixed with some emulsified asphalt. Enough water is added to the mixture to make a plastic mass, of mortar-like consistency. This mass is poured into forms and the bricks are dried in the shade for about a week before being put out in the sun for curing. The bricks were subjected to rigorous tests for weather resistance. Water sprayed through a needle spray for 144 hours had no effect on their surface and they passed successfully through 20 alternate freezing and rapid thawing tests and resisted water soaking.





INVESTMENT OF INSURANCE FUNDS

NEED FOR MAINTAINING EXISTING PATTERN

NOW that life insurance business has passed under the control of the Government, many of the borrowers in the private sector who formerly depended on insurance companies for their needs, will naturally expect the Insurance Corporation to continue to aid them. Such borrowers have no doubt felt encouraged by the assurance given by the Union Finance Minister, Mr. C. D. Deshmukh, in the course of his broadcast speech on the 19th January 1956, that "as much money as is today made available for investment in the private sector will continue to be so made available." The Minister, it may be recalled, reiterated this assurance in the Lok Sabha when he recently piloted the Bill seeking to replace the Ordnance nationalising life insurance.

The Life Insurance Corporation Bill seeks to transfer to or vest in, the Corporation all the assets and liabilities pertaining to the controlled business of insurance companies. Also, the Bill authorises, *inter alia*, the proposed Life Insurance Corporation to invest its funds in such a manner as it may deem fit, subject to such rules as may be be made by the Government in this respect and to advance or lend money upon the security of any movable or immovable properties. Obviously, it will take some time before the rules are finalised. But in framing the rules, the Government, it is to be hoped, will ensure that the Corporation observes the Finance Minister's assurance to the private sector. In this connection, the Committee of the Bengal National Chamber of Commerce, in the course of its communication to the Government of India on the Life Insurance Corporation Bill, has made some suggestions which deserve the attention of the Government.

Large Assets

The Committee points out that a sizable proportion of the funds of insurance companies has always been invested in shares and debentures of Indian industrial concerns, the amount of such investments by Indian life insurance companies alone being more than Rs. 48 crores at the end of 1954, forming 16.1 per cent. of their total assets. While no separate figures of such investments of the life funds of non-Indian insurers are available, it is probable that these figures will run to a few crores of rupees. Indian industries have thus obtained valuable assistance from insurance companies and it is of the utmost importance that this important source of funds should not be closed to them in future and that the life insurance funds should continue to be invested in their shares and debentures at least in the same proportion as in the past. The Committee has also invited the attention of the Government to the substantial services rendered by insurance companies to the middle class people in urban areas in the form of loans and advances against immovable properties, thus helping them to acquire lands and construct buildings thereon. It would appear that about 10 per cent. of the funds of insurance companies had been invested in immovable properties at the end of 1954. It is eminently desirable, according to the Committee, that this form of investment also should continue to be encouraged in the future.

While, however, for reasons mentioned above, the Committee welcomes the provisions of section 6 of the Bill, and while it hopes that there will be no material change in the pattern of investment, it expresses the view that there should be adequate control over such investments. It has noted that the Government has reserved to itself the power to make rules regulating the manner in which, and the conditions subject to which, investments may be made by the Life Insurance Corporation.

The Committee further emphasises that the various industries which have already taken financial assistance from the life insurance companies and which will continue to depend in future on life insurance funds for additional finance, should, as far as possible, subject to the general form of control envisaged in the draft outline of the second Five-year Plan, retain their independence in the matter of running their business. It appears that this objective has been taken due note of by the Government inasmuch as the Government has not thought it necessary to exercise special control over the industries which would depend on life insurance funds, but has instead vested the control of this fund in the Life Insurance Corporation, subject to the rules which may be framed by it in this regard. The Committee is, however, of the opinion that the investment of such large funds should be entrusted to the Reserve Bank of India, instead of to the Life Insurance Corporation, in view of the very extensive experience which the Reserve Bank has in the matter of investment. This would, according to the Committee, help ensure unified control over the capital market by the Reserve Bank if, in addition to its normal functions, the Bank is placed in charge of the investment of such large funds as are now proposed to be transferred to the Life Insurance Corporation.

As regards compensation payable to the shareholders of insurance companies, the Committee is of the opinion that the surplus disclosed at the latest actuarial valuation of the companies, should be taken into account; the Bill provides for taking into account the average of the surpluses disclosed at the last two valuations, prior to 1st January 1955. The Committee argues that it is the latest actuarial valuation of insurance companies that provides the barometer for a proper and correct commercial valuation of shares of insurance companies. If any pre-latest valuation period is brought into the picture, with any idea of striking an average, it would obviously involve a deviation from the correct assessment of the compensation payable. Mixing up the question of compensation with any previous valuation, made several years ago, in a different set of conditions, would, therefore, be not only unrealistic but also unscientific. The Committee would, therefore, strongly urge that the latest valuation alone should be accepted as the basis for determining the compensation.

Share of Surplus

Further, the Committee refers to the provision made in the Bill that the share of the surplus to be capitalised shall not be more than 5 per cent. in the case of companies that have actually appropriated 5 per cent. or more of the surplus within the permissible limit of 7½ per cent. to shareholders' account and that it should not be less than 3 per cent. of the surplus in case of other companies even if they happen to have appropriated less than 3 per cent. This provision, according to the Committee, would involve discrimination and would be positively unfair to many companies. It points out that there are many insurance companies which had, in the past, appropriated less than 5 per cent. despite the higher statutory permissible limit, evidently in the interest of policyholders and/or for the purpose of strengthening the reserves. The shareholders of such companies would find themselves "most undeservedly punished" if, for their liberal self-denial in the past for promoting the interest of the company, they are given less compensation than the shareholders of those companies which had appropriated 5 per cent. or more. The Committee is, therefore, strongly of opinion that there should be no discrimination whatsoever on this score. It has, therefore, suggested that any compensation payable to shareholders should be on a flat rate basis of at least 5 per cent. as the maximum contemplated in the Bill, if the Government cannot be prevailed upon to increase the flat rate to the permissible statutory limit of 7½ per cent. A flat rate of 5 per cent., it is stated, would be a fair practical proposition, though even this could not be an ideal one inasmuch as the shareholders of the companies which have appropriated more than 5 per cent. would still be found to have obtained a differential advantage in the past for having appropriated more than 5 per cent.

Finally, the Committee presumes that the compensation will be paid to the companies concerned, and not to the shareholders individually. It is of opinion that it should be open to individual companies, after receipt of compensation, to decide whether they would wind-up themselves or would continue to function, with the approval of the shareholders and the consent of the Government, in any other direction. "It is almost impossible," says the Committee, "to raise resources for a joint-stock company of small size today, and the small capital that each company may have should not be frittered away by distribution but, as far as possible, should be canalised for other economic purposes." In this connection, it recalls that a similar procedure was followed in the case of the airway companies at the time of the nationalisation of the airway services.

INSURANCE BILL

The old and now familiar charges which the Government spokesmen have been wont to level against private insurers were again made, last week, by Mr. M. C. Shah, Minister for Revenue and Civil Expenditure, in the Rajya Sabha where he piloted the Life Insurance (Emergency Provisions) Bill, adopted already by the Lok Sabha. The Bill, which was passed by the Rajya Sabha, received the general support of the members. But there were some members who took exception to the fact that the Government issued an ordinance in order to nationalise the industry. A few members pointed out that the malpractices of the insurers had been exaggerated. The opinion was expressed that there should be a certain element of competition in the field of insurance, and that co-operative insurance should have been excluded from the scope of nationalisation.

Moving the Bill, Mr. Shah said that the Ordinance served to prevent the irresponsible section of insurance companies from acting against the interests of policyholders in the intervening period between the time of the Government's decision to nationalise insurance and that of actual nationalisation. Explaining why nationalisation of life insurance was necessary, Mr. Shah said that, apart from the "malpractices" of certain companies, instances of which he could 'multiply," the management expenses were extravagant. The premium rates in India were about the highest in any advanced country even allowing for the high rate of mortality. The interests of policyholders were no paramount consideration to the companies. Nor could they lay claim that the services rendered by them were good by any standards.

The Government, Mr. Shah said, had received numerous complaints from policyholders alleging delay in the settlement of claims. The number of such complaints in 1954 was over 1,000. He described as "hollow" the claims made by insurance companies about their record in popularising life insurance among the public. In other advanced countries, insurance companies had played a vital part in mobilising savings of persons of low economic means through industrial assurance schemes. In India, this kind of business had not even been attempted. Many provident fund societies which transacted business among the poorer classes were small insurers, small in size but "big in malpractices"; even in the case of ordinary life insurance, the record in India compared "very unfavourably" with that of other countries. "We are as far away as ever," said Mr. Shah, "in attaining standards associated with the name of insurance in countries like the U.K." The insurance managements, he said, had failed to look upon their task as an opportunity to serve policyholders. He added that there had been no dislocation in the normal functioning of the insurance companies as a result of the Government's action. He was glad to report to the House that business was "now better than before."

Dr. H. N. Kunzru asked if the issue of the Ordinance to nationalise life insurance was really necessary when Parliament was to meet hardly a month later. During the last six years, nearly 77 ordinances had been issued, about an ordinance a month. When the power to promulgate ordinances

(*Continued on page 585*)

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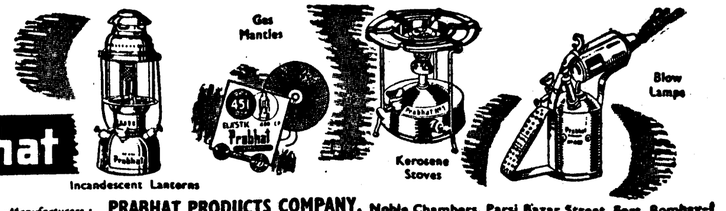

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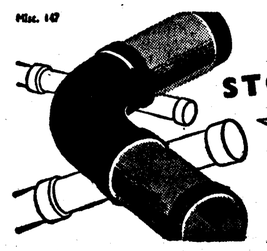

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ANNUAL MEETING OF KOHINOOR MILLS COMPANY, LIMITED

MR. E. D. SHEPPARD DEPLORES PENAL TAX ON DIVIDENDS

SELLING AGENTS AGREE TO TAKE 25 PER CENT. LESS COMMISSION

ADDRESSING the Annual General Meeting of the Kohinoor Mills Company, Ltd., held in Bombay on Monday, 19th March 1956, the Chairman of the Company, Mr. E. D. Sheppard, reviewed briefly the recent political and economic developments. Referring to the budget proposal for taxing dividends in excess of 6 per cent., he averred that it would operate "most unfairly" against companies which had prudently accumulated substantial reserves from the taxed profits of past years. Incidentally, he deplored that the "six per cent. mentality" still persisted in New Delhi.

The following are extracts from Mr. Sheppard's speech:

"GENTLEMEN,

"I am happy to address you again at the close of another year of your Company's working. The year has been an eventful one and I would like to mention to you some of the more important events.

"First of all, it is gratifying that there have been no major flare-ups in international affairs. Peace has been maintained throughout the year with the exception of an occasional foray in China, and periodic skirmishes on the Israel-Arab State borders. As far as the latter is concerned, although the fighting has been confined, the atmosphere in the Middle East has in recent months become explosive and might, if it is not brought under control, lead at some future date to a conflagration which might engulf the whole world. The United Nations are sparing no effort to bring about a peaceful solution of the problems that confront the differing parties. India, as usual, is in the forefront.

"One feature which is most encouraging is the increasing number of visits that are being paid by the Heads of all countries to others. Here in India, during the course of the year, we had visits from Marshal Tito of Yugoslavia, the Egyptian Prime Minister, the Head of the People's Government of China, Marshal Bulganin and Mr. Krushchev from Russia, H. M. King Saud of Saudi Arabia, and since the beginning of the year, Their Majesties the Shah and Queen of Iran. Before long, we hope we may have with us the President of the United States. Our Prime Minister has himself paid visits to China, Egypt, Russia, Poland, Great Britain and Yugoslavia, and has been invited to go to the United States as the guest of President Eisenhower. In my opinion, there is nothing which can be more conducive to bringing about peace and harmony in the world than such visits of leaders of nations to each other, during which they can see for themselves and understand the problems which confront each one of them and which, to some exent govern the policy that they follow in international affairs. As in the affairs of individuals so with nations, a sympathetic understanding is an essential for the fulfilment of our aspirations for world peace and the advancement of humanity.

"Very serious efforts are also being made by all the major powers to bring about the limitation of armaments and the complete banning of atomic and other weapons which, if ever utilised again, can only mean the complete destruction of man.

"It is most unfortunate that it has not yet been possible for us to arrive at an understanding on outstanding differences with our closest neighbour—Pakistan. Let us hope that this will be brought about in the near future.

"The power position, so far as we are concerned, continued to be satisfactory during the year. Tatas' thermal station should be in operation about the end of this year and then there should be no danger of a further shortage of power—at any rate, for two or three years, or even for considerably longer, if the Koyna Dam scheme is completed according to schedule. The second Five-year Plan has now been formulated and, although very much larger than the first in its scope, it is to be hoped that it will be as successful as its predecessor. It is unfortunate that the sponsors of the Plan have 'frozen' the mill industry at its present capacity and have decided to rely on the cottage and handloom industries to produce the additional cloth which the country will require. I feel that they could, without in any way prejudicing the position of the latter, have permitted reasonable expansion in your industry to enable it to supply the potential demand for mill-made textiles in India and, at the same time, retain its markets overseas.

"The mill industry has had a reasonably good year. The demand for cloth has been steady throughout the year. Earlier in the year, prices of cloth, though steady, were not quite at the levels they should have reached to permit of a reasonable profit, but as the year progressed they improved somewhat. Yarn prices, I am sorry to say, remained very low throughout the year making this part of your Mill's' business much less remunerative. This is the reason why your Mills have not shown the improvement in the profits one would have expected because of the good offtake and higher prices of cloth. It must be borne in mind always that, although your Mill has 1,20,000 spindles, half this number is working continuously on the making of yarns and sewing threads for which a special plant has been installed. In view of this 'dual personality' of your Mill, there may be times when, as compared to balanced spinning and weaving mills the profits may not seem very large, but there have been times in the past and they will surely come again in the future when with a rise in the prices of yarn and sewing threads your Mill will be in a position to show better progress than others.

"The Budget proposals as announced on the 29th of last month provide for the enhancement of the excise duty by 6 pies per square yard on all categories of cloth. This will mean that your Company will have to pay Rs. 9 lakhs more to Government under this head. It remains to be seen how much of this it will be possible to pass on to the consumer. The proposed penal tax on dividends declared at a rate of more than 6 per cent. on the paid-up capital will cost your Company Rs. 2 lakhs per annum if it reaches the Statute Book in its present form—assuming that the present rate of dividend distribution remains unaltered. This proposed tax operates most unfairly against companies such as yours which have prudently accumulated substantial reserves from the taxed profits of past years. Just as disturbing, to my mind, as the actual tax itself is the manifestation of the fact that the '6 per cent. mentality' persists in New Delhi. In conditions as they exist today—for example, the Bank rate in the U.K. is now 5½ per cent.—it does not seem reasonable that risk capital should only be allowed a return of 6 per cent. without a heavy penal tax, and particularly at a time when it is hoped to attract such capital to enter this country.

"As regards the Government's policy on personal taxation, I gave you my views on this last year and also reviewed the matter at some length in my address to the shareholders of your agency company. I do not propose to indulge in repetition and would only say that my views are unchanged. There is a saying in England that 'all work and no play makes Jack a dull boy.' It remains to be seen what effect the Government's present policy of 'all work and no pay' will have in this country.

"Trading in Indian cotton remained free of all restrictions during the whole year as, on account of ample availability, there was no reason for Government to reimpose the quota system. Prices of cotton remained steady throughout the year but weakened with the approach of the new season because of reports that the crop would be 55 lakhs of bales. This position was, however, short-lived as unseasonal rains caused damage to several of the growths and prices started to rise. Towards the close of the year there had been a very large appreciation and the forward market which had been moving around the Rs. 600-mark went up to Rs. 740. At this point, the Government decided to step in and take a hand. The contract was frozen at Rs. 700 and futures trading came to a stop. However, in the spot market prices continued to rise and some of the growths very nearly reached the ceilings fixed by Government. The position remains the same to the present time and it would seem that because of the statistical position there is little chance of any appreciable recession.

"Foreign cotton prices remained reasonably steady for most of the year but during the last quarter there was a definite upward tendency. Alexandria particularly recorded a steep rise. African and American growths remained fairly steady, but because of a recent announcement by America of the impending release of further large quantities of loan cotton, at competitive prices, these have tended to weaken.

"I will now turn to the report and accounts. The amount of Rs. 8.50 lakhs provided for taxation is made up of Rs. 5.01 lakhs for income-tax, Rs. 2.97 lakhs for corporation tax and Rs. 0.52 lakh extra for contingencies.

"To meet the statutory depreciation of Rs. 17,62,477 and to set off the initial depreciation of Rs. 3,70,175 allowed in previous years, your Directors have set aside a sum of Rs. 6.33 lakhs from the profits of the year and have appropriated a sum of Rs. 15 lakhs from the machinery reserve account. A sum of Rs. 3 lakhs has been appropriated from the profits of the year to the development reserve, being the amount of benefit derived from the development rebate. A sum of Rs. 1.50 lakhs has been put to the employees' pension and gratuity fund, bringing this to Rs. 12.50 lakhs which represents a full provision for present liabilities under this head.

"In view of the Millowners' Association's bonus pact with the Rashtriya Mill Mazdoor Sangh on the lines of the Ahmedabad Millowners' Association's agreement, it is calculated that your Company will be required to pay three months' basic pay as bonus for all the three years 1953, 1954 and 1955. It became, therefore, necessary to provide in the accounts of the year 1955, Rs. 4.43 lakhs in respect of 1954 in addition to Rs. 16.57 lakhs for the current year.

"The insurance value of your Mills' property and stocks on the basis of their reinstatement value now stands at Rs. 10.51 crores which is higher by Rs. 36 lakhs. This is due to an increase in machinery valuation by about Rs. 25 lakhs and to higher stocks of cotton.

"The balance-sheet figures show that your Company continues to be in a strong position as the current assets at Rs. 2.83 crores exceed the current liabilities and provisions by Rs. 1.45 crores. Secured loan of Rs. 38.64 lakhs is lower by Rs. 2.52 lakhs. The liability for expenses is down by Rs. 6.63 lakhs as no provision for arrears of D.A. was necessary this year. The liability for other finance is up by Rs. 11.27 lakhs due to the carry-over to the current year of the bonus unpaid for the previous year.

"On the assets side of the balance-sheet, the value of stocks of cotton and staple fibre is higher by Rs. 15.66 lakhs mainly due to the increase in the stock of cotton. Art silk and other yarns are up by Rs. 2.40 lakhs due to increase in the stock of art silk yarn. The stock of cloth, yarn and waste is lower by Rs. 3.66 lakhs due to good deliveries during the concluding period of the year. The stocks of stores, fuel and grain are lower by Rs. 2.36 lakhs. Book debts at Rs. 3.88 lakhs are up by Rs. 2.46 lakhs due to bills for cloth, yarn and cotton being outstanding at the close of the year. Advances at Rs. 10.27 lakhs are lower by Rs. 10.66 lakhs mainly due to cotton advances being down. Taxation under advances is down by Rs. 1.39 lakhs due to adjustments in the advance tax payments.

"Now I will give you some salient features of the profit and loss account.

"Cotton and fibre consumption is down by Rs. 13.37 lakhs due to the consumption of a larger proportion of cheaper cotton. Muccadumage is up by Rs. 0.80 lakh due to the increase in the muccadumage rate and also in the quantity of cotton received. Yarn and cloth commissions are slightly down due to the lower yarn and cloth values. The stores consumption, etc. is practically the same. Electric power is higher by Rs. 0.32 lakh due to increased consumption of energy. Salaries and wages are up by Rs. 9.99 lakhs due to the adjustment in the quantum of bonus as already explained. Dearness allowance is down by Rs. 11.89 lakhs compared to the previous year when Rs. 13.98 lakhs including arrears were paid according to a Court award. Rents and taxes are up by Rs. 0.47 lakh due to the increase in water rate by 2 annas per 1,000 gallons. Although stocks were higher, insurance is down on balance by Rs. 1.18 lakhs as the Company's contribution to the Employees' State Insurance amounting to Rs. 1.89 lakhs has been debited to salaries and wages this year as this item has been considered as a part of wages being the compulsory contribution to the Government Fund. Interest is higher by Rs. 0.68 lakh due to larger purchases of cotton. General charges are up by Rs. 0.58 lakh on account of the Indian Industries Fair, Delhi, where your Company's products were exhibited. Trade subscriptions are down by Rs. 1.98 lakhs, as a sum of Rs. 2 lakhs was paid as the Company's contribution to the Bombay Textile Research Association Fund in the previous year. Donations are up by Rs. 0.15 lakh due to a contribution to the Prime Minister's Relief Fund for flood-stricken areas in Bihar, Orissa and the Punjab.

"On the credit side of the profit and loss account, the sales of cloth, yarn and waste show a decrease of Rs. 9.89 lakhs mainly due to the production of a large proportion of the cheaper qualities. Yarn and cloth expenses are lower by Rs. 0.39 lakh in consequence. Miscellaneous receipts are up by Rs. 0.22 lakh due to a refund of excise duty.

"You will have seen from the notice that we have for confirmation by you at this meeting the renewal of the agreements of both our cloth and yarn selling agents. Messrs. V. S. Apte and Son and Messrs. Nahalchand Laloochand Ltd. have been your selling agents for 44 and 29 years respectively, and I can say without any hesitation that they have served your Company exceedingly well throughout this period. In keeping with the times they have agreed to reduce their commissions and from the 1st of April they will both be receiving about 25 per cent. less than hitherto. Our association with them has always been a very pleasant one, and I am confident that it will continue for many years to come.

"You will expect me to say something about the future. As far as your Company is concerned, it has practically completed a comprehensive programme of expansion and rehabilitation in the last ten years and a pause must now be made to consolidate the position it has attained. The outlook for cloth continues to be good and the yarn market is showing signs of improvement. We are now up to date with our bonus provision and the current year's accounts will not have to bear any additional burden in this regard, as was the case in 1954 and 1955. Further, your selling agents have agreed to a substantial reduction in their commissions. Against this, the year has got off to a bad start due to the disturbances in the city in the latter part of January, when several working days were lost and the Bombay cost of living index figure has not come down as much as was hoped. I must leave you to draw your own conclusions."

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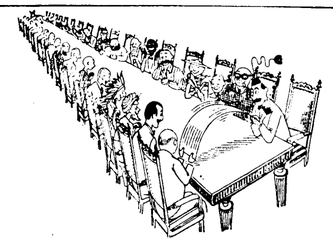

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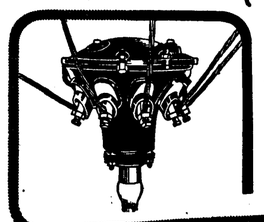

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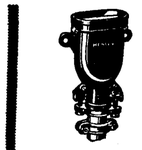

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CANARA INDUSTRIAL AND BANKING SYNDICATE LIMITED

PROGRESS WELL MAINTAINED

DR. T. M. A. PAI'S CALL FOR GREATER SAVINGS AMONG PEOPLE

THE Thirtieth Annual General Meeting of the Canara Industrial and Banking Syndicate, Limited, was held in Udipi on 12th March 1956. Addressing the shareholders on the occasion, Dr. T. M. A. Pai, Chairman of the Bank, said that with the rapid change of the society into a socialistic structure, the part to be played by an individual member of the society had become greater and no one could escape his responsibilities. He also stressed the urgent need for associating all people in the great effort of building up the country and the increasingly important part which small savings would have to play in enlarging the resources of the country.

The following is the full text of Dr. Pai's speech:

"GENTLEMEN,

"During the year 1955 your Bank not only continued to maintain the progress it had made in the previous year but was able to record high under all heads of business. The following table gives you an idea of the progress for the last three years:

	On 31st December		
	1953	1954	1955
	Rs.	Rs.	Rs.
Paid-up Capital	25,34,158	25,52,152	26,75,568
Reserves	12,10,000	13,50,000	15,00,000
	37,44,158	39,02,152	41,75,568
Deposits	4,71,50,624	5,42,36,944	6,67,03,420

"The paid-up capital of the Bank increased by Rs. 1,23,416 to Rs. 26,75,568 with advance call being paid. With the transfer of Rs. 1,50,000 from the current year's profits, the reserves of the Bank stand at Rs. 15,00,000. Deposits have shown a progressive rise from Rs. 5,42,36,944 to Rs. 6,67 03,420 at the end of the year, while the total number of depositing accounts increased from 1,38 006 to 1,51,467. The total advances of Rs. 3,93,77,834 were made to 64,418 borrowing accounts and bills discounted for financing trade and the movement of goods amounted to Rs. 1,00,97,180, while by way of loans and advances an amount of Rs. 2,92,80 654 had been made for financing trade, commerce, industry and agriculture. The year's working brought the Bank total income of Rs 38,51,487, as against Rs. 33 10,054 last year. The following figures will give you an idea of the comparative allocation of the gross income and the net profits between various items:

Gross Income	Year 1953 of Rs. 27,44,043	Year 1954 of Rs. 33,10,054	Year 1955 of Rs. 38,51,487
	Rs.	Rs.	Rs.
Interest on deposits	8,35,846 (30%)	10,20,592 (31%)	12,61,226 (33%)
Interest on bank borrowings ..	23,305 (1%)	35,586 (1%)	49,818 (1%)
Salaries and allowances	9,16,006 (33%)	10,99,433 (33%)	13,49,415 (35%)
Stationery and printing, etc. ..	78,504 (3%)	1,16,018 (4%)	1,12,280 (3%)
Rents, rates, taxes, etc.	2,13,011 (8%)	2,14,990 (6%)	1,71,982 (4%)
Other expenditure	2,76,410 (10%)	3,02,223 (9%)	3,10,275 (8%)
Net profits	4,00,961	5,21,212	5,96,491

Net profit including amount brought forward	Year 1953 of Rs. 4,07,859	Year 1954 of Rs. 5,26,536	Year 1955 of Rs. 6,04,532
	Rs.	Rs.	Rs.
Transfer to reserves	1,10,000 (27%)	1,40,000 (27%)	1,50,000 (25%)
Dividends	1,52,536 (38%)	1,53,495 (29%)	1,75,701 (29%)
Bonus to staff	40,000 (10%)	50,000 (10%)	60,000 (10%)
Income-tax reserve	1,00,000 (24%)	1,75,000 (33%)	2,00,000 (33%)
Carry forward	5,323 (1%)	8,041 (1%)	18,831 (3%)

"The country's economy has made great progress with the completion of the first Five-year Plan and sure foundations have now been laid for a greater sacrifice and greater achievement through the second Five-year Plan, bolder and bigger than the first one which envisages a total expenditure of Rs. 4,800 crores in the public sector and increases the rate of investment of national income from 7 per cent. to about 12 per cent.

Importance of Savings

"Democratic planning calls for considerable voluntary restraint on the part of the citizen and the society should not only take the responsibility for laying down the targets of its requirements but also show its willingness to shoulder the burden and sacrifice which such a great effort necessarily entails. In a country determined to stand on its own, bulk of the resources will have to be found from within and the importance of current savings, therefore, on a large-scale is obvious. With the rapid change of the society into a socialistic structure which calls for not only the reduction in the level of high incomes but that the bulk of incomes should be made available to larger and larger numbers —the field from which such savings have now to be garnered is increasingly widened. This, therefore, calls forth a greater part to be played by an individual member of the society in having his own plan to be in conformity of the country's as no one can escape his responsibilities. Great achievements are a result of great sacrifice and no one should feel that, while he welcomed the investment of such a large-scale and magnitude, he has no responsibilities to meet the necessary resources for it. Rs. 4,800 crores after all will represent the sum total of the sacrifice we shall be called upon to make in the course of five years. What's necessary to appreciate is that you cannot take away anything from this pool unless you contribute to it in a big or small way. It has to come in either by way of tax receipts or loans or as deficit financing. Deficit financing is not a magic solution. It could only be the last resort and would mean, in short, the mortgaging of the future for the sake of the present.

"The need for enrolling everyone on this great effort, therefore, is urgent and the small savings would have to play an increasingly important part not only for the resources it might place at the disposal of the country but the psychological transformation it might bring about in our people and their thinking when they realise the part they play thereby in the grand task of building up the country. Our experience in the working of the pigmy scheme whereby we have enabled even the smallest man to save even two annas a day and the working of our rural branches in places which would not be considered bank-worthy has convinced me that, given the organisation and will, the task is not difficult.

Distinction between Private and Public Sectors

"An event of considerable importance has occurred recently when the State itself has taken over the responsibility of life insurance. Whatever the magnificent job private enterprise would have made of it, insurance had touched only the fringes of our people and if it had to cover aspects of social insurance like old age, sickness and unemployment—not only for a few, but a larger and larger section of the people—only a State enterprise could do it introducing an element of compulsion if necessary. In a national endeavour, the so-called distinction between private and public sector loses much of its pitch and point. These sectors are complementary and not mutually exclusive. The goal is of raising the country and its people into economic independence and utilising the available resources to the maximum advantage. If this is realised there is greater scope for co-operation and understanding between all sectors. Profit motive, however useful it might have been for economic development at one stage, has perforce to be tempered with service motive and as I said last year, if private enterprise cannot adapt itself to these dynamic changes, it would have lost its prime virtue and will go under.

"Banks should increasingly make themselves useful not only in collecting the savings of the community but in doing that these savings are best utilised in the objective of the national plan. It is a conscious effort to be voluntarily undertaken. The Chairman of the State Bank has rightly called upon the banks to stop the deliberate competitive rises in bank deposit interest rates.

"We should appreciate, the need of the hour is to reduce the costs of our services in the face of our unavoidable mounting charges. While I welcome the increasing remittance facilities extended by the State Bank to other banks, in my opinion it should reconsider its charges and reduce them for handling collection work at its branches for other banks and transmit these benefits particularly to the public, in view of the fact that the State Bank will have special privileges in opening branches.

"I am glad the relation between the banks and the employees is improving. As I have already pointed out, increasing costs of bank operation could be set off only by increasing efficiency of bank personnel. Is it too much for the trade union movement to instil among their members responsible leadership and the necessity for proper discipline and to improve personal efficiency by proper training and vocational aptitudes? On my part, I record with pleasure the part played by our own staff in the building up of the institution by hard and unstinted work under their General Manager, Mr. T. A. Pai."

I.M.F. LOAN TO CHILE

The International Monetary Fund has granted Chile an exchange stabilisation loan of $30 million. It is reported that the Chilean authorities expect to obtain a similar amount from American sources. In order to secure the balance of $34 million needed for the exchange stabilisation fund—the I.M.F. is apparently only willing to advance $30 million—the Government may have requested an advance from the Anaconda and Kennecott copper companies against future dollar taxation. While the companies would be amply guaranteed, because taxation payments are soon due and it has been customary to make such advances for many years, the companies would be in a strong position to induce the Government to refrain from asking for any increase in the price of Chilean copper exported to the U.S. Thus 46 cents can become the stabilised maximum for an indefinite period.

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BURMA: Rangoon
CEYLON: Colombo, Kandy, Nuwara Eliya
ADEN: Camp, Aden, Steamer Point, Aden, Little Aden (Sub-Branch to Aden)
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KENYA: Mombasa, Nairobi, Delamere Avenue, Nairobi, Thika, Nakuru, Naivasha (Sub-Branch to Nakuru), Kisumu, Kakamega (Sub-Branch to Kisumu), Eldoret, Kericho, Sotik (Sub-Branch to Kericho), Nyeri
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Chairman:
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Established 11th August 1954

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March 30th to April 8th, 1956

This year's Fair will be even bigger than the 1955 Spring Fair at which over 1,000 enterprises displayed more than 3,000 exhibits and 126,000 visitors attended. The rapidly expanding economy in Yugoslavia makes it possible to offer a wide range of products, including mining, timber and wood products, textiles, engineering and electrical equipment, handicrafts, tobacco and medicines, glassware, foodstuffs and wines. A special section of the Fair will be devoted to featuring Yugoslav Craftsmanship. There are exceptional facilities for buyers and visitors with Fair Certificates, including 25 per cent. reduction in fares on Yugoslav Federal Railways, Yugoslav Airways and Adriatic Shipping Line, and visas issued at a reduced price.

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Yugoslav commercial and diplomatic representatives, or direct from

ZAGREBACKI VELESAJAM
Savska Cesta 25, Zagreb, Yugoslavia.

THE CENTRAL BANK OF INDIA, LIMITED.

BALANCE SHEET AS AT 31ST DECEMBER, 1955.

CAPITAL AND LIABILITIES.	Rs. a. p.	Rs. a. p.
1. CAPITAL:—		
AUTHORISED CAPITAL—		
(a) 10,50,000 Ordinary Shares of Rs. 50 each	5,25,00,000 0 0	
(b) 4,20,000 Ordinary 'A' Shares of Rs. 25 each	1,05,00,000 0 0	
	6,30,00,000 0 0	
ISSUED CAPITAL—		
(a) (i) 4,72,528 Ordinary Shares of Rs. 50 each issued as paid up to the extent of Rs. 25 without payment in cash in exchange for 9,45,056 shares of the Tata Industrial Bank Ltd. — Rs. 2,36,26,400 0 0		
(ii) 5,77,472 Ordinary Shares of Rs. 50 each issued for payment in cash — „ 2,88,73,600 0 0		
10,50,000 Ordinary Shares of Rs. 50 each	5,25,00,000 0 0	
(b) 2,10,000 Ordinary 'A' Shares of Rs. 25 each fully paid up issued as bonus shares for consideration other than cash	52,50,000 0 0	
	5,77,50,000 0 0	
SUBSCRIBED CAPITAL:—		
(a) 10,48,475 Ordinary Shares of Rs. 50 each — Rs. 5,24,23,750 0 0		
Amount called up at Rs. 25 per share	2,62,11,875 0 0	
Note:—1. The above number includes 347 Ordinary Shares of the Central Bank of India, Ltd., which remain to be given against 694 coupons issued by the Central Bank of India Ltd., for a like number of shares of the Tata Industrial Bank, Ltd., which have not yet been submitted for conversion. 2. 34 Ordinary Shares of the Central Bank of India, Ltd., which remain to be given against 68 coupons issued by the Bank, but not yet submitted for conversion.		
(b) 2,09,695 Ordinary 'A' Shares of Rs. 25 each — Rs. 52,42,375 0 0		
Amount fully paid up	52,42,375 0 0	
	Rs. 5,76,66,125 0 0	3,14,54,250 0 0
Note:—492 Ordinary 'A' shares remain to be given against 2,460 coupons issued but not yet submitted for conversion.		
AMOUNT RECEIVED ON 31 SHARES FORFEITED	530 0 0	
RESERVE LIABILITY OF SHAREHOLDERS:— Rs. 25 per Share on 10,48,475 Shares Subscribed upto 31-12-1955	2,62,11,875 0 0	3,14,54,780 0 0
2. RESERVE FUND AND OTHER RESERVES:—		
Reserve Fund	3,16,28,500 0 0	
Contingency Fund	42,00,000 0 0	
Sinking Fund in respect of Lands and Buildings	43,52,717 6 7	4,01,81,217 6 7
3. DEPOSITS AND OTHER ACCOUNTS:—		
Fixed Deposits and Cash Certificates	30,94,70,757 7 6	
Savings Bank Deposits	28,19,59,873 9 0	
Current Accounts, Call Deposits, Contingency Accounts, etc.	69,32,01,104 7 9	1,28,66,31,735 8 3
4. BORROWINGS FROM OTHER BANKING COMPANIES, AGENTS, ETC.:—	Secured by part of Investments and Bills Discounted as per Contra	Unsecured
(i) In India	Rs. 3,25,00,000 0 0	Rs. 2,50,000 0 0 — 3,27,50,000 0 0
(ii) Outside India	„ 1,26,77,938 5 5	„ ..... — 1,26,77,938 5 5 — 4,54,27,938 5 5
5. BILLS PAYABLE		1,54,77,687 6 8
6. BILLS FOR COLLECTION BEING BILLS RECEIVABLE as per contra:—		
(i) Payable in India	4,84,88,909 6 2	
(ii) Payable outside India	1,52,33,593 4 2	6,37,22,502 10 4
7. OTHER LIABILITIES:—		
Branch Adjustments	3,84,96,851 2 2	
Amounts owing to Subsidiary Companies	26,09,460 12 11	
Unclaimed Dividends	9,33,571 8 3	
Rebate on Bills Discounted	1,17,526 12 8	4,21,57,410 4 0
8. ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS as per contra (Includes Rs. 17,35,049-14-0 in respect of Guarantees given to Government Departments secured against part of the Bank's Investments)		5,21,50,378 14 6
9. PROFIT AND LOSS ACCOUNT:—		
Balance as per Balance Sheet as at 31st December 1954	36,76,153 9 2	
Less—Final Dividend at the rate of 6 per cent. paid for the half-year ended 31st December 1954	18,87,255 0 0	
	17,88,898 9 2	
Profit for the year 1955	77,75,909 15 4	
	95,64,808 8 6	
Less—Ad-interim Dividend paid for the half-year ended 30th June 1955 at the rate of 6 per cent., i.e., Rs. 1-8 per Share — Rs. 18,87,255 0 0		
Amount transferred to Bank's Investments	„ 15,00,000 0 0	
Amount provided for Taxation	„ 5,80,000 0 0	
Amount transferred to Staff Gratuity Fund	„ 5,50,000 0 0	
Amount provided for Bonus to Staff	„ 13,50,000 0 0	
	58,37,255 0 0	37,27,613 8 6
10. CONTINGENT LIABILITIES:—		
(i) Claims against the Bank not acknowledged as debts Rs. 56,47,243-9-0.		
(ii) On Investments in Shares of Joint Stock Companies and Banks Rs. 22,86,042-8-0.		
(iii) On Letters of Guarantee on behalf of constituents Rs. 50,05,365-2-4.		
(iv) Liability on account of outstanding Forward Exchange Contracts Rs. 1,45,95,209-12-6.		
Liability on Bills of Exchange rediscounted:—		
(i) On Inland Bills of Exchange Rs. 9,039-13-6. The liability has fully run off as at 25th February 1956.		
(ii) On Foreign Bills of Exchange $ 6,688·15. Of which $ 5,613·28 have run off as at 25th February 1956.		
Note:—Provision to the full extent for future Gratuities to Staff has not been made—the liability for which has not been ascertained.		
Total .. Rs.		1,58,09,31,164 0 3

PROPERTY AND ASSETS.		Rs. a. p.	Rs. a. p.
1. CASH— Cash in hand and with Reserve Bank and State Bank (including foreign currency notes)			13,50,94,636 4 5
2. BALANCES WITH OTHER BANKS—	on Current Accounts / on Deposit		
(i) In India	Rs. 14,52,284 8 5 / Rs.	14,52,284 8 5	
(ii) Outside India	„ 1,70,96,495 12 5 / „	1,70,96,495 12 5	
			1,85,48,780 4 10
3. MONEY AT CALL AND SHORT NOTICE			23,33,332 12 0
4. INVESTMENTS (at Book Value)—			
(i) Securities of the Central and State Governments	Face Value Rs. a. p. 51,16,07,656 4 11 / Market Value Rs. a. p. 47,26,81,900 0 1	48,05,80,332 3 9	
Treasury Bills of the Central and State Governments		....	
(ii) Shares—	Fully Paid Rs. a. p. / Partly Paid Rs. a. p.		
(a) Preference	1,23,83,427 4 0 / 5,06,875 0 0		
(b) Ordinary	2,12,12,082 10 4 / 16,07,265 2 4		
(c) Deferred	59,406 14 0 /		
(d) Other Classes	67,798 12 0 /		
	3,37,23,315 8 4 / 22,04,140 2 4	3,59,27,455 10 8	
(iii) Debentures or Bonds	Face Value Rs. a. p. 1,12,74,500 0 0 / Market Value Rs. a. p. 1,11,36,637 8 0	1,11,35,610 9 4	
(iv) Other Investments:			
(a) Pakistan Loans	2,00,81,031 4 0		
(b) Foreign Securities including Treasury Bills	64,14,375 0 0		
(c) Other Municipal Debentures	40,56,752 8 9	3,05,52,158 12 9	
	Face Value Rs. a. p. 3,14,88,900 0 0 / Market Value Rs. a. p. 3,05,04,037 1 0	....	
(v) Gold			50,71,95,557 4 6
5. ADVANCES— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors).			
(I) Loans, Cash Credits, Overdrafts, etc.:	55,90,03,325 0 6		
(i) In India	3,87,03,523 2 8		
(ii) Outside India		59,77,06,853 3 2	
(II) Bills Discounted and Purchased:	10,31,71,272 12 3		
(i) Payable in India	2,11,92,000 2 11		
(ii) Payable outside India		12,43,63,272 15 2	
	Loans, Cash Credits, Overdrafts, etc. Rs. a. p. / Bills Discounted and Purchased Rs. a. p. / Total Advances Rs. a. p.		72,20,70,126 2 4
PARTICULARS—			
(i) Debts considered good in respect of which the Banking Company is fully secured	53,50,11,308 5 2 / 7,65,19,625 12 10 / 61,15,30,944 2 0		
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security as under:— Rs. 2,35,25,783 13 0 (a) Debts due on Joint and Several Pro-notes (b) Debts due on Temporary overdrafts, cash credits and Single Pro-notes, etc. Rs. 2,41,48,718 2 11	4,76,74,501 15 11 / 2,28,43,265 14 5 / 7,05,17,767 14 4		
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,50,21,042 14 1 / 2,50,00,371 3 11 / 4,00,21,414 2 0		
(iv) Debts considered doubtful or bad, not provided for	..... / ..... /		
Total Rs.	59,77,06,853 3 2 / 12,43,63,272 15 2 / 72,20,70,126 2 4		
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	9,76,481 11 7 / 65,402 4 0 / 10,41,883 15 7		
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	2,50,76,486 13 10 / 32,03,134 15 2 / 2,82,79,621 13 0		
(vii) Maximum total amount of advances, including temporary advances, made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	10,83,334 3 1 / 1,06,573 1 0 / 11,89,907 4 1		
(viii) Maximum total amount of advances including temporary advances, granted during the year to companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	2,50,76,486 13 10 / 32,03,134 15 2 / 2,82,79,621 13 0		
(ix) Due from banking companies	86,75,670 8 11 / 16,61,081 1 11 / 1,03,36,751 10 10		
6. BILLS RECEIVABLE BEING BILLS FOR COLLECTION AS PER CONTRA:—			
(i) Payable in India		4,84,88,909 6 2	
(ii) Payable outside India		1,52,33,593 4 2	6,37,22,502 10 4
7. CONSTITUENTS' LIABILITIES FOR ACCEPTANCES, ENDORSEMENTS AND OTHER OBLIGATIONS PER CONTRA		....	5,21,50,378 14 6
	Bank Premises Rs. a. p. / Investment in Properties Rs. a. p. / Non-Banking Assets acquired in satisfaction of claims Rs. a. p.		
8. LANDS AND BUILDINGS— Cost as per last Balance Sheet	86,87,468 10 1 / 88,75,392 3 1 / 9,98,561 11 5		
Less—Cost of Properties sold during the year	.... / .... / 85,398 2 2		
	86,87,468 10 1 / 88,75,392 3 1 / 9,13,163 9 3		
Add—Cost of Additions made during the year	75,013 5 0 / .... / 8,162 0 0		
Cost of Properties purchased or taken over during the year	.... / .... /		
	87,62,476 15 1 / 88,75,392 3 1 / 9,21,325 9 3		
Less—Amount written off	10,00,000 0 0 / 15,00,000 0 0 / 2,08,624 15 8		
	77,62,476 15 1 / 23,75,392 3 1 / 7,12,700 9 7		1,08,50,569 11 9
(Further Provision in Sinking Fund as per contra).			
9. FURNITURE AND FIXTURES: as per last Balance Sheet		68,77,650 0 10	
Add—Additions less Sales made during the year		3,74,192 1 5	
		72,51,792 2 3	
Less—Amount written off to date for Depreciation		43,35,543 3 11	29,16,248 9 4
10. OTHER ASSETS— Shares of the Central Bank Executor and Trustee Co., Ltd., at Cost		9,99,000 0 0	
Shares of the Depositors' Benefit Insurance Co., Ltd., at Cost		1 0 0	
Interest accrued on Investments		30,67,583 15 10	
Silver		19,82,447 6 5	
Stamps, Stationery, Stock of Home Savings Safes and Safe Deposit Boxes			60,49,031 6 3
Total .. Rs.			1,58,09,31,164 0 3

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1955.

EXPENDITURE.	Rs. a. p.	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	61,30,981 8 6	1,69,51,910 1 1
2. Salaries and Allowances at Head Office and Local Branches — Salary and Allowances to Managing Director & from 1st September onwards to General Manager Rs. 1,00,187-13-0		
Salaries and Allowances at Up-country Branches	1,86,61,411 2 6	
Contributions to Provident Fund	12,62,377 8 1	2,60,54,770 3 1
3. Directors' Fees and Allowances	44,215 0 0	
Committee Members' Fees and Allowances	9,652 0 0	53,867 0 0
4. Rent, Taxes, Insurance, Lighting, etc.	.....	24,13,543 11 1
5. Law Charges	.....	2,12,764 9 2
6. Postage, Telegrams and Stamps	.....	8,46,965 15 10
7. Auditors' Fees	.....	94,000 0 0
8. Amount transferred to Sinking Fund on Banking Company's Property	91,341 5 2	
Repairs to Banking Company's Property	97,463 2 0	
Other Charges on Banking Company's Property	3,06,722 5 3	
Depreciation on Furniture, etc.	2,86,788 9 11	7,82,315 6 4
9. Stationery, Printing and Advertisement, etc.	.....	13,96,494 4 9
10. Loss from sale of or dealing with non-banking Assets	.....	
11. Other Expenditure	.....	3,62,016 15 6
12. Balance (Net Profit) subject to Taxation	.....	77,75,909 15 4
Total .. Rs.		5,69,44,518 2 2

INCOME (less Provision made during the year for bad and doubtful debts and other usual or necessary provisions).	Rs. a. p.
1. Interest and Discount	4,52,42,408 9 9
2. Commission, Exchange and Brokerage	93,58,810 6 3
3. Rent on Bank's Premises (excluding Rent on Premises used by the Bank)	5,36,524 14 5
4. Net Profit on sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular fund or account)	15,00,000 0 0
5. Net Profit on revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular fund or account)	----
6. Income from non-banking Assets and profit from sale of or dealing with such assets	2,93,999 1 9
7. Transfer Fees	12,775 2 0
Total .. Rs.	5,69,44,518 2 2

Note.—Remuneration received by Directors for their own use from other Companies by virtue of nomination to the Bank on the Board of other Companies amounted to Nil during the year.

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Central Bank of India, Ltd., as at the 31st day of December 1955 and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the audited Returns of 76 Branches, the unaudited Returns of the Pay Offices and other Branches, and report that:—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;
(b) The transactions of the Bank which have come to our notice have been within the powers of the Bank;
(c) The Returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit;
(d) In our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;
(e) Such Profit and Loss Account shows a true balance of profit for the year;
(f) Such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and explanations given to us and as shown by the books of the Bank: and
(g) In our opinion, books of account have been kept by the Bank as required by Section 180 of the Indian Companies Act 1913.

A. F. FERGUSON & CO.,
Chartered Accountants.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

BOMBAY, *7th March* 1956.

H. P. MODY, *Chairman.*
C. H. BHABHA, *Vice-Chairman.*
DINSHAW D. ROMER, D. M. KHATAU, M. M. AMERSEY, C. P. WADIA, CHIMANLAL B. PARIKH, F. J. GAZDAR, *Directors.*

N. K. KARANJIA, *General Manager.*

F. C. COOPER, *Deputy Manager.*

K. B. PASTAKIA, *Accountant.*

THE BANK OF BARODA, LIMITED

(ESTABLISHED : 1908)

CAPITAL AUTHORISED	Rs. 2,40,00,000	CAPITAL CALLED UP	Rs. 1,00,00,000
CAPITAL ISSUED AND SUBSCRIBED	Rs. 2,00,00,000	CAPITAL PAID UP	Rs. 1,00,00,000
RESERVE FUND AND OTHER RESERVES	Rs. 1,28,00,000		

DIRECTORS :

TULSIDAS KILACHAND, Esq. (Messrs. Kilachand Devchand & Co., Ltd., Bombay), Chairman.
DURGAPRASAD SHAMBHUPRASAD LASKARI, Esq. (Mill Agent, Ahmedabad).
R. D. BIRLA, Esq. (Messrs. Birla Bros., Ltd., Bombay).
KANTILAL NAHALCHAND, Esq. (Messrs. Nahalchand Laloochand, Bombay).
NAVAL H. TATA, Esq. (Messrs. Tata Sons, Ltd., Bombay).
ANANDLAL HIRALAL SHETH, Esq. (Messrs. A. Sheth & Co., Baroda).
CHINUBHAI CHIMANBHAI, Esq. (Messrs. Lalbhai Dalpatbhai & Co., Ahmedabad).
ARVIND NAVINCHANDRA MAFATLAL, Esq. (Messrs. Mafatlal Gagalbhai & Co., Ltd., Bombay).
B. K. DAPHTARY, Esq. (Messrs. Daphtary, Ferreira and Divan, Solicitors, Bombay).
H. H. THE MAHARAJA FATEHSINH GAEKWAR OF BARODA.

GENERAL MANAGER: MR. N. M. CHOKSHI.

BOMBAY MANAGER: MR. M. G. PARIKH.

BALANCE SHEET AS AT 31st DECEMBER, 1955.

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL— 2,40,000 Shares of Rs. 100 each	2,40,00,000 0 0	
ISSUED CAPITAL— 2,00,000 Shares of Rs. 100 each	2,00,00,000 0 0	
SUBSCRIBED CAPITAL— 2,00,000 Shares of Rs. 100 each	2,00,00,000 0 0	
AMOUNT CALLED UP— At Rs. 50 per share		1,00,00,000 0 0
2. Reserve Fund and Other Reserves		1,28,00,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	21,25,97,920 5 3	
Savings Bank Deposits	6,32,63,230 1 6	
Current Accounts, Contingency Accounts, etc.	12,93,00,766 4 9	
		40,51,61,916 11 6
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	3,98,50,000 0 0	
(ii) Outside India	4,95,007 12 0	
		4,03,45,007 12 0
PARTICULARS—		
(i) Secured by part of Investments and Bills *per contra*	3,75,00,000 0 0	
(ii) Unsecured	28,45,007 12 0	
		39,63,634 2 8
5. Bills Payable		
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	1,20,61,106 8 9	
(ii) Payable outside India	1,55,58,241 8 5	
		2,76,19,348 1 2
7. Other Liabilities (Including Branch adjustments Rs. 72,05,243-12-2)		88,12,640 11 8
8. Acceptances, Endorsements and Other Obligations per contra		5,31,65,030 1 10
9. Profit and Loss—		
Profit as per last Balance Sheet	9,70,301 15 5	
LESS—Appropriations	7,00,000 0 0	
	2,70,301 15 5	
ADD—Profit for the year brought from the Profit and Loss Account	29,65,244 2 4	
	32,35,546 1 9	
LESS—	Rs. a. p.	
Ad-interim dividend paid at 10 per cent. per annum for the half-year ending 30th June, 1955 (free of Income-tax).	5,00,000 0 0	
Provision for Taxation	9,00,000 0 0	
Bonus to Staff	8,00,000 0 0	
	22,00,000 0 0	
		10,35,546 1 9
10. Contingent Liabilities—	Rs. a. p.	
(i) On partly paid shares of Joint Stock Companies	1,04,125 0 0	
(ii) Claims against the banking company not acknowledged as debts	7,16,992 9 9	
(iii) Money for which the banking company is contingently liable (including (a) Rs. 9,000 for guarantees given on behalf of the officers of the Bank and (b) Rs. 5,21,906-4-0 for guarantees given in favour of Central and State Governments secured by part of Investments *per contra*.	62,62,175 0 10	
(iv) Liability on Bills of Exchange rediscounted	Nil	
(v) Liability on account of outstanding Forward Exchange Contracts	2,70,82,684 0 0	
Total .. Rs.		56,29,03,123 10 7

Note:—Provision to the full extent for future gratuities to the staff has not been made—the liability for which has not been ascertained.

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.	Rs. a. p.
1. Cash— In hand and with Reserve Bank and State Bank of India (including foreign currency notes)			4,18,83,124 4 9
2. Balances with Other Banks in Current Account—			
(i) In India	8,18,781 10 9		
(ii) Outside India	49,59,470 12 0		
			57,78,252 4 9
3. Money at Call and Short Notice			Nil
4. Investments—			
(i) Securities of the Central and State Governments and other Trustee Securities—			
(a) Securities maturing in 1962 or earlier at book value		7,40,55,199 6 0	
Rs. a. p.			
Face value .. 7,46,23,300 0 0			
Market value. 7,18,41,670 12 0			
(b) Securities maturing in 1963 or later at or below market rate		3,33,93,365 7 0	
(c) Trustee Securities (for which there are no market quotations) at cost		16,10,000 0 0	
(ii) Shares at or below market rate—			
(a) Fully Paid Preference Shares		32,58,107 14 0	
(b) Fully Paid Ordinary Shares		32,06,105 14 0	
(c) Partly Paid Ordinary Shares		2,37,072 15 0	
(iii) Debentures or Bonds at or below market rate		72,19,335 0 0	
(iv) Other investments		Nil	
(v) Gold		Nil	
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)			12,29,79,186 8 0
I. Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.			
(i) In India 19,46,17,953 14 5			
(ii) Outside India 1,08,02,638 15 11			
		20,54,20,592 14 4	
II. Bills discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—			
(i) payable in India 7,19,22,105 7 9			
(ii) Payable outside India .. 2,68,13,451 3 0			
		9,87,35,556 10 9	
PARTICULARS OF ADVANCES— Rs. a. p.			
(i) Debts considered good in respect of which the banking company is fully secured 25,05,94,034 15 4			
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security 5,08,38,158 8 9			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors .. 27,63,956 1 0			
(iv) Debts considered doubtful or bad, not provided for .. .. Nil			
		30,41,56,149 9 1	
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons 31,775 0 0			
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents of, in the case of private companies, as members 5,35,70,633 8 5			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons 33,025 0 0			
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents of, in the case of private companies, as members .. 5,81,78,713 4 6			
(ix) Due from banking companies .. 8,39,378 11 2			
6. Bills Receivable Being Bills for Collection as per contra—			
(i) Payable in India		1,20,61,106 8 9	
(ii) Payable outside India		1,55,58,241 8 5	
			2,76,19,348 1 2
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra			5,31,65,030 1 10
8. Premises Less Depreciation—			
Premises at cost to 31st December, 1954		28,52,561 6 0	
Additions during the year		Nil	
		28,52,561 6 0	
LESS—Sales during the year		Nil	
		28,52,561 6 0	
LESS—Total depreciation to date		8,52,000 0 0	
			20,00,561 6 0
9. Furniture and Fixtures Less Depreciation—			
Furniture and Fixtures at cost to 31st December, 1954		18,69,157 13 11	
Additions during the year		1,85,715 2 4	
		20,54,873 0 3	
LESS—Sales during the year		410 0 0	
		20,54,463 0 3	
LESS—Total depreciation to date		6,55,000 0 0	
			13,99,463 0 3
10. Other Assets—			
(i) Compulsory Excess Profits Tax Deposit		7,01,563 0 0	
(ii) Advance Payments of Tax		Nil	
(iii) Estimated amount of Double Taxation Relief due from Indian Union and Refund of Income-tax due from Baroda State Authorities		20,81,369 12 6	
(iv) Interest accrued on Investments		8 30,838 3 1	
(v) Stamps and Stationery		2,71,196 6 2	
(vi) Silver		Nil	
			33,84,967 5 9
11. Non-Banking Assets Acquired in Satisfaction of Claims at or below Cost			37,040 15 9
Total .. Rs.			56,29,03,123 10 7

(Continued on next page)

METRIC SYSTEM OF WEIGHTS AND MEASURES

SCIENTIFICALLY CONCEIVED DEVICE FOR SIMPLIFYING CALCULATIONS

By Mr. Pitambar Pant

IT is common knowledge that weights and measures in use differ from place to place in our country. Not only they vary from one area to another, but, in the same area, different weights and measures are used for different commodities. Even the same designated unit has very often different values. Some idea of this bewildering diversity can be had from information collected by the National Sample Survey which conducts investigations, throughout the country, twice or thrice a year, on various topics of social and economic importance. The survey revealed that in 1,100 villages, scattered at random all over the country, as many as 143 different systems of measurements of weight were in use. The situation was reported to be even worse in respect of measurement of volume and land area. Even if certain terms are apparently in wider use, often, they in fact do not represent the same weight. For example, there were observed 100 different *maunds* with weights differing in tolas from 280 to 8,320 in contrast to the standard maund of 3 200 tolas, and *seers* varying from 8 standard tolas to 160 tolas as compared with the standard seer of 80 tolas.

Chaotic Diversity

Such chaotic diversity in weights and measures, which constantly enter into the common transactions of daily life, is a source of much confusion and difficulty. Variations in weight from place to place prejudice the chance of the cultivator getting a fair price for his produce in the markets within his own State and also in the other States. Prices of different commodities in different parts of the country are quoted on the basis of local weights. Since the names of the weights used and the weights which each one of them indicates vary from place to place, the quotations are not understandable except by those in close touch with the markets concerned, and the cultivator is rendered helpless in his dealings with skilful traders. He is further deceived very often by the buyer of his produce who replaces the lighter weights with the heavier weights in weighments. He is also overwhelmed by the complexities of calculations, which he cannot even follow correctly, far from working out himself. Marketing developments on sound lines, the introduction of grades and standards, and supplying price quotation to rural areas will be of little use if this chaos of varying weights and measures is allowed to exist. Space does not permit to recount the many disadvantages of the present situation, but it is obvious that the inconvenience and harm resulting from lack of standardisation affects not only cultivators but all the people, except the unscrupulous few who exploit the situation to make profit for themselves by deceiving others. The only remedy is to set aside this multiplicity of local and regional systems of weights and measures and substitute in their place a uniform system which should be easy to learn and use, unequivocal and common throughout the country.

The need for this reform in India was recognised even a century ago and, in fact, the Government of India passed an Act in 1871 for standardising the weights in accordance with the metric system. Unfortunately, no interest was taken to implement the reform, and the confusion has more or less continued. The main significance of the recent decision of the Government is that it indicates a determination not to let matters drift and to take vigorous steps to introduce a uniform system of weights and measures based on the metric system.

Manifold Blessings

The blessing of metric standardisation to our country will be manifold. It will put an end to the confounding diversity of current weights and measures with all their attendant disadvantages and bring about the much needed standardisation of weights and measures so essential for widening commerce, facilitating trade and strengthening national solidarity. This standardisation will not only be achieved at the national level but simultaneously at the international level and will be of value to the country in its foreign trade and commerce. There are few examples of international collaboration as striking as the near-universal adoption of the metric system of weights and measures which is now the sole legal system in practically all the countries except the United States of America, the United Kingdom and the Commonwealth countries; and even in the U.S.A. and U.K. where the English system (also known as the foot-pound system) is the more common, the metric system has a legal status and is, in fact, increasingly coming into use.

Even more important than this blessing of standardisation is the tremendous simplification in calculations, of diverse kinds, brought about by the metric system. It is the only system scientifically conceived as a simple, uniform and integrated system of weights and measures suitable for international adoption. It has not grown haphazard like our so-called standard *maund*, *seer* system or the English system of foot-pound-gallon. The key to the simplicity and superiority of the metric system is to be found in its strictly symmetrical structure, systematised on one base ratio of 10 throughout, corresponding to the decimal place value notation in the representation of numbers. To understand why it is so, we have to delve a little into the history of arithmetic.

The ingenious method of expressing all numbers by 10 symbols, on which our arithmetic is based, each receiving a value of position as well as an absolute value, was given to the world by India about 1500 years ago, perhaps even earlier. This profound and important idea, because of its simplicity and the great ease which it has lent to all computation, puts our arithmetic in the front rank of useful inventions.

Previous to this epoch-making discovery, counting and calculation was a most clumsy affair. In fact, even as long ago as 500 years, calculations continued to be carried out in Europe through the Roman system of numbers. Numbers could be added and subtracted only by taking recourse to a counting frame, the *Abacus*. What now appears to us a simple exercise in multiplication and division, within the competence of any school child, was considered in those days a problem calling forth advanced knowledge of mathematics. There is a story of a German merchant of the fifteenth century who had a son whom he desired to give an advanced commercial education. He appealed to a prominent professor of a university for advice as to where he should send his son. The reply was that if the mathematical curriculum of the young man was to be confined to adding and subtracting, he perhaps could obtain the instruction in a German university, but the art of multiplying and dividing, he continued, had been greatly developed in Italy, which in his opinion was the only country where such advanced instructions could be obtained! An honest effort to multiply XIV (i.e., 14) by XL (i.e., 40) in the Roman way will convince anyone that the greatly increased facility with which the average man today manipulates numbers has nothing to do with the growth of human intellect. The truth of the matter is that the difficulties then experienced were inherent in the numeration in use, a numeration crude and inflexible, and not susceptible to simple clear-cut rules. The discovery of the modern positional numeration did away with these obstacles and made arithmetic accessible even to the dullest mind. This principle constituted a radical departure of method and ended the utter stagnation that had characterised the field of reckoning for thousands of years, and made possible the subsequent rapid advance in mathematics. Indeed, in a way, the Hindu numerals constitute the foundation on which the entire scientific and technological superstructure rests. We may recall with pride this great contribution of ancient India to the progress of civilisation.

Universally Adopted

As we all know, this system, now universally adopted, is a "tens" system, the value of any digit in a whole number varying with its place in the number, starting with units at the right and increasing to the left in the order: unit, ten, hundred, thousand and so on. Each place of value is 10 times the place value to its right. Thus 777 means 700 plus 70 plus 7. Simon Stevin's invention of the decimal point in 1585 extended the tens system to the right as to the left. It made it possible to decrease by tens as well as to increase by tens. Moreover, it made it possible to handle a whole number and a part as easily as a whole number was handled before; and most important of all it made

THE BANK OF BARODA, LIMITED—*(Continued)*

Profit and Loss Account for the Year Ended 31st December, 1955

EXPENDITURE	Rs. a. p.	Rs. a. p.	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs. a. p.
		76,86,035 8 8		
1. Interest paid on Deposits, Borrowings, etc.			1. Interest and Discount	1,49,26,537 12 11
2. Salaries and Allowances and Provident Fund—	72,775 0 0		2. Commission, Exchange and Brokerage	30,14,088 15 7
(i) To General Manager	54,23,787 1 1		3. Rents	40,757 9 0
(ii) To other Members of the Staff		54,96,562 1 1	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	*Nil*
3. Directors' and Local Committee Members' Fees and Allowances		74,477 2 0	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	*Nil*
4. Rent, Taxes, Insurance, Lighting, etc.		5,04,593 3 2	6. Income from Non-Banking Assets	16,143 11 0
5. Law Charges		40,055 6 3	7. Other Receipts	6,885 0 0
6. Postages, Telegrams and Stamps		2,48,869 2 5		
7. Auditors' Fees		18,000 0 0		
8. Depreciation on and Repairs to the Banking Company's Property		1,58,077 13 6		
9. Stationery, Printing, Advertisement, etc.		3,31,772 1 9		
10. Loss from Sale of or Dealing with Non-Banking Assets		5,273 10 0		
11. Other Expenditure		4,25,402 13 4		
12. Balance of Profit (subject to Taxation)		20,65,244 2 4		
Total .. Rs.		1,80,04,363 0 6	Total .. Rs.	1,80,04,363 0 6

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the above Balance Sheet of the Bank of Baroda, Ltd., as at 31st December, 1955, and also the above Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the audited returns from Bombay, Calcutta, Ahmedabad, Surat, Coimbatore, Madras and the three branches in British East Africa and the authenticated returns from the other branches and report that :—

(a) We have obtained all the information and explanations we have required, and have found them to be satisfactory ; (b) in our opinion, the said Balance Sheet exhibits a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us and as shown by the books of the Bank ; (c) such Balance Sheet and the explanations given to us are as required by law ; (d) the transactions of the Bank which have come to our notice are within the powers of the Bank ; (e) the returns received from the branch offices of the Bank have been found adequate for the purpose of our audit ; and (f) the profit and loss account shows a true balance of Profit and Loss for the period covered by the accounts.

K. S. AIYAR & CO.,
N. M. RAIJI & CO., *Chartered Accountants.*

BARODA, 22nd *February*, 1956.

TULSIDAS KILACHAND, *Chairman.*

DURGAPRASAD S. LASKARI,
R. D. BIRLA,
KANTILAL NAHALCHAND,
N. H. TATA,
ANANDLAL HIRALAL,
CHINUBHAI CHIMANBHAI,
ARVIND N. MAFATLAL,
B. K. DAPHTARY,
F. P. GAEKWAD, } *Directors.*

GOPAL CH. BASU, *Accountant.*

N. M. CHOKSHI, *General Manager.*

fractions—so inconvenient to deal with—completely unnecessary.

The metric system is nothing more or nothing less than the application of decimal number system, to measurement. In this integrated system the units of length, surface, volume, capacity and mass are based on the metre as the fundamental unit; and as a primary and essential condition of the system, all must bear a strictly decimal relation to each other. The metre is defined as the distance between two engraved lines on a bar of platinum-iridium alloy which is preserved as the standard Metre stick in the archives of the International Metric Commission at Sevres, near Paris. With this fundamental unit metre, by simply multiplying by 10 successively or by a similar simple process of decimal subdivision, is built up a system of measures of length which have been demonstrated as adequate for the needs of science, commerce and industry. For the multiples of its principal units, the metric system employs *Greek* prefixes *deca* (10 times), *hecto* (100 times) and *kilo* (1000 times); for the sub-multiples the *latin* prefixes *deci* (one-tenth) *centi* (one-hundredth) and *milli* (one-thousandth). With these six prefixes, used along with the three primary units 'metre', 'litre' and 'gram' and a more arbitrary unit 'ar' for area, it is possible to construct all the metric units in ordinary use. An important feature of the system is the simple relationship between the primary units. The mass of a volume of pure water equal to a cube of the one-hundredth part of a metre is a *gram*. As the *gram* is rather small for most weighings, the *kilogram* is employed as a practical unit. The *litre* is simply the volume occupied by the mass of one kilogram of pure water.

The much greater convenience in calculation resulting from the adoption of the metric system may be illustrated by giving some simple examples. Let us compare, for example, a problem calling for conversion of smaller units to larger ones in the English and the Metric systems:

157 inches=13 1/12 feet=4 13/36 yards.

157 centimetres=15.7 decimetres=1.57 metres.

In the English system to change inches to feet it is necessary to divide by 12 and since we cannot readily do this in mind, we have to work it out as a division problem and right away, we have to deal with fractions. To change feet to yards, we must divide by 3, a small number but again we run into difficulties because we have to divide a mixed number, that is a whole number and fraction. In the metric system the conversion is simply a matter of shifting the decimal point one place to the left to get the next larger unit.

Some Problems

Let us take the problem of calculating the capacity of some tank, the volume of water contained in it and its weight, as measured by the two systems. In English units the problem is: Given a tank 8 feet 9½ inches long, 6 feet 5½ inches broad and 4 feet 3½ inches deep, filled with water, find (*a*) capacity of the tank in cubic feet, (*b*) the volume of water in gallons, and (*c*) the weight of water in pounds. The same problem in metric units will be stated as: Given a tank 2.68 metres long, 1.97 metres broad and 1.31 metres deep, find (*a*) capacity of the tank in cubic metres, (*b*) the volume of water in litres and (*c*) the weight of water in kilograms.

In the English system we have first to reduce the measurement to inches to simplify calculation and then multiply these fractional measurements of length, breadth and depth to get the volume in cubic inches. The result, 421075⅔ cubic inches, has to be divided by the number of cubic inches in one cubic foot (1728) to get the volume in cubic feet. After a process of long division we arrive at x the result 243.678 cubic feet. To get the volume in gallons, the volume in cubic inches has to be divided by number of cubic inches in 1 gallon (231, a difficult figure to remember), giving the volume as 1822.843 gallons, after again a long division. To get the weight in pounds the number of cubic feet have to be multiplied by 62½, the pounds in 1 cubic foot of water, giving the result 15229.938 pounds. If any of these results are to be further reduced to smaller or larger units, one has to resort to cumbrous multiplications and divisions by numbers such as 27, 1728, 4, 8, 16, 112, 2240.

In the metric system the volume in cubic metres is arrived at simply by multiplying, as decimal numbers, the three measurements of length, breadth and depth, giving directly the volume in cubic metres as 6.916276. Since there are 1,000 litres in 1 cubic metre, by simply moving the decimal point three places to the right we get the volume in litres, which comes to 6916.276 litres. And finally since 1 litre of water, by definition, weighs 1 kilogram, by merely changing the name, we get the weight of water as 6916.276 kilograms. Conversion to smaller or larger units is, as we have already seen, a simple matter of shifting the decimal point.

Let us take a problem of working out costs starting with corresponding units and determining the cost for smaller units. In metric units and decimal currency:—

If 1 metric ton (of, say silver) costs Rs. 80000.00

then 1 kilogram costs Rs. 80.00

and 1 gram costs Rs. .08 naya paisas.

Whereas in English units and our present anna-pie coinage,

If 1 long ton costs Rs. 80.000

then 1 pound costs Rs. 35 as. 11 pies 5

and 1 ounce costs Rs. 2 as. 3 pies 8.

In metric unit and decimal currency, the effort involved is limited to shifting the decimal point three places to the right for deducing cost per kilogram from cost per ton or getting at cost per gram, given cost per kilogram. In English unit, to deduce the cost per pound one has to divide the cost per ton, by 2,240, the number of pounds in one ton: further, as the rupee does not have decimal sub-divisions, to convert the fractional part of rupee into annas and pies multiplication by 16 and 12 and divisions by 2,240 becomes necessary at successive stages. Stepping down to cost per ounce, the complex amount in Rs. as. pies, which is obtained as the cost per pound, has to be divided by 16, involving again much labour.

These are some simple types of problems. There are many others which must be taught if the child is to be able to calculate in various kinds of measures. All these involve addition, subtraction, multiplication, division and reduction to larger and smaller units in each of the different and unrelated tables of measures (length, area and volume, capacity and weight). And we have the further misfortune of having to learn not only one system but several, local, Indian, English and metric. The result is that our children learn less and take longer to do it than, say, the French or the Russian, the German or the Chinese children who use the metric system. Because of poor tools they are not able to develop the skill in handling measures that is enjoyed by children in countries using the metric system. Indeed, few even among educated adults in our country can readily cite the various tables of measures used in our daily life, and even fewer can handle with ease the bothersome calculations involved in their use.

It will be clear that it is almost impossible to design a system more easily learned than the metric system. The same simplification and increased efficiency that would occur in education, would be carried over into every phase of life because of standardised measurement.

To sum up, the superiority of the metric system rests on the following:

(*a*) The scientific character of the fundamental units of the *metre*, *litre* and *gram* and the simplicity of the interrelations between them.

(*b*) The simple decimal manner in which the multiplication and division of units of the same measure proceed and which makes the metric system easier to work with and facilitates simplicity in computation.

(*c*) The smaller number of units in common use and the greater ease with which the *names* are learned and retained.

(*d*) The greater convenience, the greater adaptability and greater comprehensiveness in filling the needs that a unified system of weights and measures is called upon to fill.

(*e*) Its international status, being used as the sole system in all except a few countries and parallelly used and legalised in the others.

It is obvious that this logic is not conditioned by geography or race or language. It applied equally to China or the U.S.A. or France, the U.S.S.R. or Germany, Afghanistan or Indonesia, America or England. If the last two have been clinging to the archaic, unscientific and cumbrous system of units—the English system—it is because the English system is too deeply entrenched there and its abandonment is correspondingly more difficult. The advantages of the metric system are so obvious and so overwhelming that it is easy to find the strongest support for it even in countries which have not adopted it.

One might quote from the excellent Report on Weights and Measures prepared by the U.S. Secretary of State, John Quincy Adams (later President of the U.S.A.), in 1921. Speaking of the metric system, then still in its infancy, he says:

"This system approached to the ideal perfection of uniformity applied to weights and measures and whether destined to succeed or doomed to fail, will shed unfading glory upon the age in which it was conceived and upon the nation by which its execution was attempted, and has in part been achieved. ... The single standard proportional to the circumference of the earth, the singleness of the units for all the various modes of mensuration; the universal application to them of decimal arithmetic; the unbroken chain of conversion between all weights, measures, moneys and coins; and the precise, significant, short and complete vocabulary of their denominations; altogether forming a system adapted equally to the use of all mankind, afford such a combination of the principle of uniformity for all the most important operations of the intercourse of human society; the establishment of such a system so obviously tends to that great result, the improvement of the physical, moral and intellectual condition of man upon earth, that there can be neither doubt nor hesitancy in the opinion that the ultimate adoption and universal, though modified, application of that system is a consummation devoutly to be wished."

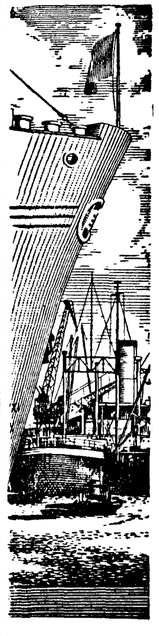
Further he goes on to say:

"Considered merely as a labour-saving machine, it is a new power afforded to man incomparably greater than that which he has acquired by the new agency which he has given to steam. It is in design the greatest invention of human ingenuity since that of printing."

From the United Kingdom, we have the testimony of Lord Kelvin, the noted scientist:

"I believe I am not overstating the truth when I say that half the time occupied by clerks and draftsmen in engineers' and surveyors' offices—I am sure at least one half of it—is work entailed upon them by the inconvenience of the present farrago of weights and measures. The introduction of the world metric system will produce an enormous saving in business offices of all kinds—engineering, commercial and retail shop."

Even though in these countries the metric system has not been adopted as the sole system of measurement, progressively in many sectors it has come to its own. Electricity, radio and electronics, pharmaceuticals, and in several other fields, the metric system has been making rapid inroads. The existence of two systems where metric alone would have served the purpose better, creates unnecessary confusion and waste of labour. In the graphic words of Prof. Khvolson, who was speaking in 1875 at the Russian Technical Society, the prognosis is, however, clear: "The metric system is an elemental force impossible to subdue and to fight against it is sheer recklessness. Open the gates to it and it would come in as a friend, as a benefactor but if you close the door upon it, it would take you by storm as an enemy and would conquer territory inch by inch falling upon you through million chinks. It would be besieging on all sides and would step by step force you to yield positions to it. Against its invincible power you would have to lay down arms and would finally find yourself in a desperate position."



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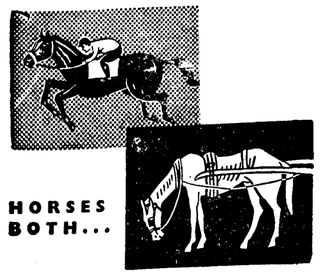

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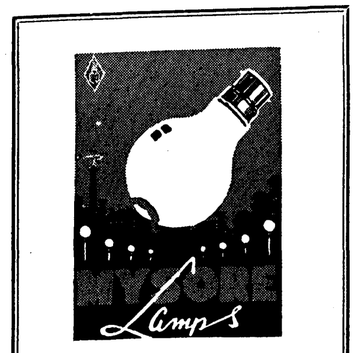

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Notices

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE SEVENTIETH ANNUAL GENERAL MEETING of the Shareholders of THE SVADESHI MILLS COMPANY, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Thursday the 12th April 1956, at 4.30 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and the audited Statements of Accounts of the Company for the year ended 31st December 1955.

(2) To declare Dividends.

(3) To appoint three Directors in place of those who retire by rotation but who are eligible for re-appointment.

(4) To consider, and if thought fit to pass, four resolutions (including three Special Resolutions) copies of which with an explanatory statement have been posted to the shareholders.

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

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

By Order of the Board of Directors,
TATA INDUSTRIES LIMITED,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 15*th March* 1956.

Note.—(*a*) The Transfer Books of the Company have been closed from Monday the 12th March to Monday the 9th April 1956, both days inclusive.

(*b*) The dividends, if sanctioned at the General Meeting, will be payable at the Bank of Baroda, Ltd. from Friday the 13th April 1956, to the shareholders whose names stand on the Register of the Company on the 9th April 1956, and the dividend warrants will be duly posted to the registered addresses of such shareholders.

To,

The Shareholders of The Svadeshi Mills Co., Ltd., and in particular to:—

Dr. Ali Athar H. Fyzee, Andre Caetano Lobo, Bai Amina Essop Mia, Mrs. Aloobai Minochar Dinshaw, Bai Dosibai Ardeshir Kapadia, Mrs. Doris Oldine Mitchell, Feroze Darashaw Dalal, Mrs. Jillah Merwan Nanavutty, Jose Joaquim Da Piedade Falleiro, Jal Hormasjee Piroshaw Byramjee, Mrs. Lucia Vaze Lima, Maneck Hormasji P. Byramjee, Mohamed Siddique Hasan, Mrs. Nan Ellis Jones, Omar Latiff, Pestonji Dinshaw Dastur, Mrs. Leena Ribeiro, Silvia Ribeiro Miranda and Virbaiji Pestonji Dastur.

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE DIRECTORS OF THE COMPANY HAVE decided to recommend to the Annual General Meeting the payment of the following dividends to the Shareholders for the year ended 31st December 1955:—

Rs. 5 per share free of income-tax on Preference Shares.

Rs. 12 per share without deduction of income-tax on Ordinary Shares.

For and On behalf of
THE SVADESHI MILLS CO., LTD.,
TATA INDUSTRIES LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, 15*th March* 1956.

THE TATA MILLS LIMITED

NOTICE

THE FORTY-FOURTH ANNUAL GENERAL MEETING of the Shareholders of THE TATA MILLS, LIMITED, will be held at the Registered Office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Friday the 13th April 1956, at 4.30 p.m. (S.T.), to transact the following business:—

(1) To adopt the Directors' Report and the audited Statements of Accounts of the Company for the year ended 31st December 1955.

(2) To declare a Dividend.

(3) To appoint two Directors in place of those who retire by rotation but are eligible for re-appointment.

(4) To consider, and if thought fit to pass, a Special Resolution, a copy of which with an explanatory statement has been posted to the shareholders.

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

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

By Order of the Board of Directors,
TATA INDUSTRIES LTD.,
Managing Agents,
A. D. SHROFF,
Director.

BOMBAY, 15*th March*, 1956.

Note.—(*a*) The Transfer Books of the Company have been closed from Monday the 12th March to Monday the 9th April 1956, both days inclusive.

(*b*) The dividend, if sanctioned at the General Meeting, will be payable at the State Bank of India, from Saturday the 14th April 1956, to the shareholders whose names stand on the Register of the Company on the 9th April 1956, and the dividend warrants will be duly posted to the registered addresses of such shareholders. The dividend is not payable on the new shares allotted in January 1956, in accordance with the terms of their issue.

THE BENGAL PAPER MILL COMPANY, LIMITED

THE DIRECTORS HAVE DECIDED TO RE-commend to the forthcoming General Meeting of the Shareholders dividends for the half-year ended 31st December 1955, as follows:—

(*a*) Dividend on Cumulative Preference Shares at 7 per cent. per annum, free of Income-tax.

(*b*) Dividend on "A" Cumulative Preference Shares at 7 per cent. per annum, free of Income-tax.

(*c*) Dividend on "B" Cumulative Redeemable Preference Shares at 6 per cent. per annum (subject to deduction of Income-tax).

(*d*) Dividend on Ordinary Shares at 20 per cent. per annum, free of Income-tax.

For and On behalf of
BALMER LAWRIE & CO., LTD.,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA.

THE TATA MILLS LIMITED

NOTICE

THE DIRECTORS OF THE COMPANY HAVE decided to recommend to the Annual General Meeting, the payment of a dividend on Ordinary Shares at Rs. 4 per share, without deduction of income-tax, to the shareholders for the year ended 31st December 1955.

For and On behalf of,
THE TATA MILLS LIMITED,
TATA INDUSTRIES LTD.,
Managing Agents,
A. D. SHROFF,
Director.

BOMBAY, 15*th March* 1956.

THE MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD.

THE SHAREHOLDERS,

THE MAFATLAL FINE SPG. & MFG. CO., LTD.

GENTLEMEN,

THE ANNUAL GENERAL MEETING OF THE Company was to be held on Thursday the 29th March 1956, at 2-30 p.m. (I.S.T.), as advertised in the following papers:—

The Times of India, Bombay, on Saturday, the 3rd March 1956

The Bombay Samachar, Bombay, on Saturday, the 3rd March 1956

Sandesh, Ahmedabad, on Monday, the 5th March 1956.

It is, however, found that individual Notices and Balance Sheets and Profit and Loss Accounts of the Company could not be sent to the Shareholders sufficiently in time and it is therefore necessary to change the date of the Meeting which will now be held on Monday the 9th April 1956 at 3 p.m. (I.S.T.), as notified below:

NOTICE

NOTICE is hereby given that the Twenty-fifth Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office, Mafatlal House, Back Bay Reclamation, Bombay 1, on Monday the 9th April 1956, at 3 p.m. (I.S.T.), to transact the following business:

1. To receive and adopt the Directors' Report, Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1955.
2. To declare Dividends on Preference Shares and Ordinary Shares.
3. To elect a Director in place of Shri Arvind N. Mafatlal who retains Office till the General Meeting and is eligible for re-election.
4. To elect a Director in place of Shri Hemant B. Mafatlal who retains Office till the General Meeting and is eligible for re-election.
5. To elect a Director in place of Shri Kumudchandra K. Mahadevia who retires by rotation and is eligible for re-election.
6. To elect a Director in place of Shri Bipinchandra P. Patel who retires by rotation and is eligible for re-election.
7. To appoint Auditors for the current year and fix their remuneration.
8. To transact any other business the Chairman may bring before the Meeting.

A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

The Transfer Books of the Company are closed from Friday the 2nd March to Friday the 23rd March 1956, both days inclusive.

By Order of the Board of Directors,
NAVINCHANDRA PURSHOTAMDAS & Co., LTD.,
ARVIND N. MAFATLAL,
Director,
Secretaries, Treasurers & Agents.

MAFATLAL HOUSE,
BACK BAY RECLAMATION,
BOMBAY 1, 14*th March* 1956.

N.B.—The Dividends as recommended by the Directors when sanctioned by the Shareholders will be paid at the Bank of Baroda Ltd., Back Bay Reclamation Branch, Bombay, from Friday the 13th April 1956 to 31st July 1956, during business hours, and thereafter at the Registered Office of the Company during Office hours, excepting Saturdays, to those Shareholders whose names are on the Company's Register on 23rd March 1956.

Shareholders are requested to intimate to the Company immediately any change in their Registered address.

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PRICE PREFERENCES FOR ENCOURAGING INDIGENOUS INDUSTRIES

THE experience of those in industry and trade engaged in supplying stores and materials to Government departments, has not been quite happy. This has been so particularly in respect of their dealings with the Central Purchasing Organisation of the Government. The Organisation has been criticised on many grounds. It has been said that the Organisation can no longer function efficiently and that the over-centralisation of purchase activities in one department has tended to hinder national incan no longer function efficiently and that the Directorate General of Supplies and Disposals is dilatory in dealing with post-contractual correspondence, particularly in the matter of requests for extensions or regularisation of delivery and finalisation of provisional prices. Such delays result in withholding, inordinately, payments to suppliers, thereby blocking large amounts of money. Again, it is complained that the Directorate is needlessly harsh in demanding guaranteed deliveries and in insisting that deliveries must be treated as the essence of the contract which should be adhered to, failing which penalties as provided in the conditions of contract are levied.

These complaints are doubtless not without foundation. For, if the traders have failed to fulfil the supply contract in time, the delays are often due to factors beyond their control, such as non-issue, in time, of import licences, non-availability of railway wagons, delays effected in Testing House Laboratory, etc. These delays on the part of suppliers, in their turn, hold up implementation of projects in the Plan and thus cause losses by creating operational inefficiency, payment of idle time to labour in workshops, etc. It was to review the whole position that the Government of India appointed a Stores Purchase Committee. This Committee was asked, among others, "to examine the scope and functions of the Central Purchase Organisation and to determine whether the Organisation should be continued and, if so, to what extent there should be delegation of powers to the indenting departments for direct purchases with particular reference to specialist stores and emergent demands."

The Central Purchase Organisation in India developed from the old Indian Stores Department set up in 1922 for the purpose of encouraging the development of Indian industries so as to meet Government's requirements as far as possible. During the war, it expanded enormously and took over the purchases on behalf of the Defence Services. It is claimed that the Organisation has been one of the major instruments for the development of a number of industries in the country and for ensuring that their products achieve the requisite quality and are available at competitive prices.

Central Body to Continue

The Stores Purchase Committee which examined the scope and functions of the Organisation came to the definite conclusion that not only should this central body continue, but should be strengthened so that it can progressively and effectively undertake the purchase of specialised equipment hitherto purchased directly by the indentors and serve the needs of all departments of Government including statutory authorities, river valley projects and State-owned industrial and other enterprises as and when possible. In arriving at this conclusion, it had the full support of trade and industry in India. The Committee made a number of other suggestions for improving the working of the Central Purchase Organisation so as to eliminate the existing causes of delay at all stages. It emphasised the need for co-operation between the D.G.S. and D. as the Central Purchasing Organisation and the various suppliers so that delivery schedules, once finalised at the time contracts were placed, should be strictly adhered to. Deliveries of acceptable stores by the due dates must necessarily contribute, it said, to eliminating protracted correspondence on the question of extension and regularisation which are the principal causes leading to delay in payment of suppliers' bills and the withholding of amounts due to suppliers over which the latter have been naturally agitated.

The majority of these recommendations have been, according to Sardar Swaran Singh, Union Minister for Works, Housing and Supply, accepted by the Government of India. The Government has accepted the principle of a centralised machinery for the purpose of purchasing Government requirements of stores subject to suitable provisions and safeguards for direct purchases where necessary, as, for instance, in the case of purchases of small value, purchases in an emergency and purchases by particular projects in the initial stages of construction. What is more, the Government has taken certain important steps. These include (*a*) the creation of a Progress Wing within the D.G.S. and D., the principal task of which will be to follow up contracts after they have been concluded, so that, in close liaison with the indentors, inspectors and the suppliers, the supplies can be arranged within the period stipulated in the contract, (*b*) the restoration of the 21 days' grace period which had been withdrawn earlier, and (*c*) insistence that the consignees' certificates are received without delay.

Delivery Schedules

It will be appropriate to recall here the experience gained by the Government in the work of purchasing its requirements from traders and manufacturers in India. The problems facing it were explained by Sardar Swaran Singh, the Union Minister mentioned above. Presiding over a conference of officials of the Government of India and representatives of trade and industry held at New Delhi last month, this Minister stated that, with the expansion of Government purchase activities in line with the growing importance of the State under the Five-year Plans, the importance of complying with delivery schedules had grown immensely. For proper implementation of the projects contained in the Plan and their completion within the target dates fixed in the Plan, the Central Purchase Organisation would necessarily have to ensure that its purchases were effected in such a manner and with such priority in regard to allocation of raw materials currently in short supply that the deliveries materialised within the dates furnished by the indentors, which were worked out on the basis of their overall plans for the completion of each project.

Referring to the complaint that the D.G.S. and D. was harsh in demanding guaranteed deliveries and in insisting on deliveries being treated as the essence of the contract, the Minister said that deliveries were an important aspect of purchase if the Government had to complete its projects within specified periods. Prolonged delays in several cases had not only created in the minds of the indentors a feeling of uncertainty about supplying materials in time, but had caused incalculable losses in operational efficiency and loss of time and money in maintaining idle labour due to failure of timely deliveries of stores, etc. He said that as a department, undertaking purchases on behalf of various Government departments, the Central Purchasing Organisation would have to ensure that the interests of taxpayers were adequately safeguarded. He stated that the conditions of contract should, therefore, be just and fair and should not differentiate between one supplier and another. In this context, he pointed out that some suppliers of stores had accepted the Government contracts promising supplies of stores within a specified delivery period but had delayed supplies for no apparent reasons other than to create conditions of scarcity. It was not infrequent, he added, that the very supplier who had failed to comply with his contract with the D.G.S. and D., supplied the same stores at much higher prices against emergent purchases effected by indentors themselves, owing to the failure of supplies against the D.G.S. and D.'s contract. Sub-standard stores, too, had been, he said, supplied on occasions causing inconvenience to all subsequently. Such undesirable practices as these deserve to be condemned in the interests of the genuine trade and the taxpayer, and people responsible for such tactics should be punished by removing them from the list of recognised vendors. However, in cases where the failure is due to genuine causes, consideration should be shown to the supplier concerned, especially if he has to his credit a fair record as a dealer in the stores concerned.

Indigenous Industries

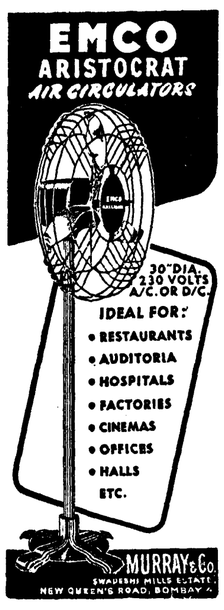
Sardar Swaran Singh indicated the policy of the Government in respect of placing orders for stores manufactured within the country. He pointed out that the Stores Purchasing Committee had given prominence to the necessity of the Central Purchase Organisation serving as an instrument for encouraging the development of indigenous industries, particularly with regard to stores purchased in substantial quantities. In implementing this recommendation, the Government had to proceed, he observed, cautiously so as not to encourage inflation of existing prices for indigenous products or a sense of complacency on the part of suppliers with regard to the need for improvement in efficiency, quality and economy in the manufacture of such products. The quantum of price preference for stores would have to be revised from time to time, he averred, as the aim should be to encourage the production of goods of the same quality as that of imported products and at prices which were competitive with world prices.

In view of the importance of cottage and small-scale industries in the national economy, the role of the Central Purchase Organisation in encouraging the industries was explained by the Minister. During the last three years, *khadi* purchases had increased from Rs. 27,000 to Rs. 87 lakhs. Purchases of stores produced by these industries amounted to Rs. 2.10 crores in 1955, as against Rs. 1.13 crores in 1952. "Such a policy is necessary," the Minister remarked, "not only to support an integral part of our national economy so as to provide greater employment and raise the standard of living in the rural areas, but also to ensure the fullest use of our national resources." He took care to add that in encouraging the small industries attention was given to economy, quality and prompt delivery.

Non-official Advisory Council

The Conference accepted the setting up of a non-official Purchase Advisory Council on the lines of the Import Advisory Council. This Council is to advise the Government on general purchase policy and procedural matters as well as to assist in the development of indigenous production, so that imported stores can be progressively replaced. The representatives of trade and industry urged for assistance to maximise production in the country and develop capacity for stores hitherto imported. Such help was considered necessary in respect of raw materials. The Conference recognised the importance of purchasing suitable stores from the cottage industry sector, consistent with quality and delivery in order to utilise the resources of the country to the maximum, providing employment and raising the standard of living in rural areas.

Regarding the question of setting up a permanent exhibition of samples and stores, the representatives of the Federation of Indian



Chambers of Commerce and Industry expressed the view that the Government should consider a co-ordinated scheme for displaying the requirements of the Government and industry in order to make the showroom more effective and useful.

The need for planned production through long-term booking of capacity in respect of stores in short supply and of stores the manufacture of which had to be developed was also emphasised at the Conference. Such a step would enable industries to expand with confidence and take up production of new items with an assurance of continuity of demand. Where adequate capacity was already in existence it was recognised that purchases should be made under the open tender system. The measures recently taken by the Government to conclude more rate and running contracts for specialised stores and for stores for which there were recurrent demands were considered to be a step in the right direction. The representatives of trade and industry agreed that it was of paramount importance that suppliers should quote realistic and firm delivery rates in their tenders so as to ensure that delivery dates stipulated in contracts were normally adhered to, as delays inconvenience indentors and hold up Government development projects.

OUTPUT OF PENICILLIN

The State-owned penicillin factory at Pimpri, near Poona, which has been gradually stepping up its output, has now exceeded the target rate of production. The factory produced 889,000 mega units of penicillin last month giving an average of 10.7 million mega units per year, well above the target of 9.0 million mega units per year envisaged when the factory was planned.

The factory, which is the first of its kind in India, began trial production in March last year with an output of nearly 67,000 mega units for the first month. Regular production began in August 1955 when the production stood at nearly 480,000 mega units. Till the end of February 1956, the factory's total production was nearly 5.6 million mega units of penicillin. This is well above the target of 4.8 million mega units fixed under the first Five-year Plan.

Within six months of the commencement of regular production, the factory has now outstripped the maximum rate contemplated under the joint plan of operations which was drawn up when the factory was planned four years ago with the co-operation of the United Nations International Children's Emergency Fund and the U.N. Technical Assistance Administration.

Penicillin produced at the factory has already been placed on the Indian market. The bottling plant of the factory at Bombay, which had so far been bottling imported penicillin, has for some time now been bottling the indigenous product. Samples of Pimpri penicillin were sent to the Food and Drug Administration of the United States Department of Health, Education and Welfare and to the U.K. Medical Research Council for confirmatory tests, after tests carried out at the laboratories of the factory had shown that the quality of Indian penicillin was equal to that of the imported stuff. Tests in the United States and the U.K. have confirmed that Indian penicillin compares favourably with penicillin produced in those two countries.

The Government has already decided to expand the installed capacity of the Pimpri factory by 60 per cent. at an estimated cost of Rs. 42 lakhs. After expansion, the factory will be able to produce about 25 million mega units of penicillin or more per year. All types of penicillin required by hospitals, physicians and surgeons and private practitioners in India will be produced at the factory. Streptomycin and bicillin are among other antibiotics, the production of which is expected to be taken up by the factory in due course.

U.S. SURPLUS COTTON

Mr. Harold M. Randall, U.S. representative on the Inter-American Economic and Social Council, assured the Council the other day that the United States would regulate its projected sale of cotton reserves to avoid disruption of the world market. Explaining the U.S. decision to enter the world cotton market on a competitive basis beginning from 1st August next, Mr. Randall said that, in the past three years, while the U.S. Government was restricting cotton production as an aid toward stabilising world prices, other cotton-exporting countries were increasing their crops. U.S. acreage planted to cotton aggregated 28.4 million acres in the 1934-38 crop years, he pointed out, and was 19.3 million acres in 1954-55 and 16.9 million acres in 1955-56. During this period, he said, six other major cotton-producing countries increased their acreages by 34 per cent.

The above statement was made as the Council weighed a Uruguayan proposal calling for a study of the effect of "current tendencies in the world cotton market." Following Mr. Randall's address, the Council set aside a vote on the proposal and referred the matter to its Economic Co-operation Committee.

Mr. Randall told the Council that, in entering the world market, the United States violated no treaties or international understandings. For the past few years, he said, the United States had maintained a programme aimed to assure stabilisation of the world price of cotton. However, the programme had worked serious difficulties upon U.S. cotton farmers because of its restrictions. According to him, cotton production in other parts of the world continued at an ever-increasing rhythm of growth. The U.S. had declared at the International Cotton Advisory Committee meeting in 1954 at Sao Paulo, Brazil, that, if other cotton producers continued to sow an acre every time the United States reduced planting by an acre, the U.S. Government would be forced to re-examine its position. He urged other countries to withhold judgment on the projected sales plan until it had been in operation for a reasonable time. He expressed confidence that, after the initial effect of it, the market would continue strong. He appealed to the Council to postpone voting on the Uruguayan proposal, since the International Cotton Advisory Council, representing the major producers, would meet at Washington soon to discuss the same questions.

FUTURES TRADING IN PEPPER

The Government of India has accepted the recommendation of the Forward Markets Commission that recognition should be granted for a period of three years to an association that may be constituted at Cochin for carrying on futures trading in pepper.

By a notification issued on 23rd January 1955, the Government of India had applied section 17 of the Forward Contracts (Regulation) Act, 1952, to pepper throughout India, except the State of Travancore-Cochin. As a result, while the ban imposed under the Essential Supplies (Temporary Powers) Act, 1946, on transferable specific delivery contracts for the purchase or sale of pepper was continued, no restrictions were placed on forward trading in Travancore-Cochin State.

The Forward Markets Commission has since examined the question of regulating futures trading in pepper and has come to the conclusion that a futures market should be established at Cochin. The Commission has recommended, *inter alia*, that recognition be granted in due course for a period of three years to an association that may be constituted for the purpose. The recognition, the Commission has recommended, should be granted on the condition that the association carries out such modifications in its articles of association, trading by-laws and working procedures as may be suggested to it by the Commission. These recommendations have been accepted by Government.

MANUFACTURE OF POLYTHENE IN INDIA

Imperial Chemical Industries Ltd. has received the approval of the Government of India to a project to manufacture polythene in India. The manufacture will be undertaken by the I.C.I. associate, the Alkali and Chemical Corporation of India Ltd., in which the Indian public has a substantial shareholding. Technical assistance in the design, construction and operation of this plant will be provided under agreement by Imperial Chemical Industries Ltd. The project will involve a total investment of about Rs. 3 crores.

Polythene was first discovered in the research laboratories of I.C.I. Ltd. in the U.K. The process to be used in India will be that developed by I.C.I. and used in the manufacture of their well-known "Alkathene." The use of this product in India has been developed by I.C.I. (India) Ltd., which has operated a plant at Calcutta for the manufacture of film from imported granules since 1953. Polythene is a tough, flexible, thermoplastic material with outstanding electrical insulating properties. Many thousands of tons are used every year throughout the world in the manufacture of packaging film, flexible pipes, submarine telephone cables, radar equipment and moulded domestic articles, to mention only some of the major uses. As elsewhere, the largest single use of polythene in India will probably continue to be for packaging purposes, both as film and as coating on paper and jute.

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BINNY MILLS MAINTAIN DIVIDENDS

SHARP RISE IN BUCKINGHAM'S PROFIT—BANGALORE WOOLLEN'S PROFIT LOWER

THE Directors of the two leading textile mills under the management of Messrs. Binny & Co. (Madras) Ltd., Madras, namely, the Buckingham and Carnatic Company, Ltd., and the Bangalore Woollen, Cotton and Silk Mills Company, Ltd., have decided to maintain the dividend on ordinary shares of the two companies for the year ended 31st December 1955 at the same rates as those paid for the previous year, notwithstanding the sizable variations in their earnings from those earned in 1954. Thus, the dividend of the Buckingham is being repeated at 10 per cent. despite the increase in its gross profit from Rs. 1.19 crores to Rs. 1.43 crores, the highest the Company has earned since 1948. The distribution to the shareholders of the Bangalore Woollen is being maintained at 30 per cent. although the gross profit has dwindled from the record level of Rs. 94.25 lakhs earned in 1954 to Rs. 80.78 lakhs. In fact, the Company is required to pay a higher dividend, under Section 23A of the Indian Income-tax Act, but the Directors have not done so for reasons stated below:

To revert to the working of individual companies. With the increase in profit for 1955, the Buckingham and Carnatic has more than made good the decline suffered in 1954, when the gross profit declined from Rs. 1.25 crores to Rs. 1.19 crores. Such an improvement in earnings is really heartening in the context of the rise in manufacturing costs and the reduced purchasing power of the consumers and of restrictions placed on the cotton mill industry, under which the Company cannot expand its equipment. Evidently, the better trading results are due to the management's successful endeavour in improving the efficiency throughout the range of its manufacturing processes.

The salient features of the working results of the Company for the past four years under review are compared in the following table:

(In lakhs of rupees)

—	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	900.78	844.09	856.07	832.85
Other income	8.88	6.19	5.04	7.47
Stocks of process and finished goods	85.78	87.71	84.53	95.43
Raw materials and stores consumed	471.11	443.05	434.89	411.16
Expenses	203.07	201.30	200.74	244.08
Gross profit	143.55	119.12	124.59	20.73
Managing Agents' commission.	11.29	9.92	9.77	0.90
Provision for—				
Depreciation	30.60	19.90	17.89	11.70
Taxation	39.00	37.50	37.25	..
Net profit	62.66	51.79	59.68	8.13
Excess provision for taxation written back	..	..	..	20.00
To reserves and other funds ..	23.00	12.07	20.53	8.64
,, discount on debenture issue.	..	..	..	3.00
,, bonus to employees ..	20.52	20.12	19.58	7.76
Dividends—				
7½% cum. preference ..	1.60	1.60	1.60	1.60
Ordinary	17.85	17.85	17.85	7.14
	(10%)	(10%)	(10%)	(4%)
Carry forward	2.38	2.69	2.53	2.40

The rise of Rs. 56.69 lakhs in sale proceeds reflects the expansion in production consequent on the progress in the capital programme referred to above. The Company has also been successful in exporting a substantial part of its production to overseas markets, in spite of import restrictions and keen competition in those markets. The benefit of the increase in sale proceeds has, however, been offset to a good extent by the rise of Rs. 28.06 lakhs in cost of raw materials and stores consumed. The provision for depreciation has been raised sizably to cover the charge on additional expenditure on buildings and machinery brought into use during the year. The Directors have raised the allocation to debenture redemption fund from Rs. 5 lakhs to Rs. 9 lakhs, bringing the aggregate allocation for the past four years to Rs. 20 lakhs, in accordance with the Directors' policy of equalising the appropriations to the final date of maturity in 1972. No provision for increased replacement costs of building and machinery has been made this year also, but a sum of Rs. 3.50 lakhs has been transferred to this reserve from the debenture redemption fund; this amount represents the face value of the debentures repaid during the year. The transfer to the general reserve has been raised from Rs. 6 lakhs to Rs. 10 lakhs. The raw materials fluctuation reserve and insurance reserve, which had not received anything last year, have been strengthened by the addition of Rs. 75,000 and Rs. 2.14 lakhs, respectively. The assessment of income-tax on the Company's profit for the year ended 31st December 1954 has not been completed and the relief from taxation on profit through the operation of the development rebate and extra normal depreciation for that year has, therefore, not yet been determined. As soon as the correct amount of relief has been ascertained, the Directors point out, the usual transfer from taxation reserve to provision for increased replacement costs of buildings and machinery will be made.

The balance-sheet as on 31st December 1955 reflects a sound financial position. The reserves and surplus aggregate Rs. 178.91 lakhs, as against a paid-up capital of Rs. 199.78 lakhs. Of these reserves, general reserve accounts for Rs. 51 lakhs, dividend equalisation reserve for Rs. 10 lakhs, raw materials fluctuation reserve for Rs. 10 lakhs, provision for increased replacement costs of buildings and machinery for Rs. 64 lakhs, debenture redemption fund for Rs. 6.52 lakhs, fire, accident and insurance fund for Rs. 20 lakhs and workpeople's housing fund for Rs. 15 lakhs. The outstanding liability on debenture stock is Rs. 86.50 lakhs. The provision for taxation stands at Rs. 21.21 lakhs. The current liabilities aggregate Rs. 140.32 lakhs and special liabilities Rs. 10.87 lakhs. There has been an addition of Rs. 202.79 lakhs to the gross block during the year, bringing the total value to Rs. 638.09 lakhs. This has been written down to a book value of Rs. 285.77 lakhs. Capital works in progress amount to Rs. 34.94 lakhs. The current liabilities aggregate Rs. 307.68 lakhs and investments held against special liabilities Rs. 9.20 lakhs.

The construction of the second weaving shed has been commenced and this, when completed, will have ample space to house the looms which are still operating in the old mills buildings. The Directors observe that it is still desirable to conserve the Company's resources in order to finance the completion of the rehabilitation programme and the Directors have borne this factor in mind in making their proposals for appropriations from profits for the year under review.

Bangalore Woollen

The decline in the earnings of the Bangalore Woollen reverses the upward trend noticed in the previous two years. Nevertheless, the profit for the year under review is one of the highest in the history of the Company. After raising the provision for depreciation from Rs. 16.30 lakhs to Rs. 18.17 lakhs and making a lower provision of Rs. 20.23 lakhs for taxation, as against Rs. 25.25 lakhs set aside a year ago, the net profit of the Company amounts to Rs. 36.10 lakhs, as compared with Rs. 45.50 lakhs for 1954. The Directors have reduced the allocation to the general reserve from Rs. 10 lakhs to Rs. 9 lakhs, but have raised the provision for workpeople's housing fund from Rs. 2.50 lakhs to Rs. 3 lakhs and maintained that for officers' retiring fund at Rs. 75,000.

The following table provides an idea of the Company's progress during the past three years:

(In lakhs of rupees)

—	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	481.94	472.25	432.29	450.20
Process and finished stocks ..	58.50	55.84	48.43	18.30
Gross profit	404.66	386.72	375.45	401.95
Agents' commission ..	30.78	94.25	63.16	37.40
Provision for—	6.28	7.19	4.62	2.26
Depreciation	18.17	16.30	12.92	12.71
Taxation	20.25	25.25	15.50	7.00
Net profit	36.10	45.50	30.12	15.42
To reserves and other funds ..	12.75	20.45	9.62	2.86
bonus to employees ..	10.90	12.50	10.10	6.10
Dividends—				
6% cum. preference ..	0.36	0.36	0.36	0.36
Ordinary	12.15	12.15	10.12	6.07
	(30%)	(30%)	(25%)	(15%)
Carry forward	2.39	2.45	2.40	2.50

The Company comes within the scope of section 23A of the Indian Income-tax Act, as amended by the Indian Finance Act, 1955, and is, therefore, required to declare a higher dividend than that paid for 1954. The Company has, however, submitted to the Commissioner of Income-tax, Bangalore, that "having regard to the financial requirements that are necessary and advisable for the maintenance and development of the business, it would be unreasonable to pay a higher dividend than that already declared for the calendar year 1954." Pending a decision by the Commissioner, the Company has maintained the dividend for 1955 at the record level of 30 per cent., to which it had been raised last year.

Nothwithstanding the recession from the record level attained in 1954, the profit for the year under review is to be considered satisfactory in the context of the trading conditions which prevailed during the year. Referring to these conditions, the Directors observe in their latest report as follows:

"Production and sales showed a further increase, but it was not found possible to raise selling prices to cover the cess and excise duties which were imposed early in the year on woollen and union fabrics. These additional charges enhanced the loss in the woollen section and adversely affected the profit on union fabrics. The need to meet increased competition in the fine cotton section also reduced profit margins."

The Company's latest balance-sheet discloses an impressive financial position. The reserves and surplus aggregate Rs. 203.07 lakhs, as against a paid-up capital of Rs. 46.50 lakhs. Of these reserves, general reserves alone account for Rs. 105 lakhs. Dividend equalisation reserve amounts to Rs. 11 lakhs, fire and accident insurance reserve Rs. 12 lakhs, reconstruction reserve Rs. 33.89 lakhs, raw materials fluctuation reserve Rs. 12.80 lakhs and additional provision for depreciation based on replacement costs Rs. 26 lakhs. The provision for taxation stands at Rs. 10.39 lakhs. The current liabilities amount to Rs. 39.17 lakhs and special liabilities to Rs. 10.95 lakhs. The gross block of the value of Rs. 324.99 lakhs, including the addition of Rs. 40.36 lakhs during the year, has been written down to a book value of Rs. 82.61 lakhs. Besides, the capital works in progress amount to Rs. 8.71 lakhs. The current assets aggregate Rs. 227.85 lakhs, in addition to which the investments held against special liabilities amount to Rs. 10.92 lakhs. Thus, the current assets exceed the current liabilities and provision for taxation by a large margin.

The Company completed during the year under review the construction of the cotswol mill and further progress has been made with the programme of replacement of old machinery with up-to-date plant.

The Rs. 100 fully paid-up ordinary shares of the Buckingham are being currently quoted at Rs. 178 *cum-div.* and those of the Bangalore Woollen at Rs. 590 *cum-div. cum-right.* On an *ex-div.* basis, the yields on the shares work out to 6 per cent. per annum and 5.4 per cent. per annum, free of income-tax, respectively.

B.I.C. SKIPS OVER DIVIDEND

The year ended 31st December 1955 has turned out to be another unfavourable one for the British India Corporation Ltd. (Chairman and Managing Director: Sir Robert Menzies, Kanpur). In fact, the year has proved to be so adverse that the Company has suffered a gross loss for the first time after many years and has had to hold in arrears the dividend on its preference shares, also for the first time since the early thirties. It is quite obvious, therefore, that the ordinary dividend for the year under review has had to be skipped over.

The Company has suffered a loss of Rs. 15.24 lakhs for the year under review before providing for depreciation, as compared with a small profit of Rs. 5.20 lakhs earned in 1954, to which level the Company's earnings had dwindled almost successively from a bumper profit of Rs. 185.76 lakhs earned in 1950. After setting aside Rs. 15 lakhs for depreciation, as against Rs. 10 lakhs for 1954, the net loss works out to Rs. 30.24 lakhs, which compares unfavourably with the loss of Rs. 4.80 lakhs suffered in the previous year. Though the shareholders of the Company may not have expected such an adverse result for the year under review, they had at least been prepared for facing a difficult year.

The following comparative table shows the extent to which the Company's working results have been adversely affected during the past three years:

(In lakhs of rupees)

—	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	615.54	603.20	719.55	784.45
Other income	21.19	21.70	..	..
Stocks	402.69	348.24	356.58	299.48
Raw materials and manufacturing charges	517.02	429.19	458.40	352.62
Other expenses	249.38	272.26	273.12	202.92
Gross profit (+) or loss (—) ..	—15.24	+5.20	+72.08	+71.46
Provision for—				
Depreciation	15.00	10.00	6.50	6.50
Taxation	..	..	25.00	30.00
Net profit (+) or loss (—) ..	—30.24	—4.80	+47.08	+34.96
Provision for taxation no longer required	..	14.00	..	..
Other income	15.35	6.39	..	..
To reserves	15.29	5.83	..	10.00
Dividends—				
8 per cent. preference ..	..	6.48	6.48	6.48
Ordinary	..	4.06	32.50	40.62
		(1¼%)	(10%)	(12½%)
Carry forward	—27.37	2.81	8.59	1.99

The main reasons for the disappointing results of the year are: (1) the impact of the heavy excise duties, (2) the heavy cost of employing or discharging labour made redundant by changes in trade, (3) the strike by the labour in the textile branches of the Company in Kanpur lasting nearly three months during the summer of 1955, and (4) the disastrous floods in the Punjab which seriously dislocated the despatch of manufactured goods from the New Egerton Woollen Mill's branch. The Directors point out that the excise duties, which were intended to form a type of indirect taxation on the consumer, have operated as a direct tax on the producer. The Directors have continued to bring this position as forcibly as possible to the Government of India's notice. Besides the textile strike in Kanpur and the floods in the Punjab which affected the sales of the woollen branches, the profit margins were still restricted by competitive conditions. Towards the close of the year there was a considerable drop in prices of raw materials and provision had to be made against this decline. The quality and quantity of suitable raw hides available for the leather and footwear branches were unsatisfactory and prices were high. This affected sales, although prospects for the export of leather are now brighter than they were earlier. The Directors, however, point out that the excise duty on footwear still exceeds the profit margin on such products. They add that effort was made during the year to restore profitable working by trying to secure the co-operation of labour, but conditions were difficult.

During the year under review, the Company realised a profit of Rs. 15.29 lakhs on sale of investments and this, as usual, was credited to the investment reserve account.

The Company's reserves aggregate Rs. 116.12 lakhs, as against a paid-up capital of Rs. 406 lakhs. The provision for taxation, less advance payments, stands at Rs. 20.86 lakhs. The current liabilities aggregate Rs. 538.46 lakhs, having risen from Rs. 354.61 lakhs a year ago, mainly due to the increase in borrowing from bank secured against stocks and investments from Rs. 166.20 lakhs to Rs. 388.74 lakhs. There has been an addition of Rs. 12.76 lakhs to the gross block bringing the total value to Rs. 282.04 lakhs. This stands well written down to Rs. 59.90 lakhs. The current assets aggregate Rs. 778.12 lakhs and investments Rs. 216.10 lakhs.

The Directors have assured the shareholders that they continue to take all suitable action to restore the Corporation's trading to a profitable basis and, wherever possible, overhead expenses are being reduced. The capital expenditure programme is still under execution, extensive rehabilitation plans for all branches has been approved by the Directors and are in course of being implemented as rapidly as possible.

COIMBATORE COTTON'S PROFIT BETTER

DIVIDEND WELL MAINTAINED

A MODEST increase of Rs. 1.91 lakhs to Rs. 14.97 lakhs in gross profit is disclosed by the audited accounts of the Coimbatore Cotton Mills Ltd. (Managing Agents: Messrs. R. Bheema Naidu & Co., Coimbatore) for the year ended 31st December 1955. This improvement in earnings is in refreshing contrast to the drop of Rs. 1.36 lakhs suffered in 1954 and has raised the profit to the highest level since 1951. Besides the improvement in profit for which the year under review is noted, the past year is also a significant one in the progress of the Company, for it marks the completion of 25 years of its existence. The silver jubilee was celebrated in November 1955.

The distribution to the shareholders has, however, been maintained at 25 per cent., to which level it had been raised last year successively from 9 per cent. paid for 1952 and 20 per cent. for 1953. This represents the highest dividend to be paid on the present capital, doubled in 1947 by the capitalisation of a sum of Rs. 6 lakhs from the reserves. On the old capital, it represents a dividend of 50 per cent., exceeding the previous highest of 40 per cent. paid for 1943 on the old capital.

If the dividend has not been raised, in spite of the rise in gross profit, it is due to the fact that the net profit for the year under review is slightly lower at Rs. 3.87 lakhs, as compared with Rs. 4.11 lakhs for 1954. This is the second year in succession for which the net profit shows a decline, having fallen in the previous year from Rs. 6.42 lakhs earned in 1953. This is due to the further increase in the provision for taxation from Rs. 4.20 lakhs to Rs. 5.68 lakhs. No allocation has been made to the general reserve, which had received Rs. 83,941 a year ago.

The following comparative table, giving the salient features of the Company's results for the past four years, provides an idea of its progress in recent years:

(In lakhs of rupees)

—	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds and stocks ..	75.22	78.15	67.18	74.65
Other income ..	0.77	0.53	0.35	0.32
Opening stocks and consumption of raw materials, etc. ..	49.00	52.89	42.43	66.54
	12.02	13.23	10.70	9.61
Expenses ..	12.02	13.06	14.42	1.18
Gross profit (+) or loss (—) ..	+14.97	+13.06	+14.42	—1.18
Managing Agents' remuneration	1.91	1.67	1.66	0.67
Provision for—				
Depreciation	3.51	3.08	4.35	..
Taxation	5.68	4.20	1.97	..
Net profit (+) or loss (—) ..	+3.87	+4.11	+6.42	—1.85
To reserves	..	0.84	2.69	1.00
bonus to staff ..	..	..	..	1.00*
Dividend	3.00	3.00	2.40	(9%)
	(25%)	(25%)	(20%)	—1.85
Carry forward	0.34	0.05	..	

* Paid out of dividend equalisation reserve.

It will be noted that the sale proceeds and stocks show a decline of nearly Rs. 2.93 lakhs. The effect of this has, however, been more than made good by the fall of Rs. 3.39 lakhs in opening stocks and raw materials consumed and of Rs. 1.21 lakhs in expenses. This explains the increase in gross profit, despite the fall in sale proceeds.

The following synopsis of the Company's latest balance-sheet gives an idea of its financial position:

Liabilities	Rs.	Assets	Rs.
Capital ..	12,00,000	Gross block	34,66,396
Reserves and surplus ..	20,94,164	*Less*—Depreciation	27,86,527
Provision for taxation ..	6,99,621	Net block ..	6,81,869
Liabilities ..	10,64,206	Stock-in-trade ..	18,11,880
		Stores ..	1,30,561
		Debts, deposits and advances ..	4,84,742
		Investments	18,06,186
		Cash ..	1,42,753
Rs.	50,57,991	Rs.	50,57,991

It will be noted that the reserves stand at a comfortable level, notwithstanding the capitalisation of Rs. 6 lakhs in 1947 and the utilisation of Rs. 4.80 lakhs from the general reserve for paying a cash bonus of Rs. 40 per share in 1948. The gross block stands well written down. The investments include fixed deposits in banks amounting to Rs. 17 lakhs. These and other cash balances alone more than adequately cover the current liabilities and provision for taxation.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 333 *ex-div.*, at which rate the latest dividend gives a yield of 7.5 per cent. per annum, free of income-tax.

Points From The Chair

Tax on Dividends

"THE proposed penal tax on dividends declared at a rate of more than 6 per cent. on the paid-up capital will cost your Company Rs. 2 lakhs per annum, if it reaches the Statute Book in its present form—assuming that the present rate of dividend distribution remains unaltered. This proposed tax operates most unfairly against companies such as yours which have prudently accumulated substantial reserves from the taxed profits of past years. Just as disturbing, to my mind, as the actual tax itself is the manifestation of the fact that the 6 per cent. mentality persists in New Delhi. In conditions as they exist today—for example, the Bank rate in the U.K. is now 5½ per cent.—it does not seem reasonable that risk capital should only be allowed a return of 6 per cent. without a heavy penal tax, and particularly at a time when it is hoped to attract such capital to enter this country."

E. D. SHEPPARD,
Kohinoor Mills Co., Ltd.

Distinction Between Private and Public Sectors

"An event of considerable importance has occurred recently when the State itself has taken over the responsibility of life insurance. Whatever the magnificent job private enterprise would have made of it, insurance had touched only the fringes of our people and if it had to cover aspects of social insurance like old age, sickness and unemployment—not only for a few but a larger and larger section of the people—only a State enterprise could do it, introducing an element of compulsion if necessary. In a national endeavour, the so-called distinction between private and public sector loses much of its pitch and point. These sectors are complementary and not mutually exclusive. The goal is of raising the country and its people into economic independence and utilising the available resources to the maximum advantage. If this is realised there is greater scope for co-operation and understanding between all sectors. Profit motive, however useful it might have been for economic development at one stage, has perforce to be tempered with service motive and as I said last year, if private enterprise cannot adapt itself to these dynamic changes, it would have lost its prime virtue and will go under."

DR. T. M. A. PAI,
Canara Industrial and Banking Syndicate Ltd.

Disquieting Trends in India

"Notwithstanding ministerial assurances it must be admitted that certain trends are disquieting. The nationalisation of all life assurance companies, many of which are shareholders in the private sector of industry, is not a happy omen, and from the point of view of overseas firms that employ specialised foreign staff the rates of taxation on income, which are in no sense discriminatory, do pose a major problem. There are still many fields in the private sector of Indian industry where the capital, skill and enterprise of foreign firms could be of invaluable assistance to the Indian economy, but continued foreign investment in India and the promotion of industry with foreign help must necessarily depend not only on confidence but also on the ability to employ foreigners on terms that make overseas service attractive."

V. A. GRANTHAM,
Chartered Bank of India, Australia and China.

Contribution of Labour to Bring Down Costs

"Successive Governments have repeatedly warned the nation of the danger of inflation and called for economy in public and private expenditure and for stability of prices. On many occasions the T.U.C. have themselves referred in a most statesmanlike manner to the dangers of rising costs and have given appropriate advice to their member unions, but many of them have not yet realised the far-seeing wisdom and importance of this advice in the interest of their members as well as the nation as a whole. We welcome the T.U.C.'s realistic approach to the problems which are causing great concern to those of us who are trying so hard to secure export orders to help the nation's balance of payments, for in present conditions it is unpredictable how long we shall be able to continue to bring overseas orders to this country at the present level of costs. The contribution of all our employees to the solution of this problem must be ever-increasing efficiency in design and manufacture and we shall spare no effort to guide them in these directions."

SIR GEORGE H. NELSON, BT.,
English Electric Co., Ltd.

Outlook for Rubber

"In 1936, American car production is likely to revert nearer to the more normal figure of 1954. Hire purchase restrictions and withdrawal of credit should in themselves bring about some reduction in United Kingdom production of cars, although the 1955 level did not follow the American pattern. Offsetting these unfavourable factors is the expectation that, in response to the lower prices now prevailing, supplies of natural rubber are likely to fall below the figure for 1955 and there are indications that the countries behind the Iron Curtain may increase their purchases of the natural product. In the end, it may well be that any surplus will be contained within the manageable limits of 4 per cent. to 5 per cent. If these expectations are soundly based, then it would seem that the recent sharp fall in the price of rubber is more the expression of a mood than the outcome of serious consideration of the production/supply position."

SIR JOHN HAY,
Linggi Plantations Ltd.

COMPANY MEETINGS AND DIVIDENDS

BENGAL JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 28th March 1956. Dividend: Re. 1-2 per share. Transfer books remain closed from 21st to 28th March 1956, both days inclusive.

JUBBULPORE ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 29th March 1956. Dividend: As. 6-2/5 per share. Transfer books remain closed from 23rd to 29th March 1956, both days inclusive.

AGRA ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 29th March 1956. Dividend: Rs. 5 per share. Transfer books remain closed from 23rd to 29th March 1956, both days inclusive.

NEW BEERBHOOM COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th March 1956. Dividend: As. 8 per share. Transfer books remain closed from 20th to 29th March 1956, both days inclusive.

UNION COAL CO., LTD. Half-yearly General Meeting, Calcutta, 29th March 1956. Transfer books remain closed from 22nd to 29th March 1956, both days inclusive.

ORISSA MINERALS DEVELOPMENT CO., LTD. Half-yearly General Meeting, Calcutta, 29th March 1956. Dividend: Re. 1 per share. Transfer books remain closed from 15th to 29th March 1956, both days inclusive.

CAREW & CO., LTD. Annual General Meeting, Calcutta, 29th March 1956. Dividend: As. 4 per share. Transfer books remain closed from 16th to 29th March 1956, both days inclusive.

CALCUTTA GAS CO. (PROPRIETARY) LTD. Annual General Meeting, Calcutta, 29th March 1956. Transfer books remain closed from 21st to 29th March 1956, both days inclusive.

MARSHALL, SONS & CO. (INDIA) LTD. Annual General Meeting, Calcutta, 29th March 1956. Dividend: As. 4-4/5 per share. Transfer books remain closed from 22nd to 29th March 1956, both days inclusive.

BARDUAR TEA AND TIMBER CO., LTD. Annual General Meeting, Calcutta, 29th March 1956. Transfer books remain closed from 24th to 29th March 1956, both days inclusive.

KALLINUGGER AND KHOREEL TEA CO., LTD. Annual General Meeting, Calcutta, 29th March 1956. Transfer books remain closed from 24th to 29th March 1956, both days inclusive.

KALYANMAL MILLS LTD. Annual General Meeting, Indore, 30th March 1956. Transfer books remain closed from 23rd March to 6th April 1956, both days inclusive.

BRUSHWARE LTD. Annual General Meeting, Kanpur, U.P., 30th March 1956. Dividend: As. 12 per share.

STANDARD MILLS CO., LTD. Annual General Meeting, Bombay, 9th April 1956. Dividend: Rs. 20 per share, payable from 13th April to 31st July 1956, both days inclusive.

MAFATLAL FINE SPINNING AND MANUFACTURING COMPANY, LTD. Annual General Meeting, Bombay, 9th April 1956.

SVADESHI MILLS CO., LTD. Annual General Meeting, Bombay, 12th April 1956. Dividend: Rs. 12 per share, payable from 13th April 1956. Transfer books remain closed from 12th March to 9th April 1956, both days inclusive.

TATA MILLS LTD. Annual General Meeting, Bombay, 13th April 1956. Dividend: Rs. 4 per share, payable from 14th April 1956. Transfer books remain closed from 12th March to 9th April 1956, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 14th April 1956. Dividend: Rs. 22 per share (includes interim dividend of Rs. 8 per share) payable on and after 16th April 1956. Transfer books remain closed from 24th March to 14th April 1956, both days inclusive.

VISHNU COTTON MILLS LTD. Dividend of Rs. 8 per ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 11th to 25th April 1956, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. Dividend of Rs. 42-8 per ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 12th to 26th April 1956, both days inclusive.

COMPANY REGISTRATIONS

R. LALBHAI & CO., LTD. (First Director: Mr. Girdharlal Chhotalal.) Business: Selling agents, Managing agents, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 526, Panchkuva, Kapad Bazar, Ahmedabad 2.

GIRDHARLAL CHHOTALAL & CO., LTD. (First Director: Mr. Girdharlal Chhotalal.) Business: Selling agents, Managing agents, Commission agents, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 526, Panchkuva, Kapad Bazar, Ahmedabad 2.

HIRA FILMS LTD. (Managing Director: Hirasingh Ranjitsingh.) Business: Cinematograph trade and industry. Authorised capital: Rs. 5,00,000. Private company. Address: National House, Tulock Road, Bombay 1.

SAPLES SCALES MANUFACTURING CO., LTD. Business: Contractors, importers and exporters, general merchants, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 196-198, Girgaum Road, Galwadi, Bombay 4.

GOKAK'S PROFIT GOES UP BY NEARLY 50 PER CENT.

EXCELLENT RESULTS OF KRISHNA GYANODAY

Gokak Mills, Ltd.

THE directors of the above Company (Agents: Messrs. Forbes Forbes Campbell & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts show a profit of Rs. 21,71,632 (Rs. 14,63,081) to which is to be added the net carry forward from 1954 of Rs. 37,169 (Rs. 85,195) which produces a total of Rs. 22,08,801 (Rs. 15,48,276). The following transfers have been made:—

To reserve account Rs. 2,00,564 (Rs. 50,715), depreciation Rs. 4,00,000 (Rs. 3,15,000), taxation reserve Rs. 7,20,000 (Rs. 5,00,000), development reserve Rs. 1,20,000 (*nil*) and staff gratuity fund Rs. 22,087 (Rs. 10,862), leaving available the sum of Rs. 7,46,150 (Rs. 6,71,699). From this balance the directors recommend the declaration of a dividend of Rs. 15 (Rs. 13) per share, free of income-tax which will absorb Rs. 7,32,150 (Rs. 6,34,530), leaving a balance to be carried forward of Rs. 14,000 (Rs. 37,169). Taxation.—The Company's income-tax assessment for the year ended 31st December 1954 has been finalised.

Machinery.—During the year, the following additions to machinery were made: Six ring doubling frames, three cheese winding machines, three carding engines, one roto-coner winding machine, one fabric loom and air-conditioning equipment for the testing room. Further, the humidification in No. 1 Mill was improved and enlarged and new fluorescent lighting installed. Ten doubling frames were re-conditioned. One line of new blow room machinery in No. 2 Mill has been erected and three additional lines have been received and are in course of erection. The 1,000 kw. diesel alternator which was mentioned in last year's report has been installed and is now in operation.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	48,81,000	Block ...	1,00,55,167
Reserves ...	35,22,175	Stock-in-trade	54,40,735
Depreciation account ...	68,95,088	Stores and spare gear	5,30,169
Provision for taxation ...	7,56,403	Debts, deposits and advances ...	15,98,276
Liabilities ...	16,87,855	Investments ...	5,19,568
Profit and loss account ...	7,46,150	Cash ...	3,44,756
	Rs. 1,84,88,671		Rs. 1,84,88,671

Shree Krishna Gyanoday Sugar Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st July 1955.

The year's working after providing all overheads and interest charges shows a surplus of Rs. 18,66,708 (Rs. 6,17,708). Out of this, provision has been made for depreciation amounting to Rs. 5,67,137 (Rs. 2,19,570), leaving a sum of Rs. 12,99,571 (Rs. 3,98,138). To this is added balance brought forward from last year of Rs. 5,475 (Rs. 3,337), making a total of Rs. 13,05,046 (Rs. 4,01,475). From this amount is deducted interim dividend on ordinary shares at Re. 1 (*nil*) per share (free of income-tax) for the year 1954-55 Rs. 2,00,000 (*nil*), leaving an available sum of Rs. 11,05,046 (Rs. 4,01,475). This amount the directors recommend to be appropriated as follows:

Payment of dividend (free of income-tax) for the year ended 31st July 1955, to the shareholders as on 29th March 1956: On 6,000 "A" class preference shares at Rs. 6 (Rs. 6) per share Rs. 36,000 (Rs. 36,000), on 12,000 "B" class preference shares at Rs. 5 (Rs. 5) per share Rs. 60,000 (Rs. 60,000), on 2,00,000 ordinary shares a final dividend at As. 12 (Re. 1-8) per share (making a total of Re. 1-12 (Re. 1-8) per share, i.e., 17½ (15) per cent. Rs. 1,50,000 (Rs. 3,00,000), provision for taxation Rs. 7,25,000 (*nil*) and transfer to general reserve (raising it to Rs. 19,00,000) Rs. 1,00,000 (*nil*). The balance of Rs. 34,046 (Rs. 5,475) is carried forward.

During the year under review, the sugar factories at Hathwa and Lauriya crushed 32,51,972 (15,05,570) and 27,39,217 (17,41,073) maunds cane and produced 3,29,406.3 (1,46,703) maunds and 2,89,619.7 (1,69,757) maunds sugar respectively. The cane crush at Hathwa is the highest recorded so far by this factory. The sugar recovery in the factories during the crushing season 1954-55 was 10.13 (9.74) per cent. at Hathwa and 10.57 (9.75) per cent. at Lauriya. The crush during the current year is expected to be substantially higher.

There has been shortfall in the production of distillery products during the year under review, the total production being 7,61,720 (9,03,122.9) bulk gallons of alcohol. This has been mainly due to the non-availability of molasses in adequate quantity at the commencement of the year. The production during the first six months of the current year amounts to 4,95,010 bulk gallons. On this basis, with improved supplies of molasses that will be possible with higher cane crush that is expected, the production will rise.

The Company undertook refining of imported raw sugar along with Rohtas Industries Ltd. Gururu Sugar Factory of Gaya Sugar Mills, Ltd. (in liquidation) taken by the Company on lease during the year was operated for the refining of imported raw sugar. The lease of the Gururu factory has now been renewed till 31st May 1956, for crushing of sugarcane during the current crushing season.

During the year under review the Company acquired about 2,500 acres agricultural farms near Lauriya factory for cultivation of sugarcane and for development and improvement of sugarcane varieties in this area.

With the issue of further Rs. 20 lakhs ordinary capital during the current year, interest charges should come down. The prospects for the current year continue to be satisfactory.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	38,00,000	Block ...	72,62,286
Debentures	15,00,000	Stock-in-trade ...	1,00,72,493
Reserves ...	21,68,560	Stores, spare parts, etc.	16,74,489
Provision for taxation ...	14,98,143	Raw sugar	24,21,728
Liabilities ...	1,49,57,116	Debts, deposits and advances ...	36,34,431
Profit and loss account ...	13,05,046	Investments	7,387
		Cash ...	1,56,056
	Rs. 2,52,28,870		Rs. 2,52,28,870

Orissa Minerals Development Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June 1955.

Iron Ore.—Raisings were 220,283 (234,549) tons compared with 303,531 tons during the previous half-year. Despatches at 224,788 (242,031) tons also showed a considerable fall as compared with 310,459 tons in the previous half-year. Raisings and despatches were low because of labour trouble at the mines. The steel works order was maintained at 40,000 tons per month during this period. Shipments to Japan mounted to 48,811 (27,010) tons compared to 19,002 tons during the previous period and this increase in shipments was due to the large quantity which had been stock piled at the docks in the last half-year.

Manganese Ore.—Raisings increased from 22,948 (27,564) tons to 38,720 tons as compared to the previous half-year. Sales, however, recorded a sharp drop from 27,388 tons to only 16,959 (8,626) tons and this was due to the very unsatisfactory wagon position prevailing during the period.

Manganese Dioxide.—Raisings showed a further decrease of 580 tons and were only 1,068 (2,297) tons during this half-year. Sales, however, increased from 1,074 tons to 1,547 (2,488) tons compared to the previous period. Proving still continues in the main deposit by the putting down of bore holes and trial pits.

Market.—The market improved somewhat and the prices at which the various grades could be sold during the period under review were better than before.

Transport.—The wagon position greatly deteriorated and was the worst that this Company has experienced for many years. This position continues and must have serious results on the Company's trading profits.

The Eastern Shipping Syndicate.—During the half-year, the share of profit from the above Syndicate amounts to Rs. 51,736 (Rs. 87,390) and this has been included in the accounts.

The profit and loss account after providing Rs. 89,344 (Rs. 83,975) for depreciation, Rs. 1,50,000 (Rs. 1,00,000) for taxation and taking Rs. 15,217 (Rs. 15,937) to provision for staff and workmen's accident and compensation, Rs. 50,760 (*nil*) to tax contingency reserve and Rs. 1,40,000 (Rs. 1,00,000) to mechanisation reserve and including Rs. 11,217 (*nil*) development rebate reserve written back, Rs. 1,50,000 (*nil*) taxation provision no longer required and Rs. 91,384 (Rs. 1,47,081) brought forward from the previous half-year, shows a credit balance of Rs. 3,05,053 (Rs. 3,39,969) which the directors propose to dispose of as follows:—

In paying a dividend on 2,00,000 ordinary shares at the rate of 20 (20) per cent. per annum, without any deduction for income-year paid by the Company Rs. 2,00,000 (Rs. 2,00,000) and in carrying forward Rs. 1,05,053 (Rs. 1,39,969).

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	20,00,000	Block ...	20,77,274
Reserves ...	34,49,599	Capital work-in-progress	1,88,165
Provision for taxation ...	9,78,179	Stock-in-trade	12,56,766
Liabilities ...	23,90,208	Stores and spare gear	5,95,191
Profit and loss account ...	1,05,053	Debts, deposits and advances ...	16,75,634
		Investments	30,32,800
		Cash ...	97,209
	Rs. 89,23,039		Rs. 89,23,039

Bengal Jute Mill Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Soorajmull Nagarmull, Calcutta) submit the audited accounts of the Company for the year ended the 30th June, 1955.

The accounts show a gross profit of Rs.19,47,725 (Rs. 19,71,479). After providing Rs. 1,89,221 (Rs. 2,12,210) for depreciation and Rs. 4,27,225 (Rs. 4,73,932) for interest, commission allowance and other expenses, there is an available balance of Rs. 13,31,280 (Rs. 12,85,338). To this should be added the amount brought forward from the previous year of Rs. 2,95,071 (Rs. 2,45,983), making a total of Rs. 16,26,350 (Rs. 15,31,321). It is proposed to set aside as a reserve for taxation (income-tax, super-tax, etc.) Rs. 6,00,000 (Rs. 6,25,000), leaving a balance of Rs. 10,26,350 (Rs. 8,56,321 after providing Rs. 50,000 for bad and doubtful debts). The directors recommend that this should be dealt with as follows:

In paying a dividend of 5½ per cent. per annum on 10,000 redeemable cumulative preference shares for the year ended 30th June 1955 (free of income-tax) Rs. 55,000 (Rs. 55,000), in paying a dividend on 4,50,000 ordinary shares of Re. 1-2 (Re. 1-2) per share (free of income-tax) for the year ended 30th June 1955 Rs. 5,06,250 (Rs. 5,06,250), transfer to reserve fund Rs. 2,00,000 (*nil*) and carry forward Rs. 2,65,100 (Rs. 2,95,071).

During the period under review the mills have worked in accordance with the supplemental working time agreement of the Indian Jute Mills Association. The mills worked with 12½ per cent. sealed looms up to 8th January 1956.

In terms of the resolutions passed by the Indian Jute Mills' Association 2½ per cent. of the total looms in the mill had been unsealed on and from the 9th January 1956 and a further 5 per cent. looms have been unsealed with effect from the 20th February 1956 leaving 5 per cent. of the total looms sealed.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	55,00,000	Block ...	25,74,598
Debentures	20,00,000	Stock and stores ...	39,58,867
Reserves ...	36,45,000	Other assets	4,251
Provision for taxation ...	29,72,915	Debts, deposits and advances ...	49,32,711
Liabilities ...	57,09,684	Investments	5,000
Profit and loss account ...	16,26,350	Cash ...	99,78,522
	Rs. 2,14,53,949		Rs. 2,14,53,949

Sirsilk Ltd.

The directors of the above Company (Managing Agents: Messrs. Birla Brothers Ltd., Somajiguda, Hyderabad-Deccan) submit the audited accounts of the Company for the year ended 30th September 1955.

During the year under review, the weaving plant was commissioned partially and the finished products were marketed. The fabrics having received a good response from the market, the functioning of the weaving section was gradually extended. But considerable difficulties were and are still being experienced both with the spinning and the weaving plants by reason of certain defective parts in the machinery and short capacity of certain sections of the plants. However, steps have been taken to repair, renovate, or replace the machinery, wherever necessary, in order to obtain better efficiency. So far, out of the 480 looms received, 230 looms have been installed and are working on triple shift.

As stated in the last report, the Company had to face certain difficulties in marketing the acetate yarn as this was a new indigenous product with which the market in this country was not acquainted. During the year under review, production of yarn had to be sold at low rates in order to popularise its consumption. By the end of the financial year, the Company was able to sell away its entire production in advance, though at low rates. This however considerably helped to create a very good demand for the Company's products and the prices have since then stabilised to better rates, at which, Company's products are already being sold in advance. It is not possible for the Company now to meet the entire demand of the market and early steps are being taken to enhance the production capacity.

The Company has been granted a licence by the Government for expansion to raise its production capacity from five to ten tons of yarn and correspondingly for cellulose acetate and other chemicals.

It is gratifying to report that an agreement has been entered into with the Labour Union whereby all the outstanding disputes have been mutually settled and the cases pending before the State and Central Industrial Tribunals have been withdrawn. The agreement is binding on the Company and the Labour Union for a period of five years generally and for three years as regards scales of basic wages and dearness allowance, etc., payable to workers.

The profit and loss account, after providing for Rs. 11,14,769 towards interest on loans, shows a loss of Rs. 7,61,504 which is proposed to be carried forward. Depreciation has not been provided for the year.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	2,93,85,643	Block ...	5,09,44,085
Liabilities ...	4,04,72,687	Stock-in-trade	27,79,496
		Stores, spares, etc. ...	25,17,391
		Other assets	3,32,997
		Debts, deposits and advances ...	1,06,09,922
		Cash ...	2,90,979
		Profit and loss account ...	23,83,460
	Rs. 6,98,58,330		Rs. 6,98,58,330

Richardson & Cruddas Ltd.

The directors of the above Company (Managing Agents: Messrs. S. B. Industrial Development Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended on the 30th of June 1955.

The Company's working during the year under review shows a gross profit of Rs. 43,89,122 (Rs. 44,24,040). After charging overhead expenses, managing agents' allowance and commission and depreciation on the assets and after providing for miscellaneous receipts and profits on sale of assets, investments, etc., the trading resulted in a net profit for the year of Rs. 31,33,351 (Rs. 30,40,849). After deducting provision for income-tax Rs. 12,00,000 (Rs. 12,00,000) there is a balance of Rs. 19,33,351 (Rs. 18,40,849) to which is added last year's carry-forward balance of Rs. 14,00,642 (Rs. 7,43,748). After deducting appropriation as per decision of the last annual general meeting Rs. 13,76,021 (*nil*) there is a balance of Rs. 19,57,972. The directors have paid interim dividends declared by directors on 11th April 1955 on preference shares at Rs. 2-12 (Rs. 5-8 for the year) per share and on ordinary share at As. 8 (Re. 1) per share amounting to Rs. 4,10,000 (Rs. 5,29,075) leaving a balance of Rs. 15,47,972 (Rs. 14,00,642). The directors recommend disbursement and appropriation of the amount in the following manner:—

The second and final instalment of dividend on preference shares at 2½ per cent. per share Rs. 1,10,000, the second and final instalment of dividend on ordinary shares at Re. 1 (*nil*) per fully paid-up share Rs. 6,00,000, 2½ per cent. commission due to directors for the year ended on 30th June 1955 Rs. 78,334, transfer to dividend equalisation fund Rs. 4,00,000, transfer to rehabilitation reserve fund Rs. 3,50,000, and to be carried forward to next year Rs. 9,638 (Rs. 14,00,642). It is also proposed that the final instalment of dividend at Re. 1 on each ordinary share and at Rs. 2-12 on each preference share for the year be paid to those shareholders whose names appear on the register of the Company on the 21st of March 1956.

Capital: During the year under review fresh share capital was issued increasing the number of preference shares from 29,450 to 40,000 an increase by 10,550 shares of Rs. 100 each. The shares were issued at par and had been fully subscribed. Ordinary shares numbering 2,32,900 of Rs. 10 each were also issued at a premium of Re. 1-8 per share. The shares had been fully subscribed and the premium on shares collected has been treated as a reserve.

The results of the year's working have been satisfactory. During the year the Company has also paid bonus to its employees on the result of last year's working. *Expansion*: For the purpose of taking advantage of the heavy demands on all engineering workshops of repute mainly due to the development plans initiated by the Government the directors have considered the necessity of increasing the scope of the activities of the Company. With nearly a hundred years' experience the Company is destined to play an important role in the industrial development of the country. The directors have also decided to set up a modern workshop for the manufacture of railway wagons on a new site not far away from the city of Bombay.

To provide for more accommodation in the administrative offices in Bombay which will be required in the course of implementing the expansion of the Works a five-storeyed office building has been erected within the boundary of the Works premises. The structure which is nearly ready has been estimated to cost about Rs. 10,00,000 and it is expected that in the course of the next month the main office will be shifted there. The old office structure will then be demolished and the workshops extended.

In connection with the expansion scheme, the directors propose to raise fresh capital and an Extraordinary General Meeting of the shareholders of the Company will be held shortly after the annual general meeting for considering the proposal of increasing the authorised share capital of the Company from Rs. 1,00,00,000 to Rs. 3,00,00,000.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	1,00,00,000	Block ...	36,79,009
Reserves ...	23,06,944	Goodwill ...	18,00,000
Provision for taxation ...	41,87,952	Plant and machinery in transit ...	10,60,900
Liabilities ...	65,20,369	Buildings under construction ...	2,69,656
Profit and loss account ...	15,47,972	Tools and tackles ...	25,311
		Stocks ...	52,47,295
		Work-in-progress ...	24,64,081
		Debts, deposits and advances ...	84,90,904
		Investments	13,47,520
		Cash ...	1,78,561
	Rs. 2,45,63,237		Rs. 2,45,63,237

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

QUESTION HOUR IN PARLIAMENT

Revised Industrial Policy

AN official committee, consisting of the representatives of the various Ministries of the Government of India and the Planning Commission, is now examining the industrial policy resolution of 1948, with a view to issuing a revised statement, which will be in tune with the policy of the Government (the industrial policy resolution of 1948 demarcated the industries which should be developed by the public and the private sectors). Wait and see whether the Government has any idea of including the production of paper in the public sector, especially in view of the fact that "large amounts have been given to the newsprint factory in Madhya Pradesh. The House will certainly have a voice in the final determination of the policy. I am not in a position at this stage to commit the Government to anything beyond that.

* * * *

Cycle Manufacture

Five more firms, in addition to the existing units, have been licensed for the manufacture of bicycles. Of these new units, two will operate in U.P. and one each in P.E.P.S.U., the Punjab and Delhi. The new units have not yet gone into production.

—*T. T. Krishnamachari*

Iron and Steel Control Board

The Government of India is considering the question of setting up a statutory board to replace the present iron and steel control organisation. The iron and steel control organisation is at present handling roughly about 3 million tons of steel annually. In the course of the next five or 10 years, this amount is likely to go up to 6 or 10 million tons. The Government feels that, for administraive convenience, a statutory board would be desirable.

—*Nityanand Kanungo*

Neyveli Lignite Project

The observations recorded during the first week of the dewatering pumping tests in the Neyveli lignite project have given hopes of success, but it is too early to make any definite forecast. The trade delegation of the East German Government has availed of the facilities given by the Government to study the present stage of the project. No formal offer has been received so far. The chief chemist of the project has been sent on deputation to Europe. He will also visit important lignite processing establishments in East Germany. A proposal to send some other engineering specialists is under consideration.

—*K. C. Reddy*

Metallurgical Coal

Metallurgical coal will be used only by the steel plants once they are erected. In the meantime, since the country is now expanding production of metallurgical coal, part of it is being used by the railways. It has been decided in principle that all metallurgical coal should, as far as possible, be washed in future. A coal washing plant to be established at the Bokaro-Kargali colliery has already been ordered and the plant is expected to start functioning in 1958.

—*Satish Chandra*

Aid to Foreign Countries

A provision of Rs. 144.82 lakhs and of Rs. 26 lakhs have been made in the budget for 1956-57 for economic and technical assistance, respectively, by India to other countries under the Colombo Plan. Economic assistance for development projects already under way or to be undertaken will be given to Nepal. Technical assistance in the shape of experts and training facilities will be made available, as required, to the Colombo Plan member-countries in the South and South-East Asian region, namely, Burma, Cambodia, Ceylon, Indonesia, Laos, Malaya, Nepal, Pakistan, the Philippines, Viet Nam, Singapore, North Borneo and Sarawak.

—*C. D. Deshmukh*

Sugar Imports

There is no proposal to import any further quantity of sugar during the current year. Sugar worth about Rs. 81 lakhs (c. &. f. value) remaining to be shipped against contracts concluded in 1954 was, however, received during January-February this year.

* * * *

Sugar Mill Licences

More than 80 per cent. of the new licences for opening sugar factories has been given to applicants from the South. Normally, the principle of "first come first served" is being followed in the issue of licences for starting sugar factories.

—*Ajit Prasad Jain*

Price Support

The price paid for the "naked grain" under the price support policy of the Government during the year is Rs. 267 lakhs. Complete accounts of the incidental expenditure incurred by the State Governments have not, however, been received and it is not, therefore, possible to indicate such expenditure. Most of the stocks with the Union Government have been disposed of either by release to States or by sale to traders. The small balance left over is also being sold out.

—*Dr. Punjabrao Deshmukh*

Rice Production

According to the latest forecast, the production of rice in India during 1955-56 will be 23.8 million tons. The production this year is expected to be sufficient to meet the country's current consumption requirements. The Government has at present 500,000 tons of rice in reserve.

—*M. V. Krishnappa*

Employment Exchanges

The Government of India proposes to hand over the administration of Employment Exchanges in the States to the respective State Governments on the 31st inst.

—*Abid Ali*

Shipping

Six foreign ships of about 46,500 deadweight tons chartered by the Indian shipping companies are at present employed wholly or partly in the Indian coastal trade. The foreign exchange expenditure on these for a period of one year will be Rs. 1.06 crores. The charters are allowed on condition that they will be replaced by Indian ships in a year or two.

* * * *

Steel Needs of Railways

Indian railways will require about 5 million tons of steel during the second Plan period. The requirements will be met from indigenous sources and by imports.

* * * *

Locomotive Requirements

It is estimated that the railways will require 1,430 broad-gauge and 853 metre-gauge locomotives during the second Plan period. It has been planned to develop the Chittaranjan and the Tata Electric and Locomotive Company to meet the normal requirements of steam locomotives during the Plan period. The Chittaranjan factory would manufacture about 1,000 broad-gauge locomotives and TELCO about 300 metre-gauge locomotives during the second Plan period. Apart from the orders already placed, approximately 365 locomotives are to be imported during the same period. The output of the Chittaranjan works is 12 locomotives per month. The railways are also considering the manufacture of electric locomotives in India. This will have to await the setting up of the proposed heavy electrical plant. Out of a total of 152 recommendations of the Railway Corruption Enquiry Committee, the Government has accepted 135 and implementation of these have also begun.

* * * *

Yugoslavian Ships for India

Yugoslavia may soon build ships for India. Following a visit by a Government official to Yugoslavia to secure information on the facilities available, the Government of India has submitted its requirements for coastal and overseas ships. The Yugoslav Government has expressed its inability to build one of the types required and, consequently, the Government has put forward other requirements. Proposals from the Yugoslav shipyards concerning the design and other details are awaited.

* * * *

Ship Fares

The report of the Inquiry Board going into the Bombay Steam Navigation Company's request for an increase in the current passenger fares on ships plying on the Konkan coast is expected to be submitted to the Government by the middle of April. The Government has received representations from passenger associations that even these existing fares are high and these should be reduced. These representations will be considered by the Government while taking a decision on the recommendations of the Inquiry Board.

—*O. V. Alagesan*

National Management Organisation

A plan for the establishment of a national management organisation, to be called the Indian Management Association, as a joint enterprise of the Government and industry and commerce, has been prepared by a special committee. The committee has recommended that Delhi should be the headquarters of the Association. Among the main functions of the Association are development of ideas and means for the promotion of management in industry, commerce, Government, social services and other departments of national life; co-ordination of the activities of different professional institutions and organisations; and initiation and promotion of special studies and research on management problems of importance to India.

—*Dr. K. L. Shrimali*

Probe Into Companies

Government inspectors are now investigating the affairs of 16 companies under section 138 of the Indian Companies Act. An interim report has been submitted in respect of one company.

—*M. C. Shah*

Foreign Exchange Business

Transactions in U.S. dollar and sterling currencies represents the major portion of the foreign exchange business of Indian banks. The Government has entrusted its foreign exchange business as far as possible to Indian banks.

—*A. C. Guha*

Savings Bank Accounts

A sum of over Rs. 4.4 crores has been claimed by 87,740 savings bank account holders who migrated from Pakistan to India since partition. The final time-limit for the exchange of the lists with Pakistan is June this year.

* * * *

Press Telegrams to Japan

The Government of India held negotiations with the Japanese Government recently for the reduction of Press telegram rate between the two countries from 8½ annas to about 4 annas per word. The Japanese telecommunications authorities have indicated their view that the existing Press rates be continued until such time as there is a general international agreement on Press rates.

—*Raj Bahadur*

NEWS IN BRIEF

THE United States has selected the Philippines as the site for a $20 million research centre in Asia.

The Government of India proposes to transfer employment exchanges to the State Governments from the coming financial year.

The Government of Mysore proposes to set up a syndicate or corporation for better and greater exploration of mineral resources of the State.

The Government of India has sanctioned about Rs. 21.28 crores as loans to various States up to January 1956 under the Low-Income Group Housing Scheme.

The United States has signed an agreement with India for the sale of 21 tons of heavy water to India as part of a broader programme of co-operation in peaceful uses of atomic energy.

Letters have been exchanged between the Government of India and the Government of Finland extending the validity of trade agreement between the two countries up to 31st December 1956.

The production of castorseeds in 1955-56 is estimated at 126,000 tons, as against the partially revised estimate of 124,000 tons in the previous year. This represents an increase of 2,000 tons or 1.6 per cent. over the previous year.

The Coal Mines Provident Fund Scheme will be extended to cover coal miners of Hyderabad State with effect from 1st April 1956. The total membership of the fund at the end of January last was over 910,000. The fund now stands at Rs. 4.95 crores.

The production of food is increasing faster than world population. According to a U.S. Agriculture Department report, the 1955-56 index of world farm production was 119 per cent. of the 1935-39 pre-war base, while world population in mid-1955 was only 117 per cent. of the pre-war base. The overall production during 1955-56 crop year exceeded 1954-55 in every major geographical area.

It is learned that freight rates on all cargoes between the U.S., Canada and India would be increased by slightly less than 10 per cent., with effect from 1st May 1956. It is stated that the proposed increase in freight rates is due to mounting operational costs. The main classes of cargoes likely to be affected most will be newsprint, motor cars, tractors, cotton, sulphur, fertiliser and iron and steel goods.

Wage earners in the United States now have an average life expectancy of 70 years, according to the Metropolitan Life Insurance Company. This new high, it is stated, has been reached after a life expectancy increase of about one-third of a year since 1954 and more than five years in the last decade. The average life expectancy for industrial workers has, we are told, increased nearly 24 years since 1909.

The Government of India has extended the validity of all import licences which expired during the recent dock strike in Australia upto 15th April 1956. It is stated that no formal revalidation of the licences will be necessary. The customs authorities will allow clearance of goods against the import licences, provided the importers produce a certificate from their foreign suppliers/shippers to the effect that the goods in question would have been shipped during the period of original validity of the licence but for the strike. No further extension of validity will be allowed.

A new method for the production of a mixed nitrogen-phosphorus fertiliser has been evolved at the National Chemical Laboratory, Poona. The new method opens up possibilities of utilising the huge surpluses resulting from the caustic soda industry. The fertiliser, under the new method, is produced by adding rock phosphate to commercial hydrochloric acid at a temperature of 40-45° C. followed by the addition of ammonium sulphate to the slurry. On grinding, the final product is a free-flowing powder, stable to weather changes and containing 7.4 and 15 per cent. nitrogen and phosphorus, respectively.

The annual report of the Royal Mint, published recently in London, shows that Britain continues in its role of maker of the world's coinage. Of the 506,000,000 coins minted in 1954, more than 250,000,000 were supplied to oversea countries. Some 18 countries—both Commonwealth and foreign—placed orders for their coinage with the British Mint. They were British Honduras, British East Africa, British West Africa, Burma, Fiji, Iceland, Iraq, the Irish Republic, Jersey, Jordan, Malaya, British North Borneo, Mauritius, New Zealand, Nicaragua, Paraguay, Seychelles, Southern Rhodesia, and Uruguay.

In accordance with the decision arrived at at the Traffic Conference of the International Air Transport Association (I.A.T.A.) held at Miami in October last, first class air passage fares on the India-Europe and Europe-Far East sectors will be increased by five and ten per cent., respectively, from 1st April 1956 by Air-India International Corporation. Other international airlines, which are members of the I.A.T.A., are also expected to raise their fares from the same date. Announcements in regard to increase in first class air fares on various routes are expected from respective airlines headquarters shortly. It is stated that the increase in fares had been necessitated to meet higher operational costs incurred by member-international airlines on the provision of additional luxury facilities in the first class, such as slumberette services.

ECONOMICS AND ADMINISTRATIVE POLICY

(Concluded from page 555)

Cambridge has recently testified, from his prolonged personal experience of collaboration with the Civil Service in Britain, that the members of the Civil Service have always assumed it to be their job to carry out the Minister's policy, once that has been determined and laid down by the Minister, and to adjust their subsequent thinking and advice to the assumption, at least temporarily, that this element of policy must be taken as given. In other words, our senior administrators—the best of them, at any rate—have, in matters relating to economic affairs, endeavoured, as faithfully as they could, to eschew their own "value judgments" from the formulation and implementation of economic policy. On the contrary, economists, not having been brought up on any such tradition, have not always felt the same compulsion to adopt a similar neutralist attitude, if one may use this phrase, towards the formulation of the aims of economic policy; and, at times have unwittingly permitted their "value judgments" to intrude on their technical advice. Not suffering from the inhibitions to which the Civil Service is traditionally subject, they were, of course, free to give expression to their beliefs and convictions, but to the extent that their "value judgments" have directly or indirectly influenced their technical advice, can it not be said that the adoption of such advice has been rendered somewhat difficult? Or, can it not be said that, in some cases, at any rate, economic advice has been vitiated by value judgments based on imperfect study of the many non-economic and institutional factors which, as Mr. Rostow and Prof. Arthur Lewis have recently emphasised, play such an important part in the mechanics and processes of economic development, but which require prolonged study, examination and reflection before they can reveal even to the trained eye the structural and functional pattern of any particular type of economic organisation and the manner in which it responds to and behaves under different types of economic incentives and stimuli? Can it be that these facts cumulatively account for the relatively small impact which economic analysis has so far made on economic policy and administration?

Logic and Intution

Be that as it may, the present unsatisfactory situation in this regard can be improved only by competent economists with technical qualifications, who are fully seized of the limitations of their craft and are anxious and able to evolve suitable methods and techniques which take due note of these limitations. As Prof. Lionel Robbins has emphasised in the address to which I have already referred, "in contrast to some subjects (e.g., some of the mechanical sciences) in which an indifferent performance still implies some minimum of technical equipment, economics as a technical qualification is not much use unless at a high level of competence." There is, of course, the further difficulty that, even high technical qualifications may not always entitle an economist to pronounce judgment on matters of economic policy. For this, mental alertness and maturity of a type not easily defined, are as essential as high technical competence. This was, indeed, the view also of that greatest of modern practitioners of applied economics, the late Lord Keynes. As his biographer has observed, Lord Keynes always believed "in the amalgam of logic and intuition and the wide knowledge of economic facts most of which he recognised were not precise," as an essential prerequisite for judging economic problems. He was never tired of telling his students and disciples that this amalgam could be made only in the crucible of life's experience.

I have ventured to speak frankly on this subject, because I believe that this difficult amalgam of rare qualities needed of competent practitioners of the science of economics can be within the reach of only those who have acquired the requisite mental calibre for this purpose in the universities. Degrees or classes obtained by students may in themselves mean little and may, indeed, be sometimes misleading, unless they are assessed with knowledge and discrimination. What is needed is the training and the development of the mind. How our University Departments of Economics can best achieve this object is a problem which must, of course, be left to the professional judgment of the heads of these departments.

Notices

THE CENTURY SPINNING AND MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-ninth Annual General Meeting of the Shareholders will be held at the registered office of the Company at Industry House, 159 Churchgate Reclamation, Bombay, on Saturday the 14th April 1956, at 2-30 p.m. (S.T.), for transaction of the following business, and Special Notice is also given for the purpose of considering and if thought fit passing as Special Resolution, the special resolution specified below for approving the continuance in office of Shri Motilal Tapuriah, who is an Associate of the Managing Agents of the Company, as Director of the Company, whose period of office is liable to determination by retirement by rotation:

BUSINESS

1. To adopt the Directors' Report, the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1955.
2. To sanction the declaration of a Dividend.
3. To appoint Directors in place of Shri Rasiklal Maneklal and Shri Madanmohan R. Ruia who retire from office by rotation but are eligible and offer themselves for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.

SPECIAL RESOLUTION

"RESOLVED that the Company approves the appointment and continuance in office of Shri Motilal Tapuriah, who is an Associate of the Managing Agents being a relative of Shri K. K. Birla and of Shri M. P. Birla, Managers of Messrs. Birla Brothers Ltd., as a Director of the Company whose period of office is liable to determination by retirement by rotation."

By Order of the Board,
MAGANLAL H. GANDHI,
Chief Executive.

BOMBAY, 17*th March* 1956.

TENDER NOTICE

TENDERS ARE INVITED FROM ESTABLISHED foundries in India only for the supply of Cast Iron C.S.T. 9 Sleeper Plates, Broad Gauge and/or Metre Gauge, to be supplied by 31st March 1957.

2. Approximately 35,000 tons of pig iron and 5,000 tons of unbroken ingot moulds will be available for allotment upto 75 per cent. of the quantity ordered on firms. 25 per cent. of the ordered quantity being supplied in Railway C.I. Scrap Grade I and/or Grade II by Railways at Rs. 75 and/or Rs. 53 per ton respectively F.O.R. Works Siding or station nearest to Firms' Works.

3. Applications for copies of tender documents should be made to the Director, Civil Engineering, Railway Board, New Delhi. Tender documents embodying conditions of supply and contract and relevant drawings will be supplied at Rs. 10 per set and will be available for sale from 23rd March 1956 onwards on any working day during office hours.

4. Tenders will be received upto 13.00 hours on 23rd April 1956, and opened in the office of the Railway Board, New Delhi, at 15.00 hours on the same day.

N. K. ROY,
Director, Civil Engineering,
Railway Board.

NEW DELHI, 17*th March* 1956.

MACNEILL & BARRY, LIMITED

NOTICE IS HEREBY GIVEN THAT PAYment of the Half-yearly Interest on the 5 per cent. Debenture Stock 1966-71 of the Company will be made on 2nd April 1956 to those Stockholders whose names appear on the Company's Register on that date or in accordance with their instructions.

MACNEILL & BARRY, LTD.,
A. H. FORSTER,
Secretary.

2, FAIRLIE PLACE,
CALCUTTA, 13*th March* 1956.

STRINGENCY IN MONEY KEEN

(From Our Own Correspondent)

BOMBAY, 21*st March*

Conditions in the short-term money market during the week under review disclosed no sign of diminution in the keen stringency noted for several weeks past, despite the release of the application money by the National Carbon Company and the payment of half-yearly interest on 3 per cent. Conversion Loan. Apart from the seasonal demand for bank credit, the position was rendered a little more difficult by the usual tax payments for the current financial year. In the inter-bank call money section, there was very little activity for want of lenders. With the demand for credit outstripping available supply of funds, banks had to seek accommodation from the Reserve Bank and the State Bank of India. Consequently, money rates were firmly held at the previous week's levels.

Inter-bank call money was continued to be bid at 3½ per cent. among all sections of banks. House money at call was also placed at 3½ per cent., while term money fetched 3½ per cent. to 3¾ per cent. *per annum for periods* one to six months.

The prevailing conditions in the short-term money market were duly reflected in the results of this week's sale of 91-day Government of India Treasury Bills. Thus, the total amount offered against the usual invitation for Rs. 100 lakhs declined from Rs. 106 lakhs to Rs. 102.25 lakhs. There was, however, no change in the average rate of accepted tenders which remained at Rs. 2-8-6 per cent. *per annum*, to which level it had hardened last week from Rs. 2-8-5 per cent. per annum. Tenders for Rs. 100 lakhs have been invited for next week also.

The customary statement of affairs of the Reserve Bank of India for the week ended 16th March 1956 is not available at the time of writing this report, on account of today being a bank holiday.

The Scheduled banks' statement for the week ended 9th March 1956 discloses a further sharp fall of Rs. 9.76 crores in demand deposits of banks. This follows the decline of Rs. 8.61 crores noted in the previous week. Time deposits also have declined by Rs. 1.10 crores. Inter-bank borrowings are lower by Rs. 1.97 crores, while borrowings from the Reserve Bank have risen by Rs. 5.23 crores and those from the State Bank by Rs. 1.47 crores. On the assets side, a marked rise of Rs. 13.55 crores is noted in advances, following a rise of Rs. 9.33 crores in the previous week. Bills purchased and discounted are, on the other hand, lower by Rs. 4.29 crores, of which inland bills account for Rs. 3.27 crores and foreign bills for Rs. 1.02 crores. This expansion in advances is accompanied by a sizable fall of Rs. 8.79 crores in investments and of Rs. 7.25 crores in cash on hand and balances with the Reserve Bank. Balances with other banks in current account are lower by Rs. 35 lakhs and money at call and short notice by Rs. 2.46 crores.

The Gilt-edged market maintained a steady tone during the week under review also, with persistent enquiries for medium and long-dated issues. The volume of business was, however, small, in the absence of sellers and scarcity of floating stocks.

3 per cent. 1957 was done at the unchanged level of Rs. 99-10. 3 per cent. 1958 hardened by an anna to Rs. 99-9, while 3 per cent. 1959-61 was maintained at Rs. 98-1. 3 per cent. 1963-65 picked up As. 2 to Rs. 94-11, at which there were buyers. 3 per cent. 1964, on the other hand, was unchanged at Rs. 94-9. 3 per cent. 1966-68 changed hands up to Rs. 92-12, a rise of As. 2 over the week, though at the close they shaded off to Rs. 92-11. 3 per cent. 1970-75 was in demand As. 6 higher at Rs. 89-9, while 3 per cent. 1986 Conversion Loan eased a little from Rs. 77-4 *cum-voucher* to Rs. 77 *ex-voucher*. 3½ per cent. 1961 held ground at Rs. 99-6. 3½ per cent. 1964 was done at Rs. 98-8 and 3½ per cent. 1965 an anna higher at Rs. 98-7. Business in State loans was small.

In the foreign exchange section, the rupee maintained its strength in terms of the U.S. dollar, in tune with a similar trend in sterling. The banks' selling rate of ready dollar was maintained at Rs. 477¼ per $100. In New York, spot sterling gained a little from $2.80½-2.80⅝ to $2.80⅝-2.80¾. Three months' forward, on the other hand, dropped from $2.78⅜-2.78¾ to $2.78.9/16-2.78.11/16. Transferable sterling improved from $2.77⅛-2.77⅜ to $2.77⅜-2.77¾.

HIDES LOOK DOWN

(From Our Own Correspondent)

MADRAS, 19*th March*

Arrivals of E.I. tanned cow hides have been as usual and clearances by shippers slow. Prices have declined by six pies per pound on last week's level. U.K. buying has been patchy, as dressers seem to follow a hand-to-mouth policy even at current low prices. E.I. tanners who had expected a revival of U.K. interest in kips last week have been disappointed. Instead, buyers are now offering lower prices to test the market at origin. Demand for buff calf, cow calf and buff hides has been poor.

Arrivals of tanned skins in the local market have been moderate and offtake fair. Shipment business has been poor, due to the progress of the London public sales.

In the London tanned skins public sales, prices of goat skins best tannages are unchanged and others have declined 9*d.* to 12*d.* on January levels. Clearance is good, but light weights lower grades in poorer qualities have suffered serious decline upto 2*s.* per lb. Sales of tanned sheep skins will be taken up this week.

BUOYANCY IN BULLION KEPT UP

(From Our Own Correspondent)

BOMBAY, 21*st March*

The bull syndicate's grip over the bullion market was tightened further during the week under review. There was, therefore, a strident rise in prices of both silver and gold. Forward gold in the first settlement touched a fresh peak of Rs. 106-10 and forward silver Rs. 182-6. The highest level touched by gold this week was only a few annas short of the 1952 peak, though it was still very much behind the all-time peak of Rs. 119-11 for forward recorded in 1949.

The persistence of bullish fervour is attributed to keen enquiries for gold from other centres, prominent among which was Madras which is said to be absorbing large quantities of the yellow metal. The white metal also made a strident advance, despite the report that licences had been issued for a further import of 400 bars from Tibet in the form of coins. This is due to the dwindling of the present floating stocks and the expectation that the Tibean silver, if imported, would find a ready market in view of its low prices.

Silver for forward delivery (28th March settlement) advanced from Rs. 177-13 to Rs. 178-12 early in the week. After a temporary recession to Rs. 177-9, the bullish trend gained fresh momentum and the price shot up to Rs. 182-6 today, before closing at Rs. 181-12. Forward silver for the next settlement jumped from Rs. 178-9 to Rs. 183-4 and finally wound up at Rs. 182-10.

Ready silver (.996 Mint) spurted from Rs. 178-1 to Rs. 182-10, but finished a shade lower at Rs. 182.

The floating stocks of silver are estimated at 800 bars and the daily average offtake was 30 bars on an average.

Forward gold (27th March settlement) moved forward from Rs. 103-1 to Rs. 104-11 early in the week, but soon slipped back to Rs. 103-2 on heavy unloadings by prominent bulls. This recession was, however, short-lived, as the bull operators once again began accumulating lines and forced the shorts to cover. Consequently, the price made a strident advance to Rs. 106-10 today before finishing at Rs. 105-8. The rate for the April settlement, too, kept pace with that for the current settlement; thus, it strengthened from Rs. 102-14 to Rs. 106-5 before closing at Rs. 105-4.

After spiralling up from Rs. 103-13 to Rs. 106-13, ready gold ended the week at Rs. 105-12.

The floating stocks of gold are reported to be no more than 25,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was 4,000 tolas on an average.

In London, the price of silver was unchanged at 79d. for both spot and forward. Gold was fractionally lower at 249s. 4½d. as against 249s. 4¾d. In New York, silver was maintained at 91⅛c.

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

	21-3-56	Highest	Lowest	14-3-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (99 fine Mint) ..	105 12	106 13	103 9	103 13
Forward*	105 8	106 10	103 2	103 1
Sovereign	66 8	66 8	64 4	64 0
SILVER				
Ready (996 fine Mint) ..	182 0	182 10	177 14	178 1
Forward†	181 12	182 6	177 6	177 13
London Silver Ready ..	79d.	—	—	79d.
London Forward	79d.	—	—	79d.
London Gold	249s. 4½d.	249s. 4¾d.	249s. 4½d.	249s. 4¾d.
New York Ready	91⅛c.	—	—	91⅛c.

* 27th March settlement.
† 28th March settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

LINSEED RULES STRONG

(Messrs. A. Bradley & Co.)

CALCUTTA, 19*th March*

Although there has been little advance in prices, there is a strong bullish undertone in the linseed market. This has been promoted chiefly by the virtual exhaustion of the old crop and the advance in price of new crop seeds which, however, will not reach this market for another three or four weeks. In addition, prices have been affected by the spectacular advance in the price of mustard oil, owing to reports of a very short crop. Crushers have been keen buyers on the whole, but the turnover is very limited. The oil market is steady. With very heavy commitments in hand for March-June shipment, buyers and sellers alike are pausing.

The latest quotations are: March Rs. 25 and April-May Rs. 23-8 per maund.

HIDES ARRIVALS LOWER

(From Our Own Correspondent)

KANPUR, 17*th March*

During the week under review, the conditions of the hides and skins market were similar to those that prevailed earlier in the week. Fresh arrivals were not as large as those of the previous week. Madras dealers were lukewarm. The main purchasers were the local tanners.

The latest available quotations are: Wet salted cow 1st grade Rs. 300, 2nd grade Rs. 240 and 3rd grade Rs. 100 to Rs. 110 per score; goat 1st grade Rs. 280 and 2nd grade Rs. 210 per score; wet salted buff 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; sheep 1st grade Rs. 210 and 2nd grade Rs. 175 per 100 pieces.

SPOT COTTON MOVES UP

(From Our Own Correspondent)

BOMBAY, 21*st March*

Hopes of an early resumption of futures trading in cotton have once again receded. The aggrieved bull operators who lost their appeal in the Full Bench of the Bombay High Court against the closure of the hedge contracts and the amendments to the by-laws of the East India Cotton Association (E.I.C.A.) are now understood to have preferred an appeal to the Supreme Court. This development would appear to have been largely responsible for the delay on the part of the Forward Markets Commission to announce its decision with regard to the commencement of futures trading in I.C.C. August. Also, the Commission may be finding it difficult to accept the suggestion of the E.I.C.A. for continuing the fine stapling 13/16" as the basis and grade of the hedge contract. There are, besides, doubts as to whether it would be possible to run a contract of 13/16" staple length within the price ceiling of Rs. 730 fixed by the Government. Persistent negotiations are, however, being held between the Commission and the E.I.C.A. over the issue of commencing futures trading in I.C.C. August.

Meanwhile, a strong bullish fervour has seized the spot cotton market, thanks to lower ideas of cotton output, on the one hand, and continued upward trend in consumption by mills. Prices of cotton have, however, been moving up. Indeed, the quotations ruling at present are the highest reached so far in the current cotton season. Even the Textile Commissioner's directive to the mills asking them to furnish statements of ready and delivery cotton purchased by them as on 29th February last, it seems, has failed to have any effect on the market. This directive is being interpreted differently by different sections. Thus, while one section feels that the directive is a preliminary to the re-introduction of the individual mill quota system which was abolished only last year, some others are of the view that the directive has been issued only to ascertain the stock position of mills, with a view either to exploring the possibility of importing lower quality of American cotton or to stopping further extension of export licences due to expire at the end of this month.

An idea of the extent to which the spot cotton prices have rallied in recent weeks can be had from the following table:

(In rupees per candy of 784 lbs.)

	21-3-56	14-3-56	22-2-56	7-12-55
Bengal *Deshi* ...	730	730	710	650
Berar Jarillas ...	790	785	785	710
Khandesh ...	770	770	770	715
Vijay	927	910	890	885
Oomra *Deshi* ...	730	730	750	700
Moglai	685	675	660	640

Despite firmness in cotton prices, mill buying is quite sustained. Vijay is evoking particular attention. Surtis, Jarillas and Wagad are also being favoured. Activity in the export section is brisk, shippers' enquiries being concentrated on Moglais, Zodas, Bengals, Oomra *Deshi* and C.P. 1 and C.P. 2. Thanks to the consideration that export licences will not be extended beyond the 31st inst., shippers are now more concerned about the unutilised balance of the licences. There are rumours that, out of the unused quantity, an *ad hoc* quota of 50,000 bales will be given by the Government for export to Italy. Among foreign cottons, African varieties elicited support. Deals were put through in Busoga at Rs. 1,437, in Jinja at Rs. 1,355, in Budama and Bukhedi at Rs. 1,425-Rs. 1,430 in BP 52 at Rs. 1,530-Rs. 1,535. Because of high prices, there was not much interest in Egyptians, except some business in high grade Karnak.

The distinctly weak conditions which prevailed in the Karachi cotton market during the last three weeks abated this week. The low levels touched by the cotton prices evoked some support, which was also aided by revival in demand from overseas interests and indigenous textile mills. Consequently, the prices of cotton staged a recovery. N.T.R.G. May delivery, which had gone down from Rs. 80-7 to Rs. 78-14 last week, recovered to Rs. 80-6 today. May contract improved by As. 6 to Rs. 77-8. At one time last week, this contract was quoted at as low as Rs. 75-10. The rise in forward cotton followed the improvement in spot rates. Punjab *Deshi* was quoted yesterday at Rs. 73-8 per 82 lbs., as against Rs. 73 a week before. The following are the latest available quotations (in rupees per 82 lbs.) for a few popular varieties of Pakistan cotton:

Sind *Deshi* 77-8; 4F Roller 75-4; S.G. 80-4; Punjab Roller 80-12; S.G. 85-12; 289F NT Roller 82; S.G. 88; 289F Punjab Roller 88-8; S.G. 94-8.

The Alexandria cotton futures market ruled irregular during the week under review. Karnak cotton was subjected to continuous selling while Ashmouni met with support. The selling in the former was induced by negligible demand from abroad, the interest displayed being only by countries buying Egyptian cotton against barter transactions. Prices, as a result, continued their downward march. The improvement in the prices of Ashmouni followed a steady trend in spot market premia, thanks to buying by local mills and also, to some extent, by overseas interests.

The latest available quotations—in tallaris per lb.—from the Alexandria cotton futures market (figures in brackets giving last week-end rates) are: Karnak: March 85.80 (86.40) and May 84.80 (85.65); Ashmouni: April 69.08 (68.85) and June 67.95 (67.00).

The second auction of the new crop Sudan cotton was held on the 14th inst., when an aggregate quantity of 8,000 bales was offered. As the reserve prices were very high and in line with the Egyptian prices, the Gezira Board was not able to sell more than 2,000 bales. The balance had, therefore, to be withdrawn. There was practically no interest on the part of Indian mills in the auctions.

The undertone of the Liverpool cotton futures market continued to be easy during the week under

review also. The easiness was due to the impending arrivals of shipment purchases of American C.C.C. cotton, Mexican, Brazilian and African qualities. Selling was, therefore, renewed and cotton prices drifted lower. The decline would have been more marked but for commission house buying on expectation that a fair price for cotton would be maintained under the new C.C.C. release programme. The following are the latest available quotations (in pence per lb.) from Liverpool:

Old contract: March-April 25.59; May-June 24.92; July-August 23.99; new contract: May-June 31.05; July-August 27.05; October-November 25.60; December-January 25.35; March-April 25.25; Egyptian Karnak Cotton: March-April 49.45; May-June 48.90; July-August 48.35.

Barring nearby position which met with trade and commission house buying, the New York cotton futures market depicted an easy trend. July delivery was particularly weak under commission house liquidation, induced by the belief that the rising loan repossessions would relieve the tight supply situation before the end of the current season.

It is now generally expected that the support price for the new crop will be about 3 cents below that of the present season. The official loan rate for Middling 1" cotton for the current season at a point of average location is 34.68c. and, if private predictions turn out to be true, the support price for new crop of the same quality will be around 31.68c. The new crop futures contract October is now priced at 31.75c. with December and March about 15 points lower. Details of the new export sales programme are still not known and the general expectation is that they will be announced only next month. The first bids might be taken immediately after the details are announced.

Out of the total supply of about 25.8 million bales this season, about 13.5 million bales are in Government hands in the 1955 loan and C.C.C. stocks as on date. This leaves a total free supply of 12.3 million bales. The estimated total disappearance for the season is about 11.5 million bales, made up of domestic consumption of 9 million bales and exports of 2.5 million bales. The free carry-over at the end of the season will, therefore, be 800,000 bales. This, it is said, is very inadequate and the minimum pipeline supplies required are about 2 million bales. In view of this, it is considered that further repossessions from loan or purchases of C.C.C. stocks of over a million bales are essential to meet the needs of the season. This would appear to indicate even higher domestic prices than now prevailing during the remaining part of the season.

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

(In cents per lb.)

	19-3-56	13-3-56	6-3-56
Spot	36.75	36.60	36.60
May	35.52	35.22	35.43
July	32.94	33.26	33.79
October	31.80	31.77	31.47
December	31.82	—	—

YARNS BEARISH

(From Our Own Correspondent)

BOMBAY, 21*st March*

For the third week in succession, the yarn market exhibited a bearish trend. Rayon yarns were particularly weak on fears of large sales, by the local rayon yarn producing unit, of its output for April-May-June delivery at Rs. 3-6 per lb. for 150 deniers 1st quality bright cones and at Rs. 3-10 for 120 deniers 1st quality bright cones. These fears and the reports of heavy arrivals of imported yarns in the wake of limited offtake from the weaving mills let loose a fresh wave of selling and rayon prices staged a further sharp drop. On expectation of large imports against the reported liberal licences, staple fibre yarns also were subjected to pressure of sales. Despite firmness in raw cotton prices, cotton yarns ruled easy, thanks to slackness in demand from consuming centres and unloading of stocks by speculative interests.

Snia rayon yarn (120 dull cones) for June delivery fell by Rs. 10 to Rs. 810. April delivery dropped Rs. 4 to Rs. 811. In the spot section, 150 Italy was the worst sufferer; it was hammered down by As. 2½ to Rs. 3-12-6. 120 Italy lost an anna to Rs. 3-14. 120 Japan receded by six pies to Rs. 4-6. 150 Japan was neglected at Rs. 4-4, being the same as last week. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade was quoted six pies lower at Rs. 3-9-6.

Both indigenous (40 x 2) and foreign (80 x 2) staple fibre yarns staged a retreat. Among the former, New Greats climbed down by As. 2 to Rs. 3-11. Citys and Kohinoors both declined by 21 pies each to Rs. 3-11-9. Centurys moved down from Rs. 3-12-6 to Rs. 3-11-3. Deals in foreign yarns (80 x 2) were put through at reduced prices. Paramounts and S. Sellos eased by an anna each to Rs. 7-10 and Rs. 7-8, respectively. Suicos were lower by half an ana at Rs. 8-3. Fujis were quiet at Rs. 7-14.

Fine and superfine count cotton yarns were subjected to much selling. Among 60s, Raghuvamshis dropped Re. 1-8 to Rs. 57. Barodas fell by a rupee to Rs. 51-12. Moderns lost As. 14 to Rs. 61. Colabas shed As 8 to Rs. 55-4. Business was reported in 80s at lower levels, Finlays losing As. 4 to Rs. 72 and Elphinstones As. 2 to Rs. 62-2. Forty count yarns also lacked support. Minaxis moved down by As. 9 to Rs 27-3. Sharadas declined by As 6 to Rs. 26-4 and Minervas by As. 4 to Rs. 27. Maduras, Moderns and Centurys lost As. 2 each to Rs. 27-10, Rs. 27-4 and Rs. 27, respectively. Thirty counts were quiet, Indus being quoted at Rs. 22-7 and Maduras at Rs. 22-12. Among 20s, Raghuvamshis declined by As. 4 to Rs. 16-12. Podars and Edwards finished each an anna lower, the former at Rs. 10-9 and the latter at Rs. 16. Elphinstones lost a like amount to Rs. 16-5. Ten counts, however, proved an exception and recorded a slight improvement in prices on special support. Podars and Elphinstones gathered an anna each to Rs. 12-15 and Rs. 12-6, respectively. Moderns were fully firm at Rs. 13-4.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	21-3-1956	14-3-1956	7-3-1956
Art Silk yarn (per case of 200 lbs.)–	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia April ..	811 0	815 0	827 0
June	810 0	820 0	831 0
120 Japan (per lb.)	4 6	4 6½	4 7
150 Japan (per lb.)	4 4	4 4	4 3½
120 Italy (per lb.)	3 14	3 15	3 15
150 Italy (per lb.)	3 12½	3 15	3 15
Staple fibre yarn (per lb.)			
40 x 2 New Great	3 11	3 13	4 0
40 x 2 Century	3 11½	3 12½	4 0
40 x 2 City	3 11½	3 12½	4 0½
Cotton yarn (per bundle of 10 lbs.)–			
10s Elphinstone	12 6	12 5	12 6
20s Raghuvamshi	16 12	17 0	16 12
30s Madura	22 12	22 10	22 10
40s Minaxi	27 3	27 12	28 4
60s Modern	61 0	61 14	62 8
80s Finlay	72 0	72 4	72 12

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 21*st March*

The oil and oilseeds market ruled firm during the week under review. Under strong bull support, prices of all the sections advanced and recorded sizable gains. Restricted arrivals of seeds, expectations of large overseas demand for linseed and castor oils and firmness in the bullion, share and cotton markets all were cumulatively responsible for the buying fervour and the business done in the market was, therefore, relatively larger than in the last week. The market remained closed today owing to *Jamshedi Naoroze*.

Some sections of the trade have urged the Government to raise the exemption limit for excise duty on non-essential oils from 150 tons to 500 tons. They have demanded that oil produced prior to 1st March should be totally exempted from the levy. Some others have asked for a reduction in the rate of excise duty. The Executive Committee of the Central Organisation for Oil Industry and Trade has urged the Government to remove totally the excise duty on oils. In the alternative, it has asked for the refund of the excise duty on oils used as raw materials in manufacturing industries.

Sectionwise, Bold ready in the groundnut section, advanced from Rs. 32-8 to Rs. 35-10. April-May delivery gathered Rs. 2-12 to Rs. 35-12. *Khandesh* quality put on Rs. 3-2 to Rs. 36-2. Coromandals changed hands at Rs. 36, as against Rs. 33. Groundnut at ex-mill gained Re. 1-9 to Rs. 19-9. April and May deliveries were enquired at Rs. 19-4 and Rs. 19-8, as against Rs. 18-1 and Rs. 18-2, respectively.

Bold ready, in the linseed section, rallied Rs. 2-2 to Rs. 35. April-May delivery gathered Rs. 2-6 to Rs. 34-14. Small Sutnas were up by Re. 1-10 at Rs. 33. Linseed oil disclosed a gain of Re. 1-1 at Rs. 22.

In the castorseed section, May delivery opened the week at Rs. 128-4, as against Rs. 127. After declining to Rs. 126-8 on the same day, it advanced to as high as Rs. 134-10, before declining slightly to close at Rs. 134-8. Madras quality in the ready section improved from Rs. 24-12 to Rs. 26-14 and Kanpur from Rs. 22-14 to Rs. 24-14. Castor oil B.S.S. and Commercial quality put on Re. 1-10 each to Rs. 16-2 and Rs. 15-2, respectively.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	20-3-1956	14-3-1956	7-3-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
Khandesh Quality Ready (per cwt.)	36 2	33 0	31 14
April-May	35 12	33 0	32 8
Linseed—			
Bold Ready (per cwt.) ..	35 0	32 14	33 0
April-May	34 14	32 8	33 2
Castorseeds—			
May	134 8	127 0	122 0
Madras (per cwt.)	26 14	24 12	24 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 9	18 0	17 4
Castor Oil—			
Commercial (per quarter) ..	15 2	13 8	13 12
Linseed Oil—			
Ready	22 0	20 15	21 2

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 21*st March*

The hectic activity witnessed in the sugar market last week has abated. In fact, the market is distinctly easy. The holders of sugar in the pre-budget period who had lent support for some time now, induced by the overall bullish trend of commodity markets, have withdrawn from the market. Reports of an upward trend in sugar output, together with free availability of imported sugar, have also contributed to the present easy trend. The decline in prices would have been quite marked but for reduced arrivals of indigenous sugar into the market, being 6,100 bags, as against 30,200 bags in the previous week. Some sugar traders are inclined to feel that the market cannot stabilise at the existing price levels, until the monthly releases are issued on a 50 per cent. production basis.

In the forward section, *Fagan* delivery contract for C grade sugar receded from Rs. 91-10 to Rs. 90-10 but is quoted slightly higher at Rs. 90-10 per bag today. Vizag contract has dropped As. 14 to Rs. 91-1.

In the spot section, A grade indigenous sugar has declined from Rs. 97-Rs. 101 to Rs. 97-Rs. 100 and D grade from Rs. 88-Rs. 91 to Rs. 88-Rs. 90. C grade sugar is quiet at Rs. 91-Rs. 94. Deals in B grade have been put through at Rs. 95-Rs. 97, as against Rs. 94-Rs. 97 a week before. British refined sugar, however, has put on As. 2 to Rs. 83-10 per 2 cwts.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER QUIET

(Messrs. Parekh & Co.)

BOMBAY, 20*th March*

Except for a small short-lived flurry at the end of the week, Malabar black pepper during the entire period ruled quiet with minor fluctuations. Alleppey moved between Rs. 800 and Rs. 825 with size of business smaller than the arrivals. Garbled at Cochin fluctuated between Rs. 137½ and Rs. 140. A section of the trade is said to be bullish, not for any other reason but for the present low level of price at Rs. 800 which appears very attractive, when compared with the highest price of Rs. 4,000 seen during the past. The present market being shorn of fluctuations, most of the traders are sidelining. Growers also seem to be getting tired. They are trying to liquidate their accumulated stock but without result. If such a state of affairs persists for some time to come, it is generally felt that the present stagnant condition may soon be replaced by downward trend, affecting the morale of all the sections of the trade. The policy of hand-to-mouth buying by New York dealers is very much discouraging. It is reported that they are waiting for a bottom, but at every reduced offers, they are reported to be revising their idea of the bottom lower and lower. Most of the former operators in the local market have already left the ring.

During mid-week New York dealers bought afloat and March shipment at $0.31 and $0.30½ respectively, but this purchase proved patchy, as they withdrew the next day asking for a concession in the price. The enthusiasm created by the recent purchases among the bulls, therefore, proved short-lived.

The speculators are trying to manipulate the market with a view to lifting the prices but in the absence of any encouraging follow up by New York, the feelings of despondency are being felt among the majority of the holders. The weakest spot in the whole situation is the accumulation of sizable loaned stock and approaching dull period both in India and overseas. Under the circumstances, if the growers and/or bankers any time decide to liquidate, prices may be marked down, though it appears that the fall in the prices may be slow, as the rates are already considered low.

In the delivery section the trading is on a very restricted scale.

Following are today's nominal quotations: Ready delivery Rs. 110 (as against Rs. 111 a week ago) per Bengal maund, March Rs. 765-75 (Rs. 780-90), April Rs. 775-85 (Rs. 790-800) and May Rs. 785-95 per candy of 5¼ cwts.

TEAS MOVE UP

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 16*th March*

The offerings in sale No. 6 which was held on Tuesday, 13th March, aggregated 1,500,000 lbs. Quality remained good, although occasional invoices showed a slight falling away. There were several invoices of flavoury high-grown tea on offer. The sale opened to a very much stronger tone. Common and low medium teas were fully firm and there was more enquiry for these types. Medium teas were about steady. There was an exceptionally strong demand for good medium descriptions with cup quality. Buyers competed keenly and prices were often As. 6 to As. 8 above valuations. Best liquoring teas sold well and prices were about steady with buyers following quality closely. Black Middle East types advanced by As. 2 to As. 3 and there was slightly more demand for whole leaf grades. The following are the quotations:

	1956 Rs. a. p.
Plain B.P.	1 7 0
Low Medium B.O.P.	1 13 0
Medium B.O.P.	2 2 0
Good B.O.P.	3 6 0
	to 3 8 0
Well-made black leaf O.P. ...	2 7 0

London Market: Sale of 12th March 1956.—Very strong demand. Best 3*d.* sometimes more. Medium top grades 2*d.* to 3*d.* dearer. Others 1*d.* to 1½*d.*

Sale of 13th March 1956.—2*d.* to 4*d.* dearer; more for improved quality.

Colombo Market: Sale of 12th March 1956.—Stalky kinds weaker. Black leaf dusts lower. Liquoring dusts dearer. Others very strong demand. Dearer for good liquoring kinds, particularly fannings.

Sale of 13th March 1956:—Strong general demand. Bright liquoring low-growns up 5 cents. Mediums up 5 to 10 cents. High-growns dearer following quality. Persian Gulf types easier.

Calcutta Market: Export.—52,000 packages. Strong general demand with most kinds advancing As. 2 to As. 4. Whole leaf grades fibrous C.T.C. types steady. Good liquoring teas strongly completed for flavoury Darjeelings strong.

Internal:—19,000 dust. Strong demand. Improved Assam and Dooars As. 2 to As. 3 dearer. C.T.C. fully firm to dearer. Darjeelings and Middle East types well supported. 3,000 internal leaf. Quite good demand slightly dearer rates.

Export Quota:—The market has been very quiet and there are sellers at 4 pies but buyers are scarce.

Forthcoming Auctions:—Sale No. 7 will be held on Tuesday, 27th March

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"Dust Sale F.—350,000 lbs. Very strong general demand. Market As. 2 to As. 3 all round."

FALL IN JUTE GOODS PRICES

(From Our Own Correspondent)

CALCUTTA, 20*th March*

During the week under review, prices of both raw jute and jute goods declined. The recurrence of rain in most jute districts has enabled cultivators to prepare the land for sowing, and, in fact, in some of the low-lying districts of Pakistan sowing has already commenced. Naturally, an earlier crop is expected, and stockists who were expecting a squeeze became nervous sellers. This had a sympathetic effect on prices of jute goods. Both these developments are welcomed to the export trade, as with the continued fall in prices, the competitive ability of jute goods in world markets will be strengthened. In this view, it is to be hoped that the lower levels for raw jute are stabilised, and indications are that this would be so. For, stockists are believed to possess fair quantities, which they had accumulated on the expectation of higher prices. The prospect of an earlier crop has robbed the fortunes of these stockists, and the fact that a new crop is already quoted at a discount of Rs. 2 to Rs. 3 as compared with the prices for ready jute, overrules the possibility of any significant rise in the rates in the near future. However, it is necessary that the decline in prices of jute goods is arrested, even if raw jute continues to move down. For, although with the increase in jute goods production exports have gone up, profits of mills have considerably lessened. This subject was dealt with at length by Mr. M. P. Birla in his address from the chair last Friday to the Indian Jute Mills' Association, when he said that of the 37 jute mill companies that had so far published working results for the last accounting period, as many as 12 had incurred losses and that the net profit of the companies as a whole was only Rs. 4 lakhs. This would be no surprise when it is disclosed that as much as 66 per cent. of the costs of production accounted for the price of raw jute. And, as stated by Mr. Birla, this price was 15 per cent. higher than in 1954.

This state of affairs is to be deplored particularly when there are many mills which have been unable to carry out modernisation from their own resources and are, for the purpose, dependent on the National Industrial Development Corporation. And, although prices of jute goods could have been kept firm, albeit the recession in raw jute, genuine business for export during this week was affected when bear-selling put down quotations and buyers withdrew their support. Another factor for the recession in jute goods was the publication of the output figure for February 1956. Although February was a shorter working month, production was higher at 92,800 tons, as compared to 88,900 tons in January on account of the higher number of looms at work. Taking the stock of 78,400 tons at the end of January, the availability of jute goods during February was 171,200 tons from which if the stock of 89,700 tons as at the end of February was deducted, the demand for the month was of the order of 81,500 tons, which was naturally less than production. However, the month of March has begun well, and shipments including coastal shipments of hessians and sackings aggregated 32,700 tons from 1st to 10th March, i.e., higher by 5,400 tons compared to shipments in the corresponding previous period.

At lower levels, a moderate quantity of jute goods was taken by shippers for deliveries extending up to the end of this year, although subsequently bear sentiment affected this trend. Activity of speculators was much restricted inasmuch as they were disinclined to extend commitments. From Rs. 114-10 ready B. twills touched a low of Rs. 111-12 by Thursday. At this stage, in addition to the business with shippers, covering demand was also in evidence. As a result, there was a recovery to Rs. 112 by the week-end. Yesterday the rate remained unchanged at Rs. 112 and business on account of shippers was limited. Considerable orders from overseas were expected. Earlier, the April delivery rate was As. 2 to As. 4 lower than the ready goods but with the subsequent recovery reached to quote in parity. April-June goods were, on the other hand, lower by As. 4 to As. 8 all the time. Ready 40" 10 oz. hessians opened at Rs. 40-5 and gradually lost to Rs. 39-6 by the week-end. There was no change in yesterday's rate. The near goods were higher by As. 3 and April-June by As. 6.

As stated, raw jute prices eased following the prospect of an early crop. Local daisee bottoms at Rs. 29 were lower by Re. 1-8. Indian northern bottoms sagging to Rs. 28-8 from Rs. 30. Assam upper bottoms also lost to Rs. 28. Similar recession was noted in most other constructions. Mills withdrew from the market, as they expected the recession to continue. In the meantime, sellers were anxious for business, and made offers. Reports from East Bengal of lower stocks of jute there do no longer cause any anxiety here, since it is believed that there is plenty of Indian jute yet to be disposed of by cultivators as well as stockists who have become nervous sellers at the prospect of an earlier crop.

EXPORT TEAS FIRM

(From Our Own Correspondent)

CALCUTTA, 20*th March*

A quantity of 47,700 chests was catalogued during yesterday's tea export sale, which met with a strong general demand. Prices of most teas advanced by an anna to As. 3. Well-made whole leaf grades, stylish B.P.S. teas, plainest varieties and teas with bright liquors reflected the general trend. Among the last mentioned description, non-withering Dooars and useful autumnals were strongly supported. Darjeelings were a note easy, but the limited teas with autumnal flavour received good attention. The quotations were: Medium Assam B.P. Re. 1-11, plain B.P. Re. 1-9-6 to Re. 1-10, and clean black pekoe Rs. 2.

Export quota right realised 5 pies.

Conditions akin to buoyancy prevailed during last week's sale for domestic consumption. Dusts offered aggregated 18,700 chests. There was strong support for black leaf teas suitable for Middle East consumption, and, generally, teas with improved quality were buyers' favourites. Medium C.T.C. Assams advanced by several annas, and the best C.T.C. Assams received impressive support. Prices of plain liquoring teas and teas with poorer leaf appearances improved by As. 2. Residue types were also firm. The quotations were: Best C.T.C. Assam Rs. 2-14 to Rs. 3, medium Assam grainy dust Re. 1-10-6 to Re. 1-11-6, and medium Dooars Re. 1-10 to Re. 1-10-6.

Leaf offerings amounted to 3,000 chests. Demand was better, and prices were higher.

FOODGRAINS ADVANCE

(From Our Own Correspondent)

HAPUR, 19*th March*

After a slight fall during mid-session, following the Government of India's determination to check the rising trend of wheat prices by releasing heavy quantities in the different parts of the country, wheat prices recorded strident advance towards the week-end. Wheat *dara* was today transacted at Rs. 15-12 and *khati* at Rs. 14-11, having touched the lowest at Rs. 15-6 and Rs. 14-8, respectively, during mid-session. Poor stock position and unfavourable weather during most part of the week were the main stimulating factors. Local wheat stock ran down during the week by 2 *khatias* to 12 *khatias*. The Union Government is expediting imports and a further quantity of 5,600 tons of wheat was received during the week ended the 7th inst., and the total imports since 1st January amounted to 42,100 tons.

The all-India second crop estimates now available reveal that there are prospects of larger production than last year. The production of rice is expected to be about 24 million tons and that of wheat is likely to exceed the target of 8.5 million tons.

Prices of all coarse grains registered a sharp advance during the week as stocks of all the grains were very small and the new crop was expected to reach the market only after a fortnight. Gram was transacted at Rs. 12-4. Barley and *bejhar* were done both As. 8 higher at Rs. 11-12 and Rs. 11 per maund, respectively. Despite arrivals of new peas, prices recorded a further advance in line with prices in the future section. *Arhar* rose by As. 6 to Rs. 12-2 and other pulses also advanced, the latest prevailing rates being *urd* Rs. 17-8 to Rs. 19, *moong* Rs. 14 and *masoor* Rs. 14-2 per maund.

Firmness in the future prices of pulses continued during the week and the latest quotations on Monday were: Peas *jeth* Rs. 9-7-9, peas white (gram) *jeth* Rs. 10-2, *arhar jeth* Rs. 11-4-3 and *urd boisakh* Rs. 17-11, as against Rs. 9-1, Rs. 9-13-6, Rs. 10-8-6 and Rs. 16-14, respectively, last week-end.

Hailstorm in some areas have caused some damage to the standing crop. Want of winter rains has also resulted in poor crop in non-irrigated areas. Otherwise, the standing crop conditions are fairly satisfactory.

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, 19*th March*

The sugar market continued to rule dull and depressed, thanks to easy supply position and expectation of an overall increase in the production of indigenous sugar. The Union Food Minister informed the Lok Sabha this week that there was no proposal to import any further quantity of sugar during the current year, except some quantity already received in January-February against contracts concluded in 1954. The latest prevailing mill delivery prices are: Jaswant Rs. 28-9, Simbhauli Rs. 28-9, Mowana Rs. 28-10, Amroha Rs. 28-2, Bijnore Rs. 28-2, Mansoorpur Rs. 29-8 to Rs. 30-8, Rampur Rs. 31; retail Rs. 30-8 and *khandsari* Rs. 23 to Rs. 27 per maund.

Easy loading facilities in the form of *gur* special to consuming areas of Gujerat and poor arrivals—at an average of 1,000 maunds daily—led to a sharp advance of Re. 1 to Rs. 11-12 per maund in the price of *gur*. The stock position was reported to be gradually declining and was put at 120,000 maunds. Continued bull support, influenced by a hardening tendency in ready *gur* prices, accounted for an appreciable advance in future *gur* prices during the week. The latest quotations were at the highest level of the week. *Gur fagun* was today quoted at Rs. 11-11 and *bisakh* at Rs. 12-10, as against Rs. 10 and Rs. 11-0-6, respectively, last week-end.

INSURANCE

(Concluded from page 562)

was given to the President, at the time the Constitution was drafted, nobody thought that it would be abused in such a manner. He further asked if, considering the extent of irregularities of life insurance companies as shown by the Report of the Controller of Insurance, there could be no remedial action other than nationalisation. In the case of banks, things were set right by proper administration organisation. Evils in the sphere of company management were sought to be removed by suitable modifications of the company law. Why, in the case of insurance companies, did the Government take this "extraordinary action?" Referring to the argument that nationalisation was justified on the ground that the resources of the business were necessary for economic progress, he said: "But do we lay stress only on economic progress? We are heading towards totalitarianism. When economic matters are being considered, unfortunately, nobody thinks of what will happen to democracy."

Similar sentiments were expressed by Prof. A. R. Wadia. He was strongly critical of the nationalisation of insurance and also the issue of an ordinance for that purpose. He was doubtful whether under Government management the expense ratio would be brought down and claims settled quickly. He felt that by now the Government would have been able to see which were the "good" companies. These could have been allowed to continue. Dr. R. K. Mukherjee criticised the "indecent hurry" in which nationalisation was effected when the Government was already controlling a large proportion of the investment of the companies. Mr. B. C. Ghose supported the Bill but felt that it would be desirable to have an element of competition by having six or seven insurance companies operating throughout the country: the corporation proposed by the Government should be a sort of holding company.

Mr. S. P. Jain said that the arguments advanced by the Finance Minister in support of nationalisation were not convincing. It was known that instances of official corruption were growing. Did it mean that the Government would dismiss the whole class of officials instead of improving them? If the Controller of Insurance had been a little more vigilant, then the alleged malpractices would not have been there. He urged the appointment of an enquiry committee of members of both Houses of Parliament to find out whether the private sector was really responsible for the malpractices and "to see how far Government's leniency has been responsible for them."

While Mr. H. C. Dasappa pointed out that the States which were carrying on life insurance business should be allowed to continue such business, the case for co-operative insurance was presented by Mr. P. S. Rajagopal Naidu. To the great shock of co-operators, Mr. Naidu said, the Government had "equated" the co-operative societies with private insurers. He was in favour of nationalising not only life insurance but also general insurance, but co-operative insurance societies should be left alone. Co-operative insurers, he contended, had not only fulfilled the statutory obligation to invest a part of their funds in Government securities but invested the surplus within the societies through grant of loans to policyholders and other ways.

Mr. M. C. Shah, in his reply, referred to the plea for exempting co-operative insurance from nationalisation but he only begged the question by asserting that when the Government decided to have a monopolistic business, it would not be safe and proper to allow any other concern to compete with the Corporation. He said that the main reason for nationalising life insurance was to mobilise the nation's savings to the full. The Government felt that all social security services should not only be controlled by the Government but also run by it. Defending the issue of the Ordinance, he said that if an ordinance had not been issued, manipulations of accounts would have taken place giving room for fraudulent transactions.

SURVEY

(Concluded from page 547)

Government have been exempted from tax on salary income for the first two years.

The total outlay on defence earmarked for the coming year is, as already stated, very heavy; it is estimated at as high as Rs. 90.00 crores, which is Rs. 8.07 crores more than the revised estimate of Rs. 81.93 crores for the current year. The stepping up of this expenditure has been done under both revenue and capital accounts, the former from Rs. 75.89 crores to Rs. 79.35 crores and the latter from Rs. 6.04 crores to Rs. 10.65 crores. The total defence estimate of Rs. 90.00 crores is exclusive of the U.S. military aid. The outlay of Rs. 90.00 crores on defence represents as much as 68.6 per cent. of the aggregate revenue receipts, including those of railways. This is, indeed, a huge amount, considering the size of Pakistan and the more urgent need for accelerating the pace of economic activity in the country.

The capital budget of the Government of Pakistan for the coming year provides for a total expenditure of Rs. 127.36 crores, as against Rs. 124.40 crores (budget) for 1955-56. Of this amount, direct capital outlay on Central Government development programme accounts for Rs. 61.89 crores, loans to Provinces for development and other purposes for Rs. 53.01 crores, and expenditure from various reserve funds for Rs. 12.46 crores. In addition, Rs. 33.48 crores have been committed on obligations against aid received from the U.S. Only a small sum of Rs. 1.0 crore has been made for financing measures to step up agricultural output.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug. 1955	2½	5
Bolivia	30th Sept., 1950	5	6
Canada	14th Nov., 1955	2½	2½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1936	4	4½
Colombia	16th July, 1938	5	4
Costa Rica	1st April, 1954	4	5½
Denmark	23rd June, 1954	4½	5
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	16th Nov., 1951	3	3½
Indonesia	1st April, 1940	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan. 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	24th June, 1955	3	4½
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	14th Nov., 1955	2½	2½
West Germany	7th Mar., 1956	3½	4½

CLEARING HOUSE RETURNS

Centre	Week ended 16th March, 1956		Week ended 9th March, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2'62,279	70,30,89,000	2,92,942	64,38,16,000
Calcutta	1,83,579	70 12 49,005	1,71 228	63 49,55,477
Madras	84,647	9,60,46,748	93 821	9,71 2,936
All-Centres—				
1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Dec., 1955	..	..	3,267,000	7,23,52,00,000
Jan., 1956	..	..	3 210 000	6,67,68,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 9th March, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		10,00,00,000
National Agricultural Credit (Stabilisation) Fund		....
Deposits:—		
(a) Government—		
(1) Central Government		54,31,44,000
(2) Other Governments		10,55,34,000
(b) Banks		47,40,70,000
(c) Others		16,87,66,000
Bills Payable		10,20,33,000
Other Liabilities		27,56,51,000
	Rupees	186,91,98,000

ASSETS	Rs.
Notes	8,86,82,000
Rupee Coin	7,02,000
Subsidiary Coin	6,05,000
Bills Purchased and Discounted—	
(a) Internal	45,50,000
(b) External	....
(c) Government Treasury Bills	9,56,32,000
Balances held abroad*	40,61,83,000
Loans and Advances to Governments	4,37,00,000
Other Loans and Advances	66,25,24,000
Investments	37,61,81,000
Other Assets	17,03,79,000
Rupees	186,91,98,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 23,46,15,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 28,26,65,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,86,82,000	
Notes in circulation	1444,09,48,000	
Total Notes issued		1452,96,30,000
Total Liabilities	....	1452,96,30,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	697,16,97,000	
Total of A		737,17,68,000
B. Rupee Coin		102,55,71,000
Government of India Rupee Securities		613,22,91,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets		1452,96,30,000

Ratio of Total of A to Liabilities: 50 736 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 9th March, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	3,93 09,000
(ii) Other demand liabilities	608,84,49,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	3,13,50,000
(ii) Other time liabilities	413,63,21,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	15 50,53 000
(ii) Time liabilities	
4. Cash in India	23 90,75,000
5. Balances with the Reserve Bank in India	48,09,45,000
6. Balances with other banks in current account in India	9,94,15,000
7. Money at call and short notice in India	4,61,45,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	254,74,21 000
9. Advances to India	578,01 60,000
10. Inland Bills purchased and discounted in India	98,21,76,000
11. Foreign Bills purchased and discounted in India	44,84,69,000

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

EXCHANGE RATES

	21st March, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5/32	1-5/32
Sellers T.T. D.D. upto six months	1-5/32	1-5/32
Buyers T.T. spot to nine months	1-6/32	1-6/32
Buyers T.T. 10 to 12 months	1-6/32	1-6/32
Bombay on New York—		
Sellers T.T. D.D. Rs.	477/32	477/32
Buyers T.T. Rs.	473	473
London on New York $	2.80½–2.80½	2.80½–2.80½
London on Paris Fcs.	985	985
London on Berne Sw. Fcs.	12 24½–12 24½	12 23½–12 23½
New York on London $	2 80½–2 80½	2.80½–2 80½

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'53-'54	373.37	..	10,600	284
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19 24	Kyats 3,905	390	204
Ceylon	1954	8 33	..	477	569
Japan	1954	88 20	Y. 6,148,000	8,133	922
Philippines	1954	21 44	Ps. 7,438	1,770	825
New Zealand	1954	2 09	£(N.Z.) 807	1,070	5,119
Australia	1954	8 99	£(A) 3,957	4,220	4,694
U.K.	1954	50 78	£ 15,718	20,950	4,100
U.S.A.	1954	162 41	$ 300,000	144,423	9,016
Canada	1954	15 20	$ 18,751	9 190	6,046
France	1953	42 86	F.Fr. 10,470,000	14,420	3,364
W. Germany	1953	48 99	Dm. 103,000	11,705	2,389
Italy	1953	48 07	Lr. 6,067,000	6,832	1,421
Norway	1954	3 39	Kr. 18,424	1,230	3,638
Sweden	1953	7 17	Kr. 36,957	3,422	4,772
Netherlands	1953	10 49	Grs. 19,360	2,451	2,336
Denmark	1953	4 37	Kr. 22,915	1,540	3,516
Switzerland	1953	4 88	Sw.Fr. 20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation. Monthly Bulletin of Statistics, Dec., 1955.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 9th Mar., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	12,98 77,000
(b) Provincial Governments	5 18,52,000
(c) Banks	13 49 43,000
(d) Others	18,63 54 000
Bills Payable	11,34,000
Other Liabilities	5,49 20,000
Rupees	61,90,60,000

ASSETS	Rs.
Notes	5,64,36 000
Rupee Coin	9,000
Subsidiary Coin	13,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Goverment Treasury Bills	9,11,000
Loans and Advances to Governments	....
Provincial Governments Debtor Balances	....
Other Loans and Advances	16,99 22,000
Investments	26 20,13,000
Other Assets	12,97,56 000
Rupees	61,90,60,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	5,64,36,000	
Notes in circulation	294,93,61,000	
Total Notes issued	....	300,57,97,000
Total Liabilities	....	300,57,97,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion		
Sterling Securities	85,00,28,000	
Government of India Securities	26,50,79,000	
India Notes representing assets receivable from the Reserve Bank of India	43,11,81,000	
B. Rupee Coin	6,39,31,000	(165,82,46,000
Government of Pakistan Securities	122,46,14,000	
Internal bills of exchange and other commercial paper	....	(7,128,85,45,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	300 57,97,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.08 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	9th March, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,444.09	1,418 66	1,407 65	1,281.19
Notes held in Banking Department	35.05	8 87	10 78	7 31	10 73
Foreign Securities	59.50	697 16	682 16	667 16	678 15
Rupee Securities	37.39	613 23	603 23	603 23	472 65
Banking Department					
Deposits of:					
Government of India	14.89	54 31	59 56	60 55	55 22
Other Governments	..	10 55	18 02	11 00	18 51
London on Paris	10.08	40.62	53 93	71.06	52.73
SCHEDULED BANKS					
Demand Liabilities	134.36	612 23	623 12	628 08	582 97
		(3 03)†	(5 07)†	(6 19)†	(8 52)†
Time Liabilities	102.24	416 77	418 70	413 50	376 47
Borrowing from Reserve Bank	..	(3 14)†	(3 97)†	(3 26)†	(1 86)†
		53 70	48 47	39 46	26 43‡
		(23 46)‡	(25 32)‡	(19 41)‡	(18 61)
Borrowing from State Bank	..	15 51	14 04	12 70	8 82‡
Cash in India	6.70	33.91	34.78	34 93	34 47
Balances with Reserve Bank	25.17	48.09	54.47	52.30	46.19
Excess over statutory limits	15.52	9 04	14 94	12.63	9.52
Balances with other banks in current account in India	..	53 70	48 47	39 46	26 43‡
Money at call and short notice in India	..	9.14	10 29	10.59	10.10
Investments (at book value)	..	4.41	6.88	7.48	15.16
Advances and bills	105.09	364 74	373 54	378 99	347 46
STATE BANK		721 14	711 88	685 99	609 18
Deposits	87.76	229 18	233 34	235 60	227 21
Investments	51 99	107 67	115 25	116 37	104 84
Advances	30.35	130 23	126 16	119 44	124 93
Cash	14.69	15.85	15.11	21 33	19 55

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	December,		Nine months, April to Dec.,	
	1954	1955	1954	1955
Import Duties				
Revenue	10 79	10.92	90.06	85.33
Protective	0.62	1.08	5.71	7.63
On surplus disposals	..	—	0.13	0.07
Total Import duties	11 41	11 93	95.90	93.03
Export Duties	4.70	3 33	27.43	20 10
Land Customs	0.17	0.26	1.43	0.95
Miscellaneous	0.08	0.07	0.81	0.54
Gross total customs	16.36	15.66	125.57	122.62
Refunds and drawbacks	0 21	0 17	1.11	1 91
Net Customs	16 15	15.49	124 46	120 71
Gross excise	9 02	13 07	75 87	109 75
Refunds	0.15	0 44	1.35	3 48
Net Excise	8.87	12.63	74 52	106.27
Net total of customs and excise†	25 02	28.12	198.98	226 98

* Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 16th March, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up:		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	233,20,40,000
Borrowings from Other Banking Companies, Agents, etc.	..	1,50,00,000
Bills Payable	..	6,95,51,000
Bills for Collection being Bills Receivable as per contra	..	63,17,000
Acceptances, Endorsements and Other Obligations per contra	..	12,56,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	9,72,40,000
Total ..	Rs.	264,11,54,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	11,70,72,000
Balances with other Banks	..	3,38,03,000
Money at Call and Short Notice	..	1,06,67,000
INVESTMENTS:		
Government and other Trustee Securities	97,92,80,000	
Other Authorised Investments	9,85,62,000	
		107,78,42,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	100,44,34,000	
Bills Discounted and Purchased	35,14,18,000	
Bills Receivable being Bills for Collection as per contra		135,58,52,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		63,17,000
Premises less Depreciation		12,56,000
Furniture and Fixtures less Depreciation		1,15,56,000
Other Assets (including Inter-Office Adjustments)		48,44,000
		2,10,16,000
Total ..	Rs.	264,11,54,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖											
	National Savings Certificates					Savings Bank Deposits	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@		3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates§	
	5-Year†		7-Year		12-Year									
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1953-54	6.83	65	3.26	23.66	64.17	1.13.35	92 03	—	31.07	7.55	25.64	..	..	..	..
1954-55	5.91	1.50	4.25	26.54	1.04.38	1.17.87	1 06.29	—	34.19	6 94	32.11	..	..	..	..
1954-55	4.70	1.62	4.99	27.26	1.24.64	1.35.76	1.30.57	—	36.36	5.57	37.15	7.40E	7.38	55††	54
January, 1955	4.83	14	4.76	2.48	1.20.28	10.51	1.20.10	—	36.02	43	36.37	54	6.33	6	45
February	4.81	12	4.79	2.27	1.21.86	11.18	1.22.28	—	36.18	40	36.74	48	6.81	5	50
March	4.70	26	4.99	3.41	1.24.64	18.51	1.30.57	—	36.36	45	37.15	58	7.38	4	54
April	4.60	11	5.00	2.35	1.26.45	12 41	1.32.91	—	36.51	45	37.55	48	7.86	4	54
May	4.52	36	5.24	2.01	1.27.98	11.82	1.34.03	—	36 65	41	37.89	66	8.51	4	58
June	4.44	13	5.12	2.09	1.29.49	12.26	1.35.98	—	36.77	37	38.22	54	9.33	5	63
July	4.36	12	5.15	2.27	1.31.28	12.80	1.40.23	—	36.86	41	38.54	91	10.20	4	66
August	4.29	12	5.17	2.09	1.32.82	12.25	1.45.80	—	36.97	39	38.87	87	11.00	3	72
September	4.21	13	5.21	2.04	1.34.68	12.80	1.46.80	—	37.12	44	39.28	94	11.80	4	73
October	4.15	10	5.21	2.10	1.36.37	11.82	1.40.66	—	37.24	46	39.68	80	12.49	5	80
November	4.07	10	5.21	1.98	1.37.97	13.51	1.50.10	—	38.35	48	40.05	82	13.21	5	85
December	4.00	18	5.27	2.59	1.39.48	12.94	1.52.14	—	38.45	38	40.34	68	13.82	4	86
January 1956	..	..	..	..	..	..	..	—	..	32	40.61	..	..	..	..

* At the end of period.
† Issued from 1st June, 1948 to 30th June, 1953.
‡ From July, 1954.
@ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition hoardings of Indian investors.
‖ Progressive net repayments at the end of period from 16th August 1947.
§ Issued from 10th May, 1954.
†† Relating to nine months from July, 1954.
E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 12-3-'56	11-2-'56	3-3-'56	10-3-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90 6	91.3	90 9	90 8
1. Government of India	90.5	91.1	90.8	90.6
2. Indian States	96.1	96.7	96.7	96.7
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100 7	101.1	101.1	101.1
1. Electricity	102.8	102 6	102.8	102.8
2. Jute	97.6	97 6	97.6	97.6
3. Plantations	99.1	99.0	98.5	99.1
4. Sugar	90.1	90.5	90.6	90.6
5. Coal	99.6	100.0	100.9	100.9
6. General Engineering	100.2	102.3	102.6	102.3
7. Shipping	100.2	101.1	101 1	101 1
8. Others	100.6	101.3	101.3	101.3
PREFERENCE SHARES	87 3	87 0	85 7	85 9
1. Electricity	97.2	94.7	93.7	94.1
2. Jute	78.5	79.2	78.8	79.0
3. Plantations	85.4	86.7	83 6	83.6
4. Coal	92.3	90.3	90.4	90.4
5. Iron and Steel	89.9	87.7	89.1	88.8
6. Sugar	82.8	85.5	85.5	85.5
7. Paper	89.7	86.5	86.7	86.9
8. Plantations	97.8	101.3	101.3	101.3
9. Miscellaneous	85.6	84.4	83.3	83.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	115 9	121.4	120.2	121.1
(a) Financial	88 7	89 6	88.8	88 9
1. Banks	85.3	89.1	88.4	88.7
2. Insurance	109.8	90.3	89.1	88.8
3. Investment Trust	93.8	94.8	94.9	95.2
(b) Public Utilities	114.7	113 6	112 3	112.3
1. Electricity	124.5	119.0	117.2	117.5
2. Shipping and other Transport	99.0	107.2	107.1	109.8
3. Railways	88.0	90.7	89.4	89.4
(c) Manufacturing Industries	119.4	122 8	124 6	124 9
1. Cotton, Woollen and Silk	103.7	122.7	123.5	126.5
2. Jute	97.0	90.3	87.4	84.9
3. Iron and Steel	149.9	143.3	139.7	140.8
4. Paper	219.7	230.7	231.2	237.5
5. Cement	149.5	166.7	169.0	170.6
6. General Engineering	106.3	108.1	108.1	102.1
7. Sugar and Breweries	106.1	106.8	106.0	107.0
8. Chemicals	136.4	149.1	146.3	147.6
(d) Non-Manufacturing Industries	160 9	159.1	157 5	158 5
1. Coal	78.9	85.0	82.3	82.4
2. Mining and Oil	197.8	247.0	245.1	245.5
3. Plantations	194.4	167.5	166.5	167.2
(e) Miscellaneous	96.7	102.3	100.4	100 6
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	90.1	90.8	90.4	90.2
1. Bombay	90.6	91.2	90.9	90.8
2. Calcutta	90.9	91.5	91.2	91.0
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	91.6	89.6	88.8	89.2
1. Bombay	101.5	101.9	102.1	102.1
2. Calcutta	100.4	100.1	100.1	100.1
3. Madras				
PREFERENCE SHARES:	91.6	89.6	88.8	89.2
1. Bombay	83.1	83.1	81.4	81.5
2. Calcutta	94.2	96.7	96.8	96.7
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	119.8	122.1	122.7	125.1
1. Bombay	109.0	114.6	111.9	111.5
2. Calcutta	110.0	120.3	121.8	123.2
3. Madras	118.3	125.1	125.2	126.2
4. Delhi				

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,243	3,935,961
1953	772	456,607	3,382,508
1954	840	477,138	3,372,630
November 1953	83	41,431	345,211
December	81	40,790	475,352
January 1954	84	51,973	325,514
February	85	41,351	344,295
March	91	54,302	331,419
April	101	34,963	207,247
May	80	40,073	316,052
June	83	31,599	305,078
July	122	50,130	377,492
August	79	51,090	325,857
September	97	50,414	363,878
October	88	41,724	276,294
November	62	25,115	239,701
December	101	54,455	368,763
January 1955†	95	49,088	322,807
February	91	35,370	144,302
March	112	70,042	334,695
April	99	29,315	303,658
May	119	56,064	353,415
June	134	85,173	1,035,704
July	108	57,709	681,153
August	223	90 250	513,961
September	249	91,543	567,232
October	169	46,466	139,350
November	91	44,893(a)	155,310(b)

† Figures for 1955 are provisional. (a) Not known in 5 cases. § Current at any time during the month.
* Revised. (b) Not known in 5 cases.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,184.2
1953-54	643	6,876.6	5,573.7
1954-55	696	7,760.9	6,319.3
October 1954	660	656.5	511.6
November	674	654.5	534.6
December	679	688.5	558.9
January 1955	664	666.5	521.3
February	685	696.7	568.3
March	696		
April	690	691.1	563.9
May	691	706.5	580.2
June	696	716.3	576.1
July	700	724.8	583.2
August	705	729.7	575.4
September	707	719.5	587.1
October	716	730.7	601.9
November	721	725.5	587.0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	25th Feb., 1956	18th Feb., 1956	26th Feb., 1955	January, 1956	January, 1955	Percentage of increase (+) or decrease (—) in Jan., 1956 compared with Jan., 1955	Annual Average 1955	Annual Average 1954
Food Articles	343.0	338.3	300.5	333.4	310.3	+ 7.4	304.5	358.3
Cereals	430	419	344	393	343	+14.4	355	404
Pulses	359	359	232	361	230	+51.0	259	318
Other	227	238	252	238	269	—11.5	241	298
Industrial Raw Materials	462.4	462.2 R	433.0	454.2 R	432.9	+ 4.9	411.1	447.1
Fibres	469	466	479	453 R	469	— 3.4	431	444
Oil seeds	465	468 R	358	463 R	373	+24.1	370	468
Minerals	459	444	416	438	417	+ 5.0	420	429
Others	409	411	482	456*	476	— 4.2	444	410
Semi-Manufactures	357.7	355.5	337.2	351.6	344.5	+ 2.1	333.3	356.4
Leather	408	398	390	395	385	+ 2.9	373	377
Mineral oils	203	202	221	202	221	— 8.6	211	221
Vegetable oils	422	426	375	425	409	+ 3.9	374	464
Cotton yarn	446	446*	440	434	450	+ 1.6	423	454
Metals	281	282	242	280	240	+16.7	254	259
Oil cakes	341*	342*	297	371	309	+20.1	320	416
Others	365	364	337	330	332	— 0.6	330	305
Manufactured Articles	376.3	375.5	376.1	375.2	375.5	— 0.1	373.4	376.5
Textiles	409	409	420	408	419	— 2.6	411	418
Jute	416	416	450	455	490	— 7.7	430	433
Cotton	403*	403*	409*	403*	411*	— 1.9	405*	413*
Rayon and Silk	502*	502*	455*	486*	460*	+ 5.7	476*	469*
Woollen	274	274	310	274	310	— 11.6	292	311
Metal products	371	371	340	371	340	+ 9.1	351	339
Others	285	285	284	285	284	+ 0.4	286	286
Miscellaneous	527.4	522 2 R	559.0	540.0	562 2	— 5.1	555 1	646.8
All Commodities	380.9	378.7	358.8	375.7 R	363.9	+ 3.2	355.1	386.7

R—Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugarf	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coalf	Jute manufactures	Cotton manufactures	Iron and steel
1954	448	431	148	233	235	573	556†	300	195	919	486†	441	404	329	357	459	415	274
November	424	488	147	206	203	651	556†	278	176	852	454†	455	409	329	357	451	413	274
December	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
1955																		
January	399	498	136	203	200	808	575	270	160	840†	486†	492	376†	335	357	455	411	274
February	401	502†	117	202	205	744†	583	275	154	770†	427†	547	370	331	357	477	410	274
March	416	458	117	219	198	591†	567	283	140	720†	394†	510	355	319

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop	Forecast	Unit	Acreage 1954–55	Acreage 1953–54	Outturn 1954–55	Outturn 1953–54
Rice	2nd	tons	72,332†	69 456*	23,776†	22,126*
Wheat	final	,,	26,842	26,319	8,539	7,573
Jowar	final	,,	48,456	43,857	9,093	7,913
Bajra	final	,,	27,350	30,094	3,355	4,459
Barley	final	,,	7,999	8,721	2,756	2,904
Maize	final	,,	9,325	9,360	2,944	2,984
Ragi	final	,,	5,767	5,714	1,778	1,819
Small millets	final	,,	13,660	13,979	2,424	2,427
Total cereals	final	tons	205,823	214,867	55,427	57,920
Kharif	final	,,	173,982	179 856	44,002	47 143
Rabi	final	,,	34,841	35,081	11,325	10 777
Kharif pulses@	final	tons	14,935	15,192	1,497	1,543
Rabi pulses‡	final	,,	10,498	11,214	1,977	2,089
Total pulses	final	,,	54,004	55,715	10,474	10,458
Tur	final	,,	5,444	5,431	1,661	1,627
Gram	final	,,	20,991	19,754	5,125	4,775
Jute	final	bales	1,581†	1,243*	4,137†	2,992*
Cotton	3rd	,,	17 180†	16,093*	3,284†	3,621*
Sugarcane	2nd	tons	3,830†	3,718*	5,079†	4,858*
Groundnut	final	tons	12,847	10,869	3,823	3,578
Linseed	final	,,	3,290	3,560	848	874
Castorseed	final	,,	1,462†	1,304*	126†	124*
Rape and Mustard seed	final	,,	5,665	5,534	962	855
Sesamum	3rd	,,	5,587†	6,124*	461†	584*
Total Oilseeds	final	,,	29,335	27,482	5,877	5,462
Tobacco	final	tons	660	912	240	264
Black pepper	final	,,	20s	20s	26	24
Ginger	final	,,	44	45	13	14
Dry chillies	final	,,	1,472	1,826	256	297
Potato	final	,,	665	685	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
@ Excludes Tur. ‡ Excludes Gram and Tur.
† Refers to 1955–56. * Refers to 1954–55.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February, 1956	92 8
	Corresponding month 1955	81 8
	Eight months ended Feb. 1956	701 1
	Corresponding period 1955	661 2
Stocks	At the end of February, 1956	89 7
	Corresponding month 1955	82 9
		(In 000 bales)
Exports (Jute Bags)	Week ended 28th Jan., 1956	6.692
	Corresponding week 1955	7,460
	From 1st Jan., to 28th Jan., 1956	26,324
	Corresponding period, 1955	30,810
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 28th Jan., 1956	9,919
	Corresponding week 1955	13,627
	From 1st Jan., to 28th Jan., 1956	60,481
	Corresponding period, 1955	107,774
	RAW JUTE	(In lakhbales)
Consumption by Mills†	February, 1956 (In lakh bales)	5 38
	Corresponding month 1955	5 74
	Eight months ended Feb., 1956	40 67
	Corresponding period, 1955	38 35

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION

In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March 1955	11 58 000	10 61 900	7,91,800
Do. 31st March 1954	11,54 000	10,70,200	7,80,000
Do. 31st March, 1955	11 54 400	10 42 000	7,81,700
Eleven months ended Feb., 1956	10 52 600	9,65,000	7,27,900
September 1954	86,800	82,400	63,300
October ,,	95,500	89,200	64,800
November ,,	98,800	90,500	64,000
December ,,	1,06,800	95,000	73,500
January 1955	1,02,500	95,800	73,200
February ,,	93,500	84,500	63,100
September ,,	95,800	87,300	65,700
October ,,	91 700	83,800	64,400
November ,,	91,900	86,200	62,400
December ,,	1,04,900	97,500	72,500
January 1956	1,03 900	96,800	71,800
February ,,	97,500	89,300	67,700
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1955	6,26,710	4,31,460	3,12,940
Do. 31st March 1954	5,80,020	3,49,930	2,92,440
Do. 31st March, 1955	7,15 949	5,28,240	4 59,098
Three months ended Dec., 1955	1,81,630	1,15 300	1 05,940
,, ,, Mar., 1954	1,87,750	1,28,510	1,16,940
June 1954	1,82,770	1,17,870	1,07,480
,, ,, Sept., 1954	1,80 018	1,29,741	1,12,861
,, ,, Dec. 1954	1,88,053	1,18 [illegible]	1,05,616
,, ,, Mar., 1955	1,65,108	1,43 828	1,18 136
,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, Sept., 1955	1,76,181	1,30,630	1 08 714
,, ,, Dec., 1955	1,60 760	1 24 696	1 05 752

FOREIGN TRADE OF INDIA

Particulars	November, 1954	November, 1955	Eight months, April to Nov., 1954	Eight months, April to Nov., 1955
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	15,23	3,23	81,32	26 27
Raw materials	13,44	12 26	133 04	102 56
Manufactures	32,50	44 26	202 84	260 22
Other items	28	24	1,97	1,93
Total	61 45*	59 98*	419,17*	401 00*
By land	2,49	2,73	13 71	16 68
Total Imports	63,94	62 71	432 88	417,68
Exports :				
By sea and air—				
Foodstuffs	27,54	14 37	125 19	102 32
Raw materials	10,74	12 93	66 73	106 19
Manufactures	25 83	20 59	167 94	171 23
Other items	56	32	3 16	2,80
Total	64 67	48,21	363 02	381 54
By land	51	60	3 68	3 91
Total Exports	65,18	48,81	366,70	385 45
Total Re-exports	37	39	3 47	3 51
Balance of trade in merchandise	+ 1,58	—13,49	—62 92	—28,78
Balance of transactions in private treasure	— 1	— 2	— 4	— 4
Total visible balance of trade	+ 1,57	—16,49	—62 94	—28.74
Imports : ‡				
Total C'wealth countries	26,45	24 21	183 06	181 07
Total Foreign countries	35 00	35,67	236 11	219 93
Exports : ‡				
Total C'wealth countries	27 99	25 78	204 01	192 49
Total Foreign countries	26 68	22 43	159,01	189,05

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC‡

	No. of Passengers (Millions)	Passenger Miles (Millions)	No. of Tons Carried (In thousands)	No. of Ton Miles (Millions)	Total No. of Wagons Loaded (000's)	Number of Wagons Loaded (In thousands): Coal and Coke	Grains and Pulses	Oilseeds	Cotton Raw and Manufactures	Jute Raw and Manufactures	Sugar	Cement
1952–1953	1,168	34,406	128,773	28,539	11 413	2,635	949	171	169	209	169	297
1953–1954	1,179	35,216	129.009	29,365	11,082	2,512	899	153	153	168	190	344
1954–1955	..	..	..	..	11,768	2,711	885	188	160	167	158	397
October 1954	99	2,881	10,181	2,458	989	241	65	13	10	19	14	32
November ,,	..	..	..	..	986	226	73	15	13	25	10	34
December ,,	..	..	..	..	1,064	229	70	20	14	21	10	30
January 1955	..	..	..	..	1,082	223	74	20	17	19	15	35
February ,,	..	..	..	..	1,021	209	72	18	16	15	15	33
March ,,	..	..	..	..	1,096	227	78	20	19	15	14	33
April ,,	..	..	..	..	1,084	222	77	21	18	11	13	33
May ,,	..	..	..	..	993	223	80	19	17	8	13	33
June ,,	..	..	..	..	946	217	80	15	15	6	12	32
July ,,	..	..	..	..	1,060	228	87	18	13	6	15	32
August ,,	..	..	..	..	1,009	220	88	15	13	9	16	34
September ,,	..	..	..	..	999	222	79	13	12	11	16	32
October ,,	..	..	..	..	1,031	246	74	13	12	17	10	33
November ,,	..	..	..	..	1,070	237	79	19	12	26	19	35

Equated to M. G. Wagons (1 B. G.=2 M. G.). ‡ The figures relate to Broad and Metre Gauges of Class I Railway

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 15th Mar., 1956	51,846
	Correspond. ng week 1955	50,312
	1st Sept. to 15th Mar., 1955-56	685,539*
	Corresponding period, 1954-55	559,041*
Cotton Exports	Week ended 15th Mar., 1956	18,523
	Corresponding week 1955	6,526
	1st Sept. to 15th Mar., 1955-56	434,024‡
	Corresponding period, 1954-55	176,272
Mill Consumption (Estimated)	1st Sept. to 15th March, 1955-56	695,712
	Corresponding period, 1954-55	689,478
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 15th March, 1956	516,555
	Corresponding date 1955	519,237
Cotton Exports from Bombay (by sea)	During December, 1955	60,498‡
	1st Sept., 55 to 31st Dec., 1955	327 074
	1st Sept. 54 to 31st Dec. 1954	100,549
Karachi (Pakistan)—		
Receipts	1st Sept. to 23rd Feb. 1955-56	1,073,050
	Corresponding period, 1954-55	913,076
Exports	1st Sept. to 23rd Feb., 1955-56	497,881
	Corresponding period, 1954-55	297,430

† Incomplete. * By Rail, Sea and Road. ‡ Excluding Zoda and Yellow Pickings etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1955 to 12th March, 1956 Bales	From 1st Sept. 1954 to 12th March, 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	46,110	7
Continent	78,021	14,787
Hongkong	31 374	23,732
China	84,951	5
Japan	209 002	1,509
U.S.A.	3,488	54,131
Other Countries	2,664	10,750
Total to all foreign countries	455,200	808
Coastal Ports	70,403	106,007
Total	476,093§	69,999
		175,706
	Period	Quantity (Bale of 400 lbs.
Consumption of Cotton—		
Indian	December 1955	207,245
Foreign		51 660
Indian	Four months ended Dec., '55	1,514,905
Foreign		185,548
Indian	Same Period 1954	1 351,714
Foreign		227,404
Stocks (Mills and Elsewhere)—		
Indian	As on 31st Dec., 1955	1,033 351
Foreign		159 221
Indian	As on 31st Dec., 1954	942 266
Foreign		182 344
Cotton Pressed in India† (In running bales)	Week ended 2nd Mar., 1956	37 033
	Corresponding week 1955	103 882
	1st Sept. to 2nd Mar., 1955-56	2,117,259
	Corresponding period 1954-55	2,117,259

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926–33	63,30,26 000	1960-70	101
3 % Loan	1938 39	1,16,17 46,000	1963-65	94
3 % Loan	1950	80,33,10 000	1964	94
3 % Loan	1943	1,70,11,76 000	1966-68	92
3 % V Loan	1944	1,14 06 89 000	1967	94
3 % Loan	1945	1,15 16,83 000	1970-75	89
2½ 2nd V. Loan	1945	1,12,85 63,000	1959-61	95
3 % Loan	1951	80,35,63 000	1958	94
2½ Loan	1946	45 63,67 000	1960	98
2½ Loan	1946	57,00 49,000	1961	93
2½ Loan	1946	14,77,48,000	1975	82
2½ Loan	1947	75,86,72 000	1962	98
3½ Loan (N.P. Bonds)	1953	75,29,00,000	1961	99
3½ % N.P. Loan	1954	157 35,41,000	1964	98
3½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98
NON-TERMINABLE LOANS				
3½% Loan	1896–97	8,03,26,000	At option of Government after three months' notice. On 1st September, 1966 or later at option of Government after three months' notice	80
3½% Loan	1946	245,91,66,000		77
REPATRIATE STERLING LOANS				
4½% Loan	1923	5,85 20,000	1955-68***	103
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99
3 % Bombay	1948	2,99,34,000	14th Sept. 1956	99
3 % Bombay	1948	2 06 66,000	15th Aug. 1958	98
3 % Bombay	1949	3,63 12,000	1st Aug. 1962	94
3 % Bombay	1950	2,92,30,000	31st July 1960	96
3 % Bombay	1951	2,57,79,000	27th Sept. 1963	95
4 % Bombay	1953	5,50,35,000	15th July 1963	101
4 % Bombay	1952	3,61,31,700	1st Aug. 1964	101
4 % Bombay	1955	9,00,00,000	1st Sept. 1967	100
4 % Bihar	1948	1,50,00,000	1st Sept. 1967	99
3 % Cochin	1948	1,00,00,000	16th Dec. 1955-56	98
2½ % Cochin	1936	70 00 000	1st June 1956-61	99
3½ % Howrah Bridge (New)	1926–27	1,96,96 700	1956–66	86
4 % Hyderabad	1955	8,00,00,000	1st Sept. 1967	99
3 % Madras	1939	1,23,35 600	21st June 1958	99
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99
3 % Madras	1944	1 07,95,000	15th Aug. 1958	98
3 % Madras	1945	2,78,44 300	14th Sept. 1960	96
3 % Madras	1948	3 81,77 200	1st Sept. 1961	92
3 % Madras	1950	4,38,25,400	31st July 1960	96
3½ % Madras	1951	3,01,49 300	17th Sept. 1963	97
4 % Madras	1953	10 33 68 000	15th July 1963	99–101
4 % Madras	1952	3,34 81,200	1st Aug. 1964	99–101
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99
3 % Mysore(f)	1933	2,95 45,200	1st Inst. 1953-63	101
3 % Mysore(f)	1936	5 99 72,900	30th Apr 1956-61	94
3 % Mysore	1947	5,09 05,700	25th Jan. 1958	96
3 % Mysore	1953	3 33,47 000	15th July 1963	100
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99
3 % M.P.	1943	50,84 200	14th Sept. 1956	99
3 % M.P.	1944	52 84 800	15th Aug. 1958	98
3 % M.P.	1945	3 08 28,800	14th Sept. 1964	97
3 % M.P.	1950	1,01 44 700	31st July 1960	95
3½ % M.P.	1951	1,02 18 100	17th Sept. 1963	97
4 % M.P.	1953	1,02,18,100	15th July 1963	100
4 % M.P.	1955	1,50,00 000	1st Sept. 1967	99
3 % Punjabee	1938–44	3 49,87,200	15th Aug. 1958	94
3 % Punjabee	1943	2 46 76,300	14th Sept. 1956	99
3 % Punjabee	1945	2,99,81 600	14th Sept. 1960	97
4 % Saurashtra	1955	3 25 90 000	1st Sept. 1967	99
3½ % Travancore	1938	50 00,000	16th Aug. 1956	99
4 % Travancore-Cochin	1953	3 25,00 000	15th July 1963	100–101
3 % U.P.	1936	1,57,42,500	15th Sept. 1961–66	90
3 % U.P.	1944	3,02 24 800	15th Aug. 1956	99
3 % U.P.	1945	3 17,49 700	14th Sept. 1960	96
2½ U.P.	1946	2,20,98,600	1st Sept. 1961	92
3½ % U.P.	1951	1 94,11 700	17th Sept. 1963	98
4 % U.P.	1951	6 11 45,900	1st Aug. 1964	101
3½ % U.P.	1952	5 65 15 500	15th July 1963	100
4 % U.P.	1955	8 50,00 000	1st Sept. 1967	99

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
26 50,000	4	1904	1964	Rs.
25,00 000	4	1905	1965	
15 00,000	4	1906	1967	
44 00,000	4	1907	1968	
75,00,000	4	1908	1948	99½N
40,00 000	4	1909	1969	
56,00 000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14 35,876	4	1912*	1940	D
80,00,000	4	1913	1974	104½N
88 25,000	4	1914	1975	106N
10 00 000	4	1915*	1955	
55,00 000	4	1915	1975	
25,00,000	4	1922*	1960	
11,51 000	4	1924*	1960	
10,25,000	3½	1925*	1960	
80,00 000	3½	1926	1959	
12,50,000	3½	1930*	1960	D
12,50 000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04 000	3½	1936*	1960	
10,00 000	3½	1937*	1962	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,300	4	1914	1974	99
76,90,100	4	1915	1975	99
1,54,00,000	3½†	1921	1941	92
6s 62,500	3½	1921	1941	144N
98,21,600	3½	1926	1956–86	100
99,84,500	3½	1926	1956–86	100
1,49,45,500	3½	1927	1957–87	99
1,49,30,000	3	1928	1958–88	98
80,00,000	4½	1931	1961	96
80,00,000	4½	1935	1965	97½
25,00,000	3	1936	1964–66	90
50,00 000	3	1948	2008	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84
80,00,300	3	1948	2008	74
80,00,000	2½	1947	1977	79½
80,00,000	2½	1948	1978	78½
50,00,000	3	1949	1959	97
1,00,00,000	3	1949	1959	97
80,00,000	3	1950	1960	95½
1,00,00,000	3	1950	1960	95½
1,50,00,000	3	1951	1971	81½
80,00,000	3	1951	1971	81½
80,00,000	4	1953	1963	100
60,00,000	4	1953	1963	99½
80,00,000	4	1954	1965	97½
STERLING LOANS				
£393 676	5	1922	1952–82	£87½
£901,000	5	1924	1954–84	£87½
£385,100	5½	1933	1963	£95
MADRAS				
Rs.				Rs.
$1,47,100	2½	1947	1977	
9,95,000	3	1947	1977	A
3,00 000	3	1949	1979	
45 00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
50,00,000	4	1899	1950	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00 000	4	1905	1965	97½
20,00,000	4	1906	1966	
14,00 000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
14,00 000	4	1913	1973	
50,00,000	4	1914	1974	97½
40,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	113½
50,00,000	5	1920	1955–85	
25,00,000	5	1926	1956–86	114½
25,00,000	5	1927	1961–76	96½
10,00,000	5	1934	1966	
STERLING LOANS				
£566,600		1909	1969	£95½
£333,000		1910	1970	£94½
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	107
50,00,000	5	1934	1964	99½
35,00,000	5½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1962	91
20,00,000	3	1938	1963–68	90
80,00 000	4	1941	1962	99½
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
20,60,000	4	1913–15	1974	100
10,00 000	5	1920	1960	113½
25,00,000	5	1928	1968	104
35,00,000	5	1929	1959–89	104
28,81,800	5	1929	1959	102½
1,50,00,000	3½	1947	1977	85½
2 50,00,000	3½	1947	1977	85½
4,00,00,000	3½	1950	1965	92½
1,50,00,000	3½	1953	1963	100
2,00,00,000	3½	1954	1964	97½
1,50,00 000	4	1955	1963	101½
2,50,00,000	4	1955	1967	100½
CALCUTTA				Rs.
36,00,000	5	1928	1958	108
25,00 000	5	1928	1958–78	103½
25,00 000	5	1929	1954	104½
10,00,000	5½	1932	1962	104
25,81,000	5½	1933	1963	94
60,00,000	3	1936	1966	90
47,80,000	3	1938	1968	90
25,00,000	3	1939	1966	90½
15,58,800	4	1939	1966	99½
16,56,400	4	1940	1957	97½
18,35,000	3½	1942	1958	97½
21,10,000	3½	1942	1962	97½
15,49 000	3½	1951	1960	97½
18,35,000	3½	1951	1961	97½
26,55,000	3½	1951	1962	97½
87,26,000	4	1951	1966	95
72,50,000	4½	1954	1978	100
MADRAS				Rs.
Rs.				
15,00,000	3½	1951	1961	107½
15,00,000	3½	1952	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1961	95
4 % W. Bengal	1952	3,00,00 000	1st Aug. 1964	101
4 % W. Bengal	1953	3 00,23 000	15th July 1963	100
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	99

ABBREVIATIONS.

A—Held by Government or India. B—Taken up by State Bank of India. (—Held by Communicators. D—Domestic Loan not marketable. (f) Income-tax free. * Loans held entirely by the Trustees. ** Quotations ex Pak Currency. *** Repos Counterparts.
† Bombay State Transport †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June 1944
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955.]—Interest free for first 12 years. §—Interest free for first 7 years.

N—Nominal

PREFERENCE SHARES

Company.	Amount Issued. Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00 000	1901	6	Mar. Sept.	133	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	6,00,000(b)	1875	6½	Mar. Sept.	105	100
Cawnpore Sugar Works	10,00,000	1905–24	8	Feb. Aug.	135	5
Deccan Sugar & Abkhari *A*	7,00,000	1920	7	July Apr.	6–3½	5
Deccan Sugar & Abkhari *B*	£300,000	1907	7	Jan. July	17	81
East India Distilleries	6,75,000(c)	1940	7(a)	Dec.	68	100
Gwalior Sugar	5,00,000	1940	7(a)	Dec.	63	100
Do. (Non-redeem.)	5,00,000	1923	10	Oct.	16	10
Parbatpore Co.	6,00,000	1923–24	6	Aug.	105	100
Ramnagar Cane	4,00,000	1923	6½	Oct. Apr.	75N	100
Ravalgaon Sugar	20,00,000	1946	7(a)	Oct.	20N	100
Sonth Behar Sugar	5,00,000	1946	5(c)	Dec.	90	100
Travancore	13,00,000	1933	5	Dec.	90N	100
Upper Ganges	13,00,000	1946	5(a)	Dec.	70N	100
Do.	15,00,000	1946				
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	113	100
Burrakur	4,00,000	1896–97	6½	Oct. Apr.	117	100
Burrea	22,99,500	1901–19	6	Apr.	123	100
Burrakur (1st)	4,50,000	1948	6(a)		7½	10
Do. (2nd)	4,00,000	1926	6	Mar. Sept.	110	100
Equitable	7,50,000	1946	5½(a)	Dec.	68	75(pd)
Karanpura Collieries	1,50,000	1921	5	Mar. Sept.	5N	10
††Khas Kajora	2,00,000	1920	7	Jan. July	12½	10
New Beerbhoom	2,00,000	1936–39	6½	Apr. Oct.	113	100
Sudal						
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	103½	100
Bangalore	4,00,000	1884	6	Jan. July	132	100
Banaini Cotton	1,05,300	1919	7	July Jan.	15N	100
Benares Cotton	3,00,000	1896	7	Apr. Oct.	99½	100
Bengal-Nagpur	6,00,000	1900	8	Feb. Aug.	132	100
Bowreah *A*	6,00,000	1900	7	Feb. Aug.	72	100
Do. *B*	4,75,000	1919	7	June Dec.	65	50
Bradbury	21,80,500	1920	7½	Jan. July	144	100
Buckingham & Carnatic	1,00,000	1923	7	Apr.	132½	100
Cambodia	50,00,000	1919	5	Apr. Oct.	480	500
Central India	1,00,000	1923	6½	Nov.	111½	100
Coimbatore Pioneer	1,00,000	1913	6	May Nov.	135	100
Elgin	11,00,000	1923	5	July Jan.	8½	10
Do. 'B' Pref.	4,20,000	1923	5	July Jan.	87	100
Elphinstone	25,00,000	1919	7(a)	May Nov.	140	100
Empress	20,00,000	1919	7	June Dec.	134	100
Kesoram	29,98,500	1947	4	Nov.	86	100
Khasra Makanji (Bad)	13,00,000	1937	6(a)	Nov.	101	100
Kothari	16,00,000	1946	6(a)		206‡	250
Lakshmi Cotton (Bombay)	1,25,000	1947	4	January	86	100
Morarjee Goculdas Spg. & Wvg.	30,00,000	1930	6	Jan. July	86N	100
Muir Mill	7,46,000	1944	4½		80‡	50
Mysore Spg

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,58,?	76,28,421	42,05,373	—1,17,209	Bajpatana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2⅜	2	0 4(c)	0 4 (c)	0 5(c)		12	Y.
40,00,000	24,00,000	1,84,85,581	72,25,685	—5,76,811	B. K. Sons, Ltd. ..	50,596	1,021	B. K. Cotton Mills	40	100	*Nil*	*Nil*	*Nil*		9	Y.P.T
2,50,00,000	2,33,99,019	4,25,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd.	2,21,068	4,855	Bombay Dyeing & Mfg. ..	610	250	20 0	22 8*	20 0	7 81	12	Y.
10,00,000	27,86,559	55,58,179	48,67,495	2,48,761	Ramnarain Sons, Ltd. ..	44,080	960	Bradbury Mills	132½	50	100 0	100 0	75 0		3	Y.P.
1,09,42,800	2,37,54,197	2,83,17,290	1,85,13,280	31,32,663	Birla Bros., Ltd. ..	1,26,344	2,598	Century Spg. & Mfg. ..	516	100	20 0	22 0	22 0	8 01	12	Y.
40,00,000	18,44,690	1,16,09,462	65,52,089	—33,25,720	V. J. Pilani (Chairman and Managing Director)											
25,00,000	11,34,478	81,39,789	48,80,041	20,758	Cawasjee Jehangir & Co., Ltd.	30,828	680	Colaba Land & Mill ..	70	100	*Nil*	*Nil*	*Nil*		12	Y.
16,00,000	24,36,990	69,10,661	54,66,041	2,17,076	Ramnarain Sons, Ltd. ..	40,902	..	Coorla Spg. & Wvg. ..	127½	100	7 8	7 8	7 8		3	Y.
4,00,000	27,75,000	73,66,73	64,73,724	3,0 158	Purannal Radhakishan & Co.	56,984	928	Dawn Mills	135	50	6 0	6 0	6 0	15 0	12	Y.
80,00,933	11,93,292	1,10,92,641	75,74,225	32,796	M	41,300	886	Edward Textiles	330	200	15 0	15 0	15 0		12	Y.
50,00,000	64,81,675	1,05,11,445	71,56,296	5,90,661	James Finlay & Co., Ltd. ..	49,332	784	Elphinstone Spg. & Wvg. ..	55	50	3 0	*Nil*	3 8		12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thac cersey Mooljee & Co. ..	49,672	1,122	Finlay Mills	365	100	20 0	18 0	18 0	2 81	12	Y.
16,000								Hindoostan Spg. & Wvg. Mills	4,800	1,000	200 0*	225 0*	225 0	200 0		
2,00,00,000D	1,18,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,32,640	6,278	India United Mills ..	992½	250	50 0	56 4*	56 4	75 0	3	Y.P.
50,00,000D									13⅜	0 100	*Nil*	0 10	*Nil*	0 101		
8,65,000	74,24,044	1,30,07,903	92,59,006	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	6 1D.	*Nil*	0 1	*Nil*	0 1	0 11	12	Y.
30,000									3,8925	100	200 0*	225 0*	225 0	300 0		
50,85,000	40,58,451	2,87,18,607	1,92,88,946	25,588	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg. ..	232½	500	100 0	100 0	80 0		6	Y.P.
1,00,00,000	1,21,50,000	3,56,88,005	2,85,14,798	33,980	Killick Industries Ltd. ..	1,20,504	1,646	Kohinoor Mills	356½xd	100	10 0	10 0	10 0	18 0	12	Y.
22,18,050	49,74,916	1,14,87,317	84,72,963	19,416	N. Sirur & Co., Ltd. ..	49,000	644	Modern Mills	208	50	5 0	5 0	5 0		12	Y.
81,75,000	32,52,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	235	100	12 0	12 0	14 0		6	Y.P.
57,71,400	81,73,518	5,74,05,779	1,55,00,000	5,78,076	Chinai & Co., Ltd.			National Rayon Corporation ..	241	100	*Nil*	9 0	10 0		12	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	3,016	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	173½xd	100	10 0	10 0	10 0	10 0	12	Y.P.
30,00,000	14,61,259	92,85,599	61,42,741	4,330	W. H. Brady & Co., Ltd. ..	49,912	1,018	New Great Spg. & Wvg. ..	230xd	100	10 0	10 0	7 8	10 0	12	Y.P.
12,70,100	26,92,994	53,27,849	22,21,142	8,178	Mafatlal Chandulal & Co. (Bombay), Ltd. ..	34,100	873	New Union Mills	38	10	1 4	1 4	1 4		12	Y.
48,00,000	36,62,278	1,49,08,112	99,59,811	1,26,264	Ramnarain Sons, Ltd. ..	62,208	1,190	Phoenix Mills	140	100	8 0	8 0	8 0		12	Y.
40,00,000	45,68,014	81,89,335	23,00,000	3,12,567	Podar Sons, Ltd.	32,600	980	Podar Mills	173½	100	10 0	10 0	10 0	5 01	12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,340	—1,78,154	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	132	10	1 4	0 12	0 8		12	Y.
25,00,000	66,08,474	1,24,22,606	81,47,397	10,146	M. G. Investment Corporation, Ltd	60,608	1,254	Sassoon Spg. & Wvg. ..	38	10	1 4	1 4	1 12		12	Y.
60,00,000	1,23,00,961	91,25,908	50,71,884	1,58,662	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills ..	224½	100	12 8	14 0	14 0		12	Y.P.
43,00,000	25,75,656	98,88,962	71,00,000	15,899	Forbes, Forbes Campbell & Co Ltd. ..	36,116	1,274	Simplex Mills	213½	50	15 0(p)	15 0	11 0	10 0	3	Y.
87 84,000	2,23,15,720	2,51,24,699	1,37,85,474	12 833	Mafatlal Gagalbhai & Sons ..	52,036	1,633	Standard Mills	422½	100	20 0	20 0	20 0	20 0	12	Y.P.
99 85 700	84,09,716	2,28,87,647	1,19 01,899	67 611	Tata Industries Ltd.	72,236	2,000	Swadeshi Mills	236½	100	16 0	16 0	16 0	12 0	12	Y.P.
86,00,000	1,76,78,481	1,17,42,921	70,32,718	3,14,784	James Finlay & Co., Ltd. ..	58,428	552	Swan Mills	450	100	30 0	20 0	20 0		12	Y.
82,77,425	51,26,376	1,77,34,839	68,44,553	43 485	Tata Industries Ltd.	62,096	1,800	Tata Mills	502	25	1 0	1 8	2 8	4 0	12	Y.T.P.
12,00,000	62,56,709	1,15,30,482	81,90,000	2,819	Thackersey Mooljee Son & Co. ..	54,136	1,209	Western India Spg. & Mfg. ..	4,950	1,000	200 0*	225 0*	225 0	300 0	3	Y.
AHMEDABAD																
23,00,000	21,11,650	1,36,22,272	60,47,302	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	155½	100	10 0	10 0*	5 0	7 0	6	Y.P
10,00,000	90,53,538	89 83 424	65,39,067	7,878	P. M. Hathesingh & Sons, Ltd.	42,768	912	Aruna Mills	667½	100	20 0*	20 0*			12	Y.P
26,28,000	2,60,17,401	1,48,07,666	1,03,05,000	46,564	Narottam Lalbhai & Co. ..	42,448	1,316	Arvind Mills	1,492	100	25 0	25 0	25 0		12	Y.P.
20,00,000	28,48,340	79,44,276	56,25,000	3,80,074	Mangaldas & Bros., Ltd. ..	35,884	672	Ashoka Cotton Ginning & Mfg.	222½	100	15 0	15 0			12	Y.P.
12,00,000	1,06,39,321	52,14,165	36,70,752	55,556	Jashbhai Dajyabhai & Co. ..	37,268	914	Asoka Mills	705	100	22 0	22 0*	22 0		12	Y.
1,34,79,011	1,11,66,238	4,24,88,718	3,07,53,344	10,00,756	Karamchand Premchand Ltd.	1,30,120	3,272	Calico	428½	125	18 0	18 0	18 0		12	Y.P.
62,48,000	29,04,000	1,10,69,052	79,80,000	1,96,242	Triveniai Bhoolai & Co., Ltd.	45,826	956	New Commercial Mills ..	1,440	1,000	70 0	70 0	70 0		12	Y.P.
90,00,000	66,61,702	1,14,99,125	91,35,306	6,847	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg. ..	811	125	35 0	35 0	35 0		12	Y.
5,00,000	93,15,983	46,73,745	31,76,001	700	Jagabhai Bhoglal Nanavaty & Co. Ltd. ..	24,840	578	Nutan Mills	430	100	20 0*	20 0*			12	Y.P.
12,50,000	1,09,22,589	79,71,738	52,35,077	22,522	Lalbhai Dalpatbhai & Co. ..	51,120	636	Raipur Mfg.	1,225	100	25 0	17 8			12	Y.P.
12,00,000	13,98,067	74,85,066	39,67,480	—39,90,810	Mangaldas Girdhardas Parakh Ltd.	47,820	1,096	Rajnagar Spg., Wvg. & Mfg. ..	257½	250	*Nil*				12	Y.
33,50,000	16,74,825	84,58,940	52,67,803	4,020	Lallubhai Gordhandas Ltd. ..	33,158	648	Rohit Mills	375½	100	0 8	0 8			12	Y.P.
25,93,150	1,90,54,532	1,60,18,812	1,24,25,000	2,62,570	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	614	50	16 8	18 0	20 0		12	Y.P.
19,52,500	59,00,194	78,08,016	62,05,900	6,484	Mafatlal Chandulal & Co., (Ahmedabad), Ltd. ..	36,654	720	Shorrock Spg. & Mfg. ..	515	100	20 0	20 0	25 0*		12	Y.
26,00,000	26,06,488	1,08,76,240	62,85,291	82,764	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	670	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,22,000	84,23,066	21,01,819	1,08,990	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills ..	6½	10	*Nil*	0 4	0 8		12	Y.P.T.
7,11,286	1,50,778	43,42,841	25,27,997	26,783	Bengal Textile Agency, Ltd.	32,544	936	Benga Laxmi Cotton Mills ..	40 N	50	3 0	*Nil*	4 0		12	
6,00,000	22,71,793	81,33,522	51,52,000	—24,31,401	Kettlewell Bullen & Co., Ltd.	43,372	841	Bowreah Cotton Mills ..	310	100	*Nil*	*Nil*	*Nil*		N	H.P.
19,00,000	15 17,871	1,01,41,469	69 43,000	—7,06,983	Kettlewell Bullen & Co., Ltd.	42,944	518	Howrah Mills	210	100	*Nil*	*Nil*	*Nil*		N	H.
1,50,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,435	Birla Brothers, Ltd. ..	70,384	1,990	Kesoram Cotton Mills ..	16⅜	10	1 12	1 12	0 14	0-14	12	Y.P.
4,00,000								Mohini Mills	—	25	1 4					
82,96,258	9,75,000	84,54,400	67,08,857	5,156	Chakravarti Sons & Co. ..	23,484	443			25	1 4					
19,47,7500	5,75,000	41,29,452	21,54,462	26,982	Hazaresmull Heeralal ..	23,036	796	Rampoora Cotton Mills ..	11½ N	10	0 8	0 8	0 10		6	Y.
5,00,000D									1½	1D.	*Nil*	*Nil*	*Nil*			
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,27,191	29,09,649	—6,54,223	Ramia & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	7½	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
6,71,94,400	44 93 807	2,10,91,206	50,50,018		Industrial Trust Fund ..	36,136	706	Asam Jahi Mills	85	100	6 0	*Nil*	*Nil*		9	Y.
40,80,000	2,00,58,745	3,24,98,906	2,42,88,258	2,38,649	Binny & Co. (Madras), Ltd. ..	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	580cd	100	15 0	25 0	30 0	30 0	12	
27,00,000	15 50,000	77,25,162	53,72,122	18,199	M.	29,986	810	Nesmal Nagpur Cotton Mills ..	94	10	0 8	0 4½	*Nil*	*Nil*	6 12	H.P.T.
1,16,00,000	1,12,09,581	1,12,06,727	78,65,727	5,80,791	Birla Brothers, Ltd. ..	28,896	1,046	Birla Cotton Spg. & Wvg., Delhi	85N	10	3 0	3 0	3 0		3	Y.
1,78,47,800	1,76,52,500	6,33,09,203	5,52,32,180	2,58,445	Binny & Co. (Madras), Ltd. ..	1,20,356	2,787	Buckingham & Carnatic ..	183½cd	100	10 0	10 0	10 0	10 0	12	Y.P.T.
20,00,000	24,17,220	19,75,084	8,99,067	Petrie Leslie & Co., Ltd. ..	38,706	..	Cambodia Mills	132	10	1 0	0 12	*Nil*			12	Y.P.
10,00,000	50,00,000	44,09,466	21,80,178	44,557	K. Damodaran, Esq. ..	17,496	..	Cannanore Spg. & Wvg. ..	147	100	12 0	12 0	20 0	12 0	3	Y.
10,00,000	4,51,500	54,07,118	50,84,816	29,514	Begg, Sutherland & Co., Ltd.	28,796	591	Coimpore Textiles	9½	5	0 8	0 8	0 8	*Nil*	3	Y.
30,00,000	25,98,978	58,97,118	50,84,816	29,514	Begg, Sutherland & Co., Ltd.	28,864	..	Coimbatore Cotton Mills ..	333xd	100	9 0	20 0	25 0	25 0	12	Y.
18,00,000	20,60,000	1,01,96,237	56,01,627	14,463,206	T. R. N. Naidu & Co. ..	23,788	..	Coimbatore Pioneer Mills ..	260	100	9 0	15 0	20 0		6	Y.P.
30,00,000	14 20,000	36,95,513	21,28,500	14,063	T. R. N. Naidu & Co. ..	17,523	407	Coimbatore Spg. & Wvg. ..	92	50	*Nil*				6	Y.
20,76,900	4,19,814	1,15,51,500	32,06,019	16,384	R. G. S. Naidu & Co. ..	16,384	2,062	Central India	148	100	2 0	5 0	3 0	6 0	6	
46,87,500	52,82,449	2,48,18,409	1,35,09,333	5,705	Tata Industries, Ltd. ..	1,16,188	2,354	Delhi Cloth & General Mills ..	86N	25	1 12	2 0	2 4	3 0	12	Y.
9,38,38,125	2,55,00,000	9,99,78,765	5,08,00,000	62,759	B. R. Charat Ram & Co., Ltd.	1,16,686	2,354			12½	0 1 4/5	0 2 4/5	0 3 8/5	0 5 8/5	6	Y.P.T.
1,00,568								Dhanalakshmi Mills ..	867cd	100	20 0	20 0	20 0			
24,34,900	24,72,758	47,84,027	23,82,512	9,246	M. N. Chettiar & Sons ..	22,568	201	Elgin Mills	27⅜	10	1 8	1 0	1 0		12	Y.
68,10,000	46,51,960	1,52,16,382	1,29,71,631	93,886	Begg, Sutherland & Co., Ltd.	49,452	1,198	Gokak Mills	251½	100	17 0*	17 0	13 0	15 0	12	Y.
68,81,000	35,22,175	1,00,55,167	68,05,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,074	4	Indore Malwa United	1,420	100	6 0	6 0	6 0	6 0	12	Y.
60,00,000	5,00,534	1,29,85,712	1,08,08,420	5,166	Govindram Sakaaria, Indore)	81,140	..	Jamardana Mills	114cd	50	3 12	4 8	5 0	3 01	12	Y.
3,90,000	10,65,668	30,95,513	21,28,500	—80,124	G. Y. Naidu & Co., Ltd. ..	43,000	200	Kothari Textiles	18½	10	0 12	0 8	0 8		12	Y.
24,10,000	16,25,000	78,88,868	56,50,000	29,892	Kothari & Sons	43,000	1,219	Lakshmi Cotton Mfg. ..	700	250	87 8	87 8	88 12	1 0	12	Y.P.
82,00,000	69,32,519	1,42,27,744	1,05,78,587	19,060	Bombay Co., Ltd.	85,998	201	Lakshmi Mills	700	50	5 0	5 0	10 0	12 81	3	Y.
35,84,100	66,55,960	1,11,86,880	75,29,838	74,376	G. K. Naidu & Co.				96	25	2 8	2 8	3 0	3 0		
1,75,02,480	4,18,81,878	5,73,76,128	3,58,74,019	18,86,813	A. J. F. Harvey Ltd. ..	5,00,000	..	Madura Mills	10	10	2 0	2 0	2 0	2 0	3	Y.
12,00,000	4,17,552	25,26,788	16,72,252	—99,073	A. L. A. S. Chettiar and Brothers	22,592	100	Malabar Spg. & Wvg. ..	116	100	8 0	8 0	8 0		12	Y.
60,00,000	69,00,000	62,61,448	41,60,285	1,48,408	W. A. Beardsell & Co., Ltd.	24,720	608	Mettur Industries Ltd. ..	407½	100	12 8	12 8	22 8*	35 0	12	Y.
29,59,700	19 47,928	84,15,677	44,82,184	9,999	N. Sirur & Co., Ltd. ..	29,496	704	Minerva Mills	86½	100	5 0	7 0*	5 0(c)		12	Y.
84,91,650	27,24,404	1,61,29,115	79,51,958	—7,44,998	Mafatlal Abhiram Dadabhoy & Co.	51,840	948	Model Mills (Nagpur) ..	150	250	7 8	7 8*	5 0(c)		12	Y.
80,00,000	52,19,600	1,52,29,272	1,05,91,851	—7,77,290	Indian Textile Syndicate Ltd. ..	58,840	1,334	Muir Mills	108N	100					12	Y.
50,83,500	90,54,547	99,04,000	63,99,938	23,708	N. Sirur & Co., Ltd. ..	50,125	800	Mysore Spg. & Mfg. ..	105	50	10 0*	10 0*	8 8*	6 0(c)	3	Y.P.
12,81,780	2,58,745	29,42,992	15,27,000	3,996	R. Suryanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	5½	10	*Nil*	*Nil*	*Nil*		3	Y.
22,89,8820	25,02,522	1,02,16,896	58,90,719	—39,02,829	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	2⅜	10 0	*Nil*	*Nil*	*Nil*		12	Y.P.
3,07,09,51										0. D. 1	*Nil*	*Nil*	*Nil*			
67,14,800	57,72,270	1,66,58,562	62,58,093	....	Industrial Trust Fund ..	37,788	856	Osmanshahi Mills	66	100	7 0	4 0	*Nil*		9	Y.
4,00,000A	7,50,000	35,04,788	21,95,715	9,122	Bhaghyalakshmi & Co. ..	29,924	..	Palani Andavar Mills	166	50A	7 0	12 0	12 0		12	Y.P.
4,00,000B									166	75B	11 4	18 0	18 0			
15,00,000	2,25 000	34,59,311	16,41,045	—18,57 240	C. S. R. Mudaliar & Sons ..	20,796	..	Pankaja Mills Ltd.	73	100	*Nil*	*Nil*	*Nil*		12	Y.
16,81,200A	20,00,000	72,90,455	41,41,878	25,607	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	287	100A	8 0	8 0	16 0		12	Y.
5,49,200B									146	50B	4 0	4 0	8 0			
19 01,942	23,75,000	34,37,775	17 67,922	12,587	B. R. Naidu & Sons ..	25,472	..	Rajalakshmi Mills	177½	50	4 8	4 8	10 0		12	Y.
22,29,625	12,40 000	40,14,000	18,05,147	29,350	Rayalaseema Mills	14,400	..	Rayalaseema Mills	140 d	100	6 0	6 0	9 0	10 0	12	Y.P.
90,00,000	62,66,508	96,29,567	35,62,291	—19,89,439	J. P. Srivastava & Sons (Ramper)	54,534	600	Rasa Textiles	74¾		*Nil*	*Nil*	*Nil*		12	Y.P.
16,00,000	1,80,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	96,232	2,234	Sholapoor Spg. & Wvg. ..	1,000	1,000					3	Y.P.
									900	900	*Nil*	*Nil*	*Nil*			
86,69,700	16,68,822	71,75,918	51,35,889	27,871	H. N. Pallegar, Esq. ..	31,868	292	Sri Krishnarajendra Mills ..	90½	50	4 0*	4 0*	4 8		3	Y.
28 14,800	2,00,245	35 18,906	17,73,000	—2 46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Saijan Mills	801K	100	*Nil*	*Nil*	*Nil*		12	Y.
15,00,000	3,11,40,227	96,09,567	72,44,724	31,27,583	Birla Brothers, Ltd. ..	35,556	1,242	Satlej Cotton Mills	130N	10	4 0	4 0	5 0	6 0	3	Y.
17,50 000 O	2,80,00,000	4,54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	11	10 O.	*Nil*			0 12	12	Y.P.
1,97,30,000PO									10⅛	10P.O.	*Nil*	0-14 2/8	1-2 2.5	0 12		
99 84,040	10,00,000	2,75,11,408	1,90,28,764	1,83,122	Emcote & Sons (Travancore), Ltd.		..	Travancore Rayons	15½	10	*Nil*	0 8	0 10		12	Y.P.T
18,98 670	8,78,332	17,39,181	11 37,326	1,508	Mcojiee Ramjee & Sons ..	17,500	..	Trichinopoly Mills	12cd	10	0 11 1/8	0 11 1/8	0 14 2/8	0-14 2/8	12	Y.
31,00,000	23,00,000	56,42,250	34,01,449	2,500	K. S. Chetty & Brothers ..	24,544	270	Vasanta Mills	287½	100	12 0	12 0	15 0		12	Y.P.
22,50,000	31,99,443	1,38,35,086	1,00,33,290	23,250	Bombay Co., Ltd.	46,490	1,331	Vishnu Cotton	188½	100	10 0	4 0	4 0	2 81	12	Y.P.

* Includes Bonus. M=Managed by Board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend on Rs. 10 per share was paid on the increase capital of 83,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs	Rs.	Rs.	Rs.	Rs.			Rs	Rs	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,398	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	9½	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,20,630	18,38,917	27,26,861	14,67,218	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	5½	5	0 8	0 8	0 8	0 9	3	Y.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	26½xd	A. 16sh. B. £1	Sh. 1 3/5 Sh. 3	Sh. 1 3/5 Sh. 4	Sh. 1 3/5 Sh. 5	Sh 1 3/5 Sh 4 5/8	9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	185	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
11,27,700A	10,85,516	79,90,234	29,22,658	26,633	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	156	A. 100	7 8	10 0*	10 0		12	Y.P.T.
89,79,020B							5½	B. 10	0 8	1 0*	1 0			
48,14,900C							6⅜	C. 10	0 12					
4,70,976D							1	D. 1						
12,71,96,208	13,13,132	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd. ..	Asam Bengal Cement	217	100	9 8	9 8	8 8	10 0	7	Y.
£6,00,000G.	5,49,40,618	£4,90,99,271	3,74,71,582	5,02,770	Cement Agencies Ltd.	Associated Cement Companies	14	O. 10	0 10	1 0	1 0			
£6,00,000G.							2½	O. 2½	0 2½	0 4	0 4			
£6,50,000G.	48,20,901	89,92,667	29,67,544	2,86,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)† ..	2½	D. 1	*Nil*	0 1-3/5	0-1 3/5		12	Y.P.T.
5,00,000D.							33½	O. 25	1 4	*Nil*	1 4	1 14	3	Y.P.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	35,61,841	2,00,40,004	1,45,07,804	1,78,122	Balmer Lawrie & Co.	Bengal Paper Mills	127	25	1 9 / Nil / 1 9	Nil / 1 9 / 1 9	2 8½ / 0 11½ / 0 11½	6,12		H.P.T.
62,98,250	66,03,861	1,11,56,780	76,81,898	53,945	Andrew Yule & Co., Ltd.	India Paper Pulp	25½	10	5 0 / 6 0 / 7 0	6 0 / 7 0 / 0 11½	0 11½	3,0		H.
25,00,000	16,12,500	1,86,83,385	56,31,688	35,487	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	17½	10	1 0* / 1 0* / 0 12*	1 0* / 0 12* / 0 14*	0 14*	2		Y.
1,46,82,500	1,86,87,959	4,12,77,410	97,21,214	2,05,870	Birla Bros;	Orient Paper	34½	10	1 0 / 1 0 / 1 0	1 0 / 1 0 / 0 8	0 8½	3,0		H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,487	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18½	10	0 12 / 0 12 / 0 12	0 12 / 0 12 / 0 12	0 12*	6,12		H.P.T.
30,00,000	6,50,000	54,00,869	30,16,631	4,492	Baloria & Co.	Star Paper Mills†	11½ / 11½	O. 10 / A. 10	0 8 / 0 8	0 12 / 0 12	0 12½ / 0 8½	3,0		H.P.T.
54,00,000A. 56,04,800B. 4,87,500P.O.	3,07,07,316	5,39,14,072	3,13,50,222	89,160	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd. ..	44½ / 44½	A. 10 / B. 10	1 0* / 1 0* / 1 0*	1 0* / 1 0* / 0 12	1 0* / 0 12	3,0		H.P.
						PRESSING								
2,00,000	6,12,266	15,78,482	11,12,591	—65,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	Nil	5 0	Y.
4,00,000	1,00,000	2,89,286	1,72,056	2,254	Fyne & Sons	Camperdown	88N	100	7 0	7 0	5 0	6	7	Y.
5,00,000	1,95,000	10,91,511	9,30,377	13,057	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	6	Y.
						PROPERTY AND LAND								
16,80,7800. 2,00,000D.	7,43,065	42,46,067	21,43,279	96,047	S. A. Basil, Esq. & others (Directors).	Humayun Properties	18½ / 2½	O. 10 / D. 1	0 8 / Nil	0 8½ / Nil	0 8½ / Nil	9		Y.P.
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	25	100	1 0	1 8	1 8	Nil	4	Y.
94,00,000	36,71,574	95,00,208	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary		100	2 0	1 8	2 0	3 0	4	Y.P.
						SAW MILLS AND TIMBER								
12,00,000	26,22,976	29,97,501	8,95,501	—4,17,492	Bird & Co.	Assam Saw Mills	5½	5	0 4	Nil	Nil		9	Y.
60,00,000 }	4,18,57,280	3,25,90,682	1,47,51,851	61,090	Wallace & Co.	Bombay-Burmah Trading Corpn. Ltd.	Old128 / New50	28 5	15 0	20 0	37-6 / 15-0	9	5	Y.
45,00,000 }									6 0	6 0				
5,00,000		7,26,566	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	Nil	Nil	Nil	4	4	Y.P.
20,00,000	12,16,487	15,19,049	13,52,016	1,79,568	Gillander Arbuthnot & Co., Ltd	Indian Wood Products	38½	10	2 8	2 12	1 0	2 0	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	15,41,227	39,45,224	23,97,923	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	9	5	Nil	Nil	0 12	0 1	6	Y.
15,00,000A. 5,00,000B.	29,18,856	49,46,285	23,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	158N / 14N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	10 0 / 1 0		6	Y.
19,49,050	5,50,000	21,91,657	22,33,212	49,906	Bangur Bros., Ltd.	Buland Sugar	11½	10	0 12	0 12	0 12	6	9	Y.
15,00,000	13,90,235	18,40,479	11,77,541	13,356	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8		6	Y.P.
92,00,000	25,37,080	1,86,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	9½	10	Nil	0 12	0 4	1 8	6	Y.P.T.
30,00,000	67,88,651	1,09 46,647	64,32,451	82,028	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	31½	10	2 0	2 0	0 12	0 12	10	Y.P.
18,00,000	38,04,891	72,85,757	38,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champaran Sugar	94N	10	1 0	1 0	1 0	1 8	6	Y.
5,99,458	6,18,862	24,85,880	18,38,747	48,304	Karamchand Thapar & Bros. ..	Deoria Sugar	86N	10	0 6	1 0	0 12		6	Y.P.
50,00,000A. 10,00,000O.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	'A' 100 / O. 100	12 6* / 12 6*	15 0* / 15 0*	15 0* / 15 0*	15 0* / 15 0*	6	6	Y.P.
12,00,000	8,61,001	75,81,309	43 63,455	27,926	Khaitand Dewchand & Co.	Kesar Sugar	60N	80	Nil	Nil	Nil	4	7	Y.P.
7,80,100	22,14,068	24,94,612	19,25,333	1,254	Cotton Agents Ltd.	New India Sugar Mills	24N	40	Nil	Nil	Nil	2 8		
11,00,000	4,50,000	48,21,490	24,97,558	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	32	10	2 8	2 8	2 4	2 8	6	Y.P.T.
19,97,500A. 2,71,875B.	49,60,297	67,74,123	31,54,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	6 / 60N	10 / 80	0 4 / 20 0	0 4 / 20 0	0 4 / 20 0		6	Y.
77,45,350	58,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	136N	100	11 0	11 0	11 0	7	7	Y.P.
13,00,000	12,74,233	25,77,660	19,95,925	55,000	Narang Bros. & Co., Ltd.	Panjab Sugar	117N	100	10 0	10 0	10 0	10	9	Y.
9,00,000	17,64,569	67,86,908	30,67,248	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	16½	10	Nil	Nil	0 12	0 12	10	Y.P.
5,00,000	6,54,783	28,49,783	21,91,913	94,940	K.	Ryam Sugar	24	10	2 0	2 0	2 0	2 0	6	Y.P.
11,99,000	18,86,779	29,65,583	22,92,180	8,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar	14	10	1 0	0 8	0 8	Nil	6	Y.
20,00,000	22,68,560	1,35,20,110	92,59,521	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	11½	10	1 0	1 8	1 8	1 12	6	Y.P.T.
9,99,950	61,885	20,53,545	11,98,837	—2,96,848	H. K. Ghosh, Esq., and B. N. Datta, Esq. (Managing Directors)	Sitalpore Sugar	4½	10	0 6½	Nil	Nil		6	Y.
7,95,462	18,82,940	61,60,735	17,65,066	1,66,227	Karamchand Thapar & Bros. ..	Shri Sitaram Sugar	144 / 1N	10 / O. 10	1 0 / Nil	1 0* / Nil	1 0* / Nil	5	5	Y.P.
9,15,000D. 4,40,000D.	47,592	27,42,197	11,46,776	—10,14,608	B. K. Jain & Co., Ltd.	South Behar Sugar	2N / 1N	D. 24 /	Nil / Nil	Nil / Nil	Nil / Nil	10	10	Y.P.
5,00,000	21,01,635	96,42,062	57,49,754	52,021	Cotton Agents Ltd.	Upper Ganges Sugar	17N	10	2 8	2 8	2 8	2 8	6	Y.P.
16,00,000	7,99,778	32,04,650	25,98,844	99,061	James Finlay & Co., Ltd.	United Provinces Sugar	22½	10	1 8	1 8	1 4	2 8	6	Y.
						Other Centres								
46,99,750	74,55,470	1,50,12,576	1,08,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company'†	254	56	16 0	16 0	16 0	16 0	9	Y.
17,50,000	9,24,292	23,08,979	21,86,722	4,692	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	15	10	1 0	0 10	1 0	1 0	9	Y.P.
17,50,000	1,21,20,326	7,56,54,699	3,47,34,970	1,91,664	Sir J. P. Srivastava & Sons (M.B.)Ltd.	Gwalior Sugar	53N	100	2 0	2 0	2 0	2 0	9	Y.P.
40,00,000	66,80,594	1,16,76,570	70,36,057	5,10,975	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	17½	10	1 8	1 8	1 8	1 8	6	Y.
75,00,000	49,00,000	18,88,966§	4,16,784	3,90,661	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	14½	10	Nil	Nil	Nil	Nil	6	Y.
9,99,980	1,50,000	16,56,765	2,50,449	—2,96,060	.. .. ..	Travancore Ogale Glass	10	10	Nil	Nil	Nil	Nil	6	Y.

§ Investments at cost. * Includes bonus. ‡ On old capital. ‖ Excluding Rs. 1,49,61,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	6,11,774	9,59,057	4,73,517	...	McLeod & Co., Ltd.	825	Amlicnie	425N	100	7 8	25 0	30 0		12	Y.P.
2,50,000	3,43,250	10,69,902	2,45,269	77,477	B. K. Kamoria, Esq.	420	Ananda (Assam) Tea ..	41N	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd. ..	420	Ananda Bag	42	10	Nil	Nil	2 8		12	Y.
3,50,000	4,43,250	6,44,367	1,44,367	93,055	McLeod & Co., Ltd.	513	Baghmari	20½	10	2 0	2 8	3 0		12	Y.
5,50,000	11,21,541	13,95,977	3,39,451	93,033	Andrew Yule & Co., Ltd.	369	Basmatia	35½	10	2 0	2 8	3 0		12	Y.
5,10,000	8,50,000	11,99,193	6,46,265	18,304	National Tea Corporation	569	Bateli	23½	5	0 4	2 0	4 0		12	Y.
3,30,000	4,95,000	9,80,764	2,59,311	63,794	Gillanders Arbuthnot & Co., Ltd. ..	594	Bejjan	48	10	Nil	2 0	10 0*		12	Y.
3,29,000	3,70,000	55,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd. ..	3,067	Behmanth	19½	10	Nil	3 0			12	Y.
6,50,000	20,50,000	10,49,416	2,03,139	61,929	Octavius Steel & Co., Ltd. ..	435	Bokakhat	19½	10	Nil	Nil	1 0		12	Y.
6,00,000	2,53,500	10,49,416	2,33,050	1,44,105	McLeod & Co., Ltd.	430	Bornah Jan Tea ..	20	10	Nil	0 12	3 8		12	Y.P.T.
7,50,000	6,52,403	5,92,337	20,092	Nil	Brook Bond India Ltd.	2,334	Brooke Bond	24½	10	Nil	0 8	1 4		6	Y.P.
2,50,000	11,92,045	73,80,473	19,49,495	6,542	McLeod & Co., Ltd.	232	Dejoo Valley	39	10	Nil	1 0	6 0		12	Y.
1,20,000	4,00,426	8,53,983	1,55,593	39,760	Andrew Yule & Co., Ltd.	1,220	Dessai & Parbuttia ..	402N	100	10 0	20 0	40 0		12	Y.
6,00,000	10,99,000	22,73,420	4,17,848	44,551	James Warren & Co., Ltd.	630	Dhalichat	19½	10	1 0	1 8	3 8		12	Y.
7,53,440	9,87,933	10,93,289	3,77,383	3,779	James Finlay & Co., Ltd.	544	Dhunseri	23½	10	Nil	2 0	5 0		12	Y.P.
4,68,970	3,95,000	9,60,834	2,00,317	54,692	McLeod & Co., Ltd.	458	Dibrugarh	28	10	Nil	2 0	4 0		12	Y.
4,50,000	6,75,000	10,29,000	5,54,006	55,532	Williamson Magor & Co., Ltd. ..	611	Dimakasi	27	10	1 0	4 0	6 0		12	Y.P.
2,99,700	6,60,000	10,29,000	5,54,006	55,532	Williamson Magor & Co., Ltd. ..	615	Duflaghur	41½	10	2 0	4 0	5 0		12	Y.P.
5,60,500	8,32,000	19,85,951	13,34,015	1,54,360	Williamson Magor & Co., Ltd. ..	1,160	East India Tea ..	25½	10	0 4	2 8	3 8		12	Y.
10,00,000	6,60,000	23,25,313	9,74,313	78,638	Williamson Magor & Co., Ltd. ..	407	Gillapukri	31½	10	Nil	1 12	8 8		6	Y.P.
3,60,000	5,05,000	8,25,214	4,30,235	5,997	L. C. Kanoi, Esq.	546	Gohpur	41	10	1 8	3 0	5 0		12	Y.
3,34,000	7,20,000	15,55,000	7,85,000	88,316	Williamson Magor & Co., Ltd. ..			55	A 10	2 0	3 8	5 8		12	Y.
A. 7,41,540 }	15,28,250	30,58,902	6,17,945	56,376	Octavius Steel & Co., Ltd.	1,012	Grob	19½	B 5	1 0	1 8	3 8			
B. 3,01,139 }								36N	10	1 8	3 0	9 0		12	Y.
2,00,000	8,75,000	7,70,574	2,63,800	84,780	Andrew Yule & Co., Ltd.	476	Hoograjuli	236	100	Nil	12 8	55 0		12	Y.
4,00,000	11,47,715	15,31,576	10,80,837	1,45,234	Andrew Yule & Co., Ltd.	1,293	Hoolangooree	11½	10	0 9¾	NIL	1 0	1 0	12	Y.P.
3,70,000	34,40,339	...	...	72,556	Birla Bros., Ltd.	3,201	Jay Shree Tea Gardens	28½	10	Nil	Nil	3 8		12	Y.
63,56,900	1,00,00,000	14,15,943	2,37,309	97,186	Gillanders Arbuthnot & Co., Ltd. ..	945	Jullibari	1,166	10	Nil	Nil			12	Y.
7,50,000	7,85,000	14,15,943	6,37,520	6,193	G. D. Kothari, Esq.	1,136	Kingsley-Golaghat (Assam)	335N	100	Nil	Nil	2 12		12	P.T.
2,40,000	2,55,000	11,47,520	1,70,222	44,583	Duncan Bros. & Co., Ltd.	1,046	Lalmai	22	10	Nil	1 0			12	Y.
6,50,000	6,59,133	7,20,222	4,74,235	45,324	Octavius Steel & Co., Ltd.	612	Methoni	23½	10	Nil	1 8	4 8		12	Y.
8,00,000	11,40,000	19,43,410	4,74,235	45,324	Octavius Steel & Co., Ltd.	673	Mohseena	26	10	Nil	Nil	Nil		12	Y.P.
4,80,000	2,50,000	9,01,152	1,01,152	10,712	Duncan Bros. & Co., Ltd.	433	Mothola	570N	100	Nil	40 0	65 0		12	Y.
1,50,000	1,22,434	7,55,536	4,47,350	53,333	Kettlewell Bullen & Co., Ltd. ..			27xr	O. 10	2 0	2 0	4 8			
O. 5,00,000 }	5,30,000	9,09,874	5,40,379	50,536	Andrew Yule & Co., Ltd.	344	Murphulani	30xr	P.O. 10	2 8	2 8	5 0		12	Y.
P.O. 2,00,000 }	3,81,274	6,00,328	3,80,669	9,587	S.C. Sen, Esq., Supervising Director	810	Naga Hills	49	10	Nil	3 0	4 0		12	Y.
4,00,000	...	12,71,401	6,78,401	6,033	M.	937	Nahmirandi	18	10	Nil	Nil	0 8		12	Y.
5,33,000	6,00,000	9,54,477	1,94,447	22,913	Duncan Bros. & Co., Ltd.	1,150N	New Chuntaollah ..	100	Nil	5 0	10 0			12	Y.
5,00,000	3,50,000	7,59,943	3,35,545	89,438	Andrew Yule & Co., Ltd.	353	Rajgarh	44½	10	Nil	2 8	4 8		12	Y.
2,00,000	6,77,500	17,12,490	7,10,249	5,845	L. C. Kanoi, Esq.	392	Sapoi	39½	10	Nil	3 0	4 0		12	Y.
6,00,000	5,56,302	8,14,705	1,59,512	41,943	Williamson Magor & Co., Ltd. ..	452	Seajuli	31½	10	Nil	2 0	4 0		12	Y.
2,49,000	2,90,000	3,43,117	45,753	Octavius Steel & Co., Ltd.	515	Teen Ali	33½	10	1 0	3 0	4 0		12	Y.
4,50,000	7,84,500	11,24,099	3,74,340	31,743	McLeod & Co., Ltd.	495	Teloitan	24½	10	Nil	1 8	5 0		12	Y.
5,98,000	10,73,000	10,33,209	3,74,340	32,893	Gillanders Arbuthnot & Co., Ltd. ..	503	Tengpani	10	10	0 12	2 8	6 8*		12	Y.
4,00,000	7,35,127	9,56,323	2,43,134	59,935	Shaw Wallace & Co., Ltd.	2,139	Tezpore	23½	10	Nil	2 8	5 0		12	Y.P.
15,86,310	17,34,232	33,37,279	14,00,279	9,014	McLeod & Co., Ltd.	1,050	Tyrnon	33½	10	Nil	1 0	6 0		12	Y.
5,20,000	19,00,259	22,55,136	10,72,453												
						CACHAR									
2,00,000	1,75,000	5,39,783	1,79,376	—3,36,155	M.	862	Aroutlipore	12	10	Nil	Nil	Nil		12	Y.
7,00,000	7,81,764	19,79,797	6,31,031	—35,429	Octavius Steel & Co., Ltd.	849	Bagicha Cachar	69	10	Nil	Nil	Nil		12	Y.
7,00,000	11,02,995	23,73,391	10,33,376	63,879	Octavius Steel & Co., Ltd.	2,154	Hattikhira	19½	10	Nil	2 8	5 0		12	Y.
15,50,000	...	3,54,000	...	5,41,915	Bullion Co., Ltd.	577	Kallinugger and Khoteel	110‡	100	Nil	Nil	15 0		12	Y.
4,50,000	1,67,837	2,97,393	7,468	11,015	Duncan Bros. & Co., Ltd.	600	Kunchunpore	24N	10	Nil	Nil	2 12		12	Y.
3,60,000	2,51,704	3,34,915	1,14,990	19,031	Duncan Bros. & Co., Ltd.	1,150	North Western Cachar	220	10	Nil	Nil	20 0		12	Y.
5,00,000	10,45,915	3,23,915	1,82,123	B. L. Nopany, Esq.	437	Pathemara	15	10	Nil	Nil			12	Y.P.
1,84,050	6,445	3,16,007	15,768	—20,397	Octavius Steel & Co., Ltd.	633	Roopacherra	18½	10	Nil	Nil	1 0		12	Y.
2,60,000	3,10,593	5,39,110	1,91,753	22,503	McLeod & Co., Ltd.	555	Rungamatee	18	50	Nil	10 0	17 8		12	Y.
6,25,000	5,25,514	16,16,505	3,91,505	40,497	Duncan Bros. & Co., Ltd.	554	Soom	25	10	0 8	3 0	5 0		12	Y.
4,00,000	5,51,713	10,16,950	3,21,644	—62,256	Davenport & Co., Ltd.	743	Sungma		10	0 12	2 8	6 0		12	Y.
						DARJEELING									
2,79,900	1,25,000	3,33,320	59,759	19,147	Williamson Magor & Co., Ltd. ..	493	Chamong	16	10	Nil	Nil	2 0		12	Y.
2,00,000	1,37,639	3,32,393	1,43,785	409	M.	488	Dilaram	180N	100	Nil	Nil	21 0		12	Y.
2,00,000	2,81,825	7,41,209	2,37,700	36,350	Davenport & Co., Ltd.	316	Margaret's Hope ..	14½	10	Nil	0 12	1 0		12	Y.
4,00,000	3,00,000	6,62,617	2,35,433	16,852	McLeod & Co., Ltd.	452	Mim	9	10	Nil	10 0	14 0		12	Y.
4,00,000	3,00,000	6,62,617	2,35,433	28,037	Andrew Yule & Co., Ltd.	690	Nagari Farm	26	10	Nil	2 0	5 0		12	Y.
1,50,000	3,10,239	4,34,574	1,54,891	48,049	Williamson Magor & Co., Ltd. ..	505	Okayti	500N	100	Nil	Nil	37 8		12	Y.P.
2,93,900	3,00,000	4,73,614	1,38,614	45,049	Duncan Bros. & Co., Ltd.	500	Poobong	11½	10	Nil	Nil	1 8		12	Y.
1,00,000	1,07,500	1,95,381	11,515	10,039	Duncan Bros. & Co., Ltd.	570	Pussimbing	11½	10	Nil	Nil	1 8		12	Y.
3,00,000	2,79,387	3,95,582	1,00,562	31,259	Davenport & Co., Ltd.	341	Rungbee Rungliot ..	405N	100	17 8	17 8	50 0		12	Y.
2,00,000	2,21,733	4,74,393	55,393	31,259	Duncan Bros. & Co., Ltd.	389	Seeyok	14½	10	Nil	0 4	1 8		12	Y.
1,40,000	4,77,000	5,05,579	95,978	19,197	Duncan Bros. & Co., Ltd.	747	Singell	93N	100	Nil				12	Y.
1,00,000	1,26,323	5,37,711	77,711	46,226	Hoare Miller & Co., Ltd.	1,275	Tarnagulla	10	10	Nil				12	Y.
1,00,000	1,26,845	3,41,337	3,04,734	1,01,422	T. Stanes & Co., Ltd.	1,772	Tarpin	5	10	Nil				12	Y.
21,00,000	20,75,000	23,40,013	3,83,158	7,702	Kothari Mohta & Co., Ltd. ..	978	Waterfall	5	10	Nil				12	Y.
						DOOARS									
27,00,000	22,25,000	34,37,901	13,80,199	6,36,722	Andrew Yule & Co., Ltd.	2,540	Banarhat	351	100	17 8	45 0	190 0		12	Y.P.
6,00,000	13,70,000	35,57,714	19,85,143	53,495	Jardine Henderson Ltd.	1,078	Baradihi	46	10	0 8	3 0	6 8		12	Y.
6,00,000	11,03,942	15,07,566	7,05,236	84,324	McLeod & Co., Ltd.	1,344	Birpara	226	100	Nil	Nil	80 0		12	Y.P.
9,00,000	6,50,000	15,97,365	7,97,365	84,327	Duncan Bros. & Co., Ltd.	928	Carron	210	100	Nil	Nil	23 8		12	Y.
6,00,000	5,33,093	8,65,291	2,65,291	45,924	Andrew Yule & Co., Ltd.	901	Chooniabhitti	305	100	10 0	25 0	90 0		12	Y.P.
6,00,000	12,00,000	12,90,449	6,92,476	2,35,010	Duncan Bros. & Co., Ltd.	500	Hillenbarrie	295N	100	Nil	Nil	15 0		12	Y.
2,00,000	2,50,000	4,33,030	2,27,205	15,525	Duncan Bros. & Co., Ltd.	265	Hugo	510N	100	Nil	5 0	110 0		12	Y.
2,00,000	2,50,000	4,33,030	2,15,583	39,760	Andrew Yule & Co., Ltd.	341	Nimbharrie	22½	10	Nil	Nil	5 0		12	Y.
1,20,000	2,54,000	5,90,170	1,78,394	4,827	L. C. Kanoi, Esq.	447	Rishehaarrie	295N	100	Nil	20 0	70 0*		12	Y.
3,50,000	3,04,000	7,82,931	3,77,383	3,779	Gillanders Arbuthnot & Co., Ltd. ..	1,254	Gairkhata	288	100	Nil	25 0	60 0		12	Y.P.
5,00,000	9,50,000	13,21,925	3,86,019	Duncan Bros. & Co., Ltd.	2,437	Hantapara	190	10	Nil	2 8	6 0		12	Y.P.
24,00,000	34,49,782	33,55,144	5,30,637	Davenport & Co., Ltd.	1,452	Haniwara	304	10	Nil	2 8	6 0		12	Y.
32,00,000	58,35,533	25,51,311	6,61,976	1,07,181	Davenport & Co., Ltd.	507	Haldibasi	35	10	Nil	2 8	6 8		12	Y.
3,25,000	18,79,318	16,01,976	2,98,391	1,08,323	Andrew Yule & Co., Ltd.	937	Jalpipara (Dooars) ..	244xr	10	Nil	2 8	6 8		12	Y.
7,00,000	5,15,000	8,47,316	5,03,440	64,593	Duncan Bros. & Co.,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,60,000	3,72,883	25,600	22,734	*Planting Agencies* Ltd.	Balmadies Plantations	3½	2	0 3¼	0 4	0 4	0 4 4/5	5	Y.P.
17,94,136	18,13,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cachin Malabar	9	3	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,096	1,21,059	Cons. Coffee Estates (Secretaries) ..	Coffee Lands and Industries ..	21½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
18,00,000	15,60,195	32,07,456	5,25,096	1,21,059	R. C. Paterson Esq.	Consolidated Coffee	26½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
47,70,000	63,72,750	1,07,57,843	19,78,244	7,754	Associated Planters Ltd.	Cottamal Plantations	15½	10	1 8*	1 8	1 8	1 12*	3	Y.P.
4,00,000	2,76,708	5,59,957	48,704	4,754	A. V. Thomas & Co., Ltd. ..	Highland Produce	17½	10	1 0	1 4	2 8		12	Y.P.
18,00,000	9,95,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co. Ltd. ..	Kaliputta Estates	30½	10	2 0	2 0	2 0	2 12	4	Y.P.
4,00,000	10,93,963	17,78,355	1,92,061	17,844	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	30	10	3 8	5 8	2 4	2 4	3	Y.
9,00,000	7,28,329	18,41,917	2,55,893	..	Midland Rubber	Midland Rubber	21	10	1 8	1 8	1 12*	2 8	3	Y.P.
27,00,000	29,30,000	74,32,314	7,74,029	1,45,508	A. V. Thomas & Co., Ltd. ..	Nennery Rubber	21½	10	0 10	0 12	1 8		12	Y.P.T.
3,35,000	2,81,000	14,31,422	1,41,231	13,149	A. V. George & Co., Ltd. ..	Nilambur Rubber Co.	13½	10	1 0	1 0	1 0		12	Y.P.
2,00,000	2,00,988	7,20,935	44,195	8,690	Associated Planters Ltd.	Ouchterlony Valley Estates ..	5	2	0 2½	0 2½	0 9 3/5	0 6 2/5	10	Y.P.T.
40,00,000	24,00,000	41,19,708	12,04,557	40,606	Peirce, Leslie & Co., Ltd. ..	Rajapuri Rubber	23½	10	1 8	1 12*	1 12*	2 0	6	Y.P.
19,45,780	2,63,223	7,461	7,461	38,764	A. V. Thomas & Co., Ltd. ..	Savanakan Estates Ltd.	27½	10	3 8	3 0	2 8		11	Y.
13,50,000	7,80,000	40,92,253	3,51,077	89,994	Peirce, Leslie & Co., Ltd. ..	Tevkay Rubber (India) Ltd. ..	10½	10	0 14½	0 14 2/5	0 12	0 14 2/5	3	Y.P.T.
3,66,780	2,50,000	5,94,362	1,35,829	2,031	East India Agencies	Thamaraipally Rubber	29½	10	2 0	3 0	3 0		12	A.P.
10,00,000	3,98,540	22,01,120	15,715	24,920	A. V. George & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	1	1	0 4	0 4½	0 1 3/5	0 2	9	Y.
2,50,000	2,37,500	5,29,518	27,825	24,920	Peirce, Leslie & Co., Ltd. ..	Travancore Rubber	2½	10	2 0	2 0	2 0		12	Y.
6,10,200	3,00,005	8,01,561	1,11,200	3,744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber and Tea Co., Ltd.	2½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
6,00,000	40,474	7,49,011	1,11,200	3,744	Aspinwall & Co. (Travancore)	Tropical Plantations Co.	33	25	2 8	3 0	5 0		12	Y.
41,00,000	14,29,673	74,88,897	7,65,148	3,28,925	P. T. Thomas, Esq. (Mg. Director).	Vattukudam (Travancore) Rubber ..	28½	10	2 0	2 0	2 4		12	Y.
20,00,000	90,000	25,55,508	5,65,078	2,276	Harrisons & Crosfield Ltd. ..	Woodland Estates	10½	*Nil	1 0	1 0	1 8	2 0	3	Y.P.
6,25,580	4,49,970	7,77,154	14,119	21,363	M. K. Thomas, Esq. (Mg. Director)									
1,65,000	87,259	3,65,239	17,483	5,524										

* Includes Bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12½	10	1+1	1+1	1+1	1+	3, 9	H.T.P.
6,00,000	9,50,500	51,48,008	35,31,395	94,960	McLeod & Co., Ltd.	446	Alexandra	230	100	*Nil*	*Nil*+2½	2½+5		3,9	H.
30,00,000	9,84,130	1,17,45,964	91,71,009	2,55,767	McLeod & Co., Ltd.	1,264	Alliance	135	100	*Nil*	*Nil*+5	6+6		6, 12	H.P.
40,20,000	1,04,27,157	2,31,57,457	1,32,90,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	186	100	10+10	7½+5	2½+5	5+3½	3, 9	H.P.
24,18,000	45,37,087	1,39,32,988	80,55,707	10,707	Bird & Co., Ltd.	931	Auckland	127	100	5+4	2+2	1+2½	0+4	3, 9	H.P.T.
2,00,000	56,39,479	1,16,02,741	64,08,085	2,154	Bird & Co., Ltd.	959	Bally	135	100	*Nil*	4+*Nil*	*Nil*	3½+*Nil*	3, 9	H.P.
81,65,200	2,30,04,432	2,10,10,052	1,44,49,004	10,614	Mackinnon Mackenzie & Co. ..	1,008	Barnagore	146	25	£1	£1	£1	£1	3	Y.P.
29,95,000	38,14,415	1,84,76,420	98,81,400	—3,19,252	F. W. Heilgers & Co.	815	Belvedere	171xd	100	7½+7½	7½+7½	5+5	5+2½	6, 12	Y.P.
29,95,000	15,55,440	29,01,563	18,21,749	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	123	100	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.T.
20,00,000	43,20,226	29,10,124	10,08,229	70,654	Andrew Yule & Co., Ltd.	852	National	243	10	1+1	1+1	1+1	1+½	4, 10	H.P.
85,00,000	24,50,000	29,27,794	20,20,019	1,43,752	McLeod & Co., Ltd.	818	Nellimarla Jute	11½	10	2+1	1+2	1+2	1+	6, 12	H.P.
26,25,000	24,50,000	29,27,794	20,20,019	1,43,752	McLeod & Co., Ltd.	709	New Central	15	10	10+12	12+12	12+12		6, 12	H.P.
31,50,000	34,13,033	50,92,515	25,21,978	3,01,610	Saha Jain Ltd.	567	Northbrook	21½	10	1+1	1+1	1+1	1+1	3, 9	H.P.T.
16,70,880	4,95,104	1,17,37,858	48,80,655	46,802	Bird & Co., Ltd.	1,092	Nuddea	40½	10	2+*Nil*	*Nil*+1	*Nil*+1	1+1	3, 9	H.
66,70,500	28,30,750	2,12,09,008	1,36,37,364	58,278	Andrew Yule & Co., Ltd.	691	Orient	154	100	1+6	6+6	5+5	6+4	6, 12	H.P.
24,01,000	20,81,049	72,46,385	50,35,690	5,784	Andrew Yule & Co., Ltd.	400	Presidency	5½	5	*Nil*	*Nil*+½	1+½		6, 12	H.T.
25,00,000	6,23,408	80,72,591	63,77,981	1,09,954	McLeod & Co., Ltd.	305	Rameshwar	6½	10	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.P.
20,00,000	1,44,588	26,56,880	8,06,100	—12,15,884	Burds Bros. Ltd.	104	Reliance	10½	10	1+1	1+1	1+1	*Nil*	3, 9	H.P.T.
49,50,000	1,05,723	1,24,06,577	69,38,544	5,00,650	Jardine Henderson Ltd.	2,013	Samnuggur	13	£1	10%	10%	10%	3%½	12	Y.P.
£600,000	£1,093,713	£1,236,315		38,764	Thomas Duff & Co. (India) Ltd. ..	911	Shree Ambica	13	10	1+1	*Nil*+½	1+1		3, 9	H.P.
30,00,000	18,12,193	1,04,21,440	73,39,904	1,66,758	Bazaria More & Co. Ltd.	401	Soorah	13N	10	*Nil*	*Nil*	*Nil*		3, 9	Y.P.T.
14,00,000	11,06,733	60,60,602	31,22,593	—2,75,201	Hindustan Investment Corporation.	650	Standard	105	100	8+1	1+1	1+1	1+*Nil*	3, 9	H.P.
25,19,600	42,44,180	1,30,76,167	51,18,663	£110,316	Jardine Henderson Ltd.	1,708	Titaghur	13	£1	10%	10%	10%	3%½	12	Y.P.
£600,000	£925,119	£990,805		14,518	Thomas Duff & Co. (India) Ltd. ..	1,328	Union	170	100	10+1	10+1	1+5	5+5	3, 9	H.P.T.
85,38,600	58,14,828	1,05,40,009	81,71,517	£97,816	Bird & Co., Ltd.	1,331	Victoria	12½	£1	10%	10%	10%	3%½	12	Y.P.
£400,000	£688,055	£1,092,723		38,624	Thomas Duff & Co. (India) Ltd. ..	405	Waverley	6½	1	*Nil*	*Nil*+½	1½		6, 12	H.P.T.
2,50,000	4,95,000	55,94,678	37,77,741		McLeod & Co., Ltd.										

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	23	10	1+1	1+1	1+1	1+	3,9	H.
12,00,000	8,32,573	38,78,477	36,13,477	22,708	Jardine Henderson Ltd.	Bengal-Bhatdee	20½	10	3/5+1	7/10+7/10	1+7/10	1+7/10	3,9	H.
4,49,350	70,000	8,49,150	4,355	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	534	200	20+20	17½+15	15*+15*	17½+17½	*4,10	H.P.
1,00,00,000	1,40,49,223	5,01,92,614	3,05,77,326		Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	1+1	*Nil*	*Nil*	*Nil*	6,12	H.P.
2,25,000	4,77,174	24,87,806	22,28,968		H. V. Low & Co., Ltd.	Bhalgora	5½	10					9	V.
15,97,000	4,73,354	37,70,192	22,77,364	13,498	Sahu Jain Ltd.	Bharat Collieries	7½xd	10	½	½	½	½	3	Y.T.P.
40,00,000	8,00,000	1,39,10,662	71,05,182	27,433	F. W. Heilgers & Co. Ltd. ..	Belvedere	13½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6,12	H.
7,15,000	15,05,580	52,49,025	37,09,087	—1,05,136	F. W. Heilgers & Co. (Ind) Co.	Bokaro-Ramgur	12½N	10	*Nil*				6,12	H.T.
16,00,000	10,17,906	68,14,856	39,09,841	—75,396	Ramgarh Industries (Ind) Co.	Boreo	20½	10	1½*+1½*	1½*+1½*	1+1	1+	6,12	H.P.
7,50,000	42,07,858	42,07,858	26,07,691		F. W. Heilgers & Co., Ltd.	Burrakur	14½	10	1+1	1+1	1+1	1+	6,12	H.P.T.
90,02,480	1,70,70,504	4,14,32,554	1,80,97,440	1,40,510	Bird & Co., Ltd.	Central India	7½	10	*Nil*				3	Y.
4,97,750		39,42,720	3,82,645	14,019	Hindustan Investment Corpn., Ltd	Central Kurkend	11½N	10	*Nil*	½	½		6,12	H.
8,00,000	13,51,302	40,10,414	32,03,954	88,270	F. W. Heilgers & Co., Ltd.	Charlie	3½	4	½+½	½+½	½+½	½+	6,12	H.
6,00,000	1,43,898	7,28,43,8(8)		12,201	Macneill & Barry Ltd.	Dhemo Main	8½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6,12	H.T.
16,00,000	1,20,000	52,07,321	28,01,100	—2,43,229	Jardine Henderson, Ltd.	East Indian	83½	£1	3(0)	2½	2½	3	4	Y.
£240,000	£3,40,553	£900,935		£58,767	Macneill & Barry Ltd.	Equitable	3½	10	2+1½	1+	1+	1+	6,12	H.T.
29,63,760	76,84,250	3,89,97,490	2,87,14,307	93,266	Ghatack and Mualla	Ghatack and Mualla	14N	10					3	Y.
10,00,000	2,15,000	10,76,864	3,73,903	11,273	Phatfer's Agency Ltd.	Hingir-Rampur	41½	50	4	3	*Nil*	3	6	Y.P.
12,00,000	1,22,000	30,02,565	20,99,924	3,293	Kilburn & Co., Ltd.	Hurriladih	23½	10	1+1	1+1	1+1	1+	6,12	H.
8,00,000	6,75,000	21,43,857	18,61,714	65,161	Macneill & Barry Ltd.	Jeota Coal	8½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
22,00,000	1,12,960	24,74,412	6,18,546	—5,57,293	Bajoria Trust Ltd.	Kalapahari	21½N	10	1½+1½	1½+1	*Nil*	*Nil*	12	H.
3,50,000	2,07,448	13,55,455	7,08,130		Andrew Yule & Co., Ltd.	Karanpura Collieries ..	14½	100	*Nil*	*Nil*	*Nil*	2½	2	H.
20,00,000	17,325	29,07,891	23,33,150	2,661	Bird & Co., Ltd.	Katras Jharriah	60½	10	2+2	2+2	2+2	2½+8	1, 7	H.
6,00,000	15,00,000	45,10,229	35,85,877	1,28,128	Andrew Yule & Co., Ltd.	Khas Kajora	4½	10	*Nil*	*Nil*	*Nil*		6, 12	H.P.
1,28,400	5,72,000	12,85,941	5,72,000	—2,60,236	Bernwala & Co.	Kharidi	4½	10		*Nil*	*Nil*		6	Y.
11,00,240	64,314	16,72,961	10,41,803	—41,329	H. V. Low & Co., Ltd.	Lakurka	9½	10					4	Y.
9,00,000	11,86,413	12,21,813	22,97,087	2,255	H. V. Low & Co., Ltd.	Nazira	6½	10					12	H.
7,48,240	2,00,000	12,13,473	9,23,179	11,096	Tantia Brothers Ltd.	New Banadeopur	8½N	10					3, 9	H.
7,00,000	28,617	10,33,740	6,20,295	4,566	Amritlal Ojha & Co., Ltd.	New Beerbhoom	19½	10	*Nil*+	+	+	+	4, 10	H.P.
17,76,230	20,01,788	1,19,75,853	88,63,605	94,303	Andrew Yule & Co., Ltd.	New Manbhoom	11½	10	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
6,00,000	85,000	28,44,928	10,65,900	36,426	Octavius Steel & Co., Ltd.	North West	16½N	10	1+1	1+*Nil*	*Nil*	1+1	3, 9	H.
1,15,000							7½	10	½+	½+*Nil*	*Nil*	½+		
1,57,500	2,55,193	12,38,171	8,46,681	14,067	Andrew Yule & Co., Ltd.	Ondal	17N	10	1+1	1+1	1+1	1+	6, 12	H.P.
1,50,000	12,21,853	3,07,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd.	Oriental Coal	9½	10					12	Y.T.
26,02,750	1,10,000	39,76,602	17,00,658	3,809	K. C. Thapur & Bros.	Parbawa	13½N	10	*Nil*				6, 12	H.P.
23,37,500	10,342	17,12,596	8,01,023	7,443	Deepchand Kishenlall	Pench Valley	22½	10	1+1	1+1	1+1	1+	3, 9	H.
15,75,000	15,00,000	46,12,471	34,02,471	33,013	Shaw Wallace & Co., Ltd.	Ranegunge	11½	10	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
23,99,500	18,87,105	1,39,98,939	82,22,915	24,821	N. B. Elias & Co., Ltd.	Rewa	22½	10	1+1	+	+	+	6, 12	H.
13,50,000	9,53,345	35,38,705	27,27,784	1,29,175	Shaw Wallace & Co., Ld.	Sijua Collieries	15½N	10	1+1				12	Y.
20,00,000	3,90,000	44,28,585	16,73,118	2,20,175	Tatpuria Sons Ltd.	Searsole	7½xd	10	2½				1	H.P.
1,25,000	1,95,302	13,7+,480	12,21,257	21,070	M.	Seebpore	29½	10	2+1	1+1	1+1	1½	6, 12	H.P.
2,40,000	7,38,554	29,67,921	13,41,926	40,187	Andrew Yule & Co., Ltd.	Sendra	10N	10	*Nil*	*Nil*	*Nil*+½	1+	6, 12	H.T.
8,00,000	5,46,000	53,894	2+,87	c,601	F. W. Heilgers & Co., Ltd.									
63,21,450	16,96,050	3,82,71,101	2,85,58,501	—4,46,063	Industrial Trust Fund (Government of Hyderabad)	Singareni	9½	10		*Nil*	0–11 1/6		12	Y.T.
					Bird & Co., Ltd.	South Karanpura	9½	10	1+1	1+1	*Nil*+½	1+*Nil*	3, 9	H.
17,50,000	30,84,016	37,86,103	15,14,990	—51,338	F. W. Heilgers & Co., Ltd.	Standard	21½	10	*Nil*	*Nil*	*Nil*	1+	6, 12	H.
8,00,000	13,69,545	1,09,570	25,510	9,037	Talcher	Talcher	2½	10	*Nil*	*Nil*	2½+1		9	H.
10,00,000	12,950	30,82,2+0	15,43,502	—4,07,745	Villiers Ltd.	Union	15½	10	1½+1½	1+1½	1+1	*Nil*+	6, 12	Y.
3,50,000	2,90,000	19,47,355	14,81,955	44,167	Williamson Magor & Co., Ltd. ..	Western Bengal	7½	10				1+	3	H.
49,00,000		49,06,356	14,91,545	31,694	Hindustan Investment Corpn., Ltd	West Jamuria	13½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.
7,00,000	1,38,190	65,22,133	22,66,981	122	Macneill & Barry Ltd.									

M—Managed by the board of directors. ‡ Less income-tax. (a) Calve - *We* have paid dividend at As. 10/- on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(l) Made up of an interim dividend of Rs. 1-12 per share on 1,20,000 shares and final dividend of Rs. 3-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March 1956.

DRAFT BILL ON REORGANISATION OF STATES

(*Concluded from page 545*)

Madhya Pradesh and Saurashtra. Under these provisions, the Boards will continue to function for a period of one year in the same areas at present even after the formation of new States of Maharashtra, Gujerat and Madhya Pradesh. As and when the new States set up Electricity Boards, the existing Boards will be able to transfer their assets and liabilities to the corresponding new Boards and wind up their affairs in the regions which will pass to the jurisdiction of the new Boards. The Bill provides for the continuance till 1st April 1957 of inter-State agreements and arrangements in regard to the generation and supply of electric power, the supply of water and the execution of projects for the promotion of irrigation, water-supply or drainage, etc. During this interval, the new States are expected to reach an agreement regarding the future. If no agreement is reached before 1st April 1957, the relations will be governed by the order of the Central Government. Again if it appears to the Central Government that the arrangement in regard to supply of electric power or supply of water for any area has been or is likely to be modified to the disadvantage of that area, the Central Government may give such directions as it deems proper to the State Government or other authority concerned for the maintenance, so far as practicable, of the previous agreement. Similarly, the terms of agreement between two or more States or between the Central and State Governments in respect of a project which has been taken in hand or included in the second Five-year Plan may not be varied without the consent of the Central Government. If two or more successor States are concerned, a new agreement may be concluded and, if no such agreement is reached, the Central Government may from time to time give such directions as may appear to it to be necessary for the due completion of the project and for its administration, maintenance and operation thereafter.

Road Transport

A special provision has been inserted in the Bill to cover the Road Transport Corporation in Bombay. The Corporation will continue to function and operate till 1st October 1957 in those areas in which it is now functioning, subject to the directions of the Central Government. The successor States to the existing State of Bombay may, of course, establish road transport corporations of their own. The Bombay State Road Transport Corporation will be deemed to have been dissolved on 1st October 1957 and on such dissolution, the assets and liabilities of the Corporation will be apportioned between the successor States in such proportion as the Central Government may by order determine.

It has been further provided that a permit granted by a State or a Regional Transport Authority in an existing State will continue to be valid in respect of the areas to which the permit applies notwithstanding the fact that the areas may become parts of new States. The permits need not be countersigned by any other State or Regional Transport Authority. They will, however, be subject to the provisions of the Motor Vehicles Act for the time being in force in such new areas. Also, the Central Government is empowered, after consultation with the State Government or Governments concerned, to add to, amend or vary the conditions attached to the permit. No tolls, entrance fees or other charges of a like nature may be levied after the appointed day in respect of any transport vehicle for its operations in any transferee territory under any such permit if such vehicle was, immediately before that day, exempt from the payment of any such toll, entrance fees or other charges for its operations beyond the boundaries of the State in which such permit was granted. The Central Government is again empowered, after consulting the State Government, to authorise such imposition.

Several amendments to the Constitution have become necessary as a result of the reorganisation of the States. Some of these amendments are mere technical adjustments and refer to such matters as the reallocation of seats in legislatures. An important amendment relates to the recommendation of the States Reorganisation Commission to the effect that the interests of linguistic minorities should be safeguarded. Accordingly, one of the amendments proposed is the addition of a new Article 350-A which says: "It shall be the endeavour of every State and of every local authority within the State to provide adequate facilities for instruction in the mother tongue at the primary stage of education to children belonging to linguistic minority groups and the President may issue such directions as he considers necessary or proper for securing the provision of such facilities." As regards the Commission's suggestion to alter the composition of the All-India Services in each State so that at least half of them were drawn from outside the State, the Government does not think it necessary to undertake legislation to achieve this object. It would appear that the Government has already adopted a policy by which the suggestion of the Commission can be put into practice.

BANKING

(*Concluded from page 551*)

lities had increased by Rs. 90.82 crores from Rs. 942.06 crores to Rs. 1,032.88 crores. To this extent, the increased purchasing power created in the country was, he averred, attracted towards Bank deposits for the best benefit of the nation. He then alluded to the trend of higher interest rates paid by banks on deposits. He attributed this trend to the change in the pattern of deposits arising out of unhealthy competition among banks. In this context, Mr. Bhabha remarked:

"In this connection, it appears that the Exchange banks, owing to the peculiar and more profitable nature of their business and to the higher bank rates prevailing at their head offices, have with advantage to themselves, been able to maintain a pace which Indian banks cannot keep up with any margin of profit. I trust that due attention is being paid to this trend by those in charge of our financial destiny, because the trend may prove injurious to Indian banking and ultimately to the nation, if not carefully watched and suitably dealt with."

Pattern of Deposits

With a view to substantiating his above thesis, Mr. Bhabha drew attention to the changes in the pattern of deposits of both the Indian Scheduled banks and Exchange banks, during the seven-year period 1948 to 1955. The total deposits of Indian Scheduled banks rose during the period by Rs. 35 crores to Rs. 832 crores, while those of Exchange banks increased by Rs. 45 crores to Rs. 211 crores. Thus the increase in the total deposits was much larger in the case of Exchange banks than in the case of Indian Scheduled banks, in spite of the fact that the total deposits of Exchange banks were only a fourth of those of the Indian banks. Again, the time deposits of Indian Scheduled banks advanced during 1948-55 from Rs. 262 crores to Rs. 349 crores or a rise of 33 per cent., whereas those of Exchange banks improved from Rs. 35 crores to Rs. 75 crores, or an increase of 114 per cent. This brought to light, Mr. Bhabha pointed out, the present-day tendency of converting demand into time deposits. He further corroborated this trend by drawing attention to the trend of demand deposits which, in the case of Indian banks, declined by Rs. 52 crores to Rs. 483 crores, while in the case of Exchange banks, such rose by Rs. 6 crores to Rs. 13 crores. The large drop of Rs. 52 crores in the demand deposits of Indian Scheduled banks was the result partly of diversion to time deposits and partly of diversion to other investments and avenues.

In order to give an idea of the actual cost of the increased deposits to the Exchange banks, Mr. Bhabha gave the table below showing the percentage of total deposits secured by them as well as by Indian Scheduled banks at various rates of interest in 1954:

Rates of interest per cent.	Percentage to total deposits of Major Indian banks	Exchange banks
Nil	35.3	27.4
0 to ½	12.2	24.1
over ½ to 1	13.0	1.3
over 1 to 2	11.4	22.2
over 2 to 3	24.0	23.6

The figures in the above table showed, according to Mr. Bhabha, that the percentage of the deposits of Exchange banks at the level over 1 per cent to 2 per cent, to their total deposits was double that of the major Indian Scheduled banks.

The Chairman of the Indian Banks' Association then referred to the net results of working of Indian banks which were none too encouraging. Although their gross earnings increased by Rs. 4.60 crores between 1948 and 1953, their expenses rose by as much as Rs. 3.75 crores. Again, the percentage of establishment expenses to working funds showed a marked rise during the period. It advanced from 10.13 in 1948 to 16.50 in 1953, though it slightly declined to 16.08 in the following year. As against this increase, gross earnings rose only by 25 per cent. The total working funds were lower at Rs. 876.56 crores in 1954, as against Rs. 937.89 crores in 1948. Their net profits declined from Rs. 8.7 crores to Rs. 7 crores. In the result, banks were not in a position to build sufficient reserves to cover depreciation in securities, extraordinary hazards and violent fluctuations in prices. Mr. Bhabha stated that this consideration should be uppermost in the minds of all concerned with the welfare of banking in India, because any feeble shock to the structure of banking was bound to have a chain of reactions on the whole economy.

DELHI LETTER

(*Concluded from page 548*)

Development Corporation progressed considerably. Several research investigations were completed and a number of new problems was initiated. The National Physical Laboratory continued the study of industrial standards, standardisation of raw materials, processes and finished goods, framing and drafting of standard specifications, etc. Very useful results have been achieved in the work on wireless receiver component parts. New methods for the estimation of vanadium in the presence of copper, lead and tin were established. In the National Chemical Laboratory, the work on citric acid fermentation was continued. A new process has been developed for the direct extraction of nicotine from tobacco waste. Work on chlorination of rubber and regeneration of nickel catalyst, continued. In the National Metallurgical Laboratory particular attention was paid to the production and industrial application of alloys, especially low carbon ferrochrome alloys. In the Fuel Research Institute, considerable work has been carried out on coal tar chemicals and other allied products. In the Central Glass and Ceramic Research Institute, the process of making signal glasses was simplified. The Central Drug Research Institute focussed its attention on the systematic and scientific study of the crude drugs in use in indigenous system of medicine. The Central Electro-Chemical Research Institute has carried out experiments on the utilisation of South Arcot lignite for the production of calcium carbide.

The Central Leather Research Institute developed processes for producing shoe upper leathers, rapid tanned sole leather, industrial leathers like picking bands, roller skins, belting leathers and chamois leathers. Processes have been evolved for making leather boards of suitable thickness, flexibility and strength using the waste by-products of leather industry. The Institute has successfully carried out researches on suitable substitutes for imported wattle bark and for the preparation of tanning auxiliaries.

MARKET GOSSIP

(*Concluded from page 543*)

during the last 4½ years only Rs. 125 per ton, while another paper mill with a lower capacity has earned Rs. 250 per ton and yet another with an equal capacity Rs. 400 per ton. They are of the view that the

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
15,00,000	1,08,00,000	11,36,301	Allahabad Bank	365	100	18 0	18 0½	18 0½		12	Y.P.
14,50,000				184	50	9 0	9 0½	9 0½			
1,01,000	18,51,000	1,28,560	Andhra Bank	115cd	100	6 0	6 8	7 8	3 0½	6,12	H.
21,29,720				84½cd	70	3 0	3 4	3 12	2 1 3/5½		
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	95½	50	6 0	6 0½	6 0½	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	12N	25	0 12	0 12			12	Y.
2,00,00,000	3,52,00,000	13,26,630	Bank of India	157	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	25,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 0	3 8	12	Y.
40,00,000	19,00,000	25,128	Bank of Jaipur	28	50	1 8	1 8	2 0		12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	256xd	100	16 0½	16 0½	16 0½	16 0½	12	Y.
21,81,700	58,75,013	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	25,00,000	20,774	Canara Bank Ltd.	86	50	4 8	4 8	4 8		12	F.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80½xd	50	5 0½	5 0½	5 0	5 8½	12	Y.P.
3,03,11,875	4,01,81,217	18,40,359	Central Bank of India Ltd.	48½	25	3 8	3 0	3 0	3 0	12	R.L.Y.
66,42,375 'A'				50½	25	3 8	3 0	3 0	3 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co.	40xd	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	25,00,000	1,66,278	Hind Bank	34½	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	16,43,000	16,919	Hindustan Commercial Bank	9½	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	14	50	—	—	—		12	Y.
75,00,000	79,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	5 0	6 0	6 0½	12	Y.
24,00,000				187cd	100	12 0½	12 0	12 0½	12 0		
18,00,000	79,75,000	1,45,140	Indian Bank	163cd	85	10 3½	10 3½	10 3½	10 12½	6,12	R.L.H.
18,20,000				111½cd	60	7 3½	7 3½	7 3½	7 12½		
49,19,675	26,00,000	2,15,839	Indian Overseas Bank	128cd	100	6 0	6 0	6 0		12	Y.
6,25,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½	100(A)	0 0	Nil	Nil		6,12	H.
2,50,000				11	25(B)	1 8	Nil	Nil			
10,00,000				21	50(C)	3 0	3 0	Nil			
87,50,000	92,50,000	4,99,040	Punjab National Bank	50½	25	1 8	2 0	3 0	1 81	12	Y.
1,00,00,000	23,80,000	43,597	Travancore Bank	18 ¾cd	25	—	0 10	0 12	1 0	12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	7	5	0 5½	0 5½	0 5½	0 6	12	H.
2,00,00,000	96,50,000	1,08,725	United Commercial Bank	51½	50	2 0	2 0	2 8		12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£392,910	Chartered Bank of India, Australia and China	£1-14-9	£1	16†	14†	15†		12	R.L.Y.
				£8½	£5	7†	8†	8†		12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank								
H.K. $20,000,000	H.K $128,000,000	H.K $10,215,256	Hongkong and Shanghai Banking Corporation	£92	H.K. $125	5*	5*	5*	2*†	12	Y.
£17,966,195 'A'	£15,000,000	£558,006	Lloyds Bank	£2-13-3	£5 A	12†	14†	15†	12†	12	R.L.Y.
£1,437,296 'B'				£1-6-8	£1 B	5†	5†	5†	5†	12	R.L.Y.
£875,000 'A'	£1,750,000	£200,284	Mercantile Bank of India	£3-18-9	A £2½	14†	14†	14†	7†	12	R.L.Y.
£875,000 'B'				£3-18-9	B £2½	14†	14†	14†	7†		
£750,000 'C'				—	C £1	14†	14†	14†	7†		
£2,851,563	£3,104,687	£342,158	National Bank of India	£0-19-10½	sh. 12½	16†	16†	16†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June .. 1963
4,00,000	6½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	90‡	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November .. 1959-64
COAL						
20,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95‡	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	91‡	30th June .. 1967(e)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1958(e)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	99	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	101½	1st March .. 1972(e)
12,85,000	5½		Jayshree Textiles	1949	80N	1st January .. 1956-59
39 90,000	5	1st June	Tata Mills	1951	100	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(e)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100‡	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(e)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	100‡	1st January .. 1970(e)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	87	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Jharriah) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(e)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	98‡	15th June .. 1956-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	96‡	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94‡	30th September .. 1958-63
4,62,500	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1955-61
47,78,000	5	1st April and 1st October	Tata Power	1940	103	1st July .. 1970
3,50,00,000	4	1st April and 1st October	Tata Power		95‡	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1943	99	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	102	1st July .. 1957-62
21,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1926	88	31st December .. 1966(H)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	6	1st April and 1st October	Tata Locomotive	1950	100‡	1st October .. 1960-66
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100‡	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	99‡	31st March .. 1959
6,00,000	5½	30th June and 31st December	Alexandra	1939	100	30th June .. 1964
15,00,000	4	31st December and 30th June	Anglo-India Jute Co. Ltd.	1945	90‡	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93‡	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July .. 1959
10,69,500	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1966
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1969(e)
5,56,000	5	15th January and 15th July	Empire	1951	95	15th July .. 1966(e)
25,00,000	5½	1st January and 1st July	Hukumchand	1947	98	30th June .. 1967
20,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	100	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	96‡	31st December .. 1964(e)
25,00,000	5	30th June and 31st December	Naihati	1952	98	31st March .. 1967(e)
25,00,000	5½	30th June and 31st December	Nellimela Jute Mills Co., Ltd.	1939	92	16th May .. 1959
5,00,000	4½	14th November and 14th May	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
20,00,000	4	30th June and 31st December	Presidency	1943	88	30th June .. 1958
3,00,000	4	30th June and 31st December	Reliance Jute Mills Co. (Ltd.	1950	91	14th September .. 1965(a)
25,00,000	5	31st March and 30th September	Soorah Jute	1937	96	14th September .. 1957
5,00,000	4½	14th March and 14th September	Union	1937	96‡	30th June .. 1957
12,00,000	4½	30th June and 31st December	Waverly	1937	96	31st July .. 1957
10,00,000	5½	31st January and 31st July		1925	85	31st July .. 1956
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,006	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,262	5	1st April and 1st October	Katakhal-Lalabazar Railway	1933	£77½N	1st October .. 1974
9,50,000	3½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1945	90‡	31st December .. 1959(e) Any time on six months' notice (e)
£300,000	4½	30th June and 31st December	Scindia Steam Navigation	1905	£65½N	1st September .. 1963
4,52,26,697	4½	1st March and 1st September		1949	96‡	
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffe	1952	103	1st July .. 1957-62
12,50,000	6	31st March and 30th September	Kilpri Tea	1938	103	1st April .. 1958-63
1,89,700	5½	31st March and 30th September	Teakoy	1944	100	31st March .. 1949-56
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	96	31st December .. 1965
86,62,000	4½	1st January and 1st July	Associated Hotels of India	1945	96	31st December .. 1963
4,50,,810	5½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	103	1st September .. 1964-69(e)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1956	102‡	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
28,93,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89‡	1st July .. 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	97‡	15th September .. 1966
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	97	1968
1,25,00,000	4	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	102‡	1st January .. 1971(c)††
1,25,00,000	5	1st January and 1st July	Indian Cable Co., Ltd.	1954	106	30th June .. 1969(c)‡
1,00,00,000	5½	15th March and 15th September	Martin Burn Ltd.	1949	95‡	1964
17,75,000	5	15th March and 15th September	Martin Burn Ltd. (Convertible Notes)	1946	103	30th September .. 1976(c)
24,94,000	4	31st March and 30th September	MacLeod & Co., Ltd. (Convertible Notes)	1947	470	31st December .. 1973(c)
45,00,000	4	30th June and 31st December			(par note)	
75,00,000	5	1st April and 1st October	Mazagaon Dock Ltd.	1951	89½N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	Mazagaon Dock Ltd.	1951	89½N	1st April .. 1971
1,50,00,000	5½	31st March	National Rayon	1956	103	30th June .. 1966-76
1,00,00,000	5½	30th June and 31st December	Orient Paper Mills Ltd.	1951	98	31st March .. 1961(c)
1,00,00,000	6	1st May and 1st November	Rohtas Industries Ltd.	1946	91	31st December .. 1959
1,00,00,000	6½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1950	104‡	1st May .. 1968(a)‡‡

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 22nd March, 1956.

	Closing quotations 15-3-1956	High	Low	Closing quotations 22-3-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Adv. (100)	153½	156½	155	155
Apollo (2)	2⅜	3	2½	2⅜
Bombay Dyeing (250)	591½	615	588½	611½
Central India (100)	148	150	145	146½
Century Mills (100)	508	519	503½	517
Colaba (100)	80	80⅛	76	79
Edward Textile (200)	320	330	320	330
Elphinstone (50)	55	55	54½	55
Finlay (100)	359	365	356	364
Gokak (100)	249	251½	248	250½
Ind. Untd. Deld. (1)	2½	2-6½	2-4½	2⅜
Ind. Untd. Ord. (10)	13⅜	14-0½	13⅜	14
Indore Malwa (100)	150	156½	143⅜	146½
Khatau (100)	233½	254½	228½	234½
Kohinoor (100)	349½	361	347½	360½xd
Lakshmi (250)	665	700	665	700
Madhusudhan (100)	112½	107½	106½	107½
Minerva Mills (100)	92	86½	86½	86½
Model Nagpur (250)	150	—	—	150
Mrzarji (100)	235	240	235	240
Mysore (50)	103⅜	105	103⅜	105
National Rayons (100)	235½	243½	231½	242
New City (100)	170	173½	170	173½xd
New Great (100)	240	241	236	230xd
New Union (10)	37	—	—	37
Phoenix (100)	137½	141½	137½	138½
Podar Mills (100)	173⅛XR	175	171½	171½
Sassoon Silk (10)	38	—	—	13⅜
Sassoon Spg. (10)	—	—	—	38
Sholapur (1,000)	1,900	—	—	1,900
Shrinivas (100)	230	230	223½	223½
Simplex (50)	212½	214½	210	214½
Standard (100)	420	432½	420½	432½
Swadeshi (100)	232½	237½	229	236½
Swan (100)	447½	456½	447½	453½
Tata Mill (25)	61	62½	59	60½
Thakur (100)	183½	183½	183½	183½
Western India (1,000)	5,000	—	—	5,000
BANKS				
Bank of India (50)	163	159	155	159
Bank of Baroda (50)	95½	95½	95	95
Central (25)	49½	49½	48½	49½
Central 'A' (25)	49½	50½	50	50½
Dena Bank (50)	40½xd	—	—	40½
Punjab National (25)	43	51	43	50½
Union Bank (5)	6⅜	7-0½	6⅜	7
United Com. (50)	51	53	51	53
ELECTRIC COS.				
Ahmedabad (100)	103½	108½	102½	102½
Amalgamated (10)	11½	—	—	11½
Andhra Valley (1,000)	1,295	1,297½	1,202½	1,206
Bom. Sub-El. (100)	116½	116½	116	116½
Surat (100)	123⅜	124½	123½	124½
Tata Power (100)	188½	194	182	182
Tata Power (1,000)	1,380	1,380	1,371½	1,375
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	600	—	—	600
Ind. Mercantile (80)	44½	—	—	44½
Jupiter (15)	7	7	5⅜	6
New India (15)	41½	41½	40½	40½
Oriental (200)	3,910	—	—	3,900
Universal (10)	14	—	—	14
Vulcan (10)	14½	—	—	14½
STEEL COS.				
Ind. Iron (10)	—	—	—	—
Tata Steel Ord. (75)	38-4½	38-4½	38⅜	38-3½
	237½	242	238½	241½
SUGAR COS.				
Belapur (50)	229	234½	229	232½
Bhopal (10)	15	—	—	15
Walchan (50)	144	149	145	147½
Walchand Ind. (100)	260	266½	258½	266½
CEMENT COS.				
Associated Cts. (100)	214½	218½	214½	217
Digvijay (100)	188	189	188½	188½
MISCELLANEOUS				
Alcock Ashdown (100)	356½	382½	352½	377½
Bom. Burmah (125)	614½	625½	601½	621½
Do. (New) (50)	222½	226	217½	222½
Br. B. Petrol (4 sh.)	4-7½	4½	4-0¼	4-2½
Br. I. Corpn. (5)	10⅜	11½	10⅜	10½
C. P. Rly. (100)	99½	—	103	98½
Indian Copper (Rsh.)	6-8½	7½	6-8½	7⅜
Ind. Inv. Tr. (100)	81	81½	81	81
Kilburn (100)	195½	—	—	170
Polson (100)	165½	167	162½	166½
Port Canning (100)	170	170	158½	167½
Premier Con. (50)	10	10	9½	9½
Scindia (20)	188	189½	188	188½
Shivrajpur (10)	17⅜	17½	17	17-0
Tata Chemicals (10)	110	111½	109	111
Tata Oil (25)	19½	19⅝	18-9½	19½
Tata Loco (100)	47½	48½	46½	47½
W. I. Match (100)	146	150½	147½	150½
	205	206½	201½	206½

GOVERNMENT SECURITIES	16-3-1956	Gross Yield Earlier Redemption	Later Redemption	23-3-19
	Rs.			Rs.
2½% 1961	98⅜	—	3.80	98⅜
2½% 1960	96⅜	—	3.71	96⅜
2½% 1962	93⅜	—	3.80	93⅜
2½% 1976	85⅜	—	4.04	85⅜
2½% 1957	99⅜	—	3.27	99⅜
2½% 1958	98⅜	—	3.30	98⅜
2½% 1959-62	96⅜	3.60	3.50	96⅜
3% 1964	84	—	3.75	84
3% 1963-65	84	3.85	3.66	84
3% 1966-68	82⅜	3.85	3.78	82⅜
3% 1970-72	80⅜	3.99	3.76	80⅜
3% 1968(Con. Loan	77⅜	—	3.89*	77
3% 1960-70	101⅜	3.60	3.85	101⅜
4% 1958-68**	103⅜	3.00	4.15	103⅜
2½% 1961 N.P./Bonds	99⅜	—	3.64	99⅜
2½% 1964 N.P. Loan	96⅜	—	3.71	96⅜
2½% 1965 N.P. Bonds	96⅜	—	3.71	96⅜

BRITISH GOVERNMENT SECURITIES	14-3-1956	Low	High	20-3-
	£	£	£	£
2½% Brit. Consols	58	58⅜	58	58⅜
3% Savings Bonds 1965-75	74⅜	75	73⅜	73⅜
3½% War Loan 1952-66	93⅜	93⅜	92⅜	92⅜
3½% War Loan	73	73⅜	73⅜	73⅜
4% Victory Bonds 1976	92⅜	92⅜	92⅜	92⅜
4½% Funding 1960-90	88⅜	89⅜	88⅜	89⅜

* Current Income. x.d.—Ex-dividend. cum-rights Contemporaneous, Ex-Right.

COMMERCE

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

VOL. XCII. No. 2352 BOMBAY, 31st MARCH 1956 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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REORGANISATION OF STATES

THE reorganisation of the States of the Indian Union is a continuing historical process and, when the Bill on this subject, now being considered by the States Legislatures, finally comes to be placed on the Statute Book, it will have reached a very advanced stage of completion. The process began with the attainment of Independence, and, in its initial stages, the problem was essentially one of integration. At the commencement of the Indian Constitution, the 600 and odd political units of varying sizes and in different stages of political maturity—more appropriately, immaturity—were grouped into 9 Parts A States, 8 Part B States and 10 Part C States. This was an act of statesmanship, unparalleled in world history, and would have seemed incredible even a few years ago. Integration having been successfully achieved, a new problem arose in the shape of the demand for reorganisation of States on a linguistic basis. Unfortunately, this problem, though apparently simple, has actually proved well-nigh intractable, especially as compared with the earlier and what then seemed to be the insoluble problem of integration.

Basing its decisions on the report of the States Reorganisation Commission, the Government of India has now framed a Bill which sets out to realign the States in a manner which would be broadly in keeping with the linguistic pattern of the country. The chief gain is that the unnatural distinction in the shape of Part A, Part B and Part C States will disappear, and there will be only two classes of component units—"States" and "Union Territories." As compared with the recommendations of the States Reorganisation Commission, a major departure has occurred in regard to the future of Bombay State which will now be split up into the Union-administered Greater Bombay and two other States, Maharashtra and Gujerat, augmented by the addition of other areas. The Commission, as is well known, recommended the retention of the composite nature of the State. It is a pity that the Government has been compelled to reject this wise recommendation, based on geographic facts, economic importance and historical tradition. At this week's debate in the Bombay Legislature, the Chief Minister, Mr. Morarji Desai, himself admitted that a multi-lingual Bombay would be in "the interests of the progress of the country and essential for the building up of the country." On more than one occasion, Mr. Nehru, our Prime Minister, has also stated that, in so far as the Bombay State was concerned, the recommendations of the S.R.C. were the best. It is certainly deplorable that the Commission's recommendation has had to be replaced by a scheme that is demonstrably detrimental to the future of not only the State but the country as a whole, and that it is only an unsatisfactory solution that stands the best chance of commending itself to the Congress Party. This is a sad commentary on the essentially irrational nature of linguistic nationalism. It is to be hoped that the present decision will prove temporary and that it will be possible to reach a more acceptable solution in the form of either a composite State or Greater Bombay as part of Maharashtra at a later date when linguistic passions which now cloud the issue have subsided.

Once the principle or the urgency of linguistic reorganisation of States is conceded, there is no doubt that the Bill provides a method whereby transition is effected in as smooth a manner as possible. In this, the authors of the Bill have benefited from the pattern evolved by the Andhra State Act. It is of the utmost importance that the reorganisation of the States does not lead to any break in the continuity of the services rendered by the State Governments nor to any delay in the execution of the projects undertaken by the Central Government in the States or by the State Governments themselves. From this point of view also, one finds that the provisions of the Bill have been wisely conceived, and, legally speaking, neatly drafted. Thus, if, after the reorganisation of the States, a State Government tries to modify an existing agreement for the supply of water or power to an area to the disadvantage of that area, the Central Government will take steps to ensure the maintenance of the original agreement. Further, all agreements covering the operation of a project and distribution of benefits such as the right to receive water or electric power, whether between States or the Central Government and the States, will be continued till April 1956. If no fresh agreement is reached by that date the Central Government is empowered to make such adjustments as it deems necessary. The projects included in the Five-year Plan are in various stages of execution.

The Bill seeks to ensure, as already stated that there is no delay in the execution of the projects. It says:

"Where a project concerning one or more of the existing States affected by the provisions of Part II has been taken in hand, but not completed or has been accepted by the Government of India for inclusion in the second Five year Plan before the appointed day, neither the scope of the project nor the provisions relating to its administration, maintenance, operation or to the distribution of benefits to be derived from it shall be varied—

(a) in the case where a single successor State is concerned with the project after the appointed day (1st October 1956), except with the previous approval of the Central Government, and

(b) in the case where two or more successor States are concerned with the project after that day, except by agreement between those successor States, or if no agreement is reached, except in such manner as the Central Government may by order direct,

and the Central Government may from time to time give such directions as may appear to it for the due completion of the project and its administration, maintenance and operation thereafter.

In this section, the expression "project" means a project for the promotion of irrigation, water-supply or drainage or for the development of electric power or for

regulation or development of any inter-State river or river valley."

It would be idle to deny that linguistic agitation, which has led to the proposed scheme of reorganisation of States, represents a certain disintegrating force, though its protagonists deny any such suggestion. Whatever the intentions of the best among them or of the leaders, there is no doubt that, by and large, this agitation, in its more recent manifestations, has taken a turn which must be depressing to all patriotic citizens. Side by side with this agitation, there is, however, a growing volume of opinion which is in favour of merger of contiguous States. This section naturally attaches greater importance to the economic and social gains which must accrue to the people through the merger of States into larger and viable units. There is a third section—now a small one, it is true—which, in fact, believes that the whole country must be administered as a single unit.

All sections of opinion, however, grant that the overall unity of the country must be maintained at all costs and that nothing should be done to blur this sense of unity. Indeed, it would appear that the Official Language Commission, which is now engaged in the task of suggesting measures for the change-over from English to Hindi, has found, wherever it has gone, considerable anxiety for the preservation of the sense of unity among the people. This is a very encouraging sign. And it is necessary that, in any reorganisation of the States on a linguistic basis, some positive measures are undertaken to create as many opportunities as possible for the people to come together for purposes of studying their mutual problems. One such measure, contemplated in the Bill, is the creation of Zonal Councils (*vide Commerce*, dated 24th March 1956, page 545). The powers of the Councils are, however, purely advisory. But when the Councils start functioning and acquire experience, their decisions, by convention, may well come to possess the force of law. The Councils thus provide a common forum for the discussion of problems of mutual interest to the States which must go a long way towards making the leaders view the issues in their larger perspective.

Realising the importance of preventing the development of parochial or exclusive outlook by the State Governments, the States Reorganisation Commission had suggested the creation of certain all-India services such as the Indian Service of Engineers, the Indian Forest Service and the Indian Medical and Health Services. It had also recommended that 50 per cent. of the new entrants in the all-India services should be from outside the State concerned. Unfortunately, these wise recommendations have not found any place in the Bill. The Government, it is stated, is aware of the need for adopting a policy by which the Commission's suggestions can be put into practice. But mere awareness will not do, for Governments change and even the moods of present Governments change. Considerations of the future and of the unity of the country demand that these recommendations of the Commission be given statutory recognition.

It must, however, be conceded that the creation of Zonal Councils and composite or cosmopolitan administrative cadres will at best bring about a certain atmosphere in which only the administrative problems can be viewed in their larger perspective. But the sense of unity must be fostered among the people themselves, for, in the absence of that sense, even schemes of administrative co-ordination, however tidy they may appear on paper, will not succeed. This sense is bound to receive a setback when the present movement towards an exaggerated and exclusive emphasis on regional languages in the educational curricula in the States gains further momentum. There is no evidence to show that the Central Government is fully alive to the dangers implicit in this movement.

Till now, it is the knowledge of English, confined though it is to the educated minority, that has helped to keep alive the sense of national unity. The States Reorganisation Commission observed: "English, though a foreign language, has helped to bring the people of different regions in India closer to each other, first, because it has been the official language at both the Central and Provincial levels, and, secondly, because it has been the medium of instruction for higher education throughout the country. It has, therefore, provided a common vehicle for higher thought as well as for administrative activity and has helped to maintain common standards at the higher educational institutions." After emphasising that the replacement of English by Hindi should be so phased that there is no fall in educational standards, nor any vacuum in social and political intercourse between the different parts of the country, the Commission stated that suitable measures should be adopted to encourage the study of English and other foreign languages in educational institutions.

These are weighty observations which deserve the immediate attention of the Central and State Governments. The reorganisation of the States on a linguistic basis and the decision to have Zonal Councils lend a new urgency to the question of preserving a sense of all-India unity through the wider use of a common language. It is of the utmost importance that, till Hindi grows to become competent to take the place of English—that is, even assuming that the present system cannot be allowed to continue for a very long time—the place of English in the educational curricula should not be disturbed. A practicable solution would be to ensure that English continues to be the official language for a much longer period than is envisaged in the Constitution and the medium of instruction in the technical schools and colleges and in post-graduate instruction. In any case, it is time the Central Government abandoned its policy of indifference to what takes place in the educational sphere at the States level, convened a conference of the educational leaders in the States, and re-examined the whole issue. If the present policy of drift on the educational front is not arrested in time, it will be well-nigh impossible to set things right later.

IS THERE PREJUDICE?

NOTHING intrigues the men engaged in the private sector more than the relatively small place (as compared with the place devoted to the public sector) allotted to this sector in the second Plan, especially because, both on grounds of past performance and of the immense scope for economic development in the country, there is urgent need to utilise the services of the private sector on a much larger scale than at present. This was the general theme of the speech of Mr. Shantilal Mangaldas at the recent meeting of the Federation of Indian Chambers of Commerce and Industry. Apparently, the Government has not been able to justify its stand to the satisfaction of trade and industry, for business men continue to wonder why the Government is not prepared to press into service the talent, money and energy available in the private sector.

In his address at the annual meeting of the Bombay Chamber of Commerce and Industry, its outgoing President, Mr. K. G. Milne, too, raised this issue. He felt intrigued by the fact that, in the second Five-year Plan, "organised private industry is only given an additional 40 per cent. increase in its target figure, while the public sector is allotted and expected to fulfil a target 900 per cent. greater than *what it was able to achieve* in the first Plan." This insufficient recognition of the importance of the private sector cannot obviously be due to any failure on its part in the past, for this sector, as is well known, was able not only to hit the targets set for it but even exceed them in many spheres. Nor can it be that the field is so limited that it would be hazardous to permit the functioning of both the private and the public sector at least on an equal footing. Actually, the industrial leeway to be made up is so vast that it will require all the best in both the sectors to complete it. And yet, the private sector is frowned upon and even kept at arm's length when all that it demands —to quote Mr. Milne—is the "chance to respond, hand in hand, never in conflict with the Government and its complementary public sector."

Why then has the Government developed an attitude of what may well be called economic untouchability in relation to the private sector? Is it because malpractices take place in the private sector? Perhaps, that is one reason, though not the only reason. If that is so, the Government will do well to ponder the few home-truths Mr. Milne cited. In the first place, "everyone knows that malpractices take place in the private sector, but equally we all know that malpractice is not the preserve of that sector." Secondly, the private sector is a much larger sector than the public sector and must always remain so, unless a totalitarian State is to be created; so it is not surprising, if cases of dishonesty are found to occur in it from time to time. Thirdly, one should not forget that there are "very many businesses in India whose standards of integrity challenge the best anywhere in the world." In any case, what is to be gained by neglect of the private sector and by expansion of the public sector effected by taking away personnel and financial resources from the private sector?

After all, as Mr. Milne pointed out, there is "no reason to suppose that the morality of the people thus transferred will necessarily improve by the transfer; if not indeed the reverse, for the control upon them is bound to be much less personal in the public sector." On this issue, it is gratifying to note that Bombay's Chief Minister, Mr. Morarji Desai, struck a very realistic note. Speaking at the annual meeting of the Chamber, Mr. Desai referred to the criticism levelled against the private sector and averred that there was no section of society which might be said to be entirely bad or any other section entirely good. To single out any one section for special attack, in his opinion, was either a "sign of ignorance or a sign of stupidity." He added: "We should take whatever is useful and good for us and reject what is not good for us." It is to be hoped that the wisdom embodied in these words will permeate the Government's economic policies.

There is certainly much good in the private sector which is of immense value to the future of Indian economy. What are the men engaged in this sector best qualified by knowledge and experience to do? It is, as Mr. J. F. Sinclair, the incoming President of the Chamber, said, "to plan a project, whether it be a factory, a distributive system or a sale, with the utmost care, precision, speed and economy and, having planned it, to push it through with all the energy, tenacity and accumulated special skills he can organise for the purpose." He added: "It all sounds simple enough, but I believe it is worth emphasising that these qualities and painfully learnt skills are not to be picked from a mango tree; they are very, very valuable commodities, in short supply, and I would say with all the earnestness I can command that to neglect them or suppress them at this critical hour is as criminal as to rob a bank." Surely, by letting so much skill go to waste or remain imperfectly utilised, the Government is bartering away the economic future of the country for paltry ideological gains.

It is no disparagement of the system under which the private sector can give its best to suggest that it is motivated by the earning of profits. After all, profits are the reward of competitive efficiency. And even a State enterprise, as Mr. Milne said, cannot afford to run at a loss which then becomes a "national loss and the burden has to be borne by the taxpayer." The Government is, of course, fully entitled to a share in the profit the private sector makes. But there must obviously be some balance between what it can take and what it ought to leave behind in the interest of further growth. The recent tax proposals are weighted a little too heavily on the side of the Government's share. In this connection, Mr. Milne singled out for special comment the tax on dividends and the bonus tax. The tax on dividends, he said, was most inequitable in its incidence, especially in regard to those enterprises with low or nominal capital and/or those with fluctuating incomes such as mining and trading concerns. Again, Section 23A concerns, which are first compelled to distribute most of their taxed profits only to have them caught again by this dividend tax, will form cases of "particular hardship." Further, the companies which did not capitalise their savings in the past are going to be penalised by the tax. The tax on bonus shares is sought to be justified on the ground that it is an integral part of the tax on dividends. But this is a poor argument for a tax of "very questionable validity," because it amounts to justifying one wrong action in order to cover another.

Mr. Milne next referred to the high incidence of taxes on personal incomes. He rightly held that the rates of personal taxation in India were "just about equal to the highest in the whole world at all points of the income-tax scale." This is certainly deplorable, considering that no special allowance is given for the support of children and for certain peculiar features of Indian family life such as the support of indigent and aged relations and that no account has been taken of the fact that an Indian citizen has himself to provide for his old age, sickness and death. The case for relief in personal taxation is very strong indeed. We are, therefore, surprised that Mr. Milne should have weakened, if not spoilt, the case by importing into his advocacy extraneous considerations such as the special considerations for relief for foreign personnel working in India. The fact is that, when the rates are lowered—as they no doubt deserve to be—both Indian and foreign personnel will benefit, so that the latter would have no grounds to complain of special hardship.

CLIMATE FOR DEFICIT FINANCING UPSET BY ALL-ROUND RISE IN PRICES

STRINGENCY IN MONEY—MR. G. D. BIRLA ON BANK RATE—BULL GRIP ON EQUITIES

THURSDAY, 5 P.M.

MARKET GOSSIP

ALL available indices show that India is entering a strong inflationary phase earlier than was anticipated by many. During the past three months, there has been a sharp rise in prices of almost everything—cereals, pulses, cotton, oilseeds, cloth, yarn, *gur*, sugar, gold, silver and equities. Some idea of the actual increase in prices can be had from the relevant statistics presented in a tabular form on this page. A significant feature of the rise in commodities and foodgrains is that it has taken place right at the time when the movement of crops has been in full swing. This means that agriculturists have received a good price; it must have been very welcome to them, especially after the low prices they realised in the last marketing season. To some extent, a rise in prices was necessary, in order to neutralise the drop witnessed last year. But the rise has been more than that. It has assumed a proportion which will push up the cost of living and also the cost of production. And what is disturbing is the prospect of a further rise in prices during the coming months. The marketing of the bulk of cash crops is over and that of food crops will be over soon. Consequently, arrivals into wholesale markets will fall and the demand will have to be met from the stocks with traders. As readers are aware, after the marketing season, prices generally rise. This seasonal upward pressure is likely to be greater than normal, as the demand for most of the commodities and manufactured goods is bigger than the supply. In such a situation, speculative forces may also take a hand and aggravate the inflationary trend.

* * * *

It is surprising that the Government has done nothing effective so far to arrest this movement. It, of course, tried to check the boom in cotton by arbitrary interference with the working of futures trading, but that has not had any significant effect on ready cotton prices. The exportable short-staple and short-medium staple varieties have already pierced the ceilings, while such long-staple varieties as Vijay, Surti, Jayadhar, Lakshmi and Karungani are bumping against the ceilings. It is only the medium varieties—Jarilla, for example—that are standing a little below the ceilings.

The main difficulty about cotton is that the crop has turned out to be much shorter than expected, the latest estimate placing it at no more than 4,300,000 bales. As against this, consumption is running at the high level of a little over 5 million bales, of which the share of Indian cotton is 4.4 to 4.5 million bales. In view of the high prices of foreign cotton, many mills have switched over to Indian cotton to the maximum extent they can. While this is the position, one cannot get a reliable view of the next crop till November or December 1956. Imports of foreign cotton are not going to solve the position to any material extent, as world prices of cotton are still at a considerable premium over Indian cotton. It, therefore, looks as though a rationing of available supplies of cotton among the mills will become inevitable sooner or later, if all the mills are to be kept working and if the ceilings are not to become farcical. It is, however, striking that the cotton mill industry has not so far asked for such a measure. Evidently, it is afraid that, if it were to make any such demand, it would be courting reimposition of controls on production and prices. Since there is no control on prices of cloth and yarn and the demand for them is quite good, it need not, of course, feel very much concerned over the rise in cotton prices. Indeed, at no time during the current year did the cotton mills complain about what was happening in the E.I.C.A. or about the spurt in cotton prices. It was the Government which voluntarily put its foot into the futures ring.

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There has been a steady rise in prices of cloth and yarn. It is, however, not easy to indicate the extent of increase that has taken place in the value of these two manufactured articles during the past six months. This is more so in the case of cloth, of which several hundreds of varieties are being manufactured. No reliable record of quotations in the various wholesale and retail cloth markets is available to the Press. It is not known whether any representative associations of these trades are maintaining such records at all. The index numbers of cloth and yarn prices are defective in many respects and cannot, therefore, be relied upon to give a correct indication. But from our personal experience, it can be stated that, even in a city like Bombay, where almost all varieties of cloth are being manufactured, consumer prices are prohibitive for good quality piecegoods and, where prices are not so high, the quality is poor.

The danger of allowing this trend to continue is clearly stated by Mr. R. E. Castell, Chairman of the Buckingham and Carnatic Co., Ltd., in his speech at the Company's annual meeting last week, reproduced on page 616 of this issue. He has pointed out that the present trend would tell upon exports of cloth and necessitate reimposition of controls that are unpleasant to all. It is to be feared that the history of 1943 or 1948, when there was a premature abolition of controls, would repeat itself in cotton textiles. Mills and dealers might start hoarding and create an artificial scarcity much sooner than is expected by the Government and/or the leaders of the textile industry. The only effective solution to prevent this from happening is to allow expansion in the mill sector, especially on the weaving side. Some think that the situation can be met by encouraging those mills, which are now working only two shifts, to work three shifts. But this is not a desirable solution, for reasons so pithily put forward by Mr. Castell. To quote him: "In all processes, but particularly weaving, the third shift is severe on machinery, discomforting to labour and harmful to quality." These remarks are based, it may be noted, on the Company's experience during the last war.

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The rise in prices of oilseeds and oils has been precipitous and has exceeded by a very wide margin even the levels thought to be reasonable. from the point of view of growers, by Mr. T. T. Krishnamachari, Minister for Commerce and Industry. For over a year, he held the view that, so long as the price of groundnut oil did not exceed Rs. 1,000 a ton, there was no need for the Government to interfere. Early this year, when this limit was exceeded, he raised it to Rs. 1,200 per ton. But now even this enhanced notional fair price has been left far behind, the latest quotation being Rs. 1,520 per ton. Prices of other vegetable oils also have moved up in the same fashion. Considering that vegetable oils constitute an essential item of food, especially for the poor and the middle classes, the increase in their prices will cause a severe hardship to them and add to their cost of living. The need for taking suitable measures for restraining the upward trend in this commodity became apparent even at the commencement of the year. But the Government did nothing; if anything, it actually winked at the rise. Apparently, political considerations were allowed to override economic considerations.

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When the country was faced with surpluses of certain agricultural commodities last year, the Government was advised by a section of the business community and the Press, including this journal, to buy them and build up buffer stocks to meet situations of the type through which the country is passing now. This advice was not heeded. It will be pertinent to recall here that, when Mr. T. T. Krishnamachari visited Bombay early in 1955 to study the position, he realised the value of this advice. He actually telephoned to Mr. C. D. Deshmukh asking for funds to buy cotton and store it on Government account. But Mr. Deshmukh refused. Further, many were of the view that the Bank rate should be reduced and credit made available cheaply and easily for enabling merchants to buy and hold stocks. But the Government did not concur with it. Indeed, instead of conserving the surpluses within the country, the Government took all possible steps to encourage their export. Quantitative and qualitative restrictions on exports were relaxed. Export duties were reduced. Shipments of foodgrains were freely permitted and it was proudly claimed that India was in a position to export rice, wheat flour and wheat products, coarse grains, pulses, etc. All this was being done even at a time when the Government and the Planning Commission knew that the second Five-year Plan would be a far bigger effort than the first Plan and that it would entail deficit financing of over Rs. 1,200 crores. The spokesmen of the public sector, from the Prime Minister down to the Deputy Secretary of the Government, have been preaching from 1950 onwards, when the first Five-year Plan was conceived, that we are living in an era of planning and that controls and regulations were inevitable. Could anyone say that the manner in which the agricultural surpluses were allowed to be drained out of the country twelve months before was in consonance with planning? The argument that such exports brought in foreign exchange will stand no scrutiny, for, in the coming eight or twelve months, more imports of cotton, wheat, rice, staple fibre and rayon, not to mention vegetable oils, may be found necessary.

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The rise in bullion prices is in keeping with the trend of commodity markets. It is too early to say, as in the case of commodities, whether the end of appreciation in bullion values is in sight. It is common knowledge that both gold and silver are subject to seasonal fluctuations. Invariably, after mid-January every year, these precious metals tend to look up, reach the peak in May or June and then wilt in the monsoon months. Between September and January, they rise and fall, albeit on a small scale. This year, the increase in prices has been sharp and swift; besides, it has set in earlier than usual. Many attribute this development to fears of inflation. It seems to us this reasoning is rather premature. The main reasons appear to be early revival of seasonal offtake, shortage of stocks and decline in the arrival of smuggled gold. It is rather significant that, even though there has not been any marked rise in the free market price of gold, either in the Middle East or on the Continent, the increase of Rs. 10 to Rs. 11 in the price of ready gold since the commencement of the year has not accelerated the influx of gold into Bombay or Calcutta. Does this mean that the anti-smuggling measures of the Government are beginning to make an impression on the traffickers in gold? Or does it mean that smugglers feel that the spurt in prices will not be sustained for any reasonable length of time to warrant the risk of arranging for a larger supply from abroad? Or does it mean that the rise in prices has been so rapid that it has not been physically possible for them to indent bigger supply in good time for taking advantage of the situation? Developments in the coming weeks should provide an answer.

Be that as it may, it seems that much of the demand for gold and silver has been of the customary seasonal nature, exaggerated, perhaps, to some extent, by speculative activity, and that purchases of bullion as a hedge against inflation have not yet started in right earnest. Enquiries made in the ready bullion market reveal that the demand for gold and silver alike is in small quantities. It is stated, for instance, that, when industrial workers in Bombay and Ahmedabad received their annual bonuses recently, the offtake of gold, and of silver on a relatively smaller scale, experienced a perceptible improvement. There are no indications that, in recent weeks, big people with large assets have been buying either gold or silver. It is only monied persons that would usually be worried about the prospect of a fall in the purchasing power of the currency and seek bullion as a hedge against such a contingency. So far, there would appear to have been no such large-scale buying. It is needless to add that, when such activity arises, there would be a further rise in gold, as well as silver, unless, of course, the inflow of smuggled gold were to gather momentum, once again.

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Nothwithstanding the impressive expansion in notes in circulation since the commencement of the current season—from the first week of November 1955 to the fourth week of March 1956 the increase was as much as Rs. 147.91 crores, as against Rs. 115.24 crores in the corresponding period of the preceding season, and that on a base Rs. 144 crores higher than that a year before—the money market is passing through a stringency not witnessed in recent years. In Bombay, call money is being quoted at 3½ to 3¾ per cent., while in Calcutta, it is as high as 4½ per cent., that is, ¾ per cent. higher than the Bank rate. Short-term deposits are fetching 3½ per cent. for one to six months even with the biggest commercial banks. Apparently, the money supply is proving itself to be inadequate to finance the expanded production, more particularly because of the increase in prices. It is not known whether hoarding of commodities and goods has started on any large scale, though reports from certain cotton-producing centres aver that farmers are being encouraged to hold their produce by co-operative societies, which are in the privileged position of getting credit at appreciably below the Bank rate. If this is true or if this trend gathers momentum, the Reserve Bank will have to reconsider its policy of making available cheap credit to the co-operatives.

Surprisingly enough, the increase in the cost of commercial banks' borrowing rates has not been followed by a corresponding rise in their lending rates. It is true that, during the past two or three weeks, several banks, including a number of Indian banks, have put up their advances rate by ¼ to ½ per cent. But this increase is only fractional and not commensurate with that in the borrowing rates. Again, large-scale borrowers from banks are still paying the same old rates of interest, possibly because of their control over the banks.

The anomaly between the Bank rate and short-term money rates has tended to become glaring following the latest developments referred to above. There are two ways in which this anomalous position can be rectified. One is for the Reserve Bank to step up its lending rate to the banks, that is, both the usance bill rate and the Bank rate, to be followed by similar action by the State Bank of India. The other is for the Reserve Bank to reduce the usance bill rate to 3 or 2½ per cent. and expand the rediscounting facilities, thereby pumping into the money market more funds and putting an end to the scramble among banks for the available supply of money. The former course will be opposed by that section of public opinion which feels that higher interest rates will be inimical to economic development, and the latter by the other section which contends that to lower the Reserve Bank's lending rate at a time when the economy is passing through an inflationary phase would tantamount to adding fuel to fire. It will be interesting to see which way the monetary authori-

(Continued on page 640)

ECONOMIC INDICATORS

Prices and Money

	Latest available	Early in January, 1956	A year ago
	Rs. a.	Rs. a.	Rs. a.
Bullion—			
Ready silver	132 14	173 10	105 9
Ready gold	105 2	95 8	93 8
Oilseeds—			
Bold (F.A.Q.)	35 6	29 6	20 10
Linseed (Bold)	35 0	31 8	21 0
Cotton—			
Vijay	928 0	878 0	720 0
Foodgrains—			
Wheat (farm quality)	16 12	16 0	13 8
Rice (coarse)	14 4	13 4	11 8
Peas (white)	11 8	10 4	5 8
Gram (Hapur local)	12 4	10 8	6 4
Sugar—			
A grade (Bombay)	99 0 to 101 0	97 0 to 99 0	92 0 to 102 0
Hapur	80 8	31 0	33 8
Gur (Hapur)	11 12	12 0	8 4 to 8 12
Shares—			
Tata, Ordinary	249 8	249 12	245 4
Bombay Dyeing	622 8	580 10	474 6
A.C.C.	215 4	217 8	182 8
Bombay Burmah	688 12	600 10	478 12
Monetary Data—	(22-3-56)	(6-1-56)	(18-3-55)
Notes in circulation (Rs. crores)	1,453.78	1,385.71	1,277.17
Scheduled Banks:	(16-3-56)	(6-1-56)	(11-3-55)
Deposits (Rs. crores)	1,021.38	1,018.73	949.06
Advances and Bills (Rs. crores)	785.00	651.99	609.18

SHARES CLOSE FIRM

TATAS RALLY FURTHER

(From Our Own Correspondents)

BOMBAY, *28th March*

THIS week's review of the Stock Exchange covers only three sessions; for, besides the usual fortnightly closing on Saturday last for settlement, the market remained officially closed on Monday, 26th March, on account of *Holi*, while this report is sent to the press a day in advance on account of Friday, the 30th inst., being a bank holiday. During these three sessions under review, a strong bull grip continued to hold sway over the market and prices hardened all round to touch in a number of cases fresh high levels so far for the year.

The last settlement ended on a cheerful note, despite the end-of-account realisation. The new account also opened yesterday on a promising note, but due to lack of follow-up support and profit-taking, prices suffered a mild recession from the opening levels. The opening today was also slightly subdued, but soon the market regained fresh strength on feverish short-covering and replacement buying and the session closed on a firm note. In the absence of any adverse influence, the bullish sentiment continued to prevail. The increase in notes in circulation, the rise in commodity prices, oilseeds, cotton and bullion, and prospect of cloth shortage and an increase in cloth prices were interpreted as signs of inflation in the country and they provided the necessary stimulus to speculative operators on the Stock Exchange.

In the steel section, Tata Ordinaries shot up from Rs. 241-12 to Rs. 249-12 and closed at Rs. 249-8. Indian Irons gained from Rs. 35-3½ to Rs. 35-15, but finished a fraction lower at Rs. 35-12.

Textile shares were again conspicuous with sizable gains over a wide front on strong support. The encouraging trend in cloth offtake and optimistic outlook for textile mills were responsible for the bullish activity. Bombay Dyeings shot up from Rs. 611-14 to Rs. 621-4 and, after a recession to Rs. 613-12, recovered to Rs. 622-8 at the close. Centurys attracted good attention and jumped from Rs. 517 to Rs. 533 before closing at Rs. 531-8. Central Indias gained Re. 1-8 to Rs. 148 and Colabas Rs. 10 to Rs. 90. Finlays were lower by a rupee at Rs. 363, but Gokaks were marked up by Rs. 5-8 to Rs. 256. Indu Ordinaries showed no change at Rs. 14, while Indore Malwas gathered Rs. 10 to Rs. 156-4. Khataus were maintained at Rs. 234-6 and New Greats at Rs. 230, while New Citys lost Rs. 2-8 to Rs. 171-4. Podar Mills moved up by Rs. 3-2 to Rs. 175 and Shree Niwas Cottons by Rs. 3-12 to Rs. 277-8. Simplex were featureless, but steady at Rs. 215. Standards firmed up from Rs. 432-8 to Rs. 436-4 and Svadeshis from Rs. 236-8 to Rs. 240-12. Tata Mills were dull at Rs. 59, while Vishnus put on Re. 1-4 to Rs. 184-6. Azam Jahis and Osmanshahis, which were admitted to the Bombay Stock Exchange last week, were done at Rs. 94, a rupee higher over the week, and Rs. 74, respectively.

Banks were steady and quotations revealed fractional rise on balance. Barodas gained Re. 1 to Rs. 96. Centrals were done As. 8 better at Rs. 50 and their new shares As. 4 higher at Rs. 51. Bank of Indias had business at Rs. 155 *ex-div.*, as against Rs. 159 *cum-div.* last week (final div. Rs. 5). Punjab Nationals were unchanged at Rs. 50-4. Union Banks changed hands at Rs. 6-10 *ex-div.*, as against Rs. 7 *cum-div.* (div. As. 6). United Commercials were taken up As. 8 higher at Rs. 53-8.

The insurance section provided an exception to the general trend, the undertone remaining quiet and business passing on a small scale. New Indias dropped As. 12 to Rs. 39-8 and Indian Mercantiles Rs. 3-8 to Rs. 49-12. There were no transactions in other counters.

Electricity shares were featureless with small variations in some counters. Ahmedabad Electrics showed no change at Rs. 102-8, while Amalgamated Electrics shed a fraction to Rs. 11-8. Bombay Suburbans attracted some support and rose by As. 15 to Rs. 116-9, while Surat Electrics were marked down by As. 10 to Rs. 123-12. Tata Hydros were taken up a rupee higher at Rs. 133, while Tata Powers lost Rs. 5 to Rs. 1.370. Andhra Valleys were maintained at Rs. 1,295.

The miscellaneous section provided some features, sugar shares, shippings, Bombay Burmahs and Premier Constructions, coming to enjoy the major attention. In the sugar group, Belapurs improved from Rs. 232-8 to Rs. 237, before closing at Rs. 236. Phaltans gained Re. 1 to Rs. 148-8. Walchandnagars attracted considerable attention and gathered Rs. 8-12 to Rs. 275. Cement shares were, however, quiet. A.C.C. lost some ground from Rs. 217 to Rs. 215-4 on reports that the Company had been permitted by the Government to issue the new shares at a premium of Rs. 20 per share. Digvijays were Re. 1-8 lower at Rs. 187. Among engineering and mining shares, Alcock Ashdowns relapsed from Rs. 377-8 to Rs. 375, while Premier Constructions staged a sharp rise of Rs. 8 to Rs. 194-8. Tata Locomotives had business Re. 1-4 higher at Rs. 151-12. Larsen and Toubros were steady at Rs. 15-15. Shivrajpurs were in demand and moved up by Rs. 3-8 to Rs. 114. Indian Coppers were done up to Rs. 7-7 before closing at Rs. 7-4½, as against Rs. 7-3.

In the shipping and transport group, shipping shares were in keen demand on reports that the coastal freight rates were likely to be raised. Scindias gained a rupee to Rs. 18-4½ and Great Easterns Re. 1-2 to Rs. 17-12. Hindustan Motors improved further by As. 7 to Rs. 10-8 and Premier Automobiles were steady at Rs. 94-8. Among miscellaneous industrials, Bombay Burmahs (old) appreciated from Rs. 621-14 to Rs. 640-10, but closed a shade lower at Rs. 638-12. National Rayons were quiet at Rs. 241. British India Corporations gained As. 3 to Rs. 11-1. Tata Chemicals were supported up to Rs. 19-4, before they closed at Rs. 19-1, as against Rs. 18-14 last week. Tata Oils were featureless at Rs. 47-4, while Wimcos gathered further Re. 1-4 to Rs. 207-8.

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Calcutta Stock Exchange

CALCUTTA, *27th March*

The period under review covers only three sessions on the Calcutta Stock Exchange, i.e., Wednesday to Friday last, as both yesterday and today, the market remained closed on account of *Holi*. But the performance of the three days was encouraging. For, conditions akin to buoyancy existed, and with an impressive increase in the daily volume of transactions, several counters made a considerable portion of the ground lost during the prolonged dullness that set in, following the settlement difficulties which accompanied suspension of clearing work in Banks and continued even after banks resumed normal working. There was a definite broadening of investment buying during the three days, and speculative enthusiasm was fanned by thoughts of inflationary conditions, following deficit financing. The commodity markets were sending out encouraging reports, and note was made of the increasing trend in the cost of living following the Budget proposals.

There is a feeling in the City and industrial circles about the desirability of locating the headquarters of the proposed State Insurance Corporation in Calcutta. The present system of investing insurance funds in equities through Bombay is leading to neglect of first class investment scrips in Calcutta at the hands of this institutional investor, and if the headquarters of the Corporation are set up in Bombay, which already houses the head offices of the Reserve and State Banks, it is argued that Calcutta's importance as a trading and industrial centre would be overlooked. Moreover, in life insurance, Calcutta has played a pre-eminent part, and the demand that Calcutta insurance funds, that are set aside for private investment, should not go to Bombay when there is no dearth of first class shares in Calcutta has been eloquently put forward.

There was an impressive recovery in speculative Indian Irons, following bear-covering. Advices from Bombay were helpful in that the statement of Mr. J. R. D. Tata that the possibility of a bonus issue or of increasing the nominal value of Tata Steels might be examined when reserves would support the same. Other engineering scrips also forged ahead. Tea shares continued to attract investment buying as prices in auctions were advancing and export prospects for the coming crop were considered good.

Sectionwise, cotton textiles were firm on good production reports. At Rs. 18-4 Kesorams gained a further fractional ground, and Bowreahs changed hands at Rs. 165 *ex-rights*. Jayshrees were maintained at Rs. 6-5 as were New Victorias at Rs. 2-9.

Coals were steady, and mainly in sympathy with the general trend recorded gains. Bengals reached as high a rate as Rs. 550, as against Rs. 529, and on good support East Indias gained to Rs. 36-2 from Rs. 33-14. From Rs. 6-15 Western Bengals firmed to Rs. 7-5. At Rs. 11-12 Raneegunges were higher by an anna, South Karanpuras remaining unchanged at Rs. 9-12, and Burrakurs moved to Rs. 14-15 from Rs. 14-5. On the other hand, Borreas reacted to Rs. 26-11 from Rs. 27-8.

In contrast with the general trend, jute shares were shown only sparse interest. This was due to the poor turnover in jute goods and to raw jute prices being higher. From Rs. 24-10, Nationals recovered to Rs. 25-14 and Howrahs from Rs. 22-14 to Rs. 23. Birlas at Rs. 17-2 accounted for a recovery of As. 10, while Megnas fell to Rs. 81 from Rs. 84-8. Nuddeas were unchanged at Rs. 40-8, Ganges being easier at Rs. 67.

Engineering scrips fully reflected the general trend, and on strong investment support Burn & Cos. rose as high as Rs. 385 from Rs. 350. Interested buying raised Texmacos to Rs. 23-10 from Rs. 22 and Richardson and Cruddas to Rs. 26-8 from Rs. 25-4. At Rs. 35 Jessops were better. Indian Standard Wagons were steady at Rs. 177 and Braithwaites at Rs. 28-2. Kumardhubis were taken to Rs. 11-2 from Rs. 10-8. Indian Irons opened at Rs. 34-8 and improved to quote Rs. 35-13.

Paper mill shares were counters of considerable activity. A dividend of 10 per cent. (8.75 per cent.) was announced for the six months ended December last for Bengal Papers, following good working results. These mills are also carrying out expansion plans. For the six months ended September last, 10 per cent. dividend has been maintained for Titaghurs, which changed hands at Rs. 44-8 as against Rs. 44-4 earlier.

Gains continued to be recorded in the tea section, and included the following: Gungaram rose by Rs. 50 to Rs. 300 and Hoolungoorie by Rs. 24 to Rs. 309. Banarhat were Rs. 14 better at Rs. 364 and Basmatia by Rs. 3 at Rs. 38-12. East Indias were steady at Rs. 26-12. Huldibari rose by Rs. 2-8 to Rs. 37-8 and Carron by Rs. 23 to Rs. 227.

Among minings, Indian Coppers advanced to Rs. 7-4 from Rs. 6-10, following expectation of bonus issue. Burma Mines were steady at Rs. 2-7, in oils Indo-Burma Petrols improved to Rs. 45-2 from Rs. 43-8, and among sugars Carew & Cos. to Rs. 9-13 from Rs. 9-8.

Several miscellaneous industrials were fully steady. Nicecos were wanted at Rs. 23-8. Martin Burns gained to Rs. 26-3 from Rs. 25-8 to close at Rs. 25-10. B.I. Corporations were steady at Rs. 11-1 as were National Tobaccos at Rs. 13-2.

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Madras Stock Exchange

MADRAS, *27th March*

The Madras Stock Exchange put on a bright appearance this week also. Textile and miscellaneous scrips came in for rather widespread activity, while plantings met with selective support. The upward trend in the textile section was chiefly due to reports regarding continued demand for cloth and yarn from important consuming centres. In the tea section, buying enquiries were in evidence on rumours of a possible revival of good demand for tea leaves from the Continent. Prices of equities, therefore, generally forged ahead and recorded substantial gains over the week. The undertone was steady.

In the textile section, Cambodias gained As. 3 to Rs. 13-15 and Coimbatore Pioneers Rs. 10 to Rs. 270. Kotharis were better by As. 12 at Rs. 19-4 and Metturs by Re. 1 at Rs. 408-8. Rajalakshmis improved from Rs. 177-8 to Rs. 179 and Vasantas from Rs. 287-8 to Rs. 292-8. Rangavilas advanced from Rs. 90 to Rs. 90-12. Coimbatore Spinnings, however, lost Re. 1-8 to Rs. 90-8. Coimbatore Cottons were quiet at Rs. 333 and Rajapalayanns at Rs. 135-8. Mysore Silk Filatures were unchanged at Rs. 2-7. There was considerable disappointment in the market at the postponing of the proposed bonus issue by the Bangalore Woollen, Cotton and Silk Mills Company, Ltd. The share was quoted at Rs. 555 *ex-div.*, as against Rs. 580 *cum-div.*

Among plantings, Devasholas, in the tea section, rallied As. 10 to Rs. 28 and Parksides As. 4 to Rs. 20. Periakaramalais gained an anna to Rs. 8-11. But Blue Mountains lost As. 3-6 to Rs. 5-8-6 and Chandramalais As. 2-6 to Rs. 6-11. Highland Produces were quiet at Rs. 17-10, and Waterfalls at Rs. 6-5. Rajagiris, among rubbers, gathered As. 2 to Rs. 23-6. But Cochin Malabars lost an anna to Rs. 8-15 and Kailas As. 2 to Rs. 5-11. Pullangodes were fractionally lower at Rs. 4-5-6. Thirumbadis were quiet at Rs. 2-5-6. It is reported that the National Industries Development Corporation has recommended to the Government of India for the setting up of a synthetic rubber plant in India.

In the miscellaneous section, Bruntons advanced from Rs. 7-11 to Rs. 8-8 and F.A.C.Ts. from Rs. 7-8 to Rs. 7-14. India Cements improved from Rs. 33-8 to Rs. 34-4 and India Steel Rolling Mills from Rs. 13-10 to Rs. 14-4. Mysore Chemicals and Manufacturings disclosed a gain of As. 4 at Rs. 24-4 and Mysore Papers As. 2 at Rs. 17-6. Rallis were up by As. 4 at Rs. 33-12. But Spencers lost As. 2 to Rs. 17-6.

ELECTRICAL ENGINEERING EXHIBITION IN U.K.

The biggest exhibition ever organised by the British electrical engineering industry, the exports of which last year were worth nearly £200,000,000, was held at Earls Court, London, for five days from 20th March.

With 25,000 pieces of equipment, including over 2,500 new products, on show, the exhibition had, it is stated, a power supply of 1,500 kilowatts —enough to meet the needs of a small township. The display items ranged from transformers weighing eight tons each to a miniature micro-switch smaller than a thumbnail. The special lighting arrangements on the stands are estimated to have cost over £250,000. Buyers came from Western Europe and also from India, New Zealand, Finland, Norway, Italy, and Portugal. Concurrently with the first two days of the five-day exhibition, a meeting of electrical experts from all over the world discussed an international safety code for electrical equipment.

RISE IN U.K. EXPORTS OF COMBUSTION ENGINES

The strength of the overseas market for British-made internal combustion engines is shown both by the fact that the export value of engines and parts last year advanced by 12 per cent. and by the continued increase this year of the upward trend. Figures released in London place the value of combustion engines and parts sent abroad in 1955 at £26,461,107. For January this year, similar direct exports were valued at £3,122,401, an increase of about £482.000 on the same month of 1955. Also in January, the sales abroad of British marine engines were the highest recorded. According to a spokesman of the British Internal Combustion Engine Manufacturers' Association, exports of diesel engines have been rising in spite of growing foreign competition. The biggest sales increases in 1955 were in the United States, which took 31 per cent. of British diesel engines, and Australia, which took nearly 21 per cent.

NEWS IN BRIEF

THE next session of the Rajya Sabha will commence on 23rd April next.

The Demag Engineering Company of Germany has secured the contract to build a rolling mill for the Tata Iron and Steel Company.

The packing charges for cement packed in new bags during the second quarter of 1956 are fixed lower at Rs. 13-4 per ton, as against Rs. 13-7 in the first quarter.

The Central Government is considering the development of diamond mining industry at Panna in Vindhya Pradesh at an estimated cost of Rs. 2 crores.

Sunn hemp and sunn hemp manufactures, including fishing nets, are not controlled under the export trade control regulations. No licence is, therefore, necessary for their export.

Nearly 1,500 delegates hailing from all parts of India are expected to attend the second national convention of farmers, to be held at New Delhi from 31st March to 5th April.

The Government of India proposes to undertake prospecting of coal seams for the development of the State collieries in an area of about 31 square miles in Mendu, Barkagaon and Ramgarh *thanas* of Hazaribagh.

The Government of India has extended the facilities for the conversion of holdings of Hyderabad currency into Indian currency for a further period of six months, that is, up to the end of September 1956.

Two contiguous oil berths, each 600 feet long, are to be constructed in the Visakhapatnam harbour to accommodate oil tankers which will bring 675,000 tons of crude oil annually for the Caltex oil refinery from 1957.

The annual review of the air agreement between India and the U.K. is proposed to be held some time in the middle of April next. The review will relate to determining the frequency of services to be operated by the airlines designed by the Governments of the two countries.

With effect from tomorrow, power supply in Madras will be cut by 25 per cent., owing to the low water level in the hydro-electric reservoirs. The cut will not, however, apply to essential purposes such as agriculture, railways, hospitals, water-supply and sanitary arrangements, and domestic consumption of 20 units and less.

A special committee with a member of the Union Public Service Commission as Chairman has been set up to recruit qualified personnel for the three State steel plants at Rourkela, Bhilai and Durgapur. The personnel required includes about 15,000 technicians below the foreman category and 2,100 persons of the rank of foreman and above.

During the second Plan period, the Government proposes to construct about 4,000 irrigation tube-wells in 15 States at an estimated cost of about Rs. 24 crores. The number of tube-wells in U.P. will be 1,500, 466 in the Punjab, and 250 in P.E.P.S.U. This programme is expected to bring an additional area of about 1.2 million acres under irrigation.

The Government of India has sanctioned Rs. 99,42,000 as grant and Rs. 98,67,000 as loan to the West Bengal Government during the current financial year for flood and drought relief. No specific amount has, however, been given for flood relief only. In addition to this, Rs. 10,000 have been given from the Indian People's Famine Trust and Rs. 40,000 from the Prime Minister's National Relief Fund, while 1,500 tons of rice and 500 tons of wheat were received from the gift foodgrains received from U.S.A.

The Central Government has told the Government of Andhra that it would not honour the latter's bills, if expenditure above the allotments were allowed to continue. Disclosing this in the State Legislative Assembly on Monday last, the Chief Minister of Andhra said that, during the 30 months following the formation of the State, revenue deficit stood at Rs. 11 crores. He estimated the total outstanding debt of the Government as at the end of the current financial year at Rs. 70 crores, including Rs. 30 crores debited from the composite Madras State.

Additional allocations aggregating more than $2½ million have been provided under the technical co-operation programme of the United States for 12 different projects in India, the agreements in respect of which were signed at New Delhi last week between the Governments of India and the United States. This is the second series of agreements to be signed against the development assistance of $50 million allocated to India for the year July 1955 to June 1956. The first five agreements providing for a total of $26 million were signed recently.

The Government of India is considering the question of establishing an aero-engine production unit in the country. The Hindustan Aircraft Factory, Bangalore, is manufacturing at present air frames only. For want of experts, the capacity of the Hindustan Aircraft Factory is not being utilised fully. The Defence Ministry is negotiating with some high class experts and technicians and, very soon, it is expected to get a team of experts from abroad to design the manufacture of aeroplanes in India. The idea is to manufacture aero-engines in India only on a licence from the original manufacturers of these engines. A team of Rolls-Royce engineers and a party from the Bristol Aircraft Factory in the United Kingdom have recently visited the Hindustan Aircraft Factory.

It has been decided to invite applications from uneconomic units in the art silk weaving industry for their expansion, with a view to assessing the total requirements of additional looms, according to a Press note issued by the Textile Commissioner. Applications should state the number of looms required to be installed by each unit and the justification therefor. The Government, it will be recalled, announced its decision to disallow further expansion in the industry on the 7th inst. Since then, the question of allowing a limited expansion to units of uneconomic size has been under consideration. Weaving establishments of uneconomic size which desire expansion are, therefore, invited to forward their applications to the Textile Commissioner, stating details of their requirements before 30th April. It is, however, stated that there is no obligation on the part of the Government to allow expansion.

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From Abroad

From next year, Norway will adopt the "Pay As You Earn" tax system. Up to now, the Norwegians have paid tax on the preceding year's earnings.

Sharp reductions in the prices of synthetic yarns, nylon and Dacron have been made by the U.S. producers, in order to stimulate a sluggish domestic textile market. Messrs. E.I. Du Pont, for instance, have reduced their prices on the various grades of nylon and Dacron filament from 10 to 30 per cent. It would, however, appear that export prices have been kept unchanged.

Hongkong and Malaya may never regain their lost trade with China, unless there is a substantial reduction in the embargo on certain British and Commonwealth goods in the near future. This view was expressed by Mr. C. Blacker, Chairman of the Hongkong and Shanghai Banking Corporation, in the course of his address at the annual general meeting of the Corporation held recently in Hongkong.

Three Canadian wood-pulp producers have announced increases of $5 per ton in their prices for sulphate pulp. Two of them have announced the increases on export shipments to the U.S. only. Messrs. Macmillan and Bloedel of Vancouver have raised their prices of both bleached and unbleached sulphate pulp by $5. Messrs. Fraser Companies and Howard Smith Paper Mills have raised their prices on exports to the U.S. by a similar amount.

The U.S. Eastbound Shipping Conference and the Canada Eastbound Conference have increased freight rates on all cargoes between the U.S. and Canada and India by just under 10 per cent. as from 1st May. It is stated that the increase had been prompted by increased costs. The main types of cargo likely to be affected are stated to be motor cars, tractors, newsprint, cotton, sulphur, fertiliser and iron and steel goods.

Messrs. Richard Thomas and Baldwins, United Kingdom, propose to erect a £160 million integrated steel works in New South Wales. According to Mr. H. F. Spencer, Managing Director, the Company has not yet entered into any commitment beyond a complete and full investigation, which is now in the hands of its own consulting agents. Once it is decided to establish and work commences, it will take five years to put the plant in full commission.

The General Electric Company will build Spain's first atomic reactor. The reactor will produce 3,000 kilowatts of power for use in agricultural and medical research and for the training of Spanish personnel. The power plant will be the 'swimming pool' type, with a radio-active water-cooled core. It will be possible for several experiments to be carried out simultaneously. It may be noted that the U.S. companies have already announced plans to build reactors for Italy and Belgium.

Shipping has been selected by the British Chancellor of Exchequer for preferential treatment in connection with the measures announced by him recently to arrest inflation. One of the most important measures proposed by the Chancellor is the discontinuance of the investment allowances of 20 per cent. granted to all industries in the Budget of 1954, but capital expenditure on the construction of ships and scientific research assets have been exempted from this measure. In granting this special concession to British Shipping, the Chancellor of the Exchequer has, it is stated, set a bold example to other nations, which wish to develop their merchant fleets but are rather hesitant to show special tax concessions to this industry, despite its unique role in national economy. It may be noted in this connection that France, Germany, Italy and the Netherlands are some of the other countries where special tax concessions are given to the shipping industry.

Anaconda copper has proposed a radical change in pricing policy for its Chilean copper. As a result, in future, copper frim Chilean mines sold in the U.S. market will command the same price as in the U.K. and Western Europe. At present, Anaconda's Chilean Copper is being sold in the U.S. market at the same price as domestically produced copper, that is, 46 cents a pound. Latterly, this had worked out to a discount of 6 to 7 cents from the price quoted on the London Metal Exchange. According to the present change, prices will be based on those quoted on the London Exchange on the day of shipment *less* freight and other charges in London. This, presumably, will end Chilean pressure to divert copper from the U.S. to European markets. Anaconda apparently intends to keep its domestic copper price at 46 cents. It may be noted in this connection that Anaconda is the leading U.S. producer in Chile, accounting for some two-thirds of the output of U.S.-owned mines which together produce about 40,000 tons a year.

PERSONAL

MR. T. H. Rydin, Swedish Consul-General in Bombay, left for the U.K. *en route* to Sweden on home leave.

Mr. D. M. Holten, Canadian Trade Commissioner in Bombay, left for the U.K. *en route* to Canada on Sunday this week on home leave.

Mr. J. P. Young, Director and Manager of Messrs. Angelo Bros., Ltd., has retired from the service of the Company.

Mr. H. P. Stuwart, Director of Messrs. Blackwood India Ltd., Calcutta, has retired after 27 years' service in the Company. He left for the U.K. on Sunday this week.

Mr. J. R. D. Tata, Chairman, Messrs. Tata Sons Ltd., Bombay, has been re-elected President of the Court of the Indian Institute of Science, Bangalore, for the quinquennium 1956-60.

Mr. H. A. Twist, Deputy High Commissioner for the U.K. in Bombay, left for London last week. He will return to India towards the end of July next.

Major-General Mahinder Singh Chopra, who recently retired, has been appointed Minister of India to the Philippines. He will assume charge of his appointment shortly.

Mr. B. K. Mehta and Mr. B. M. Ghia have been elected President and Vice-President, respectively, of the Association of Merchants and Manufacturers of Textile Stores and Machinery (India), Bombay, for the ensuing year.

Prof. M. S. Thacker, Director, Scientific and Industrial Research, Government of India, will undertake a five-day tour of Israel in April, with the object of studying the scientific work carried on in that country.

Mr. G. A. S. Sim, Chairman of Messrs. Andrew Yule & Co., Ltd., Calcutta, has retired from the service of the Company. He recently laid down office as President of the Bengal Chamber of Commerce and the Associated Chambers of Commerce. Mr. Sim left Calcutta for the U.K. on Thursday last week.

Mr. C. H. Bhabha, Vice-Chairman of the Central Bank of India, and Mr. D. R. Thom, General Manager of the Bank of India, have been re-elected Chairman and Deputy Chairman, respectively, of the Indian Banks Association for the year 1956. Mr. S. L. Kothari of the Bank of Jaipur has been elected Honorary Secretary. The other members of the Committee are Messrs. Pranlal Devkaran Nanjee (Dena Bank), N. M. Chokshi (Bank of Baroda), B. N. Puri (Punjab National Bank), O. H. Gheewala (United Commercial Bank), M. S. Captain (Union Bank of India), Sanjiban Banerji (United Bank of India), S. Krishnaswamy Iyengar (Indian Bank), C. V. Joag (Bank of Maharashtra) and C. Eknath Kamath (Canara Bank).

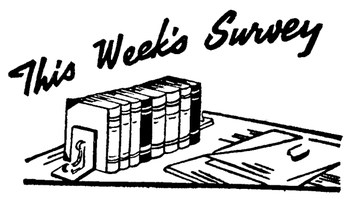
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *28th March*

Tea Trade Troubles

The tea industry has other expedients in view also. It has under anxious consideration the question of reducing production costs, so that these, in the case more particularly of estates producing low quality teas, may be brought into line as far as possible with the prices realised for better teas. It is not, however, possible for us to go into the position in detail, as conditions vary considerably in each district and even on adjacent gardens. What the industry aims at is a cut in production costs with justice for all and concerted and co-ordinated action. Other industries, the jute industry, for example, have taken strong action to meet their position, in spite of having to meet strong opposition in other countries and the economic situation all-round makes it imperative that whatever action the tea industry may take to meet the crisis ahead should be recognised as absolutely necessary and, therefore, entirely warranted. Turning to recruiting costs, with the present reduced demand for labour from industrial areas, the restricted development programme of the railways and the prevailing economic conditions in the recruiting areas, it is not too much to expect that the time is opportune to reduce some of the extravagant overhead charges in connection with recruitment, generous expenditure for which the industry gets no credit, as it does not represent actual wages paid to the individual labourer.



THE RULE OF LAW

THE country naturally looks to the High Courts and the Supreme Court to interpret the Constitution in a manner that will ensure that, while on the one hand, the liberty of the citizen is not sacrificed at the altar of administrative expediency, or the shifting political composition of the Government, there is, on the other, no impediment to national progress through an exaggerated emphasis on individual freedom as such. Democracy rests on the rule of law and the guarantee of individual freedom. The Indian Constitution is based upon these principles. And it often becomes the sacred duty of the courts to give, in the light of the Constitution, their verdict upon particular statutory enactments or portions thereof. To the long succession of its memorable pronouncements, which have amplified and deepened the concept of the law of the Indian Constitution, belongs the judgment which the Supreme Court recently gave in a case involving the question of transfer of income-tax assessment from one place to another.

The case arose out of an application filed by Messrs. Bidi Supply Company—a firm carrying on business as manufacturers and sellers of bidi with its head office at Calcutta and factories near Chakradharpur in Bihar. Since its inception, the firm was all along being assessed to income-tax by the Income-tax Officer, Calcutta. The Company, however, received on 25th January 1955, a letter from this Income-tax Officer informing it that its assessment records had been transferred from his office to the office of Income-tax Officer, Special Circle, Ranchi. There was no previous notice of the intention of the income-tax authorities to transfer the assessment proceedings from Calcutta to Ranchi nor was any opportunity given to the Company to make any representation against such decision. The validity of the order for transfer of the case was challenged by the assessee firm in a petition before the Supreme Court which has now upheld the petitioner's contention.

Briefly, the points of law which had to be settled were whether sections 5 (7A) and 64 (5B) of the Income-tax Act, which empower the Central Board of Revenue to transfer any case from one income-tax officer to another, were *ultra vires* Article 14 (equality before the law) and Articles 19 (1) (G) and 31 (right to trade and property) of the Constitution. In this judgment, the Chief Justice held that the omnibus wholesale order of transfer was not contemplated by section 5 (7A) of the Act. It was implicit in that section that the Commissioner of Income-tax or the Central Board of Revenue, as the case may be, should, before making an order of transfer of any case, apply his or its mind to the necessity or desirability for the transfer of that particular case. The income-tax authorities, according to the Chief Justice, had by an executive order, unsupported by law, picked out this Company and transferred all its cases by an omnibus order unlimited in point of time. Here, the "State" which included its Income-tax Department, had by an illegal order, denied to the petitioner, as compared with other *bidi* merchants who were similarly situated, equality before the law or the equal protection of the laws and the petitioner could legitimately complain of the infraction of his fundamental right under Article 14 of the Constitution. Accordingly, the Court issued a writ directing the Income-tax Officer, Ranchi, not to initiate assessment proceedings against the firm.

In a separate judgment, Mr. Justice Vivian Bose held that sections 5 (7A) and 64 (5B) of the Income-tax Act to be discriminatory and *ultra vires* the Constitution. He said that, under the Act, there was no need for the department to give reasons with the orders transferring the case from one place to another without any warning. He added: "The power given by the Act is to transfer from one end of India to another; nor is that power unused. We have before us in this Court a case pending in which a transfer has been ordered from Calcutta in West Bengal to Ambala in the Punjab." Explaining the implication of the fundamental rights under the Constitution, his Lordship said:

"After all, for whose benefit was the Constitution enacted? What was the point of making all this bother about fundamental rights? I am clear that the Constitution is not for the exclusive benefit of Governments and States: it is not just for lawyers and politicians and officials and those highly placed. It also exists for the common man, for the poor and the humble, for those who have business at stake, for the 'butcher, the baker, and the candlestick maker.' It lays down for this land 'a rule of law' as understood in the free democracies of the world. It constitutes India into a sovereign democratic republic and guarantees in every page rights and freedom to the individual side by side and consistent with the overriding power of the State to act for the common good of all."

As regards the particular power of transfer of cases given to the income-tax authorities under the Act, his Lordship felt that such a power could be conferred on them only if it was hedged round with reasonable restrictions, the absence or existence of which could, in the last instance, be determined by the Courts. The exercise of the power, his Lordship further observed, must be in conformity with the rules of natural justice; the parties affected must be heard when that is reasonably possible and the reasons for the order must be reduced, however briefly, to writing so that men may know that the powers conferred on those quasi-judicial bodies are being justly and properly exercised.

His Lordship further emphasised that in a "democracy, functioning under the rule of law, it is not enough to do justice or to do the right thing; justice must be seen to be done and satisfaction engendered in the minds of the people at large in place of a vague uneasiness that star chambers are arising in this land." Proceeding, his Lordship stressed the need for constant vigilance which has been rightly regarded as the price of liberty. Mr. Justice Vivian Bose warned: "We have received a rich heritage from a very variegated past. But it is a treasure which can only be kept at the cost of ceaseless and watchful guarding. There is no room for complacency, for, in the absence of constant vigilance, we run the risk of losing it."

N.I.D.C. TO TAKE UP NEW PROJECTS

The Directors of the National Industrial Development Corporation (N.I.D.C.) have, at their meeting held at Delhi on the 23rd inst., made some far-reaching recommendations to the Government. One of them relates to the setting up of a synthetic rubber plant in India—a problem on which, as readers are aware, there is divided opinion in this country. The Directors of the N.I.D.C. seem to feel that production of synthetic rubber is desirable, because it has certain valuable properties not possessed by natural rubber and also because the consumption of rubber has been rising and cannot be met by expanding the production of natural rubber. This latter view is open to the criticism that had the Government taken proper interest in the industry's welfare in good time, today the position of rubber supplies would have been different; and even now it is strongly felt that there is land which could be used for growing natural rubber, thereby providing gainful occupation to thousands of workers in the south-west coast of India. Besides, it is a moot point whether grant of priority of investment in synthetic rubber industry, as visualised by the N.I.D.C., is advisable. There is, again, the question of securing raw materials such as petroleum and coal, technical know-how, and the huge capital needed for the project. As the decision of the Corporation is subject to the approval of the Central Government, it is to be hoped that the latter will give its final verdict after a careful examination of all the issues involved.

The N.I.D.C. has also recommended to the Government of India for taking up for investigation three more projects connected with the manufacture of (*a*) industrial machinery and plant, (*b*) aluminium and (*c*) elemental phosphorus. The Corporation will examine the technical and economic aspects of machinery manufacture, and the manner in which it can be linked with the existing capacity in the private and public sectors as well as the new capacity which the N.I.D.C. itself will set up. There are already certain units manufacturing, or have obtained licences for manufacturing, machinery required by cotton textiles, jute, sugar and tea industries. There are, however, still certain industries which depend on imports for plant and machinery required by them. It is now considered that the N.I.D.C. should be able to supply the major components for the fabrication of machinery required by these industries. The N.I.D.C. proposes to engage a firm to prepare a detailed project report specifying the plant and machinery required for setting up foundries and forges. It has been decided that a structural-*cum*-machine shop should be set up at Bhilai and a structural shop at Durgapur.

As regards aluminium, the demand is expected to go up to between 30,000 and 40,000 tons per annum by 1960-61. The present capacity is only 7,000 tons. With the implementation of all the schemes approved for increasing the capacity, the total production will be about 20,000 tons. The N.I.D.C. considers that there is room for starting one or two additional plants. Similarly, it is felt that there is good scope for a factory with a capacity of 25 tons a day for manufacturing phosphorus. This chemical is needed to meet the requirements of the match, dyestuffs and drugs and phosphates fertilisers industries.

The N.I.D.C. considered the question of financial assistance to cotton textiles industry for rehabilitation and modernisation. A committee appointed at the Board's last meeting to recommend a procedure for grant of loans to cotton mills had suggested the appointment of a survey team to examine loan applications. Accepting this suggestion, the Board decided that a survey team of the Textile Commissioner's Office should scrutinise the applications and submit its recommendations to a sub-committee under the chairmanship of Mr. V. Nanjappa, the Textile Commissioner. The recommendations of this Sub-committee will be accepted by the Board. The other members of the Sub-committee are Mr. Krishnaraj M. D. Thackersey, Mr. A. N. Mafatlal, Mr. Madanmohan Mangaldas and Joint Secretary, Ministry of Finance (I. & C. Division). Mr. N. Majumdar, Industrial Adviser (Textile Production), will be the Member-Secretary.

LABOUR PROBLEMS

The views of employers on the issue of participation of labour in management are varied. Addressing the annual general meeting of the Employers' Federation of South India held in Madras last week, Mr. E. F. G. Hunter doubted whether the time was ripe for such participation. He even feared that such a partnership might result in constant friction between employers and workers, "instead of promoting harmony and improving industrial relations as visualised in the second Plan." This view is in sharp contrast with those of the framers of the Plan who have categorically held that, "for the successful implementation of the Plan, increased association of labour with management is essential."

Mr. M. R. Masani, Director of Industrial Relations, Tata Industries, has expressed the view that care and caution are needed "in adopting in India the foreign practice of workers' participation in management." Speaking recently in Ahmedabad, he stated that the experience of West Germany in this regard was that the board or council composed of management and workers' representatives "tended to be in a state of continual deadlock." He, however, felt that the presence of a third force comprising technicians and managers might prove desirable. He further suggested that there should be tripartite councils, with equal representation for shareholders, workers, technicians and managers. In fine, he was of the view that the experiment of workers' participation in management was "sincerely intended" but had "not reached its full scope."

There is thus certainly need for proceeding warily in the workers' participation in management. But the trend itself cannot possibly be reversed, now that the Planning Commission has recommended it and the Government has accepted it. Perhaps, there is no choice before the employers. It is only a question of time before the Government implements its decision and employers will do well to do some hard thinking, instead of taking a negative attitude.

As at present envisaged, each undertaking will have to constitute a council of management consisting of an equal number of representatives of management and workers. It will be the responsibility of management to supply full information on all subjects to the council of management, which will be entitled to discuss all matters pertaining to establishment which will be other than financial. The council will, however, be supplied with the financial information needed for the settlement of wage and bonus disputes. Matters which fall within the purview of collective bargaining would, however, be excluded from the scope of the council's discussions. Labour welfare problems might be discussed in works committees in the first instance and later brought up, if necessary, before the council of management.

Such a scheme, it is felt by a section of employers, makes the workers conscious more of their rights than of their responsibilities. From this point of view, it would be better to make the employees shareholders of companies for which they work. By this, the employers will achieve the twin objective of instilling in the workers a greater sense of responsibility for rendering efficient service and spreading the ownership of companies over a large number of people, thereby meeting the criticism that the country's productive machinery is owned by a handful of individuals.

To revert to Mr. Hunter's address, he emphasised that the workers must realise their responsibility and suggested the prescription of penalties for those who break the law. Elaborating this statement, he declared—pertinently at that—that, if India were to achieve that degree of success as was desired by the planners, those responsible for calling illegal strikes, initiation of go-slow tactics in factories and docks and for other unfair labour practices should be made to realise that such anti-social activities would not escape unpunished.

Obviously, it is only when the workers are conscious of their duties that the development of trade unions can take place on healthy lines. In this connection, Mr. Hunter welcomed the proposal for the restriction of outsiders in trade unions. He expressed the view that the time had come to eliminate completely outsiders from such unions at least, where the employees were no longer insufficiently educated to look after their own affairs.

Proceeding, Mr. Hunter dealt with the problem of wages. The Planning Commission has envisaged the raising of living wages. "Such a policy can," it has held "only be based on increase in productivity, accompanied by a firm assurance to labour that an equitable share will accrue to it." While commending this policy, Mr. Hunter found it difficult to predict to what extent tribunals and other authorities charged with the task of fixing wages would have that policy in view. He felt it advisable for the Government to issue directions to the tribunals who had frequently to deal with disputes relating to wages and dearness allowance. Such a reform was long overdue.

A MILLOWNER SPEAKS

Mr. R. Venkataswami, Chairman of the Southern India Millowners' Association (S.I.M.A.), rightly emphasised, in the course of his speech at the recent anual meeting of the Association held at Coimbatore, the need for permitting an expansion of loomage in the mill sector of the cotton textile industry. As readers are aware, the domestic consumption of cloth has of late registered a marked expansion which will gather further momentum in the coming years, with the rise in population and the efforts that are being made to improve the standard of living. If the pace of increase in the production of mill cloth were thwarted by considerations of encouraging development of handlooms, a situation is bound to arise, sooner or later, when there will be an acute shortage of cloth, resulting in higher prices. Further, by relying excessively on the capacity of the handloom sector to meet the entire increase in demand for cloth in the coming years—apart from the fact that this sector may not live up to the Government's expectations—the authorities are seeking only an uneconomic measure as an expedient for providing employment to weavers. Whatever may be the final decision of the Government with regard to the future pattern of development in the cotton textile industry, there is, as Mr. Venkataswami rightly pointed out, the urgent need for permitting installation of a definite number of looms at least in units which are uneconomic, so that they may be converted into economic units and produce cloth at competitive rates.

In the considered opinion of Mr. Venkataswami, the solution to the ills of the handloom industry, of at least that section which is engaged in the manufacture of grey and plain goods, lies in the conversion of such handlooms into power-looms. "If this section is to exist, it must," to quote him, "economise in its cost and that can only be done by conversion." It was only then, he declared, that the handlooms would survive and stand on their own feet, without subsidy or external or artificial aid. Mr. Venkataswami, however, urged all possible assistance to the "traditional" handloom which produces articles of rarity and artistic types and caters to the peculiar and traditional requirements of the people. Nevertheless, he pointed out that the equipment used by weavers for such production should be improved.

In the course of his address, Mr. Venkataswami touched on the Ambar Charka. He drew particular attention to the heavy commitment of the Government on account of the Charka in the next five years, estimated at Rs. 80 crores. Surely, the question whether the Government will be well advised to spend so much on what Mr. Venkataswami called a "temporary expediency" is one which requires serious thought.

Mr. Venkataswami had a few words to address to the Government of Madras. He regretted the imposition of a surcharge of 30 per cent. on power, in addition to the war-time surcharge of 20 per cent. already existing. He also criticised the Government for the latter's failure to make any provision for meeting dislocation of hydro-electric power supply in the State during the summer and emphasised the urgency of setting up sufficient thermal plants in suitable industrial areas.

WHAT IS WRONG WITH BRITISH ECONOMY?

The fairly accurate picture of the British economy today presented in the White Paper on the "Economic Implications of Full Employment" should go a long way towards securing the active co-operation of every British citizen in fighting the country's battle against inflation. The outstanding feature of the British economy today is the maintenance of full employment. In the immediate pre-war years, the average rate of unemployment in the U.K. was 10 per cent. It was below 2 per cent. during 1945-55. And it is now about 1 per cent. What is very encouraging is that this has been accompanied by a rapid rise in production. Thus, since 1946, there has been an increase of 30 per cent. in the national output of goods and services and of 56 per cent. in industrial production, a record which is quite impressive. This has been possible because of changes in attitudes to production and application of advanced techniques, which have taken place among both employers and employees. Says the White Paper: "The possibilities of economic progress and the importance of productivity command a greater understanding and a wider degree of acceptance than they did 10 years ago. As new techniques of production are developed, more efficient methods of work are introduced, and the benefits of rising investments are felt, we can look forward to a continuing expansion of our capacity to produce; and this rising productive capacity will provide the means for a further progressive improvement of our standard of living."

Although this capacity to produce more is welcome, it is not by itself enough to sustain a country like the U.K. which depends for its economic progress on imports of food and raw materials. For the capacity should be sufficient to enable the country to produce and sell abroad enough exports not only to pay for essential imports of food and raw materials but also to meet the cost of its overseas capital commitments and to build up reserves. In other words, the country should produce the goods its overseas customers want at prices they are willing to pay and on terms readily acceptable to them. This ability to compete is contingent upon many factors, namely, quality, promptness of delivery, effective salesmanship, good after-sales service and, above all, the price. Does Britain possess this ability? The facts provided by the White Paper disclose that the country is not having it in full measure. For competition in the overseas market is very keen. The U.K. no longer enjoys the pre-eminent position which it held early in this century in the sphere of world trade. Its rivals are formidable both in foreign and Commonwealth markets. The dislocation caused by the last war left the U.S. as the only important source of supply for many goods. Its share in world trade in manufactures rose from 20 per cent. in 1937 to about 25 per cent. today. West Germany, which was far behind the U.K. in as late as 1950, has since staged such a recovery that today its share in world trade is 14 per cent., as against 7 per cent. in 1950, or an increase of 100 per cent. There has also been a rise in the total world trade of over 40 per cent. But the U.K.'s share has shrunk from 25 per cent. in 1950 to about 20 per cent. today in the same. The effect of this decline has been that exports are not adequate to meet the growing imports bill and to finance other external commitments.

What is the main cause for the failure of Britain to hold its own in the export markets? In reply to this question, the White Paper points to the increase in prices of British goods. Between 1946 and 1955, the prices of the final output of goods and services of all kinds increased by about 50 per cent. Much of the post-war rise in prices in the U.K. has been due to abnormal world conditions associated with the war and subsequently with events in Korea. Apart from these abnormal factors, the rise is due to the "continuing tendency," to quote the Paper, "for prices to rise as incomes increase faster than output." Proceeding further, it remarks: "This is what gives ground for concern." If this tendency persists and incomes go on rising faster than output over the economy as a whole, full employment will continue to be associated with rising prices and with consequent economic and social strains."

The chief factor which has been responsible for the rising tendency in prices is the rise in wages and salaries, and dividends. This is fully reflected in the indices for these two items since 1938. The index for wages and salaries rose from 100 in 1938 to 217 in 1948 and then to 255 in 1955. During the same period the figure for dividends advanced from 100 to 180. Says the Paper: "Apart from the relatively minor effects of changes in subsidies and indirect taxation, these prices are determined partly by the prices of our imports and partly by our costs of production. These costs are themselves determined by the incomes of those who produce the goods and services at each stage of the productive process—in other words, by wages and salaries and profits." These increases in incomes have resulted in an excessive domestic demand followed by two grave consequences, namely, (*a*) absorption of too much of the output that the country needs to sell abroad for paying its import bills and (*b*) pushing up prices, thereby weakening the competitive ability of the country in world markets. In order to avert the economy from this danger, the White Paper lays stress on self-restraint on the part of trade unions in making wage claims and fixing profit margins and prices so that total money income does not rise faster than total output. It appeals to industry to pass on the gains from higher productivity to lower prices and to expand its profits not by the maintenance of high profit margins but by the expansion of turnover.

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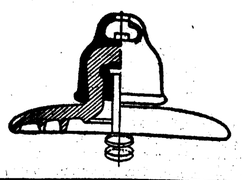

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INVESTMENT PROBLEMS OF WESTERN EUROPE

IMPORTANCE OF CAPITAL MARKET AS A SOURCE OF FINANCE

THE Secretariat of the United Nations Economic Commission for Europe (E.C.E.) fears that in a number of western European countries restrictions on investment to meet immediate difficulties may be compromising the achievement of levels and patterns of investment required for a satisfactory long-term rate of economic expansion. These and other fundamental problems of investment are discussed in considerable detail in the Secretariat's *Economic Survey of Europe in* 1955.* The analysis of problems involved in maintaining a high level of investment in western Europe concerns, particularly the operations of predominantly private enterprise economies. The *Survey* shows that, in most western European countries, the ratio of gross fixed investment to gross national product has been higher since the war than it was before. For Denmark and the Netherlands, the increase of the ratio since before the war has been particularly large. The only country for which it has fallen is the United Kingdom, where, during the entire post-war period, a smaller share of national product has been devoted to investment than in 1938. The *Survey* also draws attention to the relatively small share of investment in industry in total investment, and in the growth of total investment in recent years, in most western European countries.

After reviewing investment developments, the *Survey* makes its only direct contrast between investments in western Europe and those in the Soviet Union and eastern Europe, which are discussed separately. This suggests that not only is the rate of capital accumulation far higher, in relation to national product, in the Soviet Union and in the countries of eastern Europe, but also that the composition of net investment in those countries is designed to secure over the long run relatively high rates of economic growth at the price of less quick returns in the form of national product.

Policy Issues

After discussing various physical limitations to investment in western Europe, and the competing claims of consumption, the *Survey* tackles the policy issues. It states that virtually all Governments of western Europe are committed, in principle, to the need for a high rate of investment. Nevertheless, a number of Governments has during the last year or so adopted measures which tend to restrict investment. The main considerations influencing Government policies in this direction appear to be (*a*) fear of rising wages and prices—disliked partly for their own sake and partly for their effects on balances of payments—(*b*) fear of the direct effects of an excess of demand on balances of payments.

The conflict between long-term and immediate objectives is enhanced by the cumulative character of economic development, and it is very difficult to hit the right point of balance between too much pressure of demand and too little, and still more difficult to stay there. According to the E.C.E. Secretariat, while policies may at times err in the expansionist direction, the greater risk seems to be that they will be more restrictionist in their effects on investment than they need be or less positively expansionist than they could be, with resulting losses in current production and the expansion of productive capacity.

Co-operation Required

According to the E.C.E. Secretariat analysis, Governments would need to foster two different kinds of co-operation to ensure satisfactory rates of investment and growth in western Europe. One is the co-operation with labour, and also with employers, so as to render a high level of activity consistent with reasonable stability of prices and with an acceptable distribution of income, and to ensure that the behaviour of money wages and consumption is not such as to imply inadequate consideration of the case for capital accumulation from the point of view of wage-earners.

The other kind of co-operation advocated by the Secretariat *Survey* is between countries. The balance of payments stands out as a dominant consideration—frequently the dominant consideration—in the minds of those responsible for moulding a country's economic policy. If it is not actually an adverse balance, it is often the fear of a balance which might become adverse, coupled with limited monetary reserves, which dictates caution. So far as this is the case, it follows that, if a considerable number of countries worked out their internal policies in co-operation with one another, each taking into account the effect on its own balance of payments of the policies of the others, the outcome would be more expansionist than that dictated by the play of competition for monetary reserves taking place between countries, each acting on the false assumption that its own policy will have no influence on those of the others.

Co-operation of this kind is particularly advantageous between countries each of which, one way and another, has to limit its imports to what its exports will pay for. This criterion covers most of the countries which produce primary products, the trade of which has enjoyed little share in the recent growth in the trade of western Europe. The *Survey* insists that for the future growth of this trade and that between European countries, as well as for the achievement and maintenance of adequate levels of investment and general economic activity, it is particularly important that countries whose balance-of-payments positions are strong in relation to those of others should not needlessly resort to measures of domestic contraction under the influence of restrictions which countries in a more exposed position may find necessary.

Role of Savings

Besides discussing the problems which arise, especially in connection with wage movements, in reconciling high levels of general activity and of investment with reasonable price stability and a satisfactory balance of payments, the Secretariat also discusses the role which additional saving can play in bringing about this reconciliation. It insists that the encouragement of private saving—and of personal saving in particular—offers important possibilities. But, the *Survey* adds, whatever may be done by Governments to encourage private saving, the most important practical issue of public policy in this field will usually be the part which should be played by the Governments in promoting public saving in the form of excess revenue over expenditure. Cases are studied in which additional taxation might or might not be necessary as a concomitant of measures designed to stimulate investment. The Secretariat suggests that, where there is no problem of a general excess of demand, it is important that measures to restrain consumption and increase saving should be accompanied by positive inducements to expand investment in order to avoid unnecessary waste of productive resources.

In view of the importance of public saving in most countries of western Europe, recent changes in Central Government budgets and in budgetary policies are reviewed. The analysis necessarily includes consideration of the share of defence expenditure. This shows that over the period 1950 to 1955 no less than 30 or 40 per cent. of the increase in total Government expenditure was in most countries accounted for by defence (the share is as high as 80 per cent. in the United Kingdom).

Main Instruments of Policy

The Secretariat stresses that, at times when measures to relieve the pressure of demand are necessary, fiscal restrictions are not to be regarded simply as alternatives to credit restrictions. At the expense of restraint on consumption, they provide a means of foregoing restrictions on investment which would otherwise be necessary. The study points out that some Governments have recently recognised the desirability of a somewhat greater emphasis on fiscal measures to implement policies designed to relieve demand pressures.

The task of devising effective taxes on consumption which do not produce undesirable repercussions on wages and prices is seldom easy. A merit of indirect taxation for this purpose is, however, that its structure can be modified so as to weigh more heavily on commodities which are imported or might be exported, and less heavily on other commodities—and also more heavily on commodities of which supply is relatively inelastic and less heavily on others, thus securing a more balanced utilisation of productive capacity.

Continuing, the Secretariat points out that, in general, and other things being equal, a reduction of direct taxes is stimulating to enterprise and in particular to the taking of risks. Further, taxation of profits, if additional to taxation of personal income, is a direct tax on enterprise and may also indirectly limit investment by reducing the amount of firms' undistributed profits available for self-finance.

Monetary and Credit Policies

In discussing the uses of monetary and credit policy, the *Survey* says it is now fairly widely recognised that the main long-term influence of credit policy is on fixed investment. Effects on consumption are, of course, also important, particularly with the growth of hire purchase, as also are the effects on stocking and short-term capital movements.

The Secretariat suggests that there are some indications that credit policy is more popular as a means of exercising restraint than as an expansionist instrument. If the pressure on resources is too heavy, there may be a case for monetary restraint, perhaps supplemented by other measures. If it is not, and there is a case for increasing the pressure, monetary expansion will do good and not harm the Secretariat insists. It adds that a decision always to aim at a conventionally balanced budget is a positive decision to refrain from using one possible means of guiding the development of the economy, no matter what spontaneous trends may be apparent.

The E.C.E. Secretariat stresses that few things are more inhibiting to creative and imaginative endeavour than the knowledge that, even if promising plans were evolved, the necessary finance would not be available on reasonable terms. But its interest in removing financial obstacles to industrial investment arises not only from their influence on the business climate and spirit of enterprise, for the existence of financial defects also throws a heavier weight on monetary and credit policy than it should properly bear. This explains the conclusion, which would otherwise be paradoxical, that industrial investment, while relatively unresponsive to cheap money, suffers too much of the incidence of restrictive measures when restriction appears necessary.

The Future of Self-finance

An important question examined in the *Survey* is whether the relative prominence of self-finance at the present time is to be regarded as a passing phase. This turns partly on the development of the global relationship between undistributed profits and industrial investment, partly on the development of the degree of dispersion between firms of this relationship, and partly on the desire of firms to go on building up liquid assets. Each of these points is discussed.

As against the significance of self-finance in facilitating investment in the absence of an efficiently functioning capital market, adverse features of this method are considered. One of these is that, quite apart from the drag on the total level of investment, reliance on self-finance tends to concentrate investment on existing enterprises. As the *Survey* observes, industries with high profits are not necessarily those in which expansion is most needed from the general economic point of view. This is especially so where there have been restrictions on prices for certain products.

Capital Market

The *Survey* next considers the capital market as a source of finance for industrial investment. The main conclusion that emerges from the discussion is that, despite all its vagaries and inconsistencies, the stock exchange has an important part to play in the economic life of a capitalist country and that, as a matter of technique, of machinery and of education, improvements in its functioning should be pressed forward. In particular, it is declared desirable to extend the range of shares which receive a quotation. This is bound up with the desirability of encouraging a greater readiness to hold shares—subject to the risks involved considered on a reasonably objective basis—as opposed to less risky and risk-free fixed-interest securities and to various forms of property and speculative stocks of commodities. Any success in this

(*Continued on page* 634)

**Economic Survey of Europe in* 1955, prepared by the Research and Planning Division of the United Nations Economic Commission for Europe, Geneva, 1956. Price: $2.50; 18s.; Sw.fr. 10.50.

CENTRAL BANK OF INDIA LIMITED

CHAIRMAN, MR. HOMI MODY'S SPEECH AT ANNUAL MEETING

WISDOM OF ALLOTTING DOMINANT ROLE TO PUBLIC SECTOR QUESTIONED

THE wisdom of earmarking the major part of economic development for the public sector under the second Five-year Plan was questioned by Mr. Homi Mody, Chairman, Central Bank of India Ltd., when he addressed the Forty-fifth Ordinary General Meeting of the Bank, held in Bombay on Thursday, 29th March 1956. Mr. Mody thought that, in the interest of the Plan itself, a much larger scope should have been given to the private sector. With a much larger number of complicated schemes involving enormous amounts of capital investment, the administrative problems in the public sector, he declared, were bound to present considerable difficulties. He also warned that, owing to over-emphasis on household goods industries, acute shortages of essential articles of consumption might come about, involving a risk of serious inflation which it would be difficult to control.

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

"LADIES AND GENTLEMEN,

"In presenting the Directors' report and statement of accounts for 1955, I would like to say a few words on some of the important developments in the country during the year. The volume of trade, both internal and external, and industrial and agricultural production continued to rise and, if it had not been for some of the measures undertaken by Government to expand their sphere of operations and tighten their control over the private sector, economic activity might have shown a still greater buoyancy.

"The growth of banking business during the year was very pronounced in consequence of the impetus to production provided by increased public expenditure on development, the demand for bank credit showed a sharp rise and advances made and bills discounted by banks went up from Rs. 554 crores to Rs. 642 crores at the end of 1955. In relation to deposits, the proportion of advances and bills, which was already high, increased to 62 per cent. at the close of the year. Simultaneously, the ratio of cash in hand and balances with the Reserve Bank declined from 11 per cent. to 9.5 per cent. All this activity is reflected in the amount of currency in circulation, which went up by about Rs. 160 crores.

Second Five-year Plan

"The expansion of economic activity which should result from the sharp increase in the tempo of investment under the second Five-year Plan must create an enormous demand for bank credit and, if a profitable margin can be maintained between the rates of deposits and of advances and if establishment charges do not get out of hand, the future growth of banking would seem well assured.

"The tremendous role which the second Five-year Plan must play in the economy of the country cannot be exaggerated. The Planning Commission has published its proposals in the form of a Draft Outline. According to it, the total investment during the period would be of the order of Rs. 6,100 crores, which is Rs. 500 crores higher than what was envisaged in the Plan Frame. The view that the size of the Plan should be curtailed in order to make it more realistic has not found favour with the Planning Commission. The pattern of investment has, however, undergone a slight change and larger amounts have been allocated to transport. Since the size of the Plan has been enlarged, the question of securing the resources needed for its fulfilment has naturally become more difficult. Even after estimating on a liberal scale, the resources that could be obtained through taxation, borrowing, deficit financing and external assistance, the planners have left a gap of Rs. 400 crores, which, presumably, will also have to be met from internal resources.

"Though the investment in the second Five-year Plan is to be much larger (Rs. 6,100 crores) than that in the first Plan (Rs. 3,500 crores), the share of the private sector has been greatly reduced. As against a more or less even division under the first Plan, 62 per cent. of the investment in the second Plan is to be in the public sector and 38 per cent. in the private sector. The shift in emphasis on the development in the public sector becomes more significant when it is realised that the increase in investment from Rs. 1,700 crores in the first Plan to Rs. 3,800 crores in the second represents an increase of the order of 124 per cent. in the public sector, as compared with an increase of only about 28 per cent. in the private sector. In the interest of the Plan itself, a much larger scope should have been given to the private sector. The wide and varied experience which it possesses and the managerial personnel it commands should have been utilised to the fullest possible extent. With a much larger number of complicated schemes involving enormous amounts of capital investment, the administrative problems in the public sector are bound to present considerable difficulties and, if they had been shared with the private sector to a greater extent, the successful implementation of the Plan would certainly have been more assured.

Risk of Serious Inflation

"As things are, the Plan must involve enormous burden being placed upon the community; even so, through the over-emphasis it places on household goods industries, acute shortages of essential articles of consumption might come about, involving a risk of serious inflation which it would be difficult to control.

"The Budget proposals for the year have to be viewed in the light of the needs of the Plan for additional resources by way of taxation. Between the Centre and the States, the figure laid down is Rs. 450 crores and, as if that was not sufficiently drastic, the Finance Minister has hinted at the possibility of raising another Rs. 200 crores to finance the heavy defence programme which the situation on our borders is deemed to have rendered necessary. In the face of all this, detailed criticism of particular aspects of the Budget proposals, however valid and relevant, is not likely to receive much attention, but it is necessary to state all the same that the process of disincentives has been carried several steps further, and the future can only be viewed with serious misgivings. There is, however, a ray of hope, and that is to be found in the assurance that has been given that our planners contemplate periodic reviews of the situation, with a view to making such adjustments as are found necessary and, if that happens, we should see a more realistic approach to the problems of our underdeveloped economy.

Working Results

"I shall now pass on to matters of more direct interest to the shareholders and refer to some of the important features of the statement of accounts which has been presented to you. The working results of the year showed substantially higher earnings, but the net profit has been about the same as that of the previous year. This is accounted for almost entirely by an increase of as much as Rs. 23 lakhs in our establishment charges which now stand at the huge figure of Rs. 2.60 crores. The effect of this will become clearer, if I point out that the ratio of establishment charges to total expenses has gone up to over 82 per cent. Your Board is giving very close attention to this situation and is doing everything possible to retrieve it by effecting greater efficiency in working and by closing down unremunerative branches, wherever that can be done without detriment to the Bank's business.

"The improvement in earnings, to which I have just referred, was brought about largely through a more active pursuit of business possibilities. Our figure of advances recorded an increase of over Rs. 12 crores and stood at Rs. 72.20 crores at the end of the year. The average during the year, it must be pointed out, was not as high—the bulk of the increase occurring during the last quarter of the year—but showed a definite improvement over the figures of the previous year. To enable us to cater to the growing needs of business, we had to resort to borrowings against our securities and under the Bill Market scheme. In that connection, it is somewhat unfortunate that the Reserve Bank should have found it necessary to raise the rate of interest on advances under the scheme from 3 per cent. to 3½ per cent. and, further, to discontinue the practice of sharing the cost of stamps.

"On the income side, there has been an increase under the item of 'interest and discount.' There has also been a substantial improvement under the item of 'commission, exchange and brokerage'; apart from an expansion of our exchange business, this result has been due to no small extent to the devaluation of the Pakistan currency.

Deposits

"Deposits of Scheduled banks showed a marked increase during the year, on account of the monetary conditions that prevailed. We have shared in the increase to the tune of Rs. 4.69 crores. Our deposit figure of Rs. 128.66 crores might easily have been larger, had we participated in the growing scramble for deposits at steadily rising rates of interest. With the Bank rate being somewhat out of alignment with the prevailing interest rates in the country, the margin between the rate at which working funds are obtained and that at which they are lent out tends to be not sufficiently remunerative, and I hope you will agree that the policy we have been pursuing is right in the circumstances of the case. It has been responsible for the comparatively small rise of Rs. 4.24 lakhs in the item of interest paid on deposits, borrowings, etc.

"Our investment portfolio shows a reduction of Rs. 62 lakhs and stands at Rs. 56.71 crores. During the year, the Bank had to take up sizable blocks of the Central and the State Governments loans and, in addition, a large allocation of 3½ per cent. National Plan Bonds, 1965, was received in lieu of shares of the Imperial Bank of India held in the portfolio. While the total figure shows only a small reduction, profits have been secured wherever possible and there has also been a shift towards better yielding securities. It may be mentioned here that, while the reduction in the portfolio may appear small, the ratio of investments to deposits has come down from 50 per cent. in 1953 to 44 per cent. in the year under review. A special Committee of the Board has been looking after our investments, and you may be sure every effort will be made to effect reductions in the portfolio.

"At the end of the year, the difference between the book value and the market value of our investments was substantially narrowed. It now stands at Rs. 1.62 crores. When we recall that, at the end of 1953, the gap was of the order of Rs. 3 crores and 13 lakhs, we can appreciate the improvement in the position that has taken place.

Management-Staff Relations

"During the year, the report of Mr. Justice Gajendragadkar's Commission was published. All the recommendations made by it were accepted by Government and embodied in a Bill which was passed on the 22nd of October. This enactment is to continue in force for a period of five years. The Act provides a suitable machinery for dealing with matters arising from the interpretation of the recommendations made by the Commission. It is very unfortunate that this liberal measure of amelioration of working conditions should not have been adequately appreciated by those in whose interest it was conceived. The adjustments made in accordance with the terms of the Award occasioned disturbances and dislocation of work in a number of banks, and it would appear as if a section of the employees had made it its business to perpetuate the unhappy relations subsisting for so many years and which the Commission's recommendations had done their utmost to remove. I am glad that the majority of the members of our staff have given no countenance to such activities which are calculated to react very adversely on the fortunes of themselves as well as of the bank they serve. I am sure no one who has any understanding of the conditions under which banking business has to be carried on will fail to appreciate the great advance that has been made in the working conditions of employees and realise the close identity of interest between managements and staffs. I reiterate the hope I expressed last year that a new era of closer and happier relations will be ushered in and that all of us who are engaged in the service of banks, from the highest to the lowest, will do all in their power to promote the growth of the

(*Continued on page* 637)

EXPANSION IN BUSINESS OF CHARTERED BANK MAINTAINED

PROFIT HIGHER—DIVIDEND UNCHANGED

THE statement of accounts of the Chartered Bank of India, Australia and China (Chief General Manager: Mr. H. F. Morford, London), for the year ended 31st December 1955, indicates that the Bank has been able to repeat, during the year under review, the success achieved by it in the previous year in contributing to the economic development of the countries where the Bank operates and in fostering international trade. The resulting expansion in its turnover is reflected in the rise of over £20 million in the balance-sheet total, though this is partly due to the rise in prices of some commodities. The net profit (after providing for taxation and after making allocations to contingency accounts, out of which accounts full provision has been made for diminution in value of assets) shows a rise of £36,193 to £759,340.

The aforesaid rise in profit follows that of £29,349 noted in the previous year, thus maintaining the upward trend in earnings that started since 1942, except for a break in 1953. The profit for the year under review is the highest since 1926 when it stood at £778,576. The higher profit for the year under review has been achieved, despite the increased working costs in all countries where the Bank operates. Fortunately, the effect of the increased costs has been overcome by the expansion of business, which in turn is due to the increase in world trade. The Chairman has, however, taken care to strike a note of caution regarding the rising trend in world trade. Thus, he says: "The scale on which world trade has increased during the last two years is due partly to the intense effort being made by each country to become self-supporting and partly to inflation. On either count it is vulnerable and liable to setbacks, and I would ask stockholders not to lose sight of that fact."

Together with the undistributed surplus of £392,910 brought in from the previous year, the profit available for distribution amounts to £1,152,250, as against £1,126,660 a year ago. The Directors propose to repeat the allocations made last year that is, £200,000 to write off Bank premises, £125,000 to the officers' pension fund, £20,000 to the widows' and orphans' fund and £100,000 to the contingencies account. Making a pointed reference to the allocation of £200,000 to the Bank premises account, the Chairman says: "Considerable expenditure continues to be incurred in meeting the cost of expansion and modernisation of our offices in the East. Without suitable premises and accommodation to our staff, it is clear that our business cannot operate and we must expect to have to continue to set aside substantial amounts each year in the writing down of this item." The distribution to shareholders has also been maintained at 15 per cent. per annum (less income-tax) to which level it had been raised last year from 14 per cent. paid for 1953. This, however, absorbs a larger sum of £301,875, as against £288,750 taken up last year. This is due to the reduction in the rate of income-tax from 9s. in the £ to 8s. 6d. in the £. Nevertheless, the surplus left to be carried forward is higher at £405,375 as against £392,910.

The following synopses of the Bank's balance-sheets as at the close of the past four years will provide an idea of the Bank's progress in recent years:

(In thousands of £'s sterling)

—	As on 31st December			
	1955	1954	1953	1952
Liabilities (Main)				
Capital	3,500	3,500	3,500	3,500
Reserve fund	5,000	5,000	5,000	5,000
Undistributed surplus	405	393	403	399
Current and other accounts ..	172,434	159,651	147,925	160,609
Fixed deposits	30,658	20,483	17,112	19,480
Notes in circulation	2,906	2,902	2,765	2,564
Bills payable	1,705	1,220	926	1,372
Acceptances	7,109	10,391	9,185	15,935
Assets (Main)				
Cash	40,207	33,616	31,495	31,788
Investments—				
Government and other securities	58,411	62,309	58,787	66,300
Securities	2,684	2,889	2,679	2,670
Advances	91,871	74,737	67,249	69,248
Bills of Exchange	17,036	14,646	11,235	13,110
Bank premises, etc.	2,180	2,166	1,961	1,945
Remittances in transit	3,140	2,148	3,587	4,833
Balance-sheet total	223,969	203,686	186,963	208,515

The rise in the balance-sheet total has been maintained for the second year in succession and is due, as the Chairman explains, "partly to an increased volume of international trade in those Eastern countries where the Bank is represented and partly to the higher prices of some of the staple Eastern commodities, notably rubber and tin." On the liabilities side of the balance-sheet, there has been an increase of £12.78 million in current and other accounts, of £10.18 million in fixed deposits and of £0.48 million in bills payable due to inflationary conditions. Acceptances on account of customers show a decline of £3.26 million and this fall is "accounted for by the higher discount rate in London compared to other centres and partly due to the larger holding of sterling by Japanese banks."

On the assets side, advances have recorded a notable rise of £17.13 million and bills of exchange £2.44 million, indicating once again the extent to which the Bank is assisting its customers and taking its share in financing world trade with Eastern countries. Investments are lower by £4.11 million, of which Government and other securities, excluding those lodged against note issue, account for £3.90 million. As usual, these have been taken into account at market value and full provision for depreciation on these has been made out of the internal reserves. The Bank's holdings are all dated ones, a good part of which mature within ten years. Cash in hand, at call and at banks, shows a substantial rise of £6.59 million and, at £40.21 million, its coverage of demand and time liabilities, excluding notes in circulation against which securities have been lodged, is 21.86 per cent., as compared with 18.54 per cent. last year.

CANARA INDUSTRIAL AND BANKING SYNDICATE

All-round progress in the working of the Canara Industrial and Banking Syndicate Ltd. (General Manager: Mr. T. A. Pai, Udipi) is indicated by the audited accounts of the Bank for the year ended 31st December 1955. Not only has there been an expansion in the Bank's resources but these have been well utilised to improve the earnings of the Bank without in any way affecting the liquidity ratio. The profit for the year under review amounts to Rs. 5.96 lakhs, as compared with Rs. 5.21 lakhs, thus maintaining the upward trend noted since 1952 when the profit aggregated Rs. 3.52 lakhs. The Directors have raised the allocation to the statutory reserve fund from Rs. 1.40 lakhs to Rs. 1.50 lakhs, after increasing the provision for taxation from Rs. 1.75 lakhs to Rs. 2 lakhs. The dividend on ordinary shares has also been stepped up from 9 per cent. to 10 per cent. (tax-free). Besides, a cash bonus of 2½ per cent. (tax-free) has also been declared for the year under review, thus restoring the total distribution to 12½ per cent. paid in 1949, from which it had been reduced to 9 per cent. (dividend only) in 1950 and maintained at the latter level till last year.

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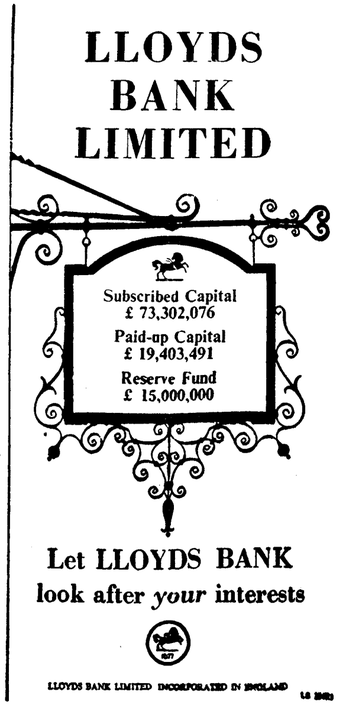

ANDHRA BANK'S PROFIT SHRINKS

DEPOSITS RISE TO RECORD LEVEL

A NOTABLE expansion in deposits, accompanied by a very modest rise in advances, and a setback in profit are the notable features of the audited accounts of the Andhra Bank Ltd. (General Manager: Mr. E. Ramachendramurti, Masulipatnam) for the year ended 31st December 1955. The deposits are up by Rs. 1.79 crores to establish a fresh record level of Rs. 8.32 crores. Though the advances are also higher, the rise in this main revenue-earning asset has been disproportionately smaller—being of the order of only Rs. 56 lakhs—than that in deposits. In fact, this has been the cause for the drop in profit from the record level of Rs. 5.37 lakhs to Rs. 4.28 lakhs.

With the aforesaid recession, the upward trend in the Bank's profit witnessed in the previous two years has been reversed, though the profit for the year under review is still higher than that either for 1953 or for 1952. Consequent upon the decline in profit, the provision for taxation has been reduced from Rs. 2.30 lakhs to Rs. 1.40 lakhs and so also the transfer to the statutory reserve fund from Rs. 1.10 lakhs to Rs. 86,000. The dividend also has been cut to 6½ per cent. per annum, free of income-tax, from 7½ per cent., to which level it had been raised last year from 6½ per cent. for 1953. It must, however, be added that, though the rate of dividend has been reduced, the amount required to meet it is larger on account of the increase in capital during the year.

The salient features of the Bank's accounts for the past four years are compared in the following table:

(In lakhs of rupees)

—	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount	32.73	31.98	25.45	23.61
Commission and exchange ..	6.78	6.10	5.70	5.02
Interest paid	18.68	16.09	12.41	11.11
Expenses	17.25	16.33	15.00	14.06
Depreciation and repairs ..	0.39	0.27	0.25	0.20
Loss on sale of investments ..	..	0.02	..	0.13
Profit	4.28	5.37	4.12	3.68
Provision for taxation	1.40	2.30	1.65	1.40
To reserves	0.86	1.10	0.85	0.75
Dividend	2.06	1.87	1.62	1.50
	(9%)	(7½%)	(6½%)	(6%)
Carry forward	0.12	0.16	0.07	0.07

—	As on 31st December			
	1955	1954	1953	1952
Capital	33.47	25.00	25.00	25.00
Reserves	14.37	13.51	12.41	11.28
Deposits	8,31.95	6,52.94	5,30.86	4,67.45
Advances (including bills purchased and discounted and money at call) ..	4,55.30	3,99.25	3,11.97	2,85.69
Investments	2,83.80	1,88.69	1,90.79	1,54.93
Cash	1,51.24	1,14.13	87.84	75.89
Balance-sheet total	10,03.72	8,17.55	6,82.73	6,03.12
Ratio to deposits of—	%	%	%	%
Advances	54.7	61.1	57.8	61.1
Investments	34.1	28.9	35.3	33.1
Cash	18.2	17.5	16.3	16.2

The gross income of the Bank amounts to Rs. 40.60 lakhs, an increase of Rs. 1.92 lakhs over the year, of which the income from interest and discount accounts for a rise of only Rs. 0.75 lakh, as compared with Rs. 6.53 lakhs in 1954. This is due to the meagre increase in advances. The rise in income has been more than offset by the increase of Rs. 2.59 lakhs in interest paid on deposits, borrowings, etc.

The Bank's capital was raised during the year by issuing a fresh call of Rs. 20 per share on the partly paid-up shares, making them Rs. 70 paid-up per share. However, calls amounting to over Rs. 1.12 lakhs remained unpaid at the end of the year. As already pointed out, there has been a sharp rise of Rs. 1.79 crores in deposits to Rs. 8.32 crores, of which fixed deposits (including cash certificates and season deposits) account for an increase from Rs. 3.28 crores to Rs. 3.88 crores, savings bank deposits from Rs. 1.82 crores to Rs. 2.43 crores and current accounts, contingency accounts, etc., from Rs. 1.43 crores to Rs. 2.01 crores. Of the advances, loans, cash credits and overdrafts represent Rs. 3.83 crores, as against Rs. 2.73 crores, bills discounted and purchased Rs. 59.61 lakhs (Rs. 42.88 lakhs) and money at call and short notice Rs. 13 lakhs (Rs. 83 lakhs). The Directors observe in their report that the demand for bank finance was slack during the first half of 1955 due to the abnormal fall in the prices of paddy and rice. This, coupled with the rapid growth in the Bank's deposits, resulted in decreased earnings as compared with the previous year.

TRAVANCORE BANK'S PROFIT A RECORD

DIVIDEND LEVEL RAISED AGAIN

THE decision of the Directors of the Travancore Bank Ltd. (General Manager: Mr. D. R. Vedamuthu, Trivandrum) to step up the dividend for the year ended 31st December 1955 by one per cent. to 4 per cent. is quite in consonance with the improvement in the Bank's earnings for the year. This rise in distribution to the shareholders follows the fractional increase made last year to 3 per cent. from the modest maiden dividend of 2½ per cent. for 1953. Thus, this is the second year in succession when the Bank's shareholders receive a higher distribution since the payment of a maiden dividend.

The Bank's profit for the year under review has recorded a welcome increase to Rs. 10.20 lakhs from Rs. 7.36 lakhs earned in the previous year, to which level it had dwindled from Rs. 8.05 lakhs for 1953. With this rise, not only the upward trend in the Bank's profit, which had suffered a slight reversal in 1954, has been resumed but a fresh record in profit has been established, exceeding the previous best of Rs. 8.05 lakhs by Rs. 2.15 lakhs. The provision for taxation has been stepped up sharply from Rs. 1.25 lakhs to Rs. 4 lakhs. The allocation to the general reserve has been raised from Rs. 1.75 lakhs to Rs. 2.05 lakhs, but the contingency reserve, which had received Rs. 25,000 last year, has not been strengthened further. The transfer to the reserve for depreciation on investments has been reduced from Rs. 50,000 to Rs. 25,000, whereas the bonus to staff has been kept unchanged at Rs. 35,000. The provision for gratuity fund has, however, been cut from Rs. 25,000 to Rs. 5,000.

The following comparative table shows the progress of the Bank during the last three years:

(In lakhs of rupees)

—	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount earned ..	23.81	21.16	19.11	18.41
Commission and exchange ..	4.64	3.92	3.78	3.55
Interest paid	8.82	8.76	6.20	6.79
Expenses	9.22	8.63	8.29	7.97
Depreciation	0.35	0.35	0.36	0.33
Profit	10.20	7.36	8.05	6.88
Provision for taxation	4.00	1.25	2.00	1.00
To reserves	2.05	2.00	2.25	2.00
„ depreciation on investments ..	0.25	0.50	0.50	5.00
„ bonus to staff and gratuity fund	0.40	0.60	0.25	..
Dividend	4.00	3.00	2.50	..
	(4%)	(3%)	(2.5%)	
Carry forward	0.44	0.94	0.93	0.88

—	As on 31st December			
	1955	1954	1953	1952
Capital	1,00.00	1,00.00	1,00.00	1,00.00
Reserves	23.80	21.75	19.75	17.50
Deposits	4,76.70	4,39.06	3,77.35	3,80.62
Advances and money at call ..	3,03.07	2,63.57	2,20.03	2,12.11
Investments†	2,55.60	2,55.50	2,33.56	2,36.80
Cash	58.94	56.90	54.55	62.42
Balance-sheet total	7,40.81	7,32.20	5,69.16	5,77.62
Ratio to deposits of—	%	%	%	%
Advances	63.6	60.0	58.4	55.7
Investments	53.6	58.2	61.9	62.2
Cash	12.4	13.0	14.4	16.4

† After deducting the reserve for depreciation.

It will be observed that the upward trend in income from the main source of earnings has been well kept up during the year under review also. Interest paid and expenses are also higher, but the increases in these two items have not been large enough to offset the rise in income.

(Concluded from previous page)

The Bank's paid-up capital shows an increase from Rs. 25.52 lakhs to Rs. 26.76 lakhs, on account of the calls paid on the partly paid-up ordinary and preference shares. A feature of the Bank's capital structure is that the bulk of it is represented by preference share capital, this accounting for Rs. 21.07 lakhs at the end of 1955, the balance representing ordinary capital. There are two classes of preference shares (6 per cent. and 5 per cent. cumulative) and two classes of ordinary shares ('A' and 'C'). The 'C' class ordinary capital and 6 per cent. preference capital are fully paid-up, while the 'A' class ordinary capital and 5 per cent. preference capital are made up of shares of different paid-up values. The reserves stand at Rs. 15 lakhs. The deposits aggregate Rs. 6.67 crores, having risen from Rs. 5.42 crores at the end of 1954. With this increase the upward trend in deposits has been maintained for the fourth year in succession. It may be noted here that the bulk of the Bank's deposits comprises fixed deposits, these accounting for Rs. 4.08 crores at the end of 1955. Advances and bills aggregate Rs. 3.94 crores, as compared with Rs. 3.17 crores at the close of the previous year. Investments stand strengthened from Rs. 2.09 crores to Rs. 3.08 crores and cash balances from Rs. 75.63 lakhs to Rs 81.96 lakhs. The combined ratio of the investments and cash balances to deposits has gone up from 52.4 per cent. to 58.4 per cent.

On the liabilities side of the balance-sheet, deposits are up by Rs. 37.61 lakhs, following the expansion of Rs. 61.74 lakhs in the previous year, and have established a record in the history of the Bank (so far as can be judged from the year-end figures). Of these deposits, fixed and thrift deposits have declined from Rs. 223.81 lakhs to Rs. 218.48 lakhs, but savings bank deposits have gone up from Rs. 22.70 lakhs to Rs. 30.44 lakhs and current and contingency accounts from Rs. 192.57 lakhs to Rs. 227.78 lakhs. As against the increase of Rs. 37.61 lakhs in total deposits, advances (including money at call) have risen by Rs. 39.50 lakhs, so that the ratio of advances to deposits has gone up further from 60 per cent. to 63.6 per cent. The rise in total advances has been shared by all classes. Thus, loans, cash credits and overdrafts show an increase from Rs. 201.03 lakhs to Rs. 218.83 lakhs, bills purchased and discounted from Rs. 20.54 lakhs to Rs. 32.75 lakhs and money at call and short notice from Rs. 42 lakhs to Rs. 51.50 lakhs. Investments (at or below cost) aggregate Rs. 261.69 lakhs (as against Rs. 261.50 lakhs) and, as in the previous year, the whole of these investments are in Central and State Government securities and other Trustee securities and have been written down by Rs. 6 lakhs. Of these securities, those of a face value of Rs. 35.50 lakhs are encumbered, but it is not clear from the balance-sheet what these securities are encumbered against, whereas in the previous year's balance-sheet it had been clearly stated that securities of the face value of Rs. 50.63 lakhs were encumbered against part of the fixed and thrift deposits. Cash balances are also higher by Rs. 2.04 lakhs. As the increase in these liquid assets is proportionately very much smaller than that in deposits, the total liquidity ratio has gone down, but it is still at a comfortable level.

(Concluded from next column)

The Bank's deposits, as already pointed out, have swelled by Rs. 1.05 crores to a record level of Rs. 5.12 crores, which exceed the previous high of Rs. 4.70 crores touched in 1948. Of these deposits, fixed deposits show a rise from Rs. 1.36 crores to Rs. 1.92 crores, savings bank deposits from Rs. 15.26 lakhs to Rs. 18.62 lakhs and current and contingency accounts from Rs. 2.56 crores to Rs. 3.01 crores. On the assets side, advances have gone up by Rs. 99.50 lakhs, of which loans, cash credits and advances account for a rise of Rs. 42.83 lakhs to Rs. 236.05 lakhs and bills purchased and discounted for Rs. 74.65 lakhs to Rs. 144.11 lakhs, while money at call and short notice has fallen by Rs. 18 lakhs to Rs. 10 lakhs. Investments stand strengthened by Rs. 14.27 lakhs. The bulk of the Bank's investments, that is about 93 per cent., are held in Government of India and State Government securities, of which 87 per cent. mature within the next nine years. The investments are shown in the balance-sheet at below market value. Cash balances are slightly better, but the cash coverage has dropped sizably, on account of the sharp rise in deposits, but it is still well above the general average of Scheduled banks in India. The Bank's foreign exchange business has shown an appreciable expansion, as witness the rise in acceptances and endorsements from Rs. 1.59 crores to Rs. 2.51 crores.

HIND BANK MAKES GOOD PROGRESS

SIZABLE EXPANSION IN BUSINESS

THE year ended 31st December 1955 turned out to be a favourable one for banks in general, and it proved no exception to the Hind Bank Ltd. (General Manager: Mr. S. D. Pardiwalla, Calcutta.) The audited accounts of the Bank for the past year indicate that the Bank has had its full share in the general improvement. Its business during the year expanded impressively. There has been an increase of Rs. 1.05 crores, or over 25 per cent., in deposits and of nearly Rs. 1 crore in advances. The profit, which had suffered a slight recession from Rs. 7.91 lakhs to Rs. 6.56 lakhs in 1954, has jumped up to Rs. 10.86 lakhs, thus establishing a fresh record in the history of the Bank; the previous high was Rs. 9.48 lakhs earned in 1951.

In consonance with this improvement in earnings, the provision for taxation has been raised from Rs. 2.80 lakhs to Rs. 4 lakhs and the reserve fund has been strengthened by Rs. 2.50 lakhs, representing an increase of Rs. 1 lakh over the previous year. Thus, the allocation to the reserve fund, which had been cut in the course of the previous two years from Rs. 2.50 lakhs to Rs. 1.50 lakhs, has now been restored. The dividend to shareholders has been doubled from 3 per cent. to 6 per cent. It will be recalled that the Bank, which was established in 1943, entered the dividend list only in 1951, with the payment of 2 per cent. This was repeated in 1952; it was stepped up to 3 per cent. in 1953 and maintained at that level in 1954 also.

The following comparative table provides an idea of the Bank's progress during the past three years:

(In lakhs of rupees)

—	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount earned ..	19.81	15.54	14.51	10.67
Commission and exchange ..	11.49	8.26	7.89	9.11
Interest paid	9.86	7.73	5.75	4.87
Expenses	10.34	9.38	8.53	7.86
Depreciation and repairs ..	0.24	0.19	0.24	0.36
Profit	10.86	6.56	7.91	6.75
Provision for taxation	4.00	2.80	3.86	2.90
To reserve fund	2.50	1.50	2.00	2.50
„ bonus to staff and gratuity fund	0.88	0.64	0.40	0.35
Dividend	3.00	1.50	1.50	1.00
	(6%)	(3%)	(3%)	(2%)
Carry forward	1.66	1.13	1.01	0.86

—	As on 31st December			
	1955	1954	1953	1952
Capital	50.00	50.00	50.00	50.00
Reserves	26.00	23.50	22.00	20.00
Deposits	512.48	407.01	380.30	317.59
Borrowings from other banks ..	0.02	..	..	0.78
Bills for collection (*contra* item)	10.87	30.81	60.32	56.33
Acceptances	251.28	159.23	229.96	96.33
Advances (including bills purchased and discounted and money at call) ..	390.17	290.67	251.59	198.06
Investments	195.94	112.33	110.25	114.83
Cash	80.06	79.65	99.89	77.81
Balance-sheet total	866.42	679.87	761.79	552.19
Ratio to deposits of—	%	%	%	%
Advances	76.1	71.4	66.2	62.4
Investments	38.2	27.6	29.0	35.8
Cash	15.6	19.6	26.3	24.3

The Bank's earnings by way of interest and discount, as well as commission and exchange, show an impressive rise and this has been offset to a very small extent by the increase in interest paid and expenses.

(Continued in previous column)

A CAMPAIGN AGAINST CLOTH IMPORTS

U.K. COTTON BOARD'S NEW MOVE

From A Special Correspondent

MANCHESTER, 20*th March*

THE arguments for restrictions on cotton cloth imports which were presented to the British Government by Lancashire cotton industry leaders in the form of a 30-page document, will be disclosed to the public next week.

This will mark the opening phase of a new campaign to persuade the Government that restrictions on cheap cloth imports, which last year exceeded 150 million yards, are essential if the Lancashire cotton industry is to escape irreparable damage. The object of the new campaign, led by the Cotton Board, will be to win public sympathy and support in the hope that the Government will eventually be persuaded to take action by the weight of public feeling. The Legislative Council of the United Textile Factory Workers' Association—central assembly of the cotton unions—decided in Manchester this week to call a special meeting for 9th April to discuss the case and decide what action can be taken to "solicit support."

MANCHESTER LETTER

More Machinery Stops

The flood of cheap foreign cloth into Britain caused the shutdown of the Glossop mills of Francis Sumner Ltd., the £560,000 textile spinners and manufacturers. They employed 800 workers, who operated more than 1,800 looms and 70,000 spindles.

Reasons for the closure of the mills—they produced shirtings and dress fabrics—have been given by Mr. Lyulph Partington, Chairman, in his annual report. During the past year there had been a very considerable jump in the volume of cloth imports. "Unfortunately for this company a great proportion of these cloths come into direct competition with us at prices much below those at which we could compete," said Mr. Partington. The shutdown was decided after serious consideration and negotiation are now taking place for the disposal of the mills.

Instability Abroad

It is poor consolation for Lancashire traders to learn that their rivals in textile industries abroad are undergoing a similar discouraging experience and that conditions in other mill areas are equally disturbing. The fact, however, remains that, largerly as a result of the continuing uncertainty over American raw cotton price prospects, foreign spinners and manufacturers have very similar problems to those in this country.

According to reports received by the International Cotton Federation from a number of European countries, the situation in the closing months of last year did little to brighten the outlook and even in those cases where orders were flowing more freely margins were by no means satisfactory. In almost every textile centre there were indications of profound nervousness on the part of buyers and a reluctance to operate except on a hand-to-mouth basis.

At the two extremes were Germany, where an improved trend was experienced, and Italy, whose mills were said to have stagnated at the lowest levels of the year. The improvement in trading in Western Germany was mainly in volume and little encouragement was found in the prices secured. Satisfactory sales obtained during the fourth quarter of last year were limited to certain categories of goods, chiefly knitwear and embroideries.

German spinners and manufacturers, however, were unable to improve prices and blamed cheap competitive offers from foreign producers for this trend. Keen rivalry was felt from Austrian spinners in the rayon staple trade, while offers from Egyptian mills had a disturbing influence on the cotton yarn market.

Production in the Italian cotton industry was low throughout 1955 and nothing in the reports received indicated much hope of a quick revival. Instability of demand was characteristic of the whole year, both at home and abroad, and as in other countries the Italian cotton industry has clearly been affected by the preference of domestic customers for durable products rather than consumer goods.

A slowing down in spinning and weaving production in France took place in the second half of last year and order books were considerably smaller than 12 months previously. From Portugal the news was that "the industry is suffering badly from the effects of a long period of depression which has nearly exhausted its financial resources."

Despite a modest recovery in the volume of business recorded in cotton goods made in Switzerland in the final quarter of last year, prices and margins were regarded as most unsatisfactory. Production in Swiss spinning firms is being curtailed by 20 per cent. as compared with last year's total output and a cut of 15 per cent. is being made on the weaving side.

First Sudan Cotton Futures Market

The first Sudan cotton futures market ever to operate was introduced in the Liverpool cotton market on Monday. All the business will be done in Liverpool and there will be no similar market in Sudan.

Trading in the new market is now taking place round the Egyptian ring on the floor of the Liverpool Cotton Exchange and in accordance with tradition the first transaction was between the President and Vice-President of the Association. Mr. J. T. Porritt, a Director of Combined English Mills, as President, performed this opening ceremony with Mr. Walter S. Hulme the Vice-President.

This development is the result of pressure from Lancashire spinners of Egyptian type cotton for increased facilities for hedging their sales of yarn on a wider scale. When the Egyptian futures contract based on Karnak cotton was adopted last September it was realised that its value to the trade as a whole was limited by the fact that its quality clause only called for cotton grown in Egypt. Efforts have since been made to create a futures contract to provide the usual facilities for growers, users and merchants of Sudan cotton.

The new contract has been approved by the Sudan Government, the Sudan Gezira Board and Lancashire millowners, who use more Sudan cotton than anyone else in the world.

The minimum quantity to be dealt in is a single contract representing 24,000 lbs. of Sudan cotton contained in 56 bales. First delivery position open for trading will be July-August.

Yarn Price Basis

One aspect of the new proposals to sell American cotton at world competitive prices from the beginning of the new season in August is of fundamental importance to Lancashire traders and may well prove the means of causing an adjustment in the price structure of the spinning trade. It concerns the effect of this development on the present system of calculating American yarn prices under the marginal rates agreements.

Some drastic revision of the current methods of establishing yarn prices will be required as the New York futures market, on which quotations are now based, will no longer reflect the price at which American cotton can in fact be bought. There is a reluctance to predict the level of values likely to be ruling when this cotton is offered for sale and much will depend on the types which are available. If the first scheme of this kind can be taken as a pattern the prices accepted by the Commodity Credit Corporation will range to some six or seven cents below the New York futures price.

On this assumption the position of local spinners would be untenable without some change in the present arrangements which are linked to fluctuations in the current New York rates. For some time past talks have been proceeding on this highly involved matter but a solution to the difficulty has not yet been found.

Spinners in Lancashire have certainly welcomed the stability in rates for American yarns created by the "one-price-daily" method adopted by the sponsors of the price regulation schemes. Any return to a system involving frequent adjustment of prices would be strongly opposed.

It cannot be denied, however, that there are disadvantages in the current system as, for example, New York has been out of touch with world cotton developments for some little time, and has not reflected the general view of the price of the raw material. If trading could be re-established in Liverpool on a broader basis it might be possible to arrange a revival of former customs, so long as fixed daily quotations were still the rule.—*All Rights Reserved.*

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THE HIND BANK LIMITED

DIRECTORS' REPORT TO THE SHAREHOLDERS

GENTLEMEN,

The Directors have pleasure in presenting herewith the Audited Accounts of the Bank for the year ended 31st December, 1955.

		Rs.	a.	p.
The Profit and Loss Account after deduction of all working expenses shows a profit of	..	10,86,457	9	1
to which must be added the amount brought forward from previous account	..	1,12,820	6	8
Total	.. Rs.	11,99,277	15	9
which the Directors have disposed of as follows:—				
Provision made for taxation	..	4,00,000	0	0
Amount transferred to Reserve Fund	..	2,50,000	0	0
Bonus to Staff	..	83,000	0	0
Balance	..	4,66,277	15	9
Total	.. Rs.	11,99,277	15	9

Out of the balance of Rs. 4,66,277-15-9 the Directors recommend to the shareholders payment of Dividend at Rs. 3 per share free of Income-tax which absorbs Rs. 3,00,000-0-0 leaving Rs. 1,66,277-15-9 to be carried forward to the next year's account.

The business of the Bank during the year under review and the results achieved have shown an all-round progress. Banks in general have had a good year in 1955 and your Directors are glad to report that your Bank also had its full share in the general improvement. The deposits show an increase of about 25 per cent. over last year and the profits have been marked up from Rs. 6.56 lakhs in 1954 to Rs. 10.86 lakhs in 1955. About 93 per cent. of the Bank's investments are held in Government of India and State Government Bonds of which 87 per cent. mature within the next 9 years. The Bank's Investments in the Balance Sheet stand at below market value as at 31st December, 1955.

Due to general increase in business, the Head Office of your Bank was shifted on 4th July, 1955, to more spacious premises at 4, Brabourne Road and we are glad to report that your Bank is now in an improved position to offer better service to its clientele.

During the year under review Mr. Surottam P. Hutheesing of Ahmedabad, at the request of your Board, joined the Board of Directors. You are requested to confirm his appointment on the Board as a Director.

Under the provisions of the Articles of Association of the Company Mr. B. L. Jalan, Mr. N. D. Bangur and Mr. N. L. Kanoria retire from the Board of Directors and being eligible offer themselves for re-election.

The Auditors appointed by the shareholders at the last General Meeting, Messrs. K. N. Gutgutia & Co. and Messrs. Dalal & Shah retire, but offer themselves for re-appointment.

The Directors express their gratitude to the shareholders and the constituents for their support in the growth of the institution and also to the members of the Local Advisory Boards at Ahmedabad and Bombay for their valuable advice. They also record their appreciation of the loyal and efficient services rendered by the staff at Head Office and branches.

For and on behalf of the Board of Directors,
K. P. GOENKA,
Chairman.

Dated, CALCUTTA, the 7th March, 1956.

BALANCE SHEET AS AT 31st DECEMBER, 1955

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 2,00,000 Shares of Rs. 100 each	2,00,00,000	0	0			
ISSUED AND SUBSCRIBED CAPITAL— 1,00,000 Shares of Rs. 100 each	1,00,00,000	0	0			
AMOUNT CALLED UP— 1,00,000 Shares at Rs. 50 per share				50,00,000	0	0
2. Reserve Fund and Other Reserves— Reserve Fund (including under Section 17 of the Banking Companies Act)				26,00,000	0	0
3. Deposits and Other Accounts— Fixed Deposits	1,92,43,141	8	5			
Savings Bank Deposits	18,61,640	14	2			
Current Accounts, Contingency Accounts, etc. ..	3,01,43,221	8	7			
				5,12,48,003	10	2
4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	....					
(ii) Outside India	1,666	2	8			
				1,666	2	8
Particulars :— (i) Secured	....					
(ii) Unsecured Rs. 1,666-2-8	....					
5. Bills Payable				4,03,029	11	0
6. Bills for Collection being Bills Receivable as per contra— (i) Payable in India	7,80,037	9	8			
(ii) Payable outside India	3,06,935	10	6			
				10,86,973	4	2
7. Other Liabilities— (i) Unclaimed Dividends	17,398	2	9			
(ii) Rebate on Bills	2,129	14	6			
(iii) Branch Adjustments	6,88,339	10	3			
				7,08,867	11	6
8. Acceptances, Endorsements and Other Obligations per contra ..				2,51,27,974	3	10
9. Profit and Loss— Profit as per last Balance Sheet	2,62,320	6	8			
LESS—Dividend	1,50,000	0	0			
	1,12,320	6	8			
ADD—Profit for the year brought from the Profit and Loss Account	10,86,457	9	1			
	11,99,277	15	9			
LESS—Appropriations thereof— Rs. a. p.						
Amount transferred to Reserve Funds 2,50,000 0 0						
Provision for Taxation 4,00,000 0 0						
Bonus to Staff 83,000 0 0	7,33,000	0	0			
				4,66,277	15	9
10. Contingent Liabilities— (i) Claims against the banking company not acknowledged as debts Rs. 27,898-0-0.						
(ii) In respect of Guarantees issued on behalf of constituents Rs. 2,06,190-0-0 (against two of which Bank's Investments for the face value of Rs. 2,05,800-0-0 have been deposited as security.)						
(iii) Liability on Bills of Exchange rediscounted Rs. 16,11,995-15-0 whole of which have run off upto 3-3-56.						
(iv) Liability on account of outstanding forward exchange contracts Rs. 3,52,87,949-6-7 of which Rs. 1,87,01,323-14-6 have been delivered upto 3-3-56.						
Total .. Rs.				8,66,42,292	11	1

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash— In hand and with Reserve Bank and State Bank (including foreign currency notes)				47,38,471	0	10
2. Balances with Other Banks— In Current Account— (i) In India	4,92,571	10	4			
(ii) Outside India	27,74,605	18	0			
				32,67,177	7	4
3. Money at Call and Short Notice				10,00,000	0	0
4. Investments (at below market value)— (i) Securities of the Central and State Governments and Other Trustee Securities, including Treasury Bills of the Central and State Governments	1,17,76,315	8	0			
(ii) (a) Joint Stock Companies Preference Shares fully paid up	8,501	0	0			
(b) Joint Stock Companies Ordinary Shares fully paid up	3,50,000	0	0			
(iii) Debentures or Bonds	2,27,000	0	0			
(iv) Pakistan Government Securities	2,97,750	0	0			
(v) Gold	....					
				1,26,59,566	8	0
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors) (I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
(i) In India 2,02,29,650 8 11						
(ii) Outside India 33,75,728 7 4						
	2,36,05,379	0	3			
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India 1,17,72,720 4 0						
(ii) Payable outside India .. 26,38,478 15 9						
	1,44,11,199	3	9			
PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the Banking Company is fully secured	2,61,90,964	7	4			
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	43,85,478	12	7			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	74,40,135	0	1			
(iv) Debts considered doubtful or bad, not provided for ..	....					
	3,80,16,578	4	0	3,80,16,578	4	0
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,255	0	0			
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	4,99,540	4	7			
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,500	0	0			
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	27,25,166	12	0			
(ix) Due from Banking Companies	15,42,111	10	11			
6. Bills Receivable being Bills for Collection as per contra— (i) Payable in India	7,80,037	9	8			
(ii) Payable outside India	3,06,935	10	6			
				10,86,973	4	2
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				2,51,27,974	3	10
8. Premises Less Depreciation				....		
9. Furniture and Fixtures less Depreciation (including Motor Cars)— Cost as per last Account	2,78,253	5	11			
Since added	1,45,652	4	6			
	4,23,905	10	5			
LESS—Sales and Adjustments	43,351	3	7			
	3,80,554	6	10			
LESS—Depreciation written off to date	1,59,055	7	1			
				2,21,498	15	9
10. Other Assets, including Silver— (i) Property (Freehold Land at cost)	2,34,917	4	0			
(ii) Interest accrued on Investments	63,353	12	4			
(iii) Stamps	5,744	3	9			
(iv) Income-tax deducted at source	2,20,087	11	1			
(v) Silver	....					
				5,24,052	15	2
11. Non-Banking Assets Acquired in Satisfaction of Claims				....		
12. Profit and Loss				....		
Total .. Rs.				8,66,42,292	11	1

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	9,86,436	6	9
2. Salaries and Allowances and Provident Fund	7,60,517	8	9
3. Directors' (Rs. 3,000) and Local Committee Members' Fees and Allowances ..	4,200	0	0
4. Rent, Taxes, Insurance, Lighting, etc.	1,06,649	8	8
5. Law Charges	8,313	0	6
6. Postage, Telephone, Telegrams and Stamps	17,126	3	5
7. Auditors' Fees (including Periodical Audits)	10,100	0	0
8. Depreciation on and Repairs to the Banking Company's Property	23,567	12	9
9. Stationery, Printing, Advertisement, etc.	71,612	8	8
10. Loss from Sale of or Dealing with Non-Banking Assets	....		
11. Other Expenditure	55,226	4	3
12. Balance of Profit	10,86,457	9	1
NOTE.—Salaries and Allowances of the General Manager amount to Rs. 26,400.			
Total .. Rs.	31,30,316	14	0

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	19,81,522	0	8
2. Commission, Exchange and Brokerage	11,45,554	13	4
3. Rents	....		
4. Net Profits on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	....		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account) ..	....		
6. Income from Non-Banking Assets and Profits from Sale of or Dealing with such Assets	....		
7. Other Receipts	....		
8. Loss	234	0	0
Total .. Rs.	31,30,316	14	0

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the foregoing Balance Sheet of the Hind Bank Limited, as at 31st December, 1955 and also the foregoing Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated Branch returns audited by the Statutory or Local Auditors, and report that :—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory ;
(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank ;
(c) the returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit ;
(d) in our opinion, the foregoing Balance Sheet and the Profit and Loss Account are drawn up in conformity with the law;
(e) such Profit and Loss Account shows a true balance of profit for the year ;
(f) such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank ; and
(g) in our opinion, books of accounts have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

K. N. GUTGUTIA & CO. } Chartered Accountants.
DALAL & SHAH }

S. D. PARDIWALLA, Chartered Accountant.
T. N. GANGULI, Chartered Accountant.

K. P. GOENKA, Chairman.
B. L. JALAN
B. KUMAR BIRLA
N. D. BANGUR
N. L. KANORIA, Directors.

TASK AHEAD OF SUGAR INDUSTRY

SCOPE FOR EXPANSION VERY VAST

COMMENDABLE though the production performance of the Indian sugar industry is—white sugar output is now running at an annual rate of 1.6 to 1.7 million tons, as against 1.1 million tons in the beginning of the first Plan period—one cannot feel complacent about the outlook for the industry. Considering the vast potential demand for such an essential energy food as sugar in the coming years, thanks to the rising population and the growing habit of the people to take white sugar following the improvement in the standard of living, the industry cannot afford to rest content with its present achievements. The *per capita* consumption of sugar in India at present is very low. It is only 29 lbs. (made up of 10 lbs. of white sugar and 19 lbs. of *gur* (brown sugar), as against 103 lbs. in the U.S., 100 lbs. in Denmark, 93 lbs. in Switzerland, 90 lbs. in the U.K., 71 lbs. in Germany, 43 lbs. in Poland, and 31 lbs. in Egypt. The position thus leaves much to be desired, the leeway remaining to be made up being quite large. The task ahead of the sugar industry is, therefore, very stupendous. It is gratifying to find that this aspect received adequate emphasis at the hands of Lala Charat Ram, President of the Indian Sugar Mills' Association (I.S.M.A), when he addressed the twenty-third annual general meeting of the Association held at New Delhi on Saturday last. The sugar industry, Lala Charat Ram declared, had to think of its future in a bold way; every factory should plan to raise its crushing to economic capacities of about 3,000 tons a day and many more new plants should be set up.

Consumption

The mere expansion in the size of the sugar industry is not, however, enough; it should be attained through production of sugar at a price that the consumer can pay. After all, it must be remembered that the problem of sugar consumption is, as has been emphasised in this journal ere now, the problem of prices. Despite the long period of eighteen years' protection enjoyed by the sugar industry, the price of sugar continues to rule high in all conscience *vis-a-vis* that of sugar produced elsewhere in the world. What is this state of affairs due to? Answering this question, Mr. Charat Ram said: "Purchasing power in India is still low . . . 60 to 65 per cent. of the cost of sugar is accounted for by sugarcane, as against 50 to 55 per cent. in other countries. Union and State Government taxes at various levels increase the cost of sugar to the consumer by another about Rs. 6-4 per maund (23 per cent.). Thus between high Government taxes and low cane yields, the Indian consumer is denied the adequate consumption of a valuable energy food." In the opinion of Mr. Charat Ram, a price of about Rs. 20 per maund will be a fair one from the point of view of the consumer. As against this, the present price varies from Rs. 29 to Rs. 33 per maund.

Characterising the taxes on sugar as penal, he urged that sugar, like wheat, rice, etc., should be free from *all* taxes and be made really cheap. This plea, however, is unlikely to command much support, for the Government needs vast sums of money for economic and social development. As the scope for levying direct taxes has been practically exhausted, indirect taxation is the mainstay of revenue for Governments. And, as the main object of economic development is to raise the living standards of the common man, the common man, too, has to pay for it. This is inevitable, if the country is to make economic progress with stability. Sugar being a commodity of common consumption, it cannot escape a certain amount of tax burden. All that one can reasonably ask for is a reduction in the present incidence of taxation which is undoubtedly very heavy. Incidentally, in the context of Mr. Charat Ram's contention, it will be pertinent to remind those who are inclined to agree with him that *gur*, which accounts for 66 per cent. of the total sugar consumed in the country, is free from the taxes to which the white sugar is subjected. But we feel that even *gur* should be subjected to a certain amount of taxation so that the country may have enough resources for development.

Cost of Sugarcane High

To return to the subject of reducing the cost of sugar to consumers. Besides lowering the incidence of taxation on white sugar, the price of sugarcane also requires to be brought down to achieve this objective. Such a reduction has to be brought about without cutting into the return the farmer gets now. There are only two ways in which this can be done, namely, (1) a downward revision in the cess on cane crushed in the sugar mills—this accounts for as much as 15 per cent. of the total cost of cane—and (2) improvement in the per-acre yield of sugar. Drawing attention to the latter aspect, the I.S.M.A. President regretted that, as compared with other cane-producing countries, cultivation of cane in India continued to be backward, the enormous sums of money spent on cane development all these years notwithstanding. In support of this view, he cited the following figures:

	Yield of cane per acre Tons	Recovery per cent.	Sugar per acre Tons
Hawaii	62.0	10.46	6.5
Java	56.2	11.49	6.4
Peru	41.1	12.33	5.0
Puerto Rico ...	24.2	12.23	2.9
Mauritius ...	19.6	12.08	2.3
India	15.0	10.00	1.5

In view of the disappointing results in the sphere of cane cultivation, Mr. Charat Ram called for an objective reappraisal of the problem. He was afraid that much too much reliance and responsibility had been placed on the sugar factories in the scheme of cane development. Elucidating this point, he observed:

"The cotton grower does not look to the textile mills, nor the jute grower to the jute mills, in the way that the cane farmer has been trained to look to the sugar mills. Also, the farmer is not called upon by the factory to help it in its techniques. This misplaced reliance has taken away all the initiative from the farmer, who now thinks that the responsibility for improvement of his land and agricultural practices is that of the factories or of the Government. This attitude needs to be firmly changed. This is not to say that the sugar industry should dissociate itself completely from all schemes of cane cultivation; the primary responsibility in the matter, however, must remain with the farmer, helped by the resources of the State and the experience of the industry. As matters stand at present, as between the Union Government, the State Government, the farmer and the factory, responsibility for improvement in cane cultivation seems to be nobody's baby. Conferences are held galore, but a sense of urgency and reality is lacking in all these. It is time that the responsibility for all this was placed where it is due, namely, on the farmer. He must appreciate the fact that it is he who has to strive the most in this matter."

Linking Cane Price to Quality

There is considerable force in these observations of Mr. Charat Ram, as also in his statement that an important reason which continues to militate against the farmer's understanding and efforts towards improving the quality of the cane he grows is the system of paying for cane on the basis of gross weight, instead of on the sucrose-content, as is the practice in the advanced sugar-producing countries. How defective is this system will be appreciated better if it is remembered that, while the cotton mills, jute factories and engineering firms pay different prices for raw materials according to quality, the sugar mills alone are compelled to pay a uniform price of Re. 1-7 per maund of cane irrespective of quality. What incentive will there be to the cane grower for growing quality cane, when he is assured of the minimum price? The Government-sponsored sugar delegation to Australia and Indonesia has done well, therefore, to urge early adoption of a system of cane payment on recoverable sugar-content. The delegation says:

"The sysem of payment (for sugarcane) on recoverable sugar-content provides incentive to both growers and manufacturers to effect improvements in their respective spheres. A large number of leading sugar-producing countries has adopted this system and, in fact, much of the progress made in Australia is attributed to it. In India, the need for introducing such a system has been felt for a long time. The system of quality payment has great potentialities for raising the standard of efficiency, of which there is great need in India, particularly on the farms. We are, therefore, of the opinion that the system should be introduced without delay."

Since the salient features of the system of linking the cane price to quality, the method of application adopted in other countries and the peculiar difficulties encountered in India in the introduction of the system have been discussed in detail in these columns only recently, it is unnecessary to refer to them again. Suffice it to say that, if any improvement in sugarcane farming practices is to be achieved, it is essential that the price for cane should be linked to quality. Whatever be the system chosen for adoption in India, it must be as simple and foolproof as possible. Considering the fact that sugarcane cultivation is being carried on on small plots of land scattered throughout the country, it is certainly not practicable to crush separately the cane of every farmer every day for determining the quality of the cane. In order to get over this difficulty, Mr. Charat Ram suggested the adoption of a group incentive system under which the total average recovery of the factory would be taken for the cane of all the farmers together, supplied in the period of a week, or a month or the whole season, and payment made on the period recoveries. He personally favoured a system of weekly recoveries and payment, with the stress on provision of safeguards and facilities for ensuring full satisfaction to the farmer.

Some are inclined to feel that the aforesaid system may lend itself to corruption. This view is not correct. Even if it is correct, the solution to corruption lies, as Mr. Charat Ram rightly said, in tracking down the corrupt persons without mercy than in giving up a system which is fundamentally in the interest of the country. It is to be hoped that the Government of India would soon take a decision on this vital question.

Rehabilitation

In the course of his speech, Mr. Charat Ram put forward a vigorous plea for the Government taking steps to see that the sugar industry was able to undertake schemes of rehabilitation and modernisation. In this connection, he made the following observations:

"Although now there is no statutory control on prices, the Government do announce a price based on the cane price fixed by them. In actual practice, the open market rates are often lower than this price. The announced price is worked out on the basis of what is known as the Srivastava Scale which was evolved more than 10 years ago. During this period, costs of machinery have gone up and taxes have gone up, but the Srivastava Scale remains where it is. According to this scale, a gross profit of As. 14 per maund of sugar is permitted based on a bloc of Rs. 18 lakhs. While there could be some justification for this meagre margin during the pre-war years, when taxation, accounted for only 20 per cent. of the gross profit, there can be no justification for this basis or price fixation now, when the replacement costs of equipment are five times higher, taxation much more and net retention of profits much less. It is necessary for the Government so to maintain the fair price of sugar as to enable the industry to undertake the back-log of replacement and to effect modernisation, at the prevailing high prices of plant and machinery."

The above plea is fully justified. As readers are aware, the majority of sugar mills in India, especially in Upper India, has suffered for want of sufficient funds for replacements, re-equipment and modernisation. The present plants in most of the sugar factories were put up more than two decades ago. During the war and the period following it, even normal replacements could not be carried out, as the machinery parts were not easily available. Even now, the prices of machinery and parts are ruling high and factories need considerable funds to carry out the back-log of replacements. Funds are also needed for adding new devices for improving the efficiency of production.

The extent to which technological progress has been made in the world sugar industry was highlighted by the International Society of Sugarcane Technologists at its ninth Congress, held at New Delhi recently. The deliberations of the Congress revealed that, in every operation, starting from the handling of cane at the cane carrier, through mills, clarification, pan station, centrifugals, bagging, etc., the advance in machinery development had been phenomenal. One basic change contributing to economy has been in the matter of changing from steam drives to electrical drives. Irrespective of capacity, a modern sugar plant, it is claimed, can be operated by one-fourth of the number of operatives employed in an average Indian sugar factory. It is, of course, not suggested that the Indian sugar industry should straightaway embark on a scheme of full-fledged modernisation on these lines. In fact, such is not possible now, thanks to the rigid cost structure of the industry and the very low margin of profit available. But it is very necessary to replace at least the worn out equipment with as up-to-date machinery as possible, so that a high level of efficiency in production of sugar can be maintained.

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CONFECTIONERY INDUSTRY IN INDIA

The address of Mr. P. Mohanlal, President of the Indian Confectionery Manufacturers Association, at the tenth annual general meeting of this body held at New Delhi on Thursday last week, did not contain any new points; it was a mere repetition of what his predecessors had observed at the annual meetings in previous years. Thus, Mr. Mohanlal narrated the same old story of the industry passing through a period of crisis, the rate of output falling considerably short of rated capacity; the quantity of confectionery actually produced during 1955 was not more than 550 tons which represents a bare 13.75 per cent. of the estimated rated capacity of 4,000 tons. Again, Mr. Mohanlal alluded to the inability of the industry to make any headway by way of exports to foreign markets, thanks to high prices of sugar. He also reiterated the pleas for a total ban on imports of confectionery, refund of excise duty on sugar and of cane cess, ready availability of quick rail transport, export subsidy to manufacturers, and simplification of the method adopted for refunding excise duty on sugar used for producing confectionery meant for export.

The crisis through which the confectionery industry has been passing is largely the industry's own making. The industry consists of hundreds of small producers who have flooded the market with low-priced sweets of doubtful quality manufactured under doubtful hygienic conditions. This is the result of lack of proper organisation. Consequently, several units have been compelled to curtail output, while some have even closed down. In these circumstances, it is for the confectionery industry itself to find a way out for solving the difficulties. Mr. Mohanlal did well, therefore, to draw pointed attention to this aspect. "It is," he declared, "the duty of the industry to take every possible step to help itself and hence I cannot too strongly emphasise the question of mutual co-operation and support for the Association."

Mr. Mohanlal reiterated, as already stated, the plea for the imposition of a complete ban on imports of confectionery. It is difficult to support this demand. There is already a heavy revenue duty of 62.5 per cent. on confectionery imported from abroad, with the result that the price of foreign confectionery in India is prohibitive. Anybody can easily verify this statement by walking into any one of the respectable stores in cities like Bombay and Calcutta, where foreign confectionery is generally available. The demand for such confectionery is so poor and sporadic that there are not many stockists in them and that, in most cases, what is available is invariably old. Accordingly, even those who want to buy foreign confectionery are afraid of doing so, lest they should be saddled with old, damaged stocks. Further, the quantity and value of imports are negligible. In the twelve months ended December 1955, the total import of confectionery was no more than 1,128 hundredweights (112 lbs. each), valued at Rs. 3.08 lakhs. This is but a fraction of domestic production and is generally consumed by foreigners living in India who have a special liking for sweets made in their own country. The cry of foreign competition by confectionery manufacturers in India is, therefore, thoroughly unjustified and more so their demand for a ban on imports.

The ills of this industry are self-made. As Mr. Mohanlal himself admitted, the market is being flooded with low-priced sweets of doubtful quality manufactured under doubtful hygienic conditions. This situation is bound to deteriorate if conditions of monopoly are created by a total ban on imports. Such a ban, it is needless to add, will take away even the little incentive among the indigenous industry to produce high quality confectionery at competitive prices.

There is, however, some justification in Mr. Mohanlal's plea for the refund of excise duty on sugar consumed by confectionery factories. For the incidence of duty is very high, amounting to as much as Rs. 4-2 per maund of sugar. Since sugar is the basic raw material in the manufacture of confectionery products, the levy of excise duty will tantamount to a tax on raw material which is wrong in principle. It is an accepted canon of taxation that raw materials of an industry should be exempted from tax. The same arguments hold good with regard to the cess on cane crushed in the mills for producing sugar which, in turn, is used in the production of confectionery. If these concessions are granted, it will be possible, as Mr. Mohanlal maintained, to effect some reduction in the prices of confectionery which is necessary if domestic consumption is to be stepped up. Incidentally, it will be interesting to note that the consumption of confectionery in India is at a very low level, as is evident from the fact that the total production of confectionery, including hand-made products, is now at an annual rate of 11,000 tons only, as against as much as 600,000 tons in the U.K. with a very much less population.

Similarly, Mr. Mohanlal's suggestions for formulating a practical scheme for refund of exise duty on sugar used in the production of confectionery for export and for grant of drawback of customs duty on imported raw material deserve the sympathetic consideration of the Government. The export trade in confectionery has suffered a distinct setback of late. During the first nine months of the financial year 1955-56, about 393 cwts. of confectionery were exported, as against 731 cwts. in the corresponding period of 1954-55. The setback is attributed to two factors. First, the price of Indian sugar is far above the world parity. Secondly, the confectionery industry depends on quite a number of items which are imported from abroad and on which heavy customs duties have to be paid. In view of these, it is to be hoped that the Government will adopt suitable measures for stimulating exports of confectionery. By doing so, the Government will only be helping the industry to maintain a high level of output "at a time when machinery is lying idle, labour laid off and capital tied up in stocks which do not move."

SUGARCANE DEVELOPMENT

An indication of the lines on which sugarcane cultivation would be developed during the second Five-year Plan period was given by Mr. T. C. Puri, Joint Secretary, Union Ministry of Food and Agriculture, in the course of his speech at the recent meeting of the Indian Central Sugarcane Committee held at New Delhi. According to Mr. Puri, the Committee would be financing 108 schemes on cane research and development, as well as on *gur* research, in the next five years, as against only 37 under the first Plan. The Planning Commission has fixed a production target of 77 million tons of sugarcane. A sum of Rs. 5 crores has already been set apart by the Government of India for cane development which is scheduled to cover the entire area under cane, as against only the factory areas hitherto covered.

Addressing the meeting, Mr. Puri revealed that the Government of India was examining the proposal for giving subsidy to certain States where sugarcane development had been none too encouraging. This proposal is based on the recommendations of the Sugarcane Committee. In view of the commitments made for other development work under the second Plan, the finances of a large number of States do not, it is said, permit expenditure on any elaborate scheme for cane research and development. The position is particularly bad in regard to the underdeveloped States where no work has so far been undertaken. With a view to offering help in such cases and to providing necessary incentive for them to work their schemes, the Sugarcane Committee has recommended a Central subsidy to the extent of 50 per cent., which may be raised up to 75 per cent. with regard to certain States the finances of which are greatly limited.

Mr. Puri made special mention of the need for intensifying the development of *gur* industry. It was essential, he stated, that this commodity was improved on all its aspects and research on the manufacture and storage of *gur* further intensified by the State. He revealed that many States had not come forward with any elaborate research schemes on *gur* and, naturally, out of the total allotment of Rs. 20 lakhs for the purpose, the Committee had not been able to provide, as its share, for an expenditure of more than Rs. 4 lakhs.

At the end of the meeting, the Sugarcane Committee sanctioned schemes costing about Rs. 20 lakhs for the control of insect pests at the regional centres in the various cane-producing States. Further, it approved of the cane development schemes in Madhya Pradesh, Assam and Mysore under the second Plan and proposals for soil survey in Bombay, Mysore and Hyderabad. The Committee also recommended that the scope of trials of varieties evolved at the Sugarcane Breeding Institute, Coimbatore, should be enlarged to include foreign varieties. It emphasised the importance of publicity for communicating the results of research on cane and *gur* through suitable bulletins and brochures to be issued in large numbers for the cultivating community. The Committee also sanctioned (1) an all-India scheme for studies of physical and chemical criteria of *gur*, leading to the formulation of a basis of *gur* grades for two years at the Indian Institute of Sugarcane Research, Lucknow; (2) schemes for research in the manufacture and storage of *gur* in Madhya Bharat, Assam, Mysore, Hyderabad and Andhra, and (3) a scheme for trials of bullock-driven crushers available in the market for a period of five years.

Licences for 25 co-operative sugar mills have been given. Of them, one had already been started and ten will be started before the next season

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IMPROVING QUALITY AND YIELD OF JUTE

CO-ORDINATION BETWEEN I.C.J.C. AND STATES NECESSARY

FEW would question the view that the Indian Central Jute Committee is seized of the problem of stepping up the yield and the quality of raw jute. For this problem has found emphasis at every meeting of the Committee. It figured again at the plenary session of the Committee held at Calcutta on the 23rd inst. Presiding over the meeting, Mr. M. S. Randhawa, Additional Secretary to the Union Ministry for Food and Agriculture and Vice-Chairman of the Indian Council of Agricultural Research, stated that the research had been directed towards the achievement of intensive cultivation by improved agricultural methods which ensured better quality with higher outturn. Mr. Randhawa opined that there was need for close co-ordination between the Indian Central Jute Committee and the National Extension Service at all levels. Since this latter agency is directly connected with the village uplift, its association with the introduction of modern methods of jute cultivation is sure to yield good results. In the past, experience has shown that low yields were due not only to adverse climatic conditions, but also to a number of other causes, such as poor quality of soil, inadequacy or absence of manuring, imperfect soil preparation, haphazard, weeding, partial failure of germination, thick weeds, difficulties of weeding, waterlogging and consequent premature harvesting, pest attack, damage by stray cattle, etc.

The causes noted above are not alone responsible for the low yields. There are, besides, others which merit the attention of the Central Jute Committee. It is now common knowledge that the performance of seed drill has not been satisfactory on certain types of soils. Again, the much talked of wheel hoe has been found to be ineffective in the muddy soil and in plots infested with weeds. Further, farmers have experienced difficulty in regard to the supply of improved seeds and retting facilities. These considerations must have been at the back of the mind of Mr. M. P. Birla, the erstwhile Chairman of the Indian Jute Mills' Association, when he stressed, at the annual meeting of the Association held on the 16th inst., the need for translating into deeds the recommendations of the Expert Committee on jute which submitted its report in October 1953. He said: "I should be failing in my duty, if I did not take this opportunity of pressing, once again, for vigorous and effective action to implement the recommendations, so that India may become self-sufficient in jute at a very early date. The Indian Central Jute Committee have already done all the necessary spade-work particularly in the matter of research and the development of improved types of seed. It is now up to the State Governments to ensure that the results of this work are made available to the cultivators."

In making these observations, Mr. Birla was convinced that "if the improved seeds and methods of cultivation which have been evolved were generally applied, India could produce all the additional raw jute she needs without any increase whatsoever in the existing acreage under jute, and, if the problem is approached from the point of view of increasing the acreage yield and improving the quality of the crop, the cultivator would automatically obtain a better return for his land." It is needless to mention here the vital importance of growing jute on scientific lines. For the unsealing of looms in jute mills, growing competition of jute textiles made by Pakistan and Japan, modernisation of the industry in the U.K. and on the Continent, and Pakistan's offer to help setting up new jute mills in some Middle East countries, all these underline the necessity for India growing more good quality jute in each acre sown to it than at present, so that the low cost of the raw material resulting therefrom can strengthen the competing ability of Indian jute mills. It is a matter for considerable satisfaction to note from Mr. Randhawa's address referred to above that the current seasons output would be 4.14 million bales, as compared with 2.93 million bales in 1954-55 and 3.09 million bales in 1953-54. The ground lost in the preceding seasons had, he remarked, been thus considerably recovered, with the average jute yield per acre registering an increase of nearly 14.5 per cent. This had been the result, he claimed, of research at the Institute.

It may, however, be mentioned that, in spite of this rise the average yield per acre in West Bengal is 2.51 bales which is far below that of East Bengal at 3.42 bales even which is very much below what it easily could be, if adequate steps are taken to look after the crop. In any case, even the gap between the yields in West Bengal and East Bengal is big enough to remind one of the large leeway that remains to be made up in India.

Mr. Randhawa referred also to the programme for jute cultivation under the second Five-year Plan. There was the possibility of raising jute production, he said, in India under the Plan from a target of 5 million bales recommended by the Planning Commission to 5.12 million bales, given normally favourable conditions and proper facilities. The Statewise break-up of the revised target of 5.12 million bales is as follows:

State	*No. of bales to be cultivated by 1960-61*
West Bengal	2,325,000
Assam	1,225,000
Bihar	1,150,000
Orissa	250,000
U.P.	110,000
Tripura	60,000
Total ...	5,120,000

The Government of India intends, it is stated, to fix the ultimate figure for all-India output in consultation with the State Directorates of Agriculture. That the Government of India is anxious to do all it can to improve the quality and yield of jute is reflected in its readiness to place increasing amounts of funds at the disposal of the I.C.J.C. According to Mr. Randhawa, it has increased the grant-in-aid to the Committee from Rs. 10 lakhs to Rs. 15 lakhs with effect from the current year, namely, 1955-56, and has further provided another Rs. 25 lakhs in the second Plan period for jute research.

(Concluded from next column)

curement of raw jute at relatively lower prices. Modernisation as a part of rationalisation is proceeding but slowly, and it may take a considerable time before the programmes are completed by all mills. As regards raw jute, however, the position remains uncertain. The prices during the past few months have remained high on reports that the damage to jute crop last year by floods was bigger than expected and that mills might need more raw jute consequent on unsealing of looms. Latterly, however, there seems to be a change in the sentiment of the market as the new season's crop, thanks to timely good rains last week, is expected to be bigger and earlier than usual. This feeling has been responsible for a fall of Rs. 2 per maund, with Assam bottoms being quoted at Rs. 29. It, however, remains to be seen whether this downward trend will continue.

FUTURES MARKET FOR JUTE AND JUTE GOODS

The constitution of a futures market for jute and jute goods has been hanging fire for a considerable time now. The need for such a market was emphasised by the Jute Enquiry Committee which suggested that the proposed market should be modelled more or less on the East Indian Cotton Association, Bombay. The proposal was referred to the Forward Markets Commission and this body is reported to have submitted its scheme to the Government of India last year. Meanwhile, the Government asked the Indian Jute Mills' Association to formulate a scheme and forward it to the Government for consideration. The I.J.M.A. convened, according to Mr. M. P. Birla, who was the Chairman of this body last year, a joint meeting of the trade with a view to framing a constitution for the proposed market. In 1955, a small sub-committee was appointed for the purpose, under the chairmanship of Mr. K. E. Tosh. The Sub-committee's drafts of the Articles of Association and by-laws of the proposed Futures Market organisation were placed before the various trade associations in September last and were also discussed informally with the Forward Markets Commission in Bombay. The original drafts have been revised since, particularly in regard to the appointment of the Board of Directors, which has, we are told, involved some delay.

In framing the by-laws, the Sub-committee has been, it is stated, at pains to include adequate safeguards against undue speculation. It is expected that it will not be long before the futures market is opened in Calcutta.

RISE IN JUTE STOCKS PERSISTS

OUTPUT, TOO, GOES UP

THE monthly returns of the Indian Jute Mills' Association, Calcutta, for February 1956 disclose a further increase in stocks of jute goods held by mills, from 78,400 tons at the end of January to 89,700 tons a month later. This expansion took place despite the fact that February was a short month and in spite of an increase in the despatches from 74,000 tons to 81,700 tons. The rise in stocks was due chiefly to higher production during the month amounting 92,800 tons, as compared with 88,900 tons in the preceding month. The table below discloses the position of stocks of the principal categories of jute goods with the I.J.M.A. mills, at the close of each of the three months ended February 1956, as also at the end of February 1955.

Jute Goods Stock

(In tons)

—	As on 29-2-1956	31-1-1956	31-12-1955	28-2-1955
Hessian	28,200	25,600	23,500	26,700
Sacking	52,500	45,300	34,400	54,900
Others	9,000	7,500	5,600	1,300
Total ..	89,700	78,400	63,500	82,900

It will be seen from the table above, that all the three categories of goods have a share in the increase in stocks during the month under review. Thus hessian stocks have gone up from 25,600 tons to 28,200 tons, and those of sackings from 45,300 tons to 52,500 tons. Other varieties of goods, too, have similarly risen from 7,500 tons to 9,000 tons.

Although the stocks of jute goods at 89,700 tons is less than a month's output, the fact that there has been a steady rise since October 1955 when they stood at the lowest level for some years gives rise to a certain amount of concern. If the situation is allowed to drift further thus, the industry may be put to severe hardship.

The output of jute goods during February rose, as stated above, by 3,900 tons to 92,800 tons. The increase is evidently due to the bringing into use, as from 20th February, of an additional 5 per cent. of the 10 per cent. of total looms, which were under seal since 10th January, according to a previous decision of the I.J.M.A. In spite of this increase in the number of looms in operation, the output during the month was still lower than that in December 1955, when it amounted to 97,300 tons, a month when the total loomage was subject to sealing of 12½ per cent. as against 5 per cent. now. Although part of this decline may be traced to the fact that February is a shorter month than December it must be stated that, during the latter month, the mills were not worked to capacity probably due to the fear of incurring a loss, as prices of raw jute were out of gear with those of jute goods.

The table below gives an idea of output of jute goods during each of the three months ended January 1956 as also in January 1955:

Jute Goods Production

(In tons)

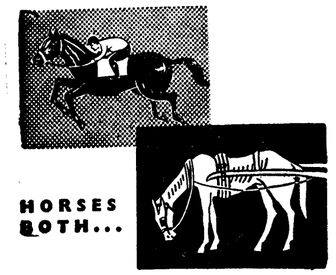
	February, 1956	January, 1956	December, 1955	February, 1955
Hessian	32,000	30,300	34,000	32,800
Sacking	54,700	52,600	56,600	46,400
Others	6,100	6,000	6,700	3,100
Total ..	92,800	88,900	97,300	81,800

As in the case of stocks, the increase has been shared by the three categories of goods. The output of hessians has risen from 30,300 tons to 32,000 tons and that of sackings from 52,600 tons to 54,700 tons. In the case of other varieties of goods, the rise is only of the order of 100 tons to 6,100 tons.

With the output of jute goods for February, the total for the first eight months of the current season, namely, July 1955 to February 1956, was 701,145 tons, as compared with 661,242 tons produced during the same period in 1954-55. On this basis, total raw jute consumed during the eight-month period may be placed at 4.06 million bales, as against 3.84 million bales in the preceding season.

From the foregoing statement, two important problems, emerge, namely, the accumulation of stocks with jute mills and the existence of a considerable idle capacity. They call for urgent solution, if the industry is to hold its place in the world trade in jute goods and contribute its quota of foreign exchange needed by India. A chief remedy lies in bringing down costs of production by means of rationalisation of the mills and pro-

(Continued in previous column)



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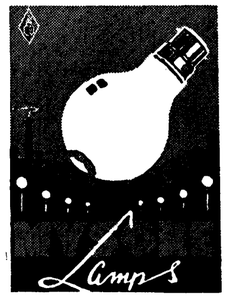

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UC/56

RUPEE TRAVELLERS' CHEQUES ISSUED IN CONVENIENT DENOMINATIONS.

THE ANDHRA BANK, LIMITED

ESTABLISHED : 1923

Head Office: **MASULIPATNAM**

The 32nd Report of the Board of Directors to be presented to the Shareholders at the 32nd Annual General Meeting to be held at the Registered Office of the Bank, Cantonment Road, Masulipatnam, on Saturday the 31st March 1956 at 4-45 p.m.

The Directors have the pleasure to submit to the Shareholders their annual report on the working of the Bank for the year 1955 together with the Balance Sheet as at and Profit and Loss Account for the year ended 31st December, 1955, and the Auditors' Report thereon.

The net Profit of the Bank for the year 1955, after payment of one month's substantive salary as bonus to staff and after making necessary provision for contingencies, amounted to Rs. 4,28,253-8-6 and including a sum of Rs 16,321-7-0 brought forward from the previous year's account, the total amount available for appropriation came to Rs. 4,44,574-15-6. Out of this, the following interim appropriation was made by your Directors.

	Rs.	a.	p.
Interim dividend for the half-year ended 30th June, 1955, at the rate of 6 per cent. per annum free of Income-tax	89,000	0	0
The following appropriations were further made by your Directors :—			
Transfer to Statutory Reserve under Section 17 of the Banking Companies Act, 1949	86,000	0	0
Transfer to provision for taxes	1,40,000	0	0
Your Directors now propose :—			
To pay a final dividend for the half-year ended 31st December, 1955, at 7 per cent. per annum free of Income-tax, making a total of 6¼ per cent. per annum for the year 1955, which will absorb	1,17,200	0	0
To carry forward to the next year's account	12,374	15	6
Total .. Rs.	4,44,574	15	6

The official rate of the Reserve Bank of India remained at 3½ per cent. per annum.

The demand for bank finance was slack during first half of 1955 due to the abnormal fall in the prices of paddy and rice. Added to this there was a rapid growth in our deposits and these factors resulted in decreased earnings to us compared to the previous year. In other respects the progress has been well maintained.

A Branch at Secunderabad (Dn.) and three Sub-offices at Warangal, Khammameth and Mandapeta were opened during the year.

Messrs. Maddi Sudarsanam, Dantu Suryarao and P. Parthasaradhi Naidu are three of the Directors retiring by rotation under Article 94. From the next longest in office, Sri S. Ramachar has volunteered to retire. The retiring Directors are eligible for re-election.

You are requested to appoint Auditors for the current year and fix their remuneration Messrs. Brahmayya & Co., and Ch. V. Lakshmaiah & Co., the retiring Auditors, offer themselves for re-appointment.

By Order of the Board,

S. R Y. SIVARAMA PRASAD BAHADUR,
Chairman.

14th March, 1956.

BALANCE SHEET AS AT 31st DECEMBER, 1955

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each				1,00,00,000	0	0
ISSUED CAPITAL— 49,990 Shares of Rs. 100 each for payment in cash	49,99,000	0	0			
10 Shares of Rs. 100 each for consideration other than cash	1,000	0	0			
				50,00,000	0	0
SUBSCRIBED CAPITAL— 48,990 Shares of Rs. 100 each				48,99,000	0	0
AMOUNT CALLED UP— On 1,010 Shares at Rs. 100 per Share	1,01,000	0	0			
On 47,980 Shares at Rs. 70 per Share	33,58,600	0	0			
	34,59,600	0	0			
LESS—Calls unpaid	1,12,420	0	0			
	33,47,180	0	0			
ADD—Forfeited Shares	Nil					
				33,47,180	0	0
2. Reserve Fund and Other Reserves—						
Statutory Reserve under Section 17 of the Banking Companies Act, 1949	6,17,000	0	0			
Other Reserves	8,20,000	0	0			
				14,37,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits (including Cash Certificates and Season Deposits)	3,87,69,462	9	7			
Savings Bank Deposits	2,43,23,027	1	3			
Current Accounts, Contingency Accounts, etc.	2,01,02,446	3	1			
				8,31,94,935	13	11
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil					
				Nil		
5. Bills Payable				8,55,230	8	10
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	48,38,666	6	1			
(ii) Payable outside India	35,97,324	8	3			
				84,35,990	14	4
7. Other Liabilities—						
Unclaimed Dividends	45,151	2	6			
Branch Adjustments	23,16,250	14	9			
Rebate on Bills Discounted	13,539	13	0			
				23,74,941	14	3
8. Acceptances, Endorsements and Other Obligations per contra				5,97,073	5	0
9. Profit and Loss—						
Profit as per Balance Sheet as at 31st December, 1954				3,46,421	7	0
LESS—Appropriations—	Rs.	a.	p.			
Final Dividend for the half-year ended 31st December, 1954, @ 8 per cent. per annum free of Income-tax	1,60,000	0	0			
Provision for Taxes	2,30,000	0	0			
	3,30,000	0	0			
	16,321	7	0			
ADD—Profit for the year brought from the Profit and Loss Account	4,28,253	8	6			
	4,44,574	15	6			
LESS—	Rs.	a.	p.			
Ad-interim Dividend @ 6 per cent. per annum free of Income-tax	89,000	0	0			
Transfer to Statutory Reserve under Section 17 of the Banking Companies Act, 1949	86,000	0	0			
Provision for Taxes for the year 1955	1,40,000	0	0			
	3,15,000	0	0			
	1,29,574	15	6			
10. Contingent Liabilities—	Rs.	a.	p.			
(1) Claims against the Banking Company not acknowledged as debts	12,682	12	6			
(2) Money for which the Banking Company is contingently liable—Uncalled capital on partly paid Shares held as Investments	26,250	0	0			
(3) Arrears of cumulative preference dividends	Nil					
(4) Liability on Bills of Exchange Rediscounted	Nil					
(5) Liability on account of outstanding Forward Exchange Contracts	Nil					
Total .. Rs.				10,03,71,927	7	10

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash— In hand and with Reserve Bank and State Bank				1,07,61,310	8	8
2. Balances with Other Banks in Current Accounts—						
(i) In India	42,28,599	3	4			
(ii) Outside India	1,34,456	9	1			
				43,63,055	12	5
3. Money at Call and Short Notice				13,00,000	0	0
4. Investments at Cost—						
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments—	Face Value Rs.	a.	p.			
(a) Securities of Central and State Governments	2,74,33,100	0	0	2,72,41,459	15	0
(b) Fully paid-up shares of Industrial Finance Corporation of India	1,00,000	0	0	1,00,000	0	0
(c) Post Office National Savings Certificates	5,000	0	0	5,000	0	0
(ii) Shares—						
(a) Fully paid-up ordinary shares of the Madras Industrial Investment Corporation Ltd.	25,000	0	0	25,000	0	0
(b) Fully paid-up ordinary shares of Andhra State Financial Corporation	1,06,500	0	0	1,06,500	0	0
(c) Fully paid-up ordinary shares of Joint Stock Companies	12,800	0	0	20,078	4	0
(d) Partly paid up ordinary shares of Joint Stock Companes (Paid up value Rs. 26,250)	52,500	0	0	50,625	0	0
(iii) Debentures or Bonds	8,34,000	0	0	8,31,500	0	0
(iv) Other Investments	Nil			Nil		
(v) Gold	Nil			Nil		
				2,83,80,163	3	0
5. Advances— (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)						
1. Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
(i) In India	3,82,68,523	6	2			
(ii) Outside India	Nil			3,82,68,523	6	2
2. Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India	59,61,505	13	10			
(ii) Payable outside India	Nil			59,61,505	13	10
(Particulars as per separate schedule attached)				4,42,30,029	4	0
6. Bills Receivable Being Bills for Collection as per contra—						
(i) Payable in India	48,38,666	6	1			
(ii) Payable outside India	35,97,324	8	3			
				84,35,990	14	4
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				5,97,073	5	0
8. Premises (Less Depreciation)—						
Cost as per Balance Sheet of 31st December, 1954	87,544	6	10			
Additions during the year	5,53,621	1	7			
	6,41,165	8	5			
LESS—Depreciation written off to-date	16,777	5	10			
				6,24,388	2	7
9. Furniture and Fixtures (Less Depreciation)—						
Cost as per Balance Sheet of 31st December, 1954	4,80,053	12	0			
Additions during the year	70,485	6	0			
	5,50,589	2	0			
LESS—Deductions: Cost of Furniture sold and/or written off during the year	18,466	7	5			
	5,32,072	10	7			
LESS—Depreciation written off to-date	1,61,836	1	11			
				3,70,236	8	8
10. Other Assets including Silver—						
Sundries (including Income-tax deducted at source, Advance Payment of Income-tax)	7,17,443	11	4			
Stationery on hand at cost	1,65,296	9	10			
Stamps on hand	4,234	1	9			
Accrued Interest on Investments	3,08,316	9	8			
Library at cost	3,017	6	7			
Premises not occupied by the banking company (cost as per Balance Sheet of 31st December, 1954)	4,05,403	4	0			
Additions during the year	318	8	6			
	4,05,721	12	6			
LESS—Amount transferred to premises account (occupied)	3,08,500	15	0			
	97,220	13	6			
LESS—Depreciation written off to-date	7,642	4	0	89,578	9	6
				12,87,887	0	8
11. Non-Banking Assets Acquired in Satisfaction of Claims (At Book Value) (This does not exceed the estimated realisable value)				21,792	12	6
Total .. Rs.				10,03,71,927	7	10

Particulars of 'Advances' forming part of the Balance Sheet as at 31st December, 1955

PARTICULARS	Rs.	a.	p.
1. Debts considered good in respect of which the banking company is fully secured	3,93,24,552	0	1
2. Debts considered good for which the banking company holds no other security than the debtors' personal security	38,71,129	10	9
(The above includes Rs. 37,52,200-10-0 debts for which more than one person is liable.)			
3. Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of debtors	10,34,347	9	2
4. Debts considered doubtful or bad, not provided for	Nil		
	4,42,30,029	4	0

PARTICULARS	Rs.	a.	p.
5. Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons (fully secured)	7,25,078	5	11
6. Debts due by companies or firms in which the directors of the banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members	40,37,877	15	3
Fully secured Rs. 31,37,660 1 0			
Secured by personal liability of debtors, etc. Rs. 9,00,217 14 3			
Rs. 40,37,877 15 3			
7. Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other person (fully secured)	10,34,365	1	8
8. Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	42,23,483	14	9
Fully secured Rs. 31,92,837 0 9			
Secured by personal liability of debtors, etc. Rs. 10,30,646 14 0			
Rs. 42,23,483 14 9			
9. Due from banking companies	195	9	0

(Continued on next page)

FUTURES TRADING IN PEPPER

COCHIN ASKED TO CONSTITUTE NEW BODY FOR RECOGNITION

SEVERAL important considerations have weighed with the Forward Markets Commission in deciding not to recognise Bombay City as a centre for conducting futures trading in pepper. First, Bombay City is far remote from the major pepper-producing areas of Travancore-Cochin and Madras. Secondly, production of pepper in the State of Bombay is only about 100 tons which is less than one per cent. of the total production in the country. Thirdly, the quantity of pepper received in Bombay for marketing is hardly 12 per cent. of the total production in the country. Fourthly, 90 per cent. of the export of pepper is effected from the ports of Cochin and Alleppey. Fifthly, the market at Bombay cannot serve the needs of merchants in the assembling and export markets in the producing States. Lastly, the Bombay Government did not, in the first instance, consider that Bombay needed futures trading facilities in pepper, though later on, it supported the only application for recognition from the City to the Forward Markets Commission. Although these points were against the selection of Bombay, the Commission has taken care to add that the need for hedging facilities in Bombay City be examined again after sufficient experience has been gained of the working of the market in Cochin, where permission to start a futures market has, as briefly reported in these columns last week, been granted by the Commission.

There were, in fact, five applications for recognition to conduct futures trading—four from Travancore-Cochin and one from Bombay. Travancore-Cochin produced in 1954-55, 16,700 tons of pepper or 65.2 per cent. of the total production in the country. The next big producer was Madras State, with an output of 8,900 tons or 34 per cent. of the total. No application, however, came from Madras. Mysore and Coorg raised about 100 tons, so also Bombay.

Characteristic Features

Before disposing of the applications, the Commission examined the various aspects of futures trading in pepper and came to the decision that this commodity had all the characteristic features necessary for according hedging facilities. These features are: (1) Pepper is homogeneous in character and lends itself to easy gradation and does not suffer from the existence of complicated varieties. (2) It can be stored for fairly long periods. (3) The supply of pepper is adequate to support the functioning of a futures market. (4) The demand for it is wide, mostly for export to the U.S.A., the Continent and the U.K. Since exporters have to sell forward deliveries for distant shipments, they require hedging facilities to protect themselves against wide price fluctuations, occurring during the interim period between the date of sale to the foreign buyer and the actual date of shipment. (5) The wholesalers and commission agents who buy pepper from growers and sell them to exporters after garbling also require hedging facilities in view of the time lag of one to two months between the dates of purchase and sale. (6) And the functioning of two or three futures markets at Alleppey and Cochin, in the past, has shown that there are sufficient number of operators, dealers and exporters capable of providing hedging facilities.

Cochin Selected

Rejecting all the four applications received from the existing associations in Travancore-Cochin State, from both Cochin and Alleppey, towns to be precise, for recognition to conduct futures trading, the Commission has stated that a new association should be constituted at Cochin on the lines recommended by it. This association should be recognised for a period of three years in the first instance. Of the two centres claiming recognition, namely, Cochin and Alleppey, the former was selected, because it enjoyed certain additional advantages over the latter. These are: (*a*) Pepper being essentially an export commodity and as much as 72 per cent. of the total shipments being exported from the port of Cochin, opening of futures trading in this centre would facilitate export trade. (*b*) Almost all the important pepper exporters of Alleppey and Bombay have their offices in Cochin. (*c*) The offices of the Deputy Chief Controller of Exports and the Export Promotion Council for Pepper and Cashewnuts are located at Cochin. Lastly, Cochin is a major port and affords facilities for quicker transport of the commodity all through the year.

As a background to the subject of futures trading in pepper, the Forward Markets Commission has given, in its report to the Government, full details regarding production, consumption, distribution and export trade of pepper. The table below gives the area and production of pepper during the six years ended 1954-55:

Year	*Area* Acres	*Production* Tons
1948-49	196,000	18,500
1951-52	202,000	23,000
1952-53	204,800	21,600
1953-54	207,700	23,800
1954-55	208,200	25,800

The increase in the area under pepper, as compared with the pre-war year, has been very small, being only 6 per cent., while the output has risen by 40 per cent. The yield per acre again varies from area to area. The average yield per acre is 350 lbs. in Travancore-Cochin, 200 lbs. in Madras, 100-112 lbs. in Mysore and Coorg and 240 lbs. for the whole country.

No Marked Increase in Output

It will be seen from the table above that, since 1951-52, the output of pepper crop has not shown any marked increase. This is due to several factors. Since the vine begins to yield pepper only after a period of about five to seven years from planting and as there is no guarantee against a sharp fall in prices during the long interval between planting and harvesting, there is no incentive to the grower either to bring more land under pepper or to take other steps for raising the yield per acre. Secondly, growers are reluctant to increase production by replacing old vines by new ones, since the old give satisfactory returns at the prevailing prices. Thirdly, there is little scope for extension of cultivation in the States of Travancore-Cochin and Madras where pepper holdings account for 99 per cent. of the total output. Extension of cultivation, it may be noted here, will be possible only in areas possessing adequate rainfall and the required soil and climatic conditions.

During pre-war years, internal demand for pepper was about 9,000 tons. Owing to reduced supply and high prices, domestic consumption declined to 5,000 tons as consumers took to chillies. During the last two years, the internal demand improved owing to fall in pepper prices and it is estimated now to be about 6,000 to 8,000 tons per annum.

Exports

In 1938-39, India exported hardly 1,000 tons, with Indonesia supplying more than 95 per cent. of world needs. With the Japanese occupation of Indonesia during the last war, India became the principal source of supply to the Allied powers and exports rose to 10,000 tons by 1946-47. In 1947, the Government of India removed the restrictions on exports and the U.S. Government withdrew price ceilings on internal sales of pepper. As a result, exports from India touched the all-time peak of 16,600 tons in 1947-48. In 1948-49 it dropped to 7,000 tons, as U.S. importers had ample stocks, thanks to excessive purchases in the previous year. Although they rose in 1949-50 to 15,000 tons, there has been a decline since then, as will be seen from the table below:

Year	*Pepper exports* Tons	*Value* Rs. (lakhs)
1945-46	8,950	117.2
1946-47	11,000	206.5
1947-48	16,600	372.1
1948-49	7,050	267.2
1949-50	15,000	1,368.6
1950-51	15,390	2,040.3
1951-52	14,910	2,322.0
1952-53	12,310	1,606.5
1953-54	12,760	1,287.1
1954-55	13,690	695.1

The value of pepper exports advanced from Rs. 3 lakhs in 1938-39 to Rs. 23 crores in 1951-52, nearly 66 per cent. of the latter being in dollars. Owing to the decline in price, the value of exports fell to Rs. 16 crores in 1952-53 and still further to Rs. 6.9 crores in 1954-55.

In 1938-39, the price of pepper at Alleppey stood at Rs. 16-14 per cwt. Owing to loss of supplies from the South-East Asian countries, pepper prices in India firmed up to Rs. 24-4 in May 1942, to Rs. 103 in December 1946 and then to Rs. 475 per cwt. in September 1949. In October of the same year, a further advance to Rs. 675 was recorded. The outbreak of hostilities in Korea pushed up the price further to Rs. 775 per cwt. Since then there has been a decline in prices, owing to the appearance of Indonesia and Sarawak as sellers of pepper. Currently, Indian pepper is being quoted at about Rs. 140 per cwt.

THE ANDHRA BANK, LIMITED—*(Continued)*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955

EXPENDITURE	Rs.	a.	p.	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.				18,68,273	14	1
2. Salaries and Allowances and Provident Fund—	Rs.	a.	p.			
(a) Managing Director's Honorarium	7,500	0	0			
(b) General Manager's Salary and Allowances	16,541	10	8			
(c) Others	12,53,533	0	2			
				12,77,574	10	10
3. Directors' and Local Committee Members' Fees and Allowances				15,230	0	0
4. Rent, Taxes, Insurance, Lighting, etc.				1,30,547	9	11
5. Law Charges				923	9	1
6. Postage, Telegrams and Stamps				98,598	2	10
7. Auditors' Fees				5,000	0	0
8. Depreciation on and Repairs to the Banking Company's Property				33,929	13	11
9. Stationery, Printing, Advertisement, etc.				1,18,630	10	4
10. Loss from Sale of or Dealing with Non-banking Assets				Nil		
11. Other Expenditure				87,430	13	9
12. Balance of Profit (subject to Taxation)				4,28,253	8	6
Total .. Rs.				40,60,497	13	3

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	33,72,685	7	11
2. Commission, Exchange and Brokerage	6,78,515	9	1
3. Rents	10,677	5	6
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets. (Not credited to Reserve or any particular Fund or Account)	41,308	4	10
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets. (Not credited to Reserve or any particular Fund or Account)	Nil		
6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	1,170	8	3
7. Other Receipts— Rs. a. p.			
Sundry Receipts 55,515 5 8			
Share Transfer Fee 680 4 0			
	56,195	9	8
Total .. Rs.	40,60,497	13	3

AUDITORS' REPORT.

We have audited the Balance Sheet of the Andhra Bank, Ltd., as on 31st December, 1955, and the Profit and Loss Account for the year ended on that date, as set-forth above, with the books of the Head Office and the certified returns from Branches and Sub-Offices and we best to report that :—

(a) We have obtained all the information and explanations we have required and such information and explanations have been found to be satisfactory ;

(b) the transactions of the Company which have come to our notice have been within the powers of the Company ;

(c) the returns received from the Branch Offices of the Company have been found to be adequate for the purpose of our audit ;

(d) the Profit and Loss Account shows a true balance of profit for the year ended 31st December, 1955 ;

(e) the Balance Sheet and Profit and Loss Account are, in our opinion, drawn up in conformity with the Law ;

(f) the Balance Sheet exhibits a true and correct view of the state of the Bank's affairs as on that date according to the best of our information and explanations given to us and as shown by the books of the Bank ; and

(g) that, in our opinion, the books of account have been kept by the Bank as required by Section 150 of the Indian Companies Act.

14th March, 1956. } BRAHMAYYA & CO. } Chartered Accountants.
14th March, 1956. } CH. V. LAKSHMAIAH & CO., }

SEDIMBI RAMACHANDRA RAO, Chief Accountant.
TUMPUDI RANGANADHA BHAGAVAT, Deputy General Manager.
ELESVARAPU RAMACHENDRAMURTI, General Manager.
S. B. Y. SIVARAMA PRASAD BAHADUR, Chairman, Board of Directors.
J. MANIKYALA RAO, Deputy Chairman.
TADEPALLY SRIRAMULU, Managing Director.

K. S. DUTT,
P. PARTHASARADHI,
ಎಂ. ಶಂಕರ್ ಶೆಣೈ,
S. RAMACHAR,
C. RAMANADHA BABU,
MAJETI SESHAGIRI RAO,
REPARA SATYANARAYANAMURTY,
MADDI SUDARSANAM,
DANTU SURYA RAO,
} Directors.

THE BUCKINGHAM AND CARNATIC COMPANY, LIMITED

THIRTY-FIFTH ANNUAL MEETING

MR. R. E. CASTELL PLEADS FOR REVISION OF RESTRICTION ON MILL CLOTH PRODUCTION

AN earnest plea for lifting the restriction on the production of the cotton mill industry was voiced by Mr. R. E. Castell, Chairman of the Buckingham and Carnatic Company, Ltd., in the course of his address to the shareholders at their Thirty-fifth Annual General Meeting, held in Madras on 23rd March 1956. By complying with this suggestion the Government would, Mr. Castell said, guard against a shortage of cloth and its consequent inflationary results and the probable counter-measures in the form of controls which would be costly and generally vexatious.

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

"GENTLEMEN,

"The report of the Directors and the accounts for the year ended 31st December 1955 having been in your hands for some time, I propose, with your permission, to take them as read, but I will be glad to answer questions later.

"Your Company has closed another successful trading year and I am glad to report that a useful increase in the production of yarn and cloth has contributed towards this result. This increase in production arises from the further progress made with the Company's rehabilitation programme and the continuing efforts to improve efficiency in all processes.

"The position remains unchanged to the extent that your Company cannot expand its manufacturing installation because of the regulations affecting the cotton textile industry. I feel it is my duty to add my voice to the warnings so often uttered lately by other representatives of the industry about the danger of continuing to limit mill cloth production to the present level which is about 5,000 million yards; it was, in fact, 5,094 million yards in 1955. The Government estimates that by the end of the second Five-year Plan in 1960, 7,200 million yards of cloth will be needed to provide for 400 million people at the rate of 18 yards *per capita*, in addition to which it is hoped to produce 1,000 million yards annually for export. Of the total target production of 8,200 million yards, 3,200 million is planned for the handloom-*cum*-powerloom sector: this is almost double the present output from handlooms and powerlooms and it is open to serious doubt whether anything like such an increase can be achieved.

'Per Capita' Consumption

"I might add that the estimated consumption of 18 yards *per capita* may well prove to be inadequate, in view of the plans which are in train for India's further agricultural and industrial development, and the reasonable expectation that the *per capita* income will materially improve.

"I earnestly hope, and I am sure that you will join me in this, that the Government will soon revise its present policy of limiting the production of the mill industry and so guard against a shortage of cloth and its consequent inflationary results and probable counter-measures in the form of controls which, as past experience has shown, are costly and generally vexatious.

"Whatever may be the true potentialities of the handloom industry and the powerlooms, including partial substitution of the latter for handlooms, I do think that the Government would be well advised to examine the possibilities of considerably increasing the present production of mill cloth. In my view, the increase which is desirable cannot be achieved substantially by the introduction of a third shift. Our own experience during the last war definitely showed that in all processes, but particularly weaving, the third shift is severe on machinery, discomforting to labour and harmful to quality. The need for a change of policy is urgent not only because signs of a cloth shortage are already apparent but also because, as time goes on, the difficulty of planning and executing any expansion promptly is bound to increase.

"For the information of those of you who do not already know, I would mention that your Company operates an India-wide system of distribution of its cloth and its policy of controlling the selling prices of the mills' dealers continues. We often receive complaints from various parts of India that our cloth is not readily available, but that, I can assure you, is not the Company's fault. Apart from the statutory limitation of our capacity which we suffer along with the rest of the industry, we continue to fill two responsibilities which to us are traditional, the first being to supply large quantities of cloth to the defence services, and the second being to make our contribution towards India's export trade and her foreign exchange resources: we also supply increasingly large quantities of cloth for the needs of other Indian industries, particularly the coated abrasives industry. These responsibilities, although it is important in the national interest that we should continue to discharge them, handicap us in our effort to meet the needs of the general public. As I believe there are other mills in a somewhat similar position, here is an additional reason why the Government, in the interest of the ordinary consumer, should encourage without delay an expansion of present mill cloth production by permitting the installation of more machinery.

Prospects for Exports

"In 1955, your Company exported nearly one-fourth of its total production of cloth. As you may know, there was a considerable shrinkage in the world trade in cotton textiles last year: India was not affected quite so much by this decline as the U.K. and Japan, but, nevertheless, her exports of mill cloth fell from 898 million yards in 1954 to 816 million yards in 1955: exports of handloom cloth from India were also lower in 1955, being 55 million yards, against 61 million yards in 1954. I do not feel hopeful about this shrinkage in the world trade in cotton goods being reversed, since other cotton-growing countries will, undoubtedly, continue to develop their own textile industries, and competition from those countries foremost in the export field is likely to become keener than ever. In the past, India's exports of cotton textiles have at times been restricted by controls and, as a result some part of overseas demand has been permanently lost to her. I hope that no restrictions of any kind will ever be imposed again on exports of cotton textiles, but, on the other hand, I hope that the Government will do everything it reasonably can to encourage such exports. Here again is a strong reason for allowing the expansion of mills' productive capacity, as when cloth is not enough for domestic needs, mills and traders will be less inclined to export, particularly when increasing competition overseas makes export less attractive. Even now your own Company and their representatives overseas have to exercise constant energy and vigilance, and prices have to be kept strictly competitive in order to maintain the mills' exports.

Excise Duty on Cloth

"You will know that by the 1956 Finance Bill, the excise duties on all kinds of mill-made cotton cloth (except coarse and medium *dhotis*) were increased by 6 pies per square yard. In spite of the current generally good demand for cloth, I doubt if consumers' present purchasing power can absorb this increase in cost on all varieties, and to some extent it may have to be borne partly by the industry, at least for the time being.

"Your Company's installation is so designed that in ordinary circumstances almost all its spinning production would be woven in its own looms, but in order to fulfil its obligations to the Government and to assist the handloom industry, your mills have for some years by adjustment of their manufacturing programme contrived to supply fairly substantial quantities of yarn to the handlooms: in 1955 over 8,400 bales were supplied, this being more than one and a half times the previous year's supply.

"I now propose to comment on the published accounts and draw your attention to the very considerable transfer from capital works-in-progress to machinery account, due to the completion of the new weaving shed, the power house and the progress made in the machinery replacement programme.

"You will notice that our current assets have been reduced, when compared with the previous year, by approximately Rs. 38,00,000 and this is mainly accounted for by the reductions in stores and stock-in-trade of approximately Rs. 11,00,000 and Rs. 48,00,000, respectively, offset to the extent of Rs. 22,00,000 by an increase under the heading 'book debts.'

"On the liabilities side, there is a reduction of Rs. 3,50,000 on our debenture debt, Rs. 27,00,000 in the overdraft from bankers and Rs. 5,00,000 on taxation account. There is also a reduction of approximately Rs. 24,00,000 in our liability for acceptances as, owing to the recent increase in the bank rate in the United Kingdom, we have temporarily discontinued our practice of paying for the purchases made in that country by means of exchange bills. This last reduction, however, is offset to the extent of approximately Rs. 11,00,000 appearing under a new heading 'loans unsecured' and this has been lent to us by Binny & Co., Ltd., London, on favourable terms.

"The Directors' report has drawn your attention to the increase in sale proceeds of cloth, yarn and waste and I think the only other item calling for comment in the profit and loss account is the increase in the depreciation charge resulting from new buildings and machinery brought into use during the year.

"Section 23A applies to this Company for the financial years 1954 and 1955, but the dividends already, respectively, declared or proposed comply with the provisions of that section in that they exceed 60 per cent. of the assessable income less the tax thereon.

Inter-State Sales Tax

"For the greater part of the year the difficult administrative problems referred to in my last speech on account of inter-State sales tax continued, but, although some relief resulted from the Supreme Court's decision in September 1955 that the levy of this sales tax was *ultra vires*, additional problems arose from the many demands which were received from our customers for refund of the inter-State sales tax collected from them. We, in our turn, demanded refunds from the various State Governments and it was not until the Ordinance was issued in January 1956, legalising the levy and collection of inter-State sales tax from 1st April 1951 to 6th September 1955 that the position was clarified to some extent. There are, however, several important points still to be decided and I fear that it will be many months before the unhappy history of this unfortunate taxation measure, which has caused the business community so much harassment and expense, will be concluded.

"The mill labour advisory organisation has continued to function in a most satisfactory manner, but this year, I regret, I cannot say that there has been no loss of production from stoppages of work by labour. In common with many other workers throughout India, our employees joined in the *hartal* called in memory of those who lost their lives in the Goa incidents. They also participated in an unwarranted strike on 24th November 1955. The issues which were the pretext for this second stoppage will shortly be the subject of arbitration by the Hon. Mr. Justice Ramaswamy Gownder.

Employees' Insurance

"In November 1955, the Employees' State Insurance Scheme was implemented in Madras City and its immediate effect in these mills was a considerable increase in absentation. The position has lately improved somewhat, but it is clear that absenteeism on account of sickness is likely to prevail in future to a greater extent than before the Act came into force.

"Shareholders will be interested to know that at the request of the workers, Sunday, 29th January 1956, was treated as a normal working day and the wages earned by the workers for that day and the profit earned by the Company will be given to the Madras Cyclone Relief Fund. An advance payment of Rs. 50,000 has already been made.

"It will also be of interest to you to learn that the liabilities of the Workpeoples' and Employees' Provident Funds, the accounts of which are now maintained by the Trustees, amounted at 31st December 1955 to Rs. 1,31,87,122 and Rs. 14,48,932, respectively, and corresponding

(*Continued on page 637*)

THE TRAVANCORE BANK, LIMITED.

(INCORPORATED IN TRAVANCORE IN 1945)

BALANCE SHEET AS AT 31st DECEMBER, 1955.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 8,00,000 Shares of Rs. 25 each	2,00,00,000	0	0			
ISSUED AND SUBSCRIBED CAPITAL— 4,00,000 Shares of Rs. 25 each fully paid				1,00,00,000	0	0
2. Reserve Fund and Other Reserves—						
General Reserve	17,55,000	0	0			
Contingent Reserve	6,25,000	0	0			
				23,80,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits and Thrift Deposits	2,18,47,963	2	2			
Savings Bank Deposits	30,43,129	14	11			
Current Accounts, Contingency Accounts, etc.	2,27,77,840	9	11			
				4,76,69,733	11	0
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil					
				Nil		
PARTICULARS— (i) Secured by part of investments per contra	Nil					
(ii) Unsecured	Nil					
5. Bills Payable				3,38,892	13	11
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	17,42,766	3	6			
(ii) Payable outside India	11,26,999	11	0			
				28,69,765	14	6
7. Other Liabilities—						
Reserve for Taxes	4,62,710	12	0			
Staff Security Deposit	52,500	0	0			
Interest on Inoperative Accounts	965	14	7			
Unpaid Dividends	17,361	4	3			
Branch Adjustments	11,34,883	12	1			
Provision for Bonus to Staff	30,443	9	0			
Provision towards Gratuity	26,815	11	6			
Sundries	8,282	5	6			
				17,39,972	4	11
8. Acceptances, Endorsements and Other Obligations as per contra				86,14,038	7	9
9. Profit and Loss—						
Balance as per Balance Sheet as at 31st December, 1954 (after appropriations)	93,631	6	8			
ADD—Profit for the year ended 31st December, 1955, brought from Profit and Loss Account	10,19,965	9	6			
	11,13,597	0	2			
LESS—Provided for by the Directors towards— Rs. a. p.						
Taxation 4,00,000 0 0						
General Reserve 2,25,000 0 0						
Bonus to Staff 35,000 0 0						
Gratuity 5,000 0 0	6,65,000	0	0			
				4,68,597	0	2
10. Contingent Liabilities—						
(a) Claims against the Banking Company not acknowledged as debts	87,098	5	5			
(b) Money for which the Banking Company is contingently liable— Rs. a. p.						
Guarantee given by the Banking Company on behalf of Directors or Officers Nil						
Others Nil	Nil					
(c) Arrears of cumulative preference dividends	Nil					
(d) Liability on Bills of Exchange rediscounted	Nil					
(e) Liability on account of outstanding Forward Exchange Contracts	74,09,230	5	0			
	74,96,328	10	5			
Total .. Rs.				7,40,81,000	4	3

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank and State Bank of India (Including Foreign Currency Notes—Nil)				44,80,163	8	2
2. Balances with Other Banks—						
On Current Accounts— (i) In India	1,26,496	4	9			
(ii) Outside India	12,35,310	10	5			
	13,61,806	15	2			
On Deposit Accounts— (i) In India (on account of Staff Security Deposits)	52,500	0	0			
(ii) Outside India	Nil					
				14,14,306	15	2
3. Money at Call and Short Notice				51,50,000	0	0
4. Investments at or below Cost—						
(i) Securities of the Central and State Governments and other Trustee Securities (Treasury Bills of the Central and State Governments—Nil)	2,61,69,329	12	0			
(ii) Shares	Nil					
(iii) Debentures or Bonds	Nil					
(iv) Other Investments	Nil					
(v) Gold	Nil					
LESS—Depreciation Reserve on Investments	2,61,69,329	12	0			
(Securities for the face value of Rs. 35,50,300 are encumbered)	6,00,000	0	0	2,55,69,329	12	0
5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)						
(I) Loans, Cash Credits, Overdrafts, etc. Rs. a. p.						
(i) In India 2,18,82,586 0 1						
(ii) Outside India Nil	2,18,82,586	0	1			
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India 25,93,780 14 2						
(ii) Payable outside India 6,80,816 11 6	32,74,597	9	8			
	2,51,57,183	9	9			
PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the banking company is fully secured	2,35,96,840	11	6			
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security	1,89,057	4	10			
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	13,71,285	9	5			
(iv) Debts considered doubtful or bad, not provided for	Nil					
	2,51,57,183	9	9			
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons	14,204	3	8			
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners, or managing agents or, in the case of private companies, as members	94,04,919	7	7			
(vii) Maximum total amount of advances including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons	30,347	15	10			
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members	1,09,34,758	2	0			
(ix) Due from banking companies	6,57,334	7	4			
6. Bills Receivable Being Bills for Collection as per contra—						
(i) Payable in India	17,42,766	3	6			
(ii) Payable outside India	11,26,999	11	0			
				28,69,765	14	6
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra				86,14,038	7	9
8. Premises Less Depreciation				Nil		
9. Furniture and Fixtures Less Depreciation—						
At cost as per Balance Sheet as at 31st December, 1954	2,82,734	12	11			
Additions during the year	7,707	5	3			
LESS—Sales and Adjustments during the year	2,90,532	2	2			
	15,410	4	4			
LESS—Depreciation written off to date	2,75,121	13	10			
	1,99,950	13	6	75,171	0	4
10. Other Assets including Silver—						
Motor Car at cost as at 31st December, 1954	14,533	12	0			
LESS—Depreciation written off to date	10,335	2	11			
	4,198	9	1			
Balances with Travancore-Cochin Treasuries	2,741	12	10			
Interest accrued on Investments	2,39,598	11	0			
Books, Stationery and Stamps	63,078	5	10			
Advance Payment of Income-tax (including Income-tax deducted at source) and Refund of Income-tax receivable	4,17,137	15	11			
Sundries	25,285	9	11			
				7,51,041	0	7
11. Non-Banking Assets Acquired in Satisfaction of Claims				Nil		
Total .. Rs.				7,40,81,000	4	3

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955.

EXPENDITURE	Rs.	a.	p.	INCOME (Less Provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	8,82,158	12	4	1. Interest and Discount	23,81,514	11	9
2. Salaries and Allowances and Provident Fund (this includes Salaries, Allowances and Provident Fund paid to the Ex-Managing Director Rs. 14,540-15-6, Salaries and Allowances and Provident Fund paid to the General Manager from 1-5-55 Rs. 10,016-0-0 and Rs. 1,500-0-0 provision made for leave salary etc. of General Manager. Over and above this, the Ex-Managing Director has been paid a Bonus Rs. 2,000-0-0 and passage money and other expenses Rs. 12,155-5-5 out of the provisions made during previous years).	6,63,933	8	9	2. Commission, Exchange and Brokerage	4,64,006	2	11
3. Directors' and Local Committee Members' Fees and Allowances	9,760	0	0	3. Rents	Nil		
4. Rent, Taxes, Insurance, Lighting, etc.	84,254	15	11	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	2,364	0	2
5. Law Charges	4,255	1	0	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Postages, Telegrams and Stamps	36,045	4	7	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil		
7. Auditors' Fees	2,000	0	0	7. Other Receipts	11,476	0	2
8. Depreciation on and Repairs to the Banking Company's Property	35,471	14	6	8. Loss (if any)	Nil		
9. Stationery, Printing, Advertisements, etc.	43,517	8	3				
10. Loss from Sale of, or Dealing with, Non-Banking Assets	Nil						
11. Other Expenditure	77,998	4	2				
12. Balance of Profit	10,19,965	9	6				
Total .. Rs.	28,59,360	15	0	Total .. Rs.	28,59,360	15	0

AUDITORS' REPORT TO THE SHAREHOLDERS OF THE TRAVANCORE BANK, LTD.

We have audited the Balance Sheet of the Travancore Bank, Ltd., as at 31st December, 1955, and the Profit and Loss Account for the year ended that date as above set forth, with the Books of Account at the Head Office and the certified returns received from the Branches of the Bank and have obtained all the information and explanations we have required, which were found to be satisfactory.

In our opinion, such Balance Sheet and Profit and Loss Account are drawn up in conformity with the Law and the Balance Sheet exhibits a true and correct view of the state of affairs of the Bank as at 31st December, 1955, and the Profit and Loss Account shows a true balance of profit for the period covered by such account according to the best of our information and the explanations given to us and as shewn by the books at the Head Office and the certified returns from the Branches.

We are further of the opinion that the Bank has maintained the Books of Account as required by Section 130 of the Indian Companies Act, 1913, the transactions of the Bank which have come to our notice are, in our opinion, within the powers of the Bank and the certified returns received from the Branch Offices of the Bank have been found adequate for the purpose of this audit.

VARMA & VARMA,
Chartered Accountants.

P. NINAN KOSHI,
Chief Accountant.

K. A. SIVASANKARA MUDALIAR,
S. VAIDYANATHA AIYAR,
P. R. RAMAN MENON,
T. M. VERGHESE,
CHAKOLA LONAPPEN PALU,
K. N. SHANKUNNI PILLAY,
K. SREENIVASA KARAYALAR,
P. S. PADMANABHAN.
} *Directors.*

D. R. VEDAMUTHU,
General Manager.

TRIVANDRUM, 14th *February*, 1956.

(This is not a Prospectus but only an Announcement of Prospectus. The Prospectus dated 17th March 1956 has been filed with the Registrar of Companies, Bombay, and a copy thereof can be inspected at the Registered Office of the Company on any working day during business hours. Copies of the Prospectus may be obtained from the Head Office and branch offices of the Bank of Baroda Limited mentioned below.)

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

An application will be made to the Native Share and Stock Brokers' Association, Bombay, in due course for a quotation of the shares.

The Subscription List will open on Saturday the 31st day of March 1956 and will close on Thursday the 12th day of April 1956, both days inclusive, or earlier as may be decided by the Directors, but not before the 6th day of April 1956.

POLYCHEM LIMITED

(INCORPORATED UNDER THE INDIAN COMPANIES ACT, 1913.)

SHARE CAPITAL

AUTHORISED CAPITAL:

80,000	Redeemable 7½ per cent. (taxable) Cumulative First Preference Shares of Rs. 50 each	
80,000	Ordinary Shares of Rs. 50 each	Rs. 1,50,00,000
1,40,000	Unclassified shares of Rs. 50 each	

ISSUED CAPITAL:

80,000	Redeemable 7½ per cent. (taxable) Cumulative First Preference Shares of Rs. 50 each	Rs. 40,00,000
80,000	Ordinary Shares of Rs. 50 each	Rs. 40,00,000
		Rs. 80,00,000

There are no Founders' or Deferred shares nor any Debentures or Mortgages.

Out of the above issue the promoters, Kilachand Devchand & Co., Ltd., the Directors of the Company, and their friends, including Dow Chemical Company of Midland in the State of Michigan, U.S.A., have agreed to subscribe for:

Ordinary Shares of the nominal value of Rs. 20,00,000 which will be allotted to them.

ISSUED TO THE PUBLIC:

Preference Shares of the nominal value of	Rs. 40,00,000
and	
Ordinary Shares of the nominal value of	Rs. 20,00,000

The whole of the issue to the public has been underwritten.

BOARD OF DIRECTORS

1. SHRI RAMDAS KILACHAND, (Chairman), Merchant, 95 Nepean Sea Road, Bombay 6.
2. SHRI KRISHNARAJ M. D. THACKERSEY, Merchant, 2 Warden Road, Bombay 26.
3. SHRI GULABCHAND HIRACHAND, Merchant, Construction House, Bombay 1.
4. SHRI RAMNIVAS RAMNARIAN RUIA, Merchant, State Bank Building, Bank Street, Bombay.
5. SHRI CLAYTON S. SHOEMAKER, President, Dow Chemical International Limited, Midland, Michigan, U.S.A.
6. SHRI WILLIAM H. SCHUETTE, General Manager of the Midland Division of Dow Chemical Company, Midland, Michigan, U.S.A.
7. SHRI AMBALAL KILACHAND, Merchant, 95 Nepean Sea Road, Bombay 6.

REGISTERED OFFICE

45-47 APOLLO STREET, FORT, BOMBAY-1.

AUDITORS

MESSRS. NANUBHAI & CO., 51 Mahatma Gandhi Road, Bombay-1.

LEGAL ADVISERS

MESSRS. DAPHTARY FERREIRA & DIVAN, 13-19 Medows Street, Fort, Bombay-1.

BROKERS

1. MESSRS. HARKISONDASS LUKHMIDASS, 5 Dalal Street, Bombay-1.
2. MESSRS. PREMCHAND ROYCHAND LTD., 63 Apollo Street, Bombay-1.
3. MESSRS. MERWANJEE BOMANJEE DALAL, Allahabad Bank Bldg., Apollo Street, Bombay-1.
4. MESSRS. STEWART & CO., 7 Royal Exchange place, Calcutta.

BANKERS

THE BANK OF BARODA LIMITED, 10-12 Apollo Street, Bombay-1.

TERMS OF ISSUE

Preference Shares

The Redeemable 7½ per cent. (taxable) Cumulative First Preference Shares (hereinafter called the "Preference Shares") shall entitle the holders thereof to a fixed cumulative preferential dividend at the rate of 7½ per cent. per annum (taxable) on the capital for the time being paid up thereon, and the right in the winding-up to the payment of capital and arrears of dividend (if any), whether declared or not, up to the commencement of the winding-up in priority to all other shares in the capital of the Company, but shall not confer any further right to participate in the profits or assets of the Company, nor confer any right to the offer or allotment of further shares whether issued by the Company or by the Directors.

The Company shall have the right after 15 years from the date of issue of the Preference Shares to redeem at par all the said Preference Shares or such of them, by drawing lots, as the Directors may from time to time decide, after giving six months' previous notice in writing in that behalf addressed to the holders of the Preference Shares so to be redeemed. All outstanding Preference Shares will be redeemed within 20 years from the date of issue.

The Preference Shares shall confer no right of voting at any General Meeting of the Company except

(i) When resolutions are placed before the Company which directly affect the rights attached to Preference Shares (and for this purpose any resolution for winding-up the Company, or for the reduction of its share capital shall be deemed directly to affect the rights attached to Preference Shares); or

(ii) When the dividend due on such capital or any part of such dividend has remained unpaid in respect of an aggregate period of not less than two years preceding the date of the commencement of the meeting and for the purpose of this clause dividends shall be deemed to be due on Preference Shares on the last date specified for the payment of such dividend in the Articles or other instrument executed by the Company even though no dividend has been declared by the Company on such capital.

Ordinary Shares

Every holder of an Ordinary Share shall be entitled to be present and to speak and vote at any General Meeting and when present in person shall have one vote on a show of hands and on a poll when present in person or by proxy shall have one vote in respect of every Ordinary Share held by him.

Under the Articles of Association of the Company, no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or as proxy for any other member or be reckoned in a quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member.

No person as the bearer of a Share Warrant in respect of the shares mentioned therein shall be entitled to attend or vote at any General Meeting of the Company.

BUSINESS OF THE COMPANY

The Company has not yet obtained Certificate to commence business.

The Company has been formed for carrying on all or any of the objects mentioned in its Memorandum of Association. One such object is to carry on the business of manufacturers of and dealers in styrene, polystyrene, vinyl chloride, polyvinyl chloride, polyethylene, cellulosic plastics and other thermosetting and thermoplastic materials (synthetic and natural origin), oxygen, nitrogen, hydrogen, hydrocarbon gases including ethylene, and acetylene, reagents, agricultural chemicals, insecticides, fumigants, weedicides, pesticides, colouring materials, pigments and lakes, paints, varnishes, lacquers, finishes, dyes, toners, perfume and flavouring chemicals, rubber chemicals, plastic and resinous materials, elastomers, gums, glues and adhesive composites, plasticizers, surface active agents, tanning agents, coating resins, drugs and pharmaceutical chemicals, solvents, marine chemicals, synthetic fibres, fertilisers and all types of industrial chemicals, acids, alkalies, hormones, trace elements.

The promoters of the Company have entered into an agreement with Dow Chemical Company of U.S.A., one of the foremost chemical concerns in the world and a leader in the world production of polystyrene for the exclusive grant to the Company of the formulæ for the manufacture in India of polystyrene moulding powders by the continuous technique of polymerisation and for other technical assistance.

The principal raw material required is styrene monomer, the supply of which has been provided for over a period of five years by an Agreement entered into with Dow Chemical International Ltd. of U.S.A. and the Promoters.

This is the only unit sanctioned by the Government of India for the manufacture of polystyrene in India.

Polystyrene is at present used in India by the plastic moulding industry for the manufacture of numerous articles of industrial and domestic consumption. Polystyrene has many other uses which have hardly been touched upon in India.

Polystyrene has been consumed in India so far for manufacturing articles of domestic use such as toys, combs and toilet articles and articles of personal use. The importance of polystyrene in the industrial field is now being recognised. The consumption of polystyrene in India has grown from below 2,000,000 lbs. in 1948 to about 5,000,000 lbs. in 1954, almost all in the consumer items alone, some of which are finding export markets at present. Its future potentialities can be judged from the fact that the Indian Plastic Manufacturers' Association has estimated a consumption of 10,000,000 lbs. annually during the period of the second Five-year Plan and has requested the Planning Commission to plan accordingly.

The Company's plant has been designed to a rated capacity of 6,000,000 lbs. of moulding powder per year with a margin for expansion which will meet the requirements of the moulding industry. Further provision will be made for the manufacture of 1,200,000 lbs. of modified polymer. The unit will be expanded with appropriate additions to take care of increased consumption by the plastic moulding industry. There is also a very wide scope for development of many other products of considerable commercial value such as Styrofoam (insulating material), Styroflex (Electrical insulating film and sheet), Synthetic resins (Co-polymers, synthetic rubbers), Paints (Styrinated alkyd resins), Films and Sheets based on Styrene as well as other important chemicals and plastics.

Negotiations are in progress for obtaining suitable site for the Company's factory at Goregaon in the Bombay Suburban District.

CAPITAL OUTLAY

Import licence for the greater part of the plant has already been obtained, the designing of machinery has also made much progress and orders will be placed for equipment without delay. The capital outlay for the plant will be about Rs. 39,30,000 made up as under:—

	Rs.	a.	p.
Land and buildings	7,00,000	0	0
Machinery and equipment ...	20,00,000	0	0
Utilities and other expenses ...	3,00,000	0	0
Issue of stock to Dow Chemical Co. for exclusive grant of formulæ	6,00,000	0	0
Brokerage and underwriting	1,80,000	0	0
Preliminary expenses	1,50,000	0	0
	Rs. 39,30,000	0	0

Working capital required per year is expected to be approximately as follows:—

	Rs.	a.	p.
Technical fee to Dow Chemical Company $25,000 for each of 5 instalments.	1,20,000	0	0
Raw materials (about 3 months' stock)	22,00,000	0	0
Finished goods (about 3 months' stock)	25,00,000	0	0
	Rs. 48,20,000	0	0

The capital outlay and the working capital will be provided for the greater part from the present issue of capital totalling to Rs. 80,00,000. Any balance will be provided by borrowings.

On the basis of existing prices and after allowing for all costs, overheads, depreciation and a margin for contingencies, the Directors are confident that the Company will be able to pay an attractive dividend on the Ordinary Shares after meeting interest on loans and Preference Shares.

UNDERWRITING AND BROKERAGE

The issue of 40,000 Ordinary Shares and the 80,000 Preference Shares has been fully underwritten by the Industrial Credit and Investment Corporation of India Ltd. and the Bank of Baroda Ltd. In the opinion of the Directors the resources of the said Underwriters are sufficient to discharge the underwriting obligations.

The Company will pay brokerage at the rate of one per cent. to recognised brokers or banks on allotments made in respect of applications bearing the stamp of such brokers or banks.

DOCUMENTS OPEN FOR INSPECTION

The copy of the Prospectus, Memorandum and Articles of Association of the Company, Consent of the Government of India for issue of capital, permission to allot shares to Dow Chemical Company, Agreements between the Promoters and the Dow Chemical Company and Dow Chemical International Limited, Promoters Agreement and the Underwriting Agreements contained in correspondence are available for inspection during office hours at the Registered Office of the Company until the subscription list is closed.

GENERAL

Copies of the Prospectus and Application Forms may be obtained from the Company or from the Head Office of the Bank of Baroda Ltd. at Baroda and its branches at Baroda, Ahmedabad, Bangalore, Bhavnagar, Bombay, Calcutta, Coimbatore, Delhi, Dhulia, Hyderabad, Jalgaon, Jamnagar, Kanpur, Madras, Mehsana, New Delhi, Patan, Poona or Rajkot.

Application forms should be delivered before the closing of the subscription list to the Head Office or any of the above Offices of the Bank of Baroda Ltd. accompanied by payment of the application money. Where no allotment is made, the deposit will be returned in full less the money order charges (if any) and where a partial allotment is made, the unutilised balance will be applied towards the further amount due. The Directors reserve the right to refuse any application wholly or in part without assigning any reason.

Applications from the Public for the shares described in this announcement will be received only on the footing of the full Prospectus and in the printed forms of application accompanying such Prospectus. This announcement is not to be regarded, for the purposes of the Companies Act, as an invitation to the public to subscribe.

CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA

ANXIOUS TO HELP IN DEVELOPMENT OF COUNTRIES SERVED BY IT

MR. V. A. GRANTHAM'S COMPREHENSIVE SURVEY OF ECONOMIC CONDITIONS IN FAR EAST

THE One Hundred and Second Ordinary General Meeting of the stockholders of the Chartered Bank of India, Australia and China will be held in London on 4th April 1956. In the course of his customary annual statement, accompanying the Directors' report and audited accounts for the year ended 31st December 1955, Mr. Vincent Alpe Grantham, Chairman of the Court of Directors, draws pointed attention to the good deal of success achieved by the Bank in adapting its operational technique to changed political and economic conditions. He feels that the continuation of the Bank's operation in the East can be justified only for so long as the Bank is willing to associate itself with the economic development of the territories it serves.

The following is the full text of Mr. Grantham's statement:

Introductory

"The report I have to present will be found to justify the note of restrained optimism upon which I concluded my statement last year. Political relations between the Peoples Republic of China and the Atlantic countries are less strained, but fundamental differences remain unsolved. The volcanic situation in the Formosa Channel continued surprisingly quiescent and towards the end of the year its menaces were obscured to some extent by new crises in the Levant and the Middle East. The tide of Asian nationalism continues to flow strongly and it is inevitable that this should follow emancipation from colonial rule. No harm can emerge from this, provided that, as the new Asian regimes become more mature politically, they realise that in the modern world no country, however well endowed in material resources, can live in isolation. Since the end of the war it has been assumed that the achievement of political independence would liberate hitherto submerged reserves of zeal for the public good and impart a new sense of responsibility to labour. To some extent this has happened, but the redistribution of power, both political and economic, may be gravely imperilled by the pressure of population. It is useless to attack poverty by political and economic measures, if hardly-won improved living standards are submerged by an infinite multiplication of mouths to feed. This is not a problem which can be remitted to the third and fourth generations; in several Eastern countries it already exists.

"It is often said that the answer to Communist propaganda and infiltration in the East is largely to be found in the granting, by the Atlantic countries, of generous economic assistance. Aid must be given, however, in ways which do not affront national pride or damage the national economies, particularly those which are necessarily still based upon agriculture. No constructive purpose can be served by unloading upon Southern and South-Eastern Asia export surpluses of agricultural produce and of consumers' goods that the recipients wish to grow or manufacture themselves. The eastern lands need technological assistance most of all and of that there would not appear to be a large export surplus in the United Kingdom. Of the making of five-year plans there seems no end. Some of them are soundly conceived and they should do much to provide productive employment in countries where large reserves of manpower are dissipated in endless divisions of labour. But there is a limit to what the world can consume in relation to its population and the ultimate success of these plans must depend upon a balanced economy where the increase in population, which is bound to take place, is more than matched both by increased production and internal consumption.

The Constitution of the Bank

"A year ago, I said that the Directors felt that in consequence of the closing down of the branches in China which had for many years constituted an important part of the Bank's oversea establishment there must be expansion elsewhere. To facilitate expansion when opportunities offer it is desirable to obtain a revision of those provisions of our Royal Charter which circumscribe our oversea organisation and of others which hinder the adaptation of what may be called the polity of the Bank to the revolutionary changes which have taken place in many parts of the world and particularly in the East, which must, of course, remain the principal theatre of our operations, since the Charter was last renewed in 1939. The Court of Directors have, accordingly, petitioned Her Majesty the Queen for the grant of a consolidating Royal Charter and I am pleased to say that Her Majesty's Treasury have intimated that they approve of the changes proposed. I should like to take this opportunity of expressing our gratitude to the Treasury Officers and their legal advisers for their assistance.

"In a letter to the stockholders, which accompanies this report, I have explained in detail the constitutional and administrative changes proposed by the Court of Directors.

The C.B.I. Development Corporation Ltd.

"For many years the business transacted by the Bank was related almost wholly to the financing of oversea trade and to the provision of banking facilities and services for a clientele which consisted mainly of merchants. Between the wars the merchant communities became increasingly associated with local enterprise throughout the East and the industrialisation of hitherto undeveloped countries was accelerated. These tendencies have been accentuated by the upsurge of Asian nationalism since 1945. The Bank has achieved a good deal of success in adapting its operational technique to changed political and economic conditions and during the past ten years an increasing proportion of its resources has been employed in the financing of infant industries and new public works. Many of the credit operations that the Bank is now being asked to undertake are likely to extend over periods longer than those for which banking accommodation is usually granted. I am sure that the Bank's continuing to operate in the East can be justified only for so long as it is willing to associate itself with the economic development of the territories it serves. Nevertheless, it is not possible, from the ordinary banking point of view, to expand the dispensation of what may be called medium-term credit, that is to say, the granting of accommodation for periods extending from two to ten years, and it has become apparent that a new type of credit institution is required to finance development, both agricultural and industrial, and to sponsor, and perhaps underwrite, the raising of capital from the public. To meet these requirements within the Bank's sphere of activity, the Directors have formed the C.B.I. Development Corporation Ltd., which has been registered with an authorised capital of £2,000,000, of which £500,000 has been paid up. The new company is a wholly owned subsidiary of the Chartered Bank of India, Australia and China and I am pleased to say that Sir John Tait, Sir Henry Richardson and Sir Arthur Bruce are associated with me as Directors. I am hopeful that the new institution will be able to play an important part in assisting those countries with whose prosperity the Bank has been so long identified to modernise their economies. Medium-term credit institutions have been formed under the ægis of the Governments of several of the countries of Southern and South-Eastern Asia. It must be presumed that these Government-sponsored institutions will undertake the financing of major industrial enterprises and public works schemes, but there are likely to be many projects on a smaller scale which the Bank's development corporation could effectively support.

Court of Directors

"I record with deep sorrow the death, on 26th May 1955, of Mr. James Leslie Milne, who was elected to the Court of Directors in 1942 and served as Deputy Chairman from 5th April 1950 to 1954. Mr. Milne brought to our councils many talents and a wide experience of Eastern trade, industry and finance. During the dark days of Japanese ascendancy in the East he was a tower of strength to the Court and when the clouds lifted in 1945 his knowledge and resourcefulness were invaluable in helping to plot the course of the Bank through the shoals of political and strategic complications and organisational difficulties which so often appeared. In the place of Mr. Milne the Directors have elected to the Court Sir Charles Watt Miles, O.B.E., a partner in Messrs. R. G. Shaw and Company. Sir Charles has long been associated with the plantation industries in the East and we are glad to have the benefit of his knowledge and experience.

"Mr. Cecil Robbins Cherry who became a Director in 1948 resigned in July last on his retirement from business in the City of London. Mr. Cherry, who spent many years as a merchant in Malaya, was able to contribute much to the deliberations of the Court.

"Mr. Cherry has been succeeded by Sir Kenneth Brand Harper, Chairman of the Burmah Oil Company, Ltd. There are numerous problems of administration and policy common to the Bank and the international trading organisation over which Sir Kenneth presides and his joining the Court of Directors reinforces a much-valued business connection of long standing.

The Staff

"At home and abroad the Bank is served devotedly by the staff of all ranks and it is impossible to speak too highly of the work they do in their various capacities and in their different spheres. Personnel management has become difficult enough in the stable and homogeneous social conditions encountered in the United Kingdom, but, although the service of the Bank is more widely diversified than that of many international economic organisations, it is highly gratifying to know that its problems of staff administration are much less intractable than might be expected in the present political and social ferment throughout the East.

"The rapid extension of trades unionism throughout our clerical staffs in the East has revolutionised relationships between the Bank and its Asian employees. The paternalism which was for so long appropriate to the conduct of those relationships has inevitably given way to formal agreements and the setting up of conciliation machinery. Much oriental trades unionism is inspired by nationalistic fervour which inevitably complicates negotiations related ostensibly to material conditions of service.

"A year ago, I referred to the decision of the Court to admit Asian officers of the Bank to the covenanted rank of sub-accountant. Nine such promotions have now been made and I am hopeful that the Bank will continue to find, within its service and in the colleges and universities of the East, young Asians qualified for appointment to the rank of sub-accountant. The training college at Dormans Park continues to flourish under the direction of Sir Alexander Campbell. During the summer Asian supervisors are brought to this country and given opportunities to gain a wider comprehension of the British financial tradition and of the principles upon which British banking enterprise in the East is based. During the winter months the college prepares British recruits to the service for life and work in the East.

The Bank's Balance-sheet

"The total of the Bank's balance-sheet has this year risen to £223,968,987, an increase of £20,283,292 over last year's figure. This is due partly to an increased volume of international trade in those Eastern countries in which the Bank is represented and partly to the higher prices of some of the staple Eastern commodities, notably rubber and tin.

"On the left hand, or liabilities side of the balance-sheet, current and other accounts, fixed deposits and bills payable show increases of £12,782,807, £10,175,189, and £485,423, respectively. Inflation has, undoubtedly, contributed to these increases. Acceptances on account of customers are down by £3,282,066, which is accounted for by the higher discount rate in London compared to other centres and partly due to the larger holding of sterling by Japanese banks.

"On the right hand, or assets side, cash in hand, at call and at bankers shows the substantial increase of £6,591,069, the ratio to our 'demand and time' liabilities, excluding notes in circulation against which security has been lodged, being 21.81 per cent. against 18.54 per cent. last year. The figure for Government and other securities apart from those lodged against note issue, is lower by £3,898,420. As usual, these have been taken into account at market value and we have made full provision for depreciation out of our internal reserves. Stockholders will be glad to know that all holdings are dated and in large proportion mature within ten years. Bills of exchange and advances to customers and other accounts show increases of £2,439,731 and £17,133,312, respectively, once again indicating the extent to which we are assisting our customers and taking our share in financing world trade with Eastern countries.

"Considerable expenditure continues to be incurred in meeting the cost of expansion and modernisation of our offices in the East. Without suitable premises and accommodation for our staff it is clear that our business cannot operate and we must expect to have to continue to set aside substantial amounts each year in the writing down of this item.

Profit and Loss Account

"The net profits for the year at £759,340 are higher by £36,193 than last year, in spite of increasing working costs in all countries where we operate. Fortunately, these increased costs have been more than covered by increased business.

"The scale on which world trade has increased during the last two years is due partly to the intense effort being made by each country to become self-supporting and partly to inflation. On either count it is vulnerable and liable to setbacks, and I would ask stockholders not to lose sight of that fact.

"The Bank paid an interim dividend in September last of 7½ per cent., less income-tax, absorbing £150,938 and it is proposed that out of the balance now available a final dividend of 7½ per cent. should be paid, costing £150,937, making the total distribution for 1955 15 per cent.

"It is proposed to repeat the allocations made in each of the past five years to the pension fund and widows' and orphans' fund of £125,000 and £20,000, respectively.

"The sum of £200,000 has again been applied towards writing down bank premises and furniture account.

"It is proposed to transfer £100,000 to contingencies account and to carry forward the increased balance of £405,375.

"I trust the stockholders will approve of all these proposals.

Aden

"Our branches in Aden, in highly competitive conditions, have continued to extend their connections with the commercial community. Aden is the natural focal point for trade routes traversing the Middle East from the south and east and is well situated to serve as an entrepôt for an area to which oil is bringing increasing wealth. Following the exploitation of their large oil deposits, extensive development is taking place in a number of territories in the Middle East and, as a result, Aden should grow in importance and prosperity in the years to come.

India

"It is satisfactory to record that the country has continued to progress in the economic field during the past year. Since the first Five-year Plan was drawn up in 1951 the Indian economy has steadily gained strength and it now seems likely that, whereas the Plan was originally designed to expand the national income by 11 per cent. over the period 1951-56, the actual increase will be about 18 per cent. This increase is a result of the expansion of both agricultural and industrial output.

"India's capacity to increase production of cereals and industrial raw materials, such as cotton and jute, has brought about an improvement in the country's balance of payments in the last few years, since food imports have virtually ceased and there has been a substantial reduction in imports of raw cotton. The rise in agricultural production owes much to favourable monsoons, but is also due to the wise planning of development expenditure in extending irrigation, to the increased use of fertilisers and to the general improvement which is gradually being effected in agricultural technique. In the industrial field production has also expanded, following increased investment in industry and a more efficient use of existing productive capacity.

"It is a remarkable fact that increased national income and substantial Government expenditure in connection with the first Five-year Plan has not been accompanied by inflation. Indeed, prices have tended to fall during the past year and the decline has been sufficiently marked to cause the Government to support agricultural prices in certain areas. Fears have been expressed in the past that to implement the Plan the authorities would be forced to resort to deficit financing on a considerable scale. In fact, it has not proved necessary to adopt this potentially inflationary expedient to anything like the extent envisaged when the Plan was first drawn up, and there has been little difficulty so far in maintaining the country's foreign exchange reserves at a comfortable level.

"We now have the draft outline of the second Five-year Plan. The Government's proposals are to stimulate rapid economic development and to create employment, commendable objectives which it is not easy to reconcile in a predominantly agricultural country like India, where an improved agricultural technique may cause unemployment rather than create jobs. This dilemma is particularly illustrated by the Karve Committee's report on small-scale rural industries which suggests substantial investment under the Plan in this sector of the economy, not from any motive of promoting economically efficient enterprises but in order to provide whole and part-time employment for a small fraction of the rural population. To carry out their proposals and to permit village industries to expand, the Committee consider that it may be necessary to restrict output and thus penalise the development of important and progressive manufacturing industries.

"It is clear that the resources available fall far short of the expenditure envisaged under the second Five-year Plan, viz., Rs. 4,800 crores in the public sector and Rs. 2,300 crores in the private sector. The Plan aims at raising living standards by rapid industrialisation and expects that, apart from agriculture, eight million more jobs will be available. But it stresses the fact that new industrial units producing basic capital goods and heavy machinery must be under public ownership and management, while at the same time it expects that the rate of investment of the national income will be raised from 7 per cent. to 12 per cent. Moreover, the Minister of Planning has categorically stated that the Government intend progressively to impose a ceiling on personal incomes within the period of the Plan, the order of which may only give a maximum income of Rs. 3,000 a month. And steps are to be taken to limit agricultural holdings to a maximum of three times the average family holding.

Deficit Financing Necessary

"Clearly, deficit financing will be necessary since the scope for substantially increasing the revenue from taxation is limited. Moreover, public ownership and heavy personal taxation do not march hand-in-hand with either individual effort or personal saving, while the limitation on the size of agricultural holdings would not appear at first sight to be the best way to ensure the growth of agricultural products on economic lines.

"Consequently, a far larger measure of assistance from abroad will be necessary than has been the case under the first Five-year Plan. Although foreign capital has been entering India in recent years, it has been doing so only on a modest scale. The Indian Government has received grants and loans from abroad and there has been investment from abroad in co-operation with Indian capital in particular industries. A substantial proportion of the foreign investment that has been made has been in the form of profits ploughed back by British firms already established in India. It is hoped that these sources of foreign funds will continue to assist the Indian economy, but investment in particular must largely depend on confidence in the future of private enterprise. Export earnings will no doubt help to swell the country's foreign exchange resources, but even so it is not clear how sufficient foreign exchange is to be found to implement the new Plan.

"In this connection I expressed hope last year that nothing would be said or done which would have the effect of discouraging individual effort or frightening away potential investors. Notwithstanding ministerial assurances, it must be admitted that certain trends are disquieting. The nationalisation of all life assurance companies, many of which are shareholders in the private sector of industry, is not a happy omen, and from the point of view of oversea firms that employ specialised foreign staff the rates of taxation on income, which are in no sense discriminatory, do pose a major problem. There are still many fields in the private sector of Indian industry where the capital, skill and enterprise of foreign firms could be of invaluable assistance to the Indian economy, but continued foreign investment in India and the promotion of industry with foreign help must necessarily depend not only on confidence but also on the ability to employ foreigners on terms that make oversea service attractive.

"Meanwhile, as a result of the development that has taken place, Indian oversea trade has expanded during the past year and the rise in the aggregate value of exports has had the effect of reducing the trade deficit. The Government is, therefore, permitting a further increase in imports of raw materials and capital goods during the first half of the present year. During the past year the competitive power of the Indian jute industry in the international market was improved by the abolition of the jute export duty and exports rose sufficiently to permit re-starting some of the looms that were sealed in order to restrict production when trade was in the doldrums six years ago. The tea industry has suffered from the fall in prices during the year, which is partly a reaction from the high level of prices that received so much publicity in the British Press towards the close of 1954 and partly the result of increased production. The cotton industry, although exports of cotton cloth were lower last year than in 1954, has benefited from increased purchasing power in the home market.

"On present indications, it is reasonable to expect that the Indian economy will continue to progress satisfactorily during the present year, although it is possible that the growing power of the labour unions may cause industrial unrest. I may mention that banks have had a recent and disquieting experience of labour demands which resulted in a strike of bank employees throughout the country at the turn of the year.

Pakistan

"The outstanding event in the banking field in Pakistan during the past year was the devaluation of the Pakistan rupee to parity with the Indian rupee last August. When the United Kingdom devalued its currency in terms of dollars in 1949, Pakistan was the only country in the sterling area that did not follow suit. At that time Pakistan's balance of payments was in favourable position, owing to strong international demand for its staple exports, cotton and jute. Subsequently, and in particular since the collapse of the Korean war boom, the country's exchange reserves have been on more than one occasion under severe strain and the competitive power of the country's exports was not assisted by the overvaluation of the currency. For these reasons it had been expected for some time that the authorities would take advantage of a favourable opportunity to devalue the currency to a more realistic level.

"The actual timing of the measure caused some surprise, but in choosing an occasion when there was no suggestion of an economic crisis and no immediate pressure on the country's exchange reserves, the authorities certainly acted wisely. The Government gave as its main reason for the decision its wish to encourage exports, particularly manufactured exports from the country's new industries, with a view to facilitating a further expansion of the national economy, an end which would obviously be helped by devaluation. For the time being jute goods are the only manufactured products which are shipped abroad in any appreciable volume, but it is hoped that in due course exports of cotton piecegoods will be an increasing source of foreign exchange, although international markets in cotton textiles are highly competitive. There is more confidence in the currency at its new exchange value and devaluation has solved the obvious practical difficulties, which arose from the propinquity of the two countries, in maintaining the Pakistan rupee at an exchange level above that of the Indian rupee.

"In previous statements I have referred to the aim of the Government of Pakistan to change the basis of the country's mainly agricultural economy by pressing forward with a policy of industrial development. Efforts to accelerate this process have been intensified during the past year and measured in terms of productive capacity the development of industry so far has been spectacular. The expansion of the textile industry, in particular, has progressed to the extent that the country has now become self-sufficient in the coarse and medium varieties of cotton yarn. The jute industry has continued to progress satisfactorily during the year and, of the twelve mills which were originally planned, ten are already in production and the remaining two

in the last stages of completion. Thus, development in this important export industry is well ahead of schedule and, taken in conjunction with a similar expansion of productive capacity in other new industries, is gradually assisting the establishment of a more balanced economy, less dependent on the vicissitudes of the international markets for raw jute and cotton, which still provide the bulk of the country's foreign exchange earnings.

Sui Gas

"One aspect of economic development, Pakistan's lack of fuel resources, such as coal and oil, caused particular concern in the early stages of the industrial expansion programme. Last year, I mentioned to you that this Bank and five other Eastern Exchange banks had joined with the World Bank in granting a loan to the Sui Gas Transmission Company, which was engaged in constructing a 330-mile pipeline to convey to Karachi natural gas, which had been discovered at Sui. It is gratifying to record that the pipeline has now been completed, thus enabling a number of industries in the Karachi area, both new and old, to utilise this source of power. Furthermore, it now appears that the reservoir of natural gas at Sui is more extensive than was originally estimated and that its discovery has solved the problem of providing industrial power in West Pakistan for many years to come. Nevertheless, the search for oil and new supplies of natural gas is being intensified in both East and West Pakistan.

"Inevitably, however, in a country whose foreign exchange earning capacity is limited, an ambitious programme of industrialisation has not been implemented without sacrifice. Although it has proved possible to allow a more generous allocation of import licences during the first half of the present year, priority as in the past has necessarily been given to the import of machinery, capital equipment and industrial raw materials. The consequent shortage of consumer goods and the rise in prices within the country press hard on a population whose purchasing power is restricted. Some improvement in the situation is to be expected as new industries start to manufacture a wider range of consumer goods and so replace supplies which were formerly obtained from abroad. Meanwhile, shortage of foreign exchange causes difficulty also in industry, where productive capacity is affected in some cases by lack of materials and spare parts.

"The arrivals of goods and raw materials shipped under the United States aid programme has helped to ease the shortage both of consumer goods and raw materials and to stabilise Pakistan's economy after the devaluation of the rupee. Fortunately, the serious floods which caused widespread misery in both East and West Pakistan last year appear to have damaged food and export crops less than had first been expected. Nevertheless, foreign assistance will be necessary for some years to come to supplement Pakistan's own foreign exchange earnings and to help in consolidating the remarkable industrial development which has been achieved since the country gained its independence.

"The draft of the new national constitution is now under consideration and includes a provision rendering it impossible to contest in the courts the amount of compensation awarded in the case of nationalisation. This is a provision which we have met elsewhere and is one which must give food for thought to all potential investors.

Burma

"Last year, I mentioned that Burma's exchange reserves were being drawn upon at a rapid rate to finance Government purchases of capital goods and equipment required for the country's economic development schemes. From their peak in the middle of 1953, when they stood at K.114 crores, the external assets drained steadily away until last June when they totalled K. 40 crores (£30,000,000). They have lately increased slightly, a reflection of the drastic steps taken by the Government last March to restrict the volume of imports and of better overseas sales of the current rice crop.

"The crux of the country's economic problem has been the progressive fall in the price of rice in the international markets since 1953, for the export of this staple foodstuff provides Burma with approximately four-fifths of its earnings of foreign currencies. The world shortage of rice supplies in the years following the second World War and the high prices exacted by countries like Burma and Thailand with surplus production available for export, stimulated production in neighbouring territories in South-East Asia such as Malaya, while further afield the United States and Italy have substantially increased their exports of rice and have thus become competitive factors in the international market. Another effect of high prices and shortage of supplies in past years has been the increasing tendency in the East to consume in place of rice other cereals, notably wheat, which are substantially lower in price.

"In these circumstances, Burma has had difficulty in maintaining overseas sales of its rice. The whole of the crop is sold through the State Agricultural Marketing Board, and most of the rice exported is sold on long-term Government contract, which has frequently caused Burmese rice to be more expensive than supplies available elsewhere. During the past year, however, exports were slightly higher than in 1954 and it appears that the new markets which have been opened up by agreement with the Soviet bloc, augmented by sales under existing inter-Governmental arrangements to South-East Asia, Japan and elsewhere, may absorb much of the Burmese exportable surplus available during the present year. This is a more satisfactory prospect, but reports from the major rice-producing countries of Asia suggest that rice production in the current season will be much the same as in 1954-55, and it remains to be seen whether present prices will be maintained.

"The financing of the Government's economic and social development plans presents difficulties inasmuch as Burma lacks capital and is no longer in a position to dissipate exchange reserves. In introducing the budget estimates for the fiscal year 1955-56 the Finance Minister made it clear that deficit financing will remain an important feature of the Government's policy. Efforts are being made to obtain assistance from the World Bank in financing various industrial and harbour projects and the Government of India has agreed to lend Burma Rs. 20 crores, the entire loan to be convertible into sterling area currencies, but the Minister for Industries has recently stated that he expects that the Soviet Union will assist in developing Burma's industrialisation and rural electrification and says bluntly that this is a matter not of politics but of economics, as neither Britain nor the United States provides Burma with sufficient foreign exchange.

"It is doubtful whether Burma has fully exploited the possibility of increasing the export of commodities other than rice, such as timber and minerals, which could be a valuable source of increased foreign exchange earnings, but it can only be hoped that sufficient foreign assistance will be forthcoming to enable the authorities to maintain the country's exchange reserves at least at their present level and at the same time to implement their economic development programme. So far as the Soviet Union's economic aid to Asia is concerned, it should be remembered that apart from what has been given to countries in close political association with them, it has been insignificant and not free from counter-obligations. Asia's most important source of external economic assistance has come through the Colombo Plan in which Britain has played a leading part.

"The improvement in the internal security of the country is of good augury for the future.

Ceylon

"Ceylon has enjoyed a prosperous year and the island's oversea trade surplus in 1955 reached record figures. Month by month throughout the year exports exceeded imports and, in consequence, except for a small deficit in April, the external reserves continued to rise once again to the levels at which they had stood at the height of the boom which followed the outbreak of the Korean War. The measure of the progressive improvement that has taken place in the economic situation in Ceylon is that little more than two years ago, as a result of changes in the terms of trade following the collapse of the Korean War boom the external assets had been reduced to their lowest level since 1943, whereas during the past two years a combination of sound financial policy by the Government and the effective exploitation of remunerative markets abroad for rubber and tea has had the effect of almost doubling the external assets.

"More than three-fifths of Ceylon's export earnings are now derived from shipments of tea. Although tea prices in the international market subsequently receded from the high levels they reached late in 1954 and early last year, they were sufficiently satisfactory on average during the past year to raise the aggregate value of tea exports above the figures recorded in 1954. Rubber shipments increased last year and owing to the remunerative prices ruling for that commodity, export earnings rose substantially. Exports of copra and coconut oil also expanded in volume and value. On the import side, an important factor that has contributed significantly to the trade surplus has been the reduced cost of food imports, particularly rice and wheat.

"Last year, Ceylon shipped to China the annual quota of rubber, 50,000 tons, stipulated in the rice-rubber contract between the two countries and also a small additional quantity outside the contract for which payment is to be made in sterling. The export of sheet rubber by the trade in Ceylon is prohibited and all sheet rubber for export has to be sold to the Rubber Commissioner for shipment to China under the contract. Last October, the price structure was again revised. China agreed to pay for rubber shipped from Ceylon in 1956 and in the latter half of 1955 a floor price considerably above the Singapore monthly average price, while Ceylon will pay world prices for Chinese rice instead of fixed prices as previously.

"During the course of the year the Government published a programme of investment which does not cover the whole economy, but only the public sector, during the six years from 1954-55. It is to the credit of the authorities that in drawing up the plan they have resisted the temptation of being over-ambitious and, on the other hand, cannot be criticised on the grounds that their programme is inadequate. Broadly speaking, the aim is to maintain a minimum increase in the *per capita* national income sufficient to keep pace with the growth of the population. About half the sum to be invested is to be spent on new projects and the remainder on the completion of schemes already in progress, the emphasis being very reasonably laid upon the further development of such industries as tea, rubber and coconuts, which are the mainstay of the Island's economy.

"In implementing this very practical programme the Government has no intention of resorting to the potentially inflationary expedient of deficit financing. In October, the formation of a Government-sponsored Development Finance Corporation of Ceylon was announced to assist in the establishment, expansion and modernisation of private industrial and agricultural enterprises in the country and to encourage and promote the participation of private capital, whether raised internally or abroad, in such enterprises. It is intended that the Corporation should borrow, free of interest, from the Government sums equivalent in the aggregate to double the authorised share capital, while the Government is also to guarantee any loans the Corporation may raise from the World Bank, so that its activities should not suffer from inadequate funds.

"In order to assist development in the private sector of the economy the authorities are anxious to encourage foreign capital to enter local industry. Assurances have been given that nationalisation is not a general aim of Government policy and that oversea investors will enjoy the same tax concessions as are extended to local capital entering new industry in Ceylon as well as unrestricted facilities for the remittance of profits and repatriation of capital. The stability of the balance of payments during the past two years strengthens the country's chances of obtaining additional capital from abroad at a time when it is on the threshold of an important phase in its economic development.

Malaya

"The past year has been a notable one for both the Federation of Malaya and Singapore. In the economic field, rubber and tin have fetched remunerative prices in the international market and both territories have enjoyed considerable prosperity. Great interest has been aroused by the publication of the long-awaited report of the World Bank mission on the economic development of Malaya, a report which, since it recommends the establishment of a central banking system, is of particular concern to this Bank and the exchange banks in general.

"Politically, 1955 has seen the accession to office of the first Governments to be elected by popular vote under the new constitutional arrangements in both territories. In Singapore, a succession of strikes caused much trouble and concern following the election, but the new Government showed commendable firmness in dealing effectively with a dangerous situation. In the Federation the Alliance party gained an overwhelming victory at the polls and the new Government felt its position sufficiently strong to declare an amnesty for all those who had taken up arms against the Federation Government. Although the amnesty failed to have the desired effect in bringing the Emergency to an end, the meeting which took place at the end of the year between the Chief Ministers of the Federation and Singapore and the Communist leader has put the Communists, in view of their decision not to surrender, in the invidious position of deliberately choosing to continue a revolt, directed now not against the British authorities but against a Government which has been freely elected by the people of Malaya and to which, as far as can be judged from reports of the recent constitutional discussions in London, virtually complete control of its own affairs will be transferred within a comparatively short time.

"The Governments of both the Federation and Singapore have accepted in principle the recommendation of the World Bank mission that a central banking system should be established and it was recently announced that inquiries were being hastened forward with the object of implementing the proposal. It is a source of satisfaction that, in connection with the project, the two Governments have sought the assistance of the Bank of England which has made available the services of a senior official to help with the preliminary inquiries.

"It has been recently announced that the Government of the Federation is preparing a five-year development plan based on the recommendations of the World Bank mission. In reviewing the problems of economic development in Malaya as a whole the World Bank mission suggested that, in order to assure further and satisfactory progress, it will be necessary to encourage a broader range of activity both in the export trade and in those sections of the economy which serve domestic requirements. Already by Asian standards Malaya has a relatively advanced economy, which is more varied and complex in pattern than in most territories whose wealth is founded on the exportation of primary commodities. At the same time it is necessary to recognise that Malaya's past economic progress has been largely due to specialisation in the production and export of rubber and tin.

"Therefore, while some widening of the range of agricultural production and manufacturing industry in Malaya is doubtless desirable to create new economic opportunities for a population which, if present trends continue, may be doubled within the next quarter of a century, it will not necessarily have the effect of increasing the national wealth to the extent that the mission appears to envisage. So far manufacturing industry in Malaya comprises in the main small-scale units. The domestic market is small by standards of modern industrial output and it appears that any substantial industrial development must necessarily entail the opening up of oversea markets, which under modern conditions are almost certain to be highly competitive.

"Meanwhile, it was reassuring to hear from the High Commissioner for the Federation of Malaya, when he spoke on the Budget for the present year, that it remains the present Government's policy to encourage investment from abroad and to foster conditions in which the oversea investor can continue to assist the Federation's economic development without fear of discrimination or unfair treatment. An assurance was also given that the oversea investor will also continue to be free, after payment of local taxes, to remit abroad profits and dividends and to repatriate his capital. This is a welcome official endorsement of the emphasis laid by the World Bank mission on the importance of maintaining an investment climate calculated not only to persuade oversea capital already invested in Malaya to remain there but also to attract new investment from abroad. It would also seem to be essential that there should be some assurance in regard to the grant of land leases on a long-term basis, for the rubber industry, in particular, would find it difficult to retain and, where necessary, attract more oversea capital if there were insecurity of land tenure.

Rubber Exports

"Last year, Malaya's rubber exports increased in volume by over 8 per cent. to 994,176 tons, substantial increases being registered in the tonnage shipped to the United Kingdom and the United States. The incentive of higher prices caused rubber production in Malaya to expand to its highest level since 1950, when the Korean War boom was at its height. Although the relative cheapness of synthetic rubber has caused a distinct increase in the ratio of synthetic to natural rubber consumption in the United States, overall international demand for natural rubber still appears to be strong.

"Malayan exports of tin also improved last year, totalling 71,157 tons, the largest quantity shipped in any year since 1950, while production was the highest recorded since the second World War. The upward trend of tin prices in the international market last year can be attributed to a rising world demand for tinplate which has changed for the better the prospects of what at the beginning of 1955 appeared to be the weakest of the base metals in terms of price. The recent ratification by the Indonesian Parliament of the International Tin Agreement will have the effect of bringing the agreement into force, a development which entails the establishment of a buffer stock and is likely to be a substantial influence in the market in the coming months.

"With both rubber and tin exports fetching remunerative prices abroad, the oversea trade of Malaya as a whole last year showed an increase over 1954. The buoyancy of trade was reflected in the Federation's estimated Budgetary surplus for 1955 of M$26 million in place of the expected deficit of M$148 million, a surplus largely accounted for by the high yield of the export duties. It is estimated that Singapore will show a small surplus for 1955 and, although both territories have budgeted for a deficit in the present year, their financial positions remain sound and their economic prospects favourable.

"Any review of Malaya, however short, would be incomplete without mention of what may be the outcome of self-government and independence. It seems to me that economically it would be to the obvious advantage of both the Federation and Singapore to unite. The World Bank report on Malaya is based on the assumption that the Federation and Singapore will be one economic entity with one Central Bank and one currency. At the moment, I fear, the indications are that such is not to be, and it seems not improbable, should both the Federation and Singapore proceed with the idea of a Central Bank, that they will have separate currencies. Should this be the case, and I sincerely hope it will not be, it is difficult to foresee the future of Singapore, which, with its labour troubles in no way facilitating its industrialisation plans, may have only its entrepôt trade to maintain its large and growing population.

North Borneo

"Although trade figures are not yet available for the year, there are indications that the aggregate value of North Borneo's exports increased substantially during 1955. This is mainly due to the prosperity enjoyed by the territory's principal industry, rubber. Shipments of rubber from North Borneo rose in volume by 17 per cent. to 20,068 tons during the year and, owing to the remunerative prices ruling in the international market for this commodity, have been of more than proportionately greater value compared with 1954. The rise in the aggregate value of exports has been reflected in increased imports, but it is likely that there was a comfortable trade surplus for the year as a whole. In any case the additional expenditure oversea was largely concentrated on capital equipment and other necessities and should thus prove beneficial to the territory's economy in the long run.

"I mentioned last year the steps taken by the Government to encourage rubber replanting with a view to assisting the industry ultimately to reduce its costs and so putting it in a better situation to compete with the synthetic product in world markets. The industry's prosperity during the year has assisted the replanting scheme in its early stages and the demand from smallholders for clonal seedlings has far exceeded supply. On the other hand, there is little doubt that rubber production could be greatly increased if more labour were available.

"The Government fully recognises the importance to the economic development of the territory of securing more labour and in August an agreement was signed with the Philippine Republic which permits employers in North Borneo to recruit Filipino agricultural workers. The practical details of the agreement are still the subject of negotiation between the two Governments, but meanwhile there has been appreciable immigration on the East Coast from the Philippines and Indonesia.

"Of the other staple export commodities, shipments of timber and copra increased in volume, much of the copra being re-exports from neighbouring countries.

"In order to assist economic development generally the Government-sponsored North Borneo Credit Corporation has been established. The new institution will provide credits for agriculture and industry and endeavour to stimulate private investment in the territory.

"North Borneo's prosperity during the past year has been reflected in the budgetary position. The estimates for 1955 were based on the assumption that the local price of rubber, averaged throughout the year, would be substantially lower than in fact it has been and thus the export duty on rubber has yielded more revenue than was estimated. Part of the surplus which is anticipated in the present year will be used for funding a general reserve to preserve budgetary stability in future years, and the rest will be appropriated for the development programme. This year a development fund is being established, which will be credited with funds accruing from budgetary surpluses and with any external aid that is received.

"North Borneo is situated in an important strategic position astride vital lines of communication in South-East Asia and it seems possible that Labuan, in particular, may be on the threshold of further development both as an international air centre and as a port. The Secretary of State for the Colonies during his visit to North Borneo last August indicated that, although it was purely a matter for the people of the territories concerned, the British Government would give every assistance if they should decide that North Borneo might advantageously federate with Brunei and Sarawak.

"As you are doubtless aware, the currency in British Borneo is the Malayan dollar. With self-government, independence, and central banking on the Malayan peninsula it is possible that Borneo may not desire to have a currency outside its control and a solution may have to be found in having Currency Commissioners for a British Borneo dollar. A different dollar will in no way facilitate the large trade existing between the three colonies and Singapore and indeed, unless transfers are free and the separate currencies kept at the same level, it may be positively detrimental.

Sarawak

"The rise in rubber prices in the international market has been of benefit to the economy of Sarawak. Shipments of rubber from the colony show an aggregate increase of approximately 50 per cent. in volume and, although final trade figures are not yet available for the whole of last year, all indications are that rubber exports have more than doubled in value. Exports of timber have almost certainly reached record levels and the timber trade has continued to have the benefit of remunerative markets in the United Kingdom, Australia and on the Continent of Europe. On the other hand, pepper, which excepting refined petroleum, was Sarawak's most valuable export in 1953 and 1954, had a less favourable year. Much the same tonnage was shipped abroad, but particularly during October prices were low and it is likely that the aggregate value of pepper exports was lower by approximately one-third in comparison with 1954.

"Of the other exports, the illipe nut crop was virtually a failure except in the Baram River area and sago shipments were lower both in tonnage and in value. Thus, the Colony's trade balance, excluding what is for statistical purposes largely a transit trade in petroleum, is unlikely to show much change from 1954 when there was a favourable balance of M$3.7 million. It is clear that increased shipments of rubber have more than offset the fall in export earnings from pepper and other commodities and that increased prosperity has led to a corresponding rise in imports. But unless pepper prices improve, Sarawak's economy will depend on a continuance of the remunerative prices which rubber is now fetching. Pepper production is still being hampered by 'sudden death' disease, although the Government has established a research laboratory in an endeavour to discover the nature of the disease and to eradicate it.

"Sarawak raises a substantial part of its budgetary revenue from customs duties and the increase in rubber exports has caused this particular source of revenue to yield almost M$12 million more than was originally estimated. This is a considerable increment for the Government of a territory whose total revenue for the present year is estimated at M$41 million. Allowing for a contribution of M$3 million to the Colony's Development Fund there should be a small budgetary surplus in 1956. The Development Plan for the period 1955-60, which is now being implemented, is being substantially financed by accumulated surplus balances and includes provision to assist rubber replanting with a view to improving the industry's efficiency and its ability to compete in world markets.

"Meanwhile, there is reason to hope that the search for new sources of oil which has been

proceeding along the coast of Sarawak and elsewhere in British Borneo will succeed and be the means of bringing greater prosperity to Sarawak.

Indonesia

"It is gratifying that the underlying optimism which has sustained our operations in Indonesia and our faith in the Republic's ability to overcome its economic and other troubles are seemingly more warranted now than at any time during the last two years. The deterioration, almost continuous during that period, has been halted and the process of recovery has started and bids fair to continue. This recovery, which is evidenced in financial, economic and political fields, dates from the replacement in July of the communist-supported coalition Government by a strong Masjumi-led caretaker Government determined to suppress malpractices, combat inflation and restore governmental authority.

"This quick change round in the Republic's fortunes clearly demonstrates that the inherent wealth of the country is sufficient for its continued prosperity provided world prices for agricultural products remain at a reasonable level and sound administration in Indonesia ensures that law and order and wages are such that produce can be delivered and exported at competitive world prices. Complementary to this is, of course, a policy which ensures that those imports considered necessary for the country are obtained from the best world markets and are made available to the people without undue distortion of internal prices. This emphasis on sound Government is, I believe, well understood by those moderate leaders in Indonesia on whom the future of the country so much depends and there should be sufficient good statesmanship in the three great Muslim parties to guarantee stable government for two or three years at least Coalitions, however, particularly in young countries, are subject to internal dissensions and the success or otherwise of the new Government expected in May next may depend perhaps on its united determination to grapple with labour, whose demands are still so unreasonable that they form a major threat to the country's continued prosperity.

"Another threat, and one which should to some extent temper the general optimism, is the continued inflation. Until the cost of living is appreciably reduced, further trouble even from the more responsible labour unions, can be expected and to date the tight-money policy of the caretaker Government and the excessive duties imposed upon luxuries have not achieved sufficient improvement to engender a feeling that the situation is in hand. Furthermore, very stringent money conditions have been created by this policy and the operations of the banks have been so circumscribed that the Governor of the Bank Indonesia may deem it necessary to introduce some relaxation in the present regulations.

"In keeping with the trend to simplify import procedure generally and to eschew outright discrimination against foreign trading firms, is the recent reasonable Government statement on foreign capital investment. Unfortunately, the statement does not entirely allay fears regarding existing investments; nor does it perhaps envisage land leases of sufficient tenure to make further investment in rubber and tea estates sufficiently attractive.

"In view of the differences between the internal and external value of the rupiah we cannot expect to obtain profit remittances at the official rate, but, in my opinion, the authorities have been much too drastic in the scaling down effected by the new profit regulations and we have to undertake an undue amount of business, with its attendant risks, in relation to the final reward we are allowed to bring to this country.

Thailand

"The successful outcome of Thailand's decision last year to restore the rice trade to private hands paved the way for one of the most interesting post-war experiments in the Far East—a country returning to a free economy. When it was seen that private traders would succeed in disposing of the whole of the previous season's rice crop, the Government, which is to be congratulated on the smooth and sensible manner of the transfer, introduced further measures to remove unnecessary restrictions on exports and followed this by freeing imports. It is expected that adjustable customs duties will make luxuries expensive and keep imports generally within an acceptable pattern.

"Before Thailand could take this step it was obviously necessary for the country's foreign exchange holdings to be able to withstand the added drain to be expected from the increased imports following the elimination of controls and permits. Fortunately, in addition to unexpectedly large sales of rice, which were over 200,000 tons more than during the previous year, the exports of rubber and tin also increased and at more favourable prices.

"To ensure that the stability of the tical was maintained an equalisation fund with initially U.S.$63,000,000 at its disposal was set up and this fund is now operating freely in the inter-bank market. The policy governing its operations is to endeavour to keep the tical strong, but not so strong that it will penalise exports. Only experience will show which is the best rate for the country. At the moment it seems to be settling around Ticals 58 to £1, but it is significant that with the large amount of dollars accruing to Thailand through its exports to Laos under American aid, the equalisation fund has, so far, had to operate entirely against an undue appreciation in the external value of the currency.

"As a bumper rice crop is expected next season and as substantial amounts of American aid are likely to be forthcoming, one can be restrainedly optimistic of Thailand's prospects during the coming year and of its ability to stand up to normal impacts on its free economy. American aid, apart from the I.C.A. allocations, which incidentally have not been availed of by local merchants to the extent expected, will be concentrated on the improvement of roads and communications gnerally, and, I think, it is very much in Thailand's favour and an assurance of the country's future well-being that its Government has decided to open up the country and improve its agricultural products rather than embark on large industrialisation schemes.

Vietnam

"Seldom can there have been more divergent views on the political and economic future of a country than those existing in Vietnam at the moment. Nevertheless, following the initial confusion resulting from the withdrawal of the French and the handing over of power to young and inexperienced administrators, order and stability have begun to appear. To that extent conditions have improved, but stability, economic and political, is dependent upon American aid which will have to continue on probably an undiminished scale if the nation is to survive and make progress.

"At the present time the United States not only sustains the defence of Vietnam but overcomes the lack of exports by providing the foreign currency to pay for essential imports. The United States too, by supporting M. Diem, has succeeded in creating an effective, although hardly democratic Government. M. Diem has shown himself capable of taking strong action when necessary and an important factor of the near future must be the ability of his regime to survive.

"M. Diem seems adamant in his determination that the Government of South Vietnam will not participate in the general elections agreed upon at the Geneva Conference and there is bound to be much uneasiness locally and in many other quarters until the repercussions, if any, arising from this decision are known. This suggests that if Vietnam manages to escape trouble from over its borders during the coming year a gradual return to normal trading should result. It will, however, take a considerable time before national traders can take the place of the large French firms which have for so many years dominated the country's commerce and which, in some part, have decided to close down rather than to take their chance under the new regime. In this period of transition there will probably be less normal business for banks such as ours.

Cambodia

"Cambodia is celebrating its independence with marked restraint and the young country's cautious approach to its monetary and economic problems has much to commend it. By using for the most part American aid for imports and allowing the foreign currency proceeds of exports of rice and rubber to accrue, a sound external payments position is being built up. This, in conjunction with the confidence inspired by the recently elected stable and popular Government, bids fair to make Cambodia's new independent currency, the riel, sound and acceptable.

"Although the Government has no declared intention of embarking on schemes for industrialisation there is a realisation of the necessity for agricultural improvement and foreign investment will be especially welcome in this sphere. It is possibly this agricultural policy that accounts for the close friendship developing between Cambodia and Japan and for the announcement by the Japanese Foreign Minister that this country plans to send fifty thousand emigrants to Cambodia in the next five years.

"Our own business in Phnom Penh has received fair treatment and encouragement from the authorities and the newly-formed central bank and is developing along sound and conventional lines.

The Philippines

"For some years now in these reports I have been able to point to the Philippines as one of the few countries in South-East Asia having political and economic stability and I have more than once cited the Republic's successful struggle against inflation and its achievement in maintaining its international reserves at about U.S. $300,000,000, or roughly equal to its note issue. Unfortunately, 1955 has seen a very rapid deterioration in these key factors and at the end of the year the foreign holdings had dropped to a figure close to U.S.$200,000,000. As there were too, no signs that exports, including the invisibles from American aid, were sufficient to cover imports, it is not surprising that distrust of the peso was generated. Business circles for the most part are of the opinion that only the determined stand of the Governor of the Central Bank has prevented devaluation and fears are expressed that, unless a substantial loan is obtained from the United States, there is the possibility of a change in the external value of the unit of currency.

"Official circles contend that the situation is not nearly as bad as figures suggest as a large proportion of the imports have been in the form of machinery, agricultural equipment and other capital goods essential to the economic development of the country and that the adverse trend was inevitable pending the effect of increased production from the products of this dollar expenditure. This contention would perhaps have more force were there unanimity of feeling that the Republic's development schemes had been well-planned and well-phased, but an analysis leaves a feeling that the emphasis has been much too much upon new manufactures and not enough on agriculture and communications. For this reason, and as the too rapid economic development has been financed by the issue of bonds which, in the absence of public support, are frequently purchased by the Central Bank, the country's strength tends to be undermined. Unless, therefore, the development programme is slowed down and geared to monetary stability, lack of confidence may continue.

"Above all this President Magsaysay stands as a great rallying point for the nation and never has his prestige been higher. Even he, however, cannot eliminate the lack of co-ordination in Government circles which is perhaps the outstanding weakness of the administration. Nevertheless, there have been determined drives during the year to stamp out bribery and corruption and, although some of the investigations were depressing and perhaps undignified, one is left with an impression that there is a steady and continuing improvement in the general standard of administration. Due to the proliferation of new legislation it is perhaps not surprising that occasionally regulations seemingly anti-foreign and obviously not to the country's advantage, are adopted. The uncertainty thereby created tends to discourage foreign investment.

"Although the Bell Act constitutes the main prop to the oversea trade of the Philippines, the terms of that Act, by tending to reduce economic dependence upon the United States as time goes on, are prompting the country to look more towards Europe and the sterling area generally as an alternative market. This could give an added importance to our branches in the Philippines, but it is too early yet to say to what extent.

Hong Kong

"Although the external trade of Hong Kong during 1955 increased by almost five per cent. in value from its level in the previous year, the figures indicate no fundamental improvement in the position of the entrepôt trade, which has always been the mainstay of the colony's economy. Exports to the China mainland declined drastically in value, a depressing indication that China prefers to import the limited range of goods and commodities which it is able to obtain from the free world direct from the countries concerned rather than through the entrepôt facilities of Hong Kong. On the other hand, Hong Kong's imports from China increased substantially, particularly in respect of textile yarns and piecegoods, in the international markets for which China shows signs of becoming an increasingly important competitor.

"There can be no doubt that Hong Kong has been more severely penalised than any other territory by the imposition of the United Nations' embargo on what are defined as strategic goods and commodities. At present, China is conducting approximately eighty per cent. of its external trade with the Soviet bloc, so that the possibilities of expanding trade between China and the free world are by no means unlimited, unless the Chinese authorities are prepared to make drastic changes in the direction of their foreign trade, which is unlikely. At the same time, the existence of an embargo list which includes some 400 items, many of which the Chinese are anxious to import, is clearly a severe deterrent to any expansion of trade whatsoever with China and, short of pruning the list or abrogating the embargo entirely, Hong Kong's export trade to China seems doomed to become smaller, an unpleasant prospect for a small territory with a large refugee population. Fortunately, there appears to be a growing realisation both in this country and the United States that the embargo is now doing more harm than good to the Western cause and it is to be hoped that steps will be taken at least to modify it.

"The new industries that have been developed so successfully in recent years have had a satisfactory year and have contributed substantially to a rise in Hong Kong's exports to the United Kingdom. Early in 1955 Hong Kong manufactured products received unexpected advertisement in Britain from the public complaints of British manufacturers in certain industries that the low prices of these goods made it difficult to compete with them in the British market. British demand for Hong Kong products has, undoubtedly, been stimulated by their relative cheapness and by the fact that their quality has substantially improved. It should be remembered that industrial development in Hong Kong has necessarily been accelerated since the imposition of the United Nations' embargo restricted the entrepôt trade and so made it urgently necessary for the colony to develop alternative forms of economic activity in order to feed its rapidly expanding population.

China

"During the year we finally vacated our premises in Shanghai and transferred outstanding accounts and securities, as called for under the agreement with the representatives of the People's Government.

"Our only foothold in China is now a liaison office in Shanghai, although we have retained our banking licence and can open up again for business should times become more propitious.

"In the meantime, correspondent arrangements with the Bank of China, which are working satisfactorily, enable us to participate to some extent in financing the external trade of the country.

Japan

"In commenting last year on the encouraging results in Japan following the introduction of the deflationary policy and other austerity measures I said that the country was by no means out of the wood as much of the improvement was due to artificial restrictions and stimulants rather than to genuine economic improvement. It is with pleasure, therefore, that I am able to report that a further twelve months has seen such continuous improvement in industry and oversea trade that the Japanese economy is now nearer to achieving genuine stability than at any time since the war.

"The increase in exports is perhaps the most impressive manifestation of this new prosperity and to achieve a balance in international payments of U.S.$493,000,000, notwithstanding a further decline of twenty-nine per cent. during the year in United States Special Procurement contracts, is an effort worthy of congratulation. Japan's foreign currency holdings have now reached their highest post-war figure and, although in some countries there is resistance to the rapid increase of certain classes of imports from Japan, a good augury for the future is that Japan's exports are now more diversified and more widespread, and thus less likely to be the subject of restrictive legislation abroad. In fact, in view of this year's bumper rice crop, which may allow Japan to reduce her annual imports by 200,000 tons, the country's problem may be the wise increase in imports rather than the marketing of its exports. With many countries and areas still inclined to work on balanced trade figures Japan must give its trading partners the ability to pay for the goods they require and perhaps a sound policy at this juncture would be for the country to set a safety figure for its foreign holdings and to use any surplus after normal trading for the import of goods necessary in long-term internal improvement schemes, such as communications, power, irrigation and, in particular, roads which fall far short of the standard expected today in any country.

"The buoyant economy has brought its own problems for, committed as the country is and must be to a deflationary monetary policy, the Governor of the Bank of Japan is endeavouring to bring down interest rates which are still considered an undue handicap to industry. Then too, although industrial output in 1955 reached a new record, there was considerable unemployment and it was by no means certain that monetary and other restrictions were having the desired effect of forcing labour from unproductive to productive employment.

"Throughout the whole period money became more plentiful and the liquidity of the leading Japanese banks showed distinct improvement.

"In perhaps only one direction has Japan been unsuccessful in its trading efforts and that is with mainland China, where the anticipated increase in trade between the two countries following the interchange of trade missions has not materialised.

"Our own prospects in the country must remain obscure until we know for certain the effects of the new taxation laws shortly to be submitted to the Diet.

New York

"The value of our New York office in our branch system has again been apparent this year, although we did not reap all the advantages which might have been expected from our having branches in countries receiving American Aid and an office in New York. In fact, as imports under aid programmes usually cause an equivalent reduction in imports through ordinary trade channels, our turnover in some Eastern countries is adversely affected. Nevertheless, this is often more than offset by the stability brought to those countries and in the areas in which we operate, the generosity of the Americans is most marked.

"We are glad too, that the disposal of surplus farm products has so far been effected in a manner which has not unduly disturbed world prices.

"The United States' economy continued to be very buoyant during the year and this was to a certain extent reflected in the amount of business passing through our New York office.

Hamburg

"Our Hamburg agency continues to extend its connections with those sections of the commercial community in West Germany which are concerned with trade with the East. The Federal Republic has so far remained singularly free from strikes of any consequence, although demands for pay increases are becoming more persistent.

"In trade and industry the trend of production, employment and sales has continued, generally speaking, to rise, and the external trade surplus for last year, although smaller than in 1954, was still substantial. Exports expanded once again and it is clear that German competition is being intensified in Asian markets.

Manchester and Liverpool

"Our branches in Manchester and Liverpool continue to assist the flow of trade between Lancashire and the East. The services they provide will be of particular assistance to merchants and manufacturers in the North of England in the highly competitive conditions which have now developed in so many Asian markets.

West End, London

"Our West End, London, branch is well situated to provide banking services for the many visitors who come to London from the East on business or holiday.

Conclusion

"The money markets of the Sterling Area are of necessity highly sensitive to policy pursued in the City of London and we have, therefore, to pay close attention to the policy of credit restriction now in operation in this country.

"While it is obviously proper for us to observe the official directive so far as it applies to customers who deal and trade exclusively in this country, it will be clear that our operations oversea must, in the end, be related to the policies and needs of those countries in which we operate, where we have obvious responsibilities to the Governments concerned, some of which are outside the Sterling Area.

"The rates of interest imposed in the United Kingdom must to some degree affect the cost of finance of new projects in the undeveloped countries, but the extent to which finance for those projects should be provided is properly a matter for the countries themselves to determine and our main concern must be to see that our own operations are carried out on sound lines in each country in relation to local conditions.

"The Sterling Area has far-flung ramifications and it is only too clear that uncertainties as to the results of the credit squeeze in this country could have far-reaching results not only in this country but also in the many countries in which we operate. It must be hoped that the policy that is now being put into effect will counteract those uncertainties without undue delay."

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POSITION AND PROSPECTS FOR TRANSPORT

SHIPPING COMPANIES ADVISED TO EXPAND

THE reply of Mr. Lal Bahadur Shastri, Minister for Railways and Transport, to the debate in the Lok Sabha, on the Transport Ministry's demand for grants, and the Annual Report of the Ministry of Transport for 1955-56, published recently, give one a general idea of the present position of and the prospects for transport other than railways. In this debate, shipping received considerable attention. A notable feature of the Minister's reply was his reiteration that the Government would not hesitate to enter the field of shipping with a view to expanding tonnage, if the shipping companies were to fail to utilise the loan the Government had placed at their disposal. The Transport Minister expected the Indian shipping companies, which had already been approached by the Ministry for working out their individual plans, to come forward and utilise the provision for loans actually made in the second Plan within the first three years of the plan period itself. Upon that, he said, would depend the possibility of his Ministry's securing larger funds for additional tonnage within the second Plan itself.

Mr. Shastri estimated the current tonnage of Indian shipping at about 480,000. Proceeding, he said that a further 120,000 tons required to complete the target of 600,000 tons in the first Plan were now under construction in the various shipyards both in India and abroad. These ships were expected to be ready for delivery before the middle of 1957. The second Plan, which had now been practically finalised, provided for a target of 900,000 tons of shipping. Mr. Shastri added that no one was surer than himself that it had not been possible to provide for the full target of over 10,000,000 tons of shipping recommended by the Study Group of the Consultative Committee of Shipowners. The House, he said, must realise that the limitations imposed by lack of finance could not be got over. Despite these limitations, the Transport Minister hoped that, by the end of the second Plan period, "we will be able to lift not only 100 per cent. of our coastal trade, which we are even now doing, but also at least 50 per cent. of adjacent trade and 15 per cent. of our overseas trade."

Self-sufficiency in coastal shipping will not be achieved so long as the mineral oil now being carried by foreign-owned bottoms is not transported on national tankers. There has, therefore, been considerable agitation in this country that India should buy and ply oil tankers. Alluding to this subject, Mr. Shastri said that a firm decision had now been taken that India should have at least three tankers to begin with. He added: "We expect that one of these tankers, which will be owned in the private sector, will be registered in India before the end of this month. Two other tankers are expected to be acquired in the public sector by the Eastern Shipping Corporation and these two should be in commission before long."

Soviet Assistance

Dealing with the establishment of a regular shipping service between India and the Soviet ports, the Minister said that discussions were now proceeding between his Ministry and a delegation of the Soviet Government with a view to establishing this service immediately. He added: "The talks are nearing conclusion and I expect that an agreement for establishing this service will be signed some time next week. The proposals envisage regular operation between Indian ports and Black Sea ports of the Soviet Union by a fleet of 10 to 12 ships comprising Indian and Soviet vessels on a parity basis, as regards tonnage, according to a prearranged schedule for a period of three months after consultation between the Soviet and Indian authorities. It is expected that the service will come into operation as soon as the agreement is signed. The intention is to expand the service by the addition of more vessels to keep pace with the development of trade between the two countries."

Mr. Shastri informed the House that talks were also now in progress with a trade delegation from Yugoslavia for the establishment of a shipping service between India and Yugoslavia and for the utilisation of spare capacity in Yugoslavia shipping yards to meet the needs of India for additional shipping during the second Plan period.

Development of ports is closely allied with the problem of expansion of shipping. It is, therefore, natural that this subject, too, should have figured in the debate. Mr. Shastri said that the construction of Kandla port was fast nearing completion. He hoped that, by October next, two cargo berths would be completed and the remainder by March next year. This port would increase India's port capacity by one million tons. In the second Plan, provision has been made for providing two more berths at this port. Besides, a sum of Rs. 40 crores has been provided as Central assistance for the development of other major ports.

Mr. Shastri said that Rs. 5 crores had been provided for development of minor ports. Half of this sum would be required for individual items of work at several of these ports. It is proposed to utilise the remaining Rs. 2.5 crores on projects like the development of such ports as Pardip (Orissa), Tuticorin, Mangalore and Malpe (all in Madras State). Mr. Shastri disclosed that the Government of India would shortly be sending an officer to Pardip to prepare a scheme for the provision of certain interim shore facilities, like a pier for loading and unloading of ores.

After shipping, the Transport Minister touched upon inland water transport. He said that the main problem to be tackled in this sphere was the designing of a suitable craft for economic operation on shallow waterways. Fortunately, after very careful consideration and on the advice of a foreign expert, a special type of craft had been designed and orders had been placed for their construction. He hoped that these craft would be delivered in a year. Further, he stated that it was proposed to operate a modern diesel ferry service at a selected point on the Brahmaputra River. It may be noted here that a provision of Rs. 3.4 crores has been made in the second Plan for the development of river transport.

Road Transport

Mr. Shastri dealt with road transport also. He stated that it was expected to reach the target envisaged in the Nagpur Plan for road mileage by the end of the second Plan. The Nagpur Plan (published in 1943), it may be noted here, laid certain broad objectives for road development. The chief among them was that, at the end of 20 years, that is by 1963, no village in a well developed agricultural area should remain at a distance of more than five miles from the main road. It aimed at an addition of only 400,000 to the then existing road mileage and that in a period of 20 years. By the end of the first Plan, 107,000 miles of metalled roads and 167,000 miles of earth roads would have been completed. The second Plan provided for doubling the road mileage reached in the first Plan. The Nagpur Plan target in respect of bridge construction, however, he feared, would not be hit even in the second Plan. This deficiency, he expected, would be made up in the third Plan. The table below, taken from the Annual Report of the Ministry of Transport, shows the progress of expenditure on roads during the first Plan period:

(In lakhs of rupees)

	Total expenditure during the first four years of the Plan period from 1951-52 to 1954-55	Anticipated expenditure 1955-56	Anticipated expenditure 1956-57
Expenditure on the development of National Highways	1,779.44	950.00	900.00
Central Aid Programme for the development of roads of inter-State or economic importance	66.89	400.00	215.00
Other roads in Part C (except Coorg) and Part D states, N.E.F. Agency, and Sikkim and special projects	672.80	385.05	300.00

In addition, expenditure has been incurred or is proposed to be incurred from the Central Road Fund (including the special reserve) on road development in the country as given below:

	Rs. (lakhs)
1951-52	282.93
1952-53	363.44
1953-54	382.64
1954-55	480.06
1955-56 (anticipated)	588.66
1956-57 (anticipated)	663.51

The following figures indicate the overall position in regard to the expenditure on the development and maintenance of roads controlled by the Ministry of Transport (Roads Wing):

	Rs. (crores)
1951-55	59.12
1955-56	28.16
1956-57	25.94

Reiterating the importance of bullock carts to the Indian economy, Mr. Shastri averred that the Central Government would do all that was possible to improve the carrying capacity of this mode of transport. He pointed out that the Government had given free steel for construction of wider steel tyres for these carts. The Central Road Research Institute was performing experiments on different "self-aligning-hubs" for these carts. The Transport Advisory Council had decided to start a pilot scheme to test the load-carrying capacity of carts fitted with rubber tyres. The State Governments had agreed to go ahead with this scheme. If necessary, the Central Government would give financial assistance to them for this scheme.

SHEET ROLLING INDUSTRY

The problems facing the development of sheet rolling industry figured prominently in the presidential address of Dr. C. A. Mehta to the Seventh Annual General Meeting of the Western India Sheet Rollers Association, held at Bombay, recently. Dr. Mehta complained that the industry was passing through critical times, as a result of increased cost of production and the reduced margin of profit. He pointed that, while the price of copper had shot up from about £307 per ton, the highest touched in 1954, to £404 per ton in 1955, the price of brass and copper sheets could not be increased correspondingly. Consequently, the margin of profit declined from about Rs. 30 to about Rs. 15 per cwt. At times, it was much lower than even Rs. 15 per cwt. He was of the considered view that the margin of profit could not be maintained, let alone increased, because of the elastic demand for the products of this industry in India, unlike in Western countries.

The picture thus presented is indeed depressing. But it is all the more so considering the fact that, while the installed capacity of the industry has increased sharply, the output has lagged chronically behind. The following table gives a clear indication of this state of affairs:

Year	Installed capacity (In tons)	Output (In tons)	Percentage
1951	45,000	15,700	35.0
1954	54,000	13,500	25.0
1955	54,000	14,250	26.4

The sheet rolling industry has also not made much progress in producing cold rolled industrial sheets. This is chiefly due, according to Dr. Mehta, to lack of demand.

How is the future of the industry to be made more secure than at present? Dr. Mehta is of the opinion that the future of the industry can be better only if it is assured of a steady supply of raw materials at a reasonable price. Welcoming, in this connection, the Government's proposal to establish an All-India Metals Board, he remarked:

"This is a most timely proposal and it is to be hoped that the Government will soon take necessary steps to implement it. Such a Board will be in a position to secure adequate supplies and import of non-ferrous metals at reasonable and economic prices and also make adequate plans for full development of indigenous mines and the expansion of production of non-ferrous metals, such as copper, zinc, etc. I am confident that the establishment of such a Board will considerably help in securing adequate supplies of non-ferrous metals at more favourable terms by entering into trade contracts with some of the important producers of the world and also fix reasonable prices for indigenous metals like copper and lead as in the case of steel. This will enable the industry to get the metals at lower prices than at present."

Dr. Mehta also urged the conversion of the idle capacity of the brass and copper sheet rolling industry to aluminium, for which he claimed there was growing domestic and export markets as well. He, however, averred that this conversion alone would not be economical, unless import of aluminium scrap was allowed free of duty.

It will be recalled that, recently, the Government imposed a duty of 25 per cent. on import of aluminium scrap, in order to protect the indigenous producers of aluminium. Dr. Mehta was of the view that this protection was unnecessary, as the entire production of aluminium ingots could be utilised for other purposes like conductors, extruded sections, alloy-sheets for industrial purposes, etc., leaving the scrap to be utilised for making sheets and circles for utensils. The following table gives the prices of aluminium ingots, aluminium sheets scrap and aluminium circles in September 1955 and March 1956, respectively:

	Aluminium		
	Ingots (Per lb.)	Sheets scrap (Per lb.)	Circles
	Rs. a. p.	Rs. a. p.	Rs. a. p.
September, 1955	1 8 2	1 5 0	1 13 0
March, 1956	1 11 10	1 9 0	1 15 0

It is clear from the above sets of figures that the price of aluminium circles has increased by As. 2 per lb. and of aluminium scrap by As. 4 per lb. Dr. Mehta averred that the price of Indian aluminium too had increased by As. 2 per lb., since the imposition of the duty. Despite this increase, the aluminium producers, he complained, were not able to offer any aluminium ingots to the sheet rolling industry.

NEW PRODUCTS AND PROCESSES

Chemicals in Plants

RECENT experiments on the effect of rain on the retention of chemicals in crop plants using radio-isotopes have shown that heavy rain may remove considerable quantities of compounds such as phosphorus and potash which are vital for the plants' growth. The experiments, which were carried out at the Michigan State University, U.S., have disclosed that for example, up to 71 per cent. of the potash present in plants was removed when they were exposed to four hours of stimulated rain. In a number of cases, the quantity of nitrogen, calcium, magnesium, boron, manganese, iron and copper present in the leaves was also markedly reduced. In the experiments, the chemicals being investigated were "labelled" with radio-active isotopes. This enabled the scientists to make quantitative measurements of the amounts of each chemical present in the plants when they had been separated one from another by chemical analysis. The experiments have also indicated that continued rain may weaken plants, not only by washing out nutritious chemicals from the soil—a phenomenon known for many years—but also by removing significant quantities of these vital nutrients from the plants themselves. The results suggest that not only well-known nutritious chemicals, such as phosphate and potash, but also chemicals which are present in the soil in only small quantities, but which are necessary to the plants' existence and growth, may have to be applied to plants which are exposed to continuous rain.

Antibiotic Food Preservatives

Pilot scale experiments on the use of antibiotics to preserve fish in trawlers are now being carried out aboard a trawler belonging to the Fish and Fish Products Division of the Department of Scientific and Industrial Research, London. Results so far obtained show that when minute quantities of the antibiotic, called chlorotetracycline, are added to the ice, which is used to preserve the fish while the ship is at sea, the fish can be kept in good condition for from seven to ten days longer than usual. Experiments on the use of antibiotics for preserving fish have also been carried out in Canada, while somewhat similar experiments in the use of antibiotics for preserving food have been carried out in the U.S. The latter experiments have disclosed that the storage life of chicken carcases, under normal conditions of handling, can be at least doubled by injecting antibiotics into the animals just before they are slaughtered. Other experiments are now in progress at the Low Temperature Research Station, Cambridge, to see whether procedures analogous to those used with meat animals might extend the life of chicken carcases in the somewhat different conditions of handling prevailing in Britain. In the present state of the law, the use of any antibiotic as a food preservative would be illegal in Britain. A regulation permitting their use, in a strictly limited application, has just been made in the United States. Obviously, before any similar application could be made in Britain, the health authorities would have to be satisfied that the procedure proposed was safe.

Making Dense Ceramics

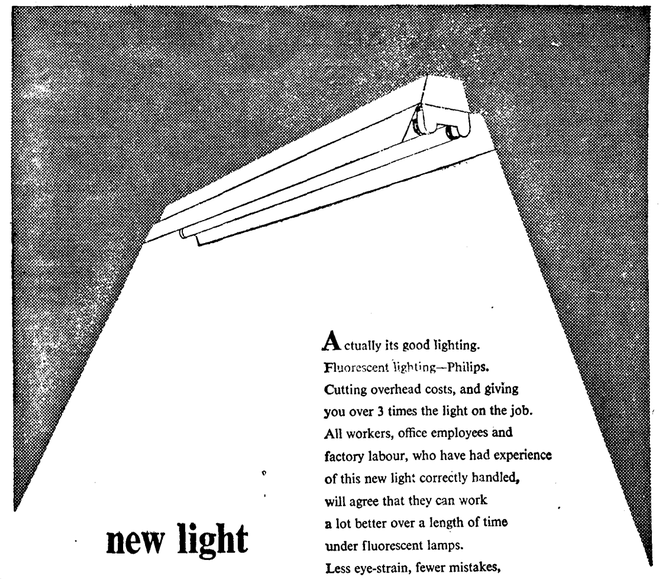
Experiments into different methods of production of dense, high-purity magnesia ceramics carried out at the Battelle Institute, London, are said to have shown that the density is affected markedly by the physical form of the powder from which the ceramics are made. By the use of proper heat treatment in calcining the magnesia powder, ceramic bodies, with no apparent porosity, were, for example, obtained at sintering temperatures as low as 1650° Centigrade, when certain heat treatments were used in calcining the magnesia powder. Moreover, it is claimed, each species of magnesia powder appears to have an optimum calcining temperature at which those powders that densify most readily can be obtained. Although the experiments were limited to magnesia and magnesia ceramics, it is believed that the same techniques could be useful for simplifying preparation of dense ceramics of other high-purity oxides.

Speaking Meter

The astonishing progress made in tele-communications has given a Swiss electric meter factory the idea of designing a *speaking meter*, which, in response to a simple telephone call, indicates its call-number and the position of its counting mechanism *viva voce*. This instrument is, it is claimed, destined to render excellent sevice in electricity supply systems, for instance, in daily reading at a distance of meters in unattended substations. This electro-technical novelty in the field of tele-communications will be exhibited and demonstrated, along with many others, at the Swiss Industries Fair, which will be held from 14th to 24th April 1956 in Basel.

Steel Wheelbarrow with Mechanical Dump Body

A factory at Assen (the Netherlands) produces a new type of steel wheelbarrow with a pneumatic-tyred wheel, patent application for which has been filed. It is suitable for carrying out earthwork and concrete jobs, as well as for agricultural and horticultural purposes. When dumping, the body automatically tilts to a vertical position. After discharging, the body falls back to its normal position. The advantage of the dump body is that, with less exertion, the work can be done more smoothly, while the barrow itself has a longer life, due to less wear. The body can be very readily detached from the supporting frame and the various parts can be simply packed together for shipping, as a result of which they occupy only one-third of the space of a normal steel wheelbarrow.



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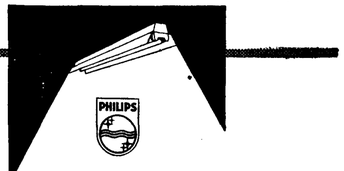

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LIFE INSURANCE CORPORATION BILL REFERRED TO SELECT COMMITTEE

VALUABLE ASSURANCES TO POLICYHOLDERS

THE debate in the Lok Sabha which took place last week over the motion for referring the Life Insurance Corporation Bill to a Select Committee provided an occasion for the Union Finance Minister, Mr. C. D. Deshmukh, who moved the Bill, to expand the Government's attitude towards certain important questions relating to the future of the Corporation, of the policyholders, agents and other interests concerned. Last week, we reviewed his reference to the issue of compensation to shareholders. His references to other interests are also of equal importance for the future of insurance in general.

Mr. Deshmukh prefaced his speech with a reply to certain general criticisms against the Government's nationalisation policy. He referred, in particular, to the criticism that only a small part of insurance funds had been involved in mismanagement. He said that he had always admitted that there had been a few companies which conducted their affairs well and which observed good standards. But there were only a few companies of this kind and even these, he asserted, were not representative of life insurance. Although the field of malpractices might have been small, it indicated, according to him, the existence of a disease which had become endemic in the system and was, therefore, full of dangerous potentialities. He then stated that one had to consider the "consequence of malpractices, even to a small extent, on the people affected," for such malpractices "jeopardise the savings of men of small means to whom this loss might easily be a matter of life and death." He added: "But the principal point about nationalisation is that the State did not have to make out a case that the private sector had failed. Nationalisation is justified on many other grounds of ideology, philosophy, on the objectives of a welfare State. So, it is futile for any one to take his stand only on this, that, unless the Government proves, as in a court of law, that there have been malpractices over a very wide extent, by implication, the State has no right to nationalisation."

This passage indicates that the Government has been moved by ideological considerations to nationalise insurance. In that case, there was no need for the Government spokesmen to have initiated a campaign of indiscriminate vilification against private insurers. It is really monstrous to say, as Mr. Deshmukh did, that even the few companies that followed good standards were not representative of Indian life insurance.

Increase in Business

Life insurance business, as is well known, has expanded steadily in recent years. Between 1953 and 1954, new life business, transacted by Indian insurers alone, expanded from Rs. 138 crores to Rs. 213 crores, or by 54 per cent. It is gratifying to note that this trend has continued, though the pace of this increase has not apparently been maintained. Mr. Deshmukh stated that new business in Bombay since the nationalisation of insurance was Rs. 15.53 crores, as against Rs. 13.51 crores in the corresponding period of last year—an increase of 15 per cent. —and that the business in Madras during the same period was Rs. 1.89 crores, as against Rs. 1.43 crores or an increase of 32 per cent. He said that, as he had himself been prepared for some decline in business, he was "agreeably surprised"—he hoped, to the "discomfiture" of the Government's critics—that the business was "better" than under private management. This is not a valid conclusion. After all, life business ought to improve from year to year. That apart, the groundwork for the major part of the business reported after nationalisation must have been done before nationalisation. Mr. Deshmukh is, therefore, not right in claiming the entire credit for himself.

There has been some criticism that there is complete absence of competition in the set-up proposed by the Government for insurance. If it is conceded that the Government should be the only body that should operate insurance, it is difficult to see how an element of competition could be introduced into Government-owned insurance. The more we think of it, the more are we convinced that the suggestion is absurd. Mr. Deshmukh made out a convincing case against starting more than one Government-owned corporation. Pointing out that the spirit of competition would necessarily be restricted even if there were a number of corporations, he said:

"It would be difficult to have different investment policies. Then, there could hardly be any difference in employment policy or in the standard of servicing. Therefore, in a nationalised set-up, competition would have a restricted field and could only be in terms either of efficiency in service or in the rate of development of new fields of business. And we believe that a competition of this nature could be achieved through zonal organisations that are contemplated in the Bill, without creating other complications that would almost inevitably ensue, if there were several autonomous corporations competing with each other throughout the country."

Central Office

Explaining the relationship between the central office of the Corporation to the zonal offices, the Minister said that the former would be responsible for the policy aspects of insurance business, such as, determination of premium rates and the determination of policy relating to investment of funds, and the control and supervision of zonal offices. He added:

"So far as day-to-day business is concerned, it is our intention that the zonal organisations should, for all practical purposes, be autonomous and should be allowed to run their insurance business without undue interference. We would regard the zonal organisations as the executive arms of the Insurance Corporation, and it will be for these zonal organisations to sell insurance within their territories, to service the policies issued and, generally, to ensure that insurance becomes more widely known, more popular and thereby to mobilise even larger volumes of the savings from all sections of the people, in order to attain the principal objective of this measure of nationalisation."

Dwelling on the future of persons now engaged in life business, Mr. Deshmukh pointed out that the Bill provided that all whole-time employees would be taken over by the Corporation initially on the existing terms and conditions. One of the first tasks of the Corporation would be to formulate suitable scales of pay and terms and conditions of service and fit the existing staff appropriately into these scales. Referring to agents, he said that their relationship with the insurance companies was of a contractual nature. The Corporation would honour all *bona fide* obligations of the companies. But he was afraid that the chief agents, who had till now exclusive jurisdiction over certain territories, would "have to go." In this connection, he recalled that the "trend over the last decade or two has already been towards the elimination of the chief agents and their substitution by branches."

Bonus

The policyholders of the well-established offices have been under an apprehension that the prospects of their earning attractive bonuses might be jeopardised through amalgamation of their companies' businesses with those of ill-managed companies. They will no doubt be relieved to hear from Mr. Deshmukh that there will be no attempt at robbing "Peter to pay Paul." The Government's intention, he said, was to group the existing policies into a suitable number of groups on the basis of the reserves they bring into the Corporation and each group would get a bonus appropriate to its reserve strength. All policies, taken out after the Ordinance would, of course, get a uniform bonus. The policies of insolvent companies, he pointed out, would have to be suitably reduced. He realised that such a measure would be hard for the policyholders. Although he could not commit the Government in advance, he, however, stated that it would be "our endeavour to treat the policyholders who fall in this category as generously as possible."

The point was raised in the course of the debate whether the Government intended to take over the insurance schemes administered by the Mysore State Government and the Travancore-Cochin Government. Mr. Deshmukh said that such was the Government's intention. He admitted that the Government had received a memorandum from the co-operative insurers and said that it would be made available to the Select Committee. A suggestion was made that the Corporation should transact motor insurance. On this question, Mr. Deshmukh said: "I have no doubt that once the Corporation gets into stride, it will cast its eyes on any other form of insurance which could be taken over but I do not wish to threaten and I do not wish to prognosticate. It is for the Corporation to find out what its strength is and what its capacity is to bear other kinds of business."

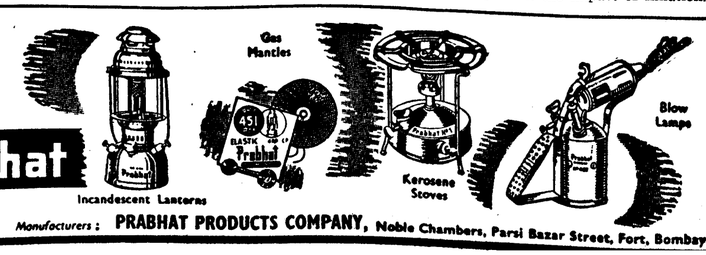
Referring to the demand that the Government should transact general insurance, crop insurance, cattle insurance and so on, he said:

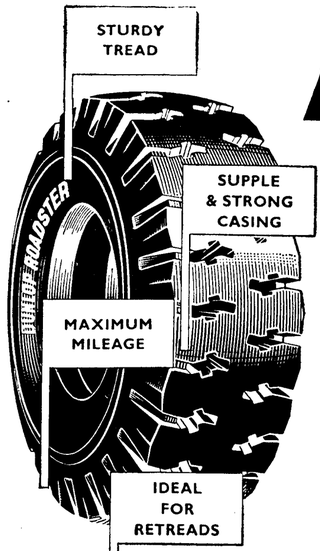
"I think the Government should be given some time to digest them and see what their implications are. As the Speaker has already ruled, so far as this Bill is concerned its scope cannot be expanded to accommodate the working out of ideas of this kind so that if I ignore them it should not be taken as proof of lack of sympathy with the objectives of those who made the suggestions. But I repeat these are difficult questions so far as cattle and crop insurance are concerned. I doubt whether in our country conditions exist today which would make it possible to establish such institutions on any but a pilot or experimental basis."

Business in Other Countries

In the course of his reply to the debate, Mr. Deshmukh admitted that there had been a significant increase in life business between 1938 and 1954. But he added that, while considering this increase, one had to take into account whether it had been effected at a reasonable cost and whether it had been accompanied by "undesirable practices" and finally how it compared with the experience of other countries. He calculated that, if the period between 1935 and 1946 was ignored, then the increase in business was only 36 per cent. the lowest for all advanced countries. In fact, countries like Japan, Italy, France, and Turkey, which were also as poorly developed in the matter of insurance as India, had shown increases ranging from 197 to 547 per cent.

It is difficult to concede that Japan, Italy and France are as "poorly developed as India" in insurance. In any case, international comparisons of this kind have to be interpreted with a great deal of caution. For inflation has greatly distorted the value of insurance in many countries. Further, a totally different set of conclusions, different from the one that the Finance Minister reached, could be derived from a comparison of index numbers of insurance in force in different countries in 1953 (Base: 1939=100). The index numbers are: India 354; Australia 334; New Zealand 311; Norway 226; U.K. 208 and U.S. 273. On this basis, the index numbers for the group of countries, Mr. Deshmukh mentioned are: France 2,086; Japan 4,166; Italy 3,429 and Turkey 1,263. The impressive levels at which index numbers for insurance in those countries stand represent the impact of inflation.





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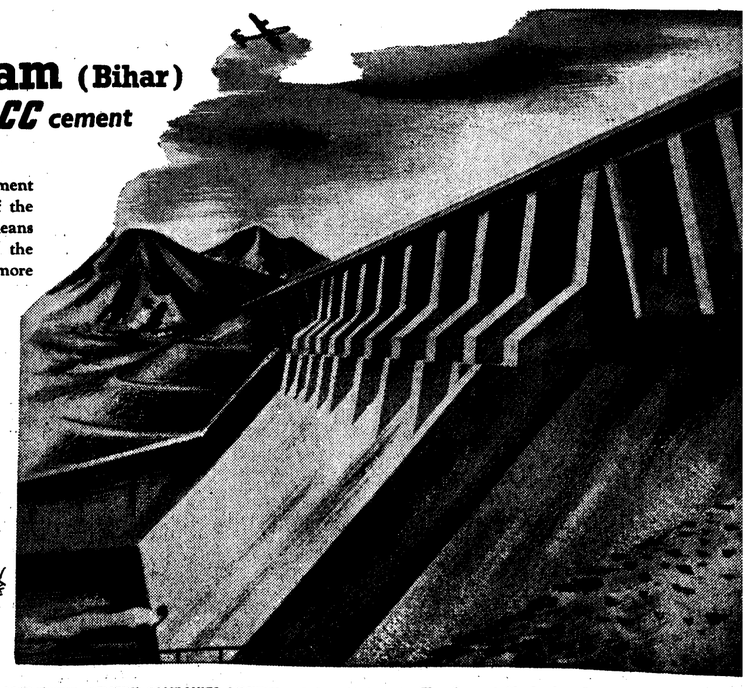

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THE UNITED COMMERCIAL BANK, LIMITED

(INCORPORATED ON 6TH JANUARY, 1943)

AUTHORISED CAPITAL	Rs. 8,00,00,000	PAID-UP CAPITAL	Rs. 2,00,00,000
SUBSCRIBED CAPITAL	Rs. 4,00,00,000	RESERVE FUND	Rs. 95,00,000

THIRTEENTH REPORT OF THE BOARD OF DIRECTORS.

The Directors submit to the shareholders the Audited Balance Sheet of the Bank as on, and the Profit and Loss Account for the year ended, 31st December, 1955.

	Rs.	a.	p.
The net profit for the year, after providing for all known and anticipated charges and including Rs. 1,08,724-8-9 brought forward from the previous account, amounts to	37,77,761	2	0

The Directors have made the following appropriations out of the net profit:

1.	Transfer to Reserve Fund	8,50,000	0	0
2.	Provision for Taxes	14,00,000	0	0
3.	Provision for Bonus to Staff	4,00,000	0	0
4.	Balance	11,27,761	2	0
	Rs.	37,77,761	2	0

Out of the balance of Rs. 11,27,761-2-0 the Directors recommend to the shareholders payment of Dividend at Rs. 2-12-0 per share, free of Income-tax, which will absorb Rs. 11,00,000 leaving Rs. 27,761-2-0 to be carried forward to the next year's account.

The Bank's business has shown a gratifying expansion during the year. The profit for the year 1955 is higher than that of the preceding year due largely to the fact that the deposits of the Bank had shown a substantial increase during the year. Your Directors consider the working of the Bank and the profits for the year as satisfactory. The Bank's investments appear in the balance sheet at below market value.

During the year your Bank took over the business of the Pondicherry branch of the Banque de L'Indochine.

On his appointment as a Director of the State Bank of India, Mr. R. G. Saraiya resigned his seat on the Bank's Board. The Directors wish to place on record their appreciation of the valuable services rendered by him as Director since the inception of the Bank.

The Directors have to report with great sorrow the death in August 1955 of Mr. Navinchandra Mafatlal who was a Director of the Bank since its inception and had contributed greatly to the building up of the Bank. He was held in high esteem and respect by his colleagues and the Directors desire to place on record their high appreciation of the great service rendered by Mr. Navinchandra Mafatlal during his long period of office.

In the vacancies caused by the resignation of Mr. R. G. Saraiya and the death of Mr. B. N. Jalan and Mr. Navinchandra Mafatlal the Directors have appointed Mr. Yogindra N. Mafatlal, Mr. G. D. Kothari and Mr. T. S. Rajam respectively as Directors of the Bank.

The Directors have also to report to you changes in the general management of the Bank. Mr. B. T. Thakur, who was the General Manager since the inception of the Bank, resigned, on grounds of health, from the chief executive charge of the Bank in April 1955 and requested that he be allowed to go on long leave preparatory to retirement. In view of the medical advice received by Mr. Thakur the Directors accepted his resignation with reluctance and regret. The Directors place on record their high appreciation of his service in building up the Bank to its present position, size and strength within a comparatively short period and wish him happiness and restoration to normal health.

The Directors have appointed Mr. S. T. Sadasivan as General Manager in succession to Mr. B. T. Thakur and promoted Mr. R. B. Shah and Mr. O. H. Ghoewala as Deputy General Managers of the Bank.

The Directors place on record their appreciation of the services of the General Manager and the officers and staff of the Bank during the year.

Under Article 95 of the Bank's Articles of Association four of your Directors,

SHRI M. L. SHAH — SHRI P. D. HIMATSINGKA
SHRI G. L. BANGUR — SHRI M. L. DAHANUKAR

retire by rotation, and, being eligible, offer themselves for re-election.

The Shareholders are requested to appoint auditors for the current year and to fix their remuneration.

By Order of the Board,
I. P. GOENKA,
Vice-Chairman.

CALCUTTA, *15th February*, 1956.

BALANCE SHEET AS AT 31st DECEMBER, 1955.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL— 8 lakhs shares of Rs. 100 each	8,00,00,000	0	0			
ISSUED AND SUBSCRIBED CAPITAL— 4 lakhs shares of Rs. 100 each	4,00,00,000	0	0			
AMOUNT CALLED-UP— 4 lakhs shares at Rs. 50 per share				2,00,00,000	0	0
2. Reserve Fund and Other Reserves— Reserve Fund (including that under Section 17 of the Banking Companies Act)				95,00,000	0	0
3. Deposits and Other Accounts— Fixed Deposits	19,53,88,974	4	4			
Savings Bank Deposits	4,51,03,194	15	1			
Current Accounts, Contingency Accounts, etc.	23,64,32,225	3	5			
				47,69,24,394	6	10
4. Borrowings from Other Banking Companies, Agents, etc.— (i) In India	4,05,50,000	0	0			
(ii) Outside India	20,06,538	12	8			
				4,25,56,538	12	8
PARTICULARS— (i) Secured by part of Investments per contra	4,24,15,284	11	2			
(ii) Unsecured	1,41,254	1	6			
				60,78,407	0	5
5. Bills Payable						
6. Bills for Collection being Bills Receivable as per contra— (i) Payable in India	2,40,27,476	6	1			
(ii) Payable outside India	2,86,96,813	8	9			
				5,27,24,289	14	10
7. Other Liabilities— (i) Branch Adjustments	1,73,75,719	5	2			
(ii) Unclaimed Dividends, etc.	2,34,189	14	1			
				1,76,09,909	3	3
8. Acceptances, Endorsements and Other Obligations per contra ..				19,03,58,101	3	11
9. Profit and Loss— Profit as per last Balance Sheet	11,08,724	8	9			
Less—Dividend	10,00,000	0	0			
	1,08,724	8	9			
ADD—Profit for the year (Subject to Taxation)	36,69,036	9	3			
	37,77,761	2	0			
LESS—Appropriations made— To Reserve Funds	8,50,000	0	0			
To Reserve for Taxation ..	14,00,000	0	0			
To Bonus to Staff	4,00,000	0	0			
	26,50,000	0	0			
				11,27,761	2	0
10. Contingent Liabilities— (i) Claims against the banking company not acknowledged as debts Rs. 4,71,107-10-0.						
(ii) On Foreign Bills Re-discounted Rs. 2,21,913-7-0 of which upto 23rd February, 1956, Rs. 2,11,961-5-4 have run off.						
(iii) Forward Exchange Contracts outstanding for the purchase and sale of Bills and Telegraphic Transfers Rs. 23,26,05,097-9-2 of which upto 23rd February, 1956, Rs. 12,52,04,526-9-9 have been delivered.						
(iv) Bonus claims by employees for 1950, 1951 and 1952 not acknowledged as debts and disputed by the Bank before the respective Tribunals.						
(v) There is a liability for outstanding bills not certified by the architects in respect of construction work of Bank's building at New Delhi.						
Carried forward .. Rs.				81,68,74,401	11	11

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash— In hand and with Reserve Bank and State Bank of India (*including Foreign Currency Notes*)				8,99,64,035	13	11
2. Balances with Other Banks (including Foreign Government Treasuries)— On Current Account— (i) In India	8,97,991	3	9			
(ii) Outside India	1,90,54,150	4	8			
				1,99,52,150	8	5
3. Money at Call and Short Notice				22,00,000	0	0
4. Investments (at below market value)— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments				19,55,86,864	7	5
(ii) Shares—	Rs.	a.	p.			
Fully paid Preference Shares ..	45,812	8	0			
Fully paid Ordinary Shares ..	30,18,621	11	9			
				30,64,434	3	9
(iii) Debentures or Bonds				14,25,000	0	0
(iv) Securities of the U.S.A., Burma, Malaya and Pakistan Governments and Foreign Trustee Securities				2,15,97,198	10	10
(v) Gold				....		
				22,16,78,492	6	0
(Government Securities of the face value of Rs. 4,36,000/- have been lodged with the Reserve Bank of India for guarantees and other obligations)						
5. Advances (other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—						
(I) Loans, Cash Credits, Overdrafts, etc.—	Rs.	a.	p.			
(i) In India	16,36,73,372	15	10			
(ii) Outside India	1,48,57,553	6	7			
				17,85,31,426	6	5
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India	4,77,63,064	5	3			
(ii) Payable outside India ..	4,96,24,681	7	7			
				9,73,87,745	12	10
				27,59,19,172	3	3
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the banking company is fully secured				22,50,39,496	9	11
(ii) Debts considered good for which the banking company holds no other security than the debtors' personal security				1,95,94,738	6	3
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors				3,12,84,937	3	1
(iv) Debts considered doubtful or bad, not provided for ..				Nil		
Total ..				27,59,19,172	3	3
(v) Debts due by directors or officers of the banking company or any of them either severally or jointly with any other persons ..				Nil		
(vi) Debts due by companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members—						
	Rs.	a.	p.			
Fully secured	2,21,02,072	1	2			
Secured by personal liability of borrowers	5,98,222	14	0			
				2,27,00,294	15	2
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the banking company or any of them either severally or jointly with any other persons				1,66,500	0	0
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the banking company are interested as directors, partners or managing agents or, in the case of private companies, as members				4,49,67,925	11	11
(ix) Due from banking companies				15,95,288	0	10
6. Bills Receivable being Bills for Collection as per contra— (i) Payable in India				2,40,27,476	6	1
(ii) Payable outside India				2,86,96,813	8	9
				5,27,24,289	14	10
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra				19,03,58,101	3	11
Carried forward .. Rs.				80,27,86,242	2	4

THE UNITED COMMERCIAL BANK, LIMITED—*Continued.*

BALANCE SHEET AS AT 31st DECEMBER, 1955—Continued.

CAPITAL AND LIABILITIES—(Contd.)	Rs.	a.	p.	Rs.	a.	p.
Brought forward .. Rs.				81,63,74,401	11	11
Total .. Rs.				81,68,74,401	11	11

PROPERTY AND ASSETS—(Contd.)	Rs.	a.	p.	Rs.	a.	p.
Brought forward .. Rs.				80,27,86,242	2	4
8. Premises Less Depreciation— Cost as per last Balance Sheet	14,62,256	2	9			
Additions (Rs. 4,64,005-14-0) less deductions (Rs. 99,163-8-0) during the year	3,64,932	6	0			
	18,27,188	8	9			
LESS—Depreciation written off to date	2,93,564	14	11			
				15,33,623	9	10
9. Furniture and Fixtures Less Depreciation (including Vehicles and Equipment) — Cost as per last Balance Sheet	56,69,013	0	10			
Additions (Rs. 5,67,898-2-3) less deductions (Rs. 2,81,817-3-1) during the year	2,86,080	15	2			
	59,55,094	0	0			
LESS—Depreciation written off to date	34,11,656	13	0			
				25,43,437	3	0
10. Other Assets, including Silver—	Rs.	a.	p.			
(i) Land and Buildings— Cost as per last balance sheet ..	15,14,905	11	2			
Additions during the year ..	6,38,219	5	3			
	21,53,125	0	5			
LESS—Depreciation written off to date	1,65,174	7	2			
				19,87,950	9	3
(ii) Interest accrued on Investments				25,36,514	1	1
(iii) Estimated amount of refund of Income-tax (Income-tax assessment for five years 1951 to 1955 not yet completed)				46,33,856	8	6
(iv) Stamps, Stationery and Library				8,52,777	9	11
(v) Silver				....		
				1,00,11,098	12	9
11. Non-Banking Assets Acquired in Satisfaction of Claims				....		
12. Profit and Loss				....		
Total .. Rs.				81,68,74,401	11	11

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955.

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	86,28,848	2	9
2. Salaries and Allowances and Provident Fund including Salaries and Allowances of General Manager Rs. 93,000/-	78,93,141	5	8
3. Directors' (Rs. 32,200) and Local Committee Members' Fees and Allowances	42,516	0	0
4. Rent, Taxes, Insurance, Lighting, etc.	11,53,161	11	9
5. Law Charges	1,04,420	12	6
6. Postage, Telegrams and Stamps	5,09,338	6	7
7. Auditors' Fees for Statutory and Periodical Audits	96,357	13	5
8. Depreciation on and Repairs to the Banking Company's Property	7,06,833	9	5
9. Stationery, Printing, Advertisement, etc.	7,85,278	2	7
10. Loss from Sale of or Dealing with Non-banking Assets	....		
11. Other Expenditure	7,81,443	14	2
12. Balance of Profit (Subject to Taxation)	36,69,036	9	3
Total .. Rs.	2,43,70,376	8	1

Rs. 6,645-3-3 paid as law charges to a Solicitors' firm of which a director is a partner.

The above expenditure includes besides leave Salary of Rs. 64,000, a sum of Rs. 24,771 being *ex-gratia* payments by way of allowances for ex-General Manager.

INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	1,63,89,714	13	1
2. Commission, Exchange and Brokerage	78,62,814	0	5
3. Rents	1,22,945	10	7
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets	....		
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets	....		
6. Income from Non-banking Assets, and Profit from Sale of or Dealing with such Assets	....		
7. Other receipts	4,902	0	0
8. Loss	....		
Total .. Rs.	2,43,70,376	8	1

AUDITORS' REPORT TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the United Commercial Bank, Limited, as at 31st December, 1955, and also the foregoing Profit and Loss Account of the Bank for the year ended on that date, in which are incorporated the Branch returns audited by the Statutory or Local Auditors, and report that:—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) the returns received from branch offices of the Bank have been found adequate for the purpose of the audit;

(d) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(e) such Profit and Loss Account shows a true balance of profit for the year;

(f) such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and

(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

G. P. KAPADIA & CO.
K. N. GUTGUTIA & CO. } Chartered Accountants.
RAY & RAY

CALCUTTA, 27th February, 1956.

S. T. SADASIVAN,
General Manager.

I. P. GOENKA
A. C. LAW
G. L. BANGUR
P. D. HIMATSINGKA
R. L. NOPANY
M. L. SHAH
M. R. RUIA
M. L. DAHANUKAR
M. L. TAPURIAH
Y. N. MAFATLAL
G. D. KOTHARI
T. S. RAJAM
M. P. BIRLA
} Directors.

P. R. SESHAN,
Ag. Chief Accountant.

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OPTICAL AND PRECISION INSTRUMENTS

COMPREHENSIVE SURVEY SUGGESTED

NO authentic data relating to the country's requirements of scientific, optical and electrical instruments are available. The quantum of imports of these instruments every year appears to be sizable, and India is spending on this account more than Rs. 1.7 crores worth of foreign exchange, although there are two departmentally managed Government concerns manufacturing these instruments. The following table indicates the imports of different categories of instruments, during the four years ended 1953-54:

(Rs. in lakhs)

Year	Advanced Instruments for Scientific and Industrial Research	Optical and Ophthalmic Instruments	Electrical Instruments Meters
1950-51	53.94	30.42	84.17
1951-52	59.74	66.00	107.42
1952-53	49.20	37.39	67.15
1953-54	48.84	47.85	62.82

It is seen from the table above that the value of imports, on an average for the four-year period, was of the order of Rs. 173 lakhs, a sum which is by no means inconsiderable from the point of view of the large foreign exchange resources necessary for financing the development scheme under the second Five-year Plan. Savings in foreign exchange apart, it will be desirable for the country to obtain as much self-sufficiency as possible in these instruments, as they are essential for the economic and social progress of the country. It is, therefore, encouraging to note from the report of the Estimates Committee on the activities of the National Instrument Factory (N.I.F.), Calcutta, that the Ministry of Production, which is in charge of this factory, has requested the Development Wing of the Ministry of Commerce and Industry to carry out a survey of the capacity and output of scientific instruments in the private sector. Welcoming this move, the Estimates Committee observes: "The Committee consider that, besides a survey of capacity, a survey of the requirements of the country at present of the various kinds of scientific instruments and the position that would develop with the increasing industrial activity in the country should be undertaken without any further delay, especially as the manufacture of scientific instruments forms an important part of the second Five-year Plan of the country." A survey of the kind suggested by the Committee, it is needless to add, will be of great utility. It would appear that, besides the plans for the increase in the output of the N.I.F., as well as the Ordnance Factory at Dehra Dun various schemes have been submitted by State Governments to the Planning Commission for the setting up of similar factories under the small-scale industry schemes. It is further proposed to establish servicing workshops in the various parts of the country. Since there is a danger of overlapping of plans and duplication of effort, there is need for co-ordination of all these schemes. The data which the survey referred to would shortly make available will be useful for this purpose.

The National Instruments Factory, into the affairs of which the Estimates Committee conducted investigation, is an 125-year old institution located in Calcutta. It had its origin in the Mathematical Instruments Office founded in 1830 for the maintenance and repair of precision instruments, such as theodolites required by the Survey of India. It specialised in repair work also of other varieties of precision instruments. Its services were utilised by the Union and State Governments and semi-Government bodies in the country. During the last war, it became a full-fledged factory for the production of survey, drawing, mathematical and optical instruments. Its principal functions at present are (*a*) to manufacture, repair and sell surveying, mathematical and other scientific instruments, (*b*) to purchase and test imported and indigenous instruments for supply to indentors on outright sale, (*c*) to design and develop new instruments and conduct research work, fundamental or applied, in connection therewith, and (*d*) to certify standard lengths, rain gauges and flash-point apparatus.

With a view to reviewing the progress of the N.I.F., the Government of India, appointed in 1947, an Expert Committee under the chairmanship of Prof. G. R. Paranjpe. This Expert Committee made a number of valuable suggestions for the development of the factory. Among the short-term measures was the shifting of the factory to a new site near the College of Engineering and Technology at Jadavapur in Calcutta. The scheme is estimated to cost Rs. 71 lakhs. The Ministry expects, according to the Estimates Committee, to complete the construction of buildings and the purchase and installation of machinery in 1956-57. The Committee regrets the delay of as many as 8 years that has taken place in implementing the scheme.

There is a common belief that underestimates of revenues and overestimates of expenditure have been a characteristic feature of Indian budgets. This belief is substantiated by the estimates of expenditure submitted by the Production Ministry on behalf of the N.I.F. Says the Estimates Committee: "In the budget for the year 1955-56, the provision originally made on account of buildings, plants and machinery, additional staff, etc., was Rs. 38.26 lakhs. The Ministry have, however, now stated that the whole of this expenditure may not be incurred and that the provision will have to be scaled down to about Rs. 18.09 lakhs in the Revenue Estimate due mainly to the expenditure on building and the optical glass factory not materialising as anticipated." The fact that the expenditure was cut by more than half indicates the lack of serious planning and forethought on the part of the officials at the time of framing their budgets.

What is even more distressing is the non-implementation of the Expert Committee's suggestion for erecting an optical glass factory. The Estimates Committee has done well in criticising the Ministry for not taking adequate interest in the project. "Since the optical glass is an essential requirement for the manufacture of these (ophthalmic) instruments, the postponement of the project necessitates the continued wastage to a substantial extent of our foreign exchange resources and at the same time delays the development of an important industry."

The Paranjpe Committee had suggested the need for manufacturing a number of new items, which, in its opinion, might not appeal to the private sector. These included, among others, vacuum pumps, calculating machines, photographic lenses, microscopes, cameras, cine projectors, range finders, eye instruments, etc. It is now stated that the development of most of these has not yet been undertaken at all. Instead, the items that are being manufactured now consist of drawing boards, chains of sorts, levelling plane table, etc., items which are not by any means high precision instruments the manufacture of which could well be undertaken in other factories either in the public or the private sector.

The Estimates Committee has pointed out a number of other defects, too, in the running of this factory. Among these are frequent breakdowns in plant and machinery caused by failure to replace obsolete machinery and by running the factory on a departmental basis instead of on a commercial basis. The factory does not prepare any profit and loss account; hence it has been difficult to assess the exact amount of loss incurred. The sale price of certain instruments manufactured in the factory is stated to be lower than their cost price. One of the important posts has been left vacant for over a year as a result of which the work in the factory has suffered considerably. Two foreign experts are employed in the factory, but these experts, it is stated, are not doing the work of a highly specialised technical nature and they could easily be replaced by Indians. Pointing out these defects, the Estimates Committee has suggested a number of measures for eliminating them.

The Ministry has prepared a scheme for the manufacture of scientific instruments on cottage- and small-scale basis. Under this scheme, a number of components and small parts will be manufactured in cottages. These units will act as feeders to the main assembling factory. The latter would provide technical advice to the subsidiary industries, distribute various raw materials, and arrange for the supply of tools, gauges, fixtures, etc., and undertake inspection of production in all the various stages. It is stated that clinical thermometers could be manufactured on these lines. Other items proposed are measuring chains, woodwork, stands, plane tables, drawing boards, set squares, etc. Referring to this scheme, the Estimates Committee states that full details for organising production on this basis should be worked out before steps are taken to implement them.

U.K. TERMS OF TRADE IMPROVE

The export price index in the United Kingdom rose by one point to 105 in February, 1956. Announcing this in London on 20th March, the Board of Trade said that, as the import price index was unchanged at 105, the terms of trade improved by one point to 100. (The average for 1954 was 100). The rise in the export index was attributable to a two-point rise (from 98 to 100) in the index for textiles and a one-point rise to 105 in the index for the miscellaneous manufactured goods category. These index numbers, it is pointed out, are calculated from the average values of a selection of commodities shown in the monthly Trade and Navigation Accounts.

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Capital Issued and Fully Paid up .. Hk. $25,000,000
Reserve Funds .. .. .. Stg. £ 8,000,000
Reserve Liability of Members .. Hk. $25,000,000

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EUROPE: Hamburg, Paris
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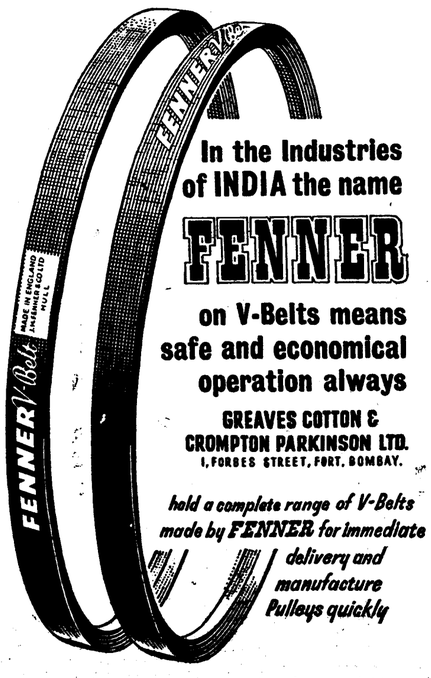

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BENGAL PAPER'S PROFIT IMPROVES

DIVIDEND STEPPED UP—RECORD OUTPUT

A SIZABLE improvement in financial results is disclosed by the audited accounts of the Bengal Paper Mill Co., Ltd. (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) for the half-year ended 31st December 1955. The gross profit has risen to Rs. 18.37 lakhs from Rs. 14.33 lakhs for the previous half-year, to which level it had gone up from Rs. 11.46 lakhs for the six months ended 31st December, 1954. Thus, this is the second half-year in succession to witness an increase in profit; with the latest rise, the Company has established a record level of profit for the past ten years.

The net profit has, however, shrunk from Rs. 8.94 lakhs to Rs. 6.60 lakhs, consequent on the larger provision for taxation, namely, Rs. 5.95 lakhs, as against Rs. 0.30 lakh provided in the previous half-year. The large provision for taxation is the result of changes in corporation tax introduced in the last Budget. Consequent on the decline, the net profit has come down almost to that (Rs. 6.61 lakhs) for the corresponding half-year of 1954.

Notwithstanding the drop in net profit, the Directors have transferred Rs. 1 lakh to the general reserve, which had not received anything six months back. In the previous half-year, however, the Directors had added Rs. 4 lakhs to the tax contingency reserve. A higher dividend at the rate of 20 per cent. per annum, as compared with 17½ per cent. per annum paid for the previous half-year and 12½ per cent. per annum for the corresponding six months of 1954, has also been proposed.

With the improved results for the half-year under review, the Directors' expectations, held out in their previous report, have materialised, thanks to the higher production and to consistently better chemical recovery. The Directors report that the output for the half-year under review amounted to 6,944 tons, as compared with 6,613 tons in the previous six months and 6,107 tons in the corresponding half-year of 1954; this, we are told, is a record for any half-year. The Directors expect this record to be bettered in the current and subsequent half-years.

The following comparative table, giving the salient features of the Company's profit and loss account for the past four half-years, provides an idea of the Company's progress in recent times:

(In lakhs of rupees)

	For the half-year ended			
	31-12-55	30-6-55	31-12-54	30-6-54
Sale proceeds	107.42	90.94	89.51	88.09
Stocks	4.68	6.21	0.72	3.86
Manufacturing and other expenses	87.54	82.23	76.30	77.68
Gross profit	18.37	14.33	11.46	12.83
Managing Agents' remuneration	1.47	1.06	0.88	0.89
Depreciation	4.35	4.03	3.97	3.91
Provision for taxation	5.95	0.30	..	0.30
Net profit	6.60	8.94	6.61	7.72
Reserves and provisions written back	..	..	0.30	..
To reserves	1.00	4.00	3.25	4.00
Dividends—				
Preference (7% and 6%)	0.81	0.81	0.81	0.81
Ordinary	4.50 (20% p.a.)	3.94 (17½% p.a.)	2.81 (12½% p.a.)	2.81 (12½% p.a.)
Carry forward	2.02	1.73	1.54	1.50

The increase in production referred to above is duly reflected in the rise in sale proceeds and in the manufacturing and other expenses.

The Company's paid-up capital is unchanged at Rs. 71 lakhs, of which ordinary shares account for Rs. 45 lakhs, 7 per cent. cumulative preference shares for Rs. 2 lakhs, 7 per cent. 'A' cumulative preference shares for Rs. 4 lakhs and 6 per cent. 'B' cumulative redeemable preference shares for Rs. 20 lakhs. The reserves and surplus aggregate Rs. 38.74 lakhs. There is a debenture liability of Rs. 5.49 lakhs. The provision for taxation stands at Rs. 8.30 lakhs. The current liabilities aggregate Rs. 38.21 lakhs. The gross block of the value of Rs. 203.42 lakhs stands written down to Rs. 54.02 lakhs. The current assets amount to Rs. 107.72 lakhs and cover the current liabilities and provision for taxation by a large margin of Rs. 61.21 lakhs.

The extensions to the Company's chemical plant will shortly be completed when a further improvement in chemical recovery is expected. The Company has got plans to bring the production of the mill up to almost double its present capacity. These plans (a reference to which was made in our last issue) are, the Directors say, rapidly maturing and, when ready, orders for the plant would have to be placed without delay as deliveries are becoming more and more extended. The Directors do not expect to make any call on the shareholders to finance the expansion, as they hope to find a large part of the required finance from the Company's own resources, and the balance by raising a debenture loan. The Company has also a proposal to undertake, in conjunction with the India Paper Pulp Co., Ltd., a project for the manufacture of pulp from bamboo.

The Rs. 25 fully paid-up shares of the Company are being currently quoted at Rs. 135 *cum-div.* On an *ex-div.* basis, the latest dividend provides a yield of 3.8 per cent. per annum, free of income-tax.

POLYCHEM LTD.

The distinction of being the first company to undertake the manufacture of polystyrene in India goes to Polychem Ltd., a new company incorporated in Bombay as a joint venture by Messrs. Kilachand Devchand & Co., Ltd. and the Dow Chemical Company of Midland, Michigan, U.S.A. The Company, which was incorporated in October 1955, has come out with an offer of its shares to the public. The authorised capital of the Company is Rs. 1.50 crores, made up of 80,000 redeemable 7½ per cent. (taxable) cumulative first preference shares of Rs. 50 each, 80,000 ordinary shares of Rs. 50 each and 140,000 unclassified shares of Rs. 50 each. The issued capital is Rs. 80 lakhs, made up of the entire 80,000 preference shares of Rs. 50 each and 80,000 ordinary shares of Rs. 50 each.

Of the issued capital, the promoters, Messrs. Kilachand Devchand, their friends and the Dow Chemical Company will be allotted ordinary shares of the value of Rs. 20 lakhs. Only the balance of ordinary capital and the entire preference capital will be offered to the public at par. The list for public subscription will open on 31st March and close on 12th April or earlier, but not earlier than the 6th April. A sum of Rs. 15 per share on the preference share and Rs. 25 per share on the ordinary shares is payable along with application and a similar instalment on allotment. Thus, the ordinary shares will become fully paid-up on allotment, but the preference shares will remain partly paid at Rs. 30. The balance of Rs. 20 on the preference shares are payable on calls not exceeding Rs. 10 each, the calls to be made at intervals of not less than two months. The Company has the right to redeem the preference shares at par after 15 years, either in one lot or in parts, but the entire preference capital will be redeemed within 20 years from the date of issue.

The manufacture of polystyrene is an entirely new venture in India and Polychem Ltd. is the only unit which has received the sanction of the Government for this purpose. In order to ensure the success of the project, the promoters, Messrs. Kilachand Devchand & Co., have secured the technical assistance and advice of the Dow Chemical Company, one of the foremost chemical concerns in the world. Dow Chemical Company is also claimed to be a leading producer of polystyrene and other plastic materials, accounting as it does for 50 per cent. of the U.S. output of polystyrene. The principal raw material for the production of polystyrene is styrene monomer, which will be supplied by one of the subsidiaries of the Dow Chemicals for a period of five years. Polychem Ltd., is, however, free to purchase the raw material from other sources also, if it can obtain the product at a cheaper price. If the Company finds it advisable to manufacture later on styrene monomer in India, the Dow Chemical Company will provide technical assistance. The basic raw materials for this are ethyl alcohol and benzene and these are available in India in sufficient quantities to meet the Company's needs.

Polystyrene is at present used in India by the plastic moulding industry for the manufacture of numerous articles of industrial and domestic consumption. Polystyrene has been found to have many other uses also not so far touched upon in India. The scope for consumption of polystyrene is, therefore, expected to increase vastly. The consumption of polystyrene in India is said to have risen from below 2 million lbs. in 1948 to about 5 million lbs. in 1954. It is estimated that it will grow further to 10 million lbs. per annum during the second Five-year Plan period. The factory will be located in Bombay, with a plant having a capacity of 6 million lbs. of moulding powder per year, with a margin for expansion. Further, provision will be made for manufacture of 1.2 million lbs. of polymer. The capital outlay on the plant will be Rs. 39.3 lakhs and the working capital is expected to be Rs. 48.2 lakhs per year. The greater part of the capital outlay and working capital will be met from the present issue of Rs. 80 lakhs and the balance will be met from borrowings. The public issue has been underwritten by the Industrial Credit and Investment Corporation of India Ltd. to the extent of 40,000 ordinary shares and 40,000 preference shares. The Bank of Baroda Ltd. also has underwritten 40,000 preference shares.

INDUSTRIAL INVESTMENT TRUST

The working of the Industrial Investment Trust Ltd. (Secretaries: Messrs. Premchand Roychand and Sons, Ltd., Bombay) during the year ended 31st December 1955 has resulted in a further improvement in earnings, the gross revenue rising from Rs. 6.52 lakhs to Rs. 6.88 lakhs, and the profit before taxation showing an increase from Rs. 5.44 lakhs to Rs. 5.82 lakhs. This is the second year in succession for which both the gross earnings and profit have recorded an advance. The distribution to shareholders has been comfortably maintained at 4½ per cent., free of income-tax, after setting aside Rs. 1.03 lakhs for tax assessed for the years 1950-51 to 1953-54 and after strengthening the reserves by Rs. 31,013.

The Company's income by way of interest on securities and dividend on shares amounts to Rs. 6.79 lakhs, as against Rs. 6.50 lakhs for 1954 and this is supplemented by a larger income of Rs. 8,691 from other sources and profit on sale of investments, as against Rs. 4,238 in 1954. The profit on sale of investments amounts to Rs. 6,013, which compares favourably with Rs. 853 earned in the previous year. There has been a welcome decline in expenses from Rs. 78,385 to Rs. 74,583. The Secretaries' commission is higher at Rs. 31,153, as compared with Rs. 29,125 for 1954. With the surplus of Rs. 2.85 lakhs brought in from the previous year, the profit available for appropriation is Rs. 8.67 lakhs. Of this, the Directors have transferred to the general reserve Rs. 6,013, being the profit on sale of investments, in accordance with Article 144 of the Company's Articles of Association. As in the previous year, the investment reserve has been strengthened by Rs. 25,000. The dividend absorbs Rs. 4.50 lakhs, leaving Rs. 2.83 lakhs to be carried forward, subject to taxation for the years ended 31st December, 1953, 1954 and 1955.

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

Liabilities	Rs.	Assets	Rs.
Capital ...	99,99,250	Investments	1,22,03,694
Reserves and surplus ...	22,30,522	Debts, deposits and advances ...	27,797
Provision for taxation ...	74,385	Furniture and fittings ...	3,085
Liabilities ...	5,67,717	Cash ...	6,37,298
	Rs. 1,28,71,874		Rs. 1,28,71,874

The investments stand reduced from Rs. 1.28 crores as at the end of 1954, to Rs. 1.22 crores. A break-up analysis of these investments shows that Government securities account for Rs. 4.12 lakhs, as against Rs. 2.94 lakhs a year ago, ordinary shares for Rs. 91.17 lakhs (Rs. 97.90 lakhs), preference shares for Rs. 18.81 lakhs (Rs. 19.05 lakhs) and debentures for Rs. 7.62 lakhs (Rs. 7.63 lakhs). The investments are shown at cost and their approximate valuation at market quotations as on 31st December 1955, or in the case of investments where no quotations were available on that date at the latest quotations received, was higher than the book value by 8.15 per cent., as against 2 per cent. at the end of 1954. At the close of 1953, it will be recalled, the market value of the Company's investments was lower than the book value by 4.54 per cent. and at the close of 1952 by 9.75 per cent. This comparison gives an idea of the extent to which the market value of equities have appreciated in the course of the past three years. Evidently, the Directors must have availed themselves of the rise in market values and sold some of the ordinary shares. For there has been a rise of Rs. 5.94 lakhs in cash balances, of which call deposits with banks account for Rs. 5.50 lakhs.

The provisions of section 314 of the Companies Act, 1956, which seeks to restrict the holding of a place or office of profit in a company by any of its directors or any of his relatives, apply as much to private companies as to public companies.

INVESTMENT PROBLEMS OF WESTERN EUROPE

(*Concluded from page 604*)

direction is likely to show itself also in a smaller desire to hold wealth in the form of bank deposit but, it is explained, this need not necessarily be regarded as an end in itself.

Investment trusts, the *Survey* continues, provide an obvious means of enabling those whose wealth is limited to take a greater interest in shares. In this way, risks can be widely spread and the problem of management delegated to experts. The exploitation of investment trusts, and when necessary their establishment and expansion, should form part of any programme designed to interest the small man, and personal owners of wealth in general, in this method of holding real values at two stages removed. Shares in an investment trust might also appeal to companies as a method, through an intermediary, of holding part of their liquid assets in a more remunerative and socially useful form, though certainly in a far less liquid form.

The *Survey* next considers public or semi-public corporations which would hold shares on a large scale and which may be needed in addition to everything else, at least in those countries in which the financial obstacles are really serious. It stresses the importance of not confusing the functions of such a national investment corporation with those of other specialised financing institutions which themselves are no doubt in need of expansion and activation in many cases.

Points From The Chair

Role of Foreign Capital in India

"THE role of foreign capital in present-day India is difficult to forecast. A survey published recently by the Reserve Bank of India showed that nearly 83 per cent. of all foreign investments in India at the end of 1953 came from the United Kingdom and, during the period 1948-53, the percentage of the United Kingdom's share of new business investment was not much less. These figures show to what extent British capital is involved. While speeches of individual ministers promise fair treatment to foreign capital they have recently made it clear that India is not likely to change her internal policies to attract foreign investment. It seems probable that in the future the role of foreign private investment in India will be smaller than in the past and that the emphasis on foreign investment as a whole is more likely to be on a Government-to-Government basis. The large sums required are probably beyond the means of all but the largest concerns, but there is, I am sure, a marginal role in which private capital can play its part if given its chance."

C. BLAKER,

Hongkong and Shanghai Banking Corporation.

Trade Practices in Tobacco

"The publication of the Government's Restrictive Practices Bill brings into prominence a number of questions which have been the subject of controversy, both inside and outside Parliament, in recent years. In the tobacco industry there are no agreements between manufacturers on prices such as are referred to under Part I of the Bill. The industry is, however, directly concerned with Part II of the Bill which deals with resale price maintenance and which, *inter alia*, seeks to prohibit the collective enforcement of resale prices. Until there has been more time to consider the implications of these measures it would be premature for me to speculate on their likely outcome or on their effects on the distributive trade. I would, however, say that in our judgment the system of collective enforcement of resale prices, as operated for many years in the tobacco trade, has worked fairly and well; and that while on the one hand it has protected retailers and wholesalers against price-cutting it has not, on the other hand, been used to restrict new outlets and it has helped materially in building up an efficient distribution service for the public."

SIR ROBERT SINCLAIR,

Imperial Tobacco Co. (of Great Britain and Ireland) Ltd.

Japan's Economy

"The anti-inflationary policy has continued and the balance of overseas trade further improved: exports rising substantially (some 24 per cent. over 1954), whilst imports remained approximately unchanged, the balance is expected to yield a surplus of some 360 million U.S. dollars. Japan enjoyed record food crops which resulted in lower prices and a reduction in food imports, which saved much foreign exchange. The anti-inflationary policy is expected to continue and, although the standard of living is rising, many difficulties still lie ahead of Japan. The population continues to increase by nearly one million a year, Labour Unions are becoming more active in demanding higher pay and better working conditions and the uncontrolled hire purchase system is increasing facilities for buying on credit which may some day have serious repercussions. Japan's economy continues to be based on trade with the free countries and on American offshore procurement, but as the countries of South-East Asia increased their own industrial potential, trading conditions may become more difficult for Japan. Trade with the Chinese mainland, her natural market, continues to hold political dangers which Japan cannot safely ignore. Japan became a member of the G.A.T.T. during the year, but unfortunately her admittance to the United Nations was vetoed by the Communist bloc. This was a considerable disappointment to Japan and is a matter which all well-wishers must hope will be rectified at an early date."

SIR KENNETH W. MEALING,

Mercantile Bank of India Ltd.

Industrialists' Perplexities

"As for the prospects for the current year, industrialists and business men alike are to-day faced with many perplexities and, in the field of capital investment, have many difficult decisions to make. The steps recently taken by the Chancellor were obviously carefully thought out, were deliberate and are doubtless having the effect they were intended to have. Industries directly affected by the credit squeeze are cutting down production, and staff must ultimately be released for other jobs. The period of readjustment is bound to be painful. Once a movement of this sort has been started, it is difficult to know where and when it is going to stop, but my own belief is that, in the course of the next twelve months, we shall be in a healthier economic position."

J. S. WILLS,

The Birmingham and District Investment Trust Ltd.

COMPANY MEETINGS AND DIVIDENDS

BOKARO AND RAMGUR LTD. Half-yearly General Meeting, Calcutta, 3rd April, 1956. Transfer books remain closed from 29th March to 3rd April 1956, both days inclusive.

STANDARD MILLS CO., LTD. Annual General Meeting, Bombay, 9th April 1956. Dividend: Rs. 20 per share, payable from 13th April to 31st July 1956, both days inclusive.

MAFATLAL FINE SPINNING AND MANUFACTURING COMPANY, LTD. Annual General Meeting, Bombay, 9th April 1956.

SVADESHI MILLS CO., LTD. Annual General Meeting, Bombay, 12th April 1956. Dividend: Rs. 12 per share, payable from 13th April 1956. Transfer books remain closed from 12th March to 9th April 1956, both days inclusive.

TATA MILLS LTD. Annual General Meeting, Bombay, 13th April 1956. Dividend: Rs. 4 per share, payable from 14th April 1956. Transfer books remain closed from 12th March to 9th April 1956, both days inclusive.

CENTURY SPINNING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 14th April 1956. Dividend: Rs. 22 per share (includes interim dividend of Rs. 8 per share) payable on and after 16th April 1956. Transfer books remain closed from 24th March to 14th April 1956, both days inclusive.

JAWAHAR MILLS LTD. Annual General Meeting, Salem, 15th April, 1956. Dividend: Re. 1-4 per share of Rs. 10 and As. 10 per share of Rs. 5. Transfer books will remain closed from 1st to 15th April 1956, both days inclusive.

BENGAL PAPER MILL CO., LTD. Half-yearly General Meeting, Calcutta, 20th April, 1956. Dividend: Rs. 2-8 per share. Transfer books will remain closed from 16th to 20th April 1956, both days inclusive.

INDIAN ALUMINIUM CO., LTD. Annual General Meeting, Calcutta, 27th April, 1956. Transfer books will remain closed from 13th to 27th April 1956, both days inclusive.

TITAGHUR PAPER MILLS CO., LTD. Dividend of Re. 1 per share on 'A' and 'B' ordinary shares (includes bonus of As. 4 per share), for the half-year ended 30th September, 1955.

DUNCAN BROTHERS & CO., LTD. Interim dividend of 5 per cent. on ordinary shares, for the year ended 31st December, 1955.

VISHNU COTTON MILLS LTD. Dividend of Rs. 8 per ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 11th to 25th April 1956, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. Dividend of Rs. 42-8 per ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 12th to 26th April 1956, both days inclusive.

COMPANY REGISTRATIONS

PURVA BHARAT CORPORATION LTD. First Director: Mr. Bishwanath Khemka.) Business: Merchants, traders and agents. Authorised capital: Rs. 5,00,000. Private company. Address: 2, Netaji Subhas Road, Calcutta, 1.

HINDUK LTD. (First Director: Mr. Radheshyam Khemka.) Business: Electricians, electrical and mechanical engineers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: P-21/22, Radha Bazar Street, Calcutta.

UNITED AUTOMOBILES LTD. (First Director: Mr. A. K. Chowdhury.) Business: Automobile, civil, mechanical and electrical dealers and merchants. Authorised capital: Rs. 5,00,000. Private company. Address: 20, Mango Lane, Calcutta.

BISHALAKHI RICE MILLS LTD. (First Director: Mr. M. M. Manna.) Business: Husking of paddy into rice and wheat into flour, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Village, Gadiarah, P.O. Guzarpur, Howrah.

SIDDHESWAR RICE MILLS LTD. (First Director: Mr. M. M. Manna.) Business: Husking paddy into rice, wheat into flour, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Village, Jhunjhuni, P.O. Anantapur, Howrah.

R. LALBHAI & CO., LTD. (First Director: Mr. Girdharlal Chhotalal.) Business: Selling agents, Managing agents, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 526, Panchkuva, Kapad Bazar, Ahmedabad 2.

GIRDHARLAL CHHOTALAL & CO., LTD. (First Director: Mr. Girdharlal Chhotalal.) Business: Selling agents, Managing agents, Commission agents, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 526, Panchkuva, Kapad Bazar, Ahmedabad 2.

HIRA FILMS LTD. (Managing Director: Hirasingh Ranjitsingh.) Business: Cinematograph trade and industry. Authorised capital: Rs. 5,00,000. Private company. Address: National House, Tulock Road, Bombay 1.

SAPLES SCALES MANUFACTURING CO., LTD. Business: Contractors, importers and exporters, general merchants, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 196-198, Girgaum Road, Galwadi, Bombay 4.

Notices

INDIAN ALUMINIUM COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighteenth Annual General Meeting of Indian Aluminium Company, Limited, will be held at the registered office, 31, Chowringhee Road, Calcutta 16, on Friday 27th April 1956, at 11 a.m., for the following purposes:

1. To receive and adopt the balance sheet at 31st December 1955, and profit and loss account for the year ended December 1955, together with the reports of the Auditors and Directors.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.
5. To transact the following special business, namely, to consider and, if thought fit, to pass the subjoined resolution as a special resolution:

"That the Regulations contained in the typewritten document submitted to this Meeting and for the purpose of identification subscribed by the Chairman thereof be and are hereby adopted as the Articles of Association of the Company in substitution for and to the exclusion of all existing Articles thereof."

The Share Transfer Register of the Company will be closed from 13th to 27th April 1956, both days inclusive.

Payment of any dividend declared will be made only to those members whose names are registered in the books of the Company on 27th April 1956, or to their mandatees. No application for warrants will be necessary. Claims on behalf of holders of shares held on blank transfer will not be entertained.

By Order of the Board,
JAMES HARDWICK,
Secretary.

14th *March* 1956.

Note.—(i) The typewritten document referred to above consisting of a draft of the proposed new Articles of Association of the Company can be inspected at any time during usual office hours at the registered office of the Company.

(ii) Any member of the Company who is entitled to attend and vote at the Meeting convened by this Notice is also entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

THE TITAGHUR PAPER MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE ONE Hundred and Forty-sixth Half-yearly Ordinary General Meeting of Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 3-00 p.m. on Wednesday, 25th April 1956, for the following purposes:—

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the half-year ended 30th September 1955.
2. To declare Dividends.
3. To transact any other ordinary business that may be brought before the Meeting.

The Share Transfer Registers of the Company will be closed from the 11th April 1956 to the 25th April 1956, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO., LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA, 15*th March* 1956.

Printed copies of the Report and Accounts will be despatched to Shareholders on or about 28th March 1956. Dividends will be paid to Registered Shareholders only.

PROFIT OF CAREW AND CO. DWINDLES

SVADESHI AND TATA MILLS REPORT BETTER RESULTS

Carew & Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Gladstone Lyall & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th June 1955.

There is a working profit, after payment of Rs. 19 (Rs. 312-8) forfeited dividend, of Rs. 2,63,548 (Rs. 9,73,417), to which must be added a carried forward balance of Rs. 61,723 (Rs. 66,210) making a total of Rs. 3,25,271 (Rs. 10,39,628). After deducting provision for taxation of Rs. 1,30,826 (Rs. 4,35,905), there is a balance of Rs. 1,94,445 (Rs. 6,03,723) which the directors propose to dispose of as follows:—

In paying a 6½ per cent. dividend, without deduction of income-tax, on preference shares for the year ended 30th June 1955 Rs. 52,000 (Rs. 52,000), in paying a dividend of As. 4 (As. 12) per share, without deduction of income-tax, on ordinary shares Rs. 80,000 (Rs. 2,40,000) and in transferring to the debenture redemption reserve fund Rs. 50,000 (Rs. 2,00,000), leaving to be carried forward Rs. 12,445 (Rs. 61,723).

The Company's distilleries returned an appreciable profit which, at Rs. 8,01,944 before taxation, compares favourably with the figure in the previous year of Rs. 3,79,187. One of the major factors which accounted for this increase was the ability to import into West Bengal substantial quantities of industrial spirit from the Rosa Distillery. Unfortunately, however, there is now a ban upon the importation of spirit into West Bengal from any outside State and this is, of course, having an effect upon the present-day sales. The sales of foreign liquors were more than maintained during the year.

Once again a loss of Rs. 17,257 (Rs. 2,906) has been shown in Darsana's pharmaceutical accounts. Unfortunately, the severe competition from the sale of imported pharmaceutical products continued during the year. The directors are confident, however, that the Tariff Commission Report, which is expected to be issued shortly, will contain recommendations which will assist the indigenous manufactures to compete on more favourable terms with the imported pharmaceutical products. The directors are pleased to report that the overall sales in the current year show a marked improvement. Unfortunately, difficulty has been and is still being experienced in obtaining import licences for raw materials although every effort is being made to impress upon Government authorities the necessity for our receiving these essential commodities.

As was envisaged in the last directors' report, the Darsana crush proved to be the highest on record at 46,08,158 maunds and compares with a crush in the previous year of 24,31,817 maunds. The recovery, however, fell from 8.98 per cent. in the previous year to 8.46 per cent. due to the fact that the crushing season had necessarily to be of longer duration and resulted in our crushing in the early part of the hot weather. Unfortunately, as forecast in the last report, the price fixed by the East Bengal Government affected adversely the overall position and on the whole season a loss of Rs. 2,73,860 resulted. This arose from the fact that in fixing the ex-factory rate per maund of sugar, Government assumed that the molasses resulting from the crush would yield Rs. 8 per maund to the factory whereas, in point of fact, the market rate was approximately half Government's anticipated rate. Very strong representations have already been made to Government at several conferences and the directors now understand the matter is receiving further consideration. This Company, in conjunction with other sugar mills in East Pakistan, is claiming compensation from Government for the difference between the actual rate at which molasses was sold and the rate Government assumed would be the selling price when fixing the ex-factory sugar price. If the claim is admitted and paid, the loss at present shown by Darsana will be wiped out and a profit will be recorded. The result, however, is not likely to be known for some little time.

The maintenance of the estates at Darsana resulted in a loss of Rs. 1,74,822, due largely to the fact that the yield from the farms was not as good as was anticipated and because Government reduced the price of cane by As. 4 per maund. The directors are contemplating the closing down of certain of the farms of marginal economy but it is essential that the Company maintains some of the farms for the purpose of seed cultivation and cane development.

Although the Company has not been able to remit profits earned in Pakistan to India during the year, the directors are in negotiation with the State Bank of Pakistan, Karachi.

Rosa ended with a crush of 26,85,315.75 maunds at an overall recovery of 9.44 per cent. This compares with the previous season's crush of 15,50,367 maunds with a recovery of 9.66 per cent. The fall in recovery was due, in part, to detrimental climatic conditions and also to the fact that the Company's farms experienced, in several areas, an outbreak of cane disease. The current season's anticipated crushes at both Dasana and Rosa have every indication of exceeding those recorded in the year under review.

The price fixed by the East Bengal Government for sugar produced in the 1955-56 season is again unsatisfactory. This matter has been the subject of strong representations to the East Bengal Government but the outcome of such representations is not, at the moment, known.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	40,00,000	Block ...	44,63,474
Debentures	23,50,000	Stock-in-trade	94,28,926
Reserves ...	28,37,030	Stores and materials ...	34,18,293
Provision for taxation ...	10,17,516	Other assets	80,609
Liabilities ...	1,12,46,760	Debts, deposits and advances ...	37,13,387
Profit and loss account ...	12,445	Investments	14,118
		Cash ...	3,44,944
	Rs. 2,14,63,751		Rs. 2,14,63,751

Svadeshi Mills Co., Ltd.

The directors of the above Company (Managing Agents: Tata Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The profit for the year, after making a provision of Rs. 19,00,000 (Rs. 3,00,000) for depreciation, amounts to Rs. 15,47,509 (Rs. 8,30,903). Adding thereto the balance brought forward from the accounts of the previous year of Rs. 43,799 (Rs. 40,896), the total is Rs. 15,91,308 (Rs. 8,71,799). From this sum, the directors have appropriated to equalisation of dividend fund Rs. 14,38,697 (Rs. 8,00,000) and to provision for gratuities account Rs. 35,000 (Rs. 28,000), leaving a balance of Rs. 67,611 (Rs. 43,799), which amount the directors propose to carry forward. The directors recommend payment of the following dividends for the year ended 31st December 1955 (to be paid out of the equalisation of dividend fund):—

On preference shares at Rs. 5 (Rs. 5) per share free of income-tax Rs. 75,000 (Rs. 75,000) and on ordinary shares at Rs. 12 (Rs. 8) per share without deduction of income-tax Rs. 12,00,000 (Rs. 8,00,000). The directors hope that the result of the year's working, which shows substantial improvement over that of the preceding year, will be considered satisfactory. The trading conditions were favourable during the year. No further controls on the industry were imposed and there was a sustained demand for cloth at remunerative prices. For the first time since partition the Indian cotton supply position became very easy, the quota system was abolished and the mills were able to secure all their requirements at satisfactory rates.

Further progress was made in the re-organisation and renovation of the mills during the year. Machinery of the value of about Rs. 37,11,000 was installed during 1955. This included cards, ring frames, sizing machines, automatic and ordinary looms, calenders, stentering and drying machine, etc. At the end of the year machinery of the value of about Rs. 3,62,000 which was received had still to be installed.

On the 25th May 1955 the Labour Appellate Tribunal gave its decision on an appeal against an award of the Industrial Court respecting mill clerks dealing with their pay scales and grades, dearness and other allowances, leave, gratuity, etc. Under the Tribunal's decision modifying the award pay scales were revised, increased dearness allowance was granted with retrospective effect from May 1953, a reduction was made in working hours and a few modifications made in working conditions. As a result a sum of about Rs. 82,300 had to be paid by the Company to give retrospective effect to some of the terms of the award. There will also be an extra liability in future in this connection of about Rs. 22,000 a year.

The directors have considered it desirable that the Company should become a member of the Cotton Textiles Export Promotion Council which had recently been formed for the promotion of the export of cotton textiles. The Company also participated along with other Tata concerns in the Indian Industries Fair held at New Delhi last year.

The last date for the presentation of fractional certificates against the issues of 15,000 and 25,000 ordinary shares made in 1949 and 1954 respectively has been extended by the directors by one year upto the 30th September 1956. During the year under report eight fractional certificates of the 1949 issue were presented for conversion into two whole shares, leaving a balance of 30 shares on the 31st December 1955, still to be allotted. Similarly 2,310 fractional certificates of the 1954 issue were converted into 770 shares, leaving 113 shares still to be allotted.

The Company's buildings, machinery and stocks were insured as at 31st December 1955 for Rs. 5,03,33,000. Profits and standing charges were insured for Rs. 50,00,000 per annum indemnity being payable for 24 months. The installed capacity of the mill is 72,236 spindles and 2,000 looms.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	1,14,85,700	Block ...	2,28,87,647
Reserves ...	97,44,716	Machinery uninstalled and works under construction	15,06,911
Depreciation fund ...	1,19,01,899	Stock-in-trade	77,15,513
Provision for taxation ...	5,44,754	Stores and spare parts	13,66,608
Capital suspense ...	14,300	Debts, deposits and advances ...	34,14,655
Liabilities ...	68,00,849	Investments ...	29,43,524
Profit and loss account ...	67,611	Cash ...	7,24,971
	Rs. 4,05,59,829		Rs. 4,05,59,829

Tata Mills Ltd.

The directors of the above Company (Managing Agents: Tata Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The profit for the year, after making a provision of Rs. 10,00,000 for bonus, of Rs. 20,00,000 (Rs. 5,75,900) for depreciation and of Rs. 55,800 for taxation amounts to Rs. 7,69,559 (Rs. 3,33,552). Adding thereto the balance brought forward from the accounts of the previous year of Rs. 11,417 (Rs. 6,865), the total is Rs. 7,80,967 (Rs. 3,46,417). From this sum the directors have appropriated to dividend reserve account Rs. 6,52,482 (Rs. 3,00,000) and to provision for gratuities account Rs. 85,000 (Rs. 35,000), leaving a balance of Rs. 43,485 (Rs. 11,417), which amount the directors propose to carry forward. The directors recommend payment of a dividend on ordinary shares at Rs. 4 (Rs. 2-8) per share, without deduction of income-tax, for the year ended 31st December 1955 (to be paid out of the dividend reserve account) Rs. 5,24,630 (Rs. 3,25,944).

The directors hope that the result of the year's working, which shows substantial improvement over that of the preceding year, will be considered satisfactory. The trading conditions were favourable during the year. No further controls on the industry were imposed and there was a sustained demand for cloth at remunerative prices. For the first time since partition the Indian cotton supply position became very easy, the quota system was abolished and our mills were able to secure all their requirements at satisfactory rates.

On the 25th May 1955, the Labour Appellate Tribunal gave its decision on an appeal against an award of the Industrial Court respecting mill clerks dealing with their pay scales and grades, dearness and other allowances, leave, gratuity, etc. Under the Tribunal's decision modifying the award pay scales were revised, increased dearness allowance was granted with retrospective effect from May 1953, a reduction was made in working hours and a few modifications made in working conditions. As a result a sum of about Rs. 1,14,000 had to be paid by the Company to give retrospective effect to some of the terms of the award. There will also be an extra liability in future in this connection of about Rs. 32,000 per year.

In pursuance of the Company's plan for the re-organisation and renovation of the mills, machinery of the value of Rs. 16,70,000 was installed during 1955. This included a set of barber colman high speed spooler and warper, a high production stentering and drying range, a humidification and ventilation plant in the loom shed, a Tomlinson's raising machine and a locally made 16-cylinder vertical drying range. At the end of the year, machinery of the value of Rs. 1,90,000 which was received had still to be installed. The directors, have ordered out 12 inter frames, 20 ring spinning frames, 48 cards, fluorescent lights for the loom shed and a H.T. switchgear. In order to meet the requirements of the Tata Hydro Companies the mills again worked the two diesel engines during the whole year.

In accordance with the special resolutions passed at the extraordinary general meeting of the Company held on 7th November 1955, the authorised capital of the Company was increased from Rs. 66,12,500 to Rs. 1,00,00,000 by the creation of 1,35,500 new ordinary shares of Rs. 25 each. In terms of the special resolutions, out of the increased authorised capital of the Company, 1,31,157½ new ordinary shares were offered to the holders of the existing ordinary shares for subscription at par in the proportion of one new share for every ordinary share held by them with the option to the shareholders to apply for additional shares. As considerably more additional shares were applied for than the number available, the directors in allotting these shares gave preference to shareholders with small holdings.

During the year no debentureholder exercised option 11 under the Debenture Trust Deed under which a debentureholder would get 13½ ordinary shares of the Company of Rs. 25 each for every debenture of Rs. 1,000.

The Company's buildings, machinery and stocks were insured as at 31st December 1955 for Rs. 4,39,80,000. Profits and standing charges were insured for Rs. 40,00,000 per annum, indemnity being payable for 24 months. The installed capacity of the mill is 62,096 spindles and 1,800 looms.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	32,78,938	Block ...	1,77,34,839
Debentures	39,51,000	Machinery uninstalled and work under construction	1,99,686
Reserves ...	57,21,006	Stock-in-trade	64,26,845
Depreciation fund ...	68,44,553	Stores and spare parts	16,34,690
Provision for taxes ...	1,00,000	Debts, deposits and advances ...	11,97,079
Liabilities ...	89,88,633	Investments	2,31,645
Profit and loss account ...	43,485	Cash ...	15,02,831
	Rs. 2,89,27,615		Rs. 2,89,27,615

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

QUESTION HOUR IN PARLIAMENT

Uranium and Thorium

URANIUM and thorium are at present produced in India in compound forms only. The Government has a scheme for the production of these fissile materials in the near future for peaceful purposes. The Atomic Energy Commission proposes to obtain from abroad the materials required for carrying on research till such time as they are produced in our country.

—Jawaharlal Nehru

Insurance Premium Rates

My remarks in the Lok Sabha about life insurance premium on 3rd March 1956 have been interpreted by some to mean that a further reduction in premium rates is likely to occur in the near future. This may have caused some holding back of business temporarily. I would like to make it clear, however, that the Government has no such intention.

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Rate of Interest

The rate of interest on the Government loan will be the rate at which the Government itself can borrow *plus* a small element to cover costs of issue and management. The rate of interest on the loan to be given by the Bankers' Syndicate will be 1 per cent. above the Bank of England rediscount rate with a minimum of 4½ per cent. It is not possible to raise any foreign public loans on reasonable terms under the present market conditions. On the question as to what extent the sterling balances would be utilised to repay the loans, sterling balances represent practically the total of the foreign exchange assets of the country. All foreign earnings, including the proceeds of loans, are credited to them and all foreign expenditure, including the repayment of loans, is debited to them. In a sense, the loans will be repaid from the sterling balances.

—C. D. Deshmukh

Imperial Preferences

The Government of India feels that no change is called for now in the system of imperial preferences operating at present.

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X-ray Equipment

The Government has set up a committee to go into the question of manufacture of X-ray equipment and surgical instruments. Only an infinitesimal fraction of X-ray equipment is now being produced in the country.

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Training of Indians for Steel Plants

The Soviet technicians' scheme to train Indian workers, technicians and engineers for work in Indian steel plants will come into operation from 1st April 1956. The scheme envisages primary training (individual and crew) for a period of two to nine months for about 4,500 unskilled and low skilled workers who have had elementary education; supplementary training for a period up to one year for about 300 skilled workers who have some previous experience of operations and about 40 workers who have received primary training; probationary training for about 500 qualified engineers and technicians who have had no previous practical experience in steel works. About 300 skilled workers who have undergone supplementary training and 135 engineers and technicians who have had probationary training are to be sent to the U.S.S.R. for advanced training.

—T. T. Krishnamachari

Soviet Aid to Coal Industry

The Government of India has received from the Soviet Union an offer of technical assistance for the development of the Indian coal industry. The Government is considering whether such assistance is required and, if so, to what extent and on what terms. There have been some preliminary correspondence in this connection between the two Governments. There have been offers of such assistance or enquiries from other countries also, such as West Germany, East Germany, France and the U.K.

• • • •

Drills for Coal Mining

A few drills for coal mining have been purchased from the Soviet Union at an economic price. The Government's intention is to call for global tenders for the purchase of coal mining equipment, so that it can get this equipment at the cheapest possible price.

—K. C. Reddy

Gold Production

The number of gold mines in working condition in India is four. The value of gold produced in these mines during 1955 was Rs. 5,30,13,649, as against Rs. 5,62,05,682 in 1954 and Rs. 5,08,21,592 in 1953.

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Assam Oil Company

The Assam Oil Company has expressed its desire to widen its sphere of oil exploratory activities and talks between the representatives of the Government and of the Company are now in progress in this region.

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Aero-magnetic Survey

A Canadian team has arrived in India to conduct the aero-magnetic survey of the country. The services of the team have been secured under the Colombo Plan aid.

Russian Drilling Rigs

A contract between the Governments of India and the Soviet Union may be signed for the purchase of drilling rigs as soon as the quotations received from the Soviet Union have been examined and accepted by the Government of India. India may be able to strike a good bargain with the Soviet Union. The Government of India hopes that it will be able to get these rigs not only from the Soviet Union but also from other countries whose terms are attractive.

—K. D. Malaviya

Educated Jobless

The Planning Commission has asked the study group on educated unemployed to work out details for a pilot project. If the pilot projects are successful, the question of adequate allocations for special schemes will be considered. The study group has recommended special schemes which are likely to provide employment to 240,000 educated persons in the country. The investment required for this under the second Plan will be of the order of Rs. 130 crores.

—S. N. Mishra

Loans to Co-operative Sugar Mills

A sum of Rs. 5 crores has been provided for loans to the State Governments for subscribing to the share capital of the co-operative sugar factories.

—Dr. Punjabrao Deshmukh

CENTRAL BANK OF INDIA LTD.

(*Concluded from page 605*)

industry and enable it to make its full contribution to national development.

"The Directors' report has referred to the great loss suffered by the Bank by the passing of Mr. H. C. Captain within a very few days of his retirement from service. Mr. Captain, in spite of ill health during the closing stages of his life, had continued to devote himself unstintedly to the interests of the Bank and it was a matter of great regret to the Board that his long connection of 34 years had come to such a tragic and abrupt end. The Board and the members of the staff have severally placed on record their appreciation of all Mr. Captain had done for the Bank and I am sure the shareholders share their sense of loss and wish to convey to the members of his family their heartfelt condolences.

"On the retirement of Mr. Captain, the Board appointed Mr. N. K. Karanjia as General Manager of the Bank. It was a fitting recognition of his long and meritorious service and, during the few months in which he has been working as Chief Executive of the Bank, the Board have every reason to be satisfied with the wisdom of their choice.

"To strengthen the organisation of the Bank and to exercise greater control over the day-to-day working, the Board appointed Mr. C. H. Bhabha Vice-Chairman and delegated certain powers to him under Article 107 of the Company's Articles of Association. Mr. Bhabha has since been devoting a great deal of his time and energies to the affairs of the Bank and I cannot speak too highly of the work he has been doing.

"To Mr. N. K. Karanjia, General Manager, and Mr. F. C. Cooper, Deputy Manager, our acknowledgements are due for the zeal and efficiency with which they have been discharging their responsibilities. I would also like to thank other members of the staff at the Head Office and the branches and the members of the local committees at various centres for the services they are rendering.

"I now move the adoption of the Report and the Audited Statement of Accounts for the year ended 31st December 1955."

THE BUCKINGHAM AND CARNATIC CO., LTD.

(*Concluded from page 616*)

amounts have been invested in Trusteee securities.

"The lot of those concerned with the management and operation of industry in these days is by no means enviable. In addition to the complexities of recent legislation covering all aspects of their work, there is the burden of severe personal taxation and uncertainty about the future.

"I hope you will gladly join with me in expressing appreciation of the cheerful and determined manner in which the executive and supervisory staff of the management and the mills have carried out their duties. I think we should be particularly grateful to the Manager and other officers of the mills who have worked so hard and intelligently in implementing the Company's aim to attain the maximum improvement in efficiency."

Notices

THE BENGAL PAPER MILL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Thirty-second Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, 21, Netaji Subhas Road, on Friday the 20th April 1956, at 12 noon, to receive the Directors' and Auditors' Reports, to adopt the Statement of Accounts for the half-year ended 31st December 1955, to declare dividends, and to transact the ordinary general business of the Company.

Notice is hereby also given that the Transfer Books and Register of Members of the Company will be closed from 16th to 20th April 1956, both days inclusive.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA.

THE DHUNSERI TEA COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE half-yearly dividend due on 31st March 1956, on 39,930 7 per cent. Cumulative Preference Shares has been declared payable on 6th April 1956.

Dividend Warrants will be issued to the shareholders whose names appear in the Register on 6th April 1956 or to their mandatees. The Preference Share Transfer Books of the Company will be closed from 2nd April to 6th April 1956, both days inclusive.

By Order of the Board,
JAMES FINLAY & CO., LIMITED,
Secretaries and Agents.

CALCUTTA, 21*st March* 1956.

THE ASSOCIATED CEMENT COMPANIES LIMITED

ISSUE OF NEW CAPITAL

THE MANAGING AGENTS HAVE BEEN authorised to announce that the consent of the Controller of Capital Issues, Government of India, has now been received to issue new shares of the Associated Cement Companies, Ltd., at a premium of Rs. 20 per share, i.e., at an issue price of Rs. 120 per share.

The matter is receiving the consideration of the Directors.

By Order of the Board,
For THE ASSOCIATED CEMENT COS., LTD.,
CEMENT AGENCIES LTD.,
Managing Agents,
N. DANDEKER,
Managing Director.

BOMBAY, 23*rd March* 1956.

FIAT CARS

For the second successive year, Fiat cars, both 500C and 1100, came out with flying colours in their respective classes in the tough reliability trial arranged by the Western India Automobile Association. The 1956 reliability trial held on 17th and 18th March in Poona, was the most rugged trial held so far. The route covered about 237 miles from Poona, to Khopoli, Pen Mahad, Mahabaleshwar, Surul and back to Poona. It included crossing four dangerous ghat sections, (1) the steep 5-mile long Bhor Ghat, (2) the 25-mile long, treacherous Mahabaleshwar Ghat, (3) the 5-mile long Khambakti Ghat and (4) the 4-mile long Katraj Ghat. The cars had to maintain fixed average speeds, in the normal traffic conditions after observing all traffic rules. The middle lap of 120 miles was the most difficult one which included patches of rough roads unfit even for bullock carts. Each car had to return to the finishing line within a minute of the scheduled time. Those who completed the reliability trial in right time had to enter the elimination test on the next day, which consisted of reversing through a narrow enclosure, negotiating three hurdles and then racing along an oval-shaped track. Miss Perin Dorabji (Premier Automobiles Ltd.) in her Fiat 500C won the Standard-Vacuum Challenge Trophy and Sardar Jagannath Maharaj Pandit Cup. She also won the tyresoles Concessionaires Challenge Trophy for motor car with best performance entered by a lady. Mr. J. M. Vakil (Premier Automobiles Ltd.) in his Fiat 1100 won the Premier Automobiles Challenge Trophy.

MONEY RATES FIRM

(From Our Own Correspondent)

BOMBAY, 28*th March*

For yet another week, the short-term money market displayed stringent conditions. The demand for bank credit showed no sign of relaxation, while the supply of funds was still tight. Consequently, banks had to seek accommodation from the Reserve Bank and the State Bank of India. The rates of interest were firm and tended to harden further.

Inter-bank call money was bid by all sections of banks at 3¼ per cent. Banks offered 3¼ per cent. to 3⅜ per cent. for house money; even 3½ per cent. for large blocks. Short-term deposits were placed at 3½ per cent. for all periods upto six months.

The aforesaid conditions in short-term money were fully reflected in the poor response to this week's sale of 91-day Government of India Treasury Bills. The amount offered was no more than that invited, that is Rs. 1 crore. The average rate of accepted tenders also stood firm at Rs. 2-8-6 per cent. per annum. *Nothwithstanding this poor response, the authorities have invited tenders for* Rs. 1 crore next week also.

The Reserve Bank's statement for the week ended 23rd March 1956 shows a further expansion of Rs. 4.92 crores in notes in circulation. Notes held in the Banking Department have, on the other hand, declined by Rs. 4.57 crores, so that the fractional rise in total notes is covered by a similar increase in rupee coin. Foreign securities have gone up by Rs. 3.97 crores and there has been a corresponding decline in rupee securities. In the Banking Department, Central Government's deposits have declined by Rs. 2.96 crores, while those of other Governments and banks have risen by Rs. 1.57 crores and Rs. 3.18 crores, respectively. On the assets side, cash balances have dwindled by Rs. 4.57 crores, while balances held abroad are up by Rs. 82 lakhs. There has been a sharp rise of Rs. 5.41 crores in loans and advances other than to Governments, this increase being mainly due to the rise of Rs. 7.84 crores in advances to Scheduled banks against usance bills. Fresh advances during the week against these bills aggregate Rs. 10.44 crores.

The consolidated statement of position of the Scheduled banks for the week ended 16th March 1956 discloses a rise of Rs. 2.33 crores in demand deposits, in distinct contrast to the aggregate decline of Rs. 18.31 crores in the previous two weeks. Time deposits, on the other hand, have dropped further by Rs. 2.92 crores. Inter-bank borrowings have gone up by Rs. 87 lakhs, while borrowings from the Reserve Bank show a rise of Rs. 7.89 crores and those from the State Bank Rs. 1.86 crores. On the assets side, advances have maintained their upward trend with a further sharp increase of Rs. 12.95 crores. Bills purchased and discounted have also gone up but only by Rs. 92 lakhs. Investments are lower by Rs. 90 lakhs. Cash balances show small variations.

The Gilt-edged market displayed a firm trend during the week under review, with prices of dated loans marked up by one to two annas. The only notable exception to the general trend was provided by 3 per cent. 1986 Conversion Loan which shed As. 5 due to lack of support. The general firmness was mainly due to shortage of stocks and large demand on account of State funds. The volume of business was fairly large. 3 per cent. 1957 hardened by an anna to Rs. 99-11, while 3 per cent. 1958 and 3 per cent. 1959-61 were well held at Rs. 99-9 and Rs. 98-1, respectively. 3 per cent. 1963-65 gained As. 2 to Rs. 94-13 and 3 per cent. 1964 an anna to Rs. 94-10. Despite the approach of interest payment 3 per cent. 1966-68 remained dull at Rs. 92-11. 3 per cent. 1970-75 was taken up As. 2 higher at Rs. 89-11. 3 per cent. 1986 Conversion Loan was marked down by As. 5 to Rs. 76-11. 3½ 1961 was unchanged at Rs. 99-6. 3½ per cent. 1964 and 3½ per cent. 1965 were wanted As. 2 higher at Rs. 98-9 and Rs. 98-8, respectively.

In the foreign exchange section, the rupee was unchanged in terms of the U.S. dollar at Rs. 477½ per $100 (banks selling) and at Rs. 473 per $100 (banks buying). Sterling was, however, a shade weaker, spot sterling in New York dropping from $2.80⅜-2.80⅜ to $2.80.7/16-2.80.9/16 and forward sterling (three months) from $2.78.9/16-2.78.11/16 to $2.78.7/16-2.78.9/16. Transferable sterling was a fraction better at $2.77⅛-2.78, as against $2.77⅛-2.77⅜ a week ago.

TEA DUSTS ADVANCE

(From Our Own Correspondent)

CALCUTTA, 27*th March*

There was no sale yesterday being a holiday on account of Holi festival.

The offerings of dusts during last week's sale for domestic consumption aggregated 19,200 packages, prices for most of which advanced by virtue of the fact that there was a strong general demand. The strongest features of the auction were black leaf teas and all grainy types, prices for both of which recorded gains of As. 4 to As. 6. Other types of teas on offer rose by As. 3 to As. 4. Buyers paid good attention to the very best C.T.C. Assams possessing good liquors and, although the balance varieties of this category were slightly irregular, prices were higher by several annas. The rates were: best Assam C.T.C. Rs. 3 to Rs. 3-2, medium Assam grainy dust Re. 1-14 to Rs. 2, and medium Dooars Re. 1-13 to Re. 1-14.

Offerings of leaf amounted to 2,200 packages. Demand was good and prices gained by As. 2 to As. 4.

BULLION STEADY

(From Our Own Correspondent)

BOMBAY, 28*th March*

A somewhat irregular trend in bullion was witnessed during the week under review. The undertone, however, remained steady, mainly due to the strength of silver. Over the week, while silver recorded a small gain, gold was fractionally lower.

In the earlier part of the week, both silver and gold were subdued, due to holiday influences, fears of fresh imports of silver coins from Tibet and a tapering of demand in the ready section. Trading was also restricted. The reopening of the market yesterday after *Holi* witnessed a fresh spurt in silver, due to renewed buying by a leading bull operator. Sellers were also reserved. Improved demand in the ready section also assisted the upward trend. In the absence of any special influence, gold ruled steady in sympathy with silver. Today, also, there was a further rise in prices of both silver and gold, but the slackness in demand and larger arrivals pruned a part of the earlier gains.

Silver for forward delivery (28th March settlement) hardened early in the week from Rs. 181-12 to Rs. 182-11, but slided back to Rs. 180-14. Yesterday, however, there was a sharp upswing to Rs. 183-12 before the settlement ran out at Rs. 182-15. Forward silver (26th April settlement) moved up from Rs. 182-10 to Rs. 183-10. After a recession to Rs. 181-12, this settlement appreciated to Rs. 184-7 today, but reacted to close at Rs. 183-6.

Ready silver (.996 Mint) rose from Rs. 182 to Rs. 184 before finishing at Rs. 182-14. The floating stocks of silver are reported to be 800 bars. The daily average offtake was 25 bars.

Forward gold (27th March settlement) advanced early in the week from Rs. 105-8 to Rs. 106-15, but reacted to Rs. 104-15. After a recovery to Rs. 105-11, the settlement wound up at Rs. 105-9. Forward gold (26th April settlement) rallied from Rs. 105-4 to Rs. 106-10, but this rise was short-lived, and the price reacted to Rs. 104-13 on Saturday. Today, however, the rate for the current settlement came up to Rs. 106-2 before closing at Rs. 105-1.

Ready gold gained from Rs. 105-12 to Rs. 106-5, but closed at Rs. 105-2.

The floating stocks are placed at Rs. 25,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was slightly lower at 3,000 tolas on an average.

In London, the price of silver was unchanged at 79d. for both spot and forward. Gold, on the other hand, gained a penny from 249*s.* 4½*d.* to 249*s.* 5½*d.* In New York, silver hardened by ⅛c. to 91⅛c.

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

	28-3-56	Highest	Lowest	21-3-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	105 2	107 3	105 1	105 12
Forward*	105 1	106 15	104 11	105 4
Sovereign	66 4	66 4	66 0	66 8
SILVER				
Ready (.996 fine Mint) ..	182 14	184 0	181 5	182 0
Forward†	183 6	184 7	181 12	182 10
London Silver Ready ..	79d.	—	—	79d.
London Forward	79d.	—	—	79d.
London Gold	249*s.* 5½*d.*	249*s.* 6½*d.*	249*s.* 3½*d.*	249*s.* 4½*d.*
New York Ready	91⅛c.	91⅛c.	91⅛c.	91⅛c.

* 25th April settlement.
† 26th April settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

GOOD OFFTAKE IN KIPS

(From Our Own Correspondent)

MADRAS, 26*th March*

Trading in kips with the U.K. was poor, as buying was selective, though, in some cases, higher prices were established. It looked as though price declines had been arrested, and with regulated flow of tanned output to Madras, E.I. tanners, it was felt, should be able to establish workable price levels and trade profitably. Arrivals of kips were moderate and offtake good. Stocks did not accumulate in the market. Demand for Inferior fifths cow hides was insistent from upcountry merchants. Prices of buff hides and buff calf were unchanged and of cow calf weak.

In the London tanned skins public auctions, primes and semi-prime sheep skins were sold at unchanged levels before a fair attendance of buyers. All other descriptions declined badly, and the worst sufferer was rejection assortments.

Prices in the local market declined by As. 2, in sympathy with the poor results in the March London public sales.

CONFIDENT TONE IN HIDES

(From Our Own Correspondent)

KANPUR, 25*th March*

During the week under review the general tone of the Kanpur hides market was one of confidence. Arrivals were relatively lower than those a week ago, except in goats in which supplies were comparatively large. The main purchasers were local tanners headed by Messrs. Cooper Allens. The latest quotations are as follows: Wet salted cow 1st grade at Rs. 300; 2nd grade at Rs. 200 to Rs. 300 and 3rd grade at Rs. 100 to Rs. 120 per score. Wet salted buff 1st grade at 1 lb. 12 ozs. and 2nd grade at 2 lbs. 2 ozs. per rupee. Goat 1st grade at Rs. 275 and 2nd grade at Rs. 225 per 100 pieces. Sheep 1st grade at Rs. 300 and 2nd grade at Rs. 250 per 100 pieces.

SPOT COTTON QUIET

(From Our Own Correspondent)

BOMBAY, 28*th March*

It now looks as though there is no possibility whatever of futures trading in cotton being resumed in the near future. The Forwards Markets Commission would appear to have deferred consideration of the question, thanks to the aggrieved bull operators' move to take the dispute to the Supreme Court. In the meantime, the cotton market is thick with rumours of some Government action to check the buying spree in the spot market which has pushed up the prices of cotton to near the ceiling rates. In fact, the prices of some of them have already hit the ceiling. There are, according to cotton circles, two measures which the Government seem to be contemplating. These are: (1) Reintroduction of the quota system for allocating the available supply of Indian cotton among the mills on an equitable basis; and (2) revision of import policy, permitting purchases of U.S. cotton stapling 7/8" and above. At present, American cottons with a staple of 1-1/16" and above only are allowed to be imported. It is not known whether the authorities will take recourse to both these measures or one of them. Since there has been no official statement supporting or rejecting either of the aforesaid conjectures, a section of cotton traders surmises that both the steps may be adopted simultaneously.

While news on the attitude of New Delhi is being keenly awaited, the fear of Government's direct intervention has already had a psychological effect on the spot market. Now this market is not as cheerful as it was in the past three weeks. In fact, mills and dealers are very cautious in entering into fresh commitments. Turnover is, therefore relatively small and prices have showed a tendency to remain unchanged or to look down slightly. Mill enquiries are not large. Only stray lots of good quality cotton are being picked up by mills. Exportable styles, however, are evoking keen demand, on expectation that the traders' plea for the extension of export licences by 15 days after the 31st inst. may be conceded by the authorities. The quantity of cotton remaining unutilised, it may be noted, is estimated at 60,000 bales. Shippers' attention is focussed principally on Bengals, Zodas, Oomra Deshi, Kala and Wagad.

In the foreign section, Africans are meeting with renewed buying support. Large business has been concluded in A. R. Uganda new crop styles. Over the week, the price of Busoga has gone up from Rs. 1,437 to Rs. 1,460-Rs. 1,465. Jinja is also quoted higher at Rs. 1,365, as against Rs. 1,355 a week before. Egyptians, however, continued to rule quiet, in view of the high level of prices.

The latest available quotations—in rupees per candy of 784 lbs.—for cotton from the Sewri market (figures in brackets relate to last week's closing rates) are given below: Bengal *Deshi* 730 (730); Berar Jarillas 790 (790); Khandesh 770 (770); Vijay 930 (927); Oomra *Deshi* 730 (730); Moglai 685 (685).

The recovery witnessed in the Karachi cotton market last week proved to be short-lived. The market, once again, relapsed during the week under review. Apart from the lack of follow-up support, fears of increased competition from U.S. cotton in world markets acted as a damper. These fears were based on reports that the U.S. Senate had approved of an amendment directing the Agriculture Secretary to sell in the world markets about 150,000 bales of extra long staple cotton at competitive prices. Selling was, therefore, predominant and prices moved downwards. In the forward section, N.T.R.G. May delivery dropped Re. 1-5 to Rs. 75-13 per maund of 82 lbs. July delivery was quoted lower at Rs. 74-11, as against Rs. 76-14 at which business in this contract opened on Monday.

The latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton are: Sind *Deshi* 77; Punjab *Deshi* 72-8; 4F Punjab R.G. 73-5; S.G. 78-5; L.S.S. Punjab R.G. 78-13; 289F N.T. Roller 79-9; S.G. 85-9; 289F Punjab R.G. 86-5; S.G. 82-5.

A distinctly firm trend prevailed in the Alexandria cotton market. The firmness was aided by the appreciably low estimate of the current crop which placed the total yield at 6.75 million cantars, as against 8.04 million cantars forecast in the official December estimate. After allowing for a minimum carryover, cotton traders felt that the quantities available for export, including Government stocks, during the six months ended August next would be only 700,000 cantars of Karnak, 250,000 cantars of Giza 30 and 500,000 cantars of Ashmouni. These reports induced good buying enquiries and prices of cotton registered a rise. The improvement was more marked in the case of Karnak than in that of Ashmouni.

The latest available quotations—in tallaris per lb.—from the Alexandria cotton futures market (figures in brackets giving last week-end rates) are: Karnak: March 87.75 (85.80) and May 87.03 (84.80); *Ashmouni*: April 69.95 (69.08) and June 69.20 (67.00).

There was no change in the sentiment of the Liverpool cotton market which continued to be quiet. Operators preferred to await a clear enunciation of the U.S. cotton policy, especially with relarged C.C.C. sales programme. Turnover was, as a consequence, restricted and prices moved narrowly. The Sudan cotton contracts (Basis cotton: G6S) came on the board on the 19th inst., the opening price of July-August, September-October and November-December deliveries being 42.65d.

The latest available quotations—in pence per lb.—from Liverpool are:—*Old contract*: March-April 25.60; May-June 25.35; July-August 24.85. *New contract*: May-June 29.90; July-August 27.27; October-November 25.40; December-January 25.17; March-April 25.07. *Egyptian Karnak cotton*: March-April 49.45; May-June 48.90; July-August 48.35.

The New York cotton market exhibited firm conditions during the week under review. Induced by trade buying and short covering, prices marched forward. The rise was further assisted by support based on the view that new crop positions at present levels were around the prospective support price of the 1956 crop.

The U.S. Senate has approved of an amendment which directs the Secretary of Agriculture to sell, under the new export programme announced recently, about 150,000 bales of extra long staple cotton for export at world competitive prices. The Senate has also voted in favour of putting dollar limits on the amount of price support aid that any farmer can get from the Government. The annual ceiling on price support loans that the Government will accord to any one farmer is set at $100,000.

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

(In cents per lb.)

	26-3-56	19-3-56	13-3-56
Spot	36.80	36.75	36.60
May	35.59	35.52	35.22
July	33.37	32.94	33.26
October	32.20	31.80	31.77
December	32.28	31.82	—

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 28*th March*

Steady conditions prevailed in the sugar market during the week under review, in distinct contrast to the easy trend noted last week. The steadiness was aided by rumours of some delay in the issue of monthly release of sugar for sale in the free market, following representation by North Indian millowners. A section of traders had expected the announcement by Saturday next. There was also some buying by genuine traders. Accordingly, prices tended to look up.

Arrival of indigenous sugar into the market aggregated 9,900 bags, as against 6,100 bags in the previous week.

In the spot section, A grade indigenous sugar improved from Rs. 97-Rs. 100 to Rs. 99-Rs. 101 per bag. D grade sugar was firm at Rs. 88-Rs. 90 and B grade at Rs. 95-Rs. 97. C grade was quoted at Rs. 91-Rs. 93, as against Rs. 91-Rs. 94 last week. British refined sugar gained As. 2 to Rs. 83-12 per bag of 2 cwts.

In the forward section, *Fagan* delivery contract for C grade sugar was squared up As. 2 higher at Rs. 90-12. *Vaisakh* delivery improved by a similar amount to Rs. 91-3.

N.B.—The rates for Indian sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

YARNS RULE STRONG

(From Our Own Correspondent)

BOMBAY, 28*th March*

The behaviour of the yarn market is tending to be peculiar. Thus, despite the bearish news of National Rayon's forward sales of yarn at reduced prices, large arrivals of imported yarn and possibility of further heavy imports following the move of the Central Government to arrange bartering of Italian yarn in exchange for Indian raw cotton, the market ruled distinctly firm. Evidently, the traders appeared to expect the demand for yarn from consuming centres considerably to broaden in the coming weeks. This expectation was based chiefly on hopes of a substantial improvement in offtake of rayon fabrics and also, to some extent, on the impending expansion in the weaving capacity of the uneconomic units, now that official permission for the same has been granted. Staple fibre yarns were also exhibiting a firm trend, notwithstanding the reports that cotton mills were contemplating to spin a larger quantity of yarn from staple fibre, the import of which has been liberalised by the authorities. The firmness was presumably due to good buying enquiries from Surat and other centres. Although the cotton market was quiet and overseas enquiries for Indian yarn were not encouraging, cotton yarns, too, were strong, thanks, perhaps, to the support extended by speculative interests.

During the week under review, Stnia rayon yarn (120 dull cones) for April and June deliveries spurted by Rs. 10 each at Rs. 821 and Rs. 820, respectively. In the spot section, 150 Japan rallied As. 3 to Rs. 4-7. 150 Italy advanced by an anna to Rs. 3-13-6. 120 Italy was fully maintained at Rs. 3-14. 120 Japan, however, eased by half an anna to Rs. 4-5-6 for lack of support. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade moved up by 18 pies to Rs. 3-13-6. 120 Bt. cones 1st grade was steady at Rs. 3-14.

The National Rayon Corporation, Bombay, is reported to have concluded some forward sales of yarn for the second quarter of 1956 at Rs. 3-8 and Rs. 3-12 per lb. for 150 deniers and 120 deniers, respectively. These prices are, as already stated, lower than those at which sales were made in the current quarter, namely, Rs. 3-10 and Rs. 4, respectively. The downward revision in prices quoted by the Company, it is said, has been necessitated by heavy arrivals of imported yarn, the total quantity that actually arrived in Bombay port during the first two months of 1956 being 6.09 million lbs., as against 4.42 million lbs. in the corresponding period of 1955. Imports are expected to be still larger in the coming months, in view of the liberalised import policy with regard to 150 deniers and 120 deniers.

In the staple fibre yarn (40 x 2) section, New Greats picked up 21 pies to Rs. 3-12-9. Kohinoors put on a like amount to Rs. 3-13-6. Citys gained 15 pies to Rs. 3-13. Centurys were higher by nine pies at Rs. 3-12. The prices of imported yarns (40 x 2) were fully maintained. Fujis being quoted at Rs. 7-14, S'Sellos at Rs. 7-8 and K'Suns at Rs. 7-15.

In the cotton yarn section, 40 count yarns were particularly in the limelight and recorded improvement in prices. Raghuvanshis advanced by Re. 1-12 to Rs. 58-12. Citys and Moderns increased by As. 8 each to Rs. 49-8 and Rs. 61-8, respectively. Colabas appreciated by As. 4 to Rs. 55-8. Among 80s, Finlays gained As. 8 to Rs. 72-8. Elphinstones were fully steady at Rs. 62. Forty counts changed hands higher, Minaxis rising by As. 9 to Rs. 27-12 and Moderns by As. 4 to Rs. 27-8. Among 20s, Edwards and Moderns strengthened by As. 2 each to Rs. 16-2 and Rs. 17, respectively.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	28-3-1956	21-3-1956	14-3-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)—			
120 Dull Cone Snia April ..	821 0	811 0	815 0
June ..	820 0	810 0	820 0
120 Japan (per lb.) ..	4 5½	4 6	4 6½
150 Japan (per lb.) ..	4 7	4 4	4 4
120 Italy (per lb.) ..	3 14	3 14	3 15
150 Italy (per lb.) ..	3 13½	3 12½	3 15
Staple fibre yarn (per lb.)			
40 x 2 *New Great* ..	3 12½	3 11	3 13
40 x 2 Century	3 12	3 11½	3 12½
40 x 2 City	3 18	3 11½	3 18½
Cotton yarn (per bundle of 10 lbs.)—			
10s Elphinstone	12 6	12 6	12 5
20s Raghuvanshi	16 12	16 12	17 0
30s Madura	23 0	22 12	22 10
40s Minaxi	27 12	27 3	27 12
60s Modern	61 8	61 0	61 14
80s Finlay	72 8	72 0	72 4

GROUNDNUT EASY

(From Our Own Correspondent)

BOMBAY, 27*th March*

The oil and oilseeds market presented a two-way trend during the week under review. The groundnut section ruled easy in the absence of export quotas for oil and fears of Government action to curb prices of edible oils in general and groundnuts in particular. The castorseed section was also generally easy on lack of overseas demand. The linseed section, however, continued to rule better. Operators did not hesitate to commit themselves in view of the growing enquiry for linseed oil from the Continental and other foreign markets. As a result, prices of groundnuts and castorseeds sustained some losses, while those in the linseed section recorded gains.

In the groundnut section, Bold F.A.Q. lost As. 14 to Rs. 34-12. April-May delivery eased from Rs. 35-12 to Rs. 35. Coromandals disclosed a loss of As. 8 at Rs. 35-8. Khandesh quality was also down by a similar amount at Rs. 35-10. Groundnut oil ex-mill eased from Rs. 19-9 to Rs. 19-2 and railway receipt from Rs. 19-8 to Rs. 18-14. April and May deliveries changed hands at Rs. 18-14 and Rs. 19, as against Rs. 19-4 and Rs. 19-8, respectively.

In the castorseed section, May 1956 delivery opened the week at Rs. 135-8, as against Rs. 134-8. It shot up the same day to Rs. 137-14. Later on, it gradually declined to touch Rs. 131-4 on the 23rd inst. Subsequently, the rate improved to close at Rs. 136-2. On balance it gained Re. 1-10 over the week. Madras quality declined from Rs. 26-10 to Rs. 26-4 and Kanpur from Rs. 26-14 to Rs. 26-8. Castor oil B.S.S. and commercial quality disclosed a loss of As. 4 each at Rs. 15-14 and Rs. 14-14, respectively.

Bold ready, in the linseed section, improved from Rs. 35 to Rs. 36. April-May delivery, however, lost As. 4 to Rs. 34-10. Indore quality was up by Re. 1 at Rs. 36. Small Sutnas were also better by a similar amount at Rs. 34. Linseed oil gathered As. 10 to Rs. 22-10.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	27-3-1956	20-3-1956	14-3-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	35 10	36 2	33 0
April-May	35 0	35 12	33 0
Linseed—			
Bold Ready (per cwt.)	36 0	35 0	32 14
April-May	34 10	34 14	32 8
Castorseeds—			
May	136 2	134 8	127 0
Madras (per cwt.)	26 14	26 14	24 12
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 2	19 9	18 0
Castor Oil—			
Commercial (per quarter) ..	14 14	15 2	13 8
Linseed Oil—			
Ready	22 10	22 0	20 15

PEPPER EASY

(Messrs. Parekh and Co.)

BOMBAY, 28*th March*

Malabar black pepper ruled easy during the week, prices tending downward owing to absence of demand from overseas and under pressure of sales by growers both in Tellicherry and Alleppey areas. Calicut is reported sellers at Rs. 825, where growers who were until recently holding tight are now said to be eager sellers, as they need cash for spending during *Ramzan*. Sympathetic easiness is seen everywhere in South Malabar. Alleppey is reported down to Rs. 775, while garbled at Cochin are offered at Rs. 135. If prices at terminal markets are marked down further, distressed selling of loaned pepper appears to be within the bounds of possibility. During the mid-week, A.S.T.A. showed some steadiness owing to the report that the higher rebate in the freight to the U.S.A. was likely to be withdrawn as from April 1956. Consequently, there was lot of covering by shorts in the local market. April shipment was done at $0.31⅞ to $0.31¾. However, later on, the news that the non-conference line is willing to book freight at reduced rate has again unnerved the holders. Prices came down to $0.29⅜ for April shipment, in spite of fair buying by shorts. About 100 tons for April shipment was covered in a day at $0.30¼. There are sellers for May shipment at $0.30¼, June at $0.30½ and July-Aug.-Sept. at $0.30½. In the delivery section, the market proved one way affair and prices for April delivery came down to Rs. 745.

The future of the market depends upon the attitude of New York buyers. If they continue to buy on a hand-to-mouth basis, further fall in the prices is not ruled out, for no other reason than nervous pressing by holders and growers, in view of the approaching monsoon and possible competition from Sarawak which is likely to develop early. Reports from Sarawak regarding the size of new crop are conflicting. Bulls are estimating at 12,000 tons, while bears put it as large a figure as 18,000 tons.

Following are today's nominal quotations: Ready delivery Rs. 108 (as against Rs. 110 a week ago) per Bengal maund, April Rs. 745-55 (Rs. 775-85) and May Rs. 755-65 (Rs. 785-95) per candy of 5½ cwts.

STRONG DEMAND FOR TEA DUSTS

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 23*rd March*

There were 350,000 lbs. on offer in dust sale "F" which was held on Tuesday 20th March. From the outset there was a very strong general demand for all types. Commons and milled dusts were well supported and were an anna to As. 2 dearer. Medium dusts sold well and black leaf grainy types advanced by As. 2 to As. 3. Best liquoring dusts met with keen competition and prices were As. 2 to As 3 dearer.

Internal.—19,400 dust. Very strong general demand. Middle East and grainy Dooars strongest. Best C.T.C. well supported. 320 internal leaf. Irregularly As. 2 to As. 4 dearer.

Export Quota.—At the end of the week there was some activity and business has been done up to 5 pies.

The books of the Joint Controller are now closed for transfer of quota and will remain so until 31st March 1956. Thereafter export rights will be transferable as special licence.

Forthcoming Auctions.—Dust Sale "G" will be held on Tuesday, 3rd April.

As we go to press, Messrs. Forbes, Ewart and Figgis wire:

"*Sale* 7.—1,050,000 lbs. Good general demand, but somewhat irregular. All fannings very strong and dearer. Low medium and medium brokens half to one anna easier. Best liquoring very strong; whole leaf fully firm."

DECLINE IN JUTE GOODS PRICES

(From Our Own Correspondent)

CALCUTTA, 27*th March*

During the week under review, prices of jute goods and raw jute continued to decline. But the declines were disproportionate, and placed jute goods at a considerable disadvantage *vis-a-vis* raw jute. Simultaneous business at a profit in the raw material and the finished product was thus impossible. Support from overseas was hesitant, as buyers believed that jute goods would become still cheaper. For, an earlier, and at the same time, a bumper crop is considered almost a certainty, both in India and Pakistan. This consideration has compelled stockists to dispose of their accumulations to mills who are unable to support even the prevailing low prices. The U.S.A. was reported as having in possession burlap sufficient to meet four to five months' requirements, and the news that during the month of February consumption there declined by 5 million yards was available. All these reports chilled the sentiment in Calcutta, and were among the factors that pushed down prices of jute goods to levels that were new lows so far for this year. In fact, these prices were new lows after the recovery that set in from November last onwards. In spite of the huge stocks of burlap the U.S.A. has, it is possible that American buyers would be only keen to enter into commitments if prices become steady. For, according to a report in the *Jute Bulletin* of the Indian Central Jute Committee, Japan was finding it increasingly difficult to make attractive offers to American buyers in view of the sharp advance in Pakistani raw jute prices, and that Japan was unable to meet the competition from Calcutta. Also, Japanese mills were relieved to have sold considerable production of the forthcoming months to Uruguay and Turkey at higher prices.

At present, Calcutta goods are second to none in their cheapness. But in order to work on a reasonable margin of profit, mills attempted to bring down raw jute prices and gave only limited support to raw jute during recent weeks. Although this led to a decline in prices, such a trend affected jute goods also. The decline in the latter was more than in the former, and this only made matters worse than they were prior to the fall in prices. Raw jute prices recorded declines during this week also, but the stock position of mills would not permit them to give only restricted support any longer. It would appear that the stockists were aware of this circumstance. However, the fact is that stockists have also to dispose of huge quantities in the near future, and perhaps mills would be content to make surprise purchases here and there. It is, therefore, possible that prices may not register violent rises, but what mills require is that prices should go down further. In this view, the trend of the market in raw jute in the coming few weeks will receive added significance, and if mills succeed in their attempts, they would consider the possibility of unseating the balance of the idle looms. For, after all, no apparent difficulty is anticipated in marketing a higher production, but what mills desire to prevent is the repetition of losses in working results.

During the week, some business was again put through in corusacks with Australia, and more interest was expected. There was little buying from other countries, and prices declined. From Rs. 111

last Tuesday, ready B. twills touched the lowest rate of Rs. 108-6 during Thursday last. Even after this decline, excepting for some covering demand, there was little other activity. The fall was precipitated by the anxiety of certain mills to sell. Buyers took the cue and interpreted this anxiety as a definite indication of the continuation of the falling trend. Covering demand continued, however, and enabled the rate to recover to Rs. 109-6 by the week-end. The market was closed both yesterday and today on account of *Holi*. While April-June, goods were a few annas higher than the ready, the July-September goods were lower by 2 points earlier and after the decline were lower only by about a point. Ready hessians 40" 10 oz. opened at Rs. 39, and declined to Rs. 38-3 to recover to Rs. 38-7 by the week-end.

Mills gave restricted support to raw jute, and prices continued to decline. Mills sounded sellers by offering rates lower by about As. 8. But stockists were disinclined to further discounts. Assam upper bottoms declined to Rs. 27-8 from Rs. 28-8, and Indian northern bottoms at Rs. 27-8 were lower by Re. 1-8. Local daissee bottoms were quoted at Rs. 28-8 as against Rs. 29-8 at the beginning of the week.

LINSEED REACTS

(Messrs. A. Bradley and Co.)

CALCUTTA, 27*th March*

There has been a reaction in the Linseed market during the week. Ready supplies which had commanded a premium have now fallen into line with forward delivery. New crop seeds have commenced moving in certain sectors, and sellers have been more in evidence. Crushers have shown a keen interest, and trading is reported on a fair scale daily. The oil market is more or less unchanged. A recent demand for ready goods for shipment against former commitments has helped to improve prices. No fresh export business is reported, with buyers pausing. Latest quotation is March-April-May Rs. 23 per maund.

SUGAR FEATURELESS

(From Our Own Correspondent)

HAPUR, 26*th March*

The sugar market ruled featureless during last week and price fluctuations were within fractional limits. Demand was from Rajasthan, but inadequate loading facilities accounted for small offtake. Latest available figures showing production of indigenous sugar upto 22nd February at 980,649 tons, as against the corresponding figures last year at 912,199 tons, also acted as a dampening factor. Stocks with the factories on this date were put at 898,321 tons, as against 733,329 tons last year. The latest mill delivery prices were:—Jaswant Rs. 28-9, Simbhauli Rs. 28-9, Mowana Rs. 28-10, Daurala Rs. 30, Amroha Rs. 28-2, Bijnore Rs. 28-2, Mansoorpur Rs. 29-8 to Rs. 30-4, Rampur Rs. 31; retail Rs. 30-8, khandsari Rs. 23 to Rs. 27 per maund.

Last week-end's improvement in ready *gur* prices to Rs. 11-14 per maund was short-lived and prices sagged to Rs. 10-12 per maund quoted today. Loading restrictions and slack outside support were the main depressing factors. Daily arrivals have gone down to an average of 1,500 maunds and local stock is put at 135,000 maunds.

After early spurt to the highest at Rs. 11-15-4½ and Rs. 12-15-4½ for *fagun* and *baisakh* delivery respectively, future *gur* prices declined in the week-end on bear pressure, influenced by fall in ready prices. They closed at Rs. 10-9-6 and Rs. 11-6 respectively on Monday.

FOODGRAINS FIRM

(From Our Own Correspondent)

HAPUR, 26*th March*

Despite a series of measures taken by the Government of India to check the rising trend in prices, foodgrain prices continued to rule firm. Short supplies, and not speculative buying, as earlier alleged by the Government, was the main stimulating factor. Wheat average quality was transacted at Rs. 15-12, farm quality at Rs. 16-12 and *khati* at Rs. 14-10. The week's offtake at 5 *khaties* was mostly for local requirements and local stock at 7 *khaties* is considered insufficient, till the arrivals of the new crop in the market which will be by the end of April. In order to strengthen the internal wheat reserves, more wheat is reaching the country from abroad and the total arrivals from 1st January to 14th March 1956 amounted to 48,700 tons.

Poor stocks and regular demand accounted for the firmness in gram and its products. The all-India second estimate of small millets, now available, for 1955-56, puts the current year's area and production at 11,446,000 acres and 1,693,000 tons respectively, or a fall of 6.3 per cent, in area and 15.4 per cent. in production as compared with the figures for last year. This announcement also had a hardening effect on the prices of coarse grains, which recorded fractional gains in the earlier part of the week. Prices, however, receded in the week-end, as new crop arrivals in the market are to begin very shortly. Demand for maize and *bajra* has gone down, due to fall in seasonal requirements. Latest prices were:—Barley Rs. 11-4, *bejhar* Rs. 10-8, maize Rs. 11-12, *bajra* Rs. 10-8, *jowar* Rs. 11-12 and *guwar* Rs. 10-8 per maund. Harvesting of barley and *bejhar* is in full swing, and arrivals of new crop will begin by the end of the month.

Increased arrivals of new peas at an average of 1,000 maunds, daily accounted for sharp fall in prices to Rs. 9-8 for *dara* quality. The arrivals found ready offtake for pulses from Madras side and stock position is still almost *nil*. *Arhar* prices were nominally quoted at Rs. 12-4 per maund, due to poor stocks and standing crop was reported to be normal in this part of the country. Other pulses ruled steady at almost unchanged prices to be quoted at: *Urd* Rs. 17 to Rs. 19, *moong* Rs. 14-8 *masoor* Rs. 14-12 per maund.

MARKET GOSSIP

(Concluded from page 599)

ties will act. We are, however, afraid that those who are anxious to know the authorities' mind will have to wait at least for some six to eight weeks. It is quite conceivable that, before making a move, the authorities might want to know whether the present state of affairs in the money market is only of a seasonal nature or reflects a fundamental change in the basic trend.

Accordingly, the question whether the Bank rate will be raised or not is not of immediate import, even though the share market may be worried about it. Meanwhile, the debate on this question goes on in banking circles. Opinion seems to be divided quite perceptibly. The Chairman of the Bank of India broadly hinted that he would welcome an increase in the Bank rate. Dr. Matthai, in his capacity as the Chairman of the State Bank of India, gave his approval to the stepping up of the Reserve Bank's usance bill rate. It can, therefore, be argued that, by implication, he would not be opposed to an increase in the Bank rate. The Chairman of the Central Bank, Mr. Homi Mody, is of the view that the Reserve Bank should not have raised the usance bill rate at all. Carried to its logical conclusion, this argument of his may be interpreted to mean that he is not in favour of a higher bank rate. Mr. G. D. Birla, Chairman of the United Commercial Bank, is definitely opposed to a higher Bank rate. Without mincing words, he has stated his views on this question quite clearly in his annual statement to the shareholders of his Bank. The relevant extract from it reads as follows:

"On a superficial assessment of the situation, it would appear that the Indian Bank rate is unrealistic in the light of the competition for deposits which has carried the deposit rate almost to the level of the official bank rate, but there has never been any integration with the official rate of the various interest rates quoted in the market and the money rates prevailing in the bazar have never had any relation to the official bank rate. The impact of the rise in the Bank of England rate has so far been confined to a rise in the deposit rate and a sporadic increase in the rate of interest charged by some banks on certain classes of advances but has had no significant influence otherwise.

"The problems facing India are wholly different from those of the United Kingdom and the prevalence of unemployment and the existence of a steady level of prices which have characterised Indian economy are in sharp variance with over-employment and inflation which are the features of British economy. We are now engaged in bringing into fruition a planned economy which has for its objects increased production, increased national income, the provision of employment on a large scale and the maintenance of stable economic conditions.

"One result, however, of the rise in the Bank of England rate is that more and more of the foreign trade of India will have to be financed out of Indian resources. But these resources are expanding and the stage has not yet been reached when they may be said to be inadequate. The bill market scheme inaugurated by the Reserve Bank of India in 1952 is a sufficient guarantee that seasonal expansion of credit could be effected without a change in the bank rate, and the recent announcement of the Reserve Bank of India that advances under the scheme will be made at 3½ per cent. interest, instead of at 3 per cent. as hitherto, is not to be interpreted as a measure of dearer money. Moreover, the export trade is financed on the basis of the higher money rates prevailing in London through an adjustment of the exchange rates applicable to usance bills and in an emergency the bills could be rediscounted in the London market. It is only in the case of imports that the pressure for finance will be squarely transferred to the Indian money market but the expansion of resources resulting from the operation of the second Five-year Plan appears to be adequate to take care of such increased responsibility as might devolve on the Indian money market.

"It is necessary for the success of the borrowing programmes associated with the second Five-year Plan that stable and healthy conditions should be maintained in the money and gilt-edged markets and the continuance of the Indian bank rate unchanged at its present level is a necessary condition for the fulfilment of our development plans.

"The question of an upward revision of the bank rate will arise in the event of the spectre of inflation raising its head or the scramble for deposits developing to the extent of a run-away rise in deposit rate to a level higher than the bank rate. The authorities will, no doubt, keep a close watch on the situation and act without hesitation when the contingency arises."

The last para in the aforesaid quotation is a major qualification to Mr. Birla's main thesis on the Bank rate. It only shows that, as a shrewd business man, he realises that a situation may arise when an increase in the Bank rate will be the lesser of the two evils.

* * * *

Despite the keen stringency in the money market, the buoyancy of share markets also has been sustained. There has been fresh buying by bulls in leading speculative scrips such as Tata Ordinary, Indian Iron, Bombay Dyeing, Indian Copper and Bombay Burmah. With bears frightened out of their wits, the market is completely at the mercy of the bulls. Many are inclined to feel that prices are too high, but none is prepared to go short, because no bearish factors, it is argued, are in sight. Technically, the position of the market appears to be unhealthy. This is evident from the *budli* rates in the last settlement. On Indian Irons, bulls paid interest for carrying over their purchases at as much as 18 per cent. per annum. The rate on Tata Ordinary, too, was equally high, even after making allowance for the fact that the Company's transfer books are due to be closed. On the basis of the average *budli*, the rate of interest for carrying over purchases varied from 6 to 10½ per cent. on textile scrips, 5½ per cent. to 8½ per cent. on sugar shares, 7½ per cent. on cements, 15 per cent. on Alcock Ashdown, 9 per cent. on Bombay Burmah, 15 per cent. on Shivrajpur, 9 per cent. on Scindia Steam, 7½ per cent. on Premier Construction, 9 per cent. on TELCO. and 12 per cent. on Indian Copper. In almost all cases, the *budli* paid by the bulls was more than the yield that could be had on the shares concerned and that at a time when the scope for a further rise in prices is regarded as not very appreciable. The fact, that the bulls are prepared to pay such high penalties rather than take delivery of the shares bought by them suggests that they have bitten much more than they can chew and digest. How long will they be able to stand this position? And what is more, since the last settlement, prices of several scrips have gone up still further, due to fresh commitments undertaken by the bulls. In the light of these facts, it is difficult to resist the conclusion that bull speculation is being overdone and that the market has become highly vulnerable.

WHITE PAPER ON FULL EMPLOYMENT

A RESPECTABLE DOCUMENT

From Our Own Correspondent

LONDON, 24*th March*

NEVER before in peace-time have prices risen so fast and so far as in the past decade. Between 1946 and 1955, consumer goods (in Britain) increased in price 49 per cent. all goods increased 52 per cent., our export goods increased 55 per cent. and our import costs increased 69 per cent. For half of this period, the present Government have been in—one can hardly say enjoyed—office and for more than a year they have been taking some kind of steps (broken temporarily by last April's featherbed budget) to combat the steady march of inflation. Now they have produced a document, believed to have been prepared last autumn, to focus attention on the problem, analyse its causes, explain its dangers and then "suggest what will have to be done by the Government and people . . . if reasonable price stability is in future to be maintained." The result has been termed by *The Times* as "a respectable document"—which in this context means uninspired and inadequate.

LONDON LETTER

The trouble is that by now no one needs to have attention focussed on a problem into which everyone's noses are being rubbed daily, while its dangers are obvious. As for its causes they are arguable and anyway only interesting in the context of what measures are proposed to deal with them and cure the ill. At the Press Conference at which the Chancellor put out the document, he felt impelled to anticipate criticism by saying that he was not going back to "Government by exhortation"—because that is just what it does look as if is happening. And since at the same time the country has been told of the balance of payments deficit of over £100 million in the second half of last year, the need for positive, as opposed to exhortatory, measures is the more obvious.

"We all want full employment and we all want stable prices," says the Paper, "But we have not yet succeeded in combining the two." . . . "The Government does not believe that there is any inevitable conflict between the two objectives. We can achieve them both if certain conditions are fulfilled" . . . all excellent creed, but not much help on "what will have to be done." But perhaps we can find enlightenment by looking at the "certain conditions" which must be fulfilled for price stability!

First, the Government must "seek to ensure that the pressure of domestic demand does not reach a level at which it threatens price stability and endangers the balance of payments"; next, the Government must "ensure that the level of demand for goods and services is high and rises steadily as productive capacity grows." But the balance between these two situations "lies in self-restraint in making wage claims and fixing profit margins and prices, so that total money income rises no faster than total output." So the problem is all thrown back onto the individual. Next, management is exhorted to increase capital investment and eliminate restrictive practices, labour must co-operate to the full in the adoption of new methods of working, and both sides must co-operate "in maintaining an efficient and enlightened system of industrial relations." Now efficient methods of work and sound industrial relations should result in a sustained growth of productivity . . . the gains from which should be passed on in lower prices. In sum, the efficient working of an expanding capitalist system "depends upon everyone involved being fully aware of the issues at stake, and upon their acceptance of the full duties of citizenship which this realisation places upon them."

What an excellent treatise, what an excellent sermon, all this is—and how far removed from the hurly-burly of rising prices, rising costs, rising wage claims which are the realities of the hour! The Government must find the means to enforce its precepts and no doubt it will then have the answer to its—and everybody's—problems.—*All Rights Reserved.*

COMMERCE

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

VOL. XCII. No. 2353 BOMBAY, 7th APRIL 1956 PRICE Rs. 1/8

WANTED—A SQUARE DEAL FOR ELECTRICITY INDUSTRY

THE development of electricity, which is vital to industrial expansion, acquires a new significance in the light of the Government's policy for preventing industrial concentration and promoting regional development. The Government has no doubt been at great pains to increase the installed capacity for electricity which, during the last five years, has expanded from 1.1 million kw. to 3.4 million kw. A great part of this increase has taken place in the public sector, thanks to the execution of several hydro-electric projects; the increase of hydel power is of the order of 0.8 million kw. to 1.4 million kw. The target for the second Plan is placed at 6.8 million kw., or an increase of 100 per cent. over the existing capacity. A large part of this increase will again take place in the public sector which will account for an expansion of 2.9 million kw., leaving the electricity supply companies to undertake an increase of 200,000 kw. and the industrial establishments to augment their internal generation by 300,000 kw.

The distinction between the private and the public sectors, which is somewhat invidious in the context of India's controlled economy, very nearly breaks down when it is applied to the electricity industry. Few industries are more rigidly controlled than the electricity industry. The State, not the industry, is the arbiter of its fate. The fortunes of the industry are determined by reference to that omnibus, if not ominous, phrase "standard return," which is now fixed at 5 per cent. of the capital at base. There is an entire Act—a dubious distinction, indeed—designed to ensure that the industry behaves well, that it does not charge the consumers what they can pay or what it deserves to get. It must organise its financial affairs in such a way that it does not offend any of the innumerable provisions of this Act.

It is against this background that one has to consider the problems involved in the expansion of electricity industry. The private sector of the industry even today accounts for a major portion of the output. And it is of the utmost importance that it should be enabled to maintain this output and also to increase it. This raises some intricate issues relating to the role of the State in relation to the industry and the reward for constructive endeavour. At first sight, it might seem that State-ownership of the industry will be in the best interests of consumers, for that might be held to eliminate profit motive. But on careful thought, it will be found that this is wrong, for State-ownership cannot obviate the need for making profits. Even a State-owned enterprise must make profits, if it has to expand its services. Be that as it may, the chief weakness in State-owned enterprise is that it does not readily respond to changes in demand. It has to be prodded and coaxed to do this. There is an inevitable time lag, interminable delay, for it would first like to have the assurance that additional power supply is genuinely needed. This has happened in Madras where, despite the existence of acute shortage of electricity, the State has been chary of starting thermal stations. The position in that State seems to be that its hydro-electric resources have been nearly exhausted, so that reliance has necessarily to be placed on thermal stations. In Bombay, it was only after a great deal of persuasion and some intervention by an international agency that the Government agreed to concede the need for an expansion of installed capacity in the private sector of the industry. The fact is that Governments play for safety first. They are either unable or unwilling to foresee a rise in demand for electricity and to adjust their policies in relation to increase in such demand. A power crisis must occur and factories brought to a standstill, or at least near-standstill, before the State can become aware of the need for expansion in electricity supply.

All this is certainly not in the interests of India's expanding economy, or in those of the diversification of that economy. A resolute policy, designed to increase the supply of electricity in the areas where it is needed, must be pursued, irrespective of whether it takes place in the public or the private sector. Since the private sector in this industry is rigidly controlled, there is little to be said in favour of maintaining the ideological distinction between the two sectors. Given the necessary incentive, the private sector has both the knowledge and the experience to meet the country's electricity needs. In any case, the incentives asked for by the private sector in electricity are of a very modest nature. They are necessary in the interests of even the maintenance of its present services. Nobody will, of course, suggest that it must be given a free hand in determining tariffs. But it should be clear that its case for a sufficiently more attractive return than what is now available to it is so strong that it would be unwise to deny it. The justness of this demand will be clear when it is remembered that State-owned enterprises—the Railways and the Posts and Telegraphs, for example—do not deem it an economic sacrilege to increase their tariffs when they need funds for expansion or when they find that the cost is high. Indeed, the draft outline of the Five-year Plan has approved of this consideration, for it has rightly held that public enterprises have to earn the surplus they need for expansion and their price policy "has to be framed with due regard to this aspect of the problem." Surely, the Government cannot apply a very different yardstick when it comes to judging the case for the private sector to earn the surpluses it needs for financing expansion.

It will be pertinent to recall here the remarks made by Mr. Eugene R. Black, President of the World Bank, at the eighth annual meeting of the Bank on 9th September 1953. Analysing the problems of financing power development in underdeveloped countries, he observed:

"I see considerable merit in the view that those who are the users of power should contribute more than they have done in the past towards providing the funds for expansion. I do not believe that such an approach would impose an unduly heavy burden; the cost of power within any likely limits can only be a small factor in the production costs of industry or in the domestic budget. . . .

"It is, I think, regrettable that, at some times in some countries, the rates charged to the consumer for power are fixed by the authorities more with reference to the political factors of the times than with proper regard to the economic necessities of particular situations. When this happens, every sound financial and business consideration runs the risk of being sacrificed in what is believed to be the cause of cheap power. But, if power can be made cheap only by charging rates that do not provide an economic return, the power undertakings are denied the ability to raise not only funds to finance needed expansion, but even the funds to maintain their existing plants in good order. In such circumstances, a community in the long run must be a heavy loser. All these considerations that I have mentioned apply with equal force whether the industry is Government-owned or privately-owned, and whether the private segment is in domestic ownership or in foreign ownership. The economic facts of life are no respecters either of Governments or of persons."

The fact that the foregoing quotation is still relevant to Indian conditions, though 30 months have elapsed since Mr. Black made his speech, is a tribute to the Government of India's tenacity to cling to unrealistic attitudes.

If it is conceded that the private sector has a role to play in development, or even in the mere maintenance, of power supply, it should at the same time be conceded, for reasons mentioned above, that this sector has a right to receive an adequate return on its investment. This is virtually conceded in the Bill to amend the Electricity (Supply) Act which the Government, after protracted deliberations, has brought forward. But is the Bill a complete, or even an adequate, answer to the industry's case for relief? It is to this question that Mr. K. G. Milne, Chairman of the Ahmedabad Electricity Supply Company, Ltd., devoted a considerable part of his closely-reasoned speech at the annual meeting of the Company held last week. He subjected to a critical scrutiny the three important features of the Bill—the proposal to link the standard rate to the Bank rate with a differential of 2 per cent. the provision for allowing the industry to avail itself of the benefits of development rebate and the disallowance of debenture and loan interest as an expense in the computation of permissible "clear profit."

The effect of the first proposal is to raise, on the basis of the current Bank rate, the standard rate of return from 5 per cent. to 5½ per cent. This is by no means a rate that will enable the industry to borrow from the public, considering that even well-known and prosperous companies offer for public subscription preference shares carrying 6 per cent. interest, free of tax. Mr. Milne pointed out that the situation called for a differential over the Bank rate of 2½ per cent. at least, though, "even with that, there will be no scope for providing that measure of internal finance which the extensive capital development programmed for the industry in the country's second Five-year Plan could absorb." It may be mentioned here that the expansion programme of the industry is expected to cost about Rs. 50 crores. Can the industry, the return of which is fixed so low as 5½ per cent., be expected to raise

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finances from the banks or the investing public? The electricity scrips were once regarded as almost equivalent to gilt-edgeds. Even today, one will find that investors in these shares include trust institutions. And yet, by making it difficult for the electricity companies to earn reasonable profit—the Ahmedabad Electric has had to cut its dividend from 6½ per cent. to 5 per cent.—the Government is jeopardising the interests of all classes of investors. No wonder, many "electrics" on the Stock Exchange have become friendless and declined in value at a time when all other equities have appreciated. Thus, whereas the index number of equities belonging to manufacturing industries has gone up from 118.4 in January 1955 to 131.6 in the week ended 19th March 1956, that of electricity equities has declined from 124.2 to 117.9 in the same period. In the light of this trend, the inordinate delay on the part of the Government to come to a decision on this question makes even the sober investors wonder whether the Government has an ulterior motive in following a policy that forces the shares down to a lower level. The fear is that the Government, having driven the industry into a position in which it cannot find the finance for expansion, might make the static nature of the industry the ground for nationalisation through payment of inadequate compensation based upon unreal market values.

Normally, one would expect an industry to welcome the kind of relief that the "development rebate" affords it. But what is meat for others is poison for the electricity industry, because of the form in which the rebate is dressed. Any compulsory appropriation to development reserve to rank as a prior charge in the calculation of "clear profit," as Mr. Milne explained, would create a "perilous situation indeed, for who could be sure of being able to earn enough clear profit every year to meet both this prior charge and the full 'reasonable return'?" Nor is this the only difficulty involved in taking advantage of the development rebate. If appropriations are based, not on revenue surpluses of any year, but on 25 per cent. of the capital expenditure during the year, it would, as Mr. Milne pointed out, give rise to "fluctuations with which the tariff structures of a highly regulated and capital-intensive industry, such as electricity, could never adequately cope." Finally, it must be remembered that the grant of the rebate is of no benefit to the shareholders, since the reserve has to be deducted from the capital base, so that the ultimate beneficiary is the fortunate purchasing authority. Surely, it cannot be the Government's intention to punish the industry for its temerity in asking for tax relief. And yet, that is precisely the effect of the development rebate on the industry. There is thus a clear case for the authorities to make such changes in the procedure for the grant of the development rebate as will enable the industry to accept gratefully what has been so gracefully given.

If the development rebate is in the nature of meat, dressed in poison, the Government's proposal for the disallowance of debenture and loan interest for calculation of permissible profit is, to use the apt Biblical phrase, as Mr. Milne did, a gift of stone for the bread the industry asked. This proposal is bound to deprive the industry of an advantage which has enabled it to attract capital from the public. Far from following the Christian injunction of not letting the left hand know what the right hand gives, the Government has actually taken away with one hand more than what it has given with the other. This is true of the effect of the proposal at least on one prominent company, the Ahmedabad Electric, for Mr. Milne calculated that the Company would lose more from disallowance of interest charges than gain from the proposed upward revision of the standard rate of return.

Such are some of the immediate problems before the industry. But the entire approach of the Government to the industry deserves to be examined afresh. The Government ought not to sacrifice the chances of increased power supply for the sake of adhering to a body of fiscal principles which, besides impinging heavily on the industry, is clearly of no value to the Government. If anything, the principles are a definite disadvantage to the country, as they are arresting the pace of development and decentralisation of production. It is time, therefore, the Government gave up its negative policy of excessive preoccupation with the profits to be made by the industry—it is always open to the Government to control them—in favour of a constructive attitude towards the country's power requirements. After all, a power shortage can mean irretrievable loss to national economy; the 1952 power crisis in Bombay cost the country Rs. 8 crores per month. It would be folly not to adopt the obvious measures for the prevention of such crises.

DR. B. C. ROY ON NATIONALISATION OF INSURANCE

ANY frank expression of opinion is greatly to be welcomed in a democracy. And Dr. B. C. Roy, Chief Minister of W. Bengal, has done a distinct service to the country by expressing his disagreement on the policy of nationalisation of insurance. In a speech at the annual meeting of the Bharat Chamber of Commerce, Calcutta, Dr. Roy stated that he had not liked the nationalisation of insurance by the Union Government. He, however, added that he did not know the full facts of the industry as they appeared to the Union Government. Apparently, the Chief Minister, like many other leaders in the country, has not been convinced that, on the basis of the facts so far disclosed, the Government was right in nationalising insurance. Our enquiries reveal that several Congressmen hold a view similar to the one expressed by Dr. Roy, though they do not wish to embarrass the Government by a frank expression of their opinion. Clearly, such a situation could have been avoided, if the Government had instituted an impartial enquiry into insurance before taking a decision on the industry. As it is, the Government has faced both the Party and the country with a *fait accompli*, so that intellectual honesty has necessarily to be suppressed for the sake of party discipline.

Dr. Roy's views on nationalisation of insurance are based on the consideration that, if there was abuse in the private sector, there was also abuse in the public sector; he did not see how this could be avoided by transferring something from one to the other. It may be recalled that the Chief Minister of Bombay, Mr. Morarji Desai, also gave expression to a similar view in the course of his address at the annual meeting of the Bombay Chamber of Commerce. Referring to the criticism levelled against the private sector, he said that there was no section of society which might be said to be entirely bad or any other section entirely good. To single out any one sector for special attack, in his opinion, was "either a sign of ignorance or a sign of stupidity." He added: "We should take whatever is useful and good for us and reject what is not good for us."

To revert to Dr. Roy's address. He said that he had already made a strong plea for the location of the office of the Chief Custodian of Insurance in Calcutta. He added that he did not see why each zone should not be given more powers over the investment of money. Dr. Roy was prompted to express these views by what Mr. R. N. Bangur, President of the Chamber, had to say on this subject. Mr. Bangur said that an attempt to limit the investment of life funds to approved debentures, preference and ordinary shares of companies to 16 per cent. would be harmful, as it would be difficult for existing industries to find an alternative source of investible funds for a long time to come. He felt that the location of the head office of the Chief Custodian in Bombay would deprive Eastern India, with its major industries such as jute, tea and coal, of its legitimate share of industrial finance from life funds. He, therefore, suggested that the office should be located in Calcutta.

The reign of custodians is bound to be a passing phase in Indian insurance, for, ultimately, the entire life business will come to be managed by the Life Insurance Corporation. Apparently, Mr. Bangur's plea is for locating the head office of the Corporation in Calcutta. But there are certain obvious advantages in establishing the office in Bombay, rather than in any other city. For one thing, Bombay, apart from the fact that it has the reputation of being the commercial capital of India, is the place where both the Reserve Bank and the State Bank have their head offices, so that mutual consultation among all the important nationalised credit institutions would be facilitated, if the head office of the Insurance Corporation were also located in Bombay. While investing its funds, the Insurance Corporation will find it necessary to be in constant touch with the Reserve Bank, because there must be a fair amount of co-ordination of the market operations of both the institutions.

Again, Bombay State always had a larger number of insurance offices than any other State; most of them had their head offices in Bombay City. Thus, out of a total of 149 insurance offices in India, both life and composite offices, Bombay accounted for 65, West Bengal for 31, Madras 21 and Delhi 15, while the rest were distributed among other States. Also, Bombay had a larger proportion of the total life funds. Out of a total of Rs. 277.83 crores, the Bombay State accounted for Rs. 175.37 crores, followed by West Bengal (Rs. 56.47 crores). Further, now that the City is to become a Centrally administered area, there can be no ground for grievance of the kind that might be expected in the event of location of the head office of the Corporation in a State capital. In any case, it would certainly be unwise to allow the location of the head office to become another vexed issue among the States of India similar to the controversy over the S.R.C. Business men, of all people, are supposed to have an all-India outlook, because their markets lie all over the country.

It is true that Calcutta is an important capital market. It deserves to get its fair share of investment support from nationalised insurance. But it would receive such support wherever the Insurance Corporation is located. There is no reason to think that any particular State will be singled out for special favour by the Insurance Corporation. In fact, investment is not a matter of favour at all. The Corporation would normally be in search of attractive, safe outlets for investment, consistent with considerations of regional development and national interests. If the fear is that, in the event of investment being channelled through Bombay, it is only the brokers in this City that will get the benefit of brokerage, it could at any time be set at rest by evolving a system under which approved brokers working in all the leading Stock Exchanges will get the Corporation's business in the investments quoted on their respective Exchanges. Even in regard to Government securities a scheme could be devised whereby the Corporation's orders could be carried out partly in Bombay and partly in Calcutta. It is to be hoped that the Corporation will in fact evolve a suitable system for this, if only to avoid giving the impression that only brokers in any one centre are being favoured by it.

Earlier, Mr. Bangur said that the apprehensions and misgivings of private enterprise had been deepened by the recent nationalisation of life insurance. He thought that the malpractices in this sphere could have been effectively dealt with if the Government of India had been more watchful. This line of argument, as is well known, is repugnant to the Union Finance Minister, Mr. C. D. Deshmukh, who, in the course of his speech at the recent debate on the Insurance Corporation Bill, was indignant that it is only after the event that the critics of nationalisation of insurance have come out with the plea that the Government should have been more strict with the offenders against the law and that their main grievance had always been that Government control was much too strict. Three observations may be made at this stage. In the first place, it is not true that it is only the critics of nationalisation that have complained of lack of control by the Government. Mr. Deshmukh may well turn his wrath against the editor of his party organ, the *Economic Review*, who alleged that insurers were in the habit of showing falsified accounts and added: "We have not much evidence of the use by the Controller of Insurance of his powers to probe into falsified accounts." Secondly, it is hardly to be wondered at that private insurers were reluctant to ask the Government to exercise its powers against the erring members in the industry. In any case, good insurers were far too busy with their own affairs to bother about what other insurers were doing. After all, the Government cannot expect private insurers to do its duty. Thirdly, if the Government had used the powers it possessed, it could have certainly detected the malpractices in time and administered the appropriate remedies. Nor were its faults confined only to acts of omission. For, where it did use its powers, it used them in an injudicious manner to stifle competition in the insurance field. Its hostile attitude towards reduction in premium rates is a case in point. If it had encouraged competition, instead of curbing it in the name of the so-called small insurers, several mergers would have taken place and the industry would have emerged stronger through the disappearance of mushroom insurance offices. To the extent that the Government curbed the spirit of competition in the field by placing its good offices at the service of uneconomic units, it virtually helped to keep them alive. Such a policy was certainly not calculated to end malpractices in the field.

Finally, it is perfectly possible to reconcile the above view that the Government did not exercise its control properly with the other, namely, that the control was rigid. The latter view stems from the consideration that certain aspects of insurance legislation, such as the omnibus control on expenses, did not permit such flexibility in administration as was necessary for different insurers with varying sizes of business to operate successfully in what was essentially a competitive field.

STRINGENCY IN MONEY BECOMES ACUTER

I.C.I.C. CHAIRMAN'S WISE COUNSELLING—FATE OF INTERNATIONAL WHEAT TALKS

THURSDAY, 5 P.M.

MARKET GOSSIP

THE talk of the City this week has been the continued stringency in the money market. There has been a fractional increase in the inter-bank call money rate; it is being currently quoted at 3¾ per cent., as against 3½ per cent. a week ago. This means that the inter-bank money rate in Bombay has hit the ceiling set by the usance bill rate. House money repayable on a week's notice is fetching 3¾ per cent., with some banks offering even 3¾ per cent. if the amount is fairly large. Reports from Calcutta indicate no change in the state of affairs described in these columns last week. The demand for bank credit is keen, in the face of a rapidly diminishing supply of loanable funds. The call on the resources of the State Bank of India must be so large that even the weekly sale of Central Government Treasury Bills for next week has been suspended. It is, of course, possible that this suspension might have been due to absence of any maturity of Bills before 13th April, but it remains to be seen whether the sale will be resumed the week after. It will be interesting to note, in this connection, that, in all the four weeks of last month, Treasury Bill sales were maintained at Rs. 1 crore per week, though there were no maturities after 16th March right up to 5th April. Another interesting point worth mentioning here is that the sale of these Bills was not suspended even for one week in the busy season of 1955. This indicates that the stringency in the money market during the current busy season is more acute than in the previous year.

There are, of course, other facts to prove this. Scheduled bank credit has gone up from Rs. 592.40 crores to Rs. 749.73 crores, that is, a rise of Rs. 157.33 crores since the end of October 1955, when the busy season usually commences, up to 23rd March 1956, the latest date for which figures are available. During the same period of the 1954-55 busy season, it had gone up by from Rs. 525.84 crores to Rs. 622.57 crores, an increase of Rs. 96.73 crores. It will thus be seen that the pace of expansion in bank credit during the current busy season has been far greater than in the 1954-55 season. A similar comparison of the rise in total deposits of Scheduled banks shows that the net increase in the banks' resources this season was of the order of only Rs. 10.28 crores, as against Rs. 38.50 crores during the same period of last season. It must, of course, be mentioned that deposits, as on 23rd March 1956, amounting to Rs. 1,031.40 crores, were Rs. 88.69 crores higher than those (Rs. 942.71 crores) a year before. But this makes little difference to our conclusion, because the level of advances, too, is higher; indeed, the increase in bank credit (as on 23rd March 1956) over the year is heavier than that in deposits, being as much as Rs. 127.16 crores. Consequently, the ratio of advances to deposits is as high as 72.7 per cent. In fact, this is the highest on record for Scheduled banks as a whole, the previous peak touched being a little over 70 per cent. in March 1952. One would not, therefore, be wrong, if one were to describe the present stringency in the money market as something unprecedented.

It is not surprising, in the light of what has been stated above, that the fear of the Bank rate going up in the near future persists. Enquiries made in knowledgeable circles, however, indicate that the authorities are not yet fully convinced of the necessity for putting up the Bank rate. As mentioned by us last week, they would appear to prefer to watch the situation for a few more weeks, in order to make sure that the hardening of short-term money rates to levels even in excess of the Bank rate and the expansion in bank credit are not merely seasonal but something more. It is only this week that the central banking authority has taken up the question of investigating the developments in money and commodity markets. A circular has been sent to banks asking them to submit particulars of their advances according to the purposes for which they have been made. Apparently, the Reserve Bank wants to find out whether there are any undesirable trends, such as hoarding and excessive speculation, in the capital and commodity markets. An investigation of this nature will take time. It, therefore, seems safe to infer that an increase in the Bank rate either next week or even a fortnight after is unlikely. May or June will be the crucial month from this point of view. If any action is to be taken at all, it must be before implementing this year's borrowing programme.

* * * *

There are, however, reports hinting at the possibility of the Reserve Bank putting up the usance bill rate further. If the trend of Scheduled bank borrowings against these bills last month is any indication, it looks as though such an increase will not serve any purpose, unless it is preceded by a rise in the Bank rate itself. It will be recalled that, with effect from 1st March 1956, the rate of interest on usance bills has been 3¼ per cent., as against 3 per cent. before. Since the concession in respect of stamp duty on these bills was also withdrawn from this date, the net increase in the cost of borrowing from the Reserve Bank through this medium has been ½ per cent. It seems that even this increase has been sufficient to kill the enthusiasm of banks for the bill market scheme. The following sets of figures, showing the trend of bank borrowings from the Reserve Bank, confirm this impression:

(Value: In crores of rupees)

	Loans and advances from Reserve Bank	Of which loans against Usance Bills	Loans not against Usance Bills
1955			
1st January ...	20.00	3.53	16.47
28th January ...	19.96	3.56	16.40
4th March ...	28.61	8.25	20.36
1st April ...	48.14	27.17	20.97
1956			
6th January ...	44.68	14.62	30.06
27th January ...	44.33	17.69	26.64
2nd March ...	63.29	25.32	37.97
30th March ...	81.67	27.43	54.24

It will be observed that between 2nd March 1956 and 30th March 1956, the Reserve Bank's loans and advances, almost all of which are to banks, went up by Rs. 18.38 crores. But, of this increase, loans and advances against usance bills accounted for only Rs. 2.11 crores, the share of loans not against usance bills, which are generally against Government securities, being as high as Rs. 16.27 crores. The experience in the preceding two months, as well as in the corresponding months of the previous year, was the opposite, that is, the credit facilities availed of by the banks were more against usance bills and less against Government securities. In March 1955, for instance, the net increase in borrowings against usance bills was as high as Rs. 18.92 crores, such against Government securities being only Rs. 67 lakhs. Another indication of the fall in the popularity of usance bills, thanks to the cost being almost equal to that of borrowing against Government securities, is provided by the fact that, although the demand for bank credit so far this year has been greater than in the same period of last year and the increase in deposits smaller, total borrowings by Scheduled banks against usance bills from 1st January to 30th March 1956 have been only Rs. 27.43 crores, as against Rs. 27.17 crores in the corresponding period of 1955.

In view of this experience, the efficacy of putting up the usance bill rate with a view to restraining the rising trend in bank credit is extremely doubtful. On the contrary, any such increase will only aggravate the unhealthy trend of banks borrowing more and more against Government securities. It would be remembered, in this connection, that the main object of introducing the bill market scheme was to arrest the trend. While it will be unwise to come to definite conclusions on the basis of only a month's experience, the indications given by the foregoing figures are so sharp that it will be equally unwise to ignore them.

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Has the Government of India's bias for nationalisation undergone any real change? An answer to this question is likely to be provided some time next week, when the Central Government is scheduled to discuss the Mysore Government's insistent demand for nationalising the Kolar Gold Mines. The Chief Minister of Mysore has been invited by Maulana Abul Kalam Azad, Minister for Natural Resources and Scientific Research, Government of India, for considering this demand in all its aspects. It is significant that, in order to strengthen his case, the Mysore Chief Minister proposes to take with him a few members of the Opposition in the State Legislature, which has unanimously adopted a Government resolution for taking over the gold mines. Under the Indian Constitution, the Centre has the final say on this matter, for the President has powers of veto. If the Centre succumbs to the pressure from the Mysore State, it may be interpreted by the share markets as a bearish factor for other mining shares also.

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When an international statesman of Mr. A. Ramaswami Mudaliar's stature speaks on current affairs of the country to which he belongs, he certainly deserves to be heard with respect. After all, he cannot be accused of either economic or political predilections. Indeed, when he addressed the annual general meeting of the Industrial Credit and Investment Corporation, Ltd., (of which he is the Chairman) he even admitted "a complete acceptance of the pattern of society that has been decided upon." And yet, if he could not help being critical of some of the policies of the Government, it is certainly time that the authorities sat up and took notice of what so friendly a critic had to say.

The Chairman of the I.C.I.C. need owe no apology for speaking on current economic affairs, for they are of immediate concern to the activities of the Corporation. Having been set up at a very important and crucial stage in the economic development of the country, the Corporation is trying to do what a capital market, in highly industrialised countries, has learnt to do after many decades of experience gained through the painful process of trial and error. Surely, it is of the utmost importance to the smooth functioning of the Corporation that credit mechanism is not thrown into disrepair. And yet, that precisely will be the effect of some at least of Government's policies. Mr. Ramaswami Mudaliar revealed that the Corporation had carried, to an advanced stage, negotiations for underwriting some further public issues of shares but was unable to "bring these into fruition in consequence of unfavourable and unsettled conditions in the stock market." Without seeking to make an elaborate examination of the causes for the failure on the part of the investing public to take up the issues, he said:

"It will be evident to everyone that if the establishment of new industries and the expansion and modernisation of old ones in the private sector is to be as successful, as we all hope, during the second Five-year Plan, it is necessary that all interested in the economic and social progress of the country should avoid a continuing series of shocks to the investing public. Since this Corporation came into being, there has been, I think it is fair to say, a series of measures which have produced a feeling of some uncertainty. But even more serious than the measures which Government has adopted are the constant suggestions, proposals and recommendations made by persons holding leading positions but not directly responsible for the enactment of fiscal measures regarding how the private sector should be altered, modified or even abolished."

Mr. Ramaswami Mudaliar confessed to being accustomed to the practices of an era when the public received, except in a period of emergency, the news of fiscal measures normally only during the budget time. There were no "anticipatory shocks given from time to time and a continuous threat of possible measures having a demoralising effect on the investing public." He added:

"The unsettling effect on the public mind, particularly on the mind of the investing public, does not seem to be adequately appreciated by persons in leading positions who forecast the nature of possible fiscal measures but are, only remotely connected, if at all, with actual decisions on such measures and who continuously threaten the private sector with expropriatory or near-expropriatory proposals. I hope that conditions will soon be brought about both by the Government and by other spokesmen whose views may influence the Government which will maintain a reasonable certainty of stability over a period so that private industries, backed by savings of both corporate and private investors, may be enabled to fulfil the substantial role which it has been allotted in the second Five-year Plan."

Those who have noticed how even ministers, in callous disregard of the effect of their words on public sentiment, make offhand statements on fiscal policies will be able to appreciate the significance of Mr. Ramaswami Mudaliar's observations. Not a day passes without some person, in responsible position, speaking derisively of the "rich" or threatening a tax on wealth or singing the virtues of a ceiling on incomes. Little do these men realise that their statements will serve only to drive the traditionally shy Indian capital to the bullion market. They cannot then complain that the investment habit is not so widespread in the Indian community.

It is now widely, though not perhaps sufficiently adequately, realised that the private and public sectors have both to work in close co-operation with each other. But what has not received adequate recognition is the consideration that that is the only way in which they can exist at all. Mr. Ramaswami Mudaliar did well to emphasise this aspect of the problem of co-existence of the two sectors. He observed:

"In our country today, where we are concerned with conditions as they are at present, I feel that the plans for a large-scale expansion of the public sector of industry will fructify best, not independently of, but in conjunction with the private sector. The two are inextricably bound up and, unless the private sector is enabled to fulfil its role, the public sector will be prevented from carrying through to a successful conclusion the very substantial plans which have been laid for it."

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The I.C.I.C.'s Chairman referred to some of the effects of nationalisation of insurance also. As a result of this measure, the Government now owns nearly 18 per cent. of the Corporation's share capital, a figure that represents the value of the Corporation's shares held by the insurance companies now taken over by the Government. The Corporation, as is well known, was conceived as a wholly privately-owned business. It was on this basis that the co-operation of the various parties in the U.K. and the U.S. and of the World Bank was extended to the Corporation. As a result of nationalisation of insurance companies, the Government has now become the largest single shareholder of the I.C.I.C. It would appear that the Directors have brought these facts to the notice of the Government and that they have been assured that the "Government have no intention of taking advantage of their adventitious position in this regard to influence the day-to-day working of the I.C.I.C." This is a welcome assurance. And it is to be hoped that the Government will adopt a similar attitude towards all companies in which it has become a shareholder through nationalisation of insurance companies.

(*Continued on page 695*)

HINDUSTAN MOTORS

The capital market will have, in the not distant future, one of the biggest new issues. The credit for this will go to Hindustan Motors, which has a programme for the fabrication of certain important items required for the construction of the new steel plants. The Company proposes to raise Rs. 5 crores by way of preference capital, carrying interest at 6 per cent., free of tax and cumulative. The issue price is par. The shares will be definitely redeemed after 10 years and carry the right to be converted into ordinary shares at face value after two or three years. Half of the issue has been taken up by the Nizam's Trust, so that the public will be left with only Rs. 2.5 crores.

EQUITIES ERRATIC

SHARP RISE IN BOMBAY DYEINGS

From Our Own Correspondents

BOMBAY, *5th April*

AN erratic movement in prices of equities marked the activity on the Stock Exchange during the week under review. There was no sustained enthusiasm on the part of operators to keep the trend of prices upward. On the other hand, profit-taking at every rise and renewed support at each decline caused prices to oscillate both ways. Towards the close, however, selling gathered some momentum and as a result, equities, excepting the leading ones, disclosed small losses. But the undertone still remained steady.

There was no adverse influence to affect the sentiment of operators. On the other hand, all the factors which had been interpreted as signs of inflation in the previous week, such as further expansion in notes in circulation, a rise in commodity prices and a fresh flow of good corporate news were still prevalent. Nevertheless, operators were hesitant to follow the rise in prices due to fears about enforcement of monetary measures to curb inflation, uncertainty about the Indo-Pakistan political relations and rumours about the possibility of an interim budget to cover any increase in defence expenditure.

In the steel section, Tata Ordinaries were marked down early in the week from Rs. 249-8 to Rs. 247-12, before being lifted up to Rs. 254-8 on Monday this week. There was a sharp recession yesterday to Rs. 248 on bull liquidation, but a revival of support restored the shares to Rs. 252 at the close today. Indian Irons moved between Rs. 36-4 and Rs. 34-13 and closed with a fractional gain at Rs. 35-13.

The textile section presented a mixed pattern. The highlight was, however, provided by Bombay Dyeings which attracted large professional support and were taken to new high levels, well above the peak touched in 1955. Following the release of the Company's accounts for 1955 which disclosed excellent results, the shares were lifted from Rs. 622-8 to a high of Rs. 665 (as against the peak of Rs. 628-12 touched in 1955), but heavy profit-taking at the higher level brought them down to Rs. 638-2 yesterday. They were again marked up today to Rs. 663-12 before closing at Rs. 657-8. Centurys also moved erratically between Rs. 547 and Rs. 524-8 and closed at Rs. 538, as against the previous week's closing of Rs. 531-8. Central Indias were steady at Rs. 148-8. Kohinoors were marked down over the week by Rs. 7 to Rs. 358-8. Finlays shed Rs. 3 to Rs. 360. Gokaks drifted lower from Rs. 256 *cum-div.* to Rs. 237 *ex-div.* (div. Rs. 15). Indu Ordinaries receded on lack of support by As. 9 to Rs. 13-7. Indore Malwas eased on pessimism regarding dividend, declining from Rs. 156-4 to Rs. 148-12. Khataus advanced from Rs. 236-4 to Rs. 258-12 in anticipation of an additional dividend of Rs. 8, consequent on the recent amendment of Section 23A of the Income-tax Act. But the announcement of an additional distribution of only Rs. 2 per share by the Company caused disapointment and the shares reacted to Rs. 250. New Citys dropped Rs. 2-8 to Rs. 168-12, while New Greats were unchanged at Rs. 230.

Bank shares presented a quiet tone. Central Banks changed hands As. 8 lower at Rs. 48, while their new shares were done at Rs. 49-8. Bank of Indias were dealt in Rs. 1-12 lower, at Rs. 153-4. Punjab Nationals met selling pressure and fell by Rs. 3-4 to Rs. 47. United Commercials were dull at Rs. 50-8 *ex-div.* Union Banks had transactions at Rs. 6-10.

The tendency in the electricity section was quiet and prices were marked down fractionally. Tata Hydros lost Rs. 2 to Rs. 131, while their new shares were done As. 12 better at Rs. 125-12. Tata Powers (old) declined by Re. 1-4 to Rs. 1,368-12 and new shares by Rs. 2-8 to Rs. 1,312-8. Andhra Valleys (old) changed hands Rs. 6-8 lower at Rs. 1,287-8 and new shares Rs. 7-8 lower at Rs. 1,235. Bombay Suburbans shed As. 5 to Rs. 116-4, while Ahmedabad Electrics gained a like amount to Rs. 102-13. Surat Electrics receded by Re. 1-4 to Rs. 122-8.

The miscellaneous section presented a mixed pattern. Sugar shares ruled easy and were well marked down. Belapurs retreated from Rs. 236 to Rs. 229, before closing at Rs. 230. Phaltans drifted down by Rs. 6 to Rs. 142-8 and Walchandnagars were put through at Rs. 255 *ex-div.*, as against Rs. 275 *cum-div.* last week (div. Rs. 18 per share). In the cement section, Associated Cements attracted some investment support early in the week and rose from Rs. 215-4 to Rs. 225, but soon met realising pressure and relapsed to Rs. 217. The closing was, however, a shade better at Rs. 219-4. Digvijays lost on balance Rs. 3 to Rs. 184. Among engineering and mining shares, Alcocks met selling pressure, losing Rs. 13-12 to Rs. 361-4. Tata Locomotives were, however, a feature on keen support following reports of good working and anticipations of a maiden dividend. The shares were lifted up from Rs. 151-12 to Rs. 163-8, before finishing at Rs. 161-8. Larsen and Toubros were lower by As. 6 at Rs. 15-9 and Premier Constructions looked down from Rs. 194-8 to Rs. 190-8. Kamani Engineering had business at Rs. 4-12. Shivrajpurs had deals, Re. 1-8 lower, at Rs. 112-6. Indian Coppers were affected by adverse rumours about the bonus issue and reports about the possibility of the industry being taken over by the Government. The shares receded from Rs. 7-4½ to Rs. 6-15. Favourable rumours about dividend pushed up B.B. Petrols by As. 3½ to Rs. 4-7.

In the shipping and transport group, Scindias, after an earlier improvement from Rs. 18-4½ to Rs. 18-11, gave way to Rs. 17-8 and closed at Rs. 17-12½. Great Easterns lost As. 3 to Rs. 17-9. Bharat Lines were done at Rs. 74. Hindustan Motors were a little quiet at Rs. 10-4. There were reports that the Company would shortly come out with a preference issue for Rs. 5 crores at 6 per cent. (tax-free). Premier Automobiles were placed at Rs. 93. Among miscellaneous shares, Bombay Burmahs were erratic, moving between Rs. 653-12 and Rs. 622-8 and closing unchanged at Rs. 638-12.

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Calcutta Stock Exchange

CALCUTTA, *4th April*

The Calcutta Stock Exchange presented cheerful conditions during the major part of the week under review, but developed easiness in the later sessions. The initial firmness was aided by several indices showing signs of inflation in the country, particularly the persistent rise in money supply and continued upward trend in commodity and bullion prices. Investment buying broadened further and equity values forged ahead, registering sizable gains. But these gains were practically erased during the later sessions of the week, by selling pressure induced by settlement considerations. The closing rates for many popular scrips were a shade lower than those at the end of last week.

Sectionwise, coal shares staged a retreat. Bengals dropped Rs. 15 to Rs. 535. East Indias receded by Re. 1-6 to Rs. 34-12. New Beerbhooms declined by a rupee to Rs. 20. Burrakurs climbed down by As. 5 to Rs. 14-10. Central Indias lost As. 2 to Rs. 7-5. Western Bengals were unchanged at Rs. 7-5.

Among jute shares, Nationals decreased by As. 12 to Rs. 25-2. Birlas were lower by As. 2 at Rs. 17. Howrahs were quiet at Rs. 23. Anglo-Indias were done at Rs. 180, Barnagores at Rs. 141, Chitavalsahs at Rs. 14-9, Indias at Rs. 137 and Kamarhattys at Rs. 135.

Over the week, engineering shares suffered losses. Burn & Cos. were hammered down by Rs. 30 to Rs. 355. Jessop & Cos. fell by As. 14 to Rs. 34-2. Richardson and Cruddas slipped by As. 11 to Rs. 25-13. Indian Irons lost As. 5 to Rs. 35-7. Braithwaite & Cos. lost As. 4 to Rs. 27-14. Britannias changed hands As. 3 lower at Rs. 18-15. Indian Standard Wagons, however, evoked special buying support and hardened by Rs. 9 to Rs. 186.

Among miscellaneous industrials, Martin Burns receded by As. 11 to Rs. 25-8. British India Corporations declined by As. 5 to Rs. 10-12. Aluminium Corporations and Shaw Wallaces lost As. 2 each to Rs. 10-3 and Rs. 15-10, respectively. Imperial Tobaccos eased by an anna to Rs. 14-12.

In contrast to the generally declining trend, the prices of tea scrips were higher over the week. Banarhats rallied Rs. 8 to Rs. 372. Gungarams advanced by Rs. 2 to Rs. 302. Huldibaris gained Re. 1-8 to Rs. 39. Basmatias put on As. 6 to Rs. 39-2.

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Madras Stock Exchange

MADRAS, *3rd April*

For the sixth week in succession, the Madras Stock Exchange exhibited a buoyant tone. This sustained buoyancy was fanned principally by thoughts of a possible development of intensified inflationary conditions, following deficit financing. The Press report suggesting the possibility of a rise of Rs. 1,500 crores in the public sector's outlay of the second Plan led operators to believe that a larger dose of deficit financing than what is now contemplated might be resorted to. In fact, the effect of deficit financing was interpreted so bullishly that even the statement of Mr. M. C. Shah, Union Minister for Revenue and Civil Expenditure, that tax on total wealth was one of the several proposals that were being considered by the Government failed to have any adverse effect on the market. Fresh buying by bulls, which emerged as a result in several counters, pushed up the values to new highs. Coffee shares were particularly firm, thanks to the release of a further quantity of 450 tons of coffee for export. Tea shares also met with good buying support, on high encouraging advices from tea markets. Rubber scrips, too, were well supported, due to expectation of better working results. Enquiries were persistent for textile shares, owing to reports of continued excellent offtake of cloth at higher prices. Sugar, bank and miscellaneous company scrips ruled fully steady, in sympathy with the general upward trend of the market.

There were two important company announcements during the week under review. The Kerala Estate belonging to the Kerala Calicut Estates Ltd. has been purchased for Rs. 14.50 lakhs, half of which is being acquired by the Cottanad Plantations Ltd. and the other half by the Anaparai Estates Ltd. The Thirumbadi Rub-

(Continued on page 695)

AMERICAN LETTER

BUSINESS UPSURGE STILL PERSISTS

DANGERS OF INFLATION

From Our Special Correspondent

NEW YORK, *20th March*

PRESIDENT Eisenhower's decision to be a candidate for another four years in the White House has enhanced the atmosphere of optimism among the people and in business, industrial and financial quarters. Members of the Democratic Party also have been quite active in probing public opinion in primary elections in various of the forty-eight States. Democratic Senator Kefauver won one election over Adlai Stevenson who is the Democratic standard-bearer. He ran against President Eisenhower the last time and lost.

Mr. Stevenson is a brilliant man with a distinguished career, with lots of family money to back up his status. He has, however, several factors against him in comparison with Mr. Eisenhower. In the first place, he is not a national hero. Secondly, the average man in the street somehow distrusts anybody with more brain-power than he possesses himself and, finally, a man in the millionaire class is not necessarily popular with the masses, although some people maintain that individuals of that calibre make more honest politicians than others who require income to keep the home fires burning. At this point, it looks to this correspondent that Mr. Stevenson is not a particularly serious contender for President Eisenhower, also considering that he divorced, a fact which in many parts of the United States is still looked upon with some misgivings.

This does not mean that the President's re-election is assured. Many things can happen between now and the November election day. The most serious question which has not yet been answered is who the Vice-Presidential candidate will be.

Many persons, unreasonably or otherwise, suggest that the President may not outlive his second term, so that the choice of the Vice-President at the forthcoming Republican Convention at San Francisco will have an important influence. So far, it looks as though the Government ticket headed by the President can hardly be defeated.

On the business scene, all is well—except there are still indications of a more than normal business upsurge. Loans by commercial banks in New York which feed money through correspondents throughout the country have risen so far this year by almost $800 million, as compared with an increase of less than $200 million in the comparable period last year. The demand for credit arises from various sources. Consumer credit, or hire-purchase, plays a large part, although the gain in this field has not been too extraordinary, even considering the decline in the automotive field.

There has been a notable increase in inventory in recent months which led to some borrowing. It shows signs of levelling off. However, much borrowing is caused by expenditures for improvement in plant and equipment. Some companies borrow on short-term paper in anticipation of large returns in the meantime. Others borrow on short-term, pending the arrangement of capital financing. In addition, at this time of the year, there is borrowing for Federal and State tax payments.

All told, the expansion in loans has been considerable and it supports the theory of the Federal Reserve system and of the Treasury that the dangers of inflation are still greater than those of deflation.

Employment and retail sales are holding up very well, indeed, and Easter business has been good. It was impeded only by inclement weather. Rain and snow have been quite abundant this winter and spring season in the United States and it has kept many people indoors.

There has been an improvement in the prices for farm products, particularly in the last reporting period from mid-February to mid-March. Also, the huge Government surpluses of grain and dairy products are expected to be moved satisfactorily on the basis of new international agreement. The securities markets, appraising current and discounting future events, also put on a good show. It was nothing spectacular, but prices crept up gradually and sound investment in both equities and in senior obligations were in good demand.

Likewise, the underwriting markets have been in a happy state. Borrowings have been heavy. Industries find it necessary to improve their plant constantly and the growth in the number of automobiles and trucks has made it necessary to build, maintain and plan new highways over which the steadily increasing traffic can be moved. This has led to many new issues both by private companies and by State municipalities.

Under conditions of rising interest rates, as have been in evidence in the last few months—brokers' and dealers' loans on securities are now up to 4 per cent.—prices of outstanding securities in the fixed interest field have, naturally, declined, because of rising yields. In the banking and investment fields, it has led to higher operating earnings, offset by securities losses. The overall effect has been beneficial to the United States economy, but the obvious question arises how far this trend can go before it becomes a headache to those who have to take cash losses, against imaginary or, in some cases, real earnings.—*All Rights Reserved.*

NEWS IN BRIEF

THE Central Government proposes to establish at Banaras a factory for manufacturing parts of railway coaches.

A six-member trade delegation from Bulgaria, headed by Mr. Ivan Perpagiev, arrived in Bombay on Sunday this week.

The fifth session of the International Rice Commission of the F.A.O. will be held in Calcutta from 12th to 17th November next.

India has a total labour force of 139.3 million, consisting of 98.7 million men and 40.6 million women, according to the International Labour Organisation.

The Indian Central Oilseeds Committee has decided to set up five regional research stations for oilseeds at Kanpur, Hyderabad, Coimbatore, New Delhi and Ludhiana.

The Government of India has fixed the price of tea, for the purpose of determining the export duty, at Rs. 2-13-4 per lb., as against Rs. 2-11-4 per lb. in force from 1st March 1956. There is no change in the existing rate of duty of As. 6 per lb.

The Indian Coffee Board has released a further quantity of 450 tons of coffee seeds for export. The quota consists of 250 tons of plantation A, B and Triage and 200 tons of Arabica cherry gleanings, flats and P.B.

The Government of India has decided to release a further quantity of raw wool for export during the period April-September 1956. The details of the licensing procedure are being notified by the Export Trade Controllers at the ports concerned.

An export promotion council for tanned hides and skins leather goods and tannery by-products is expected to be set up by the end of May or the beginning of June this year. The Council will have its headquarters at Madras.

The Union President has given assent to the Bill which seeks to extend the life of the Control of Shipping Act, 1947, for a further period of two years ending March 1958. The Act provides for the control of coastal shipping through a system of licensing and contains other ancillary matters.

With effect from the 1st inst., the Registrars of Companies in Assam, P.E.P.S.U., Rajasthan, Madhya Bharat, Saurashtra and Mysore have taken over the functions of Registrars in Manipur and Tripura, Himachal Pradesh, Ajmer, Bhopal and Vindhya Pradesh, Kutch and Coorg, respectively.

The Government of India has permitted the Government of Assam to have its own provident fund legislation for tea garden workers in this State. The permission is subject to the condition that the Assam enactment will stand repealed when the Employees Provident Fund Act, 1952, is applied to plantations.

Orders have been placed for 60 drills required in connection with the coal production project. The drills will be purchased from the Soviet Union, Sweden, the U.S. and the U.K. Tenders have been invited for a few items of earth removing equipment and equipment for stone blasting, cutting and removal of coal and ancillary equipment, as well as some essential items of workshop equipment.

Under its phased programme of extending aids to navigation, the Union Lighthouse Department completed work on 25 new lighthouses at an estimated cost of Rs. 22 lakhs during 1955-56. Improvements, at an estimated cost of Rs. 2 lakhs, were effected in the case of eight more. Radar equipment for Khanderi Island and Saugor Island, for which orders have been placed, is expected to be delivered by May next. By that time, lighting equipment for the lighthouses at Perotan Island, Korlai Fort, Pentakotta, Vakalapudi and Alleppey is likely to be available.

The new Companies Act (I of 1956) has come into force with effect from the 1st inst. Some of the provisions of the Act have already been enforced, while others will come into force after the lapse of certain periods. For the facility of the public, offices of Regional Directors have been established at Bombay, Calcutta, Madras and Delhi, and Registrars of Companies are functioning at 18 centres all over India. The public are advised that they should get in touch with the nearest Regional Director or the Registrar of Companies and seek help from them in regard to the interpretation of the provisions of the new Act. The Regional Directors and the Registrars of Companies have received instructions to give all possible assistance promptly.

At its meeting held in Bombay on Monday last, the Development Council for Woollen Industry agreed in principle to the holding of a wool auction market in India for indigenous wool and formed a sub-committee to make detailed recommendations for the same. The Council also discussed the formation of an export promotion council for the woollen industry, measures to be taken for the efficient running of the woollen cottage and small-scale industries, participation of Indian wool traders in the wool terminal market in London, export credit guarantee scheme for the woollen export trade and proposal for the starting of a wool combing plant in India.

An agreement between the Governments of India and the United Kingdom for the avoidance of double levy of Estate Duty was signed at New Delhi on Tuesday this week by Mr. M. C. Shah, Union Minister for Revenue and Civil Expenditure, and Mr. Malcolm Macdonald, High Commissioner for the United Kingdom. It endorses an agreement on the subject reached at official level on 14th January last between a British delegation headed by Mr. J. R. McWills and the representatives of the Government of India's Central Board of Revenue led by Mr. A. C. Bose. Since an agreement on this matter can, under the Estate Duty Act, 1953, be entered into only with the Government of reciprocating countries, the United Kingdom has been declared such a country. The agreement will be laid before the Parliaments of India and the United Kingdom in the next few days and come into force on a date to be announced later.

The Government of India has decided to grant licences to consumers' co-operative societies to import, upto a reasonable value, a number of essential goods required for use by their members. The goods listed include canned and powdered milk, milk food for infants, patent medicines, stationery articles and lead pencils, knitting wool, cotton sewing thread, woollen piecegoods and blankets, boots and shoes, thermos flasks, pressure cookers, safety razor blades, bicycles, watches, cod liver oil and contraceptives. The new concession is in addition to the permission given to co-operative societies in December 1955 to import items open to new-comers. In order to be eligible to import the essential goods mentioned in the list, the co-operatives should have a membership of not less than 100 and a minimum annual sales turnover of Rs. 20,000. They should also have been in operation in the last two calendar years. Eligible societies should submit their applications for import licences to the appropriate licensing authority before the 30th inst.

A contract for the supply of equipment for the Bhilai Steel Works was concluded at New Delhi on the 2nd inst., Mr. Khlebnikov and Mr. Sergeev signing on behalf of the Ministry of Iron and Steel of the U.S.S.R. and the Soviet export organisation "Technoexport," and Mr. S. Bhoothalingam, Secretary, Ministry of Iron and Steel, on behalf of the Government of India. The equipment, which will cost approximately Rs. 55 crores, will be supplied on credit repayable in twelve equal annual instalments. Credit will be raised on each consignment in accordance with a general average price agreed upon and interest will be payable at 2½ per cent. per annum from the date from which credit is raised. The first consignment is expected to arrive towards the end of June 1956 and the entire supply completed by the middle of 1959. The Steel Works are expected to achieve full production by December 1959, but two coke oven batteries, two blast furnaces, two open hearth furnaces and the blooming mill will be commissioned about a year earlier. The cost of equipment includes insurance and freight charges. Arrangements for shipping, insurance, etc., will be made by "Technoexport," a Soviet organisation specialising in exports from the U.S.S.R. Shipments will be made generally at Black Sea ports and delivered at Visakhapatnam in India which would be the nearest and most convenient port for onward movement to Bhilai.

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From Abroad

Soviet Russia is reported to have offered to sell to Egypt entire atomic plants and the necessary atomic fuel, in return for cotton.

The production of gold in the U.S.S.R. is estimated at 12 million fine ounces per annum, having risen from 1 million ounces at the beginning of Russia's first Five-year Plan in 1928. Just before the last war, the output was over 5 million ounces.

The U.S. Census Bureau reports that more Americans held jobs in 1955 than ever before. More than 63 million persons were employed—or two million more than in 1954. The number of unemployed fell about 600,000, averaging 2,650,000 persons in 1955.

The National Coal Board of Britain suffered a loss of about £19 million in 1955, bringing the accumulated deficit to £37 million. The loss would have been greater but for the surplus of £9 million earned in the last quarter of 1955, the largest for any quarter since nationalisation.

The High Authority of the European Coal and Steel Community has authorised the Belgian Government to pay subsidies upto Frs. 700 million to Belgian coal mines in 1958, to cover a part of the costs which the mines have to meet because of the reduction in working hours.

The World Bank has granted a second loan of $5 million to Ecuador for financing the expansion of the country's electric power. The loan will have a maturity of 20 years, carry interest of 4¾ per cent, and is granted to a corporation which is the sole supplier of power to the area around the capital, one of Ecuador's most important industrial regions.

Egyptian cotton exports to Soviet bloc countries are being dumped on the market and are being offered by transit dealers at low prices in Germany, according to a spokesman of the German Ministry of Economic Affairs. As a result of this, Germany is able to buy in neighbouring countries Egyptian cotton 10 to 14 per cent. cheaper than in Egypt.

The production of cars in the U.S. during the second quarter of 1956 is expected to be a little over 2 per cent. higher than that in the first quarter, but 15.6 per cent. below that in the corresponding period of 1955. This will mean an output of 1.79 million cars for the quarter. On this basis, the production for the first six months of the year would be at an annual rate of nearly 7 million cars, as against the actual production of about 8 million cars in 1955.

The United States' foreign trade, aid and investment in other countries rose to a record total of $21,327 million in 1955. According to the Commerce Department, the expansion in both receipts and payments reflects the continued business improvement in the U.S. and other countries. The U.S. imports set a new high of $11,500 million. Other countries continued for the sixth consecutive year to gain gold and dollar assets in international exchange with the U.S.—the increase last year amounting to $1,500 million.

The Netherlands State coal mines will shortly establish a big polythene factory with an initial capacity of 5,000 tons per annum. So far polythene has been mainly imported from the U.S. and Britain. The production will cover the entire consumption of the Benelux countries. It will be stepped up later on, so that the surplus can be exported. Based on the German Zieler process, the production will start from coke-oven gas. The cost of the scheme is expected to be several million pounds.

The Egyptian pound has been freed with effect from 26th March by an order of the Minister of Finance. Its exchange value in foreign markets will be on the basis of the rates published by the International Monetary Fund. Following Egypt's withdrawal from the Sterling Bloc in 1947, an Order was issued fixing the Egyptian pound exchange rate in foreign markets in accordance with sterling rates. Under the latest order, the National Bank of Egypt, in co-operation with the Minister, will fix the exchange rate on the basis of parity rates to be announced by the I.M.F. within a maximum fluctuation margin of 1 per cent. up or down. In the event of the non-announcement of any member country's parity rate and in the case of non-member countries of the I.M.F., the National Bank will fix the Egyptian pound's exchange rate on the basis of prices prevailing in foreign markets.

PERSONAL

MR. R. Mukerjee, Commissioner of Income-tax, Madras, has been appointed Director of Income-tax Inspection, New Delhi.

Mr. Joseph W. Letzkus, Trans World Airlines Regional Sales Manager for West and East Asia, has been promoted to the rank of Vice-President.

Dr. K. L. Rao, Chief Engineer, Flood Planning and Designs, Central Water and Power Commission, Government of India, has been appointed a member of the Commission.

Mr. N. Nagai, until recently Mitsui Line's representative in London, has assumed charge as the Line's representative in Bombay *vice* Mr. T. Ono who has been transferred to Japan.

Mr. B. P. Patel, General Manager of the B.E.S.T. Undertaking, Bombay, is understood to have been appointed Managing Director of the State Bank of India. Mr. Patel is likely to be succeeded by Mr. M. G. Monani, Director of Local Authorities, Southern Division.

Sir Miles Thomas, who recently resigned his post as Chairman and Chief Executive of the British Overseas Airways Corporation, has been elected Director of Monsanto Chemicals Company. Sir Miles will become full-time Chairman of the Company not later than 1st July next.

Sardar Ujjal Singh, a former Finance Minister of the Punjab, Mr. L.S. Misra, a retired Chief Justice of the Hyderabad High Court, Mr. M. V. Rangachari, for some time Secretary to the Union Ministry of Finance, and Dr. B. N. Ganguli, Professor in the Delhi School of Economics, have been appointed members of the Finance Commission. The appointment of Mr. K. Santhanam, a former Governor of Vindhya Pradesh, as the Chairman of the Commission had been announced some time ago.

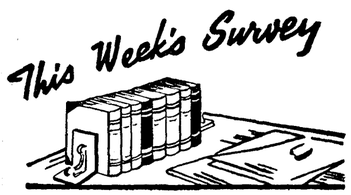
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *4th April*

Mineral Wealth of India

In respect of mineral wealth, Nature has not been lavish in her gifts to India. There are only three valuable minerals known to be present in this country in large quantities of high quality. These minerals are iron, manganese, and mica, and it would seem that it is upon them, in conjunction with coal, that the industrial future of India mainly depends. The output of manganese and mica fluctuates within narrow limits and shows no immediate prospect of expansion. As these minerals are at present mined mainly for export to foreign countries, it is, perhaps, as well that our resources are being conserved for future use in Indian industry. The production of iron-ore is, however, steadily increasing and there is reason to believe that, with the shelter afforded by the protective tariff, the iron and steel industry will continue to expand. The present appears to be a favourable time for the establishment of new works. Up to the present, the whole of the iron-ore mined has been smelted in this country, but there is now said to be a strong probability of the development of a large export trade in iron-ore.



MR. G. D. BIRLA ON THE PLAN

THE Government spokesmen are never tired of reiterating that they welcome constructive and positive criticism. Such criticism has been forthcoming from the leaders of trade and industry in the country in respect of the Five-year Plan. Although many of these critics do naturally express grave misgivings about the basic economic philosophy of the Plan, there is no doubt that they all recognise that the Plan must succeed, for with its success is intimately connected the problem of raising the living standards in the country. But even such critics find that the Plan assumes a little too much—especially in regard to resources and men. One such critic is Mr. G. D. Birla, the well-known industrialist and Chairman of the United Commercial Bank, who subjected the second Five-year Plan to a brief, though critical, examination in the course of his annual statement to the shareholders.

Mr. Birla prefaced this part of his statement with some general observations which, though they run counter to popular conceptions, will need to be borne in mind by the authorities in the interests of successful implementation of the Plan. He stated that higher employment, though a desirable objective, could not be as important as the creation of greater wealth. He averred that only such employment as was highly productive could create prosperity which, in its turn, could definitely be a precursor to greater employment. The main problem, according to him, is not so much to create just some kind of employment but to create highly productive, wealth-creating employment. From this point of view, he naturally found that the Ambar Charkha was no answer to India's economic problem. This is a basic consideration which unfortunately escapes the Government's attention, presumably because it sees in this outmoded device so ready a remedy that it is unwilling to examine all the implications of an economic system based upon the Ambar Charkha and other similar devices. Strictly speaking, there ought to be no conflict between large-scale and small-scale industries, provided they supplemented each other. Indeed, cottage industries, as Mr. Birla indicated, can and should follow large-scale industries and not *vice versa*.

Proceeding, Mr. Birla analysed the Plan from the point of view of internal resources, foreign exchange resources, technical personnel, transport and Government machinery. As regards internal resources, he wondered whether it was fully realised that "additional taxation, savings and loans come into play only after production and wealth have increased and cannot precede them." For, if one began with additional taxation and compulsory savings, then there would be failure "to create the new purchasing power which is expected to create the increased demand for goods." He reinforced this argument with an apt simile: "If a house is taxed before it is built, the result would be that no house would be built to pay the tax."

The Planning Commission has estimated the foreign exchange requirements at Rs. 1,600 crores and the gap between the availability and requirements at Rs. 800 crores. Mr. Birla felt that the Rs. 1,600-crore estimate was an underestimate, and that the gap would, therefore, be more than Rs. 800 crores. And even if one accepted the Commission's estimate of the gap, it would still have a direct effect on national economy. He said: "I fear the seriousness of the paucity of foreign exchange is not fully realised. With proper efforts, foreign exchange should be available. And we have to work for it." There are two ways in which such resources can be found. One is an increase in exports and the other is foreign assistance. Ways and means must be found to get foreign exchange through both the methods. Mere reliance on import restrictions has its own shortcomings. It can add to inflation within the country and may provoke retaliation against India's exports from abroad.

The dearth of trained personnel is already a serious bottleneck and, as the Plan progresses, it is bound to create more and more difficulties. Elsewhere in this issue, we have referred to the views of the Chairman of the Indian Engineering Association on this important question. Mr. Birla too had something relevant to say on this subject. In the first place, he averred that the private sector could command a large number of technically qualified experts, whereas the public sector had to begin from scratch. Although he did not say as much, the obvious conclusion is that, when the private sector is denied the fullest opportunity to utilise all its talent, it should be regarded as a national waste. Secondly, he emphasised that there should be no restriction on the "incentives that go to stimulate technical education and knowledge." As regards transport, he warned that, if the "railways do not bear the strain that is proposed to be put on them, the whole edifice of the Plan will collapse." Finally, so far as the Governmental machinery is concerned, he said that a thorough overhaul would be needed if it were to cope with the problems of industrial expansion in the public sector.

It must thus be clear that Mr. Birla's approach to the Plan was essentially constructive. If he mentioned the difficulties in the way of the implementation of the Plan, it was because he wanted the problems to be solved. He insisted that "we need to make the Plan a success." But pious intentions will never get the country anywhere. The Government must resolutely face the realities of the economic situation. There is much in that situation that should cause misgivings to the planners. Any ostrich-like attitude towards the stark facts of Indian economy will not enable the Government to implement the Plan successfully. Mr. Birla has done a real service to the nation in calling attention to some of these facts.

PURCHASE TAX IN ANDHRA

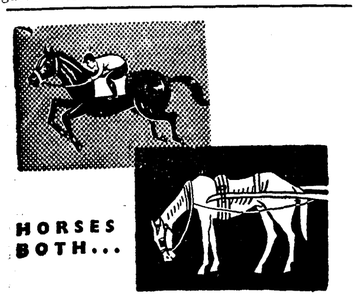
Two factors must have prompted the Government of Andhra to accept the Sales Tax Enquiry Committee's recommendation for the levy of a tax on the purchase of paddy, rice, coconuts, copra, raw jute and turmeric. First, the Government is faced with the problem of covering the huge deficit of Rs. 11 crores on revenue account during the 30 months following the formation of the State, not to mention the outstanding debt of as much as Rs. 70 crores. Secondly, the Government has to provide for a large capital outlay under the second Five-year Plan. This problem would have been less acute had the Centre not told the State that it would not honour the latter's bills, if expenditure above the allotments were allowed to continue.

The Andhra Government's decision to levy the aforesaid purchase tax and to amend the Madras General Sales Tax Act, 1939, has been incorporated in a Bill—published in a *Gazette Extraordinary*—which is expected to be introduced in the State Legislative Assembly shortly. The rate of purchase tax per rupee of turnover proposed in the Bill is one anna on turmeric, six pies on paddy, rice, coconut and copra, and three pies on raw jute. Except in the case of raw jute, the rate of tax on other commodities is the same as that suggested by the Sales Tax Enquiry Committee; on raw jute, however, the Committee had recommended a tax of nine pies.

The levy will be a single-point tax and will be imposed on the first purchase effected in the State of goods produced within the State or imported from either outside India or any other State in India. The tax for each year may be provisionally assessed, levied and collected in advance during the year in monthly or quarterly instalments on the basis of the estimated or actual turnover of the dealer. All dealers in the commodities mentioned above, with the exception of petty dealers, are required to register themselves, failing which they will be liable to a fine which may extend up to Rs. 2,000.

The Andhra Government's move to substitute a purchase tax in the place of sales tax is a departure from the present system of taxation of sales. In this connection, it may be recalled that the Taxation Enquiry Commission, after referring to the case for purchase tax, stated that the proposal required "more elaborate examination." The Commission said that purchase tax had been advocated mainly on the ground that it would solve the problem of taxation by each State of non-resident dealers. But it felt that, although the levy of the purchase tax on the State's own dealers who had bought the goods rather than on the non-resident dealers who had sold them seemed attractive, there were certain serious limitations to the levy. A purchase tax, the Commission held, was practicable only in a very limited context—motor cars and other readily available traceable articles, for example—and its limited application made it a very negligible source of revenue. It further held that a purchase tax as a substitute for the taxation of non-resident dealers was of no advantage from the revenue point of view; at the most, it provided a check to be exercised at the purchase end of a resident registered dealer's transactions. In the case of resident registered dealers and consumers who were outside the administrative arrangements for collection, the levy of a purchase tax was, in its opinion, impracticable.

It is for these reasons that the Commission maintained that a purchase tax was clearly not an effective solution for the particular difficulties it was supposed to solve. If, despite these considerations, the Andhra Government has accepted the suggestion of the Sales Tax Enquiry Committee, it is probably because the Government wants at least to check the evasion of tax by dealers in agricultural produce which is reported to be considerable.



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W. GERMAN CAPITAL EXPORTS

The latest move of West Germany to relax restrictions on capital exports is of special importance to India. West Germany, as readers are aware, is coming to play an increasingly important role in the task of India's economic development. It is directly participating in the Rourkela Steel Project, one of the biggest State enterprises. It is also assisting the expansion of several projects in the private sector, particularly in the engineering field, as, for example, the Tata Iron and Steel Company Ltd., and the Tata Locomotive and Engineering Company Ltd.

The relaxation of controls on capital exports from West Germany is expected to take many forms, of which two are said to be most important. These are: (1) Business men will be permitted to keep their export proceeds abroad for an unlimited period and to invest them abroad in foreign shares and securities including dollar securities, without any special application to the authorities; (2) all German residents will be allowed, on application, to buy abroad shares and securities, including dollar securities, although, probably, not to an unlimited amount. At present, it will be recalled, the West German exporters can keep their proceeds in foreign accounts with W. German banks only for a period of 180 days, after which they must deliver the currency to the Bank Deutscher Lander; the Bank, in turn, pays them the equivalent in marks.

The implementation of the two proposed measures will go a long way towards encouraging a large outflow of West German capital to the underdeveloped and undeveloped countries of the world. Incidentally, the measures will greatly benefit W. Germany itself. Thus, according to some financial experts, the payment in marks to W. German exporters by the Bank Deutscher Lander, with its attending inflationary effects, may be reduced. Further, the balance-sheet of the Bank will no longer reveal the total amount of W. German foreign exchange resources. The strength of W. Germany's foreign exchange can also be used to build up a long-term balance of payments abroad in the form of regular dividend and interest accruals.

There are, however, some financial experts in W. Germany who are somewhat sceptical about the proposed measures resulting in any large outflow of capital. "Few business men," to quote a report, "will be able to spare large amounts from their operating funds and even fewer will be inclined to buy shares in soft currency countries." In this connection, the report draws attention to the possibilities of imposition of three checks on investment abroad of W. German funds. The first is that investment in the form of real estate and similar long-term assets will remain subject to a special permit, although this is expected to be granted liberally. The second safeguard aims at preventing the "watering-down of German foreign exchange," that is, switching from soft currencies to dollar shares will be permitted, but not the other way round. Thirdly, by insisting on applications in the case of non-exporters, the monetary authorities will be kept informed about the scope of transactions and be able to take action, should the need arise.

INDO-YUGOSLAV TRADE

The Indo-Yugoslav trade treaty which took effect from the 1st inst. should pave the way for a wider and closer economic co-operation between these two countries. The conclusion of the treaty, signed on 31st March last at New Delhi by the representatives of the two countries, was facilitated by the exchange of visits by Marshal Tito and Mr. Jawaharlal Nehru last year.

The terms of the agreement reveal that the trade between the countries, besides being complementary, could be developed to the mutual advantage of both. The lines on which this development could take place were clearly brought out by Mr. Martini Cetinic at a Press conference in New Delhi. India has for long been experiencing shortage of shipping. And the agreement is expected to relieve this shortage to some extent. The Government of India and the Indian shipowners are expected to place orders with Yugoslavia for a number of ships of a tonnage ranging from 9,000 to 11,000 and fitted with diesel engines. The exact number to be supplied by Yugoslavia will depend on the price quoted for the ships and the date of delivery, which would be furnished within the next two or three weeks. According to Mr. Cetinic, the prices and quality of the ships would compare favourably with those made in other countries. Yugoslavia, we are told, has a long tradition in shipbuilding and has been meeting the shipping demands of Switzerland, the Soviet Union, China and certain other countries. The shipbuilding industry is not under the control of the Government, but the latter can give assistance to shipbuilding concerns in executing Indian orders for ships.

It is stated that, besides supplying ships, Yugoslavia can assist India in the construction of shipbuilding yards and ports. It claims to have abundant technical experience in the construction of hydro-electric power stations also. It has almost completed a deal for erection of a power house in Pakistan and is building three hydro-electric plants in Burma. It can lend the services of these experts to India. But these may not be of much benefit to India, since it too has made commendable progress in the construction of power generating stations. This country may, however, need technical assistance from Yugoslavia for the establishment of factories to produce electrical plant and machinery, as also iron and steel materials and cement, in which supplies are short. It is stated that Yugoslavia may supply about 50,000 tons of iron and steel products and about 100,000 tons of cement a year.

Yugoslavia may also buy from India consumer goods such as coffee, tea, spices, certain varieties of textiles, oilseeds, jute products, raw cotton and wool provided they are competitive in price and quality. Iron ore is another commodity that may figure in India's exports to Yugoslavia. A quantity of about 100,000 tons is mentioned in this connection. Tea is stated to be not in good demand and, therefore, the prospects for expanding tea sales are limited. There seems to be scope for exports of coffee, as the people are mostly coffee drinkers. About 4,000 tons of coffee seeds per year are likely to be bought by that country. In the field of technical aid, Yugoslavia may find the services of Indian experts on irrigation useful; India, we are informed, is quite ahead of Yugoslavia in the development of irrigation techniques.

At present the trade between India and Yugoslavia is very negligible. The total exports from India to that country in 1954-55 were worth Rs. 2.25 lakhs, as compared with Rs. 1.45 lakhs and Rs. 10.61 lakhs in the two preceding years. India imported goods worth Rs. 16 lakhs in 1954-55, Rs. 7 lakhs in 1953-54 and Rs. 9 lakhs in 1952-53. In 1955-56, however, the trade is likely to record considerable expansion. For, in the first nine months of the year, imports into India of Yugoslav merchandise amounted to Rs. 24.31 lakhs, as against Rs. 12.35 lakhs in the corresponding period of 1954-55. Shipments of Indian cargoes to that country aggregated Rs. 15.51 lakhs, as against Rs. 1.33 lakhs. This improvement in the volume of trading may be taken as an indication of a further expansion in the coming years.

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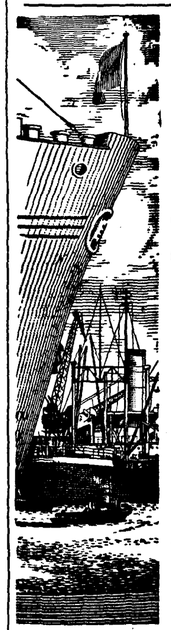

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INDIA'S TRADE WITH RUSSIA AND EAST EUROPE

GROUND PREPARED FOR EXPANSION

From A Special Correspondent

NEW DELHI, *3rd April*

DELHI LETTER

FOR some days now, the Commerce and Industry Ministry has been devoting special attention to the development of India's export trade with East European countries and the Soviet Union. With this purpose in view, it has been concluding or renewing, as the case may be, a number of bilateral agreements with these countries. Only a few weeks ago, it entered into a new agreement with Rumania. This was followed by the visit of Mr. Mikoyan, Deputy Minister of the Soviet Union, with whom the Government of India had intimate talks on a number of subjects. Perhaps, the important among them were the development of Indo-Soviet trade and the possibilities of help which the Soviet Union could provide in furtherance of India's industrialisation. Representatives of the Yugoslav Government were also in the Capital last week, with a view to improving the trade relations between the two countries. Besides renewing the trade agreement with this country, they were able to make provision for a greater flow of trade between the two nations. These apart, the trade representatives of the Polish Government are now having talks with the Commerce and Industry Ministry on the possibilities of increasing the value of trade flowing between the two nations. A fresh trade agreement has just been signed between the two countries.

It is recognised that the flow of India's export trade to East European countries and the Soviet Union has been negligible during the last many years. The restricted trade relations with these countries is attributable to the fact that the Governments in these countries have been controlling external trade, while, in India, the export trade has largely been in the hands of private persons. During the post-war period, there has been no dearth of customers for India's industrial raw materials, semi-manufactured goods and some types of consumer goods. However, ever since the attainment of independence, the Government of India has been trying hard to maintain the most cordial and friendly relations with almost all the countries. In furtherance of this policy, the Government of India has been trying to improve the economic and trade relations with a number of countries with which it had restricted relationship during the pre-independence period. Hence the series of bilateral agreements with almost all the East European countries during the last few years.

Generally speaking, the Government of India's conclusion of bilateral trade agreements in recent years has not resulted in any appreciable increase in the flow of trade from India to the agreement countries. It is well known that the main outlet for Indian goods has been the Commonwealth countries, besides some Western European nations such as West Germany, Italy, France, Holland and Belgium, the U.S.A., Japan and Burma. The Commonwealth countries, for instance, were able to absorb about 55 per cent. of India's export trade in 1954-55, while the U.S.A., Japan and West European nations took about 27 per cent. of the value of Indian merchandise in that year. India's exports to East European countries were very meagre. Exports to the U.S.S.R. were only Rs. 2.12 crores, while those to Poland, Yugoslavia, Rumania and Hungary amounted to Rs. 39 lakhs, Rs. 2 lakhs, Rs. 4 lakhs and Rs. 2 lakhs, respectively. In some years, there were practically no exports to some of the countries mentioned above. In other words, exports to these countries, including those to the Soviet Union, were about ½ per cent. of India's total exports in 1954-55.

It is against this background that the possibilities for the expansion of India's export trade to these regions must be examined. It will, therefore, be a difficult task for the Government of India to develop increased trade relationship with these countries where the sole importers are Governments themselves. From another angle, perhaps, this type of Government trade control in these countries might facilitate greater exports from India, provided these Governments make a determined effort to buy more of Indian goods. India is doubtless anxious to import from these countries industrial machinery, iron and steel and some essential raw materials in furtherance of its Second Five-year Plan during the coming years. However, in view of the difficulties of payments position, and the need for conserving foreign exchange resources as much as possible, India will not be in a position to fulfil its wishes, in case East European countries and the Soviet Union are not inclined to augment their imports from India.

Considerable significance must, therefore, be attached to the statements made by Mr. Mikoyan, Soviet Deputy Prime Minister, the other day when he was entertained at a dinner by the Commerce and Industry Minister, Mr. T. T. Krishnamachari. The former is reported to have observed that the Soviet Union would be using its receipts of the sale of its goods to India to buy Indian raw materials and manufactured goods. In this connection, he is stated to have remarked: "The Soviet Union does not mean to sell to India such goods as she herself manufactures in sufficient quantities, since we do not want to compete with her own industry or agriculture. On the contrary, we offer to India such goods as will promote the development of Indian economy."

It is hoped that the visit of the Soviet Deputy Prime Minister, who is stated to be a good trade expert, will result in a greater flow of goods between the two countries. It is suggested that the Soviet Union will be interested in the intake of Indian tea, jute goods, spices, particularly pepper, leather goods including shoes, certain handloom fabrics of attractive designs and patterns, etc. It is expected that the cost of one million tons of steel which the Soviet Union has agreed to sell to India during the next three years will cost between Rs. 60 and Rs. 70 crores. During this week, the Soviet Union has signed another agreement covering the sale of machinery to the Bhilai Steel Plant. The flow of machinery to this plant will take place from June next. Hence the Soviet Union will be having considerable amount of rupee credit in the coming months to be utilised for purchase of Indian goods in this country.

There are thus indications of a marked expansion in India's foreign trade with East Europe and the Soviet Union in the coming years. The Minister for Commerce and Industry has also taken a hopeful view of the problem. According to him, the implementation of the second Plan will result in the expansion of India's foreign trade to the extent of 30 to 40 per cent. In other words, India's exports, which now stand at Rs. 600 crores per annum, must improve to about Rs. 800 to Rs. 850 crores before 1961. This target might not be impossible of achievement if India were to take certain constructive measures. The Government has already proposed to set up a State Trading Corporation, with a view to conducting the trade with countries like the Soviet Union where the Government is the sole importer and also to trade in certain commodities which may be strategic to the economy of the nation. These may include iron and steel, soda ash, caustic soda, raw silk, gypsum, rock salt, cement and tobacco.

Greater flow of export trade from India would be possible, provided India were to step up the production of such articles as are in keen demand in the Soviet Union and East Europe. Further, the prices for these commodities and manufactured goods should be competitive, so that the importing countries might be able to buy sufficiently large quantities of goods. This means that India should keep in check the inflationary conditions which have already come into being. The Minister for Commerce and Industry has assured the country that he would be taking steps not to divert the trade from the existing channels, but to create new channels by increased production. In other words, his Ministry will soon be taking suitable measures for encouraging production of export articles.—*All Rights Reserved.*

N.I.D.C. TO EXECUTE NEW INDUSTRIAL PROJECTS

A number of industrial projects submitted by the National Industrial Development Corporation to the Government of India for approval have been accepted. These schemes include: (1) steel foundries, forges and fabrication of steel structurals, (2) intermediates for dyestuffs, (3) wood-pulp, (4) carmachinery, (7) air compressors and fractional bon black, (5) sulphur from pyrites, (6) printing horse-power motors, and (8) refractories. Detailed investigations regarding these projects are now in progress in collaboration, where necessary, with foreign firms and experts. Besides these, the Corporation has submitted other schemes to Government for approval as reported in this journal last week.

The N.I.D.C., we are told by a Press note issued by the Government, may itself execute the projects or may establish a subsidiary for the purpose, in which case all the shares of the subsidiary would be owned by the Corporation. The execution of the project may be taken up also in varying degrees of collaboration with private enterprise. In other words, the methods adopted by the Corporation for the execution of its project will depend upon the circumstances of each case.

The Corporation is an agency of the Government for securing a balanced and integral development of industries in both the private and public sectors, the primary object being the setting up of new industries to fill gaps in the industrial structure so as to achieve better co-ordination of progress in different fields. The Corporation will, subject to the previous approval of the Government, plan and formulate projects for setting up new industries or developing new lines of production. It will itself take up the study and investigation of industrial schemes, and while implementing them will try to ensure the maximum use of industrial equipment, experience, and skill available in the country. The industries which it develops would, in their turn, encourage the growth of ancillary industries. In order to carry out its functions, the Corporation will try to build up a corps of competent technical and managerial staff. It will undertake financing only in so far as it is incidental to the development of a particular project.

ECONOMIC TRENDS IN U.S.

BOOM CONTINUES—OUTLOOK OPTIMISTIC

DESCRIBING the latest economic trends in the U.S., the April issue of the *Monthly Bank Letter* of the First National City Bank of New York observes as follows:

"The business reports during March have been impressively strong. Rising prices in stocks and commodities, heavy demand for money, and pressure on the bond markets, together with indications from well-regarded surveys that business spending will expand further and that consumers are confident, all reflect heightened optimism and extension of the boom. Industrial activity and employment, in the aggregate and with allowance for seasonal fluctuations, hold about the same as in other recent months, for automobile output is curtailed and there are other instances of moderate slackening to offset moderate advances. With the spring selling season here, automobile operations are expected to hold steady during the next two or three months. In home building, the other main soft spot, evidence is accumulating that the decline has largely spent itself and that the trend is now sideways or slightly rising.

"Industrial activity has been nearly stable, at record or near-record levels, during the past six months. In that period, some industries, including steel and many kinds of heavy goods, have lifted output further. Their orders have run steadily ahead of shipments and their unfilled orders have increased. In some other lines, including, in addition to automobiles, farm implements and synthetic textiles, the trend has been downward. Thus adjustments have been going forward, reflecting shifts of business and consumers' demand from one area to another.

"This is a healthy condition. After a long rise a point was reached where expansion could no longer be general, and where inventory accumulation or shifts of demand required adjustment. Business trends, therefore, are more diverse. The significant matter is that the adjustments are not falling concurrently, and that they are not causing any substantial slackening in overall levels of activity. Offsetting movements have dovetailed so smoothly that overall production is off less than 1 per cent. from its high and non-durable goods manufacturing is at a new record. The steel industry has made the shift from a consumers' goods boom to a producers' goods boom without a hitch. Its best customer, automobiles, which in 1955 took nearly one-fourth of finished steel shipments, cut weekly passenger car production 30 per cent. between mid-December and the end of February. Yet steel mills continued near-capacity operations and in March set a new weekly output record.

Upswing in Capital Spending

"Business men plan to spend nearly $35 billion on new plant and equipment this year, topping their record 1955 outlays by a startling 22 per cent. These figures were gathered in January and early February by the Department of Commerce and the Securities and Exchange Commission, and reflect a marked expansion in programmes since last fall. A McGraw-Hill survey, taken a few weeks after the President's heart attack, showed business at that time planning to boost investment 13 per cent. during 1956.

"Impressive as an upswing of 22 per cent. sounds, it actually does not involve much further gain in the capital goods industries beyond that already experienced. In the first quarter of 1956, business men estimated that their capital outlays, at an annual rate of $53.2 billion, were 16 per cent. above the 1955 average. In the second quarter, they anticipate a $35.2 billion rate of spending, 23 per cent. above 1955. In the latter half of this year, new plant and equipment expenditures would have to rise less than 1 per cent. over the second quarter rate to bring the 1956 total to the projected $35 billion. In fact, much of the initial impact of second half investment spending has already been absorbed by the economy. Large orders for heavy equipment have been placed, contracts for industrial and commercial construction have been signed, and in turn equipment manufacturers and contractors have placed orders with their suppliers.

"Past experience tells us, however, that these preliminary capital spending plans are almost invariably underestimated. Since the latest

(*Continued on page 695*)

COMPANY LAW ADVISORY COMMISSION

ITS MAIN FUNCTIONS OUTLINED

By K. R. P. Aiyangar

JOINT SECRETARY, DEPARTMENT OF COMPANY LAW ADMINISTRATION

THE extensive powers and the wide discretion allowed by the Companies Act, 1956, to Government for according approval on matters relating to or regulating the affairs of companies cannot be exercised arbitrarily. For this purpose, the Act provides that, in a large number of cases referred to in section 411, the Central Government should act on the advice of a Commission constituted in terms of section 410.

The Commission under the new Act will consist of not more than five persons with suitable qualifications, one of whom will be appointed the Chairman. The provision in the new Act in this regard is similar to that in section 289B of the Indian Companies Act, 1913. A study in retrospect of the working of the Commission set up under the old Act would give the best indication to the public of the role of such a statutory body in regard to the administration of the Company Law.

The first Commission under the old Act was set up in 1951 when Parliament conferred extensive powers on the Central Government in terms of the Indian Companies (Amendment) Act, 1951, to curb the growing malpractices in the management of companies. The 1951 Act added important provisions to the Company Law providing for securing prior Government approval to changes in the constitution of the board of directors and/or managing agency, in their terms of remuneration and in regard to their appointment or extension of the existing terms. These provisions in the Act were intended to enable Government to exercise an effective check over the anti-social activities of a small number of people who, somehow or other, had succeeded in acquiring a majority holding and controlling interest in the shares of companies and whose object in securing control over management often proved to be more an attempt to further their own interests than the real well-being of the managed company.

Need for the Commission

When these provisions were introduced in the Statute, the administration of the Company Law still suffered from the shortcoming that it was being handled by the States as an agency function and a proper central machinery to guide the administration was lacking. It was realised, as has been done even in the U.K., that it was not possible for the civil services to rely on their own resources and judgment in dealing with all matters that might come up for the exercise of official discretion and for taking decisions in connection with a complicated law which called for a thorough knowledge of and insight into the practice and procedure of business management. It was for this reason that the important function of advising Government on all these matters was vested in a statutory body like the Advisory Commission.

The first Commission was headed by Mr. C. H. Bhabha, who was at that time Chairman of the Committee enquiring into the revision and consolidation of the companies law. The other members of the Commission were Mr. D. L. Mazumdar, the then Secretary of the Company Law Committee, who later became the Commissioner of the Company Law Investment Administration and now the Secretary of the Ministry of Finance in the Department of Company Law Administration, and Mr. N. Sundaresan, a Deputy Governor of the Reserve Bank. The Commission, as constituted, was intended to fill in the deficiencies in the administrative experience of the regular Government machinery in administrative charge of companies and their advice enabled the functions assumed by the Central Government to be discharged in a just and equitable manner without in any way retarding initiative. The annual review by Government of the working of the Companies Law (Amendment) Act, 1951, is in fact a record of the work and achievement of this Commission.

With effect from 21st February 1956, the old Commission headed by Mr. Bhabha having resigned, Government have set up a new Commission under the chairmanship of Mr. Tennati Viswanatham, with Mr. J. D. Choksi and Mr. G. D. Ambekar as members and Mr. B. N. Chaturvedi and Mr. C. S. Shastri as advisers. From 1st of April, when the new Act comes into force, the reconstituted Commission under the chairmanship of Mr. Viswanatham will consist of all the above as members.

Commission's Duties

The Commission has the duty to advise the Central Government on various matters. Before a notification is issued by the Central Government under section 324 to the effect that companies engaged in a specified class of industry or business shall not have managing agents and on the question of the necessity and advisability of issuing the notification, the Commission will be consulted. Consultation is also obligatory in dealing with applications received by the Central Government from a public company or a private company which is a subsidiary of a public company regarding:—

(i) increase in the number of its directors beyond the maximum provided for under its articles,

(ii) amendment of provisions whether contained in the memorandum or articles or in any agreement or in any resolution passed by the company in its general meeting or by its board of directors relating to appointment or reappointment of a managing or whole-time director or of a director not liable to retire by rotation,

(iii) appointment of managing or whole-time director,

(iv) increase in the remuneration of a director (including a managing or whole-time director) or manager.

Consultation is necessary in the case of all companies for:—

(v) increase in remuneration or reappointment or first appointment of a managing director or whole-time director,

(vi) appointment of managing agents or secretaries and treasurers,

(vii) reappointment of managing agents or secretaries and treasurers for a fresh term when the existing term has two years or more to run,

(viii) variation of agreement with the managing agents or secretaries and treasurers,

(ix) determination of the companies of which a person shall be managing agent on his failure to comply with the provisions relating to the limitation of the maximum number of companies of which he could hold office as managing agent,

(x) transfer of office by managing agents or secretaries and treasurers,

(xi) succession to managing agency or office of secretaries and treasurers by inheritance or device,

(xii) changes in the constitution of a managing agency firm or corporation, or of secretaries and treasurers,

(xiii) payment of additional remuneration which may be paid to the managing agents or secretaries and treasurers, in excess of the limits specified in sections 198, 348 and 348 read with 381,

(xiv) appointment of directors by Government to prevent the affairs of a company being conducted either in a manner which is oppressive to any member of the company or in a manner which is prejudicial to the interests of the company, and

(xv) issue of order by the Central Government directing that no change in the board of directors of a public company or a private company which is a subsidiary of a public company shall have effect unless confirmed by the Central Government.

Any other matters may also, at the discretion of the Central Government, be referred to the Commission for advice.

Issue of Notice

The application for consent of the Central Government in regard to the matters mentioned above should be made in forms prescribed for the purpose in the Central Government's General Rules and Forms, 1956, which incorporate the forms that had been brought into vogue by the old Commission. Before an application is made to the Central Government, it is incumbent on the company to issue a general notice to its members giving particulars of the application made. It should also publish a notice on the same subject in a newspaper in English and in the principal language of the district in which the registered office of the company is situated. A copy of this notice is also required to be attached to the application to Government. In regard to applications relating to changes in the constitution of managing agents or secretaries and treasurers, the notice has to be published on behalf of both the managed company as well as the managing agents. Applications to Government should be accompanied by the following documents:

(i) seven copies of the articles of association of the company (of both the managed and managing agency/secretaries and treasurers companies if the company is managed by managing agents/secretaries and treasurers);

(ii) seven copies of the directors' reports and audited accounts for the last three years of the company (of both the managed and managing agency/secretaries and treasurers companies if the company is managed by managing agents/secretaries and treasurers);

(iii) seven copies of the agreement with the managing agents/secretaries and treasurers/managing directors;

(iv) seven copies of the partnership agreement of the managing agency/secretaries and treasurers firm if the managing agents/secretaries and treasurers, is a firm;

(v) statements showing the composition of the board of directors and shareholdings of individual directors in the company (where the company is managed by managing agents/secretaries and treasurers, shareholdings of partners/directors of managing agency/secretaries and treasurers, and of the managing agency/secretaries and treasurers, itself in the managed company should be indicated);

(vi) a copy of the resolution of the board of directors/general body of the company in respect of the company's proposal to which Government's approval is sought.

In view of the new overall ceiling fixed on managerial remuneration under section 198 of the Act, the Commission will now have to be informed by all applicants of the financial effect of the application of this ceiling to the subject covered by the application. Extensive powers have been conferred on the Advisory Commission in regard to the discharge of these duties. They may require the production of any books or documents in the possession, custody or control of the company relating to any matter under enquiry and call for any further information or explanation if they are of the opinion that such information or explanation is necessary for dealing with the particular matter to which the application relates. The Commission have also the power to inspect any books or documents of the companies, require any managing director or director, or manager or secretaries and treasurers or an officer of the company or any shareholder or any other person who is likely to furnish the requisite information regarding the affairs of the company and relating to any matter under enquiry to appear before them. It may examine any such person on oath or require him to furnish such information as may be needed. Refusal to carry out the directions of the Commission would constitute contempt for which a penalty of upto two years' imprisonment has been prescribed.

Traditions Built Up

The outgoing Commission have held, during their tenure of under five years, 42 meetings, and dealt with nearly 2,500 applications. The majority of cases dealt with related to appointment of managing directors, etc., and changes in constitution. In the course of their work, they had evolved a number of working principles which were duly made known to the business world. The importance of these principles was recognised when many of them were also embodied in the provisions in the new Act. Thus, in the case of a director of a managed company more than one managing director has not ordinarily been approved and the remuneration of directors-in-charge, including technical directors, have been sanctioned after considering the nature of the duties required to be performed. Tenure of appointment also has not been accepted for more than five years. In the case of companies managed by managing agents, the tenure of ten years had been consistently enforced and the scale of remuneration limited to 10 per cent. of net profits, only out-of-pocket expenses being allowed in lieu of office allowances. Various restrictions were also set on perquisites sought to be included in the agency agreements. Powers of the managing agents were also curtailed, so as to establish the power of the board to control and guide the working of managing agents and to limit the sphere of financial operation by them. In regard to the last matter, exhaustive enquiries regarding the financial resources of the companies, their past earnings, their capital resources, their turnover and the nature and duties of the various managerial staff were scrutinised before fixing either the scale of remuneration or the exercise of limits on financial powers such as making calls on shareholders, investment of funds, borrowing powers, engagement of persons related to the director or the managing agent.

While the extent to which the advice of the old Commission has been embodied in the provisions of the new Act is a measure of their valuable role in assisting the Government, the tradition they have set in this regard would constitute a guarantee that the request of company managements for Government consent on various matters as required by the law would always receive prompt and judicial consideration.

UNITED COMMERCIAL BANK'S PROFIT AT RECORD LEVEL

SHARP RISE IN TURNOVER—DIVIDEND RAISED

THE year ended 31st December 1955 has turned out to be a favourable one for banks in India. This is only as it should be in the context of the good progress made in the country's economy, what with the commendable expansion in industrial production, the increase in agricultural production and the favourable trend in foreign trade and balance of payments position. The increased prosperity of the country has been shared by almost all commercial banks in India, resulting in an expansion in their own business and earnings. Quite a few of these banks, as readers of these columns are well aware, have been able to earn record profit and to raise their dividends. The United Commercial Bank Ltd. (General Manager: Mr. S. T. Sadasivan, Calcutta) is one of them.

The upward trend in the Bank's business continued during the year under review, as witness the rise of Rs. 19.52 crores in the balance-sheet total as at the close of the year. This increase compares very favourably with the aggregate increase of Rs. 16.96 crores in 1953 and 1954. On the liabilities side of the balance-sheet, deposits have increased by Rs. 7.27 crores to establish a fresh record level of Rs. 47.69 crores, while, on the assets side, advances (including bills purchased and discounted and money at call and short notice) have gone up by nearly Rs. 3 crores to Rs. 27.81 crores which is also a new high level in the history of the Bank. Further indicators of the growth of the Bank's business are provided by the increase of Rs. 1.10 crores in bills for collection and of Rs. 10.14 crores in acceptances and endorsements.

In consonance with this improvement in business, the gross income of the Bank has increased by over Rs. 26 lakhs to Rs. 2.44 crores, but much of this rise in earnings has been wiped out by the increase in expenses and interest paid on deposits, so that the profit is up by only Rs. 5.63 lakhs at Rs. 36.69 lakhs. It is, however, gratifying to note that the profit for 1955 is a record one, exceeding by a fraction the previous highest of Rs. 36.48 lakhs touched in 1948. This is the second year in succession for which the Bank's profit has recorded a notable rise, the aggregate increase for the past two years being Rs. 13.68 lakhs, that is from Rs. 23.01 lakhs in 1953 to Rs. 36.69 lakhs. Consequent on the improved results, the provision for taxation has been raised from Rs. 12.50 lakhs to Rs. 14 lakhs and the addition to the reserve fund from Rs. 6.50 lakhs to Rs. 8.50 lakhs. The bonus to staff has also been increased from Rs. 2.50 lakhs to Rs. 4 lakhs and the dividend has been stepped up slightly to 5½ per cent. from 5 per cent., to which level it had been raised from 4 per cent. paid successively for four years from 1950 to 1953.

The progress in the working of the Bank during the past three years is well illustrated by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount earned	163.90	142.42	127.42	107.04
Commission and exchange	78.53	74.17	59.46	60.49
Interest paid	86.20	76.48	63.33	48.99
Expenses	113.65	103.33	95.43	90.00
Depreciation and repairs	7.07	6.44	6.27	5.24
Profit	36.69	31.06	23.01	24.80
Provision for taxation	14.00	12.50	9.50	10.00
To reserve fund	8.50	6.50	5.00	7.50
bonus to staff	4.00	2.50		
Dividend	11.00	10.00	8.00	8.00
	(5½%)	(5%)	(4%)	(4%)
Carry forward	0.28	1.09	1.52	1.01

	As on 31st December			
	1955	1954	1953	1952
Capital	200.00	200.00	200.00	200.00
Reserves	95.00	86.50	80.00	75.00
Deposits	4,760.24	4,042.18	3,772.48	3,087.73
Borrowings from other banks	425.56	392.30	333.13	95.25
Bills for collection (*contra* item)	327.24	417.26	424.18	275.03
Acceptances (*contra* item)	1,903.53	889.44	775.43	560.89
Advances (including bills purchased and discounted and money at call)	2,781.19	2,484.50	2,100.26	1,426.62
Investments	2,216.73	1,715.73	1,788.38	1,481.49
Cash	599.16	537.72	555.43	653.67
Balance-sheet total	8,163.74	6,216.20	5,791.52	4,520.27
Ratio to deposits of—	%	%	%	%
Advances	58.3	61.4	55.0	46.2
Investments†	37.6	33.6	38.5	45.9
Cash	12.8	14.5	14.7	21.2

† Ratio arrived at after taking into account securities earmarked against borrowings from other banks.

The continuance of the rising trend in income from "interest and discount" is the result of a substantial increase in advances and bills purchased and discounted. The rise in income from "commission and exchange" for 1955 is less marked than that in 1954. The upward curve of expenditure is no less steep, with a rise of Rs. 9.81 lakhs in interest paid on deposits and borrowings and of Rs. 10.32 lakhs in establishment expenses. The sharp rise in "interest paid" is not surprising in view of the substantial expansion in the Bank's deposits—particularly fixed deposits, as will be shown below—and borrowings and the higher rates of interest on them.

The Bank's reserves have been considerably strengthened and, during the last four years alone, there has been an addition of Rs. 27.5 lakhs. Of the rise of Rs. 7.27 crores in deposits during 1955, fixed deposits alone account for Rs. 4.37 crores (at Rs. 19.54 crores), current and contingency accounts for Rs. 2.18 crores (at Rs. 23.64 crores) and savings bank deposits for Rs. 0.73 crore (at Rs. 4.51 crores). The rise in deposits, and particularly that in fixed deposits, is a feature common to all Scheduled banks and is attributed to "higher production and an expanding economy which are the results of successful implementation of the first Five-year Plan." It will be interesting to note, in this connection, that, during the last three years alone, the Bank's fixed deposits have more than doubled from Rs. 9.75 crores at the end of 1952 to Rs. 19.54 crores, whereas the increase in current accounts, etc., is of the order of only Rs. 5.49 crores to Rs. 23.64 crores and that in savings bank is Rs. 1.53 crores to Rs. 4.51 crores.

On the assets side, advances have maintained the upward trend for the third year in succession, the aggregate increase for the three years being Rs. 13.54 crores. Of the advances at the close of 1955, loans, cash credits and overdrafts account for Rs. 17.85 crores, an increase of Rs. 1.78 crores over the year, bills discounted and purchased for Rs. 9.74 crores, as against Rs. 8.57 crores at the end of 1954, and money at call and short notice for Rs. 22 lakhs, as against Rs. 20 lakhs. Investments are higher by Rs. 5.01 crores, of which Government and trustee securities account for Rs. 4.95 crores. This means that the bulk of the increase in deposits has gone to strengthen the holdings of Government securities. During the year, the Bank received compensation for its holding of Imperial Bank shares in the form of Government securities. The Bank also made a fresh investment of Rs. 23.93 lakhs in the shares of the Industrial Credit and Investment Corporation of India Ltd., incorporated early in 1954. The Bank's investments are shown, as usual, at below market value. The Bank's foreign exchange business has considerably improved during the year, as witness the rise of Rs. 10.14 crores in acceptances and endorsements.

(*Concluded from next column*)

favourably with that of Rs. 1.60 crores in both 1953 and 1954 put together. As in the case of most other banks, fixed deposits account for a sizable part of the expansion in deposits, having gone up from Rs. 3.32 crores to Rs. 5.16 crores. Savings bank deposits have risen from Rs. 1.93 crores to Rs. 2.18 crores and current and other accounts from Rs. 3.66 crores to Rs. 4.61 crores. On the assets side, the expansion in advances also is larger than that either in 1954 or in 1953. Loans, cash credits and overdrafts have gone up from from Rs. 2.68 crores to Rs. 3.51 crores, bills purchased and discounted from Rs. 1.64 crores to Rs. 2.57 crores and money at call and short notice from Rs. 47.72 lakhs to Rs. 50 lakhs. There has been a notable rise in foreign bills, as witness the increase of Rs. 1.36 crores in acceptances and endorsements. The liquid assets also stand strengthened and, despite the fall, the liquidity ratio is still at a very comfortable level.

The Bank will be celebrating its Golden Jubilee during the current year and it is good to hear that the Directors propose to sponsor some schemes of permanent value for the benefit of the Bank's employees and low-income group to mark the occasion. This solicitude for the welfare of the employees is highly commendable and will bring rich rewards in the long run. Since the progress and efficient working of a banking institution depends largely on the contentment of its employees, the money spent on the welfare of the staff will represent a good investment.

CANARA BANK'S PROFIT RISES FURTHER

GOOD PROGRESS ALL ROUND

GRATIFYING results are disclosed by the audited accounts of the Canara Bank Ltd. (General Manager: Mr. P. S. Nayak, Mangalore) for the year ended 31st December 1955. In consonance with the general trend of bank earnings for the past year, the Bank's profit has staged a further modest rise from Rs. 9.20 lakhs to Rs. 10.01 lakhs to establish a fresh record in the history of the Bank. What is more heartening is the fact that the Bank has been maintaining an upward trend in its profit since 1940, except for a break in 1949. The improvement in earnings for the year under review is the result of a substantial expansion in the Bank's turnover, a trend fully in consonance with the general trend.

The gross income of the Bank has gone up by Rs. 8.88 lakhs to Rs. 55.07 lakhs, a sizable part of this rise being accounted for by the income from interest and discount, which is up by Rs. 6.25 lakhs. Commission and exchange earned have also risen by Rs. 2.45 lakhs. These increases in income have been wiped out substantially by a rise of Rs. 8 lakhs in outgo by way of interest paid (which alone accounts for Rs. 4.75 lakhs)† and administrative expenses (Rs. 3.25 lakhs).

It is noteworthy that the bulk of the increase in profit mentioned at the outset has been utilised to strengthen the reserves. At the same time, the dividend level also has been enhanced and the bonus to staff stepped up. Thus, the allocation to the reserve fund has been raised to Rs. 3 lakhs from Rs. 2.50 lakhs transferred in each of the previous two years. It may, however, be noted that, in the previous two years, the published reserves had also been strengthened by the transfer of Rs. 4.50 lakhs (Rs. 2.50 lakhs in 1954 and Rs. 2 lakhs in 1953) from the inner reserves, but no such transfer has been made this year. This is evidently due to the fact that, with the transfer from the year's profit, as just mentioned, the published reserves have been brought to the level of the paid-up capital. The dividend has been stepped up to 10 per cent. from 9 per cent. paid for the previous 14 years in succession. As a matter of additional information it may be mentioned here that, for the years from 1941 to 1947, the distribution had consisted of a dividend of 8 per cent. and a bonus of 1 per cent.; it was consolidated into a dividend of 9 per cent. for 1948.

The following table clearly brings out the progress of the Bank during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount earned	86.34	80.09	28.17	24.39
Commission and exchange	15.02	13.47	9.19	8.25
Interest paid	17.67	12.92	10.10	8.86
Expenses	28.46	23.21	20.30	17.73
Depreciation	0.83	0.87	0.77	0.66
Profit	10.01	9.20	8.67	7.54
Provision for taxation	3.75	3.75	3.40	3.10
To reserves	3.00	2.50	2.50	2.06
bonus to staff	1.25	1.01	0.85	0.75
Dividends—				
6per cent. preference	0.52	0.52	0.52	0.52
Ordinary	1.50	1.35	1.35	1.35
	(10%)	(9%)	(9%)	(9%)
Carry forward	0.19	0.21	0.14	0.09

	As on 31st December			
	1955	1954	1953	1952
Capital	29.00	29.00	29.00	29.00
Reserves	29.00	26.00	21.00	10.50
Deposits	1,195.57	891.80	789.81	731.85
Acceptances	252.08	115.81	41.42	19.68
Advances (including bills purchased and discounted and money at call)	658.66	479.85	414.53	334.94
Investments	388.64	333.32	210.93	197.46
Cash	233.17	186.43	184.78	271.22
Balance-sheet total	1,765.73	1,285.17	1,045.63	919.31
Ratio to deposits of—	%	%	%	%
Advances	56.1	53.8	52.5	45.8
Investments	32.5	37.4	33.0	27.0
Cash	19.5	20.9	23.4	37.1

It will be observed from the above table that the rise in "interest and discount" during the year under review is much sharper than that in the previous year, while the pace of increase in "commission and exchange" has slackened.

The Bank's balance-sheet as at the end of the year under review shows that the expansion in business during the year was much larger than in the previous years. The balance-sheet total, for instance, has risen by over Rs. 5 crores, as against the aggregate increase of Rs. 3.46 crores in the previous two years. The increase of Rs. 3.04 crores in deposits compares

(*Continued in previous column*)

PROFIT OF MERCANTILE BANK UP

DIVIDEND MAINTAINED ON HIGHER CAPITAL

THE expansion in the business of the Mercantile Bank of India Ltd. (Chief Manager: Mr. R. N. Drake, London), noted during the year 1954, was well maintained in 1955 also, albeit at a somewhat slower pace. Thus, the Bank's balance-sheet total as at the close of the year shows an increase of £3.47 million over the year. This compares with £5.04 million noted at the close of 1954. Deposits have expanded by £3.76 million, which compares with a rise of £3.84 million in the previous year. On the assets side, loans and advances have gone up by £2.30 million and investments by £4.69 million. The profit for the year has grown by £41,099, in refreshing contrast to the negligible decline noted in the previous year.

The net profit (after providing for taxation and making allocations to contingency accounts, out of which full provision has been made for bad and doubtful debts and any other diminution in the value of assets) amounts to £235,423, as compared with £194,324 for the previous year. With the sum of £200,284 brought in from 1954, the amount available for appropriation is £435,707, as against £395,304 a year ago. The Directors have, however, maintained the allocation to the officers' pension fund at £13,000. The amount utilised to write off freehold banking premises and property is also unchanged at £35,000, to which level it had been reduced from £50,000 last year. The additional provision for contingencies has been maintained at £50,000. The dividend has been maintained at 14 per cent. per annum, less income-tax, but the amount required for distribution of this dividend takes up a larger sum at £118,335, as against £97,020 for 1954. This is due to two reasons: (1) the dividend is on a capital which was increased in September 1954 by the capitalisation of a part of the reserves, and (2) the incidence of tax has been reduced from 9*s.* to 8*s.* 6*d.* in the £.

It will be recalled that the first interim dividend for 1954 was on the old capital, while the final one was on the increased capital.

The undistributed surplus left to be carried forward is £219,372, as compared with £200,284 brought in.

The progress of the Bank during the past three years is fully indicated by the following comparative table:

(In thousands of £'s sterling)

	As on 31st December			
	1955	1954	1953	1952
Liabilities (Main)				
Capital	1,470	1,470	1,050	1,050
Reserves	1,750	1,750	1,500	1,500
Unappropriated surplus	219	200	201	200
Notes in circulation	259	273	279	278
Deposits and other accounts	66,984	63,219	59,382	68,510
Bills payable	1,085	1,137	927	1,729
Acceptances (*contra* item)	195	445	211	299
Assets (Main)				
Cash	10,043	14,013	13,696	15,208
Investments	20,877	16,180	13,804	20,651
Securities against note issue	371	371	371	371
Bills receivable	16,500	15,315	14,670	14,580
Loans and advances	25,862	21,063	20,206	21,846
Fixed assets	652	652	620	644
Balance-sheet total	72,065	68,594	63,684	73,655

There has been no change in the capital of the Bank after its reconstruction in September 1954, when a part of the reserves was also capitalised. The reserve fund is unchanged at £1.75 million, following the capitalisation of £420,000 and the transfer of £670,000 from the inner reserves to the reserve fund in 1954. The deposits and other accounts, which include provision for taxation, provision for doubtful debts and reserves for contingencies, have risen for the second year in succession, but, despite the aggregate increase of £7.60 million during the past two years, the decline suffered in 1953 has not yet been fully made good. Thus, the deposits as at the close of 1955 still fall short of those at the end of 1952 by £1.53 million. Bills payable and acceptances have suffered a recession.

Loans and advances, which had gone up by £0.86 million in 1954, have further risen by £2.30 million in the year under review to stand at the highest level since 1951. Bills receivable also have increased by £0.70 million. As in the previous year, the most notable change on the assets side is the rise of £4.70 million in investments (other than the British Government securities deposited as security against note issue). Of these investments, Government securities quoted in Great Britain account for an expansion of £5.02 million. The quoted investments are shown at or under market value, while the unquoted ones are shown at or under cost. There has been a considerable decline in the value of the Bank's holding of Government securities, for which full provision has been made. Of the investments quoted in Great Britain, 77 per cent. are due to mature within the next five years, while the remainder mature on fixed dates beyond that period. Similarly, 50 per cent. of the securities quoted on overseas stock exchanges mature within the next five years. Another notable change among the assets is the sharp fall of nearly £4 million in cash balances to the lowest level since 1947. This reflects the intensive utilisation of the resources during the year. Since the fall in cash has been offset by the rise in investments, the ratio of liquid assets to deposit liabilities has not been adversely affected.

(*Concluded from next column*)

depreciation in the market value of the investments in securities.

It will be noted that there has been a marked rise in earnings from the main sources of commercial banks' income, the increase being very much greater than that in any of the previous years. This is not surprising in the context of the sharp rise in advances and bills business, both inland and foreign. As in the case of most of the banks, the expansion in revenue has been offset to a considerable extent by the rise of Rs. 4.85 lakhs in "interest paid" and of Rs. 7.81 lakhs in expenses, the share of emoluments to the staff alone accounting for Rs. 5.18 lakhs.

It is gratifying to note that, as a result of the Bank's steady progress in recent years, the reserves have been considerably strengthened, nearly 50 per cent. of the reserves having been accumulated during the last four years alone. (The Bank is 18 years old.) Of the increase of Rs. 3.13 crores in the Bank's deposits during 1955, fixed deposits account for Rs. 1.28 crores (at Rs. 4.99 crores), savings bank deposits for Rs. 0.38 lakh (at Rs. 2.23 crores) and current and other accounts for Rs. 1.47 crores (at Rs. 7.20 crores). Notwithstanding the expansion in these resources, the Bank's borrowings from other banks at the end of the year show a sizable rise. It will also be noted that the increase in advances has been greater than that in deposits and this has pushed up the ratio of advances to deposits from 48.9 per cent. to 62.8 per cent. Another interesting feature of the Bank's advances is that the bulk of them comprise bills discounted and purchased, amounting to Rs. 5.83 crores (as against Rs. 2.78 crores at the end of 1954), while loans, cash credits and overdrafts aggregate only Rs. 3.22 crores, as against Rs. 2.70 crores a year ago. Thus, the increase in advances is mostly accounted for by the bills discounted and purchased. Of these bills, those payable outside India amount to Rs. 3.87 crores, as against Rs. 2.08 crores. Likewise, of the bills for collection, those payable outside India aggregate Rs. 2.46 crores, having gone up from Rs. 1.91 crores. All these data bear out the substantial expansion in the Bank's foreign exchange business.

INDIAN OVERSEAS BANK RAISES DIVIDEND

PROFIT AT A RECORD LEVEL

THE decision of the Directors of the Indian Overseas Bank Ltd. (General Manager: Mr. C. P. Doraikannu, Madras) to step up the dividend for the year ended 31st December 1955 to 7½ per cent. after having maintained it at 6 per cent. for four years in succession, that is, from 1951 to 1954, is not only in consonance with the all-round improvement in the working of the Bank during the past year but also in conformity with the general pattern of bank dividends for the year. The profit for the year under review amounts to a record high of Rs. 16.56 lakhs, an increase of Rs. 3.21 lakhs over that for 1954, thus maintaining the upward trend since 1949. What is, however, noteworthy in this trend is that the rise in 1955 has been much sharper than in previous years.

The other striking features of the Bank's accounts for the year under review are: (1) deposits have expanded by Rs. 3.13 crores; (2) there has been an increase of Rs. 3.53 crores in advances; (3) borrowings from other banks have gone up by Rs. 88 lakhs; (4) investments have been strengthened by Rs. 75 lakhs; (5) acceptances and endorsements show a rise of Rs. 2.27 crores, and (6) the cash coverage is at a much higher level than the average for all Scheduled banks.

The following comparative table provides an idea of the Bank's progress during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount earned	45.91	38.64	37.31	36.83
Commission and exchange	38.80	30.38	29.82	29.31
Interest paid	21.81	16.06	16.59	15.33
Expenses	44.47	36.06	35.41	36.40
Depreciation and repairs	2.01	2.12	1.94	1.79
Profit*	16.56	13.35	13.25	12.87
Provision for taxation	7.50	7.00	6.45	6.75
To reserve fund	4.00	3.50	3.50	3.50
bonus to staff	1.25	..	..	..
Dividend	3.68	2.94	2.94	2.52
	(7½%)	(6%)	(6%)	(6%)
Carry forward	2.28	2.16	2.25	1.90

	As on 31st December			
	1955	1954	1953	1952
Capital	49.20	49.20	49.05	48.98
Reserves	30.00	26.00	22.50	19.00
Deposits	1,442.00	1,128.91	996.74	993.32
Borrowings from other banks	90.18	2.31	6.19	0.18
Bills for collection	283.42	219.46	227.71	198.68
Acceptances	581.32	353.75	253.71	259.71
Advances (including bills purchased and discounted and money at call)	905.14	552.14	559.66	568.77
Investments	484.07	408.99	309.24	274.12
Cash	278.17	285.41	243.45	236.96
Balance-sheet total	2,572.80	1,847.59	1,618.58	1 520.96
Ratio to deposits of—	%	%	%	%
Advances	62.8	48.9	56.1	57.3
Investments	27.8†	36.2	31.0	27.6†
Cash	19.3	25.1‡	23.8‡	23.8

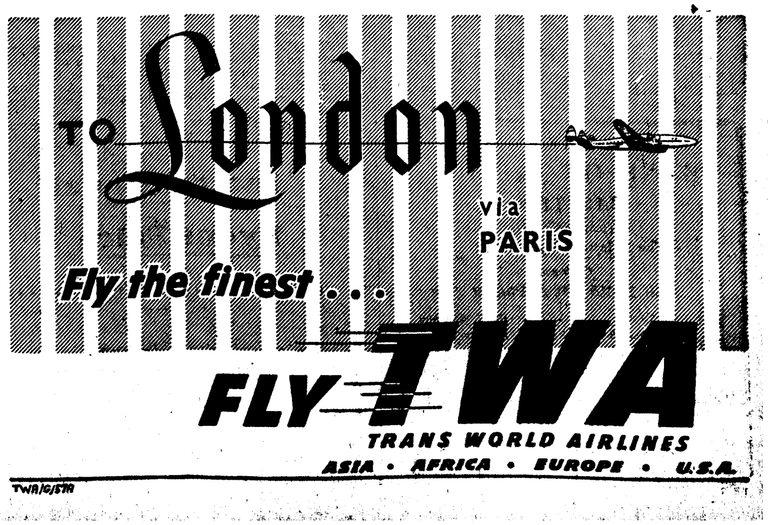
* After providing for depreciation on investments.

† After taking into account the investments earmarked against borrowings from other banks.

‡ After taking into account the cash balances with other banks outside India earmarked against borrowings from other banks.

As in the previous years, the Bank's profit has been arrived at after providing in full for

(*Continued in previous column*)



RATIONALISATION OF COTTON MILL INDUSTRY

ITS URGENCY AND IMPORTANCE STRESSED

ALL those who oppose rationalisation of the cotton mill industry will do well to ponder the statement made by Mr. V. Nanjappa, Textile Commissioner to the Government of India, while presiding over the Thirteenth All-India Textile Conference held at Indore last week. It was necessary, Mr. Nanjappa declared, to install modern machinery in the textile industry in the interests of building up a prosperous export trade and of making available to the domestic consumer good quality cloth at attractively low prices. If, however, the industry were to use the antediluvian machinery at a time when its rivals produced cloth from the most modern equipment, the advantages which the industry now enjoyed would, he warned, have no effect.

This warning is, indeed, most timely and wholesome. Never in the history of the cotton textile industry was the need for applying technological developments to production so urgent as it is now. The domestic consumption of cloth is growing at a rapid rate and, if this upward trend is to be sustained, it is of the utmost importance that the consumer should be supplied with quality cloth at an economic price. The prices of cloth currently prevailing are very high. In fact, it would be no exaggeration to say that, on account of high prices, the Indian consumer is wearing today less cloth than he did in pre-war years. On an average, every Indian is now consuming at the rate of 13-14 yards of cloth, as against 16 yards prior to the war. The need for rationalisation is no less imperative from the point of view of stimulating exports, what with the need for foreign exchange to implement the second Plan. This aspect was forcefully stressed by Mr. Nanjappa who said: "In the interests of earning immense amounts of foreign exchange, the industry should be enabled to maintain a high level of export. There are, however, two factors which make this task difficult. In the first place, world trade in textiles is shrinking, because many countries which formerly had no textile industry at all or were large-scale importers of textiles, such as Egypt, Pakistan and Thailand, have succeeded in establishing textile industries. Secondly, Japan has re-emerged as the world's leading textile exporter. It is true that India enjoys an advantage over some of its rivals in the shape of plentiful supply of raw cotton available at fairly cheap rates. This advantage will avail the country nothing, if the industry uses antediluvian machinery."

Productivity of Labour Low

These observations of Mr. Nanjappa are more than enough to underline the urgency of the situation. The writing on the wall is clear and it is time all discussions over the issue of rationalisation in the cotton mill industry were ended. Unless rationalisation is carried out speedily, there is absolutely no hope for the production cost to be reduced, much less for raising the quantity and the quality of textile goods. This is more so, because the productivity of labour is very low *vis-a-vis* that elsewhere, as will be seen from the figures cited below:

	No. of machines handled by one operative	
	Spindles	*Looms*
India	380	2*
U.K.	800	6*
Japan	1,600—2,000	30—40†
		14—15*
U.S.	1,500—2,100	60†

*Ordinary. †Automatic.

To the extent modern machines are introduced, the productivity of the worker will go up and cost of production will come down, provided labour does not seek to offset this advantage by putting forward unreasonable demands of increase in wages. What is more, rationalisation will considerably widen, and not restrict as some fear, the scope for employment. To quote a prominent millowner: "Even a modest rise of three yards in the *per capita* consumption would mean an increase in production, at the rate of 1,100 million yards per annum. Such a rise in output would inevitably widen the scope for employment. It is estimated that more than 90,000 men can be provided employment in the industry, if production is stepped up by 1,100 million yards. Thus, rationalisation holds the key to higher consumption, production and employment, besides bringing about a general improvement in the living standards of the community."

What better evidence do the opponents of rationalisation need of the beneficial aspects of this reform? No less a doughty champion of the cause of labour than Mr. V. V. Giri has urged the imperative need for rationalisation, as witness his following remark in one of his "Scindia Lectures in Industrial Relations":

"If rationalisation of industry means improvement in every possible respect—whether through better management policies, better production methods, better work lay-out, better trained workers, better machines or any other means—I have no doubt that, from the industry's point of view, rationalisation is not only desirable but indispensable. Industrialisation is largely a product of Western civilisation and, if we have to industrialise India rapidly, we have to take into consideration the experiences of the West and, if we intend to make good in that sphere, we have to profit by their experience and example."

Now that their own esteemed leader has given his verdict in favour of rationalisation, it is to be hoped that the workers' attitude to the question will be more constructive in future. The workers will do well to cast off their apprehensions and co-operate with the management of mills in their efforts to secure maximum efficiency for the industry.

HANDLOOM INDUSTRY

The All-India Handloom Board's recognition of the need for ensuring quality of handloom fabrics exported from the country has come none too soon. At its meeting held in Bombay on Saturday last, the Standing Committee of the Board appointed an expert committee, consisting of officials and non-officials to investigate and report on the possibilities of implementing a scheme of quality marking of handloom fabrics meant for export. As readers are aware, in spite of all the active encouragement and assistance given by the Governments—Central and State— the export trade in handloom goods has not only not improved but has actually suffered a setback. During the calendar year 1955, the shipment of handloom cloth aggregated not more than 55 million yards, as against 61 million yards in the previous year. Apart from the competition in world textile markets, deterioration in the quality of cloth is also reported to have been responsible for this decline. Viewed thus, it is, indeed, gratifying that the Committee has now thought it necessary to take various measures for stepping up of export of handloom fabrics.

The Handloom Board's Standing Committee also considered the report on the indebtedness of handloom weavers and recommended to the Central Government that one or two pilot schemes for giving relief to weavers of silk on handlooms might be approved. The introduction of such schemes would, it was felt, enable the Government to assess the efficacy of applying the schemes in a wider field in course of time, that is, after the data regarding the indebtedness of weavers in different parts of the country are collected. The Committee took three other decisions. First, the silk handloom fabrics should be eligible for a rebate on sales in the same way as *khadi* silk. Secondly, assistance must be admissible for the acquisition of land by weavers' co-operative societies for warping and sizing of yarn required by their members. Thirdly, the provision of working capital for handloom weavers must be increased from Rs. 200 to Rs. 300 per loom.

FACTUAL INSPECTION OF TEXTILE EXPORTS

The Cotton Textiles Fund Committee has evolved a scheme for the factual inspection of cotton textiles meant for export. The inspection will be done by the Committee's Inspectorate whenever the mills or the exporters desire to obtain inspection reports. Before such factual inspection takes place, the mills are required to carry out pre-inspection of all supplies of material, so as to eliminate any material which is not up to the required standard and to rectify such defects as loose threads, snarls and removable stains. The mills may flay all the major defects in accordance with the relevant instructions contained in Regulations, Part II, of the Committee's original scheme for inspection. The Inspector of the Committee shall give general inspection to the material tendered by the mills. For detailed inspection, he will select at random 20 per cent. of the total material for quality (presence of weaving and other flaws) and 5 per cent. for construction particulars. A higher percentage may, however, be inspected, if specifically desired by the party concerned.

For the purposes of identification only, all the pieces offered for inspection in the lot shall be stamped with a circular seal of the Committee on the face plait. In addition, the Inspector's seal shall be put on the pieces actually inspected. The report of the Inspector shall be for the entire quantity of the textiles offered and shall be made available to the applicant in standard form.

The main object underlying this factual inspection scheme is to enable the overseas buyer to know the nature of the goods he is purchasing from India. Incidentally, the scheme will induce the mills to produce quality goods for export.

RAYON INDUSTRY IN BELGIUM

In keeping with the world-wide expansion in rayon textile industry and trade, the production of rayon fibres in Belgium, one of the first countries to produce what was originally called artificial silk, has registered a distinct improvement. The annual rate of output now averages over 19,000 tons, which compares favourably with 6,000 tons in 1930 and 1,500 tons in 1910. Every year, Belgium produces, on an average, 7,300 tons of viscose rayon yarn, 1,000 tons of acetate rayon yarn, and 6,000 tons of rayon and fibre fabrics. There are in Belgium about 250 weavers of rayon and 450 knitting mills. The manufacture of rayon fabrics is very diversified; it comprises dress fabrics, linings of pure or mixed rayon, velvets and plushes, as well as numerous upholstery fabrics. The knitting mills produce a full range of knitted woven fabrics. They produce rayon stockings on cotton looms and also nylon stockings. Rayon fibre is also used by a large number of cotton spinners for purposes of pure or mixed spinning, the quantity actually used being more than 3,500 tons per annum. Rayon fibre is used, too, in the carpet and cover industries.

Belgium, it is claimed, is very well equipped for both finishing fabrics and ready-made articles. The country exports viscose rayon not only in the raw material state as continuous filament yarns and staple fibre but also in the semi-finished state products such as rayon staple yarns and all kinds of loom-state yarns, in addition to the finished products like ready-made fabrics and knitted articles. Belgian exports of rayon yarn now average 5,000 tons per annum.

It is reported that Burma has concluded negotiations with the Japanese firm for the erection of two new spinning factories in Burma, one at Thamaing and the other at Myingyam. Each factory will be equipped with 40,000 spindles and 400 looms at an initial cost of Kyats 10 millions. Plans are also afoot for doubling the present equipment of 20 000 spindles and 200 looms of the existing mill at Thamaing.

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TEXTILE CONTROVERSIES IN THE U.K.

CLOTH AND YARN EXPORTS DECLINE

From A Special Correspondent

MANCHESTER, *27th March*

IN the weeks that have passed since Mr. H. E. Pardoe made his challenging speech to members of the Manchester Chamber of Commerce an uneasy peace has reigned in Lancashire cotton circles over the many controversial topics at issue. Now the "war of words" has broken out again at the instance of Mr. Fred Wood, President of the Master Spinners' Federation.

MANCHESTER LETTER

It is known that correspondence has passed between the two organisations, whose respective members feel strongly on the main topic of Mr. Pardoe's address—the profits made by the spinning industry at a time when the trade as a whole has been in difficulties.

Mr. Wood did not disguise the fact that his remarks, made at the annual meeting of the Federation, were intended to answer the criticisms made by Mr. Pardoe. He reiterated the fact that no other major textile producing country in the world admits duty-free imports of yarn and cloth and contended it was the duty of any Government to preserve basic industries and basic skills.

"Skills which are dissipated cannot be easily recovered," he went on, "and we should not become dependent for our supplies on far-distant countries which may not remain within the Empire and whose costs may in the future increase greatly. The strategic value of the industry may not be so great as formerly but it could still have major importance in case of international strife."

Capital Outlay

It has often been alleged that the Lancashire cotton industry is outdated and inefficient and that modernisation is not up to the standards of competitive countries. Replying to such criticism, Mr. Wood commented that the leading combine of machinery makers had admitted that orders placed in 1954 by customers in this country were higher than in any previous year. An inquiry made recently among a number of the bigger groups, he continued, showed that 23 firms with an issued capital of £45,000,000 had spent £28,000,000 on capital development in the past six to ten years.

Surveying the fall in exports of cotton cloth, Mr. Wood dealt in detail with the decline of 267,000,000 square yards lost between 1949 and 1954. Trade with India and Pakistan was restricted by over 100,000,000 square yards, while Eastern rivalry in British, Colonial and Dominion markets accounted for the loss of 142,000,000 yards. These were the major setbacks, but in a smaller way 15,000,000 square yards were lost in Latin American countries and European trade fell by about the same amount.

Harking back to the controversy which has persisted for so long about the duty-free entry of Indian and Hong Kong cloth into Britain, Mr. Wood blamed the Government for being too anxious about foreign reactions to the imposition of restrictions on imports. Discussions should have been instituted, he declared, and a fair and amicable arrangement reached. "We have every evidence that Hong Kong and Indian business men would not have regarded this as at all unreasonable," he added. "It is our view that the Government is unduly apprehensive about reprisals in other fields."

A Passing Mention

Criticism of the Government and its attitude towards the textile industry has not been confined to Mr. Wood's comments. It found open expression when Mr. F. J. Erroll, Parliamentary Secretary to the Ministry of Supply, made an ill-advised reference to the cotton trade in a speech in Manchester. It is generally accepted that the official view of the future of the industry is by no means favourable but to suggest, as Mr. Erroll did, that the decline in the cotton industry was part of the price to be paid for successes in newer industries was a dangerous comment to make when speaking in the very heart of the trade.

Joining in the "free-for-all" on the past, present and future of the trade, Mr. S. S. Hammersley, Chairman of Cotton and Rayon Spinners Ltd., the Oldham mill group, has also had some pungent comments to make. In confirmation of Mr. Wood's remarks on modernisation, he has disclosed that about £540,000 has been ploughed back into the business in the past six years—a sum within measurable distance of the issued capital concerned.

Unfortunately, however, full value is not being obtained from the new machinery installed. Mr. Hammersley says: "It is unreasonable to expect Lancashire to maintain its competitive position when the textile industry persists in running its spindles at fewer hours than any other country in the world. We would like to introduce two-shift working at one of our mills but the inertia against such an innovation is hard to move."

Exports Still Falling

The latest overseas trade returns concerning textiles show earnings from British cotton goods at a lower level than at any time since 1947 and a further sharp reduction in cloth shipments abroad. A point of interest has been the continued increase in imports of rayon grey cloth into this country from 10,400,000 square yards to over 15,000,000 square yards in the first two months of this year.

Cotton cloth exports to the end of February were 80,110,000 square yards, valued at £10,278,750. A year ago, the total was 111,430,000 yards and the value little short of £14,000,000. Yarn exports too, were lower, the two-month total being 6,147,793 lbs. against 7,092,011 lbs., while the value declined by over £500,000 to £2,495,459.

Although Australia continued to hold the leading position as buyer of Lancashire-made cotton cloth, the quantity at 12,500,000 square yards fell by over 8,000,000 square yards. On the up grade are shipments to India and Pakistan, which increased from below 500,000 square yards in each case to 1,741,000 yards for India and 2,404,000 yards to Pakistan. Much smaller shipments have been sent to Nigeria and the Gold Coast, where takings have been halved.

A feature of trade in rayon and synthetic fibre piecegoods has been the replacement of Australia as leading buyer by Rhodesia and Nyasaland, as well as by South Africa. Shipments to Australia fell from nearly 4,000,000 square yards last year to 2,450,000 yards while Rhodesia and Nyasaland have taken an extra 1,000,000 yards, bringing their total to 3,185,700 yards.

Imports of cotton grey cloth to the end of February were lower than a year ago but remained at a higher level than in the final quarter of last year. They amounted to 40,190,000 square yards against 61,416,000 square yards in 1955. Hong Kong virtually maintained its shipments at 7,858,000 square yards, but smaller quantities arrived from India at 21,056,000 square yards and supplies from Japan fell from over 21,000,000 square yards to 5,677,000 yards this year.

Further light has not been shed on the methods which are being adopted by the Yarn Spinners' Association to adjust its price regulation schemes in line with current requirements, caused in part by the American Government's future cotton policy.

Traders not directly concerned with the operation of the marginal rates scheme have always been a little hazy over the methods used by spinners in calculating prices. It was widely known that the NYS symbol provided the basis for the level of selling rates for American yarn and that it fluctuated according to movements in the appropriate futures month in New York. What was not so readily understood was that a system of differentials was in existence whereby adjustments could from time to time be made in the margins applicable to particular grades and qualities of yarn.

Now the NYS basis has been abandoned as being out of touch with the existing position. No longer will spinners and their customers need to adjust prices by an odd point or two to keep strictly in line with the symbol. The rates will reflect the trend of the market without the necessity for day-to-day revisions.

Having ample warning of the arrival of particular grades of cotton, the Yarn Spinners' Association is able to adjust its marginal rates to take into account any special features affecting forthcoming supplies. Already action has been taken to deal in this way with the quantities of low-grade American cotton due from the United States under the first 1,000,000 bales disposal programme. Prices for the lower qualities of coarse counts of yarn have been reduced to a level more in keeping with the cost of these new supplies, as well as those from other sources which were lowered competitively at the same time. In due course it will be necessary to make similar adjustments when further supplies of the American surplus sold at competitive rates next season begin to cross the Atlantic.—*All Rights Reserved.*

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MR. K. G. MILNE'S LUCID ELUCIDATION OF INDUSTRY'S HARDSHIPS

THE hardships of electricity undertakings caused by rigid controls on tariffs and return on capital employed were lucidly elucidated by Mr. K. G. Milne, Chairman of the Ahmedabad Electricity Company, Ltd., in his speech at the Forty-third Annual General Meeting of the Company's shareholders held at Bombay on 29th March 1956. The cut in the Company's dividend was the outcome of such controls. Explaining the significance of the Electricity (Supply) Amendment Bill, introduced in the Lok Sabha in September last, to investors in electricity industry, Mr. Milne remarked that, when the industry asked for bread, it was being offered a stone.

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

"GENTLEMEN,

"The year under review has been one of continued growth and consolidation, culminating in the peak demand on your power plant reaching 100,000 kw. Your Directors have always adopted a progressive policy, coupled with a spirit of initiative, and, as a result, the expansion of your Company's power facilities is ahead of the demand, which affords the City of Ahmedabad an enviable position when compared to many other places in India.

"Unfortunately, the fortunes of few industries today are conditioned solely by their own foresight, howsoever astute. External factors intervene to nullify the most careful planning, and the electricity supply industry has come in for more than its share of such intervention. It is solely on account of this that your Directors have thought fit to propose to you a cut in the year's dividend from 6½ per cent. to 5 per cent., and, as you may well be very disappointed at this, as your Directors are also, I will discuss at some length the factors which have influenced your Directors to come to this decision and about which I gave you warning at this time last year.

"In 1946-47, your Company's plant capacity was of the order of 37.5 MW. This rose to 97.5 MW. in 1950-51, and, in 1954-55, the plant capacity had reached 142.5 MW. when the combined subscribed share capital and debentures stood at Rs. 10,75,00,000. A further 15 MW. turbo-alternator set has recently been placed on order to meet the ever-increasing demand, a demand which in your Company's area of supply is increasing by an average of more than twice the accepted world average of 7 per cent. It is this very magnitude and pace of expansion in recent years, which, paradoxical though it may seem, has reacted to penalise the investor.

Return on Capital

"During these years of rapid investment and expansion with high-cost plant and attendant high annual capital charges, and with rising expense levels generally, even the very modest return permitted under the Electricity (Supply) Act has not been achieved for several years past. For the year under review, we are short of it by the calamitous figure of Rs. 27 lakhs. We have been caught by the continued necessity to expand even within the by no means adequate level of return prescribed under the Electricity (Supply) Act what time our charges for electricity have been conditioned by politics and by the contradictions inherent in diverse provisions of the Electricity (Supply) Act *versus* the Indian Income-tax Act, as repeatedly stressed from this chair at former annual general meetings. Hence it has only been possible to keep up our moderate dividend level at all by drawing subsistence from the tax relief resulting out of accelerated depreciation allowances given under the provisions of the Income-tax Act, but which properly should have been made additionally available for us to place in reserve to meet the corresponding future tax liability which must arise when the allowances decelerate in their turn.

"The proposal of the Company in April 1954 to put its house in order by a 15 per cent. increase of its rates, was overtaken by the imposition by Government of a Rating Committee whose report is common knowledge to you all. This was followed by the freezing of the Company's old rates where they stood, and until circumstances changed. (In the meantime, the Company referred for arbitration by the Central Electricity Authority the long-standing dispute with the State Government over the admissibility of interest on loan and debenture capital as an item of operating expenditure for purposes of determining the clear profit. The Award of the Central Electricity Authority in the Company's favour was not announced until April 1955, but, when it came, it proved a fundamental change in the circumstances as viewed by the Rating Committee, and there followed at once a resumption of negotiations with the State Authorities for an upward revision of rates. Unfortunately, even then these negotiations were prolonged, and it was only at the beginning of the current year that an 8¾ per cent. surcharge on supplies to industrial and commercial H.T. consumers could be effected. No benefit to the Company's finances could, therefore, accrue during the year ended 30th September 1955. The delays and curtailments inherent in these developments, which have been entirely beyond the Company's control, have culminated in the diminution in the Company's disposable surplus to the point we have reached in the proposal for a lower dividend.

Tax Liability

"It might be asked whether we could not have availed of the dividends equalisation reserve to a greater extent than Rs. 6 lakhs to maintain the dividend level, in the hope that earnings hereafter would equal the return permitted under the Electricity (Supply) Act. I may say that your Directors have given most careful consideration to this point, but a number of factors have influenced them to come down on the side of austerity. Our liability for payment of tax at present deferred is gathering momentum. The final verdict on the liability of the Company for additional income-tax in respect of past years, and to which I will refer later, is still unresolved. The margin of profit allowed by the law makes it likely that, even in the best years, subsequent replenishment of free reserves will be possible only in meagre amount, if at all. In the circumstances, it has been thought best to conserve our resources, already drawn down to a level incommensurate with the size and position of the Company, so that we may be better able to meet contingencies which might arise. I feel confident that, in the light of the circumstances, you will be in agreement with this policy.

"The Electricity (Supply) Amendment Bill introduced in the Lok Sabha in September 1955 still awaits reference to a Joint Select Committee of both the Houses of Parliament. If this materialises during the current Budget session of Parliament, the Bill might find its place in the Statute Book before the close of the Company's current financial year. From the financial point of view, the principal changes sought to be made to the Electricity (Supply) Act are three. First, the proposal to link the standard rate to the Bank rate with a differential of 2 per cent. (instead of the present fixed overall level of 5 per cent.). Second, to provide for the electricity supply industry to "avail of the benefits of the development rebate permitted under the Finance Act, 1955." Third, to disallow debenture and loan interest as an expense in the computation of permissible clear profit, on the ground that debentures and loans find their places in the capital base upon which the standard rate of return is already allowed.

"Much has already been said about the need for greater incentive to sustain and promote investment in the electricity supply industry, and it is most unfortunate, therefore, that the proposal regarding the standard rate as outlined in the Bill will not positively ease the industry's difficulty in raising finance for expansion. The situation calls for a differential over the Bank rate of 2½ per cent. at least. Even with that, there will be no scope for providing that measure of internal finance which the extensive capital development programmed for the industry in the country's second Five-year Plan could absorb. With the disappointment prevalent regarding "electrics" amongst the investing public, approaches to other agencies, e.g., banks and investment corporations, for the necessary finance will become imperative more often than not. What the fate of such approaches will be, and on what terms of interest and security such agencies might lend, if at all, gives much food for thought; especially when viewed in contrast with the very low rate of statutory return delimited for equity capital itself in this industry. In this connection, I should like to say how grateful we are as a company to the Bank of India Limited for the confidence they have always shown in us, and for the great volume of assistance they have rendered to us on most fair terms over the last few years.

"While the proposed revision of the standard rate does not enthuse the industry, the provision in the Bill with regard to a development reserve is extremely unwelcome as it stands. Any compulsory appropriation to development reserve ranking as a prior charge in the calculation of the clear profit would create a perilous position indeed, for who could be sure of being able to earn enough clear profit in every year both to meet this prior charge and the full reasonable return! An appropriation based, not on revenue surpluses of any year, but on 25 per cent. of capital expenditure during that year, must give rise to fluctuations with which the tariff structures of a tightly regulated and capital intensive industry, such as ours, could never adequately cope. Moreover, the creation as proposed of the development reserve visualises no benefit to shareholders, since the reserve would have to be deducted from the capital base and ultimately passed on to any purchasing authority. The authorities have been specially apprised of the dangers, and the suggestion has been made that at least appropriations to any statutory development reserve should be made optional within a limit, so that the virulent threat of such a reserve encroaching upon the reasonable return would be removed.

Debenture and Loan Interest

"The proposal to negative the allowance of debenture and loan interest as a charge before arriving at permissible profit, will remove an advantage which played its part in helping us to maintain a level of return sufficient to attract new capital during all the years of heavy capital expenditure since 1948—the year the controlling Act was passed. During these years, we raised and invested in electric service Rs. 5.25 crores of equity capital and Rs. 1.5 crores of debentures. Now, in fact, your Company stands to lose more from disallowance of interest figures than it stands to gain from the proposed upward revision of the standard rate of return. Thus, when we asked for bread in the shape of greater incentives to attract more capital, we are in fact likely to be offered a stone, as the proposals before Parliament are framed at present.

"The draft outline of the second Five-year Plan refers to the need for a re-statement of the Industrial Policy Resolution formulated by Government in April 1948, so as to indicate 'fresh fields to be reserved for public enterprise, the fields in which public enterprise is to take on larger responsibility and the fields in which private enterprise is to function subject to overall regulation and control.' Until this re-statement has taken place, it is difficult to foresee what the future of the electricity supply industry will be, but, considering that the industry is subject to rigorous financial control by the Electricity (Supply) Act, there is no reason why the place at present occupied by the private enterprise of the industry in the country's power development should not be maintained. There have recently been discordant notes about the respective roles of the public and the private sectors, but the Planning Commission has stated that the 'two sectors have to function in unison and are to be viewed as part of a single mechanism. The Plan as a whole can go through only on the basis of a simultaneous and balanced development in both sectors.' I am entirely in agreement with this view.

"To those who repeatedly advocate nationalisation of electricity undertakings, the unfortunate position of consumers in Madras State should stand as a warning. For several years, this State has been repeatedly hit by droughts which seriously curtailed hydro-electric supplies, and, yet after all these years, the State Authorities, which control 98 per cent. of the generation, have not been able to put their house in order by firming up the hydro-electric plant by suitable additions to the thermal capacity of their inter-connected system. Once again, this year, consumers are being subjected to drastic rationing in their electric supplies.

"The first Budget of the second Five-year Plan, if nothing much else can be said in its favour, promises to diminish some of the difficulties arising out of the contradictions between the Electricity (Supply) Act and the Income-tax Act in respect of depreciation. The withdrawal of the initial depreciation allowance will assuage the problem of deferred taxation to a certain extent; but only to a certain extent, and that in respect of the future. The abolition of additional income-tax in its past form relative to dividend will mean that in future this vexed question will no more plague the electricity supply industry. The sword of Damocles, however, in the shape of the contingent liability for this additional income-tax in respect of the past years still hangs over us, as you will see from one of the footnotes to the balance-sheet. High hopes were entertained recently that this note would no longer be required, with the Company's freedom from the tax definitely established when the High Court pronounced its decision in favour of a company whose position was similar to ours. Since then, however, the Income-tax Department have gone in appeal to the Supreme Court, with the inevitable delay and uncertainty which this entails. Linked closely with the ultimate ruling by the Supreme Court will be the right or otherwise to 'gross up' your dividend from your holdings in this Company; so you will still have to wait some time yet to have the long overdue answer to this question. I have told you previously that the Agency Company itself is also involved in this complicated matter and will contest its case at the opportune time.

"In November 1955, the Government of Bombay in the Public Works Department issued a directive to licensees in the State that 'the consent of the State Government is necessary to declare dividends in excess of 3 per cent. until all arrears of depreciation are cleared off.' The Central Electricity Authority has since ruled that, so long as the depreciation for the year and any instalments in respect of arrears are appropriated, there can be no bar to payment of dividends above 3 per cent. This Company never admitted to having any arrears in any case, but the general result is satisfactory and solacing to investors, who had been much worried. This ruling settles one more controversy between the State Governments and the undertakings in favour of the industry. Another matter recently settled in the industry's favour is the right of an undertaking to increase its rates to enable it to reach the reasonable return under the Electricity (Supply) Act, although the rates will thereby be brought into excess of the maxima laid down in the Company's licence.

"We have through constant and successful effort so increased the efficiency of the Company's operations as to have been able to counteract a number of those increases in cost which are beyond our control. With coal in particular, a substantial saving, counted in lakhs of rupees, has been effected during the year under review by reason of an average coal consumption of 1.5 lbs./kw.h. being attained, and this despite deterioration in quality of the coal received. There is a limit, however, to our ability to absorb rising costs, and nowadays much of the increased cost arises from burdensome levies of the State or of Government monopolies, the latest being the surcharge to be imposed by the Railway Ministry from the first of next month.

"No one can cavil at Government's policy of intervening to shield its citizens at large, whether industrialist, businessman or householder, against obviously undue burdens being placed on them by monopolists or others. It is, however, exasperating in the extreme for us to see so much time and effort being given by Rating Committees to the examination of the affairs of electricity supply undertakings whose books show they need to increase their rates, and where the necessary actions by and large will have a very small effect on a manufacturer's production cost or on a householder's budget, while State monopolies literally by a stroke of the pen impose much more far-reaching economic burdens on us all, without the public knowing anything about any investigation into their affairs. At least one feels entitled to ask that Rating Committees should not reject the swift and accurate results which may be had from a study of the audited accounts, that normally satisfy everyone else, in favour of bringing in much more delayed findings derived only after pondering a labyrinth of complex calculations in which all but the specialist will certainly be misled.

"To the Resident General Manager and his staff I must express my high appreciation of their service and the standard of efficiency maintained during the year. A competent staff is one of a company's biggest assets, and we are very fortunate in that. The Company's welfare facilities at Sabarmati Power Station, at Shahpur Road, and at the office at Lal Darwaja, continue to keep pace with the needs of the situation. As the great need of the day is more and more emphasis on education at all levels, I would like to make special reference to the opening, in June 1955, of a kindergarden school at Sabarmati, which will supplement the other educational arrangements already assisted by the Company in the locality.

"Having commented earlier on the circumstances leading up to the recommendation of a lower dividend for the year under review, and on other aspects of the situation affecting or likely to affect your Company, there is, I think, nothing of particular interest for me to add in respect of the accounts which are before you, and which, together with the notes appended to them, are sufficiently informative.

The Outlook

"To conclude—in spite of the setback reflected in the proposal for a lower dividend for the year under review, I feel that the future can be viewed with a modest degree of confidence, and certainly so far as those difficulties are concerned which are within our control. The recent additions to the plant have given the Company an instrument of high technical efficiency which should enable it to earn the statutory standard rate prescribed under the Electricity (Supply) Act, given no undue reapplication of external pressures. The question of dividend which should thereby result will of course also be dependent upon the terms of the controlling legislation from time to time, and possibly therefore upon the Bank rate. Given no change in the latter, however, and other things being equal, I would hope to be able to aim for about 6 per cent. for future years.

"The creation of Maha Gujerat, with possibly Ahmedabad as the capital, should open up to this Company still further opportunities of growth and service; and I can only hope that, before long, the law will be so amended as to afford the future investor in our industry sufficient incentive to remove the least doubt about its ability to fulfil its great task throughout the country. But we must be afforded incentive, and not increasing restrictions, if we are to maintain that balance between the consumer and the investor and the worker which would be ideal. Above all, we must be given the freedom to adjust our rates to the economic level necessary to produce a steady commercial yield commensurate with the cost of the development capital we need for ourselves and, through us, for the service of so many others."

TRANSPORT FOR COAL

SHORTAGE EXPECTED TO PERSIST

THE coal industry's role in the industrial development of India is fully recognised by all. At one time those engaged in the industry were very much concerned over the threat of nationalisation. This fear has, however, receded to the background, at any rate for the time being, since the Government and the industry are now seized of the problem of allocation of the proposed additional output of 23 million tons during the second Five-year Plan between the public and private sectors. The Government has tentatively allocated 15 million tons to the public sector and 8 million tons to the private sector. The industry has, however, asked for a higher allocation and the question is yet to be finally decided. Meanwhile, a recent statement in Parliament by the Finance Minister hinting at a revision of the allocation has kindled hopes of a better deal among colliery owners. The Finance Minister is reported to have stated that, at the first instance, seven million tons of additional output would be allocated to the public sector and a similar quantity to the private sector and that the balance would be left open for allocation to both the private and public sectors. Alluding to this statement, Mr. G. D. Daga, Chairman, Indian Mining Federation, Calcutta, observed, in his address at the annual meeting of this body held in that city on 23rd March 1956, that "it is most likely that the private sector will be allocated more than eight million tons." It is a moot point whether this optimism is justified, because a couple of days after the Finance Minister's statement in Parliament, the Minister for Planning, Mr. Nanda, reiterated at Calcutta that there would be no change in the Government's original decision. By this he meant that there would be no increase in the share of the private sector. In any case, the conflicting nature of the statements made by two ministers with voting rights in the Central Cabinet have only served to worsen the confusion. There is thus a clear need for an early clarification of the exact position.

Shortage of Wagons

Another uncertainty facing the coal industry relates to transport. Mr. Daga, therefore, requested the Government to announce its decision not only on the allocation to each sector but also on the apportionment of transport needed to move the additional coal. He added that, unless the coal industry is told as to what extent the railways will be able to move its output and unless the allocation to each sector is fixed in advance, planning will remain incomplete." Mr. Daga declared that, given all facilities by way of transport, assisted sidings and essential materials without any discrimination between the private and public sectors, the coal industry could be relied upon to fulfil the tremendous task which it has to perform in the development of industries under the second Five-year Plan.

No Priority for Coal Transport

Mr. Daga seemed to have his own doubts whether it would be possible for the industry to obtain full transport facilities, especially by rail, to move the coal raisings. He pointed out that the output in mines could be raised by three ways, namely, (a) sinking new shafts in the virgin areas, (b) sinking down to unworked bottom seams, and (c) mechanising and improving the present method of working. For all this, of course, large capital expenditure has to be incurred and Mr. Daga rightly stated that no one could be expected to invest large sums of money in development, unless one was sure whether the offtake from the mines would be regular and continuous. Particularly mechanisation of mines required, he remarked, a regular daily supply of wagons without which the advantage of mechanisation would be lost. He, therefore, observed that the prerequisite for any plan for increased production of coal was regular, daily supply of wagons. For the first year of the second Plan, the daily wagon requirement for Bengal and Bihar had been fixed at 3,675. As the supply of wagons during March this year was only 3,075 per day, that is, 600 wagons below the target, Mr. Daga doubted whether it would be possible for the railways to step up the supply of wagons by as much as 20 per cent. within the next few weeks or even months. The chances of failure were, according to him, larger, as coal transport had lost its position of priority in the movement of goods.

Since there is little prospect of railways being able to carry the entire output of collieries in the immediate future, an alternative form of transport is coastal shipping. But even here the

(*Continued in previous column*)

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prospects for relief appear to be bleak. Said Mr. Daga: "The prohibitive coastal freight rates constitute the greatest obstacle." He was glad that the Planning Commission was mindful of the necessity for developing the inland waterways as well as coastal shipping for the carriage of goods traffic. While these possibilities should be fully exploited, one could not forget that it is the railways that would have to remain the life-line of the coal industry.

Some time back the Government of India had invited plans for additional production of coal from individual colliery undertakings. It was then stated that the acceptance of the plans would be intimated to them by about February 1956. According to Mr. Daga, the Coal Board has not so far announced its decision as to whether permission would be given for the opening and reopening of mines. This has been responsible for unnecessary delay in opening of mines even for purposes of maintaining the output. The Government would be doing a great service to the industry and the country if it announced its decision on this vital question without further delay.

Coal Mining Machinery

Since most of the coal mining machinery has to be imported, Mr. Daga suggested the advisability of setting up some units for manufacturing coal mining machinery and equipment. He stated that, though the country might continue to import most modern types of machines, its requirements of coal cutting machines, drills, haulage conveyors and pumps, etc., could be conveniently manufactured in India. This advice is in line with the ambitions of the second Plan which lays additional stress on the need for establishing heavy industries.

EXPANSION OF INDIAN SUGAR INDUSTRY

CAUTION AGAINST INDISCRIMINATE SETTING UP OF NEW UNITS

THE sugar millowners would appear to have some misgivings about the Government's policy relating to expansion of sugar industry. Evidence of this is to be found in the resolution on licensing of new units which the Indian Sugar Mills' Association adopted at its last annual meeting. In this resolution, the Association stated that the policy of expansion of sugar industry had been decided upon without a proper estimate of the capacity and potentialities of the existing units. It, of course, recognised the need for augmenting the size of the sugar industry, but urged the Government to take, before allowing establishment of new factories, adequate and appropriate steps to reassess the present overall capacity of the sugar industry, along with its future possibilities of expansion. To quote the exact wording of the resolution: "This Association, while complementing the Government of India on its decision to increase the installed capacity of the sugar industry to 2.5 million tons during the second Plan period, recommends that due care should be exercised in sanctioning new units, so that no indiscriminate and unplanned expansion is effected."

There is much force in these observations of the Association. Already, licences have been issued, or are being issued, for the setting up of as many as 52 new sugar mills, in addition to the expansion in the size of 45 existing units. The total capacity so far licensed amounts to 810,000 tons of sugar per annum. Few would dispute the need for an expansion in the production capacity of the sugar industry. Indeed, considering the rise in population which is still increasing at the rate of 4.2 million every year and the increase in consumption of white sugar as a result of the improvement in the standard of living following the implementation of the series of development programmes under the first Five-year Plan, even the production target of 2.25 million tons seems somewhat conservative. But, before the Government thinks of an upward revision of the target, it could do well to take note of the observations of Mr. K. K. Birla and Mr. R. P. Nevatia, two leading sugar industrialists of India, who moved and seconded the aforesaid resolution, respectively. Both the speakers drew attention to the fact that, by increasing the installed capacity of the existing mills, coupled with the production of new mills already planned, the target of sugar production envisaged in the second Plan would be outstripped by nearly half a million tons. The rate of sugar output at the end of 1960-61 will thus be 2.75 million tons. They, therefore, cautioned the Government against liberalising issue of licences for any more new sugar units for which there is a great temptation now due to the desire to avert a slump in *gur* industry. The investment on additional sugar units, they suggested, might as well be diverted to development of other industries.

Co-operation in Sugar Making

Viewing the sugar industry from the long-term standpoint, it must be said that it is not the increase in the number of new sugar mills but the wisdom of giving too prominent a place to the co-operative sugar units that should be questioned. Out of the 52 newly licensed units, 29 are to be on co-operative lines; one of these has already come into production and ten others are expected to be ready before the beginning of the next season. The formation of the sugar co-operatives marks, as we have pointed out on more than one occasion, the entry of the State into the sphere of sugar manufacture. For the cane growers' share in the capital outlay of the co-operative factories constitutes only a very small proportion—about 12 to 13 per cent.—the entire balance being met by the State in the form of direct contribution to share capital and loans from the State-controlled Industrial Finance Corporation of India.

Considering the reports that the Co-operative Movement cannot raise even the small amount of capital—Rs. 8 to Rs. 10 lakhs—for setting up a new sugar mill, it is, indeed, surprising that Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, should have said, as he did, in the course of his inaugural address at the annual meeting of the I.S.M.A., that the progress made by the sugar co-operatives would appear to be satisfactory on the whole. It is all the more surprising, because it was Mr. Jain himself who was until recently asserting that the experience in regard to co-operative enterprise had not been encouraging. Mr. Jain stated that, after the establishment of the co-operative sugar mills, side by side with public limited companies and private concerns, these different patterns of organisational set-up "will have ample scope to demonstrate their utility to the larger national interests." This is a fair observation, provided the Government does not go out of its way to support the sugar co-operatives and place the units in the private sector at a great disadvantage.

Authorities Not Justified

Whatever may be the views of Mr. Jain on co-operatives, it is extremely doubtful whether they will succeed in supplying sugar to the public at economic prices. Manufacture of white sugar is a large-scale industrial process and not a cottage industry business. It requires considerable managerial efficiency and organising ability which will not be readily available to the Co-operative Movement. The cost of sugar making will, therefore, be very high and the consumer will have to pay dearly. Having regard to all this, the authorities are not at all justified in foisting the Co-operative Movement on the sugar industry. If the authorities are really anxious to step up output of sugar at a price that the common man can pay, they can do so in many other ways. As readers are aware, the Governments—Central and State—themselves have been greatly responsible for the series of impediments in the way of larger sugar production by private enterprise. In fact, they have all along been treating the sugar industry as their milch cow. How else can one explain the official policies with regard to supply of water to sugar factories, rents on lands leased to factories for growing cane, disposal of molasses, etc., and the anxiety to net in as much revenue as possible by way of cane cess, electricity and water charges, excise on sugar, and other taxes?

Modernising Equipment

To revert to Mr. Jain's speech. Alluding to the fabrication of sugar machinery in the country, Mr. Jain claimed that sufficient progress had been made in that direction. He revealed that many important items of sugar machinery, including improved types of pans and evaporators, were now being manufactured in this country; some industrialists had also entered into agreements with reputed foreign concerns to fabricate machinery according to their specifications. He expressed confidence that, before long, India would be self-sufficient in its requirements of most of the important items of sugar machinery. In this connection, he wanted the existing plants in the sugar industry to be modernised.

The sugar industry should doubtless be grateful to the Union Food and Agriculture Ministry for having recognised the need for modernising the equipment in the mills. But one wonders whether he realises that the vast majority of the units are not in a strong financial position to undertake rehabilitation of their productive equipment. The rigid cost structure and the heavy incidence of taxation—Central and State—leave very little profit for being ploughed back. Thus, out of every rupee a sugar mill gets on sale of sugar, cane price accounts for As. 8-2, taxes for As. 3-8, manufacturing charges for As. 1-11, and salaries and wages for As. 1-9. The profit that accrues to the mill comes to a bare half an anna, which is hardly sufficient to meet the large financial outlay on rehabilitation and modernisation. As we pointed out only last week, the prices of sugar machinery and parts are ruling high and the factories need considerable funds to carry out the back-log of replacements. Funds are also needed for adding new devices for improving the efficiency of production. If, therefore, the sugar industry is to undertake modernisation, it is imperative that there should be an increase in the rate of profit of sugar mills.

Incidentally, Mr. Ajit Prasad Jain alluded to the old question of shifting some of the sugar factories in Eastern Uttar Pradesh to better sites. He said that the question was engaging the attention of the Development Council. The Council had appointed an expert committee to examine the matter in detail. Stating that any Governmental compulsion upon an existing factory to move to another site would be wholesome, Mr. Jain asked the Association to suggest, with the consent of the units concerned, schemes for shifting the unsuitably located units to better sites.

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SUGAR BILL IN U.K.

The Sugar Bill, which will end State trading in sugar, set up a sugar board, and re-establish the London terminal market, was given the third reading in the House of Commons on 27th March 1956. Commenting on the Bill, Mr. D. Heathcoat Amory, Minister of Agriculture, said that, though there was an element of controversy in the Bill, arising from the different views taken by the Opposition and the Government about the merits of Government trading, members had co-operated in seeking to make the most of the ground on which there was complete agreement; the result was that the Bill had been improved in several respects. According to the Minister, there had been complete agreement on two fundamental points. The first was the policy of fostering sugarcane industries in the Commonwealth through the Commonwealth Sugar Agreement. The second was the policy of providing support for the U.K.'s sugar-beet industry through guarantees under the Agriculture Act of 1947.

The Minister was confident that the cane-sugar producers in the Commonwealth would see in the Bill an earnest of the Government's wholehearted support for the Commonwealth Sugar Agreement. To quote him: "With the agreement behind them and this Bill on the statute book, I am sure that the sugar industries in the West Indies, in British Guiana, in Mauritius, in Fiji, in the coastal areas of Queensland, and in Natal can look forward to the future with confidence. The refiners, too, have an important part to play. They have given me an assurance, as they gave before the war, that they would make it their practice to prefer Commonwealth sugar for their home trade requirements, provided that it is offered competitively. With their help and with the goodwill of the other sections of the sugar trade, the new Sugar Board would, I am confident, be able to face its task with assurance of general support."

SUGAR PRODUCTION AND STOCKS

Sugar production during the month of February 1956 aggregated 356,795 tons, bringing the total output during the first four months of the current sugar season to 1,073,049 tons, as against 982,600 tons in the corresponding period of 1954-55, according to the Indian Sugar Mills' Association. The number of factories crushing as at the end of February was 142, as against 136 a year before.

The offtake of sugar during the month was 234,000 tons, a rise of as much as 135,600 tons on the same month last year. The total offtake during the aforesaid four-month period amounted to 615,000 tons, which compares very favourably with 275,400 tons in the corresponding period of the previous season.

The closing stocks of indigenous sugar with the factories at the end of February were 882,059 tons, as against 775,100 tons a year before.

CLARIFICATION

In the second instalment of our article on "Linking Cane Price to Quality"—*vide* page 396 of *Commerce* dated 3rd March 1956—it was mentioned that, "in terms of refined sugar, which is the basis adopted in India—the S.I.S.M.A. formula, for example—the cane growers got a share varying from 40 to 50 per cent. The percentage meant here related to the share which the cane growers in other countries got under a formula similar to the one adopted by the S.I.S.M.A. The percentage should not, therefore, be taken as the share given by the S.I.S.M.A. formula. On the basis of this formula, the percentage of the share passed on to the growers by the factories in Andhra and Madras during the 1952-53 and 1953-54 seasons ranged, it is said, from 61.24 to 63.45.

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RESERVE AND OTHER FUNDS		61,23,000
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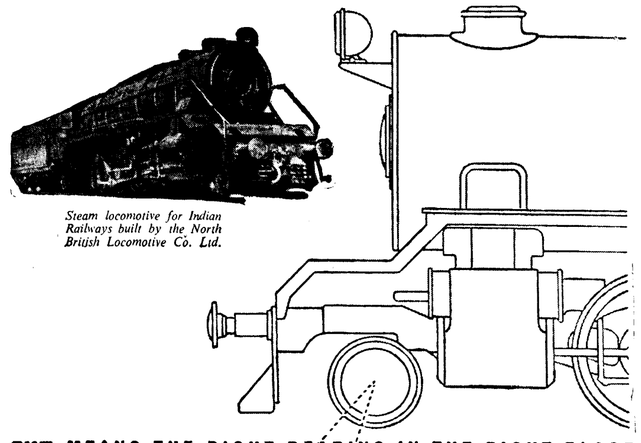

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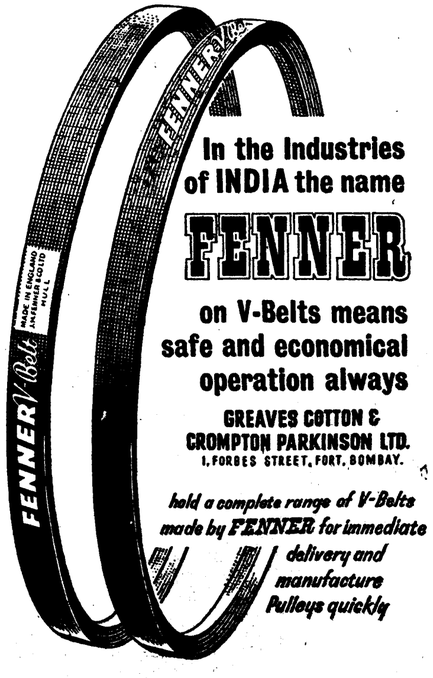

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RUBBER PRICES CONTINUE TO FALL

MALAYA DESIRES EXPORT OF RUBBER TO CHINA

THE decline in natural rubber prices which began some weeks ago has gathered fresh momentum. The latest price in London for spot rubber is 2*s.* 2¾*d.* per lb. and compares with 3*s.* 1¼*d.* per lb. at the beginning of the year and the 1955 high of 3*s.* 7⅜*d.* touched in the third quarter of that year. Though the latest price is fractionally higher than that (2*s.* 2⅜*d.*) which prevailed a year ago, it is significant that almost the entire rise in prices that had occurred in the second and third quarters of 1955 has been wiped out in recent months. A similar trend is noted in New York also, where the price has tumbled from the 1955 peak of 52 cents per lb. (touched on 5th December) to a low of 32⅞ cents on 1st March. The latest price is not very far from this level. Thus, there has been a drop of nearly 20 cents or over 40 per cent. in the course of three months.

The sustained recession in prices of natural rubber is evidently due to the fact that the market has not recovered from the influence of the anticipated fall in U.S. requirements this year as a result of the cutback in automobile production and increased competition from synthetic. In fact, reports from New York show that the reduction in car production has been more than expected and the private sector which had bought back the synthetic rubber plants from the Government has restored the production of synthetic back to normal with unexpected speed. Thus, the expectation that the private synthetic industry would take time to bring production back to normal, as it would have to go through a period of adjustment, has been belied and there has been practically no production lag. On the other hand, it is stated that many major producers have already stepped up their output and are planning to increase production further. Output of synthetic rubber in Canada and Germany is also said to be increasing. Another factor which had been expected to bring about a recovery in the price of natural rubber was Russian purchases, but so far no reliable indication of the extent of Russian buying is available.

There were also reports that the 1957 models of automobiles would have different sized tyres. These reports had led to the belief that tyre manufacturers would build up stocks to meet the requirements of different sized tyres. But the high prices which prevailed in December discouraged the building up of stocks and, when prices actually began to fall, buying was delayed in the hope of entering the market at still lower levels.

Fall in American Consumption

Yet another factor which has contributed to the recession is the decline in the U.S. consumption of natural and synthetic rubber during February this year, as compared with that in January. The total consumption of rubber fell from 133,013 tons in January to 125,292 tons. Much of this decline is accounted for by the fact that February was a short working month. As compared with February 1955, when consumption amounted to 118,611 tons, the offtake was, however, sizably higher. The consumption of natural rubber alone during February this year amounted to 49,915 tons, as compared with 53,599 tons in January and 50,997 tons in February 1954. The consumption of synthetic aggregated 75,377 tons, as against 79,414 tons in January and 67,614 tons a year ago. Thus, although the total consumption of natural and synthetic in February shows an increase over the year, that of natural rubber has recorded a fall.

World production of natural rubber in 1955 amounted to 1,895,000 tons, an increase of 93,000 tons over the previous year. The output in 1956 is expected to be maintained at the 1955 level. The output of synthetic rubber in 1955 aggregated 1,085,000 tons (as against 715,000 tons in 1954), of which the U.S. alone accounted for 972,000 tons. The output in the U.S. during the current year is expected to reach 1,200,000 tons.

Notwithstanding the rising trend in synthetic rubber production, the demand for natural rubber is generally expected to go up. Reports from Singapore say that the Singapore Government has formally asked Britain to seek the removal of the ban on rubber exports to China. The Rubber Trades Association of Malaya has also submitted a memorandum to the Chief Minister of the Federation in which it has pointed out that there is no point in further strangling Malaya's economy by maintaining the embargo on the export of rubber to China when rubber was being freely shipped there from Indonesia, Burma and Ceylon. The memorandum has also urged the Chief Minister to seek a promise from the British Government that it will not allow the import of synthetic rubber from America into the U.K. next year. The memorandum further states that Britain should also give an assurance that its use of synthetic in 1957 should be limited to 70,000 tons, the quantity which it will produce next year. It is doubtful if Britain will accede to this request of the Malayan rubber producers, though it may lift the ban on exports to China. Opinion in trade circles about the extent to which Malaya will benefit from the removal of the embargo is, however, divided. It is stated in some quarters that China will be interested only in first grade rubber of high tensile strength for armament, but there are some who believe that purchases of lower grade rubber also will be made.

(*Concluded from next column*)

ber 1955, as much as 161.8 million yards were from the Indian market. This was 23.5 million yards more than the quantity purchased by the U.S. in the corresponding period of 1954. This increase is, however, insignificant as compared with the expansion in the production of Indian jute mills.

EXPORT OF JUTE PRODUCTS

The Minister for Commerce, Mr. D. P. Karmarkar, informed the Lok Sabha at question time on the 2nd inst. that exports of Indian jute manufactures during the nine months April to December 1955 amounted to 695,400 tons, as against 652,700 tons during the corresponding period of 1954. There was, however, a decline in exports in January and February 1956 which were generally regarded as the slack season for export of jute goods. The Minister added that some welcome break in the downward trend had since become noticeable and actual exports during March 1956 were expected to be higher.

In reply to a further question Mr. Karmarkar stated that 20 countries including the United States, Canada, China, Australia, Egypt, Indonesia, the Netherlands, the Philippines and Thailand imported larger quantities of Indian jute goods during April to December 1955, as compared with the corresponding period of 1954. During the same period, 22 countries including the United Kingdom, Argentine, Burma, the Netherlands and Kenya imported reduced quantities of Indian jute goods.

JUTE CULTIVATION IN FORMOSA

Jute cultivation in Formosa to supply the local bag factories dates long back, according to the *Jute Bulletin* of the Indian Central Jute Committee. Production is controlled and encouraged by the Government-sponsored Industrial and Mining Corporation. The system obtaining in recent years is that of fixing a price for jute in advance by the Corporation, which also actually buys the bulk of production from growers for delivery to the mills. The rated capacity of the Formosan industry in 1954 was in the vicinity of 11 million gunny bags, but there has been a slight expansion since, and two new factories went into production early in 1955. Demand from the new units led to quick exhaustion of the supply of retted jute in June last year, when the entire factory production was suspended. The 1955 crop in Formosa gave a fibre yield of nearly 87,000 bales, against a target of 100,000 bales set for the year. The season 1955-56 had started with little or no carry-over.

RE-EQUIPMENT IN U.K. JUTE INDUSTRY

Mr. D. R. Miller, retiring Chairman, said at the annual meeting of the Association of Jute Spinners and Manufacturers in Dundee on 28th March last: "By another year the jute industry will have spent some £10,000,000 on re-equipment in the post-war period. There is no surer sign of our determination to give our many industrial and farming users the best possible service than this high rate of investment." He added that there was no room for complacency about the future. Competition in both the home and export markets was extremely keen, and the raw jute supply position was bedevilled by circumstances over which they had little or no control.

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BURLAP CONSUMPTION IN THE U.S.

RISE IN OFFTAKE LIKELY

BURLAP consumption in the U.S. during February 1956 amounted to 68 million yards, as compared with 72 million yards in January this year and 65 million yards in February 1955. The consumption during the first two months of this year aggregated 140 million yards, an increase of 13 million yards or about 10 per cent. over the same period last year.

U.S. stocks of burlap at the end of February rose by 2 million yards to 245 million yards, made up of 138 million yards spot and 107 million yards afloat.

The fall of 4 million yards in U.S. consumption of burlap in February, as compared with the preceding month, is attributed to two factors. First, consumers had with them enough stocks of burlap to cover all their foreseeable immediate requirements. Secondly, traders were not in a hurry to make fresh purchases, since they expected a fall in prices of burlap owing to enlarged supplies stemming from increased production in India. This expectation was engendered by the fact that Indian mills had decided to put to work 7½ per cent. of the 12½ per cent. looms which had been kept idle for some years.

The U.S. burlap trade seems to be looking forward to enlarged consumption of burlap in the coming months. Many considerations appear to have prompted them to entertain a cheerful outlook. With paper prices on the rise and burlap being more competitive than ever since the war, the chances for burlap to replace paper to a large extent in the agricultural packaging market are considered to be fairly good. The Burlap Council, in particular, seems to be pinning its hopes on the 50-lb. potato bag which it recently introduced to compete with the multi-wall paper container. The promotion campaign for sales of those bags among farmers has been successful. In the first eight months of 1955, for instance, the use of this small bag was 13 per cent. higher than during the whole of 1954.

New Containers

Another promising outlet for burlap is the seed bag market which has also been largely taken over by multi-walled paper bags. Burlap interests are stressing the durability of burlap bags in re-use. Development of speciality jute bags for industrial uses in the form of various containers that are lined with asphalt paper and polyethylene, has helped expansion of the outlet for jute bags. The initial experiments in the use of the speciality containers as substitutes for the more expensive fibre and steel drums for chemicals and hydroscopic commodities have proved successful. Further, preference for burlap among fertiliser users and manufacturers is generally well established, because the container makes it easier to handle and stack. It is non-breaking and has a resale or re-use value which means lower net cost per ton. As against this preference for burlap bags, dissatisfaction with non-textile bags is widespread. Breakage is frequent in handling paper containers, which means extra cost to the manufacturer to the extent of 20 to 25 cents per ton.

It is reported that the Burlap Council in New York is studying prospects for a planned effort to satisfy demand for smaller size bags. Some initial resistance to the change to a new size is not discounted, but the savings on breakage and handling costs, as well as customer satisfaction to result from the change-over, are expected to establish a sound sales argument.

Japan's withdrawal from the U.S. burlap market is considered to be a favourable factor for promotion of sales of Indian burlap. In this context, it is pointed out that the sharp advance which took place in Pakistani prices for raw jute, has made it difficult for Japan to compete with India. Besides, Japanese mills have sold to Turkey and Uruguay about 8 to 9 million yards for forward delivery at prices better than those it could obtain in the U.S. Pre-occupation with the execution of these orders has compelled Japan to suspend its sales in the U.S.

The data relating to imports of burlap into the U.S. during the first 11 months of 1955 disclose that the U.S. offtake of Indian burlap has risen considerably over the imports in the same period in 1954. Out of 191,700 million yards of burlap purchased abroad during January-Novem-

(*Continued in previous column*)

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SOME BASIC REQUIREMENTS OF ENGINEERING INDUSTRY

GRADUALNESS IN TRANSITION TO METRIC SYSTEM NECESSARY

NOW that the Government has abundantly made it clear that the emphasis in the second Five-year Plan will fall heavily on the side of industrial expansion, even as the emphasis in the first fell on agriculture and hydro-electric projects, it should be obvious that, in the next five years, the engineering industry will be called upon to play an increasingly important role in the national economy. This industry cannot, of course, make the progress demanded of it, unless some of its basic needs in men, material and organisation are met. And it is to some of these problems that Mr. K. Chatterton addressed himself in the painstaking survey of the industry which formed the bulk of his address at the recent annual meeting of the Indian Engineering Association held at Calcutta.

The engineering industry has reasons to face the future with a confidence based on a creditable record of past performance. Mr. Chatterton was able to quote some impressive data about what the industry in the private sector was able to achieve in the period 1948 to 1954. During this period, the production of electric motors moved up by 203 per cent., of transformers by 390 per cent., bicycles 570 per cent., sewing machines 300 per cent., steel 45 per cent., pumps 250 per cent., diesel engines 750 per cent. and electric fans 32 per cent. No impartial critic will dispute Mr. Chatterton's claim that these "are remarkable figures, which should be given greater publicity, as they provide the complete justification of the system of private enterprise under which they were achieved." One must remember that the statistics cited by Mr. Chatterton represent only a sample of what the many-sided engineering industry has been able to achieve so far.

A Comprehensive List

Some of its basic requirements have necessarily to be met before even the engineering industry, despite its creditable record of performance, can play the role it has to play in the next Plan. The industry, it must again be emphasised, is a many-sided one; it has to build and equip the vast range of workshops necessary to make products ranging from ships and locomotives to bicycles and sewing machines. Mr. Chatterton framed a comprehensive list of five requirements which must be met before the industry is called upon to carry out its work, the list consisting of capital, raw materials, transport, labour and supervision. And in respect of each of these items, he had something important to say and he said it well. Leaving aside what he called the technical subject of capital formation, he said that the industry has insufficient capacity either to build or equip the plant required. He, therefore, insisted that highest priority should be given to the establishment and expansion of primary production such as structural fabrication and machine tool building. The Government, however, proposes to enter both these fields. And it is doubtful, according to Mr. Chatterton, whether "plants which are established *de novo* can make any substantial contribution to the Five-year Plan." He, therefore, suggested that it should be possible for the Government to enlist the co-operation of the private sector in extending the capacity of this important section of the engineering industry.

Shortage of Steel

Iron and steel constitute the basic raw materials of the industry. The Government is no doubt aware of the shortage of these materials and is making great efforts to obtain steel from abroad. These efforts may have to continue for some time more, especially because appreciable amounts of steel cannot be obtained from the Government-owned units before 1959 or 1960. The success of the Plan will, therefore, depend on imports of steel, though there is unfortunately very little surplus steel available in the world today. Mr. Chatterton felt that pig iron, which is also scarce, had not received the attention which had been given to steel. He said:

"Manufactured cast iron goods are now being imported to an increasing extent and unemployment, which will develop in foundries, could be alleviated if early action is taken to bring pig iron from abroad. It is suggested that, in view of all these shortages, a balance-sheet might be drawn up, showing the iron and steel requirements for the Plan against the amounts available from various sources. It is possible this may have been done but, if so, it is without the knowledge or co-operation of the industry, whose experience might be of value."

To the engineering industry, no less than to any other industry, transport is of vital significance. Mr. Chatterton referred to the present shortage of transport and also to the fact that, even when the present Railway Plan is completed, transport capacity would be insufficient to meet the traffic offered. He said that there must undoubtedly be a slowing down of those industries which are dependent on rail transport. He insisted that more funds must be devoted to rail transport even at the expense of community and nation-building projects, for "it is better, if necessary, to sacrifice a part of the Plan than to jeopardise the whole." Although palliatives would not solve the problem, it is necessary to seek relief from all available sources. From this point of view, Mr. Chatterton's two suggestions deserve notice—diversion of short-haul traffic to road transport, thereby freeing wagons for long-distance haulage and exploring the possibilities of increased river transport.

Skilled Workers

Although there is no shortage of labour in the country, it is well known that there is an acute shortage of skilled labour and experienced technical personnel. In Western countries, it is computed that a five-year training is necessary before an apprentice becomes a skilled worker. Since India cannot afford to wait for so long a period, the Government has decided to concentrate on short-term courses. Mr. Chatterton commended this decision. But he felt that "greater difficulties will be met in providing the highly skilled men who undertake such work as tool setting, maintenance and jig and die production." There is also urgent need to train men who could fill supervisory posts. Although the number of such men has increased in recent years, there is, according to Mr. Chatterton, still a "pronounced shortage." It will be necessary to import the services of experts from abroad. This, as is well known, is being done by the Government. In this connection, Mr. Chatterton made two important points. In the first place, he conceded that some inducement must be given to the men who come here but thought that the grant of tax-free salaries to such men is "hardly in consonance with the principles of democracy." Secondly, the stress that is being laid on short-term supervision—foreign experts are being employed for short periods only—is of "doubtful merit." Explaining this point, he said that "engineering works cannot be run effectively if the personnel is continually changing and more emphasis needs to be placed on continuity of service." As regards the sending of Indians abroad for training, he felt that it had its merits as well as its shortcomings. It no doubt enabled them to gain an insight into advanced techniques. But such training, he pointed out, should not "supersede the practical experience to be gained in this country." He added:

"It is essential, if one is to control workmen, to understand their viewpoint and there is no better way to do this than to work alongside them. For this reason, institutional training of supervisors, although valuable, has its limitations, as it does not provide the direct contact which is needed if there is to be harmony in the industry. This is a weakness in engineering in this country. Few supervisors or managers have risen from the ranks, with the result that the intimate knowledge of the working conditions of labour is often lacking."

Metric System

An immediate problem before the industry is the change-over to the metric system. No sector of India's economy has perhaps a greater right to be heard on this subject than the engineering industry. It is comparatively easy for a trade to change over from the Indian or British system of weights and measures to the metric system. But when the change-over has to be effected in the engineering industry, a host of technical problems of bewildering complexity will immediately arise. Mr. Chatterton felt that any immediate implementation of the suggestion of the Standing Metric Committee for conversion of drawings and recalibration of balances and measuring devices would "lead to complete chaos." He rightly suggested that "some phased programme is essential, so that all engaged in a particular industry or section of an industry convert at the same time." He also emphasised the need for a wide educational campaign—the campaign to start with reform in schools and engineering text-books—so that the new generation may not meet the difficulty which the present generation, after having been trained in pound-inch system, finds in changing over to the metric system. There is already a shortage of trained draughtsmen. It will be difficult to change the system without affecting their output adversely. Mr. Chatterton also pointed out that "further consideration must be given to the problem of technical periodicals and it will probably be found that all engineers will have to be, so to speak, bilingual, so that they can keep up to date with engineering thought." Clearly, there is urgent need to ensure that the transition to the metric system, which is desirable in itself, takes place in a way that does not cause undue strain to the industry. If the authorities recognised that a certain element of gradualness is inevitable in this reform, they would, perhaps, be rendering a real service to their cause.

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HEAVY ELECTRICAL EQUIPMENT

The well-known British electrical firm, the English Electric Company, Ltd., has been appointed by the Government of India as a subsidiary consultant for the manufacture of hydraulic turbines and associated equipment as part of the Heavy Electric Equipment project. The main consultants for the project, the Associated Electrical Industries Ltd., another British firm, it is stated, will now be in a position to proceed with the design and layout of the complete heavy electrical equipment factory including hydraulic turbines to meet the needs of hydro-electro development in India.

The draft-outline of the Five-year Plan, it may be recalled, made a brief reference to the development of the heavy electrical equipment industry in the public sector. The report stated that the total investment on the project, which is expected to take seven or eight years for completion, might be of the order of Rs. 25 crores. It added: "Heavy transformers, industrial motors, traction motors and switch gears are likely to be produced before the end of the second Plan but the production of items of equipment like hydraulic turbines and generators and generators for diesel sets is expected in the early part of the third Five-year Plan." The report also referred to the fact that "for the manufacture of heavy electrical equipment, consultants' agreement has been reached with a leading British firm and the project report is to be prepared before the end of 1956."

The British firm, to which the reference was made in the Plan, is no other than the well-known Associated Electrical Industries Ltd. Since the A.E.I. does not manufacture hydraulic turbines and associated equipment, the Technical Collaboration Agreement between the Government and that firm, concluded in November 1955, provided that, in consultation with the A.E.I., a subsidiary consultant would be appointed. It is in pursuance of this part of the agreement that the English Electric Company, Ltd., has been appointed a subsidiary consultant. It would appear that several leading turbine manufacturers of international repute were invited to submit offers of collaboration in the manufacture of hydraulic turbines through the A.E.I. Seven offers were received through the A.E.I. from firms in the U.K. (two of them in conjunction with American and Swedish firms), Switzerland, France and W. Germany. After detailed negotiations with the representatives of the firms, the Government, on the basis of technical, financial and other merits, selected the English Electric Company for subsidiary technical assistance. Following this selection, a formal agreement will be concluded between the firm and the main consultants.

Some idea of the manufacturing programme can be obtained from the information now made available. It is proposed to manufacture, at the first instance, turbines and generators up to 50,000 kw. It is believed that it will be possible to take up, at a later date, the manufacture of very large single units. The heavy electrical equipment factory is expected to go into production by 1961. When India attains an increasing measure of self-sufficiency in the manufacture of power plants, industrial utilisation of power is bound to increase at a rapid rate.

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(ESTABLISHED 1906)

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AUDITOR: MR. A. UMANATH RAO, B.A., F.C.A., Chartered Accountant.

BALANCE SHEET AS AT 31st DECEMBER, 1955

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL—		
70,000 Ordinary Shares of Rs. 50 each	35,00,000 0 0	
30,000 5 per cent. Cumulative Preference Shares of Rs. 50 each	15,00,000 0 0	50,00,000 0 0
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—		
30,000 Ordinary Shares of Rs. 50 each	15,00,000 0 0	
28,000 5 per cent. Cumulative Preference Shares of Rs. 50 each	14,00,000 0 0	29,00,000 0 0
2. Reserve Fund and Other Reserves—		
Reserve Fund—		
Reserve Fund as at 31st December, 1954	26,00,000 0 0	
ADD—Transfer from Current Year's Profits	3,00,000 0 0	29,00,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	5,15,96,284 2 3	
Savings Bank Deposits	2,18,33,623 6 3	
Current Accounts, Contingency Accounts, etc.	4,01,25,881 15 7	11,95,56,739 8 1
4. Borrowings from Other Banking Companies, Agents, etc.		Nil
5. Bills Payable		11,87,136 7 0
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	1,41,98,059 15 0	
(ii) Payable outside India	37,25,130 1 3	1,79,23,190 0 3
7. Other Liabilities—		
(i) Rebate on Bills	6,321 9 2	
(ii) Unclaimed Dividends	33,469 3 3	
(iii) Branch Adjustments	51,22,696 8 7	
(iv) Staff Security Deposits	2,77,100 0 0	
(v) Provision for Taxes	6,91,418 1 6	
(vi) Outstanding Charges and Sundries	44,991 6 10	61,75,966 13 4
8. Acceptances, Endorsements and Other Obligations as per contra		2,52,08,294 0 11
9. Profit and Loss—		
Profit as per last Balance Sheet	6,84,273 15 2	
LESS—Appropriations— Rs. a. p.		
To Reserve for Income-tax 3,75,000 0 0		
,, Bonus to Staff 1,01,000 0 0		
,, Dividends 1,87,500 0 0	6,63,500 0 0	
	20,773 15 2	
ADD—Profit for the year brought from Profit and Loss Account	10,01,227 8 7	
	10,22,001 7 9	
LESS—Transfer to Reserve Fund under Section 17 of the Banking Companies Act	3,00,000 0 0	7,22,001 7 9
10. Contingent Liabilities—		
(i) Liability on Account of Letters of Guarantee given on behalf of Constituents	6,46,832 12 0	
(ii) Liability on Bills of Exchange Re-discounted	Nil	
(iii) Liability on Account of Outstanding Forward Exchange Contracts	2,94,06,976 14 3	
(iv) Liability on Account of Guarantee given on behalf of Directors	11,18,402 0 0	
(v) Claims against the Bank not acknowledged as debts	Nil	
Total .. Rs.		17,65,73,328 5 4

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank and State Bank of India (including Foreign Currency Notes)		1,56,45,633 10 7
2. Balance with Other Banks—		
(a) In Current Account—		
(1) In India	30,33,708 5 2	
(2) Outside India	43,60,356 0 8	
(b) In Deposit Account—		
Staff Security Deposits with Scheduled Banks in India	2,77,100 0 0	76,71,164 5 10
3. Money at Call and Short Notice—		
(1) In India	50,00,000 0 0	
(2) Outside India	Nil	50,00,000 0 0
4. Investments—		
(i) Securities of the Central Government and State Governments and other Trustee Securities of the face value of Rs. 3,79,15,500 at cost (Market value as on 31-12-1955 Rs. 3,78,37,435-15-0)		3,74,36,938 10 6
(ii) Shares of the Madras Industrial Investment Corporation, Ltd. and Soorasra Industrial Investment Corporation, (fully paid) at cost		1,24,875 0 0
(iii) Municipal Debentures and Loans at cost		4,02,178 9 2
(iv) Securities of Pakistan, Central and State Governments of the face value of Rs. 9,00,000, held at Karachi (Market value as on 31-12-1955 Rs. 9,00,750)		8,99,839 7 6
(v) Gold		Nil
		3,88,63,826 11 2
5. Advances—		
(Other than Bad and Doubtful debts for which provision has been made to the satisfaction of the Auditor)		
(i) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(1) In India 3,45,09,395 10 0		
(2) Outside India 6,38,345 11 7	3,51,47,741 5 7	
(ii) Bills Discounted and Purchased—		
(1) Payable in India 1,85,08,815 6 4		
(2) Payable outside India 72,09,707 2 1	2,57,18,522 8 5	6,08,66,263 14 0
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	1,41,98,059 15 0	
(ii) Payable outside India	37,25,130 1 3	1,79,23,190 0 3
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		2,52,08,294 0 11
8. Premises at cost	1,35,251 8 5	
Add—Additions during the year	2,72,500 0 0	
	4,07,751 8 5	
LESS—Deductions therefrom	4,922 4 5	
	4,02,829 4 0	
LESS—Depreciation to date	36,780 3 9	3,66,049 0 3
9. Furniture and Fixtures at Cost	6,06,589 3 4	
Add—Additions during the year	1,84,389 15 6	
	7,78,459 2 10	
LESS—Cost of Articles sold or fully written off	38,922 10 7	
	7,34,536 8 5	
LESS—Depreciation to date	2,63,889 11 6	4,70,646 12 9
10. Other Assets—		
(i) Interest accrued on Investments	2,97,449 3 7	
(ii) Stock, Stationery and Library	1,07,888 7 9	
(iii) Branch demand drafts paid, bills realised by agent banks pending adjustment, cheques pending collection and clearing vouchers received	25,70,890 11 4	
(iv) Prepaid Expenses and Sundries	6,84,223 15 1	
(v) Taxes paid in advance and Income-tax deducted at source	8,97,502 7 10	45,57,954 13 7
11. Non-Banking Assets Acquired in Satisfaction of Claims—		
Lands and Buildings at or below cost		300 0 0
Total .. Rs.		17,65,73,328 5 4

Schedule of particulars required by the Banking Companies Act, 1949 (Act X of 1949) attached to and forming part of the Balance Sheet as at 31st December, 1955

PARTICULARS OF ADVANCES	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	4,86,84,850 8 3
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security (inclusive of advances on joint and several pro. notes)	76,65,680 0 7
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	45,15,733 5 2
(iv) Debts considered doubtful or bad not provided for	Nil
Total .. Rs.	6,08,66,263 14 0

PARTICULARS OF ADVANCES	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	32,600 6 9
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	13,19,978 3 3
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	88,979 8 9
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	37,55,599 5 9
(ix) Due from Banking Companies	5,87,948 1 2

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955

EXPENDITURE	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	17,66,656 5 8
2. Salaries and Allowances and Provident Fund (inclusive of salary of the General Manager Rs. 26,385 and allowances nil)	13,92,184 9 2
3. Directors' and Local Committee Members' Fees and Allowances (inclusive of the remuneration to Supervising Director Rs. 18,000)	37,165 8 0
4. Rent, Taxes, Insurance, Lighting, etc.	1,80,682 14 7
5. Law Charges	5,310 14 0
6. Postage, Telegrams and Stamps	1,56,697 12 5
7. Auditor's Fees and Travelling Expenses	3,000 0 0
8. Depreciation on and Repairs to the Banking Company's Property	93,288 4 1
9. Stationery, Printing, Advertisement, etc.	2,11,186 2 9
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
11. Other Expenditure	1,60,163 7 1
12. Balance of Profit	10,01,227 8 7
Total .. Rs.	55,07,372 6 4

NOTE.—The balance of profit in the Profit and Loss Account of Karachi Branch has not been incorporated in the Profit and Loss Account.

INCOME (less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	36,34,218 0 10
2. Commission, Exchange and Brokerage	15,91,855 2 8
3. Rents	3,987 2 0
4. Net Profits on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any Particular Fund or Account)	4,232 13 8
5. Net Profits on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any Particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. Other Receipts	2,66,129 3 7
Total .. Rs.	55,07,372 6 4

AUDITOR'S REPORT.

1. I beg to report that I have examined the foregoing Balance Sheet of the Canara Bank Ltd., as at 31st December, 1955, and the Profit and Loss Account for the year ended 31st December, 1955, with the books and vouchers of the Administrative Office and the certified returns from the branches and that I have visited the major branches of the Bank during the year and have examined the books and accounts and cash securities as at the time of my visit and that I have obtained all the information and explanations I have required.

2. In my opinion, such Balance Sheet and Profit and Loss Account are drawn up in conformity with the law; and the Balance Sheet exhibits a true and correct view of the state of affairs of the Bank according to the best of my information and the explanations given to me and as shown by the books of the Bank. Further, in my opinion, the books of accounts have been maintained by the Bank as required by Section 120 of the Indian Companies Act.

3. The information and explanations required by me have been found to be satisfactory.

4. The transactions of the Bank which have come to my notice have been within the powers of the Bank.

5. The returns received from the Branch offices of the Bank have been found adequate for the purpose of the audit; and

6. The Profit and Loss Account shows a true balance of Profit and Loss for period covered by such account.

BANGALORE, 15th January, 1956.

A. UMANATH RAO, B.A., F.C.A., Chartered Accountant. } Auditor.

P. SARVOTHUM NAYAK, General Manager.

A. DAMODAR PAI, H. LAXMINARAYANA KAMATH, K. P. J. PRABHU, A. NARAYANA PAI. } Directors. Chairman.

FUTURE OF GENERAL INSURANCE

SOME PROBLEMS REVIEWED

THE Government, through its action in nationalising life insurance, has, as was only to be expected, administered a certain shock to general insurers. General insurance, though it has not been nationalised, is apprehensive that the day may not be far distant before it is taken over by the Government. It is true that the Union Finance Minister, Mr. C. D. Deshmukh, has generally indicated that it is not the Government's intention to nationalise general insurance. At the same time, he has averred that the Government is aware of the malpractices in this field. He has also uttered the warning that the Government may reconsider its decision not to nationalise this section if conditions do not improve.

All this indicates that general insurance is in a state of *parole*, that its continued freedom from nationalisation rests upon its good behaviour. General insurers will, therefore, do well to see that they conduct their business on sound lines, so that there may be no room for the Government to doubt their *bona fides*. Again, they should strive to strengthen their reserves, for it is only the companies with strong reserves that can really render efficient service to the insured. It is gratifying to note that general insurers are fully alive to the need for improvement along these lines. Thus, Mr. J. P. Bhargava, President of the Indian Insurance Companies' Association, in the course of his speech at the recent annual meeting of the Association, held at Calcutta, said that, unless the position of general insurance companies was strengthened and sound reserves were built up, the Government "may later on try to justify its policy of nationalisation and extend it to general insurance." He emphasised that general insurers must develop a new urge—an urge to develop their business on sound lines. He warned:

"Insurance, in general, is very much in the public eye and, unless the fears both of the Government and the public are allayed, we shall be brought to actual disaster. I do earnestly request each one of you to think deeply on these matters, as I am quite certain you will realise that, in this respect, our fate is in our own hands."

We are not, of course, quite so certain that the general insurers' fate is entirely in their own hands. For, if the Government decides on nationalisation of general insurance on purely ideological considerations, there is nothing that the general insurers can do about it. But, to the extent that they can ward it off through improvement in the conditions under which they work, they should, of course, see that the Government does not nationalise general insurance on the ground—rather, on the pretext—that malpractices exist in this field. But the chief difficulty, as Mr. Bhargava pointed out, is that the term "malpractices" has not been defined, so that "one wonders what exactly is in the Government's mind to which so much importance is given." He added: "For any Government it is by no means difficult to bring to book persons misconducting their business and to rectify matters. Should any amendment to the existing laws be necessary or reinforcement of the administering personnel required, the Government could always make appropriate provisions."

Code of Conduct

If the Government has in mind the "code of conduct," it appears to us that there are certain features in it which stifle competition. It is no use formulating a law which places an artificial curb on competition and then expect the private sector, which must essentially operate on the principle of competition, to abide by it. Further, it seems necessary to examine whether insurance legislation cannot be modified in order to make it a little more flexible than at present.

Referring to this aspect of general insurance business, Mr. Bhargava said:

"Whilst some preventive legislation to safeguard the public may be justified, it is quite unjustifiable that, for the sake of a few offenders in the market, the trade as a whole is penalised. Those companies which are sound and could move ahead are, with heavy legislative chains, forced to keep back. There is far too much rigidity in the law which permits no flexibility to insurers to adopt their working to meet their individual requirements. During the past five years, considerable difficulties have been experienced in this direction by the industry, and it is the duty of the Government to amend the provisions of the law in the light of experience gained. Unless scope is allowed to solvent companies to grow, the position of the industry must remain unsatisfactory. My own feeling is that controls must be focussed on those who are unable to maintain solvency—and others allowed full freedom to run themselves efficiently."

A new problem which general insurers have to face is that of competition from the general insurance subsidiaries of the life companies now taken over by the Government. Referring to this problem, Mr. Bhargava said:

"The Government will undoubtedly be influencing the trends of the market through these companies, and if after practical experience the Government finds that there are serious defaults of omission or commission by their competitors, they will take a grave view of things to the detriment of the private sector. As I have said before, it becomes consequently everybody's duty to run their business on sound lines and not give the Government any opportunity of blaming their contemporaries in business. The position in which the private sector finds itself placed *vis-a-vis* the Government, reminds one of the theory of the mediæval Kings of England, 'The King can do no wrong.' Let us, therefore, not be indifferent to what may not affect us immediately, but is sure to do so tomorrow, and be vigilant from now onward."

Nationalisation of life insurance has raised an important question, namely, the insurance of the buildings, vehicles and other fixed assets of the insurance companies which will pass into the hands of the Government-owned Insurance Corporation. It is felt that the Government might direct the Corporation to insure these several crores worth of assets with the subsidiary general insurance companies it owns. We think that the correct thing for the Government to do would be either to let the Corporation carry its own insurance on these assets or to treat them as Government-owned property and place the insurance of these assets through the Insurance Companies' Pool.

Another Problem

The threat held out by the State Governments of their entry into certain fields of general insurance constitutes another problem for general insurers. Thus, the Madras Government has proposed to take over the third party insurance of motor vehicles. This might well encourage other States to follow the example of the Madras Government. The main argument against this proposal is that it is wrong for a Government, which is not committed to a policy of nationalisation of general insurance, to take over some aspects of such insurance merely because they happen to be somewhat profitable. This was emphasised by Mr. Bhargava when he said:

"Perhaps, the Government has been prompted to consider the proposal in view of the third party claims experience being known to be somewhat favourable. It is true that the private sector transacting third party insurances efficiently settles claims out of court, and attempts to keep the cost of claims low. It avoids legal battles and litigation as far as possible. The Government, however, should not overlook the fact that the companies' experience in comprehensive car insurance business is generally far from good. Even so, the companies have continued to afford their cover, in order to avoid inconveniencing the public. In the fitness of things, therefore, the Government should not interfere with third party insurance but allow general business, both good and bad, to be conducted by the private sector, and not leave it with only the unprofitable end."

The overall outlook for general insurance is certainly bright. The growing economic progress of the country, as Mr. Bhargava pointed out, provides scope for the extension of general insurance. It is to be hoped that general insurers will strive hard to utilise the opportunities provided by the industrial progress of the country to extend and improve the scope of their activities.

SOCIAL SECURITY IN U.S.

American workers continue to add to their insurance holdings, one of their many forms of economic security. Preliminary estimates by the Institute of Life Insurance, a private trade association, show that, in 1955, workers and businesses in the United States bought more new group life insurance than in any previous year. Through group purchase plans, which often are provided for in union-management contracts, workers can obtain the advantages of broader coverage and higher benefits at lower cost. Many companies pay all or part of their employees' insurance programmes.

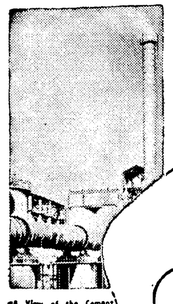
The value of new group insurance plans set up for American workers last year aggregated $9,300 million, about $2,700 million more than in 1954. More than 2,400,000 employees in private industry were brought under group insurance protection for the first time. Adding U.S. Government employees also brought under group insurance protection by an Act of Congress, 1955 purchases came to $11,200 million and the number of newly insured to 2,900,000.

An estimated 31 million workers, more than half the non-agricultural labour force of the United States, now own group life insurance. Insurance now in force with employee groups is estimated at $102,000 million, about $80,000 million more than 10 years ago and some $16,000 million more than a year ago. In addition to the $11,200 million in new policies, about $5,000 million of the 1955 increase came from additions of workers to previously established groups or from additional protection for those already covered.

There is strong evidence that increase in private insurance ownership in the United States is continuing in 1956. Life insurance purchases in January were at an all-time high of $3,742 million, an increase of 21 per cent. from a year ago.

HEALTH INSURANCE

Nearly 85,000 employees will benefit under the Employees' State Insurance Scheme, which is being extended to 22 more areas in India shortly. These include seven centres in Rajasthan, four in Madhya Pradesh, six in Saurashtra and five in Travancore-Cochin State. The Scheme, which came into force in February 1952, at present covers 10.5 lakh employees in 31 centres in the country. The gradual extension of the Scheme to new centres, it is stated, is likely to bring down the overhead cost of the Scheme. Due to the need for an all-India organisation the administrative cost formed 75 per cent. of the total expenses in 1952-53 when the number of employees benefited under the Scheme was only 1.2 lakhs and sickness and maternity benefits were paid only for a part of the year. As the number increased to 1.5 lakhs during 1953-54 and the first group of 1.2 lakhs drew benefits for a full year, the percentage of administrative expenses came down to 50 per cent. It further declined to 42 per cent. during 1954-55 when the Scheme was extended to cover 7 lakh employees, of whom only 1.5 lakhs drew all the benefits all the year round. It is calculated that when the Scheme covers the total insurable employees in India by 1958, administration expenses will not exceed eight per cent. of the total contribution income.



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BANGALORE WOOLLEN, COTTON AND SILK MILLS CO., LTD.

SEVENTY-THIRD ANNUAL MEETING

MR. R. E. CASTELL ON BURDEN OF EXCISE DUTY ON MILL-MADE COTTON CLOTH

ADDRESSING the shareholders of the Bangalore Woollen, Cotton and Silk Mills Company, Ltd., at their Seventy-third Annual General Meeting held in Bangalore on 24th March 1956, Mr. R. E. Castell, Chairman of the Company, made a reference to the increase in excise duty on mill-made cotton cloth under the latest Finance Bill. Although there had been a good demand for cloth in India, which might be expected to continue and even increase, he doubted whether the consumers could afford now to meet this extra burden. He feared that, for the present, the industry would have to carry a part of this additional levy at least for some varieties.

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

"GENTLEMEN,

"The Directors' report and accounts for the year ended 31st December 1955 having been with you for some time, I propose with your permission to take them as read, but after my speech I shall be glad to answer any questions members may wish to ask.

"Although further progress in the Company's efforts to increase efficiency by the rehabilitation and replacement of machinery, and the improvement of processing methods has led to a useful increase in production and sales, the profit for the year is lower than the high level attained in 1954. Nevertheless, I hope you will regard the result as satisfactory having regard to all the circumstances.

Excise Duty

"As was expected, the cess and excise duties newly imposed on woollen goods by the 1955 Finance Act had an adverse effect on the Indian woollen industry. In the case of your own Company it was found impossible to raise selling prices to cover the new taxes on these goods, so that the working of the woollen section made a bigger subtraction than in the previous year from the profits earned by the other departments of the mills.

"The cess and excise duties also affected the Company's union fabrics and reduced the profit margin thereon. The construction of the 'Cotswol' Mill was completed during the year and in addition to this well-known union fabric, a heavier cloth, 'Angola' is now being produced for the armed forces and is also being sold for general consumption.

"The Company's cotton goods continue to be in good demand, but the margin of profit on fine cotton varieties was reduced to some extent by competition.

"By the 1956 Finance Bill the excise duties on all mill-made cotton cloth, with certain exceptions which do not concern your Company, were increased by 6 pies per square yard. Although there has been a good demand for cloth generally and this may well continue and even increase, I doubt if consumers can afford to meet this extra indirect taxation now, and perhaps for some varieties a part of the additional excise duty may have to be borne by the industry for the present.

Mill Cloth Production Should be Expanded

"As you may know, there is a difference of opinion between Government and the textile industry both regarding the size of the demand for cloth in India during the period of the second Five-year Plan, and regarding the methods by which this demand can best be met. I will not worry you with all the figures connected with this matter, but would like to say that whatever increase in production may arise from encouragement of the handloom industry, including the replacement in the course of time of some of the handlooms by powerlooms, it is vital that a considerable expansion of the present capacity for producing mill cloth should be permitted, and indeed encouraged. I hope that this encouragement will soon result from a change of policy and so prevent any serious shortage of cloth arising.

"Along with other mills, your Company is still precluded by regulations from expanding its installation for the manufacture of cotton cloth, and as it would take some time to arrange any addition to existing plant, I hope the Government will not wait until an emergency arises before deciding upon a change of policy. In my opinion, third-shift working could not offer a proper solution for meeting a cloth shortage, for, as is widely known in the industry, continuous operation shortens the life of machinery, reduces its efficiency, is disliked by the workers and lowers standards of quality.

"The Mills' silk section has made good progress during the year and its productive capacity has been increased. We now use much raw silk and spun silk produced in Mysore State, and as the local filature industry makes headway in its efforts to improve quality, we hope to use still more indigenous silk products without any sacrifice in the quality of our well-known silk *saris* and other fabrics.

"Owing to competition in overseas markets and, in some of them, to import restrictions imposed for economic reasons, our export sales suffered a setback in 1955. It seems likely that competition abroad will increase, but in spite of that your Company will make every effort to maintain and, if possible, increase their exports, and they have reasonable hopes of success particularly, as they can rely on good connections with many active and substantial constituents and representatives overseas.

"There is not much for me to comment on in the published accounts. The figures in the balance-sheet show little material change from the previous year and in the profit and loss account there have been increases in manufacturing costs commensurate with the higher production but, as explained in the Directors' report, profit margins have been reduced in order to cover to some extent the cess and excise duties which were imposed earlier in the year on woollen and union fabrics.

"I have still no further news to give you on our application to the Commissioner of Income-tax under section 23A of the Indian Income-tax Act, but I trust it will not be necessary for us to make a further distribution from the profits made in the calendar year 1954.

Capitalisation of Reserves

"It is possible that you will have been disappointed at our decision to defer action on the proposed bonus issue, but I hope you will all agree with your Directors that it is in the interests of the Company to delay matters until we are in a position more fully to understand the somewhat complicated provisions of the 1956 Finance Bill regarding the proposal to impose taxes on bonus issues and dividends in excess of 6 per cent. of the issued ordinary capital.

"The financial interest of the shareholders in this Company is approximately Rs. 2½ crores, being the total of our capital and reserves, and, though the balance-sheet shows that practically the whole of this amount was employed in the business, it is important to bear in mind that the figures as at 31st December show the working capital required at its minimum amount, as at the close of the year raw material stocks are generally at their lowest and normally the Company has by that time disposed of its 'seasonal' finished products of the Cotswol and woollen departments. For nine months of the year 1955 we were indebted to our bankers, the highest point being reached in June when the overdraft stood at over Rs. 66 lakhs.

"It is most unfortunate, therefore, that the Budget proposals may prevent us from carrying out the very necessary rationalisation of our balance-sheet by the increase of the issued capital so as to bring it more into line with the capital actually employed.

"The imposition of a heavy octroi duty on all raw materials entering the City limits and also on many other items essential to the operation of the mills, announced by the Bangalore Corporation in December 1954, is still *sub judice*, but I repeat now what I said in my speech last year that, if this duty be implemented, it will add materially to the costs of the local industry and place it at a disadvantage in relation to mills elsewhere in India.

"As mentioned in the Directors' report, a final settlement was reached with the employees whereby a sum amounting to 12½ months' basic wages has been paid for the four years 1952 to 1955.

"Whilst I am glad to say that during the year under review no major industrial disputes have arisen, we have, unfortunately, been involved in long-drawn-out and vexatious proceedings on certain issues most of which can scarcely be described as of major importance. Much time, which could more usefully have been devoted to the development of our manufacturing business, has, therefore, been sacrificed, and I cannot but feel that many of these minor differences could be more easily and more happily resolved were the Labour Association to accept our offer to introduce in these mills an industrial disputes settlement procedure on the lines of that in force in our sister mills in Madras, where it has proved most beneficial to both parties.

"We shall continue to do our utmost to settle our differences with labour by direct negotiation as problems arise, for your Directors remain convinced that it is in the best interests of industrial harmony and progress that, whenever possible, differences should be settled without reference to a third party.

Housing of Workers

"Your Directors propose to set aside Rs. 3 lakhs to cover the estimated expenditure on workpeople's housing during 1956.

"The workpeoples' and employees' provident funds do not appear in the published accounts of the Company as they are vested in trustees. The liabilities of these funds as at 31st December 1955 amounted to Rs. 51,88,956 and Rs. 5,59,908, respectively, and corresponding amounts are invested in trustee securities.

"In conclusion, you will no doubt wish to join me in recording appreciation of the wholehearted co-operation which we have received from the executive and supervisory staff both of the management and of the mills. We should be grateful to the Manager and his staff who by their enthusiasm and skill have contributed so much towards the increased efficiency and production to which I have already referred."

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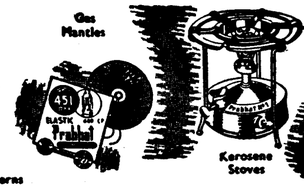

Manufacturers: PRABHAT PRODUCTS COMPANY, Noble Chambers, Parsi Bazar Street, Fort, Bombay-1

THE UNITED COMMERCIAL BANK, LIMITED

MR. G. D. BIRLA'S STATEMENT

SOME VALUABLE SUGGESTIONS FOR SUCCESSFUL IMPLEMENTATION OF SECOND PLAN

SOME constructive criticisms of the second Five-year Plan as is outlined in the draft now before the public were offered by Mr. G. D. Birla, Chairman of the United Commercial Bank Ltd., in his statement to the shareholders at their Thirteenth Ordinary General Meeting held at Calcutta on 28th March 1956. He drew pointed attention to certain problems that must be satisfactorily solved if the Plan were to prove a success. These are, according to Mr. Birla, the inadequacy of internal resources, foreign exchange, technical personnel and transport and the rigidity of Government machinery. Mr. Birla sought to impress on the authorities that these handicaps must be got over by a realistic approach towards economic planning.

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

"GENTLEMEN,

"Before I proceed with the ordinary business of this thirteenth annual general meeting of the Bank, I should like to refer with great sorrow to the loss sustained by the Bank in the premature death, in August 1955, of Mr. Navinchandra Mafatlal, who was a Director since its inception and had contributed greatly to its growth. He was a staunch friend of the Bank and was held in the highest personal esteem by us all who miss his genial presence and wise guidance. The sorrow is tempered by the fact that his son has joined our Board and the connection of the Bank with the House of Mafatlal will continue unbroken.

"I have also to report to you the resignation from the Board, on his appointment as a Director of the State Bank of India, of Mr. R. G. Saraiya, who as a Vice-Chairman guided the affairs of the Bank, particularly in Bombay, since its inception.

"In the vacancies which had arisen in the Board the Directors have appointed Mr. Yogindra N. Mafatlal, Mr. G. D. Kothari and Mr. T. S. Rajam. I am glad to welcome them on your behalf and I am confident that the Bank will benefit greatly by their wide experience in their respective spheres of industry and trade.

Tribute to Mr. Thakur

"Reference has been made in the Directors' report to the changes which took place last year in the general management of the Bank. Mr. B. T. Thakur, who was the General Manager of the Bank since its inception, resigned, on grounds of health, from the chief executive charge of the Bank in April 1955 and has gone on leave preparatory to retirement. I take advantage of this occasion to pay a tribute, on your behalf, to the ability and zeal with which he had served the Bank during his period of office and built it up to its present position as one of the leading banks of the country, and to place on record our high appreciation of his valuable services.

"Mr. S. T. Sadasivan has been appointed to succeed Mr. B. T. Thakur as General Manager and I extend to him our good wishes for success during his period of office. Mr. Sadasivan was the Deputy General Manager of the Bank since 1945 and has also acted as General Manager. I have every confidence that the progress of the Bank will continue with great vigour under his zealous care and able guidance.

"I also take this opportunity to thank the members of the staff in India and abroad for their devoted service to the Bank and for their valuable contribution to the satisfactory results achieved during the past year.

"I now turn to the ordinary business of the meeting. The balance-sheet and the profit and loss account have been in your hands for some time and they bear testimony to the continued improvement of the Bank's business in the past year.

Bank's Business

"*Deposits.*—You will notice that the total of the current, savings and fixed deposits and other accounts at the end of 1955 stood at Rs. 47.69 crores, as compared with Rs. 40.42 crores at the end of 1954. The increase in deposits of Rs. 7.27 crores represents a rise of 17.9 per cent. which is a much higher rate of increase than 7.1 per cent. recorded in 1954 and is higher than the rise of 9.7 per cent. in the deposits of Scheduled banks as a whole. The rise in deposits, which is common to all banks, should be attributed to higher production and an expanding economy which are the results of successful implementation of the first Five-year Plan.

"*Cash.*—Cash on hand, balances with banks and money at call and short notice accounted for Rs. 6.21 crores and represented 13.02 per cent. of our total deposit liabilities.

"*Investments.*—The investments of the Bank in Government and other approved securities stood at Rs. 22.17 crores showing a rise of Rs. 5 crores, as compared with the figure at the end of 1954. The bulk of the increase in deposits has thus gone into Government securities. During the year, as a result of the nationalisation of the Imperial Bank of India, we received compensation for our holding of shares in the Imperial Bank of India in the form of Government securities. We have, however, made a fresh investment of Rs. 23,93,200 in the shares of the Industrial Credit and Investment Corporation of India Ltd., which was incorporated in the beginning of last year with the assistance of the Government of India by way of interest-free advance, for the purpose of carrying on the business of assisting industrial enterprises in the private sector of industry in India by providing finance in the form of long and medium-term loans or equity participation and for sponsoring and underwriting new issues of shares and securities. The ratio of our investments to our deposits, after deducting the amounts borrowed thereagainst is 37.60 per cent., as compared with 33.6 per cent. at the end of 1954. Cash resources and unencumbered investments together amount in the aggregate to Rs. 24.14 crores, giving a liquidity ratio of 50.62 per cent. to total deposits. The Bank's investments are shown in the balance-sheet, in accordance with our usual practice, at below the prevailing market rates.

Bills

The amount of bills discounted and purchased has increased during the year from Rs. 8.57 crores to Rs. 9.74 crores. You will be gratified to note that this self-liquidating asset forms 20.42 per cent. of the deposits of the Bank.

"*Liquidity Ratio.*—The total of our most liquid assets—cash on hand and with banks, money at call and short notice, unencumbered investments and bills—represents 71.04 per cent. of our deposit liabilities. This is a very high liquidity ratio and enables us comfortably to expand credit during the busy season.

"*Foreign Exchange Business.*—Our foreign exchange business continues to improve. It forms an important part of our banking operations and the turnover in this department has increased during the past year, as a result of the rise in the value of the foreign trade of India and the neighbouring countries. We are constantly expanding the network of our foreign correspondents and overseas connections in order always to be ready to handle any business that might be offered to us.

"*Advances.*—Our advances showed a moderate increase from Rs. 16.07 crores to Rs. 17.85 crores. This gives a ratio of 37.43 per cent. to our deposits, against 50.58 per cent. for the banking system as a whole.

"*Bank's Property Account.*—The additions to the Bank's property account during the year were Rs. 10.03 lakhs. This is due to the purchase of the premises of the Banque de L' Indochine at Pondicherry in connection with the acquisition of their business and to the construction of our own premises at Parliament Street, New Delhi. We hope shortly to commence the construction of the head office building at Calcutta at the site which we have acquired for this purpose at the corner of Brabourne Road and Royal Exchange Place Extension.

"*Profit and Loss Account.*—Turning to the profit and loss account you will notice with satisfaction that the profit for the year 1955 is Rs. 36.69 lakhs, as compared with Rs. 31.06 lakhs for the year 1954. This satisfactory result has been achieved, in spite of heavy increase in expenses and in interest paid on deposits. As stated in the Directors' report, the total profit, including the sum of Rs. 1,08,724-8-9 brought forward from 1954 accounts, is Rs. 37,77,761-2-0. Out of this amount, the Directors have already transferred Rs. 8.50 lakhs to the reserve fund which now stands at Rs. 95 lakhs and have made a provision of Rs. 14 lakhs for taxation and Rs. 4 lakhs for bonus to staff, leaving a balance of Rs. 11,27,761-2-0. In view of the improved working results, the Directors feel justified in recommending a slight increase in the dividend from 5 per cent. paid last year to 5½ per cent. per annum, free of income-tax.

The Bank Award

"Since we met last, the Bank Award Commission which was appointed by the Government of India to go further into the dispute between banks and their employees in the matter of salaries, dearness allowance, etc., gave its decision which the Government of India accepted *in toto*. By its decision, the Commission restored, with slight alterations, the Award of the Labour Appellate Tribunal which the Government had previously modified. It also decided that no employee should be asked to refund any excess paid to him under the then existing scheme over what he would be entitled to under its Award. In order to lighten the burden on banks imposed by the higher salaries and allowances recommended, the Award permitted banks to pay the employees any arrears that may be due to them in three instalments. Favourable to the employees as such recommendations were, the banks went further and waived their right to pay the arrears in three instalments and paid the entire amount due to each employee in one lump sum. The banks also waived their right to recover the excess dearness allowance paid during the period July to November 1955. Notwithstanding such generous concessions the employees were not satisfied, instead they carried on an agitation culminating in the refusal to work overtime for the purpose of the annual closing of accounts which was consequently delayed and also finally resorted to a two days' strike in January this year. It is extremely regrettable that they should adopt such an attitude and go on a strike which was clearly illegal. It is to be hoped that the employees will take the provisions of the Industrial Disputes (Banking Companies) Decision Act as final and devote themselves to strenuous and harmonious work in close co-operation with the management. Needless to say, such co-operation will naturally produce better working results for the Bank which, in turn, will enable the management further to improve the conditions of service of the employees.

Bank Rate

"The Bank rate in India remained unchanged at 3½ per cent. throughout the year 1955, though the Bank of England rate was raised from 3 to 3½ per cent. on the 27th January 1955 and again to 4½ per cent. on 24th February 1955. Notwithstanding the fact that the year 1955 saw an upward revision of Bank rates in varying degrees in different parts of the world, it is a matter of gratification that the Bank rate in India remained unchanged and adequate finance could be secured by commerce and industry on the basis of 3½ per cent. official Bank rate. The increase in the Bank of England rate on the 16th February 1956 from 4½ per cent. to 5½ per cent. has raised the question whether it will be necessary or desirable to effect any change in the Indian Bank rate.

"On a superficial assessment of the situation it would appear that the Indian Bank rate is unrealistic in the light of the competition for deposits which has carried the deposit rate almost to the level of the official Bank rate, but there has never been any integration with the official rate of the various interest rates quoted in the market and the money rates prevailing in the bazar have never had any relation to the official Bank rate. The impact of the rise in the Bank of England rate has so far been confined to a rise in the deposit rate and a sporadic increase in the rate of interest charged by some banks on certain classes of advances, but has had no significant influence otherwise.

"The problems facing India are wholly different from those of the United Kingdom and the prevalence of unemployment and the existence of a steady level of prices which have characterised Indian economy are in sharp variance with overemployment and inflation which are the features of British economy. We are now engaged in bringing into fruition a planned economy which has for its objects increased production, increased national income, the provision of employment on a large scale and the maintenance of stable economic conditions. In the financial sphere, the operation of the first Five-year Plan has resulted in increased bank deposits, a larger note circulation and enhanced bank advances without any appreciable increase in commodity prices or the cost of living. This was because increased money supply has been matched by increased production.

Result of Rise in U.K. Bank Rate

"One result, however, of the rise in the Bank of England rate is that more and more of the foreign trade of India will have to be financed out of Indian resources. But these resources are expanding and the stage has not yet been reached when they may be said to be inadequate. The bill market scheme inaugurated by the Reserve Bank of India in 1952 is a sufficient guarantee that seasonal expansion of credit could be effected without a change in the Bank rate, and the recent announcement of the Reserve Bank of India that advances under the scheme will be made at 3½ per cent. interest instead of at 3 per cent. as hitherto is not to be interpreted as a measure of dearer money. Moreover, the export trade is financed on the basis of the higher money rates prevailing in London through an adjustment of the exchange rates applicable to usance bills and, in an emergency, the bills could be rediscounted in the London market. It is only in the case of imports that the pressure for finance will be squarely transferred to the Indian money market, but the expansion of resources resulting from the operation of the second Five-year Plan appears to be adequate to take care of such increased responsibility as might devolve on the Indian money market.

"It is necessary for the success of the borrowing programmes associated with the second Five-year Plan that stable and healthy conditions should be maintained in the money and Gilt-edged markets and the continuance of the Indian Bank rate unchanged at its present level is a necessary condition for the fulfilment of our development plans. From this point of view it is regrettable that the authorities have allowed the price of 3 per cent. Conversion Loan to go below Rs. 80. A little support to this loan will inspire confidence in the stability of the Gilt-edged market.

"The question of an upward revision of the Bank rate will arise in the event of the spectre of inflation raising its head or the scramble for deposits developing to the extent of a runaway rise in deposit rate to a level higher than the Bank rate. The authorities will, no doubt, keep a close watch on the situation and act without hesitation when the contingency arises.

"Before proceeding to review the economic conditions in India, I shall briefly comment on the conditions prevailing in the countries where we have branches.

Burma

"At the beginning of the year, Burma was faced with the problem of rapidly dwindling balance in foreign exchange. As a corrective measure the Government imposed a 50 per cent. moratorium on all outstanding import licences in March 1955 and this action was followed by the complete suspension of the Open General Licence. This had the inevitable repercussions on business and commerce. The prices of imported consumer goods, such as textiles, toilet requisites, tinned provisions, etc., shot up to a very great extent. As a result of these corrective measures, the position improved somewhat in the latter part of the year and since then the Government has been issuing a few licences for import, mostly from countries like China, Hungary, Yugoslavia, and the U.S.S.R. with whom agreements for payment on barter basis have been concluded. As a result of these and of severe restriction on private remittances, the shrinkage of foreign holdings of the Union Bank has been arrested and a moderate improvement has set in. The Government's policy in recent months has shown a tendency towards the scaling down of capital expenditure which is not considered as wholly essential or immediately productive.

"During the year, the Government of India granted a loan of Rs. 20 crores to Burma to assist her in financing her development plans. The loan is repayable in half-yearly instalments of Rs. 2.5 crores beginning from March 1959. The rate of interest on the loan is 4 per cent.

"The prospects of Burma's most important export crop—rice—seems to be bright this year. It is reported that, out of an exportable surplus of about 1.5 million tons, agreements have been practically concluded for disposal of very nearly the entire quantity.

Malaya

"The total value of Malayan trade last year was ST$ 7,977.1 million—a rise of 27.61 per cent. over 1954. With imports at ST$3819.4 million and exports at ST$4,157.7 million, the adverse balance of trade of 1954 was turned into a favourable balance of ST$338.3 million. This improvement was largely due to better prices of tin and rubber. The exports of these commodities registered a rise of 8 per cent. and 1 per cent., respectively. Rubber production was highest since 1950 at 637,463 tons and the average price during the year was $1.14 per lb., as against the average of 67 cents during the previous year. Tin production, at 61,244 tons, was in fact a post-war record and the average price during the year was ST$365.50 per picul, compared to the average of $353.59 in the previous year. As a result of improved trade with Indonesia, the conditions in the textile market showed signs of improvement. On the whole, the year 1955 can be considered as the second best year, the best so far being 1952.

"The Colony of Singapore and the Federated States of Malaya had their first measure of self-government when the general elections were held. The general conditions in Malaya were still disturbed and the 'Amnesty' proposals made by the Government were unsuccessful. There were also signs of industrial unrest resulting in a number of strikes in industrial organisations, rubber mills, transport, etc.

"The prospects for 1956 would be bright, if the prices of rubber and tin are sustained even at their present levels.

Hong Kong

"The industrial production of the Colony continued to rise and the number of registered factories as well as the number of workers employed showed an appreciable improvement over the previous year. This has enabled Hong Kong to stabilise her economic position and to a certain extent has made up for the loss in her trade with China after the embargo. The Colony was able to compete with certain amount of success with the industrialised countries in finding markets for its industrial products in South-East Asia, U.K., and other British Colonies. The export of industrial products registered an increase of HK$48 million—an increase of nearly 7 per cent. over the last year's exports.

"A significant feature of last year was the continued influx of a very large amount of Chinese capital into the Colony from countries in South-East Asia. As a result of this, boom conditions were prevalent on the Stock Exchange and in real estate markets.

Pakistan

"Our next-door neighbour, Pakistan, continued during the year to show resilience and progress. The important development on the economic side was the devaluation of the Pakistan rupee. The Pakistan rupee, which had a higher value than its Indian counterpart since September 1949, was brought on a par in July 1955. The need for obtaining capital goods from abroad and the peculiarly monopolistic nature of the country's export goods combined to stave off devaluation. These two factors, however, could no longer continue to support the artificially inflated rupee.

"The economic progress as a whole was maintained. The trade position also showed an improvement. Exports rose from Rs. 190.5 million to Rs. 371.1 million during the three months August-October 1955 and, instead of trade deficit on private account of Rs. 53.5 million, there was a surplus of Rs. 131.5 million. During the year an agreement was also signed between the United States of America and Pakistan providing the use of 20 million dollars of U.S. Assistance Fund for the improvement of Pakistan ports, highways, air-bases, etc. Industrial output also continues to rise and it is hoped that she could look forward with confidence to a year of good development.

"On the political side, a Constitution for the country has just been drawn up and Pakistan has been proclaimed as an Islamic Republic within the Commonwealth.

Economic Conditions in India

"*The Capital Market.*—During the year under review, the Government of India floated a 3½ per cent. ten-year loan at an issue price of Rs. 98.8 and secured Rs. 103.7 crores. Collections from small savings, to which more attention is now being devoted, yielded Rs. 65 crores. The previous year's experiment of floating a combined loan for the requirements both of the Central Government and the State Governments was scrapped and the States came out with their own loan issues—all 4 per cent. loans maturing in 1967, but at different issue prices—and gathered in all Rs. 47.50 crores. The expansion of treasury bills —the measure of deficit financing—is expected to be Rs. 240 crores.

"The Industrial Credit and Investment Corporation of India Ltd. issued its share capital of Rs. 5 crores of which Rs. 3½ crores were privately placed and Rs. 1½ crores were successfully offered for public subscription. Two big debenture issues and quite a number of preference and ordinary shares flotations met with satisfactory response. Altogether the capital market had an active and successful year.

"During the year State Financial Corporations were floated in Madhya Bharat, Andhra, Uttar Pradesh and Rajasthan.

Foreign Trade and Balance of Payments

"The foreign trade of India during 1955 registered a significant growth both in exports and imports and the visible trade deficit has been reduced. The relative figures are as follows:

Foreign Trade—January-November

(In crores of rupees)

	1953	1954	1955
Exports ...	477.84	499.90	539.85
Imports ...	530.13	559.29	577.47
Balance ...	—52.29	—59.39	—37.62

"Import policy is now designed to allow an increase in import of industrial raw materials and capital goods while extending further the principle of protection to Indian industry. The large internal demand for steel has necessitated its import from wherever it is available, but the loss of foreign exchange has been offset by the cessation of imports of foodgrains and sugar and the saving of exchange arising from the import of crude mineral oil in place of refined petroleum products. Imports of chemicals, drugs, electrical goods, newsprint and rayon have remained steady, while import of iron and steel, non-ferrous metals, vehicles and wagons have begun to show a rising trend. The growth of Indian industry is making itself felt in the pattern of our import trade.

"In exports, most of the major commodities, with the significant exception of tea, have been doing well. Exports of jute manufactures showed expansion.

Jute Industry

"The jute industry's success last year is attributed partly to the Government's prompt abolition of the export duty on jute goods in the wake of the devaluation of the Pakistan rupee. The prices of Indian jute goods, thus lowered, enabled the industry to compete on better terms with Pakistan and other jute manufacturing countries. Exports of cotton textiles in 1955 were slightly lower than in 1954 and may again decline in 1956 due to the growth in domestic demand. The decline in export earnings on this account has been more than made good by the large increase in exports of raw cotton, so that the total value of raw cotton and textiles amounted in the eight months April-November 1955 to Rs. 67 crores, as compared with Rs. 55 crores in the corresponding period of 1954.

"The continued weakness of the tea market is an adverse factor likely to offset the increased export earnings in 1956 from other commodities.

"With reference to our export trade the emphasis has shifted in recent years from sending raw materials to sending manufactured goods abroad. The rapid pace of industrialisation has enabled some of our industries to produce manufactured goods which can find an outlet into the world market on a competitive basis both as regards quality and price. On the export side, all restrictions which were necessary in earlier years have been removed, as a result of the improvement in the internal supply position. In fact, except for a few isolated commodities, exports of most major items are being allowed without any control. About 80 to 85 per cent. of the country's export is today free from control.

"In order to secure adequate foreign exchange resources for the second Five-year Plan efforts have to be made to stimulate exports and

the recent announcement of the Commerce Ministry on this subject gives hopes of considerable development in this field in the near future. The Ministry is thus anxious to canalise all measures of rationalisation, so that foreign trade can be regulated properly. Similarly, the Government of India is taking all possible steps through Export Promotion Councils to promote exports of cotton textiles, silk piecegoods, engineering goods, plastic manufactures, cashew and pepper. With adequate financial assistance these bodies would be able not only to help the normal flow of export trade but will also conduct research, propaganda and publicity in foreign markets. Export Credit Guarantee Scheme is sure to give added confidence.

"During the first nine months of 1955 trade with the dollar area resulted in a surplus of Rs. 31 crores, against a deficit of Rs. 3 crores in the corresponding period of 1954. By reason of this satisfactory position, the outstanding loan from the International Monetary Fund was repaid to the extent of Rs. 19.3 crores, leaving only a small balance of Rs. 6 crores still due to the Fund at the end of 1955. The country's net balance of payments on current account for the same period showed a surplus of Rs. 25 crores and the year as a whole is expected to show a surplus of about Rs. 35 crores, as compared with a deficit of Rs. 4 crores in the previous year.

Agricultural Production

"Progress in the field of agricultural production was satisfactory. The output of foodgrains during the year amounted to 65.8 million tons, which, though a little lower than the previous year, was yet in excess of the Plan target by just over four million tons as a result of implementation of irrigation and power projects in the first Five-year Plan, now drawing to a close. By the end of 1954-55, fresh irrigation facilities and increased water-supplies were provided to over four million acres of virgin and irrigated soil. The easy supply position of foodgrains enabled the Government to remove the last remnant of control on foodgrains.

"The production of commercial crops showed further improvement during the current year. Oilseeds output at 5.9 million tons and raw cotton at 4.3 million bales have exceeded their targets under the first Five-year Plan by four lakh tons and about one lakh bales, respectively. The production of sugar touched the record level of 15.9 lakh tons as compared to 10.01 lakh tons in 1953-54, while that of jute, which remained depressed during the last two years, has shown a significant increase of about 12 lakh bales during the 1955-56 season as compared to the last.

"The general crop prospects for 1955-56 are considered to be satisfactory. They would have been better still but for the calamitous floods in the North and the devastating cyclones in the South that occurred during the year.

Industrial Production

"Industrial production has made commendable progress during the year under review. The upward trend in industrial production persisted through 1955. A revised index of industrial production is now available. According to this series the index of industrial production (Base: 1951=100) for the first ten months of 1955 works out at 125.7, as against 112.9 for the whole of 1954. This represents an increase of over 11 per cent. over the preceding year. This increase in production was shared by almost all the major industries. The output of finished steel, at 1.26 million tons, was higher than the record achieved in 1954. The production of mill-made cloth, at 5,087 million yards, in 1955 was 09 million yards higher than the production of 1954 and exceeded the target fixed under the first five-year Plan by 387 million yards. Cement production during the year reached 4.5 million tons. In jute, chemicals and paper too the performances were very high. Considerable strides have also been made by the engineering industry. Licences for manufacturing jute mill machinery have been given. Progress in the modernisation of jute mills has already been made.

"Further, in terms of expenditure, the position in respect of the centrally financed multi-purpose projects—the Damodar Valley Corporation, Bhakra Nangal, Hirakud and Harike—is that, against a provision of Rs. 224 crores, about Rs. 238 crores will be spent by the end of the Plan period. In regard to State projects, the outlay will be Rs. 352 crores, against the Plan figure of Rs. 378 crores. Against a provision of Rs. 30 crores, a total of Rs. 20.8 crores has so far been spent on the new projects undertaken during the last two years of the Plan—Kosi, Koyna, Chumbal, Rihand, and Nagarjunasagar.

Second Five-year Plan

"It is some time now since the draft outline of the second Five-year Plan has been published; the total amount of expenditure envisaged, the departmental allocations, the State-wise distributions, the various targets aimed at, etc., have now been so widely publicised that it is hardly necessary to repeat them here. But the lapse of time has also enabled us to get over our first emotional enthusiasm and to take an objective and dispassionate view of the Plan.

"The Plan has been variously criticised as either too optimistic or too ambitious. There is nothing wrong about being too ambitious. In the present condition of India to aspire to progress at as quick a pace as possible cannot but be a laudable object. But to be too optimistic is certainly a danger, if in that mood we ignore realities and base our hopes on mistaken calculations and emotional approaches. Failure to reach the goal would mean disaster of the severest kind and, therefore, to shut our eyes to the realities and create difficulties by our own actions would be, to put it at the mildest, a first-rate blunder.

Employment and Wealth

"In the first place, I wish to emphasise that higher employment, though a very desirable objective, cannot be as important as creation of greater wealth. It may sound a little unorthodox, but I wish it to be realised that increased employment cannot in all cases result in greater prosperity. Only such employment as is highly productive can create prosperity. On the other hand, prosperity can definitely be a precursor to greater employment. A highly productive employment alone can create prosperity, and once we have the effective means, we can create all kinds of employment. The main problem, therefore, is not so much to create any kind of employment as to create such employment as would yield higher production and greater wealth. With wealth a large number of tertiary employment would grow automatically. Higher production is thus the objective which really matters.

"Judging from this angle, the Ambar Charkha is not the answer to the problem. It has a place, no doubt, provided it is proved that the most efficient methods of production within our resources are already fully utilised and that the only resources, potential or otherwise, left for us is the utilisation of the Ambar Charkha in which case it functions in a supplementary capacity. Since this is not the position, the Ambar Charkha is likely to obstruct rather than pave the path to progress, if by progress we mean higher standard of living. This stark reality, if fully realised, should stop us from toying with ideas likely to take us on a backward march. If the Ambar Charkha could have solved our problems, it would have done so centuries before.

"Again, the relative treatment accorded to cottage industries *vis-a-vis* the factories seems to be based on fallacious grounds. There would be no conflict between the two if they could be supplementary to each other. Cottage industries can only follow the large-scale industries and not *vice versa*. If one plans that the large-scale industry shall follow the cottage industry, then one might as well plan that railways shall progress only through the bullock cart. The fact of the matter is that more bullock carts will be in the streets to feed railways if the latter expand. Paradoxical as it may sound, railways alone can support more bullock carts. In more economically advanced countries cottage industries play a much bigger role than in India because there is such a great task for them for feeding the large-scale units.

Real Difficulties

"The real difficulties that must be faced and solved if the Plan is to be successfully implemented are:

1. Inadequacy of internal resources;
2. Inadequacy of foreign exchange;
3. Inadequacy of technical personnel;
4. Inability of transport systems to keep pace with the development in other fields; and
5. Rigidity of Government machinery.

"*Availability of Internal Resources.*—How is the money to be invested in the public sector to be raised. The means suggested are: additional taxation, loans, small savings and deficit financing. I wonder whether it is fully realised that additional taxation, savings and loans come into play only after production and wealth have increased and cannot precede them. We have to begin with deficit finance. The criterion of its success would be that by raising the purchasing power of the people we create greater demand for goods which stimulates higher production. If higher production of goods is suppressed, then what follows is inflation and failure. In other words, we should rely on much larger production of essential goods to absorb the newly created purchasing power that would come into being through deficit financing. This is one aspect of the question. The other aspect is that, if we begin with additional taxation and compulsory savings, then we fail to create the new purchasing power which is expected to create increased demand for goods. The resultant decrease in consumption would lead to lower production and to decrease of employment and of wealth. These two aspects must be kept in mind.

"From the way in which the Budget is planned, it looks as if it is believed that taxes and savings could precede increased wealth and that savings could take place before earnings materialise. If a house is taxed before it is built, the result would be that no house would be built to pay the tax. To appreciate this sequence is very important. In a car the brake is as useful as the accelerator. But one does not start the car with a brake. The brake is useful only after the car is started. If you tax a person and compel him to save before increasing his earnings you, in reality, restrict his consumption and give a setback to production, which is obviously not the goal in view.

Availability of Foreign Exchange

"Whatever may be the method of estimating our requirements of foreign exchange, I personally feel we shall need anything like Rs. 1,600 to Rs. 2,000 crores.

"Even accepting the figure of Rs. 1,600 crores as correct, it might be difficult to get all this amount. Sterling balances Rs. 350 crores, trade surplus Rs. 300 crores on the basis of Rs. 60 crores per year (this assumption is justified by cessation of food imports) and invisible exports Rs. 150 crores make up Rs. 800 crores, leaving Rs. 800 crores still to be found.

"Of this amount, the Government expects to raise Rs. 400 crores by way of foreign aid; but the total American aid to India from July 1955 to June 1956 is $50 million, i.e., Rs. 25 crores. On this scale, foreign aid will amount only to Rs. 125 crores in five years.

"I fear the seriousness of the paucity of foreign exchange is not fully realised. With proper efforts foreign exchange should be available. And we have to work for it. But the Planning Commission seems to have underestimated its importance and has abruptly ended the chapter after pointing out that there is a gap of Rs. 800 crores. I fear the gap would be much more, but even if we accept the figure of Rs. 800 crores, its direct effect would be on the productive industries and transport leading again to less wealth and less employment.

"*Availability of Technical Personnel.*—The dearth of technical personnel is admitted on all hands. It is one of the main reasons for the country's inability to make spectacular headway. State-owned steel plants alone require 5,000 engineers and 10,000 skilled personnel. This shortage of technical personnel will be a serious handicap in the working of the Plan.

Private Sector

"The private sector today can command a large number of technically qualified experts. In its search for technical talent, it has gone far and wide and has, with great difficulty, built up at least a nucleus of expert administrators. The public sector has nothing like this and has to start the training of its staff right from A B C. But if we talk in terms of austerity for the technicians, then neither the public nor the private sector will have enough technical knowledge at its disposal. We should not restrict the incentives that go to stimulate technical education and knowledge.

"*Availability of Transport.*—Under transport, specially with reference to railways, the allotment in the second Five-year Plan has been cut down very substantially. If the railways do not bear the strain that is proposed to be put on them, the whole edifice of the Plan will collapse.

"*Rigidity in Government Machinery.*—Experience has shown us again and again that Government machinery is dilatory, hide-bound by rules and unaccustomed to take quick decisions. While this machinery is eminently qualified to deal with long-range questions of policy,

(*Continued on page 683*)

NATIONAL BANK OF INDIA
LIMITED
The Liability of Members is Limited
Incorporated in the United Kingdom (Established 1863)
BANKERS TO THE GOVERNMENT IN KENYA, UGANDA, ZANZIBAR AND ADEN

Subscribed Capital £4,562,500
Paid-up Capital £2,851,563
Reserve Funds £3,104,687
Head Office: 26, BISHOPSGATE, LONDON, E.C. 2
West End Office: 13 ST. JAMES'S SQUARE, LONDON, S.W. 1
BRANCHES:

INDIA: Calcutta; Chowringhee Calcutta; Bombay; Madras; Mount Road, Madras; Bangalore; Amritsar; Kanpur; Delhi; New Delhi; Tuticorin; Cochin
BURMA: Rangoon
CEYLON: Colombo; Kandy; Nuwara Eliya
ADEN: Camp, Aden; Steamer Point, Aden; Little Aden (Sub-Branch to Aden)
PAKISTAN: Karachi; Saddar Branch, Karachi; Lahore; Chittagong; Agrabad Rd., Chittagong; Narayanganj; Khulna
SOMALILAND PROTECTORATE: Hargeisa; Berbera
ZANZIBAR ISLAND: Zanzibar
TANGANYIKA TERRITORY: Tanga; Daressalaam; Mwanza; Lindi; Moshi; Mtwara; Mikindan (Sub-Branch to Mtwara); Bukoba; Mbeya
KENYA: Mombasa; Nairobi; Delamere Avenue, Nairobi; Thika; Nakuru; Naivasha (Sub-Branch to Nakuru); Kisumu; Kakamega (Sub-Branch to Kisumu); Eldoret; Kericho; Sotik (Sub-Branch to Kericho); Nyeri
UGANDA: Entebbe; Fort Portal; Kampala; Masaka; Jinja; Iganga; Kamuli (Sub-Branches to Jinja); Mbale; Tororo; Soroti; Mbarara

Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.
The Bank issues Letters of Credit and Travellers Cheques and it offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.
The Bank's Head Office undertakes to act as Executor and Trustee in approved cases.
Savings Bank Accounts opened.
Bombay Branch:
Mahatma Gandhi Road, Fort, BOMBAY 1.
G. R. WEST, *Manager.*

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

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

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

Branches at:—Arsikere (Bangalore—(1) City, (2) Chickpet, (3) Fort, (4) Lady Curzon Road, (5) South Parade), Bangarpet, Bhadravati, Bellary, Channapatna, Chickballapur, Chickmagalur, Chintamani, Chitaldroog, Coimbatore, Cochin, Davangere, Hassan, Kolar, Krishnarajanagar, Madras, Mandya, Madanapalle, Mysore (Market Branch—Mysore), Oorgaum, Sagar, Sakleapur, Shimoga, Tipsur and Tumkur.
Current Accounts:—Are opened and interest at ½ per cent. per annum allowed on balances upto Rs. 1,00,000.
Fixed Deposits:—Fixed Deposits are received on terms which may be ascertained on application.
Savings Bank:—Accounts are opened and interest allowed at the rate of 1½ per cent. per annum on monthly minimum balances upto Rs. 5,000.
Loans and Cash Credits:—Are granted on Government and other approved securities.
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CALCUTTA-1

THE MERCANTILE BANK OF INDIA, LIMITED

(REGISTERED IN LONDON UNDER THE COMPANIES ACTS OF 1862 TO 1890, ON 2ND DECEMBER, 1892.)

Authorised Capital - - - - -	£3,000,000	Paid-up Capital - - - - -	£1,470,000
Subscribed Capital - - - - -	£2,220,000	Reserve Fund - - - - -	£1,750,000

Head Office: **15, GRACECHURCH STREET, LONDON, E.C.3.**

Board of Directors:
SIR KENNETH W. MEALING, *Chairman.*
SIR CYRIL E. JONES, K.C.I.E., C.S.I. *Deputy Chairman.*
LORD BICESTER. R. W. B. DUNLOP, Esq.
E. J. BUNBURY, Esq., C.B.E., M.C. SIR JOHN G. HAY.
J. B. CRICHTON, Esq. SIR CHARLES A. INNES, K.B.E.
C. D. MILLER, Esq.

Chief Manager: R. N. DRAKE.
Deputy Chief Manager: H. W. HAWKINS.
Managers: C. R. WARDLE — W. P. B. DAVIES — R. V. THOMAS — W. H. JOWIT.
London Bankers: BANK OF ENGLAND — MIDLAND BANK LIMITED.
Auditors: COOPER BROTHERS & CO., W. A. BROWNE & CO. *Solicitors:* E. F. TURNER & SONS.

BRANCHES AND AGENCIES:—**123, PALL MALL, LONDON, S.W.1.**

INDIA:—
BOMBAY
CALCUTTA
HOWRAH
DELHI
NEW DELHI
MADRAS

PAKISTAN:—
KARACHI
CHITTAGONG
KHULNA

CEYLON:—
COLOMBO
GALLE
KANDY
JAFFNA

BURMA:—
RANGOON

MAURITIUS:—
PORT LOUIS

SINGAPORE

MALAYAN FEDERATION:—
KUALA LUMPUR
KUANTAN
KUALA TRENGGANU
PENANG
KOTA BHARU
IPOH
KUALA LIPIS

HONGKONG

THAILAND:—
BANGKOK

JAPAN:—
TOKYO
OSAKA
SEMBA

CHINA:—
SHANGHAI

NEW YORK REPRESENTATIVE:—J. R. SWALES, 37, WALL STREET.
Agents in New York: THE CHASE MANHATTAN BANK. BANK OF MONTREAL.

SIXTY-THIRD ANNUAL REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

The Directors submit to the Shareholders of the Bank the General Balance Sheet and Statement of Profit and Loss Account for the year ended 31st December, 1955.

The Balance of Profit and Loss Account for the year, after providing for Taxation and after Allocations to Contingency Accounts out of which full provision has been made for Bad and Doubtful Debts and any other diminution in the value of Assets, amounts to £235,423

to which has to be added the balance brought forward from last account .. 200,284

making the amount available .. £435,707

out of which the following appropriations have been made:—

To Interim Dividend of 7 per cent. on the "A", "B" and "C" shares, less Income Tax at 8/6d. in the £, paid on 27th September, 1955	£59,168	
To Second Interim Dividend of 7 per cent. on the "A", "B" and "C" shares, less Income Tax at 8/6d. in the £, payable on 20th March, 1956	£59,167	
To Officers' Pension Fund	13,000	
To Amount written off Freehold Banking Premises and Property	35,000	
To Additional Allocation to Contingencies Account ..	50,000	
		216,335
Balance to be carried forward to next Account		£219,372

The Directors do not recommend any further dividend distribution for the year 1955.

Branches of the Bank were opened on 2nd January, 1956 at 123, Pall Mall, London, S.W.1, and at Connaught Place, New Delhi, India.

The following Directors retire by rotation under Articles 120 and 121 of the Articles of Association but, being eligible, offer themselves for re-election:—
Sir Kenneth W. Mealing.
Sir Cyril E. Jones.
Mr. C. D. Miller.

Messrs. Cooper Brothers & Co. and Messrs. W. A. Browne & Co., the present Auditors, will continue in office pursuant to Section 159 (2) of the Companies Act, 1948.

By Order of the Board,
R. N. DRAKE,
Chief Manager.

LONDON, 13*th March*, 1956.

BALANCE SHEET, 31st DECEMBER, 1955

1954 £		£	£
	Capital Authorised—		
750,000	150,000 "A" shares of £5 each	750,000	
750,000	150,000 "B" shares of £5 each	750,000	
1,500,000	1,500,000 "C" shares of £1 each	1,500,000	
£3,000,000		£3,000,000	
	Capital Issued—		
375,000	150,000 "A" shares £2 10s. paid	375,000	
375,000	150,000 "B" shares £2 10s. paid	375,000	
720,000	720,000 "C" shares £1 paid	720,000	
1,470,000			1,470,000
1,750,000	**Reserve Fund**	1,750,000	
200,284	**Balance of Profit** unappropriated carried forward to 1956 ..	219,372	
1,950,284			1,969,372
3,420,284			3,439,372
	Current Liabilities, Provisions and Other Accounts—		
273,450	**Notes in Circulation** against security per contra	259,138	
63,218,637	**Current and Fixed Deposit and Other Accounts** including Provisions for Taxation on Profits to date, Doubtful Debts and Reserves for Contingencies	66,984,096	
1,137,205	**Bills Payable**	1,034,879	
444,627	**Acceptances on account of Customers** per contra	194,924	
43,354	**Balances due to Subsidiary Companies**	43,577	
56,595	**Second Interim Dividend**, less Income Tax	59,167	
65,173,868			68,625,781
£68,594,152			£72,065,153

1954 £		£	£
	Current Assets—		
14,013,396	**Cash in hand, at Call and at Bankers**		10,043,169
	Investments (Quoted Investments at or under market value; unquoted Investments at or under cost):—		
	British, Dominion and Colonial Government and Other Securities (including £265,000 British Government Securities deposited against Note Issue):		
9,675,703	Quoted in Great Britain	14,892,945	
6,457,238	Quoted elsewhere than in Great Britain	5,080,226	
16,132,941		20,973,171	
112,130	Unquoted	169,142	
16,445,071			21,142,313
	Hong Kong Government Certificates of Indebtedness deposited against Note Issue	105,605	
15,815,249	**Bills Receivable**	16,509,039	
21,062,676	**Loans Receivable, Advances** and Other Accounts including Amounts due by Agents	23,362,488	
444,627	**Liability of Customers for Acceptances** per contra	194,924	
37,428,157			40,172,056
67,886,624			71,357,538
55,137	**Shares in Subsidiary Companies** at Cost		55,227
	Fixed Assets—		
652,391	**Freehold Banking Premises and Property** at Cost less Amounts Written Off		652,378
£68,594,152			£72,065,153

NOTES.

1. Currency Assets and Liabilities have been converted into Sterling at the following rates:—1s. 6d. per Indian, Pakistan and Ceylon Rupee and Burma Kyat, 2s. 4d. per Straits Dollar, 1s. 2d. per Hong Kong Dollar, 7s. per United States Dollar, 4d. per Baht, Yen 1,000=£1 and Shanghai Yuan 8=£1.

2. Group Accounts are not prepared as the Directors consider they would be of no real value to members in view of the insignificant amounts involved in the accounts of the Subsidiary Companies.

3. Contracts for outstanding capital expenditure £27,631 (1954, £7,034).

4. There are Contingent Liabilities in respect of the following:—
Bills Receivable re-discounted Nil (1954, £1,509,358)
Outstanding Forward Exchange Contracts.
Confirmed Credits and Guarantees entered into in the ordinary course of business, including Guarantees to Government Departments in India amounting to £109,720 (1954, £98,144) for which security has been deposited with the Reserve Bank of India.
Uncalled Capital amounting to £54,963 (1954, £54,963) in respect of partly paid shares in Subsidiary Companies.

PROFIT AND LOSS ACCOUNT, FOR THE YEAR ENDED 31st DECEMBER, 1955

1954 £		£	£
13,000	**Amount transferred to Officers' Pension Fund**		13,000
35,000	**Amount written off Freehold Banking Premises and Property**		35,000
50,000	**Additional Allocation to Contingencies Account**		50,000
	Dividends:—	£	
40,425	Interim Dividend of 7 per cent., less Income Tax at 8/6 in the £.	59,168	
56,595	Second Interim Dividend of 7 per cent., less Income Tax at 8/6 in the £	59,167	
			118,335
200,284	**Balance of Profit** unappropriated carried forward to 1956		219,372
£395,304			£435,707

1954 £		£	£
200,980	**Balance brought forward** from 31st December, 1954		200,284
194,324	**Profit for the year ended 31st December, 1955, after providing for Taxation** thereon, and after allocations to Contingency Accounts, out of which full provision has been made for Bad and Doubtful Debts and any other diminution in the value of Assets		235,423
	NOTE.—DIRECTORS' REMUNERATION.—The aggregate amount of the Directors' Fees was £11,400 (1954, £11,348).		
£395,304			£435,707

R. N. DRAKE, *Chief Manager.*
F. N. WITHERS, *Accountant.*

E. W. MEALING,
C. E. JONES,
BICESTER,
} *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion proper books of account have been kept by the Bank so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from Branches not visited by us. We have examined the annexed Balance Sheet and Profit and Loss Account which are in agreement with the books of account and returns. In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1948, in the manner thereby authorised for Banking Companies and on such basis the Balance Sheet gives a true and fair view of the state of the Bank's affairs as at 31st December, 1955, and the Profit and Loss Account gives a true and fair view of the profit ascertained in the manner therein indicated for the year ended on that date.

COOPER BROTHERS & CO.,
W. A. BROWNE & CO.,
Chartered Accountants.

LONDON, 13*th March*, 1956.

THE MERCANTILE BANK OF INDIA LIMITED

ANOTHER YEAR OF EXPANSION IN BUSINESS COMPLETED

SIR KENNETH W. MEALING REVIEWS ECONOMIC DEVELOPMENTS IN THE EAST

THE Sixty-third Annual Meeting of the Mercantile Bank of India Ltd. will be held in London on 17th April 1956. The Chairman, Sir Kenneth W. Mealing's statement accompanying the Bank's accounts for the year ended 31st December 1955, to be submitted at the meeting, contains, as usual, a survey of the economic developments in the countries of South-East Asia and the Far East, the principal area of the Bank's operations. Alluding to India's progress, Sir Kenneth has expressed the hope that the second Five-year Plan will meet with at least the same measure of success as the first Five-year Plan. He, however, observes that whether or not this can best be accomplished by the Government concentrating its energies on creation of new industries, rather than on acquisition of the old and well-tried ones, is a matter of opinion.

The following is the full text of Sir Kenneth's statement:

"The expansion recorded last year in the Bank's general business continued during 1955. The balance-sheet total is £72,065,153, against £68,594,152 on 31st December 1954. Deposits are higher by nearly £4 million, whilst on the assets side there are increases of over £2 million in loans and advances, nearly £1 million in bills receivable, whilst the holding of Government securities is £4½ million higher.

"There has been a considerable fall in the value of our holding of Government securities, for which full provision has been made. Of those quoted in Great Britain, 77 per cent., are due to mature within the next five years, whilst the remainder mature on fixed dates beyond that period. Similarly with securities quoted on overseas stock exchanges 50 per cent. mature within the next five years.

Profit

"The net profit, at £235,423, is higher by £41,099. The two dividends declared total 14 per cent. payable on the increased capital and cost £118,335, compared with £97,020 for 1954. From the balance the usual allocations have been made to the officers' pension fund, premises account and contingencies reserve account, leaving the balance carried forward at £219,372, against £200,284.

"The year 1955 produced high hopes of a relaxation of international tension following the 'summit' talks at Geneva in the month of July. These hopes, however, were shattered at the ensuing Foreign Ministers' Conference when it became clear that the Soviet bloc had no intention of permitting free elections in East Germany as a preliminary to German reunification, nor of paying more than lip-service to the principle of international disarmament. This reversal of the Geneva atmosphere, coupled with the provocative references made by the two Russian leaders in India and Burma to 'colonialism,' crystallised the opinion that there is little or no prospect of a real relaxation of tension or of ending the 'cold war' until a real disarmament agreement can be brought into effect.

United Kingdom

"In England, the freedom from all economic physical controls, the very full employment and increased internal consumption reflected in a higher standard of living for the majority, set up a rising spiral of wages and costs. As a result, the country was importing and consuming more than it was exporting and this economic unbalance resulted in a weakening of sterling in the world's markets. The initial remedial steps were to raise the Bank rate to 4½ per cent. and to place certain restrictions on hire purchase terms. In October, an autumn Budget increased purchase tax on most consumer goods, whilst further steps were taken to restrict credit. It is to be hoped that these steps and those subsequently taken, including a 5½ per cent. Bank-rate with further restrictions on hire purchase, together with restraint by all sections of the community will remedy the situation without necessitating the reimposition of economic physical controls, such as limitation of imports, price fixation and rationing.

"In the United States of America industrial activity continued under boom conditions. President Eisenhower suffered a severe illness and politically thoughts are turning towards the Presidential Election to be held towards the end of 1956.

India

"1955 was a year of steady and satisfactory progress for India. Agricultural and industrial output continued to rise and the standard of living of the people has also risen. The average monthly earnings of workers is calculated to have risen by nearly 50 per cent. since 1947. Although the first Five-year Plan, which is due to be completed by March 1956, has not in all respects achieved its targets, it has been a success as far as the economic life of the country is concerned and it appears that deficit financing has produced a higher rate of development expenditure without causing inflation.

"By Constitutional amendments, by a drastic revision of the Indian Companies Act and by the Finance Act, 1955, as well as in numerous pronouncements, some of the proposed steps towards a 'socialistic pattern of society' were promulgated during the year. With the third successive good monsoon there was no food problem, notwithstanding the normal increase in population: and this again resulted in a large saving in foreign exchange expenditure on imported food. During the year the Imperial Bank of India was nationalised and became the State Bank of India, thus terminating a long and honourable chapter of banking history. The State Bank has been created largely in order to extend banking facilities widely throughout rural India to an extent which it would be impossible for other than a State Bank to undertake.

"In January 1956, an Ordinance took the first step for the nationalisation of all life assurance business in India, both Indian and foreign. The disappearance of some of the fine old Indian life companies and the prohibition of this field of business to private enterprise in the future will be regretted by many and must inevitably cause some speculation as to how far the nationalisation of existing business and industry is to be carried in India.

Second Five-year Plan

"The second Five-year Plan is now under consideration. It is a massive project and, bearing in mind its great objective of raising the standard of living of the people and providing for the rapidly increasing population, it must be hoped that it will meet with at least the same measure of success as the first Five-year Plan. Whether or not, however, this can best be accomplished by the Government concentrating its energies on creation of the new, rather than acquisition of the old and well-tried, is a matter of opinion.

"In July the first reading was given to a Bill to decimalise the coinage and it is understood that at a later date it is the Government's intention to bring in a metric system of weights and measures.

"A disturbing feature of 1955 has been the numerous strikes of various kinds by the clerical staff of banks in the principal cities of India, owing to the discontent of the banking trade unions with some of the provisions of the Industrial Disputes (Banking Companies) Decision Act of 1955. In Calcutta, especially, they were of such magnitude that the clearings had to be suspended for 22 days and it became almost impossible for banks to fulfil their legal obligations.

"The good relations that have existed in our branches have always been a source of satisfaction to us and we regret that in some of our offices in India these should have been disturbed, we trust only temporarily. Our thanks are due to those who, by carrying on during this very difficult period, helped to enable our Indian branches to carry out at least some of their functions.

Pakistan

"Mr. Gulam Mahomed, the Governor-General of Pakistan, retired through ill-health in the month of September 1955, and General Iskander Mirza (the then Acting Governor-General) became Governor-General in his place. Mr. Mahommed Ali was replaced as Premier by Mr. Chaudri Mahommed Ali, the Finance Member, and the new Government proceeded to enact the One-Unit Bill which has amalgamated all the Provinces and States of West Pakistan into a single Province, from which only the Federal capital, Karachi, has been excluded. Thus, the way is clear for a new Federal Constitution with equality between the two States of East and West Pakistan.

"The framing of the new Constitution is making progress, but problems in regard to the allocation of powers between the Centre and the Provinces and on the question of joint electorates still present some difficulty.

"Pakistan has decided to become a Republic and it is good to learn that it is her intention to remain in association with the Commonwealth.

"The second event of major importance was the devaluation of the Pakistan rupee to its old level of 1s. 6d. One effect was to assist Pakistan's exports, but another was an immediate rise in the internal price of imported goods.

"The country's shortage of foreign exchange remains a problem, although there has been some improvement during the year. As a result, the control of imports has been somewhat relaxed and the internal finances of the country are considered to be reasonably sound and the budgetary position satisfactory.

"Pakistan's industrialisation programme has made great strides. In the textile industry the number of spindles increased from 923,875 in June 1954 to 1,565,552 in June 1955, whilst the number of looms increased from 14,484 to 22,633 in the same period. The country is now self-sufficient in coarse and medium varieties of textiles. In the jute mill industry the target for 1957 of 6,250 looms is expected to be achieved shortly. Two new cement factories, a sugar mill and mills for the manufacture of paper and paperboards are in or nearing the production stage.

"The completion of the 330-mile pipeline from the gas field at Sui to Karachi *via* Hyderabad, Sind, and the gradual replacement of imported coal and oil by gas and gas-generated electricity opens a new era in West Pakistan's industrial economy.

Ceylon

"With a record tea output for 1955 of 380 million pounds the industry generally has not done badly, but has understandably been hampered, in that overseas buyers especially have been handicapped by the frequent administrative changes in the export duty.

"The rubber industry has had a reasonably successful year, but the generally higher external prices for the commodity have resulted in the China-Ceylon Trade Agreement not being so beneficial to Ceylon as in 1954.

"Coconut oil and the copra industries have also had a reasonably successful year, whilst the cost of food imports fell substantially. It is, therefore, not surprising that the Ceylon Government had a net cash operating surplus of Rs. 128.7 million, which compared favourably with the figure of Rs. 33.7 million at the close of the previous financial year and is one of the biggest surpluses ever recorded in Ceylon.

"The united National Party under the leadership of Sir John Kotelawala, the Prime Minister, remained firmly established in office throughout the year. Parliament has now been dissolved and new elections will take place in April 1956.

Burma

"There has been some improvement in the internal security situation of Burma during 1955. The insurrection still continues, but successful operations by the army and security forces have reduced its effectiveness to hit-and-run raids carried out by gangs of bandits support-

ed by the Communist Party. Nevertheless, the Government is optimistic of achieving internal peace before the General Elections which are due to be held in April 1956. At these elections the Anti-Fascist People's Freedom League, the party which controls the present Government, expects to be re-elected with a large majority. Their political creed is the socialist State and the complete nationalisation of Burmese trade, and in furtherance of this policy the Civil Supplies Management Board, which has hitherto imported 12½ per cent. of the country's consumer requirements, will in future import 50 per cent. The department will have the sole monopoly for the import of most forms of textiles, cement and a number of other necessities. All this and much other business has to be channelled through the Government-owned State Bank. Nevertheless, there is much goodwill towards the British and there may well be mutual advantage in a new growth of industrial and trading relations with Burma.

"During the year the Government realised that the country was running into financial difficulties. These were caused by heavy overseas capital expenditure, combined with a sharp fall in foreign exchange earnings from the export of rice. In 1954, Burma sold rice forward in quantity with a 'fall clause,' whereby should they make subsequent sales at lower prices, then these contracts would also have to be fulfilled at such lower prices. In order to dispose of the large surplus of rice on hand without the 'fall clause' operating, Burma has entered into 'Barter' agreements with the Communist bloc of countries. Barter agreements are, of course, never satisfactory, and there is little doubt that Burma will return to normal trading practice as soon as possible, particularly if the Western Powers are prepared to assist.

Malaya

"1955 has been an eventful year for the Federation of Malaya and for Singapore. Economically, it has been a prosperous year, prices for rubber, tin and other commodities produced in these territories having maintained reasonable and, indeed, profitable prices. The export figures for 1954 (including re-exports) proved to be considerably lower than had been estimated and, in fact, only reached the figure of $2,985 million. The export figure to the end of November 1955, however, amounted to $3,698 million, so that the year 1955 should show a balance of somewhere in the neighbourhood of $230 million in favour of Malaya compared with a deficit of $154 million in 1954.

"The main events of the year, both in Malaya and in Singapore, were the General Elections followed by the setting up of the new Governments with, in the case of Malaya, Tengku Abdul Rahman as the Chief Minister, and in Singapore, with Mr. David Marshall as Chief Minister. In Malaya, the transition to a measure of self-government was achieved remarkably peacefully, but in Singapore there were disturbances and setbacks and a considerable amount of striking by labour.

"In Malaya, although there may have been some measure of improvement in the Emergency, unfortunately there are few signs of this coming to an end. Towards the end of the year talks were held between the Chief Ministers and the leader of the Malayan Communist Party, but these talks were fruitless and the *status quo* of the Emergency continues. In Singapore, political uncertainties and the attitude of labour brought about a good deal of nervousness and there was a general and substantial marking down of share prices. In due course confidence began to return and prices again improved, and this was assisted by an assurance by the High Commissioner on behalf of the Government in Malaya that a square deal would be given to foreign investors by permitting them to continue to remit reasonable profits abroad. It is quite certain that, unless an assurance of this nature regarding both capital and profits is implemented fully in the future, there will be little inducement to ensure the flow of overseas capital required for Malayan development in the future.

"The inauguration of a new self-governing democracy is always liable to be attended with some risk, dependent upon the wisdom of the newly elected Government and the co-operation they receive from their electors and their experienced predecessors, and the manner in which they receive this co-operation. In the context of the multi-racial Federation and Singapore these problems are enhanced by the Emergency and Communist infiltration, and the extension and receipt of friendly co-operation in the building up of stable and sound Government is, therefore, the more necessary.

Thailand

"Overseas trade improved considerably during the year 1955. As I told you a year ago, the rice export trade was given back to commercial enterprise and, as a result, total shipments of rice amounted to 1,223,937 metric tons compared with 993,719 in 1954. The largest individual purchaser was Japan who took just under 350,000 tons. Singapore and Malaya between them took 400,000 tons, Hongkong 170,000 tons and the Philippines 66,000 tons. In September, the Government announced that imports and exports were in balance and removed the requirement that part of the proceeds of rice, rubber and tin exports should be sold to the Bank of Thailand at the official rate. The various steps taken to free trade were bold in conception, but have been proved successful. On the other hand, the teak industry of Thailand appears to be in decline and there seems little doubt that the quantity of teak available for export will decrease considerably in the next few years.

"During the year several important events occurred in Thailand. The first conference of the South-East Asia Collective Defence Treaty commenced in February in Bangkok. In September, an even bigger international conference took place in Bangkok when delegates from over 35 countries met at the tenth World Assembly of the World Federation of United Nations Associations. During May and June, the Prime Minister, Field-Marshal Pibulsonggram, made a world tour. On his return he inaugurated a number of reforms and made changes in his Cabinet. It is believed that General Elections will be held in two years' time; so political activity may be expected to commence during that period.

Hongkong

"The total value of imports and exports in 1955 amounted to $6,253 million, against $5,852 million for the previous year. Imports, at $3,719 million, were up by $284 million, whilst the value of exports, at $2,534 million, recorded an increase of $117 million. There was a substantial increase in the value of imports from China, but this was rather offset by a very large decrease in the value of exports to that country.

"Hongkong continues to make great strides in industrial expansion and the establishment of new industries; no less than $663½ million of Hongkong-made goods were exported in the first eleven months of 1955, the principal buyer being the United Kingdom which absorbed $125 million. This helped to replace the heavy decline in exports to Burma, Indonesia and Pakistan. The airport is being reconstructed and a tunnel between the Island and Kowloon is under consideration. The squatter problem of refugees from China continues to be a major headache for Hongkong.

"Hongkong continues to be an oasis of good government and law and order, unencumbered with political problems and able to concentrate on industrial growth and commercial activity of high quality and resultant prosperity.

Mauritius

"The cane sugar industry had another profitable year in 1955. The crop proved to be an all-time record with a total of 523,200 metric tons produced at the high average extraction rate of 12.61 per cent. In November, the British Ministry of Food agreed to purchase 351,000 long tons of the 1956 crop on the same terms as for 1955. Under the terms of the international agreement the export quota from Mauritius is fixed at 470,000 long tons and the balance of 119,000 tons in excess will, therefore, be offered for sale in the preferential markets of the United Kingdom and Canada. The outlook, therefore, for the sugar industry in Mauritius in 1956, given reasonable weather, should be very satisfactory. The cyclone and drought insurance fund has now risen to a total of approximately Rs. 87½ million.

"The population of the island is increasing rapidly. It is estimated that the natural increase of the population is in the neighbourhood of 31 per thousand per annum and this must represent very nearly the highest birthrate in the world. This is largely due to the much improved health conditions prevailing in the island and it may be noted that something like 24 per cent. of the Governmental expenditure goes on education and health services. The finances of the Colony are in sound condition and the year to the end of June 1955 provided a surplus of some Rs. 6 million of revenue over expenditure. On the revenue side 34.6 per cent is budgeted for from direct taxation with a further 24 per cent. from Customs duties. The Government of Mauritius found it expedient to float a loan in October on the London market for £2,090,000 at 97 and carrying interest at 4¾ per cent.

Japan

"A general election took place on 27th February 1955, as a result of which the Democrats and Liberals (who subsequently merged) secured between them 297 seats and the Socialists and others 170 out of a total House of 467. Mr. Ichiri Hatoyama continued as Premier with a substantial majority: but not quite sufficient to make the revisions in the Constitution he desires, for which a majority exceeding two-thirds is required. Thus, for the first time, Japan has a two-party Parliamentary democracy.

"The anti-inflationary policy has continued and the balance of overseas trade further improved: exports rising substantially (some 24 per cent. over 1954), whilst imports remained approximately unchanged, the balance is expected to yield a surplus of some 360 million U.S. dollars. Japan enjoyed record food crops which resulted in lower prices and a reduction in food imports, which saved much foreign exchange. The anti-inflationary policy is expected to continue and, although the standard of living is rising, many difficulties still lie ahead of Japan. The population continues to increase by nearly one million a year, labour unions are becoming more active in demanding higher pay and better working conditions and the uncontrolled hire purchase system is increasing facilities for buying on credit which may some day have serious repercussions.

"Japan's economy continues to be based on trade with the free countries and on American offshore procurement, but as the countries of South-East Asia increased their own industrial potential, trading conditions may become more difficult for Japan. Trade with the Chinese mainland, her natural market, continues to hold political dangers which Japan cannot safely ignore.

"Japan became a member of G.A.T.T. during the year, but unfortunately her admittance to the United Nations was vetoed by the Communist bloc. This was a considerable disappointment to Japan and is a matter which all well-wishers must hope will be rectified at an early date.

"During the year arrangements were made to open branches of the Bank in New Delhi and in the West End of London and these two branches commenced operations on 2nd January 1956.

"Our branches and offices throughout South-East Asia and the Far East continued to give good service in every department of banking and, particularly, in our main function in financing overseas trade, and our thanks are due to Mr. Drake, our Chief Manager, Mr. Hawkins, our Deputy Chief Manager, and to the Managers and staff in London and at our branches for their hard and successful work during the past year."

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MADRAS

BALANCE SHEET AS AT 31st DECEMBER, 1955.

Corresponding figures for 1945 Rs.	Corresponding figures for 1954 Rs.	CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
		1. Capital—						
		AUTHORISED CAPITAL— 1,00,000 Shares of Rs. 100 each ..	1,00,00,000	0	0			
		ISSUED AND SUBSCRIBED CAPITAL— 50,000 Shares of Rs. 100 each ..	50,00,000	0	0			
		AMOUNT CALLED UP AT Rs. 100 PER SHARE— 49,102 Shares	49,10,200	0	0			
		Less—Calls unpaid	5,125	0	0			
			49,05,075	0	0			
		ADD—Forfeited Shares	14,800	0	0			
26,76,820	49,19,675					49,19,875	0	0
7,00,000	26,00,000	2. Reserve Fund and Other Reserves ..				30,00,000	0	0
	3,71,22,549	3. Deposits and Other Accounts— Fixed, Time and Staff Security Deposits	4,99,38,806	5	6			
	1,84,78,694	Savings Bank Deposits	2,22,78,548	8	11			
		Current Accounts, Contingency Accounts, etc.	7,19,82,565	12	2			
	5,72,90,296					14,41,99,918	10	7
3,22,82,536	11,28,91,539	4. Borrowings from Other Banking Companies, Agents, etc.—						
		(i) In India	81,00,000	0	0			
	2,30,562	(ii) Outside India	9,17,791	0	10			
						90,17,791	0	10
		PARTICULARS— (i) Secured by part of Investments ..	82,67,419	0	0			
		(ii) Unsecured	7,50,372	0	10			
	24,02,918	5. Bills Payable				27,78,922	2	0
		6. Bills for Collection being Bills Receivable as per contra—						
		(i) Payable in India	37,68,253	1	4			
6,44,016	2,19,45,988	(ii) Payable outside India	2,45,73,901	10	0	2,83,42,154	11	4
		7. Other Liabilities—						
		(a) Pension and Gratuity Funds ..	2,91,950	0	0			
		(b) Unclaimed Dividends	54,867	14	10			
		(c) Unexpired Discounts	2,117	1	0			
		(d) Sundries	5,08,650	12	11			
51,103	38,82,834	(e) Branch Adjustment	54,35,110	12	9	62,62,696	9	6
10,50,027	3,53,75,126	8. Acceptances, Endorsements and Other Obligations per contra				5,81,31,689	13	6
		9. Profit and Loss Account— Profit as per last Balance Sheet as at 31st December, 1954	5,10,391	1	5			
		LESS: Appropriation— Dividends declared	2,94,552	0	0			
			2,15,839	1	5			
		ADD: Profit for the year brought from the Profit and Loss Account ..	16,55,725	2	6			
			18,71,564	3	11			
		LESS: Appropriations— Provision for Bonus to Staff Rs. 1,25,000 0 0						
		Provision for Taxation .. 7,50,000 0 0						
		Transfer to Reserve Fund .. 4,00,000 0 0						
			12,75,000	0	0			
1,06,771	5,10,391					5,96,564	3	11
		10. Contingent Liabilities—						
		(i) Claims against the Banking Company not acknowledged as debts ..	1,99,742	4	6			
		(ii) Money for which the Banking Company is contingently liable (Guarantees issued by the Banking Company)	70,89,972	4	1			
		(iii) Liability on Bills of Exchange re-discounted	97,007	4	9			
		(iv) Liability on account of outstanding Forward Exchange Contracts ..	5,81,92,366	6	0			
			6,55,79,088	3	4			
3,75,11,273	18,47,59,028	Total .. Rs.				25,72,79,612	3	8

Corresponding figures for 1945 Rs.	Corresponding figures for 1954 Rs.	PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
		1. Cash—						
35,69,286	1,06,65,166	In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)				1,18,75,757	2	6
		2. Balances with Other Banks—						
		In Deposit Account— Rs. a. p.						
		(i) In India .. .. Nil						
		(ii) Outside India Nil				Nil		
		In Current Account—						
		(i) In India .. 7,91,410 10 7						
		(ii) Outside India 1,51,50,213 8 2						
						1,59,41,624	2	9
55,63,706	1,78,75,533					1,59,41,624	2	9
	3,80,952	3. Money at Call and Short Notice				Nil		
		4. Investments at or below market value—						
		(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments				4,21,76,561	10	0
		(ii) Shares—Fully paid Ordinary Shares.				11,00,550	0	0
		(iii) Debentures or Bonds				Nil		
		(iv) Other Investments—						
		Ceylon Government Rs. a. p. Securities 11,93,862 8 0						
		United Kingdom Government Securities 34,65,792 12 9						
		Federation of Malaya Security Loan .. 4,66,033 8 0						
						51,30,188	12	9
1,31,37,232	4,08,99,508	(v) Gold				Nil		
		5. Advances— (Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)						
		I. Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
		(i) In India .. 2,88,49,417 4 6						
		(ii) Outside India.. 63,18,384 7 5				3,21,67,801	11	11
		II. Bills discounted and purchased (excluding Treasury Bills of the Central and State Governments)— Rs. a. p.						
		(i) Payable in India 1,96,04,100 12 4						
		(ii) Payable outside India .. 3,87,42,137 14 0						
						5,83,46,233	10	4
1,32,18,708	5,48,33,184					9,05,14,040	6	3
		6. Bills Receivable being Bills for Collection as per contra—						
		(i) Payable in India	37,68,253	1	4			
6,44,016	2,19,45,988	(ii) Payable outside India	2,45,73,901	10	0	2,83,42,154	11	4
		7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra						
10,50,027	3,53,75,126					5,81,31,689	13	6
		8. Premises Less Depreciation—						
		At cost as at 31st December, 1954 ..				9,02,415	1	5
		Additions during the year				1,20,361	4	6
						10,22,776	5	11
		LESS—Deductions during the year ..				1,127	5	0
						10,21,649	0	11
		LESS—Depreciation to date				93,345	14	4
	8,32,027					9,28,303	2	7
		9. Furniture and Fixtures Less Depreciation—						
		At cost as at 31st December, 1954 ..				12,84,447	2	3
		Additions during the year				2,61,210	10	11
						15,45,657	13	2
		LESS—Deductions during the year ..				963	3	1
						15,44,694	10	1
		LESS—Depreciation to date				9,15,966	8	8
1,03,539	5,12,959					6,29,088	1	5
		10. Other Assets, including Silver—						
		Interest, etc., receivable on Investments and Bills				7,51,076	12	0
		Books, Stationery and Stamps ..				3,46,095	6	3
		Income-tax Account				8,03,469	2	10
		Sundries				6,09,011	15	6
2,24,759	14,38,539					25,09,653	4	7
	1	11. Non-Banking Assets Acquired in Satisfaction of Claim (at Nominal Value) ..				1	0	0
		12. Profit and Loss Account				Nil		
3,75,11,273	18,47,59,028	Total .. Rs.				25,72,79,612	3	8

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955.

1945 Rs.	1954 Rs.	EXPENDITURE	Rs.	a.	p.	1945 Rs.	1954 Rs.	INCOME	Rs.	a.	p.
								(Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary Provisions).			
3,87,712	16,96,109	1. Interest paid on Deposits, Borrowings, etc.	21,80,969	6	3						
		2. Salaries and Allowances and Provident Fund and Provision for Gratuity (Includes payment of Salaries, Allowances, Bonus and Provident Fund to General Manager Rs. 47,633 12 8) ..				9,69,490	38,63,815	1. Interest and Discount	45,90,990	0	6
2,94,638	26,94,840		32,12,853	8	8	1,23,576	30,38,585	2. Commission, Exchange and Brokerage	38,80,036	3	6
		3. Directors' and Local Committee Members' Fees and Allowances				—		3. Rents	Nil		
3,125	19,900		13,858	0	0						
53,230	3,79,801	4. Rent, Taxes, Insurance, Lighting, etc.	4,48,865	6	8			4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	10,345	13	4
1,914	16,891	5. Law Charges	29,579	5	5		2,845				
16,818	95,949	6. Postage, Telegrams and Stamps	97,776	13	0			5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserve or any particular Fund or Account)	Nil		
800	6,000	7. Auditors' Fees	6,000	0	0		Nil				
11,572	2,12,167	8. Depreciation and Repairs to the Banking Company's Property .	2,01,284	15	1			6. Income from Non-Banking Assets or Profit from Sale of or Dealing with such Assets	Nil		
34,713	2,59,497	9. Stationery, Printing, Advertisement, etc.	2,74,142	2	3	817	2,531	7. Other Receipts	4,191	3	3
Nil	Nil	10. Loss from Sale of or Dealing with Non-banking Assets ..	Nil				Nil	8. Loss (if any)	Nil		
51,381	2,13,002	11. Other Expenditure (inclusive of Donations Rs. 80,000) ..	3,64,503	8	7						
2,38,035	12,35,120	12. Balance of Profit subject to Income-tax	16,55,725	2	6						
10,93,883	69,06,776	Total .. Rs.	84,35,563	4	5	10,93,883	69,06,776	Total .. Rs.	84,35,563	4	5

INDIA'S FOREIGN TRADE IN 1955

ADVERSE TRADE BALANCE SHRINKS

WITH the release of the full data relating to the sea- and air-borne trade of India for December 1955, a complete picture of the country's foreign trade during 1955 is now available. A comparative study of the figures reveals two notable features. There has been an improvement in the total foreign trade, with both imports and exports having run at a higher level than in 1954. The visible trade deficit has been very much smaller than in the preceding year, the decline in adverse trade balance being as much as 31 per cent. These features reflect the results of efforts that were being made to promote exports and to regulate imports in order to meet the needs of a growing economy.

The table below gives imports into, and exports from, India during 1955, as compared with those during the previous two years:

TABLE I.

Sea- and Air-borne Trade of India

(Value: In crores of rupees)

	1955	1954	1953
Exports	588.57	556.80	524.42
Imports	617.63	595.16	545.02
Balance (—Deficit)	—29.06	—38.36	—20.60
Total trade	1,206.20	1,151.96	1069.44

It will be seen from the table that the value of the total trade had gone up from Rs. 1,151.96 crores in 1954 to Rs. 1,206.20 crores, an increase of 4.8 per cent. The increase was due to a rise in the value of both exports and imports. During the year under review, the total value of exports aggregated Rs. 588.57 crores, as against Rs. 556.80 crores in 1954, or an improvement of Rs. 31.77 crores over the year. Imports rose by Rs. 22.47 crores, that is, from Rs. 595.16 crores to Rs. 617.63 crores. The net result was a shrinkage in the country's adverse balance of trade from Rs. 38.36 crores in 1954 to Rs. 29.06 crores in 1955.

The general price index of exports which stood at 104 in November 1954 (Base 1952-53=100) declined by 13 points to 91 in November 1955, and that of imports by 5 points from 91 to 86. The net result was a decline in the index number of the terms of trade (that is, the ratio of export price index to import price index) declined from 114 in November 1954 to 105 in November last year. The terms of trade were thus unfavourable to the extent of 9 points.

Table II below shows the composition of trade commoditywise divided into four different groups, namely, (*a*) food, drink and tobacco, (*b*) raw materials and produce, (*c*) articles wholly or partly manufactured, and (*d*) animals, postal articles, etc.

TABLE II.

Groupwise Distribution

(Value: In crores of rupees)

	Imports		Exports	
	1955	1954	1955	1954
I. Food, drink and tobacco ..	75.30	104.00	166.25	185.84
II. Raw materials and produce.	157.56	190.15	163.24	106.22
III. Articles wholly manufactured	382.07	297.61	254.61	259.72
IV. Animals and postal articles, etc.	2.70	3.40	4.47	5.02
Total ..	617.63	595.16	588.57	556.80

The table reveals certain broad changes in the pattern of both import and export trade. Changes on the import front reflect the import policy of the Government. The main object of this policy is to promote industrial development within the country. Accordingly, imports of capital goods and raw materials needed by Indian industries are given prominence. Again, with a view to protecting domestic industries and conserving foreign exchange, imports of manufactured consumer goods are kept under strict control. The increase in domestic production of sugar and food has reduced the necessity for imports of these from abroad.

Thus, there has been a marked decline in the value of imports in the food group from Rs. 104 crores in 1954 to Rs. 75.30 crores in 1955. Similarly, there has been a fall in the value of imports under the raw material group. This fall is accounted for mainly by a decline in imports of mineral oils. There was also a minor decline in the value of cotton imported into the country. Imports of articles wholly manufactured, on the contrary, have shot up from Rs. 297.61 crores in 1954 to Rs. 382.07 crores. A substantial part of this rise is due to higher imports of machinery of all kinds, metal manufactures and vehicles other than locomotives.

On the export front, too, there has been a fall in value under the food group. This fall is shared by tea, spices and tobacco. On the contrary, there has been a sharp rise in the exports of raw materials from Rs. 106.22 crores to Rs. 163.24 crores. This improvement is due to an increase in the value of exports of vegetable and mineral oils, raw cotton, and gums and resins. Exports of wholly manufactured goods showed a slight decline from Rs. 259.72 crores to Rs. 254.61 crores. While exports of jute goods were better, those of cotton textiles suffered a fall, thanks to keen competition in world markets.

Table III gives the trend of imports commoditywise during the last three years in greater detail:

TABLE III.

Trend of Imports

(Value: In crores of rupees)

	1953	1954	1955
Foodgrains	84.5	48.83	35.54
Mineral oils	86.0	94.04	63.43
Raw cotton	50.0	57.53	53.51
Machinery	87.0	84.33	108.19
Chemicals and drugs	24.4	30.75	34.22
Iron and steel	23.0	26.61	50.42
Vehicles excluding locomotives ..	23.2	34.43	50.97
Dyes and colours	15.8	19.40	18.24
Electrical goods	15.0	11.02	14.02
Cutlery, etc.	14.8	16.17	22.87
Non-ferrous metals	16.7	24.07	25.76
Paper	12.6	13.60	15.23
Cotton manufactures	3.3	3.20	3.43
Sugar	3.3	30.55	10.08

Among the various items of imports, marked declines are noticed in foodgrains, mineral oils and sugar. The value of foodgrains fell from Rs. 48.83 crores to Rs. 35.54 crores, reflecting the improvement in the cultivation of food crops in the country. Mineral oils imported into India last year dropped from Rs. 94.04 crores in 1954 to Rs. 63.43 crores. Sugar imports too fell by Rs. 30.55 crores to Rs. 10.08 crores, mainly due to expansion in the output of sugar by domestic sugar mills during the year. Raw cotton imports were only a shade lower at Rs. 53.51 crores, as compared with Rs. 57.53 crores. This decline must have been due mainly to the recession in prices of foreign cotton. Imports of most others, however, rose considerably. Machinery jumped up from Rs. 84.33 crores to Rs. 108.19 crores. The notable items among these were agricultural tractors, boilers, earthmoving machinery, machine tools, textile, sugar and paper making machinery and printing presses. Another item, the imports of which rose by nearly 100 per cent., was iron and steel materials, their imported value going up from Rs. 26.61 crores to Rs. 50.42 crores. Reflecting the shortage of road transport vehicles was the rise in imported vehicles from Rs. 34.43 crores to Rs. 50.97 crores, mainly cycles, motor cars, chassis. Electrical goods purchased also rose from Rs. 11.02 crores to Rs. 14.02 crores and cutlery, etc., from Rs. 16.17 crores to Rs. 22.87 crores. Paper and paper board imported from abroad continued to rise and amounted to Rs. 15.23 crores in 1955, as compared with Rs. 13.60 crores in 1954 and Rs. 12.60 crores in 1953, indicating evidently the growing demand for this article of necessity.

The expansion in overall imports was due to several changes in the import policy. The Government continued its policy of liberalisation of import controls by permitting more and more

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newcomers, by larger quotas, by extension of licensing to new items and enhancement of the value of licences. As already stated, the import policy was guided by the need for securing a larger supply of industrial raw materials required by the indigenous industries. In several cases quantitative restrictions on imports were adhered to only when the need for protection to the infant industries became urgent.

Table IV below shows the trend of exports of various commodities during the three years ended 1955:

TABLE IV

Trend of Exports

(Value: In crores of rupees)

	1953	1954	1955
Jute manufactures	110.5	121.7	126.29
Tea	102.6	130.21	111.38
Cotton manufactures ..	63.4	71.89	62.94
Manganese	36.5	15.20	9.76
Hides and skins	25.4	22.30	20.68
Raw cotton	20.0	18.48	36.61
Spices	16.6	14.53	10.17
Fruits and vegetables ..	14.3	12.92	13.80
Tobacco	11.9	11.88	11.43
Vegetable oils	10.5	11.04	40.85
Non-metallic ores	9.3	8.67	10.43
Lac	7.5	9.23	12.59
Wool	6.5	8.17	8.10
Hides and skins (raw)	5.9	6.8	6.6

A notable feature revealed by the above table is the setback in tea exports which in 1954 ranked first among India's earners of foreign exchange. The value of tea exported declined rather sharply from Rs. 130.2 crores to Rs. 111.38 crores, the fall being due to a decline in both the volume and value of this commodity. Exports of jute textiles, on the contrary, rose to top the list once again, their value being Rs. 126.29 crores as against Rs. 121.7 crores in 1954 and Rs. 110.5 crores in 1953. The abolition of export duty on jute goods following the devaluation of the Pak rupee on 31st July 1955 helped considerably to step up exports of jute goods. Thanks to competition from the U.K. and Japan, exports of cotton manufactures could not fare well in 1955 and amounted in value to Rs. 62.94 crores as compared with Rs. 71.89 crores. Exports of manganese ore and hides and skins also receded, the former from Rs. 15.20 crores to Rs. 9.76 crores and the latter from Rs. 22.3 crores to Rs. 20.68 crores. Owing to liberalised export quotas in terms of both quantity and quality and to the drastic cut in duties on *deshi* cotton, raw cotton exports doubled from Rs. 18.48 crores to Rs. 36.61 crores. Even more spectacular was the rise in the exports of vegetable oils from Rs. 11.04 crores to Rs. 40.85 crores. The performance of non-metallic ores (mainly mica) and of lac was decidedly better at Rs. 10.43 crores and Rs. 12.59 crores, respectively, as compared with Rs. 8.67 crores and Rs. 9.23 crores in 1953. Exports of wool, as also hides and raw skins, were maintained at Rs. 8.10 crores and Rs. 6.6 crores, respectively.

The improvement in exports was due to liberalisation of export restrictions, grant of bigger export quotas in respect of oilseeds, cotton, rice, grain, etc., reduction or abolition of export duties on several items of export, establishment of export promotion councils, relatively lower price levels in India as compared with countries abroad, despatch of trade missions abroad and the conclusion of trade pacts with a number of countries, including those in Eastern Europe. The increase in agricultural and agricultural production also helped expansion of exports.

Table V gives the trend of imports from various countries during each of the three years ended 1955:

TABLE V

Main Exporters to India

(Value: In crores of rupees)

	1953	1954	1955
U.K.	140.6	143.8	158.57
U.S.	89.5	73.2	88.71
West Germany	28.8	34.5	53.56
Australia	26.6	14.2	18.57
Egypt	21.7	25.0	18.48
Italy	21.0	20.8	16.23
Canada	18.9	15.13	6.02
Burma	18.2	44.1	22.69
Bahrein Islands	17.6	21.2	11.03
Kenya	16.1	17.3	20.99
Singapore	14.6	16.7	13.94
Saudi Arabia	13.4	17.5	9.74
Japan	10.5	16.5	29.67
The Netherlands	10.9	13.4	13.55
Switzerland	8.1	10.2	10.95
Sweden	8.3	6.95	6.95
Belgium	7.2	7.2	8.74

The U.K. continues to be the chief supplier of goods to India, shipments from that country accounting for Rs. 158.57 crores or nearly a quarter of the total imports. The U.S. share of Indian imports amounted to Rs. 88.71 crores, as against Rs. 73.20 crores in 1954. India's purchases from West Germany rose from Rs. 34.50 crores to Rs. 53.56 crores. Imports from Australia improved from Rs. 14.20 crores to Rs. 18.57 crores. The offtake by India of goods from Egypt, Italy, Canada, Burma, Bahrein Islands, Saudi Arabia dropped considerably during the year. Imports from Japan rose, on the other hand, sharply from Rs. 16.5 crores to Rs. 29.67 crores.

Table VI contains the list of countries which were among India's best customers during the three years ended 1955:

TABLE VI

Main Countries Importing from India

(Value: In crores of rupees)

	1953	1954	1955
U.K.	147.5	176.7	161.60
U.S.A.	95.0	85.3	88.19
Japan	25.9	16.5	25.49
Argentina	20.9	13.7	11.62
Burma	20.3	16.5	18.04
Ceylon	17.6	16.8	17.90
Australia	16.0	22.7	25.98
Canada	13.9	15.0	15.55
West Germany	10.3	14.6	16.02
Singapore	9.3	7.0	7.60
Aden	8.7	7.3	6.87
Nigeria	8.0	8.6	8.31
The Netherlands	6.8	9.9	16.65
Italy	5.4	5.9	6.88
France	5.3	5.2	5.97
Belgium	5.5	4.4	9.40

Here too, the U.K. continued to hold the first rank, its offtake having recorded a high of Rs. 161.60 crores during the year, as against Rs. 176.7 crores in 1954 and Rs. 147.5 crores in 1953. The U.S. held its second place with an offtake of Rs. 88.19 crores, as against Rs. 85.3 crores in 1954. West Germany, too, had become a prominent customer, its purchases of Indian merchandise showing a steady rise year by year. Thus, its share in India's exports rose from Rs. 10.3 crores in 1953 to Rs. 14.6 crores in 1954 and then to Rs. 15.02 crores. Japan's imports from India also had risen similarly from Rs. 16.3 crores to Rs. 25.49 crores over the year. Argentina's offtake was Rs. 11.62 crores, as against Rs. 13.7 crores. There was also an increase in the offtake by a number of countries, the more notable among them being Italy, Canada, Burma, Australia, the Netherlands and Belgium.

RISE IN POWER GENERATION

The *per capita* generation of electricity in India registered an increase of more than 100 per cent. between 1938 and 1953, according to the handbook *Planning for Power Development in India*. The average monthly generation of 283 million kilowatt hours (kw.h.) of power in 1938 rose to 536 million kw.h. in January 1953. During the same period, the *per capita* generation in the United States and the United Kingdom increased by 150 per cent. The booklet indicates that, according to recent surveys completed by the Central Water and Power Commission, India has an approximate hydro-electric power potential of 10.5 million kw. at 60 per cent. load factor.

The third edition of the handbook, brought out by the Central Water and Power Commission, Ministry of Irrigation and Power, presents information relating to the electricity supply industry in India as in 1953-54. It deals with the power resources of the country, organisation for power development, historical review of power development, progress of power schemes in the various States under the first Five-year Plan, concept of the integrated power systems, manufacture of heavy electrical plant and equipment and utilisation of electric power. Besides regional power maps, the handbook includes two maps giving details of the power potential of rivers in South India. The appendices give the technical particulars of existing major power stations and the transmission system in the country. The publication contains exhaustive and authoritative information, which would be of general interest to the public as well as of value to the electricity supply industry. The booklet emphasises the need to utilise low grade coal, the reserves of which are estimated at 39,650 million tons, in thermal power stations.

"TIN AND ITS USES"

The latest issue of *Tin and Its Uses*, published by the Tin Research Institute, contains three items dealing with pewter. The first describes how pewter foil can be the basis of a handicraft, the second discusses methods of producing pewter wares that can be hardened by heat-treatment, and the third is a note referring to the continuing use of pewter plates by German restaurants. Tin-rich solders are playing an important part in the development of 'printed' circuits for electronic work. Among their advantages are low melting point, good strength and excellent penetration. Fusible alloys containing tin can be great time-savers in the making of moulds for injection mouldings. By using cooling coils embedded in the fusible alloy moulds, they can be adapted for use with some of the higher melting point plastics. An investigation into an interesting case of lack of adhesion between an electroplated coating and a tin-base die-casting showed that the trouble was due to the loss by diffusion of a plated flash of copper.

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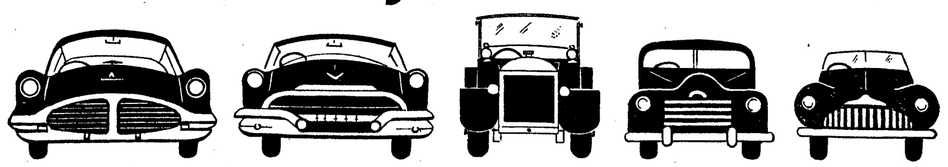

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M 63

SHIVRAJPUR REPORTS SATISFACTORY MINING OPERATIONS

BHARAT COLLIERIES MAINTAIN DIVIDEND

Shivrajpur Syndicate Ltd.

THE directors of the above Company (Managing Agents: Messrs. Killick Industries Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th November 1955.

Output.—The mining operations in all sections of the mines continued satisfactorily throughout the year. The total production amounted to 91,427 tons compared with 96,405 tons during the previous year. The small drop in production is accounted for by the fact that the opencast working in Bamankua, as mentioned by the Chairman last year, was gradually approaching the end of its useful life.

Shipments.—As anticipated, consequent on the abolition of the export duty in August 1954, the demand for manganese ore improved. Shipments, mainly to the U.S.A., totalled 81,775 tons as against 74,477 tons during the previous year.

Sales.—The effect of the slump in the Indian manganese ore trade during 1954 was not felt by the Syndicate due to the policy of forward selling of ore. The Syndicate was able to conclude forward sales during 1955 at favourable prices for delivery extending into the financial year 1956-57, thus bringing the total outstanding commitments to 2,31,898 (132,823) tons at the close of the year under report.

Development and mining operations.—Stopping operations continued satisfactorily on the 200 ft. level in Shaft No. 2 at Shivrajpur and the tonnage yield amounted to 26,835 tons as compared to 17,958 tons during 1953-54. At Bamankua mines, preliminary operations have already been undertaken to sink a shaft. Development at Pani mines proceeded according to plan. The first level crosscut at shaft No. 2 reached the ore body and the drive in ore is now proceeding on the reef.

Power plant.—The additional power plant of 300 h.p. referred to in last year's report has since been erected at Shivrajpur and the installation of the new power plant at Pani will soon be nearing completion.

Building Programme.—The construction of several semi-permanent labour quarters, a bachelors' colony at Bapotia, a creche at Bamankua and extension to various buildings was completed during the year and plans for a fully equipped hospital for women and children have already been finalised.

Increase of Authorised Capital.—An ordinary resolution was passed at the extraordinary general meeting of the Company, held on 24th November 1955 to the effect that the authorised capital of the Company be increased from Rs. 7,50,000 divided into 75,000 shares of Rs. 10 each, to Rs. 25,00,000 by the creation of 1,75,000 new shares of Rs. 10 each. An application has been made to the Controller of Capital Issues in connection with the issue of bonus shares.

Income-tax assessments on the profits for the years ended 30th November 1952, 1953 and 1954 are pending with the authorities but it is expected that they will be finalised in the very near future. The trading profits for the year amounted to Rs. 35,49,059 (Rs. 34,37,532) after deducting depreciation of Rs. 3,60,493 (Rs. 3,10,464). To this has been added Rs. 269 (*nil*) being profit on sale of assets and Rs. 13,381 (Rs. 32,364) being the balance brought forward from last year's accounts. After providing Rs. 12,25,000 (Rs. 10,75,000) for income-tax and super-tax, writing off Rs. 558 (*nil*) being expenses incurred in respect of the increase of authorised share capital, setting aside Rs. 27,867 (Rs. 1,665) to workmen's compensation reserve, Rs. 6,10,511 (Rs. 7,69,890) to staff welfare reserve, Rs. 3,50,000 (Rs. 4,00,000) to mine development and prospecting reserve, Rs. 5,00,000 (Rs. 5,00,000) to general reserve, Rs. 1,50,000 (*nil*) to equalisation of dividends reserve, and Rs. 1,17,112 (Rs. 1,46,822) to retiring gratuities reserve, the balance available for distribution is Rs. 5,81,661 (Rs. 5,73,381) which it is proposed to appropriate as follows:—

To payment of a dividend for the year ended 30th November 1955, at the rate of Rs. 5 (Rs. 5) per share, free of income-tax Rs. 3,50,000 (Rs. 3,50,000) and to payment of a bonus to shareholders for the year ended 30th November 1955, at the rate of Rs. 3 (Rs. 3) per share, free of income-tax Rs. 2,10,000 (Rs. 2,10,000), leaving a balance to be carried forward of Rs. 21,661 (Rs. 13,381).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Block ...	23,37,172
Reserves ...	57,30,000	Work-in-progress ...	4,07,883
Provision for taxation ...	11,69,055	Stock-in-trade ...	37,91,068
Liabilities ...	33,00,886	Stores and spares ...	12,20,523
Profit and loss account ...	21,661	Other assets ...	18,525
		Debts, deposits and advances ...	13,19,351
		Investments ...	9,99,111
		Fixed and call deposits ...	7,00,000
		Cash ...	1,27,969
	Rs. 1,09,21,602		Rs. 1,09,21,602

Bharat Collieries Ltd.

The directors of the above Company (Managing Agents: Messrs. Sahu Jain Ltd., Dalmianagar, Bihar) submitted the audited accounts of the Company for the year ended 30th June 1955.

The year's working shows a surplus of Rs. 6,65,145 (Rs. 12,59,767). After transfer from capital reserve and provision for depreciation and debts unrealised, there remains a net balance of Rs. 6,78,789 (Rs. 7,04,051). To this is added Rs. 13,644 (Rs. 6,280) brought forward from the last year, making a total of Rs. 6,92,433 (Rs. 7,10,331). This sum the directors recommend to be appropriated as follows:—

Payment of dividend (without deduction of income-tax) for the year ended 30th June 1955, on 30,000 cumulative preference shares at 5½ (5½) per cent. Rs. 1,65,000 (Rs. 1,21,688) and on 4,00,000 ordinary shares at 6¼ (6¼) per cent., i.e., As. 10 (As. 10) per share Rs. 2,50,000 (Rs. 2,50,000), transfer to contingency reserve Rs. 2,30,000 (*nil*). The directors recommend, that balance of Rs. 27,433 (Rs. 13,644 after setting aside Rs. 3,25,000 for taxation) be carried forward.

The directors regret to observe that the Company has had to suffer considerable losses in respect of shipments of coal to South Korea contracted for in early 1954. Deductions have been made by the purchasers from the Company's bills relating to the two years ended June, 1954 and 1955 on the basis of arbitrary and unsystematic samples drawn by them. Due steps have been taken in the matter, but in the meantime credit has been taken only for the amount realised. Raisings and despatches of coal from your collieries have been as under:—

	1953-54	1954-55
Raisings (tons)	5,47,725	5,60,579
Despatches (tons)	5,34,424	5,73,680

Despatches during the year have been the highest on record. Raisings at Ekra Khas colliery could have been higher but for pegging restrictions imposed by the Coal Board on metallurgical coal. The working of the collieries continues to be satisfactory.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	69,99,998	Block ...	68,01,474
Debentures	30,00,000	Stock-in-trade	8,02,584
Reserves ...	5,50,000	Stores and provision stores, etc.	11,78,781
Provision for taxation ...	14,73,235	Debts, deposits and advances ..	45,78,354
Liabilities ...	20,01,761	Investments	6,13,692
Profit and loss account ...	6,92,432	Cash ...	7,42,541
	Rs. 1,47,17,426		Rs. 1,47,17,426

Rampooria Cotton Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Hazareemull Heeralall, Calcutta) submitted the audited accounts of the Company for the year ended 30th June 1955.

During the year under review, the Company has earned a gross profit of Rs. 19,96,313 (Rs. 14,60,537) and after making provision for depreciation, interest on loan and commission to the managing agents, etc., the net profit amounts to Rs. 5,28,937 (Rs. 1,33,000) which together with Rs. 26,932 (Rs. 15,666) brought forward from previous year amounts to Rs. 5,55,869 (Rs. 1,48,666) which the directors propose to distribute as follows:—

To taxation reserve Rs. 20,000 (*nil*), to tax-free dividend at 10 (6¼) per cent. on ordinary shares Rs. 1,94,775 (Rs. 1,21,734), to tax-free dividend on deferred shares Rs. 1,70,000 (*nil*) and to general reserve Rs. 1,70,000 (*nil*) leaving a balance to be carried forward of Rs. 1,094 (Rs. 26,932). Considering the fact that the net profit accrued as Rs. 5,28,937 against previous year's net profit of Rs. 1,33,000 there has been a marked progress in the working of the Company, and its management is very commendable. The directors expect far better results on implementation of the further machineries added to the mills.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,47,750	Block ...	22,57,946
Reserves ...	5,75,000	Stock-in-hand	38,19,595
Provision for taxation ...	12,63,738	Debts, deposits and advances ...	17,59,066
Liabilities ..	31,96,429	Investments	10,000
Profit and loss account ...	5,55,869	Cash ...	1,92,179
	Rs. 80,38,786		Rs. 80,38,786

Dawn Mills Co., Ltd.

The directors of the above Company (Agents: Messrs. Ramnarain Sons Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December 1955.

The result of the year's working shows a profit of Rs. 14,69,959 (Rs. 6,00,555) subject to provision for depreciation and taxation. To this has to be added a sum of Rs. 47,117 (Rs. 38,562) brought forward from last year's account, making a total of Rs. 15,17,076 (Rs. 6,39,117) which the directors disposed of as under:—

Paid dividend at the rate of Rs. 15 (Rs. 6) per share free of income-tax, for the year Rs. 4,80,000 (Rs. 1,92,000), transferred to reserve for taxation Rs. 6,00,000 (*nil*), set apart to depreciation on buildings Rs. 20,000 (Rs. 50,000) and on machinery Rs. 2,00,000 (Rs. 1,50,000) and carried forward to next year's account Rs. 2,17,076 (Rs. 47,117).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	16,00,000	Block ...	69,10,861
Reserves ...	24,36,896	Stock-in-trade	25,29,635
Depreciation account ...	52,46,041	Stores and spare gear	3,43,707
Provision for taxation ...	7,07,630	Debts and advances ...	19,17,924
Liabilities ...	19,41,768	Investments	90,000
Profit and loss account ...	15,17,076	Cash ...	16,57,284
	Rs. 1,34,49,411		Rs. 1,34,49,411

Bengal Assam Steamship Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st October 1955.

After providing Rs. 2,62,772 (Rs. 2,87,062) for depreciation and Rs. 8,90,000 (Rs. 3,55,000) for taxation, and after transferring Rs. 75,000 (*nil*) from reserve fund and Rs. 1,39,300 (*nil*) to capital reserve, there is a balance of Rs. 2,26,826 (Rs. 2,70,699) at the credit of the profit and loss account. The directors recommend the payment of a dividend on the preference shares at the rate of 7 per cent. per annum Rs. 21,000 (Rs. 21,000) and a dividend on the ordinary shares of Rs. 7-8 (Rs. 7-8) per share Rs. 1,50,000 (Rs. 1,50,000), leaving to be carried forward Rs. 55,826 (Rs. 99,699).

Freight earnings improved during the year, and the Company's vessels carried more jute and coal than in the previous year. There was a satisfactory profit of Rs. 8,80,449 resulting from the sale of the Company's Calcutta Harbour Block.

Consequent upon the devaluation of the Pakistani rupee on the 31st July 1955 the Company's current assets and liabilities in Pakistan were revalued as at that date, and the loss on the exchange adjustment of Rs. 12,28,094 has been debited to the profit and loss account.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,00,000	Block ...	1,08,44,146
Reserves ...	1,00,69,622	Stores ...	13,616
Provision for taxation ...	7,62,339	Debts, deposits and advances ...	1,47,028
Liabilities ...	9,12,905	Investments	2,55,000
Profit and loss account ...	55,826	Cash ...	28,40,902
	Rs. 1,41,00,692		Rs. 1,41,00,692

Marshall, Sons & Co. (India) Ltd.

The directors of the above Company (Managing Agents: Marshalls (Direction) Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th June 1955.

The trading account showed a profit of Rs. 5,61,081 (Rs. 1,13,176). After adding the profit on sale of furniture and fittings and motor vehicles Rs. 3,521 (Rs. 7,182) and dividend from John Fowler (India) Ltd. Rs. 6,250 (*nil*), there is a total of Rs. 5,70,852 (Rs. 2,04,497). From this amount is deducted general depreciation Rs. 1,03,067 (Rs. 61,310), adjustments in respect of previous years Rs. 70,657 (Rs. 42,877), payment of forfeited dividends Rs. 723 (Rs. 682), provision for bad and doubtful debts Rs. 20,000 (*nil*) and reserve for taxation Rs. 2,00,000 (Rs. 70,000). The year's trading shows a net profit of Rs. 1,76,406 (Rs. 29,627). After adding the previous year's balance of Rs. 93,713 (Rs. 1,95,335), there is a total sum of Rs. 2,70,118 (Rs. 2,24,963). The directors recommend payment of a dividend of 15 (12½) per cent. free of Indian income-tax amounting to Rs. 1,57,500 (Rs. 1,31,250) leaving a balance of Rs. 1,12,618 (Rs. 93,713) to be carried forward.

Since the last report, income-tax assessments have been completed up to the end of the accounting year 1953. Owing to the improved results it is suggested that a sum of Rs. 2,00,000 should be placed to reserve for taxation purposes.

During the year the Company's trading improved considerably. Sales for the year in question show an increase, being Rs. 2,12,35,000 as against Rs. 1,29,00,000 last year. The trading profit for the year in question shows an increase, and the directors feel justified in recommending a dividend of 15 (12½) per cent. free of tax. The directors have pleasure in reporting the satisfactory working of the Marshall/Britannia agreement, and would like to record their appreciation of the manner in which the Britannia Engineering Company, Ltd., have co-operated and used every endeavour to increase output to meet the tea industry's heavy demand for replacement machinery. They would also like to record the satisfactory improvement in sales of the Marshall Electric Motors, production of which has been stepped up to try and meet the heavy demand. Continued efforts are being made to expand the Company's activities in manufacturing and marketing indigenous products, and further manufacturing licences are awaited.

With regard to the future, the directors are confident that the Company can assist in forwarding the Government policy of development, and therefore look forward to a further period of satisfactory trading.

Accounts in brief were as under:

Liabilities	Rs.	Assets	Rs.
Capital ...	10,50,000	Block ...	4,44,214
Reserves ...	26,16,294	Stock-in-trade ...	81,58,975
Provision for taxation ...	1,05,971	Stores ...	38,779
Liabilities ...	1,15,62,234	Debts and advances ...	62,08,673
Profit and loss account ...	2,70,118	Investments	2,57,382
		Cash ...	4,96,394
	Rs. 1,56,04,617		Rs. 1,56,04,617

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

Points From The Chair

Insurance Compensation

"ON the economic side, the year saw far-reaching events in the direction of State ownership and the progress towards a socialist pattern of society. The first casualty to socialism in the current year was life insurance. While some members of the Government were hard put to it in trying to justify their action on the grounds that there was a misuse of power and misappropriation of life insurance funds, others were frank enough to admit that the step was taken to augment Government's resources for the second Five-year Plan. The method of compensating the shareholders of life insurance companies, as laid down in the draft Bill, will adversely affect the conservative, well-managed companies and it is to be sincerely hoped that the Select Committee will take into consideration the shareholders' point of view in making their final recommendation on the Bill. In their zeal to hasten towards socialism, the Government, we hope, will not forget the fact that most of the sound and well run joint-stock enterprises belong to a large number of small shareholders belonging primarily to the middle classes and it would be contrary to principles of social justice not to give them adequate compensation at the time of nationalisation. The proposed amendment of the definition of 'income' in the 1956 Finance Bill will enable the Government to tax this compensation in the hands of the shareholders to the extent that it is in excess of the paid-up capital, so that now there is no fear of endangering socialistic principles of paying adequate compensation to shareholders."

MANEKLAL PREMCHAND,
Industrial Investment Trust Ltd.

Higher Employment and Greater Wealth

"In the first place I wish to emphasise that higher employment, though a very desirable objective, cannot be as important as creation of greater wealth. It may sound a little unorthodox, but I wish it to be realised that increased employment cannot in all cases result in greater prosperity. Only such employment as is highly productive can create prosperity. On the other hand, prosperity can definitely be a precursor to greater employment. A highly productive employment alone can create prosperity, and once we have the effective means, we can create all kinds of employment. The main problem, therefore, is not so much to create any kind of employment as to create such employment as would yield higher production and greater wealth. With wealth a large number of tertiary employment would grow automatically. Higher production is thus the objective which really matters. Judging from this angle, Ambar Charkha is not the answer to the problem. It has a place, no doubt, provided it is proved that the most efficient methods of production within our resources are already fully utilised and that the only resources, potential or otherwise, left for us is the utilisation of Ambar Charkha in which case it functions in a supplementary capacity. Since this is not the position, Ambar Charkha is likely to obstruct rather than pave the path to progress, if by progress we mean higher standard of living. This stark reality, if fully realised, should stop us from toying with ideas likely to take us on a backward march. If Ambar Charkha could have solved our problems it would have done so centuries before."

G. D. BIRLA,
United Commercial Bank Ltd.

Tax on Dividend and Bonus Issue

"The new direct taxation proposals, namely, the withdrawal of the rebate of one anna of income-tax at present given in respect of undistributed profits, the levy of super-tax at two annas and three annas in the rupee on distribution of dividends in excess of six per cent. and ten per cent., respectively on the paid-up capital and a levy of a tax of two annas in the rupee on bonus shares—all these will, it is feared, prove a damper to the corporate section of the private sector and will cripple company finances and flotation of new companies. The proposed tax on dividend over six per cent. is not only unjust, inasmuch as it amounts to double taxation, but it also fails to distinguish between old-established and conservatively managed companies and newly set up companies or companies which have not ploughed back their profits. In order to remove this inequity, I would suggest that the super-tax should be levied on distribution over six per cent. of the paid-up capital and free reserves, instead of paid-up capital alone."

THULSIDAS KILACHAND,
Bank of Baroda Ltd.

Incentive to Electrics

"Much has already been said about the need for greater incentive to sustain and promote investment in the electricity supply industry, and it is most unfortunate, therefore, that the proposal regarding the standard rate as outlined in the Bill will not positively ease the industry's difficulty in raising finance for expansion. The situation calls for a differential over the Bank rate of 2½ per cent. at least. Even with that, there will be no scope for providing that measure of internal finance which the extensive capital development programmed for the industry in the country's second Five-year Plan could absorb. With the disappointment prevalent regarding 'electrics' amongst the investing public, approaches to other agencies, e.g., banks and investment corporations, for the necessary finance will become imperative more often than not. What the fate of such approaches will be, and on what terms of interest and security such agencies might lend, if at all, gives much food for thought; especially when viewed in contrast with the very low rate of statutory return delimited for equity capital itself in this industry."

K. G. MILNE,
Ahmedabad Electricity Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

BINOD MILLS CO., LTD. Annual General Meeting, Ujjain, Indore, 9th April 1956. Dividend: Rs. 10 per share, plus a special dividend at As. 8 per share. Transfer books remain closed from 2nd to 16th April 1956, both days inclusive.

HUMAYAN PROPERTIES LTD. Annual General Meeting, Calcutta, 18th April 1956. Transfer books will remain closed from 11th to 18th April 1956, both days inclusive.

PARASEA COLLIERIES LTD. Half-yearly General Meeting, Calcutta, 19th April 1956. Transfer books will remain closed from 12th to 19th April 1956, both days inclusive.

SWAN MILLS, LTD. Annual General Meeting, Bombay, 24th April 1956. Dividend: Rs. 25 per share, payable on and after 25th April 1956. Transfer books remain closed from 31st March to 24th April 1956, both days inclusive.

THE GOLD MOHUR MILLS LTD. Annual General Meeting, Bombay, 25th April 1956. Transfer books remain closed from 31st March to 25th April 1956, both days inclusive.

TITAGHUR PAPER MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 25th April 1956. Dividend: Re. 1 per share, on A and B ordinary shares (includes bonus of As. 4 per share). Transfer books will remain closed from 11th to 25th April 1956, both days inclusive.

DUNLOP RUBBER CO. (INDIA) LTD. Annual General Meeting, Calcutta, 25th April 1956. Transfer books will remain closed from 9th to 28th April 1956, both days inclusive.

BOMBAY DYEING AND MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 26th April 1956. Dividend: Rs. 17-8 per share (final), payable on or after 27th April 1956.

BHARAT NIDHI LTD. Annual General Meeting, New Delhi, 26th April 1956. Dividend: As. 10 per ordinary share. Transfer books will remain closed from 11th to 26th April 1956, both days inclusive.

FINLAY MILLS LTD. Annual General Meeting, Bombay, 27th April 1956. Dividend: Rs. 20 per share, payable on and after 28th April 1956. Transfer books remain closed from 31st March to 27th April 1956, both days inclusive.

MODERN MILLS LTD. Annual General Meeting, Bombay, 27th April 1956. Transfer books remain closed from 2nd to 21st April 1956, both days inclusive.

ATUL PRODUCTS LTD. Annual General Meeting, Ahmedabad, 27th April 1956. Dividend: Rs. 5-4 per share. Transfer books remain closed from 28th March to 28th April 1956, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Annual General Meeting, Bombay, 7th May 1956. Dividend: Rs. 12 per share, payable on or after 7th May 1956. Transfer books remain closed from 2nd to 21st April 1956, both days inclusive.

GILLAPUKRI TEA AND SEED CO., LTD. Interim dividend of Re. 1-8 per share, payable on or after 21st April 1956. for the year ended 31st December 1955. Transfer books will remain closed from 18th to 21st April 1956, both days inclusive.

VAIKUNDAM (TRAVANCORE) RUBBER CO., LTD. Dividend of Rs. 2-8 per share; for the year ended 31st December 1955. Transfer books will remain closed from 11th to 18th April 1956, both days inclusive.

TALAYAR TEA CO., LTD. Interim dividend of As. 10 per ordinary share for the year ended 31st March 1956. Transfer books remain closed from 7th to 15th April 1956, both days inclusive.

COCHIN STATE POWER AND LIGHT CORPORATION LTD. Interim dividend of As. 6 per ordinary share, for the year ended 31st March 1956. Transfer books will remain closed from 12th to 16th April 1956, both days inclusive.

SRI RAMALINGA CHOODAMBIKAI MILLS LTD. Dividend of Rs. 15 per ordinary share, for the year ended 31st December 1955. Transfer books remain closed from 30th March to 12th April 1956, both days inclusive.

RAJALAKSHMI MILLS LTD. Dividend of Rs. 10 per ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 13th to 27th April 1956, both days inclusive.

COMPANY REGISTRATIONS

HINDUSTHAN VEHICLES LTD. (First Director: Mr. K. N. Sahaya.) Business: Manufacturers and dealers in bicycles, tricycles, motor cycles, etc. Authorised capital: Rs. 5,00,00,000. Public company. Address: 11, Clive Row, Calcutta.

MODERN MOULDERS LTD. (First Director: Mr. Gopaldas Bagree.) Business: Dealers in plastic goods of all kinds and descriptions. Authorised capital: Rs. 30,00,000. Public company. Address: 39, Kali Krishna Tagore Street, Calcutta.

ELECTRICAL EQUIPMENTS LTD. (First Director: Mr. Subroto Ghose.) Business: Manufacturers of all types of electrical equipments. Authorised capital: Rs. 15,00,000. Private company. Address: P-12, Mission Row Extension, Calcutta-1.

GORDHANBHAI J. PATEL AND SONS (PRIVATE) LTD. (First Director: Mr. Dhirubhai Gordhandas Patel.) Business: Importers, exporters, manufacturers and dealers in jewellery, watches, clocks, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 127, Abdul Rehman Street, Bombay 3.

MAHARASHTRA PRAKASHAN LTD. (First Director: Mr. T. R. Naravane.) Business: Publishers of newspapers and magazines, news agents, etc. Authorised capital: Rs. 5,00,000. Private company. Address: The registered office of the company will be situate at Bombay.

QUESTION HOUR IN PARLIAMENT

Atomic Energy Library

ALL scientists will be permitted access to the atomic energy library at Bombay where technical reports on atomic energy developments which are presented to India by the U.S. are kept. The value of the technical library of research reports is $100,000.

* * * *

Heavy Water Purchase

The U.S. has agreed to sell 25 tons of heavy water and certain equipment required for the atomic energy programme in India. It has also accepted and offered to accept Indian scientists, sponsored by the Department of Atomic Energy, for advanced training in certain fields of development and use of atomic energy.

* * * *

Nangal Project

The Government of India has appointed a British firm—Messrs. Costain John Brown—as one of the three consultants to report on the Nangal Project. The fertiliser plant at Nangal will produce 70,000 tons of nitrogen in the form of suitable fertilisers. It will also produce heavy water as a by-product. The plant is expected to be installed by 1960.

—*Jawaharlal Nehru*

Foreign Assistance

The total foreign assistance authorised to India by various countries during 1955-56 amounts to Rs. 49.45 crores. The authorisations are for various projects such as malaria control, steel for railways, hydro-electric projects, supply of wagons, equipment for A.I.R. and miscellaneous projects. Of these authorisations, the U.S. accounts for Rs. 35.31 crores, Canada for Rs. 9.5 crores, Australia for Rs. 1.91 crores, New Zealand for Rs. 0.53 crore and the Ford Foundation for Rs. 2.2 crores.

—*C. D. Deshmukh*

All-India Taxation Council

The Government of India considers it premature to come to a decision on the setting up of an All-India Taxation Council till the reorganisation of States is completed and the Finance Commission completes its labours.

* * * *

Estate Duty

The Government has not so far thought of negotiating an agreement with any country other than the U.K. for the avoidance of double levy of Estate Duty on properties left in India by foreign nationals. This is because other countries have not so far approached India for such an agreement.

* * * *

New India Fisheries

An Indo-Japanese concern, under the name of New India Fisheries Ltd., has been registered in Bombay to exploit fishing potentialities in Indian waters with modern equipment. The Company's fishing activities will, however, be restricted to operations beyond seven miles from the coastline of India. Further, the Company will not fish in the Gulfs of Kutch, Cambay and Mannar, Palk Bay, Pamban Channel and such other areas as may be specified by the Government of India. The authorised capital of the Company is Rs. 1 crore and paid-up capital Rs. 15 lakhs. The capital of Indian interests is 51 per cent., that is, Rs. 7,65,000.

—*M. C. Shah*

Sewing Machines

Forty-two countries, including Aden, Australia, Afghanistan, Burma, Ceylon, Egypt, Greece, the Gold Coast, New Zealand and Gautemala, import Indian sewing machines. The Tariff Commission had estimated in 1954 that the production of sewing machines had exceeded the demand. In recent years, both demand and production are increasing and a precise indication of the one outrunning the other is not available.

—*T. T. Krishnamachari*

Tata Iron and Steel Works

The Tata Iron and Steel Company Ltd., Jamshedpur, which was recently permitted to increase its production capacity to 1.5 million tons of saleable steel per year, has entered into agreements with two American firms. The agreement with Messrs. Kaiser Engineers Division of Messrs. Henry J. Kaiser Company, U.S.A., is for providing the engineering services required for designing, planning and executing the expansion programme, other than the service to be performed in India. The agreement with Messrs. Kaiser Engineers Overseas Corporation (a subsidiary of Messrs. Henry J. Kaiser & Co.) is for securing the engineering services required at the site of the project, including construction management services and construction services. The agreements provide for the payment of a fixed fee to the foreign firms, a guaranteed ceiling for engineering fees for construction, management and procurement services, and for payment of other charges like cost of transporting Kaisers' employees, etc. Kaisers have undertaken to complete the project by 31st May 1958.

—*Nityanand Kanungo*

Motor Tax

A proposal to fix a ceiling for taxes on motor vehicles in all States has been under the consideration of Government for a long time, but the States are anxious that no ceiling limit should be put on their taxation powers in this respect. However, at the last meeting of the Transport Advisory Committee, a suggestion was made that the States should limit the tax to 70 per cent. of the Madras tax, considered to be the highest in India. The States wanted time to examine this suggestion further.

—*O. V. Alagesan*

Notices

THE GOLD MOHUR MILLS, LIMITED

NOTICE

THE THIRTIETH ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Chartered Bank Buildings, Fort, Bombay, on Wednesday, the 25th April 1956, at 4-00 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts made up to 31st December 1955.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in place of those retiring.

(*a*) Sir Chunilal V. Mehta, K.C.S.I., retires by rotation under Article 114 of the Company's Articles of Association. In addition he has attained the age of 65 years. Notice has been received by the Company that it is proposed to move a Resolution to the effect that he be re-appointed a Director of the Company and that the age limit shall not apply to him. Sir Chunilal V. Mehta has signified his willingness to stand for re-election. The following Resolution will, therefore, be proposed as an Ordinary Resolution:—

"RESOLVED that Sir Chunilal V. Mehta, K.C.S.I., who was born on the 12th day of January 1881 and has therefore attained the age of 65 years be and is hereby appointed a Director of the Company and that the age limit laid down in Section 280 of the Indian Companies Act, 1956, shall not apply to him."

(*b*) Mr. Ambalal Sarabhai retires by rotation under Article 114 of the Company's Articles of Association. In addition he has attained the age of 65 years. Notice has been received by the Company that it is proposed to move a Resolution to the effect that he be re-appointed a Director of the Company and that the age limit shall not apply to him. Mr. Ambalal Sarabhai has signified his willingness to stand for re-election. The following Resolution will, therefore, be proposed as an Ordinary Resolution:—

"RESOLVED that Mr. Ambalal Sarabhai who was born on the 25th day of February 1890 and has therefore attained the age of 65 years be and is hereby appointed a Director of the Company and that the age limit laid down in Section 280 of the Indian Companies Act, 1956, shall not apply to him."

(*c*) Mr. P. G. Kendall, who is an employee of James Finlay & Co., Limited, the Managing Agents, vacates Office under the provisions of Section 261 of the Indian Companies Act, 1956, and can only be re-appointed a Director by a Special Resolution. Mr. Kendall offers himself for re-election. The following Resolution will, therefore, be proposed as a Special Resolution:—

"RESOLVED that Mr. P. G. Kendall, who is an employee of James Finlay & Co., Limited, the Managing Agents, and can, therefore, under the provisions of Section 261 of the Indian Companies Act, 1956, be appointed as a Director of the Company only by a Special Resolution, be and is hereby appointed a Director of the Company."

(4) To appoint Auditors for the current year and to fix their remuneration.

(5) The following Resolution will be proposed as a Special Resolution:—

"RESOLVED that James Finlay & Co., Limited, be and are hereby appointed buying agents for the Company in the United Kingdom to carry out the work of purchasing for the Company goods, plant and machinery which are required to be purchased in the United Kingdom. James Finlay & Co., Limited, maintains its Head Office in Glasgow for the purpose of dealing with the various aspects of its business such as Tea, Jute, Shipping, Insurance, etc. The scale of its operations is commensurate with a Company with a Capital of £3½ million. The expenses incurred in maintaining its offices are approximately £103,000 per annum and the proportion of those expenses which may reasonably be attributed to the work done on behalf of the Company is approximately ¾ per cent. Further RESOLVED that in respect of all such work the said James Finlay & Co., Limited, shall be entitled to receive from the Company and the Company shall pay to the said James Finlay & Co., Limited:—

(i) A commission of not more than 2½ per cent. on the prices of all stores purchased by them in the United Kingdom for the Company.

(ii) A commission of not more than 4 per cent. in respect of machinery and plant so purchased for the Company."

(6) The following Resolutions will be proposed as Ordinary Resolutions:—

(i) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of The English Card Clothing Co., Ltd., 151, Tardeo Road, Bombay, may earn from them on any sales to the Company by The English Card Clothing Co., Ltd., of Card Clothing, Comber Needles and Lickerin Wire and any other products sold by The English Card Clothing Co., Ltd., and required to be purchased by the Company in the normal course of business from The English Card Clothing Co., Ltd., providing the rates at which such goods are sold by The English Card Clothing Co., Ltd., to the Company are not less favourable to the Company than the market rates."

(ii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of Tullis, Woodroffe & Co., Ltd., 1/21, North Beach Road, Madras, may earn from them on any sales to the Company by Tullis, Woodroffe & Co., Ltd., of Picking Bands and any other products sold by Tullis, Woodroffe & Co., Ltd., and required to be purchased by the Company in the normal course of business from Tullis, Woodroffe & Co., Ltd., providing the rates at which such goods are sold by Tullis, Woodroffe & Co., Ltd., to the Company are not less favourable to the Company than the market rates."

(iii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of Igranic Electric Co., Ltd., Victoria Station House, Victoria Street, London, S.W. 1, may earn from them on any sales to the Company by Igranic Electric Co., Ltd., of Starters and Switchgear and any other products sold by Igranic Electric Co., Ltd., and required to be purchased by the Company in the normal course of business from Igranic Electric Co., Ltd., providing the rates at which such goods are sold by Igranic Electric Co., Ltd., to the Company are not less favourable to the Company than the market rates."

(iv) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of Brookhirst Switchgear Ltd., Northgate Works, Chester, may earn from them on any sales to the Company by Brookhirst Switchgear Ltd., of Starters and Switchgear and any other products sold by Brookhirst Switchgear Ltd., and required to be purchased by the Company in the normal course of business from Brookhirst Switchgear Ltd., providing the rates at which such goods are sold by Brookhirst Switchgear Ltd., to the Company are not less favourable to the Company than the market rates."

(v) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of Cantie Switches Ltd., Port Causeway, New Ferry, Birkenhead, may earn from them on any sales to the Company by Cantie Switches Ltd., of Starters and Switchgear and any other products sold by Cantie Switches Ltd., and required to be purchased by the Company in the normal course of business from Cantie Switches Ltd., providing the rates at which such goods are sold by Cantie Switches Ltd., to the Company are not less favourable to the Company than the market rates."

(vi) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the next Annual General Meeting of the Company, as the Principal Agents of the National Insurance Co. of Great Britain, Ltd., in regard to any contracts of insurance covering buildings, machinery and stock including stock in process, against fire and riots and civil commotions all risks, covering loss of profits including compensation payable as a result of complete or partial closure of the mills due to fire or riots, covering motor vehicles belonging to the Company against all risks, covering fidelity guarantee and covering cash in transit, which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said National Insurance Co. of Great Britain, Ltd."

(vii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the next Annual General Meeting of the Company, as the Principal Agents of the South India Insurance Co., Ltd., in regard to any contracts of insurance covering buildings, machinery and stock including stock in process, against fire and riots and civil commotions all risks, covering loss of profits including compensation payable as a result of complete or partial closure of the mills due to fire or riots, which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said South India Insurance Co., Ltd."

(viii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the next Annual General Meeting of the Company as the Principal Agents of the London & Provincial Marine & General Insurance Co., Ltd., in regard to any contracts for the purpose of effecting marine insurance on cotton and textile machinery and stores against all risks which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said London & Provincial Marine & General Insurance Co., Ltd."

(ix) "RESOLVED that the draft agreement whereby Ratansi Mulji, Manekbai Mulji, Dwarkadas Jamnadas, Madhavsingh Dwarkadas, Doongersey Jamnadas, Anil Dwarkadas, Narottam Dwarkadas, Jaysinh Dwarkadas and Mathuradas Mulji, carrying on business in partnership in Bombay and elsewhere in India under the firm name and style of Vasonjee Morarjee are to be appointed the Sole Selling Agents of the Company in respect of cloth and yarn for the territory, period and on the terms and conditions contained therein and which draft agreement has, for the purposes of identification, been signed by the Chairman of the Company, be and is hereby approved, and that the engrossment and duplicate of such agreement be duly executed on behalf of the Company."

Note.—The Head Office of James Finlay & Co., Limited, the Managing Agents, is situated in Glasgow in the United Kingdom and the Company from time to time makes purchases of mills stores and plant and machinery through the Head Office of the Managing Agents. It is therefore, necessary, having regard to the provisions of Section 358 of the Indian Companies Act, 1956, to pass the resolution set out under item No. 5 in order that James Finlay & Co., Limited, may be remunerated for this work.

Note.—James Finlay & Co., Limited, the Managing Agents, are representatives of The English Card Clothing Co., Ltd., 151, Tardeo Road, Bombay, Tullis, Woodroffe & Co., Ltd., 1/21, North Beach Road, Madras, Igranic Electric Co., Ltd., Victoria Station House, Victoria Street, London, S.W. 1, Brookhirst Switchgear Ltd., Northgate Works, Chester, and Cantie Switches Ltd., Port Causeway, New Ferry, Birkenhead, and the Company from time to time purchases its requirements through the representatives, James Finlay & Co., Limited. It is therefore necessary, having regard to the provisions of Section 359 of the Indian Companies Act, 1956, to pass the resolutions set out under items Nos. 6 (i), 6 (ii), 6 (iii), 6 (iv) and 6 (v) in order that James Finlay & Co., Limited, may retain any commission or other remuneration earned by them from any of these Companies.

Note.—James Finlay & Co., Limited, the Managing Agents, are Principal Agents of the National Insurance Co. of Great Britain, Ltd., the South India Insurance Co., Ltd., and the London & Provincial Marine & General Insurance Co., Ltd., with which Companies the Company places its Insurance business. It is therefore necessary, having regard to the provisions of Section 359 of the Indian Companies Act, 1956, to pass the resolutions set out under items Nos. 6 (vi), 6 (vii) and 6 (viii) in order that James Finlay & Co., Limited, may retain any commission or other remuneration earned or to be earned by them from any of these Companies.

Note.—It is proposed to appoint the firm of Vasonjee Morarjee as Sole Selling Agents for the Company for cloth and yarn and it is therefore necessary to pass the resolution set out under item No. 6 (ix). The draft agreement referred to in the resolution can be inspected at the Registered Office of the Company, Chartered Bank Buildings, Fort, Bombay, during usual business hours on any working day.

Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

The Transfer Books of the Company will be closed from 31st March to 25th April 1956, both days inclusive.

By Order of the Board of Directors,
JAMES FINLAY & CO., LIMITED,
By its Constituted Attorney,
J. C. BURNS.

BOMBAY, *8th March* 1956.

Note.—The Dividend, when sanctioned, will be made payable at National Bank of India, Limited, Bombay, on and after 26th April 1956, to those Shareholders whose names stand on the Register on 31st March 1956, to whom Dividend Warrants will be posted.

To

The Shareholders of the Gold Mohur Mills, Limited, and in particular to:—

Andrew Geddis and Mrs. Jean Baikie Geddis, Gordon Furze, Alex Higgins, Donald Reginald Cavendish Hartley, Genl. Ugni Shum Shere Jung Bahadur Rana, Mrs. Mehra Phiroze Cooper, John Marshall Furze, Mrs. Beryl Muriel Stileman.

SWAN MILLS, LIMITED

NOTICE

THE FORTY-EIGHTH ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Chartered Bank Buildings, Fort, Bombay, on Tuesday the 24th April 1956, at 4-00 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts made up to 31st December 1955.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in place of those retiring.

(*a*) Sir Chunilal V. Mehta, K.C.S.I., retires by rotation under Article 114 of the Company's Articles of Association. In addition he has attained the age of 65 years. Notice has been received by the Company that it is proposed to move a resolution to the effect that he be re-appointed a Director of the Company and that the age limit shall not apply to him. Sir Chunilal V. Mehta has signified his willingness to stand for re-election. The following resolution will, therefore, be proposed as an Ordinary Resolution:—

"RESOLVED that Sir Chunilal V. Mehta, K.C.S.I., who was born on the 12th day of January 1881 and has therefore attained the age of 65 years be and is hereby appointed a Director of the Company and that the age limit laid down in Section 280 of the Indian Companies Act, 1956, shall not apply to him."

(*b*) Mr. P. G. Kendall retires by rotation under Article 114 of the Company's Articles of Association and in addition, as he is an employee of James Finlay & Co., Limited, the Managing Agents, he would vacate office under Section 261 of the Indian Companies Act, 1956, and can only be appointed a Director by a Special Resolution. Mr. Kendall offers himself for re-election and the following resolution will be proposed as a Special Resolution:—

"RESOLVED that Mr. P. G. Kendall, who is an employee of James Finlay & Co., Limited, the Managing Agents, and can therefore, under the provisions of Section 261 of the Indian Companies Act, 1956, be appointed as a Director of the Company only by a Special Resolution, be and is hereby appointed a Director of the Company."

(c) Mr. C. H. Campbell, who is an employee of James Finlay & Co., Limited, the Managing Agents, vacates office under the provisions of Section 261 of the Indian Companies Act, 1956, and can only be re-appointed a Director by a Special Resolution. Mr. Campbell offers himself for re-election. The following resolution will therefore be proposed as a Special Resolution:—

"RESOLVED that Mr. C. H. Campbell, who is an employee of James Finlay & Co., Limited, the Managing Agents, and can therefore, under the provisions of Section 261 of the Indian Companies Act, 1956, be appointed as a Director of the Company only by a Special Resolution, be and is hereby appointed a Director of the Company."

(4) To appoint Auditors for the current year and to fix their remuneration.

(5) The following Resolution will be proposed as a Special Resolution:—

"RESOLVED that James Finlay & Co., Limited, be and are hereby appointed buying agents for the Company in the United Kingdom to carry out the work of purchasing for the Company goods, plant and machinery which are required to be purchased in the United Kingdom. James Finlay & Co., Limited, maintains its Head Office in Glasgow for the purpose of dealing with the various aspects of its business such as Tea, Jute, Shipping, Insurance, etc. The scale of its operations is commensurate with a Company with a capital of £3½ million. The expenses incurred in maintaining its offices are approximately £103,000 per annum and the proportion of those expenses which may reasonably be attributed to the work done on behalf of the Company is approximately ¾ per cent. Further RESOLVED that in respect of all such work the said James Finlay & Co., Limited, shall be entitled to receive from the Company and the Company shall pay to the said James Finlay & Co., Limited:—

(i) A commission of not more than 2½ per cent. on the prices of all stores purchased by them in the United Kingdom for the Company.

(ii) A commission of not more than 4 per cent. in respect of machinery and plant so purchased for the Company."

(6) The following resolutions will be proposed as Ordinary Resolutions:—

(i) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of The English Card Clothing Co., Ltd., 151, Tardeo Road, Bombay, may earn from them on any sales to the Company by The English Card Clothing Co., Ltd., of Card Clothing, Comber Needles and Lickerin Wire and any other products sold by The English Card Clothing Co., Ltd., and required to be purchased by the Company in the normal course of business from The English Card Clothing Co., Ltd., providing the rates at which such goods are sold by The English Card Clothing Co., Ltd., to the Company are not less favourable to the Company than the market rates."

(ii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of Tullis, Woodroffe & Co., Ltd., 1/21, North Beach Road, Madras, may earn from them on any sales to the Company by Tullis, Woodroffe & Co., Ltd., of Picking Bands and any other products sold by Tullis, Woodroffe & Co., Ltd., and required to be purchased by the Company in the normal course of business from Tullis, Woodroffe & Co., Ltd., providing the rates at which such goods are sold by Tullis, Woodroffe & Co., Ltd., to the Company are not less favourable to the Company than the market rates."

(iii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of Igranic Electric Co., Ltd., Victoria Station House, Victoria Street, London, S.W. 1, may earn from them on any sales to the Company by Igranic Electric Co., Ltd., of Starters and Switchgear and any other products sold by Igranic Electric Co., Ltd., and required to be purchased by the Company in the normal course of business from Igranic Electric Co., Ltd., providing the rates at which such goods are sold by Igranic Electric Co., Ltd., to the Company are not less favourable to the Company than the market rates."

(iv) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of Brookhirst Switchgear Ltd., Northgate Works, Chester, may

earn from them on any sales to the Company by Brookhirst Switchgear Ltd., of Starters and Switchgear and any other products sold by Brookhirst Switchgear Ltd., and required to be purchased by the Company in the normal course of business from Brookhirst Switchgear Ltd., providing the rates at which such goods are sold by Brookhirst Switchgear Ltd., to the Company are not less favourable to the Company than the market rates."

(v) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of Cantie Switches Ltd., Port Causeway, New Ferry, Birkenhead, may earn from them on any sales to the Company by Cantie Switches Ltd., of Starters and Switchgear and any other products sold by Cantie Switches Ltd., and required to be purchased by the Company in the normal course of business from Cantie Switches Ltd., providing the rates at which such goods are sold by Cantie Switches Ltd., to the Company are not less favourable to the Company than the market rates."

(vi) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the next Annual General Meeting of the Company, as the Principal Agents of the National Insurance Co. of Great Britain, Ltd., in regard to any contracts of insurance covering buildings, machinery and stock including stock in process, against fire and riots and civil commotions all risks, covering loss of profits including compensation payable as a result of complete or partial closure of the mills due to fire or riots, covering motor vehicles belonging to the Company against all risks, covering fidelity guarantee and covering cash in transit, which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said National Insurance Co. of Great Britain, Ltd."

(vii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the next Annual General Meeting of the Company, as the Principal Agents of the South India Insurance Co., Ltd., in regard to any contracts of insurance covering buildings, machinery and stock including stock in process, against fire and riots and civil commotions all risks, covering loss of profits including compensation payable as a result of complete or partial closure of the mills due to fire or riots, which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said South India Insurance Co., Ltd."

(viii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the next Annual General Meeting of the Company, as the Principal Agents of the London & Provincial Marine & General Insurance Co., Ltd., in regard to any contracts for the purpose of effecting marine insurance on cotton and textile machinery and stores against all risks which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said London & Provincial Marine & General Insurance Co., Ltd."

(ix) "RESOLVED that the draft agreement whereby Ratansi Mulji, Manekbai Mulji, Dwarkadas Jamnadas, Madhavsingh Dwarkadas, Doongersey Jamnadas, Anil Dwarkadas, Narottam Dwarkadas, Jaysinh Dwarkadas and Mathuradas Mulji, carrying on business in partnership in Bombay and elsewhere in India under the firm name and style of Vasonjee Morarjee are to be appointed the Sole Selling Agents of the Company in respect of cloth and yarn for the territory, period and on the terms and conditions contained therein and which draft agreement has, for the purposes of identification, been signed by the Chairman of the Company, be and is hereby approved, and that the engrossment and duplicate of such agreement be duly executed on behalf of the Company."

Note:—The Head Office of James Finlay & Co., Limited, the Managing Agents, is situated in Glasgow in the United Kingdom and the Company from time to time makes purchases of mills stores and plant and machinery through the Head Office of the Managing Agents. It is therefore necessary, having regard to the provisions of Section 358 of the Indian Companies Act, 1956, to pass the resolution set out under item No. 5 in order that James Finlay & Co., Limited, may be remunerated for this work.

Note:—James Finlay & Co., Limited, the Managing Agents, are representatives of The English Card Clothing Co., Ltd., 151, Tardeo Road, Bombay, Tullis, Woodroffe & Co. Ltd., 1/21, North Beach Road, Madras, Igranic Electric Co., Ltd., Victoria Station House, Victoria Street, London, S.W. 1, Brookhirst Switchgear Ltd., Northgate Works, Chester, and Cantie Switches Ltd., Port Causeway, New Ferry, Birkenhead, and the Company from time to time purchases its requirements through the representatives, James Finlay & Co., Limited. It is therefore necessary, having regard to the provisions of Section 359 of the Indian Companies Act, 1956 to pass the resolutions set out under items Nos. 6 (i), 6 (ii), 6 (iii), 6 (iv) and 6 (v) in order that James Finlay & Co., Limited, may retain any commission or other remuneration earned by them from any of these Companies.

Note:—James Finlay & Co., Limited, the Managing Agents, are Principal Agents of the National Insurance Co. of Great Britain Ltd., the South India Insurance Co., Ltd., and the London & Provincial Marine & General Insurance Co., Ltd., with which Companies the Company places its insurance business. It is therefore necessary, having regard to the provisions of Section 359 of the Indian Companies Act, 1956, to pass the resolutions set out under items Nos. 6 (vi), 6 (vii) and 6 (viii) in order that James Finlay & Co., Limited, may retain any commission or other remuneration earned or to be earned by them from any of these Companies.

Note:—It is proposed to appoint the firm of Vasonjee Morarjee as Sole Selling Agents for the Company for cloth and yarn and it is therefore necessary to pass the resolution set out under item No. 6 (ix). The draft agreement referred to in the resolution can be inspected at the Registered Office of the Company, Chartered Bank Buildings, Fort, Bombay, during usual business hours on any working day.

Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

The Transfer Books of the Company will be closed from 31st March to 24th April 1956, both days inclusive.

By Order of the Board of Directors,
JAMES FINLAY & CO., LIMITED,
By its Constituted Attorney,
J. C. BURNS.

BOMBAY, 8*th March* 1956.

Note:—The Dividend, when sanctioned will be made payable at National Bank of India, Limited, Bombay, on and after 25th April 1956, to those Shareholders whose names stand on the Register on 31st March 1956, to whom Dividend Warrants will be posted.

To

The Shareholders of Swan Mills, Limited, and in particular to:—

Mrs. Allu Faredoon Dastur and Faredoon Pestonji Dastur; Ahmed Ismail Mohamed Baggia; M. H. Crowder; Essabhoy Abdul Hussain; G. Furze; Mrs. J. B. Geddis; Gerald Percy Cooke and Alexander Sim Murray Young; A. Geddis; Hayim Ezekiel Hayim; Karim Mohamed Motiwala; H.H. Ranisaheba Jagdamba Kumari Debi; and Miss Laura Edith Rebekah Wadeson.

THE FINLAY MILLS LIMITED

NOTICE

THE FIFTY-FIRST ORDINARY GENERAL Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Chartered Bank Buildings, Fort, Bombay, on Friday the 27th April 1956, at 4-00 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Statement of Accounts made up to 31st December 1955.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in place of those retiring.

(a) Sir Chunilal V. Mehta, K.C.S.I., retires by rotation under Article 114 of the Company's Articles of Association. In addition he has attained the age of 65 years. Notice has been received by the Company that it is proposed to move a resolution to the effect that he be re-appointed a Director of the Company and that the age limit shall not apply to him. Sir Chunilal V. Mehta has signified his willingness to stand for re-election. The following resolution will, therefore, be proposed as an Ordinary Resolution:—

"RESOLVED that Sir Chunilal V. Mehta, K.C.S.I., who was born on the 12th day of January 1881 and has therefore attained the age of 65 years be and is hereby appointed a Director of the Company and that the age limit laid down in Section 280 of the Indian Companies Act, 1956, shall not apply to him."

(b) Mr. P. G. Kendall retires by rotation under Article 114 of the Company's Articles of Association and in addition, as he is an employee of James Finlay & Co., Limited, the Managing Agents, he would vacate office under Section 261 of the Indian Companies Act, 1956, and can only be appointed a Director by a Special Resolution. Mr. Kendall offers himself for re-election and the following resolution will be proposed as a Special Resolution:—

"RESOLVED that Mr. P. G. Kendall, who is an employee of James Finlay & Co., Limited, the Managing Agents, and can therefore, under the provisions of Section 261 of the Indian Companies Act, 1956, be appointed as a Director of the Company only by a Special Resolution, be and is hereby appointed a Director of the Company."

(c) Mr. C. H. Campbell, who is an employee of James Finlay & Co., Limited, the Managing Agents, vacates office under the provisions of Section 261 of the Indian Companies Act, 1956, and can only be re-appointed a Director by a Special Resolution. Mr. Campbell offers himself for re-election. The following resolution will therefore be proposed as a Special Resolution:—

"RESOLVED that Mr. C. H. Campbell, who is an employee of James Finlay & Co., Limited, the Managing Agents, and can therefore, under the provisions of Section 261 of the Indian Companies Act, 1956, be appointed as a Director of the Company only by a Special Resolution, be and is hereby appointed a Director of the Company."

(4) To appoint Auditors for the current year and to fix their remuneration.

(5) The following Resolution will be proposed as a Special Resolution:—

"RESOLVED that James Finlay & Co., Limited, be and are hereby appointed buying agents for the Company in the United Kindom to carry out the work of purchasing for the Company goods, plant and machinery which are required to be purchased in the United Kingdom. James Finlay & Co., Limited, maintains its Head Office in Glasgow for the purpose of dealing with the various aspects of its business such as Tea, Jute, Shipping, Insurance, etc. The scale of its operations is commensurate with a Company with a capital of £3½ million. The expenses incurred in maintaining its offices are approximately £103,000 per annum and the proportion of those expenses which may reasonably be attributed to the work done on behalf of the Company is approximately ¾ per cent. Further RESOLVED that in respect of all such work the said James Finlay & Co., Limited, shall be entitled to receive from the Company and the Company shall pay to the said James Finlay & Co., Limited:—

(i) A commission of not more than 2½ per cent. on the prices of all stores purchased by them in the United Kingdom for the Company.

(ii) A commission of not more than 4 per cent. in respect of machinery and plant so purchased for the Company."

(6) The following resolutions will be proposed as Ordinary Resolutions:—

(i) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of The English Card Clothing Co., Limited, 151, Tardeo Road, Bombay, may earn from them on any sales to the Company by The English Card Clothing Co., Limited, of Card Clothing, Comber Needles and Lickerin Wire and any other products sold by The English Card Clothing Co., Limited, and required to be purchased by the Company in the normal course of business from The English Card Clothing Co., Limited, providing the rates at which such goods are sold by The English Card Clothing Co., Limited, to the Company are not less favourable to the Company than the market rates."

(ii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of Tullis, Woodroffe & Co., Limited, 1/21, North Beach Road, Madras, may earn from them on any sales to the Company by Tullis, Woodroffe & Co., Limited, of Picking Bands and any other products sold by Tullis, Woodroffe & Co., Limited, and required to be purchased by the Company in the normal course of business from Tullis, Woodroffe & Co., Limited, providing the rates at which such goods are sold by Tullis, Woodroffe & Co., Limited, to the Company are not less favourable to the Company than the market rates."

(iii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of Igranic Electric Co., Limited, Victoria Station House, Victoria Street, London, S.W. 1, may earn from them on any sales to the Company by the Igranic Electric Co., Limited, of Starters and Switchgear and any other products sold by Igranic Electric Co., Limited, and required to be purchased by the Company in the normal course of business from Igranic Electric Co., Limited, providing the rates at which such goods are sold by Igranic Electric Co., Limited, to the Company are not less favourable to the Company than the market rates."

(iv) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of Brookhirst Switchgear, Limited, Northgate Works, Chester, may earn from them on any sales to the Company by Brookhirst Switchgear, Limited, of Starters and Switchgear and any other products sold by Brookhirst Switchgear, Limited, and required to be purchased by the Company in the normal course of business from Brookhirst Switchgear, Limited, providing the rates at which such goods are sold by Brookhirst Switchgear, Limited, to the Company are not less favourable to the Company than the market rates."

(v) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised until the next Annual General Meeting of the Company to retain all commission or other remuneration which they as representatives of Cantie Switches Limited, Port Causeway, New Ferry, Birkenhead, may earn from them on any sales to the Company by Cantie Switches Limited, of Starters and Switchgear and any other products sold by Cantie Switches Limited and required to be purchased by the Company in the normal course of business from Cantie Switches Limited, providing the rates at which such goods are sold by Cantie Switches Limited to the Company are not less favourable to the Company than the market rates."

(vi) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the next Annual General Meeting of the Company, as the Principal Agents of the National Insurance Co. of Great Britain, Limited, in regard to any contracts of insurance covering buildings, machinery and stock including stock in process, against fire and riots and civil commotions all risks, covering loss of profits including compensation payable as a result of complete or partial closure of the mills due to fire or riots, covering motor vehicles belonging to the Company against all risks, covering fidelity guarantee and covering cash in transit, which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said National Insurance Co. of Great Britain, Limited."

(vii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the next Annual General Meeting of the Company, as the Principal Agents of the South India Insurance Co., Limited, in regard to any contracts of insurance covering buildings, machinery and stock including stock in process, against fire and riots and civil commotions all risks, covering loss of profits including compensation payable as a result of complete or partial closure of the mills due to fire or riots, which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said South India Insurance Co., Limited."

(viii) "RESOLVED that James Finlay & Co., Limited, Managing Agents of the Company, be and they are hereby authorised to retain all commission or other remuneration already earned or to be earned by them at any time hereafter until the next Annual General Meeting of the Company as the Principal Agents of the London & Provincial Marine & General Insurance Co., Limited, in regard to any contracts for the purpose of effecting marine insurance on cotton and textile machinery and stores against all risks which have been, or which may at any time hereafter during the period aforesaid, be entered into between the Company and the said London & Provincial Marine & General Insurance Co., Limited."

(ix) "RESOLVED that the draft agreement whereby Ratansi Mulji, Manekbai Mulji, Dwarkadas Jamnadas, Madhavsingh Dwarkadas, Doongersey Jamnadas, Anil Dwarkadas, Narottam Dwarkadas, Jaysinh Dwarkadas and Mathuradas Mulji, carrying on business in partnership in Bombay and elsewhere in India under the firm name and style of Vasonjee Morarjee are to be appointed the Sole Selling Agents of the Company in respect of cloth and yarn for the territory, period and on the terms and conditions contained therein and which draft agreement has, for the purposes of identification, been signed by the Chairman of the Company, be and is hereby approved, and that the engrossment and duplicate of such agreement be duly executed on behalf of the Company."

Note.—The Head Office of James Finlay & Co., Limited, the Managing Agents, is situated in Glasgow in the United Kingdom and the Company from time to time makes purchases of mills stores and plant and machinery through the Head Office of the Managing Agents. It is therefore necessary, having regard to the provisions of Section 358 of the Indian Companies Act, 1956, to pass the resolution set out under item No. 5 in order that James Finlay & Co., Limited, may be remunerated for this work.

Note.—James Finlay & Co., Limited, the Managing Agents, are representatives of The English Card Clothing Co., Limited, 151, Tardeo Road, Bombay, Tullis, Woodroffe & Co., Limited, 1/21, North Beach Road, Madras, Igranic Electric Co., Limited, Victoria Station House, Victoria Street, London, S.W. 1, Brookhirst Switchgear Limited, Northgate Works, Chester and Cantie Switches Limited, Port Causeway, New Ferry, Birkenhead, and the Company from time to time purchases its requirements through the representatives, James Finlay & Co., Limited. It is therefore necessary, having regard to the provisions of Section 359 of the Indian Companies Act, 1956, to pass the resolutions set out under items Nos. 6 (i), 6 (ii), 6 (iii), 6 (iv) and 6 (v) in order that James Finlay & Co., Limited, may retain any commission or other remuneration earned by them from any of these Companies.

Note.—James Finlay & Co., Limited, the Managing Agents, are Principal Agents of the National Insurance Co. of Great Britain, Limited, the South India Insurance Co., Limited, and the London & Provincial Marine & General Insurance Co., Limited, with which Companies the Company places its insurance business. It is therefore necessary, having regard to the provisions of Section 359 of the Indian Companies Act, 1956, to pass the resolutions set out under items Nos. 6 (vi), 6 (vii) and 6 (viii) in order that James Finlay & Co., Limited, may retain any commission or other remuneration earned or to be earned by them from any of these Companies.

Note.—It is proposed to appoint the firm of Vasonjee Morarjee as Sole Selling Agents for the Company for cloth and yarn and it is therefore necessary to pass the resolution set out under item No. 6 (ix). The draft agreement referred to in the resolution can be inspected at the Registered Office of the Company, Chartered Bank Buildings, Fort, Bombay, during usual business hours on any working day.

Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote

instead of himself and such proxy need not be a member of the Company.

The Transfer Books of the Company will be closed from 31st March to 27th April, 1956, both days inclusive.

By Order of the Board of Directors,

JAMES FINLAY & CO., LIMITED,
By its Constituted Attorney,
J. C. BURNS.

BOMBAY, *8th March* 1956.

Note.—The Dividend, when sanctioned, will be made payable at National Bank of India, Limited, Bombay, on and after 28th April, 1956, to those Shareholders whose names stand on the Register on 31st March 1956, to whom Dividend Warrants will be posted.

To

The Shareholders of The Finlay Mills, Limited, and in particular to:—

Mrs. Allu Faredoon Dastur and Faredoon Pestonji Dastur; Alfred Rudolph D'Abreo and Mrs. Theresa Mary D'Abreo; Dr. Abilio Coelho Pereira; Ghulam Mahboob, Ghulam Mohyu Din and others; Adolphus Swithin Duarte; Mrs. Edith Mary Shuttleworth; Gunvantrai Ambaram Vaidya; Jose Vitorino Alvares e Brito and Mrs. Almira Coutinho e Brito; Kanji Hansraj and Mrs. Kasturbai Kanji; Mustafa Abdulla Mohamed; Mohamed Ahmed Ta Baggia and Ahmed Ismail Mohamed Baggia; Shapurji Edulji Soparivala and Mrs. Thritty Shapurji Soparivala; Vaikunthlal Motiram Clerk and Mrs. Rasila Vaikunthlal Clerk.

THE BOMBAY DYEING AND MANUFACTURING COMPANY, LIMITED

NOTICE

THE EIGHTY-FOURTH ORDINARY GENERAL Meeting of the Shareholders of The Bombay Dyeing and Manufacturing Company, Ltd., will be held at the temporary Registered Office of the Company, State Bank Buildings, Bank Street, Fort, Bombay, on Thursday the 26th April 1956, at 5 p.m. (S.T.), to transact the following business:—

1. To adopt the Directors' Report, the audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1955.
2. To sanction the declaration of a Dividend.
3. To elect a Director in place of Mr. J. D. Choksi who retires by rotation, but is eligible for re-election.
4. To elect a Director in place of Mr. N. M. Wagle who retires by rotation, but is eligible for re-election.
5. To appoint Auditors for the current year and to fix their remuneration.

AND for the purpose of considering, and if thought fit, of passing the following Resolutions as Special Resolutions and/or Ordinary Resolutions as specified below:

SPECIAL RESOLUTIONS

I. RESOLVED that in accordance with the provisions of Section 261 of the Companies Act, 1956, the Company hereby consents to and approves of the appointment, as a Director of the Company, of Mr. H. R. Batlivala, a Director and employee of Nowrosjee Wadia and Sons (Private) Ltd., the Managing Agents of the Company.

II. RESOLVED that in accordance with the provisions of Section 261 of the Companies Act, 1956, the Company hereby consents to and approves of the appointment as a Director of the Company, of Sir Jamsetjee Jejeebhoy, Bart., an employee of Nowrosjee Wadia and Sons (Private) Ltd., the Managing Agents of the Company.

III. RESOLVED that pursuant to the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of all sales, purchases, or supplies or transactions already entered into or to be entered into by virtue of or under a contract dated the 22nd day of March 1956, between the Company and the Managing Agents, Nowrosjee Wadia and Sons (Private) Ltd., in respect of goods in which the Managing Agents regularly trade or do business in such as Rings, Ring Travellers, Lubricating Oils, Hair and Leather Beltings, and other Leather Goods such as Pickers, Picking Bands and Buffers, Sprinklers and Sprinker Equipment, Machine Cloths, Ginning, Pressing and Delintering Machinery, and Machinery spare parts, and Mechanical Handling Equipment or in respect of which they may trade or do business in as well as in respect of sales to the Managing Agents by the Company of sundry stores, petrol, tubular banding, cloth and such other ancillary items and in respect of the supply or rendering of any service by either to the other, other than that of Managing Agents, including receiving loans or deposits at interest not exceeding the State Bank of India's rate of interest from the Managing Agents, for all of which payment shall be made to the Company within one month from the date of such transactions.

IV. RESOLVED that pursuant to the provisions of Section 360 of the Companies Act, 1956, the Company hereby approves of all purchases or supplies from or transactions already entered into or to be entered into by virtue of or under a Contract dated the 19th day of March 1956 between the Company and Spin-Weave Textiles, an associate of the Managing Agents as defined under the provisions of the Companies Act, 1956, in respect of Bobbins, Pirns, Skewers, Wood, Wooden Cases, Wooden Articles such as Sleys, Hand Tops, Rollers, Picking Sticks, Leather Goods such as Beltings, Picking Bands, Pickers, Buffers, Loom Straps, Ram Rings, Castings and Machinery spare parts and other sundry mill stores, at rates fixed by the Directors from time to time.

V. RESOLVED that the Company hereby approves of the purchase, on 29th March 1956, from Mr. Neville N. Wadia, an associate of the Managing Agents, Messrs. Nowrosjee Wadia and Sons (Private) Ltd., of the reversionary rights in the lands admeasuring about 1,27,924.6 square yards previously leased by the Company (and in the occupation of the Spring Mills) at or for the price of Rs. 10,50,000 by Indenture of Conveyance dated 29th March 1956.

VI. RESOLVED that the Company hereby approves of the purchase, on 29th March 1956, from Mr. Neville N. Wadia, an associate of the Managing Agents, Messrs. Nowrosjee Wadia and Sons (Private) Ltd., of the reversionary rights in the lands admeasuring about 44,460 square yards previously leased by the Company (and in the occupation of the Textile Mills) at or for the price of Rs. 4,50,000 by Indenture of Conveyance dated 29th March 1956.

(Explanatory statement under Section 173 (2) annexed in respect of the above Resolutions Nos. I to VI.)

The Agreements referred to in Resolutions Nos. III and IV and the Indentures of Conveyance referred to in Resolutions Nos. V and VI are open for inspection by any shareholder at the temporary Registered Office of the Company on working days except on Saturdays from 11 a.m. to 4 p.m. (S.T.).

ORDINARY RESOLUTIONS

VII. RESOLVED that pursuant to the provisions of Section 359 of the Companies Act, 1956, the Company hereby authorises Nowrosjee Wadia and Sons (Private) Ltd., the Managing Agents of the Company, to retain the commission or other remuneration earned or to be earned by them in the business of principal agents of Insurers, and in the business of Agents or Representatives of other principals for supply of goods to the Company, such as Rings, Ring Travellers, Lubricating Oils, Hair and Leather Beltings, and other Leather Goods such as Pickers, Picking Bands, Buffers, Sprinklers and Sprinkler Equipment, Machine Cloths, Ginning, Pressing and Delintering Machinery and Machinery spare parts, Mechanical Handling Equipment, and also the interest in respect of any loans or deposits made to the Company.

VIII. RESOLVED that pursuant to the provisions of Sections 372 and 373 of the Companies Act, 1956, the Company hereby confirms the investment made by the Company in National Peroxide Ltd. [of which the Managing Agents are Nowrosjee Wadia and Sons (Private) Ltd.], of 15,000 shares of the face value of Rs. 100 each, amounting to Rs. 15,00,000 (Fifteen Lakhs) and authorises its continuance.

IX. RESOLVED that pursuant to the provisions of Section 294 of the Companies Act, 1956, the Company hereby approves of the continuance of the appointment as sole Selling Agents of the Company under the existing terms and conditions of:—

(1) Messrs. Chaturbhuj Gordhandas & Co. for Cloth for the whole of India.

(2) Messrs. Doongersey Gangjee and Sons, Ltd., for Yarn for the whole of India.

X. RESOLVED that the Company hereby approves of the continuance of the present arrangements of the Company with:

(1) Messrs. G. & R. Wills & Co., Ltd., Adelaide.

(2) Messrs. G. B. Warne Corporation, New York.

for the sale of the Company's products in Australia and New Zealand, and Canada, United States of America, Central and South America, respectively.

By Order of the Board,

NOWROSJEE WADIA & SONS (PRIVATE) LTD.,
NEVILLE N. WADIA,
Director,
Managing Agents.

BOMBAY, 31*st March* 1956.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member.

The Transfer Books of the Company have been closed from 19th March to 5th April 1956, both days inclusive.

The Dividend when sanctioned will be made payable at the National Bank of India Ltd., Bombay, on or after the 27th April 1956, to those shareholders whose names stand on the Register of the Company on 5th April 1956, and the Dividend Warrants will be duly posted to them.

The shareholders are requested to immediately notify any change of address to the Company.

To,

The Shareholders of The Bombay Dyeing and Manufacturing Company, Ltd., and in particular to:—

Mr. Abdullah Rahimtullah, Mr. Ahmed Ismail, Miss Beatrix E. Alston, Capt. John S. Alston, Miss Ethel B. Ashby, Mr. Ebrahim Mamoojee Badat, Mr. P. J. Chinoy & Mrs. Arnavaz P. Chinoy, Mr. I. C. Chopra, Mr. V. M. Clerk & Mrs. Rasila V. Clerk, Mr. Gerald Percy Cooke & Mr. Alexander Sim Murray Young, Mr. M. H. Crowder, Mrs. Goolcher F. Dadachanji & Mr. Faridun K. Dadachanji, Dr. L. Das, Mrs. Allu F. Dastur & Mr. Fredun P. Dastur, Mr. Eruch E. U. Dinshaw & Mrs. Naja E. E. Dinshaw, Mrs. Meherbanu P. Dubash & Mr. P. S. Dubash, Mr. J. Armando Fernandes & Mrs. Henriqueta Fernandes, Mr. Mark Frankfurt, Mrs. Eileen Gomes & Mr. Arthur Louis Gomes, Mr. A. F. Gonsalves & Mrs. Eslinda Gonsalves, Srimati Grihya Kumari, Mr. Manohar Raghavendra Hosangady, Mr. Ismail Essack, Mr. Saifudeen I. Jafferji, Mr. T. I. Jafferji, Mrs. Nan Ellis Jones, Mr. W. Ellis Jones, Mrs. Dorothy M. H. Maclean, Mr. Pravin V. Madhvani, Mr. Vrajlal G. Mehta & Mrs. Savitri Vrajlal, Miss Khorshed Jehangirji Merchant, Miss Dhun Mancherji Khambatta, Miss Sara Mancherji Khambata, Miss Rhoda Mancherji Khambata, Mr. Hassen Saleh Mia, Mr. Chhagan Khoosal Mistry, Mr. Naran K. Mistri, Mrs. Freny Rustom Mody, Mr. M. A. H. Moosa, Mrs. Shirinbai R. Motiwalla & Mr. M. P. Wania, Mrs. Shireen Phiroze Mulla, Mr. Syed M. Muslim, Mr. Pestonjee E. Pader & Mrs. Perin P. Pader, Mr. Jalbhoy P. Panthaky, Mrs. Fatima A. Parak & Mr. Ahmed H. Bamath, Mr. Ahmed M. Parak, Mr. Kantilal P. Patel, Mr. Arthur G. Powell, Mr. Govindji V. Radia, Comm. Gen. Sir Baber Shum Shere Jung Bahadur Rana & Maj. Gen. Mrigendra Shum Shere Jung Bahadur Rana, Comm. Gen. Sir Baber Shum Shere Jung Bahadur Rana, Rani Beda Bhakta Laxmi Devi & Maj. Gen. Mrigendra Shum Shere Jung Bahadur Rana, Mrs. Premila J. Saraiya & Mr. Jayantilal C. Saraiya, Mr. Theodore O. Schmid, Mr. G. M. D. Seedat, Mr. Ismail A. Shaikh, Mr. James Arnott Thomson, Mr. W. E. S. Thomson, Mrs. Elizabeth S. Thomson & Mr. J. Henderson, Dr. John M. Thomson, Mr. Hansraj Ebji Velji & Mrs. Chandubai Hansraj.

KANKNARRAH COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Forty-sixth Annual General Meeting of Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 11-45 a.m. on Friday the 27th April 1956, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st December 1955, and the Balance Sheet as at that date.

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

(3) To elect a Director.

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

The Share Transfer Books of the Company will be closed from 13th April to 27th April 1956, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA-1, 27*th March* 1956.

Note.—(*a*) A Member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of himself. A proxy need not be a member of the Company.

(*b*) Payment of any dividend declared will be made only to those members whose names are registered in the books of the Company on the 27th day of April 1956, or to their Mandatees. No applications for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

MACKINNON, MACKENZIE AND COMPANY, LIMITED

NOTICE

IT HAS BEEN DECIDED THAT MACKINNON, Mackenzie & Co. (Private) Ltd., will in future confine its activities to shipping. That Company's Head Office in Calcutta has, therefore, with effect from 31st March 1956, resigned its Managing Agencies of the India Jute Co., Ltd., the Megna Mills Co., Ltd., the Salonah Tea Co., Ltd., and other Agencies unconnected with shipping, while the Bombay Branch has similarly resigned its Managing Agency of Mazagon Dock Ltd. The Company will, however, continue its connection with the Peninsular and Oriental Steam Navigation Co., and other Shipping Companies as Managing or Port Agents.

The intention is that Mazagon Dock Ltd., the India Jute Co., Ltd., and the Megna Mills Co., Ltd., will, as from 1st April 1956, be Director-controlled, while the Salonah Tea Co., Ltd., which is a Sterling Company, will be transferred to the Agency of Messrs. Macneill and Barry Ltd.

THE INDIAN IRON AND STEEL COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors have sanctioned payment of dividend on the Preference Share Capital of the Company at the rate of 5 per cent. per annum for the half-year ended 31st March 1956.

The Preference Share Registers will be closed from the 16th to the 21st April 1956, both days inclusive. Payment will be made on or after the 1st May 1956 to those Preference Shareholders whose names are on the Company's Register on the 21st April 1956, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
T. LESLIE MARTIN,
Governing Director,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 2*nd April* 1956.

HUMAYAN PROPERTIES LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-seventh Ordinary General Meeting of Humayan Properties Ltd. will be held at the Lighthouse Miniature Cinema, Calcutta, on Wednesday, 18th April 1956, at 4-30 p.m., for the following purposes:—

1. To receive the Directors' Report.
2. To pass the Audited Accounts.
3. To declare the Dividend on Ordinary Shares recommended by the Directors.
4. To elect Directors under Article No. 123 in place of Messrs. S. A. Basil and H. E. Barber who retire by rotation. (Messrs. Basil and Barber being eligible, offer themselves for re-election.)
5. To appoint Auditors.

The Share Transfer Register of the Company will be closed from 11th April 1956 to 18th April 1956, both days inclusive.

By Order of the Board,
(Sd.) S. A. BASIL,
Managing Director.

1, HUMAYAN PLACE,
CALCUTTA, 27*th March* 1956.

THE COCHIN STATE POWER AND LIGHT CORPORATION, LIMITED

(Incorporated in Travancore-Cochin State)

Registered Office:
"Cable House", 70 Fleet Road, ERNAKULAM
Branch Office:
20, Second Line Beach, MADRAS-1

INTERIM DIVIDEND ANNOUNCEMENT

THE DIRECTORS HAVE DECIDED TO PAY an INTERIM DIVIDEND of 3¾ per cent. or Re. 0-6-0 per share (free of tax) on the fully paid shares and Re. 0-4-6 per share on the partly paid shares for the year 1955-56. The Dividend will be paid on and from 16th April 1956 to those shareholders whose names stand on the Register of Members on 12th April 1956. The Share Transfer Books will remain closed from 12th April 1956 to 16th April 1956, both days inclusive.

By Order of the Board,
For CHANDRIE & Co., LTD.,
M. SUBRAMANIAM,
Chief Accountant,
Managing Agents.

MADRAS, 20*th March* 1956.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Cement House, 121, Queen's Road, Fort, Bombay, at 11 a.m. on Friday the 27th April 1956, for the purpose of passing the Resolutions specified in the Notice dated 23rd March 1956, which has already been forwarded to the Shareholders.

By Order of the Board,
For THE ASSOCIATED CEMENT COS., LTD.,
CEMENT AGENCIES LTD.,
Managing Agents.
N. DANDEKER,
Managing Director.

BOMBAY, 3*rd April* 1956.

THE STANDARD-VACUUM REFINING COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Register of the Company's 5¼ per cent. Debentures 1964-68 will be closed for transfers from 16th April 1956 to 30th April 1956, both days inclusive.

P. A. ENGINEER,
Secretary and Treasurer,
State Bank of India,
Agents for the Standard-Vacuum Refining Co. of India Ltd., for the management of the Debentures.

STATE BANK OF INDIA,
MUNICIPAL LOANS SECTION,
APOLLO STREET, FORT,
BOMBAY, 2*nd April* 1956.

THE RAMNUGGER CANE AND SUGAR COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Nineteenth Ordinary General Meeting of the Shareholders of the Ramnugger Cane and Sugar Company, Ltd., will be held at the Registered Office of the Company, 7, Wellesley Place, Calcutta, on Wednesday the 2nd May 1956, at 12 noon, to transact the following business:—

1. To receive the Directors' Report and pass the Audited Accounts for the year ended 31st August 1955.
2. To declare a Dividend on Preference Shares.
3. To declare a Dividend on Ordinary Shares.
4. To elect Directors.
5. To appoint Auditors and fix their remuneration.
6. To transact any other business which may properly be brought before the Meeting.
7. To consider and, if thought fit, pass with or without modification, the following Resolution as a Special Resolution:—

"RESOLVED that with effect from the date of commencement of the Companies Act, 1956, the Managing Agents be and are hereby authorised to retain any commission earned, or to be earned, by them as Agents of Insurance Companies in respect of insurance services rendered to the Company, provided that the premiums charged to the Company are at rates which are not less favourable to the Company than the market rates, or which are otherwise reasonable."

NOTICE is also given that the Share Transfer Registers will be closed from the 13th April to 2nd May 1956, both days inclusive.

By Order of the Board,
ANDERSON WRIGHT LTD.,
Managing Agents.

CALCUTTA, 28*th March* 1956.

Note—A member of the Company who is entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company.

KAMARHATTY COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Fifty-sixth Annual General Meeting of Shareholders will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, at 12-00 noon on Friday the 27th April 1956, for the following purposes:—

(1) To receive and adopt the Directors' Report and Audited Accounts for the half-year ended 31st December 1955, and the Balance Sheet as at that date.

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

(3) To elect a Director.

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

The Share Transfer Books of the Company will be closed from 13th April to 27th April 1956, both days inclusive.

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

4, CLIVE ROW,
CALCUTTA-1, 27*th March* 1956.

Note.—(*a*) A Member of the Company who is entitled to attend and vote may appoint a proxy to attend and vote instead of himself. A proxy need not be a Member of the Company.

(*b*) Payment of any dividend declared will be made only to those members whose names are registered in the Books of the Company on the 27th day of April 1956, or to their Mandatees. No applications for Warrants will be necessary. Claims on behalf of holders of shares on blank transfer will not be entertained.

RESERVE BANK OF INDIA

APPLICATIONS ARE INVITED FOR THE following posts in the various departments of the Reserve Bank of India:

(A) POSTS AND SCALES OF PAY

1. Research Officers, Department of Research and Statistics—Rs. 375-55-815 E.B. 55-925-60-1,045.

The appointments to the above posts will be made on a temporary basis in the first instance but are likely to be made permanent.

Note: Candidates possessing exceptionally good qualifications and experience may be given a higher starting salary in the prescribed scale.

2. Probationary Assistants—Rs. 250-25-450 E.B. 25-650.

Note: Promising Probationary Assistants will be eligible for promotion as officers in the scale of Rs. 375-55-815 E.B. 55-925-60-1,045.

(B) ADDITIONS TO PAY

1. *Local pay*: 10 per cent. of pay with a minimum of Rs. 10 per mensem rounded up to next higher complete rupee to the staff working at Bombay, Calcutta, Madras, Delhi, Kanpur and Ahmedabad.

2. *House rent allowance*—

Research Officers: 15 per cent. of pay with a minimum of Rs. 60 and a maximum of Rs. 300 per mensem.

Probationary Assistants: 10 per cent. of pay with a maximum of Rs. 50 per mensem.

3. *Dearness allowance*: At prescribed rates.

Research Officers: The present rate is 16⅔ per cent. of pay with a maximum of Rs. 125 per mensem.

Probationary Assistants: Rs. 65 per mensem for pay (including local pay) upto Rs. 300 per mensem.

(The rate of Dearness Allowance is subject to revision from time to time.)

(C) AGE LIMIT AS ON 1st MAY 1956

Research Officers: Candidates should not ordinarily be over 30 years of age. The age limit may be extended upto 35 years in the case of candidates with exceptional qualifications and/or research experience of value to the Bank.

Probationary Assistant: Candidates should not ordinarily be over 24 years of age.

Age limit may be extended but not beyond 30 years in the case of candidates possessing special qualifications and experience of value to the Bank and also in the case of

(i) candidates with approved war service,

(ii) ex-employees of Banking Institutions whose services have had to be terminated for reasons of economy or as consequence of the closure of unremunerative branches or as a result of the Banks going into liquidation,

(iii) personnel retrenched from Government offices after at least one year's service, applying through the Employment Exchange, and

(iv) candidates belonging to the Scheduled Castes or Scheduled Tribes.

(D) QUALIFICATIONS

1. *Research Officers, Department of Research and Statistics*: First or high second class Master's degree in Economics, or Commerce or Statistics/Mathematics of an Indian or foreign University or a Doctorate degree in Economics or Statistics of an Indian or foreign University and a period of research work in one or more of the subjects, viz., (*a*) monetary economics, (*b*) banking theory and practice, (*c*) international finance, and (*d*) sampling theory and econometrics, etc.; a period of practical banking training will be an additional qualification in respect of applicants with specialisation in (*a*) and (*b*).

2. *Probationary Assistants*: Applicants should have had a brilliant academic record and must possess a first or very high second class Master's degree or a first class Bachelor's degree of a recognised Indian or foreign University in Economics, Commerce, Banking, Accountancy, or Law as a special subject of study.

THE BOARD WILL INSIST ON A VERY HIGH STANDARD OF SUITABILITY IN MAKING SELECTIONS FOR THE ABOVE POSTS AND ONLY CANDIDATES WHO POSSESS GOOD ACADEMIC QUALIFICATIONS AND ADEQUATE EXPERIENCE OF THE TYPE SPECIFIED ARE ADVISED TO APPLY. Candidates who wish to apply for more than one category of posts must submit separate applications accompanied by separate application fees.

The selected candidates for the posts of Research Officers will ordinarily be on probation for a period of three years which may be reduced or extended at the Bank's discretion. Candidates selected for the Probationary Assistants' posts will also be on probation for a period of three years during which they will be liable to be discharged at one month's notice or pay in lieu thereof. Candidates selected for the Research Officers' posts will ordinarily be stationed in Bombay but those selected for the Probationary Assistants' posts must be prepared to serve in any office of the Bank in India.

Applications should be in a special form to be obtained from any office of the Reserve Bank. All the applications should be accompanied by copies of two testimonials (originals should not be sent; the Bank does NOT accept responsibility for returning the originals if sent through oversight) and forwarded to the Secretary, Central Recruitment Board, Reserve Bank of India, Central Office, Post Box No. 406, Bombay No. 1 so as to reach him on or before 1st May 1956. Candidates already in service must submit their applications through their employers. Candidates belonging to Scheduled Castes or Scheduled Tribes should mention this fact prominently on their applications.

Applicants for the above posts must remit application fees of Rs. 7-8-0 per application by Postal Order, Cheque or Bank Draft on a SCHEDULED BANK PAYABLE AT BOMBAY along with the application. The application fee is in no case refundable. *Bonafide* refugee candidates who are NOT IN EMPLOYMENT applying through any of the Government Employment Exchanges are exempted from payment of application fees while in the case of Scheduled Castes/Scheduled Tribes candidates the fee will be reduced to one-fourth.

Appointments will be subject to candidates being found medically fit for service in the Bank. If any candidate desires to have his application acknowledged he should enclose a stamped self-addressed envelope or a post-card. Apart from those who may be specially called, interviews will not be granted to candidates nor will the Bank enter into any correspondence with them.

Canvassing in any form will be regarded a disqualification.

THE LAKHSHMI COTTON MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Sixty-first Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 9, Wallace Street, Fort, on Thursday the 26th April 1956, at 4.30 p.m. (Standard Time), for the purpose of transacting the following business:—

(1) To adopt the Directors' Report and the Audited Accounts for the year ended 31st December 1955.

(2) To sanction the declaration of a Dividend.

(3) To appoint Auditors for the current year and to fix their remuneration.

(4) To elect a Director in place of Mr. Pratapsinh Mathuradas who retires by rotation but being eligible offers himself for re-election. Mr. Pratapsinh Mathuradas is interested as a Director of Vissanji Khimji & Co. (Private) Ltd., the Cotton Buying Agents of the Company, and his re-election will therefore be proposed as a Special Resolution.

(5) To elect a Director in place of Sir Vithal N. Chandavarkar who also retires by rotation. Sir Vithal N. Chandavarkar, although otherwise eligible for re-election, having attained the age of 68 years, is not eligible for re-appointment, unless his appointment is made or approved by the Shareholders in general meeting in terms of Section 281 of the Companies Act 1956.

Special Notice is hereby given that it will be proposed as an Ordinary resolution that Sir Vithal N. Chandavarkar be and is hereby appointed a Director of the Company and that it is hereby specifically declared that the age limit of 65 shall not apply to him.

(6) To transact the following further special business, namely, to consider and if thought fit, to pass the undermentioned resolutions as Ordinary resolutions:—

(*a*) "Resolved that the appointment of Messrs. Jwalaprasad Radhakrishna, as the sole selling agents of the Cloth and Yarn produced by the Company, in the market of Uttar Pradesh, be approved, upto 31st March 1957."

(*b*) "Resolved that the appointment of Messrs. Dwarka Prasad Chiranjee Lall, as the sole selling agents of the Cloth and Yarn produced by the Company, in the market of Bihar, be approved, upto 1st March 1961."

(*c*) "Resolved that the appointment of Messrs. K. D. Continental traders, as the sole selling agents of the Cloth and Yarn produced by the Company, in the market of the State of Kashmir, be approved, upto 2nd July 1959."

(*d*) "Resolved that the appointment of Messrs. Jamnadas Bhunji Patel as the sole selling agents of the Cloth and Yarn produced by the Company in the markets of Saurashtra and Cutch, be approved, upto 1st January 1958."

By Order of the Board of Directors
of THE LAKHSHMI COTTON MFG. CO., LTD.,
For THE BOMBAY COMPANY LIMITED,

R. L. COGHLAN,
Managing Director,
Secretaries, Treasurers and Agents.

BOMBAY, 24*th March* 1956.

Note:—Warrants for the above dividend, if declared, will be posted to Shareholders on 30th April 1956, and payments will be made on or after 1st May 1956. Shareholders are requested to notify to the Company immediately any change of address, failing which their dividend warrants will be posted to the addresses as registered with the Company.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member of the Company.

EXPLANATORY STATEMENT

The resolution in connection with the re-election of Mr. Pratapsinh Mathuradas, which will be proposed as a Special resolution, under item (4) is as under:—

"Resolved that Mr. Pratapsinh Mathuradas, who retires from the Board by rotation, be re-elected a Director of the Company."

The reasons which make this resolution necessary have already been given in the Explanatory Note accompanying the Notice of the Extraordinary General Meeting to be held on 13th April 1956, which has been posted to shareholders.

The resolution in connection with the re-election of Sir Vithal N. Chandavarkar, which will be proposed as an Ordinary resolution, under item (5) is as under:—

"Resolved that Sir Vithal N. Chandavarkar be and is hereby appointed a Director of the Company and that it is hereby specifically declared that the age limit of 65 shall not apply to him."

Sir Vithal needs no introduction, as, for many years, one of the leading figures in the textile mill industry of India, and since his appointment as a Director of the Company in December 1949, he has always given the Company the benefit of his wide experience. The Company is indeed fortunate to have him on the Board.

The Company's policy has for many years been to establish direct connections with consuming markets upcountry, and for this purpose it has appointed sole selling agents in various upcountry centres. The draft resolutions under item (6) have been necessitated by the fact that under Section 294 of the Companies Act, 1956, the appointment of existing sole selling agents requires the approval of the shareholders in general meeting. The agents mentioned above are all well connected in the textile trade in their respective territories, and have been active in the promotion of the sale of the Company's Cloth and Yarn.

THE VISHNU COTTON MILL LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Ordinary General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, No. 9, Wallace Street, Fort, on Wednesday the 25th April 1956, at 4-30 p.m. (Standard Time), for the purpose of transacting the following business:—

(1) To adopt the Directors' Report and the Audited Accounts for the year ended 31st December 1955.

(2) To sanction the declaration of a Dividend.

(3) To confirm the appointment of Mr. M. G. R. Aitken and Mr. J. F. Parry as Directors.

(4) To elect Directors in place of Mr. C. M. Khatau and Mr. J. F. Parry, who retire by rotation but being eligible offer themselves for re-election.

(5) To appoint Auditors for the current year and to fix their remuneration.

(6) To transact the following special business, namely, to consider and if thought fit, to pass the following as Ordinary Resolutions:—

(*a*) "Resolved that the appointment of Messrs. Jwalaprasad Radhakrishna, as the sole selling agents of the Cloth and Yarn produced by the Company, in the market of Uttar Pradesh be approved, upto 31st March 1957."

(*b*) "Resolved that the appointment of Messrs. Dwarka Prasad Chiranjee Lall, as the sole selling agents of the Cloth and Yarn produced by the Company, in the market of Bihar, be approved, upto 1st March 1961."

(*c*) "Resolved that the appointment of Messrs. K. D. Continental Traders, as the sole selling agents of the Cloth and Yarn produced by the Company, in the market of the State of Kashmir, be approved, upto 2nd July 1959."

(*d*) "Resolved that the appointment of Messrs. Jamnadas Bhunji Patel, as the sole selling agents of the Cloth and Yarn produced by the Company, in the markets of Saurashtra and Cutch, be approved, upto 1st January 1958."

By Order of the Board of Directors,
of THE VISHNU COTTON MILL LIMITED,
For THE BOMBAY COMPANY LIMITED,

R. L. COGHLAN,
Managing Director.
Secretaries, Treasurers & Agents.

BOMBAY, 23*rd March* 1956.

Note.—Warrants for the above dividend, if declared, will be posted to shareholders on 28th April 1956, and payments will be made on or after 30th April 1956. Shareholders are requested to notify to the Company immediately any change of address, failing which their dividend warrants will be posted to the addresses as registered with the Company.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and a proxy need not be a member of the Company.

EXPLANATORY STATEMENT

The Company's policy has, for many years, been to establish direct connections with consuming markets upcountry, and for this purpose it has appointed sole selling agents in various upcountry centres. The draft resolutions under item 6 have been necessitated by the fact that under Section 294 of the Companies Act, 1956, the appointment of existing sole selling agents requires the approval of the shareholders in general meeting. The agents mentioned above are all well connected in the textile trade in their respective territories, and have been active in the promotion of the sale of the Company's Cloth and Yarn.

THE INDIA SUGARS AND REFINERIES LIMITED

5, Deenadayalu Street, MADRAS-17

To

THE SHAREHOLDERS.

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held on Monday the 30th April 1956, at 5-30 p.m., at the factory of the Company, at Hospet, to consider, and if thought fit, to pass the following resolutions, with or without modifications:—

As Ordinary Resolutions:—

1. RESOLVED that the appointment of Amalgamated Commercial Traders Ltd. as Sole Selling Agents to the Company, in terms of the agreement subsisting between them and the Company and dated 29th December 1952, be and is hereby approved *vis-a-vis* sub-section 3 of Section 294 of the Companies Act, I of 1956.

2. RESOLVED that the Board of Directors and/or their delegates be authorised to borrow on behalf of and for the purposes of the Company, whether with or without security, from time to time or at any time, from and after the commencement of the Companies Act, 1 of 1956, such sum or sums as they may consider necessary or desirable, to any extent and without limit.

As Special Resolution:—

3. RESOLVED as a *Special* Resolution, that consent be and is hereby accorded to the Managing Agents, to appoint Sri C. Hariprasad as ex-officio Director of the Company, the Company having taken note of the fact that Sri C. Hariprasad is

(i) General Manager and employee of the Managing Agents, the India Sugar Agencies Ltd.

(ii) Director and shareholder of the Amalgamated Commercial Traders Ltd., the sole Selling Agents of the Company.

You are requested to attend the meeting in person or by proxy. You may appoint one or more proxies and your proxy need not be a member of the Company. Forms appointing proxies may be filed with the Company at its Registered Office by 5-30 p.m. on the 28th April 1956.

By Order of the Board,
for THE INDIA SUGAR AGENCIES LTD.,
Managing Agents,
C. HARIPRASAD,
General Manager.

MADRAS, 29*th March* 1956.

BHARAT NIDHI LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the shareholders of Bharat Nidhi Limited will be held at the Constitution Club, Curzon Road, New Delhi, on Thursday the 26th April 1956, at 11 a.m., to receive and adopt the Directors' Report and the Audited Statements of Accounts for the year 1955, to declare dividends at Rs. 6 per share on Preference Shares, As. 10, i.e., 62½ per cent. on fully paid Ordinary Shares and As. 2-6, i.e., 6¼ per cent. on partly paid Ordinary Shares, to elect Directors in place of the retiring ones and to appoint Auditors for the current year and fix their remuneration.

Share Transfer Books of the Company shall be closed from the 11th April 1956 to 26th April 1956, both days inclusive.

By Order of the Board,
J. B. JAINI,
Manager.

NEW DELHI, 29*th March* 1956.

N.B.—A member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member.

THE DUNBAR MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Half-yearly Ordinary General Meeting of the Company will be held at the Registered Office, No. 21, Strand Road, Calcutta, on Tuesday the 1st May 1956, at 4 p.m., for transacting the following business:

(1) To receive the Report of the Directors and to pass the Audited Accounts for the half-year ended 31st December 1955.

(2) To declare a Dividend.

(3) To elect a Director.

(4) To elect Auditors for the current year and fix their remuneration.

(5) To transact any other ordinary business of the Company.

The Share Transfer Books of the Company will be closed from 21st April to 1st May 1956, both days inclusive.

By Order of the Board,
KETTLEWELL BULLEN & COMPANY, LTD.,
Managing Agents.

CALCUTTA, 28*th March* 1956.

N.B.—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

THE BOWREAH COTTON MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Half-yearly Ordinary General Meeting of the Company will be held at the Registered Office, No. 21, Strand Road, Calcutta, on Tuesday the 1st May 1956, at 4-10 p.m., for transacting the following business:

(1) To receive the Report of the Directors and to pass the Audited Accounts for the half-year ended 31st December 1955.

(2) To elect a Director.

(3) To elect Auditors for the current year and fix their remuneration.

(4) To transact any other ordinary business of the Company.

The Share Transfer Books of the Company will be closed from 21st April to 1st May 1956, both days inclusive.

By Order of the Board,
KETTLEWELL BULLEN & COMPANY, LTD.,
Managing Agents.

CALCUTTA, 28*th March* 1956.

N.B.—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

UNITED COMMERCIAL BANK LTD.

(*Concluded from page* 666)

it can hardly meet the needs of day-to-day industrial expansion when rapid decisions are necessary. A thorough overhaul is needed.

"I have mentioned all these difficulties not that they cannot be solved—but that they must be solved. I fail to see any sign of awareness on the part of the authorities of these hurdles and, therefore, I give expression to my misgivings. What I have said is not by way of criticism. We need to make the Plan a success. But we cannot do so by minimising or underestimating the difficulties and by starting in a complacent mood. Forewarned is forearmed and what I have suggested is a constructive note of caution in order that we may meet the difficulties squarely in the face and solve them and not create more difficulties by our own actions. We have enough troubles on our hand to engage our thoughts and energies, and it would be unwise to create avoidable problems."

CALL MONEY RATE HARDENS

(From Our Own Correspondent)

BOMBAY, *4th April*

Extremely stringent conditions prevailed in the short-term money market during the week under review. Besides the usual seasonal demand for bank credit to finance trade and movement of crops, the demand to meet the financial year-end commitments also aggravated the stringency, while the supply of funds was tight. Although banks could get their requirements from the Reserve Bank of India and the State Bank of India, there was keen bidding for funds in the inter-bank call money section and rates were put up during the last two days.

After being done at 3½ per cent. upto Monday, inter-bank call money rate moved up to 3⅞ per cent. In Calcutta, inter-bank call money fetched as high a rate as 4½ per cent.

House money at call was placed at 3½ to 3⅞ per cent. and at 3½ per cent. for large blocks. Short-term deposits were offered 3½ per cent. for all periods from one to six months.

There was, however, no change in the Government of India 91-day Treasury Bill rate, which stood unchanged at Rs. 2-8-6 per cent. per annum this week also. The amount offered was fractionally higher at Rs. 103.25 lakhs, as against Rs. 100 lakhs in the previous week. Tenders for next week have not been invited by the Reserve Bank. There has, however, been no announcement to the effect that the sale of these bills has been suspended.

For the fifth week in succession notes in circulation show an expansion, with a rise of Rs. 12.86 crores during the week ended 30th March 1956. The aggregate increase for the five weeks is Rs. 63.78 crores. Notes held in the Banking Department are also up by Rs. 1.93 crores during the week under review, so that the rise in total notes is Rs. 14.79 crores. On the assets side, there has been a fall of Rs. 19.87 crores in foreign securities and an increase of Rs. 34.78 crores in rupee securities. Rupee coin is lower by Rs. 11 lakhs. In the Banking Department, Central Government deposits have risen by Rs. 14.66 crores and those of other Governments by Rs. 13.51 crores. Deposits of banks are also up by Rs. 3.52 crores. Cash balances have improved by Rs. 1.93 crores and balances held abroad by Rs. 18.17 crores. A decline of Rs. 1.73 crores is noted in loans and advances other than to Governments, due to a decline of Rs. 5.04 crores in outstanding advances to Scheduled banks against usance bills. Fresh borrowings by banks against these bills during the week amount to Rs. 4.09 crores. There has also been a sharp increase of Rs. 9.77 crores in investments.

A rise of Rs. 10.67 crores in demand deposits is disclosed by the Scheduled banks' statement for the week ended 23rd March 1956, as compared with that for the previous week. Time deposits have, however, declined by Rs. 66 lakhs and inter-bank borrowings by Rs. 1.22 crores. Borrowings from the Reserve Bank are higher by Rs. 5.34 crores and those from the State Bank of India by Rs. 2.29 crores. A marked rise of Rs. 10.93 crores is noted in advances and of Rs. 3.79 crores in bills purchased and discounted. Investments have declined by Rs. 1.72 crores and cash balances by Rs. 1.24 crores. Balances with other banks show an increase of Rs. 62 lakhs and money at call and short notice a decline of Rs. 62 lakhs.

The gilt-edged market ruled steady during the week. There were buying enquiries in most of the dated loans, but, in the absence of any sellers, prices were marked up by a fraction. There was also paucity of floating stocks which restricted the volume of business.

3 per cent. 1957 and 1958 had buyers half anna better at Rs. 99-11½ and Rs. 99½, respectively. 3 per cent. 1959-61 was on offer at Rs. 98-1. There were enquiries for 3 per cent. 1963-65 at Rs. 94-13½, while 3 per cent. 1964 had sellers at Rs. 94-11. 3 per cent. 1966-68 dropped an anna to Rs. 92-10, at which buyers were in evidence. 3 per cent. 1970-75 picked up an anna to Rs. 89-12. 3 per cent. 1986 Conversion Loan gained an anna to Rs. 76-12. 3½ per cent. 1961 was done an anna higher at Rs. 99-8. 3½ per cent. 1964 was in demand fractionally higher at Rs. 98-10½ and 3½ per cent. 1965 at Rs. 98-9. State loans ruled dull with sellers at quoted rates. 4 per cent. 1967 Bombay was featureless at Rs. 100-7 and West Bengal at Rs. 100. 4 per cent. 1967 Madras dropped an anna to Rs. 99-6, as also U.P. loan to Rs. 99-7 and Saurashtra to Rs. 99-8.

In the foreign exchange section, the rupee ruled a shade weaker in terms of the U.S. dollar early in the week, but the recession was made good towards the close, in consonance with the strength of sterling. Banks' selling rate of U.S. dollar rose from Rs. 477¼ to Rs. 477¾ per $100 early in the week, but declined again to Rs. 477¼ per $100. After rising to Rs. 473½ per $100, the buying rate came back to Rs. 473 per $100. In New York, spot sterling moved down from $2.80.7/16-2.80.9/16 to $2.80.5/16-2.80.7/16, but recovered to close better at $2.80.9/16-2.80.11/16. Three months' forward gained on balance from $2.78.7/16-2.78.9/16 to $2.78⅝-2.78⅞ and transferable sterling from $2.77⅛-2.78 to $2.77.15/16-2.78.1/16.

BRISK TRADING IN LINSEED

(Messrs. A. Bradley & Co.)

CALCUTTA, 2*nd April*

In the linseed market, greatly improved movement of supplies from the centres, with new crop seeds entering the market more freely, plus a healthier supply and demand position have been the main features during the past week. Arrivals have averaged about eight to ten wagons daily and trading has been brisk; crushers are consuming all available quantities, encouraged by the existing parity in the prices of seeds and oil. If, as expected, arrivals are maintained as at present, for the next few weeks, prices should show a reversal of the inflationary trend which set in directly after the Budget. In the oil market, there is a good demand from shippers for ready in order to fulfil earlier commitments; buyers for forward delivery, however, are a bit cautious with support from foreign markets lacking at present and values nominally placed at around £142 for prompt shipment.

Latest quotations are as follows:—Ready Rs. 21-8 and April-May Rs. 21-4 per maund.

RECESSION IN SILVER

(From Our Own Correspondent)

BOMBAY, *4th April*

A sharp recession in the price of silver was the outstanding feature of trading in the bullion market during the week under review, in distinct contrast to the firmness noted in the previous two weeks. Movements in gold were somewhat erratic, but the undertone was steady.

Sentiment in silver was shaken by reports that the Government of India had issued licences for import of silver coins from Tibet. The desire to book profits induced by these reports gained considerable momentum yesterday, when there was an assertive report to the effect that the influx of silver coins from Tibet was being allowed by the Government to enable that country to pay for its imports of cotton piecegoods from India. The slight weakness of other commodity markets was an additional factor which induced bull liquidation and bear selling. Today, however, there was a partial recovery, but the undertone still remained easy.

Gold displayed a firm trend upto Saturday on good offtake in the ready section. Yesterday, however, there was sharp setback in sympathy with silver, coupled with larger arrivals and lower offtake. Today again, there was a reversal of the downward trend, due to a decline in arrivals, though yesterday's recession was not fully made good.

Silver forward (26th April settlement) opened higher and gained to Rs. 184-3 (as against last week's closing of Rs. 183-6), but receded to a low of Rs. 179-9, before closing a shade better at Rs. 181-7.

Ready silver (.996 Mint) declined from Rs. 182-14 to Rs. 179-1, but improved to Rs. 180-15 at the close. The floating stocks of silver are placed at 800 bars. The daily average offtake was 20 bars.

Gold for forward delivery (25th April settlement) advanced from Rs. 105-1 to Rs. 106-5 and, after a reaction to Rs. 104-6, finished at Rs. 105-5.

Ready gold hardened from Rs. 105-2 to Rs. 106-7, before drifting lower to Rs. 104-5. Today, however, it gained strength to Rs. 105-5 at the close. The floating stocks of gold are reported to be 30,000 tolas. The daily average arrivals were 4,000 tolas, while the offtake was 3,000 tolas on an average.

In London, silver was unchanged for both spot and forward at 79*d.*, while gold improved early in the week, before closing unchanged at 249*s.* 5¼*d.* In New York, silver was marked down from 91¼*c* to 90⅞*c.*

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

	4-4-56	Highest	Lowest	28-3-56
		Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	105 5	106 7	104 5	105 2
Forward*	105 5	106 5	104 6	105 1
Sovereign	66 4	66 8	66 0	66 4
SILVER				
Ready (.996 fine Mint) ..	180 15	183 11	179 1	182 14
Forward†	181 7	184 8	179 9	183 6
London Silver Ready ..	79*d.*	—	—	79*d.*
London Forward	79*d.*			79*d.*
London Gold	249*s.* 5¼*d.*	249*s.* 5¼*d.*	249*s.* 5¼*d.*	249*s.* 5¼*d.*
New York Ready	90⅝*c.*	91¼*c.*	90⅝*c.*	90¼*c.*

* 25th April settlement.
† 26th April settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

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SPOT COTTON RECEDES

(From Our Own Correspondent)

BOMBAY, *4th April*

Cotton circles are greatly intrigued at the way in which the authorities have been handling the affairs of the cotton market. The one question that is put by all traders is this: Why should the authorities not allow resumption of futures trading in cotton, now that the aggrieved bull operators have decided not to take the dispute to the Supreme Court? The continued suspension of futures trading has, it is pointed out, caused much hardship not merely to the cotton trade but to the mills, the merchants, and the growers as well, since there are no facilities now to hedge and reduce risks. The Government no doubt appreciates this position, but is not prepared to revise its policy in line with the opinion in the market. Obviously, the Government fears that, once futures trading in cotton is resumed, speculation will again emerge and ready cotton prices will swiftly move up. In fact, New Delhi seems now to be concerned more with the problem of checking a further buying spree in the spot market than with permitting futures trading in cotton. Its concern is so great that it has turned down the traders' plea for even the extension, by a fortnight, of unutilised export licences for the small quantity of about 60,000 bales. The Government is also contemplating, according to certain reports, a ban on the resale of cotton purchased by mills. There are renewed rumours, too, with regard to the introduction of the quota system of allocating Indian cotton among the mills and/or permission to traders to import lower varieties of American cotton.

Thanks to the aforesaid rumours, trading in the spot cotton market has turned out to be a dull affair. Being perturbed over the reported ban on resale of cotton, the mills have withdrawn support. As the Government has not extended the period of export licences for cotton beyond 31st March, business in the export section is also at a standstill. Consequently, the prices of cotton at Sewri have tended to move down. Over the eight-day period ended today, Oomra *Deshi* has gone down by Rs. 30 to Rs. 700. The fall in the prices of certain other varieties during the same period is indicated below:

(In rupees per candy of 784 lbs.)

	4-4-1956	28-3-1956
Bengal *Deshi*	710	730
Berar Jarillas	775	790
Vijay	920	930
Moglai	675	685
Khandesh	765	770

The Karachi cotton market exhibited a firm trend during the week under review, in distinct contrast to the recession noticed last week. The firmness was aided by expectation of enlarged demand for cotton from both indigenous mills and overseas enquiries. This expectation, coupled with rumours that the Indian Government might allow import of foreign cotton in view of shortage of domestic supplies, induced the traders to extend their commitments. Consequently, prices of cotton moved upwards. N.T.R.G. May delivery rallied Re. 1-4 to Rs. 77-1 per 82 lbs. July delivery improved by As. 8 to Rs. 75-3. The spot prices also registered a rise. The following are the latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton:

Sind *Deshi* 77; Punjab *Deshi* 73: 4F Punjab R. G. 76-4; S.G. 81-4; L.S.S. Punjab R.G. 80-4; S.G. 85-4; N.T.R.G. 81-4; S.G. 88-8; 289F Punjab R.G. 88-4; S.G. 95-4.

Conditions in the Alexandria cotton market continued to be strong, thanks to renewed fears of a possible scarcity of stocks in the coming months. The fears were based partly on lower ideas of the current season's crop and partly also on good buying enquiries from abroad. The buying support was, therefore, sustained and cotton values maintained their rising trend.

The latest available quotations—in tallaris per lb.—from the Alexandria cotton futures market (figures in brackets giving last week-end rates) are: Karnak: May 89.05 (87.03) and July 87.45 (85.30); Ashmouni: April 70.80 (69.95) and June 70.45 (69.20).

At the recent auctions in Uganda cotton held at Kampala, there was reported to be keen competition which led to a marked improvement in prices. Indian interests, it is said, purchased a fairly large quantity, despite high prices.

The Lint Marketing Board will hold another auction tomorrow, offerings being estimated at 10,400 bales; the bulk of this quantity is accounted for by Busoga and Jinja.

The auctions by the Sudan Gezira Board are reported to be in full swing. About 20,000 bales of GS, 9,000 bales of GL and 10,000 bales of white Sudans have recently changed hands at prices much below Egyptians of similar spinning value.

Activity in the Liverpool cotton futures market remained restricted this week too. Operators continued to be cautious in their purchases, pending a clear announcement regarding the U.S. export policy. Egyptian contracts were particularly neglected, with values tending to look down. The prices of cotton—in pence per lb.—prevailing at Liverpool yesterday are given below:

Old contract: May-June 25.35; July-August 34.35. *New contract*: May-June 30.05; July-August 27.30; October-November 25.40; December-January 25.20; March-April 25.10. *Egyptian Karnak cotton*: May-June 48.70; July-August 48.15; November-December 48.15.

A mixed trend prevailed in the New York cotton futures market during the week under review. Thus, nearby positions were fully steady on good trade demand in the wake of limited offerings, while distant deliveries failed to evoke support, with the majority of traders awaiting farm legislation developments. In the spot market, business put through was small, on account of lack of mill interest.

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

(In cents per lb.)

	3-4-56	26-3-56	19-3-56
Spot	36.80	36.80	36.75
May	33.63	35.59	35.52
July	33.60	33.37	32.94
October	32.06	32.20	31.80
December	32.15	32.28	31.82

YARNS BEARISH

(From Our Own Correspondent)

BOMBAY, *4th April*

The yarn market which withstood several bearish reports and depicted a strong note last week suffered a relapse during the week under review. In fact, the market ruled distinctly easy. The easiness was particularly in evidence in the rayon yarn section, thanks to enlarged floating stocks, following heavy arrivals of imported yarn and slackness in demand from consuming centres. The consequent selling pressure brought down the prices of rayon yarn. The staple fibre yarn section also came under the pressure of sales, since there was lack of follow-up support from weavers in Surat and other places. The drop in the values of these yarns would have been more marked but for expectation of curtailment of output by Coimbatore mills, necessitated by the 25 per cent. power cut in Madras with effect from the 1st inst. Trading in cotton yarns was very much subdued with prices drifting lower, on account of a fall in raw cotton prices and absence of encouraging reports from consuming centres.

On heavy sales by bears, spot Japanese rayon yarns suffered a severe setback. 150 deniers slumped by As. 5-6 to Rs. 4-1-6. 120 deniers dropped As. 4 to Rs. 4-1-6. In sympathy with these yarns and on reports that the Government of India was arranging to get Italian rayon yarn in exchange for raw cotton, 150 Italy receded by an anna to Rs. 3-12-6. 120 Italy was neglected at Rs. 3-14. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade eased by three pies to Rs. 3-10-9. 120 Bt. cones 1st grade was quiet at Rs. 3-14.

In the forward section of the rayon yarn market, Snia rayon yarn 120 dull cones for June delivery fell from Rs. 820 to Rs. 811 before recovering to Rs. 814. April contract declined by Rs. 8 to Rs. 813, but finished higher at Rs. 818.

Both indigenous and foreign staple fibre yarns encountered, as already stated, considerable selling pressure and staged a retreat. Among the former (40 x 2), Citys and Kohinoors decreased by 27 pies each to Rs. 3-10-9 and Rs. 3-10-3, respectively. New Greats climbed down by As. 2 to Rs. 3-10-9. Centuries lost a like amount to Rs. 3-10. Among foreign yarns (80 x 2), Fujis dropped As. 3 to Rs. 7-11. Suicos and Paramounts eased by an anna each to Rs. 8-2 and Rs. 7-9, respectively. K'Suns were lower by half an anna at Rs. 7-14-6.

With the exception of superfine counts cotton yarns which met with special buying support and registered a slight improvement in prices, all other counts failed to elicit attention of traders. Ten counts Moderns declined by As. 2 to Rs. 13-2. Podars lost an anna to Rs. 12-15. Among 20s, Maduras decreased by As. 2 to Rs 17-8. Moderns were dull at Rs. 17, Raghuvanshis at Rs. 16-12, Podars at Rs. 16-10 and Elphinstones at Rs. 16-5. Deals in 30 counts Madras were put through As. 4 lower at Rs. 22-12. Indus were unaltered at Rs. 22-6. Forty counts lacked support. Minaxis retreated by As. 2 to Rs. 27-10. Maduras were quiet at Rs. 27-10, as also Moderns at Rs. 27-8. Among 60s, Finlays shed a rupee to Rs. 61. Moderns eased by As. 8 to Rs. 61. Eighty counts yarns, on the other hand, changed hands at higher prices, Moderns, Finlays and Elphinstones advancing by As. 8 each to Rs. 66-8, Rs. 73 and Rs. 62-8, respectively.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	4-4-1956	28-3-1956	21-3-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)—			
120 Dull Cone Snia April ..	818 0	821 0	811 0
June ..	814 0	820 0	810 0
120 Japan (per lb.)	4 1½	4 5½	4 6
150 Japan (per lb.)	4 1½	4 7	4 4
120 Italy (per lb.)	3 14	3 14	3 14
150 Italy (per lb.)	3 12½	3 13½	3 12½
Staple fibre yarn (per lb.)			
40 x 2 New Great	3 10½	3 12½	3 11
40 x 2 Century	3 10	3 12	3 11½
40 x 2 City	3 10½	3 13	3 11½
Cotton yarn (per bundle of 10 lbs.)—			
10s Elphinstone	12 6	12 6	12 6
20s Raghuvamshi	16 12	16 12	16 12
30s Madura	22 12	23 0	22 12
40s Minaxi	27 10	27 12	27 8
60s Modern	61 0	61 8	61 0
80s Finlay	73 0	72 8	72 0

OILSEEDS SUBDUED

(From Our Own Correspondent)

BOMBAY, *4th April*

The oilseeds market presented a subdued tone during the week under review. Operators appeared to be disinclined to enter into fresh commitments, owing to rumours of an impending change in the export policy of the Government of India in respect of oils and oilseeds. It was, for instance, feared that the Government of India might ban exports of groundnut and groundnut oil and raise the existing rate of export duty on linseed oil. There were also rumours that the quota system might be reintroduced for castorseed oil exports. These rumours apart, market sentiment was adversely affected by the nervousness in the cotton and foodgrain markets. The possibility of an increase in interest rates on borrowings from banks also acted as a deterrent factor. Consequently, buyers preferred to await further developments, while stockists were inclined to reduce their holdings. Transactions, however, were of a limited nature. Quotations in many cases were nominal, but the trend was slightly downward.

Activity in the groundnut section was limited to sporadic support from crushers and *vanaspati* interests at declines. Groundnut F.A.Q. improved from Rs. 34-12 to Rs. 35 but receded, on selling pressure, to Rs. 34-8. April-May delivery was a shade lower at Rs. 34-10, as against Rs. 35 a week ago. June-July delivery lost As. 4 to Rs. 35-6. Coromandals were only a fraction lower at Rs. 35-4. Khandesh quality moved down from Rs. 35-10 to Rs. 35-6. Groundnut oil ex-mill was quoted As. 2 less at Rs. 19 and railway receipt one anna less at Rs. 18-15.

In the castorseeds section, there was some activity early in the week, thanks to favourable overseas advices. May delivery moved up as a result from Rs. 133-8 to Rs. 137-12 but, on rumours regarding the introduction of export quota for castor oil, the rate declined to Rs. 137-4 today. In the spot section, F.A.Q. was nominally quoted at Rs. 26-4, while Madras quality receded from Rs. 27-4 to Rs. 27. Castor oil B.S.S. quality was subdued at Rs. 16, as against Rs. 16-4 early in the week.

On reports of an increase in arrivals, the linseed section put on an easy trend. Ready bold was done at Rs. 34-10, as against Rs. 36 a week ago. April-May delivery was lower at Rs. 33-2, as compared with Rs. 34-10. Kanpur quality was nominally quoted at Rs. 33-8. Linseed oil was a shade easy at Rs. 20-10, as compared with Rs. 22-14 last week.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	4-4-1956	27-3-1956	20-3-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	35 6	35 10	36 2
April-May	34 10	35 0	35 12
Linseed—			
Bold Ready (per cwt.) ..	34 10	36 0	35 0
April-May	33 2	34 10	34 14
Castorseeds—			
May	137 4	136 2	134 8
Madras (per cwt.)	27 0	26 8	26 14
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 0	19 2	19 9
Castor Oil—			
Commercial (per quarter) ..	15 4	14 14	15 2
Linseed Oil—			
Ready	20 10	22 10	22 0

SUGAR QUIET

(From Our Own Correspondent)

BOMBAY, *4th April*

The sugar market ruled quiet during the week under review. Arrivals of indigenous sugar into the market were quite considerable, being as much as 14,300 bags, as against 9,900 bags in the previous week and 6,100 bags two weeks before. The increase in arrivals was not, however, accompanied by a rise in demand, thanks to a fall of As. 4 to As. 6 in the ex-mill rates of North Indian sugar and to expectation of a similar drop in Bombay-Deccan ex-mill rates, following the impending release for sale in the free market.

In the forward section, *Vaisakh* delivery contract for C grade sugar receded from Rs. 91-4 to Rs. 90-10 per bag for want of support.

In the spot section, small grain indigenous sugar was quiet at Rs. 88, medium grain at Rs. 89-Rs. 92 and large grain at Rs. 95-Rs. 100. British refined sugar, on the other hand, received some enquiries and gained As. 2 to Rs. 83-14 per 2 cwts.

N.B.—The rates for Indian sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, *3rd April*

During the earlier part of the week, Malabar black pepper ruled easy under pressure of liquidation of A.S.T.A. April shipment which was done at as low as $0.29¼. May-June shipments changed hands down to $0.30¼. Alleppey sold out some parcels of ready at Rs. 775, while garbled at Cochin was marketed at Rs. 132½.

Before the Easter holidays, New York dealers, after buying a few parcels for March shipment for named steamers at $0.30, reduced their buying limit to $0.29¼. But no business was reported. In the later part of the week, however, local bulls, taking advantage of the holidays in New York, tried to manipulate the market by lifting up the prices. Rumours that Russia might come in for further purchases of Malabar, possibly for June shipment, helped the sentiment. Present prices being considered low, short sellers who try to press on an easier market withdraw, and, consequently, there remains scarcity of contracts. Unless Russia buys sizable quantity, the present spurt, which is generally considered as a technical correction, may prove short-lived, as there is enough floating stock in the primary centres, and the growers who have already become tired long are likely to liquidate at every upswing. A section of the trade believes that the present advance may not be followed by New York because the dealers there would like to wait for the development in Singapore where the new crop of Sarawak pepper is expected to move in the near future. Knowledgeable reports from Sarawak indicate that the Sarawak Government are contemplating to abolish the present export duty of 15 per cent. on pepper, most probably at the beginning of the season.

The future of Malabar, however, depends upon how the American market develops after the Easter holidays.

At the time of writing, there are buyers for April shipment at $0.31¼, May at $0.31½ and June at $0.32¼.

In the delivery section, the market, after touching the lowest at Rs. 745 for April delivery, has improved to Rs. 795 under pressure of buying by bulls and short covering.

Following are today's nominal quotations:—Ready Rs. 108 (as against Rs. 108 a week ago) per Bengal maund, April Rs. 795-805 (Rs. 745-55) and May Rs. 810-20 (Rs. 755-65) per candy of 5¼ cwts.

TEA IRREGULARLY LOW

(Messrs. Forbes, Ewart and Figgis Ltd.)

COCHIN, 30*th March*

The offerings in sale No. 7 which was held on Tuesday, 27th March, amounted to 1,050,000 lbs. Quality showed a slight decline from the previous sale, although one or two flavoury high growns were on offer. There was a good general demand, but prices were rather irregular and tended easier as the sale progressed. Low medium and medium brokens were half to one anna easier. Good medium teas were irregular and reflected the falling away in quality. All fannings grades met with keen competition and must be quoted dearer. Best liquoring high grown teas met with a very strong demand and were generally dearer. Below best were not so well supported and prices occasionally declined. There was a rather better demand for whole leaf grades with the exception of Pekoes. The following are the quotations:—

	1956 Rs.	a.	p.
Plain B.P.	1	8	0
Low medium B.O.P.	1	13	0
Medium B.O.P.	2	2	0
Good B.O.P. ... Rs. 3 2 0 to 3	4	0	
Well made black leaf O.P. ...	2	8	6

London Market.—Sale of 26th March 1956:—

Best, particularly fannings, appreciably dearer, plain and medium ½*d.* to 1*d.*

Sale of 27th March 1956.—Ceylon low-growns 1*d.* to 2*d.* dearer. Others sometimes fractionally off the boil. South Indians generally dearer.

Colombo Market.—Sale of 26th March 1956.—Dusts irregularly lower, but other kinds very strong demand, particularly good quality. Broken mixed and fannings substantially dearer.

Sale of 27th March 1956.—Very active demand. High-grown and good medium brokens advanced 30 to 50 cents. Average mediums 15 cents dearer. Plain liquoring low medium and low-grown brokens declined 10 to 15 cents. Persian Gulf types substantially lower.

Calcutta Market.—No sale this week.

Export Quota.—The market has remained steady at 5/5½ pies.

Forthcoming Auctions.—Sale No. 8 will be held on Tuesday, 10th April.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"*Dust sale G.*—325,000 lbs. Strong general demand, particularly black middle east types. Market irregularly As. 2 dearer."

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, 2*nd April*

After several weeks of bullish activity, foodgrain prices presented a bearish trend during last week. The trend was mainly attributed to the approaching harvest season and to the arrivals of the new coarse grains here and in other markets. With early arrivals in prospect of new crops in large quantities, the fear of prices shooting up again have receded. Wheat average quality was now quoted at Rs. 14-8 and *khati* at Rs.13-6, as against Rs. 15-8 and Rs. 14-8 respectively quoted last week-end, and daily arrivals of old stocks have increased to an average of 200 maunds. Stockists here and in other centres were now reported to be anxious to part with their stocks before the new crop arrivals which are likely to begin within a fortnight. The week's offtake was mostly for local requirements, as outside buying enquiry was dormant due to large-scale sales by the Government in different consuming areas. Strong westerly winds during the week have done some damage to the standing wheat crops. Harvesting of wheat has begun in some areas.

Gram prices also eased during the week, in line with appreciable fall in wheat prices, although the stock position has run down to 2 *khaties*. Harvesting of gram crop is in full swing and arrivals of new crop will begin by the week-end. Barley and *bejhar* prices eased further with increased arrivals of new crop and maize and *bajra* prices declined on falling seasonal demand. Rice prices also eased by As. 8 to Re. 1 per maund, during the week in line with the general bearish trend in all foodgrain prices. Latest prices were: gram Rs. 11, barley Rs. 9, *bejhar* Rs. 8-8, maize Rs. 10-8, *bajra* Rs. 9-8, *jowar* Rs. 12-12, per maund.

Increased arrivals on an average at 2,000 maunds daily accounted for sharp fall in *dara* peas prices to Rs. 8-8 and white quality to Rs. 10; all the arrivals, however, found offtake for pulses to Madras side and stock is still almost *nil*. *Arhar* prices ruled quiet, at almost last week's price levels, old quality stocks having completely exhausted and new crop arrivals still to take about a month. Other pulse prices eased fractionally during the week to be quoted at: *urd* Rs. 16, to Rs. 17-8, *moong* Rs. 13-12 and *massoor* Rs. 13-14 per maund. Pulses futures also eased during the week, in line with ready prices. Markets were closed today as a mark of protest against the increase in sales tax by the State Government.

SUGAR SUPPLY EASY

(From Our Own Correspondent)

HAPUR, 2nd *April*

Easy supply position due to increased overall production of indigenous sugar in the country which was put at 1,073,049 tons by the end of February, as against 982,600 tons during the corresponding period last year, accounted for depressed outlook in sugar prices during the week. Mill delivery prices eased slightly and booking by railway continued to be restricted. Latest mill delivery prices were: Jaswant Rs. 28-9, Simbhauli Rs. 28-7, Mowana Rs. 28-12, Daurala Rs. 29-6, Amroha Rs. 28, Bijnore Rs. 28, Mansoorpur Rs. 29-8, Rampur Rs. 31 and retail Rs. 30-4 per maund. The *khandsari* market also remained inactive and price fluctuations were within fractional limits. Inferior grades were quoted between Rs. 20 and Rs. 23 per maund, while superior quality between Rs. 25 and Rs. 27 per maund.

Arrivals of *gur* having gone down in producing centres and the demand being fairly good from importing centres, ready *gur* prices ruled steady during the week. Loading restrictions, however, hampered despatches on a large-scale. In view of the near end of the season, buyers were also interested to keep stocks to sell at higher rates in the off season. Daily arrivals at Hapur were at an average of 800 maunds and stock is put at 120,000 maunds. Prices vary between Rs. 11 and Rs. 11-8 per maund according to quality. Futures *gur* prices also advanced during the week from Rs. 11-6 for *baisakh* delivery on Monday last to the highest at Rs. 11-13 quoted on Saturday. A new contract for *phagun* next delivery has also opened in the market. Futures and ready markets were completely closed to protest against the imposition of sales tax on different essential commodities by the State Government.

JUTE GIVES WAY

(From Our Own Correspondent)

CALCUTTA, 3rd *April*

This review is necessarily short, in view of the Easter holidays on Friday and Saturday last. During the short session, the declining trend continued in both raw jute and jute goods. Prices of raw jute gave way by about As. 8 per maund, and sellers indicated that they would not discount prices further. And so mills extended their buying support at these levels and purchased a fair quantity on Wednesday and Thursday last. Although, during the month of March, a fair number of enquiries were received and business was done for fair quantities, it is expected that stocks at the end of March would show a rise for the second month in succession. The rise in stocks should be attributed to higher production, following the unsealing of looms. This factor alone has affected prices in the last two weeks, and the fact that there has not been a compensatory reduction in raw jute prices has left the industry athinking. In spite of all these happenings, there has so far been no move to curtail production, but the circumstances are being watched by mills very carefully. If raw jute prices fall, then the situation can be saved. And, considering the various estimates of the crop still to be marketed, it can be said that plenty of jute is left behind, although imports from upcountry centres have tended to decline. In Cossipore alone, it is estimated that about 800,000 maunds of raw jute are awaiting buyers. With the need of mills to consume more raw jute, it is felt that the carry-forward for the next season will not be much, but a bigger crop is expected.

Sellers of raw jute are disinclined to discount prices further. For, with mills committed for higher production, stockists believe that their holdings will find their way to mills sooner or later. Mills have patiently resisted buying raw jute in the hope that such a cautious policy would bring in a better relationship between the fibre and goods prices. But, so far, this expectation has not been realised, although raw jute prices have fallen. Mills could not wait indefinitely and, during the week under review, purchased some quantity for replenishing their stocks. But hope is still entertained by mills, in view of the possibility of the harvest of the new crop one month earlier than usual. Most jute-growing lands have now been kept ready for sowing, and sowing will commence in the next few days when rains are again expected. In fact, a fair quantity of Daissee white jute has already been sown. In East Bengal, further progress in sowing has been reported.

Earlier in the week, upper Assam bottoms gave way from Rs. 28 to Rs. 27-8 and a similar decline was recorded in Indian Northern bottoms at Rs. 27-8 and local Daissee bottoms at Rs. 28. Only the weak holders desired to sell, as they were anxious to dispose of their stocks, thanks to the present uncertainty originating from the inability of mills to support even the present levels. On Wednesday and Thursday last, mills purchased about 150,000 maunds and, during the week-end also, mills showed interest. As a result of this support to raw jute, prices rose yesterday to erase the decline of As. 8 with Northern bottoms quoting Rs. 28, local Daissee bottoms at Rs. 28-8 and upper Assam bottoms at Rs. 28, all April-May delivery.

A further decline in prices was the feature in the jute goods market. There was selling pressure and, at lower levels, covering business was done. Overseas enquiries were also received and some business was done. From Rs. 109-12 ready B. twills fell to Rs. 107 on Thursday last and yesterday, with the rise in raw jute prices, a slight recovery to Rs. 107-8 was recorded. With the fall, the July-September goods reached parity with ready goods. On Tuesday last, they were quoted at Rs. 108-8, falling to Rs. 107 on Thursday and recovering to Rs. 107-8 yesterday. April-June goods fell from Rs. 109-8 to Rs. 108 but subsequently recovered to Rs. 108-8. Hessian 40" 10 oz. at Rs. 38 were As. 6 lower on Thursday, yesterday's quotation being Rs. 38-2. July-September goods were higher by As. 6 and April-June by As. 10.

ACTIVITY IN METALS RESTRICTED

(From Our Own Correspondent)

CALCUTTA, 3rd *April*

Although activity in the metal market during the week under review was restricted, in view of the *Holi* and Easter holidays, prices were steady at higher levels. This was because of the confidence entertained by stockists. The copper supply position in India is so tight that this week's decline in prices in both New York and London did not affect prices here. The decline in overseas markets followed the announcement of a new pricing policy by a major producer of copper in the U.S.A., and it was also reported that consumer resistance in the U.S. against paying higher prices was becoming evident. Although stockists in India were not alarmed by the fall in prices in the overseas markets, buyers were chary to enter into commitments in the belief that, irrespective of the tightness in supply, prices in India must also go down. Electrolytic copper remained unchanged at Rs. 295 throughout the week, clean wire scrap being priced at Rs. 260 and utensils scrap at Rs. 211. Tin was quiet at Rs. 508, and the rise in Singapore by a few points was unnoticed, in view of large arrivals recently. Lead was priced at Rs. 85 with little activity. Electrolytic copper changed hands at Rs. 71. Buyers were shy as they were anticipating that the decline in price on the London Metal Exchange would be noted.

EXPORT TEA IN GOOD DEMAND

(From Our Own Correspondent)

CALCUTTA, 3rd *April*

Very steady conditions were again in evidence during the export auctions in tea held yesterday. Buyers showed preference to quality teas and the offerings aggregating 60,000 chests met with good demand. Fannings were dealt with at firm rates and those lots suitable for Middle East consumption were in better demand. Although common and plain liquoring brokens opened firm, an easy tendency set in, as the sale progressed, to bring down prices slightly occasionally. The strongest features of the auctions were whole leaf grades and stylish B.P.Ss., prices of which rose by As. 3 to As. 4. Keen competition was offered to all good liquoring teas. Darjeelings were steady. The rates were: Medium Assam B.P. Re. 1-11; plain B.P. Re. 1-9-6; black pekoe Rs. 2-2.

BUFF CALF IN DEMAND

(From Our Own Correspondent)

MADRAS, 30*th March*

There has been no material change in the E.I. tanned cow hides market in the U.K. Enquiries have been trickling through at prices quoted last week and sometimes, at even ½d. more. Shippers and *mandi* merchants have been holding for steady prices, and it is believed that U.K. factors who hold spot stocks are also not anxious to sell at below Madras quotations. The tone of the market is, therefore, steady and if the resumption of U.K. buying, after the Easter holidays, on a moderate scale materialises, hardening of prices is a certainty. There has been a good call for top class run parcels in buff calf, but sellers have more thirds than run assortments to offer. Demand for buff hides and cow calf has been poor.

In the tanned skins section, overseas importers are trying to buy at 6*d.* below pre-auction levels, and trading has been small for shipment.

HIDES ACTIVE

(From Our Own Correspondent)

KANPUR, 1*st April*

During the week under review, the local hides and skins market witnessed a somewhat brisk activity. New arrivals were ample. Demand for goods was strong all along the line. Purchasers were mainly local tanners. The country tanners were keen buyers for second grade cow and goat.

The latest quotations are as follows; Wet salted cow 1st grade Rs. 300, 2nd grade Rs. 275, and 3rd grade Rs. 125 to Rs. 175 per score; wet salted buff 1st grade 1 lb. 12 ozs. and 2nd grade 2 lbs. 2 ozs. per rupee. Goat 1st grade Rs. 275 and 2nd grade Rs. 225 per 100 pieces; sheep 1st grade Rs. 275 and 2nd grade Rs. 250 per 100 pieces.

A ten-member American mission will leave the United States shortly on a three-month tour of Asia to determine the extent of potential utilisation of the Asian Nuclear Centre which the United States has decided to build at Manila. The survey is being handled by the Brookhaven (New York) National Laboratory to help Asian nations put atomic energy to work for peaceful purposes as soon as possible. The American scientists and technicians will discuss atomic matters with their Asian colleagues to determine the research and training facilities each country could best use in the centre. Upon their return to the U.S. in June, the members will submit recommendations to the International Co-operation Administration (I.C.A.). The U.S. has offered funds for laboratory facilities and equipment, a reactor for research and training purposes and assistance in training Asians.

Notice

THE WESTERN INDIA MATCH COMPANY, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-third Annual General Meeting of the Shareholders of the abovenamed Company will be held at the Registered Office of the Company at Indian Mercantile Chambers, Nicol Road, Ballard Estate, Bombay, at 4 p.m. on Monday the 7th day of May 1956, to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December 1955.
2. To declare a Dividend and a Bonus.
3. To elect a Director in the place of Sir Chunilal V. Mehta, K.C.S.I., who retires by rotation. Sir Chunilal V. Mehta, having attained the age of 75 years and though otherwise eligible for re-election, is not eligible for re-appointment, unless his appointment is made or approved by the shareholders in general meeting in terms of section 281 of the Companies Act, 1956.

   Special Notice is hereby given that it will be proposed as an ordinary resolution that Sir Chunilal V. Mehta, K.C.S.I., be and he is hereby appointed a Director of the Company and that it is hereby specifically declared that the age limit of 65 years shall not apply to him.
4. To elect a Director in the place of Mr. M. G. R. Aitken, who retires by rotation, but is eligible for re-election and offers himself accordingly.
5. To appoint Auditors for the ensuing year and to fix their remuneration.

The Transfer Books of the Company will be closed from the 16th day of April 1956 to the 9th day of May 1956, both days inclusive.

By Order of the Board,

A. HYDARI,

Deputy Managing Director.

INDIAN MERCANTILE CHAMBERS,
NICOL ROAD, BALLARD ESTATE,
BOMBAY, 23*rd March* 1956.

The dividend and bonus when sanctioned will be payable at the Central Bank of India Ltd., Bombay and Calcutta, on and after the 14th day of May 1956 to those shareholders whose names stand on the Register on the 9th day of May 1956 and warrants will be posted in due course to each shareholder at his registered address.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

Explanatory statement under section 173 (2) *of the Companies Act,* 1956, *regarding resolution to be passed at the Annual General Meeting for re-appointment of Sir Chunilal B. Mehta, K.C.S.I., as a Director of the Company.*

Sir Chunilal V. Mehta, K.C.S.I., has been a Director of the Company since 14th January 1937 and the Chairman of the Board of Directors since 8th December 1938. He is 75 years old. He retires by rotation at the next Annual General Meeting of the Company. There is no bar other than the age limit to his re-election as a Director of the Company. His re-appointment requires a resolution to be passed by the shareholders specifically declaring that the age limit of 65 years shall not apply to him.

Sir Chunilal V. Mehta is a businessman of wide and varied experience, and during the 19 years he has been associated with your Board he has rendered very valuable services to the Company.

A. HYDARI,

Deputy Managing Director.

BOMBAY, 23*rd March* 1956.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	19th Nov., 1955	2½	2½
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1936	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	6.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Portugal	15th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	28th June, 1955	3	4½
United Kingdom ..	16th Feb., 1955	4½	5½
U.S.S.R.	1st July, 1936	..	4
U.S.A.	18th Nov., 1955	3½	4½
West Germany	7th Mar., 1956	3½	4

CLEARING HOUSE RETURNS

Centre	Week ended 29th March, 1956		Week ended 23rd March, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,21,050	53,57,71,000	2,31,352	61,84,50,000
Calcutta ..	1,26,007	51,55,03,389	1,95,890	70,93,35,370
Madras ..	73,105	8,15,74,371	83,078	9,40,80,678
All Centres—1955-56*	..	..	2,689,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Jan., 1956 ..	..	..	3,210,000	6,07,68,00,000
Feb., " ..	..	..	3,302,000	7,51,45,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 30th March, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	10,00,00,000
National Agricultural Credit (Stabilisation) Fund	....
Deposits:—	
(a) Government—	
(1) Central Government	67,34,27,000
(2) Other Governments	62,03,43,000
(b) Banks	58,24,30,000
(c) Others	16,68,48,000
Bills Payable	9,76,77,000
Other Liabilities	29,69,55,000
Rupees ..	258,76,80,000

ASSETS	Rs.
Notes	11,77,01,000
Rupee Coin	7,34,000
Subsidiary Coin	7,66,000
Bills Purchased and Discounted—	
(a) Internal	38,50,000
(b) External	....
(c) Government Treasury Bills	11,84,59,000
Balances held abroad*	89,71,54,000
Loans and Advances to Governments ..	....
Other Loans and Advances	70,94,37,000
Investments	47,19,05,000
Other Assets	17,76,71,000
Rupees ..	258,76,80,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 27,42,59,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 46,44,59,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	11,77,01,000	
Notes in circulation	1466,64,09,000	
Total Notes issued		1478,41,10,000
Total Liabilities ..	....	1478,41,10,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..		
Foreign Securities	656,41,80,000	
Total of A ..		696,43,81,000
B. Rupee Coin		103,16,13,000
Government of India Rupee Securities ..		678,81,66,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets ..	....	1478,41,10,000

Ratio of Total of A to Liabilities: 47.107 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 23rd March, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank† ..	3,85,50,000
(ii) Other demand liabilities	621,34,74,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank† ..	2,86,50,000
(ii) Other time liabilities	410,05,18,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	19,65,77,000
(ii) Time liabilities	....
4. Cash in India	84,55,20,000
5. Balances with the Reserve Bank in India ..	46,41,81,000
6. Balances with other banks in current account in India	10,20,37,000
7. Money at call and short notice in India ..	4,27,50,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	362,12,63,000
9. Advances in India	601,88,98,000
10. Inland Bills purchased and discounted in India	101,80,64,000
11. Foreign Bills purchased and discounted in India	46,58,21,000

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

EXCHANGE RATES

	3rd April, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot ..	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months ..	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6⅜	1-6⅜
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	477½	477½
Buyers T.T. .. Rs.	478	478
London on New York .. $	2.80¼–2.80⅜	2.80⅛–2.80⅜
London on Paris .. Frs.	985	985
London on Berne .. Sw. Frs.	12.24½–12.25¼	12.24½–12.24¾
New York on London .. $	2.80⅛–2.80⅜	2.80⅛–2.80⅜

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of Rupee (Crores)	Per capita Income (Rs.)
India† ..	'53-'54	373.37	..	10,600	284
Pakistan ..	'53-'54	78.81	..	1,931	245
Burma ..	1954	19 24	Kyats 3,905	390	204
Ceylon ..	1954	8 38	..	477	569
Japan ..	1954	88 20	Y. 6,148,000	8,133	922
Philippines ..	1954	21 44	Ps. 7,438	1,770	825
New Zealand ..	1954	2 09	£ (N.Z.) 802	1,070	5,119
Australia ..	1954	8.99	£ (A) 3,057	4,220	4,694
U.K. ..	1954	50 78	£ 15,718	20,930	4,100
U.S.A. ..	1954	162 41	$ 300,000	144,423	9,015
Canada ..	1954	15 20	$ 18,751	9 190	5,046
France ..	1953	42 36	F.Fr. 10,470,000	14,420	3,364
W. Germany ..	1953	43 99	Dm. 103,000	11,705	2,389
Italy ..	1953	48 07	Lr. 8,967,000	6,832	1,421
Norway ..	1954	3.39	Kr. 18,424	1,230	3,638
Sweden ..	1953	7.17	Kr. 30,857	3,422	4,772
Netherlands ..	1953	10.49	Grs. 19,350	2,451	2,336
Denmark ..	1953	4.37	Kr. 22,915	1,580	3,616
Switzerland ..	1953	4 88	Sw.Fr. 20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production or goods and services in the course of a year including net income from abroad.
Source: United Nation Monthly Bulletin of Statistics, Dec., 1955.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 23rd Mar., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	15,90,56,000
(b) Provincial Governments	4,41,70,000
(c) Banks	14,44,26,000
(d) Others	18,85,58,000
Bills Payable	9,41,000
Other Liabilities	6,03,89,000
Rupees ..	65,78,40,000

ASSETS	Rs.
Notes	9,68,77,000
Rupee Coin	9,000
Subsidiary Coin	16,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	8,47,000
Loans and Advances to Governments ..	....
Provincial Governments Debtor Balances ..	....
Other Loans and Advances	13,76,26,000
Investments	29,79,60,000
Other Assets	13,05,05,000
Rupees ..	65,78,40,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	9,08,77,000	
Notes in circulation	291,62,20,000	
Total Notes issued	....	300,71,06,000
Total Liabilities ..	....	300,71,06,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	11,19,58,000	
Silver Bullion	....	
Sterling Securities ..	85,00,28,000	
Government of India Securities ..	26,53,83,000	
India Notes representing assets receivable from the Reserve Bank of India	43,11,81,000	
B. Rupee Coin ..	6,54,40,000	165,85,50,000
Government of Pakistan Securities ..	122,43,10,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		123,95,50,000
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets ..	....	300,71,06,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.02 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	23rd March, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.37	1,453.78	1,448.86	1,418.66	1,277.09
Notes held in Banking Department ..	35.05	9 84	14 42	10 73	15.92
Foreign Securities ..	59.50	676.29	672 32	652 16	646.85
Rupee Securities ..	37.39	644.04	648 01	603.23	503.95
Banking Department					
Deposits of:					
Government of India.	14.89	52.69	55 64	59.56	59.45
Other Governments.	..	48.52	46 95	18 02	60.27
Balances held abroad	10.08	71.54	70.72	53.93	83.15
SCHEDULED BANKS					
Demand Liabilities..	134.36	625.20	615 60	623.12	574.37
		(3 80)†	(4 93)†	(5.07)†	(6.98)†
Time Liabilities ..	102.24	413 92	413 73	413.70	376.83
Borrowings from Reserve Bank ..	..	67.87‡	(3 09)‡	(3.97)‡	(1.50)‡
		60.93	61 59	48 47	37 07
		(32.40)‡	(24.02)‡	(25.32)‡	(29.23)‡
Borrowings from State Bank ..	..	19.66	17 37	14.04	8.07
Cash in India ..	6.70	34.03	35.26	34.78	31.61
Balances with Reserve Bank ..	25.17	46.42	47.03	54.47	46.13
Excess over statutory limits ..	15.52	6.90	7.93	14.04	10.13
Balances with other banks in current account in India..	..	10.20	9.58	10.29	9.83
Money at call and short notice in India	..	4.28	4.90	7.88	11.36
Investments (at book value)	..	362.13	363.84	373 54	344.17
Advances and bills..	105.09	749.73	735.01	711.88	622.57
STATE BANK					
Deposits	37.76	237.50	233.20	233.34	224.12
Investments	51.99	107.33	107.78	115.25	105.46
Advances	80.35	141.15	135.58	126.16	123 99
Cash	14.69	17.00	15.00	15.11	18.41

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January,		Ten months, April to Jan.,	
	1955	1956	1954–55	1955–56
Import Duties				
Revenue	22.08	10.51	112.14	95.96
Protective	0.60	0.84	6.31	8.44
On surplus disposals	..	..	0.13	0.08
Total import duties ..	22.68	11.35	118.58	104.48
Export Duties	4.66	2.63	32.45	80 93
Land Customs	0.14	0.20	1.57	1.15
Miscellaneous	0.09	0.05	0.90	0.59
Gross total customs ..	27.57	14.23	153.50	137.15
Refunds and drawbacks ..	0.16	0.21	1.27	2.12
Net Customs	27.41	14.02	152.23	135.03
Gross excise	9.41	13.51	85.18	128.95
Refunds	0.07	01.3	1.49	3.60
Net Excise	9.34	13.38	83.69	119.46
Net total of customs and excise†	36.75	27.40	235.92	254.49

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 30th March, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up:		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,35,00,000
Deposits and Other Accounts		238,06,38,000
Borrowings from Other Banking Companies, Agents, etc.		4,99,00,000
Bills Payable		11,23,79,000
Bills for Collection being Bills Receivable as per contra		57,60,000
Acceptances, Endorsements and Other Obligations per contra		23,50,000
Other Liabilities (including Inter-Office Adjustments)		2,12,02,000
Total .. Rs.		269,19,79,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		12,34,10,000
Balances with other Banks		3,22,57,000
Money at Call and Short Notice ..		80,00,000
INVESTMENTS:		
Government and other Trustee Securities	99,25,07,000	
Other Authorised Investments ..	10,30,64,000	
		106,55,71,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	106,27,85,000	
Bills Discounted and Purchased .	34,86,09,000	
		141,13,94,000
Bills Receivable being Bills for Collection as per contra		57,60,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		23,50,000
Premises less Depreciation ..		1,15,88,000
Furniture and Fixtures less Depreciation		43,59,000
Other Assets (including Inter-Office Adjustments) ..		2,57,90,000
Total .. Rs.		269,19,79,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖											
	National Savings Certificates						Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡ ¶		15-Year Annuity Certificates §	
	5-Year†		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53 ..	6.33	65	3.26	23.66	84.17	1,13.35	92.03	—	31.07	7.55	25.64	..	..	..	..
1953-54 ..	5.91	1.50	4.26	26.54	1,04.38	1,17.27	1,06.29	—	84.19	6.94	32.11	..	..	..	..
1954-55 ..	4.70	1.62	4.99	27.27	1,24.64	1,34.94	1,30.86	—	84.13	5.87	37.15	7.40‖	7.38	55½‖	54
January, 1955 ..	4.88	14	4.76	2.48	1,20.28	10.51	1,20.10	—	81.07	7.55	25.64	..	..	..	..
February ..	4.81	12	4.79	2.27	1,21.56	11.18	1,22.28	—	82.16	6.93	32.57	5	5.38	5	45
March ..	4.70	26	4.99	3.41	1,24.64	18.51	1,34.94	—	84.13	5.87	37.15	6	5.81	4	50
April ..	4.60	11	5.00	2.35	1,26.46	10.51	1,30.88	—	86.35	47	37.15	58	7.38	4	54
May ..	4.58	96	5.24	2.01	1,27.94	11.22	1,34.76	—	86.50	45	37.55	66	7.26	4	58
June ..	4.44	15	5.12	2.09	1,29.49	12.26	1,36.26	—	86.64	41	37.99	66	5.51	5	61
July ..	4.36	12	5.15	2.27	1,31.28	12.80	1,40.53	—	86.76	37	38.32	84	9.23	5	65
August ..	4.29	12	5.17	2.09	1,33.23	12.28	1,46.90	—	86.85	41	38.84	91	10.20	4	69
September ..	4.21	13	5.21	2.24	1,34.84	12.40	1,46.91	—	87.11	44	39.28	94	11.80	3	72
October ..	4.14	10	5.21	2.11	1,35.38	11.28	1,45.90	—	89.22	46	39.68	80	12.49	5	72
November ..	4.07	10	5.21	1.98	1,37.38	11.58	1,49.40	—	88.24	49	40.06	83	12.20	5	75
December ..	4.00	18	5.26	2.58	1,39.48	12.94	1,52.44	—	88.44	36	40.34	88	13.26	5	80
January 1956 ..	3.91	18	5.24	2.03	1,40.78

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended			
	12-3-'56	11-2-'56	3-3-'56	10-3-'56
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	**90.8**	**91.3**	**90.9**	**90.8**
1. Government of India	90.5	91.1	90.8	90.6
2. Indian States	96.1	96.7	96.7	96.7
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	**100.7**	**101.1**	**101.1**	**101.1**
1. Electricity	102.2	102.6	102.8	102.8
2. Jute	98.3	97.6	97.6	97.6
3. Plantations	99.6	99.1	99.1	99.1
4. Sugar	99.1	99.0	98.5	98.5
5. Coal	90.0	90.6	90.6	90.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.3
8. Others	100.6	101.1	101.1	101.1
PREFERENCE SHARES	**87.3**	**87.0**	**85.7**	**85.9**
1. Electricity	97.2	94.7	93.7	94.1
2. Cotton	78.5	80.2	78.8	79.0
3. Jute	83.4	86.7	83.6	83.6
4. Coal	92.3	90.3	90.4	90.4
5. Iron and Steel	89.9	87.7	89.9	87.4
6. Sugar	82.8	85.5	85.5	85.5
7. Paper	89.7	86.5	86.7	86.9
8. Plantations	97.8	101.3	101.1	101.3
9. Miscellaneous	85.6	84.4	83.3	83.3
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	**115.9**	**121.4**	**120.2**	**121.1**
(a) Financial	**88.7**	**89.6**	**88.8**	**89.0**
1. Banks	85.3	89.1	88.4	88.7
2. Insurance	109.8	90.6	89.1	88.8
3. Investment Trust	93.4	93.8	94.9	95.2
b) Public Utilities	**114.7**	**113.6**	**112.3**	**113.3**
1. Electricity	124.5	119.0	117.2	117.5
2. Shipping and other Transport	99.0	107.2	107.1	109.8
3. Railways	88.0	90.7	89.4	89.4
(c) Manufacturing Industries	**119.4**	**129.6**	**128.6**	**129.9**
1. Cotton, Woollen and Silk	103.7	122.7	123.5	126.5
2. Jute	97.0	90.3	87.4	84.9
3. Iron and Steel	149.9	143.3	139.7	140.8
4. Paper	219.7	280.7	281.2	287.5
5. Cement	149.5	166.7	168.0	170.6
6. General Engineering	168.2	193.1	193.1	192.1
7. Sugar and Breweries	106.1	106.8	106.0	107.0
8. Chemicals	136.4	149.1	146.3	147.6
(d) Non-Manufacturing Industries	**160.9**	**159.1**	**157.5**	**158.5**
1. Coal	78.9	85.0	82.3	82.4
2. Mining and Oil	247.8	247.0	245.1	248.5
3. Plantations	194.4	167.5	166.5	167.2
(e) Miscellaneous	**96.7**	**102.3**	**100.4**	**100.6**
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	**90.1**	**90.8**	**90.4**	**90.2**
1. Bombay	90.6	91.2	90.9	90.8
2. Calcutta	90.9	91.5	91.2	91.0
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	**99.2**	**100.2**	**100.0**	**100.0**
1. Bombay	101.5	101.9	102.1	102.1
2. Calcutta	100.4	100.1	100.1	100.1
3. Madras				
PREFERENCE SHARES:	**91.0**	**89.6**	**88.8**	**89.2**
1. Bombay	83.1	83.1	81.4	81.5
2. Calcutta	94.2	96.7	96.6	96.7
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	**119.3**	**123.1**	**122.7**	**125.1**
1. Bombay	109.9	114.6	111.9	111.5
2. Calcutta	110.0	120.2	121.3	123.2
3. Madras	118.3	124.9	125.1	126.2
4. Delhi				

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,398,981
1953	772	466,607	3,382,608
1954	840	477,138	3,372,630
December 1953 ..	81	40,780	475,352
January 1954 ..	84	51,973	325,514
February ,, ..	85	41,351	344,205
March ,, ..	91	34,202	331,419
April ,, ..	101	34,963	207,247
May ,, ..	80	40,073	216,052
June ,, ..	82	21,589	305,078
July ,, ..	122	30,189	277,402
August ,, ..	79	51,090	322,887
September ,, ..	97	50,414	363,878
October ,, ..	88	41,724	276,294
November ,, ..	62	25,115	239,701
December ,, ..	101	54,455	262,763
January 1955† ..	95	49,038	322,307
February ,, ..	91	38,370	144,302
March ,, ..	112	70,942	334,696
April ,, ..	99	29,815	303,658
May ,, ..	119	66,064	385,415
June ,, ..	154	85,172	1,035,194
July ,, ..	108	57,709	681,153
August ,, ..	233	90 260	518,961
September ,, ..	249	91,843	567,332
October ,, ..	129	46,466	189,360
November* ,, ..	105	49,465	178,135
December ,, ..	122	44,962(a)	228,264(b)

† Figures for 1955 are provisional. * Revised.
(a) Not known in 1 cases. (b) Not known in 2 cases.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,769.9	6,319.2
October 1954 ..	669	626.5	511.6
November ,, ..	674	656.5	534.6
December ,, ..	679	683.5	558.0
January 1955 ..	684	668.5	545.2
February ,, ..	685	628.7	521.8
March ,, ..	686	698.7	568.3
April ,, ..	690	691.1	563.9
May ,, ..	691	706.5	569.3
June ,, ..	696	716.2	576.1
July ,, ..	700	724.8	593.3
August ,, ..	705	708.9	574.4
September ,, ..	707	719.3	587.1
October ,, ..	716	720.7	591.9
November ,, ..	721	725.5	597.0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	17th March, 1956	10th March, 1956	19th March, 1955	February, 1956	February, 1955	Percentage of increase (+) or decrease (−) in Feb., 1956 as compared with Feb., 1955	Annual Average 1955	Annual Average 1954
Food Articles	354.0	339.8	286.5	335.3	304.3	+10.2	304.5	358.3
Cereals	444	427	340	411	343	+19.8	355	404
Pulses	384	370	229	351	238	+47.5	259	318
Other	232	221*	248	230	261	−11.9	241	298
Industrial Raw Materials	471.3	473.3	406.3	464.0	436.1	+ 6.4	411.1	447.1
Fibres	464	475	446	469	485	− 3.3	431	444
Oil seeds	538	496	326	473	360	+31.4	370	463
Minerals	453	447	431	443	412	+ 7.5	420	429
Others	405*	412	481	426	483	−11.8	444	410
Semi-Manufactures	369.5	365.8	332.1	355.8	339.7	+ 4.7	333.3	355.4
Leather	408	409	391	402	389	+ 3.3	373	377
Mineral oils	208	208	221	204	221	− 7.7	211	221
Vegetable oils	483	467	347	426	391	+ 9.0	374	464
Cotton yarn	451	451	440	444	442	+ 0.5	423	454
Metals	282	282	242	280	242	+15.7	254	229
Oil cakes	391	358	232	347	295	+17.6	320	416
Others	364	364	331	364	336	+ 8.3	330	305
Manufactured Articles	375.3	376.1 R	377.9	375.4	376.9	− 0.4	373.4	378.5
Textiles	408	410	422	409	421	− 2.9	411	418
Jute	412	423	469	417	477	−12.6	430	438
Cotton	403*	403*	411*	403*	410*	− 1.7	405*	413*
Rayon and Silk	502*	502*	468*	493*	460*	+ 8.3	476*	469*
Woollen	274	274	310	277	310	−10.6	292	311
Metal products	371	371	349	371	349	+ 9.1	351	339
Others	236*	234 R	287	235	334	+ 0.4	286	286
Miscellaneous	512.9	511.1	554.9	529.1	558.6	− 5.3	555.1	646.8
All Commodities	387.8	382.7	352.8	378.3 R	361.4	+ 4.7	355.1	388.7

R=Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures†	Iron and steel
1954																		
December ..	424	488	147	206	203	651	556†	278	176	852	454†	465	409	320	357	451	412	274
1955																		
January ..	399	493	136	203	200	808	575	270	160	840†	436†	492	376†	335	357	456	411	274
February ..	401	502†	117	202	205	744†	583	275	144	770†	427†	547	370	331	357	457	410	274
March ..	416	458	102	219	198	591†	567	283	140	720†	394†	510	355	319	357	468	408	274
April ..	412	402	100	208	181	508†	574	263	134†	685†	376†	502	358	315	357	452	411	274
May ..	403	352	97	194	176	550†	591	289	130	..	383	456	364	320	357	429	406	274
June ..	411	366	108	194	182	564†	592	286	137	774†	376†	423	367	334†	357	415	404	274
July ..	455	410†	121	206	216	531	615†	286	155	754†	393†	418	405	370	357	417	402	283
August ..	489	420	128	208	220	451	641†	287	158	761	400†	405	405	360	357	423	402	284
September ..	509	409	114	207	207	410	654†	282	153†	749	402†	378	394	349	361	399	402	284
October ..	488	430†	137	224	214	389	680†	281	157	761	398†	394	389	364	361	397	401	312
November ..	474	469†	147	242	227	358	659	254	192†	720	..	408	399	395†	361	422	399	319
December ..	463	506	133	241	242	346	674†	258	178†	720	440†	407	431	422	362	416	399	319
January 1956 ..	449	529	181	240	265	349	678	263	181	691†	455†	433	485	451†	362	420	403	319

Source: Reserve Bank of India Bulletin. † Estimated.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jubbulpore
	Base (1949=100)	Base June (1934=100)	Base July (1927=100)	Base January (1928=100)	Base (1949=100)	Base (1949=100)	Base August 1939=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)
1951 Average ..	105	330	261	313	94	104	370	103	108	111	110	116	111
1952 ,, ..	103	337	259	310	92	101	351	102	108	108	111	112	99
1953 ,, ..	106	363	275	323	95	103	349	109	106	104	102	111	100
1954 ,, ..	101	359	244	294	85	99	327	106	104	91	95	102	92
January 1955 ..	97	352	210	274	78	98	324	103	100	83	88	99	86
February ,, ..	95	345	207	254	80	96	310	101	97	83	88	98	86
March ,, ..	94	340	205	230	79	95	310	99	96	81	87	96	85
April ,, ..	93	340	200	227	74	94	311	97	95	78	87	93	86
May ,, ..	92	336	204	223	70	93	316	95	92	79	87	93	86
June ,, ..	93	333	211	231	73	95	317	96	93	80	85	94	87
July ,, ..	96	340	224	248	78	97	325	98	99	84	87	97	90
August ,, ..	97	341	229	248	78	97	329	98	101	86	88	100	88
September ,, ..	96	333	224	248	78	97	327	100	101	84	88	99	88
October ,, ..	97	331	225	248	81	98	334	100	103	84	87	101	89
November ,, ..	98†	330	229	255	82	98	339	101	106	88	88	102	91
December ,, ..	98†	332	230	262	82	99	329	103	105	91	87	102	94
January 1956 ..	98	334	229	272	..	..	..	..	105	..	..	..	..

† Provisional.

INDUSTRIAL PRODUCTION

Industries.	Jan., to Dec., 1954	Jan., to Dec., 1955	October, 1955	November, 1955*	December, 1955*	December, 1954
Major Industries—						
Coal	million tons	33.76	38.21	3.08	3.10	3.39	3.50
Steel (Ingots and Metal for castings) ..	thousand tons	1,685	1,704	131	134	158	153
Yarn	million lbs.	1,561	1,484	145	134	—	130
Cloth	million yds.	4,938	4,027	437	402	—	330
Cement	million tons	4.44	4.40	0.39	0.40	0.42	0.40
Jute	thousand tons	928	1,027	79	91	87	94
Paper and paper boards	tons	155,328	184,884	15,028	16,019	15,057	16,357
Matches	cases	529,200	594,400	46,000	44,500	45,400	50,100
Sugar	thousand tons	1,088	1,015	11	56	280	251
Engineering and Electric Industries—							
Machine tools	Value in lakhs of Rs.	50.03	64.92	7.07	6.40	—	5.40
Electric lamps	millions	23.08	22.23	1.73	1.79	—	2.20
Dry cells	millions	148 68	161 02	12.97	13.91	13.65	10.31
Power transformers	k.v.a.	399,600	564,800	47,000	52,000	72,800	42,000
Electric Motors	h.p.	187,200	251,800	24,000	20,800	28,900	20,000
Electric fans	Nos.	238,800	276,000	19,500	19,800	21,300	24,000
Radio receivers	Nos.	56,604	77,951	9,036	9,198	9,198	6,837
Storage batteries	Nos.	182,400	234,600	19,400	22,500	24,500	20,700
Copper conductors	tons	7,572	8,384	591	571	875	1,072
Winding wires	tons	324	606	54	57	48	40
Rubber and plastic Ins. cables and flexibles ..	million yds.	62.76	85.07	5.65	7.00	6.75	6.07
Insulators—H.T.	Nos.	507,600	244,000	7,200	8,100	—	15,000
Insulators—L.T.	million Nos.	2.67	3.54	0.30	0.12	—	0.28
Diesel engines	Nos.	8,652	9,948	890	870	843	1,043
Chemical Industries—							
Salt	million mds.	73.91	81.07	1.46	1.27	2.03	1.50
Caustic soda	tons	29,304	31,182	3,000	2,753	—	2,667
Soda ash	tons	43,338	77,272	6,009	7,402	6,726	5,258
Chlorine liquid	tons	9,780	10,290	1,192	1,078	—	890
Bleaching powder	tons	2,928	2,402	214	186	—	202
Bichromates	tons	3,240	2,646	265	255	—	233
Sulphuric acid	tons	150,376	150,706	14,525	15,273	—	14,346
Superphosphate	tons	105,060	66,656	5,093	4,587	—	8,053
Non-ferrous Metals—							
Aluminium	tons	4,886	7,225	650	627	647	488
Antimony	tons	539	504	58	Nil	10	46
Copper (virgin metal)	tons	7,162	7,281	600	675	704	642
Lead (virgin metal)	tons	1,788	2,234	194	168	174	240
Gold	thousand ozs.	241	211	19	19	18	18
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	80,196	101,482	7,520	8,171	12,092	8,130
Hurricane lanterns	million Nos.	4.98	4.85	0.49	0.42	—	0.39
Bicycles	Nos.	372,380	431,658	41,796	43,302	—	49,939
Automobiles	Nos.	14,460	23,056	1,958	2,093	2,274	1,953
Cycle tyres and tubes	million Nos.	10.80	11.33	1.00	0.62	0.88	0.97
Motor tyres and tubes	million Nos.	1.58	1.67	0.15	0.11	0.13	0.12
Cigarettes	million Nos.	19,828	20,894	1,793	1,940	—	1,578
Plywood—Tea chests	million sq. ft.	64.19	90.54	6.28	7.30	8.29	6.79
Plywood—Commercial	million sq. ft.	13.58	19.23	1.47	1.58	1.74	1.68
Refractories	million yds.	0.24	0.24	0.02	0.02	—	0.02
Abrasives	reams	70,800	78,600	7,000	6,800	6,400	6,400
Sheet glass	million sq. ft.	83.11	84.22	4.09	4.01	—	5.23
Woollen manufacturers { Fabrics	million yds.	13.75	13.42	1.52	1.29	1.44	1.12
Woollen manufacturers { Yarn	million lbs.	19.35	20.74	1.99	1.96	2.02	1.64
Footwear—Western type (Leather) ..	million pairs	3.27	3.24	0.26	0.24	0.31	0.25
Footwear—Indigenous type (Leather).	million pairs	2.06	2.30	0.17	0.16	0.23	0.19
Alcohol—Industrial	million galls.	7.47	7.55	0.83	0.61	0.55	0.65
Alcohol—Power	million galls.	8.01	10.23	0.52	0.71	0.88	0.81
General Index—(Base 1951=100 Revised)		112.9	115.24	122.0	122.2	—	128.1

* Figures are subject to revision month to month. —Not Available.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00 000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharas Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	9,00,000(b)	1875	6½	Mar. Sept.	105	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	138	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	6-2½	5
†East India Distillers	£600,000	1897	7	Jan. July	17	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	6S	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	6S	100
Parrukpore Co.	6,00,000	1922	10	Oct. ..	18	10
Rammugger Cane	4,00,000	1933-36	6	Aug. ..	10S	100
Ravalgaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
Sonsh Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,75,000	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	118	100
Borras	4,00,000	1895-97	6	Oct. Apr.	117	100
Burrakur (1st)	23,99,800	1901-19	7	Apr. Oct.	122	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½	10
Equitable	4,00,000	1895	6	Mar. Sept.	116	100½
Karanpura Collieries	7,50,000	1946	5½(a)	.. ..	6S	7½(pp)¶
††Khas Kajora	1,93,000	1921	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	July ..	13½	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	103½	100
Bangalore	6,00,000	1884	6	Jan. July	125	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Benares Cotton	1,05,200	1919	7	July Jan.	15N	100
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	90½	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	125	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	72	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic ..	£1,30,200	1920	7½	Jan. July	144	100
Cambodias	1,00,000	1928	7	Apr. ..	122½	100
Central India	50,00,000	1918	6	Apr. Oct.	47S	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	111½	100
Elgin	11,00,000	1918	8	May Nov.	135	100
Do. 'B' Pref.	4,50,000	1942	6	July Jan.	8½	10
Elphinstone	£5,00,000	1919	7(a)	July Nov.	87	100
Kesoram	10,00,000	1919	7	June Dec.	134	100
Khatau Makanji (Ind)	20,92,500	1947	4	Nov. ..	8S	100
Kohari	12,00,000	1947	6	Nov. ..	10½	10
Lakshmi Cotton (Bombay) ..	16,00,000	1896	5(a)	.. ..	20S	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	January ..	8S	100
Muir Mill	10,00,000	1920	6	Jan. July	88N	100
Mysore Spg.	7,45,050	1944	4½	.. ..	80½	50
National Rayon	1,74,64,700	1947	5(a)	.. ..	80½	100
New Great	5,00,000	1918	5½(a)	Mar. ..	128½	100
New Victoria	£6,05,500	1920	6	Apr. Oct.	3½	5
Podar Mills	10,00 000	1943	4	Feb. ..	77	100
Rajalakshmi	15,00,000	1933	6½	Apr. ..	54½	50
Shree Niwas Cotton	4,80,000	1944	4	.. ..	81	100
Sholapoor	£3,00,000	1943	5(c)	.. ..	78½	100
Svadeshi	£5,00,000	1935	5	Apr. Oct.	110	100
Swadeshi (Kanpur)	£5,00,000	1927	6	June ..	96	100
Travancore Rayon	50 00,000	..	5	.. ..	9	10
Vasanta (1st)	9,00,000	1931	6½	Apr. Oct.	114	100
Do. (2nd)	12,00,000	1938	6	.. ..	104	100
Vishan	15,66,500	1908	7(a)	Apr. ..	55½	500
ELECTRICS						
Andhra Valley Power Supply ..	49,34,000	1917	7(a)	May Nov.	1,177½	1,000
Amalgamated Electric	£4,15,000	..	5½	.. ..	10S	100
Calcutta Electric	£1,90,000	1909-11	5½(a)	June Dec.	11½	41
Poona Electric	4,00,000	1925	7(a)	June Dec.	111½	100
South Arcot	2,00,000	1933	6	Jan. July	10S	100
South Madras (1st)	£2,00,000	1937	5½	July Nov.	10½	10
Do.	8,00,000	1940	5½	.. ..	9½	10
Surat Electric Co.	5,00,000	1939	6½	Apr. ..	12S½	100
Tata Hydro-Electric Power ..	£2,50,000	1907	7(a)	May Nov.	114	100
Tata Power	£6,97,000	1918	7½(a)	May Nov.	1,247½	1,000
Vellore	1,25,000	1928	6	Mar. Sept.	7-0½xd	10
ENGINEERING						
Arthur Butler (Muzaffarpore) ..	1,20,000	1919	7	Mar. ..	8½	10
Burn & Co., Ltd. (1st)	15,00,000	1895-98	7	Feb. Aug.	141½	100
Do. (2nd)	15,00,000	1903	6	Feb. Aug.	125xd	101
Indian Iron and Steel Co., Ltd	1,50,00,000	1950	5	Dec. ..	10S	100
Indian Standard Wagon	10,86,900	1918	7	June ..	14S	100
Indian Steel Rolling	4,99,950	..	6½	Dec. ..	9½	10
Jessop	10,00,000	1941	5	May Nov.	10S	100
†††Kumardhubi Engineering ..	13,00,000	1916	4	June Dec.	10S	100
Larsen and Toubro Ltd.	15,00,000	1945-47-51	5	.. ..	8S	100
McKenzies (1st)	5,50,000	1907	5½	.. ..	8S	100
Premier Construction (1st) ..	10,00,000	..	6½(a)	.. ..	102½	100
Do. do. (2nd) ..	10,00,000	1936	6½(a)	.. ..	10S	100
Do. do. (3rd) ..	56,35,000	1947	4½(a)	.. ..	6S	10
Do. do. 4th) ..	3,00,000	1917	5	.. ..	11½	10
Steel Products	75,00,000	1908	6(a)	Nov. ..	166½	150
Tata Iron and Steel (1st) ..	6,98,81,900	1908	7½(a)	May ..	128	100
Do. do. 2nd) ..						
JUTE						
Agarpara .. ..

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. F=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation funds, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,56,7	76,28,421	43,05,372	—1,17,209	Rajputana Textiles (Agencies) Ltd. ..	56,008	898	Apollo Mills	2–13½	2	0 4(e)	0 4 (e)	0 2(e)	*Nil*	12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,658	—5,97,120	B. R. Sons, Ltd.	50,596	1,021	B. R. Cotton Mills	49	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T
2,50,98,000	2,25,99,019	4,25,75,764	2,15,21,688	58,579	Nowrojee Wadia & Sons, Ltd. ..	2,21,008	4,855	Bombay Dyeing & Mfg. ..	653½	250	20 0	22 8*	20 0	7 81	12	Y.
10,00,000	17,86,559	55,58,179	35,57,498	2,45,761	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	195	50	10 0	10 0	10 0		12	Y.P.
1,09,48,800	2,27,54,197	2,88,17,250	1,85,13,280	$1,22,663	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg. ..	534	100	20 0	22 0	8 0(		12	Y.
49,00,000	15,44,990	1,16,09,462	65,52,089	—33,25,720	V. J. Phadi (Chairman and Managing Director) ..	39,408	798	Colaba Land & Mill	75	100	*Nil*	*Nil*	*Nil*		12	Y.
20,00,000	11,38,470	31,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,828	680	Coorla Spg. & Wvg.	127½	100	7 8	7 8	7 8	7	3	Y.
10,00,000	21,36,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	122½xd	50	5 0	5 0	5 0	15 0	12	Y.
34,00,000	27,75,000	73,60,781	56,78,784	49,168	Puranmal Radhakishan & Co.	50,084	928	Edward Textiles	333½	100	5 0	5 0	5 0		12	Y.
30,00,000	11,93,292	1,10,92,641	75,74,225	22,796	M	41,300	886	Elphinstone Spg. & Wvg. ..	50½	50	3 0	*Nil*	3 8	2 81	12	Y.P.
50,00,000	64,81,878	1,05,11,445	71,58,296	3,90,661	James Finlay & Co., Ltd. ..	49,332	784	Finlay Mills	362	100	20 0	16 0	16 0		12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thac ersey Mooljee & Co. ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills	4,800	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
									4,800	1,000	200 0*	225 0*	225 0	300 0		
2,99,90,000	1,13,27,883	4,58,17,544	3,07,00,000	—16,61,890	Agarwal & Co.	2,32,640	6,278	India United Mills	134	0 100.	*Nil*	0 10	*Nil*	0 101	12	Y.
59,90,000									2–2½	0 1D.	*Nil*	0 1	*Nil*	0 11		
5,65,000	74,24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	5,075N	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
25,000	40,58,451	1,37,18,607	1,93,86,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg..	250	500	100 0	112 8*	112 8	150 0	3	Y.P.
1,00,00,000	1,21,50,000	3,56,88,095	2,63,14,796	33,980	Killick Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	357½	100	10 0	20 0*	18 0	18 0	12	Y.
23,12,050	29,74,916	1,14,37,317	64,72,963	16,412	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	80N	50	5 0	5 0	5 0		12	Y.T.
51,78,000	52,85,000	1,94,11,154	1,47,75,041	1,06,279	Phiroz & Sons	70,416	1,652	Monarjee Goculdas Spg. & Wvg.	215	100	12 0	12 0	14 0		6	Y.P.
57,71,400	61,70,518	2,04,08,776	1,55,00,000	1,79,076	Chiai & Co., Ltd.	1,00,000	..	National Rayon Corporation ..	230	*Nil*	0 0	10 0*	*Nil*		12	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	3,015	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	171½	100	10 0	10 0	10 0	10 0	12	Y.
30,00,000	14,61,250	92,85,599	61,42,741	4,880	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	230	100	10 0	10 0	7 8	10 0	12	Y.P.
12,70,100	29,92,994	53,27,849	22,21,142	8,178	Mafatlal Chandulal & Co., (Bombay), Ltd.	24,100	872	New Union Mills	38	10	1 4	1 4	1 4		12	Y.
48,00,000	26,02,273	1,49,03,112	99,59,511	1,26,364	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	135xd	100	8 0	8 0	8 0		12	Y.
40,00,000	49,68,014	1,80,38,385	1,25,00,000	3,18,563	Podar Sons, Ltd.	82,000	980	Podar Mills	173½	100	10 0	10 0	10 0	5 0	12	Y.P.
8,00,000	8,16,999	21,21,521	19,01,340	—1,72,154	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	13½	10	1 4	0 12	0 8		12	Y.
25,00,000	69,06,474	1,34,22,606	81,47,282	10,145	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	38	10	1 4	1 4	1 12		12	Y.
60,00,000	1,12,00,061	91,32,908	80,71,824	1,84,052	Marwar Textiles (Agency) Ltd.	66,336	1,640	Shree Niwas Cotton Mills ..	228½	100	12 8	14 0	14 0		12	Y.P.
48,00,000	25,75,550	98,88,982	71,00,000	15,898	Forbes, Forbes Campbell & Co. Ltd.	36,116	1,374	Simplex Mills	216	50	15 0(p)	15 0	11 0	10 0	3	Y.
87,80,000	2,23,15,720	2,51,28,699	1,37,85,474	12,833	Mafatlal Gagalbhai & Sons ..	52,036	1,033	Standard Mills	437½	100	20 0	20 0	20 0	20 0	12	Y.P.
99,85,700	84,69,716	2,28,87,647	1,19,01,899	67,611	Tata Industries Ltd.	72,236	2,000	Svadeshi Mills	239½	100	16 0	16 0	8 0	12 0	12	Y.P.
36,00,000	28,78,466	1,17,42,921	70,22,716	5,59,764	James Finlay & Co., Ltd. ..	38,828	853	Swan Mills	447½	100	20 0	20 0	20 0		12	Y.
33,77,425	51,36,376	1,77,34,339	98,44,553	43,465	Tata Industries Ltd.	62,096	1,800	Tata Mills	59	25	1 0	1 0	1 8	4 0	12	Y.T.P.
13,00,000	62,55,709	1,15,36,436	51,90,000	2,816	Thackersey Mooljee Son & Co.	54,136	1,209	Western India Spg. & Mfg. ..	5,000	1,000	200 0*	225 0*	225 0	300 0	3	Y.
AHMEDABAD																
25,00,000	21,11,650	1,36,23,272	60,47,302	5,406	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	155	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	90,53,688	89,83,424	65,39,067	7,878	P. M. Hutheesing & Sons, Ltd. ..	43,768	912	Aruna Mills	667½	100	20 0*	20 0*			12	Y.P.
26,25,000	2,40,17,401	1,48,07,666	1,03,05,000	46,584	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,672	100	25 0	25 0	25 0		12	Y.P.
20,00,000	86,43,340	79,44,376	56,25,000	3,90,074	Mangaldas & Sons, Ltd.	35,884	672	Arvindas Ginning & Mfg. ..	222½	100	15 0	15 0	15 0		12	Y.P.
12,00,000	1,08,85,621	82,14,168	56,70,788	55,358	Lalbhai Dalpatbhai & Co ..	37,868	914	Asoka Mills	865	100	22 0	22 0*	22 0		12	Y.P.
1,24,79,011	1,11,66,308	4,24,88,718	3,07,53,844	16,00,758	Karamchand Premchand Ltd. ..	1,39,120	3,372	Calico	518½	125	18 0	18 0	18 0		12	Y.
62,45,000	89,04,000	1,10,59,035	79,90,000	1,96,542	Trisumal Bhojraj & Co., Ltd.	49,536	1,040	Commercial Mills	170	100	70 0	70 0	70 0		12	Y.P.
80,00,000	66,61,702	1,14,89,135	91,25,806	6,887	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg. ..	840	125	35 0	35 0	35 0		12	Y.
5,00,000	61,16,982	46,72,745	31,76,001	700	Jagabhai Bhoglal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	430	100	30 0*	30 0*			12	Y.P.
12,50,000	1,09,22,589	79,71,788	52,25,077	32,522	Lalbhai Dalpatbhai & Co	31,120	636	Raipur Mfg.	1,225	100	25 0	17 8			12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,480	—39,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg. ..	257½	250	*Nil*				12	Y.P.
32,50,000	16,74,854	1,17,34,839	84,17,508	4,020	Lalbhai Gordhandas Ltd.	54,156	843	Saraspur Mills	275	100	9 0	9 0			12	Y.P.
25,58,150	1,90,84,538	1,60,18,812	1,34,25,000	2,52,570	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambika Mills	609	50	16 0	18 0	20 0		12	Y.P.
19,52,500	59,00,194	78,08,018	62,03,800	6,484	Mafatlal Chandulal & Co., (Ahmedabad), Ltd.	26,624	720	Shorrock Spg. & Mfg.	515	100	20 0	20 0	25 0*		12	Y.
28,00,000	26,96,488	1,03,76,340	68,25,291	32,764	Haridas Ashratlal & Co., Ltd.	35,176	780	Vijaya Mills	700	400	35 0*	35 0*	25 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,52,800	84,23,069	21,01,810	1,03,080	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	5	10	*Nil*	0 4	0 8		12	Y.P.T.
7,11,250	5,40,775	45,42,881	25,67,597	96,783	Bengal Textile Agency, Ltd. ..	23,544	936	Bengal Luxmi Cotton Mills ..	40 N	50	3 0	*Nil*	4 0		3	Y.
6,00,000	23,71,798	81,32,222	51,53,000	—24,31,401	Kettlewell Bullen & Co., Ltd.	42,872	541	Bowreah Cotton Mills	165XR	100	*Nil*	*Nil*	*Nil*		12	H.
10,00,000	35,17,571	1,01,41,466	69,33,080	—7,06,925	Kettlewell Bullen & Co., Ltd.	43,944	518	Dunbar Mills	310	100	*Nil*	*Nil*	*Nil*		6,12	H.
1,60,00,000	2,07,69,266	3,59,23,874	1,20,23,799	2,45,433	Birla Brothers, Ltd.	70,884	1,990	Kesoram Cotton Mills	18 18	1 12	1 12	0 14	0–14		3	Y.P.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co. ..	22,484	443	Mohini Mills	—	25	1 4				12	Y.
23,96,258										10	0 8				12	Y.P.
19,47,7500	7,45,000	47,06,298	24,48,352	1,094	Hazaresmull Heeralall	23,036	795	Rampooria Cotton Mills ..	11½ M	1D.	*Nil*	0 8	0 8	1 0	6	Y.
5,00,000D									1½		*Nil*		*Nil*			
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,27,191	29,09,649	—9,54,223	Ramia & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	7½	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
6.5.71,94,400	44,28,207	2,10,91,206	50,40,018	....	Industrial Trust Fund	26,126	708	Azam Jahi Mills	93½	100	6 0	6 0	*Nil*		12	Y.
40,50,000	2,00,68,745	3,24,98,906	2,42,85,268	2,88,649	Binny & Co. (Madras), Ltd./	40,068	1,187	Bangalore Woollen, Cotton and Silk Mills	670cd	100	15 0	25 0	30 0	30 0	12	Y.
15,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers, Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	85N	10	3 0	3 0	3 0		6,12	H.P.Y.
1,79,47,800	1,76,52,500	6,38,09,208	3,52,32,130	2,88,445	Binny & Co. (Madras), Ltd. ..	1,20,356	2,787	Buckingham & Carnatic	186½cd	100	6 0	10 0	10 0	10 0	3	Y.
20,00,000	20,00,406	84,17,820	19,76,634	5,56,087	Pedros, Leslie & Co., Ltd. ..	38,706	..	Cambodia Mills	181	10	1 0	1 0	1 0		12	Y.T.
15,00,000	4,51,500	44,08,466	21,80,176	44,557	K. Damodaram, Esq.	17,496	..	Cannanore Spg. & Wvg.	154	100	12 0	12 0	12 0		12	Y.
20,00,000	25,09,377	58,07,118	50,84,815	29,514	Begg, Sutherland & Co., Ltd.	22,796	591	Cawnpore Textiles	5	5	0 0	0 0	0 8		3	Y.
13,00,000	20,60,000	34,68,396	27,86,527	34,164	B. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills ..	335	100	0 0	0 0	25 0		12	Y.
20,00,000	14,20,000	86,95,518	21,85,560	14,063	T. R. N. Naidu & Co.	22,788	..	Coimbatore Pioneer Mills ..	272½	100	0 0	15 0	20 0		6	Y.
20,72,900	4,74,845	1,15,79,999	74,71,919	19,586	R. S. Naidu & Co.	73,832	407	Coimbatore Spg. & Wvg. ..	89	50	*Nil*	*Nil*	3 0	6 0	6	Y.
46,87,500	52,82,449	2,48,18,409	1,58,09,333	3,708	Tata Industries, Ltd	1,15,188	2,063	Central India	143½	100	0 0	4 0	3 0	6 0	6	Y.P.
5,33,26,325	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. B. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills ..	86N	25	1 12	1 12	2 0	2 81	6	Y.P.
1,00,548										25	0 1 4/5	0 2 4/5	0 2 8/5	0 3 8/5		
24,24,500	24,73,758	47,24,037	23,23,513	9,248	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	372½cd	100	20 0	20 0	20 0		12	Y.
68,00,000	56,85,860	1,52,16,383	1,29,71,631	93,386	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	277	100	10 0	10 0	10 0		12	Y.
48,81,000	35,22,175	1,00,55,167	85,95,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	27,974	..	Gokak Mills	4	10	1 0	1 0	1 0	1 0	12	Y.
50,00,000	3,06,854	1,29,35,712	1,03,08,430	8,150	Govindram Sakaaria (Indore)	51,180	1,430	Indore Malwa United	286½xd	100	17 0*	17 0	18 0	15 0	12	Y.
5,90,000	10,65,883	31,06,689	18,48,155	2,079	G. V. Naidu & Co., Ltd. ..	24,828	..	Janardana Mills	149½	100	0 0	0 0	2 0	3 81	12	Y.
24,00,000	16,25,000	78,88,868	38,50,000	29,852	Kothari & Sons	45,000	800	Kothari Textiles	10½	10	0 12	0 8	0 8	1 0	12	Y.P.
32,00,000	69,82,519	1,43,37,744	1,05,78,357	19,088	Bombay Co., Ltd.	51,978	1,319	Lakshmi Cotton Mfg.	700	250	37 8	37 8	25 0	25 0	6	Y.P.
35,54,100	66,55,960	1,11,56,880	75,29,338	74,376	G. K. Naidu & Co.	35,908	201	Lakshmi Mills	196	50	8 0	8 0	10 0	12 8	3	Y.
17,82,050									96	25	4 0	4 0	5 0	6 4		
1,75,05,450	4,18,81,878	5,78,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	6–1	10	1 4	1 4	1 4		12	Y.
12,00,000	4,17,563	28,26,768	16,72,262	—99,078	A. L. A. R. S. Chettiar and Sothers	22,592	100	Malabar Spg. & Wvg.	16	100	8 0	8 0	8 0		12	Y.
60,00,000	69,00,000	62,41,446	41,60,224	1,43,408	W. A. Beardsell & Co., Ltd.	24,720	608	Mettur Industries Ltd. ..	410	100	12 8	12 8	25 8*	25 0	12	Y.
29,59,700	19,47,908	84,18,677	46,55,184	9,299	N. Sirur & Co., Ltd.	39,896	704	Minerva Mills	88	100	5 0	5 0	5 0		6	Y.
54,91,850	27,54,604	1,61,29,118	78,51,523	—7,44,932	Ramalal Abirchand Dadabhoy & Co.	51,340	948	Model Mills (Nanpur)	150	100	7 8	7 8*	5 0(e)		6	Y.
30,00,000	58,19,600	1,58,39,272	1,06,91,551	—7,17,990	Indian Textile Syndicate Ltd.	58,640	1,524	Muir Mills	160N	100			5 0(e)		6	Y.
24,58,500	50,24,547	99,04,000	65,90,288	32,708	N. Sirur & Co., Ltd.	50,128	500	Mysore Spg. & Mfg.	108½	50	10 0*	10 0*	8 8*	6 0(e)	12	Y.P.
19,91,750	19,61,750	49,42,992	19,27,000	8,956	R. Suryanarayana Rao, Esq. Manager	9,600	..	Mysore Spun Silk Mills ..	5½	10	*Nil*	*Nil*	*Nil*		3	Y.
28,29,3800	25,62,583	1,02,16,296	58,90,719	—89,62,829	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	24	10					3	Y.
2,07,965D	57,72,270	1,68,68,562	92,85,092	....	Industrial Trust Fund	37,788	856	Osmanshahi Mills	(O. 2½ D. 1	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.P.
57,14,500									100	7 0	4 0				9	Y.
4,00,000A	7,50,000	35,04,758	21,95,715	9,122	Bhashyalakshmi & Co.	22,924	..	Palani Andavar Mills	166	50A	10 0	10 0	12 0		12	Y.P.
6,00,000B									225	75B	11 4	15 0	15 0			
15,00,000	2,25,000	34,59,511	16,41,045	—15,87,240	C. S. B. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	100	744	*Nil*	*Nil*	*Nil*		12	Y.
16,51,200A	20,00,000	72,90,455	41,41,878	23,867	A. G. Guruswamy Naidu & Co.	51,664	301	Radhakrishna Mills	200	100A	6 0	8 0	16 0		12	Y.
8,49,500B									145	50B	3 0	4 0	8 0			
15,00,000	33,75,000	84,37,775	17,67,022	12,387	S. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	176	50	4 8	7 8	10 0		12	Y.
22,29,625	18,40,000	40,14,000	15,05,147	29,360	Rayalaseema Development Co. ..	14,800	..	Rayalaseema Mills	140cd	100	6 0	6 0	9 0	10 0	12	Y.
60,00,000	62,04,508	98,52,557	58,53,291	—19,59,428	J. P. Srivastava & Sons (Kamper) ..	34,538	600	Rama Textiles	7½N	*Nil*	*Nil*	*Nil*			12	Y.P.
16,00,000	1,80,39,516	2,89,27,048	2,04,27,279	—1,50,32,067	Morarka & Co.	96,282	2,234	Sholapoor Spg. & Wvg.	1,000	500	*Nil*	*Nil*	*Nil*		3	Y.P.
26,69,700	16,65,628	71,75,918	51,25,880	27,871	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills ..	90½	50	4 0*	4 0*	4 8		3	Y.
20,14,200	2,00,246	25,18,906	17,73,000	—2,46,777	Gopaldas Lladhar & Co., Ltd. ..	17,880	440	Shree Rajlan Mills	85½	*Nil*	*Nil*	*Nil*	*Nil*		3	Y.
15,00,000	3,11,90,237	96,06,557	72,44,784	31,27,683	Birla Brothers, Ltd.	35,556	1,243	Sutlej Cotton Mills	18	10	4 0	4 0	5 0		3	Y.
17,50,000 O	2,30,00,000	4,54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	10½	10 O.	*Nil*	0 8	0 12	0 12	12	Y.P.
1,67,50,000pf									10½	10P.O.	*Nil*	0–14 2/5	1–2 2/5	0 12		
99,84,040	16,00,000	2,75,11,606	1,00,85,784	1,23,128	Ernoste & Sons (Travancore), Ltd.	..	..	Travancore Rayons	15½	10	*Nil*	0 8	0 12		12	Y.P.T.
13,86,670	8,78,332	19,37,181	11,37,336	1,503	Mooljee Ramlee & Sons	17,600	..	Trichinopoly Mills	12xd	10	0 11 1/5	0 11 1/5	0 14 2/5	0–14 2/5	12	Y.
21,00,000	32,00,000	56,02,295	36,81,499	39,500	B. K. S. Chetty & Brothers ..	38,544	270	Vasanta Mills	237½	100	12 0	12 0	15 0		12	Y.
32,80,000	31,99,443	1,88,35,086	1,00,23,290	23,250	Bombay Co., Ltd.	46,490	1,331	Vishnu Cotton	102½	100	10 0	4 0	4 0	2 81	12	Y.P.

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.
(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend at Rs. 10 per share was paid on the increase capital of 43,000 shares of Rs. 50 each. X.R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	9½	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,20,630	18,38,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	6	5	0 8	0 8	0 8	0 9	5	Y.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.†	East India Distilleries and Sugar	27½	A. 16sh. B. £1	Sh. 1 3/5 Sh. 2	Sh. 1 3/5 Sh. 3	Sh. 1 3/5 Sh. 4	3/5	3	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	135	75	Sh. 2 15 0	Sh. 4 15 0	Sh. 5 4/5 15 0	Sh. 4 15 0	3	Y
CEMENT														
£1,37,700A.	10,35,516	79,90,234	39,32,658	26,623	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	156	A. 100	7 8	10 0*	10 0		12	Y.P.T.
£9,70,020B.							15½	B. 10	0 12	1 0*	1 0			
£8,14,900D.	13,13,132	18,73,893	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement ..	6½	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.
4,70,976D.							1½	D. 1						
£3,71,66,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	219½	100	9 8	9 8	8 8	10 0	7	Y.
€0,00,000O.							14½	O. 10	1 0	1 0				
26,50,000O.	48,20,901	89,92,667	29,67,544	2,86,599	Hari Brothers, Ltd.	Dalmia Cement (Bharat)‡	22	O. 2½	0 2½	0 2½	1 4		12	Y.P.T.
5,00,000D.							22	D.

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,40,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	127	25	Nil	Nil	1 9 / 2 8	2 8 / 2 8	6,12	H.P.T.
62,98,250	66,03,861	1,11,56,730	76,81,898	88,945	Andrew Yule & Co., Ltd.	India Paper Pulp †‡	25½	10	5 0	6 0	7 0	0 11½	3,9	H.
25,00,000	16,12,500	1,36,83,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	17½	10	1 0*	1 0*	0 12*	0 15*	3,9	Y.
1,46,82,500	2,09,26,641	4,27,02,365	1,02,98,953	2,29,489	Birla Bros	Orient Paper	35½	10	1 0 / 1 0	1 0 / 1 0	0 8 / 0 8	0 8 / 0 8	3,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	19 3/4	10	0 12	0 12	0 12	0 10‡	3,9	H.P.T.
20,00,000 / 10,00,000'A' }	6,50,000	54,00,869	30,16,681	4,492	Baloria & Co.	Star Paper Mills	11½ / 11½	O. 10 / A. 10	0 8 / 0 8	0 12 / 0 12	0 12 / 0 12	0 8‡	3,9	H.P.T.
56,00,000A. / 56,04,800B. / 4,87,800P.O. }	8,07,07,816	5,39,14,072	3,13,50,222	89,160	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd. ..	44½ / 4 3/4	A. 10 / B. 10 / P.O. 2½	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	0 12 / 0 12 / 0 2	1 0* / 2‡	3,9	H.P.
PRESSING														
3,00,000	6,12,865	16,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	Nil	9	Y.
4,50,000	1,90,000	9,89,525	4,75,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	7 0	4 0	Nil	7	Y.
5,00,000	1,95,000	10,91,811	9,30,377	18,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	6	Y.
PROPERTY AND LAND														
10,00,7800. / 2,00,000D. }	7,43,065	43,45,067	21,43,279	96,047	S. A. Basil, Esqr. & others (Directors)	Humayun Properties	13¾ / 2½	O. 10 / D. 1	0 8 / Nil	0 11½ / 0 12 5/8	0 9 / Nil	4	9	Y.P.
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	9	100	1 8	1 8	1 8	Nil	4	Y.
94,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	35	100	2 0	1 8	4 0	2 0	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	25,23,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	5 3/4	3	0 4	Nil	Nil		9	Y.
50,00,000 / 43,00,000 / 6,00,000 }	4,18,57,280	8,35,00,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn. ..	633 / 227½ / 30N	Old125 / New50 / 100	22 15 0 / 9 0 6 0 / Nil Nil	20 0 / 6 0 / Nil Nil	37-8 / 16-0 / Nil Nil		5 / 6	Y. / Y.
20,00,000	18,15,487	18,19,049	16,53,015	1,79,568	Jardine Henderson Ltd.	Bengal Timber Trading								
					Gillander Arbuthnot & Co., Ltd	Indian Wood Products	39	10	2 8	2 12	2 12	1 0‡	9	Y.P.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,287	29,45,224	26,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	9	5	Nil	Nil	0 12			
12,00,000A. / 3,00,000B. }	29,18,356	49,46,285	33,16,660	15,50,000	Narangs Bros. & Co., Ltd.	Basti Sugar	150N / 14N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	10 0 / 1 0	0 1	6	Y.
15,49,050	9,50,000	31,91,667	23,33,812	49,906	Bansur Bros., Ltd.	Belsund Sugar	11½ / 17N	7½ / 10	0 12 / 1 8	0 12 / 1 8	0 12 / 1 8		4 / 9	Y.
15,00,000	13,90,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar								
22,00,000	28,37,030	1,36,90,775	92,27,801	12,445	Gladstone Lyall & Co., Ltd. ..	Cawnpore Sugar	91 / 21½	Nil / 10	Nil / 2 0	Nil / 2 0	Nil / 0 12	1 8 / 0 4	6 / 6	Y. / Y.P.T.
80,00,000	57,83,651	1,08,44,647	84,32,451	32,023	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	31	10	2 0	2 0	2 0	0 12	10	Y.P.
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Deoria Sugar	94N	10	0 8	1 0	1 0	0 8	6	Y.P.
5,99,452	6,18,562	24,58,330	15,58,747	48,204	Karamchand Thapar & Bros. ..	Hindustan Sugar Mills	260N / 'A' 100	12 / O. 100	0 0* / 12 0*	0 0* / 15 0*	0 15* / 15 0*	15 0*	6	Y.P.
50,00,000A. / 10,00,000O. }	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd	Kesar Sugar	60N / 24N	80 / 40	Nil / Nil	Nil / Nil	4 8 / 4 8		6	Y.P.
12,00,000	8,61,001	75,81,809	42,63,455	27,926	Kilachand Devchand & Co.	New India Sugar Mills	35N	10	2 8	2 8	2 8	1 8‡	7	Y.P.
7,89,100	22,14,058	34,94,612	19,35,833	1,364	Cotton Agents Ltd	Rohtas Industries	6	10	0 12	0 12	0 12		6	Y.P.T.
11,00,000	4,20,000	42,21,480	24,87,558	4,185	Karamchand Thapar & Bros. Ltd. ..	New Swadeshi Sugar Mill	240N	100	20 0	20 0	20 0	20 0‡	6	Y.
10,87,500A. / 8,71,875B. }	49 60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	Oudh Sugar	80N / 99N	25 / 100	5 0 / 6 0	5 0 / 6 0	5 0 / 6 0	20 0‡	6	Y.
77,45,350	52,18,150	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Punjab Sugar	215N	100	6 0	11 0	11 0	11 0	7	Y.P.
12,00,000	12,74,223	25,77,669	19,95,928	59,000	Narang Bros. & Co., Ltd.	Puratippore Co.	105	100	1 0	1 0	1 0		10	Y.
9,00,000	17,64,369	37,85,808	30,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Rayam Sugar	215N	100	1 0	1 0	1 0	0 12	10	Y.P.
8,00,000	6,64,762	25,43,782	21,01,613	24,340	M.	Samastipur Central Sugar	14	10	1 0	0 8	0 8		6	Y.
11,99,900	18,36,779	38,53,583	22,92,120	8,477	Begg, Sutherland & Co., Ltd. ..	Shree Krishna Gyanoday Sugar ..	12½	10	1 8	1 8	Nil	Nil	6	Y.
20,00,000	22,85,950	1,35,20,110	62,59,521	34,046	Sahu Jain Ltd.						1 8	1 12	6	Y.P.T.
9,99,950	61,825	26,83,548	11,98,627	—5,98,858	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	0 6‡	Nil	Nil		6	Y.P.
7,95,462	18,82,940	31,60,785	17,68,063	1,06,227	Karamchand Thapar & Bros ..	Shri Sitaram Sugar	14½	10	1 0*	2 0*	1 8*		6	Y.
9,15,0000 / 40,000D. }	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	13N / 8N	O. 10 / D. 2½	Nil / Nil	Nil / Nil	Nil / Nil		10	Y.P.
8,00,000	21,91,635	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 0	0 8	2 8	2 8	6	Y.P.
16,00,000	7,99,778	32,06,650	25,98,846	39,051	James Finlay & Co., Ltd.	United Provinces Sugar	23½	10	1 8	0 8	1 4		6	Y.
Other Centres														
48,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	231	50	16 0	16 0	16 0	16 0	9	Y.
17,50,000	9,24,292	33,03,879	21,36,722	4,6v2	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	14xd	10	1 0	0 10	1 0	1 0	9	Y.
15,98,900	8,45,541	39,19,958	30,01,146	51,992	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N	100	2 0	1 0	Nil	Nil	9	Y.P.
31,47,780	14,00,000	80,54,907	18,71,128	5,22,318	India Sugar Agencies Ltd.	India Sugar and Refineries	20‡	10	2 8	2 8	1 12	1 6 2/6	9	Y.P.
23,57,620	41,27,060	41,95,605	20,73,418	1,402	Govan Bros. (Rampur), Ltd.	Buland Sugar	144N	10	0 12	1 0	1 0		9	Y.
10,52,2000 / 2,87,190D. }	69,50,000	95,98,952	81,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	187 / 100	0.100 / D. 10	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0	10 / 9	Y. / Y.P.
21,79,280	95,00,001	1,31,37,677	78,17,780	2 90,340	S. Munnanlappa, Esq. (Managing Director)	Mysore Sugar	49	10	2 0	2 0	2 0	2 0	6	Y.
50,00,000	48,49,631	1,08,28,164	59,35,509	11,063	Malatial, Apte and Kantilal Ltd.	Phaltan Sugar	140	50	8 0	8 0	8 0	8 0	6	Y.
16,59,820	28,50,880	53,90,015	26,70,747	39,280	Anderson Wright Ltd.	Ramnagger Cane and Sugar	24½	10	2 0	2 0	1 8		6	Y.
20,00,00,000. / 10,00,000O. }	24,67,171	87,47,627	53,31,890	61 482	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	86N / 75	O. 50 / D. 10	9 0 / 0 11½	Nil / Nil	Nil / Nil		9	Y.P.T.
4,00,000D. }	18,99,608	46,88,467	40,07,959	4 685	Govan Bros. (Rampur), Ltd.	Raza Sugar	151N	10	1 0	1 0	0 12		9	Y.P.T.
80,00,000	10,87,776	59,76,224	17,67,159	—32,224	Parry & Co., Ltd.	Travancore Sugars	13‡	10	Nil	Nil	Nil		10	Y.
1,01,00,000	61,19,890	1,85,70,930	1,04,53,812	1,79,088	Premier Construction Co., Ltd.	Walchandnagar Industries	253½xd	100	14 0	14 0	16 0		9	Y.P.
TRANSPORT														
20,00,000	1,00,69,622	1,24,00,702	15,56,557	55,526	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	140xd	100	12 8	10 0	7 8	7 8	10	Y.P.
1,00,00,000	1,67,640	4 65,14,760	1,30,00,587	89 648	Dinshaw Ltd.	Bharat Line	74	100	5 0	5 0	5 0		12	Y.
50,00,000	24,85,888	2,50,21,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co (Bombay) Ltd.	Great Eastern Shipping Co. ..	17½	10	1 0	1 0	1 0	Nil	6	Y.P.
£555,580	£960,878	£5,515,631	£3,344,773	£21,366	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	116	£10	Sh.10	Nil	1 0	Nil	6	Y.P.
2,25,00,000	74,99,233	7,98,25,462	1,81,58,690	1,28,061	Lionel Edwards Ltd.	India Steamship Co.	8½	10	0 8	0 8	Nil	Nil	12	Y.P.
9,40,19 673	6,94,92,081	18,36,68,418	4,84,44,800	2,75,883	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	171xd	20	0 8	0 12	Nil		8	Y.P.
5,40,8000. / 5,10,800P.O. }	18,53,194	11,38,000	6,80,211	1,84,122	R. B. Alyer, Esq. (Manager) ..	Walford Transport Ltd.	24 / 14	O. 1 / P.O. 1	as. 1 9/25 / as. 1 9/25	as. 1 2/6 / as. 1 9/25	1 25/25 / 1 19/25		12	Y.
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	25 0	32 0	32 0	32 0	9	Y.
13 95,860	3,04,178	9,78,542	3 894	42 583	Parakh Agencies Ltd.	Bombay-Uganda	62½	80	4 0	5 0	4 8		12	Y.
23,95,000	1,00,000	25,74,281§	9 294	3 894	Dena Sons, Ltd.	Devkaran Nanji Investmen Co. ..	13	25	0 12	0 12	0 12		12	Y.
14,98,440	3,42 585	28,00 500	17,75,000	4 110	Choonilal Manilal Ltd.	Estrela Batteries	80	50	2 8	Nil	0 12	0 12	12	Y.
99,99,250	19,47,386	1,22 03,094§	.....	2,83,136	Premchand Roychand & Sons ..	Gandhi Investment Trust	60½	100	4 8	4 8	4 8	2 0	3	Y.P.
99,99,975	35 06,851	35,10,399	9 31 529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	166½	100	10 0	10 0	11 0	11 0	12	Y
2,07,02,800A. / 10,00,000B. }	5,28,634	2,87,88,373	1,25,90,292	5,86,717	Auto-Auto Ltd.	Premier Automobiles	94	A.100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil		6	Y
8,75,00,000	55,24,847	7,24,608	3,07,108	35,484	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd.	22½	20	3 0	3 0	Nil	Nil	6	Y.
45,00,000					T. Rydin, Esq. (Managing Director) ..	Indian Motor Mills Ltd.	206‡	100	11 0*	11 0*	11 0*		12	Y.
					Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
47,50,000 / 2,50,000 }	15,00,000	1,88,62,801	83,00,000	90,558	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	10 3/4 / 2 3/4 N	O. 10 / D. 2½	Nil	Nil	Nil		2	Y.P.T
30,00,000	35,05,079	82,06,626	21,94,951	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	21‡	10	1 4	1 4	1 4	2 0*	3	Y.
30,00,000	8,25,000	25,74,632	20,11,857	1,17,492	T. Rydin, Esq. (Mg. Director) ..	Assam Match Co., Ltd.	19‡	10	1 0*	1 0*	1 0*		6	Y.
20,00,000	27 47,888	1,01,49,337	39,87,850	92,588	Oberoi Hotels (India) Ltd.	Associated Hotels of India	61N	10	0 4	0 3 1/5	0 3 1/5	0 6 2/5	3	Y.P.T.
80,01,400	82,94,263	66,81,988	32,21,988	1,49,717	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd.	174‡	100	20 0*	20 0*	15 0	2 8	12	Y.P.T.
12 00,000	9,10,000	31,07,472	22,35,472	12,375	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	80	10	0 10	1 8	2 8	1 8‡	12	Y.
20,00,000	7,99,470	57,58,250§§	1,21,782	1,96 548	Lovelock & Lewis	Birds Investment Ltd.	16‡	10	1 4	1 4	1 4		6,12	Y.
45,97,050	26 44,414	1,00,74,580	29,49,001	—27,86,584	K. Julian Scott Esq. (Mg. Director) .	Britannia Biscuits	14‡	10	1 0	1 0	1 0		9	Y.P.
2,25,00,000	1,16,11,806	2,82,03,905	2,22,14,167	Cr. 1,84,884	Sir Robert Menzies	British India Corporation Ltd. ..	10‡	5	0 10	0 8	1 0	1 0	3	Y.P.T.
1,80,00,000	1,79,00,000	4,58,17,964	3,08,58,184	5,13,808	Cecil Mackie, Esq. Mg. Director)	Ewing Bubbers (India) Ltd.	31‡	10	1 8	1 8	1 8	Nil	12	Y.P.T.
51,26,000	58,96,753	1,54,19,916§§	.....	.....	Bird & Co., Ltd.	Eastern Investments Ltd.	154	100	9 0	9 0	9 0		12	Y.P.T.
14,00,000	10,02,000	33 81,772	18,89,772	27,194	MacNeill & Barry Ltd....	Ganges Rope Co., Ltd.	179xd	100	20 0	20 0	20 0	20 0‡	6	Y.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	14 3/4	10	10 0	10 0	7 8	7 8	3	H
30,00,000	11,42,164	66,59,483	29,41,525	1,266	B. P. B. Syndicate	Great Eastern Hotel	240	250	10 0	7 8	7 8	1 6 2/6	3	Y.P.
12,42,800	9,87,964	72,81,701	53 80,859	96,586	Birla Bros., Ltd.	Hind Cycles	150N	100	15 0	4 4	6 0		9	Y.
4,96,13,350	2,92,450	3,56,84,606	94,51,719	2,96,512	Birla Bros., Ltd.	Hindustan Motors	10‡	10	1 0	1 0	0 12	0 12	10	Y.P.
1,50,00,000	35,77,754	3,96,21,557	1,54,14,699	25,96,612	J. W. Cameron, Esq.	Indian Aluminium Co.	221	10	1 0	0 8	Nil	Nil	3	Y.P.T.
1,50,99,220	1 20,50,000	1,55,72,391	57,17,651	25,96,462	A. R. Driessen, Esq.	Indian Cables	81‡	10	1 0	Nil	Nil	4 0‡	12	Y.P.
5,37,970	5,38,000	16,40,506	8,90 110	92,618	G. S. Monilon & Co. (India), Ltd. ..	Indian Rubber Manufacturers ..	11‡	10	1 0	1 0*	1 0*	1 4*	12	Y.P.
18,18,00,000	7,33,92,585	3,55,94,047	1,17,80,408	25 00,788	Mr. Eric Henry Hare (Chairman) ..	Imperial Tobacco Co. of India Ltd.	14‡	10	1 0	0 12	0 8	0 8	3	Y.P.
5,00,00,000	55,29,566	84,83,960	6,60,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	99	100	10 0	7 8	0 12 2/6	0 12 2/6	3	Y.
6,34 0000. / 66,0000. }	3,48,343	6,89,880	4,31,766	2,240	James & Co., Ltd	Macfarlane & Co.	2 / 2	O. 5 / D. 5	Nil	Nil	H		7	Y
60,00,0000. / 5,00,000D. }	72,01,900	25,16,760	7,07,301	1,87,884	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.	210N / 17 0	O.100 / D.0.10	7 8 / 17 0	10 0 / 17 0	17 0 / 1 1 2/3		12	Y.P.
1,67,58,000	60,54,276	92,58,051	11,84,226	16,48,141	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	22½	10	1 0	1 0	1 0	1 12*	12	Y.P.
1,16,00,000	44,50,000	1,76,54,806	67,97,467	—15,289	H. Chiswell Jones, Esq (Chairman) ..	Metal Box Co. of India, Ltd. ..	21‡	10	1 0	1 0*	1 0	1 4*	9	Y.
9,56 258	1,58,856	7,81,449	2,80,987		Ossie Glass Works Ltd.	Mysore Lamp Works	11	10	1 0	1 0	1 0	1 4	9	Y.P.
6,56,250	9,55,118	10,40,250	4,40 947	20,916	C. Chandy, Esq. (Controller)	Mysore Tobacco	14‡	10	Nil	Nil	Nil		12	Y.P.
10,00,000	1,23,000	15,18,188	9,10,628	2,22,282	T. Shanmanna, Esq. (Chairman) ..		11‡	10	1 0	1 0	1 4		12	Y.P.
40,00,000	21,21,178	59,00,527	29,20,120		Associated Industrial Development Co., Ltd.						1 4	1 0	3	Y.P.
79,97,000	31,15,227	1,14,76,878	52,77,582	9,08,430	National Insulated Cable Co....	National Tobacco Co.	23‡	10	0 12	1 0	1 0	1 8*	3	Y.P.
40,00,000	37,00,000	44,19,474	19,71,484	1,81,468	B. R. Silas & Co., Ltd.	Parry & Co.	12‡	10	Nil	Nil	0 8		12	Y.P.
2,25,00,000	7,25,185	1,58,49,091	40,14,109	—63,99,179	Coromandel Investment Trust Ltd. ..	Rallis (India) Ltd.	3 3/4 N	10	0 6 4/5	0 4 4/5	0 4 4/5		12	Y.P.
1,72,24,400	1,31,20,208	7,86,34,689	3,47,94,970	4,91,824	M. P. A. Pnapatti, Esq.	Saha Jain Ltd.	33½	100	Nil	Nil	Nil	Nil	3	Y.P.
40,00,000	69,80,594	1,16,76,870	70,99,687	5,10,675	Saha Jain Ltd.	Rohtas Industries	21‡	10	1 0	1 0	1 0		12	Y.P.
75,00,000	49,00,000	18,98,8655§	4,16,784	2,63,651	C. W. Stephenson, Esq.	Spencers & Co., Ltd.	17‡	10	1 8	1 8	1 8	1 8	10	Y.
9,98,880	1,80,000	14,58,895	5,40,446	2 00,000	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	15‡	10	1 0	1 0	1 0	1 0	6	Y.
					Ossie Bros. Ltd	Travancore Ossie Glass	8‡	10	Nil	Nil	Nil		12	Y.

§§ Investments at cost. * Includes bonus. ‡ On old capital. † Overdue Rs. 1,48,01,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amlookie	425N	100	7 8	25 0	30 0		12	Y.P.
2,50,000	3,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	41N	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	433	Ananda Bag	42	10	Nil	2 8	3 0		12	Y.
5,50,000	11,21,541	10,95,977	6,41,367	93,058	McLeod & Co., Ltd.	513	Baghmari	28½	10	Nil	Nil	3 8		12	Y.
5,10,000	8,50,000	11,29,193	3,39,461	93,033	Andrew Yule & Co., Ltd.	389	Basmatia	30½	10	2 0	2 8	3 0		12	Y.
3,30,500	4,65,000	10,11,265	6,40,265	13,304	National Tea Corporation	569	Bateli	23‡	5	0 4	2 0	4 0		12	Y.
3,20,000	8,70,000	9,80,764	2,59,311	63,794	Gillanders Arbuthnot & Co., Ltd.	594	Beljan	48	10	Nil	2 0	10 0*		12	Y.
6,50,000	20,60,000	22,30,169	12,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,987	Bishnauth	28½	10	Nil	3 8			12	Y.
6,00,000	2,53,500	10,49,416	2,03,130	61,929	Octavius Steel & Co., Ltd. ..	435	Bokakhat	27‡	10	Nil	Nil	1 0		12	Y.P.
7,50,000	6,52,400	8,92,327	2,33,050	1,44,105	McLeod & Co., Ltd.	450	Borman Jan Tea ..	20	10	Nil	0 12	3 8		12	Y.P.T.
35,00,000	11,92,045	72,80,473	19,49,495	2,89,092	Brook Bond India Ltd.	2,834	Brooke Bond	25 ½	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,00,426	5,55,963	1,35,593	6,543	McLeod & Co., Ltd.	282	Dejoo Valley	39	10	Nil	1 0	6 0		12	Y.
6,00,000	10,99,000	26,64,194	16,34,471	51,350	Jardine Henderson Ltd.	1,220	Desai & Parbattia ..	402N	100	10 0	20 0	40 0		12	Y.
1,50,000	7,53,440	9,37,933	22,73,420	4,17,846	James Warren & Co., Ltd.	620	Dhelaikhat	22½	10	1 0	1 8	2 8		12	Y.
4,68,970	3,95,000	10,93,269	3,77,383	8,779	James Finlay & Co., Ltd.	644	Dhunseri	23‡	10	Nil	2 0	5 0		12	Y.P.
4,50,000	6,75,000

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
2,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,94,186	18,13,787	39,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	8½	3	0 0 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,195	32,97,456	5,25,006	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	22½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70,000	63,72,750	1,05,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	26½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,76,708	5,50,957	48,704	7,754	Associated Planters Ltd. ..	Cotlamal Plantations	19½	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,05,743	22,72,370	4,51,952	53,029	A. V. Thomas & Co., Ltd. ..	Highland Produce	17½	10	1 0	1 0	2 8		3	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	30½	10	2 0	2 0	2 0	2 12	12	Y.P.
9,00,000	7,28,329	18,44,917	2,55,893		K. T. Thomas Kathanar, Esq.	Malankara Rubber	30	10	3 8	5 8	2 4	2 4	4	Y.P.
27,00,000	29,30,000	74,32,314	7,74,629	1,45,568	A. V. Thomas & Co., Ltd. ..	Midland Rubber	21½	10	1 8	1 8	1 12*	2 8	3	Y.P.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd. ..	Neimmery Rubber	22½	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	2,00,888	7,20,495	44,185	8,600	Associated Planters Ltd. ..	Nilambur Rubber Co.	12½	10	1 0	1 0	1 0		12	Y.P.
12,45,980	24,00,991	41,19,709	12,04,557	40,306	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	5-8½	2	0 3½	0 3½	0 9 3/5	0 6 2/5	10	Y.P.T.
13,50,000	7,80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajasuri Rubber	23½	10	1 8	1 12*	1 12*	2 0	6	Y.P.
3,66,780	2,50,000	5,04,502	49,313	80,004	Peirce, Leslie & Co., Ltd. ..	Savumalai Estates Ltd.	27½	10	3 8	3 0	2 8		11	Y.
10,00,000	3,98,340	22,01,120	1,35,829	2,031	East india Agencies	Teekoy Rubber (India) Ltd. ..	10½	10	0 14½	0 14 2/5	0 12	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd. ..	Thamaraipally Rubber	20½	10	2 0	3 0	3 0		12	Y.P.
6,10,200	3,00,605	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Travancore Cochin Co., Ltd. ..	2-6½	1	0 4	0 4½	0 1 3/5	0 2	9	Y.
6,00,000	80,374	7,40,611	1,11,200	3,744	Eames Thomas, Esq. (Mg. Director)	Travancore Rubber	20½	10	2 0	2 0	2 0		12	Y.
61,00,000	14,20,673	74,86,897	7,65,148	3,28,025	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	73½	10	0 9 3/5	0	0		12	Y.
20,00,000	90,000	25,53,508	5,65,978	2,276	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	38	25	2 8	3 0	5 0		12	Y.
6,24,580	4,40,870	7,77,154	14 119	21,363	Harrisons & Crosfield Ltd. ..	Vaikundam (Travancore) Rubber ..	28½d	10	2 0	2 0	2 4		12	Y.
1,65,000	67,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	11	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* *Includes bonus.*

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Auzpara	12	10	1+1	1+½	1+½	1+	3.9	H.T.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,986	McLeod & Co., Ltd.	446	Alexandra	230	100	*Nil*	*Nil*+2½	2½+5		3.9	H.P.T.
8,40,350	70,000	1,17,45,964	91,71,995	2,58,782	McLeod & Co., Ltd.	1,264	Alliance	123	100	*Nil*	*Nil*+5	6+6	5+7½	6.12	H.P.
1,00,00,000	1,40,49,223	5,01,92,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd.	2,561	Anglo-India	182	100	10+10	10+10	2½+5	5+3½	6.12	H.P.
2,25,000	4,77,174	24,81,606	22,28,968	..	Andrew Yule & Co., Ltd.	810	Auckland	127	100	5+5	2+2	1+2½	6+4	3.9	H.P.
15,97,000	4,72,359	37,70,192	22,27,364	13,498	H. V. Low & Co., Ltd.	959	Bally	135	100	*Nil*	4+*Nil*	*Nil*	3½+*Nil*	3.9	H.P.T.
40,00,000	8,00,000	1,39,08,662	71,05,138	27,433	Sahu Jain Ltd.	1,889	Barnagore	142	25	£1	£1	£1	£1	6,12	H.P.
7,15,000	16,09,580	52,49,025	37,09,987	—1,65,136	F. W. Heilgers & Co. Ltd. ..	820	Belvedere	171xd	100	7½+7½	7½+7½	5+5	5+2½	3	Y.P.
16,00,000	16,17,930	68,14,858	39,99,841	—79,196	Ramarath Industries (Coal) Co.	600	Bengal	16½	10	1	1½	1½	1½	6	Y.P.T.
91,26,000	2,16,77,044	3,32,32,892	29,72,760	17,474	Andrew Yule & Co., Ltd.	1,373	Birla	11	10	3	3	1	1	3	H.
35,00,000	27,37,928	1,12,57,057	72,25,930	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	170	100	6½+6½	6+4	4+5	5+2½	6,12	H.T.
7,47,380	3,16,924	42,43,494	30,69,845	25,424	Jayaram & Sons	502	Calcutta Jute Mfg. ..	12	10	0+8	*Nil*	1+1		4,10	H.P.
18,00,000	80,46,234	87,13,271	41,48,799	6,248	Andrew Yule & Co., Ltd.	616	Caledonian	219	100	6+6	6+6	1+1	4+2½	6,12	H.T.
59,15,400	94,58,404	2,22,41,517	1,07,46,003	1,30,505	James Finlay & Co., Ltd.	600	Champdany	153	100	7+8	8+8	*Nil*+3	4+2½	5.11	H.
15,95,900	28,39,282	81,34,035	56,60,175	2,615	Andrew Yule & Co., Ltd.	530	Cheviot	214xd	100	6+6	6+6	6+8	6+4	5.6	H.
30,15,000	29,25,000	60,73,514	46,01,290	1,52,253	McLeod & Co., Ltd.	500	Chitavalsah	114	10	2½+1½	£1	£1	£1	5.11	H.P.
16,00,000	24,00,000	78,22,716	66,22,962	1,07,147	Shree Krishna Investment Co., Ltd.	969	Clive	14½	10	2	*Nil*	*Nil*		6,12	H.T.P.
31,49,200	61,22,363	1,34,26,320	64,46,601	1,96,6	Bird & Co., Ltd.	766	Dalhousie	120	100	6+1	1+3	1+1½	1-4±	3.9	H.P.T.
20,00,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd.	779	Delta	220xd	100	10+10	10+10	6+6	5+6	5.11	H.P.
15,00,000	33,50,000	81,98,824	59,15,560	1,43,894	McLeod & Co., Ltd.	500	Empire	20½	10	1½+1½	1+1	1+1	1+	5.11	H.P.
21,00,000	59,60,176	2,72,32,353	1,87,05,941	71,092	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	390N	100	10+*Nil*	*Nil*	*Nil*	10+5	6,12	B.T.P.
14,00,000	17,75,000	84,19,192	53,66,750	1,16,743	Bangur Bros., Ltd.	1,014	Fort William	218	100	*Nil*	*Nil*+5	10+10	10+5	5.9	H.P.T.
84,32,100	1,66,021	2,03,72,498	1,32,68,885	84,732	Macneill & Harry Ltd.	1,709	Ganges Mfg.	68½	100	*Nil*	*Nil*+*Nil*	10+10	10+10	3.9	H.T.P.
10,80,000	28,00,000	11,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	807	Gondalpara	300	100	30	15	*Nil*	2½+*Nil*	3.9	H.P.
24,00,000	31,38,409	2,12,38,183	1,05,13,218	1,907	Shaw Wallace & Co., Ltd.	1,394	Gourepore	300	100	13+*Nil*	*Nil*+*Nil*	2½+7½	7½+7½	5.9	Y.
40,00,000	5,48,234	99,03,890	57,88,999	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	1145	100	10	10	10+10	11½+	3.9	H.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,491	Gillanders Arbuthnot & Co., Ltd.	720	Hoogbly	37½	10	1½	1½	½		3	Y.P.
65,52,500	51,32,981	1,82,27,534	1,07,31,964	11,493	Jardine Henderson Ltd.	1,940	Howrah	203½	10	1½	1½	1½		3.9	Y.P.
52,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	29½	5	2	2	2	4+2	3.9	B.P.T.
O. 37,00,000	16,65,558	1,23,66,655	78,55,428	7,731	Mackinnon Mackenzie & Co. ..	1,076	India	154	O. 125	3½+3½	3½+3½	*Nil*+3½	3½+1½	3	Y.P.T.
D.									D. 100	As.1+1	a2/5+2.6	*Nil*+a2/5	a2/5+1/5	3.9	H.
24,00,000	23,52,233	1,37,58,585	1,23,68,657	24,686	Jardine Henderson Ltd.	1,797	Kamarhatty	144	100	3+3	6+3	6+6	2½+	6,12	H.P.
B. 19 20,000								128	'B' 100	8½+6	6+3	3+5	2½+		
80,00,000	13,77,539	1,32,79,035	99,85,491	19,297	Jardine Henderson Ltd.	1,527	Kankinarrah	106	100	6+4	5+2½	2½+4	1+	6,12	H.P.
B. 24 00,000								95	'B' 100	6+4	5+2½	2½+4	1+		
21 00,000	49,50,000	1,12,88,750	79,26,276	1,70,887	McLeod & Co., Ltd.	703	Kelvin	253	100	7½+7½	7½+7½	10+10		6,12	H.P.
54,00,000	23,83,375	1,71,07,938	1,15 44,627	57,501	Anderson Wright Ltd.	1,530	Khardah	168	100	10+10	10+10	5+5		6,12	H.P.
48,00,000	1,04,27,157	2,31,57,457	1,12,99,755	58 710	F. W. Heilgers & Co.	1,250	Kinnison	171	100	10+7	4+5	2+5	6+	3.9	H.P.
24,48,000	49,37,087	1,39,92,288	80,55,707	10,707	Bird & Co., Ltd.	931	Lansdowne	117	100	7+8	2+6	1+1	5+2	3.9	H.P.
2 00,000	56,39 479	1,16,02,741	64,08,985	2,154	Bird & Co., Ltd.	840	Lawrence	1,008	100	11+4	2+8	2+4	5+1	3.9	H.P.
81,45,200	25,04,412	2,01,00,622	1,44,49 304	10,614	Mackinnon Mackenzie & Co. ..	1,076	Meuna	215	100	21+21	21+21	*Nil* 21	6+6	3.9	H.P.
29,98,300	38,14,415	1,81,76,420	94 81,406	—8,18,273	F. W. Heilgers & Co.	915	Nalhati	99	100	6+*Nil*	*Nil*	*Nil*	*Nil*	3.9	H.
20,00,000	15,55,000	29,01,563	18,21,719	17 816	Howrah Trading Co., Ltd. ..	425	Naskarpara	18½	10	1½	1½	*Nil*+½	*Nil*	3.9	H.
35,00,000	43,24,326	29,10,124	10,06,222	70,554	Andrew Yule & Co., Ltd.	852	National	25½	10	1+1	1+1	1+1	1+	4,10	H.T.
26,25,000	24,50,000	28,42,794	20 20,619	1,45,782	McLeod & Co., Ltd.	318	Nellimarla Jute	11½	10	2+1	1+1	1+1	1+1	4,10	H.P.
31,50,000	34,13,033	60,02,515	25,21,978	5,01,610	Sahu Jain Ltd.	709	New Central	19½	10	10+12	12+12	12+6	1+	6,12	H.P.T.
16,79,880	48,95,164	1,17,37,858	48,80,655	46,862	Bird & Co., Ltd.	567	Northbrook	24½	10	1+1	1+1	1+1		3.9	H.P.
66,79,500	28,30,793	2,12,89,608	1,39,37,844	58,273	Macneill & Barry Ltd.	1,992	Nuddea	41	50	1+*Nil*	*Nil*+1	*Nil*+1	2+1	3.9	H.P.T.
24,91,000	26,81,049	72,46,385	50,35,690	5 754	Andrew Yule & Co., Ltd.	601	Orient	156	100	1+6	6+6	5+5	5+4	3.9	H.
25,00,000	6,23,468	80,72,591	63,77,961	1,03,954	McLeod & Co., Ltd.	600	Presidency	5½	5	*Nil*	*Nil*	*Nil*+1	5+5	5.11	H.P.
20,00,000	1,44,936	26,56,830	8,39,130	—18,12,795	Birla Bros. Ltd.	905	Rameshwara	6½	10	*Nil*	*Nil*	*Nil*	1+	6,12	H.T.
49,50,000	1,62,725	1,24,06,577	59,35,544	10 874	Jardine Henderson Ltd.	1,275	Reliance	10½	10	*Nil*	*Nil*	*Nil*	*Nil*+	3.9	H.P.
£600,000	£1 093,713	£1 230,315		£83 658	Thomas Duff & Co. (India) Ltd.	2,013	Sampsugur	13	£1	10%	10%	10%	8%±	3.9	H.P.T.
80,00,000	18,12,193	1,04,21,440	73,39,904	33 784	Ramarath Industries (Coal) Co.	911	Shree Ambica	18	10	1+1	*Nil*+1	*Nil*+1		12	Y.P.
14,00,000	31,03,733	66,65,602	31 22,503	2,031	Hindustan Investment Corporation.	401	Sorab	13N	£1	10%	10%	10%	8%±	3.9	H.P.
25,10,600	42,44,180	1,30,78,187	51,18,663	—2,75,291	Bird & Co., Ltd.	650	Standard	105	100	8+1	1+1	1+1	1+*Nil*	12	Y.P.T.
£600,000	£925,119	£990,895		£116,216	Thomas Duff & Co. (India), Ltd.	1,704	Titaghur	13	£1	10%	10%	10%	8%±	3.9	H.P.
55,98,600	88,14,823	1,95,40,090	81,71,617	14,318	Bird & Co., Ltd.	1,326	Union	156	10	10+1	1+4	1+5	5+5	3.9	Y.P.
£400,000	£688,035	£1,092,723		£97 816	Thomas Duff & Co. (India) Ltd.	1,331	Victoria	12½	£1	10%	10%	10%	8%±	3.9	H.P.T.
2,50,000	4,95,000	55,94,678	37,77,741	35 624	McLeod & Co., Ltd.	465	Waverley	64	1	*Nil*	*Nil*+¼	½		12	Y.P.
														6, 12	H.P.T.

COAL COMPANIES

Paid-up *Ordinary* Capital Rs.	Reserves Rs.	Gross Block Rs	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23	10	½ +	½ +	½ +	½+	3.9	H.
12,00,000	8,62,573	38,78,477	30,13,477	22,798	Jardine Henderson Ltd.	Bararee Coke	20½	10	3/5 +	7/10+7/10	½ +	2+7/10	3.9	H.
8,49,350	70,000	1,17,45,964	91,71,995	2,58,782	Andrew Yule & Co., Ltd.	Bengal-Bhadee	1½N	10	½ +	½ +	½ +7/10		6,12	H.
1,00,00,000	1,40 49,223	5,01,92,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	84½	100	20+20±	17½+15±	15½+15±	17½+17½	6,12	H.
2,25,000	4,77,174	24,81,606	22,28,968	..	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	½ +	*Nil*	*Nil*	*Nil*	3.9	H.P.
15,97,000	4,72,359	37,70,192	22,27,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10		4+*Nil*	*Nil*	3½+*Nil*	3.9	H.P.
40,00,000	8,00,000	1,39,08,662	71,05,138	27,433	Sahu Jain Ltd.	Bharat Collieries	£2	10	½	£1	£1	£1	6,12	H.P.
7,15,000	16,09,580	52,49,025	37,09,987	—1,65,136	F. W. Heilgers & Co. Ltd. ..	Bhulanbarasee	12N	10	½	½	½	½	3	Y.
16,00,000	16,17,930	68,14,858	39,99,841	—79,196	Ramarath Industries (Coal) Co.	Bokaro-Ramgur	12½N	10	*Nil*	*Nil*	*Nil*	*Nil*+	6,12	Y.P.T.
91,26,000	2,16,77,044	3,32,32,892	29,72,760	17,474	Andrew Yule & Co., Ltd.	Borera	22½	10	½	½	½	½	6,12	H.
35,00,000	27,37,928	1,12,57,057	72,25,930	2,271	Andrew Yule & Co., Ltd.	Burrakur	14½	10	1½+1½	1½+1½	1 + 1	1+	6,12	H.T.
7,47,380	3,16,924	42,43,494	30,69,845	25,424	Jayaram & Sons	Central India	7½	10	½ +	½ +	½ +	½+	6,12	H.P.
18,00,000	80,46,234	87,13,271	41,48,799	6,248	Andrew Yule & Co., Ltd.	Central Kurkend	11½N	10	*Nil*	½ +	½ +	½+	6,12	H.P.T.
59,15,400	94,58,404	2,22,41,517	1,07,46,003	1,30,505	James Finlay & Co., Ltd.	Churlia	3½	4	*Nil*(f)	½ +	½ +	½+	3	Y.
15,95,900	28,39,282	81,34,035	56,60,175	2,615	Macneill & Barry Ltd.	Dhemo Main	8½	10	½ +	½ +	½ +	½+	6,12	H.
30,15,000	29,25,000	60,73,514	46,01,290	1,52,253	Jardine Henderson, Ltd.	East Indian	35½	10	½ *Nil*	½ *Nil*	½ *Nil*	½+ *Nil*+	6,12	H.
29,63,750	76,84,250	3,89,97,499	2,87 14,367	93,266	Macneill & Barry Ltd.	Equitable	£1	10	2½(f)	2½	2½	2½	6.12	H.T.
10,00,000	2,15,000	10,76,864	8,73 963	11,273	Phatter's Agency Ltd.	Ghusick and Mualia	32½	10	2 +1½	1 +	2 +	2 +	4	Y.
12,00,000	1,22,000	39,02,865	29,02,864	3,226	Killick Industries Ltd.	Hazir-Rampur	14N	10	½	½	½	½+	6,12	H.P.T.
6,00,000	6,75,000	21,43,057	18 01,214	65,461	Macneill & Barry Ltd.	Hurriladih	41½	60	½	½	½	½	3	Y.
22,00,000	1,12,060	24,74,412	6,18,546	—5,57,293	Rajpale Trust Ltd.	Jogta Coal	23½	10	2½ +	2½ +	2 + 1	2 + 1	6	Y.P.
2,50,000	2,07,446	13,53,458	7,06,130	..	Andrew Yule & Co., Ltd.	Kalapahari	21½N	10	1½+1½	1½+1	*Nil*	1+	6,12	H.
20,00,000	17,325	29,07,891	8,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries	14½	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
5,00,000	15,60 000	45 16,229	35,85,877	1,26,128	Andrew Yule & Co., Ltd.	Katras Jherriah	60½	10	2 + 2	2 + 2	2 + 2	*Nil*	2,8	H.
1,38,400	5,72,980	12,85,941	5,72,960	—2,60,236	Khas Kajora & Co.	Khas Kajora	4N	10	*Nil*	*Nil*	*Nil*	2½	5	Y.
11,00,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kundi	4N	10				2½+8	1.7	H.
9,00,000	11,86,413	28,89,268	22,97,987	2,256	H. V. Low & Co., Ltd.	Lakurka	9N	10					6,12	H.P
7,48,240	2,00,000	12,18,473	9,23 179	11 096	Tantia Brothers Ltd.	Nazira	6½	10					6	Y.
7,00 000	26,617	10,33 740	5 20,895	4 960	Amritlal Ojha & Co., Ltd. ..	New Assandoepur	8½N	10					4	Y.
17,76,250	20 01,768	1,19 78,853	88 63,066	94,383	Andrew Yule & Co., Ltd.	New Heerkhoom	21	10	*Nil*+	½ +	½ +	½ +	12	Y.
6 00,000	85 000	28,44,928	16 65 990	36 426	Octavius Steel & Co., Ltd. ..	New Manbhoom	11½	10	½ +	*Nil*	*Nil*	*Nil*	3.9	H.
1,15,000	2,55,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	18N	10	½ +	½ +	*Nil*	*Nil*	4,10	H.P.
1,57,500							17½	10	½ +	½ +*Nil*	*Nil*	*Nil*	3.9	H.
1 80,000	12,21,853	3,97,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd. ..	Ondal	17½	10	1 + 1	½ +*Nil*	½ +	½ +	3.9	H.
10 00 000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	9N	10	1 + 1	1 + 1	½ +	½ +	6,12	H.P.
8,34,000	12 942	17,42,598	8,01 923	7,443	Deepchand Kishenlall	Parasea	18½N	10	*Nil*	½ +	½ +	½ +	12	Y.T.
15,75,000	15 00 000	46,14,471	34 02,471	88 013	Shaw Wallace & Co., Ltd. ..	Pench Valley	22½	10	½ +	½ +	½ +	½ +	6,12	H.P.
23,99,500	18,67,105	1,19,88,839	83,82,615	88 013	N. B. Elias & Co., Ltd.	Ranegunge	11½	10	*Nil*	½ +	½ +	½ +	3.9	H.
15,50 000	8 58,345	85,36,765	27,78,764	1-,921	Shaw Wallace & Co., Ltd. ..	Rewa	22½	10	1 + 1	1 + 1	½ +	½ +	3.9	H.
20,00 000	3,90,000	44 25,585	18,73,118	2,20,176	Jalpuria Sons Ltd.	Sijhua Collieries	13½N	10	½ +	½ +	½ +	½ +	3.9	H.
1,25 000	1,95,802	13 78,480	12,21,237	21 070	M.	Searsole	7½xEx	10	½ +	½ +	½ +	½ +	6,12	Y.
2,80,000	7 38,598	29,87 021	18,41 629	40,287	Andrew Yule & Co., Ltd.	Seebpore	29½	7	½ +	½ +	½ +	½ +	12	Y.
6,00,000	8 46,889	52,491	29,987	6 601	F. W. Heilgers & Co., Ltd. ..	Sendra	10N	10	2 +	2 +	2 +	2 +	3.9	H.P.
68,21,450	19,96,050	3,82,71,101	2,85,58,501	—4,46,963	Industrial Trust Fund (Government of Hyderabad)	Singareni	9½	10	*Nil*	*Nil*	*Nil*+½	½ +	6,12	H.P.
17,50,000	10,84,016	37,86,108	15,14,990	—51,588	Bird & Co., Ltd.	South Karanpura	9½	10	½ +	½ +	0-11 1/8	½ +	6,12	H.T.
8 00,000	13 60 545	1 69,570	25 510	7,937	F. W. Heilgers & Co., Ltd. ..	Standard	21½	10	½ +	½ +	*Nil*+½	½+*Nil*	12	H.
10.00 000	12,960	30 82 289	15.43.302	—4,07,745	Villiers Ltd.	Talcher	24	10	*Nil*	*Nil*	½ +	½ +	2.8	H.
2,50,000	2 80,000	19,47,955	14,81,955	44,167	Williamson Magor & Co., Ltd. ..	Union	15	10	1½+1½	½ +	½ +	½+	6,12	H.
40,98 000		49,06,356	31,694	1,87,967	Hindustan Investment Corpn., Ltd	Western Bengal	7½	10	½ +	½ +	½ +	½+	6,12	H.
7,00 000	1,38,190	55,22,133	22,56,981	122	Macneill & Barry Ltd.	West Jamuria	18½	10	*Nil*	½ +	*Nil*	*Nil*+	3	H.
													6,12	H.

M—Managed by the board or directors. ‡ Less income-tax. (a) Cive mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Incroding bonus.
(f) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (k) Investments.
(s) For seven months ended 31st March 1956.

MAR

BANKS

Paid-up Ordinary Capital	Reserve Fund	Carried Forward	Name of Bank	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs. or £	Rs. or £	Rs. or £		Rs. or £	Rs. or £	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
16,00,000	1,08,00,000	11,36,301	Allahabad Bank	365	100	18 0	18 0½	18 0½		12	Y.P.
14,50,000				184	50	9 0	9 0½	9 0½			
1,01,000	14,37,000	12,375	Andhra Bank	115cd	100	6 0	6 0	8	6 8	6,12	H.
32,46,180				84½cd	70	3 0	3 0	4	3 12	4 8 4/5	
1,00,00,000	1,28,00,000	3,35,548	Bank of Baroda	90½	50	6 0	6 0½	6 0	6 0	12	Y.
50,00,000	17,00,000	11,705	Bank of Bikaner	12N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,52,00,000	13,26,630	Bank of India	164	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	25,00,000	60,038	Bank of Indore	22N	25	3 0	3 0	3 0	3 8	12	Y.
80,00,000	19,00,000	25,128	Bank of Jaipur	26	50	1 8	1 8	2 0		12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	256xd	100	16 0½	16 0½	16 0½	16 0½	12	Y.
61,81,700	58,78,018	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.H.
15,00,000	29,00,000	19,901	Canara Bank Ltd.	86	50	4 8	4 8	4 8	5 0	12	P.Y.
7,50,000	12,00,000	2,483	Canara Banking Corporation Ltd.	80½xd	50	5 0½	5 0½	5 0	5 8½	12	Y.P.
2,03,11,875	4,01,81,217	18,40,359	Central Bank of India Ltd.	48	25	3 8	3 0	3 0	3 0	12	R.L.Y.
14,43,375 'A'				49½	25	3 8	3 0	3 0	3 0		
50,00,000	28,10,000	1,54,911	Devkaran Nanjee Banking Co.	40½xd	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	25,00,000	1,66,578	Hind Bank	34½xd	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,48,000	16,019	Hindustan Commercial Bank	9½	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	15	50					12	Y.
75,00,000	70,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	5 0	6 0½	5 0	9	Y.
24,00,000				181	100	12 0½	12 0½	12 0½	12 0		
18,00,000	79,75,000	1,45,140	Indian Bank	150	90	10 8½	10 8½	10 8½	10 12½	6,12	R.L.H.
18,00,000				167½	65	7 3½	7 3½	7 3½	7 12½		
49,19,975	30,00,000	2,28,209	Indian Overseas Bank	130cd	100	6 0	6 0	6 0	7 8	12	Y.
6,25,000				42½	100(A)	6 0	Nil	Nil			
3,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	11	25(B)	1 8	Nil	Nil		6,12	H.
16,00,000				19½	50(C)	3 0	3 0	Nil			
37,50,000	92,50,000	4,99,040	Punjab National Bank	48½	25	1 8	2 0	3 0	1 8½	12	Y.
1,00,00,000	23,50,000	43,597	Travancore Bank	17½	25	—	0 10	1 0	1 0	12	Y.
40,00,000	35,00,000	1,06,238	Union Bank of India	6½	5	0 5½	0 5½	0 5½	0 6	12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank	50½xd	50	2 0	2 0	2 8	2 12	12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£3,000,000	£405,375	Chartered Bank of India, Australia and China	£1-15-0	£1	15†	15†	15†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£60,917	Eastern Bank	£8½	£5	7†	8†	8†		12	R.L.Y.
H.K. $50,000,000	H.K $125,000,000	H.K $10,215,256	Hongkong and Shanghai Banking Corporation	$92½	H.K. $125	5*	5*	5*	2*†	12	Y.
£17,966,195 'A'	£15,000,000	£558,006	Lloyds Bank	£9-15-0	£5 A	15†	15†	15†	12†	12	R.L.Y.
£1,437,296 'B'				£1-6-8	£1 B	3†	3†	3†	3†	12	R.L.Y.
£819,000 'A'				£3-18-0	A £2½	14†	14†	14†	14†		
£875,000 'B'	£1,750,000	£219,372	Mercantile Bank of India	£3-18-0	B £2½	14†	14†	14†	14†	12	R.L.Y.
£700,000 'C'					C £1	14†	14†	14†	14†		
£3,851,563	£3,104,687	£342,158	National Bank of India	£1-4½	sh. 12½	15†	15†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	1926	98½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1956-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
15,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November .. 1959-64
COAL						
80,00,000	4½	30th April and 31st October	Bharat Collieries	1946	95½	30th June .. 1956
25,00,000	5½	30th June and 31st December	Burrakar Coal Co.	1947	91½	30th June .. 1957
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1966(a)
COTTON						
3,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1943	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	99	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Sheikhpara and Carsatie	1952	101½	1st March .. 1972(c)
13,68,000	5½	1st January and 1st July	Jaybree Textiles	1949	80N	1st January .. 1956-59
39 90,000	5½	1st June	Tata Mills	1951	100	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(c)
1,35,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	1940	100½	14th June .. 1960
98,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98½	1st October .. 1960
4,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1940	94	31st December .. 1964(c)
8,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	100½	1st January .. 1970(a)
25,00,000	6	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	87	31st December .. 1970
15,00,000	5	1st January and 1st July	Shiva (Madras) Electricity Supply Co., Ltd.	1951	98	30th June .. 1976(a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	96½	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	98½	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	30th September .. 1958-62
4,58,800	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1st July .. 1970
1,50,00,000	4	1st April and 1st October	Tata Power	1940	93½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1948	99	31st December .. 1968
5,00,000	6	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	102	1st July .. 1957-62
51,145,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	88	31st December .. 1956(c)
10,00,000	6	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100½	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	99½	31st March .. 1959
6,00,000	6½	30th June and 31st December	Alexandra	1939	100	30th June .. 1965
15,00,000	6	31st December and 30th June	Archland Jute Co., Ltd.	1944	100½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	93½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July .. 1959
10,59,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1966
16,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1969(a)
8,86,000	5	15th January and 15th July	Empire	1951	95	16th July .. 1965(a)
25,00,000	3½	1st January and 1st July	Hukumchand	1947	92	30th June .. 1957
20,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1952	102	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	96½	31st December .. 1964(a)
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May	Willimmarie Jute Mills Co., Ltd.	1935	93	14th May .. 1959
30,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1948	93	30th June .. 1968
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	91	5th September .. 1965(a)
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September .. 1957
13,00,000	4½	30th June and 31st December	Union	1937	96½	30th June .. 1957
16,00,000	5½	31st January and 31st July	Waverly	1925	86	31st July .. 1956
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1939	90N	1st July .. to 1956
£850,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66½N	As 105%% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October	Katakhai-Laisbazar Railway	1938	£77½N	1st October .. 1976
9,50,000	5½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1945	90½	31st December .. 1959(c)
£900,000	4½	30th June and 31st December	Scindia Steam Navigation	1905	£85½N	Any time on six months' notice (c)
4,33,25,697	4½	1st March and 1st September		1949	94½	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffe	1952	103	1st July .. 1957-62
15,50,000	6	31st March and 30th September	Nilgiri Tea		106	1st April .. 1958-63
1,80,700	5½	31st March and 30th September	Teakoy	1944	100	31st March .. 1949-56
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1963
86,86,000	4½	1st January and 1st July	Associated Hotels of India	1948	96	31st December .. 1963
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	103	1st September .. 1964-69(c)
9,62,50,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1956	102½	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1919	92	1st February .. 1954
39,92,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1926	89½	1st July .. 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87½	16th September .. 1962
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	91	 1962
1,50,00,000	6	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	103½	1st January .. 1971(c)††
1,00,00,000	4½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(c)
17,75,000	5	15th March and 15th September	Meiyer Chemical Industries	1949	95½	 1964
24,94,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	580	30th September .. 1958
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	470 (par soon)	31st December .. 1973(c)
78,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	90½N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	108	30th June .. 1966-76
1,80,00,000	5½	31st March	Orient Paper Mills Ltd.	1955	98	31st March .. 1961(c)
1,80,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91	31st December .. 1966(a)‡‡
4,50,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	104½	1st May .. 1963

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 5 per cent. premium, after 1-3-1944 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. † With option to redeem at Rs. 101 per cent. after 16 years or at Rs. 100-8 per cent. after 18 years. ‡ Rs. 1,50,00,000 debentures were redeemed at par annually by drawing from 1-9-1955. Any debenture outstanding on 1-6-1966 will be redeemed on that date with option to redeem all debentures at 101 per cent. per annum. ‡‡ Rs. 1,50,00,000 debentures were cent of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be [illegible] May 1964 onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1963, on six months' notice. †† Option to repay at [illegible]

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 5th April 1956.

	Closing quotations 29-3-1956	High	Low	Closing quotations 5-4-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	155	—	—	155
Apollo (2)	2-14½	—	2-12½	2-13½
Bombay Dyeing (250)	620½	665	630½	657½
Central India (100)	140	154½	145½	148½
Century Mills (100)	527	567	528½	538
Colaba (100)	80	80	72½	72½
Edward Textile (200)	330	333½	330	333½
Elphinstone (50)	55	56½	55	56½
Finlay (100)	302	306	300	303
Gokak (100)	254½	266½	232	237xd
Ind. Unid. Invtd. (1)	2½	2-4½	2-0½	2-3½
Ind. Unid. Ord. (10)	13-12½	14-1½	13½	13½
Indore Malwa (100)	158½	162½	145½	146½
Khatau (100)	230½	256½	237½	250
Kohinoor (100)	350	370	352½	358½
Lakshmi (250)	690	700	685	700
Madhusudhan (100)	110	115½	107½	109½
Minerva Mills (100)	88	—	—	88
Model Nagpur (250)	160	—	—	160
Mysore (100)	245	—	—	245
National Rayons (100)	108½	110	105½	110
New City (100)	240	246	235	239
New Great (100)	171½	171½	168½	168½
New Union (10)	37	231	230	230
Phoenix (100)	140	—	—	37
Podar Mills (100)	175	145	133½	133½xd
Sassoon Silk (10)	13½	176½	173½	175½
Sassoon Spg. (10)	38	—	—	15½
Sholapur (1,000)	1,900	—	—	38
Shrinivas (100)	228½	—	—	1,900
Simplex (50)	212½	235	223½	225½
Standard (100)	431½	218½	211	215
Svadeshi (100)	438½	445	433½	430½
Swan (100)	457½	246	235	239½
Tata Mill (25)	59	460	447½	448½
Vishnu (100)	185	60½	58½	59
Western India (1,000)	5,000	192½	185	192½
		—	—	5,000
BANKS				
Bank of India (50)	154½	165½	153½	158½
Bank of Baroda (50)	96	96½	96	96½
Central (25)	49½	48½	47½	48xd
Central 'A' (25)	50½	50	48½	49½xd
Dena Bank (50)	40½	—	—	40½
Punjab National (25)	50	51½	47	47
Union Bank (5)	6½	6½	6 7/8	6½
United Com. (50)	54½	54½	50½	50½xd
ELECTRIC COS.				
Ahmedabad (100)	102½	108½	102½	102½
Amalgamated (10)	11½	11½	11-7½	11½
Andhra Valley (1,000)	1,205	1,205	1,267½	1,267½
Bom. Sub-El. (100)	116½	116½	113	116½
Surat (100)	122½	122½	122½	122½
Tata Hydro (100)	123	123½	120½	121
Tata Power (1,000)	1,362½	1,375	1,362½	1,362½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	600	—	—	600
Ind. Mercantile (80)	41½	—	—	41½
Jupiter (15)	6	—	—	6½
New India (10)	39	39	37½	38½
Oriental (200)	9,900	—	—	9,600
Universal (10)	14	14	—	7
Vulcan (10)	14½	—	—	14½
STEEL COS.				
Ind. Iron (10)	35	36½	34½	35½
Tata Steel Ord. (75)	247½	254½	248	252
SUGAR COS.				
Belapur (50)	234	236	229	230
Bhopal (10)	15	—	—	15
Phaltan (50)	147	148½	141½	142½
Walchand Ind. (100)	275	276½	252½	255½
CEMENT COS.				
Associated Cts. (100)	215½	225	217	219½
Digvijay (100)	186½	187	183½	184
MISCELLANEOUS				
Alcock Ashdown (100)	374½	375	352½	361½
Bom. Burmah (125)	636½	653½	625½	638½
Do. (New) (50)	225	231½	225	228½
Br. B. Petrol (4 sh.)	4½	4½	4-2½	4½
Br. I. Corpn. (5)	10-14½	11¼	10½	10½
C. P. Ely. (100)	94	—	—	94
Indian Copper (2 sh.)	6½	7½	6½	6½
Ind. Inv. Tr. (100)	80½	81	80	81
Kemp (200)	168½	—	—	168½
Killicks (100)	164½	166	163½	164½
Poison (100)	171½	177½	173½	177½
Port Canning (100)	9	9½	9	9½
Premier Con. (30)	192	197½	184	190½
Scindia (20)	17½	18½	17½	17-12½
Shivrajpur (10)	115	117½	111½	112½
Tata Chemicals (10)	18½	19½	18½	18½
Tata Oil (25)	47	51	46½	49½
Tata Loco (100)	159	169½	150½	161½
W. I. Match (100)	209½	211½	206½	206½

GOVERNMENT SECURITIES	29-3-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	5-4-1956
	Rs.			Rs.
2½% 1961	98½	—	3.89	98½
2½% 1962	98½	—	3.71	98½
2½% 1963	98½	—	3.80	98½
2½% 1964-67	98½	—	4.03	98½
2½% 1965	99½	—	4.22	99½
2½% 1966	99½	—	4.20	99½
2½% 1956-61	98½	3.60	3.39	98½
2½% 1960	94½	—	3.75	94½
2½% 1965-85	94½	3.81	3.66	94½
2½% 1966-68	94½	3.82	3.74	94½
2½% 1970-75	93½	3.93	3.74	93½
3% 1986(Cons. Loan)	76½	—	3.91*	76½
4% 1960-70	101½	3.64	3.88	101½
4½% 1955-85*	106½	3.90	4.15	106½
4½% 1961(N.E. Bonds)	99½	—	3.61	99½
2½% 1964(N.E. Loan)	93½	—	3.69	93½
3½% 1965(N.E. Bonds)	86½	—	3.89	86½

BRITISH GOVERNMENT SECURITIES	29-3-1956	Low	High	5-4-1956
	£	£	£	£
2½% Brit. Consols	58½	58½	58½	58½
3½% Savings Bonds 1965-75	72½	72½	72½	72½
3% War Loan 1954-59	93½	93½	93½	93½
3½% War Loan	78½	74½	78½	78½
4% Victory Bonds 1976	92½	92	92½	92½
4% Funding 1960-90	89	89	89½	89½

* Current Income. x.d.—Ex-dividend. **Rupee Counterpart. Ex-Right.

COMMERCE

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

VOL. XCII. No. 2354 BOMBAY, 14th APRIL 1956 PRICE Rs. 1/8

16 APR 1956 GOVERNMENT

UNPROVOKED NATIONALISATION OF ONE MORE INDUSTRY

THERE are yet no signs that the Government of India is willing to give up the policy of the dog in the manger, or heads I win, tails you lose in regard to certain industries. The new industrial policy now in the making is expected to clarify the position and advance reports about it are optimistic that the private sector will be provided with a big field for its operations. While we have no desire to anticipate this statement of policy which may be out any time now, the statements made by Mr. K. D. Malaviya, Minister for Natural Resources and Scientific Research, and Mr. K. C. Reddy, Minister for Production, during the past few days, show hardly any change in the Government's attitude towards mining at any rate. The mining companies, whether they are coal or diamond or metal, are in for a *difficult time. Their freedom* will be curtailed; their activities will be severely restricted; and they may be taken over by the Government at any time. It is surprising that, in the face of these uncertainties, the Ministers expect the mine-owners to put forth their best and produce maximum results consistent with the larger interests of the country.

A typical instance of the sudden manner in which the Government may take over a mining concern is provided by its decision about the Panna Diamond Mining Syndicate Ltd., a private limited company converted into a public limited joint-stock company in 1954. This is, of course, an entirely new enterprise, with, perhaps, a limited number of shareholders. Its absorption into the public sector might not mean much loss to investors, in general. Many might, therefore, wonder why it should be made an issue of public discussion at all. But the point is one of principle. Here is an enterprise which is the outcome of the efforts of a few individual *entrepreneurs.* These individuals took the initiative, did a lot of prospecting in the jungles of Vindhya Pradesh, secured the services of Russian technicians and risked several lakhs of rupees before striking the diamond mines at Panna. It is stated that the promoters of the project had spent as much as Rs. 15.36 lakhs on prospecting and geological tests before coming to the public for capital and had laboured hard for well-nigh three years. They were the first to conceive of mining diamonds in India on scientific and modern lines. They had bought all the machinery needed for the purpose, opened the mines, built 12 miles of metalled roads in thick inhospitable jungles, constructed houses for workers and commenced production some six or seven months ago. After private enterprise has thus discovered a fairly rich diamond mine and brought it to a working condition, the Government decides to take over the property without even having a word with *the interests concerned.* And, what is more, none knows what *compensation* the Government will pay to the owners of the mine. What a reward for doing pioneering work!

Why did the Government decide to take over this mine? Mr. Malaviya who made the announcement in Parliament on Monday last gave no convincing answers. He said that the present production of the Company (valued at Rs. 6 lakhs per year) was not even one hundredth of what the country required. "As soon as we take it over," he added, "we hope to produce a much larger quantity of diamonds." But he could not say what the quantity would be, though he observed that, within the second Plan period, the Government proposed "to multiply production possibly 20, 30 or 40 times." This observation implies that the Company is guilty of not producing enough diamonds. But *the facts* are the Company had started production only a few months ago, the mine is not yet fully developed, and the directors themselves had programmed to complete full mechanisation and development of mines only by 1958. The charge against the Company implied in the Minister's statement is thus unjust and unwarranted. Moreover, it is obvious from his remarks that the Government itself does not yet know the extent to which it will be able to increase the production in the mine. "The *difference between* 20 and 40 is as much as 100 per cent. and no estimate subject to such a great variation can *ever be called an estimate. In any case, did the* Company at any time say that it would not be able to increase production to the optimum level? It is obvious that *a company started with* an issued capital of a crore of rupees could not have proceeded with the implementation of the project aiming with a turnover of only Rs. 6 lakhs per annum. The Company had located 22 diamond-bearing blocs and the first pipe it had succeeded in sriking, alone was expected to produce crores of rupees worth of the coveted treasure. In due course, it would have struck more pipes and improved the percentage of recovery.

The diamonds produced at Panna are of both industrial and gem varieties. The industrial diamond is doubtless of strategic importance. But the national interests in this respect could have been easily secured without nationalising the mine. After all, the Company is the only producer and there would have been no difficulty *in securing its consent for ensuring the nation's* requirement of industrial diamonds. It is no secret that, when the Government wanted to prospect for diamonds in the Company's area, it encountered *no opposition from the management* and readily obtained the latter's co-operation. Apparently, the management had then no idea *that its mine would be snatched away by the* Government. There is thus no valid ground for the authorities to nationalise this mine. It looks as though this is a clear case of "heads I win, tails you lose." Having verified the richness of the mine through its own investigations, the Government seems to have decided to transfer the mine from the private to the public sector by a stroke of the pen.

A reference to copper and other mines was also made by Mr. Malaviya. After referring to the existence of a successfully working copper mine in Bihar, he said: "We now propose to take over copper mining also directly under Government and it will also work in the nationalised sector. In *order to produce copper* ores from copper mines, we must complete a programme of detailed investigations.... We propose to take over one copper mine at least during the second Five-year Plan and it would most probably be in Rajasthan." This statement means that nationalisation of the copper mine *in Rajasthan,* the development of which was undertaken by the private sector only recently, is certain in the second Plan period and that the other copper mines may be taken over either during this five-year period or after. Thus, the Indian Copper Corporation, too, has been brought under the sword of Damocles. With this uncertainty hanging over its head, what incentive will the Indian Copper Corporation have to work its mines with great care and attention or to invest large sums on further development? The worst sufferer of this policy will be not so much the shareholders of Indian Copper as the country as a whole. None can seriously contend that the absence of this producer in the public sector has impeded the country's economic progress so far or will do so in future. Why then generalise that copper mines should be nationalised and thereby subject *the country to avoidable economic handi*caps? Apparently, the Government's mind is now dominated by ideological considerations to such an extent that its capacity to think and act prudently has been blunted. It is by no means an exaggeration to say that the ready availability of technicians and mining equipment from Russia and other Communist countries seems to have intensified the Government's desire to bring mining under its ownership.

The statement made by Mr. K. C. Reddy on nationalisation of coal industry only serves to confirm these impressions. Stating that the Government's ideology and objective regarding coal industry were quite clear, he declared: "This (coal) is a basic industry, which we would like to nationalise at the earliest possible moment." Thus, nationalisation of coal is only a question of time. The Government will resort to it when the circumstances are found favourable. It will give no assurance about the time factor, but, at the same time, it expects the present colliery owners, as good citizens, to carry on cheerfully, to produce more coal, to open up new mines, to conserve the old ones scientifically, and to modernise production methods wherever possible without displacement of labour. *Its desire* to be honest about its intentions is commendable, but not its faith in human beings. The colliery owners are as much human as *anyone else.* They, too, need encouragement for and incentives to raising production. It is quite unrealistic to expect that all of them will do all that is expected of them when they know that they may be dispossessed of their assets at any time. The result of this uncertainty may be indifferent mining, more accidents resulting in loss of both manpower and coal reserves, quick exploitation of all good coal instead of conservation, and many other similar undesirable practices. Indecision is thus no alternative to nationalisation. It will, indeed, turn out to be a very costly policy. If the Government wants to nationalise coal and other wasting assets, despite all the sincere and sound advice against such a course, it will be my day better to give effect to it without any further delay, rather than leave the issue hanging [illegible]

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however, it feels that it cannot do so because it has neither the resources nor the requisite managerial personnel, the least that it should do is to permit the private sector to go ahead by giving it *immunity from nationalisation for a period of* twenty-five to thirty years; the longer the period of immunity the better. But the best solution is, as we have all along maintained, to drop the very idea of nationalisation itself. The theory that nationalisation of coal and mining industries is necessary for achieving a socialist pattern of society is as out of date as Karl Marx. But the tragedy of India is that it has amongst its leaders many Rip van Winkles.

ESTIMATES COMMITTEE ON RAILWAYS

THE Estimates Committee must be complimented for raising certain fundamental issues of Parliamentary financial procedure in its report on the Railway Budget for 1956-57 and for dealing exhaustively, in its report on staff matters, with many intricate aspects of personnel administration in the railways. The Committee, as is well known, functions under Rule 243 of the Rules of Procedure and Conduct of Business of the Lok Sabha which defines its functions. Briefly, the Committee is intended to suggest economies and improvement in organisation and efficiency, to examine whether the money is well laid out within the limits of the policy implied in the estimate, and to recommend the form in which the estimates are to be presented to Parliament. Clearly, it is a delegated responsibility, but it is one which is of utmost importance to the functioning of a democratic financial procedure.

It would appear that, in the last five years, the Committee has not been able to discharge in full the responsibility laid on its shoulders. Thus, it could probe into the administration of only a few ministries every year, so that the bulk of the estimates came up before Parliament without the Committee's prior scrutiny. At one of its recent meetings, the Committee decided to "examine generally and survey briefly" the budgets immediately after presentation, in addition to performing the detailed examination of a few selected ministries. This decision probably signifies the most practicable approach to the problem in the existing circumstances of heavy Parliamentary business and the brief interval which separates the presentation of the Railway and the General budgets. But it is doubtful whether the Committee, by following such a procedure, could be said to be doing all that it is expected to do under Rule 243 of Parliamentary Rules. The Estimates Committee, together with the Public Accounts Committee and the Audit Department, has so far served a very useful purpose in highlighting the administrative and other problems, besides bringing to light many of the defects in Governmental expenditure, so that these bodies have come to be regarded as the effective watchdogs of the taxpayer's money. It is, therefore, of the utmost importance that the Estimates Committee should be enabled to perform its duties efficiently. Perhaps, Parliament will do well to devote some time for examining how best the Committee could carry out the tasks allotted to it.

In any case, the complaint of insufficient time and inadequate preparation for examination of estimates, which the Committee has made, deserves the attention of the authorities. Because of the brief interval which separated the presentation of the Railway budget and the commencement of the Railway debate and also of the lack of adequate preparation for tackling the job, the Committee could not make as detailed an examination of the budget as it, perhaps, would have desired and as the subject certainly deserved. The Committee has accordingly suggested that its "task would be very much facilitated, if a larger interval could be allowed between the presentation of the Railway budget and the commencement of the discussion, as also the voting thereon, either by a suitable modification of the Parliamentary programme or by granting the Railways a 'Vote on Account' until the budget is voted." The suggestion is well worth the attention of Parliament in the interests of proper scrutiny of estimates.

Despite the handicaps of insufficient time for scrutinising the Railway estimates for 1956-57, the Committee has been able to present a critical appraisal of certain aspects of the Administration. It has drawn attention to the fact that the operating ratio of the Railways—that is, the proportion of ordinary working expenses, including appropriation to depreciation reserve fund, to gross earnings—has risen from 77.0 per cent. in 1951-52 to 82.6 per cent. in 1955-56, though it is expected to decline to 78.0 per cent. in 1956-57. No overall comparison between the pre-war and the present position is, however, possible. Nevertheless, it is interesting to note that the ratio for class I Government Railways in 1938-39, when the route mileage was 36,573, was 66.48 per cent., the corresponding ratio for the Railways in 1954-55, when the route mileage was lower at 34,152, being 81.76 per cent. The Committee recognises that the high operating ratio in post-war years is due to the general rise in costs and to increased pay and allowances. At the same time, it has rightly exhorted the Administration to have in view the "need for a constant review to keep down the working expenses."

Appropriately enough, the Committee has devoted a sizable portion of the Report to an analysis and check of the expenditure under the first Plan and that proposed under the second Plan. Under the first Plan, the Railways spent Rs. 432 crores, as against the total allotment of Rs. 400 crores. Actual expenditure included Rs. 24.3 crores from revenue, Rs. 209.2 crores from depreciation reserve fund, Rs. 50.7 crores from development fund and Rs. 147.8 crores of capital expenditure. An analysis of the actual expenditure under different heads (with figures in brackets representing planned outlay) shows that expenditure on rolling stock and machinery was Rs. 253.4 crores (Rs. 207.9 crores), tracks and bridges Rs. 64.4 crores (Rs. 70.5 crores), structural and engineering works Rs. 49.9 crores (Rs. 45.9 crores), restorations, new lines and electrification Rs. 33.2 crores (Rs. 34.2 crores), passenger amenities Rs. 13.3 crores (Rs. 15.0 crores), and labour welfare Rs. 20.5 crores (Rs. 24.1 crores). This analysis has provoked the Committee to make two important observations. Actual expenditure on rolling stock and machinery is higher at Rs. 253.4 crores, as against the planned outlay of Rs. 207.9 crores. In terms of equipment, however, the Railways have bought only 1,589 locomotives, 4,837 carriages and 61,773 wagons, as against the original provision for 1,038 locomotives, 5,674 carriages and 49,143 wagons. The Committee has drawn the obvious conclusion that the "additional rolling stock acquired is not quite in proportion to the additional financial outlay."

Commenting on the expenditure on track and bridges, the Committee says that it was unable to ascertain, within the short time available to it, the extent to which physical targets envisaged under the Plan have been actually reached. It, however, refers to the dismal fact that "whereas, at the beginning of the first Plan, speeds had been restricted over 3,000 miles due to weak condition of the track, at the end of the Plan, speeds still remain restricted over about 1,784 miles." This remark suggests that the authorities will have to devote sufficient attention to track maintenance, for any neglect of this important function, apart from affecting adversely the speed and turn-round of trains and wagons, is bound to cause considerable human misery through serious accidents. For the Railways, as for all transport agencies, "safety-first" ought to be the first and foremost consideration.

The Committee has done well to emphasise that, on the eve of the commencement of the second Five-year Plan, the Railways "are not in a position to meet fully even the existing demands of passenger and goods traffic." Since these demands will, in fact, increase in the next five-year period, the Committee has suggested to the Planning Commission that the annual allotment to the Railways should be relatively higher in the first three years. The position now is that, while the Railway Plan itself has been attenuated from the originally planned outlay of Rs. 1,480 crores to Rs. 1,125 crores, the proposed expenditure in 1956-57 under even this abbreviated Plan is only Rs. 200 crores. The Committee has expressed the view that "urgent measures should be taken to expedite the execution of the various projects included in the Plan, so that the Railways might not find themselves lagging behind not merely in the traffic requirements but also the reduced outlay of Rs. 1,125 crores." Apart from this consideration, it is only by hastening the pace in the early years of the Plan, as the Committee itself recognises, that the Railways could hope to earn the additional resources that would permit them to increase the outlay on development and expansion to the level they originally set for themselves.

No one need be surprised that the Estimates Committee should have felt that it should devote an entire report to "staff matters." The Railways are the single largest employers in the country. They have on their pay-rolls some 980,000 employees, consisting of 2,616 class I and class II employees, 352,428 class III employees and 625,163 class IV employees. They recruit annually about 30,000 to 40,000 persons. With such a large labour force and in the light of the need to keep this force both quantitatively adequate and qualitatively efficient, the Railways have necessarily to undertake effective measures for recruitment, training and welfare of their employees. As regards recruitment, the present practice is to fill class I vacancies by direct recruitment after a difficult test, reserving one-third of the vacancies for promotion from the ranks of class II employees, to fill class II vacancies through promotion and to effect direct recruitment to class III posts through the agency of the Railway Services Commissions. The Committee has rightly advocated the substitution of the present method of interview for recruitment to class III posts by one that will combine both written test and interview. Among the employees, there is a feeling that the pre-independence practice of giving preference to their sons in the matter of recruitment to class III and class IV jobs should be retained. The Committee has suggested that the question should be examined in the light of the obvious Constitutional impediments in the way of the retention of the old "preference" system. Apart from the fact that such a practice is Constitutionally incorrect, it is doubtful whether it is in the long-term national interests to make the Railways a "closed shop" or to add one more caste, namely, railway employees, to the innumerable social divisions in the country. Indeed, it is doubtful whether it is in the interests of the employees themselves to keep alive a medieval system of hereditary preferment which must breed smug self-conceit and undermine confidence and initiative in their own children.

The success of the Railway Plan is not entirely a matter of procuring equipment. It will obviously depend upon the efficiency of the men in the Railways. The superior personnel, whether technical or administrative, are given a two-year training after recruitment. Training facilities below this level, according to the Committee, are inadequate. There are 24 training schools, including 14 traffic training schools, 4 technical schools attached to Railway workshops and one each for the Chittaranjan Locomotive Works and the Integral Coach Factory. It would appear that the Ministry has not yet implemented the recommendations of the Technical Training Committee (Chairman: Mr. S. L. Saxena) appointed in 1953 to examine the adequacy of technical training facilities in the Railways. If the position continues to be as bad as what the Saxena Committee found, one might as well give up all hopes of seeing any improvement in the technical efficiency of the Railways. This Committee stated that, "generally speaking, an apprentice is, at present, permitted to pick up whatever he can at the good graces of an illiterate workman, who knows little and wants to hide whatever little he knows, with the result that the trade ability of apprentices on the completion of even five years' training does not come up to the desired standard." Surely, it is high time the authorities set about, without any further delay, the task of devising means whereby the existing training facilities could be both augmented and improved.

The section of the Committee's Report dealing with wages and amenities for the workers makes interesting reading. The Committee has recommended the wider adoption of intensive bonus scheme. One such scheme, it is stated, has been tried with success in the Chittaranjan Locomotive Works. As regards amenities, the second Plan provides for an expenditure of Rs. 30 crores on staff quarters. But the far more important question is the education of the employees' children. This is essentially a human problem. Many of India's railway stations lie in centres far removed from civilisation. They are situated in areas where neither schools nor other educational facilities exist. It is hardly to be expected that the children of the Railway employees at these centres, for whom the only available reading matter is probably the time-table, would be able to make any headway in life. It is true that the Railways maintain as many as 154 schools and a few subsidised hostels. But for the employees of a railway system, which serves a country of India's continental size, the available educational facilities are quite inadequate. Indeed, if the leaders of Railway labour were genuinely solicitous, and not merely vociferous, about the welfare of the employees, they would not hesitate to run the risk of a little unpopularity by demanding an extension of these facilities, even if that meant some compromise on the question of wages.

PREVIEW OF FORTHCOMING INDUSTRIAL POLICY STATEMENT

UPWARD TREND IN COMMODITIES HALTED?

THURSDAY, 5 P.M.

MARKET GOSSIP

THE announcement of the Central Government's new industrial policy, which is expected to be made shortly, is naturally enough awaited with keen interest. This policy is likely to determine the shape of things to come in the field of industries, provided, of course, the Government really sticks to it and the country sticks to the ruling party. Since there is no immediate prospect of the Congress being dislodged from power and there is a reasonable prospect to believe that the Government, once it enunciates a policy, will generally want to abide by it, the statement of industrial policy is bound to remain the guiding star for India's industrial pattern for a long time to come. This statement, together with the Government's fiscal and labour policy, might conceivably be regarded as the tripod on which the country's economic structure will be raised.

Obviously, fiscal policy cannot be announced straightaway. It will have to be fashioned year after year. And, on the basis of available indications, there is likely to be no immediate threat of a tax on total wealth or ceilings on income. A tax on expenditure is perhaps well within the bounds of practical possibility; for a measure of this kind is believed to have been advocated by the British tax expert, who has been invited by the Government of India. But to build such a measure into the already heavily complicated structure of the Companies Act and the Income-tax Act will require time, so that any radical change of this kind will necessarily be a somewhat slow process.

As regards labour policy, the question of providing for workers' participation in management, as is well known, continues to engage the attention of the Government. Apart from this innovation, the labour policy will probably not undergo any material change. But, judging from the recent statement of the Union Minister for Labour, Mr. Khandubhai Desai, some consolidation of labour legislation may well be effected. He averred, in the Lok Sabha this week, that the time had come when they should incorporate in a single security legislation the various welfare schemes which are dealt with by such legislative enactments as the Workmen's Compensation Act, the Provident Fund Act and the Employees' State Insurance Act. Finally, there is the Government's known intention to set up a State Trading Corporation. It might conceivably cause some concern to the private sector. But this sector should be able to take it in its stride, considering that the Corporation is expected to demarcate a sphere all to itself without necessarily robbing the private sector of its share.

Of immediate concern is, therefore, the impending announcement of the Government's new industrial policy. In view of the Government's clearly-expressed socialist predilections, the statement is bound to contain a further emphasis on the role of the public sector. But this cannot be wholly unwelcome to the private sector. For one thing, many persons engaged in this sector have expressed the view that they would prefer to know their sphere clearly, instead of being left in a state of uncertainty. The important question, however, is whether the statement will contain any element of "nationalisation" surprise. Such a surprise is ruled out on the ground that the Government would like to utilise its available resources for implementing the Plan rather than for acquiring the existing units. But the future for certain basic industries will continue to remain uncertain, as the Government will retain the option to nationalise them at any time it chooses.

Generally speaking, the statement is bound to carry a reiteration of the views expressed in the Draft Outline of the second Five-year Plan. This Report, it may be recalled, has emphasised that in the light of the objective of a socialist pattern of society, the State has to prevent concentration of economic power in private hands and has itself to "take on heavy responsibilities." It has also held that the exploitation of minerals and the establishment of basic and capital goods industries will be the special concern of the State so that the "responsibility for new developments in these fields must be undertaken, in the main, by the State." It has, however, been recognised that even in these fields there may be scope for joint ownership of new units by the Government and the private sector. The Report has also stressed the need for "equity participation" by the State in industries which depend on the Government for long-term finance.

It may reasonably be expected that these and similar ideas, expressed by the Government spokesmen and embodied in the Economic Policy Resolution adopted at the Amritsar session of the Congress, are bound to find a clearer expression in the much-awaited statement of industrial policy which is to take the place of the earlier policy statement made in 1948.

The general aim of the statement will be to divide industries into three categories and indicate the role of the State in each of them. The first category is represented by industries in which all further development will be the exclusive responsibility of the Central Government. The 1948 statement included six industries in this list—coal, iron and steel, aircraft manufacture, shipbuilding, mineral oil and manufacture of telegraph, telephone and wireless and radio equipment. It also stated that the production of atomic energy, arms and armaments and ownership of railways will be the exclusive monopoly of the Central Government. As air transport and life insurance have since been nationalised, the list will necessarily have to include these two industries. The Government is said to feel that there are other spheres in which the private sector has not shown any marked inclination to invest its money, so that it will be perfectly entitled to enlarge the scope of the public sector to include them. These spheres are heavy castings and forgings of iron and steel, heavy electrical plants, hydraulic and steam turbines, copper, lead, zinc, tin, molybdenum and wolfram-bearing minerals, the machinery used in iron and steel production, for mining, for manufacture of machine tools and certain industries. The mining of diamonds as well as the manufacture of cables may also be included in the list of industries under the first category, namely, the category of industries in which all fresh development will be the responsibility of the State. But provision may be made for the Government to enter into partnership with private enterprise in establishing new units in this sphere.

The second category of industries is the one where both the State and the private sector will operate side by side. This list, it is believed, will include fertilisers, mining of iron ore, manganese ore, chrome ore, bauxite and a few other minerals involved in the production of atomic energy, aluminium, machine tools, ferro-alloys, basic and intermediate products required by chemical industries, synthetic rubber, carbonisation of coal, chemical pulp, generation and distribution of electricity and sea transport. It will, however, be laid down, we are told, that the Government must accord equal treatment to the State-sponsored and private-owned units in this sphere.

The remaining industries will be left to the initiative of the private sector, though the State may walk in any time if the position is unsatisfactory. In any case, the private sector is expected to function within the limits that might be laid down by the Government out of considerations of building up the welfare State. The State will continue to set up institutions for providing financial aid to the private sector, particularly to the co-operative sector. But in cases where any direct aid that may be given by the Government exceeds a certain limit (Rs. 7 crores is mentioned in this respect), the Government may provide it in the form of equity capital. As regards the question of large-scale *vs*. small-scale industries, the Government's policy is expected to remain favourable to the cottage and small-scale units. In other words, it will continue the policy of restriction of the output of the large-scale sector, imposition of differential taxation and grant of subsidies to the weaker units. The Government is also expected to emphasise the consideration of regional and balanced development.

In many respects, the industrial policy statement will presumably be no more than the affirmation of the *status quo* in the industrial sphere. It may, as stated at the outset, be expected to re-emphasise the considerations which have already been eloquently expounded from the Congress Party-platform and summarised in the Draft Outline of the second Plan. But industrialisation of the country is not at all a matter of neatly-worded statements. For, even in the limited sphere that may be accorded to the private sector, the existing units may not be able to do very well if the only right they will enjoy is the unrestricted freedom to make losses, the State becoming an increasingly dominant partner in all their gains. The future of existing units will depend upon the Government's fiscal policy.

* * * * *

It will be seen from the foregoing forecast that the industrial policy statement will not provide much consolation to the bears in the share market. The stress on the need for devoting the available resources to establishing new industries would mean that the existing producers in the iron and steel sector would be left alone. The fear of nationalisation of the T.I.S.Co. and the I.I.S.Co. in the foreseeable future might, therefore, recede to the background. Since these Companies are indebted to the Government for more than Rs. 10 crores, it is possible that, at some stage, a part of these loans, possibly the excess over Rs. 7 crores, would be converted into equity capital. But that need not frighten investors. On the contrary, it could be a bullish factor. For the Government would then have to pay a premium for these shares which in turn would ensure a fair basis for calculating compensation in the event of nationalisation. Again, when the Government becomes a direct shareholder, it might not object to payment of higher dividends.

It is noteworthy that cement does not figure in the forecast of industries reserved for the public sector. Nor is there any mention of sugar. From time to time, there have been fears in the share market and elsewhere that these two industries might be nationalised. While cement falls under the category of basic industries, sugar offers scope for a sizable income. It will be recalled that even the Taxation Enquiry Commission had mentioned sugar as a fit case for fiscal monopoly which was interpreted by some sugar millowners as amounting to virtual nationalisation.

The possibility of the industrial policy statement not proving to be bearish is already being discounted in the share market. In fact, it is one of the factors for the revival of the upward trend in equities after the perceptible break they suffered early in the week. Other factors that have contributed to the recovery of equities are: (a) the impression that the acutest phase of the stringency of the money market is over or will soon be over; this impression has strengthened the belief that the Bank rate would not be put up in the near future; (b) the continued firmness of cloth market without attracting any new controls from the Government; and (c) encouraging reports about the activities of certain individual companies.

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This week saw no further intensification of the stringency in the short-term money market. There was actually a slight diminution in the demand for bank credit accompanied by some influx of funds. Some of the banks reported return of money lent against sugar and cotton. There have also been large payments by the Governments as reflected by the sharp rise of over Rs. 40 crores in notes in circulation during the week ended the 6th inst. Treasury bills to the tune of a crore of rupees matured without any offtake. For the next week also, the Reserve Bank has not invited any tenders for these bills and it looks as though their sale will remain suspended until money becomes quite easy. A fall of ¼ per cent. is reported in most of the short-term money rates.

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The upward trend in prices of foodgrains, commodities and bullion seems to have been halted. It is too early to say whether this is only a pause before a fresh advance or the end of upsurge. There is cause for this doubt, because, in the case of some of the commodities and bullion, after declining to some extent early in the week, prices are up again and the trend is steady to firm. The imposition of stiff export duties on linseed oil, niger seed, and kardi seed and the enhancement of the duty on castor oil have not made any perceptible impression on the prices of oilseeds and oils. Apparently, the supply of these is not adequate to meet both domestic and export demands. In world markets, too, the market is in favour of sellers in the case of most of the vegetable oils, due mainly to Russia's entry as a keen buyer. It is significant that the Government has not done anything to arrest the appreciation in the value of groundnuts.

Raw cotton has been ruling very firm, the number of varieties knocking against the ceiling having increased. The announcement permitting imports of 40,000 bales long-medium staples of ⅞" to 1.1/16" from all sources, including the U.S., has had no effect on the firmness of Indian cotton. This is not surprising, because even today Indian cotton is the cheapest in the world. Even the sacrificial price at which the U.S. Commodity Credit Corporation is selling comparable varieties of cotton is Rs. 150 above Indian parity. Similarly, thanks to the high export duty, Pakistan cotton is costlier to Indian mills by as much as Rs. 300 per candy. Thanks to the prospect of early arrival of new crop foodgrains and the Government's programme for building up adequate buffer stock of wheat and rice, prices of these two stable foodgrains are a shade lower and the rush among merchants to stockpile has diminished.

In the bullion market, the rising trend has been held under check by the arrival of silver coins from Tibet and Sikkim in sizable quantities and the desire among the bulls to book profits. The demand for both gold and silver but more particularly for the former, is said to be still good, while the influx of gold is very limited. It is stated that the Government's vigilance against smuggling is so strong and sustained that there has been a big fall in the flow of illegal gold. By chasing this gold right up to the dealers' shops and refineries, the Customs and Police have frightened many a smuggler into inactivity. The flow, of course, has not been completely stopped, but what is coming now is only a fraction of what it used to be at this time of the year in the past. The greatest beneficiary of this development is undoubtedly the Kolar Gold Mines. It is, however, to be hoped that the protagonists of nationalisation of these mines will not try to use this factor as an additional argument in their favour.

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This reminds one of the forthcoming Conference between the representatives of the Mysore and the Central Governments fixed for Monday next at New Delhi. From what Mr. Hanumanthaiya, Chief Minister of Mysore, disclosed at Bangalore early this week, it would appear that the management of mining companies has finally succumbed to the pressure from all sides in the State, including workers, and that it is now keen on getting only fair compensation. The Chief Minister declared that the issue to be discussed with the Central Government was not whether or not the gold mines should be nationalised but the quantum of compensation, payable to the Companies. If this is the only issue, it is not clear as to why the Companies' representatives are not scheduled to participate in the proposed talks and why Mr. Hanumanthaiya is taking with him the leader of the Opposition in the State Assembly. On the subject of compensation, while the Government of Mysore is prepared to pay, according to the Chief Minister, on the basis of the market value of the Companies' shares before the idea of nationalisation was raised, the management of the Mines feels that the book value of the assets minus liabilities should be taken.

Some hint about the attitude of the Central Government towards nationalisation of gold mines was given by Mr. K. D. Malaviya. He said that, generally, the Government did not attach as much importance to gold mining as it did to coal, lignite, petroleum, and non-ferrous metals. But, in so far as the Mysore Gold Mines were concerned, he would welcome the move of the State Government if it wanted to nationalise its mines "without prejudice to the merit of the work entailed in it." This is a very vague statement; nevertheless, it is sufficient to conclude that the Centre is not keen on nationalising these mines. It is to be hoped that, in view of the limited resources at the disposal of the Government and the need for establishing new industries, the Government of India will have the courage of its conviction to tell the Mysore Government definitely and firmly that its request for nationalisation of the Kolar Gold Mines could not be granted.

(Continued on page 751)

SHARES RECOVER AFTER EARLIER SHAKE-OUT

UNDERTONE STEADY

(From Our Own Correspondents)

BOMBAY, 12*th April*

THE share market opened the week with the sentiment considerably upset by a series of bearish factors. As a prelude to keep the present threat of inflation under check, the Reserve Bank issued directives to commercial banks to furnish fortnightly statements giving break-up figures of their advances, against commodities and shares. This gave rise to fear that a credit squeeze was in the offing. Some of the operators visualised the prospect of an increase in the Bank rate in the not very distant future. This induced considerable profit-taking by bulls and short-sales in speculative industrials on the 6th inst. and values closed lower all round.

The declining trend was further accelerated in the new account on Monday by fear of nationalisation of Indian Copper. This fear stemmed from a misleading Press report which stated that the Government had decided to take over diamond and copper mines. This sent several scrips toppling down and values touched the lowest levels for the week on Tuesday. A part of this damage was also due to renewed pressure arising from the technical weakness of the market, and deterioration in the Indo-Pak relations.

In the subsequent two sessions, however, the market staged a mild rally. A correction by the news agency that Indian Copper was not listed for immediate nationalisation brightened the sentiment. The value of this scrip, which had dropped from Rs. 6-12 to Rs. 5-4 in the earlier stampede, recovered to Rs. 6-9. Among the other counters, the lower levels touched earlier induced some active professional support over a broad front. Fresh incentive to this support was provided on Wednesday by a marked increase of Rs. 40 crores in the expansion of currency which indicated that expenditure on development, coupled with the possibility of freezing of additional productive capacity of cotton mills for assisting Amber Charkha, was bound to result in inflation. Added to this was the report that there was some institutional buying in some textile scrips, particularly Kohinoors. Operators were also emboldened to enter into commitments by the report that the stamp duty on transfer deeds on shares had been fixed at a uniform level of As. 12 for Rs. 100 all over India from the 1st inst., as against Re. 1-2 in Bombay, Re. 1-8 in Madras and As. 12 in Calcutta.

In the recovery which followed as a result most of the shares regained a portion of the losses suffered by them early in the week. Nevertheless, at close, the quotations were generally lower than those at the end of last week, though the undertone was steady.

Tata Ordinaries, in the steel section, were marked down from Rs. 252 to Rs. 241-4 in the initial days of the week. Subsequently, however, on professional support, they rallied to close higher at Rs. 246-12, recording on balance a loss of Rs. 5-4. Indian Irons which had moved down from Rs. 35-13 to Rs. 34-7-6, improved to Rs. 35-6 on persistant support from Calcutta. The week-end recovery is attributed to reports that the Government is likely to indicate in its new industrial policy its desire not to nationalise the existing steel companies.

The textile section was considerably active on professional support, though profit-taking at bulges tended to push down values. Bombay Dyeings which held the leadership, moved both ways and ultimately emerged with a loss of 10 points. They opened the week at Rs. 632-8, as against Rs. 638 at the close of last week, and improved to Rs. 636-4 on Tuesday. Yesterday and today they evoked sustained interest and wound up the week at Rs. 647-8. After a recession from Rs. 358-8 to Rs. 343, Kohinoors rallied to Rs. 357-4, as a result of buying by an insurance company. Svadeshis, however, were fractionally better at Rs. 240, as against Rs. 239-8, owing to expectation of a higher dividend. Centurys were subdued and closed with a loss of Rs. 3 at Rs. 535. Indu Ordinaries were As. 9 lower at Rs. 12-14, and Deferreds an anna less at Rs. 2-3. Standards, on the contrary, fared better by Rs. 5 to close at Rs. 438-12.

Bank shares were a shade weak with leading counters registering losses on balance. Bank of Barodas shed 3 points to finish at Rs. 93-8. Centrals also met with some realising pressure and came down to Rs. 47-8 from Rs. 48. Bank of Indias receded by Rs. 2-4 to Rs. 151, while Punjabs gained a rupee at Rs. 48. United Commercials, however, remained unaltered at Rs. 50-8.

The trend in electricity shares, too, was downward. Transactions were done in Tata Hydros at Rs. 130-8, as against Rs. 131 a week ago. Tata Powers declined by Rs. 6-4 to Rs. 1,362-8. Ahmedabad Electrics changed hands Re. 1-4 lower at Rs. 101-9, and Andhras fell by Rs. 15 to Rs. 1,272-8.

In the miscellaneous section, all favourites lacked sustained support. In most of them, prices moved both ways and ultimately revealed minor losses. Sugar shares were generally easy. Belapurs retreated further from Rs. 230 to Rs. 226-8. Phaltans were dull at Rs. 142-8, while Walchandnagars closed Rs. 7-8 lower at Rs. 247-8. A.C.Cs. among cement shares, declined from Rs. 219-4 to Rs. 215-4, while Digvijays improved from Rs. 182-12 to Rs. 184. In the engineering section, Tata Locomotives lost Rs. 4 to Rs. 157-8. Larsen and Toubros were fractionally down at Rs. 15-6. Premier Constructions met with realising pressure and retreated from Rs. 190-8 to Rs. 186. Shivrajpurs declined by Rs. 6 to Rs. 106-8.

In the shipping and transport section, Scindias staged a setback from Rs. 17-12-6 to Rs. 17-2-6, but recovered subsequently to Rs. 17-9-6. Hindusthan Motors had buyers at Rs. 10-4 after going down to Rs. 9-13.

Among other miscellaneous shares Bombay Burmans (old) reported a loss of Rs. 11-4 to Rs. 627-8, but new shares improved by Rs. 7-8 to Rs. 236-4. Tata Oils were unchanged at Rs. 49-8, but Tata Chemicals were down by As. 11 at Rs. 17-13. Wimcos were easy at Rs. 201-4, as against Rs. 206-14 a week ago.

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Calcutta Stock Exchange

CALCUTTA, 11*th April*

An irregular trend was in evidence on the Calcutta Stock Exchange this week. The market opened the week on a buoyant note, reflecting operators' continued favourable reaction to growing signs of inflation in the country. The buoyancy was more or less sustained till the 9th inst., when, thanks to rumours regarding nationalisation of the Indian Copper Corporation, the market developed weakness. In the subsequent two sessions, however, the market once again turned cheerful, following the denial of nationalisation of the Company and revival of interest in some speculative scrips at lower levels. Industrial equities, as a result, staged a recovery. But the recovery was not so marked as to make good the earlier losses, so much so that the closing quotations for equities today were generally below those prevailing a week before.

Over the week, jute company shares were subjected to heavy selling and their prices were marked down. Dalhousies and Lansdownes slumped by Rs. 11 each to Rs. 104 and Rs. 109, respectively. Burnagores fell by Rs. 10 to Rs. 131. Lawrences dropped Rs. 9 to Rs. 107. Champdanys receded by Rs. 5-8 to Rs. 153-8 and Anglo-Indias by Rs. 5 to Rs. 175. Budge Budges slipped by Rs. 2 to Rs. 140. Nuddeas declined by Re. 1-4 to Rs. 39-4. Howrahs and Nationals lost As. 9 each to Rs. 27-7 and Rs. 24-9, respectively.

Coal shares also came in for selling pressure. East Indias moved down by Re. 1-12 to Rs. 33. Burrakurs decreased by As. 5 to Rs. 14-5. West Bengals eased by a like amount to Rs. 7. Bhalgoras gave way from Rs. 7-4 to Rs. 7.

Most of the engineering and mining company shares lacked support. Among the former, Britannia Engineerings receded by As. 14 to Rs. 18-1. Indian Irons finished As. 7 lower at Rs. 35. Among mining shares, Burma Mines climbed down by As. 7 to Rs. 3-3, notwithstanding reports of higher net profit and declaration of a maiden dividend of 2½*d.* per share. Indian Coppers dropped As. 6 to Rs. 6-8. B. B. Petrols lost As. 3 to Rs. 4-1. Several miscellaneous company shares, too, were neglected. Indian Cables retreated by As. 9 to Rs. 31-4. Dunlop Rubbers reacted from Rs. 31-10 to Rs. 31-4, on reports of a fall in the profit margin of the Company in relation to turnover during the year 1955. Rohtas lost As. 4 to Rs. 22-8.

Tea company shares recorded handsome gains, on account of sustained buying support induced by reports of an impressive rise in tea prices in London and encouraging deliveries for export. Hantaparas forged ahead by Rs. 41 to Rs. 319. Bishnauths rallied Rs. 3-1 to Rs. 26-1. Bhagmaris strengthened by Re. 1-2 to Rs. 28-10. Tezpores hardened by a rupee to Rs. 27-3. Borapukuris climbed up by As. 14 to Rs. 24-2. East Indias put on As. 6 to Rs. 27-2. Atals gathered As. 3 to Rs. 8-15 and Hasimaras As. 2 to Rs. 40.

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Madras Stock Exchange

MADRAS, 10*th April*

The distinctly bullish fervour which characterised the trading on the Madras Stock Exchange for well over six weeks, abated somewhat during the week under review. In fact, the market ruled generally easy, with the exception of some selective scrips which encountered special buying enquiries and continued their upward march. The easiness was due to fears regarding imposition of credit restrictions by the authorities to curb inflationary tendencies developing in the country; the fears were based on the latest move of the Reserve Bank in asking the banks to submit particulars of their advances according to the purposes for which they had been made. There were also rumours of the possibility of a rise in Bank rate. The deterioration in relations between India and Pakistan also acted as a damper. The cumulative result of all these factors was unloading in several counters, leading to a break in their values.

There were a few important company announcements during the week under review. An extraordinary general meeting of the East India Distilleries and Sugar Factories Ltd. and seperate class meetings of 'A' and 'B' shareholders will be held on the 30th inst. to consider the proposals of the Board for the issue of bonus shares to 'A' and 'B' shareholders and for the consolidation of the two classes of shares into one class of ordinary shares. The Anapari Estates Ltd. proposes to raise the authorised capital of the Company from Rs. 20 lakhs to Rs. 40 lakhs by issuing 100,000 preference shares of Rs. 10 each (7 per cent. free of any deduction for agricultural income-tax) and 500,000 ordinary shares of Rs. 2 each. The Cottanad Plantations Ltd. proposes to increase the authorised capital from Rs. 5 lakhs to Rs. 20 lakhs by issuing 150,000 shares of Rs. 10 each. The Kothari Textiles Ltd. has decided to make a capital issue of Rs. 24 lakhs, consisting of 60,000 'B' preference shares of Rs. 10 each and 180,000 new ordinary shares of Rs. 10 each, both at par, in the ratio of one 'B' preference share and three new ordinary shares for every four ordinary shares held by shareholders as on 1st May 1956.

The week under review was also notable for a few dividend announcements. The Savamalai Estates Ltd. has recommended a dividend of 10 per cent. for 1955, as against 25 per cent. for the previous year. Radio and Electricals Ltd. has recommended a dividend of 9 per cent. for 1955, as against 7½ per cent. The Kil Kotagiri Tea and Coffee Estates Company, Ltd., has recommended a dividend of 20 per cent. for the year ended October 1955, as against 30 per cent. The Directors of the Guntur Power and Light Company, Ltd., have sanctioned the payment of a further 15 per cent. *ad-interim* dividend (free of income-tax), making in all 25 per cent. for the year ended 31st March 1956, as against 20 per cent. for the previous year. The Travancore Ogale Glass Manufacturing Company, Ltd., has passed over the dividend this year too.

Thanks to lack of support, textile mill shares staged a recession. Lakshmis and P. Andavar 'A' dropped Rs. 6 each to Rs. 190 and Rs. 160, respectively. Buckinghams fell by Rs. 5 to Rs. 181-8. Bangalore Woollens declined by a like amount to Rs. 565. Rajalakshmis climbed down by Rs. 4-8 to Rs. 171-8 *cum-div.*, Metturs by Rs. 4 to Rs. 406, Anglo-Frenchs by Rs. 3 to Rs. 102, Coimbatore Pioneers by Rs. 2-8 to Rs. 270 and Ranga Vilas by Rs. 2 to Rs. 89. Lakshmi 'As' lost a rupee to Rs. 95. Maduras shed As. 12 to Rs. 50-4.

In the planting section, coffee shares were particularly subjected to selling pressure. Consolidated Coffees moved down by As. 13 to Rs. 17-15. Coffee Lands receded by As. 8 to Rs. 22-4. Puthutotams declined by As. 3 to Rs. 4-10. Kadur Coffees were quiet at Rs. 2-9. Among tea shares, United Nilgiris dropped Rs. 10 to Rs. 350. Peermades suffered a loss of As. 8 to Rs. 38-4. Blue Mountains shed As. 5 to Rs. 5-9. Periakaramalais and Waterfalls eased by As. 3 each to Rs. 8-11 and Rs. 6-3, respectively. Among rubber shares, Valkundams retreated by As. 12 to Rs. 27-12 *cum-div.* Cochin Malabars declined by As. 3 to Rs. 8-11 and Thirumbadis by As. 2½ to Rs. 2-3. Be Bes lost an anna and a half to Rs. 4-15-6.

In the miscellaneous section, Bruntons dropped As. 4 to Rs. 8. F.A.C.Ts. finished As. 2 lower at Rs. 7. Mettur Chemicals lost a similar amount to Rs. 9-12. Binnys, on the other hand, elicited good attention of buyers; they moved up by Rs. 6 to Rs. 162. Deals in cement shares were put through at higher levels, Andhra Cement 'As' increasing by Rs. 2 to Rs. 158 and India Cements by As. 8 to Rs. 35-4. Dalmia Cements were firm at Rs. 14-10. Mysore I.T.Ls. evoked good buying interest and spurted by As. 10 to Rs. 5.

PRODUCTION OF SKELP BY TATAS

Another landmark in the industrial development of India has been established with the inauguration of the skelp mill as Jamshedpur on 29th March 1956. This event also marks the completion of an important phase of the modernisation and expansion of the Tata Iron and Steel Co., Ltd.

Skelp is the term applied to hot rolled steel strip with square or slightly levelled edges from which welded tubes or pipes can be manufactured. This is the first time skelp is being made in India and the Tata Iron and Steel Company has thus earned the distinction of being the pioneer in this field. The skelp produced in this mill will be supplied to the Indian Tube Company (1953) Ltd., another joint enterprise by the T.I.S.Co. and Stewarts and Lloyds Ltd. of U.K., for the manufacture of tubes, which was inaugurated on 7th March 1956. The Indian Tube Company had commenced production with imported skelp. The capacity of the skelp mill, when in full production, is 200,000 tons.

BENGAL PAPER MILL

Messrs. Balmer Lawrie & Co., Ltd., have been reappointed Managing Agents of the Bengal Paper Mill Company, Ltd., for a period of 10 years with effect from 1st April 1956, the date of commencement of the Companies Act, 1956. At the extraordinary general meeting of the Company convened on 29th March 1956 for the purpose, the resolution extending the term of the managing agency was duly adopted. The resolution was, however, opposed by a group of shareholders for reasons referred to in our issue dated 24th March 1956. The dissidents, we are told, have since applied for an injuction to restrain the Company from putting the resolution into operation.

NEWS IN BRIEF

THE current session of the Lok Sabha, previously scheduled to conclude on 26th May, is expected to be extended up to 10th or 15th June.

A high altitude cosmic ray station is proposed to be set up by the Government of India above the Gulmarg-Khilanmarg area in Kashmir.

The annual general meeting of the Millowners' Association, Bombay, will be held in Bombay on Tuesday, 24th April 1956.

The Government of India has decided to allow clearance of prohibited types of motors if they are imported at integral parts of plant and machinery.

The *baisakhi* lac crop in India for 1956 is estimated at 751,000 maunds, as against the previous year's final estimate of 813,000 maunds.

The Tariff Commission has taken up for investigation the question of continuing protection and assistance to the antimony industry beyond 31st December next.

The Bombay Tenancy and Agricultural Lands (Amendment) Act 1955 will be brought into force on 1st August next, on which date the revenue year of the State begins.

Large deposits of high grade iron ores with an iron content of more than 60 per cent. have been discovered over extensive areas in the districts of Khammameth and Warangal in Hyderabad State.

Cotton cloth packed for internal consumption in India and other cotton manufactures are now permitted to be exported to Tibet, Bhutan and Sikkim without an export licence.

The Central Government has imposed an export duty of Rs. 250 per ton on linseed oil. It has also levied an export duty of Rs. 200 per ton on nigerseed oil and kardiseed oil and raised the duty on castor oil from Rs. 125 to Rs. 175 per ton.

The Andhra Government will shortly float a loan of Rs. 6 crores to finance the first year programme of the second Plan. This was disclosed by the State's Development Commissioner and Planning Secretary at Kurnool last week.

A Government of India delegation left for the U.K. on the 12th inst. to negotiate with the representatives of the British Government the annual review of the air services between the two countries under the Indo-U.K. Air Transport Agreement. The delegation is led by Mr. D. C. Das, Joint Secretary, Ministry of Communications.

Eleven schemes for the development of sericulture intended to increase silk production in Andhra State from the current level of 800 pounds to 30,000 pounds annually are expected to be put through under the second Five-year Plan. These schemes, which are estimated to cost Rs. 10.5 lakhs, will soon go before the Central Silk Board for finalisation.

The International Co-operation Administration has authorised a procurement of $17,389,670 worth of steel mill materials and other supplies to aid India's economic development programme. About $13,800,000 worth of iron and steel mill materials are to be purchased in the world market for delivery to India by 31st January 1957. The balance is for the purchase of farm pesticides, lumber and saw mill products and heavy and light trucks for delivery to India.

The foundation-stone of the Rs. 60-lakh Thapar Institute of Engineering and Technology was laid by President Dr. Rajendra Prasad at Patiala on Monday this week. This is the first institute in PEPSU for imparting theoretical and practical training upto graduate and post-graduate courses in civil, mechanical and electrical engineering and textile technology, as also diploma course in all the three branches of engineering and in automobile engineering.

The import policy for cycle tyres and tubes during the current half-year has been liberalised. Accordingly, the 40 per cent. limit to the face value for import of cycle tyres has been withdrawn and these tyres can now be imported up to the face value of additional licences which, *inter alia*, will be valid for import of cycle rickshaw tyres also. Applications for import of cycle and cycle rickshaw tyres will also be considered from established importers on an *ad hoc* basis.

On the recommendation of the Reserve Bank of India, the Central Government has declared that, in the case of any banking company incorporated in the State of Travancore-Cochin and which has been confining its activities to that State, the provisions of Sub-section (1) of Section 240 of the Banking Companies Act, 1949 shall not apply for the period from 1st April 1956 to 31st March 1957, in so far as such provisions require such a banking company to maintain, in cash, gold or unencumbered approved securities valued at a price not exceeding the current market price, an amount in excess of 15 per cent. of the total of its demand and time liabilities in India.

A conference at ministerial level between the Government of Mysore and the Government of India will be held at New Delhi on the 16th inst., to take a final decision in regard to matters connected with the nationalisation of the Kolar Gold Mines in Mysore State. Mysore will be represented at the Conference by the Chief Minister, Mr. K. Hanumanthaiya, and the Home Minister, Mr. H. Siddaveerappa, and three representatives of the two Houses of the State legislature, including the leader of the Opposition in the State Assembly. The Government of India will be represented by Maulana Azad, Education Minister.

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From Abroad

World consumption of tin metal during January 1956 is estimated at 12,900 tons, as against 12,400 tons in December 1955 and 11,800 tons in January 1955.

The demand for oil in the U.S. is expected to increase by 5 per cent. in 1956, according to the Director of the Bureau of Labour Statistics of the U.S. Department of Labour. Petroleum is said to provide now more than 40 per cent. of the energy used in the U.S. It is predicted that, within another 10 years, 50 per cent. of the U.S. chemical output will be derived from petroleum products.

The Trans World Airlines carried a record number of passengers, at over 4 million, during 1955 and its gross operating revenues also reached a record total of over $217.4 million. The net income after providing for taxes was, however, lower at $5.4 million, as against $13.4 million in the previous year. The T.W.A. is aiming at carrying more passengers and earning higher revenues during the current year.

The U.K. oil refinery companies are expected to announce shortly their plans to expand their capacities in order to meet the large increase in demand for gas, diesel and fuel oil expected over the next five years. The consumption of the "black" oils in the U.K. is expected to rise from 7.75 million tons in 1955 to 21.75 million tons by 1960 and increases on a similar scale are expected in most of the West European countries.

The production of automobiles in France during 1955 amounted to 725,000 vehicles, an increase of 20 per cent. over that in 1954. It is, however, considered that the French automobile industry will be fortunate if it is able to maintain its modest position in world exports in the face of competition from Britain and Germany. Harsher legislation in regard to depreciation than in other countries, heavy customs duties, averaging 15 per cent. on imported machinery, rising wages and social burdens are said to be the main causes for the industry's deteriorating export potential.

The output of cars in the U.S. during March this year is estimated at about 530,000, as compared with 554,667 units in February and 611,190 in January. Thus, the trend of production during the current year so far has been downwards, contrary to the general seasonal pattern. Normally, in the early part of the year, production used to rise month by month reaching a peak in March, but this year the trend has reversed. In 1955, for instance, the output rose from 659,619 cars in January to 676,000 in the succeeding month and to 794,015 in March.

A large block of General Motors shares will be offered to the public by about 1st May this year. The shares, amounting to about 1.28 million, will be released by the Alfred P. Sloan, Inc., a non-profit organisation, which provides funds for educational, scientific and charitable purposes, set up in 1934 by Mr. Alfred P. Sloan, Chairman of General Motors. The shares were received by the Foundation recently, following the death of Mrs. Alfred P. Sloan, whose husband retired last week from the chairmanship of General Motors. The decision to sell the additional shares accruing from Mrs. Sloan's estate has been taken to diversify the holdings of the Foundation, which at present are heavily concentrated in the stock of General Motors.

The Soviet Union is to give China 2,500 million roubles (£227 million) worth of aid under an agreement signed in Peking on 7th April. The Soviet Union will provide the materials, machinery and engineers and technicians needed to build 55 new industrial enterprises. The 55 new enterprises would comprise 156 industrial units, in accordance with a previously concluded Soviet-Chinese agreement. These would include metallurgical, machine building and chemical works, factories producing artificial yarns and plastics, electro-technical and radio enterprises, a synthetic fuel plant and a number of electric power works. They would also include scientific research institutes for China's aeronautical industry. The money involved in the agreement would be paid back by the Chinese Government in goods.

The industrial fund for the advancement of scientific education in British schools is within £600,000 of its financial target of £3.5 million. The fund, inaugurated last November, was formed with a view to assisting the teaching of science in Britain's independent and direct-grant schools by the provision of capital grants towards the building, expansion, modernising, and equipping of science laboratories. The 17 founder-member companies undertook to provide £1.9 million and since then 73 additional companies have agreed to support the fund. The total now subscribed is £2.9 million. The information obtained from a questionnaire completed by 439 schools shows that the schools "have very much in mind the importance of extending and improving the volume and quality of science teaching. Remarkable results are already being secured."

PERSONAL

SIR Joseph Kay, K.B.E., Chairman and Managing Director, Messrs. W. H. Brady & Co., Ltd., Bombay, left for the U.K. on Tuesday this week.

Mr. Wilfrid Russell, alternate Managing Director of Killick Industries Ltd., who recently retired from the Company, left for the U.K. on Tuesday last.

Mr. N. A. S. Lakshmanan, former Director-General of All-India Radio, has joined the Union Ministry of Iron and Steel.

Mr. M. A. Chidambaram, Chairman of the Automobile Products of India Ltd., has been re-elected President of the Indian Chamber of Commerce, Madras, for the current year.

Mr. Tan Tzu-li, Chinese Ambassador to North Korea, has been appointed Chinese Ambassador to India *vice* Gen Yuan Chung-hsien, who has been appointed Deputy Foreign Minister, Government of China.

Dr. H. J. Bhabha, Chairman of the Atomic Energy Commission, returned from Rome on Tuesday last after participating in the meeting of the Working Level Committee (Atomic Energy Agency) in Washington.

Nawab Ali Yavar Jung, India's Ambassador to Egypt, will represent India at the forthcoming U.N. conference on the creation of a Special United Nations Fund for the Economic Development of the underdeveloped areas (S.U.N.F.E.D.).

Mr. Kanwar Sain, Chairman of the Central Water and Power Commission, left for Bangkok on an assignment from the E.C.A.F.E. in connection with the study of water resources development of the lower Mekong basin.

Baron Von Pallandt, the Netherlands Ambassador in India, left for Genoa *en route* to The Hague, after his three-year term of office. Mr. J. Haverkorn, *Charge d'Affaires* for the Netherlands at New Delhi, will officiate till the appointment of a new Ambassador.

Mr. M. M. Philip, Director-General of Posts and Telegraphs and leader of the Indian delegation to the Executive and Liaison Commission of the Universal Postal Union (U.P.U.), left for London *en route* to Berne to attend the meetings of the U.P.U. executive and its sub-commissions.

Mr. N. Majumdar, Industrial Adviser (Textile Production), Office of the Textile Commissioner, has been appointed Member-Secretary of the Cotton Textiles Loans Advisory Committee, to whom applications from cotton mills for grant of financial assistance for rehabilitation and modernisation should be addressed.

Messrs. D. Das Gupta of Hindustan General and B. K. Setalvad of Ruby General have been elected President and Vice-President, respectively, of the Indian Insurance Companies Association, Calcutta, for 1956-57. Messrs. J. P. Bhargava (Concord), R. C. Rakshit (National Fire), N. M. Medora (British India General), T. S. Muthuswami (Standard General) and P. Balan (United India Fire) are the other members of the Committee.

Dr. Vinayak G. Panse, Statistical Adviser to the Indian Council of Agricultural Research, has been appointed by the U.N. Food and Agriculture Organisation to undertake special fisheries missions in Egytp and Mexico. In Egypt, Dr. Panse will advise and assist the Government in the re-organisation and develoment of the fisheries administration and statistical service. In April, he will go to Mexico as a member of the Board of the Training Centre on Experimental Designs and Survey Techniques of Agricultural Experimentation.

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

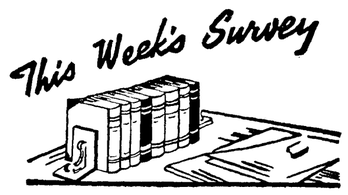
CALCUTTA, 11*th April*

Policy of Dear Money

Although money rates in India have been high in relation to the rest of the world, they have been no more than normal for the busy season in India. The experience of recent years shows clearly that, with an effective Bank rate of 7 per cent., the long-term Government securities may quite well be selling on a 4½ per cent. basis. Money has only been tight for short periods during the past year. The main cause of the decline in Indian securities is, therefore, to be looked for elsewhere.

It is, of course, inevitable that, with great but uncertain constitutional changes hanging over the whole position, the price of securities should fall. Rupee securities in India must, in the main, move in relation to London prices and the London business world dislikes uncertainty, above all things. It need not necessarily mean distrust in those who may be responsible for working the new constitution, but rather a fear of the unknown and a feeling that the new machine must prove itself.

Sir George Schuster asked those who resent it to realise that the changes under discussion are not only sudden but vital, and that the outside world must get accustomed to new ideas and, in the meantime, demand some proof or guarantee for the new order, and he maintained that, if, for these reasons, safeguards are proposed, their object is the maintenance of confidence and credit until the new order has proved its stability. If India can restore trust in the future, investors will regain confidence, the movement of capital will stop, further borrowings in London.



INDUSTRIAL HOUSING

REPLYING to the debate on grants to the Ministry of Works, Housing and Supply, in the Lok Sabha the other day, the Minister, Sardar Swaran Singh, stated in effect that the implementation of the housing programme was "not bad." His reason for this conclusion was that during the first Plan period, out of a total actual sanction of the order of over Rs. 44 crores for the construction of housing in the country, the actual disbursements were a little over Rs. 24.5 crores. Of these, the actual disbursements for industrial schemes were a little over Rs. 13 crores, as against Rs. 22 crores sanctioned for the purpose. The Minister thought that even these disbursements could be regarded as satisfactory, as they were achieved in the face of several handicaps. It is, however, difficult for any dispassionate observer to share his view. Apart from the fact that the amount spent was only about 55 per cent. of the sum allotted for housing, the achievements in physical terms were very poor indeed. The sum of Rs. 13 crores spent on housing for industrial workers has resulted in the construction of 79,500 units only, which represent an infinitesimal fraction of the demand.

A still sadder tale is told by the figures for low-income group housing scheme. Only a sum of Rs. 11 crores could be disbursed out of a total sanction to the tune of Rs. 21.5 crores. And it should be noted that acute shortage of housing in urban areas is being experienced mostly by low-income groups which form the bulk of urban residents, let alone the groups living in rural areas. In the circumstances, the Minister's claim that the first Plan targets had been "more or less achieved" is most unconvincing. It will be pertinent to recall here the utter disappointment expressed at the poor progress of housing in colliery fields by no less a person than the Production Minister, Mr. K. C. Reddy himself. Speaking in the Lok Sabha on the 5th inst., Mr. Reddy remarked in an apologetic tone: "We are very sorry over the absence of proper housing facilities for colliery workers in the private sector and in the public sector also."

It will be noted from the above quotation that the public sector too has been lagging behind in providing housing for workers. The poor progress on the housing front is not due to any want of willingness on the part of those who run industries in both the sectors. For there has not been any lack of proper appreciation of the importance of housing to the efficiency and physical fitness of the industrial worker. Enough emphasis has been laid on this important aspect in blue books and in the Press. What has not, however, been given proper recognition is the complexity of the housing problem, involving money and materials of a magnitude bigger than the available resources. Housing materials such as bricks, cement and steel are in short supply and could be had only at a price. Then there is the question of procuring the land for construction of houses. This is, as Sardar Swaran Singh himself said, the crux of the housing scheme. Not only land is not easily available but also its cost has been prohibitive and where it is available, the legal procedure to acquire it has proved to be a cumbersome process.

These difficulties explain why, in spite of a 25 per cent. subsidy and 37½ per cent. loan, employers have not been able to proceed with the housing programmes. As Sardar Swaran Singh himself pointed out, even after this assistance, the employers have to find the remaining 37½ per cent. of the funds and shoulder the liability to repay the loan. He added: "All that is obviously reflected in the cost structure, and they (employers) say that this social overhead pushes up the price of manufacture to levels far beyond what it is worth."

The lack of monetary and material resources apart, more erection of a four-wall tenement with a roof does not constitute housing. For the houses will not be worth living in, unless the area selected for building them is developed by the construction of roads, by the supply of water and electricity and with provision for sewage. All these cost enormous amounts and by no stretch of imagination could it be concluded that by compelling industrial concerns, as was suggested by a few members of the House, decent quarters could be provided for all workers. Industry can hardly be expected to find funds when there is a shortage of capital and when the public sector has been expanding, snatching away the country's savings in very many ways. Consequently, the suggestion made in Parliament for compelling employers to build houses lacks logic and a proper understanding of the problem. It is, indeed, surprising that, on this subject, even Sardar Swaran Singh, who is fully aware of the difficulties of housing, in general, and of the private sector, in particular, should have remarked that the Government was still undecided whether or not to use compulsion on employers to build tenements for their workers. He should have straightaway rejected the very idea of compulsion. Any such compulsion would only retard the pace of industrialisation. The Government of Bombay once tried it, by insisting that no employer would be allowed to establish new factories, unless he undertook to build houses for 60 per cent. of the employees. Later, it had to relax this condition to a very considerable extent, as it found that the restriction was a great impediment to the establishment of many new industries in the State and that it tended to divert the attention of *entrepreneurs* to other States. Sardar Swaran Singh disclosed that the matter of exercising compulsion over employers was still being considered by the Planning Commission in consultation with the Ministry for Commerce and Industry. It is to be hoped that the Planning Commission would study in greater detail the problems involved in industrial housing and give the country the right lead. It will do well to study the results of the Bombay Government's experiment referred to above before taking a decision.

INDO-RUSSIAN SHIPPING AGREEMENT

Much significance attaches to the Indo-Russian shipping agreement signed by the representatives of the two countries, last week. For one thing, it is the first agreement of its kind. It is true that the bilateral trade agreements which India has concluded with other countries include a clause to the effect that steps will be taken to ensure that a fair proportion of the trade is carried by Indian ships. But this has often turned out to be a routine clause, with no special significance, as Indian tonnage is negligible, taking into account India's foreign trade. The Indo-Russian shipping agreement is the only shipping pact which India has signed with a foreign country. Secondly, the fact that a shipping agreement has been signed indicates that the authorities do visualise a certain expansion in the trade between the two countries which, as is well known, forms at present a very small proportion of the foreign trade of either of the two countries. Some recent developments point to an expansion of trade with Russia—more appropriately, Russian export trade to India. Apart from the Indo-Russian steel enterprise, the Bhilai plant, in which Russian machinery will be used, there are other sectors in which Russian technical know-how and technical equipment will probably be increasingly used. These sectors include mining and prospecting operations in the public sector. Then, there are the million tons of steel which Russia has agreed to supply in three years, beginning from 1st April 1956. Russia has agreed to accept payment for these goods and services in Indian goods to the maximum extent possible. India has, therefore, to export a sizable quantity of merchandise to Russia. Accordingly, in the near future, the trade between the two countries will be a two-way traffic.

It is in the light of the possibility of the expansion of trade between the two countries—a reference to this was made in the Joint Indo-Soviet *communique* issued in December 1955—that the shipping agreement has to be viewed. The agreement follows detailed discussions which were held between an Indian delegation consisting of officials and a Soviet shipping delegation. It provides for the distribution of the cargo on a parity basis. An understanding has also been reached regarding mutually beneficial freight rates.

The terms of the agreement visualise the use of six ships (of a total tonnage of 55,000 (dw.t.) on either side for purposes of providing regular cargo shipping communication between the Indian ports of Bombay and Calcutta, on the one part, and the Soviet ports of Odessa and Novorossiisk, on the other. The schedule of sailing will be fixed every three months after mutual consultation. The two countries will grant to each other's ships "most favourable conditions" allowed by the corresponding laws in force from time to time. Further, freight earnings of Soviet ships will be exempt from Indian income-tax and similar treatment will be accorded to those of Indian ships at Soviet ports.

In pursuance of their general policy of minimising delays to shipping and accelerating their turn-round at ports, the parties to the agreement will, consistently with their international obligations and the laws and regulations applicable to each port, adopt all possible measures for increasing the norm of output of loading and unloading through the introduction of one or two additional work shifts, working on Sundays or holidays or earmarking berths for the loading and unloading of special commodities. For settling all questions connected with the operation of the service, India will be represented by the Directorate-General of Shipping and Russia by its official shipping representative. The Indian ships at Soviet ports will be handled by "Infloat" while the handling of Soviet vessels at Indian ports will be effected by Indian firms to be appointed by the Soviet party as their agents in consultation with the Directorate-General of Shipping, Government of India.

A list of freight rates for different commodities has been appended to the agreement which incidentally indicates the goods that might participate in Indo-Russian trade. From Soviet ports, Odessa-Novorossiisk, to the Indian ports, Bombay-Calcutta, the freight rate (per metric ton) for machines, machine tools and equipment will be Rs. 107-150, for metals Rs. 74-82, for grain Rs. 74, for pipes Rs. 83-95, textiles Rs. 166, paper Rs. 115, for cotton Rs. 150, for cement Rs. 60 and for dyestuffs Rs. 150. The freight rates from Indian ports to Soviet ports will be Rs. 155 for tobacco, Rs. 216 for tea, Rs. 115 for jute goods, Rs. 133 for cotton, Rs. 120 for shellac, Rs. 150 for wool, Rs. 166 for spices, Rs. 160 for hides, Rs. 130 for nuts, and Rs. 170 for footwear. For commodities not mentioned in this schedule, the freight rates, it is stated, will be fixed through joint consultation by the authorities specified in the agreement.

LABOUR IN FREE WORLD

Mr. Walter P. Reuther, Vice-President of the 15-million strong American Federation of Labour and Congress of Industrial Organisations (A.F.L.-C.I.O.), has, ever since he arrived in India at the invitation of the *Indian National Trade Union Congress*, been expounding a new and vigorous philosophy of labour. In a perfectly happy phrase, he described the philosophy as "pragmatic idealism." Briefly, it stems from the intensely practical American outlook on life which, in its search for practical values, is unwilling to lose sight of the non-material ends that make life worth living—the freedom and worth of the individual. It is a philosophy which ought to commend itself to this ancient country which too is determined to make good the age-old deficiencies in material achievement without sacrificing either its rich heritage or the newly-won democratic way of life.

The basic problem which faces the underdeveloped countries is how best they can reconcile freedom with rapid economic progress. The danger is that, in their understandable anxiety to ensure economic prosperity, they may lose, or be induced to lose, individual freedom. On the other hand, if, for any reason, such progress is held up, freedom itself might be endangered. At the one end stands Russia which has paid a heavy price for its economic achievements. Russia, as Mr. Reuther pointed out, has made considerable progress in the field of industrialisation. China too might be able to repeat Russia's success. Indeed, Mr. Reuther was convinced it would. But Russia, he said, had paid "for economic progress in terms of human freedom, liberty and dignity." The problem before India is how best economic progress can be achieved without paying so heavy a price. Clearly, foreign aid from industrially advanced nations could help India and other underdeveloped countries solve the problem relatively easily. In this connection, Mr. Reuther's proposal for such aid merits the study of world powers. His suggestion was that the U.S. as well as the U.S.S.R. should contribute to a world fund a sum equal to two per cent. of their gross national product for a period of 25 years for helping the underdeveloped countries find the necessary capital for developing their economic resources.

Real trade unionism can naturally flourish best only in a free society. Mr. Reuther emphasised that he believed in free trade unions and a free society, because they alone could lead to the fulfilment of the creative powers of an individual. He described the trade unions in communist countries as "political company unions." The supremacy of the free system over the communist is due, as he said, to the consideration that it is creative. In the course of one of his impassioned utterances, he affirmed there was no limit to human progress and that the American labour movement had unlimited faith in the future of free men. He added: "The American labour believes that deep down in the bosom of every decent human being, there is a willingness and longing for joining together in the pursuit of positive peace values."

The secret of American prosperity lies in the attitude as much of its industrial leaders who are willing to face risks as in that of its workers who attach far more importance to wages and productivity than to political gains. U.S. labour, as Mr. Reuther declared, is "not tailed to any political party's kite." Asked what he thought about Indian trade unions and their political affiliations, he said that it must be remembered that India had won its freedom only recently and that unions participated in the movement for political freedom. He recognised that these conditions could not be changed overnight. But he declared that, while trade unions should help the Government in implementing its development programmes, they should not be a tool in the hands of the Government. Clearly, it is time the Indian unions too refused to toe the line of any political party, and worked, in a genuine trade union spirit, for the betterment of working conditions, instead of allowing themselves to be used as pawns in the game of politicians.

TRADE AND BALANCE OF PAYMENTS

A review of India's foreign trade in the calendar year 1955 was made in our last issue. This, however, was incomplete to the extent that it did not include the land-borne trade. Imports through land in 1955 amounted to Rs. 27.24 crores, as against Rs. 21.65 crores in 1954, while exports through land were of the order of Rs. 6.24 crores, as against Rs. 5.86 crores in the previous year. There was thus an adverse balance of Rs. 21 crores on land trade, so that the adverse trade balance on the total foreign trade for 1955 was as much as Rs. 50.06 crores and not Rs. 29.06 crores as stated in our last issue; the latter figure refers to the net trade position of only the sea- and air-borne trade.

The following table shows at a glance the position of India's total foreign trade (after adjustments made for transit trade) in 1955, as compared with that for 1954:

(In crores of rupees)

	1955	1954
Imports	643.90	586.02
Exports	595.51	562.20
Trade deficit	48.39	23.82

The above figures, however, do not reflect the value of certain stores imported on Government account and also that of exports on this account. Particulars of these Government transactions are given by the Reserve Bank in its March 1956 Bulletin, where a detailed review of the balance of payments position appears. According to this source, the adverse balance of trade in 1955 was Rs. 46.6 crores, as against Rs. 91.8 crores in 1954, that is, it was only about half of that in the previous year.

The balance of payments position for 1955 was even more happy, because the year ended, according to the Reserve Bank, with a surplus of Rs. 41.60 crores, in refreshing contrast to a deficit of Rs. 4.10 crores in 1954. This improvement in balance of payments was the result of other invisible receipts which were large enough to offset the adverse trade balance. These other receipts included official donations amounting to Rs. 12.2 crores, other Government invisibles Rs. 31 crores and private invisibles Rs. 45 crores, the corresponding figures for 1954 being Rs. 15.1 crores, Rs. 19.6 crores and Rs. 53 crores, respectively. Full particulars of the invisibles, however, are not available.

The areawise analysis of trade discloses a marked improvement in India's trade with dollar countries. During the year, the surplus with these countries rose from Rs. 9.9 crores to Rs. 44.7 crores being the net result of a 11 per cent. increase in exports and a 19 per cent. fall in imports. Another notable feature of the trade was a larger increase in the imports from the O.E.E.C. countries than in the exports to them. India's adverse balance with these countries, however, remained high at Rs. 74.9 crores as in the previous year.

On the capital account, there was an inflow of capital amounting to Rs. 2.8 crores in 1955, as compared with an inflow of Rs. 16.6 crores in 1954. The outflow of private capital was heavy, being as much as Rs. 14.8 crores, as against Rs. 7.4 crores in the previous year.

HONGKONG BANK CHAIRMAN'S STATEMENT

The extensive survey of the economic conditions prevailing today in most Asian countries by the Hon'ble Mr. C. Blaker, Chairman of the Hongkong and Shanghai Banking Corporation, in his statement to the shareholders of the Corporation, would be of immense interest to manufacturers and traders in India who are having close trade relations with those countries. Started a hundred and thirty-nine years ago in Hong Kong, this Corporation has established its branch offices in almost all countries in Asia, including India, Burma, Japan, Thailand, Indonesia, Ceylon, North Borneo, Malaya, Viet Nam, and the Philippines. Its long association with industry, trade and finance in these countries enables its chairman to view the conditions in these countries dispassionately and with understanding.

No survey of economic conditions in the East will be complete or easily understandable, unless it is presented against the background of trends in the West with which Asia has close connections. Naturally, therefore, Mr. Blaker has devoted a considerable part of his statement to the developments in the economically advanced countries. And this part of his statement, too, makes interesting reading. As readers are aware, in 1955, considerable industrial expansion continued in them and in some of the more highly developed countries, the economy was becoming overstrained. A growing industrial demand for materials and labour and high level of employment resulted in active domestic inflation. This, in turn, had adverse effect on their balance of payments. The measures to combat these dangers varied from country to country. The main emphasis was, however, on monetary rather than on physical controls, and on dearer money rather than on restriction of imports. These monetary controls did not have, remarked Mr. Blaker, any effect, as the cost of borrowing was no longer the restraining influence which it once was. And with the great increase of activity in the public sector, other supplementary measures were necessary. The rising Bank rate had had only limited effects in the circumstances.

In Asian countries, there was good progress in the implementation of development plans. In many cases, however, these plans had to be revised for lack of capital and shortage of trained technicians. Although dearer money was resorted to and had a limited effect on urban economies, it was not, in the opinion of Mr. Blaker, the real answer to the problem. For the aim was not to restrict demand in an over-expanded economy, but to improve the productive resources quickly enough to provide work for the growing population. At the same time, they had to increase the supply of food and consumer goods to meet the requirements arising as a result of industrialisation.

Mr. Blaker's statement is also notable for the advice he gave to Asian countries for securing foreign capital for financing their development schemes. He candidly remarked that much lip service was being paid by certain countries to attract foreign capital and that this would bring no result. He pointed out that foreign funds could be attracted only by creating stable conditions and improving the prospects for an adequate return on capital. "The conditions," to quote him, "have to be such that risk of loss of income or loss of capital is at a minimum, and secondly, that the yield is likely to be sufficient to offset any such danger as remains." These are doubtless basic considerations for stimulating the inflow of foreign capital, but they require to be reiterated from time to time, because some of the underdeveloped countries which badly need such capital still not only indulge in sentiments which will cut no ice with foreign investors but also follow fiscal and monetary policies that are calculated to make them shy.

D.V.C. BUDGET

It is gratifying to be told by the authorities of the Damodar Valley Corporation (D.V.C.) that they, in framing the budget for the current year —1956-57—have fully borne in mind the need for "utmost possible economy," while maintaining at the same time, satisfactory progress in the execution of works. Equally gratifying is the care taken to ensure that variations between the estimates and the actuals are kept down to the minimum. For such variations introduce a big element of speculation into all estimates of the costs of long-term projects like the D.V.C. Frequent upward revisions in the estimates of cost of such a project would upset all calculations about the economics of the project. This is especially true when the revised estimates exceed the original estimates by crores of rupees. To the extent that erratic fluctuations in basic construction costs are avoided, the appraisal of benefits of the project, which

(*Continued on page 751*)

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LAND REFORMS IN THE SECOND PLAN—I

UNSOUND AND UNJUST IN MANY RESPECTS

THE proposals on land reforms in the Draft Outline of the second Plan seem to be the product of a sentimental mind rather than rational thought. No sound and sagacious philosophy runs through them, nor do they appear to have been based upon a proper weighment of the advantages and disadvantages that might result from their implementation. In general, they mark a more drastic approach than they did in the first Five-year Plan, and fail to realise that the principles which governed policy in regard to *zamindaris* cannot be applied with the same force of equity now.

The two accepted goals of policy are economic efficiency and social justice. So long as the issue related to the high concentration of land ownership in the hands of big *zamindars*, measures aimed at dispersal of land ownership, and distribution of power, social status and income were conformable to the fundamental aim of social justice. But, when these measures tend to favour the small owner at the expense of middle-sized proprietorship, their distributive equity and justice no longer remain indubitable. In practice, such measures work towards the abolition of the middle class in the agrarian population.

From the point of view of economic efficiency, too, the claim for reforms of the type proposed in the Draft Outline seems to be tenuous. The break-up of big *zamindaris* was rightly expected to lead to better management and more intensive cultivation of land; but the middle class farmers, on the other hand, are generally believed to be capable of making a superior performance in terms of costs and yields than petty farmers. Apart from these considerations, reforms relating to land ownership which make incursion into medium-sized farms and tend to establish an agrarian structure based on family holdings raise problems of implementation, in the light of which it seems scarcely worthwhile to pursue any meagre gains that might be possible at all from their implementation. Tenancy reforms, however, stand on a different footing.

Obsolete Slogan

Though it is not overtly stated in the Draft Outline, the Planning Commission seems to be pursuing the slogan of "Land to the Tiller"; for without this assumption, several proposals in the Draft Outline would appear completely devoid of reason. In this connection, it is important to distinguish between means to an end and the end itself. The ends of land reform policy are only two, namely, economic efficiency and social justice, and no third. "Land to the Tiller" is a means to achieve the ends. Frequently, means may be regarded as goals for the immediate future; nevertheless, they remain means destined to achieve higher objectives.

The slogan "Land to the Tiller" was first raised when the agrarian structure was characterised by a high concentration of land ownership. In that context, it was in accord with the ultimate objectives of social justice and economic efficiency. There was so much unanimity of opinion over this that "Land to the Tiller" no longer remained a slogan but acquired the force and appeal of an ideal and began to be regarded as the end itself. But now, when big estates have been abolished and the targets of attack are the medium-sized and small to medium-sized holdings, the policy of "Land to the Tiller" cannot be regarded as furthering the ultimate ends. It is important, therefore, to stress that the present phase of the land reforms policy should be formulated with reference to the original objectives of economic efficiency and social justice and not "Land to the Tiller."

Four Aspects

Land reforms proposed in the Draft Outline relate to:

(i) limit on land that can be resumed by the owner for personal cultivation,
(ii) ceilings on owned land already being cultivated by the owner himself,
(iii) treatment of non-resumable land and land in excess of their ceilings, and
(iv) security of tenancy and the level of rents.

On the question of resumption of land by the owner for personal cultivation, the first Five-year Plan proposed that the limit for such resumption should be set at three times the family holding. The Draft Outline says that these recommendations have not proved adequate in practice. It has, therefore, recommended that the "limit should now be fixed at one family holding and be subject to a minimum area being left to the tenant."

Why the recommendations of the first Plan on this aspect of the problem have "not proved adequate in practice," has been left obscure, and so an important part of the statement which could enable the public to understand the logic and practicability of the new recommendations has been left out. There are several considerations which make these recommendations unappealing both in broad theory and in practical details.

Limit Inadequate

The limit of one family holding, or even of three holdings as proposed in the first Plan, is utterly inadequate in a country like India where an agricultural family is generally not the "elementary family" of the European type consisting of husband, wife and non-adult children. Owing to the immobility of agricultural population and lack of alternative work opportunities outside agriculture till now, an agricultural family in India is often of a bigger size than an elementary family. It may be composed of two adult generations which depend for their living on a common piece of land; or it may even be a "larger family" comprising several couples and single persons living under the same roof, each couple depending for its living

DELHI AND LONDON LETTERS

The two of our customary weekly features that generally appear on this page, namely, Delhi and London Letters, are published on page 738 of this issue.—ED.

entirely or mainly on land. It is at once clear that, for a substantial proportion of land-owning families in India, the limit prescribed in the Draft Outline on resumable land is ridiculously low. There will be many types and groups of two-generation families which will be hit hard, if this proposal is put through. Let us not forget that, in the present phase of land reforms, we are not dealing with the land resources of rich people but of those who are dependent for their very day-to-day expenditure on income from land.

The inequity of these recommendations is not easily realised by the people in the urban areas. But let us take a comparable case: suppose a person, who laid by some money during his active period of life, has built up a workshop of ten handlooms so that he can live in modest comfort. What would he feel, if, after some time, he is told that he can retain to himself only two handlooms, and the rest he can either let out at a rent sufficient to give him, say, 3 per cent. rate of interest on invested capital or he can sell against non-negotiable bonds due for maturity 20 years hence? If anything like this were to happen in urban areas, where people are more conscious of the value of right to property, it would create a stir. Yet this is what the Planning Commission intends to do by telling a person, who owns, say, land varying between 20 and 50 acres in order to give income and employment to his children, that he can use only one family holding and take a 20-year bond for the rest. (The argument about the fixity of the total area of land is not relevant. Fixity of total land area does not prevent immediate payment of full value of compensation.)

Not only is the limit distressingly low even for a small family, the proposal also fails to provide for variation in the sizes of families. All families, irrespective of their size, are to be subject to a flat limit of one family holding. Disregard of the size of family in imposing a limit on resumption of land for personal cultivation is most inequitable.

Fundamental Objection

A fundamental objection relates to family holding as forming the basis of reform. A family farm is defined "as the area of land which yields a gross average income of Rs. 1,600 per annum, or a net annual income (including remuneration for family labour) of Rs. 1,200 and is not less than a plough unit." Such a unit may not be an optimum-sized farm, which is the size that ensures full employment for the manpower available within the family. A rigidly defined family holding which is not expressed in terms of production man-work units available within the family cannot be an optimum-sized holding except by chance. To found a permanent agrarian structure on non-optimum holdings cannot hold good from economic considerations.

A family holding, as defined by the Planning Commission, will obviously vary not only from State to State, district to district but even from one block of land to another. Before this concept of family holding can be applied for determining resumable lands, and ceilings on owned land already under personal cultivation, it will be necessary to verify income from practically each piece of land. Since there is great deal of variation in output from year to year as also from different crops falling in rotation, an average of several years will have to be worked out. This will involve stupendous administrative work. Would it be matched by sufficient practical gain in terms of the welfare of the people? It would at least provide a boon to the administrative personnel, because on their findings about the income-yielding capacity of a farm, will depend what ceiling on holding or limit for resumption, measured in land area, ought to be fixed for that farm. Thus, the administrative personnel in the rural areas would be vested with enormous powers which would provide immense scope for graft and corruption.

Just as the size of a family holding cannot be rigidly fixed in space, it cannot also be rigidly fixed in time. A fall in prices of farm products out of proportion with the prices of non-farm products, may substantially reduce the money and real income from a farm and render its size below that of a family holding. Similarly, a reversal of this trend or an improvement in the arts of cultivation, and extension of irrigation, etc., may tilt a holding in the opposite direction.

The limit of one family holding with the provision that a minimum area (that is, a basic holding) be left to the tenant will obviously lead to parcelisation of land. Suppose in an area the family holding consists of 15 acres and a basic holding 6 acres of land. As a result of the implementation of the proposal of the Draft Outline, all holdings in that area ranging between 15 and 21 acres will be subject to the possibility of bifurcation into parcels of land, each below the family holding. Since a family holding is one which "is not less than a plough unit," the bifurcated holdings will not be able to make optimum use of the indivisible plough unit and so will be uneconomical.

Rationale Not Stated

The Draft Outline goes a step further and recommends that a person owning one family holding or less should be permitted to resume, for personal cultivation, one half of the area owned by him but not less than a basic holding. It is a pity that, in making these drastic recommendations, the Planning Commission has not stated the principles, logic or experience which have governed their decision. Any division of land below the size of family holding, that is, below the area necessary to give full employment to a plough unit, must be regarded as fragmentation. Already the law of equal division of inheritance is operating rapidly in the direction of sub-division of land. The proposal of the Planning Commission will hasten the process, and, if one may say so, institutionalise the evil.

The Draft Outline also tries to define the expression "personal cultivation." It says that personal cultivation may be deemed to have three elements, namely, risk of cultivation, personal supervision and performance of minimum labour. A person who does not bear the entire risk of cultivation or parts with a share of the produce in favour of another cannot be described as cultivating the land personally, and may not be allowed to resume land. This means that a person anxious to resume land for personal cultivation cannot have crop-sharing arrangements with the labour he may employ on his holding. We all know that a share in output or profit provides a greater incentive to the worker than wages. This principle, although desirable, meets with certain difficulties in its application in the industrial sector. But, in agriculture, it has been applied with considerable advantage and success. In agriculture, the interest with which a worker performs his work makes a good deal of difference in output. If this recommendation of the Planning Commission is implemented, a healthy tradition of sharing output with labour will end and the yield of crops will suffer.

(*Continued in next page*)

LABOUR POLICY UNDER SECOND FIVE-YEAR PLAN

SOME IMPORTANT ISSUES REVIEWED

By E. F. G. Hunter
CHAIRMAN, EMPLOYERS' FEDERATION OF SOUTHERN INDIA

DURING the year 1955, the Ministry of Labour issued a note on labour policy under the second Five-year Plan, the Industrial Disputes (Amendment and Miscellaneous) Bill was published, the Employees' State Insurance Scheme was extended, labour in Kanpur and Nagpur went on prolonged strikes in opposition to the introduction of rationalisation, the usual legal battles continued on the bonus front and an award of a Madras Industrial Tribunal was considered by the Editor of *Punch* sufficiently entertaining to be included in his publication dated 9th February 1955. In August, we experienced a *hartal* when hooligans were allowed much licence. One assumes that lessons were learned, however, for when the next *hartal* was called, in February 1956, the Government made it abundantly clear that it would tolerate no nonsense and the police and security arrangements for this second *hartal* were such as to ensure the maintenance of law and order. This Federation congratulates the Government on the firm stand taken for whilst some labour leaders and some politicians appear to consider a *hartal* to have special significance, *hartals* are really strikes, and in public utility concerns, illegal strikes at that. Experience and enquiries go to show that workers are not as a rule really interested in such stoppages. They stay away from work because they fear attacks from hooligans *en route*, or because of intimidation by ill-advised fellow workers or equally ill-advised politically-minded labour leaders.

Industrial Development

Under the labour policy for the second Five-year Plan, the Government clearly intends to tighten its control in the field of labour relations and industrial development, leaving little initiative to the employer or the worker. It has been pointed out that whilst workers are to be guaranteed certain rights and amenities nothing is laid down regarding their obligations, their discipline or their output. I suggest that our planners should be asked to set out the responsibilities of labour and to provide penalties for those who break the law just as penalties are provided for employers who infringe rules and regulations. If the industrial development of this country is to achieve that degree of success to which the planners aspire, those responsible for illegal strikes, the calling of *hartals*, the initiation of 'go-slow' tactics in factories, docks, etc., and other unfair labour practices should be made to realise that such anti-social acts will not escape unpunished. It is perhaps not out of place to mention here that in the first ten months of 1955, 4,800,000 man-days were lost in India through stoppages for various reasons!

Important features of the labour policy in the second Five-year Plan are the proposal to restrict the number of outsiders in trade unions and, under certain conditions, to give unions statutory recognition. To provide legislation for the protection of union office-bearers against victimisation and to improve the financial base of the trade union movement from its own resources. While the restriction of the number of outsiders in unions is welcome, I suggest the time has come completely to eliminate outsiders, at least

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Thus, the set of proposals seeking to place a limit on the land that can be had for resuming personal cultivation will lead to fragmentation, sub-optimum cultivation and adversely affect production in other ways; bring about an unsound agrarian structure; eliminate the middle class which has served as the carrier of modern thought, culture and techniques to the rural people; and tell on the income and employment resources not only of those who are no more than persons of modest and average means and subsist on their current income but also of many small owners who belong to the poor sections of the population. As they stand, the proposals are justifiable neither on grounds of economic efficiency nor of social justice. Besides being positively harmful to the social and economic interests of the country, the equitable implementation of the proposals will involve huge administrative work which will not be worth the expense and energy of the nation.

(*To be continued*)

in those industries where employees are no longer "insufficiently educated to look after their own affairs." The usual excuse given for the presence of outsiders is the lack of education among the industrial workers in India. In banking, insurance and commercial establishments, it cannot be said that the majority of employees are inadequately educated. Therefore, if the policy of the second Five-year Plan is to be implemented progressively, an experiment could be made by prohibiting outsiders from trade unions relating to banking, insurance and commercial establishments. There is nothing personal in this matter of "outsiders" but the fact remains that we are frequently left with the feeling that many issues are agitated and re-agitated for the sole reason of endeavouring to justify the continued existence in office of certain union leaders.

It is proposed to protect office-bearers against victimisation, by prohibiting their transfer, or punishment, without the permission of a prescribed authority. Provision already exists for the protection of all employees against victimisation or unfair labour practices and several awards have been made since the Industrial Disputes Act, 1947, came into force, restoring the conditions of service of employees where victimisation or unfair labour practices were proven. 'Protection' as envisaged in the Plan could well lead to the growth of mushroom trade unions with large executive committees, so constituted in an endeavour to protect as many as possible from the normal rules of discipline. Quite apart from employers considering such legislation to be undesirable, such measures are unlikely to benefit workers because the growth of rival unions is not in the interest of healthy trade unionism. The finances of unions are to be improved by fixing a minimum subscription and by compelling employers to recover subscriptions through pay-rolls. Whilst the need for fixing a minimum trade union subscription is apparent, if only to avoid fictitious membership return, I suggest the method of collecting trade union subscriptions through pay-rolls is most undesirable, especially so when these funds can be used for political purposes. Where a trade union is unable to persuade its members regularly to pay subscriptions, it is obvious that the workers are not very interested in that union. If a worker can be persuaded to authorise the management to make a deduction from his pay, it should be possible to persuade him to pay the amount direct to the union.

The draft Plan mentions the training of trade union workers. In Western countries, certain standards of education are laid down for those aspiring to important trade union posts such as secretaries, treasurers, etc. The ability to agitate is not the main criterion. Candidates have to pass written and oral tests before they are eligible for election. It will be possible to lay down such standards in India only when workers have provision for training in trade union leadership. It is, therefore, suggested that provision should be made for the opening of more establishments to train those who aspire to trade union leadership. One such establishment is already functioning in India and the Government should recognise the need for others in the Plan period.

Recognition of Unions

As regards the question of statutory recognition of unions it is felt that multiplicity of trade unions in any industry leads to frustration in that unions compete among one another in promising their members greater and greater benefits which frequently fail to materialise. For compulsory recognition I suggest the minimum membership should be at least 50 per cent. of the employees in the industry or establishment for which the trade union is functioning.

The Plan envisages greater emphasis on mutual negotiations for the settlement of disputes and voluntary arbitration. It is proposed that Government intervention should be resorted to only in intractable cases. We welcome this greater freedom, but when Government intervention becomes necessary, it should be seen that conciliators and adjudicators have that degree of industrial experience and training, which is so necessary if they are to have the confidence of the contending parties. In this country, it is by no means uncommon for conciliation officers to be appointed soon after graduating with little, if any, experience of industry. They cannot, therefore, be expected to appreciate the viewpoint of the two parties. It is, therefore, suggested that while Government considers it desirable to train management and labour, attention should also be given to the training of conciliation officers and/or adjudicators. In the United Kingdom, industrial relations advisers are selected by the Ministry of Labour from those with considerable experience in industry and their services are offered only on a request from the parties to a dispute. Men of experience and mature judgment are chosen and their advice is, naturally, respected.

One of the most important provisions of the second Five-year Plan is the somewhat revolutionary proposal that labour be associated with management. Whilst in theory the advantages of capital and labour jointly running an industry is obviously very sound, one wonders how it would work in practice under existing circumstances and conditions. In the first place, one feels that to be successful a joint venture should be the result of voluntary partnership, one partner should not be thrust upon the other. Apart from this aspect, I doubt if the time is ripe for such joint enterprise. It is difficult to reconcile the argument that industrial workers are not yet ready completely to eliminate outsiders from trade unions, with the view that workers are now ready to sit with the board of management to direct the affairs of an industrial undertaking. The board of management of any successful industrial undertaking generally consists of men of experience in industry who have had practical training over a long period and have been groomed for the appointments they hold. Is it not idle to contend that workers who may or may not have the necessary educational qualifications and who certainly will not have any experience in the management, will be suitable usefully to participate in the management of, say, a large industrial undertaking, unless the idea is that they be the watch-dogs of outside trade union leaders? Surely, such a partnership is unlikely to lead to a healthy atmosphere and is bound to result in constant friction instead of promoting harmony and improving industrial relations as visualised by the framers of the Plan.

The Plan recommends that public undertakings should set an example to private undertakings by not seeking exemption from laws. This is a good move, for at present public undertakings are exempted from almost all social welfare legislation.

Wage Policy

Under the heading "Wage Policy," the Plan envisages the raising of real wages and rightly points out that this can be done only by an increase in productivity, with an assurance to labour that an equitable share will accrue to it. The general wage policy laid down by the Planning Commission is commendable but to what extent tribunals and other authorities, charged with the task of fixing wages, will bear this policy in view, is difficult to predict. It would be advisable if, on such an important matter, the Government gives certain directions to tribunals who have frequently to deal with disputes relating to wages and dearness allowance. Although in certain regions such as Bombay, Ahmedabad and Kanpur, a living wage has been determined by various committees, in other large industrial centres living wages have not been determined, with the result that tribunals frequently grant wage increases on the ground that the living wage standard has not been reached, despite the absence of a correct estimate of the living wage. It is, therefore, advisable to determine the living wage in all important industrial centres, and then lay down a policy indicating the lines on which the living wage standard should be attained, by linking all increases in wages to greater output.

It is hardly necessary to emphasise the need for a uniform wage policy as the large majority of industrial disputes are for higher wages in one form or another. Not very long ago, the Bombay High Court remarked that "it is not in the interest of labour that in the same industry in the same occupation workers doing the same type of work should receive different wages." Unfortunately, tribunals still grant *ad hoc* wage increases without taking into account either the workload or the prevailing rate of wages in the industry or in the locality. Such arbitrary *ad hoc* increases given by tribunals go

(*Continued on page 751*)

HONGKONG AND SHANGHAI BANK'S PROFIT HIGHER

DIVIDEND MAINTAINED ON INCREASED CAPITAL

THE continued expansion of world trade and the rise in the prices of certain primary commodities, particularly rubber and tin, during 1955 contributed to more prosperous trading conditions generally in the territories in which the Hongkong and Shanghai Banking Corporation (Chief Manager: Mr. Michael W. Turner, Hong Kong) operates. This prosperity is duly reflected in the audited accounts of the Bank for the past year, what with a rise of H.K.$240 million in advances to customers and of H.K.$66 million in trade bills and an expansion of H.K.$1.29 million in the profit. The profit for the year under review amounts to H.K.$20.58 million, as compared with H.K.$19.29 million for the previous year and H.K.$17.29 million for 1953, and constitutes a fresh record in the history of the Bank since 1930, when it amounted to H.K.$20.68 million.

With the undistributed surplus of H.K.$10.21 million brought in from the previous year, the distributable amount, at H.K.$30.80 million, is higher by H.K.$1.65 million. A sum of H.K.$4 million has been utilised to write off Bank premises account. This provision is H.K.$2 million less than that set aside in the previous year. The dividend has been maintained at £5 per share for the ninth year in succession, and is made up of an interim distribution of £2 per share and a final one of £3 per share. It must, however, be noted that both these distributions are on an increased capital of H.K.$25 million, raised by the capitalisation of H.K.$5 million of reserves in March 1955. The total dividend for the year under review represents a distribution of £6 5s. per share on the old capital. Thus, the Chairman's hope, expressed last year, to pay the same annual divdend of £5 per share for 1955 on the increased capital, provided, of course, the profit of the Bank was maintained, has materialised. The increased dividend absorbs H.K.$16.19 million, leaving a balance of H.K.$10.61 million to be carried forward to 1956.

The following comparative table, giving the synopses of the Bank's balance-sheets as at the close of the last four years, gives an idea of the Bank's progress:

(In thousands of H.K. $)

	As on 31st December			
	1955	1954	1953	1952
Capital	25,000	20,000	20,000	20,000
Reserve fund	128,000	128,000	96,000	96,000
Undistributed surplus	10,607	10,215	9,359	9,489
Note issue	675,742	675,742	755,742	755,742
Current deposits and other accounts	2,557,376	2,672,641	2,636,471	2,639,319
Acceptances	20,350	56,521	10,557	12,861
Cash	260,260	330,936	439,317	421,389
Money at call	180,788	576,059	680,530	654,597
Securities against excess note issue	645,883	645,883	725,883	725,483
Investments—				
In Government and other securities	415,347	406,760	388,213	387,435
In subsidiary companies	9,264	2,136	2,136	2,135
Advances	1,069,660	829,455	645,653	699,841
Bills receivable	787,807	702,371	622,581	615,918
Premises	18,687	19,323	21,817	21,754
Balance-sheet total	3,427,200	3,571,195	3,536,687	3,541,413

The Bank's capital was increased, as already stated, in March 1955 by the capitalisation of H.K.$5 million from the reserve fund and the issue of one share for every four shares held by the then shareholders. Later on, during the year, the Directors transferred an equivalent sum from the inner reserves to the reserve fund, so that the reserve fund is unchanged at H.K.$128 million. The current deposits and other accounts show a drop of H.K. $115.27 million, in distinct contrast to the increase of H.K.$36.17 million in 1954. Explaining the cause for this decline in deposits and other accounts, the Bank's Chairman said that the trend of the Bank's ordinary deposits had, in fact, been upward, but the withdrawal of certain substantial sums, which had been left with the Bank on a short-term basis, resulted in this overall reduction. The decline of H.K.$36.17 million in acceptances on behalf of customers is attributed to "an alternation in the methods adopted by certain large customers during the year."

On the assets side, advances and bills receivable have gone up by H.K.$240.21 million and H.K.$84.94 million, respectively. Of the latter, trade bills account for H.K.$66.09 million and treasury bills for H.K.$18.85 million. The expansion in advances and trade bills is mainly due to the higher prices which ruled throughout the year for some of the primary commodities produced in the areas in which the Bank is interested. It also reflects the growing demand for larger advances from banks to finance current and capital commitments arising from the growing industrial development in South-East Asia. Investments in Government and other securities (at or under market values) have been strengthened by H.K.$8.59 million. The increase in investment in subsidiary companies is accounted for by the Bank subsidiary, namely, the Hongkong and Shanghai Banking Corporation of California, opened in San Francisco in August 1955. Besides this investment, the amount due from the Californian subsidiary stands at H.K.$10.15 million. A sharp fall of H.K. $457.60 million is noted in cash and money at call which is the result of the increase in advances and trade bills and of the decline in deposits referred to above. Although this has resulted in a drop in the ratio of the Bank's liquid assets to its total liabilities, the ratio still stands at over 47 per cent. which can be regarded as a satisfactory degree of liquidity.

BRITISH BANK OF THE MIDDLE EAST

The statement of accounts of the Indian branches of the British Bank of the Middle East for the year ended 31st December 1955 (which represents the second year of the Bank's operations in this country after it took over the branches of the National Handelsbank N.V. on 1st January 1954) disclose that the Bank has had its full share in the general prosperity enjoyed by banks in India during the past year. The balance-sheet total as at the end of the year shows a rise from Rs. 8.43 crores at the close of 1954 to Rs. 9.99 crores; the gross income for the year has improved from Rs. 22.85 lakhs to Rs. 33.47 lakhs and the profit (subject to auditor's fees) has shot up from Rs. 2.12 lakhs earned in 1954 to Rs. 9.63 lakhs. After bringing in the surplus of Rs. 0.88 lakh from the previous year, a sum of Rs. 8.59 lakhs has been remitted to the head office, leaving Rs. 1.92 lakhs to be carried forward.

The Bank's income from interest and discount for the year under review amounts to Rs. 20.36 lakhs, an increase of Rs. 5.35 lakhs over the year, and that from commission, exchange and brokerage Rs. 13.11 lakhs, as against Rs. 7.76 lakhs for 1954. On the expenditure side, interest paid on deposits and borrowings has gone up from Rs. 4.44 lakhs to Rs. 5.84 lakhs and establishment as well as other expenses from Rs. 16.29 lakhs to Rs. 18 lakhs.

There has been an increase of Rs. 69.41 lakhs in the Bank's deposits to Rs. 244.43 lakhs; of this increase, fixed deposits (standing at Rs. 29.3 lakhs) account for Rs. 13.03 lakhs, current accounts, etc. (standing at Rs. 214.43 lakhs) for Rs. 56.25 lakhs. The outstanding borrowings from other banks have gone down from Rs. 25 lakhs to Rs. 10 lakhs, all of which are unsecured. On the assets side, advances have risen from Rs. 453.03 lakhs to Rs. 557.45 lakhs. Of these advances, loans, cash credits and overdrafts account for Rs. 303.65 lakhs, as against Rs. 230.28 lakhs at the close of 1954, and bills discounted and purchased for Rs. 253.79 lakhs, as against Rs. 222.75 lakhs. The bulk of these bills (aggregating Rs. 213.96 lakhs, to be precise) are payable outside India. Notwithstanding the sharper rise in advances, as compared with that in deposits, the Bank's investments, too, have expanded from Rs. 20.50 lakhs to Rs. 30.92 lakhs and so also cash balances from Rs. 34.83 lakhs to Rs. 53.05 lakhs. Money at call and short notice has, however, declined from Rs. 30 lakhs to Rs. 21 lakhs.

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STERLING AREA RESERVES

The Sterling Area's gold and dollar reserves rose by $67,000,000 during March, and on the last day of the month stood at $2,277 million. The March increase compares with a rise of $61,000,000 in February and $29,000,000 in January.

On the provisional figures for March, Britain had a deficit of less than £500,000 with the European Payments Union, compared with £8,000,000 in February.

Defence aid received from the U.S.A. during March was estimated at $5,000,000. A sum of $8,000,000 was paid as the quarterly instalment on the Canadian interest-free loan; $16,000,000 was paid in gold or dollars to the European Payments Union for February; and $2,000,000 was paid to creditors of the Union in bilateral settlements.

In its issue dated 5th April the *Financial Times* London, comments: "At the beginning of the year, there was every reason to feel anxious about the movement of the reserves in 1956. The experience of 1955 had been very serious and in the summer, there were two major crises of confidence. The last quarter had shown a welcome stability, but that had not sufficed to offset the December repayments on the American and Canadian loans. In any case, the seasonal improvement had done no more than bring the position back into balance.

"Looking forward, it was possible to see that another year like 1955 would be more than the reserves and foreign confidence could stand. In order to provide for the seasonal downturn in the late summer, it was clearly essential that substantial recovery should be achieved in the first quarter.

"At the time, we set the figure of $150,000,000 as the minimum that would be satisfactory. It was not pretended it would be an easy figure to reach, and many people thought it would not, in fact, be achieved. In fact, the first quarter of 1956 has produced an increase of $157,000,000—the best result since the second quarter of 1954."

The newspaper adds: "The gold and dollar position has now improved steadily and without relapse since Mr. Butler's Istanbul speech of last September. There has been a six-month period of recovery, and the last month is the best of the six. This undoubtedly means that a more confident view can be taken of the future."

BHARAT NIDHI LTD.

The working of Bharat Nidhi Ltd. (Manager: Mr. J. B. Jaini, New Delhi) during the year ended 31st December 1955 has resulted in a profit of Rs. 17.70 lakhs, which represents an increase of Rs. 6.08 lakhs over the year. As in the previous year, this profit has been transferred to the general reserve. The Directors have, however, drawn back a sum of Rs. 12.45 lakhs from the general reserves to pay a dividend of 6 per cent. on the preference shares (absorbing Rs. 3.21 lakhs), a dividend of As. 10 per share on the Rs. 10 fully paid-up ordinary shares and of As. 2-6 per share on the partly paid-up (Rs. 2-8) ordinary shares, as against As. 8 and As. 2 per share, respectively, paid for 1954. The ordinary dividend in all takes up Rs. 9.24 lakhs.

Interest and dividends (gross) on debentures and shares earned by the Nidhi amount to Rs. 12.23 lakhs, having risen from Rs. 8.05 lakhs, and interest (net) earned aggregates Rs. 5.66 lakhs, as against Rs. 4.82 lakhs.

The Nidhi's capital is unchanged at Rs. 201.34 lakhs. The capital reserves stands strengthened at Rs. 11.24 lakhs, as against Rs. 9.71 lakhs a year before and the general reserve at Rs. 14.41 lakhs, as against Rs. 13.21 lakhs, after writing off during the year bad debts amounting to Rs. 16.18 lakhs and paying income-tax for the year 1950-51. Investments in debentures and shares in joint-stock companies (at cost) amount to Rs. 212.03 lakhs, as against Rs. 93.14 lakhs at the close of 1954, and in securities Rs. 2.49 lakhs, as compared with Rs. 5.69 lakhs a year ago. The Directors report that the market value of the Nidhi's holdings of shares and debentures in joint-stock companies at the close of the year showed an appreciation of Rs. 70 lakhs over the cost. There has been no progress in respect of pending income-ax assessments of the Nidhi. The tax position of the Nidhi, therefore, still remains obscure.

CANADA RAISES BANK RATE

The Bank of Canada has announced a further credit-tightening move by increasing its rate of interest to a record 3 per cent. from 2½ per cent., effective from the 5th inst.

This is the fourth increase in the Bank rate, since last August when it was raised to 2 per cent. from 1½ per cent.

There was a second increase to 2¼ per cent. in October and a third in November to 2¾ per cent., the previous record.

A drop in advances from Rs. 141.13 crores to Rs. 137.21 crores is shown by the State Bank of India for the week ended 6th April, 1956. Cash in hand and with the Reserve Bank has risen from Rs. 12.34 crores to Rs. 17.34 crores.

METHODOLOGY OF THE SECOND PLAN—I

BLIND APPLICATION OF CAPITAL COEFFICIENT RATIO DANGEROUS

By C. N. Vakil and P. R. Brahmananda

(This article is based on the forthcoming publication by the authors entitled "Planning for an Expanding Economy—a Study in Employment, Accumulation and Technical Progress."—ED.)

IT may be noted that the Planning Commission has formulated the global targets on the basis of a capital coefficient of 2.2 : 1 and on the assumption that the income-saving ratio could be raised from 7 per cent. of national income to 11 per cent. The methodological assumptions underlying the above technique of formulation of economic plans are those connected with the conditions of a steadily growing economy. The rate of growth of income is derived by multiplying the ratio of savings to income by the coefficient, indicating the average productivity of capital. According to the different values accorded to the ratio of average productivity of capital and the income-savings ratio, it is possible to obtain different rates of income growth. The ratio of average productivity of capital is the inverse of the capital coefficient or the capital-output ratio. Let us designate the coefficient indicating the average productivity of capital as A and the ratio of savings to income also called the investment rate as B. The rate of growth of income is A×B. If we know also the percentage rate at which population is growing, we can obtain the rate at which *per capita* standards are rising by means of the formula A×B−P, where P happens to be the rate of growth of population. If we assume that the average productivity of capital is 47 per cent. and that the ratio of savings to income is 11 per cent., the rate of growth of income will be 5 per cent. and, if we assume that the rate of growth of population is 1.125 per cent., the rate of growth of *per capita* standards is 3.9 per cent.

Models of Income Growth

In the case of some of the advanced countries, the average productivity of capital has been about 33⅓ per cent. and the ratio of savings to income between 18 and 20 per cent. Hence, the rate of growth of income has been about 7 per cent. The above value of the average productivity of capital is that which has ruled during the last 70 years in the case of some of the advanced countries during a period in which economic development was a matter of course in these countries.

In the case of the Soviet Union, if we take the final results at the end of their three plans, the value of the capital coefficient was about 1.4 : 1; the average productivity of capital was 70 per cent. In the case of India, statistics over a long period in regard to growth of income as well as rate of capital formation are not obtainable. Hence, the value of the capital coefficient can only be obtained from the experience of the last few years and this would not correctly indicate the long period trends. The Planning Commission has derived a value of 2.3 : 1 for the capital coefficient on the assumption that the ratio of savings was 6.2 per cent. and the rate of growth of income was 2.8 per cent. Detailed figures in regard to net investment are obtainable only for the period 1948-49 to 1953-54. It is only since 1948-49 that detailed figures in regard to national income are available.

The object of this article is to examine in detail the assumptions underlying the methodology of the technique of planning effort characterising the second Plan. As pointed out above, global targets have been derived on the basis of certain assumptions regarding the values of the capital coefficient and of the investment rate. At one time, it was contended that the method of formulation of the second Plan indicated how any country can obtain rapid rates of increase in national income, provided appropriate techniques of formulation of targets are followed. During the course of this article, we shall examine in some detail how models of economic development derived on the basis of the experience of advanced countries may tend to run away from the realities of the economic situation in underdeveloped countries.

The Concept of Capital Coefficient

The concept of capital coefficient or its inverse, the output (or product)—capital ratio, is a relatively new tool of analysis in economics. The capital coefficient tells us how much of investment is necessary in order to produce a given amount of output. If we are given the rate at which income has grown in a particular period and also the ratio of net investment to income in that period, by dividing the investment rate by the rate of growth of income, we obtain the value of capital coefficient. For example, if income is growing at the rate of 2 per cent. per annum and if the investment rate is 6 per cent. of income, the value of the capital coefficient will be 3 : 1. However, if we divide the investment rate by the rate of growth of income, we obtain the output (or product)—capital ratio. In the above example, it is one-third or 33⅓ per cent. If we are given the trends in the growth of national income over a given period and also have the figures regarding the rate of capital formation during the above period, we can obtain the value of the capital coefficient that ruled during the period.

The capital coefficient provides us the basis for the quantitative estimates to ascertain how, with different rates of capital formation, we can obtain different rates of income growth. This is, however, on the assumption that the value of the capital coefficient will not tend to vary. The implications of this type of analysis is that long-period changes in income depend upon change in the total stock of capital. The policy implication of the above is that, by varying the amounts of savings, it is possible to bring about changes in income. The use of the capital coefficient implies the belief that it is only through higher rates of capital formation that higher rates of income growth can be obtained.

By studying the trends in the growth of income and of capital during the critical periods of economic development of some of the advanced countries, it may be possible for us to obtain a rough guide as to the requirements of savings for bringing about a given magnitude of change in income. But care has to be exercised in regard to the precise periods with which comparison is sought.

Reasons for Changes in Value of the Ratio

Let us examine a little more carefully how any given value of the capital-output ratio might, in a closed economy, tend to vary.

(*a*) In the first place, one has to study the changes in the relative proportion of different types of output. Unless we assume that constant returns to investment operate in regard to all types of output, in other words, unless we assume that the ratio of capital to net output would tend to be the same in all types of output and that it would be so irrespective of variations in the quantities of the different types of output to be produced, we would not be warranted in arriving at the conclusion that the value of the agregate capital coefficient is not affected by changes in the relative proportion of outputs. Obviously, some products are more capital-intensive than others; hence, a larger proportion of the above types of products to total output would raise the value of the capital coefficient.

(*b*) In the second place, one has to take into account the possibilities of scarcities in regard to the supplies of certain factors of production which co-operate along with equipment in producing output. For example, there may be diminishing returns to investment in regard to certain types of output, because of the scarcity of certain co-operative factors, land, for example. In some cases, diminishing returns to investments in certain outputs will be a long-period tendency; in some cases, it may be a short-period phenomenon. A rise in the rate of investment will raise the capital coefficient, unless the additional supply of the different inputs are obtained with the same relative ease as before and unless these inputs happen to be of the same order of quality as before. In other words, we cannot assume constancy of value of capital coefficient, unless we make necessary assumptions about the elasticity of supply of different factors. A doubling of the rate of investment implies a doubling of the demand for all the inputs that go to make up the investment process. Hence, there is every possibility that, in the absence of appropriate arrangements, the ratio of capital to output would rise when the economy is put to strains in order to maintain a higher rate of investment. Here, one has to keep in mind the overall impact of the different types of shortages.

Pattern of Investment

(*c*) Let us now look at the problem from the point of view of the pattern of investment. Given the investment rate, a raising of the proportion of investments in industries at higher stages would imply an increase in the degree of capital intensity. The average gestation, as well as the production periods of investment, would tend to be raised. Hence, unless one can say that the relative proportion of different investments in the total scheme of investment outlay happens to be the same, one cannot come to the conclusion that the capital coefficient will tend to maintain the same value, even when the rate of investment is stepped up.

(*d*) One has also to keep in mind the variations in the proportion of marketable, as against non-marketable, outputs. If, in the scheme of total outlay, the relative proportion of unproductive investments happens to be raised, then the value of the capital coefficient too will be raised.

(*e*) Changes in the degree of capital intensity may be brought about both because of new technical changes and of adjustments in the light of changes in the structure of relative prices. Unless inventions in general are neutral from the point of view of the economy and unless the rate of interest does not change, the above changes and adjustments cannot be ruled out.

(*f*) Changes in the degree of utilisation of capacity affect the value of the coefficient.

(*g*) In the above analysis, we have considered only the possibilities in a closed economy. If we introduce foreign trade into the picture, then there is a further possibility of the the coefficient being subject to change.

It will be seen from the above discussion that a number of stringent conditions have to

(*Continued on page 751*)

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THE ECONOMICS OF AMBAR CHARKHA

CONSUMERS WILL HAVE TO PAY HEAVILY

By R. K. Hazari

LECTURER IN ECONOMICS, ST. XAVIER'S COLLEGE, BOMBAY

IT is well known by now that the emphasis in the second Plan would, unlike in the first Plan, be on more employment. For this purpose, as well as for conserving scarce capital resources for what are termed basic industries, the Draft Outline of the second Plan proposes to allocate Rs. 200 crores, or about 4 per cent. of the total outlay, to village and small-scale industries as against Rs. 30 crores or about 1 per cent. of the total outlay in the first Plan. In this context, the *Khadi* Board has made a powerful plea for the *Ambar Charkha* to increase gainful employment and incomes in rural areas. It desires the distribution of 25 lakh *charkhas* in these areas at a cost of about Rs. 25 crores during the second Plan period. At the outset, the programme recommended by it may be briefly summarised.

Production of mill and power-loom cloth should be frozen at the present level of 5,000 million and 200 million yards, respectively. The increase in cloth demand over the next five years, expected to reach 18 yards *per capita* in 1960-61, should be satisfied by expansion of handloom and *khadi* production from 1,500 million yards now to 3,000 million yards in 1960-61. The net increase in the demand for yarn should be met by full-time and part-time operation of 25 lakh *charkhas*, the full-time equivalent of which is computed at 18 lakh *charkhas*. Yarn requirements for the next five years are set out as follows:

TABLE I

Yarn Requirements

(Millions)

	1 1955-56 Base year	2 1956-57	3 1957-58	4 1958-59	5 1959-60	6 1960-61	7 Total of 2 to 6
Cloth production .. (yds.)	1,500	1,575	1,725	2,025	2,425	3,000	10,750
Yarn requirements .. (lbs.)	350	371	412	494	618	763	2,658
Mill supply (lbs.)		350	350	350	350	350	1,750
Balance .. (lbs.)	..	21	62	144	268	413	908

Source: A.I.C.C. *Economic Review*, Feb. 11, 1956, p. 211.

In other words, while the supply of mill yarn—the only source of yarn for handlooms at present—would be frozen at (the present assumed level of) 350 million lbs. (=1,400 million to 1,600 million yards at the rough conversion ratio of 1 lb. of yarn=4 to 4.5 yards of cloth), *charkha* yarn will expand from practically *nil* in the base year to 21 million lbs. in the next year and is targeted to record an increase in production of the order of 1,967 per cent. or about 20 times by 1960-61. This phenomenal feat is proposed to be accomplished through the setting up of centres for *charkha* manufacturing, production, finishing, training of spinners and carpenters, and regional directorates and inspectorates, etc. The implementation of this programme would involve a capital outlay of Rs. 34 crores, a subsidy of Rs. 101 crores and loan facilities to the extent of Rs. 632 crores over the Plan period

On the basis of a wage rate of As. 12 per day and taking the price of cotton at Rs. 700 per candy for 18s and 20s and Rs. 600 for 16s, the cost and price of *Ambar* yarn is expected to be as follows:

TABLE II

Cost per lb. of Yarn

	16s	18s	20s
	Rs. a. p.	Rs. a. p.	Rs. a. p.
1. Raw cotton	0 12 3	0 14 2	0 14 2
2. Wastage	0 1 7	0 1 9	0 1 9
3. Spinning wages	1 8 0	1 11 0	1 14 0
Cost per lb. of yarn	2 5 10	2 10 11	2 13 11
Plus 6⅓% of cost of handling charges	0 2 5	0 2 8	0 2 11
Price per lb.	2 8 3	2 13 7	3 0 9*

* Should be 10 pies.

Source: A.I.C.C. *Economic Review*, Feb. 11, 1956, p. 213.

The comparative prices of mill and *Ambar* yarn would be as follows:

TABLE III

Prices per lb.

Counts	*Ambar*	Mill	Percentage difference
	Rs. a. p.	Rs. a. p.	
16s	2 8 3	1 8 0	67.71
18s	2 13 7	1 9 6	78.76
20s	3 0 9	1 10 6	83.96

Source: *Ibid.*

The programme would involve a Government subsidy of Rs. 76 crores in supplying *Ambar* yarn to handlooms and Rs. 25 crores in the manufacture of *khadi* cloth, making a total of Rs. 101 crores over the five-year period of the second Plan. As against this expenditure, the social benefits that are expected to accrue are estimated at Rs. 293 crores in terms of the income of 49 lakh workers who would get more employment under the programme.

To give the *Khadi* Board its due, it must be admitted that they have taken some care to place their case for the *Ambar Charkha* with a not inadequate attention to the rather stern requirements of a plan programme. Their statisticians also deserve to be congratulated for using a correct ratio for the first time in the recent history of textile statistics for the conversion of yarn into cloth.

In view of the great importance of the problems of employment and cloth supply, the major facets of the programme may be dealt with point by point before we proceed to comment on it as a whole.

(1) It is unfortunate that, to serve the convenience of the Textile Commissioner's office, the production of powerlooms has remained statistically constant at 200 million yards for the last ten years or so, without showing any upward—or downward—movement. In the meanwhile, the number of powerlooms on record in various other Government statistics has been increasing almost continuously, thereby favouring the presumption that the present production of powerlooms is nearer 250 million yards than 200 million yards. In addition, the demand for mill yarn from such industries as hosiery, sewing thread plants, tape, banding and belting, fire hose, tyre cord fabric, fishing nets, jute mills and the electricity and cable industry, etc., particularly the first two, has been increasing at a very rapid rate since the war. In the three pre-war years, the non-handloom consumption of yarn was estimated by the Fact Finding Committee at 70 million lbs. annually. Rough calculations indicate a current level of at least 125 million lbs. of yarn, thus leaving only about 275 million lbs. for the handlooms and not around 350 million lbs. as assumed earlier in the Plan-frame and now by the *Khadi* Board. The net effect of these factors is that an upward bias is introduced into the conjectures of cloth produced on handlooms. In brief, the figure of 1,500 million yards of handloom cloth produced in the current year is probably an overestimate. Its expansion to nearly 3,300 million yards by 1960-61, therefore, would require a larger quantity of yarn than is estimated in Government and *Khadi* Board statistics.

(2) The recent buoyancy in the home demand for cloth, leading to a serious depletion of stocks with trade and industry, together with the large amount of expenditure proposed for the second Plan by the Planning Commission, not to mention the large increase in incomes expected by the *Khadi* Board through its programme, justifies fears that the targeted level of cloth consumption *per capita* of 18 yards by 1960-61 errs on the lower side. Freezing of mill and powerloom production at the present levels may, therefore, result in cloth shortage and higher prices, thereby diverting cloth and yarn from the export market, to the detriment of our balance of payments position.

(3) Coming to the *Ambar Charkha* proper, it should be clearly understood, first of all, that, compared to a mill, it requires, on an average, *at least* 56 times the number of man-hours to produce a pound of yarn:

TABLE IV

Comparative Data

20s yarn

	Mill	*Ambar Charkha*
1. Men: machine ratios ..	14 men per 1,000 spindles*	2 men per *charkha* (4 spindles)
2. Spindles per man	71.43	2
3. Production per spindle per 8 hours	5 ozs.†	3.2 ozs.
4. Production per man-hour..	44.64 ozs.	0.8 oz.
5. Man-hours required to produce 100 lbs. of yarn ..	35.84	2,000
6. Ratio of (5)	1:56	

* This level may be taken as the maximum in the mill industry on 20s. One mill in Modinagar actually has only 6.5 men per 1,000 spindles.

† The actual average is about 5.5 ozs. Further, since the *charkha* relies far more on the human factor than the mill does, the variations of technical performance in the *charkha* sector may be legitimately expected to be wider than in the mill sector, thereby making its average performance more unreliable as a guide to evaluation and policy.

Lest this ratio be mistaken for the employment potential of the *Ambar Charkha*, an investigation of the yarn cost data may be considered in order. The *Khadi* Board data given above do not make any allowance whatever for stores, interest on loans, depreciation, repair and maintenance and other overheads including the expenses of the Board and its various institutions. Since the Board has, fortunately, not pleaded for the liquidation of standard accounting practices, I may be permitted to amend the cost and price data of *Ambar* yarn accordingly and compare it with the cost and price of mill yarn:

TABLE V

Relative Costs per lb. (pies)

	Mill	*Ambar charkha*
Cotton*	170	170
Wastage	21	21
Wage cost†	30	360
Depreciation, maintenance, overheads, etc.‡	35	17.5
Total cost ..	256	568.5
Ratio ..	1 :	2.22
Selling price .. .. .. (Rs.)	1-10-6§	3-2-4‖
Ratio ..	1 :	1.9

* Cotton cost would probably be higher for the *charkha* due to higher distribution cost.

† Wage cost data are admittedly of a mill known for its high wages and technical performance, but a less efficient mill would not have a significantly higher wage cost, since its lower performance would be partly made up by lower wages.

‡ Mill data include power and light. *Charkha* cost on this account can hardly be less than one-half of that in a mill.

§ Market price.

‖ Making a 6¼ per cent. allowance for handling charges. The actual may be expected to be higher.

The fact that the selling price of *Ambar* yarn would have to be higher than the *Khadi* Board estimates would involve an upward revision of the figure for subsidies.

(4) To deal with the subsidy before passing to other matters. The *Khadi* Board does not mention whether the subsidy it envisages would be limited to the second Plan period or continued thereafter, too, as a more or less permanent feature of economic policy. If the latter is favoured, the Government would become liable to the extent of at least Rs. 16 crores a year, probably more; if the former is accepted, nearly 50 lakh persons enveloped in the *Khadi* Board's domains would be left in the lurch from 1961 onwards, with disastrous consequences all round.

(5) The *Khadi* Board's production programme is limited, for the present, to the count range 16s to 20s or an average of 18s. It appears to have slipped the Board's memory that *dhotis* and *saris*, the demand for which may be legitimately expected to keep on rising, cannot be made from counts less than 25s. With mill production of yarn frozen at the present level, and assuming hosiery and other production to increase rapidly, the handlooms would be unable to produce enough *dhotis* and *saris* to satisfy the increase in demand during the second Plan period. *As a matter of fact, the Board's programme has nothing whatever to say about correlating the production and marketing patterns of handlooms with* Ambar *yarn production.* The counts proposed to be produced on this *charkha* can actually be utilised only for the production of fabrics like bedsheets and covers, towels, Madras handkerchiefs, etc., which occupy only about one-half of the handlooms at present. The *charkhas* cannot possibly be expected to produce above 25s *economically*, since, as even the Board's data indicate above, the cost differential between mill and *Ambar* yarn widens increasingly with higher counts.

Reading through the Board's programme, one regrettably gets the impression that it appears to have ignored the tremendous diversity of production patterns and, consequently, yarn requirements, of the handloom industry—a diversity even greater than that found in the mill industry.

(6) A reference may be made to the findings of the Agricultural Labour Enquiry. It indicates that the average number of work-days available to agricultural labour per year in different regions varies from 120 to about 250. Obviously, the necessity of part-time employment and, therefore, the possible scope for the *Ambar Charkha*, too, varies from region to region. Where the work available exceeds 200 days in a year, only a maximum of 100 days could conceivably be devoted to spinning and the yarn supply would, therefore, be small and uncertain. Where seasonal unemployment is rife, the *Ambar Charkha* would have better scope but here, too, production would have a pronounced seasonal pattern (remembering that there is usually a shortage of labour at harvest time, etc.). It should be recalled, in this connection, that handlooms also are subject to seasonal suspension of activity, particularly during the monsoon when warping and sizing become impossible. The impact of seasonality at the source of demand as well as supply during different portions of the year would necessitate, *inter alia*, the carrying of large stocks and a considerable exertion of organisational effort.

Moreover, since the yarn collection centres would not be invested either with police powers or with the less visible influence of the moneylender, there is no assurance that yarn of the requisite specifications would be delivered in time. This danger is very real in areas with relatively high employment and high wages where the carrot of a 12 annas wage may fail to tempt the villager. Even in other areas, the spinners may forsake the *charkha*, at least temporarily, whenever any chance occurs of earning a wage higher than As. 12—or As. 8-10 which the *Khadi* Board hopefully expects to find sufficiently attractive in some States. Actually, the socio-economic conditions in the poorer areas are, at present, known to be such as to militate against consistency at work. To place the cloth consumer and the handloom industry in a state of dependency on such an uncertain source of supply may well define a unique type of planning, dedicated to the achievement, instead of the defeat, of scarcity.

Evaluating the programme as a whole, credit may, once again, be given to the *Khadi* Board for conceiving and drawing up an ambitious plan for providing gainful employment to millions of our countrymen. Whether one agrees with specific targets and policies or not, emphasis on relief of unemployment, has to be one of the keynotes of our Plans. If, therefore, the Board's programme is criticised, it is certainly not due to the fear of as many as five million persons getting gainful employment, an objective which, if achieved, would gladden all hearts in this country. The only fear one entertains in this connection—and that is a fear which the Planning Commission has fortunately taken cognisance of—is the inflationary potential that would be generated by higher incomes and expenditures, *not* sufficiently matched by an equivalent supply of consumer goods at stable prices.

Taking an overall view of the programme, the main defect one discerns in it is its excessive optimism about the organising capacity of the Board. A highly decentralised agency of yarn production is proposed to be created practically overnight and is expected to attain a rate of progress within a few years which even Russian industry has not claimed so far. The annual breakdown of the five-year production programme, given in Table VI, uncovers the hidden oceans of vitality which the *Khadi* Board proposes to discover in itself and its agencies (which *shall* be created):

TABLE VI

Production Programme.

(Million lbs. of yarn)

	1956-57	1957-58	1958-59	1959-60	1960-61	Total
(1) Annual output of yarn ..	20.6	61.9	144.4	268.2	412.5	907.6
(2) Annual consumption in *khadi* ..	18.75	56.25	56.25	56.25	56.25	243.75
(3) Available for distribution to handlooms ..	..	3.65	88.15	211.95	356.25	660.00

Source: A.I.C.C. *Economic Review*, p. 215.

Converting (1) and (3) above into *cumulative* percentages, one would get the following results:

	1956-57	1957-58	1958-59	1959-60	1960-61
(1) Annual output of yarn.	100	300	233	186	154
(2) Available for distribution to handlooms ..	..	..	2,415	240	168

It is apparent from the aforesaid calculations that (i) a very high rate of progress has been assumed by the *Khadi* Board, particularly in the matter of yarn that would be available for distribution to handlooms, which is expected to be 9,760 per cent. of 1957-58 in 1960-61, the total output of yarn being 2,002 per cent. of 1956-57 in the same year, *both starting from practically nil* in 1955-56; and (ii) 75 per cent. of the total yarn and 86 per cent. of the *Ambar* 'free' yarn output over the Plan period will be concentrated in the last two years of the Plan, justifying the conclusion that, for the first three years, consumers and handlooms would have to wait patiently and stoically for the *Khadi* Board to deliver the goods towards the end of the Plan.

Another argument advanced in favour of the *Ambar Charkha* is that it will economise on the need for capital funds, since its cost is apparently less than that of mill machinery. The tables below compares the total investment required to fulfil the target of 908 million lbs. of yarn, over the second Plan period, care being taken in the assumptions to place the mills in as unfavourable a position as possible:

TABLE VII

No. of Spindles required to fulfil yarn target of each year by Shifts.*

(Lakhs)

Shifts	1956-57	1957-58	1958-59	1959-60	1960-61
One	2.24	6.61	15.36	28.59	44.05
Two	1.12	3.31	7.68	14.30	22.03
Three	0.76	2.25	5.23	9.73	14.99

* As set by the *Khadi* Board in Table I.

Basis of computation: (i) production of 20s yarn at 5 ozs. per spindle per shift on first two shifts and 4.60 ozs. on third shift; (ii) each spindle works 300 days in a year, no allowance being made for idle capacity, as done by the *Khadi* Board in the case of the *Ambar Charkha*.

Net increase in Spindles required each year.

(Lakhs)

Shifts	1956-57	1957-58	1958-59	1959-60	1960-61	Total
One ..	2.24	4.37	8.75	13.23	15.46	44.05
Two ..	1.12	2.19	4.37	6.62	7.73	22.03
Three ..	0.76	1.49	2.98	4.50	5.26	14.99

Investment Cost of Installing Spindles by Shifts.

Shifts	Spindles required	Total Investment required
	(Lakhs)	(Rs. crores)
One	44.05	128.5159
Two	22.03	64.2725
Three	14.99	43.7333

Computed at Rs. 291.75 per spindle on the basis of Rs. 35,00,000 for erecting a complete mill of 12,000 spindles, and ancillary equipment, including buildings, etc.

TABLE VIII

Charkha Yarn

No. of Spindles required to fulfil yarn targets of each year.

1956-57	3.50
1957-58	10.33
1958-59	24.00
1959-60	44.67
1960-61	68.33

Basis of computation: (i) production of 18s yarn at 3.2 ozs. per spindle; (ii) each spindle works 300 days in a year.

Net increase in Spindles required each year.

(Lakhs)

1956-57	3.50
1957-58	6.83
1958-59	13.67
1959-60	20.67
1960-61	24.16
Total ..	68.83

Investment Cost of Installing Spindles.

Spindles required (lakhs)	68.83
Direct cost* (Rs. crores)	34.00
Subsidy* (Rs. crores)	76.00
Total investment (Rs. crores) ..	110.00

* As per estimates of *Khadi* Board.

It is assumed in Table VII that all the increase in yarn output in the mill sector comes from new mills and new spindles—an assumption which is less than just to known facts about present mill capacity and use of second-hand machinery. The technical performance of mills has been taken at the very low level of 5 ozs. per spindle-shift. Table VII indicates that the investment required to produce 908 million lbs. of yarn in the mill sector over five years would be Rs. 129 crores, if all the spindles are worked only one shift, Rs. 64 crores if all of them are worked two shifts, and only Rs. 44 crores if all of them are worked for three shifts. On the other hand, the *Ambar Charkha* would require, according to the *Khadi* Board's own estimates which we have shown to err on the lower side, Rs. 110 crores (Table VIII). On the reasonable assumption that the new mill spindles work two shifts, the capital investment required for the *Ambar Charkha* would be nearly 72 per cent. higher! The advantage in favour of mills would, of course, be even greater if the existing mills expand their yarn production through more spindles, intensive shift working and higher technical performance.

There is, of course, no doubt that the *Ambar Charkha* can provide more employment than the mills can. Table IX fully supports this statement:

TABLE IX

Direct Employment (excluding Construction, etc.)

Shifts	Mills: At 14 men per 1,000 spindles	Mills: At 12 men per 1,000 spindles	*Charkha*: At 1 man per 2 spindles
One shift	61,600	52,800	34,41,000
Two shifts	123,200	105,600	..
Three shifts	184,800	158,400	..

The maximum employment that can be provided by mills would be much less than 2 lakhs while the *Ambar Charkha* can employ more than 34 lakh persons. But to the figure for mills should be added the increased and more secure employment in powerloom, hosiery and other industries, construction and trade, not to mention the benefits that would accrue to the handloom industry through secure yarn supply. Cheaper yarn and cloth, moreover, would increase the consumer's purchasing power and help to diversify trade and industry. This would all be in addition to the higher income per mill worker that would be generated without imperilling the supply of commodities which account for nearly a quarter of our consumer expenditure. It might be suggested that this line of reasoning ignores the social cost of unemployment or underemployment in rural areas. *The answer to that is that inflation, too, imposes social costs, a factor of which the Khadi Board makes no mention.* The emphasis on employment in the second Plan is not dedicated to the complete abolition of unemployment, for the simple reason that the present Plan, at any rate, cannot go any further than it has in the Draft Outline without endangering the whole basis and structure of the economy. *Planning has to take account of realities and not merely desires.*

This rather lengthy discourse should not be meant to imply that there is no case whatever in favour of the *Ambar Charkha*. Rural underemployment and poverty are so severe in some parts of the country—even by Indian standards—that no Plan would be worth the name if it does not provide some avenue of relief, albeit temporary, till something more substantial can be effected. In that specific context, the *Ambar Charkha* could play a useful role in pockets where distress is severe and no employment is available for the greater portion of the year. In such situations, Government subsidies and paraphernalia of the *Khadi* Board could help on a relief basis. But this is something entirely different from the ideological fervour with which the *Ambar Charkha* has been advocated by the *Khadi* Board recently and that in a manner which suffers from a rather conspicuous absence of humility that, one understands, is one of the pillars of the ideology, on which the *charkha* is based.

MR. K. C. REDDY ON AMBAR CHARKHA

Intervening in the debate on the Production Ministry's demands for grants in the Lok Sabha on Thursday last week, Mr. K. C. Reddy, Union Production Minister, claimed that the potentialities of the Ambar Charkha were immense. The price of cloth and yarn produced by the Ambar Charkha would, he pointed out, be lower by 50 per cent., if not more, as compared with the cloth and yarn produced by the traditional charkha. Proceeding, he observed:

"If you compare the economics of traditional *khadi* production with the economics of *Ambar khadi* production, you will find that *Ambar khadi* production is by far superior to the economics of traditional *khadi* production. There is no doubt about that. On that basis, Government have decided that a well-thought-out programme—may be as a result of the pilot project scheme to which reference was made—of replacing the existing traditional *charkhas* by *Ambar Charkhas* should be proceeded with and the financial implications of it will be worked out by the Government at the proper time.

"What about the larger programme, the five-year programme, for *Ambar Charkha* for producing 400 odd million pounds of yarn and 1,700 million yards of cloth to be produced through the *Ambar Charkha* which will not require the additional licensing of any spindleage, which will not require any additional powerlooms or anything of the kind? These are the implications. With regard to this, I would like to touch on only one or two important aspects. First, there is what may be called laboratory tests or Sarva Seva Sangh in Wardha. The *Khadi* and Village Industries Board, so far as they are concerned, are completely satisfied about the economics of the *Ambar Charkha* and they say that the various assumptions that they have made for the *Ambar Charkha* can be fully proved. That is the verdict that they have arrived at. But so far as the public are concerned, so far as the Government are concerned, so far as Parliament are concerned, we want to have certain assurances, we want to have no doubts in our minds as it is a question of Rs. 144 crores, to which the Hon'ble Member referred.

"... About the *Ambar Charkha* programme, I would like to say this. The Planning Commission have not provided so far any funds for the *Ambar Charkha* programme in the Draft Outline of the second Plan. If any amount is provided, as we, indeed, expect will be provided as a result of the *charkha* tests being favourable, then another Rs. 200 crores will have to be provided—about Rs. 150 to Rs. 200 crores—in addition to the size of the present Draft Outline of the second Five-year Plan. That point we should not forget. The Finance Minister referred on a previous occasion to the fact that the size of the Plan will have to be probably increased, if and when a decision is taken on the *Ambar Charkha* Programme and we will have to provide about Rs. 200 crores for that purpose. We are keeping all these things in view."

FREE WORLD'S COTTON SURPLUS

DETAILS OF U.S. EXPORT POLICY AWAITED WITH ANXIETY

COTTON circles the world over are anxiously awaiting the details of the U.S. Government's new export sales programme for the ensuing cotton season (1956-57). The broad features of the policy which is being discussed in the U.S. Congress, it will be recalled, were announced sometime in February last. These include sales of cotton on a competitive bid basis and permission for substituting such cotton with cotton privately owned. The anxiety over the final decision of the U.S. Government with regard to cotton exports stems from fears that, as a result of the sale of American cotton on a competitive bid basis, there will be a severe setback to world prices of cotton. It is not surprising that several countries, particularly the net exporting countries have bitterly criticised the U.S. move to sell cotton in world markets on a competitive bid basis.

Voicing its severe protest against the new export policy of the American Administration, a leading cotton trader in Peru, for instance, recently said: "The U.S. cotton surplus disposal programme, embracing all grades and staples, and the granting of credit facilities and special payment terms in local currency, will, of necessity, originate a price war in the world market of detriment effects, particularly to countries that rely on cotton exports—as in the case of Peru—for their economic and social development." Expressing opinions more or less similar, Egyptian cotton circles warn that the basic economic laws cannot be flouted for ever and, in the end—which may come after two, three or more years—means will have to be found to straighten out the position. Syria is another prominent cotton-growing country which has criticised the U.S. cotton export programme which, *it is said*, has already caused a considerable dislocation of price. To quote a report: "Such of the Syrian exporters as are holding stocks of cotton find it difficult to dispose of their cotton, because foreign mills have completely withdrawn from the market as a result of the U.S. export plan."

Stocks Heavy

The aforesaid fears of the U.S. surplus cotton disposal plan adversely affecting the world cotton trade and causing a severe setback to prices are quite understandable. As readers are aware, the free world carryover stocks have registered a sharp rise in the current season; the International Cotton Advisory Committee estimates these stocks as on 1st August next at more than 23 million bales of 478 lbs. each, as compared with 20.3 million bales a year before. The increase of nearly 3 million bales thus is expected to be accounted for solely by increased stocks in the U.S., so that "there will be little variation in total stocks elsewhere." The heavy stock position must be attributed to the substantial expansion in free world cotton supply, from 48.3 million bales (made up of a crop of 29.4 million bales and carryover stocks of 18.9 million bales during the 1954-55 season to as much as 51.2 million bales (consisting of a crop of 30.8 million bales and carryover stocks of 20.4 million bales) in the current season. Indeed, the problem of cotton stocks has become a matter of international concern, especially in net exporting countries.

Viewed in the context of the present cotton surplus, the increase in production in some countries has, as the Committee points out, somewhat limited significance. It must, of course, be mentioned here that the entire improvement in output has by no means been earmarked for export. For higher domestic consumption has been a strong incentive to augment production in some countries, such as Pakistan and India. Although the upward trend in output the world over has given rise to the problem of world cotton surplus, the position of individual countries, principally the U.S., has been affected by a drop in total free world exports.

Cotton Surplus in U.S.

The accumulation of cotton stocks in the U.S. is attributed to three factors. First, notwithstanding the acreage restrictions, cotton production in the last two seasons has gone up by 2.6 million bales and 4.5 million bales as compared with the calculated marketing quotas, thanks to marked improvement in yields which are at record levels. Secondly, the average domestic consumption in the last five seasons has risen only fractionally over the 1949-50 level. Thirdly, exports have declined almost continuously; in the current season, they are expected to be less than half the normal volume. Commenting on the trend of exports, the Committee says: "How serious this has been to the U.S. cotton economy can be seen in the fact that the decline in exports from the five-million bale level has meant a market loss of seven million bales in the last four seasons, or more than the aggregate increase in production outside the U.S. in this period."

Output and Consumption

Taking the free world as a whole, the rise in the total production of cotton during the period 1949-50 to 1955-56 has been as much as 4.16 million bales, while that in consumption is not more than 2.87 million bales. The following table indicates the extent of the rise in the estimated production and consumption of cotton in the producing countries:

(In thousand bales of 478 lbs. each)

	Production	Consumption
U.S.A.	—1,500	300
Mexico	1,185	115
Central America*	300	*Nil*
India	1,550	880
Pakistan	289	600
Turkey	155	210
Syria	355	10
Other Asian countries	345	50
W. Europe†	345	185
Argentina	*Nil*	100
Brazil	450	75
Peru	115	20
Other South American countries	130	130
Egypt	*Nil*	140
Sudan	130	5
Uganda	20	*Nil*
Other African countries	300	50
Total Free World	4,160	2,870

* Nicaragua, Guatemala and Salvador.
† Mainly Greece and Spain.

It will be seen from the above table that, since 1949-50, while cotton production in the U.S. has receded by 1.5 million bales, that in the other countries of the free world has advanced by 5.6 million bales. In other words, the net rise in free world output has been 4.16 million bales. Out of the increase of 5.6 million bales in the cotton output of the free world outside the U.S., 3.1 million bales have gone into increased domestic consumption. Most of the remaining 2.5 million bales represent an addition to annual export availability. During the period 1949-50 to 1955-56, exports have actually advanced by 2.5 million bales, that is, from 5.7 million bales in 1949-50 to 8.2 million bales (estimated) in 1955-56.

A large part of the rise in the free world's cotton output has originated in Mexico and Central America. Mexico is now producing well over double the 1949-50 volume, namely, 2.1 million bales, as compared with 0.9 million bales. The Central American countries—Nicaragua, El Salvador and Guatemala—in the aggregate are expected to produce about 350,000 bales this season, as against only 57,000 bales in 1949-50. Domestic consumption in Mexico and Central America has increased by 100,000 bales, but the balance of 1.5 million bales represents an addition to export availabilities.

The Asian countries together account for a rise of 2.69 million bales of cotton, as compared with 1949-50, the current season's output being estimated at about 7.0 million bales. Of this rise, the share of India and Pakistan alone comes to 1.83 million bales. But the rise in output has not contributed to the present world cotton surplus, inasmuch as it has been accompanied by an increase in consumption. Without an increase in production and assuming the same increase in consumption, imports would have had to be stepped up significantly above even the high 1949-50 level. Nor has the increase in production in the two countries led to any increase in exports, which, in recent years, have averaged no more than those in 1949-50. Increased self-sufficiency has, of course, resulted in lower imports. Similarly, production in Turkey has increased by 200,000 bales since 1949-50, but consumption has increased by a like amount. Aggregate production in Asia outside these three countries has more than doubled—an annual increase of 600,000 bales—almost all of this has been produced for export.

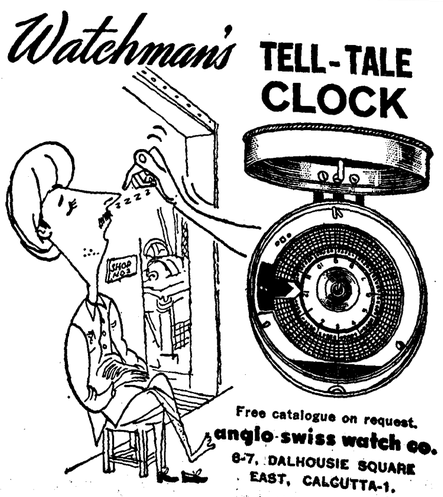
In the major African producing countries—Egypt, Sudan, Uganda and the Belgian Congo—there has been virtually no increase in the aggregate production. Production in Egypt since 1949-50 has tended to be lower on the average and significantly under the pre-war level. This has offset the gradual increase in production in the Sudan. Elsewhere in Africa, efforts have been made by European interests to expand cotton growing and the aggregate production this season is expected to be 300,000 bales or 50 per cent. higher than in 1949-50.

In Western Europe, production has expanded rapidly in Greece, Spain and Italy. The total production in 1949-50 was 100,000 bales, but is expected to reach 450,000 bales this season.

South America has contributed little to the present surplus. Production here has increased since 1949, but that was a year of exceptionally low yields in Brazil and Peru and for this reason was not representative of what might be termed the normal level of cotton production in this Continent. Production in South America this season should be somewhat larger than in 1954-55, on account of the expected increase in Brazil. Colombia is an exception to the general trend in South America. Cotton growing here has become far more important. From a mere 39,000 bales in 1949-50, production has increased to over 100,000 bales. A final point on South America is that domestic consumption has expanded at a rate fully equal to the increase in production and the average exports in the last six seasons have been much lower than the average for the early post-war years.

IMPORT OF COTTON

The Government of India has decided to permit import, with immediate effect, of cottons stapling 7/8" to 1-1/16" up to a ceiling of 40,000 bales from both dollar and non-dollar areas. Licences will be issued in favour of mills and importers on a first-come-first-served basis and will be valid up to 30th June 1956. The nature of evidence required will be the same as in the past.



FALL IN PROFITS OF TEXTILE MILLS

COTTON BOARD PRESENTS THE CASE AGAINST CLOTH IMPORTS

From A Special Correspondent

MANCHESTER, *3rd April*

THE cotton company reports for 1955, published early this year, had shown that the year was by no means a prosperous one for the industry. It had then been predicted that later results would almost inevitably show up the situation in a more sombre light. Those that have followed have duly confirmed this prediction—as was only to be expected after a period of such uncertain trade.

MANCHESTER LETTER

To set the scene in its true perspective—and to guard against any undue optimism in certain quarters—an up-to-date list has been drawn up of those companies whose profits and dividends have been announced since the beginning of the current year. Comparisons with the 1955 figures are given below:—

	1956		1955	
	Profit or Loss (—) £	Dividend % (less tax)	Profit or Loss (—) £	Dividend % (less tax)
SPINNERS				
Butts	2,108	20	21,038	20
Cairo	5,674	12½	23,630	20
Cotton and Rayon Spinners	104,257	15	136,538	15
Cromer	172,975	10	234,657	8½
Mersey	12,388	10	31,779	10
Mutual	23,118	12½	55,544	17½
Ocean	— 8,875	3½	6,545	5
Ripponden Commn.	247	5	4,434	15
Stockport Ring	7,519	10	36,522	10
Townhead	24,981	20	25,118	25
Tulketh	10,926	12½	27,500	15
Victoria	11,976	43½	15,773	38½
SPINNERS AND WEAVERS				
Ashton Bros.	70,696	12½	92,829	15
Barlow & Jones	200,444	10	220,260	10
Birtwistle & Leigh	60,000	10	75,662	12½
Clegg & Orr	72,155	10	97,272	12½
G. & R. Dewhurst	—26,201	..	30,723	4*
Francis Sumner	—17,712	..	9,223	..
David Whitehead	233,430	20	199,567	20
WEAVERS				
Barlow Bros. & Greenwood	27,930	*12½	47,222	12½
Blue Printers	24,349	7*	76,493	20
John Grey	3,504	10	34,086	17½
Samuel Holden	29,016	36	53,832	74
Jackson & Steeple	12,862	†12½	33,709	33½
Olympia (Redacre)	29,701	7*	42,554	10
William Uttley	69,357	25	81,114	25

* On reduced capital. † On doubled capital.

Total net profits earned by these 26 companies, according to results announced this year, were £1,157,320 compared with £1,703,478 12 months ago. This means that the average profit has fallen from £65,903 per company to £44,512, while the dividend has been reduced from 15.18 per cent. to 12.14 per cent.

Despite the fact that in two instances losses have been incurred, those firms engaged in spinning and weaving have been least affected by the general state of trade. The average profit announced this year is £84,759 as against £103,656 and the dividend has fallen from 10.60 per cent. to 8.93 per cent.

Purely spinning firms are still offering the highest return, as their dividends average 14.56 per cent. as against 16.22 per cent. a year ago. The profits of the 12 companies involved, however, have declined from £51,591 to £30,607 on average.

The situation of firms in the weaving industry has shown a sharp deterioration. From average profits of £52,684 a year ago the latest figure is £28,103 and the average dividend paid last year of 17.98 per cent. has been cut to 11.22 per cent.

In addition to the companies shown in the above table one of the trade's leading spinning and manufacturing groups—Amalgamated Cotton Mills Trust—has announced a fall in profits from £660,574 to £407,693. Its dividend distribution, however, is being maintained at last year's level.

With so many uncertainties besetting the market and trade, particularly in the past few weeks, showing a severe decline, prospects for better financial results are far from bright. Those sections which have the ability to maintain price regulation schemes are at an advantage, but in all directions the industry remains extremely vulnerable to foreign competition.

Limiting Imports

The Cotton Board has obtained much valuable publicity for the industry's case against what it calls "*the corrosive effect*" of foreign cloth imports, by releasing the documented evidence on the subject already submitted to—and rejected by—the Board of Trade.

The wide circulation of this well-presented statement of fact can do no harm. Those who read the welter of information contained in the booklet cannot fail to be impressed by the threat which is only too apparent to all out those who deliberately wish to be blind to the repercussions of the present policy.

The industry's justified claim is clearly stated. No complete ban on imported textiles is either demanded or desired. The trade wants foreign cloth arrivals to be limited to reasonable proportions and to have the assurance that their volume cannot go on expanding indefinitely year after year.

As a first step the Government has been urged to limit by quota the importation of cloth and yarn for consumption in the home market to a level not exceeding the average volume of the three years, 1952 to 1954 inclusive. This, says the document, would establish figures which would at least hold the position "against a fatal degree of deterioration." It would restrict arrivals to between 50,000,000 and 80,000,000 yards annually.

Many of the facts contained in the document are already known to the trade as a whole. The steadily growing volume of duty-free imports from India and Hong Kong is the major source of discomfort in Lancashire and has caused the loss of 30,000 workers in the past year and the closure of at least 90 mills. The case presented emphasises the strategic importance of Lancashire cotton textiles in the event of an emergency and the threat to supplies of relying too much on mills thousands of miles away.

Yarn Suppliers

The statements provide details, for the first time, of the suppliers of foreign yarn over recent years, showing that, in 1950, this country imported over *9,000,000 lbs. of yarn from India* and 4,000,000 lbs. from Italy. In the following year, when imports reached their peak, 11,000,000 lbs. came from Belgium. In the first eight months of 1955, import trade in yarns was more evenly spread, but supplies from Egypt were running at an annual rate of 3,000,000 lbs. and further quantities were arriving from several European countries as well as Hong Kong.

To counter some of the criticism which has been levelled against the Lancashire trade from outside sources a short survey of the post-war scene is included as a section of the report. Figures have already been given showing the growing expenditure on new machinery since the 1952 recession and the document asserts: "Great progress has been made in the installation of modern spinning machinery, in electrification, the introduction of larger packages and the elimination of dust." Ring spindles now represent about 53 per cent. of the total mule equivalent spindles installed, as against about 37 per cent. in 1937.

In weaving, 12 per cent. of the looms installed, and 15 per cent. of running looms, are now automatic as compared with about 3 per cent. before the war. Most of these machines are working on two shifts, accounting for an important proportion of the industry's output.

Japan's Lead Lengthens

No vital change occurred in the placings of the leading countries affected by world trade in cotton textiles last year. Total shipments showed a general fall, being 11 per cent. lower than in 1954, but Lancashire's share suffered a further serious decline.

The main feature of international trade in such goods centres on the sharp increase in exports of rayon cloth from Japan. When exports of cotton and rayon fabrics are combined the supremacy of Japanese mills becomes even more pronounced than in recent years. The following table shows the relative performances of the main textile producing areas:

(In million yards)

	1955			1954		
	Cotton	Rayon	Total	Cotton	Rayon	Total
U.K.	554.5	133.9	688.4	687.4	175.3	812.7
U.S.	540.3	204.7	*754.0	613.3	224.5	837.8
Japan	1,138.9	910.8	2,049.7	1,278.0	636.1	1,914.1
India	750.0	..	750.0	860.5	..	860.5
Holland	238.0	41.7	279.7	230.4	39.8	270.2
France	347.9	150.7	†498.6	518.0	148.6	666.6
Germany	221.2	207.2	†428.4	230.8	251.9	482.7
Italy	92.5	99.8	†192.3	103.4	141.9	245.3
Belgium	179.0	41.6	†220.6	216.8	42.0	257.8
Hong Kong	162.3	10.8	†183.1	162.6	22.2	184.8
Portugal	109.4	..	109.4	137.0	..	137.0
Switzerland	53.4	23.4	76.8	50.9	23.2	74.1

* Eleven months for rayon only. † Eleven months.

These figures, extracted from the latest statistical review issued by the Cotton Board, indicate how Japan has lately been forging ahead.—*All Rights Reserved.*

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MADRAS GOVERNMENT'S MOVE TO RAISE SALES TAX ON SUGAR

INCIDENCE ON CONSUMERS WILL BE HEAVY

THE Madras Government's move to levy an additional sales tax of one anna in the rupee on the first sale of sugar over and above the existing multi-point tax of three pies is, indeed, regrettable. As it is, the multi-point sales tax of three pies is very high, accounting for nearly 5 per cent. of the price which the consumers pay for sugar, on the basis that the commodity changes hands thrice—factory to wholesaler, wholesaler to retailer and retailer to consumer. The proposed imposition of an additional sales tax will mean a fresh burden on the consumers in Madras, especially in the present context of an all-round rise in commodity prices. How heavy this burden is has been clearly brought out by the South Indian Sugar Mills Association in the course of a communication addressed to the Finance Minister of Madras, urging the latter to drop the levy.

The immediate effect of the proposed additional sales tax will be, the Association points out, an increase of as much as Rs. 5 to Rs. 6 per bag in the price of sugar, the current selling price of which is Rs. 87 to Rs. 89 in the important markets of the State. In other words, on every pound of sugar costing As. 7, the consumer will have to pay a fresh sales tax of over five pies, in addition to the existing tax which works out to about four pies. With the proposed new impost, the incidence of sales tax on sugar in Madras will be the highest in the country, as will be seen from the following figures compiled by the Association:

State	System of sales tax	Rate of tax per rupee (in pies)	Sales tax per bag of sugar*
Madras	Multi-point	3	Rs. a. 3 12†
	Single-point	12	5 0
Total			8 12
U.P.	Single-point	6	2 8
Bihar	Do.	6	2 8
Hyderabad	Do.	9	3 12
Mysore	Do.	9	3 12
Madhya Pradesh	Do.	6	2 8
Bombay	Do.	12	5 0
Travancore-Cochin	Multi-point	3	3 12†
Andhra	Do.	3	3 12†

* Sales tax per bag of sugar from factory to wholesaler, wholesaler to retailer and retailer to consumer on an ex-factory price of Rs. 80 per bag.

† Sales tax calculated at a minimum of three points.

There are no sales tax on sugar in Delhi and Pondicherry.

The foregoing table shows that the sales tax which the consumers are being called upon to pay on purchases of sugar will work out to as much as 11 per cent. of the price of sugar. This compares very unfavourably with 3 per cent. in Bihar, Uttar Pradesh and Madhya Pradesh, 4·7 per cent. in Hyderabad, Mysore, Andhra and Travancore-Cochin, and 6.2 per cent in Bombay.

The latest move of the Madras Government goes counter to the declared objective of reducing the price of sugar which is already high enough in all conscience. It was only two weeks ago that we referred, in these columns, to the heavy incidence of taxation on sugar, and emphasised that, thanks to high Government taxes (and to low cane yields), the Indian consumer was denied the adequate consumption of a valuable energy food. If the present upward trend in sugar consumption is to be sustained and if it is to gather further momentum, it is of the utmost importance that the incidence of tax on this commodity must be reduced. Otherwise, there is the danger of consumption receiving a setback, a highly undesirable trend, indeed. The Association has done well to stress this aspect. It observes: " . . . sooner or later, he (the consumer) will turn to *jaggery* which is available at As. 6-6 to As. 9 per *viss*. The consequence of this will be a fall in demand for sugar at a time when the agitation for more sugar factories is being actively supported by the Government. It was only two years ago that, owing to the high price of *jaggery*, the pattern of consumption began to change from *jaggery* to sugar, resulting in greater demand for the latter commodity. The trend hereafter as a direct result of the new impost is likely to be in the direction of higher consumption of the cheaper substitute—*jaggery*. The prospects for the sugar industry in this State, which are already affected by the 50 per cent. increase in excise duty last year, are thus bound to recede further by this heavy additional sales tax."

There is no exaggeration whatever in these observations of the Association. A change-over to consumption of *jaggery* (unrefined form of sugar) will amount to a national waste. It is a well-known fact that, when sugarcane is crushed for making *gur*, there is considerable loss of sucrose, estimated at 20 per cent. No one benefits by this loss. The country's objective should, therefore, be to utilise the maximum amount of cane that is grown for the manufacture of white sugar. The logic of this objective is so strong that even the Karve Committee, the staunch supporter of cottage industries, has recognised it.

Another argument against the proposed new sales tax on sugar is that it will afford more opportunities for tax evasion and corruption, resulting not only in loss of revenue to the exchequer but also diversion of the sugar trade to other States. For, according to the Association, there is widespread evasion of even the existing multi-point sales tax on sugar. Transactions are carried on extensively without any bills being issued and, even when bills are issued, the names and addresses given therein are often fictitious. By the imposition of the new sales tax at the penal rate of one anna in the rupee or Rs. 5 to Rs. 6 per bag, the temptation for evasion will, it points out, be greater and will lead to large-scale smuggling from Andhra and Mysore. A lorry carries 50 to 55 bags of sugar and the amount of single-point sales tax is estimated at Rs. 250-Rs. 300 per lorry-load. "There is," to quote the Association, "enough margin in this for an attractive 'reward' at any checking points the Government may establish on the borders of the State, assuming that all the points of entry into the State will be manned by checkers. The result will be not only loss of revenue to the State Government but a diversion of the sugar trade to other States. The morale of the honest merchant is bound to be shaken in these circumstances."

The foregoing account clearly brings out the fact that the proposed new sales tax on sugar will raise the living costs of the poor and middle classes and ultimately affect the increased production of sugar in the South. The Madras Government will, therefore, do well to drop the proposal. In fact, it should think in terms of lowering the price of sugar by reducing the existing taxes on the sugar industry, such as the cess on sugarcane crushed by the mills.

SUGARCANE CESS IN U.P.

The legality of Section 20 of the U.P. Sugarcane (Regulation of Supply and Purchase) Act, 1953, was questioned recently at the Allahabad High Court through a writ petition filed by a sugar mill of Siswa Bazar, district Gorakhpur—the Maharbir Sugar Mills Ltd. Section 20 of the Act empowers the State Government to levy cess on sale and purchase of sugarcane.

It was argued on behalf of the Mill that Section 20 was similar in nature to Section 29 of the U.P. Sugar Factories Control Act of 1938 which had already been declared null and void. The Company submitted that a sum of Rs. 12 lakhs already paid by it as cess should be refunded and that the Government be asked not to realise further cess as Section 20 of the Act was "unconstitutional."

Mr. Justice V. D. Bhargava, after preliminary hearing, admitted the petition and issued a notice to the Government. His Lordship also directed the Government to stay further realisation of the cess from the petitioner till the application was decided.

A sum of Rs. 14.09 crores had been realised by way of excise duty on sugar during the financial year 1955-56 (up to January 1956). This information was given by Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, in the course of his reply to a question in the Lok Sabha recently. According to the Minister, no expenditure on development of sugarcane was incurred directly out of the excise duty collected. Such expenditure was met from the Central revenues to which the excise duty was merged.

Dextrans, which are the chemicals made from sugar, can be used as relatively economical soil conditioners, according to a report in the U.S. publication, *Journal of Agricultural and Food Chemistry*. Dextrans, it is claimed, act as a source of nitrogen, phosphorus and potassium for plant growth when mixed with soil. Tests with these chemicals have revealed increases of as much as 70 per cent. in plant growth and marked improvement in soil stabilisation.

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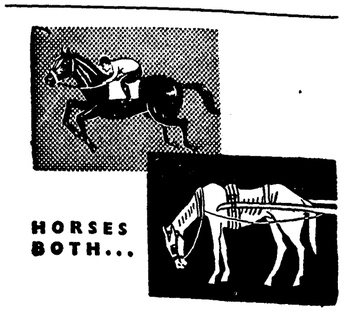

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WAGON NEEDS OF COAL

CHANGE IN CONTROL BOARD'S POLICY NECESSARY

THE coal industry has been assigned an important role to play during the second Plan period. It can undertake its responsibility if only proper conditions are created for its full development. Unfortunately, this requirement is unlikely to be fulfilled. In one respect at least it has all along suffered a severe handicap and is likely to do so during the second Plan period and that is, inadequate supply of wagons to move all the coal which the industry is capable of producing. Its experience of wagon supply during the first Plan period is not very happy. This is evident from the remarks of Mr. B. L. Agarwalla, President, Indian Colliery Owners' Association, Dhanbad. Addressing the annual meeting of this body a fortnight ago, he said that the overall coal output between 1951 and 1955 rose from 31.99 million tons to 38.21 million tons, an increase of 6.22 million tons. Further rise in output could not take place, he added, due to transport limitations.

Again, in the last year of the Plan, the rising tempo in output was maintained but despatches failed to keep pace with it, such being less by about 0.5 million tons. Mr. Agarwalla pointed out that a target of 60 million tons to be reached by the end of the second Plan period had been fixed for coal, taking for granted the availability of adequate transport to move the additional coal. He did not feel that the planners were realistic in making this assumption. "It is bewildering, indeed, that, at this moment, after a year-long planning at a high level for elaborate transport of coal, some of the mills should," to quote Mr. Agarwalla, "be closed, export trade in iron ore, manganese, etc., should collapse, and similar other consequences should follow, all because the railways cannot provide a few hundred more wagons for movement of coal and minerals." These adverse consequences of shortage in wagon supplies just when the country has entered the second Plan period do not augur well for the Plan. For the success of the Plan, an increase in coal output and coal supply at the average rate of 5 million tons a year for the next five years is considered to be quite necessary. To move this coal, according to Mr. Agarwalla, there must be a progressive increase in the allotment of wagons at the daily rate of about 600 for the first year, about 1,200 for the second year, rising up to 3,000 wagons for the fifth year. This is undoubtedly a stupendous task.

Again, the supply of wagons alone will not enable the coal industry to play its role during the next Plan period. It should be supplemented "by the provision for extension or grant of sidings and loading accommodation, for necessary increase in pilot capacities, increased operational efficiency, removal of bottlenecks, lessening the burden of freight, rationalisation of the overloading and underloading charges, demurrages and other impositions and for all other facilities which are essential for quick and easy disposal of the increasing volume of coal to be raised under the stimulus of the Plan." Mr. Agarwalla desired that railways should regard the provision of these facilities as their responsibility. He was, however, sceptical of the railways' ability to fulfil these expectations. For the railways' demand for a development expenditure of about Rs. 1,500 crores during the second Plan period has been pruned to Rs. 900 crores by the Planning Commission.

Industry Fully Controlled

Although the Minister for Production, Mr. K. C. Reddy, in his speech in the Lok Sabha the other day ruled out the possibility of nationalisation of coal industry for some years to come, the threat continues to hang over the head of the industry like the sword of Damocles. It is, therefore, natural that this threat should continue to cause concern among mineowners. Mr. Agarwalla, too, was worried about it and he did not see any logic in nationalising the coal industry at any time in future, since every aspect of the industry was under the control of the Government, which virtually did away with whatever difference there was between the public and private sectors in this industry. Pointing out that the coal industry was being controlled from the opening of a mine right up to the point where the coal was handed over to the consumer, Mr. Agarwalla observed:

"One often hears of the nationalisation of coal industry. It is said coal is a basic industry and, therefore, it should be nationalised."

"But you cannot open a mine, unless the Coal Board permits it. Even when permitted to open a mine, you cannot develop it, except as directed by the Coal Board. Even the height, length and width of galleries, in fact all mining operations, are controlled by the Mines Act. The control does not end even when the coal is brought to the surface. You cannot sell it except to a person who holds a permit and that too, at a price fixed by the Government. There are other controls as on wages, labour amenities, safety measures and so on. In fact, the so-called private sector of the industry is being run as directed by the Government and such directions are given at every stage."

Mr. Agarwalla, therefore, asked as to what remained to be nationalised, when the industry was thus being run, as directed by the Government, at every step and at every stage. This sound reasoning of Mr. Agarwalla, however, is unlikely to have any effect on the minds of those whose decision settles the fate of industries. For similar reasoning failed to have any effect on those who were responsible for nationalising life insurance, a business which was also being run under the directions of the Controller of Insurances and the Insurance Act. In any case, it has already been advanced by other leaders of the coal industry with no apparent effect on the Government's intentions to nationalise the industry.

No Gain Through Nationalisation

The President of the Indian Colliery Owners' Association wondered what further advantages were likely to be gained by nationalisation when the industry had offered its full co-operation to produce 16 million tons or even more of coal from the various fields. This additional coal could be raised within the existing leaseholds, without any financial help or without any conditions save an assurance that the coal raised would be moved. One cannot understand why this offer of the industry should not be accepted by the Government.

The need for a change in the Coal Board's policy was also emphasised by Mr. Agarwalla. Its policy about grading, degrading, upgrading and regrading coal seams needed, according to him, improvement and reorientation. The Board's attitude towards controlling the opening and reopening of mines also required adjustment to suit the needs of the Plan. And, finally, the Government should give representation to the industry on the Board. There was also need for rationalisation in the policy of the Board regarding flowing and washing coal.

Incidentally, Mr. Agarwalla stated that, in his opinion, safety records in Indian mines were the best in the world. He alluded to this statement because some questions, based on inadequate information, on this subject were asked in Parliament.

HYDERABAD COAL MINES PROVIDENT FUND SCHEME

As a part of their expanded social security programme, the Government of India has framed a scheme, called the Hyderabad Coal Mines Provident Fund Scheme, for granting provident fund benefits to about 17,000 coal miners of Hyderabad State.

The scheme, which follows the pattern of the existing Coal Mines Provident Fund Scheme functioning in the coalfields of West Bengal, Bihar, Madhya Pradesh, Orissa, etc., has been made applicable to all the four coal mines of Hyderabad with retrospective effect from 1st October 1955, and collection of contributions would commence from 1st April 1956.

Under the scheme every employee whose basic wage does not exceed Rs. 300 per mensem and who earns a bonus under the Hyderabad Coal Mines Bonus Scheme, is required to become a member of the Fund. The employees who have already been contributing to the employer's provident funds would however, join the Fund straightaway from 1st April 1956.

The Fund established under the scheme would merge in that already functioning in respect of West Bengal, Bihar, etc., coalfields and would be administered by the Board of Trustees constituted for the existing statutory fund.

SYNTHETIC RUBBER PRODUCTION

FIRST FULL-SCALE PLANTS TO BE ERECTED IN BRITAIN

THE world natural rubber industry had some disquieting news last week when plans were announced by the Esso Petroleum Company in the U.K. for the manufacture of petroleum chemicals, including butadiene, an essential raw material for the manufacture of synthetic rubber. The Esso Petroleum Company has planned to spend £9 million over the next two years on the construction of a plant at its refinery in Fawley, near Southampton, for the production of these chemicals. The new plant will process about 250,000 tons of crude petroleum per annum into a variety of chemicals, namely, ethylene, propylene, butylene and butadiene. This is the first time that the Esso has entered this field.

What is more significant from the point of view of natural rubber producers is the increase in competition from synthetic rubber, the production of which will be facilitated by the production of butadiene by the Esso. For most of the butadiene from the new Esso plant will be fed to the two new plants for the manufacture of synthetic rubber to be erected shortly at Fawley on a site adjacent to that of the Esso refinery. The synthetic rubber factory is to be built at a cost of £5 million by the International Synthetic Rubber Company, which was formed in November 1955 by four major tyre companies, namely, Dunlop Rubber, Goodyear Tyre and Rubber (Great Britain), Firestone Tyre and Rubber and Michelin Tyre. The output of the two plants, which are due to be completed in 1958, will provide 50,000 tons of GR-S rubber annually, approximately equivalent to the present total volume of Britain's GR-S rubber imports from the U.S. A saving of about $30 million per annum will be effected when the synthetic rubber plants go into full production.

This is the first time that large-scale production of synthetic rubber in the U.K. is being attempted, because home supplies of butadiene and styrene, the major raw materials needed, were not available in sufficient quantities hitherto. Now that ample supplies of these chemicals are being assured by the Esso, there is no impediment in the way of setting up large-scale synthetic plants. Further, the supply of styrene, another principal raw material for the manufacture of synthetic rubber, is also assured with the availability from the Esso plant of ethylene used for the manufacture of styrene.

The initial capacity of the proposed British synthetic rubber plant is confined only to the present import volume of synthetic rubber from the U.S. There is, however, no indication that the capacity of the plant will not be increased. Nevertheless, there is still scope for the use of both synthetic and natural rubbers. That the consumption of the latter by the U.K. will not be affected is evident from the departure of the British rubber delegation on a goodwill mission to Malaya. A five-member delegation of the British rubber manufacturing industry, led by Mr. L. J. W. Bailey of the Dunlop Rubber Company, Ltd., and consisting of representatives of the Firestone Tyre and Rubber Company and the Goodyear Tyre and Rubber Company, Ltd. (Great Britain), left for Malaya on 3rd April in response to a suggestion made by the Chief Minister of the Malayan Federation when he had been to London recently for the constitutional Conference. When the Chief Minister and other Malayan leaders were in London they expressed certain fears, as was pointed out in these columns last week, about Britain's present import programme for synthetic rubber and its plans for producing it at home. Referring to these fears, the leader of the British delegation said, just before leaving London, that they were exaggerated. In view of Malaya's importance to the Commonwealth and because of the fact that Britain was Malaya's best customer for natural rubber, according to Mr. Bailey, the British rubber manufacturers had agreed to send a delegation to Malaya for talks with the Malayan Rubber Producers Council. Mr. Bailey added: "Natural rubber has got to put its house in order now that it is in open competition with synthetics and we are looking forward to constructive discussions both in Singapore and Kuala Lumpur."

Commenting on the decision to set up synthetic rubber plants in Britain, *The Times*, London, expresses the view that the markets for natural and synthetic rubber are interlinked and growing fast to sustain both the industries. It says:

"The decision to make synthetic rubber in Britain, and particularly the decision to make GR-S, was taken rather late, though admittedly it could hardly be taken until oil refining was being established and could provide the basic raw material. Now the need to use increasing quantities of synthetic rubber for purely technical reasons has been fully established.

"Synthetic rubbers—not one but a range of substances—are not just substitutes for rubber; they are different materials which have rubber-like qualities in varying degrees, but usually also have other qualities which natural rubber does not possess. For many purposes, they are essential; even for tubes and the treads (but not the walls) of motor-car tyres they are better. This is now acknowledged, but, fortunately, it is now equally clear that markets for natural and synthetic rubber are often interlinked and growing fast enough to sustain both industries."

In conclusion, *The Times* observes that the establishment of the new industry is overdue, but that the synthetic rubber does not offer now the threat that it formerly seemed to the rubber plantations of Malaya and other countries.

TEA STATISTICS

The output of tea in South India during February 1956 amounted to 6.60 million lbs., as against 7.07 million lbs. in January this year and 7.83 million lbs. in the corresponding month of 1955. This brings the total output during the current season so far (April 1955 to February 1956) to 117.38 million lbs., as compared with 122.40 million lbs. in the corresponding period of 1954-55.

Shipments of tea from Cochin during February 1956 aggregate 5.86 million lbs., as compared with 5.88 million lbs. in the corresponding month of 1955, bringing the total shipments for the first two months of the current calendar year to 12.54 million lbs., as against 10.68 million lbs. consigned in the same period of 1955.

The stocks of tea in the U.K. as on 30th March 1956 amounted to 109.4 million lbs., which represent a decline of 63.90 million lbs. over the year.

(*Concluded from next column*)

in enabling the new mills in these areas either to become independent of jute goods supplies from India or compete with Indian goods in world markets. Forewarned is forearmed and India should, therefore, be on its guard to meet the situation by striving to grow quality jute in ample quantities within the country itself.

One of the recommendations of the Commission was that State Governments should enforce laws against usurious practices strictly because of extensive indebtedness among jute cultivators. Referring to this, Mr. Karmarkar stated that these recommendations had been brought to the notice of the State Governments concerned. He added that they were examining them individually and implementing them "as far as possible."

An important recommendation of the Commission was that energetic measures should be taken to enhance the quality of raw jute and the yield per acre. The jute industry has reasons to feel that the Governments have not done all that they can to implement this vital suggestion, as witness the remarks of Mr. M. P. Birla at the last annual meeting of the I.J.M.A. (*vide* the leading article in *Commerce* dated 24th March 1956). It is surprising that Mr. Karmarkar had nothing to say on this subject.

JUTE BALING INDUSTRY IN WEST BENGAL

The West Bengal Government has appointed a special officer on special duty to investigate and report on the best way of utilising the warehouses and press houses of the jute pressing industry in and around Calcutta. This officer is expected to submit his report within three months.

The move has been prompted by the desire to rehabilitate about 30 jute baling presses with a capacity of about eight million bales a year which are lying almost idle at present. Before the Partition, jute baling was a prosperous industry employing about 100,000 workers. In addition to supplying about 1.5 to 2 million bales of jute a year to local mills, jute balers practically met the entire demand for jute. They pressed on an average about 4 million bales a year for export.

The Partition, however, gave a severe blow to the industry, but, in spite of this, a large quantity of jute, even from Pakistan, was imported into Calcutta and baled for export up to 1949, when the Government of India placed an embargo on the export of raw jute. This embargo crippled the industry. The present efforts of the State Government to help the idle balers deserve appreciation.

AID TO JUTE MILLS

ACTION TAKEN BY GOVERNMENT

AN idea of the action taken by the Government of India on the recommendations of the Jute Enquiry Commission is provided by the statement placed before the Lok Sabha by Mr. Karmarkar, Minister for Commerce, last week. The Commission, it will be recalled, was appointed by the Government of India under the chairmanship of Mr. K. R. P. Iyengar, Joint Secretary to the Government of India, Ministry of Finance, New Delhi, in August 1953. Its report was submitted to Government in March 1954. The other members of the Committee were the late Dr. B. V. Narayanaswamy Naidu, then Chairman of the Forward Markets Commission, Mr. P. S. Gupta, Deputy Director General of Supplies, and D. Sandilya, Joint Director, Finance, Railway Board. The Commission did the best job of its enquiry and its constructive suggestions were well received by the industry and the public.

One of the suggestions of the Commission related to the regulation of futures trading in jute and jute goods. It said that a single well-knit and regulated organisation like the East India Cotton Association, Bombay, should be set up for the establishment of a futures market in these goods. Alluding to this recommendation Mr. Karmarkar said, in his statement to Parliament, that the Forward Markets Commission had invited applications from associations concerned with the regulation of futures market in jute and jute goods for the purpose of recognition under sections 5 and 6 of the Forward Contracts (Regulation) Act, 1952, and the Government expected that the matter would be finalised in the near future.

The Commission recommended that no licences should be issued as a rule for starting new jute mills. The Press version of the statement does not say whether the Government has accepted this suggestion, but it is now common knowledge that the Government sanctioned the establishment of a new unit in Assam on the ground that the State was one of the backward regions in the country urgently requiring industrialisation.

The Minister further revealed that the Reserve Bank had issued necessary instructions to the banks in order to stop any recurrence of banks financing speculation in jute and jute goods, as they did in 1952. This action had been taken in pursuance of the Commission's recommendations that it was necessary to prevent intense speculation in jute and jute goods market in the interests of the industry, which is an important foreign exchange earner.

With regard to rationalisation, the mills had, Mr. Karmarkar stated, already taken to modernisation according to a set programme. By the end of 1955, approximately one-third of the programme had been completed at a cost of about Rs. 15 crores, out of the resources of the mills themselves. The Government of India had decided to advance loans to the individual mills requiring such assistance and had actually sanctioned loans in two cases. In this context, it may be mentioned that National Industries Development Corporation, a Government agency, has been entrusted with the work of assisting jute mills in the implementation of their expansion programme. This Corporation has appointed a committee with Mr. M. R. Kazmi as member-Secretary for scrutinising applications for loans. As however, this programme is being carried out in such a manner as to cause the least possible displacement of labour, it will take a number of years for completion.

The Commission had suggested that imports of raw jute from Pakistan should be restricted to grades which were not available in the required quantity in India. This suggestion is no doubt being pursued by the Government and suitable provision was made in the Indo-Pakistan Trade Agreement last year for importing about 1.8 million bales of raw jute. But it is unlikely that this policy of dependence on Pakistan jute would ultimately be in the interests of jute mills in India. For there are one or two good reasons why India should try to achieve self-sufficiency in raw jute. First, experience has shown that there has always been difficulty in getting freely supply of raw jute from Pakistan for some reason or other. Secondly, with a view to having a safe market for its raw jute, Pakistan is assisting certain countries in the Middle East to erect jute mills. This policy would result not only in making Pakistan become independent of India for the sale of its surplus jute, but

(*Continued in previous column*)

The British Bank of the Middle East

(INCORPORATED IN ENGLAND BY ROYAL CHARTER, 1889, WITH LIMITED LIABILITY)

BALANCE SHEET OF INDIAN BRANCHES AS AT 31st DECEMBER, 1955

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. **Capital**— Deposit with Reserve Bank of India under Section II (2) of the Banking Companies Act, 1949	20,81,031 4 0	
2. **Reserve Fund and Other Reserves**		Nil
3. **Deposits and Other Accounts**— Fixed Deposits	29,36,994 7 8	
Savings Bank Deposits	65,741 3 0	
Current Accounts, Contingency Accounts, etc.	2,14,42,770 2 6	2,44,45,495 13 2
4. **Borrowings from Other Banking Companies, Agents, etc.**— (i) In India	10,00,000 0 0	
(ii) Outside India	Nil	10,00,000 0 0
PARTICULARS— (i) Secured	Nil	
(ii) Unsecured	10,00,000 0 0	
5. **Bills Payable**		8,46,344 6 0
6. **Bills for Collection Being Bills Receivable** as per contra— (i) Payable in India	59,68,975 12 7	
(ii) Payable outside India	71,41,394 7 10	1,31,10,370 4 5
7. **Other Liabilities**— (i) Head Office and Branches outside India	3,97,52,252 0 5	
(ii) Staff Provident Fund	1,66 062 12 3	
(iii) Inter-Branch Adjustment	79,421 10 9	3,99,97,737 0 5
8. **Acceptances, Endorsements and Other Obligations** per contra (Includes Rs. 7,03,905 in respect of Guarantees given to Government Departments, secured against part of the Bank's Investments)		2,03,52,206 2 0
9. **Profit and Loss**— Balance of Profit Carried Forward	88 223 0 9	
Profit for the year (subject to Auditors' Fees)	9,62,827 15 5	
	10,51 051 0 2	
LESS—Remitted to Head Office	8,59,313 13 11	1,91,737 2 3
10. **Contingent Liabilities**— Rs. a. p. (i) On Outstanding Forward Exchange Contracts 22,92,08,683 13 7		
(ii) On Bills Re-discounted 42,75,449 9 11		
(iii) Provision has not been made for future Gratuities to Staff—the liability for which has not been ascertained.		
Total .. Rs.		9,99,43,890 12 3

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. **Cash**— In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		40,12,909 1 11
2. **Balances with Other Banks on Current Accounts**— (i) In India	Nil	
(ii) Outside India	12,91,246 12 7	12,91,246 12 7
3. **Money at Call and Short Notice**		21,00,000 0 0
4. **Investments** (At Book Value)— (i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	28,41,562 8 0	
(ii) Shares	2,50,000 0 0	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold	Nil	30,91,562 8 0
5. **Advances**— (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors) (1) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p. (i) In India 3,03,65,229 7 8 (ii) Outside India Nil	3,03,65,229 7 8	
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)— (i) Payable in India 39,83,638 14 8 (ii) Payable outside India 2,13,95,878 7 6	2,53,79,517 6 2	5,57,44,746 13 10
PARTICULARS OF ADVANCES— (i) Debts considered good in respect of which the Banking Company is fully secured	2,74,92,670 7 3	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,27,48,918 8 1	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,55,03,157 14 6	
(iv) Debts considered doubtful or bad, not provided for	Nil	
	5,57,44,746 13 10	
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	5,599 10 10	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
(ix) Due from Banking Companies	8,096 9 0	
6. **Bills Receivable Being Bills for Collection** as per contra— (i) Payable in India	59,68,975 12 7	
(ii) Payable outside India	71,41,394 7 10	
7. **Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		1,31,10,370 4 5
8. **Premises, Less Depreciation**		2,03,52,206 2 0
9. **Furniture and Fixtures, Less Depreciation**		Nil
10. **Other Assets**— Stamps, Sundry Deposits, Prepaid Expenses and Charges Recoverable	54,120 12 5	Nil
Adjusting Account	1,86,728 5 1	
		2,40,849 1 6
11. **Non-Banking Assets Acquired in Satisfaction of Claims**		Nil
Total .. Rs.		9,99,43,890 12 3

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER, 1955

EXPENDITURE	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	5,84,234 9 3
2. Salaries and Allowances and Provident Fund (including Salary and Allowances of Principal Officer Rs. 71,862)	10,89,916 1 2
3. Directors' and Local Committee Members' Fees and Allowances	Nil
4. Rent, Taxes, Insurance, Lighting, etc.	1,39,186 12 10
5. Law Charges	16,096 13 5
6. Postage, Telegrams and Stamps	48,336 8 2
7. Auditors' Fees	1,825 0 0
8. Depreciation on and Repairs to Banking Company's Property	Nil
9. Stationery, Printing, Advertisement, etc.	58,265 7 9
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil
11. Other Expenditure including Proportion of London Office Administration Charges	4,46,429 13 5
12. Balance of Profit (subject to Auditors' Fees)	9,62,827 15 5
Total .. Rs.	33,47,119 1 5

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. Interest and Discount	20,35,794 0 6
2. Commission, Exchange and Brokerage	13,11,325 0 11
3. Rents	Nil
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Income from Non-Banking Assets, and Profit from Sale or Dealing with such Assets	Nil
7. Other Receipts	Nil
Total .. Rs.	33,47,119 1 5

We have audited the foregoing Balance Sheet of the Indian Branches of The British Bank of the Middle East, as at 31st December, 1955, and also the foregoing Profit and Loss Account for the year ended on that date, in which are incorporated the authenticated returns of the Calcutta Branch and report that :—

(a) We have obtained all the information and explanations which we have required ;

(b) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law ;

(c) such Balance Sheet exhibits a true and correct view of the state of the Branches' affairs according to the best of our information and the explanations given to us and as shown by the books of the Branches ; and

(d) in our opinion, books of account have been kept by the Branches as required by Section 130 of the Indian Companies Act, 1913.

T. M. TAGG,
Manager.

BOMBAY, 20th March, 1956.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

PROGRESS TOWARDS SIX-MILLION-TON STEEL TARGET

WORK OF CENTRE'S NEW MINISTRY

IN a world that is perhaps destined to suffer from shortage of steel in the foreseeable future, the efforts that are being made by India to increase the production of steel have rightly attracted world-wide attention. Ever since the Government announced a six-million-ton target for steel production for this country, and set about, with an iron determination, to explore the means for reaching that target, the country has followed the fortunes of the steel plans with considerable interest. In its search for technical know-how and technological and financial collaboration, the Government has sought help both from the democratic West and communist Russia. A direct offshoot of the Government's efforts at increased steel production is the formation of a separate ministry, called Ministry of Iron and Steel. It is, therefore, the youngest ministry, but, as its latest Annual Report covering the period since its birth, on 28th May 1955 to 31st March 1956, shows, one of the most vigorous of the ministries.

The target of six million tons in terms of ingot (which are equal to 4.5 million tons of finished steel) to be reached in 1960, when it was first announced, certainly took the country by surprise, for it meant more than a fourfold expansion from the current level of about 1.43 million tons. But, as the Report points out, whatever the immediate reaction to the target was, "today, if there is any doubt left, it is only whether this target is enough or whether events may not outdate it sooner than one imagines." The target implies an expansion of the production in the private sector from 1.43 million tons to 3.0 million tons in terms of ingot—the output of the Tata Iron and Steel Works to go up from 0.9 million tons to 2.0 million tons, that of Indian Iron and Steel Works from 0.5 million tons to 0.9 million tons and of Mysore Iron and Steel Works from 0.03 million tons to 0.1 million tons—while the target of production at each of the three Government-owned steel plants, the Rourkela Plant, the Bhilai Plant and the Durgapur Plant, is one million tons each. The work of the Ministry which is assisted on its technical side by a reputed firm of consulting engineers, the International Construction Company of London, is to implement the three steel projects in the public sector and also to manage the foundry at Nahan taken over by the Government of India from the Sirmur Durbar.

Rourkela Plant

The management of the steel works at Rourkela, a joint-Indo-German enterprise, is under a company, Hindusthan Steel Ltd., with an authorised capital of Rs. 100 crores and an initial issued and paid-up capital of Rs. 5 lakhs; the share capital of the Company is to be subscribed by the Government and the German combine, Krupp-Demag, in the proportion of four to one. The Government has so far advanced Rs. 6½ crores to the Company. Considerable progress has been made with the planning and construction of the steel works at Rourkela. The site has been got ready and the township is under construction. Exploration for the main raw materials, viz., iron ore, limestone, dolomite and manganese, has also been undertaken with the assistance of the Indian Bureau of Mines. Iron ore deposits, etc., of suitable quality and quantity have been proved in the Taldih range close to Rourkela, and at present a scheme for mining iron ore is being worked out. An agreement has been entered into with Messrs. J. W. Woomer and Associates, Pittsburgh, mining consultants. Drilling for limestone is going on in the Hathibari area near Birmitrapur. At the same time, action has been taken for prospecting of deposits in Bilaspur District (Madhya Pradesh). Dolomite is also being tested for suitability as to lining of the converters to be used for the L-D process.

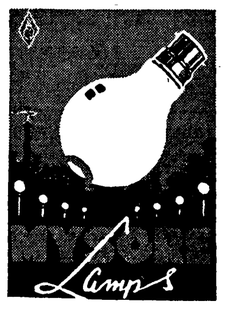
Tenders have been received for two main sections of the plant, the coke oven and the blast furnaces. The main sections of the Rourkela plant will be: (1) a colliery plant with a capacity of about 1.6 million tons of coal "throughput" per annum; (2) a blast furnace consisting of three furnaces to start with (to be increased to four furnaces later on) with noted output of 1,000 tons per furnace per day; (3) a steel melting shop employing mainly the oxygen blowing process (L-D process); (4) a large rolling mill plant of modern design for hot and cold rolling, including a broad strip mill for strips upto 1.525 mm. in width.

The plant will manufacture 720,000 tons of flat products from one million tons of ingot steel per annum. The manufacturing programme comprises heavy plate for shipbuilding, locomotive construction, boiler making, track building, etc., and light plate and strip, hot and cold rolled, tinned and galvanised. An outstanding feature of the Rourkela plant will be the adoption of Linz-Donawitz (L-D) oxygen blowing process which was developed in Austria in recent years and is employed in about eight steel works in the world, four of them being on the North American Continent. This process is expected to have the advantages of lower capital and operating costs, higher rate of production and saving in space and auxiliary equipment. It will also yield nitrogen as a by-product which would be used for the manufacture of fertilisers. Out of the one million tons of ingots to be produced at the Rourkela plant annually, 750,000 tons will be manufactured by the L.-D. process and the balance by the open-hearth process. It is proposed to set up a fertiliser plant at this place to produce 80,000 tons of nitrogen in the shape of fertilisers.

Bhilai Project

The Bhilai steel project, which, as is well-known, is a joint Indo-Russian enterprise, has been entrusted to a project division in the Ministry, with a general manager at the head of the division; he is assisted by a Soviet chief engineer on technical matters. It will be an integrated iron and steel works, with an initial capacity of one million tons of ingot to be rolled into 750,000 tons of finished products. The plant will be designed to produce rails, heavy structurals, sleeper bars, crossing sleepers, merchant bars and billets; provision will be made for raising the eventual capacity to 1 million tons of rolled products, besides 300,000 tons of foundry pig iron for sale. Detailed topographical survey of the plant site and the area required for the township has been completed. The Tandula canal which passes through the selected site of the works is being diverted over a length of about 2½ miles. Acquisition of land is in progress; so far 3,425 acres of land have been acquired out of 14,000 acres to be acquired. Electric power required for the plant will be supplied by the Madhya Pradesh Electricity Board and for this purpose, the Board is setting up a 90,000 kw. thermal station at Korba.

Certain sections of the steel works, two coke oven batteries, two last furnaces, two open hearth furnaces and the blowing mill are expected to go into operation in 1958 and the steel works, as a whole, by December 1959. It may be mentioned here that a contract for the supply of equipment for the steel works to be erected at Bhilai with Russian assistance was signed early this month. The first consignment of the equipment, according to a press note issued by the Ministry of Iron and Steel, is expected to arrive in India towards the end of June this year and the entire supply completed by the middle of 1959. The equipment, costing approximately Rs. 55 crores, will be supplied on credit repayable in 12 equal annual instalments. Credit will be raised on each consignment in accordance with a general average price agreed upon and interest will be payable at 2½ per cent. per annum from the date from which credit is raised.



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Durgapur Plant

The Durgapur steel project, a product of Indo-British technical collaboration, is being executed under an agreement reached between the Government and a British consortium of steel manufacturers, the Indian Steel Works Construction Ltd. The construction of the plant is expected to be entrusted to a company, though the responsibility of the Government in this behalf will be exercised by a general manager. The agreement between the Government and the consortium, described as a "package deal," is so conceived as to facilitate the speedy execution of the project. The consortium will supply the plant, machinery and equipment and a considerable part of steel structures, refractories and other materials required for the plant and will also carry out the entire work of erection and civil engineering at the site. Final tenders are expected to be completed by 30th June, and construction work is to be commenced shortly afterwards.

The total expenditure on the plant, according to reports from London, will be £80 million; actual sterling expenditure will be about £50 million. The sterling portion of the contract will be financed upto £25.5 million from India's sterling balances, £15 million by a British Government loan and by a credit of £11½ million arranged by Lazard Brothers in conjunction with Lloyds Bank, Barclays Bank, Martins Bank, the District Bank and Glyn Mills. Both the sterling loan and the credits will be used for making payment to suppliers during the latter half of the second Five-year Plan. The rate of interest for the credits will be 1 per cent. above the prevailing Bank rate in the U.K., while that for the U.K. Government loan will be the same as that at which that Government borrows in the home market, plus a small element to cover administration charges.

Coal and Iron Ore

The three steel plants, it has been computed, will together require 5.2 million tons of colliery coal and 6 million tons of iron ore per annum. Since the conservation of metallurgical coal, the reserves of which are very limited, is a matter of national importance, the Ministry is taking steps to wash the non-metallurgical coal before use so as to reduce the ash content and blend it with the coking coal. A Government washery is being established at Kargali to wash the coals to be raised by the Government in that area. About 1.6 million tons of washed coal from Kargali will be used in the steel works at Rourkela and Bhilai. To augment these supplies, coal from Jharia will also be required. The Ministry is exploring means of washing coals from Jharia.

The steel works at Durgapur, it is stated, will be so designed that the coals in that area which would otherwise be unsuitable for metallurgical purposes would be used after suitable blending. The works will use Jharia coal which will be washed at the site of the steel works and blended with coal from Barakar which by itself cannot be used for steel making. The steel works at Bhilai will make the best use of metallurgical coal from the Korba coalfields in Madhya Pradesh. In the carbonisation of coal, which will be carried out at each of the steel works for the production of coke, a number of valuable by-products like coal tar, ammonia liquor and benzol will be released. It is proposed to set up at each of these works facilities for the distillation of these by-products and thereby obtain valuable chemicals which form the basis of a number of industries—dyestuffs, paints, varnishes and pharmaceuticals. At Rourkela, as already stated, a fertiliser plant will be set up to utilise the nitrogen released by the adoption of the L-D process.

As regards the iron ore supplies, the Rourkela and Bhilai plants are so located that they will be in the vicinity of iron ore deposits. Durgapur has to obtain its supplies of iron ore from either the existing mines or from mines to be developed in extension of the existing ones in Gua, which

(*Continued on page 725*)

NEW PRODUCTS AND PROCESSES

Detecting Laminations in Metal Sheets

AN electrical method for detecting the presence of laminations in metal sheets has been developed by the British Iron and Steel Research Association. The system depends on the fact that the flow of an electric current through a metal sheet is distorted when laminations are present. This distortion takes the form of a marked increase in the difference in the electrical potential which occurs between electrical contacts placed on either side of the sheet. When no laminations are present, the measurable potential difference between two sets of electrical contacts applied to the metal sheet is slight; but when, on the other hand, laminations are present at the point where one of the two sets of contacts is placed, then a considerable difference in the electrical potential will be recorded. In the system developed by the British Iron and Steel Research Association, which will be shown at the Physical Society Exhibition in May, the two sets of electrical contacts are mounted on a device resembling a pair of tongs. Since this device can be moved about over every part of the metal sheet which is being inspected for laminations, it enables a particularly searching examination of the sheet to be made. The differences in electrical potential, which record the presence, or absence, of laminations, are shown on a meter mounted on the tong-like unit.

High-density 'Alkathene'

I.C.I. will soon have available in development quantities a high-density, stiff 'Alkathene' which can be sterilised. It is made by a modification of the high-pressure process. To be known as 'Alkathene' HD, the new polythene can be processed in the same way as normal low-density or flexible 'Alkathene.'

The terms "high-density" or "stiff," as opposed to "low-density" or "flexible," describe the two products qualitatively in terms of select properties, but there are many other differences between them, one of the most important being their softening points. Articles injection-moulded or extruded from 'Alkathene' HD can be heated without distortion for 15 minutes at 110° C., whereas similar articles of flexible 'Alkathene' collapse after the same treatment.

During 1956, one to two hundred tons of 'Alkathene' HD will be available, mainly for trial purposes at home and overseas. It is intended to establish commercial manufacture on a progressively increasing scale, although it may not be possible to meet all demands for some time, particularly in face of the constantly increasing demands for the conventional product.

The availability of this new 'Alkathene' and the possibility of blending it with the current material will open new fields of application.

The properties of 'Alkathene' HD suggest that it will be particularly suitable for mouldings. Advantages for this and other applications are:

Mouldings.—Can be sterilised at temperatures of 110° C. without distortion. Possible raw material saving through reduction in wall thickness. Improved stiffness and finish.

Pipe.—Higher working pressures and greater heat resistance.

Cable.—Thinner insulation and tougher sheath —higher service temperatures.

Film.—Less permeable to water vapour and gases; more resistant to oils and fats.

At present, however, 'Alkathene' HD Films have a tendency to be shock-brittle.

Safety Belts for Autos

Increasing interest in protective equipment is being shown by automobile drivers in the United States and a new device, the safety belt, appears to be in demand for 1956 cars. For maximum efficiency in the use of safety belts, the Society of Automotive Engineers has prescribed certain standards: The webbing of the belt should be not less than 1-7/8 inches thick. The minimum strength of a belt for a single occupant should be equal to the resistance capacity of 2,250 pounds. A belt for two people should be double that strength. There should be sufficient transverse stiffness in the webbing to prevent excessive curling under heavy loads. Mildew weakens webbing considerably. The webbing should, therefore, be treated for mildew resistance. It should not stretch more than 25 per cent. under load pressure. Adjustment adapters should be placed about half-way between the buckle and the end fittings and, if a cam type of buckle is used, at least 10 inches of the free end of the belt should extend beyond the buckle when it is locked. Metal parts should be smooth, as sharp edges could cut the belt in two under sudden, heavy strain. Mounting hardware that is exposed to the weather—such as floorbolts and washers—should be resistant to corrosion by fog and salt ocean spray.

AUTOMOBILE PRODUCTS OF INDIA LTD.

CHAIRMAN, MR. M. A. CHIDAMBARAM'S SPEECH AT ANNUAL GENERAL MEETING

THE Sixth Annual General Meeting of the Automobile Products of India Ltd. was held in Bombay on 7th April 1956. Addressing the shareholders of the Company on the occasion, Mr. M. A. Chidambaram, Chairman, referred to the vigorous efforts of the management to seek fresh avenues of production and its success in geting under way new and fruitful schemes. He disclosed that the Company would be issuing fresh capital later in the year to finance its expansion plans and appealed to shareholders to subscribe to this issue.

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

"It gives me great pleasure to welcome you all to the sixth annual general meeting of shareholders of the Company. The report and balance-sheet for the year ended 31st July 1955 have been in your hands for some time and, with your permission, I shall take them as read.

"During the year under review your Company earned a net profit of Rs. 4,17,979-5. After deducting the previous year's loss of Rs. 2,98,738-2-9, a sum of Rs. 1,19,241-2-3 has been carried forward as profit in the current year. While depreciation has been provided in full for the financial year which ended on 31st July 1955, the depreciation for the previous financial year, which could not be provided for, still remains unabsorbed, but we hope that this will be fully eliminated in the current year. I regret that the balance of profit will not permit payment of dividends this year to the ordinary as well as to the preference shareholders. It is worthy of note that your technical consultants, Technical Services Limited, have generously agreed to forgo their managing agency commission amounting to Rs. 41,797 on the net profits earned.

"If the previous year was a year of great reverses to the Company, the year under review has been one of subdued hopes, as during this period the management have pursued vigorously other avenues of manufacture and have spared no efforts in setting under way new and fruitful schemes.

"I shall now give you a resume of the various activities in which your Company is engaged.

Brake Lining Plant

"The Government of India granted, towards the end of September 1954, a licence to manufacture brake linings in collaboration with Messrs. Firestone Tyre and Rubber Company of Akron. Selling arrangements have been concluded with the Firestone Tyre and Rubber Company of India for the sole distribution of brake linings manufactured by your Company. It is quite likely that in addition to meeting home demands, we shall be able to export brake linings to neighbouring countries. The plant, which was ordered in April 1955, was received at the end of October 1955 and is now in the course of erection. Trial operations are scheduled to commence by the end of April. The demand for brake linings must necessarily continue to grow, in keeping with the increasing volume of vehicles in the country, particularly that of commercial vehicles and as such I expect this plant to contribute substantially to the revenues of the Company.

Lambretta

"In association with Messrs. Innocenti S. G., Milan, the Company has undertaken the phased manufacture of the well-known Italian Lambretta motor scooters and three-wheelers. The first shipment was received towards the end of August last year and regular assembly in recognisable volume commenced at the beginning of November. The marketing and distribution of the Lambretta motor scooter has been supported by a well-planned advertising and sales promotion programme. This will continue to assist in exploiting the immense market potential that exists for a vehicle which has been acclaimed as the most economic form of transport for the common man. The demand has so far been very encouraging and, in fact, has been beyond our conservative expectations. If this is maintained, we anticipate a substantial turnover during the present year itself, paving the way for successful phased manufacture. Our associates, Messrs. Innocenti S. G., have given us the fullest co-operation and they very recently sent out to India one of their engineers to help us along in our programme.

"There is a growing volume of demand for diesel engines for road transport of both goods and passenger vehicles. This demand has emanated from the primary manufacturers of trucks in the country as well as for the conversion of existing vehicles on the road and vehicles released from time to time as surplus and obsolescent from the disposal side of Government. It was this knowledge which prompted your Company to make an application to the Ministry of Commerce and Industry, Government of India, for a licence to manufacture progressively a road vehicular type diesel engine. The Ministry were pleased to grant this licence; negotiations have been finalised and entered into with Messrs. Henry Meadows Limited, U.K., for the phased manufacture of their well-known Meadows Diesel Engines. We anticipate a continual increasing demand for this type of engine and, as bulk deliveries are expected to commence within the next six months, we shall be able to satisfy the need for engines of this class.

Borg and Beck Clutches and Lockheed Brake Systems

"My earlier statement that the last year was devoted to prospecting of fruitful schemes is borne out by the fourth licence which has been granted to your Company for the manufacture of Borg and Beck clutches and Lockheed brake systems, both as original equipment for vehicles manufactured in the country and for the replacement market. These licensed devices are practically universal and are fitted on over 90 per cent. of the vehicles in the world today. Agreements have been finalised with Automotive Products Company, Limited, U.K., who are the licensors, and necessary technical data and know-how are now being received.

Loan from I.F.C.

"In order to implement the various expansion schemes which I have outlined, particularly in order to finance the brake linings plant, your Company has been sanctioned a loan of Rs. 12½ lakhs by the Industrial Finance Corporation of India, New Delhi. We have since asked that this loan be reduced to Rs. 9 lakhs. A second application for an additional Rs. 25 lakhs has also been made to the same Corporation for the purpose of machinery required for our other programmes. While the Corporation is prepared to grant advances for fixed capital, it is against its policy to provide working capital. This is something which has to be given serious consideration. All these schemes which are now in the process of implementation will give us an annual turnover of over Rs. 3 crores when normal production is attained and it will, therefore, be very necessary for your Company to augment its liquid resources by another Rs. 25 lakhs to meet these needs for working funds.

Difficulties Overcome

"Your Company has, to a very large extent, withstood and overcome the difficulties it encountered in earlier years and I am happy to say it has been able to live up to expectations held out in your Chairman's speech last year. The years ahead of us will be years of strenuous effort and toil and a great deal of finance will be needed to implement successfully all the schemes which have been initiated. I can assure you, however, that such efforts will not have been in vain; they will have served to bring your Company to the forefront of manufacturers of essential components for the growing automobile industry, and will help to establish it as a flourishing and important unit in the industry—a position which your Company has always aspired to attain. Later in the year, I shall be issuing an appeal to the shareholders to subscribe to increased capital that will be required and I sincerely hope that your response will be generous.

"I would like to take this opportunity of tendering our grateful thanks to the Ministry of Commerce and Industry, Government of India, whose help, co-operation and advice have been invaluable and but for which the Company would not have been able to embark on the schemes it has undertaken.

"Our thanks are also due to Mr. P. Matthen, our General Manager, his executives, and all

(*Continued in first column*)

(*Concluded from third column*)

members of the staff and factory workers for the wholehearted efforts that they have put in to reorganise the affairs of the Company.

"In conclusion, all I can do is to reiterate the fact that this Company will, in the years to come, resume its position as a leading manufacturer of essential components for the automobile industry and will be able to produce steady and reasonable profits which will enable us to resume payment of dividends, at a very early date, to all shareholders."

MOVE TO SET UP A REINSURANCE CORPORATION FOR INDIA

JOINT VENTURE OF GENERAL INSURERS

FROM time to time, the opinion has been expressed in this country that there is urgent need to establish a corporation to cater to the reinsurance needs of general insurance offices. It is true that Indian insurers derive considerable benefit through their association with insurers in foreign countries who make available reinsurance facilities to this country. This, however, constitutes some drain on foreign exchange, for the insurance that is ceded to foreign companies is more than what Indian insurers receive in return. Apart from this consideration, the significance of which to overall national economy may be easily exaggerated, there is a great deal to be said in favour of providing adequate reinsurance facilities within the country itself, so that there may not be a too exclusive dependence on foreign insurers for such facilities.

The question which has engaged the consideration of both the Government and private insurers is whether such a corporation should be owned entirely by the State, or partly by the State and partly by private insurers or wholly owned by private insurers. It would now appear that the Government is willing to permit private insurers to organise the reinsurance corporation entirely on their own. Another important question was whether foreign insurers working in India should be allowed to participate in the share capital of the reinsurance corporation. It is understood that private insurers generally welcome such participation and that foreign insurers will participate in the corporation to the extent of 20 per cent. of its share capital. It is along these lines that general insurers are working towards the setting up of the reinsurance corporation.

A move is afoot to see that such a corporation, to be known as Reinsurance Corporation of India, is set up by the middle of this year. It is to be registered as a company under the Indian Companies Act, the object being to make it become an important adjunct to the local insurance market and to the international reinsurance market. For this purpose, the Corporation, it is stated, will be organised and run as an independent entity, not dominated by one or a few shareholders. Its head office will be located in Bombay. It will be managed under the guidance of a Board of Directors, comprising persons competent to direct the affairs of the Corporation in a manner that will inspire confidence both at home and abroad.

Capital Structure

The provisional suggestions are that the authorised capital of the Corporation should be Rs. 10 crores, divided into one lakh shares of Rs. 1,000 each and the paid-up capital Rs. 2½ crores in 25,000 shares of Rs. 1,000 each. It is proposed to collect Rs. 1 crore immediately, Rs. 1 crore in instalments and to reserve Rs. 50 lakhs for allotment to new members. The minimum share holding that an insurer can have is placed at Rs. 20,000 and the maximum at 15 per cent. of the issued share capital of the Corporation; in the case of an insurance company with subsidiaries, its holding of the Corporation's share capital can go up to 25 per cent. An amount equivalent to 12½ per cent. of the face value of the share will be payable on application, followed by an equal amount on allotment. A further 25 per cent. will be payable by 31st December 1957 or by such other later date as may be decided by the Directors, in two instalments of 12½ per cent. each, with an interval of not less than six months between each call. To avoid the possibility of domination of the Corporation by one or a few shareholders, each member will undertake to restrict his voting rights. For the first 200 shares, there will be full voting rights, for the next 200 shares 60 per cent. voting rights and for over 400 shares 40 per cent. voting rights. A convention will be established whereby a company and its subsidiaries will be regarded as one group and the maximum voting exercisable by either a member or a group will not exceed 12½ per cent. of the total exercisable voting right.

The Corporation's function will be to carry on in India and elsewhere the business of reinsurance and counter-insurance of every kind, whether by accepting or ceding or retroceding by way of "quote," "surplus" or "excess of loss" or on facultative basis in relation to all kinds of business conventionally classified as fire, marine, motor and miscellaneous insurance. Each member-company will be required to cede to the Corporation premium equivalent to 10 per cent. of its premium income of each of the three departments, namely, fire, marine and miscellaneous departments. The Corporation will retrocede to the member-companies 50 per cent. of the Indian premium received by it in the first year and such percentage as may be fixed by the Corporation in future years.

Premium Income

It has been computed that the local market will provide the Corporation with an annual premium income of about Rs. 2 crores. It is expected that the corporation will be able to build up, over a period, an annual turnover of about Rs. 3 crores, yielding a profit of Rs. 22½—30 lakhs. The Corporation will also earn Rs. 6 to 7 lakhs by way of interest on capital and reserves. During the early years, it may show an accounting loss because the reserves for unexpired risks and other reserves have to be built up. It is felt, however, that the ultimate prospects are very bright.

There is some difference of opinion over the size of the Corporation's capital and the scope of its activities. There is one section of opinion which feels that the Corporation need not have as large a capital as now proposed and that the amount of premium income to be ceded by each company need not also be as large as 10 per cent. This section, which seems to be largely confined to Calcutta, holds that it would be better to begin with a Rs. 1-crore (rather than a Rs. 2½-crore) Corporation and to fix the amount of premium income to be ceded to it by member-companies at 5 per cent., instead of at 10 per cent. The sponsors of the Corporation will have to carry conviction with all sections of opinion in order to ensure that the institution commands as large a measure of support as possible. Those who favour the proposed structure, however, point out that there are certain obvious advantages in starting a corporation with a large capital and in fixing a high proportion for the premium income to be ceded to the Corporation. It will, according to them, enable the institution to have a good start, inspire confidence in the neighbouring markets and lay the foundations for an enduring and expanding reinsurance market in the country.

DEPARTMENT OF INSURANCE

The work of the Department of Insurance, which is part of the Union Ministry of Finance, generally relates to the administration of the Insurance Act. The Controller of Insurance is also responsible for the preliminary work and for tendering appropriate advice, in connection with the discharge of duties imposed by the Act on the Government. He also acts as actuarial and insurance adviser to the Government.

An important function of the Department is to sanction schemes of capital reconstruction put forward by insurance companies. No fresh schemes, according to the Report of the Finance Ministry for 1955-56, were submitted by insurance offices during the period under review. Of the four schemes which were under consideration at the beginning of the year, one has since been sanctioned and another has been dropped as the life insurance business of the insurer concerned has been transferred to another insurer. The other two schemes are under consideration. The Controller sanctioned five schemes of business from insurers and from provident societies. In two cases of provident societies, the transfer schemes were rejected. The Department has under consideration 10 cases of transfer (six from insurers and four from provident societies).

In the light of the recent allegation made by the Union Finance Minister, Mr. C. D. Deshmukh, that the Department had to deal with over a thousand complaints by policyholders relating to the settlement of claims, it is interesting to note from the Report that only 61 cases of disputes relating to settlement of claims on life insurance policies (assuring a sum not exceeding Rs. 2,000 each) were referred to the Controller for decision. In 27 cases, either the applications were subsequently withdrawn or the proceedings were dropped. The Controller decided nine cases—all in favour of the claimants. The remaining 21 applications were under investigation.

The Central Government has powers to appoint administrators to administer the affairs of insurance companies which, in its opinion, are mismanaged. During the year under review, the Government appointed, with effect from 26th September 1955, an administrator for the Bharat Insurance Company, Ltd. There were seven insurance companies under the management of Administrators. All the Administrators act under the control and direction of the Controller of Insurance.

Consolidation of investments and curtailment of expenses were actively pursued. An inspection of the assets of the big insurers by auditors nominated by the Controller of Insurance was carried out with the consent of the insurers and the reports furnished by the auditors are still under consideration. The staff insurance schemes in vogue gave rise to serious malpractices and, therefore, the Executive Committee of the Life Insurance Council discontinued those schemes with effect from the 1st July 1955. The Committee also recommended a uniform policy to be followed by all life insurers in the matter of paid-up policy.

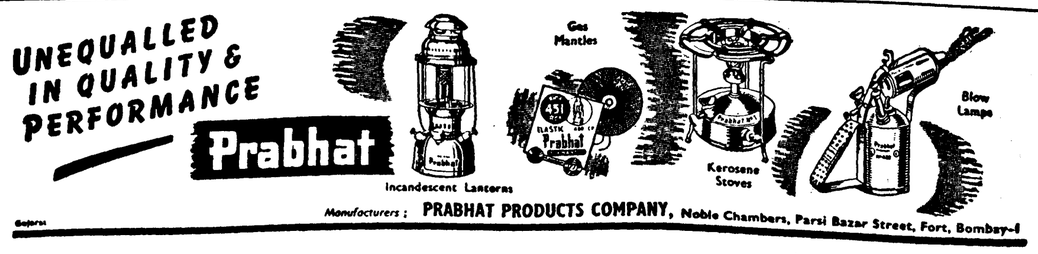
As a first step towards introducing certain reforms in the accounting system of insurers and in consultation with the Institute of Chartered Accountants, the Executive Committee of the General Insurance Council has, it is stated, evolved a standard form for agents' accounts for adoption by insurers. The Committee is considering the question of establishing a Reinsurance Corporation in India. The Tariff Committee has reduced the fire premium rates by 10 per cent. on the average. It is also stated to be considering setting up of a Statistical Organisation to regulate the premium rates in general insurance business. The number of licences to insurance agents during the last financial year is anticipated to be about 95,250 and the number of certificates to principal agents, chief agents and special agents about 7,000.

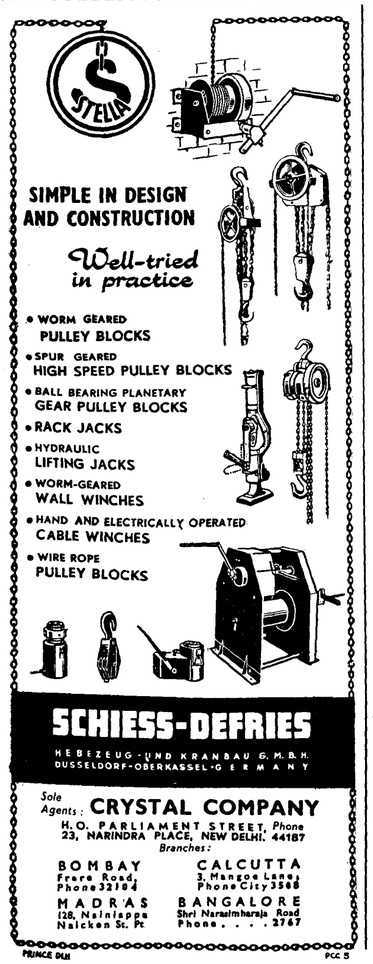
Aviation Insurance

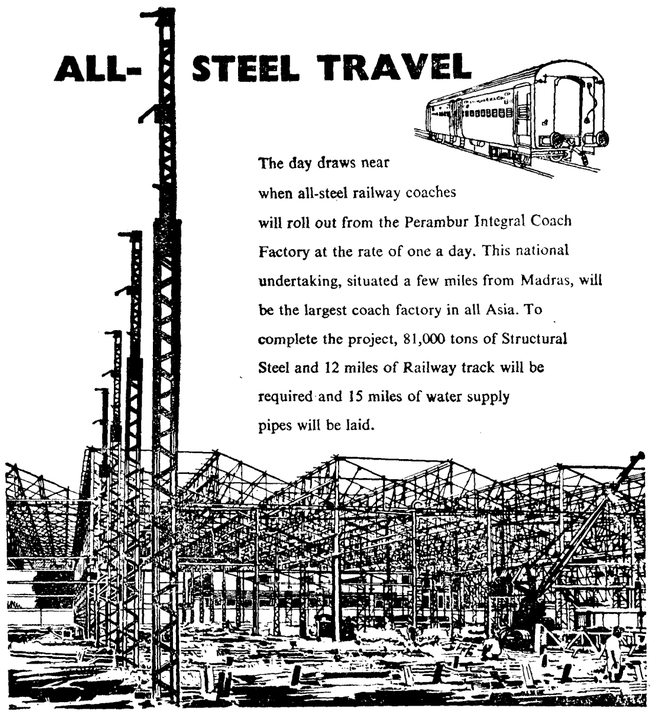
The Department continues to render technical advice to the Ministry of Rehabilitation on the legal and procedural aspects of the work arising from Section 18 of the Displaced Persons (Debts Adjustment) Act, 1951, relating to claims against insurance companies. The Department also acts as the liaison between the Indian Insurance Companies Association Pool, Bombay, and the Government, local bodies, municipalities, etc., for the purpose of taking up general insurance business under whose control it was formed. With the nationalisation of the aviation industry in the country, the 'Pool,' which was catering to the needs of Government in other fields, commenced, at the instance of this Department, transacting aviation insurance business, with a view to providing the necessary services in this sphere also. The valuation of the Pakistan portion of the business of the Post Office Life Insurance Fund, as on 14th August 1947, was completed. The valuation of the Fund, as on 31st March 1952, was also completed and the valuation results were announced.

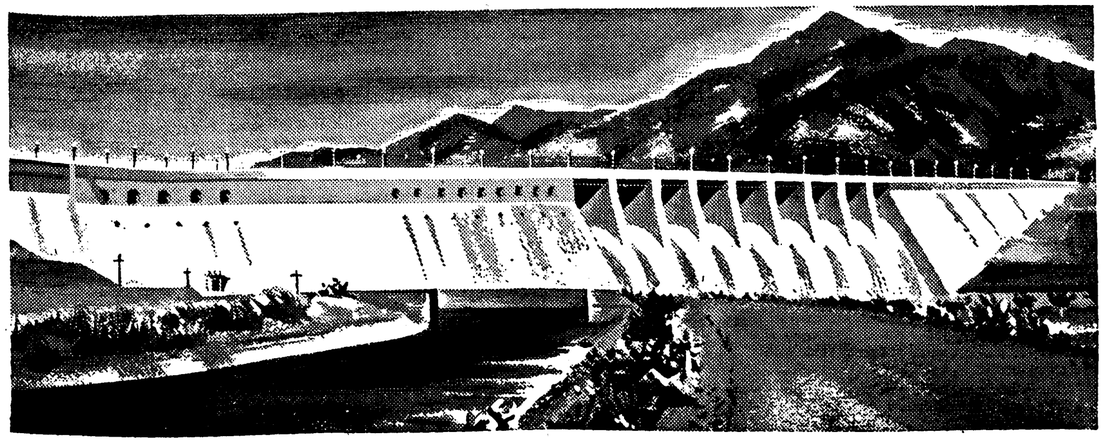
The matters which are engaging the attention of the Department include (a) evolution of a suitable formula for an equitable assessment of taxation of profits of non-resident insurers on reinsurance transactions, (b) examination of annual drain arising out of reinsurance transactions abroad of insurance companies carrying on general insurance business in India, and (c) investigation of mortality of Central Government pensioners, with a view to bringing the existing table of commutation values of pension up to date.

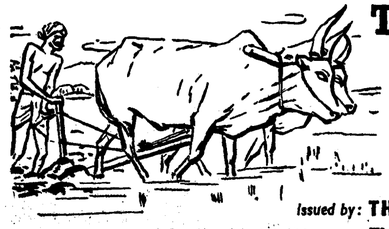
There is a brief reference in the Report to nationalisation of insurance under the section "Internal Finance Division." It says that "after a detailed study of the implications of nationalisation and the possible alternatives to it, the Government came to the conclusion that it was imperative to nationalise insurance business straightaway." It also refers to the recent measures, such as the issue of the Life Insurance (Emergency Provisions) Ordinance, 1956, and to the appointment of custodians for taking over all life insurance business.











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THE HONGKONG AND SHANGHAI BANKING CORPORATION

PROSPEROUS TRADING CONDITIONS LEAD TO ENCOURAGING RESULTS

MR. BLAKER ON PREREQUISITES FOR ATTRACTING FOREIGN CAPITAL TO ASIAN COUNTRIES

THE Ordinary Annual General Meeting of the Hongkong and Shanghai Banking Corporation was held in Hong Kong on 16th March 1956. In the course of his customary statement to the shareholders Mr. C. Blaker, M.C., E.D., Chairman of the Corporation, said that the economic development in the Asian countries had made progress and that they were moving along paths of their own choosing. He felt that foreign merchants and bankers must adapt themselves to these changing conditions. On the question of new foreign investment, Mr. Blaker is of the view that stable conditions and prospects of an adequate reward will do much more than any number of exhortations. "This is a question each country must decide for itself," he remarked, "and the response will surely depend on the decisions made."

Inaugurating the proceedings of the meeting, Mr. Blaker said:

"LADIES AND GENTLEMEN,

"The hour for which this meeting was called having now passed, I will call upon the Chief Manager to read the notice convening the meeting."

The notice convening the meeting having been read by the Chief Manager, Mr. Michael W. Turner, and the Auditors' report by a representative of the Auditors, the Chairman continued:

"LADIES AND GENTLEMEN,

"As you will see from the accounts before you, the profit for the year amounted to $20,580,320 which is some $1¼ millions higher than the corresponding figure for the previous year. In accordance with our usual practice, this profit has been arrived at after making transfers to our inner reserves, out of which reserves full provision has been made for the diminution in the market value of our investments and for all known doubtful debts and contingencies.

"It is proposed that this year a sum of $4 millions should be written off Bank premises and, after allowing for this transfer and the interim dividend of £2 per share, the Directors recommend the payment of a final dividend of £3 per share, leaving a balance of just over $10½ millions to be carried forward to next year.

"Although the proposed dividend for the year remains unchanged at £5 per share, it is, of course payable on the capital as increased by last year's bonus issue and is equivalent to £6 5s. per share on the old capital.

Reserves Unchanged

"Turning to the balance-sheet, it will be observed that the reserve fund remains unchanged at $128 millions, your Directors having transferred from inner reserves an amount of $5 millions to replace the amount of the reserve fund which was capitalised during the year.

"Hong Kong currency notes in circulation remain unchanged, but current, deposit and other accounts have decreased by just over $115 millions. The trend of our ordinary deposits has, in fact, been upwards, but the withdrawal of certain substantial sums, which had been left with us on a short-term basis, resulted in this overall reduction.

"Acceptances on behalf of customers show a decline of some $36 millions which may be attributed to an alteration in the methods of financing adopted by certain large customers during the year.

"Your Directors have this year decided to state the extent of the Bank's liability in respect of confirmed credits, guarantees and endorsements by way of a note on the balance-sheet and you will observe that this total amounts to some $611 millions. It will, of course, be understood that the Bank has recourse for a like amount on its customers.

"The assets side of the balance-sheet discloses some fairly substantial alterations as compared with last year's figures. Advances and trade bills have increased by $240 millions and $66 millions, respectively. These increases are mainly due to the higher prices which have ruled throughout the year for certain of the primary commodities produced in the areas in which we are interested, but they also reflect the growing demand for larger advances from bankers to finance current and capital commitments arising from the growing industrial development in South-East Asia.

"Investments show an increase of some $9 millions being cost of additional investments acquired. Investments in and amounts due by subsidiary companies are higher by $17 millions which represents our interests in the Hongkong and Shanghai Banking Corporation of California.

"As a result of the increases in advances, trade bills and the other items referred to above and to the net decrease in our deposits, the total of cash, call money, and Treasury Bills has fallen by some $439 millions. Although this has resulted in a drop in the ratio of the Bank's liquid assets to its total liabilities, this ratio still amounts to over 47 per cent., which your Directors consider may be regarded as a satisfactory degree of liquidity.

Results Satisfactory

"Shareholders will be aware that the continued expansion of world trade and the rise in the price of certain primary commodities, noticeably rubber and tin, contributed to more prosperous trading conditions generally in the territories in which we operate. On the whole, your Directors are very satisfied with the results of the year.

"The printed statement which is in your hands deals with the political and economic situation in the Eastern countries where we have offices. This follows the pattern of previous years, but shareholders will notice that considerably less space has been devoted to China than has been the case in the past. This is, unfortunately, a reflection of the restriction of our activities in that country, although I hope that circumstances will make it possible for us to continue to trade with China if no longer in China.

"Hong Kong, on the whole, had a prosperous year as, in spite of the drop in our traditional entrepot trade with China, business activity generally continued to expand. This has been very noticeable in our office here where the number of current and savings bank accounts has steadily increased. We have now reached the point where these two departments have grown larger than is desirable for administrative purposes or for giving as efficient a service to the public as we should like. Your Directors, therefore, decided to open a new office in King's Road —the North Point Agency—which started business on Monday. This new office will, we hope, lighten the load and we are considering other means of relieving pressure.

"In the printed statement details are given of the opening of our new subsidiary in San Francisco. This subsidiary will be able to give a full range of domestic and foreign banking services and will, I hope, prove popular with our many old friends and will make many new ones. It has always been disappointing to us that the services we were permitted to offer in San Francisco were so limited and I am glad that this complaint can no longer be made.

Chief Manager's Tour

"Our Chief Manager, Mr. Michael Turner, continued the tour commenced in 1954 and visited our branches at Calcutta, Bombay, Colombo and Rangoon. He also spent some time in London and was able when he was there to see our offices in Hamburg and Paris. This completed his itinerary and he has now visited all our offices. In all but a few cases he was accompanied by Mrs. Turner. Shareholders will, I think, agree that the extensive tour which the speed of modern times enabled him to make—the first Chief Manager to do so—has been of considerable benefit to the Bank. This not only enabled Mr. Turner to make contact with Government officials and our business friends in all these countries but to see for himself how each office was conducted and that the welfare of the staff was being looked after. Once again he was able to give a favourable report on the staff of all nationalities in the countries which he visited. I am glad to say that Mr. Turner, in spite of the very busy year which he had, was able to take a short holiday in the United Kingdom.

"The sudden death of Mr. G. H. Stacey, who held the appointment of Deputy Chief Manager, was a severe loss to us all and the numerous letters we received from business associates of many nationalities gave evidence of the respect in which he was held.

"I should like to take this opportunity of thanking all our staff, particularly the Branch Managers, for their loyalty and hard work during the year.

"There were several changes in the Board of Directors during the year, but as these are shown in the report which is in your hands, I will make no further comment on them.

"There were, however, various changes in London which I should like to mention. Mr. S. A. Gray, who has been Senior London Manager since 1948, resigned at the end of the year and was succeeded by Mr. S. W. P. Perry-Aldworth, who also took his place on the London Committee. Mr. W. J. Keswick resigned from the Committee on being appointed a Director of the Bank of England, on which we congratulate him, although we are sorry to lose the benefit of his experience. The Keswick family has had a close connection with the Bank over several generations and I hope that it will not be long before we have another Keswick on the London Committee. Sir John Nicoll, who needs no introduction to this audience, joined the Committee towards the end of the year and I am sure his experience in Colonial affairs will be of great assistance to our London management.

"Ladies and gentlemen, the report and statement of accounts having been in your hands for the required period, I will now formally propose their adoption as presented.

"After the proposal has been seconded I shall be pleased to answer to the best of my ability any questions which shareholders may wish to ask."

The resolution having been seconded, the report and accounts were adopted.

Chairman's Statement

The following is the Chairman's statement circulated at the meeting:

"In my statement last year I was able to record that an improvement in the cold war had been noticeable. I am now able to say that this trend continued during the summer of 1955 when the climate in international relations became distinctly milder with the meeting of the heads of Governments and the feeling that a new spirit had been generated—the spirit of Geneva. Unfortunately, the meeting of the Foreign Ministers in the autumn, with the deadlock over Germany, brought a lowering of the temperature which recent events in the Middle East have done nothing to improve.

"Looking at the year as a whole, however, there seems to be ground for hope that the danger of war has been lessened, both as a result of the various discussions that have taken place and the growing feeling that the power of modern weapons has produced a form of stalemate. In the Far East, there has been a period of quiet—as Mr. Macmillan put it in a speech in Parliament in December—'A sort of *de facto* stabilisation had been secured in the Far East at the expense of varying degrees of partition.' Thus, although there remain a number of difficult international questions on which agreement has not been reached, these have not developed to such an extent as to give rise to any fresh disturbances.

"Agreement was reached on the introduction of sixteen new members to the United Nations in December, thus ending a deadlock which had existed for many years. We particularly welcome the membership of Ceylon, whose influence in world affairs continued to increase, and the two new States of Cambodia and Laos. It is, however, most regrettable that Japan was not elected at the same time and I hope that during the next session some settlement will enable this important country to be represented.

"Amongst the many conferences that were held during the year, the one at Bandung last April of Asian and African powers was of particular significance to this area. As has frequently been the case recently, it was not the decisions reached which gave this conference its importance, but the fact that twenty-nine nations, many of whose sovereignty is of comparatively recent date and with different political forms of

Government, were able to discuss their common problems in a spirit of compromise. To quote from a leading British weekly periodical, 'Nothing new was created; but the emancipation of the greater part of Southern Asia was solemnly placed on record, and the lines along which this vast area of the world hopes to advance were made a little clearer.'

"In the economic sphere, considerable industrial expansion continued and in many of the more highly developed countries there were indications that the economy was becoming overstrained. A growing industrial demand for materials and labour, coupled with a high level of employment, resulted in active or threatened domestic inflation which, in some countries, was having an adverse effect on the balance of payments.

"The measures taken to combat these dangers varied from country to country, but the main emphasis was on monetary rather than on physical controls, on dearer money rather than on restriction of imports. This was an important development, but under present conditions, with high taxation, the cost of borrowing is no longer the restraining influence it once was and the great increase in the public sector made supplementary action by Governments necessary. Thus, raising the Bank rate was found to have only a limited effect and it may well be that the role of monetary policy in the economy of today has not yet been finally determined.

Britain

"In the United Kingdom, the pressure of consumer and investment demand brought a continuing rise in prices with a high level of imports which had an adverse effect on the balance of payments. The Bank rate was increased to 4½ per cent. in February 1955, but this did not reduce the expansion of credit quickly enough and, in July, the Chancellor exhorted the banks to make 'a positive and significant reduction in their advances.' A supplementary budget followed in October and last month a further increase was made in the Bank rate with measures to restrict capital investment and to reduce certain food subsidies. It is too early yet to gauge how effective these steps will be or whether more will be required.

"A review of conditions in the United Kingdom is outside the scope of these annual statements, but the importance to the Bank and to the countries which it serves of the standing of sterling needs no elaboration and I hope, therefore, that the efforts being made to protect the internal value of the pound will be successful. The high Bank rate has resulted in a considerable drop in the value of Gilt-edged securities, but you will notice that we have continued as in previous years to show these in our balance-sheet at under market value.

"In the Asian countries in which most of our branches are situated progress continued to be made in the carrying out of the various development plans, but in many cases second thoughts had to be given to the targets and the speed at which they could be reached. The restricting factors here were, however, mainly lack of capital and shortage of trained technicians. These continued to limit the improvement in agriculture and industrial development which expanding populations make so necessary. Although dearer money was resorted to and had a limited effect in urban economies, such as Hong Kong's, it was not in these countries the real answer to the problem. This was not to restrict demand in an over-expanded economy, but to improve the productive resources quickly enough to provide work for the growing population and at the same time to increase the supply of food and consumer goods to meet the requirements arising as a result of industrialisation.

Aid for Underdeveloped Countries

"The Colombo Plan has been referred to from this chair on numerous occasions and the importance of it has been stressed not only because of the continuing need for economic assistance in South-East Asia but also for the reason that this Plan has generally found favour with the countries in the area. The report by the Council for Technical Co-operation in South and South-East Asia for 1954-55 shows that continued progress has been made in providing assistance in training technicians and supplying experts to aid development schemes. It was encouraging to see that while much of the assistance came from outside the area considerable progress was made in mutual aid. The report lays particular stress on the need for 'a steady and ever-increasing supply of skilled administrators and technicians' who should be given 'full opportunities to use their newly acquired skill at home.' It recommends that 'counterparts or understudies should be assigned to the expert on continuing projects so as to ensure continuity' and that new projects are 'allotted the right priority.' The shortage of trained personnel is probably the most serious limiting factor in the plans of these countries for greater industrialisation and the recommendations in this report deserve serious consideration. The meeting of the Consultative Committee was held in Singapore in October and made the welcome decision that the Colombo Plan would be extended from July 1957 to 30th June 1961, and that the future of the Plan would be considered in 1959. Considerable increases in aid were promised and, although certain of the members felt that larger amounts of external capital were required, the meeting appeared generally satisfied with the progress made. In addition to the Colombo Plan, assistance continues to be granted by the U.S. International Co-operation Administration, various United Nations agencies and the International Bank for Reconstruction and Development. A new corporation, an affiliate of the International Bank, the 'International Finance Corporation,' to which I referred last year, is in process of formation. This organisation will have power to invest in productive private enterprises without the necessity of a Government guarantee, which is a prerequisite of all International Bank loans. The total capital proposed is U.S. $100 millions, but the Corporation cannot be brought into existence until at least thirty countries, with subscriptions amounting to U.S. $75 millions, have given their formal acceptance. Several countries have already taken this step including the United States and the United Kingdom, and it seems likely that there will be no difficulties in the establishment of this new organisation, which should be of considerable benefit to underdeveloped areas.

China

"Shareholders of the Bank who knew China in the days prior to the establishment of the Government of the People's Republic of China must surely find it difficult to adapt their minds to the real meaning of the official Chinese policy on present-day rural, industrial and sociological matters in that country. There are many pessimists just as there are many optimists in regard to the future of China, but lack of information, other than official pronouncements, leaves many with a feeling of uncertainty. Even here in Hong Kong, close as we are to the Chinese scene, we find it hard to keep pace with and to evaluate the day-to-day economic and industrial changes and developments which are so rapidly being evolved. Nor do we know, neither can we judge, how the Chinese people as a whole—and particularly the agricultural population—are reacting to the kaleidoscopic events which have affected their lives and livelihood so closely in the last few years.

"Collectivisation is certainly proceeding with ruthless vigour: at the same time almost the whole range of agricultural production is being directed and controlled from above in a way which has had no previous parallel in Asia. This line of policy is, of course, tied up with the current Five-year Plan and with industrialisation. The whole picture reveals remarkable speed of development. There is special concentration on heavy industries with extensive Russian help. Railway and road communications are being opened up at an astonishing pace, even if allowances are made for some work of a rough and temporary nature.

"The key point in the economic policy of China has been summarised as follows: to build a socialist society, which cannot be raised on the foundations of a small-peasant economy: its foundations must be based on large-scale industry and large-scale collective farming.

"Such being the fixed policy of the Chinese Government, if British merchants are to retain a share in the China trade and take advantage of the situation, it is important that British policy should be re-examined in collaboration with other friendly Governments. No action of the kind we have in mind can can, however, be taken until there is a considerable reduction of the items on the embargo list. The question of the embargo has raised so much controversy in recent years that it has not been easy to discuss it objectively and there are still no signs of any narrowing of the gap between the two points of view. Although we have done our best to carry out not only the letter but the spirit of this embargo, we make no secret of the fact that, like almost all British merchants and bankers interested in the China trade, we will welcome the day it is abolished, but as total abolition cannot be quickly brought about, linked as it is with numerous other problems, we are contenting ourselves for the time being with advocating the reduction of the Chinese embargo list to make it similar to the Russian list. This would seem to be the logical solution as it is idle to suppose that China is not able to obtain goods shipped from the West to Russia. Instances have, in fact, occurred where China has exported to Hong Kong goods which are not permitted to be sent into China under the embargo. We had hoped that at the recent talks in Washington some form of agreement of this nature would have been reached, but it appears that all that was decided was that a review of the control of trade with China would be made.

"Both Hong Kong and Malaya have suffered greatly as a result of this embargo and there is the danger, particularly for Hong Kong and to a lesser degree for Malaya, that, if no substantial relaxation comes soon, the trade lost may never be regained. China is already leaning heavily on supplies from Eastern European countries and this trend is likely to increase so long as the emphasis on all arrangements for exchange of goods with China is on bilateral agreements. With the overall control of the economy which the Chinese Government now exercises, bilateral and barter agreements may be difficult to avoid, but under freer conditions the advantage of dealing with Hong Kong merchants, experienced as they are in supplying the China market, would no doubt be appreciated. The Sino-British Trade Committee have recently been informed by the Chinese Government that they see no object in any further visits until there is a considerable relaxation of the embargo. This may be so as far as large parties are concerned, but I am sure that a great deal of good would result if it were made easier for individual merchants to visit China to discuss their own particular business problems.

"Negotiations regarding the winding-up of our affairs in China have made considerable progress during the year and we have been able to reach a settlement of our local currency position, but there have been no further developments in respect of our foreign currency liabilities. This settlement has not been made without cost to the Bank, but under the circumstances no other course was open to us. Mr. Yoxall, our Manager in Shanghai, who bore the brunt of the negotiations, finally obtained permission to leave and has now retired.

Hong Kong

"Hong Kong has not featured much in world news during the last year, but this lack of publicity has not meant that progress has not been made but only that it has been steady rather than spectacular. We were pleased to welcome the Secretary of State for the Colonies, Mr. Lennox-Boyd, who, in his short visit, managed to see a very large part of the Colony. The squatter resettlement programme, which has been made necessary by the large influx of refugees, has always seemed to us to be one of the post-war developments, of which we can be most proud and it was encouraging to find this distinguished observer describing it as 'one of the most stupendous achievements I have ever seen.' On the day of his departure he announced that the term of office of His Excellency The Governor, Sir Alexander Grantham, had been extended until 1957. This was extremely welcome news as Sir Alexander has a very special place in our affections and we are grateful to him for agreeing to defer his well-earned retirement.

"The necessity for an improvement to the airport, to bring it up to modern international standards, has been mentioned many times from this chair and I am glad that this year I am able to report that the contract for the new runway was awarded in August and that considerable progress has already been made. Nature bestowed on Hong Kong geographical features which facilitated the construction of a harbour, but she has not been as kind over the airport and this will be a costly project. Another large engineering work is nearing completion—the Tai Lam Chung water-supply scheme—which will substantially increase our water storage facilities. The consumption of water, however, even under the strict rationing to which we are subjected, continues to rise—as it must do with a growing population and increasing industrial development—and it seems obvious that some site for another reservoir will require to be found without undue delay. The recent remarks of the Governor on investigations on Lantao Island show that the Government has this matter very much in mind. I mentioned above the squatter resettlement scheme, but this is only part of the immense housing problem with which Hong Kong is faced. A visitor arriving here after an absence of some years and seeing all the extensive building that has taken place might be tempted to think that the housing problem was being adequately taken care of, but this is unfortunately only partly true. Many of the poorer

members of the community are very badly housed and to supply them with better living accommodation at a reasonable cost is a most urgent social need. In view of the importance of this problem, the appointment last month by His Excellency The Governor of a committee with wide terms of reference to investigate the Colony's housing problem in all its aspects was most welcome.

"The development of local industries, which has been such an important feature of recent years, continued and 372 new factories were registered during the year, while the production of electricity increased by 15 per cent. Energetic efforts were made to develop new markets and there are welcome signs that the importance of maintaining uniform standards of quality is being more readily understood. The formation of the Hong Kong Exporters' Association, with a committee composed of many of our leading merchant houses, should greatly assist the marketing of the products of our industries. An invisible export is provided by the large numbers of tourists, both service and civilian, who visit Hong Kong each year. It has been proposed that a Hong Kong Tourist Association should be formed to develop our tourist trade and a working committee of representatives of the interests concerned was appointed in August to look into the question.

Trade of Hong Kong

"Hong Kong's trade in 1955 increased by 7 per cent. in value, while volume showed a rise of 14 per cent. It is encouraging that the rise has been steady over the last few months of the year and that exports of Hong Kong products continue to increase. Exports to the United Kingdom increased by H.K.$89 millions. This will not cause any surprise to shareholders, who will no doubt have seen many references to this subject in the Press, but imports from that country also rose by H.K.$72 millions which is given considerably less publicity. Even now our exports to the United Kingdom are still only 57 per cent. of our imports from there. Trade with China in total was about the same as in 1954, but the drop of just over H.K.$200 millions in exports was offset by a rise in imports of a similar amount. This decrease in exports was caused by a considerable reduction in each of the three largest groups of commodities—namely, dyestuffs, fertilisers and pharmaceuticals—which we have recently been shipping to China. Trade with other East Asian countries showed an overall increase and it was encouraging to see the steady rise in exports to Indonesia, Indo-China and Thailand in the closing months of the year.

"Business on the Stock Exchange continued to be very active and the volume for the first six months of the year was greater than that for the same period in 1954. In July, the turnover was more than double the figure for June and there were signs that these almost boom conditions were having a disturbing effect on the economy, which, if not checked, might result in more serious developments. The rise in short-term money rates in so many countries was also beginning to be felt in Hong Kong and, after consultation with the Government, we and the other note-issuing banks raised our interest rates in August. This we followed in November by a reduction in the percentage of market value which we would normally advance against shares. These measures were aimed at curbing further expansion of credit for speculation and have in our opinion resulted in a healthier position in the market. The price of land continued its upward movement and some very valuable properties changed hands. There were, however, signs towards the end of the year of a slackening of demand and it may be that the peak has been reached for the time being.

Finances of Hong Kong

"The Financial Secretary, Mr. A. G. Clarke, in his speech in the Legislative Council at the end of last month, when he presented the Budget, was able to show that the Colony's finances are in a very healthy state. A surplus of over H.K.$16 millions was expected for the current year which was brought about by both higher revenue and lower expenditure than was estimated. Salaries and profits tax showed a fall, but this was more than made up by rises under other headings, a large part of which was due to the active conditions in the property market and building trades. For the financial year 1956-57 a deficit of H.K.$43½ millions is estimated, but this includes expenditure of H.K.$30 millions for the Tai Lam Chung scheme and H.K.$32 millions for the airport. Both these items are public works of a capital nature which are essential to the future of the Colony and for this reason the size of the deficit should not give cause for alarm.

"At the conclusion of his address Mr. Clarke took stock of the Colony's financial position ten years after the re-establishment of civil government. This showed that, in spite of the heavy programme of rehabilitation, the cost of housing the large number of refugees and general post-war development, Hong Kong has built up a reserve of a year's revenue with a public debt of less than two months' income. When it is remembered that the Colony started with no surplus funds after the war this happy state of affairs, I think, reflects great credit on Mr. Clarke and his predecessor as well as on the industrious people of Hong Kong whose energy and adaptability have made it possible.

Japan

"Japan's population is likely to pass the ninety-million-mark during 1956 and any analysis of economic and political developments in the country cannot ignore the steadily increasing pressure which a rising population makes on available resources. Economically, 1955 was a good year and the visible adverse trade balance was reduced by U.S.$300 millions, while foreign exchange receipts, which include invisibles, exceeded payments by nearly U.S.$500 millions. This improvement has been achieved in the face of a gradual, but nevertheless steady, decrease in the foreign currency obtained from the U.S. Forces. The deflationary policy which we mentioned last year continued during 1955 and commercial banks' borrowings from the Bank of Japan reached the lowest level since 1946; but, helped by a lively export demand, no serious restriction in business activity was apparent, although unemployment figures gave cause for concern. Good crops of rice and cereals contributed to the improved balance of payments position. The draft budget, which is at present before the Budget Committee in the Diet, shows little change from last year and, although the note issue rose by 8 per cent., this is considered to be a reasonable reflection of the general expansion in production, including the bumper rice crop. The Anglo-Japanese Sterling Payments Agreement of January 1954 was extended until 30th September 1956 with Japan agreeing to remove certain restrictions on imports from the sterling area. This agreement will be reviewed again this year. During the year Japan became a full member of G.A.T.T., but her satisfaction was tempered by the fact that a number of nations invoked Article 35 against her.

"Three agreements have been made with the United States Government covering the sale to Japan of agricultural produce against payment in yen, while part of the yen proceeds is available as a long-term loan for capital development. Considerable assistance is also being given by the United States Government in providing technical training and the International Bank for Reconstruction and Development has recently agreed to grant a loan of U.S.$8 millions for the modernisation of heavy industry. All these arrangements should greatly benefit Japan's productive resources.

"Unfortunately, labour relations have not been too happy and there are ominous signs of further troubles on a nation-wide scale. All our Japan offices were involved in a strike which lasted for seven weeks, but in spite of the difficulties encountered I am glad to say that we managed for the most part to meet the requirements of our constituents.

"As a result of the merger of the two wings of the Socialist Party, on the one hand, and the Liberal and the Democrats, on the other, a two-party system has been created. Provided each party can continue to maintain a reasonable degree of unity this development should strengthen the parliamentary system. Between the two parties themselves considerable differences exist over both foreign policy and defence. Mr. Hatoyama, the Prime Minister, in December made it clear that his Government—composed of the Liberal-Democratic Party—intend to revise the Constitution, reform the administration and revise the system of taxation. This programme is generally regarded as designed to enable Japan to rebuild her armed forces. Mr. Shigemitsu, the Foreign Minister, at the same time gave a review of foreign policy, but was unable to report much progress in the Japanese-Soviet negotiations taking place in London which had foundered on the two issues of repatriation of Japanese prisoners and the settlement of territorial questions. He promised to strive for a speedy solution of the outstanding reparations agreements and to promote 'a positive expansion of our trade with all countries.' The Socialists, on the other hand, are opposed to rebuilding the armed forces and to the Government's policy with regard to China.

"On the whole, Japan has recently made much progress, but the rising population makes a continuing expansion of the export trade essential which is likely in the long run to influence political decisions.

Indonesia

"The political situation in Indonesia is extremely complex and it is often difficult for foreign merchants and bankers, occupied as they are with their day-to-day tasks, to follow the trend of events. The rivalry of political and military leaders has been a deciding factor in the composition and policies of recent Governments and the elections have on that account been repeatedly postponed. It is, therefore, a matter of considerable importance that these elections were finally held towards the end of the year and that polling day passed off without major incident. Provisional results show that no one of the four major parties obtained sufficient seats to form a government on its own and some form of coalition seems probable. The Government, which has been in office since August, under the leadership of Mr. Burhanuddin Harahap, appears to have tackled the many problems which faced it with vigour and, aided by the rise in the price of rubber, it has greatly improved the economic position of the country. We have more than once quoted from the Bank Indonesia Report, as this always gives an objective view of conditions in the country, and in the Report for 1954-55 published last year the Governor gave warning of the dangers of the continuing increase in the supply of money and went on to show the necessity of weakening the effect of inflation 'which should primarily be brought about by reducing the cash deficit of the Government.' The need for such action is made apparent from a study of the current advance to the Government by the Bank Indonesia. This rose from Rupiahs 1,433 millions at the end of 1953 to Rupiahs 4,477 millions at the end of 1954 and Rupiahs 5,959 millions in June 1955. During the second half of the year a generally tighter money policy was adopted and an overhaul of the systems of import and export control was carried out. These measures have resulted in a drop in the advance to the Government to Rupiahs 4,074 millions at the end of 1955. Gold and foreign exchange reserves have increased and the estimate for the 1956 budget shows a deficit of Rupiahs 1,000 millions—a considerable reduction. The improvement in the free market rates for gold and foreign currencies shows that there is increased confidence in the economy.

"Relations with Holland have, unfortunately, deteriorated in recent years and discussions over a number of outstanding matters were held recently at Geneva. Although at one time there seemed to be hope of some form of agreement being reached, the conference ended in failure and Indonesia subsequently abrogated the Netherlands-Indonesian Union and the financial and economic agreements entered into in 1949.

The Philippines

"Our office in Manila was opened on 11th November 1875 and the eightieth anniversary was duly celebrated at a reception of friends of many nationalities.

"During 1955, President Magsaysay considerably strengthened his position by his sweeping victories in the Senate and the local elections and he continued his drive to improve conditions for 'the common man.' Unfortunately, however, all has not been well on the economic front and the administrative difficulties I mentioned last year still hold up progress. Foreign currency reserves declined from a figure of U.S.$273 millions to U.S.$213 millions. Although the prices of copra and some other exports tended to be lower, the main cause of this drop in reserves was the increase in imports—chiefly capital goods and raw materials—which has so far only been slightly counterbalanced by restrictions on the import of less essential goods.

"The revision of the Bell Trade Act was approved by both the Philippines and United States Congresses. This comprehensive treaty will materially and increasingly affect trading relations between the two countries. From the beginning of this year free trade has ended and customs duties will be applied by each country on imports from the other on a gradually increasing scale, but whereas the Philippine duty on United States goods starts at 25 per cent. of the standard rate, the U.S. duty on Philippine goods will intially be only at 5 per cent. The Philippine Government has been given power to change the value of the Peso without reference to the United States Government, and has also undertaken to abolish the exchange tax on remittances, but this tax has been replaced by a special import tax which will be gradually reduced. Alterations have been made in the rate at which import quotas will be applied by the United States, and each country is permitted reasonable quantitative import restrictions to protect domestic industries. The immediate effect on Philippine exports is likely to be small, but on a long-term view it will be necessary to explore ways and means of reducing production costs if the traditional markets in the United States are to be retained.

"On the whole, this is a favourable agreement to the Philippines as their market in the U.S.A. for their exports is still available on advantageous terms and the revenue from customs duties is likely to increase. On the other hand, there is the danger that there will be a rise in the cost of living which will make a reduction in export prices more difficult. Meanwhile, it is encouraging to learn that the President has instructed the Monetary Board of the Central Bank to tighten up import controls to prevent a further drop in the foreign currency reserves.

Thailand

"Reports from Bangkok indicate that there has been a considerable improvement in both the political and economic fields since my statement was issued last year. For this a great deal of the credit is due to the Prime Minister, Field-Marshal Pibul Songgram, who, on his return from a successful overseas tour, introduced measures aimed at stamping out corruption in the administration and permitting freedom of speech both at public meetings and in the Press. It is too early to judge how permanent these reforms will be, as personalities play a large part in politics in Thailand, and already there are signs of restriction in public discussion, but the immediate outlook is encouraging. So also is the economic position, as exports were well maintained and, in particular, the tonnage of rice exported was greater than in 1954 although prices were lower. During the year, all the regulations which necessitated surrender of part of the foreign exchange proceeds of exports at the official rate were withdrawn, but rates of duty were raised to compensate. *Import licence requirements* were abolished in September for the majority of goods and customs duties were raised at the same time which should have a beneficial effect on the revenue.

"Exchange rates during the first half of the year showed wide fluctuations, but in July a Stabilisation Fund was set up which is operated by the Bank of Thailand. This Fund seems to have been successfully managed and since its formation the market has been much more stable. Ordinary expenditure in the budget was balanced by revenue, but appropriations for improving transport and irrigation resulted in an overall deficit which will be financed by loans and from treasury balances.

"The above are a few of the many developments that have taken place in Thailand in 1955, and while last year I opened this paragraph with a reference to 'cautious pessimism' I think it would be reasonable to close it this year with the words 'cautious optimism.'

Vietnam

"The partition of Indo-China left behind many political and economic problems to be solved by the State of Vietnam. Amongst these was the settlement of the many refugees who poured in from the north, and the challenge to the authority of the Government by several warring factions, each with control over private armies. Economically, there was the task of rehabilitation after the ravages of war and the building up of a viable economy—deprived as the State is of the industries and rich coalfields of the north. In these circumstances, progress must inevitably be slow, but a great deal has already been achieved with the help of substantial aid from the United States of America and the Government has considerably strengthened its internal position by successful military action. At a plebiscite in October Mr. Ngo Dinh Diem was elected Head of State, in place of Emperor Bao Dai, and he has been recognised as such by the French and other Governments. The loosening of the ties with France has resulted in a gradual switch of trade from the franc area and the economic and financial agreement with France was allowed to lapse at the end of 1955. Elections have recently been held to a Constituent Assembly for the purpose of considering the new Constitution, but the problem of the joint elections with the north, which were part of the Geneva agreement to decide the future Government of the whole country, remains.

Cambodia

"Our office in Phnom-penh got off to a satisfactory start and will, I think, prove to have been worth while. The port itself is, however, far from satisfactory due to the shallowness of the river, but the scheme for the deep water port of Kompong Som is being pushed forward. Prince Sihanouk, the Prime Minister, had a sweeping success in the elections in September and the political situation appears stable.

Singapore and Malaya

"Singapore is our largest office in the East after Hong Kong and in the Federation of Malaya we have a greater number of offices than in any other territory. The recent constitutional developments are, therefore, of great interest to the Bank and, although it is always difficult to assess the importance of contemporary events, until the passing of time enables a more detached view to be taken, it appears probable that 1955 will be considered a most significant year. Elections were held in both territories and a great part of the responsibility for the day-to-day government passed to the ministers whose parties held majorities in the newly elected legislatures. As the months moved on, however, it became clear that the desire for a more rapid transfer to these ministers of such powers as had been reserved was becoming more insistent and that to a considerable extent this desire would be satisfied. Shareholders have no doubt been following the course of events in these territories, as this has had a great deal of publicity in the British Press, and they will, therefore, be aware of the way matters have developed. I sincerely hope so as it is not possible here to do more than touch on one or two of the more important items.

Political Developments

"Arrangements were made during the summer for delegations from both territories to visit London during 1956 to discuss future political developments and the visit of Tengku Abdul Rahman and his ministers took place in January. At this meeting it was decided that every effort would be made for the Federation to have full self-government and independence within the Commonwealth by August 1957 and a Constitutional Commission would be appointed immediately to draw up a constitution. Britain would continue until that date to be responsible for foreign affairs and external defence, but there would be changes in the administration of internal defence arrangements and the Chief Minister has recently taken over the portfolio of Internal Defence and Security. Responsibility for all financial matters, at present discharged by the Financial Secretary, would be transferred at once to an elected minister and Colonel H. S. Lee has taken over this portfolio. The Federation recognised 'the important part which overseas capital must continue to play in the economic and social development of Malaya' and that 'membership of the Sterling Area was to the common advantage of the Federation and the other members.' The talks with the Singapore Government will take place in April, but Mr. Marshall, the Chief Minister, with two of his colleagues, visited the United Kingdom in December when the agenda was agreed.

"The discussions in London set the course for constitutional developments in these countries and I should like to wish them every success in the days that lie ahead; and to hope that their approach to the many difficult problems, both political and economic with which they are likely to be faced will be of advantage to them both and to the Commonwealth as a whole. One of the most important of these problems will be the relationship between the two territories, as a measure of agreement on many matters of policy will be to their mutual benefit.

Good Year for Malaya

"Economically, both have had a good year due to the rise in the prices of rubber and tin. The price of rubber was fairly steady during the first half of the year, but there was a considerable rise during August and September and the average for the year increased by over one shilling per pound. Exports from Malaya were 994,000 tons, compared with 915,000 tons in the year before. The challenge by the synthetic industry, however, is always present and it is encouraging that a scheme to foster replanting, both for estates and small-holders, was finally put into operation. This scheme has been drawn up after consideration of the recommendations of the Mudie Report and the Rubber Producers' Council and is in the nature of a compromise aimed at assisting replanting where it is most needed.

"The price of tin rose slowly during the major part of the year, but there was a jump in December due to a shortage of stocks for spot delivery. Indonesia's recent decision to ratify the International Tin Agreement will enable the International Tin Council to be inaugurated, but the building up of the buffer pool may take some time so long as prices remain at present levels. Tin production in Malaya was a post-war record, while exports were 71,150 tons, compared with 70,333 tons in 1954. Production of iron ore has been increasing in recent years and the total for 1955 was 1,466,184 tons, as compared with 1,212,780 tons in 1954.

"The Malayan trade figures show a favourable balance of M.$335 millions with imports at M.$3,821 millions and exports at M.$4,156 millions.

"The budgets of both territories showed few changes in taxation, but this was mainly due to the fact that the Federation Government, having been in office for only a few months, decided to introduce a 'standstill' budget for the time being and Singapore decided not to act on their own. From a study of the speeches, however, it would seem that some increases cannot be long delayed. Due to the rise in the price of rubber, the Federation expected to turn an estimated deficit of M.$148 millions into a surplus of M.$42 millions. For the forthcoming year estimated expenditure shows an increase of M.$86 millions, including a grant of M.$23 millions to the rubber industry for replanting, leaving a deficit of M.$50 millions. Singapore estimated a surplus of M.$2 millions for 1955 with a deficit of M.$15 millions for 1956.

World Bank Report

"The report of the International Bank Mission, which visited Malaya early in 1954, was published in September 1955 and gave a comprehensive survey of economic conditions in the Federation and Singapore and made numerous recommendations for increasing the territories' productive resources. This useful report is, I understand, being studied by the two Governments and no doubt action on some of its recommendations will be taken shortly.

"Although considerable successes have been achieved in the eight-year-old war against the terrorists, incidents continue to occur at frequent intervals and the terrorist organisation is still a very active force. In the hope of hastening the end of the fighting the Federation Government declared an amnesty in September offering freedom from prosecution to those who surrendered, but the response to this offer was disappointing. Arrangements were, however, made for a meeting between the two Chief Ministers and the Communist leader, Chin Peng, which was held at the end of December. This meeting proved a failure and the amnesty terms were withdrawn on the 8th February and in broadcasts to the people of Malaya, Tengku Abdul Rahman has made it clear that action will continue against the terrorists until they surrender. Disappointing as it is that no tangible results have been achieved as a result of the amnesty, it has been clearly shown that the intention of the terrorists is to overthrow the elected Government of the Federation and this has strengthened the Government's hand. Tengku Abdul Rahman has been resolute in his approach to this problem and Mr. Marshall showed considerable political courage in his successful effort to place certain of the emergency regulations on the statute book.

"I should like to pay tribute to the Commonwealth Forces who have served in Malaya since the Emergency began. To their courage and devotion to duty the progress so far made is due. Never knowing where or when the enemy would strike, their task has not been an enviable one and many have lost their lives.

"In Singapore, there have been considerable labour disputes and unrest resulting in a wave of strikes which has had a disturbing effect on the economy. According to statistics issued by the Labour Department, nearly 950,000 man-days were lost during the year. The danger of labour disputes to a free port, dependent to such a large extent on its entrepot trade, is so evident that the finding of an early solution to this problem would appear to be one of the most urgent questions which faces the Singapore Government.

"Before I leave Malaya I would like to mention the new airport at Paya Lebar in Singapore which was opened by Mr. Lennox-Boyd in August. This is one of the largest in the East and will maintain Singapore's position as an important junction on the international air routes.

North Borneo

"In North Borneo also the increased price for rubber resulted in a marked improvement in the trade figures and revenue. Whereas in 1954 imports and exports were almost in balance at around M.$75 millions, in 1955 exports increased to M.$105 millions with imports at M.$87 millions. Revenue exceeded the estimate by M.$3 millions. In his address in the budget debate the Governor,

whom we congratulate on the well-deserved honour conferred on him at the New Year, informed the Legislative Council that he proposed to widen the composition of that body by nominating eight unofficial members from a panel recommended by certain recognised public bodies and organisations. While this step involves no amendment of the Constitution of the Colony,' it should result in a more representative expression of opinion being heard in the Council. The labour situation, to which reference has been made on many occasions in these annual reviews, remains difficult, but I am glad to see that the agreement with the Government of The Philippine Republic, which I mentioned last year, was signed in August, although no immediate results can yet be reported.

"The formation of the North Borneo Credit Corporation with an advance from the Government of M.$1 million to provide loans for development and building should give stimulus to new projects, but the need for technicians at all levels, to which I referred above, applies with particular force in Borneo and is a long-term problem with no easy solution.

"The facilities at Labuan airport are proving to be inadequate by international standards and considerable work on reconstruction has been put in hand. It was subsequently found that the proposed improvements would not be sufficient to accommodate the larger types of modern aircraft and an expert from the Ministry of Transport and Civil Aviation has recently visited the airport to advise the Government on what is required. The question of the restoration to Labuan of its pre-war status as a free port has been in the news again and the Governor has promised to re-examine it.

"Once again, I have to record a most satisfactory budgetary position in Brunei State where the estimated revenue exceeds expenditure by M.$71 millions.

India

"India has made no secret of the fact that she is moving towards 'a socialistic pattern of society' and this goal has been generally accepted by the public. Until recently the movement in this direction has been gradual under the first Five-year Plan, but the pace is likely to be increased with the introduction of the second Five-year Plan, a much more ambitious programme. Evidence of this can already be seen in the revision of Article 31 of the Constitution, to which reference was made last year, the Companies Act 1956, with its restriction on the activities of managing agents, and the recent decision to nationalise life insurance. Foreign merchants are not alone in their fears of the cumulative effect on the private sector that the increasing power of the State will have.

"The first Five-year Plan, with its emphasis on rural planning and communications, with the consolidation of existing rather than the construction of new industries, did not impose a great strain on the economy. Helped by three favourable monsoons agricultural production increased satisfactorily and the economy has been able to take in its stride the budgetary deficits, while prices have remained stable. While final details of the second Five-year Plan are not yet available, considerable emphasis is being laid on the expansion of heavy industry, and the total outlay in the public sector is expected to be in the nature of £3,600 millions, nearly double the figure for the first Plan. A considerable part of the finance will be obtained again by deficit budgeting, even though a rise in taxation is expected. Whether the targets for this immense undertaking are likely to be achieved is a question on which I, from this distance, do not feel qualified to express an opinion. The President of the Associated Chambers of Commerce in India, however, in his annual address in Calcutta in December, after some very cogent remarks on the necessity of the fullest co-operation between the public and the private sectors and the danger of unhealthy competition between the two sectors, suggested that they were attainable provided 'the necessary transport—particularly the rail transport—is made available.' India so far has made considerable progress—much greater than I think was expected—and at this stage we can look forward with some confidence.

"The report of the States Reorganisation Commission was published in October and many of the recommendations proved generally acceptable. The proposal made regarding Bombay, however, raised considerable objections and the announcement of the decision of the Government to administer Bombay from the Centre had unhappy results. Further difficulties may be encountered before a final settlement is reached.

"The role of foreign capital in present-day India is difficult to forecast. A survey published recently by the Reserve Bank of India showed that nearly 83 per cent. of all foreign investments in India at the end of 1953 came from the United Kingdom, and during the period 1948-53 the percentage of the United Kingdom's share of new business investment was not much less. These figures show to what extent British capital is involved. While speeches of individual ministers promise fair treatment to foreign capital, they have recently made it clear that India is not likely to change her internal policies to attract foreign investment. It seems probable that in the future the role of foreign private investment in India will be smaller than in the past and that the emphasis on foreign investment as a whole is more likely to be on a Government-to-Government basis. The large sums required are probably beyond the means of all but the largest concerns, but there is, I am sure, a marginal role in which private capital can play its part if given its chance.

"The introduction of a decimal coinage is promised on 1st April 1957 with the rupee being divided into one hundred *naya paisa*. This will result in the disappearance of the anna. Another break with the past was the nationalisation of the Imperial Bank of India. This Bank was formed in 1921 as the result of the amalgamation of the three Presidency Banks and before the setting up of the Reserve Bank of India it acted as the Government banker.

"Space precludes mention of a number of other important developments in India, but I should like to touch briefly on the visit of the Russian leaders, Marshal Bulganin and Mr. Khrushchev, with their attacks made, in both India and Burma, on the West and the United Kingdom, in particular. There seems no doubt that this visit was a considerable personal success for the Russians, but their comments on the United Kingdom must have been embarrassing to their hosts. On the economic side, this visit may very likely result in increased trade between Russia and India, with greater competition for British firms, but the effect of such biased speeches on informed opinion in India should not, I think, be overrated and it may be that the Russians overplayed their hand.

Burma

"From India we now turn to Burma whose connection with her large neighbour has always been very close. Both countries have adopted a policy of neutrality and the Prime Minister, U Nu, paid a number of visits to countries on both sides of the Iron Curtain. Burma too is endeavouring to raise the standards of living of the country by means of a planned development scheme; but, unfortunately, the fears I expressed last year, that she might be trying to do too much too quickly, have only been too well founded as the difficulty experienced in disposing of her rice has resulted in a steady fall in the foreign currency reserves.

"In March, a severe cut was made in the import programme which had the inevitable effect of reducing customs revenue and making the balancing of the budget more difficult. As a result, it was found necessary to prune rigorously the estimates for capital expenditure. A loan has been promised by India and other forms of aid are being sought. Barter deals have been arranged with several countries and while these should result in the disposal of a part of the export surplus there remains the danger, inherent in such transactions, that Burma may have difficulty in obtaining the goods she requires. Yet, in view of the prevailing buyers' market for rice, it is understandable that such transactions should be found attractive to Burma. Meanwhile, efforts are being made to improve the quality of the paddy and production of other agricultural commodities, such as vegetable oils, cotton and jute, are being increased, which it is hoped will result in a saving of foreign exchange. Fears are expressed that the increase in the number of barter deals, coupled with the Reparations Agreement between Burma and Japan, may have a serious effect on Commonwealth trade. It is, however, encouraging that a Hong Kong firm last year obtained a contract for the construction of barges against strong foreign competition.

"Burma also had a visit from the Russian leaders which was followed shortly after by the visit of Sir Hubert Rance—the last Governor of Burma—accompanied by Lady Rance. The spontaneous welcome Sir Hubert and Lady Rance received during their stay was evidence that old friendships had not been forgotten.

Ceylon

"The improvement in Ceylon's balance of payments, which took place in 1954, continued with increasing momentum in 1955 and resulted in a trade surplus of Rs. 479 millions, against Rs. 412 millions for 1954.

"Tea prices, which at the beginning of the year were Rs. 3.29 per pound, fell considerably in the early months, reaching a monthly average of Rs. 1.34 for May, but rallied to Rs. 2.15 by December. The average for the year was Rs. 2.24, against Rs. 2.56 for 1954.

"The increase in the price of rubber not only benefited the general balance of payments, but enabled a higher return to be obtained from 1st June for the rubber shipped to China, which was originally arranged as a barter deal against rice. Due to the drop in Ceylon's purchases of Chinese rice, China's debt to Ceylon under this arrangement is considerable and so far no decision seems to have been taken as to the method by which this will be settled.

"Ceylon, like many other countries, has drawn up a new development programme, for a period of six years, but this only covers Government expenditure and 'does not constitute an overall plan for the economy as a whole.' The programme provides for an expenditure of Rs. 2,500 millions over the period with the main emphasis on agriculture and public utilities. The targets set out are comparatively modest and it is hoped to be able to finance them out of the annual budget, but the authors of the plan appreciate that the prosperity of the country is dependent to such a large extent on the prices obtained from tea, rubber and copra that they have allowed for an adjustment in the targets, if it is found that a continuing deficit in the budget shows that they were too high.

"Legislation was passed during the year for the formation of the Development Finance Corporation of Ceylon to assist private industrial and agricultural enterprises and 'to encourage and promote the participation of private capital, both internal and external, in such enterprises.'

"Last month, Parliament was dissolved and elections will be held in April. The United National Party, who form the present Government, wish to obtain a mandate from the people to re-

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place English by Sinhalese as the official language of Ceylon.

The Subsidiary

"On the 15th August a subsidiary of the Bank, The Hongkong and Shanghai Banking Corporation of California, was open in San Francisco. The Bank, since its foundation in 1865, has had a very long connection with San Francisco as, in that year, we appointed the Bank of California as our Agent. Ten years later in November 1875 our own office was opened. From that time this office has contributed greatly to the business of our Far Eastern offices with the West Coast of America, but it has not been permitted to carry on domestic banking in the State of California. The new subsidiary, however, is able to offer a full range of domestic banking services maintaining current and savings accounts, receiving money on deposit and granting approved loans, as well as providing the facilities for financing foreign trade which has been our main function in the past.

"In January of this year a move was made into handsome new premises which have a modern layout and are quite up to the standard of our main offices elsewhere. I am told that they compare favourably with other banks in San Francisco and the move will give greater scope for the extension of business which we hope to see.

"Once again I come to the end of our annual survey of the Eastern scene in which I have tried to give a brief review of political and economic conditions and to pick out a few of the more important events of the year. Shareholders will, I think, agree that this has been a satisfactory year: political differences have not been too acute and economic development has made progress. The countries in Asia are moving along paths of their own choosing and foreign merchants and bankers must adapt themselves to these changing conditions. This we are trying to do: as indeed we should, as indeed we must. But what of new foreign investment? That is another question altogether. Many other avenues are open and the most attractive will be chosen. Much lip service is paid by certain countries to the desire to attract foreign capital, but stable conditions and prospects of an adequate reward will do much more than any number of exhortations. This is a question each country must decide for itself and the response will surely depend on the decisions made.

"In conclusion, I feel I cannot do better than quote an extract from a speech made at a Conference on Financing the Economic Development of Underdeveloped Countries organised by the United Nations Association in London recently. 'If . . . the underdeveloped areas, generally, are to attract private capital, they have to create conditions in which it appears to people who are trustees for other people's money that this is the best investment in the world which is open to them at the moment. This means to say that conditions have to be such that the risk of loss of income or loss of capital is at a minimum, and secondly, that the yield is likely to be sufficient to offset any such danger as remains.' "

ENGINEERING

(*Concluded from page 716*)

are the most accessible deposits from that centre.

Some idea of the very large technical personnel who will be needed for the steel projects is given in the report. It is estimated that about 15,000 technicians (below the foreman category) will be needed, while another 2,100 supervisory staff (from foreman and upwards) will be required for all the three steel works. The Report recognises that the task of locating such a large number of qualified technicians in India is in itself a "stupendous one"; it has been made all the more difficult by the fact that engineers with similar qualifications are also needed not only in the private sector of the iron and steel industry but also in other heavy engineering and transport industries. One way to solve this problem is to recruit engineering graduates with little or no experience and to have them suitably trained. In order to co-ordinate the demands of the three steel plants for qualified personnel of all grades, the recruitment has been centralised, and carried out in consultation with the Union Public Service Commission. The bulk of the officers above the foreman category will have to be trained abroad. Steps are being taken to secure training facilities for them in steel works in foreign countries. About 50 engineers who will be attached to the Rourkela plant are being trained, in accordance with an agreement, in the works of the German combine. A provision for similar training exists in the Indo-Russian steel agreement. For training of skilled workers below the foreman category, efforts are being made to develop training facilities within the country. A technical committee has been set up to survey and assess the existing training facilities in the country and to recommend suitable steps for organising training of the right kind and quality.

Nahan Foundry

The management of the Nahan foundry, established 80 years ago by the Maharaja of Sirmur and taken over by the Government of India in 1952, is another responsibility of the Ministry of Iron and Steel. The foundry is being managed by a private limited company, formed in October 1952. It manufactures agricultural implements, including sugarcane crushers. It would, however, appear that the foundry has been unable to maintain the margin of profit which it used to earn before it was taken over by the Government. This is attributed to keen competition from private manufacturers of cane crushers and loss of the market in Pakistan. It actually suffered a loss of Rs. 95,000 during 1954-55. The continuous labour unrest during the period was the main reason for the loss. The measures that are needed to restore industrial peace in this unit are under the Government's consideration.

THE HONGKONG AND SHANGHAI BANKING CORPORATION

(THE LIABILITY OF MEMBERS IS LIMITED TO THE EXTENT AND IN MANNER PRESCRIBED IN CHAPTER 70 OF THE LAWS OF HONG KONG)

BALANCE SHEET AT 31st DECEMBER, 1955.

1954 Hong Kong Dollars			Hong Kong Dollars	Sterling Equivalent	1954 Hong Kong Dollars		Hong Kong Dollars	Sterling Equivalent
	SHARE CAPITAL—					CASH IN HAND AND IN TRANSIT AND BALANCES WITH OTHER BANKS	$ 260,260,417	£ 16,266,276
$ 20,000,000	Authorised and Issued—200,000 Shares of H.K. $125 each, fully paid		$ 25,000,000	£ 1,562,500	$ 880,985,725			
	RESERVE LIABILITY OF MEMBERS H.K. $125 per Share on 200,000 Shares	$ 25,000,000			576,659,813	MONEY AT CALL AND SHORT NOTICE	189,788,034	11,861,752
128,000,000	RESERVE FUND		128,000,000	8,000,000	206,216,380	BILLS RECEIVABLE—		
10,215,256	PROFIT AND LOSS ACCOUNT		10,606,680	662,918	494,655,277	British and other Government Treasury Bills	227,666,484	14,191,655
158,215,256			163,606,680	10,225,418		Trade Bills	560,740,284	35,046,268
	HONG KONG CURRENCY NOTES IN CIRCULATION—				645,883,047	HONG KONG GOVERNMENT CERTIFICATES OF INDEBTEDNESS issued in respect of funds deposited as security for the Excess Note Issue	645,883,047	40,367,690
30,000,000	Authorised Note Issue	$ 30,000,000				INVESTMENTS, at under market values:		
645,742,000	Excess Note Issue	645,742,000	675,742,000	42,233,875	279,964,012	British, Colonial and Other Government Securities including $27,703,700 (£43,378,400) deposited as security for the Authorised Note Issue):		
	CURRENT, DEPOSIT AND OTHER ACCOUNTS, including Reserves and Provisions for Contingencies and Taxation	$ 2,557,375,793			96,347,487	Quoted in Great Britain	281,850,080	17,615,630
2,672,640,569					15,702,816	Quoted outside Great Britain	99,706,379	6,237,274
	AMOUNTS DUE TO SUBSIDIARY COMPANIES	397,962			14,745,903	Other Investments:		
315,043						Quoted in Great Britain	19,722,968	1,232,685
	ACCEPTANCES ON BEHALF OF CUSTOMERS	20,355,912			829,455,105	Quoted outside Great Britain	13,977,628	873,602
56,521,108						ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS, less provision for Bad and Doubtful Debts	1,069,660,411	66,853,776
	PROPOSED FINAL DIVIDEND in respect of the year ended 31st December, 1955	9,721,519			—	AMOUNTS DUE BY SUBSIDIARY COMPANIES	10,146,901	634,181
7,760,842			2,687,851,186	161,740,699	56,521,108	LIABILITIES OF CUSTOMERS FOR ACCEPTANCES, per contra	20,355,912	1,272,245
					3,549,156,013		3,399,248,545	212,453,034
						FIXED ASSETS—		
						Investments in Subsidiary Companies, at cost:		
						The Hongkong and Shanghai Banking Corporation of California	$ 7,125,000	
					—	Trustee and Nominee Companies	2,139,179	
					2,135,843		9,264,179	
						Bank Premises at cost, less amounts written off	18,687,151	
					19,922,962		27,951,330	1,746,958
$3,571,191,818			$3,427,199,875	£ 214,199,992	$3,571,194,818		$3,427,199,875	£214,199,992

Notes:—1. Confirmed Credits, Guarantees and Endorsements amount to H.K. $611,475,070 ($577,859,274), in addition to which there are commitments in respect of outstanding Forward Exchange Contracts.

2. Foreign Currency Balances have been converted into Hong Kong Dollars at approximately the rates ruling at 31st December, 1955. The Sterling equivalents of the figures shown in the above Balance Sheet have been converted at the rate of H.K. $1=1/8d.

MICHAEL W. TURNER, *Chief Manager.* J. A. H. SAUNDERS, *Chief Accountant.* C. BLAKER, H. D. BENHAM, J. A. BLACKWOOD } *Directors.*

REPORT OF THE AUDITORS TO THE MEMBERS OF THE HONGKONG AND SHANGHAI BANKING CORPORATION.

We have examined the above Balance Sheet with the books of the Corporation kept in Hong Kong with the audited accounts of the London Office and with the returns received from the other offices which have been signed by the Branch Managers. We have obtained all the information and explanations we have required and in our opinion such Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs at 31st December, 1955, according to the best of our information and the explanations given to us and as shown by the books kept in Hong Kong and by the returns received from the other offices.

LOWE, BINGHAM & MATTHEWS, PEAT, MARWICK, MITCHELL & CO. } *Chartered Accountants, Auditors.*

HONG KONG, 20th *February*, 1956.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955.

1954 Hong Kong Dollars			Hong Kong Dollars	1954 Hong Kong Dollars		Hong Kong Dollars
$5,173,895	Interim Dividend of £2 per Share, paid 8th August, 1955, £400,000 @ 1/2-27/32		$6,467,368	$ 9,359,542	Balance brought forward from 31st December, 1954	$ 10,215,256
6,000,000	Appropriations recommended by the Directors: Amount to be written off Bank Premises	$ 4,000,000		19,290,451	Profit for the year, after providing for taxation on profits earned to date and after making transfers to the credit of Reserves for Contingencies, out of which Reserves provision has been made for any diminution in value of current assets	20,580,320
7,760,842	Final Dividend of £3 per Share, £600,000 @ 1/2-13/16	9,721,519	13,721,519			
10,215,256	Balance carried forward to next year		10,606,680			
$ 29,149,993			$ 30,795,576	$ 29,149,993		$ 30,795,576
	Special Administrative Expenses, including Chief Managers' emoluments, Directors' Fees and London Committee Fees amounted to H.K. $1,045,918 (H.K. $589,569).					

COMPTOIR NATIONAL D'ESCOMPTE DE PARIS

(FRENCH BANK)

(Incorporated in France with Limited Liability)

BALANCE SHEET OF INDIAN BRANCHES AS AT 31st DECEMBER, 1955

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. **Capital**—Deposited with Reserve Bank of India under Section 11 (2) of the Banking Companies Act 1949, Government Securities of the face value of Rs. 21,00,000 included in Investments on the opposite side.	Not applicable	
2. **Reserve Fund and Other Reserves**	Not applicable	
3. **Deposits and Other Accounts**—		
Fixed Deposits	78,47,674 10 0	
Saving Bank Deposits	Nil	
Current Accounts, Call Deposits, Contingency Accounts, etc..	2,30,50,837 2 7	3,08,98,511 12 7
4. **Borrowings from Other Banking Companies, Agents, etc.**—		
(1) In India	Nil	
(2) Outside India	2,90,220 8 7	2,90,220 8 7
PARTICULARS—		
(i) Secured	Nil	
(ii) Unsecured	2,90,220 8 7	
5. **Bills Payable**		14,06,199 0 7
6. **Bills for Collection Being Bills Receivable as per contra**—		
(i) Payable in India	83,12,312 13 11	
(ii) Payable outside India	30,83,000 1 0	1,13,95,312 14 11
7. **Other Liabilities**—		
Head Office and Balances of Foreign Branches	80,05,231 8 7	
Unexpired Discounts	47,999 5 7	
Pension and Provident Funds	3,40,021 7 6	83,93,252 5 8
8. **Acceptances, Endorsements and Other Obligations** per contra		86,68,399 10 0
9. **Profit and Loss**—		
Profit for the year 1955 brought from the Profit and Loss Account	2,48,780 15 7	
Less—Merged with Head Office and Inter-Branch Balances	2,48,780 15 7	Nil
10. **Contingent Liabilities**—	Rs. a. p.	
(i) For Outstanding Forward Exchange Contracts (net)	1,07,41,954 0 0	
(ii) Guarantees given on behalf of others	28,11,856 15 8	
(iii) On Partly-paid Shares of a Joint Stock Company	3,500 0 0	
Total .. Rs.		6,10,51,896 4 4

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. **Cash**—		
In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		27,77,481 12 10
2. **Balances with Other Banks on Current Accounts**—		
(i) In India	1,04,725 15 2	
(ii) Outside India	5,37,887 11 11	
3. **Money at Call and Short Notice**		6,42,613 11 1
		13,00,000 0 0
4. **Investments** (at cost or market value whichever is lower)—		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments	46,80,704 6 0	
(ii) Shares—Partly-paid Shares—unquoted	Written off	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold		
(Securities of the face value of Rs. 21,00,000 deposited with Reserve Bank of India under Section (2) of the Banking Companies Act, 1949, of Rs. 4,500 as deposit with Post and Telegraph Offices, and of Rs. 2,60,000 with Reserve Bank of India as security against guarantees given on behalf of clients to Government Departments)		46,80,704 6 0
5. **Advances**—		
(Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India .. 1,25,86,951 1 6		
(ii) Outside India .. 900 0 0		
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—	1,25,87,851 1 6	
(i) Payable in India .. 14,55,122 2 7		
(ii) Payable outside India .. 1,46,88,890 3 4	1,61,44,012 5 11	
(Particulars of Advances as per attached Schedule)		2,87,31,863 7 5
6. **Bills Receivable Being Bills for Collection** as per contra—		
(i) Payable in India	83,12,312 13 11	
(ii) Payable outside India	30,83,000 1 0	1,13,95,312 14 11
7. **Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		86,68,399 10 0
8. **Premises Less Depreciation**		Nil
(Transferred to Head Office Account)		
9. **Furniture and Fixtures Less Depreciation**		Written-off
10. **Other Assets**—		
Branch adjustments (in India)	1,84,915 5 11	
Head Office and balances of or with Foreign Branches	12,49,806 6 8	
Interest accrued on Investments	41,655 9 11	
Other Interest Receivable	69,731 13 10	
Advance Payment of Income-tax and Tax deducted at source	11,89,332 8 0	
Stamps	3,808 7 6	
Prepaid Expenses and Amounts receivable	1,04,897 14 3	
Deposits	11,422 4 0	28,55,570 6 1
11. **Non-Banking Assets Acquired in Satisfaction of Claim**		Nil
Total .. Rs.		6,10,51,896 4 4

Schedule of Particulars of Advances required by the Banking Companies Act, 1949 (Act X of 1949), attached to and forming part of the Balance Sheet as at 31st December, 1955

PARTICULARS	Rs. a. p.	PARTICULARS	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	1,94,72,920 7 10	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other person	7,581 0 0
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	44,87,938 0	(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	47,71,004 7 7	(vii) Maximum total amount of advances including temporary advances, made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	28,397 13 0
(iv) Debts considered doubtful or bad, not provided for	Nil	(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil
Total .. Rs.	2,87,31,863 7 5	(ix) Due from Banking Companies	10,05,460 2 6

Dr. PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER, 1955 *Cr.*

EXPENDITURE	Rs. a. p.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. To Interest paid on Deposits, Borrowings, Head Office and Foreign Branches Accounts, etc.	7,61,184 5 3	1. By Interest and Discount including from Head Office and Foreign Branches Accounts	15,26,848 13 1
2. ,, Salaries and Allowance and Provident and Pension Funds (Salaries and Allowances to Manager of Principal Office in India Rs. 54,471-1-4 excluding Special Bonus)	9,78,139 9 5	2. ,, Commission, Exchange and Brokerage	11,44,587 11 5
	NIL	3. ,, Rents	1,02,930 0 9
3. ,, Directors' and Local Committee Members' Fees and Allowances	1,74,234 9 3	4. ,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	5,468 12 0
4. ,, Rent, Taxes, Insurance, Lighting, etc.	3,123 10 0	5. ,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	666 9 9
5. ,, Law Charges	43,124 1 3	6. ,, Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	NIL
6. ,, Postages, Telegrams and Stamps	5,400 0 0	7. ,, Other Receipts	37,376 14 0
7. ,, Auditors' Fees	Nil		
8. ,, Depreciation on and Repairs to the Banking Company's Property	28,138 6 6		
9. ,, Stationery, Printing, Advertisements, etc.	Nil		
10. ,, Loss from Sale of or Dealing with Non-Banking Assets	5,64 783 0 10		
11. ,, Other Expenditure (including Income-tax Provision and Head Office Supervision Charges)	2,48,780 15 7		
12. ,, Balance of Profit			
Total .. Rs.	28,17,878 10 6	Total .. Rs.	28,17,878 10 6

(Sd.) R. FINOT,
Manager for India.

REPORT OF THE AUDITORS

We have audited the foregoing Balance Sheet of the Indian Branches of Comptoir National d'Escompte de Paris, as at 31st December, 1955, and also the foregoing Profit and Loss Account for the year ended on that date, in which are incorporated the audited returns of the Calcutta Branch, and report that :—

(a) we have obtained all the information and explanations which we have required ;

(b) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(c) such Balance Sheet exhibits a true and correct view of the state of the Branches' affairs according to the best of our information and the explanations given to us and as shown by the books of the Branches ; and

(d) in our opinion books of account have been kept by the Branches as required by Section 128 of the Indian Companies Act, 1913.

BOMBAY, 29th March, 1956.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

NATIONAL BANK OF INDIA
LIMITED
Incorporated in the United Kingdom (Established 1863)
The Liability of Members is Limited
BANKERS TO THE GOVERNMENT IN KENYA, UGANDA, ZANZIBAR AND ADEN
Subscribed Capital £4,562,500
Paid-up Capital £2,851,563
Reserve Funds £3,104,687
Head Office : 26, BISHOPSGATE, LONDON, E.C. 2
West End Office : 13 ST. JAMES'S SQUARE, LONDON, S.W. 1
BRANCHES:
INDIA: Calcutta, Chowringhee Calcutta, Bombay, Madras, Mount Road, Madras, Bangalore, Amritsar, Kanpur, Delhi, New Delhi, Tuticorin, Cochin
PAKISTAN: Karachi, Saddar Branch, Karachi, Lahore, Chittagong, Agrabad Rd., Chittagong, Narayanganj, Khulna
BURMA: Rangoon
CEYLON: Colombo, Kandy, Nuwara Eliya
ADEN: Camp, Aden, Steamer Point, Aden, Little Aden (Sub-Branch to Adan)
SOMALILAND PROTECTORATE: Hargeisa, Berbera
ZANZIBAR ISLAND: Zanzibar
TANGANYIKA TERRITORY: Tanga, Daressalaam, Mwanza, Lindi, Moshi, Mtwara, Mikindani (Sub-Branch to Mtwara), Bukoba, Mbeya
KENYA: Mombasa, Nairobi, Delamere Avenue, Nairobi, Thika, Nakuru, Naivasha (Sub-Branch to Nakuru), Kisumu, Kakamega (Sub-Branch to Kisumu), Eldoret, Kericho, Sotik (Sub-Branch to Kericho), Nyeri
UGANDA: Entebbe, Fort Portal, Kampala, Masaka, Jinja, Iganga, Kamuli (Sub-Branches to Jinja), Mbale, Tororo, Soroti, Mbarara
Current Deposit Accounts are opened and Fixed Deposits received on terms which may be ascertained on application.
The Bank issues Letters of Credit and Travellers Cheques and it offers every facility for the conduct of all classes of Banking and Exchange business with the principal commercial centres throughout the world.
The Bank's Head Office undertakes to act as Executor and Trustee in approved cases.
Savings Bank Accounts opened.
Bombay Branch :
Mahatma Gandhi Road, Fort, BOMBAY 1.
G. R. WEST, *Manager.*

THE
SOUTH INDIA INSURANCE
COMPANY, LIMITED
(Incorporated in India)
(Established 1934)
Transacts
Fire, Marine, Accident and Miscellaneous Insurance Business
Authorised Capital Rs. 1,00,00,000
Subscribed Capital ,, 50,00,000
Paid-up Capital ,, 10,00,000
Head Office:
New India Assurance Building
Mahatma Gandhi Road
Fort, BOMBAY

THE PUNJAB & SIND BANK LIMITED
Established 1908
Registered Office .. .. .. AMRITSAR
Central Office .. .. DEHRA DUN
Branches in India:
Amritsar, Ambala City, Dehra Dun, Delhi (Chandni Chowk), Delhi (Karol Bagh), Delhi (Pahar Ganj), Hoshiarpur, Jullundur City, Kanpur, Karnal, Ludhiana, Patiala and Sub-office Khanna.
AGENCIES IN ALL PRINCIPAL TOWNS
Fixed Deposit interest at different rates.
Savings Bank interest at 1½ per cent. per annum. Special Fund Deposit interest 2 per cent. Withdrawals by cheque.
Widows and Orphans special interest rates allowed
Safe Deposit Lockers are available at Amritsar, Ludhiana, Ambala, Dehra Dun, Delhi (Pahar Ganj, Delhi (Karol Bagh) and Karnal Offices.
Advances made against approved securities, bullion, gold ornaments, goods, etc.
Terms can be had from Local Managers
Dr. Balbir Singh, Ph.D. (London),
Managing Director

DHOLE & CO.
RINGWORM *and* ECZEMA
OINTMENT
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AND
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GERMANSILVER WARES
STAINLESS STEEL WARES
BRASS AND M. S. MACHINE SCREWS
COPPER RIVETS, STRIPS
ALUMINIUM ELECTRICAL FITTINGS
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EAST EUROPE'S ECONOMY

ALL-ROUND IMPROVEMENT

ECONOMICALLY, the calendar year 1955 proved to be "very good" for the East European countries. This is the verdict of the Secretariat of the U.N. Economic Commission for Europe (E.C.E.), Geneva, in its latest publication, the *Economic Survey of Europe in* 1955. In this lucid and comprehensive publication, the E.C.E. Secretariat gives an account not only of economic developments in Eastern Europe and the Soviet Union in 1955 but also of the plans for 1956 and of the prospects for the coming quinquennium. The review is well supported by quantitative information relating to industrial and agricultural production, consumption and foreign trade. It also gives the planned outlook for 1960 of the Soviet economy.

Industrial output in Eastern Europe during 1955, except in E. Germany, was, faster than the pace envisaged in the plans for the year and the rate of increase witnessed during 1954. The extent of the improvement in production varied from 13-14 per cent. in Albania and Rumania to 9 per cent. in East Germany. The satisfactory all-round performance on the industrial front is attributed to the Governments' success in widening the energy bottleneck. E. Europe's total output of crude steel in 1955 was higher by 1.1 million tons. The continued rapid expansion of the steel industry in Poland was particularly striking; steel production in this country, which a few years ago was just a third of that produced in Czechoslovakia, was almost equal to the latter's output. Crop harvests were also generally good all over E. Europe during 1955. The grain crop was everywhere better than in the last few years; indeed, barring Czechoslovakia and E. Germany, it was better than in any of the post-war years and was above the average for the five years 1934-38 for the first time since the war in Hungary, Poland and Rumania.

Production

The rise in industrial and agricultural production during 1955 was accompanied by an increase, albeit at a slower rate than in the previous year, in personal consumption. This was reflected in an expansion in the volume of retail trade in all East European countries, but the composition differed considerably from country to country. In Poland, Rumania and Bulgaria, food sales increased faster than sales of manufactures, while, in Czechoslovakia and E. Germany, increase in sales of durable goods was more important, and there was a shortage of meats and fats. Generally, the increase in retail sales of manufactured goods continued to be faster in the countryside than in towns. The greatest change in 1955 was the changed nature of consumer demand, itself a reflection of the improvement in standards of living achieved since 1953. In all the countries of E. Europe, stocks of outmoded or low-quality textiles piled up and special sales at low prices were needed to clear them. On the other hand, supplies of durable consumer goods produced by the engineering industries were, in general, below actual demand, in spite of the considerable increase in their production. Housing construction also continued to lag far behind needs.

Trade with West

The fragmentary data available for a few E. European countries suggest that their trade with the West continued to grow in importance, both absolutely and relatively, during the year under review. Poland's trade in the Eastern world markets, it is stated, even seemed to have declined about 8 per cent. in 1955, while its trade with countries outside the region rose by about one-third. E. Germany increased its trade with Western countries by one-half, while its trade with the Eastern world market remained at the 1954 level. Rumania's trade with the West increased equally fast, its trade with Eastern countries, meanwhile, increasing by only a few per cent. E. Europe's trade with the West may, it is said, continue to grow in relative importance in the coming year. Nevertheless, the E.C.E. Secretariat has little reason to suppose that the expansion of trade with the Eastern world market itself is coming to a halt. In this connection, it observes:

"It is possible that this trade had begun to approach the limits set by the earlier national production plans drawn up without adequately weighing the possibilities of intra-eastern trade. But the new (1956-60) long-term plans, which have been the subject of intensive inter-governmental discussion with a view to co-ordination, may be expected to increase the scope for exchanges in the eastern world markets."

Soviet Union

The E.C.E. Secretariat's review of economic developments in the Soviet Union during 1955 shows that the gross output of industry registered an advance of 12 per cent. as compared with 1954. It is significant that the major part of the increase, about two-thirds to be precise, was due to rise in productivity, the expansion in the labour force being responsible only for the remaining one-third rise in output. Although this trend was similar to that noticed in the past few years, it differed in two important respects from the immediate past. First, for the first time since 1950, the proportionate rise was greater in the producer goods sector than in the consumer goods sector. Secondly, the rise in real wages lagged much behind that in productivity. In 1955, it was defence goods rather than capital goods which were planned to absorb an unusual portion of the rise in industrial output. State expenditure on defence and on fixed investment were both planned to increase by 12 per cent. In the event, the volume of investment increased by only 6 per cent. less fast than in 1954. It is not known what effect the cut of 640,000 in the size of the armed forces may have had on actual defence expenditure for the year. The 1955 grain harvest in the Soviet Union as a whole was 22 per cent. greater than that of 1954, although the yield for particular areas varied greatly on account of weather. Additions of virgin soil to the sown area in 1955 represented a 13 per cent. increase on 1954 in the grain area and brought one-third of the increment in the grain crop; an increase of nearly one-sixth in the yields on the old areas brought the other two-thirds.

Use of Steel

The Soviet Union's present five-year plan fixes production target for crude steel to be attained by 1960 at 68 million tons. This represents an absolute rise of 23 million tons over the achievement under the five-year plan which ended in 1955. The estimated output of 68 million tons will still fall short of the U.S. output of 106 million tons in 1955. It is interesting to note that the composition of steel consumption in the Soviet Union is very different from that in W. Europe or the U.S. A rough calculation suggests that about 40 per cent. of the U.S. output in 1955 was used in the manufacture of consumer goods and in housing, leaving 60 to 65 million tons for use in making capital goods and defence goods. Judging by the production programmes for durable consumer goods and the housing programme for the next five years, the Soviet Union will be using only about 8 million tons of crude steel for these purposes, so that the balance of 60 million tons will be available for investment and defence.

(*Concluded from next column*)

world in every sphere. For example, whereas the first edition stated that the U.S.S.R. possessed the "most mechanised agriculture in the world," the second merely says that it has a "highly mechanised" agriculture. Similarly, a claim that the U.S.S.R. "occupies first place in the world" from the point of view of industrial technique, is omitted from the second edition.

As a corollary, the need to learn from the West is openly acknowledged. The second edition states: "An important factor for technical progress is the thorough exploration of the achievements in science and technique of foreign countries. In a number of cases, equipment produced in our enterprises lags behind the best examples produced abroad."

This emphasis on technical progress is a reflection of the Soviet need to raise labour productivity, which in turn reflects the manpower shortage caused by the lower birth-rate during the war. To achieve the target of an overall increase in industrial output of 65 per cent., the Soviet Union hopes to raise labour productivity by 50 per cent. and thus to rely only to a limited extent on the recruitment of new labour. This heavy dependence on higher productivity may well cause serious difficulties. For such an increase will be hard to obtain, even with extended mechanisation and the heavier pressure which will undoubtedly be brought to bear on the workers.—*Exclusive* to Commerce.

SOVIET ECONOMIC PLANNING

SIGNIFICANT CHANGES INDICATED

By Edward Carran

SIGNIFICANT changes in Soviet economic strategy are reflected in the revised version of the Soviet standard *Textbook of Political Economy*, issued earlier this year. This book, originally published in August 1954, is an up-to-date codification of the accepted teachings of Soviet economic theory and history, and an authoritative guide to Soviet economic policy. Comparison of the two editions is very illuminating.

One interesting point is the current renewal of emphasis on heavy industry and the relegation to the background of the production of consumer goods. Whereas the second edition states that the idea of creating a powerful, heavy industry was a "fundamental" part of the Leninist plan for building socialism in the U.S.S.R., the first edition merely said that this concept was "contained" in the plan. Again, a promise in the first edition of a "steep rise" in the production of consumer goods "in a short time" has been replaced in the second by a reminder that the expansion of heavy industry has "first priority."

It is unlikely, however, that this shift of emphasis indicates any substantial change in Soviet policy during the past year. The Government has always appreciated the importance of expanding heavy industry and has given it top priority in each of the Five-year Plans. The apparent bias in favour of the consumer hinted at in the first edition was taken after Stalin's death, during the premiership of Malenkov. The wording of the passage in the second edition reflects the change in Soviet leadership.

It was doubtless hoped that a slight increase in consumer goods could be achieved without any decrease in capital goods. In the words of the first edition, "the success achieved in heavy industry . . . has made it possible to accelerate the rate of development of industries producing consumer goods." In practice, however, this was soon found to be impossible—the economy was too tight. Directly the party leaders felt strong enough to ignore popular feeling, they returned the consumer once more to the back of the queue.

Sixth Five-year Plan

The recently published sixth Five-year Plan also suggests that the consumer has little to hope for. Whereas capital goods are to be increased by 70 per cent., consumer goods are to be increased by only 60 per cent. Even if the latter target is reached—and consumer goods plans are almost invariably under-fulfilled—it is difficult to see how the workers will be able to buy the additional products, since real wages are to be raised by only 30 per cent.

In any case, most of the increased consumer goods production will benefit only the higher ranks. The biggest percentage increases are to be found in the semi-luxury items. Taking 1955 output as equal to 100, the production of washing machines is to rise to 610 by 1960, that of household refrigerators to 420, that of sewing machines to 235, and that of motor cycles to 162.

As the production of these articles is now limited, the large increases contemplated will not have much effect. The output of washing machines, for example, will total only 528,000 units a year by 1960, and that of refrigerators 635,000 units. Obviously, in a country with a population of 210 million, production on this scale is to the advantage solely of the privileged. Again, whereas the output of silk fabrics is to be doubled, the production of cotton fabrics is to be increased by only 23 per cent.

Meat products are to be increased to 178 by 1960 (1955=100) and butter and other milk products to 186. Whether or not these targets are reached will depend on the success of the agricultural programme, in particular on M. Khrushchev's "virgin land" project, and here the signs are not very encouraging.

Housing space is to be doubled, but since much of the building will have to be carried out in the new settlement areas, the net gain in individual living space is likely to be considerably less than would appear at first sight.

An interesting innovation in the new edition of the *Textbook* is the tacit admission that the Soviet Union is not—as has frequently been claimed in the past—ahead of the rest of the

(*Continued in previous column*)

Golden slumbers kiss your eyes,
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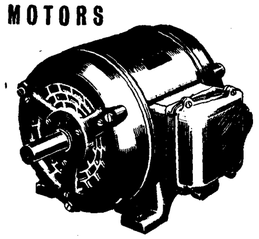

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EXPANDING INDUSTRIES IN PUBLIC SECTOR

PRODUCTION MINISTER UNFOLDS SCHEMES

THE debate in the Lok Sabha on the Production Ministry's demand for grants last week has served to elicit from the spokesmen of the Ministry the Government's programme for expansion of industries during the second Plan period. Problems relating to coal, shipping, fertilisers, salt, and management of Government undertakings received prominent attention and the replies to the debate by the Minister for Production, Mr. K. C. Reddy, and the Deputy Minister for Production, Mr. Satish Chandra, shed some light on the policy of the Government in dealing with them. Some members urged the setting up of a cadre to manage State undertakings, while others pressed for a more bold policy for coal, giving the private sector a larger share in raising additional output. A few others emphasised the need for giving full encouragement to small and cottage industries even at the expense of the large-scale units. A strong plea for allocating more money for setting up another shipyard was also made by a few members.

Intervening in the debate, the Production Minister stated that the second Five-year Plan envisaged expansion of almost all the State industrial undertakings. As the nation progressed and entered into the third and fourth Plans, it was possible, he said, that not one single Ministry, but some half a dozen Ministries would be created to deal with State undertakings. For, unlike in the first Plan, the country would be concentrating on industrial expansion in the second and the subsequent Plans, as it was the declared policy of the Government to make the public sector play a pivotal role in future.

Alluding to expansion of individual industries in the public sector, Mr. Reddy announced that the fourth steel plant for which "we are planning from now would be set up at Bokaro in Bihar." This plant would be, it may be mentioned, in addition to the three plants, one each at Rourkela, Bhilai and Durgapur. Mr. Reddy revealed that the heavy electrical equipment project would be set up at Bhopal, as the Government had taken this decision after very careful consideration (*vide* page 660 of *Commerce* dated 7th April). One of the factors that influenced it in favour of Bhopal was, according to him, the need to give preference to backward areas in the drive for industrialisation of India. He revealed further that the Government was hopeful of establishing an optical glass factory, reference to which was made in these columns two weeks ago. The Minister revealed that the Government did not succeed in getting assistance for this purpose from the U.K. and West Germany on satisfactory terms. It was, therefore, approaching Japan and some of the East European countries to secure the know-how for setting up the strategic optical glass plant in the National Instruments Factory, Calcutta, now under the management of the Production Ministry.

Fertiliser Industry

The Minister, as well as the Deputy Minister, made references to the question of expanding the fertiliser industry. The former said that, in addition to the three new fertiliser factories already planned, one at Rourkela, another at Nangal, and the third at Neiveli, the Government might think of setting up more factories in other places, as there was a possibility of the production target for fertilisers being revised upward in the second Plan period. If that happened, the claims of Rajasthan, Vijayawada, Itarsi and other places would certainly be kept in mind.

It will be appropriate to recall here the Ministry's present plans for expansion of the fertiliser industry. The Ministry envisages that the entire increased demand for chemical fertilisers, using nitrogen, at the end of the second Plan period could be met by a 60 per cent. expansion of the Sindri factory and by the setting up of three fertiliser factories at places mentioned above. The Sindri expansion scheme is expected to yield 70 tons of urea and 400 tons of ammonium sulphate nitrate per day. This scheme, already under execution, is estimated to cost over Rs. 10 crores and is expected to be completed by about the end of 1957. The entire quantity of 10 million cubic feet of gas from the coke oven plant of Sindri will be utilised to make fertilisers. An Italian firm, Messrs. Montecatini of Milan, has been entrusted with the work of erecting the plant.

The Nangal Fertiliser factory is estimated to cost Rs. 22 crores. It will produce 200,000 tons of ammonium nitrate and about 7.5 tons of heavy water per year. The main raw material to be used in this factory will be the hydel power from the Bhakra Project, its requirements being 160,000 kw. The factory is likely to go into production by 1959-60. A company, known as Nangal Fertilisers and Chemicals Ltd., has been formed to execute the project.

The other two factories, those to be set up at Rourkela and at Neiveli as part of the lignite project, will produce 80,000 and 70,000 tons of nitrogen per year, respectively. The Rourkela plant will produce 442,000 tons of Nitro-limestone, while the Neiveli factory will produce 40,000 tons of urea and 200,000 tons of ammonium sulphate nitrate per year. The Rourkela plant will use the gases released in the steel plant during the manufacture of steel by the L.D. process. Referring to the Neiveli project, Mr. Satish Chandra stated that investigations had shown that water could be pumped out to enable the mining of lignite. If the project went through, a multiple purpose corporation might be set up for generating electricity, manufacturing lignite by-products and nitrogen fertilisers.

Coal Industry

A plea for nationalisation of the coal industry put forward by a certain member of the Lok Sabha prompted Mr. Reddy to explain the latest view of the Government on this subject. The Minister's remarks in this context were more or less similar to those expressed by the Finance Minister some time ago regarding the possibilities of a revision of allocation of shares in the additional production of coal during the second Five-year Plan period. Mr. Reddy is reported to have "virtually ruled out nationalisation of the coal industry for some years to come." Although the Government's clear objective was the earliest possible nationalisation of basic industries, it preferred to utilise, he stated, available resources in opening up new collieries rather than in acquiring obsolete units. He assured members that every effort would be made to reach the coal target of 60 million tons per annum, representing an increase of 22 million tons over the present rate of production. Of this increase, it had been decided that the public sector would raise 8 million tons and the private sector 7 million tons. The position regarding the balance of 7 million tons, Mr. Reddy said, would be announced in a fortnight's time. It may be mentioned here that there are some conflicting views amongst Cabinet Ministers themselves on the policy of reallocation of additional output. Mr. Gulzarilal Nanda some time back denied a previous statement by the Finance Minister in Parliament that the question of reallocation of shares was under the consideration of Government. This denial has now been set aside by the Production Minister who has assured the Government's final decision on this subject in two weeks' time. Such contradictory statements from Cabinet Minister's from time to time would certainly shake the confidence of the public in Ministerial policies and, therefore, should be avoided at all costs.

As regards the management of State organisations, Mr. Reddy revealed that an American expert, Mr. Braithwaite, who had submitted a valuable report to the Government on the working of State undertakings, had favoured the formation of multi-purpose corporations to be in charge of some of the industrial undertakings in the public sector. His own view was that the joint stock company pattern which the Government had chosen for the various undertakings was good and had worked well. He disparaged those who had criticised the management of these concerns by I.C.S. men. While he was prepared to concede that all of them might not be good, he said that there were good and able men among them.

Another Shipyard Likely

An indication that the Government may spend more money on building another shipyard was given during the debate in the Lok Sabha. Some members had suggested that a sum of Rs. 6 crores required for the purpose might be found from the defence allocation. Alluding to this subject, the Deputy Minister said that it might be possible to take some concrete steps for establishing a second shipyard in the country by the middle of the second Plan period. He disclosed that the Government had decided to make a beginning in the direction by training the required technical personnel at the existing Visakhapatnam shipyard. The scheme was expected to be put through this year. In this connection, the Deputy Minister informed the House that it was also proposed to have an industrial management cadre for the undertakings in charge of the Production Ministry alone. This was proposed to be followed with the establishment of an industrial technical cadre. The need for such a service has been felt for a long time and it is high time energetic steps were taken to fulfil it. The greatest handicap of the public sector is the absence of key men to shoulder the responsibility of running commercial undertakings. Nevertheless, the Government has been rapidly expanding its commitments in the sphere of industry, transport, banking, insurance and trade. It is just like putting the cart before the horse. The result is that many schemes undertaken by the public sector have not been attended with the success that is due to them.

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DEVELOPMENT OF COTTAGE INDUSTRIES IN BOMBAY

The Government of Bombay has been making a commendable effort at giving a fillip to cottage and small-scale industries in the State. The programme for encouraging the industries is undoubtedly an enlightened one, as it seeks to meet every need of these industries. Thus, stress is laid on offering training to artisans in the use of improved tools and equipment. With a view to eliminating crude methods of finish and improving the designs of handicrafts, the Government has a scheme for imparting training to artisans in the J.J. School of Arts, Bombay. About 142 artisans have had training under this scheme. In order to provide employment to the labour pool in villages as well as to absorb artisans trained at the various training schools, the Department maintains certain village industries training-*cum*-production centres.

The Government's appreciation of the importance of research to cottage industries is indicated by the establishment of four research institutions at Poona dealing with research in workshop methods, dyeing and printing sample production. There are also research centres to work in the fields of woollen, pottery, sericulture and hand-made paper industries.

Financial assistance is also provided to these industries from grants from the Centre as well as from those from the State Government. The outstanding developments in the sphere of financial assistance to artisans and their co-operatives during 1954-55 included the increase in the limit upto which loans could be granted for working capital to industrial co-operative societies from Rs. 5,000 to Rs. 15,000, the formulation of rules under which the loans could be sanctioned, the establishment of a Loan Advisory Committee, the liberalisation of terms and conditions on which loans for working capital could be granted and the decision to establish industrial co-operative banks in those areas where conditions are favourable. It judicious use is made of the various forms of assistance, adequate progress in the realm of cottage and small-scale industries is bound to follow.

Attention is being paid to marketing of products of cottage and small-scale industries. With the building up of weavers' co-operative societies the District Industrial Co-operative Associations and

(*Continued on page 751*)

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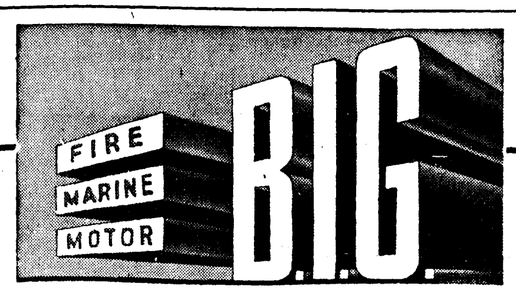

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DISAPPOINTING RESULTS OF JARDINE HENDERSON JUTE GROUP

HOWRAH CUTS DIVIDEND—RELIANCE AND BALLY PASS OVER

DISAPPOINTING results are disclosed by the audited accounts of the three jute companies under the management of Messrs. Jardine Henderson Ltd., Calcutta, namely, the Howrah Mills Company, Ltd., the Reliance Jute Mills Company, Ltd., and the Bally Jute Company, Ltd., for the half-year ended 30th September 1955. These results reflect the extremely difficult trading conditions which prevailed during the six months under review. The beneficial effects of the increase in working hours from 45 to 48 per week, effected in October 1954 and maintained at that rate during the half-year under review, have been offset by unforeseen circumstances, which affected the productive efficiency of the mills. On top of this, there was a fall in prices of manufactured goods.

A study of the Companies' individual performances during the past three half-years, presented in the table published at the foot of this page, will provide an idea of the extent to which their earnings have declined. The Howrah Mills have suffered a loss of Rs. 0.78 lakh, as against a gross profit of Rs. 11.49 lakhs earned in the previous half-year and of Rs. 14.76 lakhs in the corresponding six months of 1954. The net loss is higher at Rs. 5.22 lakhs on account of the provision for depreciation, as against a net profit of Rs. 6.43 lakhs and Rs. 7.34 lakhs for the previous two half-years just mentioned. The Reliance Jute, too, has sustained a loss of Rs. 3.88 lakhs and a net loss of Rs. 4.72 lakhs, in distressing contrast to the modest gross profits earned in the previous two half-years. The Bally Jute has earned a meagre gross profit of Rs. 0.14 lakh, as against a substantial profit of Rs. 3.84 lakhs, to which level it had risen in the previous half-year from Rs. 0.71 lakh for the six months ended 30th September 1954.

Notwithstanding the loss, the Directors of the Howrah have declared a dividend of As. 4 per share, or 5 per cent. per annum, but this represents a drastic cut from 12½ per cent. per annum paid for the previous four half-years successively. In fact, this is the lowest dividend paid by the Company since the half-year ended 30th September 1949. Even this very modest dividend has been possible only by dipping into the reserves built up in the past. In all, a sum of Rs. 8 lakhs has been withdrawn from the reserves—Rs. 2 lakhs from the dividend equalisation reserve, a like sum from the jute stock reserve and Rs. 4 lakhs from the general reserve out of which a sum of Rs. 1.03 lakhs has been set aside for sales tax contingencies, to meet the liability on account of Bengal sales tax on sales to the Government of India during the period 1st June 1946 to 31st March 1949, following the recent Supreme Court judgment.

The net loss of Rs. 4.72 lakhs suffered by the Reliance Jute has not been covered, because there are practically no reserves, except the debenture redemption reserve and provision for contingencies. On the other hand, the loss has been increased to Rs. 5.10 lakhs by the provision of Rs. 0.84 lakh to sales tax contingencies and doubtful debts. Consequently, even the preference dividend for the half-year under review has had to be held in arrears, let alone restoring the ordinary shares to the dividend list. This is the fourth half-year in succession for which the dividend on the Company's ordinary shares has had to be skipped over. It will be noted here that, during the last 14 half-years, the ordinary shares have received a return for only two half-years, namely, those ended March and September 1953.

The Directors of the Bally Jute have drawn a sum of Rs. 2 lakhs from the general reserve and, after wiping out the deficit, have set aside Rs. 0.41 lakh for sales tax contingencies and Rs. 0.20 lakh for other contingencies before paying the preference dividend. The ordinary dividend, which had been restored only last half-year after a break of three half-years, has had to be passed over again.

The main causes cumulatively responsible for the setback in the results were: (1) the extreme shortage of suitable raw material during the months of July, August and September caused by the serious floods in Assam and East Pakistan; (2) the uneconomic use of the available supplies of raw jute; (3) the inferior quality of even the limited supplies available, and (4) the decline in prices of all grades of finished goods to the lowest levels for the year.

The latest balance-sheet of the Howrah Mills Company shows that the reserves and surplus stand at Rs. 51.40 lakhs, as against a paid-up capital of Rs. 91.87 lakhs. There is a debenture liability of Rs. 30.61 lakhs on account of the 5½ per cent. 1965-70 debentures issued early in the half-year under review. The provision for taxation stands at Rs. 2.95 lakhs. The current liabilities aggregate Rs. 36.94 lakhs. The gross block of the value of Rs. 182.27 lakhs has been written down to a book value of Rs. 74.96 lakhs, besides which capital expenditure in progress aggregates Rs. 31.46 lakhs. The current assets amount to Rs. 107.40 lakhs, thus providing a large coverage to the current liabilities and provision for taxation.

The reserves of the Reliance Jute as on 30th September 1955 aggregate Rs. 4.53 lakhs only, as against a paid-up capital of Rs. 69.50 lakhs. The debenture liability amounts to Rs. 25.47 lakhs. The provision for taxation, at Rs. 0.15 lakh and the current liabilities, at Rs. 32.76 lakhs are covered by current assets amounting to Rs. 62.66 lakhs. The gross block of the value of Rs. 124.06 lakhs stands written down to Rs. 64.68 lakhs.

The Bally Jute has reserves and surplus amounting to Rs. 24.84 lakhs, against a paid-up capital of Rs. 40 lakhs. The gross block, at Rs. 96.73 lakhs, has been written down to Rs. 31.58 lakhs. The current assets amounting to Rs. 48.02 lakhs exceed the current liabilities and provision for taxation aggregating Rs. 14.75 lakhs by a large margin.

(In lakhs of rupees)

	HOWRAH			RELIANCE			BALLY		
	For the half-year ended			For the half-year ended			For the half-year ended		
	30-9-1955	31-3-1955	30-9-1954	30-9-1955	31-3-1955	30-9-1954	30-9-1955	31-3-1955	30-9-1954
Sale proceeds	208.78	181.95	178.46	113.25	108.83	95.03	94.02	79.47	72.12
Stocks	29.07	47.63	23.84	17.56	19.75	15.05	15.22	19.75	11.87
Manufacturing expenses	140.16	141.95	110.66	81.52	79.14	62.55	65.64	60.46	48.52
Other expenses	51.42	48.39	46.03	33.68	31.82	29.94	23.84	23.07	22.25
Gross profit (+) or loss (—)	—0.78	+11.49	+14.76	—3.88	+8.07	+3.68	+0.14	+3.84	+0.71
Managing Agents' remuneration	0.19	1.56	2.17	0.09	0.48	0.54	0.25	0.88	0.09
Depreciation	4.25	2.50	2.00	0.75	1.00	0.50	0.50	0.75	0.50
Taxation	..	1.00	3.25	..	0.55	..	..	0.58	..
Net profit (+) or loss (—)	—5.22	+6.43	+7.34	—4.72	+1.03	+2.64	—0.61	+1.68	+0.12
Transfer from reserves	8.00	2.50	..	..	..	..	2.00	..	0.50
To reserves and provisions	1.03	4.50	2.50	0.84	..	..	0.61	0.37	0.02
Dividends—									
Preference	0.92	0.92	0.92	..	0.70	1.40	0.70	0.70	0.70
Ordinary	1.64	4.10	4.10	..	..	..	..	0.70 (7% p.a.)	..
	(5% p.a.)	(12½% p.a.)	(12½% p.a.)	—5.10	0.46	0.19	0.15	0.08	0.19
Carry forward	0.11	0.92	1.66						

from the half-year ended 31st March 1951 to the half-year ended 30th September 1953, before withholding the bonus part of the distribution for the succeeding two half-years. The cash bonus was restored again for the six months ended 31st March 1955.

The half-year under review was a normal period of working from the point of view of labour conditions and was the second in succession when there was no strike or lockout. Deliveries of raw materials and coal were also said to be satisfactory on the whole. Production was, however, slightly less than that of the previous half-year, due to the "lighter average substances of orders made."

The following comparative table brings out the progress of the Company during the past three half-years:

(In lakhs of rupees)

	For the half-year ended			
	30-9-55	31-3-55	30-9-54	31-3-54
Sale proceeds	321.35	269.01	220.62	92.66
Stocks	30.99	29.75	3.26	2.01
Other income	1.92	1.58	3.56	3.45
Manufacturing expenses	179.17	173.90	143.04	62.11
Other expenses	97.54	64.59	52.78	33.49
Gross profit (+) or loss (—)	+56.81	+61.59	+29.62	—3.19
Managing Agents' commission	3.94	4.25	2.14	0.30
Provision for—				
Depreciation	7.83	6.77	4.65	3.47
Taxation	17.00	17.00	9.00	..
Net profit (+) or loss (—)	+28.04	+33.57	+13.83	—6.96
Transfer from reserves and provision for taxation	..	..	..	12.00
To general reserve	1.00	6.25	..	..
,, other reserves and funds	14.75	17.80	1.55	..
Dividends—				
Preference and preferred ordy	1.02	1.02	1.02	1.02
Ordinary	11.20 (D.15% +B.5% p.a.)	11.20 (D.15% +B.5% p.a.)	5.40 (D.15% p.a.)	8.40 (D.15% p.a.)
Carry forward	0.96	0.39	3.59	0.74

It will be observed that, despite the fall in output, the sale proceeds are higher by over Rs. 52 lakhs. This is evidently due to the revision of prices of paper, following the imposition of excise duty on paper with effect from 1st March 1955. The lower production is reflected in the decline of Rs. 3.73 lakhs in manufacturing expenses. Other expenses have gone up by Rs. 35.95 lakhs, of which excise duty alone accounts for Rs. 30.89 lakhs. Out of the net profit of Rs. 28.04 lakhs, as against Rs. 33.57 lakhs for the previous half-year, the Directors have ploughed back Rs. 15.75 lakhs or over 56 per cent. to the reserves. Such a generous allocation to the reserves is not an exclusive feature of this half-year alone. In fact, the Company has been adopting this policy whenever profit permits it to do so and this has not only stood it well in adverse periods but enabled it to undertake extensive renovation programmes and venture on new projects. Of the aforesaid sum ploughed back, a sum of Rs. 1 lakh has been transferred to the general reserve (as against Rs. 6.25 lakhs set aside in the previous half-year), Rs. 1 lakh (Rs. 0.90 lakh) to the reserve for taxation contingencies, Rs. 2.75 lakhs (Rs. 3.40 lakhs) to the reserve for development rebate, Rs. 1 lakh (Rs. 3.50 lakhs) to the dividend equalisation fund, and Rs. 10 lakhs (Rs. 10 lakhs) to provision for the new mill project in Orissa.

The latest balance-sheet discloses an impressive financial position. The paid-up capital of Rs. 142.92 lakhs is supplemented by reserves and surplus aggregating Rs. 323.72 lakhs, thanks to the conservation of profits, as referred to above. The current liabilities aggregate Rs. 120.30 lakhs and provision for taxation stands at Rs. 20.51 lakhs. The current liabilities and provision for taxation are covered by a large margin of current assets aggregating Rs. 332.77 lakhs. The gross block of the value of Rs. 580.42 lakhs, including an addition of Rs. 41.31 lakhs during the half-year under review, has been written down to a book value of Rs. 259.10 lakhs. Work in progress amounts to Rs. 15.78 lakhs.

The Company's renovation programme made good progress during the half-year. The installation of the Tomlinson soda recovery unit was completed and commissioned during the half-year. However, a number of teething troubles, as was only to be expected with plant of such complexity, had to be met, but these were overcome as they arose. Since the close of the half-year, the operation of the plant is said to have improved and is expected to improve still further after certain contemplated adjustments have been carried out. The Directors, however, report that the position in respect of deliveries of raw materials and coal has deteriorated on account of restricted wagon supplies at loading points.

As regards the new paper mill to be erected by the Company in Orissa, negotiations still continue with the Government of Orissa for the acquisition of the necessary land for the project. Meanwhile, all is in readiness to begin work at the site on the mill buildings and railway siding as soon as the Company gets possession of the land. The draft lease for the bamboo areas, which will provide the raw material for the new mill, is expected to receive the early approval of the Government of Orissa.

The Rs. 10 fully paid-up ordinary shares are being currently quoted at Rs. 45-8 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 4.5 per cent. per annum, free of income-tax.

TITAGHUR PAPER REPEATS DIVIDEND

A drop of Rs. 4.78 lakhs to Rs. 56.81 lakhs in gross profit is disclosed by the audited accounts of the Titaghur Paper Mills Co., Ltd. (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta), for the six months ended 30th September 1955. This recession—albeit very modest—is in distinct contrast to the successive improvement noted in the previous two half-years, during which period the Company's earnings had vastly improved from a deficit of Rs. 3.19 lakhs for the half-year ended 31st March 1954 to Rs. 61.59 lakhs in the corresponding six months of 1955. Nevertheless, the Directors have been able to make sizable additions to the reserves and to maintain the distribution to shareholders.

The return to ordinary shareholders is being repeated at Re. 1 per share, or 20 per cent. per annum paid for the previous half-year, and is made up of a dividend of As. 12 and a bonus of As. 4 per share. It will be recalled that the Company had maintained this distribution consistently

P.A.A. DECLARES DIVIDEND

At a meeting held recently, the Directors of Pan American World Airways declared a dividend of 20 cents per share payable on 10th March 1956, to stockholders on record at the close of business on 17th February 1956. This is the forty-fifth dividend paid by Pan American. Four dividends of 20 cents a share each were paid in 1955. Dividend payments have been made each year since 1941.

PROFIT OF VICTORIA MILL HIGHER

DISTRIBUTION ON ORDINARY SHARES RAISED

THE textile industry in India found 1955 to be a prosperous year. There was a substantial increase in the output of cloth and yarn to record levels. The higher production was accompanied by better domestic demand and steady exports, notwithstanding the rising tempo of competition abroad. Prices of cloth ruled steady for export, but advanced sizably in the internal markets. Most of the cotton mills were, therefore, able to report higher earnings. The audited accounts of the Victoria Mills Ltd., Bombay (Secretaries, Treasurers and Agents: Messrs. Mangaldas Mehta & Co., Ltd., Bombay) for the year ended 31st December 1955 disclose that the Company fully participated in the general prosperity of the industry. The gross sales of cloth rose from Rs. 1.96 crores to Rs. 2.02 crores and the gross profit from Rs. 16.45 lakhs to Rs. 19.13 lakhs.

The aforesaid rise in gross profit is in refreshing contrast to the decline of Rs. 1.79 lakhs noted in the previous year and has brought the year's profit to the highest level since 1951, when it had stood at a high of Rs. 26.17 lakhs. The net profit is, however, lower at Rs. 1.56 lakhs, as compared with Rs. 2.54 lakhs for 1954 and Rs. 6.51 lakhs for 1953. This is on account of the larger provisions for depreciation and taxation. The allocation for depreciation has been raised by Rs. 2.50 lakhs to Rs. 8.50 lakhs and that for taxation by Rs. 1 lakh to Rs. 3 lakhs. Nevertheless, the distribution to the ordinary shareholders has been stepped up to 20 per cent. from 15 per cent. paid for the previous four years in succession. It is, however, made up of a dividend of 15 per cent. and a bonus of 5 per cent., so that the dividend part is still unchanged.

Results Compared

The following table clearly brings out the progress in the Company's working during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds (net)	196.37	205.03	205.78	195.20
Other income	2.06	2.34	2.19	3.94
Cotton consumed	81.56	95.93	96.14	101.29
Expenses	97.73	94.99	93.59	80.09
Gross profit	19.13	16.45	18.24	17.79
Ag nts' commission	6.08	6.91	6.23	5.59
Provision for—				
Depreciation	8.50	6.00	4.50	4.00
Taxation	3.00	2.00	1.00	7.00
Net pro t	1.56	2.54	6.51	1.17
To reserves	..	..	1.00	..
,, charity ac ount	0.10	0.10	0.10	0.10
Divi nds—				
5 per cent. preference	0.32	0.32	0.32	0.32
Ordinary	3.20 (20%)	2.40 (15%)	2.40 (15%)	2.40 (15%)
Carry forward	0.57	2.63	2.91	0.22

It will be observed that the net sale proceeds of cloth, yarn and waste show a decline, though the gross sales of cloth alone have, as already pointed out, risen from Rs. 1.96 crores to Rs. 2.02 crores. On the expenditure side, the cost of cotton consumed show a sizable fall of Rs. 14.37 lakhs, thus maintaining the downward trend noted in the previous years, while the other expenses have kept up the upward trend with a further rise of Rs. 2.74 lakhs. The Directors state that they have provided in the accounts of the year under review for the payment of bonus to the workers and staff for 1955 in accordance with the agreement which the Millowners' Association, Bombay, has recently entered into with the Rashtriya Mill Mazdoor Sangh on the question of bonus to employees for the years 1953 to 1957 and which the Company has agreed to adopt. It will also be noted from the above table that the net profit for 1955 does not cover even half the dividend, but the sizable sum brought in from the previous year has come in handy for paying the higher dividend.

The Company's balance-sheet as on 31st December 1955 discloses a satisfactory financial position. The reserves and surplus aggregate Rs. 30.15 lakhs, as against a paid-up capital of Rs. 24 lakhs. The provision for taxation stands at Rs. 18.54 lakhs and current liabilities aggregate Rs. 32.39 lakhs. There has been an addition of Rs. 6.46 lakhs to the gross block during the year, bringing the total value up to the end of the year to Rs. 67.56 lakhs, as against which the depreciation fund amounts to Rs. 46.04 lakhs. The current assets aggregate Rs. 83.56 lakhs which cover the current liabilities and provision for taxation by a margin of Rs. 32.63 lakhs.

Points From The Chair

Rural Banking

"FOR a predominantly agricultural country like India, where 75 per cent. of its population live in villages, an adequate system of providing rural credit is an essential prerequisite for development. The nationalisation of the Imperial Bank of India was a move in this direction to open offices upto the taluk level to provide adequate credit in conjunction with the proposals for the establishment of rural co-operative banks and the integration of State-associated banks. In spite of this proposed expansion, it is felt that a very large field would still be left for the enterprising private banks for expanding their activities into the rural areas not covered by the State enterprise, so as to serve the needs of the private sector and revitalise rural economy. Keeping the structure of future economic development in view, we are keen to spread our Bank's activities to the rural parts to be of good service to the people."

S. R. Y. SIVARAMA PRASAD BAHADUR,
Andhra Bank Ltd.

Egyptian Economy

"The Egyptian economy is now in the midst of a transition period. We are entering a time of increased investment activity which should lead ultimately to considerable increases in productivity to face an ever-increasing population and to secure a higher standard of living for the people. Inevitably, however, such investments take time to yield results. Plans that took some years to prepare are coming gradually from the blueprint into the execution stage. It is the stage where the results in the form of additional production are not yet seen, but where expenditure on the plans is heavy. Bridges and roads have to be built, the carrying capacity of railroad lines expanded, pipelines for the transport of oil laid, and many other improvements undertaken. Parallel to these governmental activities there has been a steady growth in production by private industry in oil derivatives, mining, textiles, sugar, fertilisers, iron and steel, copper, cement, soap, paper and motion pictures."

DR. AHMED ZAKI SAAD,
National Bank of Egypt

Outlook for Tea

"A question that is of vital interest to producers at the moment is whether the consumption of tea in India is, or is not, expanding. There have been increases in production both in India and Ceylon, whilst Africa, from year to year, tends to become a larger producer. Any setback in consumption might lead to a buyers' market, and the position is not at the moment as favourable as in recent years. However, tea is still the cheapest and best drink in the world at the present price."

G. H. MASEFIELD,
Travancore Tea Estates Co., Ltd.

Risk of Serious Inflation

"As things are, the Plan must involve enormous burden being placed upon the community; even so, through the over-emphasis it places on household goods industries, acute shortages of essential articles of consumption might come about, involving a risk of serious inflation which it would be difficult to control. The Budget proposals for the year have to be viewed in the light of the needs of the Plan for additional resources by way of taxation. Between the Centre and the States, the figure laid down is Rs. 450 crores and, as if that was not sufficiently drastic, the Finance Minister has hinted at the possibility of raising another Rs. 200 crores to finance the heavy defence programme which the situation on our borders is deemed to have rendered necessary. In the face of all this, detailed criticism of particular aspects of the Budget proposals, however, valid and relevant, is not likely to receive much attention, but it is necessary to state all the same that the process of disincentives has been carried several steps further, and the future can only be viewed with serious misgivings. There is, however, a ray of hope, and that is to be found in the assurance that has been given that our planners contemplate periodic reviews of the situation, with a view to making such adjustments as are found necessary and, if that happens, we should see a more realistic approach to the problems of our underdeveloped economy."

H. P. MODY,
Central Bank of India Ltd.

Restriction on Mill Cloth Production

"I might add that the estimated consumption of 18 yards *per capita* may well prove to be inadequate, in view of the plans which are in train for India's further agricultural and industrial development, and the reasonable expectation that the per *capita* income will materially improve. I earnestly hope, and I am sure that you will join me in this, that the Government will soon revise its present policy of limiting the production of the mill industry and so guard against a shortage of cloth and its consequent inflationary results and probable counter-measures in the form of controls which, as past experience has shown, are costly and generally vexatious. Whatever may be the true potentialities of the handloom industry and the powerlooms, including partial substitution of the latter for handlooms, I do think that the Government would be well advised to examine the possibilities of considerably increasing the present production of mill cloth. In my view, the increase which is desirable cannot be achieved substantially by the introduction of a third shift. Our own experience during the last war definitely showed that in all processes, but particularly weaving, the third shift is severe on machinery, discomforting to labour and harmful to quality. The need for a change of policy is urgent not only because signs of a cloth shortage are already apparent but also because, as time goes on, the difficulty of planning and executing any expansion promptly is bound to increase."

R. E. CASTELL,
Buckingham and Carnatic Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

PORT SHIPPING CO., LTD. Half-yearly General Meeting, Calcutta, 18th April 1956. Dividend: As. 12 per share. Transfer books remain closed from 9th to 18th April, 1956, both days inclusive.

PARASEA COLLIERIES LTD. Half-yearly General Meeting, Calcutta, 19th April 1956. Dividend: As. 6 per share. Transfer books remain closed from 12th to 19th April 1956, both days inclusive.

ASOKA MILLS LTD. Annual General Meeting, Ahmedabad, 21st April 1956. Dividend: Rs. 30 per share. Transfer books remain closed from 13th April to 8th May 1956, both days inclusive.

VISHNU COTTON MILLS LTD. Annual General Meeting, Bombay, 25th April 1956. Dividend: Rs. 8 per share (includes interim dividend of Rs. 2-8 per share). Transfer books remain closed from 11th to 25th April 1956, both days inclusive.

DUNLOP RUBBER CO. (INDIA) LTD. Annual General Meeting, Calcutta, 25th April 1956. Dividend: Re. 1-8 per share. Transfer books remain closed from 9th to 28th April 1956, both days inclusive.

LAKSHMI COTTON MANUFACTURING CO., LTD. Annual General Meeting, Bombay, 26th April 1956. Dividend: Rs. 42-8 per share (includes interim dividend of Rs. 12-8 per share). Transfer books remain closed from 12th to 26th April 1956, both days inclusive.

MODERN MILLS LTD. Annual General Meeting, Bombay, 27th April 1956. Dividend: Rs. 8 per share (includes bonus of Rs. 3 per share). Transfer books remain closed from 2nd to 21st April 1956, both days inclusive.

KAMARHATTY CO., LTD. Half-yearly General Meeting, Calcutta, 27th April 1956. Transfer books remain closed from 13th to 27th April 1956, both days inclusive.

KANKNARRAH CO., LTD. Half-yearly General Meeting, Calcutta, 27th April 1956. Transfer books remain closed from 13th to 27th April 1956, both days inclusive.

INDIAN ALUMINIUM CO., LTD. Annual General Meeting, Calcutta, 27th April 1956. Dividend: Rs. 9 per share (includes interim dividend of Rs. 4 per share.) Transfer books remain closed from 13th to 27th April 1956, both days inclusive.

JENSON AND NICHOLSON (INDIA) LTD. Annual General Meeting, Calcutta, 27th April 1956. Transfer books will remain closed from 17th to 27th April 1956, both days inclusive.

CALCUTTA JUTE MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 30th April 1956. Transfer books will remain closed from 20th to 30th April 1956, both days inclusive.

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 30th April 1956. Transfer books will remain closed from 16th to 30th April 1956, both days inclusive.

DUNBAR MILLS LTD. Half-yearly General Meeting, Calcutta, 1st May 1956. Transfer books will remain closed from 21st April to 1st May 1956, both days inclusive.

BOWREAH COTTON MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 1st May 1956. Transfer books will remain closed from 21st April to 1st May 1956, both days inclusive.

RAMNUGGER CANE AND SUGAR CO., LTD. Annual General Meeting, Calcutta, 2nd May 1956. Transfer books remain closed from 13th April to 2nd May 1956, both days inclusive.

WESTERN INDIA MATCH CO., LTD. Annual General Meeting, Bombay, 7th May 1956. Dividend: Rs. 11 per share (includes bonus of Re. 1 per share). Transfer books will remain closed from 16th April to 9th May 1956, both days inclusive.

NEW CENTRAL JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 14th May 1956. Transfer books will remain closed from 5th to 14th May 1956, both days inclusive.

COMPANY REGISTRATIONS

HIND ELECTRONICS PRIVATE LTD. (First Director: Mr. M. L. Bhatter.) Business: General merchants, importers, exporters and order suppliers. Authorised capital: Rs. 5,00,000. Private company. Address: 38, Netaji Subhas Road, Calcutta.

HINDUSTHAN REFRACTORIES AND CERAMICS LTD. (First Director: Mr. M. C. Roy.) Business: Dealers in all kinds of refractory and ceramic product goods. Authorised capital: Rs. 5,00,000. Private company. Address: 20, Netaji Subhas Road, Calcutta.

CALCUTTA DOCKING AND ENGINEERING CO., LTD. (First Director: Mr. P. L. Chaudhury.) Business: To undertake all repairs of marine and general engineering works. Authorised capital: Rs. 5,00,000. Public company. Address: 12, Government Place East Calcutta.

G. C. BANERJI & CO. PRIVATE LTD. (First Director: Mr S. C. Mukherjee.) Business: Wholesale and retail dealers in all kinds of iron and steel and their products. Authorised capital: Rs. 5,00,000. Private company. Address: 74A, Nalini Sett Road, Calcutta-7.

SHARP RISE IN PROFITS OF VISHNU AND LAKHSHMI COTTON MILLS

PREMIER CONSTRUCTION RAISES DIVIDEND

Vishnu Cotton Mill Ltd.

THE directors of the above Company (Secretaries, Treasurers and Agents: The Bombay Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts show a profit for the year of Rs. 15,35,692 (loss of Rs. 1,26,341) to which must be added the balance brought forward from last year Rs. 22,250 (Rs. 1,868) giving a total of Rs. 15,57,941 (debit of Rs. 1,24,473). The directors have transferred to depreciation Rs. 7,56,193 (nil), depreciation, renewal and extension fund Rs. 3,00,000 (nil), gratuity fund Rs. 32,000 (nil), general reserve Rs. 2,86,000 (nil), debenture redemption reserve Rs. 1,33,747 (nil), and debenture issue expense Rs. 25,000 (nil), leaving a balance of Rs. 22,995 (credit of Rs. 22,120 after transfer from reserve fund and adjustment). The directors have transferred from dividend fund a sum of Rs. 3,37,000 (Rs. 2,69,000) making a total of Rs. 3,59,995 (Rs. 2,31,120). After deducting the interim dividend paid in November 1955 of Rs. 2-8 (nil) per ordinary share absorbing Rs. 80,000 (nil) there is a balance of Rs. 2,79,995 (Rs. 2,31,120). Out of this balance the directors recommend a dividend of Rs. 35 (Rs. 35) per share less income-tax on 3,133 preference shares, and a final dividend of Rs. 5-8 (Rs. 4) per share on 32,000 ordinary shares (making Rs. 8 (Rs. 4) per share for the year) free of income-tax, absorbing Rs. 2,56,270 (Rs. 2,08,870) and propose to carry forward the balance of Rs. 23,124 (Rs. 22,250).

A sum of Rs. 8,076 being refund of customs duty charged in excess on imported machinery has been reduced from the block, and Rs. 48,365 being surplus on the sale of old machinery has been transferred to depreciation, renewal and extension fund. The sum transferred to depreciation, renewal and extension fund of Rs. 3,00,000 represents Rs. 3,60,734 arrears of initial depreciation and development rebate, less Rs. 60,734 initial depreciation previously set aside on plant and machinery now totally written off for income-tax purposes. The figure for depreciation includes the sum of Rs. 60,734 mentioned above, and is reduced by the sum of Rs. 2,86,000 over-provided in 1954, which sum is now transferred to general reserve. Initial depreciation has now been fully provided for, but development rebate has not been provided for in full.

The sum set aside for debenture redemption is the proportionate amount required, together with compound interest, to redeem the debenture issue by the latest date for repayment. Forfeited dividends amounting to Rs. 2,417 net have been added to reserve fund.

Trading Conditions: Trading conditions were more satisfactory than in the previous year, particularly in the internal market, although competition in export markets continued to be keen. The improved off-take throughout the year is reflected in the reduction of stocks of cloth at the end of the period, as compared with the opening balance.

During the year, the erection of two water tube boilers to take the place of the old Lancashire boilers was completed, and a considerable reduction in coal consumption has since been effected. Additions to buildings during the year amounted to Rs. 1,55,830 and to machinery Rs. 27,67,988.

The profits, fixed charges and retrenchment or lay-off wages of the Company have been insured for the sum of Rs. 1,16,00,000 for a period of two years. Buildings and machinery were insured against fire and riot and civil commotion for Rs. 2,95,59,100 on the basis of reinstatement value. Stocks of cotton, cloth, yarn and stores at Sholapur and elsewhere are fully insured under declaration policies.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	47,66,500	Block	59,56,889
Reserves	34,42,971	Machinery and buildings under erection	65,558
Provision for taxation	19,400	Stock-in-trade	61,22,127
Liabilities	85,47,140	Stores, etc.	15,87,737
Profit and loss account	2,79,995	Other assets	2,84,796
		Debts and advances	23,66,853
		Investments	6,62,167
		Cash	9,879
Rs.	1,70,56,006	Rs.	1,70,56,006

Lakhshmi Cotton Manufacturing Co., Ltd.

The directors of the above Company (Secretaries, Treasurers and Agents: The Bombay Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts show a profit for the year of Rs. 21,79,447 (Rs. 13,58,668) to which must be added balance brought forward from last year of Rs. 19,080 (Rs. 52,367) making a total of Rs. 21,98,527 (Rs. 14,11,035). After deducting the interim dividend paid in November 1955 of Rs. 12-8 (Rs. 7-8) per ordinary share, absorbing Rs. 1,60,000 (Rs. 96,000) there is a balance of Rs. 20,38,527 (Rs. 13,15,035). The directors have transferred to depreciation Rs. 7,81,640 (Rs. 7,91,003), reserve for taxation Rs. 7,05,000 (Rs. 2,90,000), gratuity fund Rs. 33,000 (Rs. 18,000) and to engine and machinery fund Rs. 61,143 (nil) leaving a final balance of Rs. 4,57,744 (Rs. 4,14,080). Out of this balance the directors recommend a dividend of Rs. 12-8 (Rs. 12-8) per share less income-tax on 6,400 preference shares, and a final dividend of Rs. 30 (Rs. 26-4) per share on 12,800 ordinary shares (making Rs. 42-8 (Rs. 33-12) per share for the year) free of income-tax absorbing Rs. 4,43,600 (Rs. 3,95,000) and to propose carry forward the balance of Rs. 14,744 (Rs. 19,080).

A sum of Rs. 16,309 being refund of customs duty charged in excess on imported machinery has been reduced from the block, and Rs. 14,341 being surplus on the sale of old machinery has been transferred to engine and machinery fund. The further sum of Rs. 61,143 transferred to engine and machinery fund represents initial depreciation and development rebate for 1955 and arrears of the same not provided for in full in 1953 and 1954, totalling Rs. 2,68,232, less Rs. 2,07,089 initial depreciation previously set aside on plant and machinery which has now for income-tax purposes been totally written off. The figure for depreciation also includes the latter sum. Forfeited dividends amounting to Rs. 4,182-0-6 have been added to reserve fund.

Trading Conditions: Trading conditions were more satisfactory than in the previous year, particularly in the internal market, although competition in export markets continued to be keen. The improved offtake throughout the year is reflected in the reduction of stocks of cloth at the end of the period, as compared with the opening balance.

The policy of diversifying the productive capacity of the Mill was pursued by the installation of a printing plant (completed since the end of the period) and by enlarging the capacity of the bleach house with the installation of additional modern machinery. Additions to building during the year cost Rs. 74,862 and to machinery Rs. 6,10,828. A plot of land, measuring 1 acre and 7 gunthas, was purchased in Sholapur at a cost of Rs. 42,830, for the accommodation of staff.

The profits, fixed charges and retrenchment or lay-off wages of the Company have been insured for the sum of Rs. 1,08,50,000 for a period of two years. Buildings and machinery were insured against fire and riot and civil commotion for Rs. 3,05,33,900, on the basis of reinstatement value. Stocks of cotton, cloth, yarn and stores at Sholapur and elsewhere are fully insured under declaration policies.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	48,00,000	Block	35,78,446
Reserves	63,30,185	Buildings and machinery under erection	10,86,763
Provision for taxation	6,95,455	Stock-in-trade	64,74,775
Liabilities	36,53,282	Stores, etc.	13,15,055
Profit and loss account	4,57,744	Other assets	2,17,059
		Debts and advances	27,77,111
		Investments	7,73,175
		Cash	2,14,282
Rs.	1,64,36,666	Rs.	1,64,36,666

Premier Construction Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Walchand & Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December 1955.

During the year under report, the Company made a profit of Rs. 12,69,817 (Rs. 11,90,224). To this was added the sum of Rs. 83,570 (Rs. 1,27,701) (Rs. 1,39,820 being the balance brought forward from the last year's accounts less Rs. 56,250 proposed to be paid as additional dividend for the year ending 31st December 1954) making a total of Rs. 13,53,387 (Rs. 13,17,925) which the directors appropriated as under:—

For dividends on 6¼ per cent. cumulative preference shares at Rs. 6-4 per share (less income-tax) Rs. 62,500 (Rs. 62,500), on 6¼ per cent. cumulative second preference shares at Rs. 6-4 per share (less income-tax) Rs. 93,750 (Rs. 93,750), on 4½ per cent. cumulative third preference shares at As. 7 pies 2.4 per share (less income-tax) Rs. 2,53,125 (Rs. 2,53,125), on ordinary shares at Rs. 6-8 (Rs. 7-0) per share (free of income-tax) Rs. 6,37,500 (Rs. 5,25,000), on promoters shares at Rs. 2-6-11.4 (Rs. 2-1-8.34) per share (free of income-tax) Rs. 85,204 (Rs. 73,708), for reserve fund Rs. 1,27,702 (Rs. 1,20,022) and for carrying forward Rs. 93,606 (Rs. 1,39,820 after placing to dividend equalisation fund a sum of Rs. 50,000).

The directors are advised that the Company will be attracted by section 23A of the Indian Income-tax Act. In view of the above and to be consistent with the articles of association of the Company the directors propose to appropriate an amount of Rs. 56,250 from the last year's carry forward for additional dividend on ordinary shares for the year ended 31st December 1954 at As. 12 per share.

Messrs. Walchandnagar Industries Ltd. ceased to be the Company's subsidiary during the year.

During the year under report the directors reviewed the position of reserves that was shown under various heads in the balance-sheet so far and have now regrouped the same.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital	1,05,06,250	Block	74,367
Reserves	1,23,69,677	Works-in-progress	82,406
Provision for depreciation	31,200	Stores on hand	16,962
Provision for taxation	13,62,223	Debts, deposits and advances	51,50,695
Liabilities	25,31,548	Investments	2,27,39,006
Profit and loss account	14,09,637	Cash	1,47,109
Rs.	2,82,10,535	Rs.	2,82,10,535

Modern Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. N. Sirur & Co. (Private) Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st October 1955.

The result of the Company's operations during the year shows a profit of Rs. 12,53,899 (Rs. 6,36,790) after providing a sum of Rs. 4,66,006 for bonus payable to the staff and workers for the three years 1953, 1954 and 1955 in accordance with the agreement arrived at between the Rashtriya Mill Mazdoor Sangh and the Millowners' Association, Bombay, and approved by the board of directors of the Company. This profit of Rs. 12,53,899 together with Rs. 16,412 (Rs. 12,177) brought forward from the previous year's account makes a total of Rs. 12,70,311 (Rs. 8,28,967 after transferring Rs. 150 from reserve fund). From this sum, the directors have allocated to:—

Depreciation on buildings Rs. 62,771 (Rs. 65,000), depreciation on machinery Rs. 4,55,820 (Rs. 5,26,250), reserve for taxation Rs. 35,962 (nil), machinery rehabilitation reserve fund Rs. 3,00,000 (nil) and to reserve fund Rs. 30,000 (nil) leaving a balance of Rs. 3,85,758 (Rs. 2,37,717) to be disposed of as under:—

Dividend of Rs. 5 (Rs. 5) and a bonus of Rs. 3 (nil) per share, making a total of Rs. 8 (Rs. 5) per share on 44,261 ordinary shares of Rs. 50 each for the year ended 31st October, 1955 Rs. 3,54,088 (Rs. 2,21,305) and to carry to next year's account Rs. 31,670 (Rs. 16,412).

Conditions during the year under report were satisfactory in the cloth trade, but the demand and prices realised for yarn during the latter half of the year were poor and improved only after the turn of the year. During the year, the Company paid Rs. 36,750 being the second and third instalments of entrance fee of Rs. 73,500 to the Bombay Textile Research Association. The fourth and final instalment of Rs. 18,375 was paid in December 1955.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	22,13,050	Block	58,75,233
Debentures	12,00,000	Stock-in-trade	73,43,861
Reserves	41,06,720	Stores, spare parts and loose tools	8,98,749
Provision for taxation	96,621	Debts, deposits and advances	5,44,362
Liabilities	68,03,356	Investments	1,24,788
Profit and loss account	3,85,758	Cash	18,512
Rs.	1,48,05,505	Rs.	1,48,05,505

New Beerbhoom Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts for the half-year ended 31st October 1955.

After providing Rs. 1,58,000 (Rs. 1,46,531) for depreciation and Rs. 1,46,000 (Rs. 30,000) for taxation and cesses and after transferring Rs. 60,000 (Rs. 1,28,500) to development reserve, there remains a balance at the credit of profit and loss account of Rs. 1,90,195 (Rs. 1,29,624) from which the directors recommend payment of a dividend of 7 per cent. per annum on 20,000 preference shares for the half-year ended 31st October 1955 Rs. 7,000 and a dividend of As. 3 (As. 6) per share on 1,77,623 ordinary shares Rs. 33,312 (Rs. 66,609), leaving to be carried forward Rs. 94,383 (Rs. 56,015).

Raisings for the half-year ended October 1955, totalled 2,32,011 tons as compared with 2,47,076 tons in the previous half-year and 2,23,942 tons in the half-year ended October 1954. Despatches, which included purchased coal, totalled 2,50,908 tons as compared with 2,30,691 tons in the previous half-year and 2,56,752 tons in the half-year ended October 1954.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	19,76,230	Block	31,15,787
Reserves	20,01,763	Stock of coal	99,626
Provision for taxation and cesses	3,33,034	Stores	6,76,962
Liabilities	22,48,390	Debts, deposits and advances	26,37,888
Profit and loss account	94,383	Investments	4,447
		Cash	3,74,090
Rs.	69,08,800	Rs.	69,08,800

Auckland Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September 1955.

After providing Rs. 2,96,360 (Rs. 1,48,523) for depreciation and Rs. 35,622 (nil) for taxation, the profit and loss account shows a profit of Rs. 2,16,748 (Rs. 1,65,703) to which is to be added the amount brought forward from previous half-year of Rs. 14,285 (Rs. 3,219) and transfer from general reserve Rs. 61,808 (nil) making a total of Rs. 2,92,841 (Rs. 1,68,924). After transferring to provision for contingencies Rs. 61,808 (nil) there is an available balance of Rs. 2,31,033 (Rs. 1,68,924). The directors propose to dispose of this as follows:—

In paying a dividend on the preference shares at the rate of 5½ per cent. per annum without any deduction for income-tax paid by the Company Rs. 27,500 (Rs. 27,500), in paying a dividend on the redeemable preference shares at the rate of 4½ per cent. per annum, without any deduction for income-tax paid by the Company Rs. 33,750 (Rs. 33,750), in paying a dividend on the ordinary shares of Rs. 4 (Rs. 2-8) per share, without any deduction for income-tax paid by the Company Rs. 1,60,000 (Rs. 1,00,000) and in carrying forward Rs. 9,783 (Rs. 7,674).

Stocks of jute have been valued at market rates and manufactured goods at contract or market rates.

In accordance with the working time agreement of the Indian Jute Mills' Association, the mill worked 48 hours weekly and 12¼ per cent. of the total looms remained sealed.

The further six sliver spinning frames together with ancillary machinery for the completion of the modernisation of the Hessian Weft Section of the mill arrived on site in November 1955 and have now been erected.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital	65,00,000	Block	84,50,246
Debentures	15,00,000	Capital expenditure in-progress	26,235
Reserves	42,94,285	Stock-in trade	12,01,140
Provision for taxation	2,86,126	Stores and spare gear	7,32,659
Liabilities	8,22,594	Oil and coal	18,558
Profit and loss account	9,783	Debts, deposits and advances	15,82,033
		Investments	1,69,779
		Cash	12,32,138
Rs.	1,34,12,788	Rs.	1,34,12,788

Northbrook Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd. Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September 1955.

After providing Rs. 95,000 (Rs. 1,76,455) for taxation, Rs. 22,000 (Rs. 47,000) for reserve for taxation contingencies, Rs. 60,000 (nil) for development rebate reserve and Rs. 1,76,694 (Rs. 1,55,108) for depreciation, the profit and loss account shows a profit of Rs. 2,23,952 (Rs. 2,61,309) to which is to be added the amount brought forward from previous half-year of Rs. 65,116 (Rs. 33,023) making a total of Rs. 2,89,068 (Rs. 2,94,332). From this amount is transferred to general reserve Rs. 50,000 (Rs. 50,000) and Rs. 25,000 (Rs. 33,556) to jute stock reserve, leaving an available balance of Rs. 2,14,068 (Rs. 2,10,776). The directors propose to dispose of this as follows:—

In paying a dividend on the preference shares at the rate of 5½ per cent. per annum without any deduction for income-tax paid by the Company Rs. 41,250 (Rs. 41,250), in paying a dividend on the ordinary shares of As. 12 (As. 12) per share, without any deduction for income-tax paid by the Company Rs. 1,25,956 (Rs. 1,25,956) and in carrying forward Rs. 46,862 (Rs. 43,570).

Stocks of jute have been valued at market rates and manufactured goods at contract or market rates.

In accordance with the working time agreement of the Indian Jute Mills' Association the mill worked 48 hours weekly and 12½ per cent. of the total looms remained sealed.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital	31,79,880	Block	68,57,203
Debentures	20,00,000	Capital expenditure in-progress	2,069
Reserves	48,95,164	Stock-in-trade	13,77,464
Provision for taxation	4,31,778	Stores and spare gear	8,73,035
Liabilities	5,55,360	Oil and coal	16,996
Profit and loss account	46,862	Debts and advances	14,16,783
		Investments	3,41,120
		Cash	2,24,374
Rs.	1,11,09,044	Rs.	1,11,09,044

Union Jute Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September 1955.

After providing Rs. 70,000 (Rs. 1,18,000) for reserve for taxation contingencies, Rs. 5,000 (nil) for development rebate reserve and Rs. 2,50,758 (Rs. 2,98,698) for depreciation, the profit and loss account shows a profit of Rs. 3,04,189 (Rs. 4,17,894) to which is to be added the amount brought forward from previous half-year of Rs. 6,219 (Rs. 5,396) and amount transferred from general reserve of Rs. 1,21,421 (nil) making a total of Rs. 4,31,829 (Rs. 4,23,290). This amount is reduced by provision for contingencies Rs. 1,21,421 (nil) transfer to general reserve Rs. 75,000 (Rs. 2,00,000) and transfer to jute stock reserve Rs. 20,000 (Rs. 12,885) leaving an available balance of Rs. 2,15,408 (Rs. 2,10,405). The directors propose to dispose of this as follows:—

In paying a dividend on the preference shares at the rate of 7 per cent. per annum, without any deduction for income-tax paid by the Company Rs. 21,000 (Rs. 21,000), in paying a dividend on the ordinary shares of Rs. 5 (Rs. 5) per share, without any deduction for income-tax paid by the Company Rs. 1,79,890 (Rs. 1,79,890) and in carrying forward Rs. 14,518 (Rs. 9,515).

Stocks of jute have been valued at market rates and manufactured goods at contract or market rates.

In accordance with the working time agreement of the Indian Jute Mills' Association the mills worked 48 hours weekly and 12½ per cent. of the total looms remained sealed.

It is satisfactory to report a marked improvement in working conditions at the South Mill, where labour is now working better than for some time past.

It has been decided to transfer a further 76 hessian looms of 46½ ins. reed space from the South Mill to the North Mill. To cater for these additional looms six sliver spinning frames have been ordered together with ancillary machinery and this equipment is expected to be on site early in 1956.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital	41,93,600	Block	1,13,68,492
Debentures	12,00,000	Capital expenditure in-progress	15,083
Reserves	88,14,228	Stock-in-trade	17,02,589
Provision for taxation	64,481	Stores and spare gear	11,92,126
Liabilities	23,18,072	Oil and coal	76,557
Profit and loss account	14,518	Debts and advances	20,31,014
		Investments	1,68,616
		Cash	56,022
Rs.	1,66,10,499	Rs.	1,66,10,499

Naihati Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September 1955.

After providing Rs. 2,61,185 (Rs. 1,71,817) for depreciation and Rs. 1,60,179 (nil) for taxation, the profit and loss account shows a loss of Rs. 1,20,910 (profit of Rs. 1,74,323) to which is to be added the loss brought forward from previous half-year Rs. 4,25,342 (Rs. 8,82,391) and transfer to provision for contingencies Rs. 33,365 (nil) making a total loss of Rs. 5,79,617 (Rs. 7,08,068). This loss is to be reduced by transfer from reserve for taxation contingencies Rs. 1,52,000 (nil), transfer from jute stock reserve Rs. 75,000 (nil) and transfer from general reserve Rs. 33,365 (nil), leaving a net loss of Rs. 3,19,252 (Rs. 7,08,068) to be carried forward.

Stocks of jute have been valued at market rates and manufactured goods at contract or market rates.

In accordance with the working time agreement of the Indian Jute Mills' Association the mill worked 48 hours weekly and 12½ per cent. of the total looms remained sealed.

It has not been possible to keep the fine spinning unit wholly employed throughout the period, but the directors have reasonable hopes of enlarging this business in the near future.

With the removal of all export duties by the Government of India with effect from 1st August 1955 Indian Mills were put in a stronger position to meet competition from other countries.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital	47,48,900	Block	85,95,014
Debentures	25,00,000	Capital expenditure in-progress	10,196
Reserves	38,14,415	Stock-in-trade	14,88,125
Liabilities	23,17,177	Stores and spare gear	10,24,751
		Oil and coal	27,713
		Debts and advances	17,75,851
		Investments	1,19,840
		Cash	19,950
		Profit and loss account	3,19,252
Rs.	1,33,80,492	Rs.	1,33,80,492

Kinnison Jute Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 30th September 1955.

After providing Rs. 1,72,000 (Rs. 2,27,885) for taxation, Rs. 37,000 (Rs. 82,000) for reserve for taxation contingencies, Rs. 9,000 (nil) for development rebate reserve and Rs. 2,23,690 (Rs. 2,51,300) for depreciation, the profit and loss account showed a profit of Rs. 2,95,566 (Rs. 4,14,670). To this was added the amount brought forward from previous half-year of Rs. 32,590 (Rs. 32,459), transfer from provision for taxation Rs. 1,25,000 (nil) and transfer from general reserve Rs. 1,30,784 (nil), making a total of Rs. 5,83,940 (Rs. 4,47,129). After transferring to jute stock reserve Rs. 10,000 (Rs. 25,000), transferring to provision for contingencies Rs. 1,30,784 (nil) and transferring to general reserve Rs. 50,000 (Rs. 1,00,000), there was an available balance of Rs. 3,93,156 (Rs. 3,22,129). The directors have paid a dividend on the preference shares at the rate of 7 (7) per cent. per annum, without any deduction for income-tax paid by the Company, absorbing Rs. 52,500 (Rs. 52,500) and a dividend on the ordinary shares of Rs. 6 (Rs. 5) per share, without any deduction for income-tax paid by the Company, absorbing Rs. 2,87,946 (Rs. 2,39,955) and carried forward Rs. 52,710 (Rs. 29,674).

In preparation for the arrival of sliver spinning machinery in January-May 1956, double shift working was introduced in the Company's No. 1 Mill as from 5th December 1955.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital	63,00,000	Block	1,18,57,762
Debentures	25,00,000	Capital expenditure-in-progress	2,48,214
Reserves	1,04,27,571	Stock-in-trade	21,13,955
Reserve for taxation	33,531	Stores and spare gear	14,82,519
Liabilities	12,58,398	Oil and coal	93,135
Profit and loss account	52,710	Debts, deposits and advances	21,37,409
		Investments	8,17,654
		Cash	18,22,522
Rs.	2,05,72,210	Rs.	2,05,72,210

Union Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Williamson Magor & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th June 1955.

The half-year's working has resulted in a loss of Rs. 37,987 (profit of Rs. 6,862) after providing for depreciation and commissions. After transferring the above loss, making sundry adjustments etc, the profit and loss account shows a balance at credit of Rs. 53,180 (Rs. 1,13,661). From this has to be deducted the dividend of As. 4 (As. 12) per share for the half-year ended 31st December 1954, Rs. 8,750 (Rs. 26,250) and directors' commission thereon Rs. 263 (Rs. 1,050), leaving a balance Rs. 44,167 (Rs. 68,861 after paying a dividend of As. 8 per share absorbing Rs. 17,500) which the directors recommend should be carried forward. In view of the loss sustained during the half-year no provision for taxation is considered necessary.

The following are the comparative statistics of raisings and despatches—

	January-June 1955	*January-June 1954*
	Tons	Tons
Raisings	32,891	42,779
Despatches	27,757	39,759

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	3,50,000	Block	4,66,000
Reserves	2,80,000	Stock of coal	1,15,950
Liabilities	2,44,682	Stores	33,853
Profit and loss account	53,180	Debts, deposits and advances	3,03,883
		Cash	8,176
Rs.	9,27,862	Rs.	9,27,862

Trichinopoly Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. Mooljee Ramjee & Sons, Ramjeenagar) submit the audited accounts of the Company for the year ended 31st December 1955.

The net profit after providing for all expenses and writing of Rs. 92,151 (Rs. 47,677) as depreciation on fixed assets, amounted to Rs. 1,73,179 (Rs. 4,14,192). Donations amounting to Rs. 4,113 have been paid therefrom. Along with Rs. 8,321 (Rs. 4,009) carried forward from last year, there is a sum of Rs. 1,77,388 (Rs. 4,18,202) to the credit of the profit and loss account, which the directors recommend to dispose of as follows:

To provide for taxation Rs. 50,000 (Rs. 1,84,000), to pay a tax-free dividend of 9 (9) per cent. to shareholders Rs. 1,25,880 (Rs. 1,25,880) and to carry forward to next year Rs. 1,508 (Rs. 8,321 after placing to rehabilitation a sum of Rs. 1,00,000).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	13,98,670	Block	6,01,845
Reserves	8,78,332	Stock-in-trade	8,33,720
Provision for taxation	2,25,231	Stores, spare parts, etc.	1,89,373
Liabilities	1,22,150	Other assets	250
Profit and loss account	1,77,388	Debts, deposits and advances	7,26,270
		Investments	1,02,907
		Cash	3,47,406
Rs.	28,01,771	Rs.	28,01,771

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

Notices

THE DUNLOP RUBBER COMPANY (INDIA) LIMITED

NOTICE IS HEREBY GIVEN THAT THE 30th Ordinary General Meeting of the Company will be held at the Registered Office of the Company, "Dunlop House," 57B, Free School Street, Calcutta, on the 25th day of April 1956, at 12-15 p.m., for the following purposes:—

(1) To consider, approve and adopt the Directors' Report and Statements of Account.

(2) To declare Preference and Ordinary Dividends.

(3) To elect Directors.

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

The Transfer Books and Registers of Members in respect of the Ordinary and Second Preference Shares of the Company will be closed from 9th April 1956 to 28th April 1956, both days inclusive.

By Order,
P. B. SEN GUPTA,
Secretary.

DUNLOP HOUSE,
57B, FREE SCHOOL STREET,
CALCUTTA, 29*th March* 1956.

N.B.—As any dividends that may be declared will be paid only to shareholders registered in the Company's Registers of Members, those holding shares on blank transfers are advised to register them prior to 9th April 1956.

In terms of Article 4 of the Company's Articles of Association, no Preference Shareholder as such is entitled to attend the Meeting. A Debenture Stockholder as such is also not entitled to attend the Meeting.

THE MODERN MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-second Annual General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Friday the 27th day of April 1956, at 3-45 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st October 1955.
2. To declare a Dividend and Bonus.
3. To appoint Directors in place of those who retire by rotation but who are eligible for re-appointment.
4. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company will be closed from the 2nd day of April 1956 to the 21st day of April 1956, both days inclusive.

Any member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member.

Detailed Notice setting forth all the items of business to be transacted at the above Meeting has already been published in the Press and has also been posted to the Shareholders individually.

By Order of the Board,
N. SIRUR & CO. PRIVATE LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

BOMBAY, 14*th March* 1956.

N.B.—The dividend and bonus, when declared, will be made payable at the Registered Office of the Company on and after Wednesday the 9th May 1956, between 12 noon and 3 p.m. on week days, other than Saturdays, and between 12 noon and 1-30 p.m. on Saturdays, to Shareholders whose names stand on the Register of Members on the 2nd April 1956.

JENSON AND NICHOLSON (INDIA) LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 39th Ordinary General Meeting of Shareholders of the above Company will be held at the Registered Office of the Company, No. 2, Fairlie Place, Calcutta, on Friday, 27th April 1956, at 11.00 a.m., for the following purposes:—

1. To receive and consider the Directors' Report and the Accounts for the year ended 31st December 1955.
2. To declare Dividends.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other competent business.

The Share Transfer Books of the Company will be closed from the 17th to 27th April 1956, both days inclusive.

By Order of the Board,
H. S. CHALLIS,
Secretary.

2, FAIRLIE PLACE,
CALCUTTA, 29*th March* 1956.

Note.—A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not also be a Member of the Company.

THE MILLOWNERS' ASSOCIATION BOMBAY

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING of the MEMBERS of the MILLOWNERS' ASSOCIATION, BOMBAY, will be held in the rooms of the Association (Second Floor, Elphinstone Building, Veer Nariman Road, Fort), at 11-00 a.m. (S.T.) on Tuesday the 24th April 1956, to transact the following business:

(1) To receive and adopt the Committee's Report and Statement of Accounts for the year 1955;

(2) To appoint Auditors of the Association's Accounts for the current year and to fix their remuneration;

AND any other business that may be brought forward.

By Order of the Committee,
N. S. V. AIYER,
Secretary.

BOMBAY, 14*th April* 1956.

THE MILLOWNERS' ASSOCIATION BOMBAY

NOTICE IS HEREBY GIVEN THAT A SPECIAL GENERAL MEETING of the MEMBERS of the MILLOWNERS' ASSOCIATION, BOMBAY, will be held in the rooms of the Association (Second Floor, Elphinstone Building, Veer Nariman Road, Fort, Bombay), on Tuesday the 24th of April 1956, immediately after the Annual General Meeting which has been fixed for the same day, to consider and sanction the amendment of the Association's Rules and Regulations, already circulated to members.

By Order of the Committee,
N. S. V. AIYER,
Secretary.

BOMBAY, 14*th April* 1956.

CALCUTTA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, "Stephen House" Fourth Floor, No. 4 Dalhousie Square East, Calcutta, at 3 p.m. on Monday the 30th April 1956, for the purpose of receiving and passing the Report of the Directors and the Managing Agents for the half-year ended 30th June 1955, declaring a dividend on Preference shares and transacting such other business as may be brought forward.

The Transfer Register will be closed from 20th to 30th April 1956, both days inclusive, and it is notified that Dividend Warrants will be issued and posted to the registered shareholders only on application. Persons holding shares under blank transfer are advised to effect registration of scrip to their names as soon as possible but not later than 20th April 1956.

By Order of the Board,
DAYARAM & SONS,
Managing Agents.

"STEPHEN HOUSE," FOURTH FLOOR,
4, DALHOUSIE SQUARE EAST,
CALCUTTA, 29*th March* 1956.

THE BELSUND SUGAR COMPANY LIMITED

NOTICE

THE ANNUAL ORDINARY GENERAL MEETING of Shareholders will be held at the Registered Office of the Company, 14, Netaji Subhas Road, Calcutta-1, on Monday the 30th April 1956 at 3 p.m., for the purpose of receiving the Directors' and Auditors' Report for the year ended 30th September 1955, passing the Accounts, declaring Dividend, electing Directors and Auditors in place of those retiring and transacting any other business that may be brought forward.

Notice is hereby given that the Share Transfer Books of the Company will be closed from 16th April to 30th April 1956, both days inclusive.

The Dividend Warrants will be sent to Registered Shareholders.

By Order of the Board,
BANGUR BROTHERS LTD.,
Managing Agents.

14, NETAJI SUBHAS ROAD,
CALCUTTA, 28*th March* 1956.

N.B.—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

NEW CENTRAL JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Annual General Meeting of the shareholders of the Company will be held on Monday the 14th May 1956, at 4-30 p.m. at the Company's Registered office, 11 Clive Row, Calcutta, to receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended December 1955, to declare final dividends, to elect a Director in place of the retiring one and to appoint Auditors for the current year and fix their remuneration.

The Share Transfer Books of the Company will be closed from 5th May 1956 to 14th May 1956, both days inclusive.

By Order of the Board,
SAHU JAIN LTD.,
Managing Agents.

CALCUTTA, 29*th March* 1956.

N.B.—A member entitled to attend and vote at the General Meeting is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member.

QUESTION HOUR IN PARLIAMENT

No Inflation

IF one takes a long-term view, there is practically no inflation yet in the country. While there has been an increase of about 11 per cent. in prices during the first Five-year Plan period, the national income has gone up by 18 per cent. It is a fact that notes in circulation have increased by Rs. 61.4 crores between 20th January and 9th March this year. But this does not constitute a clear indication of inflationary tendencies. The Government is watching the situation and has all weapons ready in its armoury to deal with inflation when it becomes necessary.

* * * *

Borrowings By Governments

Total borrowings by the Union and State Governments during 1956-57 are expected to be Rs. 100 crores and Rs. 50 crores, respectively. The exact amount can, however, be known only when the Governments decide to raise the loans.

—*B. R. Bhagat*

World Bank Loan for Koyna

The World Bank has signified its willingness to consider granting a loan to the Koyna hydro-electric project. A consolidated project report on Koyna is being sent to the Bank which will proceed further in the matter.

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New Companies

During 1955, out of 1,403 applications for registration of new companies, 1,390 were accepted. Seven applications had been rejected, while six were still pending. The largest number of applications—551—came from West Bengal.

* * * *

Indian Telephone Industries

The Mysore Government's request for the return of its share capital in the Indian Telephone Industries and Hindustan Aircraft has been turned down by the Centre. It has not been possible to accede to the Mysore Government's request either for the return of its capital or for its conversion into preferential shares carrying five per cent. dividend. This decision has been communicated to the Mysore Government.

—*M. C. Shah*

Reserve Bank Branch

The proposal to open a Reserve Bank of India branch at Patna has been abandoned. After the formation of the State Bank of India, the position has changed, because the purpose for which the Reserve Bank was to have been opened would be served by the State Bank. Henceforth, Reserve Bank branches will be opened only for three specific purposes—Issue Department, Department for Banking Operations or for Agricultural Credit. The premises acquired in Patna for housing the Reserve Bank will, however, be retained for use by the Note Cancellation Department.

* * * *

Opium Exports

India exported during 1955 about 195.5 tons of opium which fetched a revenue of Rs. 1.28 crores.

—*A. G. Guha*

Tea Prices

The fall in prices of tea last season was due first to overproduction in the country and, secondly, to the insistence of Government that larger quantities should be auctioned in India, instead of being sent on consignment to the United Kingdom. Indian exports of tea during April 1955 to January 1956 aggregated 254,256,820 lbs. from Northern India and 60,423,973 lbs. from Southern India.

—*T. T. Krishnamachari*

Foreign Demand for Tea

The demand for Indian tea abroad is satisfactory. I am not aware that the demand for Indian tea in Australia and New Zealand is affected adversely by the delay (of three months) in shipments reaching those countries. India, along with other tea-producing countries like Ceylon, does make efforts to propagate consumption of tea generally in the world. Apart from this, there is no propaganda being done to popularise Indian tea as such in world markets.

* * * *

Tea Garden Workers

A sum of over Rs. 2 lakhs was disbursed from the Tea Board funds during 1954-55 for the welfare of tea garden workers. This amount was utilised for providing recreational, educational and vocational training centres for tea garden workers and medical facilities for them not contemplated under the Plantation Labour Act.

—*D. P. Karmarkar*

Production of Pencils

Out of about 600,000 gross pencils which India requires every year, about 300,000 gross are produced in the country at present. To encourage the development of this industry, pencil imports have been restricted and a duty of As. 2 per pencil has been imposed on imported pencils, with a view to confining imports to superior quality pencils. The Government is also arranging to get the services of a foreign technician to assist the manufacture of pencil slips.

* * * *

Aluminium Industry

The aluminium factory, to be set up at Hirakud, will have an annual capacity of producing 10,000 tons of aluminium. The factory is expected to go into production by the middle of 1957. The company is a joint Indian and Canadian enterprise. Aluminium may henceforth be an industry in the public sector, but I do not know yet. In any case, I do not think it will affect the functioning of the existing units.

* * * *

Fountain Pens

The Government has already approved of schemes for the manufacture of quality fountain pens. Pens of the quality of "Parker 51" and "Sheafers" are being manufactured in India.

—*Nityanand Kanungo*

Hand-pounded Rice

Development plans are initiated to provide additional employment in rural areas by increasing the production of hand-pounded rice. Financial assistance is sanctioned to give a subsidy for introducing improved pounding implements on the basis of 50 per cent. of the cost and for a production subsidy to co-operative societies and recognised institutions at the rate of six annas per maund of paddy processed by hand-pounding methods. Stipends are given for the training of workers and loans are sanctioned for stocking paddy and for manufacturing implements. Money is also sanctioned for research and experiments. The production of hand-pounded rice in 1954-55 was 18.24 million tons, as against 20.76 million tons in 1953-54.

* * * *

Silk Industry

The Mysore Government is considering the question of taking over the management of the Mysore Spun Silk Mills Ltd. at Channapatna. I cannot state whether the Government is considering the nationalisation of the spun silk industry. This is too large a question to be answered at this stage. The Channapatna Mills is the only unit in the country which utilises silk waste produced in the country. Although it has a capacity of 800,000 lbs., it is utilising at present only about 350,000 lbs. The surplus quantity of silk waste produced not only in Mysore but in other parts of the country is being exported at present.

—*K. C. Reddy*

Mineral Oil Resources

The opinion of Indian geologists about the existence of mineral oil in certain areas in the country have been confirmed by Russian experts. During the current year, exploration of oil by means of geological and geophysical surveys are being carried out in Jaisalmer, Cambay and East Punjab areas. It is also proposed to carry on geophysical surveys in the Ganga valley. Exploratory drilling also is expected to be started at a few selected places.

* * * *

Oil in Cauvery Delta

The Government knows something about the possibilities of striking oil in certain tracts of the Cauvery delta and some areas in the south-eastern portion of the country. More data has got to be collected in order to include these areas for exploration in our programme.

* * * *

Artificial Rain

Two Indian scientists are now in Australia carrying on research on artificial rain making. As soon as they return, further experiments will be undertaken in the country.

Copper Mines

The Government of India is considering the question of developing copper mines in the country. Some foreign experts who visited India recently have made certain recommendations regarding the development of copper mines and the Government is considering the question of implementing those recommendations. The Indian Copper Corporation is at present producing about 7,000 tons of copper in Singhbhum district in Bihar.

—*K. D. Malaviya*

Steamer Service to Laccadive Islands

The Central Government has initiated action with a view to opening a direct steamer service between the mainland and the Laccadive Islands. This action has taken the form of persuading shipping companies to run a steamer service to the Laccadives. No definite date can be given for the service to begin, but it was expected some time ago that it could be started earliest by September this year.

—*B. N. Datar*

"Vanaspati" Industry

The installed capacity of *vanaspati* industry is not proposed to be increased during the second Five-year Plan. One of the manufacturers with four factories accounts for 18.4 per cent. of the total installed capacity in the country and manufactured during 1953-54 and 1954-55 nearly 26.5 per cent. of the total production in the country. The proposals for the colouring of *vanaspati* to prevent adulteration cannot be proceeded with, as no suitable colouring material can be found.

* * * *

Steel for Railways

The railways require one million tons of steel during the current year. The railways are now experimenting with cement concrete sleepers, in place of steel and cast-iron ones.

* * * *

River and Canal Navigation

A provision of Rs. 340.22 lakhs for inland water transport development has been proposed for inclusion in the second Five-year Plan. This provision covers expenditure envisaged on seven schemes. River control and conservancy measures in the Ganga-Brahmaputra region, including dredging, snag clearance and provision of aids to navigation are expected to cost Rs. 92.4 lakhs. For the development of inland port facilities in the Ganga-Brahmaputra region, a sum of Rs. 49.57 lakhs has been proposed. Besides Rs. 20 lakhs as contribution to the Ganga-Brahmaputra Water Transport Board, a sum of Rs. 8.25 lakhs is meant for river surveys in the Ganga-Brahmaputra region and Rs. 12 lakhs for the purchase of equipment for the Assam Ferry Project and the Assam Feeder Rivers Project. Included in the proposals are two schemes for South India—the development of the Buckingham Canal and its linking with Madras harbour (Rs. 115 lakhs) and the development of the West Coast Canals (Rs. 43 lakhs).

—*O. V. Alagesan*

Major Industrial Projects

The Planning Commission has decided that the major industrial projects in the public sector requiring large capital and much technical know-how should be undertaken by the Centre and not by the State Governments.

—*Jaisukhlal Hathi*

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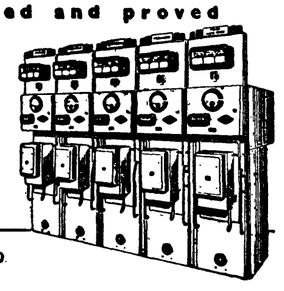

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EFFORTS AT SPEEDING UP INDUSTRIAL PROGRESS

CHEMICALS AND HEAVY INDUSTRIES RECEIVE GREAT ATTENTION

From A Special Correspondent

NEW DELHI, 10th *April*

DELHI LETTER

THAT the industrial structure of India is being strengthened and diversified in a number of directions with passing of each year, as a result of the gradual and successful implementation of the various schemes, is fully borne out by the latest Annual Report of the Ministry of Commerce and Industry for the fiscal year 1955-56, presented to Parliament this week. Several indices are given to show that the pace of industrialisation is being accelerated. There has been a sharp rise in the imports of machinery from Rs. 84 crores in 1954 to Rs. 108 crores in 1955. Another indication is the rise in the imports of iron and steel, the value of which improved from about Rs. 27 crores in 1954 to Rs. 50 crores in 1955. Imports of steel up to the end of October 1955 amounted to 6.79 lakh tons, as against 3.87 lakh tons and 2.48 lakh tons for the whole of 1954 and 1953, respectively. Efforts are being made by Government to obtain more steel from abroad simultaneously with measures for increasing the domestic production as quickly as possible. As a result, the engineering industries in the country have been able to report an impressive progress since 1954.

The cotton textile industry established a record production at 5,087 million yards in 1955. The Annual Report discreetly avoids the controversial question of rehabilitation, modernisation and expansion of this industry, pending results of the final investigation of the potentialities of the *Ambar Charkha*. The Government's survey work, which covers both the technical and the business-*cum*-management aspects, is not yet complete. The examination of the rate of replacement requirements of machinery in order to formulate the development plans of the textile machinery industry is also not over; it is stated that data has so far been gathered in regard to 75 mills only.

Jute Industry

Since no controversial questions are involved in regard to the jute mill industry, the Report has furnished more information on the subject. It observes that the modernisation of jute mills is a matter of some urgency and that progress is being made steadily in this direction. About 44 mills out of a total of 85, it is stated, have been modernised already or are in the process of modernisation. Since the beginning of 1954, licences for the import of modern preparing and spinning machinery of the value of Rs. 8 crores approximately have been issued to jute mills. Arrangements for the manufacture of jute mill machinery in the country have also been made and three firms have been licensed for the purpose. In order to assist jute mills in modernising their machinery, the Government of India has decided to grant them loans through the National Industrial Development Corporation.

During 1955-56, the Ministry undertook a systematic assessment of the need for expansion in existing industries as well as the potentialities of developing the production of items for which the country was still dependent on imports. A number of Committees were set up to examine the possibilities and lines of future development of items like earthmoving equipment, machine tools, aluminium, power alcohol, etc. Negotiations were conducted with many foreign firms in regard to terms of collaboration in respect of a number of industries. Further, intensive studies were made to consider the lines of future development. These included gear cutting, wood-pulp, carbon black, printing machinery, refractories and compressors. For the development of more important industries for which sufficient capital was not forthcoming from private resources, the Government began giving financial assistance to the promoters of the schemes by granting loans on special terms or by participating in equity capital. The industries to which assistance was given included the manufacture of explosives for civilian purposes, intermediates for certain types of dyestuffs, textile machinery, steel production, etc.

In 1955, the position of the automobile industry was considerably strengthened with the formulation of several programmes for the manufacture of important ancillaries. Among these mention may be made of the production of wheels and rims, clutches and brakes, shock absorbers, oil seals, gaskets and ignition coils. The Government is also endeavouring to establish indigenous capacity for the remaining important ancillaries, such as carburettors, starter motors and dynamos, steering and dashboard instruments. The manufacture of vehicular diesel engines by a Madras firm showed progress according to schedule and, in a period of about 18 months, this firm expects to produce the entire engine less proprietary items. A firm in Bombay has been granted a licence under the Industries Act for the manufacture of another brand of vehicular diesel engines. This firm is expected to complete the manufacture of the engine in a period of three years. With a view to assisting the growth of motor cycles and scooters industry, Government reduced the customs duty on these vehicles when imported in c.k.d. packs for assembly and progressive manufacture.

Heavy Machinery

Particular attention was paid to the development of heavy machinery industry during the year under report. The textile machinery industry made notable strides, especially in the production of carding engines, looms and ring frames. In regard to jute textile machinery industry, it is being hoped, that, in a few years' time, the jute industry will cease to be dependent on imports. Steps were also taken to set up sugar, cement and printing machinery industries—a firm in Coimbatore having already brought out a proto-type rotary printing press. The manufacture of the complete range of paper mill and mining machinery, earthmoving equipment and water tube boilers also received the attention of the Government. In the tools industry section, hand-saw blades were manufactured for the first time during the year. Production of machine tools increased from 1,500 in 1954 to 2,800 during the year under reference. Proposals for the manufacture of capstan and turret lathes were approved by the Government.

In regard to diesel engines and pumps industry, the Commerce and Industry Ministry afforded considerable encouragement for developing capacity for the manufacture of special types of pumps, e.g., acid pumps, submersible pumps, etc., and for high horse-power diesel engines for use in railway traction, power generation, marine propulsion, etc. A programme for the manufacture of high horse-power diesel engines is stated to be under examination of Government. In the electrical engineering industries section, production of aluminium conductors, rubber and plastic insulated cables, switchgear, etc., were started during the year.

As the target for steel production has been revised to six million tons, to be attained by the end of the second Five-year Plan, the target capacity for ferro-manganese was also stepped up from 100,000 to 160,000 tons per annum. Seven new programmes were approved for the production of ferro-manganese and the installation of further capacity was being considered. Eleven new units were allowed to set up fresh capacity for steel castings and one unit was permitted to effect substantial expansion. Efforts to obtain project reports were made in regard to structural fabrication and foundry-cum-forges industry. Among other products manufactured in the country on a commercial scale for the first time, mention may be made of alternators, cycle dynamo lighting sets, complete typewriters, self doffing jute sliver, spinning frames, tea dryers, clinker cooler and clinker breakers, delivery valves and pump elements for fuel injection equipment, vertical multi-cylinder diesel engines, certain sizes of drilling machines, all geared head bench lathes and hypodermic needles, etc.

In the chemical section, penicillin, ammonium chloride and bismuth salts were manufac-

(*Continued on page* 752)

BALANCE OF PAYMENTS

U.K. ALONE RESPONSIBLE FOR DETERIORATION

From Our Own Correspondent

LONDON, 31*st March*

LONDON LETTER

IN their Annual Survey just published the Government are spelling out just what were the factors that put the balance of payments wrong last year. First of all, what is the significance of the "unbalance"? In 1953, there was a favourable balance of £177 million, in 1954 one of £205 million (although the second half of that year only accounted for £31 million and the deterioration had in fact begun) and in 1955 the unfavourable balance was £103 million—split in turn between a favourable balance of £15 million for the first half-year and an unfavourable one of £118 million in the second half-year. Thus, the deterioration has been accelerating and has not been confined to the trade balance. The fall in reserves has been even greater, the total dropping by nearly £230 million over the past year.

This last figure is, of course, compounded of the U.K. position and that between the sterling area and the rest of the world. The latter position has been maintained relatively favourably as the following table shows:

Balance of Overseas Sterling Area with Non-sterling Countries

(In million £'s)

	1954	1955
1st half year	+135	+108
2nd half year	+ 29	+ 29

We are thus driven back to the hard fact that it was the inflationary position in the U.K. and in the U.K. alone that caused the drain on the reserves. Indeed, the U.K. had a current account deficit with the dollar and other non-sterling world of over £300 million, on top of which there was a diminution of the sterling balances of over £90 million. Other capital transactions and the favourable trading balance of the overseas sterling area helped to reduce the impact of these deficits to the £230 million which actually flowed out in gold and dollars.

Searching the U.K.'s own accounts to see what went wrong in 1955, one is struck by the following differences between the position in 1954 and in 1955:

U.K. Trading Balance

(In million £'s)

	1954	1955	Difference
Exports and re-exports ..	2,817	3,061	+244
Imports f.o.b.	3,009	3,413	+404
Trading deficit : visibles ..	—192	—352	—160
Government expenditure ..	—174	—181	— 7
Other invisibles	+521	+386	—135
Defence aid	+ 50	+ 44	— 6
Total ..	+205	—103	—308

So in brief, there was a 5 per cent. deterioration in the ordinary visible trade balance, the flow of imports and exports, but something like a 25 per cent. deterioration in the invisibles. For this a heavy drop in net shipping and miscellaneous commercial income was responsible. But invisibles are always chancey items and the authorities are right in concentrating on a reduction in imports and an expansion in exports as the way out of present embarrassments; after all, net income would not have slumped, if imports had not expanded so heavily. Similarly, the fall in net commercial income was partly due to much heavier expenditure on Middle Eastern oil and this sort of expense must be met by higher export earnings.

It would not be at all surprising to find that the Government's short-term measures had resulted in putting the ordinary trade balance right, while the pressure on the reserves due to the weakening of confidence in sterling in February 1955 and again in July of that year has worked itself out and, indeed, has not been much in evidence in the past six months ever since the Istanbul meeting of the I.M.F., though a dribble of gold outwards has continued. The real problem—the drastic reversal of the underlying trends of weak exports and strong imports—continues and the Government's views on the long-term measures to tackle this will be dealt with in a succeeding letter.—*All Rights Reserved.*

MONEY RATES DECLINE

(*From Our Own Correspondent*)

BOMBAY, 11*th April*

The short-term money market experienced a slight break in the acute stringency noted during the past few weeks, following the inflow of some funds. There was no indication of the source of this inflow, unless it be the disbursement of compensation by the Government to displaced persons from Pakistan during the past two weeks. Be that as it may, this week the banks were not such keen borrowers at higher rates as they were last week.

There was actually a fractional fall in interest rates. Interbank call money was offered no more than 3¼ per cent., as against 3⅜ per cent. last week. Some transactions were reported to have been done even at 3 per cent. House money at call also fetched no better than 3¼ per cent. Short-term deposit rates declined from 3½ per cent. to 3¼ per cent.

There was no sale of Government of India 91-day Treasury Bills this week. The Reserve Bank has not invited tenders for next week either.

A further sharp rise of Rs. 40.05 crores in notes in circulation is disclosed by the Reserve Bank of India's statement for the week ended 6th April 1956. Notes held in the Banking Department are also up by Rs. 3.01 crores, so that the aggregate expansion in total notes issued is of the order of Rs.43.06 crores. This is covered on the assets side by an increase of Rs. 30 crores in foreign securities, of Rs. 9.94 crores in rupee securities and of Rs. 3.12 crores in rupee coin. In the Banking Department, there has been a fall of Rs. 10.24 crores in the deposits of the Central Government and of Rs. 26.34 crores in those of other Governments. Deposits of banks show no notable change. Balances held abroad have declined by Rs. 27.62 crores, evidently because of the transfer made to the Issue Department. Loans and advances to Governments have risen by Rs. 1.15 crores, while other loans and advances have dropped by Rs. 15.12 crores, of which advances to Scheduled banks against usance bills account for Rs. 1.99 crores. There have, however, been fresh borrowings by banks during the week to the tune of Rs. 4.83 crores against these bills.

The Scheduled banks' statement for the week ended 30th March 1956 reveals that the upward trend in deposits of banks has been maintained with a fresh rise of Rs. 9.75 crores in demand deposits during the week and of Rs.1.26 crores in time deposits. Inter-bank borrowings are also higher by Rs. 1.17 crores, while those from the Reserve Bank have declined by Rs. 1.85 crores. Borrowings from the State Bank of India disclose a rise of only Rs. 89 lakhs. On the assets side, advances have risen by Rs. 10.54 crores and bills purchased and discounted by Rs. 53 lakhs. Investments have fallen by Rs. 2.06 crores. A rise of Rs. 3.64 crores is noted in cash and balances with the Reserve Bank and of Rs. 2.18 crores in money at call and short notice.

The Gilt-edged market was featureless during the week under review, and the undertone was quietly steady. The volume of business remained small. 3 per cent. 1957 attracted buyers a shade higher at Rs. 99-12 and 3 per cent. 1958 at Rs. 99-10. 3 per cent. 1959-61, 3 per cent. 1963-65 and 3 per cent. 1964 were neglected, but they held their ground at Rs. 98-1, Rs. 94-13 and Rs. 94-11, respectively. 3 per cent. 1966-68 was in demand at Rs. 92-10½, while 3 per cent. 1970-75 was asked for a fraction lower at Rs. 89-11½. 3 per cent. 1986 Conversion Loan was dull at Rs. 76-11. 3½ per cent. 1961 was quiet at Rs. 99-7. 3¼ per cent. 1964 was in request an anna higher at Rs. 98-11½ due to proximity of voucher. 3½ per cent. 1965 was unchanged at Rs. 98-9, at which the Reserve Bank appeared as a seller. State loans were featureless, but there were buyers at quoted rates. 4 per cent. 1967 Bombay was marked down by an anna to Rs. 100-6, as also U.P. loan to Rs. 99-6. 4 per cent. 1967 M.P. shed an anna to Rs. 99-7. 4 per cent. 1967 West Bengal and Madras were unchanged at Rs. 100 and Rs. 99-6, respectively.

In the foreign exchange section, the rupee displayed a hardening tendency in terms of the U.S. dollar, in consonance with the strength of sterling abroad. The banks' selling rate for ready dollars declined from Rs. 477½ to Rs. 476¾ per $100 and their buying rate from Rs. 473 to Rs. 472¾ per $100. In New York, spot sterling hardened from $2.80.9/16-2.80.11/16 to $2.80¾-2.80⅞ and three months' forward from $2.78⅝-2.78⅞ to $2.78¾-2.78⅞. Transferable sterling advanced from $2.77.15/16-2.78.1/16 to $2.78.15/16-2.78.7/16.

EXPORT BUSINESS IN KIPS MEAGRE

(*From Our Own Correspondent*)

MADRAS, 9*th April*

Owing to Easter holidays in the U.K., shipment business in kips has been meagre. U.K. buying is likely to be resumed during the middle of the month. Sellers have been holding for higher prices and tanners are operating in the raw centres at prices higher than those ruling early in March. Shippers are moderately active in the local market and are paying increased prices. Demand for lower grade kips for local trade is good and prices paid are one to As. 2 above U.K. parity. Buff hides and calf and cow calf market rules quiet.

There has been good clearance in ordinary quality sheep skins in the local market at unchanged levels. Prices of tanned goat skins remain steady and tanners of top marks are in a well sold position and are not willing to accept shipment business at low prices.

Shipments during the month of March were: 3,298 bales tanned cow hides, 378 cow calf, 26 buffs, 548 buff calf, 1,256 goat, 563 sheep and 12 dryssalted goat skins to the U.K. ports; 3 bales cow calf, 473 goat and 160 sheep to Continental ports; 10 cow calf, 80 buffs, 200 buff calf and 104 goat to the U.S.A.; 107 bales tanned sheep to Japanese ports.

BULLION RECOVERS AFTER EARLIER RECESSION

(*From Our Own Correspondent*)

BOMBAY, 11*th April*

A two-sided movement in prices was witnessed in the bullion market during the week under review. Both silver and gold suffered a sharp recession in the earlier half of the week, the downward movement noted in the previous week having gathered momentum. In the latter part of the week, however, both the metals gathered considerable strength. Notwithstanding this recovery, silver was fractionally lower on balance, while gold displayed a gain of a few annas.

The earlier retreat in bullion prices was attributed to nervous unloading by bulls on apprehensions of the possibility of a credit squeeze, as a measure of checking speculation and inflation. Indications of further large influx of Tibetan coins, the lower offtake in ready gold and weaker advices from the share market were additional depressing factors. The opportunity was seized by bears to hammer the market down. Later, the absence of any arrivals of silver coins from Tibet since Monday this week and a broadening of the offtake in gold brought about a recovery during the last three days.

Silver forward (26th April settlement) fell headlong from Rs. 181-7 to Rs. 177-14 early in the week, but crept up gradually to Rs. 180-14 today before winding up at Rs. 180-10.

Ready silver (.996 Mint) was marked down from Rs. 180-15 to Rs. 177-6. In the subsequent recovery, it gained to touch Rs. 180-6 at the close today.

The floating stocks of silver are placed at 900 bars. The daily average offtake was 25 bars.

Forward gold (25th April settlement) reacted early in the week from Rs. 105-5 to Rs. 103-5. The loss was, however, more than made good in the later half of the week, when gold came up to Rs. 106-4 today before closing at Rs. 105-14.

Ready gold finished the week at Rs. 106, registering a gain of As. 11 over the week, after having dipped to a low of Rs. 103-3. The floating stocks of gold are reported to be 30,000 tolas. The daily average arrivals were 4,500 tolas, while the offtake was about 4,000 tolas on an average.

In London, both silver and gold prices were marked down. Spot silver declined from 79*d.* to 78⅞*d.* and forward from 79*d.* to 78⅞*d.* Gold reacted from 249*s.* 5¼*d.* to 249*s.* 2*d.*, reflecting the strength of sterling. In New York, the price of silver was put up from 90½*c.* to 91*c.*

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

	11-4-56	Highest	Lowest	4-4-56
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	106 0	106 6	103 3	105 5
Forward*	105 14	106 4	103 5	105 5
Sovereign	66 4	66 4	65 12	66 4
SILVER				
Ready (.996 fine Mint) ..	180 6	180 14	177 6	180 15
Forward†	180 10	181 6	177 14	181 7
London Silver Ready ..	78¾d.	79*d.*	78⅛*d.*	79*d.*
London Forward	78¾*d.*	79*d.*	78⅛*d.*	79*d.*
London Gold	249*s.* 2*d.*	249*s.* 5¼*d.*	249*s.* 2*d.*	249*s.* 5¼*d.*
New York Ready	91*c.*	90*c.*	90⅞*c.*	90⅝*c.*

* 25th April settlement.
† 26th April settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

LINSEED IMPROVES

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 9*th April*

Following better demand from crushers, particularly for ready goods, linseed prices improved during the week, daily turnover being quite substantial. Although arrivals of seeds were maintained at the fairly high average of the past few weeks, offtake increased and sellers were disinclined to enter into commitments for forward delivery. The disparity between the price of ready and forward seeds, as a consequence, disappeared. The oil section was on the whole featureless, with hardly any fresh business reported.

Overseas markets appear to be a shade easier and it is reported that some re-purchases have been made in London by Indian shippers. Even so, in view of the heavy shipments booked for the months of April-June, local prices are not expected to weaken, despite the pressure of new crop arrivals. Local sellers are very reserved.

The latest available quotations are: Ready Rs. 22-6 and April-May Rs. 22-4 per maund.

HIDES ARRIVALS SMALL

(*From Our Own Correspondent*)

KANPUR, 8*th April*

During the week under review, the conditions of the hides and skins market were more or less similar to those prevailing last week. Fresh arrivals were comparatively less. The main purchasers were the local tanners. Madras dealers were in for lighter cow and goat.

The latest available quotations are: Wet salted cow, 1st grade Rs. 300, 2nd grade Rs. 250 and 3rd grade Rs. 100 to Rs. 200 per score; wet salted buff, 1st grade 1 lb. 12 ozs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat, 1st grade Rs. 275 and 2nd grade Rs. 225 per 100 pieces; sheep, 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces.

IMPORT OF COTTON

(*From Our Own Correspondent*)

BOMBAY, 11*th April*

The persistent buying spree witnessed in the cotton market for a fairly long time now has been checked, at any rate for the time being, thanks to prompt Government action. Just yesterday, the Government announced its decision to permit import, with immediate effect, of cottons stapling ⅞" to 1.1/16" up to a ceiling of 40,000 bales from both dollar and non-dollar areas. Licences would be issued in favour of mills and importers on a first-come-first-served basis; they would be valid up to 30th June next. It is, however, doubtful if this decision would be sufficient to arrest the rising tendency in cotton prices. For the total quantity that will be licensed is meagre, being only 40,000 bales. What is more, the chances of importing American cotton with a staple length of even below 1 1/16" are slender, since the current ruling prices abroad of this growth are very much more than those for the comparable growths of Indian cotton. Even supposing that the entire quantity of foreign cotton now licensed is imported, the effect on the market may not be much, what with the firm trend of piecegoods markets. Cotton circles are therefore, inclined to expect announcement of some fresh official measures, such as ban on resale of cotton purchased by mills and allocations of available Indian cotton to mills on the basis of a quota system.

While the Government has still not made up its mind as to the steps that should be taken to put an end to speculative activity in the cotton market on a permanent footing, it is reported to have decided not to grant permission for the resumption of futures trading in I.C.C. August 1956. The Government is, however, considering the proposal for permitting futures trading in 1956-57 cotton crops by the end of June next. The permission, it is said, will be subject to the condition that the Board of the East India Cotton Association will adopt certain changes effected in the terms of the forward contract by the Forward Markets Commission. The changes are said to relate to sworn surveyors, delivery months, election of directors and maintenance of business accounts by traders.

Trading in the spot cotton market was a dull affair during the week under review also. As mills were somewhat hesitant in their purchases on hopes of a further fall in prices, cotton values continued to be generally easy. Vijay proved an exception and scored a smart gain, due to good buying support from mills. Moglais and Khandesh were also well favoured at higher prices. Among exportable styles, Zoda, Wagad and Kalagins came in for business. In the import section, Africans elicited sustained attention of operators and prices were well maintained. Business was put through in Busoga at Rs. 1,465-Rs. 1,470 and in B.P. 52 at Rs. 1,570-Rs. 1,580.

The following table gives the latest available quotations from the Sewri market, as compared with those a week before:

(In rupees per candy of 784 lbs.)

	11-4-1956	4-4-1956
Bengal *Deshi*	700	710
Berar Jarillas	770	775
Khandesh	775	765
Vijay	950	920
Oomra *Deshi*	700	700
Moglai	685	675

The firm trend noted in the Karachi cotton market last week gathered considerable momentum during the week under review. Heavy demand for Pakistan cotton from Communist China was the factor which provided the chief impetus. This, together with the reported decision of the Government of India to allow import of cotton stapling ⅞" to 1.1/16", let loose a buying spree in the market which took prices to dizzy heights. N.T.R.G. May staged an impressive rise of Rs. 5-13 to Rs. 83 per 82 lbs. July delivery jumped up by Rs. 5-1 to Rs. 80-4. The spot prices of cotton also recorded a handsome improvement. Punjab *Deshi* rallied Rs. 2 to Rs. 75. Sind *Deshi* advanced by Re. 1-8 to Rs. 78-8. The latest available spot prices —in rupees per 82 lbs.—of a few other popular varieties of Pakistan cotton are: 4F Roller 80-1; S.G. 85-12; Punjab Roller 86-4; S.G. 91-4; 289F NT. Roller 87-8; S.G. 98-8; 289F Punjab Roller 94-4; and S.G. 100-12.

Thanks to persistent demand for both Karnak and Ashmouni from East European countries and China in the wake of tightening supply position, the Alexandria cotton futures market continued to exhibit buoyant conditions, with prices forging further ahead. Egyptian cotton worth £E10 million will be purchased by China under a Sino-Egyptian trade agreement concluded at Cairo the other day. Futures trading in new crop Egyptian cotton has already been inaugurated. The earliest positions for long-staple and medium-staple are November and October, respectively. The Government of Egypt has decided to continue the present support prices for cotton for the next season's crop. The support prices in tallaris per lb. are 69 for Karnak good to fully good, 64 for Menoufi good to fully good, 59 for Giza 30 good and 55 for Ashmouni good. There has been an appreciable advance in the spot premiums for the popular varieties of Karnak, Ashmouni and Giza 30, reflecting scarcity of stocks. Exports of Egyptian cotton have been large, the total shipments in the current season up to 28th March being 576,943 bales (of 730 lbs. each), as against 437,051 bales in the corresponding period last season.

The latest available quotations—in tallaris per lb.—from the Alexandria cotton futures market (figures in brackets giving last week-end rates) are: Karnak: May 91.44 (89.05); July 89.05 (87.45) and November 86.55 (85.90); Ashmouni: April 73.00 (70.80); June 72.65 (70.45) and October 67.65 (66.70).

Another auction in new crop Uganda was held on the 5th inst. Offerings aggregated 10,400 bales *which consisted mainly of Busoga and Jinja.* Demand was reported to be quite good. Indian interests would appear to have made some purchase. The total quantity of Uganda cotton auctioned till the end of March was about 275,000 bales, of which India alone is reported to have bought nearly 200,000 bales. A recent report avers that the weekly auctions covering about 10,000 bales each, are *expected to be continued till the entire crop is sold.*

The Sudan Gezira Board held two auctions this week, one on the 4th inst. and the other on the 7th inst. The quantity offered for sale at the first auction included 2,400 bales of XG5L and 3,000 bales of G5L, and that offered at the second auction consisted of 1,500 bales each of G4S, XG5S and XG5L and G5L. The latest estimate of the Gezira Board places the yield of S grades cotton at 125,000 bales (425 lbs. each) and L grades at 170,000 bales.

There was no notable development in the Liverpool cotton futures market. Owing to Easter holidays and absence of any constructive move on the part of the U.S. Government to restore confidence in cotton prices, transactions put through were greatly restricted, with values moving narrowly. In the forward shipment section, Sudan cotton was the only variety which evoked buying orders. The undertone of the market was steady, as small trade covering orders absorbed the light hedge selling which was centred mainly on the new contract. The following are the latest available quotations—in pence per lb.—from the Liverpool cotton futures market:

Old contract: May-June 25.30; July-August 24.40; *New contract*: May-June 30.20; July-August 27.25; October-November 25.60; December-January 25-35; March-April 25.20. *Egyptian Karnak cotton*: May-June 48-70; July-August 48.35; November-December 48.85. *Sudan contract*: July-August 45.00; September-October 44.95; November-December 44.95.

The New York cotton market depicted a firm tone this week. Trade demands were fairly good, on expectation that mill enquiries for spot cotton would broaden after the uncertainties regarding U.S. cotton policy were cleared up. Near crop *positions were strong, as scattered trade buying* centring mainly on July position induced short-covering by earlier sellers and found offerings limited.

The U.S. Government has still not announced details of its new cotton export policy. This delay is attributed by cotton traders to the claims for export subsidies on cotton textiles and cotton waste. U.S. cotton exports have dropped by about 65 per cent. this season. In February last, it will be recalled, Mr. Ezra Benson, Secretary of Agriculture, announced that the Government-owned surplus cotton would be offered for export on a competitive bid basis, in order to regain the country's share of the world cotton trade. Mr. Bonson's offer was designed to make U.S. cotton—bought by the Government at prices above world levels—competitive with lower-priced foreign cotton. American textile manufacturers and handlers of cotton wastes then asked for comparable aid in selling their products in world markets. Trade sources now say that the State Department is opposing the use of subsidies for textiles and cotton waste, contending that such subsidies will be a violation of international trade policies, to which the U.S.A. is committed.

In the meantime, there are rumours in the U.S. that the support price for the next season may be fixed by the Agriculture Secretary himself through the exercise of his discretionary powers. According to a recent report, the Congress legislation on farm affairs may be vetoed by the Administration. The Senate has, it is understood, completed discussion on the Farm Bill. Among the amendments approved by the Senate is one increasing 'set-aside' of cotton from 7½ to 9 million bales, as against 3 to 4 million bales permitted by the present law. If such a high 'set-aside' becomes law, then the loan for next season and later will be 90 per cent. of parity, since 'set-aside' is not considered as part of supply in calculations for settling price support. There has been considerable opposition from leading cotton exchanges and other trade associations to sales of C.C.C. stock on a competitive bid basis as contemplated in the new export sales programme. Since substitution of such cotton with cotton privately owned will be permitted, the cheap cotton will, it is feared, depress futures prices to an uncertain extent. Trade circles generally appear to prefer a subsidy for export, for, according to them, that would not endanger the stability of the futures market and disrupt it as a safe medium for hedging activity.

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

(In cents per lb.)

	10-4-56	3-4-56	26-3-56
Spot	36.90	36.80	36.80
May	35.70	35.63	35.59
July	33.68	33.60	33.37
October	32.59	32.06	32.20
December	32.66	32.15	32.28

YARNS EASY

(From Our Own Correspondent)

BOMBAY, *11th April*

The yarn market presented a distinctly easy trend this week too. Staple fibre yarns were particularly subjected to heavy selling, thanks to constant pressure of sales at lower prices by South Indian mills. Some of these mills were reported to have secured licences for importing large quantities of raw staple fibre from Continental producers at reduced prices. Coming, as they did, in the wake of slackening demand from important consuming centres such as Amritsar, Ludhiana, Surat and Bhagalpur, these sales induced the local stockists of staple fibre yarn to lighten their commitments. Consequently, prices moved further downwards. Similarly, rayon yarns staged a relapse, on fears that the authorities might concede the rayon mills' request for utilisation of import quotas for bright *acetate yarn*, the stocks of which had been depleted of late. Reports of very restricted offtake by weaving mills also acted as a damper. Conditions in the cotton yarn section were dull. For operators evinced little interest in fresh business, as dealers and consumers were making only hand-to-mouth purchases. Nor was export business encouraging, since Indian cotton yarns, it was said, were meeting competition in the traditional markets from Italy, Pakistan and other countries.

Staple fibre yarns were, as already stated, subjected to considerable selling pressure and staged a recession. 40 x 2 counts were the worst sufferer. *New Greats slumped* by As. 4-9 to Rs. 3-6. Citys fell by As. 4-3 to Rs. 3-6-6. Centurys dropped As. 4 to Rs. 3-6 and Kohinoors As. 3-3 to Rs. 3-7. Among imported yarns (80 x 2), Fujis and K'Suns declined by As. 3 each to Rs. 7-8 and Rs. 7-11-6, respectively. Suicos eased by As. 2 to Rs. 8. S'Sellos shed an anna to Rs. 7-7.

Snia rayon yarn (120 dull cones) for June delivery climbed down by Rs. 9 to Rs. 805. April delivery was unaltered at Rs. 818. Deals in indigenous spot yarns were put through at reduced rates. National Rayons 120 Bt. cones 1st grade receded by As. 2-6 to Rs. 3-11-6. 150 Bt. cones 1st grade declined by an anna and a half to Rs. 3-9-3. Among foreign yarns, 120 Italy eased by an anna to Rs. 3-13. 150 Italy shed six *pies* to Rs. 3-12. 120 Japan and 150 Japan were both quiet at Rs. 4-1-6.

Twenty count cotton yarns failed to encounter support and suffered a setback. Dawns receded by As. 3 to Rs. 16-11. Hinds and Moderns lost As. 2 each to Rs. 16-8 and Rs. 16-14, respectively. Edwards were dull at *Rs. 16-4.* Among 10s, Podars shed an anna to Rs. 12-14. Elphinstones were unchanged at Rs. 12-6. Moderns, however, evoked some special buying support and rose by As. 2 to Rs. 13-4. Turnover in 30 counts was limited, Moderns being quoted at Rs. 22-12 and Kanpurs at Rs. 21. Among 40s, Minervas slipped by As. 4 to Rs. 26-12. Centurys were unchanged at Rs. 27 and Shardas at Rs. 26-8. But Maduras were favoured As. 2 higher at Rs. 27-12. Among 60s, Raguvamshis receded by As. 4 to Rs. 58-4, while Finlays strengthened by As. 3 to Rs. 61-8 and Moderns by As. 4 to Rs. 61-4. Among 80s, Moderns gave way from Rs. 66-8 to Rs. 66. Finlays, on the other hand, advanced by As. 8 to Rs. 73-8. Elphinstones were steady at Rs. 62-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	11-4-1956	4-4-1956	28-3-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)–			
120 Dull Cone Snia April	818 0	818 0	821 0
June	805 0	814 0	820 0
120 Japan (per lb.)	4 1¼	4 1¼	4 5¼
150 Japan (per lb.)	4 1¾	4 1¾	4 7
120 Italy (per lb.)	3 13	3 14	3 14
150 Italy (per lb.)	3 12	3 12¼	3 13¾
Staple fibre yarn (per lb.)			
40 x 2 New Greats	3 6	3 10½	3 12¾
40 x 2 Century	3 6	3 10	3 12
40 x 2 City	3 6¾	3 10¾	3 13
Cotton yarn (per bundle of 10 lbs.)–			
10s Podar	12 14	12 15	13 0
20s Hind	16 8	16 10	16 8
30s Madura	22 12	22 12	23 0
40s Minaxi	27 12	27 10	27 12
60s Modern	61 8	61 0	61 8
80s Finlay	73 8	73 0	72 8

CASTORSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, *11th April*

The oilseeds market resumed the week on a steady note. Delay in the announcement of the Government's export policy in respect of oils and oilseeds, better advices from other produce markets and hopes of a further expansion in currency induced considerable short-covering. Reports that the U.S. continued to show interest in castoroil even at slightly higher rates provided a fresh incentive to bulls. Consequently, prices crept up slowly in the first two sessions under the leadership of castorseeds.

This improvement, however, proved a short-lived affair in the subsequent session. The Reserve Bank of India's directive to banks to furnish fortnightly returns on their advances against commodities created uneasiness in the market, as it did in all other produce markets even in upcountry centres. Expectations of more delivery orders in groundnuts in the maturing April-May delivery, and reports of an increase in linseed arrivals also weakened the sentiment. On top of these came today the announcement of the Central Government's decision to impose, with immediate effect, an export duty of Rs. 250 per ton on linseed oil and of Rs. 200 per ton on nigerseed oil and kardiseed oil and to raise that on castor oil from 125 to Rs. 175 per ton. This announcement had a chilling effect on both the groundnut and linseed sections which registered losses under pressure of unloading by stockists. The castorseeds section, however, remained unaffected by the increase in export duty. If anything, it ruled firm, due to reports of business in castor oil with the U.S. at rates ranging *from 15.10 cents to 15.20* cents per lb. On renewed buying, May delivery forged ahead to touch a new peak of Rs. 142-8 though it closed a shade lower at Rs. 141. It is stated that the total commitment entered into with the U.S. during the last two weeks are over 3,500 tons of oil.

In the groundnut section, bold F.A.Q. rose from Rs. 34-8 to Rs. 34-12, but, subsequently, declined to close at Rs. 33-12. April-May delivery lost a rupee to Rs. 33-10 and June-July As. 14 to Rs. 34-8. Groundnut oil ex-mill was quoted today at Rs. 18-8, as against Rs. 19 last week. Railway receipt was lower at Rs. 18-4, as against Rs. 18-15.

The castorseeds section continued to remain active throughout the week on U.S. support for castoroil as stated above. May delivery improved from Rs. 134 to Rs. 139-2 and, after a mild dip to Rs. 137-2, it recovered to Rs. 142-8 though at the close it stood slightly lower at Rs. 141. In the spot section, F.A.Q. had transactions at Rs. 27-4, as against Rs. 26-4 last week. Madras quality rallied from Rs. 27 to Rs. 28-4. Castor oil, B.S.S., met with support up to Rs. 16-14, as against Rs. 16.

On reports of continued arrivals linseed presented a subdued tone. Linseed bold met with selling pressure and drifted down to Rs. 32-8, as against Rs. 34-10. April-May were dealt in at Rs. 32-4, as compared with Rs. 33-2. Small Sutna lost Rs. 3-6 to Rs. 30-4.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	11-4-1956	4-4-1956	27-3-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	33 12	35 6	35 10
April-May	33 12	34 10	35 0
Linseed—			
Bold Ready (per cwt.)	32 8	34 10	36 0
April-May	32 4	33 2	34 10
Castorseeds—			
May			
Madras (per cwt.)	141 0	137 4	136 2
.. ..	28 4	27 0	26 8
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 8	19 0	19 2
Castor Oil—			
Commercial (per quarter) ..	15 13	15 4	14 14
Linseed Oil—			
Ready	32 8	20 10	22 10

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, *11th April*

Distinctly easy conditions prevailed in the sugar market during the week under review, thanks to the substantial release orders issued by the Union Food Ministry to the Deccan mills. The total quantity of sugar involved in these orders is estimated at 28,000 tons, which represents 50 per cent. of the production up to 15th March. Following this large release of sugar for sale in free market, the ex-mill quotations for sugar came down by about Rs. 2-8 per bag. This fall induced selling in the market and price levels moved down. The decline would have been greater but for poor arrivals on account of wagon shortage; the quantity of indigenous sugar that actually arrived in the market during the week amounted to 9,000 bags only, as against 14,300 bags a week before.

In the spot section, large grain sugar receded from Rs. 95-Rs. 100 to Rs. 93-Rs. 99 per bag. Medium grain lost a rupee to Rs. 89-Rs. 91. Small grain was quiet at Rs. 88. British refined sugar was unaltered at Rs. 83-14 per bag of 2 cwts.

"C" grade sugar for *Vaisakh* delivery dropped As. 10 to Rs. 90; it was, however, slightly better at Rs. 90-2 today.

N.B.—The rates for Indian sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER DECLINES AT CLOSE

(Messrs. Parekh & Co.)

BOMBAY, *11th April*

Malabar black pepper started the week in promising style, Alleppey having raised their price to Rs. 830 and Cochin to Rs. 144 for garbled and Calicut to Rs. 875. The advance in the prices was rather rapid and was more or less engineered by interested parties. America, having refused to follow the advance, initial rise in the prices was erased on stale bull unloading. Erstwhile buyers became sellers and came out to sell *May shipment* at $0.29 and June at $0.29½, the highest being $0.32 and $0.32½ respectively. There being no notable short sales, prices came down at every small sales. Lower advices from Sarawak also proved a disturbing factor. Alleppey is reported down to Rs. 775 without buyers. Garbled at Cochin is nominally quoted at *Rs. 130.*

Bulls among the merchants and growers in the primary centres are trying to resist the fall and are holding over the stock in the hope that Russia may come out to buy further, as the Government is understood to have been trying to find ways and means for enlarging the export to U.S.S.R. and other East European countries and in view of the recent shipping agreement between Russia and India. The State Trading Corporation is reported to be under formation for trading with these countries on Government-to-Government basis. New York, after buying a small quantity for shipment during early April at $0.30, is now reported indicating at $0.29.

Unless concentrated buying from New York is forthcoming within a week or two, it is feared growers may become tired long and may come out to press sales. In view of the present rising tendency in other commodities, some measures for tightening the credit facilities are reported to be under serious consideration by the Indian Government. The possibilities of restriction on the advancement of loans on pepper along with other commodities are not ruled out even though the present prices of pepper cannot be said to be inflated.

Inland demand of pepper is reported to be good. But without support by sizable export demand, the present prices are not not likely to maintain themselves as the volume of our production is more than our internal consumption. In the delivery section, April delivery, after touching Rs. 815, came down to Rs. 740.

Following are today's nominal quotations: Ready delivery Rs. 107 (as against Rs. 108 a week ago) per Bengal maund. April Rs. 740-50 (Rs. 785-805) and May Rs. 755-65 (*Rs.* 810-20) per candy of 5¼ cwts.

TEA DUSTS DEARER

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, *5th April*

325,000 lbs. were on offer in dust sale "G" which was held on Tuesday, 3rd April. The sale opened to a strong general demand for all types. Buyers paid particular attention to clean black Middle East types and these were appreciably dearer, sometimes by as much as As. 4 per lb. Low medium and milled types advanced irregularly by As. 2. Medium sorts can be quoted steady. Best liquoring dusts were well supported and must be quoted dearer.

London Market.—No sale this week.

Colombo Market.—No sale this week.

Caliutta Market.—Export.—Good demand Slightly less general prices for common and low *medium, occasionally half to one* anna lower. Mediums about steady. Good teas strongly competed for, particularly fannings and whole leaf grades.

Internal.—22,300 dust. Fair general demand one anna to As. 2 easier all types. Dooars strongest. Less demand exportable types. 3,600 internal leaf. Fair demand. Irregular rates, generally easier.

Export Quota.—There has been a little more activity and business in special licence has been done at 5 pies. The last date for the conversion of 1955-56 quota into special licence is 13th April 1956.

Forthcoming Auctions.—Dust Sale 'H' will be held on Tuesday, 17th April.

As we go to press, Messrs. Forbes, Ewart and Figgis, Ltd. wire:

"*Sale* 8.—1,150,000 lbs. Good general demand. Low medium one anna to As. 2 dearer. Medium about steady, occasionally easier. Good medium and best liquoring irregular, *following quality.* All fannings grades very strong and dearer. Whole leaf improved demand."

BASE METALS FIRM

(From Our Own Correspondent)

CALCUTTA, *10th April*

Although business in the metal market was restricted to immediate requirements during the week under review, prices of base metals were firm. The poor volume of business was due partly to the need for Bengali operators to lessen commitments and advances in view of year-closing on Friday next.

The important news of this week was the announcement—in Parliament yesterday—of the Government's intention to nationalise an unworked copper mine in Rajasthan. It was indicated that this step of the Government would substantially increase production of copper. During the second Plan period, considerable increase in copper consumption is anticipated, and only a small portion of the country's requirements is met from indigenous production. Considerable foreign exchange is spent on imports of copper and copper products. Market circles, therefore, considered it only the natural anxiety of the Government to exploit the unworked mine. The fact that copper prices are often high is bound to increase the demand for aluminium cables and wires and, in this view, it is significant that, according to a report, a certain electric company in the United States is already contemplating to replace old copper transmission lines with aluminium lines. For the coming years, a huge increase in aluminium production has also been planned in India. Work in regard to the establishment of one smelter in Hirakud is under progress, while the setting up of another in Salem is seriously being considered in New Delhi. There is only one extrusion press producing aluminium cables and wires and this is situated at Alwaye. Increasing production of these also is considered possible. If copper prices continue to remain prohibitive, in India also aluminium will receive more attention as a substitute to copper.

Electrolytic copper was throughout maintained at Rs. 295. Consumers were interested only in small quantities of wire bars in the knowledge that huge shipments were anticipated. Tin opened at Rs. 508 and recovered to Rs. 511. The higher level was Rs. 4 below the replacement cost. Earlier in the week, the price of electrolytic zinc fell to Rs. 71-4, as stocks were plentiful. However, the steady trend in London soon forced a recovery to Rs. 72. There was moderate activity in lead, and fresh arrivals were absorbed without difficulty. The price was firm at Rs. 86.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, *10th April*

Although prices fluctuated within narrow limits, somewhat steadier conditions were in evidence in the jute goods market during the week under review. There was a good amount of genuine buying, especially of forward goods, at lower levels. However, speculative elements were active, and indulged in intermittent profit-taking which prevented prices moving up noticeably. All the same, from the low levels, some advance was recorded. During the week under review, figures relating to stocks of goods held by mills as at the end of March were available, and the increase in stocks was only 5,000 tons. This was another factor for the slight recovery in prices. Prices of raw jute also gave way by As. 8 per maund, but were far higher than those justified by the lower prices for jute goods. A study of the figures of gunny shipments during the better part of March reveals that buyers were exteremely cautious. Sacking shipped from 1st to 25th March amounted to 23,933 tons as against 27,860 tons in the corresponding period in February, while hessian shipments at 22,448 tons were higher by 2,380 tons.

Ready 40" 10 oz, hessians opened last Tuesday at Rs. 38 and B. twills at Rs. 106-14. On some covering demand, the prices recovered to Rs. 38-6 and Rs. 108 respectively by Wednesday. Buyers paid most attention to forward goods, and July-September hessians regained to Rs. 38-12 from Rs. 38-8 and B. twills to Rs. 107-8 from Rs. 107. On Thursday again, there was moderate covering business and prices showed a tendency to move up, but when mills turned as interested sellers, a reaction set in to take down ready 40" 10 oz. to Rs. 38-4 and B. twills to Rs. 107-14. A firm trend was, however, maintained in the forward positions and the July-September B. twills at Rs. 107-12 was better by As. 4 for the day, but hessians 40" 10 oz. of the same forward position fell to Rs. 38-10 from Rs. 38-12. On Friday conditions were interesting, although prices failed to move up. Genuine buying support was forthcoming at lower levels and, in fact, business was transacted for a moderate quantity. Prices would have gained, but this was not so in view of the reaction, following speculative activity. Prices were subjected to fluctuations either way, and while ready 40" 10 oz. hessians closed better at Rs. 38-7, B. twills at *Rs.* 107-6 lost As. 8. Similarly, forward hessians gained by a few annas, while the contrary trend was recorded in B. twills. It was on Saturday last that the figures relating to stocks for the month of March were available, and these caused a recovery in prices. Ready B. twills gained to Rs. 107-14 from Rs. 107-6 and 40" 10 oz. hessians to Rs. 38-6 from Rs. 38-7. Forward positions in both constructions were also better. During yesterday, prices were steady at lower levels, ready B. twills quoting at *Rs. 108 and 40" 10 oz. hessians at Rs. 38-8 and the* 8 oz. hessians at Rs. 32-6.

There was only little activity in raw jute and, as a result, prices gave way by As. 8 for most constructions. Latest quotations are given below:

	Middles	Bottoms
Pakistani:	Rs. a.	Rs. a.
Northern	33 0	30 0
District	33 8	30 8
Indian:		
Northern	30 8	27 8
Assam Upper ...	30 8	27 8
Assam Lower ...	30 8	27 8
Daissee	31 0	28 0
Murshidabad ...	29 8	26 8
Western	30 0	27 0
Jungli	29 0	26 0
Orissa	31 0	28 0
Uttar Pradesh ...	29 0	26 0
Daissee Mesta ...	28 8	25 8
Bimli f.a.q	...	Rs. 26 0
Pucca bale, 1st marks		Rs. 175 per bale

TEA PRICES RECEDE

(From Our Own Correspondent)

CALCUTTA, *10th April*

There was a recession in prices of teas during yesterday's export auctions. Demand was less and withdrawals were heavy. Such a trend was in distinct contrast to the successive gains in recent weeks, and was probably due to the fact that prices had reached high levels. Offerings aggregated 60,300 packages. Prices for the poorest fannings moved down, while the black teas enjoyed good support and often realised higher prices. Plain end medium brokens gave way by an anna. Whole leaf grades with style were about firm, but the poorer varieties and the stylish B.P.s declined by As. 2. Darjeelings, as well as all bright liquoring autumnals were steady. The quotations were: Clean black pekoe Rs. 2-2, medium Assam B.P. Re. 1-10, plain B.P. Re. 1-8-6, and best C.T.C. Assam B.P. not quotable.

Export quota rights changed hands at 3¼ pies per lb.

There was good demand during last week's sales for domestic consumption, but support was forthcoming at lower rates only. Dusts offered amounted to 21,700 packages. The opening of the sale was itself marked by prices one anna lower than previously, and prices were further marked down by As. 2 by the time the sale was in full session. Teas *suitable for Middle East* consumption reflected fully the general trend, while non-wither Dooars were the strongest feature with a firm trend in prices. The quotations were: best Assam C.T.C. Rs. 2-14 to Rs. 3, medium Assam grainy dust Re. 1-12 to Re. 1-14, and medium Dooars Re. 1-11 to Re. 1-12.

Leaf grades on offer aggregated 2,600 packages. The market was perceptibly easy, despite the presence of fair demand.

FOODGRAINS QUIET

(From Our Own Correspondent)

HAPUR, *9th April*

As a protest against the announcement of imposition of sales tax on foodgrains, pulses, salt and other essential commodities by the Government of Uttar Pradesh, the ready grain, *gur*, pulses and other markets suspended business on Monday. The markets remained closed for the whole week and resumed business only today, following the assurance by the State Minister that the Government had no idea to stick without reason to the terms of the decision, but the only aim of the Government was to find funds for the development schemes under the second Five-year Plan. The Local Chamber advised the traders to resume normal working, in order to create a calm atmosphere so that their suggestions may be considered by the Government.

Wheat prices resumed quiet at Rs. 14 per maund for average quality and demand was concentrated only for local requirements. Harvesting of new crop is in full swing and new crop arrivals will begin very shortly. Coarse grains prices ruled unchanged, as the trade had not yet fully realised the implication of new tax measures. Arrivals from villages were very small, as the producers did not get information about the resumption of normal working of the markets. Pulses ruled quiet at almost last week's levels.

SUGAR DULL

(From Our Own Correspondent)

HAPUR, *9th April*

The sugar markets continued to rule dull and depressed, thanks to easy supply position and slack outside buying enquiry. Factories in this part of the State are still getting sufficient cane to work with maximum capacity, while in east U.P., some of the factories have to close down for non-availability of cane.

The Union Agriculture Minister has stated that the production of indigenous sugar this year may touch the record figure at 1.7 million tons. Total production of indigenous sugar up to 7th March aggregated 1,148,828 tons, as against 1,063,183 tons in the corresponding period last year. Despite heavy offtake and despatches at 609,259 tons, as against the corresponding low figure of 267,298 tons last year, the closing stocks with the factories as on 7th March was 951,550 tons, as against 837,454 tons a year before.

Mill delivery prices eased slightly during the week, the latest prices as on Monday being: Jaswant Rs. 28-9, Simbhauli Rs. 28-7, Mowana Rs. 28-12, Daurala Rs. 29-6, Amroha Rs. 28, Rajnore Rs. 28, Mansoorpur Rs. 29-8, Rampur Rs. 31, retail Rs. 30-4 and *khandsari* Rs. 22 to Rs. 26-8 per maund.

Ready *gur* markets have remained closed since Monday as a protest against the imposition of sales tax by the State Government. Arrivals from villages were not lifted and despatches to outside destinations were also very small. The stock is put at about 120,000 maunds. Ready *gur* market resumed today at Rs. 11 per maund and arrivals were very small.

Notice

AIR-INDIA INTERNATIONAL LIMITED

(In Voluntary Liquidation)

CIRCULAR

To

THE SHAREHOLDERS OF

AIR-INDIA INTERNATIONAL LIMITED

(In Voluntary Liquidation)

THE Liquidators, being now in a position to make a *second* distribution of the Company's assets, have decided to pay a further Rs. 12 per share during May 1956. To enable this to be carried out without delay, shareholders are requested to send in their Share Certificates for endorsing payment of the second distribution. Only after this is done, will distribution warrants for the second payment be issued to the shareholders.

Shareholders who have not yet forwarded to the Company the Share Certificates in respect of their holding are requested to do so as early as possible. Delay in doing so will result in delay in payment of the amount payable on distribution.

The Transfer Books of the Company will be closed from Thursday the 10th May 1956 to Thursday the 31st May 1956, both days inclusive.

AIR-INDIA INTERNATIONAL LIMITED,

(In Voluntary Liquidation),

By Order of the Liquidators,

K. C. BAKHLE,

A Liquidator.

NEW INDIA ASSURANCE BUILDING,
MAHATMA GANDHI ROAD, FORT,
BOMBAY, 1, *14th April* 1956.

Particularly to:

Arokkiam Arulsamy Pillai, Mrs. Annaledchumy Theagarajah, Ahmedkhan Hajee Gcolab Khan, Adi Bejan Tata, Bail Laxminarayan Rao, Don Edwin Dewendra, Camilo de Souza, Fahimuddin Ahmed Noori, Mrs. Alice Fonseca, Galwadau Acharige Charles Hamy, Habib Haji Mohmamed Derdiwala, Harendra Chandra Lahiri, Rani Jagadamba Kumari Debi, Jehangir Bejan Tata, Mushtaq Ahmed Dodhy, Mudaliyar Samuel Kanapathipillai Appadurai, Frederick Vincent Mascarenhas, Miss Nina Jehangir Gorwalla, Mrs. Naja Bejan Tata, Prabhudas Girdhardas Mehta, John Cecil Trevor Perera, Phiroze Bejan Tata, Rehmankhan Peerkhan, Rameschandra Ranchhodbhai Patel, Jose Estevam Silveira, Santdas Kushiram Kirpalani, Sam Bejan Tata, Sagoon Jayadeo Dhond, Venctexa Srinivasa Sinai Dempo, Mrs. Usha P. Godbole, George Harvey Woodhouse, Dr. Ujagar Singh.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	4th April, 1956	2½	3
Ceylon	14th June, 1954	3	2½
Chile	13th June, 1936	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1940	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	6.84	7.3
Mexico	4th June, 1945	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	6	4
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	3	1½
Turkey	24th June, 1953	3	4½
United Kingdom ..	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A.	18th Nov., 1955	2½	3½
West Germany	7th Mar., 1950	3½	4½

CLEARING HOUSE RETURNS

Centre	Week ended 6th April, 1956		Week ended 30th March, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	3,35,515	85,97,44,000	2,21,050	53,57,71,000
Calcutta ..	1,92,768	79,05,91,268	1,26,007	51,55,03,369
Madras ..	1,03,387	13,21,31,232	73,105	8,15,74,371
Ah Centres—				
1953-54* ..	..	..	2,689,000	5,595,400,000
1954-55* ..	..	..	2,885,000	6,041,200,000
Jan., 1956 ..	..	..	3,210,000	6,07,68,00,000
Feb., 1956 ..	..	..	3,302,000	7,51,85,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 6th April, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	10,00,00,000
National Agricultural Credit (Stabilisation) Fund	....
Deposits:—	
(a) Government—	
(1) Central Government	57,10,13,000
(2) Other Governments	35,69,51,000
(b) Banks	53,31,97,000
(c) Others	17,34,83,000
Bills Payable	7,45,58,000
Other Liabilities	30,05,32,000
Rupees ..	221,07,54,000

ASSETS	Rs.
Notes	14,78,46,000
Rupee Coin	7,75,000
Subsidiary Coin	7,97,000
Bills Purchased and Discounted—	
(a) Internal	38,50,000
(b) External	....
(c) Government Treasury Bills ..	13,18,91,000
Balances held abroad*	62,09,39,000
Loans and Advances to Governments ..	15,00,000
Other Loans and Advances	64,81,98,000
Investments	46,82,52,000
Other Assets	18,07,15,000
Rupees ..	221,07,54,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 25,43,83,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 51,27,83,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,78,46,000	
Notes in circulation	1506,68,69,000	
Total Notes issued		1521,47,15,000
Total Liabilities ..	....	1521,47,15,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India ..	40,01,71,000	
(b) Held outside India ..		
Foreign Securities	686,41,60,000	
Total of A ..		726,43,31,000
B. Rupee Coin		106,28,43,000
Government of India Rupee Securities		688,75,41,000
Internal Bills of Exchange and other commercial paper ..	....	....
Total Assets ..	....	1521,47,15,000

Ratio of Total of A to Liabilities: 47.745 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 30th March, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank † ..	4,89,01,000
(ii) Other demand liabilities	631,10,25,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank † ..	3,00,50,000
(ii) Other time liabilities	411,31,68,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	20,54,60,000
(ii) Time liabilities	....
4. Cash in India	35,56,94,000
5. Balances with the Reserve Bank in India ..	40,12,39,000
6. Balances with other banks in current account in India	10,87,07,000
7. Money at call and short notice in India ..	6,45,93,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	360,06,57,000
9. Advances in India	612,42,74,000
10. Inland Bills purchased and discounted in India	101,74,17,000
11. Foreign Bills purchased and discounted in India	46,63,02,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	3th April, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot ..	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months ..	1-5⅛	1-5⅛
Buyers T.T. spot to nine months ..	1-6¼	1-6¼
Buyers T.T. 10 to 12 months ..	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	4764	4771
Buyers T.T. .. Rs.	473	473
London on New York .. $	2.80½—2.80¾	2.80½-2.80¾
London on Paris .. Fcs.	985	985
London on Berne .. Sw. Fcs.	12.24½-12.26¼	12.24½-12.25¼
New York on London .. $	2.80½-2.80¾	2.80½-2.80¾

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India† ..	'53-'54	373.37	..	10,600	284
Pakistan ..	'53-'54	78.81	..	1,931	245
Burma ..	1954	19.24	Kyats 3,905	390	204
Ceylon ..	1954	8.38	..	477	569
Japan ..	1954	88.20	Y. 6,148,000	8,133	922
Philippines ..	1954	21.44	Ps. 7,438	1,770	825
New Zealand ..	1954	2.09	£ (N.Z.) 802	1,070	5,119
Australia ..	1954	8.99	£ (A) 3,957	4,220	4,694
U.K. ..	1954	50.78	£ 15,718	20,950	4,100
U.S.A. ..	1954	162.41	$ 300,900	144,423	9,016
Canada ..	1954	15 20	$ 18,751	9,190	6,046
France ..	1953	42.66	Fr. 10,470,000	14,420	3,364
W. Germany ..	1953	48.99	Dm. 103,000	11,705	2,389
Italy ..	1953	48.07	Lr. 8,967,000	6,832	1,421
Norway ..	1954	3.39	Kr. 18,424	1,230	3,638
Sweden ..	1953	7.17	Kr. 36,957	3,422	4,772
Netherlands ..	1953	10.49	Grs. 19,360	2,451	2,336
Denmark ..	1953	4.37	Kr. 22,915	1,580	3,616
Switzerland ..	1953	4.88	Sw.Fr. 20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production or goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, Dec., 1955.

† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 30th Mar., 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	17,70,68,000
(b) Provincial Governments	2,92,39,000
(c) Banks	14,90,45,000
(d) Others	20,97,78,000
Bills Payable	11,00,000
Other Liabilities	5,45,19,000
Rupees ..	67,24,93,000

ASSETS	Rs.
Notes	10,89,27,000
Rupee Coin	9,000
Subsidiary Coin	17,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills ..	8,43,000
Loans and Advances to Governments ..	....
Provincial Governments Debtor Balances	....
Other Loans and Advances	13,36,91,000
Investments	29,75,57,000
Other Assets	12,94,49,000
Rupees ..	67,24,93,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,89,27,000	
Notes in circulation	289,82,43,000	
Total Notes issued	....	300,71,70,000
Total Liabilities	....	300,71,70,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	11,19,58,000	
Silver Bullion	....	
Sterling Securities ..	85,00,28,000	
Government of India Securities	26,53,83,000	
India Notes representing assets receivable from the Reserve Bank of India	43,05,30,000	165,78,99,000
B. Rupee Coin	6,59,55,000	
Government of Pakistan Securities	122,43,10,000	
Internal bills of exchange and other commercial paper	....	129,02,65,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets ..	....	300,71,70,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 67.00 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	30th March, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation.	172.37	1,466.64	1,453.78	1,418.66	1,291.59
Notes held in Banking Department ..	35.05	11.77	9 84	10.73	11.25
Foreign Securities ..	59.50	656.42	676.29	632 16	626.98
Rupee Securities ..	37.39	678.32	644.04	603.23	533.75
Banking Department					
Deposits of:					
Government of India.	14.89	67.34	52.69	59.56	65.02
Other Governments.	....	62.03	48.52	18.02	61.59
Balances held abroad	10.08	89.72	71.54	53.93	97.77
SCHEDULED BANKS					
Demand Liabilities..	134.36	635.99	625.20	623.12	580.92
		(4.89)†	(3.86)†	(5.07)†	(5.39)†
Time Liabilities ..	102.24	414.32	412.02	418.70	376.37
Borrowings from Reserve Bank ..	..	(3.01)†	(2.87)†	(3.97)†	(1.41)†
		65.03	66.93	48 47	37.90
		(27.43)‡	(32.46)‡	(25.32)‡	(27.17)‡
Borrowings from State Bank ..	..	20.55	19.66	14.04	9.59
Cash in India ..	6.70	35.57	34.93	34.78	32.73
Balances with Reserve Bank ..	25.17	49.12	46.42	54.47	44.92
Excess over statutory limits ..	15.52	9.04	6.90	14.04	8.35
Balances with other banks in current account in India..	..	10.87	10.20	10.29	10.72
Money at call and short notice in India ..	..	6.46	4.28	6.88	9.07
Investments (at book value) ..	..	360.07	362.13	373.54	344.31
Advances and bills..	105.09	760.80	749.73	711.88	632.52
STATE BANK					
Deposits	87.76	238.06	237.50	234.33	231.28
Investments	51.99	106.66	107.33	115.25	100.14
Advances	30.35	141.14	141.15	126.16	129.20
Cash	14.69	15.57	17.00	18.11	15.38

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January,		Ten months, April to Jan.,	
	1955	1956	1954-55	1955-56
Import Duties†				
Revenue	22.08	10.51	112.14	95.96
Protective	0.60	0.84	0.31	8.44
On surplus disposals	..	..	0.13	0.68
Total import duties ..	22.68	11.35	118.58	104.48
Export Duties ..	4.66	2.63	32.45	30.93
Land Customs ..	0.14	0.20	1.57	1.15
Miscellaneous ..	0.09	0.05	0.90	0.59
Gross total customs ..	27.57	14.23	153.50	137.15
Refunds and drawbacks	0.16	0.21	1.27	2.12
Net Customs	27.41	14.02	152.23	135.03
Gross excise	9.41	13.51	85.18	123.05
Refunds	0.07	01.3	1.49	3.60
Net Excise	9.34	13.38	83.69	119.46
Net total of customs and excise†	36.75	27.40	235.92	254.49

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 6th April, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves		6,35,00,000
Deposits and Other Accounts		241,43,39,000
Borrowings from Other Banking Companies, Agents, etc.		41,00,000
Bills Payable		9,95,67,000
Bills for Collection being Bills Receivable as per contra		58,78,000
Acceptances, Endorsements and Other Obligations per contra		23,37,000
Other Liabilities (including Inter-Office Adjustments)		5,99,14,000
Total .. Rs.		270,58,85,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		17,34,27,000
Balances with other Banks		3,08,35,000
Money at Call and Short Notice ..		53,33,000
INVESTMENTS:		
Government and other Trustee Securities	97,10,04,000	
Other Authorised Investments ..	10,34,84,000	
		107,44,88,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	102,00,85,000	
Bills Discounted and Purchased .	35,20,74,000	
		137,21,59,000
Bills Receivable being Bills for Collection as per contra		58,78,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra..		23,37,000
Furniture and Fixtures less Depreciation		1,15,98,000
Other Assets (including Inter-Office Adjustments)		49,01,000
		2,49,29,000
Total .. Rs.		270,58,85,000

† Figures for 1955 are provisional. * Revised.

(a) Not known in 1 cases. (b) Not known in 2 cases.

§ Current at any time during the month.

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS§											
	National Savings Certificates					Savings Bank Deposits	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year†		7-Year		12-Year								
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53 ..	6.88	65	3.26	23.66	84.17	1,18.35	92.09	— 31.07	7.55	25.84	..	..	..
1953-54 ..	5.91	1.50	4.26	26.54	1,04.38	1,17.37	1,06.29	— 34.19	6.94	32.11	..	..	..
1954-55 ..	4.70	1.62	4.99	27.27	1,24.64	1,34.94	1,30.88	— 36.35	5.57	37.16	..	..	..
January, 1955 ..	4.88	14	4.76	2.48	1,20.28	10,51	1,20.10	— 36.02	43	36.37	7.40‖	7.38	55‡‡	54
February ..	4.81	12	4.79	2.27	1,21.88	11.18	1,22.28	— 36.18	40	36.74	54	6.88	6	55
March ..	4.70	26	4.99	3.41	1,24.64	18,51	1,30.88	— 36.35	47	37.15	58	7.38	4	54
April ..	4.60	11	5.00	2.35	1,26.46	12 41	1,33.22	— 36.50	45	37.55	48	7.36	4	54
May ..	4.52	36	5.24	2.01	1,27.94	11.62	1,34.84	— 36.64	41	37.90	66	8.51	4	51
June ..	4.44	13	5.12	2.09	1,29.49	12.28	1,36.26	— 36.76	37	38.22	84	9.33	5	65
July ..	4.36	12	5.15	2.27	1,31.28	12.80	1,40.53	— 36.85	41	38.54	91	10.20	4	99
August ..	4.29	12	5.17	2.09	1,32.82	12.25	1,43.80	— 36.96	39	38.87	88	11.00	3	72
September ..	4.21	13	5.21	2.54	1,34.88	12.40	1,46.01	— 37.11	44	39.28	94	11.80	4	75
October ..	4.14	10	5.21	2.11	1,36.38	11.58	1,45.99	— 38.23	46	39.68	80	12.49	5	80
November ..	4.07	10	5.21	1.98	1,37.68	11.25	1,50.40	— 38.34	43	40.05	82	13.20	5	85
December ..	4.00	18	5.26	2.58	1,39.48	12.94	1,52.44	— 38.44	36	40.34	88	13.98	4	88
January 1956 ..	3.91	18	5.24	2.02	1,40.78	12.16	1,54.14	— 38.55	32	40.61	84	14.78	3	91
February ..	..	..	..	..	..	..	..	..	39	40.95	..	..	..	..

* At the end of period.

† Issued from 1st June, 1948 to 30th June, 1953.

‡ From July, 1954. § Outstandings do not include Indian Union's share of the pre-partition holdings of Indian investors.

@ Progressive net repayments at the end of period from 15th August 1947.

‖ Issued from 10th May, 1954.

‡‡ Relating to nine months from July, 1954.

E—Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 2-4-'55	3-3-'56	24-3-'56	31-3-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.6	90.9	90.9	90.9
1. Government of India..	90.4	90.8	90.8	90.7
2. Indian States ..	96.1	96.7	96.7	96.7
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.6	101.1	101.1	101.1
1. Electricity ..	102.0	102.8	102.8	102.8
2. Jute	98.8	97.6	97.6	97.6
3. Plantations	99.0	99.1	99.1	99.1
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering ..	100.6	100.9	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.3
8. Others	100.6	101.1	101.1	101.1
PREFERENCE SHARES	87.5	85.7	85.7	85.7
1. Electricity ..	97.5	93.7	93.7	93.7
2. Cotton	78.4	78.8	81.0	81.8
3. Jute	85.9	83.6	82.9	82.9
4. Coal	91.7	90.4	89.9	89.9
5. Iron and Steel ..	90.0	86.9	88.4	88.8
6. Sugar	84.3	85.5	85.7	85.7
7. Tea	89.4	86.7	83.3	83.5
8. Plantations ..	93.2	101.3	101.7	101.7
9. Miscellaneous ..	85.4	83.8	81.7	80.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	115.6	120.2	123.6	124.6
(a) Financial	88.5	88.8	89.7	89.3
1. Banks	85.4	88.4	89.7	89.5
2. Insurance	107.1	89.1	88.1	86.1
3. Investment Trust..	93.6	94.9	94.5	93.9
b) Public Utilities ..	114.6	112.3	113.4	114.2
1. Electricity ..	124.3	117.2	117.6	117.2
2. Shipping and other Transport ..	98.1	107.1	110.8	114.1
3. Railways	89.3	89.4	88.2	88.8
(c) Manufacturing industries.	119.1	128.6	132.9	133.8
1. Cotton Woollen and Silk	103.8	123.5	130.9	132.0
2. Jute	90.8	87.4	80.3	79.3
3. Iron and Steel ..	147.5	139.7	148.5	151.8
4. Paper	223.7	281.2	290.9	292.1
5. Cement	147.5	168.0	177.0	175.9
6. General Engineering	169.6	193.1	196.2	198.1
7. Sugar and Breweries	98.4	106.0	108.4	108.9
8. Chemicals	134.8	146.3	152.1	151.8
(d) Non-Manufacturing industries	161.6	157.5	165.6	169.4
1. Coal	77.6	82.3	82.6	82.6
2. Mining and Oil ..	195.5	245.1	280.5	286.5
3. Plantations ..	207.6	166.5	176.3	181.4
(e) Miscellaneous	95.6	100.4	101.2	101.9
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.0	90.4	90.4	90.3
2. Calcutta	90.5	90.9	90.9	90.8
3. Madras	90.9	91.2	91.2	91.2
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.1	100.0	100.0	100.0
2. Calcutta	101.3	102.1	102.1	102.1
3. Madras	100.4	100.1	100.1	100.1
PREFERENCE SHARES:				
1. Bombay	91.8	88.8	89.8	90.2
2. Calcutta	83.3	81.6	80.7	80.3
3. Madras	94.2	96.6	97.0	97.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	118.1	122.7	129 8	131.5
2. Calcutta	109.6	111.9	112.3	112.7
3. Madras	110.6	126.3	126.8	126.8
4. Delhi	119.1	125.1	130.0	132.5

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,336,961
1953	772	486,607	3,382,808
1954	840	477,138	3,372,630
December 1953 ..	81	40,780	475,352
January 1954..	84	51,973	325,514
February ,, ..	85	41,351	344,295
March ,, ..	91	34,202	331,419
April ,, ..	101	34,903	307,247
May ,, ..	80	40,073	216,062
June ,, ..	82	21,589	305,078
July ,, ..	122	30,189	277,492
August ,, ..	79	51,090	322,887
September ,, ..	97	50,414	363,878
October ,, ..	88	41,724	276,294
November ,, ..	62	25,115	239,701
December ,, ..	101	54,455	262,763
January 1955† ..	95	49,038	322,807
February ,, ..	91	38,370	144,302
March ,, ..	112	70,042	334,996
April ,, ..	99	29,515	303,658
May ,, ..	119	66,064	335,415
June ,, ..	154	86,172	1,035,704
July ,, ..	108	57,709	681,158
August ,, ..	233	90 890	519,991
September ,, ..	249	91,843	567,332
October ,, ..	189	46,466	189,360
November* ,, ..	105	49,465	178,135
December ,, ..	122	44,962(a)	228,264(b)

† Figures for 1955 are provisional. * Revised.

(a) Not known in 1 cases. (b) Not known in 2 cases.

§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‖	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.8	5,573.7
1954-55	686	7,760.9	6,319.3
October 1954 ..	669	626.5	511.6
November ,, ..	674	655.5	534.6
December ,, ..	679	683.5	555.0
January 1955 ..	684	668.5	545.2
February ,, ..	685	625.7	521.8
March ,, ..	686	698.7	568.3
April ,, ..	690	691.1	563.9
May ,, ..	691	706.5	569.3
June ,, ..	696	716.2	576.1
July ,, ..	700	724.8	583.3
August ,, ..	705	708.9	574.4
September ,, ..	707	719.3	587.1
October ,, ..	716	720.7	591.9
November ,, ..	721	735.5	597.0

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

‖ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	24th March, 1956	17th March, 1956	26th March, 1955	February, 1956	February, 1955	Percentage of increase (+) or decrease (—) in Feb., 1956 as compared with Feb., 1955	Annual Average 1955	Annual Average 1954
Food Articles	362.9	354.0	293.0	335.3	304.3	+10.2	304.5	358.3
Cereals	449*	444	336	411	343	+19.8	355	404
Pulses	389	384	227	351	228	+47.5	259	318
Other	244	232	245	230	261	—11.9	241	298
Industrial Raw Materials ..	425.4	474.6 R	400.1	464.0	436.1	+ 6.4	411.1	447.1
Fibres	470	470 R	429	469	455	— 3.3	431	444
Oil seeds	543	560 R	334	473	360	+31.4	370	468
Minerals	471	453	423	443	412	+ 7.5	420	429
Others	400*	403*	475	426	483	—11.8	444	410
Semi-Manufactures	374.8	369.5	332.0	355.8	339.7	+ 4.7	333.3	355.4
Leather	410	408	391	402	389	+ 3.3	373	377
Mineral oils	208	208	221	204	221	— 7.7	211	221
Vegetable oils .. ..

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop	Forecast	Unit	Acreage 1954–55	Acreage 1955–56	Outturn 1954–55	Outturn 1955–56
Rice	2nd	tons	72,332†	69,456*	25,775†	22,126*
Wheat	final	,,	26,542	26,810	8,539	7,573
Jowar	final	,,	43,656	43,857	9,092	7,918
Bajra	final	,,	27,350	30,094	5,555	4,459
Barley	final	,,	7,999	8,721	2,788	2,904
Maize	final	,,	9,325	9,950	2,944	2,964
Ragi	final	,,	5,747	5,714	1,778	1,819
Small millets	final	,,	18,680	18,979	2,424	2,427
Total cereals	final	tons	208,393	214,567	55,327	57,920
Kharif	final	,,	178,093	179,836	44,003	47,143
Rabi	final	,,	34,341	35,031	11,825	10,777
Kharif pulses@	final	tons	14,935	15,192	1,497	1,543
Rabi pulses‡	final	,,	10,498	11,214	1,977	2,089
Total pulses	final	,,	24,004	26,716	10,474	10,458
Tur	2nd	,,	5,755†	5,648*	1,709†	1,799*
Gram	final	,,	20,991	19,754	6,125	4,776
Jute	final	bales	1,581†	1,243*	4,187†	3,928*
Cotton	3rd	,,	17,189†	16,093*	3,296†	3,821*
Sugarcane	2nd	tons	3,930†	5,718*	5,079†	4,853*
Groundnut	final	tons	12,585†	13,548*	3,804†	4,125*
Linseed	final	,,	2,290	2,350	268	274
Castorseed	final	,,	1,462†	1,304*	126†	124*
Rape and Mustard seed	final	,,	5,665	5,534	963	855
Sesamum	3rd	,,	5,587†	5,123*	461†	558*
Total Oilseeds	final	,,	29,335	27,482	5,877	5,462
Tobacco	final	tons	580	612	248	268
Black pepper	final	,,	208	208	26	24
Ginger	final	,,	44	45	13	14
Dry chillies	final	,,	1,472	1,326	356	297
Potato	final	,,	665	685	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (gur).
@ Excludes Tur. ‡ Excludes Gram and Tur.
† Relates to 1955–56. * Relates to 1954–55.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During February, 1956	92.8
	Corresponding month, 1955	81.8
	Eight months ended Feb., 1956	701.1
	Corresponding period, 1955	661.2
Stocks	At the end of March, 1956	94.6
	Corresponding month, 1955	94.6
		(In 000 bags)
Exports (Jute Bags)	Week ended 18th Feb., 1956	3,743
	Corresponding week, 1955	7,704
	From 1st Jan., to 18th Feb., 1956	46,407
	Corresponding period, 1955	62,421
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 18th Feb., 1956	3,845
	Corresponding week, 1955	4,251
	From 1st Jan., to 18th Feb., 1956	146,858
	Corresponding period, 1955	124,146
	RAW JUTE	(In lakhbales)
Consumption by Mills†	February, 1956 (in lakh bales)	5.38
	Corresponding month, 1955	4.74
	Eight months ended Feb., 1956	40.67
	Corresponding period, 1955	38.85

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION

In tons

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,400	10,70,200	7,80,000
Do. 31st March, 1955	11,34,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,500	10,62,100	7,97,800
October 1954	96,500	89,200	68,500
November ,,	98,800	90,500	68,000
December ,,	1,06,600	95,000	73,500
January 1955	1,02,500	95,600	72,200
February ,,	93,500	84,500	63,900
March ,,	95 000	89,300	66,100
October ,,	91,700	88,800	64,800
November ,,	91,900	86,500	65,400
December ,,	1,08,900	97,500	72,800
January 1956	1,03,900	96,800	71,600
February ,,	97,500	89,500	67,700
March ,,	1,03,300	96,200	69,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,460	3,12,940
Do. 31st March, 1954	5,80,020	5,49,980	2,92,440
Do. 31st March, 1955	7 15 949	5,28,240	4,59,098
Do. 31st March, 1956	7,06,986	6,31,505	4,60,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,561
,, ,, ,, Dec., 1954	1,88,053	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,65,108	1,43,828	1,18,186
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,361
,, ,, ,, Sept., 1955	1,76,181	1,30,850	1,08,714
,, ,, ,, Dec., 1955	*1,69,750*	*1,24,690*	*1,05,752*
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860

FOREIGN TRADE OF INDIA

Particulars	December, 1954	December, 1955	Nine months, April to Dec., 1954	Nine months, April to Dec., 1955
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	13.54	2.96	94.86	39.23
Raw materials	12.80	12.59	145.02	115.11
Manufactures	24.12	40.27	227.29	300.62
Other Items	35	34	2.31	2.32
Total	50.31*	56.16*	469.48*	457.28*
By land	2.31	3.17	16.02	19.85
Total Imports	52.62	59.33	485.50	477.13
Exports :				
By sea and air—				
Foodstuffs	24.83	14.62	150.02	116.92
Raw materials	12.35	14.5o	79.08	121.92
Manufactures	22.16	21.05	190.10	192.03
Other Items	55	35	3.71	3.16
Total	59.89	50.67	422.91	434.02
By land	65	93	4.33	4.94
Total Exports	60.54	51.60	427.24	438.96
Total Re-exports	36	42	3.84	3.93
Balance of trade in merchandise	+ 8.24	— 7.30	— 54.06	— 34.31
Balance of transactions in private treasure			— 2	— 5
Total visible balance of trade	+ 8.24	— 7.31	— 54.08	— 34.36
Imports :‡‡				
Total C'wealth countries	18.48	21.14	201.49	202.20
Total Foreign countries	31.86	35.02	267.99	255.08
Exports :‡‡				
Total C'wealth countries	33.84	24.99	237.35	217.32
Total Foreign countries	26.05	25.68	185.06	216.20

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manu-factures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1952–53	11,413	2,635	949	171	108	61	138	21	169	297	25	260	46	156
1953–54	11,082	2,512	899	153	92	61	152	16	190	344	28	245	47	175
1954–55	11,768	2,711	885	183	98	62	154	13	158	397	25	281	47	128
January 1955	9,651	2,275	735	145	74	51	126	11	129	331	20	233	43	110
February ,,	10,672	2,384	807	163	85	56	140	12	144	364	23	256	45	117
March ,,	11,768	2,711	885	183	98	62	154	13	159	397	25	281	47	128
April ,,	1,031	222	77	21	12	6	9	2	12	33	3	24	2	10
May ,,	2,027	445	157	40	23	12	15	4	25	66	7	48	4	23
June ,,	2,973	662	237	55	33	17	19	6	27	98	11	73	7	34
July ,,	3,973	890	324	73	41	22	23	8	52	130	14	*100*	12	48
August ,,	4,982	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,951	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,612	567	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to *M. G.* Wagons (1 B.G. =2 M.G.) and incorporate revisions in respect of earlier months.

Source :—Ministry of Railways.

* Including sugarcane from November, 1955.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 5th April., 1956	56,127
	Corresponding week, 1955	44,990
	1st Sept. to 5th April., 1955-56	1,180,552‡
	Corresponding period, 1954-55	1,043,724*
Cotton Exports	Week ended 5th April., 1956	40,310
	Corresponding week, 1955	7,532
	1st Sept. to 5th April., 1955-56	549 421‡
	Corresponding period, 1954-55	210,984
Mill Consumption (Estimated)	1st Sept. to 5th April., 1955-56	755,181
	Corresponding period, 1954-55	769,052
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 5th April., 1956	529,822
	Corresponding date, 1955	545,447
Cotton Exports from Bombay (by sea)	During January, 1956	35,978§
	1st Sept., 55 to 31st Jan., 1956	363,052
	1st Sept. 54 to 31st Jan., 1955	128,685
Karachi (Pakistan)—		
Receipts	1st Sept. to 22nd Mar., 1955-56	1,185,978
	Corresponding period, 1954-55	1,033,225
Exports	1st Sept. to 22nd Mar., 1955-56	592,551
	Corresponding period, 1954-55	397,531

Particulars	From 1st Sept., 1955 to 2nd April, 1956 Bales	From 1st Sept., 1954 to 2nd April, 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	61,470	17,525
Continent	87,736	29,273
Hongkong	30 740	
China	56,164	
Japan	269,511	1,509
U.S.A.	4,068	59,597
Other Countries	4,145	18,440
Total to all foreign countries	518,882	122,702
Coastal Ports	76,951	84,603
Total	595,833§	207,305
	Period	Quantity (Bale of 400 lbs.
Consumption of Cotton—		
Indian	January, 1956	353,259
Foreign		49,606
Indian	Five months ended Jan., '56	1,672,064
Foreign		235,249
Stocks (Mills and Elsewhere)—	Same Period 1955	1,700,352
Indian		204,.40
Foreign		
Indian	As on 31st Jan., 1956	1,137,311
Foreign		156,440
Cotton Pressed in India† (In running bales)	As on 31st Jan., 1955	1,043,359
	Week ended 23rd Mar., 1956	135,698
	Corresponding week, 1955	90,546
	1st Sept. to 23rd Mar., 1955-56	1,350,564
	Corresponding period, 1954-55	1,847,797
		2,015,210

† Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bonds	1926–33	63,30,26,000	1960–70	101¼
3½ % Loan	1933–35	1,15,17,46,000	1963–65	94½
3 % Loan	1940	80,38,10,000	1964	92
3 % Fg. Loan	1943	1,10,11,78,000	1956–68	99¼
3 % V. Loan	1944	1,14,06,89,000	1957	99
2½ % Loan	1945	1,15,58,83,000	1970–75	89½
3 % 2nd V. Loan	1945	1,18,65 64,000	1959–61	98¾
2½ % Loan	1951	50,35,63,000	1958	99
2½ % Loan	1946	45 53,17,000	1960	96
2½ % Loan	1946	57,00,69,000	1961	93¾
2½ % Loan	1946	14,77,48,000	1976	82¾
2½ % Loan	1947	75,86,72,000	1952	99
2½ % Loan (N.P. Bonds)	1952	75,29,00,000	1961	99
3½ % N.P. Loan	1954	157,35,41,000	1964	98
3½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98
NON-TERMINABLE LOANS				
2½ % Loan	1896–97	8,93,36,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	80
3 % Loan	*1946*	*Rs5,21,66,000*		*78‡*
REPATRIATE STERLING LOANS				
4½ % Loan	1952	5,55,20,000	1955–68***	103½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99–½
3 % Bombay	1942	2,99,35,000	14th Sept. 1956	99¾
3 % Bombay	1944	3,06,65,000	15th Aug. 1958	98¾
3 % Bombay	1949	2,63,12,000	31st Aug. 1963	94
3 % Bombay	1950	2,92,30,000	31st July 1960	96
3½ % Bombay	1951	2,97,86,900	17th Sept. 1962	98½
4 % Bombay	1953	5,50,35,000	16th July 1958	101¾
4 % Bombay	1953	3,01,81,700	1st Sept. 1964	101½
4 % Bombay	1954	6,00,00,000	1st Sept. 1967	100½
4 % Bihar	1954	1,50,00,000	1st Sept. 1967	98
3½ % Cochin	1944	1,00,00,000	16th Dec. 1955–58	98½
3½ % Cochin	1936	70,00,000	1st June 1956–61	99¼
3½ % Howrah	1952–57	1,05,96,700	1956–66	95½
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99½
3 % Madras	1939	1,23,95,600	21st June 1958	98½
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99¾
3 % Madras	1944	1,07,85,000	15th Aug. 1958	98½
3 % Madras	1946	2,78,44,000	14th Sept. 1960	96¾
3 % Madras	1948	3,31,77,900	17th Sept. 1961	92½
3 % Madras	1950	4,35,25,400	31st July 1960	96¼
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97½
4 % Madras	1953	10,33,63,000	16th July 1958	100
4 % Madras	1954	4,34,51,200	1st Aug. 1964	100
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99½
4 % Mysore(f)	1932	2,95,55,200	1st Dec. 1956–62	101
4 % Mysore(f)	1935	6,99,72,900	16th Apr. 1956–61	99½
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99
3 % Mysore	1952	2,32,47,000	16th July 1962	100
3 % Mysore	1955	2,50,00,000	1st Sept. 1967	99½
3 % M.P.	1943	80,54,200	14th Sept. 1956	99¾
3 % M.P.	1944	52,64,300	15th Aug. 1958	98½
3 % M.P.	1946	2,08,22,800	18th Sept. 1964	98
3 % M.P.	1950	1,01,44,700	31st July 1960	96
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98½
4 % M.P.	1953	1,02,18,100	16th July 1962	100
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99½
3 % Punjab*	1938–44	2,49,87,200	15th Aug. 1958	98¾
3 % Punjab*	1948	2,46,78,200	14th Sept. 1956	99¾
3 % Punjab*	1945	2,04,51,600	14th Sept. 1960	97½
3 % Saurashtra	1953	2,58,00,000	1st Sept. 1967	99½
3½ % Travancore	1938	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	3,25,60,000	15th July 1962	100–½
3 % U.P.	1939	1,57,42,500	15th Sept. 1961–66	99¾
3 % U.P.	1944	2,02,24,500	15th Aug. 1958	98½
3 % U.P.	1945	2,17,86,700	14th Sept. 1960	95½
3 % U.P.	1946	2,50,58,600	1st Sept. 1961	92½
3½ % U.P.	1951	1,94,11,700	17th Sept. 1962	98½
4 % U.P.	1953	6,11,45,800	1st Aug. 1963	100½
4 % U.P.	1955	6,68,15,500	15th July 1962	100½
4 % U.P.	1955	5,50,00,000	1st Sept. 1967	99½

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repay-able	Market quota-tion
		BOMBAY		
Rs.				Rs.
26,50,000	4	1904	1964	99
25,00,000	4	1905	1965	99
15,00,000	4	1906	1967	99
15,00,000	4	1907	1968	99
75,00,000	4	1908	1958	99¼N
40,00,000	4	1909	1970	99
55,00,000	4	1910	1971	99
75,00,000	4	1911	1972	99
1,10,00,000	4	1912	1973	99
14,35,200	4	1913*	1960	D 100¾N
80,00,000	4	1914	1974	100N
88,25,000	4	1914	1975	
10,00,000	4	1915	1960	
25,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1925*	1960	
35,00,000	3½	1925*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
15,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1937*	1966	
48,04,000	3½	1938*	1968	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
		CALCUTTA		
Rs.				Rs.
90,24,300	4	1914	1974	99
75,90,100	4	1916	1976	99
1,50,00,000C	3½	1921	1981	99
66,02,9000	6½	1921	1981	144N
98,31,500	5½	1923	1956–86	100
99,84,500B	5	1926	1956–86	100½
1,49,48,800B	5	1927	1957–87	103
1,49,50,000	5	1928	1958–88	103
80,00,000	4½	1933	1963	96
80,00,000	3½	1935	1965	91
25,00,000	3	1938	1968–98	90
50,00,000	3	1938	1968	90
50,00,000	3	1939	1969	90
50,00,000	3	1940	1970	90
50,00,000	3	1941	1971	90
50,00,000	3	1942	1972	90
1,00,00,000	3	1943	1973	90
1,00,00,000	3	1944	1974	90
1,00,00,000	3	1945	1975	90
1,00,00,000	3	1946	1976	90
1,00,00,000	3	1947	1977	90
1,00,00,000	3	1948	1978	90
1,00,00,000	3	1949	1979	90
1,00,00,000	3	1950	1980	90
1,00,00,000	3	1950	1980	95
50,00,000	3	1951	1981	95
1,50,00,000	3½	1951	1981	95
50,00,000	3	1952	1982	100
50,00,000	4	1953	1983	96½
50,00,000	4	1953	1983	97½
STERLING LOANS				
£565,600	5	1922	1954–83	£87½
£601,000	5	1924	1954–84	£87½
£555,100	5½	1928	1956	£96
MADRAS				
Rs.				Rs.
91,47,100	2½	1947	1977	
8,86,000	3	1947	1977	A
8,00,000	3	1948	1978	
45,00,0000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repay able	Market quotation
Rs.		**BOMBAY**		Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
15,00,000	4	1906	1966	
30,00,000	4	1907	1967	
30,00,000	4	1908	1968	
18,00,000	4	1912	1972	
60,00,000	4	1912	1972	
30,00,000	4	1914	1974	97½N
40,00,000	4	1916	1976	
66,00,000	4	1918	1957–79	115N
25,00,000	5	1920	1955–80	
25,00,000	5	1926	1956–86	115N
10,00,000	5	1928	1961–70	98N
£566,600		1909	1969	£95½
£332,000		1910	1970	£95½
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
50,00,000	3½	1935	1965	94
50,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
20,00,000	3	1938	1968–98	90
50,00,000	4	1952	1982	99½
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repay able	Market quotation
		BOMBAY		
Rs.				Rs.
20,60,000	4	1913–15	1974	100
10,00,000	4	1920	1986	114N
25,00,000	5	1920	1960	104½
8,45,500	5	1922	1954–69	103
25,13,000	5	1923	1959	102½
2,25,00,000	2½	1927	1977	66
2,50,00,000	2½	1949	1979	66
2,50,00,000	2½	1950	1965	92½
2,50,00,000	2½	1951	1964	100
2,00,00,000	2½	1951	1966	90
1,50,00,000	4	1952	1962	104½
1,00,00,000	4	1954	1964	104½
2,50,00,000	4	1955	1967	100
		CALCUTTA		
Rs.				Rs.
25,00,000	5	1923	1953	103
25,00,000	5	1929	1957	107
25,00,000	5	1930	1958	108½
10,00,000	5½	1932	1962	108
25,51,000	5	1935	1965	96
50,00,000	3	1936	1966	90
47,50,000	3	1937	1967	90
15,56,500	4	1938	1968	99
15,56,500	4	1939	1969	99½
17,64,400	4	1940	1970	99½
21,10,000	3½	1941	1971	99
15,48,000	3½	1942	1972	99
15,56,500	3½	1943	1973	97
46,56,000	3½	1950	1980	97
97,56,000	4	1951	1961	97½
72,50,000	4½	1952	1982	99½
		MADRAS		
Rs.				Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98‡
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100‡
4 % W. Bengal	1953	2,50,25,000	15th July 1963	100‡
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100

*—Nominal.
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domicile Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak Currency. *** See Rupee Counterparts.
† Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June, 1954.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1954. ‡‡—Interest free for first 25 years.

ABBREVIATIONS:

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. .. 70N	100	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	106	100
Cawnpore Sugar Works	10,00,000	1905–24	8	Feb. Aug.	138	*100*
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	6–2½	5
¶East India Distilleries	2200,000	1897	7	Jan. July	17	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	98	100
Puritabpore Co.	6,00,000	1922	10	Oct. ..	16	10
Ramnugger Cane	3,00,000	1933–36	6	Aug. ..	108	100
Rava'gaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	10	10
Upper Ganges	*12,00,000*	*1932*	5	Dec. ..	90N	*100*
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	113	100
Borrea	4,00,000	1896–97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,800	1901–19	7	Apr. Oct.	122	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7½	10
Equitable	4,00,000	1895	6	Mar. Sept.	116	100½
Karanpura Collieries	7.50 000	1946	5½(a)	.. ..	68	75(pp)
¶¶Khas Kajora	1,93,000	1931	6	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1929	7	Jan. July	13½	10
Ondal	2,00,000	1898–99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	103½	100
Bangalore	6,00,000	1884	6	Jan. July	125	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Benares Cotton	1,65,200	1919	7	July Jan.	15N	100
Bengal-Nagpur	3,30,000	1896	7	Apr. Oct.	99½	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	133	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	68	100
Bradbury	14,75,000	1910	7	June Dec.	65	50
Buckingham & Carnatic	*21,30,200*	*1920*	7½	Jan. July	144	100
Cambodias	1,00,000	1928	7	Apr. ..	122½	100
Central India	50,00,000	1912	6	Apr. Oct.	475	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	111½	100
Elgin	11,00,000	1912	8	May Nov.	135	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	9½	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	87	100
Kesoram	20,00,000	1919	7	June Dec.	134	100
Khasiai Makanji (2nd)	29,92,000

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years.

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
80,00,000	62,56/	76,88,421	43,05,273	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2½	1	0 A(e)	0 A (e)	0 Z(e)	Nil	12	Y.
40,00,000	24,00,000	1,39,52,007	72,25,655	—5,07,179	B. B. Sons, Ltd.	50,596	1,021	B. B. Cotton Mills	49	100	Nil	Nil	Nil		12	Y.P.T.
2,50,98,000	2,33,99,019	4,25,75,764	2,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	640½	250	20 0	22 8*	20 0	7 81	12	Y.
10,00,000	37,36,559	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	44,660	850	Bradbury Mills	160	50	100 0	100 0	75 0		3	Y.P.
1,00,12,500	2,63,96,826	2,81,83,264	1,97,06,117	5,34,196	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	528½	100	20 0	22 0	22 0	22 0	12	Y.
49,00,000	15,44,690	1,16,09,462	65,52,089	—23,25,720	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	71	100	Nil	Nil	Nil		12	Y.
26,00,000	11,38,470	81,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,823	680	Coorla Spg. & Wvg.	127½	100	Nil	Nil	Nil		12	Y.
16,00,000	24,86,896	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	122½xd	50	6 0	6 0	6 0	7	3	Y.
24,00,000	27,73,000	78,50,731	64,73,724	20,163	Parammal Radhakishan & Co.	50,054	928	Edward Textiles	335	100	15 0	15 0	15 0	15 0	12	Y.
80,00,000	11,93,742	1,10,92,541	75,74,225	25,796	M.	41,300	886	Elphinstone Spg. & Wvg.	54½	50	2 0	Nil	2 8		12	Y.P.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	852	100	20 0	16 0	16 0	20 0	12	Y.
11,54,000	76,64,589	1,27,76,810	99,11,500	9,223	Thackersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	4,800	1,000	200 0*	225 0*	225 0	200 0	3	Y.P.
16,000									992½	250	50 0	56 4*	56 4	75 0		
5,00,00,0000	1,13,37,883	4,58,17,844	3,07,00,000	—18,61,590	Agarwal & Co.	2,32,640	6,278	India United Mills	12½	0 10D.	Nil	0 10	Nil	0 10D.	12	Y.
50,00,000D									2-1/2	0 1D.	Nil	0 1	Nil	0 1D.		
5,65,000	74,24,043	1,30,07,008	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	5,075N	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
5,00,000									—	500	100 0	112 8*	112 8	150 0		
59,35,000	40,58,451	2,37,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	240	100	10 0	10 0	8 0	10 0	6	Y.P.
1,00,00,000	1,21,50,000	2,56,38,095	2,05,14,796	35,389	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	356	100	15 0	20 0*	18 0	20 0	12	Y.
23,18,060	41,66,720	1,18,74,548	55,99,115	31,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	50	100	5 0	5 0	5 0	8 0*	12	Y.
51,75,900	33,63,000	1,94,11,184	1,47,72,041	1,09,579	Piramal & Sons	70 416	1,652	Morarjee Goculdas Spg. & Wvg.	245	100	12 0	12 0	14 0		12	Y.P.
57,71,400	61,70,818	5,74,65,779	1,55,00,000	5,72,076	Chinai & Co., Ltd.			National Rayon Corporation	241½	100	Nil	Nil	10 0		12	Y.P.
24,00,000	24,50,000	76,57,553	46,04,750	3,015	W. H. Brady & Co., Ltd.	45,944	422	New City of Bombay Mfg.	108½	100	10 0	10 0	10 0	10 0	12	Y.
80,00,000	14,61,250	92,85,599	61,42,741	4,830	W. H. Brady & Co., Ltd.	49,013	1,018	New Great Spg. & Wvg.	230½	100	10 0	10 0	7 8	10 0	12	Y.P.
12,70,100	28,54,549	56,73,516	40,57,707	12,752	Mafatlal Chandulal & Co., (Bombay), Ltd.	24,100	573	New Union Mills	38	10	1 4	1 4	1 4	1 12	12	Y.
48,00,000	35,62,273	1,49,08,112	99,59,811	1,86,364	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	133½	100	8 0	8 0	8 0		12	Y.
40,00,000	44,68,014	81,89,885	23,00,000	3,18,562	Podar Sons, Ltd.	32,600	930	Podar Mills	173½	100	10 0	10 0	10 0	5 0	12	Y.P.
52,50,000	8,16,999	81,21,021	19,01,340	—1,78,184	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	124	10	1 4	1 12	1 8		12	Y.
25,00,000	54,26 056	1,85,89,736	1,19,14,117	11,568	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	38	10	1 4	1 4	1 12	1 12	12	Y.
60,00,000	1,18,00,961	91,25,908	80,71,854	1,58,962	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills	221½	100	12 8	14 0	14 0		12	Y.P.
45,00,000	35,75,550	93,88,962	71,00,000	15,986	Forbes, Forbes Campbell & Co. Ltd.	36,116	1,274	Simplex Mills	208½	50	15 0(p)	15 0	11 0	10 0	3	Y.
57,80,000	2,23,16,720	2,51,28,699	1,87,86,474	12,833	Mafatlal Gagalbhai & Sons	52,036	1,533	Standard Mills	436½	100	20 0	20 0	20 0	20 0	12	Y.P.
99,85,700	84,69,776	2,28,57,547	1,19,01,899	27,611	Tata Industries Ltd.	72,236	2,000	Svadeshi Mills	239	100	16 0	20 0	12 0	12 0	12	Y.P.
26,00,000	65,33,465	1,28,99,971	81,58,715	1,51,030	James Finlay & Co., Ltd.	53,928	552	Swan Mills	447½	100	20 0	20 0	20 0	25 0	12	Y.P.
28,77,425	61,96,876	1,77,34,830	68,44,558	43,485	Tata Industries Ltd.	58,005	1,800	Tata Mills	58	25	2 0	3 8	3 8	4 0	12	Y.P.T.
12,00,000	63,58,709	1,15,86,436	81,90,000	2,814	Thackersey Mooljee Sons & Co.	54,186	1,209	Western India Spg. & Mfg.	5,000	1,000	200 0*	225 0*	225 0	300 0	3	Y.

AHMEDABAD

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
25,00,000	21,11,650	1,36,22,878	60,47,209	5,408	Tata Industries, Ltd.	49,144	1,916	Ahmedabad Advance Mills	168½	100	10 0	10 0*	5 8	6 8	6	Y.P.
10,00,000	94,58,088	94,57,395	76,10,164	27,288	P. M. Hutheesing & Sons, Ltd.	44,220	912	Aruna Mills	667½	100	20 0	20 0*	20 0	30 0	6	Y.P.
26,25,000	2,40,17,401	1,48,07,666	1,03,05,000	46,884	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,558	100	25 0	25 0	25 0		12	Y.P.
20,00,000	38,43,840	79,44,276	56,25,000	3,90,074	Mangaldas & Bros., Ltd.	35,884	572	Arvindeva Ginning & Mfg.	1029½	200	15 0	15 0	15 0		12	Y.P.
12,00,000	1,15,58,933	1,15,58,933	59,00,000	1,38,048	Lalbhai Dalpatbhai & Co.	37,868	914	Asoka Mills	835	100	22 0	22 0	22 0	30 0	12	Y.P.
1,24,79,011	11,11,66,208	4,24,38,718	3,07,58,344	16,00,756	Karamchand Premchand Ltd.	1,39,120	3,272	Calico	467XR	125	18 0	18 0	18 0		12	Y.P.
62,48,000	28,04,000	1,10,69,068	79,50,000	1,06,248	Trisanlal Bhogilal & Co., Ltd.	45,586	866	New Commercial Mills	1,510	1,000	70 0	70 0	70 0		12	Y.P.
99,00,000	66,61,713	1,14,89,135	91,25,206	6,387	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	840	125	35 0	35 0	35 0		12	Y.
5,00,000	61,15,983	46,72,745	31,76,001	700	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	573	Nutan Mills	2,500	100	30 0*	30 0*			12	Y.P.
13,50,000	1,09,22,589	79,71,783	52,25,077	52,522	Lalbhai Dalpatbhai & Co.	51,120	936	Rajnagar Spg., Wvg. & Mfg.	1,225	100	30 0*	30 0*			12	Y.P.
12,00,000	12,00,000	74,85,069	52,67,808	—89,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	257½	250	Nil				12	Y.P.
52,50,000	16,74,825	84,88,940	52,67,808	4,020	Lallubhai Gordhandas Ltd.	35,156	648	Rohit Mills	263½	100	9 0	9 0			12	Y.P.
28,98,150	1,90,84,538	1,60,18,812	1,34,25,000	2,65,570	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	591	50	14 0	18 0	20 0		12	Y.P.
19,52,500	50,00,194	78,08,018	63,08,300	6,434	Mafatlal Chandulal & Co., (Ahmedabad) Ltd.	35,624	720	Shorrock Spg. & Mfg.	516	100	20 0	20 0	20 0	20 0	12	Y.
33,00,000	28,96,488	1,03,76,340	66,55,291	32,764	Haridas Ashratlal & Co., Ltd.	35,176	780	Vijaya Mills	700	400	35 0*	35 0*	35 0*	35 0*	12	Y.P.

WEST BENGAL

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
15,00,000	1,82,500	84,23,069	21,01,810	1,05,080	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	5	10	INil	0	0 4	0 8	12	Y.P.T.
7,11,256	3,40,775	43,42,381	25,57,307	39,758	Bengal Textile Agency, Ltd.	12,544	336	Bengal Luxmi Cotton Mills	40 N	50	2 0	Nil	Nil	4 0	3	Y.
4,00,000	23,71,793	31,43,223	14,58,000	—84,31,401	Kettlewell Bullen & Co., Ltd.	42,872	841	Bowrah Cotton Mills	165XR	100	Nil	Nil	Nil	Nil	6,12	H.P.
10,00,000	25,17,571	1,01,41,469	69,83,080	—7,06,925	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	310	100	Nil	Nil	Nil	Nil	6,12	H.P.
1,60,00,000	2,07,59,266	3,59,23,374	1,20,23,790	2,45,483	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	17½	10	1 12	1 12	0 14	0-14	3	Y.P.
6,00,000									—	25	1 4					
33,96,288	9,75,000	84,54,400	67,06,257	5,138	Chakravarti Sons & Co.	23,484	443	Mohini Mills	—	10	0 8				12	Y.P.
19,47,7500	7,45,000	47,06,298	24,48,552	1,094	Hazaresmull Heeralall	23 036	705	Rampooria Cotton Mills	11½ M	10	0 8	0 8	0 8	1 0	6	Y.
5,00,0000D									1½	1D.	Nil		Nil			

SOUTH INDIA AND OTHER CENTRES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
15,00,000	9,00,000	60,37,191	29,09,649	—8,54,223	Ramlie & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	8	10	Nil	Nil	Nil		12	Y.
@8.75 1,84,400	44,98,207	2,10,91,206	50,40,013	..	Industrial Trust Fund	56,136	708	Asam Jahi Mills	96	100	6 0	6 0	Nil		12	Y.P.T.
40,50,000	2,00,68,745	3,24,98,900	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,167	Bangalore Woollen, Cotton and Silk Mills	565	100	15 0	25 0	30 0	30 0	12	Y.
87,00,000	18,50,000	77,25,162	52,72,122	18,199	M.	89,986	810	Bengal-Nagpur Cotton Mills	8½	10	0 4	0 6	0 8		6,12	H.P.Y.
15,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers, Ltd.	89,986	1,046	Birla Cotton Spg. & Wvg., Delhi	85N	10	3 0	3 0	3 0	3 0	3	Y.
1,78,47,500	1,76,55,500	6,38,09,263	3,52,32,180	2,38,443	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckingham & Carnatic	181½	100	4 0	10 0	10 0	10 0	12	Y.P.T.
20,00,000	20,00,406	84,17,820	19,76,634	8,55,087	Peirce, Leslie & Co., Ltd.	28,706	..	Cambodia Mills	13½cd	10	1 0	0 12	Nil		12	Y.P.T.
15,00,000	4,51,500	44,03,466	21,80,176	44,557	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	162	100	12 0	12 0	Nil		12	Y.P.
30,00,000	25,98,976	58,07,118	30,54,813	29,514	Begg, Sutherland & Co., Ltd.	25,796	501	Coimbatore Cotton Mills	5½	5	0 0	0 0	0 0		12	Y.
19,00,000	20,00,000	84,66,396	27,86,627	34,164	R. Bheema Naidu & Co.	28,564	..	Coimbatore Cotton Mills	337	100	20 0	20 0	20 0	25 0	12	Y.
20,00,000	14,20,000	86,95,519	21,28,500	14,052	T. R. N. Naidu & Co.	22,788	..	Coimbatore Pioneer Mills	270	100	9 0	15 0	25 0		12	Y.
20,78,900	4,19,814	1,15,51,599	83,00,019	16,884	K. G. N. Naidu & Co.	73,823	1,207	Coimbatore Spg. & Wvg.	89½	50	Nil	Nil	2 8		12	Y.P.
40,37,440	58,23,440	1,58,09,833	1,15,09,833	9,703	Tata Industries, Ltd.	1,15,188	2,062	Central India	141	100	8 0	5 0	8 0	6 0	6	Y.
3,38,34,125	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. B. Charat Ram & Co., Ltd.	1,16,636	2,854	Delhi Cloth & General Mills	35½N	10	1 8	1 8	1 8	1 8	6	Y.P.
1,00,563									25	2	0 1 4/5	0 2 4/5	0 3 8/5	0 3 8/5	3	Y.P.T.
24,94,500	34,17,763	47,84,087	23,52,518	9,248	M. N. Chettiar & Sons	22,566	201	Dhanalakshmi Mills	342½xd	100	20 0	20 0	20 0		12	Y.
40,00,000	46,32,850	1,52,16,382	1,29,71,631	23,386	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	202	100	15 0	15 0	15 0		12	Y.
48,81,000	35,22,175	1,00,55,167	68,95,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	232	100	17 0*	17 0	18 0	1 0	3	Y.P.
50,00,000	8,00,574	1,29,35,712	1,08,08,420	6,160	Govindam Sakharia (Indore)	61,160	1,450	Indore Malwa United	140½	100	6 0	6 0	6 0	10 0	12	Y.
5,00,000	10,65,683	31,06,669	18,45,155	2,079	G. V. Naidu & Co., Ltd.	24,828	..	Janardana Mills	140½	100	6 0	6 0	6 0	8 8*	12	Y.
24,00,000	16,25,000	78,88,868	26,50,000	29,882	Kothari Textiles	45,000	800	Kothari Textiles	50	100	5 0	5 0	5 0	10 0	12	Y.
32,00,000	68,30,185	1,48,62,650	1,12,54,204	14,744	Bombay Co., Ltd.	61,978	1,319	Lakshmi Cotton Mfg.	211½	100	10 0	12 0	10 0	10 0	6	Y.P.
88,54,100	66,55,960	1,11,56,880	75,29,525	74,876	G. K. Naidu & Co.,	85,908	201	Lakshmi Mills	700	250	37 8	37 8	33 12	42 8	12	Y.P.
17,82,050									100½	50	5 0	5 0	10 0	12 8		
1,78,05,450	4,18,51,978	5,73,76,126	5,56,74,019	18,86,613	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	95	25	2 8	2 8	2 8	6 4	3	Y.
12,00,000	4,17,863	28,26,763	16,72,262	—99,078	A. L. A. R. S. Chettiar and 8 others	23,592	100	Malabar Spg. & Wvg.	50½	15	1 8	1 8	1 8	2 0	12	Y.
60,00,000	69,00,000	62,41,446	41,90,225	1,48,408	W. A. Beardsell & Co., Ltd.	24,720	608	Mettur Industries Ltd.	200	100	20 0	20 0	20 0		12	Y.
40,00,000	19,47,928	84,18,677	46,25,194	9,599	N. Sirur & Co., Ltd.	39,896	704	Minerva Mills	406	100	12 0	12 0	22 8*	25 0	4	Y.
29,59,700	24,91,850	1,61,29,118	78,81,623	—7,44,923	Banalal Abirchand Dadabhoy & Co.	51,240	948	Model Mills (Nagpur)	88	100	5 0	7 0*	5 0(c)		12	Y.
30,00,000	58,19,600	1,58,39,273	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	56,640	1,584	Muir Mills	151½	250	7 8	7 8*	5 0(c)		12	Y.
24,00,000	50,24,347	99,04,000	52,99,026	32,700	N. Sirur & Co., Ltd.	50,120	500	Mysore Spg. & Mfg.	106N	100					12	Y.P.
13,51,750	3,56,745	39,43,993	15,37,000	3,986	R. Suryanarayana Rao, Esq. Manager	6,000	..	Mysore Sycan Silk Mills	110	50	10 0*	10 0*	8 8*	6 0(c)	3	Y.
@8.75 88,850	25,68,583	1,02,16,296	53,90,719	—89,68,829	J.P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	7½	2	Nil	Nil	Nil		3	Y.
5,07,095D					Industrial Trust Fund	87,788	856	Osmanshahi Mills	2½	1	0 0 ½	0 0 ½	0 0 ½		12	Y.P.
87,14,300	87,72,270	1,68,68,562	62,88,063	....					D. 1		Nil	Nil	Nil			
4,00,000 LA	7,50,000	35,04,758	21,95,715	9,122	Bhaghyalakhmi & Co.	29,924	..	Palani Andavar Mills	77	100	7 0	4 0	Nil		12	Y.
5,00,000B									166	50A	12 0	12 0	12 0		12	Y.
15,00,000	2,25,000	34,59,511	16,41,045	—18,87,240	C. S. R. Mudaliar & Sons	30,706	..	Pankaja Mills Ltd.	248	75B	11 4	15 8	18 0		12	Y.
16,81,200A	20,00,000	73,90,455	41,41,878	23,667	A. G. Guruswamy Naidu & Co.	51,664	801	Radhakrishna Mills	744	100	Nil	Nil	Nil		12	Y.
5,40,200B									292	100A	8 0	8 0	16 0			
15,00,000	38,75,000	84,37,776	17,67,922	12,337	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	145	50B	4 0	4 0	8 0		12	Y.
22,29,625	18,40,000	40,14,000	15,05,147	29,550	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	171½	50	4 8	7 8	10 0		12	Y.P.
90,00,000	68,56,508	95,29,567	35,43,291	—19,59,428	J. P. Srivastava & Sons (Kamper)	54,533	600	Ram Textiles	135xd	100	6 0	6 0	9 0	10 0	12	Y.P.
14,00,000	1,60,39,516	2,86,27,048	2,04,27,879	—1,50,02,067	Mcrarka & Co.	96,332	2,234	Sholapoor Spg. & Wvg.	72N	100	Nil	Nil			12	Y.P.
36,60,700	16,68,522	71,75,918	51,35,889	27,871	H. N. Pallegar, Esq.	51,668	993	Sri Krishnaraj Mills	1,000	500	Nil	Nil	Nil		3	Y.P.
26,14,850	5,02,256	85,18,006	17,72,000	—2,46,777	Gopaldas Lilladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	91	50	4 0*	4 0*	4 8		3	Y.
15,00,000	3,11,90,237	96,09,567	72,44,724	31,27,583	Birla Brothers, Ltd.	35,556	1,243	Sutlej Cotton Mills	80N	100	Nil	Nil	Nil		3	Y.
17,50,000 O	3,30,00,000	4,54,40,647	1,70,83,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	10	10	1 4	1 4	1 4		6,12	H.
1,57,50,000P									11½	10P.O.	0 12	0 12	0 12	0 12		
90,84,000	18,00,000	2,76,11,606	1,90,88,764	1,23,122	Emcote & Sons (Travancore), Ltd.			Travancore Rayons	15½cd	10	Nil	0-14 2/5	1-2 2/5	0 12	12	Y.P.
18,96,670	5,76,322	17,39,181	11,37,336	1,503	Mooljee Ramlee & Sons	17,500	..	Trichinopoly Mills	10	10	0 8	0 10	0 10		12	Y.P.T.
31,00,000	23,00,000	54,92,295	36,81,499	36,500	R. K. S. Chetty & Brothers	38,544	270	Vasanta Mills	297½cd	100	12 0	11 1/2	0 14 2/5	0-14 2/5	12	Y.P.
32,80,000	34,42,971	1,64,67,122	1,05,10,233	23,125	Bombay Co., Ltd.	45,490	1,331	Vishnu Cotton	192½	100	10 0	4 0	4 0	8 0	12	Y.P.

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c)(e) Paid out of reserves.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Rights.

MISCELLANEOUS COMPANIES

BREWERIES AND DISTILLERIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividend per Share: 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
19,92,000	17,34,000	1,10,80,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9½	5	Nil	Nil	Nil	0 8	5	Y.P.
16,20,630	18,38,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6	5	0 8	0 8	0 8	0 9	3	Y.
6580,000	6925,777	61,302,585	6566,540	656,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	271xd 32	A. 16sh. B. £1	Sh. 1 3/5 Sh. 3	Sh. 1 3/5 Sh. 4	Sh. 1 3/5 Sh. 5 4/5	Sh1 3/5 Sh4	9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	185	75	15 0	15 0	15 0	15 0	3	Y

CEMENT

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividend per Share: 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
11,27,700A	10,85,516	79,90,284	29,32,658	26,623	Andhra Engineering Co., Ltd.	Andhra Cement Co.	158	A. 100	7 8	10 0*	10 0		12	Y.P.T.
29,79,020B							15½	B. 10	0 12	1 0*	1 0			
48,14,500O							7	O. 10						
4,70,976D							1½	D. 1	Nil	Nil	Nil		8	Y.P
25,71,56,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	215¼	100	9 8	9 8	8 8	10 0	7	Y.
60,00,000O							14½	O. 10

MISCELLANEOUS COMPANIES—Continued.

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	36,71,841	2,02,57,019	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	145	25	Nil	Nil	1 9	2 8	6,12	H.P.T.
62,98,250	66,03,861	1,11,56,730	76,81,808	88,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	24 ¾	10	5 0	6 0	7 0	0 11½	3,9	H.
25,00,000	16,12,500	1,35,83,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	18–24	10	1 0*	1 0*	0 12*	0 12*	3	Y.
1,46,82,500	2,09,25,641	4,27,02,365	1,02,98,953	2,29,489	Birla Bros.	Orient Paper	34½	10	1 0	1 0	0 7½	0 8½	3,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18½	10	1 0	1 0	0 12½	0 10½	6,12	H.P.T.
20,00,000 / 10,00,000'A'	6,50,000	54,00,869	30,16,681	4,492	Balooia & Co.	Star Paper Mills	11¼ / 11¼	O. 10 / A. 10	0 12 / 0 8	0 12 / 0 12	0 12½ / 0 12	0 8½	3,9	H.P.T.
56,00,000A. / 56,84,250B. / 4,87,500P.O.	3,22,75,945	5,80,42,527	3,21,32,342	95,584	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	44½ / 44½ / 5	A. 10 / B. 10 / P.O. 2½	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	0 12½ / 0 12½ / 0 2	1 0* / 1 0* / 0 2	3,9	H.P.
PRESSING														
8,00,000	6,12,365	15,78,488	11,12,591	—35,478	Andrew Yule & Co.	Calcutta Hydraulic	109	100	5 6	5 Y 0	4 6	Nil	7	Y.
4,80,000	1,00,000	6,89,526	4,78,956	2,554	Fyze & Sons	Camperdown	88N	100	5 0	4 0	5 0	5 0	7	Y
5,00,000	1,95,000	10,91,811	9,80,877	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	6	Y
PROPERTY AND LAND														
20,00,780O. / 2,00,000D.	7,48,065	43,46,067	21,43,279	96,047	S. A. Basil, Esq. & others (Directors).	Humayun Properties	13½ / 2½	O. 10 / D. 1	0 8 / NU	0 11½ / 0 4/5	0 9 6/8 / Nil		9	Y.P.
50,00,000	18,07,874	84,39,704	16,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	9½	100	1 0	1 8	1 8	Nil	4	Y.
94,00,000	86,71,674	95,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	34	100	2 0	1 8	4 8	3 0	4	Y.P.
SAW MILLS AND TIMBER														
12,99,998	26,23,970	29,97,501	3,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	4 ¾	2	0 4	Nil	Nil		9	Y.
50,00,000 / 42,00,000	4,13,57,280	3,35,90,882	1,47,51,651	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	623½ / 230	Old128 / New50	9 0	6 0	8 0	37-8½ / 15-0	6	Y.
4,00,000	....	7,25,550	7,25,227	—4,89,907	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	Nil	Nil	Nil	Nil	6	Y.P.
20,00,000	16,15,487	18,19,049	15,53,015	1,79,568	Gillander Arbuthnot & Co., Ltd	Indian Wood Products	39	10	3 0	2 8	2 12	1 0½	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,227	29,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	9	5	Nil	Nil	Nil		6	Y.
12,00,000A. / 3,00,000B.	29,18,356	49,46,285	33,16,660	16,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	150N / 14N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	0 12 / 0 12	0 1	6	Y.
19,49,050	8,50,000	31,91,557	23,88,812	49,906	Bangur Bros., Ltd.	Belsund Sugar	11½ / 12N		0 12	0 12	0 12		4	Y.
18,00,000	18,50,295	36,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	8¾	10	1 8	1 8	1 8	1 8	6,12	Y.P.
32,00,000	23,37,080	1,36,90,775	92,57,801	12,445	Gladstone Lyall & Co., Ltd. ..	Cawnpore Sugar	20½	10	Nil	Nil	0 12	0 4	6	Y.P.T.
30,00,000	37,88,651	1,03 44,647	64,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	21	10	2 0	2 0	0 12	0 12	10	Y.P.
16,00,000	88,04,891	72,86,767	55,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Deoria Sugar	24N	10	1 0	1 0	1 0	1 8	6	Y.N
2,92,452	6,18,562	24,83,580	19,38,747	48,504	Karamchand Thapar & Bros. ..	....	16	10	1 0	1 0	1 0		6	Y.
50,00,000A. / 10,00,000B.	32,00,000	75,94,877	56,00,000	62,419	Hindustan Sugar Mills	Hindustan Sugar Mills	260N / 'A' 100 / O. 100	'A' 100 / O. 100	12 0* / 15 0*	15 0* / 15 0*	15 0* / 15 0*	15 0* / 6 0*	6	Y.P.
12,00,000	8,61,001	75,81,309	43 83,455	27,926	Kisenand Devchand & Co.	Kesar Sugar	60N / 24N	80 / 40	Nil / Nil	Nil / Nil	Nil / Nil	4 0 / 2 8	7	Y.P.
7,80,100	22,14,058	24,94,612	19,82,588	1,364	Cotton Agents Ltd.	New India Sugar Mills	35N	10	2 8	2 8	2 8	2 8	6	Y.P.T.
11,00,000	4,20,000	42,21,480	34,57,553	4,125	Karamchand Thapar & Bros. Ltd.	New Savan	6	10	0 8	0 8	0 8		8	Y.
19,87,500A. / 8,71,875B.	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	240N / 60N	100 / 25	20 0 / 6 0	20 0 / 6 0	20 0 / 6 0	20 0 / 6 0	6	Y.
77,45,350	58,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	115xdN	100	6 0	11 0	11 0	11 0	7	Y.P.
13,00,000	12,74,522	26,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	14	10	1 0	1 0	1 0	1 0	10	Y.
9,00,000	17,64,869	37,85,808	30,57,249	4,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	21¾	10	1 0	1 0	0 12	0 12	10	Y.P.
8,00,000	6,54,762	23,42,783	21,01,513	24,340	M.	Ramgutpur Sugar	16	10	1 0	1 0	1 0		8	Y.P.
11,99,000	18,36,779	38,63,583	22,98,180	8,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	14	10	1 0	0 8	0 8	Nil	8	Y.
20,00,000	22,58,560	1,35,20,110	62,59,221	24,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12½	10	1 8	1 8	1 8	1 12	8	Y.P.T.
9,99,950	61,825	26,88,548	11,98,837	—5,95,883	H. K. Ghosh, Esq., and R. N. Dutta, Esq. (Managing Directors) ..	Sitalpore Sugar	44	10	0 8½	Nil	Nil		6	Y.
					Shri Bikram Sugar	Karamchand Thapar & Bros ..	14½	10	1 0	1 0*	1 8*		6	Y.T.
7,95,462	18,22,940	21,60,725	17,83,080	1,06,227	N. K. Jain & Co., Ltd.	South Behar Sugar	16 / 42N	O. 10 / D. 24	Nil / Nil	Nil / Nil	Nil / Nil		6	Y.P.
9,16,00000. / 4,00,0000.	47,502	27,42,197	11,46,776	—16,14,603	James Finlay & Co., Ltd.	United Provinces Sugar	20½	10	1 8	0 8	2 8	2 8	6	Y.P.
16,00,000	7,99,178	43,24,455	32,49,607	1,364									9	Y.
Other Centres														
47,50,000 / 2,50,000	15,00,000	1,86,68,801	65,00,000	90,558	J. K. Industries Ltd.	Aluminium Corporation of India Ltd.	10½ / 8¾N	O. 10 / D. 2½	Nil / Nil	Nil / Nil	Nil / Nil		8	Y.P.T.
30,00,000	35,06,079	82,06,626	21,94,951	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	22	10	1 4	1 4	1 4	2 0*	8	Y.P.T.
30,00,000	8,55,000	58,39,494	20,85,060	1,18,305	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 4*	1 4*	1 4*	1 4*	8	Y.
20,00,000	27,47,888	1,01,49,887	39,87,880	82,668	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	6¾N	10	0 4	0 12 1/6	0 8 1/6	0 6 3/6	8	Y.P.T.
80,01,400	82,94,263	66,83,988	32,21,986	1,49,717	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	177	100	20 0*	20 0*	15 0	2 8	12	Y.
12,00,000	9,10,000	31,07,472	22,85,472	72,875	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	20½	10	0 10	1 8	2 8	2 8	12	Y.
20,00,000	1,99,470	37,53,560‡‡	....	1,21,732	Lavalette & Lewis	Birds Investment Ltd.	16½	10	1 4	1 4	1 4	1 8‡	6,12	Y.P.
45,97,020	26,46,814	1,00,74,580	29,49,001	1,96,548	K. Julius Scott, Esq. (Mg. Director)	Britannia Biscuits	14	10	0 12	0 8	1 0	1 0	8	Y.P.
2,25,00,000	1,16,11,808	2,82,03,905	2,22,14,167	—27,86,584	Sir Robert Menzies	British India Corporation Ltd.	10½	5	0 12	0 8	1 0	1 0	8	Y.P.T.
1,60,00,000	3,14,86,174	5,15,52,036	2,20,82,990	11,71,686	Cecil Snaik, Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	80 ½xd	10	2 0	2 0	2 0	Nil	12	Y.P.
61,28,000	53,05,753	1,34,39,916‡‡	....	1,34,608	Bird & Co.	....	164	100	8 0	8 0	8 0	1 8	12	Y.T.
14,00,000	10,02,000	23,81,772	18,39,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd. ‡	179xd	100	10 0	10 0	10 0	7 8	8	Y.P.
68,00,000	48,00,000	19,27,659	8,09,872	1,51,360	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co. Ltd.	164	10	10 0	10 0	10 0	7 8	8	H
30,00,000	11,42,254	66,59,433	29,41,525	1,366	E. F. E. Syndicate	Great Eastern Hotel	240	100	15 0	15 0	15 0	15 0	6	Y.P.
13,43,800	9,87,964	72,81,701	33,90,656	36,686	Birla Bros., Ltd.	Hind Cycles	150N	100	8 0	8 0	4 0	8 0 3/6	6	Y.P.
4,96,13,350	2,92,450	8,56,34,606	94,56,719	8,19,695	Birla Bros., Ltd.	Hindustan Motors	9½	10	Nil	Nil	10 0	8	12	Y.P.T.
1,60,00,000	46,77,764	4,16,74,246	1,74,75,693	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	22½	10	1 0	Nil	Nil	Nil	12	Y.
1,58,29,220	1,20,50,000	1,55,72,891	57,17,651	28,98,468	A. R. Driessen, Esq.	Indian Cables	21½	10	1 0	1 0	1 0	1 0	12	Y.
6,87,970	5,39,000	16,40,508	8,96,110	32,818	G. S. Menzies & Co. (India), Ltd.	Indian Rubber Manufacturers ..	11½	10	1 0	0 12	0 8	1 4*	12	Y.
15,16,00,000	7,22,53,683	8,55,94,047	1,17,80,408	25,20,723	M. Eric Henry Hare (Chairman)	Imperial Tobacco Co. of India Ltd.	101	10	10 0	7 8	7 8	9 3/8	12	Y.P.
2,00,00,000	55,29,556	84,38,960	40,80,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	101	100	10 0	7 8	7 8	9 12 4/5	8	Y.P.
8,34,00000. / 50,0000.	9,48,343	6,89,830	4,81,766	2,240	James & Co., Ltd	Mackarlane & Co.	2½ / 2185	O. 5 / D. 10	Nil / Nil	Nil / Nil			3	Y.
60,00,0000. / 5,00,0000.	72,01,900	25,16,760	7,97,801	1,97,834	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	—	D.O.10	17 0 / 7 4	10 0 / 7 4	17 0 / 7 4	2 1 3/8	12	Y.P.
1,87,50,000	60,54,276	62,58,051	11,84,226	2,03,456	T. Leslie Marks, Esq. (Mg. Director)	Martin Burn Ltd.	24½	10	1 0	1 0	1 0	1 0	12	Y.
1,15,00,000	44,50,000	1,76,64,805	67,87,487	1,43,141	H. Chirwei Jones, Esq. (Chairman)	Metal Box Co. of India Ltd. ..	27½	10	1 0	1 0	1 0	1 12*	9	Y.
3,50,000	1,53,568	7,81,446	2,60,697	73	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	4 ¾	10	Nil	Nil	Nil	1 4	8	Y.
8,50,250	9,55,118	10,40,250	4,00,947	78	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	14½	10	1 0	1 0	1 0		12	Y.
10,00,000	1,23,000	16,18,188	8,10,629	2,23,283	V. Shanmuga, Esq. (Chairman) ..	Mysore Tobacco	12–11½	10	1 0	1 0	1 4	1 6	8	Y.
40,00,000	51,21,175	59,09,527	39,20,130	....	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	22½	10	1 0	1 0	1 0	1 8*	8	Y.
					B. F. Ellis & Co., Ltd.	National Tobacco Co.	12½	10	Nil	Nil	1 0		8	Y.
79,97,000	31,15,537	1,14,74,878	59,77,582	9,05,480	Corromandel Investment Trust Ltd.	Parry & Co.	4 ¾N	10	0 4 4/5	0 4 4/5	0 8		8	Y.
40,00,000	27,00,000	44,15,474	19,71,484	1,91,468	M. P. A. Parpatti, Esq.	Rallis (India) Ltd.	85	100	4 0	4 0	4 0	4 0	12	Y.P.
2,25,00,000	7,25,188	1,58,49,091	40,14,109	—23,99,179	Sahu Jain Ltd.	Rohtas Industries	22½	10	Nil	Nil	Nil	Nil	12	Y.
1,72,24,400	1,31,20,208	7,56,84,689	3,47,94,970	4,91,024	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22½	10	1 4	1 4	1 8	1 0	12	Y.
45,00,000	28,50,594	1,18,78,870	70,99,687	5,10,875	E. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	15½	10	1 8	1 8	1 8	1 0	12	Y.
78,00,000	49,00,000	13,58,5654	4,15,784	9,68,451	....	Travancore Ogale Glass	3½	10	Nil	Nil	1 4		12	Y.
2,66,250	1,50,000	14,56,285	2,40,446	—2,06,050	Ogale Bros., Ltd.	....	....	....	....	....	....	....	12	Y.

‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,01,000 which represent share in the firm of Shaw Wallace & Co.
‡‡ The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amluckie	350N	100	7 8	25 0	30 0‡		12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	42N	10	0 12	1 4	7 8‡		12	Y.
3,00,000	6,48,250	10,47,044	2,93,058	72,993	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	49	10	Nil	2 8	8 0*		12	Y.
2,00,000	2,81,825	5,03,058	2,35,433	16,652	McLeod & Co., Ltd.	513	Bazhuari	27½	10	Nil	Nil	3 8		12	Y.
5,50,000	11,21,541	16,95,977	6,44,307	93,033	Andrew Yule & Co., Ltd.	399	Basmasia	38½	10	2 0	2 8	3 0		12	Y.
5,10,000	8,50,000	11,99,193	3,80,461	93,043	National Tea Corporation	569	Batell	23½	5	0 4	2 0	4 0		12	Y.
3,30,000	4,85,000	10,11,265	5,46,265	18,904	Gillanders Arbuthnot & Co., Ltd.	504	Beljan	59½	10	Nil	2 0	10 0*		12	Y.
3,20,000	8,70,000	9,60,764	2,59,311	68,794	Williamson Magor & Co., Ltd. ..	3,967	Bishnauth	25	10	Nil	3 8			12	Y.
6,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd. ..	1,100	Bokakhat	27½	10	Nil	Nil	1 0		12	Y.
5,00,000	2,53,500	10,49,416	2,26,130	61,929	Octavius Steel & Co., Ltd. ..	485	Bokakhat	27½	10	Nil	Nil	3 8		12	Y.P.T.
7,50,000	6,52,400	8,92,327	2,83,050	1,44,105	McLeod & Co., Ltd.	450	Bormah Jan Tea	23	10	Nil	0 12	3 8		12	Y.P.T.
35,00,000	11,92,045	73,80,473	19,49,496	26,092	Brook Bond India Ltd.	2,834	Brooke Bond	24½	10	1 0	0 8	1 4		12	Y.P.
1,20,000	4,00,426	5,55,963	1,35,593	5,542	McLeod & Co., Ltd.	282	Dejoo Valley	50½	10	Nil	1 0	6 0		12	Y.
5,00,000	10,99,000	28,84,194	16,84,471	51,359	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	405N	100	10 0	20 0	40 0		12	Y.
7,53,440	9,87,983	22,73,420	4,17,846	44,551	James Warren & Co., Ltd. ..	620	Dhelakhat	21½	10	1 0	1 8	2 8		12	Y.
4,68,970	8,95,000	10,93,269	2,77,383	54,692	James Finlay & Co., Ltd.	644	Dhunseri	29	10	Nil	2 0	3 0		12	Y.P.
4,50,000	6,75,000	9,00,824	2,00,817	56,532	McLeod & Co., Ltd.	453	Dibrugarh	23½	10	Nil	1 0	4 0		12	Y.
2,36,700	6,60,000	10,29,005	5,54,006	55,532	Williamson Magor & Co., Ltd.	611	Dimakusi	30½	10	1 0	1 4	6 0		12	Y.P.
5,62,500	8,82,000	19,85,851	13,34,016	1,61,992	Williamson Magor & Co., Ltd.	515	Dullabchar	49	10	2 0	4 0	5 0		12	Y.P.
10,00,000	6,40,000	23,23,313	9,73,313	78,838	Williamson Magor & Co., Ltd.	1,160	East India Tea	28½	10	0 4	2 8	3 8		12	Y.
3,60,000	5,05,000	8,25,214	4,30,235	5,997	L. C. Kanoi, Esq.	407	Ghilapukri	33	10	Nil	1 12	8 0		12	Y.
3 38,000	7,20,000	15,56,090	7,85,090	88,216	Williamson Magor & Co., Ltd.	949	Golapur	23½	10	1 8	3 0	6 0		12	Y.
A. 7,41,540 / B. 3,41,185	15,26,250	30,58 902	6,17,945	56,376	Octavius Steel & Co., Ltd. ..	1,912	Grob	A. 33½ / B. 27	A 10 / B 5	2 0 / 1 8	3 0 / 2 8	5 0 / 3 8		12	Y.
2,00,000	8,75,000	7,76,574	2,63,800	24,780	Andrew Yule & Co., Ltd.	476	Hoograjuli	30N	10	1 8	3 0	6 0		12	Y.
3,70,000	11,47,716	18,90,576	10,80,837	1,45,234	Andrew Yule & Co., Ltd.	1,298	Hoolangooree	309	100	Nil	12 8	55 0		12	Y.
58,56,900	84,40,839	....	....	72,556	Birla Bros., Ltd.	3,901	Jay Shree Tea Gardens ..	12½	10	0 9 3/5	Nil	1 0	1 0	12	Y.
7,50,000	7,35,000	14,15,643	2,37,389	97,138	Gillanders Arbuthnot & Co., Ltd.	943	Jutlihari	27½	10	Nil	Nil	3 8		12	Y.
2,50,000	2,55,000	5,37,520	2,37,520	6,193	G. D. Kothari, Esq.	1,166	Kingsley-Golaghat (Assam)	325N	100	Nil	Nil			12	P.Y.
5,56,000	6,59,133	7,20,222	1,70,222	44,588	Duncan Bros. & Co., Ltd. ..	1,046	Ledo	28½	10	Nil	2 0	2 12		12	Y.
8,00,000	11,40,000	19,43,410	4,74,235	45,524	Octavius Steel & Co., Ltd. ..	613	Methoni	27½	10	Nil	1 8	4 8		12	Y.
4,80,000	2,50,000	9,01,152	1,01,152	10,713	Duncan Bros. & Co., Ltd. ..	673	Mohoema	23½	10	Nil	Nil	Nil		12	Y.P.
1,50,000	7,22,454	7,65,880	4,47,850	53,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	525 ?	100	Nil	40 0	65 0		12	Y.
50,000 / 2,00,000	5,30,000	9,09,374	5,40,379	50,536	Andrew Yule & Co. Ltd.	844	Murphulani	O. 10 / P.O. 33½	O. 10 / P.O. 2	2 0 / 2 8	3 0 / 3 8	4 8 / 5 0		12	Y.
4,00,000	3,61,274	6,00,328	3,80,669	9,557	S.C. Sen, Esq., Supervising Director	542	Naga Hills	54	10	Nil	Nil	0 8‡		12	Y.
5,35,000	....	12,71,401	6,78,401	5,053	M.	810	Namburadi	23	10	Nil	Nil	0 8‡		12	Y.
5,00,000	3,50,000	5,94,477	1,94,447	25,013	Duncan Bros. & Co., Ltd. ..	937	New Chumtollah	160N	100	Nil	5 0	10 0		12	Y.
2,00,000	4,77,500	7,59,948	3,35,545	39,438	Andrew Yule & Co., Ltd. ..	353	Rajgarh	49	10	Nil	2 8	7 8		12	Y.
3,00,000	5,56,302	17,12,490	7,10,249	5,645	L. C. Kanoi, Esq.	932	Sapoi	28	10	Nil	2 8	4 8		12	Y.
2,49,000	2,90,000	8,14,755	3,59,512	41,943	Williamson Magor & Co., Ltd.	452	Seajuli	33	10	Nil	3 0	4 0		12	Y.
4,50,000	7,84,500	11,34,095	3,43,117	45,702	Octavius Steel & Co., Ltd. ..	515	Teen Ali	37½	10	1 0	3 0	6 0		12	Y.
5,62,500	10,75,000	10,33,209	3,74,340	31,743	McLeod & Co., Ltd.	495	Teloljan	30½	10	Nil	1 8	5 0		12	Y.
4,00,000	7,85,127	9,56,920	2,43,134	52,892	Gillanders Arbuthnot & Co., Ltd.	503	Tengamai	120	10	0 12	2 8	6 8*		12	Y.
18,86,810	17,34,252	33,97,279	14,90,279	59,985	Shaw Wallace & Co., Ltd. ..	2,139	Teapore	27½	10	Nil	2 8	5 0		12	Y.P.
2,80,000	16,00,350	22,53,185	10,72,453	9,014	McLeod & Co., Ltd.	1,050	Tyroon	41	10	Nil	1 0	6 0		12	Y.
CACHAR															
8,00,000	1,75,000	5,30,763	1,79,376	—3,36,155	M.	382	Arcottipore	9 ¾	10	Nil	Nil	Nil		12	Y.
7,00,000	16,70,000	7,81,183	62,031	—33,429	Octavius Steel & Co., Ltd. ..	649	Hastern Cachar	9 ¾	10	Nil	Nil	Nil		12	Y.
12,50,000	11,62,996	24,73,391	10,30,376	63,379	Octavius Steel & Co., Ltd. ..	2,154	Hattikhira	25	10	Nil	2 8	4 0		12	Y.
4,50,000	2,50,000	2,32,721	8,374	15,530	Bullion Co., Ltd.	577	Kalinagar and Khoorsel ..	111	100	Nil	Nil	15 0		12	Y.
3,00,000	2,51,794	3,54,915	1,14,850	19,091	Duncan Bros. & Co., Ltd. ..	600	Kanchanpore	16N	10	Nil	Nil	2 12		12	Y.
7,00,000	5,50,000

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4½	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,04,186	15,15,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	8¼	3	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,906	1,21,050	Cons. Coffee Estates (Secretaries) ..	Coffee Lands and Industries ..	22½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	17½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,70,703	5,55,957	48,764	7,754	Associated Planters Ltd.	Cottaund Plantations	18½	10	1 8*	1 8	1 8	1 12*	6	Y.P.T.
18,00,000	9,95,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce	17½	10	1 0	1 4	2 8	1 12*	3	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	31½	10	2 0	2 0	2 0	2 0	12	Y.P.
9,00,000	7,25,329	13,44,917	2,55,893	..	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	30	10	3 8	5 8	2 4	2 12	4	Y.P.
27,00,000	29,30,000	74,32,314	7,74,629	1,45,508	A. V. Thomas & Co., Ltd. ..	Midland Rubber	21½	10	1 8	1 8	1 12*	2 4	3	Y.
3,35,000	2,31,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd. ..	Nenmeny Rubber	22½	10	2+1	1+1	1+1	1+2	4	Y.P.
2,00,000	2,99,688	7,20,805	44,185	8,690	Associated Planters Ltd.	Nilambur Rubber Co.	14½	10	0 10	0 12	1 8	1+	12	H.P.T.
19,45,980	24,00,991	41,19,708	12,01,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterlaney Valley Estates ..	5½	2	1 0	1 0	1 0	..	12	Y.P.
13,50,000	7,80,000	40,92,243	3,51,977	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	24	10	1 1	1 12*	1 12*	2 0	10	Y.P.T.
3,80,780	2,50,000	5,94,502	49,313	89,904	Peirce Leslie & Co., Ltd. ..	Savamalai Estates Ltd.	27½d	10	3 8	3 0	1 12*	2 0	6	Y.P.
10,00,000	5,98,340	22,91,129	1,55,829	2,931	East india Agencies	Teekoy Rubber (India) Ltd. ..	10½	10	0 14½	0 14 2/5	2 8	..	11	Y.
2,50,000	2,37,500	5,20,518	27,825	15,715	A. V. George & Co., Ltd. ..	Thamarapally Rubber	29½	10	2 0	3 0	0 12	0 14 2/5	3	Y.P.T.
6,10,200	3,00,905	5,91,561	60,585	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4	0 4	3 0	..	12	Y.P.
6,00,000	46,474	7,49,611	1,11,200	3,744	Rajeeva Thomas, Esq. (Mg. Director)	Travancore Rubber	28½	10	2 0	2 0	0 1 3/5	0 2	9	Y.
41,00,000	14,29,673	74,86,897	7,65,148	3,28,025	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13½	10	0 9 3/5	1 0 0	2 0	..	12	Y.
20,00,000	90,000	25,53,568	5,65,978	2,276	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	4½	25	2 8	1 0 0	1 8	..	12	Y.P.T.
6,28,580	4,40,670	7,77,154	14,119	21,363	Harrisons & Crosfield Ltd. ..	Valkhindam (Travancore) Rubber ..	27½d	10	2 0	2 0	2 4	..	12	Y.
1,65,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	11½	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Azarpara	12½	10	1+1	1+1	1+1	1+	3.9	H.T.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,086	McLeod & Co., Ltd.	446	Alexandra	215	100	*Nil*	*Nil*	*Nil*	*Nil*	6.12	H.P.T.
30,00,000	9,84,100	1,17,45,984	91,71,089	2,55,797	McLeod & Co., Ltd.	1,264	Anglo-India	133	100	*Nil*	*Nil*+24	24+5	55+7½	6.12	H.P.T.
49,20,700	72,00,000	2,72,98,335	1,87,90,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	180	100	10+10	*Nil*+5	6+6	..	6.12	H.P.
40,00,000	42,94,285	1,73,44,642	86,94,896	9,783	Bird & Co., Ltd.	810	Auckland	128	100	10+4	7½+5	21+5	5+8½	3.9	H.P.
20,00,000	22,86,000	96,75,618	45,15,094	15,350	Jardine Henderson & Co.	959	Bally	132	100	10+4	7+5	14+8½	6+4	3.9	H.P.T.
£275,000	£631,523	£1,56,539	£1,002,227	£54,858	Sir John H. Birder (Chairman)	1,889	Barnagore	133	£5	*Nil*	4+*Nil*	*Nil*	3½+*Nil*	3.9	H.P.
28,000,000	32,30,123	92,27,342	49,93,231	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	165	£1	£1	£½	£½	£½	3	Y.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull	600	Bengal	17½	10	7½+7½	7½+7½	5+5	5+2½	6.12	H.P.
91,26,000	2,15,77,044	3,32,32,892	29,72,760	3,12,600	Birla Bros., Ltd.	1,379	Birla	16½	10	1	1½	1½	1½	..	Y.P.T.
36,00,000	27,97,926	1,12,57,557	72,25,930	2,277	Andrew Yule & Co., Ltd.	991	Budge-Budge	139	100	3	3	1	1	3	H.P.
7,47,380	3,16,924	42,43,494	30,69,848	85,424	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9½	10	0+8	4+6	4+6	5+2½	4.10	H.P.
18,00,000	30,40,234	87,13,271	41,48,795	6,248	Andrew Yule & Co., Ltd.	616	Caledonian	215	100	6+6	6+6	4+5	4+2½	6.12	H.P.T.
59,15,400	98,58,404	2,22,41,517	1,07,46,003	1,30,505	James Finlay & Co., Ltd.	600	Champdany	157	100	7+8	3+3	*Nil*+3	4+6	5.11	H.
15,95,000	28,39,282	81,34,655	56,60,175	2,615	Andrew Yule & Co., Ltd.	530	Cheviot	209	100	6+6	6+6	*Nil*+3	4+6	3.9	H.
30,15,000	22,25,000	60,73,514	46,01,290	1,52,253	McLeod & Co., Ltd.	600	Chitavalsah	14½	10	2½+1½	1½+½	1+½	1+½	5.11	H.P.
16,00,000	24,00,000	78,22,716	56,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	15	10	2	*Nil*	*Nil*	1+½	6.12	H.P.
21,40,200	61,22,868	1,34,26,320	64,46,601	1,996	Bird & Co., Ltd.	766	Dalhousie	115	100	6+1	3+3	*Nil*	1-4±	3	Y.P.
28,00,000	44,74,179	75,56,699	47,00,110	15,913	Andrew Yule & Co., Ltd.	779	Delta	160	100	10+10	10+10	6+6	5+5	3.9	H.P.T.
15,00,000	33,50,000	81,98,824	59,15,560	1,43,894	McLeod & Co., Ltd.	500	Empire	20½	10	1+1	1+1	1+1	1+1	5.11	H.P.
81,00,000	59,60,176	2,72,32,353	1,87,05,641	71,982	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	350N	100	10+*Nil*	*Nil*	2+1	2+	6.12	H.T.P.
14,00,000	17,75,000	84,15,109	53,69,759	1,16,743	Bangur Bros., Ltd.	1,014	Fort William	21	10	*Nil*	*Nil*+5	*Nil*+5	10+5	3.9	H.P.T.
84,32,100	1,66,021	2,03,72,498	1,32,68,885	84,732	Macneill & Barry Ltd.	1,709	Ganges Mfg.	66½	10	*Nil*	*Nil*+*Nil*	10+10	10+10	3.9	H.T.P.
10,80,000	28,00,000	71,52,983	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,300	300	30	*Nil*	*Nil*+½	2½+*Nil*	3.9	H.P.
24,00,000	33,38,409	2,12,33,183	1,05,13,213	57,298	Macneill & Barry Ltd.	1,394	Gouripore	280	100	12+*Nil*	*Nil*+8½	*Nil*	..	12	Y.
40,00,000	55,68,234	99,03,890	57,85,999	3,27,745	Bangur Bros., Ltd.	1,078	Hastinga	114N	100	10	10	2½+7½	7½+7½	5.9	H.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	38	10	1½	1½	10+10	11½+	3	Y.P.
25,52,500	51,32,961	1,82,37,584	1,07,31,964	11,493	Jardine Henderson Ltd.	1,940	Howrah	21	10	1+½	1+½	1+½	..	3.9	Y.P.
52,50,000	23,00,000	2,58,15,937	1,54,15,937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	23½	10	5	3	2	2	3.9	H.P.T.
87,00,000	16,55,558	1,23,66,055	78,55,428	7,731	M.	1,076	India	147	O. 125	3½+3½	3½+3½	*Nil*+3½	3½+3½	3.9	Y.P.T.
30,000									D. 1	As.4+4	&2/5+2.5	*Nil*+&2/5	&2/5+1/5		
24,00,000	16,50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	142	100	8+4	6+3	3+6	2½+*Nil*	3.9	H.
30,00,000	7,00,000	1,32,86,300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankanrah	130	'B' 100	8+6	6+3	*Nil*+3	2½+*Nil*	6.12	H.P.
21,00,000	49,50,000	1,12,88,750	79,26,276	1,70,687	McLeod & Co., Ltd.	703	Kelvin	243	100	6+4	5+2½	2+4	1+*Nil*	6.12	H.P.
54,00,000	23,33,375	1,71,07,938	1,15,44,027	57,501	Anderson Wright Ltd.	1,530	Khardah	162	100	7½+7½	7½+7½	10+10	..	6.12	H.P.
48,00,000	1,04,27,753	2,31,57,457	1,12,99,755	62,710	F. W. Heligers & Co.	1,250	Kinnison	170	100	10+10	10+7½	7½+5	6+	6.12	H.P.
24,48,000	49,37,087	1,39,82,288	80,55,707	10,707	Bird & Co., Ltd.	931	Lansdowne	120	100	10+7	4+5	2+5	2+5	3.9	H.P.
28,00,000	56,89,470	1,16,02,741	64,08,985	2,154	Bird & Co., Ltd.	840	Lawrence	115	100	7+3	2+5	1+1	5+2	3.9	H.P.T.
81,65,200	25,05,412	2,01,00,525	1,24,49,304	10,814	Andrew Yule & Co., Ltd.	1,008	Meghna	82	100	11+4	2+8	2+4	5+1	3.9	H.P.
29,98,900	38,14,415	1,84,76,420	98,81,406	—3,19,222	F. W. Heligers & Co.	1,014	Naihati	99	100	2½+2½	2½+2½	*Nil*+2½	*Nil*+2½	3.9	H.P.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	A. V. Thomas & Co., Ltd. ..	425	Naskarpara	31½	10	6+*Nil*	*Nil*	2+2	2½+1½	3.9	H.
35,00,000	43,29,326	29,10,124	10,08,222	70,554	Andrew Yule & Co., Ltd.	852	National	18½	10	2+½	*Nil*+½	1+½	1+	3.9	H.
20,25,000	24,50,000	26,82,794	20,20,619	1,43,705	McLeod & Co., Ltd.	518	Nellimarla Jute	24½	10	2+1	1+1	1+1	1+2	4.10	H.T.
31,50,000	34,13,033	50,02,515	25,21,978	3,01,610	Sahu Jain Ltd.	709	New Central	11½	10	2+1	1+1	1+1	1+2	4.10	H.P.
16,79,880	48,95,164	1,17,37,858	48,80,055	46,862	Bird & Co., Ltd.	567	Northbrook	16	10	10+12	12+12	13+5	5+	6.12	H.P.T.
23,30,793	66,79,500	2,12,09,608	1,39,37,804	88,573	Peirce, Leslie & Co., Ltd. ..	1,099	Nuddea	24	10	1+½	1+½	1+½	..	6.12	H.P.
24,91,000	26,81,049	72,46,385	50,35,690	5 784	Andrew Yule & Co., Ltd.	601	Orient	39½	50	1+*Nil*	*Nil*+½	1+½	2+2	3.9	H.P.T.
25,00,000	6,23,488	80,72,591	68,77,961	1,03,954	McLeod & Co., Ltd.	400	Presidency	156	100	1+6	6+6	6+5	5+1+½	3.9	H.
10,00,000	1,44,956	26,56,830	8,39,180	—12,15,276	Birla Bros., Ltd.	805	Rameshwara	5½	5	*Nil*	*Nil*+½	*Nil*+½	5+1	5.11	H.
49,50,000	1,62,723	1,24,06,577	59,88,544	5,09,680	Jardine Henderson Ltd.	1,276	Reliance	6½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6.12	H.T.
£600,000	£1 093,713	£1,236,315	..	£83,658	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	10½	10	*Nil*	½+½	*Nil*	*Nil*	3.9	H.P.
30,00,000	18,12,193	1,04,21,440	83,784	3 744	Bagaria & Co., Ltd.	911	Shree Ambica	12½	£1	10%½	10%	10%	3%½	3.9	H.P.T.
14,00,000	11,08,783	66,05,602	31,22,593	1,66,758	Hindustan Investment Corporation.	401	Soorah	16xd	10	1+1	*Nil*+1	½+½	½+½	12	Y.P.
25,19,800	42,44,180	1,30,76,167	51,18,563	—2,75,291	Bird & Co., Ltd.	650	Standard	18½ N	10	*Nil*	1+½	1+½	1	3.9	H.P.
£625,000	£925,197	£900,595	..	£110,316	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur	104	100	6+4	1+1	1+1	1+*Nil*	6.12	Y.P.T.
35,98,600	88,14,828	1,95,40,009	81,71,517	14,518	Bird & Co., Ltd.	1,326	Union	12½	£1	10%	10%	10%	3%½	3.9	H.P.
£400,000	£688,035	£1,092,723	..	£97 816	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	155	100	10+1	1+½	1+½	5+½	12	Y.P.
2,50,000	4,96,000	55,94,078	37,77,741	35,624	McLeod & Co., Ltd.	485	Waverley	13½	£1	10%	10%	10%	3%½	3.9	H.P.T.
								6½	1	*Nil*	*Nil*+½	½+½	..	12	Y.P.
														6.12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	24	10	½ + ½	½ + ½	½ + ½	½ + ½	3.9	H.
12,00,000	8,62,573	38,76,177	26,13,477	22,703	Jardine Henderson Ltd.	Bararee Coke	10½	10	½ + ½	½ + ½	½ + ½	½ + ½	3.9	H.
4,49,350	70,000	5,49,159	5,40,066	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhadee	52N	10	3/5 + ½	7/10 + 7/10	½ + 7/10	½ + 7/10	3.9	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	530	200	20+20‡	17⅛+15⅝	15⅝+15⅝	17⅛+17⅛	6.12	H.
2,25,000	4,77,174	24,81,306	22,25,998	..	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	½ + ½	*Nil*	*Nil*	*Nil*	6.12	H.
18 97,000	4,73,358	37,71,192	22,77,364	15,498	H. V. Low & Co., Ltd.	Bhalgora	4	10	½ + ½	½	½	½	4.10	H.P.
40,00,000	8,00,000	1,89,06 662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	7½	10	1	*Nil*	*Nil*	*Nil*	6.12	H.P.
7,15,000	16 09,580	52,49,025	37 09,987	—1,65,136	F. W. Heligers & Co. Ltd. ..	Bhulanbaratee	14N	10	½	½	½	½	9	Y.
16,00,000	16,17,936	68,14,856	39,99,841	—79,196	Ramanuth Industries (Coal) Co. ..	Bikaro-Ramgur	14	10	*Nil*	*Nil*	*Nil*	*Nil*+	6	Y.T.P.
7,50,000	23 50,000	42,07,858	26,07,691	68,656	F. W. Heligers & Co., Ltd.	Borree	20½	10	½	½	½	½	6.12	H.
90,92,480	1,76,70,564	4,16 82,554	1,80,95,440	1,40,510	Bird & Co., Ltd.	Burrakur	14½	10	1½+1½	1½+1½	1 + 1	1+	6.12	H.T.
4w,97,750	.. ..	39,62,720	3,82,945	14,019	Hindustan Investment Corpn., Ltd.	Central India	7½	10	½ + ½	½ + ½	½ + ½	½ + ½	6.12	H.P.
8,00,000	13 54,302	49,10,414	32,63,954	82,768	M.	Central Kurkend	11N	10	*Nil*	½	½	½	6.12	H.P.T.
6,00,000	1,43,693	7,28,438(k)	.. ..	12,201	F. W. Heligers & Co. Ltd. ..	Churlia	3	10	½ + ½	½ + ½	½ + ½	½ + ½	3	Y.
1,80,000	1,80,000	52,67,321	28,91,190	—2,43,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	½ + ½	½ + ½	½ + ½	½ + ½	6.12	H.
£240,000	£380,553	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	34½	£1	£1(f)	*Nil*	*Nil*	*Nil*+	6.12	H.
29,63,760	76,84,250	3,89,97,499	2,87 14,367	93,266	Macneill & Barry Ltd.	Equitable	20½	10	2 +1½	1 + 1	2½	*Nil*+	6.12	H.T.
10,00,000	2,15,000	10,76,854	3,73,983	11,273	Phatter's Agency Ltd.	Ghusick and Muslia	14½ N	10	½ + ½	1 + 1	½ + ½	½ + ½	4	Y.
12,00,000	1,22,000	39,02,565	20,99,824	3,226	Killick Industries Ltd.	Hindu-Rampur	41½	50	4	4	2	½	6.12	H.P.T.
8,00,000	6,75,000	21,43,057	18,61,214	65,461	Macneill & Barry Ltd.	Hurriladih	24	10	½ + ½	½ + ½	*Nil*	2 + ½	8	Y.
22,00,000	1,12,060	24,74,412	6,18,546	—5,57,293	Bajpaie Trust Ltd.	Jogta Coal	2½	10	½ + ½	½ + ½	½ + ½	2 4	6	Y.P.
8,50,000	2,07,448	15,35,436	7,98,130	.. ..	Andrew Yule & Co., Ltd.	Kalipahari	21½N	10	*Nil*	*Nil*	*Nil*	1½ +	6.12	H.
20,00,000	17,325	29,07,891	3,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries ..	140	100	1½+1½	1½+1	*Nil*	*Nil*	12	Y.P.
5,00,000	15,60,000	45,16,229	35,85,877	1,56,128	Andrew Yule & Co., Ltd.	Katras Jherriah	60	10	2 + 2	2 + 2	2 + 2	*Nil*	2.8	H.
1,38,400	5,73,960	12,85,941	5,73,960	—2,50,236	Berlawla & Co.	Khas Kajora	4N	10	*Nil*	*Nil*	*Nil*	2½+3	2	Y.P.
11,00,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kusardi	15N	10	..	*Nil*	*Nil*	..	3.9	H.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10	..	*Nil*	*Nil*	..	1.7	H.
7,48,240	2,00,000	12,18,473	9,25,179	11,096	Tantia Brothers Ltd.	Nazira	7	10	..	..	..	..	6.12	H.P.
7,00,000	26,617	10,33,740	5,20,295	4,560	Amritlal Ojha & Co., Ltd.	New Banadeopur	88N	10	..	..	..	..	6	Y.
17,76,230	20,01,763	1,19,78,853	88,63,066	94,383	Andrew Yule & Co., Ltd.	New Beerbhoom	20	10	..	..	..	..	4	Y.
6.00.000	85 000	28,44,928	16 65.990	30.426	Octavius Steel & Co., Ltd. ..	New Manbhoom	11½	10	*Nil*+½	½ + ½	½ + ½	½ + ½	12	Y.
1,15,000	2,55,193	12,93,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	18N	10	½ + ½	½ + ½	½ + ½	½ + ½	3.9	H.
1,57,500							16½N	10	½ + ½	½ + *Nil*	½ + *Nil*	½ + ½	4.10	H.P.
1,50,000	12,21,853	3,97,666	2,77,666	1,05,541	F. W. Heligers & Co., Ltd. ..	Ondal	7½	10	½ + ½	½ + *Nil*	*Nil*	½ + ½	5.11	H.
15 00.000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	15N	10	*Nil*	1 + 1	*Nil*	*Nil*	3.9	H.
5,34,000	10,392	17,32,137	8,30,795	9,038	Deepchand Khetanlal	Parasea	9N	10	..	..	..	..	6.12	H.P.
15,75,000	15.00.000	46,12,471	34,02,471	38,203	Shaw Wallace & Co., Ltd.	Pench Valley	13½	10	*Nil*	½ + ½	½ + ½	½ + ½	12	Y.T.
23,99,500	18,67,105	1,19,88,889	88,82,615	38 018	N. B. Elias & Co., Ltd.	Raneegunge	22	10	½ + ½	½ + ½	½ + ½	½ + ½	6.12	H.P.
15,50,000	8,53,326	35,36,765	27,73,764	29,921	Shaw Wallace & Co., Ltd.	Rewa	11½	10	*Nil*	*Nil*	*Nil*	*Nil*	3.9	H.
30,00,000	8,90,000	44,28,585	18,73,118	2,20,175	Jalpuria Sons Ltd.	Sanu Collieries	22½	10	½ + ½	½ + ½	½ + ½	½ + ½	3.9	H.
1,25 000	1,95,802	13 78,480	12,21,237	21 070	M.	Searsole	13½N	10	½ + ½	½ + ½	½ + ½	½ + ½	6.12	H.
2,80,000	7 36,598	29,37 021	18,41 629	40,187	Andrew Yule & Co., Ltd.	Seebpore	7½N	10	½ + ½	½ + ½	½ + ½	½ + ½	9	Y.
8,00,000	5 46,889	59,491	28,867	5,601	F. W. Heligers & Co., Ltd. ..	Sendra	31½	10	½ + ½	½ + ½	½ + ½	½ + ½	12	Y.
68,21,450	16,96,050	3,82,71,161	2,85,68,501	—4,46,963	Industrial Trust Fund (Government of Hyderabad)		10N	10	*Nil*	*Nil*	1 + 1	1½ + ½	6.12	H.P.
17,50,000	10,84,016	37,86,103	15,14,990	—51,588	Bird & Co., Ltd.	Singareni	9½	10	½ + ½	*Nil*	*Nil*+½	½ + ½	6.12	H.T.
8,00,000	13,69,545	1 69,570	25,510	7,937	F. W. Heligers & Co., Ltd. ..	South Karanpura	9½	10	½ + ½	½ + ½	0-11 1/5	..	12	Y.T.
10,00,000	12,950	30,82 289	15,48,502	—4,07,745	Villiers Ltd.	Standard	23½	10	½ + ½	½ + ½	*Nil*+½	½ + ½	3.9	H.
2,50,000	2 80,000	19,47,255	14,81,255	44,167	Williamson Magor & Co., Ltd.	Talcher	3½	10	½ + ½	½ + ½	½ + ½	½ + *Nil*	6.12	H.
49,98,000	.. ..	49,98,356	18,91,545	31,694	Hindustan Investment Corpn., Ltd.	Union	11½	10	½ + ½	½ + ½	½ + ½	½ + ½	6.12	H.
7,00,000	1,38,190	55,22,133	22,66,981	122	Macneill & Barry Ltd.	West Jamuria .. ..

Notices

THE INDORE MALWA UNITED MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 49th Ordinary General Meeting of Shareholders of the Indore Malwa United Mills Ltd. will be held at the Registered Office of the Company, at 139, Medows Street, Fort, Bombay, on Friday the 4th May 1956, at 4 p.m. to transact the following business:—

1. To receive and adopt the Directors' Report and the audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1955.
2. To declare a Dividend.
3. To confirm the contributions as set forth in the Directors' Report.
4. To confirm the appointments of Shri Kudilal Govindram Seksaria and Shri Chandansinha Sagatmal Bharaktiya, as Directors of the Company.
5. To elect Directors in place those retiring by rotation:—
   (a) Shri R. C. Jall retires by rotation under Article 89 of the Articles of Association of the Company. In addition he has attained the age of 71 years. Notice has been received by the Company that it is proposed to move a resolution to the effect he be re-appointed a Director of the Company and that the age limit shall not apply to him. Shri R. C. Jall has also signified his willingness to stand for re-election. The following resolution will therefore be proposed as an Ordinary Resolution:—

   "RESOLVED that Shri R. C. Jall, who was born on 14-11-1884 and has attained the age of 71 years, be and he is hereby appointed a Director of the Company and that the age limit laid down in Section 280 of the Companies Act 1956 shall not apply to him."

   (b) In place of Shri Piarelal Sheoparshad Seksaria, who retires this year by rotation under Article 89 of the Articles of Association of the Company, but is eligible for re-election.
6. To appoint Auditors for the current year, i.e., for the year 1956 and to fix their remuneration.

The Share Transfer Books of the Company will remain closed from Monday, the 16th April 1956 to Saturday, the 5th May 1956, both days inclusive.

By Order of the Board,
K. L. SEKSARIA,
Chairman.

Dated 14th March 1956.

N.B.—(1) The Dividend, when sanctioned, will be made payable on and after the 14th May 1956 to those shareholders whose names stand on the Register of the Company on the 16th April 1956 at the Registered Office of the Company, Seksaria Chambers, 139, Medows Street, Fort, Bombay 1, upon presentation of Dividend Warrants which will be posted to each shareholder to his last given address.

(2) A member of the Company entitled to attend and vote at the said meeting is entitled to appoint any other person (whether a member or not) as his proxy to attend the above meeting and vote instead of himself.

THE INDORE MALWA UNITED MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Indore Malwa United Mills, Ltd. will be held at the Registered Office of the Company, at 139, Medows Street, Fort, Bombay, on Friday the 4th May 1956 at 4-30 p.m., or immediately after the proceedings of the 49th Ordinary General Meeting are over, whichever time is later, for the purpose of considering and, if thought fit, passing, with or without modification, the following Resolutions as ORDINARY RESOLUTIONS:—

1. "RESOLVED that consent of the Company be and it is hereby accorded to the Board of Directors borrowing moneys in excess of the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose and such borrowing shall be exclusive of temporary loans obtained by the Company from the Company's bankers in the Ordinary course of business."
2. "RESOLVED that the Company gives its approval to the appointment of Messrs. Madhya-Bharat Textile Agents, Indore, as the Sole Selling Agents of the Company for the sale of all the piecegoods and yarn manufactured by the Company made by an agreement between the Company and the said Messrs. Madhya-Bharat Textile Agents, Indore, dated 25th June 1955."

By Order of the Board,
K. L. SEKSARIA,
Chairman.

Dated 31st March 1956.

Explanatory statement as required by Section 173 of the Companies Act, 1956.

With respect to Item No. 1. The borrowings of the Company exclusive of Cash Credit loans obtained by the Company from the Company's Bankers in the ordinary course of business would not ordinarily exceed the aggregate of the paid-up capital of the Company and its free reserves within the meaning of Section 293(d) of the Companies Act, 1956. The Cash Credit loans obtained from the Company's Bankers in the ordinary course of business are, in the opinion of the Directors, temporary loans. If, however, a contrary view is taken of such Cash Credit loans, the amount borrowed by the Company would exceed the aggregate of the paid-up capital of the Company and its free reserves. In these circumstances your Directors have been advised that for the sake of caution, the consent of the General Meeting should be obtained as required by Section 293 of the Companies Act, 1956.

With respect to Item No. 2. Section 294 of the Companies Act, 1956, requires the appointment of Sole Selling Agents to be approved by the Company in General Meeting. Messrs. Madhya-Bharat Textile Agents, Indore, have been appointed the Sole Selling Agents of the Company for sale of all the piecegoods and yarn manufactured by the Company by an Agreement dated 25th June 1955 for a period of ten years ending 30th June 1965, on the terms and conditions mentioned in the said Agreement, which is open for inspection at the Registered Office of the Company during office hours. By Special Resolutions passed at the Extraordinary General Meeting of the Company held on the 31st March 1956, the Company has accorded its consent to the said Messrs. Madhya-Bharat Textile Agents, Indore, holding office of profit under the Company. It is proposed that the Company give its approval to the appointment of the said Messrs. Madhya-Bharat Textile Agents, Indore, as the Sole Selling Agents of the Company.

N.B.—A member of the Company entitled to attend and vote at the said Meeting is entitled to appoint any other person (whether a member or not) as his proxy to attend the above Meeting and vote instead of himself.

MACKINNON, MACKENZIE AND COMPANY, PRIVATE LIMITED

NOTICE

IT HAS BEEN DECIDED THAT MACKINNON, Mackenzie & Co. Private Ltd., will in future confine its activities to shipping. That Company's Head Office in Calcutta has, therefore, with effect from 31st March 1956, resigned its Managing Agencies of the India Jute Co., Ltd., the Megna Mills Co., Ltd., the Salonah Tea Co., Ltd., and other Agencies unconnected with shipping, while the Bombay Branch has similarly resigned its Managing Agency of Mazagon Dock Ltd. The Company will, however, continue its connection with the Peninsular and Oriental Steam Navigation Co., and other Shipping Companies as Managing or Port Agents.

The intention is that Mazagon Dock Ltd., the India Jute Co., Ltd., and the Megna Mills Co., Ltd., will, as from 1st April 1956, be Director-controlled, while the Salonah Tea Co., Ltd., which is a Sterling Company, will be transferred to the Agency of Messrs. Macneill and Barry Ltd.

DELHI LETTER

(*Concluded from page 738*)

tured for the first time and steps were taken for the production, in the very near future, of vat dyes, naphthols and bases, hydrogen peroxide and stabilised bleaching powder. Production of soda ash increased from 48,293 tons in 1954 to 77,272 tons in 1955, representing more than 85 per cent. utilisation of present installed capacity. Three new licences for the production of soda ash were issued during the year and expansion of one of the existing plants was approved. With the implementation of these schemes, the installed capacity would rise to 283,000 tons a year. In regard to caustic soda, five schemes with a total capacity of 52,670 tons were licensed during the year, taking up the total installed capacity to 108,580 tons a year. A vigorous drive was made to find outlets for the by-product chlorine. One of the steps taken was to insist on approved plans for the utilisation or disposal of by-product chlorine before the issue of new licences for the manufacture of electrolytic caustic soda. Increased production of hexachlorobenzene and the proposed production of ethylene dichloride, etc., will greatly help in the profitable utilisation of chlorine and thus bring down the price of caustic soda as well. The plastic emulsion paints for building and aircraft finishes are also now being produced. A plant for the production of ultramarine blue, with a capacity of 1,200 tons per annum, has been installed and is expected to commence production early this year. A scheme licensed for the manufacture of sulpha drugs has made substantial progress. Other projects for the production of sulpha drugs, synthetic hormones, etc., are also under development. Keen interest was taken in the production of vitamine and certain synthetic drugs and schemes for their manufacture were under consideration.

With a view to stepping up the production of cement in the coming years due to the steady increase in the internal demand for the product, 11 new schemes and 12 expansion programmes were sanctioned during the year. Licences granted account for an aggregate of 11 million tons. Efforts were made to increase the production of refractories. In regard to the glass industry, plans were under consideration for developing the production of plate glass, optical glass, roofing tiles, coloured sheet glass, quality cut class and glass insulators. A scheme for the manufacture of polystyrene to the extent of six million lbs. per annum was approved by Government. There were also proposals for the manufacture of polythene moulding powder. Production of plastic gramophone records from high impact polystyrene was established, including the manufacture of long-playing records. In the field of rubber manufactures, schemes for the production of some new items, such as woven belting, rubber cots and aprons, surgical gloves and prophylactics, were sanctioned.

COMMERCE

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

VOL. XCII. No. 2355 BOMBAY, 21st APRIL 1956 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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PLAN OR ELECTION MANIFESTO?

THOSE who had scrutinised the Draft Outline of the second Plan in the light of India's capacity used to wonder whether it was really a plan for economic development of the country or merely an election manifesto. Out of respect for the Government, especially for the Prime Minister who heads the Planning Commission also, most of these critics were less vocal than they ought to have been and refrained from calling a spade a spade. Mr. C. D. Deshmukh, who plays the dual role of Finance Minister and a member of the Planning Commission, has now made their task a little easier by frankly admitting the existence of serious defects in the Plan. Addressing the Planning Forum of Universities and Colleges last week-end, the Finance Minister confessed in public that the investments contemplated in the Plan were beyond the capacity of the country and that it might be necessary to extend the period of five years; he, however, did not say by how many years.

Two issues arise from this voluntary confession. First, the defects are such that they were quite apparent even when the draft was finalised. Why did Mr. Deshmukh, as an active member of the Planning Commission, agree to the publication of such a defective plan for consideration by the public? It might be contended that it was, after all, a draft outline subject to revision at the time of drawing up the final Plan. But this is no argument at all, for even a draft should be free from defects in regard to basic assumptions. Further, the Draft had been preceded by a series of discussions over a memorandum embodying the proposals contained in it. Almost every one of the defects owned by Mr. Deshmukh on Sunday last was clearly pointed out when the memorandum and the four sets of papers that preceded it were scrutinised. But these criticisms were ignored and the draft memorandum emerged as the Draft Outline with hardly any material change. Is it not a criminal waste of time, energy and resources to publish a plan for public discussion knowing full well that it suffered from serious drawbacks? Is such a waste in consonance with the era of planning in which we are supposed to be living?

The second issue is this: Why has Mr. Deshmukh chosen the present moment to acknowledge the weaknesses in the Plan? He could have used either his budget speech or the reply to the budget debate for this purpose. Our suspicion is that he must have been motivated by a desire to steal a march over one of his colleagues in the Planning Commission who was feeling very unhappy all the time over the several unrealistic assumptions in the Plan and might have decided, as a last resort, to take the public into his confidence. Observers from the green room know full well that the Planning Commission was by no means unanimous on the Draft Outline and that the final Plan would either contain minutes of dissent or undergo some fundamental changes. Again, it is common knowledge that some of the members of the Cabinet do not see eye to eye with the Planning Commission on several aspects of the Draft Outline. This is crystal clear from the speeches of some of the Ministers in Parliament during the past few days. While some of them want more nationalisation and larger allocations for cottage and hand industries, a few others have taken the opposite stand. In deliberately focussing the attention of the public on the financial and administrative weaknesses in the Plan, another object of Mr. Deshmukh might have been to resist the increasing pressure of ideologists and sentimentalists who dominate Parliament as well as the Cabinet. Whatever might have been the motives, it must be conceded that Mr. Deshmukh's public admission of the defects in the Plan has to be welcomed in the spirit of "better late than never." It is, of course, true that he has not yet openly recognised all the defects. Nevertheless, it is to be hoped that even his partial admission will lead to harmony and realism in the Planning Commission and that the final edition of the Plan will be better than the Draft Outline.

The main weakness of the Plan relates to its resources aspect. Having estimated the outlay at Rs. 4,800 crores, the Commission started searching for the sources of finance. It could envisage only Rs. 2,400 crores as the maximum that could be raised with a degree of certainty—Rs. 800 crores by way of taxation, Rs. 1,200 crores by way of borrowings and small savings, Rs. 150 crores by way of railways' contribution, and Rs. 250 crores by way of provident fund and other deposits. In the opinion of some competent observers, these estimates, especially the one relating to taxation, have erred on the liberal side. This remark is by no means unwarranted. The failure on the part of the majority of State Governments to raise additional taxation in the 1956-57 budget, covering the first year of the second Plan, supports it. There is no prospect of additional taxation being collected by the States in their next (that is, 1957-58) budget either. With reorganisation of States and the General Elections due to take place on the eve of the preparations for the 1957-58 budget, no State Government will be in the proper frame of mind to pay keen attention to these serious economic matters. In any case, it is almost fairly certain that, at least in the first one and a half years of the second Five-year Plan, the States will raise little or no additional taxes. This leaves them only three to three and a half years for raising their quota of taxes. Will it be practicable for State Governments to raise Rs. 250 to Rs. 300 crores of new taxes within this period? If past experience is any guide, there is no room for the answer to be in the affirmative.

While thus the quantum of resources which Mr. Deshmukh still believes is "within sight" is itself doubtful to a considerable extent, the assumptions relating to the balance of Rs. 2,400 crores are most untenable. This point is now readily admitted by Mr. Deshmukh. Of this balance, half is to be had, according to the Plan, by way of deficit financing, a third by way of foreign assistance and the remainder, that is, 16⅔ per cent. or Rs. 400 crores, is left uncovered. Whether the country can afford to digest deficit financing of the order of Rs. 1,200 crores is a question on which the economic *pundits* have debated a lot without anyone being the wiser for it. Even Mr. Deshmukh, known for his high ability to understand the most intricate problems, is candid enough to own that the more advice he gets from experts on this subject the more confused he becomes. While it is, of course, not possible to be dogmatic about the size of deficit financing the country can bear, it is at least necessary to take suitable steps to strengthen the capacity of the country to carry that burden. Provision for speedy expansion in the production of certain essential consumer goods like cloth, of food and raw materials, and of such basic materials as cement and steel is one of these steps. Another would be expansion in transport facilities. The Plan is weak in all these respects, in that the stress on them is not sufficiently strong. In spite of the fact that the planners' attention has been repeatedly drawn to this weakness, there is no indication yet of any welcome change in their approach.

The assumptions regarding foreign assistance are the most nebulous. Yet, it was felt by a section of public opinion that the Planning Commission had perhaps some concrete basis, un-

known to the public, for taking the figure of Rs. 400 crores, as against Rs. 400 crores assumed in the earlier drafts. Now, Mr. Deshmukh tells us frankly that "we are really entitled to take only about Rs. 400 crores as probable foreign assistance," and that the figure of Rs. 800 crores is to be regarded "as somewhat exaggerated optimism." This shifting of ground is significant. It means that, in the light of the current world political situation and India's foreign policy, it is not realistic to expect Rs. 800 crores by way of foreign assistance. While Mr. Deshmukh thus warns us not to be optimistic about foreign assistance, he says that India can rely on U.S. commodity surpluses for fighting the inflation that may be generated by deficit financing. These surpluses are to be had, it must be noted here, not against cash payments but against deferred payments and at special prices appreciably below the ruling world market prices. In other words, the American commodity surpluses are to be obtained in the form of assistance and not as a straight commercial deal. It is hard to reconcile this optimistic presumption of Mr. Deshmukh with his earlier pessimistic advice not to expect more than Rs. 400 crores by way of foreign help.

In fine, the position in regard to resources is that, out of the Rs. 4,800 crores required, only Rs. 2,400 crores is within sight, foreign help is unlikely to fetch more than Rs. 400 crores and the gap of Rs. 2,000 crores is to be filled in by deficit financing and any other means that can be found. Of the Rs. 2,400 crores, the States' contribution by way of new taxes amounting to Rs. 250 to Rs. 300 crores is very doubtful. If it is assumed that they will not be able to raise more than Rs. 100 crores, the gap will widen to Rs. 2,150 crores to Rs. 2,200 crores. Further, if the assumption that the country can safely resort to deficit financing to the tune of Rs. 1,200 crores is accepted, one does not know from where the country will find the balance of Rs. 950 to Rs. 1,000 crores. In thus assessing the position, be it noted, no allowance is made for any possible rise in price levels and the consequent inflation of costs. But the fact remains that, since the assessment of the cost of attaining the physical targets laid down in the Plan, there has already been a sizable advance in prices both in India and abroad and that deficit financing of the order envisaged will lead to a further rise in domestic price levels. Then, we have proceeded on the assumption that the cost of attaining the targets has been correctly made even at the then prevailing prices. There are, however, reasons to feel that this assumption is false to some extent. It is stated, for instance, that the sum of Rs. 40 crores provided for raising coal in the public sector by 15 million tons is a gross underestimate and that at least twice this amount will be required if the Government is serious of hitting the target. Moreover, besides the sum of Rs. 4,800 crores meant for the public sector, the Plan assumes an investment of Rs. 2,300 crores in the private sector. But not much light is thrown on the manner and the method in which the private sector will find resources of this order. Besides, just as there are underestimates of the cost of physical targets in the public sector, there are underestimates of the investments required for achieving the targets in the private sector, too.

On top of all this comes the disclosure of Mr. Deshmukh that the size of the Plan will have to be expanded by Rs. 400 crores. His reasons for this are: (*a*) the cost of defence has had to be raised, in view of the latest trends in the international political situation and the bellicose attitude of Pakistan towards India; (*b*) the subsidy to Ambar Charka, estimated at Rs. 80 crores, is a new item not provided for in the earlier estimates; and (*c*) there is a possibility of the private sector in the coal industry not being able to fulfil the target, in which event more money would be required by the public sector to carry that load. There are very good reasons to feel that even this addition of Rs. 400 crores will be insufficient, because it does not take into account the funds that will be required to nationalise some of the industries on which the Government's heart seems to be set. The additional defence expenditure, too, may turn out to be more than Rs. 300 crores which Mr. Deshmukh seems to have taken. Even granting that the latest additions will not exceed Rs. 400 crores, there will be an uncovered gap of Rs. 1,400 crores in the Plan for the public sector alone, excluding deficit financing of the order of Rs. 1,200 crores. And yet the public is seriously asked to believe that the planners have produced a realistic second Plan. In any other advanced country, where the public is not so ignorant as in India, such a plan will be dubbed as a political stunt.

Enough has been said in the foregoing paras to show that, from the point of view of financial resources alone, the size of the second Plan is beyond the means of this country. But it is much more so from the point of view of real resources and administrative capacity. It is our intention to deal with this aspect of the Plan in a subsequent article.

WORLD RICE POSITION

THE recent spurt in rice prices in this country has been the cause for some concern in several quarters. The Central Government, although it does not view the situation with alarm, has had to be alive to the risk of a steep rise in living costs over wide regions through an increase in the price of this staple foodgrain. Industrial establishments where dearness allowance for the workers is related to cost of living index will have to foot a larger wage bill in the event of an upward trend in that index. Fixed income groups will, of course, be hit the hardest from any increase in cereal prices. Inflation will be harder to check, and the next Plan more difficult to execute, if cereal prices cannot be held at reasonable levels. Minor or seasonal fluctuations need not, of course be taken seriously. But the point is that it is necessary and should be possible, though difficult, to distinguish in the rice or wheat situation the purely temporary factors from the relatively permanent.

Wisely, the Union Government has refused to be stampeded into action on the agricultural price front. But it has promised that the whole position will be kept under closest scrutiny and that it will not hesitate to step in in the event of runaway prices. Thus, the Union Food and Agriculture Minister, Mr. A. P. Jain, announced, last week, that the Government intended to build up reserve stocks of wheat and rice to the tune of one million tons each. These stocks, as he said, would help meet any contingency.

Experience has shown that, between the two cereals, wheat and rice, it is rice that always poses a somewhat more intractable problem than wheat. The Government will, therefore, have to speed up its efforts at building up rice stocks, for the rice-eating section of the population in this country, like its counterpart in many other parts of the world, has shown less marked ability to withstand economic shocks and, at the same time, more marked disinclination to give up rice in favour of any other cereal. Be that as it may, the Government's efforts at stock-piling rice will obviously depend for their success on the availability of rice in world markets. Currently, the Government is said to be pursuing its negotiations with Burma for the purchase of rice from that country. The outcome will probably be known in the near future. Meanwhile, it is interesting to note that the U.N. Food and Agriculture Organisation has decided to convene a conference to devise means for stabilising international trade in rice and is holding this week, at Rome, a preliminary meeting of the representatives of the countries concerned.

A look at world rice trends which have been succinctly brought out in the report dealing with rice issued by the F.A.O. in its "Commodity" series, reveals that, after a continuous and marked expansion over three years, world rice production suffered a setback in 1954-55. World (excluding U.S.S.R. and China) output in 1954-55 aggregated 116.1 million metric tons of paddy, as compared with 122.0 million tons in 1953-54 and the pre-war (1934-38) average of 100.9 million tons. The fall in production between 1953-54 and 1954-55 was evenly divided between the major importing and exporting countries. In the major exporting countries, production fell from 43.8 million tons to 40.8 million tons. The 1954-55 production of paddy (in million metric tons) in some of the major exporting countries, with the 1953-54 figures in brackets, is as follows:

Pakistan 12.8 (13.9); Burma 5.8 (5.6); Cambodia and Viet Nam 3.3 (3.9); Thailand 5.7 (8.2); Brazil 3.5 (3.4); Formosa 2.2 (2.0); Madagascar 1.0 (1.0); U.S. 2.9 (2.4); Egypt 1.1 (0.6) and Italy 0.8 (0.9).

Production in the net importing countries fell from 65.5 million tons to 62.3 million tons. Production figures for 1954-55 for the leading importing countries, with figures in brackets for 1953-54, are:

India 3.7 (4.2); Indonesia 11.7 (10.9); Japan 11.4 (10.3); Ceylon 0.6 (0.6) and Malaya 0.7 (0.6).

It is somewhat difficult to assess the outlook for rice in the immediate future. This is because preliminary figures are not always a reliable index of actual production. Acreage figures are not also a very reliable guide, for the per-acre yields are increasing in many countries. On the demand side, the outlook is considerably influenced by the relative attractiveness of other foodstuffs. The supply of these foodstuffs has been very comfortable. In these circumstances, the F.A.O. report finds it difficult to foresee any "very definite trend." Nevertheless, it points out that "import demand for rice is likely to be maintained during 1956 and will perhaps expand slightly." The exportable supplies available from the 1955-56 crop, it is stated, will "probably be amply sufficient to meet this demand, without having recourse to the stocks carried over." Price movements will, of course, be influenced by the policies pursued by the countries which have large agricultural surpluses to dispose of.

Discussing what it calls the "future outlook" for rice—that is, the outlook beyond the immediate future—the report draws attention to certain important trends. The risk of crop failure which, however, is much less in rice than in certain other crops, is being further reduced through irrigation and flood control projects in several countries. In some countries, there have been reductions in acreage under rice. But these reductions affect only a small part of the world production. In several other countries, however, price support is being extended to rice. In any case, incentives for rice production are more attractive than for other crops. A consideration of all these factors leads the authors of the report to this conclusion: "There would thus seem to be no threat of any world-wide rice scarcity over the next two or three years. The problem may rather be one of finding buyers for the rice grown primarily for export markets."

One significant imponderable factor in the assessment of the rice situation is the possibility of an increase in the *per capita* consumption of this cereal. Not only is the total consumption of rice expanding at the rate of a million tons (in terms of paddy) a year, thanks to the increase in the rice-eating population, but there is also the possibility that the *per capita* consumption itself may go up. This is because the rice-eating population lives largely in the underdeveloped regions of the world. As their living standards rise, the initial slabs of the increase in income are mostly absorbed by increased consumption of food. It is, of course, not easy to compute the optimum consumption of rice, in order to estimate the level to which the consumption could rise as a result of increase in the income of the people or of the lowering of rice prices. But some idea of the scope for increased consumption of rice can be obtained by comparing consumption in Malaya with that in other less rich regions of Asia. Thus, in Malaya, the *per capita* consumption of rice is about 180 kg., as compared with the average of 100 kg. in the Far East. This indicates that rice consumption could increase significantly through an upward shift in real incomes or a reduction in rice prices. Such increased *per capita* consumption could, of course, make a great deal of difference to the statistical position of rice.

This consideration has a particular relevance to Indian conditions. In this country, there is an ever-present possibility of increased consumption of rice, as a result of the continuous increase in the rice-eating population and a rise in their income, and also of certain sections of people in rice-growing areas changing over from other (socially less respectable, though more nutritive) cereals to rice. Mr. Jain assessed the situation correctly when he said that if, during the second Plan, more money were pumped into this country where a number of people spent a major portion of their income on foodstuffs, "self-sufficiency in food might convert itself into insufficiency." This danger is particularly true of rice. And it could be averted only by building up buffer stocks, on the one hand, and by not relaxing the efforts at increased production of rice, on the other.

The world rice supply position, unless there is a significant upward shift in *per capita* consumption, could be regarded as comfortable. This increases the difficulty of arriving at an international trade agreement in rice, for which purpose the F.A.O. is to convene a conference. Further, rice, since it is marketed in different grades with wide differentials, does not lend itself to international arrangement of the kind which was worked out for wheat. And it must be remembered that, even for wheat, the renewal of the agreement has posed several, hitherto unsolved, problems. It now remains to be seen whether the efforts at reaching international agreement will be more successful in the case of rice than they have so far been for wheat.

MARKETS LISTLESS AND IRREGULAR

DEVELOPMENTS IN U.S. FARM POLICY SURVEYED

WEDNESDAY, 5 P.M

THE week drawing to a close has been a listless one for all the markets. The trend has been irregularly downward in some and irregularly upward in others. Shares, for instance, come under the former group and commodities, as well as cloth, under the latter. Bullion has been uncertain. But in none of the markets has the trend been decisive. Bulls are on the defensive, especially in shares and bullion. Bears, however, are timid, being unwilling to take advantage of the bulls' hesitation to incur further commitments and their eagerness to book profit. They have apparently been scared by the chartists' prediction that the primary trend still points to a rise. It is a mystery as to how the chartists come to such categorical conclusions even during the days of socialism; nevertheless, there is a steady increase in the number of their votaries. It is very amusing to find that even those who are supposed to be level-headed brokers have been charmed by the chartists.

MARKET GOSSIP

Among the popular scrips, steel shares have been witnessing sizable liquidation during the last two days, with a clear drop of Rs. 5 in T.I.S.Co. from the peak level touched on Saturday and of As. 14 in I.I.S.Co. There have been modest falls in textiles and miscellaneous counters also. Whether this is only a pre-settlement liquidation or the beginning of a downward trend remains to be seen. The bulls, however, seem to be tired, with their nerves weakened by some of the statements made by Mr. Deshmukh in Parliament and outside during the past few days. During the last week-end, he clearly stated that the Centre would have to raise additional taxation of at least Rs. 50 crores per annum during the five-year period of the second Plan. He followed this warning to the country by stating in Parliament that it would be necessary to take further steps for reducing economic inequalities. After referring to the fiscal measures recently taken to narrow down disparities of income, he remarked: "I have no doubt that, in future budgets, there will always be an element which will be specifically directed towards similar reduction of these disparities." This means that those sections of the community which have been the backbone of the share markets will be further hit in the coming years.

* * * *

The Government has not given up the idea of levying a tax on total wealth and/or on expenditure, besides the various taxes suggested by the Taxation Enquiry Commission, as witness the following remarks of Mr. Deshmukh:

"I would like to say this: Members assume too readily that many of the suggestions which are thrown out by either the Taxation Enquiry Commission or by some other experts have been rejected once and for all by the Finance Ministry. We are considering here the question of raising resources during the next five years. Many suggestions have to be carefully considered, their administrative implications have to be explored and then plans laid in accordance with the requirements of revenue for a given year. Therefore, I am not prepared to accept this conclusion that, because this year's budget proposals do not contain, shall we say, a tax on wealth or a tax on expenditure, it is solid proof that for the next five years, it is not the intention of Government to impose any of these taxes. At this moment, I am not in a position to say whether the Government will impose them or not. All I can say is that we have taken due note of the suggestions, many of them are under examination, the implementation of some of them will be more closely related with the way in which our economy develops and the way in which we feel that additional incomes are going to particular sections of the community and then we shall be prepared to introduce taxes which will be appropriate for that particular situation."

It will thus be seen that more direct taxes are in store for the rich and middle classes alike and these will be levied not merely because the Government will need money but also for achieving certain ideological ends.

The masses, are not going to be left out either, for the need for additional revenue is so great that the burden of indirect taxation, too, will go up. More excise and customs duties, not to mention sales-tax, will be levied by enhancing the rates of existing duties and broadening the list of commodities by the addition of new ones. Those who think that equities must rise in value because of the large dose of inflation envisaged in the Plan will do well to make suitable allowance for these possibilities in the fiscal sphere, as well as for the possibility of physical controls in the near future. It may be noted, in this connection, that the Index number of wholesale prices is already well above the top limit regarded as reasonable by Mr. Deshmukh. He said in Parliament this week that he considered the index number of wholesale prices ranging from 380 to 390 as the sort of level "which we should try to maintain." The current level of this number (as at the end of March 1956) is about 393, that is, three points above the peak considered reasonable. Accordingly, if price levels tend to go up further and if Mr. Deshmukh means what he says, the Government is bound to take further measures for bringing down the price levels.

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In the light of what has been stated so far, it is not surprising that the minor concessions made by Mr. Deshmukh in the corporation taxes proposed in the budget for 1956-57 have failed to bring any cheer to the share markets. Briefly, the concessions shown by him are as follows:

"(i) Share premia which are, in fact, receipts of capital from the shareholders themselves will be included in the capital base with reference to which excess dividend is computed for the purpose of calculating extra corporation tax; (ii) further, if bonus shares are issued out of share premia, they will not be taken into consideration for the purpose of calculating the extra corporation tax leviable on the occasion of the issue of bonus shares; and (iii) in the case of companies whose profits consist of taxable as well as non-taxable income, the provisions relating to the extra corporation tax will be applied after taking into consideration only such proportion of the dividends, bonus issued and capital employed as the taxable income of the Company bears to its total profits including non-taxable income."

Strictly speaking, the foregoing changes do not constitute a concession but only a rectification of a part—only a small part—of the injustice inherent in the tax on dividend and bonus shares. The last one will be of some value to plantation companies (including sugar companies having their own plantations), as a part of their revenues consists of agricultural income. Incidentally, the plantation companies in South India and Assam are already paying a tax on their agricultural incomes to their respective State Governments.

Two other changes in the taxation proposals contained in the budget were also announced by Mr. Deshmukh. One related to the tax on registered firms and their partners and the other to the excise duty on cottonseed oil. The first one, in the words of Mr. Deshmukh, is as follows:

"My original proposal in the Bill was that all registered firms, with total incomes of more than Rs. 40,000, should pay income-tax at graduated rates on the whole of their total income. In order, however, to give some relief to partners of firms whose share in the income of the firm is small, I propose to exempt from tax the first slab of Rs. 40,000 of the total income of the registered firms.

"The next change I propose is with regard to super-tax payable by a partner of a registered firm on his share of income from the firm other than business income. I propose that, in the case of such incomes, super-tax shall not be payable by a partner on an amount equal to the tax attributable to such incomes paid by the registered firm. This would give relief, among others, to partners of professional firms like those of accountants, lawyers, etc."

SECOND PLAN

Our readers' attention is invited to the observations of Mr. T. T. Krishnamachari on the second Five-year Plan published on page 796.—ED.

The excise duty on cottonseed oil has been halved, from six pies per lb. to three pies per lb. This is a well-deserved relief, as Mr. Deshmukh himself recognised. He gave the following pertinent explanation for cutting the duty:

"Due to various handicaps peculiar to cottonseed, less than 10 per cent. of it is being utilised for crushing at present and it has been recognised that measures should be devised for its greater utilisation both for the production of oils and recovery of the valuable by-product called linters for use in the rayon and other industries. Also, a larger crushing of cottonseed in mills would help to divert crushing of other seeds such as groundnut to village *ghanies*. I have, therefore, decided that, as a measure of encouragement to the crushing of cottonseed, the duty on cottonseed oil should be halved, that is to say, brought down to three pies per lb. Immediate effect is being given to this decision by executive notification."

If Mr. Deshmukh thinks that, by showing such minor concessions here and there, he can claim to be a very reasonable-minded Finance Minister, always keeping an open mind on controversial issues, he is very much mistaken. The commercial community as a whole and students of economics belonging to the liberal school of thought will not be deceived by such gestures and change their views about the confiscatory character of direct taxes introduced in the latest budget.

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The money market is still in the midst of seasonal demand for funds, though the stringency is somewhat less keen than a fortnight ago. Banks are avid borrowers, ready to pay 3½ per cent. for inter-bank call and house money. The slight break in the stringency is due more to an increase in the supply of money than to any significant fall in the demand. During the fortnight ended 13th April 1956, the banks seem to have repaid to the Reserve Bank nearly Rs. 17 crores of the advances taken by them. Scheduled banks' loans outstanding against usance bills have declined by Rs. 75 lakhs and are no more than Rs. 28.95 crores out of the total of Rs. 46.56 crores due to the Reserve Bank. In spite of the heavy demand for credit during the current busy season, the total amount of advances availed of by Scheduled banks against usance bills from 1st January 1956 upto 13th April 1956 was only Rs. 56.30 crores, as against Rs. 60.64 crores in the same period of the previous year. Indicative of the large influx of money into the market is the large expansion of notes in circulation. During the first two weeks of April, these notes shot up by Rs. 49.33 crores, of which Rs. 40 crores took place, as readers are already aware, in the first week. If the expansion that took place in the last week of March is also added, the rise during the past three weeks aggregates no less than Rs. 62.19 crores. A good part of this inflation seems to have already found its way into the banking system. Deposits of Scheduled banks, for instance, expanded by no less than Rs. 28.27 crores in the two weeks ended 6th April, 1956. Be that as it may, notes in circulation have crossed the Rs. 1,500-crore mark by a perceptible margin to stand at Rs. 1,516 crores, as on 13th April 1956. This level compares with Rs. 1,362 crores at the commencement of the year, Rs. 1,325 crores on 15th April 1955, Rs. 1,306 crores at the commencement of the current busy season and Rs. 1,162 crores at the beginning of the previous busy season.

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In the U.S., the expected has happened. President Eisenhower has vetoed the Democrat-sponsored Farm Bill which, while retaining the soil bank scheme he recommended for Congressional action, provided for rigid support at 90 per cent. parity level for agricultural produce, as against the flexible price support system he advocated. The veto settles the fate of the Bill. For the Democrats cannot muster the necessary two-thirds majority to override the veto. In taking this decision to veto the Bill, the President has acted against the advice of his own Party leaders based on fears of unpopularity among the farmers and the consequent risk of losing the forthcoming elections. The application of veto means that the President has failed to carry the country with him in his farm programme which was designed to prevent the accumulation of burdensome surpluses of agricultural produce. Meanwhile, the fate of the farm surpluses hangs in the balance. The problem continues to be as intractable as ever.

The essence of the President's farm programme lay in the soil bank scheme, its two aspects being the acreage reserve programme and the conservation reserve programme. Briefly, under the acreage reserve programme, the farmers would be encouraged to take land out of cultivation and paid for doing so. The payment would be made in certificates redeemable by the Commodity Credit Corporation either in cash or in commodities at specified rates. Under the conservation reserve programme, the farmers who co-operated with the Government in setting aside land needing conservation measures, would receive annual payments for the contracted period. Although the Bill, which the President has vetoed, carried this soil bank proposal, it stuck to the rigid price supports against which the President had protested. In a veto message to the Congress, the President has asked it to frame a new overall Farm Bill. At the same time, he has added that the Administration would take immediate action to improve farm income. Among the steps the President would soon be taking are: (1) An increase in the support price of milk and butterfat; (2) the establishment of new support levels on the five basic crops—wheat, maize, cotton, rice and peanuts, and (3) use of Administration funds to strengthen the prices of perishable farm commodities.

In his nation-wide broadcast, defending his veto, the President urged the Congress to enact swiftly a new payment-in-advance soil bank programme which could give participating farmers an extra 500 million dollars this crop year. He proposed two additional measures. In the first place, he said he would shortly ask the Congress for larger authorisation to continue the "successful movement of farm surpluses into constructive uses overseas." This, he said, would further bolster the domestic market. Secondly, he called on Congress to pass "promptly" the farm credit legislation he had already recommended. It remains to be seen whether the President's suggestions will be carried out by Congress. Clearly, they embody a more realistic solution of the farm problem than the politically convenient expedient of rigid price support.

The multi-billion dollar commodity surpluses which the U.S. carries today is a matter of utmost concern to the free world. If these surpluses were disgorged on the world markets—fortunately the U.S. has consistently adhered to the view that this should not be done—it would mean a virtual collapse of the world markets. Record supplies of foodgrains, principally wheat, rice and rye, have accumulated in the U.S. Total wheat supplies for the marketing year which began last July are estimated at a record 1,941 million bushels, as against 1,876 million bushels in 1954-55, despite the fact that production has declined from about 970 million bushels to 916 million bushels. Allowing for a domestic consumption of 625 million bushels and probable exports of 274 million bushels, the carryover on 1st July 1956 will aggregate about 1,040 million bushels, slightly above that at the beginning of the current season. The supply of rough rice in the year beginning 1st August 1955 is estimated at 83.6 million cwt. while domestic consumption is placed at 27.9 million cwt. only. Exports, however, are uncertain.

Rye supplies for 1955-56 aggregate about 48.8 million bushels. This includes carryover stocks on 1st July 1955 of 16.2 million bushels, 1955 production of 29.2 million bushels and imports of 3.4 million bushels. This supply compares with the 42.7 million bushels last year and would be the largest supply since 1944-45 when it amounted to 57.7 million bushels. Rye consumption may be about 31 million bushels in 1955-56 as compared with 26.5 million bushels the previous year. The carryover on 1st July this year may be about 18 million bushels which compares with 16.2 million bushels on 1st July 1955.

The maize supply for 1955-56 is estimated at 4,210 million bushels, 158 million bushels above the previous record of 1949-50 and 279 million bushe

(Continued on page 796)

NARROW MOVEMENTS IN EQUITIES

UNDERTONE QUIETLY STEADY

(From Our Own Correspondents)

BOMBAY, *18th April*

ACTIVITY in the share market during the week under review disclosed a marked shrinkage and equity values moved irregularly within a narrow range. The undertone remained quietly steady. Speculative operators were in no mood to extend their commitments either way, in view of the uncertainty created by a number of conflicting factors.

The Press forecast of the draft resolution on the new industrial policy of the Government indicated that the basic outlook for industries was encouraging and that the Government's attitude towards industries would be favourable. There were also reports that the Government was likely to relax the restriction on mill cloth production, in order to avert the threatened cloth shortage in the country. The changes announced by the Finance Minister in the Budget proposals, giving some relief in corporation tax, provided another helpful factor.

The operators were, however, unwilling to build up a long position on the basis of the above favourable factors. For they were obsessed by a few bearish influences. In the first place, the Finance Minister's elucidation of the difficulties ahead in carrying out the second Plan, the possibility of an increase in the outlay on the Plan, and his hint at the possibility of fresh taxation to the tune of Rs. 50 crores per annum in the coming years affected adversely the market's sentiment. Secondly, Mr. Deshmukh's reference to the prospects of raising money from various "surpluses" of moneylenders, property owners, etc., was taken as an indication, in prospect, of ceiling on income. Thirdly, there were also fears that the tightening of the U.S. foreign aid policy in respect of nations which received help from Soviet Russia might affect India. Lastly, unhelpful advices from Calcutta and settlement considerations also sapped the enthusiasm of operators.

In the steel section, Tata Ordinaries advanced early in the week from Rs. 246-12 to Rs. 251-12, thus maintaining the upward trend noted towards the close of the previous week. The improvement proved to be short-lived and the shares slipped back to Rs. 246-4 at the close today. After an early rise from Rs. 35-6 to Rs. 36, Indian Irons reacted to Rs. 34-13 and closed at Rs. 34-14¼.

An indecisive trend was noted in textiles in the absence of any confirmation of the rumours that the restriction on mill cloth production would be relaxed. Barring a few selected counters, equities in this section disclosed moderate losses over the week. Bombay Dyeings rallied from Rs. 647-8 to Rs. 659-6, before receding to Rs. 643-12. Today, however, there was a spurt to Rs. 653-2, but profit-taking brought them down to Rs. 647-8. Centurys moved up from Rs. 535 to Rs. 546, but receded to close at Rs. 527 ex-div. (final div. Rs. 14). Kohinoors finished with a loss of Rs. 3-12 at Rs. 353-8, after touching Rs. 360-12. Ahmedabad Advances put on Rs. 6-4 to Rs. 173-12, while central Indias lost Rs. 9-8 to Rs. 130. Finlays were lower by Re. 1 at Rs. 351, Gokaks by Re. 1-8 at Rs. 230-8. Indu Ordinaries by As. 7 at Rs. 12-7 and Indore Malwas by Rs. 3-2 at Rs. 147-8. Khataus gained a fraction to Rs. 243-2, while Shree Niwas was unchanged at Rs. 222-8. Simplex moved down by Rs. 2 to Rs. 209.

Bank shares were generally quiet and business was restricted. Bank of Indias, however, evoked enquiries and rose by Re. 1-12 to Rs. 152-12 in the belief that the Bank would be benefited by the latest tax relief announced by the Finance Minister on bonus shares, if the Bank's proposal to capitalise Rs. 50 lakhs out of its reserves (which include a share premium to the tune of Rs. 2 crores) is sanctioned. Barodas were done Re. 1-8 lower at Rs. 92. Centrals were quiet at Rs. 47 and their new shares at Rs. 48-12. Punjab Nationals were maintained at Rs. 48. United Commercials dropped Re. 1 to Rs. 49-8.

Electricity shares followed a downward trend, though the losses were not very marked. Ahmedabad Electrics were, however, done As. 10 higher at Rs. 102-3. Bombay Suburbans shed As. 5 to Rs. 115-5 and Surat Electrics Re. 1-4 to Rs. 120.

The miscellaneous section followed the general trend. Sugar shares were dull. Belapurs moved narrowly and finished with a loss of Re. 1-8 at Rs. 225. Phaltans shed Re. 1 to Rs. 144-8 and Walchandnagars Rs. 3-2 to Rs. 244-6. In the cement group, A.C.C. were lifted from Rs. 215-12 to Rs. 218-4 early in the week, but the reactionary trend which followed brought them down to Rs. 214-12 at the close. Digvijays put on Re. 1 to Rs. 185. The engineering and mining group shaped no better. Alcocks drifted down by Rs. 5 to Rs. 350, Tata Locomotives by Rs. 4 to Rs. 153-8 and Premier Constructions by Re. 1 to Rs. 185. Shivrajpurs showed no change at Rs. 106-8, while Indian Coppers lost ground from Rs. 6-9 to Rs. 6-3½. B.B. Petrols lost As. 2 to Rs. 4-2.

Shipping shares were steady. Scindias advanced from Rs. 17-9½ to Rs. 18-5, before closing at Rs. 17-13½. Great Easterns were done As. 2 higher at Rs. 17-8. Among transport shares, Hindustan Motors dropped from Rs. 9-14 to Rs. 9-6 and Premier Automobiles from Rs. 92 to Rs. 90. In the miscellaneous group, Bombay Burmahs moved between Rs. 654-10 and Rs. 622-8 before closing unchanged at Rs. 627-8. British India Corporations were pushed back from Rs. 10-14 to Rs. 10-5. National Rayons were down by Rs. 4-4 to Rs. 236-12, reflecting the market's dissatisfaction with the increase in dividend from Rs. 10 to Rs. 12. Tata Chemicals were featureless at Rs. 17-12.

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Calcutta Stock Exchange

CALCUTTA, *17th April*

After being somewhat active in the initial days of the week, the Calcutta Stock Exchange closed on a subdued note. The slight improvement in the state of the money market, the feeling that the Bank rate might not be raised and a marked expansion in note issue were responsible for the promising start. But the forward movement could not be sustained for long, as the sentiment of the market underwent a change towards the close. Advices from Bombay were unfavourable. The Finance Minister's hint, in New Delhi, at the prospect of fresh taxation to the extent of Rs. 50 crores a year in the second Plan period acted as a bearish influence. Operators were generally disinclined to enter into fresh commitments, while profit-taking on settlement considerations pushed down values. The closing quotations were generally a shade lower than those a week before. The tea section, however, provided a bright spot on improved prospects for the current year.

Unfavourable corporate news was responsible for considerable selling in jute shares. Agarpara declined by As. 7 to Rs. 11-10. Barnagores were a bit steady at Rs. 132, but Birlas receded from Rs. 16-15 to Rs. 16-12 and Howrahs from Rs. 22-7 to Rs. 22-4. New Centrals suffered a loss of Re. 1 to Rs. 13-13.

Coal shares also were easy. Burrakur had sellers at Rs. 14-2, as against Rs. 14-5. East Indias changed hands As. 4 lower at Rs. 32-12. Equitables moved up from Rs. 29-7 to Rs. 30-6, but finished lower at Rs. 30-2. West Bengals were on offer at Rs. 6-13 as against Rs. 7.

Among engineering shares, Indian Irons fluctuated within a narrow range and ended the week at Rs. 35-1, as against Rs. 35 a week ago. Britannia Engineering were a shade better at Rs. 18-4, as against Rs. 18-1.

In the miscellaneous section, Burma Mines were done at Rs. 3-2 as against Rs. 3-3. Indian Coppers lost two annas to close at Rs. 6-6. Dunlop Rubbers were unaltered at Rs. 31-4. Imperial Tobaccos had deals at rates varying from Rs. 14-12 to Rs. 14-14.

Tea shares attracted some attention at advancing rates. Baghmaris improved from Rs. 28-10 to Rs. 28-14, and Brahmapootras from Rs. 9-6 to Rs. 9-8. Brooke Bonds were, however, lower at Rs. 24-12, as against Rs. 25-2. Hantaparas were in special request and as a result rose from Rs. 319 to Rs. 336. Hasimaras, too, had buyers at Rs. 41, as against Rs. 40.

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Madras Stock Exchange

MADRAS, *17th April*

The generally easy trend noted on the Madras Stock Exchange last week proved short-lived, since there was a distinct improvement in the sentiment of the market during the week under review. Operators were somewhat inclined to take an optimistic view of the outlook for industries. The optimism was based chiefly on renewed signs of inflation in the country, as indicated by a steep rise of Rs. 40 crores in notes in circulation last week and persistent firmness in commodity markets. A feature of trading on the Exchange was the active support extended to rubber company shares on yield considerations. Tea shares were strong, thanks to encouraging reports of good offtake at higher prices from tea markets. In sympathy with and on considerations of better working results in the current year, coffee shares were also favoured. Buying enquiries for textiles were sustained, on reports of continued excellent offtake of cloth for domestic consumption. Sugar shares, too, were sought at higher prices.

The prices of textile mill shares registered a handsome improvement. Palani Andavar 'A's rallied Rs. 7 to Rs. 167. Cannanores jumped up by Rs. 6 to Rs. 168. Buckinghams spurted by Rs. 4-8 to Rs. 185. Janardhanas rose by Re. 1-12 to Rs. 109-12. Rayalaseemas, Balasubramanias and Metturs were better by a rupee each at Rs. 136, Rs. 80 and Rs. 407, respectively.

In the planting section, rubber shares provided the brightest spot. Travancore Rubbers rallied Re. 1-4 to Rs. 27-12. Nenmenys increased by As. 12 to Rs. 23-10. Cochin Malabars gained an anna to Rs. 8-12. Among tea shares, Nonsuch Teas advanced by As. 4 to Rs. 36-12.

In the miscellaneous group, Rallis were specially favoured, their quotation moving up by As. 10 to Rs. 34. F.A.C.Ts. put on As. 2-6 to Rs. 7-2-6. Aluminium Industries registered a rise of As. 2 to Rs. 19-10. Mysore Tobaccos were higher by 18 pies at Rs. 12-13. Spencers were fully maintained at Rs. 17-5, as also Andhra Cement 'A's at Rs. 158 and Singarenis at Rs. 9-8.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 18th April 1956.

	Closing quotations 12-4-1956	High	Low	Closing quotations 18-4-1956
	Rs.	Rs.	Rs.	Rs.
TEXTILES				
Ahm. Adv. (100)	167½	173½	168½	173½
Apollo (2)	2½	2-14½	2-12½	2½
Bombay Dyeing (250)	647½	650½	638½	647½
Central India (100)	139½	138	128	130
Century Mills (100)	535	546	524½	527xd
Colaba (100)	71½	71½	71½	71½
Edward Textile (800)	337	—	—	335
Elphinstone (50)	54½	55	54½	55
Finlay (100)	352	356	351	351
Gokak (100)	232	236	2301	2301
Ind. Untd. Defd. (1)	2-2½	2-2½	2-1½	2-1½
Ind. Untd. Ord. (10)	12½	12½	12½	12½
Indore Malwa (100)	150½	153½	147½	147½
Khatau (100)	242½	243½	242½	234½
Kohinoor (100)	357½	360½	351½	353½
Lakshmi (250)	695	—	—	695
Madhusudhan (100)	111½	—	—	111½
Minerva Mills (100)	83½	—	—	88½
Model, Nagpur (250)	151½	150½	149½	150
Mcrarji (100)	245	—	—	245
Mysore (50)	110	112½	110	112½
National Rayons (100)	241	243½	236	236½
New City (100)	168½	—	—	168½
New Great (100)	230	235½	231	235½
New Union (10)	38½	—	—	38½
Phoenix (100)	132½	—	—	132½
Podar Mills (100)	174½	175½	172½	175
Sassoon Silk (10)	13½	—	—	13½
Sassoon Spg. (10)	38	—	—	38
Sholapur (1,000)	1,900	1,900	1,700	1,700
Shrinivas (100)	222½	227½	221½	222½
Simplex (50)	211	214	208½	209
Standard (100)	438½	423½xd	412½xd	412xd
Swadeshi (100)	240	245	235	236
Swan (100)	447½	457½	447½	451½
Tata Mill (25)	58½	59½	52xd	52½xd
Vishnu (100)	192½	192½	190½	190½
Western India (1,000)	5,000	—	—	5,000
BANKS				
Bank of India (50)	151	153½	152	152½
Bank of Baroda (50)	93½	93½	92	92
Central (25)	47½	48	47	47
Central 'A' (25)	49½	49½	48½	48½
Dena Bank (50)	40½	40	40	40
Punjab National (25)	48	—	—	48
Union Bank (5)	6-0¼	6-3	6-9½	6½
United Com. (50)	50½	50½	49½	49½
ELECTRIC COS.				
Ahmedabad (100)	101½	102½	101½	102½
Amalgamated (10)	11½	—	—	11½
Andhra Valley (1,000)	1,272½	1,270	1,260	1,260
Bom. Sub-El. (100)	116½	115½	115	115½
Surat (100)	121½	121½	120	120
Tata Hydro (100)	130½	130½	129	129½
Tata Power (1,000)	1,362½	1,362½	1,350	1,350
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	600	—	—	600
Ind. Mercantile (30)	41½	—	—	41½
Jupiter (15)	5½	—	—	5½
New India (25)	38½	39½	38½	38½
Oriental (100)	3,900	—	—	3,900
Universal (10)	7	—	—	7
Vulcan (10)	14½	14½	14½	14½
STEEL COS.				
Ind. Iron (10)	35½	36	34½	34-14½
Tata Steel Ord. (75)	246½	251½	246½	246½
SUGAR COS.				
Belapur (50)	226½	226½	224	225
Bhopal (10)	15	—	—	15
Phaltan (50)	142½	145	140½	141½
Walchand Ind. (100)	247½	247½	243½	244½
CEMENT COS.				
Associated Cts. (100)	215½	218½	214½	214½
Digvijay (100)	184	189½	188½	185
MISCELLANEOUS				
Alcock Ashdown (100)	355	357½	350	350
Bom. Burmah (125)	627½	645½	622½	627½
Do. (New) (60)	236½	241½	233½	239½
Br. B. Petrol (4 sh.)	4½	4-4½	4-1½	4½
Br. I. Corpn. (5)	10½	10½	10½	10½
C. P. Elec. (100)	94	94	92	93
Indian Copper (2 sh.)	6-9½	6-9½	6-2½	6-3½
Ind. Inv. Tr. (100)	81	—	—	81
Kemp (200)	175	—	—	175
Killick (100)	165	166½	165	166½
Polson (100)	178½	187	180	185
Port Canning (100)	10	10	9½	9½
Premier Con. (50)	186	189½	184½	185
Scindia (20)	17-9½	18-5	17-5½	17-13½
G. E. Shipping (10)	17½	17½	17½	17½
Shivrajpur (10)	106½	108½	105½	106½
Tata Chemicals (10)	17½	18-1½	17½	17½
Tata Oil (25)	49½	50½	48	48
Tata Loco (100)	157½	158½	152	153½
W. I. Match (100)	201½	203½	202½	202½

GOVERNMENT SECURITIES	12-4-1956	Yield: Earlier Redemption	Yield: Later Redemption	18-4-1956
	Rs.			Rs.
2½% 1951	98½	—	3.89	98½
2½% 1950	99½	—	3.71	99½
2½% 1962	93½	—	3.83	93½
3½% 1954	88½	—	4.02	88½
3% 1957	99½	—	3.20	99½
3% 1958	99½	—	3.18	99½
3% 1959-61	98½	3.60	3.39	98½
3% 1964	94½	—	3.75	94½
3% 1965-66	94½	3.81	3.65	94½
3% 1966-68	92½	3.86	3.73	92½
3% 1970-75	89½	3.98	3.75	89½
3% 1964 Con. Loan	76½	—	3.91*	76½
4% 1960-70	101½	3.65	3.88	101½
4½% 1958-68**	103½	3.90	4.15	103½
2½% 1961 N.P. Bonds	99½	—	3.62	99½
2½% 1964 N.P. Loan	98½	—	3.68	98½
2½% 1965 N.P. Bonds	98½	—	3.69	98½

BRITISH GOVERNMENT SECURITIES	9-4-1956	Low	High	18-4-56
	£	£	£	£
2½% Brit. Consols	53½	54½	53½	54½
3% Savings Bonds 1965-75	75½	76½	75½	76½
3% War Loan 1955-59	94½	94½	94½	94½
3½% War Loan	74½	74½	74½	74½
4% Victory Bonds 1976	93½	93½	92½	93½
4% Funding 1960-90	87½	88½	87½	87½xd

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Rights.

NEWS IN BRIEF

THE two-day annual session of the Indian National Trade Union Congress will be inaugurated in Surat by the Union Home Minister, Pandit Govind Bhallabh Pant, on 6th May 1956.

The Government of India intends setting up a high-power autonomous board to take charge of the entire work in regard to the population and family planning programme, according to Dr. J. C. Ghosh, Member of the Planning Commission.

A new intermediary port will be opened shortly on the east coast of India at Paradip, about 50 miles east of Cuttack. The port at Paradip is designed to help the exploitation of the mineral wealth of the coastal districts of Orissa.

A finance corporation for providing assistance to handloom weavers is likely to be formed soon in Andhra. A special officer will be appointed by the State Government for the formation of the Corporation.

The Government of India has authorised the Tea Board to make an interim release of export quotas for the year 1956-57 to tea estates to the extent of 40 per cent. of their crop basis, pending the final notification of the Indian export allotment of tea for the year.

The Government of India has fixed a uniform stamp duty on transfer deeds of shares at the rate of As. 12 per Rs. 100 all over India from 1st April 1956. The uniform duty replaces different rates of duty in various States of the Indian Union, like Re. 1-2 in Bombay, Re. 1-8 in Madras, As. 15 in Kanpur, As. 12 in Calcutta and As. 8 in Travancore-Cochin.

The all-India final estimate of *ragi* for 1955-56 puts the current year's area and production of the crop at 5,627,000 acres and 1,844,000 tons, as against the partially revised estimate of 5,711,000 acres and 1,646,000 tons, respectively, for 1954-55. This shows a decrease of 84,000 acres or 1.5 per cent. in area and an increase of 198,000 tons or 12.0 per cent. in production as compared with last year.

A mica mine in Nellore district (Andhra), abandoned a few years ago as uneconomical, is stated to have now turned out to be a good source of uranium. Since September last year, the Sankara mica mine near Saidapur in Gudur taluka is reported to have yielded ore containing 16 per cent. uranium at the rate of a ton a month. The Nellore ore is considered a rich source of uranium.

The all-India final estimate of rice for 1955-56 puts the current year's area and production of the crop at 76,253,000 acres and 25,474,000 tons, as against the partially revised estimate of 75,949,000 acres and 24,531,000 tons, respectively, for 1954-55. This shows an increase of 304,000 acres, or 0.4 per cent. in area and 943,000 tons or 3.8 per cent. in production during the current year.

The Andhra Government will shortly appoint an enquiry committee consisting of officials and non-officials to enquire into the growing of tobacco in the State. The Committee will also be asked to assess the existing marketing facilities now available to the growers and recommend measures for the expansion of such facilities wherever necessary in the tobacco-growing areas in the State to enable growers to get a fair deal for their produce.

The output of coal in collieries in India increased from 3,206 558 tons in January 1956, to 3,357,546 tons in February 1956, according to official statistics released by the Chief Inspector of Mines in India. Despatches of coal amounted to 2,697,020 tons in February 1956, as against 2,794,074 tons in the preceding month. Coal stocks at pitheads amounted to 3,812,570 tons at the close of the month.

The all-India final estimate of *bajra* for 1955-56 puts the current year's area and production at 27,025 000 acres and 3,400,000 tons, as against the partially revised estimates of 27,983,000 acres and 3,421,000 tons, respectively, for 1954-55. This shows a decrease of 958,000 acres or 3.4 per cent. in area and 21,000 tons or 0.6 per cent. in production over 1954-55.

The total number of unemployed in India registered at the Employment Exchanges during February 1956 was 724,448. The figure represented an increase of more than 7,000 over that for the previous month. The number of vacancies notified by the private sector during the period was 7,652 —largest since May 1953. Of the vacancies notified by the public sector, 18,354 were by the Central and State Government Departments. The placements effected during the period were 15,465, as against 14,753 during January 1956.

The Government of India has had under active consideration the development of manufacture of X-ray equipment in the country and a panel was recently constituted to advise Government on this question. The panel has decided that schemes for the manufacture of X-ray equipment in the country should be invited from firms interested in the manufacture of X-ray equipment. Proposals from interested firms for the manufacture of X-ray equipment are, therefore, invited giving full details of the programme of manufacture together with terms of foreign collaboration, if any.

In pursuance of the agreement concerning the establishment of a regular shipping service between India and the U.S.S.R., meetings were held at Bombay last week under the chairmanship of Mr. Nagendra Singh, Director General of Shipping, in which the members of the U.S.S.R. shipping delegation and the Indian shipowners participating in the Indo-Soviet service took part. Ancillary problems relating to the operation of the new service were discussed in detail and a schedule of sailings for the next three months was also drawn up. It is likely that the first Indian vessel to be put on this service will be berthed by about the middle of May 1956.

An offer to sell 50,000 to 60,000 tons of steel to India during the current year on a Governmental basis has been made by Czechoslovakia. The details of the offer were discussed recently between the Acting Trade Commissioner for Czechoslovakia in New Delhi and the Iron and Steel Controller of the Government of India. Last year, India purchased 12,000 tons of steel from Czechoslovakia through a private channel. The Government of India signed an agreement last week with Poland for the import of iron and steel products from Poland to the extent of 300,000 tons during the next three years. The agreement provides for the sale of 50,000 tons of such products by the end of this year.

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From Abroad

The population of Sweden as on 31st December 1955 amounted to 7,219,112 persons, an increase of 55,448 over the year.

The British rubber manufacturers have warned the natural rubber producers in Malaya that synthetic rubber output would be stepped up in the U.K., unless Malayan producers show greater goodwill and unless the price of natural rubber is reduced.

The Canberra Central Bank, Australia, has reduced the interest payable on trading banks' special accounts from ¾ per cent. to ½ per cent. with effect from 1st April 1956. The cut has been made in order to offset increased profits arising from higher overdraft rates. This temporary measure has been approved by the Government.

Russia and China have concluded an agreement under which the former will help the completion by 1960 of the second Trans-Asian railway across China's Far West. The undertaking will be of immense consequence to the development of a joint Sino-Soviet industrial belt stretching from the Urals to the Yellow Sea.

A delegation from the Rhodesia Tobacco Marketing Board arrived in London last week for talks with the Tobacco Advisory Committee of the British Board of Trade. The discussions centred round the price crisis which led to the closing of the Salisbury tobacco auctions on Monday last week after only four weeks of the current season's sales.

Two missions from the World Bank arrived in Pakistan last week, one to discuss with Government officials, banks and business men a proposal for the establishment of a privately-owned industrial credit bank in Pakistan and the other to review Pakistan's present economic situation and plans for future development. The latter mission will remain in Pakistan for about two months.

The Japanese Government has decided to decline an informal offer made by the United States for triangular trade involving Japanese purchases of American surplus farm products with local currency. The proposal, made through the American Embassy in Tokyo, was to employ yen proceeds from the sales of farm products as credits for South-East Asian and Middle East countries receiving mutual security aid to buy Japanese goods.

The Government of Australia has decided to raise its subsidy on the cost of merchant ships built in Australia for coastal trade from the present level of 25 per cent. to 33⅓ per cent. This is in accordance with the recommendations of the Tariff Board, which had reported that the present maximum subsidy was insufficient to enable the Australian shipbuilding industry to compete with overseas builders.

World consumption of natural rubber in February this year amounted to 160,000 tons, as against 162,500 tons in the previous month, according to the International Rubber Study Group. The output in February aggregated 132,500 tons, a shortfall of 27,500 tons as compared with consumption. Stocks at the end of the month amounted to 837,500 tons, a decline of 50,000 tons since 1st January. World production of synthetic rubber in February amounted to 100,000 tons, as against a consumption of 95,000 tons. Stocks have risen by 12,500 tons during the first two months of the year to 200,000 tons.

Steel production in the United Kingdom in March—at the rate of 425,800 tons a week—was the highest in any month, the previous best being 417,800 tons a week in February. Announcing this, the Iron and Steel Board says that production of steel in the first quarter of this year amounted to 5,413,000 tons, as compared with 5,074,000 tons and 4,694,000 tons in the first quarter of 1955 and 1954, respectively. If the estimate of steel production this year (21,300,000 tons) is fulfilled, production in the current year should exceed that of 1955 by 1,500,000 tons, or by about 7½ per cent.

Savings banks in Australia have raised their interest rate on deposits by ½ per cent. to a maximum of 2½ per cent. The new rate is payable on deposits up to £1,000, instead of £500 as hitherto.

PERSONAL

MR. W. A. W. Clark, Deputy High Commissioner-designate for the U.K. in New Delhi, arrived in New Delhi last week-end.

Mr. N. K. Jalan has been elected Chairman of the Calcutta Jute Fabric Shippers Association for 1956-57.

Mr. B. N. Nanda, Counsellor-Charge d'Affaires, Legation of India, Manila, has been appointed Consul-General of India in San Francisco with the rank of Counsellor.

Mr. A. J. Romer, Director of the Associated Commercial Vehicles Group of Companies, U.K., has accepted the invitation of the Government of India to assist it in its enquiry into the progress of the automobile industry in India and to give advice for further development.

Nawab Ali Yaver Jung, India's Ambassador to Egypt, will represent India at the meeting of the *ad hoc* Committee of the Special U.N. Fund for Economic Development to be held in New York next month. Nawab Ali Yaver Jung will be assisted by Mr. G. R. Kamath, Executive Director for India of the International Bank for Reconstruction and Development.

Mr. P. H. Sykes of the Bengal Paper Mills Co., Ltd., has been elected Chairman of the Indian Paper Makers Association for the year 1956-57. The other members of the Committee are: Mr. J. F. Brierley (India Paper Pulp Co., Ltd.), Vice-Chairman, Mr. D. S. Brikbeck (Tribeni Tissues Ltd.), Mr. C. J. E. Keene (Titaghur Paper Mills Co., Ltd.) and Mr. V. Mehta (Shree Gopal Paper Mills Ltd.).

Mr. K. J. Cleetus, Sales Manager of the Tata Iron and Steel Co., Ltd., has been elected Chairman, and Mr. J. M. Sweet (I.G.N. & R.), Deputy Chairman of the Committee of the Indian Engineering Association for 1956. The other members of the Committee are: Mr. K. Chatterton (Martin Burn), Mr. J. R. Galloway (National Carbon), Mr. B. F. Goodchild (Saxby & Farmer), Mr. E. S. Greenwood (Indian Aluminium), Mr. H. Chiswell Jones (Metal Box), Mr. J. E. Reid (G.E.C.) and Mr. J. A. Steven (Kumardhubi Engineering).

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

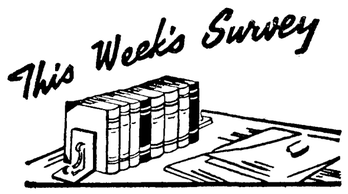
CALCUTTA, *18th April*

Bombay and Lancashire

While the proposed scheme for the merger of *thirty-five cotton mills of Bombay City* has been definitely abandoned, *Lancashire is busy maturing a* scheme for the reorganisation of its *cotton industry*. The Bombay scheme has failed on financial ground; owing, firstly, to the Government of India's refusal to forgo entirely the 3½ per cent. stamp duty which would have meant a saving of Rs. 30 lakhs and, secondly, to the inability of the Merger Committee to arrange with the Imperial Bank of India a loan of Rs. 10 crores to finance the merger. The Government of India agreed to forgo half the stamp duty but not the whole of it. The authors of the scheme urged the latter course, quoting as a precedent the action of the British Government in connection with the Lancashire Cotton Corporation which has just issued £2,000,000 six-year six per cent. first mortgage debentures. The latest Lancashire scheme involves proposals for adjusting the surplus production capacity of the industry to its present and prospective needs. If this plan meets with approval, then the promoters comprising every section of the industry, including operatives, will seek statutory authority from the British Government to make it applicable to all firms in the spinning, weaving and finishing sections of the industry. This *is certainly a good plan*; but betokens anxiety as to the future of Lancashire's trade in India. While the President of the British Board of Trade maintains that the provisional settlement in India has made conditions in the Lancashire cotton industry definitely brighter, the accuracy of this assertion is stoutly disputed by Mr. John Grey, Chairman of the British Cotton Spinners' and Manufacturers' Association, who asserts that the position is worse than it was a month ago.

On deposits in excess of £1,000 and up to £1,500, the new rate will be 1½ per cent. On deposits of friendly societies 2½ per cent. will be paid up to £2,000 and 1½ per cent. on those in excess of £2,000. The Commonwealth Bank has increased the interest rate on housing loans by one-half per cent. to 5 per cent. and the State Savings Bank has increased the lending rate for housing from 4½ per cent. to 5½ per cent. Its maximum loan for new buildings is £2,500 and for houses already built £2,000.

The nineteenth Congress of the Permanent International Association of Navigation Congresses will be held in London in July 1957. The eight-day Congress, which will be attended by about 800 representatives of ports and waterways from 50 countries, will be the first to be held in Britain since 1923. The Congress will include discussions on measures to improve handling of cargo between ship and quay or inland transport, on berthage for the big new tanker fleets which are coming into service, and on methods for prevention or reduction of oil pollution in harbour waters. The Duke of Edinburgh will be the patron of the Congress and Viscount Waverley, Chairman of the Port of London Authority, will be the President.



IRON AND STEEL MINISTRY

LAST week's debate in the Lok Sabha on the demand for grants to the Ministry of Iron and Steel showed how *unanimous* is the support of Parliament for the Government's ambitious steel programme. There was some criticism of lack of information. Some doubt was also expressed over the financial arrangements now made for carrying through the steel programme. But all sections warmly welcomed the Steel Ministry's efforts. This massive support is certainly a good augury for the future of the Ministry.

In his additional role as the Minister for Iron and Steel, the Commerce and Industry Minister, Mr. T. T. Krishnamachari—he once said that he had had to undertake the new job for his temerity in suggesting the need for expansion of steel output—outlined the immensity of the task that faced the new ministry. In one sense, it is the biggest task that not only this Government but any Government ever undertook. What is now contemplated is not merely a rapid expansion of the existing units in the steel industry but the setting up of three large steel units. The question of erection of three steel plants almost at the same time, all of them beginning work about the same time and all of them expecting to go into production at very nearly the same time, as Mr. Krishnamachari said, is "something which is staggering when one contemplates the immensity of the task." He quoted Sir Cyril Jones, leader of the British Steel Mission to this country, who, in paying a tribute to the India of today, said that he found no reason for complaining of delay in the Government which had undertaken with the help of half a minister, one secretary, one deputy secretary and two under-secretaries, the seemingly fantastic task of establishing three steel plants. This is an achievement of which any ministry could be proud.

The Government has been thinking in terms of a large-scale expansion in steel production. Mr. Krishnamachari, on his part, visualised that the demand for steel would go up 15 million tons of finished steel or 18 million tons of ingot by the end of the third Five-year Plan. He revealed that he was taking up the question of trying to fix a target for ten years so that his ministry could plan more freely. This is a wise suggestion, considering that steel production cannot be achieved in a day and it is not only desirable but necessary to look well ahead.

He next gave some interesting details about the three steel plants. The plants, as is well known, are being planned to produce one million tons of ingot steel each. But, when the plants are carried to their "logical strength," they would together be able to produce about 7½ million tons. The Rourkela plant as well as the Durgapur plant will each have three batteries of 78 coke ovens each, while the Bhilai plant will have three batteries of 65 coke ovens each. The Bhilai and Durgapur plants can each augment its normal one-million ton output by 300,000 tons by adding a few coke oven batteries and two more open hearth furnaces, while the Rourkela plant can produce an additional 250,000 tons.

A significant change has taken place in the Government's attitude towards calling for tenders for the supply of steel plant. In the case of the German plant for Rourkela, it decided in favour of the tender system. It would appear that the Government found that there were only a few tenders and no great difference in the prices quoted either. This has induced the Government to shift its policy in favour of the package deal, the system first adopted in the case of the Russian project. Yet another consideration which has weighed with the Government in taking this decision is that if it takes tenders for different parts of the plant from different parties and one or two of the tenderers failed, it would hold up the progress of the work. It is small consolation for Government that it would even then have a claim on the defaulting tenderers, for the work would be held up anyway. The Government has therefore decided in favour of "package deal" for the British plant due to go up at Durgapur.

Some interesting discussion centred round the question of the rate of interest to be charged by the British Government on its loan to India for the Durgapur steel project. Under the agreement, the rate will be one per cent. above the Bank rate that may prevail in the U.K. at the time the loan is given. Replying to the criticism that the loan was unnecessary in view of the fact that the country had large sterling balances to draw upon, Mr. Krishnamachari pointed out that the second Five-year Plan indicated a foreign exchange gap of Rs. 1,000 crores and that, by 1959, the sterling balances would have been drawn down considerably. As regards the method employed for fixing the rate of interest, he said that it was an equitable one and added: "As we expect, if the Bank rate goes down, it is an advantage. If it does not go down, we will not probably take the entire amount."

The Government has appointed, at a cost of Rs. 9 lakhs a year, a well-known British firm, the International Construction Co., Ltd., as its technical consultants for examining the steel projects. There was some criticism that, since it was a British firm, it might not be interested in India's industrial progress. The Minister was asked whether the British firm had any connection with the steel consortium with which India was dealing. These criticisms indicate that there are men in this country who suffer from political prejudices. Whatever might have been the basis for them in the past, it is best that they are shed now. The Minister stoutly defended the appointment of the firm as consultants. Declaring that the firm had more than justified its choice, he observed: "I think what I am paying to the consultants is nothing as compared with the services they have already rendered us." The firm, he further revealed, had saved the Government a "great deal of money" through its expert advice. He also affirmed that there was no connection whatever between this firm and the British steel consortium with which the Government was dealing.

In the course of the debate, an interesting point about the execution of the Government's steel policy was raised. It was asked whether it was not advisable for the Government to exercise a unified control over the iron and steel industry. Presumably, what was suggested was that it was somewhat anomalous that the Commerce and Industry Ministry was in charge of the steel industry in the private sector while the Iron and Steel Ministry was intended to manage the Government-owned steel plants. Mr. Krishnamachari, however, felt that no conflict was likely to arise before the Government-sponsored units went into production. He thought that the present position could continue till 1959 when it could be reviewed. Although the existence of Government-owned and private-owned units in the same industry could give rise to some difficult issues, it should be possible, given the necessary goodwill and co-operation, for both the sectors to make their effective contribution to India's national economy.

PAPER IN THE SECOND PLAN

Paper producers in India seem to be complacent with the progress of their industry. It is true that there has been, as was pointed out by Mr. V. Mehta, Chairman of the Indian Paper Makers Association, Calcutta, at the last annual meeting of this body, an increase in the installed capacity as well as in the output of paper in India during the first Plan period. As against the rated capacity of 136,000 tons and output of 114,000 tons in 1950-51, the target fixed in the first Plan were 211,000 tons of installed capacity and 200,000 tons of production. From production reports at the disposal of the above Association, it would appear that these targets have been "nearly achieved." Almost the entire increase in installed capacity or production is due to completion or partial completion of the expansion schemes of the units that were existing at the beginning of the Plan. In other words, very little new capital was raised for bringing into being the increase noted above, as the policy of the industry was to plough back the earnings into expansion schemes. Although it is premature to assess the effects of the new tax proposals relating to undistributed profits and bonus shares on this policy, Mr. Mehta was glad "to record with satisfaction that the paper industry played very well the part assigned to it during the first Five-year Plan and hopes to repeat its performance with credit during the second Five-year Plan."

Few will doubt the ability of the industry to achieve the targets laid down in the second Plan, namely, 450,000 tons for installed capacity and 350,000 tons for production. But this ability requires to be assisted by the creation of suitable climate for raising finance and conditions for obtaining raw material. It is stated that the existing licences already cover 350,000 tons and the gap of one lakh tons remains to be licensed during the next Plan period. Out of the existing licences, 45,000 tons are covered by new projects and the balance by the existing plants and their expansion schemes. Mr. Mehta was confident that, if industrialisation in the country proceeded, according to the Plan, and if growth of literacy gathered momentum, the demand for paper was bound to rise and the industry would make every attempt to catch up with it. He is certainly justified in entertaining these expectations for they are based on sound assumptions. But, while it is always a healthy habit to take an optimistic view of the future, the industry should not overlook two fundamental factors. One is the need for safeguarding the interests of consumers. The paper industry must take all possible steps to keep its cost of production at as low a level as possible. The other is the avoidance of temptation to ask for a closed market, even of a partial nature. Imports of paper into India have been on the increase costing the country a fair-sized amount of foreign exchange every year. India spent on paper imports Rs. 12.6 crores in 1953, Rs. 13.6 crores in 1954 and Rs. 15.23 crores in 1955. This upward trend in imports of paper will have to be reversed by a rapid expansion of indigenous production. In the circumstances, Mr. Mehta's demand that "the existing units have a fully justifiable right to make sure that no new projects are planned at the cost of their present production and reasonable aspirations of future expansion" is misplaced and liable to be misunderstood by the critics of the private sector.

In the context of the need for stepping up paper production some of the suggestions of Mr. Mehta for removing the handicaps facing the industry, however, merit every consideration. Transport bottlenecks are stated to be the most disturbing among the handicaps. He said that the trouble had been of a chronic nature in so far as the paper industry was concerned. He recalled with a certain amount of disappointment the statement made by the Railway Minister in his budget speech that railway transport would not be able to cope with expanding trade and output except in steel and to some extent in cement and coal. This would deter those engaged in the industry from putting up additional plant to cover the targets set by the Planning Commission. He wanted the Government to pay serious attention to the question of providing adequate transport facilities for all industries, including paper.

WELFARE OF WEAVERS

Once again, Mr. T. T. Krishnamachari has emphasised the utmost urgency of converting the handlooms into powerlooms. Addressing the tenth convention of the All-India Handloom Weavers' Congress at New Delhi on Sunday this week, Mr. Krishnamachari categorically declared that the only effective solution to the ills of the handloom industry lay in conversion. "I want," he said, "a handloom weavers' family to earn at least Rs. 3,000 a year. But this will not be possible, if the weavers are condemned to work with their hands for ever."

Viewed in the context of the vast potential demand for cotton textiles in the years to come, there is imperative need for taking all possible steps to ensure adequate supplies of such an essential item of consumption as cloth at an economic price. Apart from the serious doubts as to the capacity of the handloom sector (as it exists today) to meet the recommended entire additional demand for 1,700 million yards of cloth at the end of the second Plan period, the country would surely be running the risk of an appreciable rise in the price of cloth in the Plan period, if the present outmoded structure of the handloom industry were allowed to continue. While Mr. Krishnamachari fully recognises this aspect, he is, it is unfortunate, not prepared to take effective measures to bring about conversion of handlooms into powerlooms, as witness the following remarks of his:

"If handloom weavers want powerlooms, we will give them. We will make it easy for them to get the powerlooms and sell the products, but, if they do not want to have powerlooms, nobody will compel them. The Government's aim is that every man must be free to do what he wants to make a comfortable living. I am prepared to give machines to the village blacksmith and carpenter to better his production. If they do not want machines, they need not have them. But, then, they cannot complain that somebody else does better, because he has accepted the machine."

One fails to understand the logic behind these observations of Mr. Krishnamachari. When he (and his other colleagues in the Cabinet) can lay down strict directions for observance by large-scale industries, why should he not issue similar directions for encouraging substitution of handlooms by powerlooms? Evidently, political considerations have weighed with him. Mr. Krishnamachari does not want a single handloom weaver to be thrown out of employment by the introduction of powerlooms. Employment is no doubt a vital consideration, but equally vital is the consideration of cost the consumer is ultimately asked to pay. Any policy which makes the consumer pay a higher price merely for the sake of keeping the handloom weavers at work, would defeat the very objective of economic planning, namely, improvement in the lot of the common man.

Mr. Krishnamachari has, however, done well to turn down the suggestion, put forward by Mr. N. G. Ranga, President of the Weavers' Congress, for constituting a statutory Handloom Board. There is already one all-India organisation, the All-India Handloom Board, and a multiplication of organisations will certainly not, as Mr. Krishnamachari rightly said, help us. The existing Board is using the State organisations for carrying out the schemes and the setting up of a statutory Board will not be able to fill up the gap that still exists.

In the course of his address, Mr. Krishnamachari reviewed the work done by the Government in rehabilitating the handloom industry. There are, according to him, nearly 1,000,000 looms under co-operative societies. The Government has so far allotted about Rs. 10.5 crores for expenditure on handlooms largely through co-operative societies, of which 55 per cent. has been spent. It would appear that, as a result of the measures taken by the Government in the past three years, the production by handlooms has increased by 50 to 60 per cent. This claim seems to be somewhat exaggerated, but the fact is that there has been a substantial increase in production of handloom goods and all these are selling well. While there may be a few pockets where handloom cloth is still accumulating, by and large, today, the unsold stocks of handloom cloth are small.

U.P. SALES TAX

It is, indeed, deplorable that the mercantile community of Uttar Pradesh should have taken recourse to widespread *hartals* and demonstrations for registering its protest against the State Government's Sales Tax Ordinance. "The *hartals*," to quote a report from Kanpur, "have provided a welcome opportunity to the blackmarketeers to pile up profits out of the hardships of the people, as well as of the genuine dealers. They thrive on such occasions and revive a chain of immoral practices which hurt the society." *Hartals* and demonstrations may have a certain place in the scheme of things for expressing dissatisfaction over any official measures which subject the community at large to severe privation But they should not be lightly resorted to. Indeed, in a democratic society, *hartals* can hardly be justified. It is a pity that the U.P. merchants should have given much cause for public indignation against them. The closure of shops have hit the community hard, for the poor and the middle classes have not been able to buy even their bare necessities. The Chief Minister of Uttar Pradesh has done well, therefore, to warn the agitators that pressure tactics which aim at starving the people and bringing the Government to its knees will not at all be tolerated. We earnestly hope that the leaders of the mercantile community would intervene and urge the misguided retail merchants to withdraw the *hartal*.

While condemning the U.P. traders for allowing their agitation to take this form, we must point out that the State Government is not justified in issuing an ordinance for the purpose of introducing its new tax measures. For ordinances should be promulgated only in periods of emergency. One wonders whether the Government could not have announced the tax measures in the normal way, that is, while introducing the budget, instead of resorting to the use of an emergency weapon. It may be mentioned here that the budget for 1956-57 was presented only a month or so before the promulgation of the Ordinance. Surely, the taxes now sought to be imposed on the public could have been incorporated in this budget. Apart from this objection, some of the tax proposals contained in the Ordinance constitute a very onerous burden. The multi-point tax of six pies in the rupee on foodgrains, including cereals and pulses and *atta*, *maida* and *suji*, for instance, is particularly objectionable, inasmuch as the incidence of the tax is bound to be very heavy. Similarly, the sales tax on *khandsari* sugar, fertilisers, washing soap, and yarns of all kinds other than hand-spun yarn will hit the consumer hard. With regard to the sales tax on coal, cotton, hides and skins, iron and steel, jute, and oilseeds, however, the incidence is limited by the condition imposed by the Central Government that the rate of tax on these six items should not exceed the limit suggested by the Taxation Enquiry Commission and that the tax should be levied only at one point.

As a sequel to the series of representations made by different sections of the public, the U.P. Government is reported to have decided to make sales tax on foodgrains single-point and to abolish the tax on salt and vegetable oils. Meanwhile, the validity of the Sales Tax Ordinance has been challenged in the Lucknow bench of the Allahabad High Court.

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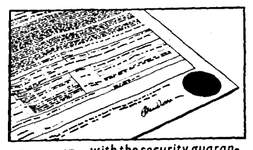

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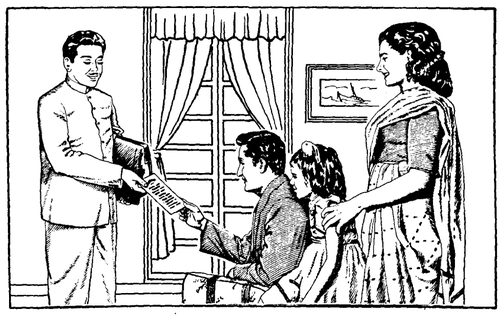

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AMERICAN LETTER

INTEREST RATES IN U.S. HARDEN

ENQUIRY INTO INSTALMENT CREDIT

From Our Special Correspondent

NEW YORK, *12th April*

THE United States Government and its agencies have followed the example of the United Kingdom in taking further anti-inflationary measures. The Federal Reserve banks have increased their discount rates. The majority of the central banks have boosted the rate from 2½ to 2¾ per cent. while two regional banks went to 3 per cent.

Financial opinion here is that, before long, all of the central banks will be on a 3 per cent. basis. A decision of this type is both psychological and real. The psychological aspect is that it puts the country on notice that the Government is still quite concerned about inflation.

The rise in the discount rate is the fifth since the beginning of 1955. The decision to do so was based on a number of factors. Where a decline in various major sectors of the economy had been expected this year, an expansion has taken place.

Price increases have followed wage increases and a revival of the wage-price spiral of former years is envisaged. The authorities are trying to prevent it and maintain the purchasing power of the dollar.

Banks Put Up Rates

Steel production has been far greater than expected and so has been the overloading of the capital markets with securities. Accumulation of inventories in many lines has been another cause for concern. Following this move, the lending rate of commercial banks to prime risk borrowers was also raised from 3½ per cent. to 3¾ per cent. A chain reaction is expected.

One of the repercussions to the rise in yields will be a decline of all fixed-interest rate securities, now outstanding, in terms of dollar prices. Financing will be more costly and thus new projects may not be started as previously expected.

The only question which remains to be answered is how far this rise in interest rates in the U.S. can go without adverse effects. Those who defend the new move point to the fact that, in the fight against inflation, the British bank rate has been increased recently to 5½ per cent.

Inflation

Inflation, in many respects, is synonymous with symptoms of prosperity and, thus, highly popular. A general feeling of optimism prevails, therefore, about the immediate future and, in a way, for all of 1956. But there are many real factors that enter into this picture.

In the field of instalment credits, for example, loan totals in banks and finance companies are high, but delinquencies are at a very low figure and losses are below average, as was brought out at a recent conference of the American Bankers Association.

The very height of this debt has been the object of much soul-searching, speculation and alarm, but, unless these figures are related to total savings, to the steady increase in this area, to delinquencies and to other factors, these discussions are strictly academic. Studies are now under way by the Federal Reserve Board to this end at the behest of the President's Council of Economic Advisors. The findings will no doubt prove salutary for the economy as a whole and provide a guide for lenders and borrowers alike.

This sanguine approach to future business is also confirmed by record dividend payments in January. If managements did not feel confident about the future, a greater amount of earnings would have been retained. The prospects of a nearly balanced Federal Budget and, possibly, lower taxes are also factors in financial, business and industrial decisions of directors.

Another inflationary aspect in the U.S. economy is that proposed outlays for plant and equipment far exceed the amounts anticipated, in part prompted by technological reasons. But this spending is superimposed upon large construction projects by cities and States involving new roads, sewer systems, airports, hospitals, schools and so on.

The building and construction industry is running at about the same level as last year, although there has been a decline in new housing starts. This, however, is balanced by activity generated in modernisation of old structures.

Farm prices, too, have increased somewhat and it looks as though the long period of decline has come to an end and that a gradual solution will be found for the disposal of the huge surpluses of commodities which have accumulated. A number of international agreements recently concluded are the basis for this assumption.

The bond market is a bit of a problem child. Yields are at their highest since 1953. In the new issue corporate bond market, utility issues were being offered to investors at the highest yields in two and a half years, ranging at the top between 3.4 and 3.6 per cent. State and municipal financing totalled $1,500,126,199 in the first quarter, against $1,408,743,802 last year.

Political Scene

International developments and the Presidential election may conceivably leave imprints on the U.S. economic scene. Public opinion may be scared by further outbreaks of hostilities between Israel and the Arabs and it is hoped here that the United Nations' mission to the Middle East may provide a part solution.

There is also the explosive situation on Cyprus where two nationalities, Greeks and Turks, clamour for independence and annexation to their homeland as well as for the end of the British protectorate rule.

The strongest base of Britain in the Middle East is threatened as are the American armed forces' installations in North Africa by the continuation of turmoil in that part of the world.

India has been top news here for some time, particularly Russo-Indian relations, agreements and exchanges. Some of these moves are not easily understood in the United States and they need clarification, because, otherwise an antagonism may develop—harmful to U.S.-Indian relations on all levels.

The Presidential election campaign is slowly getting under way. President Eisenhower seems to have recovered fully from his heart ailment and, at this point, there is hardly a question that he will be re-elected next November, unless there are drastic changes in the picture. Meanwhile, the three principal candidates for the White House, Adlai Stevenson, former Governor of Illinois, Senator Estes Kefauver and Governor Averell Harriman of New York, are in a contest to get the nomination from the Democratic Convention opposing the President. Otherwise, all is well.—*All Rights Reserved.*

A WELCOME SCHEME

One does not normally look for philanthropic service among hard-headed bankers. It is, therefore, no mean credit to the authorities of the Canara Bank that they should be thinking in terms of granting loans to deserving poor students for educational purposes. It is an altogether novel and well-conceived scheme which deserves high praise. The proposal, it is stated, has come from the Bank's friends and admirers. The idea is that a fund should be raised to commemorate the golden jubilee which the Bank will be celebrating this year. The Fund, to be called the Canara Bank Golden Jubilee Education Fund, will be registered as a charitable society. It will enter into an agreement with the Bank, under which the Bank will, on the guarantee and co-obligation of the society, advance loans at a low rate of interest (to be repaid in convenient instalments) to deserving poor students for pursuing their studies. The moneys in the Fund will be held by the Bank as a guarantee against the loans it advances to the students. The advantage claimed for this arrangement—for, it may be asked why the Fund should not advance loans on its own—is that the Bank will be able to give more money by way of loans than what it obtains by way of deposit from the Fund. It has been calculated that, for every Rs. 2,000 pledged by the Fund, the Bank will be able to award a loan scholarship of Rs. 10,000 every year.

Basing their comments upon the general experience of the scholarship funds in this country, the authorities observe that, if care is taken in selecting proper and deserving recipients of this benefit, besides the normal procedure of having a third party as surety and, if necessary, taking an insurance policy on the borrower's life, the lender will have not only earned interest on the loan but also contributed to the educational advancement of the country. The authorities rightly refer to such a scheme as an advance on the security of "brains of promising young men."

Perhaps, a great advantage from the association between the donors and the Bank is that it introduces an element of businesslike competence into an essentially humanitarian service. The Bank's experience in the credit field will be placed at the disposal of the donors who will have the additional satisfaction that more money than what they can find will be available for helping students. The working of the Canara Bank's educational-cum-banking scheme will naturally enough be watched with interest by other credit institutions.

THE BACKGROUND TO INFLATION

EXPENDITURE ON LUXURIES

From Our Own Correspondent

LONDON, *7th April*

LONDON LETTER

THE Government's *Economic Survey* for 1955 sets out the salient features in the British economy and then indicates the broad lines of policy to cure the ills disclosed. It is essentially a pre-Budget review of the general position and though, of course, the Chancellor might propose measures which conflicted with the findings of the Survey, that would indicate the points at which political sentiment overrode economic analysis.

The National Income of the U.K. now exceeds £16,600 millions, a rise of 5½ per cent. over the previous year. About 60 per cent. of the increase is attributable to home output and about 40 per cent. to imports: but half the home output in turn is only on paper—it was due to a rise in prices. Consumers spent nearly £800 million more in 1955 than in the year before—a rise of 6½ per cent.—but, alas, for their well-being, 3½ per cent. of the rise (more than half) was absorbed in higher prices. Retail prices, for instance, rose by 4½ per cent.—a record increase for a peace-time year. If we study on what the money was spent, we find that hardly any more went on food but that over 25 per cent. more was spent on private motoring. The other categories of expenditure took only small percentage increases. So luxury spending in the metal industries has a big share of the blame for the drive to inflationary destruction with which we are threatened.

Now for the other side of the picture: fixed investment was at a higher level in 1955 than in any previous year. The following table shows fixed investment (all at 1948 prices in order to keep to real terms) for the past three years—with and without new house building and the social services:

	(In million £'s)		
	1953	1954	1955
Total fixed investment ...	1,743	1,881	2,019
of which			
New houses, etc., ...	664	695	655
Industrial investment	1,079	1,186	1,364

Thus, industrial investment increased by no less than 15 per cent. over the past year, much the greater part of it in plant and machinery which accounted for £90 million of the rise and vehicles, ships and aircraft which took another £40 million. "While the basic trouble last year was the excessive level of total demand, the position was made still more difficult by the growing concentration of demand on the metal-using industries"—comments the *Survey*. We can see how that concentration of demand has come from consumers' expenditure on private motoring and the engineering companies' efforts to increase their own capital equipment. It is significant that one result of the credit squeeze has been to cut down drastically the demand for new cars and to cause a certain amount of standing off of workers in the motor industry.

The *Survey* goes on: "A high rate of productive investment remains an important national objective. Other demands on our resources must be restrained to make room for a higher rate of home investment and an improvement in the balance of payments." But clearly investment in industries making consumer goods does not meet this requirement unless the consumer goods are for export. The Government will have to be bolder and say what they mean—even though it will look as if they are borrowing their opponent's clothes and controlling the *nature* of investment. Otherwise, the above quotation looks odd against the phrase in the *Survey*, "the main expansionary force in the economy at the present time is the increase in fixed investment in industry. . ." And we are also told that, because of work in hand, the total of fixed investment in 1956 will be even higher than in 1955.

So far, the Bank rate has been raised from 4½ to 5½ per cent.; all capital issues above £10,000 are to be scrutinised; hire-purchase restrictions are applied to capital goods; programmes of public investment have been reduced (the one item of selective discrimination); consumers' subsidies on food have been reduced—but, on the whole, these are blind weapons and do not help exports against home consumer demand. The logic of the situation does appear to be pushing the Government nearer to the point at which they will have to intervene positively.—*All Rights Reserved.*

METHODOLOGY OF THE SECOND PLAN—II

REDUCTION IN THE RATIO OF CAPITAL TO OUTPUT NECESSARY

By C. N. Vakil and P. R. Brahmananda

[This article is based on the forthcoming publication by the authors entitled "Planning for an Expanding Economy—A Study in Employment, Accumulation and Technical Progress."—ED.]

LET us examine how the Planning Commission has derived the value of the capital coefficient. The average percentage rate of income growth between 1948-53 was 2.8 per year. The average ratio of net investment to national income was 6.2 per cent. Hence, the value of the capital coefficient is 2.3 : 1. The average productivity of capital is 46 per cent.

A number of questions arise in this context. The value of the capital coefficient has been derived from an experience of about four years. Statistics pertaining to the growth of national income are slowly being perfected in the country. For example, a part of the increase in income during this period is due to an increase in the extent of statistical coverage. Secondly, a part of the increase in income during this period has been attributed to windfall weather conditions which, in their turn, brought about a substantial rise in the level of agricultural output. The trends in national income have, therefore, been affected by factors other than changes in the volume of investment also. We have to exclude the impact of such factors if we have to obtain the precise nature of the quantitative relationship between investment and income. The National Income authorities themselves contend that the rate of growth of income may be placed on an average at about 2½ per cent. per annum. If we assume that the ratio of investment to income is 6.2 per cent., the value of the capital coefficient will be 2.5:1. The average productivity of capital will be 40 per cent. On this basis, in order to obtain the stipulated increase in income of Rs. 2,680 crores, the required investible funds will be Rs. 6,700 crores. If we assume that the actual rate of growth of income was about 2 per cent. per annum and that the ratio of savings to income was 6.2 per cent., the value of the capital coefficient will be about 3 : 1 and the average productivity of capital will be about 34 per cent. During the period of the formulation of the first Plan, the Planning Commission worked out the possible rates of increase in national income that could be obtained by means of appropriate variations in the ratio of savings to income. Here, they assumed the ratio of capital to output to be equal to 3 : 1. As we do not have firm estimates in regard to that proportion of the growth of income that could be attributed to investment efforts undertaken during the period, it would not be possible to derive the *precise* value of the capital coefficient during the First Plan. The Planning Commission have utilised a coefficient of 2.3:1; in other words, they have assumed the value of the average productivity of capital one-third higher than the value which they adopted for their extrapolations during the period of the first Plan. If the average productivity of capital is about 33⅓ per cent., then in order to obtain the stipulated increase in income of Rs. 2,680 crores, the required investible funds will have to be Rs. 8,040 crores.

Choice of Low Values Does not Imply Larger Resources

It may be noted that it is possible to indicate higher rates of increase of national income for given amounts of investible funds by appropriate assumptions concerning the values of the average productivity of capital. This naturally provides good meat to model builders intent upon formulating ambitious programmes of economic development. The problem that is relevant is that the choice of the appropriate value for capital coefficient may happen to be biased by the desire to indicate larger rates of increase in national income. As pointed out earlier, mere manipulations of the value of the capital coefficient do not imply an augmentation of the resources of the economy. If an appropriate perspective is not maintained in the formulation of economic models, there is a danger that the size and the structure of the targets may have little relationship with the economic realities of the country for which such targets are being formulated.

Under what circumstances can we assume that a given value of the capital coefficient will continue to hold constant? The Commission has assumed that constant returns to units of investment would be obtained. The general assumptions in this case are: (*a*) The relative proportions of different patterns of investment are the same as they were during the first Plan. (*b*) The relative proportions of final outputs are the same as during the first Plan. (*c*) The average production periods of investments, in general, are the same as during the first Plan. (*d*) The economy will be subject to the same relative extent of windfall gains and losses as during the first Plan. The general impact of the external situation in regard to the economy will be the same in its relative effects as during the first Plan, and so on.

Plan Becomes Bulkier

In general, these conditions would tend to obtain when steady growth is taking place. In other words, national income should be *steadily* growing. If the relative pattern of investment outlay is altered in favour of investments of a higher order, if the relative composition of different output is altered in favour of outputs which require larger investments in capital, if the average period of production in regard to investment as a whole increases, if the economy does not enjoy the same relative extent of windfall gains as it did during the earlier period, if the external situation in relation to the economy turns relatively adverse, the value of the capital coefficient will turn out to be higher than whatever it was before. The value of the ratio will definitely tend to be substantially raised, if there is a discontinuous change in regard to the investment pattern and if the average production periods of investments are lengthened.

The trouble with the second Plan is that a substantial proportion of the investments yield outputs only later on. During the period of the Plan and for some time thereafter, the structure of the economy will tend to manifest a higher degree of capital intensity. This is because only a part of the investment outlays will be contributing towards additions to national product. The objective of such shifts is that while increasing the degree of roundaboutness in methods of production, it may be possible to bring about a higher rate of income growth. The latter is deliberately kept low, in order that there may be a discontinuous rise in it at a later stage when the different capital goods industries are established, and when, with their aid, it would be possible to construct those complementary assets that would enable labour to raise its average productivity.

It may be somewhat surprising that, whereas the substance of the second Plan is to utilise the long-period advantages of unbalanced growth, the form adopted for arriving at the income and investment estimates is that of a model of steady growth. The very structure of the second Plan precludes the possibility of adoption of a value of average productivity of capital as that which ruled during the first Plan. In the latter case, as most of the investments were designed to bring about immediate increases in output, as the economy also expanded its output by raising the utilisation of capacity, as windfall weather conditions were very favourable, and as the external international situation too was in general very much in favour of the country, one can understand the *possibility* of a low value of the capital coefficient to have ruled during the period. Moreover, during the period of the first Plan, there were no deliberate efforts adopted in order to bring about an alteration in the investment structure. Hence, the period of the first Plan could be considered as one of steady growth though the rate of same growth was quite low. The second Plan brings about a reversal of the above process. Hence, it is unscientific to utilise the same value for the capital coefficient as that which obtained during the working of the First Plan.

It may be of interest to examine the conditions under which it may be possible to reduce the value of the capital coefficient. The historical experience of the advanced countries reveals that the capital-output ratio was fairly high in the initial stages of economic development. Gradually it tended to decline until it reached a more or less steady value of 3 : 1. In the initial stages of economic development, a good proportion of investment will have to be in the form of large outlays on construction of social overheads; large investments in capital-intensive activities like transport and communications, road construction, supply of public utility services, construction of urban areas, etc., are necessary. It is possible that, in the earlier states of economic development, the value of the ratio may be of the order of 6 : 1. For example, in the case of India, large investments are being made on irrigation, multipurpose projects, transport and heavy industries. In the case of transport and communications, the ratio of capital to output would be higher than 7 : 1. This is revealed by a study of the statistics pertaining to the working of the India railways. There is nothing unusual in this, inasmuch as in all countries investment in transport would imply a high ratio of capital to output. In the case of irrigation and multipurpose projects, the capital-output ratio is about 4 : 1. This has been ascertained on the basis of a study of the figures of net investment in regard to agricultural output in the case of the second Plan. As regards heavy industries, the ratio of capital to output would tend to be higher than 4 : 1. Naturally, as a substantial proportion of the investments in the second Plan are concerned with the above types of investments, the overall ratio of capital to output would tend to be fairly high. Even the assumption that the capital coefficient would rule round about 3 : 1 would not be valid, because this ratio has been derived from an observation of the experience of the developed countries during the *later* stages of their development.

Soviet Experience

A question may be asked here as to whether it is not possible to bring down the value of the capital coefficient by means of appropriate manipulations in regard to the patterns of investment and of output. There is no doubt that there is some scope for bringing about this result. In the case of the Soviet Union, the average productivity of capital was 70 per cent. This was so, because of a number of factors: (1) During the course of their first two plans, the Soviet authorities economised heavily on investments which were absolutely or relatively unproductive. The outlay on social overhead capital formed only a meagre proportion of total outlay. (2) Deliberate measures of industrialisation with appropriate policies pursued in regard to procurement of the marketable surplus enabled a large number of the formerly disguised unemployed rural folk to be converted into active workers in investment. A substantial proportion of former output, which was not considered as part of the national income, was considered now to be part of it when once the process of industrialisation gathered momentum. In other words, the work-force in investment activities was augmented and a substantial proportion of the supply of consumption goods for meeting their needs was procured through policy measures to raise the proportion of grains marketed. It is in this sense that both income and investment went up in the Soviet Union. (3) The Soviet authorities also pursued policy measures of wage discrimination; hence, they were in a position to reduce the construction costs substantially. (4) The overall ratio of the Soviet economy has been derived by means of the ascertainment of income changes at the *end periods* of the different plans. They do not, however, indicate the nature of the transitional pressures.

Policy Adjustments Necessary

In the case of India, it may be possible to reduce the value of the capital coefficient by means of a direct attack on the problem of disguised unemployment. At the end of the second Plan, the pressure on agriculture is bound to increase rather than decrease. Moreover, the second Plan concentrates a substantial proportion of investments on the construction of social overhead capital. Nor does the Plan visualise the evolution of a new technology in which capital saving innovations predominate. All over the economy, a process of standardisation of wage rates is being brought about. Hence, one can say that the possibility of reducing the value of the capital coefficient through policy measures has not been fully appreciated in this country. What the second Plan seeks to bring about is a relatively larger rate of expansion in small-scale and cottage industries. Even here, an appropriate procedure of maximising the investment potential concealed in the prevailing inefficient methods of production has not been adopted. Policy measures concerning a reduction in the ratio of capital to output must be so brought about that they do not reduce, in the process, the ratio of investment to income.

(Concluded)

PUNJAB NATIONAL'S BUMPER PROFIT

MARKED EXPANSION IN BUSINESS
RECORD DIVIDEND

ADDRESSING the shareholders of the Punjab National Bank Ltd. at their annual general meeting held last year, Mr. Shanti Prasad Jain, Chairman, had expressed his confidence that the Bank could look forward to larger profits and greater expansion in its business with the improved economic development of the country and monetary position. The shareholders, who had been sacrificing in the past years, Mr. Jain added, could look forward to improved prospects. The statement of accounts of the Bank for the year ended 31st December 1955 indicates that the management's efforts towards this end have been more than amply rewarded.

The Bank's working capital, which had grown to a high level of Rs. 91.16 crores at the end of 1954, has further risen to yet another record level of Rs. 112.89 crores as at the close of 1955. The upward trend in the Bank's deposits noted since 1949 has been maintained in the year under review also; what is more, the pace of expansion has been rather sharp, with an increase of Rs. 14.48 crores to a record level of Rs. 90.12 crores. The profit also has recorded a rise of Rs. 10.65 lakhs to a high of Rs. 64.41 lakhs, which, however, falls short of the peak of Rs. 70.23 lakhs, touched in the pre-Partition year 1947, by Rs. 5.82 lakhs. The prosperity of the Bank has been shared by the staff and the shareholders alike. The bonus to the former has been raised from Rs. 9.50 lakhs to Rs. 13.50 lakhs, and the dividend to the latter has been stepped up from 12 per cent. to 14 per cent. A good part of the year's profit has, however, been utilised to strengthen the contingency reserve which has received no less than Rs. 24 lakhs, as against Rs. 12.50 lakhs provided last year and Rs. 10.25 lakhs two years ago. Thus, a sum of Rs. 46.75 lakhs has been set aside to the contingency reserve during the last three years alone. The reserve fund has been provided with Rs. 5 lakhs, as against Rs. 2.47 lakhs last year.

The following comparative table clearly brings out the progress of the Bank during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount earned	3,43.20	2,75.64	2,45.20	2,14.36
Commission and exchange	69.54	61.38	55.05	47.80
Other income	37.06	37.10	31.09	32.70
Interest paid	1,81.30	1,24.72	1,06.51	83.53
Expenses	2,17.42	1,80.08	1,78.85	1,71.15
Depreciation and repairs	6.67	5.94	6.21	6.05
Profit	64.41	53.76	39.96	34.12
Provision for taxation	11.00	16.00	12.50	15.00
To reserves	29.00	14.97	11.19	3.46
,, bonus to staff	13.50	9.50	7.50	6.48
,, other appropriations	1.30	0.90	0.50	8.34*
Dividend	12.25	10.50	7.00	5.25
	(14%)	(12%)	(8%)	(6%)
Carry forward	2.35	4.99	3.10	1.93

	As on 31st December			
	1955	1954	1953	1952
Capital	87.50	87.50	87.50	87.50
Reserves	97.50	92.50	90.00	89.00
Deposits	90,12.26	75,63.84	65,31.18	58,94.02
Borrowings from other banks	1,29.47	0.47	30.58	2,50.63
Bills payable	5,90.65	4,17.52	4,07.28	3,73.91
Bills for collection (contra)	6,97.91	5,84.18	5,55.93	5,05.19
Acceptances (contra)	6,53.54	3,57.33	2,68.47	1,92.36
Advances (including bills purchased and discounted and money at call)	42,12.88	33,57.40	25,69.91	29,39.40
Investments	45,64.58	35,37.50	36,14.27	28,79.90
Cash	9,17.44	10,09.23	7,32.49	6,53.78
Balance-sheet total	112,88.79	91,16.27	79,78.22	73,98.69
Ratio to deposits of—	%	%	%	%
Advances	46.7	44.4	39.3	49.9
Investments	50.6	46.8†	54.9†	44.6†
Cash	10.2	13.3	11.2	11.1

* Includes a sum of Rs. 7.92 lakhs utilised for scaling down of Pakistan assets.
† Ratio arrived at after taking into account the securities earmarked against borrowings from other banks.

The gross income of the Bank has risen by Rs. 75.69 lakhs to Rs. 449.80 lakhs, the bulk of which has been contributed by the income from interest and discount. Consequent on the rise in the Bank's deposits and borrowings from other banks and the higher interest rates which prevailed during the year, the outgo by way of interest paid on deposits and borrowings has gone up by Rs. 36.58 lakhs. In consonance with the general trend, the Bank's administrative and other expenses also have staged a rise of Rs. 27.74 lakhs.

The Bank's reserves are up by Rs. 5 lakhs at Rs. 97.50 lakhs, following the transfer of a like sum from the year's profit. A sum of Rs. 37.50 lakhs, out of these reserves, representing the premium received on shares issued in the past, has, however, been transferred to an account called "share premium account."

It will be noted from the above table that the rise in the Bank's deposits during the year under review has been much sharper than that in the previous years. More than half of the rise in deposits during 1955 is accounted for by fixed deposits, which have gone up from Rs. 51.63 crores to Rs. 39.86 crores. Savings bank deposits are up by Rs. 4.12 crores to Rs. 23.54 crores, while the rise in current accounts, contingency accounts, etc., is of the order of only Rs. 2.10 crores to Rs. 26.30 crores.

As against an increase of Rs. 14.48 crores in deposits, the rise in advances is Rs. 8.56 crores, thus pushing up the ratio of advances to deposits from 44.4 per cent. to 46.7 per cent. Of these advances, loans, cash credits and overdrafts account for Rs. 34.37 crores, having risen from Rs. 27.69 crores, bills discounted and purchased for Rs. 7.65 crores (as against Rs. 4.71 crores) and money at call and short notice for Rs. 10.67 lakhs (Rs. 1.17 crores). The Bank's investments (at or below cost) in Government and other trustee securities amount to Rs. 44.42 crores (as against Rs. 34.26 crores at the end of 1954), the market value of the same being Rs. 44.75 crores, while the other investments aggregate Rs. 1.23 crores, the depreciation on these being Rs. 18 lakhs. Cash balances are lower by Rs. 92 lakhs, which has brought down the ratio from 13.3 per cent. to 10.2 per cent.

The increase in the Bank's borrowings, bills, payable, bills for collection and acceptances and endorsements are all indications of the substantial expansion in the Bank's business during the year. The rise in acceptances and endorsements is particularly noteworthy.

HONGKONG AND SHANGHAI BANKING CORPORATION

In our issue dated 14th April 1956 (*vide* page 703), it was inadvertently stated that the Hongkong and Shanghai Banking Corporation was started one hundred and thirty-nine years ago. The Bank is only eighty-eight years old, having been incorporated in 1867 by Special Ordinance of the Legislative Council of Hong Kong.

LLOYDS BANK LIMITED

Subscribed Capital £ 73,302,076
Paid-up Capital £ 19,403,491
Reserve Fund £ 15,000,000

Let LLOYDS BANK look after *your* interests

LLOYDS BANK LIMITED INCORPORATED IN ENGLAND

ENCOURAGING RESULTS OF LLOYDS BANK

PROFIT HIGHEST SINCE 1929

AN increase of £136,367 to £2,322,439 in profit is disclosed by the accounts of Lloyds Bank Ltd. (Chairman: Sir Oliver Franks, London) for the year ended 31st December 1955, thus maintaining the upward trend in earnings since 1946. It may also be noted here that the profit for 1955 is a fresh record since 1929. The rise in the Bank's earnings is the result of higher money rates, though this has been offset to an appreciable extent by the increase in interest paid to depositors and by the further rise in operational costs. The increases in purchase tax, in postal and telephone charges and in distributed profits tax, introduced in the interim Budget of October 1955, were all additional imposts. The largest increase in the Bank's expenses arose, however, from the rise in salary and wage scales which took effect from 1st January 1955 and brought with it, in addition, a large increase in the Bank's already heavy commitments for superannuation and other staff funds.

With the undistributed surplus of £516,557 brought in from 1954, the profit available for appropriation is £2,838,996, as against £2,741,852 in the previous year. The Directors have transferred £500,000 each (same as in the previous year) to the general reserve and the reserve for future contingencies. The dividend on the 'A' shares has been reduced from 15 per cent. to 12 per cent. (less income-tax), but it is on the increased capital raised during the year under review by the capitalisation of a sum of £3,593,239 from the general reserve for raising the paid-up value of the 'A' shares from £1 to £1 5s. per share. The latest dividend is equivalent to 15 per cent. on the shares in their old form, that is, with a paid-up value of £1 each. Thus, the intention of the Directors, expressed last year, to maintain the distribution to the shareholders, subject to the profit being maintained, has materialised. The shareholders have, however, been benefited by the reduction in income-tax of 6d. in the £ made in the last April Budget, so that the net return to them is higher. Thus, the distribution on the 'A' shares has taken up £1,239,668, as against £1,185,769, and that on the 'B' stock £41,322, as compared with £39,526, leaving a surplus of £558,006 to be carried forward.

The following comparative table brings out the salient features of the Bank's balance-sheets as at the close of the last four years:

(In thousands of £'s sterling)

	As on 31st December			
	1955	1954	1953	1952
Capital	19,403	15,810	15,810	15,810
Reserve fund	15,000	17,000	16,500	16,000
Undistributed surplus	558	517	556	418
Deposits	1,190,146	1,244,306	1,203,030	1,168,011
Acceptances, endorsements, guarantees, etc.	124,171	131,058	94,784	121,770
Cash money at call and balances with other banks	245,066	252,892	252,040	252,165
Bills	242,853	254,806	247,158	195,664
Investments—				
Gilt-edged	387,542	424,525	410,055	406,019
Trade	10,046	8,990	8,119	8,184
Loans and advances	308,109	301,192	288,976	302,778
Items in transit	18,957	23,086	18,526	15,143
Bank premises	9,142	8,741	8,515	7,956
Balance-sheet total	1,350,899	1,410,461	1,332,702	1,323,908
Ratio to deposits of—	%	%	%	%
Cash	20.6	20.3	20.9	21.6
Gilt-edged investments	32.6	34.1	34.1	34.8
Loans and advances	25.9	24.2	24.0	26.5

Following the capitalisation of a part of the reserves referred to above, a sum of £1.09 million was transferred from the contingency reserve to the general reserve and this, together with the transfer from the year's profit, has brought the total reserves to £15 million. The Bank's deposits have fallen by £54 million from the record level of £1,244 million. The upward trend in acceptances, endorsements, etc., noted in 1954 has been reversed in the year under review.

On the assets side, notwithstanding a further rise of £6.92 million, loans and advances at the end of the year are lower than those at the close of 1952. The decline of £12 million in bills is mainly accounted for by the fall in holdings of British Government Treasury Bills from £248.91 million to £225.71 million. Holdings of British bills of exchange have, on the other hand, gone up from £3.10 million to £13.78 million and those of Dominion, Colonial and Foreign bills from £2.78 million to £3.36 million. Of the decline of £36.98 million in investments, British Government securities alone account for £35.68 million (to £342.12 million). The market value of these securities as on 31st December 1955 is £333.88 million. The

(Continued on page 795)

BOMBAY STATE CO-OPERATIVE BANK

LENDING OPPORTUNITIES SHRINK—OVERDUES HIGH

THE planners in India have assigned an important role to the Co-operative Movement in the rehabilitation of the rural economy. How far their expectation will be fulfilled by this system is a question to which no immediate answer could be given. For it is only during the past one year that the recommendations of the All-India Rural Survey Committee are being implemented gradually by the Central and State Governments. It may take some considerable time for the major recommendations to be given effect to and it will be longer still for these to yield results, provided they are translated into practice in the right manner and in good spirit. In Bombay State, however, some of these measures have already been implemented with the help of the Bombay State Co-operative Bank Ltd. The experience of this Bank so far in this field, though helpful, indicates that the problem of rural uplift through co-operation is beset with many complexities and that, unless these are successfully tackled, no quick progress can be expected.

The Bombay State Co-operative Bank Ltd. functions mainly as an apex bank for the co-operative societies in the State. It also functions as a central financing agency in the districts or parts of the districts in which co-operation is still undeveloped, or in which central financing agencies have yet to be organised. Thus, at present, it works as a central financing agency fully in seven districts including the Bombay Suburban District, and partially in eight other districts. According to the Administrative Report of the Bank for the year ended 30th June 1955, the Bank opened four new branches during the year. As, however, a similar number was closed, the number of branch offices stood unchanged at 69. The closure of branches was due to transfer of business to district central financing agencies by the Bank. Its paid-up share capital, which stood at Rs. 60.47 lakhs, moved up to Rs. 61.23 lakhs, an increase of Rs. 76,600, thanks to issue of additional shares of Rs. 10 each. The new shares were allotted to co-operative institutions at a premium of Rs. 10 each, the amount of premium being credited to the reserve fund. Of the total number of shares, institutions hold 41.1 per cent., individuals 16.4 per cent. and the State Government 42.5 per cent. The corresponding figures for the year 1953-54 were 40.1 per cent., 16.9 per cent. and 43 per cent. These figures indicate that, while there has been a fractional decline in the percentages held by the Government and individuals, the percentage held by institutions has registered a small rise. If this trend continued further, it will add to the strength of the Co-operative Movement, as it will reduce the Movement's dependence on State assistance for its progress.

A notable feature of the Bank's operations during the year was the marked rise in the total deposits of the Bank from Rs. 9.1 crores to Rs. 10.93 crores and this occurred in spite of the higher rates of interest on savings and fixed deposits offered by commercial and postal savings banks. Fixed deposits, particularly, rose from Rs. 3.39 crores to Rs. 5 crores, accounting for 45.7 per cent. of the total deposits, as against 37.17 per cent. in the preceding year. Apart from the fact that this increase is in keeping with the general trend of bank deposits, it may have also been the outcome of a new policy adopted by the Bank during the year, namely, of offering to co-operative societies remittance facilities, at its own cost for the maturing fixed deposits placed with it. This policy helped diversion of deposits of co-operative institutions from commercial banks to the Bank. This will also enable the flow of a relatively larger volume of funds into the orbit of co-operative finance. But the fact that the rate of interest on fixed deposits is higher than that on current deposits necessitates greater use of this money in remunerative channels. This becomes all the more imperative because low-interest bearing demand deposits to total deposits declined from 62.83 per cent. to 54.30 per cent. during the year. Unfortunately, the Bank does not appear to have been in a position to put all its surplus funds to profitable use. For it maintained a very large surplus as "fluid resources." Under Rule 18 (a) of the Bombay Co-operative Societies Rule, the Bank is required to maintain as fluid resources only a sum of Rs. 3.38 crores, but the actual fluid resources available were as large as Rs. 6.78 crores or a surplus of Rs. 3.4 crores. It is stated that, owing to closure of some branches, the avenues for investment in co-operative business was curtailed, resulting in a reduction of Rs. 10.6 lakhs in lendings on that account. Nevertheless the high proportion of liquid funds suggests that the spread of the Co-operative Movement is not being held up for want of money but for other causes.

With the high percentage of surplus funds as noted above, the Bank's need for borrowings from other agencies lessened. This is reflected in the marked fall in its borrowings during the year, from Rs. 130.90 lakhs to Rs. 57.59 lakhs. An analysis of this item shows that the Bank did not borrow any funds from the Reserve Bank of India for its own use during the year, as against Rs. 25 lakhs it borrowed in 1953-54, and that there was a marked fall in advances from the Reserve Bank on behalf of Central financing agencies from Rs. 99.40 lakhs to Rs. 49.27 lakhs.

Advances Decline

Again, the total types of all advances to societies and individuals, including bills discounted by the Bank, dropped from Rs. 572.76 lakhs to Rs. 504.51 lakhs. While advances to agricultural societies rose by Rs. 25 lakhs to Rs. 277.03 lakhs, those to central financing agencies recorded a sharp fall of about Rs. 50 lakhs, that is, from Rs. 99.40 lakhs to Rs. 49.27 lakhs. Bills discounted were lower at Rs. 8.49 lakhs, as against Rs. 9.54 lakhs. Advances to individuals declined by Rs. 27.52 lakhs, mainly on account of a fall of Rs. 16.29 lakhs in advances against agricultural produce and other tangible securities. The ratio of total advances to working capital dropped from 46.21 per cent. to 37.06 per cent.

Of the total advances of all types of Rs. 504.51 lakhs at the end of the year, the unauthorised arrears were high, being Rs. 109.66 lakhs as against Rs. 67.47 lakhs a year before. A part of this sharp increase in arrears is due to unsatisfactory crop conditions prevailing in some of the districts and the fall in prices of agricultural commodities in general. There was also a deterioration in management standards. Besides, delays in taking effective action against erring institutions or against wilful defaulters of societies and lack of supervision were also responsible for the increasing trend in arrears.

The accounts of the Bank for 1954-55 reveal that the gross income remained unchanged at the previous year's level of Rs. 24.39 lakhs. Expenses of management stood at Rs. 20.48 lakhs, as against Rs. 20.40 lakhs a year previously. The net profit was Rs. 8,000 lower at Rs. 3.91 lakhs. Several factors seem to have been responsible for this fall. Although, as stated at the outset, the deposits were on an upward trend, the Bank's investment declined by 12 per cent. Secondly, while the cost of borrowed funds was 3.05 per cent., the earnings from surplus funds could not be improved, since these had to be invested in low-yielding Government securities for lack of other fruitful channels. Besides, factors such as ceiling on the rate of interest on advances to co-operatives, gradual curtailment of operations of the Bank as a result of the deliberate policy of encouraging formation of district co-operative banks and the gradual elimination of advances to individuals cumulatively contributed to the fall in the Bank's earnings. The high cost of borrowed funds and the increase in the expenses of management also cut into the profit margin.

The distribution to shareholders for 1954-55 remained unchanged at 4 per cent., as it was in the preceding year. Similarly the loans to employees was kept unaltered at one month's basic salary.

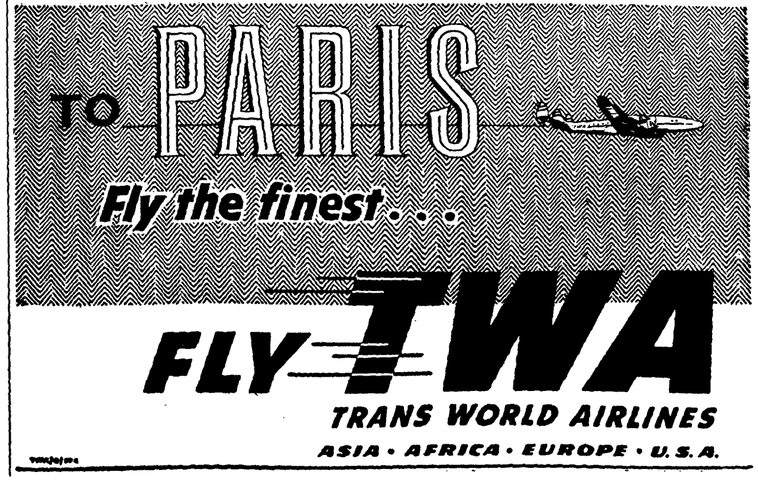
Rural Credit

The question of extending rural credit continued to engage the serious attention of the Bank. Its experience during the year under review also does not appear to be very encouraging. It may be noted that the total credit requirements of the entire agricultural industry of Bombay State was estimated in 1953 at Rs. 108 crores. It was anticipated, at that time, that the total volume of credit through co-operative institutions should reach a target of Rs. 50 crores, during the following five years. But the increase in the agricultural credit supplied by these institutions since 1953 has not according to the Report of the Bank, been of any large size and the amount made available was only 13 per cent. of the total crop requirements and 25 per cent. of the sum estimated to be supplied through the co-operatives. This unhappy state of affairs is attributed to certain difficulties and handicaps encountered by the Bank and the central financial agencies. These difficulties include lack of uniform growth of rural credit institutions and increase in the incidence of overdues, either on account of the failure of crops or the failure on the part of borrowers to discharge their liability or on account of mismanagement of the institutions themselves. In view of this sad experience, the Bank made, during the year, a number of recommendations, based on the Report of the All-India Rural Credit Survey, to the Government of Bombay. The chief among these related to grant of permission to the Bank to participate in the share capital of central financing agencies, and the primary credit and marketing societies and the creation of a special fund known as Integration and Development Fund for the purpose of subsidising uneconomic branches of the State Co-operative Bank.

ANSWER TO INFLATION

How both the monetary and fiscal policies in Britain were not always working in the desired direction to check inflation was clearly pointed out by Viscount Chandos, President of the Institute of Directors at Edinburgh a few days ago. He characterised credit squeeze as "an indiscriminate weapon" which hit companies in the process of development more heavily than mature companies. Many developing companies, he said, had not a profit record with which they could go to the capital market and they could not go to banks because the latter had no money to lend. He conceded that the Chancellor must squeeze something out of the economy, but, if in the process, he stopped or greatly retarded the general expansion which was now taking place, the Chancellor would have destroyed the seed corn.

Dealing with fiscal policies, Lord Chandos said that to take from taxpayers in two years over £750 million more than above-the-line Government expenditure was to distort and misuse the whole tax system. He believed that taxation should be designed primarily to raise the revenue which the Government required and not used as a political weapon. He posed the question: How can we expect the Chancellor of the Exchequer to make tax remissions in this period of inflation? And he answered it by saying that he can do so only if he is able to stimulate savings. Lord Chandos added that the answer to inflation was not restrictive fines on successes, but production incentives and savings.



CLOTH EXPORTS FROM INDIA

PERFORMANCE NOT SO UNSATISFACTORY

JUDGED by the marked contraction in international cotton textile trade during the calendar year 1955, India's performance on this front need not be regarded as having been very unsatisfactory. Thus, as against the estimated decline of as much as 11 to 12 per cent. in world trade in textiles, the drop in shipments of Indian cloth—mill-made and handloom—during 1955 was only 8.4 per cent. The quantity of cloth that actually went out of the country was 872 million yards, that for the previous year being 952 million yards, according to an interesting article on the pattern of India's export trade in cotton textiles in 1955, by Mr. P. K. Bhaumik, Statistical Officer, Cotton Textiles Export Promotion Council, appearing in the latest issue of the *Texprocil Bulletin*. The decline of 80 million yards was accounted for solely by mill-made piecegoods, the exports of which receded from 898 million yards in 1954 to 815 million yards in 1955. Exports of handloom cloth, however, rose slightly, from 54 million yards to 57 million yards. This is contrary to earlier estimates which showed that exports of handloom fabrics had actually declined by a few million yards.

The setback of late to cotton textile export trade of India and the world is attributed to several important factors. First, some of the cotton-growing countries which were hitherto large importers of cotton textiles for their domestic needs have themselves started manufacturing piecegoods. Secondly, there was competition from rayon and other synthetic fabrics, the world exports of which in 1955 were higher by 10 per cent. Thirdly, the volume of trade in textiles during 1954 was 10 per cent. more than in 1953, so that the need of several countries to meet the domestic requirements was less in 1955. The other unhelpful factors included trade regulations, import barriers, and labour disturbances, particularly dock strike in the U.K. and India.

During 1955, Japan and the U.K., the two major competitors of India in world textile markets suffered a greater setback. The exports from Japan were lower by 11 per cent. at 1,139 million yards, as against 1.278 million yards, and those from the U.K. by 12 per cent. at 555 million yards, as against 637 million yards. Notwithstanding a steeper fall in its exports, Japan still maintained its first place, followed by India as the second best.

Trend of Exports

The following table indicates the trend of cloth exports from India, Japan and the U.K. to some of the most important destinations in the past two years:

(In million yards)

	India		Japan		U.K.	
	1954	1955	1954	1955	1954	1955
Aden	69	47	17	7	3	2
Burma	39	14	69	43	10	4
Ceylon	28	25	28	35	8	9
Hongkong	15	12	54	17	3	2
Indonesia	33	90	234	108	3	2
Malaya	48	46	56	7	12	4
Saudi Arabia	10	32	4	12	2	1
Pakistan	28	10	85	32	6	7
British E. Africa ..	67	76	4	11	23	13
British W. Africa ..	70	73	60	58	107	109
Ethiopia	31	33	10	7	..	..
Sudan	89	63	..	5	6	..
Australia	56	43	68	71	122	100
India	..	..	..	2	3	6
Japan	..	..	..	..	..	..
U.K.	125	105	67	51	..	..

Mr. Bhaumik's survey of India's cotton textile exports during 1955 reveals that India had to meet considerable competition from Japan in the Asian zone and from the U.K. and European countries in the African and Oceanic zones. Japanese exports to the Asian markets, which are India's most natural and neighbouring markets, were 271 million yards, or about 90 per cent. more than what this country shipped. The supremacy of Japan in the Asian zone, it is said, is due to production technique and vigorous sales methods. Japan's attitude towards intensive market research and newer approach to productivity and costing is making Japan every day better equipped to capture new markets.

Although India was the world's second biggest producer and exporter of cloth in 1955, its export-dependence factor—that is, the ratio of production to export—was very much lower than in Japan and the U.K.; it stood at just 16 per cent. (calculated only for the mill sector), as against 42 per cent. for Japan and 32 per cent. for the U.K. The figure will be still lower when the total export and production for both the mill and non-mill sectors is taken into account. Drawing particular attention to this low export-dependence factor, Mr. Bhaumik has made the following interesting observations:

"As the production policy goes, there is no room for augmenting production in the mill sector. If the 1955 trade, both internal and external, taken together, is an indication, it, perhaps, shows that home consumption is growing somewhat faster than production. Mill stocks at the end of 1955 were only equal to two weeks' production, in spite of bigger stocks at the end of 1954, slightly higher production in the mill and non-mill sectors during the period, and less export business. Export target at the last Buxton Conference was conceived as the estimated production less estimated local consumption being equal to target for export. This approach is a residual one, rather than a direct one. Whatever might be the overall domestic production policy, unless there is a clear-cut policy for the export production line, consistent with export targets and various overseas market requirements, there is every possibility that our exports will oscillate, due to lack of planned control and, ultimately, it may lead to disastrous results, if our main competitors can take advantage of our position."

To revert to India's export trade in mill piecegoods during 1955. The bulk of the total shipment of 815 million yards of cloth was accounted for by medium cloth, the quantity actually shipped being 595 million yards, or 74 per cent. of the total. Next in the order of off-take came coarse, fine and superfine. The share of coarse and medium counts alone was 95 per cent.

Categories Shipped

The table below shows exports of the different categories of cloth during 1955, as compared with 1954 and 1953:

(In million yards)

	1953	1954	1955
Coarse	239	187	172
	(37)	(21)	(21)
Medium	255	615	595
	(39)	(68)	(74)
Fine	145	73	30
	(22)	(8.5)	(3)
Superfine	13	22	18
	(2)	(2.5)	(2)
Total ..	652	898	815

The pattern of mill-cloth shipments by different processes shows that grey cloth constituted the largest item of export, the quantity actually shipped being 410 million yards, or 50 per cent. of the total. Next in importance came dyed and printed cloth, the exports of which amounted to 226 million yards (or 28 per cent.). The share of bleached goods was 179 million yards (or 22 per cent.). The bulk of India's exports thus goes without any processing whatsoever. If an analysis of the end-uses of exports were made, it would be found that they are not used as exported but are further processed before final consumption. Mr. Bhaumik has done well to highlight this aspect and to emphasise that, if we do that processing in India, not only more employment opportunities will be created but also the foreign exchange earnings increased. "Every effort is," to quote him, " needed to see that the percentage of processed goods is raised considerably."

The single largest item of mill cloth exported from India during 1955 comprised sheetings, which alone accounted for 351.15 million yards, or as much as 43.1 per cent. of the total exports of 815 million yards. A breakdown of the exports of mill cloth by sorts—quantity and percentage share of each—is shown in the following table:

	Quantity (in million yards)	Share (percentage)
Sheetings	351.15	43.1
Longcloth	112.45	13.8
Drill	109.43	13.4
Shirting	89.74	11.1
Voiles and mulls	56.60	6.9
Coatings	34.94	4.2
Domestics	30.15	3.7
Chintz	9.96	1.2
Dhotis and *saris*	9.78	1.2
Others	11.18	1.4
Total ..	814.78	100.0

Summing up the review of India's export trade in cotton textiles during 1955, Mr. Bhaumik has alluded to several defects which are standing in the way of an expanding trade. Mention, for instance, is made of long-term problems such as lack of modernisation of plant and equipment, differential freight rates, absence of consolidation of export trade in a few experienced hands as in Japan, non-availability of credit facilities, and paucity of factual knowledge of market requirements. The other defects which exist in the trade include non-adherence to delivery date, supplies not being made as per contracted sample, unsatisfactory presentation of cloth, marking and labelling, non-adherence to standard bale packing specification and to quality specified in contract, and short supply, short length, unsatisfactory settlement of complaints. If all these defects are remedied and goods are subjected to the ITEX or the factual inspection scheme, there is, Mr. Bhaumik feels, every hope that Indian textiles "will get themselves firmly established in the various overseas markets and can gradually be stepped up."

In conclusion, Mr. Bhaumik emphasises the importance of textile research. There has of late been such a growing influence of synthetic fibres in the world textile trade, thanks to the ceaseless research being carried out in the U.K., Japan, the U.S. and Germany, that rayon and synthetic fibres will, it is feared, prove a severe threat to cotton textiles in course of time. If this competition in the field of cotton and rayon fabrics is to be met, it is, as Mr. Bhaumik rightly points out, essential for India to force the pace of textile research.

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WORRALL'S TEXTILE AND ENGINEERING DIARY

The sixty-seventh edition of the above *Diary*, published by Messrs. John Worrall Ltd. Oldham, England, the well-known specialists in the field of textile publicity (Agents in India: Messrs. W. H. Brady & Co., Ltd., Brady House, 12-14, Veer Nariman Road, Bombay 1. Price: Rs. 15 plus Rs. 3 for sales tax, etc.) carries a small but significant alteration in the title to give due recognition to the growing importance of the textile industry in Pakistan. The publication is now named the *Textile and Engineering Diary for India and Pakistan*. The *Diary* contains a revised and up-to-date buyers' guide, furnishing information on several important aspects relating to textile machinery industry and trade in both India and Pakistan. It is replete with data on (1) machinery, accessories, power transmission equipment, mill supplies and stores, (2) chemicals, oils, etc., and (3) raw materials, yarn spinning, processing, finishing and merchanting. All these, together with the dissemination of information through the advertisement columns and associated buyers' indices to mills and machinery buyers of India and Pakistan, have enhanced the utility of the publication to such an extent that it will continue to serve as an invaluable book of reference to all textile firms.

NEW RAYON-COTTON FABRIC

A new rayon-cotton fabric, known as Jetpower, has been developed in the U.S. by two textile firms—the American Enka Corporation and Messrs. M. Lowenstein and Sons, Inc. The fabric consists of 50 per cent. each of rayon and cotton; solution-dyed rayon filament is woven with vat-dyed cotton to produce the fabric. The resultant material is said to gain in strength, colour fastness and resistance to abrasion through incorporation of the high-tenacity rayon. It is usable in apparel, home furnishings and motor car seat covers. It is expected to be used to make play clothes also later.

The new fabric is being introduced in the market first in the traditional blue colour and other shades will be added later this year. It will be produced in the first instance by the Lane Cotton Mills Division of Messrs. M. Lowenstein and Sons, Inc. The factory has a capacity to produce up to 1 million yards a week, but it will turn out only 150,000 yards for the present.

The Madras *Khadi* and Village Industries Board has decided to launch at an early date a pilot scheme for working the improved Ambar Charkha in Coimbatore district. Under the scheme, one hundred Ambar Charkhas of improved variety will be started in ten villages in the district. Two units—a spinning unit and a composite unit linked with handloom weaving—are envisaged to judge the economic aspects of the new Charkha. If the results of this experimental measure are satisfactory, the Government will consider starting its own workshop and draw up plans to produce the Charkha on a mass scale.

LABOUR UNION'S SUPPORT SOUGHT FOR FIGHT AGAINST CLOTH IMPORTS

WEAVERS' PRICE PLANS

From Our Special Correspondent

MANCHESTER, 10*th April*

MANCHESTER LETTER

FOR the first time, the trade unions in the cotton spinning and weaving industry are to appeal for the support of the T.U.C. and its 8 million affiliated members in campaigning for Government action to restrict the flow of cheap cotton cloth into Britain from India and Honk Kong. In the first two months this year these imports aggregated 29 million yards. An approach is also to be made to the National Executive Committee of the Labour Party.

This was announced after a special meeting of the Legislative Council of the United Textile Factory Workers' Association in Manchester to consider the Cotton Board's recently-published detailed case to the Government and to decide future policy.

Mr. Harold Bradley, Association General Secretary, said the aim now was to solicit the widest possible public support for Lancashire's case. "The position is serious," he added.

The Cotton Board is planning a publicity campaign in the home market on the theme "Buy Britain's Cottons" to counter cheap imports of overseas textiles. A preliminary outline of the campaign was given to the cotton union meeting by Sir Raymond Streat, Cotton Board Chairman, who is visiting the various cotton organisations in turn.

"Overall Week"

An appeal to factory workers throughout Britain to insist on protective clothing made only from fabric spun, woven and finished in Lancashire is being made as part of the first National Overall Week now in progress. It is sponsored by the Overall Manufacturers' Association of Great Britain, Liverpool, and retailers throughout the country are co-operating in special window displays. The campaign includes domestic as well as industrial overalls.

The organisers urge overall-wearers to be wary of buying overalls bearing Union Jack labels in the belief that they have been made in this country.

Mr. George F. Parfect, Chairman of the National Overall Week Committee, has urged the T.U.C. to pass on advice to factory workers to dress for the job in overalls "100 per cent. United Kingdom."

Higher Wage Level

Boosted by higher earnings in weaving mills, the average pay packet in the Lancashire cotton textile industry has risen to more than £7 3*s.* a week.

A Ministry of Labour survey shows that when a check was taken the average earnings of men in cotton weaving mills were £9 13*s.* 11*d.* weekly, youths £5 1*s.* 2*d.*, women £6 5*s.* 7*d.* and girls £4 13*s.* 4*d.*

Average wages of men in spinning—£9 11*s.* 8*d.*—were slightly lower than when the Ministry took its previous check six months earlier. Women spinners earned £5 18*s.* 9*d.*, youths £5 17*s.* 5*d.* and girls £4 16*s.* 5*d.*

The Industrial Disputes Tribunal will meet in London next week to decide the cotton unions' latest wage claim for a 10 per cent. increase. This was rejected outright by the employers.

Minimum Prices

After discussions lasting for nearly 18 months proposals have been drawn up by the Cotton Manufacturers' Association for the establishment of minimum prices in the cotton weaving industry. A questionnaire has now been circulated to all known manufacturing firms involving owners of more than 1,000 mills.

The scheme provides for basic minimum rates for various standard loom state cloths and does not include coloured goods or fancy materials. Comments are invited from manufacturers and their views on the project are being sought. The Committee responsible for drawing up the scheme strongly recommends its acceptance and firms concerned have been urged to reply stating their views on the proposals by the end of next week.

A spokesman of the Cotton Manufacturers' Association said that the future of the scheme depended on the measure of support gained for the plan as set out in the questionnaire. When the replies are collated the Committee will consider the response and decide what action should be taken.

Novelty in Textiles

Cheapness and novelty are the keys to a bigger share in world trade in textiles, according to Professor G. C. Allen, Professor of Political Economy, University College, London. With most countries now producing enough textiles to meet home needs, international trade was becoming relatively smaller, he told members of the Textile Institute at the Spring Convocation in Manchester. Thus success in international trade in textiles is going to depend increasingly upon distinct performance and will have to be fought for very hard.

He said: "But it is not a matter for despair. It constitutes a challenge and those who wish for eminence clearly cannot hope to achieve it by following a routine." He added: "Outstanding success can only come by doing superlatively well what others are doing indifferently well, or by discovering how to produce and sell new varieties of products that others have not yet devised."

Professor Allen said cheapness or novelty seemed to be the only two channels to success in international trade with competition likely to become even keener. He emphasised that it was only by continuous preoccupation with efficient measures and the innovation of techniques and commercial methods that any branch of the textile industry could hope to develop or even sustain itself.

The Changing Scene

Slowly but surely the process of elimination in Lancashire mill towns goes on. Since 1952, and even before, the tendency towards contraction of productive capacity has ebbed and flowed, but there has been a persistent movement of consolidation—one that becomes more emphatic as the years pass.

In the first quarter of 1956, the trend has been quite as noticeable as in the previous twelve months and the pace seems to be quickening. All the developments are not solely in the direction of pure destruction of plant; the larger groups in particular are using their resources to raise their efficiency by disposing of obsolete buildings while still retaining worthwhile machinery for transfer to more suitable mills.

Already, this year, the Directors of the Lancashire Cotton Corporation have decided to close down two of the group's older mills—the Brunswick and the Junction—following the acquisition of the Eagle and Durban mills around the year-end. In the fine spinning section, Combined English Mills have taken similar action. The Rumworth Mill and Howe Bridge No. 5 have been taken out of commission, while the company has branched out into the waste spinning trade by the absorption of Shawclough Mill and William Wild's Millersbrook and Moss mills at Heywood.

The combines are certainly in an advantageous position to grasp opportunities which occur to strengthen their hand, and not only make themselves more efficient but also more flexible. English Sewing Cotton Company which has lately widened its activities to include at least one big weaving group, has obtained an important merchanting business by gaining control of Hollins Mill. The spindles and looms are being scrapped, but the distributing facilities of this old-established firm are at the disposal of the new owners.

Nor have the machinery merchants been idle this year. The Owl Mill, at Oldham, was the subject of a battle for control between rival bidders. The winner, Mr. A. E. Hatton, has since announced his intention of closing the mill down. A similar fate appears likely to overtake the Neva mills, Middleton, while another Oldham spinning firm has lately been in the news by reason of an offer being made for the shares, believed to come from a second-hand machinery dealer.

Not at all the latest developments in the "takeover" field, however, have consisted of acquisitions in the horizontal sphere. The Fine Spinners and Doublers group has, for instance, absorbed further weaving interests in the looms owned by J. T. Clegg & Co., of Nelson. Another official linking of old-established contacts has been the purchase by Armitage and Rigby Ltd., of the merchanting and drill-making business of E. Spinner & Co.—*All Rights Reserved.*

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LLOYDS BANK LIMITED

(INCORPORATED IN ENGLAND)

BALANCE SHEET 31st DECEMBER, 1955.

LIABILITIES

Capital—			
AUTHORISED: £74,000,000 in 14,500,000 "A" Shares of £5 each, 1,500,000 "B" Shares of £1 each			
ISSUED: £73,202,976 in 14,372,956 "A" Shares of £5 each, £1 5s per share paid up, 1,437,296 "B" Shares, converted into Stock		£17,966,195 1,437,296	£19,403,491
Reserve Fund—			
Share Premium Account		1,143,683	
General Reserve (*see Note IV*)		13,856,317	
			15,000,000
Profit and Loss Balance, as per Account below			558,006
			34,961,497
Current, Deposit and Other Accounts, including Contingency Accounts (Public Accounts secured as per Note III are also included)		1,190,146,165 969,194	
Balances in Account with Subsidiary Companies			1,191,115,359
Final Dividends, less Income-Tax (subject to confirmation by the Members)			640,495
Notes in Circulation (Isle of Man) (see Note III)			19,559
Acceptances			2,895,924
Endorsements, Guarantees, and other Obligations			121,485,426

Notes.

I. Investments in British Government Securities amounting to £362,117,325 are taken at or under cost and below redemption price. The market value of these investments at the 31st December, 1955, was £325,788,617. Provision for this difference has not been made and is regarded as unnecessary as all the securities are redeemable at fixed dates, the majority within 10 years.

II. Other Investments: the market value of the quoted investments at the 31st December, 1955, was greater than the balance sheet figure.

III. Securities and Other Investments totalling £1,030,000 (1954: £1,036,666) nominal are lodged for Public and Other Accounts and for the Note Issue in the Isle of Man.

IV. In February, 1955, the sum of £3,593,239 was capitalised from General Reserve for the purpose of paying up 5s. per share on each of the 14,372,956 issued "A" Shares of £5 each and a sum of £1,656,239 was transferred to General Reserve from Contingency Account.

V. Foreign Currencies have been converted at the rates of exchange ruling at the 31st December, 1955; in the case of Eastern branches as at the 31st October, 1955.

£1,350,899,260

E. J. HILL,
G. Y. HINWOOD, } Chief General Managers.

C. B. HOWLAND,
Chief Accountant.

ASSETS

Cash, in hand, with Bank of England and Eastern Reserve Banks	£97,748,910	
Balances with, and Cheques in Course of collection on, other Banks in the United Kingdom and Ireland	68,363,787	
		£166,112,697
Money at Call and Short Notice		68,785,000
Balances with Banks abroad		10,767,966
British Government Treasury Bills	225,715,000	
British Bills of Exchange	13,779,228	
Dominion, Colonial and Foreign Bills (including India, Pakistan and Burma Treasury Bills, £1,966,875)	3,358,791	
		242,853,019
Investments (see Notes I, II and III)—		
Securities of, or guaranteed by, the British Government	342,117,328	
Other Investments, including Securities of *Dominion* and Colonial Governments, British Public Boards and British Municipal Corporations } quoted and unquoted	37,075,147 8,348,941	
Loans and Advances after deducting provision for Bad and Doubtful accounts	308,107,057	387,542,416
Balances in Account with Subsidiary Companies	1,512	
		308,108,569
Items in Transit		18,057,125
		1,203,126,792
Trade Investments		
Subsidiary Companies		
The National Bank of Scotland Limited		
Consolidated Capital Stock £4,000,920 (*nominal*), £1,000,368 paid up, taken at amount paid up, plus proportion of Reserve Fund and undivided Profits	4,444,137	
Lloyds Bank (Foreign) Limited, 24,000 Shares of £50 each, fully paid, at £50 per share	1,200,000	
Lloyds Bank Executor and Trustee Company (Channel Islands) Limited 100,000 Shares of £1 each, fully paid at cost	100,000	
Other Trade Investments at cost or under	5,744,137 4,301,934	
		10,046,071
NOTE: There is a contingent liability for uncalled Capital in respect of a portion of these Investments.		
Other Assets and Accounts (including sundry Properties at cost, less amounts written off)		4,413,315
Bank Premises, at cost, less amounts written off		9,141,732
Liabilities of Customers for Acceptances, as per contra		2,685,924
Liabilities of Customers for Endorsements, Guarantees, and other Obligations, as per contra		121,485,426
		£1,350,899,260

OLIVER FRANKS, Chairman.
HARALD PEAKE, Vice-Chairman.

PROFIT AND LOSS ACCOUNT FOR THE YEAR 1955.

Dr.		*Cr.*	
To Interim Dividends, less Income-Tax	£640,495	By Balance brought forward	£516,557
,, General Reserve	500,000	Profit brought in, after providing for taxation on the profits of the year and after making transfers to the credit of contingency accounts out of which accounts full provision has been made for any diminution in value of assets (subject to *Note I* on the balance sheet)	2,322,439
,, Reserve for Future Contingencies	500,000		
,, Final Dividends, less Income-Tax (subject to confirmation by the Members)	640,495		
,, Balance to be carried forward	558,006		
Note.—Directors' Emoluments amounted to £75,613 (1954: £74,886), including £7,774 (1954: £7,185) paid to certain Directors by Subsidiary and other Companies and £2,500 (1954: £417) pension to a Director in respect of past services as Chairman.	£2,838,996		£2,838,996

REPORT OF THE AUDITORS TO THE MEMBERS OF LLOYDS BANK LIMITED

In our opinion and to the best of our information and according to the explanations given to us, the foregoing accounts of the Bank, with the annexed statements relating to the Bank's subsidiaries, The National Bank of Scotland Limited and Lloyds Bank (Foreign) Limited, give in the prescribed manner the information required of banking companies by the Companies Act, 1948, and on the basis therein authorised give, subject to Note I and to the observations in paragraph 3 on the accounts of The National Bank of Scotland Limited, a true and fair view of (a) the state of the Bank's affairs as at 31st December, 1955, and of its profit, ascertained as indicated in the accounts, for the year ended on that date and (b) the state of affairs and the profit, ascertained as indicated in the accounts and annexed statements, of the Bank and its subsidiaries so far as concerns members of the Bank.

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for our audit. In our opinion the Bank has kept proper books of account and obtained proper and adequate returns from the branches and the above accounts of the Bank are in agreement therewith. The accounts of the Eastern branches are included therein as at 31st October, 1955, and the accounts of the rest of Banks are made up to 1st November and 30th September, 1955, respectively.

8, Frederick's Place, London, E.C. 2, 17th January, 1956.

PRICE WATERHOUSE & CO., Chartered Accountants.

BALANCE SHEET OF THE INDIAN BRANCHES OF LLOYDS BANK LIMITED AS AT 31st DECEMBER, 1955.

CAPITAL AND LIABILITIES

	Rs. a. p.	Rs. a. p.
Capital—		
Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949		23,26,562 8 0
2½% Loan 1961 Rs. 25,00,000 at Rs. 93-1-0.		Nil
Reserve Fund and Other Reserves		
Deposits and Other Accounts—		
Short Deposits and Deposits at call		7,56,71,206 1 0
Fixed Deposits		5,72,07,814 4 4
Savings Bank Deposits		9,10,89,245 12 7
Current Accounts, Contingency Accounts, etc.		19,23,28,991 12 3
		41,69,57,267 14 2
Borrowings from other Banking Companies, Agents, etc.—		
(i) In India		89,00,845 5 5
(ii) Outside India		83,769 1 3
		89,84,614 6 8
Particulars:— Rs. a. p.		
(i) Secured by Central Government Securities per contra	34,00,845 5 5	
(ii) Unsecured	55,83,769 1 3	
	89,84,614 6 8	
Bills Payable		16,26,330 13 11
Bills for Collection being Bills Receivable as per Contra—		
(i) Payable in India		2,91,48,023 6 9
(ii) Payable outside India		56,31,501 9 1
		3,47,79,524 15 10
Other Liabilities—		
Inter Branch Balances—Net—Head Office and Branches outside India		1,29,33,645 5 7
Inter Branch Adjustments—Branches in India		40,45,763 4 0
Staff Provident Fund		64,53,868 12 7
		2,34,33,277 6 2
Acceptances, Endorsements and other Obligations per Contra		4,13,10,861 10 7
Contingent Liabilities—		
Liability on account of outstanding Forward Exchange Contracts	Rs. 10,47,93,911 10 0	
	Rs.	52,75,91,877 3 4

PROPERTY AND ASSETS

	Rs. a. p.	Rs. a. p.
Cash—		
In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		3,18,81,309 0 5
Current Accounts		
(i) In India	2,75,742 10 11	
(ii) Outside India	2,09,063 9 0	
		4,84,806 8 11
Money at call and short Notice		1,70,00,000 0 0
Investments—At or under Market Value		
(i) Securities of the Central and State Governments and other Trustee Securities, including Treasury Bills of the Central and State Governments (of which nominal value Rs. 7,90,10,400 are lodged as security for borrowings from other Banks and for other accounts)	19,66,06,331 15 5	
(ii) Shares	0,50,000 0 0	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) Gold		
		19,75,56,331 15 5
Advances—		
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the auditors)		
(I) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India	17,86,21,295 12 9	
(ii) Outside India	Nil	
	17,86,21,295 12 9	
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India	75,82,802 14 11	
(ii) Payable outside India	1,42,09,519 15 1	
	2,17,92,322 14 0	
Particulars of Advances—		
(i) Debts considered good in respect of which the Banking Company is fully secured	14,26,99,181 11 10	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	3,39,74,013 2 0	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	2,37,40,423 12 11	
(iv) Debts considered doubtful or bad, not provided for	Nil	
	20,04,13,618 10 9	20,04,13,618 10 9
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	2,05,563 12 6	
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners, or *Managing Agents*, or in the case of private companies, as members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	2,72,103 0 0	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	Nil	
(ix) Due from banking companies	4,90,532 10 5	
Bills Receivable being Bills For Collection—As per Contra—		
(i) Payable in India	2,91,48,023 6 9	
(ii) Payable outside India	56,31,501 9 1	
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations—Per Contra		3,47,79,524 15 10
Premises Less Depreciation—		
Original Cost		4,18,10,861 10 7
Less—Depreciation	9,73,245 15 0	
	82,312 0 0	
Furniture and Fixtures Less Depreciation		8,90,933 15 0
Other Assets, including Silver—		Nil
Income Tax Advance Payments		
Interest, Exchange, Commission, Discount and Expenses	1,13,930 12 0	
(No adjustments made as at 31st December, 1955, for the two months, November and December for accrued Interest and Exchange receivable and payable and Commission receivable)	17,60,559 15 5	18,74,490 11 5
Non-Banking Assets Acquired in Satisfaction of Claims		Nil
	Rs.	52,75,91,877 3 4

G. BYRON,
Chief Manager (Eastern Branches).

(*Continued in next page*)

TRADE WAR IN COTTON FEARED

STRESS ON CO-OPERATION AMONG GOVERNMENTS

IT was only last week that we referred, in these columns, to the problem of cotton stocks which, we said, had become a matter of international concern. That there was no exaggeration in the remark is clearly evident from the grim warning administered by the International Federation of Agriculture Producers that there is developing a "disastrous international trade war in the world cotton markets." In the course of a statement issued at Washington the other day, the Federation points out that there is too much cotton in the world which has resulted in an increasing lack of balance between supply and consumption. In its opinion, the only way to prevent a world trade war in cotton is by more co-operation among Governments. Indeed, it recommends a "serious and continuing effort," through the International Cotton Advisory Committee (I.C.A.C.), to find a practical basis for world cotton trade.

The aforesaid statement of the Federation assumes utmost significance for two reasons. First, the Federation represents organisations in as many as 27 countries and any assessment of the world cotton position it makes is always based on expert and detailed data. Secondly, the statement of the Federation has come on the eve of the forthcoming meeting of the I.C.A.C. scheduled to be held at Washington shortly.

Boosting up Exports

In forecasting a "disastrous" world trade war in cotton, the Federation must have been prompted by the intensified efforts made by the Governments of the cotton producing countries to step up their export trade in this commodity. The U.S. Department of Agriculture, for instance, has already announced that the Commodity Credit Corporation (C.C.C.) would initiate, after 1st August next, a new export sales programme for C.C.C. stocks of upland cotton. There are three special features of this policy which have given rise to serious apprehensions that it might affect the world cotton trade by causing a sharp setback to prices. These features are: (1) The sales abroad of cotton will be on a competitive bid basis. (2) The cotton sold will be eligible for delivery against all sales, including Public Law 480 sales. (3) There are no restrictions on either the quantity or the quality of cotton sold for export.

Brazil and Turkey are the two other leading exporters of cotton which have come out with a move to boost exports. The Brazilian Government's scheme envisages subsidising of cotton shipments through the use of a variable exchange rate when exchange is surrendered to the Bank of Brazil. The scheme is estimated to yield a gross return of 508 cruzeiros per arroba (35.68 U.S. cents per pound at the exchange rate of 43.06 cruzeiros per dollar) f.o.b. Santos, Type 5 basis. Under the new cotton export policy of Turkey, sales of cotton to European Payments Union (E.P.U.) countries will be effected at competitive prices, while those for other countries will have to compensate the seller for the loss sustained on sales to the former. For every bale of cotton exported to non-E.P.U. countries, one bale must have been previously shipped to an E.P.U. country.

Performance of Other Countries

The export performance of the other cotton-producing countries has been extremely favourable. According to the latest monthly review of the I.C.A.C., cotton exports from Mexico during the seven months ended December 1955 were one-third greater in volume than in the same period last season. Unofficial reports to 31st January 1956 claim that exports have already reached the all-time record of 1.4 million bales and that the unsold surplus out of this season's record crop is only some 340,000 bales. Export demand, however, has slackened off recently due to a shortage of better qualities. In Egypt, exports upto the end of December were 46 per cent. higher than in the comparable period last season. In part, this has followed on the steep reduction in prices that has occurred this season, but also it is due to a marked increase in exports to China and Eastern Europe. Exports to China, Czechoslovakia and Rumania during this period were already higher than in the whole of 1954-55. Other exporters of Egyptian type cottons—Peru and Sudan—are also having a very successful season and it appears likely that most of the export availability will be shipped this season. Exports from the Sudan over the first six months were already nearly equal to total exports during the 1954-55 season. Exports from Pakistan are well ahead of last season's rate and here, again, there is likely to be no increase in carryover stocks into the new season; India and Pakistan have reportedly reached agreement for the import of up to 50,000 bales of Pakistan cotton into India effective immediately. As far as can be ascertained, exports from many of the smaller countries are ahead of last season. Syrian and Greek cottons have been in particularly good demand and stocks are now at very low levels. Roughly half of the export availability in Iran had been shipped in the first six months of this season.

If the upward trend in the shipments from the major exporting countries were to persist in the coming months, there would surely be a recession in world cotton prices. Naturally enough, interest is focussed on the U.S. Farm Bill which, after "a long and complex struggle" in both the Houses, was adopted by the Congress last week. The Bill, as it now stands, couples with the Soil Bank scheme—the details of the scheme have been discussed in our issue dated 21st January 1956 *vide* page 118—a one-year programme of Government-guaranteed prices of cotton (and other basic crops) at a fixed 90 per cent. of parity. The Bill has not met with the approval of the President who has urged the Congressional Republican leaders to get the Bill referred back to the joint conference committee of both Houses for re-drafting. The reactions of the Republican leaders are not known. Meanwhile, there are rumours that the President may use his veto on the Bill. If these rumours were to prove correct, the U.S. Agriculture Secretary himself would fix, through his discretionary powers, the support price for cotton for the ensuing season.

U.S. SURPLUS COTTON

The U.S. Government's extended export sales programme for cotton has been criticised by the New York Cotton Exchange. Selling on an auction basis for export would, the Exchange declares, be most costly to the taxpayer in America. In this connection, it observes:

"It will be extremely difficult for buyers to finance cotton bought at fixed price which are arbitrarily set and subject to change without notice by the U.S. Department of Agriculture, because the programme itself may easily render the normal 'hedging' process inoperative. Banks have found 'hedged' cotton a good risk, and have always made a wide distinction in the amount of money they would lend on 'hedged' cotton as compared with the amount they would lend on 'unhedged' cotton. Therefore, buyers will be required under the fixed price export sale programme to figure a much greater margin than if the sale programme was developed where cotton could be normally 'hedged.' This will make it difficult primarily for the smaller merchant, due to the restriction of his credit under an uncertain export sale programme.

"During the recent sale of one million bales for export, more than 50 per cent. was sold to three large merchants, because of their financial ability to handle 'unhedged' cotton. Such a programme under normal conditions will take several years in which to liquidate existing Government-held surplus cotton stocks, as net disappearance per year will be relatively small. This could lead to complete destruction of the present marketing system."

The New York Cotton Exchange has also opposed a two-priced system. It, however, says that, if necessity forces a choice between the fixed export price programme or an export subsidy, the latter is certainly the lesser of the two evils, inasmuch as it permits the distribution of cotton through an orthodox method.

IMPORT OF COTTON

The Textile Commissioner has clarified the position with regard to import of cotton from dollar and non-dollar areas. According to him, no ceiling has been fixed for import; the Government's decision, announced last week, it will be recalled, had fixed a ceiling of 40,000 bales. Announcing the revision in the import policy for cotton, the Textile Commissioner, in a Press Note issued last week-end, observes: "... due to somewhat indifferent quality of the Indian crop in the current season, import of cottons from dollar and non-dollar areas will be allowed in adequate quantities to meet the requirements of the mill industry."

ALL-INDIA COTTON ESTIMATE

The all-India fourth estimate of cotton for 1955-56 places the total yield at 3,705,000 bales (of 392 lbs. each), which represents a fall of 367,000 bales or 9 per cent. as compared with the adjusted fourth estimate of 4,072,000 bales for the previous season. The anticipated drop in yield has occurred despite a marked expansion of over 2 million acres or 11.5 per cent. in the area sown to cotton, from 17,506,000 acres to 19,525,000 acres. In other words, this means that the per-acre yield of cotton has suffered a sharp setback in the current season; on the basis of the fourth estimate, the all-India average per-acre yield comes to about 74 lbs., as against 92 lbs. in 1954-55 (final estimate). This setback must be attributed to the severe damage caused to the crop on account of heavy rains and floods.

The above estimate does not cover the entire area under cultivation of cotton. Past experience has shown that both the area and the production at the fourth estimate stage form roughly 95 per cent. of the crop finally reported. On this basis, the total cotton output may be estimated at 3,900,000 bales.

The official estimates of the cotton crop are always lower than the trade estimates which are invariably nearer the true crop position. For the 1955-56 season, trade estimates place the crop at nearly 4.65-4.78 million bales (commercial), as against 4.83 million bales for 1954-55.

LLOYDS BANK LIMITED—*(Continued)*

AUDITORS' REPORT ON THE INDIAN BRANCHES OF LLOYDS BANK LIMITED UNDER SECTION 30 OF THE BANKING COMPANIES ACT, 1949.

We report that we have audited the Balance Sheet of the Indian Branches of Lloyds Bank Limited, dated 31st December, 1955, and above set forth and the annexed Profit and Loss Account for the year ended 31st October, 1955, with the books and accounts as kept at the General Manager's (Eastern Branches) Office, Calcutta, in which are incorporated certified returns from the Indian Branches and have obtained all the information and explanations we have required. In our opinion such Balance Sheet and Profit and Loss Account are drawn up in conformity with the law and the Balance Sheet exhibits a true and correct view of the state of the Bank's Indian Branches' affairs according to the best of our information and the explanations given to us and as shown by the books at Calcutta and the certified returns from the Branches. In our opinion books of account have been kept as required by law.

PRICE WATERHOUSE & CO., Chartered Accountants.

CALCUTTA, 28th March, 1956.

PROFIT AND LOSS ACCOUNT OF THE INDIAN BRANCHES FOR THE YEAR ENDED 31st OCTOBER, 1955.

EXPENDITURE	Rs. a. p.	Rs. a. p.	INCOME (Less provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
To Interest paid on deposits, borrowings, etc.	49,12,660 6 11		By Interest and Discount	1,40,81,435 9 1
,, Salaries and Allowances and Provident Fund (includes General Manager (Eastern Branches) Rs. 97,083-12-11)	79,75,158 7 0		,, Commission, Exchange and Brokerage	38,79,495 7 8
,, Directors' and Local Committee Members' fees and allowances	—		,, Rents	16,044 0 0
,, Rent, Taxes, Insurance, Lighting, etc.	6,79,191 5 6		,, Net Profit on sale of Investments, Gold and Silver, Land, Premises and Other assets	27,476 9 0
,, Law Charges	28,818 5 8		,, Income from non-banking assets, and profit from sale of or dealing with such Assets	—
,, Postages, Telegrams and Stamps	1,81,311 12 7		,, Other receipts	—
,, Auditors' fees	9,858 0 0		,, Loss	—
,, Depreciation on and Repairs to the banking company's property	6,33,870 12 10			
,, Stationery, Printing, Advertisement, etc.	3,56,716 11 4			
,, Loss from sale of or dealing with non-banking Assets	—			
,, Other Expenditure (including proportion of Head Office Expenditure)	11,34,554 14 8			
,, Balance of Profit (subject to Indian Income Tax and Super-Tax)	21,42,315 18 3			
	Rs. 1,80,04,451 9 9			Rs. 1,80,04,451 9 9

G. BYRON,
Chief Manager (Eastern Branches).

FUTURES TRADING IN PEPPER

BOMBAY LET DOWN BY FORWARD MARKETS COMMISSION

By I. T. Parekh

IT is gratifying that the Forward Markets Commission, after examining the various aspects of futures trading in pepper, has decided that the commodity should have a hedge market. The bone of contention, however, is the selection of centres for the establishment of hedge markets. It was reported that there were five applicants in the field: two from Cochin, two from Alleppey, and one from Bombay. The Commission has, however, recommended only Cochin for the purpose, the applications from Alleppey and Bombay having been rejected. It is reported that several important considerations weighed with the Commission in deciding not to recognise Bombay as a centre for conducting futures trading. Most of these reasons, however, appear to be unconvincing and untenable if viewed from practical angles.

The first reason put forward by the Commission against Bombay is that the City is very remote from the major pepper producing areas. May I know whether the Commission is adopting one and the same principle when recommending Bombay as a suitable centre for the operation of hedge markets in other commodities? If the principle as to distance between the producing area and Bombay City is followed, then there will be no scope at all for hedge markets for most of the commodities in Bombay, because the City is remote from the producing areas in these cases, too. Hence the argument of distance between Bombay City and the producing areas looks untenable, more so, in the present age of quick transport and communication.

When selecting a centre for the hedge market, the primary question which the Commission should consider is whether the centre is capable of undertaking the responsibility and has all the prerequisites for the successful functioning of a futures ring, and not such theoretical considerations as distance and production of a particular commodity in a particular area over others.

The second point raised by the Commission is that the production of pepper in the State of Bombay is only about 100 tons. This argument also is equally out of the mark, as pepper cannot be grown anywhere and everywhere.

Bombay's Share in Trade

The third argument advanced by the Commission is that the quantity of pepper received in Bombay is hardly 12 per cent. of the total production. Here, the Commission seems to have been either grossly misinformed or it has tried to exaggerate the shortcomings of Bombay City in its enthusiasm to give preference to Cochin. The production of black pepper in India has generally been fluctuating between 18,000 and 25,000 tons, while our exports have been between 12,000 and 15,000 tons. The balance of 6,000 to 10,000 tons is being consumed in the country. Nearly 50 per cent. of this quantity, say about 3,000 to 5,000 tons, is usually imported into Bombay for consumption and distribution. The truth, therefore, is that Bombay has been handling 50 per cent. of the total requirements of inland consumption, over and above the export done by Bombay interests from the port of Bombay and elsewhere. The Commission seems to have confused the issue by stating that Bombay is handling only 12 per cent. of the total production. For arriving at a correct calculation of Bombay's share in the total pepper trade, it ought to have taken the figure of 3,000 to 5,000 tons plus 8,000 to 10,000 tons of export done by the traders of Bombay to foreign countries.

The fourth argument advanced by the Commission against Bombay is that 90 per cent. of the export is effected by Cochin and Alleppey. Here also the Commission seems to have erred on the side of exaggeration. Nearly 66 per cent. of the export of pepper to foreign countries is handled by Bombay merchants either from Bombay Port or through other Indian ports. Therefore, in all fairness to Bombay City, the Commission ought to have taken the actual figure of export by Bombay merchants and not the figure of shipment done through Bombay Port only.

The fifth argument against Bombay is that the market in Bombay cannot serve the needs of merchants in assembling and export markets in the producing States. Here also, the Commission appears to have formed its opinion without collecting proper data or making thorough enquiries. Most of the pepper traders in Bombay have their offices for assembling and export purposes in all the primary centres and their total yearly volume of direct purchases from producing areas comes to a much bigger figure than that of local traders at Alleppey, Cochin and elsewhere.

The final argument against Bombay is that the Government of Bombay did not consider, in the first instance, that Bombay needed futures trading facilities in pepper. This might have been due to either of the following causes:

Importance Not Fully Realised

The Association concerned in the City did not put all the facts before the State authorities while requesting them to recommend their case to the Commission for a hedge market in Bombay. Or it is possible that the Association approached the Bombay Government after the Commission had already made up its mind in favour of Cochin or that the State Government did not take serious interest in this matter, as the figure of pepper export of 12,000 tons might have appeared to them trivial, as compared with such commodities as cotton, groundnut, castorseeds, etc., etc. Pepper being a spice, the quantum of its export or consumption is always smaller than that of food articles and industrial raw materials. It will be interesting to note, in this connection, that, in all foreign importing and consuming countries, the quantity of import or re-export of pepper is computed in lbs. or in cwts. In the U.S., for example, it is done in lbs. and in Europe in cwts. Accordingly, both the Bombay Government and the Commission ought to have taken the production figure in terms of lbs. and cwts. instead of tons, as they have done. Expressed in terms of these smaller units of weights, India's production of pepper comes to no less than 56,000,000 lbs., or to 500,000 cwts. If the Commission had taken into consideration the quantities of pepper produced in India either in terms of lbs. or in cwts., then, in my opinion, it would not have taken any objection to recognising more than one centre for the functioning of hedge markets, let alone the value of pepper in terms of rupees and the revenue on stamp duty on hedge contracts to the respective State Governments.

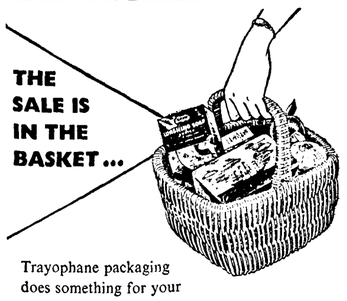
Two Prerequisites

For the successful functioning of hedge markets, there are two factors more important than those advanced by the Commission. The first is that the futures market for pepper should be primarily in a commercial city like Bombay having all facilities for quick and prompt contact with foreign countries which are the real arbiter of pepper prices. The second is that its trading members should be financially strong, so as to meet any contractual obligations *in times of crisis*. In this connection, an aspect to which the Commission ought to have given more serious thought is the past records of the various applicants. Bombay has a clean record for the last 30 years in running a hedge market either for a specific or forward delivery contract with a larger turnover than others, while the records of Cochin and Alleppey are far from satisfactory in so far as clearing payments and delivery of goods are concerned in time of crisis.

It may be noted here that the Commission itself has acknowledged in its report that, in times of crisis, Cochin and Alleppey have failed to observe the sanctity of contracts, have forced the closure of the market very often and fixed arbitrary prices to meet their own ends. And yet it has not hesitated to recommend that Cochin shall be the only centre to have the privilege of having futures trading in pepper. It is needless to stress that a hedge market has its usefulness only when it functions without payment difficulties.

In the absence of any hedging facility in Bombay, if Bombay merchants are forced to look to Cochin, they will have to bear, in times of difficulties, losses on two fronts, in that they will have to fulfil their contracts with overseas buyers, and will not be sure of getting their margin of profit when lifting the hedge at the time of shipment.

Pepper is a commodity subject to very wide and frequent fluctuations. It, therefore, requires close and constant attention on the spot. Accordingly, traders in Bombay would naturally hesitate to take full advantage of the hedge market at Cochin, even though it may be well organised, because personal attention and decision will be impossible by sitting in Bombay. Finally, if the daily turnover is to be any criterion for a successful functioning of the futures ring, there is reason to fear that Cochin will cut a sorry figure.



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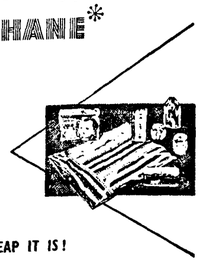

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SEPARATE DIRECTORATE FOR SOIL CONSERVATION

The Central Soil Conservation Board has recommended the setting up of a Directorate of Soil Conservation, stated Shri Ajit Prasad Jain, Union Minister for Food and Agriculture in Lok Sabha in a written reply to a question.

The reasons for this decision, he continued, were to provide machinery for efficiently organising and executing the large programme of work on soil conservation in the second Plan period. About Rs. 1,30,300 had so far been sanctioned to the State Governments by way of grants for the schemes of training in soil conservation during 1955-56.

UNITED BANK OF INDIA MAINTAINS PROGRESS

DIVIDEND UNCHANGED

THE working of the United Bank of India Ltd. (General Manager: Mr. B. K. Dutt, Calcutta), during the year ended 31st December 1955 has resulted in a profit of Rs. 14.61 lakhs, as compared with Rs. 13.05 lakhs earned in 1954 and Rs. 12.07 lakhs in 1953. Thus, this is the second year in succession when the Bank's profit has shown an upward trend. Even the aggregate rise in the last two years has enabled the Bank to make good only a part of the recession which had occurred during the two years 1952 and 1953 from Rs. 21.01 lakhs to Rs. 12.07 lakhs. It may also be noted that the increase in the Bank's profit for the year under review is not as marked as in the case of many other Scheduled banks. The main reason for this is the devaluation of the Pakistan currency with effect from 1st August 1955 as a result of which the figures of the Bank's Pakistan branches for 1955 have been taken at par with India, while those for the previous year had been taken at the rate of exchange as on the last day of the year. In view of this, the accounts for the year under review are not strictly comparable with those for the previous years on account of the devaluation. Notwithstanding the effect of the devaluation, the Bank's deposits show a rise of Rs. 7.9 lakhs; advances are up by Rs. 3.83 crores; bills for collection have risen by Rs. 1.57 crores, and acceptances and endorsements by Rs. 64 lakhs. All these indicate that the Bank has had its full share in the economic prosperity of the country.

After making a provision of Rs. 3.50 lakhs for taxation, as against Rs. 2.46 lakhs set aside last year, the Directors have transferred to the statutory reserve fund a sum of Rs. 2.95 lakhs, raising it from Rs. 2.61 lakhs. The dividend has been comfortably maintained at the very modest level of 3 per cent. for the sixth year in succession.

The following comparative table provides a bird's-eye view of the Bank's progress during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount	1,02.44	94.88	92.12	98.38
Commission and exchange	29.29	28.46	22.01	25.51
Other income	11.70	11.15	13.14	10.73
Interest paid	33.13	20.55	26.37	26.01
Expenses	91.14	87.92	84.98	84.44
Depreciation and repairs	4.55	3.98	3.84	3.97
Profit	14.61	13.05	12.07	20.21
Taxation	3.50	2.46	1.72	7.50
To reserve fund	2.95	2.61	2.42	4.05
,, investment account	..	..	..	0.50
Dividend	7.99	7.99	7.97	7.96
	(3%)	(3%)	(3%)	(3%)
Carry forward	1.70	1.53	1.54	1.58

	As on 31st December			
	1955	1954	1953	1952
Capital	2,66.56	2,66.36	2,66.35	2,65.22
Reserves	70.95	68.00	1,04.00	1,03.00
Deposits	31,26.71	30,47.79	26,93.33	26,06.24
Borrowings from other banks	1,00.84	..	..	..
Bills for collection	3,82.43	2,24.74	1,89.75	1,94.61
Acceptances	1,37.36	73.38	74.57	51.90
Advances (*including* bills purchased and discounted and money at call)	18,13.42	14,30.23	13,54.02	13,24.55
Investments	14,41.46	14,00.53	13,34.13	13,12.13
Cash	4,02.74	4,78.87	3,90.78	3,90.73
Balance-sheet total	43,40.19	38,22.35	34,72.66	34,14.38
Ratio to deposits of—	%	%	%	%
Advances	58.0	46.9	50.2	49.7
Investments	46.0*	47.9	49.5	49.2
Cash	12.9	15.7	10.4	14.6

* After taking into account the investments pledged against borrowings from other banks.

It will be observed that a substantial part of the rise in income has been offset by the increases in interest paid on deposits and borrowings and expenses, a trend which is in consonance with the general experience of banking in India.

The Bank's deposits, as already pointed out, show a rise of only Rs. 79 lakhs, as against an increase of Rs. 3.54 crores noted at the close of 1954. This moderate rise in 1955 is the result of devaluation of Pakistan currency. For "the actual increase in deposits taken on a par basis," the Chairman explains in his speech, "is approximately Rs. 2.60 crores." In other words, but for the devaluation of the Pakistan currency, the Bank's deposits would have shown an impressive rise of Rs. 2.60 crores. The difference in the case of advances, which have gone up by Rs. 3.83 crores, is not "quite so marked, because of the fact that proportionately advances are much higher in India than in Pakistan." At Rs. 18.13 crores, the advances constitute a record, of which loans, cash credits and overdrafts account for Rs. 14.60 crores, as against Rs. 11.85 crores a year ago, and bills purchased and discounted for Rs. 3.53 crores, having risen from Rs. 2.02 crores. Investments (at or below market value) show a fall of Rs. 19 lakhs; this, too, is accounted for by the Pak devaluation, for, "in reality, there is an increase, on a par basis, of over Rs. 74 lakhs." Cash balances, too, have shrunk by Rs. 76 lakhs, but the ratio of liquid assets has not been seriously affected.

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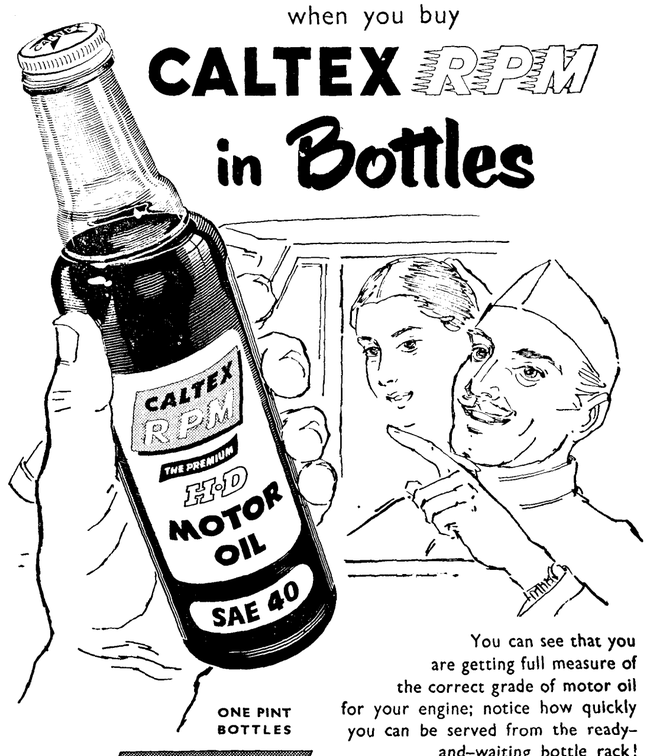

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JUTE STOCKS RISE FURTHER

OUTPUT, TOO, INCREASES

THE latest monthly returns of the Indian Jute Mills Association, Calcutta, disclose an increase of 5,200 tons to 94,600 tons in the stocks of jute goods held by the mills at the end of March 1956. This increase has occurred, despite the fact that despatches from mills for consumption in the home and overseas markets rose during the month from 81,800 tons to 94,100 tons. The rise in stocks must, therefore, be attributed to the increase of 6,500 tons in the output of jute goods during the month under review.

Another notable feature is that the stocks at the end of March 1956 were the same as those exactly a year before. While making this comparison, it should be borne in mind that, in March 1955, as much as 12½ per cent. of the looms remained sealed, whereas in March 1956 only 5 per cent. were kept idle. The stock position of mills may, therefore, be said to be better today as compared with that a year ago. This should, however, give no room for any complacency, since the stocks have been staging a steady rise from 62,300 tons in October 1955 to 94,600 tons in March this year. This continuous rise in the past six months indicates the need for a vigorous selling campaign for jute goods; the upward trend in production may revive a setback.

The table below gives at a glance the stocks of jute goods in each of the three months ended March 1956, as also those in the same month a year ago:

Jute Goods Stock

(In tons)

	As on			
	31-3-1956	29-2-1956	31-1-1956	31-3-1955
Hessian ..	30,200	28,200	25,600	34,000
Sacking ..	54,900	52,200	45,300	59,000
Others ..	9,500	9,000	7,500	1,900
Total ..	94,600	89,400	78,400	94,900

It will be seen from the table above that, during March 1956, stocks of hessians moved up by 2,000 tons to 30,200 tons. There has also been an increase of 2,700 tons in the stocks of sackings and of 500 tons in those of other goods. An outstanding feature revealed by the table above is a significant increase in stocks of other varieties of goods from 1,600 tons to 9,500 tons over the year.

The output of jute goods in March 1956 rose, as compared with that in February, by 6,500 tons to 99,300 tons. This increase was due to two factors, namely, March is a month of larger number of working days as compared with February and, secondly, March was the first complete month when the full complement of 7½ per cent. of the unsealed looms were in operation, whereas in February they were put to use only from the 10th of that month.

The table below gives an idea of the output of the three principal varieties of jute goods during each of the three months ended March 1956, as also in March 1955.

Jute Goods Production

(In tons)

	March, 1956	February, 1956	January, 1956	March, 1955
Hessian ..	34,800	32,000	30,300	35,000
Sacking ..	57,800	54,700	52,800	50,500
Others ..	6,700	6,100	6,000	3,400
Total ..	99,300	92,800	88,900	88,900

The increase in the total output of jute goods during the month has been, as seen from the table above, shared by all the three varieties. Thus hessian production has risen by 2,800 tons to 34,000 tons and that of sackings by 3,100 tons to 57,800 tons. The output of other types of goods has gone up by only 600 tons to 6,700 tons.

With the output in March, the total quantity of goods manufactured by jute mills in the first nine months of the jute season, 1955-56, amounted to 800,445 tons, as compared with 750,142 tons in the same period of the previous season.

The consumption of raw jute by mills in March may be placed at 575,940 bales, as against 515,620 bales in March 1955. The total consumption from July 1955 to March 1956 may be estimated at 4.6 million bales, as compared with 4.3 million bales in the same period a year previously.

JUTE PRESSING INDUSTRY IN PAKISTAN

The Pakistan Central Statistical Office has announced the census results for 1953 in respect of the jute pressing industry in Pakistan. There were in all 54 registered factories in this industry in the country up to December 1956, all of which were in East Pakistan.

The present release relates to 44 factories, all in East Pakistan, which submitted acceptable returns. The factories covered are those which used power and employ not less than 20 persons on any day during the year in their manufacturing operations.

The total amount of fixed capital invested and stocks held by the 44 factories reported stood at Rs. 5.33 crores at the end of 1953, of which Rs. 2.08 crores were invested in fixed capital and Rs. 3.25 crores were accounted for by stocks and stores.

The total average employment provided by this industry was 5,041 persons per day during the year 1953. Wages, salaries and benefits paid amounted to Rs. 68 lakhs.

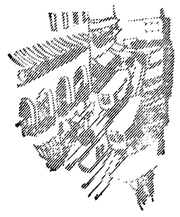
RAW JUTE IN U.P.

The State Government of U.P. has appointed a special officer to direct the large-scale jute production programme drawn up by it. The Government is utilising the skill of East Bengal refugees to see the programme through. The jute production target to be reached by the end of the second Plan period is 556,500 maunds, as against the present production of 500,000 maunds. There are three jute factories in the State which together consume 750,000 maunds per annum.

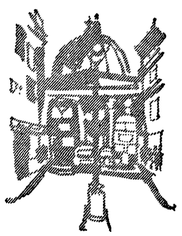
A draft Bill to amend the East Bengal Jute Dealers' Regulation Act (1949) is being prepared by the East Pakistan Government. The Bill seeks to enable the Government itself to collect certain statistical data regarding raw jute, in order to regulate jute trade on proper lines. According to the preamble to the Bill, jute mills now working in East Pakistan purchase, store and consume substantial quantities of jute, but, under the present law, they are not required to take out any licence or to submit any return under the said Act. As a result, collection of statistics regarding raw jute is incomplete. The amendment proposed in the Bill is intended to rectify this drawback.

Burma has contracted to buy gunny bags valued at Rs. 2 crores from East Pakistan during 1956. It is reported that trade between Burma and Pakistan would grow steadily and that raw jute would become an important item of import for Burma, following the establishment of jute mills there.

The consumption of burlap in the U.S. is reported to have registered an improvement in March 1956. It amounted to 70.6 million yards in the month as against 68 million yards in February 1956 and 71 million yards in March last year. U.S. stocks, however, rose by 8 million yards to 253 million yards.



Bombay



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MR. A. DAMODAR PAI'S SPEECH AT ANNUAL GENERAL MEETING

EMPLOYEE BENEFIT SCHEMES TO BE INSTITUTED

THE year one thousand nine hundred and fifty-six is a momentous one for the Canara Bank Ltd., as it marks the completion of 50 years of the Bank's existence. In order to commemorate this unique occasion, the Directors of the Bank propose to institute several schemes of permanent benefit to the employees. These include staff welfare fund, housing loans to employees, pension scheme, employees' participation in capital by the issue of a special class of shares and education fund for grant of loan scholarships. The details of the scheme, which are still under the management's scrutiny, were outlined by Mr. A. Damodar Pai, Chairman of the Bank, in his speech at the Annual General Meeting held at Mangalore on 16th February 1956.

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

"FRIENDS,

"This year I seek your indulgence to address you at some length for more reasons than one. The first and foremost reason is the fact that we are completing fifty years of growth and entering our Golden Jubilee Year. This is a time not merely for looking back with joy and satisfaction at what has already been achieved but also for looking forward with courage and determination to what is yet to be achieved. By the grace of God, by the blessings of our elders and the friendliness and encouragement which has come to us in abundant measure from one and all, we have grown with the country, changed with the changing times and look forward to the next lap of our journey with hope and confidence.

"India is marching ahead towards a welfare State. The first Five-year Plan, with its emphasis on agricultural production, is coming to a successful end, with the achievement of self-sufficiency in food among its highlights. The emphasis now is on greater industrialisation and raising the national income, both of which call for more work, greater sacrifices, increasing savings and the ploughing back of individual savings in schemes of national development. In this great enterprise, the banks of our country have a vital role in increasing measure to play. It is time, therefore, that banks take stock of the situation and adjust themselves to the changing times, equipping themselves adequately to render more effective service to the nation.

Unhealthy Competition in Deposit Rates

"For the second year in succession, bank deposits continued to show a rising trend. Against an increase of Rs. 94 crores, shown by Scheduled bank deposits in 1954, a further increase of Rs. 90 crores was recorded in 1955. The increase of nearly Rs. 3 crores in the deposits of our Bank in 1955, as against only Rs. 1 crore in 1954, may be considered quite satisfactory. The increase, however, is mostly under time deposits. The ruling rates for time deposits are higher and so we had to pay higher interest charges on them. Deposit rates have increased steeply in recent months and may lead to unhealthy competition. This tendency, unless checked in time, may not augur well for the banking industry. As suggested by Mr. Justice Gajendragadkar in his report on the Bank Award, concerted action on the part of the banks is quite necessary. I hope the banks, with the guidance of the Reserve Bank and the Government, will move quickly in this matter so that the banking industry may develop on healthy lines and play its proper role in the country's expanding economy.

"Bank advances continued to be higher and the Scheduled banks availed themselves more and more of the facility offered under the bill market scheme of the Reserve Bank. This only shows that the greater economic tempo of the country enables the banks to utilise their increasing resources. Our advances, though higher than the previous years, were not so high as to force us to uneconomic borrowing. It was only towards the end of the year that advances increased and they may continue to rise for some time to come. By reason of this cautious policy, there has not been a spectacular increase in interest earned on advances in 1955.

"Our foreign department was able to command a better turnover and bring in more income. The turnover of this department for the year 1955 was about 40 per cent. more than that for the previous year. Perhaps amongst the Indian banks, we occupy sixth or seventh rank in the matter of foreign business. With a view to giving more prompt service to our customers in the south, we opened a branch of our foreign department at Madras which enabled us to attract more foreign business from the south. Mr. Freeman, who ably organised the foreign department and trained a large number of our staff members, returned home on the expiry of the period of his contract. I am glad to say that your Directors have been able to make use of his services as our Overseas Representative in England. Mr. C. Ekanath Kamath is now in charge of this department and, as years pass by, this department will play an important role not only in our Bank, but, I hope, also in the country's economic development.

Income Keeps Pace with Expenses

"Thanks to the success of the foreign department and our handling a larger volume of inland bills, we have been able to earn higher income. At the same time, interest paid on deposits has gone up and so too our establishment charges, consequent upon implementing the Award and also the revision in the emoluments of the officers. We have thus shared our prosperity with our depositors and our staff. The position, therefore, is that our income has kept pace with the expenses. We should now plan for future growth.

"During the year, five new branches were opened in the last quarter and the response we are receiving at these branches is quite satisfactory. The branch at Ahmedabad will enable us to serve a large number of our clients dealing in cloth in various centres where we are already established. Thanks to their patronage and co-operation, we have made a good beginning at Ahmedabad.

"The Bank has purchased a plot in Mandvi area in the city of Bombay during the year and we propose to put up a first-class building there to accommodate our Mandvi branch and to let out the additional space. Your Directors are also of the opinion that we should have our own premises for the Administrative Office. The Directors are, therefore, thinking of going in for a plot in a central place in Bangalore to construct a spacious and imposing building to house the Administrative Office.

Golden Jubilee

"The report that is before you now is our fiftieth annual report and we are now in our Golden Jubilee year. Considering the fact that we have passed through fifty years, the progress made by us may not look spectacular. This is the inevitable result of a policy of safety-first and hasten slowly followed by your Directors from the very inception of the Bank. Your Directors have never had occasion to regret it. This policy has enabled the Bank to lay a strong and sound foundation and extend its usefulness. The experience gained during the periods of economic depression followed by boom, war followed by peace, banking crisis followed by boom enabled your Bank to serve the clients better and consolidate its position.

"Till sufficient resources were built up and till the Bank was put on a sure foundation, your Directors did not think of opening branches. All of you know that for the first twenty years, no branch was opened. Today we have fifty-one branches throughout Bombay, Hyderabad, Mysore, Madras and Travancore-Cochin States. Likewise, it was only when we were satisfied about the adequacy of resources and we had the necessary trained staff, that we thought of opening our foreign department under the guidance of a foreign expert.

"Against a paid-up capital of Rs. 29 lakhs, we now have a statutory reserve of Rs. 29 lakhs. Our deposits are nearing Rs. 12 crores and our resources exceed Rs. 17 crores as on 31st December, 1955. Our securities stand in our books at less than market value, thus leaving our statutory reserve absolutely intact.

Employee Benefit Schemes

"With these solid results and reserves of strength built up through half a century of hard work with the valuable experience gathered in the past, we are entering our Golden Jubilee Year. Your Directors have decided that we should make our Golden Jubilee Year an occasion for some items of noteworthy development of the Bank and the further extension of its spheres of useful service. They have, therefore, decided that, in addition to a few functions of the usual type, that are arranged to celebrate such an event, the Bank should sponsor schemes of permanent value for the benefit of the employees of the Bank to whose hard work the growth of the Bank is chiefly due and for the benefit of the people of low-income groups in our society as a contribution by the Bank for the growth of our nation.

"Your Directors have before them a scheme of raising a fund called 'The Canara Bank Golden Jubilee Staff Welfare Fund.' Among the objects of the fund will be the economic, social, and moral advancement of the members of the staff and to help them to develop habits of thrift, self-help and better living and to give financial aid to members in case of sickness, or distress, and for education of children, etc. The membership will be purely voluntary and the benefits of the funds will be confined to members who will manage the funds under a democratic constitution. The funds will be raised by monthly deposits from members at not less than one per. cent. of their salary and the Bank will contribute a substantial amount to form a nucleus of the fund. If properly worked, the fund is calculated to play an important part in promoting the welfare of the members. It is hoped that the majority of the members of the staff would join the fund and work it out successfully.

"Your Directors have also before them a scheme for housing loans to employees on hire-purchase basis with a sufficiently long period of repayment. The amount of loan would depend upon the salary of the employee and the rate of interest would be as low as 3½ per cent. simple. I am sure this would enable a number of our employees to have houses of their own.

Employees' Participation in Capital

"Further, your Directors are also considering a pension scheme which can be chosen by the staff as an alternative to staff provident fund and also a scheme for employees' participation in capital through the issue of a special class of shares. The details are being worked out and I hope these would be welcomed by our employees.

"I may recall to you that at the general body meeting in 1952, you had appointed a committee of shareholders to consider ways and means to commemorate the centenary of our founder. This committee had drafted a scheme of loan scholarships with a view to promote and encourage higher technical and scientific education. The scheme for some reason or other could not be inaugurated. Your Directors have now decided that with necessary modification, this scheme could be inaugurated on the occasion of our Golden Jubilee, not only as a fitting memorial to our founder whose interest in education is so well known but also as the Bank's contribution towards the welfare of our rising generations of talented young men and women.

"I may here give in brief the salient features of this loan scholarship scheme. A separate fund, called 'The Canara Bank Jubilee Education Fund,' will be registered as a society by some friends and well-wishers of the Bank. The objects of the fund will be promoting and encouraging higher technical and scientific education by arranging with your Bank granting of loan scholarships on a low rate of interest to be repaid on convenient instalments. The Society will raise donations from the public to which the Bank also will make a substantial donation. The Bank would, out of its own funds, grant scholarship loans, up to a total of five times the funds of the society, but not exceeding ½ to 1 per cent. of our total deposits in all, at any time, to poor and deserving students of high merit for prosecuting higher technical and scientific studies. The society would guarantee the loans and undertake to hold intact the whole or part of its funds amounting to not less than 20 per cent. of the highest amount estimated to be outstanding at any time, to be made available to the Bank in case any loan has to be written off as bad debt. The granting of the loan and

(*Continued on page 795*)

PROGRESS OF IRRIGATION AND POWER PROJECTS SURVEYED

SCOPE FOR FUTURE USE OF WATER RESOURCES

MR. Jawaharlal Nehru, India's Prime Minister, frequently refers to the Five-year Plan as a "mighty adventure." Perhaps, this phrase is more truly applicable to the giant power and irrigation projects than to any other single activity undertaken by the Central and State Governments in this country. So enormous has been the work done in this sphere, and so securely are the foundations for the future of agricultural and industrial progress being laid by the multi-purpose and even the relatively minor projects, both those already completed and those under various stages of completion, that all this achievement will stand as a permanent testimony to the post-war efforts of the Government at national reconstruction, even if many of the other activities of the Government are gathered into oblivion.

It was an inspiring survey that Mr. Gulzarilal Nanda, Minister for Irrigation and Power, made of the development in the sphere of irrigation and power in the course of the debate in the Lok Sabha on the demand for grants in respect of his Ministry. He gave what must be acknowledged as a very encouraging overall picture of the country's efforts at harnessing the water resources of the country; the resources of river water alone are estimated at 1,400 million acre feet. It had once been computed that only 6 per cent. of the resources were utilised. By 1950, this proportion had risen to 12 per cent. At the end of the first Plan, it is estimated to have risen to 16 per cent. and at the end of the second, to 19 per cent. The fact is that the rivers cannot be drained to the last drop to serve irrigation and power purposes.

A rough assessment of the possibilities of maximum beneficial irrigation that can be had over and above what is contemplated in the first and second Plans has been made. According to this computation, another 130 million acres could be added to the land under irrigation after all the projects under the two Plans are completed. It has been further estimated that, if this limit were reached, the country would be utilising about 48 per cent. of the available supply of river waters. Presumably, this is to be regarded as the upper limit of availability. If this level has to be reached, the country will have to spend about Rs. 4,500 crores—that is, almost the entire outlay in the second Plan. Obviously, this goal cannot be reached in the near future, thanks to both financial and practical hurdles in the way of such an achievement. As regards hydro-electric power, the potential power supply is estimated at 35 million kw. So far, the country has been able to tap about 3.4 million kw. only; this will go up to 6.8 million kw. at the end of the second Plan. In another 15 or 17 years, it should be possible to go up to 15 million kw.

Total Expenditure

During the period of the first Plan, the total expenditure on irrigation and power projects was about Rs. 594 crores, as against the total allotment of Rs. 642 crores (inclusive of the later additions of Rs. 84 crores made to the original outlay of Rs. 558 crores). The total expenditure includes Rs. 229 crores, being the expenditure on the multipurpose projects financed by the Centre. At the beginning of the first Plan, the total area irrigated was 50 million acres and the power generated was about 2.3 million kw. Some 7 million acres are estimated to have been added to the total land under irrigation by the end of the first Plan and 1.1 million kw. to the total supply of electricity. The second Five-year Plan makes a provision of Rs. 898 crores and, when the projects included under this Plan are completed, it will add 21 million acres (12 million acres through major and medium projects and 9 million acres through minor schemes) to irrigated area and 3.4 million kw. to power supply. Some of the schemes taken in hand in the second Five-year Plan will yield results only at a later period; such schemes will help irrigate some 12 million acres.

It is interesting to note that the share of the private sector in the supply of electricity will gradually diminish as the Plan progresses. At the beginning of the first Plan, the public sector accounted for 26 per cent. and the private sector 74 per cent. of the total power supply. At the end of the first Plan, the respective proportions of the public and the private sectors would be 58 per cent. and 42 per cent. and at the end of the second, they would be 63 per cent. and 37 per cent. It is gratifying to note that the utilisation of power for industrial purposes is steadily increasing. Such utilisation accounted for 62.6 per cent. in 1950; it moved up to 65.7 per cent. in 1955; it is expected to go up to 72 per cent. at the end of the second Plan.

Rural Electrification

Considerable progress has also been made on the rural electrification front, though much still remains to be done. At the beginning of the first Plan, only about 11 per cent. of the total of 2,367 villages and towns with a population of 5,000 to 10,000 had been electrified. This proportion, at the end of the second Plan, will go up to 32 per cent. As regards villages with a population of less than 5,000, the proportion of electrified areas has risen from 0.5 per cent. to 0.8 per cent. Explaining the difficulties in the way of rural electrification, Mr. Nanda said:

"Provision of power to rural areas in view of small and scattered loads is not a paying proposition. We have had several discussions and seminars where engineers met and considered this problem. It was clear that rural electrification has to be subsidised. Proposals were made and the view was taken that each State must first make its own working self-supporting, in the sense that, if it has any profit on urban electrification, it must divert that to rural electrification before it asks for any help. Figures are being collected. Meanwhile, some advance is being made. Under the first Plan, only interest was to be paid—capital had not to be paid—during the first five years. Now it has been decided that, for the first five years, no interest will be charged. That is an element of subsidy but the scheme is still under consideration and something more may be done. I will at least try to see that something more is done for rural electrification than has been possible so far."

Individual Projects

Mr. Nanda gave some details about the progress of work in some of the individual projects. There has been no change in the estimate of Rs. 70.8 crores sanctioned for the first stage of the Hirakud project. The progress in this project, it is stated, has been "phenomenal during the past two seasons." The dam will be substantially completed by August, 1956 and water for irrigation for about 100,000 acres and 24,000 kw. of power from the first unit will be available then. In the course of another year, the remaining three generating sets will be commissioned when the total power made available by the project will be about 123,000 kw. By 1958-59 the project will be able to irrigate 450,000 acres. Work has been started by the Government of Orissa on the Delta irrigation scheme, which has been sanctioned as an adjunct to stage I of the Hirakud project. On completion, it will irrigate about 1,870,000 acres. The second stage of the Hirakud project is expected to cost Rs. 14 crores. This stage, when completed, will add 72,000 kw. to the power generated in the project. It had been alleged some time ago that an infructuous expenditure of Rs. 192 lakhs in digging certain canals had been incurred. This expenditure will be a direct charge on the second stage of the project, so that there will be no real loss except some Rs. 3 lakhs by way of compensation to contractors.

On the Bhakra Nangal project, all the works, except the Bhakra dam and its two power houses, as well as the power house at Kotla and the transmission system, have been completed. As regards the future programme, the Ganguwal power house, which was commissioned in January 1955, with an installed capacity of 48,000 kw., has been supplying power to Punjab, P.E.P.S.U. and Delhi and for construction purposes. The second power house at Kotla is expected to be completed by June 1956 with an installed capacity of 48,000 kw. The load demand on Bhakra power has considerably increased since the 1953 estimate was framed which provided for one unit of 90,000 kw. at the Bhakra power house in addition to the four Nangal power houses of 24,000 kw. each. This is mainly due to the requirements of the fertiliser-*cum*-heavy water factory at Nangal. The committee that was set up by the Control Board to examine the matter, recommended that along with the two additional units, one each at the two Nangal power houses, five units, each of 90,000 kw. should be initially set up at the Bhakra dam (a total 495,000 kw. installed capacity), to be followed up later with the installation of another four units as the demand developed. These recommendations have been accepted. The installation of these units is expected to be completed by 1959-60. In view of the increase in the scope of the electrical portion of the project, the estimate has been revised further. According to the revised estimate, which is under scrutiny, the project will cost Rs. 173.54 crores.

Damodar Valley Corporation

As regards the Damodar Valley Corporation (D.V.C.), Mr. Nanda confessed his inability to present a very optimistic picture. He revealed that the work that had been done was good, but there was delay. The Maithon part of the project has been nearly completed, so that the region will soon have power and water from this source. The delay of 6 to 8 months, which has occurred, has prevented the Government from transferring the surplus machinery to the Panchet Hill project, so that there has been some delay in undertaking the later project. Be that as it may, the load on the D.V.C. system, Mr. Nanda said, is rapidly growing. The aggregate demand has risen from 22,280 kw. in 1953 to about 74,330 kw. and the maximum load which the D.V.C. can carry is 104,000. The demand for power is expected to increase considerably in the near future. Among the industries in the valley, the T.I.S.Co. and the I.I.S.Co. will want more power very soon. There will be a new steel factory at Durgapur. The chemical industries at Dalmianagar are being expanded. By 1958, the region's demand for power is expected to go up by 150,000 kw. In order to meet this ever-growing demand, the Government proposes to augment the generating capacity of the D.V.C. by installing a fourth unit at Bokaro, a hydro station at Konar and a second thermal station at Durgapur.

In the course of his survey, Mr. Nanda dealt with two important issues—the standardisation of machinery and the setting up of the National Construction Corporation. He said that the machinery used in the projects had not been standardised so far. This had accentuated the problem of spare parts. The Government, he stated, had, therefore, decided to standardise the machinery and equipment in the projects which would ease the problem of spare parts and also facilitate the training of workers. Obviously, this has to be done with a certain degree of caution, for one has to avoid a situation in which a great part of the existing equipment may become redundant. The Government, he further revealed, had been thinking of setting up a National Construction Corporation to take up big projects. He felt that it could build up an organisation and attract to itself the best technical personnel and also utilise the surplus machinery. This proposal, he said, had been accepted by the Co-ordination Board of Ministers. The States had been consulted and only one State had said that it did not approve of the idea. He added: "There is also a constitutional aspect to this question. I do not think there is much in it. The point is whether the Centre can spend any money on a construction corporation which is going to work for the States, this subject being a State subject. I hope we will be able to straighten that out."

Surplus Labour

This is an impressive survey of the work done by the Ministry of Irrigation and Power, and of the work that it expects to do in the near future. Mr. Nanda need not have spoilt it by comparing the Government, as an employer, with a private capitalist. Replying to the charge that the Government intended to retrench some employees in the D.V.C.—he revealed that, during the next six months, some 3,000 work-charged and 3,000 muster employees of the D.V.C. would become surplus—he said that the Government would do its best to find alternative employment for the surplus workers. He added: "We do not take a view of our responsibilities in the same way as any private capitalist employer will do." It is a pity Mr. Nanda thought it fit to indulge in such cheap cynicism. There can be no real comparison between a private employer, with his obligations to the shareholders and the imperative need to keep costs down to a minimum in order to give a competitive service to the consumer, and the Government which can afford to be liberal to its employees at the expense of the taxpayer. We have the fullest sympathy for the Government in its difficult task of tackling the surplus labour problem in the D.V.C., and none whatever for the persons who wish to make political capital out of this problem. Only, this experience, it is to be hoped, will enable the Government to appreciate the problem of surplus labour in private establishments and induce it to take a realistic, if not a liberal, attitude towards private employers.

NEW PRODUCTS AND PROCESSES

Punched Card Accounting

A NEW series of punched card accounting machines, known as the Double 80, is being produced by Powers-Samas (Holborn Bars, London, E.C. 1). The new machines function on the same mechanical principle as the existing types and the name is intended to indicate their unusually large recording capacity. Although the cards have the same dimensions as the normal 65-column cards, they can accommodate 160 columns of information or even more under certain conditions. It is possible, for instance, to record 19*s.* 6½*d.* in only two columns. It is stated that much attention has been paid to the location and accessibility of the control buttons. In the tabulator—a machine which is preset by the operator for the type of work it is to produce—the controls are unidirectional. Those which move in the horizontal plane are pulled out to become operative while those in the vertical plane must be moved down before operations can begin. While the new machines have been designed to provide complete installations in themselves, they can, in addition, be operated in conjunction with electronic computers. It is claimed that they form a most efficient input and output adjunct to electronic data processing installations.

Airport Fuel "Dispensers"

Owing to the increasing size and speed of modern aircraft, conventional methods of re-fuelling at airports with road tankers are being replaced by hydrant fuelling installations. In these installations, the fuel is pumped direct from storage tanks through underground pipelines to special hydrant "boxes" located in the aircraft parking areas. From the hydrants, which are flush with the ground, the fuel is transferred to the aircraft by means of a "dispenser" or small trolley which carries the hoses, pressure controller, meter and other equipment. A large number of these "dispensers" is now being made for the Shell Petroleum Company. They have been designed by Thompson Bros. (Bilston) in co-operation with Shell and consist of detachable fibre-glass reinforced plastic bodies mounted on three-wheeled steel frames. The fibre-glass moulded bodies are claimed to offer considerable advantages in applications such as this. Attractive curves and shapes can be produced without expensive tooling and they are not subject to corrosion. In addition, they are light and can be easily repaired. The "Beetle" resin used in the manufacture of the plastic bodies of the new dispensers is being supplied by B.I.P. Chemicals of Oldbury, Worcs.

Nylon Tarpaulin

Tarpaulin made of nylon is widening its market in the U.S., especially in the trucking, railway, aircraft and warehousing industries. It is building up its share of the total market which until recently was dominated by tarpaulin made of canvas. A leading manufacturer of the nylon fabric, Reeves Brothers, Inc., measures the growth of its acceptance by an increase in its production facilities from a small six-man operation two years ago to a multi-million-dollar plant at Buena Vista, Virginia, at the present time. The biggest market for nylon tarpaulin at the present time is in the trucking industry. Open-top trailers, which are much more adaptable to varying loads than are enclosed trucks, have increased their operational value through the nylon fabric. This is hard-wearing and resistant to weather, and so light that it can be handled by the truck driver alone. The new fabric has also been used to cover aeroplanes left on airfields at night, and to cover the contents of open railway cars. The warehouse industry is also a customer of growing importance. The nylon tarpaulin comes with a coating of neoprene rubber. Besides being much lighter to handle, in comparison with standard canvas tarpaulin, it is said to be waterproof and very resistant to tearing, oil and acid damage, mildew and fungus.

Proteus Engine for Naval Patrol Vessels

A marine version of the Bristol Proteus turboprop engine, used in the Bristol Britannia airliner, is being developed by Bristol Aero-Engines Ltd, in collaboration with the Admiralty, to power high-speed patrol boats. The engine has already completed over 500 hours' running under stimulated sea-going conditions. In one test of 225 hours, salt water was sprayed into the engine at twice the maximum rate ever recorded at the intake of a gas turbine during sea trials. It was proved that, if the engine's compressor blades become so encrusted with salt that performance is affected, they could be washed clean and normal power restored within five minutes. The Proteus marine version is basically similar to the Proteus 755, power unit for advanced production versions of the Britannia airliner. It will weigh 3,000 lbs., and develop 3,500 shaft horse-power.

Tubes from a Plastic Substance

Algemene Kunstzijde Unie (A.K.U.) N.V., Arnhem, has developed in a pilot plant the manufacture of tubes from its own plastic product "Akulon." The special properties of this tube are, among other things, its low weight (1/7th of iron), high tenacity and hardness, resistance to high temperature and chemicals. The tubes can be made with an outside diameter of up to 110 mm. (4.3"). An agreement was concluded with a large Netherlands concern, which installs pipelines in ships, etc., to introduce the Akulon tube to shipyards and other industries, and further to develop its potential uses. At present, Akulon tubes are manufactured by three Netherlands factories and marketed by two big trading concerns.

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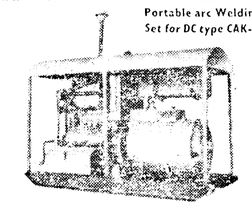
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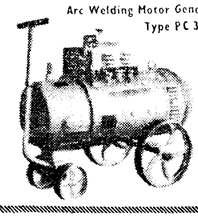
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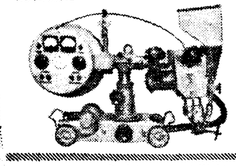
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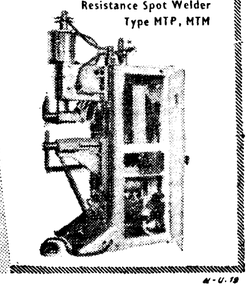
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M-U-18

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Paid-up Capital and Reserves exceed (As on 1-3-56) - - - - - - Rs. 47,90,000
Deposits over (As on 1-3-56) - - - - - - - - - - - - Rs. 8,50,00,000
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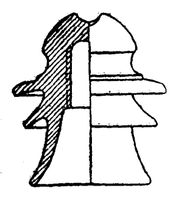

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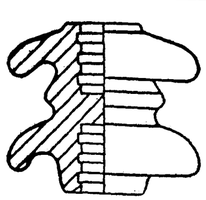

STANDARDISATION OF CONDITIONS OF LIFE POLICIES

LIBERAL PROVISIONS MADE

ALMOST the first important announcement made by the Government after it took over life insurance business from the private sector was about the reduction of premium rates which were standardised at a level slightly lower than those quoted by the "Oriental." This has now been followed by standardisation of conditions in respect of life policies. This will apply to some of the most popular forms of life policies such as the limited payment life policy, the special whole life policy, the endowment assurance policy and the double endowment policy.

Standardisation has now been effected in respect of such conditions and privileges attaching to life policies as days of grace, revival of policies, non-forfeiture regulations, surrender value, assignments and nominations, suicide and disability benefit. In standardising the conditions and privileges, care has been taken to retain the liberal provisions which were found in the life policies issued by the leading insurers. The period denoted by "days of grace" for payment of premiums will be 30 days for payment of yearly, half-yearly or quarterly premiums and 15 days for monthly premiums. Policies, if they have lapsed, may be revived within six months of the due date of the first unpaid premium without evidence of health on payment of arrears with interest at the rate of ½ per cent. per month. If revival is effected within 14 days from the date of lapse, only a simple revival charge of As. 8 will be required. After six months, a lapsed policy can be revived only after the production of an approved medical report for which the assured will have to bear the necessary charges.

Non-forfeiture Systems

Two alternative systems of non-forfeiture regulations are available to policyholders. Under the first system, called system 'A', the policy will become automatically paid-up if, after at least two full years' premium have been paid, no subsequent premium is paid. Notwithstanding this clause, if at least three full years' premium have been paid, the policy will be deemed to be in force for a period of six months. Under system 'B,' if payment of premiums is discontinued after the policy has acquired a surrender value, the Company will automatically advance the premiums as they fall due and maintain it in force so long as there is sufficient net surrender value to cover these advances and interest thereon at 6 per cent. per annum.

A policy may be surrendered for cash after the premiums have been paid for at least two years or to the extent of one-tenth of the total number stipulated for in the policy, provided such one-tenth exceeds one full year's premium. Loans will be granted to policyholders within the surrender value of the policy, the only expense to the borrower being the stamp duty on the loan bond. All policies are free from restrictions as to travel, residence and occupation.

Disability Benefit

A notable clause is the one which relates to disability benefit. Briefly, this clause provides that, if a policyholder becomes disabled through accident, the Company will waive all further premiums payable by the policyholder though there is a limit set for such benefit. The conditions under which such waiver will be granted include:

(a) The maximum aggregate limit of assurance under all policies issued by the company upon the same life to which the benefit of the waiver will apply shall not in any event exceed Rs. 20,000. If there be more policies than one and if the total assurance exceeds Rs. 20,000, the waiver shall apply to the first Rs. 20,000 assured in order of date of the policies issued. The premiums payable after satisfactory proof of such disability is furnished to the Custodian shall be only for the assurance, if any, exceeding the maximum aggregate limit of Rs. 20,000.

(b) The disability above referred to must be disability which is the result of an accident and must be total and permanent and such that there is neither then nor at any time thereafter any work, occupation or profession that the life assured can ever sufficiently do or follow to earn or obtain any wages compensation or profit. Accidental injuries which independently of all other causes and within 90 days from the happening of such accident, result in the irrecoverable loss of the entire sight of both eyes or in the amputation of both hands at or above the wrists, or in the amputation of both feet at or above the ankles, or in the amputation of one hand at or above the wrist and one foot at or above the ankle, shall also constitute such disability.

(c) Immediately after the happening of the disability, full particulars thereof must be given in writing to the company at its head office together with the then address and whereabouts of the life assured and within 90 days after the happening of the disability there must be given to the company at its head office, in the manner required by it, proof of disability satisfactory to the Custodian and without any expense to the company, and thereafter similar proof must be given, as and when required by the company, of the continuance of such disability. Any medical examiner nominated by the company shall be allowed to examine the person of the life assured in respect of any disability claimed, in such manner and at such times before and/or after the disability is accepted by the company as the company may require.

A suicide claim, if it occurs after one year from the date of taking out the policy, will be passed. But, if it occurs within this period, the company will not normally pay the claim. The liability of the company will then be limited to the beneficial interest which a claimant has acquired at least one month previous to the death of policyholder. The relevant clause states:

"In case the life assured shall within one year from the commencement of this policy commit suicide whether insane or not at the time, the liability of the company shall be limited to the extent of the beneficial interest which any person (other than the life assured) shall prove to the satisfaction of the Custodian to have been acquired in the policy *bona fide* and for valuable consideration of which notice in writing shall, at least one calendar month previous to death, have been given to the company at its head office and save and except to that extent this policy shall be void and all claims to any benefit, advantage or interest in the funds of the company, by virtue of this policy, shall cease and determine."

Although standardisation of policy conditions has become inevitable through the nationalisation of insurance, it must be recognised that it involves at least one danger. There may be less incentive, particularly under a nationalised setup, to vary the policy conditions to suit changing conditions, to try new ideas and to test whether new forms of policies have popular appeal. For instance, a British insurance company recently hit the headlines in the financial Press by announcing a policy that will carry the right to a fixed bonus through payment of a small additional premium. A policy of this kind will certainly appeal to certain classes of the insuring public. It is, therefore, necessary to be alive to the need for changes and also to study the developments in other countries in order to see how far they can be adapted to conditions in India.

Language Used

Yet another consideration is the need for simplification of the language in which policy conditions are presented. If these could be translated—we advisedly use the word "translated," because the legal jargon in which they are expressed constitutes a language by itself—into simpler language, they would become far more readily intelligible to ordinary men and women. It is true that legal jargon cannot be altogether avoided, for courts might be required to interpret the policy conditions in the event of a difference of opinion between the authorities and the policyholders or their heirs. But this need not prevent the authorities from issuing a booklet which explains in simple language what the policy conditions mean to the insured. Such a booklet would also enable salesmen to explain the policy conditions to the layman. Generally speaking, these salesmen, without realising that merely because they know a thing well others need not necessarily know it equally well, are prone to use the legal language of the policy to the utter dismay of the insured. Finally, it must be realised that there is no opportunity for a policyholder to accept, alter or reject the policy conditions. Those conditions are there, fixed and unalterable. And the legal presumption is that the policyholder has read them and understood them. It is, therefore, morally incumbent upon the authorities to make some conscious effort in order to see that the policyholder knows what he is buying when he takes a life policy.

UNEMPLOYMENT INSURANCE IN U.S.

Like old age and survivors' benefits, unemployment insurance is another joint Federal-State project operated by the 48 States in co-operation with the Federal Government's U.S. Employment Service (U.S.E.S.). Although individual State programmes existed earlier, the national plan of unemployment insurance went into effect with the Social Security Act of 1935. At that time, the States were encouraged (by a tax device) to enact and administer their own laws which would meet general Federal standards. Those which did were given Federal grants sufficient for the programme to be properly administered. The costs are met by a tax on employer pay-rolls. By 1939, all States and territories were paying unemployment benefits. Today, the maximum weekly unemployment cheques range from $22 to $45 in the various States. The average weekly benefit in 1955 was about $25, or about one-third of the average worker's regular pay. All States, in addition, pay partial benefits for partial unemployment. The maximum duration of weekly payments ranges from 16 weeks in some States to 26 in others. During 1954, an average of 1,600,000 jobless workers received benefits each week. Altogether nearly 6,600,000 claimants received one or more benefit cheques during the year.

The United States Employment Service, which runs the programme, has more than 1,500 local jobplacement offices all over the country. Unemployment insurance claims are filed through these offices, and an attempt is made to have as many decisions as possible taken at the local level. Though the programme now covers 41,000,000 workers, many feel that its scope should be expanded further to include such groups as agricultural processing workers, domestic servants and employees of non-profit organisations.

The newest welfare benefit plan in America is the supplemental unemployment payment scheme which is popularly known as "guaranteed annual wage," (G.A.W.). Guaranteed wage agreements have been negotiated throughout most of the automobile and tin can manufacturing industries. The several G.A.W. plans differ in some details but all provide a company fund from which unemployed workers are paid supplements to the amounts paid by State plans. The Ford Motor Company agreement, which was the first of the big plans, calls for company contributions for up to 26 weeks of unemployment. During layoffs workers are to receive 60 to 65 per cent. of their regular take-home pay.

Insurance against unemployment is now taken for granted in America. The lack of bitterness in the successful drives for the guaranted wage—almost no time was lost in strikes—seems to indicate that it, too, has entered the American labour scene on firm footing.

PROGRESS OF LIFE INSURANCE

New life business in 1955 in the English-speaking countries, according to the Institute of Life Insurance of New York, was at peak levels. Such business in 1955, as compared with the previous year, expanded by 20 per cent. in Australia, 12 per cent. in the U.K., 5 per cent. in Canada and 4 per cent. in the U.S. Other countries also recorded large increases in business. An analysis of the life insurance figures for 31 countries showed that the increase in life business in force at the end of 1954 over that at the end of the previous year ranged between 1 per cent. and 33 per cent., and the 1954 business was two to 70 times the pre-war figures.

In many countries, the increase in life business over the 16-year period ended 1954 was larger than in the U.S. Thus, while the increase was only 10 per cent. in the U.S., it was 33 per cent. in Japan and Brazil, 32 per cent. in Greece, 31 per cent. in France, 28 per cent. in Mexico and Puerto Rico and more than 10 per cent. in Australia, Austria, Belgium, Chile, Colombia, Germany, Italy, New Zealand, Peru, the Philippines, Sweden, Turkey and Uruguay. It may be mentioned here that, in India, the life insurance business has expanded from Rs. 272 crores in 1939 to Rs. 1,059 crores in 1954, an increase of 289 per cent.

Since 1939, the gain in life business in the U.S. has been 206 per cent. There has been a 70-fold gain in Japan, 60-fold in Greece, 40-fold in Italy, 27-fold in France, 20-fold in Brazil and Colombia, 15-fold in Turkey, 13-fold in Peru, 12-fold in Finland, and between two-fold and ten-fold in Australia, Belgium, Canada, Chile, Cuba, India, Mexico, the Netherlands, New Zealand, the Philippines, Puerto Rico, Spain and Uruguay.

Commenting on the apparently large increase in life business in certain countries, the Institute says that they "reflect currency devaluation in certain countries and sharp price inflation in certain others." In some countries, however, there has been, according to this study, a net gain in insurance as measured by relating net life insurance in force to a year's national income. Greece leads all countries in the ratio of insurance to national income, such being 150 per cent. Canada is second with 128 per cent. The U.S., it is stated, is the only other country with a ratio greater than 100 per cent., with 111 per cent., to be precise.

HEALTH INSURANCE

Total benefits amounting to Rs. 10.29 lakhs were paid to workers under the Employees' State Insurance Scheme, which is operative in Greater Bombay, during the two months of November and December last. Of this amount, Rs. 95,710 were paid as temporary disablement benefit, Rs. 3,773 as dependants' benefit, Rs. 5,372 as partial permanent disablement benefit, Rs. 9,73,023 as sickness benefit and Rs. 51,674 as maternity benefit. Since the inception of the scheme in October 1954, total benefits amounting to Rs. 32.18 lakhs were paid to the workers by the end of December 1955.

During the last two months of 1955, as many as 20,047 workers were newly registered under the scheme, taking the total number of registered workers to 582,968. During the period under review, 8,180 accidents were reported from various factories. Payments amounting to Rs. 2.63 lakhs were made to chemists during November and December and of Rs. 6.98 lakhs to insurance medical practitioners. Again, during this two-month period, as many as 23,349 insured workers attended diagnostic centres, while X-ray plates were taken in 1,647 cases and blood examination in 6,673 cases. As many as 1,447 persons were admitted to the various hospitals.

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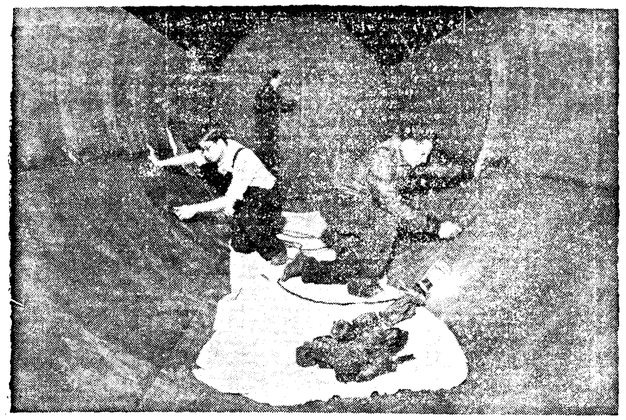

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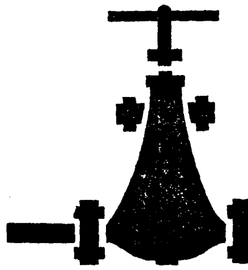

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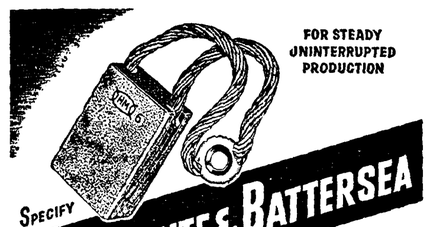

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INDIAN PAPER MAKERS ASSOCIATION

MR. V. MEHTA OUTLINES PROGRESS OF THE INDUSTRY DURING FIRST PLAN PERIOD

PLEA FOR RATIONALISATION OF EXCISE LEVY

ADDRESSING the Annual General Meeting of the Indian Paper Makers Association held in Calcutta on 12th April 1956, Mr. V. Mehta, Chairman of the Association, recorded with satisfaction the part played by the paper industry in achieving almost the targets set for production and installed capacity during the first Five-year Plan. He expressed the hope that the industry would repeat its performance during the second Plan period. There were, however, two factors which might, according to Mr. Mehta, retard the achievement of target under the second Five-year Plan, namely, inadequacy of transport and the burdensome excise duty.

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

"GENTLEMEN,

"On behalf of the Committee I welcome you to this annual general meeting of the Indian Paper Makers Association. The deliberations of the Committee during the past year are summed up in the report of the Committee already circulated to the members and I trust the members noticed that the office of the Association and the Committee carried out their duties with traditional faithfulness and promptitude.

"Almost four years ago, speaking here in this very capacity, I had the pleasure of welcoming the inauguration of the first Five-year Plan. By a coincidence my second term of office marks the conclusion of the first Five-year Plan and inauguration of the second Five-year Plan. This naturally gives me occasion to record with satisfaction that the paper industry played very well the part assigned to it during the first Five-year Plan and hopes to repeat its performance with credit during the second Five-year Plan. Against actual installed capacity of about 136,000 tons and production of 114,000 tons, the first Plan fixed targets of 211,000 tons installed capacity and 200,000 tons of production. Authentic figures for the year ended March 1956 are not yet available, but from production reports it would appear that the targets set for production and installed capacity have been nearly achieved.

Healthy Policy of the Industry

"On analysis it is revealed that almost the entire increase in installed capacity or actual production has come about on account of completion or part completion of expansion schemes of the units existing at the beginning of the Plan. A significant fact which emerges from this analysis is that very little new capital had to be raised for bringing into being the increased capacity and production. This speaks volumes of the very healthy and commendable policy of the industry of ploughing back the earnings into expansion schemes. It remains to be seen how the new tax proposals relating to undistributed profits react on this policy which is certainly not worth rejection.

"During the period of the Plan a number of new licences were granted, but I am not aware of any new project having actually gone into production. In fact, I would not be surprised if some of the schemes covered by new licences remained fated to be still-born.

"It will not be out of place here to make mention of progress, or shall I say the lack of it, on two important recommendations made by the Planning Commission in respect of paper industry. The one related to the formation of a Development Council for paper industry and the other related to survey of raw materials *vis-a-vis* the requirements of the industry so as to ensure harmonious development both of the existing units as also new units.

"Although, as far back as October 1952, the Government announced their intention and the Associations were asked to submit the names of their nominees on the Council, no Council was actually constituted. Your Association highlighted this omission in its memorandum submitted to the Planning Commission in June 1955 and emphasised the importance of setting up the Council without further delay. Probably, as a result of this representation, a paper panel was constituted and, although the names originally mentioned included some eminent persons connected with the industry, neither of the Associations were consulted and asked to nominate their representatives and, in fact, no member of our Association appeared to be included in the list at all. On a further representation, the Government extended an invitation to Mr. P. H. Sykes to serve on the Panel and, because this excellent choice was fully acceptable to the Association, he has since been adopted as the Association's representative. Though belated, I still welcome the formation of this Panel, but I fully share the feelings of my colleagues that the Government should recognise the representative character of the two Associations and accept their nominations on the Panel in a normal way. Ignoring both the Associations in a matter like this is a poor and thoroughly undeserved compliment to the spirit of utmost co-operation that has always existed between the Government and the industry. It is also felt that representatives of the industry guided by mandates from the Associations will ensure correct and dispassionate view on many ticklish problems on which this Panel will have to deliberate.

Survey of Raw Materials

"With regard to the survey of raw material again, I welcome on behalf of the industry the formation of an *ad hoc* committee with exactly the aims and objects which were outlined by the Association in its letter to the Planning Commission in June last. Here again, I am sorry that the Government are unable to appreciate the necessity of associating on this Committee representatives of the industry. While we admit that the Committee consists essentially of technical experts, it is to be realised that on the findings of this Committee will depend a good deal the question of licensing new projects or expansion schemes of the existing units.

"It cannot be doubted that people in the industry are bound to have a thorough familiarity with all the important raw material sources of the country and their practical experience and commercial knowledge as also their understanding of the problems of the industry should be immensely useful in compilation of the survey report intended by the ad hoc committee. Instances are not wanting in the past when over-enthusiasm for forest revenues or parochial outlook tended to disregard practical views on a project. In any case, the existing units have a fully justifiable right to make sure that no new projects are planned at the cost of their present production and reasonable aspirations for future expansions. Robbing Peter to pay Paul is not going to achieve targets of the Plan. Personal and provincial considerations must be vetted by impersonal and national considerations. In short, importance of taking representatives of the Associations on the ad hoc committee cannot be overemphasised.

"The targets fixed for the second Five-year Plan look for a rated capacity of 450,000 tons and production of 350,000 tons. The existing licences already cover 350,000 tons and capacity of only a lakh of tons still remains to be licensed or planned during the course of the second Plan. Out of the existing licences, 45,000 tons are covered by new projects, and the balance is contributed by the existing plants and their expansion schemes.

Transport

"It is too early to comment on the figure of 450,000 tons set as target for installed capacity, but there is no doubt in my mind that, if industrialisation in the country were to proceed according to the Plan and if spread of literacy gathers greater momentum, the demand is bound to rise and the industry will make every attempt to catch up with the demand. What is, however, agitating the mind of everybody in the private sector is a very apparent lack of emphasis placed on development of transport. I am not aware of any large size industry which may not be complaining against transport bottlenecks. The trouble has been of a chronic nature in so far as the paper industry is concerned, and hardly a year can be spotted when a pointed mention of transport difficulties may not have been made either in the annual report or in the presidential address. It can be well imagined, therefore, what anxiety must have been caused to those in the paper industry when the Railway Minister, while presenting the Railway Budget this year, stated clearly that transport would not be able to cope adequately with expanding trade and output except in the case of steel industry and, to some extent, in the case of cement and coal. This statement of the Railway Minister is bound to raise a big question mark before anybody about to engage himself in putting up additional plants to cover the targets set by the Planning Commission. It cannot be gainsaid that adequate development of transport is an essential prerequisite to development planned in other sectors and serious note should be taken of it by the Government.

Excise Duty

"Another retarding factor which might be in achieving the new target is the levy of excise duty. To me it appears irreconciliable in principle that any attempt should be made by the Government to enhance the customers' cost of any commodity, the use and production of which are sought to be increased twice over by the Planning Commission. Whatever attempts were made by the industry to keep their selling prices low in order to encourage greater consumption of paper, have suffered a serious setback by the levy of excise duty. People in the industry did pass through anxious days on account of pre-budget rumours that all excise duties were going to be enhanced. Many of us heaved a sigh of relief when the final budget proposals of the Finance Minister showed that there was no enhancement of excise duty on paper. I would like to state that the excise duty already levied has not been without repercussions on trade and industry and any further enhancement is likely to have serious adverse effects on any attempts made to achieve either the target of consumption or of production in respect of paper. While on the subject, I would like to state that in applying the present levy to actual items of production a certain amount of rationalisation and uniformity is badly needed. The Association is continuing to make attempts in this direction, but perhaps satisfactory solution will not be available without a conference between the Central Board of Revenue and the representatives of the Industry.

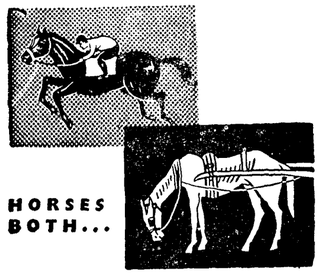
"Members would have already received new contracts from the Government and I would like to record that negotiations took place in a very pleasant atmosphere of mutual goodwill and trust. There has been no serious change in the market trend because the low selling prices maintained throughout served as a substantial cushion to the impact of excise duty. A notable feature, however, has been the sale of Indian newsprint commenced by N.E.P.A. a short while ago. I congratulate the management of N.E.P.A. on their success in their initial bout with difficulties. It is a new experiment and it has a great importance from the national point of view. I am sure, the management will continue to fight the difficulties and succeed ultimately in producing good newsprint at a reasonable cost.

"Before concluding I would like to tender my sincere thanks for the full measure of co-operation I received during my term from my colleagues on the Committee. My thanks are also due to our Secretary, Mr. Windridge, and the stac for their prompt and efficient service during the year."

CEMENT SUPPLY POSITION

Replying to a question in Parliament on the supply position of cement in the country, Mr. T. T. Krishnamachari, Minister for Commerce and Industry, observed:

"There is a serious shortage of cement in the country. The present production is 5 million tons annually, as against a demand for 10 million tons. The charge that the present shortage is due to the unwillingness of the Government to grant new licences to start new units during the first Plan is entirely false. The Government has been trying its best not merely to grant licences but also to persuade people to start new ventures. Because of this, we shall be able to produce about twelve million tons of cement by 1960. Therefore, there is no need to correct our policy. It is quite possible for us to expand production quickly within the next two years. But the overall bottleneck is the railways incapacity to carry any additional production of cement or raw materials for its manufacture. A small expansion of 18,000 tons in the capacity of the Bhadravati Cement Unit has already been sanctioned."



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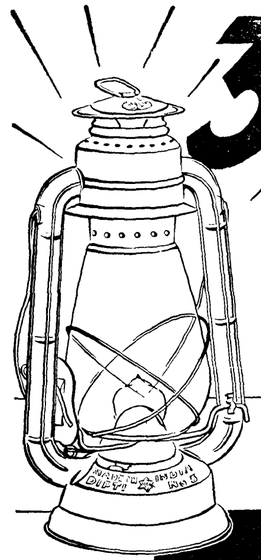

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UNITED BANK OF INDIA LIMITED

Registered Office: UNITED BANK BUILDINGS, 4, CLIVE GHAT STREET, CALCUTTA

BALANCE SHEET AS AT 31st DECEMBER, 1955

Previous year Rs.	CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
	1. Capital—		
	AUTHORISED CAPITAL—		
3,60,92,619	1,90,000 "A" Shares of Rs. 50 each	95,00,000 0 0	
	3,20,000 "B" Shares of Rs. 25 each	80,00,000 0 0	
1,20,077	6,05,000 "C" Shares of Rs. 20 each	1,21,00,000 0 0	
1,16,74,065	10,40,000 "D" Shares of Rs. 10 each	1,04,00,000 0 0	
1,17,94,142		4,00,00,000 0 0	
43,40,000	ISSUED CAPITAL—		
	40,000 "A" Shares of Rs. 50 each	20,00,000 0 0	
	3,20,000 "B" Shares of Rs. 25 each	80,00,000 0 0	
	6,05,000 "C" Shares of Rs. 20 each	1,21,00,000 0 0	
10,69,93,931	10,40,000 "D" Shares of Rs. 10 each	1,04,00,000 0 0	
		3,25,00,000 0 0	
6,27,097	SUBSCRIBED CAPITAL—		
	39,022 "A" Shares of Rs. 50 each	19,51,100 0 0	
33,29,070	2,98,983 "B" Shares of Rs. 25 each	74,74,575 0 0	
	6,00,155 "C" Shares of Rs. 20 each	1,20,03,100 0 0	
3,52,405	10,35,454 "D" Shares of Rs. 10 each	1,03,54,540 0 0	
1,179		3,17,83,315 0 0	
43,09,751	CALLED AND PAID-UP CAPITAL—		
55,68,808	8,054 "A" Shares called at Rs. 50 per share	4,02,700 0 0	
	30,968 "A" Shares called at Rs. 25 per share	7,74,200 0 0	
2,90,54,977	2,07,955 "B" Shares called at Rs. 25 per share	51,98,875 0 0	
52,500	91,023 "B" Shares called at Rs. 22·8 per share	20,48,130 0 0	
1,02,600	1,87,563 "C" Shares called at Rs. 20 per share	37,51,260 0 0	
Nil	4,12,592 "C" Shares called at Rs. 10 per share	41,25,920 0 0	
14,60,82,627	10,35,454 "D" Shares called at Rs. 10 per share	1,03,54,540 0 0	
2,66,36,100	(Reserve Liability of Shareholders Rs. 49,00,120)		2,66,55,625 0 0
68,00,000	**2. Reserve Fund and Other Reserves**		70,95,000 0 0
	3. Deposits and Other Accounts—		
4,71,09,244	Fixed Deposits and Cash Certificates	5,63,86,892 15 10	
9,36,343	Staff Security Deposits	8,80,376 12 1	
11,90,76,308	Savings Bank Deposits	12,35,78,130 12 10	
13,76,60,953	Current Accounts, Contingency Accounts, etc.	13,18,26,004 3 5	31,26,71,404 12 2
30,47,79,053			
Nil	**4. Borrowings from Other Banking Companies, Agents, etc.—**		
	(1) In India	Rs. a. p.	1,90,83,996 5 10
	(i) Secured by part of Investments as per contra	1,90,83,996 5 10	
	(ii) Unsecured	Nil	
	(2) Outside India	Nil	
47,08,886	**5. Bills Payable**		72,46,012 13 11
	6. Bills for Collection Being Bills Receivable as per contra—		
1,48,97,046	(i) Payable in India	3,24,43,464 6 4	
75,77,307	(ii) Payable outside India	57,99,274 13 4	3,82,42,739 3 8
2,24,74,353			
	7. Other Liabilities—		
79,03,649	Branch Adjustments	75,74,702 3 11	
2,23,971	Unclaimed Dividends	2,73,605 4 3	
1,05,818	Staff Gratuity Fund	1,20,000 0 0	
1,02,650	Capital Redemption Fund	1,08,436 4 0	
1,21,026	Sundry Liabilities for Expenses	1,86,923 13 1	
29,444	Rebate on Bills Discounted	84,945 5 6	82,98,702 14 8
84,86,562			
	8. Acceptances, Endorsements and Other Obligations per contra—		
	(Includes Rs. 5,89,205 in respect of guarantees given to Government Departments secured against part of the Bank's investments)		1,37,55,946 7 7
73,38,384			
	9. Profit and Loss—		
9,51,133	Balance of Profit and Loss Account as per last Balance Sheet	9,51,839 5 9	
7,96,805	Less—Appropriation for Dividend	7,99,083 0 0	
1,54,267		1,52,756 5 9	
13,04,572	Add—Profit for the year brought from the Profit and Loss Account	14,61,417 15 3	
14,58,839		16,14,174 5 0	
	Less—Appropriations—		
	Transfer to Reserve Fund under Section 17 of the Banking Companies Act	Rs. a. p. 2,95,000 0 0	
2,61,000	Transfer to Provision for Taxation	3,50,000 0 0	
2,46,000		6,45,000 0 0	
5,07,000			9,69,174 5 0
9,51,839	**10. Contingent Liabilities—**		
	(i) Claims against the Banking Company not acknowledged as debts	Rs. a. p. 26,96,174 10 4	
27,74,991	(ii) Money for which the Banking Company is contingently liable—		
	(a) Liability for partly paid up shares held by the Bank in Investment Account	4,57,727 8 0	
4,63,753	(b) Guarantee given on behalf of Directors or Officers	Nil	
Nil	(c) Guarantee on behalf of others	16,669 10 6	
28,115	(iii) Liability on Bills of Exchange re-discounted	56,013 4 8	
2,205	(iv) Liability on account of outstanding Forward Exchange Contracts	1,36,89,563 11 7	
1,07,75,496			
38,22,35,183		Total .. Rs.	43,40,18,601 14 10

Previous year Rs.	PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
3,60,92,619	**1. Cash—** In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		3,16,35,083 2 5
1,20,077	**2. Balance with Other Banks in Current Accounts—** (i) In India	63,015 11 0	
1,16,74,065	(ii) Outside India	85,75,551 7 2	86,38,567 2 2
1,17,94,142			
43,40,000	**3. Money at Call and at Short Notice**		Nil
	4. Investments (At or below Market Value)—		
10,69,93,931	(i) Securities of the Central and State Governments and other Trustee Securities ... Treasury Bills of the Central and State Governments		10,58,70,652 6 6
6,27,097	(ii) (a) Shares, Preference, fully paid-up	Rs. a. p. 5,95,148 0 0	Nil
33,29,070	(b) Shares, Ordinary, fully paid-up	40 29,577 14 11	
3,52,405	(c) Shares, Ordinary, partly paid-up	3,43,392 11 0	
1,179	(d) Shares, Deferred, fully paid-up	1,178 12 0	
43 09,751			49,69,297 5 11
55,68,808	(iii) Debentures or Bonds		53,64,503 14 6
2,90,54,977	(iv) Other Investments—		
52,500	(a) Pakistan Central and Provincial Government Securities		2,77 85,899 0 0
1,02,600	(b) Foreign Securities		47,500 0 0
Nil	(c) Capital Redemption Policy		1,08 436 4 0
14,60,82,627	(d) Gold		Nil
			14,41,46,288 14 11
2,66,55,625 0 0	**5. Advances** (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)—		
70,95,000 0 0	(I) Loans, Cash Credits, Overdrafts, etc.—	Rs. a. p.	
10,65,21,229	(i) In India	13,60,83,889 5 10	
1,20,04,319	(ii) Outside India	90,09,242 10 1	14,50,93,131 15 11
11,85,25,548			
31,26,71,404 12 2	(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
1,60,29,830	(i) Payable in India	2,84,84,094 0 6	
41,27,873	(ii) Payable outside India	68,65,678 13 1	3,53,49,772 13 7
2,01 57,703			
13,86,83,251			18,13,42,104 13 6
	(Particulars required by Act X of 1949 as per separate schedule annexed and forming part of this Balance Sheet)		
72,46,012 13 11	**6. Bills Receivable Being Bills for Collection** as per contra—		
1,48,97,046	(i) Payable in India	3,24,43,464 6 4	
75,77 307	(ii) Payable outside India	57 99,274 13 4	3,82,42,739 3 8
2 24,74,353			
73,38,384	**7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra		1,37,55 946 7 7
	8. Premises, Less Depreciation—		
19,28,407	At cost as per last Balance Sheet	15,61,160 0 2	
14,892	ADD—Additions during the year	28,771 4 3	
19,43,299		15,89,931 4 5	
1,15,467	LESS—Sales or deductions made during the year.	Nil	
18,27 842	Total cost to date	15,89,931 4 5	
1,34,873	LESS—Depreciation written off to date	1,38,260 0 0	
16,92,969			14,51,670 11 5
23,12,026	**9. Furniture and Fixtures, Less Depreciation—**		
4,97,548	Cost as per last Balance Sheet	27,38,301 9 1	
	ADD—Additions less deductions during the year.	3,35,034 5 7	
28,09,574	Total cost to date	30,73,335 14 8	
8,46,103	LESS—Depreciation written off to date	10,01 162 7 11	
19,63,471			20,72,173 6 9
13,10,925	**10. Other Assets including Silver—**		
	Interest accrued on Investments	14,65,612 7 10	
44,58,003	E.P.T. Deposits and Tax paid in advance and deducted at source	53,04,712 14 10	
4,08,186	Stores, Stationery and Printed Materials	4,36 387 7 5	
	Land and Buildings not used as Bank's Premises less depreciation	20,06,306 5 9	
22,82,720	(Cost Rs. 24,99,273-10-0 less depreciation Rs. 4,92,877-5-0)		
	Sundries (Temporary Advances, Suspense, Security Deposits, Outstanding Rents, Stock of Stamps, Adjusting Accounts, etc.)	25,68,310 8 2	
21,53,598			
1,06,13,432			1,17,81,419 12 0
11,59,035	**11. Non-Banking Assets Acquired in Satisfaction of Claims** (Immovable property at Book Value)		9,51,708 4 7
38,22,35,183		Total .. Rs.	43,40,18,601 14 10

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955

Previous year Rs.	EXPENDITURE	Rs. a. p.	Rs. a. p.
29,55,079	1. Interest paid on Deposits, Borrowings, etc.		33,13,376 14 6
	2. Salaries and Allowances and Provident Fund (General Manager Rs. 27,412-3-0)		68,23,923 4 6
67,54,944	3. Directors' and Local Committee Members' Fees and Allowances		35,000 0 0
35,652	4. Rent, Taxes, Insurance, Lighting, etc.		7,58,883 0 9
7,09,639	5. Law Charges		1,45,157 8 0
75,178	6. Postage, Telegrams, Telephones and Stamps		3,50,023 3 1
3,13 662	7. Auditors' Fees		28,325 0 0
24,350	8. Depreciation on and Repairs to the Banking Company's Property		4,55,337 6 1
3,97 595	9. Stationery, Printing, Advertisement, etc.		5,33,138 2 7
4,75,207	10. Loss from Sale of or Dealing with Non-Banking Assets		2,699 1 8
796	11. Other Expenditure		4,57,585 11 4
4,02,260	12. Balance of Profit		14,61,417 15 3
13,04,572			
1,34,49,073		Total .. Rs.	1,43,42,937 3 9

Previous year Rs.	INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.	Rs. a. p.
94,88,436	1. Interest and Discount		1,02,43,704 1 10
28,46,437	2. Commission, Exchange and Brokerage		29,29,254 9 8
1,72,630	3. Rents		1,50,166 7 0
1,012	4. Net Profit on Sale of Investments, Gold and Silver, Land Premises and other Assets (not credited to Reserves or any particular Fund or Account)		2,359 14 3
	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and other Assets (not credited to Reserves or any particular Fund or Account)		Nil
Nil	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets		2,619 14 0
4,890	7. Other Receipts		10,00,832 5 0
9,30,268			
1,34,49,673		Total .. Rs.	1,43,42,937 3 9

(Continued in next page)

LAND REFORMS IN THE SECOND PLAN—II

CEILING ON HOLDINGS UNNECESSARY AND WILL LEAD TO UNDESIRABLE CONSEQUENCES

THE second aspect of land reforms proposed in the Draft Outline relates to ceilings on holdings. The question of ceilings does not arise in the case of land which is not held under personal cultivation by the owner. Such land is subject to resumption limit of one family holding at the most; the non-resumable areas are to be taken over by the State immediately against payment of rent and later as soon as practicable against payment of compensation. Ceilings, therefore, are relevant to lands which are personally cultivated by the owner. The first Plan did not recommend any specific ceiling on such lands for want of adequate data. But now that the results of census of land holdings are in the possession of the Planning Commission, the Draft Outline has recommended that "the ceiling should be fixed at three times the family holding for an average family whose members do not exceed five in number. Where the number of members is larger, the ceiling may extend to a maximum of six family holdings." The ceiling should apply, according to the Commission, to owned land (including land under permanent and heritable rights) held under personal cultivation.

This proposal is not so unrestrained and unsparing as that relating to resumption for personal cultivation. But lesser evil is nevertheless an evil. Before considering the proposal, it might be better to see how much scope does actually exist for the application of ceilings, and who will benefit from it. A family holding, as defined by the Planning Commission, may vary in land area in bulk of the cases between 10 and 25 acres. This means that part of the holdings above 50 acres and the majority of the holdings above 100 acres will be affected. To know the actual number of holdings affected, one must be in possession of the result of census of land holding and cultivation. These results are available with the Planning Commission and have not yet been made public. But an examination of other data available on the subject suggests that the land area covered by holdings liable to the application of ceilings may not be more than 10 per cent. and the area declared surplus after the application of ceilings may not be more than 2 per cent. of the total cultivated area in the country. If the types of holdings exempted by the Planning Commission, such as specialised farms and efficiently managed farms, are taken into account, the area available for redistribution as a result of application of ceilings will be even less.

This is also the conclusion contained in the first Plan which says:

"The general picture is one of numerous small holdings, a large proportion of them being uneconomic and a small number of middle peasants and a sprinkling of substantial owners. . . If it were the sole objective of policy to reduce the holdings of the larger owners with a view to providing for the landless or for increasing the farms of those who now have uneconomic holdings, the facts at present available suggest that these aims are not likely to be achieved in any substantial measure."

It may also be mentioned that the law of equal inheritance is already fast leading to the division of substantial-sized holdings. Every year, more than 5 per cent. of the holdings are being subjected to division into halves, thirds or even quartiles as a result of the law of inheritance. In a decade or so, most of the substantial holdings would, without fixation of any ceilings by Government, go out of existence.

Undeserving Will Benefit

Not only is the scope for redistribution very small, the benefit also will not go to those who are the most deserving, namely, the landless labourers. After taking into account the various economic, social and administrative factors, the Planning Commission, it seems, has laid down the following order of priority: (i) tenants displaced as a result of resumption of land for personal cultivation; (ii) farmers with uneconomic holdings; and (iii) landless workers. The Draft Outline itself says: "It is recognised that, with the existing pressure on land, only a small proportion of agricultural workers can be settled on land." It may be expected that whatever benefits thus accrue to the landless worker will be largely offset by the diminished employment opportunities for these workers as a result of break-up of the medium-sized farms.

If the distribution benefit of the proposal is negligible, where then is the need or justification for it? One should think that, in view of the small number of holdings liable to ceilings, these holdings should be preserved at least for the sake of maintaining the tradition of large-scale farming under private ownership. These holdings, in brief, are the receptacles of all that is progressive in agriculture. Their existence is necessary at least till co-operative farming gets firmly and widely established, and even later to serve as norms of efficiency for co-operative cultivation which often tends to be less efficient. These holdings combine the benefits of economies of scale and the working zeal of private ownership. This combination is possible neither in large-scale co-operative farming nor in small-scale peasant proprietorship. Therefore, instead of deliberately trying to break up these holdings, Government should take steps to safeguard them against division from the operation of law of inheritance, or sale in parts or other factors.

The proposal about ceilings, besides being needless, is also not free from certain defects. For the purpose of ceilings on holdings, a family is to mean husband, wife, dependant sons, daughters and grandchildren. Suppose a person has four sons, all married having children, and owns land equal to 10 family holdings. Since he is alive, his family can retain at the most only 6 family holdings. But, if he were dead, each son would be considered to be the head of a separate family entitled to three family holdings, so that the larger family as a whole would retain the entire land owned by it. Similarly, the children and grandchildren of two brothers, one of whom is dead and the other alive, would receive materially differential treatment. The family in which the grandparents are dead, though reduced in size, is entitled to retain larger area of land. Proposals where such circumstantial and demographic accidents make a world of difference are not workable in an equitable manner. This defect can be removed by changing the definition of family from two-generation to one-generation family.

Law of Progressive Reduction

What may be called law of progressive reduction cannot justifiably be applied to the question of fixing ceilings. A family with membership three times that of another family has its requirements also three times as large. And if it depends entirely on land, it needs three times larger area of land than the smaller family. The law of progressive reduction can apply only where the number of persons is given and constant. In income-tax, for instance, we use the principle that the larger the income of *a person*, the smaller the proportion of disposable income. We do not say that the larger the size of his dependants, the smaller the proportion of his disposable income. Similarly, in land holdings we can justifiably say that the larger the area owned by a person, the smaller the proportion that can be retained by him. But we ought not to frame a rule or law which would lay down that the larger the size of the family, the smaller the proportion of retainable land. To do this would be against fundamental concepts. The proposal in the Draft Outline fixing a ceiling of three holdings for a family of five members or less, and a maximum of six holdings for families of any larger size, is based on the law of progressive reduction, which is illogical. If the proposal is to be fair, it ought to be 'proportional' in its application—that is to say, three holdings for a basic family and one additional holding for every two members above the basic size.

Another point which deserves consideration is whether the size of family should be the sole determinant of maximum land it can hold, or the existing area of land under its ownership-operation should also be taken into account. After all, the reform does not relate to absentee landlords but to those who cultivate the land owned by themselves. Reduction in the size of the holding, by the application of ceilings, will immediately diminish the income of the family and reduce its intensity of employment. This in the case of most families would lead to a cut in their expenditure on current needs. It is not easy for one to slide down to a lower level of expenditure than the one he is accustomed to. Care, therefore, has to be taken to see that the land reform measure does not impinge severely upon the affected families. This is all the more necessary, because the impact would be sudden and not gradual. When 'sudden' and 'severe' combine, they become 'distress.' Those who hold larger areas and are better off now, should, no doubt, lose more than others but not so much as

UNITED BANK OF INDIA LTD.—*(Continued)*

Schedule of particulars required under the Banking Companies Act, 1949, attached to and forming part of the Balance Sheet as at 31st December, 1955

Previous year Rs.	PARTICULARS OF ADVANCES	Rs. a. p.	Previous year Rs.	PARTICULARS OF ADVANCES	Rs. a. p.
11,86,69,709	(i) Debts considered good in respect of which the Banking Company is fully secured	15,54,99,843 8 4	Nil	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil
1,35,72,998	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,63,98,289 7 8	18,03,442	(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in case of Private Companies, as Members	37,40,922 15 11
54,40,544	(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	94,43,971 13 6	24,066	(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	22,388 13 7
Nil	(iv) Debts considered doubtful or bad not provided for	Nil	25,22,877	(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	38,64,185 8 7
13,86,83,251	Total .. Rs.	18,13,42,104 13 6	8,13,933	(ix) Due from Banking Companies	6,06,285 5 11

AUDITORS' REPORT.

We have audited the Balance Sheet as on 31st December, 1955, and Profit and Loss Account for the year ending 31st December, 1955, of United Bank of India Ltd. as above and in attached sheets set forth respectively with Books of Accounts as kept at the Head Office with which are incorporated the Branch Balance Sheets as on 31st December, 1955, and Profit and Loss Accounts for the year ending 31st December, 1955 (both in India and Pakistan) as audited, certified and reported to by the respective Auditors and report that:—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory.

(b) The transactions of the Bank which have come to our notice have been within the powers of the Bank.

(c) The Balance Sheets and Profit and Loss Accounts and the relative returns received from branch offices of the Bank have been found adequate for the purpose of the audit.

(d) The Balance Sheet and the Profit and Loss Account are drawn up in conformity with the law.

(e) Such Profit and Loss Account shows a true balance of Profit for the year.

(f) Such Balance Sheet exhibits a true and correct view of the state of the affairs of the Bank according to the best of our information and explanations given to us and as shown by the Books of the Bank.

(g) In our opinion the Books of Account have been kept by the Bank as required by Section (130) of the Indian Companies Act, 1913.

RAY & RAY,
Chartered Accountants.

CALCUTTA, 27th February, 1956.

N. N. LAW, Chairman.
B. K. DUTT, General Manager (Director).
A. K. ROY, Secretary.

S. B. DUTT,
J. M. DUTT,
B. N. CHATURVEDI,
N. C. DATTA,
K. C. DAS,
} Directors.

NOTE.—Nawab Sir K. G. M. Faroqui, a Director of the Company, being away from Calcutta did not sign the Accounts.

to be reduced to an equal level of living with others.

An Inconsistency

The inconsistency between the proposal relating to ceilings and that relating to resumption of land may also be noticed. An owner who is cultivating his land himself at the time legislation takes effect can retain under his control three to six family holdings. On the other hand, if an owner, by chance or due to some circumstances, is not cultivating land himself at the time of enactment of the legislation but wants to do so after some months or a year, cannot regain control of more than one family holding. There may be numerous families which, for one reason or another, are not in a position to keep their lands under personal cultivation at the time of enactment of law, but are keenly desirous of cultivating it themselves after a short time when their circumstances permit. Law should not be such that a matter of a year or two should make a vast difference to owners.

Preferably, the ceilings on land cultivated by the owner and the limit on resumption of land for personal cultivation should be the same. In any case, the difference should not be as great as is proposed in the Draft Outline. If this is not acceptable, then the law should be such as to serve as a notice and not announce a *fait accompli*. It should lay down that owners can resume land for personal cultivation within, say, five years up to a ceiling and that, thereafter, they will not be allowed to resume land in excess of one family holding.

Thus, the proposal relating to ceiling, as it stands, is first needless; second, it is not free from defects, inconsistencies and anomalies; third, like the proposal relating to resumption of land, its implementation will create a white elephant of administrative set-up; and, lastly, it will create vast opportunities for corruption among the administrative personnel, on whose adjudgment of the income-yielding capacity of land will depend the area an owner can retain.

Question of Compensation

The third set of proposals relates to treatment of area in excess of ceilings and resumption limits. It has been recommended in the Draft Outline that non-resumable areas should immediately come under the direct control of the State, which should recover rent from the tenants and pay it to the landlord after deducting the cost of collection. (An unnecessary burden on the owner; why should he bear it?) As soon as it is feasible, State Governments may consider buying out the landlord's interest in the non-resumable areas on payment of compensation, which should gradually be recovered from the tenants. Provision is also to be made for voluntary purchase of ownership by the tenants. Land in excess of ceilings is immediately to pass from the ownership of the holder against payment of compensation.

This aspect of land reforms is a crucial part of the entire proposals. Upon the fairness and liberalism with which the compensation question is dealt with depends the ethical basis of the entire reforms. And the feasibility with which adequate compensation can be paid to the affected owners will determine the extent to which land reforms are practicable.

Proprietary holdings of small- and medium-sized owners may be likened to the holding of annuities. A person invests a lump sum in annuities, so that he can get a regular income to meet his everyday expenses. In the same way, ownership of land by small- and medium-sized owners—at least the portions purchased by the living owners—represents an investment of lump sum to get, in return, an annual income with which to maintain families. We cannot ask holders of annuities to surrender a part of them in exchange for non-transferable 1975 bonds. If we are not willing to show the same respect to agricultural property, we should at least see that the owner gets 'full' compensation for the property he is deprived of. There would be numerous small- and medium-sized owners affected by the land reform proposals, who would not have yet cleared the debts incurred by them to purchase their lands.

What is 'full' compensation? The Planning Commission has given a formula for determining compensation in the following words: "The amount of compensation (including interest charges) may be determined with reference to the aggregate of the net increased income accruing to the State (i.e., a fair rent minus land revenue) for a period of, say, 20 years." This formula has two or three arbitrary factors, one of which is 'fair rent.' A fair rent is not determined in market but is arbitrarily fixed by Government. If compensation has to be fair, it must be based on market evaluations and not arbitrary evaluations. It would, perhaps, be better to express the amount of compensation as multiple of the annual profit from a given piece of land. A family holding is one which yields a net income of Rs. 1,200 per annum. If the remuneration for the labour of the cultivator is excluded from this amount, the balance represents the profit. Assuming that profit on a family holding is Rs. 200, an amount 10 to 12 times this figure may represent 'full' compensation for land equal to one family holding. This amount, that is, between Rs. 2,000 and Rs. 2,500, can be regarded as 'full' compensation, if it is paid immediately after land is taken over. If it is to be in the form of 20-year bonds, the interest for this period must be added. Deferred payment might nearly double the amount of compensation. In other words, full compensation payable 20 years hence may be between Rs. 4,000 and Rs. 5,000 for land area equal to one family holding. This figure is only illustrative of the method. To the extent that compensation is not full, land reform measures would amount to confiscation of property of not the rich but of the middle, the lower middle and the poor classes.

Mode of Compensation

What will be the mode of payment of compensation? It cannot be in cash, because, in view of the nation-wide character of the reforms, this step would involve payment of huge amounts of cash which the Government does not have. If the Government pays part of the compensation, say, 25 per cent. in cash, it will mean making available in liquid form large sums previously invested at long term. This, too, will have a strong inflationary effect. The Government may pay compensation in the form of negotiable 20-year bonds. Most of the recipients of these bonds being people of modest or poor means, uprooted partially or wholly from their sources of employment and income, will try to sell these bonds in order to buy a shop, or a small workshop or other sources of employment and income. This, besides generating inflation will lower the value of bonds, which the Government cannot afford, because such will make its programme of borrowing in the second Plan very costly. Thus, payment in negotiable bonds is worse than partial payment in cash.

Lastly, payment can be in the form of non-negotiable bonds. But this will be grave injustice to the affected owners of land. They would not only be deprived of their means of employment but would not have any resources to seek alternative avenues of employment. For instance, a family of 20 members, deprived of half the area of land owned by it, cannot sustain all the members on land. Since the Government would be responsible for this, it should find them alternative avenues of employment.

What then is the solution? The answer is simple. And, that is, the Government should give up the very idea of having such dubious land reforms. This suggestion may come as a shock to many, because they have been led to believe that redistribution of land is the only solution. But it would not be so shocking to them if they pause and reflect a little on what we have to say. Suppose the Government is able to remove surplus people from land and give them alternative employment. In that case, there would be no need at all for land reforms of objectionable types. Such land reforms in the present phase are needed merely because of the demographic pressure on land, but this cannot be relieved by redistribution of land. As we have often said before, the solution for the problem of unemployment in rural areas and of spreading contentment among the masses in these areas lies in creating and providing job opportunities and in raising the productivity of land.

Thus, when we come to the question of compensaton, we see the crystallisation of the preposterousness of the entire scheme for the redistribution of land and the impracticability of putting them through in a manner which would be fair and just and which would not, at the same time, lead to seriously harmful consequences. We are then driven to discuss the possibilities of reconciliation between the interests of the tillers and the owners in some other way, and this brings us to the fourth aspect of land reforms, namely, those relating to tenancy.

(To be concluded)

SOME STATE-OWNED FACTORIES EXCEED TARGETS

Production targets under the first Five-year Plan have been exceeded by the State-owned fertiliser factory at Sindri, the penicillin factory at Pimpri, and the telephone cable factory at Rupnarayanpur, under the Ministry of Production.

The Sindri fertiliser factory produced 326,073 tons of ammonium sulphate in 1955-56 against the annual production target of 320,000 tons fixed under the first Five-year Plan. The penicillin factory, which started trial production in March 1955 and regular production in August last, had a total production of 6.4 million mega units at the end of the Plan period. This was appreciably higher than the target of 4.8 million mega units fixed under the first Plan.

The Pimpri factory has exceeded yet another target. In February 1956, it achieved a monthly rate of production considerably higher than the rate of 9 million mega units per year, envisaged when the factory was planned. Last month the production exceeded one million mega units giving an annual rate of 12¼ million mega units, as against the target of 9 million mega units.

The Telephone cable factory at Rupnarayanpur in West Bengal produced 525 miles of cables during 1955-56 against the Plan target of 510 miles of cables per year. The production in 1955-56 was considerably higher than the planned capacity of 469 miles of cables per year.

The D.D.T. Factory in Delhi, another State enterprise under the Ministry of Production, has been gradually stepping up its output. Last month, the production was nearly 40 tons of technical D.D.T., as against 36.1 tons in February and 35.7 tons in January.

Plans are already under way to expand the production of fertilisers, penicillin, D.D.T. and telephone cables under the second Five-year Plan. Sindri's production will be stepped up by 60 per cent. under a Rs. 10-crore expansion programme. The production of penicillin in the Pimpri factory will be increased to 25 million mega units. Equipment for additional production has already been ordered. The factory will take up, in addition, the production of streptomycin during the second Five-year Plan.

The cable factory is expected to increase its production to 1,000 miles of cables per year. It will also make 300 miles of co-axial cables, required for trunk lines, per year. The Government has already decided to double the capacity of the Delhi D.D.T. factory at present designed to produce 100 tons of D.D.T. per year. Another factory to produce 1,400 tons of D.D.T. per year is to be set up at Alwaye in Travancore-Cochin State.

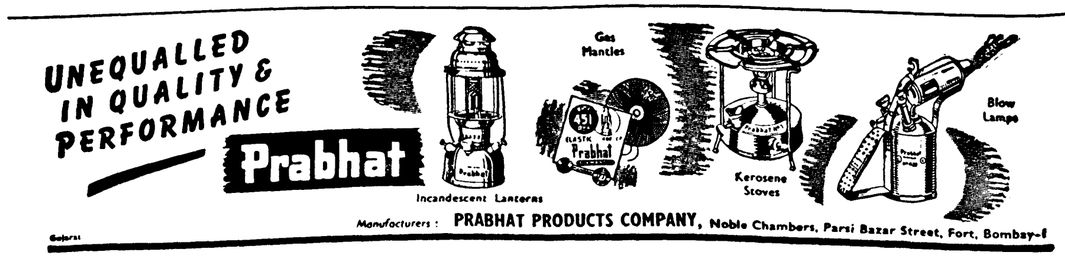
U.K.'s FOREIGN TRADE IN MARCH

The value of United Kingdom exports in March was £269,600,000, exceeding by nearly £2,000,000 the previous highest monthly total recorded in October 1955. This was announced by the Board of Trade in London.

In the first quarter of 1956, the average monthly value of exports was over 4 per cent. higher than in the corresponding period of 1955, when shipments were increased by the carry-over from the October 1954 dock strike, and 6½ per cent. higher than the rate for 1955 as a whole.

Imports in March amounted to £330,300,000. This brought the monthly average for the first quarter of 1956 to £328,500,000—2 per cent. less than in the corresponding period of 1955, but 1 per cent. more than the average for 1955 as a whole. Re-exports, at £13,300,000, were slightly lower than in the two preceding months.

The excess of imports (valued c.i.f.) over exports and re-exports (valued f.o.b) was £47,400,000 in March, £2,100,000 less than in February. The monthly average in the first quarter of 1956 was £57,000,000—£20,000,000 a month less than in the same period of 1955, and £15,000,000 a month less than for 1955 as a whole.



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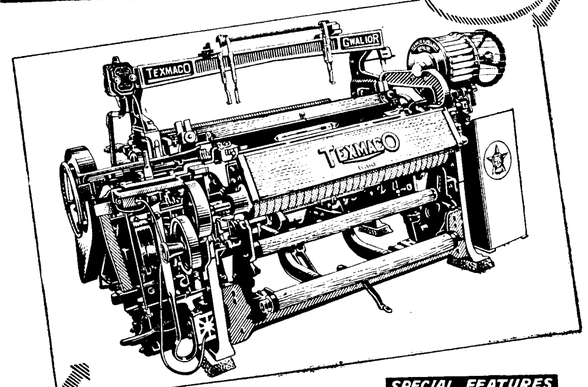

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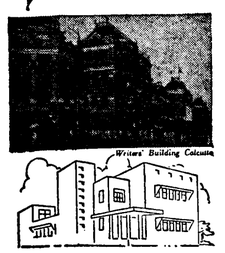
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DIRECTORS' 109th REPORT TO THE SHAREHOLDERS FOR THE YEAR ENDED 31st DECEMBER, 1955

The General Board of Directors begs to submit to the Shareholders the audited Balance Sheet and Profit and Loss Account for the year ended 31st December, 1955.

The transactions for the year under report have resulted in a profit of Rs. 69,40,108-2-3 (including Rs. 4,99,039-13-6 brought forward from the previous year's account). The following amounts have been appropriated for the under-mentioned purposes:—

	Rs.	a.	p.
1. Transferred to Income-tax Provision	11,00,000	0	0
2. Transferred to Contingency Reserve	24,00,000	0	0
3. Transferred to Reserve Fund	5,00,000	0	0
4. Transferred to Bonus to Staff Account	13,50,000	0	0
5. Transferred to Charity Account	80,000	0	0
6. Transferred to Gratuity to Staff Account	50,000	0	0
7. Ad-interim Dividend @ Re. 1/5- per share free of income-tax paid	5,25,000	0	0
Total .. Rs.	60,05,000	0	0

The Directors recommend that the balance of Rs. 9,35,108-2-3 be disposed of as follows:—

	Rs.	a.	p.
(a) Dividend @ Rs. 2/- per share free of income-tax making the total at 14 per cent per annum	7,00,000	0	0
(b) Carry forward to the next year's account	2,35,108	2	3

The Bank rate remained unchanged at 3½ per cent. per annum.

A sum of Rs. 37,50,000, being the aggregate amount of premium received on shares issued in the past, has been transferred to an account called 'Share Premium Account'.

The Directors consider that the working of the Bank has been satisfactory.

By Order of the General Board of Directors.

DELHI, 15th March, 1956. S. P. JAIN, Chairman.

BALANCE SHEET AS AT 31st DECEMBER, 1955

CAPITAL AND LIABILITIES	Amount Rs. a. p.	Total Rs. a. p.
1. Capital—		
AUTHORISED CAPITAL—		
4,00,000 shares of Rs. 25 each		1,00,00,000 0 0
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—		
3,50,000 shares of Rs. 25 each		87,50,000 0 0
2. Reserve Fund and other Reserves—		
(i) Reserve Fund as on 1st January, 1955	92,50,000 0 0	
LESS—Transferred to Share Premium Account	37,50,000 0 0	
	55,00,000 0 0	
ADD— Amount transferred from Profit and Loss Account	5,00,000 0 0	
	60,00,000 0 0	
(ii) **Share Premium Account:** Transferred from Reserve Fund	37,50,000 0 0	97,50,000 0 0
3. Deposits and Other Accounts—		
Fixed Deposits	39,85,93,001 14 8	
Savings Bank Deposits	23,54,46,669 15 9	
Current Accounts, Contingency Accounts, etc.	26,30,25,530 6 6	
Employees' Security Deposits (held by the Bank itself)	41,60,837 5 11	90,12,26,039 10 10
4. Borrowings from Other Banking Companies, Agents, etc.—		
(i) In India	1,29,46,645 12 3	
(ii) Outside India	Nil	1,29,46,645 12 3
PARTICULARS—		
(i) Secured by part of Government Securities and Usance Promissory Notes lodged	1,29,46,645 12 3	
(ii) Unsecured	Nil	
5. Bills Payable		5,99,64,599 2 7
6. Bills for Collection being Bills Receivable as per contra—		
(i) Payable in India	6,62,91,665 14 5	
(ii) Payable outside India	34,99,280 7 1	6,97,90,946 5 6
7. Other Liabilities—		
Dividend and Interest on Advance Calls unclaimed	1,24,251 9 9	
Rebate on Bills Discounted	36,663 13 3	1,60,915 7 0
8. Acceptances, Endorsements and other Obligations as per contra		6,53,54,378 3 6
9. Profit and Loss Account—		
Profit as per last Balance Sheet	11,99,039 13 6	
LESS—Final Dividend at Rs. 2/- per share free of income-tax for the year 1954	7,00,000 0 0	
	4,99,039 13 6	
ADD—Profit for the year brought from the Profit and Loss Account	64,41,068 4 9	
	69,40,108 2 2	
LESS— Rs. a. p.		
Ad-interim Dividend at Re. 1/8/- per share free of Income-tax paid 5,25,000 0 0		
Transferred to Provision for Income-tax 11,00,000 0 0		
Transferred to Contingency Reserve 24,00,000 0 0		
Transferred to Charity Account 80,000 0 0		
Transferred to Bonus to Staff Account. 13,50,000 0 0		
Transferred to Gratuity to Staff Account 50,000 0 0		
Transferred to Reserve Fund 5,00,000 0 0	60,05,000 0 0	9,35,108 2 3
10. Contingent Liabilities—		
(i) Claims against the Bank not acknowledged as debts	35,16,877 8 7	
(ii) Guarantees given on behalf of Directors or Officers	Nil	
(iii) Guarantees given on behalf of others	58,23,169 7 0	
(iv) Arrears of Cumulative Preference Dividends	Does not arise.	
(v) Bills of Exchange rediscounted	81,013 1 6	
(vi) Outstanding Forward Exchange Contracts	Nil	
(vii) Liability for calls on partly paid Ordinary Shares of Rehabilitation Housing Corporation Limited, sponsored by the Central Government	3,75,000 0 0	
NOTE.—The figures in respect of the Bank's Pakistan Offices have been taken at par.		
Total .. Rs.		1,12,88,78,627 11 11

PROPERTY AND ASSETS	Amount Rs. a. p.	Total Rs. a. p.
1. Cash— In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)		8,35,89,262 1 6
2. Balances with Other Banks— In Current Accounts		
(i) In India	7,81,788 4 9	
(ii) Outside India (Includes Rs. 5,86,508-11-9 with State Bank of Pakistan)	73,73,397 14 3	81,55,186 3 0
3. Money at Call and Short Notice		10,67,419 10 2
4. Investments at or below Cost—		
(i) (a) Securities of the Central and State Governments	43,51,80,624 9 6	
(b) Other Trustee Securities	90,08,065 0 0	
(Estimated Market value Rs. 44,74,78,070 9 0)	44,41,88,689 9 6	
(ii) Shares : Fully Paid-up Rs. a. p. / Partly Paid-up Rs. a. p.		
Preference .. 11,43,894 4 0 — Nil		
Ordinary .. 34,55,309 9 4 — 1,25,000 0 0	47,24,194 13 4	
(iii) Debentures of Indian Joint Stock Companies (Estimated Market value Rs. 52,99,249 0 0)	56,76,965 1 8	
(iv) Other Investments :		
Pre-partition Punjab Bonds held in India	13,25,000 0 0	
Pre-partition Punjab Bonds held in Pakistan	3,62,752 8 0	
Rangoon Municipal Debentures held in Burma	1,80,110 0 0	18,67,862 8 0
(Estimated Market value Rs. 18,43,038-2-0)		
(v) Gold	Nil	45,64,57,712 0 6
5. Advances— (Other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)		
(1) Loans, Cash Credits, Overdrafts, etc. Rs. a. p.		
(i) In India 33,99,51,384 13 8		
(ii) Outside India 37,99,585 2 1	34,37,50,969 15 9	
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—		
(i) Payable in India 7,10,62,961 15 6		
(ii) Payable outside India 54,06,804 3 4	7,64,69,766 2 10	42,02,20,736 2 7
(Particulars of Advances—As per Schedule attached)		
6. Bills Receivable being Bills for Collection as per contra—		
(i) Payable in India	6,62,91,665 14 5	
(ii) Payable outside India	34,99,280 7 1	6,97,90,946 5 6
7. Constituents' Liabilities for Acceptances, Endorsements and other Obligations as per contra		6,53,54,378 3 6
8. Premises Less Depreciation—		
Balance on 1st January, 1955 (at cost)	35,52,377 9 1	
Additions during the year	4,11,621 2 0	
	39,63,998 11 1	
LESS— Rs. a. p.		
Depreciation up to 31st December, 1954 3,14,719 13 7		
Depreciation for 1955 59,401 3 0	3,74,121 0 7	35,89,877 10 6
9. Furniture and Fixture at Cost Less Depreciation—		
As per last Balance Sheet	74,49,124 2 7	
Additions during the year including transfers from Branches	8,47,736 7 1	
	82,96,860 9 8	
LESS— Sales, write-offs and adjustments during the year including transfers to Branches	2,54,050 15 10	
	80,42,809 9 10	
LESS— Rs. a. p.		
Depreciation up to 31st December, 1954 31,97,408 13 10		
Depreciation for 1955 4,50,828 3 2		
	36,48,237 1 0	
LESS—Depreciation written back on sales, write-offs, and adjustments	27,232 9 1	36,21,004 7 11 44,21,805 1 11
10. Other Assets (including Silver)—		
(a) Interest accrued and outstanding and dividends due on investments	46,54,544 14 5	
(b) Prepaid expenses, advance payments and amounts recoverable	9,01,254 0 0	
(c) Property not used as Bank premises less depreciation	5,20,696 7 0	
(d) Land purchased for building Bank premises	3,71,025 12 0	
(e) Library, Motor Cars, Cycles and other vehicles less depreciation	4,28,449 2 7	
(f) Stationery and Stamps	10,20,943 8 5	
(g) Deposits with Electric Supply Companies and Government Departments	23,205 13 5	
(h) Amount remitted for purchase of Government and other Trustee Securities	96,068 8 0	
(i) Cash remittances through insured Post, Reserve Bank and State Bank in transit (since received)	17,59,620 0 0	
(j) Amount paid towards purchase of 2½% U. P. Z. A. C. Bonds pending verification of endorsements	22,063 15 3	
(k) Income-tax deducted at source on yield of investments Rs. 94,64,460 4 6		
LESS— Provision for taxation as per last Balance Sheet Rs. a. p. 20,90,980 13 2		
Adjustments in respect of 1952-53 and 1953-54 assessments and Part business Profit tax paid under protest 9,49,922 12 4		
30,41,058 0 10		
Transferred from Profit and Loss Account 11,00,000 0 0	31,41,058 0 10	63,23,402 3 8 1,61,26,184 4 9
11. Non-Banking Assets Acquired in Satisfaction of Claims— Balance as per last Balance Sheet		1,20,145 14 0
LESS—(i) Adjustment on account of fall in market value Rs. 15,000 0 0		
(ii) Depreciation Rs. 20 14 0		15,020 14 0
(The book value is less than the realisable value)		1,05,125 0 0
Total .. Rs.		1,12,88,78,627 11 11

NEW PUBLICATIONS

The Technical Report (Volume III) of the Committee of Direction, All-India Rural Credit Survey. Published by the Office of the Committee of Direction, Post Box No. 1036, Reserve Bank of India, Bombay 1. Price : Rs. 10, Postage extra.

THIS is a marathon volume of 1,045 pages, setting out in detail the organisation and conduct of the rural credit survey by the Committee of Direction appointed by the Reserve Bank of India in 1951. Its chief feature is the presentation, in tabular form, of all the statistical information collected by the field staff. The survey covered 600 sample villages selected, at the rate of eight villages per district, from 75 districts chosen from all over the country. The field operations were scheduled to commence in the month of October when, in several parts of the country, the *kharif* season would be coming to an end and preparation for the *rabi* season would begin. It was expected that, by starting the investigation work in October, the Committee would have the advantage of obtaining information, in considerable detail, regarding the economic conditions and credit transactons of the cultivating families during the immediately preceding *kharif* season. By timing the survey thus wisely, the Committee was able to achieve its main aim of collecting information on the broad pattern of agricultural credit in the different regions of the country as accurately as possible. Details are given of the sampling techniques adopted for the selection of the districts themselves, first of eight villages in each district, and then of 15 cultivating families from each village for purposes of an intensive enquiry. Particulars relating to the selection of loans for case studies, additional centres in each selected district for investigating credit agencies and selection of units of credit agencies at the selected centres are also given. The section dealing with recruitment and training course for field staff, etc., and the information on tabulation of data collected make interesting reading and so also the one dealing with instructions to inspectors in regard to the preparation of various notes, all of which indicate the amount of planning and forethought put into the organisation of the survey.

The data collected in the intensive enquiry relate, among others, to capital expenditure in agriculture, sources of finance for such expenditure, value of seed and manure used on the farm for all crops and separately for rice, wheat, millets, sugarcane, cotton and oilseeds. Cash wages paid to casual labour for seasonal agricultural operations, value of gross produce, cash receipts from sale of crops, fodder, milk, milk products and wages, borrowings, repayments and outstanding debt, etc., are also covered.

Although the volume is full of tables which might mean very little to a layman, the scientific approach made by the authors to collection, collation, compiliation and interpretation of statistical data obtained through the comprehensive survey should serve as a model to many such enquiries to come in future in different economic spheres in the country. It is here that the permanent value of this volume to posterity lies. Departments of research, bureaux of economics, organisations dealing with collection of statistics and other bodies interested in economic surveys are sure to benefit by this volume.

The Federal Republic of Germany. Overseas Economic Surveys. Published by Her Majesty's Stationery Office, London. Price : 12s. 6d. net.

Despite the fact that there is practically no type of manufacture in Germany which is not paralleled in England and *vice versa*, the development of trade between the two countries over the past year or two shows that an extremely large number of British manufacturers have 'lines' for which German customers can be found. Western Germany, a country of 50 million people with a rapidly expanding national income and with high living standards, can offer a very profitable market to the enterprising trader. This is one of the conclusions drawn by the authors of the above Survey. The Survey was compiled by the Commercial Department of the United Kingdom High Commission (now the British Embassy) at Bonn. It is the first account of economic and commercial conditions in Germany to be published for the Board of Trade since 1935.

The Survey reviews the striking recovery which has been brought about in the German economic situation since the collapse of 1945. The part of pre-war Germany which now forms the Federal Republic is once again a major industrial power, with a standard of living for its people which bears comparison with any of its neighbours. The Survey traces the stages and policies by which this transformation was achieved. Clearly, the restoration of Germany to its former leading position amongst industrial and exporting nations has been of great significance for the United Kingdom. It is perhaps not fully realised in Great Britain that the German recovery has played a vital part in establishing the present prosperity of Europe. In recent years, Western Europe has formed the world's most highly developed trading area; it provides about a quarter of the United Kingdom's exports. The recovery of German industry enabled her neighbours to purchase once again the industrial equipment and other products which in the early post-war years had been obtainable, if at all, from dollar sources only. At the same time, it has also meant that the German market has been reopened to receive the specialised products of these countries.

The enterprise and vigour shown by German firms in their efforts to recover former markets and open new ones has certainly made the task of British manufacturers more difficult, but, in most cases, such competition has stimulated British suppliers to new efforts and new successes, as indicated by the achievements in Western Europe and North America, despite numerous obstacles and the absence of State subsidies. There are, however, exceptions. The competitive strength of Germany's manufactured goods has been demonstrated in a striking manner by the outstanding position acquired as a supplier to the Netherlands, Belgium, Switzerland, Austria, Sweden, Italy and some Latin-American countries.

The special problems facing British exporters to Germany are the subject of particular attention in the Survey. Other chapters of the Survey examine the banking and monetary systems, the taxation structure, the breakdown of the national income, the transport and communications systems, labour, employment and social insurance matters and the legislation and regulations governing foreign investment in the Federal Republic and transfers under the London Debt Agreement. Statistical tables in the Appendix to the Survey deal with employment, transport, foreign trade and other subjects.

Public Finance and Indian Financial Administration (In Hindi). By Mr. Giriraj Prasad Gupta. Published by Messrs. Ram Prasad & Sons, Agra.

The book deals with the Principles of Public Finance, Financial Administration and the system and Administration of Public Finance in India. The language is simple and the subject matter is up to date. The text is based on and is supported by the opinions of the accepted authorities on this particular branch of study. The method of presentation is such as can be easily understood by the readers. As the book is intended to be used by the students of degree classes, it covers most of the topics usually included in the syllabi. The book is of a small size and as an attempt has been made to include numerous topics of theory and practice, the treatment is naturally very brief. At many places,

(*Continued on page* 796)

THE PUNJAB NATIONAL BANK, LIMITED, DELHI—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955

EXPENDITURE	Amount Rs. a. p.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Amount Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	1,61,29,772 7 4	1. Interest and Discount	3,43,20,205 5 0
2. Salaries and Allowances and Provident Fund (includes Rs. 77,643-2-0 paid to the General Manager, besides payment of bonus amounting to Rs. 9,211-7-0 free residential accommodation and use of Bank's car for part of the year)	1,63,06,116 9 1	2. Commission, Exchange and Brokerage	69,54,048 1 5
3. Directors' and Local Committee Members' Fees and Allowances	22,309 8 0	3. Rents	9,10,358 2 10
4. Rent, Taxes, Insurance, Lighting, etc.	11,62,935 9 1	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	1,04,013 10 1
5. Law Charges	1,52,109 10 5	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
6. Postage, Telegrams and Stamps	13,01,257 10 9	6. Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil
7. Auditors' Fees	8,000 0 0	7. Other Receipts (includes Income-tax refund amounting to Rs. 1,01,689-9-0)	26,91,910 15 1
8. Depreciation on and Repairs to the Banking Company's Property	6,67,541 8 7		
9. Stationery, Printing, Advertisements, etc.	10,69,394 15 6		
10. Loss from Sale of or Dealing with Non-Banking Assets	7,168 8 0		
11. Other Expenditure	16,82,371 6 11		
12. Balance of Profit (subject to Taxation)	64,41,068 4 9		
Total .. Rs.	4,49,80,536 2 5	Total .. Rs.	4,49,80,536 2 5

Schedule of Particulars required by the Banking Companies Act, 1949 (Act X 1949), attached to and forming part of the Balance Sheet as at 31st December, 1955.

PARTICULARS OF ADVANCES	Rs. a. p.	PARTICULARS OF ADVANCES	Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	38,44,82,125 10 2	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons— Rs. a. p.	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	2,98,33,777 2 7	Directors Nil	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	59,54,833 5 10	Officers 3,31,739 15 8	3,31,739 15 8
(iv) Debts considered doubtful or bad not provided for	Nil	(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	98,92,048 6 4
		(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	3,31,739 15 8
		(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	1,52,71,300 0 3
		(ix) Due from Banking Companies	35,42,778 8 11
	42,02,20,736 2 7		

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE PUNJAB NATIONAL BANK, LIMITED, DELHI

We have audited the annexed Balance Sheet of the Punjab National Bank, Ltd., Delhi, as at 31st December, 1955, and the annexed Profit and Loss Account for the year ended on that date, with the books and accounts kept at the Head Office in Delhi, in which are incorporated the Returns of the Bank's Branches in Indian Union, Pakistan and Burma certified by the respective Branch Managers. We report that:

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory

(b) the transactions of the Bank, which have come to our notice, have been within the powers of the Bank;

(c) the Returns received from the Branch Offices of the Bank have been found adequate for the purposes of the audit;

(d) in our opinion the said Balance Sheet and Profit and Loss Account are drawn up in conformity with law;

(e) the Balance Sheet exhibits a true and correct view of the state of the Bank's affairs and the Profit and Loss Account shows a true Balance of Profit for the year, according to the best of our information and explanations given to us and as shown by the books and records of the Bank kept at its Head Office; and

(f) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act, 1913.

DELHI, 15th March, 1956.

V. SANKAR AIYAR & CO., Chartered Accountants.

B. N. PURI, General Manager.

S. P. JAIN, Chairman.

M. K. PANDIT, Chief Accountant, Central Office.

S. L. VERMA, Superintendent, Central Office.

JASWANTRAI CHURAMANI, KESHAB CHANDER, MAHARAJ KRISHNA KAPUR, KAMALNAYAN BAJAJ, J. N. BHAN, SHITAL PRASAD, C. L. BAJORIA. } Directors.

R. L. TULI, P. R. MEHTA, A. S. PURI } Assistant Secretaries.

DANGER OF CONCENTRATION OF POWER IN OFFICIALDOM

WRONG APPRAISAL LEADS TO WRONG APPROACH

JUDGED from the speech delivered by Mr. Murarji J. Vaidya, Chairman, All-India Manufacturers' Organisation (A.I.M.O.), Bombay, at its annual meeting held at New Delhi on the 14th inst., the Organisation appears to be gratified at the developments in the field of industry in India during the last 10 years. Mr. Vaidya was particularly happy that these developments were more or less on the lines envisaged, at the time of establishing the Organisation 15 years ago, by "a band of young industrialists, under the leadership of our Founder-President, Mr. M. Visvesvaraya, with very broad objectives aimed at raising the standard of living of the Indian people." The Organisation evolved and published then two schemes; one for heavy industries and the other for lighter and small-scale industries. Since then, according to Mr. Vaidya, a great deal had happened in the sphere of industrial development both in the urban and rural areas. A number of new industries—large, medium and small—had sprung up all over the country. Besides, innumerable cottage and small industries had been revived and fostered. All this was possible because the Government and the people had, in the opinion of Mr. Vaidya, recognised the need for rapid industrialisation. The A.I.M.O. Chairman was particularly happy that both the Planning Commission and the Government had, during the past six or seven years, bestowed a good deal of attention on restoring an integrated economy in rural areas based on the development of agriculture and industry alike.

Although happy at the country's achievements so far, Mr. Vaidya saw no reason for any complacency. For a great deal still had to be achieved to reach the goal of the country, namely, rapid industrialisation through small, medium and large industries. He was glad that cottage and small industries had found a prominent place in the country's development plans. The problem of developing these being vast on account of the huge size of the country, still greater efforts were needed. He welcomed, in this connection, the establishment of Small Industries Service Institute and of the National Small Industries Corporation. In order to ensure that the development of these industries was extended to the whole country, Mr. Vaidya wanted the services of the Community Projects and National Extension Services to be fully utilised.

The A.I.M.O. Chairman suggested that the Central and State Governments should give special attention to the development and encouragement of medium industries. He drew attention to the fact that most of these industries had the advantage of employing labour-intensive processes with capital employed being relatively less as compared with those in large and heavy industries. The medium industries could provide also work to small and cottage industries by distributing contracts for the manufacture of components and parts, on the lines followed by the Small Business Administration in the U.S.

Reduction of Inequalities

Mr. Vaidya then referred to the objectives of the second Five-year Plan. Examining, in particular, the fourth objective of the Five-year Plan, namely, "reduction of inequalities in income and wealth and a more even distribution of economic power," he said that his organisation was in agreement with this basic overall approach to the problem of economic development for more equitable distribution of wealth. But he was doubtful of the wisdom of the manner in which it was sought to be achieved by the Government, since any hasty action would expose the country to dangers and pitfalls. One of the dangers to be avoided was concentration of power in the hands of rigid officialdom which was inherent in the process of transferring economic power from large and small industrialists to the State. Any vesting of such enormous economic powers in the hands of officials might lead to suppression of democracy and civil liberty by authoritarianism. It was necessary, he averred, to avert this trend of preserving the democratic character of the society. This, he said, could be achieved by the setting up of public corporations to manage State-owned industries and by appointing on the Boards of these Corporations men of known integrity and experience.

Secondly, in any action taken to avoid concentration of wealth in a few hands, it was necessary to keep in view the existing democratic structure of the economy which, according to Mr. Vaidya, was undergoing gradual transformation and becoming more and more egalitarian in character. The picture of this economic structure as pointed by Mr. Vaidya is impressive and bears reproduction. He said:

"In India, as in any other democratic country, there are millions of small enterprises scattered all over the country, started and worked by several millions of small men who have collected the small capital required for the purpose from their own small circle of friends or relations. Such small people constitute in themselves the composite roles of the *entrepreneur*, the investor, the manager, the technical man, the salesman and the owner. It is these small- and medium-scale industries whom our Organisation envisages the ever-expanding structure of industrial India, and who represent the best types of our countrymen of ability, integrity and common sense. In most cases, these men are themselves, in a way, technical men who know their jobs and who run their industries with the technical knowledge they have acquired in the hard way. With them can be grouped the millions and millions of small shopkeepers, tradesmen, craftsmen, and artisans who also make and distribute the thousands of articles of daily consumption required by crores of our people. They form the most stable element of our economy. They are the last people to be swayed away by any negative or undesirable ideologies. In fact, they form, under adult suffrage, the backbone of our body-politic and economic, and it would be no exaggeration to say that they constitute the millions and millions of our peasant proprietors and skilled workers. They constitute the sector of free and private enterprise. The slow and silent, but certain, transition that has taken place in our country since the Second World War began and which has been accelerated since the advent of Independence has gradually brought the peasant proprietors, and the skilled workers, within the fold of the class commonly known as the lower middle-class. At the same time, taxation policies higher cost of living and costly social customs, and the inelasticity of the income of the salaried middle-class have reduced the upper middle-class to a standard of living, which approximates that of the new middle-class. In this way, the structure of a large part of our society is in the process of becoming egalitarian."

Incorrect Appraisal

The object of Mr. Vaidya in drawing attention to this picture was to show that the policy-makers take decisions in regard to the private sector by imagining an entirely different picture in their mind. Another quotation from his speech will make this point quite clear:

"But, as it often happens, it is the tall poppies which appear to sway most in a breeze. In recent years, Government policies and legislation have been largely influenced by the sight of the few tall poppies that appear on our economic field. The policy of expanding the public sector can also be largely said to be influenced by the same field of vision. It is necessary, however, to keep in view the facts as they emerge in the changing pattern of a country like ours which in spite of all the protests of pessimists is undoubtedly changing fast and changing for the better. In the context of this rapid change, it is essential to avoid the dogmatic approach which might be generated by a wrong appraisal of the situation and which might perhaps do more harm than good to our economy and to the freedom and enterprise of the individual."

In fine, Mr. Vaidya affirmed his faith in achieving the economic objectives of the Plan by evolutionary methods, without resorting to any drastic measures which might cause upheavals in the country's social order.

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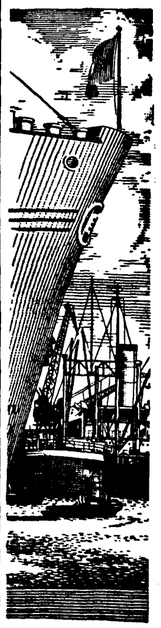
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RESERVE FUND ... Rs. 3,52,00,000
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D. R. THOM, *General Manager.*

In his inaugural address at the meeting, the Prime Minister appealed to industrialists to co-operate with the Government in its efforts at strengthening the country both economically and politically. He stated that the Planning Commission was not approaching the twin problems of economic expansion and equitable distribution of national wealth in a doctrinaire manner. A doctrinaire approach, he added, would lead to rigidity which, in turn, would be dangerous in the context of the revolutionary changes taking place in the world. But some of the recent actions of his Government do not bear out this claim.

DEVELOPMENT OF SMALL INDUSTRIES

The Report of the Small-scale Industries Board, which started functioning in January 1955, highlights a number of important measures taken during this year for the development of this sector of Indian industry. The Report emphasises the positive aspect of the programme. While restrictions on the large-scale sector may have to be adopted as a temporary experiment, this can only be, it says, of transitory value, and the real long-term remedy lies in improving the techniques of production and in adopting modern machines.

During last year, this Technical Assistance Agency was built up in the form of Regional Institutes at Delhi, Bombay, Calcutta and Madras with extension centres attached to them. These are now staffed with a corps of about 130 technical officers, who are in the nature of consulting engineers, free of charge to small units. A number of foreign technicians are working in extension centres on items like footwear, locks, surgical instruments, surveying and drawing instruments, etc. An important feature of the programme is to adopt and design small machines which can be used by our artisans.

Following the recent visit of the West German Vice-Chancellor, a team of three technical experts has arrived from West Germany. They are attached to the Union Ministry of Commerce and Industry, and are specialists in this art of machine-designing for small industries.

A popular method of acquainting our artisans with the use of such machines has been the mobile workshops in these Institutes, two of which recently gave demonstrations near Delhi. There are eight such mobile workshops on the road now, and 16 more have since been sanctioned. As a follow-up, the Small-Industries Corporation has launched a scheme for the supply of such machines on easy hire-purchase terms. The first few machines under this system have already been delivered to purchasers.

More Institutes

The Report outlines the programme to be taken up in 1956-57. Four more Institutes are to be located in Rajkot, Ludhiana, Patna and Travancore-Cochin. It is planned to have a network of 20 such Technical Service Institutes by the end of the second Five-year Plan. An important feature of the programme is the establishment of Industrial Extension Service Centres, which will be units of specialised technical and marketing officers for particular industries. These units would also introduce and maintain quality standards.

The nucleus of such extension centres has already been set up in certain places as, for instance, at Ludhiana for the bicycle parts industry; at Agra for the footwear industry; at Roorkee for surveying and drawing instruments; and at Dindigul in South India for the locks industry. With the assistance given by the Ford Foundation, it is understood that about 30 technical experts are now being recruited abroad for particular small industries, who would be located at these extension centres. Arrangements are being made during the coming year for training about 50 persons chosen from our small units in factories abroad.

The number of mobile workshops which has already been increased from 8 to 24 will be increased further, and will concentrate for longer periods in selected areas.

The scheme for hire-purchase of machinery which is a follow-up of such training and demonstration is to be expanded very considerably and a fund with Rs. 3 crores has been earmarked for this purpose.

To encourage the use of power-driven machines, the centre has asked State Governments to adjust, where possible, electricity tariff rates so as to supply power at only As. 1-6 per unit to small industries. Where such adjustments are not possible, it has been decided that the difference should be subsidised, the cost of the subsidy being shared between the Centre and the States.

Industrial Estates

Another major feature is the provision of Industrial Estates with the object of promoting industrial development on decentralised pattern. The Report lists 10 such schemes sanctioned this year at a total cost of more than Rs. 4.4 crores, all of which is met by the Centre. Land has been acquired in all these cases and in some of them construction work has already started. In the Industrial Estate near Rajkot, buildings have already been let out to industrialists. A sum of Rs. 10 crores has been provisionally earmarked for this purpose in the second Five-year Plan.

A third requirement is credit on comparatively liberal terms. This is being provided at present largely from Government sources and during the period under review a sum of Rs. 2 crores was advanced by the Central Government to the States for this purpose, and a budget provision of Rs. 94 lakhs made by the latter. Loans are advanced up to 75 per cent. of the value of the security offered. The rate of interest is only 3 per cent. with a special concessional rate of 2½ per cent. for industrial co-operatives.

A special feature of assistance to the small man is the grant of loans up to Rs. 5,000 on security only and Rs. 1,000 purely on personal bonds. Out of the provision, it is understood a sum of Rs. 1.5 crores has already been disbursed. The relatively slow rate of disbursement is explained by the fact that many State Governments had to amend their State Aid to Industries Acts, and also recruit special investigation staff for processing these loan applications.

The Report also mentions the pilot scheme now to be introduced by the State Bank of India for provision of credit from banking institutions. Nine pilot project areas have been selected by the State Bank, namely, Bombay, Kolhapur, Surat, Delhi, Ludhiana, Agra, Madras, Coimbatore and Vijayawada. The purpose of this pilot project is to examine and recommend how the provision of credit to small industries by the various agencies concerned—the State Bank, the State Finance Corporation, co-operative banks, commercial banks and Government sources—can be most effectively co-ordinated. Until such time, however, as credit is forthcoming in sufficient measure to small industries from banking institutions, this would have to be met by the Government and a provision for this has been included in the second Five-year Plan of the Ministry of Commerce and Industry. The tentative allocation under this Plan is about Rs. 63 crores for this particular sector of the industry, of which Rs. 10 crores will be direct Central Government expenditure on the technical assistance programme through the Service Institutes and extension centres. The balance of Rs. 53 crores is intended for the establishment of Industrial Estates and the provision of credit to small industries and for such schemes for the organisation of small industries, the emphasis being on co-operative development.

U.S. IMPORTS TOUCH NEW PEAK

The strength lately showing in some key sectors of the U.S. economy continues to surprise many of the experts. The Commerce Department has estimated the value of U.S. imports in February at $1,678 million, an all-time high for the month and a monthly total second only to the record of $1,098 million set in March 1951.

What makes the February record more impressive is the fact that it is set in a short month when the import total can be expected to decline. But this year February imports actually outstripped those of January by a slight margin, besides being a full 27 per cent. above those for February 1955.

Also these are preliminary data and finalisation of statistics often results in upward revision of the import total. When final figures become available, they may well show the February total to be a new all-time high. January is a good example of this tendency. Preliminary import estimates for that month showed a total of $1,045 million, compared with a final figure of $1,073 million. The rise of four per cent. in January's imports over December's resulted from increased receipts in all classes of goods. An increase in manufactured foodstuffs led the way, reflecting principally gains in imports of cane sugar. The increase in finished manufactures was due largely to greater imports of automobiles, automotive parts, and agricultural machinery and implements. Other products showing significant import increases included cocoa beans, crude rubber, unmanufactured wool, nickel and nickel alloys and fertiliser materials.

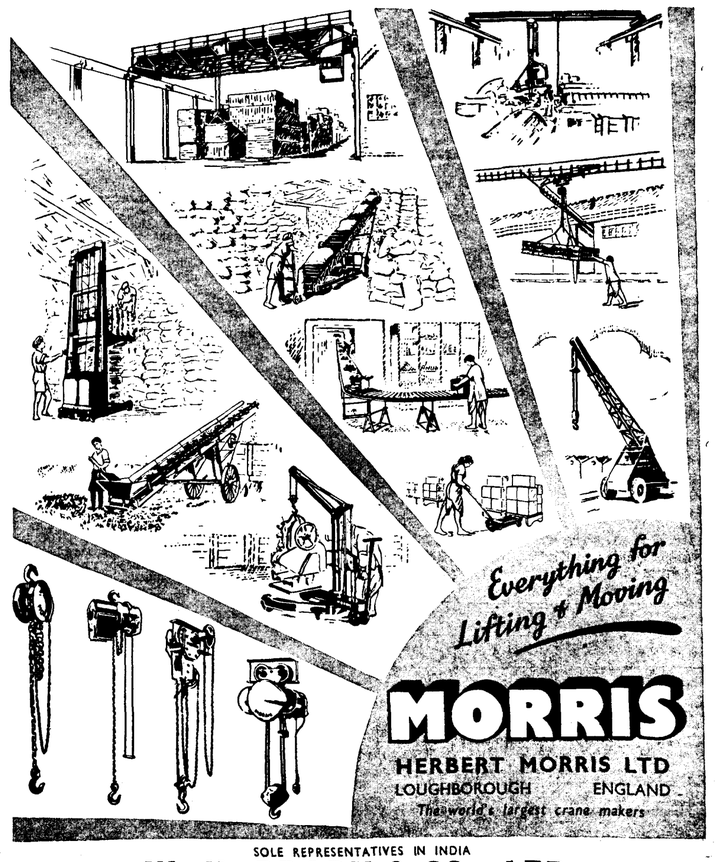
Another economic sector in which performance is better than expected is the steel industry. Steel production in the United States in March came to 10,921,000 short tons (9,938,000 metric tons) breaking all monthly records, and bringing the total for the first quarter of 1956 to a new high of 31,868,226 short tons (about 29 million metric tons).

March, by the way, was the sixth consecutive month in which the nation's steel mills poured more than 10 million short tons—evidence that an early-year decline in automobile output is being more than offset by continuing strength in other industries.

The value of new construction in the United States followed seasonal trends in March, adding another source of economic strength. The March total, according to estimates of the U.S. Departments of Commerce and Labour, was $2,980 million. For the first three months of 1956, construction activity amounted to $8,500 million—the same as for the first three months of 1955. Included in the total was a new March record in private non-residential building.

Significantly, contract awards for future construction last month constituted a new record for March, according to reports of the F. W. Dodge Corporation, construction news and marketing specialists. The total for the month was a full 12 per cent. above March 1955 and the highest for any month in the Company's 65 years, except for May 1951, when Government building contracts for the Korean war were exceptionally large. Contracts awarded so far this year are confined largely to civilian projects and indicate that actual construction in 1956 may forge ahead of earlier expectations.

Interestingly enough, residential contract awards were the highest in March for any month in history, 12 per cent. ahead of March 1955. This development supports the thesis that home building in 1956 will not be the drag on the economy that some had feared when the year began. Also, at new highs were heavy engineering awards and private non-residential awards.



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INDIAN ALUMINIUM'S RECORD PROFIT

SIZABLE EXPANSION IN PRODUCTION—NEW SMELTER PROJECT AT HIRAKUD

HEARTENING results are disclosed by the statement of accounts of the Indian Aluminium Co., Ltd. (Managing Director: Mr. E. S. Greenwood, Calcutta) for the year ended 31st December 1955. The Company's gross profit, which had gone up from Rs. 2.11 lakhs in 1953 to Rs. 13.41 lakhs in the following year, has jumped up to Rs. 48.35 lakhs in the year under review. After providing for larger depreciation —there is, however, no liability for income-tax— the net profit aggregates Rs. 26.80 lakhs, a record in the history of the Company, in refreshing contrast to the loss of Rs. 5.23 lakhs suffered in 1954 and of Rs. 13.65 lakhs in 1953. Thanks to the substantial improvement in the financial results, the Directors have been able to strengthen the Company's reserves, after a break of two years, with an addition of Rs. 10 lakhs to the fixed assets replacement reserve, and resume payment of dividends on ordinary shares.

After a lapse of two years, the ordinary shares returned to the dividend list in December last, when an interim dividend of 4 per cent. was paid. This has now been followed by a final distribution of 5 per cent., making a total dividend of 9 per cent. for the year, the highest paid by the Company so far. It may be mentioned, in passing, that, after its incorporation as a public limited concern in 1945, the Company paid a maiden dividend of 3½ per cent. for the year ended 30th September 1950. This was raised to 5 per cent. in the following year. In 1952, the Company's accounting year was changed from September to December and for the 15 months ended 31st December 1952, a dividend of 5 per cent. was paid. This meant a distribution at the rate of 4 per cent. per annum or a cut of 1 per cent. from that paid for 1950-51. No dividend, however, could be paid for the subsequent two years, that is, for 1953 and 1954, on account of adverse results.

The highly encouraging results for the year under review are due to several favourable factors. In the first instance, there was a substantial expansion in production. The output of ingot rose from 2,945 tons in 1954 to 4 863 tons in the year under review, thanks to the completion of expansion of the smelter at Alupuram in 1954 and the availability of sufficient power since March 1955 to operate the smelter at the new capacity of 5,000 tons of ingot per annum. In fact, in the last quarter of 1955, the smelter operated at an annual rate of 5,400 tons. There was also an expansion in the range of aluminium alloy products at the Company's fabricating plant at Belur, where the fabrication facilities were improved by installing additional equipment. Production of aluminium paste also reached the full rated plant capacity of 260 tons, as compared with the output of 180 tons in 1954. The extrusion plant with an annual capacity of 1,000 tons, together with a die shop set up near the smelter at Alupuram, also commenced operations in March 1955.

The second favourable factor was the considerable improvement in demand, consequent on the acceptance of aluminium in many new applications, with the result that the Company was able to enlarge its sales considerably. Thirdly, the improvement in market conditions enabled the Company to obtain better prices on its principal products during the year under review. These favourable conditions are impressively reflected in the sharp rise in sale proceeds from Rs. 237.63 lakhs to Rs. 365.67 lakhs, as will be seen from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			For 15 months ended
	1955	1954	1953	31-12-52
Sale proceeds	365.67	237.63	117.85	161.46
Other income	2.03	1.80	1.40	1.53
Manufacturing expenses	288.16	199.35	94.57	109.06
Administrative and other expenses	31.19	26.67	24.45	19.56
Gross profit	48.35	13.41	2.11	34.37
Provision—				
Depreciation	21.55	18.64	15.76	20.17
Taxation				3.50
Net profit (+) or loss (—)	+26.80	—5.23	—13.65	+10.70
Excess provisions written back	0.29	1.05	2.00	
To reserves	10.00	..	..	6.45
Dividends—				
5% preference (less tax)	1.47	1.47	1.47	1.85
Ordinary	14.40 (9%)	..	..	8.00 (4% p.a.)
Carry forward	1.80	8.49	9.15	22.23

Of the sale proceeds for the year under review, the Company's own products account for Rs. 288.71 lakhs, an increase of about 50 per cent. over the year, and agency and other products for Rs. 76.96 lakhs, as against Rs. 45.17 lakhs in 1954. On the expenditure side, the purchase of raw aluminium has cost the Company Rs. 72.61 lakhs, as against Rs. 40.28 lakhs, of which purchases from abroad were Rs. 49.90 lakhs, as against Rs. 14.36 lakhs. The cost of other raw materials, stores, power, freight, etc., has risen from Rs. 69.65 lakhs to Rs. 91.99 lakhs.

The Company's paid-up and authorised capital is unchanged at Rs. 200 lakhs, made up of 160,000 ordinary shares of Rs. 100 each and 40,000 5 per cent. cumulative preference shares of Rs. 100 each. Since the close of the year, however, the authorised capital has been raised from Rs. 2 crores to Rs. 6 crores and the Rs. 100 paid-up ordinary shares have each been split into 10 shares of Rs. 10 each, in order to facilitate a future new issue of capital to cover a part of the financial requirements of the Company's Hirakud project. The reserves and surplus aggregate Rs. 48.58 lakhs. The gross block of the value of Rs. 416.74 lakhs, including an addition of Rs. 28.19 lakhs made during the year, has been written down to Rs. 241.97 lakhs. The current assets amount to Rs. 230.14 lakhs, as against current liabilities aggregating Rs. 223.53 lakhs.

There is a growing demand for aluminium in this country, but the Company's smelter at Alupuram does not permit of any further expansion to meet it. After a thorough study of the various aspects, the Directors decided in July last to establish a smelter near the Hirakud power project. The initial annual ingot capacity of this smelter will be 10,000 tons and will be based on commensurate expansion of existing bauxite and alumina production facilities at Bagru Hill and Muri, respectively. A second phase of the Hirakud project to increase ingot production from 10,000 to 20,000 tons per annum is also under continuous study. There are, however, some difficulties in undertaking simultaneously the production of ingot at Hirakud and the development of bauxite and alumina. Referring to these, the Directors observe:

"Owing to various difficulties envisaged in a simultaneous expansion of integrated facilities required for production of 10,000 tons of aluminium ingot at Hirakud, a programme was developed in which the smelter would receive priority and would be expected to come into operation towards the end of 1958. The programme provides, however, for partial expansion of alumina facilities at a relatively small capital cost parallel with the construction of the smelter. It is expected that the major part of the bauxite-alumina expansion will take place after the Hirakud smelter has come into operation, when revenue from the sale of the additional metal will be available to finance this expansion which is scheduled for completion by the end of 1961."

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 22-6 *cum-div.* (final div. As. 8 per share) On an *ex-div.* basis, the dividend for 1955 offers a yield of 4.1 per cent. per annum, free of income-tax.

ADONI SPINNING AND WEAVING CO., LTD.

The Adoni Spinning and Weaving Company, Ltd. (Managing Agents: Messrs. Kothari and Sons, Madras), which was floated in December 1954, is expected to go into production early in May 1956. The initial capacity of the mill is 12,000 spindles; the installation of these has been completed. The Company has got a licence to put up an additional 12,000 spindles, and the question of implementation will be considered after six months.

The Company proposes to manufacture yarns of 20 counts, for which it has the advantage of obtaining cotton locally at competitive prices. The yarn will also be consumed locally. The mill is equipped with the most up-to-date modern machinery and will be able to commence work on a very rationalised work-load basis. The cost of production is, therefore, likely to be cheaper. The mill will work on one shift in the initial stages and will later go on to two shifts. When adequate supply of power is available from Tungabhadra, it will be able to work on three shifts.

The present paid-up capital of the Company is Rs. 25 lakhs, made up of 100,000 6 per cent. preference shares of Rs. 10 each and 150,000 ordinary shares of Rs. 10 each. The installation of the additional 12,000 spindles referred to above will require additional finance and the Company proposes to meet this by a fresh issue of capital to the extent of Rs. 10 to Rs. 15 lakhs and by borrowing a sum of Rs. 10 lakhs from the Industrial Finance Corporation or from a bank.

DUNLOP RUBBER PROFIT A SHADE LOWER

DIVIDEND WELL MAINTAINED

A FRACTIONAL fall in profit, notwithstanding a substantial increase both in the volume and value of goods sold, is disclosed by the report of the Dunlop Rubber Company (India), Ltd. (Managing Director: Mr. Cecil Stack, Calcutta), for the year ended 31st December 1955. The gross profit (before providing for depreciation and taxation) shows a drop of Rs. 2.35 lakhs, or 1.8 per cent., to Rs. 124.53 lakhs. The recession is negligible, but is in distinct contrast to the increase of Rs. 5.92 lakhs noted in 1954 after the successive decline from the record level of Rs. 146.54 lakhs in 1951 to Rs. 120.96 lakhs in 1953. Though the upward trend in profit noted in the previous year has thus been reversed, it is somewhat comforting to note that the profit for the year under review is still higher than that for 1953.

The net profit has fallen from Rs. 58.63 lakhs to Rs. 54.40 lakhs, the decline being greater than that in gross profit, despite the cut in the provision for depreciation from Rs. 30.20 lakhs to Rs. 27.51 lakhs. This is on account of the increase of Rs. 4.57 lakhs in the provision for taxation to Rs. 42.32 lakhs, with the result that the net profit for the year under review is the lowest since 1950. The provision for taxation includes a sum of Rs. 2.30 lakhs, representing the new super-tax on dividend in excess of 6 per cent. The Company has been ploughing back substantial sums year after year and in accordance with this practice, the Directors have transferred this year also a sum of Rs. 22 lakhs to the general reserve in order to provide the resources necessary for the expansion of the business and the increase of employment, though this represents a cut of Rs. 8 lakhs from that set aside last year. In addition, the Directors have provided Rs. 5 lakhs in respect of accruing liabilities under the staff retirement gratuity scheme introduced early in 1955. The dividend on ordinary shares has been maintained for the fifth year in succession at 15 per cent.

The Company's progress during the past three years can be judged from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	15,09.19	13,70.34	12,57.95	12,97.48
Other income	2.25	3.28	4.90	5.03
Cost of goods sold	12,39.20	11,13.40	10,22.19	10,66.03
Selling and other expenses	1,41.21	1,26.82	1,19.71	1,13.20
Debenture interest	6.50	6.50	6.50	6.50
Gross profit	1,24.53	1,26.88	1,20.96	1,25.94
Provision for—				
Bad debts	0.30	0.30	0.30	0.30
Depreciation	27.51	30.20	27.78	25.93
Taxation	42.32	37.75	37.50	33.05
Net profit	54.40	58.63	55.38	66.65
To reserves	22.00	30.00	24.00	39.00
,, provision for retirement gratuities	5.00	..	..	..
Dividends—				
6% preference (tax free)	1.80	1.80	1.80	1.80
6% 11 preference (less tax)	1.77	1.77	1.77	1.77
Ordinary	24.00 (15%)	24.00 (15%)	24.00 (15%)	24.00 (15%)
Carry forward	11.72	11.89	10.83	7.01

The increase of Rs. 1.39 crores in sale proceeds, notwithstanding a further cut in selling prices, and the rise of Rs. 1.26 crores in the cost of goods sold indicate that the production must have been substantially higher than in 1954, when the Company not only raised its production but expanded its manufacturing activities. The intensity of the Company's sales efforts, supported by sustained publicity, to popularise its products among consumers is reflected in the further rise of Rs. 14.39 lakhs in selling and other expenses. The reduction in selling prices, coupled with the mounting level of expenses, has further lowered the Company's profit margin in relation to turnover, as will be seen from the following figures taken from the Directors' report:

	(Per cent.)			
	1955	1954	1953	1952
Before taxation	6.4	7.0	7.4	7.7
After taxation	3.6	4.3	4.6	4.8

In addition to the sum of Rs. 22 lakhs transferred from the year's profit, the Company's reserves have been strengthened during the year by the transfer of Rs 113 86 lakhs to the special depreciation reserve, being the excess depreciation provision made on buildings and plant in post-war years at rates higher than normal rates. With the aforesaid transfer, made in accordance with the principle laid down in Schedule VI of the Companies Act, 1956, the reserves and surplus of the Company aggregate Rs. 326.58 lakhs, as against a paid-up capital of Rs. 230 lakhs. The debenture-stock is unchanged at

(*Continued in next page*)

Points From The Chair

Restriction on Mill Cloth Production

"I MAY now refer to one very important aspect of Government policy regarding the textile industry. In pursuit of certain ideologies, Government have decided to put a ceiling on the production of cloth by textile mills at 5,000 million yards. Whilst Government agree with us that the demand for cloth in the country has shown a marked tendency to increase, and by the end of the second Five-year Plan may well exceed 18 yards *per capita*, in their wisdom, they have decided that the additional requirements of cloth should be found from the handloom weavers. It is certainly incomprehensible that at a time when the country's most imperative need is increased production all round, Government should deliberately decide not to utilise the capacity of the industry to make its effective contribution towards meeting the increased demand for cloth in the country. I am not, for one moment, suggesting that the handloom weaver should not be encouraged. As a matter of fact, I am entirely at one with Government that to find increasing employment for a large number of people who are unemployed in the country, self-employment through cottage and small-scale industries should be encouraged. At the same time, Government should not pursue a policy which is bound to result, much sooner than we may dare to imagine, in an acute shortage of cloth. With the tremendous new spending by Government, the two main things for which the additional purchasing power will create new markets are foodstuffs and cloth, and it is most regrettable that by restricting the supply of cloth through organised industry, Government will be accelerating the inflationary spiral in the country."

A. D. SHROFF,
Svadeshi Mills Co., Ltd.,

Coveted Position of Indian Textile Industry

"In short, it is tragic to find that a noose is being slowly put round the neck of the promoters of textile industry who, after going through hard times of pioneering days, have over a period of years through careful pruning of dividend, ploughing back of profits, etc., developed the industry by stages to the status of the premier industry of the country representing a national investment of over Rs. 113 crores. Not only is it a matter of national pride to possess such an industry but its progress and continual development and modernisation have brought to our country a high degree of prestige attracting envious eyes of those foreign countries who are our competitors on the international cloth market. It would be suicidal to hold back the energised gears of this dynamic and progressive national effort with the intention of revitalising the cottage and village sector on the plea of creating more employment. There is no doubt that those foreign countries which are now scared of the tremendous progress of the Indian textile industry would breathe a sigh of relief, as more curbs placed on the expansion of the Indian textile industry would adversely affect its competitive position in the export market which, in turn, would make the way easy for other countries who are forging ahead boldly to capture the coveted position in the textile world."

N. H. TATA,
Tata Mills Ltd.

Labour Problem in Industries

"No industry can hope to survive for long if it carries an excessive labour force which, for fear of retrenchment, opposes improvements in efficiency. On this issue, there was a disastrous 82 days' strike last summer in the textile mills of Kanpur, which affected the three cotton textile units of our group, while the Cawnpore Woollen Mills also went on strike at the same time on a different issue. The Cawnpore Woollen Mills dispute was, in a large measure, later resolved by direct negotiation with the representatives of labour, but the issue of rationalisation is still before an enquiry committee appointed by the State Government. These strikes have caused great losses to the Corporation, which is handicapped in its negotiations by lack of unity among the labour leaders themselves. We earnestly hope that future changes in the law affecting trade unions and industrial disputes will give more reality to the former, and will lessen the number of references to adjudication as well as helping to remove from the field of dispute the major irritants in industrial relations, of bonus and workload. Meanwhile, the management of the Corporation will spare no effort by joint consultation to reach a good understanding with our workmen and their representatives on all matters affecting our common interest."

SIR ROBERT MENZIES,
British India Corporation Ltd.

Notice

THE SOORAH JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE 119th Ordinary General Meeting of the Shareholders of the Company will be held at 8, Royal Exchange Place, Calcutta, at 2-30 p.m. on Wednesday the 9th May 1956, for the following purposes:—

(1) To receive and consider the report of the Directors and to pass the audited accounts for the year ended 31st December 1955.

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

(3) To elect Directors in place of those retiring by rotation.

Sri G. P. Birla, an associate of the Managing Agents under the Companies Act 1956, retires by rotation but being eligible offers himself for re-election. As he has been acting as a Director of the Company since 1945, it is desirable to avail of his valuable advice by retaining him as a Director of the Company. Hence special notice is hereby given to pass with or without modification the following special resolution:—

"RESOLVED that Sri G. P. Birla, an associate of the Managing Agents under the Companies Act 1956 be appointed as a Director of the Company who is liable to retire by rotation under the provisions of the Articles of Association of the Company."

(4) To appoint Auditors and fix their remuneration.

Messrs. Lovelock and Lewes have intimated their intention not to be re-appointed as Auditors of the Company in view of the fact that the Account books of the Company are now being maintained in Hindi. A shareholder of the Company has given notice of his intention to propose the name of Messrs. Singhi & Co., Chartered Accountants, of 1-B, Old Post Office Street, Calcutta, for appointment as Auditors of the Company. A copy of such notice has been sent to the retiring Auditors. A special notice is hereby given to this effect.

(5) As special business to pass with or without modification the following resolution which will be proposed as special resolution:—

"THAT Article 112 of the Articles of Association of the Company be deleted and the following be substituted therefor:—

"112. The Directors will not be required to hold any qualification shares."

(6) To transact any other business which may be brought before the meeting with the permission of the Chairman.

The Share Transfer Books of the Company will remain closed from 30th April 1956 to 9th May 1956 (both days inclusive).

By Order of the Board,
HINDUSTHAN INVESTMENT CORPORATION LTD.,
Managing Agents.

CALCUTTA, 29*th March* 1956.

In particular to Mr. Kamalmani A. Dikshit, Pandit Kedarmani A. Dikshit and Mrs. Bidya Devi A. Dikshit, Mr. Kasam Ahmad Vaiz, Mr. Narendra Shumshere J. B. Rana and Mr. Prakashmani A. Dikshit.

Note.—(1) The Directors have recommended dividends on Preference Shares at 7 per cent. (free of income-tax) and on Ordinary Shares at Re. 1-8 per share (free of income-tax).

If dividends on shares as recommended by the Directors are declared at the meeting, THE DIVIDENDS WILL BE PAYABLE ONLY TO THE REGISTERED SHAREHOLDERS, whose names are on the Company's Register on 9th May 1956. No application need be sent for dividends, as relative Dividend Warrants will be posted to such shareholders within 3 months from the date of declaration.

The Shareholders are advised to notify any change of address.

Rs. 130 lakhs, against which there is a redemption fund of Rs. 20.22 lakhs. The additions to the gross block during the year aggregate Rs. 33.69 lakhs, bringing the total value of the block to Rs. 515.52 lakhs. This has been written down to a book value of Rs. 294 69 lakhs. The current assets amount to Rs. 605.02 lakhs, of which stock inventories (at or below cost) alone account for Rs. 391 63 lakhs, and exceed the current liabilities and provision for taxation, at Rs. 233.36 lakhs, by a huge margin of Rs. 371.66 lakhs.

The Rs. 10 paid-up ordinary shares of the Company are being currently quoted at Rs. 31.4 *ex-div.*, at which rate and on the basis of the latest dividend, the yield on the shares works out to 4.8 per cent. per annum, free of income-tax.

COMPANY MEETINGS AND DIVIDENDS

JENSON AND NICHOLSON (INDIA) LTD. Annual General Meeting, Calcutta, 27th April 1956. Dividend: As. 9 3/5 per ordinary share. Transfer books remain closed from 17th to 27th April 1956, both days inclusive.

CALCUTTA JUTE MANUFACTURING CO., LTD. Half-yearly General Meeting, Calcutta, 30th April 1956. Transfer books remain closed from 20th to 30th April 1956, both days inclusive.

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 30th April 1956. Transfer books remain closed from 16th to 30th April 1956, both days inclusive.

CAMBODIA MILLS LTD. Annual General Meeting, Coimbatore, 30th April 1956. Dividend: As. 2 per share. Transfer books remain closed from 14th to 30th April 1956, both days inclusive.

BOWREAH COTTON MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 1st May 1956. Dividend: *Nil.* Transfer books remain closed from 21st April to 1st May 1956, both days inclusive.

DUNBAR MILLS LTD. Half-yearly General Meeting, Calcutta, 1st May 1956. Dividend: Rs. 2-8 per ordinary share. Transfer books remain closed from 21st April to 1st May 1956, both days inclusive.

KETTLEWELL BULLEN & CO., LTD. Annual General Meeting, Calcutta, 1st May 1956. Dividend: Rs. 4 per share. Transfer books remain closed from 21st April to 1st May 1956, both days inclusive.

RAMNUGGER CANE AND SUGAR CO., LTD. Annual General Meeting, Calcutta, 2nd May 1956. Dividend: Rs. 2 per share. Transfer books remain closed from 13th April to 2nd May 1956, both days inclusive.

INDORE MALWA UNITED MILLS, LTD. Annual General Meeting, Bombay, 4th May 1956. Dividend: Rs. 6 per share (final). Transfer books remain closed from 16th April to 5th May 1956, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES CO., LTD. Annual General Meeting, Kozhikode, 5th May 1956. Dividend: As. 6 2/5 per share. Transfer books will remain closed from 23rd April to 5th May 1956, both days inclusive.

SAVAMALAI ESTATES LTD. Annual General Meeting, Kozhikode, Malabar, 5th May 1956. Dividend: Re. 1 per share. Transfer books will remain closed from 28th April to 5th May 1956, both days inclusive.

WESTERN INDIA MATCH CO., LTD. Annual General Meeting, Bombay, 7th May 1956. Dividend: Rs. 11 per share (includes bonus of Re. 1 per share). Transfer books remain closed from 16th April to 9th May 1956, both days inclusive.

NEW CENTRAL JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 14th May 1956. Transfer books will remain closed from 5th to 14th May 1956, both days inclusive.

PREMCHAND JUTE MILLS LTD. Half-yearly General Meeting, Calcutta, 14th May 1956. Transfer books will remain closed from 7th to 14th May 1956, both days inclusive.

CALCUTTA STEAM NAVIGATION CO., LTD. Half-yearly General Meeting, Calcutta, 15th May, 1956. Dividend: Rs. 6-4 per share. Transfer books will remain closed from 2nd to 15th May 1956, both days inclusive.

TRAVANCORE OGALE GLASS MANUFACTURING CO., LTD. Annual General Meeting, Manjummel, Alwaye, 31st May 1956. Dividend: *Nil.* Transfer books will remain closed from 21st to 31st May 1956, both days inclusive.

TRAVANCORE RAYONS LTD. Dividend of As. 12 per ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 26th April to 9th May 1956, both days inclusive.

NATIONAL RAYON CORPORATION LTD. Dividend of Rs. 12 per ordinary share, for the year ended 31st December 1955, payable on 25th May 1956. Transfer books will remain closed from 30th April to 24th May 1956, both days inclusive.

SHREE DIGVIJAY CEMENT CO., LTD. Dividend of Rs. 8-8 per ordinary share, for the year ended 31st December 1955, payable on 14th May 1956. Transfer books will remain closed from 27th April to 10th May, 1956, both days inclusive.

(*Concluded from previous page*)

(2) A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member.

(3) Explanatory statement in regard to special business to be transacted at the meeting.

It is desired to amend the Articles of Association of the Company by deleting the existing Article 112 requiring the Directors (other than ex-officio Directors) to hold 100 Ordinary Shares in the Company as qualification shares and by substituting a new Article providing that the Directors will not be required to hold any qualification shares. The Articles of Association of the Company may be inspected at the Company's office at 8, Royal Exchange Place, Calcutta during business hours.

INCREASED COMPETITION FROM COTTAGE PRODUCTS AFFECTS WIMCO

FINLAY GROUP MILLS PAY HIGHER DIVIDENDS

Western India Match Co., Ltd.

THE directors of the above Company (Chairman: Sir Chunilal V. Mehta, Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

During the year, a strike occurred at the company's Bareilly Factory which lasted for approximately two months. While production was maintained, sales in 1955 have been lower than last year due to increased competition from the low-priced products of subsidised cottage manufacturers, who have further expanded their output.

Negotiations are proceeding regarding disposal of the Shahdara Factory in view of the Pakistan authorities desire that the Company's interests in Pakistan be converted into a Pakistani company.

The factories and other property of the Company have been adequately maintained, and net fresh capital expenditure in respect of additions to machinery and buildings amounts to Rs. 12,89,232 (Rs. 42,37,266). Rs. 8,56,341 (Rs. 6,66,098) has been provided for depreciation on the same basis as last year. For 1955 a provision of Rs. 34,40,000 (Rs. 34,45,000) has been made for taxation, which includes the dividend tax as proposed in this year's budget.

The net profit for the year, after providing for depreciation and taxes for 1955 as aforesaid, is Rs. 39,65,281 (Rs. 41,47,258) to which should be added the sum of Rs. 5,28,887 (Rs. 4,26,761), being the balance carried over from last year, making a total of Rs. 44,94,168 (Rs. 45,74,019). The directors recommend that this amount may be dealt with as follows:—

To pay a dividend for the year ended 31st December 1955 at the rate of 10 (10) per cent. per annum (i.e. Rs. 10 (Rs. 10) per share) free of income-tax absorbing Rs. 27,50,000 (Rs. 27,50,000), to pay a bonus for the year ended 31st December 1955 at the rate of 1 (1) per cent. per annum (i.e. Re. 1 (Re. 1) per share) free of income-tax absorbing Rs. 2,75,000 (Rs. 2,75,000), to set aside for general reserve Rs. 5,00,000 (Rs. 6,00,000), to extra commission to the managing agents as per agreement Rs. 4,07,184 (Rs. 4,20,132) and to carry forward to next year's account Rs. 5,61,984 (Rs. 5,28,887).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital	2,75,00,000	Block ...	3,03,67,181
Reserves ...	68,75,000	Stock-in-trade	22,84,222
Depreciation fund ...	1,63,71,846	Raw materials ...	83,86,274
Provision for taxation ...	1,67,95,368	General stores ...	44,37,762
Liabilities ...	1,04,94,823	Goods-in-transit ...	12,87,557
Profit and loss account ...	44,94,168	Debts, deposits and advances ...	1,99,23,765
		Investments	46,909
		Banderols held in trust ...	7,95,243
		Cash ...	1,50,02,292
Rs.	8,25,31,205	Rs.	8,25,31,205

Finlay Mills, Ltd.

The directors of the above Company (Agents: Messrs. James Finlay & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December, 1955.

The trading profit for the year amounts to Rs. 21,81,533 (Rs. 15,93,292). From this amount has been deducted—

To provision for income-tax, Corporation tax and dividend tax Rs. 5,60,000 (Rs. 6,00,000), retiring gratuity fund Rs. 10,000 (Rs. 70,000), development reserve Rs. 5,70,000 (*nil*) and depreciation on buildings Rs. 25,000 (Rs. 1,00,000), on machinery Rs. 2,35,000 (Rs. 2,00,000), on furniture Rs. 2,739 (Rs. 7,000) and on mill bungalow furniture Rs. 2,261 (*nil*) leaving a balance of Rs. 7,76,538 (Rs. 6,16,292). After adding the amount carried forward from previous year of Rs. 3,90,661 (Rs. 5,74,369), there is a total of Rs. 11,67,199 (Rs. 11,90,661). The directors propose to pay a dividend of Rs. 20 (Rs. 16) per share on 50,000 shares (free of income-tax) absorbing Rs. 10,00,000 (Rs. 8,00,000), leaving a balance to be carried forward of Rs. 1,67,199 (Rs. 3,90,661).

The Alexander and Finlay Thread Co., in which the Company has a 50 per cent. interest with the English Sewing Cotton Co., Ltd., Manchester, showed a loss during the year of Rs. 1,34,780 of which the Company's share is Rs. 67,390. This loss is mainly due to certain technical difficulties which have been experienced with regard to certain articles of the Company's production, and to the need to establish markets but it is hoped that the results for the current year will show improvement.

A new building to accommodate cloth, stores, dining hall and offices is under construction. The rehabilitation of the spinning machinery continues and 10,000 new spindles together with the necessary preparatory machinery have been received and are at present under erection.

The whole of the Company's property as at the date of this report has been insured against fire for Rs. 4,25,40,940 and the profits and standing charges have been insured for Rs. 1,04,00,000 covering indemnity for 24 months including liability for lay-off and retrenchment compensation. The property is also covered against riots and civil commotions all risks.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Block ...	49,21,306
Reserves ...	70,11,875	Stock-in-trade	59,49,462
Provision for taxation ...	17,38,367	Stores, spares, etc. ...	19,66,043
Liabilities ...	33,91,832	Debts, deposits and advances ...	21,11,842
Profit and loss account ...	11,67,199	Investments	7,63,020
		Cash ...	25,97,600
Rs.	1,83,09,273	Rs.	1,83,09,273

Swan Mills, Ltd.

The directors of the above Company (Agents: Messrs. James Finlay & Co., Ltd., Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The trading profit for the year amounts to Rs. 28,76,266 (Rs. 22,34,054). From this amount has been deducted—

To provision for income-tax, Corporation tax and dividend tax Rs. 8,00,000 (Rs. 4,00,000), reserve fund Rs. 1,00,000 (*nil*), retiring gratuity fund Rs. 30,000 (*nil*), development reserve Rs. 1,25,000 (Rs. 2,00,000) and depreciation on buildings Rs. 2,20,000 (Rs. 1,00,000), on machinery Rs. 9,00,000 (Rs. 10,00,000) and on furniture Rs. 10,000 (Rs. 3,000) leaving a balance of Rs. 6,91,266 (Rs. 5,05,007). After adding the amount carried forward from previous year of Rs. 3,59,764 (Rs. 5,74,757), there is a total of Rs. 10,51,030 (Rs. 10,79,764). The directors proposed to pay a dividend of Rs. 25 (Rs. 20) per share on 36,000 (free of income-tax) absorbing Rs. 9,00,000 (Rs. 7,20,000), leaving a balance to be carried forward of Rs. 1,51,030 (Rs. 3,59,764).

The whole of the Company's property as at the date of this report has been insured against fire for Rs. 3,95,56,232 and the profits and standing charges have been insured for Rs. 1,13,00,000 covering indemnity for 24 months including liability for lay-off and retrenchment compensation. The property is also covered against riots and civil commotions all risks.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	36,00,000	Block ...	47,47,256
Reserves ...	65,33,465	Stock-in-trade	97,10,017
Provision for taxation ...	18,63,801	Stores, spares, etc. ...	9,91,091
Liabilities ...	63,66,551	Debts, deposits and advances ...	38,91,572
Profit and loss account ...	10,51,030	Investments	71,600
		Cash ...	3,311
Rs.	1,94,14,847	Rs.	1,94,14,847

Gold Mohur Mills, Ltd.

The directors of the above Company (Agents: Messrs. James Finlay & Co., Ltd.) submit the audited accounts of the Company for the year ended 31st December 1955.

The trading profit for the year amounts to Rs. 16,77,978 (Rs. 7,33,323). From this amount has been deducted—

To provision for income-tax, Corporation tax and dividend tax Rs. 2,66,000 (Rs. 1,35,000), retiring gratuity fund Rs. 30,000 (*nil*), development reserve Rs. 3,37,000 (*nil*) and depreciation on buildings Rs. 1,10,000 (Rs. 1,00,000), on machinery Rs. 3,45,000 (Rs. 2,00,000) and on furniture Rs. 8,000 (Rs. 10,000), leaving a balance of Rs. 5,81,978 (Rs. 2,88,323). After adding the amount carried forward from previous year of Rs. 2,04,390 (Rs. 5,41,067), there is a total of Rs. 7,86,368 (Rs. 8,29,390). The directors propose to pay a dividend of Rs. 15 (Rs. 12-8) per share on 50,000 shares (free of income-tax absorbing Rs. 7,50,000 (Rs. 6,25,000), leaving a balance to be carried forward of Rs. 36,368.

The whole of the Company's property as at the date of this report has been insured against fire for Rs. 3,45,27,900 and the profits and standing charges have been insured for Rs. 80,00,000 covering indemnity for 24 months, including liability for lay-off and retrenchment compensation. The property is also covered against riots and civil commotions all risks.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	50,00,000	Block ...	34,85,107
Reserves ...	51,19,022	Stock-in-trade	61,03,601
Provision for taxation ...	9,06,451	Stores, spares, etc. ...	7,98,374
Liabilities ...	24,45,077	Debts, deposits and advances ...	15,73,347
Profit and loss account ...	7,86,367	Investments	61,000
		Cash ...	22,15,488
Rs.	1,42,56,917	Rs.	1,42,56,917

Aruna Mills, Ltd.

The directors of the above Company (Agents: Messrs. P. M. Hutheesingh & Sons Ltd., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December 1955.

The profit after providing Rs. 5,00,000 (Rs. 6,52,929) for depreciation amounts to Rs. 16,06,548 (Rs. 3,56,611). After adding the last year's balance of Rs. 7,614 (Rs. 7,878), there remains a total amount of Rs. 16,14,162 (Rs. 3,64,489). The following appropriations have been made:—

To provision for taxation Rs. 8,50,000 (Rs. 1,20,000), machinery renewal fund Rs. 1,00,000 (*nil*), dividend equalisation fund Rs. 1,50,000 (*nil*) and contingency fund Rs. 1,50,000 (*nil*). There is a balance available of Rs. 3,64,163 (Rs. 2,44,489). The directors recommend the payment of dividends as follows:—

To the payment of a dividend on 10,000 5 per cent. cumulative preference shares for the year ending 31st December 1955 (less income-tax) Rs. 36,875 (Rs. 36,875), to the payment of a dividend of Rs. 30 (Rs. 20) per share income-tax free on 10,000 ordinary shares for the year ending 31st December 1955 Rs. 3,00,000 (Rs. 2,00,000) and to carry forward to next year's account Rs. 27,288 (Rs. 7,614).

The directors trust that the result of the working of the mills will be found satisfactory. The Company's properties have been insured against fire, excepting a certain risk, which is carried by the Company. The standing charges and profits have also been insured. The mills have 42,768 spindles, 1,452 doubling spindles and 912 looms and complete dyeing and bleaching plants.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	94,37,398
Reserves ...	94,58,068	Stock-in-trade	49,95,698
Depreciation fund ...	76,10,164	Stores ...	6,11,087
Provision for taxation ...	8,21,311	Debts, deposits and advances ...	47,97,818
Liabilities ...	18,89,605	Investments	9,10,172
Profit and loss account ...	3,64,162	Cash ...	13,91,137
Rs.	2,21,43,310	Rs.	2,21,43,310

Asoka Mills, Ltd.

The directors of the above Company (Agents: Messrs. Lalbhai Dalpatbhai & Co., Ahmedabad) submit the audited accounts of the Company for the year ended 31st December 1955.

The profit for the year after providing for depreciation Rs. 3,10,000 (Rs. 3,50,000) amounts to Rs. 27,41,485 (Rs. 9,87,753). After adding the last year's balance of Rs. 55,358 (Rs. 1,23,642), there is a total of Rs. 27,96,843 (Rs. 11,11,396). The following appropriations have been made:—

To provision for taxation Rs. 13,25,000 (Rs. 4,50,000), to reserve fund Rs. 3,50,000 (Rs. 50,000), to machinery renewal fund Rs. 3,00,000 (Rs. 1,00,000), to dividend equalisation fund Rs. 1,50,000 (Rs. 50,000) and to contingency fund Rs. 2,00,000 (Rs. 1,00,000), leaving a balance available of Rs. 4,71,843 (Rs. 3,61,396). The directors recommend payment of dividends as follows:—

To the payment of a dividend on 6,000 5 per cent. cumulative preference shares for the year ending 31st December 1955 (less income-tax), Rs. 22,125 (Rs. 22,125), to the payment of a dividend on 6,000 4½ per cent. redeemable cumulative preference shares for the year ending 31st December 1955 (less income-tax) Rs. 19,913 (Rs. 19,913), to the payment of a dividend of Rs. 30 (Rs. 22) per share income-tax free on 12,000 ordinary shares for the year ended 31st December 1955 Rs. 3,60,000 (Rs. 2,64,000) and to carry forward to next year's account Rs. 69,806 (Rs. 55,358). The directors trust that the result of the working of the mills will be found satisfactory.

The Company's properties have been insured against fire, excepting a certain risk which is carried by the Company. The standing charges and profits have also been insured. The mills have 37,368 spindles and 914 looms and complete dyeing and bleaching plants.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,08,052	Block ...	84,56,974
Reserves ...	1,18,82,529	Stock-in-trade	42,89,761
Depreciation fund ...	69,64,953	Stores ...	4,07,557
Provision for taxation ...	17,47,742	Debts and advances ...	28,54,622
Liabilities ...	17,53,101	Investments	24,30,395
Profit and loss account ...	4,71,843	Cash ...	67,88,911
Rs.	2,52,28,220	Rs.	2,52,28,220

Jawahar Mills, Ltd.

The directors of the above Company (Managing Agents: Umaiyambika & Co., Salem) submitted the audited accounts of the Company for the year ended 31st December 1955.

After deducting all working expenses and interest and providing Rs. 2,34,762 (Rs. 3,79,724) for depreciation, the year's working has resulted in a net profit of Rs. 8,91,769 (Rs. 9,51,081). From this, the directors have appropriated Rs. 894 (Rs. 1,206) (Rs. 4,42,936) for taxes on the profit of 1955. There is a balance of Rs. 5,98,598 (Rs. 4,00,596) which the directors recommend to dispose of as follows:—

To general reserve Rs. 1,22,682 (*nil*), reserve for dividend equalisation Rs. 1,25,000 (Rs. 1,25,000), reserve for contingencies Rs. 1,50,000 (Rs. 1,20,373), pay a tax-free dividend of 12½ (12½) per cent. to shareholders Rs. 1,17,500 (Rs. 1,11,250) and to carry forward to next year Rs. 83,416 (Rs. 43,973).

The directors inform that the construction of the buildings of the branch mill at Chettinad, is well under progress. The machinery that have been ordered for this branch are all expected to arrive in a few months time.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,40,000	Block ...	14,43,868
Debentures	4,27,175	Stock-in-trade ...	14,52,231
Reserves ...	7,36,933	Stores, etc. ...	2,20,061
Provision for taxation ...	8,39,222	Debts, deposits and advances ...	14,80,753
Other assets	26,296	Investments	2,98,525
Liabilities ...	16,79,902	Cash ...	3,52,688
Profit and loss account ...	5,98,598		
Rs.	52,48,126	Rs.	52,48,126

Mafatlal Fine Spg. & Mfg. Co., Ltd.

The directors of the above Company (Secretaries, Treasurers & Agents: Messrs. Navinchandra Purshotamdas & Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December 1955.

The working result showed a profit of Rs. 28,08,562 (Rs. 19,33,121) to which was added the balance profit of 1954 Rs. 15,016 (Rs. 7,395) making a total of Rs. 28,23,578 (Rs. 19,40,516). From this the directors have appropriated the following sums:—

To provision for taxation Rs. 7,00,000 and to depreciation fund Rs. 11,00,000, leaving a balance of Rs. 10,23,578 (Rs. 10,15,516). Out of this balance the directors paid dividends for the year ended 31st December 1955:—

13th dividend on 14,500 redeemable cumulative 1st preference shares at Rs. 4-8 (Rs. 4-8) per share (free of income-tax) Rs. 65,250 (Rs. 65,250), 12th dividend on 14,500 redeemable cumulative 2nd preference shares at Rs. 4-8 (Rs. 4-8) per share (free of income-tax) Rs. 65,250 (Rs. 65,250) and 21st dividend on 58,000 ordinary shares at Rs. 15 (Rs. 15) per share (free of income-tax) Rs. 8,70,000 (Rs. 8,70,000) leaving a balance to be carried forward to 1956 account of Rs. 23,078 (Rs. 15,016).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	87,00,000	Block ...	1,59,36,560
Reserves ...	1,04,05,809	Stock-in-trade ...	39,94,452
Depreciation fund ...	1,02,53,454	Stores ...	12,39,481
Provision for taxation ...	33,99,640	Debts, deposits and advances ...	84,10,465
Investment fluctuation account ...	8,59,938	Investments	74,44,519
Liabilities ...	18,48,934	Cash ...	12,65,876
Profit and loss account ...	28,23,578		
Rs.	3,82,91,353	Rs.	3,82,91,353

New Union Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Mafatlal Chandulal & Co. (Bombay) Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December 1955.

The working result showed a profit of Rs. 9,34,869 (Rs. 7,73,869) to which was added the balance profit of 1954 Rs. 8,178 (Rs. 3,072) making a total of Rs. 9,43,047 (Rs. 7,76,941). From this profit the directors have appropriated the following sums:—

To provision for taxation Rs. 4,32,000 (Rs. 1,60,000), special depreciation fund Rs. 1,76,300 (Rs. 4,50,000) and development rebate reserve Rs. 99,727 (*nil*), leaving a balance of Rs. 2,35,020 (Rs. 1,66,941). Out of this, the directors have paid a dividend of Re. 1-12 (Re. 1-4) per share, (free of income-tax), amounting to Rs. 2,22,268 (Rs. 1,58,763) leaving a balance to be carried forward to 1956 account of Rs. 12,752 (Rs. 8,178).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,70,100	Block ...	31,34,527
Reserves ...	27,54,822	Stock-in-trade ...	28,77,113
Special depreciation fund ...	13,42,419	Stores and spare parts, etc. ...	4,67,656
Provision for taxation ...	3,09,678	Debts, deposits and advances ...	21,31,931
Liabilities	24,19,542	Investments	50,000
Profit and loss account ...	9,43,047	Cash ...	3,78,381
Rs.	90,39,608	Rs.	90,39,608

Sassoon Spinning & Weaving Co., Ltd.

The directors of the above Company (Managing Agents: M.G. Investment Corporation Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December 1955.

The working result showed a profit of Rs. 12,44,645 (Rs. 16,88,573) to which was added the balance profit of 1954 Rs. 3,218 (Rs. 10,145) making a total of Rs. 12,47,863 (Rs. 16,98,718). From this profit the directors have appropriated the following sums:—

To provision for taxation Rs. 4,00,000, special depreciation fund Rs. 2,32,214 and development rebate reserve Rs. 1,66,581 leaving a balance of Rs. 4,49,068 (Rs. 3,15,718 after allocations to taxation etc.). Out of this balance, the directors paid a dividend of Rs. 1-12 (Re. 1-4) per share, (free of income-tax) amounting to Rs. 4,37,500 (Rs. 3,12,500) leaving a balance to be carried forward to 1956 account of Rs. 11,568 (Rs. 3,218).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Block ...	41,99,223
Reserves ...	52,59,475	Stock-in-trade ...	53,66,804
Provision for taxation ...	11,19,566	Stores, spare parts, etc.	7,25,771
Depreciation fund—special ...	22,91,390	Debts, deposits and advances ...	27,90,677
Liabilities	33,73,864	Investments	1,63,422
Profit and loss account ...	12,47,863	Cash ...	26,11,261
Rs.	1,57,97,158	Rs.	1,57,97,158

Port Shipping Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December 1955.

After providing Rs. 32,895 (Rs. 30,680) for depreciation and Rs. 92,000 (Rs. 38,500) for taxation, and after writing back Rs. 17,000 excess provision for taxation in respect of previous years, there is a balance of Rs. 1,48,922 (Rs. 1,32,644) at the credit of the profit and loss account. The directors recommend the payment of a dividend of As. 12 (As. 8) per share, absorbing Rs. 1,05,617 (Rs. 70,411) and leaving a balance of Rs. 43,305 (Rs. 62,233) to be carried forward.

During the half-year, the Company's Fleet was strengthened by the purchase of two steam launches, two motor launches and seventy lighters.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	14,08,220	Block ...	35,14,969
Reserves ...	24,75,000	Stores ...	1,17,018
Provision for taxation ...	1,88,854	Debts, deposits and advances ...	5,28,695
Liabilities ...	6,39,753	Investments	3,32,249
Profit and loss account ...	43,305	Cash ...	2,62,201
Rs.	47,55,132	Rs	47,55,132

Assam Match Co., Ltd.

The directors of the above Company (Chairman: Mr. Dinshaw D. Romer, Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The trading result of the year has been satisfactory, both production and sales being good. The factory and other property of the Company have been adequately maintained. Rs. 1,16,268 (Rs. 83,666) has been provided for depreciation on buildings and machinery on the same basis as last year. For 1955 a provision of Rs. 4,00,000 (Rs. 3,02,000) has been made for taxation, which includes the dividend tax as proposed in this year's budget.

The net profit for the year, after providing for depreciation and taxes for 1955 as aforesaid, is Rs. 4,35,902 (Rs. 4,07,965) to which should be added the sum of Rs. 1,17,493 (Rs. 1,34,528) being the balance carried over from last year, making a total of Rs. 5,53,395 (Rs. 5,42,493), which the directors recommend may be dealt with as follows:—

To pay a dividend for the year ended 31st December, 1955 at the rate of 7½ (7½) per cent. per annum (i.e., As. 12 (As. 12) per share) free of income-tax absorbing Rs. 2,25,000 (Rs. 2,25,000), to pay a bonus for the year ended 31st December 1955 at the rate of 5 (5) per cent. per annum (i.e., As. 8 (As. 8) per share) free of income-tax absorbing Rs. 1,50,000 (Rs. 1,50,000), to set aside for general reserve Rs. 60,000 (Rs. 50,000) and to carry forward to next year's account Rs. 1,18,395 (Rs. 1,17,493).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	30,00,000	Block ...	38,39,494
Reserves ...	8,25,000	Stock-in-trade	5,98,244
Depreciation fund...	20,85,060	General stores	7,37,854
Provision for taxation ...	19,41,265	Raw materials	5,46,826
Liabilities ...	4,29,718	Goods-in-transit ...	86,409
Profit and loss account ...	5,53,395	Other assets	38,448
		Debts, deposits and advances ...	24,37,529
		Investments	6,071
		Cash ...	5,43,563
Rs.	88,34,438	Rs.	88,34,438

Rayalaseema Mills Ltd.

The directors of the above Company (Managing Agents: The Rayalaseema Development Co., Adoni) submit the audited accounts of the Company for the year ended 31st December, 1955.

The accounts show a profit of Rs. 4,84,225 (Rs. 2,42,820) has been made for the year 1955 after meeting all the expenses of operation and management and after providing Rs. 3,84,884 (Rs. 3,82,687) for depreciation to which has to be added the amount of profit for the previous year of Rs. 2,84,547 (Rs. 4,43,981) making a total of Rs. 7,68,772 (Rs. 6,86,800). Out of this amount the following appropriations have been made in the year 1955:—

To provision for taxes Rs. 10,000 (Rs. 50,000), plant replacement reserve Rs. 50,000 (Rs. 1,50,000) and payment of dividend Rs. 2,01,042 (Rs. 1,34,028) leaving a balance of Rs. 5,07,730 (Rs. 2,84,547). The directors now propose the following appropriations:—

To provision for taxes Rs. 2,25,000 (Rs. 10,000), dividend equalisation reserve Rs. 30,000, and a dividend of 10 (9) per cent. on ordinary shares Rs. 2,23,380 (Rs. 2,01,042) leaving a balance of Rs. 29,350 (Rs. 23,505) to be carried forward to next year.

The directors are glad that they have placed before the shareholders, the accounts of another year of satisfactory progress. During the year the price of the local cotton was favourable. As for yarn, excepting for the last 2 or 3 months when there has been a slight increase, the price continued to be steady for the rest of the year.

Government of India allowed export quotas during the year and they had to give an additional *ad hoc* quota due to the lack of interest in the local market and the good production of all mills generally.

The State Government of Andhra suddenly increased the electricity charges to over 100 per cent. This has caused an unexpected increase in the cost of production. The Government of India has relaxed the import policy regarding textile machinery. For every carding plant and spinning plant ordered with the indigenous manufacturers in India, the Government have permitted the import of equal quantity of foreign machinery. The directors have taken advantage of this aspect of the import policy of the Government and have decided to expand by installing another 6,400 spindles, thus making in all 21,200 spindles. At the request of the directors the Chairman Sri H. Sitarama Reddy visited the manufacturing centres of textile machinery in Japan. His visit has proved to be of immense benefit in negotiating the prices of foreign machinery. Orders for the Indian Machinery have been placed and the import licence for the balance of machinery is expected. It is expected that the new spindles will be put into commission before the end of this year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	22,29,625	Block ...	22,09,841
Reserves ...	12,10,000	Stock-in-trade ...	40,969
Provision for taxes ...	1,10,000	Stock of raw materials	3,75,368
Liabilities ...	8,61,292	Mills stores and other spares ...	1,22,402
Profit and loss account ...	5,07,729	Debts, deposits and advances ...	18,30,981
		Investments	86,770
		Cash ...	2,52,315
Rs.	49,18,646	Rs	49,18,646

Shree Changdeo Sugar Mills Ltd.

The directors of the above Company (Managing Agents: Messrs. A. H. Bhiwandiwalla & Co., Bombay) submit the audited accounts of the Company for the year ending 30th September 1955.

The accounts shows a net profit of Rs. 11,35,615 (Rs. 2,38,192) (subject to taxation). Adding to this a sum of Rs. 38,305 (Rs. 50,113) being balance brought forward from last year's profit, there is a total of Rs. 11,73,921 (Rs. 2,88,305) which the directors propose to dispose of as under:—

Dividend on 1,20,000 ordinary shares at Rs. 2 (Re. 1) per share free of income-tax Rs. 2,40,000 (Rs. 1,20,000), provision for income-tax Rs. 4,50,000 (Rs. 1,30,000) and balance to be carried over to next year's account Rs. 4,83,921 (Rs. 2,88,305).

During the year the production of sugar was 81,054 bags against 32,019 bags during the previous year and was the highest ever since the factory was established. The profits would have increased further had it not been for the fall in price of sugar during the year. The results are satisfactory. The plant and machinery are well maintained.

Factory Expansion.—As informed last year, the machinery ordered out for the expansion has arrived with the exception of turbo set and one crystaliser and all the machinery has been erected at the factory before the crushing was started.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	13,53,494
Reserves ...	31,37,425	Building under construction and machinery under erection	14,62,204
Provision for taxation ...	55,995		
Liabilities	23,65,020	Stock-in-trade	16,29,945
Profit and loss account ...	11,73,920	Stores and spares ...	7,68,121
		Other assets	13,424
		Crop-in-progress ...	14,29,608
		Debts, deposits and advances ...	5,22,336
		Investments	9,96,364
		Cash ...	56,874
Rs.	82,32,370	Rs.	82,32,370

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

QUESTION HOUR IN PARLIAMENT

Committee on Public Expenditure

THE Government of India will take a decision on the appointment of a high-powered committee to go into the question of public expenditure and avoid waste, after this question has been considered by the National Development Council at its forthcoming meeting at the end of this month. The Committee will consist of Ministers and the Deputy Chairman of the Planning Commission. The broad terms of reference of the Committee and other details are still being worked out.

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Foreign Investments in India

The Government of India is not contemplating making any statement on investments by any particular foreign country in India.

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Indo-Pakistan Financial Talks

The Governments of India and Pakistan have agreed to hold a meeting at Secretariat level in New Delhi shortly to discuss the outstanding financial issues between the two countries. This meeting will prepare the ground for a future meeting of the Finance Ministers of the two countries. The date and agenda of the Secretariat level meeting are under discussion.

—*C. D. Deshmukh*

U.S. Investment Guarantee Scheme

The American Investment Guarantee Scheme is still being considered by the Government of India.

—*M. C. Shah*

Soviet Experts' Salaries

Seventeen foreigners are at present employed in the Bhilai steel project, being built with Soviet aid. They consist of one chief engineer on a salary of Rs. 4,500, five "leading specialists" each on a salary of Rs. 2,850, six specialists drawing Rs. 2,400 each and five interpreters on a salary of Rs. 1,950 each. These salaries are free from income-tax. At present, the Government of India is providing these foreigners with free accommodation. Whether they will pay rent for the accommodation in future is a matter to be discussed with the Soviet Government. The salaries the Russian experts are at present drawing are fixed after discussion with the Soviet Government. I have no knowledge of salaries these experts draw in Russia for similar work. We are employing one technical engineer at the Rourkela plant whose salary is comparable with that paid to the Soviet expert. The foreign technical personnel in the Bhilai plant will ordinarily remain in India for a year after the plant goes into full production.

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Iron Ore Deposits

The Government of India proposes to develop and work the iron ore deposits at Rajhara Hills (Madhya Pradesh) for the Bhilai steel plant. The Hindustan Steel Ltd. will develop and work the Bonai iron ore range in the Sudergarh District (Orissa) for the Rourkela steel plant. The estimated output from each of the deposits in Rajhara Hills and Bonai range is expected to be about 2 million tons per annum.

—*T. T. Krishnamachari*

Licences for Cement Factories

Ten applications for licences for setting up new cement factories are pending with the Government.

* * * *

Alwaye Fertilisers

The changes suggested in the process of manufacture of fertilisers at the Alwaye Fertilisers and Chemicals are now being put into practice and, consequently, the factory which had been a losing concern for several years is now expected to become an economic proposition. An expert committee which had gone into the matter has not only suggested a change in the manufacturing process but also recommended that the total production in the factory should be increased.

* * * *

Shortage of Motor Trucks

The shortage of motor trucks now experienced in the country is likely to be eliminated shortly.

—*Nityanand Kanungo*

Co-operative Farming

As many as 174 villages in 25 States turned into co-operative farming units during the first Five-year Plan period up to 31st December 1955. Apart from this, there were co-operative farming societies operating in villages, which did not cover the entire village. Separate assessment of increased production on account of co-operative farming has not been made.

—*Ajit Prasad Jain*

New Post Offices

More than 4,000 new post offices are to be opened in the country during 1956-57.

* * * *

Manufacture of Teleprinters

The Posts and Telegraphs Department has decided to establish a factory for the manufacture of teleprinters. The capital outlay of the factory will be Rs. 80 lakhs. No decision has so far been taken as to where the factory should be located. The factory, which will be set up with the help of a foreign firm manufacturing such machines, will manufacture 500 teleprinters annually in the initial stages. The Government of India is negotiating with various concerns manufacturing teleprinters in foreign countries to secure their help in the establishment of this factory.

—*Raj Bahadur*

Labour Film Unit

The Labour Ministry proposes to set up a film unit under the second Plan. The cost of the unit will be Rs. 18 lakhs. The unit will produce educational films covering various aspects concerning workers such as safety, health, welfare and vocational training.

—*Abid Ali*

Indo-Soviet Shipping Agreement

The total cargo to be imported from the U.S.S.R. under the new Indo-Soviet shipping agreement is expected to be about 350,000 tons per year and that to be exported from India will be nearly 50,000 tons per year in the next two years. It is expected that cargoes for export to certain Central European countries will also be available for carriage by the new shipping line.

* * * *

Second Shipping Corporation

No firm decision has been taken whether the second shipping corporation, when set up, should operate tramp ships exclusively or run regular liner services.

* * * *

Tankers for Coastal Trade

The Government has decided to acquire, through the Eastern Shipping Corporation, Ltd., two medium-size tankers of about 6,000 g.r.t. (8,500 d.w.t.) each, for coastal operation to carry refined products on the basis of time charter to the oil refinery companies in India. There is no proposal at present for the acquisition of tankers for bringing crude oil from abroad.

* * * *

Rural Communications

The Government of India is considering the question of appointing a special officer to assess the overall needs of the country in respect of rural communications.

* * * *

Road Development

The Centre has a non-lapsing fund to finance all road development. The Taxation Enquiry Commission had recommended that the States also should have such a non-lapsing fund. The Centre is in correspondence with the State Governments in this connection.

* * * *

Inland Water Transport

The Government has kept in view the desirability of co-ordinating inland water routes with rail and sea routes, while formulating plans for the development of inland waterways. Provisions have been made in the second Five-year Plan for the development of selected inland river stations on the Ganga and the Brahmaputra with provision for improved rail connections also. In the south, the possibility of linking the Buckingham Canal with the Madras harbour is being investigated.

* * * *

Kandla Port

The construction of Kandla port is estimated to cost about Rs. 14 crores. Works costing in all Rs. 6.25 crores have been given on contract to a firm of contractors. I do not consider as "abnormal" the rate of Rs. 2 lakhs per mile because of the tidal conditions of the area where the roads are constructed and the "superior specification" adopted in the light of these conditions.

* * * *

Railmen-Management Association

The manner in which railway labour is to be associated with management will be discussed with the National Federation of Indian Railwaymen shortly.

* * * *

Shipping Tonnage

Twenty-six ships of 89,622 tons were added to the Indian fleet up to the end of February 1956 during the first Five-year Plan.

—*O. V. Alagesan*

Notice

MACNEILL AND BARRY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Board of Directors of this Company has sanctioned payment of the Dividend on the Preference Share Capital of the Company at the rate of 5½ per cent. per annum for the half-year ended 31st March 1956.

Payment will be made on 1st May 1956 to those Preference Shareholders whose names appear on the Company's Register on that date, or in accordance with their instructions.

By Order of the Board,
A. H. FOSTER,
Secretary.

2, FAIRLIE PLACE,
CALCUTTA, *12th April* 1956.

Notices

THE SVADESHI MILLS COMPANY LIMITED

NOTICE

THE SEVENTIETH ANNUAL GENERAL Meeting of The Svadeshi Mills Co., Ltd., which was held on Thursday the 12th April 1956 was adjourned, with the consent of the shareholders present, owing to the sudden sad demise of a shareholder at the Meeting. The adjourned meeting will be held at the registered office of the Company, Bombay House, Bruce Street, Fort, Bombay, on Friday the 20th April 1956, at 4-10 p.m. (S.T.) to transact the business left unfinished at the aforesaid meeting.

For and on behalf of,
THE SVADESHI MILLS CO., LTD.,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
T. V. BADDELEY,
Director.

BOMBAY, *13th April* 1956.

Note.—The dividends, if sanctioned at the General Meeting, will be payable at the Bank of Baroda Ltd., from Saturday the 21st April 1956 to the shareholders whose names stood on the Register of the Company on the 9th April 1956 and the Dividend warrants will be duly posted to the registered addresses of such shareholders.

ROLLING STOCK AND EQUIPMENT AGAINST GLOBAL PROCUREMENT PROGRAMME NO. GP8—1956-57

THE MINISTRY OF RAILWAYS (RAILWAY Board), Government of India, propose to obtain from established and reliable manufacturers rolling stock and other Railway equipment shown in the list below. Manufacturers in Europe, United Kingdom and North America can obtain copies of the Indian Railways Global Procurement Programme of Rolling Stock No. GP8-1956-57 giving the particulars of items required and explaining the procedure for submission of quotations, from the Director General, India Store Department, Government Building, Bromyard Avenue, Acton, London W.3. Manufacturers in other countries and authorised agents in India of all foreign manufacturers can obtain such copies from the Chief Design Engineer, Central Standards Office, Baroda House Annexe, New Delhi, at a cost of rupees two per copy.

List of Rolling Stock and Railway Equipment

WAGONS:
Broad Gauge:
355 Nos. Petrol Tank Wagons 'TPR'
21 „ Heavy Oil Tank Wagons 'TOH'
30 „ Bitumen Tank Wagons 'TBT'
38 „ Liquid Caustic Soda Tank Wagons 'TCS'
3 „ Sulphuric Acid Tank Wagons 'TSA'

COACHING UNDERFRAMES:
Broad Gauge:
50 Nos. Bogie Coaching Underframe 2" Camber WA-16.
200 „ Bogie Coaching Underframe 2" Camber WA-15.

ELECTRIC MULTIPLE UNIT COACHES:
Broad Gauge:
90 Nos. E.M.U. Coaches 1500 Volts D.C. for Bombay Area.
203 „ E.M.U. Coaches 3000 Volts D.C. for Calcutta Area.

LOCOMOTIVES:
55 Nos. Electric Locomotives 3000 Volts D.C. for Calcutta Electrification.

TOWER WAGONS:
Broad Gauge:
9 Nos. Tower Wagons Self-propelled Diesel-powered.

CRANES:
Broad Gauge:
12 Nos. Steam Travelling Crane 5-ton capacity with 35' long jib.

H. D. SINGH,
Director, Railway Equipment,
Railway Board.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	8	6
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	1st Dec., 1954	5½	5
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1940	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	28th June, 1955	3	4½
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	7th Mar., 1956	3½	4½

‡ Except Chicago where the rate will be 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 13th April, 1956		Week ended 6th April, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,07,334	68,36,76,000	3,35,515	85,07,64,000
Calcutta	1,95,127	61,83,08,433	1,92,763	79,03,91,268
Madras	63,270	7,01,84,127	1,03,487	13,21,31,232
All Centres—				
1953-54*	..	..	2,69,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Jan., 1956	..	..	3,210,000	6,07,68,00,000
Feb., „	..	..	3,302,000	7,51,85,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 6th April, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	10,00,00,000
National Agricultural Credit (Stabilisation) Fund	....
Deposits:—	
(a) Government—	
(1) Central Government	57,10,13,000
(2) Other Governments	35,69,51,000
(b) Banks	53,41,67,000
(c) Others	17,34,83,000
Bills Payable	7,45,58,000
Other Liabilities	30,65,82,000
Rupees	221,07,54,000

ASSETS	Rs.
Notes	14,78,46,000
Rupee Coin	7,75,000
Subsidiary Coin	7,97,000
Bills Purchased and Discounted—	
(a) Internal	38,50,000
(b) External	....
(c) Government Treasury Bills	13,18,91,000
Balances held abroad*	62,09,30,000
Loans and Advances to Governments	1,35,00,000
Other Loans and Advances	64,81,95,000
Investments	46,82,52,000
Other Assets	18,07,15,000
Rupees	221,07,54,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 25,43,83,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 51,27,83,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	14,78,46,000	
Notes in circulation	1566,68,69,000	
Total Notes issued		1521,47,15,000
Total Liabilities	....	1521,47,15,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	686,41,60,000	
Total of A		726,43,31,000
B. Rupee Coin		106,28,43,000
Government of India Rupee Securities		688,75,41,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1521,47,15,000

Ratio of Total of A to Liabilities: 47.745 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 6th April, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	6,16,78,000
(ii) Other demand liabilities	645,03,50,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	2,91,50,000
(ii) Other time liabilities	415,64,49,000
3. Borrowings in India from the State Bank and/or a notified bank:	14,34,31,000
(i) Demand liabilities	....
(ii) Time liabilities	....
4. Cash in India	38,29,09,000
5. Balances with the Reserve Bank in India	54,76,90,000
6. Balances with other banks in current account in India	11,72,73,000
7. Money at call and short notice in India	5,80,40,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	359,55,42,000
9. Advances in India	607,01,41,000
10. Inland Bills purchased and discounted in India	104,09,80,000
11. Foreign Bills purchased and discounted in India	45,65,42,000

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

EXCHANGE RATES

	17th April, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. Rs.	476¼	476¼
Buyers T.T. Rs.	473	473
London on New York $	2.80¼-2.80¾	2.80¼-280¼
London on Paris Fcs.	983¼	985
London on Berne Sw. Fcs.	12.25¼-12.26	12.26¼-12.26¾
New York on London $	2.80¼-2.80¾	2.80¼-2.80¾

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India†	'53-'54	373.37	..	10,600	284
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1953	19.24	Kyats 3,905	390	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,424	1,770	825
New Zealand	1954	2.09	£ (N.Z.) 802	1,070	5,110
Australia	1954	8.99	£ (A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 800,000	144,423	9,016
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1953	42.86	F.Fr. 10,470,000	14,420	3,364
W. Germany	1953	48.99	Dm. 103,000	11,705	2,389
Italy	1953	48.07	Lr. 8,067,000	6,832	1,421
Norway	1954	3.39	Kr. 18,424	1,230	3,633
Sweden	1953	7.17	Kr. 36,957	3,422	4,772
Netherlands	1953	10.49	Grs. 19,360	2,451	2,336
Denmark	1953	4.37	Kr. 22,915	1,580	3,616
Switzerland	1953	4.88	Sw.Fr. 20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation. Monthly Bulletin of Statistics, Dec., 1955.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 6th April, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	13,51,86,000
(b) Provincial Governments	50,62,000
(c) Banks	14,54,20,000
(d) Others	19,77,22,000
Bills Payable	13,79,000
Other Liabilities	5,84,91,000
Rupees	60,32,60,000

ASSETS	Rs.
Notes	6,75,41,000
Rupee Coin	9,000
Subsidiary Coin	13,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	8,03,000
Loans and Advances to Governments	2,05,00,000
Provincial Governments' Debtor Balances	3,00,16,000
Other Loans and Advances	9,22,54,000
Investments	25,52,41,000
Other Assets	13,99,83,000
Rupees	60,32,60,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	6,75,41,000	
Notes in circulation	293,75,72,000	
Total Notes issued	....	300,50,63,000
Total Liabilities	....	300,50,63,000

ASSETS.	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion	....	
Sterling Securities	86,98,38,000	
Government of India Securities	26,53,83,000	
India Notes representing assets receivable from the Reserve Bank of India	48,05,30,000	
B. Rupee Coin	6,38,48,000	167,77,09,000
Government of Pakistan Securities	120,45,00,000	
Internal bills of exchange and other commercial paper	....	
		126,83,48,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	300,50,63,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.69 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	6th April, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1506.69	1,466.64	1,444.09	1,322.77
Notes held in Banking Department	35.05	14.78	11.77	8.87	8.42
Foreign Securities	59.50	686.42	656.42	697.16	651.97
Rupee Securities	37.39	688.75	678.82	613.25	533.75
Banking Department					
Deposits of:					
Government of India	14.89	57.10	67.34	54.31	57.81
Other Governments	..	35.70	62.03	10.55	30.16
Balances held abroad	10.08	62.09	59.72	40.62	73.96
SCHEDULED BANKS					
Demand Liabilities	134.36	651.20	635.99	612.28	534.38
		(6.17)†	(4.89)†	(3.95)†	(9.38)†
Time Liabilities	102.24	418.56	414.32	416.77	378.90
Borrowings from		(2.92)†	(3.01)†	(3.14)†	(1.41)†
Reserve Bank	..	30.83	65.08	53.70	21.33
		(25.44)‡	(27.49)‡	(23.46)‡	(16.35)‡
Borrowings from State Bank	..	14.34	20.55	15.51	7.92
Cash in India	6.70	38.29	35.57	33.91	34.77
Balances with Reserve Bank	25.17	54.77	49.12	48.09	47.39
Excess over statutory limits	15.52	13.84	9.04	9.94	10.60
Balances with other banks in current account in India	..	11.73	10.87	9.14	11.32
Money at call and short notice in India	..	5.80	6.46	4.41	13.50
Investments (at book value)	105.09	359.55	360.07	364.74	342.37
Advances and bills		756.80	760.80	721.14	651.11
STATE BANK					
Deposits	87.76	241.43	238.06	229.18	223.35
Investments	51.99	107.45	106.06	107.07	104.74
Advances	30.35	137.22	141.14	130.23	127.75
Cash	14.69	20.43	15.57	15.85	14.14

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January,		Ten months, April to Jan.,	
	1955	1956	1954-55	1955-56
Import Duties				
Revenue	22.08	10.51	112.14	95.96
Protective	0.60	0.84	6.31	8.44
On surplus disposals	—	—	0.13	0.08
Total Import duties	22.68	11.35	118.58	104.48
Export Duties	4.06	2.03	32.45	30.93
Land Customs	0.14	0.20	1.57	1.15
Miscellaneous	0.09	0.05	0.90	0.59
Gross total customs	27.57	14.23	153.50	137.15
Refunds and drawbacks	0.16	0.21	1.27	2.12
Net Customs	27.41	14.02	152.23	135.03
Gross excise	9.41	13.51	85.18	123.05
Refunds	0.07	01.3	1.49	3.60
Net Excise	9.34	13.38	83.69	119.46
Net total of customs and excise†	36.75	27.40	235.92	254.49

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 6th April, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL:—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	241,43,39,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	41,00,000
Bills Payable	.. ..	9,95,67,000
Bills for Collection being Bills Receivable as per contra	.. ..	58,78,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	23,37,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	5,99,14,000
Total .. Rs.		270,58,85,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	.. ..	17,34,27,000
Balances with other Banks	.. ..	3,08,35,000
Money at Call and Short Notice	.. ..	53,33,000
INVESTMENTS:		
Government and other Trustee Securities	.. 97,10,04,000	
Other Authorised Investments	.. 10,34,84,000	
		107,44,88,000
ADVANCES:		
Loans Cash Credits, Overdrafts, etc.	..102,00,85,000	
Bills Discounted and Purchased	35,20,74,000	
		137,21,59,000
Bills Receivable being Bills for Collection as per contra	.. ..	58,78,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	.. ..	23,37,000
Premises less Depreciation	.. ..	1,15,09,000
Furniture and Fixtures less Depreciation	.. ..	49,01,000
Other Assets (including Inter-Office Adjustments)	.. ..	2,49,29,000
Total .. Rs.		270,58,85,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖											
	National Savings Certificates						Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates	10-Year National Plan Certificates‡		15-Year Annuity Certificates§	
	5-Year†		7-Year		12-Year									
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.83	65	3.26	23.65	84.17	1,18.85	92.08	— 31.07	7.55	25.64	..	..	..	..
1953-54	5.91	1.50	4.26	26.54	1,04.88	1,17.37	1,06.29	— 34.19	6.94	32.11	..	..	..	..
1954-55	4.70	1.62	4.99	27.27	1,24.64	1,34.94	1,30.88	— 36.35	5.57	37.15	7.40E	7.88	55‡‡	54
January, 1955 ..	4.88	14	4.76	2.48	1,20.28	10.51	1,20.10	— 36.02	43	36.37	54	6.33	6	45
February „ ..	4.81	12	4.70	2.27	1,21.56	11.13	1,22.28	— 36.18	40	36.74	48	6.81	5	50
March „ ..	4.70	26	4.99	3.41	1,24.64	15.51	1,30.88	— 36.35	47	37.15	58	7.38	4	54
April „ ..	4.60	11	5.00	2.35	1,26.46	12 41	1,33.22	— 36.50	45	37.55	48	7.86	4	54
May „ ..	4.52	26	5.24	3.01	1,27.94	11.82	1,34.34	— 36.64	41	37.89	66	8.51	4	58
June „ ..	4.44	18	5.12	2.09	1,29.49	12.26	1,36.26	— 36.76	37	38.22	84	9.33	5	63
July „ ..	4.36	12	5.15	2.27	1,31.28	12.80	1,40.53	— 36.85	41	38.54	91	10.20	4	69
August „ ..	4.29	12	5.17	2.09	1,32.82	12.25	1,48.80	— 36.96	39	38.87	88	11.00	3	72
September „ ..	4.21	13	5.21	2.54	1,34.88	12.40	1,46.01	— 37.11	44	39.28	94	11 80	4	76
October „ ..	4.14	10	5.21	2.11	1,36.33	11.26	1,46.90	— 35.23	45	39.68	80	12.49	2	78
November „ ..	4.07	10	5.21	1.98	1,37.68	11.25	1,50.40	— 38.34	43	40.05	82	13.20	5	80
December „ ..	4.00	18	5.26	2.68	1,39.48	12.94	1,52.44	— 38.44	36	40.34	88	13.98	4	85
January 1956 ..	3.91	18	5.24	2.02	1,40.78	12.16	1,54.14	— 38.55	33	40.61	84	14.78	3	88
February „ ..	..	..	..	..	..	..	..	..	39	40.95	..	..	..	91

* At the end of period.
† Issued from 1st June, 1948 to 30th June, 1953.
‡ From July, 1954.
‖ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.
‡‡ Relating to nine months from July, 1954.
@ Progressive net repayments at the end of period from 15th August 1947.
§ Relating to eleven months from May, 1954.
E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended			
	2-4-'56	3-3-'56	24-3-'56	31-3-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	**90.6**	**90.9**	**90.9**	**90.9**
1. Government of India	90.4	90.8	90.8	90.7
2. Indian States	96.1	96.7	96.7	96.7
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	**100.6**	**101.1**	**101.1**	**101.1**
1. Electricity	102.0	102.8	102.8	102.8
2. Jute	98.8	97.6	97.6	97.6
3. Plantations	99.6	99.1	99.1	99.1
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.0	100.9	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.3
8. Others	100.6	101.1	101.1	101.1
PREFERENCE SHARES	**87.5**	**85.7**	**85.8**	**85.7**
1. Electricity	97.5	93.7	93.7	93.7
2. Cotton	78.4	78.8	81.0	81.8
3. Jute	85.9	83.6	82.9	82.9
4. Coal	91.7	90.4	89.9	89.9
5. Iron and Steel	90.0	86.9	88.4	88.8
6. Sugar	84.3	85.5	85.7	85.7
7. Paper	89.4	86.7	83.8	85.5
8. Plantations	98.2	101.3	101.7	101.7
9. Miscellaneous	85.4	83.8	81.7	80.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	**115.6**	**120.2**	**123.6**	**124.6**
(a) Financial	**88.5**	**88.8**	**89.7**	**89.3**
1. Banks	85.4	88.7	89.9	89.5
2. Insurance	107.1	89.1	88.1	88.1
3. Investment Trust	93.6	94.9	94.5	93.9
b) Public Utilities	**114.8**	**112.3**	**113.4**	**114.2**
1. Electricity	124.3	117.2	117.6	117.2
2. Shipping and other Transport	98.1	107.1	110.8	114.1
3. Railways	89.3	89.4	88.2	88.8
(c) Manufacturing Industries	**119.1**	**128.6**	**132.9**	**133.8**
1. Cotton, Woollen and Silk	103.8	123.5	130.9	132.0
2. Jute	99.8	87.4	80.3	79.3
3. Iron and Steel	147.5	139.7	148.6	151.8
4. Paper	223.7	221.2	290.9	293.1
5. Cement	147.5	168.0	175.0	175.9
6. General Engineering	169.6	193.1	196.2	198.1
7. Sugar and Breweries	98.4	106.9	108.4	108.9
8. Chemicals	134.8	146.3	152.1	151.8
(d) Non-Manufacturing Industries	**161.6**	**157.5**	**165.8**	**169.4**
1. Coal	77.6	82.3	82.6	82.6
2. Mining and Oil	195.5	245.1	280.5	286.5
3. Plantations	197.6	196.5	176.3	181.4
(e) Miscellaneous	**95.6**	**100.4**	**101.2**	**101.9**
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.0	90.4	90.4	90.3
2. Calcutta	90.5	90.9	90.9	90.8
3. Madras	90.9	91.2	91.2	91.2
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.1	100.0	100.0	100.0
2. Calcutta	101.3	102.1	102.1	102.1
3. Madras	100.4	100.1	100.1	100.1
PREFERENCE SHARES:				
1. Bombay	91.8	88.8	89.8	90.2
2. Calcutta	83.3	81.4	80.7	80.3
3. Madras	94.2	96.6	97.0	97.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	118.1	122.7	129.8	131.5
2. Calcutta	109.6	111.9	112.3	112.7
3. Madras	110.6	121.3	128.8	126.8
4. Delhi	119.1	125.1	130.0	132.5

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	963	809,242	3,336,961 §
1953	772	466,607	3,382,608 §
1954	840	477,138	3,872,630
December 1953	81	40,780	475,352
January 1954	84	51,973	325,514
February "	85	41,351	344,295
March "	91	34,202	331,419
April "	101	34,963	267,247
May "	90	40,073	216,062
June "	82	21,589	305,078
July "	122	30,189	277,492
August "	79	51,090	322,887
September "	97	50,414	363,878
October "	88	41,724	276,294
November "	62	25,115	239,701
December "	101	54,455	262,763
January 1955†	95	49,038	322,807
February "	91	38,370	144,302
March "	112	70,042	334,696
April "	99	29,815	303,658
May "	119	66,064	835,415
June "	154	85,172	1,035,704
July "	108	57,709	681,153
August "	233	90,260	518,081
September "	240	91,843	567,332
October "	129	46,466	189,360
November* "	105	49,465	178,135
December "	122	44,962(a)	228,264(b)

† Figures for 1955 are provisional. * Revised.
(a) Not known in 1 case. (b) Not known in 2 cases.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
October 1954	669	626.5	511.6
November "	674	656.5	534.6
December "	679	683.5	558.0
January 1955	684	668.5	545.2
February "	685	628.7	521.8
March "	686	698.7	568.3
April "	690	691.1	563.9
May "	691	706.5	569.3
June "	690	712.2	576.1
July "	700	724.8	593.3
August "	705	706.9	574.4
September "	707	719.3	587.1
October "	716	720.7	591.9
November "	721	725.5	597.0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	31st March, 1956	24th March, 1956	2nd April, 1955	March, 1956	March, 1955	Percentage of increase (+) or decrease (—) in Mar., 1956 as compared with Mar., 1955	Financial Year Average 1955-'56	1954-'55
Food Articles	**358.8**	**362.5 R**	**295.3**	**351.6**	**297.0**	**+18.3**	**313.2**	**339.8**
Cereals	447*	448 R	338	439	339	+29.5	372	381
Pulses	355	389	227	373	229	+62.8	239	280
Other	243*	244	247*	233	249	— 6.4	235	291
Industrial Raw Materials	**477.8**	**484.6 R**	**403.4**	**475.6**	**412.7**	**+15.2**	**419.7**	**436.2**
Fibres	465	470	444	471	452	+ 4.2	429	447
Oil seeds	537	543	327	511	338	+51.1	398	424
Minerals	438	462 R	408	453	417	+ 8.6	427	422
Others	401*	409*	474	406	480	—15.4	431	427
Semi-Manufactures	**375 0**	**374.8**	**329.5**	**369 8**	**333.5**	**+10.8**	**338.2**	**350.3**
Leather	411	410	390	408	390	+ 4.6	378	376
Mineral oils	208	208	221	208	221	— 6.0	207	221
Vegetable oils	524	520	337	485	354	+37.0	398	433
Cotton yarn	453*	453	434	452	440	+ 2.7	422	454
Metals	282*	282	243	282	242	+16.5	264	240
Oil cakes	396	402	286	379	284	+33.4	338	381
Others	363	364	330	364	333	+ 9.3	336	312
Manufactured Articles	**373.4**	**373.9 R**	**377.9**	**374.7**	**377.8**	**— 0.8**	**372.9**	**377.4 R**
Textiles	405	400	422	408	422	— 3.3	408	421
Jute	395*	400	459	410	468	—12.4	418	448
Cotton	403*	403*	411*	403*	411*	— 1.9	403*	415*
Rayon and Silk	562*	562*	434*	502*	468*	+ 7.3	485*	469*
Woollen	274	274	310	274	310	—11.6	284	311
Metal products	371	371	340	371	340	+ 9.1	359	340
Others	285	285	287	285	287	— 0.7	285	286
Miscellaneous	**494.1***	**494.3**	**546.7**	**508.1**	**553.3**	**— 8.1**	**546.4**	**612.4**
All Commodities	**390.2**	**392.5 R**	**351.2**	**387.3**	**354.2**	**+ 9.3**	**360.3**	**377.5 R**

R=Revised. * Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and Steel
1954																		
December	424	488	147	206	203	651	556†	278	176	852	454†	465	409	329	357	451	412	274
1955																		
January	399	493	136	203	209	808	575	270	160	840†	436†	492	376†	335	357	455	411	274
February	401	502†	117	202	205	744†	583	275	144	770†	427†	547	370	331	357	477	410	274
March	416	458	102	219	198	591†	567	283	140	720†	394†	510	355	319	357	468	408	274
April	412	402	100	208	181	568†	574	263	134†	685†	376†	502	356	315	357	452	408	274
May	403	352	97	194	178	550†	591	269	130	—	383	456	364	320	357	429	406	274
June	411	366	108	194	182	564†	592	286	137	774†	376†	423	397	334†	357	415	404	274
July	455	416†	121	206	216	531	615†	266	155	754†	393†	418	405	370	357	417	402	283
August	489	420	128	208	220	451	641†	267	158	761	400†	405	405	360	357	423	402	284
September	509	409	114	207	207	410	658†	262	153†	749	402†	378	394	349	361	399	402	284
October	488	430†	137	224	214	399	690†	261	157	761	398†	394	389	364	361	397	401	312
November	474	469†	147	242	227	358	659	254	192†	720	—	406	399	395†	361	422	399	319
December	463	506	133	241	242	346	674†	258	178†	720	449†	407	431	422	362	415	399	319
January 1956	449	529	181	240	265	349	673	203	181	691†	455†	433	485	451†	362	420	403	319

Source: Reserve Bank of India Bulletin. † Estimated.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India	Bombay	Ahmedabad	Sholapur	Kanpur	Nagpur	Calcutta	Madras City	Delhi	Ajmer	Gauhati	Jamshedpur	Jubbulpore
	Base (1949=100)	Base June (1934=100)	Base July (1927=100)	Base January (1928=100)	Base (1949=100)	Base (1949=100)	Base August 1939=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)	Base (1949=100)
1951 Average	105	330	261	313	94	104	370	103	108	111	110	116	111
1952 "	108	337	259	310	92	101	351	102	108	108	111	110	99
1953 "	106	323	263	275	95	103	349	109	106	104	102	113	99
1954 "	101	359	244	294	85	99	327	106	104	91	95	102	92
January 1955	97	352	210	274	78	98	324	103	100	83	88	99	86
February "	95	345	207	254	80	96	310	101	97	83	88	98	86
March "	94	340	205	230	79	95	310	99	96	83	88	96	86
April "	93	340	200	227	74	94	311	97	95	78	87	96	85
May "	92	336	204	223	70	93	315	95	92	79	87	93	85
June "	93	333	211	231	78	95	317	96	93	80	86	95	87
July "	96	340	224	248	78	97	325	98	99	84	87	97	90
August "	97	341	229	248	78	97	329	98	101	86	88	100	88
September "	96	333	224	248	78	97	327	98	101	84	88	99	88
October "	97	331	225	248	81	98	334	100	101	84	88	99	88
November "	98†	330	229	255	82	98	339	100	103	84	87	101	89
December "	98†	332	230	262	82	99	329	101	106	88	88	102	91
January 1956	..	334	229	272	..	..	..	103	105	91	87	103	94
February "	..	337	224	278	..	..	..	104	105	91	87	..	..
March "	..	..	..	..	..	..	..	..	105	92	87	..	..

† Provisional.

INDUSTRIAL PRODUCTION

Industries.		Jan., to Dec., 1954	Jan., to Dec., 1955	October, 1955	November, 1955*	December, 1955*	December, 1954
Major Industries—							
Coal	million tons	33.76	38.21	3.08	3.10	3.39	3.50
Steel (Ingots and Metal for castings)	thousand tons	1,685	1,704	131	134	158	153
Yarn	million lbs.	1,561	1,484	145	134	—	130
Cloth	million yds.	4,938	4,627	437	402	—	416
Cement	million tons	4.44	4.40	0.39	0.40	—	0.40
Jute	thousand tons	1,027	1,027	79	91	0.42	97
Paper and paper boards	tons	165,328	184,884	15,926	16,019	15,957	16,357
Matches	cases	529,200	594,400	46,000	44,500	45,400	50,100
Sugar	thousand tons	1,056	1,615	11	66	280	251
Engineering and Electric Industries—							
Machine tools	Value in lakhs of Rs.	50.03	64.92	7.07	6.40	—	5.40
Electric lamps	millions	23.08	22.23	1.75	1.79	—	2.20
Dry cells	millions	148.88	161.02	12.97	13.61	13.65	10.31
Power transformers	k.v.a.	399,600	564,800	47,600	52,000	72,800	42,900
Electric Motors	h.p.	187,200	251,800	24,000	20,800	24,800	20,000
Electric fans	Nos.	238,800	278,900	20,900	22,900	24,600	20,700
Radio receivers	Nos.	56,604	77,951	5,036	8,000	9,168	6,437
Storage batteries	Nos.	188,400	234,600	19,400	22,900	24,600	20,700
Copper conductors	tons	7,572	8,384	641	571	675	1,072
Winding wires	tons	334	606	54	57	48	40
Rubber and plastic Ins. cables and flexibles	million yds.	62.76	85.67	5.65	7.00	6.75	6.97
Insulators—H.T.	Nos.	507,600	244,000	7,200	8,100	—	15,600
Insulators—L.T.	million Nos.	2.67	3.54	0.30	0.12	—	0.25
Diesel engines	Nos.	8,652	9,048	890	870	843	1,048
Chemical Industries—							
Salt	million mds.	73.91	81.07	1.46	1.27	2.08	1.50
Caustic soda	tons	29,304	31,182	3,069	2,753	—	2,667
Soda ash	tons	48,288	77,272	6,909	7,405	6,726	5,238
Chlorine liquid	tons	9,780	10,290	1,192	1,078	—	890
Bleaching powder	tons	2,928	2,402	214	186	—	202
Bichromates	tons	3,240	2,646	255	255	—	234
Sulphuric acid	tons	150,876	150,706	14,526	15,273	—	14,346
Superphosphate	tons	105,060	66,556	5,093	4,587	—	8,053
Non-ferrous Metals—							
Aluminium	tons	4,886	7,225	650	627	647	488
Antimony	tons	539	504	58	*Nil*	10	46
Copper (virgin metal)	tons	7,162	7,281	690	675	704	645
Lead (virgin metal)	tons	1,788	2,234	194	168	174	240
Gold	thousand ozs.	241	211	19	19	18	18
Miscellaneous (Minor) Industries—							
Sewing machines	Nos.	80,196	101,482	7,520	8,171	12,092	8,130
Hurricane lanterns	million Nos.	4.98	4.85	0.40	0.42	—	0.39
Bicycles	Nos.	372,360	431,656	41,796	43,802	—	49,939
Automobiles	Nos.	14,460	23,056	1,958	2,068	2,274	1,963
Cycle tyres and tubes	million Nos.	10.80	11.38	1.00	0.62	0.88	0.97
Motor tyres and tubes	million Nos.	1.58	1.67	0.15	0.11	0.13	0.12
Cigarettes	million Nos.	19,828	20,864	1,793	1,940	—	1,578
Plywood—Tea chests	million sq. ft.	64.19	90.54	6.28	7.82	8.29	6.79
Plywood—Commercial	million sq. ft.	13.58	19.28	1.47	1.58	1.74	1.68
Refractories	million tons	0.24	0.24	0.02	0.02	—	0.02
Abrasives	reams	70,800	78,800	7,900	8,300	8,400	6,600
Sheet glass	million sq. ft.	33.11	34.22	4.09	4.61	—	5.23
Woollen manufacturers {Fabrics	million yds.	13.75	13.42	1.52	1.29	1.44	1.12
Yarn	million lbs.	19.35	20.74	1.99	1.96	2.02	1.64
Footwear—Western type (Leather)	million pairs	3.27	3.24	0.26	0.24	0.31	0.26
Footwear—Indigenous type (Leather)	million pairs	2.06	2.30	0.17	0.16	0.23	0.19
Alcohol—Industrial	million galls.	7.47	7.55	0.61	0.55	0.65	0.65
Alcohol—Power	million galls.	8.01	10.28	0.52	0.71	0.88	0.81
General Index—(Base 1951=100 Revised)		112.9	115.24	122.0	125.2	—	125.7

* Figures are subject to revision month to month. —Not Available.

MONEY UNCHANGED

(From Our Own Correspondent)

BOMBAY, 18*th April*

Conditions in the short-term money market this week did not show any marked variation from those witnessed in the previous week. The pressure of demand for money, which showed signs of slight easing last week, did not ease further this week and banks were still keen borrowers. They were, however, able to get their requirements without much difficulty, consequent on the inflow of funds from mofussil and the maturity of Treasury Bills. In the absence of any large-scale improvement in supplies, the volume of business was still restricted and money rates were well held at the previous week's rates.

Inter-bank call money continued to be bid at 3¼ per cent., though occasional business was done at 3 per cent. also. House money at call and short-term deposits for periods from one to six months fetched 3¼ per cent. as in the previous week.

For the second week in succession, there was no sale of Government of India 91-day Treasury Bills. No announcement has been made by the Reserve Bank regarding resumption of Treasury Bill sales. Evidently, the authorities have no idea of resuming the sales until the money market presents distinctly easier conditions.

The Reserve Bank of India statement for the week ended 13th April 1956 shows a further rise of Rs. 9.29 crores in notes in circulation, and a decline of Rs. 4.73 crores in notes held in the Banking Department. The increase in total notes issued is, therefore, Rs. 4.56 crores. On the assets side, foreign securities have fallen by Rs. 4.97 crores, while rupee securities have gone up by Rs. 9.94 crores. Rupee coin is lower by Rs. 41 lakhs. In the Banking Department, there has been a further fall of Rs. 3.82 crores in deposits of the Central Government and of Rs. 3.33 crores in those of other Governments. Deposits of banks are also lower by Rs. 2.46 crores. Cash balances have dwindled by Rs. 4.74 crores and balances held abroad by Rs. 3.36 crores. Loans and advances other than to Governments have dropped by Rs. 1.74 crores, despite the increase of Rs. 3.51 crores in advances to scheduled banks against usance bills. Fresh borrowings by banks against these bills during the week amounted to Rs. 5.02 crores.

The Scheduled banks' statement for the week ended 6th April 1956 reflects the slight change noted in the money market last week. Thus, there has been substantial increase in the banks' deposits and cash balances, accompanied by a fall in advances, with the result that they have been able to reduce their borrowings from the Reserve Bank and the State Bank of India. Demand deposits show a rise of Rs. 13.93 crores and time deposits Rs. 4.33 crores. There has, however, been a rise of Rs. 1.19 crores in inter-bank borrowings. Borrowings from the Reserve Bank stand reduced by Rs. 14.20 crores and those from the State Bank by Rs. 6.21 crores. On the assets side, advances have declined, for the first time during the current season, by Rs. 5.38 crores, while bills purchased and discounted have gone up by Rs. 1.38 crores. Cash and balances with the Reserve Bank are up by Rs. 8.37 crores and balances with other banks by Rs. 86 lakhs. Money at call and short notice are lower by Rs. 65 lakhs.

The Gilt-edged market continued to rule steady. The demand from institutional investors for selected loans, the raising of the Reserve Bank's selling rate of 2½ per cent. 1976 by one anna to Rs. 82-10 and the paucity of floating stocks were the main helpful factors. There was, however, no improvement in prices of most of the loans, evidently because buyers were reluctant to take up the loans at higher rates. 3 per cent. 1957 was maintained at Rs. 99-12 and 3 per cent. 1958 at Rs. 99-10. 3 per cent. 1959-61 was featureless at Rs. 98-1. 3 per cent. 1963-65 held ground at Rs. 94-13 and 3 per cent. 1964 at Rs. 94-11. 3 per cent. 1966-68 was unchanged at Rs. 92-10, while 3 per cent. 1970-75 was quoted at Rs. 89-11 *ex-voucher*, as against Rs. 89-12 *cum-voucher* a week ago. 3 per cent. 1986 Conversion Loan, after receding to Rs. 76-10, gathered strength to Rs. 76-12. 3½ per cent. 1961 stood unchanged at Rs. 99-7 and 3½ per cent. 1964 at Rs. 98-12. 3½ per cent. 1965 was maintained at Rs. 98-9.

In the foreign exchange section, the rupee held its ground in terms of the U.S. dollar. The banks' selling rate was unchanged at Rs. 476½ per $100 and their buying rate at Rs. 472¾ per $100. Sterling, however, continued to display a hardening tendency. In New York, spot sterling moved up from $2.80⅜-2.80¾ to $80.13/16-2.80.15/16 and three months' forward from $2.78¾-2.78¾ to $2.79.1/16-2.79.3/16. Transferable sterling moved up from $2.78.5/16-2.78.7/16 to $2.78.9/20-2.78.11/20.

LINSEED RECOVERS

(Messrs. A. Bradley and Co.)

CALCUTTA, 16*th April*

Following the imposition of an export duty of Rs. 250 per ton on linseed oil, unsettled conditions prevailed in the linseed market during the week under review. The immediate downward reaction in prices was, however, short-lived and recovery was rapid with, values gradually rising towards the level at which they stood before the duty was announced. The two main reasons for this were (*a*) continued enquiries from local shippers who were heavily committed, (*b*) an appreciable rise in London prices to £153.

The immediate problem of shippers is how to meet the heavy losses involved against their overseas contracts which stipulate that export duty would be for sellers' account. No fresh business has been possible recently with prices now out of parity. Fairly large arrivals of new crop seeds continue to enter the market and crushers have been very active with good prices obtainable locally for ready oil.

The latest available quotations are: Ready Rs. 22-4 and April-May Rs. 22-4 per maund.

BULLION FEATURELESS

(From Our Own Correspondent)

BOMBAY, 18*th April*

The bullion market was featureless during the week under review, with fluctuations in prices of both silver and gold confined to a narrow groove. The undertone, however, remained fairly steady, though, on balance, both the metals showed fractional losses. Movements in silver prices were mainly influenced by the arrival of Tibetan coins and reports hinting at the possibility of these coins being subjected to import duty.

The sentiment in the white metal was adversely affected for a while by the large arrival of Tibetan coins amounting to about 400 bars, as well as by prospects of further arrivals next week. Subsequently, however, there were unconfirmed reports that the Government had asked the importers of these coins to pay a duty of Rs. 10 per bar. These reports induced the bulls to replace their stocks and the bears to cover their sales. It is not known how far these reports are correct, as imports of Tibetan coins are not carried out by bullion dealers, but by traders who are permitted to export textiles and other goods to that country and receive Tibetan currency in return.

Gold prices were affected early in the week by the decline in offtake. Later on, a broadening of the demand in the ready section imparted a steady tone.

Forward silver (26th April settlement) opened on a firm note, the price moving up from Rs. 180-10 to Rs. 181-6. The arrivals of Tibetan coins, however, affected the morale of the market and the prices sagged to Rs. 178-15. Reports about the levy of import duty lifted it up to Rs. 181 before the week wound up at Rs. 180-4. Business in May settlement opened on Thursday last at Rs. 181-14. After receding to Rs. 179-8, the price for this settlement gained to Rs. 180-11 at the close today.

Ready silver (.996 mint) drifted lower from Rs. 180-6 to Rs. 178-13, before gaining ground to Rs. 180-5. The floating stocks of silver are reported to be 900 bars. The daily average offtake was 20 bars.

After an initial advance from Rs. 105-14 to Rs. 106-3, forward gold (25th April settlement) gave way to Rs. 105-2. Encouraging advices from the ready section pushed it up again to Rs. 106 today. The closing was, however, a shade lower at Rs. 105-10. Forward gold (25th May settlement) ruled on par with the current settlement, the opening and closing prices being Rs. 106-2 and Rs. 105-10, respectively.

Ready gold sagged from Rs. 106 to Rs. 105-2 before regaining to Rs. 106. The closing was a shade lower at Rs. 105-10. The floating stocks of gold are placed at 30,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was 3,000 tolas on an average.

In London, there was a further drop in silver and gold prices during the week. Spot silver was marked down from 78¾*d.* to 78¼*d.* and forward from 78¾*d.* to 78¼*d.* Gold moved from 249*s.* 2*d.* to 249*s.* 1*d.* In New York silver was unchanged at 91*c.*

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

	18-4-'56	Highest	Lowest	11-4-'56
GOLD	**Rs. a.**	**Rs. a.**	**Rs. a.**	**Rs. a.**
Ready (.99 fine Mint)	105 10	106 4	105 1	106 0
Forward*	105 10	106 3	105 2	105 14
Sovereign	66 4	—	—	66 4
SILVER				
Ready (.996 fine Mint)	180 5	181 2	178 13	180 6
Forward†	180 4	181 6	178 15	180 10
London Silver Ready	78¼*d.*	78¼*d.*	78¼*d.*	78¼*d.*
London Forward	78¼*d.*	78¼*d.*	78¼*d.*	78¼*d.*
London Gold	249*s.* 1*d.*	249*s.* 2*d*	249*s.* 1*d.*	249*s.* 2*d.*
New York Ready	91*c.*	—	—	91*c.*

* 25th April settlement.
† 26th April settlement.
N.B.—Foreign bullion prices shown in the above table relates to the previous day.

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, 16*th April*

Sugar prices continued to rule dull and depressed, due to comfortable supply position and slack outside buying enquiry, coupled with restricted loading facilities. The overall increase in production of indigenous sugar, predicted by the Union Agriculture Minister, also acted as a damper. Mill delivery rates for sugar eased during the week. The latest prices as on Monday were: Jaswani Rs. 28-8, Simbhauli Rs. 28-5, Mowana Rs. 28-12, Daurala Rs. 29-8, Amroha Rs. 27-14, Bijnore Rs. 27-14, Mansoorpur Rs. 28-3 to Rs. 29, Rampur Rs. 31; retail Rs. 30 per maund.

The *khandsari* market was faced with heavy stocks and slack outside support. Prices ruled dull and featureless at Rs. 22 to Rs. 26 per maund, according to quality.

Ready *gur* prices eased towards the week-end, as daily arrivals increased to about 500 maunds. It was reported that harvesting operations had finished and producers were crushing the remaining cane crop. Loading facilities were restricted and this, too, accounted for a fall in ready *gur* prices which today was quoted at Rs. 10-12 per maund. Local stock was put at about 120,000 maunds. Small offtake during the week was to east U.P. and Punjab. Future *gur* prices moved both ways. While *baisakh* delivery eased, *fagan* delivery recorded modest gains. The latest prices as on Monday were: *Gur baisakh* Rs. 10-11-9 and *fagan* Rs. 10-1-6, as against Rs. 10-15 and Rs. 9-14, respectively, a week before.

COTTON FIRM

(From Our Own Correspondent)

BOMBAY, 18*th April*

It has now become clear that the authorities are determined to put an end to speculative activity in the cotton market. Traders have been severely warned that any contravention of the Cotton Control Order through the purchase or sale of Indian cotton at prices higher than the basic ceiling prescribed under the Order will be taken serious notice of. The warning is a sequel to the reported tendency among a section of cotton traders to put through transactions in Indian cotton at prices above the basic ceiling price permissible under the Order. Drawing attention to such a tendency, the Textile Commissioner observes: "... purchase or sale of any variety of Indian cotton above the prescribed basic ceiling price requires prior certification by the East India Cotton Association (E.I.C.A.), Bombay, as to its quality. Without the required certificate, such transactions amount to contravention of the Cotton Control Order, punishable according to law. Mills and dealers are, therefore, hereby warned that no cotton may be purchased or sold, or offered to be purchased or sold, at a price higher than the basic ceiling prescribed for the variety, unless its staple and class have been certified by the East India Cotton Association to be such as to entitle it to a higher price under the Cotton Control Order. Serious notice will be taken of any contraventions, whether by purchasers or by sellers."

Simultaneously with this warning, the Forward Markets Commission, it is reported, has urged the E.I.C.A. to take immediate action to ensure that the delivery contracts conform to the Forward Contracts (Regulation) Act. The specific suggestions believed to have been put forward by the Commission are: (1) In future, delivery contracts should be in specifically prescribed forms; (2) there should be a difference between contracts which are transferable and those which are not; (3) weekly returns relating to all transferable contracts must be furnished to the authorities; (4) the differences relating to all transferable contracts should be pa

few popular varieties of Pakistan cotton, figures in brackets giving last week-end rates:

Sind Deshi 80-8 (78-8); Punjab *Deshi* 76-3 (75-0); *4F Roller* 79-15 (80-1); S.G. 84-15 (85-12); Punjab Roller 85-15 (86-4); S.G. 90-15 (9-4); *289F N.T. Roller* 86-15 (87-8); S.G. 93-7 (96-8); *289F* Punjab Roller 100 (94-4); S.G. 91-15 (94-4).

For the fourth week in succession, the Alexandria cotton futures market exhibited a buoyant tone, thanks to the growing scarcity of popular styles and considerable export sales already concluded. Prominent shippers were reported to have stopped offering current crop cotton. The remaining free stocks of cotton in Egypt, including local mill stocks and holdings of the Cotton Commission, are estimated to be very low. The free supply of Karnak, in particular, is said to be very limited. To quote one report: "Most of the Karnak requirements from now on will have to be covered from the Commission's stocks and leading shippers have indicated that these stocks are unlikely to be available, except near the prevailing high prices." During the week under review, the forward prices of all varieties of Egyptian cotton registered an improvement, as will be seen from the following table which gives the latest available quotations—in tallaris per lb.—from Alexandria, as compared with those a week before:

	17-4-56	10-4-56
Karnak		
May	95.50	91.44
July	92.10	89.05
November	87.15	86.55
Ashmouni		
April	75.40	73.00
June	73.85	72.65
October	68.10	67.65

At the recent auctions in Sudan cotton, S grades fetched prices about 2d. per lb. over the reserve prices of the Gezira Board. Even at present levels, the values of higher Gezira Sakel cotton are said to compare favourably with those of comparable Egyptians. Naturally enough, the demand for higher S grades has been active. If the demand were to be maintained in the coming weeks, the Board, it is stated, would have little difficulty in successfully selling the new crop cotton at the prevailing rates.

A fully steady trend was in evidence in the Liverpool cotton futures market. Induced by improvement in enquiry for ready and shipment cotton, the prices of futures were fully maintained. Local and trade buying absorbed the American hedge transfers. The Egyptian contract was well supported, on firm advices from Alexandria. Sudan contract also remained strong, with fairly large trade buying lifting up the prices. The latest available quotations—in pence per lb.—from the Liverpool cotton futures market are:

Old contract: May-June 25.25 and July-August 24.40. *New contract*: May-June 29.80, July-August 27.35, October-November 25.75, December-January 25.50 and March-April 25.35. *Egyptian Karnak cotton*: May-June 51.25, July-August 51.15, and November-December 51.15. *Sudan contract*: July-September 47.10, September-October 46.60 and *November-December 46.60*.

After exhibiting a firm trend early in the week, the New York cotton market developed a sagging tendency during the later sessions. The initial firmness was aided by good trade demand with active short-covering, particularly in new crop. Consequently, prices of cotton staged a rise. This trend was, however, checked on Monday when, following news of the President having vetoed the Farm Bill, selling ensued and cotton prices gave way. But the recession was not marked, thanks to buying support elicited by distant new crop deliveries, reflecting the Administration's decision to set price supports this year for five basic crops at least at 82½ per cent. of parity.

The latest reports from Washington indicate that there will be a delay in the announcement, by the Commodity Credit Corporation, of the details of the cotton export policy for the ensuing season. President Eisenhower has vetoed the Farm Bill as passed by the Congress, since it couples with the Soil Bank scheme a one-year programme of Government-guaranteed prices of basic crops at a fixed 90 per cent. of parity.

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

(In cents per lb.)

	17-4-56	10-4-56	3-4-56
Spot	36.63	36.90	36.80
May	35.75	35.70	35.63
July	33.48	33.68	33.60
October	32.56	32.59	32.06
December	32.61	32.66	32.15

YARNS MOVE UP

(From Our Own Correspondent)

BOMBAY, 18th April

There was a marked improvement this week in the sentiment of the yarn market, in contrast with the easy trend noted in the last fortnight. In fact, the market exhibited a distinctly firm tone. Rayon yarns elicited good support, thanks to fresh buying by mills. In the staple fibre yarn section, indigenous yarns came in for enquiries, while imported yarns were neglected. Cotton yarns ruled strong, following enlarged offtake by consumers in expectation of further rise in values, following the continued hardening tendency in raw cotton prices.

Under the impetus of consistent bull support, Snia rayon yarn (120 dull cones) for April delivery forged ahead from Rs. 818 to Rs. 838, but was quoted lower at Rs. 831 today. The net gain over the week was Rs. 13. June delivery improved by Rs. 2 to Rs. 807. Foreign spot rayon yarns recorded a rise in prices. 150 Japans were specially favoured, their quotation spurting by As. 4-8 to Rs. 4-6. 120 Japans advanced by an anna to Rs. 4-2-6. 150 Italys gained six pies to Rs. 3-12-6. 120 Italys were, however, a shade easy at Rs. 3-12-6. Deals in indigenous yarns were few and far between. National Rayons 150 Bt. cones 1st grade being quoted at Rs. 3-9 and 120 Bt. cones 1st grade at Rs. 3-11-6.

In the staple fibre yarn section, indigenous yarns (40×2) were bought at prices higher than those prevailing a week before. New Greats and Centurys both moved up by an anna each to Rs. 3-7. Citys rose by a like amount to Rs. 3-7-6. Kohinoors gathered nine pies to Rs. 3-7-9. Foreign yarns (80×2), however, were subjected to heavy selling and suffered a break in values. Paramounts dropped As. 3-6 to Rs. 7-6-6. Fujis fell by As. 3 to Rs. 7-5. Suicos declined by As. 2 to Rs. 7-14. K'Suns shed 18 pies to Rs. 7-10.

Cotton yarns of all counts registered an improvement in prices. Among 10 counts, Podars spurted by As. 6 to Rs. 13-4. Moderns advanced by As. 4 to Rs. 13-8 and Elphinstones by As. 2 to Rs. 12-8. Deals in 20s were put through at substantially higher prices. Hinds rising by As. 8 to Rs. 17. Maduras by As. 6 to Rs. 18-4 and Raghuvamshis by As. 4 to Rs. 17. Among 40s, Minaxis strengthened by As. 10 to Rs. 28-6. Centurys picked up As. 8 to Rs. 27-8. Among 60s, Raghuvamshis and Colabas rallied As. 12 each to Rs. 59 and Rs. 56-8, respectively. Moderns increased by As. 8 to Rs. 61-8. Finlays were firm at Rs. 61-8. Business in 80 counts Finlays was reported higher by As. 8 at Rs. 74. Moderns put on a similar amount to Rs. 66-8. Turnover in 30 counts was restricted; Maduras gained As. 4 to Rs. 23.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	18-4-1956	11-4-1956	4-4-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)—			
120 Dull Cone Snia April ..	831 0	818 0	818 0
June ..	807 0	805 0	814 0
120 Japan (per lb.) ..	4 2½	4 1½	4 1½
150 Japan (per lb.) ..	4 6	4 1½	4 1¼
120 Italy (per lb.) ..	3 12½	3 13	3 14
150 Italy (per lb.) ..	3 12½	3 12	3 12½
Staple fibre yarn (per lb.)			
40×2 New Great ..	3 7	3 6	3 10½
40×2 Century ..	3 7	3 6	3 10
40×2 City ..	3 7¼	3 6½	3 10½
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	13 4	12 14	12 15
20s Hind	17 0	16 8	16 10
30s Madura	23 0	22 12	22 12
40s Minaxi	28 6	27 12	27 10
60s Modern	61 8	61 4	61 0
80s Finlay	74 0	73 8	73 0

OILSEEDS IMPROVE FURTHER

(From Our Own Correspondent)

BOMBAY, 18th April

The outstanding development in the oilseeds market during the week under review was the decision to start futures trading in castorseeds September delivery. Accordingly business in this new contract commenced today on the Bombay Oilseeds Exchange at Rs. 150-4. On speculative support, it improved to Rs. 151-4, but subsequently closed quiet at Rs. 149, the lowest level for the day. The fall was due to unloading by shippers induced by reports regarding sales of Brazilian castor oil at competitive rates in the U.S. market.

The trading in September contract will be subject to certain changes in the terms and conditions as suggested by the Forward Markets Commission. Accordingly, the ceiling rate for the contract will remain unchanged at Rs. 251 per candy. The margin system will, however, be made a little stringent. Thus, the exemption limit for the purpose of imposing a margin on the net outstanding position of a member will be reduced from 15,000 candies to 5,000 candies. On the net outstanding position exceeding 5,000 candies but below 15,000 candies, the margin imposed will be at the rate of Rs. 2 per candy. If the net business is over 15,000 candies but less than 40,000 candies, the rate will be Rs. 3 per candy. All outstandings above 40,000 candies will bear a margin at the rate of Rs. 4 per candy. The revised rates of margin will come into effect from 1st June next.

In the present set-up, however, the margin system is comparatively more liberal. For there is no margin up to the first 15,000 candies. The margin at the rate of Re. 1 is applicable to the net outstandings between 15,000 and 25,000 candies, Rs. 2 to those between 25,000 and 35,000 candies and Rs. 4 per candy for all outstandings in excess of 45,000 candies.

The tightening of the margin system for the new September contract is attributed to the anxiety on the part of the Forward Markets Commission to avoid undue speculation.

The oilseeds market ruled firm till yesterday. Strong advices from overseas markets, especially from the U.S., were the chief cause for the firmness. Following the changes in export duties on vegetable oils in India, as reported in these columns last week, there was an upward adjustment in prices of oils in both the U.S. and the U.K. In the U.K., castor oil rates were put up by £3 to £4 per ton to £130 per ton for commercial quality and to £136 per ton for B.S.S. quality. Similarly, linseed oil shot up from £140 to £150 per ton. In the U.S., commercial grade castor oil rose from 15.25 cents per lb. to 15.50 cents. The firmness of these markets brought in its wake an upward adjustment in the prices prevailing in the local market. Operators who had sold previously appeared as keen buyers, while sellers became scarce. Prices in all the three sections forged ahead to establish new peaks on the 16th inst.

Since yesterday, however, the upward trend noted above gave way on profit-taking at higher levels. A leading operator was reported to have sold heavily on rumours that Brazil had appeared on the U.S. market as a seller of commercial castor oil at 15.25 cents a pound. This had a further dampening effect on other sections and both oils and oilseeds lost a part of the earlier gains. Nevertheless, the rates at close today were a shade higher than those at the end of last week. The undertone remained steady.

In the groundnut section, bold F.A.Q., which had closed last week at Rs. 33-12, opened this week at Rs. 34-12. It declined temporarily to Rs. 34-8 but recovered and rose to touch the year's peak so far at Rs. 35-6 on the 16th inst. In the subsequent sessions, it came down to Rs. 34-8 on profit-taking. April-May rallied from Rs. 33-10 to Rs. 34-14 before finishing at Rs. 34-10. Coromandel quality touched a high of Rs. 36-2 but retreated to Rs. 35-8. Khandesh quality moved between Rs. 34-12 and Rs. 36-4 and finally wound-up the week at Rs. 35-12. Groundnut oil, railway receipts, was done at Rs. 18-12, as against Rs. 18-4 last week.

Castorseeds May delivery improved from Rs. 141-8 to Rs. 145 but finished susbtantially lower at Rs. 141-14, thereby showing a gain of As. 6 on balance. September delivery finished today at Rs. 149, as against Rs. 150-4, as stated at the outset. Castorseeds F.A.Q. rose from Rs. 28-4 to Rs. 28-14 but closed at Rs. 28-10. Madras quality hardened from Rs. 26-4 to Rs. 28-12. Castor oil B.S.S. quality was in demand at Rs. 17-2, as against Rs. 16-8 last week.

Linseed bold put on As. 12 to Rs. 33-4, the highest rate touched during the week being Rs. 33-10. April-May rallied Re. 1 to Rs. 33-4. Indore quality had transactions at Rs. 33-4, as compared with Rs. 32-8. Linseed oil ready rose from Rs. 19 to Rs. 20-10.

The following table shows the prices of oilseeds and oils today, as compared with those at the end of the previous two weeks.

	18-4-1956	11-4-1956	4-4-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	35 12	33 12	35 6
April-May	34 8	33 12	34 10
Linseed—			
Bold Ready (per cwt.)	33 4	32 8	34 10
April-May	33 4	32 4	33 2
Castorseeds—			
May	141 14	141 0	137 4
Madras (per cwt.)	28 12	28 4	27 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 14	18 8	19 0
Castor Oil—			
Commercial (per quarter) ..	16 4	15 13	15 4
Linseed Oil—			
Ready	20 10	32 8	20 10

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 18th April

The sugar market ruled distinctly easy during the week under review also. Following the substantial release orders issued to the Deccan mills, considerable, being 19,000 bags, as against 9,000 bags in the previous week. Another unhelpful factor was a further downward revision in the *ex*-Rs. 81-4 for 'D' grade sugar and Rs. 83-4 for 'C' grade. Advices from Kanpur, too, were bearish. The cumulative effect of all these factors was that stockists were eager to dispose of their holdings. Consequently, prices of sugar tended to look down.

In the forward section, 'C' grade sugar for *Vaisakh* delivery receded from Rs. 90-2 to Rs. 89-12, but was slightly better at Rs. 89-14 today.

In the spot section, medium grain indigenous sugar lost a rupee to Rs. 89-Rs. 90. Large grain declined by a like amount to Rs. 93-Rs. 98. Small grain was quiet at Rs. 86. British refined sugar, however, met with special buying support and hardened by As. 4 to Rs. 84-2 per bag of 2 cwts.

For the first time since the commencement of the current sugar season, the prices of indigenous sugar have tended to be lower than those of imported sugar. Incidentally, it is said that indigenous sugar when exported outside the city is entitled to a refund of town duty, while foreign sugar is not.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

* * * *

At a meeting of the International Sugar Council held recently at London, note was taken that the Statistical Committee had reviewed its estimate for 1956 and now considered that needs would amount to 250,000 tons above the estimate adopted by the Council on 1st December 1955. Total free-market requirements for the current year were placed at 4,770,000 metric tons. The Council meeting was attended by representatives of 22 Governments and by observers from India, Pakistan, Indonesia, Peru and New Zealand. The Council noted that the United Nations had issued invitations to an international sugar conference, to be held in New York, beginning on 21st May 1956. The Council's preparatory committee has forwarded to the U.N. a general review of the International Sugar Agreement as a basis for discussion at the conference. The Council decided that, if it were considered necessary, the next meeting of the Council could be held in New York during or after the projected U.N. international conference.

PEPPER TOUCHES NEW LOW

(Messrs. Parekh & Co.)

BOMBAY, 18th April

Malabar black pepper continued to drop during this week also, Alleppey having established a new low level of Rs. 737½. So also garbled in Cochin at Rs. 127½, and in Calicut at Rs. 810.

New York is holding back, asking for a concession in every offer made from the sources. Consequently, growers and holders are becoming all the more anxious sellers. Approaching monsoon and accumulation of floating stock in the primary markets are adversely telling upon the prices owing to the paucity of foreign demand. At Singapore, pressure of sales of Sarawak black old crop before the arrival of the new one was responsible for the further marking down of prices. The rate for Sarawak white is reported down owing to competition from Indonesia. The present lower premium for white over black has proved a handicap in marketing of the commodity. If such a lower premium persists for some time, production of Sarawak black is likely to increase as it will not be profitable for the growers to manufacture white. Indonesia, after maintaining the price of Lampong black at a very high level for a long time, is now reported tired and has come out to sell, the present price being Rupias 500, as against Rupias 975 in the beginning of the year.

A section of the trade believes that State trading in pepper may prove disastrous to growers, as it will antagonise our biggest buyers in U.S.A. who may look elsewhere for their supply since psychologically they are averse to trade with a Corporation established on Communist lines.

Lack of premium for ready over afloat or forward and absence of fluctuations in the prices of pepper in New York have forced many merchants out of the trade. Consequently, those few who have remained in the field are showing poor interest. They do occasional replacement buying against their sales of ready to grinders. Growers, having suffered losses in forward buying during the last two years, have become wise and are only covering their day-to-day needs.

Sarawak growers and traders are weak holders. If no support is lent when the new crop there begins to move, the prices of Sarawak may go still lower, reflecting adversely on our prices.

May shipment for New York changed hands at $0.27⅞, while June was done at $0.28 and July-Aug-Sept. at $0.28¼. In the delivery section, business is very poor, the prices quoted for April delivery being Rs. 695 nominal.

Following are today's nominal quotations: Ready delivery Rs. 100 (as against Rs. 107) per Bengal maund, April Rs. 695-705 (Rs. 740-50), May Rs. 710-20 (Rs. 755-65) and June Rs. 727½-732½ per candy of 5½ cwts.

HIDES FEATURELESS

(From Our Own Correspondent)

KANPUR, 16th April

The hides and skins market ruled featureless during the week under report. Price fluctuations were negligible. The week's offtake was comparatively less than that in the preceding week. There was appreciable demand for skins.

The latest available quotations are: Wet salted cow 1st grade Rs. 280, 2nd grade Rs. 200 to Rs. 275 and 3rd grade Rs. 100 per score; wet salted buffalo 1st grade 1 lb. 12 ozs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 300 and 2nd grade Rs. 250 to Rs. 275 per 100 pieces; sheep skins 1st grade Rs. 250 to Rs. 275 and 2nd grade Rs. 200 per 100 pieces.

BEST LIQUORING TEAS WELL SUPPORTED

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.

COCHIN, 12th April

A little over 112,500 lbs. were on offer in sale No. 8 which was held on Tuesday, 10th April. Quality continued to show a slight seasonal decline, and the effect of the lack of rain is particularly noticeable in leaf appearance. There were, however, several invoices which continued to show attractive quality. The sale opened to a good general demand and prices for low medium teas advanced by As. 2 per lb. Medium teas were rather irregular, buyers followed quality closely and prices were occasionally easier. Best liquoring teas were well supported and there was keen competition for a few flavoury invoices. Seasonal offerings sometimes showed a slight decline. The strongest features of the sale were all fannings grades which sold at rates As. 2 to As. 4 above last prices. There was an improved demand for whole leaf teas. The following are the quotations:—

	1956 Rs. a. p.
Plain B.P.	1 10 0
Low medium B.O.P.	1 15 0
Medium B.O.P.	2 2 0
Good B.O.P. ... Rs. 3 0 0 to	3 2 0
Well made black leaf O.P. ...	2 10 0

London Market—Sale of 9th April 1956.—Strong general demand. Best liquoring fannings 6d. to 8d. dearer. Low medium and medium 4d. to 6d. higher and plain teas generally 2d. to 3d. dearer.

Sale of 10th April 1956.—Stronger, following improved quality. Good medium strongest feature in South Indians.

Colombo Market—Sale of 9th April 1956.—Strong demand. Useful liquoring broken mixeds and fannings dearer. Others firm. Quality dusts dearer. Others irregular.

Sale of 10th April 1956.—Active demand. Quality irregular but high-grown and medium brokens advanced 10 to 20 cents. Finest B.O.P.F. however declined 50 cents. Low-growns brokens 10 cents dearer.

Calcutta Market—Export.—Less demand. Prices generally one anna lower. Neat leaf fannings and well-made orange pekoes strongest feature.

Internal.—18,300 dmt. Much less demand. All types opened As. 1½ easier and closed As. 2½ easier. Exportable types fair demand. Leaf 3,500 chests. Only fair demand at easier rates.

Export Quota.—Special licence is changing hands at 4 to 5 pies. Business has also been done in 1956-57 export quota at 48 pies. It is understood that the first release of 1956-57 export quota will consist of 40 per cent. of the "best crop basis" compared with 50 per cent. of last year.

Forthcoming Auctions.—Sale No. 9 will be held on 24th April.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Dust Sale H.*—300,000 lbs. Good demand, but prices irregular. Best liquoring firm. Commons steady. Medium sorts easier."

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 16th April

The foodgrains market ruled easy during the week, thanks to new crop arrivals and slack outside buying enquiry. The decision of the Government to import 1 million tons of wheat and rice from abroad was expected to keep the grain prices at a reasonable level. Stockists were refusing to enter the local market as the implications of the new sales tax imposed by the State Government had not yet been fully realised. As local consumers were the only purchasers, there was a downward tendency in foodgrain prices. Wheat average quality was quoted at Rs. 12-8 and farm quality at Rs. 14 per maund, as against Rs. 14 and Rs. 15-6, respectively, last week-end. Daily arrivals of wheat averaged 600 maunds and stocks aggregated 3 *khaties*. Rice prices, however, ruled steady, despite reports that the Government had decided to resume rice auctions at the ports. The latest prevailing prices were: *Basmati* Rs. 25 to Rs. 33, *rangooni* Rs. 16-14, *ramajwayan* Rs. 22 and coarse Rs. 14-12 per maund.

Gram prices also eased to Rs. 10-2 per maund for local quality and to Rs. 10-8 for Punjab quality. Stocks were put at one *khati* and daily arrivals were small at 50 maunds. Maize and *bajra* prices declined, due to absence of ready demand, while prices of barley and *bejhar* recorded a sharp fall, following increased arrivals of new crop and want of outside support. But *jowar* ruled steady on increased demand for seed purposes. The prevailing rates were: Barley Rs. 8, *bejhar* Rs. 7-12, *jowar* Rs. 12-8 and *guwar* Rs. 10 per maund.

Despite increased arrivals—at an average of 2,000 maunds daily—ready peas recorded a steady trend to be quoted at Rs. 8-9 per maund for *Dara* green and white quality at Rs. 10-8. The entire arrivals found ready offtake in the form of pulses to Madras side and ready stock was almost *nil*. Beginning of arrivals in small quantity of new crop *arhar* at an average of 100 maunds daily accounted for a fall in *arhar* prices to Rs. 10 per maund quoted at: *Urd* Rs. 16 to Rs. 17, *moong* Rs. 13 and Other pulses also recorded a fall in prices to be quoted at: *Urd* Rs. 16 to Rs. 17, *moong* Rs. 13 and *masoor* Rs. 11-12 per maund. Arrivals of new *masoor* had begun.

While *arhar jeth* prices eased in line with the fall in ready prices, those of other pulses futures improved during the week to be quoted at: *Peas jeth* Rs. 8-8, peas white (gram) *jeth* Rs. 9-8-9, *arhar jeth* Rs. 9-15 and *urd baisakh* Rs. 17-4, as against Rs. 8-4-9, Rs. 9-5, Rs. 10-4 and Rs. 17-1, respectively, last week-end.

TANNED SKINS RECEDE

(From Our Own Correspondent)

MADRAS, 16th April

Arrivals of E.I. tanned cow hides were moderate in volume and met with ready clearance at the hands of exporters at improved prices. U.K. buying was patchy, but slightly higher prices were paid on medium and heavy weight kips. Demand from the U.K. for inferior cow was active, but the local market ruled a penny above U.K. importers ideas.

In the local market, *mundi* merchants put up their selling prices of loose kips by an anna per pound. This was resisted by the exporters. Prices of buff hides, buff calf and cow calf remained unchanged.

In the tanned skins section, prices of market qualities declined to a small extent, due to meagre enquiries from overseas.

The Textile Standards Sectional Committee of the Indian Standards Institution at its meeting held this week, considered the four draft standards on definitions of textile terms relating to (*a*) cotton, (*b*) wool, (*c*) jute and (*d*) silk, and decided to consolidate them in one standard. The Committee also decided to prepare separate drafts on definitions of textile terms relating to (*a*) machinery and mill accessories, and (*b*) types of fabrics. Two subcommittees were set up, one to deal with designation of yarn structure and the other to deal with definitions of terms relating to man-made fibres.

The U.K. Board of Trade has confirmed that licences have been granted by the British Government for the export of a limited number of agricultural tractors to China. Tractors are included in the list of goods which, on strategic grounds, are embargoed for export to China (though they do not figure in the embargo list for the U.S.S.R.). Control of the embargo is operated through a consultative group in Paris, composed of representatives of the N.A.T.O. Powers (except Iceland) and Japan. This, however, implies no change in the China list, as such exceptional exports do not impair the general purpose of the agreed controls.

LLOYDS BANK

(Concluded from page 762)

depreciation of £6.24 million has been left uncovered, because all the securities are redeemable at fixed dates, the majority within ten years, when any depreciation will be recovered.

The working of the Indian branches of the Bank during the year ended 31st October 1955 has been more encouraging than in the previous year. The profit for the year amounted to Rs. 21.42 lakhs, a rise of Rs. 5.03 lakhs over the year, in refreshing contrast to the decline of Rs. 10.17 lakhs in 1954. Notwithstanding the increase, the profit for 1955 is, however, lower than that (Rs. 26.56 lakhs) for 1953. Income by way of interest and discount has risen sharply from Rs. 126.80 lakhs to Rs. 140.81 lakhs and so also commission, exchange and brokerage by Rs. 4.85 lakhs to Rs. 38.79 lakhs. Interest paid on deposits and borrowings are up by Rs. 7.28 lakhs to Rs. 49.13 lakhs. The rise in expenses is of the order of Rs. 4.38 lakhs, the aggregate expenses being Rs. 103.15 lakhs. The provision for depreciation has been stepped up from Rs. 3.87 lakhs to Rs. 6.34 lakhs.

The Bank's deposits as on 31st December 1955 show an expansion of Rs. 1.89 crores to Rs. 41.69 crores, while borrowings from other banks stand reduced from Rs. 1.49 crores to Rs. 89.85 lakhs. Loans, cash credits and overdrafts have registered an increase of Rs. 2.80 crores to Rs. 17.86 crores, while bills purchased and discounted have declined from Rs. 2.54 crores to Rs. 2.18 crores. There has been a fall of Rs. 69 lakhs to Rs. 19.76 crores in investments, shown at or under market value. Cash on hand and balances with the Reserve Bank have shrunk from Rs. 3.32 crores to Rs. 3.24 crores and money at call and short notice from Rs. 2.60 crores to Rs. 1.79 crores.

BRITAIN RETURNS SILVER TO U.S.

Britain has started returning to the U.S. the 88 million ounces of silver borrowed during the war under lease-lend arrangements.

The silver is due to be repaid by April, 1957. In recent weeks the price of the metal has been between 78d. and 79d. per ounce, so that the current value of the 88 million ounces is about £29 million.

The metal received during the war was used mainly for industrial and, to a lesser extent, for coinage purposes. Most of that to be returned has been extracted by the Royal Mint from silver coinage withdrawn from circulation.

Britain's silver coinage, now being replaced by cupro-nickel, is 500 Standard—that is, 50 per cent. silver. The small percentage of pre-1920 coin remaining in circulation is of 925 Standard, or 92½ per cent. silver.

It has long been thought, says the *Financial Times*, London, that Britain had on hand nearly all the silver needed to repay the full obligation of 88 million ounces to the U.S.

It has been estimated that 10 million ounces of the metal were recovered by the Bank of England in 1955 from withdrawn silver coinage.

The largest lease-lend silver debt—226 million ounces—is that of India and Pakistan combined.

CANARA BANK

(Concluded from page 771)

recovery of the same will be the responsibility of the Bank whose existing organisation is well fitted to undertake this task. To begin with, about Rs. 10,000 would be advanced in 1956 and in due course we expect advances to go up to about Rs. 5 lakhs.

"The draft of the scheme and rules and regulations for grant of loans would be placed before the public soon and I feel sure this unique scheme would be received with approbation and serve a very useful purpose.

"A scheme to grant housing loans for middle class families more or less on the lines of the Government's scheme for housing for lower-income group will be considered by your Directors who may limit the total advances on such long-term advances to about 1 per cent. of our deposits. This is only a token attempt on our part to help the economically backward section of the community.

Savings Drive

"It is also the desire of your Directors that our Bank should contribute its share in the country's drive for small savings. So, we propose to launch an intensive drive for more of savings and thrift deposits and make these two services more popular among our people.

"I take this opportunity to thank our customers and members of the staff and, last but not the least, you the shareholders, for continued co-operation in making the working for the year a success. I am sure, I may look forward to continued co-operation on your part, which is a source of inspiration for all of us who are working for the Bank."

MR. T. T. K. ON SECOND FIVE-YEAR PLAN

PLEA FOR REALISM

IN his reply to the debate on demands for grants for the Ministry of Commerce and Industry in the Lok Sabha on Monday this week, Mr. T. T. Krishnamachari made a few realistic observations on the second Five-year Plan. The following are the relevant extracts from his speech:

"The second Plan envisages an investment in the public sector of about Rs. 710 crores on major industrial and mineral development and Rs. 200 crores for village and small-scale industries, together with an investment in the private sector now assessed to be Rs. 620 crores. Considering that only about Rs. 60 crores in the public sector and about Rs. 340 crores in the private sector were spent in the first Plan period, the targets for the second Plan look impressive.

"In the context of our physical needs, the appropriations that we have made for the second Plan might appear woefully deficient both as a means of raising the standard of living and as a major factor in providing employment opportunities. But those are primarily the kind of criticism made by people in this country. Such criticism is sometimes misguided and sometimes misleading. The reaction of people outside is somewhat different. That can be summed up in the few sentences which I am quoting from Arthur Lewis's book, *The Theory of Economic Growth*. 'The rate of economic growth can be too high for the health of society.... Societies are not necessarily wise to choose to speed up their rate of growth above its current level; if they do, they will enjoy substantial benefits, but they may also incur substantial costs, in social or in spiritual terms, and whether the potential gains exceed the potential losses must be assessed separately in each situation as best we may. It is because economic growth has both its gains and its losses that we are all almost without exception ambivalent in our attitude towards economic growth.'

Measuring Aspirations

"Speaking for myself with the little knowledge that I possess about planning in other countries, I would not commit this country, if I have any say in it, to a type of planning which, while it might seem to meet our immediate aspirations, would, in actual fact, be impossible of achievement. It does no good to flatter ourselves that we can do something more than what is actually possible. It would, in my view, be equally undesirable to undertake an expansion for which we may have to pay a price that is too high in terms of social and—may I say—spiritual cost. It is important to assess our physical needs. We must naturally aspire to satisfy them. But, if planning has any meaning, we must measure our aspirations against two yardsticks: (1) our financial resources both present and those likely to come into being in the Plan period; and (2) our physical resources specially in terms of personnel.

"From that point of view, what we call planning is the result of a compromise after applying all these tests. While the finding of personnel and finances for fulfilling the demand for the manufacture of consumer goods would not present the same problems as it would in the case of the producer goods industries, the future development of the economy depends primarily on the improvement in the producer goods industries. A dichotomy is, therefore, permissible between consumer goods industries and producer goods industries and a different approach in regard to planning for each type. While a relative flexibility can be maintained in regard to targets for consumer goods which should be treated as the minimum levels of production to be attained rather than ceilings, some rigidity in regard to targets for producer goods industries is vital in order to achieve our objective.

The Main Risk

"The main risk that is inherent in any planning for rapid industrialisation is primarily that of inflation. This risk is somewhat accentuated in our Plan because of a large amount of deficit financing that must necessarily be resorted to in order to make the Plan a success. The significant achievement during the second half of the first Plan period was a reduction in the index of wholesale prices for industrial raw materials and semi-manufactured articles, as well as the general index, as compared to the levels in the first half of the Plan period. This was supplemented by the avoidance of any diminution in our foreign exchange reserves, which, it was originally assumed, would result in an adverse balance of payments of about Rs. 200 crores during the Plan. In actual fact, our sterling balances have recorded a steady, though a moderate, rise during the last four years. But this result may not be obtained during the second Plan period. Indications are not wanting, notwithstanding the oft-repeated statement on the floor of the House by some hon'ble members to the contrary, that purchasing power is rising with the rise in the demand for consumption goods. In fact, the cumulative effect of the general rise in the level of purchasing power that occurred over the first Plan period is to be seen just now. It would, therefore, be wrong to assume the figures of industrial production in different fields included in the Draft Outline of the second Plan as ceilings. They are targets that have to be achieved *anyhow*. It is my own belief that the targets in regard to consumer goods are well below what would be our needs as the Plan progresses. That is why I emphasise the need for regarding the targets in the Draft Outline of the second Plan of the levels of production to be obtained to be the minimum rather than ceilings.

"Closely allied with this problem is another risk in rapid industrialisation, namely, the lack of adequate foreign exchange resources. Even as it is, we have envisaged a big gap of nearly Rs. 1,000 crores in our foreign exchange commitments of the second Five-year Plan. In arriving at this figure of Rs. 1,000 crores, we have not made any large allowance for imports of consumer goods, which we normally assume would be manufactured in the country. The assessment of this figure also is dependent on the management of our imports and exports. While no credit has been taken for any appreciable increase in exports and we do, in fact, expect some physical increase in our exports, it would be a sad state of affairs if, in order to counter inflation, we have to draw heavily on our foreign exchange resources by the import of consumer goods. Economists who speak about the desirability of curtailing conspicuous consumption do not always realise that there is public reaction to any shortages in what might be called essential and quasi-essential goods. I would, therefore, urge that it should be borne in mind that we cannot afford to get caught badly with supplies being short, as we had been in one or two cases in regard to certain articles of consumption.

Economic Philosophy

"Before I close, I would like to hark back on the question of our economic philosophy. I have been reading recently a note written with great modesty and restraint by a visiting economist who has remarked that the Indians whom he has met are beset with doubts and even with cynicism with regard to India's economic policy. Apparently, he has not met that class of people who, to use his own words, have an undying conviction of the rightness of their brand of particular economics.

"It is, however, true that we have not yet evolved an economic philosophy of our own and such as exists is necessarily ambivalent. We have, perhaps, no clear idea of the entire picture of the economic future that we desire this country to have. We are apt to think in compartments without any attempt at synthesising the conflicts that thinking in compartments necessarily engenders. We desire to succeed as advanced nations have succeeded in the economic sphere, like the United States and the U.S.S.R. But, while these countries are politically administered under a set of, what might be called, almost definite system of principles, their economic policies do change frequently. We have seen the remarkable rate of progress in the economic field in West Germany, following the liberal economic policies of its Economic Minister, Ludwig Erhardt. We have also seen the progress that is being made under democratic socialist administrations in Norway and Sweden. Have these examples any significance for us?

"For many of our questions, there may be no clear-cut answers. Economics does not solve problems in the abstract. As a science, if it is a science, it is essentially pragmatic. We cannot borrow wholesale from the examples of other countries, because our problems are essentially our own and, in some sense, unique—an enormous population with no outlet for it, the enormous magnitude of our unemployment, the shortage of land, machines and materials. These cannot be solved by any single set of solutions. Even in the functioning of Government, which is an organised unit, we have no synthesis in our economic philosophy. Many of the actions which we take are dictated by the narrow considerations of solving single sets of problems as they present themselves from time to time. Therefore, there is a great need to synthesise our aims and objectives or policies, and last but not the least in our thinking and actions. I have referred to the inextricable connection between transport—railways, road transport and shipping—and industrialisation, and to the problem of supplying the people with goods and services which they badly need and which they should not be denied, if raising the standard of living is our main objective. And, while I am a firm believer that physical controls are an essential part of economic planning, we cannot in peace-time planning ask our people, whose living standards are notoriously low, to postpone consumption for an indefinite period of time. How could all these factors be divorced from our fiscal policy, our monetary policy, our policy in regard to investments and our policies in regard to other matters of an administrative character which have a bearing on all these matters. If we undertake reform in any part of these tasks at one time without thinking of its effect on the economic structure as a whole, our work becomes amateurish and perfunctory. I recently came across a note produced by a Junior Statistical Officer in the Planning Commission, who has taken pains to show that we have no serious steel shortages and our needs of imports during the Plan period would be in the region of 3 million tons, and the note passes round as if it were a document of great importance.

"As I have said at the outset, this is my last budget speech before this House. I make bold to make an earnest plea for an injection of a large dose of realism in our economic thinking, in the shaping of our economic policy, and a larger and more sincere effort at synthesis. In one sense, we are poised almost on the edge of a precipice. If we choose the right set of principles and traverse in the right path, we can become an economically prosperous nation in ten years. If we proceed in a haphazard manner, as we are so often doing, my only prayer would be God help us."

NEW PUBLICATIONS

(*Concluded from page 783*)

as in the case of the Public Debt of India, nothing more than a brief narration of facts has been found possible. The treatment of certain other topics like Central Finances seems to be rather sketchy. On the whole, the book is good and will be found useful and interesting by students as well as by general readers.—T. R. SHARMA.

MARKET GOSSIP

(*Concluded from page 755*)

larger than last year. Of the 1,024-million-bushel carryover, about 859 million bushels are held under price support loans by the Government or owned by it. The quantity of the 1955 crop placed under loan and purchase agreement to the Government by the growers is expected to be larger than the 259 million bushels handled under the 1954 crop loans and purchases.

Consumption of maize in 1955-56 is expected to be considerably larger than in 1954-55. With a normal feeding rate for the increased numbers of livestock on farms, about 2,750 million bushels would be fed. The use of maize for food and industrial purposes is expected to continue at the 1954-55 rate of a little more than 250 million bushels. Exports of maize are expected to be somewhat larger than the 92 million bushels exported in 1954-55.

It is, however, the huge surplus of cotton in the U.S., on top of an uncertain farm policy, that has been the source of much discomfort to the world markets. For the 1955-56 season, the total supply of cotton in the U.S. has been estimated at 25.7 million bales (of 475 lbs. each), consisting of carryover stocks of 11.2 million bales and output of 14.5 million bales, as compared with 23.3 million bales, made up of carryover stocks of 9.7 million bales and crop of 13.6 million bales in the previous season. The supply of cotton in the U.S. is a little over 50 per cent. of the total supply of cotton in the free world. On the basis of the current rate of domestic consumption, the offtake by mills in that country could be 9.3 million bales in the 1955-56 season. The export situation is full of uncertainties. It was originally thought that it would be able to export some 2.5 million bales. But it is now thought that exports would absorb only about 2 million bales. Thus, the U.S. might well be left with a carryover of about 14.5 million bales, as compared with the 11.2 million bales brought in.

It is an unenviable situation for the U.S. which finds that its price support programme has left on its hands a huge surplus and the other cotton-producing countries in a state of borrowed prosperity. But the method which the U.S. intends to adopt for solving the problem has been rightly assailed as being contrary to that country's declared intention of not disrupting world markets. The U.S. has announced that it will, with effect from 1st August next, sell all the Government-owned stocks at competitive prices. These stocks are estimated at 6½ million bales. The U.S. view is that it must have a fair share of the world's markets. Available indications are that it regards a five-million bale figure as its legitimate share. The export of such large quantities at competitive prices would disrupt the markets in several countries. But the U.S. chief defence is that it has had to cut production, lose its markets, accumulate huge stocks because it has had to take into account the "interests of competing countries." Defending the U.S. decision on a more aggressive export policy, Mr. Ezra Benson, U.S. Secretary of Agriculture, said recently:

"As I have indicated on many occasions, the agriculture of the United States faces three great problems: (1) A declining share of the world market; (2) increasing stocks of unsold farm commodities; (3) and taking away land out of production. Despite these grave problems, the United States is possible and restrained. We are keenly aware of the need for statesmanlike action in handling our reserves of food and fibre. We are trying to resolve these problems without undue effect upon our friends. As any nation in similar circumstances would do, we are attempting to increase consumption of our farm products, both at home and in other countries. But in so doing, we are adhering to principles of fair competition. And, at all times, we invite the friendly co-operation of other nations in seeking to solve these serious mutual problems."

Nevertheless, protests from many countries continue to pour into the U.S. against its export policy. And, what is significant, they have come from both outside and inside the country. Many countries importing cotton from the U.S. have protested that, under present conditions, it has been impossible to operate a futures market in cotton. Last week, a suggestion was in fact made in the British Parliament to Mr. A. R. W. Low, Minister of State, Board of Trade, that he should consider making joint representations with other European countries to the U.S. Government about the effect of its cotton export policy on European trade. In his reply, Mr. Low said that while great importance was attached to the assurance given by the U.S. that they intended to effect sales in an orderly manner so as not to disrupt world prices, Britain's views on the subject would be pressed at a meeting to be held early next month of the International Cotton Advisory Committee. One member pointed out that the heads of the cotton industry in France, Belgium, Holland, and Italy all thought it was time joint action was taken so that the views of the European cotton users could be put to the U.S. The only people who were benefiting from this lack of imagination, he added, were the Japanese, and they were getting cotton on favourable terms. Mr. Low recalled that the U.K. had made a series of representations at very high levels to the U.S. during the last two plenary sessions of the I.C.A.C. and the matter had been the subject of special discussions by the Standing Committee of that body since last year.

Inside the U.S. itself, protest has come from that august body, the New York Cotton Exchange. The export programme, it points out, would render normal hedging process inoperative. It has also drawn attention to the fact that banks lend liberally against "hedged" cotton, and not against "unhedged" cotton. Any unrestricted export programme, according to the Exchange, would hit the smaller merchant who would be unable to carry the risk in the absence of effective hedging facilities for cotton.

COMMERCE

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

VOL. XCII. No. 2356 BOMBAY, 28th APRIL 1956 PRICE Rs. 1/8

MR. NEHRU'S COMMENDABLE SENSE OF REALISM

THE stand taken by Mr. Nehru on the much discussed Ambar Charka is very sensible and encouraging. Provoked by one of the members of the Rajya Sabha on Wednesday the 25th inst. to make a statement, the Prime Minister categorically refused to give an assurance that no licences would be issued for additional spindleage in the cotton textile industry, pending a final decision on the Ambar Charka scheme. He went further and said: "We shall give no such assurance now or later, or at any time, because that question is governed entirely by different factors." These factors, according to his explanation, include exports of cloth, growing domestic demand, and considerations of finance. It is gratifying to find that Mr. Nehru is fully aware of the implications of bolstering up Ambar Charka at the expense of mill industry to the national economy and that he would not let himself to be stampeded into any hasty action. He himself pointed out that subsidies to Ambar Charka would cost Rs. 200 crores for five years. This is by no means a small sum. The employment potential of investing this amount on other productive enterprises will be greater, more profitable and enduring than that offered by Ambar Charka. In these days of scarcity of capital, the Government has to ensure that capital is put to uses the productivity of which is high and the resulting employment is gainful and firm.

Encouragement to Ambar Charka on the lines demanded by its protagonists tantamounts to nothing more than providing unemployment relief. The wages that can be afforded to spinners of yarn on this instrument will be so low that the workers will not be able to make both ends meet. Then, there is no certainty that people will take to it easily, unless they are either compelled or on the verge of starvation. They will always be on the look-out for some better and more profitable sources of occupation and switch over to them whenever opportunities arise. There will, therefore, be considerable fluctuation in the supply of yarn and the weavers dependent on it will be greatly handicapped. The latter may even have to go without yarn and suspend their operations on certain occasions, especially during the sowing and harvesting seasons, when the majority of workers in rural areas are fully employed. If the supply of yarn is inadequate, there will be controls on production and distribution of mill yarn which in turn will breed corruption, blackmarketing and nepotism.

The technical and economic efficiency of Ambar Charka has not been proved to the satisfaction of all, contrary to all the boastful claims of its champions. If a sum of Rs. 30 to Rs. 40 crores per annum is required as subsidy to sell the yarn and cloth produced with the aid of this crude hand-operated spindle, it is obvious that it does not satisfy the test of economic efficiency. Technically, it may be an improvement over the *takli* or the ordinary charka. But it bears no comparison with a power-operated spindle. And it never can. It has been computed that, in order to produce a given quantity of yarn, the Ambar Charka will require 55 times the manhours taken by an ordinary power-spindle. The entire clock of economic progress will be put back, if the country is made to depend on Ambar Charka for its growing needs of clothing. In this age of Atomic power, Ambar Charka is an anachronism. In any case, from what Mr. Nehru said, it is clear that the Government of India is not yet convinced that this charka can do all that is claimed in its favour. The fact that an expert committee is still investigating the matter supports this conclusion. That the Ambar Charka is yet in the stage of experimentation is obvious from Mr. Nehru's disclosure that it is still undergoing changes. When such is the position, it is surprising that those connected with the All-India Khadi and Village Industries Board should go about making false propaganda in favour of Ambar Charka and try to mislead public opinion. The Chairman of this body recently stated to the effect that it was only Mr. T. T. Krishnamachari who was standing in the way of Ambar Charka being accepted by the Government. He was surely wrong in holding that view. A few days ago, Mr. C. D. Deshmukh revealed in public that he was in agreement with Mr. Krishnamachari. Now Mr. Nehru himself is doubtful of the wisdom of assigning to Ambar Charka the role demanded by the Khadi Board.

An attempt was made by the votaries of Ambar Charka in the Rajya Sabha to get the Government of India committed in advance to the findings of the expert committee still in the midst of its labours. Mr. Nehru was shrewd enough not to get caught on this point. It was argued by one member that, when an expert committee went into a problem and made recommendations for tackling it, the Government should accept them as the last word on the subject and implement them. To give such an undertaking even when the enquiry is on would be to hand over a blank cheque to the committee concerned. Further, an enquiry committee is not a body of arbitration the decisions of which are binding on both the parties to the dispute. Mr. Nehru was, therefore, right when he said that no Government could give an assurance that it would accept the recommendations of an enquiry committee, for experts were likely to come to conclusions in the field referred to them, without examining the question from the wider field. In the case of the Committee under reference, it could comment on only the quality of yarn produced by Ambar Charka, the cost of production and the economic price payable to such yarn. But the Government had to consider, he added, the question of subsidy payable and it alone was competent to do so.

The question of subsidy apart, there are other vital considerations to be taken into account. The consumption of cloth within the country is going up and will gather further momentum when the volume of purchasing power expands, following the large-scale development expenditure contemplated in the second Plan. The need for keeping up exports of cloth is essential and urgent in the context of foreign exchange requirements of the country. This cannot be successfully met if production of yarn and cloth does not rise quickly, for the increased domestic demand will cut into the cloth available for export. There are already unmistakable signs of this trend manifesting itself steadily. Exports of cloth in the first quarter of 1956, for instance, have been on a lower scale than in the corresponding quarter of 1955 and 1954. They may fall further, if no corrective steps are taken without any further delay. The most important of these is an increase in production. This step is equally important from the point of view of preventing any unhealthy rise in prices of such an essential item of consumption as cloth. But a swift and sustained rise in production cannot be had, if the country relies only on Ambar Charka and handlooms and places a ceiling on the spinning and weaving capacity of cotton mills. The only beneficiaries of this policy will be Japan, Britain, the Continental countries, Hong Kong and China, all competitors of India in the world trade in cotton goods.

Domestically, speculators and black-marketeers will reap a fortune when an acute scarcity of cloth arises, as it well may if the ceiling that already exists on the weaving capacity of mills is not raised, if not set aside. The Government can, of course, invoke physical controls to ensure an orderly distribution of available supply of cloth among the people. But this will cost the taxpayer a tidy sum, as controls cannot be administered with the help of *Shramdan* (voluntary labour). Further, as past experience has shown, controls cannot eliminate profiteering; on the contrary, they lead to corruption and moral degeneration, not to mention unproductive employment, the liquidation of which will become a difficult problem later. The social cost of controls will thus more than outweigh the cost of expanding the mill sector for bringing about an increase in the supply of cloth. It is, therefore, to be hoped that Mr. Nehru will display the same sense of realism in regard to the ceiling on the loomage of mills, as he has done in regard to the cry for a ceiling on the spindleage. We daresay that he will appreciate the need for it, if only he extends a bit the logic behind his decision on spindles. A settlement of this vital issue is long overdue. It should not be delayed any longer. Why not clinch the issue at least when the second Plan is finalised?

Expansion of the mill sector need not necessarily mean a restriction on handlooms. As the demand is rising, there is room for both, provided the handlooms are converted into more economic means of production. That the present policy of protecting handlooms through reservation of a part of the market has not been a great success and that the small gains which handlooms have had as a result have been neutralised by losses elsewhere is now admitted by both Mr. Krishnamachari and Mr. Kanungo, the two spokesmen of the Central Government who have been in charge of the problem and as such know where exactly the shoe pinches. Their colleagues at the Centre and in the States can serve the cause of handloom weavers better by listening to them and by carrying out their carefully considered suggestions for rehabilitating this ancient and largest cottage industry than by throwing stones at them and hugging to outmoded ideas and ideals. These two Ministers, be it noted, do not say: "Remove the restrictions that are now placed on the cotton mill industry in order to prop up the handlooms." Even though this advice is logically correct, they

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know that, politically, it is not a feasible one and any realist will readily admit that, in a country like India where heads count more than brains, political pressure cannot be lightly brushed aside. What they have been advocating is modernisation of handlooms by replacing them with simple powerlooms that will give the weaver a decent wage and the consumer a better cloth at a cheaper price. The most appropriate time for introducing this reform in the handloom sector will be such as the present, when the demand for cloth is rising, stocks are low, prices remunerative and the mill sector can conveniently concentrate on expanding its export markets. It will indeed be a great misfortune to the handloom industry, if it misses this golden opportunity to strengthen its efficiency. Accordingly, those who oppose the changeover are doing, unwittingly perhaps, a great disservice to handlooms weavers, in particular, and the country, in general.

In fairness to Mr. Nehru, it must be recorded here that he did not disown Ambar Charka completely. While he was not prepared for any restriction on the expansion of mill spindleage, he declared that the Government was ready to render all reasonable assistance to Ambar Charka as a cottage industry. What he evidently meant by this was that he was for improving the quality and quantity of khadi production and, if Ambar Charka could help him achieve this objective, he was ready to support it. In other words, Ambar Charka has a purpose, albeit a limited one, namely, a mild modernisation of khadi industry. With this aim and purpose there can be no quarrel. There is, of course, a danger of the enthusiasts of Ambar Charka wanting to encroach upon the field of power spindles at a later date, as the champions of handlooms did and succeeded in their attempt four years ago. But that is a distant prospect, which, in the present political climate in the country, cannot be avoided. Meanwhile, the Prime Minister has tactfully prevented an embarrassing and fruitless controversy from gathering further momentum, an achievement for which he deserves high compliments.

DEBATE ON FINANCE BILL

THE debate in the Lok Sabha on the Finance Bill was, on the whole, a tame affair. Some members continued to press the case for a further steep rise in taxes. Others lent their support to this case, taking care to add that the relatively poorer sections should be left untouched. There was some concern over the increase in excise duties and the range of goods brought under this list. A few lone voices were raised in favour of providing some incentive to the private sector. But the debate, as such, was, perhaps, less stirring than what could be expected from a House which is shortly to gear itself to the immense task implied in the second Five-year Plan.

Nevertheless, a few important points emerged from the discussion. It was left to a lady member to urge some caution in deficit financing. After all, domestic felicity depends a great deal on price levels. And, perhaps, women in this country, unlike their counterpart in other lands, are shrewd buyers and have a healthy awareness of prices. The recent rise in prices of many essential commodities has rightly attracted attention. The Union Finance Minister, Mr. C. D. Deshmukh, in his reply to the debate, however, rightly opposed the suggestion that all this rise could be attributed to excise duties. He averred that the Government was watching the situation. Since physical controls were not acceptable to the vast section of the community, a certain amount of speculation was bound to exist. The Government, he said, was thinking in terms of buffer stocks, State trading and control on advances by banks. From all that he said it is reasonable to conclude that the Government will not lightly embark upon physical controls. This is some comfort for consumers.

Some fundamental issues relating to budgetary procedure and the presentation of the budget were raised by Mr. Tulsidas Kilachand. It is a pity that they did not evoke the necessary support. Nor did the Government spokesmen deal with them in their reply. The main point made by Mr. Kilachand was that the House should have wider and better opportunities for examination of budget proposals and the working of the State undertakings. In the context of the rising tempo of Governmental expenditure, the pre-war methods of budgetary presentation have little relevance. The frequency with which budget proposals have had to be recast in recent years serves only to underline the need for a more extended examination of these proposals by the House. Mr. Kilachand suggested that receipts and expenditure could be presented in February and the budget proposals in the middle of April or May. The Estimates Committee could split itself into sub-committees for examining the estimates of revenue and expenditure. A change in the official year, he further suggested, could be effected, in order to provide for adequate examination by Parliament of the Ministry's estimates and proposals. It may be recalled that the Estimates Committee reporting on the Railway Budget has also made a plea for more time for scrutinising the income and expenditure of the Railways, as well as the proposals made by the authorities concerned. In view of the increasingly large sums of money involved in Governmental outlay, it is certainly desirable that Parliament should not be denied adequate time and opportunity for proper scrutiny of Government's finances.

Equally important is the need for providing for a similar examination of the working of the enterprises in the public sector. Mr. Kilachand made out a notable point when he said that the State industrial undertakings in the second Five-year Plan will account for some Rs. 600 crores, in addition to a capital expenditure of Rs. 700 crores by the Railways. He rightly insisted that the House should have an opportunity exclusively to discuss the State industrial undertakings even as it has for discussing the Railway Budget. He even alleged that there was a great deal of secrecy about these undertakings. He asked for a consolidated white paper which should contain a report on the working of these undertakings, together with their balance-sheets and profit and loss accounts. It is to be hoped that the Government will be able to accede to this just demand by the time it presents the next budget. After all, the joint-stock companies are statutorily compelled to present the true state of their finances. For public undertakings, this responsibility is greater, not less. Publicity—full and wide publicity—is often the best antidote to suspicion. This is necessary on grounds of public policy alone. But even on the somewhat narrower ground, namely, efficiency in the working of these undertakings, the publication of informative reports and accounts should be genuinely welcomed. It is well to remember that the men who run these undertakings will be better disposed to acquit themselves creditably if they have the knowledge and the fear that their work will be judged by Parliament once a year and that they are responsible to the House through the Minister in charge of these enterprises.

In his reply to the debate, Mr. Deshmukh gave some indication of the Government's mind on ceilings on income, tax on wealth and land reforms. From the trend of his observations, it looks as though the Government has not yet formulated schemes for taxation of wealth. But it is seriously examining this proposition. It is not at present disposed to consider ceilings on income. But it will push through land reforms. Besides the recommendations of the Taxation Enquiry Commission, the Government "keep receiving suggestions from various quarters." One such suggestion, he said, is a tax on expenditure. He added: "All these are new ideas which have to be thoroughly sifted, investigated and related to their administrative implications and then only will it be possible for the Government, if it so thinks fit, to bring them forward before the legislature."

The Government is aware of the fact that there are "very formidable administrative difficulties" in the way of taxation of wealth. A return of wealth is now obtained from people with an income of over Rs. 36,000, against whom there is a *prima facie* reason for suspecting tax evasion. The Government, however, does not generally check these details. Obviously, a much more elaborate statement will be necessary, and means for checking it will have to be devised if the Government is to introduce a tax on wealth. These problems are being examined by the Government. Mr. Deshmukh, however, said that he could not say when the tax would be imposed. We fervently hope that the Government will not be hasty in taking a decision on this question. In a country where property is held in forms on which no correct market value could be placed (such as precious stones and jewellery), it would be extremely difficult to formulate an equitable scheme for taxing wealth. Perhaps, the Government, if it must impose this tax at all, will do well to wait till it has gained sufficient experience in the working of the Estate Duty. Further, since Estate Duty is itself a species of wealth tax, there is no reason why the Government should not perfect it, instead of pursuing new ideas.

Alluding to land reforms, Mr. Deshmukh said that they "would be accelerated along right lines in the future." By land reforms, he primarily meant the imposition of ceilings on agricultural holdings. In support of this policy, Mr. Deshmukh said that, in an old and thickly populated country like India, land was a much-sought-after and non-reproducible instrument of production, a scarce natural resource. He further said that, since ownership and cultivation of land determine, in an important way, the economic and social relationship within rural society, there was a special case for regulation of land ownership, tenure and land utilisation. Although large holdings were relatively few, they accounted for a considerable proportion of the total land available for cultivation. This disparity, he said, could not be justified when there were large numbers of landless peasants and those who had less than a basic or a minimum holding.

In thus presenting his case for ceiling on land holdings, Mr. Deshmukh did not cite figures to show how much land was available for redistribution and to what extent the landless peasants and small landholders would benefit through land gifts. The fact is that the dissatisfaction, not to say disaffection, and disloyalty caused by such forced redistribution of land, is likely to outweigh the satisfaction which the beneficiaries of this land policy are likely to derive. Apart from this consideration, the policy of ceiling on land is likely to aggravate further the problem of fragmentation of holdings and increase the pressure on land. Nor does it seem to be realised by the authorities that, in this country of large families, any scheme of redistribution of land will confer only a temporary benefit, in that inheritance laws will, in course of time, reduce the size of economic holdings which might have been created out of land reforms. The real remedy for the land problem lies not in discouraging large holdings which, in fact, make modern agriculture possible, but in creating more employment in agriculture by providing irrigation and other facilities for intensive cultivation, and in drawing the surplus rural population away from land through provision of ample employment opportunities in urban and semi-urban areas. In fine, intensive cultivation and industrialisation are the only remedies for India's land problem.

Mr. Deshmukh was, however, on firmer ground when he refuted the suggestion that, merely because the Government was committed to a policy of ceilings on landholdings, it should simultaneously impose a ceiling on all incomes. Nevertheless, the Government is constantly aware of the problem of reducing the disparity in incomes. It is to be hoped that, in adopting whatever measures it may deem necessary to take in this direction, it will not blindly yield to the essentially emotional demand for an omnibus ceiling on incomes.

There is one disturbing fiscal trend in this country to which it may not be out of place here to call attention. The Government has given the impression that it will no longer be guided solely by the recommendations of the Taxation Enquiry Commission. It is true that no Government would, or even could, bind itself by the report of any commission or committee, however important it may be. But one would expect the Government to treat the Taxation Enquiry Commission's report with a little more deference than it seems prepared to do. The tax on bonus shares is a case in point. The Commission reported against it. But the Government has imposed it. It is not, of course, suggested that the Government should not "keep receiving suggestions from various quarters." But the point is: Why should it reject the Commission's advice? It is not as if the Commission has been particularly soft to taxpayers. If anything, it has been harsh on them. Nevertheless, the Government seems to feel that it would always be justified in departing from the Commission's suggestions. There is already a tendency to treat the report as a thing of the past. Thus, Mr. Deshmukh said that, since conditions kept changing in this country and the Commission was appointed before the second Five-year Plan was drawn up, the report of the Commission, though it contained the general philosophy of taxation, was apt to get out of date in parts. This view, to say the least, is deplorable. It is now only a little over a year since the Commission submitted its findings. No remarkable changes have occurred during this period to lend support to the view that its report has become out of date. It is true that an ambitious second Plan has been drawn up and that the Government needs large resources to implement it. But, if the Plan shoe is larger than the country's feet, the obvious remedy is rather to trim the size of the shoe to suit the feet than induce an inflationary dropsy in the feet to suit the size of the shoe. The Plan is made for the country and not the country for the Plan.

FOOD SITUATION CAUSE FOR CONCERN

FORWARD MARKETS COMMISSION AND E.I.C.A. CHIEF

THURSDAY, 5 P.M.

MARKET GOSSIP

A SUBDUED tone has come to prevail in the share markets. There have been no new developments for any pronounced movement either way. Tired bull liquidation, coupled with some selling by institutional investors, has caused a slight fall in equity values. Among commodities, cotton has been firm and it is alleged that the volume of business at rates above the ceiling has increased, especially in upcountry markets. Oilseeds are quietly steady. In the bullion market, both gold and silver are well above last week's closing rates. A steady to firm tone prevails in the Gilt-edged market, while the money market still presents signs of brisk activity. Inter-bank money and house money in Bombay are quoted at the same rates as a week ago, though, in Calcutta, where the call rate was well above 4 per cent., it is now well below that level. Though the end of the traditional busy season is drawing to a close, there is not much evidence of it in the short-term money market. The hold-up in the docks, on account of labour trouble, and shortage of road and rail transport are arresting movement of goods and, to that extent, bank money, too, must have got tied up. In any case, with the nature of Indian economy becoming more and more industrial and with interest rates having gone up all over the world, it will be unrealistic to expect any marked variations of a seasonal nature in interest rates.

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The food situation in the country is by no means as comfortable as some of our Ministers want us to believe. Much is being made of the slight fall in prices of wheat and rice here and there. But it is forgotten that, although the movement of new crop into the market is in full swing and the reserved stocks of Government have been steadily thrown on the market for the past few weeks, the decline has occurred only in a few places and that it has been of a minor nature. In fact, this fall is nothing as compared with the steep rise that has already taken place all over the country. Hyderabad, Andhra, Mysore, Madras and Travancore-Cochin States have been the worst sufferers. In less than six weeks from now, the rains will begin, making it difficult for the grains to be moved freely. There is little scope for prices going down any further during this short period. If anything, they may go up after the rains start.

That the food position must be giving rise to anxiety is evident from the report that it is included in the agenda for the meeting of State Chief Ministers due next week at New Delhi. The Food Ministry seems to have been very complacent about the whole affair. It did not take any effective steps to build up buffer stocks last year, when prices in the country were low and there was a surplus of grains. On the contrary, it allowed some exports and permitted the shortfall in the 1954-55 cereal crops to be made good by dipping into the previous season's carry-over. It took no steps to replenish the reserves that were thus utilised. The output of both wheat and rice in the 1955-56 season is expected to be lower than even that in 1954-55. One estimate places the wheat crop down by 25 per cent. and the rice crop by 4 per cent. In terms of quantity, the drop will be about 2.2 million tons in wheat and nearly one million tons in rice.

After last year's floods, upseasonal rains and cyclone, at least the Food Ministry should have, as a precautionary measure, bought rice and wheat in the world markets for delivery now. It did nothing of that sort, but went on saying that production of foodgrains would not be adversely affected to any substantial extent. Meanwhile, prices of both rice and wheat have gone up in world markets, in spite of the mounting surpluses in the U.S. and Canada. Burma, which was an anxious seller till about the close of last year, is not so keen at present, having concluded large barter deals with China, Russia and Japan. The shipping position, too, has become tight and freight rates have gone up. The whole world knows that India wants to buy a million tons each of rice and wheat in the coming months. After the broadcast of this information by the Minister himself, will those who hold stocks of grains sell at old rates, or will the shipowners refrain from putting up the freight rates?

All these show that Government Departments are incapable of acting in right time or in the right manner. Who pays for this bungling by Ministers and officials? The public, of course. Yet, the Food Minister coolly accuses the traders by saying that some of them have started behaving in "a funny manner." The merchants and retail shopkeepers are not angels. Many of them lost money when prices went down last year and they would naturally try to make up for this loss by putting up the prices if circumstances were favourable for doing so. It is the duty of the Food Ministry to keep a watch over the situation, to make an intelligent assessment of the likely supply and demand in advance and to ensure proper balance between the two by arranging for either imports, if supplies indicated a shortfall, or purchases from producers if the crop showed signs of an increase. Managing the larder of a big country like India with its teeming millions is no joke. It requires vision, courage, agility and tact on the part of the Minister who is in charge of this responsibility.

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When the doyen of the cotton trade, Mr. Purshotamdas Thakurdas, bade good-bye last week to the East India Cotton Association, over the destinies of which he had presided in almost regal splendour for a period of over three decades, the event was variously described in market circles as a "first class issue," a "crisis" and a "scandal" because his retirement was as a protest against certain actions of the Forward Markets Commission. Since Bombay's cotton market has an international reputation, it was hardly to be expected that the event would go uncommented in the Press, particularly because the exit of the President, Mr. Purshotamdas Thakurdas, and of the Vice-President, Mr. Chimanlal B. Parikh, was prompted by considerations which have more than a merely local or technical importance. It raises a complex of issues about the relationship between the trade and the Commission.

Elsewhere in this issue, we have given a summary of the Commission's letters to the Association which provided the immediate provocation for the President's departure. The President has described the bunch of 11 letters as the "last straw on the camel's back." They are not a straw, but a bundle. But it is not clear why the Commission found it necessary to write a whole series of letters in a day. Nor is it clear from the letters whether all the issues covered by them had been the subject of discussion between the Commission and the Association. It is true that not all the letters are in the nature of directives to the Association, in that mutual consultations are envisaged in several letters. But it is also true that the Commission expects the Association to carry out certain changes in its by-laws. It is somewhat disingenuous for the Commission to argue that it will leave the day-to-day functioning of the market to the Association when its letters indicate a wide measure of control over every conceivable detail of the Association's working.

It is even more unconvincing on the part of the Commission to suggest that the President has tried to overawe the Commission. If anything, it is the Commission which has the whip-hand under the law. It can always get things done, thanks to the overriding powers it possesses. The real power and prestige of the Commission, however, lie not in the giant-like powers the Statute confers on it, but in the tact, the understanding and the wisdom with which it exercises them for the furtherance of the cause of those whom futures markets seek to serve. Recent events have shown that the Commission has absolutely arbitrary ideas about cotton prices. Indeed, nothing lends greater weight to Mr. Purshotamdas' statement than his reference to "ceiling within ceiling" imposed by the Commission.

In his rejoinder to the Commission's statement, issued this week, Mr. Purshotamdas again returned to this theme. He said he had carried on well with the Commission till he was told overnight to set up ceilings for cotton at Rs. 700, Rs. 140 below the official ceiling prices announced by the Government of India as its policy for this season. In the face of rising prices of other commodities such as foodgrains, oilseeds, etc., it was incomprehensible that the Association should be so willing a party to lower the ceiling to the detriment of growers. He hoped that the Commission and the authorities behind it had learnt the lesson that economic forces were stronger than the fiats of the Government, however powerful they were. The debacle in cotton in the U.S.A., despite the financial might of the U.S.A. he said, stood as an example in this connection. He rightly referred to the fact that, since the attempt to enforce the price level of Rs. 700 by taking the drastic step of closing down the futures market, economic forces had led to the prices in the spot market increasing by about Rs. 100 with mills still keenly seeking cotton at advancing prices. He claimed that economic forces had vindicated his opposition to attempt an arbitrary lowering of the ceilings for the futures contract. He reiterated his earlier view that the rise in the prices of cotton that took place from October to December was not the result of speculative manipulations. Denying that he had claimed a monopoly for speaking on behalf of growers, he observed: "It is strange that the Commission should in one breath say that it permitted futures trading for the protection of the cotton grower without explaining whether it was in the interest of the grower that it had closed down the futures market and again whether it was with a view to benefiting the grower that the Government's official ceiling price of cotton was sought to be lowered."

Explaining the circumstances in which he had resigned, Mr. Purshotamdas said that it was easy for him to have taken the path of least resistance and remained silent till the Government woke up to its mistake. Instead, he had taken the courage of doing his duty and telling the Commission what he thought. As regards the charge that he was not easily available for discussion, he said he had always placed himself entirely at the Commission's disposal and, if the Commission did not utilise his services in recent months, it was because the Commission was aware of his views which were unpalatable to it. Finally, he warned that the radical alterations sought to be imposed in the by-laws and procedures of the East India Cotton Association would so change the complexion of the cotton trade that the edifice built up during the last 35 years would come down. He, therefore, decided to quit with a view to making room for a more amenable successor in the hope that the Commission would have learnt its lesson from the experience of last year.

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It is thus clear that the prescription of a ceiling below the official ceiling was the original sin which demoralised the market to an extent that had not been witnessed in the years of worst shortages in cotton. The Commission, headed, as it is, by an economist of the eminence of Mr. Natu, could not have been unaware of the fact that there was shortage in cotton supply and that prices would go up. And prices do not behave to order. Unfortunately, there is a species of politicians in this country who will never cease to wonder why prices of cotton, like the price of a packet of blades or any other branded article, should not stay put at a level. In their view, the wicked machinations of the Machiavellian traders are the cause of all the rise in prices. Being an impartial and expert body, the Commission, however, should be able to develop an independent and correct view of the price situation.

It is bad enough that Indian cotton prices should be pegged at levels below even the currently low levels of world prices. But it is worse that a ceiling should be prescribed for the hedge control below even that low official ceiling. In any other agricultural country, the prescription of a low ceiling would become a first-class political issue. Even in this country, the Government has been compelled to yield to agricultural producers who are sufficiently well organised to demand their pound of flesh. The cotton farmer, on the other hand, has few spokesmen. Judging from its past performance, even the trade has given the impression that it will stand up for him only when that suits its case. Because the cotton farmers are a disorganised mass, the Government, too, has been encouraged to sacrifice their interests at the altar of textile workers and inefficient mills. The result is that the cotton farmer receives for his labour not only less than what he would get on world markets but also less than what other producers receive for similar effort.

MONTE CARLO BUDGET?

By Our London Correspondent

NO Chancellor of the Exchequer can ever hope—or should ever try—to please everybody. Mr. Macmillan has been no exception: "many a year," says one Editor, "since a Chancellor of the Exchequer packed so many changes of importance to so many people in a single Budget statement;" but "there is little new in his proposals" says another, "and even less of anything important." Truth no doubt lies between the two, but one thing Mr. Macmillan has certainly achieved and that is to improve confidence in sterling. Dear money is in to stay, the Chancellor can talk about surpluses of £500 million and increased taxes in the same breath, and anti-inflationism is firmly established on good solid ground.

Here is a budget of £5,200 million and on it for the past year the Government can show a surplus of £460 million. Normally, this would be an excuse for cutting up the cake and remitting taxes. But not with the new philosophy that Budget surpluses or deficits must be looked at against the economy as a whole. So the surplus is pocketed and the Chancellor takes a look at 1956-57. There he sees the ever buoyant revenue going to give him another £300 million over the estimates for the past year, while expenditure will cost about £180 million over the estimates for this year (£80 million being the bill for dearer Government borrowing). Thus, this new year may give a surplus more than £100 million over that actually realised for 1955-56. But the Chancellor takes the more cautious approach—he takes an estimated bill of £4,745 million from an estimated income of £5,190 million and looks at a prospective surplus of £445 million. But—true pupil of the economist Keynes—he then looks at capital expenditure by the Government, mainly by way of loans to local authorities and nationalised industries and declares he can see an outlay of £453 million to set against the income surplus. With inflation still in the air, he thus sees a deficit, in terms of capital and income all mixed together, of £8 million—and proceeds to clamp on new taxes.

But first he gives small gifts and prizes: a higher rate of Savings Bond interest (4 per cent. and 4½ per cent. are the new rates according to length of security, a rise of about ½ per cent.) and no tax on the first £15 Post Office savings interest. This will cost him about £8 million; then comes a popular move—the self-employed man, who provides for his retirement through insurance, is to be given the same advantages in tax rebates on his insurance premiums as firms enjoy—another £7½ million cost; house purchasers are to enjoy lower stamp duties, another £4 million gone. With sundry items the give-away bill is £20 million odd. The Chancellor now sees a deficit of £28 million! and proceeds to raise new taxes. Tobacco is the victim once again—it is so easy with a nation that spent £630 million on smoking last year—and the price of cigarettes, etc., will go up about 5 per cent. Then profits are called on for an extra levy—retained profits will pay 3 per cent. and distributed profits 30 per cent. So the Chancellor gets £28 million and the Budget, both above and below the line,

(Continued on next page)

SHARE MARKET LACKS DRIVE

PRICES CLIMB DOWN

(From Our Own Correspondents)

BOMBAY, 26*th April*

THE share market staged a further minor climb-down this week. Fresh incentives to bulls were conspicuous by their absence. The market, therefore, lacked drive and energy. On the contrary, tired bulls, who were disappointed at the poor performance of the market, were inclined to liquidate their holdings. This, in turn, curbed the bullish sentiment of operators who preferred to await further developments, in view of a number of uncertain factors such as the fate of Bombay City, the pending resignation of Mr. C. D. Deshmukh, and apprehensions regarding unfavourable changes in the Industrial Policy Statement to be published shortly. Transactions, in these circumstances, were far and few between and where they took place, values tended to drift downward and the week's lowest levels were seen just before the close.

The steel section depicted a bearish trend. Tired liquidation in Tata Ordinaries and selling pressure in Indian Irons from Calcutta were responsible for pushing down the quotations for both the scrips. The sale of a large parcel of Tata Ordinaries by a leading broker instilled fears of large deliveries in the ensuing settlement and brought in its wake fresh offers. These shares opened lower at Rs. 244-4, as against the previous close of Rs. 246-4, and rose by a fraction to Rs. 245 on the 24th inst. In the subsequent sessions, under pressure of sustained selling, they declined and wound up at the week's low of Rs. 239-4. Indian Irons drifted down from Rs. 34-14-6 a week ago to Rs. 34-5-6, after going up to a little over Rs. 35 earlier.

Textile shares also were a shade quiet, with leading counters registering sizable losses on balance. Bombay Dyeings lost 20 points to finish the week at Rs. 627-8. Centurys shed 9 points to close at Rs. 510. Finlays were marked down by Rs. 3 at Rs. 348, and Gokaks Rs. 3-8 lower at Rs. 227. Indu Ordinarys were As. 3 less at Rs. 12-4. Kohinoors staged a further retreat to the extent of Rs. 5-8 to Rs. 348. Shreenivas shares receded from Rs. 222-8 to Rs. 217-8. Lakshmis and Vishnus, however, put on Rs. 10 and Rs. 3-2 to finish at Rs. 705 and Rs. 193-12, respectively.

Bank shares remained generally neglected. But Bank of Barodas had some stray deals at Rs. 93, as against Rs. 94, and Bank of Indias at Rs. 153-12, as against Rs. 154-12. Centrals were unchanged at Rs. 47, while Union Banks lost As. 1½ to Rs. 6-8½.

Among public utilities, many counters were on offer, with the result that the section as a whole displayed an easy trend. Andhras moved down from Rs. 1,260 to Rs. 1,255. Bombay Suburbans shed As. 5 to Rs. 115, Surat Electrics, however, fared better at Rs. 120-10 as against Rs. 120. The Company has maintained the final dividend at Rs. 4-8 per share, making in all Rs. 7 for the year ended 31st December 1955, which is the same as for the preceding year. But hydro-electrics lost Re. 1-8 to Rs. 128 and Tata Powers Rs. 7-8 to Rs. 1,342-8.

Barring a few shares, the miscellaneous section, too, depicted a lower trend. Sugar shares continued to be dull. Belapurs drifted down by 6 points to Rs. 219, while Belapur coupons were steady at Rs. 117. Phaltons had deals done As. 8 lower at Rs. 141, and Walchandnagars Re. 1-14 lower at Rs. 242-8. In the cement group, A.C.C.s came down by Rs. 2-8 to Rs. 212-4, while Digvijays revealed no change at Rs. 185. The engineering and mining group fared no better. Alcocks fell by Rs. 8-12 to Rs. 341-4, Tata Locomotives by Rs. 3-8 to Rs. 150 and Premier Constructions by Rs. 5-4 (since *ex-div.* on 24th) to Rs. 171-4. Shivrajpurs fell by Re. 1-12 to Rs. 104-12. Indian Coppers, on the contrary, put on As. 5½ to finish at Rs. 6-9.

Among shipping shares, Scindias slided down by As. 4½ to Rs. 17-9. But Great Easterns were unchanged at Rs. 17-8.

Hindusthan Motors, in the transport section, had transactions at Rs. 9-4-6, as against Rs. 9-6 a week ago. Premier Automobiles remained unchanged at Rs. 90.

In the miscellaneous group, Bombay Burmahs moved between Rs. 620 and Rs. 632-8, before closing at Rs. 622-8. New shares, however, rose by Rs. 5-10 to Rs. 245. British India Corporations were up by As. 3 to Rs. 10-8 and Killicks by As. 4 to Rs. 169-8. National Rayons improved by Rs. 2 to Rs. 238-12. Tata Chemicals receded from Rs. 17-12 to Rs. 17-7 and Wimcos by Re. 1-4 to Rs. 201-4.

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Calcutta Stock Exchange

CALCUTTA, 25*th April*

The Finance Minister's week-old statement in which he promised no relief in taxation but more taxes every year in the next ten years was still ringing loud in the ears of both investors and operators. Consequently, there was a shrinkage in the volume of business with a decline in equity prices on the Calcutta Stock Exchange during the week under review. For a time, of course, trading was lively, thanks to the Finance Minister's announcement in Parliament of a few minor concessions in corporation tax, and his assurance that the levy on bonus shares would not affect the shareholders in the least. Tea shares were particularly favoured, due to Mr. Deshmukh's announcement that 60 per cent. of the incomes of tea gardens, being agricultural incomes, would not be taxed. The liveliness was, however, short-lived, as operators desired to proceed cautiously, in view of the Finance Minister's clear hint that several taxes—not yet imposed—were under consideration for future use and that their introduction would depend on the progress of the country's economy. Political uncertainties also induced some selling. Mr. Deshmukh's speech in the Lok Sabha on Saturday last did not change the sentiment in the market for the better. For that was a balanced statement. He said that a tax on wealth was under consideration, and this eclipsed any change of sentiment that would have followed his view that placing a general limit on incomes was not a feasible proposition and that a ceiling on land holdings did not prohibit landowners to possess other forms of property.

Section-wise, jutes were lifeless, in view of the fact that prices of jute goods were not improving, while those of raw jute were high. Nationals were lower by As. 6 at Rs. 23-6. Barnagores changed hands at Rs. 133, as against Rs. 132 previously. Howrahs were quiet at Rs. 22-6 and Chitavalsahs at Rs. 14-2. From Rs. 39-4, Nuddeas receded to Rs. 38-12.

Although fears of an increase in excise duty affected the sentiment in cottons, Elgin Mills were fractionally better at Rs. 27-6. Kesorams were unchanged at Rs. 17-8.

Coals were shown sparse attention, on reports that the insufficiency of wagons was causing difficulty in collieries. Bengals were unchanged at Rs. 535, while East Indians declined from Rs. 32-12 to Rs. 31-8 and Central Indias from Rs. 6-15 to Rs. 6-13. Burrakurs were lower at Rs. 14 and Rancegunges quiet at Rs. 11-3.

In the mining section, Indian Coppers continued to attract attention on expectation of a bonus issue on favourable terms. From Rs. 6-4, the rate recovered to Rs. 6-11 yesterday but relapsed to Rs. 6-10 today. Burma Mines firmed up by As. 5 to Rs. 3-9. From Rs. 25-8, Karanpura Developments lost to Rs. 24-12 but recovered to Rs. 25 subsequently.

After depicting an easier trend, Engineering scrips were in better form. Good support was afforded to Jessop & Cos., which improved from Rs. 33-10 to Rs. 35-14. Texmacos, after rising to Rs. 23-14 receded to Rs. 23-9 today. Kumardhubis gave way from Rs. 10-6 to Rs. 10-2. From Rs. 27-6, Richardson and Cruddas improved to Rs. 28-12. Indian Irons opened at Rs. 35-4 and by the weekend had fallen to Rs. 34-13. On Monday, however, there was a pick-up to Rs. 35-1 to fall again today to Rs. 34-8.

Teas were supported at lower rates, Dufflaghurs meeting with business at Rs. 47-12, as against Rs. 48 previously. Tezpores dropped As. 12 to Rs. 26-4. Betjans changed hands at Rs. 57-8, as against Rs. 59-8 previously, while Hasimaras recovered from Rs. 41 to Rs. 41-12. Gungarams at Rs. 357 were higher by Rs. 7.

Among miscellaneous industrials, Electric Construction Equipments were steady at Rs. 13-6. B.I. Corporations were better at Rs. 10-10. Indian Cables were quiet at Rs. 31 and Indian Wood Products at Rs. 30-6. From Rs. 26, National Carbons recovered to Rs. 26-3. Rohtas Industries hardened from Rs. 22-6 to Rs. 22-10 before finishing lower at Rs. 22-2. India Steamships changed hands today at Rs. 8-7, as against Rs. 8-5 on Wednesday last.

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Madras Stock Exchange

MADRAS, 24*th April*

The Madras Stock Exchange displayed a firm trend this week too, mainly on account of a feeling of optimistic outlook for industries, thanks to currency expansion and slight improvement in money supply conditions. Some of the concessions announced by the Union Finance Minister in the corporation taxes proposed in the 1956-57 budget also enlivened the sentiment of operators. The tea industry in particular, it was said, would benefit by these concessions. This feeling, together with reports of persistently good offtake of tea at higher prices, lent much support to tea shares. Coffee shares also elicited enlarged demand, which was inspired chiefly by the conclusion of an agreement with Soviet Russia for the export of 500 tons of coffee valued at over Rs. 41 lakhs to the latter country. Rubber shares also ruled strong, owing to reports of a growing demand for rubber from producers of rubber goods. Textile shares, too, were well favoured, the chief stimulating factor being the continued encouraging advices from both the yarn and piecegoods markets.

In the planting section, tea company shares provided the brightest spot. United Nilgiris rallied Rs. 5 to Rs. 355. An extraordinary general meeting of the United Nilgiri Tea Estates Company, Ltd., will be held on 22nd May next for the issue of three ordinary bonus shares for each five shares now held, or, on the sub-division of the present shares of Rs. 100 each to 10 shares of Rs. 10 each for every 10 shares now held. Mlamallay advanced by Re. 1 to Rs. 67. Periakaramalais recorded a rise of As. 5 to Rs. 9-10. Highlands and Nilgiri Teas moved up by As. 4 each to Rs. 13-2 and Rs. 14-2, respectively. Norwich Teas were firm at Rs. 37-4 *cum-div.* and Perksides at Rs. 20-13 *cum-div.* The directors of these two companies have declared an interim dividend of 10 per cent. and 5 per cent., respectively, for the year ended June 1956. Among coffee shares, Coffee Lands and Consolidated Coffees hardened by As. 3 each, the former to Rs. 22-15 and the latter to Rs. 13-11. Pulthutottams improved by 18 pies to Rs. 4-10-6. Among rubbers, Nemmenys strengthened by As. 10 to Rs. 24-4. Malakkaras and Nilamburs spurted by As. 8 each to Rs. 50-8 and Rs. 15, respectively. Midlands put on As. 6 to Rs. 21-10. Woodlands gathered a like amount to Rs. 12-4. Pullangodes increased by As. 4½ to Rs. 4-11 and Rajagiris by As. 3 to Rs. 24-3. Travancore Rubbers gained As. 4 to Rs. 28 *cum-div.* The Directors of the Company have declared a dividend of 30 per cent. on ordinary shares for the year 1955, as against 20 per cent. for 1954.

Induced by sustained buying orders, textile shares registered an improvement in prices. Virudhunagars and Premiers were in special request, their quotations advancing by Rs. 9-8 each to Rs. 40 and Rs. 197-8, respectively. Metturs climbed by Rs. 6 to Rs. 413. Bangalore Woollens rose by Rs. 5 to Rs. 570. Dhanalakshmis hardened by a similar amount to Rs. 350. Rajalakshmis put on Rs. 3-8 to Rs. 175 *cum-div.*, Rajapalayams Rs. 2-8 to Rs. 140, Malabar Spinnings by Rs. 2 to Rs. 114, and Coimbatore Spinnings by Re. 1-8 to Rs. 90. Kotharis, Lakshmi 'A's, Ranga Vilas and Venkatesas were better by a rupee each at Rs. 22-4, Rs. 95, Rs. 90 and Rs. 172, respectively.

In the miscellaneous section, gold company shares elicited very good attention of operators, on expectation of payment of liberal compensation by the Mysore Government which is nationalising the Kolar Gold Mining Companies. Champion Reefs rallied Re. 1-2 to Rs. 4-8. Nundydroogs picked up As. 10 to Rs. 6. Mysore Golds spurted by As. 4½ to Rs. 2-6-6. Rallis were in demand As. 8 higher at Rs. 34-4. India Steel Rollings, Mysore Tobaccos, and Radio and Electricals gathered As. 7 each to Rs. 14-10, Rs. 13-4 and Rs. 6 *cum-div.*, respectively. Central Scientifics put on As. 6 to Rs. 6-12, Ranes As. 5 to Rs. 10-4 and Singarenis As. 2 to Rs. 9-14.

OUTPUT OF GOLD

India produced 239,168 ounces of gold during 1954, of which 220,522 ounces were produced from Mysore Goldfields, according to the latest issue of *Indian Minerals*, published by the Geological Survey of India. The only other working mine—Hutti Goldfield in Hyderabad—is of minor importance and produced only 18,646 ounces during the period. The principal gold-bearing area in Mysore State is a 3 ft. wide vein stretching for about 5 miles. There are four mines in the State, namely, Mysore, Nundydroog, Oorcgaum and Champion Reef. The workings in the area have now passed a depth of more than 9,000 ft. and offer considerable difficulties in safe mining due to frequent rockbursts and heat. Gold-bearing veins are also known to exist in Dharwar district of Bombay, Wynaad and Anantapur districts of Madras, and Lowa in the Manbhum district of Bihar. These occurrences, however, show signs of old workings. Alluvial gold is found widely distributed in many parts of India, namely, Assam, Bihar, Orissa, Madhya Pradesh, East Punjab, Uttar Pradesh, Kashmir and West Bengal. Some of the rivers in these areas carry sands containing gold in exceedingly small quantity and the local villagers carry on gold-washing, in addition to their other occupations, as the yield is of inappreciable quantity.

MONTE CARLO BUDGET ?

(Concluded from previous page)

both on income and on capital account is balanced. From the economist's point of view, a perfect budget, indeed.

But, in income terms, there will be a surplus of over £450 million. This is not enough for the Chancellor—he attacks the bread subsidy which is to be abolished after the summer at an annual saving of £23 million, leaving milk the only consumer-subsidised food. He then attacks Government expenditure in general and aims to save in unspecified ways some £100 million in a full year. Add to this the normal buoyancy of the revenue and a £600 million surplus is looming up!

The Press and Parliament have focussed attention on the new (in modern times only) device of lottery bonds—but economically this is a small issue. In a gambling age, is it wrong for the State to appeal for savings to people who would rather take a chance on no interest (taxed anyway) or a big tax-free prize? These people would not save otherwise and the non-gamblers can still save in the old way. But the issue has branded this as a Monte Carlo Budget—in sly tribute to other events. But this is hardly fair to Mr. Macmillan—this is as disinflationary a budget as a Conservative Chancellor dare bring out, a budget that angles for a surplus of £600 million—as big as a pre-war budget. Tribute should go to him for a fair attempt at doing what all parties would agree needs to be done.—*All Rights Reserved.*

NEWS IN BRIEF

THE estimated production of bicycles during the period 1st July 1955 to 31st March 1956 was 415,772, of which 30,000 were from the small-scale sector.

The Central Government has made a profit of about Rs. 8 crores on the import of sugar. Disclosing this in the Lok Sabha the other day, Mr. A. P. Jain said that, out of a total quantity of 10.57 lakh tons of sugar imported during the last two years, 9.85 lakh tons had so far been consumed.

The Government of India has accepted in principle the necessity of affording assistance to the sailing vessel industry to enable owners of sailing vessels to mechanise their vessels. Details of the scheme to provide such assistance are now being worked out and will be included in a Bill which the Government will bring forward for the purpose.

Having regard to the fact that the Expert Committee appointed to examine the feasibility of introducing a scheme of Export Credit Guarantee for India has yet to consider a number of important items of work, the Government of India has decided to extend the term of the Committee upto 30th June 1956. The Committee was originally required to submit its recommendations to the Government by 6th May 1956.

The additional investment required to rehabilitate The Fertilisers and Chemicals Ltd., Alwaye (Travancore), is estimated at Rs. 256 lakhs. It will take three years to make its production near-economic. The objective of the Central Fertiliser Pool is to make ammonium sulphate available to cultivators at reasonable prices and its continuance will not depend upon the working of this particular firm.

The all-India final estimate of black pepper for 1955-56 puts the current year's area and production at 214,200 acres and 27,200 tons, as against the partially revised estimate of 208,300 acres and 25,800 tons for 1954-55. The increase in area has generally occurred in all the black pepper growing States, while that in production has occurred in all the States, except Travancore-Cochin, where production has declined by 100 tons.

The Government of India has so far paid Rs. 4,52,89,300 for the execution of development projects in Nepal. The aid given by the Government of India has been twofold—technical and economic. Technical aid covers schemes relating to scholarships for Nepalese students and deputation of experts to Nepal to advise on technical matters. Economic aid covers schemes like construction of roads, airfields, execution of minor irrigation projects, and trigonometrical and geological survey.

The Government of India is taking steps to have a detailed project report prepared for the setting up of a foundry in conjunction with a forge shop. No decision has yet been taken on the total number of foundries that will be set up. The estimate of the cost involved and the strength of the labour to be employed will be known after the detailed project report has been prepared. The decision regarding the location will also then be taken.

Out of the estimated production of about 220,000 tons of soap, about 57,800 tons are produced by foreign-owned units, according to Mr. T. T. Krishnamachari. Establishment of new units or expansion of existing factories is not permitted. Soap is an item in export promotion and is included in trade agreements. Import of soap is not allowed under the present import schedule, except for a small quantity of medicated soap.

The Railway Board has sanctioned traffic and reconnaissance engineering surveys for a broad-gauge (or alternatively metre-gauge) line between Dungarpur and Ratlam *via* Banswada, a distance of about 150 miles. The survey will be carried out by the Western Railway. This project is being examined in conjunction with the Udaipur-Dungarpur-Himmatnagar line and has alternate operational possibilities. In addition, it will benefit the underdeveloped Adivasi tracts of Rajasthan. The line passes through regions rich in minerals and natural resources.

Approximately 1,882,26 rattis of diamonds, worth about Rs. 3.5 lakhs, were obtained from the mines in India in the first ten months of 1955-56, the figures for 1954-55 being 1,866.99 rattis and Rs. 3.4 lakhs, respectively, according to Mr. K. D. Malaviya. While no oil deposits have been found in Himachal Pradesh, certain favourable structures indicating the presence of oil have been discovered. The Government has a programme for preliminary drilling in this area and it proposes to start drilling before the beginning of the monsoon.

Grants have been sanctioned to some of the universities, colleges and research institutions for conducting economic surveys of important towns in the respective States. Grants vary according to the estimated expenditure on a scheme. Quarterly statements of expenditure incurred and progress made are received by the Research Programme Committee of the Planning Commission. A scheme of Socio-Economic Survey of Bombay City, prepared by the School of Economics and Sociology, has been approved and investigation is now in progress. For certain other cities, schemes submitted by other institutions and colleges have been approved and are progressing. Bombay, Baroda, Surat, Poona and Hubli are the towns in the Bombay State where a survey has been made.

A mission from the International Bank for Reconstruction and Development arrived in New Delhi on the 19th inst. The leader of the mission, Mr. Thomas H. McKittrick, a retired senior Vice-President of the Chase National Bank of the United States, will be joining the mission later, that is, on the 30th inst. Besides the leader, the mission consists of five other members. The object of the mission is to make an assessment of the economic progress made by India so far and of the effects on its economy of the second Five-year Plan. In the light of this assessment, the Bank will determine the extent to which it can increase its loans to India. The mission's stay in India is expected to last six to eight weeks. While in Delhi, it will hold discussions with the various Ministries of the Government of India and with the Planning Commission. It will also visit important industrial centres and some development projects and will meet industrialists and business men.

* * * *

From Abroad

Argentina has decided to join the International Monetary Fund and the World Bank.

Stocks of wheat in Canada on 31st March this year amounted to 751.6 million bushels, the second highest in the history of the country.

The Egyptian Government has imposed a customs statistical duty of one per cent. on all goods imported with effect from the 19th inst.

The international conference, which is considering the renewal of the International Wheat Agreement, resumed its discussions in London last week. When the earlier sessions held in Geneva concluded, a draft text for a new pact was agreed upon, leaving to be decided only the issue of prices, quantities and duration.

The G.A.T.T. has to its credit ten years of substantial achievement, according to Mr. E. Wyndham White, Executive Secretary of the G.A.T.T. It is encouraging, he adds, that the inflationary pressure naturally resulting from the rapid rate of European economic recovery has not led to renewed trade restrictionism.

The Appropriation Committee of the U.S. House of Representatives has voted a sum of $1,200 million for setting up a farm "soil bank" immediately. The soil bank is intended to pay farmers for putting a part of their land out of cultivation and thus avoiding an increase in surplus food stocks.

Newsprint shortage is causing a "grave crisis" in the Pakistan newspaper industry, according to Mr. Fakhr Matri, General Secretary of the Council of Pakistani Editors. One Dacca newspaper has already ceased publication. Many other papers are threatened with a similar fate. District papers and periodicals are the worst sufferers.

Commercial banks in Sweden have agreed to reduce their advances by 5 per cent. by next August in a move to curb inflation. This is expected to reduce the amount of money in circulation by 500 million crowns. The Swedish National Bank had asked the commercial banks to make the reduction following a 6 per cent. increase in the past year.

The American overseas assistance aggregated nearly $4,000 million in 1955. This brought the net post-war total of assistance abroad to $53,000 million, with $11,000 million representing credits repayable to the United States. There was a decrease of about $1,000 million in military assistance, military aid for 1955 amounting to $2.200 million. Non-military aid last year, including technical co-operation and catastrophe relief, increased by about $200 million to reach $1,700 million.

The output of tea in Pakistan during 1955-56 amounted to 49 million lbs., a fall of 6 million lbs. from that in 1954-55, despite an increase of one per cent. in acreage. This decline is due to drought which hit the tea estates in the beginning of the season. Exports declined from 23 million lbs. to 21 million lbs., mainly due to a rise in domestic consumption. The Ministry of Agriculture has planned to increase production, in view of the rising trend in internal consumption.

PERSONAL

MR. John Maclay, a member of the British Parliament, has been re-elected President of the seven-nation Western European Union.

Mr. S. N. Haji of the Scindia Steam Navigation Co., Ltd., has been elected Chairman of the All-India Manufacturers' Organisation for 1956.

Mr. Jayantilal Amratlal and Mr. Chandulal Vardhaman have been elected President and Vice-President, respectively, of the Saurashtra Mill-owners' Association for the year 1956-57.

Mr. A. Ramaswami Mudaliar, Chairman of the India Steamship Company, Ltd., has returned to India after attending the meeting of the International Civil Service Board held at New York recently.

Mr. Jaykrishna H. Patel, senior partner of the Managing Agents firm of Shri Ambika group of mills, Ahmedabad, has been elected President of the Ahmedabad Millowners' Association for 1956.

Mr. Saiyid Fazl Ali, lately Chairman of the States Reorganisation Commission and a former Governor of Orissa, has been appointed Governor of Assam, in place of Mr. Jairamdas Daulatram, who will be relinquishing his post in the middle of May.

Mr. Manilal H. Patel, senior partner of Messrs. Manilal Patel & Co., Bombay, who has been selected by the Government of India to represent it at the International Cotton Advisory Committee meeting to be held at Washington on 7th May next, left for Washington on the 22nd inst.

Messrs. N. Dandekar, G. Dodds, R. E. Forrester, A. H. Hume, F. H. Kemple, K. G. Milne, F. Parker, K. B. Sethna, R. F. S. Talyarkhan and N. M. Wagle have been elected members of the Committee of the Bombay Chamber of Commerce for the year 1956-57. The election of Mr. J. F. Sinclair and Mr. A. J. C. Hoskyns-Abrahall as President and Vice-President, respectively, has already been announced. Mr. B. Barker has succeeded Mr. L. A. M. Boult as Secretary. The Labour Adviser in charge of the Chamber's Labour Department is Mr. L. C. Joshi.

"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 25*th April*

Bamboo Paper Pulp

Although the experiments at Dehra Dun have not yet led to any very striking commercial success in making pulp from bamboo and grass, it is expected that, within a short time, one or two large companies will be floated to undertake this work, probably in Burma. In the meantime, work on a small scale has been carried out in Madras and in Calcutta. Woods and grasses have also been the subject of investigation for the manufacture of paper pulp, and much valuable advice has been given to those who sought it on this subject, but, although there are vast forest areas in India and Burma, there is not in them sufficient timber situated accessibly and suitable for pulp making at competitive cost. The Indian paper makers rely for their local supplies on sabai grass, which grows wild but not in sufficient quantities to serve a great industry. Their output of paper from local material has, therefore, remained stationary for 20 years at about 30,000 tons, while, for the rest of their manufacture, they have imported wood-pulp at heavy cost. The present position of India in relation both to local manufacture of paper and to its contribution of materials for world supplies is far from satisfactory, and the situation merits the close attention of all paper manufacturers who are so largely dependent on foreign countries for their pulp supplies.

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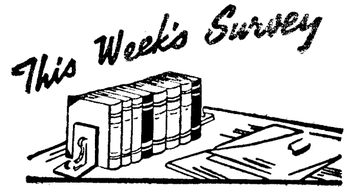
UC/56

RUPEE TRAVELLERS' CHEQUES ISSUED IN CONVENIENT DENOMINATIONS.



VALUE OF ADVERTISING

TO many laymen, it may seem surprising that manufacturers should spend so much money advertising their goods. They wonder whether the goods will not sell of themselves. They might even ask whether it would not be in the interests of consumers if the manufacturers refrained from advertising their wares. But these doubts betray ignorance of the economics of advertising. It is not as widely realised as it should be that, through advertisement, the manufacturer reaches a wider section of consumers and is thereby in a position to cut down his costs through the larger turnover made possible by large-scale publicity.

This, of course, is only one, though a very important, aspect of advertisement in a competitive economy. But even those who grant this case are apt to argue that, in a socialist State, there would be no need to advertise, for competition would have been greatly minimised, if not altogether eliminated. In considering an argument of this kind, one must bear in mind at least two considerations. In the first place, it is of no particular relevance to this country, for even under the socialist pattern of society, now envisaged, there is expected to be large enough competition in the private sector. Secondly, industrialisation is only in its very early stages in this country, so that what is now needed is maximisation of the market. This could be achieved only through extensive publicity.

The ideological question whether the cost of advertising and publicity would be lower in a regimented economy raises certain fundamental issues. For one thing, even in such an economy, there would be need for advertisement. Nationalised sectors too would have to advertise their goods and services. Secondly, the fact is that in such an economy, there is no clear difference between propaganda and publicity, between advertisement and indoctrination. All agencies, the press, the radio, the platform and even the entire educational system, are pressed into service to advertise the State's activities. Apparently, there is no advertisement. But, in a concealed form, there is a great deal of it for which the community pays. The total bill could be much greater than under a democracy. And, what is more, there is likely to be considerable misdirection of publicity resources. Thus, Russia spent millions of roubles telling the people and the world that Stalin was an angel of virtue. It will now probably spend a few millions more explaining to people and the outside world that Stalin, far from being an angel, was a mere man, and a very wicked man at that.

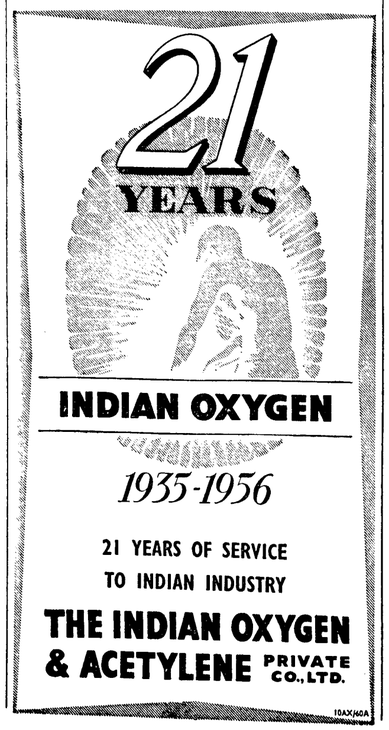
In a free country, the press cannot, of course, be coerced into publishing political propaganda. But the press does accept advertisement. This helps the press in keeping down its costs of production and in making available to the reader an attractively low-priced paper or a journal. It is true that there may be occasional lapses, in that the advertiser may compel a paper to publish some piece of tendentious material or try to influence its views by threatening the withdrawal of advertisement. Such cases are fortunately rare. In any case, such tactics pay neither the press nor the advertiser. Democracy has its own correctives for such misbehaviour. If a press yields to the threats or blandishments of the advertisers, it will soon find that its readership has been stolen by a more independent journal. It is, therefore, in the interests of the press as well as the advertisers to ensure that there is no loss of the freedom of the press. Be that as it may, it must be recognised that in so far as advertisers are a source of sizable income to the press and help stabilise its finances, they serve the democratic cause. Any attempt at limiting their freedom will have serious ill-effects on the functioning of democracy. On the other hand, there is a great deal to be said in favour of encouraging advertisers to make increasingly wide use of the press. Unfortunately, Indian economy, being in its early stages of development, contains only a few large advertisers. From this point of view, it may even be wondered whether the Government is furthering the democratic cause by permitting the State-sponsored journals to compete with the non-official press in selling space for advertisers.

These are some of the general problems of advertisers in the context of India's nascent democracy and early stages of industrial progress. Some of the more immediate problems of advertisers were dealt with by Mr. Dharamsey M. Khatau, in the course of his illuminating speech at the annual meeting of the Indian Society of Advertisers, held in Bombay this week. Speaking in his capacity as Chairman of the Society, Mr. Khatau deplored that the "attitude of certain sections of the public and of people in authority are causing considerable concern to the members of the Society regarding the lack of appreciation of the value of sound advertising in the building up of the national economy." He was, however, happy that the Government had tacitly recognised the enormous value of advertising. In this connection, he cited the campaigns the Government was conducting for the promotion of travel by air and sales of handloom cloth and cottage industry products. Obviously, the Government has realised that by "securing a sustained and steadily expanding demand for goods, advertising helps to stabilise and increase employment in the industries concerned." If this is true in regard to products of cottage industries or civil aviation, as Mr. Khatau argued, "how much more essential is advertising in regard to manufactured products where there is considerable competition among producers of different brands of goods and where the scope for securing the economies of large-scale manufacture is considerable."

There is, perhaps, another important reason why the Government should be liberal or even indulgent when taking into account the cost of advertisement for purposes of fixing prices for controlled commodities or for determining the quantum of protection for industries seeking such protection against imported goods. It is now clear that the preoccupation of the Government with heavy industries in the next few years may mean less attention to consumer goods and more purchasing power. Obviously, the private sector should be encouraged to fill the gap in the supply of consumer goods and the more efficient units enabled to cut their costs to a minimum through increase in turnover. Such a trend would be in the interest of the consumer as well as the exchequer. But no mass market, as Mr. Khatau said, can possibly be developed, without an intensive campaign of advertising.

It is sometimes naively assumed that advertisement can make anything sell. But, by and large, this assumption is clearly wrong. In advertising, as in all spheres of human activity, it is true that one may fool some people for all time and all people for some time but not all people for all time. The fact is that advertisement is an aid to selling a genuinely good article and not a substitute for quality. It is wrong to think that, through advertisement alone, one can "sell any product which does not have sufficient intrinsic merits of its own to make itself acceptable to the consumer." Not only is advertising an efficient aid to selling a good article but a very necessary one. "In our complex economy," Mr. Khatau said, "the consumer has to be told what the manufacturer has to offer him." This is the reason why modern advertising has become a technical subject, requiring considerable skill and knowledge of human psychology and economics.

These considerations should induce the Government to view the advertisers' problems in the larger national perspective. Appropriately enough, Mr. Khatau stressed that the Government would be "ill-advised to interfere with the advertising budgets of developing industries on outmoded conceptions of how goods are sold." He was, however, happy that the Indian Tariff Commission had recognised the importance of advertising. The Commission, in its report on the bicycle industry, had provided for a larger expenditure on advertising on the ground that advertising on a more intensive scale was necessary to popularise this handy and cheap means of transport. Mr. Khatau did well in advising Indian industrialists to disabuse their minds of the idea that production is all that counts and distribution and consumption will look after themselves. He added: "Many optimistic enterprises in India have come to grief, because they provided capital for production but did not provide sufficient capital for distribution and the integral means of distribution, namely, advertising and marketing." This is both an advice and a warning. It is to be hoped that this appeal for greater recognition of the role of advertising in industry, coming as it does from one of India's leading industrialists, will evoke the intended response from small and big manufacturers alike.



ENGINEERING STUDIES

It is now widely acknowledged that, if the industrial progress envisaged under the second Plan is to be achieved, there should be both improvement and expansion in facilities for technical education. But it is not, perhaps, equally widely realised that technical education should not consist of a mere knowledge of machines but should include knowledge of men too. This aspect of technical training was rightly emphasised by Mr. Jehangir Ghandy, in his address at the Annual Day of the Bihar Institute of Technology. Mr. Ghandy called for a new orientation in engineering studies, so as to equip future engineers to handle both men and machines with equal facility.

Mr. Ghandy, who is Chairman of the Eastern Regional Committee of the All-India Council of Technical Studies, said that Indian industry must accord equal emphasis to both sound technology and good management. He cited the example of the Massachusetts Institute of Technology in the U.S., where philosophy was now a compulsory subject. The basic idea was to give the engineering student a grounding in the humanities, so that he "emerged from the training institutions not as a mere technician but with a well-grounded personality."

Outlining the facilities for managerial training now available in the country, Mr. Ghandy disclosed that plans had been finalised to set up an Administrative Staff College at Hyderabad which would provide three-month courses to senior industrial executives. A National Institute of Management is also to be set up in accordance with the proposals framed by the All-India Council of Technical Education. In addition, several industries were developing their own internal training programmes for executives and supervisors. Citing the example of Tatas, Mr. Ghandy said that the Steel Company was now embarking on a programme of Training Within Industry (T.W.I.), following on company information courses instituted some time ago. Referring to technological studies, he called attention to the work done by the All-India Council of Technical Studies in expanding and strengthening training facilities to cope with the requirements of successive Five-year Plans. The Eastern Regional Committee of the Council had undertaken to assist in the development of eight degree colleges and 15 diploma institutions.

Some information about the expansion plans of the Bihar Institute was given by the Principal, Mr. D. L. Deshpande. He said that it was pro-

(Continued on page 843)

DANGER OF INADEQUATE CLOTH SUPPLY

MILL SECTOR'S CAPACITY MUST BE RAISED

THE crucial current problems facing the cotton textile industry were presented against the setting of national and international events by Mr. G. D. Somani, retiring Chairman of the Millowners' Association, Bombay, in his address to the annual meeting of the Association on Tuesday this week. Mr. Somani's survey was not only lucid but also realistic, and it will not be too much to say that no dispassionate observer of economic trends in India and the world will disagree with it. Take, for instance, his warning of the consequences of one-sided development in the cotton textile industry, following the reservation of the entire rise in demand for cloth in the coming years for the handloom sector by freezing the mill output at 5,000 million yards. Here is what he said:

"Whatever might be the target of production, I personally doubt whether the handloom industry will be able to produce anything beyond 2,000 million yards per annum, except at enormous cost to the consumer in the shape of taxes and levies on the mill industry to subsidise the handloom and Ambar Charkha cloth. Inflationary impact is already being felt due to deficit budgets of the last two years, and, in the current year, which is the first year of the second Plan period, deficit financing on a larger scale is contemplated. Unless the consumer goods industries are galvanised to generate more goods in time, I am sure the apprehensions of the planners, namely, that we may have the worst of both worlds, the consequences of which would be inflation or non-fulfilment of the investment planned, will come true."

In saying all this, Mr. Somani certainly did not cry wolf; he was only trying to make the powers-that-be see the clear writing on the wall. Considering the rapid increase in population—at an annual rate of 4.2 million—and the improvement in the standard of living of the masses as a result of the implementation of the series of development schemes under the second Five-year Plan, the need for ensuring adequate supplies of such an essential item of consumption as cloth cannot be too strongly emphasised. Employment is no doubt a vital consideration, but the point is whether this consideration should be carried to such an extent as to prop up uneconomic and outmoded means of employment. The adoption of such a course is beset with dangerous consequences to the community for the benefit of which it is that all economic plans are implemented. Mr. Somani minced no words when he said:

"The Government, in their enthusiasm for creating more employment, are only attempting to prop up inefficient and outmoded methods of production. The Ambar Charkha and the handloom will not be able to achieve the targets assigned to them, while the productively efficient mill sector is prevented by artificial curbs from expanding its production to meet the increased demand (for cloth) during the Plan period. You will thus see that such a policy will only lead to the opening of Pandora's box and, if the present market trends are any guide, the possibility of the emergence of a cloth famine in the country in the near future cannot be ruled out, as the available production will be grossly inadequate to meet the greatly increased demand. This, combined with the increased incomes generated during the Plan period, may result in inflation of the most virulent type, with all the consequent evils following in its train."

Even when considered from the point of view of judicious economy in the use of capital, a scarce commodity—one of the primary considerations which have prompted the Government to buttress the cause of Ambar Charkha and handloom weavers—the shift in emphasis from the mill sector, supposed to be capital-intensive, to the Ambar Charkha and handlooms, claimed to be capital-light, cannot be justified. As Mr. Somani rightly remarked, the contemplated expenditure of Rs. 100 crores on Ambar Charkha and Rs. 80 crores on handlooms by way of subsidies or otherwise alone can by no stretch of imagination be termed "capital-light"; on the other hand, it may ultimately turn out to be a colossal waste of capital.

The Key Question

It is against this background that one has to answer the question posed by Mr. Somani: Should the nation prefer a permanent and progressive contribution to the national income which the expansion of the mill sector can make or a continuous burden on the economy in the shape of subsidies to the handloom industry? Mr. Somani sought to answer the poser himself. His answer was as follows:

"If handloom industry is assigned a production target of 2,000 million yards, which would assure to handloom employees full-time employment, and the balance to the mill industry, not only will the latter directly generate an additional national income to the tune of Rs. 60 crores by 1960-61, besides making a handsome contribution to the State Exchequer in the shape of excise duties, sales tax and income-tax, but will also tend to widen the scope of production and employment in the ancillary industries, namely, machinery, machine tools, stores, chemicals, etc. I am sure you will agree with me that, in the production of machinery and machine tools and not of handlooms and Ambar Charkhas, a solid foundation of our economic development lies.

"As far as handloom interests are concerned, is it their desire to ask for and produce more, but, being unable to sell due to their high cost of production, again turn to Government for more protection rather than to consolidate and stabilise their position which a reasonably drawn up target can provide? In other words, is it their intention to remain for ever an infant in the economy and continue to be a burden to the consumer? Or is it the desire of a handloom weaver to stagnate himself with annual *per capita* income of Rs. 360, while his compeer in the mill sector can get as much as Rs. 1,360? These are the burning issues which ought to be brought before the bar of public opinion and discussed at length before any decisions are taken by Government. So far as I am concerned, I am quite confident that additional employment can be generated by investing more in durable goods and services, namely, extension of rail and roads, rural electrification, hospitals and schools, rather than in inefficient and outmoded instruments of production, namely, the handlooms and Ambar Charkhas. This will generate a volume of relating employment which, with the widening of industrial base on a decentralised basis, will, in due course, produce a certain amount of sedimented employment in areas in which it is desired. It is this and this alone which can transform the non-monetised rural sector into monetised one and thus enable the Government to enlarge its tax net for further developmental expenditure."

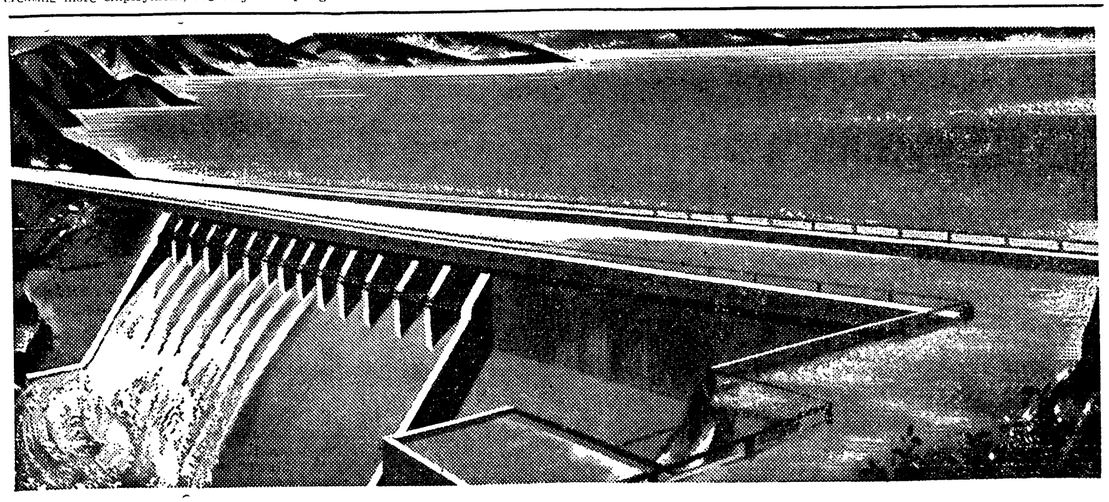
The planners and the authorities will do well to ponder this statement of Mr. Somani which is only a plea for taking a realistic view of the situation. The productive equipment of the mill industry must be allowed to be augmented commensurately and in time, lest our consumption standards which are already low should, as Mr. Somani aptly put it, be further diluted.

A Great Tragedy

Mr. Somani had also a few interesting words to say on the vexed issue of taxation. The tax policy of the Government as has been in force of late, he declared, was not conducive to saving and investment, at least in so far as the private industrial sector was concerned. Drawing attention to the downward trend in corporate savings, Mr. Somani feared that the super-tax on dividends and the tax on bonus issues taken together would adversely affect the resources available to the private sector. Significantly enough, he observed:

"If I am to call a spade a spade, while tax on bonus issues will only result in the diminution of fresh issues of capital, steep personal tax and super-tax on dividends would dampen incentive to investment. If, therefore, instead of adopting a taxation policy which is conducive to capital creation, Government were to be unnecessarily obsessed with the 'egalitarian' concept and resort to confiscatory tax measures, I am afraid that, in due course of time, we would be eating the very seed-

(Continued on page 843)



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NATIONAL DEVELOPMENT COUNCIL TO MEET NEXT MONTH

DR. KALDOR RECOMMENDS TREBLING OF TAX TARGET

From A Special Correspondent

NEW DELHI, *24th April*

THE National Development Council, which is scheduled to meet in the first week of May in order to set its stamp of approval on the changes in the Government's industrial policy and also to finalise the second Plan Report, has an important task to perform. The Council has to take into consideration the various criticisms levelled against the draft Plan during the last two months and more and to incorporate in the Final Plan the constructive observations. It must be extremely careful in laying down priorities and also make a realistic approach to the various problems confronting the country at the present time. In the finalisation of industrial policy, it must allow sufficient scope for the development of industries in the private sector, without which it may not be possible to accelerate the economic progress of the country. "It is axiomatically necessary," Mr. C. D. Deshmukh observed in Parliament the other day, "for the country concerned, to divert a significant proportion of its resources for the establishment of basic and heavy industries. In other words, industrialisation is the kingpin of all economic development, including necessarily, therefore, the attainment of fuller employment in a backward country." The National Development Council must also be prepared not to put shackles on the production of some consumer goods such as cloth, so that the inflationary spiral in the country could be kept in check. Again, Government should not be allowed to take any hasty action in regard to subsidising the Ambar Charka, since there is considerable controversy on its economic working.

DELHI LETTER

The National Development Council has already an inkling of the Government's mind in regard to implementation of the second Plan. Great attention is now being paid by Government for a reassessment of the resources aspect of the Plan. The Government has already engaged a few prominent foreign experts on public finance, in order to get an independent opinion on the tax structure of the country and also to suggest ways and means of augmenting the revenue resources of Government in the coming years. Dr. Nicholas Kaldor of the Cambridge University, one of these experts, has been in the country during the last few months and has already made a number of suggestions such as a realistic rate of income-tax, not exceeding 50 per cent., reimposition of capital gains tax, higher death duties supplemented by a gifts tax, an annual tax on wealth, etc.

Dr. Nicholas Kaldor is reported to have stated that the Government of India should get two to three times the sum of Rs. 400 crores originally proposed to be secured in the second Plan period through additional taxation. This he considers necessary in order to prevent any inflation in the country in the coming years. Since Government is anxious to maintain stable economic conditions, it is likely to take such measures as will ensure orderly economic progress. It has already been taking steps to prevent unhealthy speculation in commodities through regulation of futures markets. Additional taxation will also be one of the instruments for keeping inflation under check.

During the debate on the Finance Bill, Mr. Deshmukh gave an indication as to how the mind of his Ministry was working. On the suggestion for a tax on expenditure, he observed: "All these are new ideas which have to be thoroughly sifted, investigated and related to their administrative implications and then only will it be possible for Government, if it thinks fit, to bring them forward before the legislature." He also hinted that the question of an annual tax on wealth was being studied by his Ministry from all angles. Further, the Finance Minister left an impression that there was still good scope for augmenting revenue through indirect taxation. Speaking on the incidence of indirect taxation, he quoted the findings of the Taxation Commission, by pointing out that, for the country as a whole, indirect taxation accounted for some 3.6 per cent. of the total expenditure. It may be noted that the incidence of indirect taxation was undoubtedly greater in urban areas than in rural areas and increased with total expenditure. Thus, for expenditure of less than Rs. 50 per month in rural areas, the incidence of indirect taxation was calculated by the Commission at 2.2 per cent. of the expenditure. For expenditure above Rs. 300 per month in urban areas, the corresponding incidence went up to 8.3 per cent. of the expenditure. Therefore, Mr. Deshmukh said, the effect of indirect taxes proposed in this or in previous budgets must not be considered as oppressive.

It may be noted that there is a certain amount of optimism among informed circles here that more resources will become available, as the Plan progresses. It is recalled that, even in regard to the first Plan, it was originally anticipated that Government would have to incur deficit financing to the extent of Rs. 655 crores when the expenditure on the Plan was computed at about Rs. 2,069 crores. When the target under the Plan was revised upward to about Rs. 2,300 crores, it was expected that the quantum of deficit financing would go up to about Rs. 800 crores. Although there has been a shortfall in the expenditure under the first Plan to the extent of

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THE BATTLE FOR EXPORTS

STERLING STRENGTHENED

From Our Own Correspondent

LONDON, *15th April*

IF Britain does win the export battle over the next few months, the Government will compliment themselves on their credit squeeze and the efficacy of the coming budget, while the cynics will say it would probably all have happened anyway. Neither would be right. But the March trade figures and the first quarter figures for 1956 are interesting in the light they throw on the way the trade balance is moving before the most recent Government measures—general credit squeeze apart—have had time to take effect.

LONDON LETTER

Imports in March have been over 10 per cent. below the figure a year ago—but then they had been boosted by a dock strike. The first quarter average is also well down on that for 1955 first quarter but higher than for 1955 as a whole: so honours appear even on that part of the battleground. Exports are a more exciting picture: exports in March are nearly 4 per cent. higher than those in March 1955; in the first quarter also they were 4 per cent. higher than in the first quarter 1955. Similarly, re-exports are averaging substantially higher figures than they were on any comparable basis last year.

Thus, the crude trade balance is substantially less unfavourable either in March or the first quarter of this year than on any comparable basis in 1955. At £47 million, it was only half the March 1955 level and, at an average of £57 million for the quarter, it was £20 million less than in the first quarter 1955 and £15 million less than the monthly average for the whole of 1955. The table below gives the salient comparisons:

(Value: in millions of £s)

	Imports	Exports	Re-exports	Adverse balance
March, 1956	330.3	269.6	13.3	47.4
February, 1956	309.1	248.1	13.6	49.5
January, 1956	346.3	257.9	14.2	74.2
Monthly average—				
For the quarter 1956 ..	328.6	257.9	13.7	57.0
For first quarter 1955 ..	335.1	247.3	10.6	77.2
For whole of 1955	324.1	242.1	9.9	72.1

An overall net import bill saving of this order repeated in each quarter of 1956 would give about £240 million saving over the year as a whole. It would go a long way towards being the answer to the Chancellor's prayer.

But, obviously, the Chancellor is going to take no chances over that when he introduces his first Budget next week. Whatever he says to home taxpayers, he will really be addressing the E.P.U. countries and the holders of sterling overseas. He will do everything possible to reinforce the steady improvement of the pound as confidence that devaluation is not contemplated returns. As foreign money comes into the London Stock Exchange and buyers of transferable sterling find they cannot get as much as they want, so sterling on the free markets strengthens. These trade figures, coming on top of the March gold figures, all help the position and the Budget will be designed to give it a good hard push the way to convince the world that sterling has fully recovered itself and that inflation—even if it still persists domestically—is less a British than a world phenomenon.—*All Rights Reserved.*

about Rs. 250 crores, it is now estimated that the quantum of deficit financing will be very much less than the Rs. 800 crores anticipated at one time. It is, therefore, suggested that the extent of deficit financing in the second Plan might become less in proportion to the increase in Government's resources through higher revenue, larger foreign help, better borrowing programme, etc.

The possibilities of securing higher revenue are considered to be greater in the coming years. It is common knowledge that the revenue budgets of the Central Government have, in recent years, been grossly underestimated. It is suggested that the Planning Commission has also underestimated the possible revenue resources during the second Plan period. Leaving apart, for the present, the higher income through additional taxation in the coming years, there is scope for the total tax income to show a gradual rise in future, even at the current level of taxation, in view of the expanding nature of Indian economy.

BUREAUCRACY AND BANKS—I

FAULTS OF PRIVATE SECTOR MAGNIFIED TO BOOST PUBLIC SECTOR

By B. T. Thakur

A FAMOUS foreign banker visited this country some years back and met at a party India's Central Banker. The Central Banker asked him for his suggestions for bringing into the organised money market huge amounts of fallow funds lying diffused in millions of pockets and in hoarded chests. The foreign banker told him: "Introduce bearer instruments of savings and investments—bearer bills, bearer debentures and bearer share certificates." The Central Banker replied: "But this is what our bankers have been telling us too. We do not trust our bankers. Bearer bills will help tax-dodging." To this the foreign banker said: "You have been already given the right advice. Surely, you do not want to cut the nose to spite the face. If your banking and economic systems get strengthened, you will be more than amply compensated by growth in taxes through greater prosperity and bigger profits. But, as tax will be deducted at source on discount, interest and dividend payable on them, you will really not lose in taxes either. Your public revenues in fact will materially increase."

Later, the foreign banker happened to talk to an Indian banker and enquired of him as to what banking experience the particular Central Banker had, in what bank he had worked, and why had he disparaged Indian bankers so much. "If there is tax avoidance, or even tax evasion, that is nothing new. Every one all over the world takes advantage of loopholes in tax law, but no one accuses anyone, excepting the proved culprit, least of all the bankers."

Shocking Experience

The Indian banker replied that the Central Banker had no actual experience of any banking, but because he belonged to the omniscient Indian Civil Service, he was presumed to be competent to handle everything on the face of this earth and was considered capable to hold any office. The foreigner remarked: "The service which constituted the steel frame of the British Empire." "And now of our own Government," was the comment of the Indian.

The writer was in Europe when the above incident is reported to have taken place and where he learnt it for the first time. But he paid no attention to it, treated it as a joke—at the most a satirical remark of those who ceaselessly malign bankers and financiers. But, on his return to the country, he was shocked to find that the reported conversation was not a myth but had foundation in facts.

It must be said to the credit of Indian banking that the foreign banker was not influenced in the least by such adverse remarks—if anything he, too, was shocked that the Indian bureaucracy should be so suspicious of its country's bankers. In spite of official calumny, Indian banks not only continue to enjoy a good name in foreign countries, but their rating in the international markets, as good dependable bankers, is growing day by day, which is evidenced by their increasing participation in the financing of foreign trade of the country. If anyone can appropriately say, "God, save us from our friends," it is the Indian bankers, who, in the face of tremendous odds and of official opposition, have built up such an irrefutable record of good, and cheap banking service.

Others' Children Are Sweeter!

This story will perhaps shock many people in the country, including some members of Parliament, unless they are so biased against private banking and private enterprise, that they swallow all sorts of allegations and accusations against them, and feel tremendously happy when any abuse is hurled against them. But it is hoped that even they would not tolerate any statutory bar against the banks of the country which even today, in the tenth year of our freedom, exists in the Reserve Bank of India Act, section 17, sub-section 13. According to it, the Reserve Bank can open "an account with" or make "an agency agreement with," and act "as agent or correspondent of a bank incorporated in any country outside India," but not with an Indian bank. Sometimes others' children are sweeter than one's own offsprings! The Shroff Committee drew the attention of the officers of the Reserve Bank to this discriminating provision but still it continues to tarnish our laws. No Central banking constitution anywhere in the world distrusts its country's banks to this extent.

There would have been no need to refer to the above incident, but great official domination over Indian banking and Government's policies in regard to Indian financial institutions have made imperative the need for an objective study of India's banking and monetary problems, and for examining whether they can, under bureaucratic set-up, widely expand to meet the credit requirements of our growing economy, or bear the mounting strain of financial needs of our economic plans.

Business Men's Responsibility

Overnight nationalisation of Indian insurance by an ordinance, and arguments advanced to justify it, must warn all sections and components of private economy that similar arguments could easily be advanced to bring them more and more under public power, even if not immediately under public ownership. As it is, private business is already under severe handicaps due to increased restrictions, supervision and controls. If there were wise experienced men in charge of these measures, who would adopt objective attitude and be friends and guides to industry, regulation would do good. But, for such a purpose, industry and business should spare their best brains, who, instead of managing their individual enterprises, must volunteer to work for the larger interests of the country. When an ignorant bureaucrat, or a half-baked business manager, is given the task of manning these key positions, he falls far short of the measure of the knowledge, experience, elasticity, quick decision and responsibility required for his office. Whether under pressure from Government, or because he wants to please his superiors to retain his office, his decisions are generally biased and favour the public sector at the cost of the private section. The blunders of and leakages in the public undertakings are minimised and played down, while those of the private venture painted with heavy brush in the darkest possible hues.

The suggestion that capable private business and industrial managers should volunteer to take charge of important public offices presupposes that Government is eager to have them and is willing to respect their advice and freedom.

In every age and in every country, bureaucracy has tremendous administrative power. Governments may change, political parties may lose and win, but the services continue. Whatever be the form or constitution of the Government, it has to run with the help of administrators. They are indispensable tools by which Government's will is enforced and work is done. But these tools are not inanimate objects like machine tools, but are an institution with a will and ambition, and a solidarity to stand together and help each other. Whether one studies the behaviour and work of ministerial staff of the Moguls, or of the Peshwas in the days of Maharashtrian glory, or of the civil servants of the East India Company, or of the Colonial Empires, one cannot get away from the fact that bureaucracy is tenacious, and makes all possible efforts to hold to power, at any price or at any cost. It develops into a strong caste institution. And according to caste traditions, failure in one office is no bar to promotion in another, even to a higher and more responsible position.

Doubts and Suspicion

India is free today. Political leaders are in charge of the country's Government. But party membership cannot necessarily be the test or qualification for administrative ability. No wonder the combination of the ignorant and unrealistic politicians, with the bureaucrats greedy and hungry for power, is creating conditions in which private business and private banking are not trusted, nor given necessary freedom to grow, but looked upon with doubts and suspicion.

Bureaucracy is no different in Western countries. One has merely to read the history of the Bank of America, the largest bank in the world, to realise the ceaseless struggle it had to carry on with the official bank administrators, at every stage to smoothen its path of growth and ascendancy. But, there, due to pressure of informed and intelligent public opinion, and absence of hero-worship in politics, the civil administrator is always alert, and for better performance, often seeks the aid and guidance of the private business man and the private banker.

Indian business, however, should not so easily abdicate under combined pressure of the politician and the bureaucrat. It has a glorious history of good performance behind it, and a still more glorious future, if it could combine and mobilise its resources and influence. Large-scale industry and modern banking, by people of the country, are only 50 years old. But what great stabilising forces they have created for the country, in their productive enterprises, the huge employers in the land of eternal unemployment.

Private Sector's Creditable Record

If India's problems, economic and social, are less vulnerable than those of other recently freed Eastern countries, it is entirely due to the enterprise and initiative of the private business man and the private banker. If India is ready for big economic planning, it is again due to the foundations created by the Indian private business men, who through initial losses and sacrifices, paved the way for successful industrialisation. Against heavy odds, they have built up institutions of which any country can be proud. It is their industries and banks, which are providing trained men to man new enterprises, and offer huge employment to India's population. But for this development, there would have been many more gaps in employment, in economic satisfaction, and in manpower.

Indian banking is hardly of a century old. Ignoring a few small earlier attempts by Indians to establish banking enterprises, most of the country's banks were then in the hands of foreigners. The early banks that were registered in this country were also started with foreign help and foreign management. It is really marvellous that in such a short time India has been able to establish an indigenous banking system, which is large, safe, strong and sound. No doubt there have been banking failures, but the loss due to such failures is small as compared with the extensive successful business that has been built up. Some of these failures could have been easily avoided if there had been sympathetic Government, and not an alien Government, which gloated at every Indian banking failure, and created myth and mystery of difficulties of modern banking. The failure of the Alliance Bank of Simla, mostly owned and managed by foreigners, and the absorption of the Tata Industrial Bank, started by the great House of Tatas with Indian capital but entirely managed by Europeans, by the 100 per cent. indigenous Central Bank of India, in 1923, shattered once for all the theory of divine right of foreign bankers and proved the ability of Indians to run banks under most difficult conditions.

Progress of Indian Banking Remarkable

Every student of banking and finance knows that occasions do arise when banks are faced with serious situations, when the only means by which they can save themselves is to get credit against their liquid assets. Even exceptionally good banks with a very high ratio of liquidity cannot survive, unless there is some lender in the last resort to lend them in emergency or for seasonal purposes. Even the old Bank of Bombay, one of the major components of the great Imperial Bank of India, now the State Bank, could not at one time in its career meet its payments.

The foreign banks working in India could always fall back upon their home money markets, like London, to replenish their resources, whenever there were panicky withdrawals, but the Indian banks had nowhere to go. It is highly creditable that, in spite of an alien Government, hostile foreign competitors, ignorant clientele, and no lender in the last resort to help, they have succeeded in building up such a huge credit edifice in the service of the country's economy.

There is a tendency in official quarters to play up omissions, mistakes, shortcomings, and losses of the private enterprises and depict them as something unprecedented and unpardonable. But distortion of the picture, or unbalanced treatment of figures, does no credit to them or to their study. Every human progress, whether scientific, technical, industrial, banking, medical, administrative or of any other description, has cost in human toil, life and money, at times tremendously, before it has achieved a stage of safety, smooth running and steady service. Difficulties of the unknown, and of the new ideas and new enterprises struggling to take shape, can be several and varied; and mankind has

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STATE OF BRITAIN'S ECONOMY

CONVERTIBILITY STILL A DISTANT GOAL

MR. Macmillan's Budget presented to the British Parliament on the 18th inst. provides a clear indication that the much-heralded convertibility of sterling is now nowhere in sight and not even round the corner. For Britain has not been able to take advantage of the prosperous conditions in the world to improve its balance of payments position and strengthen the pound. The world witnessed a good year in 1955. And the outflow of dollars from the U.S. continued at a high level in that year. Output was growing rapidly in all the major manufacturing countries and the trade between them was increasing at an exceptionally high rate. The primary raw material producing countries, too, remained generally prosperous and provided good markets.

Everything seemed in favour of Britain, but, in spite of these favourable external circumstances, the country's balance of payments position continued to be disappointing. This is evident from the figures given by Mr. Macmillan. The balance of the sterling area with the whole of the non-sterling world fell from a surplus of £97 million in 1954 to a deficit of £181 million in 1955, or a fall of £278 million. Of this fall, no less than £251 million was due to the U.K. itself. The result has been a loss of dollar and gold reserves. Thus, during 1955, the central gold and dollar pool lost as much as £229 million. At the end of the year, the reserves stood at £757 million. Since then, however, they have shown improvement. In January, reserves rose by £11 million, and in February by another £21 million. The upward trend persisted in March with a further rise of £24 million. Consequently, at the end of March 1956, the total gold and dollar reserves stood at £813 million. But they are still insufficient for serving their purpose. They represent only about 8 per cent. of the annual turnover of sterling area trade with the non-sterling world. This low percentage of the reserve is too inadequate even to face the swings in balance of payments, caused by temporary fluctuations in the economic fortunes of the world, let alone convertibility.

Why has Britain not been able to strengthen its balance of payments position, despite favourable economic conditions in the world? The answer to this question was provided by Mr. Macmillan in his Budget speech. Industrial production in 1955, no doubt, rose by 5 per cent. but the increase was smaller than the 7 per cent. rise in 1953. Again, productivity, or output, per man rose less than in 1954—about 2 per cent. against 5 per cent. Increase in home demand was far greater than that in output, with the result that less was available for export the need for which, however, was greater than even before because of bigger imports. Motor cars, television sets, washing machines and similar products were in great demand and all competed with exports. There was also a sharp increase in fixed investment. More orders were placed for capital goods than deliveries made, so order books and deliveries lengthened and despite heavy imports, many types of steel were scarce.

A Few Handicaps

Besides the above developments, the British economy has been suffering from other handicaps also. The number of jobs waiting to be filled has been larger than that of unemployed. In fact, the unemployment figures have remained at record low levels. Employers have been competing with one another for labour. Consequently, there has been an 8 per cent. rise in wages and salaries. A similar increase has been recorded in profits, while import prices have gone up by 3 per cent. In the result, costs have risen and with them prices. Retail prices, for instance, have been marked up by 4½ per cent., those of manufacturers by 3 per cent. and export prices by 2 per cent. "All these together," to quote the Chancellor, "are the symptoms of severe inflation."

The overall picture of the economy as presented by Mr. Macmillan is striking. He said: "On the home front, 1955 was a year of great prosperity for the mass of ordinary men and women in this country. Every one had a job; consumption rose appreciably; and investment also increased. But, in total, demand rose faster than output, and, in consequence, the economy was overstrained. Prices went up; there were shortages of labour and material; imports increased, exports were held back from foreign markets to be consumed at home. So the balance of payments suffered."

Although the investment boom has been responsible for stimulating both consumption and rise in stocks, the U.K. Government's policy has been not to restrict investments in industries. On the contrary, the policy has been one of expansion of investments. Such expansion is, however, sought to be confined, not to the production of consumer durable goods but to that of goods which are necessary for expanding exports. Remarking that "there is no future in importing extra materials that we cannot afford, in order to turn them into extra goods that we do not export," Mr. Macmillan added that "we must pay for these imports honestly by our exports and not by drawing on the reserves—or robbing the till."

Monetary Policy

It is now common knowledge that, in order to check inflation, the British Government has entirely relied on monetary policy. The extent to which this policy has succeeded is still the subject of controversy in the U.K. The Opposition has all along doubted its efficacy, and has been pressing for other measures, especially physical controls. So long as Mr. R. A. Butler held the portfolio of Finance, he did not view this demand with favour. His successor, Mr. Macmillan, however, seems to think differently, without, of course, losing faith in the monetary policy. He claimed that the policy had operated with increasing effect as the year proceeded, thanks to the persistent pressure exercised on the monetary system, both by the interest rate and by the control of credit through banks and the Capital Issue Committee. Since this technique had not been used for many years, there had arisen many new problems, especially as between the Exchequer and the monetary system. While preferring to continue the present restrictions, he referred to two results of this policy which were plain to all. First, high interest rates provided no easy way to restrict credit and, secondly—this is worth noting—"monetary policy could not 'go it alone.' It could only operate effectively in conjunction with fiscal and other measures to check demand, taken by the Government of the day and supported by an informed public opinion." It is thus obvious that the Chancellor has in mind other measures for stemming the tide of inflation. Is he thinking of combining monetary and fiscal measures with a judicious selection of physical controls? Let us wait and see.

Meanwhile, it is interesting to note that Mr. Macmillan has made a number of proposals calculated to reduce the purchasing power of the people. He has grouped them under the collective term "savings budget". The budget for 1956-57 itself envisages a surplus of £459,815, with revenue being estimated at £5,197 million, as against an estimated expenditure of £4,737 million. It lays emphasis on measures to encourage savings. They include a new 4½ per cent. Defence Bond, and a new Savings Certificate with the good tax-free yield of £4 3s. 11d. per cent. They also provide for tax relief on the first £15 of income from the Post Office and Trustee Savings Banks. It is proposed to cut down Government expenditure by not less than £100 million. The rate of tax on distributed profits has been put up by 2½ per cent. and that on undistributed profits by ½ per cent. The Treasury will take the responsibility of advancing funds to nationalised industries which hitherto got them from the banking system.

Premium Bond Scheme

The introduction of the Premium Bond Scheme is a new experiment so far as Britain is concerned. Explaining the scheme, Mr. Macmillan said, "Let me say at once that this is not a pool or a lottery where you spend your money. The investor in the Bond I propose is saving his money. He will get it back when he needs it. But, as long as he holds it saved, his reward, instead of interest, is the chance of winning a tax-free prize." The Premium Bond will be in units of £1 with a few top prizes of £1,000 and a larger number of smaller ones. Criticising the proposal, Mr. Harold Wilson, an Opposition member, said: "What a commentary it is on the financial stewardship of the Tory Party when the Chancellor has to have recourse to such methods! In 1951, they promised us a Britain strong and free. Now Britain's strength and freedom and solvency apparently depend on the proceeds of a squalid raffle." He added that it was not a budget measure. It was fit to be included in the Bill on Gambling and Betting and not in the Finance Bill.

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WORLD BANK LOAN FOR SOME ASIAN COUNTRIES

India, Pakistan, Burma, Thailand and Japan are stated to have approached the International Bank for Reconstruction and Development for money for financing their development schemes. Information to this effect was given by Mr. Joseph Ruciniski, Director of the Bank's operations in Asia and the Middle East, who is also a member of the three-man delegation now touring Pakistan, headed by Mr. George D. Woods.

Mr. Ruciniski stated that at the annual meeting of the Bank to be held in September, India's request for a loan would be decided on the basis of the report submitted to the Bank by its mission now touring India, headed by Mr. Thomas H. McKittrick, President of the Bank for International Settlements. This mission is studying, he said, the achievements under the first Five-year Plan and the industrial targets set for the second Plan.

The Tata Iron and Steel Company has also applied for a loan of nearly $80 million to finance development schemes which will increase its annual production to 2.3 million ingot tons of steel. The loan is to meet the cost of equipment purchased abroad.

Mr. Ruciniski revealed that Burma wanted a loan to finance development of the Port of Rangoon and the railways.

As regards Pakistan, the leader of the World Bank delegation, Mr. Woods, stated that it was proposed to start an Industrial Finance Corporation in that country in about a year's time. The purpose of the Corporation would be to finance small and medium industries. Its capital would be modelled on lines similar to those of the Industrial Investment Credit Corporation of India. The shares of the Corporation would be purchased by private investors in the U.S., the U.K. and Pakistan. A loan would also be given to it by the World Bank.

BAREILLY CORPORATION (BANK) LTD.

A profit of Rs. 93,524 has been earned by the Bareilly Corporation (Bank) Ltd. (Managing Director: Mr. G. K. Capoor, Bareilly (U.P.) for the year ended 31st December 1955. This represents a slight shrinkage from that of Rs. 1,01,296 earned in the previous year and has been due to the decline in gross income from Rs. 6.47 lakhs to Rs. 6.37 lakhs. The provision for additional depreciation has been raised from Rs. 11,868 to Rs. 14,500, while that for taxation has been cut from Rs. 44,000 to Rs. 36,000. The dividend on ordinary shares is maintained at 6 per cent. (free of income-tax) and that on deferred shares at 72 per cent.

The Bank's reserves as at the end of the year amount to Rs. 7.31 lakhs, as against a paid-up capital of Rs. 5.84 lakhs. Deposits have been raised from Rs. 105.68 lakhs to Rs. 107.45 lakhs and borrowings from other banks from Rs. 4.45 lakhs to Rs. 17.47 lakhs. As against this expansion in resources, the advances disclose a rise from Rs. 34.60 lakhs to Rs. 59.94 lakhs. At the same time, investments also have been strengthened from Rs. 55.72 lakhs to Rs. 61.90 lakhs, while cash balances have shrunk from Rs. 29.36 lakhs to Rs. 12.62 lakhs.

The summary of activities of the World Bank for the quarter ended 31st March 1956 discloses that two loans made during the quarter brought the Bank's lending, at the end of the third quarter of its current financial year to 17 loans amounting to $159 million in 13 different countries. The total of the Bank's lendings is now $2,483 million in 41 countries.

RESULTS OF BANK OF JAIPUR ENCOURAGING

PROFIT HIGHEST SINCE 1948

AN encouraging feature of the working of the Bank of Jaipur Ltd. (General Manager: Mr. S. L. Kothari, Jaipur) in more recent years has been the steady upward trend in profit, though the rise has not been spectacular. From Rs. 3.99 lakhs earned in 1952, the Bank's profit had gone up to Rs. 5.52 lakhs in 1954. This trend was well maintained in the year ended 31st December 1955 also, with a further advance to Rs. 6.20 lakhs, the highest profit to be earned since 1948. Thanks to this steady improvement during the past three years, the Bank has been able to make good, to a substantial extent, the decline suffered during the six years following 1946, when the profit dwindled from a record high of Rs. 7.11 lakhs to Rs. 3.99 lakhs.

Following the improvement in earnings during the year under review, the dividend has been comfortably maintained at 4 per cent., to which level it had been stepped up last year from 3 per cent. paid for the preceding seven years. The allocation to the reserve fund has, however, been cut from Rs. 2 lakhs to Rs. 1.25 lakhs, but this is due to the larger provision for taxation which has been raised from Rs. 1.50 lakhs to Rs. 2.50 lakhs.

The progress of the Bank during the past three years is well brought out by the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount earned	31.87	28.05	24.34	23.37
Commission and exchange	8.69	6.38	4.91	3.60
Interest paid	16.27	13.46	10.18	8.49
Expenses	18.20	15.47	14.41	14.19
Depreciation and repairs	0.50	0.51	0.59	0.48
Profit	6.20	5.52	4.40	3.99
Taxation	2.50	1.50	0.75	1.00
To reserves	1.25	2.00	2.00	2.35
„ staff gratuity fund	0.25	0.25	..	..
Dividend	2.00	2.00	1.50	1.50
	(4%)	(4%)	(3%)	(3%)
Carry forward	0.42	0.25	0.48	0.35

	As on 31st December			
	1955	1954	1953	1952
Capital	50.00	50.00	50.00	50.00
Reserves	20.25	19.00	17.00	15.00
Deposits	8,15.03	7,03.58	6,60.72	5,16.28
Borrowings from other banks	63.00	..	9.33	2.00
Bills for collection	43.72	43.85	35.71	21.84
Acceptances	1,02.23	27.99	13.56	2.95
Advances (including bills purchased and discounted and money at call)	5,36.08	4,14.54	3,84.73	3,18.61
Investments	2,74.16	2,38.59	2,10.56	1,87.66
Cash	1,67.45	1,62.61	1,57.37	1,06.04
Balance-sheet total	11,35.46	8,90.70	8,15.29	6,55.20
Ratio to deposits—	%	%	%	%
Advances	65.8	58.9	58.2	61.7
Investments*	25.9	33.9	31.8	35.9
Cash	20.5	23.1	23.8	20.5

* Ratios arrived at after taking into account the securities earmarked against borrowings from other banks.

The gross income of the Bank for the year under review amounts to Rs. 41.18 lakhs, which is a fresh record in the history of the Bank, and represents an increase of Rs. 6.22 lakhs over the year. Of this rise, the income from "interest and discount" accounts for Rs. 3.82 lakhs and that from "exchange and commission" for Rs. 2.31 lakhs. The bulk of the increase in income has, however, been offset by the rise in interest paid on deposits and borrowings, as well as in expenses—a common feature for all banks—the former recording an increase of Rs. 2.81 lakhs and the latter Rs. 2.73 lakhs.

Despite the mounting level of expenses, the Bank has been able to show a rise in profit mainly by expanding its business, as is borne out by the synopses of its balance-sheets given in the above table. The upward trend in deposits noted in the previous two years was kept up during 1955 also with a further marked increase of Rs. 1.12 crores. As in the case of other banks, the rise in fixed deposits was more marked than in savings and current deposits. Thus, fixed deposits went up by Rs. 72.04 lakhs to Rs. 353.38 lakhs, while the increase in savings bank deposits was of the order of only Rs. 16.43 lakhs (to Rs. 86.80 lakhs) and that in current accounts, contingency accounts, etc., Rs. 22.99 lakhs (to Rs. 374.85 lakhs). The demand for the Bank's funds was so keen that the Bank had to supplement the deposits by raising its borrowings from other banks, which at the end of the year amounted to Rs. 63 lakhs, as against *nil* a year before. There was an impressive rise in acceptances, endorsements, etc., by Rs. 74.24 lakhs to Rs. 102.23 lakhs, a part of which was secured by the Bank's investments.

On the assets side, advances rose by Rs. 121.54 lakhs, thus maintaining the upward trend for the third year in succession. At Rs. 536.08 lakhs, they constitute a record, exceeding the previous highest of Rs. 505.33 lakhs touched in 1947. A detailed analysis of the advances portfolio shows that loans, cash credits and overdrafts staged an increase from Rs. 285.06 lakhs to Rs. 382.35 lakhs and bills purchased and discounted from Rs. 94.98 lakhs to Rs. 146.22 lakhs, while money at call and short notice declined from Rs. 34.50 lakhs to Rs. 7.50 lakhs, another indication of the pressure of demand on the Bank's funds. Notwithstanding the increase in advances, the Bank was able to strengthen its liquid resources, as witness the rise in investments by Rs. 35.57 lakhs to Rs. 274.16 lakhs (mainly by increasing its holdings of Government securities by Rs. 36.97 lakhs to Rs. 263.86 lakhs) and cash balances by Rs. 4.84 lakhs. The Bank's investments are shown at book value, the market value being a shade lower at Rs. 273.47 lakhs.

GRINDLAYS BANK

A modest, but welcome, improvement in profit, from Rs. 1.12 lakhs to Rs. 1.66 lakhs, is disclosed by the audited accounts of the Indian branches of Grindlays Bank Ltd. (Chief Manager: Mr. D. D. Watters) for the year ended 31st December 1955. This increase in profit is in refreshing contrast to the successive recession noted in the previous three years from Rs. 13.14 lakhs earned in 1951 to Rs. 1.12 lakhs in 1954.

The higher profit for the year under review is mainly due to the substantial expansion in business, in consonance with the general trend. The profit would have been higher still but for higher administrative expenses. An idea of the Bank's progress during the past three years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount earned	34.10	30.15	34.89	35.84
Commission and exchange	28.72	25.98	27.27	28.13
Interest paid	9.28	7.77	8.44	6.76
Expenses	51.78	47.23	48.24	47.64
Depreciation and repairs	0.13	0.06	0.09	0.06
Profit	1.66	1.12	4.51	9.14
Provision for taxation	..	..	..	6.06
Remitted to Head Office	1.62	1.83	..	3.97
Carried forward	0.84	0.80	4.51	..

	As on 31st December			
	1955	1954	1953	1952
Deposits	10,07.81	9,88.63	9,52.15	9,55.40
Borrowings from other banks	79.00	3.00	..	62.00
Bills for collection (contra)	1,13.21	78.58	1,19.40	1,22.47
Acceptances (contra)	1,86.93	1,63.83	1,65.14	1,31.92
Advances*	6,04.71	4,92.70	7,16.91	6,64.13
Investments	2,06.01	3,86.46	3,09.12	3,61.82
Cash	3,07.24	1,59.94	68.91	83.52
Balance-sheet total	14,43.41	12,98.19	13,91.43	13,65.88
Ratio to deposits of—	%	%	%	%
Advances	60.0	49.8	75.3	69.5
Investments	20.4	39.1	32.5	37.9
Cash	30.5	16.2	7.2	8.7

* Including bills purchased and discounted and money at call and short notice.

It will be noted that, for the second year in succession, the Bank's deposits show an increase, though the extent of expansion was smaller, the exact rise being Rs. 19.18 lakhs, as against Rs. 36.48 lakhs in 1954. Of this rise, the high interest bearing fixed deposits accounted for Rs. 10.11 lakhs (at Rs. 167.50 lakhs) and savings bank deposits for Rs. 20.25 lakhs (at Rs. 248.92 lakhs), while current accounts, contingency accounts, etc., actually declined by Rs. 11.17 lakhs to Rs. 591.40 lakhs.

As against the aforesaid rise in deposits, the increase in advances was Rs. 112.01 lakhs, of which the share of loans, cash credits, and overdrafts was Rs. 108.97 lakhs (at Rs. 457.35 lakhs) and bills purchased and discounted Rs. 28.04 lakhs (at Rs. 146.36 lakhs). The comparatively bigger rise in commercial advances, as against that in deposits, seems to have necessitated a reduction in money at call and short notice from Rs. 26 lakhs to Rs. 1 lakh, and an increase in the borrowings from other banks; the outstandings of such borrowings at the close of the year amounted to Rs. 79 lakhs, as against Rs. 3 lakhs a year before. Investments (at below market value) stood reduced by Rs. 180.45 lakhs, but this reduction had been made good to a large extent by an increase of Rs. 147.30 lakhs in cash balances, so that the total liquidity ratio was kept at a fairly high level of 50.9 per cent.

(*Concluded from next column*)

but this is more than amply covered by investment reserve amounting to Rs. 1.75 lakhs. Cash balances were strengthened by Rs. 18.86 lakhs, with the result that the total liquidity ratio stood at 69 per cent. as on the last day of the year.

BANK OF RAJASTHAN'S PROFIT SHADE LOWER

DEPOSITS AT RECORD LEVEL

THE year ended 31st December 1955 proved to be another one of expansion in the business of the Bank of Rajasthan Ltd. (General Manager: Mr. D. L. Gupta, Udaipur). Over the year the Bank's total working funds were higher by Rs. 82 lakhs, of which deposits alone accounted for Rs. 64 lakhs. Advances rose by Rs. 26 lakhs, while at the same time the liquid assets were strengthened by Rs. 45 lakhs.

The profit for the year is, however, a shade lower at Rs. 1 lakh, as against Rs. 1.13 lakhs, to which level it had risen in the previous year from Rs. 0.85 lakh earned in 1952. The slight shrinkage in profit, in distinct contrast to the experience of banks in general, is due to (1) the cautious policy followed by the Bank's management in its lending for reasons to be mentioned shortly, (2) the rising trend in administrative expenses, and (3) the higher rate of interest that had to be paid on deposits. The slight fall in profit has not, however, affected the allocation to the reserve fund, which has been maintained at about Rs. 0.25 lakh, and the dividend to the shareholders which is being repeated at 3½ per cent. for the fourth year in succession.

A broad idea of the Bank's progress during the past three years can be had from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Interest and discount earned	7.99	6.81	5.92	5.68
Commission and exchange	2.81	2.75	2.70	1.92
Interest paid	4.72	3.46	2.71	2.22
Expenses	5.48	5.16	4.98	4.63
Depreciation and repairs	0.12	0.20	0.22	0.11
Profit	1.00	1.13	1.05	0.85
Provision for taxation	0.43	0.58	0.50	0.27
To reserves	0.25	0.24	0.24	0.29
Dividend	0.32	0.32	0.32	0.28
	(3½%)	(3½%)	(3½%)	(3½%)
Carry forward	0.01	0.01	0.02	0.03

	As on 31st December			
	1955	1954	1953	1952
Capital	9.23	9.23	9.22	9.22
Reserves	5.28	5.03	5.01	4.82
Deposits	2,60.82	2,05.79	1,72.80	1,50.22
Advances (including bills purchased and discounted and money at call)	1,09.54	83.87	69.92	70.53
Investments	1,05.89	79.46	63.02	55.81
Cash	80.36	61.50	60.99	47.96
Balance-sheet total	3,20.76	2,39.02	2,09.50	1,90.23
Ratio to deposits—	%	%	%	%
Advances	40.6	40.7	40.5	46.9
Investments	39.2	38.6	36.5	37.1
Cash	29.8	29.9	35.3	31.9

The gross income of the Bank for the year under review amounts to Rs. 11.27 lakhs, an increase of Rs. 1.32 lakhs over the year, the bulk of which is accounted for by "interest and discount" earned, which is up by Rs. 1.18 lakhs. Interest paid on deposits and borrowings, on the other hand, has gone up by Rs. 1.26 lakhs—the average rate of interest paid by the Bank on its deposits having risen from 1.68 per cent. to 1.73 per cent.—and expenses by Rs. 0.27 lakh.

Following the increase of Rs. 55.57 lakhs noted in the previous two years, there was a further expansion of Rs. 64.03 lakhs in the Bank's deposits during the year under review to establish a fresh record of Rs. 269.82 lakhs. As against this rise in the main resources, the increase in advances was of the order of only Rs. 25.67 lakhs, with the result that the ratio of advances to deposits did not record any increase. The Directors report that the management did their level best to increase the advances, but, in the absence of demand for sound advances, they could not do so. They give two reasons for this state of affairs: (1) the business community in the sphere of the Bank's operations did not like to stock their purchases for fear of fall in prices after the busy season, and (2) the rainfall in the month of September last had delayed and damaged the cotton and *jowar* crops.

Of the advances, loans, cash credits and overdrafts accounted for Rs. 47.59 lakhs (as against Rs. 42.38 lakhs last year), bills purchased and discounted for Rs. 29.25 lakhs (Rs. 15.99 lakhs) and money at call and short notice for Rs. 32.70 lakhs (Rs. 25.50 lakhs). The bulk of the Bank's investments, which show an increase of Rs. 26.43 lakhs over the year, represent Government and other trustee securities, amounting to Rs. 100.09 lakhs, as against Rs. 79.18 lakhs in the previous year. The market value of these securities shows a depreciation of Rs. 1.03 lakhs,

(*Continued in previous column*)

EXPORTS OF RAYON GOODS FALL

NEED FOR A STUDY INTO INDUSTRY'S STRUCTURE

IT is, indeed, surprising that the Silk and Rayon Textiles Export Promotion Council should have taken more than sixteen months--the Council was registered on 13th December 1954—to recognise the need for re-appraising India's export possibilities in rayon piecegoods, with a view to taking measures designed to give a fillip to exports. The Council has, according to the Secretary of this body, just taken up the matter with the exporters and manufacturers and "is taking steps to reverse the trend (of exports)." Though belated, the Council's move must be welcomed. The export trade in rayon piecegoods has been continuously looking downward, with the exception of a slight recovery in 1954. The quantity of cloth actually exported during the calendar year 1955 was not more than 2.92 million yards (valued at Rs. 50.71 lakhs), as against 3.68 million yards (Rs. 61.18 lakhs) in 1954 and 7.98 million yards (Rs. 114.93 lakhs) in 1951. The offtake even by the Asian-African region, which is India's main customer for rayon fabrics, has fallen. Sudan, for instance, purchased from India only 147,000 yards of cloth in 1955, as against as much as 1.74 million yards in 1952 and 1.36 million yards in 1951. Similarly, the quantity lifted by Afghanistan was a bare 222,000 yards, which compares unfavourably with 943,000 yards and 1.22 million yards in the said two previous years. Pakistan has practically ceased to be a buyer of Indain fabrics.

The following table shows the shipments of rayon piecegoods from India to some of the most important markets during 1955, as compared with the preceding four years:

(In thousand yards)

	1955	1954	1953	1952	1951
Aden	260	396	228	67	100
Afghanistan	222	85	111	943	1,221
Pakistan	..	..	..	234	168
Ceylon	1,040	866	809	699	765
Kenya	31	228	85	141	22
Tanganyika	161	416	99	188	3
Sudan	147	146	298	1,741	1,357
Other countries	1,059	1,547	1,169	809	4,407
Total	2,923	3,684	2,799	4,816	7,983

The major cause for the decline in rayon cloth exports is said to be the keen competition offered by Japan in almost all the markets. The prices of Japanese fabrics, it is stated, are much lower than those sold by India. The quality, designs and finish of Japanese art silk goods are also claimed to be better. Even though there have been no specific complaints on quality considerations against Indian goods, yet it is generally stated that the Japanese goods are of better standards and are available at very much lower prices. If, therefore, the exports of Indian rayon cloth are to improve, it is imperative that immediate attention is paid to these matters.

Export Target

Emphasising this aspect, the Export Promotion Council observes: "With the evolving of standards and laying down factual or other schemes for survey of goods meant for export, complaints about quality may be obviated. There have, of course, been considerable improvements in quality in recent years. Nevertheless, the industry should take further steps in this direction and endeavour to bring down the costs to the lowest level, so that it may be in a better position to compete in overseas markets." Incidentally, the Export Planning Sub-committee of the Council has fixed the target for rayon textile exports at 10 million yards per annum, which represents a rise of 233 per cent. over the average annual rate of exports—about 3 million yards—in the last two years. In fixing the target, the Committee, we are told, has taken an overall view of the anticipated indigenous production and consumption in the next few years, as also the existing pattern of trade.

The Council expects that, as and when its activities gather momentum, it will be in a position effectively to discharge its main function of maintaining and promoting the exports of rayon (and silk) fabrics from India in the following ways:

(1) Acting as an effective media between the foreign buyer and the Indian exporter, on the one hand, and the trade and the Government, on the other;

(2) undertaking market surveys of individual foreign markets, in order to assess their individual requirements; and

(3) laying down standards for exports, with a view to obviating any complaints that may emanate from overseas buyers.

The Council has already worked out a scheme for publicity in foreign markets which, it is said, will be implemented "systematically." It will also bring to the authorities concerned from time to time the problems affecting the export trade.

Industry's Position

While all these steps are in the right direction and require to be vigorously pursued, they will not, by themselves, be successful in giving the necessary push to exports of rayon goods, so long as the industry is not efficiently organised. The Export Promotion Council must, therefore, find out the secret of the success of its competitors in foreign markets and suggest suitable measures for strengthening the structure of the industry. This will be possible only if it makes a comparative study of the equipment, management, technique of production, etc., of Indian rayon mills with those of their competitors. It is needless to emphasise that, unless its internal structure is sound and healthy, the rayon industry in India cannot stand against the well-established manufacturers in Japan, Europe and the U.S. Another question that requires to be gone into by the Export Promotion Council is whether the domestic mills are making deliberate and determined attempts to develop export markets or whether they are resting content with executing whatever orders that come their way. Having been sheltered for several years now by a high tariff wall and the restrictions on imports for considerations of foreign exchange, the industry has had a flabby growth with very little inner strength. It will be natural for such an industry to follow the path of least resistance and try to secure easy profits by confining its attention to the internal market. Further, a section of informed opinion in this country holds the view that the industry consists of many weak units producing poor quality goods. Hence, great importance must be attached to the aforesaid two questions.

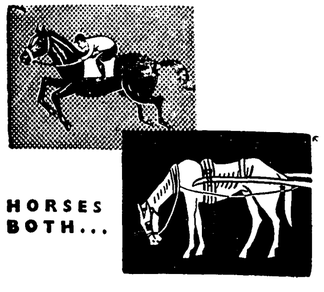
Survey of Foreign Markets

A recent study of some of the foreign markets for Indian rayon fabrics made by the Council reveals several interesting features which deserve to be taken note of by the rayon textile industry and trade. According to the study, India can augment exports of rayon fabrics to East African markets, if they are supplied at competitive prices. Rayon fabrics have the added advantage over silk fabrics in British E. Africa, in that the former is subjected to an import duty of only 20 per cent. *ad valorem*, as against 40 per cent. *ad valorem* on the latter. There has been a marked increase in the popularity of rayon textiles in this country. If the rayon industry can manufacture printed cloth in artificial materials, "a very good market" is assured for them. Aden also offers good scope as a market in which India can expand the export trade in rayon fabrics. Aden is a free port; there are no restrictions on the import of rayon (and silk) from India and the imports are free of duty. What is more, most of the imports into Aden find their way to the interior and many of the Middle East countries are being supplied from Aden. In this connection, traders' attention has to be invited to the findings of a representative of a leading Indian exporting firm who recently visited Aden, Ethiopia, Sudan, Eritrea and Egypt: In almost all the centres, according to him, there are at least two or three Japanese mill representatives who are studying the needs and requirements of the consumers. There are also representatives of Japanese export houses who are going round the markets canvassing and booking orders even for such small quantities as 2,000-4,000 yards. Japanese export houses supply one sample per case of rayon goods which are despatched as soon as the goods are packed in the factories.

The prospects for enlarging exports to Malaya are considered to be quite bright, provided due consideration is paid to quality and price. In this country, India enjoys tariff preference, the rate of import duty being 10 per cent. *ad valorem*, as against the full duty of 20 per cent. *ad valorem*. Some of the better varieties of rayon *saris*, it is suggested, should be made available with proper samples.

New Zealand is another country which offers bright prospects for Indian rayon goods which are at present practically unknown, thanks to the extremely specialised and keenly competitive nature of the market. The U.K. is the main supplier of rayon goods to New Zealand and Japan has been lately making its appearance in the market. If the Indian shippers are to build up an export trade with this country, they must pay attention to three important factors. First, the quality of fabrics should be comparable with, if not superior to, those of English and Continental fabrics. Secondly, the manufacturers should strive to keep in touch with the changing fashions in the market in respect of design and colour. Thirdly, the materials should be shrink-proof and the quality of the dye fast and hard.

In contrast to the opportunities in these markets, there is said to be not much scope for Indian rayon fabrics in Iraq, Thailand and Burma. Imports of rayon (and silk) textiles into Iraq are permitted subject to the grant of licences which are issued under limited monetary allocations. Competition from Japan, Italy, the U.S. and Germany is also severe. In Thailand, Indian goods are finding it difficult to compete with low-priced Japanese products. As regards Burma, in view of the present difficult foreign exchange position, the Burmese Government is interested in trading more with countries like Czechoslovakia, the U.S.S.R. and China which have entered into barter agreements with it. Consequently, the chances for Indian rayon goods in this market are meagre.



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COTTON TEXTILE OUTPUT AND EXPORTS

The aggregate mill output of cotton cloth in India during the first quarter of 1956 is provisionally estimated at 1,258 million yards, as against 1,251 million yards in the corresponding quarter of 1955. This quantity is, however, less than the previous quarter's output of 1,306 million yards by 48 million yards. The yarn output in the same quarter is estimated at 394 million lbs., as against 389 million lbs. a year before and 420 million lbs. in the last quarter of 1955. The trend of cloth and yarn output during the three months ended March 1956 as compared with the same period of 1955 is indicated below:

(Cloth in million yards: yarn in million lbs.)

	Cloth		Yarn	
	1956	1955	1956	1955
January ...	414	430	130	132
February ...	428	399	133	124
March ...	416	422	131	133
Total ...	1,258	1,251	394	389

During the quarter under review, exports of cotton piecegoods passed for shipment are estimated at 192.1 million yards, which compare unfavourably with 219.1 million yards and 242.7 million yards a year and two years before, respectively. The decline in exports is attributed to the resistance from overseas buyers following the rise in prices and increased competition from other countries, especially Japan.

Out of the installed capacity of 12.03 million spindles and a little over 200,000 looms of the cotton textile mills in India as on 1st January 1956, about 1.64 million spindles and 19,000 looms are not in active working at present. This information was given by Mr. T. T. Krishnamachari in his reply to a question in the Lok Sabha last week.

"BUY BRITAIN'S COTTONS" CAMPAIGN TO BE LAUNCHED

CAUSES OF DECLINE IN EXPORT TRADE

From A Special Correspondent

MANCHESTER, *17th April*

THE campaign waged by Lancashire traders for protection against the inroads of foreign goods into the home market has entered a new phase with the arrival of coach-loads of agitators outside the Houses of Parliament. Up to now the protests made on behalf of the industry have been solely through official channels, together with a steady flow of comment from the chairmen of trade organisations and individual firms when opportunity has arisen. Now the field has been thrown open on a wider front.

MANCHESTER LETTER

Union leaders, with their declining membership figures as a spur, have taken the initiative in calling for assistance from the weighty machine of the Trades Union Congress. The danger of a political approach as a result of such moves is inevitable in a matter which is felt to transcend party politics.

There are those who have dubbed the "march" to London, accompanied by banners and demonstrations, as "a stunt" but many people in the industry take the view that any agitation to bring home the facts of Lancashire's case is quite legitimate. The main purpose of the visitors to Westminster is to discuss the whole problem with Members of Parliament for the textile towns and to make their presence felt in the precincts of the House of Commons.

That is one way of drawing the attention of the authorities—and the man in the street—to the failure of the Government to take action to relieve local traders of the burden of keen competition in the home market. Another method of securing a hearing has been taken up by the Cotton Board, whose publicity scheme, based on the slogan "Buy Britain's Cottons," will be launched in the autumn, at a cost of some £250,000.

Tory Plea

Calls to the Government to take steps to limit imports of cotton grey cloth and other textiles were made in resolutions discussed at the annual meeting in Manchester of the Lancashire, Cheshire and Westmorland Provincial Area Conservative Council.

Mr. Ernest Stacey, Chairman of the Liverpool Constitutional Association, moved a resolution which while, allowing that the Government was anxious to support industrial activities in Hong Kong and to do nothing to jeopardise exports from the United Kingdom to India, urged that some action is now necessary to restrict the flow of yarn, grey cloth and manufactured textiles into the United Kingdom. This, it said, was necessary to maintain a healthy and progressive textile industry in Lancashire.

Two pieces of cotton cloth—one made in Britain and the other in Hong Kong—were produced by a Liverpool delegate at the conference as an example of the competition the Lancashire cotton industry has to face from cheap foreign imports.

Mr. Stacey said that the British-made cloth sample had been produced at Barnoldswick from yarn spun from American cotton and would cost £10 3*s*. 5*d*. per 100 yards. The cloth could be produced from other growths at a cost of £9 2*s*. 7*d*.—but neither of these figures included a penny for profit, reserve, or depreciation.

The cloth made in Hong Kong could be landed on the quay in Manchester and sold at £7 5*s*. 10*d*. per 100 yards. This was cheaper than the yarn delivered to the weavers' door in Lancashire before it was touched at all for weaving. The resolution was carried by a large majority.

Need for Action

Among those who have recently aired their opinions on the latest developments in the textile industry is Mr. James Ewing, Chairman of Bradford Dyers' Association, whose annual review invariably contains a far-reaching survey of current industrial affairs. He too has called for protection against imported fabrics coming into the home market and also for safeguards to enable Lancashire to maintain its contacts with Colonial outlets.

Mr. Ewing joins those who believe that at least double-shift working must come—and quickly—if Lancashire firms are to compete effectively in foreign markets against the production of low-wage countries.

"We must sweat the machine," he says. That the existing plant in the mills is far from being "sweated" can be recognised from the latest figures of double-shift working, which show that in the final quarter last year only 2 per cent. of Lancashire's spindles were so operating although 11.8 per cent. of local looms were engaged on shift work.

No effort should be spared to increase the productive power of the industry by using the most efficient methods. Yet the threat of foreign competition remains exceedingly real. Rivalry from low-wage countries such as India and Japan is frequently quoted as the reason for lost trade in many parts of the world. From Malaya, however, it has now been reported that the Soviet Union is shipping textiles in competition with Japanese goods. Cotton grey cloth is arriving in Singapore priced at 10½*d*. a square yard against a comparable Japanese fabric selling at 1*s*. 0*d*.

Empire Cotton

Cotton growing in Empire countries last year just failed to reach the 1954 record yield, according to the Annual Report of the British Cotton Growing Association.

Output was 1,222,200 bales compared with the peak production of 1,227,600 bales in the previous year. Unfavourable weather caused a drop of nearly 100,000 bales in the Uganda crop but increases of 44,000 bales in Nigeria, 18,000 bales in Tanganyika and 17,000 bales in the Sudan were registered.

The report pointed out that the Nigerian crop is now three times as big as the highest output recorded before the war and that Tanganyika's production of 120,000 bales is some 50,000 bales better than pre-war.

Empire crops have grown from around 600,000 bales soon after the war to an average of nearly 1,250,000 for the past two years, but, the report warns, "much can still be done, particularly by research and by encouraging the African farmer towards a better standard of cultivation, for the yield per acre in most countries producing American-type cottons is still very low."

Britain's Exports

The sharp decline in the volume of British cotton textile exports—from 904 million square yards in 1951 to 540 million by last year—is a "most serious" question for the trade and the nation, states the Annual Report of the United Textile Factory Workers' Association.

The report describes 1955 as "possibly the most unfortunate post-war year the cotton textile trade has experienced." It had brought the closure of 90 mills and the loss of more than 30,000 workers. Other factors helping to bring about this situation had been the increased volume of cheap overseas cloth retained in the United Kingdom for sale on the home market and uncertainty about American raw cotton policy.

On the fall in exports, the report says this is attributed to the opening up of Commonwealth markets to India and Japan, and to competition in the finer goods markets from Germany and Holland. It adds: "Japan and India, with low standards of living, increasing efficiency and price differentials have increased their share of world trade by about 1,000 million yards. We cannot hope to compete against them. We are now facing greater price competition than ever from the European producers and the future is not encouraging."

The downward trend of exports was so important that the President of the Board of Trade had set up a committee of trade representatives and Board officials to study certain markets.

The report will be presented to the Association's annual conference at Morecambe on 3rd May. Resolutions for discussion at the conference include one urging a limit on imports of yarn and cloth, particularly from India and Hong Kong, and for consideration of a subsidy on cotton cloth "so that the U.K. cotton industry may compete on equal terms with overseas competitors." Another resolution calls on the Legislative Council to apply for extended holidays for the industry's 250,000 workers "with the object of securing four weeks' paid holidays per year."

Weavers Move At Last

That it should have taken nearly 18 months to draft proposals for a price regulation scheme in the weaving section of the cotton industry is not surprising. Such a task, as has been

(*Continued on page 843*)

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TWENTY-EIGHTH ANNUAL REPORT OF THE BOARD OF DIRECTORS

The Directors beg to submit to the shareholders the audited Balance Sheet and Profit and Loss Account of the Bank for the year ended 31st December, 1955.

	Rs.	a.	p.
The Net Profit for the year including Rs. 894-15-6 brought forward from the previous year amounts to	94,418	13	1
The Directors recommend that the above amount be appropriated as under:—			
1. To provision for Income-tax	36,000	0	0
2. To transfer to Property Depreciation Fund	14,500	0	0
3. To transfer to Gratuity Fund	3,500	0	0
4. To pay dividends at—			
6 per cent. per annum (less income-tax) on Preference 'A' Shares	4,425	0	0
6 per cent. per annum (free of income-tax) on Preference 'B' Shares	6,000	0	0
7 per cent. per annum (free of income-tax) on Ordinary Shares	26,008	8	0
72 per cent. per annum (free of income-tax) on Deferred Shares	3,816	0	0
5. To carry forward to next year's account	169	5	1
Total .. Rs.	94,418	13	1

There was a general fall in the rate of interest available on advances during the year and the competition in this regard was very keen. Steady progress has been maintained in the deposits of the Bank.

The business of the Bank during the year continued to be satisfactory although the net profit is slightly lower than that of the previous year.

Under Article 113 of the Articles of Association Sarvshri Sri Ram Khanna and Prem Chandra Capoor, two of your Directors, retire by rotation and being eligible, offer themselves for re-election.

Consequent to the resignation of Messrs. P. R. Mehra & Co., the Auditors, appointed at the last general meeting held in 1955, the Directors filled the vacancy by appointing Messrs. R. S. Gupta & Co., Chartered Accountants, Delhi, as the Auditors of the Company on the same remuneration. Messrs. R. S. Gupta & Co. retire at the ensuing Annual Meeting and offer themselves for reappointment for the current year.

The Directors are thankful to the shareholders and constituents of the Bank for their continued support and confidence and they also place on record their appreciation of the work done by the staff during the year.

BAREILLY, Dated the 11th March, 1956.

HIRA LAL KHANNA, SRI RAM KHANNA, NAWAL KISHORE, BALRAM SHARMA, HARISH KUMAR, PREM CHANDRA CAPOOR, } Directors.
GIRISH KUMAR CAPOOR, Managing Director.
Chairman.

BALANCE SHEET AS AT 31st DECEMBER, 1955

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED CAPITAL—						
20,000 'A' Class 6% Cumulative Preference Shares of Rs. 10 each	2,00,000	0	0			
20,000 'B' Class 6% Cumulative Preference Shares of Rs. 10 each	2,00,000	0	0			
59,000 Ordinary Shares of Rs. 10 each	5,90,000	0	0			
1,000 Deferred Shares of Rs. 10 each	10,000	0	0			
				10,00,000	0	0
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL—						
400 Deferred Shares of Rs. 10 each issued as fully paid-up in 1923 pursuant to a contract without payment being received in cash	4,000	0	0			
10,000 'A' Class 6% Cumulative Preference Shares of Rs. 10 each fully paid	1,00,000	0	0			
10,000 'B' Class 6% Cumulative Preference Shares of Rs. 10 each fully paid	1,00,000	0	0			
130 Deferred Shares of Rs. 10 each fully paid	1,300	0	0			
37,155 Ordinary Shares of Rs. 10 each fully paid	3,71,550	0	0			
	5,76,850	0	0			
ADD—Amount received on 2,845 Ordinary Shares forfeited	7,025	0	0			
				5,83,875	0	0
2. Reserve Fund and Other Reserves				7,31,336	6	6
3. Deposits and Other Accounts—						
Fixed Deposits and Cash Certificates	62,78,310	1	2			
Savings Bank Deposits	30,07,654	9	5			
Current Accounts, Contingency Accounts, etc.	14,59,596	0	7			
				1,07,45,560	11	2
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	17,46,969	15	5			
(ii) Outside India	Nil					
				17,46,969	15	5
PARTICULARS— Rs. a. p.						
(i) Secured (by part of investments as per contra) 17,46,969 15 5						
(ii) Unsecured Nil						
5. Bills Payable				18,856	15	9
6. Bills for Collection Being Bills Receivable as per contra—						
(i) Payable in India	8,20,499	0	2			
(ii) Payable outside India	Nil					
				8,20,499	0	2
7. Other Liabilities—						
Provident Fund	1,68,397	6	5			
Unclaimed Dividends	5,289	4	9			
Branch Adjustments	4,891	11	6			
Provision for Income-tax	4,165	5	0			
Gratuity Fund	1,500	0	0			
Advance Rent Received	645	7	0			
				1,84,889	2	8
8. Acceptances, Endorsements and Other Obligations as per contra.				Nil		
9. Profit and Loss Account—						
Profit as per last Balance Sheet	1,02,012	2	6			
LESS—Appropriations	1,01,117	3	0			
	894	15	6			
ADD—Profit for the year brought from the Profit and Loss Account	93,523	14	5			
				94,418	13	11
10. Contingent Liabilities—	Rs.	a.	p.			
1. Liability on Bills of Exchange Re-discounted	14,578	0	9			
2. Claims against the Bank not acknowledged as debt	8,000	0	0			
	22,598	0	9			
Total .. Rs.				1,49,26,406	1	7

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)				11,07,144	4	7
2. Balances with Other Banks—						
(i) In India (on current account Rs. 55,375-8, on deposit account Rs. 1,00,000)	1,55,375	8	0			
(ii) Outside India	Nil					
				1,55,375	8	0
3. Money at Call and Short Notice				Nil		
4. Investments (at cost)—						
(i) Securities of the Central and State Governments and other Trustee Securities including Treasury Bills of the Central and State Governments (include P. F. Investments) (Face value Rs. 60,40,300, Market value Rs. 59,33,157)	60,19,160	1	3			
(ii) Shares—						
Preference (fully paid up)	51,762	0	0			
Ordinary (fully paid up)	94,629	11	0			
NOTE.—Market value of shares costing Rs. 1,46,392 is Rs. 1,25,572.						
(iii) Debentures or Bonds (estimated realisable value Rs. 25,000)	24,750	0	0			
(iv) Other Investments	Nil					
(v) Gold	Nil					
				61,90,307	12	3
5. Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—						
(I) Loans, Cash Credits, Overdrafts, etc.						
(i) In India	53,20,758	4	10			
(ii) Outside India	Nil					
(II) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India	6,72,962	4	6			
(ii) Payable outside India	Nil					
				59,93,720	9	4

PARTICULARS—	Bills Discounted and Purchased Rs. a. p.	Loans, Cash Credits and Overdrafts Rs. a. p.
(i) Debts considered good in respect of which the Banking Company is fully secured	4,10,725 3 9	52,10,363 11 10
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	1,32,102 6 3	44,079 7 3
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	1,30,134 10 6	21,246 8 6
(iv) Debts considered, doubtful or bad, not provided for	Nil	5,168 9 8
	6,72,962 4 6	53,20,758 4 10
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons— Directors Nil		
Officers 11,209 9 0	Nil	11,209 9 0
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil	22,963 5 11
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons— Directors Nil		
Officers 14,341 4 3	Nil	14,341 4 3
(viii) Maximum total amount of advances including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil	27,318 11 11
(ix) Due from Banking Companies	Nil	Nil
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	8,20,499	0 2
(ii) Payable outside India	Nil	
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra		8,20,499 0 2
8. Premises, Less Depreciation		Nil
9. Furniture and Fixtures—		Nil
Total cost upto 31st December, 1954	67,177 2 10	
Additions during the year	4,278 11 9	
	71,455 14 7	
LESS—Sales during the year	160 0 0	
	71,295 14 7	
LESS—Depreciation— Rs. a. p.		
Upto 31st December, 1954 30,211 1 5		
For the year 2,792 13 2		
	33,003 14 7	
10. Other Assets, including Silver—		38,292 0 0
(i) Interest accrued on Investments	80,986 5 9	
(ii) Stationery and Stamps in hand	14,526 2 6	
(iii) Advance against Income-tax under Section 18-A	17,004 15 0	
(iv) Income-tax deducted at source	46,452 4 0	
(v) Life Policies	256 4 0	
(vi) Vehicles— Rs. a. p.		
Cost upto 31st December, 1954 12,188 2 3		
Additions during the year 379 5 6		
12,567 7 9		
LESS—Sales during the year 26 0 0		
12,541 7 9		
Less—Depreciation— Rs. a. p.		
Upto 31st December, 1954 6,497 11 0		
For the year 1,203 12 9		
7,701 7 9		
	4,840 0 0	
11. Non-Banking Assets Acquired in Satisfaction of Claims		1,64,065 15 3
(Estimated realisable value Rs. 4,60,000)		4,57,001 0 0
NOTE.—In addition to adjustment of claims Rs. 60,000 were paid in cash.		
12. Profit and Loss		Nil
Total .. Rs.		1,49,26,406 1 7

CRISIS IN COTTON EXCHANGE

TRADERS HOLD GOVERNMENT INTERVENTION TOO DETAILED AND EXCESSIVE

THE resignation of Mr. Purshotamdas Thakurdas, President of the East India Cotton Association, and of Mr. C. B. Parikh, Vice-President, announced last week, brings to the fore the basic and long-drawn conflict between the Association and the Forward Markets Commission. The former has resented what it regards as the rigid, meticulous and excessive control that is sought to be exercised by the Commission, while the latter, in its turn, regards such control as being necessary in the interests of forward trading itself. At the moment there appears to be no immediate prospect of a way out of the crisis in the local market. In view of the significance of this stalemate to forward trading, in general, and to such trading in cotton, in particular, it may be useful to set down briefly the immediate causes of the crisis.

A general reference to these causes has been made by Mr. Purshotamdas Thakurdas himself in his letter of resignation. He says that he has worked so long to preserve the independence of the cotton trade through difficult times. But he finds that he is unable either to fight the Government or to carry it with him. He, therefore, feels that he should make way for such members of the trade as may be able and willing to work under the changed conditions. He deplores that there has, of late, been a tendency on the part of the authorities to exercise "increasing powers or regimentation" and on the part of the business community to yield to them. He adds:

"The last bunch of 11 letters dated 10th April, from the Forward Markets Commissions bears testimony to this. The safeguards, procedures and rules of working which the Association has devised over a period of 35 years are in jeopardy to the detriment of the trade. I do not think that, when the trade accepted Government supervision, they expected to have to more or less surrender their initiative and to content themselves merely with carrying out the wishes of the Forward Markets Commission, both in the matter of prices and in the matter of day-to-day operations. Futures trading is a technical, complex and delicate art, and in my opinion, it is imperative that its control should be with such persons as are not only knowledgeable but are also in day-to-day touch with it and stand to suffer themselves from the results not only of misdirected policy but also of an error of judgment. This is not to question the wisdom of a strictly impartial overall superintending body, provided such a body attends to the general direction of the trade but does not interfere in the detailed and day-to-day working of the Association. The cotton grower in India is not vocal and is unorganised. Whereas there has recently been so much stress laid by the Forward Markets Commission on a rise in price and ceiling within a ceiling, there is conspicuous absence of stress on the need for the grower to secure a fair price, in accordance with the forces of demand and supply, as may be available to him even within the limitation of the official ceiling prices which are well below the world prices."

The bunch of letters to which reference has been made in the extract given above, carries, it is stated, certain directions of the Forward Markets Commission to the Association as well as some concrete proposals to be discussed by representatives of the Association with the Commission. It is learnt that these letters deal with such matters as the reopening of the August 1956 contract, proposals for hedge contract for the next season, fixation of maximum and minimum prices and of margins, amendment of by-laws relating to contracts, prohibition of options and so on. In the Commission's view, it is not expedient to commence trading in the August 1956 contract even under the terms recommended by the Hedge Contract Sub-committee of the E.I.C.A. This view is based upon considerations of the demand and supply position, movement of crop, spot market prices and other factors.

Minutes of Meetings

The Commission's directives to the Association are believed to be contained in no less than four letters. In the first place, the Commission wants that the minutes of the meeting of the Board, reports of the committees of the Board and other relevant papers should be made available to it. Secondly, it holds that certain amendments are necessary in the by-laws in regard to fixation of maximum and minimum prices. The amendments should ensure that maximum and minimum prices are fully effective even during the delivery period and any prices fixed should be fixed with the concurrence of the Commission. The Association has been asked to provide that the due date rate fixed shall not be higher or lower than the maximum and minimum prices respectively fixed under by-law 32. If the due date rate is within Rs. 25 per candy of the maximum price, the penalty shall be equal to the difference between the due date rate and the maximum price. If the due date price is equal to the minimum price and the last buyer of a hedge contract does not begin to take delivery after the time for it has expired and no arbitration is held, the contract will be closed at the due date prices.

Thirdly, the Commission points out that the present system of appointing full-time surveyors does not appear to have yielded satisfactory results. It cites, in this connection, the high percentage of modification of surveyors' decisions by the appeal committees. The Association has, therefore, been asked to consider a system in which a buyer and a seller could each nominate a surveyor from a panel of surveyors constituted by the Association, in consultation with the Commission. If the two surveyors differ among themselves, they could jointly select an umpire from a panel of umpires whose decision could be final. This system, it is stated, would obviate the need for maintenance of full-time selected surveyors at great cost. Fourthly, the Commission has expressed the view that the important offices of President and Vice-President should not be held for an indefinite period by some individuals, since it prevents other members from acquiring the necessary experience and knowledge. It has, therefore, requested the Association to amend the by-laws, in order to ensure that no person holds the office of President or Vice-President continuously for a period longer than five years.

Non-Transferable Contracts

The Commission has made several proposals and suggestions which it says it would be glad to discuss with the representatives of the Association. In the first place, it points out that non-transferable delivery contracts are, in practice, transferred and that this constitutes a breach of the Forward Contracts (Regulation) Act. It has, therefore, suggested that specific delivery contracts should be classified as non-transferable and terms relating to staples, grades, places of growth, period of delivery, etc., relating to each class should be specified. Information on these contracts should be reported to the Commission on a weekly basis. Differences relating to these contracts should be paid only through the clearing house. Secondly, it has asked the Association to formulate suitable proposals for enforcing prohibition of business outside official hours and of options through the setting up of a permanent committee. Thirdly, it has suggested modifications in the margin system, including the reduction of the free limit of open position from the present level of 10,000 bales to 2,500 bales. The suggested margins are: 0-2,500 bales —*nil*; 2,501-10,000 bales Rs. 6 per bale; 10,001-20,000 bales Rs. 8 per bale; 20,001-30,000 bales Rs. 10 per bale and above 30,000 bales Rs. 12-8 per bale.

The basis for determining the liability to pay margins, it is stated, could be the net open position at the end of settlement period instead of the highest net position during the period. Special clearing may be provided, if the price of any contract varies from the last settlement by more than Rs. 30 per candy. Fourthly, the Commission has suggested measures designed to improve the nature of the data presented by the members using the clearing house. Thus, only the contracts made by members with other members should be included in statements; the contracts made by members with non-members should be shown separately. Members should show separately the contracts entered into on behalf of their clients and on their own. Members who do not themselves enter into contracts but ask other members to enter into contracts on their behalf should report the contracts to the Commission in a separate form.

New Contract

As regards the hedge contract for the 1956-57 season, the Commission has suggested that the E.I.C.A. should formulate proposals of a kind that would ensure that hedging facilities are offered to all varieties of cotton grown in the country, that the contract is properly balanced, that it is not made vulnerable to squeeze or bear raid, and that it offers a safe hedge to all interests. In particular, the Commission has sought the Association's advice on (1) whether there should be one contract or two contracts in the light of the need for providing hedging facilities for different varieties and for hedging being started in mofussil centres; (2) whether the present months of delivery (February, May and August, should be altered so as to ensure adequate supply of cotton of tenderable varieties during the delivery period of each contract; (3) whether the by-law 55 relating to fixation of differences should be replaced by a provision for the fixation of varietal differentials on the basis of their intrinsic merit before the commencement of each season and holding good for all contracts during the season; (4) whether the seller should be required to decline on 25th of the month preceding the delivery month the extent to which he will give delivery against outstanding contracts and the extent to which he would buy back his contract; and (5) whether

(*Continued on page 830*)

THE BAREILLY CORPORATION (BANK), LIMITED—*Continued.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31st DECEMBER, 1955

EXPENDITURE	Rs.	a.	p.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
To Interest paid on Deposits, Borrowings, etc.	2,64,576	0	7	By Interest and Discount	4,99,306	13	7
,, Salaries and Allowances and Provident Fund (includes Rs. 14,900 paid to the Managing Director)	2,11,337	4	8	,, Commission, Exchange and Brokerage	1,01,879	14	11
,, Directors' and Local Committee Members' Fees and Allowances	2,454	4	0	,, Rent	Nil		
,, Rent, Taxes, Insurance, Lighting, etc.	17,304	7	9	,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	5,961	0	6
,, Law Charges	3,486	5	0	,, Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
,, Postage, Telegrams and Stamps	11,803	14	6	,, Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	16,404	10	0
,, Auditors' Fees	700	0	0	,, Other Receipts	13,449	1	10
,, Depreciation on and Repairs to the Banking Company's Property	5,880	2	5	,, Loss (if any)	Nil		
,, Stationery, Printing, Advertisements, etc.	12,290	13	0				
,, Loss from Sale of or Dealing with Non-Banking Assets	13,644	6	6				
,, Other Expenditure	93,523	14	5				
,, Balance of Profit							
Total .. Rs.	6,37,001	8	10	Total .. Rs.	6,37,001	8	10

AUDITORS' REPORT TO SHAREHOLDERS.

We have audited the above Balance Sheet of the Bareilly Corporation (Bank), Ltd., Bareilly, as at 31st December, 1955, with the books at Head Office in which certified returns by the Managers of the respective branches are incorporated and also the annexed Profit and Loss Account for the year ended that date and have obtained all the information and explanations we have required. The foregoing Profit and Loss Account and Balance Sheet are drawn up in conformity with the law. Such Balance Sheet as set forth above exhibits a true and correct view of the state of affairs of the Bank according to the best of our information and explanations given to us and as shown by the books of the Bank. We also report that the books of account have been kept by the Bank for the period under report as required by Section 130 of the Indian Companies Act, 1913. We further report that (a) the information and explanations required by us have been found to be satisfactory, (b) the transactions of the Bank which have come to our notice have been within the powers of the bank, (c) Returns received from Branch Offices of the Bank have been found adequate for the purpose of the audit, and (d) Profit and Loss Account shows a true balance of Profit and Loss covered by such accounts.

R. S. GUPTA & CO.,
Chartered Accountants,
Auditors.

DELHI, Dated the 1st March, 1956.

HIRA LAL KHANNA, SRI RAM KHANNA, NAWAL KISHORE, BALRAM SHARMA, PREM CHANDRA CAPOOR. } Directors. Chairman.
GIRISH KUMAR CAPOOR, Managing Director.
HARISH KUMAR, Deputy Managing Director.
I. B. SAXENA, Accounts-in-charge.

CO-OPERATION IN SUGAR MAKING

LARGER STATE PARTICIPATION ENVISAGED

WHEN the Government first decided to encourage the establishment of sugar factories on a co-operative basis, some of the millowners feared that this was a beginning of State entry into the field of sugar through the back door. The main reasons for this fear were the provision by the State of the major part of the capital required by the sugar co-operatives and the possibility of favourable treatment being extended to the co-operatives in the matter of taxation, as well as supply of transport and water. Subsequent developments showed that the millowners' misgivings were not unwarranted. The latest developments serve only to confirm them.

It will be recalled that licences for setting up a number of co-operative sugar units have already been granted and the second Five-year Plan provides for starting 35 more co-operative units. The Governments—Central and State—have also been giving active support and encouragement to the establishment of such units by contributing to their share capital. Out of the total financial outlay on a co-operative sugar mill, as much as 85 per cent. is provided by the Governments as contributions to block capital and loans from the Industrial Finance Corporation of India, a body which is completely under the control of the Centre. In reality, therefore, the co-operative sugar mills are as good as State-owned units.

Direct Steps

Apart from issuing licences and giving considerable financial assistance, the authorities have also been taking direct steps to foster the development of co-operation in sugar manufacture. The first all-India seminar of Co-operative Sugar Factories, organised recently by the Union Food and Agriculture Ministry at Pravaranagar in Ahmednagar District, is an instance in point. The Seminar was presided over by Dr. D. R. Gadgil, Director of the Gokhale Institute of Economics and Politics, Poona, and one of the architects of "Neo-co-operation" conceived by the Rural Credit Survey Committee of the Reserve Bank and meekly accepted by all co-operators. One of the cardinal principles of "Neo-co-operation" is that the State should participate in both capital and board of directors of co-operatives by subscribing to the major portion of their capital and placing its nominees on the board. This principle runs contrary to all accepted fundamentals of the Co-operative Movement throughout the democratic world. It is, therefore, but appropriate that Dr. Gadgil, who engineered this peaceful, bloodless revolution in the co-operative world in India in collaboration with two Civil Service men, should have been asked to guide the Seminar. This function was attended by the registrars of co-operative societies from the various States, respresentatives of the Central Government, the Reserve Bank, the Industrial Finance Corporation and the Institute of Sugar Technology, and sponsors of the co-operative sugar factories. The various subjects that came up for discussions at the Seminar included problems of management, operation, finance, requirements of agricultural and industrial labour and relationship of the growers with the factories. The subjects chosen for discussion at the Seminar, as well as the personnel that attended it, suggest that the Government is keen on spreading the new gospel of Co-operation as quickly and effectively as possible.

The deliberations at the Seminar and the conclusions arrived at give rise to apprehensions that an all-out drive might be launched to bring about a greater incursion of the State into the field of sugar manufacture through the Co-operative Movement. How else is one to explain the plea at the Seminar that, "in no case should a licence be refused to a sugar co-operative, because of the demand for, or the possibility of, the expansion of a private factory?" This means that co-operatives should be given preference by the State in the matter of issue of licences for establishing new factories or even for expanding the existing ones. If this recommendation were accepted, there would be very little scope for the private sector to expand in sugar industry.

Financial Assistance

The Seminar expressed the view that financial assistance required for raising block capital should be given liberally and that, in special areas, such assistance should be given to small cultivators even for the purpose of purchasing shares of the co-operatives. This assistance, the Seminar said, should take the form of medium-term loans from co-operative banks. It was further suggested that the other rural co-operative societies also might be permitted to invest in the shares of the sugar co-operatives and that the State Government's share of contribution might be suitably enhanced, if need be.

While appreciating the helpful attitude of the I.F.C. towards the promotion of sugar co-operatives, the Seminar urged that there should be no hesitation hereafter on the part of the I.F.C. in sanctioning long-term loans to co-operative units on the ground that it had already invested a large amount in the sugar industry. In other words, the Seminar wanted the I.F.C. to place as many of its eggs as possible in the sugar co-operative basket. The Seminar also urged that adequate arrangements for the supply of working capital must be provided for from the beginning. As very large amounts were required by way of working capital, it felt that the Reserve Bank should be requested to make available necessary funds to the apex co-operative banks through the bill market scheme or on terms analogous to it. In those States where the apex co-operative banks were not sufficiently strong, the State Bank of India might be asked to afford the same facilities and terms to sugar co-operatives. The Seminar also emphasised the need for strengthening the Co-operative Section of the Central Food Ministry and for setting up a special unit which would devote its "undivided attention" to the problems and requirements of co-operative sugar mills.

If the aforesaid recommendations were to be accepted and implemented, the new sugar factories would be co-operative units only in name; for all practical purposes, however, they would be full-fledged State enterprises. It is necessary to point out, in this connection, that there are obvious difficulties in organising producers of sugarcane on a scale or magnitude which would make the establishment of an economic unit possible. As one of the leading sugar industrialists of India has rightly remarked, highly technical processing by producers of raw material has so far not proved a successful field for the application of co-operative principles, especially in this country of small cultivators. The co-operative method is good and fruitful only in so far as it spontaneously grows from within, but it has a poor chance of success when forced from above on comparatively ignorant people not equipped for running complicated technical organisations.

Observations Emotional

It is, indeed, unfortunate that this aspect was conveniently overlooked by Dr. Gadgil in his anxiety to stress the role of sugar co-operatives in ushering in an "era of co-operative commonwealth." In his speech, Dr. Gadgil observed: "Of all co-operative enterprises particularly, sugar factories alone cover a large sector of community item. Sugar co-operatives cover both industry and agriculture and they have the promise of leading up to a society based on the concept of a co-operative commonwealth. If the experiment of sugar co-operatives is a success, then the idea will spread to large sections of industry and may eventually cover the entire field. Thus, India can show to the rest of the world that a scheme of economic organisation, based on co-operation as opposed to competition, can succeed."

The observations of Dr. Gadgil are highly emotional and not based on hard facts. If past experience is any guide, co-operatives in India have not proved themselves equal to the burden they were expected to shoulder, notwithstanding the very favourable climate for its growth. It is true that, as one of the authors of the Rural Credit Survey Report, Dr. Gadgil knows full well the defects of the Co-operative Movement as it has existed all along and that it is with a view to overcoming these defects he has advocated State participation in the Movement. But our submission is that even this remedy for reforming the Movement and for giving new life to it has little chance of success. And, even if it does, with the State dominating the co-operatives, what the country will ultimately have is State Capitalism and its evils and not Co-operative Commonwealth as Dr. Gadgil hopes.

PALM "GUR" INDUSTRY

The implementation of the development programme for the palm *gur* industry has not been encouraging. An indication of this is provided by the poor response to the financial assistance shown by the State Statutory Boards, registered institutions, etc. Out of the total Central Government's grants of Rs. 10.61 lakhs sanctioned up to 8th January 1956, not more than Rs. 1,04,406 had been actually disbursed up to December 1955 by the All-India *Khadi* and Village Industries Board. Similarly, the amount of loans availed of by the State Boards, etc., was negligible, being Rs. 2,050, as against Rs. 5.74 lakhs sanctioned.

Thanks to the various steps directly taken by the Board for the development of palm *gur* industry, exports of palm *gur* have registered an improvement. During the first ten months of 1955-56, about 17,396 tons of palm *gur* were exported from India, which compare very favourably with 598 tons in the corresponding period of 1954-55. Nevertheless, the conditions obtaining in the industry are none too happy. Indeed, the industry continues to be faced with several disquieting factors. The methods of tapping and boiling palm juice are still crude. The cost of structure of the industry is also heavy, thanks to high wage level.

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Paid-up .. .. „ 60,20,000
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(Scheduled Bank)
Head Office: POONA 2
CAPITAL
Called and Paid-up Capital .. Rs. 16,00,000
Reserves .. .. .. „ 8,75,000
Working Funds exceed .. „ 6,00,00,000
Board of Directors
Shri V. P. Varde (Chairman) — Shri N. G. Pawar (Vice-Chairman)
„ D. K. Sathe — „ M. R. Joshi
„ F. D. Pudumjee — „ M. V. Shah
„ B. M. Gupte — R. B. M. B. Jambhekar
„ M. S. Parakhe
*Safe Deposit Vault equipment at Head Office, Deccan Gymkhana—Poona, Sholapur (Phaltan Galli Branch), Nasik, Ahmednagar, Shrirampur, Kirloskarwadi and Panvel.
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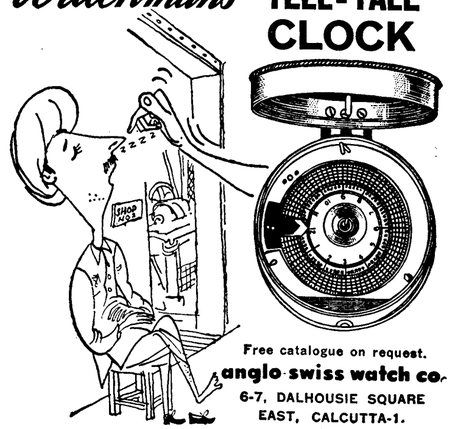
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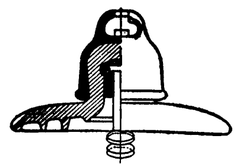
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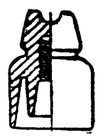


OUTLOOK FOR TEA IMPROVES

INTERNAL CONSUMPTION RISES

ADVICES from London state that tea markets are ruling strong and the general upward trend in prices noted for some weeks past is being fairly well maintained. The best quality teas are in keen demand and there has, consequently, been a smart advance in prices. Upper Assam C.T.C. types, for instance, fetched last week 2*d.* to 6*d.* per lb. more than in the previous week and there was a corresponding improvement in prices of medium broken orange pekoes and orange fannings also. There was, however, a slight fall in prices of plainest and commonest varieties, the Indian plain B.P. fetching 3*s.* 5½*d.*, as against 3*s.* 6½*d.* per lb. in the previous week. Nevertheless, the average price was higher at 4*s.* 9.58*d.*, as compared with 4*s.* 8.63*d.*

In contrast, tea prices in Calcutta during the last two weeks have been on the lower side, after experiencing a sustained rise during March. This decline is not due to any change in the statistical position of tea but to a decline in quality. With the season nearly over, the lower quality types are now on offer in greater quantities and the prices realised are naturally lower. Even here, the decline is more prominent in internal auctions than that in export sales, which are apparently being influenced by encouraging advices from London. Notwithstanding the recession, the latest prices are, it must be said, higher than those that prevailed at the beginning of March this year.

The following comparative table shows the trend of prices during the last three weeks:

	16-4-1956	9-4-1956	2-4-1956	26-3-1956
Export Sale	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Clean B.P.	2 0 0	2 2 0	2 2 0	2 0 0
Plain B.P.	1 7 6	1 8 6	1 9 6 to 1 10 0	1 9 6 to 1 10 0
Medium Assam B.P...	1 9 0 to 1 9 6	1 10 0	1 11 0	1 11 0
Best C.T.C. Assam B.P.	N.Q.	N.Q.	N.Q.	N.Q.
	17-4-1956	10-4-1956	3-4-1956	27-3-1956
Internal Consumption	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
Medium Dooars dust. .	1 8 0 to 1 9 0	1 9 0 to 1 10 0	1 11 0 to 1 12 0	1 13 0 to 1 14 0
Medium Assam grainy dust	1 10 0	1 10 0 to 1 12 0	1 12 0 to 1 14 0	1 14 0 to 2 0 0
Best Assam C.T.C. dust	2 10 0 to 2 12 0	2 12 0 to 2 14 0	2 14 0 to 3 0 0	3 0 0 to 3 2 0

N.Q.=Not Quotable.

The comparatively smaller recession in export prices is evidently due, as already stated, to the firm trend at London auctions, where the reopening of the market after the Easter recess saw strong competition, bringing sharp increases in Indian tea prices, particularly those of best liquoring fannings. The rise in the London market represents the revival of normal buying induced by the sharp fall in stocks of tea in Britain. The stringency in the London money market, coupled with the Government of India's restriction on shipments of tea for direct sale at foreign auction centres, had been responsible for the tea merchants in London buying on a hand-to-mouth basis in the past. The stocks have now declined to such an extent that it has become necessary to replenish them. The removal of restrictions on exports of tea to London has also induced them to make larger purchases. It is just possible that stocks of tea in many Continental countries, too, are low and this may be one of the factors for the liveliness of Mincing Lane. Stocks of tea in London at the end of March amounted to 96.1 million lbs., as against 154.4 million lbs. a year ago. Since then, there has been a further fall to 95.9 million lbs. as on 6th April, as against 159.7 million lbs. on the corresponding date last year. It is true that the quantity of tea afloat (as at the end of March) was higher at 45.8 million lbs. as against 19.9 million lbs. a year before. But this does not fully offset the big reduction in the actual stocks. On top of this, the offtake too has been higher; thus, deliveries from warehouses in March 1956 were better at 53.7 million lbs., as against 43.2 million lbs. a year before.

Notwithstanding the recession in the prices of certain varieties of Indian tea during the past fortnight, the outlook for Indian tea is considered quite good. Besides the increased offtake from London, one of the important factors which have lent strength to the market in recent weeks is the expansion in Indian consumption. This expansion is partly due to lower prices ruling during the past six months. It is estimated that the internal market must have already absorbed about 120 million lbs. out of the North Indian tea, besides 60 million lbs. left over with South India plantations for internal consumption. There is also a possibility that a sizable portion of the remaining teas available for sale may still be taken up in the coming months. While a small quantity of the old season's teas yet remains to be sold and shipped, it is expected that the surplus of teas left over in India, as a result of increased production and earlier fall in shipments, has been taken up by the Indian consumer. According to one estimate, the current level of Indian consumption is placed at 220 million lbs. a year, as against 169 million lbs. in the previous year.

The improvement in Indian consumption has given rise to hopes that the Indian market is likely to absorb any surplus that may remain and "act as a great buffer in a year of excessive production like the one just coming to a close." Commenting on this aspect, Messrs. J. Thomas & Co. observe in their latest monthly report: "The demand for tea in India is, however, elastic and the internal consumption may temporarily fall if the prices were again to rise too high, but, in the long run, the internal market will always serve as a great insurance against any sudden slump in prices." Thus, the fear in certain quarters that there would be a great surplus of tea during the season on account of the increase in production of the main tea-producing countries accompanied by a sharp fall in tempo of shipments, especially from North India, is unlikely to materialise. Already, not only have all sold teas in Calcutta been almost fully absorbed but it looks as if there will be strong and sustained internal buying together with some competition from foreign markets for the closing sales of the season. The internal consumption in Pakistan and Ceylon is also said to have increased considerably.

Yet another factor which has improved the outlook for tea is the fall in output in South Indian and Ceylon gardens during the first quarter of 1956. The South Indian tea crop for January-March 1956 is estimated at 22.30 million lbs., a fall of 3 million lbs. over the year. Ceylon is likely to show a deficit of 8 million lbs. on account of unfavourable growing weather conditions. It is too early to forecast the North Indian crop for the 1956-57 season, though it is expected that the producers will concentrate on quality and produce slightly smaller crops as compared with the 1955-56 season.

Hopes are also entertained that the International Tea Agreement, which has been hanging fire for over a year now, will be signed shortly more or less on the same pattern as the old one, with increase in export ceilings for all signatory countries. It is also confidently expected that, with the signing of trade agreements between India, on the one hand, and Russia and other Eastern countries, on the other, fresh outlets for Indian teas will be found.

Incidentally, consequent on the increase in domestic offtake and shipments to London, sales of 1955-56 teas in both Calcutta and London are likely to close earlier than expected. The last export sale in Calcutta will be held early in May, while the sale of North Indian teas in London is expected to be completed by the end of June.

EXPORT OF COFFEE TO RUSSIA

The Governments of India and the U.S.S.R. have concluded an agreement for the export of 500 tons of coffee to Russia at a cost of about Rs. 41.22 lakhs. Two grades of coffee will be exported—the higher quality at Rs. 400 to Rs. 450 per cwt. and the lower quality at Rs. 360 per cwt. The export will be handled by the proposed State Trading Corporation.

(Concluded from next column)

per cent.) and the U.S. 2,750 (2.2 per cent.). Czechoslovakia's loomage amounted to 2,000 (1.6 per cent.), Poland 1,600 (1.3 per cent.) and the U.S.S.R. 1,315 (1.1 per cent.). The number of looms in Pakistan was 1,000 (0.8 per cent.). The percentage to total looms was below 0.8 in a number of other countries, including Spain, China, Japan and a few other countries. These figures, however, do not depict the true position today, for, since 1952, many countries have not only expanded their existing units but erected new mills. The I.J.M.A. will, therefore, do well to issue a supplement to its publication under reference, giving the latest figures of world loom statistics.

JUTE LOOM STATISTICS

DECLINE IN I.J.M.A. MILLS' SHARE

THE latest jute loom statistics, that is, as on 30th June 1955, complied by the Indian Jute Mills' Association, disclose that since the last census in 1953, the number of jute looms in India has declined by 77 to 72,625. This fall was the net result of a decline of 53 sacking looms and of 227 others, followed by an increase of 203 hessian looms. A clear picture of the position of jute looms can be had from the table below:

TABLE I

Looms	1953	1955
Hessians	44,234	44,437
Sackings	24,740	24,687
Others	3,728	3,501
Total ..	72,702	72,625

A groupwise analysis of looms discloses a fall of 1,000 looms that is, from 68,974 to 67,974 in the total loomage of member-mills of the Association. The number of looms owned by mills outside the I.J.M.A. has, on the contrary, risen by 923 looms to 4,651 looms. The fall in the number of looms in the I.J.M.A. member-mills is attributed, in the main, to the resignation of three mills from the Association as also to a reduction of 42 looms in one member-mill, a replacement of 8 looms by the same number of cotton bag looms by another mill and a fall of 345 looms in the sector other than sackings and hessians.

An idea of the position of the I.J.M.A. mills as compared with that of mills outside the Association in 1953 and 1955 can be had from Table II below:

TABLE II

1953	Hessians	Sackings	Others	Total
I.J.M.A. mills	42,771	22,978	3,225	68,974
Mills outside I.J.M.A.	1,463	1,762	503	3,728
Total ..	44,234	24,740	3,728	72,702
1955				
I.J.M.A. Mills	42,383	22,711	2,880	67,974
Mills outside I.J.M.A.	2,054	1,976	621	4,651
Total ..	44,437	26,687	3,501	72,625

In West Bengal, the total hessian and sacking loomage of the Association mills declined from 63,968 to 63,313. But the number of looms with mills outside the Association rose from 1,602 to 2,397. Again, the total hessian and sacking loomage of all mills outside West Bengal also rose from 3,404 to 3,414.

The total looms outside the Association in 1937 was 2,941. It rose to 3,290 in 1940. Four years later, the number stood higher still at 3,600 looms of which 3,156 were hessian and sacking and 444 other looms. In 1947, the loomage, however, declined to 3,393 of which 2,915 were hessian and sacking and 478 other looms. The downward trend persisted till 1949, when the looms stood at 3,355, consisting of 2,852 hessian and sacking looms and 503 other looms. The trend was, however, reversed by 1951, the loomage having gone up to 3,728 in that year. A further increase was seen in 1955 when the total number (*vide* table II) of looms rose to 4,651, comprising 4,030 hessian and sacking looms and 621 other looms.

The table below shows the trend of loom-strength of the I.J.M.A. mills since 1885:

TABLE III

Year	Hessian looms	Sacking looms	Total	Percentage of hessian to total
As on 1st January—				
1885	1,800	4,900	6,700	27
1890	1,958	6,006	7,964	24
1900	6,600	8,727	15,336	43
1910	18,334	13,421	31,755	57
1920	24,353	16,124	40,477	60
1930	36,745	21,804	58,639	61
1940	42,026	23,360	65,386	64
As on 30th June—				
1944	42,285	23,121	65,386	65
1947	42,523	23,014	65,537	65
1949	42,661	23,101	65,762	65
1951	42,811	22,909	65,720	65
1953	42,771	22,978	65,749	65
1955	42,383	22,711	65,094	65

A significant feature disclosed by the table above is that the percentage of hessian total looms has remained constant at 65 since 1944.

According to the I.J.M.A. statistics, compiled in 1952, India's share in the total world loomage of 122,510 was 68,557 or 56 per cent. of the total. The U.K.'s share came next, being far lower at 11,151 looms or 9.1 per cent. of the total. With 7,698 looms, France ranked third, its percentage to the total being 6.3. Germany and Brazil accounted for 6,349 and 4,987 looms, representing 5.2 and 4.1 per cent. of the total. Belgium owned 4,807 looms (3.9 per cent.), Italy 4,631 (3.8

(Continued in previous column)

THE BANK OF RAJASTHAN LIMITED

Head Office :—Udaipur *Central Office :*—Jaipur

BALANCE SHEET AS AT 31st DECEMBER, 1955.

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. Capital—						
AUTHORISED—						
20,000 Shares of Rs. 100 each	20,00,000	0	0			
ISSUED—						
20,000 Shares of Rs. 100 each	20,00,000	0	0			
SUBSCRIBED—						
18,182 Shares of Rs. 100 each	18,18,200	0	0			
CALLED AND PAID-UP CAPITAL—						
300 Shares of Rs. 100 each fully paid up	30,000	0	0			
17,882 Shares of Rs. 100 each, Rs. 50 per Share called up	8,94,100	0	0			
	9,24,100	0	0			
LESS—Calls unpaid	1,275	0	0			
	9,22,825	0	0			
ADD—Forfeited Shares	Nil					
				9,22,825	0	0
2. Reserve Fund and Other Reserves—						
Reserve Fund	3,50,000	0	0			
Investment Reserve	1,75,000	0	0			
Provision for bad debts	Rs. 5,500	a. 0	p. 0			
LESS—Doubtful debts not shown on the contra	2,615	6	0			
	2,884	10	0			
Provision for Income Tax				5,27,884	10	0
				43,000	0	0
3. Deposits and Other Accounts—						
Fixed Deposits	1,22,65,633	2	5			
Savings Bank Deposits	58,49,809	14	5			
Current Accounts, Contingency (Unadjusted)	88,11,740	9	7½			
Staff Security Deposits	54,939	6	0			
				2,69,82,123	0	5½
4. Borrowings from Other Banking Companies, Agents, etc.—						
(i) In India	Nil					
(ii) Outside India	Nil					
PARTICULARS—						
(i) Secured	Nil					
(ii) Unsecured	Nil					
				Nil		
5. Bills Payable				14,53,324	9	11
6. Bills for Collection being Bills Receivable as per contra—						
(i) Payable in India	14,35,093	7	6			
(ii) Payable outside India	6,187	8	7			
				14,41,281	0	1
7. Other Liabilities—						
(i) Unpaid Dividends	3,526	1	3			
(ii) Sundry Creditors	27,316	7	4			
(iii) Branch adjustments	3,45,292	2	9			
				3,76,134	11	4
8. Acceptances, Endorsements and Other Obligations as per contra ..				2,96,600	0	0
9. Profit and Loss—						
Balance of last year's profit after appropriation	32,949	6	10			
LESS—Dividend for 1954	32,248	7	6			
	700	15	4			
ADD—Profit for the year brought from Profit and Loss Account	1,00,086	3	8½			
	1,00,787	3	0½			
LESS—Appropriations—	Rs.	a.	p.			
Reserve Fund	24,625	10	9			
Provision for Income-tax ..	43,000	0	0			
	67,625	10	9			
				33,161	8	3½
10. Contingent Liabilities—						
Claims against the Banking Company not acknowledged as debts	Rs. 58,598	a. 14	p. 9			
Grand Total .. Rs.				3,20,76,334	8	1

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. Cash—						
In hand and with Reserve Bank of India and State Bank of India	67,97,633	1	7			
Cash in transit	5,00,000	0	0			
Currency Notes sent for exchange	110	0	0			
				72,97,743	1	7
2. Balances with Other Banks on Current Account—						
(i) In India	7,38,369	8	1			
(ii) Outside India	Nil					
				7,38,369	8	1
3. Money at Call and Short Notice				32,70,000	0	0
4. Investments—						
(i) Securities of Central and State Government and other Trustee Securities including Treasury Bills of the Central & State Governments of the face value of Rs. 1,00,49,000 market value Rs. 99,05,215-11-0	1,00,08,576	4	0			
NOTE—Full provision for the difference between the market value and the cost of the investment has been made per contra.						
(ii) Shares	25,000	0	0			
(iii) Debentures or bonds	5,11,789	14	0			
(iv) Other Investments	Nil					
(v) Gold	44,016	2	5			
				1,05,89,382	4	5
5. Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—						
(i) Loans, Cash Credits, Overdrafts—						
(i) In India	47,59,138	11	4			
(ii) Outside India	Nil					
(ii) Bill discounted and purchased (excluding Treasury Bills of the Central and State Governments)—						
(*Only* demand bills purchased in course of collection)						
(i) Payable in India	29,24,737	12	3			
(ii) Payable outside India	Nil					
(Particulars as per separate Schedule attached.)						
				76,83,876	7	7
6. Bills Receivable being Bills for Collection as per contra—						
(i) Payable in India	14,35,093	7	6			
(ii) Payable outside India	6,187	8	7			
				14,41,281	0	1
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations as per contra				2,96,600	0	0
8. Premises, Less Depreciation—						
Total cost as on 31st December, 1954	57,617	5	9			
ADD—Additions during the year	62,542	8	0			
	1,20,159	13	9			
LESS— Rs. a. p.						
Depreciation as per last Balance Sheet. 5,270 4 0						
Depreciation during the year 653 12 0						
	5,924	0	0			
				1,14,235	13	9
9. Furniture and Fixtures—						
As per last Balance Sheet	2,11,480	13	11			
Additions during the year	52,048	13	1			
	2,63,529	11	0			
LESS— Rs. a. p.						
Depreciation as per last Balance Sheet. 79,954 7 5						
Depreciation this year 8,885 5 0						
	88,839	12	5			
				1,74,689	14	7
10. Other Assets—						
(i) Sliver	4,689	9	7			
(ii) Sundry Debtors	13,365	7	3			
(iii) Prepaid Insurance	2,784	8	0			
(iv) Stationery in Stock	54,650	4	3			
(v) Indian Income-tax deducted at source	1,29,351	10	0			
(vi) Interest accrued on Call Money, Investment and Government of Rajasthan account and commission accrued	1,38,636	1	1			
(vii) Advance paid to Standard Vacuum Oil for purchase of 6% Preference Shares	1,00,000	0	0			
	4,43,877	2	7			
Rs. a. p.						
Library—As per last Balance Sheet 7,368 9 0						
Additions during the year 1,097 7 6						
8,466 0 6						
LESS—						
Depreciation as per last Balance Sheet .. 2,899 7 2						
This year 484 2 11						
3,383 10 1				5,082	6	5
Conveyance (Motor Cars and Tongas)—						
Rs. a. p.						
As per last Balance Sheet 22,676 0 3						
ADD—Additions during the year .. 17,521 4 0						
40,197 4 3						
LESS— Rs. a. p.						
Depreciation as per last Balance Sheet .. 15,759 11 0						
This year 2,240 12 3						
18,000 7 3				22,196	13	0
				4,70,156	6	0
11. Non-Banking Assets Acquired in Satisfaction of Claims				Nil		
Grand Total .. Rs.				3,20,76,334	8	1

Schedule of Particulars required by the Banking Companies Act, X of 1949, attached to and forming part of the Balance Sheet as at 31st December, 1955.

PARTICULARS OF ADVANCES	Bills discounted & purchased	Loans, Advances, cash credits & overdrafts	Total
	Rs. a. p.	Rs. a. p.	Rs. a. p.
(i) Debts considered good in respect of which the Bank is fully secured ..	18,19,535 15 3	46,86,610 14 10	65,06,146 14 1
(ii) Debts considered good for which the Bank holds no other security than the debtors' personal security	7,17,806 5 9	12,538 3 3	7,30,344 9 0
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors—			
(a) Debts guaranteed by the Government of Rajasthan	Nil	59,939 9 3	59,939 9 3
(b) Others	3,87,395 7 3	Nil	3,87,395 7 3
(iv) Debts considered doubtful or bad, not provided for	Nil	Nil	Nil
	29,24,737 12 3	47,59,138 11 4	76,83,876 7 7

	Rs. a. p.	Rs. a. p.	Rs. a. p.
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	Nil	Nil
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or in case of private companies, as members ..	10,065 10 0	1,95,319 6 1	2,05,385 0 1
(vii) Maximum total amount of advances including temporary advances made at any time during the year to Directors or Managers or officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	Nil	Nil
(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Companies are interested as Directors, Partners or Managing Agents or in case of private companies, as members	60,190 8 0	2,40,069 15 2	3,00,260 7 2
(ix) Due from Banking Companies ..	Nil	Nil	Nil

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955.

EXPENDITURE	Rs.	a.	p.	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.				4,72,424	7	8
2. Salaries, Allowances and Provident Fund—	Rs.	a.	p.			
General Manager	12,135	0	0			
Other Staff	3,50,477	2	6			
				3,62,612	2	6
3. Directors' and Local Committee Members' fees and allowances ..				641	12	6
4. Rent, Taxes, Insurance, Lighting, etc.				35,850	2	9
5. Law Charges				1,270	0	0
6. Postage, Telegrams and Stamps				45,189	10	9
7. Auditors' Fees and Allowances				5,407	14	0
8. Depreciation on and Repairs to the Banking Company's Property (Sales, Furniture, Fixture, Conveyance and Library, etc.)				12,264	0	2
9. Stationery, Printing, Advertisement, Subscription to Newspapers and Uniforms for Servants, etc.				38,406	6	5
10. Loss from sale of or dealing with Non-Banking assets				Nil		
11. Other Expenditure—	Rs.	a.	p.			
(i) Remittance charges	20,289	7	9			
(ii) Travelling expenses and Conveyance charges	19,919	10	6			
(iii) Other Miscellaneous Expenses	12,479	7	2			
				52,688	9	5
12. Balance of Profit (subject to Income Tax)				1,00,086	3	8½
Total .. Rs.				11,26,841	5	10½

INCOME	Rs.	a.	p.
1. Interest and Discount	2,81,003	2	11½
2. Commission, Exchange and Brokerage	Nil		
3. Rents	7,700	0	0
4. Net Profit on sale of Investments, Gold and Silver, Land, Premises and other assets.	Nil		
5. Net Profit on revaluation of Investments, Gold and Silver, Land, Premises and other assets	Nil		
6. Income from Non-Banking Assets and Profit from sale of or dealing with such assets.	39,042	3	4
7. Other Receipts			
Total .. Rs.	11,26,841	5	10½

AUDITORS' REPORT.

We beg to report that we have audited the Balance Sheet of the Bank of Rajasthan Ltd., Udaipur as at 31st December 1955 and the relative Profit and Loss Account of the Bank for the year ended on that date as above set forth with Books and Accounts of Udaipur and Jaipur offices and Returns of Branches and Pay Offices and report that—

(a) We have obtained all the information and explanations we have required and the same were satisfactory.
(b) In our opinion, the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the law.
(c) Such Balance Sheet exhibits a true and correct view of the state of affairs according to the best of our information and explanations given to us and as shown by the books of the Bank. Also such Profit and Loss Account shows a true balance of Profit for the year.
(d) In our opinion, Books of accounts have been kept by the Bank as required by Section 130 of the Indian Companies Act.
(e) All the transactions which came to our notice were within the powers of the Bank.
(f) The Returns received from Branches for the year ended 31st December, 1955 were duly audited by Chartered Accountants.

BHAWAR, 10th March, 1956.

B. D. GARGIEYA & CO.,
Chartered Accountants and Auditors, Beawar.

HARISINGH, Chairman.
AMAR SINGH
G. S. PUROHIT
D. L. MANSINGHKA } Directors.
पुखालाल मानसिंहका

D. L. GUPTA,
Ex-Officio Director and General Manager.

TASK FACING BUILDING INDUSTRY

ITS MAGNITUDE—NECESSITY FOR NEW OUTLOOK

By K. F. Antia, M.Sc. (Lond.), F.N.I., M.I.E., M.I.Struct.E.

THE building industry is faced with one of the largest tasks set to any industry by the second Five-year Plan. The question naturally arises whether the industry is geared to reach the targets set and whether a new approach to the task is desirable.

The second Five-year Plan has allotted Rs. 120 crores for the construction of houses alone. In addition, a certain percentage of the Rs. 891 crores earmarked for industries and mining would be required for the construction of factories and ancillary structures. To this must be added certain percentages of the allotments of Rs. 267 crores and Rs. 320 crores under health (for hospitals, dispensaries, etc.) and education (schools, etc.), respectively. The total of all these allocations, responsibility for the fulfilment of which devolves on the building industry, is an appreciable percentage of the colossal expenditure envisaged in the Plan. For a correct appraisal of the task, to the above figures from the Rs. 4,800-crore Plan, further sums must be added from the anticipated investment of Rs. 2,300 crores by the private sector.

The building materials and construction industry has not only to face a considerable increase in quantum but the tempo of supply of materials as well as of construction has to be geared to that of the second Plan. It must be admitted that the present tempo of construction will need considerable stepping up and this will involve:

(*a*) a very large increase in the quantity of materials of construction, and

(*b*) improvement of building techniques to increase the speed of construction.

Increase in quantum necessitates (*a*) the optimum use of all varieties of building materials available and the improvement of indigenous materials, and (*b*) the use on a very large-scale of modern building materials, namely, steel, cement, aluminium, etc.

New Outlook Wanted

Bold and unorthodox steps are necessary if the wherewithal for achieving the targets is to be found. Targets have been set not only on the magnitude of the tasks but also on the speed. If we have to build in one year what, perhaps, normally has taken five or more years, the effort will have to be commensurate with the requirements.

Building materials in ever-increasing quantities have to be made available. This means that manufacture of these has to be substantially increased and at a very rapid rate. This in turn necessitates planning and organisation.

Hitherto, the manufacture of building materials, except for items such as steel and cement, has been in the hands of the small manufacturer. These manufacturers have now to gear their output to the increased demand. Additional manufacture has also to be arranged and on a rational basis, if waste is to be avoided.

The quality of the materials has to be improved and standardised, so that wastage is reduced, smaller quantities of material are used and reliable results are obtained.

The sizes of individual units of building materials have also to be made uniform, resulting in an improvement of availability, avoidance of wastage due to alterations to suit requirements and simplification, and expedition of planning both on a small and mass scale.

In order to cover the large gap between demand and availability of traditional construction materials, modern building materials and modern techniques have to be employed on an increasing scale, side by side with all available traditional materials.

Not only has the output of conventional building material to be increased but the production of material such as steel, cement, aluminium, etc., has to be commensurate with the requirements. The latest constructional techniques have to be pressed into service to achieve maximum efficiency both in economy and speed.

The requirements of increased tempo and increased quantum may be broadly divided into three parts:

(*a*) research and application of research,

(*b*) efficiency and increase in production, and

(*c*) efficiency in design, technique and construction.

Research and Application of Research

Although the role of research may not be obvious to the man in the field, it plays a significant part in the building materials and construction industry. Research may be carried out (*a*) in products both with regard to improvement of existing material as well as the introduction of new and substitute materials, (b) in design, and (c) in techniques of construction.

For carrying out research for the construction industry, two significant divisions may be considered, namely, fundamental research and applied research. It is suggested that fundamental research should be concentrated at various universities, special grants being arranged where necessary. The existing system introduced by the Council of Scientific and Industrial Research, by which the nature of research is assessed and grants are allotted for specific items, is bound to produce handsome results and the scheme needs to be vastly extended. It is also desirable to diffuse information regarding this scheme as technical personnel does not appear to be fully aware of it. The issue of brochures, explaining the scheme to technical and other organisations, might go a long way towards increasing the advantages of the scheme.

Applied research is the primary concern of industrial research and allied organisations, and of the Central Building Research Institute. For research to be of any value, its results must be applied and with the least possible delay. One of the objects of the National Building Organisation, established by the Central Government, is "to co-ordinate efforts and findings of all agencies concerned with technology and practice of building materials or building materials production." It is, therefore, admirably placed to put into practice in the field what has been evolved in the laboratory. Intensive co-ordination in the application of research between the National Building Organisation, the Institution of Engineers, Public Works Departments, the Builders Association of India, the Concrete Association of India, the Institute of Architects, and other similar bodies is likely to pay handsome dividends.

Co-ordination with the specific purpose of assessing the value of and applying the results of research in building construction, would go a long way towards removing the natural inertia on the part of builders to innovations, particularly because of their fear of the economic implications.

Efficiency and Increase in Production

The second requirement of increased and rapid output is the attainment of a certain degree of efficiency in the manufacture of building materials, particularly of the traditional type, through (*a*) organisation, (*b*) standardisation, and (*c*) manufacture with local raw materials.

The quality of materials and the standard of efficiency attained in the manufacture of materials such as steel, cement and aluminium would stand very favourable comparison with any highly industrialised country and strenuous efforts are being made to increase the output very substantially in the second Five-year Plan. The output of steel, for example, will be raised from a little over a million tons to six million tons; and the present output of cement will be more than doubled. There is a great necessity, however, for increasing the efficiency in the manufacture of traditional building materials. To take an example, the quality of brick varies very considerably from place to place. The size also differs, that in the Eastern zone is 10 in. x 5 in. x 3 in., while the dimensions in the Western areas is 9 in. x 4½ in. x 3 in. The size of bricks recently advocated by the Indian Standards Institution is based on a 4 in. module. The manufacture of such standard bricks, however, lies in the hands of owners of brick kilns. One of the tasks before the construction industry is the ensurance, by persuasive as well as restrictive methods, of manufacture to accepted standards.

Manufacturers of different building materials might be encouraged by the National Building Organisation and the Builders Association of India to produce materials to specified standards and it would be an advantage to issue notes and reports to the affected parties, indicating the advantages of such standardisation. It is also desirable for Government Departments, such as the Public Works Department, to make alterations in the specifications where necessary to permit new techniques being introduced.

An incentive to the small manufacturer may be in the encouragement by the National Building Organisation of suggestions and indications of any special product or technique successfully adopted by them.

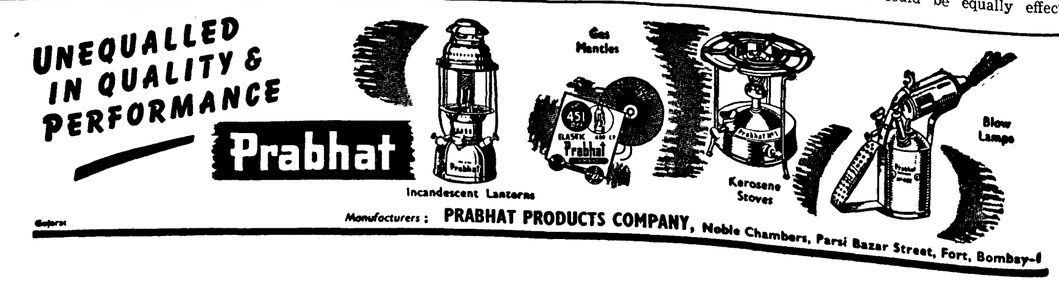
Establishment of firms specialising in the construction of a particular component of a structure would increase output and efficiency. In certain European countries, for example, there are firms that construct floors and roofs only of structures and can build them more economically and efficiently than is possible through general building contractors. Similarly, it would be advantageous for all welded steel construction to be carried out by specialised firms.

Efficiency in Design, Technique and Construction

Research and its application and the availability of standard quality building materials may be considered important requirements for the achievement of increased quantum and tempo. The fundamental requirements, however, for attaining these objectives are efficiency in design, in technique and in construction. It is essential not only to develop new designs but to use those which have been found economical. Considerable progress has been made in recent years in various countries in the evolution of new designs and full advantage has to be taken of such designs. A few examples will suffice to illustrate this very important requirement.

Prestressed concrete, prismatic roofs and shell roofs, not only enable very large areas to be covered in a simplified way but the quantity of materials required with these designs is a fraction of that necessary with more conventional designs. The adoption of limit design method might be encouraged, as it is a more rational method of design than the existing elastic method.

The development of techniques which (*a*) make optimum use of a material and thus lead to its conservation, and (*b*) permit expeditious construction is to be encouraged. Not so very long ago, one of our distinguished visitors from the U.S.S.R., Mr. Khrushchev, indicated very forcefully the wastage of steel in our country through the adoption of steel structures where concrete structures permitting a saving of 80 per cent. of the steel could be equally effective.



This subject was dealt with by the writer in an article published in this journal on 4th February, 1956. A brief analysis of this problem is of special interest to us at present. Reinforced concrete structures require only one-third to one half of the tonnage of steel, the percentage varying with the type of structure as follows:

Residential and office building	50%	that of steel frame
Factory building ...	45%	Do.
Warehouse	35%	Do.

Analysis of a typical structure in India has proved that a concrete structure will cost about 22 per cent. less than the steel structure designed for identical conditions and loads. There is a considerable steel shortage in the country and the building industry is experiencing great difficulties in obtaining its requirements. Even with the increased output of steel envisaged in the second Five-year Plan, the demand is not likely to be completely satisfied. A rough assessment of the quantities of steel thus saved is revealing. Of the 1.4 million tons of steel used in India in 1954, about 20 per cent. or 3 lakh tons, consisted of medium, heavy and light structurals, most of which may be assumed to have been used in buildings, industrial structures and bridges. The target for steel production to be attained in 1960 is 6 million tons of ingot and we may assume that 20 per cent. of this or about 1.2 million tons would consist of structurals. Replacement of steel structures with concrete structures would result in a saving of about half to three-quarter million tons of steel which could be put to other more advantageous uses. The steel saved would, however, have to be substituted by additional cement for concrete construction. An analysis of a typical industrial structure shows that, on an average, for a building frame, 1.33 tons of additional cement is required for every ton of steel saved. For substitution of steel bridges by concrete bridges more than two tons of cement may be required for every ton of steel saved. Assuming a safe provision of cement equal in tonnage to about one and three-quarters to twice the steel saved, the additional cement that would be needed to replace the steel would be about one million tons. The capital required for the installation of additional one million tons of cement capacity is estimated very roughly at Rs. 16 crores, whereas the capital necessary for the production of about half a million tons of steel would be approximately Rs. 75 crores. The above figures are of sufficient magnitude to justify investigation.

Prestressed Concrete

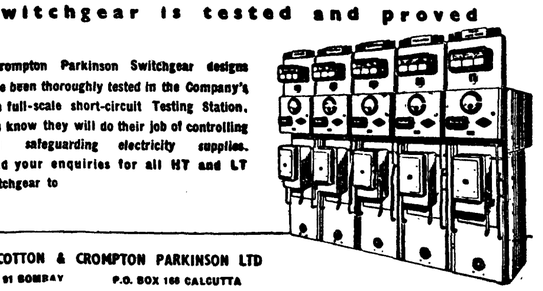
The adoption of the technique of prestressed concrete would also result in considerable advantage. The quantity of concrete in a prestressed concrete structure may be taken roughly as about one half that in an equivalent reinforced concrete structure. The quantity of steel necessary is only 25 per cent. but this steel has to be in the form of high tensile wire or rods. Although prestressed concrete is being used in the country, it is only on a very limited scale and for bridges only. Two conditions militating against increased use of this technique are: (*a*) Diffidence in the adoption of a new technique, and (*b*) non-availability of locally manufactured high tensile steel wire.

The first difficulty is likely to be gradually overcome through precept and example but specific action appears to be indicated with regard to the manufacture of high tensile steel wire in the country. It may be of interest to note that the tendered price for a bridge over the Sone River was 37 per cent. less with prestressed concrete than with steel and 4 per cent. less than with reinforced concrete.

Full advantage of the prestressed concrete technique can be obtained only if quality control is introduced and the permissible stress in concrete is increased. A stress of 1,500 pounds per square inch which was adopted in 1948 when the writer assisted in designing the first prestressed concrete bridge in the country, have only recently been raised to 2,000. Much higher stresses are used in Western countries and we have the wherewithal to do likewise.

If controlled concrete is used in reinforced concrete structures also, considerable savings can be effected. A little effort and scientific control are the only remaining requirements. A concerted effort by the Builders' Association of India for the adoption of controlled concrete by its members, would be advantageous to the members themselves. This would pave the way for the supply of ready-mixed concrete by special suppliers and relieve the building constructor from the necessity of arranging various ingredients of concrete and mixing them at site,

(*Continued on page 843*)



SURVEY OF INDIA'S ENERGY SUPPLY

ROLE OF OIL IN MEETING INCREASING DEMAND FOR FUEL

EVER since early man rubbed two stones and found to his primitive astonishment a spark of fire, man has been on the quest for new sources of heat, light and power which could meet his increasingly numerous and complex needs. Nuclear power is, of course, the latest—though it may not be the last—of this long and patient quest for newer and newer sources of energy. All the world over, the demand for energy is increasing, and so is man's ingenuity in meeting it. Before long, India, too, may be called upon to face a similar increase in demand. Already, there is a rise in its energy requirements. And, when the second Plan for economic development gets under way, they are bound to increase further.

A significant index of a country's industrial prosperity is the level of its energy consumption. Judged from this standard, India stands low down in the list of countries which are important consumers of energy, produced from different sources, such as coal, oil and electricity. An interesting survey, entitled *Energy and India*, issued by Burmah-Shell, focuses attention on the energy requirement of this country in the light of world trends. Since energy is produced from different sources, there is need to reduce it to a common equivalent. By using appropriate conversion factors, it has reduced energy to a common "coal equivalent."

Apart from the source of energy consisting of the effort of animal and human muscles, there are two main sources of energy, commercial energy and non-commercial energy. By commercial energy is meant the energy that is capable of organised planned development and distribution consisting of coal, oil, electricity, alcohol, benzol, etc., while by non-commercial energy is meant wood, charcoal, animal and farm wastes, wind-power, etc. Modern technology is mainly concerned with commercial energy produced from coal, electricity and oil. Among these three main sources of energy, oil has certain advantages which the other two do not possess. Thus coal, by virtue of being an intractable solid of a most diverse content, presents difficulties in handling and measuring, and an inflexibility in use due to the fact that the equipment required to release the energy in usable form is invariably bulky and of only moderate efficiency. The fact that there is a residual ash presents a limitation on its technical use even if the ash possesses a commercial value. Electricity, once it has been generated, cannot be stored and must be used instantaneously; furthermore, the equipment for its distribution is expensive and, therefore, inflexible as it involves a permanent and specialised connection to the source of generation, possibly over large distances. Oil, on the other hand, is packaged power in the form of a liquid which presents the easiest and cleanest method of handling, transporting and measuring. It is capable of being modified and packaged and sealed in many forms each of which is well suited for the purpose required. Its calorific value by weight or volume is high, and high thermal efficiencies can be obtained in use.

From Coal to Oil

Although the total consumption of energy is increasing at a rapid rate, there have been shifts in emphasis in the sources that produce it. There has been a particularly rapid increase in the consumption of energy in the last five years. Thus, in 1950, the rate of consumption was 10 times the rate a century earlier, whereas, in 1955, the rate was at least 12 times the 1850 rate. At the time of the industrial revolution, wood was supplanted by coal as a source of energy. Coal, in its turn, is being rapidly displaced by oil and natural gas. Hydro-electricity, as a source of energy, is growing steadily. But it is a source of energy needing very high capital outlay and is, therefore, not susceptible to very rapid increases.

The trend of consumption of energy shows that the increase, since 1920, has been at the rate of 3 per cent. per annum. In the next few years, the rate may be higher than this figure, what with the steadily increasing demand for energy from the industrially advanced countries and the source of demand for purposes of development in the economically backward countries. Population, too, has been increasing; this factor alone accounts for an increase of 1.1 per cent. in energy consumption. One might, therefore, expect a rate of increase of some 5 per cent. in such consumption. Oil as a flexible source of power can do much to satisfy the demand for power.

The U.S. is a leading consumer of oil products. It accounts for about 65 per cent. of the world's consumption of oil products, excluding the Russian sphere. But the demand for these products outside the U.S. is also rising fast. There are, of course, differences in the level of consumption. This is best illustrated by studying the quantum of oil products consumed in each region against the background of the population of that region. Excluding the U.S. and the Soviet-China bloc as not statistically well documented, the population concerned is about 1,600 millions. Of this, Western Europe has 20.5 per cent. of the population and 35 per cent. of consumption. Other heavy consumers like Canada and Australasia have 7.5 per cent. of the population and 16 per cent. of consumption and there remains a large block of low consumption areas with 72 per cent. of the population and only 30 per cent. of consumption. The remainder of the demand is ocean bunkers (19 per cent.).

Energy in India

How does India compare with this pattern? Although it has 15.5 per cent. of the areas' population, it accounts for only 1.8 per cent. of the consumption. The present output of commercial energy in India is estimated at 37.9 million tons (of coal equivalent) annually, consisting of 28.3 million tons of coal, 4.5 millions of coal equivalent for electricity consumed and 5.1 million tons of coal equivalent for oil consumed; by 1960-61, these figures are expected to increase to 66.9 million tons, 49.8 million tons, 8.0 million tons and 9.0 million tons, respectively. The sources of commercial energy provide only 0.1 ton of coal equivalent per head, as compared with 10 tons in the U.S., 6 tons in the U.K., 3½ tons in Germany, 3 tons in Russia, 0.8 ton in Japan and the world average of 1.2 tons. Even with non-commercial energy added, the total for India rises to only 0.36 ton per head.

Little is definitely known about non-commercial energy. The Survey has, however, made some very interesting calculations about this sphere of energy consumption. In India, non-commercial energy comes from animal dung, firewood, charcoal, bagasse and other agricultural products, animals used in wheeled transport and human effort. The Survey calculates that the dung burnt as fuel accounts for about 90 million tons of coal equivalent annually. Similarly, the contribution by charcoal, firewood, etc., is estimated at 9.7 million tons of coal equivalent, that of bullock carts at 2.1 million tons of coal equivalent, that of work animals at 65 million tons coal equivalent and that of human effort (involved in such operations as hand cultivation, crop processing, etc.) at 6 to 8 million tons of coal equivalent. Referring to human effort in India, the Survey says: "The most noticeable thing about our findings is that, as compared with the heart-breaking effort involved, the output is pathetically low. . . . Raising the standard of living consists, in essence, of providing the energy, and the equipment to use this energy, to enable man to release his own efforts for constructive, directive and recreational effort."

The rate of increase of commercial energy in India has been of the order of about 5.6 per cent. The demand, in the light of the expansion now planned in respect of industries and other sectors of the economy, it is computed, may rise at a rate of 10 per cent. per annum. From this point of view, the Survey emphasises that every source of energy will have to be pressed into use. It points out that the value of hydro-electricity, though it is very important, should not be overestimated. It involves huge outlay of capital. Even if India's total hydro-potential were harnessed immediately, it would mean the coal equivalent of only 0.16 ton per *capita*. Atomic plants too could be a valuable source of energy. But there are barriers of capital cost and practical technology. Having regard to all this, the most flexible source of energy is doubtless oil.

The Survey draws attention to some of the singular advantages of oil. It points out that the availability of oil can be rapidly expanded as soon as demand rises. Such increase in demand may come about as a result either of normal increase as a result of industrial expansion and rise in living standards or of failure of alternative sources of energy. Besides light for the people, oil provides fuel for high speed diesel trains and coaches, power generation for industry, process heat, transport for goods and agricultural products and mechanised agriculture. New applications too can and will be found. In this connection, the Survey says that the "industrial gas turbine burning black oils can be expected to become available for conditions which may be ideal in India for power generation and large-scale water lift and conditions where secondary process heat is required." Now that a good organisation in the shape of oil refineries has been established, bulk depots in the interior have been built up, oil could be readily depended upon to meet India's expanding requirements of energy.

CIVIL AVIATION

All-round improvement in civil aviation in India is reflected in the report for the half-year ended 31st December 1955. The total miles flown by Indian air carriers on scheduled and non-scheduled air services increased from 12.7 million in the first half of 1955 to an estimated 13.9 million in the second half of 1955, while the freight and mails carried increased from 90,320,218 lbs. and 4,987,154 lbs. to 96,678,400 lbs. and 6,629,253 lbs. respectively in the corresponding period. The total number of passengers carried by Air-India International, during the period under review, was estimated at 29,149 as against 21,975 in the earlier half-year. The number of passengers carried by the Indian Airlines Corporation on its scheduled services, however, declined. Thus, it carried 193,635 passengers as against 213,353 passengers in the first half of 1955. Despite the decrease in the number of passengers carried by the I.A.C. on scheduled services and an increase of 823,165 in the capacity ton-miles operated, the overall load factor rose from 71 per cent. in the first half of 1955 to 74.2 per cent. in the second half. Similarly, Air-India International increased its capacity ton-miles by 4,122,071 and its overall load factor from 56 to 59.5 per cent.

Air-India International on its scheduled services flew an estimated 2,455,388 miles, carrying 29,149 passengers, 1,192,842 lbs. of freight 45,520 lbs. of newspapers and 488,271 lbs. of mails during the period under review as against 1,908,606 miles flown and 21,975 passengers, 920,529 lbs. of freight, 45,118 lbs. of newspapers and 374,795 lbs. of mails carried in the preceding half-year. The capacity ton-miles operated were estimated at 17,570,665 as against 13,448,594 during the previous half-year.

The Indian Airlines Corporation is estimated to have flown 8,896,358 miles and carried 193,635 passengers, 49,435,091 lbs. of freight, 3,904,228 lbs. of newspapers and 6,140,982 lbs. of mails on its scheduled services as against 8,091,574 miles flown and 213,353 passengers, 39,624,608 lbs. of freight, 3,387,091 lbs. of newspapers and 4,612,359 lbs. of mails carried in the preceding half-year. The capacity ton-miles operated were estimated at 21,693,697 during the period under review as against 20,870,532 in the first half of 1955.

The night air-mail services of the Indian Airlines Corporation carried 13,524 passengers, 761,282 lbs. of freight and 1,878,543 lbs. of mails as against 10,195 passengers, 563,968 lbs. of freight and 1,722,705 lbs. of mails during the preceding half-year. The nightly average on night air-mail services rose from 56 passengers, 3,116 lbs. of freight and 9,518 lbs. of mails in the first half of 1955 to an estimated 74 passengers, 4,137 lbs. of freight and 10,209 lbs. of mails in the period under review. Non-scheduled services operated by Indian air carriers flew an estimated 2,564,981 miles, carrying 47,371 passengers and 42,100,715 lbs. of freight in the second half of 1955 as against 2,693,181 miles flown and 61,074 passengers and 46,342,872 lbs. of freight carried during the preceding half-year.

The total number of aerodromes maintained by the Civil Aviation Department at the end of December 1955 was 81. The construction of an aerodrome at Chandigarh was completed. In order to meet the requirements of the feeder service commenced by the Indian Airlines Corporation on the Delhi-Bikaner-Jodhpur-Ahmedabad-Rajkot route, an aerodrome office was opened and air traffic control services provided on a limited scale at Bikaner. The number of aircraft holding current certificates of registration at the end of December 1955 was 547, of which 210 held current certificates of airworthiness. The number of aircraft maintenance engineers holding Indian licences increased from 748 in June 1955 to 785 in December 1955. The number of 'A' and 'B' pilots holding current licences at the end of 1955 was 434 and 514 respectively.

At the end of December 1955, there were 12 subsidised flying clubs in India. During the period under review, a new club at Indore was brought into the subsidy scheme. These flying clubs trained 56 trainees for 'A' and seven for 'B' licences and logged a total flying time of 8,755 hours during the latter half of 1955. The Government Gliding Centre, Poona, trained 36 glider pilots and did a total flying of 184 hours.

GRINDLAYS BANK LIMITED

(Incorporated in England)

BALANCE SHEET OF INDIAN BRANCHES AS AT 31st DECEMBER 1955

CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
1. **Capital**—						
Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949	20,89,500	0	0			
2. **Reserve Fund and Other Reserves**	Not applicable					
3. **Deposits and Other Accounts**—						
Fixed Deposits	1,67,49,790	14	0			
Savings Bank Deposits	2,48,91,715	2	3			
Current Accounts, Contingency Accounts, etc.	5,91,39,751	13	2			
				10,07,81,257	13	5
4. **Borrowings from Other Banking Companies, Agents, etc.**—						
(i) In India	79,00,000	0	0			
(ii) Outside India	Nil					
				79,00,000	0	0
PARTICULARS—						
(i) Secured	18,00,000	0	0			
(ii) Unsecured	61,00,000	0	0			
5. **Bills Payable**				7,84,270	10	11
6. **Bills for Collection being Bills Receivable as per contra**—						
(i) Payable in India	67,16,554	8	7			
(ii) Payable outside India	46,04,277	12	4			
				1,13,20,832	4	11
7. ***Other Liabilities***—						
(i) Inter-Branch Balances— (Net)—Head Office and Branches outside India	21,87,087	8	6			
(ii) Inter-Branch Adjustments (Net)—Branches in India	1,45,486	8	2			
(iii) Staff Provident Fund and Other Funds	24,47,033	0	5			
				47,78,507	1	1
8. **Acceptances, Endorsements and Other Obligations** per contra (Includes Rs. 12,81,574-7-0 in respect of Guarantees given to Government Departments secured against part of the Bank's Investments)				1,86,93,080	1	10
9. ***Profit and Loss***—						
Balance as per last Balance Sheet	79,939	10	10			
ADD—Profit for the year	1,65,943	1	8			
	2,45,882	12	6			
LESS—Remittance to Head Office	1,62,371	14	3			
				83,510	14	3
10. **Contingent Liabilities**—						
(i) On Bills rediscounted Rs. 36,71,589 4 4						
(ii) On Outstanding Forward Exchange Contracts Rs. 5,39,83,780 13 3						

NOTE.—Full account has not been taken of the liability for future gratuities payable to Indian Staff.

PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
1. **Cash**—						
In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)				55,75,126	6	6
2. **Balance with Other Banks on Deposit and Current Accounts**—						
(i) In India on Current Accounts	35,716	3	4			
(ii) In India on Deposit Accounts	2,44,50,000	0	0			
(iii) Outside India	63,085	8	6			
				2,51,48,801	11	10
3. **Money at Call and Short Notice**				1,00,000	0	0
4. **Investments** (At below Market Value)—						
(i) Securities of the Central and State Governments and Other Trustee Securities including Treasury Bills of the Central and State Governments	2,04,01,187	13	0			
(ii) Shares	2,00,000	0	0			
(iii) Debentures or Bonds	Nil					
(iv) Other Investments	Nil					
(v) Gold	Nil					
				2,06,01,187	13	0
5. **Advances** (other than Bad and Doubtful Debts for which provision has been made to the satisfaction of the Auditors)—						
(1) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.						
(i) In India 4,57,34,645 11 10						
(ii) Outside India Nil						
	4,57,34,645	11	10			
(2) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
(i) Payable in India 45,32,307 11 7						
(ii) Payable outside India 1,01,04,164 4 5						
	1,46,36,472	0	0			
				6,03,71,117	11	10
PARTICULARS OF ADVANCES—						
(i) Debts considered good in respect of which the Banking Company is fully secured	5,43,54,207	6	0			
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	30,65,419	10	2			
(iii) Debts considered good, secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	29,51,490	11	8			
(iv) Debts considered doubtful or bad, not provided for	Nil					
	6,03,71,117	11	10			
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	71,957	15	9			
(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil					
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	1,02,184	4	9			
(viii) Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as Members	Nil					
(ix) Due from Banking Companies	Nil					
6. **Bills Receivable being Bills for Collection as per contra**—						
(i) Payable in India 67,16,554 8 7						
(ii) Payable outside India 46,04,277 12 4						
				1,13,20,832	4	11
7. **Constituents' Liabilities for Acceptances, Endorsements and Other Obligations** per contra				1,86,93,080	1	10
8. **Premises, Less Depreciation**—						
Cost to 31st December, 1954 5,36,743 10 6						
Additions during the year 8,309 10 0						
5,45,053 4 6						
LESS—Depreciation written off to date 86,160 0 0						
9. **Furniture and Fixtures Less Depreciation**				5,08,893	4	6
				Nil		
10. **Other Assets**—						
Deposits and Prepaid Expenses				20,22,419	8	0
11. **Non-Banking Assets Acquired in Satisfaction of Claims**				Nil		
Total Rs.	14,43,41,458	14	5	14,43,41,458	14	5

PROFIT AND LOSS ACCOUNT OF INDIAN BRANCHES FOR THE YEAR ENDED 31st DECEMBER 1955

EXPENDITURE	Rs.	a.	p.
1. Interest paid on Deposits, Borrowings, etc.	9,27,727	13	5
2. Salaries and Allowances and Provident Fund (including Salary and Allowances of General Manager to 15th August 1955 and of Chief Manager from 16th August 1955 onwards Rs. 54,038-0-0)	38,33,897	1	6
3. Directors' and Local Committee Members' Fees and Allowances	Nil		
4. Rent, Taxes, Insurance, Lighting, etc.	3,23,378	11	7
5. Law Charges	36,086	4	7
6. Postages, Telegrams and Stamps	1,17,127	0	1
7. Auditors' Fees	13,020	0	0
8. Depreciation on and Repairs to Banking Company's Property	13,000	0	0
9. Stationery, Printing, Advertisement, etc.	1,43,720	1	0
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. Other Expenditure including Proportion of London Office Administration Charges	7,06,076	5	1
12. Balance of Profit	1,65,943	1	8
Total Rs.	62,84,976	6	11

INCOME (Less Provision made during the year for Bad and Doubtful Debts and other usual or necessary provisions)	Rs.	a.	p.
1. Interest and Discount	34,09,865	14	2
2. Commission, Exchange and Brokerage	23,72,309	9	9
3. Rents	1,732	4	6
4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
5. Net Profit on Revaluation of Investments, Gold, and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil		
7. Other Receipts	1,068	11	0
Total Rs.	62,84,976	6	11

(Sd.) D. D. WATTERS,
Chief Manager.

We have audited the foregoing Balance Sheet of the Indian Branches of Grindlays Bank Ltd., as at 31st December, 1955, and also the foregoing Profit and Loss Account for the year ended on that date, in which are incorporated the authenticated returns of the Calcutta, Madras, Delhi, New Delhi and Simla Branches and report that:—

(a) we have obtained all the information and explanations which we have required;

(b) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(c) such Balance Sheet exhibits a true and correct view of the state of the Branches' affairs according to the best of our information and the explanations given to us and as shown by the books of the Branches; and

(d) in our opinion, books of account have been kept by the Branches as required by Section 130 of the Indian Companies Act, 1913.

BOMBAY, 28th March, 1956.

(Sd.) A. F. FERGUSON & CO.,
Chartered Accountants.

THE BANK OF JAIPUR, LIMITED

(INCORPORATED IN JAIPUR, LIABILITY OF MEMBERS BEING LIMITED)

DIRECTORS' REPORT TO SHAREHOLDERS

The Directors beg to submit the audited Balance Sheet and Profit and Loss Account of the Bank of Jaipur, Ltd., for the year ended 31st December, 1955.

After providing for all expenses and making necessary provisions, the net profit of the Bank for the year amounted to Rs. 6,20,151-8-6 to which is to be added Rs. 25,127-13-4 brought forward from last year making a total of Rs. 6,45,279-5-10 available for distribution. The Directors recommend its appropriation as under :—

	Rs.	a.	p.
Reserve under Section 17 of the Banking Companies Act	1,25,000	0	0
Dividend at 4 per cent. Tax Free	2,00,000	0	0
Provision for Taxes	2,50,000	0	0
Staff Gratuity Fund	25,000	0	0
Donation to Bharat Sevak Samaj	2,500	0	0
Contribution to Maharaj-Pramukh Memorial Fund	1,000	0	0

and the balance of Rs. 41,779-5-10 be carried forward to next year's account.

The working of the Bank during the year continued to be satisfactory.

The following Directors of the Bank retire under Article 114 of the Articles of Association and being eligible offer themselves for re-election.

(1) Shri Ramnath A. Podar. (2) Rawal Saheb Madan Singhji.

The Directors wish to convey their thanks to the members of the Local Boards for their guidance, the depositors for their valuable support and the members of the staff of the Bank for their devoted services.

Shareholders are requested to appoint Auditors for the ensuing year and fix their remuneration.

For and on behalf of the Board,

RAMNATH A. PODAR,
Chairman.

JAIPUR, 6th March, 1956.

BALANCE SHEET AS AT 31st DECEMBER, 1955

31-12-1954 Rs.	CAPITAL AND LIABILITIES	Rs.	a.	p.	Rs.	a.	p.
	Capital—						
2,00,00,000	AUTHORISED CAPITAL— 2,00,000 Shares of Rs. 100 each	2,00,00,000	0	0	2,00,00,000	0	0
1,00,00,000	ISSUED AND SUBSCRIBED CAPITAL— 1,00,000 Shares of Rs. 100 each	1,00,00,000	0	0	1,00,00,000	0	0
50,00,000	Amount called up at Rs. 50 per Share in cash on 1,00,000 Shares	50,00,000	0	0			
Nil	LESS—Calls unpaid	Nil					
50,00,000		50,00,000	0	0			
Nil	ADD—Forfeited Shares				50,00,000	0	0
50,00,000							
	Reserve Fund and Other Reserves—						
7,00,000	Reserve under Section 17 of the Banking Companies Act	8,15,000	0	0			
1,00,000	Dividend Equalisation Fund	1,00,000	0	0			
9,00,000	Other Reserve earmarked for Contingency of Bad or Doubtful Debts	9,85,000	0	0	19,00,000	0	0
17,00,000							
	Deposits and Other Accounts—						
2,81,34,192	Fixed Deposits	3,53,38,263	4	10			
70,37,402	Savings Bank Deposits	86,80,521	12	9			
3,51,86,082	Current Accounts, Contingency Accounts, etc.	3,74,84,744	0	4			
7,03,57,676					8,15,03,529	1	11
	Borrowings from Other Banking Companies, Agents, etc.—						
573	(i) In India	63,00,000	0	0			
Nil	(ii) Outside India	Nil					
573					63,00,000	0	0
	PARTICULARS—						
573	(i) Secured by part of Government Securities as per contra	63,00,000	0	0			
Nil	(ii) Unsecured	Nil					
11,22,396	**Bills Payable**				21,15,150	9	9
	Bills for Collection Being Bills Receivable as per contra—						
29,05,023	(i) Payable in India	42,19,999	5	7			
14,79,598	(ii) Payable outside India	1,51,606	7	0			
43,84,621					43,71,605	13	4
40,06,510	**Other Liabilities**				14,87,374	7	5
	Acceptances, Endorsements and Other Obligations as per contra—						
27,99,181	(Secured by part of Bank's Investments)				1,02,23,198	6	3
	Profit and Loss Account—						
4,75,678	Profit as per last Balance Sheet				6,00,127	13	4
	LESS—Appropriations—	Rs.	a.	p.			
1,00,000	Transfer to Reserve Fund as provided under Section 17 of Banking Companies Act.	1,15,000	0	0			
1,00,000	Transfer to Reserve other than under Section 17 of Banking Companies Act	85,000	0	0			
					2,00,000	0	0
2,75,678					4,00,127	13	4
	LESS—						
1,50,000	Payment of Dividend	2,00,000	0	0			
75,000	Provision for Taxes	1,50,000	0	0			
...	Staff Gratuity Fund	25,000	0	0			
2,500	Donations	....					
					3,75,000	0	0
48,178					25,127	13	4
5,51,950	ADD—Profit for this year brought from the Profit and Loss Account				6,20,151	8	6
					6,45,279	5	10
6,00,128							
6,000	**Contingent Liabilities—**						
...	In partly paid Shares of Joint Stock Companies				2,500	0	0
8,33,333	Liability on account of outstanding Forward Exchange Contracts				15,50,664	14	7
19,22,976	Claims against the Bank not acknowledged as debts				19,27,975	13	10
4,12,008	Liability on Bills of Exchange re-discounted				Nil		
	Liability to other Banks for guarantees issued 256,239-4-2.						

NOTES :—

(1) Provision to the full extent for future gratuities to Staff has not been made—the liability for which has not been ascertained.

(2) The Bank's liability to Taxation on its profits for the year 1954 has not been ascertained and there is no provision to meet the same.

8,99,70,085	Total .. Rs.				11,35,46,137	12	6

31-12-1954 Rs.	PROPERTY AND ASSETS	Rs.	a.	p.	Rs.	a.	p.
	Cash—						
1,44,36,017	In hand and with Reserve Bank and State Bank (including Foreign Currency Notes)				1,56,05,418	5	1
18,08,672	Balance with other Banks in Current Account— (i) In India	11,32,110	2	0			
16,135	(ii) Outside India	7,513	5	6			
18,24,807					11,39,623	7	6
34,50,000	**Money at Call and Short Notice**				7,50,000	0	0
	Investments (at Book Value)—						
	(i) Securities of the Central and State Governments, and other Trustee Securities, including Treasury Bills of the Central and State Governments. Part of the Securities are lodged with other banks for borrowing and other arrangements as per contra						
2,26,89,403	Face Value .. Rs. 2,67,70,110 Market Value .. Rs. 2,61,54,798	2,63,86,464	6	0			
	(ii) Shares—	Rs.	a.	p.			
1,44,442	(a) Fully paid preference shares	1,44,442	0	0			
7,14,304	(b) Fully paid ordinary shares	5,84,398	15	3			
17,250	(c) Partly paid ordinary shares	6,750	0	0			
	Market Value .. Rs. 8,09,268				7,35,590	15	3
2,94,000	(iii) Debentures or Bonds, Market Value Rs. 2,93,000.				2,94,000	0	0
Nil	(iv) Other Investments (to be classified under proper heads)				Nil		
Nil	(v) Gold				Nil		
2,38,59,399							2,74,16,055 5 8
	Advances (Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)—						
2,85,06,397	(i) Loans, Cash Credits, Overdrafts, etc.— (a) In India	3,82,35,277	3	4			
Nil	(b) Outside India	Nil					
	(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments)—						
79,02,416	(a) Payable in India	1,19,77,741	5	0			
15,95,459	(b) Payable outside India	23,44,634	14	6			
3,80,04,272					5,28,57,653	6	10
	PARTICULARS OF ADVANCES—						
3,32,03,508	(i) Debts considered good in respect of which the Banking Company is fully secured	4,46,43,156	8	11			
35,48,193	(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	60,52,381	1	4			
12,52,571	(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtor	21,62,115	12	7			
Nil	(iv) Debts considered doubtful or bad not provided for	Nil					
3,80,04,272		5,28,57,653	6	10			
1,77,356	(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	85,414	9	0			
21,91,623	(vi) Debts due by companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	47,42,753	13	0			
1,91,287	(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company either severally or jointly with any other persons	2,04,251	9	8			
29,91,726	(viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of private companies, as members	49,31,074	11	1			
99,585	(ix) Due from Banking Companies	4,059	0	8			
	Bills Receivable Being Bills for Collection as per contra—						
29,05,023	(i) Payable in India	42,19,999	5	7			
14,79,599	(ii) Payable outside India	1,51,606	7	9			
43,84,622					43,71,605	13	4
27,99,181	**Acceptances, Endorsements and Other Obligations** per contra				1,02,23,198	6	3
	Premises—						
37,600	At cost upto 31st December, 1954	37,600	8	3			
Nil	Additions	Nil					
37,600		37,600	8	3			
	LESS—Depreciation—	Rs.	a.	p.			
12,500	Upto 31st December, 1954	12,500	0	0			
	During the year	5,000	0	0			
25,100		17,500	0	0			
							20,100 8 3
	Furniture and Fixtures—						
6,62,144	At book value upto 31st December, 1954	6,84,203	14	9			
26,613	Additions and transfers	46,565	13	0			
6,88,757		7,30,829	11	9			
4,493	LESS—Sales and transfers	1,870	1	0			
6,84,264		7,28,959	10	9			
	LESS—Depreciation—	Rs.	a.	p.			
	Upto 31st December, 1954	3,63,980	1	2			
3,63,980	During the year	36,280	7	0			
3,20,284		4,00,260	8	2			
							3,28,699 2 7
	Other Assets including Silver—						
791	Stamps						
88,736	Stationery	1,294	0	0			
1,24,142	Advance Payment to Government of India re: Tax	79,625	12	5			
1,92,804	Interest accrued	1,16,546	12	0			
4,59,930	Taxation at source	2,72,419	10	8			
8,66,403		3,64,393	2	6			
							8,33,778 5 5
Nil	**Non-Banking Assets Acquired in Satisfaction of Claims.**						Nil
Nil	**Profit and Loss**						Nil
8,99,70,085	Total .. Rs.						11,35,46,137 12 6

(Continued on next page)

EDUCATION FOR INSURANCE STAFF

ITS IMPORTANCE STRESSED

THERE has, of late, been a great awakening in the insurance field. A considerable body of the workers in this field is now more alive than ever to the importance of education for the staff. It is now increasingly realised that they owe it as a duty to educate the staff, that the members of the staff should not merely be allowed to pick up pieces of insurance information—or misinformation—from their daily task but should have full knowledge of insurance. The importance of making available to the staff opportunities for the study of insurance has won much justifiable recognition. For this, the credit goes to the Federation of Insurance Institutes, to the enthusiastic band of insurance men behind it headed by that indefatigable worker in the cause of insurance in this country, Mr. C. R. C. Gardiner, the outgoing President of the Institute and the Chief of New Zealand Insurance Company in Bombay.

More than one speaker at the first Annual Conference of the Federation, held in Bombay last week, emphasised the importance of insurance education. Mr. Gardiner himself, in his presidential speech, explained at some length the efforts that were being made by the Federation in the direction of setting up insurance institutes at various centres in this country and of providing educational opportunities for the insurance staff. He stated that while an institute had been formed at Ahmedabad, "negotiations are well forward with various bodies in Delhi, Madras, Kanpur, Lucknow, Poona, Indore and Nagpur, to name but a few, for forming institutes." In taking the initiative in the formation of such institutes, the Federation is obviously carrying out one of its main objects, namely, "to provide and maintain a central organisation for the promotion of efficiency, progress and general development among persons engaged or employed in insurance and those wishing to make insurance a career, with a view not only to their own advantage but to rendering the conduct of such business more effective, safe and scientific, and securing and justifying the confidence of the public and employers, by reliable tests and assurances of the competence and trustworthiness of persons engaged or employed in insurance, or those wishing to make insurance a career."

Not a Political Body

After referring to this important aspect of its functions, Mr. Gardiner emphasised that the Federation was not a political body. He expressed the hope that it would never indulge in political matters but would restrict itself purely to the aims and objects of its own constitution. He added:

"I refer to this because the Federation has received many letters from individuals and bodies following the nationalisation of life insurance asking what steps we propose to take for publicity in the matter, and others asking why we have not issued instructions for the guidance of members. Such is not our function. Whether insurance be nationalised or whether it be in the private sector, the aims and objects of our constitution remain the same. Be it nationalised or be it in the private sector, the requirements of insurance knowledge are just the same, and I sincerely trust that the Federation will ever aim—if I may say so—at minding its own business, namely, in the main the spread of insurance education."

The Federation, as is well known, is affiliated to the Chartered Insurance Institute, London. But it is the earnest desire of the Federation that it should have its own examinations. It has a board of education which is engaged in the preparation of a suitable curriculum of studies. Mr. Gardiner did well to indicate what should be the aim of the curriculum. He said that the curriculum should be such as would enable the student to acquire a "full knowledge of insurance requirements both from an office point of view as well as from contact with the public and in assisting the public, in other words, an ideal insurance man." He revealed that, if the Federation's plans succeeded, it would be possible to hold Part I of the examination for the associateship by October 1957 and the complete examination by the end of 1960. He further revealed that the Federation had decided that the fellows and associates of the world-renowned insurance educational bodies like the Institute of Actuaries, the Chartered Insurance Institute and the Faculty of Actuaries can be elected fellows and associates of the Federation without being required to appear for any corresponding examination of the Federation.

Mr. Gardiner deplored that insurance was a "misunderstood industry" for which the insurance officials and companies were as much to blame as the insuring public. Explaining the need and the possibility of removing this misunderstanding, he said:

"Many insureds when taking out policies feel that irrespective of the cover granted, if they have a claim it should receive payment. In many cases this feeling is due to the insurance officials at the time of issuing the policy not having clearly explained the cover being given. Still further is the need for agents and canvassers to have a full insurance knowledge as they are the direct contact people with the business community and they should be friend, counsellor and guide of that community. They can only be that, if they have a thorough knowledge of the industry in which they are working and are able to understand fully the requirements of those they are insuring."

Nationalisation of life insurance has deprived the Federation of a portion of its income. It would appear that the Federation has lost nearly one half of its members. Mr. Gardiner disclosed that he had already, in semi-official correspondence, taken up this subject with the appropriate authorities in the Government. And it is gratifying to be told that the authorities have expressed the hope that the Government, acting through the Corporation, will make good the loss suffered by the Federation.

Tributes to Mr. Gardiner

Striking a personal note, Mr. Gardiner said that he was resigning his post due to his leaving India. He added that, wherever he was, he would be interested in the Federation and promised that, if any further assistance from him were needed, "it will be done with pleasure." Warm tributes to his work were paid by several speakers, in general, and by Mr. T. K. Desai, the newly elected President, in particular. Mr. Gardiner was presented with a paper weight as a token of appreciation of his services. Readers of *Commerce* are no doubt familiar with the writings of Mr. Gardiner who has, in the past, contributed to our columns. We would like to associate ourselves with the tributes paid to Mr. Gardiner who is leaving this country after a creditable record of service in the cause of Indian insurance extending over a period of over three decades which incidentally has witnessed some of the most exciting changes in insurance history.

Mr. M. C. Setalvad's Remarks

The importance of insurance education was also stressed by Mr. M. C. Setalvad, Attorney-General of India, who was the chief guest of the Conference, and Mr. L. S. Vaidyanathan, the Chief Custodian. Mr. Setalvad pointed out that nationalisation of insurance could not make any difference to insurance education. For the Government had stated that insurance was nationalised, with a view to making it popular in this country. This indicated, he said, the need for a large number of technically qualified workers in the field of insurance. He pointed out that such specialised training could not be left to universities. In any case, university training, even if available, could be given only to a small section of the population. He said that it was, therefore, appropriate that the Federation had concentrated on the educational aspect of the industry.

Mr. Vaidyanathan said that, in the field of insurance, theoretical knowledge was no less important than practical training. In his experience, he had found that between two persons—one with theoretical knowledge combined with practical training and the other with only practical training—the first was always able more readily than the second to grasp, to discuss and to explain a given problem in insurance. He expressed the hope that many members of the insurance staff would benefit from the educational opportunities provided by the Federation.

It is to be hoped that the authorities in charge of nationalised insurance will welcome the opportunities for acquiring technical knowledge of insurance provided by the Federation and that they will also find it possible to afford reasonable incentives to insurance staff for acquiring that knowledge.

ATOMIC INSURANCE

Among the new risks which general insurance offices might be called upon to face in the near future, the most important are those arising from the wider use of nuclear power. The risks involved may, however, be more than what could be borne even by the combined effort of offices through reinsurance. It would appear that, in some countries, insurance companies which want to underwrite this risk feel the need for special assistance by the State. Thus, in West Germany, the insurance offices are engaged in persuading the Federal Insurance Advisory Board to share the responsibility for covering atomic risks. These companies, according to the Bonn correspondent of the London *Financial Times*, consider that atomic damage exceeding DM-50 million would be in the nature of a "national catastrophe" and would consequently have to be underwritten by the State.

They are thinking of setting up an atomic risk pool, since normal reinsurance business might prove inadequate. Third party risk insurance will probably be made mandatory in the Atomic Energy Bill now being drafted, in that permission to establish works will be made dependent on adequate insurance shown to be available.

THE BANK OF JAIPUR, LIMITED—*Contd.*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955

31-12-1954 Rs.	EXPENDITURE	Rs.	a.	p.	Rs.	a.	p.
					16,27,291	5	7
13,45,818	To Interest paid on Deposits, Borrowings, etc.						
10,84,882	,, Salaries, Allowances and Provident Fund—	38,287	8	0			
	(i) General Manager	13,20,382	5	4			
	(ii) Staff				13,58,619	13	4
					11,318	0	0
14,905	,, Directors' and Local Committee Members' Fees and Allowances				1,40,230	5	2
1,37,975	,, Rent, Taxes, Insurance, Lighting, etc.				16,556	5	9
15,892	,, Law Charges				85,511	7	1
81,015	,, Postage, Telegrams and Stamps				5,950	0	0
7,285	,, Auditors' Fees				50,503	11	9
50,978	,, Depreciation and Repairs to the Banking Company's Property				96,832	13	10
89,225	,, Depreciation and Repairs to Furniture and Fixtures, etc.				Nil		
Nil	,, Stationery, Printing and Advertisement, etc.				1,04,961	15	1
1,15,928	,, Loss from Sale of or Dealing with Non-Banking Assets				6,20,151	8	6
5,51,950	,, Other Expenditure						
	,, Balance of Profit (subject to Taxation)						
	Total .. Rs.				41,18,227	6	1
34,95,853					34,95,853		

31-12-1954 Rs.	INCOME (Less provision made during the year for bad and doubtful debts and other usual or necessary provisions)	Rs.	a.	p.
28,05,191	By Interest and Discount	31,86,895	10	5
6,38,100	,, Commission, Exchange and Brokerage	8,68,925	15	2
Nil	,, Rents	Nil		
	,, Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
Nil	,, Net Profit on Revaluation of Investment, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil		
Nil	,, Income from Non-Banking Assets and Profit from Sale of or Dealing with such Assets	Nil		
52,562	,, Other Receipts	62,395	12	6
	Total .. Rs.	41,18,227	6	1
34,95,853				

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the above Balance Sheet of the Bank of Jaipur Ltd., as at 31st December, 1955, and also the above Profit and Loss Account of the Bank for the year ended upon that date, in which are incorporated the authenticated returns from branches, and report that :—

(a) We have obtained all the information and explanations we have required and have found them to be satisfactory;

(b) the transactions of the Bank which have come to our notice have been within the powers of the Bank;

(c) the returns received from branch offices of the Bank have been found adequate for the purpose of the audit;

(d) in our opinion the above Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(e) such Profit and Loss Account shows a true balance of Profit for the year;

(f) such Balance Sheet exhibits a true and correct view of the State of affairs of the Bank according to the best of our information and the explanations given to us and as shown by the books of the Bank, and

(g) in our opinion, books of account have been kept by the Bank as required by Section 130 of the Indian Companies Act.

K. N. GUTGUTIA & CO.,
Chartered Accountants.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

6th March, 1956.

S. L. KOTHARI,
General Manager.

A. R. SAVOOR,
Manager, Jaipur.

RAMNATH A. PODAR, Chairman.

MADAN SINGH,
G. D. SOMANI,
GANGA SAHAI PUROHIT,
GANESH PODAR,
S. L. THOLIA,
} Directors.

LAND REFORMS IN THE SECOND PLAN—III

WILL CO-OPERATIVE FARMING SUCCEED?

IF a poll were to be taken to ascertain the views of those very tenants who, in the calculations of the Planning Commission, would benefit as a result of ceilings and resumption limits, it would be no wonder if the result were to be a "high negative" What do the tenants gain and what do they lose? The gain would come in the form of redistribution of land above the ceilings and resumption limits. Most of the surplus land would go to tenants displaced as a result of resumption of land for personal cultivation. Such resumption would receive impetus as a result of the land reforms; if there were no so-called land reforms, much of the expected displacement would not occur. In this way, land reforms themselves would first create the problem for tenants in the shape of displacement, and, subsequently, solve that problem through allocation of land. In the process, the tenants would be losers to the extent of the period of their displacement. The remaining surplus land, which will be very little as compared to the numerousness of uneconomic tenancies, will be distributed, in most cases, in fractions of an acre among farmers with uneconomic holdings. Those who get less or inferior of the distributed land than their neighbours will, instead of being happy, have cause for positive grievance.

The ownership rights will not be conferred on tenants immediately or in the near future or, in the case of the vast majority, even in their life-span. For a long period, which may be between 15 and 20 years, they will continue to pay fair rent to Government as they are now paying to owners. And when at long last the ownership is vested in them, the money value of the gain to each beneficiary would be negligible. In any case, tenants are more concerned with the present and the immediate future than with what happens 20 years hence.

The "Peters" and the "Pauls"

In the immediate future, they will lose a great deal in the economic, social and spiritual sense. In a vast majority of cases, the "Peters" and "Pauls" would be those who have age-old friendly or even brotherly relations with each other. The "Pauls" would not wish that the "Peters" should be robbed and they should be paid. The so-called representatives of tenants who site solitary instances of rift between the tenant and the landowner and try to make generalisations from those solitary instances, cannot conceal the vast fund of goodwill and respect for each other's property existing between the two parties. The bulk of the tenants would not like that for the sake of insignificant material gains there should be loss of love, ancestral friendship and fellow-feeling. The voluntary surrender of tenancies and the crop-sharing tenants acknowledging themselves to be only paid labourers of the landowners, about which the Planning Commission has expressed so much concern, are nothing but clear evidence of the unwillingness of the tenants to get any benefits at the cost of their landowners. It is not democratic to introduce reforms in spite of those who are to benefit by them.

Landowners' Role

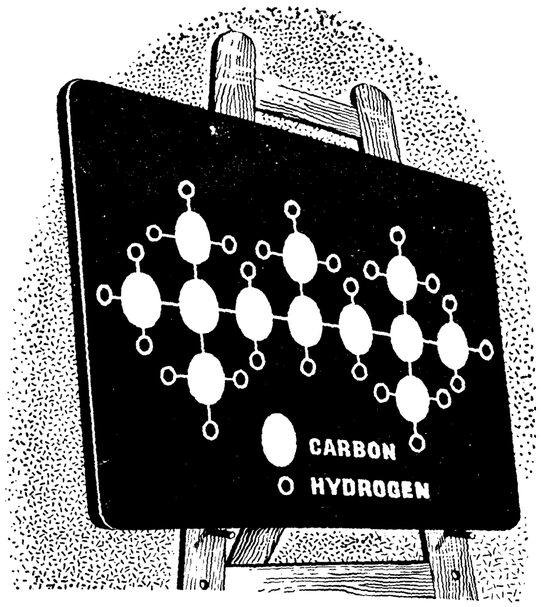
Our land reformers do not seem to appreciate the important role of landowners in the management of land, and the loss and the vacuum that would be felt by the tenants if their links with the landowner are broken. An overwhelming majority of the small, lower middle and middle class landowners live to a substantial extent on income from land, and, therefore, take an active interest in its proper management and cultivation. To varying degrees, landowners attend to the marketing side of the produce and the purchase of seeds, manures and fertilisers; it is the landowner's duty to maintain contact with the irrigation and revenue officials for arranging water facilities and settling several other affairs connected with land; he assumes a major share of responsibility in devising, initiating, directing and financing programmes of land improvement and better cultivation. Although he may not always live on the farm, he plays the role which a manager and supervisor plays on a Government or co-operative farm. No person who is acquainted with the uninterestedness and aloofness of Government officials or the weaknesses of co-operatives, will believe in the hopes that the landowner as financier, manager and supervisor can be fully replaced. The tenant will immediately feel that it is difficult to "survive the separatism," and the Government may later realise that the money spent on creating and maintaining an army of officers and staff to guide, advise and supervise the tenant could have been better spent on the welfare of tenants in some other way. So far as finance is concerned, even if we make the bold assumption that the State Bank of India will be able to step in immediately after the exit of the landowner and will provide speedy credit to the tenant, the fact remains that the Bank would be burdened with the task of replacing the existing sources of the tenant's credit at the expense of its main function of providing additional credit.

Co-operatives

We are aware that the Government has a programme of "reforms of the reforms." All the adverse consequences of the reforms relating to ceilings and resumption limits are sought to be removed by developing co-operative farming and later co-operative village management. The idea of co-operative village management seems to be a whimsical speculation rather than a practical proposition, and as such may be ignored from the present discussion. So far as co-operative farming is concerned, its failures and failings are officially recognised. When co-operative farming has failed to serve as a remedy for the existing fragmented structure of our land, how can we allow land reforms which will bring about further fragmentation? When co-operative farming has failed to provide efficient and economic management, how can we dispense with the managerial and supervisory functions of the landowner? The Government cannot depend for rectifying the evil consequences of land reforms on a movement which has not budged forward an inch during the last few decades. In any case, co-operative farming must first be turned into a dynamic force before we can take up land reforms, which, after all, are unjustifiable even if its evil consequences could be rectified. It will be no wonder if, by the time co-operative farming becomes a real force, the law of inheritance has already done the job of the proposed land reforms!

Moreover, to most tenants, co-operative farming is worse than landlordism. Under tenancy, a tenant can freely make use of the labour of

(Continued on page 833)



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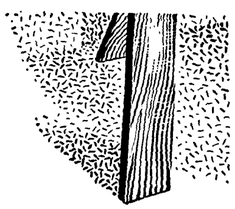

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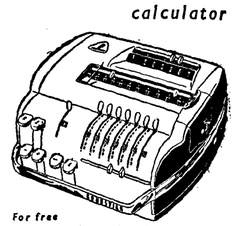

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SOME ASPECTS OF INDUSTRY AND COMMERCE

REASONS FOR ESTABLISHING STATE TRADING CORPORATION

THE long awaited statement of industrial policy, a forecast of which was given in this journal two weeks ago, has not yet been announced. According to Press reports, the Planning Commission was expected to have finalised the draft early this week and the Central Cabinet would consider it within a few days. Meanwhile, it was also expected that a reference to the major industrial policy would be made in the Lok Sabha during the debate on grants for the Ministry of Commerce and Industry which was held on the 14th and 16th inst. Neither the Minister for Commerce and Industry, who replied to the debate, nor the Minister for Industries, Mr. Nityananda Kanungo, nor the Minister for Commerce, Mr. D. P. Karmarkar, both of whom intervened in the debate, made any references to it. Nevertheless, the debate provided an occasion for a few members to warn the Government against the dangers of indiscriminate extension of the public sector at the cost of the private sector. Mr. Asoka Mehta, in particular, expressed apprehensions of the danger of building up "monolithic State organisations" in the country. Mr. G. D. Somani stated that, while he was not opposed to the expansion of the public sector, he was anxious to see that the activities of the private sector should not be curtailed. No enforced idleness should be imposed, he said, on the capacity of those who could do a lot in promoting and expanding the various industries in the country. He appealed to the Ministry to bear this aspect in mind, while finalising the policy statement. He hoped that the proposed State Trading Corporation would not throw out of business the existing traders.

S.T.C.

The Government's spokesmen did not, as stated at the outset, reveal the Government's mind regarding the Industry Policy Statement, presumably because the Cabinet had yet to consider and approve the draft statement now stated to be before it. On State Trading, however, both Mr. Krishnamachari and Mr. Karmarkar made some reassuring statements. The *raison d'etre* for setting up the Corporation was provided by the former. It may be summed up thus:

The Five-year Plan envisages a very big expansion in India's foreign trade. The Government expects a gap of Rs. 1,000 crores in foreign exchange. This means that the country is going to import Rs. 1,000 crores worth of goods more than it will be importing normally. It must, to some extent, balance these imports with exports. This is what the Government is trying to do through bilateral arrangements with various countries. The unco-ordinated efforts of the private sector will not be adequate to fulfil these expectations and, accordingly, they need to be supplemented.

Cement and Steel Purchases

In anticipation of the State Trading Corporation being set up in the near future, the Ministry, according to Mr. Krishnamachari, is taking advantage of all the trading opportunities. Contracts for the purchase of 100,000 tons of cement and for the sale of 100,000 tons of iron ore have recently been entered into with East European countries. The Ministry has also striven to sponsor contacts between importers, distributors and suppliers for the import from cheap sources of substantial quantities of caustic soda and soda ash.

Mr. Krishnamachari then gave the following assurance to the mercantile community: "The proposed State Trading Corporation will not replace the private sector and only supplement trade envisaged in the second Plan, (b) the need for expanding India's foreign trade."

Mr. Somani had warned the Government against State trading because on one occasion State trading had resulted in a loss. Answering this argument, Mr. Krishnamachari said: "Would he carry his views to the logical conclusions and advise against private trade, because sometimes private trading results in a loss? If the State embarks on industrial or commercial ventures, it will be wrong to expect that it will always make a profit and never a loss. It is by our mistakes that we often profit most."

Mr. Karmarkar's Views

Alluding to the same subject earlier Mr. Karmarkar stated that "the matters are almost ripe for a State Trading Corporation to come into existence. What its precise field will be will also be before the House in a short time." He added that the State would have to step into fields with a view to seeing that a sufficient volume of the required commodity comes in and that it is distributed at average and fair prices.

It will be seen from the foregoing observations of the Ministers that the reasons for the establishment of a State Trading Corporation are: (*a*) The inability of the private sector to cope with the magnitude of expansion in foreign trade envisaged in the second Plan, (b) the need for balancing imports with exports, so that no difficulty regarding foreign exchange is experienced, (*c*) equitable distribution of imported goods in scarcity, (*d*) the relatively better position of the State to carry on negotiations with communist countries, and (e) the need for stabilising prices within the country.

Mr. Karmarkar dealt also with the criticisms of a number of members on controls on foreign trade. He was glad that there were few complaints regarding the mechanism of these controls. The officers, he added, were feeling encouraged by the appreciation of the House. Not only would they not relax in their efforts but try to improve their efficiency. There were also changes, he said, in the pattern of the country's trade. Food imports were, in the past, devouring a sizable portion of our foreign exchange earnings—almost one-third in a year. That stage had passed and the country was now in a position to import machinery and raw materials. As a result, there was progress in certain sectors of industry, showing an increase in production. The broad objective of import control was to ensure, through trading policies, that foreign commerce furnished to the country's economy all the help that it needed for attaining the objectives set out in the Five-year Plan, especially in respect of food, machinery and raw materials. It was satisfactory that the aggregate trade deficit was only of the order of Rs. 450 crores over the Plan period as a whole, including the amount of foreign exchange the country had to spend towards meeting deficits in food. Imports of machinery in the first Plan period amounted to Rs. 450 crores. In the second Plan period these imports were estimated to be at Rs. 1,350 crores despite the fact that by 1960-61, the country would be making more machines and in much larger quantities. The deficit of foreign exchange would be of the order of Rs. 1,000 crores and this would have to be covered by coaxing exports. The country has already been exporting items like cutlery, electric fans, photographic instruments, surgical instruments, diesel engines, etc.

Mr. Karmarkar informed the House that India's participation in foreign exhibitions had been a success, as they had resulted in good demand for Indian goods. The Export Promotion Councils had been established for encouraging exports, but demand for certain goods at home had imposed some limitations.

Export licences were issued, Mr. Karmarkar continued, irrespective of the countries to which the item was exported. As regards import licences, a broad division was made according to whether the commodity came from soft currency areas or from hard currency areas. Apart from this, the Government did not put in any difficulty in the way of an importer; he was free to import from any country of his choice within these two currency areas.

Small Industries

Mr. Nityananda Kanungo, who also participated in the debate, confined himself mainly to small industries. He visualised a bright future for small industries. He was gratified at the substantial increase in the production of consumer goods. During the first Plan period cloth production had gone up from 4,800 million yards per annum to 5,100 million yards. The production of footwear had risen from 85 million pairs to 90 million pairs. A greater part of this expansion had taken place in the small industries sector. He expected that, as a result of the introduction of improved techniques among the craftsmen, there would be a further increase in production, in the very near future, resulting in a significant fall in the costs. In this context, Mr. Kanungo alluded to the restrictions imposed on the large-scale sector. In various industries like leather-footwear, matches, cutlery, sports goods, agricultural implements and the like, the Government had imposed restrictions on expansion in the corresponding large-scale units. But these, he said, were only temporary expedients and could not be of lasting value. The real emphasis should be on the positive aspect, namely, improvement in technical efficiency, the provision of credit facilities and the organisation of these industries on the basis of co-operation. He revealed that 60 small machines, imported from Japan and installed in a workshop in Harduaganj, near Delhi, resulted in total failure. These machines had to be disposed of at a loss. Benefiting by this failure, the Government now proposed to get the artisan first trained in the use of machines and find out those which were best suited to the country. In providing training, mobile workshops had proved, he said, very successful. There were eight of them and it was further proposed to put 16 more on the road immediately.

Although the development of small industries fell under the sphere of State Governments, the Centre, too, provided assistance, such being of the order of Rs. 2 crores. Out of the funds earmarked for assistance, loans were provided up to 75 per cent. of the value of the security offered. The rate of interest was 3 per cent. to individuals and firms and 2½ per cent. to industrial co-operatives. The State Bank of India, according to Mr. Kanungo, was launching a new pilot project to provide credit to small industries. These trial projects are expected to provide valuable information for deciding how best credit could be provided by the various agencies convened, namely, the State Bank, the State Finance Corporation and the State Government. The Minister thought that, ultimately, with the help of this experiment, even normal banking services would be able to extend credit facilities to small industries and that the Government would gradually have to take less and less direct part.

PROMOTION OF HEMP EXPORTS

In view of the growing demand for sunn hemp in the country, the plea put forward by Mr. B. L. Jalan, President, Indian Hemp Association, Calcutta, that the Agricultural Marketing Department of the Government of India should furnish periodical returns on production, baling, shipping, etc., of sunn hemp acquires importance and should be favourably considered by the authorities concerned. The fibre is used mainly for making ropes, strings and twines required for various agricultural purposes. Considerable quantities are used for fishing nets, cot-stringing, matting and cordage. Coarse canvas and bags are also made of the fibre in certain districts of M.P. and Madras on a cottage industry basis. By adopting flax spinning machinery for sunn hemp, is should be possible to produce coarse fabrics for hose-pipes, belting, and canvas now imported from outside. A fair quantity of green hemp produced in the C.P. is now being used in the rope factories at Calcutta. The green fibre is also used as manure for land.

Reliable statistics relating to the consumption of sunn hemp are not available and published data on internal trade include also other fibres. Out of an estimated average annual production of 100,000 tons of sunn hemp, about 20 to 30 per cent. is exported and the rest is consumed in the country. The quantities retained by producers to meet their own requirements vary in different regions. The U.K., Belgium, and the U.S. are among important buyers of Indian hemp. In some of these countries, it is employed as a substitute for true hemp in the manufacture of twine cords, matting, sacking, tarpaulins, soles for shoes, sandals, and marine cordage. These countries prefer Indian hemp, because it is more resistant to sea water than Russian hemp. In the U.S., even cigarette paper is made of hemp.

The value of exports of hemp, both raw and manufactured, from India in 1954-55 amounted to Rs. 195 lakhs, as compared with Rs. 125 lakhs in 1953-54 and Rs. 151 lakhs in 1952-53. In the ten months ended January 1955-56, exports aggregated Rs. 131 lakhs, as against Rs. 148 lakhs in the same period of 1954-55. India can easily expand its earnings on these exports by adopting a more enlightened policy of encouraging the output and sale of sunn hemp. In this context, the suggestions made by Mr. Jalan at the annual meeting of the Association mentioned at the outset deserve the earnest consideration of the Commerce and Industry Minister. The enforcement of grade specification of hemp is stated to have benefited the industry much, inasmuch as the Indian hemp has acquired a considerable amount of prestige in international markets. In Mr. Jalan's opinion, grade specifications should be even from one season to another, and any demand for the same should be decided upon, having regard to the quality of produce in a season with particular reference to disadvantages or advantages noticed in a year. He felt that specifications under Agmark should have reference only to length, colour, refraction content and the broad area where the hemp is grown.

Mr. Jalan alluded to the difficulties caused by transport bottlenecks. Whenever there were large-scale movements of coal, foodgrains, etc., hemp movements, it is stated, suffered heavily, since it is listed very low in the priority schedule of railways. In the result, the foreign buyer is turning towards Italy, East Africa, the Philippines and Java for substitutes of hemp. Mr. Jalan opined that a certain quota for the movement of hemp should be fixed for the important loading stations, so that it may easily be moved to the docks and to the baling centres during the period between October and May, as was being done in pre-war days.

Mr. Jalan revealed that his Association had drawn up a scheme for promoting exports of hemp. He wanted the Government to adopt it and stated that his Association would extend its full and wholehearted co-operation to the Government.

The Indian paper industry is using hemp rope cuttings as raw material. Consequently, it used to object to exports of these cuttings on the ground that such would push up its raw material costs. It is encouraging to learn from Mr. Jalan that, thanks to the increase in the supply of these cuttings, the industry, is no longer raising any objection against exports. Its total offtake of cuttings is estimated to be about 3,000 tons per annum, as against a total collection of 6,000 to 8,000 tons. Since prices of these cuttings have remained steady, despite exports, it is felt that the industry has no cause for concern over the permission granted by the Government of India for enlarged exports of hemp cuttings.

Although no authoritative official statistics of hemp production in India are available, it will be useful to record here Mr. Jalan's estimate of the crop. The output in 1955 is placed by him at 77,000 bales of the Banares variety and 70,000 to 80,000 bales of green hemp. The carryover of Banares hemp from 1954 is estimated at 15,000 tons. The Banares (II) variety was quoted in the U.K. at the start of the season at £68 to £70 per ton, and when the season ended, the quotation stood lower at £67 to £68 per ton. Similarly, Jabalpur variety receded during the same period from £81-£85 per ton to £73-£76 per ton. This fall was in sympathy with the trend of world prices of this fibre and was due to the entry of Russian hemp into world markets after an absence of about 20 years.

INDUSTRIAL ESTATES

On the recommendation of the Small-scale Industries Board, the Government of India has decided to start a network of industrial centres all over the country. These centres will be located on plots ranging in size from 15 to 60 acres. These plots would be acquired by it and placed at the disposal of prospective small *intrepreneurs* who wish to set up factories of their own. The Government will construct roads, put up factory buildings, make arrangements for the supply of electricity and water and for conservancy and drainage facilities. Common service workshops would be set up for such items as heat treatment, electric furnaces and the like which the small units cannot normally afford to do on their own account.

Provision would be made for housing the workers. The factory buildings will be let out on rent or given on hire purchase terms or sold out straightaway as the occupant wishes. Loans for capital expenditure on machinery and equipment and also for working capital will be given on easy terms upto 75 per cent. of the value of the security offered. In pursuance of this decision, the Ministry of Commerce and Industry has sanctioned 10 Industrial Estates, one each at Rajkot, Okhla (Delhi), Guindy (Madras), Virudhnagar (Madras), Kalyani (W. Bengal), Mysore, Agra (U.P.), Kanpur (U.P.), Quilon (T.-C. State) and Palghat-Malampuzha (Malabar).

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NORTH BORNEO: Brunei Town, Jesselton, Kuala Belait, Sandakan, Tawau
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KIL KOTAGIRI SUFFERS SETBACK

DIVIDEND CUT—RECORD OUTPUT OF TEA

A SHARP fall in earnings during the year ended 31st October 1955 from the previous year's record level is disclosed by the latest statement of accounts of the Kil Kotagiri Tea and Coffee Estates Company, Ltd. (Managing Agents and Secretaries: Messrs. Peirce, Leslie & Co., Ltd., Kozhikode, Malabar). After two years of successive rise from Rs. 3.52 lakhs to a high of Rs. 6.37 lakhs, the trading profit has dipped to Rs. 4.23 lakhs in the year under review. The net profit, too, has gone down to Rs. 2.32 lakhs, after having moved up from Rs. 2.44 lakhs for the year 1951-52 to Rs. 3.45 lakhs for 1953-54. It may, incidentally, be noted that the net profit for the year under review is the lowest since 1949-50.

Consequent on this setback in results, the Directors have cut the allocation to the general reserve from Rs. 1.25 lakhs to Rs. 1 lakh, and the dividend on ordinary shares from 30 per cent. to 20 per cent. It must, however, be noted that dividend for the year under review is on a further increased capital, raised by the allocation of 54,269 ordinary shares of the Company to the shareholders of the Nilgiri Neerugundi Estates Company, Ltd. (also under the management of Messrs. Peirce Leslie & Co., Ltd.) in part consideration, in accordance with the terms of the amalgamation agreement with the latter Company which was taken over by the Kil Kotagiri with effect from 1st July 1955.

It must also be noted that, though the amalgamation is with retrospective effect from 1st July 1955, the working of the Nilgiri Neerugundi Estates has not been taken into consideration in the accounts of the Kil Kotagiri for the year under review, because the legal formalities regarding "conveyance" have not yet been completed. Further, the aforesaid allocation of the 54,269 ordinary shares of the Kil Kotagiri to the shareholders of the Nilgiri Neerugundi has been made only subsequent to the closure of the accounts of Kil Kotagiri for the year under review, though these shares are also entitled to the dividend for the year under review.

The salient features of the Company's working results for the past four years are compared in the following table:

—	For the year ended 31st October			
	1955	1954	1953	1952
	Rs.	Rs.	Rs.	Rs.
Sale proceeds of—				
Tea	8,09,975	8,00,047	7,46,742	5,63,173
Coffee	25,342	1,42,093	49,814	1,40,162
Stocks of tea ..	1,42,789	1,14,376	1,72,224	1,03,226
Tea estate expenditure ..	4,84,582	4,15,452	3,57,125	3,52,555
Coffee estate expenditure ..	71,303	96,575	64,661	61,405
Trading profit	4,22,900	6,37,508	5,47,242	3,92,911
Managing Agents' commission ..	20,203	30,191	25,272	21,512
Depreciation	25,293	16,971	43,333	39,383
Taxation	1,47,000	2,14,000	1,14,000	64,000
Net profit	2,32,010	3,44,767	3,26,477	2,43,801
To reserve	1,00,000	1,25,000	1,00,000	1,06,292
Dividends—				
6 per cent. preference ..	15,000	15,000	15,000	15 000
Ordinary	1,71,708	2,25,000	2,00,000	1,50,000
	(20%)*	(30%)†	(40%)	(30%)
Carry forward	15,720	70,418	90,651	79,174
Tea crop (in lbs.)	374,800	382,400	370,500	257,200
Cost per lb. (in cents)	129.29	114.64	96.39	137.07
Average price realised per lb. (in cents)	252.08	261.19	209.24	217.05
Coffee crop (in cwts.)	38	701	297	654
Cost per cwt. (in Rs.)	1,840.07	137.77	217.71	N.A.
Value per cwt. (in Rs.) ..	176.18	192.09	155.16	213.15

* On the further increased capital as a result of the issue of shares to the shareholders of Nilgiri Neerugundi Estates, following the amalgamation of the two companies.

† On the increased capital of Rs. 7.50 lakhs raised by the capitalisation of Rs. 2.50 lakhs.

The Company's performance during the year under review may not come as a surprise to those who have been in close touch with the trend of tea prices during the past year. In addition to the sharp recession in tea prices, the tea estates have had to face higher cost of production, despite an increase in tea crop. In the case of Kil Kotagiri, the average price realised for its tea shows a fall from the record level of 261.19 cents to 252.08 cents per lb., while the cost of production has risen from 114.64 cents to 129.29 cents per lb., in distinct contrast to the anticipated decline to 107.94 cents per lb. The tea crop, which had dwindled from 370,500 lbs. to 363,400 lbs. in 1953-54, has gone up to 374,800 lbs., the highest in the history of the Company. The year's crop has not only exceeded the previous best (370.500 lbs.) attained in 1952-53 but gone up very much beyond the estimated crop of 360,000 lbs.

In respect of coffee, the Company's experience has been even more unfavourable. The crop harvested is no more than 38 cwts., as against 701 cwts. in the previous year. Though a sharp setback in coffee production was not unexpected, the actual crop produced has been very much lower than the estimated output of 80 cwts. Consequent on this sharp fall in output, the cost of production has shot up from Rs. 137.77 to Rs. 1,840.07 per cwt. The crop has been valued at Rs. 2-4 per point or Rs. 176.18 per cwt., as against Rs. 2-8 per point or Rs. 192.09 per cwt. in the previous year.

The Company's balance-sheet as on 31st October 1955 shows that the reserves and surplus aggregate Rs. 5.16 lakhs, as against a paid-up capital of Rs. 10 lakhs. There is also a reserve for taxation aggregating Rs. 3.76 lakhs. The current liabilities amount to Rs. 2.58 lakhs. The gross block of the value of Rs. 14.52 lakhs stands written down to Rs. 11.65 lakhs. The current assets amount to Rs. 9.83 lakhs (of which cash balances alone account for Rs. 6.16 lakhs), exceeding the current liabilities and provision for taxation by Rs. 3.49 lakhs.

The estimated crop for the current season is 375,000 lbs., expected to be harvested at an average cost of 108.26 cents per lb. The coffee crop is estimated to yield 46 tons.

The Rs. 2 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 7-3 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 5.9 per cent. per annum.

KOLAR GOLD FIELDS

Reports in the daily Press about the trend of discussions held in New Delhi last week between the Ministers of the Government of India, of the Mysore Government and the representatives of the Mysore Gold Mining Companies over the question of nationalisation of the Companies indicate that nationalisation has almost become a *fait accompli*. The Government of India, it would appear, has agreed in principle to the State Government's proposal to take over the gold mining industry. The representatives of the Companies also seem to have bowed to the inevitable. The discussions in New Delhi last week, therefore, mainly centred round the compensation payable to the Companies and the establishment of a suitable machinery to run the nationalised mines.

During these discussions, the Government of India is stated to have insisted on two points, namely, (1) the quantum of compensation should be mutually agreed upon between the Mining Companies and the State Government, and (2) an effective machinery should be created to run the nationalised mines. The Government of India seems to be anxious that the question of compensation should be dealt with in a liberal way, so that no misgivings among foreign investors might be created. The Central Government is also said to have assured the State Government that its concurrence to the legislative enactment embodying the nationalisation would be available, if the terms of nationalisation were fair and mutually agreed upon.

As regards the first point, the Mining Companies has asked for compensation representing the book *value of their assets minus* the liabilities, while the State Government had regarded the market value of the Companies' shares before the decision to nationalise the companies was announced as "fair compensation." On the basis of the former, the compensation would amount to a few crores, while on the basis of the latter it would not exceed Rs. 80 lakhs. However, during the New Delhi parleys, the differences between the Companies and the State Government would appear to have narrowed considerably. The Companies are believed to be no longer insisting on receiving the book value of the assets *minus* the liabilities and a compromise is said to be possible if a lumpsum payment of Rs. 2 crores is offered by the State Government. Anyway, the talks over the question of compensation proved inconclusive and further talks will shortly be resumed in Mysore for evolving mutually agreed principles, on the basis of which the compensation would be fixed.

As regards the management of the nationalised mines, the State Government is reported to be considering the setting up of a State-owned Corporation, with which the present management also is likely to be associated.

MAHINDRA AND MAHINDRA

The success which attended the public issue of the shares of Messrs. Mahindra and Mahindra Ltd. (Chairman: Mr. K. C. Mahindra, Bombay) in July last (that is, soon after the Company was converted into a public limited one in June 1955), reflected the confidence of investors in the outlook for the Company. That this confidence was not misplaced is evident from the excellent results of the Company for the year ended 31st October 1955. The gross profit for the year under review amounts to Rs. 20.24 lakhs, as compared with Rs. 13.20 lakhs for the previous year and Rs. 4.52 lakhs for 1952-53. The provision for depreciation has been raised from Rs. 1.04 lakhs for 1953-54 to Rs. 1.52 lakhs and that for taxation from Rs. 5.30 lakhs to Rs. 9.50 lakhs. The net profit, thus, works out to Rs. 10.19 lakhs, as against Rs. 6.86 lakhs for 1953-54.

The Directors have transferred a sum of Rs. 6 lakhs to the reserve for additional taxation and contingencies, which had not received anything last year, when a sum of Rs. 2.25 lakhs was, however, added to the general and special reserves. A dividend of 10 per cent. per annum (free of tax) has been declared *pro rata* on the ordinary capital after its reconstruction in June last and the issue of shares to the public, as against 28.6 per cent. paid on the old capital for the previous year. This absorbs Rs. 2,74,443. The *pro rata* distribution on the 6 per cent. (tax-free) preference shares takes up Rs. 31,250 leaving a surplus of Rs. 86,830 to be carried forward.

The year under review has been a period of record sales turnover for the Company. The volume of sales of trailers and jeeps, allied vehicles and spares was 50 per cent. higher than that for the previous year. Imports of steel reached phenomenal figures, the Company's share in the total imports of the country (520,000 tons) being over 187,000 tons or 36 per cent. The sales of tractors, however, declined, but by an insignificant extent. The following table gives the comparative figures in terms of value of sales in the various divisions:

(In lakhs of rupees)

	Jeeps	*Trailers*	*Tractors*	*Steel*
1953-54 ...	174.63	11.10	14.98	120.87
1954-55 ...	264.10	16.54	13.85	272.08

The Directors report that the volume of business during the first five months of the current year is well above the average of the past year in all the divisions. The Company's programme in respect of jeeps envisages this year "the commencement of the plan to manufacture jeep transmission and axles, in order to establish product-output before *the end of 1957*." The increase in trailer sales has warranted an expansion in the Company's plant equipment. With the early transfer of this plant to Poona, where facilities for further expansion will be ample, further development in the various types and categories of trailers now offered is expected to be organised. Arrangements for assembly of trailer units in Madras have been completed. Steel stockyard in Calcutta has been working satisfactorily and, with its transfer to the new area leased from the Port Commissioners, it is hoped to develop further sales. Active investigations for similar stockyards in Bombay and Madras are being made. The Directors are also considering the question of setting up an export division under the ægis of Mahindra Engineering Company, Ltd.—a wholly owned subsidiary of the Company. The export division will, in the first instance, handle light engineering products and negotiations with several Indian manufacturers are being conducted. One of the senior officers of the Company has been deputed to make a market survey of some of the Middle East countries in the first instance.

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

Liabilities	Rs.	Assets	Rs.
Capital ...	79,88,850	Gross block ...	18,35,884
Reserves and surplus ...	6,86,830	*Less*—Depreciation ...	5,23,273
Provision for taxation ...	18,62,243	Net block ...	13,12,611
Liabilities ...	2,65,71,958	Stock-in-trade	1,83,77,536
		Stores ...	10,33,900
		Work-in-progress ...	92,095
		Debts, deposits and advances ...	95,10,376
		Investments	19,32,255
		Cash ...	44,98,831
		Goodwill ...	3,52,277
Rs.	3,71,09,881	Rs.	3,71,09,881

The Company had reserves aggregating Rs. 16.68 lakhs at the close of the year 1953-54, but these were capitalised in June 1955 and 166,809 ordinary shares of Rs. 10 each were issued as bonus to the then shareholders in the ratio of one share for one. After this, the Company issued 216,382 ordinary shares of Rs. 10 each and 25,000 redeemable preference shares of Rs. 100 each to the public. The Directors had intended to replace a minimum of Rs. 3.50 lakhs of the reserves capitalised in June last, out of the profit of the current year. They have not been able to do so; however, a sum of Rs. 6 lakhs has been set aside to the reserve for additional taxation and contingencies. Of the current liabilities shown in the above summary of the balance-sheet, a sum of Rs. 2.02 crores represents borrowings from banks. These have since risen to Rs. 9.26 crores as on 31st March 1956: this is an index of the expansion in the volume of the Company's business.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted at Rs. 14-12 *cum-div.* On an *ex-div. basis*, the latest dividend provides a yield of 7.3 per cent. per annum, free of tax.

ATUL PRODUCTS' MAIDEN DIVIDEND

A maiden dividend at the rate of 5½ per cent. per annum has been recommended by the Directors of Atul Products Ltd. (Managing Agents: Messrs. Lalbhai Sons & Co., Ahmedabad) for the year ended 31st December 1955, which incidentally is the third full year of working after regular production was commenced by about the middle of 1952. This has been possible, because of the excellent results of working during the past year, the gross profit for the year being Rs. 20.61 lakhs, as against Rs. 12.44 lakhs for the previous year and Rs. 1.22 lakhs for 1953.

Out of the above profit, the Directors have set aside Rs. 12 lakhs to the depreciation fund, which had received in the previous year a sum of Rs. 13.59 lakhs, representing the entire gross profit for the year and that brought forward from 1953. No allocation has been made to the reserve fund. The dividend will absorb Rs. 8.36 lakhs—at Rs. 5-4 per share on the 100,000 fully paid-up shares as on 1st January 1955 and *pro rata* on the remaining 88,855 shares in proportion to the amounts called up from time to time.

The sale proceeds (net) of dyes, chemicals and pharmaceuticals aggregated Rs. 130.54 lakhs, as against Rs. 115.80 lakhs for 1954. At the same time, the cost of chemicals and stores rose from Rs. 83 lakhs to Rs. 88.12 lakhs and expenses from Rs. 22.20 lakhs to Rs. 24.99 lakhs.

(*Continued on next page*)

Points From The Chair

Copper Prices

"COPPER prices have again fluctuated to an unpredictable extent and the levels reached have far exceeded those attained in 1954, when all previous records were broken. The London Metal Exchange settlement price during the year has moved up and down between the limits of £290 and £405 per ton and in one day the movement was as much as £35 10s. Even the lower of these two prices is far above the figure which could be justified in relation to present copper mine production costs and the existing state of affairs not only adds enormously to the problems of financing and operating an industry which relies on copper as its main raw material but, from the national point of view, it contributes many millions of pounds to the present adverse trade balance. We are, of course, powerless in the matter, but it can only be hoped that world supply and demand conditions will change sufficiently to result in a lower and more stable price for this metal, or that in their own ultimate interests world copper producers will adopt a different sales policy. The Rhodesian Selection Trust have during the last year made a commendable effort to induce greater stability in copper prices by selling on a basis fixed by themselves independent of the London Metal Exchange, but there is no sign of their example being followed by the other main producers selling copper in this country. Whatever the immediate prospects are, it is obvious that a drastic reduction and greater stability in price is urgently needed, if the whole copper industry is not to be threatened with still further inroads by substitute materials."

P. V. HUNTER,
Thomas Bolton and Sons Ltd.

Research in Natural Rubber

"Natural rubber is no longer in excess supply in the sense of the 1934 agreement. In quantity it falls far below the requirements of rubber manufacturers, who must perforce resort to synthetics and other substitutes with which natural rubber must now compete in price and suitability. Despite this dramatic change in the rubber outlook, research and the varied activities which are carried on under that heading have continued to follow with a misguided emphasis the 1934 pattern. Ill-advised and vain attempts have been made by lavish expenditure on propaganda to check the flow of synthetic supplies. The rubber manufacturers, by their own enterprise and expertness, have vastly increased and extended the uses of rubber products. The strong and intensive competition which is such an outstanding feature of that side of the industry is a safe guarantee that development and extension will not cease. The producing industry's less expert excursions into this field of development, already so well served, have by contrast proved costly and barren of results. Such activities have for long involved a serious diversion of funds from what should be our primary purpose, namely, the pursuance of an extensive and sustained programme of research into the production of natural rubber. Directed with energy and imagination such researches should prove an invaluable aid to our industry in its competition with synthetics."

SIR JOHN HAY,
Labu Cheviot Rubber Ltd.

(*Concluded from previous page*)

Last year, the Government of India reduced, on the recommendation of the Tariff Commission, the import duties from 38.2 per cent. to 10 per cent. *ad valorem* on some of the specific intermediates used by the Company and raised the duties from 12 per cent. to 20 per cent. on imports of direct and acid dyes and sulphur black. These measures were expected to be of considerable help to the Company. However, due to a difference of interpretation by the customs authorities, the Company has not been able to secure as large an assistance from these measures as was expected. Consequently, the Company has made representations to the Government of India in this regard.

During the year under review, the Company has been able to establish a wide and dependable sales organisation. The dyes manufactured by the Company are said to have acquired a good reputation and command a wide market. The Directors are confident that this progress will continue in future. They have, accordingly, taken on hand plans to secure greater flexibility in the Azo plant and to increase the capacity of the sulphur black plant. These changes, when completed, will assure larger production.

In pursuance of the Company's arrangement with I.C.I. (India) Ltd. for the manufacture of Vat jade green, a separate company, known as Atic Industries Ltd., with an authorised capital of Rs. 5 crores and a subscribed capital of Rs. 50 lakhs, was registered in September 1955. According to the terms of the agreement, Atul Products Ltd. has subscribed to half of this capital. The plant for the manufacture of Vat jade green is in an advanced stage of construction and is expected to go into production in the near future. Atic Industries Ltd. has entered into a further agreement with I.C.I. Ltd. (England) for the manufacture of several other Vat dyes and their intermediates. Due to some unavoidable delays, the progress on the Company's Naphthol plant and the plant for Coramine and Viaform has not been as good as was expected. However, the Directors report that these plants are getting ready for trial runs. The plants for the manufacture of Cibagenes and Cibanogenes, by arrangement with Ciba, Basle, will also be ready soon for trial runs. The Company has so far availed of only Rs. 75 lakhs out of the loan for Rs. 3 crores arranged with the Government of India. Some expansion programmes have been submitted to the Government of India and further borrowings will be made against this loan arrangement for financing these expansion plans.

COMPANY MEETINGS AND DIVIDENDS

BELSUND SUGAR CO., LTD. Annual General Meeting, Calcutta, 30th April 1956. Dividend: As. 12 per share. Transfer books remain closed from 16th to 30th April 1956, both days inclusive.

CAMBODIA MILLS LTD. Annual General Meeting, Coimbatore, 30th April 1956. Dividend: As. 8 per share. Transfer books remain closed from 14th to 30th April 1956, both days inclusive.

BOWREAH COTTON MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 1st May 1956. Dividend: *Nil*. Transfer books remains closed from 21st April to 1st May 1956, both days inclusive.

DUNBAR MILLS LTD. Half-yearly General Meeting, Calcutta, 1st May 1956. Dividend: Rs. 2-8 per ordinary share. Transfer books remain closed from 21st April to 1st May 1956, both days inclusive.

INDORE MALWA UNITED MILLS, LTD. Annual General Meeting, Bombay, 4th May 1956. Dividend: Rs. 6 per share (final). Transfer books remain closed from 16th April to 5th May 1956, both days inclusive.

KIL KOTAGIRI TEA AND COFFEE ESTATES CO., LTD. Annual General Meeting, Kozhikode, 5th May 1956. Dividend: As. 6-2/5 per share. Transfer books remain closed from 23rd April to 5th May 1956, both days inclusive.

SAVAMALAI ESTATES LTD. Annual General Meeting, Kozhikode, Malabar, 5th May 1956. Dividend: Re. 1 per share. Transfer books remain closed from 28th April to 5th May 1956, both days inclusive.

WESTERN INDIA MATCH CO., LTD. Annual General Meeting, Bombay, 7th May 1956. Dividend: Rs. 11 per share (includes bonus of Re. 1 per share). Transfer books remain closed from 16th April to 9th May 1956, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Annual General Meeting, Bombay, 7th May 1956. Dividend: Rs. 12 per share.

SOORAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 9th May 1956. Dividend: Re. 1-8 per share. Transfer books will remain closed from 30th April to 9th May 1956, both days inclusive.

MAHINDRA AND MAHINDRA LTD. Annual General Meeting, Bombay, 14th May 1956. Dividend: Re. 1 per share. Transfer books will remain closed from 30th April to 14th May 1956, both days inclusive.

NEW CENTRAL JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 14th May 1956. Transfer books will remain closed from 5th to 14th May 1956, both days inclusive.

PREMCHAND JUTE MILLS LTD. Half-yearly General Meeting, Calcutta, 14th May 1956. Transfer books will remain closed from 7th to 14th May 1956, both days inclusive.

CALCUTTA STEAM NAVIGATION CO., LTD. Half-yearly General Meeting, Calcutta, 15th May 1956. Dividend: Rs. 6-4 per share. Transfer books will remain closed from 2nd to 15th May 1956, both days inclusive.

RADIO AND ELECTRICALS LTD. Annual General Meeting, Madras, 19th May 1956. Dividend: As. 5 2/5 per share (9 per cent). Transfer books will remain closed from 5th to 19th May 1956, both days inclusive.

TRAVANCORE OGALE GLASS MANUFACTURING CO., LTD. Annual General Meeting, Manjummel, Alwaye, 31st May 1956. Dividend: *Nil*. Transfer books will remain closed from 21st to 31st May 1956, both days inclusive.

KILLICK INDUSTRIES LTD. *Ad-interim* dividend of Rs. 4 per share, free of income-tax, for the year *ending* 30th June 1956 payable on and after 30th May 1956. Transfer books will remain closed from 14th to 28th May 1956, both days inclusive.

TRAVANCORE RUBBERS LTD. Dividend of Rs. 3 per share, for the year ended 31st December 1955. Transfer books will remain closed from 1st to 7th May 1956, both days inclusive.

COMPANY REGISTRATIONS

RADHAKISHAN NANDLALL PRIVATE LTD. (First Director: Mr. Radhakisan More.) Business: Exporters, importers, merchants and agents. etc. Authorised capital: Rs. 25,00,000. Private company. Address: Seksaria Chambers, Medows Street, Fort, Bombay.

NEW SONWAL TEA COMPANY (PRIVATE) LTD. (First Director: Mr. N. M. Dani.) Business: Cultivation of tea, coffee, rubber, sugarcane, etc. Authorised capital: Rs. 10,00,000. Private company. Address: Block No. 97, Fifth Floor, Stephen House, Calcutta.

WAGHELA INDUSTRIES PRIVATE LTD. (First Director: Mr. W. L. Waghetal.) Business: Ice manufacturers, *refrigerators, cold storage, etc.* Authorised capital: Rs. 10,00,000. Private company: Address: Nutonganj, Bankura, West Bengal.

SANYALA NEW ENGINEERING WORKS PRIVATE LTD. (First Director: Mr. D. K. Sanyal.) Business: Constructional engineering, mechanical, iron founders, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 309, Bowbazar Street, Calcutta.

NAVKALA NIKETAN PRIVATE LTD. (Mr. Rameshkumar Nanalal Vyas.) Business: Manufacturers, producers, distributors and exhibitors of cinematographic films and pictures. Authorised capital: Rs. 5,00,000. Private company. Address: 251, Famous Cine Laboratory and Studio Buildings, Haines Road, Bombay 11.

Notices

UNIVERSITY OF BOMBAY

SCHOOL OF ECONOMICS & SOCIOLOGY
DEPARTMENT OF ECONOMICS

APPLICATIONS ARE INVITED FOR THE post of a Senior Research Officer in Agricultural Economics in the grade of Rs. 500-25-800.

The Research Officer will be required to guide and conduct research in theoretical and fundamental problems of Rural Economy. He will be attached to the Agricultural Economics Section which works under the general supervision of the Head of the Department of Economics. He will carry out his duties under the guidance of the Professor of Agricultural Economics. Applicants must have specialised training in and knowledge of problems of Rural Sociology and experience in guiding and conducting field investigations.

The post carries the benefits of Provident Fund and dearness allowance according to scales prevailing from time to time. In the case of a person with high qualifications, a higher starting salary may be paid in the above grade. The post is tenable for four years only. The appointment will be on probation for a period of two years in the first instance.

Eight copies of the application in the prescribed form (to be had from the Registrar) should be submitted. Selected candidates will have to present themselves for interview at their own expense. Applications should reach the Registrar, University of Bombay, Bombay-1, by 15*th May* 1956.

T. V. CHIDAMBARAN,
University Registrar.

BOMBAY, 16*th April* 1956.

UNIVERSITY OF BOMBAY

DEPARTMENT OF ECONOMICS
SECTION IN BUSINESS MANAGEMENT

APPLICATIONS ARE INVITED FOR THE posts of (1) Professor in Business Management, and/or (2) Reader in Business Management. The Professor or Reader will be required to give instruction in one or more subjects included in the Postgraduate Diploma Course for Business Management.

The Professor or Reader will also be required to help in the organisation of this Section which, for the present, conducts part-time courses in the evening. Candidates must have high qualifications in one or more of the subjects covered in the Course. Those with teaching experience and/or practical experience in business will be preferred.

The grade of the post of Professor is Rs. 800-50-1,250 and that of the post of Reader is Rs. 500-25-800. The post carries the benefits of Provident Fund and dearness allowance according to scales prevailing from time to time. A higher starting salary may be paid to a person possessing high qualifications. The appointment will, in the first instance, be on probation for a period of two years.

Eight copies of the application in the prescribed form (which can be had from the Office of the Registrar) will have to be submitted. Selected candidates will have to present themselves for interview at their own cost. Applications should reach the Registrar, University of Bombay, Bombay-1, latest by 20th May 1956.

T. V. CHIDAMBARAN,
University Registrar.

BOMBAY, 16*th April* 1956.

JESSOP AND COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Directors have declared the payment, on 1st May 1956, of the Dividend on the 5 per cent. Cumulative Preference Shares of the Company, as existing immediately prior to 6th February 1956, for the half-year ended 30th April 1956, without any deduction in respect of Income-tax payable by the Company.

The Preference Share Transfer Register will be closed on 30th April 1956.

Dividends will be paid only to Members registered on that date, or their Mandatees.

By Order of the Board,
G. M. ROBBINS,
Secretary.

63 NETAJI SUBHAS ROAD,
CALCUTTA, 18*th April* 1956.

DUNBAR RESUMES DIVIDEND—BOWREAH IS STILL IN ARREARS

PROFIT OF KHARDAH JUTE SLIGHTLY LOWER

Dunbar Mills, Ltd.

THE directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

The accounts after providing Rs. 1,00,000 (*nil*) for depreciation, show a profit of Rs. 9,92,376 (Rs. 1,18,455) from which has to be deducted the debit balance brought forward from the last account, namely, Rs. 7,06,925 (debit of Rs. 10,45,860) leaving for disposal a balance of Rs. 2,85,451 debit of Rs. 9,27,405). This amount the directors recommend, should be dealt with as follows:—

To transfer to reserve account Rs. 1,00,000 (*nil*) to paying a dividend on the ordinary shares at Rs. 2-8 (*nil*) per share without any deduction for income-tax payable by the Company Rs. 47,500 (*nil*), and to carry forward Rs. 1,37,951 (debit of Rs. 9,27,405).

The excise duty at 6 pies per square yard on all categories of cloth except coarse *dhotis* and *saris* has been increased since 1st March 1956, according to budget proposals of 1956-57. It remains to be seen what portion of this will be possible to pass on to consumers.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,00,000	Block ...	34,12,181
Reserves ...	25,17,571	Stock-in-trade	63,76,831
Provision for taxation ...	54,354	Stores and spare parts	8,94,307
Liabilities ...	80,03,969	Other assets	1,098
Profit and loss account ...	2,85,451	Debts and advances ...	19,23,044
		Investments	55,602
		Cash ...	98,282
Rs.	1,27,61,345	Rs.	1,27,61,345

Bowreah Cotton Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Kettlewell Bullen & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

The accounts show, without providing for depreciation, a profit of Rs. 84,028 (loss of Rs. 2,96,055) from which has to be deducted from the debit balance brought forward from the last account, namely, Rs. 24,31,401 (debit of Rs. 18,86,726) leaving a total debit balance of Rs. 23,47,373 (debit of Rs. 21,82,781) which the directors recommend should be carried forward to the next account.

During the half-year the Mills remained closed for 17 days due to power trouble which resulted in payment of Rs. 45,161 being involuntary payment and 9 days due to labour strike. There is a shortage of skilled labour and necessary steps are being taken for improving the same.

The excise duty at 6 pies per square yard on all categories of cloth except coarse *dhotis* and *saris* has been increased since 1st March 1956, according to budget proposals of 1956-57. It remains to be seen what portion of this will be possible to pass on to consumers.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,00,000	Block ...	37,54,142
Reserves ...	22,72,415	Stock-in-trade	41,30,930
Provision for taxation ...	173	Stores and spare parts	13,22,335
Liabilities ...	88,71,475	Other assets	3,040
		Debts and advances ...	12,40,695
		Investments	52,603
		Cash ...	92,945
		Profit and loss account ...	23,47,373
Rs.	1,29,44,063	Rs.	1,29,44,063

Khardah Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Anderson Wright Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

The revenue account after deduction of all working charges, commissions and bad debts amounting to Rs. 1,126 (*nil*) shows a profit of Rs. 7,56,677 (Rs. 8,19,099) to which is added the amount of profit on sale of assets Rs. 5,014 (*nil*) and the amount carried forward from the last half-year Rs. 57,501 (Rs. 94,623) making a total of Rs. 8,19,192 (Rs. 9,13,722). After providing for taxation Rs. 2,70,000 (Rs. 2,80,000) and depreciation Rs. 1,50,000 (Rs. 2,00,000) there remains an available balance of Rs. 3,99,192 (Rs. 4,32,864 after writing off Rs. 858 being loss on sale of car). This amount the directors recommend, be dealt with as follows:

For payment of dividends for the half-year ended 30th September 1955, without any deduction in respect of income-tax paid by the Company: on preference shares at the rate of 6 (6) per cent. per annum Rs. 27,000 (Rs. 27,000), on ordinary shares at the rate of Rs. 5 (Rs. 5) per share Rs. 2,70,000 (Rs. 2,70,000) and to be carried forward Rs. 1,02,192 (Rs. 35,864 after transferring Rs. 1,00,000 to general reserve).

In compliance with the working time agreement of the Indian Jute Mills Association, the Mill worked 48 hours throughout the half-year with 12½ per cent. of the total looms remaining sealed. As from 9th January 1956, 2½ per cent. and from 20th February 1956, a further 5 per cent. of the total complement of the looms were unsealed. This decision was mainly influenced by the favourable stock position both as regards hessian and sacking and also partly in anticipation of an increased demand from both internal and overseas markets.

The period under review witnessed very difficult trading conditions. The position of raw jute supplies continued to be very acute and, as a result thereof Fibre prices rose to a very high level. Subsequently, prices eased somewhat with the advent of the new crop. However, the increase in the crop which was estimated did not materialise on account of floods which damaged nearly 10 per cent. of the total crop. Due to speculative activities, simultaneous business in raw jute and manufactured goods was difficult of achievement at a profit. In spite of these adverse factors against which the Company had to contend during most of the period, the working profits for the half-year can be regarded as satisfactory.

The directors report that they are negotiating with the National Industrial Development Corporation for a loan to modernise the entire Mill. The first consignment of equipment for modernising the sacking section of the Mill is expected to arrive by June 1956, and erection will start simultaneously.

The sum of Rs. 14,162 was paid to workers as gratuity on retirement during the period, the Employer's contribution to the Mill Employees Provident Fund amounted to Rs. 1,43,679 and the Employer's contribution to the Employees' State Insurance Fund amounted to Rs. 21,399.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	63,00,000	Block ...	54,61,089
Reserves ...	23,83,375	Stocks ...	38,28,807
Provision for taxation ...	1,93,595	Stores ...	19,03,663
Liabilities ...	41,23,445	Debts and advances ...	16,37,134
Profit and loss account ...	1,02,192	Investments	1,41,459
		Cash ...	98,282
Rs.	1,31,02,607	Rs.	1,31,02,607

Cambodia Mills, Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. Peirce, Leslie & Co., Ltd., Coimbatore) submit the audited accounts of the Company for the year ended 31st December 1955.

The result of the Company's working for the year after allowing Rs. 2,01,260 (Rs. 1,90,633) for depreciation is a profit of Rs. 1,96,274 (loss of Rs. 87,744). After deducting the loss brought forward of Rs. 55,087 (credit of Rs. 39,657) there is a balance of Rs. 1,41,187 (debit of Rs. 48,087). After paying dividend on cumulative preference shares Rs. 7,000 (Rs. 7,00,000), transferring to reconstruction and development reserve Rs. 6,594 (*nil*) there remains a balance of Rs. 1,27,593 (debit of Rs. 55,087). The directors recommend the payment of a dividend of 5 (*nil*) per cent. absorbing Rs. 1,00,000 (*nil*) leaving to be carried forward Rs. 27,593 (debit of Rs. 55,087).

It will be observed, that while the gross trading profit for the year under review shows a considerable improvement on the result of the previous year, the award of the Arbitration Board appointed by Government of half a month's bonus to labour for 1954 even though the Company sustained a loss, has necessitated charging of this amount to the accounts in addition to the usual provision for bonus to employees for the year of account. In these circumstances, the directors recommend payment of a dividend of 5 (*nil*) per cent.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Block ...	18,03,003
Reserves ...	20,00,000	Stock-in-trade	10,96,952
Provision for taxation ...	32,074	Stores, spare parts and loose tools	2,14,850
Liabilities ...	8,95,949	Motor vehicles	5,139
Profit and loss account ...	27,593	Debts, deposits and advances ...	8,06,593
		Investments	33,640
		Cash ...	10,95,439
Rs.	50,55,616	Rs.	50,55,616

Kettlewell Bullen & Co., Ltd.

The directors of the above Company (Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts show a profit of Rs. 5,34,937 after providing for taxation and depreciation. After taking into account the credit balance of Rs. 1,52,360 brought in from the previous year there remains at the credit of the profit and loss account an available balance of Rs. 6,87,297 which, the directors propose, should be dealt with as follows:—

Transfer to general reserve Rs. 2,00,000. Payment of dividend on 20,000 first preference shares for the year ended 31st December 1955 at Rs. 5-8 per share, subject to deduction for income-tax payable by the Company Rs. 1,10,000, dividend on 10,000 second preference shares for the year ended 31st December 1955 at Rs. 4 per share, without any deduction for income-tax payable by the Company Rs. 40,000, dividend on 40,000 ordinary shares at Rs. 4 per share, without any deduction for income-tax payable by the Company Rs. 1,60,000 and to carry forward Rs. 1,77,297.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Block ...	54,692
Reserves ...	24,02,748	Debts, deposits and advances ...	50,69,452
Provision for taxation	13,14,152	Investments	72,12,987
Liabilities ...	14,59,904	Cash ...	16,970
Profit and loss account ...	1,77,297		
Rs.	1,23,54,101	Rs.	1,23,54,101

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

GARLICK & CO. PRIVATE LIMITED

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THE DUNLOP RUBBER CO. (INDIA) LTD.

MR. CECIL STACK'S REVIEW

THE Thirtieth Annual General Meeting of the Dunlop Rubber Company (India) Ltd. was held in Calcutta on 25th April 1956. Addressing the shareholders, Mr. Cecil Stack, Managing Director, said:

"GENTLEMEN,

"The Directors' report and accounts for the year 1955 have been in your hands for some time and, with your permission, I will take them as read.

"From the point of view of volume of sales, the year under review may be considered very satisfactory. Progress was achieved in all products and the factory worked to full capacity throughout the year, thus maintaining the highest possible level of employment. In my speech last year, I advised you that our consumption of crude rubber in 1954 was the highest recorded, being 18 per cent. above 1953. Another record was created in 1955, rubber usings being nearly 10 per cent. higher than in the previous year. Nevertheless, we had difficulty in meeting the demand for our products which is indicative of the continued expansion of India's economy and the growing importance of our own particular industry. As I suggested on this occasion last year, the level of output and employment will require to be expanded considerably, if the demand for rubber products under India's second Five-year Plan is to be met, and we, as a company, hope to play our full part.

"Distribution of the Company's products was again adversely affected by unsatisfactory transport conditions and shortage of railway wagons. The indications are that this problem will become more acute in years to come and, in my opinion, it calls for the most serious attention by the Government of India.

"Total sales in value were 10 per cent. higher than in 1954, but, as the result of selling price reductions, the net profit, at Rs. 96,72,154, was approximately the same as for the previous year and the ratio to turnover declined from 7 per cent. to 6.4 per cent. before taxation. The price reductions on this occasion arose out of Government's implementation of the Tariff Commission's recommendations regarding tyre prices. I do not propose to comment on the Commission's report, other than to say we do not necessarily agree with some of the findings, but this has not in any way affected our relations with the Government which I am pleased to say remain satisfactory.

Products

"In the rubber industry in recent years the most intensified research has been undertaken in relation to new varieties of raw materials and new methods of manufacture. Development work continues on a vast scale and no manufacturer can afford to stand still. In this respect, we are fortunate in having available the benefits of Dunlop research activities not only in Great Britain but in many other countries, notably United States of America, Germany, France and Malaya. Our technical staff are in constant liaison with the world-wide Dunlop Group research organisation, which ensures that the most modern production methods, equipment and materials are available to us.

"The Dunlop Trakmaster Giant tyre, which is specially designed for rough roads and cross-country routes, has proved most popular and it is hoped that this year supplies will be sufficient to meet all demands. Another important development has been the introduction this year of the new Dunlop Roadster Giant tyre which I have no doubt will be equally successful. This tyre has been thoroughly tested in many countries of the world on some of their worst roads and results everywhere have been outstanding. The tubeless car tyre, which your Company were first to introduce in 1954, has given excellent results and is now being fitted as original equipment by most car manufacturers.

New Records in Cycle Tyres

"Further progress was made in our sales of tractor, off-the-road and aero tyres and new records were again created in our production and sales of cycle tyres and rims. The use of the bicycle has grown so rapidly that we have not so far been able to keep our cycle tyre capacity abreast of the demand, although it is hoped to remedy this before long. Stock shortages, unfortunately, existed throughout the year and to ease the situation, Government have now adopted our suggestion of permitting tyres to be imported.

"Substantial increases were also achieved in sales of other products, for which increased manufacturing capacity is also required if the needs of our customers are to be met. Great strides were made in Dunlopillo Latex Foam Cushioning, which is now firmly established as the most economical and hygienic material for cinemas, hospitals, hotels and transport services. It is also being used increasingly for domestic purposes and by car manufacturers.

"Our rubber-ply transmission belting sold well throughout the year and we have had difficulty in maintaining dealers' stocks at an adequate level. Many important contracts for conveyor belts, which are supplied only against firm orders, have been fulfilled from our Sahaganj factory. It is gratifying to know that our industrial vee belts and fan belts are proving so popular as borne out by an increase in sales of over 60 per cent. compared with the previous year. The excellent quality of our braided hoses has justified our decision to increase our range of sizes, so that we can meet consumer needs more fully.

"During 1955, we further expanded our activities to cover the highly specialised field of anti-corrosive and abrasive linings. This service is available to a wide range of industries and we undertake the application of linings to vessels and pipes not only at our factory but at customers' premises as well.

Raw Materials

"The raw material supply position was satisfactory throughout the year, except in the case of crude rubber. Against the total consumption of rubber by manufacturers in 1955 of 27,543 tons, India produced only 22,481 tons, which means that there was a deficit of over 5,000 tons. In such circumstances, it is the larger manufacturers who are forced to import a portion of their requirements, especially when the world market price is higher than the controlled Indian price. We, in fact, imported 2,368 tons of rubber in 1955, but we experienced considerable difficulty in obtaining import licences from Government and our stocks at times fell dangerously low.

"The controlled price for local rubber was increased from Rs. 138 to Rs. 150 per 100 lbs. in February 1955 and again to Rs. 155-12 in September. The prices paid by us for imported rubber ranged from Rs. 144 to Rs. 207. There were no significant price changes in other raw materials.

Profit and Loss Account

"The net profit for the year was Rs. 96,72,154 and, after deducting the provisions for taxation and retirement gratuities, the balance of profit available for disposal is Rs. 61,28,686, as compared with Rs. 69,45,891 for 1954. The Directors propose the same rate of ordinary dividend as for 1954, that is, 15 per cent., which will absorb Rs. 24 lakhs. The Directors also recommend the transfer of Rs. 22 lakhs to general reserve, as against Rs. 30 lakhs last year. This will increase the general reserve to Rs. 1 crore 90 lakhs as shown in the balance-sheet. The total amount transferred to reserves during the last 11 years was Rs. 2 crores 67½ lakhs, representing earnings retained and fully employed in the business.

Balance-sheet

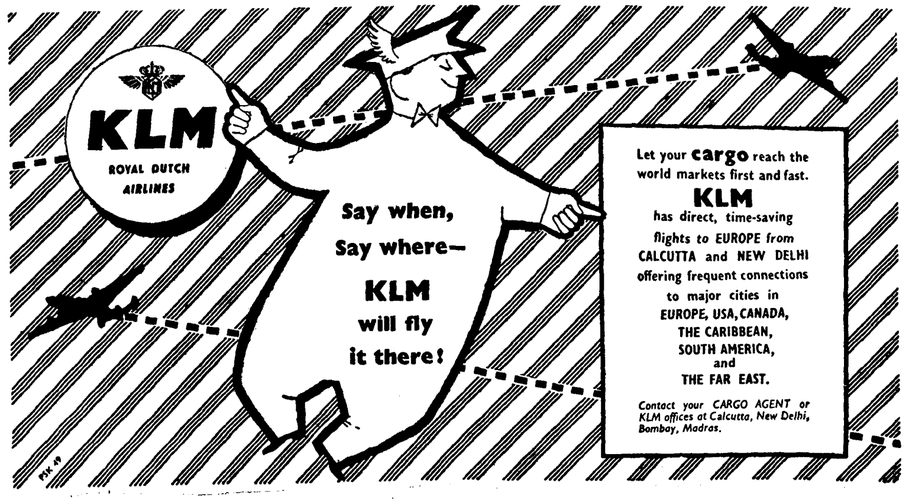
"The additions to fixed assets during the year amounted to Rs. 33,70,000, consisting mostly of plant for expansion and modernisation. The amount of depreciation written off in 1955 was Rs. 27,51,000, as against Rs. 30,20,000 in 1954. Schedule VI of the Indian Companies Act, 1956, lays down that any future amount written off for depreciation in excess of the amount reasonably necessary shall be treated as a reserve and not as a provision. In view of this, the Directors have considered it desirable to transfer to special depreciation reserve an amount of Rs. 113,86,000 representing depreciation on buildings and plant provided in the post-war years at higher than normal rates.

"Stock inventories at Rs. 391,63,000 are Rs. 4,18,000 lower than at the close of the previous year, in spite of expansion in the volume of production and sales. This was due mainly to abnormally low stocks of raw rubber and some categories of finished goods. Bank and current balances are also lower by Rs. 6,90,000, but sundry debtors are up by Rs. 16,74,000, as a result of the higher sales turnover, giving an increase of Rs. 7,16,000 in total current assets. Net working capital is, however, approximately Rs. 6 lakhs lower than at the end of 1954 and the closing bank overdraft is reduced by Rs. 17,49,000.

Employee Relations

"During the past year, no effort has been spared in maintaining our high reputation for working conditions and general labour relations, which, I am happy to say, remain consistently good. Further extensions and improvements have been made to our housing and social amenities for the benefit of our factory staff and operatives. The construction of new quarters for

(*Continued in next page*)



QUESTION HOUR IN PARLIAMENT

Ambar Charkha

THE Government will subsidise the Ambar Charkha for the purpose of large-scale experimentation. The question of drawing up a long-range programme, such as for the second Five-year Plan, must depend on and can be considered only after the exact economics of it are fully known. A pilot project for the production of Ambar Charkhas is now being worked out. As an immediate step, a decision has been taken to manufacture about 10,000 Ambar Charkhas. What the Government wants is the most effective instrument, or machine, for cottage industry for the purpose of producing yarn. Since the Ambar Charkha came on the scene, it has been greatly improved. During the past six months or so, the Ambar Charkha has undergone considerable improvements and it is in the process of improvement still. We will no doubt accept the final improvement and, if, after that, another improvement comes, we will accept that too. The Government are in favour of the highest technique being employed for cottage employment.

—*Jawaharlal Nehru*

U.S. Aid

The Government has no official information yet whether India will be getting $72 million as aid from the U.S. during the fiscal year 1956-57.

—*C. D. Deshmukh*

Textile Industry

Some types of furnaces such as tilting furnaces, cupolas and other "structural" type furnaces required for heating, heat-treatment or smelting and also some simpler types of laboratory furnaces are currently manufactured in the country. The manufacture of other types of furnaces, including industrial furnaces, has not yet developed in the country.

* * * *

Facilities for Co-operative Societies

Additional facilities given to co-operative societies in matters of imports and exports are: they are exempt from the income-tax verification requirements; they can apply for actual user licences for the import requirements of raw materials, etc., of their individual members; consumers' co-operative societies can import certain items of consumer goods for the use of their individual members which are otherwise licensed to established importers; co-operative societies are also allotted separate export quotas in respect of certain commodities such as H.P.S. groundnuts, onions and chillies.

* * * *

Industrial Estate

The Government of India has advanced a loan and a grant to the Government of Mysore for the setting up of an industrial estate in that State. The amount of the loan is Rs. 7 lakhs and that of the grant Rs. 10,000.

* * * *

Splint and Veneers Factory

There is a proposal to start a splint and veneers factory in Hyderabad State during 1956-57.

—*T. T. Krishnamachari*

D.V.C. Irrigation Water Rate

The Damodar Valley Corporation will supply the water to the Bengal Government which, in turn, will deliver it to the cultivators. While the rate to be charged by the D.V.C. from the Government of West Bengal has not yet been fixed, the State Government, with the concurrence of the D.V.C., fixed the rates (per acre) for 1955 at Rs. 10 for *rabi* and for *kharif* 1955 at Rs. 7-12 per acre. The D.V.C. rate compares favourably with the Bhakra Nangal rate. No rate has so far been fixed for Hirakud.

* * * *

Flow of Water in Indian Rivers

The total annual flow of waters of Indian rivers has been estimated at 1,356 million acre feet. About 28.6 million acre feet of water have been brought into use through various multi-purpose projects during the first Five-year Plan period. From the viewpoint of irrigation, the Brahmaputra and some major tributaries of the Ganga, like the Kamla, the Baghmati and the Burhi Gandak in North Bihar, have not so far been exploited. No irrigation projects on the Sabarmati and the Narmada were taken up during the first Plan period. A number of projects on the Narmada are, however, being included in the second Plan. So far as power development is concerned, the rivers which have remained untapped at the end of the Plan are Tambraparni, Periyar, Chalakudi, Cauvery, Sharvati, Krishna, Godavari, Mahanadi, Ganga, and Sutlej. The overall proposal for the second Plan is to utilise about 74 million acre feet of water for the major, medium and minor irrigation projects and the power projects.

* * * *

Construction Plant and Machinery Committee

The Committee on Construction Plant and Machinery has pointed out that import of spare parts is not satisfactory. The Committee's recommendation relates to the import of ball-bearings. There is, at present, no complete ban on any size or type of ball-bearings. The general policy is to restrict the import of the types and sizes actually manufactured in the country or that could be easily substituted by such indigenously manufactured types and sizes. No further relaxation is considered necessary. A Standing Committee, consisting of a senior officer of the Central Water and Power Commission and of the Director-General of Supplies and Disposals, has also been set up to review periodically the supply position of machinery and spare parts on the projects and to remove bottlenecks, if any, by taking suitable action. The position of spare parts on the projects is now reported to be generally satisfactory.

—*Gulzarilal Nanda*

Pay of Bank Employees

In settling the dispute with the bank employees who have suffered a cut in their pay in pursuance of the Gajendragadkar Award, the banks have accepted the general line that there should be no further cuts in pay in April 1956 and afterwards. During my visit to Bombay, I had occasion to discuss with representatives of the employers what concessions they could give, in the present circumstances, to such of the bank employees as had suffered a cut in their salary in pursuance of the Bank Award. While it is left to the individual banks to settle the matter, the general line which the employers accept is that there should be no further cuts in pay in April and subsequently.

—*Khandubhai Desai*

Employees' State Insurance

The benefits of the Employees' State Insurance Act will be brought into force in Assam as soon as necessary arrangements for the medical treatment of workers are completed by the State Government. The areas likely to be covered are Dubri, Dibrugarh, Tinsukhia, Gauhati and Jorhat. The Scheme will be extended soon to cover an additional 85,000 employees in Rajasthan, Madhya Pradesh, Travancore-Cochin and Saurashtra. At present, 1,015,000 workers in various parts of the country are covered by the scheme.

—*Abid Ali*

State Transport Corporations

The Governments of Bihar, Saurashtra and P.E.P.S.U. have so far agreed to the Planning Commission's recommendations to set up a road transport corporation to manage the nationalised road transport in their States. The States which have been advised by the Planning Commission to set up road transport corporations under the Road Transport Corporation Act of 1950 are Assam, Bihar, Madhya Pradesh, Orissa, Punjab, Uttar Pradesh, Hyderabad, Mysore, Saurashtra, P.E.P.S.U., Travancore-Cochin and Himachal Pradesh.

—*S. N. Mishra*

Tilaiya Waters

The waters of the Tilaiya reservoir in Bihar have not so far been used for irrigation, because the terrain there is such that irrigation will be costly. Originally, the Tilaiya dam was mainly intended for flood control. Then its waters were used for generation of power. A scheme for utilising the water for irrigation also at a lesser cost is now being considered by the Bihar Government.

—*Jaisukhlal Hathi*

Diesel Cars

No additional diesel rail-car services are contemplated in 1956 on the Southern Railway. About 20 diesel rail-car services on three metre-gauge sections and 18 services on three broad-gauge sections are at present running on the Southern Railway.

* * * *

Building Electric Coaches

A Japanese firm has offered to manufacture multiple unit electric coaches in partnership with an Indian firm at Calcutta and the offer has been accepted. The coaches will, however, not be ready for some time and multiple unit coaches will be imported from Japan for use on the Calcutta railways when they are electrified. The question of manufacturing diesel engines in the Chittaranjan Workshop is under consideration of the Government.

* * * *

River Control Schemes

Development of transport facilities at selected stations on the Brahmaputra River has been accepted for inclusion in the second Plan. Other schemes accepted for inclusion in the second Plan are river control and conservancy measures including dredging, snag clearance, and provision of aids for navigation and river surveys. These schemes are recommended for inclusion in the second Plan by the Ganga-Brahmaputra Water Transport Board.

* * * *

Bengal Provincial Railway

The Central Government does not propose to take over the Bengal Provincial Railway of West Bengal which is understood to have closed down for traffic on 20th March last. Alternative transport arrangements will be considered by the State Government.

—*O. V. Alagesan*

THE DUNLOP RUBBER CO. (INDIA) LTD.

(*Concluded from previous page*)

30 of our watch and ward personnel was completed and these are now fully occupied. Work on the additional married operatives' quarters which I mentioned last year was unavoidably delayed, but we shall shortly commence the building of 65 further houses. During the year, electric lighting was installed in 800 single quarters. The addition of a tennis and social club, consisting of a club-house and three floodlit tennis courts, has proved extremely popular and successful. A retirement gratuity scheme, which is additional to the provident funds which have been in force for many years, was introduced at the beginning of 1955 and will benefit all long-service staff and operatives.

"Once again all our employees, at head office, factory and in the field, have shown initiative and devotion to duty and played their part in the achievement of the year's results. I know you will wish to join with the Directors in sending them a message of thanks and appreciation of their continued efforts."

COTTON

(*Concluded from page* 811)

fresh trading during the delivery period, except for purposes of squaring up all existing contracts, should be prohibited.

Finally, the Commission has suggested some improvement in the present threefold system of classification (buyers, sellers and brokers), in order to improve the representative character of the Association. It has suggested a fourfold classification: mills, dealers, exporters and importers, and brokers. Further, the twelve seats now allocated to the three panels may be reallocated among the suggested four panels, so as to give two seats each to mills and exporters and importers, and four seats each to brokers and dealers.

These letters have served as the immediate cause of Mr. Purshotamdas Thakurdas's resignation. In a Press note, which carries the Commission's reaction to his statement, the Commission has stated that the resignation has not come as a surprise. It was, however, believed that he would continue for a few more months, until his normal period of office expired. While expressing regret at the resignation, the press note says that he had "neither been able to attend meetings of the Board of the E.I.C.A. of late, nor has he been easily accessible for discussion. During the last three months, there had been no contact of any kind between him and the Commission." The press note said: "It was obvious that this state of affairs could not be in the best interests of the cotton trade."

The Commission said that it shared the view that the detailed day-to-day working of the East India Cotton Association should ordinarily be with the trade, but it had to be in conformity with certain general principles which the "supervising authority has to lay down in the interests of the trade and in the public interest." It added:

"The Association could not have been unaware of the implications of the Forward Contracts (Regulation) Act when it sought recognition under it and recognition has been granted to it on the express condition that it shall comply with such directions as may from time to time be given by the Commission. The Commission has, however, always believed that the regulation of forward markets was a business in which the recognised associations and the Commission had to work hand in hand. The initiative rested with either and the final decision had to be taken after full discussion of the issues involved. The Commission has dealt with all requests from the Association with speed and consideration and has always preferred to put forward proposals for the consideration of the Association rather than to issue them as directions. The Commission has, likewise, shown the greatest courtesy to Mr. Purshotamdas personally. It is sad to record, however, that any proposal from the Commission has been looked upon with resentment and the Commission has had difficulty, on occasions, even in arranging for representatives of the Association to meet it for discussion.

"It is curious that trading interests should claim to be the sole custodian of the interests of the growers. It is because the Commission has the growers in mind and believed that forward markets would eventually be in their interests that it has recommended the opening of a number of markets in the mofussil areas so as to be within their easy access. The question of prices, however, is not one which could be determined merely by forces of supply and demand or in the interest of one section of the community. It has to be decided in the context of various factors such as the national income of the country and the requirements of planned development. The closure of the cotton market in December 1955 was necessary in order to prevent a squeeze on the February 1956 contract. The interests of the growers, however, were not prejudiced as they were able to sell their stocks in the ready market."

In conclusion, the Commission has emphasised that it has certain statutory responsibilities and must keep forward markets under observation. It stresses that the nature of its duties is comprehensive and that it will discharge them "without fear or favour." It declares that, while it is anxious not to hurt the susceptibilities of the trade or cause it any inconvenience, it cannot allow itself to be "overawed into abdicating" its functions.

GILT-EDGED FIRM

(*From Our Own Correspondent*)

BOMBAY, *25th April*

Conditions in the short-term money market during the week under review remained far from comfortable. There were no signs of any return of funds in appreciable quantities, although the general impression was that the peak of the seasonal demand had passed. Banks still appeared to be keen borrowers, but the volume of business was restricted owing to paucity of lenders. The interest rates were firmly held at their previous week's levels.

Inter-bank call money continued to be bid at 3¼ per cent., though one or two banks were unwilling to pay more than 3 per cent. House money at call was placed at 3¼ per cent. Short-term deposits too were taken at the same rate.

The sale of Government of India Treasury Bills continued to remain suspended for yet another week.

For the first time after seven weeks, notes in circulation declined during the week ended 20th April 1956, the exact amount of recession being Rs. 6.32 crores. Disclosing this, the Reserve Bank of India statement for the past week shows a rise of Rs. 6.62 crores in notes held in the Banking Department. The resulting small rise in total notes is covered by a corresponding increase in rupee coin. There has been a rise of Rs. 2.58 crores in deposits of the Central Government, while the declining trend in deposits of other Governments has been maintained with a further fall of Rs. 6.83 crores. Deposits of banks have gone up by Rs. 2.37 crores. On the assets side, cash balances are up by Rs. 6.62 crores, while balances held abroad have dwindled by Rs. 6.02 crores. Loans and advances other than to Governments have risen by Rs. 1.40 crores mainly due to the increase of Rs. 3.88 crores in borrowings by Scheduled banks against usance bills. There have been fresh borrowings to the tune of Rs. 8.89 crores during the week. Investments show a decline of Rs. 1.92 crores.

A fall of Rs. 1.48 crores in demand deposits is disclosed by the Scheduled banks' statement for the week ended 13th April 1956. Time deposits, on the other hand, show an increase of Rs. 4.99 crores and inter-bank borrowings Rs. 1.15 crores. Borrowings from the Reserve Bank stand reduced by Rs. 1.46 crores and those from the State Bank of India by Rs. 3.68 crores. Advances have declined further, but by only Rs. 93 lakhs. Inland bills purchased and discounted have also fallen by Rs. 2.39 crores, while foreign bills are up by Rs. 1.33 crores. Investments too have declined by Rs. 3.19 crores. There has been a shrinkage of Rs. 6.32 crores in cash and balances with the Reserve Bank, while money at call and short notice have risen by Rs. 2.78 crores.

The Gilt-edged market ruled firm during the week under review. The persistent demand for selected counters, enquiries from Custodians of insurance companies for 4 per cent. State loans and scarcity of floating stocks were the main contributory factors for the cheerfulness. The volume of business, was, however, restricted, due to paucity of stocks.

3 per cent. 1957 gathered an anna to Rs. 99-13, at which price there were buyers. 3 per cent. 1958 was in demand an anna higher at Rs. 99-11. 3 per cent. 1959-61 also attracted enquiries an anna higher at Rs. 98-2. 3 per cent. 1963-65 gained an anna to Rs. 94-14 and 3 per cent. 1964 As. 2 to Rs. 94-13. 3 per cent. 1966-68 was marked up by an anna to Rs. 92-12 and 3 per cent. 1970-75 to Rs. 89-12. 3 per cent. 1986 Conversion Loan put on As. 2 to Rs. 76-15. 3½ per cent. 1961 had transactions an anna better at Rs. 99-8. 3½ per cent. 1964 was placed at Rs. 98-11 *ex-voucher*, as against Rs. 98-12 *cum-voucher* last week. 3½ per cent. 1965 changed hands at Rs. 98-9. Among State loans, 4 per cent. 1967 Bombay gained As. 2 to Rs. 100-9 and Madras As. 3 to Rs. 99-9. 4 per cent. U.P. 1967 gained an anna to Rs. 99-8 and Saurashtra to Rs. 99-9.

In the foreign exchange section, the rupee displayed signs of gaining strength in terms of the U.S. dollar early in the week, but soon lost its position, in sympathy with a similar movement in sterling. Banks' selling rate for ready dollars, after an early decline from Rs. 476¾ to Rs. 476½, gained to Rs. 476¼ per $100. Similarly, their buying rate fell from Rs. 472¾ to Rs. 472½, before recouping to Rs. 472¾. Sterling was a bit erratic, but the underlying tendency was firm. After advancing from $2.80.13/16-2.80.15/16 to $2.81-2.81⅛ the spot sterling closed at $2.80¾-2.81. Three months' forward was marked up from $2.79.1/16-2.79.3/16 to $2.79¼-2.79⅜. Transferable sterling was unchanged on balance at $2.78.9/20-2.78.11/20.

LINSEED REACTS

(*Messrs. A. Bradley & Co.*)

CALCUTTA, *23rd April*

The reaction to last week's buoyant trend has set in, and a generally easier feeling has prevailed throughout, whilst prices have shown a steady though unspectacular decline. The negative reaction from the Centre to shippers' proposals for exemption of export duty on previous sales of linseed oil has added to the generally quieter trend of the market. With arrivals of seeds maintaining a fairly high weekly average, prices have eased, and ready and forward are quoted at the same level. Crushers have been active with a healthy parity existing in the price of seeds and oil. The oil market has witnessed little fresh trading; with overseas values down to £146, leaving little or no trading margin, shippers have been in no mood to enter into any fresh commitments.

The latest quotations are as follows: Ready Rs. 21-10 and April-May Rs. 21-10 per maund.

BULLION BUOYANT

(*From Our Own Correspondent*)

BOMBAY, *25th April*

The bullion market exhibited buoyancy during the week under review, trading in which was interrupted by two holidays. Both silver and gold were substantially marked up in value over the week.

Early in the week, the market ruled easy on account of the weakness of silver which was subjected to aggressive selling pressure, attributed to reports of further business having been done in Tibetan coins. The bull unloading was aggravated by bear selling. Gold also was quiet, due to lack of buying enthusiasm. Despite the encouraging reports of good offtake in the ready section, prices tended to drift lower.

This trend, however, proved short-lived, as bulls came forward to replenish their earlier sales, on reports of good demand for both silver and gold —the offtake in the former being of the order of 30 bars per day and in the latter 7,000 tolas per day. Rumours that a leading bull operator would absorb delivery and that imports of Tibetan coins would be banned gave impetus to the bullish enthusiasm.

Silver for forward delivery (26th April settlement) was marked down early in the week from Rs. 180-4 to Rs. 178-13, but replacement buying and bear covering lifted the price to Rs. 182. The closing today was a shade lower at Rs. 181-11. The May (26th May) settlement came up from Rs. 180-11 to Rs. 182-8, after an early setback to Rs. 179-3. The closing was a bit down at Rs. 181-11. The carry forward charges from April to May settlement, which were As. 7 against buyers last week, changed to As. 8 today in their favour.

Ready silver (.996 Mint) advanced from Rs. 180-5 to Rs. 182-12, but wound-up at Rs. 181-12. The floating stocks of silver are reported to be 1,100 bars. The daily average offtake was 30 bars.

Forward gold (25th April settlement) moved up from Rs. 105-10 to Rs. 106-12, and closed at Rs. 106-5. The next settlement (25th May) staged a rise from Rs. 105-10 to Rs. 106-8 before finishing at Rs. 106-1. The carry forward charges which were *nil* last week came to be quoted today at As. 4 against sellers.

Ready gold finished the week with a gain of Re. 1-1 at Rs. 106-11. The floating stocks of gold are placed at 35,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was 6,500 tolas on an average.

In London, silver and gold were further marked down. Spot silver fell from 78⅛*d.* to 78⅛*d.* and forward from 78⅛*d.* to 78⅜*d.* Gold drifted from 249*s.* 1*d.* to 248*s.* 12½*d.* befose gaining to 249*s.* ½*d.* In New York, silver declined from 91c. to 90¾c.

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

	25-4-56	Highest	Lowest	18-4-56
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	106 11	107 0	105 2	105 10
Forward*	106 5	106 4	105 1	105 10
Sovereign	66 6	66 8	66 4	66 4
SILVER				
Ready (.996 fine Mint) ..	181 12	182 12	178 13	180 5
Forward†	181 11	182 0	178 13	180 4
London Silver Ready ..	78¼*d.*	78¼*d.*	78⅛*d.*	78¼*d.*
London Forward	78⅛*d.*	78⅛*d.*	78*d.*	78⅛*d.*
London Gold	249*s.* 1*d.*	249*s.* 1*d*	248*s.* 11½*d*	249*s.* 1*d.*
New York Ready	90½c.	91c.	90½c.	91c.

* 25th April settlement.
† 26th April settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

DEMAND FOR TEA FAIRLY GOOD

(*From Our Own Correspondent*)

CALCUTTA, *24th April*

Mixed conditions were in evidence during the export tea sale held yesterday when offerings aggregated 50,800 chests. Demand was fairly good. The strongest features of the sale were better fannings and the bright liquoring autumnals, prices of which rose by several annas. Prices for medium brokens were fully firm. Darjeelings were unwanted, as were whole leaf grades. Little support was given to the poorest stalky teas, prices of which gave way by ½ to 1 anna. All clean plain teas failed to catch buyers' attention and, as a result, prices declined by half an anna. The quotations were: best C.T.C. Assam B.P., not quotable, medium Assam B.P. Re. 1-9 to Re. 1-9-6, plain B.P. Re. 1-7, and clean black pekoe, not quotable.

Dusts offered during last week's sale for domestic consumption amounted to 19,500 chests. Demand was moderately good, but prices realised were lower. Prices for most varieties declined by As. 1½ to As. 2. However, the bright liquoring autumnals from all districts were a firm feature. The quotations were: best Assam C.T.C. Rs. 2-10 to Rs. 2-12, medium Assam grainy dust Re. 1-10, and medium Dooars Re, 1-8 to Re. 1-9.

Leaf grades offered aggregated 6,000 chests. There was fair demand, but prices were lower by about As. 2. C.T.C. fannings were well supported and occasionally realised higher prices.

DEADLOCK IN COTTON DEEPENS

(*From Our Own Correspondent*)

BOMBAY, *25th April*

The deadlock in the cotton futures market, which immediately followed the official closing out of hedge contracts in I.C.C. February and May with effect from 25th January last, has since taken a more serious form. Both Mr. Purshotamdas Thakurdas and Mr. Chimanlal B. Parikh have resigned their offices as Chairman and Vice-Chairman, respectively, of the East India Cotton Association (E.I.C.A.) on grounds of undue official interference with the functioning of the market. With the exit of these cotton trade stalwarts, the negotiations between the E.I.C.A. and the Forward Markets Commission (F.M.C.) with regard to the resumption of futures trading in cotton have come to a standstill.

The resignation of the E.I.C.A. Chairman and Vice-Chairman is an immediate sequel to the bunch of eleven letters—dated the 10th inst.—from the F.M.C. to the E.I.C.A., carrying certain directives to the Association, as well as some concrete proposals to be discussed by the representatives of the Association with the Commission. As these have been dealt with in detail in our last report and also elsewhere in this issue—*vide* page 811—it is unnecessary to refer to them here. Suffice it to say that the proposals put forward by the F.M.C. relate to more extensive use of the clearing house, introduction of a graded system of margins on outstanding business, introduction of a system of emergency clearing, prohibition of option business, assumption of greater degree of control on the day-to-day working of the market by the Commission, etc. If carried out, these proposals would, it is feared, rest with the F.M.C. "increasing powers of regimentation," which would "jeopardise, to the detriment of the cotton trade, all the procedures and rules of working that the association has devised over the last 35 years."

The protest and the dissatisfaction expressed by the cotton trade against the move of the F.M.C. to exercise greater control over the structure of forward trading in cotton have not, however, convinced the Commission. On the other hand, the Commission has categorically declared that the detailed day-to-day working of the E.I.C.A. must be in conformity with "certain general principles which the supervising authority has to lay down in the interest of the trade and in the public interest." It has also made it clear that "the nature of its duties is comprehensive and it will discharge them without fear or favour."

The aforesaid developments would appear to have had their effect on the spot cotton market, which at present rules dull. Some traders apprehended possibility of an emergency. To quote one report: "Actually, a near-emergency has arisen in Sewri." It is suggested that the market may remain practically closed, "pending the return of normalcy in the E.I.C.A. ranks." Meanwhile, the Board of the E.I.C.A. is understood to have decided to consider the resignation of the Chairman and Vice-Chairman at its meeting on the 27th inst. The decisions which the Board will take at this meeting will be watched with considerable interest.

The following table gives the latest available quotations from the Sewri market, as compared with those a week and a fortnight before:

(In rupees per candy of 784 lbs.)

	25-4-56	18-4-56	11-4-56
Bengal *Deshi*	685	705	700
Berar Jarillas	790	780	770
Khandesh	790	785	775
Vijay	955	950	950
Oomra *Deshi*	690	700	700
Moglai	690	685	685

Irregular conditions prevailed in the Karachi cotton market during the week under review. Thus, forward deliveries, as also ready lots of Punjab *Deshi* and Sind *Deshi*, ruled fully steady on speculative support; the spot section continued to present an easy trend, thanks to slackness in demand from local mills and renewed fears of severe competition in world cotton markets. Over the week, N.T. R.G. May and July contracts rose by As. 6 each to Rs. 81-8 and Rs. 78-4 per 82 lbs., respectively. Induced by selling, the prices of spot cotton tended to look down, with the exception of *Deshi* varieties which staged an impressive rise. The following are the latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton, figures in brackets giving last week-end rates:

Sind *Deshi* 88-8 (80-8); Punjab *Deshi* 84-8 (76-8); 4F Roller 79 (79-15); S.G. 84 (84-15); Punjab Roller 84-5 (85-15); S.G. 90-8 (90-15); 289F N.T. Roller 86-8 (86-15); S.G. 93 (93-7); 289F Punjab R.G. 99-8 (100).

The Alexandria cotton futures market exhibited a buoyant tone this week too. The persistent buoyancy was inspired by tight supply position, following a sharp setback to the current season's crop. The total production of all varieties of Egyptian cotton (less Scarto) is estimated at 7,252,000 kantars, as against 8,340,000 kantars previously expected and 7,567,000 kantars of last season's crop, according to the third and final estimate of the crop released recently by the Ministry of Agriculture. The strength of the statistical position thus let loose a wave of buying orders which lifted up the prices of cotton to further heights. The extent of the rise in prices during the week, as compared with the preceding two weeks, is indicated below:

(In tallaris per lb.)

	24-4-56	17-4-56	10-4-56
Karnak:			
May	97.40	95.50	91.44
July	95.25	92.10	89.05
November	88.90	87.15	86.55
Ashmouni:			
April	78.65	75.40	73.00
June	78.73	73.85	72.65
October	70.22	68.10	67.65

The Sudan Gezira Board has decided to give a rebate to buyers of more than 20,000 bales of long-staple cotton from the Gezira, AL/WL and Gash crop during the current calendar year. The rebate will be ½ per cent. of the value of the purchases over 20,000 bales made by any firm. For the purpose of assessing the rebate, the average price per bale will be taken into account.

The undertone of the Liverpool cotton futures market was generally quiet. Turnover was greatly restricted and values moved narrowly. Egyptian contracts were particularly dull. Sudan contracts, however, proved an exception and registered a rise in prices, thanks to support from commission houses and trade buying. The latest available quotations—in pence per lb.—from the Liverpool cotton futures market are:

Old contract: May-June 25.25 and July-August 24.50. *New contract*: May-June 29.30, July-August 26.50, October-November 25.30, December-January 25.15 and March-April 25.00. *Egyptian Karnak cotton*: May-June 51.25, July-August 51.15 and November-December 51.15. *Sudan cotton contract*: July-August 47.65, September-October 46.65 and November-December 46.65.

The reaction witnessed in the New York cotton market after President Eisenhower vetoed the Farm Bill last week gathered further momentum during the week under review. In fact, the market depicted a distinctly easy trend. The decline in prices would have been more marked but for fairly good trade demands, particularly for old crop July, and commission house buying induced by reports that cotton would be supported at least at 82½ per cent. of parity in the coming season.

On Tuesday last week, the Commodity Credit Corporation announced that the first competitive bids would be received on the 24th inst., under the new U.S. cotton export programme for shipments after 1st August next. The biddings are expected to be bi-weekly. Any upland cotton in the C.C.C. catalogue stocks is eligible and free substitution with privately-owned cotton will be permitted. The programme will cover all export sales of cotton, regardless of the date or the method of reimbursement.

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

(In cents per lb.)

	24-4-56	17-4-56	10-4-56
Spot	36.70	36.85	36.90
May	35.80	35.75	35.70
July	33.36	33.48	33.68
October	32.29	32.56	32.59
December	32.42	32.61	32.66

COTTON YARNS FORGE AHEAD

(From Our Own Correspondent)

BOMBAY, 25*th April*

Cornering of 120 deniers dull cones Snia rayon yarn for April delivery by a combine of a few dealers was the feature of trading in the forward rayon yarn section during the week under review. This was done with a view to squeezing those who had make blank sales and as such were not in a position to deliver the goods. Thanks to such cornering, some of the traders who had sold short for April delivery were compelled to pay as high a *budla* as Rs. 27 per case. Nevertheless, the April delivery continued to be quoted very much higher than the distant position—that is, June delivery—a curious phenomenon, indeed. Characterising the state of the market as being "unhealthy," a section of traders felt that, after the completion of short-covering operations, prices would suffer a sharp break. Staple fibre yarns were subjected to considerable selling pressure and moved downwards. Cotton yarns, on the other hand, evoked persistent buying enquiries from consuming centres and values forged ahead. Even reports that some of the North Indian spinners had sold for forward delivery coarse and medium counts at reduced prices failed to have any effect on the market.

Snia rayon yarn (120 dull cones) for April delivery was subjected to frantic short-covering and advanced by Rs. 9 to Rs. 840. June delivery spurted by Rs. 7 to Rs. 814. The spread between the two contracts widened over the week from Rs. 24 to Rs. 26. In the spot section, 120 Italy and 150 Italy both gathered half an anna to Rs. 3-13. 120 Japan was quoted at Rs. 3-14-6 and 150 Japan at Rs. 4-1. These rates are for general qualities of imported yarns and as such cannot be compared with last week's rates of Rs. 4-2-6 and Rs. 4-6, respectively, which were for the special qualities. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade was fully steady at Rs. 3-11-6, while 150 Bt. cones 1st grade eased by three pies to Rs. 3-8-9.

Staple fibre yarns were, as already stated, subjected to selling pressure. Imported yarns (80×2) were the worst sufferers. Paramounts, S'Sellos and K'Suns dropped As. 4 each to Rs. 7-2, Rs. 7-3 and Rs. 7-6, respectively. Fujis fell by As. 3 to Rs. 7-2. Suicos lost 18 pies to Rs. 7-12-6. Among indigenous yarns (40×2), New Greats and Citys declined by 18 pies each to Rs. 3-5-6 and Rs. 3-6, respectively. Kohinoors receded by an anna to Rs. 3-6-9. Centurys eased by a like amount to Rs. 3-6.

Under the impetus of sustained buying support, cotton yarns registered a handsome improvement in prices. Ten counts Elphinstones were specially favoured, their quotation advancing by As. 12 to Rs. 13-4. Moderns registered a gain of As. 8 to Rs. 14. Podars were better by As. 4 at Rs. 13-8. Among 20s, Moderns spurted by As. 12 to Rs. 18. Podars rose by As. 8 to Rs. 17-6 and Dawns by As. 6 to Rs. 17-4. Deals in 30s were put through at higher levels, Kotharis increasing by Re. 1 to Rs. 24 and Maduras by As. 12 to Rs. 23-12. Similarly, 40 counts were done at enhanced prices; Vasantas rallied Re. 1-4 to Rs. 28-14. Minaxis put on Re. 1-1 to Rs. 29-7. Maduras and Moderns finished a rupee higher each, the former at Rs. 29-8 and the latter at Rs. 28-8. Among 60s, Kamlas firmed up by Re. 1-12 to Rs. 60. Barodas strengthened by Re. 1-8 to Rs. 54. Raghuvamshis hardened by a rupee to Rs. 60. A like amount was put on by Finlays which were quoted at Rs. 62-8. Among 80s, Elphinstones spurted by Re. 1-8 to Rs. 64. Moderns increased by As. 8 to Rs. 67.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	25-4-1956	18-4-1956	11-4-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)–			
120 Dull Cone Snia April ..	840 0	831 0	818 0
June ..	814 0	807 0	805 0
120 Japan (per lb.) ..	3 14¼*	4 2¼	4 1½
150 Japan (per lb.) ..	4 1*	4 6	4 1½
120 Italy (per lb.) ..	3 13	3 12½	3 13
150 Italy (per lb.) ..	3 13	3 12½	3 12
Staple fibre yarn (per lb.)			
40×2 New Great	3 5½	3 7	3 6
40×2 Century	3 6	3 7	3 6
40×2 City	3 6	3 7½	3 6½
Cotton yarn (per bundle of 10 lbs.)–			
10s Podar	13 8	13 4	12 14
20s Hind	17 11	17 0	16 8
30s Madura	23 12	23 0	22 12
40s Minaxi	29 7	28 6	27 12
60s Modern	61 12	61 8	61 4
80s Elphinstone..	64 0	62 8	62 8

* Rate to general qualities.

PEPPER DRIFTS DOWN

(Messrs. Parekh & Co.)

BOMBAY, 25*th April*

Malabar black pepper, during the week, ruled friendless with prices drifting downwards almost daily. In almost all the important world markets, pepper established new low levels. Alleppey came down to Rs. 700, garbled at Cochin to Rs. 120, at Calicut to Rs. 800, spot at New York to $0.27, at Singapore to Strait $77 per picul and at Djakarta to Rupiahs 500. All the markets at the origin seem to be competing with one another. It is therefore, difficult to say the levels at which the markets would stabilise.

At Alleppey, there is a lot of distress selling of loaned pepper and, consequently, lower offerings to overseas seem to have scared away the prospective buyers in the U.S.A. In Singapore arrivals of new crop Sarawak black has started and holders are anxious to liquidate their storing before the impact of the new production is felt. In Indonesia, where prices of Lampong black and Muntok white were kept artificially high, holders seem to be in a hurry to dispose of their stock, in view of the proximity of the new season.

The undertone of the markets on the Malabar Coast appears to be nervous and, unless sizable buying is forthcoming from overseas, it is generally feared that the market may further deteriorate under the impact of selling of loaned pepper and liquidation by weak holders.

May shipment was done at as low as $0.26¾, while June was traded at $0.27 and July-August-September at $0.27. Rates for monthly delivery also came down and there was absence of fresh buying except some stray short covering.

Proximity of monsoon on the coast and of new crop in Sarawak has made New York dealers to stand on the fence which fact appears to be responsible for the present crisis-like prices.

Following are today's nominal quotations:—Ready Rs. 102 (as against Rs. 100 a week ago) per Bengal maund; May Rs. 720-30 (Rs. 710-20) and June Rs. 730-40 (Rs. 727½-732½) per candy of 5¼ cwts.

OILSEEDS QUIET

(From Our Own Correspondent)

BOMBAY, 25*th April*

Having remained officially closed for two days, namely, on 23rd and 25th inst., the oilseeds market had a short week of only four working days. Trading on these days was of a cautious nature. Neither sellers nor buyers were anxious to extend their commitments. Sentiment was, however, generally bearish. A number of factors was responsible for this. The chief among them was the warning issued by the Forward Markets Commission about the speculation that was going on in the guise of non-transferable specific delivery contracts. The deadlock in the cotton market resulting from the resignation of the Chairman and Vice-Chairman of the East India Cotton Association owing to "the increasing power of regimentation" exercised by the Commission was another. There was some hesitancy in entering into fresh deals owing to the approaching maturity of the May contract in castorseeds. In fact, the bulls were eager to transfer their holdings from the maturing contract to September contract, with the result that the spread between the two widened from Rs. 7-8 to Rs. 8 per candy. And, above all, the news that the Finance Minister had announced a reduction in the excise duty on cottonseed only came as a great disappointment to the market, and as a result the oils section too developed an easy tendency.

In the castorseed section, May delivery opened the week at Rs. 142. Under pressure of sustained selling, it gave way to the week's lowest today at Rs. 138-8 but closed slightly better at Rs. 138-10. September delivery which commenced the week at Rs. 149-4, dropped to Rs. 146-6 before winding up at Rs. 146-8. Castorseeds ready, F.A.Q. lost As. 10 to Rs. 28. Madras quality retreated from Rs. 28-12 to Rs. 28. Castor oil B.S.S. was on offer today at Rs. 16-11, as against Rs. 17-2 a week ago. Commercial quality was done at Rs. 15-1, as compared with Rs. 16-4.

In the groundnut section, dull conditions prevailed. F.A.Q. improved from Rs. 34-12 to Rs. 35 only to relapse to Rs. 34-8. Bold April-May delivery was easy at Rs. 34, as against Rs. 34-10. Coramandel variety receded from Rs. 35-10 to Rs. 35-4. In the oil section, railway receipts were down by As. 8 to Rs. 18-4. April delivery shed As. 9 to Rs. 18-4.

Business in linseed also was uninteresting. Bold ready declined from Rs. 33-6 to Rs. 33. April-May delivery dropped from Rs. 33-6 to Rs. 32-12. Satna quality was As. 6 lower at Rs. 31-10. Linseed oil was, however, a shade better at Rs. 20-14, as against Rs. 20-8.

The Saurashtra Oil and Oilseeds Association has decided to open forward transactions in groundnut and groundnut oil in Rajkot, Bhavnagar and Jamnagar from 1st May next and in Dhoraji and Veraval from the following day.

The following table shows the prices of oilseeds and oils yesterday, as compared with those at the end of the previous two weeks.

	24-4-1956	18-4-1956	11-4-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	35 4	35 12	33 12
April-May	34 0	34 8	33 12
Linseed—			
Bold Ready (per cwt.) ..	33 0	33 4	32 8
April-May	32 12	33 4	32 4
Castorseeds—			
May	138 10	141 14	141 0
September	146 8	149 0	—
Madras (per cwt.)	28 0	28 12	28 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 6	18 14	18 8
Castor Oil—			
Commercial (per quarter) ..	15 1	16 4	15 13
Linseed Oil—			
Ready	20 14	20 10	32 8

TEA PRICES IRREGULAR

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 19*th April*

Dust sale 'H' which was held on Tuesday, 17th April, contained 300,000 lbs. The sale opened to a good demand which eased as it progressed and prices were rather irregular. Best liquoring dusts remained firm, but medium types must be quoted easier. Commons were generally steady, but there was less demand for black Middle East type dusts.

London Market.—Sale of 16th April 1956:—Best liquoring C.T.C. 2d. to 6d. dearer. Medium B.O.P. and orange fannings strong to dearer. Clean plain fully firm. Commonest one penny to 2d. easier.

Sale of 17th April 1956:—Improved quality coloury South Indians up to 3d. dearer. Others irregular about steady.

Colombo Market.—Sale of 16th April 1956:—Dusts lower. All others very strong. Demand dearer, particularly good liquoring off grade fannings.

Sale of 17th April 1956:—Strong general demand. Quality declined. Finest firm. Below best irregularly lower following quality. Low mediums and low growns, including Persian Gulf types, five to ten cents dearer.

Calcutta Market.—Export:—Less demand. Prices for commons and low mediums one anna to full As. 2 easier. Better liquoring teas, particularly fannings, very strong demand. Whole leaf teas one anna to As. 2 easier.

Dust.—19,800 packages dust. Fair general demand. Medium Doours and Assams As. 1½ to As. 2 easier. Better liquoring sorts irregular. Best C.T.C. Assams As. 3 to As. 4 dearer. Commonest neglected. Leaf As. 2 to As. 3 easier.

Export Quota.—Business has been done in special licence at 5 pies. 1956-57 export quota has eased and can be quoted at 45 pies sellers.

Forthcoming Auctions.—Dust Sale 'I' will be held on Thursday, 3rd May.

As we go to press, Messrs. Forbes Ewart and Figgis (Private) Ltd. wire:

"*Sale 9*:—1,250,000 lbs. Strong general demand. Market fully firm for everything. Keen enquiry for all fannings grades. Whole leaf steady."

HESSIANS STEADY

(From Our Own Correspondent)

CALCUTTA, 24*th April*

Activity in the jute goods market during the week under review was on a limited scale. Prices of hessians were maintained, but those of sackings declined. Some satisfaction was caused in trade circles by reports that burlap consumption in the United States during March had increased to 70.6 million yards from 68 million yards in February. The fact that at the end of March stocks in the U.S.A. were higher by 8 million yards at 253 million yards indicated that American purchases were higher than consumption. With the present cheapness of Indian hessians, it is expected that American buyers would lift increasing quantities from Calcutta. So far, the expected order from the U.S.S.R. has not materialised, but a huge order from this source is held as certain. With India's desire to expand trade, jute goods would receive more attention in the export market. In all bilateral trade agreements, jute goods are one of the main items in the Indian list of exports. Accordingly, jute goods are included in the recent trade agreements with Yugoslavia and Poland. India has envisaged a greater volume of imports from the East European countries, all of which would have to purchase from India goods and raw materials worth the equivalent of exports to India. In addition to this factor, Indian jute goods are cheaper than Continental goods. In this view, trade circles anticipate a gradual increase in the volume of exports of jute goods, which would in days to come justify mills to unseal the remaining idle looms.

All things considered, mills require cheaper raw jute. But prices of the fibre have not so far declined by the same level as that of jute goods. This is because stockists who, in the firm knowledge that mills are committed to increased production, are reluctant to discount rates further. Mills are purchasing only cautiously, and during the week under review, they were interested in a wide variety of raw jute. Bottoms, cuttings and middles were all involved in the transactions. Prices for most varieties fluctuated As. 8 either way. Mills were reported to have adequate stocks of raw jute, and it is generally expected that by the time the new crop commences arriving there would be a marked decline in prices. Crop prospects were reported extremely good, and although for most part of the week, weather was dry and hot, some rains were reported subsequently. Mofussil markets maintained steady conditions and prices were above those ruling in Calcutta. Latest quotations in Calcutta are given below:

	Middles Rs. a.	*Bottoms* Rs. a.
Pakistani:		
Northern	33 0	30 0
Indian:		
Northern	31 0	28 0
Assam Upper ...	31 0	28 0
Murshidabad ...	30 0	27 0
Daissee	31 8	28 8
Western	30 8	27 8
Jungli	29 0	26 8
Uttar Pradesh ...	29 8	26 8
Daissee mesta ...	29 0	26 0
Bimli f.a.q.	...	26 0

Pucca bales 1st marks Rs. 177-8 per bale.

There were some enquiries for both hessian and sacking goods during the week, and business was also reported. But when prices gave way on profit-taking, mills withdrew from the market. Early in the week, there was covering business, and speculators were also active. This resulted in ready 40″ 10 oz. hessian being steady at Rs. 38-13. However, ready B. twills declined to Rs. 109-4 from Rs. 109-12 on profit-taking. On Wednesday, ready 40″ 10 oz. hessian gained As. 2 at Rs. 38-15, following reports of Russian interest in hessians. In sackings, however, there was little interest, and ready B. twills fell to Rs. 109-2 from Rs. 109-4. More interest in hessian followed, and by the week-end the price for ready 40″ 10 oz. had gained to Rs. 39. Covering business soon followed but forward rates were fractionally weaker. From Rs. 39-8 the July-September position lost to Rs. 39-6, and May goods to Rs. 39-2 from Rs. 39. Heavy goods were, however, weak, and by the week-end ready B. twills had fallen to Rs. 107-14 from Rs. 109-2 on Wednesday last, and the July-September goods at Rs. 107-10 were one rupee lower. Yesterday, there was fractional recovery in both hessian and sacking goods, with the 40″ 10 oz. hessian quoting at Rs. 39-2 and B. twills at Rs. 108. The present position is that hessians are stronger than sackings, and in order to balance production with demand, it is possible that mills may transfer a portion of the sacking looms to hessians.

SUGAR BETTER

(From Our Own Correspondent)

BOMBAY, 25*th April*

There was an improvement in the sentiment of the sugar market during the week under review, in contrast to the easy tone noted in the last two weeks. Two factors contributed to this improvement. First, the ex-mill quotations for sugar went up by As. 8 per maund. Secondly, arrivals of indigenous sugar into the market were very poor, being only 3,600 bags, as against as much as 19,000 bags in the previous week.

In the forward section, 'C' grade sugar for *Vaisakh* delivery met with buying support and advanced by As. 12 to Rs. 90-10, but was quoted today slightly lower at Rs. 90-7 per bag.

In the spot section, medium grain sugar put on a rupee to Rs. 89-Rs. 91. Small grain was fully steady at Rs. 88, as also bold grain at Rs. 92- Rs. 98. British refined sugar was fully maintained at Rs. 84 per 2 cwts.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

STRONG DEMAND FOR HEAVY BUFF

(From Our Own Correspondent)

KANPUR, 22*nd April*

During the week under review, the hides and skins market was confident. In relation to demand, supplies were ample. Demand for heavy buff was particularly strong. The main parties behind the major transactions were the local tanners, headed by Messrs. Cooper Allen. The Madras dealers were interested in lighter cow and goats generally.

The latest available quotations are: Wet salted cow 1st grade Rs. 280, 2nd grade Rs. 200 and 3rd grade Rs. 105 per score; wet salted buff 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 275 to Rs. 300 and 2nd grade Rs. 200 per 100 pieces; sheep Rs. 200 per 100 pieces.

KIPS IRREGULAR

(From Our Own Correspondent)

MADRAS, 23*rd April*

Shipment business in kips with the U.K. was irregular. Dressers were reported to have good stocks on hand and were able to buy the lines they were short of from spot goods with one factor or the other. Though Madras prices remained steady and U.K. factors followed prices at origin to some extent, business did not expand as anticipated by E.I. tanners here.

Arrivals of kips into the local market were moderate and clearances good at firm prices. As regards buff hides, buff calf and cow calf, business was patchy even for top marks.

Shipment business in tanned goat and sheep skins was on a limited scale and the market was quiet in consequence.

In the next tanned skins London auctions which commence on 7th May, 710,000 goat skins and 765,000 sheep skins will be on offer. As the quantities are on the heavy side, consignors expect decline in values. As shipments of tanned skins continue on a good scale, it is feared that the July auctions also may not be good. The credit squeeze in the U.K. is another deterrent against improvement in leather prices in the U.K.

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 23*rd April*

Steady conditions prevailed in the foodgrains market during the week under review, in contrast to the bearish tone witnessed in the last few weeks. The Government of India is taking a confident view of the country's overall food supply position, with nearly 200,000 tons of wheat and about 350,000 tons of rice in reserve. The volume of imports is likely to be substantially larger than in the previous year at 700,000 tons. The import of at least one million tons of wheat and an equal quantity of rice is envisaged this year, mainly for the creation of "food reserve."

Wheat average quality prices improved to Rs. 13-2 per maund. Arrivals averaged 500 maunds. Local consumers were still the main purchasers. Some outside buying enquiry from Delhi and other centres also appeared. Stock was estimated at 3 *khaties* of old quality. Gram prices eased fractionally, on increased arrivals—200 maunds daily—although prices were lower in the Punjab, but, want of loading facilities accounted for poor arrivals to this centre. Gram local quality was quoted at Rs. 10-2 and superior quality at Rs. 10-8 per maund. Barley was in good demand and, with poor arrivals, prices improved by As. 4 to Rs. 8-2. *Bejhar* was quoted at last week's level. Arrivals were still poor, with the result that there has been as yet no stock building.

Peas arrivals averaged 1,500 maunds, but outside buying enquiry was brisk and despatches aggregated 15 wagons to Madras and Bombay side in the form of pulses. Prices of peas continued to be steady at Rs. 8-12 for green quality and at Rs. 11 for white quality. Increased arrivals—at 200 maunds daily—accounted for a fall of As. 8 during mid-session in *arhar* prices to Rs. 9-12, but prices recovered towards the week-end to Rs. 10-3, due to increased outside support. *Masoor* prices also sagged to Rs. 11-4 per maund, thanks to increased arrivals of new crop.

Pulses futures advanced in all sections during the week, on bull support from east U.P. The latest prices were: Peas *jeth* Rs. 9, peas white *jeth* Rs. 9-12, *arhar jeth* Rs. 10-6-3 and *urd baisakh* Rs. 17-6, as against Rs. 8-8, Rs. 9-8-9, Rs. 9-15 and Rs. 17-4, respectively, a week before.

SUGAR DECLINES FURTHER

(From Our Own Correspondent)

HAPUR, 23*rd April*

The sugar market continued to rule dull and depressed. Outside buying enquiry was slack, in the wake of continued increase in indigenous sugar production. The total production of sugar during the first five months of the season was 1,405,275 tons, as against 1,290,000 tons in the corresponding period last year. The total offtake during the same period was about 704,000 tons, as against 374,600 tons and the closing stocks amounted to 1,127,000 tons, as against 984,000 tons a year before. The mill delivery prices of sugar eased slightly during the week. The following are the latest available rates (per maund):

Jaswant Rs. 28-5; Simbhauli Rs. 28-5; Mowana Rs. 28; Daurala Rs. 29-8; Amroha Rs. 27-9; Bijnore Rs. 27-9; Mansoorpur Rs. 28-3 to Rs. 29; Rampur Rs. 30; retail Rs. 30 and *khandsari* Rs. 22 to Rs. 26.

After a slight improvement in mid-session to Rs. 11 per maund, ready *gur* prices eased towards the week-end to Rs. 10-12. Loading facilities were poor and despatches were negligible. Daily arrivals were small, the average being 400 maunds, and local stock is put at 115,000 maunds. The season is almost coming to a close. The latest reports indicate that germination of the new sugarcane crop is satisfactory.

Future *gur* prices eased towards the week-end after an early advance in mid-session. The latest prices as on Monday were: *Gur baisakh* Rs. 10-2-3 and *fagun* Rs. 10, as against Rs. 10-11-9 and Rs. 10-1-6 last week-end. The rates had touched the highest at Rs. 10-11-9 and Rs. 10-4-3, respectively, during mid-session.

Recent developments in respect of nutritional problems related to rice and the use of rice fields for fish culture will come up for discussion at the fifth session of the International Rice Commission to be held at Calcutta from 12th to 17th November next. According to the provisional agenda, the Commission will consider the reports of its working groups on rice-breeding, better fertilising practices, soil, water and plant relationships in rice production, mechanisation of rice cultivation, and reduction of losses through improved operational methods. It will also have before it the progress report of the Executive Secretary on the working of the Commission since its last session held in Tokyo in October 1954. The first meeting of the National Rice Commission, appointed by the Government of India with Dr. Panjabrao Deshmukh, Union Minister for Agriculture, as Chairman, to make arrangements for the forthcoming session of the International Commission was held last week. The Commission drew up a programme for organising excursions, holding an exhibition and collecting data relating to technological research.

BUREAUCRACY AND BANKS—I

(*Concluded from page* 805)

to exert and pay a price to overcome them and to master them.

Is Public Sector Free From Defects?

Have not Governments often badly bungled in their own administrative works, and in the industrial, currency, exchange, co-operative and other policies and enterprises? The scandals associated with foreign and stores purchases, the leakages and curruptions revealed in public works and public projects, and corrupt practices, known, unknown and winked at, relating to railways, revenue administration, controls, and so on, are only a few of the many thousands of instances that come to light. If the same freedom were given to the examiners of the private sector to look into the efficiency and integrity of the public sector, as is enjoyed by public administrators, the revelations will be astounding. No wonder the recent attempt in Parliament to enquire into working of public enterprises, even though for a helpful purpose, was turned down.

But Governments can do no wrong, nor their administrators. They have different rules and different code of conduct. Losses or failure in the private sector are borne by private men, and are the result of lack of experience or of bad judgment, in working, in investments or of men handling them. But losses in the public sector, although due to bureaucratic incompetancy or dishonesty, are borne by the innocent taxpayers.

Bureaucracy has several strong weapons in its armoury and many tricks up its sleeves, which it freely employs to curb criticism and to increase its importance and power: Whispering campaign, "give the dog a bad name and hang him," divide and rule, wanton use of discretionary power, patronage, titles, so on and so forth. Ordinary man easily succumbs to one or more of such pressures, attacks or blandishments. It is the wise, strong, fearless, unselfish and incorruptible who can save themselves from their bite or keep clear of their snare.

Today, with tremendous decrease in the purchasing power of money, high taxes on incomes and no counterbalancing increase in the emoluments to higher cadres in administrative services, the bureaucrat has been compelled to create compensating factors for himself, by hitting hard at private incomes, and by manœuvring to bring large sections of private business and industry under his sway. Of course, those amongst them who are corrupt have an added advantage to exploit their opportunities. There is great inadequacy of trained executive manpower, in all sectors, public and private, but still the bureaucrat goes on accepting more and newer burdens regardless of efficiency or capacity to deliver the goods. Power is what he wants, and he gets that in abundance with the State depending so much on him.

(*To be continued*)

LAND REFORMS IN THE SECOND PLAN—III

(*Concluded from page* 822)

his wife and young children, and this is facilitated by the existence of family atmosphere and the co-existence of his house and the farm at the same place. But, under co-operative farming, for a number of reasons, he has to write off this earning capacity of the family.

Thus, land reforms, undesirable from many considerations, will not be in the interest of the tenant either. While a truly democratic reform is one which benefits many without inflicting loss on any, under the reforms proposed in the Draft Outline many would lose but none would gain.

The truth is that, after the abolition of *zamindaris*, there is little room or need for land reforms, except on the side of security of tenancy and regulation of rents. The recommendations of the Planning Commission on these two aspects can hardly be contended with. It has recommended that ejectment of tenants should stop, except on grounds of non-payment of rent or misuse of land, and that rents should not exceed one-fifth of the produce of land. These two measures provide a remarkably useful means of reconciling the interests of owners and tenants. These would benefit the tenant without causing any hardship among the owners. It is, however, necessary that the provision regarding rent should be made more specific. Owners bear the fixed and variable costs of cultivation to varying degrees and should be entitled to recover their costs in addition to fair rent.

(*Concluded.*)

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	23rd June, 1954	4½	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	16th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	4th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1956	2½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	3½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	24th Sept., 1936	4	1½
Turkey	28th June, 1955	3	4½
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	7th Mar., 1956	3½	4½

‡ Except Chicago where the rate will be 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 20th April, 1956		Week ended 13th April, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,60,023	59,42,39,000	3,07,334	68,36,76,000
Calcutta ..	1,62,439	57,46,86,451	1,95,127	61,83,08,433
Madras ..	1,00,076	11,22,02,133	63,270	7,01,84,127
All Centres—				
1955-56* ..	..	..	2,669,000	5,595,400,000
1954-55* ..	..	..	2,885,000	6,041,200,000
Jan., 1956 ..	..	..	3,210,000	6,07,68,00,000
Feb., 1956 ..	..	..	3,302,000	7,51,85,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 20th April, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		10,00,00,000
National Agricultural Credit (Stabilisation) Fund		....
Deposits :		
(a) Government—		
(1) Central Government		55,85,94,000
(2) Other Governments		25,53,20,000
(b) Banks		53,33,04,000
(c) Others		17,08,35,000
Bills Payable		6,11,51,000
Other Liabilities		33,18,02,000
	Rupees	211,04,74,000

ASSETS	Rs.
Notes	16,66,77,000
Rupee Coin	6,76,000
Subsidiary Coin	8,54,000
Bills Purchased and Discounted—	
(a) Internal	36,50,000
(b) External	....
(c) Government Treasury Bills	12,87,46,000
Balances held abroad*	62,71,24,000
Loans and Advances to Governments	1,00,00,000
Other Loans and Advances	64,47,23,000
Investments	44,64,27,000
Other Assets	18,15,92,000
Rupees	211,04,74,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 32,62,46,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 65,19,86,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,66,77,000	
Notes in circulation	1509,65,25,000	
Total Notes issued		1526,32,02,000
Total Liabilities	....	1526,32,02,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	681,44,72,000	
Total of A		721,46,43,000
B. Rupee Coin		106,16,42,000
Government of India Rupee Securities		698,69,17,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1526,32,02,000

Ratio of Total of A to Liabilities : 47.268 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 13th April, 1956

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	7,31,37,000
(ii) Other demand liabilities	643,55,30,000
2. Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,92,50,000
(ii) Other time liabilities	420,63,71,000
3. Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	10,66,36,000
(ii) Time liabilities	....
4. Cash in India	37,20,31,000
5. Balances with the Reserve Bank in India	49,53,30,000
6. Balances with other banks in current account in India	11,33,31,000
7. Money at call and short notice in India	8,58,74,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	356,36,65,000
9. Advances in India	606,10,93,000
10. Inland Bills purchased and discounted in India	101,71,01,000
11. Foreign Bills purchased and discounted in India	46,98,12,000

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

EXCHANGE RATES

	24th April, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months	1-6 1/4	1-6 1/4
Buyers T.T. 10 to 12 months	1-6 1/4	1-5 1/4
Bombay on New York—		
Sellers T.T. D.D. Rs.	476 1/2	476 1/2
Buyers T.T. Rs.	473	473
London on New York $	2.80 1/2-2.81	2.80 1/2-2.80 1/2
London on Paris Frs.	984 1/2	984 1/2
London on Berne Sw. Frs.	12.27 1/2-12.27 1/2	12.25 1/4-12.26
New York on London $	2.80 1/2-2.81	2.80 1/2-2.80 1/2

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'53-'54	373.37	..	10,600	284
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.58	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£ (N.Z.) 802	1,070	5,119
Australia	1954	8.99	£ (A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,940	4,100
U.S.A.	1954	162.41	$ 300,000	144,423	9,016
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1953	42.86	F.Fr. 10,470,000	14,420	3,364
W. Germany	1953	48.99	Dm. 103,000	11,705	2,389
Italy	1953	48.07	Lr. 8,967,000	6,832	1,421
Norway	1953	3.39	Kr. 18,424	1,230	3,638
Sweden	1953	7.17	Kr. 26,957	3,422	4,772
Netherlands	1953	10.49	Gra. 13,360	2,451	2,338
Denmark	1953	4.37	Kr. 22,915	1,580	3,616
Switzerland	1953	4.88	Sw.Fr. 20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source : United Nation. Monthly Bulletin of Statistics, Dec., 1955.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 13th April, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits :		
(a) Central Government		10,74,39,000
(b) Provincial Governments		5,13,05,000
(c) Banks		15,20,33,000
(d) Others		20,15,37,000
Bills Payable		9,31,000
Other Liabilities		6,04,57,000
	Rupees	63,37,52,000

ASSETS	Rs.	Rs.
Notes		7,78,45,000
Rupee Coin		8,000
Subsidiary Coin		16,000
Bills Purchased and Discounted :		
(a) Internal	....	
(b) External	....	
(c) Government Treasury Bills	....	
Loans and Advances to Governments		13,00,000
Provincial Governments' Debtor Balances		2,43,69,000
Other Loans and Advances		6,99,82,000
Investments		32,28,36,000
Other Assets		13,73,46,000
	Rupees	63,37,52,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	7,78,45,000	
Notes in circulation	292,80,94,000	
Total Notes issued	....	300,59,39,000
Total Liabilities	....	300,59,39,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion	....	
Sterling Securities	86,98,38,000	
Government of India Securities	26,53,83,000	
Indian Notes representing assets receivable from the Reserve Bank of India	43,05,30,000	167,77,09,000
B. Rupee Coin	6,47,24,000	
Government of Pakistan Securities	120,45,00,000	
Internal bills of exchange and other commercial paper	....	126,92,24,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	300,59,39,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.68 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	13th April, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,515.98	1506.69	1,448.86	1,325.32
Notes held in Banking Department	35.05	10.05	14.78	14.42	15.74
Foreign Securities	59.50	681.45	686.42	672.32	661.98
Rupee Securities	37.39	698.69	688.75	648.01	533.75
Banking Department					
Deposits of :					
Government of India	14.89	53.28	57.10	55.64	55.39
Other Governments	..	32.36	35.70	46.95	24.32
Balances held abroad	10.08	58.73	62.09	70.72	63.35
SCHEDULED BANKS					
Demand Liabilities	184.36	650.87 (7.31)†	651.20 (6.17)†	615.60 (4.93)†	501.90 (10.28)†
Time Liabilities	102.24	423.56 (2.93)†	418.56 (2.92)†	413.73 (3.02)†	380.98 (1.67)†
Borrowings from Reserve Bank	..	49.42 (28.95)‡	50.88 (25.44)‡	61.59 (24.62)‡	24.01 (23.28)‡
Borrowings from State Bank	..	10.66	14.34	17.37	6.04
Cash in India	6.70	37.20	33.29	35.26	35.96
Balances with Reserve Bank	25.17	49.53	54.77	47.03	47.99
Excess over statutory limits	15.52	8.52	13.84	7.98	10.78
Balances with other banks in current account in India	..	11.33	11.73	9.58	11.20
Money at call and short notice in India	..	8.59	5.80	4.90	19.02
Investments (at book value)	105.09	356.37	359.55	363.84	342.56
Advances and bills		754.80	756.80	735.01	622.62
STATE BANK					
Deposits	87.76	236.03	241.43	233.20	220.37
Investments	51.99	105.32	107.45	107.78	104.07
Advances	30.35	135.50	137.29	131.58	125.86
Cash	14.69	16.89	20.43	15.09	17.05

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January,		Ten months, April to Jan.,	
	1955	1956	1954-55	1955-56
Import Duties				
Revenue	22.08	10.51	112.14	95.96
Protective	0.60	0.84	6.31	8.44
On surplus disposals	..	—	0.13	0.08
Total import duties	22.68	11.35	118.58	104.48
Export Duties	4.66	2.63	32.45	30.93
Land Customs	0.14	0.20	1.57	1.15
Miscellaneous	0.09	0.05	0.90	0.59
Gross total customs	27.57	14.23	153.50	137.15
Refunds and drawbacks	0.16	0.21	1.27	2.12
Net Customs	27.41	14.02	152.23	135.03
Gross excise	9.41	18.51	85.18	123.06
Refunds	0.37	0.85	1.49	13.06
Net Excise	9.34	13.88	83.69	110.00
Net total of customs and excise†	36.75	27.40	235.92	245.03

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 20th April, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.		234,68,88,000
Bills Payable		....
Bills for Collection being Bills Receivable as per contra		4,09,00,000
Acceptances, Endorsements and Other Obligations per contra		8,11,61,000
Other Liabilities (including Inter-Office Adjustments)		62,62,000
		22,35,000
Total ..	Rs.	4,22,80,000
		263,94,76,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		15,87,38,000
Balances with other Banks		2,85,06,000
Money at Call and Short Notice		25,07,000
INVESTMENTS :		
Government and other Trustee Securities	94,89,16,000	
Other Authorised Investments	10,44,86,000	105,34,02,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	100,28,15,000	
Bills Discounted and Purchased	34,28,43,000	134,56,58,000
Bills Receivable being Bills for Collection as per contra		62,62,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		22,35,000
Premises less Depreciation		1,15,09,000
Furniture and Fixtures less Depreciation		49,36,000
Other Assets (including Inter-Office Adjustments)		2,54,78,000
Total ..	Rs.	263,94,76,000

SMALL SAVINGS

POSTAL SAVINGS@

(In lakhs of rupees)

	National Savings Certificates 5-Year† Receipts	5-Year† Outstandings*	7-Year Receipts	7-Year Outstandings*	12-Year Receipts	12-Year Outstandings*	Savings Bank Deposits Receipts	Savings Bank Deposits Outstandings	Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates Receipts	2½% Ten-year Treasury Savings Deposit Certificates Outstandings*	10-Year National Plan Certificates‡ Receipts	10-Year National Plan Certificates‡ Outstandings*	15-Year Annuity Certificates§ Receipts	15-Year Annuity Certificates§ Outstandings*
1953-54 ..	6.88	65	3.26	23.66	84.17	1,18.35	92.08	— 31.07	7.55	25.54	—	..	..	..	..
1954-55 ..	5.91	1.50	4.26	26.54	1,04.88	1,17.37	1,06.39	— 34.19	6.94	32.11	—	..	..	..	..
1955-56 ..	4.70	1.62	4.99	27.27	1,24.64	1,24.94	1,30.83	— 36.35	5.57	37.15	7.40‖	7.88	—	55‡‡	54
January, 1955 ..	4.88	14	4.76	2.48	1,20.28	10.51	1,20.10	— 36.18	48	36.37	54	7.88	—	5	54
February ,, ..	4.51	12	4.79	2.37	1,21.86	11.18	1,22.28	— 36.18	40	36.74	48	6.88	—	6	45
March ,, ..	4.70	26	4.99	3.41	1,24.64	18.51	1,30.88	— 36.35	47	37.15	58	6.81	—	5	50
April ,, ..	4.60	11	5.00	2.35	1,26.46	12.41	1,33.22	— 36.50	45	37.55	58	7.88	—	5	54
May ,, ..	4.62	36	5.24	2.01	1,27.94	11.82	1,34.34	— 36.64	41	37.89	56	7.86	—	4	54
June ,, ..	4.44	13	5.12	2.09	1,29.49	12.26	1,36.26	— 36.76	37	38.22	84	9.33	—	5	61
July ,, ..	4.36	12	5.15	2.27	1,31.28	12.80	1,40.63	— 36.85	41	38.54	91	10.20	—	5	65
August ,, ..	4.29	12	5.17	2.09	1,32.82	12.25	1,45.90	— 36.96	39	38.87	91	10.20	—	4	..
September ,, ..	4.21	13	5.21	2.54	1,34.88	12.40	1,46.91	— 37.11	44	39.28	94	11.00	—	4	69
October ,, ..	4.14	10	5.21	2.11	1,36.38	11.25	1,48.00	— 38.23	46	39.68	80	11.80	—	3	72
November ,, ..	4.07	10	5.21	1.98	1,37.68	11.25	1,50.40	— 38.34	48	40.05	80	12.40	—	4	75
December ,, ..	4.00	18	5.26	2.58	1,39.48	12.94	1,52.44	— 38.44	36	40.34	88	13.20	—	5	80
January 1956 ..	3.91	18	5.24	2.02	1,40.78	12.16	1,54.14	— 38.55	32	40.61	84	14.78	—	3	83
February ,, ..	..	..	..	..	..	..	..	..	39	40.95	..	..	..	4	88
March ,, ..	..	..	..	..	..	..	..	..	32	41.27	..	..	..	3	91

* At the end of period.
† Issued from 1st June, 1948 to 30th June, 1953.
‡ From July, 1954.
@ Outstandings do not include Indian Union's share of the pre-partition liabilities from the pre-partition holdings of Indian investors.
@ Progressive net repayments at the end of period from 15th August 1947.
‡‡ Issued from 10th May, 1954.
§§ Relating to nine months from July, 1954.
‖ Relating to eleven months from May, 1954.
E—Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 16-4-'56	17-3-'56	7-4-'56	14-4-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.5	90.9	90.9	90.9
1. Government of India	90.3	90.7	90.7	90.7
2. Indian States	96.1	96.7	96.7	96.7
3. Municipal, Port Trust, etc.	89.3	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.6	101.1	100.9	100.9
1. Electricity	102.0	102.3	102.4	102.2
2. Jute	98.8	97.6	97.6	97.6
3. Plantations	99.7	99.1	99.1	99.1
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.2	100.9	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.3
8. Others	100.6	101.1	101.1	101.1
PREFERENCE SHARES	87.3	85.9	85.7	85.6
1. Electricity	97.7	93.8	93.9	93.9
2. Cotton	78.5	79.3	81.5	81.4
3. Jute	86.1	83.3	83.1	83.5
4. Coal	91.7	90.4	89.9	89.9
5. Iron and Steel	90.2	87.6	88.8	88.4
6. Sugar	84.2	85.7	85.7	85.1
7. Paper	83.2	86.1	83.5	82.6
8. Plantations	97.5	101.5	101.4	101.2
9. Miscellaneous	84.8	83.3	80.8	80.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	115.7	122.4	124.4	123.0
(a) Financial	87.8	89.5	88.6	88.1
1. Banks	91.7	93.1	88.8	88.3
2. Insurance	106.5	88.8	85.2	84.3
3. Investment Trust	94.4	94.6	93.9	93.8
(b) Public Utilities	116.3	113.8	113.8	113.9
1. Electricity	124.1	117.9	117.1	116.7
2. Shipping and other Transport	98.8	111.2	113.0	111.3
3. Railways	89.1	88.8	88.8	88.5
(c) Manufacturing Industries	119.0	131.6	133.6	131.8
1. Cotton, Woollen and Silk	103.6	129.5	131.8	131.1
2. Jute	99.5	82.8	78.7	77.2
3. Iron and Steel	146.3	143.8	152.2	148.6
4. Paper	225.3	288.5	293.8	291.4
5. Cement	148.3	174.2	177.6	174.9
6. General Engineering	189.9	191.9	197.7	193.8
7. Sugar and Breweries	99.0	107.7	106.6	104.7
8. Chemicals	135.4	150.4	150.5	146.2
(d) Non-Manufacturing Industries	163.5	161.0	169.7	167.3
1. Coal	77.5	82.2	82.3	81.6
2. Mining and Oil	186.7	258.4	264.2	256.6
3. Plantations	204.8	168.2	183.1	181.9
(e) Miscellaneous	95.9	101.1	102.0	101.5
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90.0	90.3	90.3	90.4
2. Calcutta	90.4	90.9	90.8	90.8
3. Madras	90.8	91.1	91.2	91.2
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay	99.1	100.0	100.0	100.0
2. Calcutta	101.3	102.1	101.7	101.6
3. Madras	100.4	100.1	100.1	100.1
PREFERENCE SHARES :				
1. Bombay	91.9	89.3	90.2	89.9
2. Calcutta	92.9	91.3	90.4	90.4
3. Madras	94.8	96.9	97.0	97.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :				
1. Bombay	116.7	128.5	131 0	128.9
2. Calcutta	110.5	111.3	112.7	111.6
3. Madras	110.2	125.1	126.5	126.1
4. Delhi	118.6	127.3	133.4	130.6

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951 ..	1,071	691,321	3,818,928
1952 ..	963	809,243	3,336,961
1953 ..	772	466,507	3,382,606
1954 ..	840	477,138	3,372,630
December 1953 ..	81	40,780	475,352
January 1954 ..	84	51,973	325,514
February ,, ..	85	34,202	344,295
March ,, ..	91	34,963	331,419
April ,, ..	101	40,073	207,247
May ,, ..	80	21,539	216,062
June ,, ..	82	30,189	305,078
July ,, ..	122	51,090	277,492
August ,, ..	79	50,414	322,887
September ,, ..	97	41,724	363,878
October ,, ..	88	26,115	276,204
November ,, ..	62	54,455	239,701
December ,, ..	101	..	262,763
January 1955† ..	95	49,033	322,807
February ,, ..	91	23,370	144,302
March ,, ..	112	70,042	334,696
April ,, ..	99	29,815	303,658
May ,, ..	119	66,064	355,415
June ,, ..	154	85,173	1,035,704
July ,, ..	103	57,709	681,153
August ,, ..	233	90 260	518,961
September ,, ..	249	91,843	567,332
October ,, ..	189	46,466	189,360
November* ,, ..	103	49,465	178,135
December ,, ..	122	44,962(a)	228,264(b)

† Figures for 1955 are provisional. * Revised.
(a) Not known in 1 cases. (b) Not known in 2 cases.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53 ..	614	6,301.4	5,134.3
1953-54 ..	643	6,876.8	5,572.7
1954-55 ..	686	7,760.9	6,319.2
October 1954	669	626.5	511.6
November ,,	674	656.5	534.6
December ,,	679	683.5	558.0
January 1956	684	668.5	545.2
February ,,	685	625.7	568.2
March ,,	686	686.7	..
April ,,	690	691.1	563.9
May ,,	691	705.5	569.2
June ,,	696	716.2	576.1
July ,,	700	724.8	583.2
August ,,	705	708.9	574.4
September ,,	707	719.3	587.1
October ,,	716	730.7	591.9
November ,,	721	725.5	597.0

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939=100)

Particulars	Weight	7th April, 1956	31st Mar., 1956	9th April, 1955	March, 1956	March, 1955	Percentage of increase (+) or decrease (—) in Mar., 1956 as compared with Mar., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	365.4	358.8	286.4	351.8	297.0	+18.3	313.2	339.8
Cereals	59	458*	447*	334	439	339	+29.5	372	381
Pulses	8	387*	355	219	373	229	+62.8	289	280
Others	33	240*	243*	232	233	249	— 6.4	235	291
Industrial Raw Materials	(18)	472.9	477.9R	400.4	475.6	412.7	+15.2	419.7	436.2
Fibres	53	460	455	440	471	422	+ 4.2	429	447
Oil seeds	30	524	538 R	326	511	338	+51.1	398	424
Minerals	10	451	438	402	453	417	+ 8.6	427	422
Others	7	402*	401*	473	406	480	—15.4	431	427
Semi-Manufactures	(17)	373.8	375.0	326.9	369.8	333.5	+10.8	338.2	350.3
Leather	8	410	411	393	408	390	+ 4.6	373	376
Mineral oils	13	208	208	221	208	221	— 6.0	207	221
Vegetable oils	16	510	524	324	485	354	+37.0	388	433
Cotton yarn	35	452	453*	432	452	440	+ 2.7	422	454
Metals	15	282	282*	244	282	242	+16.5	264	240
Oil cakes	5	411	396	285	379	284	+33.4	338	381
Others	5	363	363	328	364	333	+ 9.3	336	312
Manufactured Articles	(30)	375.8	373.6 R	377.9	374.7	377.8	— 0.8	372.9	377.4 R
Textiles	64	409	405	422	408	422	— 3.3	403	421
Jute	11	396	395*	459	419	468	—10.4	403*	415*
Cotton	45	408*	403*	411*	403*	411*	— 1.9	403*	415*
Rayon and Silk	6	502*	502*	484*	502*	463*	+ 7.3	483*	460*
Woollen	2	274	274	310	274	310	—11.6	284	311
Metal products	17	371	371	340	371	340	+ 9.1	359	340
Others	19	286	286 R	287	285	287	— 0.7	285	286
Miscellaneous	(4)	495.5	494.1*	543.0	508.1	553.3	— 8.1	546.4	612.4
All Commodities	(100)	392.2	390.2	346.9	387.3	354.2	+ 9.3	380.3	377.5 R

R—Revised. * Estimated.

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop		Acreage			Outturn	
	Forecast	Unit	1954–55	1953–54	1954–55	1953–54
Rice	final	tons	76,253†	75,919*	25,474†	24,531*
Wheat	final	,,	26,842	26,310	8,539	7,873
Jowar	final	,,	48,456	48,657	9,092	7,919
Bajra	final	,,	27,025†	27,981*	3,499†	3,421*
Barley	final	,,	7,999	8,721	2,786	2,904
Maize	final	,,	9,325	9,360	2,944	2,964
Ragi	final	,,	5,627†	5,711*	1,341†	1,540*
Small millets	final	,,	13,866	13,979	2,424	2,427
Total cereals	final	tons	208,823	214,867	55,427	57,920
Kharif	final	,,	173,982	179,836	44,002	47,143
Rabi	final	,,	34,841	35,031	11,325	10,777
Kharif pulses‡	final	tons	14,935	15,192	1,497	1,543
Rabi pulses‡	final	,,	10,498	11,214	1,977	2,099
Total pulses	final	,,	54,004	58,715	10,474	10,458
Tur	final	,,	5,753†	5,643*	1,709†	1,791*
Gram	final	,,	20,991	19,754	5,125	4,775
Jute	final	bales	1,581†	1,243*	4,137†	2,622*
Cotton	4th	,,	19,525†	17,506*	5,758	4,672*
Sugarcane	2nd	tons	3,930†	3,571*	5,079†	4,855*
Groundnut	final	tons	12,585†	13,545*	3,894†	4,125*
Linseed	final	,,	3,290	3,360	884	874
Castorseed	final	,,	1,402†	1,394*	126†	121*
Rape and Mustard seed	final	,,	5,665	5,684	962	855
Sesamum	3rd	,,	5,587†	4,123*	461†	586*
Total Oilseeds	final	,,	29,335	27,482	5,877	5,462
Tobacco	final	tons	860	912	248	265
Black pepper	final	,,	214‡	205*	27‡	25*
Ginger	,,	,,	44	45	18	14
Dry chillies	final	,,	1,472	1,826	856	297
Potato	final	,,	665	635	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
@ Excludes Tur. ‡ Excludes Gram and Tur.
† Relates to 1955-56. * Relates to 1954-55.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons
Production	During March, 1956	99.3
	Corresponding month, 1955	88.9
	Nine months ended Mar., 1956	860.4
	Corresponding period, 1955	750.1
Stocks	At the end of March, 1956	94.6
	Corresponding month, 1955	94.6
		(In 000 bags
Exports (Jute Bags)	Week ended 3rd Mar., 1956	3,110
	Corresponding week, 1955	11,730
	From 1st Jan., to 3rd Mar., 1956	60,845
	Corresponding period, 1955	60,755
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 3rd Mar., 1956	46,308
	Corresponding week, 1955	52,356
	From 1st Jan., to 3rd Mar., 1956	203,469
	Corresponding period, 1955	210,721
	RAW JUTE	(In lakhbales
Consumption by Mills†	March, 1956 (in lakh bales)	5.76
	Corresponding month, 1955	5.16
	Nine months ended Mar., 1956	46.43
	Corresponding period, 1955	43.51

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION

In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,84,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
October 1954	96,500	89,200	68,500
November ,,	98,800	90,500	68,600
December ,,	95,000	78,500	78,800
January 1955	1,02,500	95,800	72,200
February ,,	93,500	84,500	63,900
March ,,	95,000	89,300	66,100
October ,,	91,700	83,800	64,800
November ,,	91,900	86,200	63,400
December ,,	1,05,900	97,500	72,300
January 1956	1,03,900	96,800	71,600
February ,,	97,500	89,200	67,700
March ,,	1,03,300	99,200	69,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	6,80,020	5,49,930	2,92,440
Do. 31st March, 1955	7,15,940	5,84,240	4,59,093
Do. 31st March, 1956	7,06,936	6,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,618	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,88,053	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,65,108	1,43,828	1,18,136
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,630	1,08,714
,, ,, ,, Dec., 1955	1,80,750	1,24,998	1,05,752
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860

OVERALL BALANCE OF TRADE OF INDIA

January, 1956†

Particulars	January,		Ten months, April to Jan.,	
	1955	1956	1954-55	1955-56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise—				
( ) Exports	54.13	46.12	481.37	484.97
(b) R exports	45	34	4.29	4.27
Less—Transit trade	2	..	37	8
Net re-exports	43	34	3.92	4.19
Total exports	54.56	46.46	485.29	489.16
2. Imports	54.91	58.80	540.40	535.94
Less—Transit trade		2	10	12
Net imports*	54.91	58.78	540.30	535.82
Balance of trade in merchandise	— 35	—12.32	—55.01	—46.66
Balance of trade in gold and silver	..	— 1	— 2	— 6
Total overall visible balance of trade	— 35	—12.33	—55.03	—46.72

† Total values of foreign trade of India by all routes (i.e., sea, air and land).

*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,768	2,711	885	183	98	62	154	13	158	397	25	281	47	128
January 1955	9,651	2,275	735	145	74	51	126	11	129	331	20	233	43	110
February ,,	10,572	2,484	807	163	85	56	140	12	144	364	23	256	45	117
March ,,	11,768	2,711	885	183	98	62	154	13	159	397	25	281	47	128
April ,,	1,031	222	77	21	12	6	9	2	12	33	3	24	2	10
May ,,	2,027	445	157	40	23	12	15	4	25	66	7	48	4	23
June ,,	2,973	662	237	55	33	17	15	6	27	98	11	73	7	34
July ,,	3,973	899	324	73	41	22	23	8	52	130	14	100	12	48
August ,,	4,982	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	569	114	62	38	49	14	92	229	23	179	27	90
November ,,	8,052	1,844	644	133	68	44	77	17	111	264	27	206	33	104

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revisions in respect of earlier months.

* Including sugarcane from November, 1955.

Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 19th April., 1956	52,763
	Corresponding week, 1955	75,421
	1st Sept. to 19th April., 1955-56	1,303,294*
	Corresponding period, 1954-55	1,186,869*
Cotton Exports	Week ended 19th April., 1956	5,483
	Corresponding week, 1955	9,533
	1st Sept. to 19th April., 1955-56	558,769‡
	Corresponding period, 1954-55	229,643
Mill Consumption (Estimated)	1st Sept. to 19th April., 1955-56	706,019
	Corresponding period, 1954-55	820,376
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 19th April., 1956	633,587
	Corresponding date, 1955	608,665
Cotton Exports from Bombay (by sea)	During January, 1956	35,078‡
	1st Sept., to 31st Jan., 1956	363,052
	1st Sept. '54 to 31st Jan., 1955	128,685
Karachi (Pakistan)—		
Receipts	1st Sept. to 5th April, 1955-56	1,216,543
	Corresponding period, 1954-55	1,092,632
Exports	1st Sept. to 5th April, 1955-56	628,552
	Corresponding period, 1954-55	447,703

Particulars	From 1st Sept. 1955 to 16th April, 1956 Bales	From 1st Sept. 1954 to 16th April, 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	64,429	18,578
Continent	94,023	31,797
Hongkong	40,469	
China	56,104	2,133
Japan	235,913	64,741
U.S.A.	4,066	15,326
Other Countries	4,145	1,360
Total to all foreign countries	548,809	133,935
Coastal Ports	84,702	90,749
Total	633,511‡	224,684

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian	January, 1956	353,259
Foreign		49,606
Indian	Five months ended Jan., '56	1,872,004
Foreign		235,249
Indian	Same Period 1955	1,700,352
Foreign		204,740
Stocks (Mills and Elsewhere)—		
Indian	As on 31st Jan., 1956	1,137,011
Foreign		156,410
Indian	As on 31st Jan., 1955	1,043,959
Foreign		135,693
Cotton Pressed in India (In running bales)	Week ended 6th April, 1956	22,456
	Corresponding week 1955	156,487
	1st Sept. to 6th April, 1955-56	2,042,411
	Corresponding period, 1954-55	2,061,247

† Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bonds	1926–33	68,30,26,000	1960-70	101 ¼
3 % Loan	1938–39	1,16,17,46,000	1963–65	94½
3 % Loan	1950	30,33,10,000	1964	94½
3 % Fg. Loan	1943	1,10,11,78,000	1966–68	92½
3 % V. Loan	1944	1,14,06,49,000	1967	90 ¾
2½ % Loan	1945	1,15,05,33,000	1970-75	88½
3 % 2nd V. Loan	1945	1,18,65,64,000	1959-61	98½
3 % Loan	1951	50,35,65,000	1958	96½
2½ % Loan	1945	45 63,07,000	1960	96 ¼
2½ % Loan	1946	57,00,69,000	1961	93 ¾
2½ % Loan	1946	14,77,48,000	1976	82½
2½ % Loan	1947	75,86,72,000	1962	93 ¾
3 % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99½
3½ % N.P. Loan	1954	157,35,11,000	1964	98½
3½ % N.P. Bonds (2nd Series)	1955	100,00,00,000	1965	98 ¾
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,93,36,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	80
3 % Loan	1946	245,91,66,000		76 ¼
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,20,000	1958–68***	103½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99 ¼
3 % Bombay	1943	2,99,85,000	14th Sept. 1956	99¾
3 % Bombay	1944	3,06,65,000	16th Aug. 1958	98¾
3 % Bombay	1949	5,63,12,000	1st Aug. 1963	94
3 % Bombay	1950	2,92,30,000	31st July 1960	96¾
3½ % Bombay	1951	3,97,86,900	17th Sept. 1962	90¾
4 % Bombay	1953	5,50,35,000	15th July 1963	91
4 % Bombay	1952	3,61,31,700	1st Aug. 1964	101¾
4 % Bombay	1955	9,00,00,000	1st Sept. 1967	100¾
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99½
4 % Cochin	1944	1,00,00,000	16th Dec. 1955-58	98¾
3½ % Cochin	1936	70,09,000	1st June 1956-61	99¾
3½ % Howrah Bridge (New)	1936–37	1,95,96,700	1956–66	95¼
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99½
3 % Madras	1939	1,23,95,600	21st June 1956	96½
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99½
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98¾
3 % Madras	1945	2,78,44,000	14th Sept 1960	96¾
2½ % Madras	1946	2,81,77,200	1st Sept. 1961	92¾
3 % Madras	1950	4,38,25,400	31st July 1960	95¾
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97¾
4 % Madras	1953	10,33,63,000	16th July 1963	100¾
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100¾
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99–¾
4 % Mysore(f)	1933	2,95,85,200	1st Dec. 1953-58	101¾
4 % Mysore(f)	1936	4 99 72,900	30th Apr. 1956-61	99
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99¼
4 % Mysore	1953	3,33,47,000	15th July 1963	100¾
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99¾
3 % M.P.	1943	50,54,200	14th Sept. 1956	99¼
4 % M.P.	1944	52 6s 800	15th Aug. 1958	98¾
3 % M.P.	1948	2,03,23,800	15th Sept. 1964	98
3 % M.P.	1950	1,01,44,700	31st July 1960	95
3½ % M.P.	1951	1,02 18 100	17th Sept. 1962	96¾
4 % M.P.	1953	1,02,18,100	15th July 1963	100¾
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99¾
4 % Punjab**	1938–44	2,49,87,800	15th Aug. 1958	98¼
3 % Punjab**	1945	2 46,78,300	14th Sept. 1956	99¼
3 % Punjab**	1945	2,95,81,600	14th Sept. 1960	97¾
3 % Saurashtra	1955	3,25,00,000	1st Sept. 1967	99¾
3½ % Travancore	1938	50,00,000	16th Aug. 1956	99¾
4 % Travancore-Cochin	1953	3 25,00 000	15th July 1963	100–1¼
3 % U.P.	1936	1,57,42,500	15th Sept. 1961–66	99¼
3 % U.P.	1944	3,02,24 500	15th Aug. 1958	98¼
3 % U.P.	1945	2,17,49,700	14th Sept. 1960	95¾
2½ % U.P.	1946	2,20,93,600	1st Sept. 1961	92¾
4 % U.P.	1951	1,94,11,700	17th Sept. 1962	99¾
3½ % U.P.	1952	3 11 43,200	1st Aug. 1964	100¾
4 % U.P.	1953	5 65,15 500	15th July 1963	100¾
4 % U.P.	1955	8,50,00,000	1st Sept. 1967	99¾

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
				Rs.
BOMBAY				
Rs.				
36,50,000	4	1904	1964	Rs.
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99¼N
40,00,000	4	1909	1970	
50,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,276	4	1913*	1980	D
80,00,000	4	1913	1974	100¼N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
15,00,000	4	1915*	1965	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1910	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,54,300	4	1916	1974	99
76,90,100	4	1916	1975	99
1,50,00,000C	3††	1921	1981	82
68,02,300C	6‡	1921	1981	144N
98,21,500	5‡	1926	1956–86	100
99,84,500B	5	1926	1956–86	100‡
1,49,49,500B	5	1927	1957–87	102
1,49,30,000	5	1928	1958–88	103
80,00,000	4‡	1934	1964	95
60,00,000	3½	1935	1965	87¼
25,00,000	3	1938	1963–68	90
50,00,000	3	1938	1968	74
50,00,000	3	1945	1975	85
80,00,000	3	1946	1976	84¾
80,00,000	3	1946	1976	84
40,00,000	2‡	1947	1977	79¾
50,00,000	2	1948	1978	83¾
80,00,000	3	1949	1979	87
1,00,00,000	3	1949	1959	97
80,00,000C	3	1950	1980	82
1,00,00,000	3	1950	1960	95¾
1,00,00,000	3	1950	1960	95¾
50,00,000	3	1951	1961	81¾
1,50,00,000	3¼	1951	1961	98¼
50,00,000	4	1953	1968	100
90,00,000	4	1955	1985	96‡ & 97‡
STERLING LOANS				
£892,600	5	1923	1958–83	£87‡
£201,000	5	1924	1954–84	£87‡
£335,100	5½	1932	1962	£96
MADRAS				
Rs.				Rs.
31,47,169	3½	1947	1977	A
9,88,000	3	1947	1977	
2,00,000	3	1949	1979	
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest Per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
Rs.		**BOMBAY**		
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
80,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97¼N
25,00,000	4	1906	1966	
15,00,000	4	1907	1967	
30,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
60,00,000	4	1914	1974	97¼N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	118N
66,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	116N
25,00,000	4	1927	1961–70	98N
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1969	£95¼N
£333,000		1910	1970	£95¼N
Rs.		**CALCUTTA**		Rs.
25,00,000	5‡	1929	1959	107
80,00,000	4	1934	1964	99¾
85,00,000	3½	1935	1965	94
80,00,000	3	1936	1966	90
50,00,000	3	1937	1967	91
20,00,000	3	1938	1968–68	90
80,00,000	4	1952	1982	99¾
1,02,00,000	4	1956	1983	99

MUNICIPAL LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Latest Available Quotation Rs.
Rs.		**BOMBAY**		Rs.
20,50,000	4	1913–15	1974	100
10,00,000	5	1928	1960	113N
25,00,000	5	1928	1958	108
8,45,500	5	1929	1954–59	106
26,21,500	5	1929	1959	te
4,25,00 000	3½	1947	1977	102‡
2,50,00,000	3½	1948	1978	86½
2,50,00,000	3½	1949	1979	86½
2,50,00,000	3½	1950	1965	92¼
2,00,00,000	4	1950	1964	100¾
1,50,00,000	4	1951	1966	100¾
1,00,00,000†	4	1953	1963	100¾
1,00,00,000†	4	1953	1968	100¾
2,50,00,000	4	1954	1964	101¾
	4	1955	1967	100
Rs.		**CALCUTTA**		Rs.
36,00,000	5	1926	1956	103
25,00,000	5	1929	1957	103
50,00,000	5	1929	1958	103
10,00,000	5½	1929	1958	103‡
33,91,000	5½	1930	1960	106
25,00,000	5½	1935	1965	94
50,00,000	3	1936	1966	90
47,50,000	3	1936	1966	90
15,66,800	4	1939	1958	99¾
15,55,800	4	1939	1958	99¾
15,56,800	4	1939	1958	99¾
17,64,400	3½	1942	1957	99¾
21,10,000	3½	1942	1972	99¾
15,49 000	3½	1951	1960	97
16,33,000	3½	1951	1966	97
66,88,000	3½	1951	1966	97¼
87,36,000	4	1952	1962	99¾
72,50,000	4½	1954	1979	99
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1962	98¼
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100¾
4 % W. Bengal	1953	3,60,23,000	15th July 1963	100¾
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100

(a) Dividend taxable. (b) Redeemable at par after June 1958 on 6 months' notice. (c) Redeemable at any time. (d) 6 months' notice. (e) Redeemable any time after 31st March 1948. (f) Participating. (g) Redeemable at Rs. 105 at any time on 3 months' notice. (h) Redeemable after 30th September 1966 at Rs. 125. (i) Redeemable at par after 9th November 1955 on 6 months' notice. (j) Redeemable after 28th July 1955 on 6 months' notice. (k) Participating up to 9 per cent. (l) Redeemable at par after 31st March 1958 on 6 months' notice. (m) Rank *pari passu* with ordinary shares after ordinary shares received 6 per cent. dividend. (n) Redeemable after 20th December 1954. (o) Redeemable at any time at Rs. 115 on one months' notice. (p) Redeemable at par after 1st January 1954. (q) Redeemable at par after 17th June 1956. (r) Redeemable at par after 1st October 1956 on 3 months' notice. (s) Participating to 1 per cent. (t) Free of income-tax upto 6 sh. in the £. (u) Redeemable at par on 3 months' notice. (v) Issued on various dates. (w) Redeemable any time 3 years after the date of issue at a premium of Rs. 10 per share on 3 months' notice. (x) Redeemable at a premium of Rs. 5 per cent. at any time after 1st July 1960 on 6 months' notice. (y) Redeemable after 5 years. (z) Redeemable after ten years at a premium of 5 per cent. on 6 months' notice. (A) Participating cumulative. pp—Partly paid.

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(f) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
† Bombay State Transport. †† Rate of interest reduced from 6 to 3 per cent. with effect from 1st June 1944.
‡ Rate of interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‡‡—Interest free to first 15 years. §—Interest free for first 7 years.
@—Nominal.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6‡	Mar. Sept.	106	100
Cawnpore Sugar Works	10,00,000	1903–24	8	Feb. Aug.	138	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July ..	6–2‡	5
¶East India Distilleries	£200,000	1897	7	Jan. July	17‡	£1
Gwalior Sugar	6,75,000(c)	1919	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15‡	10
Ramnagger Cane	4,00,000	1933–36	6	Aug. ..	108	100
Rava'gaon Sugar	20,00,000	1943	5‡	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8‡	10
Upper Ganges	15,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	113	100
Borrea	4,00,000	1896–97	6‡	Apr. Oct.	117	100
Burakur (1st)	22,99,800	1901–19	7	Apr. Oct.	122	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	7‡	10
Equitable	4,00,000	1895	6	Mar. Sept.	116	100‡
Karanpura Collieries	6,50,000	1946	5½(a)	.. ..	68	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13‡	10
Ondal	2,00,000	1898–99	6‡	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	103‡	100
Bangalore	5,00,000	1884	6	Jan. July	125	100
Basanti Cotton	5,00,000	1938	6‡	Nov. ..	8	10
Benares Cotton	1,05,200	1919	7	July Jan.	15N	100
Bengal-Nagpur	3,30,000	1896	7	Apr. Oct.	99‡	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	128	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	68	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,30,200	1920	7‡

STOCK & SHARE QUOTATIONS

Abbreviations:—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
50,00,000	62,567	76,28,421	43,05,872	—1,17,289	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2-11	2	0 4(e)	0 4 (c)	0 2(c)		12	Y.
40,00,000	24,00,000	1,38,52,057	72,25,655	—9,97,124	B. K. Sons, Ltd.	50,596	1,021	B. K. Cotton Mills	453	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T
2,50,98,000	2,33,99,019	4,25,75,764	3,54,21,688	52,579	Nowrosjee Wadia & Sons, Ltd.	2,21,088	4,855	Bombay Dyeing & Mfg.	6402	250	20 0	22 8*	20 0	7 61	12	Y.
10,00,000	27,38,550	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	1003	50	100 0	100 0	75 0		3	Y.P.
1,09,42,800	2,93,90,325	2,81,85,294	1,37,66,117	6,07,950	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	525	100	20 0	22 0	22 0	22 0	12	Y.
49,00,000	15,44,696	1,16,09,462	65,52,089	—33,25,720	V. J. Pliani (Chairman and Managing Director)	29,408	798	Colaba Land & Mill	71½	100	*Nil*	*Nil*	*Nil*		12	
26,00,000	11,38,470	81,59,789	43,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,823	689	Coorla Spg. & Wvg.	141½	100	7 8	7 8	7 8	7	12	Y.
16,00,000	24,36,806	60,10,961	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,992		Dawn Mills	1214	50	5 0	5 0	5 0	15 0	12	Y.
84,00,000	27,75,000	73,60,731	64,78,724	30,196	Purannal Radhakishan & Co.	54,084	928	Edward Textiles	363	200	15 0	15 0	15 0		12	Y.
30,00,000	11,93,892	1,19,92,541	75,74,225	82,796	M.	41,360	886	Elphinstone Spg. & Wvg.	55	50	3 0	*Nil*	3 8	2 81	12	Y.P.
50,00,000	70,11,875	1,25,38,513	74,17,207	1,67,190	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	350	100	20 0	16 0	16 0	20 0	12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thos ersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	4,840	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
15,000									902½	250	50 0	56 4*	56 4	75 0		
2,00,00,000	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,32,640	6,278	India United Mills	12-7½	0 100	*Nil*	0 10	*Nil*	0 101	12	Y.
55,00,000									2 11	0 1D.	*Nil*	0 1	*Nil*	0 11		
8,65,000	74,24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	5,075N	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
59,85,000	40,58,451	2,87,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	2404	100	10 0	10 0	8 0	10 0	6	Y.P.
1,00,00,000	1,21,50,000	3,56,88,005	2,68,14,706	33,980	Killick Industries Ltd.	1,29,504	1,846	Kohinoor Mills	351½	100	15 0	20 0*	18 0	18 0	12	Y.
22,13,050	41,05,750	1,18,71,348	59,99,115	31,670	N. Steel & Co., Ltd.	49,000	644	Modern Mills	80N	50	5 0	5 0	5 0	8 0*	10	Y.T.
51,75,000	32,02,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	70,416	1,652	Mozaffer Gomulias Spg. & Wvg.	245	100	12 0	12 0	14 0		6	Y.P.
57,71,400	61,70,518	5,74,05,779	1,55,00,000	5,79,076	Chinai & Co., Ltd.			National Rayon Corporation	240	100	10 0	10 0	10 0		12	Y.P.
24,00,000	24,50,000	76,57,853	40,04,750	3,010	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	162½	100	10 0	10 0	10 0	10 0	12	Y.P.
30,00,000	14,61,250	62,85,599	61,42,741	4,330	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	235½	100	10 0	10 0	7 8	10 0	12	Y.P.
12,70,100	28,54,549	56,73,515	40,57,707	12,752	Mafatlal Chandulal & Co. (Bombay), Ltd.	34,100	873	New Union Mills	88½	10	1 4	1 4	1 4	1 12	12	Y.
48,00,000	36,62,273	1,49,03,112	99,59,811	1,26,864	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	132½	100	8 0	8 0	8 0		12	Y.
40,00,000	45,88,014	81,89,335	23,00,000	3,13,552	Podar Sons, Ltd.	32,660	933	Podar Mills	174½	100	10 0	10 0	10 0	5 01	12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,340	—1,78,154	Dawid Sassoon & Co., Ltd.	9,620	277	Sassoon & Alliance Silk Mill	13½	10	1 4	0 12	0 8		12	Y.
25,00,000	54,26,656	1,35,89,736	1,19,14,117	11,568	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	33	10	1 4	1 4	1 12	1 12	12	Y.
60,00,000	1,33,00,951	91,25,908	80,71,854	1,53,562	Marwar Textiles (Agency) Ltd.	66,836	1,640	Shree Nirwa Cotton Mills	221½	100	13 8	14 0	14 0		12	Y.P
42,00,000	35,75,550	93,88,962	71,00,000	15,998	Forbes, Forbes Campbell & Co. Ltd.	36,116	1,274	Simplex Mills	269	50	15 0(p)	15 0	11 0	10 0	3	
67,80,000	2,23,15,720	2,51,28,699	1,37,85,474	12,833	Mafatlal Gagalbhai & Sons	82,633	2,000	Standard Mills	410	100	20 0	20 0	20 0	20 0	12	Y.P.
99,85,700	84,69,776	2,28,87,847	1,10,01,899	67,611	Tata Industries Ltd.	72,236	2,000	Svadeshi Mills	221	100	16 0	16 0	8 0	12 0	12	Y.P.
36,00,000	65,33,465	1,28 99 971	81,52,715	1,51 030	James Finlay & Co., Ltd.	38,928	552	Swan Mills	456½	100	30 0	20 0	20 0	25 0	12	Y.
82,77,425	51,96,376	1,77,34,839	68,44,553	43,485	Tata Industries Ltd.	62,096	1,800	Tata Mills	62	25	1 0	1 8	1 8	3 0	12	Y.T.P.
12,00,000	62,55,709	1,15,36,436	81,90,000	2,816	Thackersey Mooljee Son & Co.	54,136	1,209	Western India Spg. & Mfg.	5,000	1,000	200 0*	225 0*	225 0	300 0	3	Y.

AHMEDABAD

83,00,000	21,11,650	1,30,22,272	60,47,202	8,403	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	173½	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	94,58,068	94,37,398	76,10,154	27,398	P. M. Hufunlya & Sons, Ltd.	44,220	912	Aruna Mills	667½	100	20 0*	20 0*	20 0	30 0	12	Y.P.
26,25,000	2,40,17,401	1,48,47,666	1,03,05,000	45,584	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,566	100	25 0	25 0	25 0		12	Y.P.
20,00,000	31,75,000	96 34 384	72 25 000	2,46,389	Mangaldas & Bros., Ltd.	37,164	892	Arvindava Ginning & Mfg.	423½	100	15 0	15 0	15 0	25 0*	12	Y.P.
12,00,000	1,18,39,033	84,36,974	69,64,953	69,366	Lalbhai Dalpatbhai & Co.	87,366	914	Asoka Mills	870	100	22 0	22 0*	22 0	30 0	12	Y.P.
1,24,79,011	1,11,39,000	3,49,58,844	3,07,53,544	15,00,756	Karchand Premchand Ltd.	1,39,120	2,273	Calico	484½	125	18 0	18 0	18 0		12	Y.P.
62,48,000	28,04,000	1,10,69 085	79,50,000	1,95,242	Tricunlal Bhoulal & Co., Ltd.	45,936	866	New Commercial Mills	1,510	1,000	70 0	70 0	70 0		12	Y.P.
59,00,000	66,61,702	1,14,89,135	91,35,306	6,887	Mafatlal Chandulal & Co., Ltd.	51,152	804	New Shorrock Spg. & Wvg.	812xd	125	35 0	35 0	35 0		12	Y.
5,00,000	15,81,000	46,72,745	31,76,001	700	Jagabhai Bhoglal Nanavaty & Co. Ltd.	13,492	572	Nutan Mills	475	100	20 0*	20 0*	17 8		12	Y.P.
12,50,000	1,09,22,589	79,71,788	52,25,077	82,522	Lalbhai Dalpathbhai & Co.	24,840	636	Raipur Mfg.	1,600	100	25 0	25 0	25 0		12	Y.P.
12,00,000	18,93,087	74,85,099	32,57,450	—29,90,510	Manaklas Girdharidas Parekh Ltd.	47,820	1,095	Rajnagar Spg., Wvg. & Mfg.	315	250	*Nil*				12	Y.P.
32,50,000	16,74,825	84,83,940	52,67,803	4,020	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	100	0	0 0	0 0			12	Y.P.
28,98,150	1,90,84,538	1,60,18,812	1,34,25,000	3,53,570	Harivallabhdas Kalidas & Co.	73,796	1,325	Shri Ambica Mills	689	50	16 0	13 0	20 0		12	Y.P
19,52,500	59,00,194	78,08,018	62,03,800	6,434	Mafatlal Chandulal & Co., (Ahmedabad) Ltd.	36,624	720	Shorrock Spg. & Mfg.	550	100	20 0	20 0	25 0*		12	Y.P.
85,00,000	26,96,488	1,03,76,340	68,15,291	32,764	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	700	400	35 0*	35 0*	35 0*		12	Y.

WEST BENGAL

15,00,000	1,32,800	34,23,069	21,01,810	1,03,030	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	6¼	10	*Nil*	0 4	0 8			
7,11,240	3,40,775	43 42,381	25,07,557	98,783	Bengal Textile Agency, Ltd.	32,544	936	Bengal Luxmi Cotton Mills	30 N	40	3 0	*Nil*	4 0	4 0	12	Y.P.T.
6,00,000	22,72,411	89,03 142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	42,964	618	Bowreah Cotton Mills	165XR	100	*Nil*	*Nil*	*Nil*	*Nil*	3	
19,00,000	26,17,571	1,04,88,358	70,76,377	1,37,931	Kettlewell Bullen & Co., Ltd.	70,384	1,990	Dunbar Mills	313	100	*Nil*	*Nil*	*Nil*	2 8	6.12	H.P.
1,60,00,000	2,07,59,226	3,59,23,374	1,20,23,799	2,45,433	Birla Brothers, Ltd			Kesoram Cotton Mills	17½	10	1 12	1 12	0 14	0 14	3	H.
5,00,000											1 4					Y.P.
83,96,288	9,75,000	84,54,400	67,06,257	8,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—	{25	0 8				12	Y.P.
19,47,7500	7,45,000	47,06,208	24,48,352	1,094	Hazaresmull Hosrailal	23 036	795	Rampooria Cotton Mills	10¼xd	10	0 8	0 8	0 8	1 0	6	Y.
5,00,000D									4N	1D.	*Nil*	*Nil*	*Nil*			

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	80,37,101	29,09,649	—8,54,233	Ramla & Co., Ltd.	50,000		Atagappa Textiles (Cochin) Ltd.	8½	10	*Nil*	*Nil*	*Nil*			
6.5.71,94,000	44,93,307	2,10,91,206	50,50,013		Industrial Trust Fund	26,126	708	Azam Jahi Mills	96	100	6 0	6 0	*Nil*		12	Y.P.T.
40,50,000	2,00,68,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd.†	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	570	100	15 0	25 0	30 0	30 0	12	Y.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	8½	10	0 8	0 4	*Nil*		6.12	H.P.Y.
15,00,000	1,09,48,251	1,19,14,492	57,78,992	4,25,221	Birla Brothers, Ltd.	1,20,356	2,787	Birla Cotton Spg. & Wvg., Delhi	38XRN	100	3 8	3 8	3 0			
1,78,47,800	1,76,52,500	6,38,09,203	3,52,32,150	2,38,445	Binny & Co. (Madras), Ltd.	38,706		Buckingham & Carnatic	187	100	4 0	10 0	10 0	3 0	3	Y.
20,00,000	20,00,000	39,63,354	21,66,351	27,593	Peirce, Leslie & Co., Ltd.	17,496		Cambodia Mills	13½cd	10	1 0	0 12	*Nil*		12	Y.P.T.
15,00,000	4,51,500	44,03,466	21,80,176	44,657	K. Damodaran, Esq.	25,746	591	Cannanore Spg. & Wvg.	16a	100	12 0	12 0	20 0	12 0	3	Y.P.
80,00,000	25,93,976	88,07,118	50,84,815	29,514	Begg, Sutherland & Co., Ltd.	29,514		Cawnpore Textiles	5	5	0 9	0 8	0 8	0 8	12	Y.
20,60,000	20,60,000	34,68,208	27,86,527	24,164	K. Bheema Naidu & Co.	28,864		Coimbatore Cotton Mills	335	100	9 0	20 0	25 0	25 0	3	Y.
20,00,000	14,20,000	36,95,513	21,28,500	14,053	T. R. N. Naidu & Co.	23,738		Coimbatore Pioneer Mills	270	100	8 0	15 0	20 0		3	Y.
20,76,900	4,19,814	1,15,51,599	82,06,019	16,884	R. G. S. Naidu & Co.	72,923	407	Coimbatore Spg. & Wvg.	80	50	*Nil*	*Nil*	*Nil*		6	Y.P.
45,87,500	52,82,446	2,48,18,409	1,38,09,333	5,703	Tata Industries, Ltd.	1,15,188	2,062	Central India	132	100	2 0	5 0	8 0	6 0	6	Y.
4,85,86,125	2,55,00,000	9,99,78,765	5,08,00,000	52,759	B. B. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills	35 4 N	{25	1 8	1 12	2 4	0 8	6	Y.P.
1,00,563									2½	0 1 4/5	0 2 4/5	0 2 3/5	0 3 3/5	6		
24,34,500	24,72,758	47,84,037		9,248	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	350	100	20 0	30 0	30 0		12	Y.P.
24,34,500	56,53,000	1,52,16,903	1,29,71,681	93,386	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	27½	10	1 8	1 0	1 0	1 0	12	Y.
48,81,000	35,22,175	1,00,55,167	68,95,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	229	100	17 0*	17 0	13 0	15 0	12	Y.P.
50,00,000	6,16,447	1,33 91,953	1,12,28,576	9,551	K. L. Srisanta Reddy, (Chairman.)	24,828	1,420	Indora Malwa United	145	100	6 0	6 0	6 0	8 0	12	Y.
4,80,000	10,55,643	31,06 669	18,48,155	2,079	G. V. Naidu & Co., Ltd.	45,000	800	Janardana Mills	108	50	3 12	4 8	5 0	10 0	12	Y.P.
24,00,000	16,25,000	78,88,868	26 50,000	29,882	Kothari & Sons	45,000	1,200	Kuthari Textiles	22½	10	0 12	0 8	0 8	1 0	6	Y.P.
32,00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd.	51,978	1,219	Lakshmi Cotton Mills	705	250	37 8	37 8	33 12	42 8	12	Y.P.
85,84,100	66,58,960	1,11,56,880	75,29,888	74,876	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	191	50	5 0	5 0	10 0	18 8	3	
17,62,050									95	25	2 8	2 8	5 0	6 4		
1,75,02,480	4,18,81,878	5,73,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	5,00,000		Madura Mills	50½	15	3 0	3 0	3 0	4 0	12	Y.
12,00,000	4,17,868	28,26,768	16,72,233	—99,078	A. L. A. S. Chettiar and Brothers	22,592	100	Malabar Spg. & Wvg.	200	100	8 0	8 0	8 0	8 0	12	Y.
80,00,000	39,00,000	92,41,448	41,50,285	1,48,408	W. A. Beardsell & Co., Ltd.	24,720	668	Mettur Industries Ltd.	114	100	12 8	12 8	12 8	25 8*	12	Y.
29,59,700	19,47,908	84,18,677	46,88,194	9,299	N. Sirur & Co., Ltd.	39,896	704	Minerva Mills	88½	100	5 0	7 0*	5 0	5 0(a)	12	Y.
94,01,850	27,24,404	1,61,29,118	78,31,838	—7,44,393	Bansilal Abirchand & Dadabhoy & Co.	51,840	948	Model Mills (Nagpur)	250	100	7 0*	7 0*	5 0	5 0(a)	12	Y.
20,00,000	52,19,000	1,68,39,373	1,08,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,884	Muir Mills	106N	100					6	Y.P.
24,88,500	50,34,547	99,04,000	68,59,988	23,708	N. Sirur & Co., Ltd.	50,126	500	Mysore Spg. & Mfg.	112½	50	10 0*	10 0*	8 8*	6 0(a)	3	Y.P.
15,61,780	2,58,745	29,42,992	15,27,000	3,986	S. Satyanarayana Rao, Esq. Manager	6,000		Mysore Sugar Silk Mills	8	10	1 4	1 4	1 4		12	Y.P.
32,89,3250	25,62,533	1,02,16,296	58,90,719	—99,62,829	J. P. Srivastava & Sons, Ltd.	52,423	1,225	New Victoria Mills	2½	{O. 2½	*Nil*	*Nil*	*Nil*		12	Y.P.
3,07,995D										D. 1	*Nil*	*Nil*	*Nil*			
87,14,300	57,72,270	1,68,58,562	92,58,093		Industrial Trust Fund	29,924		Osmanshah Mills	78	100	7 0	4 0	*Nil*		9	Y.
4,00,000A	7,50,000	35,04,758	21,95,715	9,122	Bhaghyalakshmi & Co.	29,924		Palani Andavar Mills	187	50A	10 0	12 0	12 0		12	Y.P.
99,85,700D									244	75B	11 4	15 0	16 0			
15,00,000	2,25,000	24,59,511	16,41,045	—18,87,240	C. S. R. Mudaliar & Sons	30,706		Pankaja Mills Ltd.	73½	100	*Nil*	*Nil*	*Nil*		12	Y.
16,81,200A	20,00,000	78,90,455	41,41,878	25,607	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	292	100A	6 0	8 0	16 0			
5,49,200B									145	50B	2 0	4 0	8 0		12	Y.
19,00,000	33,75,000	84,37,775	17,67,922	12,337	B. R. Naidu & Sons	35,472		Rajalakshmi Mills	175cd	50	4 8	7 8	10 0		12	
22,29,625	12,40,000	40,14,000	18,05,147	29,350	Rayalaseema Development Co.	14,900	600	Raja Textiles	134½	100	3 0	6 0	9 0	10 0	12	Y.P
60,00,000	62,65,508	98,29,587	43,58,291	—19,56,452	J. P. Srivastava & Sons (Kanpur)	54,138		Shalapoor Spg. & Wvg.	7 N	1,000	*Nil*	*Nil*	*Nil*		12	Y.P.
16,00,000	1,60,39,516	2,89,27,048	2,04,37,279	—1,50,08,067	Mcarka & Co.	96,232	2,234	Shorrock Spg. & Mfg.	700	500					3	Y.P.
86,89,700	16,68,633	71,75,918	51,35,889	27,671	H. N. Pallegar, Esq.	91	50	4 0*	4 0*	4 8						
26,14,800	2,00,246	35,18,908	17,72,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	86N	100	*Nil*	*Nil*	*Nil*		3	Y.
15,00,000	8,11,90,237	99,09,367	78,44,724	81,27,588	Birla Brothers, Ltd.	35,556	1,242	Sutlej Cotton Mills	180N	10	1 0	1 0	1 0	1 0	3	Y.
17,50,000 O	2,30,00,000	4,54,40,847	1,70,68,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	11	10 O.	*Nil*	0 8	0 12	0 12		
1,97,50,000Pref									10⅜	10P.O.	*Nil*	0-14 3/5	1-2 2/5	0 12	12	Y.P.
99,84,040	16,00,000	2,75,11,606	1,90,23,764	1,23,123	Emcete & Sons (Travancore), Ltd.	17,600		Travancore Rayons	15½cd	10	*Nil*	0 8	0 10	0 12		
13,96,870	8,75,332	17,89,151	11,27,336	1,508	Modjee Ramjee & Sons	38,544	270	Trichinopoly Mills	12½	10	0 11 1/5	0 11 1/5	0 14 2/5	0-14 3/5	12	Y.P.T
21,00,000	23,00,000	54,92,296	36,81,499	36,500	R. K. S. Chetty & Brothers	30,000	1,551	Vasanta Mills	300cd	100	12 0	12 0	15 0		12	Y.P.
33,90,000	34,42,971	1,64,67,122	1,05,10,233	23,125	Bombay Co., Ltd.	46,490		Vishaa Cotton	193½	100	10 0	4 0	4 0	8 0	12	Y.P.

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.
(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 68,000 shares of Rs. 50 each; X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9⅛	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,20,630	18,38,917	27,20,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	5	5	0 8	0 8	0 8	0 6 2/5	3	Y.
£580,000	£925,777	£1,304,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	27½ / 34½	A. 16sh. / B. £1	Sh. 3	Sh. 4	Sh. 4	Sh. 5 4/5	Sh4	9
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya Esq. (Chairman)	United Breweries	185	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
11,87,700A	10,85,516	79,90,234	39,82,658	26,623	Andhra Engineering Co., Ltd.	Andhra Cement Co.	15½	A. 100	7 8	10 0*	10 0		12	Y.P.T.
89,79,020B							6½	B. 10	0 12	1 0*	1 0			
48,14,500O	13,13,133	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	6½	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.
4,70,976D							1¾	D. 1						
12,71,66,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	213½	O. 100	9 8	9 8	8 8	10 0	7	Y.
80,00,000O							14½	O. 10	1 0	1 0	1 0			
85,50,000O	48,20,901	89,92,667	29,67,544	2,86,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	3½	O. 2½	0 2½	0 4	0 4		12	Y.P.T.
5,00,000D							8½	D. 1	*Nil*	0 1-3/5	0-1 3/5			
81,91,0300	14,00,000	1,46,64,600	47,05,770	3,31,546	Essen Ltd.	India Cements Ltd.	35½	O. 25	1 4	*Nil*	1 4	1 14	8	Y.P.
7,50,000D							6½	D. 5	6 4	*Nil*	9 4	0 6		
59,88,375	28,50,000	1,88,78,057	68,90,459	2,77,144	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	185	100	6 0	6 0	8 8		12	Y.P.
75,00,000	20,95,000	1,53,36,122	1,41,94,859	88,454	Martin Burn Ltd.	Sonevalley Portland Cement	7½	5	0 8	0 6	0 4		12	Y.
50,00,000	.....	1,04,00,351	54,33,950	2,75,454	Essel Ltd.	Travancore Cements Ltd.	12½	10	0 8	0 8	0 10	0 81	12	Y.
CERAMIC; MINING AND QUARRYING											

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	143	25	1 *Nil* 1 9 1 9 2 8½	6,12	H.P.T.
62,98,250	66,03,861	1,11,56,780	76,81,898	88,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	24½	10	5 0 6 0 7 0 0 11½	2,9	H.
25,00,000	16,12,500	1,36,83,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	18½	10	5 0 6 0 7 0 0 11½	2,9	Y.
1,46,82,500	2,09,26,641	4,27,02,365	1,02,98,953	2,29,489	Birla Bros.	Orient Paper	35½	10	1 0 1 0 0 7½ 0 8½	2,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	18½	10	1 0 1 0 0 8 0 10	6,12	H.P.T.
									0 12 0 12 0 15 0 10¢		
20,00,000	6,50,000	54,00,869	30,16,681	4,492	Baloria & Co.	Star Paper Mills	11½	O. 10	0 8 0 12 0 15 0 8¢	2,9	H.P.T.
10,00,000 A.							11½	A. 10	0 8 0 12 0 15		
56,00,000 A.							43½	A. 10	1 0 1 0* 0 12 1 0	*	
56,04,800 B.	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	1 0 1 0* 0 12 1 0	*			
6,37,500 P.O.							43½	B. 10	1 0 1 0* 0 12 1 0	*	2,9	H.P.
							5	P.O. 2½	0 2 0 2 0 2 0 2		
PRESSING														
9,00,000	6,12,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0 3 0 4 0 *Nil*	9	Y.
4,50,000	1,00,000	6,89,526	4,78,056	2,354	Pyne & Sons	Camperdown	885	100	7 0 7 0 4 0 5 0	7	Y
9,00,000	1,95,000	10,91,811	9,80,377	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	6 0 4 0 5 0 5 0	6	Y
PROPERTY AND LAND														
10,00,7800	7,43,065	43,45,067	21,43,279	96,047	S. A. Basil, Esq. & others (Directors).	Humayun Properties	13½	O. 10	0 8 0711½ 0 9 3/5	9	Y.P.
2,00,000 D.							24	D. 1	*Nil* 0 4/5 *Nil*		
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	92	100	1 0 1 8 1 8 *Nil*	*Nil*	4	Y.
94,00,000	36,71,674	95,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	34	100	2 0 1 8 1 4 0 8 0	4	Y.P.
SAW MILLS AND TIMBER														
12,99,998	26,28,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	4¾	2	0 4 *Nil* *Nil*	9	Y.
50,00,000	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	680	Old 125	22 5 15 0 20 0 37-8½	5	Y.
42,00,000							2431	New 50	9 0 6 0 8 0 15-0		
6,00,000		7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd. ..	Bengal Timber Trading	40N	100	*Nil* *Nil* *Nil*	6	Y.P.
20,00,000	18,15,487	18,19,049	13,58,015	1,79,568	Gillander Arbuthnot & Co., Ltd	Indian Wood Products	39½	10	3 0 2 8 2 13 1 0	9	Y
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	9	5	*Nil* *Nil* 6 13 0 1 6	9	Y
12,00,000 A.							160N	A. 100	10 0 10 0 10 0		
8,00,000 B.	29,18,356	49,46,285	33,16,660	16,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	14N	B. 10	1 0 1 0 1 0	4	Y.
19,49,050	5,50,000	31,91,857	23,33,812	49,906	Bangur Bros., Ltd.	Belsund Sugar	10½		0 12 0 12 0 12	9	Y.
15,00,000	18,80,295	16,40,479	11,77,841	18,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8 1 8 1 8 1 8	6	Y.P.
52,00,000	28,27,000	1,56,00,775	92,27,801	12,445	Gladstone Land & Co., Ltd. ..	Carew & Co.	88	10	*Nil* *Nil* 0 12 0 4	6	Y.P.T.
30,00,000	57,83,651	1,03,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	19¾	10	2 0 1 0 0 12 0 12	10	Y.P.
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	27½	10	2 0 1 0 1 0 1 8	6	Y.P.
3,99,452	6,18,849	24,58,340	15,38,747	48,894	Karamchand Thapar & Bros. ..	Deoria Sugar	94N	10	0 8 1 0 0 12	8	Y.T.
60,00,000 A.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	260N	'A' 100	12 0* 15 0* 15 0* 15 0*	6	Y.P.
10,00,0600.								O. 100	12 0* 15 0* 15 0* 15 0*		
12,00,000	8,61,001	75,81,309	42,63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	60N	80	*Nil* *Nil* *Nil* 4 8	7	Y.P.
7,89,100	22,14,058	24,24,612	19,35,883	1,264	Cotton Agents Ltd.	New India Sugar Mills	24N	40	*Nil* *Nil* *Nil* 2 4	6	Y.P.T.
11,00,000	4,20,000	42,71,480	24,87,558	4,185	Karamchand Thapar & Bros. Ltd.	New Savan	35N	10	2 8 2 8 2 8 2 8	6	Y.P.T.
10,87,500 A	49 60,297	67,74,122	21,56,900	5,817	Cotton Agents Ltd.	New Swadeshi Sugar Mill ..	240N	100	20 20 20 0 20 0	6	Y.
6,71,875 B.							80N	25	5 0 5 0 5 0 5 0		
77,46,350	52,18,159	1,86,99,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	183N	100	6 0 11 0 11 0 11 0	7	Y.P.
12,00,000	12,74,233	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	115cdN	100	6 0 10 0 11 0	7	Y.
9,00,000	17,54,869	37,85,808	20,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	14½	10	1 0 1 0 0 12 0 12	10	Y.P.
8,00,000	6,54,702	25,43,782	21,01,613	24,840	M.	Ryam Sugar	21N	10	1 0 0 8 0 8	8	Y.P.
11,99,000	18,86,770	38,83,583	22 92 180	8,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	14	10	1 0 0 8 0 8 *Nil*	6	Y.P.
20,00,000	22,85,560	1,35,20,110	62,59,521	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	12	10	1 8 1 8 1 8 1 12	8	Y.P.T.
9,99,950	61,825	26,83,648	11,98,827	—8,95,852	H. K. Ghosh, Esq., and B. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar					
7,95,462	18,82,940	31,60,735	17,68,008	1,06,227	Karamchand Thapar & Bros	Shri Sitaram Sugar	144	10	1 0 2 0* 1 8*	8	Y.
3,15,000							12		*Nil* *Nil* *Nil*		Y.T.
40,000 D.	47,592	37,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	43N	O. 10 D. 24	*Nil* *Nil* *Nil*	10	Y.P.
8,00,000	21,91,635	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	75	10	2 0 0 8 1 8 2 8	6	Y.P
16,00,000	7,99,778	82,06,850	35,98,846	39,051	James Finlay & Co., Ltd.	United Provinces Sugar	19½	10	1 8 0 8 1 4	9	Y.
Other Centres														
49,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	221	50	16 0 16 0 16 0 16 0	9	Y.
17,50,000	9,24,292	33,03,879	21,36,722	4,692	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	14	10	1 0 1 0 0 10 1 0	9	Y.
15,98,900	2,45,841	29,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	45N	100	2 0 *Nil* *Nil* 1 0	9	Y.P.
31,47,780	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Ltd.	India Sugar and Refineries ..	22½	10	2 8 2 8 1 12	6 2/5	9	Y.P
23,57,620	41,27,060	41,95,605	20,78,418	1,408	Govan Bros. (Rampur), Ltd.	Buland Sugar	144N	10	0 12 1 0 1 0 1 0	9	Y.P
10,52,2000	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd	187½	0.100	7 8 7 8 7 8 7 8	10	Y.
8,87,1000							100	D. 10	10 0 10 0 10 0 10 0	6	Y.P.
21,79,280	95 00,001	1,31,37,677	78,17,780	2,90,840	S. Muninanjappa, Esq. (Managing Director)	Mysore Sugar	49	10	2 0 2 0 2 0 2 0	6	Y.
50,00,000	48,49,631	1,08,28,164	59,35,509	11 063	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	140½	10	2 0 2 0 2 0 2 0	6	Y.
18,50,820	28,50,830	53,90,015	26,76 747	29,230	Anderson Wright Ltd.	Ratanagger Cane and Sugar ..	24½	10	2 0 2 0 2 0 2 0	8	Y.
20,00,0000	21,76,092	89,12,138	58,60,383	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	88N	O. 50	9 0 *Nil* 2 8 9 0		Y.P.T.
4,00,00,000							50	D. 10	0 11½ *Nil* *Nil* 0 11½	9	
19,99 608	44,88,457	47,06,882	21,78,094	4,685	Govan Bros. (Rampur), Ltd.	Raza Sugar	15N	10	1 0 1 0 0 12 0 10¢		Y.P.
80,00,000	10 37,716	59,79,254	17,87,159	—82,224	Parry & Co., Ltd.	Travancore Sugars	13½	10	0 12 1 0 1 0 1 0	10	Y.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,428	1,31,172	Premier Construction Co., Ltd. ..	Walchandnagar Industries ..	243½	100	14 0 14 0 16 0 18 0	7	Y.P.
TRANSPORT														
20,00,000	1,00,89,622	1,24,00,703	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	143	100	12 8 10 0 7 8 7 8	10	Y.P.
1,00 00,000	16,67,690	4 65,14,760	1,80,06,587	89,648	Dinabaw Ltd.	Bharat Line	74	100	5 0 5 0 5 0 5 0	12	Y.
50 00 000	24,85,888	2,50,21,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	174	10	0 0 1 0 *Nil* 5 0	10	Y.
£655 580	£960,878	£5,515,631	£3,344,778	£21,366	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	116	£10	5h.10 *Nil* 5h.10 *Nil*	6	Y.P
8,25 00 000	74 99,233	7,93,25 462	1,81,54,890	1,26,651	Lionel Edwards Ltd.	India Steamship Co.	8½	10	0 8 0 8 *Nil* *Nil*	12	Y.P.
8,40,19 675	6 94,92,081	18 36,68,413	4,34,44,800	3,78,633	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	171	20	0 8 0 8 *Nil* *Nil*	8	Y.P.
8,40,8000	18,58,194	11,38,000	6,80,211	1,84,123	R. B. Alyer, Esq. (Manager)	Walford Transport Ltd.	24	O. 1	as. 1 8/25 as. 1 8/25 1 23/25	0 8	6	Y.P.
3 10,200 P. O.							14	P.O. 1	as. 1 9/25 as. 1 9/25 1 19/25		12	Y
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0 32 0 32 0 32 0	9	Y.
15 00,000	3,34,178	7,18,542	90,000	42 588	Parakh Agencies Ltd.	Bombay-Gujarat	89½	80	4 0 5 0 4 8	12	Y.
25,00,000	1,00,000	25,74,281	9 294	3 394	Dens Sons, Ltd.	Devkaran Nanji Investment Co.	122	25	0 12 0 12 0 12 0 12	12	Y.
14,98,840	3,48 585	28 00 500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	80	50	2 8 *Nil* *Nil* 0 12	8	Y.
99,99,250	19,47,886	1,22 03,6948		2,88,126	Premchand Roychand & Sons	Industrial Investment Trust ..	76xd	100	4 8 4 8 4 8 4 8	8	Y.P.
99 99 975	85 08,851	35,10,899	9 81 529	6 154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	166½	100	10 0 10 0 11 0 11 0	6	Y
8,07,02,800 A.	5,28,684	2,87,33,373	1,25,90,292	5,86,717	Auto-Auto Ltd.	Premier Automobiles	89½	A.100	*Nil* *Nil* *Nil* *Nil*		
10,00,00 000 B.							—	B. 10	*Nil* *Nil* *Nil* *Nil*	6	Y
10 21,200	5,48 805	14 40,720	12 10,720	38 055	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22½	10	2 0 2 0 2 0 2 0		
2,75,00,000	78,75,000	3,68,67,181	1,63,71,846	6,01,954	T. H. Rydin, Esq. (Managing Director)	Western India Match Co.	201½	100	11 0* 11 0* 11 0* 11 0*	12	Y
45,00,000	60,24,247	7,24,608	3,07,108	36,484	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0 20 0 20 0 20 0	12	Y
Other Centres														
47,50,000	15,00,000	1,88,33,301	53,00,000	90,558	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	91	O. 10	*Nil* *Nil* *Nil*		
2,50,000							31N	D. 2½			Y.P.T
50,00,000	85,05,079	32,06,626	21,94,951	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	22½	10	1 4 1 4 1 4 2 0*	8	Y
30,00,000	8 85,000	38,39,494	20,85,060	1,18 395	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	194	10	1 4* 1 4* 1 4* 1 4*	12	Y
20,00,000	27 47,383	1,01,49,337	39,87,830	32,683	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	7	10	0 4 0 3 1/5 0 5 1/5 0 6 2/5	9	Y
80,01,400	82,94,268	46,81,988	32,21,988	1,49,717	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	177	100	20 0* 20 0* 18 0 8 8	12	Y P.T.
12 00,000	9,10,000	31,07,472	23,35,472	72,375	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	29½	10	0 10 1 8 2 8 4 8	12	Y.
20,00,000	7,99,470	57,53,5604½		1,21,783	Lovelock & Lewis	Birds Investment Ltd.	16½	10	1 4 1 4 1 4 1 8	6,12	Y.
45 97 020	26 44,814	1,00 74,580	29,49,001	1,98 548	K. Julian Scott Esq. (Mg. Director)	Britannia Biscuits	16½	10	0 12 1 0 2 2 1 0	9	Y.P.
3,25,00,000	1,16,11,805	2 82 03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd.	104	10	2 0 2 0 2 0 2 0	12	Y.P.T.
1,50,00,000	3,14,86,174	5,15,52,035	2,20,82,990	11,71,886	Cecil Smith, Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	304	10	1 8 1 8 1 8 *Nil*	12	Y.P.
51,20,000	58,39,753	1,34,39 91585		3,13,808	Bird & Co., Ltd.	Eastern Investments Ltd.	151½	100	9 0 9 0 9 0 9 0	12	Y.P.T.
14 00,000	10,02,000	33 81,772	18,89,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	179xd	100	10 0 10 0 7 8 7 8	12	Y.P.
65,00,000	42,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	141	10	10 0 7 8 7 8 7 8	3	H
30,00,000	11 42 254	68,59,433	29,41 525	1,866	B. P. R Syndicate	Great Eastern Hotel	240	250	15 0 15 0 4 4	3	Y.P
12,42,800	9 57,964	73,81,701	53 60,659	86,686	Birla Bros., Ltd.	Hind Cycles	160N	10	6 0 6 0 7 8 7 8	1 6 2/5	3	Y
4 96,13,350	2,92,450	5,56,34,606	94,52,719	14,85,675	Birla Bros. Ltd	Hindustan Motors	9—4½	10	*Nil* *Nil* *Nil* *Nil*		Y.P.T
1,60,00,000	46,77,754	4,16,74,246	1,74,76,663	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	21½	10	1 0 1 0 *Nil* *Nil*	9	Y.
1,52,80,220	1 20 50,000	1,55,72,391	57,17,651	23,96,462	A. R. Driessen Esq.	Indian Cables	30½	10	1 0 1 0* 1 0* 1 0*	12	Y.
8,87,970	5,35,000	16,40,508	8,96 110	6,815	G. S. Moulton & Co. (India) Ltd.	Indian Rubber Manufacturers	11½	10	1 0 1 0 0 12 0 8	12	Y.P.T.
15,15,00,000	7,25,54,583	3,55,94,967	1,17,49,403	25,00,722	Mr. Eric Hoare (Chairman)	Imperial Tobacco Co. of India Ltd.	144	10	0 0 0 8 0 8	12	Y.P.
3,00,00,000	55,29,566	84,33 960	6,60,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	104	100	10 0 7 8 7 8 0 12 4/5	12	Y.P.
6,84 0000	3 48,343	6,89,830	4,81,766	2,540	James & Co., Ltd.	Macfarlane & Co.	2	O. 6	7 8 7 8 7 8 7 8	3	Y.P.
66,9000 D.							2	D. 1	*Nil* *Nil* *Nil*		
40,00,00000	78,01,900	25,16,760	7,97,801	1,87,884	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	213N	O.100	7 8 10 0 17 0	9	Y
5,00,000 D.					T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.		D.10	0 0 8 1 *Nil* *Nil*		
1,37,58,000	60,54,276	92,58,051	11,84,226	2,03,456	H. Chiswell Jones, Esq (Chairman)	Metal Box Co. of India, Ltd. ..	25	10	1 4 1 4 1 4 1 8 1/5	12	Y.P.
1,18,00,000	1,76,54,808	4,44,50,006	1,76,04,108	14,43,141	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	28	10	1 0 1 0* 1 0* 1 0*	8	Y.P.
5,35 255	1,53,858	7,81,449	2,60,987	—15,220	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	8½	10	1 0 1 0 1 0 1 0	12	Y.P.
5,56,250	9,56,118	10,40,250	4,40 947	78	Sir F. P. Srivastava, Esq. (Chairman)	Mysore Tobacco	14½	10	*Nil* *Nil* *Nil*	8	Y.P.
10,00,000	1,25,000	15,15,168	5,10,688	30,916	T. Shanmuga, Esq. (Chairman)	Associated Industrial Development Co. Ltd	13½	10	1 0 1 0 1 0 1 4 1 0	8	Y.P
40,00,000	81,21,173	59,09,527	39,20,120	2,22,282							Y.T.
79,97,000	81,15,887	1,14,74,878	52,77,582	9,08,480	B. N. Elias & Co., Ltd.	National Insulated Cable Co. ..	22½	10	0 12		
40,00,000	37,00,000	44,15,474	19,71,484	1,81 468	Coromandel Investment Trust Ltd.	National Tobacco Co.	124	10	1 0 1 0 1 0 1 8*	8	Y.T.
3,35,00,000	7,25,186	1,53,49,091	40,14,196	—63,99,179	M. P. A. Pesyetti, Esq.	Parry & Co.	6 8N	2	*Nil* *Nil* *Nil* *Nil*	12	Y.P.
1,72,24,400	1,81,20,208	7,96,34,898	4,91,884	8,47,94,970	Sahu Jain Ltd.	Rohtas Industries	33	100	0 4 0 4 0 4 0 4/5	12	Y.P.T.
40,00,000	98,60,594	1,18,79,870	70,90,687	5,10,075	C. W. Stephenson, Esq.	Spencer & Co. Ltd.	22½	10	*Nil* *Nil* *Nil* *Nil*	8	Y.P.
75,00,000	49,00,000	18,86 3454	4,16,784	3,69,851	R. H. D. Campbell, Esq.	Shaw Wallace & Co. Ltd	17½	10	1 0 1 0 1 0 1 8	10	Y.P.T
9,98,350		14,90,259	3,64,980		Ogale Bros. Ltd	Travancore Ogale Glass	15½	10	1 0 1 0 1 0 1 4	12	Y.P.
							3½	10	*Nil* *Nil* *Nil* *Nil*	12	Y

‡‡ The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.				Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	325	Amluckie	350N	100	7 8	25 0	30 01		12	Y.P.
3,50,000	8,43,250	10,09,902	2,42,989	77,477	R. K. Kanoria, Esq.	420	Ananda (Assam) Tea	40	10	0 12	1 4	7 8½		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,993	Gillanders Arbuthnot & Co., Ltd. ..	420	Ananda Bag	40	10	*Nil*	2 8	8 0*		12	Y.
5,50,000	11,21,541	10,95,977	6,44,367	93,055	McLeod & Co., Ltd.	518	Bazimatt	27½	10	*Nil*	*Nil*	3 8		12	Y.
5,10,000	8,50 000	11,99,193	3,89,401	93,933	Andrew Yule & Co., Ltd.	393	Bamunalia	35½	10	2 0	2 8	3 0		12	Y.
3,50,000	4,65 000	10,11,205	6,46,265	15,804	National Tea Corporation	569	Batell	23	5	0 4	2 0	4 0		12	Y.
3,20,000	8,70,000	9,90,704	2,50,311	68,794	Gillanders Arbuthnot & Co., Ltd. ..	504	Beltan	55½	10	*Nil*	2 0	10 0*		12	Y.
8,50,000	20,00,000	62,30,169	22,95,169	1,99,447	Williamson Magor & Co., Ltd. ..	3,967	Bishnath	25	10	*Nil*	3 8			12	Y.
6,00,000	2,53,500	10,49,419	2,08,130	61,929	Octavius Steel & Co., Ltd.	455	Bokakhat	22½	10	*Nil*	*Nil*	1 0		12	Y.
7,50,000	6,52,500	8,92,327	2,83,050	1,44,165	McLeod & Co., Ltd.	430	Borman Jan Tea	22½	10	*Nil*	0 12	3 8		12	Y.P.T.
35,00,000	11,92,015	73,30,473	19,49,495	20,032	Brook Bond India Ltd.	2,431	Brooke Bond	24½	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,00,425	5,55,903	1,85,593	9,542	McLeod & Co., Ltd.	282	Dejoo Valley	52	10	*Nil*	1 0	6 0		12	Y.
6,00,000	10,05,000	26,84,194	16,84,471	51,553	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	405N	100	10 0	20 0	40 0		12	Y.
7,33,440	9,87,093	22,73,429	4,17,548	44,551	James Warren & Co., Ltd. ..	620	Dhekiakhat	24½	10	1 0	1 8	2 8		12	Y.
4,48,870	3,93,000	10,93,209	3,77,983	8,771	James Finlay & Co., Ltd.	514	Dhunseri	20	10	*Nil*	2 0	4 0		12	Y.P.
4,50,000	6,75,000	9,90,834	2,06,817	54,652	McLeod & Co., Ltd.	458	Dibrugarh	27½	10	*Nil*	1 0	4 0		12	Y.
2,40,700	5 60,000	10,29,005	5,51,000	55,332	Williamson Magor & Co., Ltd. ..	811	Dimakusi	35	10	1 0	4 8	6 0		12	Y.P.
5,00,000	8,82,000	19,58,851	13,34,015	1,51,992	Williamson Magor & Co., Ltd. ..	612	Dinjhachur	47½	10	2 0	4 0	5 0		12	Y.P.
10,00,000	6,49,000

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
2,00,000	2,60,000	3,72,893	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9½	3	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries) ..	Coffee Lands and Industries ..	22½	10	9 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	18¾	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd. ..	Cottanad Plantations	20	10	1 8*	1 8	1 8	1 12*	3	Y.P.
13,00,000	9,95,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce	18½	10	1 0	1 4	2 8		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,544	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	21½	10	2 0	2 0	2 0	2 12	4	Y.P.
9,00,000	7,28,329	18,44,917	2,55,893	...	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	30½	10	3 8	5 8	2 4	2 4	3	Y.
27,00,000	29,30,090	74,32,314	7,74,629	1,45,608	A. V. Thomas & Co., Ltd. ..	Midland Rubber	21½	10	1 8	1 8	1 12*	2 8	3	Y.P.
3,35,000	2,81,090	14,31,422	1,45,231	13,149	A. V. George & Co., Ltd. ..	Nenmeny Rubber	24½	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	7,20,955	44,135	8,690	Associated Planters Ltd. ..	Nilambur Rubber Co.	15	10	1 0	1 0	1 0		12	Y.P.	
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5½	2	0 3½	0 3½	0 0 3/5	0 6 2/5	10	Y.P.T.
13,50,000	7,80,000	40,92,283	3,51,977	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	24½	10	1 8	1 12*	1 12*	2 0	6	Y.P.
3,66,780	3,09,000	6,70,559	62,717	71,342	Peirce Leslie & Co., Ltd. ..	Savannah Estates Ltd.	27½d	10	3 8	0 0	2 8	1 0	11	Y.
10,00,000	3,98,340	22,01,120	1,35,829	2,031	East india Agencies	Teekoy Rubber (India) Ltd. ..	10½	10	0 14½	0 14 2/5	0 12	0 14 2/5	8	Y.P.T.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd. ..	Thamarapully Rubber	20½	10	2 0	3 0	3 0		12	Y.P.
5,10,200	3,60,005	6,91,501	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	25	1	0 4	0 4½	0 1 3/5	0 2	9	Y.
6,00,000	40,474	7,49,611	1,11,209	3744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	28cd	10	2 0	2 0	2 0		9	Y.
41,00,000	14,29,673	74,58,907	7,65,148	2,28,025	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
20,00,000	90,000	25,53,598	5,65,978	2,276	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	43	25	2 8	3 0	5 0		12	Y.
6,28,580	4,40,670	7,77,154	14,119	21,363	Harrisons & Crosfield Ltd.	Valkundam (Travancore) Rubber ..	25½d	10	2 0	2 0	2 4		12	Y.
1,65,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12½	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
50,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	11¾	10	1+1	1+1	1+¾	¾+	3, 9	H.T.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,096	McLeod & Co., Ltd.	446	Alexandra	215	100	*Nil*	*Nil*+2½	2½+5		6, 12	H.P.T.
30,00,000	9,84,170	1,17,45,984	91,71,069	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	133	100	*Nil*	*Nil*+5			6, 12	H.P.
49,20,700	72,00,000	2,72,94,335	1,87,90,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	170	100	10+10	7½+5	2½+5	5+3½	3, 9	H.P.
40,00,000	42,94,285	1,73,44,642	88,94,396	9,758	Bird & Co., Ltd.	810	Auckland	128	100	5+4	2+2	1+2½	6+4	3, 9	H.P.T.
20,00,000	22,86,387	96,73,016	65,15,004	13,389	Jardine Henderson & Co.	959	Bally	133	100	*Nil*	*Nil*+2½	*Nil*	3½+*Nil*	3, 9	H.P.
£275,000	£631,523	£1,956,530	£1,003,227	£64,858	Sir John H. Burder (Chairman) ..	1,889	Barnagore	133	£5	£1	£1	£1	£1	3, 9	H.P.
28,00,000	32,30,123	92,27,342	49,93,231	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	159	100	7½+7½	7½+7½	5+5	5+2½	6, 12	H.P.
45,00,000	88,45,000	57,03,172	31,28,574	2,65,109	Soorajmull Nagarmull	600	Bengal	17¾	10	1	1½	1½	1½	6	Y.P.T.
91,26,000	2,15,77,044	3,32,32,892	20,72,760	3,12,630	Birla Bros., Ltd.	1,873	Birla	16½	10	3	3	1½	1½	6	Y.P.
85,00,000	27,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	138	100	6½+6½	6+4	4+5	5+2½	6, 12	H.P.
7,47,380	3,16,924	42,43,494	30,69,848	85,424	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9¾	10	0+9	*Nil*	2+1½		4, 10	H.P.T.
18,00,000	30,46,234	87,13,271	41,48,795	6,248	Andrew Yule & Co., Ltd.	616	Caledonian	203	100	6+6	6+6	4+5	4+2½	6, 12	H.
59,16,400	94,58,404	2,22,41,517	1,07,46,003	1,30,505	James Finlay & Co., Ltd.	600	Champdany	149	100	7+8	3+8	*Nil*+3	4+6	3, 9	H.
15,95,000	28,39,382	81,34,855	50,60,175	2,915	Andrew Yule & Co., Ltd.	530	Cheviot	206	100	6+6	4+6	6+3	6+4	5, 11	H.P.
30,15,000	28,25,000	60,73,514	46,01,290	1,52,253	McLeod & Co., Ltd.	500	Chitavalsah	14½	10	2½+1½	1½+1½	1+1	1+1	5, 11	H.T.P.
16,00,000	24,00,000	73,22,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	960	Clive	14¾	10	2	*Nil*	*Nil*		6, 12	H.
31,49,200	61,22,983	1,34,26,320	64,46,601	766	Bird & Co., Ltd.	1,996	Dalhousie	104	100	6+6	1+3	1+1½	1-4±	5	Y.
28,00,000	44,74,179	75,56,690	47,00,110	15,012	Andrew Yule & Co., Ltd.	779	Delta	207	100	10+10	10+10	6+6	5+6	3, 9	H.P.T.
15,00,000	33,50,000	81,98,824	59,15,560	1,43,894	McLeod & Co., Ltd.	500	Empire	20½	10	1+1	1+1	1+1	1+	5, 11	H.P.
21,00,000	59,60,176	2,72,42,315	1,87,05,941	71,999	F. W. Heilgers & Co., Ltd. ..	1,884	Fort Gloster	850N	100	10+*Nil*	*Nil*	*Nil*+6	1+	6, 12	H.P.T.
14,00,000	17,75,000	84,16,102	52,69,759	1,16,743	Bangur Bros., Ltd.	1,014	Fort William	21	10	*Nil*	*Nil*+5	10+10	10+10	3, 9	H.T.P.
84,32,100	1,60,021	2,03,72,498	1,32,68,885	84,732	Macneill & Barry Ltd.	1,709	Ganges Mfg.	67½	100	*Nil*	*Nil*+*Nil*	*Nil*+½	2½+*Nil*	3, 9	H.P.
10,80,000	28,00,000	71,52,983	48,43,692	74,091	Gillanders Arbuthnot & Co., Ltd.	800	Gouripore	1,200	100	30	15	*Nil*		12	Y.
24,00,000	31,38,409	2,12,31,183	1,65,13,218	57,208	Macneill & Barry Ltd.	1,394	Gourepore	265	100	1½+*Nil*	*Nil*+3½	2½+7½	7½+7½	3, 9	H.P.
40,00,000	55,84,234	99,03,390	57,88,999	2,27,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10	10	10+10	11½+	3	V.P.
16,80,000	18,52,626	66,34,235	45,81,416	32,401	Jardine Henderson Ltd.	720	Hoogbly	38	10	1½	1½	1		3	Y.P.
55,62,500	51,32,901	1,07,31,964	11,493	Jardine Henderson Ltd.	1,940	Howrah	22½	10	1+½	¾+¼	¾+¼	¾+¼	3, 9	H.P.T.	
52,50,000	23,00,000	2,58,15,937	1,54,15,937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	28	7½	5	3	2	3		Y.P.T.
O. 87,00,000	16,55,558	1,23,66,655	78,55,428	7,731	M.	1,076	India	138	O. 125	3½+3½	3½+3½	*Nil*+3½	3½+1½	5, 9	H.
D. 20,00,000									D. 1	A4½+½	a2/5+2/5	*Nil*+a2/5	a2/5+1/5		
24,00,000	16,50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	135	100	8+6	6+3	3+6	2½+*Nil*	5, 9	H.
B. 19 20,000								130	'B' 100	8½+6	6+3	3+5	2½+*Nil*		
80,00,000	7,00,000	1,32,86,300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankanarrah	91	100	6+4	5+2½	2½+4	1+*Nil*	6, 12	H.P.
B. 24,00,000								93	'B' 100	6+4	5+2½	2½+4	1+*Nil*		
21,00,000	49,50,000	1,12,88,938	79,26,276	1,70,687	McLeod & Co., Ltd.	703	Kelvin	245	100	7½+7½	7½+7½	10+10		6, 12	H.P.
54,00,000	23,33,375	1,71,52,716	1,16,91,027	1,02,192	Anderson Wright Ltd.	1,530	Khardah	162	100	10+7½	10+7½	7½+5	6+5	3, 9	H.P.
45,00,000	1,34,27,157	2,31,57,457	1,12,99,755	52,710	F. W. Heilgers & Co.	1,250	Kinnison	167	100	10+7	4+6	2+5	7+6	3, 9	H.P.
24,48,000	49,37,087	1,30,82,288	80,55,707	10,707	Bird & Co., Ltd.	931	Lansdowne	120	100	7+3	2+5	1+1	5+2	3, 9	H.P.T.
28,00,000	56,89,179	1,16,06,741	64,08,985	2,154	Bird & Co., Ltd.	940	Lawrence	107¼	100	11+4	4+3	3+4	5+1	3, 9	H.P.
21,67,240	25,04,412	2,01,00,622	1,24,49,304	10,614	M.	1,098	Meona	82	100	2½+2½	2½+2½	*Nil* 2½	7½+7½	3, 9	H.
29,98,900	38,14,415	1,84,70,420	98,81,406	17,952	F. W. Heilgers & Co.	815	Naihati	99	100	6+*Nil*	*Nil*	*Nil*	*Nil*		H.
20,00,000	15,55,000	29,01,563	18,21,709	Howrah Trading Co., Ltd. ..	425	Naskarpara	18½	10	1+½	*Nil*+½	1+½	1+	4, 10	H.T.	
85,00,000	43,29,025	29,10,124	10,95,222	76,554	Andrew Yule & Co., Ltd.	852	National	23½	10	1+1	1+1	1+½	1+½	4, 10	H.P.
26,25,000	24,50,000	26,82,794	20,20,619	1,43,752	McLeod & Co., Ltd.	316	Nellimarla Jute	11½	10	2+1	1+1	1+½	1+½	4, 10	H.P.
31,50,000	34,13,033	50,02,515	25,21,978	3 01,610	Sahu Jain Ltd.	709	New Central	15	10	10+12	12+12	12+5		6, 12	H.P.
16,79,880	43,35,104	1,17,37,538	48,80,655	46,892	Bird & Co., Ltd.	567	Northbrook	24	10	1+1	1+1	1+½	1+½	3, 9	H.P.T.
66,79,500	28,39,793	2,12,69,608	1,39,37,804	58,273	Macneill & Barry Ltd.	1,092	Nuddea	38½	50	1+*Nil*	*Nil*+½	*Nil*+½	*Nil*+½	3, 9	H.
24,91,000	26,81,049	72,46,385	50,35,690	5,784	Andrew Yule & Co., Ltd.	1553	Orient	100	100	1+6	6+6	5+5	5+4	5, 11	H.P.
25,00,000	6,23,483	80,72,591	63,27,981	1,03,954	McLeod & Co., Ltd.	490	Presidency	6½	6	*Nil*	*Nil*+½	*Nil*		6, 12	H.P.
20,00,000	1,44,099	26,56,930	8,39,130	12,15,988	Birla Bros. Ltd.	305	Rameshwara	6½	10	*Nil*	*Nil*	*Nil*	*Nil*+	3, 9	H.P.
49,50,000	1,62,723	1,24,06,577	50,38,544	5,09,680	Jardine Henderson Ltd.	1,279	Reliance	19	10	*Nil*	1+½	*Nil*	*Nil*+	3, 9	H.P.T.
£900,000	£1,093,713	£1,290,315		£83,658	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	12½	£1	10%	10%	10%	3%½	12	Y.P.
30,00,000	13,12,193	1,04,21,440	33,76,964	Bazaria More & Co., Ltd. ..	911	Shree Ambica	16xd	10	1+1	*Nil*+½	1+½	1+	3, 9	H.P.T.	
14,00,000	11,25,000	66,11,734	38,79,234	3,156	Hindustan Investment Corporation.	491	Soorah	18½	10	*Nil*	½	½		6, 12	H.P.
25,19,600	42,44,180	1,30,76,167	51,18,663	—2,75,227	Bird & Co., Ltd.	659	Standard	104	100	8+1	1+1	1+1	1¼	12	Y.P.T.
£800,000	£925,119	£990,895		£110,316	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	£1	£1	10%	10%	10%	1+*Nil*	3, 9	H.P.
35,38,600	88,14,828	1,95,40,009	81,71,517	14,518	Bird & Co., Ltd.	1,326	Union	150	100	10+1	1+4	1+5	3%½	12	Y.P.
£400,000	£688,035	£1,092,723		£97,816	Thomas Duff & Co. (India) Ltd. ..	1,531	Victoria	£1	£1	10%	10%	10%	5+5	3, 9	H.P.T.
2,50,000	4,05,000	55,94,678	37,77,741	35 624	McLeod & Co., Ltd.	465	Waverley	6½	1	*Nil*	*Nil*+½	½	3%½	12	Y.P.
														6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	88,026	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	24	10	½+½	½+½	½+½	½+	3, 9	H.
12,00,000	8,52,573	38,78,477	30,13,477	22,708	Jardine Henderson Ltd.	Bararee Coke	19½	10	3/5+½	½+½	½+½	½+7/10	3, 9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6¾N	10	½+½	7/10+7/10	½+7/10	½+7/10	3, 9	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	535	200	20+20*	17½+15*	15+15*	17½*+17½	3, 9	H.
2,25,000	4,77,174	24,81,806	22,28,968	...	H. V. Low & Co., Ltd.	Bengal-Nagpur	15	10	½+½	*Nil*	*Nil*	*Nil*	6, 12	H.P.
15,97,000	4,75,359	37,77,192	22,77,364	18,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	½+½			*Nil*	6, 12	H.P.
40,00,000	8,00,000	1,39,06,662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	7½	10	½+½				3	Y.
7,15,000	15,09,580	52,49,025	37,09,987	—1,65,195	F. W. Heilgers & Co. Ltd.	Bhulanbarree	14¾N	10	½ *Nil*	*Nil*	*Nil*	*Nil*+½	6	Y.P.T.
16,00,000	16,17,059	68,14,856	39,99,841	—79 196	Ramkarih Industries (Coal) Co.	Bokaro-Ramgur	14	10	1	½+½	*Nil*		6, 12	H.
7,50,000	23 50,000	42,07,858	26,07 691	68,656	F. W. Heilgers & Co., Ltd.	Borrea	26½	10	1½*+1½*	1½*+1½*	1 + 1	1+	6, 12	H.T.
90,92,480	1,76,70,564	4,16 32,554	1,80,95,440	1,40,510	Andrew Yule & Co., Ltd.	Burakur	14	10	½+½	½+½	½+½	½+	6, 12	H.P.
4,97,750		39 92,720	3,32,945	14,019	Hindustan Investment Corpn., Ltd.	Central India	6¾	10	*Nil*				6, 12	H.P.T.
8,00,000	13 54,302	49 10,414	32,63,954	82,768	M.	Central Kurkend	11N	10	*Nil*	½+½			3	Y.
5,00,000	1,43,698	7,24,438(k)		12,201	F. W. Heilgers & Co., Ltd. ..	Charilal	2½	4	½+½	½+½	½+½	½+	6, 12	H.
16,00,000	1,20,000	52,57,321	28,91,190	—2,42,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	½ *Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.
24,00,000	£350,553	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	32½	£1	3½(f)	*Nil*	*Nil*	*Nil*+	6, 12	H.T.
29,63,760	76,84,250	3,59,97,499	2,87 14,367	93,266	Macneill & Barry Ltd.	Equitable	30½	10	2 +1½	1 +	2½	2	4	Y.
10,00,000	2,15,000	10,78,864	4,73,963	11,273	Phatehr & Agency Ltd.	Ghusick and Mualia	14¼N	10			½+	½+	6, 12	H.P.T.
10,00,000	1,22,000	39,02,565	20,99,824	3,226	Killick Industries Ltd.	Hingir-Rampur	41½	50	½	½			3	Y.
8,00,000	6,75,000	21,43,057	18,61,214	65,461	Macneill & Barry Ltd.	Hurriladih	24	10	2 +2	2 +2	*Nil*	2 4	3	Y.P.
22,00,000	1,12,060	24,74,412	6,18,546	—5,67,293	Jeerat Coal Co. Ltd.	Jeerat Coal	2½	10	*Nil*	½+½	*Nil*	1½+	6, 12	H.
3,50,000	2,07,448	13,53,453	7,08,130	...	Andrew Yule & Co., Ltd.	Kalapahari	21½N	10	1½+1½	1½+	*Nil*	*Nil*	12	Y.P.
20,00,000	17,325	29,07,891	3,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries	140	100	*Nil*	½+1	*Nil*	*Nil*	2, 8	H.
5,00,000	15,50,000	45,16,229	35,58,877	1,86,128	Andrew Yule & Co., Ltd.	Katras Jherriah	60	10	2 +2	2 +2	2 +2	2½+3	2½	Y.P.
1,38,400	5,72,960	12,85,941	5,72,960	—2,60,236	Periwala & Co.	Khas Kajora	4N	10	*Nil*	*Nil*	*Nil*		1, 7	H.
11,00,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kuardi	6¾N	10		*Nil*	*Nil*	*Nil*	6, 12	H.P.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10					6	Y.
7,43,240	2,00,000	12,18,473	9,23 179	11 096	Tinplate Brothers Ltd.	Nazira	6¾	10					4	Y.
7,00,000	25,617	10,33 740	5,20,295	4,580	Amritlal Ojha & Co., Ltd. ..	New Bansdeopur	8¾N	10					12	Y.
17,76,230	20,01,763	1,19,78,853	88,63,066	94,383	Andrew Yule & Co., Ltd.	New Beerbhoom	20	10	*Nil*+½				3, 9	H.
2 00,000	85 000	28.44.928	16 65 990	36 426	Octavius Steel & Co., Ltd. ..	New Manbhoom	11¾	10	*Nil*	*Nil*	*Nil*	*Nil*	4, 10	H.P.
1,15,000 }	2,55,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	10¾	10	½	½+*Nil*	*Nil*	½+½	3, 9	H.
1,57,500 }							16¼N	7½	½+½		*Nil*			
1,50,000	12,21,853	3,97,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd. ..	Ondal	15N	10	1 +1	1 +1	½+½	½+	6, 12	H.P.
10 00 000	1,10,000	39,70,662	17,99,958	5,909	K. C. Thapar & Bros.	Oriental Coal	9¾	10			½+	½+	6, 12	H.P.
8,34,000	10,862	17,52,137	8,30,795	8 018	Deepchand Kishenlall	Parasea	13½	10	*Nil*	½+½	½+½		12	Y.T.
15,75,000	15,00,000	46,12,471	34,02,471	88 204	Shaw Wallace & Co., Ltd.	Pench Valley	23	10	½+¼	½+	½+	½+	6, 12	H.P.
23,99,500	18,67,105	1,19,88,339	88,82,815	28 01	N. B. Elias & Co., Ltd.	Ramagunge	11½	10	*Nil*	*Nil*	½+	½+	3, 9	H.
13,50,000	8 53,385	35,36,765	27,73,764	2,9 821	Shaw Wallace & Co., Ltd.	Rewa	22½	10	½ +	1	½+	½+	3, 9	H.
20,00,000	3,90,000	44,29,585	18,73,118	2,20,175	Jaipuria Sons Ltd.	Samla Collieries	13¾N	10	½ +		½+	½+	6, 12	H.
1,25 000	1,95,802	13 78,480	12,21,237	21 070	M.	Searsole	7¾N	2½					12	Y.
2,80,000	7 36,598	29,87 021	18,41 629	6 601	Andrew Yule & Co., Ltd.	Seebpore	31½	7	2 +	½+	½+	½+	6, 12	H.P.
8,00,000	5 46,889		52,491	28,887	F. W. Heilgers & Co., Ltd. ..	Sendra	10N	10	*Nil*	*Nil*+½	½+	½+	6, 12	H.T.
58 21,450	16,96,050	3,82,71,101	2,85,68,501	—4,46,963	Industrial Trust Fund (Govern- ment of Hyderabad)									
17,50,000	10,84,016	37,86,103	15,14,990	—51,538	Singareni		9½	10	½+½	*Nil*	0-11 1/5		12	Y.T.
9 00,000	13 69 545	1 99,570	25,510	7,937	Bird & Co., Ltd.	South Karanpura	10½	10	½+½	½+½	*Nil*+½	½+*Nil*	2, 8	H.
10,00,000	12,950	80,82 269	16,48,502	—4,07,745	F. W. Heilgers & Co., Ltd. ..	Standard	25½	10	½+½	½+	½+	½+	3, 9	H.
2,50,000	2 80,000	19,47,355	14,81,955	44,167	Villiers Ltd.	Talcher	3½	2½	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	H.
49,98 000	.....	49,96,356	18,91,545	51,894	Williamson Magor & Co., Ltd. ..	Union	11½	10	1½+1½	1 + ½			3	Y.
7,00,000	1,38,190	55,22,133	22,66,981	123	Hindustan Investment Corpn., Ltd.	Western Bengal	6¾	10			½+½	½+	6, 12	H.
					Macneill & Barry Ltd.	West Jamuria	13½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
G Made up of an interim dividend of Re. 1-12

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a	1953 Rs. a	1954 Rs. a	1955 Rs. a	Accounts Closed	Reference
15,00,360	1,05,00,000	11,30,301	Allahabad Bank	356	100	18 0	18 0	18 0		12	Y.P.
14,50,000				180	50	9 0	9 0	9 0			
1,01,000	14,37,000	12,375	Andhra Bank	111½	100	6 0	6 8	7 8	6 8	6,12	H.
32,46,180				82	70	3 0	3 4	3 12	4 8 4/5		
1,00,00,000	1,28,00,000	3,35,516	Bank of Baroda	94	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	15N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,52,00,000	13,26,630	Bank of India	152½	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	28,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	27	50	1 8	1 8	2 0	2 0	12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	250	100	16 0	16 0	16 0	16 0	12	Y.
61,21,700	58,73,013	10,989	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	29,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	4 8	5 0	12	P.Y.
7,50,000	12,00,000	2,433	Canara Banking Corporation Ltd.	80½	50	5 0	5 0	5 0	5 8	12	Y.P.
2,82,11,875	4,01,81,217	18,40 359	Central Bank of India Ltd.	47	25	3 8	3 0	3 0	3 0	12	R.L.Y.
52,42,375 'A'				46½	25	3 8	3 0	3 0	3 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co.	40	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	22N	20	4 0	4 0	4 0		12	Y.
50,00,000	25,00,000	1,60,278	Hind Bank	31½	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	10	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	14	50	—	—	—		12	Y.
75,00,000	75,00,000	1,04,405	††Hyderabad State Bank	80N	100	5 0	5 0	6 0	5 0	9	Y.
24,30,000				180	100	12 0	12 0	12 0	12 0		
18,00,000	79,75,000	1,45,140	Indian Bank	157	90	10 3½	10 3½	10 3½	10 12½	6,12	R.L.H.
18,23,000				113	63	7 3½	7 3½	7 3½	7 12½		
40,19,875	30,00,000	2,28,299	Indian Overseas Bank	130	100	6 0	6 0	6 0	7 8	12	Y.
6,25,000				42½	100(A)	6 0	Nil	Nil			
2,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	11	25(B)	1 8	Nil	Nil		6,12	R.
10,00,000				20	50(C)	3 0	3 0	Nil			
87,50,000	97,50,000	2,35,108	Punjab National Bank	43	25	1 8	2 0	3 0	3 8	12	Y.
1,00,00,000	22,50,000	43,527	Travancore Bank	25	—	—	0 10	1 0	1 0	12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	6⅜	5	0 5½	0 5½	0 5½	0 6	12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank	50	50	2 0	2 0	2 8	2 12	12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-18-3	£1	16†	14†	15†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7½	£5	7†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K.$125,000,000	H.K. $ 10,006,689	Honkong and Shanghai Banking Corporation	£96	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£15,000,000	£55s,006	Lloyds Bank	£2-15-6	£5 A	12†	14†	15†	12†	12	R.L.Y.
£1,437,296 'B'				£1-6-3	£1 B	5†	5†	5†	5†	12	R.L.Y.
£875,000 'A'				£4-0-0	A £2½	14†	14†	14†	14†		
£875,000 'B'	£1,750,000	£219,372	Mercantile Bank of India	£4-0-0	B £2½	14*	14†	14†	14†	12	R.L.Y.
£720,000 'C'				—	C £1	14†	14†	14†	14†		
£2,851,563	£3,104,687	£342,158	National Bank of India	£1-2-9	sh. 12½	16†	16†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June .. 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December	Ramnagar Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,40,000	6	1st August and 1st February	Ravalcaon Sugar	1942	102	27th December .. 1959-63
10,00,000	4	1st May and 1st November	Ravalcaon Sugar (New)	1944	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June .. 1956
20,00,000	6½	30th June and 31st December	Burrakar Coal Co.	1947	91½	30th June .. 1957
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1968(a)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	99	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	103½	1st March .. 1972(a)
13,68,000	5½		Jayshree Textiles	1949	80N	1st January .. 1956-59
39 90,000	5	1st June	Tata Mills	1951	100	1966-72
ELECTRICS						
10,00,000	4½	31st March and 30th September	Ajra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100½	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(a)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	100½	1st January .. 1970(a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co. Ltd.	1945	87	31st December .. 1970
15,30,000	5	1st June and 1st July	Sijua (Dharan) Electric Supply Co., Ltd	1951	96	30th June .. 1976(a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply		98½	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	98½	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	3rd September .. 1960-63
4,88,400	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1st July .. 1970
3,50,00,000	6	1st April and 1st October	Tata Power		93½	16th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India) Ltd.	1928	99	30th June .. 1958
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	102	1st July .. 1957-62
£1,14,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	£88	31st December .. 1956(‡‡)
10,30,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100‡	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Azarpara	1939	99‡	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	100	30th June .. 1966
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	99½	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co. Ltd.	1945	103	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	99	31st July .. 1959
10,00,000	5	30th June and 31st December	Chitavash Jute Mills	1951	96	30th June .. 1966
15,50,000	5½	31st March and 30th September	Dalhousie Jute Co.		99	31st March .. 1969(a)
8,40,000	5	15th January and 15th July	Empire	1951	105	15th July .. 1965(a)
25,00,000	5½	1st January and 1st July	Hukumchand	1947	102	30th June .. 1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co. Ltd.	1955	100	31st March .. 1970
20,00,000	5	30th June and 31st December	Khanison Jute Mills Co., Ltd.	1949	96‡	31st December .. 1964(a)
25,00,000	5½	30th June and 31st December	Kalhati	1952	98	31st March .. 1967(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1938	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co. Ltd.	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Presidency	1943	93	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co. (Ltd.	1950	91	30th September .. 1965(a)
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1937	96½	30th June .. 1957
10,00,000	5½	31st January and 31st July	Waverly	1925	88	31st July .. 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
£ 50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October	Katakhal-Lalabazar Railway	1933	£77½N	1st October .. 1974
6,50,000	5½	30th June and 31st December	Rohilkund-Kumaon Railway	1945	90‡	31st December .. 1956(a)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months' notice (a)
4,33,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	96‡	1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffe	1952	102?	1st July .. 1957-63
12,50,000	6	31st March and 30th September	Nilgiri Tea		100‡	1st April .. 1954-68
1,89,700	5½	31st March and 30th September	Teokoy	1944	100‡	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st Decem ber .. 1965
£6,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	86	31st December .. 1962
4,80,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1962
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	103	1st September .. 1964-69(a)
3,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102‡	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1974
30,92,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	80½	1st July .. 1956
30,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87½	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	.. 1940
1,20 00,000	5	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1950	102½	1st January .. 1971(a)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(a)‡
17,75,000	5	15th March and 15th September	Meitur Chemical Industries	1949	95½	.. 1964
24,94,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	80	30th September .. 1976(a)
48,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	470 (per note)	31st December .. 1972(a)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	89½N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	102	30th June .. 1965-70
1,00,00,000	5½	31st March and 30th September	Orissper Mills	1951	98	31st March .. 1961(a)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. 1965(a)†‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at 4 per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. † With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1956. Any debenture outstanding on 1-9-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ¶ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1956 onwards. The Company has option to redeem all debentures at 101 per cent. on 30 May, 1956, on six months' notice. ‡‡ Option to repay at par on 6 months' notice on or after 1st January, 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 26th April 1956.

	Closing quotations 18-4-1956	High	Low	Closing quotations 25-4-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	173½	173½	172½	173½
Apollo (2)	2⅜	2½	2⅜	2-15/16
Bombay Dyeing (250)	647½	648½	627½	627½
Central India (100)	130	135	128	131½
Century Mills (100)	527xd	530½	518	518
Colaba (100)	71½	—	—	71½
Edward Textile (200)	335	—	—	335
Elphinstone (50)	55	—	—	55
Finlay (100)	351	351	347½	348
Gokak (100)	230½	229½	227	227
Ind. Und. Deld. (1)	2 1½	2 1½	2-0½	2-0½
Ind. Untd. Ord. (10)	12¾	12¾	12½	12¾
Indore Malwa (100)	147½	147½	144½	145
Khatau (100)	243½	242½	240½	240½
Kohinoor (100)	336½	336	348	348
Lakshmi (250)	695	705	695	705
Madhusudan (100)	111½	—	—	111½
Minerva Mills (100)	88½	—	—	88½
Model Nagpur (250)	150	—	—	150
Morarji (100)	245	—	—	245
Mysore (50)	112½	112½	110	110
National Rayons (100)	236½	244	234½	238½
New City (100)	164½	168½	162½	162½
New Great (100)	226½	—	—	225½
New Union (10)	38½	—	—	38½
Phoenix (100)	132½	—	—	132½
Podar Mills (100)	175	175	172½	173½
Sassoon Silk (10)	13½	13½	13½	13½
Shasoon Spg. (10)	38	—	—	38
Shahjee (1,000)	1,700	—	—	1,700
Shrinivas (100)	222½	222½	217½	217½
Simplex (50)	209	210	207	209
Standard (100)	412½xd	415	407½	410
Swadeshi (100)	226	226½	219½	219½x
Swan (100)	451½	—	—	451½
Tata Mill (95)	52½xd	53½	51½	51½
Vishnu (100)	104½	105½	100½	103½
Western India (1,000)	5,000	—	—	5,000
BANKS				
Bank of India (50)	152½	153½	152	153½
Bank of Baroda (50)	92	94	92	93
Central (25)	47	47	46½	47
Central 'A' (25)	48½	—	—	48½
Dena Bank (50)	40	—	—	40
Punjab National (25)	48	—	—	48
Union Bank (5)	6⅜	6⅜	6-6½	6-8
United Com. (50)	40½	—	—	40½
ELECTRIC COS.				
Ahmedabad (100)	102⅜	102⅜	99⅜	100⅜
Amalgamated (10)	11½	—	—	11½
Andhra Valley (1,000)	1,260	1,262½	1,255	1,255
Bom. Sub-El. (100)	115⅜	115⅜	115	115
Surat (100)	120	120½	118½	120½
Tata Hydro (100)	123½	125½	123½	123
Tata Power (1,000)	1,350	1,347½	1,341½	1,342½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	600	—	—	600
Ind. Mercantile (20)	41½	41½	41	41
Jupiter (15)	5½	—	—	5½
New India (15)	38½	39½	38½	39½
Oriental (200)	3,900	—	—	3,900
Universal (10)	7	—	—	7
Vulcan (10)	14½	—	—	14½
STEEL COS.				
Ind. Iron (10)	95	95	91	91
Tata Steel Ord. (75)	34-14½	34⅜	34-5½	34-5½
	240½	265½	229½	239½
SUGAR COS.				
Belapur (50)	225	225	219	219
Bihpral (10)	15	—	—	15
Phaltan (50)	141½	141½	139½	141
Walchand Ind. (100)	244½	245½	240	242½
CEMENT COS.				
Associated Cts. (100)	214½	215	212½	212½
Digvijay (100)	185	185	184½	185
MISCELLANEOUS				
Alcock Ashdown (100)	350	347½	341½	341½
Bom. Burmah (125)	627½	634½	620	623½
Do. (New) (50)	230½	247½	233½	245
Br. B. Petrol (4 sh.)	4½	4¾	4	4
Br. I. Corpn. (5)	10⅜	10⅜	10½	10½
C. P. Ely. (100)	93	—	—	93
Indian Copper (2sh.)	6-3½	6-11½	6⅜	6⅜
Ind. Inv. Tr. (100)	81	—	6⅜	81
Kemp (200)	175	—	—	175
Killicks (100)	166½	166½	165½	165½
Polson (100)	185	173½	172½	173½xd
Port Canning (100)	9⅜	—	—	9⅜
Premier Cun. (30)	185	186½	171	171xd
Scindia (20)	17 13½	18⅜	17⅜	17⅜
G. E. Shipping (10)	17½	17⅜	17½	17½
Shivagnar (10)	166½	174	164	164
Tata Chemicals (10)	172	172	164½	164½
Tata Oil (25)	45	47½	45	46½
Tata Loco (100)	153½	154½	150	150
W. I. Match (100)	202½	203½	200	201½

GOVERNMENT SECURITIES	20-4-1956	Gross Yield Earlier Redemption	Later Redemption	20-4-1956
	Rs.			Rs.
2½% 1961	93⅜	—	3.89	93⅜
2½% 1960	96⅜	—	3.71	96⅜
2½% 1962	90⅜	—	3.83	90⅜
2½% 1972	81½	—	4.02	81⅜
3% 1957	99⅜	—	3.20	99⅜
3% 1958	99⅛	—	3.18	99⅛
3% 1950-61	98⅜	3 60	3 40	98⅜
3% 1963-65	94⅜	—	3 77	94⅜
3% 1966-68	92⅜	3 80	3 64	94⅜
3% 1965-75	80⅜	3 95	3.73	92⅜
3% 1986 Con. Loan	80⅜	3.94	3.74	84⅜
4% 1960-70	101⅜	—	3 90*	76⅜
2½% 1964-66**	103⅜	3 65	3.88	101⅜
3½% 1961 N.P. Bonds	98⅜	3.00	4 15	103⅜
3½% 1964 N.P. Loan	98⅜	—	3 61	98⅜
3½% 1965 N.P. Bonds	98⅜	—	3 68	98⅜
			3.69	98⅜

BRITISH GOVERNMENT SECURITIES

	19-4-1956 £	Low £	High £	23-4-56 £
2½% Brit. Consols	54⅜	54⅜	54⅜	54⅜
3% Savings Bonds 1965-75	76⅜	—	—	76⅜
3% War Loan 1955-59	92⅜	94⅜	94⅜	76⅜
4% War Loan	75⅜	76⅜	74⅜	74⅜
4% Victory Bonds 1976	93⅜	93⅜	93⅜	93⅜
4% Funding 1960-90	88⅜	88⅜	88⅜	88⅜

* Current Income. x.d.—Ex-dividend. **Rarest Counterparts. Ex-Eight.

COMMERCE

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

VOL. XCII. No. 2357 BOMBAY, 5th MAY 1956 PRICE Rs. 1,8

INDUSTRIAL POLICY UNREALISTIC

THE new Industrial Policy Resolution, presented to Parliament on 30th April 1956, is as unrealistic as the second Five-year Plan, because it reflects the Government's ambitions that extend far beyond the bounds of practicability. The Government has earmarked for itself a large sector of industry. This reservation cannot be justified on the basis of either past performance or known facts about its capacity for satisfactory performance in future. The area left for the private sector is, of course, large, but, to the extent the sphere for the State sector has been widened, by including almost all the important industries, that for the private sector has got greatly reduced. Most of these cover fields where the private sector has already proved its merit. Again, of what is left for the private sector, a steadily increasing share should be set apart for development through co-operatives. The secondary importance thus attached to the private sector is absolutely unwarranted, if its excellent performance in the past, in the face of grave difficulties and under unfavourable political climate, and proved ability for the future, are any criteria. In view of this, one cannot help coming to the conclusion that the Government's approach to industrialisation is influenced more by ideology and less by pragmatism.

The assumption that "the adoption of the socialist pattern of society as the national objective, as well as the need for planned and rapid economic development, requires that all industries of basic and strategic importance or in the nature of public utility services should be in the public sector," is questionable. Such a pattern of society, in our humble opinion, can be evolved better by having the industries referred to in the private sector rather than in the public sector. In fact, ownership of all basic industries and services by the State will, in the long run, be inimical to democratic socialism, the basic principles and the fundamental rights written into our Constitution. This will be more so because of the types of land reform and land management that are being actively contemplated. The entire rural area is sought to be brought under a type of co-operative movement which is foreign to all accepted principles of co-operation. The future co-operative movement will, for all practical purposes, be no different from collectivism, as the guiding star will be the Government and not the elected members of the societies. It is this very type of co-operative societies that will function in the sphere of industries earmarked for the private sector. A beginning in this direction has already been made in sugar and cotton textile industries. The ultimate outcome of all this will be State capitalism, with all its evils. A sort of socialism may come to prevail for some time, but it may not survive for long, considering that India is a relatively underdeveloped and young democracy.

The resolution observes that "it is urgent to reduce disparities in income and wealth which exist today, to prevent private monopolies and the concentration of economic power in different fields in the hands of small numbers of individuals" and that the "public sector must expand," in order to achieve these objectives. It is hard to understand in what way the ownership and working of basic industries by the private sector *in a regulated economy* is incompatible with these objectives or will stand in the way of their realisation. It has been possible to achieve these objectives in other democratic countries and one does not see why it should be impossible in this country. If the Government is vigilant, has a fairly incorruptible civil service and administration, follows a fiscal policy that will encourage the growth of *entrepreneurial* class, and applies its regulatory powers with diligence and discretion, so that the spirit of venture might not be frustrated, there is no reason why monopolies and concentration of economic power cannot be avoided, even though heavy industries and/or basic services may happen to be in the private sector. The qualifications prescribed here are by no means unreasonable or impracticable of fulfilment. Only, they require certain qualities in administration. And, in any case, these qualities would be required in a greater degree, if the State itself were to own and operate successfully complicated industries as is now proposed.

It is equally hard to appreciate the argument that State-ownership or State dominance over basic and strategic industries and services will not lead to concentration of economic power in a few hands or to monopolies. On the contrary, in a country like India, where democratic traditions have not taken firm roots, where adult franchise exists side by side with 83.4 per cent. illiteracy, where no qualifications are prescribed for persons who seek to represent the people in Parliament and State Legislatures, and where hero-worship is still quite common, the chances of these evils, if evils they are, growing from strength to strength are greater than when the industries in question are in the hands of the private sector. The only difference will be that, instead of there being private monopolies, there will be State monopolies, with concentration of economic power in the hands of a few politicians, instead of business men. Since the politicians will be relatively inexperienced in the art of industrial planning and management, the real power will be in the hands of bureaucrats. State monopolies and concentration of economic power in the hands of politicians are, it is needless to add, more dangerous to the common man than private ownership, because there will be no scope for competition and redress of grievances.

Even if it is conceded for the sake of argument that all these misgivings are unwarranted, the fact remains that the Government has no personnel or experience to establish such a large variety of industries as is listed in Schedule A of the policy statement. Further, a democratic Government, by its very nature, cannot be as successful in establishing industries speedily or in running them profitably as the private sector. It may be argued that the private sector, too, is deficient in personnel and defective in certain respects. But the private sector can solve the personnel problem far more quickly than the Government. As for the defects, their elimination is one of the duties of a modern Government.

Another argument mentioned in the resolution in support of the prominence given to the public sector is that the quantum of investment required for establishing certain industries is so large that the private sector cannot cope with it, with the result that, if these industries were left to the latter sector, they will not come to be established in the near future. This is a very subtle argument, in that the existing state of the capital market imparts considerable strength to it. But it must not be forgotten that the Government itself has been responsible for the lack of sufficient resources in the private sector. By taxing the people to the hilt, by not taking satisfactory steps to keep costs at a reasonably low level, by issuing statements of a disquieting nature to investors, by nationalising the major part of institutional investors, and by not providing timely assistance to risk-bearing industries (such as automobiles, shipping and shipbuilding) started by groups of individuals, the Government has crippled the private sector's capacity to establish heavy industries. Now to quote this disability as an argument against the private sector tantamounts to adding insult to injury.

It is not suggested that the State should not enter the industrial field at all. Nor is it suggested that, in the prevailing conditions in India, some of the heavy industries contemplated in the second Plan can be brought into being without active State assistance or State initiative. To say so will be to court the same criticism that has been levelled against the Government at the outset, namely, lack of realism. What is suggested is that the sphere earmarked exclusively for the State is far bigger than it can manage and that it could have conveniently placed most of that in the category meant mainly for the private sector. It is true that the resolution makes it clear that the division of industries is not watertight and that, in appropriate cases, the private sector may be allowed to manufacture an item falling even under Schedule A. But what will happen in actual practice is that the private sector will feel

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MARKET REPORTS

hesitant to take up the industries exclusively meant for the public sector, with the result that the pace of industrialisation will not be as rapid as is required. This is exactly what happened in the iron and steel sector during the period from 1948 to 1955 and is still happening in the coal industry.

This comment holds good in regard to the industries in Schedule B also. These are industries which can be developed by both private enterprise and the State either independently or in co-operation between the two. The fear of unfair competition by State enterprises or of having to compete with such enterprises when necessity demands will deter business men from entering this field and thus slow down the rate of progress. In this context, the following quotation from the speech of the World Bank President, Mr. Eugene R. Black, last year, is quite pertinent:

"..... Rare exceptions do not disprove the often illustrated rule that it is not in the nature of Government to act with the flexibility or the attention to business considerations that is required of good industrial management. And—successful or not—so long as the enterprise stays in Government hands, it does not stimulate the growth of similar enterprises, because private investors are not willing to try to compete with Government. The net result of these State ventures, more often than not, is to restrict the growth of production or, in other words, to defeat the very purpose they seek."

Even after the reservation of a formidable number of industries under Schedules A and B, there is no certainty that the State will not enter the field left for the private sector. More than once in the resolution, the Government categorically asserts that "it is always open to the State to undertake any type of industrial production." There was, of course, a similar reservation in the policy announced in 1948 also, but it was subject at least to one condition, namely, that it would enter only those industries the progress of which in the private sector was unsatisfactory.

The revised Industrial Policy Statement does, however, contain a few observations soothing to the private sector. After emphasising that this sector will have to fit into the framework of the social and economic policy of the State and will be subject to control and regulation in terms of the Industries (Development and Regulation) Act, it says:

"The Government of India, however, recognise that it would, in general, be desirable to allow such undertakings to develop with as much freedom as possible, consistent with the targets and objectives of the national Plan. When there exist in the same industry both privately and publicly owned units, it would continue to be the policy of the State to give fair and non-discriminatory treatment to both of them."

In another place, the Statement observes:

"It will be the policy of the State to facilitate and encourage the development of these industries (that is, those falling outside the Schedules A and B) in the private sector in accordance with the programmes formulated in successive Five-year Plans, by ensuring the development of transport, power and other services, and by appropriate fiscal and other measures. The State will continue to foster institutions to provide financial aid to these industries, and special assistance will be given to enterprises organised on co-operative lines for industrial and agricultural purposes. In suitable cases, the State may also grant financial assistance to the private sector. Such assistance, especially when the amount involved is substantial, will preferably be in the form of participation in equity capital, though it may also be in part in the form of debenture capital."

The private sector will no doubt feel grateful to the Government for these small mercies. In fact, it is these observations, as well as the assurance that there will be no rigidity about the division of industries into three categories, that have induced a section of industrialists to hail the statement as a liberal and realistic document. Further, this compliment to the Government stems from a sense of relief that the policy has not turned out to be as bad as was once feared, as well as from the realisation that it is futile to expect anything better from the Congress Party which has already travelled a long way towards the left. It is also possible that behind this sense of satisfaction lies the impression that the tasks facing the Government are so stupendous that it will have neither the time, nor the resources—finance and personnel alike—for taking up all the industries reserved for the public sector and that, therefore, the room provided for flexibility will turn out to be in their favour. This may be a practical way of looking at the whole thing, but whether all this is wishful thinking or not events alone will show.

The Policy Statement is also notable for the absence of any time limit and any reference to nationalisation. This feature adds to the uncertainty and lack of definiteness caused by the option given to the Government to reduce or expand the sphere for the private sector. If rigidity is a defect, lack of precision is no advantage. It is typical of the Congress Party, which believes in keeping its economic policy delightfully vague, so that it can be changed according to circumstances. In fine, the Party has no firm convictions of its own and a country that depends upon such a Party will have to pay a heavy price for its economic progress.

SOIL CONSERVATION

THE awful immensity of the problem of soil erosion was vividly brought home by the Union Agriculture Minister, Dr. Punjabrao Deshmukh, when he pointed out, in the course of his address at the States Ministers' Conference at New Delhi last week, that, if soil continued to be depleted as now, the land under cultivation would be reduced to 29 per cent. of the present acreage in another generation. This, in essence, is the problem. Either the country makes an all-out effort at preserving the basic capital on which its economy rests, namely, land, or it resigns itself to the certain fate of a near-total loss of its land wealth and decides also to write off the crores of rupees sunk in erecting the large river valley projects. It is not merely that the problem is large, but it calls for urgent solutions implemented with tenacity of purpose. The country must win the war against the ravages on land caused by nature and man alike.

Indeed, it is difficult to say who is the greater sinner against land—man or nature. Perhaps, both must share the blame equally. The wanton destruction of forests, axe-cultivation by the tribes and failure to prevent overgrazing, are all man's abetment in the crime against soil fertility. Nature has been no less cruel. High winds and heavy downpours, together with the rivers and streams, have been responsible for the continuing process of the erosion of soil. The rich alluvium of the soil, along the banks of the rivers and streams, is being steadily lost. Smiling fields of corn, green pasture and fertile land are being gradually reduced to soil of poor fertility and then to uncultivable land. Dr. Deshmukh put the truth bluntly enough when he said that the country would not be able to "maintain the satisfactory food position, attained during the first Five-year Plan, unless effective steps are taken to plan and execute soil conservation measures on a country-wide scale quickly and efficiently." If, in the absence of soil conservation measures, it would be difficult even to maintain food production at current levels, it would be obviously much more difficult to reach even the target of 15 per cent. increase in food production provided in the Draft Outline of the second Plan, not to speak of the 40 per cent. increase as suggested by the Deputy Chairman of the Planning Commission and endorsed by the National Development Council, this week. Mr. Nehru's statement that, "in a sense, the whole Plan depends upon food being relatively abundant and the price of it not being high" should give a new sense of urgency to soil conservation which could play an invaluable role in food production.

It is gratifying to note that the Union Government is alive to the dangers implicit in the process of soil erosion, but it is doubtful whether the State Governments also are equally so. It is after all the State Governments which have to implement the schemes drawn up by the Central Government. The outlay on the programme for soil conservation has been stepped up from Rs. 3.25 crores in the first Five-year Plan to Rs. 26.83 crores in the second Plan. In most of the States, boards have been set up for tackling the problem. There is also a central board. A number of research-*cum*-demonstration centres has been established. Individual projects have been taken in hand in the States, the Centre providing in many cases financial assistance. A separate Directorate of Soil Conservation has been set up under the Agriculture Ministry. Thus, as Mr. V. T. Krishnamachari said, the "preparatory" stage is now complete, so that it should now be possible to "organise concerted efforts all over the country for dealing with the evil of soil erosion."

The work of the desert afforestation research station at Jodhpur will certainly be watched with interest. This station, we are told, will be expanded under the second Five-year Plan for developing forests and pastures for the stabilisation of the Rajasthan desert. The arid sandy tract of the Rajasthan desert, it may be mentioned here, covers an area of about 80,000 square miles. Besides undertaking investigations into the silviculture of indigenous species and the possibilities of introducing exotic arid-zone species, the research station has maintained a large store of seeds of suitable species for free distribution and has also given demonstrations of methods of desert control. It has established shelter-belts along selected roads and railway lines, organised forest plantations on different types of sand, and set up a forest nursery for distributing plants. The Central Soil Conservation Board has now set up research-*cum*-demonstration stations at Dehra Dun, Kotah, Vasad (Bombay State), Bellary and Ootacamund. The Board has also started training courses, with a view to making an adequate number of trained personnel available for soil conservation in the country.

Soil conservation is of particular significance to land where irrigation is not possible; 50 to 60 per cent. of the cultivated land in this country belongs to this category. Measures for the conservation of moisture in the soil in dry areas, Mr. Krishnamachari said, fell into three classes: (1) Those which have to be undertaken in the cultivators' holdings, namely, contour-bunding, gully-plugging and strip-cropping; (2) those which require collective effort in a village as a whole, namely, control of erosion in the catchment within the village limits of small streams, control of grazing or raising a field or fodder reserve for the village; and (3) common work for groups of villages in the area which forms the catchment of a stream or streams. The first of these measures should be the responsibility of the owner of the land, the second that of the village as a whole and the third that of a group of villages. In order to implement the programme, Mr. Krishnamachari emphasised the need for suitable legislation designed to apportion the responsibility for common works and to arm State Governments with necessary powers to impose obligations on owners to carry out soil conservation programmes. So far as river valley schemes and multi-purpose projects are concerned, he rightly warned that failure to prevent denudation of forests and the choking of river beds with sand would reduce the effective life of dams and reservoirs constructed at enormous cost.

Clearly, the success of the programme would depend on the availability of adequate data on soil, agronomy, forestry, and engineering on which the programme has to be based, on trained personnel to carry out the programme and, above all, on the degree of co-operation which the rural communities are able to give. The authorities concerned, as Dr. Deshmukh said, should give their early attention to the collection of all necessary data. It would appear that an attempt has been made by the Central Soil Conservation Board to train the personnel who could undertake or guide the work. As regards people's co-operation, Mr. Krishnamachari said that the entire programme should be so organised as to become the programme of the people. He added that the National Extension Service was "the appropriate agency for this purpose." It is true that the N.E.S. blocks would be the ideal regions for trying the experiment in soil conservation. But it is sad to note from the report giving the appraisal of the work in these projects, issued this week, that little progress has been made in this direction. If this is the state of affairs even in these pockets of rural enlightenment, how much more difficult should it be to implement the programme in other areas? Indeed, this frank admission in the appraisal report on community projects should make the authorities redouble their efforts at winning the co-operation of farmers in the national task of soil conservation.

After reviewing the work of soil conservation, the Conference expressed the view that proper land-use practices and soil conservation methods should be introduced in all farmlands with the co-operation of the farmers. It recommended that the staff of agricultural departments should be thoroughly trained in this important aspect of farm management through a phased programme of agricultural education in schools and colleges. It set up another Committee of Ministers, with Dr. Deshmukh as Chairman, to examine the question of financial assistance to the States for soil conservation work. It is to be hoped that this Committee, besides merely allocating finance, will also take steps to ensure that the State Governments take a live interest in the problem and that the grants are effectively used for the purposes they are intended to serve.

SELECT COMMITTEE ON COMPENSATION TO LIFE INSURERS

INTERNATIONAL WHEAT PACT SURVIVES

THURSDAY, 5 P.M.

THE City markets have passed another week of listless conditions. The share market has placed a constructive interpretation on the revised industrial policy of the Government. Equity values are, therefore, a shade higher. In bullion, a minor bull squeeze is developing. Ready gold has crossed the level of Rs. 107 to close at Rs. 107-1; over the week, this rate shows a gain of As. 12. Silver has wound up with a net rise of Rs. 2-9 in the spot section and of Re. 1-13 in the forward. The Bullion Association authorities have allowed trading to go on simultaneously in two forward settlements in the hope of easing the pressure by bulls, but this may lead to fresh complications later. It will be recalled that a similar experiment last year encouraged the bears to hammer the contract in the hope that the slack season during the monsoon months would force the bulls to put their hands up in despair. This calculation did not prove correct and futures trading in bullion had to pass through the severest crisis in its history. The money market has undergone no perceptible change. Demand for bank credit is still keen, the volume of floating funds is next to nothing and the market continues to depend upon the lender in the last resort for supply. A Bill has been introduced in Parliament giving more powers to the Reserve Bank to regulate the volume of credit and seeking to revalue the gold holdings, of the Reserve Bank and lower the minimum level of currency reserve in foreign assets and gold. Among the commodities, cotton has been ruling firm and so also oilseeds, with the exception of linseed. The Government has not yet succeeded in arresting the upward trend in the price of groundnut or groundnut oil. Prices of foodgrains have declined further but only by a fraction again. The steady deterioration in the food situation has compelled the Government to open as many as 638 fair-price shops in Calcutta. It has also opened the eyes of the Government to the necessity for giving greater prominence to agriculture than it has done in the Draft Outline of the second Plan.

MARKET GOSSIP

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The Government's firm declaration that it has no intention to nationalise banks, its decision not to place any restriction on the spindleage of cotton mills and its studied silence on nationalisation in the revised industrial policy statement are interpreted in knowledgeable circles as signs of a welcome change in its attitude towards the private sector. While it is not denied that the industrial policy statement is not free from incongruities, or that it could have been drafted with a greater sense of reality than has been done by the Government, it is pointed out that the fact that it could have been easily worse is itself a cause for satisfaction. These circles feel that the Central Government has begun to give second thoughts to its economic policy, that it is no longer keen on nationalising steel, coal and other heavy industries and that, as years pass, it will give more and more freedom to the private sector. This will, however, depend to a considerable extent on the private sector itself. If business men behave well and prove themselves to be a model of good citizens, they will be assured of a safe and permanent place. In other words, business men must, if they are to hold their place in the economic sphere, produce efficiently, keep prices at reasonable levels, have decent labour relations and regard profits as something to be invested in further development and creation of employment opportunities, instead of diverting it to inflate their personal incomes and expenditures. It is to be hoped that business men will conduct themselves on these lines and thereby induce the Government and the Congress Party to give up their policy of distrust and disregard towards the private sector.

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Meanwhile, it is distressing to find that the Union Government has, on the whole, been unable to prevent the Mysore State Government from wasting its resources on nationalising the Kolar gold mines, instead of utilising them for more useful purposes. Any such plea from the Union Government will, of course, sound hollow. Having itself been tempted by the dazzling diamonds at Panna, the Union Government cannot possibly ask the State Government not to succumb to the temptation of owning the mines containing glittering gold. What is sauce for the goose is sauce for the gander. Thus, the only two issues are compensation and the future set-up for the working of the mines. In the Lok Sabha, the question of compensation was raised. But the Minister for Natural Resources, Mr. Malaviya, refused to say what compensation the companies demanded. The chief controversy centres round the principle of compensation itself. The companies want it on the basis of assets *less* liabilities, while the State Government would like to base it on the market value of the shares.

In a Press interview at Bangalore, Mr. Arthur H. E. Taylor, Managing Director and the chief spokesman on behalf of the Companies, confirmed that the companies had submitted that compensation should be based on an impartial valuation by experts of the assets *less* liabilities with due recognition for loss of earning power resulting from the premature termination of the leases, while the State Government was inclined to base the compensation on the recent market value of the shares. The companies had pointed out, he said, that the share market was a sensitive barometer and that the market quotations of the Kolar gold mining shares had been seriously and continuously affected and depressed ever since 1939 by special imposts and references to nationalisation, to doubling of royalty, etc., and that to take the depressed and prejudiced share values as a basis for compensation would be to inflict a double injury on the companies and investors. Mr. Arthur Taylor said that, in this connection, it was incorrect to imply that the mining companies' claim for compensation amounted to Rs. 2 crores. As already stated, their claim was based on the value of the assets *less* liabilities and loss of earning power due to the premature termination of the leases, which amounted to a figure between Rs. 6 crores and Rs. 8 crores. He added that far from being "anxious to be relieved," as reported in certain sections of the Press, the mining companies were anxious to get on with their job—which is that of producing gold. However, the present atmosphere of uncertainty, he said, was not conducive to the efficient working of the mines, was unsettling to the staff, and had created a condition in which long-term planning by the management was impossible. It was in this context that the mining companies were anxious to reach an early decision regarding compensation and the other matters arising out of the proposal to nationalise the mines.

As regards the future set-up, the State's Home Minister, Mr. H. Siddaveerappa, stated, in the course of a recent Press conference, that an autonomous body like a corporation would have to be set up. He added: "We have also made it clear to Messrs. John Taylor and Sons that, if by a separate agreement, we come to an understanding we have no objection to continue their services for such time and under such conditions as we deem necessary. We do not want to create any bitterness in the minds of anybody. I expect we will remain as friends even after this nationalisation." Mr. Taylor, on his part, revealed that the Mysore Government had asked the managers if they would be prepared to continue to manage the mines after nationalisation. He further revealed that the managers had indicated their willingness to continue to run the mines provided they were satisfied that the compensation was acceptable to the shareholders and the terms offered to the staff were fair and reasonable.

It is to be hoped that the State Government, if it must nationalise gold mining at all, will at least ensure that the State, in the national interest, retains the services of the expert management which has guided the mines all these years and sustains the confidence of investors by paying reasonable compensation.

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Investors in insurance scrips have for some time now been awaiting with keen interest the decision of the Select Committee on the provisions relating to compensation in the Life Insurance Corporation Bill. Although the final version and the full text of the Committee's report have not yet been received, Press reports from New Delhi point out that some modest improvement has been effected in the original provisions. Briefly, the original Bill provided for compensation either (1) at the rate of 20 times the annual average surplus allocated to shareholders in the last two actuarial investigations prior to 1st January 1955 or (2) 10 times the annual average surplus allocated to shareholders in such valuations *plus* the paid-up capital or assets equivalent thereto or in the case of a composite insurer, that part of the paid-up capital or assets transferred to the Corporation, whichever is greater. Insurers had represented that the formula would not take into account the increase in business in more recent years. Thus, if a company had two actuarial valuations at the end of, say, 1950 and 1953, the surplus resulting from its business in 1954 and 1955 would not be taken into account.

Realising that such a procedure would be unjust to the companies concerned, the Select Committee has now devised a somewhat more equitable formula. Under this formula, the companies will be given compensation at the rate of 20 times the annual average of the surplus in the last actuarial investigation prior to 1st January 1955, multiplied by a "figure which represents the proportion which the average business in force during the calendar years 1950 to 1955 bears to the average business in force during the calendar years comprised in the period between the date on which the actuarial investigation immediately preceding the earliest of the relevant actuarial investigations was made and the date on which the last of such investigations was made."

The alternative form of calculating compensation is to give half the amount payable under the above formula *plus* the paid-up capital or assets equivalent thereto, or, in the case of a composite insurer, that part of the paid-up capital or assets equivalent thereto which have been transferred to the Corporation. Insurers will be given compensation under either of the two formulæ, whichever is more advantageous to them.

The formula now devised is a slight improvement over the original one, in that some attempt has been made to take into account the surplus arising from the business done in more recent years. Nevertheless, it is cumbrous as compared with the straight "projection" method suggested by the insurers. Obviously, the Select Committee has rejected the "projection" method, on the ground that it would have meant a somewhat larger compensation to the companies. This smacks a little too much of higgling in the market place.

Be that as it may, the Committee has stuck to the original 5 per cent. formula in respect of the proportion of the surplus allocated to shareholders. Thus, even if a company has allocated more than 5 per cent. of the surplus to shareholders, it will be deemed to have distributed only 5 per cent. for purposes of calculating the compensation. If an insurer has not allocated any such surplus to shareholders or has allocated less than 3½ per cent. of any such surplus, the insurer will be deemed to have distributed 3½ per cent. of the surplus. This is a slight improvement over the original Bill which had provided for a floor of only 3 per cent.

The ceiling for the proportion of the surplus allocated to shareholders has thus been kept at 5 per cent., even though the law gave the companies the right to allocate 7½ per cent. of the surplus. The injustice to shareholders involved in the ceiling on the shareholders' share of the surplus now prescribed, namely, 5 per cent., has been effectively brought out by the minute of dissent appended to the report of the Select Committee by Mr. Tulsidas Kilachand and Mr. G. D. Somani. They have pointed out that only a few companies have allocated less than 7½ per cent., the limit specified in the Insurance Act. The companies have done so for various reasons, such as, to attract more business and to conform to their articles of association. As long as the percentages taken into consideration for calculating the compensation payable to such companies are the same as or higher than those at which the respective companies appropriated their valuation surpluses for the benefit of their respective shareholders, no injustice, it is argued, would be done to them. On the other hand, injustice would be definitely meted out to companies, if the percentages taken into consideration are less than those at which they appropriated their respective valuation surpluses for the benefit of their shareholders. The minute of dissent further contends that share values had got adjusted on the basis of the arrangements in regard to the division of the valuation surplus between policyholders and shareholders, and it would be unfair to those shareholders who had purchased shares on the basis of such arrangements.

The limit of 7½ per cent. laid down in the Insurance Act, 1938, it is stated, is itself low, as compared to the limits prevailing even in advanced countries. In the U.K., there is no statutory limit, but the country's largest company, namely, the Prudential, has allocated 8 to 10 per cent. In India, the conventional limit was 10 per cent, up to the year 1950, after which it was reduced statutorily to 7½ per cent. The upper limit of 5 per cent. laid down in the original Bill and endorsed by the majority, according to the dissenting minute, is arbitrary and unfair. The signatories to the minute of dissent have accordingly urged that the ceiling should be raised to at least 6¼ per cent. But they feel that the equitable basis for any company would be the actual percentage appropriated by that particular company in its last valuation.

There is yet another consideration which, according to Mr. Kilachand and Mr. Somani, militates against the interest of the shareholders of existing companies. In valuing the surpluses, the assumptions regarding mortality figures, interest yields and expense ratios taken into account, it is pointed out, had always been on a conservative basis; the margin for this purpose, according to the representations made by life insurers, is of the order of about 20 per cent. They deplore that no adjustment has been made on this account in the amount of compensation payable. Finally, they have suggested that compensation should be made payable within a reasonable time, say, 31st December 1956, and that the amount of compensation should bear interest at 3½ per cent. from 19th January 1956, the date of acquisition of the business, till the date of payment.

The question of compensation to insurers is more a moral than an economic issue. It is the touchstone on which the people will test the Government's assurance that it will take no unfair advantage of the Constitutional amendment by which the issue of compensation has been placed beyond the purview of the courts. When the judiciary is robbed of the powers which, in a democratic country, would belong to it, then the least that the Government should do is to demonstrate that it uses the powers in the same way as a judicial tribunal would have done. The Government is in the enviable position of being the sole buyer and the insurers in the unenviable position of sellers, not by choice but by compulsion of the buyer whom they cannot resist. It behoves the Government to be just, if not generous.

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The question of maximum and minimum prices under the International Wheat Agreement which had proved a thorny issue till now, has at last been settled. The Executive Committee of the U.N. Wheat Conference, which met at London last week, drew up a draft pact providing for a price range of $1.50 at the minimum and $2 at the maximum for No. 1 Manitoba Northern wheat in bulk in store Fort William-Fort Arthur. This range compares with $2.05 (maximum) and $1.55 (minimum) in the current (1953-56) agreement which expires on 1st July 1956, and $1.80 (maximum) and $1.50 (minimum) in the first (1949-53) agreement.

Like the current agreement, the new agreement will also be for a period of three years (1956-59). The objectives remain the same, namely, to assure a market for wheat-growing countries and a source of supply for the importers. If the free market price rose above the maximum, the importing countries could call upon the exporters to deliver the agreed quantities at the maximum price. Similarly, if the price fell below the minimum, the exporters could ask the importers to buy the agreed quantities at the minimum price. The agreed or guaranteed quantities, to which the exporters have agreed, aggregate 303 million bushels, as against 395 million bushels in the current and 581 million bushels in

(*Continued on page 895*)

EQUITIES GAIN GROUND

FAVOURABLE REACTION TO NEW INDUSTRIAL POLICY

(From Our Own Correspondents)

BOMBAY, *3rd May*

AFTER three weeks of quiet trend and moderate recession in equity values, the share market struck an enthusiastic note during the week under review. There was renewed buying on a fairly good scale and equity values staged a recovery. Operators, however, were cautious in extending their commitments and support from buil operators was not also very aggressive, with the result that the recession in equity values noted in the previous three weeks could not be fully made good.

The main inspiration for the market during the week was provided by the enunciation of the Government's industrial policy which, contrary to earlier fears, proved to be more favourable to the private sector. The main feature of the policy was its flexibility and it did not tie the Government down to any rigid doctrinaire approach. Market circles would appear to have derived considerable encouragement from the fact that the policy provided ample scope for private enterprise to expand. Another encouraging feature of the policy was that the heavy State enterprises would have to depend to a large extent on private enterprises for their requirements of raw materials. Absence of any reference to nationalisation of industries was yet another feature of the policy statement. The rejection of a private member's resolution in the Lok Sabha for the nationalisation of banks provided a bullish factor for the market. The Minister's reply to the debate on the above resolution gave the indication that the Government was not keen on wiping out the private sector, as it was committed to a mixed economy and the nation depended for 90 per cent. of its wealth on the private sector.

The market remained officially closed today, being the 21st day of Ramzan.

In the steel section, after an early reaction from Rs. 239-4 to Rs. 236-12, Tata Ordinaries rallied to Rs. 245-4 on Tuesday. The higher level, however, attracted profit-taking in view of the holiday today and fortnightly settlement tomorrow and the scrips closed yesterday at Rs. 243-12. Indian Irons came up from Rs. 34-5½ to Rs. 34-15½ and finished at Rs. 34-9½.

Textile shares shaped well on revival of buying induced by encouraging performance of the industry. Despite the Chairman's rejection of the proposal to issue bonus shares, at the annual general meeting held last week, Bombay Dyeings advanced from Rs. 627-8 *cum-div.* (final div. Rs. 17-8) to Rs. 625 *ex-div.*, following the denial of the Chairman of the recent rumours regarding the change in the managing agency of the Company. The closing was, however, lower at Rs. 620-10. Centurys shot up from Rs. 518 to Rs. 530-4, before finishing at Rs. 528-8. Kohinoors wound up with a gain of Rs. 10 at Rs. 358. Central Indias recorded a handsome gain of Rs. 7-8 to Rs. 139. Finlays closed better at Rs. 329 *ex-div.*, as against Rs. 348 *cum-div.* (div. Rs. 20). Gokaks put on Rs. 2-8 at Rs. 229-8 and Indu Ordinaries As. 6½ at Rs. 12-10½. New Citys held ground at Rs. 162-8, while New Greats lost Rs. 3 to Rs. 232-8. Shree Niwas picked up Rs. 3-12 to Rs. 221-4 and Simplex Rs. 4-8 to Rs. 213-8. Standards rose by Rs. 7-8 to Rs. 417-8, Svadeshis by Rs. 2-4 to Rs. 222 and Tata Mills by Re. 1-8 to Rs. 53.

Bank shares, which had remained neglected in the previous week, came in for good support, following Parliament's rejection of the private member's resolution to nationalise banks. Bank of Indias were done Re. 1-8 higher at Rs. 155-4. Central Banks improved by Rs. 3 to Rs. 50 and their new fully paid-up shares by Re. 1-4 to Rs. 51. Punjab Nationals were done at Rs. 46 *ex-div.*, as against Rs. 48 *cum-div.* last week. United Commercials changed hands Re. 1-8 higher at Rs. 51.

Insurance shares were neglected and transactions were few and far between. New Indias had some business As. 8 higher at Rs. 40-4. British India Generals gained As. 2 to Rs. 13-6. There was hardly any business in other counters.

The electricity section was featureless and fractional changes were recorded in prices. Ahmedabad Electrics were done As. 5 lower at Rs. 100-10. Bombay Suburbans were unchanged at Rs. 115. Surat Electrics shed As. 10 to Rs. 120. Tata Hydros were bid Re. 1 higher at Rs. 126 *ex-div.*, as against Rs. 129 *cum-div.* (interim div. Rs. 3). Tata Powers showed no change at Rs. 1,342-8, while Andhra Valleys picked up Rs. 10 to Rs. 1,245.

The miscellaneous section followed the general pattern of the market. Sugar shares provided the highlight of the section with smart rises on keen buying. Belapurs shot up from Rs. 219 to Rs. 229-4. Phaltans advanced by Rs. 7-8 to Rs. 148-8, on rumours regarding bonus issue. Walchandnagars gained Rs. 3-12 to Rs. 246-4. Bhopal Sugars, however, provided an exception with a drop of Rs. 2 to Rs. 13. In the cement group, A.C.Cs. were erratic, moving between Rs. 214 and Rs. 210-12, but closed a rupee better at Rs. 213-4. Digvijays gathered Rs. 2-8 to Rs. 187-8. Engineering and mining shares presented a steady front, though the rise in values was not very marked. Alcocks gained but Re. 1-4 to Rs. 340. Tata Locomotives advanced by Rs. 2 to Rs. 152 and Premier Constructions by Re. 1-8 to Rs. 172-12. Mahindra and Mahindras were unchanged at Rs. 14-12 and Larsen and Toubros at Rs. 15-9. Shivrajpurs changed hands Re. 1-4 higher at Rs. 106, while Indian Coppers held their own at Rs. 6-9. B.B. Petrols were a shade higher at Rs. 4-1¼.

In the shipping and transport group, Scindias moved up from Rs. 17-9 to Rs. 18, but finished lower at Rs. 17-12. Great Eastern Shippings were done at the self-same rate of Rs. 17-8. Bharat Lines were neglected at Rs. 74. Hindustan Motors shaped well with a rise of As. 7 to Rs. 9-11 and Premier Automobiles also shot up by Re. 1-8 to Rs. 90. Among miscellaneous industrials, Bombay Burmahs (old) rallied from Rs. 622-8 to Rs. 645 before closing at Rs. 641-4. National Rayons came up from Rs. 232-12 to Rs. 248, but finished at Rs. 245-12. British India Corporations were in demand and advanced by As. 8 to Rs. 11. Tata Chemicals gathered As. 8½ to Rs. 17-15½ and Tata Oils Re. 1-4 to Rs. 47-12, while Wimcos were unchanged at Rs. 201-4.

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Calcutta Stock Exchange

CALCUTTA, *2nd May*

The Calcutta Stock Exchange put on a hesitant appearance in the first three sessions of the week, but picked up strength on Monday which persisted till the close today. The initial hesitancy was due to the tendency of operators to await the discussions on the second Plan at the meeting of the National Development Council and the enunciation of the new industrial policy. Buyers were not inclined to enter into large commitments, thanks to expectations of a cut in the Plan's outlay. The Union Finance Minister's resignation (held in suspense) was another factor which reduced the buying interest of operators. Consequently, deals put through in equities were restricted and prices tended to look down. The sentiment of the market, however, distinctly improved on Monday, reflecting the favourable reaction of operators to the new industrial policy announced by the Prime Minister in the Lok Sabha. The operators were encouraged to find that, although no assurances against nationalisation in the future have been given, the private sector has been allotted a large field. This factor, as also advices from Bombay that there would be no change in Bank rate, induced good buying support and equity values staged a recovery. The recovery would have been more marked but for fears of rigorous enforcement of rules for bonus issues and additional taxes, so that, over the week, the prices of most of the equities were lower.

Sectionwise, coals were quiet. Bengals dropped Rs. 6 to Rs. 529. Equitables fell by As. 10 to Rs. 28-8. Raneegunges moved down by As. 9 to Rs. 11-3. Unions declined by As. 6 to Rs. 12-4 and Burrakurs by As. 5 to Rs. 13-13.

In the textile section, Cawnpores were quiet at Rs. 8-4, as also New Victorias at Rs. 2-6. Elgins were done at Rs. 27-2, same as last week.

The volume of business passing in the jute section was extremely low. Nationals receded by As. 3 to Rs. 23-3, but recovered to Rs. 23-6 today. Ganges lost a rupee to Rs. 66-8. Chitavalsahs and Presidencies eased by an anna each to Rs. 14-4 and Rs. 5-6, respectively. Anglo-Indias, however, advanced by Rs. 3 to Rs. 173 on special support. Barangores were also favoured a rupee higher at Rs. 134.

Among mining company shares, Karanpura Developments received moderate attention which pushed up the rate to Rs. 27-10, as against Rs. 25-7 last week-end. Indian Coppers shed an anna to Rs. 6-9. But Burma Mines elicited good enquiries and spurted by As. 9 to Rs. 4-1.

NETHERLANDS TRADING SOCIETY

(Nederlandsche Handel-Maatschappij, N. V.)

BANKERS

Established by Royal Charter 1824

Paid-up Capital:

Nf. 60.030.000 (= £59.00.000)

Reserve:

Nf. 30.015.000 (= £29.50.000)

Extraordinary Reserve:

Nf. 10.000.000 (= £9.50.000)

Head Office: **AMSTERDAM**

Over 130 branches in the Netherlands and Indonesia, in Malaya, Singapore, India, Pakistan, Burma, New Guinea, Hongkong, Japan, Lebanon, Saudi Arabia, Kenya, Tanganyika, Uganda and in New York.

Banking Transactions of every Description.

Bombay: 14, VEER NARIMAN ROAD.
Calcutta: 18A, BRABOURNE ROAD.

In the engineering section, Indian Irons, after declining by As. 9 to Rs. 34-2, recovered to Rs. 34-9. Britannia Buildings were supported higher at Rs. 8-2, as against Rs. 7-5 early in the week. Jessop & Cos. moved up from Rs. 35-9 to Rs. 36-2 and, after receding to Rs. 35 yesterday, recovered to Rs. 35-4 today. Texmacos shed an anna to Rs. 23-8. Richardson and Cruddas declined by As. 9 to Rs. 27-8. Burn & Cos. climbed down by Rs. 6 to Rs. 349. Indian Standard Wagons were quiet at Rs. 181.

Among tea shares, Lackatoorahs were sought Rs. 4 higher at Rs. 32. Hantaparas, however, dropped Rs. 8 to Rs. 336. Tezpores also declined by a rupee to Rs. 25-13. Methanis changed hands at Rs. 24-8, as against Rs. 25-8.

Miscellaneous industrials lacked support. Electric Constructions gave way from Rs. 13-5 to Rs. 13-1. Shree Gopal Papers fell from Rs. 18-2 to Rs. 18-1. National Carbons were done at Rs. 26-4, same as last week.

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Madras Stock Exchange

MADRAS, *2nd May*

The Madras Stock Exchange came in for restricted activity during the week under review. Although the new industrial policy has been welcomed, the operators preferred to be cautious and were reluctant to commit themselves. Consequently, except for some select scrips which met with some support, the rest ruled rather quiet. Business done in the market was limited and prices fluctuated within a narrow range. There was a sprinkling of both minor gains and losses over the week.

There were some dividend announcements this week also. Coonoor Teas declared a final dividend of 15 per cent., thereby making a total of 25 per cent. for the year ended 30th September 1955, as against 45 per cent. for the previous year. The scrip was dull at Rs. 28-14 *cum-div.* Parksides declared an *interim* dividend of 5 per cent. for the year ended 30th June 1956. The total dividend for the previous year was 25 per cent. The share was quoted lower at Rs. 20-3 *cum-div.*, as against Rs. 20-12.

Textiles witnessed some narrow fluctuations. Loyals gathered As. 4 to Rs. 48 and Travancore Rayons an anna to Rs. 15-11 *cum-div.* Ranga Vilas changed hands at Rs. 93-8, as against Rs. 90 and Trichinopolys at Rs. 13, as compared with Rs. 12-4. Bangalore Woollens, however, lost Rs. 10 to Rs. 560 and Cambodias As. 4 to Rs. 13-4 *cum-div.* Rajalakshmis were dealt with at Rs. 167 *ex-div.*, as against Rs. 175 *cum-div.*

Except for a few select scrips, plantings too lacked support. Among teas, Waterfalls and Periakaramalais gained an anna each to Rs. 6-6 and Rs. 9-2, respectively. United Nilgiri Teas moved up by Rs. 10 to Rs. 365 *cum-right.* Peermades, however, lost As. 8 to Rs. 37-8. In the rubber section, Pullangodes gained As. 5 to Rs. 5. Midlands, however, lost As. 2 to Rs. 21-8. Thirumbadis were fractionally lower at Rs. 2-3-6. Cochin Malabars were quiet at Rs. 9-1. Among coffees, Consolidated Coffees advanced by As. 9 at Rs. 19-4 and Coffee Lands by As. 7 at Rs. 23-6. Puthutotams and Mysore Coffees were slightly better at Rs. 4-11 and Rs. 2-4, respectively.

In the miscellaneous section, Binnys gained Rs. 2 to Rs. 172. Ashok Leylands disclosed a gain of an anna at Rs. 5-11. Spencers, however, lost As. 4 to Rs. 17. Champion Reefs were quiet at Rs. 4-8. Business was reported done in Parrys at Rs. 3 and New Victorias at Rs. 2-4.

Notice

EASTERN INVESTMENTS LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-ninth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, at 3.30 p.m. on Wednesday the 30th May 1956, for the following purposes:—

1. To receive the Directors' and Auditors' Reports and pass the Accounts for the year ended 31st December 1955.
2. To declare Dividends.
3. To elect Directors and appoint Auditors.
4. To transact any other ordinary business that may be brought before the meeting.

The Share Transfer Registers of the Company will be closed from the 16th May 1956 to the 30th May 1956, both days inclusive.

By Order of the Board,
BIRD & CO. (PRIVATE) LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *25th April* 1956.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

NEWS IN BRIEF

COTTON textile machinery, valued at about Rs. 3.65 crores, was manufactured in India during 1955.

A programme for the development of major ports at a cost of Rs. 62.28 crores has been drawn up for inclusion in the second Plan.

A sum of Rs. 30 crores is expected to be allotted by the Ministry of Natural Resources and Scientific Research for oil exploration during the second Plan period.

A sum of Rs. 26.83 crores has been provided for soil conservation work under the second Five-year Plan, as compared with Rs. 3.25 crores under the first Plan.

The Government of India has allotted for export 4,100 tons of coffee from the 1955-56 crop. The allotment consists of Plantation 2,850 tons, Arabica 650 tons and Robusta 600 tons.

The fourteen-day old strike by the reserve pool workers of the Dock Labour Board ended on Sunday last, when about 6,000 workers, representing almost the entire strength, reported for duty.

The Government of India is considering the assistance to be provided by it to the Nepalese Government for the implementation of the latter's first Five-year Plan. Nepal's first Plan is estimated to cost Rs. 21.63 crores.

Preliminary plans for the manufacture of streptomycin at the Hindustan Antibiotics Ltd. at Pimpri have reached the concluding stage and the scheme is expected to be taken in hand towards the end of 1956 or early in 1957.

About Rs. 6 crores are proposed to be spent on the Banaras-Cape Comorin national highway. The road is already in existence and all that is required is the construction of certain bridges and repairs. The 1,519-mile highway passes through eight States.

The Union Ministry of Production has announced that small-scale manufacturers of salt, whose individual holdings exceed 10 acres but not 100 acres, and who are organised as members of co-operative societies, will henceforth pay cess at the reduced rate of one anna, instead of As. 2 per maund.

The Government of India has fixed the price of tea, for the purpose of determining the export duty, at Rs. 3-4-3 per lb. for the month of May 1956, as against Rs. 2-13-4 per lb. in force during April. There is no change in the existing rate of export duty of As. 6 per lb.

The Government of India has accepted in principle the necessity of affording assistance to the sailing vessels industry to enable owners of sailing craft to mechanise their vessels. The form in which this assistance will be given and the owners who should qualify for it have not yet been decided. A provision of Rs. 40 lakhs has been made in the second Plan for the purpose.

A new type of spinning wheel has been built by an East Pakistan refugee in Titagarh. The new spinning wheel, known as *Pnaarbasau Charka*, is an all-wood portable 28-spindle spinning wheel, designed to turn the waste from cotton, silk, wool, jute and hemp into quality yarn for making carpets, coverings, headgear and such other articles mainly for consumption in rural areas.

The discussions regarding the use of the Indus waters which have been taking place in Washington, D.C., between the representatives of India and Pakistan with the participation of the World Bank, were due to terminate on 31st March 1956. By agreement between the two Governments concerned and the Bank, the discussions are for the moment being continued. The new terminal date for the discussions is still under consideration.

Rolling stock and other equipment worth Rs. 20 crores are expected to be purchased by the Indian railways in the world market against their programme for 1956-57. The purchases will be confined to essential stock, not manufactured in India. These are in addition to the main orders under the 1956-57 procurement programme worth Rs. 30 crores for which offers were invited in September last.

A draft agreement between the Government of Mysore and a foreign firm has been prepared for the expansion of the Mysore Government Electric Factory. The factory is at present manufacturing electrical distribution equipment worth about Rs. 48 lakhs per annum. Under the second Five-year Plan, the production is proposed to be raised from Rs. 48 lakhs to Rs. 200 lakhs per annum, for which purpose an allotment of Rs. 125 lakhs has been made.

The Delhi State Government proposes to introduce a Bill to amend the Sales Tax Act, providing for an increase in the sales tax from 6 pies to an anna in the rupee on cosmetics and other luxury goods, such as watches, jewellery and motor cars, if the measure receives the assent of the Union Government. At present, the sales tax is levied at a uniform rate of 6 pies in the rupee on all goods. The additional revenue from the proposed enhanced rates of sales tax is expected to make good the revenue loss from prohibition.

The Government of India proposes to arrange training facilities for Indian personnel in oil prospecting and technology both within the country and abroad. As regards training within the country, it is proposed to obtain the services of foreign technicians in certain aspects of oil technology. Training facilities for fourteen persons in the U.S.S.R. in oil well drilling, seismic prospecting and instrument technology have been asked for under the United Nations Technical Assistance Administration Programme. It is proposed to send more trainees abroad in future years.

An agreement has been signed between the Assam Co-operative Sugar Mills Ltd. and Messrs. Skoda (Czechoslovakia) for the setting up of a big sugar factory in Assam. Under the agreement, substantial credit facilities will be made available by Skodas, the payments extending up to 1960. The cost of the scheme will be about Rs. 90 lakhs. Experts from Czechoslovakia will undertake the erection of the factory, which is expected to go into production during the 1957-58 crushing season. The factory, when completed, will meet to a substantial extent the sugar requirements of Assam. The agreement also provides for training of Indians in sugar technology by a team of experts who will come to India.

A scheme for small- and medium-scale industries has been formulated for inclusion in the second Plan to overcome unemployment among the refugees. The scheme contemplates grant of certain facilities to industrialists who are willing to set up industries in refugee townships colonies and whose schemes are found to be technically sound. The facilities include allotment of factory buildings on rental basis for a period of seven to ten years with the option to purchase them, grant of loans upto 50 per cent. of the value of machinery installed, and supply of water and electricity at rates comparable to those prevailing in the neighbouring industrial areas.

The Government of Travancore-Cochin has constituted a Plantation Labour Committee for the purpose of settling the existing disputes in the plantation industry. The Committee consists of the Labour Commissioner as Chairman, four representatives of planters and four representatives of labour and will hold office for one year. The announcement of the Committee follows the settlement of a long-standing dispute in the State planting industry in regard to bonus for the years 1951-54. The settlement in respect of bonus for these years was arrived at at a tripartite conference held in Trivandrum in the third week of April. The State Government expects the disbursement of bonus to be made by the employers on the date mentioned in the memorandum of settlement. Now that this important dispute has been settled to the satisfaction of both employers and labour, the Government considers that an atmosphere of goodwill has been created for the settlement of the remaining disputes in the industry by means of the Committee mentioned above.

A phased programme for the development of land mortgage banking has been drawn up by the Madras Government in pursuance of the recommendations of the Rural Credit Survey Committee of the Reserve Bank of India as part of the second Five-year Plan. This programme has as its object the issue of long-term loans for an aggregate amount of Rs. 380 lakhs through the existing 73 banking and the 25 new banks to be started during the Plan period. The primary banks are proposed to be helped with subsidy to meet the cost of additional supervisors to be appointed by them. Provision has also been made for the appointment of an agricultural officer and an agricultural engineer who will advise the prospective borrowers on the nature of land improvement they should undertake and also help the land mortgage banks in the valuation of land. The question of reducing the rate of interest on loans by land mortgage banks is expected to receive sympathetic consideration and a way may be found to provide funds to the ryots at a lower rate of interest than at present in respect of loans for land improvement and development.

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From Abroad

Ceylon has accepted the invitation to attend the U.N.-sponsored conference to review the operation of the International Sugar Agreement of 1953 to be held at the U.N.H.Q. on 21st May 1956.

The United States and Ceylon have signed an economic aid agreement providing for $5 million during the current year under the Colombo Plan to finance Ceylon's second six-year development Plan.

The U.S. Census Bureau has estimated the total population of the United States at approximately 167,181,000 on 1st March 1956. The Bureau says that the estimated total is an increase of 16,049,000 or 10.6 per cent. since 1st April 1950, the date of the last population count.

Tea production in Ceylon during the first three months of 1956 amounted to 84.4 million lbs., as compared with 103.5 million lbs., during the corresponding period of last year. The decline in production this year is attributed to the adverse weather conditions, especially drought in mid-country and frost in upcountry areas.

Turkey and West Germany have signed a new trade agreement, under which the former will increase its exports to West Germany, with the proviso that 20 per cent. of the value of such exports is to be employed for the repayment of a $50-million trade debt. The proviso does not, however, apply to the customary substantial German cereal imports from Turkey.

Canadian Federal aid to gold mines under the Emergency Gold Mining Assistance Act will be extended for two years until 31st December 1958. A Bill to extend the assistance will shortly be introduced in Parliament. All except two of Canada's established gold mines receive the subsidy, based on a formula which relates the production costs to the fixed price of gold $35 (U.S.) per ounce.

The Appropriation Committee of the U.S. House of Representatives has rejected the Administration's request for a grant of $37.9 million to build experimental merchant ships, including an atomic-powered tanker. This sum had been included in the $1.522.67 million sought by the President to finance the Commerce Department for the fiscal year beginning on 1st July. The overall request has been reduced to $1,382 million.

Higher minimum support prices for the 1956 crop of wheat, rice and maize in the U.S. have been announced. These minimum support levels would be at 82½ per cent. of parity, as promised by the President on 16th April, when he rejected the Farm Bill which had set support levels for 1956 crops at 90 per cent. of parity. The 82½ per cent. of parity means a minimum support level of $2 for wheat in 1956, $4.50 per 100 lbs. for rice and $1.50 for maize.

Two leading New York City banks, namely, the First National City and the Chase Manhatten, have raised their interest rates on savings bank accounts to 2½ per cent. per annum with effect from 1st May. The new rate, applying to deposits ranging up to $25,000, is the highest that can be paid under the existing Reserve Board Ceilings. Hitherto the banks had been paying 2 per cent. on amounts up to $10,000 and 1 per cent. on deposits over $10,000 and up to $25,000.

The Sub-Committee on Anti-trust and Monopoly of the U.S. Senate has recommended in its report that the General Motors Corporation should cut its prices to customers because of its "extremely high profits." The report points out that General Motors has made during 1955 a profit of 31 per cent. on capital investment, after taxes, as compared with 12 per cent. earned by the average American manufacturing company. It adds that the time may have come to consider a limit on further expansion of the $6.000-million corporation.

The introduction of B.O.A.C.'s propeller-jet service through India will be commemorated by the issue of "Britannia" first flight covers. The turbo-jet service is due to commence in September over the London-Sydney route, with stops at Zurich, Beirut, Karachi, Calcutta, Singapore, Jakarta and Darwin. The souvenir covers will be priced at Rs. 2 each and will be flown between any two points on the route except to and from Zurich and Jakarta. On this occasion, arrangements will also be made for these attractively designed covers to be air-mailed to private individuals, provided their place of residence is situated in the United Kingdom, Lebanon, Pakistan, India, Malaya and Australia.

Active consideration is being given to the training of Indian personnel to manage and operate the £80-million iron and steel works at Durgapur, West Bengal, according to an announcement made in London last week. Site-work will probably start in July, and arrangements are now being made in Britain to assist in the training of Indian technicians and operatives. Technical co-ordination of the principal sections and ancillary departments of the works, engineering services for gas, water, steam and air supplies, and planning of road and rail facilities have, it is announced, been carried out by the engineering department of the Metallurgical Equipment Export Company. For all electrical work, this company and the consortium of firms with which the agreement for the building of the steel plant has been signed, have as their consultants McLellan and Partners, of London.

PERSONAL

MR. Malcolm Macdonald, High Commissioner for U.K. in India, left for London on Sunday last on a three-week routine visit.

Mr. H. A. Helb, Netherlands Ambassador to Yugoslavia and Bulgaria,, has been appointed Ambassador to India.

Mr. K. N. Subramaniam, I.C.S., of the Planning Commission, has been appointed Joint Adviser to the Rajpramukh of Travancore-Cochin.

Dr. Mono Mohan Das, M.P., has been appointed Deputy Minister in the Union Cabinet and attached to the Ministry of Education.

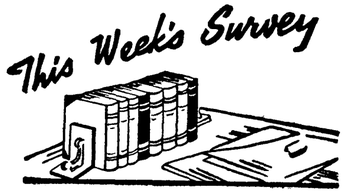
Mr. George D. Woods, leader of the three-man World Bank Mission to Pakistan, left for Cairo on Tuesday this week, after a brief holiday in Bombay.

Mr. Manharlal Mansukhlal Shah, Member of the Rajya Sabha, has been appointed Minister for Industrial Development in the Union Cabinet and attached to the Ministry of Commerce and Industry.

Dr. A. Lakshmanaswami Mudaliar, Vice-Chancellor of the University of Madras, has returned after a visit to London and New York, in connection with the meeting of the Executive Board of the U.N.E.S.C.O., of which he is the President.

Mr. Surendra M. Mehta, Proprietor, Paragon Textile Mills, has been elected President of the Indian Society of Rayon Technologists, Bombay, for 1956. Mr. S. R. Roy has been elected Honorary Secretary. Mr. J. G. Parikh, Hon. Joint Secretary and Mr. L. M. Nayak, Hon. Treasurer.

Mr. Colin Beever, fisheries economist from the Headquarters of the Food and Agriculture Organisation, Rome, has been appointed Acting Regional Fisheries Officer for Asia and the Far East, *vice* Dr. Cecil Miles, who has been appointed F.A.O. Regional Fisheries Officer in Santiago, Chile.



ROLE OF ENGLISH

WHILE inaugurating the Radio literary forum from New Delhi last week, Mr. Nehru hit out at those who criticised the retention of English in India. For two reasons, he pointed out, one could not minimise the importance of English; it helped people of various regions to understand each other and served as a link between India and the outside world. The rapidity of change in the field of science and technology, he went on to say, was so great that textbooks became out of date in no time—sometimes, even before they came out of the Press. He pointed out that, in the absence of English, scientists would be compelled to read hundreds of periodicals in many languages in order to keep themselves abreast of the changing world. Emphasising that English would not come in the way of the growth of Indian languages, he urged the people to give up their "sense of hostility towards English."

This is eminently sage counsel. And on the same day on which Mr. Nehru made this appeal from New Delhi, from Calcutta came a similar plea by Dr. U. P. Basu, General Secretary of the Indian Science Congress Association. The consensus of opinion among the members of the Association all over the country, he said, pointed to the need for considering English as part of Indian culture and using it to their best advantage. He considered English "indispensable" as a medium of scientific education. He said that not only was English the "finest and the most expressive instrument as yet evolved by man for the expansion of both scientific and humanistic ideas" but, as a vehicle of science, it was "miles ahead of any Indian language." Proceeding, he observed that there was absolutely no scientific literature, either elementary or advanced, in Hindi. The country would, therefore, have to depend more or less entirely on English if it had to maintain high standards in education and scientific research. He also emphasised that, in order to fight the "menace" of linguism, continuance of English was essential. In conclusion, he observed:

> "For the reasons stated above the medium of instruction at the University level should remain English. Even if Hindi is taught as a compulsory second language along with English in all schools and colleges so that it might be employed as a medium of contact and exchange of ideas among people of different States of India, in so far as scientific and technological study and teaching is concerned, international terminology should under no circumstances be disturbed. Numerals, symbols, signs and formulae should never be modified and be written in Roman script only."

These two statements have attracted considerable notice both in India and abroad. They have served to strengthen the growing volume of opinion in favour of retention of English and of a "go-slow" policy in respect of its replacement by Hindi. Dr. M. R. Jayakar, former Vice-Chancellor of the Poona University, has warned the protagonists of Hindi against any hasty attempt to foist that language on the country. Commenting on the two statements referred to above, the London *Times* endorsed the view that the use of the English language in India provided a link between India and the outside world. After referring to Dr. Basu's view that there could be no thought of replacing English by Hindi in the scientific world, the newspaper said: "Mr. Nehru, whose nationalism moves forward in the harness of reason, has echoed much the same viewpoint." It further pointed out that English was a link between Indians and between India and the outside world and that "this last observation is no platitude."

The whole question about the future of English has assumed a special significance in the light of the personnel requirements under the second Plan. It is now widely recognised that the Plan would need large numbers of technical personnel. Thus, the statement of industrial policy, issued this week, has made a special reference to the fact that the industrial development programme will "make large demands on the country's resources of technical and managerial personnel." In this connection, it is learnt that the engineering personnel committee has recommended that, in addition to the existing schemes for new training facilities, provision must be made for training a total of another 2,300 engineering graduates in mining, civil, mechanical, electrical and metallurgical engineering, besides provision for an additional 5,940 diploma-holders. The final draft of the Five-year Plan, according to a report from New Delhi, will include a Rs. 50-crore programme designed to augment technical education facilities in the country.

The Government deserves all praise for recognising the technical personnel problem, and even more praise, for taking steps to solve it. But it is not clear whether the Government has taken care to ensure that the quality of the education imparted to the trainees is high. An important factor here is the medium of instruction. If the movement towards the substitution of English by regional languages or Hindi which has already begun in some parts of the country succeeds, then there is no doubt that the standards of education would suffer grievously —at least, in the short run. This would be deplorable at any time in a country's educational history. But it would be particularly deplorable in the context of the present stage of India's industrial development. Besides this consideration, one has also to examine whether it is possible to run national enterprises efficiently if the employees are drawn from various linguistic regions where they have received technical education and training in their respective languages. These facts will have to be faced sooner or later—perhaps the sooner the better. The country would have to pay dearly if no attempt is made to stem this trend towards indiscriminate linguism in all stages of education.

It is wise to recognise that language has both a cultural and utilitarian value, though it is true that this distinction could be carried too far. English has both these values. But, if it is felt that its cultural predominance in India's national life should be reduced, then the authorities will at least do well to ensure that its utilitarian value is not given up. This would imply the retention of English in higher academic learning and in technological institutions. The consciousness of all-India unity, fostered by the study of English, is being steadily lost through the excessive, even exclusive, emphasis on regional languages. It is time that this trend, which commenced about six or seven years ago and which has already caused considerable damage to India's educational system and national life, were reversed. We would urge the Government of India to consider the question at the highest possible level in all its educational and national bearings and give a correct lead to the country. If it failed to give such a lead, posterity would hold it guilty of having paved the way for considerable confusion and unrest in all walks of national life.

CUSTOMS PROBLEMS

Importers, who know best where the import control and customs shoe pinches most, have repeatedly complained in the past against certain vagaries in the administration of control and customs regulations. Judging from the fact that the complaints continue to be made, it would appear that these vagaries persist. Thus, Mr. F. C. Kidd, Chairman of the Calcutta Import Trade Association, in the course of his speech at the annual meeting of the Association, held at Calcutta last week, reiterated his protest against some of the customs irregularities, such as arbitrariness over values for assessment, agency commissions and classifications. Evidently, he was provoked to reiterate the protest by the fact that, although the hardships caused by customs difficulties to the mercantile community have been repeatedly brought to the notice of the authorities ere now, there has been no improvement in the situation. The customs problems, Mr. Kidd declared, were well known, were all very real, but, so far, they remained unaltered. He, therefore, felt that "it is essential to go on reiterating them until satisfaction is obtained."

There are three disquieting issues to which Mr. Kidd made particular reference. First, the real value of goods imported is determined by the customs authorities for assessment purposes in an arbitrary manner as decided by individual appraisers. As a result, the importer can never be sure until the consignment is cleared as to the amount of import duty which will be charged; consequently, it is virtually impossible, without taking an undue business risk, to quote for forward delivery, particularly where Government contracts are concerned, as they do not permit any adjustments for non-statutory variations in customs duty. Secondly, agency commissions are allowed in part or in whole in one instance, but is totally disallowed in another. What is worse, the examination of individual agency agreements has been so protracted—over two years now—that discrimination arises; this piecemeal method of examination creates an unfair advantage in competitive markets. Thirdly, there is the considerable difficulty with regard to classification. In their anxiety to secure maximum revenue, the customs authorities adopt such a rigid system that appraisers are not permitted to use any common sense.

These, are, indeed, legitimate grievances which the Government will do well to redress. This need is particularly great in the present context, when, under the second Five-year Plan, imports of goods and commodities worth several hundred crores of rupees are contemplated. If the implementation of the series of development schemes is to be successfully carried out, it is imperative that the supply of goods and commodities is not hampered unnecessarily by customs difficulties and irregularities. It is high time, therefore, the Government of India paid some serious thought to the question of setting up a Customs Advisory Council as suggested, once again, by Mr. Kidd.

NAGPUR MILL STRIKE

At long last, the labour situation in the Nagpur cotton textile mills is returning to normalcy. After a prolonged strike, the workers—numbering about 14,000—employed in the six mills of the city are gradually resuming work. It was as early as on 28th January last that the mill workers commenced a sit-down strike as a protest against the introduction of rationalisation in Mill No. 1 of the Empress Mills. The sit-down strike was subsequently followed by widespread *hartals* and demonstrations which became so violent as to necessitate police action through arrests. Despite earnest persuasion by Government spokesmen and the enlightened section of the labour ranks, the workers did not yield, with the result that the managements were forced to close down the mills, till such time as "substantial numbers (of workers) indicate their willingness to resume normal working in a disciplined manner."

This strike, much more its prolongation, was clearly not justified at all. For the management of the Empress Mills decided to reorganise the Mill No. 1, after entering into an agreement with the I.N.T.U.C.-led *Rashtriya* Mill *Mazdoor Sangh*, the only recognised union in the textile industry of Nagpur. The agreement did not sacrifice the interest of workers, since it did not involve any retrenchment. Nor was there, as a result of reorganisation, any increase in the workload or any change in the service conditions.

The above agreement was, however, challenged by the leftist-led mill *Mazdoor Sangh*. The *Sangh*, which claimed a larger membership, engineered the strike. The agitation was a deliberate attempt to intimidate the workers and to provoke them to violence. It was, therefore, not only illegal but also anti-labour. Indeed, the agitation against reorganisation was no more than political blackmail. Thanks to the prolonged strike organised by this group, the genuine mill workers and their families were put to considerable hardship, as they were denied their wages during the strike period, not to speak of the loss to the nation by way of reduction in cotton textile output. It is gratifying to note that, though belated, wiser counsels have since prevailed with the labourers who have recognised the futility of continuing the strike and are accordingly resuming work.

Meanwhile, two agreements entered into between the management of the Empress Mills and the I.N.T.U.C.-led *Rashtriya* Mill *Mazdoor Sangh* were declared invalid and ineffective by the Nagpur High Court the other day on technical considerations. One of the agreements provided for the closure of Mill No. 1 and compulsory retirement of physically unfit operatives. The other provided for the compulsory retirement of workers on superannuation after 30 years of service, as also for the employment of other workers of Mill No. 1 on night shift in other units of the Empress Mills. The first agreement was declared invalid for want of proper registration and the second for want of notice of change. The management was restrained from enforcing the agreements as long as they were not validated. Immediately after the judgment, the Government of Madhya Pradesh issued a notification appointing the Labour Commissioner as the Registrar of Recognised Unions under the Trade Disputes Settlement Act. The newly-appointed Registrar registered afresh the two agreements declared invalid by the High Court on applications made by the parties to the agreements, which were considered to be in force with retrospective effect.

It is to be hoped that the Nagpur mill workers will not allow themselves to be misled, once again, by leaders who are wont to create trouble on political and ideological considerations. Propaganda is already being carried on to the effect that the mill workers are being subjected to victimisation by mill managements. If the workers were to believe this and resort to strike, the managements would have either to close down the mills or to curtail output drastically. In either case, it is the labourers who would be the worst sufferers.

ATOMIC REACTOR

An agreement has been entered into between Canada and India for the erection by the former of an atomic reactor at Trombay (Bombay). It will be recalled that Canada offered to India in April 1955, under the Colombo Plan, a high-powered atomic research and experimental reactor similar to the well-known NRX reactor at the Canadian Government's atomic energy establishment at Chalk River, Canada, and India accepted this offer shortly thereafter.

The total cost of the project, which is estimated at about Rs. 7 crores or a little over $14 million, will be shared by the two Governments concerned. The value of the Canadian contribution is about $7½ million (Rs. 3.75 crores) and of the Indian contribution over $6½ million (Rs. 3.25 crores). The general principle is that Canada pays for external costs and India for internal costs. Thus, Canada is providing the reactor itself, the steel for the rotunda, which will surround it. Indian contractors and Indian labour will carry out the major part of the construction work at the site, while Canada, represented by Atomic Energy of Canada Ltd., will be responsible for the supervision of engineering and erection works. The Department of Atomic Energy of the Government of India will be responsible for building the foundations and basement of the reactor. Work on the basement has already started. When the reactor is completed, full title and complete control will pass to the Government of India.

Arrangements have been made to send an adequate number of selected Indian technical personnel to obtain firsthand experience and training in the operation of the NRX reactor at Chalk River. Indian technical personnel will also be seconded to the engineering staff in Canada which is designing the reactor, the steel rotunda and the reactor foundations. Thus, Canada will provide India, through the agency of Atomic Energy of Canada Ltd., every opportunity for Indian scientists and engineers to become fully familiar with all aspects of the work connected with the reactor. The visits of Indian scientists and engineers to Canada will be paid for by Canada under its normal technical assistance programme.

The Canada-Indian atomic reactor, when built, will be a significant addition to research facilities under India's atomic energy programme. It is specifically designed to provide excellent facilities for fundamental research in physical, chemical, biological and metallurgical problems relating to atomic energy. It will be an efficient producer of radio-active isotopes for use in medical therapy, agriculture and industry and for tracer element studies in chemical, biological and medical research.

Above all, the reactor is specially suited for making engineering studies and research on reactor materials which can be tested under conditions of high neutron intensity met inside reactors. The research and development facilities of the reactor will enable advanced engineering experiments to be performed in connection with the design of future power reactors.

India has offered to make the experimental facilities of the reactor available to scientists approved by the Government of India from other countries, including Colombo Plan countries in South and South-East Asia. Thus, the installation of the reactor will advance development of atomic energy not only in India but also in Asian countries participating in the Colombo Plan.

NEWSPRINT MANUFACTURE

The National Newsprint Paper Mill, briefly known as "Nepa" Mill, in Madhya Pradesh, was formally opened by Mr. Nehru, Prime Minister, last week. The Mill, the first of its kind in India, was designed to produce 100 tons of newsprint daily. The cost of the project is estimated at Rs. 6½ crores. So far, the Government of Madhya Pradesh has advanced Rs. 3.93 crores as loan. When in full production, which will be by the end of next year, the Mill will meet about 40 per cent. of India's newsprint requirement and save nearly Rs. 2 crores worth of foreign exchange. It may be noted that a record daily output of 64 tons was reached on 25th April. The first sample of newsprint from indigenous salai wood was produced on 11th January last year. Over 2,000 tons of newsprint were produced till the end of October last using unbleached groundwood pulp. The following table gives briefly certain salient facts about the Mill:

Project cost (estimate)	Rs. 6½ crores.
Production capacity	100 tons of newsprint per day
Cost of one day's production (50 tons)	Rs. 43,156
Cost of year's production (300 working days)	Rs. 1,29,46,800
Water required per ton of paper	76,400 gallons
Water required per day (at present)	38,20,000 "
Number of workers employed	900
Population of Nepa township	5,000
India's annual requirements of newsprint	90,000 tons

Certainly, the setting up of the "Nepa" Mill is a landmark not only in the history of the industrial advancement of Madhya Pradesh but of the whole of India. For newsprint is a vital material in the scheme of democracy, inasmuch as it is vitally needed for the progress of the Press. Credit for the erection of the Mill goes, at the outset, to the original sponsors of the project, namely, Messrs. Nair Press Syndicate Ltd. Much greater credit is, however, due to the Government of Madhya Pradesh and subsequently to the Government of India for retrieving the project from certain doom in October 1949, when it became apparent that the Managing Agents had committed certain grave irregularities and were unable to cope with a project of this magnitude. Although the Mill has retained its character of a joint-stock company, it is, to all intents and purposes, a nationalised industry. The Company, however, functions as an autonomous body and is run by a Board of Directors.

The quality of newsprint produced at the Mill is said to compare favourably with the best of imported varieties. It is stated that, in the long run, the Nepa product would be cheaper than the imported newsprint. But, for the present, it is costlier and cannot easily find a market, unless it is subsidised heavily. Meanwhile, the Government is being asked by the "Nepa" management to pool the indigenous newsprint with that of the imported ones and sell the pooled newsprint at a uniform price. This would, of course, enhance the cost of newsprint to consumers, because a part of the benefit of low-priced foreign newsprint will be passed on to subsidise the high cost "Nepa" product. It will be recalled, in this connection, that the Press Commission had recommended the establishment of a State Trading Corporation for newsprint as a solution for solving the difficulty of smaller papers which for financial reasons are not able to import directly from overseas mills and are obliged to depend on local importers and dealers. The Commission, it is noteworthy, had also stated that the "sale of newsprint produced in this country would be problematical in view of factors that tend to increase its cost of production." It, therefore, suggested that it would be advantageous if a State Trading Corporation "took over the entire output of Nepa Mills on a fair basis and sold it along with imported newsprint at equated prices." The Commission thought it "necessary for newspapers to bear to some extent the cost of developing the Indian Mill and putting it on a sound basis and this can best be done through the organisation which also controls all imports from abroad." Apparently, these views of the Commission are the basis for the "Nepa's" request for a pooling arrangement.

MR. S. P. JAIN ON EMPLOYMENT

The question of employment that is sought to be provided in the second Five-year Plan was subjected to a dispassionate examination by Mr. S. P. Jain, Chairman, Punjab National Bank Ltd., in the course of his speech at the Bank's annual meeting held at Delhi last week. Mr. Jain cited figures to show that cottage industries would not provide larger employment, and that a proper investment in industries with modern techniques and of diversified character would provide equally large employment. Thus, as against the proposed investment of Rs. 400 crores in cottage and small-scale industries, the employment possibility visualised is 450,000, excluding the additional employment under trade, commerce, etc., while the direct employment potential in the large-scale industries—in both the public and private sectors—is as much as 1,800,000, the total investment envisaged being Rs. 1,290 crores. This is an analysis which is, as Mr. Jain rightly stated, significant from the point of view of the pattern of investment that must be pursued in order to achieve the objectives the country has hopefully placed before itself. Incidentally, he stressed a few other pertinent points to be taken into account in this connection. He said:

> "It must be borne in mind that cottage industries do not contribute to the revenues for social services, etc., unlike large-scale industries whose contribution is very large. The subsidy that is required to be provided to prop up cottage industries is an additional drawback. Further, cottage and small-scale industries will provide employment, but not employment that will afford an increasing standard of living. Large-scale industries will provide employment and give the means for increasing standard of living."

There is considerable force in these observations which the planners will do well to ponder. The anxiety to provide employment through development of cottage industries should not be stretched so far as to overlook the consideration of the price the community has to pay for satisfying its wants, especially that relating to such an essential item of consumption as cloth.

Mr. Jain had also a few interesting remarks to make on the resources required for the implementation of the Plan. Pointing to the underestimates of Government revenues year after year, he said that efforts had been directed towards drawing larger resources to the Government sector. Urging a correct appraisal of the possible revenue receipts, he warned that, if more money was gathered towards the Government sector, the private sector's effort would be stultified, as it would be deprived of resources that could be utilised to greater advantage in expanding output in order to counteract inflationary forces. This warning is not only timely but also wholesome, considering the heavy dose of deficit financing contemplated in the Plan. Further, there is the need for the Government to pursue rational economic and fiscal policies. These policies, as Mr. Jain rightly pointed out, must be such as to enable utilisation of resources in productive channels, so that inflationary tendencies might not develop.

HOUSING PLANTATION WORKERS

The Government of India has sanctioned a scheme for housing workers in estates governed by the Plantation Labour Act of 1951. The scheme envisages central loans to State Governments at about 4½ per cent. interest, repayable in 30 equated annual instalments. The State Governments will, in turn, advance loans, at the Union Government's rate of interest, to small planters for building houses for their workers.

The amount of loan to a planter during a financial year will not ordinarily exceed the amount admissible for the construction of houses for 8 per cent. of the resident workers employed on an average, in the plantation during the pre-

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SIGNIFICANCE OF NEW INDUSTRIAL POLICY

PLENTY OF SCOPE FOR COURAGEOUS ENTREPRENEURS

From A Special Correspondent

NEW DELHI, *1st May*

MEMBERS of Parliament heard with rapt attention yesterday the announcement made by the Prime Minister on the industrial policy of the Government of India which is expected to influence Government's actions in the economic sphere during the next five to ten years. Most of them welcomed the Prime Minister's clarification on the subject and appreciated the approach of the Government to this controversial question. A perusal of the policy statement makes one feel that Government will be adopting a realistic policy, after taking into consideration the various political and economic conditions prevailing in the country. Government circles are conscious of the fact that the second Plan could become successful only if ample co-operation were forthcoming from the general investment public and hence they are inclined to the view that the private sector should be allowed due facilities and scope to play a prominent part. There is no doctrinaire approach by them to the solution of the economic problems of the country. It may be mentioned that, for a long time, there has been considerable recognition of the fact that the country's economic progress could be ensured only by following the principle of mixed economy. Further, the Prime Minister has stated many times that India will not blindly follow the precedents established elsewhere in the economic development of the country, but will develop according to its needs and genius.

DELHI LETTER

In other words, although the central idea behind Government's industrial policy is the enlargement of the public sector, there is every reason to believe that the development of the private sector of industries will not be neglected or relegated to a corner. On the contrary, Government is expected to undertake such measures as to ensure an orderly and regulated expansion in the private sector of industries through various devices. In order to bring about this desideratum, Government will be relying more on its administrative machinery and powers under the Industrial Development and Regulation Act. Its objective will be to provide help and stimulus to such of the industrialists and *entrepreneurs* who could be depended upon to undertake risk-bearing enterprises.

No Rigidity

Credence to this line of thought is being provided not only by the amplifications and observations contained in the text of the industrial policy statement but also in the speech made by Mr. T. T. Krishnamachari, Minister for Commerce and Industry, in the Lok Sabha on the question of production and distribution of cement in the country. The industrial policy statement proclaims that the State will progressively assume a predominant and direct responsibility for setting up new industrial undertakings and for developing transport facilities. It has classified industries into three categories. In the first schedule, the number of listed industries has gone up to 17, as against six when the industrial policy statement was made in 1948. The second schedule contains 12 industries, in which, it is suggested, the State will generally take the initiative in establishing new undertakings, but in which private enterprise will also be expected to supplement the effort of the State. Some observations contained in the statement are of particular significance to the private sector. Even in regard to the first schedule, it is stated that Government will give due consideration to the expansion of the existing privately-owned units or to the possibilities of the State securing the co-operation of private enterprise in the establishment of new units when the national interests so require. For instance, in some of the first schedule of industries, such as heavy machinery industry, machine tool manufacture, coal, mineral prospecting, etc., the private sector has already taken considerable initiative during the last few years as a result of which the value of production of machinery and parts has increased from about Rs. 3 crores in 1951 to about Rs. 23 crores at the present time. It is, therefore, expected that Government will provide maximum stimulus for the orderly development of these industries during the second Plan period.

In this connection, the industrial policy statement adds that "when there exist in the same industry both privately and publicly-owned units, it would continue to be the policy of the State to give fair and non-discriminatory treatment to both of them." This means that Government will provide all sorts of help for the development of such industries, despite the fact that many of them have fallen in the A and B categories. The observation in the policy statement to the effect that "private enterprise will also have the opportunity to develop in these fields, either on its own or with State participation" is of particular significance, inasmuch as it is indicative of the fact that Government is expected to co-operate with the private sector through participation in capital, provision of technical help, etc., in many of the risk-bearing enterprises, involving large capital outlay. Whenever industrialists with necessary acumen, character, initiative and organising skill take up some important key industries, it is certain that Government will not remain as a mere onlooker but provide every help and encouragement to foster the growth of important industries.

More Opportunities

Thus, more opportunities will be available for the private sector to show its mettle during the second Plan. For instance, heavy industries in the public sector are expected to rely for many of its needs on the private sector. The same principle will apply with even greater force to the relationship between large-scale and small-scale industries. The increased production of iron and steel, heavy machinery, heavy castings, forgings, structural steel, etc., will be conducive to the growth of a number of ancillary industries and in all these the private sector will have ample opportunities to take a leading part. The scope for the development of this sector will become considerably greater than is being visualised or thought of at present.

The observation that "it is always open to the State to undertake any type of industrial production" has also considerable significance to the private sector. Apart from the fact that the State has overriding powers, what this remark means is that the State will step in in any undertaking in case of inefficiency, corruption, etc. In other words, Government desires that the private sector should play an honest role in furthering the industrialisation of the country. In this connection, Mr. Krishnamachari, Minister for Commerce and Industry, made some pertinent remarks yesterday when discussing the question of cement industry. With regard to the industries the future development of which was, in general, left to the initiative and enterprise of the private sector, he remarked: "All industries which are of any reasonable size will be controlled. The fact that an industry goes into the third category does not mean that the Government will not enter that field; it might, but it is not one it will necessarily enter." He also stated that the industries included in the list had been very carefully chosen, "so that the Government might acquire a certain key position in those industries in time to come, may be five years or may be ten years." The latest policy of the Government in regard to the import and distribution of cement through the State Trading Organisation, with a view to maintaining price stability of cement in the country, can be taken as an indication of Government's determination to protect the interests of consumers.

The expert committee on aluminium would determine the quantum of aluminium which the country would need to produce during the second Five-year Plan and also the location of the aluminium factories as well as the processes that might be used for the production of aluminium. Disclosing this in Parliament, in reply to a question, Mr. T. T. Krishnamachari, Minister for Commerce and Industry, said that in this respect, some foreign collaboration might be necessary. Simultaneously, therefore, negotiations were now afoot for this purpose. Mr. Krishnamachari added that assessing the bauxite deposits in the country would also be one of the functions of the committee. In determining the location of the factories, the availability of power was more important than proximity to bauxite deposits.

DEATH OF A SALESMAN

NO SUBSIDY TO TRADE FAIRS

From Our Own Correspondent

LONDON, *28th April*

TWO B.I.F.'s in one year—and the second the last! For 41 years the British Industries Fair flourished at London and Birmingham—in London under the ægis of the Board of Trade and in Birmingham under that of the local Chamber of Commerce. Then, last year, the Government decided to leave the management to a business organisation and they, faced with the growing competition of specialist industrial fairs, decided to split the 1956 B.I.F. into two parts. In February, the Fair in London was devoted to consumer goods and this month the Fair represents industry. But it has been clear that industry itself was not sufficiently behind the new policy and the Government has decided not to subsidise any further ventures. Without subsidy, the Fair in London cannot go on.

LONDON LETTER

The heavy industries' section in Birmingham, however, goes on as before and continues satisfactorily to draw buyers and sellers together. In that vast hall half a mile long, the local hardware industries, the building trades, electricity and engineering show their products—cheaply and spaciously. One suspects that the trouble in London was the cost and difficulty of making the Fair sufficiently comprehensive that the buyer—the overseas buyer in particular—felt he could come there and save himself the trouble of shopping around. In Birmingham that was true—in any given sphere the shop-window was comprehensive and the visitor did not have to look further before signing a contract. In London, too, the division of the Fair into sections was in the hope of making it true, but it has not succeeded. At the same time one must give tribute to the fact that the 500 exhibitors of consumer goods in February did report record business and that the 1956 Fairs as a whole are attracting 120 more exhibitors than in 1955. This April there is also, for the first time, a substantial electrical exhibit in London and the chemical industry is fully represented.

Response Good

In the first three days, over 1,200 overseas buyers have presented their cards at Olympia, Australia leading the way with 100, South Africa and the U.S.A. coming next with 90 each, then India and Ceylon with 54, followed by Canada, New Zealand and impressive contingents from Holland, Belgium, Western Germany and even the U.S.S.R. In the same period, over 2,500 home buyers attended and the promoters consider that, taking the February and April Fairs together, they are likely to finish up with more attendances than in 1955. All the more pity that this salesman has to die.

What of the displays themselves: there is a wide variety of electrical and electronic plant and equipment on view, together with a comprehensive range of household electrical goods. The centrepiece of the display is the "Atom in Britain," exhibited by the U.K. Atomic Energy Authority. After a study of the impressive volume of data (including models of atomic reactors) and the plans and models of the various plants at Harwell (main research centre), Calder Hall (first electrical generator) and Dounreay (atomic fuel generator) one has the feeling that one could go away, split the atom and set up one's own private plant—but no doubt the explanations miss out some of the difficult points.

In addition to the chemical industry, which has its largest London display, there are scientific instruments, office appliances and packaging machinery on view. The layouts are all in the most modern tradition—but lack the warmth which a more varied exhibition can give. And what will happen to the money which the Government had been spending on the B.I.F.? It will be devoted (in part) to publicising British goods at overseas fairs—but most of it is apparently going to be "saved"! Not the most forward-looking attitude on the part of a Government which is bent on an export drive, though seemingly also bent on the exporters providing all the drive.—*All Rights Reserved.*

NATIONALISATION OF COMMERCIAL BANKS

GOVERNMENT NOT IN FAVOUR

THE Lok Sabha displayed a commendable sense of realism in rejecting, by an overwhelming majority, a private member's resolution urging the Government of India to nationalise commercial banks in the country. The debate on the resolution demonstrated how weak was the case for nationalising banks. The arguments advanced in support of this move were, as will be shown presently, a hotchpotch of ideas beaten into disjointed statements calculated to create an impression that the banking system could be made to serve the country better under State-ownership than under private enterprise. The Minister for Revenue and Defence Expenditure, Mr. A. C. Guha, who replied to the debate, hit the nail on the head when he stated that the mover could not muster much argument in favour of his own resolution and hence took shelter under some facts and figures most of which were quite irrelevant for the purpose of the resolution.

The resolution was moved by Mr. M. S. Gurupadaswamy, a Praja Socialist member. He made a long speech in favour of his resolution and was supported by some Congress as well as Communist members. He was, however, opposed by some Congress members, too, mainly by those representing Travancore-Cochin.

The arguments put forward by the mover and supporters of the resolution seeking nationalisation of banks may be briefly summed up thus.

(1) The history of private banking in India is one of disappointment, mismanagement, mishandling, misfeasance and mis-pursuit.

(2) The number of banks which suspended payments during the years 1926-52 was 351. The banks were failing at an average rate of 42 a year for the last seven years. Between 1939 and 1947, they were failing at the average rate of 61 a year. As a result depositors suffered heavy losses.

(3) Even at present many banks are either running at a loss or are not in a position to declare any dividend. Out of about 461 joint-stock banks of all descriptions, 116 have been working at a loss and 68 others had declared no dividend.

(4) In spite of the powers given to the Reserve Bank, the affairs of commercial banks have not been very satisfactory. Mere clothing of the Reserve Bank with more powers will not remove some of the grave defects in the private banks, as they were deep-rooted and inherent in the system.

(5) The creation and distribution of credit is clearly a public service rather than an enterprise for private profit. The banks which deal with such a vital function should not be entrusted to private enterprise, ridden by profit-motive. Public ownership of banks is the only way to achieve soundness and rationality in national economy. An underdeveloped country like India is in need of this more than the advanced countries of the world, because accelerated economic development depends on the availability and proper distribution of money and credit.

(6) The major part of the funds of commercial banks, by the employment of which profits are made, belong to depositors and not to shareholders. According to the statistical tables of the Reserve Bank of India for 1954, the total paid-up capital of Indian joint-stock banks was Rs. 40.58 crores and reserves Rs. 30.53 crores. As against this, the total deposits of all joint-stock banks amounted to Rs. 1,066.35 crores in 1954, which was several times more than the paid-up capital and reserves. In spite of this, these banks are managed for the benefit of the shareholders and specially to the advantage of a few families who hold the controlling interests.

(7) Nationalisation of commercial banks will, in effect, mean the utilisation of savings of the community not for the private profit of a few, but for the social benefit of the whole country. People's money should be used for people's requirements.

(8) The private control of banking in India, as elsewhere, is in conflict with public policy. The banking habit in the country is at a very low ebb. The joint-stock banks have failed to provide credit facilities to underdeveloped areas. In consequence, banks are heavily concentrated in a few towns and in a few States. Thus, there are only 6 banks in Andhra as against 45 in Bombay, 140 in Madras and 142 in Travancore-Cochin. In Orissa and Assam, there are only two and five banks, respectively. With a view to developing underdeveloped areas, public control and ownership of banking is very necessary.

(9) Depositors have no cause to fear a loss of their funds if banks are nationalised. The credit of the banks depends on national credit which, in turn, depends upon the Government and its policy.

(10) The performance of Government in the post office savings banks business is better than that of joint-stock banks. Between 1948 and 1954, deposits of the post office savings banks rose by Rs. 103.84 crores, i.e., from Rs. 128.11 crores to Rs. 231.95 crores. The number of depositors rose from 31.53 lakhs to 50.70 lakhs. As against this, the deposits of all joint-stock banks in the country fell from Rs. 1,118.23 crores on 31st December 1948 to Rs. 1,062.53 crores on 31st December 1954, or a decline of Rs. 55.70 crores.

(11) Insurance business was nationalised on the ground, among others, that "the concept of trusteeship which should be the cornerstone of life insurance seemed entirely lacking." It is suggested that the same criterion should be applied to private commercial banks.

(12) For fulfilling the second and subsequent plans, the Government requires enormous liquid resources. The objectives of the Plan can be realised only when the whole banking system is transferred from the private to the public sector.

(13) The banks are in the hands of those men who have monopolistic control over various sectors of the economy. The banks are benefiting these men and not the people.

(14) The central banks are nationalised in most capitalistic countries. In Australia and France other private banks have been nationalised. So banks in India, too, should be nationalised.

(15) Loans are being advanced to interested parties for speculation in commodities like jute and cotton, and some times without security. The banks discriminate against small deposits in the matter of giving loans.

(16) The commercial banks have made no efforts to spread the benefits of banking to rural areas. Nationalised banks could reach every section of society and serve the people without any profit motive. Nationalisation of banks is a prerequisite for establishing socialist pattern of society.

Signal Service

It is needless to add here that most of these are commonplace arguments which ignore the signal service that commercial banks have been rendering to the society by inculcating habits of thrift, mobilising savings and stimulating economic activity in the country. The way in which certain statistics were presented was misleading and had no sense of proportion to the overall results. This was particularly so in the case of figures relating to branch banking, liquidation of banks and drop in deposits. The mover of the resolution might have thought himself very clever in giving only the number of banks that failed, or the number of banks that were suffering from losses. But he cannot carry conviction to those who know the facts very well, for while the number is large the amounts involved are small. To be fair to the public and the august House to which he belongs he should have given also the facts about the size and representative character of the number of institutions he mentioned. A typical example of the misleading arguments advanced by the author of the resolution was the reduction in deposits between 1948 and 1954. As all students of Indian economy know full well, this shrinkage was due to the contraction of currency and credit that took place during this period. This was a factor beyond the control of banks in the private sector. Again, while the mover of the resolution took the period from 1926 to 1952 for giving a picture of banks that went into liquidation, he took only the six-year period from 1948 to 1954 to illustrate the inefficiency of banks *vis-a-vis* postal savings bank. Why did he not take a longer period, say, from 1938 to 1954, or give the latest figures? Obviously because such a comparison will not suit his purpose. Surely, it is most unbecoming of a member of Parliament to give a misleading picture. It is, indeed, a crime to do so, because the vast majority of Indian people are ignorant and will believe almost anything that is said. Instances of this nature in ordinary walks of life will be regarded in a court of law as attempts at cheating the public.

That apart, there is little sense in saying that most of the banks are suffering losses and, in the same breath, asking the Government to nationalise them, as it amounts to asking the Government to nationalise losses. That most of these arguments are not well founded is evident from the slashing replies given by no less an authority than the Government spokesman himself, namely, Mr. A. C. Guha.

Reiterating that it was the accepted policy of the Government and of the House to establish a socialist pattern of society in this country, Mr. Guha pointed out that it was also their accepted policy to proceed on the basis of a mixed economy. Neither the Government nor the House had decided to wipe out the private sector. It should be borne in mind, he said, that 90 per cent. or even more of the production of wealth in the country was still in the private sector.

Bank Failures

Since much was made of bank failures as an argument for nationalising banks, Mr. Guha alluded to the subject and pointed out how that argument was futile. The problem of bank failures assumed, he observed, an alarming proportion in West Bengal which was worst affected by the bank failures. The total amount involved in bank failures from 1926 onwards was, according to him, Rs. 30 crores, of which West Bengal accounted for about Rs. 20 crores. Bank failures in the pre-war years alone were negligible, as compared with those in post-war years, the total amount involved from 1926 to 1938 being only a little over Rs. 3 crores. In giving these figures, he took care not to cover up the shortcomings of the bank managers and the managing directors of the banks involved. His object in referring to them was to draw the attention of the House to the extraordinary conditions that prevailed in the country before and after Partition. He gently reminded the House that it should not ignore what Partition meant for the banks in Bengal and the Punjab. Mr. Guha then went on to refer to the would-be effects of nationalisation on banks in Travancore-Cochin. He remarked that, if the small banks, numbering about 160, were not allowed to function, the whole economy of that State would be dislocated considerably. If any banking standards considered normal not only in other countries but even in this country were applied to these 160 banks, they would evaporate almost in a month. The Reserve Bank and the Central Government had to make special arrangements, so that these banks did useful work. The last bank tribunal had suggested a special enquiry into the banks in the State and the Central Government had set up a committee to enquire into the working conditions in them. "I think," the Minister said, "nationalisation of banks is the last thing for Travancore-Cochin," and added: "More than in any other place, it will be more harmful in Travancore-Cochin."

One of the grounds on which nationalisation of banks was advocated was the need for increasing their efficiency. Alluding to this argument Mr. Guha rightly observed: "I am not one of those who would say that the private sector is by itself a paragon of efficiency or the public sector is automatically expected to be an example of efficiency. There may be inefficiency in both sectors and there may be efficiency in both. Otherwise, the Government would not have allowed both sectors to continue in the country. We expect that the private sector also can work just as efficiently as the public sector. Again, in the public sector also, there may be examples of inefficiency. There was that housing factory scheme which the Government cannot claim to have run very efficiently." This frank admission that the public sector also is not free from the follies from which the private sector suffers is an indication of this Minister's approach to problems with a commendable sense of humility and realism.

The argument that arming the Reserve Bank with more powers would not improve the banking system, Mr. Guha contended, was not based on facts. He stated that, since 1951, when the Reserve Bank was given certain authority to ensure that the banks were run properly and honestly, there had not been any failure among schedule banks. The Reserve Bank had been able to exercise effective control over the working of banks and the conditions in most of the banks had considerably improved.

Short-term Funds

The followers of the contention that nationalisation of banks would place more funds at the hands of the Government was also exposed by Mr. Guha. He drew the attention of the House to the wide difference existing between insurance companies and banks. Thus, while the funds available with insurance companies were of a long-term nature, those available with banks were of a short-term nature and were, therefore, not available for long-term investment and development purposes of Government.

Commenting on profits made by banking companies, Mr. Guha stated that not all the profits earned by banks were distributed to shareholders and that the amount distributed as dividend by all banking companies in 1954 was only about Rs. 2.62 crores. Of this, the share of the Imperial Bank (now nationalised) alone was Rs. 1 crore. Thus, only about Rs. 1.70 crores were distributed to shareholders. He did not think that this was a big amount.

Countering the argument that nationalisation was necessary for the creation and control of credit, Mr. Guha remarked that the Reserve Bank had got enough powers to discharge this function as effectively as it desired. Further, by nationalising the Imperial Bank and by the proposed extension of the co-operative organisation, the Reserve Bank was setting up a machinery

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BUREAUCRACY AND BANKS—II

SOME REFLECTIONS OF A RETIRED BANKER

By B. T. Thakur

HAS the bureaucratisation of the Reserve Bank of India helped the cause of Indian banking or brought about expansion in its services? The Reserve Bank has a good economic division and it now works as a lender in the last resort to help banks against liquid securities in times of need. But that is all one can possibly say on the right side of its balance-sheet of performance. As a Central Banking Authority, it is its duty and responsibility to wisely manage currency and credit. This implies lending to banks for seasonal purposes. The bill discounting facility to banks, of which so much is made, is one of its statutory functions. But the inquisitorial enquiries of the bank before accepting any name of primary borrower, or the scrutiny of securities given by the borrower to the banker is not the normal method of discounting by Central Banks. From A to Z it is based on suspicion, mistrust and inhibited by petty-mindedness.

During the first ten years or so of its existence, the Reserve Bank of India was nothing more than an enlarged currency department of the Indian Treasury. Unlike the Bank of Canada, which was started more or less at the same time as our Bank of Issue, where a leading bank of the country was asked to spare a Canadian promising young banker to be trained for the office of the Governor of that bank, the Reserve Bank of India has been all along dominated by bureaucrats and controlled by official directions.

Reserve Bank Overloaded

If the functions of India's Central Bank had been restricted to merely Central banking, perhaps in course of time proper Central banking methods and technique might have been evolved. But, during the last decade or so, it has been terribly overloaded with many functions, with the result that it has failed to give that degree of satisfaction in the discharge of its various duties which was expected of it.

Today, the Reserve Bank is not merely a Central Bank, but a licensing authority for banks, authority to give permission to banks to open branches in India, and to Indian banks to open branches outside India, an examining body, an exchange control authority, and provider of credit to industrial and agricultural banks. With its ownership of India's biggest commercial bank, the State Bank of India, it has become a direct competitor with Indian commercial banks. In other countries of large geographical size and huge population, there would be separate agencies for these different types of duties.

If the Bank had good bankers to manage it and good trained banking assistants to help in its work, perhaps things might have been better. But it is sadly lacking in manpower of the appropriate type. This deficiency could only be overcome by widening one's knowledge, observation and study. But, if there is a tendency to hide lack of knowledge, shortcomings and deficiencies, with a grumpy official attitude, or disinclination to learn through discussion, then the working results cannot be satisfying.

Confidence Violated

Let us take some examples of actual methods and working, and determine whether they can be helpful to banks and helpful to banking expansion.

The purpose of bank examination is to protect the interests of depositors and to find out if banks are safe and liquid. It should not serve any extraneous purposes. The relations between banks and their clients are sacred, and even inspecting authorities cannot take advantage of their privileged position and divulge them. But one hears of so many instances in which information has been given by the Bank or its officers, or by Government which gets copies of inspection reports, information which should never have been given, excepting under judicial orders and in a judicial court. The Reserve Bank even uses pressure of its office over banks to give information to Government's agencies, even though there is no court order.

This violation of confidences between banks and their clients has led to shrinkage of banking custom. A large portion of commercial transactions take place through actual cash payments and not by bank cheques. This is the greatest disservice that could have been done to Indian banking or to its expansion. Herein lies the main cause why organised money market languishes in spite of heavy expansion in currency.

Licensing of Branches

Let us take another department of the Bank's activity, namely, licensing of branches. Recently, a very sad incident has come to the writer's knowledge through a very reliable source, which shows to what extent bureaucracy can abuse its authority and power. A foreign mission entered into an arrangement with one of the commercial banks of the country to open its branch in its premises and thereby handle its large banking business, and of its huge staff too. The bank applied to the Reserve Bank for necessary permission. Whether by design or through carelessness, the information leaked to the State Bank of India, which also subsequently applied for permission to open a branch in the same premises. The first bank's application was kept pending, but the State Bank was given permission straightaway. Later, the first applicant's request was turned down.

But the most curious thing happened when the State Bank applied to the mission to be permitted to open its office in its premises. It must be said to the credit of the mission that it refused permission to the State Bank on the ground that it was committed to the other bank, which should not be deprived of the advantage of its initiative and enterprise.

In spite of this rebuff, the State Bank has not surrendered its permission nor the Reserve Bank has cared to give permission to the first applicant. It might have been possible to condone the partial attitude of the Reserve Bank to its own child, but when that child did not succeed in its purpose, could not the Reserve Bank review its decision and allow the first applicant bank to open the branch and thereby reap the reward of its spade-work and effort?

There are other known instances, too, where the Reserve Bank's attitude in withholding permission to banks to open branches, inside the country and outside, cannot be justified on merits of wise use of discretion.

Exchange Control

Administration of exchange control law and regulation is highly discriminating in its application to official Indians and non-official Indians living abroad. It is an open secret how this has given India a bad name in other countries. Members of Indian missions outside India enjoy the status of residents, but other Indians working abroad are denied the same treatment. It is a moot point whether such discrimination is *intra vires* the Constitution.

In the matter of directions to banks on the conduct of their exchange business, different directions are given to different banks; and, if any bank makes any protest, the high hand of authority comes down with a bang. The Reserve Bank and its officers are all-knowing and they know best how to use their administrative discretion. Banks are too much under the control of the Reserve Bank to contest in a law court the undisputed right to wisdom of the Reserve Bank.

It is gratifying that the Reserve Bank has now power to help good banks in times of crisis against the general security of their assets. But the power has to be wisely used and only in such cases where banks can be saved. A few instances in which use was made of this power did not help the banks to survive. On the contrary, it increased the losses of the less cautious and less knowing depositors. Thus, any money that was provided by the Reserve Bank was swallowed up by earlier withdrawals of deposits, leaving empty husk for those who did not do so; these unfortunate depositors were shut out when the banks closed their doors. Whatever good assets these banks had, were earmarked for loans from the Reserve Bank. Such advances were wrong and the result of bad judgment. They helped in the swindle of poor, ignorant depositors.

No Guidance

Even on questions of help and guidance to banks, the record of the Reserve Bank is not what it should have been. At the time of the Partition of the country, it should have been the duty of the Reserve Bank of India to anticipate what havoc would be caused to securities of banks, and even to balances in currency chests in Pakistan, when lawlessness broke out, as it actually did. A private banker had the foresight to anticipate such events, but the Reserve Bank, either because of its official position, or of its inability to look into the future, did nothing to warn banks. Actually a banker approached the Government of India at that time and requested it to introduce insurance like war risk insurance to protect banks. Danger to smaller banks was great and some of them have been irreparably damaged. But nothing came out of it. The official class is usually obsessed by its omniscience and very rarely trusts the judgment of the private sector even in emergencies, in spite of there being so many instances of wisdom in its anticipations. On account of the great havoc that had occurred to the securities of banks, several banks ceased to exist and the bigger ones had to suffer huge losses.

Wrong Interpretation

There are several instances in which the Reserve Bank's interpretation of law and of its powers has proved grossly wrong and subsequently rectified. Every bank has to keep a statutory reserve with the Reserve Bank in relation to its liabilities. Any money transferred from a bank's account with the Reserve Bank at one place to its another account at another place is money that continues to be with the Reserve Bank. But, for many years, if the transfer was not completed the same day, the Reserve Bank ignored such balances in transit for computing reserve requirement, even though the money remained with the Bank and was not withdrawn. Banks were fined and had to pay heavy penalty. It was only after several years of agitation that the Bank admitted that its own reading of the law was wrong. But still it had not the sense of fairness to return the penalties that had been wrongly imposed upon banks. Originally, when a Civilian Deputy Governor of the Bank was approached on this wrong meaning of the law, he replied that his staff had advised him correctly—a usual answer one gets from a bureaucrat who takes shelter in the noting of his head clerk or superintendent.

According to a legal decision, reported in the *Amrita Bazar Patrika* of 29th January this year, the Reserve Bank's methods in handling alleged exchange control offences were commented upon. The report said: "The Chief Presidency Magistrate, Mr. M. Mookerjee, remarked against certain action of the Reserve Bank of India in the course of his judgment acquitting .... who was prosecuted under the Foreign Exchange Regulation Act of 1947. The Magistrate held that the prosecution had failed to prove that the accused had contravened any directive."

Foreign Bank Helped

When a Dutch bank closed its business in India some time back and entered into an arrangement to transfer its business to a new foreign bank, the Reserve Bank of India straightaway accepted application for licences from that bank, regardless of the fact that Indian banks were facing opposition in the native areas of the new bank. Some questions were asked about this in the Indian Parliament. A high authority in the Reserve Bank rebuked an Indian banker, whom he suspected, as to why he had resorted to questioning tactics in Parliament. The banker denied ever having instigated any such questions. The reply was: "We have our own sources of knowledge and information. It never pays a bank to oppose us." The banker kept dignified silence, thinking that it was no use talking to a man whose mind was dominated by reflexes, built up in the early career of a civilian, surrounded by police officers and submerged in police cases, tutored with police methods.

Integration of Money Market

India's money market is not integrated at all; nor has the Reserve Bank done much to achieve such a purpose. Bazaar lendings are generally divorced from organised bank lendings. The hoarded money and diffused small pocket balances, whether of the petty shopkeeper or of the individual, are entirely distinct and separate sections of the money market. Until through greater friendliness and trust, they can be welded into one bigger whole, the central monetary authority's capacity to regulate currency and credit will always remain inadequate and ineffective.

Since the war, and during the last few years, there has been a tremendous increase in the circulation of money, mainly as a result of deficit financing. But, because of lack of banking facilities and due to violation of confidential relationship between banks and their customers, the contribution of expanded currency to the resources of banks is getting less and less. In order to avoid the gaze of the prying eye, larger and larger number of commercial transactions is being put through by payment in actual cash. Unless faith in the inviolability of relations between banks and their customers can be fully restored, and banks are given the green light to expand, things are not likely to improve. In spite of abundance of created money, capacity of banks to provide legitimate credit to expanding industry and growing trade will remain insufficient.

It is an open secret how lack of understanding and common purpose between banks, on questions of policy in regard to interest rates on deposits, has created very onerous conditions, particularly for Indian banks, to which a reference was made by chairman of some banks in their last annual general meeting speeches. Attempts in the past have been made to adopt a common attitude on this question, but no concrete result has been achieved so far. It is the duty of the central monetary authority to help banks to achieve a common understanding, so that no irreparable damage would be caused to banking in this country—specially medium-sized and small banks, whose capacity for earnings and legitimate profit is poor.

The writer can give many more instances where the Reserve Bank has been found wanting. But enough has been said to show that all is not well with our Central Banking institution. His object is not to resort to sensational writing, but to draw attention to the abuses existing in the administrative methods of the highest banking authority of the country, and, by implication to the consequences that are likely to flow from the officialisation of banking itself.

Banks' Responsibilities

A community or a class of business gets what it deserves. The banks cannot be entirely absolved of their share of blame in the existing condition of affairs. Jealousy amongst the big, the hostility of the big against the medium-sized, and of the medium-sized against the small, have deprived the banking system of solidarity and singleness of purpose, which are so necessary to safeguard their legitimate interests.

The position today is, of course, much better than it was some years back. The Indian Banks Association does at times speak out about the difficulties and drawbacks of the present situation. The Indian Bankers' Clubs have created an atmosphere of friendliness amongst bank managers which has, to a large extent, kept subdued the spirit of senseless rivalry. But banks must do something more positive to establish their right to independence and freedom from great official thraldom.

If big banks take smaller banks under their guidance and protection, the latter will not suffer from inadequacy of knowledge or experience, and can be easily converted into good instruments of widening banking service. Banks must prepare their own code of conduct, like other public bodies, to insist on proper performance of duty; and those members who adopt undesirable practices should be severely censured.

Nationalisation

The writer is often asked by bankers and business men how imminent does he think is the nationalisation of banking in the country.† Nationalisation of credit institutions is not so simple as nationalisation of insurance. The Government knows that lending money is not so easy as selling insurance. It, of course, requires no effort to advance money; but to correctly judge the right to borrow and security behind the loan, and the capacity to enforce repayment, are quite different things. And the new Companies Act has given added powers to Government to bend banks to their will. It is reported that discussions are going on between the Treasury and the Reserve Bank how to impose greater vigilance and guidance over banks. The Government would, therefore, not be in a great hurry to take up the general question of public ownership of banks.

A substantial portion of banking through the nationalisation of the Imperial Bank has been already brought fully under official control; and, when the remaining "State" banks are also nationalised, the share of banking under public ownership will further increase. For some time, the old brigade will have much to do with the actual day-to-day working of the bank and no perceptible deterioration may be visible in the near future. But "public" banking cannot entirely escape from political and official pressure.

Continuance of private banking will depend upon several factors. First upon the experience of the working of the State Bank and the time at which this question is seriously taken up for decision; secondly, upon the banks themselves; thirdly, upon the attitude of the average man; fourthly, upon the way our political leaders continue to think and, finally, upon world developments.

Place of I.B.A.

Banks by their indifference are losing their very strong case for independent existence, and right to greater freedom from official control. They do not seem to realise that, in the modern world, adequate and right type of public relations, are indispensable even for the most obvious right causes. They must make every effort to educate the public, and be constantly before the eyes of the younger generation, not as "Shylocks" or as bloated capitalists, as their senseless opponents portray them, but as humble objective servants in the cause of national prosperity.

If the Indian Banks' Association takes a more serious and larger view of its duties and functions and enlists popular support, it can secure, on merits, a right for statutory representative capacity, as an advising body to the Reserve Bank. Banks in other countries, by law or in practice, usually enjoy such a recognition. When the Indian Banking Bill was being discussed, representatives of Indian banks did try for some such relationship between the banks of the country and the Central Banking Authority. But the officials severely turned it down, even though they fully realised that a right to give advice is not necessarily the same thing as the advised authority's duty to accept it. Refusing an advice, perhaps, involves an obligation to clearly put down on paper why the advice was not being accepted. The bankers' plea was rejected, because bureaucracy does not want any qualification on its authority or discretion.

If private banking is to continue unimpaired in its capacity to help the private sector of India's business and industry, and to help Government in placing its loans, then it is necessary that there should be closest co-operation and fullest understanding between them and the country's Central Bank. It is also imperative that the Central Banking Authority should be freed from many of the functions with which it is charged today, so as to leave it time and independence to deal with monetary problems. Separate agencies can be established to take over from the Reserve Bank responsibilities other than those directly connected with Central Banking.

Vigilance is the price of survival. The common man thinks that, by expropriating landholders, industrialists and bankers, he is building up a democratic State. But political freedom cannot exist without economic freedom. Examples of Italy, Germany and Japan before the war are clear pointers to the fact that, once man surrenders his rights in the economic field, he soon finds that he is deprived of the political rights, too, and the State assumes totalitarian shape.

The Indian business men actively helped the Indian National Congress in pre-independence days, with unlimited funds, to fight for the country's freedom. Today, however, they are suspect. The politician has kicked the ladder by which he rose to power. But still the private business is a divided house. Unless the business men wake up in time, restore unity of purpose and outlook among themselves, and show that, in free enterprise alone, the common man has more to gain, they too will find that, sooner or later, they will all be eliminated, one by one, if not all together. The change in the Constitution, whereby the question of compensation has been taken out of the jurisdiction of judicial courts, the new Companies Act, the abolition of private life insurance, the officialisation of the Imperial Bank, and other existing and contemplated measures, will remove the props of their existence.

Regional Reserve Banks

There are monetary thinkers who feel that, for a vast country like India, the Reserve Bank itself should be split up into four or five regional banks to be co-ordinated, guided and controlled by a Monetary Board, on the same lines as the Federal Reserve Board in the United States of America. Today regional interests do not receive the same care and attention. Calcutta seems to be agitated at the concentration of monetary power in Bombay. And other State capitals also complain of inadequate attention to their credit problems. Regional banks will eliminate such bickerings. The Monetary Board, with wide powers, can ensure the right working of these sectional banks, without sacrificing uniformity and unitary purpose, to the extent that may be desirable, in the country's overall currency and credit policies.

Deficit Financing

India's Finance Minister Mr. C. D. Deshmukh, remarked, in one of his speeches recently, that, whenever he spoke on deficit financing, he kept his fingers crossed. Everyone who has some knowledge of the many seen and unforeseen dangers that lurk in the path of created money, will fully sympathise with him. A recent study by Messrs. C. N. Vakil and P. R. Brahamananda shows that deficit financing of the order contemplated by the Plan, is likely to push up prices by 45 per cent. at the end of the second Five-year Plan, and that the value of our rupee, which is already one-third to one-fourth of what it was before the war, will further go down by about 30 per cent. Actual damage can be much more, because fear and psychological factors are powerful forces, particularly in a country like India, the baneful effects of which can far transcend the result of logical study.

Are savings likely to grow with the Damocles sword of inflation hanging over them? Is it safe for the country or its politicians and bureaucrats to take fullest responsibility on vital issues in the field of money and credit? Should not bankers be given greater freedom so that they may gather more and more of the diffused and scattered money, which in the aggregate amounts to hundreds of crores, and thus create better discipline and control over money and users of money? These and other vital questions require proper answers, if disappointments and disillusionments are to be avoided. More than study, they require experienced minds to find answers.

Expert Committee Wanted

There has been no real enquiry into India's monetary and banking problems since 1929. Then there was no Reserve Bank. It is highly necessary that these and connected problems should be examined by a high-powered committee of monetary and banking experts, so that Indian banking and credit system may not be found wanting in the quantity and quality of service expected of it, in the furtherance of the country's economic plans and projects. When the rest of the world is moving fast, India cannot afford to make errors or waste time.—*All Rights Reserved.*

(*Concluded*)

†*This article was written three weeks in advance of the statement of Mr. A. C. Guha, Minister for Revenue and Defence Expenditure, Government of India, in Parliament on 27th April 1956, to the effect that, having nationalised the Imperial Bank of India and taken over as much as 22 per cent. of the banking business, Government had no intention of going any further in that direction.*—ED.

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CORRESPONDENTS ALL OVER THE WORLD

COTTON TEXTILE INDUSTRY IN JAPAN

SURPLUS SPINNING CAPACITY TO BE DONE AWAY WITH

THE most pressing problem confronting the cotton textile industry in Japan is the huge surplus spinning capacity. The aggregate demand for cotton yarn in 1960 is estimated by the Council of General Textile Policy at 940.8 million lbs. And, as compared with the equipment needed to meet this demand, the existing spindleage—7.96 million as at the end of July 1955—is considered to be in excess by approximately 1.2 million spindles. The surplus capacity has led the Japanese cotton industry to take a rather grim view about its future. If the surplus is not disposed of in time, it is feared, there is bound to be a crisis of over-production in the industry in the next few years. It is with a view to preventing such a crisis, as also to ensuring a more orderly development of the industry, that the All-Japan Cotton Spinners' Association has evolved a tentative programme for eliminating the surplus spinning capacity. The programme envisages three important measures designed to (1) enforce a registration system on equipment and a licence system on new equipment, (2) dispose of the surplus capacity, and (3) bring about merger of small enterprises.

The first measure lays down that all equipment intended for spinning cotton yarn and spun rayon yarn must be registered as cotton and rayon spinning equipment, respectively. The machinery registered as cotton spinning equipment will be allowed to spin only cotton yarn and mixture thereof. For the time being, however, spinning of synthetic yarn and acetate yarn will be permitted. The machinery registered as non-cotton equipment will not be allowed to spin cotton yarn. All additions to and replacements of cotton and rayon spinning machinery shall be subject to a licence, to be given by a joint committee set up for this purpose. The Committee, which will be composed of official and private circles, shall make decisions according to the true state of affairs in the industry. It is specifically emphasised that no spinning equipment will be permitted unless there is a substantial change in the situation.

Surplus Disposal

Under the surplus disposal scheme, about 500,000 spindles out of the total surplus of 1.2 million spindles will be allowed to remain in the mills, but in an unoperable condition by removing gear-ends, etc. The spindles sealed in this manner will, however, be used to meet any emergency demand arising from natural calamities or unexpected sudden sharp rise in demand where the remaining equipment alone cannot cover the demand thus created. The allotment of such unoperable spindles will be in proportion to the existing spindles owned by each company. The balance of 700,000 spindles will be allocated in the same proportion among the spinning companies which will, in turn, dispose them of either by dismantling and storing them or by converting them to rayon spinning or by selling out outright. The All-Japan Cotton Spinners' Association (or its branch body) will act as the purchasing agency for such machinery. The funds needed for the purchase will be financed by a long-term loan at low rates of interest to be allowed by bankers, the repayment of the loan being through a levy on remaining spindles and the money obtained by sale of the redundant machinery purchased by the Association.

Simultaneously with the disposal of surplus spinning capacity, mergers of very small enterprises—of less than 10,000 spindles—will be encouraged. Accordingly, the obligation to dispose of surplus equipment will not apply in cases where the new unit reaches more than 10,000 spindles, as a result of merger with, or purchase by, another company.

It is recommended that a new law, called the Textile Industry Stabilisation Law, be enacted to give effect to the disposal scheme. At the same time, stress is laid on the need for enforcing curtailment of production, in order to adjust the supply and demand position. The existing anti-trust laws, it is said in this connection, preclude such curtailment of output.

The latest move of the Japanese cotton textile industry to dispose of the surplus spinning capacity is clearly understandable. The world trade in cotton textiles, as readers are aware, has suffered a setback of late; during 1955, for instance, the total world shipment of cotton textiles dropped by as much as 11 to 12 per cent. Among other things, two special factors have been responsible for the setback. First, some of the cotton-growing countries, which were hitherto importers of textiles for their domestic needs, have themselves started manufacturing piecegoods. Secondly, competition from rayon and other synthetic fibres is becoming keener and keener. Thanks to these factors, the cotton textile exports from Japan have drifted lower, the figure for 1955 being 1,139 million yards, as against 1,278 million yards in 1954, or a decline of 11 per cent. Since Japan exports as much as 35 per cent. of its total production of cotton textiles, the contraction in the world trade will naturally affect the economy of Japan considerably. This aspect has been lucidly emphasised by Mr. Kojiro Abe, President of the All-Japan Cotton Spinners' Association, in the course of an interesting article contributed to a recent issue of the *Oriental Economist*.

Modernisation

In this article, Mr. Kojiro Abe has not merely reviewed the developments in the Japanese cotton industry in recent years but also assessed the outlook. His review reveals that the spinning capacity which had been reduced to a poor total of 2.00 million at the end of the second war expanded to as much as 7.91 million at the end of February 1955 (and 7.96 million at the end of July 1955.) More significant than the quantitative recovery has been the progress made in modernising equipment. To quote Mr. Kojiro Abe: "Because the best part of the equipment in Japan's spinning industry were newly erected after the war, they were thoroughly modernised. For instance, carding engines, drawing frames, roving frames and ring spinning frames were converted into larger-package types. Roving frames were changed to the Simplex system and more ring spinning frames were re-ramped into super high-draft types (Draft: 30-700), while the pneumatic clearer was adopted for ring spinning. All these modernisations indicate that the post-war recovery in Japan's spinning industry was qualitative as well as quantitative in character. Such equipment modernisation is an outstanding feature of Japan's spinning industry, to which the international competitive power of Japanese goods may well be traced."

The following figures compare the latest position of the Japanese cotton industry with that existing during the years 1934-36:

	1934-36 (annual average)	1954	1955*
Operative spindles (in millions)	10.77	7.90	7.96
Yarn production (in million lbs.) ..	1,419	932	836
Yarn export (in million lbs.)	36	30	24
Fabrics production (in million sq. yds.) ..	3,889	3,039	2,819
Fabrics exports (in million sq. yds.) ..	2,671	1,278	1,139

* Estimates.

It will be seen from the above figures that, during 1955, the progress of the Japanese cotton industry was not only not maintained but was actually retarded. Thus, both production and exports of cotton textiles staged a retreat. Drawing attention to this aspect, Mr. Kojiro Abe refers to what he calls the "key problems" of the Japanese cotton textile industry. The deficit in the balance of payments in cotton trade —that is, the difference between the payments made for cotton imported and the earnings on textiles exported—for instance, must be reduced as much as possible. At the same time, as long as an adverse balance continues, attempts should be persistently made to curtail imports of raw cotton and other natural fibres, while encouraging the increased production of chemical textiles.

Limitations to Exports

Mr. Kojiro Abe refers next to the limitations on the future expansion of the world markets for Japanese cotton goods. He fears that there are great difficulties in the way of an expanding export trade. The fears are based on the marked fall in the shipments of Japanese textiles to some of the most important markets, as the table given below will show:

(In million yards)

	1954	1955
Indonesia	284	108
Thailand	109	97
Pakistan	85	32
Burma	68	43
U.K.	67	51
British West Africa	61	58
Malaya	56	7
Hong Kong	52	17
Ethiopia	10	7

According to Mr. Kojiro Abe, exports of Japanese textiles to the predominant South East Asian markets, such as Indonesia, Thailand, Pakistan and Burma, are destined to be markedly restricted in future, thanks to the low level of national income and balance of payments difficulties in these countries. The trade with Indonesia, in particular, is considered difficult, on account of the freezing of Japanese credits. Pakistan is endeavouring to achieve self-sufficiency in cotton goods. Large increase in exports to the U.K., British West Africa, Australia and the U.S. are, it is felt, hardly possible, due to competition from America and British cotton manufacturers. In conclusion, Mr. Kojiro Abe observes realistically that the future interests of the Japanese cotton textile industry should harmonise with those of all the free countries of the world, including countries which produce raw cotton or export cotton goods, and that they are particularly linked with the economic development of countries in the Central and South East Asian regions.

BANK OF MADURA LIMITED

MADURAI

Abridged Balance Sheet as at 31st December, 1955

CAPITAL AND LIABILITIES	Rs. a. p.	PROPERTY AND ASSETS	Rs. a. p.
Capital Paid-up and Reserves.	13,88,718 12 1	Cash and Bank Balances ..	46,21,034 4 8
Deposits	2,55,91,418 0 5	Investments at Cost ..	1,03,42,465 14 0
Bills for Collection (as per contra)	2,68,650 7 1	Loans, Cash Credits, Overdrafts, etc.	1,19,93,171 15 4
Other Liabilities	2,66,655 12 10	Bills for Collection (as per contra)	2,68,650 7 1
Profit and Loss Account ..	1,63,290 7 3	Other Assets	4,53,410 14 7
Total .. Rs.	2,76,78,733 7 8	Total .. Rs.	2,76,78,733 7 8

KARUMUTTU THIAGARAJAN, *Chairman.*

V. RM. VALLIAPPA CHETTIAR, N. A. ANNAMALAI CHETTIAR, } *Directors.*

P. S. VISWANATHAN, *Secretary.*

SALESMANSHIP FOR WIDENING THE MARKET FOR COTTON GOODS

INDUSTRY URGED TO USE MODERN METHODS

From A Special Correspondent

MANCHESTER, *24th April*

MANCHESTER LETTER

IN the light of subsequent events, one of the unfortunate features of post-war trade in Lancashire was the era of the seller's market when the world's shelves were bare and buyers were clamouring to obtain goods from any quarter. Although the far more difficult trading conditions which have ensued in the past five years could not have been foreseen at the time, the phase of easy selling created an atmosphere in many sections which has since done our local trade little good.

There is increasing realisation that the basis for any revival in export trade must stem from a changed attitude towards salesmanship. Gone are the days when goods of somewhat dubious quality would be accepted and representatives of British firms could adopt an independent selling attitude. The wheel has turned full circle and the need for keen salesmanship in disposing of finished goods is even more essential than it was 20 years ago. Nor should it be forgotten that exports of cotton cloth are at present only about a quarter of the quantity shipped abroad in the 1930's.

Merchanting

These views found open expression during the annual conference of the Textile Works Managers' Association when Mr. Wentworth Schofield, M.P. for Rochdale, urged the Cotton Board to pay as much attention to redeployment in merchanting as in the producing branches of the trade. "I would like to think there has been as much advance in the selling methods of the marketing section as there has been in the production section," he said. "If we are to retain our hold on markets abroad, we cannot afford to wait for busines to come. Someone has got to go out and bring that business back."

Many firms have accepted the truth of this assertion during the increasing problems which Lancashire has encountered since 1951, but the trade as a whole does not appear to be entirely convinced that more initiative is needed to dispose of textile products, especially abroad. During the conference Mr. J. R. Bulmer, of the Calico Printers' Association, presented a paper on the topic in which he was strongly critical of the present set-up in the merchanting branch.

"Our selling techniques are in need of an overhaul," he declared. He added: "The commission agency form of representation, still so typical of British export selling, may have got by during the days of our supremacy when competition was undeveloped. Today, abroad, as in the home market, our job is not order-taking but hard selling, backed by highly organised promotion."

There are, of course, exceptions to every rule and certain Lancashire exporting houses have brought modern methods to bear on their system of selling and have reaped the rewards accordingly. In too many cases, however, particularly among some of the smaller firms, opportunities have gone astray and overseas trade returns have suffered in consequence.

Even in the home market the industry has failed to secure as much trade as might have been expected in view of the greater spending power among domestic consumers. As Mr. Bulmer said in his paper: "The proportion of disposable income devoted to dressing our bodies and our homes is falling rather than rising. We are losing out to the suppliers of television, washing machines, tobacco, sweets and all the other amenities of modern life. For the most part we are offering no resistance to their encroachments."

Such advice, calling for more resourceful selling at all levels, is constantly being directed towards the distributor of Lancashire-made textiles. But competitors abroad are receiving very similar exhortations and in several European countries incentives are still being offered to exporters, providing them with more favourable terms on which to trade. Japan's share of world markets in cotton, and particularly rayon, is steadily mounting despite the decline in international trade as a whole.

While world markets are contracting sellers are increasing in number and unless there is a determined effort to satisfy the requirements of customers, the amount of overseas trade secured by Lancashire firms seems destined to dwindle. An individualistic attitude among local textile merchants has been a feature of the industry for many years but it is perhaps time that more co-operative methods were used to broaden selling opportunities.

Trade With India

Trade in textiles between Britain and India has taken on a very different complexion since the war. Exports have changed to imports and *vice-versa*, so that the whole situation has undergone an almost complete reversal. The total volume of Anglo-Indian trade, however, is of considerable interest to Lancashire in view of the comments made from time to time by Indian interests that any action taken to curb imports of cloth into Britain would involve countermeasures against other British exports.

Mutual trade between the United Kingdom and India in 1955, it is now disclosed, exceeded £288,000,000 of which British exports were valued at £129,793,000, an increase of 13 per cent. on the 1954 figures. Imports from India totalled £158,949.000, rising by 7 per cent. over the previous year's level.

British shipments to India were dominated by machinery, which represented 37 per cent. of the total. Within this main heading, exports of textile machinery were prominent, accounting for £7,296,000 out of total machinery shipments of £48,590,000.

Among goods imported to this country from India, the main item was tea, which accounted for nearly half the value. The next most important goods were miscellaneous textile manufactures costing £14,400,000 and leather and fur goods worth £12,625,000. There was a sharp increase in purchases of animal and vegetable oils and imports of tobacco totalled over £7.000,000. As compared with 1954, shipments of cotton yarns and woven fabrics from India were only slightly higher, the value last year being £7,041,000 against £6,849,000.

Bidding for Cotton

Any lingering hopes entertained in certain quarters that the American Government intended to revise its programme to dispose of surplus cotton supplies by the method of competitive bids were ended when the Department of Agriculture announced that the first offers would be considered this week. Actual exports under this programme will not begin until August, when the next season opens.

It has been officially disclosed that the American Government held 6,795,000 bales of upland cotton early this month and officials of the Department of Agriculture are hoping that their new disposal plan will shift a good deal of this surplus. The success of the earlier project, involving short-staple cotton, has resulted in guarded optimism among members of the Administration and the progress of the new scheme will be watched with considerable interest, not only by cotton growers and users throughout the world, but by American political leaders.

In the first six months of the current season, exports of raw cotton from America failed to reach 750,000 bales compared with shipments of nearly 2,000,000 bales a year ago. Undoubtedly many prospective customers have been holding off pending details of the new disposal plan, but there will have to be a sharp revival in business for exports in the second half of the season to make up the lost ground.

After the President's veto of the Farm Bill, containing provision for fixed price supports of 90 per cent. of parity, the loan rate for the new crop has been fixed by the Department of Agriculture at 82½ per cent. as forecast by Mr. Eisenhower. The possibility of a rise in support levels, however, has not been ruled out, provided the supply situation alters for the better between now and the end of July.—*All Rights Reserved.*

Encouraging progress in developing and improving raw cotton production within the Commonwealth was reported by Lord Derby in his presidential address to the annual meeting of the British Cotton Growing Association. The address was read for him in his absence through indisposition. From the period in the later war and early post-war years, when the annual production averaged around 600,000 bales, the crops had been increased to such an extent that output in the past two years had averaged 1,250,000 bales annually.

After speaking of substantial increases last year in Nigeria and Tanganyika territory where new records were set up, Lord Derby announced that he was planning to visit Nigeria early next year as President of the British Cotton Growing Association and also of the Empire Cotton Growing Corporation to see at first hand the work being done by both organisations. The Nigerian crop of more than 187,000 bales in 1955 was 44,000 bales more than ever previously achieved. To meet the additional demand for equipment to handle the crops, the Association was undertaking considerable construction work.

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IMPROVEMENT OF ASHMOUNI COTTON

STUDY MISSION SUGGESTS SEVERAL MEASURES

DESCRIBED as the "bread and butter" of Egypt's cotton economy, the Ashmouni variety of cotton is one of the oldest and the most popular of the styles exported from that country. This variety has been grown and spun for close upon a century now. Nevertheless, a few years ago, spinners commenced noticing some deterioration in its quality. After 1953, the complaints become more numerous, so that the Egyptian authorities became greatly concerned and began to adopt several measures designed to make this variety more acceptable to spinners abroad. As part of these measures, they also invited, last year, the International Federation of Cotton and Allied Textile Industries, Manchester, to send a mission to Egypt to conduct a survey of the improvement of Ashmouni cotton. The report of this Study Mission, to which a brief reference was made in our issue dated 28th January 1956, contains several notable recommendations which, if implemented by the authorities, are bound to improve the quality of Ashmouni cotton.

It is interesting to note that, when the quality of Ashmouni cotton began to deteriorate a few years ago, some geneticists actually felt that the life of this variety would come to an end and that its degeneration could not be stopped. This opinion was soon discarded and it is now generally recognised that the deterioration in quality is not due to causes inherent in this variety but owes its origin to certain external factors. The Egyptian Ministry of Agriculture has accordingly instituted the Ashmouni purification scheme which is stated to have already yielded some valuable results. The Study Mission has, in fact, paid a tribute to this scheme. It notes that the scheme is "definitely showing positive results and that Ashmouni cotton is gradually improving, although it has still a long way to go." The Mission has recommended that, in order to reach the highest possible standards, "strictest supervision be exercised over the phases of plant breeding and seed testing." The Egyptian authorities, the Mission says, should also consider whether arrangements could be made whereby only the officially certified seed would be used for the sowing of each new crop.

The chief merit of the Study Mission's report lies in its careful examination of the external causes for the deterioration of the crop and in the remedial measures it has suggested. Since some of these causes could occur in any country and, where they occur, affect adversely the quality of the crop, the Mission's report deserves to be read carefully in other cotton-growing countries too. Thus, one of the first sources of contamination of the seed cotton (or *kapas* as it is known in this country), according to the Mission, occurs at the stage of transport from field to the gin. When the seed cotton is picked, it is usually put into large jute bags and transported by lorry or by barge to the gin yard. Some of the jute bags are not in good condition and are "often torn and full of holes." The Mission says that "if it were possible to use only jute bagging in perfect condition, one of the first sources of contamination would be eliminated."

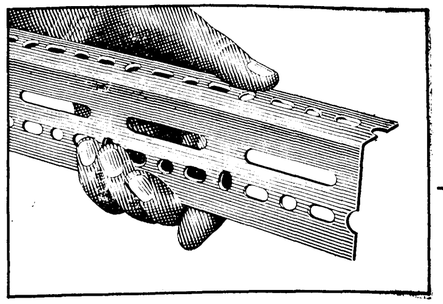
The Mission suggests that the quality of Egyptian cotton, in general, and of Ashmouni cotton, in particular, might be further improved by modernisation of ginning method, particularly as regards dust control, hand cleaning processes and the removal of foreign matter from the seed cotton to the ginnery. One of the problems with which the ginning experts have been concerned is the overheating of the rollers at the gin. This problem, it is stated, becomes an even greater one in hot climates, like that in Upper Egypt. Overheating may overdry the cotton. This overdrying of the cotton has later to be corrected by increased humidifying, before the cotton is hydraulically pressed. The Mission, however, finds that the present method of hydraulic pressing in Egypt is satisfactory. Only, it draws attention to the importance of clean wrapping material.

The same cleanliness requirements which apply to the various ginning operations are also valid in compressing and warehousing where there are stated to be additional chances of contamination of the cotton. As the iron band and the packing material are removed from the bales in the blending room, some outside layers are generally found to be soiled. These soiled outside layers are called "gueshra." Although these layers are first scraped off, a substantial part of "gueshra," it is stated, is subsequently mixed with cotton again. The Mission points out that, from the spinners' point of view, no part of the "gueshra" should be mixed back into clean cotton before it is steam-pressed. It adds: "This practice should be abandoned completely. There is no reason why 'gueshra' should not be sold separately as such." The Mission has also warned against excessive blending of superior lots of Ashmouni with the inferior lots.

One of the main responsibilities of the Study Mission was to make a special investigation of the problem of black specks in Ashmouni cotton. These specks, it is stated, have appeared both in the cotton and the woven cloth after it has been bleached. The reasons for black spots in cotton may be either botanical or physical. A chemical analysis of the black spots in bleached cloth, however, shows that "it is highly improbable that their cause is botanical." The Mission says that it "appears most likely" that they are caused by the use of fertiliser bags (made out of tar-coated paper) for the picking of cotton in the fields.

It would appear that there is an ample supply of empty paper bags of this variety near the cotton fields. Formerly, there was no need for the worker to use these bags. This was because he used to wear a long cotton shirt reaching down to the feet. He would just lift it with the left hand to form a bag into which he could put the cotton as he picked it. But now, he wears trousers or shorts, so that he needs a bag to collect the cotton he picks. Moreover, the worker in Upper Egypt is paid by piece rate. If he used a small bag, he would have to walk more frequently to the end of the field to empty the bag of its contents. By using a larger bag, he could increase the output and improve his earnings. The tar-lined paper bags, it is stated, serve his (though not the spinner's) purpose very well. This is how these bags have come to be used.

It is true that a law has been passed with effect from August 1954 to prevent the use of tar-lined paper bags. But the Mission points out that "it seems unrealistic" to expect that a law of such a nature could be applied widely enough to yield results quickly. The Mission has, therefore, suggested the stricter enforcement of the law against the use of tar-lined paper fertiliser bags for picking cotton. It has also suggested the investigation of the possibility of a small cash premium being paid by the Egyptian Government for any empty tar-lined paper bags delivered to the Government's inspectors. The authorities have also been urged to initiate negotiations with manufacturers of fertiliser in order to study the possibilities of using some other bagging material instead of the tar-lined paper bags.



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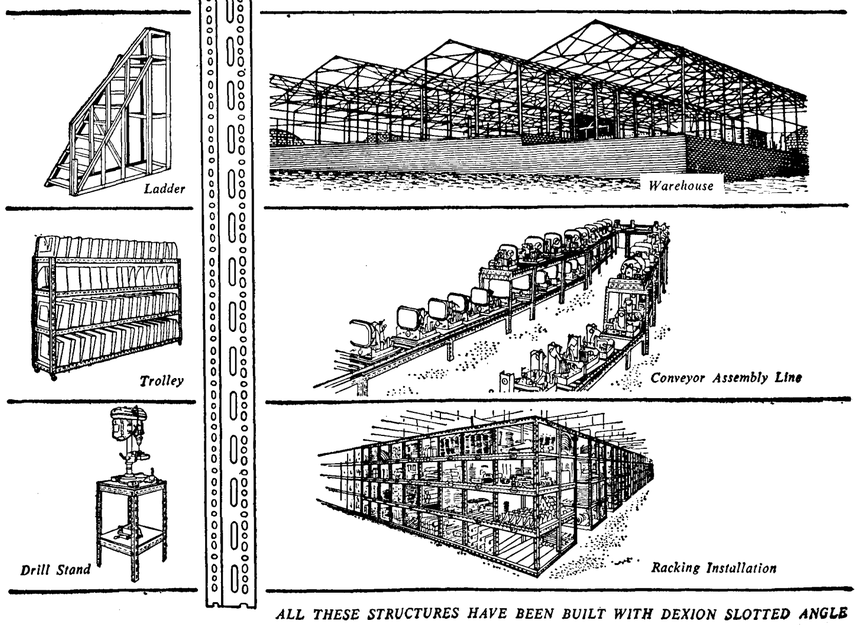

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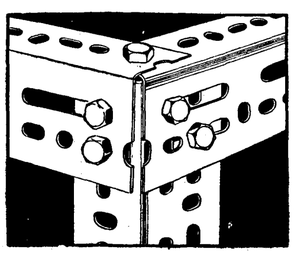

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PUNJAB NATIONAL BANK LIMITED

PREMIUM MONEY TO BE CAPITALISED BY ISSUE OF BONUS SHARES

MR. S. P. JAIN URGES UTILISATION OF RESOURCES IN PRODUCTIVE CHANNELS

THE view that the large-scale deficit financing contemplated in the second Plan would not lead to inflation, provided production of essential materials were maintained at a high level, was expressed by Mr. S. P. Jain, Chairman of the Punjab National Bank Ltd., when he addressed the One Hundred and Ninth Ordinary General Meeting of the Bank held at Delhi on Thursday, 26th April 1956. He urged that the economic and fiscal policies of the Government must be such as to enable the utilisation of resources in productive channels, so that inflationary tendencies might have no chance to gather momentum.

The following is a long extract from the speech of Mr. Jain at the meeting:

"GENTLEMEN,

"I have great pleasure in welcoming you all to the 109th ordinary general meeting.

"1955 has been a year of great significance in the history of your Bank. The institution completed 60 years of its useful service to the country and this historic occasion was celebrated on a national scale. Messages of blessings and good wishes were received from the Prime Minister, the Vice-President, the Governor of the Reserve Bank and heads of large banking institutions in India and abroad, as well as from the innumerable constituents of the Bank. Mr. G. B. Pant inaugurated the function at Delhi, while Mr. Morarji Desai did us that honour at Bombay, Dr. B. C. Roy at Calcutta, Mr. Sampurnanandji at Lucknow, Mr. Mohanlal Sukhadia in Jaipur, Mr. B. Ramakrishna Rao at Hyderabad, Mr. Hanumanthayya at Bangalore and Mr. Takhatmal Jain in Madhya Bharat. H.H. the Jamsaheb of Nawanagar, Rajpramukh of Saurashtra, Yuvaraj Bahadur Karan Singhji, Sadar-i-Riyasat of Jammu and Kashmir, the Rajpramukh of Mysore, Mr. R. R. Diwakar, Governor of Bihar, Rajkumari Amrit Kaur, Union Health Minister, Bakshi Ghulam Mohamed, Prime Minister, Jammu and Kashmir and Mr. Brish Bhan, Chief Minister, P.E.P.S.U. and many other celebrities encouraged us by inaugurating or associating themselves with the celebrations at the different branches of your Bank It was my earnest desire to participate in the celebrations in a large number of offices, but I could do so only at a few places. The celebrations were in a manner befitting the prestige and reputation of your Bank and, with all these blessings and good wishes, I have confidence that the Bank will continue its march forward increasing its service and value to its constituents and the country.

Balance-sheet 1955

"The report of your Directors and audited statement of accounts giving the working results of the Diamond Jubilee year are already in your hands. The accounts for the year show a record profit of Rs. 69.40 lakhs, including the sum of Rs. 4.99 lakhs brought forward, as against a profit of Rs. 56.86 lakhs in 1954 and Rs. 41.79 lakhs in 1953. After the transfers—Rs. 11 lakhs to taxation, Rs. 24 lakhs to contingency reserves, Rs. 5 lakhs to general reserve, Rs. 13.5 lakhs for bonus to staff and Rs. 1,30,000 for gratuity to staff and charity, the Board has proposed a final dividend of Rs. 2 per share, in addition to the interim dividend of Re. 1-8 declared on 1st September 1955. This raises the rate of dividend to 14 per cent. per annum. I am sure you will agree with me that the results of the year under review are satisfactory.

"**Deposits:**—The Jubilee year has recorded increase in the total working capital by Rs. 21 crores, from Rs. 91.16 crores in 1954 to Rs. 112.89 crores in 1955. During the last five years, the total assets have nearly doubled. The deposits of your Bank increased from Rs. 75 crores to Rs. 90 crores during the year. The rise in our deposits in 1955 was 19.1 per cent. as against 8.8 per cent. in the case of other Scheduled banks, as compared with 15.82 per cent., as against 10.85 per cent. in 1954. It is noteworthy that the rate of increase in our deposits, which, in 1954, was nearly 1½ times of that of other banks became nearly double in 1955. The results of the first quarter of the current year give us the confidence that our progress at a higher rate will be maintained. We have also enlisted a large number of new depositors as is evident from the following table:

Number of Deposit Accounts

Nature of Deposits	All other Scheduled Banks			Punjab National Bank		
	June 1953	June 1954	June 1955	June 1953	June 1954	June 1955
Demand deposits	8,93,424	8,93,310	9,08,069	1,50,625	1,05,371	1,03,931
Savings deposits	17,70,802	18,45,532	19,23,598	2,35,117	2,48,550	2,71,402
Time deposits	2,88,162	3,07,562	3,40,341	40,736	46,736	57,659
Total	29,52,388	30,46,404	31,72,008	3,81,528	4,00,657	4,32,992
Percentage increase over June, 1954			4.12			8.07

"One point that is engaging the attention of all banks in the country, as is evident from the speeches of the chairmen of different banks, is the rising cost of money. A study of this question reveals that this feature is due to the change in the pattern of deposits arising out of two reasons. From semi-urban and rural areas where new business is developing, deposits are secured more in the shape of fixed and savings fund than as current accounts. This tends to raise the proportion of higher interest-bearing time deposits and increases the average cost of money to banks. The second and more important factor is the unhealthy competition among banks in large cities, especially ports. The banks are offering interest at substantial rates for call money on large amounts. This trend has been encouraged especially due to higher cost of money prevailing outside India. The consequent shift in deposits that is taking place is evident from the following table:

(In crores of rupees)

Year	Demand Deposits		Time Deposits		Total Deposits	
	Indian Scheduled Banks	Exchange Banks	Indian Scheduled Banks	Exchange Banks	Indian Scheduled Banks	Exchange Banks
(a) 1948	533	130	262	35	797	166
(b) 1955	483	136	349	75	832	211
(c) Increase or decrease ..	—50	+6	+87	+40	+35	+45
(d) Percentage of (c) to (a) ..	—9.7	+4.6	+33.2	+114.3	+4.4	+27.1

"I request the Reserve Bank of India carefully to consider ways and means suitably to deal with this development.

"**Liquidity:**—The liquidity position is very satisfactory. Our liquid assets, consisting of cash on hand amounting to Rs. 8,35,89,262, balance with other banks Rs. 81,55,186, money at call and short notice Rs. 10,67,420 and investments in Government and trustee securities, Rs. 44,41,88,690 totals Rs. 53,70,00,558, which form 59.59 per cent. of the total deposits. The bills purchased and discounted amounted to Rs. 7,64,69,766. When these are added to the other liquid assets, the total comes to Rs. 61,34,70,324, which represent 68.07 per cent., as compared with 60.53 per cent. in the case of other Scheduled banks.

"**Loans:**—During the year under review, loans and advances, including bills, increased by Rs. 9.62 crores to Rs. 42.02 crores. The percentage of our loans to deposits is 46.63, as against 63.34 of other Scheduled banks. There is thus a good margin for us to develop further, to bring ourselves to the level of other Scheduled banks.

"For the past two years, we have been expanding our foreign exchange business. There still remains large scope for improvement and expansion. Bill business expanded considerably. Bills purchased and discounted were Rs. 7,64,69,766, as against Rs. 4,71,31,112 in the previous year.

"You will recall that I mentioned at the last meeting about opening of new offices in suitable places. This programme was implemented after necessary detailed surveys. Thus, during the year, 13 new offices were opened, increasing the number of branches from 313 to 326. We have a programme of opening new branches in the current year almost on the same scale. We are taking steps to see that proper personnel with suitable qualifications and experience are available to man these branches.

Bonus Shares

"Your Directors have decided to issue three bonus shares against existing seven shares of the total aggregate value of Rs. 37.5 lakhs, raising the issued capital from Rs. 87.5 lakhs to Rs. 1,25,00,000. This issue is proposed against premium money received from shareholders. Application in this regard has been made to the Controller of Capital Issues. It is gratifying that, in the speech of the Finance Minister amending the taxation proposals, he has appreciated the difference between bonus shares issued from accumulated profits and those issued against share premia which are but receipts of capital from the shareholders themselves. The acceptance of this distinction ensures that this issue of ours will not be subjected to any tax and encourages us to hope that the requisite permission from the Government will be forthcoming soon. It is also a matter for satisfaction that the Finance Minister has rightly allowed inclusion of share premia in the capital base for purposes of dividend tax. Your reserves, including Rs. 5 lakhs now transferred, will stand at Rs. 60 lakhs. With the rising earning capacity of the Bank, it will be possible to transfer, without disturbing dividends, larger amounts to reserves and to build them up to Rs. 1¼ crores equal to the paid-up capital after the issue of bonus shares. This increased capital structure will give the Bank a much wider and stronger base. I am sure that this step will be welcomed by both the shareholders and the depositors.

"You will naturally expect me to make some observations on the general economic trends in the country. I shall deal with some aspects relating to banking and national development.

Banking for Development

"We have finished a phase of development and are on another phase of greater activity for building up our economy. We can look back with legitimate pride that the past few years have been full of fruitful activity and our achievements were amply reflected in the stability and generally buoyant trends that came to prevail in the economy. There was a phenomenal rise in the deposits of banks, from the stagnant figure of Rs. 850 crores in 1953 to Rs. 1,022 crores in 1955. Government borrowing expectations were exceeded by 50 per cent. After the serious debacle in 1946, it was probably for the first time that a number of new industrial flotations were launched with great success. In 1955, consent for raising as much as Rs. 127.7 crores was given by the Controller of Capital Issues. The investing public started taking greater interest in the activities of the old and new companies.

"The developments in the early part of the current year, however, caused a setback. Nationalisation schemes, prospects of heavy taxation and the policy of expanding State sector diverting resources from the people's sector to that of the State, and the uncertainty regarding supply of goods consequent on the bias in favour of developing small-scale and cottage industries restricting the development of large-scale industries—all cumulatively contributed to dampen the buoyancy and the spirit of confidence. The combined efforts of the different sectors of the economy are required for the tremendous venture of nation-building that we are embarking upon. It cannot be gainsaid that the achievement of the desired development, with the rapidity that is essential, would depend on the allotment of the resources in proportion to the ability of the sectors effectively to contribute to such development. It will be a sad mistake, if the enthusiasm that has been raised is caused to be deflated by policies that have largely an ideological bias.

Deposits and Currency Circulation

"Banks are effective instruments as structures of credit to support expanding activity. Development of banking is, therefore, an important factor. If we analyse details of notes in circulation and the deposits of banks, we find that, during the years 1954 and 1955, the deposits of banks have gone up at a much higher rate than during the earlier years. The notes in circulation have greatly increased since. However, the ratio of deposits to the notes in circulation has declined. During the war years, there was expansion of currency on a much larger scale. Due to the general scarcity of goods and difficulty of securing imports, there were larger savings and the banks increased their deposits. From the year 1943, there was an upward trend in deposits. The percentage of deposits to notes in circulation was as much as 86.6 in 1946. But it declined to 74.5 in 1953 and is only 70.4 at the present time, as will be seen from the following table:

Last Friday	Notes in circulation (1) (Rs. crores)	Deposit liability of Scheduled banks (2) (Rs. crores)	Column 2 as percentage of column 1
1946	1,225	1,061	86.6
1953	1,125	838	74.5
1954	1,200	932	77.7
1955	1,362	1,022	75.0
6th April 1956 ..	1,507	1,061	70.4

"The increase in deposits in 1954 was Rs. 94 crores, as against an increase in notes circulation by Rs. 75 crores, thus registering a ratio of 125 per cent. In 1955, the ratio was only 56 per cent. As against an increase in note circulation of the order of Rs. 162 crores, the increase in deposits was Rs. 90 crores. The trend in the first quarter of 1956 is still lower. Against an increase of Rs. 145 crores in note circulation, the deposits have increased by only Rs. 39 crores. The ratio is thus only 27 per cent. This trend indicates that the rise in deposits in the coming years will be anything like 40 to 50 per cent. It is not likely to be on the scale of the war years when the increase in deposits was very nearly equal to the increase in note circulation. With this low velocity of money, the inflationary pressure of deficit financing will be much less. Any pressure that will be felt will only be in respect of cloth and foodgrains.

Deficit Financing and Inflation

"In the context of larger doses of deficit financing, fears are expressed about inflationary trends showing themselves. But the price trends as they are do not lend any strength to such fears. Any increase in prices that has taken place is mostly in food articles and industrial raw materials of agricultural origin. In the former category, there has been a rise in the prices of both cereals and pulses. The rise in prices is, to an extent, attributable to the increase in taxes, especially sales tax. Further, prices are high in the offseason and the level is brought down with the arrival of new crops. It is also necessary to remember that prices had been hammered down last year, on account of the accumulation of stocks of foodgrains with the Government and the phenomenal increase in agricultural production in the country in 1953-54. Support schemes had to be introduced and prices had to recover to more economic levels. A part of the rise in prices must, therefore, be regarded as corrective. It is thus important that the meaning of the rise in prices should be clearly understood and there should be no efforts at restriction of consumption. On the contrary, the level of consumption should go up in the country, as that alone will encourage production and help build up a healthy economy and better life for the people.

"So far as the agricultural situation is concerned, I do not feel there should be any fear of a repetition of the experience prior to 1952. Large areas have been brought under irrigation in 1954-56 and there is ample evidence to suggest that the efficiency of agriculture has tended to increase. Food production can be expected to rise significantly and it may happen that the records of 1953-54 will be easily surpassed in many cases. If, however, due to a fall in agricultural production on account of adverse weather conditions, prices rise, it will not be due to inflationary factors. The situation must be met by adequate imports. If production of cloth is maintained, as also such other essential materials as cement, steel, etc., a healthy process of larger consumption and larger and added variety in production will evolve itself, and there will be no risk of the increased rate of deficit financing creating inflationary trends in the economy. However, the Government policies, economic and fiscal, must be such as to leave resources and enable their utilisation in productive channels so that inflationary tendencies have no chance to develop.

Need for Correct Revenue Estimates

"In this connection, an analysis of the budget estimates and actuals for the last five years reveals that Government have underestimated revenues and efforts have, consequently, been directed towards drawing larger resources to the Government sector. The following table shows that, as against an anticipated deficit of Rs. 2.43 crores, there was actually a surplus of Rs. 221.34 crores in 1951-56:

Year	Budget Estimates (Rs. crores)	Accounts (Rs. crores)
1951-52	+ 26.10	+128.09
1952-53	+ 3.73	+ 38.93
1953-54	+ 0.45	+ 8.50
1954-55	— 15.96	+ 33.51
1955-56	— 17.35	+ 12.31 (revised)
Total ..	— 2.43	+221.34

"Considering the actual surplus each year during 1951-56, it will be correct to assess that the total savings from current revenues of the Central and State Governments would be over Rs. 700 crores, as against the estimate of Rs. 573 crores. In the second Plan, the savings from current revenues are estimated at Rs. 800 crores. Out of this, Rs. 350 crores will be derived from the existing taxation and Rs. 450 crores from additional taxation. Obviously, this is an underestimate, as the buoyancy of revenues will be very much more in the coming years. Tax revenue has increased from Rs. 405 crores (including States' share of divisible taxes) in 1950-51 to Rs. 483 crores in 1955-56. In 1956-61, the increase in tax revenues will be much more pronounced. By 1960-61, on the basis of the existing taxation, a total of Rs. 610 crores is estimated to be secured, while the additional taxes that have been proposed this year for Rs. 36 crores will fetch more than Rs. 50 crores by 1960-61 and take the total of tax revenues to Rs. 660 crores. Taking these into consideration, the total savings from current revenues should be expected to be as much as Rs. 950 crores. It needs no emphasis that a correct appraisal of the possible revenue receipts should be made. If more money is gathered towards the Government sector, the effort of the private sector is stultified, as it is deprived of resources that could be utilised to greater advantage by it in achieving expanding production to counteract inflationary forces. As I suggested earlier, the allocations should be made according to actual performance and capability. It is also necessary to achieve results quicker in production, so that inflationary forces can be kept in check.

Employment

"This takes me to the question of employment that is sought to be provided in the second Five-year Plan period. This is a problem of vital significance to the whole economy and I would, therefore, like to refer to certain details. It is envisaged in the Plan to provide employment to 8 million people by an expenditure of Rs. 7,100 crores, that is, employment will be provided for 110,000 persons per Rs. 100 crores roughly. Towards this end, labour-intensive developments are lent powerful support. General estimates have been made of the amount of employment that cottage and small-scale industries and other fields of activity could provide against the investments proposed. The details of employment potential, however, seem to disprove the commonly held view in respect of cottage and small-scale industries.

Estimates of employment potential under the Second Five-year Plan

	Additional employment (in lakhs)				
	Investment (Rs. crores)	Direct employment	Construction	Trade, commerce and social services	Total employment
Irrigation and power.	898	0.51	3.72	2.10	6.33
Railways	900	2.53	..	..	5.60
Other transport and communications ..	484	1.80	1.27	..	
Industries and minerals ..	1,290	8.00	4.03	6.00	18.03
Cottage and small-scale industries ..	400	4.50	0.45	0.68	5.62
Others (fisheries, forestry, education, health, etc.) ..	3,128	13.65	11.53	18.26	43.45
Total ..	7,100	30.99	21.00	27.04	79.03

"The investment proposed in cottage and small-scale industries is about Rs. 200 crores. It should be expected that a similar amount would almost certainly be invested by the people. Against this total of Rs. 400 crores of investment, the employment possibility visualised is 4.5 lakhs. To this may be added at the most 25 per cent. by way of additional employment under trade, commerce, etc., totalling 5.62 lakhs. The investment envisaged in the large-scale industries in both the private and public sectors is of the order of Rs. 1,290 crores. The direct employment potential in this field, according to estimates in the Plan, is 18 lakhs. These figures indicate that cottage industries do not provide any larger level of employment and proper investment on industries with modern techniques and of diversified character will provide equally large employment. This is an analysis significant from the point of view of the pattern of investment that must be pursued in order to achieve the objectives that we have hopefully laid before ourselves. It must be borne in mind that cottage industries do not contribute to the revenues for social services, etc., unlike large-scale industries whose contribution is very large. The subsidy that is required to be provided to prop up cottage industries is an additional drawback. Further, cottage and small-scale industries will provide employment but not employment that will afford an increasing standard of living. Large-scale industries will provide employment and give the means for increasing standard of living.

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"In conclusion, I must express my thanks to all our worthy constituents for their continued co-operation and confidence. I owe more than formal thanks to my colleagues on the Board and the Local Advisory Committees who extended unfailing help to me in the discharge of my work, endeavouring to preserve and build up the reputation of your Bank for stability, organisation and service. I extend my thanks also to the officers and staff at all levels who have contributed to the fulfilment of the common task."

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U.P. SUGARCANE ACT HELD VALID

SUPREME COURT'S VERDICT

ONE of the legal uncertainties interfering with the crushing operations of sugar mills in the State of Uttar Pradesh has been removed with the Supreme Court upholding the validity of the U.P. Sugarcane (Regulation of Supply and Purchase) Act, 1953, and the two notifications issued under it. These notifications pertain to the supply of sugarcane to the factories. One of them—that is, the one issued on 27th September 1954—lays down that, where not less than three-fourths of the cane growers of the area of operation of a cane growers' co-operative society are members of the society, the occupier of the factory, to which the area is assigned, should not purchase the cane grown by a cultivator in this area except through such a society. The other order, which was issued subsequently—on 9th November 1955, to be precise—reserves or assigns to the sugar factories specified in the schedule the cane purchasing centres for the purpose of supply of sugarcane during the 1955-56 season. In effect, the order specifies the agency of cane supply to the factories by creating specific zones for them.

The constitutional validity of the aforesaid Act and the notifications had been challenged by as many as 5,000 cane growers of the districts of Gorakhpur, Kheri, Meerut and Deoria. The Act, it was contended on their behalf, was *ultra vires* the powers of the State Legislature, inasmuch as the subject matter of the Act was within the exclusive field of Parliament. It was further contended that the Act was repugnant to the Industries (Development and Regulation) Act, 1951, and the Essential Commodities Act, 1955, passed by Parliament.

Petitions Dismissed

The petitions were dismissed by Mr. Justice N. H. Bhagwati, who delivered the judgment of the Supreme Court. Dealing with the argument that the Uttar Pradesh Legislature was incompetent to enact the impugned legislation, Mr. Bhagwati said: "An examination of the provisions of the impugned Act shows that it (the Act)/ merely confines itself to the regulation of the supply and purchase of sugarcane required for use in sugar factories and does not concern itself at all with the controlling or licensing of the sugar factories, with the production and manufacture of sugar, or with the trade and commerce in, and the production, supply and distribution of, sugar." If that were so, his Lordship declared, there would be no question whatever of the Act encroaching upon the jurisdiction of the Central Government in regard to sugar industry. He accordingly opined that the U.P. Legislature had the jurisdiction to enact the law with regard to sugarcane and had the legislative competence to enact the impugned Act.

Mr. Bhagwati also rejected the argument of the petitioners that the provisions of the impugned Act were repugnant to the Industries Act and the Commodities Act. There was, he said, no repugnance whatsoever between the provisions of the Sugarcane Control Order, promulgated by the Government of India and the impugned Act of Uttar Pradesh. In his considered view, the rules framed under the order, as also the U.P. Sugarcane (Regulation of Supply and Purchase) Order, 1954, did not encroach upon the field covered by the Commodities Act. There being no repugnance at all, no question arose of the operation of Article 254 (2) of the Constitution.

Now that the U.P. Sugarcane Act has been held valid, the cane growers should co-operate with the factories in the task of maintaining a high level of sugar output. They will do well to endeavour to see that the factories are assured of adequate and regular supplies of quality cane. If, however, they were to adopt an attitude of non-co-operation, there would be a setback to the crushing operations of the mills and this would ultimately adversely affect their own interests.

"INDIAN SUGAR INDUSTRY—1954-55 ANNUAL"

The annuals of the *Indian Sugar Industry* (Editor: M. P. Gandhi, published by Messrs. M. P. Gandhi & Co., Jan Mansion, Sir Pherozshah Mehta Road, Fort, Bombay 1. Price: Rs. 6) have become so well known that the latest one—the 1954-55 Annual of this publication—needs no introduction to readers. The latest issue describes in a lucid and comprehensive manner the developments in the sugar industry—Indian and international. The review covers a wide field in the sugar industry, including the *gur* and *khandsari* sectors and the agricultural sector, that is, sugarcane cultivation.

The *Annual* is divided into two parts—(1) sugar industry at a glance and (2) review of sugar industry. The first part is, in turn, subdivided into two sections, namely, statistical and general. The statistical section contains as many as 86 tables which give a wealth of statistical information relating to the various aspects of sugar manufacture and trade. The general section is devoted to the study of the sugar supply position, problems confronting sugarcane, prices of cane and sugar, imports, taxes, law and legislation, etc. Also incorporated in the section are organisations, concerning the sugar industry, Government's sugar policy for 1955-56, and important dates in the history of sugar industry. The second part deals with the developments in the sugar industry in India during the past three seasons, and a reference to the development programme for the sugar industry under the second Five-year Plan. The utility of the *Annual* is further enhanced by the references to the ninth session of the International Society of Sugarcane Technologists held at New Delhi, and the inclusion of several Government notifications, of a State-wise list of sugar mills in India and Pakistan, and a list of units that are proposed to be set up in the coming years.

Mr. M. P. Gandhi, the Editor of the *Annual*, has a few interesting remarks to make on the expansion scheme for the sugar industry as envisaged in the Draft Outline of the second Plan. The success of the scheme, he rightly points out, will depend "on increasing the yield of cane per acre by intensive cultivation," since, in his opinion, the acreage under cane cannot be further raised. Otherwise, he warns that the crushing capacity of factories will remain unutilised and this will present "a very serious problem." Mr. Gandhi accordingly urges intensive propaganda and publicity, in order to carry the results of laboratory research to the fields. To quote him: "To ensure larger cane yields of superior quality, it is essential to earmark larger funds for cane development and research. The average yield, which is at present 14 tons per acre, will have to be at least doubled during the next decade."

"GUR" INDUSTRY IN U.P.

The development of *gur* and *khandsari* industry in Uttar Pradesh is expected to receive considerable impetus during the ensuing (1956-57) season. The State Government proposes to launch a vigorous scheme for improving cane cultivation in the *gur* and *khandsari* areas. The scheme covers both research and development work, the expenditure provided for in the current year's budget being Rs. 1,30,337 and Rs. 5,62,574, respectively. The scheme will be implemented in the first instance in the southern belt of Uttar Pradesh and, as the work progresses, it will be extended to the northern belt. The relative importance attached to the southern region is due to the fact that this region has not received benefits of development, with the result that the cultivators still grow outdated cane varieties in an orthodox manner, the average per-acre yield being not more than 7 to 7.5 tons. The *gur* producing area in the northern region, on the other hand, is intermixed with the reserved factory areas and hence it has been receiving the benefits of cane development indirectly.

Under the scheme, those non-factory districts which at present do not have the staff of the Cane Development Department will be provided with one cane improvement unit of field staff. For purposes of co-ordination, the entire area of the northern belt will be divided into three regions. Since most of the districts where the work is to be conducted are deficient in irrigation facilities, the scheme envisages sinking of an adequate number of tube-wells and masonry wells. A subsidy at the rate of half the total cost of construction will be given.

The implementation of the above scheme will be entrusted to the Director of Agriculture. The experimental part of the research work will be conducted at three Government farms, namely, Bararas, Unnao and Etawah, where a 10-acre block will be separated for field trials on sugarcane. In the Tarai area, a block of 50 acres will be selected either at the Tarai State farm or at some private farm and, in the waterlogged area, a block of 20 acres will be chosen at the Ghoghraghat farm or at some private farm for the purpose. Since the experimental work will involve additional expenditure in field operations, a sum of Rs. 10,000 has been provided in the budget for 100 acres of land at five places at the rate of Rs. 100 per acre. A unit of agronomical, entomological and mycological staff will be posted at Tarai and waterlogged farms and of agronomical staff at each of the three farms in non-factory districts. The entomological, mycological and *gur* chemistry units for *gur* areas will be posted at the Sugarcane Research Station, Shahjahanpur.

SUGAR PRODUCTION AND STOCKS

The aggregate sugar production in India during the month of March 1956 was 332,226 tons, according to the Indian Sugar Mills' Association. This quantity compares favourably with 307,000 tons produced in the corresponding month of 1955. The total output of sugar during the first five months of the current season (1955-56) is estimated at 1,405,275 tons, as against 1,290,000 tons in the same period last season. The number of factories working this season is said to be 142, as against 136 during 1954-55.

The offtake of sugar from the factories during March 1956 amounted to 89,000 tons, as compared with 99,200 tons a year before. The aggregate offtake in the five-month period was substantially higher at 704,000 tons, the figure for the corresponding period last year being only 374,600 tons.

The closing stocks of indigenous sugar with the mills as at the end of March were 1,127,000 tons, as against 984,400 tons a year before.

Presiding over the eighth annual session of the Cane Development Council of Meerut district at Meerut, the other day, Mr. Hukum Singh, Agriculture Minister, of Uttar Pradesh said that, of the four sugar factories sanctioned by the Government of India for U.P., one would be located in Meerut district. It would be run on co-operative lines. The Government would take shares of Rs. 20 lakhs in it. A second factory might also be located in the Meerut district.

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INVESTMENT IN U.K. COLLIERIES

£1,000 MILLION IN TEN YEARS

THE National Coal Board, United Kingdom, has proposed to spend nearly £1,000 million during the next 10 years on the reconstruction of the coal industry in the country. This represents something of the order of 4 per cent. or 10d. out of every £ invested in Britain. Explaining the increase required in the investment over that set out in the original plan for coal published in 1950, the Coal Board points out that, apart from the rise in prices which has pushed up the cost of machinery and other mining materials, a number of major projects has been added to the original plan.

The revised plan provides for an output of 240 million tons a year by 1965, of which 228 million tons will come from Coal Board mines, 10 million tons from opencast workings and 2 million tons from private miners. The output last year aggregated 221.6 million tons. A total of £590 million will be spent between now and 1960 and £410 million between 1961 and 1965. Of this, £860 million will be on collieries and £140 million on ancillaries. In orded to achieve the 1965 target, it will be necessary not only to complete the vast majority of major reconstruction schemes now in progress, but also start and complete more than another hundred schemes. It may be noted, in this connection, that 20 colliery reconstruction schemes were completed at the end of 1955, while at the same time there were 147 in various stages of implementation. The Board hopes to cover about two-thirds of the cost of the revised scheme by internal financing, as against the 1950 estimate of 75 per cent. self-financing and an actual of 50 per cent. self-financing between 1950 and 1955.

In arriving at its estimate of production, the Board has made no allowance for new mining techniques as yet unproved, but it has allowed for an extension in the use of proved techniques, especially power-loading machines. The Board aims at a fully mechanised support system and experimental equipment is already undergoing trials underground. The object is a fully mechanised coal face.

The estimates of future output are, however, based on two assumptions, namely, (1) that the industry is able to "get the requisite manpower in right places" and (2) that there is no decrease in total working time. This means that any reduction in the hours of work in the pit must be offset by improved attendance or productivity. According to the Coal Board, the industry will require 682,000 mine workers, with an output per man year of 319 tons in 1960 and 672,000 mine workers with an output per man year of 342 tons in 1965. This compares with 704,000 mine workers in 1955 with an output per man year of 298 tons.

The Coal Board does not anticipate any marked fall-off in the rate of investment after 1965. The new investment plan, it points out, is comparable broadly with the volume of investment already taking place on the Continent. Nor does the Board envisage any change in coal prices as a result of the new investment programme. To quote the Chairman of the Coal Board again: "We are determined that the mining industry shall not lose any chance now or in the future, of exploiting to the full any technical advance that clearly can help us."

Commenting on the new plan, the *Financial Times*, London, has made certain pertinent observations. According to it, there have been two "major disappointments" in the plan. "One is, of course, that the capital expenditure over the 15-year period to 1965 will be over twice as large as that originally envisaged and will produce less coal at the end of it. The other disappointment is that productivity has not risen as expected during the first five years of the period of the plan, and the manpower requirements of the coal industry during the 1960's have increased by some 50-60,000 above the original estimate, to allow for a lower output per man-year."

Proceeding, our contemporary remarks that the supposition that the higher rate of investment will not have any effect one way or another on the price of coal is based on two assumptions. One is that the Coal Board does not have to provide anything beyond "depreciation" out of its own earnings and that it borrows all the rest of the money that it needs for investment. The other assumption is that working time, including Saturday shifts and fifty weeks a year, is maintained at the present level. The first assumption, according to it, ought to be doubtful, while the second already is.

How banking serves the SPICES INDUSTRY

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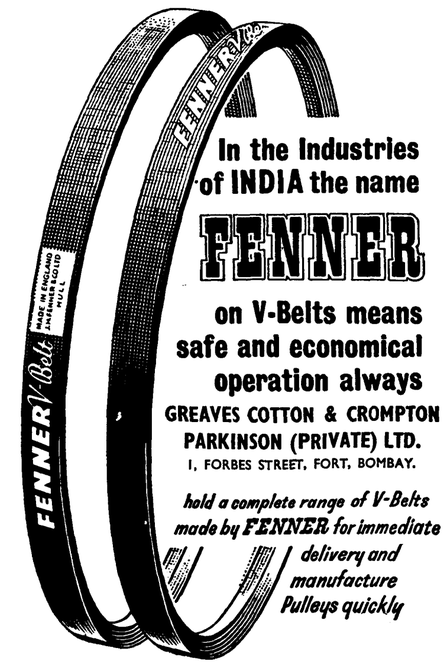

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EXPANSION OF INDIAN RAILWAYS

PROF. GALBRAITH'S OBSERVATIONS

MUCH concern has been expressed in the Press and elsewhere in recent months over the danger of the railways and other forms of transport not being able to meet the traffic that might be offered during the second Five-year Plan. In many quarters, the view is held that the programme for the expansion of the railways, significantly large as it is, may still fall short of India's requirements. There is a fear that, as a result of inadequate railway transport, the rate of implementation of the Plan itself might suffer appreciably. In this context, it is interesting to note that Prof. J. K. Galbraith of Harvard University, now in India, besides making a number of constructive suggestions for the improvement of the railway transport, feels that there is scope for capital conservation in implementing the development plan for railways.

The proposed investment of Rs. 900 crores on railway development and expansion, which involves foreign outlays to the extent of Rs. 425 crores, according to Prof. Galbraith, is heavier than it need be. The requirements of railways are, he says, based on an estimate of the anticipated volume of passenger and goods traffic and of the plant investment necessary to handle the expected increase. In this context Prof. Galbraith considers it necessary to bear in mind three aspects of railway investment. The first relates to the general nature and reliability of estimates of investment requirements in this industry. The second is whether the Indian railways should plan to accommodate all the traffic offered or whether it would not be more profitable to transfer some of the traffic to other carriers where investment would be on a more restricted level. Thirdly, whether investment has been planned with a view to effecting the maximum economy in capital outlays for the task to be performed.

Passenger Traffic

Prof. Galbraith is of the view that investment on schools, for instance, may be regarded as more urgent than on railways. He prefers discouragement of passenger traffic by railways especially for shorter distance. He says that, in India as elsewhere, the notion of that traffic should be discouraged or shifted to other carriers has understandably played little part in railway thinking. It will be noted that substantial part of the energies of the Indian railways is devoted to the movement of passengers and this provides a little less than one-half of the revenue of the railways. Between 1938-39 and 1954-55, the number of originating passengers on class I Government railways increased from 499 million in the pre-Partition system to 1,234 million in the present system. This compares with the increase in the population in the same period from 379 million to 381 million.

Alluding to the increase in passenger traffic, Prof. Galbraith says that the chief reason for this increase is that railway fare has remained at a relatively low level. In 1953-54, third class fares were 157 per cent. of the 1938-39 level, although commodity prices in general were 367 per cent. of pre-war. In relative terms, passenger travel costs only half as much as before the war. The railways have not increased their trains and equipment in keeping with the increase in travel. Instead, they, the Professor says, have allowed overcrowding. In the second Plan period, a 15 per cent. increase in passenger train services is proposed but this will be in addition to extensive replacements of existing coaches and of locomotives in passenger services.

The obvious solution to reduce passenger traffic, according to Prof. Galbraith, is to increase passenger fares. India, he says, cannot afford to give excessive support to cheap passenger travel. He has made a few other suggestions for discouraging passenger traffic. First, all concessional fares and excursions designed to promote travel, even if nominally profitable, must be reduced or abandoned. Secondly, passenger train schedules must be reviewed from the standpoint of minimising equipment usage. Where there is a choice between passenger convenience and more coach miles, the latter must rule. Thirdly, the fare schedule should be increased with concessions for categories of needy travel, such as those occasioned by reasons of health, family tragedy, livelihood or religious motivation. In the national interest, the public should be asked to travel less. The Professor has no doubt that, if the choice is between steel for steel mills and steel for coaching stock and rails, the preference would be for the former.

Since the available traffic is very large, Prof. Galbraith has urged the need for shifting passenger traffic from railways to other carriers, in particular to road transport. The movement of goods by rail over short distances, he says, is extremely wasteful of rolling stock "as the time spent in moving the goods is small, while that spent standing is greater." He has suggested that rates for short hauls, where alternative road transport is available, should be increased. A telescopic rate structure with high rates for short distances is, in the opinion of the Professor, very much in the interest of investment conservation in India. At the same time, he warns against inadequate investment in road transport.

Investment Policy

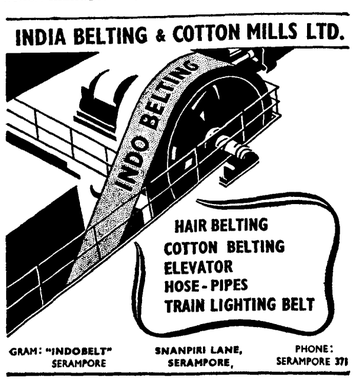
Observing that unnecessary use of capital in railways means a slower rate of development in other industries, whereas increased use of labour has no such effect, Prof. Galbraith suggests examination of the railway investment policy from the following points of view: First, whether labour can be substituted for investment in the performance of the prospective transport task even if at higher cost. For instance, sleepers are a capital outlay and renewal of a line reduces the cost of shimming and other kinds of patching. These have high labour cost. Secondly, whether there are alternative types of investment which would have the effect of economising the total investment outlay. This involves a preference for types of outlays which promise to accomplish the task even though at higher labour cost. In India, there is a *prima facie* case for investment in yard facilities which increase the speed of handling and thus the effective utilisation of rolling stock. Yard improvement, which merely or mostly reduces labour cost, has no such defence. One is also struck by the very large programme of double-tracking in the second Plan. Prof. Galbraith is surprised at the extent of the electrification programme now under way in India. Recent experience, he says, would suggest that diesels are capital-saving, as compared with electrification, and even their requirement of imported fuel might be offset by smaller investment now. The traffic can be accommodated even though this might mean larger investment later. Lastly, whether the investment is economising in regard to imported, as compared with domestically-produced, capital supplies. Proceeding, he observes: "There has always been the conflict whether railways should be built for eternity or to get safely by the next bulge in traffic. The next few years will be one of special stringency in India and thereafter steel, electrical equipment, heavy engineering products and the like will be available from Indian sources. Where there is a choice, railway investment should be for the short rather than the long pull. The need for examining investment for its bearing on the foreign balance is also obvious."

Elaborating his observations on the capital requirements of the railways, Prof. Galbraith says that in every country in the world whether the railway system is privately-owned or publicly-owned, the railway has an insatiable hunger for capital. In the running of a railway, capital and labour and, in even greater measure, capital and good management are substitutes. There is a considerable range in any system in which management and organisation can be substituted for investment and traffic handled with suitable expedition. In the context of India's second Five-year Plan, it is important that this substitution be carried out as far as humanly possible.

Road Transport

Clearly, the successful completion of the various industrial and agricultural expansion schemes depends upon the development of a well co-ordinated road-*cum*-rail-*cum*-river-*cum*-sea transport. There is, therefore, considerable force in Prof. Galbraith's plea that more capital should be found for road transport in order to reduce the load on railways. Unfortunately, the Government's policy of nationalisation of such transport and excessive taxation have prevented private *entrepreneurs* from investing in this field. In the latest industrial policy statement, road transport has been included in the concurrent list. Such inclusion means that the State will increasingly establish new undertakings in this sphere, though private enterprise will also have an opportunity to develop in this field, either on its own or with State participation. In practice, the recent trend has been towards State ownership of road transport. But, in view of the large increase in traffic that is likely to occur in the future and the inability of the railways even now to carry the traffic offered, it would obviously be more practical, in implementing the statement, to afford larger scope to private road transport operators.

Few will deny that passenger fares should not be far below the general price level. There is, therefore, some case for an increase in these fares. But any such increase will have political repercussions. In any case, it will be difficult in actual practice to implement a schedule which provides for concessions to categories of "needy travel" occasioned by reasons of health, etc. The authorities will, however, do well to examine the Professor's case for capital conservation and better management.



MODERNISATION OF BRITISH RAILWAYS

British railways are planning to spend about £23,000,000 on the construction of 1,750 multi-unit diesel trains and about £26,000,000 on new passenger coaches during the next two years. Some 2,600 new coaches will be built this year. These projects, part of British railways' £1,200 million modernisation scheme, are mentioned in a statement on the ways in which the scheme is to be implemented. A first instalment of 174 main-line diesel locomotives has already been ordered and delivery of them will start in 1957. More than 500 diesel shunting locomotives are now in service, and, during 1956-57, the total will be increased by over 400 more.

The new passenger coaches will include multi-unit electric vehicles with improved bogies and main-line corridor coaches that can be hauled by steam or diesel locomotives. All passenger-carrying vehicles will be of steel construction, apart from a few multi-unit coaches that will be built in light alloy. The modernisation plan envisages the replacement of all timber-bodied passenger coaches within the next seven years.

About 70,000 new freight wagons are to be built this year. Other improvements to be carried out in the next two years include measures to speed traffic, the construction of new tunnels, the extension of electrification, the establishment of diesel maintenance facilities at many towns and cities the construction of new marshalling yards and goods yards and major alterations to stations.

MOISTURE-PROOFING COMPOSITIONS

The necessity for conservation of metal stores cannot be overemphasised. With the cost of production going up every year and the world shortage of metals, it is imperative to preserve all metal stores. The preservation of metal stores is not complete, unless the preserved stores are properly wrapped to avoid removal of preservative films during subsequent handling and storage and the wraps are treated with a suitable material to prevent ingress of moisture which is enemy No. 1 for metal stores. Moisture-proofing compositions are extensively used for this purpose. At present, the requirements are mostly met by imports.

Composition suitable for the abovementioned purposes has been developed by the Technical Development Establishment (Labs), Kanpur. The developed composition possesses all the essential and desirable features of a good moisture-proofing composition and is in fact slightly better than the imported material in respect of impermeability to moisture vapour. The composition can also be conveniently applied to cartons and other packages wrapped in paper, cloth or hessian. The raw materials used are of indigenous origin and are easily available.

The manufacturing process is simple and equipment required can be easily fabricated. Production can be advantageously undertaken by industrial units already producing allied stores. The process is covered by Indian Patent No. 47272. The demand for the composition is limited at present, but with the establishment of more and more engineering industries, the requirements may be expected to increase to sizable proportions.

NEW PRODUCTS AND PROCESSES

Water Displacing Composition

A WATER displacing composition has been developed at the Technical Development Establishment Laboratories, Kanpur. The composition possesses the unique property of simultaneously drying and affording temporary protection against corrosion to metal parts. Its mode of application is simple dipping, spraying or flow-coating and requires no heating or power services. Such compositions find manifold industrial applications. It is generally used in drying of metal parts particularly where conventional methods of drying are inconvenient or unsatisfactory. Small quantities of such water displacing compositions are at present imported and used in ordnance factories and for other defence requirements. Due to their utility in removing both loose and absorbed water from metallic surfaces, these are likely to find increased use in industrial engineering establishments also. The process of manufacturing the new composition involves the preparation of nitrites of higher fatty acids, followed by their dissolution along with organic soaps of higher fatty acids and an oil in a suitable solvent. The ingredients, excepting triethanolamine, which is used in very small quantities, are all indigenous. The composition is covered by Indian Patent No. 46821 and possesses all the essential and desirable features of a good water displacing composition. Trials in engineering establishments have established that in performance it is equal to imported materials. Its production could profitably be undertaken by some industrial units already engaged in producing chemicals.

Magnetic Measurement of Coating Thicknesses

A magnetic measuring system for determining the thickness of coatings of non-magnetic materials, such as paint, enamels and platings, covering either iron, or steel, which incorporates a permanent magnet, has been developed by the Instrument Department of the U.S. General Electric Company. The measurement of coating thickness depends on the fact that the magnetic forces, or "flux," exerted by the permanent magnet between two contact points is affected by the thickness of the coating covering the iron and steel. These variations in the flux are then converted into units of measurement which indicate the thickness of the coating. The device can be used to measure the thickness of coating made from both electrically conductive materials and coatings made from non-conductor materials. It is small enough to be held in the hand. The same magnetic system can also be used to measure the thickness of non-magnetic materials, if they are placed over a plate, or disc, of magnetic materials, which will act as a reference source.

Graphite in Natural Resin

A new graphite and natural resin moulding material designed for use in the manufacture of "waveguides" has been developed by Acheson colloids, London. Waveguides form one of the most essential elements of all radar systems. The difficulty of machining metal waveguides and the greater weight of metal waveguide units, as compared with their plastic counterparts, has led to a growing amount of research into the use of plastic mouldings for the manufacture of waveguides. One problem, which has been causing some trouble in the production of plastic waveguides, has been the tendency for the performance of the finished product to vary. During experiments carried out recently at the Admiralty Signal and Radar Research Establishment, at Portsmouth, waveguides made with this new compound, which consists of a graphite dispersion in natural marco resin, gave, however, a more reliable performance than those made with materials compounded from graphite, or carbon mixtures, and synthetic resin.

New Electron Microscope

A new high resolution electron microscope which has been developed by Metropolitan-Vickers, Manchester (U.K.), incorporates an air lock for inserting the specimens to be examined, which has been specially designed to be readily adaptable for use with special stages and for the examination of unusual specimens. This air lock can, however, be removed easily when the specimens must be examined by a reflected electron beam. The microscope has an electron optical system, which incorporates a 100-kw. cathode and an adjustable anode plate. The beam of electrons which illuminates the specimen being examined is controlled by means of a two-stage condenser lens, while the electromagnetic stage which guides the electron beam into the specimen chamber can be adjusted to provide either a "normal" beam, or a beam which is tilted to the angle necessary to give a reflected image of the sample. The microscope is said to have a high resolution and at the same time to be of robust construction. The camera used to take pictures of the specimens being examined can be reloaded without admitting air to the microscope unit itself.

TECHNICAL TRAINING IN FRANCE

"THERE IS NO TRADE THAT CANNOT BE LEARNED"

By J. Bergeal

ANY nation that strives towards an increased national production and a higher international prestige must continually improve its system of technical training. Such a system should be well organised and designed to provide an apprenticeship for modern industrial living, so that the future may be met with confidence. This imperative need has been well recognised in France, where the problem is that of training young people to replace 100,000 office personnel and workers per year, vacancies that are created either by death or retirement. A solid structure of technical training at all levels has been established, for both public and private enterprises.

Since 1938, children leaving primary school have been required to take an examination for professional guidance. Nineteen guidance bureaus are in operation throughout the country, and most of the various "academies" have several examination centres, making 186 in all. The Paris region has about 50 centres. A national Institute trains the consultants. Another 93 private centres, called "optional," have been created by large institutions and enterprises.

An organisation called the *Bureau Universitaire de Statistiques et de Documentation Scolaire et Professionnelle* (B.U.S.), formed in 1932, completes the system by providing regular statistics on employment possibilities in all the professions, as well as many other types of information on different careers which may be chosen.

Professional Guidance

Professional guidance is still too recent in France for all of its ramifications and possibilities to have been exploited. It is only a preface established with liberalism and prudence to the actual technical training, its logical counterpart. In both public and private enterprises, this education programme operates throughout France, and its development in the French Union is being accelerated. In the public sector, the present facilities consist of 913 elementary apprenticeship centres, 233 technical schools for training staff members, 29 national professional schools for training technicians, and about 20 schools for engineers or commercial employees. The further training of already qualified workers who seek to be promoted to higher posts is also part of the programme. In the private sector, there are 566 schools, 92 private schools recognised by the State, and 1,233 training courses.

In the two sectors together, approximately 1,300 trades are taught. An annual contingent of 600,000 students, including 193,000 boys and 124,000 girls from all sections of public education, attend these schools. Many of the establishments are of international renown. Artisan apprenticeships are also carried out by the same means. Technical education is also provided by correspondence, so as to be within the reach of everyone, including boys and girls who are not able to attend classes and adult workers who are not free in the daytime but who wish to increase their professional capacities.

How is this training organised, so as to keep pace with technical progress and industrial development? Its principal characteristic is the great variety of schools and courses available. A wide choice exists for a given trade and for the various specialities in a given industry. The optical industry alone, for example, has about 15 important schools. For training higher-echelon personnel, schools are operated under one of the following four auspices: (1) Technical training alone (such as the Central School of Arts and Manufactures, or the Higher Institute of Building Materials and Mechanical Construction); (2) higher education and technical training (the National Advanced Engineering Schools); (3) private institutions and technical training (Advanced Commercial Schools); (4) private institutions which are recognised by technical training (Advanced School for Electricity, Bréguet School). These four different headings show the liberal functioning of these schools.

Trade Schools

There are many schools for training foremen, shop superintendents, specialists, accountants, and middle-echelon office personnel. There are also the national professional schools (for watchmaking, hotel-keepers, etc.,) and the old City of Paris professional schools which are now called technical colleges, such as the Ecole Boulle for furniture-making and the Ecole Estienne for printing. Many of them are of international reputation. In addition, there are trade schools created by the industrial federations, professional associations or large enterprises, as well as industrial complementary courses like those organised by the City of Paris.

Young workers are trained either through public or private professional courses or through the Public Apprenticeship Centres (created by a law of 1945), leading to the certificate of professional aptitude. More than 30,000 skilled workers, including a goodly portion of women, attend higher-level courses with the aim of obtaining more advanced posts.

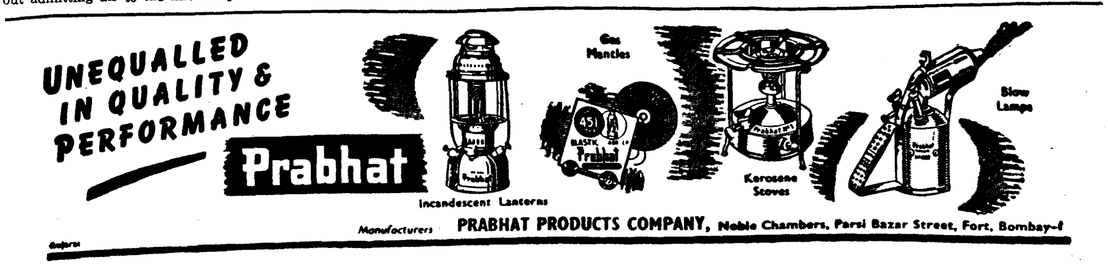
Special trades are often localised in regions corresponding to such needs. Tanning, for example, is more concentrated in Lyons, Paris and Mazamet; glove-making in Grenoble; hosiery in Troyes; shoe-making in Romans, Limoges, Paris, Nimes and Gap; cooperage in Gap and Paris; fine leather-working in Paris; textile trade in Roubaix, Tourcoing, and Lyons. Many small towns are famous for these and other artistic trades.

There is no trade that cannot be learned in France. Scholarships are given to many students and, in some establishments, training is even free. In apprenticeship centres, two-thirds of the trainees have either full or partial scholarships. These arrangements help draw students into comparatively new trades, such as electronics and the manufacture of precision instruments. It is interesting to note that, in public technical training alone, 58 different countries of origin are represented by 2,360 boys and 1,853 girls.

Admission to apprenticeship centres is relatively simple for foreign students and study aid grants are also provided. Admission to technical colleges, national professional schools and engineering schools must be approved by the French Minister of Foreign Affairs. Candidates take the normal entrance examination (with special classification) or a probative examination. The age limit for French candidates may be lowered by two years in certain cases. National professional schools also receive foreign students as boarders. Jobs for graduates are not difficult to find. Statistics show that about 95 per cent. of male graduates is placed in jobs, with a slightly lower figure for women.

French technical training, in conclusion, is both varied and extensive, and is well adapted to industry's needs for the future.

The 719 vessels in the French merchant fleet represented a total tonnage of 3,668,206 tons as on 1st October 1955, as compared with 670 ships weighing 2,753,633 tons on 1st September 1939. The present fleet includes 82 passengers ships (802,173 tons), 125 oil tankers (1,144,378 tons) and 512 other types of cargo boats (1,721,655 tons). Sixty new ships are being built, with an aggregate tonnage of 511,700.



EXPORT CREDIT INSURANCE

LIMITED SCHEME FAVOURED BY FEDERATION OF COMMERCIAL CHAMBERS

THE idea of providing export credit insurance, sponsored by the Government of India, is attracting both attention and support. This is an encouraging development, in view of the fact that such a scheme could be a valuable adjunct to India's export trade. It is gratifying to note that the Expert Committee which the Government has appointed in order to draw up a scheme of export credit insurance has generally met with good support. It may be mentioned here that the idea did not evoke any response when it was first propounded about two years ago. Now, at least in principle, the Government move seems to appeal to most sections of trade and industry.

Evidence of the private sector's interest in the scheme is to be found in the reply submitted by the Committee of the Federation of Indian Chambers of Commerce and Industry to the Expert Committee. The Committee of the Federation, though it appreciates the importance of the scheme, is in favour of only a limited scheme of export credit guarantee and not of a comprehensive scheme covering all goods. In its reply, the Committee has itself drawn attention to the role of export credit guarantee in any programme designed to stimulate exports. Under an export credit guarantee scheme, the exporter is protected against losses resulting from circumstances beyond his control. The chief merit of the scheme is that serious dangers of heavy capital loss to individual export houses are virtually eliminated by payment of a small premium. Moreover, in a buyers' market, where competitive credit terms are offered by a number of countries, export credit guarantees have tended to be an essential part of sales promotion drive. Yet another advantage of the scheme is that it makes it easier for the exporter to obtain finance through the banking system.

In the opinion of the Federation, the question of adopting an export credit guarantee scheme should be judged primarily by a reference to what extent it will assist the exporters to secure the benefits indicated above. The utility of the scheme and the question of its introduction must also be related to the composition and direction of India's foreign trade and the anticipation in this behalf during the coming years. The scheme, it is pointed out, should be fitted into the general pattern of foreign trade promotion policies. In this connection, the Committee draws attention to the fact that the large foreign exchange resources which would be needed to finance the second Plan underline the need for a vigorous export promotion policy. These are some of the general considerations which have induced the Committee to support the export credit guarantee scheme.

Coverage of Risks

As regards the coverage of the export credit guarantee scheme, the Committee points out that it need not be made applicable to commodities which are in short supply and the export of which is regulated. It is in favour of applying the scheme to the export of machinery of all kinds and of durable capital and consumer goods such as agricultural implements, electrical transformers, diesel engines, motor cars, fans, bicycles and sewing machines, inasmuch as credit facilities for a relatively long period have to be offered to the foreign importers of these goods. The Federation suggests that, at the first instance, the scheme should be made applicable to a few selected commodities. The scheme should, however, be flexible so that more commodities could be brought within its purview from time to time.

The advantages of the scheme should be weighed against the possible disadvantages such as an increase in the cost of Indian goods in foreign markets. The general aim of the scheme, according to the Committee, should be "to cover such consumer goods and capital goods which are newly developing lines of exports." The Expert Committee will, however, have to consider whether such a scheme could work in practice. For the risks involved in new lines of export are necessarily high. And, if the scheme were confined only to a few selected items, the rate of premium would also necessarily be high. A high rate of premium, in its turn, might reduce the competitive ability of these goods. In any case, if such a limited scheme has to be implemented, the Expert Committee will have to collect and examine the information relating to losses suffered by exporters of these selected goods.

So far as the proportion of risks to be covered is concerned, the Committee of the Federation appreciates that the exporter should bear some personal liability for the loss in export trade arising from causes or risks covered by the export credit guarantee scheme. In the U.K., the exporter and the Export Credit Guarantee Department share respectively 15 per cent. and 85 per cent. of the losses arising from insolvency or protracted default of the buyer and 10 per cent. and 90 per cent. of the losses from other causes. In Federal Germany, the exporter bears 25 per cent. of the loss resulting from the insolvency of foreign buyers, 10 per cent. of the loss resulting from transfer delay and 15 per cent. of the loss resulting from political risks. Again, the proportion of the loss the exporter is compelled to bear may vary from destination to destination. The Federation suggests that, in India also, the scheme should provide guarantee only to the extent of 80 per cent. of the goods shipped or contracted for and the exporters must retain a reasonable interest in the transaction and thus be required to exercise normal business prudence. The percentage of risks covered can, however, be made to vary from country to country.

Insolvency of Buyer

The scheme, the Committee further suggests, should cover the insolvency of the buyer, buyer's refusal to pay within 12 months of due date for goods accepted, action of buyer's Government which blocks or delays transfer of payment, loss through imposition of fresh import licensing restrictions in the buyer's country or through the cancellation of a current valid import licence, war between the buyer's country and the supplier's country, revolution or civil disturbances in the buyer's country and in respect of additional handling charges occurring through interruption or diversion of voyage which cannot be recovered from the buyer as also against other cases of loss accruing outside the supplying country and not within the control of the exporter or the buyer. Risks like the non-fulfilment of the contract as a result of factors such as non-availability of transport and risks due to enhancement of export duty subsequent to entering into a contract should also be covered by the "contracts policy." Apart from short-term policies for a duration of about six months, the scheme in India should be developed to provide cover for medium-term policies, involving export of capital goods. From a long-term point of view, it would be desirable to develop this line, as, in due course, India is bound to become an exporter of industrial plant and machinery especially to markets in South-East Asia and West Asia. Since the risks covered in other foreign countries are almost the same as in the U.K. policy, it is suggested that the risks enumerated in the Export Credit Guarantee Department in the U.K. may reasonably be adopted as a basis for working out the scheme.

Premium Rates

The popularity of the scheme will naturally depend upon the rate of the premium charged for it. In the absence of data relating to the losses suffered by exporters, it would not be possible to say what these rates should be. The Federation is, therefore, content with making certain general observations. Thus, it says that the rates should vary with the risks involved and the terms of payment. Moreover, if a shipper wants to cover only 50 per cent. of the risk, he should be charged a lower rate of premium than if he wants to cover 80 per cent. or more. The rates will thus differ with the nature of the commodity exported, the country concerned, as also the terms of export. The risks can be divided into different categories, say, those covering upto 25 per cent., 50 per cent. or 75 per cent. risks. But the rates should be just enough to make the scheme self-supporting. It has to be noted that the average premium rate is less than 1 per cent. of the invoice value in most of the foreign countries. As a rule, the companies which provide export credit guarantee do not publish their premium rates, the exception being the companies in W. Germany and Switzerland. The Committee of the Federation attaches considerable importance to fixation of low rates of premium. The premium rate should not exceed 1 per cent. in any case. Adequate attention should also be paid to the prompt settlement of claims. In fact, the whole success of the scheme will depend on the manner in which claims come to be settled expeditiously.

Finally, the Federation has suggested that private insurers should first be asked whether they would be willing to implement the scheme. In some countries, notably Canada, Belgium and Denmark, the export credit schemes are operated by Government-sponsored organisations, whereas in certain other countries, notably France, Italy and Germany, the schemes are managed by private companies. In the U.K., too, the scheme is operated mainly by a department of the Government. It remains to be seen whether private insurers in India will be prepared to operate the scheme. If they are not willing, the Federation suggests that the Government should form a corporation for implementing the scheme. It emphasises that it must be operated on commercial lines and that an advisory council of business men and bankers should be associated with the working of the scheme. Clearly, such a council could be expected to give the necessary advice and guidance that would enable the corporation to be run on commercial lines.

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FIELD WORKERS

The demand for the inclusion of a representative of salaried field workers in the proposed Insurance Corporation and the withdrawal of such orders as have been issued for the termination of the services of field workers was made at the recent conference of the All-India Insurance Salaried Field Workers' Association held recently in Patna. Mr. S. L. Roy, President of the Association, said that if the Insurance Corporation worked under the "stranglehold" of the Central Government, the poor policyholders would have to give a fair portion of their savings to the "administrative vultures." He said that it had come to his notice that clerks and cashiers in insurance offices would not prepare, pass and pay commission bills "without realising a price for their labour." This charge, if true, is a serious one. The authorities will, therefore, do well to investigate it.

Mr. S. Sahay, M.P., Vice-Chancellor of Bihar University, inaugurating the Conference, advised the workers to evolve a formula for all grades of employees and to place it before the Government for consideration. As a member on the Select Committee to which the Insurance Nationalisation Bill had been referred, Mr. Sahay said that he had come across divergent views expressed by different organisations of insurance men. Such differences of opinion tended to make confusion worse confounded. Personally, he felt that the system of maintaining field workers on a commission basis should be retained even after nationalisation of the industry.

There is no doubt that, in the sphere of insurance, even under the nationalised set-up, the field workers will be called upon to play an increasingly important part in spreading the gospel of insurance. Many of the field workers have, of course, considerable experience in the art of selling insurance. Indeed, without their effort, life insurance in this country could not have made the progress it has made. Dummy agents will, of course, cease to exist, for they will have to yield their place to genuine workers.

The field workers, however, seem to fear that their case may not receive the recognition it deserves. It is not clear why or how they have come to entertain this fear. Perhaps, this is due to the fact that the authorities are known to be somewhat critical of the value of the services rendered by salaried field workers. In any case, the authorities will do well to dispel their suspicions and fears and to assure them that the good workers will be generously rewarded. The field workers, on their part, should realise that their prosperity is bound up with the future of insurance in this country and it is still in their power to shape it well.

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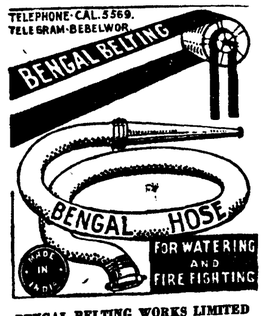

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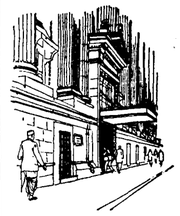

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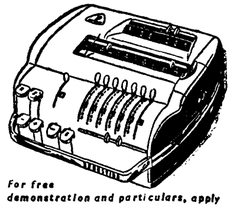
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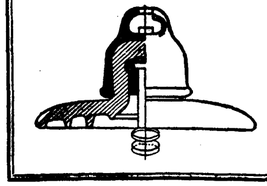
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INDUSTRIAL POLICY OF INDIA

TEXT OF GOVERNMENT'S RESOLUTION

THE following is the full text of the Industrial Policy Resolution presented to the Lok Sabha on 30th April 1956 by Mr. Jawaharlal Nehru, Prime Minister of India:

"The Government of India set out in their Resolution dated 6th April 1948, the policy which they proposed to pursue in the industrial field. The Resolution emphasised the importance to the economy of securing a continuous increase in production and its equitable distribution, and pointed out that the State must play a progressively active role in the development of industries. It laid down that, besides arms and ammunition, atomic energy and railway transport, which would be the monopoly of the Central Government, the State would be exclusively responsible for the establishment of new undertakings in six basic industries—except where, in the national interest, the State itself found it necessary to secure the co-operation of private enterprise. The rest of the industrial field was left open to private enterprise, though it was made clear that the State would also progressively participate in this field.

Need for a Fresh Statement

"Eight years have passed since this declaration on industrial policy. These eight years have witnessed many important changes and developments in India. The Constitution of India has been enacted, guaranteeing certain Fundamental Rights and enunciating Directive Principles of State Policy. Planning has proceeded on an organised basis, and the first Five-year Plan has recently been completed. Parliament has accepted the socialist pattern of society as the objective of social and economic policy. These important developments necessitate a fresh statement of industrial policy, more particularly as the second Five-year Plan will soon be placed before the country. This policy must be governed by the principles laid down in the Constitution, the objective of socialism, and the experience gained during these years.

Basic Principles

"The Constitution of India, in its preamble, has declared that it aims at securing for all its citizens—

'Justice. Social economic and political;

Liberty of thought, expression, belief, faith and worship;

Equality of status and of opportunity; and to promote among them all;

Fraternity assuring the dignity of the individual and the unity of the Nation.'

"In its Directive Principles of State Policy, it is stated that—

"'The State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of the national life.'

"Further that—

"'The State shall, in particular, direct its policy towards securing—

(a) that the citizens, men and women equally, have the right to an adequate means of livelihood;

(b) that the ownership and control of the material resources of the community are so distributed as best to subserve the common good;

(c) that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;

(d) that there is equal pay for equal work for both men and women;

(e) that the health and strength of workers, men and women, and the tender age of children are not abused and that citizens are not forced by economic necessity to enter avocations unsuited to their age or strength;

(f) that childhood and youth are protected against exploitation and against moral and material abandonment.'

"These basic and general principles were given a more precise direction when Parliament accepted, in December 1954, the socialist pattern of society as the objective of social and economic policy. Industrial policy, as other policies, must therefore be governed by these principles and directions.

"In order to realise this objective, it is essential to accelerate the rate of economic growth and to speed up industrialisation and, in particular, to develop heavy industries and machine-making industries, to expand the public sector, and to build up a large and growing co-operative sector. These provide the economic foundations for increasing opportunities for gainful employment and improving living standards and working conditions for the mass of the people. Equally it is urgent to reduce disparities in income and wealth which exist today, to prevent private monopolies and the concentration of economic power in different fields in the hands of small numbers of individuals. Accordingly, the State will progressively assume a predominant and direct responsibility for setting up new industrial undertakings and for developing transport facilities. It will also undertake State trading on an increasing scale. At the same time, as an agency for planned national development, in the context of the country's expanding economy, the private sector will have the opportunity to develop and expand. The principle of co-operation should be applied wherever possible and a steadily increasing proportion of the activities of the private sector developed along co-operative lines.

Role of the State

"The adoption of the socialist pattern of society as the national objective, as well as the need for planned and rapid development, requires that all industries of basic and strategic importance, or in the nature of public utility services, should be in the public sector. Other industries which are essential and require investment on a scale which only the State, in present circumstances, could provide, have also to be in the public sector. The State has, therefore, to assume direct responsibility for the future development of industries over a wider area. Nevertheless, there are limiting factors which make it necessary at this stage for the State to define the field in which it will undertake sole responsibility for further development, and to make a selection of industries in the development of which it will play a dominant role. After considering all aspects of the problem, in consultation with the Planning Commission, the Government of India have decided to classify industries into three categories, having regard to the part which the State would play in each of them. These categories will inevitably overlap to some extent and too great a rigidity might defeat the purpose in view. But the basic principles and objectives have always to be kept in view and the general directions hereafter referred to followed. It should also be remembered that it is always open to the State to undertake any type of industrial production.

First Category

"In the first category will be industries the future development of which will be the exclusive responsibility of the State. The second category will consist of industries, which will be progressively State-owned and in which the State will therefore generally take the initiative in establishing new undertakings, but in which private enterprise will also be expected to supplement the effort of the State. The third category will include all the remaining industries, and their future development will, in general, be left to the initiative and enterprise of the private sector.

"Industries in the first category have been listed in Schedule A of this Resolution. All new units in these industries, save where their establishment in the private sector has already been approved, will be set up only by the State. This does not preclude the expansion of the existing privately owned units, or the possibility of the State securing the co-operation of private enterprise in the establishment of new units when the national interests so require. Railways and air transport, arms and ammunition and atomic energy will, however, be developed as Central Government monopolies. Whenever co-operation with private enterprise is necessary, the State will ensure, either through majority participation in the capital or otherwise, that it has the requisite powers to guide the policy and control the operations of the undertaking.

Second Category

"Industries in the second category will be those listed in Schedule B. With a view to accelerating their future development, the State will increasingly establish new undertakings in these industries. At the same time, private enterprise will also have the opportunity to develop in this field, either on its own or with State participation.

Third Category

"All the remaining industries will fall in the third category, and it is expected that their development will be undertaken ordinarily through the initiative and enterprise of the private sector, though it will be open to the State to start any industry even in this category. It will be the policy of the State to facilitate and encourage the development of these industries in the private sector, in accordance with the programmes formulated in successive Five-year Plans, by ensuring the development of transport, power and other services, and by appropriate fiscal and other measures. The State will continue to foster institutions to provide financial aid to these industries, and special assistance will be given to enterprises organised on co-operative lines for industrial and agricultural purposes. In suitable cases, the State may also grant financial assistance to the private sector. Such assistance, especially when the amount involved is substantial, will preferably be in the form of participation in equity capital, though it may also be in part in the form of debenture capital.

"Industrial undertakings in the private sector have necessarily to fit into the framework of the social and economic policy of the State and will be subject to control and regulation in terms of the Industries (Development and Regulation) Act and other relevant legislation. The Government of India, however, recognise that it would, in general, be desirable to allow such undertakings to develop with as much freedom as possible, consistent with the targets and objectives of the national plan. When there exist in the same industry both privately and publicly owned units, it would continue to be the policy of the State to give fair and non-discriminatory treatment to both of them.

"The division of industries into separate categories does not imply that they are being placed in watertight compartments. Inevitably, there will not only be an area of overlapping but also a great deal of dovetailing between industries in the private and the public sctors. It will be open to the State to start any industry not included in Schedule A and Schedule B when the needs of planning so require or there are other important reasons for it. In appropriate cases, privately owned units may be permitted to produce an item falling within Schedule A for meeting their own requirements or as by-products. There will be ordinarily no bar to small privately owned units undertaking production, such as the making of launches and other light craft, generation of power for local needs and small-scale mining. Further, heavy industries in the public sector may obtain some of their requirements of lighter components from the private sector, while the private sector in turn would rely for many of its needs on the public sector. The same principle would apply with even greater force to the relationship between large-scale and small-scale industries.

Cottage and Small-scale Industries

"The Government of India would, in this context, stress the role of cottage and village and small-scale industries in the development of the national economy. In relation to some of the problems that need urgent solutions, they offer some distinct advantages. They provide immediate large-scale employment; they offer a method of ensuring a more equitable distribution of the national income and they facilitate an effective mobilisation of resources of capital and skill which might otherwise remain unutilised. Some of the problems that unplanned urbanisation tends to create will be avoided by the establishment of small centres of industrial production all over the country.

"The State has been following a policy of supporting cottage and village and small-scale industries by restricting the volume of production in the large-scale sector, by differential taxation, or by direct subsidies. While such measures will continue to be taken, whenever necessary, the aim of the State policy will be to ensure that the decentralised sector acquires sufficient vitality to be self-supporting and its development is integrated with that of large-scale industry. The State will, therefore, concentrate on measures designed to improve the competitive strength of the small-scale producer. For this it is essential that the technique of production should be constantly improved and modernised, the pace of transformation being regulated so as to avoid, as far as possible, technological unemployment. Lack of technical and financial assistance, of suitable working accommodation and inadequacy of facilities for repair and maintenance are among the serious handicaps of small-scale producers. A start has been made with the establishment of industrial estates and rural community workshops to make good these deficiencies. The extension of rural electrification and the availability of power at prices which the workers can afford will also be of considerable help. Many of the activities relating to small-scale production will be greatly helped by the organisation of industrial co-operatives. Such co-operatives should be encouraged in every way and the State should give constant attention to the development of cottage and village and small-scale industry.

Balanced Development of Economy

"In order that industrialisation may benefit the economy of the country as a whole, it is important that disparities in levels of development between different regions should be progressively reduced. The lack of industries in different parts of the country is very often determined by factors such as the availability of the necessary raw materials or other natural resources. A concentration of industries in certain areas has also been due to the ready availability of power, water-supply and transport facilities which have been developed there. It is one of the aims of national planning to ensure that these facilities are steadily made available to areas which are at present lagging behind industrially or where there is greater need for providing opportunities for employment, provided the location is otherwise suitable. Only by securing a balanced and co-ordinated development of the industrial and the agricultural economy in each region, can the entire country attain higher standards of living.

Personnel

"This programme of industrial development will make large demands on the country's resources of technical and managerial personnel. To meet these rapidly growing needs for the expansion of the public sector and for the development of village and small-scale industries, proper managerial and technical cadres in the public services are being established. Steps are also being taken to meet shortages at supervisory levels, to organise apprenticeship schemes of training on a large-scale both in public and in private enterprises, and to extend training facilities in business management in universities and other institutions.

Amenities and Incentives to Workers

"It is necessary that proper amenities and incentives should be provided for all those engaged in industry. The living and working conditions of workers should be improved and their standard of efficiency raised. The maintenance of industrial peace is one of the prime requisites of industrial progress. In a socialist democracy, labour is a partner in the common task of development and should participate in it with enthusiasm. Some laws governing industrial relations have been enacted and a broad common approach has developed with the growing recognition of the obligations of both management and labour. There should be joint consultation and workers and technicians should, wherever possible, be associated progressively in management. Enterprises in the public sector have to set an example in this respect.

Decentralisation of Authority

"With the growing participation of the State in industry and trade, the manner in which these activities should be conducted and managed assumes considerable importance. Speedy decisions and a willingness to assume responsibility are essential if these enterprises are to succeed. For this, wherever possible, there should be decentralisation of authority and their management should be along business lines. It is to be expected that public enterprises will augment the revenues of the State and provide resources for further development in fresh fields. But such enterprises may sometimes incur losses. Public enterprises have to be judged by their total results and in their working they should have the largest possible measure of freedom.

"The Industrial Policy Resolution of 1948 dealt with a number of other subjects which have since been covered by suitable legislation or by authoritative statements of policy. The division of responsibility between the Central Government and the State Governments in regard to industries has been set out in the Industries (Development and Regulation) Act. The Prime Minister, in his statement in Parliament on the 6th April 1949, has enunciated the policy of the State in regard to foreign capital. It is, therefore, not necessary to deal with these subjects in this resolution.

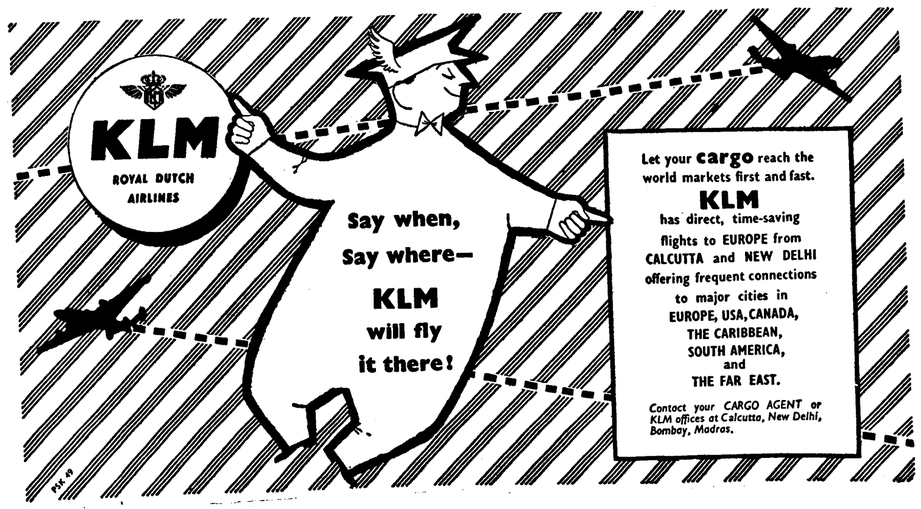
"The Government of India trust that this restatement of their Industrial Policy will receive the support of all sections of the people and promote the rapid industrialisation of the country."

Schedule A

1. Arms and ammunition and allied items of defence equipment.
2. Atomic energy.
3. Iron and steel.
4. Heavy castings and forgings of iron and steel.
5. Heavy plant and machinery required for iron and steel production, for mining, for machine tool manufacture and for such other basic industries as may be specified by the Central Government.
6. Heavy electrical plant including large hydraulic and steam turbines.
7. Coal and lignite.
8. Mineral oils.
9. Mining of iron ore, manganese ore, chrome ore, gypsum, sulphur, gold and diamond.
10. Mining and processing of copper, lead, zinc, tin, molybdenum and wolfram.
11. Minerals specified in the Schedule to the Atomic Energy (Control of Production and Use) Order, 1953.
12. Aircraft.
13. Air transport.
14. Railway transport.
15. Shipbuilding.
16. Telephones and telephone cables, telegraph and wireless apparatus (excluding radio receiving sets).
17. Generation and distribution of electricity.

Schedule B

1. All other minerals except "minor minerals" as defined in section 3 of the Minerals Concession Rules, 1949.
2. Aluminium and other non-ferrous metals not included in Schedule A.
3. Machine tools.
4. Ferro-alloys and tool steels.
5. Basic and intermediate products required by chemical industries such as the manufacture of drugs, dyestuffs and plastics.
6. Antibiotics and other essential drugs.
7. Fertilisers.
8. Synthetic rubber.
9. Carbonisation of coal.
10. Chemical pulp.
11. Road transport.
12. Sea transport.



INDIAN ALUMINIUM COMPANY, LIMITED

SCHEME TO ESTABLISH SMELTER AT HIRAKUD TO BE IMPLEMENTED

MR. K. C. MAHINDRA, CHAIRMAN, ANNOUNCES PLAN FOR RAISING CAPITAL

THE Eighteenth Annual General Meeting of the Indian Aluminium Company, Ltd., was held at Calcutta on 27th April 1956. Addressing the shareholders on the occasion, Mr. K. C. Mahindra, Chairman, said:

"Last year I expressed my view of the immediate future for your Company as one of restrained optimism. You will have observed from the audited accounts of the Company sent to you that net profit for the year 1955 amounted to over Rs. 26 lakhs, which is almost double that attained in any previous year. I think, we can regard this result, which reflects the benefits of expanded production facilities and improved market conditions for the Company's products, with satisfaction and pride. Although sales increased by more than 50 per cent. compared to 1954, the advantages of capacity operation of balanced plant facilities, which the expansion had made possible, were not fully realised in 1955, as output and production costs of metal were adversely affected by inadequate power supply to our Alupuram Works during the earlier part of the year. It would, therefore, not be unreasonable to expect some further improvement in the results of the current year's operations."

Fabricating Activities

Referring to the development of the Company's activities in the fabricating field, the Chairman stated:

"Apart from continued progress in the production of medium- and high-strength alloy rolled products at Belur Works, an extrusion plant was brought into operation at Alupuram in March 1955, and an expansion of the Kalwa plant was initiated which will increase the capacity for paste production by 50 per cent. during the current year. To sustain this expansion of fabricating activities, the Company continues to supplement its metal production by increased purchases of imported and indigenous scrap and ingot. However, the increasing cost of metal purchases under prevailing conditions of general world shortage is fast resulting in a situation which would compel us to increase prices correspondingly.

"The Directors have been alert to the need for expanding smelting facilities with a view to satisfying the Company's own increasing requirements of metal as well as those of other fabricators, and, in my earlier addresses, I have referred to the project which has been under consideration for some time for the establishment by the Company of another smelter near the Hirakud Development in Orissa. Your Directors have now decided to proceed with the scheme which envisages a smelter at Hirakud with an initial annual ingot capacity of 10,000 tons, but capable of easy expansion to 20,000 tons or even more, as soon as circumstances both warrant and permit it.

Cost of the Project

"The expansion of ingot production poses financial and organisational problems more serious than those of increasing fabricating capacity. Even though the plan for the proposed Hirakud smelter is based upon expansion of the existing facilities for bauxite and alumina production, thus requiring less capital compared to that which would be necessary if entirely separate integrated facilities were to be created, the requirements of the project are estimated at nearly Rs. 9 crores for the first stage of 10,000 tons annual production.

"You will, I am sure, readily appreciate the difficulties in financing an expansion of this magnitude which will more than treble the Company's existing fixed assets. Organisationally, technicians and experienced operators in this industry are scarce all over the world and even for engineering and design work we have to stand in a queue. Thus, a programme has been devised giving priority to the smelter, which is expected to come into operation by the end of 1958, and undertaking the major part of the subsequent bauxite-alumina expansion immediately after the completion of the smelter, so that the entire integrated plan is in operation before the end of 1961.

"The dominating feature in the economics of the aluminium industry is the large investment required in fixed capital assets and the heavy charges that it involves in the form of depreciation and the cost of obtaining money. In recognition of this, smelter projects are almost everywhere financed by the issue of fixed-interest debt to cover the greater portion of the total capital cost, the balance of the necessary capital being raised by a combination of share-financing and the accumulation of funds from depreciation and retained earnings. Accordingly, it is proposed to finance only a part of our requirements for the expansion project by a new issue of capital, the remainder of the funds being obtained by means of medium-term loans from banks and the cash flow from depreciation and earnings.

"I believe that the importance given to the ploughing back of earnings not only will serve the long-term interests of the Company and its shareholders but is also in keeping with the needs of the country during a period of intensive industrial development as foreseen in the second Five-year Plan. . . . ."

Apparent Inconsistency

"I welcome the co-ordinates on which the Plan is based, the adventure which it excites and the aspirations it hopes to fulfil," Mr. Mahindra declared, and while he also accepted without reservation the ideal of a socialist co-operative commonwealth, he wondered whether there had not been "a great confusion in targets and objectives in the scheme of planning." He drew attention to the apparent inconsistency between the emphasis placed on development of basic industries and the desire to find resources "for fashionable fads like an aircraft carrier or the Ambar Charkha," and the incongruity of allocations for development of communications which will provide only 30 per cent. extra carrying capacity as against the anticipated rise in industrial and agricultural output of about 50 per cent. superimposed on an existing shortfall of 10-15 per cent. in transport facilities.

"I will not comment on the reasonableness or otherwise of the approach to technological progress in the context of the various programmes," Mr. Mahindra continued, "but, taking another example, decentralisation and village self-sufficiency within limits may become the ideal basis for building a socialist co-operative country, but little or no attention has yet been paid to the organisational efforts needed to undertake such a mighty task. Some very radical institutional changes are required of the bureaucracy if the various State-sponsored industrial and social ventures are to succeed. We have, no doubt, a cadre of bureaucrats—perhaps as efficient, hardworking and patriotic as are to be found in non-governmental services. Nevertheless, the climate of service in bureaucracy is such that regimentation in thinking becomes a matter of course, and it has been the experience of almost every country in the world that the dead hand of bureaucratic control has not succeeded in inciting the requisite effort, zeal and inspiration, without which this great adventure in nation-building cannot succeed.

Scarcity of Managerial Talent

"The scarcity of managerial talent is already felt with the rapid growth of the so-called public sector. We will succeed or fail with the build-up or lack thereof of the organisational capabilities of State ventures. The supreme and exacting task of management is a task which cannot be learned from text-books or over a brief period of apprenticeship. While we proceed to do the learning, there is a grave danger of an oligarchic stranglehold by the army of bureaucrats. Perhaps, it is not widely recognised that nationalisation, public ownership, *sarvodaya* are not the passports which purchase immunity from the inexorable laws of industrial economics. One may honestly hold the view that classic theories of supply and demand do not apply to an underdeveloped economy. One may hold the view that private enterprise in India has been guilty of sins of omission and commission which it cannot be forgiven. One may also come to believe that profit motive is at the root of all evil. And yet, one should not ignore the vast lack in experience and in management knowledge which is required to run an industrial undertaking or a chain of co-operative marketing societies, or perhaps even the village industrial *panchayats* on whom such high hopes are set. . . ."

Adverting to the role of deficit financing in the second Plan, Mr. Mahindra said: "The Finance Minister has repeatedly expressed his awareness of the inflationary tendencies which would become more and more oppressive with the repeatedly large doses of deficit finance contemplated in the second Five-year Plan. He may have devised some built-in restraints or he may be thinking of imposing more detailed physical controls. I hope he is aware of the limitations of the techniques of controls which can only shift the pressure of excessive demands, but do not diminish the same. . . ."

Financing of the Expansion Plan

The Chairman then reverted to the Company's own financing problems in connection with the expansion at Hirakud and said: "The Directors consider that, in view of the large sum involved, the Company should invite from the shareholders and the public only a portion of the capital, the rest being covered by medium-term loan and funds generated within the Company. The Directors are examining the most appropriate way in which this new capital issue might be made by the Company. While the details of the issue are still under consideration, it has been decided that the issue will be in the form of convertible loan stock, which would carry a fixed rate of interest and confer upon the holders the right to convert the loan stock into ordinary shares of the Company. Since this type of stock combines the attraction of a secure rate of return over a number of years with the option of conversion for possible greater returns or capital appreciation which is expected from the equity of a growing and expanding enterprise, I hope that it will prove to be an attractive form of investment.

"In accordance with the statutory obligations, the stock would be offered, in the first instance, to the holders of ordinary shares in the Company in proportion to their respective holdings. Aluminium Limited, the Canadian majority shareholder of the Company, has agreed to take up half of the new issue, and to relinquish the remainder of its pre-emptive rights so as to permit increased Indian participation in the Company. This would provide an opportunity to holders of preference shares also to subscribe to the proposed new capital issue.

"The Company is now on the threshold of a new period of expansion and we hope to play our full part in the vast development that is taking place in the country's economy. I trust that we will continue to receive the active support and encouragement of the Government in this effort, and I should here like to express our gratitude for the understanding attitude of the Government and the Tariff Commission towards the needs of the aluminium industry evidenced by the extension of the protective tariff for a period of three years.

New Period of Expansion

"Before I conclude, I am sure all of you would like to join me in expressing our high appreciation of the services rendered to the Company by Mr. J. W. Cameron, who retired from the position of Managing Director towards the end of last year. The contribution he made towards the progress of the Company during 15 years of service in positions of increasing responsibility deserves our sincere gratitude, and to him and the other employees of the Company is due in large measure the credit for the successful results of the past year."

NEW PUBLICATIONS

Indian Economy Since Independence: Financial Policy of the Indian Union 1947-53. By Dr. M. H. Gopal. Published by the Delhi School of Economics, Delhi. Price: Rs. 4-8.

DR. M. H. Gopal is a well-known authority on public finance in India and his writings on the subject always bear the erudition of a scholar. Dr. Gopal's latest book, *Indian Economy Since Independence: Financial Policy of the Indian Union* 1947-53, is no exception. It represents the results of his study as Research Reader in Public Finance in the Delhi School of Economics, the study having been made possible through a generous donation to the School by Mr. Shantilal Mangaldas of Ahmedabad.

In the publication, Dr. Gopal has made a critical analysis of the implications of the Central Government's financial policy during the period 1947 to 1953. This brings out clearly the lack of integrated policy, or of correct appreciation of the problems, during the period. The financial policy of the Government, Dr. Gopal says, had been shifting, whether one considers changes in tax structure or in disinflationary measures or in food policy or in development expenditure; the shift has not had the two features of adjustability and flexibility which characterise a dynamic budget policy. Such a disquieting trend is attributed to two factors, namely, (1) vacillations caused by the transition from war to peace, and from dependence to freedom, as well as the avalanche of new problems in 1947, and (2) frequent changes of men who held the Finance portfolio where assessment of the issues and approach to the solutions were necessarily different.

With this brief background, Dr. Gopal has examined critically the Government of India's policies pertaining to tax, debt and expenditure. Dealing with tax policy, the author has not merely drawn attention to some of the defects but also sought to emphasise what a tax policy ought to be. According to him, each change in the tax structure has too often been treated independently without sufficient attention being given to the consideration of harmonising the tax policy with other related economic policies. There has also been very little co-ordination until recently. Stressing, in particular, the need for integration and co-ordination in tax policy, Dr. Gopal has made the following notable observations:

"Integration has to be within the tax system and means primarily that there has to be a proper balance among the various tax categories, such as direct and indirect taxes, producers' and consumers' taxes, business and personal taxes, and property and income taxes; also, it is implied that the taxes taken as a whole form a rational and not too complicated pattern. Further, integration implies cohesion in the structure of each individual tax—in definition of income, exemptions, allowances, rates, appeals, etc., in the income-tax structure and in grouping and choice of commodities, rates of taxation, etc., in customs duties and excises. . . . Co-ordination consists in harmonising tax policy with other related economic policies; linking up fiscal policy with credit policy is only a first step, since the two have to be in turn linked up with the policy regarding overall investment and national income (for which construction of social accounts is necessary), as well as with the wider social objectives lying outside the strictly economic sphere."

During the period under review, the public debt policy also, according to Dr. Gopal, lacked a long-term approach. The policy was not co-ordinated with the tax, expenditure, monetary and development policies. This was particularly evident during the period 1947-51. He no doubt admits that conditions have distinctly changed since 1951, but feels that there is still a long way to go towards evolving an integrated policy. The author discusses next the aspects relating to expenditure. Referring to the large money outlay made since 1948, more especially since 1951, he observes that the benefits of such enlarged outlay have been offset, to some extent, by inflation. According to him, there was no plan of expenditure during the period 1947 to 1951 and, though, since 1951, if there has been one, it has begun to operate only since 1953. In this connection, Dr. Gopal warns that resort to deficit financing is fraught with serious consequences and may accelerate inflationary tendencies.

At the end, Dr. Gopal has pointed to some of the disquieting features in the presentation of financial data in the budget of the Government. The data, he says, are not only unscientifically presented but are also inadequate. Indeed, he declares that the Indian budget deserves more refully than the American budget does the remarks of the Hoover Commission: "An inadequate document, poorly organised and improperly designed." In support of this view, he says: "The budgets and accounts are merely statements of amounts raised and spent under different accounting heads. Nor does the *Explanatory Memorandum* take us any further. The implications of the Government's financial policy, its effects on the national income, and its relation to the economic and social life of the community have not been either realised or studied. This state of affairs is partly because such an interpretation of public finance is very recent, and partly because data on national income and social accounting in India are meagre and in a nebulous stage. Little that is definite and precise is known about the quantum of national income and still less about its distribution among income groups."

It will be seen from the foregoing review that Dr. Gopal has not hesitated to call a spade a spade. By his forthright criticisms and comments, he has certainly sought to focus attention of the authorities on the importance of presenting the finances in the framework of economic environment and in terms of national income and social accounts. For, after all, it is the financial structure and policy that "mirror"—to use Dr. Gopal's apt phrase—economic and social environment of a country. The importance of this consideration is all the greater in the present context when India stands on the threshold of a new era of economic development. We commend this book to legislators and those interested in India's economic problems, in general, and to students of public finance, in particular.

Trade Barriers to Knowledge. United Nations Educational, Scientific and Cultural Organisation (U.N.E.S.C.O.), Paris. Price: $5.

Tariff and trade restrictions severely limit the flow of knowledge around the globe. Nearly 12 per cent. of the countries of the world levies import duties on books, newspapers and magazines, 30 per cent. charge duties on paintings and sculpture, and 56 per cent. similarly tax scientific instruments. Newsprint, sound recordings and radio sets are even more widely taxed. Duties are imposed on newsprint by 64 per cent. of the countries, on recordings by 68 per cent., and on radio sets by 88 per cent. The most widespread obstacle, however, is the restriction of imports through exchange controls and licensing. Over 70 per cent. of countries limits trade in educational materials in this way.

These facts are disclosed in *Trade Barriers to Knowledge*, a U.N.E.S.C.O. Handbook published at Paris recently. Surveying more than 90 countries, the book gives a detailed account of the duties, sales taxes, licensing and exchange controls affecting trade in 33 groups of educational, scientific and cultural materials. At the same time, the manual draws attention to various means of reducing these restrictions. The restrictions themselves are revealed to be complex, onerous and at times illogical. Some countries, for example, tax book and sculpture by weight; others levy a duty on books, if they carry illustrations, are bound in leather, or are of a religious nature. Scientific films may be variously taxed by the foot or by the pound. In certain countries, an artist may import his own painting duty-free if he accompanies it through the customs; but if it is shipped separately, he may have to pay a heavy tax.

In a foreword to the above publication, the U.N.E.S.C.O. points out that all of the materials dealt with in the manual "are desperately needed as aides in the cause of enlightenment, at a time when half of the world's population is still illiterate and vast areas, underdeveloped or devastated by war, lack the means to dispel ignorance." Governments and the general public are urged to support U.N.E.S.C.O.'s campaign to remove these barriers to knowledge and "so speed the day when a manual such as this will no longer be necessary."

The U.N.E.S.C.O.'s remedial efforts are described in an introductory chapter. Among these is the International Agreement on the Importation of Educational, Scientific and Cultural Materials, now applied by 21 countries. This Agreement gives duty-free entry to books, newspapers, magazines, works of art, printed music and other articles. Also exempt are newsreels, educational films, recordings and scientific instruments if consigned to approved institutions. In addition, Governments undertake to grant licences and foreign exchange for publications required by public libraries. Internal taxes on imported articles must not exceed those levied on domestic products. The U.N.E.S.C.O. also encourages international negotiation for the reduction of tariffs. It has submitted to a 26-nation conference of the Contracting Parties to the General Agreement on Tariffs and Trade (G.A.T.T.), now meeting in Geneva, a list of materials on which duties might be lowered. These range from books to educational films, and from paintings to materials for the handicapped.

Most of *Trade Barriers to Knowledge* deals with tariff and trade regulations on a country-by-country basis. The book also contains a tabulated summary analysing the regulations according to materials, so that the reader may see at a glance the conditions affecting each material in all of the countries surveyed. The text of the U.N.E.S.C.O. Agreement is appended.

Madras Stock Exchange Official Year Book 1955-56. Compiled by the Madras Stock Exchange Association Ltd., 322-23, Linghi Chetty Street, Madras 1. Price: Rs. 7-8.

The functions and responsibilities of stock exchanges in India have vastly enlarged with the rapid industrialisation of the country. In fact, they provide an essential link between industries and the investing public and thus help mobilise the savings of the public through the pooling of the available resources to the common advantage of all. From this point of view, the part played by the Madras Stock Exchange in the growth of industries in South India has been commendable.

With a view to playing its role more effectively, the Madras Stock Exchange took up, four years ago, the work of compiling the working results and balance-sheets of leading joint-stock companies in a summarised form, as also particulars, such as registered office, capital structure, notes on capital history, etc., so that an investor might be enabled to make a correct choice of investments. The publication has since been enlarged and the latest one is the fourth edition, wherein the essential features of the earlier editions have been not only preserved but enlarged. The inclusion of particulars regarding other State loans, in addition to those of the Central and South Indian State loans, is an additional feature of the latest edition.

"INDIAN AGRICULTURE IN BRIEF"

The Directorate of Economics and Statistics, Union Ministry of Food and Agriculture, has brought out the second edition of the handbook entitled *Indian Agriculture in Brief*. This booklet gives a snap-shot picture of the Indian agricultural economy as revealed by the current statistics. Besides figures of acreage, production, utilisation, prices of agricultural commodities and certain essential data in allied spheres, such as population and national income, needed for an understanding of the agricultural economy in its broader perspective, have also been included. The handbook is of a convenient size suiting the purpose it is meant to serve.

The Directorate has also brought out the sixth issue of the Bulletin on Food Statistics. It presents, within a brief compass, an integrated picture of production, imports and exports, inland trade and prices of cereals in India for the last ten years. Data relating to inland rail and river-borne trade and purchases made under the price support scheme have been incorporated in the present issue.

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INDORE MALWA UNITED MILLS LIMITED

MR. KUDILAL GOVINDRAM SEKSARIA'S SPEECH AT FORTY-NINTH ANNUAL MEETING

PROGRAMME OF MODERNISATION TAKEN UP

ADDRESSING the shareholders of the Indore Malwa United Mills Ltd. at their Forty-ninth Annual General Meeting, held at Bombay on 4th May 1956, Mr. Kudilal Govindram Seksaria, Chairman of the Company, referred to the successful working of the Company during the past year. He also drew the attention of the shareholders to the task that lay ahead of the Directors, namely, the entire replacement and modernisation of the machinery at the Company's mills. A part of the machinery, for which orders had been placed during the past year, had been received and installed and was giving satisfactory results. Mr. Seksaria indicated that, despite several handicaps, namely, the sharp rise in cotton prices, the increase in taxation and the rise in excise duty on coarse and medium cloth, the Company's results for the current year would be satisfactory.

The following is an extract from Mr. Seksaria's speech:

"GENTLEMEN,

"It is with great pleasure that I extend to you my most cordial welcome today to the Forty-ninth Ordinary General Meeting of your Company. The Directors' report and the annual accounts of the Company for the year ended 31st December 1955 have been in your hands for some time, and with your permission I take them as read.

"You will agree with me that this meeting is taking place at a momentous time in the history of industries run by joint-stock companies in our country. Hardly a month back, a new and comprehensive Companies Act has been placed on our Statute Book. We are also meeting on the threshold of the inauguration of the second Five-year Plan which aims at a socialistic pattern of society and a Welfare State. For India, it was a great year of achievements in the international sphere. Preaching the gospel of peaceful co-existence and of non-alignment with any power bloc, India, under the enlightened leadership of Shri Nehru, has contributed the most to ease international tension. The adoption of 'Panchsheela' by more and more countries, the significant role played by India's representatives at the U.N.O. and the frequent exchanges of visits of high political dignitaries, have today focussed the world's attention on India. At home, we have had a peaceful year, except in the last quarter, when the unhappy events that followed the publication of the States Reorganisation Commission's Report threw the country in a political turmoil, unleashing the communal, separatist and provincial tendencies in the worst form, and thus giving the worst jolt to our body politic. But, thanks to the statesmanship of our Prime Minister and the Congress High Command, the situation is returning to normalcy. The significant factor of the S.R.C. Report, as far as your Company is concerned, is the amalgamation of Madhya Bharat, Vindhya Pradesh and a part of Madhya Pradesh into one State.

One of the Best Years

"In the economic sphere the year 1955 was one of the best years. There was an all-round increase in industrial production, especially in the production of mill-made cloth which, in spite of labour troubles in Kanpur, touched the new record of 5,094 million yards, as against 5,025 million yards in 1954. Thus, the target for the textile industry set under the first Five-year Plan has been exceeded in two consecutive years. High level of offtake of cloth, easy supply position of cotton and improved transport facilities for movement of raw materials and finished products have largely contributed to this achievement. However, despite the splendid performance of the textile industry, the Government, unfortunately, decided to put a ceiling on the production of cloth by textile mills at 5,000 million yards. While the Government estimates the *per capita* consumption of cloth at 22 yards by 1960-61, it has decided that the additional requirements of cloth should be met from the handloom weavers. It is certainly incomprehensible that at a time when the country's most imperative need is increased production all round, Government should deliberately decide not to utilise the capacity of the industry to make its effective contribution towards meeting the increased demand for cloth. In my humble opinion, the imposition of ceiling on the production of cloth by textile mills is meaningless as the handloom industry will not be able to cope with the demand, and there will be dearth of cloth in the country, which will not only accelerate the inflationary spiral but also adversely affect our exports. While the first Five-year Plan has been successfully completed, the draft outline of the second Five-year Plan has already been published. It is heartening to note that a dynamic and realistic approach is being made to the problems facing our country. Of particular interest to us is the inclusion in the Plan of the construction of a new hydro-electric plant as a part of the Chambal Project which is to be carried out by the Madhya Bharat Government in co-operation with the Rajasthan Government. On completion of this plant in a year or two, cheap electric energy will be available to the industry in Madhya Bharat where all the mills are at present running on coal. Further, Indore is being connected by a broad-gauge line with Ujjain and the railways have agreed to lay a railway siding in the mill area. As a result of the above, the transport costs will be considerably reduced.

Wholehearted Co-operation Needed

"The new Plan has been formulated with the principal objective of raising the level of the standard of living in the country by a sizable increase in the national income, rapid industrialisation with special emphasis on basic and heavy industries and large expansion of employment opportunities. I do not wish to go into the details of the Plan, but, in my humble opinion, such an ambitious scheme, designed with a view to ensuring a rise in the standard of living for the increasing population of our country, would succeed only if wholehearted co-operation from all sectors is assured. The Plan envisages deficit financing to the extent of 25 per cent. of the total outlay. Although opinions may differ as to the probable effect of deficit financing of this magnitude, it is certain that, unless there is a corresponding increase in production, there will be considerable increase in the general level of prices. Our Finance Minister, Shri Deshmukh, has assured us that the Government will keep a watchful eye on the general price situation and that deficit financing will be resorted to with the utmost caution. However, I deeply regret the restrictions imposed on the private sector when there is enhancement of the scope of the public sector. I do not understand why the private sector is not allowed to play its full role in the development of the country when it has hitherto had a fine record of achievement to its credit, particularly under the first Five-year Plan.

Nationalisation of Insurance

"I feel the Government would do better to give full opportunity to the private sector to achieve the target and not keep the Damocles sword of nationalisation hanging, thereby creating uncertainty and anxiety in the minds of the business community. In this connection, I refer to the untimely nationalisation of life insurance by ordinance overnight. One would have expected that before giving effect to such new policies and ideologies, Government would have learnt from the experience of other countries. Here I have in mind the experiments of the Socialistic Government in Great Britain and the bitter results that followed their hasty actions.

"Further, the taxation policy followed by the Government is such as would not leave to the private sector savings enough, out of which the capital required for the financing and development of various industries can be built up. It is regrettable that, although the private sector is willing to play its part fully in the second Five-year Plan, unfortunately the whole trend of Government legislation and taxation policy has been to take away the incentive from private enterprise.

"Coming now to the review of the past year's working of your mills, I am happy to present to you not merely a satisfactory but a progressive account, as can be seen from the Directors' report and the balance-sheet in your hands. In this connection I would like to refer to some of the important facts in the life of your Company. You all know that this Company was established as far back as 1907 through the enterprise of Messrs. Currimbhoy Ebrahim and Sons, Ltd. If I am not mistaken, it was the first enterprise of its kind by a private body in Malwa to take advantage of the vast resources of that area in raw materials and in manpower. Other undertakings swiftly followed their example. Unfortunately, in the year 1932, adverse fortune overtook Messrs. Currimbhoy Ebrahim and Sons, Ltd. and this undertaking saw its worst days. Thereafter, the Company was resuscitated and put on proper footing by my late revered father, Shri Govindramji Seksaria, as head of the then managing agency firm. It took some time to wipe out the debts and the debentures and your Company was then put on a sound footing. Reserve fund was steadily built up and converted into bonus shares, thus distributing these profits to all of you. It continued under his managing agency with the result that your Company has grown from strength to strength till it finds itself in a sound and flourishing position today. I may here be permitted to say that it is to this much criticised managing agency system that we owe the initiative and growth of almost all the great industries of India and the building up of the industrial life of the country in the last century. Though the system is still necessary for some time more under the present conditions, I do not, however, mean that with the advance of times and growth of experience we should not welcome the necessary change. It is with no regret, therefore, that we have ended the managing agency system of your Company and sponsored and readily welcomed a new management in its place. I feel, I would have failed in my duty if I had not paid a just tribute to a system which has contributed so much to the industrial growth of the country.

Profit Higher

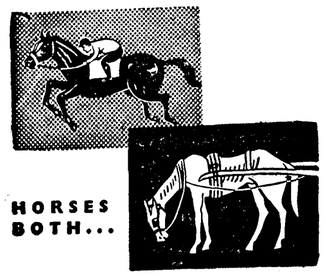
"During the year under review the prospects were good. The demand for the cloth was well maintained throughout the year and prices remained steady. The cotton position also kept good and was available at cheaper rates throughout the year. I am happy to say that during this year (1955) the Company has shown a profit of Rs. 25,31,563, showing an increase of Rs. 19,21,311 over the previous year, i.e., 1954. This profit would have stood at still much higher figure but for the fact that Rs. 2,75,088 for past bonus had to be paid during the year and a provision for this year's bonus to the workers to the tune of Rs. 3 lakhs had to be made. This had to be adopted in accordance with the five-year bonus agreement entered into with the local labour union on the lines of the Ahmedabad agreement. I am glad to inform you that your Company has been able now to provide for up-to-date depreciation, including initial depreciation of Rs. 9,78,162, and has also made provision for taxation and thus the all-round position of the Company has been strengthened and is fully sound today.

Machinery to be Replaced

"But an important development remains to be done, towards which your Directors will hereafter devote their full attention. I mean the entire replacement of old machinery. You would remember that the machinery of your undertaking dates back to the year 1907 and it is obvious that today it is not merely outmoded but has run through its full life. It was not possible to replace this machinery during the war years and thereafter for very obvious reasons, though the management, being all along fully conscious of the need, has made some improvements therein from time to time. During the year under review orders had been placed for purchasing machineries—indigenous and foreign, especially of Japanese make—out of which some machinery has been installed and is giving satisfactory results. I hope in the next year and thereafter in due course of time your Directors will be able to replace the entire machinery with new and modern machines. I keenly look forward to the day when I shall be able to say that your undertaking is equipped with the machinery requisite to the needs of the times that is second to none.

"I am happy to say that during the year the relations between the management and the labour have been fairly good. In deference to the wishes of our Prime Minister, Shri Nehru, that labour should be given an honourable place

(*Continued on page* 895)



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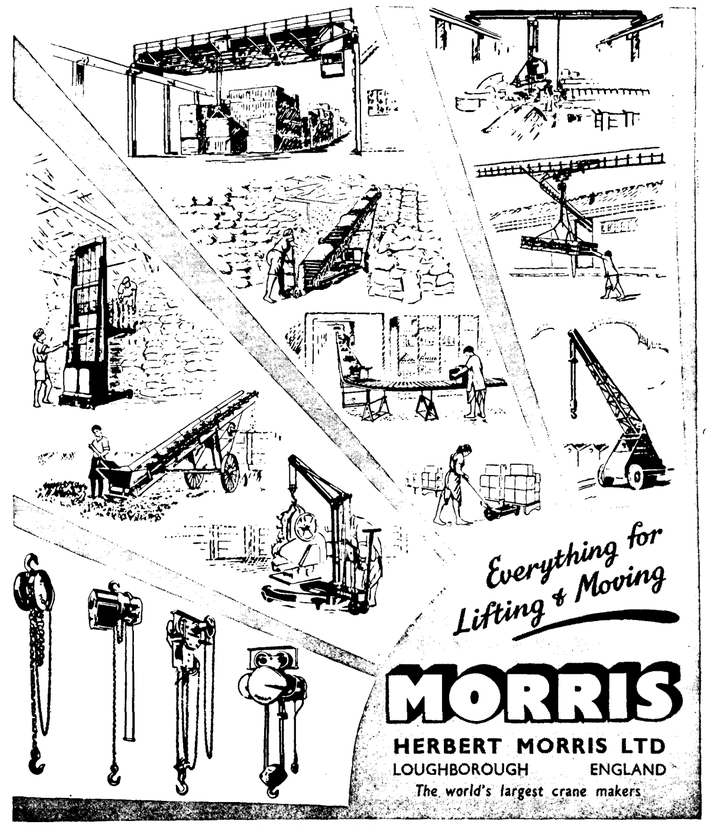

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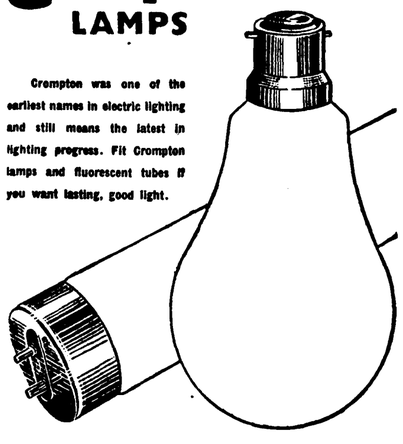

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Notices

MAHINDRA AND MAHINDRA LIMITED

NOTICE

THE 10TH ANNUAL GENERAL MEETING of the Shareholders of Mahindra and Mahindra Ltd. will be held at the Registered Office of the Company, Gateway Building, Apollo Bunder, Bombay-1 on Monday the 14th May 1956 at 4-30 p.m., to transact the following business:

1. To receive and adopt the Directors' Report, the audited balance-sheet and profit and loss account for the year ended 31st October 1955.
2. To declare Dividend on Preference and Ordinary Shares.
3. To appoint a Director in place of Mr. K. C. Mahindra who retires by rotation under Article 110 of the Articles of Association but is eligible for re-election.
4. To appoint a Director in place of Mr. H. C. Mahindra who retires by rotation under Article 110 of the Articles of Association but is eligible for re-election.
5. To appoint a Director in place of Mr. Jal H. Mehta who ceases to hold office by virtue of Article 116 of the Articles of Association but is eligible for re-election.
6. To appoint a Director in place of Raja Maharaj Singh who ceases to hold office under Article 116 of the Articles of Association of the Company, but is eligible for re-appointment.

   And to consider and if thought fit to pass the following resolution of which special notice as required by Section 281 of the Companies Act, 1956 has been received by the Company and the relative explanatory statement concerning which as required by Section 173 of the said Act is annexed hereto.

   Ordinary Resolution:

   "Resolved that the age limit prescribed under Section 280 of the Companies Act, 1956 shall not apply to Raja Maharaj Singh who has attained the age of 77 years and who retires under Article 116 of the Articles of Association of the Company and that he be reappointed a Director of the Company."
7. To appoint a Director in place of Sir D. N. Mitra who ceases to hold office under Article 116 of the Articles of Association of the Company, but is eligible for reappointment.

   And to consider and if thought fit to pass the following resolution of which special notice as required by Section 281 of the Companies Act, 1956 has been received by the Company and the relative explanatory statement concerning which as required by Section 173 of the said Act is annexed hereto.

   Ordinary Resolution:

   "Resolved that the age limit prescribed under Section 280 of the Companies Act 1956 shall not apply to Sir D. N. Mitra who has attained the age of 65 years and who retires under Article 116 of the Articles of Association of the Company and that he be reappointed a Director of the Company."
8. To appoint a Director in place of Rai Bahadur Isher Das Sawhney who ceases to hold office under Article 116 of the Articles of Association of the Company, but is eligible for reappointment.

   And to consider and if thought fit to pass the following resolution of which special notice as required by Section 281 of the Companies Act, 1956 has been received by the Company and the relative explanatory statement concerning which as required by Section 173 of the said Act is annexed hereto.

   Ordinary Resolution:

   "Resolved that the age limit prescribed under Section 280 of the Companies Act, 1956 shall not apply to Rai Bahadur Isher Das Sawhney who has attained the age of 73 years and who retires under Article 116 of the Articles of Association of the Company and that he be reappointed a Director of the Company."
9. To appoint Auditors for the current year and to fix their remuneration.
10. Section 293, sub-section (1) (d) restricts the total borrowing powers of the Board of Directors to the paid-up capital of the Company and its free reserves which amount to Rs. 80 lakhs. The Company's borrowings from the various banks amounted to Rs. 9,26,49,989 on 31-3-1956. It is therefore necessary to approach the shareholders for approval of these borrowings by the Company.

    And to consider and if thought fit to pass the following resolution as required by Section 293 (1) of the Companies Act, 1956 and the relative explanatory note as required by Section 173 of the said Act is annexed hereto.

    "Resolved that the consent of this Company be and it is hereby accorded to the Board of Directors borrowing monies in excess of the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose and that such borrowing shall be exclusive of the temporary loans obtained or to be obtained by the Company from the Company's Bankers in the ordinary course of business. Resolved further that the Company doth hereby ratify and confirm, all borrowings by the Directors after 2nd April 1956 which are in excess of the aggregate of the paid-up capital and free reserves of the Company."

A member entitled to attend and vote at a Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

By Order of the Board,
KESHUB MAHINDRA,
Director.

28th March 1956.

The transfer books of the Company will close from 30th of April 1956 to 14th of May 1956, both days inclusive. The dividend, when sanctioned, will be made payable to those shareholders whose names stand on the Register of the Company on 14th of May 1956 and the dividend warrants will be duly posted to them on or after the 25th May 1956.

The shareholders are requested to immediately notify any change of address.

Explanatory Statements as Required by Section 173 of the Companies Act, 1956.

In respect of Item No. 6 of the above notice of the 10th Annual General Meeting of the Company it is notified that Raja Maharaj Singh who retires under Article 116 of the Company's Articles of Association but is eligible for re-election is 77 years of age and accordingly the ordinary resolution set out in the said Item is necessary under Sections 280 and 281 of the Companies Act, 1956 to be passed, for his re-appointment as a Director and special notice under the provision of Section 281 has been received by the Company from a member of his intention to move the said resolution at the said Annual General Meeting.

In respect of Item No. 7 of the accompanying notice of the 10th Annual General Meeting of the Company it is notified that Sir D. N. Mitra who retires under Article 116 of the Company's Articles of Association but is eligible for re-election is 65 years of age and accordingly the ordinary resolution set out in the said Item is necessary under Sections 280 and 281 of the Companies Act, 1956 to be passed for his re-appointment as a Director and special notice under the provision of Section 281 has been received by the Company from a member of his intention to move the said resolution at the said Annual General Meeting.

In respect of Item No. 8 of the accompanying notice of the 10th Annual General Meeting of the Company it is notified that Rai Bahadur Isher Das Sawhney who retires under Article 116 of the Company's Articles of Association but is eligible for re-election is 73 years of age and accordingly the ordinary resolution set out in the said Item is necessary under Sections 280 and 281 of the Companies Act, 1956 to be passed, for his reappointment as a Director and special notice under the provision of Section 281 has been received by the Company from a member of his intention to move the said resolution at the said Annual General Meeting.

In respect of Item No. 10 of the accompanying notice of the 10th Annual General Meeting of the Company it is notified that the major portion of the borrowings from the Banks is on account of the financing of import of Steel which the Company has been doing on behalf of the Iron and Steel Controller as well as on its own account as a recognised stockist. In the calendar year 1955 out of the total imports of 520,000 tons of Steel in India by the Iron and Steel Controller the Company imported over 187,000 tons which represents about 36 per cent. of the total imports. Each ton of Steel costs on the average between Rs. 500 and Rs. 700. Financing of such large imports needs strong banking credits. The Company has been fortunate in securing such assistance from the following Banks: Lloyds Bank Ltd., Bank of India Ltd., Bank of Tokyo Ltd., Mitsui Bank Ltd., National Bank of India Ltd., Bank of China.

The Government of India has entered into several contracts with the Governments of Russia, Belgium, Germany and China for the import of Steel and the Iron and Steel Controller has allotted to the various importers of Steel the commercial handling of such business and the Company is receiving its share of such allotments.

With the advance planning to import three million tons of Steel in the next three years, the tempo of purchases will continue to increase and consequently the share of your Company in such imports will also increase. This will require provision of additional credit facilities.

The anticipated increased turnover in Jeeps, Spare Parts, and in manufacturing operations will also require additional finance provisions. Trading for the first five months of the current year is well above the average of the past year in all the divisions. In order, therefore, to maintain and develop its business it is necessary for the Company to have recourse to large credit facilities from Banks and other institutions.

EASTERN INVESTMENTS LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming General Meeting of Shareholders the following dividends for the year ended 31st December 1955.

On the Cumulative Preference Shares, a final Dividend at 2½ per cent. per annum, as already declared by the Directors and paid on 28th March 1956, making a total of 5 per cent. per annum, less income-tax.

On the Ordinary Shares at 9 per cent. per annum, without any deduction in respect of taxation payable by the Company.

By Order of the Board,
BIRD & CO., (PRIVATE) LIMITED,
Secretaries.

CHARTERED BANK BUILDINGS,
CALCUTTA, *25th April* 1956.

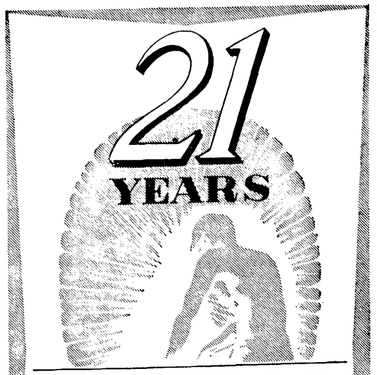
THE MODERN MILLS, LIMITED

NOTICE OF 15th DIVIDEND

NOTICE IS HEREBY GIVEN THAT A Dividend of Rs. 5 and a Bonus of Rs. 3 per share of Rs. 50 for the year ended 31st October 1955, sanctioned by the Shareholders at the Twenty-second Annual General Meeting held on the 27th April 1956, is made payable at the Registered Office of the Company on and after Wednesday the 9th May 1956, between 12 noon and 3 p.m. on week days, other than Saturdays, and between 12 noon and 1-30 p.m. on Saturdays, to those Shareholders whose names stood on the Register of Members on the 2nd April 1956.

By Order of the Board,
N. SIRUR & CO. PRIVATE LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

Registered Office:
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, *27th April* 1956.



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Indra Palace, Connaught Place, Delhi.
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MANAGEMENT OF STATE-OWNED INDUSTRIES

NOTED AMERICAN ECONOMIST ADVOCATES MULTIPURPOSE CORPORATIONS

THE problem of evolving a suitable structure to manage State-owned enterprises has been a subject of controversy for long and no satisfactory solution has yet been found. At present, no uniform pattern is being followed for administering these enterprises. Broadly speaking, there are three types, department-managed, autonomous corporations, and joint-stock companies. Since the activities of State-owned concerns are open to review by Parliament, their managements have been subjected to bitter criticism on the floor of both the Houses. Some members have complained that too much powers have been delegated to these managements, while others have criticised that these concerns are not being managed on commercial lines. The Estimates Committee, in its sixteenth report submitted to Parliament, observed:

"A commercial undertaking must be run on business principles, that is, it must have a large measure of autonomy in day-to-day administration. It should have its own system of procuring raw materials, recruiting labour and personnel and should have a separate organisation. It should, of course, be regulated on the basis of Company Law and subject to commercial audit, cost accounting and commercial principles of business. So far as broad questions of policy are concerned, it may be subject to the general control and supervision by the Government but it should be given a free hand within the framework of that policy to produce up to the optimum size at economic cost."

It will be seen from the above quotation that the Committee has confined itself mostly to the type of relationship that should exist between the Government and the undertakings, besides stressing the need for non-interference with their day-to-day administration. On the type of set-up to be followed, it seems to prefer the joint-stock company system. The issue cropped up during the debate on the demand for grants for the Production Ministry and Mr. K. C. Reddy, Minister for Production, gave a hint of the Government's mind on it. He stated that the joint-stock company pattern which the Government had chosen for the various undertakings was good and had worked well. Although the Government thus seems to be in favour of joint-stock company pattern for managing State-owned concerns, it has yet to announce its final decision. The subject is still under its study and it has been consulting foreign experts. In this context, the opinion of Prof. J. K. Galbraith, Head of the Department of Economics, Harvard University, is worth recalling. In his report on his impressions of India's economic plans, he has suggested that it would be advantageous for India to have a small number of large industrial corporations, each in command of a considerable and increasing number of enterprises, than to set up a new corporation for each new enterprise. His views on this subject are summarised below.

Four Dangers

Prof. Galbraith says that he was impressed by the number and variety of the tasks which the Government of India and the State Governments are assuming. He has no doubt that these responsibilities will greatly increase in the years ahead. But he points out that, in the field of organisation and administration, not economics, the Government is bound to meet with dangers, as Indian leaders are not being guided by experience and do not reflect deeply on the course they are following. Few will disagree with these views of Prof. Galbraith. Many observers in this country have been pointing out to the Government that lack of trained personnel to manage its undertakings is a great drawback in making them successful ventures. The Government, however, has paid no attention to them. In this connection, Prof. Galbraith's emphasis that the success of the second Plan requires that there be an unfailing confidence in the success of these enterprises deserves to be borne in mind. At this juncture, India cannot afford, he says, failure in the experiment, because of its great need. Nor can it afford a long period of search, experiment and doubt. He draws attention to four dangers in the sphere of State undertakings. These are:

(1) There are the preternaturally high standards to which public enterprise must conform and a private concern may not. "In a private firm," he says, "oddities and inequalities of pay and staffing arrangements are taken for granted. Errors in selection of high personnel are corrected by promoting the individual into a better compensated and more honorific but less important post. Nepotism is not only taken for granted but approved. What counts is the overall result and no public outcry arises, if there are occasional lapses even in that. None of the vagaries is vouchsafed to the public enterprise."

(2) The standards set for public enterprise are high, and officials and ministers, in a democratic Government, will always be tempted to protect themselves from criticism. While speeches and resolutions will be passed favouring the principle of decentralisation and autonomy, the next irregularity, or hint of one, will cause these intentions to be set aside in favour of the more fundamental principle, safety first. The tradition of close treasury control over finances and the institution of Parliamentary question-hour both contribute to centralisation. But these, according to the distinguished American Professor, are not the real cause. The cause lies much more deeply in the standards of public performance and the traditions of official caution. It is necessary to recognise this, says he, as, otherwise, there will be the temptation to seek a remedy by superficial tinkering with parliamentary or auditing machinery.

(3) There is the peculiar nature of the productive enterprise. A sharp line divides this and the ordinary administration of Government. The latter does not require any high technical knowledge, while a productive enterprise does. Accordingly, there should be an arrangement for bringing trustworthy technical or scientific knowledge and specialised experience quickly to bear on decisions. This requires that the organisation should be such where the members know on what matters and to what extent they can trust one another's judgment.

(4) The relative importance of the organisation as against the individuals has to be borne in mind. On the Government side, emphasis is on getting the right men in the right place, but the success of such enterprise depends on organisation and not on individuals. Organisation makes possible a level of achievement far above that of an individual. It also compensates for the uncertainties and shortcomings which are the counterpart of individual performance. In the effort to select the right man to head each of its new enterprise, the Government cannot expect to be right in more than three out of four cases. This may be a good average. But a 25 per cent. failure rate will be intolerably high. If, however, an organisation can be developed for the tasks the Government faces, it can count on a much higher chance of success. Prof. Galbraith illustrates this point with the examples of the General Motors Corporation and the Tennessee Valley Authority. These two bodies could be counted upon to do completely almost any productive task, though no one could, with complete assurance, pick any man from either organisation and be certain that he would be a success in developing the manufacture of an automobile or a diesel locomotive, etc. The T.O.D.T. in Germany was exceedingly competent but the individuals comprising it, he remarks, are ordinary men.

Situation in India

Prof. Galbraith says that all the four problems noted above are present in the Indian situation in one form or another. Indian productive enterprises will be judged by the high and even harsh standards which the Anglo-Saxon tradition reserves for public enterprise. He thinks that past experience of socialism under civil service has not been heartening and points out that in India this should be recognised in time. The relevancy of this warning lies in the fact that the experiment in India bears the same character.

In the light of the aforesaid reading of the situation, Prof. Galbraith has made a number of suggestions. First, the basic unit of organisation for productive enterprises should be the public corporation with autonomy in decision making. The Government should specify the tasks and the objectives to be achieved. It could prescribe rules of operation on staffing, salaries and wages, procurement practices, financial procedures and so forth, as also auditing procedures to see that these rules are enforced. The directing authority must have full freedom of decision within these rules. Performance should be judged not by questionable and wrong decisions, which are precisely the character of productive enterprises, but by results. Prof. Galbraith thinks that the delegation of powers to such authority is not yet accepted in India. Even after it is accepted, vigilance is required to see that what is accepted in principle is not modified in practice.

Secondly, the bulk of the directors of new corporations are officials. These officials should resist the tendency to interfere with the administration of the public enterprises. He admits that India has one of the world's best civil services and is in the process of raising this profession to new levels of esteem. It would be a shame, he remarks, if this service were to be implicated in misfortunes which resulted from its failure to understand the nature of the new tasks which the Government of India is assuming and the new organisation that it requires. This view has often been expressed by the Indian business community as also by this journal, but it seems to have fallen on deaf years.

Multipurpose Enterprises

Prof. Galbraith characterises as "unhappy precedent" the act of vesting the development of the new iron and steel plants in the Ministry of Iron and Steel. He opines that there should be no thought of organising a new corporation for each new enterprise. The pattern of industrial organisation in India should be a relatively small number of operating corporations each in command of a considerable and increasing number of enterprises. The corporations should plan for a steady increase in the number and range of their own activities. The multipurpose corporation involves, he says, no experiment, and quotes the instance of General Motors and T.V.A. in the U.S., the Mistui and Zaibatsu in Japan. The Mitsui, for instance, are engaged in activities as diverse as paper manufacture, textile and shipping. The T. V. A. builds thermal electric plants and makes synthetic ammonia. These examples remind us in India of the business houses of Tatas, Birlas, Sahu-Jains, Killicks—to quote only a few—which have entered into a number of productive lines and have proved how private enterprise can function efficiently. It will be interesting to note, in this connection, that the latest trend even in the private sector is for one corporation to take up more than one line of manufacture. There are instances where jute mills and cotton mills have taken to the manufacture of cement and chemicals without forming separate companies. Unfortunately, this form of organisation runs counter to some of the principles envisaged in the socialist pattern of society, namely, diffusion of economic power, ceiling on incomes, etc. But these principles are not intended to be applied to the public sector in which concentration of economic power in the hands of bureaucrats is taking place.

A few other suggestions made by this noted American economist are also interesting and quite pertinent. He is strongly opposed, as this journal has been, to the tendency to transfer frequently officials from one undertaking to another and to pull out men, who have proved themselves successful in one assignment, to initiate the next project. This procedure, asserts Prof. Galbraith, is "dead wrong," for a person, who may seem a wonderful success in the context of his organisation, may be a serious failure outside of it. The reason for this is that, in business enterprise of all kinds, organisation props up the man far more frequently than men make organisations. Vanity argues the reverse, but he dubs it by saying that it is only vanity.

Another valuable suggestion made by Prof. Galbraith is that officials, legislators, and the people at large should be made to realise the nature of the problems that are being faced in the operation of the public enterprises. This is essential in order to enable the legislators and the public to judge the enterprises not by individual decisions of the managers but by their overall performance. The American economist is in favour of greater financial autonomy and restriction of the scope of parliamentary questions on the details of business practice, as well as decisions, in public enterprises. In conclusion, he observes that, as the issues involved are technical and organisational and not ideological, considerations of democratic control diminish in importance. "Decentralisation and a large measure of autonomy for public enterprises with prescribed rules is not a frustration of democratic process," he asserts, and adds, "on the contrary, it serves the larger democratic decisions."

BOMBAY'S CASE FOR FUTURES TRADING IN PEPPER

There is a growing volume of opinion in the pepper trade that, in deciding applications for recognition to conduct futures trading in pepper, Bombay's case has not received the full consideration it merits at the hands of the Forward Markets Commission. Readers may have noted from an article on this subject in this journal dated 21st April, that some of the data on which the Commission based its conclusions did not represent the real position and that Bombay's case needed reconsideration. We have now a copy of the letter addressed by the Pepper and Ginger Merchants' Association Ltd., Bombay, to the Chairman of the Forward Markets Commission, putting forward a similar plea.

The Association draws the attention of the Commission that it was incorporated in 1937 and not in 1946 as the Commission has stated in its report to the Government. Since then, the Association has been rendering useful service to trade by settling disputes and organising trading activities on smooth lines. It was successful even during the commodity crisis in 1952 when other futures market had suspended their trading operations. The Association has been publishing regularly export figures relating to pepper and ginger every month. It was instrumental in organising the first session of the All-India Pepper Exporters' Conference at Cochin in 1952 to consider the question of detention of black pepper lots in the U.S. Very recently, the Government of India authorised the Association to issue certificates of origin, under Article 11 of the International Convention on Simplification of Customs Formalities. It has since begun issuing these certificates in respect of both pepper and ginger exported from India. The Association has, therefore, urged that the Commission should reconsider the question of according it recognition for conducting futures trade in pepper.

(Continued on next page)

Putting forward the case of Bombay as another suitable centre for the establishment of hedge market, the Association draws the attention of the Forward Markets Commission to the following points:

(1) Although Bombay City is far remote from the pepper-producing centres, thanks to the availability of quick and improved transport facilities, supplies of black pepper are regularly received in Bombay. Distance, therefore, should be no bar for recognising the city as a centre for futures trading.

(2) The annual production of pepper in the Bombay State is 700 to 800 tons and not 100 tons as assumed by the Commission. More than 50 per cent. of this is marketed in the city every year.

(3) The receipts of pepper in Bombay City, according to the trade, are estimated at 5,000 tons for 1953-54, the production during the year being 23,800 tons. The receipts into Bombay thus worked out to 20 per cent. of the total output. The Forward Markets Commission's estimates of receipts at 3,000 tons are on the low side, as compared with the actual figures.

(4) The Commission stated that 90 per cent. of the export of pepper was effected from the producing centres. Agreeing with this percentage, the Association points out that, out of this 90 per cent., 60 to 65 per cent. of the export business is handled by Bombay exporters only who have their offices in the producing centres. The sales by these offices are finalised by the Bombay offices. Besides several inland merchants, who have their offices in this city, also operate in this commodity from this centre. In view of these considerations, the Association contends that it is necessary that hedging facilities should be provided in Bombay also. Pepper being a most fluctuating type of commodity, hedging in it cannot be entrusted on a large-scale, it observes, to the branch offices of Bombay exporters in Cochin or Alleppey.

G.A.T.T. CONVENTION ON IMPORTS OF SAMPLES

The G.A.T.T. Secretariat has issued a specimen copy of the International Convention to facilitate imports of commercial samples and advertising material. The Convention came into force on 20th November 1955. As many as 17 Governments have deposited instruments of ratification or accession with the Secretary-General of the United Nations. These include Australia, Czechoslovakia, Denmark, Egypt, Finland, Federal Republic of Germany, Greece, India, Indonesia, Japan, the Netherlands, Norway, Pakistan, Spain, Sweden, Switzerland and the U.K.

The main purpose of the Convention is to minimise the costs and reduce the formalities and delays which traders and merchants have to face in sending samples and advertising material from one country to another.

The Convention contains 15 Articles setting out the procedure to be followed and conditions under which the samples could be imported by participating member-countries. Each Contracting Party is required to exempt from import duties sample goods of all kinds into its territory, provided such samples are of negligible value and are only to be used for soliciting orders for goods of the kind represented by the samples. In determining whether the samples are of negligible value, the customs authorities in the importing country may consider the values of individual samples or the aggregate value of all the samples in one consignment. The values of consignments sent by a consignor to different consignees, however, shall not be aggregated, though the consignments are imported at the same time. The customs authorities of the importing country will have the right to make the samples useless as merchandise by marking, tearing, perforation or other treatment but not so as to destroy their usefulness as samples.

The samples will be duty-free only if the articles concerned are owned abroad and are imported solely for demonstration purposes in order to secure orders to be supplied from abroad. They are not to be sold or put to normal use except for purposes of demonstration, and are intended for re-export in due course.

As regards vehicles and industrial and agricultural machinery or equipment of a value, for customs purposes, exceeding $1,000 (U.S.), importers may be required to declare the place of destination of such machinery, equipment or vehicles and their prices. The customs authorities may, however, seal such machinery, or otherwise preclude their operation during the time in which temporary duty-free admission is allowed and limit the places where these goods may be operated or demonstrated.

The articles of agreement relating to exemption of imported advertisement material provide that each Contracting Party should exempt from import duties catalogues, price-lists and trade notices relating to goods offered for sale, or transport or commercial insurance services offered by a person established in the territory of another Contracting Party. The advertisement material

(Continued on page 885)

TRAVANCORE RAYONS LIMITED

MR. A. R. RAMANATHAN'S SPEECH AT ANNUAL MEETING

ADDRESSING the shareholders of the Travancore Rayons Ltd. at their Annual General Meeting, Mr. A. R. Ramanathan, Chairman of the Company, claimed that the Company had successfully completed its expansion plans during 1955, thus fulfilling its part in the first Five-year Plan. He also announced the Directors' firm intention and eager desire to fulfil the new targets allotted under the second Plan. They have in view, he said, plans to step up rayon output by 1.8 tons per day and that of cellulose film by another 4 tons per day by 1957-58.

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

"GENTLEMEN,

"I have great pleasure in extending to you all a cordial welcome to this tenth ordinary annual general meeting of the shareholders of the Company. The Directors' report and statement of accounts have been circulated already and, with your permission, I shall take them as read.

"The net profit for the year 1955 is Rs. 25,40,383-13-4, after providing depreciation of Rs. 27,07,667-6-2. This amount, together with the balance of Rs. 1,23,122-1-11 brought forward from the previous year, makes a sum of Rs. 26,63,505-15-3. Out of this, your Directors have thought it prudent to transfer to deferred taxation reserve a sum of Rs. 14,00,000, bringing up this reserve to Rs. 30,00,000. I am sure you will agree that, in view of the heavy tax liability likely to arise in the future, this provision is essential. The balance left is Rs. 12,63,505-15-3. An increased dividend of 7½ per cent. has been recommended. Your Directors are following a steady and conservative dividend policy, having due regard to your long-term interests, and I hope their recommendation will receive your approval.

Further Expansion Planned

"I had the privilege of referring, at the last annual general meeting, to the partial completion of our expansion plans. I am now glad to report that all the schemes were fully and successfully completed during 1955. It is a matter for genuine satisfaction that we have, thus, been able to fulfil our part in the fruition of the first Five-year Plan. The second Five-year Plan has just emerged, with its principal emphasis on industrialisation. As the Directors have mentioned in their report, it is their firm intention and eager desire to fulfil amply the new targets allotted to this industry under the second Plan. We have in view the stepping up of the rayon yarn production by another 1.8 tons per day and that of cellulose film by another 4 tons per day by 1957-58.

"As you would have been able to see from the balance-sheet, the block account has registered a phenomenal increase. A creditable feature, in this connection, is that our entire expansion cost has been met out of our own resources. The shareholders would indeed be immensely pleased when they see during 1956 the full working results of the expanded plants. The liability to the Travancore-Cochin Government now stands reduced to Rs. 56½ lakhs, as against the initial figure of Rs. 96 lakhs. The machinery and buildings have been valued at Rs. 2,91,62,100 for purposes of insurance.

"The import policy of the Government of India continued to take due account of the indigenous interests. However, in the case of transparent cellulose film, the Government were obliged to allow imports in order to meet pressing demands. Our production position has since improved considerably and there is now enough justification for a revision of the Government's policy. In order that our expanded production may find a ready market and your Company may continue to sail smoothly, we have approached the Government and impressed upon them the fact that the country has attained self-sufficiency in this commodity and there is, hence, no need for future imports of the non-moisture-proof cellulose film. Let me hope that the Government will view our request sympathetically.

"While dwelling on this subject of Government policy, I feel that it may not be out of place for me to refer to some points of vital importance to the economy and progress of the country. The private sector has remarkably adapted itself to the changing pattern of society and, judged by its performance under the first Five-year Plan, it deserves every encouragement. It, therefore, behoves the Government to avail fully of the talent, money and experience of this sector, especially when there is so much to be done, and all that needs to be done as well and as fast as possible. Industry and business should take in all those who are prepared to venture and risk. Experience shows that progress has been built through individuality, initiative and enterprise. Here, I can do no better than quote the wise words of our revered Mahatmaji:

"'I look upon an increase in the power of the State with the greatest fear, because although apparently doing good by minimising exploitation, it does the greatest harm to mankind by destroying individuality, which lies at the root of all progress.'

"The Government have already taken many vital steps towards the socialistic pattern of society and, if I may say so, at too fast a pace. I would suggest that some time be given now to enable co-ordination, adjustment and consolidation, rather than be moving too hastily.

Raw Materials

"I referred last year to the need for eliminating the dependence of this industry on foreign wood-pulp. I am glad to tell you that the Government of India are keenly alive to this vital problem. They have constituted a Pulp Investigation Committee. Some Italian and German experts were deputed by the Government to carry out independent investigations as to the Indian raw materials best suited for rayon pulp and as to the most advantageous location for a chemical-pulp plant. The results are awaited with interest. The pulp-making plant, being a very specialised and costly machinery, thorough all-round investigations have to be made beforehand, especially with regard to the availability of raw material and whether adequate and continuous supply could be ensured for producing about 50 tons of pulp a day; otherwise, the factory will be faced with shortage of raw materials after some time. Planned reforestation will be necessary for feeding such plants. This will have to be investigated.

"Another noteworthy step taken by the Government of India is the setting up of a Development Council for the Art Silk Industry and it is hoped that the industry will benefit by this step.

"You may all be aware that from 1st April this year, the new Companies Act, 1956 has come into force—with its wide ramifications and revolutionary changes. We are studying the steps to be taken to bring your Company's working in line with the various provisions of the new law.

Labour

"The relationship with the employees continued to be cordial, on the whole, except for an unjustified strike of about three weeks' duration, precipitated by the workers in lightning fashion. The loss occasioned has certainly been reflected in the balance-sheet, and the working results would have been much better but for this. Employment in the factory has increased by about 20 per cent., consequent on its expansion. The wage and salary scales provided by your Company are, as far as I see, about the best prevailing around here, and I look forward to the uninterrupted and full co-operation of the employees. As their own advance and prosperity are inextricably intertwined with that of the Company, I ask of them to give of their best, work hard and efficiently, and produce more, so that they may in turn reap good dividends.

"I wish to place on record the valuable services rendered by the employees, by and large, during the period under review. Their continued co-operation, I am sure, will go a long way in our achieving our rightful place among the major industries of the country. I sincerely hope that, at this rate, there will not be any necessity to look for foreign technicians for running the present machines, though their help may have to be sought for running any new plant which we may acquire under our expansion plans.

"With these observations, I now beg to move that the Directors' report, balance-sheet and profit and loss account for the year ended 31st December 1955 be approved and adopted."

BHARAT LINE'S PROFIT DROPS AGAIN

EARNINGS DECLINE, DESPITE INCREASE IN FREIGHT RATES

A SETBACK in both freight earnings and gross profit, despite a slight advance in freight rates, is disclosed by the audited accounts of the Bharat Line Ltd. (Managing Agents: Messrs. Dinshaw Ltd., Bhavnagar) for the year ended 31st December 1955. The upward trend in freight earnings experienced during the previous eight years has suffered a setback for the first time. After going up from Rs. 11.40 lakhs in 1946 to a record level of Rs. 256.64 lakhs in 1954, they have dropped to Rs. 233.71 lakhs in the year under review. It is, however, comforting to note that the freight earnings for 1955 are higher than those for any of the years preceding 1954. The gross profits, which had declined from Rs. 53.99 lakhs in 1952 to Rs. 37.28 lakhs in 1954, has shrunk further to Rs. 31.95 lakhs, the lowest level since 1950.

The net profit (after providing for Managing Agents' remuneration and depreciation) is, however, higher, at Rs. 6.65 lakhs, as compared with Rs. 5.20 lakhs for 1954, thus maintaining the upward trend noted in the previous four years. The improvement in net profit is due to a cut in the provision for depreciation from Rs. 30.05 lakhs to Rs. 24.22 lakhs. The Directors have created an investment depreciation reserve by setting aside Rs. 1 lakh from the year's profit to safeguard its investments in subsidiaries and have maintained the dividend at 5 per cent., to which level it had been raised in 1952 from 4 per cent.

The following comparative table provides an idea of the Company's progress since 1952:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Freight earnings	233.71	256.64	214.07	205.95
Charter hire and other income.	0.76	6.18	8.00	7.11
Expenses	202.53	225.55	180.26	158.86
Gross profit	31.95	37.28	42.71	53.99
Managing Agents' remuneration	1.07	2.03	3.09	4.40
Depreciation	24.22	30.05	34.51	45.17
Net profit	6.65	5.20	5.11	4.42
To reserves	1.00	..	..	..
,, dividend	5.00 (5%)	5.00 (5%)	5.00 (5%)	5.00 (5%)
Carry forward	1.55	0.90	0.69	0.59

It will be noted from the above table that the setback in freight earnings is accompanied by a sizable fall in charter hire and other income. The decline in freight earnings and charter hire is attributable to the fact that no chartered tonnage was permitted on the coast during the year under review, as also to the sale of one of the Company's ships at the beginning of the year, both of which reduced the volume of tonnage employed in the trade with corresponding reduction in freight receipts. Further, the considerable fall in the Burma-India trade, following the cessation of rice import from Burma, also affected the Company's earnings. Besides, great delays at loading and discharging at ports, as well as high maintenance costs continued unabated during the year under review also, thereby affecting the operations and earnings. It must also be noted here that the year under review witnessed a slight advance in freight rates.

Of the expenses, salaries and wages show an increase from Rs. 26.09 lakhs to Rs. 29.23 lakhs, establishment charges from Rs. 3.56 lakhs to Rs. 4.07 lakhs and repairs, survey expenses and drydock charges from Rs. 18 31 lakhs to Rs. 23.86 lakhs, while coal, fuel oil, stores and victualling charges have declined from Rs. 61.17 lakhs to Rs. 57.91 lakhs, marine dues. light dues and customs charges from Rs. 19.78 lakhs to Rs. 16.94 lakhs and stevedoring charges, despatch money, etc., from Rs. 42.85 lakhs to Rs. 40.06 lakhs.

The Company maintained during the year under review a cargo service in the Persian Gulf —India—Burma trade with the three cargo ships acquired in the previous year, in addition to occasional voyages by some of the other units of the Company's fleet. The Directors report that the Company's service continued to receive fair support from shippers. It has not been possible so far to acquire a passenger-*cum*-cargo ship required for the passenger service in this trade.

The Company's paid-up capital is unchanged at Rs. 1 crore. There are no reserves, except a fleet replacement reserve amounting to Rs. 15.38 lakhs. Even this reserve shows a decline of Rs. 1.30 lakhs over the year, being the loss on sale of a ship written off from this account and income-tax paid. The current liabilities and provision for taxation aggregate Rs. 219.38 lakhs, of which loans taken from the Government of India secured by mortgage of seven ships of the Company account for Rs. 136.73 lakhs and borrowings from other sources for Rs. 25.72 lakhs. The gross block stands at Rs. 441.66 lakhs, after deducting the cost of one ship (Rs. 24.10 lakhs) sold during the year; as against this, there is a depreciation reserve of Rs. 185.09 lakhs, after making adjustment for the ship sold during the year. The current assets (excluding deferred revenue expenditure amounting to Rs. 8.98 lakhs) aggregate Rs. 70.76 lakhs.

Since the close of the year. the Labour Appellate Tribunal has decided in favour of piece-rate system of wage payment to dock labour. The Directors hope that, with this welcome change, the sad experience of the "go-slow" days will become a thing of the past and that labour will play its full part in future to the common advantage of both labour and the shipping industry. The Directors also hope that the trend towards improvement in freight rates, which appeared during the past year. will be maintained and that freight rates will reach satisfactory levels in the coming years, bringing some much-needed relief to the shipping industry.

NEW CENTRAL JUTE MILLS

The audited accounts of the New Central Jute Mills Co., Ltd. (Managing Agents: Messrs. Sahu Jain Ltd., Calcutta), for the year ended 31st December 1955 cover the first year's combined working results of three jute mills under the same management, the amalgamation of which into a single unit was the outstanding event in the history of the jute mill industry during the past year. Under the scheme of amalgamation, the Albion Jute Mills Company, Ltd., and the Lothian Jute Mills Company, Ltd., were merged with the new Central Jute Mills Company, Ltd., with effect from 1st December 1954, so that the working results of the combined unit include those of the Albion and Lothian Mills for a period of 13 months from 1st December 1954.

It may be recalled that all the above three mills were once under the management of Messrs. Andrew Yule & Co., Ltd., from whom the management of the Albion Jute and the New Central Jute was taken over early in 1950. At the same time, there was a change in the Board of Directors of the Lothian Jute, though the management was in the hands of Messrs. Andrew Yule & Co., Ltd., till last year. However, the Lothian Jute Mills remained leased to the Albion Jute Mills from February 1951 till the end of November 1954. For all practical purposes, the management of three mills was in the hands of Messrs. Sahu Jain Ltd. from the year 1950 itself.

The working of the amalgamated company during the year under review has resulted in a gross profit of Rs. 55.46 lakhs, as compared with the cumulative profit of Rs. 42.19 lakhs of the three units for the preceding year. The Managing Agents' commission takes up Rs. 6.42 lakhs and depreciation Rs. 2.50 lakhs. A sum of Rs. 2.90 lakhs has been paid out of the profit as compensation to the ex-Managing Agents of the Companies. After setting aside Rs. 13 lakhs as provision for taxation, the Directors have transferred Rs. 11.18 lakhs to the general reserve and have declared a dividend of As. 12 per share, or 7½ per cent. per annum, on the ordinary shares of the amalgamated company, absorbing Rs. 6.41 lakhs. A sum of Rs. 8.71 lakhs is left to be carried forward to the current year.

The following synopsis of the Company's latest balance-sheet gives an idea of its financial position as a result of the amalgamation:

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	1,18,50,000	Gross block	4,29,15,627
Reserves and surplus	2,80,15,635	*Less*—Depreciation ...	96,26,548
Provision for taxation ...	7,86,842	Net block ...	3,32,89,079
Liabilities	1,09,13,196	Stock ...	1,02,79,149
		Stores and spares ...	17,29,101
		Debts, deposits and advances ...	17,82,920
		Investments	34,12,034
		Cash ...	10,73,390
Rs.	5,15,65,673	Rs.	5,15,65,673

Of the above capital, 540,000 ordinary shares of Rs. 10 each and 19,000 7 per cent. cumulative preference shares of Rs. 100 each represent the capital issued to the shareholders of the Albion and Lothian Jute Mills in pursuance of the scheme of amalgamation. Of the reserves, a sum of Rs. 188.31 lakhs represents the surplus on revaluation of the block assets of the three amalgamating units. There has been an addition of as much as Rs. 93.87 lakhs to the gross block during the year under review.

Since the close of the year under review, the installation of the new sliver spinning machinery has been completed in all the three mills. Electrification is in progress, and is expected to be completed in the New Central Mills by the end of the year and in the Albion and Lothian Mills early next year. The modernisation and electrification of the three mills that has been undertaken with the Company's own resources will cost about Rs. 1 crore. The Company has placed an order for wide loom plant for the manufacture of carpet backing cloth which is said to be in increasing demand in the U.S. and is more remunerative. This plant, consisting of 79 looms with accessory machinery, is fully automatic and is claimed to be the biggest of its type in the world. Its installation is expected to be completed by the end of the year. The Company has also placed an order for circular looms which are being installed for the first time in India. The modernisation and electrification of the mills and the new lines of manufacture that are being undertaken will further strengthen the Company's position. The Directors visualise a good future for the Company.

A commendable feature of the Company's latest report is the inclusion of a chart showing the net profit per loom of the New Central Jute Mills Company, Ltd., as compared with that of the jute industry as a whole for the decade 1946-55. The chart shows that, though the trend of the Company's profit per loom remained the same as that of the industry as a whole, the Company's level of profit was markedly higher than the general average from 1950 onwards, that is, ever since the Company came under the present management. In the years 1946 and 1947, it is observed, the Company's profit per loom was about Rs. 400, as against Rs. 580 for the industry. From 1948 to 1950 the fortunes of the New Central fluctuated in line with those of the industry, though in 1949 when the industry experienced adverse circumstances, the loss suffered by the New Central was below the general average. But in 1951, the Company's profit per loom shot up to Rs. 3,000, while that of the industry stood at no more than Rs. 720. The corresponding figures for the subsequent three years are: 1952—Rs. 920 and Rs. 80; 1953—Rs. 1,000 and Rs. 320 and 1954—Rs. 1,040 and Rs 520, respectively. For 1955, the profit of the New Central was Rs. 1,600 while that of the industry as a whole is not available. This comparison shows that both the workers and the management of the Company worked efficiently and diligently and that they can be justly proud of their achievements. It may be noted here that this is one of the few jute companies to pay a dividend, while many others, including some well-known companies, have had to withhold the distribution to shareholders for want of profit.

INDORE MALWA UNITED MILLS

In consonance with the general trend of textile mill profits for the year ended 31st December 1955, the working results of the Indore Malwa United Mills Ltd. (Chairman, Board of Directors: Mr. K. L. Seksaria, Indore) also have been encouraging. The gross profit of the Company, which had shrunk from Rs. 16.82 lakhs in 1953 to Rs. 6.78 lakhs in 1954, has jumped up to Rs. 27.93 lakhs in the year under review. Thus, the recession in profit suffered in 1954 has been more than made good in 1955; further, the profit for the latest year is the highest earned by the Company since 1945. After making provisions for Managing Agents' commission, depreciation and taxation, the net profit amounts to Rs. 7.53 lakhs, as compared with Rs. 2.94 lakhs for 1954.

The provision for depreciation has been raised from Rs. 3.16 lakhs to Rs. 9.78 lakhs, but this includes accrued depreciation for 1954 also which was not provided for in the previous year's profit. Consequent on the wiping out of the arrears of depreciation, the Directors have had to set aside Rs. 8 lakhs for taxation which had not been provided for in the previous eight years. A sum of Rs. 3 lakhs has been added to the dividend equalisation fund, as against nil in the previous year. The dividend, which had been kept unchanged at 6 per cent. for the previous three years, has been stepped up to 9 per cent., the highest to be paid after the capitalisation of a sum of Rs. 30 lakhs in September 1948.

The following comparative table provides a broad idea of the Company's progress during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds (net)	263.20	261.96	253.58	262.58
Cotton, stores, etc., consumed..	134.41	158.93	137.67	160.59
Other expenses	102.05	96.68	99.50	91.50
Gross profit	27.93	6.78	16.82	11.20
Agents' commission	2.62	0.68	1.71	1.12
Depreciation	9.78	3.16	12.01	7.12
Provision for taxation	8.00	..	..	..
Net profit	7.53	2.94	3.10	2.96
To reserves	3.00	..	..	..
Dividend	4.50 (9%)	3.00 (6%)	3.00 (6%)	3.00 (6%)
Carry forward	0.09	0.06	0.12	0.03

Commenting on the favourable trading conditions which were responsible for the excellent results of the Company, the Directors observe:

"During the year under report, the mills' output of cloth in the country registered a further improvement. This impressive performance of the industry was mainly due to high level offtake in cloth especially in the domestic consumption which induced the mills to make all efforts to maximise output. The cotton position throughout the year was satisfactory. The mills were able to get sufficient quantity of cotton at lower rates. The labour situation was also satisfactory. As a result thereof, your mill has shown better results, as above."

It will be noted from the above table that, while the cost of cotton, stores, etc., consumed shows a welcome decline of Rs. 24.52 lakhs during the year under review, other expenses have recorded a rise of Rs. 5.37 lakhs. These expenses include a sum of Rs. 5.75 lakhs representing the bonus to workers for the three years 1953, 1954 and 1955. During the year under review, the Company entered into a five year bonus agreement with the Indore Mill Mazdoor Sang for the years 1953 to 1957 on the lines of the agreement entered into by the Ahmedabad Millowners' Association with the Textile Labour Association there. As a result of this agreement, the Company had to pay bonus at 4.8 per cent. of the basic wages earned during 1953 and 1954 which amounted to Rs. 2.75 lakhs. A sum of Rs. 3 lakhs has been provided in the accounts for this purpose in respect of 1955.

The Company's reserves and surplus as at the end of the year under review aggregate Rs. 6.26 lakhs, as against a paid-up capital of Rs. 50 lakhs. The provision for taxation amounts to Rs. 24.37 lakhs and current liabilities to Rs. 69.17 lakhs. The gross block of the value of Rs. 133.92 lakhs, which includes an addition of Rs. 5.21 lakhs during the year, has been written down to a book value of Rs. 21.63 lakhs. The current assets amount to Rs. 128.17 lakhs and more than adequately cover the current liabilities and provision for taxation.

A commendable step taken by the Directors of the Company in fostering good relationship with labour is the decision to associate labour with the Company's management in accordance with the Government's policy of associating labour with the management of industries in general. The Directors propose to take a representative of labour on the Board of Directors of the Company.

The Rs. 100 fully paid-up shares of the Company are being currently quoted at Rs. 145-10 *cum-div.* (final dividend: Rs. 6). On an *ex-div.* basis, the dividend for the year under review gives a yield of 6.4 per cent. per annum, free of income-tax.

Points From The Chair

Restriction on Mill Cloth Output

"IN the economic sphere the year 1955 was one of the best years. There was an all-round increase in industrial production, especially in the production of mill-made cloth, which, in spite of labour troubles in Kanpur, touched the new record of 5,094 million yards, as against 5,025 million yards in 1954. Thus, the target for the textile industry set under the first Five-year Plan has been exceeded in two consecutive years. High level of offtake of cloth, easy supply position of cotton and improved transport facilities for movement of raw materials and finished products have largely contributed to this achievement. However, despite the splendid performance of the textile industry, the Government unfortunately decided to put a ceiling on the production of cloth by textile mills at 5,000 million yards. While the Government estimates the *per capita* consumption of cloth at 22 yards by 1960-61, it has decided that the additional requirements of cloth should be met from the handloom weavers. It is certainly incomprehensible that at a time when the country's most imperative need is increased production all round, Government should deliberately decide not to utilise the capacity of the industry to make its effective contribution towards meeting the increased demand for cloth. In my humble opinion, the imposition of ceiling on the production of cloth by textile mills is meaningless, as the handloom industry will not be able to cope with the demand and there will be dearth of cloth in the country, which will not only accelerate the inflationary spiral but will also adversely affect our exports too."

KUDILAL GOVINDRAM SEKSARIA,
Indore Malwa United Mills Ltd.

Inflationary Effects of Deficit Financing

"In the context of larger doses of deficit financing, fears are expressed about inflationary trends showing themselves. But the price trends, as they are, do not lend any strength to such fears. Any increase in prices that has taken place is mostly in food articles and industrial raw materials of agricultural origin. In the former category, there has been a rise in the prices of both cereals and pulses. The rise in prices is to an extent attributable to the increase in taxes, especially sales tax. Further, prices are high in the off-season and the level is brought down with the arrival of new crops. It is also necessary to remember that prices had been hammered down last year on account of the accumulation of stocks of foodgrains with the Government and the phenomenal increase in agricultural production in the country in 1953-54. Support schemes had to be introduced and prices had to recover to more economic levels. A part of the rise in prices must, therefore, be regarded as corrective. It is thus important that the meaning of the rise in prices should be clearly understood and there should be no efforts at restriction of consumption. On the contrary, the level of consumption should go up in the country as that alone will encourage production and help build up a healthy economy and better life for the people."

S. P. JAIN,
Punjab National Bank Ltd.

Scarcity of Managerial Talent

"The scarcity of managerial talent is already felt with the rapid growth of the so-called public sector. We will succeed or fail with the build-up or lack thereof of the organisational capabilities of State ventures. The supreme and exacting task of management is a task which cannot be learned from text-books or over a brief period of apprenticeship. While we proceed to do the learning, there is a grave danger of an oligarchic stranglehold by the army of bureaucrats. Perhaps, it is not widely recognised that nationalisation, public ownership, *sarvodaya* are not the passports which purchase immunity from the inexorable laws of industrial economics. One may honestly hold the view that classic theories of supply and demand do not apply to an underdeveloped economy. One may hold the view that private enterprise in India has been guilty of sins of omission and commission which it cannot be forgiven. One may also come to believe that profit motive is at the root of all evil. And yet, one should not ignore the vast lack in experience and in management knowledge which is required to run an industrial undertaking or a chain of co-operative marketing societies, or perhaps even the village industrial *panchayats* on whom such high hopes are set."

K. C. MAHINDRA,
Indian Aluminium Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

WESTERN INDIA MATCH CO., LTD. Annual General Meeting, Bombay, 7th May 1956. Dividend: Rs. 11 per share (includes bonus of Re. 1 per share). Transfer books remain closed from 16th April to 9th May 1956, both days inclusive.

SHREE NIWAS COTTON MILLS LTD. Annual General Meeting, Bombay, 7th May 1956. Dividend: Rs. 12 per share.

SOORAH JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 9th May 1956. Dividend: Re. 1-8 per share. Transfer books remain closed from 30th April to 9th May 1956, both days inclusive.

NEW CENTRAL JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 14th May 1956. Dividend: As. 12 per share. Transfer books remain closed from 5th to 14th May 1956, both days inclusive.

SITALPORE SUGAR WORKS LTD. Annual General Meeting, Calcutta, 14th May, 1956. Dividend: *Nil*. Transfer books remain closed from 1st to 14th May 1956, both days inclusive.

MAHINDRA AND MAHINDRA LTD. Annual General Meeting, Bombay, 14th May 1956. Dividend: Re. 1 per share. Transfer books remain closed from 30th April to 14th May 1956, both days inclusive.

RADIO AND ELECTRICALS LTD. Annual General Meeting, Madras, 19th May 1956. Dividend: As. 5 2/5 per share (9 per cent.). Transfer books remain closed from 5th to 19th May 1956, both days inclusive.

BHARAT LINE LTD. Annual General Meeting, Bhavnagar, 21st May, 1956. Dividend: Rs. 5 per share. Transfer books remain closed from 24th April to 23rd May 1956, both days inclusive.

INDIAN WOOD PRODUCTS CO., LTD. Annual General Meeting, Calcutta, 22nd May 1956. Dividend: Rs. 2 per share (final). Transfer books will remain closed from 14th to 22nd May 1956, both days inclusive.

TRAVANCORE OGALE GLASS MANUFACTURING CO., LTD. Annual General Meeting, Manjummel, Alwaye, 31st May 1956. Dividend: *Nil*. Transfer books will remain closed from 21st to 31st May 1956, both days inclusive.

SURAT ELECTRICITY CO., LTD. Final dividend of Rs. 4-8 per ordinary share, for the half-year ended 31st December 1955 (making Rs. 7 per share, for the year). Transfer books will remain closed from 28th May to 11th June 1956, both days inclusive.

EASTERN INVESTMENTS LTD. Dividend of 9 per cent. per annum, on ordinary shares, for the year ended 31st December 1955.

PARKSIDE (NEILGHERRY HILLS) ESTATE CO., LTD. Interim dividend of As. 8 per share (5 per cent.), for the year ending 30th June 1956. Transfer books remain closed from 7th to 21st May 1956, both days inclusive.

NONSUCH TEA ESTATES LTD. Interim dividend of Re. 1 per share, for the year ending 30th June 1956. Transfer books will remain closed from 10th to 16th May 1956, both days inclusive.

KILLICK INDUSTRIES LTD. *Ad-interim* dividend of Rs. 4 per share, free of income-tax for the year ending 30th June 1956 payable on and after 30th May 1956. Transfer books will remain closed from 14th to 28th May 1956, both days inclusive.

TRAVANCORE RUBBERS LTD. Dividend of Rs. 3 per share, for the year ended 31st December 1955. Transfer books remain closed from 1st to 7th May 1956, both days inclusive.

COMPANY REGISTRATIONS

MURLIMAL SHRI KRISHNADAS AND (INDIA) LTD. (First Director: Mr. N. R. Aggarwal.) Business: Importers, exporters, manufacturers and dealers in iron, steel, hardware, etc. Authorised capital: Rs. 10,00,000. Private company. Address: 19, Maharshi Debendra Road, Calcutta-7.

CICIKO OFFICES MACHINES PRIVATE LTD. (First Director: Mr. P. N. Chatterjee.) Business: Traders and manufacturers of all kinds of office machines, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 300, Bowbazar Street, Calcutta.

KHAS CHALBALPUR COLLIERY PRIVATE LTD. (First Director: Mr. J. L. Maliah.) Business: To purchase, take on lease or acquire any mine, mining rights, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Searsole, P.O. Searsole, Rajbari, Burdwan.

PURE SEARSOLE COLLIERIES PRIVATE LTD. (First Director: Mr. J. L. Maliah.) Business: To purchase take on lease or acquire any mine, mining rights, mine workings, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Searsole, P.O. Searsole, Rajbari, Burdwan.

SHIVA DURGA IRON WORKS PRIVATE LTD. (First Director: Mr. A. K. Polley.) Business: Iron founders, mechanical engineers, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 156/1, Madhusudan Pal Chowdhury Lane, Howrah.

SENCO ENGINEERING WORKS & CO. PRIVATE LTD. (First Director: Mr. K. C. Sen.) Business: Manufacturers of cycles, bicycles and carriages of all kinds, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 55/2, Sastitala Road, Narkeldanga, Calcutta.

R. SEN & CO. (AGENTS) PRIVATE LTD. (First Director: Mr. Milan Sen.) Business: All kinds of agency business. Authorised capital: Rs. 5,00,000. Private company. Address: 10/1, Elgin Road, Calcutta.

G. K. SEN & CO. PRIVATE LTD. (First Director: Mr. Milan Sen.) Business: Importers, exporters, shipowners, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 10/1, Elgin Road, Calcutta.

SHIPPERS LTD. (First Director: Mr. L. P. Bagaria.) Business: Boat contractors, lighter contractors, etc. Authorised capital: Rs. 5,00,000. Public company. Address: P21/22, Radhabazar Street, Calcutta-1.

Notices

INDIAN WOOD PRODUCTS COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-sixth Annual General Meeting of the Shareholders of the Company will be held at the Registered Office, Clive Buildings, Netaji Subhas Road, Calcutta 1, on Tuesday the 22nd May 1956, at 12-35 p.m., for the following purposes:—

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 30th September 1955.
2. To declare a Dividend.
3. To elect a Director in place of one retiring by rotation under Article 126 of the Articles of Association of the Company.
4. To pass a Special Resolution for the re-election of Mr. S. M. Petrie, who is a Director of the Managing Agents of the Company and who retires by rotation and is otherwise eligible for re-election. (Please see Statement annexed to this Notice.)
5. To appoint Auditors and fix their remuneration.
6. To transact any other ordinary business of the Company.

Notice is also hereby given that the Register of Members of the Company will be closed from the 14th May 1956 to the 22nd May 1956, both days inclusive. Dividend Warrants will be sent only to Registered Shareholders or their Mandataries.

By Order of the Board,
For GILLANDERS ARBUTHNOT & Co., LTD.,
P. E. G. W. PARISH,
Managing Director,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 20*th April* 1956.

N.B.—A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

Statement for the Special Resolution to be passed at the Annual General Meeting of the Shareholders of the Company for re-election of Mr. S. M. Petrie as a Director of the Company:—

In pursuance of Section 190 of the Companies Act 1956, the Company has been given a Special Notice by its Managing Agents of their intention to move the following Resolution as a Special Resolution:—

"RESOLVED that Mr. S. M. Petrie, who is an Official of Gillanders Arbuthnot & Co., Ltd., the Managing Agents of the Company, be and is hereby re-elected a Director of the Company."

This Resolution is self-explanatory.

In accordance with Section 261(1) (*f*) of the Companies Act 1956 since Mr. S. M. Petrie is an Official of the Managing Agents, it will be necessary for the Shareholders to pass a Special Resolution if they decide to re-elect Mr. S. M. Petrie as a Director.

For GILLANDERS ARBUTHNOT & Co., LTD.,
P. E. G. W. PARISH,
Managing Director,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 20*th April* 1956.

THE SENDRA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECTORS held on the 26th April 1956, a Dividend of 2½ per cent. per annum was recommended to be paid for the half-year ended 31st December 1955, without any deduction for income-tax paid by the Company.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents
CHARTERED BANK BUILDINGS,
CALCUTTA.

SOORAH JUTE STEPS UP DIVIDEND

PROFITS OF SAVAMALAI LOWER

Soorah Jute Mills Co., Ltd.

THE directors of the above Company (Managing Agents: Hindusthan Investment Corporation Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts show a profit of Rs. 12,20,857 (Rs. 11,62,696), including the balance of Rs. 1,66,758 (Rs. 2,54,934) brought forward from the previous year. After providing Rs. 7,56,791 (Rs. 7,05,933) for depreciation, Rs. 1,36,000 (*nil*) for taxation for the year and transferring a sum of Rs. 45,000 (*nil*) to the investment reserve account, there remains an available balance of Rs. 2,83,156 (Rs. 3,76,758 after placing Rs. 80,000 to contingency reserve) which the directors recommend, should be dealt with in the following manner:

In paying a dividend on 10,000 cumulative preference shares at 7 per cent. per annum free of income-tax for the year Rs. 70,000 (Rs. 70,000), in paying a dividend on 1,40,000 ordinary shares at Re. 1-8 (Re. 1) per share [15 (10) per cent. per annum] free of income-tax for the year Rs. 2,10,000 (Rs. 1,40,000) and in carrying forward the balance of Rs. 3,156 (Rs. 1,66,758),

In accordance with the working time agreement of the Indian Jute Mills Association, the mills worked 351 looms—48 hours a week—out of the total complement of 401 looms, i.e., with 12½ per cent. of the looms sealed, throughout the year under review. The total number of working hours to be recovered as on 31st December 1955 under the working time agreement is 586. 2½ per cent. of the looms were allowed to be unsealed by the Indian Jute Mills Association on 9th January 1956 and another 5 per cent. were allowed to be unsealed on the 20th February 1956, and there now remains only a balance of 5 per cent. of the looms still out of commission.

A reference was made in the last report to the completion of the modernisation programme of the mill upto spinning. The full benefit of such modernisation has been felt during the year under review.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	24,00,000	Block ...	27,32,500
Debentures	8,00,000	Stock-in-trade	13,01,267
Reserves ...	11,25,000	Spare parts, etc. ...	4,02,783
Provision for taxation ...	1,64,993	Debts, deposits and advances ...	6,15,423
Liabilities ...	10,00,677	Investments	3,85,193
Profit and loss account ...	3,156	Cash ...	56,660
Rs.	54,93,826	Rs.	54,93,826

Savamalai Estates Ltd.

The directors of the above Company (Agents and Secretaries: Messrs. Peirce, Leslie & Co., Ltd., Kozhikode) submit the audited accounts of the Company for the year ended 30th November 1955.

After providing for depreciation and all charges except taxation the accounts show a profit of Rs. 1,03,366 (Rs. 1,21,637) to which is added the balance brought forward from last year of Rs. 89,904 (Rs. 1,01,620) making a total of Rs. 1,93,270 (Rs. 2,23,257). After transferring to taxation reserve Rs. 35,250 (Rs. 41,658) and to general reserve Rs. 50,000 (*nil*) there is a balance of Rs. 1,08,020 (Rs. 1,81,599).

The directors recommend payment of a dividend of 10 (25) per cent. absorbing Rs. 36,678 (Rs. 91,695) leaving a balance to be carried forward to next year of Rs. 71,342 (Rs. 89,904).

Reserves:—General—After transferring Rs. 50,000 from the profit and loss account this reserve now stands at Rs. 2,50,000 (Rs. 2,00,000). *Taxation*—In this reserve of Rs. 77,046 (Rs. 41,796) a sum of Rs. 73,070 (Rs. 38,875) has been included to cover the Madras Agricultural Income-tax liability for seasons 1953-54 and 1954-55.

Machinery—Expenditure during the year amounting to Rs. 11,927 represents cost of the new pulping machinery installed on the Estate. *Development*—The expenditure of Rs. 46,392 (Rs. 33,286) represents the amount spent on the upkeep of immature areas and cost of opening and planting the 1955 arabica new clearing of 23.30 acres.

Coffee—The crop of Cwts. 2,860-0-11 (2,203-1-12) was delivered to the Coffee Board and has been valued at Rs. 2-4 (Rs. 2-11) per point for which payment has been received. This works out at approximately Rs. 132-8 (Rs. 139-12) per cwt. for robusta and Rs. 180 (Rs. 204-4) per cwt. for arabica. The 1955-56 crop is estimated at 2,350 cwts. and the present indications are that this will be harvested.

Estate—The reports from the Company's visiting agent, Mr. G. S. Homewood, indicate that the Estate is in good order and that the new clearings are developing well.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,66,780	Block ...	6,08,242
Reserves ...	3,00,000	Stock-in-trade	90,499
Provision for taxation ...	69,385	Stores, tools, etc. ...	41,189
Liabilities ...	32,783	Advances ...	24,000
Profit and loss account ...	1,08,020	Investments	30,339
		Cash ...	82,699
Rs.	8,76,968	Rs.	8,76,968

Kanknarrah Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December 1955.

After taking credit for Rs. 2,50,000 (Rs. 75,000) being commission waived by the managing agents, the loss for the half-year, before providing for depreciation, amounted to Rs. 3,43,116 (profit of Rs. 6,49,894) from which has to be deducted the balance of profit brought forward from the previous half-year, viz., Rs. 19,297 (Rs. 68,418) leaving a net balance of loss of Rs. 3,23,820 (profit of Rs. 7,18,312). The directors have transferred from general reserve account Rs. 5,18,425 (*nil*) and provision for taxation Rs. 35,000 (*nil*) which results in a credit balance of Rs. 2,29,605 (Rs. 3,08,312 after providing Rs. 1,50,000 for depreciation and Rs. 2,60,000 for taxation). From this amount has to be deducted depreciation of Rs. 50,000 and provision for sales-tax contingencies Rs. 67,490 (*nil*) leaving an available balance of Rs. 1,12,115 (Rs. 3,08,312). The directors recommend payment of the half-year's dividend on the preference shares at Rs. 3 (Rs. 3) per share, absorbing Rs. 30,000 (Rs. 30,000) leaving a balance at credit of Rs. 82,115 (Rs. 62,312 after paying dividend on 'A' and 'B' ordinary shares at Rs. 4 per share absorbing Rs. 2,16,000) to be carried forward to the next account.

Jute stocks have been valued at average cost and stocks of sold goods at contract rates. Goods unsold on 31st December 1955 have been valued at market rates.

The difficulties referred to in the last previous report of the directors of profitably disposing of the Company's production simultaneously with the purchase of raw jute have persisted throughout the half-year. From mid-October last year until early March this year, prices of the raw material, with only minor fluctuations, have risen steadily and at no time during this period did any increase in the prices of finished goods keep pace with the rise in jute prices, thereby further increasing the difficulties of disposing of the Company's production at a profit. The steady rise in the price of raw jute had been due in some measure to the apprehension that, while supplies generally will be adequate to meet present demands, any recurrence of transport dislocation as a result of flooding during the early part of the coming season might result in there being insufficient raw material from the present crop to meet total requirements at the increased rate of production until the weight of the new crop reaches the market.

Heavy flooding in Assam and East Pakistan with consequent breaches in the Assam Link Railway, also briefly mentioned in the last report, accentuated the difficulties of maintaining jute stocks in the Mills which at one time during the half-year under review fell to dangerously low levels, preventing economical use being made of whatever raw material was left available. Further heavy flooding occurred later in Orissa and it is estimated that overall damage to this season's crop to the extent of 5 per cent. to 10 per cent. of the total outturn has occurred; it is now certain that neither in outturn nor in quality will the crop approximate to the prospects which had earlier been held out in regard to it.

An Industrial Tribunal set up by the West Bengal Government under the Industrial Disputes Act to adjudicate on matters concerning the basic wages and dearness allowance of all workmen in the Jute Textile Industry in West Bengal has issued its Award, effective from 6th November 1955 under the terms of which the emoluments of the majority of the Company's employees were increased by Rs. 3-12-9 per month. In terms of cost of production, this last increase represents an additional burden of approximately Rs. 14 per ton.

As the result of a recent judgment by the Supreme Court, it has been considered necessary to provide for Bengal Sales Tax on sales to the Department of Industries and Supplies, Government of India, during the period from 1st June 1946 to 31st March 1949 where the relative contracts have not specified that the Government of India will meet the demand for Bengal Sales Tax if this becomes leviable.

With regard to the scheme of modernisation of the Company's 'A' Mill, referred to in the last previous report, the Mill building has now been cleared of all old machinery, a considerable quantity of new machinery has already arrived at site and rapid progress is being made with its erection. Further considerable quantities of new machinery are afloat and it is confidently anticipated that shipment of all machinery under the scheme will be completed by the end of June 1956.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	64,00,000	Block ...	32,39,876
Reserves ...	7,50,486	Capital expenditure in progress	10,41,080
Provision for taxation ...	4,03,070	Stocks ...	46,33,837
Liabilities ...	40.25,382	Stores ...	15,54,096
Profit and loss account ...	82,115	Other assets	2,250
		Debts, deposits and advances ...	6,81,141
		Investments	1,71,115
		Cash ...	3,37,658
Rs.	1,16,61,053	Rs.	1,16,61,053

Kamarhatty Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Jardine Henderson Ltd., Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December 1955.

After taking credit for Rs. 3,00,000 (Rs. 75,000) being commission waived by the managing agents, the loss for the half-year, before providing for depreciation, amounted to Rs. 2,00,588 (profit of Rs. 9,70,702) from which has to be deducted the balance of profit brought forward from the previous half-year, viz., Rs. 24,686 (Rs. 32,488) leaving a net balance of loss of Rs. 1,75,902 (credit of Rs. 12,03,189). The directors have transferred from general reserve account Rs. 4,07,975 (*nil*) and provision for taxation Rs. 55,000 (*nil*) which results in a credit balance of Rs. 2,87,073 (Rs. 12,03,189) from this amount has to be deducted depreciation of Rs. 50,000 (Rs. 2,00,000) and provision for sales tax contingencies Rs. 1,02,449 (Rs. 4,05,000) leaving an available balance of Rs. 1,34,624 (Rs. 3,48,189). Out of this the directors recommend payment of the half-year's dividend on the preference shares at Rs. 3 per share without any deduction for income-tax paid by the Company, absorbing Rs. 48,000 (Rs. 48,000) leaving a balance at credit of Rs. 86,624 (Rs. 84,189 after paying dividend at Rs. 5 per ordinary and 'B' ordinary shares absorbing Rs. 2,16,000) to be carried forward to the next account.

Jute stocks have been valued at average cost and stocks of sold goods at contract rates. Goods unsold on 31st December 1955, have been valued at market rates.

With regard to the modernisation scheme for the Company's 'B' Mill, referred to in previous reports, good progress has been made with the clearance of the old machinery from the Mill buildings which will ensure there will be no delay in the erection of the new machinery as and when it arrives. No shipments have yet been made by the manufacturers, but it is confidently expected that shipment will be completed by 30th June next.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	59,20,000	Block ...	13,47,800
Debentures ...	11,84,000	Capital expenditure in progress ...	25,07,945
Reserves ...	16,68,360	Stocks ...	50,70,039
Provision for taxation ...	1,84,955	Stores ...	24,70,318
Liabilities ...	40,26,605	Debts, deposits and advances ...	11.89,163
Profit and loss account ...	86,624	Investments	1,94,383
		Cash ...	2,90,896
Rs.	1,30,70,544	Rs.	1,30,70,544

Travancore Ogale Glass Mfg. Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Ogale Brothers Private Ltd., Ogalewadi) submit the audited accounts of the Company for the year ended 31st December 1955.

The directors recommend setting off the debit balance in the profit and loss account against the general reserve of Rs 1,10,000 and the dividend equalisation reserve of Rs. 40,000. The loss for the year amounts to Rs. 24,042 (Rs. 99,505) which together the debit balance brought forward makes a total debit of Rs. 2,30,092 (Rs. 2,06,050).

The glassware sales, including sales of bottles produced on the Monish automatic bottle-making machine, were Rs. 7,69,965 (Rs. 6,01,264) a record for the factory. With no relief in direct expenses, and falling prices of finished articles, the working for the year has, however, ended in a loss.

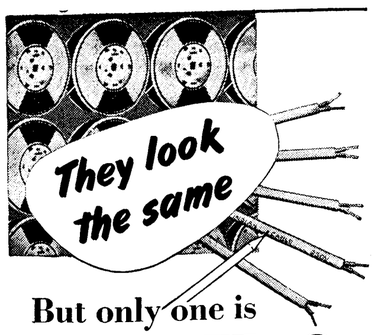
Arrangements are being made to increase current production. One of the automatic bottle-making machines has gone into regular production and the second is expected to be commissioned shortly and with the two machines going into full production, the prospects appear to be bright for the future.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,98,380	Block ...	11,14,709
Liabilities ...	4,07,012	Stock-in-trade ...	16,000
		Stock of raw materials ...	14,998
		Stores and spare parts	46,913
		Debts and advances ...	99,187
		Cash ...	33,493
		Miscellaneous expenditure and losses* ...	80,092
Rs.	14,05,392	Rs.	14,05,392

* The total loss including the previous loss of Rs. 2,06,050 brought forward, amounted to Rs. 2,30,092. Out of this Rs. 1,50,000 has been adjusted, by transferring Rs. 1,10,000 from general reserve and Rs. 40,000 from dividend equalisation reserve, leaving a debit of Rs. 80,092.

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



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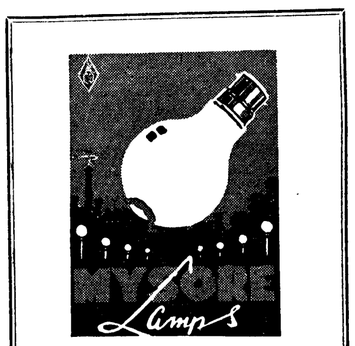

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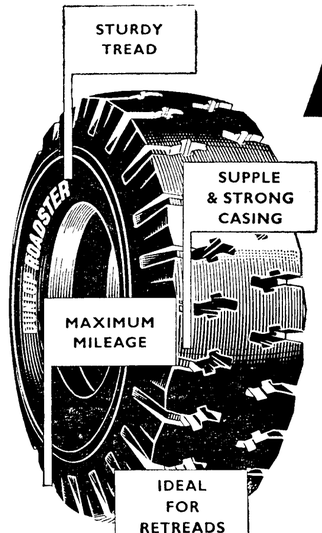

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QUESTION HOUR IN PARLIAMENT

Cement Supply Control

THE Government has now decided to take over a large measure of control over distribution, because we have to tide over a period of two years, certainly, and, perhaps even more, when stricter control over movement will have to be maintained and, perhaps, some imports will have to be made. Anyway, a decision has been made. The State Trading Organisation that we are setting up will take over control of distribution in the same way as is being done in the case of iron and steel. Imports will be canalised through this Organisation and distribution will be arranged in such a manner that it will be reasonably efficient, but, at the same time, we will have a fair amount of control over it without spending much money on it. With regard to complaints that cement is too dear, so long as I am not able to produce cement which is coterminus with the demand or in excess of the demand, I am afraid the price mechanism is one of the things by which we inhibit the demand and we are not prepared to drop it merely because of sentimental considerations.

* * * *

Assistance to Rubber Growers

No amount was paid as financial assistance to rubber growers during 1955-56.

* * * *

Printing Machinery

Two firms are at present manufacturing blatant and flat-bed machines for printing. Another firm has also been licensed under the Industries (Development and Regulation) Act, 1951, for such machines, as well as for rotary presses. In addition, the National Industrial Development Corporation has under consideration a project for the manufacture of printing machinery.

—*T. T. Krishnamachari*

Soap Production

The soap production of foreign-managed concerns during the years 1953, 1954 and 1955 was 50,561 tons, 50,381 tons and 57,810 tons, respectively. Information relating to individual units is not generally given. Production in the organised sector during the same years was 32,786 tons, 38,100 tons and 42,530 tons. The production of unorganised units in 1955 is estimated at 120,000 tons. The nature of equipment used in the soap industry is such that the term "installed capacity" has no precise connotation in relation to the industry, but, for statistical purposes, the installed capacity of the organised sector is assessed at 245,000 tons, which is the aggregate of the figures given by each unit of the capacity it possesses. The installed capacity of the organised Indian sector is estimated at 168,000 tons. The installed capacity of the unorganised Indian sector has not been estimated and so it is difficult to state the total idle capacity in the Indian sector. The installed capacity of the foreign-managed sector is estimated at 77,828 tons and the idle capacity of the foreign-managed sector is 20,018 tons.

* * * *

Prices of Sulphuric Acid

The selling price of sulphuric acid in India is about Rs. 30 per ton more than that in the U.K. The Development Council (Acids and Fertilisers) has gone into the question and recommended that, to produce sulphuric acid at economic prices, only large-sized plants should be allowed to be set up. This is kept in view when licensing new units.

—*Nityanand Kanungo*

Integration of Banks

The All-India Rural Credit Survey Committee had recommended that 10 major State-associated banks should be taken over and that the suitability for integration of smaller State-associated banks located in the areas of the former Indian States should be examined by the Reserve Bank and the Government of India. The recommendation is still under consideration and no decisions have been taken so far. There is no proposal to integrate any bank outside those referred to in the recommendation.

—*A. C. Guha*

Invisible Earnings

During 1954-55, India's net invisible earnings from transportation, including shipping, was Rs. 23.4 crores and from insurance Rs. 1.4 crores. The major countries with which India had a favourable balance of payments during the year were Argentina, Australia, Canada, Ceylon, China, Holland, Malaya, New Zealand Pakistan and the U.S.

* * * *

All-India Economic Service

The Government does not propose to form an All-India Economic Service, because the State Governments are not favourable to forming such a service.

—*B. R. Bhagat*

Coal Mining By Private Sector

Instructions were issued on 16th April 1956 to all State Governments that no prospecting licences and mining leases in respect of coal mines should be granted to private parties. The entire programme about coal mining is under way. The target has been fixed for the second Plan at 23 million tons and, of this, 15 million tons will be in the public sector and 8 million tons in the private sector. Steps are being taken to prevent expansion of coal mining in the private sector beyond the 8-million tons target, except under special circumstances. If it is absolutely necessary to let a mine be worked under the private sector, we will allow private parties to exploit it by obtaining licences under exceptional circumstances.

* * * *

Manganese Ore

The total output of manganese ore during the year 1954 was 14,13,068 tons. The production during the year 1955 is estimated at 15,20,316 tons. The figure is provisional, as final returns from all mines have not yet been received.

* * * *

Oil Survey

The report of the team of Canadian experts, who conducted an aero-magnetic survey of oil in Jaisalmar, Rajasthan, is awaited. They have completed the work in Rajasthan and will now take up the survey of the Gangetic belt in Uttar Pradesh and Bihar. The prospecting for oil in the Ganga Valley in U.P. and Bihar is on the programme of the Oil and Natural Gas Directorate in the second Five-year Plan.

* * * *

Kolar Gold Mines

The question of nationalising the Kolar gold mines is still under consideration and the proposals of the Mysore Government are awaited. The question of compensation, etc., is now under negotiation between the Company and the Government of Mysore and members should wait for some time for its outcome. The Mysore Government has an ambitious programme and, after nationalisation, it proposes to run the mines with the same workers. The gross profit from Kolar gold mines was: 1950-51 (15 months), Rs. 174.81 lakhs; 1951 (nine months), Rs. 112.93 lakhs; 1952, Rs. 99.92 lakhs and 1953, Rs. 47.11 lakhs. The Geological Survey of India has undertaken survey of a 50-square mile area containing high gold-bearing schists around the Kolar gold mines. The survey work is still in progress. The completion of field work and mapping in the area will occupy about two to three years more.

* * * *

Training in Oil Technology

It is proposed to arrange training facilities for Indian personnel in oil prospecting and technology both within the country and abroad. As regards training within the country, it is proposed to obtain the services of foreign technicians in certain aspects of oil technology for the training of Indian personnel. It has been aranged that the suppliers of oil drill, which has been purchased from Rumania, will make available the services of their technical personnel to operate the equipment and train local crew for a period of six months in the first instance. This period can be extended, if considered necessary. Similar provision is likely to be incorporated in the contract for the purchase of oil drills from the U.S.S.R. which is being negotiated. Meanwhile, training in oil well drilling has been arranged with the Assam Oil Company and the S.V.O.C. has also agreed to provide certain training facilities. Further measures for training of Indian personnel within the country by introducing courses in the Indian School of Mines—applied geology—are under consideration. Training facilities for 14 persons in the U.S.S.R. in oil well drilling, seismic prospecting and instrument technology have been asked for under the United Nations Technical Assistance Administration Programme. It is proposed to send more trainees abroad in future years.

—*K. D. Malaviya*

Acquisition of Tankers

It has been decided to acquire three tankers for operation in the coastal trade, one in the private sector and two in the public sector. The one in the private sector has already been purchased by an Indian shipping company for Rs. 86 lakhs with the assistance of a Government loan. Steps for the acquisition of the other two tankers at an estimated cost of Rs. 2 crores are being taken by the Eastern Shipping Corporation Ltd., Bombay, in consultation with oil companies.

* * * *

Indo-Soviet Shipping

No separate passenger shipping service is at present contemplated between India and the U.S.S.R.

* * * *

Road Roller Manufacture

In a few States, road construction work has been suffering to some extent due to shortage of road rollers or other equipment. The first diesel road roller manufactured in India is expected to roll off the assembly lines by July next. The Government is also considering permitting the manufacture of steam road rollers in the country.

* * * *

Purchase of Ships from Poland

No agreement has been concluded between India and Poland regarding the purchase of ships.

—*O. V. Alagesan*

Sugar Production

There has been no appreciable increase in the production capacity of the 12 existing sugar factories in the country. Though they were granted licences for expansion in 1955, none of them had been able to complete the expansion, as it took from 12 to 18 months to do so. In the same way, no new sugar factory licensed during 1955 had gone into production, as it took about two years to establish a sugar factory.

* * * *

Co-operative Training

Out of the 17 new schools opened during 1955-56 for co-operative training under the Integrated Training Programme, advanced training was imparted in 12 schools.

—*Dr. Punjabrao Deshmukh*

Colliery Disputes Award

The award of the All-India Industrial Tribunal (Colliery Disputes), Calcutta, was received by the Government on 30th April last. It can readily understand the anxiety of the parties to know the decision. Keeping this in view, the award will be examined and published. It will be enforceable within 30 days of the date of publication. The Government will not take long in examining the award. But, since it runs to 600 pages, it will take some time to be published. There is no likelihood of Government modifying the award. The Tribunal was set up in February 1955 and it incured an expenditure of Rs. 4 lakhs which is not much, considering the number of workers involved.

—*Abid Ali*

Wagons for Coal Despatch

The estimated number of wagons required for the movement of coal by the end of the second Plan period will be of the order of 6,755 per day, as against a daily average supply of 4,045 wagons during 1955. The Government is discussing with the Ministry of Railways, the ways and means to cope with the increased demand. The stocks of coal that could not be moved due to wagon shortage were 3,019,795 tons in 1952, 3,411,194 tons in 1953, 3,501,388 tons in 1954 and 3,605,870 tons in 1955.

—*Satish Chandra*

Agro-economic Research Centres

There are four agro-economic research centres functioning at present in India and are located at the Delhi School of Economics, Delhi University, Delhi; Visva Bharati University, Santiniketan, West Bengal; Gokhale Institute of Politics and Economics, Poona; and Madras University, Madras. More such centres will be set up during the second Plan. Two new agro-economic research centres are proposed to be set up in the second year of the Plan. It has not yet been decided as to where the new research centres will be located.

* * * *

Foodgrains Godowns

The Central Government owns foodgrain godowns in seven centres, with a total effective capacity of 210,000 tons. In 1955, construction of godowns with a total capacity of 40,000 tons was completed at Calcutta, while, at Cochin and Vishakapatnam, construction to the extent of 12,000 tons and 8,000 tons, respectively, was commenced and is now in progress. No godowns were purchased in 1955. For the year 1956, the Central Government has in hand a programme of construction of godowns to the tune of 1,270,000 tons covering 54 centres. Towards this programme, purchase of godowns owned by the State Governments will also be considered, if such godowns are storage-worthy and suitable from operational points of view.

—*A. P. Jain*

Notice

THE BOMBAY BURMAH TRADING CORPORATION LIMITED

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN IN COMPliance with Section 412 (2) of the Indian Companies Act, 1956, that the Company intends to apply to the Government of India, Finance Department, under Sections 269, 326 and 379 for approval of the following appointments with effect from 1st June 1956:—

(1) Appointment of a Managing Director, at a remuneration to be fixed by the Directors.

(2) Appointment of Messrs. Wallace and Company, of 9, Wallace Street, Fort, Bombay, as Secretaries and Treasurers, at a remuneration of 7½ per cent. of the net annual profits of the Company.

EXPLANATORY NOTE

The Board of Directors have secured the agreement of Messrs. Wallace & Co., subject to the approval of the Central Government, to resign from the position of Secretaries, Treasurers and Managers of the Company and to assume the position of Secretaries and Treasurers at a reduced remuneration as provided in the Companies Act, 1956. In order to secure the continued efficient management of the Company, the Board of Directors propose, in addition, to appoint a full-time or Managing Director to conduct the day-to-day affairs of the Company. A special General Meeting of the Company will be called shortly to consider and if thought fit to pass the necessary resolutions giving effect to the Board's proposals.

By Order of the Board of Directors,

J. F. PARRY,
Chairman.

BOMBAY, 30*th April* 1956.

STRINGENCY IN MONEY PERSISTS

(From Our Own Correspondent)

BOMBAY, 2*nd May*

The short-term money market has shown no sign of any relaxation in the stringency noted in previous weeks. Funds continue to be in short supply, while banks are still keen borrowers; they often have to get their requirements met by borrowing against usance bills. Interest rates remain unchanged.

Inter-bank call money found keen bidders at 3½ per cent., though one or two banks refrained from offering more than 3 per cent. House money at call continued to fetch 3½ per cent. Short-term deposits for one to six months were offered 3½ to 3¾ per cent.

For the second week in succession, notes in circulation have recorded a fall, albeit on a smaller scale, the latest week for which this trend is disclosed being that ended 27th April 1956. Following the drop of Rs. 6.32 crores in the previous week, there has been a fall of Rs. 4.64 crores in the week under review. Notes held in the Banking Department have gone up by Rs. 5.68 crores. The consequent rise of Rs. 1.04 crores in total notes issued is covered by a similar increase in rupee coin. In the Banking Department, there has been a further rise of Rs. 2.74 crores in deposits of the Central Government. Deposits of other Governments also have risen by Rs. 1.48 crores, while those of banks have declined by Rs. 2.49 crores. On the assets side of this department, balances held abroad have shrunk by Rs 8.51 crores. Loans and advances other than to Governments are up by Rs. 5.24 crores, of which advances to Scheduled banks against usance bills account for Rs. 4.69 crores.

The Scheduled banks' statement for the week ended 20th April 1956 shows a further decline of Rs. 2.25 crores in banks' demand deposits, while time deposits have gone up again by Rs. 4.17 crores. Inter-bank borrowings are lower by only Rs. 27 lakhs, while borrowings from the Reserve Bank have gone up by Rs. 1.38 crores. Borrowings from the State Bank of India have declined by Rs. 1.85 crores. A fall of Rs 4.87 crores is noted in advances, thus maintaining the downward trend for the third week in succession. Inland bills purchased and discounted, however, show a rise of Rs. 2.05 crores and foreign bills Rs. 67 lakhs. There has been a fall of only Rs. 78 lakhs in investments. Cash balances are up by Rs. 2.03 crores, while balances with other banks in current account and money at call are lower by Rs. 91 lakhs and Rs. 38 lakhs, respectively.

The Gilt-edged market continued to rule buoyant, with a modest appreciation in values ranging from one to four annas. The scarcity of stocks, enquiries from custodians of insurance companies for 4 per cent. 1967 State loans, and the stepping up of the Reserve Bank's selling rates for a few issues were the main factors which sustained the bullish trend. The Reserve Bank, it may be noted, put up its price for 2½ per cent. 1965 by an anna to Rs. 98-10, 2¾ per cent. 1976 by an anna to Rs. 82-11 and 2½ per cent. 1962 by As. 2 to Rs. 93-15.

In the market, 3 per cent. 1957 had buyers at Rs. 99-13½, while 3 per cent. 1958 was on offer at Rs. 99-11. 3 per cent. 1959-61 was in demand up to Rs. 98-2½. 3 per cent. 1963-65 put on As. 3 to Rs. 95-1 at which level it attracted sellers. 3 per cent. 1964 gathered an anna to Rs. 94-14. 3 per cent. 1966-68 rose sharply by As. 4 to Rs. 93, but there were still buyers at that level. 3 per cent. 1970-73 gained As. 3 to Rs. 89-15. 3 per cent. 1986 Conversion Loan put on As. 2 to Rs. 77-1. 3½ per cent. 1961, 1964 and 1965 each gained an anna to Rs. 99-9, Rs. 98-12 and Rs. 98-10, respectively.

Among State loans, 4 per cent. 1967 Bombay fared well with a rise of As. 4 to Rs. 100-12 and 4 per cent. 1967 Madras also gained As. 4 to Rs. 99-12. 4 per cent. 1967 U.P. rose by As. 3 to Rs. 99-11, Andhra by As. 5 to Rs. 99-5, Bihar and Mysore by anna to Rs. 99-5 and Rs. 99-6, respectively, and Hyderabad by As. 2 to Rs. 99-6.

In the foreign exchange section, the rupee displayed signs of slight weakening in terms of the U.S. dollar. Banks' selling rate for ready dollars rose from Rs. 476¾ to Rs. 477¼ per $100 and their buying rate from Rs. 472¾ to Rs. 473 per $100. This followed a similar trend shown by sterling abroad. In New York, spot sterling shaded off from $2.80.7/8—2.81 to $2.80¾—2.80⅞ and three months' forward from $2.79¼—2.79⅜ to $2.79—2.79½. Transferable sterling was, however, unchanged on balance at $2.78.9/20—2.78.11/20.

METALS REACT

(From Our Own Correspondent)

CALCUTTA, 1*st May*

A sharp reaction in prices was the feature of trading in the metal market during the week under review. This trend was in line with the advices from overseas markets. Electrolytic copper was the worst affected, and the price gave way from Rs. 270 to Rs. 260. This was rather not unexpected, because in recent weeks copper had touched very high prices. Activity was very much restricted, in view of the uncertainty caused by the declining trend. Buying support was available only to meet day-to-day requirements, and such restricted buying became a regular feature of the metal market irrespective of whether prices tend to move down or go higher. Fire-refined I.C.C. copper was quoted at Rs. 245, and the present tightness in supply was not felt in view of the restricted buying by consumers. From Rs. 70-8 electrolytic zinc lost to Rs. 69-8. Supplies were plentiful and more arrivals were reported. Stockists were alarmed at the declining trend and consumers' reluctance to buy only limited quantities. Lead, at Rs. 80-8, was lower by Rs. 3. Activity was meagre. From Rs. 509 tin lost to Rs. 508. The supply position continued to be good, and consumers were in no mood to enter into commitments.

BULLION ERRATIC

(From Our Own Correspondent)

BOMBAY, 2*nd May*

An irregular trend in prices of both silver and gold characterised the trading in the bullion market during the week under review. After an initial setback on heavy unloading influenced by reports of some fresh business having taken place in Tibetan silver coins to the tune of about 200 bars, the market staged a recovery on brisk buying by bulls and bear covering induced by rumours that further licences for import of Tibetan coins would not be given. Sentiment was also buoyed up by encouraging demand for silver and gold in the ready section. Consequently, there was a sizable appreciation in values of both the metals.

The higher levels, however, attracted heavy profit-taking yesterday. The reactionary trend was also assisted by reports that the Board of the Bullion Association, at its meeting today, was likely to decide on commencing immediately business in the next two settlements simultaneously, with a view to avoiding a bull squeeze in the current settlement. Up to the time of writing, the decision of the Board over the question was not available. Towards the close of business today, there was again a mild recovery.

Forward silver (26th May settlement) receded early in the week from Rs. 181-11 to Rs. 180, but, in the subsequent recovery, came up to Rs. 183-3 yesterday. After a reaction to Rs. 181-11 today, the white metal gathered some strength and closed at Rs. 182-8.

Ready silver (.996 mint) rallied from Rs. 181-12 to Rs. 184 before dipping today to Rs. 182-5. The closing was, however, better at Rs. 183-2. It will be noted that the premium of ready over forward which was As. 4 early in the week, widened to As. 12 yesterday, reflecting the encouraging statistical position. Today, however, the premium narrowed down a little to As. 10.

The floating stocks of silver are placed at 900 bars. The daily average offtake was 30 bars.

Gold for forward delivery (25th May settlement) moved down from Rs. 106-1 to Rs. 105-2 early in the week, in sympathy with silver, but gained strength to touch Rs. 106-2 yesterday. After reacting again to Rs. 104-15 today, the market closed at Rs. 105-4.

Ready gold came up to Rs. 106-15, after receding to Rs. 105-11 (as against the previous week's closing of Rs. 106-11), but finished today at Rs. 106-1. The floating stocks of gold are reported to be 30,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was better at 4,000 tolas on an average.

In London, both silver and gold were marked up during the week. Spot silver rose from 78¾d. to 78¾d. and forward from 78¾d. to 78¾d. Gold advanced from 249s. ¼d. to 249s. 4¾d. before closing at 249s. 3d. In New York, silver was unchanged at 90¾c.

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

	2-5-56	Highest	Lowest	25-4-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	106 1	106 15	105 11	106 11
Forward*	105 4	106 2	105 2	106 1
Sovereign	66 8	66 8	66 4	66 6
SILVER				
Ready (.996 fine Mint) ..	183 2	183 15	180 4	181 12
Forward†	182 8	183 3	180 0	181 11
London Silver Ready ..	78¾d.	78¾d.	78¾d.	78¾d.
London Forward ..	78¾d.	78¾d.	78¾d.	78¾d.
London Gold	249s. 3d.	249s. 4¾d.	249s. ¼d.	249s. ¼d.
New York Ready	90¾c.	—	..	91¼c.

* 25th May. settlement.
† 26th May, settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

KIPS STEADY

(From Our Own Correspondent)

MADRAS, 30*th April*

Arrivals of kips into the market were on a moderate scale. Shippers were active buyers at unchanged prices. U.K. buying was limited, due to lower prices offered, which sellers could not follow, as prices in the local market ruled one anna above U.K. Stocks in the bazaar were small. There were more enquiries for top marks 4-4½ lbs. and 8-8½ lbs. cow hides, and light and heavy inferior fifths. Demand for F.A.Q. cow calf, buff calf and buff hides was poor.

The tanned skins section was unchanged and there was good clearance of market quality lining sheep for shipment to the Continent and Japan. Prices were a shade easier than last week.

HIDES CHEERFUL

(From Our Own Correspondent)

KANPUR, 29*th April*

During the week under review, the conditions of the hides and skins market were quite cheerful. Demand balanced the supply. The country tanners were keen buyers of the lighter varieties of cow. The Madras dealers were lukewarm. For the main categories of cow and buff, the local tanners were the main purchasers. Supplies from the local butcheries were ample.

The latest available quotations are: Wet salted cow 1st grade Rs. 275 and 2nd grade Rs. 225 per score; wet salted buff 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 275 to Rs. 300 and 2nd grade Rs. 250 per 100 pieces; sheep Rs. 250 per 100 pieces.

SPOT COTTON BUOYANT

(From Our Own Correspondent)

BOMBAY, 2*nd May*

The fears of some cotton traders that the spot market might remain practically closed pending the return of normalcy in the E.I.C.A. ranks, to which a reference was made in this report last week, have not proved correct. In fact, the spot cotton market has been exhibiting buoyant conditions. Evidently, the traders are inclined to believe that the deadlock in the cotton futures market would not persist for long. This belief is based on reports that the Board of the E.I.C.A. is making earnest efforts to bring about a settlement with regard to the resumption of futures trading in cotton. The Board has set up a ten-man committee to examine the eleven letters addressed by the Forward Markets Commission (F.M.C.) and to ascertain the views of the members on these letters. The Board has also requested the Chairman and the Vice-Chairman to reconsider their decision to resign from the Board.

It is difficult to say now how far and to what extent the Board of the E.I.C.A. would succeed in its efforts. Considering the sharp divergence of opinion in cotton circles over the proposals made by the F.M.C., the chances of success are not not very bright, at any rate in the near future. While a section of traders seems to be reconciled to the view that the F.M.C's. proposals are necessary for curbing speculative activity in cotton trade, another section is severely critical of them. The implementation of these proposals would, it is feared, prove detrimental to the cotton trade. To quote one report: "There can be no safety for the trading public, if contracts can be cut off at any price, at any time, and at the whims and fancies of Government nominees on plausible pretexts, as was done in December last." The report goes even to the extent of saying that, if the cotton traders value sanctity of contracts and their own safety in trading, they must give a definite mandate to their elected representatives of the E.I.C.A. Board "to ensure against any encroachments or undue interference in future by Government nominees."

The spot cotton market, as already stated, rules distinctly strong. The mills are purchasing fairly large quantities of Indian cotton, the prices of which are remaining fully firm. Attention is focussed particularly on Vijay, Jarillas, Surti, Jayadhar and Laxmi. Morvi, 320F and Wagad are also eliciting support. Among exportable styles, Zodia, Berar *Deshi*, Wagad, Yellow Pickins and Morvi are meeting with enlarged enquiries by shippers. In the foreign section, mill interest is concentrated on American cotton. Some deals are reported in Californian Acala 1.5/32" G.M. at Rs. 1,405 per bale. Africans are also said to be sought after, although the business actually passing is not much. B.P. 52, Busoga and Bukhedi are currently being quoted at Rs. 1,650, Rs. 1,550 and Rs. 1,525, respectively. Sudans and Egyptians appear to be somewhat quiet.

The following table gives the latest available quotations from the Sewri market, as compared with those a week and a fortnight before:

(In rupees per candy of 784 lbs.)

	2-5-56	25-4-56	18-4-56
Bengal *Deshi*	660	685	705
Berar Jarillas	795	790	780
Khandesh	800	790	785
Vijay	960	955	950
Oomra *Deshi*	700	690	700
Moglai	700	690	685

India, it is reported, has received an authorisation from the International Co-operation Administration to purchase $2 million worth of U.S. cotton. The quantity involved is estimated at 15,000 bales, the delivery of which is to be by 31st October next.

There was a boom in cotton prices at Karachi during the week under review. The chief bullish factor responsible for it was sustained demand from local mills and overseas purchasers, in the wake of depleting cotton stocks. The speculative interests were busy cornering supplies, with a view to selling them at higher prices at a later date. Consequently, cotton values forged ahead. The rise was very much more marked in the spot section than in the forward section. The latest available quotations —in rupees per 82 lbs.—for cotton futures and for a few popular varieties of Pakistan cotton, as compared with those a week before, are given below:

	1-5-1956	24-4-1956
Forward Contract (N.T.R.G.):		
May	82.11/16	81½
July	79.7/8	78½
Spot Cotton:		
Sind *Deshi*	100	88½
Punjab *Deshi*	94½	84½
4F Roller	81½	79
S.G.	86	84
Punjab Roller	87	84.5/16
S.G.	92	90½
289F N.T. Roller ...	88	86½
S.G.	94½	93

The firmness of the Alexandria cotton futures market continued unabated. Thanks to the prevailing high spot premiums for all tenderable grades—these are said to be the highest for the season— forward contracts touched new seasonal highs. Demand from East European countries and from the U.S. was sustained, particularly for Karnak. The remaining Karnak stocks are principally of the higher grades, most of which are in Government hands. Early reports regarding new crop are not encouraging and "there is every likelihood of a late maturing crop and a consequent dearth of supplies for September and early October shipment." All these reports induced a further wave of buying orders which lifted the prices of cotton to new heights. The prices of cotton prevailing at Alexan-

dria yesterday, as compared with those a week and a fortnight before, are given below:

(In tallaris per lb.)

	1-5-56	24-4-56	17-4-56
Karnak:			
May	105.25	97.40	95.50
July	105.50	95.25	92.10
November	99.05	88.90	87.15
Ashmouni:			
April	—	78.65	75.40
June	89.75	78.73	73.85
October	79.40	70.22	68.10

The Liverpool cotton futures market depicted a firm trend during the week under review, in contrast with the quiet undertone prevailing in the previous week. The firmness was aided principally by highly encouraging advices from Alexandria and Khartoum where cotton prices registered an impressive rally. Broader enquiry for spot and shipment cotton also influenced the sentiment of operators favourably. Buying support ensued as a result and cotton prices moved up.

A new style contract for American type cotton is to be introduced by the Liverpool Cotton Association on 16th July. The new contract, it is said, will provide opportunities for spinners and other users to widen the scope of their existing participation in the market, as equivalent types of cotton to the purely American staple will be tenderable against the contract. Trading will start for October-December 1956 delivery onwards. The growths tenderable against the new contract include U.S. cotton, Mexican, Nigerian, Syrian and East African. There will be five double-month delivery periods constantly on the quotation board. The future of the current American contract will be decided by members of the Association in the light of their experience in operations in the new contract. Over a period of not less than three months after mid-July, no further delivery periods will be added to the present American futures contract. An extraordinary meeting of the Association is being held today to consider the proposals drawn up by the Directors.

The latest available quotations—in pence per lb. —from the Liverpool cotton futures market are: *Old contract*: May-June 25.45 and July-August 24.95 *New contract*: May-June 30.15, July-August 27.25, October-November 25.70, December-January 25.40, and March-April 25.00. *Egyptian Karnak cotton*: May-June 56.50, July-August 56.30 and November-December 56.30. *Sudan cotton contract*: July-August 51.65, September-October 51.00 and November-December 51.00.

Irregular conditions were in evidence in the New York cotton market during the week under review. Thus while the spot section ruled easy, the futures section presented a fully steady tone on unfavourable weather reports. The Secretary of Agriculture has announced the minimum support prices for cotton at 82½ per cent. of parity. Based on the March parity figure, the minimum loan for the next season for upland cotton basis Middling ⅞" at a point of average location has been set at 28.85 cents. per lb. This is the minimum which cannot be reduced, but can be raised proportionately, if the parity price on 1st August 1956 is higher.

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

(In cents per lb.)

	1-5-56	24-4-56	17-4-56
Spot	36.65	36.70	36.85
May	35.95	35.80	35.75
July	33.89	33.96	35.48
October	32.28	32.29	32.56
December	32.38	32.42	32.61

RAYON YARNS RECEDE

(From Our Own Correspondent)

BOMBAY, 2nd *May*

What was considered inevitable last week happened in the rayon yarn market this week. No sooner were the short-covering operations indulged in by some traders, with a view to squeezing those who had made blank sales, completed than the prices of rayon yarn commenced their downward march. There was, besides, the slackness in demand, thanks to large arrivals of yarn imported by silk mills, handloom weavers, doublers and others who had received liberal direct import licences. Some of these interests were actually selling a part of the imports not immediately required. But buyers were hesitant to make large purchases in expectation of a further fall in prices. Consequently, rayon yarn values gave way. Staple fibre yarns lacked support, due to limited demand, and prices tended to look down. Cotton yarns, however, generally continued to rule strong on firm advices from the cotton market, although buying enquiries were not so pronounced as those witnessed in the preceding week.

In the forward rayon yarn section, Snia 120 dull cones for June delivery dropped Rs. 8 to Rs. 806. August contract was quoted today at Rs. 802, as against Rs. 805 at which business in this contract commenced yesterday. At one time, the contract had gone up to Rs. 814. In the spot section, National Rayons 150 Bl. cones 1st grade lost three pies to Rs. 3-8-6. 120 Bl. cones 1st grade eased by a like amount to Rs. 3-11-3. Among foreign yarns, 120 Japan declined by an anna to Rs. 3-13-6. 150 Japan, however, met with special buying support and rose by As. 2 to Rs. 4-3. 120 Italy and 150 Italy were also favoured both by half an anna higher at Rs. 3-13-6.

Foreign staple fibre yarns (80×2) were subjected to continued selling pressure and staged a retreat. Paramounts dropped As. 4 to Rs. 6-14. S'Sellos fell by a like amount to Rs. 6-15. Fujts, K'Suns and H'Races decreased by As. 2 each to Rs. 7, Rs. 7-4 and Rs. 6-14, respectively. Transactions put through in indigenous yarns (40×2) were greatly restricted, with values moving narrowly. Citys and Centurys both eased by three pies to Rs. 3-5-9. New Greats were quiet at Rs. 3-5-6, as also Kohinoors at Rs. 3-6-9.

Cotton yarns, as already stated, were strong. Sixty counts elicited particular attention of operators and recorded a handsome improvement in prices. Citys rallied Rs. 2 to Rs. 55. Moderns and Kamlas advanced by a rupee each to Rs. 62-12 and Rs. 61, respectively. Finlays hardened by As. 12 to Rs. 63-4. Eighty counts Moderns and G'Mores were favoured both a rupee higher, the former at Rs. 68 and the latter at Rs. 75. Among 10s, Gokaks increased by As. 4 to Rs. 14. Elphinstones gathered As. 2 to Rs. 13-6. Moderns were fully maintained at Rs. 14 and Podars at Rs. 13-8. Among 20s, Moderns, Indus and Gokaks put on As. 4 each to Rs. 18-4, Rs. 17-10 and 18, respectively. Edwards improved by As. 3 to Rs. 17. Dawns were better by As. 2 at Rs. 17-6. Cotton yarns of 30 and 40 counts, however, came in for selling, induced by reports that, as export business was slack, several mills had not been able to utilise their export quotas fully. Among 30s, Kotharis declined by As. 6 to Rs. 23-10 and Kanpurs by As. 4 to Rs. 21-12. Among 40s, Minaxis dropped Re. 1-1 to Rs. 28-6. Yasantas climbed down by As. 14 to Rs. 28. S'Rajas shed As. 10 to Rs. 31-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	2-5-1956	25-4-1956	18-4-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)—			
120 Dull Cone Snia April ..	—	840 0	831 0
June ..	806 0	814 0	807 0
August ..	802 0	—	—
120 Japan (per lb.)	3 13½	3 14½*	4 2½
150 Japan (per lb.)	4 3	4 1*	4 6
120 Italy (per lb.)	3 13½	3 13	3 12½
150 Italy (per lb.)	3 13½	3 13	3 12½
Staple fibre yarn (per lb.)			
40×2 New Great	3 5½	3 5½	3 7
40×2 Century	3 5½	3 6	3 7½
40×2 City	3 5½	3 6	3 7½
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	13 8	13 8	13 4
20s Modern	18 4	18 0	18 0
30s Kothari	23 10	24 0	24 0
40s Minaxi	28 6	29 7	28 6
60s Modern	62 12	61 12	61 8
80s Modern	68 0	67 0	67 0

* Rate to general qualities.

CASTORSEED BETTER AT CLOSE

(From Our Own Correspondent)

BOMBAY, 2nd *May*

Except for some improvement in price in the groundnut and castorseed sections towards the close of the week under review, the oil and oilseeds market witnessed rather dull conditions; in fact, the linseed section ruled somewhat easy. This was chiefly due to lack of export enquiries for vegetable oils. It was reported that the price of linseed oil in the U.K. had fallen from £149 to £150 a week ago to £145 at present. Export trade in kardi seed and *niger* seed oils, it is stated, has become extremely difficult in view of the recent export levy. The upward trend at the close of the week in the castorseed section was due to some business in castor oil with the U.K. and the possibility of revival of demand on a large scale from the U.S. A similar trend in the groundnut section in the last two sessions of the week was due to some demand for oil from *vanaspati* interests and crushers.

A feature of the week is the amendment of the memorandum and articles of association of the Bombay Oilseeds Exchange Ltd. designed to broaden the objectives of the Exchange so as to include oils and oilcakes and articles manufactured out of oilseeds, oils and oilcakes in addition to oilseeds. The immediate objective of these changes is to facilitate the amalgamation of the Oil Merchants' Chamber Ltd. with the Exchange. The resolutions adopted provide for the change of the name of the Exchange into Bombay Oilseeds and Oils Exchange Ltd. A meeting of the general body of the Exchange will be held on 24th May to approve the amalgamation of the Chamber with the Exchange.

The Government of Saurashtra is not in favour of opening forward trading in groundnut kernels and groundnut oil immediately. In a communication to the Saurashtra Oil and Oilseeds Association, the Government has suggested that the opening of the forward trading might be postponed, preferably till the onset of the monsoon. Such postponement, according to the Government, is essential in view of the prevailing high prices for groundnut kernels and oils. The Board of the Association, however, is reported to have decided to wait in deputation on the Chairman of the Forward Markets Commission to appraise him of the need to open forward trading in the said commodities immediately.

In the groundnut section, gold F.A.Q., which opened the week at Rs. 34-6 as against Rs. 34-8, disclosed minor fluctuations during the greater part of the week. Towards the close of the week, however, it spurted, on covering by shorts, to Rs. 35. After ruling dull at about Rs. 34-13 in the first four sessions of the week, June-July delivery moved up to close at Rs. 35-8. Coromandals ready too was quiet at Rs. 35-7 in most of the sessions of the week. But as the week drew to its close, it advanced to Rs. 35-12. Groundnut oil ready was dull at Rs. 18-6 in the first four sessions of the week. Subsequently, it improved to close at Rs. 18-10.

Linseed Bold ready declined from Rs. 33 to Rs. 32-10 and June-July delivery from Rs. 32-2 to Rs. 31-14. Sutnas were lower by Re. 1 at Rs. 30-10 and Indores by As. 4 at Rs. 32-12. Linseed oil eased from Rs. 20-14 to Rs. 19-8.

In the castorseed section, May delivery opened the week at Rs. 137-4, as against Rs. 138-10 last week. After fluctuating between Rs. 142 and Rs. 135-12, it closed at Rs. 141-2. September delivery changed hands at Rs. 148-4 as against Rs. 146-8, the highest and the lowest touched during the week being Rs. 149 and Rs. 143-10, respectively. Madras quality gathered As. 2 to Rs. 28-2 and Kanpur As. 14 to Rs. 26-12. Castor oil, Commercial quality, was done better at Rs. 15-12 and B.S.S. at Rs. 16-12.

The following table shows the prices of oilseeds and oils yesterday, as compared with those at the end of the previous two weeks.

	2-5-1956	24-4-1956	18-4-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	35 0	35 4	35 12
June-July	35 8	34 12	35 4
Linseed—			
Bold Ready (per cwt.) ..	32 10	33 0	33 4
June-July	31 14	32 2	32 8
Castorseeds—			
May	141 2	138 10	141 14
September	148 4	146 8	149 0
Madras (per cwt.)	28 2	28 0	28 12
Groundnut oil—			
Ex-mill. Ready (per quarter) ..	18 10	18 6	18 14
Castor Oil—			
Commercial (per quarter) ..	15 12	15 1	16 4
Linseed Oil—			
Ready	19 8	20 14	20 10

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 2nd *May*

The sugar market ruled easy during the week under review. The chief factor which adversely affected the sentiment of operators was the pressure of heavy arrivals of indigenous sugar, such being 19,500 bags, as against 3,600 in the previous week. Advices from Kanpur and Bombay-Deccan areas were also bearish. Rumours of an early monthly release of sugar for sale in the free market, too, acted as a damper. All these factors induced selling, but prices did not suffer any sharp fall. For a large part of the sugar offered for sale was absorbed by buying orders, thanks to a very substantial demand from Malabar Coast. During the week, a mixed parcel of indigenous and imported sugar amounting to about 13,000 bags was transacted for shipment by the 15th inst.

In the spot section, large grain indigenous sugar lost a rupee to Rs. 92-Rs. 97. Small and medium grains were unchanged at Rs. 88 and Rs. 89-Rs. 91, respectively. Similarly, British refined sugar was unaltered at Rs. 84 per 2 cwts.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER FIRM

(Messrs. Parekh & Co.)

BOMBAY, 2nd *May*

Despite restricted turnover, prices for Malabar black pepper, during the week, were pushed up, following manipulations by interested bulls. But, the dealers in New York refused to follow as they were in a position to buy more advantageously from Singapore and elsewhere. For some years, following the World War II, when India had a monopoly for the supply of pepper to world markets, such manipulations were successful because New York dealers were forced to pay higher prices through India's stiff attitude. Things, however, have now changed. There are other suppliers in Sarawak, Singapore and Indonesia. As a result, New York dealers can afford to neglect India. If New York grinders once take a liking to Sarawak, it is feared India may lose its pepper export trade to the U.S. Russian buying is State-managed and hence volatile; it should not be taken as a permanent feature. If India persists in keeping its price out of world parity, it is possible that Russia, if at all it wants to buy further, will look to other sources of supply.

It is reported that, with effect from the 1st May, the Conference Line has raised the rate of freight from India to the U.S.A., when on the other hand, freight from Singapore to New York is reduced by U.S. $9.50 by the Straits-New York Conference Line. Many traders feel that the rise in freight rate is a fit case for protest by the Government and the commercial bodies.

Following are the lowest and the highest rates for pepper in the principal markets:—

Market	*Lowest*	*Highest*
Alleppey	Rs. 700	Rs. 775
Cochin (garbled)	Rs. 120	Rs. 132½
New York	$0.27	$0.30
Singapore (Sarawak) ...	Str. $76	Str. $77

May shipment was done from $0.28 to $0.29½, while June changed hands from $0.28 to $0.30 and July-August-September from $0.28 to $0.30½. Alleppey is quoting Rs. 750 and Cochin Rs. 127½ for garbled.

Today's nominal quotations with previous week's quotations in brackets are: Ready Rs. 105 (Rs. 102) per Bengal maund; May Rs. 737½-42½ (Rs. 720-30) and June Rs. 750-55 (Rs. 727½-32½) per candy of 5¼ cwts.

TEA DEARER

(Messrs. Forbes, Ewart & Figgis [Private] Ltd.)

COCHIN, 26th *April*

The export auction held in Cochin on Tuesday, 24th April, contained approximately 1,250,000 lbs. Quality again showed a slight seasonal decline, but there were some useful colours medium teas on offer and some attractive high-grown invoices. There was a strong general demand and prices for all types were fully firm. Buyers showed particular interest in fannings grades and these types sold well. Best liquoring teas were a little irregular and buyers followed quality closely. High-grown leaf teas were often dearer, but other whole leaf grades were barely steady. The following are the quotations:—

	1956 Rs. a. p.
Plain B.P.	1 11 0
Low medium B.O.P.	1 15 6
Medium B.O.P.	2 2 0
Good B.O.P.	2 14 0
	to 3 0 0
Well-made black leaf O.P. ...	2 8 0

London Market:—*Sale of 23rd April 1956*:—Best strong to dearer. Good mediums firm. Others 1d. easier.

Sale of 24th April 1956:—Prices generally dearer. Best strongest.

Colombo Market:—*Sale of 23rd April 1956*:—Dusts declined 10 to 20 cents. Others good demand. Broken mixeds inclined lower on quality. Useful liquoring fannings dearer.

Sale of 24th April 1956:—Good demand. Dimbula Dickoya types generally lower, following quality. Uvas frequently dearer. Medium and bright liquoring low-grown brokens firm to dearer. Tea for price dearer. Persian Gulf types lower.

Calcutta Market:—*Export*:—Fair general demand with prices generally irregularly half anna to As. 1½ easier. Fannings very strong. Whole leaf teas unwanted. Withdrawals fairly heavy, particularly whole leaf grades.

Internal:—20,800 dusts. Quite good general demand. Best C.T.C. and black exportable firm to dearer. Remainder one anna to As. 2 easier. 6,200 internal leaf. Fair demand irregular rates.

Export Quota:—The market for 1956-57 export quota has been rather easier and there are now sellers at 33 pies. Business is still being done in special licence at 5 pies.

Forthcoming Auctions:—Sale No. 10 will be held on Tuesday, 1st May. Thereafter, export auctions will be held weekly.

As we go to press, Messrs. Forbes, Ewart & Figgis (Private) Ltd. wire:

"*Sale* 10.—650,000 lbs. Strong general demand. Market irregularly dearer for everything, particularly fannings."

DEMAND FOR TEA STRONG

(From Our Own Correspondent)

CALCUTTA, 1st *May*

There was strong general demand during the export auctions held yesterday and prices realised were higher. However, towards the close of the auctions some weakness was in evidence. Offerings amounted to 32,500 chests. C.T.C. teas realised higher prices with the better among these lots receiving the keen attention of buyers. Prices of clean common teas with black leaf advanced by As. 2 to As. 3, but stalky teas were quiet and often easier. A firm tendency was in evidence in the very poorest teas. There was good support for stylish whole leaf grades prices of which improved by an anna. Orange fannings and clean black B.O.Ps were also strong features, and prices improved by As. 2 to As. 4. Even a higher rise was recorded in some lots possessing more liquor. The quotations were: C.T.C. Assam B.P. not quotable; medium Assam B.P. Re. 1-10; clean black pekoe not quotable; and plain B.P. Re. 1-8.

Mixed conditions were in evidence during last week's sale for domestic consumption. Offerings of dusts aggregated 20,800 packages, which met with moderate demand. Prices for black leaf teas suitable for Middle East consumption were held at firm levels. Grainy teas lost about ½ to 1 anna and the better varieties 1 to 1½ annas. On the other hand, the best teas among autumnal C.T.Cs gained by As. 2 to As. 4. Most other teas lost As. 2. The rates were: best Assam C.T.C. Rs. 2-10 to Rs. 2-12, medium Assam grainy dust Re. 1-9 to Re. 1-9-6, and medium dust Re. 1-8.

Leaf grades offered amounted to 5,700 packages. Demand was good, and C.T.C. teas rose by 1 to 1½ annas. Other teas were easy.

JUTE GOODS GIVE WAY

(From Our Own Correspondent)

CALCUTTA, 1st *May*

Prices of jute goods gave way further during the week under review and, even at lower levels, business passing with overseas buyers was insignificant. This was so because the continuation of the decline was considered likely by buyers. For during the week under review, raw jute prices were in tune with the downward trend in jute goods. Even then, raw jute receded by As. 8 only for all constructions. The reserve of raw jute stockists was broken by their realisation that the mills possessed raw jute sufficient to see them through up to July, by which time the new crop would start coming to the market. Mills would no doubt require to purchase particular varieties, but stockists had good reason to believe that, if they did not induce the mills to buy now by lowering prices, there would be a glut in the beginning of the season and rates would fall.

Arrivals of jute from Pakistani and Indian districts have been remarkably higher than last year. The impression is, therefore, gained that, in spite of crop restriction in East Bengal, Indian mills can get as much jute as they require from Pakistan. Any fear that there would be a shortage in raw jute supplies can no longer serve as gunpowder for those interested in pushing up prices. There is a clear sign that there would be an adjustment in raw jute prices, a need that has been keenly felt by the mills for some time, in view of the lower levels which jute goods have touched.

Notwithstanding this week's decline in prices, business in raw jute was little. For the mills desired that, before they could extend support, prices should fall further. Sellers were after business, as they wanted to lessen their stocks before prices gave way further. Upper Assam bottoms at Rs. 27 were lower by As. 8.

Business put through with exporters in jute goods was, as stated earlier, poor, and prices were pushed back. Heavy goods were affected more noticeably than hessian. By Wednesday, ready B. twills had declined from Rs. 108-4 to Rs. 106-12. May and June goods also receded, but, at the lower levels of Rs. 106-14, were As. 2 higher than ready goods. This difference was, however, gradually wiped out and, by the week-end, the rates were lower than those for ready goods. Some covering demand was in evidence, and, on Thursday, ready B. twills recovered to Rs. 107, but genuine buyers were offering lower prices. By the week-end, ready B. twills eased to Rs. 106-8, May goods to Rs. 105-10, June to Rs. 105-8 and July-September to Rs. 105. Yesterday, the lower trend continued, with ready B. twills marked further lower at Rs. 106. During the week as a whole, ready 40" 10 oz. hessian fell from Rs. 39-1 to Rs. 38-4. After weeks of expectations and rumours, Russia surprised the market by placing an order for 2,700 tons of hessian, but, as the quantity was too small, a recovery in prices was difficult. It is, however, expected that Russia will place further orders.

LINSEED FEATURELESS

(Messrs. A. Bradley & Co.)

CALCUTTA, 30th *April*

The linseed market was dull and featureless, during the week under review, with a slightly easier tendency suggested by keener sellers for ready linseed oil. Arrivals had fallen short of the normal expected at this season, as a result of a firming up at certain centres where stocks were being withheld. This was followed by a rise in the local price of seeds, while the price of oil registered a small decline, owing to poor buying support. Export trading was virtually at a standstill, with overseas buyers still anxious over the fulfilment of earlier purchases which are now subject to the new export duty. There is no parity existing between local prices and the value of £142 10s. now prevailing in the U.K. markets.

The latest available quotations are: Ready and May-June both Rs. 22 per maund.

FOODGRAINS BETTER

(From Our Own Correspondent)

HAPUR, 30th *April*

Barring gram which ruled quiet, other grains recorded fractional gains during the week. Wheat *dara* was quoted at Rs. 13 and farm quality at Rs. 14-10, as against Rs. 12-12 and Rs. 14-4 respectively, last week-end. Outside buying enquiry during the week was fairly good from Bihar and Bombay sides and daily arrivals were at an average of 1,500 to 2,000 maunds. Stock was put at 3 *khaties* of old quality. Wheat appreciably declined in Punjab, while it was quiet in Madhya Pradesh. In Madras, wheat eased by As. 8 per bag. The Government of India has expedited imports and 500,000 tons of wheat are due to reach India within the next few months. Rice continued to be steady at almost unchanged price levels, although the final estimate of rice for 1955-56 shows an increase of 4 per cent. in area and 3.8 per cent. in production over last year at 76,233,000 acres and 25,474,000 tons, respectively.

Gram ruled quiet at Rs. 10 per maund for local quality and at Rs. 10-6 for punjab quality. Arrivals were at an average of 150 maunds daily. Gram was quoted at Rs. 8-8 per maund in some of the markets. Barley and *bejhar* recorded a small improvement in prices to be quoted at Rs. 8-12 and Rs. 8-10 per maund, respectively, due to good seasonal demand and small arrivals of new crop. *Jowar*, however, continued to rule steady at Rs. 12-14 per maund, on good demand for seed purposes.

Peas was very much in request from O.T.R. stations of east U.P. and Bihar, as also from Madras side in the form of pulses. But increased daily arrivals—at 2,000 maunds—accounted for a small fall in prices to Rs. 8-12 for *dara* green and to Rs. 10-12 for white quality. Stock was put at 8 *khaties*. *Arhar* was quoted slightly lower at Rs. 10-2-6, on account of heavy arrivals—at 800 maunds daily—and stock position increased to 10 *khaties*. *Masoor* improved to Rs. 12 per maund due to poor arrivals.

SUGAR DECLINES FURTHER

(From Our Own Correspondent)

HAPUR, 30th *April*

Thanks to comfortable supply position, following the overall increased production of indigenous sugar in the country which is expected to aggregate 1.7 million tons, sugar prices continue to rule dull and depressed. The production in the country in the current season upto 15th April amounted to 1,539,000 tons, as against the corresponding figure of 1,404,000 tons last year. Most of the mills in U.P. are still getting sufficient cane and the total production in this State alone is expected to touch a million tons. Mill delivery prices have eased fractionally, as outside buying enquiry is slack.

The latest available mill delivery prices (per maund) are: Jaswant Rs. 28-4, Simbhauli Rs. 28-4, Mowana Rs. 28-8, Daurala Rs. 28-14, Amroha Rs. 27-8, Bijnore Rs. 27-8, Mansoorpur Rs. 27-12, Rampur Rs. 30, retail Rs. 30-2, *khandsari* Rs. 23 to Rs. 26-4.

Ready *gur* prices eased towards the week-end for want of outside support and in line with an appreciable fall in the futures section. The crushing season has come almost to a close, although cane is still standing with the cultivator due to hot season. Arrivals of stocks, mostly detained by producers, is reaching the market at an average of 400 maunds daily and local stock is put at 110,000 maunds. Prices vary between Rs. 10 and Rs. 10-8 per maund, according to quality.

SURVEY

(*Concluded from page* 851)

ceding financial year. It will be limited to 80 per cent. of the estimated cost of construction, excluding the price of land, subject to a maximum of Rs. 2,000 per house in North India and Rs. 1,600 in South India. The maximum amount of loan is based on the recommendation of the Industrial Committee on Plantations that the two-room housing standards of the Indian Tea Association both for plain and hill gardens be adopted throughout North India and the single-room housing plan of the United Planters' Association for South India.

The State Governments are expected to prescribe detailed standards of accommodation and and specifications, on the recommendations of tripartite boards to be constituted by them under the Plantation Labour Act. The boards will consist of representatives of the State Governments, employers and labour. The specifications must ensure that the houses will last for at least a period of 30 years. The houses are to be constructed by the employers, who will also be responsible for their maintenance. Retarding colonies, the State Governments will prescribe the standards for roads, pathways, drainage and street lighting. The State Governments will name the authority responsible for enforcing the observance of the standards and specifications. They will frame detailed rules for the administration of the scheme in their jurisdiction and for the allotment of houses. The houses will be allotted to workers on a rent-free basis. The State Governments will be entitled to ask for adequate security from planters for the repayment of loans. Government-owned plantations are not entitled to assistance under the scheme.

The question of providing houses for plantation workers has, as is well known, engaged the attention of the authorities for several years now. It will be recalled that, in 1950, the third session of the Industrial Committee on Plantations recommended that employers should construct houses according to approved standards. The employers' associations were asked to implement the Committee's recommendations, but it was observed that, while satisfactory progress was made by big planters, small planters were not able to undertake their housing programmes because of inadequate financial resources. It is in order to enable the small-scale planters to meet the statutory obligation of providing houses to workers that the present scheme has been evolved.

It is true that the provision of houses, along with other amenities, to workers on plantation estates might ultimately result in an increase in prices of India's plantation products, which are among the chief foreign exchange earners for the country. But this, perhaps, cannot be avoided entirely. And the national income of the Western countries, which are the chief importers, is not only higher than in India but has improved a great deal in recent years, so that they should not grudge paying a higher price for their imports from this country.

There is, however, the danger that the provision of better amenities to workers in India when similar amenities are absent in other plantation countries, such as Ceylon and Indonesia, may reduce India's competitive capacity in these products. In order to avoid this handicap, the Government of India should move international bodies to see that the other countries also provide similar amenities. In fact, it must help formulate international labour welfare standards and also try to ensure that they are enforced at an early date.

COMMERCE AND INDUSTRY

(*Concluded from page* 877)

should not exceed in gross weight 1 kilogram and should consist of not more than one document, and if it so consists should not include more than one copy of any one document. The document should clearly indicate the name of the foreign concern producing, selling or renting goods, or offering the transport or commercial insurance services.

The Contracting Parties shall not apply import prohibitions or restrictions, whether through quotas, import licences or other measures, on the importation from the territory of another Contracting Party of goods which qualify for exemption from import duties under the articles of agreement. They can, however, impose restrictions in order to protect public morals, human or plant life, to secure compliance with laws or regulation relating to customs enforcement, and to prevent deceptive practices.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	8
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1950	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	23rd May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	3½	3½
Pakistan	1st July, 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	28th June, 1955	3	4½
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A. ‡	13th Apr., 1956	3½	3
West Germany	7th Mar., 1956	3½	4½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 27th April, 1956		Week ended 20th April, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,92,327	64,28,36,871	2,60,028	59,42,39,000
Calcutta	1,59,604	58,67,39,422	1,62,439	57,46,86,461
Madras	80,934	9,09,93,975	1,00,076	11,22,02,133
All Centres— 1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Jan., 1956	..	..	3,210,000	6,07,68,00,000
Feb., ,,	..	..	3,302,000	7,51,85,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 13th April, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		10,00,00,000
National Agricultural Credit (Stabilisation) Fund		....
Deposits :—		
(a) Government—		
(1) Central Government		55,85,94,000
(2) Other Governments		25,53,20,000
(b) Banks		53,33,04,000
(c) Others		17,03,33,000
Bills Payable		6,11,21,000
Other Liabilities		33,18,02,000
	Rupees	211,04,74,000

ASSETS	Rs.	Rs.
Notes		16,66,77,000
Rupee Coin		6,76,000
Subsidiary Coin		8,54,000
Bills Purchased and Discounted—		
(a) Internal		36,50,000
(b) External		....
(c) Government Treasury Bills		12,87,46,000
Balances held abroad*		52,71,34,000
Loans and Advances to Governments		1,00,00,000
Other Loans and Advances		64,47,28,000
Investments		44,64,27,000
Other Assets		18,15,92,000
	Rupees	211,04,74,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 32,82,48,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 65,19,86,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	16,66,77,000	
Notes in circulation	1509,65,25,000	
Total Notes issued		1526,32,02,000
Total Liabilities		1526,32,02,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	681,44,72,000	
Total of A		721,46,43,000
B. Rupee Coin		106,16,42,000
Government of India Rupee Securities		698,69,17,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets		1526,32,02,000

Ratio of Total of A to Liabilities : 47.268 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 20th April, 1956

	Rs.
1. Demand Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	7,00,52,000
(ii) Other demand liabilities	641,30,26,000
2. Time Liabilities in India :	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,96,80,000
(ii) Other time liabilities	424,80,31,000
3. Borrowings in India from the State Bank and/or a notified bank :	
(i) Demand liabilities	8,81,02,000
(ii) Time liabilities	....
4. Cash in India	37,88,84,000
5. Balances with the Reserve Bank in India	90,87,44,000
6. Balances with other banks in current account in India	10,41,96,000
7. Money at call and short notice in India	8,20,60,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	355,58,45,000
9. Advances in India	601,23,75,000
10. Inland Bills purchased and discounted in India	103,76,02,000
11. Foreign Bills purchased and discounted in India	47,64,85,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	24th April, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot s.	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months s.	1-5 11/16	1-5 11/16
Buyers T.T. spot to nine months s.	1-6 1/16	1-6 1/16
Buyers T.T. 10 to 12 months s.	1-6 3/16	1-6 3/16
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	476‡	476‡
Buyers T.T. .. Rs.	475	475
London on New York .. $	2.80¼-2.81	2.80¼-2.80‡
London on Paris .. Fcs.	984‡	984‡
London on Berne .. Sw. Fcs.	12.27¼-12.27‡	12.25‡-12.26
New York on London .. $	2.80‡-2.81	2.80‡-2.80‡

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'53-'54	373.37	..	10,600	284
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	890	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£ (N.Z.) 802	1,070	5,119
Australia	1954	8.99	£ (A) 8,957	4,220	4,694
U.K.	1954	50.78	£ 16,718	20,950	4,100
U.S.A.	1954	162.41	$ 800,000	144,423	9,016
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1953	42.86	F.Fr. 10,470,000	14,420	3,364
W. Germany	1953	48.99	Dm. 103,000	11,705	2,389
Italy	1953	48.07	Lr. 8,967,000	6,332	1,421
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1953	7.17	Kr. 36,957	3,422	4,772
Netherlands	1953	10.49	Grs. 19,360	2,451	2,336
Denmark	1953	4.37	Kr. 22,915	1,580	3,616
Switzerland	1953	4.88	Sw.Fr. 20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production or goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, Dec., 1955.

† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 20th April, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits :—	
(a) Central Government	12,07,18,000
(b) Provincial Governments	7,04,96,000
(c) Banks	16,67,53,000
(d) Others	20,28,53,000
Bills Payable	7,88,000
Other Liabilities	6,26,46,000
Rupees	68,42,67,000

ASSETS	Rs.
Notes	10,07,40,000
Rupee Coin	8,000
Subsidiary Coin	17,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	1,21,000
(c) Government Treasury Bills	....
Loans and Advances to Governments	5,71,55,000
Provincial Governments' Debtor Balances	39,30,53,000
Other Loans and Advances	13,31,73,000
Investments	....
Other Assets	....
Rupees	68,42,67,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,07,40,000	
Notes in circulation	290,56,00,000	
Total Notes issued	....	300,63,49,000
Total Liabilities	....	300,63,49,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion	....	
Sterling Securities	36,98,38,000	
Government of India Securities	26,53,38,000	
India Notes representing assets receivable from the Reserve Bank of India	48,05,28,000	167,77,02,000
B. Rupee Coin	6,51,41,000	
Government of Pakistan Securities	120,45,00,000	
Internal bills of exchange and other commercial paper	....	126,96,41,000
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	300,63,49,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.67 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	20th April, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1509.65	1,515.98	1,453.78	1,316.14
Notes held in Banking Department	35.05	16.67	19.05	9.84	25.45
Foreign Securities	59.50	681.45	681.45	676.29	661.98
Rupee Securities	37.39	698.69	698.69	644.04	533.75
Banking Department					
Deposits of :					
Government of India	14.89	55.86	53.28	52.69	53.11
Other Governments	..	25.53	32.36	48.52	30.42
Balances held abroad	10.08	52.71	58.73	71.54	58.23
SCHEDULED BANKS					
Demand Liabilities	184.86	648.31	650.87	625.20	591.06
		(7.01)†	(7.31)†	(3.80)†	(9.13)†
Time Liabilities	102.24	427.77	423.56	412.92	382.14
Borrowings from Reserve Bank	..	(2.96)‡	(2.03)†	(2.87)†	(2.17)†
		50.80	49.42	66.93	26.49
Borrowings from State Bank	..	(32.82)‡	(28.95)‡	(32.40)‡	(24.70)‡
Cash in India	6.70	8.81	10.66	19.66	4.48
Balances with Reserve Bank	..	37.89	37.20	34.63	34.86
Excess over statutory limits	25.17	50.87	49.53	46.42	46.13
Balances with other banks in current accounts in India	15.52	9.90	8.52	6.90	8.94
Money at call and short notice in India	..	10.42	11.33	10.20	10.54
Investments (at book value)	..	8.21	8.59	4.28	15.66
Advances and bills	105.09	355.58	356.37	362.13	342.69
STATE BANK		752.05	754.80	749.73	623.54
Deposits	87.76	234.69	236.03	237.50	213.96
Investments	51.99	105.34	105.32	107.33	103.85
Advances	30.35	135.67	135.50	141.15	125.05
Cash	14.69	18.72	16.89	17.00	18.01

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January,		Ten months, April to Jan.,	
	1955	1956	1954-55	1955-56
Import Duties I	22.08	10.51	112.14	95.96
Revenue	0.60	0.84	6.31	8.44
Protective	..	..	0.13	0.08
Countervailing duty	22.68	11.35	118.58	104.48
Total Import duties	4.66	2.63	32.45	30.03
Export Duties	0.14	0.20	1.57	1.15
Land Customs	0.09	0.05	0.99	0.59
Miscellaneous	27.57	14.23	153.50	137.15
Gross total customs	0.16	0.21	1.27	2.12
Refunds and drawbacks	27.41	14.02	152.22	135.03
Net Customs	9.41	13.51	85.18	123.06
Gross excise	0.07	01.3	1.49	3.60
Refunds	9.34	13.38	83.69	119.46
Net Excise	36.75	27.40	235.92	254.49
Net total of customs and excise†				

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 13th April, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves	.. ..	5,62,50,000 / 6,35,00,000
Deposits and Other Accounts	.. ..	234,68,88,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	4,09,00,000
Bills Payable	.. ..	8,11,61,000
Bills for Collection being Bills Receivable as per contra	.. ..	62,62,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	22,35,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	4,22,80,000
Total .. Rs.		263,94,76,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	15,87,38,000
Balances with other Banks	..	2,85,00,000
Money at Call and Short Notice	..	26,67,000
INVESTMENTS :		
Government and other Trustee Securities	94,89,16,000	
Other Authorised Investments	10,44,86,000	105,34,02,000
ADVANCES :		
Loans Cash Credits, Overdrafts, etc.	100,28,15,000	
Bills Discounted and Purchased	34,23,43,000	134,51,58,000
Bills Receivable being Bills for Collection as per contra	.. ..	62,62,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	.. ..	22,35,000
Premises less Depreciation	.. ..	1,15,99,000
Furniture and Fixtures less Depreciation	.. ..	49,36,000
Other Assets (including Inter-Office Adjustments)	.. ..	2,54,73,000
Total .. Rs.		263,94,76,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖											
	National Savings Certificates						Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53 ..	6.83	65	3.26	23.66	84.17	1,13.35	92.03	— 31.07	7.55	25.54					
1954-55 ..	4.70	1.62	4.99	27.27	1,24.54	1,34.94	1,30.88	— 36.25	5.57	37.15					
1955-56 ..	..	..	..	..	..	..	..	..	4.79	41.25	..	7.40E	7.88	55‡‡	54
February 1955 ..	4.81	12	4.79	2.27	1,21.88	11.13	1,32.28	— 36.18	40	36.74	48	6.81	5	5	50
March ,, ..	4.70	26	4.99	5.41	1,24.54	18.51	1,30.88	— 36.25	47	37.15	58	7.88	5	4	54
April ,, ..	4.60	11	5.00	2.35	1,26.46	12.41	1,33.22	— 36.50	45	37.55	48	7.86	4	4	58
May ,, ..	4.52	36	5.24	2.01	1,27.94	11.32	1,34.34	— 36.64	41	37.89	46	6.51	4	4	61
June ,, ..	4.44	18	5.12	2.09	1,29.49	12.36	1,35.26	— 36.76	37	38.22	84	9.32	5	5	65
July ,, ..	4.36	12	5.15	2.27	1,31.28	12.80	1,40.58	— 36.85	41	38.54	91	10.19	4	4	69
August ,, ..	4.29	12	5.17	2.09	1,32.93	12.25	1,43.80	— 36.96	39	38.87	88	11.00	3	3	72
September ,, ..	4.21	13	5.20	2.54	1,34.88	12.40	1,46.91	— 37.11	44	39.28	94	11.80	4	4	75
October ,, ..	4.14	10	5.21	2.11	1,36.38	11.26	1,48.90	— 38.23	46	39.68	80	12.49	5	5	80
November ,, ..	4.07	10	5.21	1.98	1,37.88	11.25	1,50.40	— 38.34	43	40.05	82	13.20	5	5	85
December ,, ..	4.00	18	5.26	2.58	1,39.48	12.94	1,52.44	— 38.44	36	40.34	88	13.98	4	4	88
January 1956 ..	3.91	14	5.24	2.03	1,40.78	12.16	1,54.14	— 38.55	32	40.61	84	14.78	3	3	91
February ,, ..	3.83	18	5.29	2.33	1,42.37	12.87	1,56.19	— 38.66	39	40.95	93	15.87	2	2	93
March ,, ..	..	..	..	..	..	..	..	..	36	41.25	..	..	..	..	..

* At the end of period.

‡Issued from 10th May, 1954.

§ Outstandings do not include Indian Union's share of the pre-partition holdings of Indian investors.

‖ Relating to nine months from July, 1954.

‡‡ Relating to three months from 15th August 1947.

E-Relating to eleven months from May, 1954.

@Progressive net repayments at the end of period from 15th August 1947.

§ From July, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 16-4-'56	17-3-'56	7-4-'56	14-4-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.5	90.9	90.9	90.9
1. Government of India	90.3	90.7	90.7	90.7
2. Indian States	90.1	90.7	90.7	90.7
3. Municipal, Port Trust, etc.	89.3	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.6	101.1	100.9	100.9
1. Electricity	102.0	102.3	102.4	102.2
2. Jute	98.8	97.6	97.6	97.6
3. Plantations	99.7	99.1	99.1	99.1
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	100.0	99.6	99.6	99.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.3
8. Others	100.6	101.1	101.1	101.1
PREFERENCE SHARES	87.3	85.9	85.7	85.6
1. Electricity	97.7	93.8	93.9	93.9
2. Cotton	78.5	79.3	81.6	81.4
3. Jute	86.1	83.3	83.1	83.5
4. Coal	91.7	90.4	89.9	89.9
5. Iron and Steel	90.2	87.8	88.8	88.4
6. Sugar	84.2	85.7	85.7	85.1
7. Paper	88.2	86.1	83.5	82.6
8. Plantations	97.5	101.5	101.4	101.2
9. Miscellaneous	84.8	83.3	80.8	80.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	115.7	122.4	124.4	123.0
(a) Financial	87.9	89.5	88.6	88.1
1. Banks	84.7	89.3	88.8	88.3
2. Insurance	106.5	88.8	85.2	84.8
3. Investment Trust	94.4	94.5	93.9	93.8
(b) Public Utilities	114.3	113.8	113.8	113.0
1. Electricity	124.1	117.9	117.1	116.7
2. Shipping and other Transport	98.5	111.2	113.0	111.3
3. Railways	89.1	88.8	88.8	88.5
(c) Manufacturing Industries.	119.0	131.6	133.6	131.8
1. Cotton, Woollen and Silk	108.6	129.5	131.8	131.1
2. Jute	99.5	82.8	78.7	77.2
3. Iron and Steel	146.3	143.8	152.2	148.6
4. Paper	225.3	288.5	293.8	291.4
5. Cement	148.3	174.2	177.6	174.9
6. General Engineering	159.9	191.9	197.7	193.8
7. Sugar and Breweries	99.0	107.7	106.0	104.7
8. Chemicals	135.4	150.4	150.5	146.2
(d) Non-Manufacturing industries	163.5	161.0	169.7	167.3
1. Coal	77.5	82.2	82.3	81.6
2. Mining and Oil	136.7	258.4	284.2	256.6
3. Plantations	204.8	168.2	183.1	181.9
(e) Miscellaneous	95.9	101.1	102.0	101.5
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90.0	90.3	90.3	90.4
2. Calcutta	90.4	90.9	90.8	90.8
3. Madras	90.8	91.1	91.2	91.2
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay	99.1	100.0	100.0	100.0
2. Calcutta	101.8	102.1	101.7	101.6
3. Madras	100.4	100.1	100.1	100.1
PREFERENCE SHARES :				
1. Bombay	91.9	89.3	90.2	89.9
2. Calcutta	82.9	81.3	80.4	80.4
3. Madras	94.8	96.9	97.0	97.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :				
1. Bombay	116.7	128.5	131.0	128.9
2. Calcutta	110.5	111.9	112.7	111.6
3. Madras	110.2	125.1	126.5	126.1
4. Delhi	118.6	127.8	132.4	130.6

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	968	809,242	3,386,961
1953	772	466,507	3,382,808
1954	840	477,138	3,372,630
1955	1,033	723,032	5,384,676
January 1954 ..	84	51,973	325,514
February ,, ..	85	41,351	344,295
March ,, ..	91	34,202	331,419
April ,, ..	101	34,963	207,247
May ,, ..	80	40,073	216,062
June ,, ..	83	21,589	305,078
July ,, ..	122	50,189	277,492
August ,, ..	79	51,090	322,887
September ,, ..	97	50,414	363,878
October ,, ..	88	41,724	276,294
November ,, ..	92	25,115	239,701
December ,, ..	101	54,455	262,783
January 1955† ..	95	49,038	322,807
February ,, ..	91	38,370	144,302
March ,, ..	112	70,042	334,696
April* ,, ..	99	29,815	303,658
May ,, ..	119	66,064	324,415
June ,, ..	154	85,172	1,035,704
July* ,, ..	109	57,889	682,773
August* ,, ..	235	90,565	533,871
September* ,, ..	252	94,523	581,589
October* ,, ..	131	47,042	203,544
November* ,, ..	106	49,483	178,129
December* ,, ..	130	45,929	239,187
January 1956† ..	105	57,538 (a)	347,351 (b)

† Figures for 1955 are provisional. * Revised.

(a) Not known in 4 cases. (b) Not known in 5 cases.

§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‖	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.8
1953-54	643	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
December 1954 ..	679	683.5	558.0
January 1955 ..	684	668.5	545.2
February ,, ..	685	693.7	521.8
March ,, ..	686	698.7	568.3
April ,, ..	690	691.1	583.9
May ,, ..	691	706.5	569.3
June ,, ..	696	716.2	576.1
July ,, ..	700	724.8	593.3
August ,, ..	705	708.9	574.4
September ,, ..	707	719.3	587.1
October ,, ..	716	720.7	591.9
November ,, ..	721	725.5	597.0
December ,, ..	724	785.7	648.0
January 1956 ..	731	757.2	621.8

*Excluding railway, military and factory power stations, Ohoia Power Station, being interconnected with the Tata Power System, has been included. ‡ Including purchases from non-electric utilities.

‖ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939=100)

Particulars	Weight	14th April, 1956	7th April, 1956	16th April, 1955	March, 1956	March, 1955	Percentage of increase (+) or decrease (—) in Mar., 1956 as compared with Mar., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	360.9	364.9 R	282.4	351.6	297.0	+18.4	313.2	339.8
Cereals	59	459	457 R	325	439	339	+29.5	372	381
Pulses	8	351	387*	216	373	229	+62.8	289	280
Others	33	236*	240*	235	233	249	— 6.4	235	291
Industrial Raw Materials	(18)	471.0	472.9	398.9	475.6	412.7	+15.2	419.7	436.2
Fibres	53	459	466	436	471	452	+ 4.2	423	447
Oil seeds	30	524	524	317	511	388	+31.7	394	424
Minerals	10	444	451	421	453	417	+ 8.6	427	422
Others	7	395*	402*	467	406	480	—15.4	431	427
Semi-Manufactures	(17)	375.0	373.8	327.7	369.3	333.5	+10.7	338.2	350.3
Leather	8	419	419	393	408	390	+ 4.6	378	376
Mineral oils	14	208	208	221	208	221	— 5.9	207	221
Vegetable oils	16	510	510	329	483	354	+36.4	388	439
Cotton yarn	35	455	452	433	452	440	+ 2.7	422	454
Metals	18	282	282	245	282	242	+16.5	264	240
Oil cakes	6	418	411	282	370	284	+30.5	338	381
Others	5	362	363	328	364	333	+ 9.3	336	312
Manufactured Articles	(30)	375.9	375.8	377.0	374.8 R	377.8	— 0.8	372.9	377.4 R
Textiles	64	409	409	420	408	422	— 3.3	408	421
Jute	11	397	396	456	410	468	—12.4	418	448
Cotton	45	408*	408*	411*	403*	411*	— 1.9	403*	415*
Rayon and Silk	6	502*	502*	484*	502*	468*	+ 7.3	485*	469*
Woollen	2	274	274	310	274	310	—11.6	284	311
Metal products	17	371	371	340	371	340	+ 9.1	358	340
Others	19	286	286	287	286	287	— 0.7	285	286
Miscellaneous	(4)	498.0	495.5	539.8	508.1	553.3	— 8.2	546.4	612.4
All Commodities	(100)	390.6	392.0 R	344.5	387.3	354.2	+ 9.3	360.3	377.5 R

R=Revised. * Estimated.

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

INDEX NUMBERS OF WHOLESAL

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

'000's omitted

Crop	Forecast	Unit	Acreage 1954–55	Acreage 1953–54	Outturn 1954–55	Outturn 1953–54
Rice	final	tons	76,253†	75,919*	25,474†	24,531*
Wheat	final	,,	26,842	26,310	8,539	7,873
Jowar	final	,,	43,456	43,857	9,092	7,913
Bajra	final	,,	27,025†	27,958*	3,404†	3,421*
Barley	final	,,	7,999	8,721	2,786	2,904
Maize	final	,,	5,809†	6,231*	2,540†	2,624*
Ragi	final	,,	5,627†	5,711*	1,844†	1,845*
Small millets	2nd	,,	11,445†	12,215*	1,933†	2,002*
Total cereals	final	tons	208,923	214,367	55,827	57,926
Kharif	final	,,	173,082	179,836	44,002	47,143
Rabi	final	,,	34,841	35,031	11,325	10,777
Kharif pulses‡	final	tons	14,935	15,192	1,407	1,543
Rabi pulses‡	final	,,	10,498	11,214	1,977	2,089
Total pulses	final	,,	54,004	53,715	10,474	10,458
Tur	2nd	,,	5,755†	5,648*	1,769†	1,799*
Gram	final	,,	20,991	19,764	5,125	4,775
Jute	final	bales	1,581†	1,243*	4,187†	2,928*
Cotton	4th	,,	19,525†	17,506*	3,705†	4,072*
Sugarcane	2nd	tons	3,930†	3,718§	5,975†	4,854§
Groundnut	final	tons	12,585†	13,548*	3,804†	4,128*
Linseed	final	,,	3,290	3,360	388	374
Castorseed	final	,,	1,462†	1,394*	126†	124*
Rape and Mustard seed	final	,,	5,665	5,534	962	855
Sesamum	3rd	,,	5,587†	6,123*	461†	584*
Total Oilseeds	final	,,	29,335	27,482	5,877	5,462
Tobacco	final	tons	860	912	248	268
Black pepper	final	,,	214†	208*	27†	26*
Ginger	final	,,	44	45	13	14
Dry chillies	final	,,	1,472	1,326	356	297
Potato	final	,,	665	635	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane cutturn are in terms of raw sugar (*gur*).
@ Excludes Tur. ‡ *Excludes* Gram and Tur.
† Relates to 1955-56. * Relates to 1954-55.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During March, 1956	99.3
	Corresponding month, 1955	98.9
	Nine months ended Mar., 1956	800.4
	Corresponding period, 1955	750.1
Stocks	At the end of March, 1956	94.6
	Corresponding month, 1955	94.6
		(In 000 bales)
Exports (Jute Bags)	Week ended 10th Mar., 1956	14,855
	Corresponding week, 1955	8,677
	From 1st Jan., to 10th Mar., 1956	75,700
	Corresponding period, 1955	84,432
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 10th Mar., 1956	49,599
	Corresponding week, 1955	9,829
	From 1st Jan., to 10th Mar., 1956	253,068
	Corresponding period, 1955	220,550
	RAW JUTE	(In lakhbales)
Consumption by Mills†	March, 1956 (in lakh bales)	5.76
	Corresponding month, 1955	5.16
	Nine months ended Mar., 1956	46.43
	Corresponding period, 1955	43.51

* From Calcutta † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,84,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
October 1954	96,500	89,200	68,500
November ,,	98,800	90,500	68,000
December ,,	1,05,600	95,000	73,800
January 1955	1,02,500	95,800	72,200
February ,,	93,500	84,500	63,900
March ,,	95,000	89,300	66,100
October ,,	91,700	83,800	64,900
November ,,	91,900	86,200	63,400
December ,,	1,05,900	97,500	72,300
January 1956	1,03,900	96,800	71,600
February ,,	97,500	89,500	67,700
March ,,	1,03,300	96,200	69,900
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,81,460	3,12,040
Do. 31st March, 1954	5,80,020	3,49,330	2,32,440
Do. 31st March, 1955	7,15,949	5,38,240	4,59,023
Do. 31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,88,058	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,85,108	1,48,828	1,16,136
,, ,, June, 1955	1,85,605	1,84,333	1,16,281
,, ,, Sept., 1955	1,76,181	1,80,630	1,08,714
,, ,, Dec., 1955	1,60,750	1,24,696	1,05,758
,, ,, Mar., 1956	1,84,450	1,41,846	1,19,880

FOREIGN TRADE OF INDIA

Particulars	January, 1955	January, 1956	Ten months, April to Jan., 1954–55	Ten months, April to Jan., 1955–56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	14,03	4,50	108,89	43,78
Raw materials	12,81	10,97	157,98	126,09
Manufactures	26,04	39,77	262,86	340,38
Other items	6	80	2,37	2,62
Total*	52,74	55,54	522,22	512,82
By land	2,17	3,26	18,18	23,12
Total Imports	54,91	58,80	540,40	535,94
Exports :				
By sea and air—				
Foodstuffs	20,75	16,89	170,77	133,81
Raw materials	12,69	11,22	91,77	133,14
Manufactures	19,94	17,01	210,04	206,04
Other items	39	42	4,10	3,57
Total	53,77	45,54	476,68	479,56
By land	36	58	4,69	5,41
Total Exports	54,13	46,12	481,37	484,97
Total Re-exports	45	34	4,29	4,27
Balance of trade in merchandise	35	−12,82	−55,01	−46,66
Balance of transactions in private treasure	—	1	2	6
Total visible balance of trade	35	−12,33	−55,03	−46,72
Imports : ‡				
Total C'wealth countries	20,62	24,76	232,01	226,96
Total Foreign countries	32,22	30,78	300,21	285,86
Exports : ‡				
Total C'wealth countries	30,78	25,29	268,63	243,11
Total Foreign countries	23,99	20,25	208,05	238,45

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oilseeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952–53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953–54	11,582	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954–55	11,768	2,711	885	183	98	62	154	13	158	397	25	281	47	128
January 1955	9,660	2,275	747	125	74	51	126	11	269	332	20	233	43	110
February ,,	10,680	2,484	807	163	85	56	140	12	264	365	23	256	45	117
March ,,	11,768	2,711	885	183	98	62	154	13	158	397	25	281	47	128
April ,,	1,03	225	77	21	12	5	9	2	12	33	3	24	2	10
May ,,	2,027	415	157	40	23	12	15	4	25	66	7	48	4	23
June ,,	2,975	662	257	55	33	17	19	6	27	98	11	73	7	34
July ,,	2,979	896	324	73	41	22	23	8	52	130	14	100	12	48
August ,,	4,082	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,081	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,042	1,660	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	114	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	200	304	30	238	38	117
January 1956	10,106	2,310	806	170	86	56	114	24	302	339	34	268	42	129
February ,,	11,248	2,541	893	190	97	62	132	27	395	374	38	298	45	146

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G. =2 M.G.) and incorporate revisions in respect of earlier months.

Source :—Ministry of Railways.

* Including sugarcane from November, 1955.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 26th April., 1956	41,476
	Corresponding week, 1955	64,576
	1st Sept. to 26th April., 1955-56	1,340,770*
	Corresponding period, 1954-55	1,251,385*
Cotton Exports	Week ended 26th April., 1956	5,843
	Corresponding week, 1955	8,470
	1st Sept. to 26th April., 1955-56	564,612‡
	Corresponding period, 1954-55	238,113
Mill Consumption (Estimated)	1st Sept. to 26th April., 1955-56	816,438
	Corresponding period, 1954-55	840,493
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 26th April., 1956	639,100
	Corresponding date, 1955	632,224
Cotton Exports from Bombay (by sea)	During January, 1956	35,978§
	1st Sept., '55 to 31st Jan., 1956	362,052
	1st Sept. '54 to 31st Jan., 1955	128,685
Karachi (Pakistan)—		
Receipts	1st Sept. to 19th April, 1955-56	1,239,170
	Corresponding period, 1954-55	1,138,235
Exports	1st Sept. to 19th April, 1955-56	650,280
	Corresponding period, 1954-55	490,736

Particulars	From 1st Sept. 1955 to 30th April, 1956 Bales	From 1st Sept. 1954 to 30th April, 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom	64,437	21,493
Continent	94,066	36,343
Hongkong	40,469	
China	57,525	2,778
Japan	290,615	68,972
U.S.A.	4,152	15,778
Other Countries	4,145	1,360
Total to all foreign countries	555,409	146,724
Coastal Ports	92,276	94,670
Total	647,685§	241,394

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian	January, 1956	353,259
Foreign		49,606
Indian	Five months ended Jan., '56	1,872,954
Foreign		68,972
Indian	Same Period 1955	1,700,352
Foreign		204,740
Stocks (Mills and Elsewhere)—		
Indian	As on 31st Jan., 1956	1,137,011
Foreign		156,440
Indian	As on 31st Jan., 1955	1,043,859
Foreign		135,098
Cotton Pressed in India† (In running bales)	Week ended 20th April, 1956	149,148
	1st Sept. to 20th April, 1955-56	2,355,402
	Corresponding period, 1954-55	3,234,371

† Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926–33	63,30,26,000	1960–70	101 ⅛
3 % Loan	1938–39	1,16,17,46,000	1963–65	95 ⅜
2½ % Loan	1950	30,33,10,000	1964	94 ⅛
2½ % Fg. Loan	1943	1,10,11,75,000	1966–68	93
2½ % V. Loan	1944	1,14,06,89,000	1967	99 ⅜
3 % Loan	1945	1,15,05,83,000	1970–75	89½
2½ % Nd V. Loan	1945	1,18,55,64,000	1959–61	98½
3 % Loan	1951	50,35,63,000	1958	96 ⅛
2½ % Loan	1946	45,63,07,000	1960	93
2½ % Loan	1946	67,00,49,000	1961	93 ⅛
2½ % Loan	1946	14,77,48,000	1976	82 ⅛
2½ % Loan	1947	75,86,72,000	1962	93 ⅛
3½ % Loan (N.P. Bonds)	1953	75,23,00,000	1961	99 ⅛
3½ % N.P. Loan	1954	167,35,41,000	1964	98½
3½ % N.P. Bonds (2nd Series)	1955	100,00,00,000	1965	98½
NON-TERMINABLE LOANS				
3 % Loan	1896–97	8,93,36,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	80
3 % Loan	1946	£45,91,66,000		77 ⅛
REPATRIATE STERLING LOANS				
4½% Loan	1923	5,85,20,000	1958–65***	103½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99 ⅛
3 % Bombay	1943	2,99,35,000	16th Sept. 1956	99½
3 % Bombay	1944	3,06,55,000	15th Aug. 1958	98
3 % Bombay	1949	5,63,12,000	1st Aug. 1963	98
3 % Bombay	1950	2,92,30,000	31st July 1960	98½
2½ % Bombay	1951	2,97,56,000	17th Sept. 1963	101½
4 % Bombay	1952	5,50,35,000	15th July 1963	101½
4 % Bombay	1953	9,61,31,700	1st Aug. 1964	100 ⅜
4 % Bombay	1954	10,00,00,000	1st Sept. 1967	99 ⅛
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99 ⅛
3 % Coochin	1948	1,00,00,000	16th Dec. 1955–58	99½
2½ % Coochin	1938	70,09,000	1st June 1956–61	98½
3½ % Howrah Bridge (New)	1936–37	1,06,06,700	1956–66	99½
4 % Hyderabad	1955	5,00,00,000	1st Sept. 1967	99½
3 % Madras	1939	1,23,95,500	21st June 1959	96½
3 % Madras	1943	1,26,10,000	14th Sept. 1956	98 ⅛
3 % Madras	1944	1,07,86,000	15th Aug. 1958	96 ⅛
3 % Madras	1945	2,78,44,000	14th Sept. 1960	92½
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	92 ⅛
3 % Madras	1950	4,26,26,400	31st July 1960	98½
3½ % Madras	1951	5,01,49,800	17th Sept. 1963	98½
4 % Madras	1953	10,33,48,000	15th July 1963	100½
4 % Madras	1953	2,24,51,200	1st Aug. 1964	100½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99½
4 % Mysore(J)	1933	1,95,55,200	1st Dec. 1955–63	101½
4 % Mysore(J)	1936	6,99,72,900	30th April 1956–61	99½
3 % Mysore	1947	5,08,05,700	25th July 1958	99½
3 % Mysore	1948	3,33,47,000	15th July 1963	100½
4 % Mysore	1955	3,23,00,000	1st Sept. 1967	99 ⅛
3 % M.P.	1943	50,54,200	14th Sept. 1956	98½
3 % M.P.	1944	59,04,800	15th Aug. 1958	98½
3 % M.P.	1948	3,08,28,800	15th Sept. 1964	98
3 % M.P.	1950	1,01,44,700	31st July 1960	98
3½ % M.P.	1951	1,02,18,100	17th Sept. 1963	99 ⅛
3½ % M.P.	1953	1,08,18,100	15th July 1963	99 ⅛
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99 ⅛
3 % Punjab**	1938–44	2,49,87,300	15th Aug. 1958	98½
3 % Punjab**	1945	2,46,75,800	14th Sept. 1956	99½
3 % Punjab**	1948	2,98,81,600	14th Sept. 1960	97 ⅛
4 % Saurashtra	1955	2,25,00,000	1st Sept. 1967	99 ⅛
3½% Travancore-Cochin	1953	50,00,000	16th Aug. 1956	99½
2 % U.P.	1938	2,25,60,000	18th July 1963	100 ⅛
3 % U.P.	1944	1,57,42,600	15th Sept. 1961–66	90½
3 % U.P.	1945	3,08,24,500	15th Aug. 1958	98½
3 % U.P.	1945	2,17,89,700	14th Sept. 1960	98½
2½ % U.P.	1946	2,50,88,500	1st Sept. 1961	92 ⅛
3 % U.P.	1948	4,14,11,700	17th Sept. 1963	98½
4 % U.P.	1953	8,11,45,300	1st Aug. 1964	100 ⅛
4 % U.P.	1953	6,65,16,500	16th July 1963	100 ⅛
4 % U.P.	1955	6,50,00,000	1st Sept. 1967	99 ⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				
24,50,000	4	1904	1964	
55,00,000	4	1905	1965	
15,00,000	4	1906	1967	
45,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½
40,00,000	4	1909	1970	
55,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,35,376	4	1913*	1974	D
80,00,000	4	1913	1974	100½
88,25,000	4	1914	1974	100N
10,00,000	4	1914*	1950	
55,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1923*	1960	
10,25,000	5½	1926*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
15,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1935*	1976	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
80,24,800	4	1914	1974	99
75,90,100	4	1915	1975	99
1,50,00,000C	3½†	1921	1981	83
68,02,100C	6½	1921	1981	144N
99,31,500	5½	1926	1956–86	100
99,84,500B	5	1926	1956–86	100½
1,49,48,500B	5	1927	1957–87	103
1,49,30,000	5	1928	1958–88	102
80,00,000	4½	1931	1955–60	98
99,98,800	3½	1935	1965	97½
25,00,000	3	1936	1963–66	90
50,00,000	3	1938	1968	84
99,99,900	3	1940	1970	84
1,00,00,000	3	1944	1976	74
50,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84½
50,00,000	3	1946	1976	83½
50,00,000	3	1946	1976	83
50,00,000	3	1946	1976	82½
1,00,00,000	3	1947	1977	79½
50,00,000	3	1948	1978	78½
1,50,00,000	3	1949	1979	77
1,00,00,000	3	1949	1979	77
50,00,000	3	1950	1980	82
1,00,00,000	3	1950	1980	82½
1,00,00,000	3	1950	1980	95½
50,00,000	3	1951	1981	82½
1,50,00,000	3½	1951	1981	84½
50,00,000	4	1951	1968	100
50,00,000	4	1952	1968	98½
90,00,800	4	1955	1965	97½
STERLING LOANS				
£892,666	5	1923	1958–63	£87½
£901,000	5	1924	1954–64	£87½
£585,100	6½	1932	1962	£96
MADRAS				
Rs.				Rs.
$1,47,169	5½	1947	1977	
9,58,000	3	1947	1977	A
5,00,000	3	1949	1979	
45,00,000	4½	1954	1964	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
Rs.		**BOMBAY**		
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
18,00,000	4	1907	1967	
30,00,000	4	1907	1967	
25,00,000	4	1912	1972	
50,00,000	4	1913	1973	97½N
25,00,000	4	1914	1974	
40,00,000	5	1919	1957–79	113N
66,00,000	5	1920	1955–80	
25,00,000	5	1926	1956–86	114N
25,00,000	4	1927	1961–70	93N
10,00,000	4	1934	1984	
STERLING LOANS				
£566,600		1909	1959	£95½N
£333,000		1910	1970	£95½N
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99½
85,00,000	3½	1935	1965	94
80,00,000	3	1936	1966	90
50,00,000	3	1937	1968	91
20,00,000	3	1938	1965–68	90
80,00,000	4	1952	1962	99½
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Rs.		**BOMBAY**		Rs.
20,60,000	5	1913–15	1974	100
10,00,000	5	1920	1980	113N
15,00,000	5	1928	1958	104½
5,45,500	5	1929	1959	105
26,31,500	5	1929	1959	102½
6,25,00,000	3½	1947	1977	86
1,50,00,000	4	1948	1978	88½
4,00,00,000	3½	1950	1966	92
2,50,00,000	4	1952	1964	100½
2,50,00,000	4	1952	1964	97½
1,50,00,000	4	1952	1962	100 ⅜
1,00,00,000†	4	1952	1964	101½
1,00,00,000†	4	1954	1966	100
2,50,00,000	4	1955	1967	100
Rs.		**CALCUTTA**		Rs.
25,00,000	5	1928	1958	103
25,00,000	5	1929	1957	103
25,00,000	5	1929	1958	102½
10,00,000	5½	1932	1962	103
25,00,000	5	1935	1965	94
60,00,000	4	1936	1966	90
47,50,000	3	1938	1966	90
15,58,500	3	1939	1966	90½
15,58,500	3	1939	1966	90½
15,56,800	3	1940	1970	90½
17,64,400	3½	1942	1970	90½
31,10,000	3½	1942	1972	90
15,49,000	3½	1951	1960	97
16,88,000	3½	1951	1961	97½
68,88,000	3½	1951	1966	97½
57,86,000	4	1953	1962	99½
72,50,000	4½	1954	1979	100
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1953	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1968	95½
4 % W. Bengal	1953	3,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	5,00,25,000	16th July 1963	100½
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
† Bombay State Transport. †† Rate of Interest reduced from 6 to 5 per cent. with effect from 1st June 1954.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. §—Interest free to first 15 years. ‡—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	106	100
Cawnpore Sugar Works	10,00,000	1905–24	8	Feb. Aug.	138	100
Deccan Sugar & Abkhari 'A'	1,00,000	1920	7	July Apr.	6½	5
¶East India Distilleries	£20,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15½	10
Ramnugger Cane	4,00,000	1933–36	6	Aug. ..	108	100
Rava gaon Sugar	20,00,000	1943	6½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	113	100
Borrea	4,00,000	1896–97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,99,950	1901–19	7	Apr. Oct.	122	100
Do. (2nd)	4,50,000	1946	9(a)	.. ..	7½	10
Equitable	4,00,000	1895	6	Mar. Sept.	116	100½
Kanjaprura Collieries	7,50,000	1946	5½(a)	.. ..	68	75(pp)
††Khas Kajora	1,92,000	1931	6	Mar. Sept.	55N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	13½	10
Ondal	2,00,000	1898–99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	103½	100
Bangalore	6,00,000	1884	6	Jan. July	125	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Benares Cotton	1,05,200	1919	7	July Jan.	15N	100
Bengal-Nagpur	3,30,000	1896	7	Apr. Oct.	99½	100
Bowreah 'A'	3,00,000	1900	8	Feb. Aug.	128	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	68	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	144	100
Cambodias	1,00,000	1928	7	Apr. ..	122½	100
Central India	50,00,000

STOCK & SHARE QUOTATIONS

Abbreviations:—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation Rs.	Paid-up Per Share Rs.	Dividend Per Ordinary Share: 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
50,00,000	62,561	76,28,421	43,05,372	—1,17,209	Rajputana Textiles (Agencies) Ltd. ..	56,008	898	Apollo Mills	2-12½	2	0 4(e)	0 4 (e)	0 2(e)		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,120	B. E. Sons, Ltd. ..	50,596	1,021	B. R. Cotton Mills	45	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T
2,50,98,000	2,99,72,773	4,92,35,445	3,29,09,273	73,129	Nowrosjee Wadia & Sons, Ltd. ..	2,21,008	4,855	Bombay Dyeing & Mfg. ..	620½xd	250	20 0	22 8*	20 0	25 0*	12	Y.
19,00,000	87,10,559	95,58,179	48,57,496	2,48,174	Ramnarain Sons, Ltd. ..	44,080	860	Bradbury Mills	100	100	5 0	7 0	5 0		12	Y.P.
1,09,42,800	2,63,96,826	2,81,83,264	1,97,06,117	6,34,956	Birla Bros., Ltd. ..	1,26,344	2,698	Century Spg. & Mfg. ..	525½	100	20 0	22 0	22 0	22 0	12	Y.
49,00,000	15,44,690	11,16,09,462	65,52,089	—33,25,720	V. J. Pisani (Chairman and Managing Director) ..	39,408	798	Colaba Land & Mill	71½	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	11,38,470	81,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd. ..	30,828	680	Coorla Spg. & Wvg. ..	142½	100	7 8	7 8	7 8	7	3	Y.
16,00,000	24,36,896	69,10,861	54,66,041	2,17,070	Ramnarain Sons, Ltd. ..	40,992	..	Dawn Mills	120	50	6 0	6 0	6 0	15 0	12	Y.
34,00,000	87,75,000	73,63,731	54,78,754	30,186	Puranmal Raghakishan & Co. ..	50,084	928	Edward Textiles	335	200	15 0	15 0	15 0		12	Y.
30,00,000	11,93,292	1,10,92,641	75,74,225	82,796	M	41,300	886	Elphinstone Spg. & Wvg. ..	55	50	3 0	*Nil*	3 8	3 8	81	
50,00,000	70,11,375	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,332	784	Finlay Mills	220xd	100	20 0	15 0	16 0	20 0	12	H.
11,54,000	76,54,589	1,27,76,810	99,11,500	9,223	Thao ersey Mooljee & Co. ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills	992½	250	50 0	56 4*	56 4	75 0	3	Y.P.
16,000									(12-1½	0 10D.	*Nil*	0 10	*Nil*	0 10		
2,00,00,0000									2 1½	0 1D.	*Nil*	0 1	*Nil*	0 1		
50,00,0000	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co	2,32,640	6,278	India United Mills	5,075N	1,000	200 0*	225 0*	225 0	300 0	12	Y.
8,65,000										1,000	200 0*	225 0*	225 0	300 0		
25,000	74,24,048	1,80,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.		100	20 0*	22 0*	22 0	30 0	3	Y.P.
66,85,000	40,58,451	2,87,18,607	1,92,88,945	25,588	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg. ..	240	100	10 0	10 0	8 0	10 0	6	Y.P.
1,00,00,000	1,21,50,000	3,58,88,060	2,56,14,706	33,980	Killick Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	358	100	18 0	20 0*	18 0	18 0	12	Y.
22,12,050	41,06,720	1,18,74,348	55,99,115	31,670	N. Sirur & Co., Ltd. ..	49,000	644	Modern Mills	80N	50	5 0	5 0	5 0	8 0*	10	Y.T.
51,75,800	32,62,000	1,94,11,194	1,47,72,041	1,09,579	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	245	100	12 0	12 0	14 12	16 0	6	Y.P.
1,57,74,400	88,41,004	90,20,958	2,05,06,000	5,12,085	Chinai & Co., Private Ltd. ..	49,296	..	National Rayon Corporation ..	245½	100	*Nil*	9 0	10 0	12 0	12	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	3,015	W. H. Brady & Co., Ltd. ..	45,944	432	New City of Bombay Mfg. ..	162½	100	10 0	10 0	10 0	10 0	12	Y.
80,00,000	14,61,250	92,85,599	61,42,741	4,330	W. H. Brady & Co., Ltd. ..	49,012	1,013	New Great Spg. & Wvg. ..	232½	100	10 0	10 0	7 8	10 0	12	Y.P.
12,70,100	28,54,549	56,78,515	40,67,707	12,752	Mafatlal (Chandulal & Co., (Bombay), Ltd. ..	34,100	573	New Union Mills	37	10	1 4	1 4	1 4	1 12	12	Y.
48,00,000	36,62,273	1,49,03,112	99,59,811	1,86,264	Ramnarain Sons, Ltd. ..	69,208	1,190	Phoenix Mills	129½	100	8 0	8 0	8 0		12	Y.
40,00,000	43,68,014	81,99,282	23,00,000	2,15,563	Podar Sons, Ltd. ..	32,000	930	Podar Mills	175	100	10 0	10 0	10 0	5 01	12	Y.P.
5,00,000	8,16,999	21,21,521	19 01,340	—1,72,154	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill ..	13½	10	1 4	0 12	0 8		12	Y.
25,00,000	54,26,056	1,35,89,736	1,19,14,117	11,508	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	38	10	1 4	1 4	1 12	1 12	12	Y.
50,00,000	44,70,951	90,20,958	58,27,925	1,17,422	Marwar Textiles (Agency) Ltd. ..	66,336	1,040	Shree Niwas Cotton Mills	221½	100	12 8	14 0	14 0	12 0	12	Y.P.
45,00,000	35,75,550	93,86,952	71,00,040	18,498	Forbes, Forbes Campbell & Co. Ltd. ..	36,118	1,274	Simplex Mills	213½	50	15 0(p)	15 0	11 0	10 0	3	Y.
87,80,000	2,23,15,720	2,51,28,699	1,87,85,474	12,833	Mafatlal Gagalbhai & Sons ..	52,038	1,633	Standard Mills	417½	100	20 0	20 0	20 0	20 0	12	Y.P.
99,85,700	84,69,716	2,28,87,647	1,19,01,899	67,611	Tata Industries Ltd. ..	72,236	2,000	Svadeshi Mills	222	100	16 0	16 0	8 0	12 0	12	Y.P.
36,00,000	65,33,465	1,23 99 971	81,52,715	1,51 030	James Finlay & Co., Ltd. ..	88,828	552	Swan Mills	420xd	100	30 0	20 0	20 0	25 0	12	Y.
32,77,425	51,96,376	1,77,34,839	68,44,553	43,485	Tata Industries Ltd. ..	62,096	1,800	Tata Mills	53	25	1 0	1 8	1 8	4 0	12	Y.T.P
12,00,000	62,58,709	1,15,86,486	81,90,000	2,614	Thackersey Mooljee Son & Co. ..	54,136	1,209	Western India Spg. & Mfg. ..	5,000	1,000	200 0*	225 0*	225 0	300 0	3	Y.

AHMEDABAD

25,00,000	21,11,650	1,86,22,872	60,47,926	6,408	Tata Industries, Ltd. ..	49,144	1,016	Ahmedabad Advance Mills ..	173½	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	94,58,068	94,37,393	76,10,164	27,258	P. M. Hathesing & Sons, Ltd. ..	44,220	913	Aruna Mills	811½	100	20 0*	20 0*	20 0	30 0	12	Y.P.
26,25,000	2,40,17,401	1,48,07,666	1,08,05,000	46,564	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,597	100	25 0	25 0	25 0		12	Y.P.
20,00,000	31,75,000	96 34 384	72 25 000	2,46,389	Mangaldas & Bros., Ltd. ..	37,164	892	Arvindas Ginning & Mfg. ..	422½	200	15 0	15 0	15 0	25 0*	12	Y.P.
15,00,000	1,15,39,032	1,09,64,515	69,96,000	1,81,248	Lalbhai Dalpatbhai & Co. ..	27,866	914	Bliss Mills	870	100	22 0	22 0*	22 0	30 0	12	Y.P.
1,34,79,011	1,11,66,203	4,24,85,718	3,07,53,844	10,00,756	Karamchand Premchand Ltd. ..	1,39,120	2,372	Calico	503½	125	18 0	18 0	18 0		12	Y.
62,45,000	26,04,000	1,10,49,088	79,50,000	1,96,242	Trimmalal Bhogilal & Co., Ltd. ..	45,886	866	New Commercial Mills	1 510	1,000	70 0	70 0	70 0		12	Y.P.
80,00,000	66,61,708	1,14,59,185	91,35,806	6,387	Mafatlal Chandulal & Co., Ltd. ..	61,152	884	New Shorrock Spg. & Wvg. ..	820	125	35 0	35 0	35 0		12	Y.
5,00,000	61,15,982	67,72,745	31,76,001	700	Jagatbhai Bhogilal Kasavaty & Co., Ltd. ..	24,840	572	Nutan Mills	475	100	20 0*	20 0*			12	Y.P.
12,50,000	1,09,22,589	79,71,788	52,25,077	22,522	Lalbhai Dalpatbhai & Co. ..	21,120	536	Raipur Mfg.	1,680	100	25 0	17 8			12	Y.P.
13,00,000	17,93,267	74,95,069	39,67,450	—39,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg. ..	327½	250	*Nil*				12	Y.P.
32,50,000	16,74,825	84,83,940	52,67,803	4,020	Lalubhai Gordhandas Ltd. ..	42,156	648	Rohit Mills	271½	100	9 0	9 0	9 0		12	Y.P.
28,98,150	1,90,84,538	1,60,18,812	1,34,25,000	2,52,570	Harivallabhdas Kalidas & Co. ..	73,796	1,325	Shri Ambica Mills	698½	50	16 0	18 0	20 0		12	Y.P.
19,52,500	59,00,194	78,08,018	62,03,800	6,484	Mafatlal Chandulal & Co., (Ahmedabad) Ltd. ..	36,624	720	Shorrock Spg. & Mfg. ..	550	100	20 0	20 0	25 0*		12	Y.
38,00,000	26,96,488	1,08,76,840	68,25,291	32,764	Haridas Ashratlal & Co., Ltd. ..	36,176	780	Vijaya Mills	700	400	35 0*	35 0*	35 0*		12	Y.P.

WEST BENGAL

15,00,000	1,52,800	24,28,069	21,01,810	1,08,080	Calcutta Agency, Ltd. ..	13,044	356	Basanti Cotton Mills	6½	10	*Nil*	0 4	0 8			
7,11,282	3,40,776	48 42,381	25,67 597	99,783	Bengal Textile Agency, Ltd. ..	32,544	936	Bengal Luxmi Cotton Mills ..	30 N	40	3 0	*Nil*	4 0	4 0	12	Y.P.T.
6,00,000	22,72,414	89,03,142	51,49,000	—23,47,873	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowreah Cotton Mills	165 XR	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
10,00,000	26,17,571	1,04,88,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd. ..	42,944	618	Dunbar Mills	302	100	*Nil*	*Nil*	*Nil*	2 8	6 12	H.P.
1,50,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,433	Birla Brothers, Ltd	70,384	1,990	Kesoram Cotton Mills	17 x	10	1 12	1 12	0 14	0 14	6	H.
5,00,000										25	1 4					
5,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co. ..	23,484	443	Mohini Mills	—	10	0 8				12	Y.P.
33,96,288																
19,47,7500	7,45,000	47,06,298	24,48,352	1,094	Hazaresmull Heeralall	23 036	795	Rampooria Cotton Mills	104xd	10	0 8	0 8	0 8	1 0	6	Y.
5,00,0000									3¼N	1D.	*Nil*	*Nil*	*Nil*	....		

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	60,27,191	29,09,649	—8,54,223	Ramia & Co., Ltd.	50,000	..	Ainappa Textiles (Cochin) Ltd.	8½	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
6.8 71,94,400	44,93,807	2,10,91,206	50,50,013	....	Industrial Trust Fund ..	85,136	708	Bangalore Woollen, Cotton and Silk Mills	96	100	6 0	6 0	*Nil*		12	Y.
40,50,000	2,00,68,745	3,24,98,906	2,42,38,258	2,58,640	Binny & Co. (Madras), Ltd.	40,068	1,187		562½	100	15 0	25 0	30 0	30 0	12	Y.P.
27,00,000	15,50,000	77,25,162	58,72,122	18,199	M.	29,036	810	Bengal-Nagpur Cotton Mills ..	8½	10	0 4	*Nil*	*Nil*		6.12	H.P.½
15,00,000	1,09,48,251	1,19,14,402	87,78,992	4,25,221	Birla Brothers, Ltd.	29,896	1,046	Birla Cotton Spg. & Wvg., Delhi	38XRN	10	3 0	3 0	3 0			
1,78,47,800	1,76,52,500	6,38,09,203	3,52,32,130	2,38,445	Binny & Co. (Madras), Ltd. ..	1,20,356	2,787	Buckingham & Carnatic ..	191	100	4 0	10 0	10 0	10 0	3	Y.P.T.
20,00,000	20,00,000	39,69,354	21,66,351	27,593	Petrie Leslie & Co., Ltd. ..	26,706	..	Cambodia Mills	18½cd	10	1 0	0 12	*Nil*	0 8	12	Y.P.
10,00,000	4,51,500	44,03,466	21,80,176	44,557	K. Damodaran, Esq. ..	17,496	..	Cannanore Spg. & Wvg. ..	165	100	12 0	12 0	20 0	12 0	12	Y.
30,00,000	25,98,976	58,07,118	50,84,815	29,514	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8 ½	50	2 0	2 0	2 0	*Nil*	3	Y.
12,00,000	20,60,000	34,68,396	27,86,527	34,164	R. Bheema Naidu & Co. ..	23,884	..	Coimbatore Cotton Mills ..	839	100	20 0	20 0	25 0	25 0	12	Y.P.
20,00,000	14,20,000	52,99,513	31,29,500	14,053	T. R. N. Naidu & Co. ..	23,788	..	Coimbatore Pioneer Mills ..	275	100	20 0	20 0	20 0		12	Y.
20,76,900	4,19,814	1,15,51,599	82,06,019	16,884	R. G. S. Naidu & Co. ..	72,823	407	Coimbatore Spg. & Wvg. ..	90½	50	*Nil*	*Nil*	3 0	6 0	6	Y.P.
46,87,500	52,82,449	2,48,18,409	1,58,09,883	9,703	Tata Industries, Ltd. ..	1,15,188	2,063	Central India	130	100	5 0	5 0	5 0	5 0	12	Y.
8,39,36,225	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. B. Charat Ram & Co., Ltd. ..	1,16,686	2,954	Delhi Cloth & General Mills ..	85½N	25	1 2	1 12	2 4	3 4	6	Y.
1,00,563									2½	0 1 4/5	0 2 4/5		0 2 8/5	0 5 8/5		
24,34,500	24,72,758	47,34,087	23,82,512	9,248	M. N. Chettiar & Sons ..	32,568	201	Dhanalakshmi Mills	350	100	20 0	20 0	20 0		6	Y.
68,00,000	46,33,360	1,55,15,383	1,29,71,351	95,356	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	27½	10	1 8	1 0	1 0	1 0	12	Y.P.
48,81,000	35,22,175	1,00,55,167	68,95,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	220½	100	17 0*	17 0	18 0	15 0	12	Y.
50,00,000	6,16,447	1,33 91,953	1,12,28,576	9,951	K. L. Sekaria, Esq. (Chairman.)	51,189	1,420	Gwalior Malwa United ..	147½	100	6 0	6 0	6 0	9 0	12	Y.
8,90,000	10,65,682	31 06 689	15,45,155	2,079	G. V. Naidu & Co., Ltd. ..	24,528	..	Janardana Mills	160	50	3 12	4 8	5 0	10 0	12	Y.
24,00,000	15,25,000	78,88,668	26 50,000	29,882	Kothari & Sons	43,000	800	Kothari Textiles	22½	10	0 12	0 8	0 8	1 0	6	Y.P.
82,00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd. ..	51,972	1,219	Lakshmi Cotton Mfg. ..	685xd	250	37 8	37 8	33 12	42 8	12	Y.P.
25,64,100	60,55,960	1,11,86,880	75,29,838	74,376	G. K. Naidu & Co	85,908	201	Lakshmi Mills	685xd	50	5 0	5 0	10 0	15 0	3	Y.
17,82,050									95	25	2 8	2 8	5 0	6 4		
1,75,02,480	4,13,81,878	5,73,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd. ..	6,00,000	..	Madura Mills	50½	10	3 0	3 0	3 0	3 0	12	Y.
12,00,000	4,17,365	28,26,768	16,72,252	—99,078	L. L. S. Chettiar and 3 others.	22,592	100	Malabar Spg. & Wvg. ..	114	100	8 0	8 0	8 0		12	Y.
60,00,000	59,00,000	62,41,446	41,60,236	1,48,408	W. A. Beardsell & Co., Ltd. ..	24,720	603	Mettur Industries Ltd. ..	422	100	12 8	12 8	22 8*	25 0	3	Y.
25,59,700	19,47,905	84,18,677	46,82,184	9,999	N. Sirur & Co., Ltd. ..	29,896	704	Minerva Mills	88½	100	5 0	7 0*	5 0(e)		12	Y.
24,91,650	27,24,404	1,61,29,118	78,81,626	—7,44,982	Sanmal Ajitchand Dadabhoy & Co.	41,840	945	Moolchand Mills (Nagpur) ..	150	250	7 8	7 8*	5 0(e)		6	Y.
30,00,000	55,19,500	1,53,39,372	1,05,91,551	—7,77,290	Indian Textile Syndicate Ltd. ..	58,640	1,634	Muir Mills	93N	100					12	Y.
31,53,500	50,34,547	99,04,000	68,99,938	28,706	N. Sirur & Co., Ltd. ..	50,128	500	Mysore Spg. & Mfg. ..	110	50	10 0*	10 0*	8 8*	6 0(e)	12	Y.
12,61,780	2,58,745	29,42,992	15,27,000	3,986	R. Suryanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	8	10	*Nil*	*Nil*	*Nil*		3	Y.
82,89,8820	25,62,532	1,02,16,208	58,90,719	—39,62,329	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	2½	10	*Nil*				12	Y.P.
3,07,06,0D									D. 1	*Nil*	*Nil*					
87,14,300	57,72,270	1,58,65,562	62,58,092	....	Industrial Trust Fund ..	87,788	856	Osmanabad Mills	78	100	7 0	4 0	*Nil*		9	Y.
4,00,000A	7,50,000	35,04,758	21,95,715	9,122	Bhaghyalakshmi & Co. ..	29,924	..	Palani Andavar Mills	167	50A	7 8	12 0	12 0			
6 00,000B									1344	75B	11 4	18 0	18 0		12	Y.P.
10,00,000	2,25 000	34,59,511	16,41,045	—18,87,240	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	74	100	*Nil*	*Nil*	*Nil*		12	Y.
16,81,200A	20,00,000	79,90,455	41,41,878	28,607	A. G. Gurusamy Naidu & Co.	51,664	903	Radhakrishna Mills	294½	100A	8 0	8 0	16 0			
5,49,200B									145	80B	2 0	4 0	8 0		12	Y.
15,00,000	33,75,000	34,37,775	17 67,922	12,337	B. R. Naidu & Sons ..	55,472	..	Rajalakshmi Mills	165xd	50	4 8	7 8	10 0			
12,40,000	22,29,625	10,14,000	18,05,147	29,350	Rayalaseema Mills	14,800	..	Rayalaseema Mills	134½	100	6 0	6 0	9 0	10 0	12	Y.P.
90,00,000	62,66,508	98,29,567	85,63,291	—19,59,428	J. P. Srivastava & Sons (Kanpur).	54,523	600	Rasa Textiles	7 ¾N	10	*Nil*	*Nil*			12	Y.P.
16,00,000	1,60,29,616	2,89,27,068	2,04,27,270	1,50,28,067	Morarka & Co	96,282	2,224	Sholapoor Spg. & Wvg. ..	1,700	1,000	*Nil*	*Nil*	*Nil*		3	Y.P.
										500						
36,69,700	16,68,628	71,75,918	51,35,889	27,871	H. N. Pallegar, Esq. ..	31,668	292	Sri Krishnarajendra Mills ..	95	50	4 0*	4 0*	4 8			
28,14,200	2,00,246	45,19,906	17,78,000	—2,46,777	Gopaldas Lladhar & Co., Ltd. ..	17,880	443	Shree Sajjan Mills	80N	100	*Nil*	*Nil*	*Nil*		3	Y.
15,00,000	3,11,90,257	90,09,567	72,44,724	81,27,683	Birla Brothers, Ltd. ..	35,256	1,243	Swadeshi Cotton Mills	180N	10	4 0	4 0	5 0	6 0	3	Y.
17,50,000 O	2,80,00,000	4,54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur) ..	11	10 O.	*Nil*	0 8	0 12	0 12		
1,57 50,000P									15½cd	10P. O.	*Nil*	0-14 2/5	1-2 2/5	0 12	12	Y.P.
1,00,00,000	80 14 788	3 80 55,317	1,27,16,775	2,63 771	Emcote & Sons (Travancore), Ltd.	....	..	Travancore Rayons	12½	10	*Nil*	0 8	0 10	0 12		
18,95 670	8,78 332	17,39,181	11,37,336	1,508	Mooljee Ramjee & Sons ..	17,600	..	Trichinopoly Mills	10	0 11 1/5	0 11 1/5	0 14 2/5	0-14 2/5	12	Y.P.T	
21,00,000	32,00,000	54,92,295	36,21,499	28,500	R. K. S. Chetty & Brothers ..	38,544	270	Vasanta Mills	280	100	15 0	15 0	15 0		12	Y.
32,00,000	34,42,971	1,64,67,122	1,05,10,233	23,125	Bombay Co., Ltd.	46,490	1,231	Vishnu Cotton	136½xd	100	10 0	4 0	4 0	8 0	12	Y.P.

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus (e) Paid out of reserves

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 60,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation Rs	Paid-up per Share Rs.	Dividend per Share: 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						BREWERIES AND DISTILLERIES								
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9 ¼	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,20,630	18,38,017	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	5½	5	0 8	0 8	0 8	0 0	3	Y.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	27 ½xr	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh1 3/5	3	Y.
							34½	B. £1	Sh. 2	Sh. 4	Sh. 5 4/5	Sh2 6	9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya Esq. (Chairman) ..	United Breweries	183	75	15 0	15 0	15 0	15 0	3	Y
						CEMENT								
11,87,700A	10,85,516	79,90,234	39,32,658	26,623	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	160	A. 100	7 8	10 0*	10 0		12	Y.P.T.
89,79,020B							16	B. 10	0 12	1 0*	1 0			
48,14,6000	13,13,133	18,78,938	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	6 ¾	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.
4,70,976D							1¼	D. 1						
38,71,86,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies ..	213½	100	9

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	143	25	1 / *Nil* / 5 0 / 6 0 / 7 0	*Nil* / 1 9 / 6 0 / 7 0	1 9 / 1 9 / 6 0 / 7 0	2 8 / 2 8 / 0 11½ / 0 11½	6,12	H.P.T.
62,98,250	66,03,861	1,11,56,780	76,81,898	88,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	24½	10	6 0	6 0	7 0	0 11½	3,9	H.
25,00,000	16,12,500	1,36,83,355	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mill	18½	10	1 0*	1 0*	0 12*	0 12*	3	Y.
1,46,82,500	2,09,26,641	4,27,02,365	1,02,98,953	2,29,489	Birla Bros	Orient Paper	35½	10	1 0	1 0	0 8	0 10	3,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills ..	18½	O. 10 / A. 10	0 12 / 0 8	0 12 / 0 12	0 12 / 0 12	0 10 / 0 8	6,12	H.P.T.
20,00,000 / 10,00,000 'A'	6,50,000	54,00,869	30,16,681	4,402	Baloria & Co.	Star Paper Mills	11½ / 11½	O. 10 / A. 10	0 8 / 0 8	0 12 / 0 12	0 12 / 0 12	0 8	3,9	H.P.T.
56,00,000A. / 56,04,800B. / 4,87,500P.O.	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	43½ / 5	A. 10 / B. 10 / P.O. 2½	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	0 12 / 0 12 / 0 2	1 0 / 1 0 / 0 2	3,9	H.P.
PRESSING														
3,00,000	6,12,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	5 0	4 0	*Nil*	9	Y.
4,50,000	1,00,000	6,89,526	4,78,066	2,354	Pyne & Sons	Camperdown	88N	100	7 0	7 0	5 0	6 0	7	Y.
5,00,000	1,95,000	10,91,811	9,80,377	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	6	Y
PROPERTY AND LAND														
10,00,7800. / 2,00,000D.	7,48,065	43,46,067	21,48,279	96,047	S. A. Baail, Esq. & others (Directors).	Humayun Properties	13½ / 2½	O. 10 / D. 1	0 8 / *Nil*	0 11½ / 0 4/5	0 9 8/5 / *Nil*	*Nil*	9	Y.P.
80,00,000	18,07,874	84,89,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	9½	100	1 0	1 8	1 8	*Nil*	4	Y.
94,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	33½	100	3 0	1 8	4 0	3 0	4	Y.P
SAW MILLS AND TIMBER														
13,99,998	28,23,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	42	2	0 4	*Nil*	*Nil*	*Nil*	9	Y.
50,00,000 / 42,00,000 / 6,00,000	4,18,57,280	3,85,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corps.	64½ / 24½	Old 125 / New 50	28 8 / 6 0	15 0 / 6 0	20 0 / 6 0	37-8½ / 15-0	5	Y.
	.....	7,23,569	7,26,267	—4,89,907	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	*Nil*	*Nil*	*Nil*		9	Y.P.
20,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillander Arbuthnot & Co., Ltd	Indian Wood Products	89½	10	3 0	2 8	2 12	3 0	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	29,45,224	23,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	8	5	*Nil*	*Nil*	*Nil*	0 1	6	Y.
12,00,000A. / 5,00,000B.	29,18,356	49,46,285	33,16,660	16,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	150N / 10 xd	A. 100 / B. 10	10 0 / 1 0 / 0 12	10 0 / 1 0 / 0 12	10 0 / 1 0 / 0 12	10 0 / 1 0 / 0 12	4 / 9	Y.
19,43,050	5,50,000	31,91,657	23,33,812	49,906	Bangur Bros., Ltd.	Belsund Sugar	17N	10	1 8	1 8	1 8	1 8	6	Y.P.
15,00,000	15,90,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	8½	10	*Nil*	*Nil*	0 12	0 4	6	Y.P.T.
32,00,000	28,37,030	1,36,90,775	92,27,801	12,446	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	10½	10	2 0	2 0	0 12	0 12	10	Y.P.
20,00,000	57,83,651	1,03,44,647	84,32,451	82,028	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	27½	10	2 0	1 0	1 0	1 8	6	Y.
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Dworia Sugar	94N	10	0 8	1 0	0 12		8	Y.T.
5,99,452	6,18,562	24,58,580	15,33,747	48,204	Karamchand Thapar & Bros. ..	Hindustan Sugar Mills	260N / 100	A. 100 / O. 100	12 0* / 12 0*	15 0* / 15 0*	15 0* / 15 0*	15 0* / 15 0*	6	Y.P.
50,00,000A. / 10,00,0000.	32,00,000	75,94,877	55,00,000	62,419	Baehraj & Co., Ltd.	Kesar Sugar	64N / 32N	80 / 40	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*	2 4 / 2 4	7	Y.P.
12,00,000	8,61,001	75,81,809	42 63,455	27,926	Kilachand Devchand & Co. ..	New India Sugar Mills	32N	10	3 8	2 8	3 8	2 8	6	Y.P.T.
7,89,100	22,14,058	84,94,612	19,35,888	1,364	Cotton Agents Ltd.	New Savan	6	10	0 8	0 4	0 4		6	Y.
11,00,000	4,20,000	42,21,480	24,87,558	4,185	Karamchand Thapar & Bros., Ltd.	New Swadeshi Sugar Mill ..	240N / 60N	100 / 25	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0	6	Y.
10,87,500A. / 2,71,875B.	49,60,297	67,74,122	31,56,900	5,817	Cotton Agents Ltd.	Oudh Sugar	186N	100	6 0	11 0	11 0	11 0	7	Y.P.
77,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Punjab Sugar	116xdN	100	4 0	10 0	10 0		10	Y.
12,00,000	12,74,223	19,95,928	58,000	Narang Bros. & Co., Ltd. ..	Purtabpore Co.	14½	10	1 0	1 0	0 12	0 12	10	Y.P.	
9,00,000	17,64,369	37,85,808	30,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Ryam Sugar	21N	10	1 0	0 8	0 8		6	Y.P.
8,00,000	5,64,762	25,43,782	21,01,613	24,940	M.	Samastipur Central Sugar ..	14	10	1 0	0 8	0 8	*Nil*	6	Y
11,99,000	18,86,779	38,63,688	22,92,180	9,477	Begg, Sutherland & Co., Ltd. ..	Shree Krishna Gyanoday Sugar	12½	10	1 8	1 8	1 8	1 12	8	Y.P.T.
20,00,000	22,68,550	1,35,20,110	52,59,521	34,045	Sahu Jain Ltd.									
9,99,950	61,825	27,15,126	12,60,852	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	44	10	0 6½	*Nil*	*Nil*	*Nil*	6	Y.
						Shri Sitaram Sugar	14½	10	1 0	2 0*	1 8*		8	Y.T.
7,95,462	18,82,940	31,60,785	17,85,068	1,06,227	Karamchand Thapar & Bros	South Bihar Sugar	18 / 6N	O. 10 / D. 2½	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*		10	Y.P.
9,15,0000. / 4 40,000D.	47,592	27,42,197	11,46,770	—16,14,603	N K. Jain & Co., Ltd... ..	Upper Ganges Sugar	70N	10	2 0	2 8	2 8	8	6	Y.P.
8,00,000	21,91,635	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	United Provinces Sugar	21	10	1 8	0 8	1 4		6	Y.
16,00,000	7,99,778	32,06,650	25,96,846	39,051	James Finlay & Co., Ltd. ..									
Other Centres														
48,99,750	74,53,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	220½	50	16 9	16 0	16 0	16 0	9	Y.
17,50,000	9,24,202	33,08,879	21,86,722	4,602	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	13	10	1 0	0 10	1 0	1 0	9	Y.
15,98,900	9,45,541	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	50N	100	3 0	*Nil*	*Nil*		9	Y.P.
31,47,780	14,00,000	80,54,997	18,71,128	5,22,818	India Sugar Agencies Ltd.	India Sugar and Refineries ..	22½	10	2 8	2 8	1 12	1 12 6/8	9	Y.P.
23,57,620	41,27,060	41,95,605	20,78,418	1,408	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	144N / 137½	10 / O. 100	0 12 / 7 8	1 0 / 7 8	1 0 / 7 8	7 8	10	Y.
10,52,200O. / 3,37,190D.	69,50,000	96,98,952	81,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	100	D. 10	10 0	10 0	10 0	10 0	6	Y.P.
81,79,280	95,00,001	1,81,37,677	78,17,730	2 90,840	S. Munnaranjappa, Esq. (Managing Director)	Mysore Sugar	49	10	2 0	2 0	2 0	2 0	6	Y.
50,00,000	48,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Phaltan Sugar	148½	50	8 0	8 0	8 0	8 0	6	Y.
16,59,820	29,50,880	53,90,016	26,76,747	29,230	Anderson Wright Ltd.	Ramnagger Cane and Sugar ..	23½	10	2 0	2 0	1 8		8	Y.P.T.
20,00,000O. / 4,00,000D.	21,76,092	89,12,138	58,60,383	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	85N / 75	O. 50 / D. 10	0 11½ / 0 12	1 0 / 0 12	*Nil* / 0 12	0 1 1/5	9	Y.P.T.
19,99,606	44,85,457	47,06,680	21,78,094	4,825	Govan Bros. (Rampur), Ltd. ..	Rasa Sugar	15N	10	*Nil*	*Nil*	*Nil*		10	Y.
80,00,000	10,87,776	59,70,274	17,97,159	—82,224	Parry & Co., Ltd.	Travancore Sugars	18½	10	1 0	1 0	1 0	1 0	7	Y.P.
1,01,00,000	71,97,998	1,99,06,448	1,15,32,428	1,81,172	Premier Construction Co., Ltd.	Walchandnagar Industries ..	240‡	100	14 0	14 0	16 0	18 0	7	Y.P.T
TRANSPORT														
20,00,000	1,00,69 622	1,24,00,708	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	142	100	12 8	10 0	7 8	7 8	10	Y.P.
1,00,00,000	15,37,619	4,41,65,864	1,85,00,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0	5 0	12	Y.
50,00,000	24,85,588	2,50,21,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	17½	10	1 0	1 0	1 0	*Nil*	6	Y.P.
						India General Navigation & Rly. Co.	106	510	5h.10	*Nil*	5h.10		12	Y.P.
						India Steamship Co.	10	10	0 8	0 8	*Nil*	*Nil*	6	Y.P.
						Scindia Steam Navigation Co. ..	17½	50	0 8	0 12	0 12	0 8	6	Y.
£555,580	£960,878	£5,515,631	£3,844,775	£21,366	Kilburn & Co., Ltd.									
2,25,00,000	74,99,223	7,93,25 462	1,81,58,600	1,58,081	Lionel Edwards Ltd.	Walford Transport Ltd.	1½	O. 1 / P.O. 1	as. 1 8/25	as. 1 8/25	1 22/25		12	Y
2,40,10,178	6,94,92,081	18,86,63,413	4,84,44,300	3,73,683	Narottam Morarjee & Co.				as. 1 9/25	as. 1 9/25	1 19/25			
3,40,8000. / 2,10,200P.O.	18,58,194	11,88,000	6,80,211	1,34,122	R. B. Aiyer, Esq. (Manager) ..									
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0	32 0	9	Y.
12,98,860	3,04,178	9,18,542	90,000	42,383	Farakh Agencies Ltd.	Bombay-Uganda	62½	50	4 0	5 0	4 8		12	Y.
10,00,000	1,00,000	25,74,281½	9,294	2,394	Dena Sons, Ltd.	Bombay-Zanzibar	12½	25	1 0	1 0	0 12	0 12	3	Y.
14,98,840	3,43,585	26,00,500	17,76,000	4,116	Choonilal Manilal Ltd.	Estrels Batteries	80	50	2 8	*Nil*	3 0	2 0	3	Y.P.
99,99,250	19,47,386	1,22,03,594½	.....	6,164	Framchand Roychand & Sons ..	Industrial Investment Trust ..	78½	100	4 8	4 8	4 8	4 8	12	Y
99:99,975	35,06,351	35,10,899	9 81,529	12,035	K. G. Mine, Esq. (Mg. Director)	Killick Industries	166½	100	10 0	11 0	11 0	11 0	6	Y
3,97,02,800A. / 10,00,000B.	5,28,684	2,37,33,873	1,25,00,292	5,56,717	Aero-Auto Ltd.	Premier Automobiles	90 / —	A.100 / B. 10	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*	*Nil* / *Nil*	6	Y.
10 21,200	5,43,605	14,40,720	12,10,720	88,055	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22½	20	2 0	3 0	3 0	3 0	12	Y.
2,75,00,000	78,75,000	3,03,67,181	1,63,71,854	5,61,954	T. H. Rydin, Esq. (Managing Director).	Western India Match Co.	201½	100	11 0*	11 0*	11 0*	11 0*	12	Y.
45,00,000	55,24,847	7,24,606	2,07,103	26,484	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350	100	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
47,50,000 / 2,50,000	15,00,000	1,88,63,801	53,80,009	90,558	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	8½ / 8½N	O. 10 / D. 2½	*Nil*	*Nil*	*Nil*		3	Y.P.T.
30,00,000	35,05,079	32,06,626	21,94,951	3,48,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	21½	10	1 4	1 4	1 4	2 0*	3	Y.
30,00,000	8,85,000	38,89,494	20,85,060	1,18,205	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 4*	1 4*	1 4*	1 4*	9	Y.
20,00,000	27 47,885	1,01,49,337	39,87,850	82,668	Marol Hotels (India) Ltd.	Associated Hotels of India ..	7½	10	0 4	0 2 1/5	0 3 1/5	0 6 2/5	3	Y.P.T.
80,01,400	82,94,263	46,81,988	23,21,988	1,49,717	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	177	100	20 0*	20 0*	13 0	2 8	12	Y.
12,00,000	9,10,000	31,07,473	23,55,472	72,375	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	29½	10	0 10	1 8	2 8	1 8	6,12	Y.
20,00,000	7,99,470	87,24,504½	.....	1,21,732	Lovelock & Lewis	Birds Investment Ltd.	16½	10	1 4	1 4	1 4		9	Y.P.
45,97,020	29,44,814	1,00,74,580	29,49,001	1,98,548	K. Julius Scott, Esq. (Mg. Director)	Britannia Biscuits	153	10	1 0	1 0	1 0	1 0	3	Y.P.T.
3,25,00,000	1,16,11,806	2,82,08,905	2,22,14,167	—27,86,084	Cecil Stack, Esq. Mg. Director)	Britannia India Corporation Ltd.	11	5	0 10	0 8	0 8	*Nil*	12	Y.P.
1,60,00,000	3,14,86,174	5,15,52,035	2,20,82,990	11,71,683	Eastern Investments Ltd.	Dunlop Rubber (India) Ltd. ..	151½	100	1 8	1 8	1 8	1 8	12	Y.P.T.
51,28,000	53,06,753	1,34,89,918½	.....	3,13,808	Bird & Co., Ltd.	Eastern Investments Ltd.	179xd	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
14,00,000	10,02,000	33,81,772	18,89,772	27,194	MacNeill & Barry Ltd...	Ganges Rope Co., Ltd.			10 0	10 0	7 8	7 8	3	H
65,00,000	48,00,000	19,27,685	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	14½	10	10 0	7 8	7 8	1 6 2/5	3	Y.P.
80,00,000	11,42,254	68,59,488	29,41,525	1,366	B. P. R. Syndicate	Great Eastern Hotel	237	250	15 0	15 0	4 4		3	Y.
12,42,800	9,57,964	78,81,701	33,60,658	92,636	Birla Bros., Ltd.	Hind Cycles	150N	100	8 0	8 0	10 0		12	Y.P.T.
4,86,13,350	2,92,450	4,58,34,606	94,58,719	5,19,485	Birla Bros., Ltd.	Hindustan Motors	9½	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.T.
3,50,00,000	45,77,754	1,16,74,246	1,74,76,663	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	21½	10	2 0	*Nil*	*Nil*	0 0	12	Y.
1,58,39,220	1 20 50,000	1,55,72,891	57,17,651	28,98,402	A. B. Desmukh & Co. (India) Ltd.	Indian Rubber Manufacturers ..	30½	10	1 0	0 8	0 8	1 4*	12	Y.P.T.
6,37,970	5,88,000	16,40,508	8,96,110	32,013	Mr. Eric Henry Hare (Chairman)	Indian Rubber Manufacturers ..	11½	10	1 0	1 0	1 0	1 0	12	Y.P.
18,16,00,000	7,53,58,555	5,50,54,757	1,17,80,408	25,00,782	G. M. Mackinlay, Esq.	Imperial Tobacco Co. of India Ltd.	14½	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
2,00,00,000	55,29,566	84,83,950	8,60,060	4,70,107		Jardine Henderson	100	100	10 0	7 8	7 8	7 8	3	Y.P.
6,84,000D. / 66,000D.	3,48,243	6,89,880	4,81,766	2,240	James & Co., Ltd.	Macfarlane & Co.	2½ / 1	D. 1 / *Nil*	*Nil*	*Nil*	*Nil*	*Nil*	3	Y
60,00,000O. / 5,00,000D.	72,01,900	25,16,760	7,97,301	1,37,324	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	218N / O.100 / D.10	O. 10 / D. 10	7 8 / 0 0	10 0 / 0 0	17 0 / 1 3 1/5		12	Y.P.
1,87,38,000	60,54,276	22,58,051	11,84,226	2,08,456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	25½	10	1 8	1 8*	1 8	1 18*	9	Y.P.
1,15,00,000	44,50,000	1,76,54,386	79,08,315	14,48,141	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	27½	10	1 0	1 0	1 0		9	Y.P.
6,35,258	1,58,858	7,81,449	3,60,987	—15,289	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	10	10	1 0	1 0	1 0	1 4	3	Y.P.
6,56,250	9,55,113	10,40,250	4,40,917	73	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	14½	10	1 0	1 0	1 0		12	Y.P.
10,00,000	1,23,000	18,18,188	8,10,686	20,916	T. Shamanna, Esq. (Chairman) ..	Mysore Tobacco	13½	10	1 0	1 0	1 6	1 0	3	Y.P.
40,00,000	51,21,172	59,09,527	39,20,120	2,21,282	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	22½	10	0 12	1 0	1 0	1 8*	3	Y.T.
79,97,000	31,15,887	1,14,74,878	52,77,582	9,08,480	B. N. Elias & Co., Ltd.	National Tobacco Co.	12½	10	*Nil*	*Nil*	*Nil*		3	Y.T.
40,00,000	27,00,000	44,15,474	19,71,484	1,81,468	Coromandel Investment Trust Ltd.	Parry & Co., Ltd.	2	2	0 4 4/5	0 4 4/5	0 4 4/5		12	Y.P.
2,25,00,000	7,25,185	1,58,49,091	40,14,109	—65,90,179	M. P. A. Pasputti, Esq.	Ballia (India) Ltd.	33	100	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.
1,12,24,400	1,81,20,808	1,76,54,989	3,47,94,970	4,91,664	Sahu Jain Ltd.	Rohtas Industries	22½	10	1 0	1 4	1 8	1 8	12	Y.P.T.
40,00,000	98,80,594	1,18,76,870	70,99,687	3,68,951	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	17	10	1 8	1 8	1 8	1 8	12	Y.P.
75,00,000	49,00,000	19,88,886‡	4,16,784		B. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	15½	10	1 0	1 0	1 4	1 0	6	Y.P.
9,98,880	.....	14,99,289	3,54,880		Ogale Bros., Ltd.	Travancore Ogale Glass	3½	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

‡ On old capital. § Existing Rs. 1,49,01,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Acreage under Tea	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	.....	McLeod & Co., Ltd.	Amluckie	325	350N	100	7 8	25 0	30 0		12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	Ananda (Assam) Tea	429	43	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	Ananda Bag	420	49	10	*Nil*	2 8	3 0*		12	Y.
5,50,000	11,21,541	10,95,977	6,44,367	93,058	McLeod & Co., Ltd.	Bachmari	513	27½	10	*Nil*	*Nil*	3 8		12	Y.
5,10,000	8,50,000	11,99,193	3,89,481	93,033	Andrew Yule & Co., Ltd.	Basmatia	389	34½	10	2 0	2 8	3 0		12	Y.
3,20,000	4,85,000	10,11,285	6,49,265	13 934	National Tea Corporation ..	Bateli	569	21	5	0 4	2 0	4 0		12	Y.
3,20,000	8,70,000	9,60,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	Betjan	594	57½	10	*Nil*	2 0	10 0*		12	Y.
6,50,000	20,60,000	52,30,199	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	Bishnauth	3,967	28½	10	*Nil*	3 8			12	Y.
6,00,000	2,53,500	10,49,416	2,08,130	61,029	Octavius Steel & Co., Ltd.	Bokashat	485	20	10	*Nil*	*Nil*	1 0		12	Y.
7,50,000	6,52,400	8,92,327	2,83,050	1,44,105	McLeod & Co., Ltd.	Bormah Jan Tea	450	22½	10	*Nil*	0 12	3 8		12	Y.P.T.
25,00,000	11,92,045	73,30,473	19,49,496	26,092	Brook Bond India Ltd.	Brooke Bond	2,834	24½	10	1 0	0 8	1 4		6	Y.P.
1,20,000	4,00,426	5,55,963	1,35,593	9,548	McLeod & Co., Ltd.	Deloo Valley	382	52	10	*Nil*	1 0	6 0		12	Y.
6,00,000	10,99,000	29,04,194	14,54,477	51,359	Jardine Henderson Ltd.	Dessai & Parbattia	1,220	405N	100	10 0	20 0	40 0		12	Y.
2,00,000

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						PLANTING; PRODUCE AND RUBBER								
2,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,94,188	18,13,787	33,42,456	3,75,555	1,19,669	Peirce Leslie & Co., Ltd. ..	Cochin Malabar	9	3	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,006	1,21,059	Cons. Coffee Estates (Secretaries). .	Coffee Lands and Industries ..	23½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70 000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	224	10	1 8*	1 8	1 8	1 12*	3	Y.P.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd. ..	Cottanad Plantations	18	10	1 0	1 4	2 8	1 4	12	Y.P.
18,00,000	9,35,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce	31½	10	2 0	2 0	2 0	2 12	4	Y.P.
4,00,000	10,03,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kaliyetta Estates	32½	10	3 8	5 8	2 4	2 4	6	Y.
9,00 000	7,28,322	18,44,917	2,55,893	21 ½	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	17	10	1 8	1 8	1 12*	2 8	3	Y.P.
27,00,000	29,30,000	74,32,314	7,74,923	1 45,508	A. V. Thomas & Co., Ltd. ..	Midland Rubber	25½	10	0 10	0 12	1 8		12	Y.P.T.
3,35,000	2,81,000	14 31,422	1,45,231	13 146	A. V. George & Co., Ltd. ..	Nilambur Rubber Co.	15½	10	1 0	1 0	1 0		12	Y.P.
2,00,000	2,99,688	7,20,295	44,185	8,690	Associated Planters Ltd. ..	Ouchterlony Valley Estates ..	5*	2	0 3½	0 3½	0 9 3/5	0 6 2/5	10	Y.P.T.
19,45,980	24,00,991	41,19,709	12,04,957	40,399	Peirce Leslie & Co., Ltd. ..	Rajakuri Rubber	25	10	1 8	1 12*	1 12*	2 0	6	Y.P.
13,50 000	7 80,000	40 92,283	3,51,057	7,461	A. V. Thomas & Co., Ltd. ..	Savumalai Estates Ltd.	27½	10	3 8	3 0	2 8	1 0	11	Y.
3,66,780	3,00,000	6,70,359	92,117	71,342	Peirce Leslie & Co., Ltd. ..	Tekkoy Rubber (India) Ltd. ..	10½	10	0 14½	0 14 2/5	0 12	0 14 2/5	3	Y.P.T.
10,00 000	3,98,340	22,92,120	1,25,929	2,061	East India Agencies	Thamaraipally Rubber	20½	10	2 0	3 0	3 0		12	Y.P.
2,50,000	2,37,500	5,20,513	27,925	15,715	A. V. George & Co., Ltd. ..	Travancore Rubber and Tea Co., Ltd.	2 ⅜	1	0 4	0 4½	0 1 3/5	0 2	9	Y.
6,10 200	3,60,005	3,91,561	60,665	24,920	Peirce, Leslie & Co., Ltd. ..	Travancore Rubber	28d	10	2 0	2 0	2 0		12	Y.
6,00,000	48,474	7,49,611	1 11 200	3 744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber and Tea Co., Ltd.	13½	10	0 9 3/5	1 0	1 0	1 4	12	Y.P.T.
41,00,000	14,20,673	74,96,207	7,65,148	3,28,025	Aspinwall & Co. (Travancore)	Tropical Plantations Co.	43	25	2 8	3 0	5 0		12	Y.
20,00,000	90.000	25,53,508	5,65,978	2,276	P. T. Thomas, Esq. (Mg. Director).	Vaikundam (Travancore) Rubber ..	27	10	2 0	2 0	2 4		12	Y.
6,25,580	4,40,670	7,77,154	14,119	21,303	Harrisons & Crosfield Ltd. ..	Woodland Estates	12½	10	*Nil*	1 0	1 8	2 0	3	Y.P.
1 85,000	87,250	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)									

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,90,939	2,42,027	B. N. Elias & Co., Ltd.	870	Agarpara	11 ¾	10	1+1	¾+¼	¼+⅜	⅜+	3, 9	H.T.P.
6,00,000	9,50,000	51,48,608	35 31,395	94 086	McLeod & Co., Ltd.	446	Alexandra	133	100	*Nil*	*Nil*+2½	2½+5	6+6	6, 12	H.P.
30 00,000	9,84,130	1,17,45,944	91,71,069	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	173	100	10+10	7½+5	2½+5	5+3½	3, 9	H.P.
49 20,700	72,00,000	2,72,98,335	1,87,90,000	1,23,015	Duncan Brothers & Co., Ltd. ..	2,561	Anglo-India	128	100	5+4	2+2	1+2½	6+4	3, 9	H.P.T.
40 00,000	42,94,285	1,73,44,642	88,94,396	9 783	Bird & Co., Ltd.	810	Auckland	140	100	*Nil*	4+*Nil*	*Nil*	3½+*Nil*	3, 9	H.P.
20,00,000	22,86,887	96,73,016	65,15,094	15,350	Jardine Henderson & Co.	959	Bally	134	£5	£1	£1	£2	£2	3	Y.P.
£275,000	£431,523	£1,556,539	£1,003,227	£64,858	Sir John H. Burder (Chairman)	1,889	Barnagore	160	100	7½+7½	7½+7½	5+5	5+2½	6, 12	H.P.
58,00,000	32,30,123	92,27,342	49,93 231	1,005	Andrew Yule & Co. Ltd.	820	Belvedere	17	10	1	1½	1½	0	6	Y.P.T.
45,00,000	88,45,000	57,03,172	31 28,574	2,65,100	Soorajmull Nuzarmull	1,030	Bengal	17 ⅛	10	3	3	1	1	3	Y.P.
91,26,000	2,15,77,044	3,32,32,892	29,72,760	3,12,630	Birla Bros., Ltd.	1,373	Birla	139	100	6½+6½	6+4	4+5	5+2½	4, 10	H.P.
26,00,000	27,37,326	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	91 ⅜xd	10	0+8	*Nil*	¼+¼		4, 10	H.P.T.
7,47,380	3,16,924	26,48,494	42,43,404	35,424	Dayaram & Sons	502	Calcutta Jute Mfg.	203	100	6+6	6+6	4+5	4+2½	5, 11	H.
18,00,000	30,46,234	87,13,271	41,43,705	6,248	Andrew Yule & Co., Ltd.	600	Caledonian	150	100	7+8	3+3	*Nil*+3	4+6	3, 9	H.
99,15,400	98,58,414	2,22,41,517	1,07,46,093	1,30,565	Jardine Finlay & Co., Ltd.	1,600	Champdany	139	100	6+6	6+6	6+8	6+4	5, 11	H.P.
15,95,000	28,39,282	81,34,655	66,60,175	2 615	Andrew Yule & Co., Ltd.	530	Chevliot	14 ⅜	10	2½+11	1½+½	½+½		6, 12	H.T.P.
30,15,000	24,25,000	60,73,514	46,01,290	1,52 253	McLeod & Co., Ltd.	969	Clive	14½	10	2	*Nil*	*Nil*	1-4s	3	Y.P.
16,00,000	24,00,000	78,22,716	66,22,992	1,07,142	Shaw Wallace & Co., Ltd.	766	Dalhousie	104	100	6+1	1+3	1½+1½	3+1	3, 9	H.P.T.
31,49,200	61,22,863	1,34,26,320	64,46,601	4,996	Bird & Co., Ltd.	779	Delta	208	100	10+10	10+10	6+6	5+5	5, 11	H.P.
28,00,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd.	500	Empire	19½	10	1+1	½+½	½+½	½+	6, 12	H.T.P.
15,00,000	33,50,000	81,98,824	59,15,560	1,43,894	McLeod & Co., Ltd.	850N	Fort Gloster	1,884	*Nil*	*Nil*	*Nil*	*Nil*+5	10+5	3, 9	H.P.T.
21,00,000	59,60,176	2,72,82,353	1,87,05,641	71,982	Kettlewell Bullen & Co., Ltd. ..	1,014	Fort William	21	10	*Nil*	*Nil*+*Nil*	10+10	10+10	3, 9	H.T.P.
14,00,000	17,75,000	84,16,102	63,69,759	1,16,743	Bangur Bros., Ltd.	1,709	Ganges Mfg.	66½	10	*Nil*	*Nil*+*Nil*	*Nil*+½	2½+*Nil*	3, 9	H.P.
84,32,100	1,66,021	2,03,72,498	1,32,68,885	84,732	Macneill & Barry Ltd.	1,300	Gondalpara	30	10	*Nil*	*Nil*	*Nil*	15	12	Y.
10,80,000	10,80,000	71,92,963	48,43,992	—74,093	Gillanders Arbuthnot & Co., Ltd.	265	Gouripore	265	100	1½+*Nil*	*Nil*+3½	2½+7½	7½+7½	3, 9	H.P.
24,00,000	33,38,409	2,12,33,183	1,65,13,218	57,208	Macneill & Barry Ltd.	1,594	Hastings	114N	10	10	10	10+10	11½+	3	Y.P.
40,00,000	55,88,234	99,03,890	57,38,999	3,27,745	Bangur Bros., Ltd.	1,078	Hoogbly	38	10	1½	1½	½	½	3	Y.
16,80,000	18,52,626	66,38,235	45,81,418	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Howrah	22½	10	1+½	½+½	½+½	½+½	3, 9	H.P.T.
65,62,500	51,32,961	1,82,27,584	1,07,31,964	11,463	Jardine Henderson Ltd.	1,940	Hukumchand	23½	7½	5	3	2	2	3	Y.P.T.
52,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramdutt Ramkissendas	815	Naskarpara	425	100	2½+2½	2½+2½	*Nil* 2½	2½+1½	3, 9	H.P.
D. 87,00,000	16,55,558	1,23,66,655	78,55,428	7,731	M.	1,076	India	140 O.	125	3½+3½	3½+3½	*Nil*+3½	3½+1½	5 3, 9	H.
D. 30,000								D.	1	A4.1+1	a2/5+2.5	*Nil*+a2/5	a2/5+1		
24,00,000	16,50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,727	Kamarhatty	134	100	8½+6	6+3	3+6	2½+*Nil*	6, 12	H.P.
B. 19 20,000								125 'B'	100	8½+6	6+3	3+5	2½+*Nil*		
30,00 000	7,00,000	1,32,86 300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankanarrah	95	100	6+4	5+2½	2½+4	1+*Nil*	6, 12	H.P.
B. 24 00,000								91 'B'	100	6+4	5+2½	2½+4	1+*Nil*		
21 00,000	49,50,000	1,12,88 938	79,26,276	1 70 687	McLeod & Co., Ltd.	708	Kelvin	245	100	7½+7½	7½+10	10+6	6+5	6, 12	H.P.
64,00,000	28,88,375	1,71,52,716	1,16 91,627	1,02,102	Anderson Wright Ltd.	1,530	Khardah	163	100	10+15	10+7½	7½+5	6+5	3, 9	H.P.T.
48,00,000	1,04,27,157	2,31,57,457	1,12,99,755	52,710	P. W. Heilgers & Co.	1,250	Kinnison	168	100	10+7	4+5	2+5	7+6	3, 9	H.P.
24,48,000	49,37,707	1,39,92,502	80,35,707	10,707	Bird & Co., Ltd.	931	Lansdowne	163½	100	7+3	2+5	1+1	1+2	3, 9	H.P.
2 0 0,000	56,89 479	1,16,02,741	64,08,985	2,154	Bird & Co., Ltd.	840	Lawrence	108	100	11+4	2+3	2+4	5+1	3, 9	H.
81,85,200	25,04,412	2,01 00,682	1,44 49 804	10,614	M.	1,008	Mesna	81	100	2½+2½	2½+2½	*Nil* 2½	2½+1½	3, 9	H.
22,98,900	38,14,415	1,84,07,435	98,81,408	—8,19,282	F. W. Heilgers & Co.	815	Naihati	95	100	6+*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
20,00,000	15,55,000	29,01,563	18,21,709	17 816	Howrah Trading Co., Ltd... ..	425	Naskarpara	18½	10	2+2	*Nil*+⅜	½+½	½+½	4, 10	H.T.
35,00,000	43,29,326	29,10 124	10,08,222	70,554	Andrew Yule & Co., Ltd.	852	National	23 ⅛	10	1+1	1+1	1+1	1+⅛	4, 10	H.P.
26,25,000	24,50,000	28,82,594	20,20,619	1,43,752	Bird & Co., Ltd.	316	Nellimarla Jute	11	10	2+1	1+1	½+½	½+	6, 12	H.P.T.
85,50 000	2,71,43,342	4,29,15 627	96,26,548	8 71,293	Sahu Jain Ltd.	709	New Central	17	10	10+12	12+12	12+6	½+	12	Y.P.
16,79,880	48,95,164	1 17 37 858	45,80,055	46 862	Bird & Co., Ltd.	567	Northbrook	28½	10	1+½	½+½	½+½	½+½	3, 9	H.
66,79,500	23,30,743	2,12,69,608	1,39,37,864	58,225	Macneill & Barry Ltd.	1,092	Nuddea	39	50	1+*Nil*	*Nil*+½	*Nil*+½	½+½	3, 9	R.
24,91,000	26,81,049	72,46,385	50,35,599	5 784	Andrew Yule & Co., Ltd.	601	Orient	155	100	1+6	6+6	6+6	5+4	5, 11	H.P.
25,00,000	6,23,468	80,72,591	63,77,961	1,03,954	McLeod & Co., Ltd.	405	Prasidency	5 ⅞	5	*Nil*	*Nil*+½	½+⅜		6, 12	H.T.
20,00,000	1,44,936	28,56,830	8,39,130	—12,15,983	Birla Bros., Ltd.	805	Rameshwara	6½	10	*Nil*	*Nil*	*Nil*	*Nil*+	3, 9	H.P.
49,50,000	1,62,723	1,24,06,577	89,38,544	5,00,980	Jardine Henderson Ltd.	1,276	Reliance	10½	10	*Nil*	½+½	*Nil*	½+⅜	3, 9	H.P.T.
£600,000	£1 093,713	£1 236,315		£83 658	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	11½	£1	10%	10%	10%	3%½	12	Y.P.
30,00,000	18,12,193	1,04,21,440	73,39,904	58,764	Rajaria More & Co., Ltd.	911	Shree Ambica	16	10	1+1	*Nil*+½	½+½		2, 9	H.P.
14,00,000	11,25,000	66,11,794	38,79,294	3 744	Espen Thomas, Esq. (Mg. Director)	650	Standard	19¼ N	10	*Nil*	½	1	1	12	Y.P.T.
25,19,600	42,44,130	1,30,76,167	51,18,663	—2,75,291	Bird & Co., Ltd.	1,794	Titaghur	103	100	8+1	1+1	1+1	1+*Nil*	3, 9	H.P.
£600,000	£925 119	£990,895		£110,316	Thomas Duff & Co. (India), Ltd...	149	Union	11½	£1	10%	10%	10%	3%½	12	Y.P.
85,38 600	68,14 828	1,95,40 009	81,71,517	14,518	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	11½	£1	10%	10%	10%	3%½	12	Y.P.
£400,000	£589,035	£1,052,723		£97 816	McLeod & Co., Ltd.	485	Waverley	6½	1	*Nil*	*Nil*+½	½	½	6, 12	H.P.T.
2,50,000	4,95,000	55,94,678	37,77,741	35 624											

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	35,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	25½	10	½+½	½+½	½+7/10	½+	3, 9	H.
12,00,000	8,02,573	38,78,477	36,13,477	22,708	Jardine Henderson Ltd.	Bararee Coke	19½	10	⅜+⅜	½+½	½+7/10	½+7/10	3, 9	H.
4,49,350	70 000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal Coal	528	200	20+20*	17½+15*	15*+15*	17½*+17½	*4,10	H.P.
1,00 00,000	1,40 49,223	5,91,92,614	3,05,77,326	7,31,563	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	⅜+⅜	*Nil*	*Nil*	*Nil*	6,12	H.P.
2,25,000	4,77,174	24,21,035	22,28,968	....	H. V. Low & Co., Ltd.	Bhalgora	6½	10	⅜	⅜	⅜	⅜	9	Y.
15 97,000	4,73,358	37,70,192	32,77,364	13,498	Sahu Jain Ltd.	Bharat Collieries	7⅛	10	*Nil*	*Nil*	*Nil*	*Nil*+	6,12	Y.P.T.
40 00,000	6,00,000	1,39,06 662	71,05,188	27,433	F. W. Heilgers & Co. Ltd. ..	Bhulanbararee	14N	10	*Nil*	½	½	½	6,12	H.
15 00,000	15 09,360	52,49,025	37 99,987	—1,65,136	Ramkarh Industries (Coal) Co. ..	Bokaro-Ramgur	12⅜	10	1½*+1½*	1½*+1½*	1+1	1+	6,12	H.T.
16 00,000	16,17,936	68,14,856	39,99,841	—79 196	F. W. Heilgers & Co., Ltd.	Borrea	20½	10	1+1	1+1	1+1	1+	6,12	H.P.
7,50,000	23 50,000	42,07,858	26,07 691	68,656	F. W. Heilgers & Co., Ltd.	Burrakur	14	10	½+½	½+½	½+½	½+½	6,12	H.P.T.
90,92,480	1,76,70,564	4,16,93,554	1,80,95,440	1,40,510	Bird & Co., Ltd.	Central India	6⅜	10	*Nil*	½	½	½	3	Y.
4 97,750		39 02,720	3,82,645	14,019	Hindustan Investment Corpn., Ltd.	Central Kurkend	11N	10	½+½	½+½	½+½	½+½	6,12	H.
8,00,000	13 54,302	49 10,414	32,03,954	32,768	M.	Churulia	2⅞	4	⅜+⅜	⅜+⅜	⅜+⅜	⅜+⅜	6,12	H.
6,00,000	1,45,093	7,29,43 8(k)	12,201	2,48,279	F. W. Heilgers & Co., Ltd.	Dhemo Main	8¾	10	*Nil*	*Nil*	*Nil*	*Nil*+	6,12	H.T.
10 00,000	1,20,000	52,67,321	28,91,190	—2,43,279	Macneill & Barry Ltd.	East Indian	3⅛(l)	£1	2½	2½	3	4	4	Y.
£240,000	£380,353	£936,945	£702,277	£59,787	Jardine Henderson, Ltd.	Equitable	28½	10	2 +1½	1 + ½	½ + ½	½+	6, 12	H.P.T.
29,63,700	76,34,250	3,89,97,499	2,37 14,367	93,266	Macneill & Barry Ltd.	Ghusick and Mualia	14¾ N	10	*Nil*	*Nil*	*Nil*	*Nil*+	3	Y.
10,00,000	2,15,000	10,76,864	3,73,963	11,273	Phatter's Agency Ltd.	Hingir-Rampur	5¼	50	4	3	*Nil*	2 4	6	Y.P.
12,00,000	1,22,000	39,02,565	20,99,824	3,226	Killick Industries Ltd.	Hurriladih	23½	10	½ + ½	½ + ½	½ + 1	1½+	6, 12	H.
8,00,000	6,75,000	21,49,057	18 61,214	65,161	Macneill & Barry Ltd.	Jogta Coal	2 ⅜	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
22,00,000	1,12,960	23 74,412	6,18,546	—5,57,293	Bajpaie Trust Ltd.	Kalyanbid	20½	10	1½+1½	1½+1	*Nil*	2½	2, 8	H.
3 50,000	2,07,448	13 53,458	7,08,130	....	Andrew Yule & Co., Ltd.	Karanpura Collieries	125	100	*Nil*	*Nil*	*Nil*	2½	2	Y.P.
20,00,000	17,325	29,07,891	3,43,150	2,661	Bird & Co., Ltd.	Katras Jhertiah	56⅜	10	2 + 2	2 + 2	2 + 2	2½+3	1, 7	H.
5,00,000	15,50 000	12,85,941	1,26,128	—2,60,236	Andrew Yule & Co., Ltd.	Khas Kujora	4N	10	*Nil*	*Nil*	*Nil*		6, 12	H.P
1,34,400	5,72,960	12,85,941	5,72,960	—41,320	Berjwala & Co.	Kharsli	3⅜N	10		*Nil*	*Nil*		6	Y.
11,00,240	64,314	16,72,961	10,41,863	—1,31,610	H. V. Low & Co., Ltd.	Lakurka	10N	10					4	Y.
9,00,000	11,56,413	28,69,268	22,97,987	1,255	H. V. Low & Co., Ltd.	Nazira	7	10					12	Y.
7,48,240	2,00 000	12,18,473	9,23 170	11 096	Tantia Brothers Ltd.	New Hanadeopur	8⅜N	10					3, 9	H.
7,00 000	28,617	10,33 740	5,20,295	4 560	Amritlal Ojha & Co. Ltd.	New Beerbhoom	20	10	*Nil*+	½ +	½ +	½ + ½	4, 10	H.P.
17,78,230	20,01,763	1,19,78,953	58,63,996	36 426	Octavius Steel & Co., Ltd.	New Manbhoom	11⅜	10	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
3 00,000	85,000	25,44,928	16 65 990				10½	10	½ + ½	½ + *Nil*	*Nil*	½ + ½		
1,15,000	2,55,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	16¼N	7½	⅜ + ⅜	½+*Nil*	*Nil*	½ + ½	3, 9	H.
1 57,500							14⅜N	10	1 + 1	1 + 1	½ + ½			
1 50,000	12,21,853	3,97,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd.	Ondal	9N	10			½ + ½	½+	6, 12	H.P.
10 00,000	1,10,000	39 70,662	17,99,658	3,909	K. C. Thapar & Bros.	Oriental Coal	13⅜d	10	*Nil*	½ + ½	½ + ½		12	Y.T.
8,34,000	10,862	17,52,137	8 30,795	8 018	Deepchand Kishenlall	Parasea	23	10	*Nil*	½ + ½	½ + ½		6 12	H.P.
15 75,000	15 00 000	46 12,471	34 02,471	38 092	Shaw Wallace & Co., Ltd.	Pench Valley	11	10	½ + ½	½ + ½	½ + ½	½+	3, 9	H.
23,99,500	18,67,105	1,19,88,839	83,82,615	33 013	N. B. Elias & Co., Ltd.	Raneegunge	22½	10	2 + 1	1 + 1	½ + ½	½+	3, 9	H.
13,50 000	8 55,385	35,36 765	27,73,764	2 621	Shaw Wallace & Co., Ltd.	Rewa	14N	10	½ + ½	½ + ½	½ + ½	½+	6, 12	H.
20,00 000	3,00,000	44 28,585	18,73,118	2,20,176	Jaipuria Sons Ltd.	Simla Collieries	74N	10	2½	2	2	1	12	Y.
1,25 000	1,95,392	13 78,480	12,21,287	21 070	M.	Seasole	31	7	2 + 1	½ + ½	1 + 1	1½ +	6, 12	H.P.
2,50,000	7 36 598	29,37 021	18,41 629	40,187	Andrew Yule & Co., Ltd.	Seebpore	9½N	10	*Nil*	*Nil*	*Nil*+½	½ + ½	6, 12	H.T.
8,00,000	5 46,689	52,491	28,867	6 601	F. W. Heilgers & Co., Ltd.	Sendra								
63,21,450	16,96,050	3,82,71,101	2,85,85,601	—4,46,963	Industrial Trust Fund (Government of Hyderabad)	Singareni	9½	10	½ + ½	*Nil*	0-11 1/5		12	Y.T.
17,50,000	10,84,016	37,86,103	15,14,990	—51,538	Bird & Co. Ltd.	South Karanpura	10⅜	10	½ + ½	½ + ½	*Nil*+½	½+*Nil*	12	H.
8 00,000	13,69 545	1 69,570	25,510	7 68	F. W. Heilgers & Co., Ltd.	Standard	25	10	½ + ½	1 + 1	½ + ½	½+	3, 6	H.
10 00,000	12,956	30 82 249	15,43,502	—5,07,745	Villiers Ltd.	Talcher	3⅜	2½	*Nil*	*Nil*			6, 12	H.
2,50,000	2,80,000	19,47,955	14 [illegible]	44,167	Williamson Magor & Co., Ltd. ..	Union	12½	10	1½+1½	1 + ½	½+1	*Nil*+	9	Y.
49 98 000	....	49,06 [illegible]	18,91,545	32,594	Hindustan Investment Corpn., Ltd.	Western Bengal	6⅜	10			½	½+	6, 12	H.
7,00,000	1,38,190	20,22,133	22,66,981	122	Macneill & Barry Ltd.	West Jamuria	12½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Olive Mills have paid dividend at As. 10½ on bonus

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
10,00,000	1,08,00,000	11,36,301	Allahabad Bank	357	100	18 0	18 0‡	18 0‡		12	Y.P.
14,50,000				180	50	9 0	9 0‡	9 0‡			
1,01,000	14,37,000	12,375	Andhra Bank	111½	100	6 0	6 8	7 8	0 8	6,12	H.
32,46,180				82	70	3 0	3 4	3 12	4 8 4/5		
1,00,00,000	1,38,00,000	3,35,546	Bank of Baroda	93	50	6 0	6 0‡	6 0‡	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	16¼N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,53,00,000	13,26,630	Bank of India	155½	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	23,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	27	50	1 8	1 8	2 0	2 0	12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	250	100	16 0‡	16 0‡	16 0‡	16 0‡	12	Y.
61,81,700	85,12,013	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	29,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	4 8	5 0	12	P.Y.
7,40,000	12,00,000	2,483	Canara Banking Corporation Ltd.	80½	50	5 0‡	5 0‡	5 0	5 8‡	12	Y.P.
2,02,11,875	4,01,81,217	18,40 859	Central Bank of India Ltd.	50	25	3 8	3 0	3 0	3 0	12	R.L.Y.
52,42,375 'A'				51	25	3 8	3 0	3 0	3 0		
50,00,000	28,10,000	1,54,911	Devkaran Nanjee Banking Co.	40	50	1 12	2 0	2 8		12	Y.
1,40,00,000	1,00,00,000	1,05,895	Habib Bank (F)	20	20	4 0	4 0	4 0		12	Y.
50,00,000	56,00,000	1,86,278	Hind Bank	31½	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	8½	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	14	50	—	—	—		12	Y.
75,00,000	78,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	5 0	6 0‡	5 0	9	Y.
24,00,000	79,75,000	1,45,140	Indian Bank	180	100	12 0‡	12 0‡	12 0‡	12 0	6,12	R.L.H.
15,00,000				157	90	10 3‡‡	10 3‡‡	10 3‡‡	10 12½		
18,20,000				116½	65	7 3‡‡	7 3‡	7 3‡‡	7 12‡		
49,19,875	80,00,000	2,28,299	Indian Overseas Bank	126	100	6 0	6 0	6 0	7 8	12	Y.
2,25,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½	100(A)	6 0	Nil	Nil		6,12	H.
6,50,000				11	25(B)	1 8	Nil	Nil			
10,00,000				20	50(C)	3 0	3 0	Nil			
87,50,000	97,50,000	2,35,103	Punjab National Bank	46xd	25	1 8	1 8	2 0	3 8	12	Y.
1,00 00,000	23,80,000	48,597	Travancore Bank	17	25	—	0 10	0 12	1 0	12	Y.
40,00,000	25,00,000	1,96,239	Union Bank of India	6½	5	0 5½	0 5½	0 6	0 6	12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank	51	50	2 0	2 0	2 8	2 12	12	H.
PRINCIPAL EXCHANGE BANKS						**Dividend (per cent.)**					
£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-18-3	£1	16†	14†	15†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7½	£5	7†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K.$128,000,000	H.K. $ 10,606,689	Hongkong and Shanghai Banking Corporation	£96	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£15,000,000	£558,006	Lloyds Bank	£2-15-9	£5 A	12†	14†	15†	12†	12	R.L.Y.
£1,437,296 'B'				£1-6-8	£1 B	5†	5†	5†	5†	12	R.L.Y.
£378,000 'A'	£1,750,000	£219,372	Mercantile Bank of India	£4-0-0	A £2½	14†	14†	14†	14†	12	R.L.Y.
£378,000 'B'				£4-0-0	B £2½	14†	14†	14†	14†		
£730,000 'C'				—	C £1	14†	14†	14†	14†		
£2,851,563	£3,104,687	£342,158	National Bank of India	£1-1-3	sh. 12½	16†	16†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	100	1st June 1963
4 00 000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February 1960
6.00 000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	1936	99½	30th December 1956
10 00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December 1955-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	88	1st November 1959-64
20 00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April 1956-61
15.00.000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November 1959-64
COAL						
80,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June 1956
30,00,000	5½	30th June and 31st December	Burrakar Coal Co.	1947	91½	30th June 1967(c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December 1962(c)‡
COTTON						
5,50,000	5½	30th June and 31st December	Sasanti Cotton Mills Ltd.	1942	85	30th April 1954
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	99	15th November 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	101½	1st March 1972(a)
12,68,000	5½		Jaykhree Textiles	1949	80N	1st January 1956-59
30 90,000	5	1st June	Tata Mills	1951	100	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March 1965(a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100½	14th June 1960
48,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	99⅝	1st October 1959
12,00,000	4½	30th June and 31st December	Assanara Electric Light and Power Co., Ltd.	1949	94	31st December 1964(a)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	100‡	1st January 1970(a)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co. Ltd.	1945	87	31st December 1970
15,00,000	5	1st January and 1st July	Bijna (Dhenkanal) Electric Supply Co., Ltd.	1951	96	30th June 1976(a)
4,75,000	5½	15th January and 15th July	South Madras Electric Supply	1940	98½	15th July 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	98½	1st October 1950-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	30th September 1953-63
4,53,000	4½	15th April and 15th October	South Madras Electric Supply	1940	94	1st July 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1st July 1970
2,50,00,000	4	1st April and 1st October	Tata Power		93½	15th September 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99	31st December 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June 1958
30,00,000	4½	15th September and 15th March	Indian Iron and Steel Co.	1942	102	1st July 1957-62
61,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	88	31st December 1956(H)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,80,00,000	6	1st April and 1st October	Tata Locomotives	1950	100‡	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	100‡	31st December 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	99‡	31st March 1959
6,00,000	5½	30th June and 31st December	Alexandra	1939	100	30th June 1958
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90½	31st December 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co. Ltd.	1945	93‡	30th June 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July 1958
10,69,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June 1968
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March 1959(a)
8,88,000	5	15th January and 15th July	Empire	1951	95	15th July 1965(a)
25,00,000	3½	1st January and 1st July	Hukumchand	1947	92	30th June 1957
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co. Ltd.	1956	100	31st March 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1949	96½	31st December 1964(a)
15,00,000	5	15th January and 15th July	Naihati	1953	98	31st December 1957(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd.	1939	93	14th May 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December 1964
4,00,000	4	30th June and 31st December	Presidency	1943	93	30th June 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co. Ltd.	1950	91	5th September 1965(a)
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September 1957
12,00,000	4½	30th June and 31st December	Union	1937	96½	30th June 1957
16,00,000	5½	31st January and 31st July	Wavarly	1925	85	31st July 1966
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Baraset-Basirhat Light Railway	1939	90N	1st July 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£56½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£77½N	1st October 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	(90)	31st December 1956(c)
£300,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months' notice (c)
4,33,26,597	4½	1st March and 1st September	Scindia Steam Navigation	1949	96½	1st September 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffe	1952	102	1st July 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea		100	1st April 1958-63
1,89,700	5½	31st March and 30th September	Teekoy	1944	100	31st March 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	96	31st December 1965
26,89,000	4½	1st January and 1st July	Associated Hotels of India	1948	96	31st December 1962
4,90,800	4½	30th June and 31st December	Bengal Paper Mills	1948	97	30th June 1957
2,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	103	1st September 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102½	1st October 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February 1964
20,92,200	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89½	1st July 1966
90,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87½	15th September 1966
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	1960
1,50,00,000	5	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1950	102½	1st January 1961(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June 1960(c)‡
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95½	1964
24,94,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	560	30th September 1957(c)
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	470	31st December 1972(c)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	(per note)		
1,50,00,000	5½	30th June and 31st December	National Rayon	1951	89½N	1st April 1971
1,00,00,000	4½	31st March	Orient Paper Mills Ltd.	1955	103	30th June 1965-70
1,60,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1951	96	31st March 1961(a)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	31st December 1959
						1st May 1968(a)††

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium M—Manaf 1-8-1954 but before 1-3-1957 and ½ per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 18 years. † Rs. 1,60,00,000 debentures will be med at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Redeemable (1) Made up a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st † New Cen964 onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1965, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January, 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 2nd May, 1956.

	Closing quotations 26-4-1956 Rs.	High Rs.	Low Rs.	Closing quotations 2-5-1956 Rs.
TEXTILES				
Ahm. Adv. (100)	173½	—	—	173½
Apollo (2)	2-13½	2-13½	22	2-12½
Bombay Dyeing ($50).	627½	634½	590	620½xd
Central India (100)	131½	139½	130	139
Century Mills (100)	518	531½	512	528½
Colaba (100)	71½	—	—	71½
Edward Textile (800).	335	—	—	355
Elphinstone (50)	55	—	—	55
Finlay (100)	348	348	327	330xd
Gokak (100)	227	230	225	230½
Ind. Untd. Defd. (1)	2-0‡	2-2½	2	2-1‡
Ind. Untd. Ord. (10).	12½	12¾	12⅜	12-10½
Indore Malwa (100)	147	147½	143‡	147½
Khatau (100)	240‡	—	—	240
Kohinoor (100)	348	360½	344	358
Lakshmi (250)	705	705	685	695xd
Madhusudhan (100)	111½	111½	110‡	111½
Minerva Mills (100)	88‡	—	—	88½
Model Nagpur (250)	150	—	—	150
Mcrarji (100)	245	—	—	245
Mysore (50)	110	—	—	110
National Rayons (100).	238½	248	236	245½
New City (100)	162½	—	—	162½
New Great (100)	235½	235	231	232½
New Union (10)	38½	—	—	38½
Phoenix (100)	132½	131½	125	128½
Podar Mills (100)	173‡	175	172½	175
Seasoon Silk (10)	13‡	—	—	13½
Sholapur (1,000)	38	38	37½	38
Shrinivas (100)	217½	221½	215	221½
Simplex (50)	209	215	209½	213½
Standard (100)	410	420	407½	417½
Swadeshi (100)	210‡xd	222½	214	222
Swan (100)	451½	451½	420	420xd
Tata Mill (£5)	51‡	53	51	53
Vishnu (100)	193‡	192½	186½	186½xd
Western India (1,000).	5,000	—	—	5,000
BANKS				
Bank of India (50)	153‡	156½	153½	155½
Bank of Baroda (50).	93	93	92	93
Central (25)	47	50	46‡	50
Central 'A' (25)	48‡	51	50	51
Dena Bank (50)	40	—	—	40
Punjab National (25).	48	48	46	46xd
Union Bank (5)	6-8½	6‡	6‡	6½
United Com. (50)	49½	51‡	49½	51
ELECTRIC COS.				
Ahmedabad (100)	100½xd	101½	100‡	100‡
Amalgamated (10)	11‡	—	—	11‡
Andhra Valley (1,000).	1,265	1,255	1,243½	1,245
Bom. Suburb. El. (100)	115	115	114 ⅜	115
Surat (100)	120‡	120½	120	120
Tata Hydro (100)	128	129	128½	128xd
Tata Power (1,000)	1,842½	1,845	1,840	1,842½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100).	600	—	—	600
Ind. Mercantile ($50).	41	—	—	41
Jupiter (15)	5‡	—	—	5‡
New India (15)	39½	40‡	39½	40‡
Oriental (200)	3,900	—	—	3,900
Universal (10)	7	—	—	7
Vulcan (10)	14‡	—	—	14‡
STEEL COS.				
Ind. Iron (10)	34-5½	34-15½	34-1½	34-9
Tata Steel Ord. (75).	239½	245	236½	243‡
SUGAR COS.				
Belapur (50)	219	220½	217	220½
Bhopal (10)	15	15	13	13
Phaltan (50)	141	144	138	143½
Walchand Ind. (100).	242½	246‡	236‡	240‡
CEMENT COS.				
Associated Cts. (100).	212‡	214	210‡	213½
Digvijay (100)	185	187½	185	187½
MISCELLANEOUS				
Alcock Ashdown (100).	341½	345	337½	340
Bom. Burmah (125).	622½	645	616‡	641‡
Do. (New) (50)	245	246½	242½	246‡
Br. B. Petrol (4 sh.)	4	4‡	3-14‡	4-1‡
Br. I. Corpn. (5)	10‡	11⅛	10⅛	11
C. P. Rly. (100)	93	—	—	90
Indian Copper ($sh.).	6⅜	6⅜	6-7⅛	6⅜
Ind. Inv. Tr. (100)	81	78½	77	79xd
Kamp (£00)	175	—	—	175
Killicks (100)	166½	—	—	166½
Polson (100)	178‡xd	—	—	173‡
Port Canning (100)	9‡	—	—	9‡
Premier Con. ($50)	171‡xd	174‡	167	172‡
Scindia	17⅜	18	17‡	17‡
G. E. Shipping (10)	17‡	18	17‡	17‡
Shivrajpur (10)	17‡	17‡	17‡	17‡
Tata Chemicals (10	104‡	106	102	106‡
Tata Oil (£5)	17⅜	18½	17½	17-15‡
W. I. Match (100)	48	48	46‡	47‡
	201‡	201‡	198‡	201‡

GOVERNMENT SECURITIES	27-4-1956 Rs.	Gross Yield Earlier Redemption	Later Redemption	2-5-1956 Rs.
2½% 1961	93‡	—	3.89	93‡
2½% 1960	96‡	—	3.71	96⅛
2½% 1962	93⅛	—	3.81	93⅛
2½% 1976	82‡	—	4.01	82⅛
3 % 1957	94⅛	—	3.13	99⅛
3 % 1958	99‡	—	3.18	99‡
3 % 1959-61	9⅛	5.62	3.40	98⅛
3 % 1964	94‡	—	3.74	94⅛
3 % 1965-66	94⅛	5.83	3.64	95⅛
3 % 1966-68	92⅛	5.72	3.72	93
3 % 1970-74	89⅛	5.74	3.74	89‡
3 % 1986 Con. Loan	76⅛	—	3 89*	77‡
4 % 1960-70	101‡	5.65	3.88	101⅛
4½% 1958-68**	108‡	5.00	4.15	108‡
2½% 1961 N.P. Bonds.	99‡	—	3.60	99⅛
2½% 1964 N.P. Loan	98⅛	—	3.68	98‡
2½% 1965 N.P. Bonds.	98⅛	—	3.68	98‡

BRITISH GOVERNMENT SECURITIES	27-4-1956 £	Low £	High £	30-4-56 £
2½% Brit. Consols	54‡	54‡	54‡	54‡
3% Savings Bonds 1965-75	77‡	77‡	77‡	77⅛
2½% War Loan 1955-59.	94⅛	94⅛	94⅛	94⅛
3½% War Loan	73‡	73‡	73	73
4% Victory Bonds 1976	93‡	—	—	93‡
4% Funding 1960-90.	88‡	88‡	88‡	88‡

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Eight.

COMMERCE

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

VOL. XCII. No. 2358 BOMBAY, 12th MAY 1956 PRICE Rs. 1/8

LABOUR POLICY

THE country stands on the threshold of a new era of industrial expansion. The Draft Outline of the second Five-year Plan, to which finishing touches are being given, is expressly designed to take the country much further in its industrial march. It should be obvious that the progress contemplated in the Plan cannot possibly be achieved without the active co-operation of labour. If a labour policy was at any time essential, it was never more so than today. The country cannot afford to have industrial unrest. It is, therefore, gratifying to know that both employers and employees have, by and large, begun to evince a keener and more constructive attitude towards their common problems. The Draft Outline of the Plan was paying a just tribute when it said that the "employers have shown increasing awareness of the need for improved working conditions, and labour as a whole has been prepared to play its part in increasing national production." The spirit in which the employers have accepted the concept of a management council (representing both employers and employees) augurs well for the future of the country. Employees, too, are beginning to be more realistic in the statement as well as the formulation of their demands. Some, if not all, of the resolutions passed and the speeches made at the recent conference of the Indian National Trade Union Congress (I.N.T.U.C.), held at Surat, deserve to be acclaimed for the constructive attitude they display. If the Government could only encourage these trends and succeed in holding the scales even between employers and employees, there is no doubt that it should be possible to implement the Plan without serious difficulty; the Plan will not flounder—at least, not on the rock of industrial unrest.

It would, however, be great folly to overlook the differences between employers and employees or to underestimate the gravity of some of the outstanding issues in the sphere of industrial relations. One such is the wages issue. The wage, though a vital connecting link between the employers and the employees, continues to be an issue on which there are honest differences of opinion. Actually, the wages question is not a single issue. It resolves itself into a number of complex issues. Should the Government lay down fair wages for workers? What in essence is the concept of a fair wage? Should a wage board function for the whole country? On what principles will such a wage board function? Is it desirable to have the whole or part of the dearness allowance merged with the basic wage? These questions are more easily posed than answered.

To take the fair wages question first. The I.N.T.U.C. has passed a resolution stating that the State should no longer neglect the right of the workers to a progressively rising standard of life with the living wage as a final goal. It demands that immediate steps should be taken to establish minimum wages in the agricultural sector, in the small-scale industries and a fair wage in all major industries at the present level of prices. Labour's contention is that the increase in wages has not kept pace with the increase in production and national wealth. It looks as though the I.N.T.U.C. has dropped its earlier charge that the real wages have not moved up at all. Such a charge used to be made before. The Union Labour Minister, Mr. Khandubhai Desai, one of the prominent leaders of the I.N.T.U.C. till recently, admitted in Parliament that the real wages in this country have increased by 20 per cent. in the last five years. Indeed, it will not also be correct to contend that real wages have not increased in proportion to industrial production. A study, made by the Government's Labour Ministry, shows that, during the period 1943-54, the index of real earnings advanced geometrically at an average rate of 3.9 per cent. per annum, whereas a corresponding rise in the index of productivity was of the order of 2.7 per cent. only.

It should thus be clear that the rate of increase in the real earnings of the workers has outstripped the rate of increase in industrial production. We do not, however, suggest that there is no scope for increase in real wages at all. Only, labour should bear in mind three important considerations while voicing its demand for higher wages. First, it would be impractical to lay down wage levels from purely theoretical considerations. Secondly, all increase in real wages must be ultimately related not only to increase in productivity of the industries concerned but also to the general standard of national income. Thirdly, any substantial increase in wages at a time when inflationary pressures are manifesting themselves and when the country is on the eve of large doses of deficit financing will only aggravate the inflation which in turn will reduce the real wages. It is in the light of these three considerations that the demand for an increase in wages now being put forward by workers has to be judged.

The workers have supported and the employers have not opposed the constitution of a wage board. But it should be obvious that such a board cannot function in a vacuum. It must be guided by certain general principles. If the Government has already evolved a set of principles by which such a wage board would be guided, it has not yet taken the public into confidence. The wage board cannot possibly lay down an omnibus level of wages for the whole country. It has to take into account regional differences in living costs, each industry's ability to pay a given level of wages and the divergent financial status of the units composing any given industry. It is a moot point whether a wage board can possibly take into account all these factors, particularly because not only are these factors unknown at present, but they are subject to fluctuations from time to time. It may be worth recording here that no workable solution has yet been found for the problem of the wages of bank employees. This problem is simple when it is compared with that of industrial employees. And yet, the Government has been unable to find a satisfactory solution. Is there any reason to think that a wage board, however ably manned it may be, will be able to settle the innumerable questions involved in the more complicated problem of evolving a nationwide wage structure? From this point of view, it seems wise to allow a wage board—if it is constituted at all—to examine the question of wages, in the first instance, rather than to ask it to prepare a neat and ready-made solution for the entire problem. In any case, it is well to recognise that wage levels should be determined by the joint effort of employers and employees rather than imposed from above.

The demand has been put forward from time to time that the dearness allowance should be merged with wages. This demand stems from the consideration that there is no prospect of any fall in price levels such as would justify a reduction in dearness allowance. Further, dearness allowance forms the major proportion of the total wage packet of each worker. In some cases, it is considerably more than the basic wage itself. It is absurd now to treat dearness allowance as some additional income. These considerations should induce the employers to adopt a helpful attitude towards this demand. Even labour concedes that a part of dearness allowance can be reserved for periodical adjustments based upon changes in the cost of living index. The employers, too, recognise that, except in so far as fringe benefits are concerned where they are not statutorily compulsory, the partial merger of dearness allowance with wages will not impose any special burden on them. It is, therefore, surprising that they should have made no serious attempts at meeting this demand of workers. There are, of course, certain difficulties in effecting the merger. There is, for instance, the problem of adjustments for the workers who are paid piece-rates. There is also the fear that the wage differentials arising from the different categories of workers, such as skilled and non-skilled, might get distorted through the merger. But these difficulties are not insurmountable once the employers concede the case and ask for the co-operation of the workers' organisations in evolving a satisfactory formula. There is much psychological gain to employers in making a voluntary offer to workers to treat a larger part of their pay packet as basic pay.

It is not clear why the employers do not make such a gesture. The fact is that the majority of employers in this country are conservative to a fault. They do not seem to be quick in reading the writing on the wall. At any rate, they have given the impression that they cannot take any initiative on their own. In this, they are less than fair to their employees, to the country—and, we may add, to themselves. The Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, noted for his unconventional approach to problems, struck a realistic note when he asked the employers to change their attitude. Speaking at the annual session of the All-India Organisation of Industrial Employers at New Delhi last week, he asked why the employers did not have the foresight to attend the I.N.T.U.C. Conference at Surat as fraternal delegates. This was a novel, and a very wise, suggestion. If it were adopted, the employers would, as the Minister emphasised, "come in contact with the mind of labour and break through the psychological wall that separates the employers from those who worked for them." The interests of no two sections are closer than those of employers and employees. Is it not surprising, therefore, that they should behave as though

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the only thing they loved most was to avoid each other's company? Should the employers continue to hurl their ponderous, long-winded statements at employees from the ivory tower of their board rooms and the employees resent the appearance in their midst of the very persons with whose prosperity their own is inextricably bound? If the absence of employers' delegates at Surat was due to lack of invitation, we would urge the I.N.T.U.C. to rectify the mistake in future. The workers ought to welcome the employers to all the open sessions of their conferences and so should the employers the representatives of workers.

Whether the employers and employees meet at open sessions or not, their representatives will soon face each other in the management councils. The move to set up these councils has been generally welcomed in this country. Urging the establishment of these councils in every factory, a resolution adopted by the I.N.T.U.C. stated that they could be of "considerable value." At the same time, it pertinently warned that participation by workers in these councils "cannot be real and effective, unless it is founded on respect for mutual rights and responsibilities and proper steps are taken to educate the workers and equip them for the responsibility they will have to share." It is to be hoped that both employers and the labour unions will together undertake this task of educating the workers, so that the management council becomes neither a pleasant club room nor an unpleasant boxing ring but a place where serious issues are discussed by men who know their job and value their mutual interests. Incidentally, these councils could gain in realism, if an attempt were made, at least by the larger industrial employers, to make the workers shareholders in the enterprises concerned.

There is yet another reason why management councils should be welcomed. Perhaps, when they start functioning, healthy conventions will grow up and there will be opportunities for discussing many matters of common interest. This might pave the way for voluntary negotiations. The law on industrial relations, as it now stands, has been rightly criticised on the ground that it does not facilitate such negotiations. Management councils could correct this drawback. Meanwhile, every effort should be made to oil the legal machinery of industrial relations, so that it functions smoothly and efficiently. Both employers and employees have held that it is slow-moving and cumbrous. Mr. M. L. Malaviya, moving the resolution on industrial relations at the Surat Conference, said that the present machinery was so dilatory that disputes started in 1948 had not yet been settled, with the result that workers who had been asked by the I.N.T.U.C. not to go on strike were dissatisfied. Here is an excellent instance of a good law being so badly implemented that its very purpose is defeated. Mr. Malaviya complained that the Government machinery, because it was so slow-moving, compelled workers to strike. He rightly insisted that every dispute should be settled within two or three months. At least, this ought to be the ideal. In labour matters, much more than even in ordinary civil or criminal cases, justice delayed is justice denied. The Government will do well to see that proper arrangements are made to settle cases as expeditiously as possible.

There is one sphere in which the I.N.T.U.C. has apparently allowed itself to be swayed by sentiment rather than reason. It indulged in some gratuitous advice to the Government on small-scale industries. A resolution adopted at the Conference urged the Government "to act promptly and boldly and give due protection to, and all necessary financial and other assistance for, the full development of khadi and other village and small-scale industries." Mr. Vasavada said: "Millowners have been crying 'wolf' for months now, but the shortage of cloth is not being seen. It is all just a move to get more spindles and looms sanctioned." This is a meaningless charge. If it is true that there is no shortage of cloth or no such shortage is genuinely apprehended, why should millowners be willing to risk their money in setting up more spindles and looms? It is wrong for a labour leader to attribute motives to management. The consumer might well argue that he is held to ransom by the labour leaders who want to follow a "closed shop" policy by preventing the expansion of the organised industrial sector, so that their followers may be assured of higher wages and bumper bonuses. In fine, he might construe this demand of labour leaders as a clever move to retain their hold over the workers with ease and comfort. The organised labour should welcome, not oppose, the extension of large-scale industries.

WOMEN AND ECONOMICS

EVERY age wants to give itself a new name, reserving the appellation "golden age" to describe some earlier era. Modern age prefers to call itself an egalitarian age. This is said to be true not merely in a political or economic sense but in the more meaningful social sense. This is also an age of equality of the sexes. Women have fought a long battle for equality with men, though innocent men have always regarded it as a clear case of a war of unprovoked aggression. While women, the feminists and the suffragettes have all carried their relentless warfare into men's ranks, the men have been content to pay their homage to the fairer sex. The men, unspeakably dull as they are, have never been able to understand the feminist movement. Their attitude is: "We men will never accord equality to women. But we fully acknowledge their superiority." Women somehow have consistently refused to be flattered by this subtle surrender.

Burke, who never forgave the French their Revolution and their unchivalrous conduct towards their Queen, bemoaned the extinction of the chivalrous sentiment. In a mood of retrospective dejection, he said: "The age of chivalry is gone. That of sophisters, economists and calculators has succeeded." Who knows what he might have said were he alive today? For one thing, though the age of economists has succeeded, their ranks have been invaded by women. In some fields of economics, the women-economists—alas! their number is increasing—have rendered yeoman service. Secondly, the economists themselves are beginning to see that the chief weakness of their science is the insufficient recognition of the role of women in society. Hitherto, economists had pretended that a market was a place where men met as buyers or sellers. The fact is that women are now both buyers and sellers. And this makes a great difference to turnover. The entry of women into a market may be taken as the strongest bull point. Economic science has not yet taken this factor fully into account. And a sexless economic theory, it is accordingly contended, is a senseless one.

Thirdly, women, leaving the men to engage themselves in the fight for their hearth and home, are invading the men's professions. Salesmanship is now the woman's coveted privilege. Teaching and nursing, of course, the women regard as their own. Government and commercial offices are being increasingly manned by women. This country has even the proud privilege of counting a woman as one of its ambassadors. Sometimes, women, true to their claim to have the last word in all verbal controversy, become speakers of legislatures, causing confusion among legislators as to what appropriate variation of the usual mode of address, namely, "Mr. Speaker," would best suit the dignity of the chair.

The United Nations' report on world demographic trends shows that, though men continue to constitute the bulk of the labour force in every country, the proportion of economically active women is not inconsiderable. The proportion is about 59 out of 100 for men and 22 out of 100 for women. The report then goes on to say that, "in these statistics, women engaged solely in their own housework and the upbringing of children generally are not considered as economically active." Clearly, the U.N. authorities are asking for trouble. For no self-respecting woman will swallow the bitter insinuation that "housework and upbringing of children" are not economically productive work.

Although women have not altogether abandoned the home to the tender mercies of mere men, they have insisted that, whenever they choose to work outside—this, they generally do prior to their marriage—they must be given the same wage as men. Indeed, a prominent item on the agenda for the U.N. Commission on the Status of Women, which met recently at Geneva, was "Equal Pay for Equal Work." A resolution adopted by the Commission looked forward to the report by the International Labour Organisation (I.L.O.) of progress made by the various countries in the establishment of the principle of equal remuneration for work of equal value by various methods, including collective bargaining agreements. It invited the Secretary-General to obtain from the non-governmental organisations in consultative status additional information concerning practical methods for the implementation of equal pay, with particular reference to procedures found useful for implementation of equal pay in collective bargaining agreements, such as by encouraging greater participation by women in unions. It further invited the Secretary-General to prepare, in consultation with the I.L.O., a draft of a pamphlet concerning the various methods used for the implementation of the principle of equal pay, as well as current progress in this field, for consideration by the Commission, if possible, at its eleventh session.

The Commission, it may be mentioned here, was a fully representative body. Among other countries, Australia, Belgium, Russia, China, France, the U.K., the U.S. and Pakistan were represented by their accredited delegates. Oddly enough, India did not find a place on the Commission. Presumably, this is because women in this country have taken equality with men so much for granted that they do not feel the need for a fight at an international gathering. And they are right. After all, the Indian Constitution —Articles 15(1) and 16(1)—has acknowledged the principle of equality. In its Directive Principles of State Policy, the Constitution clearly states that "the State shall direct its policy towards securing that there is equal pay for equal work for both men and women." And the last vestige of the medieval past, the absence of the right to property under the Hindu law of succession, is now sought to be removed. The Lok Sabha has agreed to the Government's motion for consideration of the Hindu Succession Bill which places men and women on par in matters of inheritance of property. When this Bill—whatever its consequences to the agricultural economy of the country—is placed on the statute book, women will have won a significant victory. It is not known whether their next fight will be for equal (life insurance) premium for equal ages. This may well turn out to be the first problem which the feminists will pose before the authorities of nationalised insurance. Actuarial *pundits* will, of course, be able to produce an impressive array of mortality data to justify the differential premia. But that will only provoke the suspicious fair sex to retort that they have a right to expect special consideration, in view of the risks they run for the sake of men and the society as a whole.

To revert to the work of the Geneva Commission. It was in favour of making a comprehensive study of the whole problem of the preparation of women for various occupations. It invited the Secretary-General to prepare lists and descriptions of principal professional and technical fields of training and opportunities "which are or are not available to women at present." The Commission decided to examine together the part-time work for women and employment conditions of older women workers. The representative of the I.L.O., who introduced a report on these questions, announced that her organisation proposed to start work in 1957 on an enquiry into these matters. She also stated that, at the first European Regional Conference of the I.L.O. held in 1955, a resolution had been adopted suggesting that the minimum pensionable age for women should be five years lower than that fixed for men. Several representatives, it is stated, expressed their concern over this resolution, the "provisions of which, in their view, constituted a discrimination against women and might mar their chances of advancement to senior posts."

Other resolutions adopted by the Commission included those on cottage industries, vocational and technical training and economic rights of women. It requested the I.L.O. to give special attention to methods "found useful in the sound organisation of handicrafts and cottage industries, and to avoid the abuses of industrial homework." The I.L.O. was also asked to prepare a report on the activities in various countries for improving employment conditions of women with family responsibilities and for removal of economic discrimination against women.

A feature of the session, we are told, was that all the resolutions were adopted unanimously. All the officers were also elected by unanimous vote. Now, who said women do not know how to vote? A cordial atmosphere, it is stated, prevailed at this gathering of representative women. Thus the Chairman—this, of course, had to be a woman—was able to say that such unanimity as had been seen at the session was "perhaps unique in the history of the United Nations and undoubtedly set an example by showing how women from all parts of the world had been able to work together." The Soviet Union representative repeated her invitation to the Commission to visit the Soviet Union and assured them that her delegation, in common with all Soviet women, would be glad to welcome their guests to Moscow. Who knows, it may yet be given to the women to resolve the cold war?

INDIAN IRONS STRONGLY FANCIED

RESERVE BANK'S POWERS TO BE STREAMLINED

THURSDAY, 5 P.M.

THE share markets are in a cheerful mood. The feeling of hesitancy noted a few days ago has yielded place to robust optimism. A few big operators, who were sitting on the fence for some weeks, have entered the market as bulls. Their appearance on the scene has unnerved the bears and the week saw short-covering on a substantial scale. Vigorous bull buying of selected counters and bear covering have pushed up equity values, in general, and broadened the turnover. The favourite scrips in Bombay during the past one week were Tata Steels, Indian Irons, Bombay Dyeings, A.C.C. and Bombay Burmahs. Among these, Indian Irons were the real cynosure. Quite a few lakhs of this scrip are said to have been bought. The result is that it has shot up from Rs. 34-9 early in the week to Rs. 37-5 yesterday, the closing rate at Rs. 36-12 being a little low. The peak established this week compares with the low of Rs. 31 on the Budget day and the highest level of Rs. 44-7 (on 28-11-55) witnessed during the boom of last year. As compared with this scrip, the performance of Tata Steels was relatively modest. It went up to Rs. 253-12 before finishing at Rs. 249-8, a gain of Rs. 5-12 over the week. The peak seen by it in the last boom was Rs. 277-4, the lowest level to which it tumbled soon after the budget being Rs. 218-8. The comparison with the lowest levels shows the extent to which these two market leaders have regained their ground, while that with the highest levels of last year will give an idea of the scope for further rise. Quite a few of the operators are now sanguine about the possibility of these scrips reaching the peak levels of 1955 in the coming weeks. It will be interesting to see whether this optimism will be justified by events.

MARKET GOSSIP

The remarkable rise in Indian Irons this week is attributed mainly to its technical position. It would seem that those who were landed with large parcels of this scrip, following the last debacle in the Calcutta share market, have practically sold out their holdings and that these shares have gone into strong hands. As a result, the technical position of this market leader has greatly improved. Knowledgeable operators who know the profit position of the Company were only waiting, it seems, for this development. When they saw that the opportunity for which they were waiting had arrived, they started buying. It is possible that two other developments also must have encouraged them to do so. One is the realisation that neither T.I.S.Co. nor I.I.S.Co. will be nationalised in the foreseeable future; the revised industrial policy statement is the basis for this conviction. The other is the report that the much talked of new issue of I.I.S.Co. will be at a premium of Re. 1-8 only and not Rs. 2-8 as was believed at one time.

Although the fear of nationalisation of iron and steel industry has waned, the improvement in Tata Steels has been less spectacular. One reason for this is that it had recovered fairly quickly in the previous weeks. Another reason is that there has been some selling by institutional investors, evidently with a view to making room for taking up the Company's new issue. The floating stock of this scrip is therefore likely to expand, but the whole market is aware of this position. The fact that, despite this possibility, the value of Tata Steels has been well maintained is considered as a healthy indication.

Textile shares have recorded sizable gains on all the stock exchanges, following sustained buying enquiries. This is not surprising, because of encouraging advices about cotton mill profits for the current year. It is said that cloth prices have gone up sufficiently high to offset the entire increase in the price of cotton. Reliable reports from cloth markets in Ahmedabad and Bombay indicate that, in the first week of this month alone, mills' selling prices were up by 10 to 15 per cent., if not more. It is further stated that several mills have sold forward up to the end of September and that more and more mills are contemplating to work a third shift. Another bullish factor is the growing belief that, sooner or later, the Government is bound to allow expansion of loomage. Since the small units in South India, with their unbalanced equipment, have an unanswerable case for some priority in this respect, it is very likely that they will be the first to get permission to expand their looms.

Among the other industrial scrips that have received the attention of buyers, chemicals, plantations and rayons stand out prominently. A rosy view of the outlook for these industries is the main reason. Bright expectations of a sizable capital profit and not considerations of yield are the main motivation here. During the past ten days, many have turned their eyes towards Madras in search of tea, coffee and rubber shares.

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The Bill further to amend the Reserve Bank of India Act of 1934, introduced in Parliament just at the time of our going to press last week, seeks to streamline the powers of the Reserve Bank, so that the Bank may be in a better position to discharge its functions as the monetary and central banking authority. It is a reform necessitated primarily by the requirements of the second Plan. As readers are aware, a large part of the resources for financing the Plan is to be found by the creation of credit by the Reserve Bank, otherwise known as deficit financing. It has been estimated that at least Rs. 1,200 crores will have to be found in this way. This poses two problems to the Bank. First, the capacity to issue currency should not be limited by the present rigid Note Issue Reserve requirements. Secondly, a very substantial part of the money thus created will find its way to the banking sector. Deposits of commercial banks will expand quite sizably, thereby enhancing their capacity to create credit in the form of loans, advances and overdrafts, as well as bills purchased and discounted. It is the duty of the Reserve Bank to see that banks use their resources wisely and in a manner that will not add to the inflationary forces generated by deficit financing. The main object of the Bill is to provide the Bank with enough powers to tackle these two problems.

The first problem is sought to be met by lowering the Note Issue Reserve requirements. According to Section 33, sub-section 2 of the Act, not less than 40 per cent. of the total liabilities of the Issue Department should be in gold coin, gold bullion or sterling securities and that gold coin and gold bullion should not at any time be less than Rs. 40 crores. Thus, the minimum level of currency reserve is specified in terms of a ratio related to the total note issue. This will prove to be a rigid requirement when the note issue expands on a scale envisaged in the second Plan, especially as a large part of the existing sterling balances will be required to meet the deficit on trade account. It is estimated in the Plan that there will be a foreign exchange deficit of Rs. 1,100 crores during the five-year period. The section under reference is being amended to remove the rigidity by providing for the statutory minimum reserve of gold and foreign securities in absolute terms.

The foreign securities, according to the proposed amendment, can be in any currency and not necessarily in sterling. The minimum amount of such securities at any time should be Rs. 400 crores, but, on special occasions, it can be lowered to Rs. 300 crores. The share of gold and gold coins in the currency reserves is to be raised to Rs. 119 crores from the present figure of Rs. 40.01 crores. This is to be done merely by revaluing the existing gold holdings. These holdings are at present valued at 8.47512 grains of fine gold per rupee, the old parity that existed before the 1931 devaluation. They are now proposed to be valued at 2.88 grains of fine gold per rupee, that is, at the International Monetary Fund's value for gold, namely, $35 per fine ounce. The consent of the I.M.F. has been obtained for this revaluation.

An important point that requires to be noted here is that the revalued gold is not to be added to foreign securities for working out the currency reserve; it will stand separately as the irreducible minimum. Further, the need for adding it to foreign securities does not arise, as the reserve required is not linked to the total notes issued. There are two advantages in revaluing gold. One, revaluation imparts to the Bank's gold holdings a size that will look respectable in relation to the total note issue. It must be borne in mind that revaluation is not overvaluation. The sum of Rs. 115 crores is not a pie more than what can be had by selling it to the U.S. at its buying price of $35 per ounce. There is thus nothing fictitious about the revised value of the Bank's gold holdings. The rate chosen is one which all the members of the I.M.F. have already adopted for valuing their gold holdings. Herein comes the second advantage of revaluation. It makes the gold reserves of the Bank comparable with those of other central banking institutions in the world.

As regards the minimum reserve in foreign securities, the amending Bill gives discretion to the Bank, to be exercised in consultation with the Government, to reduce it to Rs. 300 crores. In other words, if it comes to a pinch, the foreign balances can be drawn down up to a bare minimum of Rs. 300 crores. In no independent country is there any fixed or fluctuating statutory requirement that a part of the currency reserve should be in foreign currency. Nevertheless, if India has chosen to subject itself to such a condition, it is because it does not wish to have a sudden break with the past, lest it should affect the confidence of people, domestic and foreign alike, in the rupee. What sustains the confidence of people in a currency is, of course, the balance of payments position and the existence of sufficient reserve in gold and foreign currency which will come in quite handy for supporting the exchange value of that currency whenever there is a marked and continuous deterioration in the balance of payments. The size of reserve that is required for this purpose will depend upon the size of the import trade of the country concerned. India's average annual imports are now of the order of Rs. 650 to Rs. 700 crores. As the implementation of the second Plan progresses, imports will rise. The average for the five-year period of this Plan may be placed at Rs. 850 to Rs. 900 crores. At least 50 per cent. of this total should be in gold and foreign securities, in order to retain the confidence of people in the rupee. On this basis, India must strive to maintain a gold and foreign currency reserve of at least Rs. 450 to Rs. 500 crores. And as gold will account for Rs. 115 crores, it will be better if foreign securities are not allowed to fall below Rs. 375 crores. As a matter of precaution, the Reserve Bank and the Government of India must see to it that these securities are maintained at a much higher level.

The next important change that is sought to be made is vesting in the Reserve Bank powers to vary the reserve requirements of Scheduled banks within the range of 5 to 20 per cent. in respect of demand liabilities and 2 to 8 per cent. in respect of time liabilities. At present, the banks are required to deposit with the Reserve Bank only 5 per cent. of demand liabilities and 2 per cent. of time liabilities. Under the proposed powers, the Bank can raise these up to 20 per cent. and 8 per cent., respectively. This is a power which most of the central banks in the world possess, with a view to regulating banks' capacity to create credit. The Reserve Bank has, of course already powers to restrict the lending capacity of any bank by giving direct instructions. But the use of these powers will amount to imposition of physical controls in the monetary sphere. The exercising of these powers may provide scope for heart-burning among the member-banks concerned and for corruption. Such powers should be used only in special cases and emergencies. The use of the weapon now proposed will, however, be easy for the central banking authority and greatly minimise the scope for complaints by member-banks. Further, a control of this nature, it is needless to add, will be more in keeping with the democratic ways of life which the country has preferred to follow. Indeed, the Reserve Bank ought to have been vested with this power long before.

It is noteworthy that, while introducing this reform in the central banking system, care has been taken to qualify it in a manner that will enable the Reserve Bank to use the new power with discretion. Thus, within the limits referred to above, the Reserve Bank can prescribe ratios in such a way as to immobilise the maximum amount of deposits necessary without at the same time adversely affecting such banks as have not participated in the rise in deposits. This is a welcome refinement, because the banking system in India consists of units of varying size and strength. If one uniform reserve ratio were to be imposed on all banks, it would either cause severe hardship to small- and medium-sized banks or will fail to serve the purpose for which it is introduced, in case it is determined with due regard to the position of these banks. It is gratifying to find that provision is made for payment of interest to Scheduled banks, at the discretion of the Reserve Bank, on the additional reserves maintained by them.

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With surprising rapidity, London has emerged as an important trading centre in gold. One would have thought that this centre, in which trading was resumed only in 1954 after a lapse of nearly 16 years, would require considerable time before getting into stride. But it is believed that the total turnover in the London gold market in 1955—the first full year of freedom for the market—was very nearly equal to the 1938 level. And London now claims to be well ahead of other trading centres for gold. This is the more creditable, because there are still restrictions in the use of foreign exchange for the purchase of gold in the U.K. In fact, the London gold market is really a dollar-market, in that the only sterling the authorities will allow for the purchase of gold is the sterling acquired through the sale of dollars.

How has London been able to make so rapid a progress as a gold market? To this question, the columnist "Lombard," writing in the London *Financial Times*, provides a very satisfactory answer. He says that the progress is partly due to the fact that the U.K. bullion houses took care to see that the "know-how" they had acquired during decades of gold trading was preserved during the 15-year shutdown between 1939 and 1954. But even they, it is stated, could not have done so well, if the Bank of England had not carried out in such competent fashion its task of disposing of South Africa's gold production. It would appear that the Bank so skilfully performed this task that, in 1955, the dollar price of gold moved within a narrow range of 12 cents—between $34.95 and $35.07. Stable prices for dollar gold in London automatically mean relatively stable dollar prices for gold in other centres. This meant that the only other factor which could influence the flow of gold through London was the trading margin. Since London was thus able to work with a relatively fine margin *vis-a-vis* other centres, it was easily able to attract a substantial portion of gold to its market.

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While managements are slowly, and, of course, with difficulty, settling down to the task of conforming to the numerous provisions of the new Companies Act, there is at least one section which has no hesitation in welcoming the Act. The investors, as a class, have much reason to think well of the Act, for they see in it greater security and possibility of better return on their investments. Small wonder then, that Mr. H. Subramaniam, the outgoing President of the Madras Stock Exchange, averred, in the course of his recent address at the annual meeting of the body, that the stock exchanges had "special reason to welcome this enactment as being of special interest to the investor." He expressed the hope that the managerial class, the investors, and the stock exchange community would give their unstinted co-operation to the Government in the "sensible enforcement of this Act." He added: "All public limited companies have now got to conform to a large number of provisions and, with a small effort, it should be very easy for companies who are now on the official list, to conform to the minimum requirements of the stock exchange in the matter of closure of transfer books, expediting sub-division and transfer of shares, and announcement of dividends immediately they are recommended. This co-operation would go a long way towards stimulating activity and ensuring fair-play on the stock market."

Mr. Subramaniam was, however, less enthusiastic about the provision of the Stock Exchange Bill. He deplored that the Bill sought to place copious and extensive powers in the hands of the Government to regulate and control stock exchange activity. He admitted that oral assurances had been given that these provisions would not be normally invoked. But he, like all other stock exchange men, was not convinced that these assurances mitigated in any way the rigour of the contemplated laws. "It is difficult," he said, "to take comfort from these oral assurances from official

(*Continued on page 943*)

BUOYANCY IN SHARES KEPT UP

INDIAN IRONS IN LIMELIGHT

(From Our Own Correspondents)

BOMBAY, 10*th May*

NOTWITHSTANDING the all-round profit-taking towards the close, which brought down equity values sizably from the week's best levels, the undertone of the share market remained firm and buoyant. Over the week, prices over a wide front showed marked gains. There was renewed buying by bulls, accompanied by heavy short-covering, induced by encouraging advices from Calcutta and Ahmedabad. The operators' enthusiasm reflected their confidence in the outlook for industries under the second Five-year Plan which received the approval of the National Development Council last week. They would also appear to have taken a bullish view of the proposed amendments to the Reserve Bank of India Act for changing the reserve ratio in the Issue Department with a view to facilitating deficit financing in the second Plan period.

In the steel section, Tata Ordinaries received active support and rallied from Rs. 243-12 to Rs. 253-12, which level attracted some heavy profit-taking. This resulted in the shares being marked down to Rs. 249-8 at the close. Indian Irons were in the limelight on a bout of keen buying and shot up from Rs. 34-9½ to Rs. 37-3, the highest level touched since 19th January last. On profit-taking, the shares reacted mildly to Rs. 36-11½ at the close today.

Textile shares displayed considerable buoyancy under the leadership of Bombay Dyeings, which advanced from Rs. 620-10 to Rs. 663-12, before winding up at Rs. 651-4. Centurys shaped well, rising from Rs. 528-8 to Rs. 554. At the close, however, the shares slipped back to Rs. 544-8. Kohinoors shot up from Rs. 358 to Rs. 373 before finishing lower at Rs. 366-4. Central Indias were Re. 1 lower on balance at Rs. 138. Finlays gathered Rs. 11 to Rs. 340, Gokaks Rs. 2-8 and Indu Ordinaries As. 9½ to Rs. 13-4. Lakshmi Cottons moved up by Rs. 20 to Rs. 705 and Minervas by Rs. 2-4 to Rs. 91. New Citys gained Rs. 4-6 to Rs. 166-14, while New Greats were dull at Rs. 232. New Kaiser-I-Hinds picked up Rs. 5-5 to Rs. 120, Osmonshahi, which has declared a dividend of Rs. 3-8 per share of Rs. 100 each for the year ended 30th September 1955, as against *nil* for the previous year, Rs. 7-8 to Rs. 85 and Podars Rs 8-12 to Rs. 183-12. Shree Niwas were done higher at Rs. 213-12 *ex-div.*, as against Rs. 221-4 *cum-div.* Simplex put on Rs. 2-8 to Rs. 216 and Standards Rs. 12-8 to Rs. 430. Svadeshis rose by Rs. 6 to Rs. 228, Tata Mills by Re. 1 to Rs. 54 and Vishnu Cottons by Rs. 6-4 to Rs. 192-8. Despite the announcement of a dividend of Rs. 2-8 per share for the year ended 30th September 1955, as against *nil* for 1953-54, Azam Jahis were dull at Rs. 96.

Bank shares attracted fresh interest from investors on account of their low levels which give good yields. Barodas gathered Rs. 5 to Rs. 98. Central Banks picked up Rs. 3 to Rs. 53 and their new shares Rs. 4 to Rs. 55. Bank of Indias gained ground from Rs. 155-4 to Rs. 158 and Union Banks improved by As. 4 to Rs. 6-12. United Commercials were, however, a fraction lower at Rs. 50-12.

In the insurance section, New Indias attracted good attention and advanced by Rs. 2-4 to Rs. 42-8. Vulcans had some business As. 6 lower at Rs. 14-8. Other counters were neglected and hardly any business was put through in them.

Electricity shares were generally easy, in the absence of enquiries. Ahmedabad Electrics were marked down from Rs. 100-10 to Rs. 98-7. Bombay Suburbans were, however, unchanged at Rs. 115. Surat Electrics moved up by Rs. 3-12 to Rs. 123-12. Tata Hydros were quiet at Rs. 125-8 *ex-div.* Andhra Valleys declined from Rs. 1,245 *cum-div.* to Rs. 1,202-8 *ex-div.* (div. Rs. 30) and Tata Powers from Rs. 1,342-8 *cum-div.* to Rs. 1,300 *ex-div.* (div. Rs. 30).

The miscellaneous section ruled firm in consonance with the general buoyancy of the market. Cement and engineering shares were particularly in demand, inspired by the good outlook for these industries. Among cements, Associated Cements shot up from Rs. 213-4 to Rs. 224, but the announcement of the terms of the rights issue brought them down to Rs. 219 at the close. Digvijays gained as much as Rs. 8-8 to Rs. 196. The Company has also announced the issue of right shares (both ordinary and preference) of the value of Rs. 85 lakhs at par. In the sugar group, Belapurs came up from Rs. 229-4 to Rs. 236, but closed lower at Rs. 231. Bhopals were better by a rupee at Rs. 14, Phaltans by Rs. 2-8 at Rs. 146 and Walchandnagars by Rs. 5 at Rs. 251-4. In the engineering and mining group of shares, Alcocks rallied from Rs. 340 to Rs. 357. Larsen and Toubros gained As. 7 to Rs. 16. Premier Constructions appreciated from Rs. 172-12 to Rs. 177-4. Tata Locomotives were lifted up by Rs. 2 to Rs. 154. Mahindra and Mahindras were done As. 2 higher at Rs. 14-14. Shivrajpurs had transactions at Rs. 99 *ex-div.*, as against Rs. 106 *cum-div.* last week. Indian Coppers dropped As. 2 to Rs. 6-7, while B.B. Petrols were a shade better at Rs. 4-3¾.

Among shipping and transport shares, Scindias had a large turnover and picked up from Rs. 17-12 to Rs. 18-11, but the closing was a shade lower at Rs. 18-5. Great Easterns recorded a gain of As. 6 at Rs. 17-14. Hindustan Motors moved up further from Rs. 9-11 to Rs. 9-15. Premier Automobiles gained Re. 1 to Rs. 91. In the miscellaneous industrial group, Bombay Burmahs gathered strength from Rs. 641-4 to Rs. 657-8, but slipped back to Rs. 645 at the close. British India Corporations changed hands As. 3 higher at Rs. 11-3. National Rayons closed Re. 1-12 lower at Rs. 244. Polsons were a feature with a rise of Rs. 5-10 to Rs. 178-12. Tata Chemicals gained As. 5½ to Rs. 18-5 and Tata Oils As. 4 to Rs. 48. Wimcos were steady at Rs. 201-14.

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Calcutta Stock Exchange

CALCUTTA, 8*th May*

Although the volume of business put through on the Calcutta Stock Exchange during the week under review continued to be lower, prices registered some gains. Lower levels attracted buying support, and the broadness of the Government's industrial policy continued to have an encouraging effect on sentiment. However, no spectacular rise in prices occurred, in view of the Planning Commission's proposal to raise taxes, which, in the Commission's view, besides meeting the gap between resources and expenditure for the Plan, would also reduce inflation. In the event of increase in taxes, purchasing power would be affected, and this in turn would mean reduced demand in relation to higher production. Such a prospect would affect the progress of industries, and market circles were therefore pondering the repeated threats from New Delhi to increase taxes. The report that New Delhi has decided to form a company for the production and distribution of coal in the public sector had some good effect in trading since Monday, although sentiment in coal shares did not improve, in view of the restricted scope for expansion of the private collieries in the second Plan. The sizable decline in raw jute prices and the steadying trend in prices of jute goods, albeit at lower levels, were noted with satisfaction, and, although business that passed through remained low, yet gains were recorded in jutes both yesterday and today.

Among coals, Burrakurs, after recovering from Rs. 13-13 to Rs. 14-12, sagged today to Rs. 14-7. At Rs. 7-1, Central Indias put on As. 3. Standards changed hands at Rs. 25-5, as against Rs. 25 previously, while South Karanpuras fell by As. 13 to Rs. 9-9. Moderate support was accorded to Samlas which rose from Rs. 12-15 to Rs. 15. At Rs. 7, Western Bengals were higher by As. 3.

Better support was given to the speculative counters in the jute section. From Rs. 23-5, Nationals recovered to Rs. 25-8 today. At Rs. 23-9, Howrahs were better by As. 3. Nuddeas hardened from Rs. 39 to Rs. 40. Moderate interest was shown in Ganges which recovered from Rs. 66-8 to Rs. 69. At Rs. 153-8, Champadanies added Rs. 3-8 and, at Rs. 165, Kinnisons recovered by Rs. 4.

Mining shares were fully steady. Burma Mines were quoted as high as Rs. 4-7, Indian Coppers changing hands at the steady rate of Rs. 6-11. Gaining further strength, Karanpura Developments rose from 26 to Rs. 26-12. The light-weights also received attention. Tavoy Tins advanced from As. 12 to Re. 1. Consolidated Tins scored a gain of As. 6 to Rs. 3.

Engineering scrips recorded moderate recovery. Indian Irons opened at Rs. 34-11 and by Friday touched Rs. 35-3. Yesterday, there was an impressive recovery to Rs. 36, with today's rate gaining further to Rs. 36-5. At Rs. 24-7, Texmacos were higher by one point on balance. On the other hand, Jessop & Cos. eased from Rs. 35-4 to Rs. 34-13, with Indian Standard Wagons meeting with business at Rs. 180, as against Rs. 181 previously.

Tea shares were in good form and the improvement in tea auctions was followed by rises in selective counters. Pakistani gardens were shown more attention, as hope of improved working results was entertained. Baghmaris were supported to push the rate from Rs. 28-8 to Rs. 29-6. From Rs. 337, Gungarams recovered to Rs. 353, with Hantaparas quoting Rs. 343, as against Rs. 329-8 a week before. Brooke Bonds hardened by As. 12 to Rs. 24-14. Lackatoorahs had buyers at the higher rate of Rs. 33-14.

Among miscellaneous industrials, Orient Papers rose impressively from Rs. 34-15 to Rs. 36-8. India Steamships had buyers at Rs. 8-13, as against Rs. 8-10 a week before. Electric Construction Equipments were fully steady at Rs. 13-4. B.I. Corporations advanced by As. 5 to Rs. 11-6. At Rs. 22-15, Rohtas Industries put on As. 8.

Cement shares were in the limelight, following improved prospects of the cement industry. Asok Cements were a strong feature and advanced by As. 13 to Rs. 11-1. Sone Valleys were done As. 11 higher at Rs. 11-1.

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Madras Stock Exchange

MADRAS, 9*th May*

The Madras Stock Exchange witnessed a firm trend during the week under review. This was attributed to a number of factors, the chief among them being the general inflationary psychology and the reported spurt of demand for cloth from important consuming centres. The new industrial policy, which has been welcomed by prominent business men, also served as a stimulus to the sentiment of the operators. Although prospects of intensified programme of State trading in certain commodities caused some concern, it did not adversely affect the bullish sentiment in the market.

There were a few dividend announcements this week also. Thus, Palani Andavar Mill Ltd. maintained the dividend of 24 per cent. (tax-free) for the year ended 31st December 1955. Palani Andavar 'A' was quoted today at Rs. 155 *ex-div.* and 'B' at Rs. 226 *ex-div.*, as against Rs. 167 and Rs. 244 last week-end. The West Coast Electric Supply Corporation Ltd. announced an *interim* dividend of 5 per cent. for the half-year ended 30th September 1955. The total dividend for the year ended 31st March 1955 was 10 per cent. The share was enquired at Rs. 13-12 *cum-div.*, as against Rs. 13-10. The Travancore Rubber and Tea Co., Ltd., announced a final dividend of 7½ per cent., thereby making a total of 30 per cent. for the year ended 31st December 1955, the same as in the previous year. The share changed hands at Rs. 25-8 *ex-div.* today, as against Rs. 28 *cum-div.* last week-end.

In the textile section, Bangalore Woollens advanced from Rs. 560 to Rs. 570 and Buckinghams from Rs. 191 to Rs. 202. Cambodias were higher by As. 10 at Rs. 13-13 *ex-div.* Coimbatore Pioneers hardened by Rs. 15 to Rs. 295 *cum-div.* and Coimbatore Spinnings by Rs. 8 to Rs. 98-8. Dhanalakshmis gained Rs. 10 to Rs. 360 and Premiers Rs. 6-8 to Rs. 200. Metturs improved from Rs. 427 to Rs. 457-8. Radhakrishnas (Rs. 100 paid-up) were better by Rs. 5-8 at Rs. 300 and 'B' (Rs. 50 paid-up) by Rs. 5 at Rs. 150. Lakshmis (Rs. 50 paid-up) were up by Rs. 7 at Rs. 200 and 'A' (Rs. 25 paid-up) by Rs. 3 at Rs. 98.

Chandramalais, in the tea section, among plantings, disclosed a gain of As. 3 at Rs. 7 and Coonoor Teas As. 6 at Rs. 29-4 *cum-div.* Devasholas advanced from Rs. 28-8 to Rs. 28-12 and Haileyburias from Rs. 28 to Rs. 28-12. Highlands were better by As. 10 at Rs. 19-2 and Nilgiri Teas by As 6 at Rs. 14-6. United Nilgiris changed hands higher at Rs. 367-8 *cum-right*, as against Rs. 365 *cum-right*, and Talyar Teas at Rs. 14-6, as compared with Rs. 13-13.

In the rubber section, Be Bes were up by As. 2 at Rs. 5 and Cochin Malabars by As. 4 at Rs. 9-5. Kailas advanced by As. 2 to Rs. 6 and Malankaras by As. 4 to Rs. 33-4. Nenmenys changed hands at Rs. 26-4, as against Rs. 25-8 and Teekoys at Rs. 11-2, as compared with Rs. 10-12.

Among coffees, Coffee Lands were higher by Re. 1 at Rs. 24-4 and Consolidated Coffees by As. 10 at Rs. 19-14. Puthutotams were up by As. 1½ at Rs. 4-12. Mysore Coffees were fractionally better at Rs. 2-4½, while Kadur Coffees were quiet at Rs. 2-9.

Aluminium Industries, in the miscellaneous section, gained As. 4 to Rs. 20-2 and General Papers Re. 1 to Rs. 9-8. India Steel Rolling Mills put on As. 4 to Rs. 15-12 and Mettur Chemicals As. 3 to Rs. 9-10. Spencers gathered As. 4 to Rs. 17-4. Andhra Cements 'A' (Rs. 100 paid-up) was better by Rs. 5 at Rs. 167-8 and 'B' (Rs. 10 paid-up) by As. 8 at Rs. 16-12. India Cements were higher by As. 10 at Rs. 36-4.

COMPANY INTELLIGENCE

Associated Cement

The Associated Cement Companies Ltd. has announced the terms of the new issue of capital, for which the sanction of the Controller of Capital Issues has been obtained. The Company has decided to issue 635,928 ordinary shares of Rs. 100 each at a premium of Rs. 20 per share, in the proportion of one new share for every two held. The Directors propose to call up Rs. 50 per share on application along with a premium of Rs. 10 per share, making Rs. 60 per share. The balance of Rs. 60 per share, inclusive of the premium of Rs. 10, will be called up either in one lump sum or in such instalments and at such times as the Board may think fit. The Controller of Capital Issues has imposed the condition that, if any of the shareholders do not accept the additional shares offered to them in proportion to their holdings, the previous consent of the Government will have to be obtained to the allotment of shares on such terms as it may specify. This restriction does not apply to nominees under renunciation forms signed by shareholders who may, therefore, dispose of their rights to the new shares. The new shares will rank for dividend from 1st November 1956 in proportion to the capital for the time being paid up.

Digvijay Cement

The Directors of the Digvijay Cement Co., Ltd., have decided to increase the issue capital of the Company from Rs. 1.30 crores (made up of 90,000 ordinary shares of Rs. 100 each and 40,000 5 per cent. cumulative preference shares of Rs. 100 each) to Rs. 2.15 crores. This is proposed to be done by issuing 45,000 new ordinary shares of Rs. 100 each in the proportion of one new share for every two ordinary shares held and 40,000 new 5 per cent. cumulative preference shares of Rs. 100 each in the proportion of one new share for each preference share held. The Directors propose to offer the new shares at par, but the new issue and the terms thereof are subject to the sanction of the Controller of Capital Issues. The issue of fresh capital is for the purpose of financing a part of the second extension programme which is designed to double the rated capacity to 430,000 tons per annum.

Hindustan Motors

The Directors of Hindustan Motors have decided to issue 500,000 6 per cent. tax-free cumulative redeemable preference shares of Rs. 100 each. The new shares will, in the first instance, be offered to those shareholders who are registered in the books of the Company on 25th May 1956.

NEWS IN BRIEF

FOLLOWING the imposition of excise duty by the Union Government on diesel oil, the Madras Government has dropped its proposal to raise the sales tax on the commodity from As. 1½ to As. 4 per rupee.

The two-day agricultural seminar, under the auspices of the Mysore Agricultural and Experimental Union, will commence in Bangalore on 12th May 1956 and will be inaugurated by the Union Minister for Agriculture, Dr. Punjabrao Deshmukh.

The Government of India has authorised a further increase of 5 per cent. in coastal freight rates over those which prevailed prior to 15th October 1955 on general cargoes. The increase in freight rates has retrospective effect from 1st April 1956.

The negotiations between the Government of India and the Assam Oil Company in respect of exploiting oil in Assam is stated to have reached a deadlock. The discussions centred round the formation of a rupee company to exploit oil in a new 500 square miles area in Assam.

Three new agreements have been signed between India and the U.S. seeking to provide financial aid from the U.S. to the extent of $736,682 for assisting India's development projects. The aid will be used for assistance to Air-India International, for storage of foodgrains in India and for expansion and rehabilitation of Indian railways.

A considerable portion of the exportable tea crop could not be exported during the year 1955-56 due to certain difficulties. In order to facilitate the export of such teas, the Government has decided to extend till 30th June 1956 the period of validity of special export licences issued during 1956 under the Tea Act.

The Government of India has deputed a two-man team to some West Asian and African countries to make an "on-the-spot" study of market possibilities of Indian *bidies* and *bidi tobacco* in those countries. The delegation consists of Dr. Patel, Secretary, Indian Central Tobacco Committee, and Mr. Manibhai, a *bidi* merchant of Saugor.

The U.P. Legislative Assembly passed the U.P. Sales Tax (Amendment) Bill which seeks to empower the State Government to grant exemptions of sales tax to industries producing "articles of national importance." The provisions of the Bill are designed, according to the State Finance Minister, to attract new industries in the State and to give them encouragement.

The Government of India has raised the duty on the import of silver bullion, silver sheets and plates which have undergone no process of manufacture subsequent to rolling and "silver coin, not otherwise specified" from As. 4.1/5 to As. 8.2/5 per ounce. With a view to facilitating Indo-Tibetan trade, the Government of India has also decided to license freely the import from Tibet of any silver coin which is current in the Tibet region of China.

Licences to 28 industrial concerns in Bombay State were issued during the last quarter of 1955. Of these, six firms were already in existence. Out of the 22 other licences, 7 were for setting up new industrial units, 10 for effecting substantial expansion of the existing units and five for manufacture of new articles by the existing firms. This expansion of industrial units envisages capital investment to the tune of Rs. 6.4 crores and employment to nearly 2,000.

A large-scale programme for the eradication of rinderpest from India will be undertaken under the second Five-year Plan at a total cost of Rs. 2,82,34,000, of which the share of the Central Government will be Rs. 1,57,84,000. Of all the contagious diseases that affect Indian livestock, rinderpest is the most dreadful, causing an annual mortality of about 4 lakh animals. Moreover, the survivors are rendered less efficient for work and milk production. From this disease alone, the loss to the nation is estimated at about Rs. 30 crores per annum.

The Government of India is stated to have under consideration a proposal to produce on a mass scale 16-spindle charkhas in Government-run ordnance factories in the country. The Union Minister for Production has called for a few sample sets of the charkha from the designer—a textile engineer of Coimbatore—so that he can examine them more carefully before planning the mass production of the model. It is stated that each spindle of the charkha can produce six ounces of yarn in an eight-hour shift and a person can earn about Rs. 3-12 per eight hours with the aid of this charkha.

There was a widespread shortage of skilled tradesmen, such as overseers, stenographers, fast typists, draughtsmen, compounders, midwives, nurses and trained teachers, all over the country during March 1956, according to the review of the working of Employment Exchanges in India. The shortage of qualified engineers, experienced doctors, accountants, surveyors and health visitors was also reported to be fairly widespread. Dearth of boiler attendants, electricians, machinists, turners, tractor drivers, road roller drivers, physical training instructors and police constables was experienced by a number of Exchanges. There was a dearth of crane drivers at Sambalpur, Asansol and Howrah, X-ray technicians at Dhanbad, Meerut, Allahabad and Gorakhpur and tele-communication mechanics at Jamshedpur and Amritsar. Difficulty was experienced in finding craft instructors at Jorhat, Vijayawada and Meerut; electroplator at Delhi and Ferozepur and sanitary inspectors at Udaipur, Ambala and Darjeeling. Shortage was also experienced in respect of tracers at Poona, Anantapur and Vellore, wiremen at Jorhat, Bhavnagar, Gwalior and Ambala and welders at Patna, Ahmedabad and Surat. The supply position in regard to plumbers at Dhanbad and Vijayawada, excavating machine operators at Gwalior and Nagpur, store-keepers at Poona, Rourkela and Barrackpore and agricultural assistants at Saifabad and Lucknow, was also reported to be unsatisfactory.

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From Abroad

The world spent $12,000 *million* last year on advertising, according to International World Advertising Agency. The U.S. contributed two-thirds of that amount and the U.K. one-twelfth.

Fixed capital expenditure in the U.K. manufacturing industry in 1955 was 27 per cent. higher than in the previous year. There was a strong and continuous upward trend in capital expenditure throughout the year.

The Broken Hill Proprietary has announced increases in Australian steel prices by an average of £A3 per ton, which is equal to an all-round rise of 8 per cent. In spite of this increase, it is stated that the price of Australian steel will still be £A20 to £A25 per ton below the landed cost of equivalent imported steel.

The World Bank has announced two loans aggregating $19.35 million for the improvement of Burma's transport system. These are the first Bank loans to Burma and the funds will be used mainly for the reconstruction of installation of properties destroyed during World War II. One loan of $14 million has been made to the Commissioner for the Port of Rangoon and is guaranteed by the State Government. The second loan of $5.35 million is made to the Government itself.

Hosiery manufacturers in the United States have begun cutting the price of unbranded fully fashioned nylon stockings by 10 cents to 12 cents a dozen. These lower prices reflect the reductions by Du Pont in nylon prices, including the 15 denier type which goes into hosiery. It will be recalled that, in March, the price was reduced from $6 to $5 per pound. At present, retailers are tending to increase their own profit margin rather than pass on savings in the factory price of hosiery to customers, but lower retail prices are expected to follow.

The University of Wisconsin and the U.S. Department of Agriculture grain breeding scientists have developed a new spring wheat variety, named Russell, which is expected to improve yields in areas with climates and soil conditions resembling those of the U.S. North Central State of Wisconsin. The improved yield is expected to result from Russell's high resistance to loose smut, powdery mildew, Hessian fly and similar grain diseases and its moderate resistance to most prevalent stem rust strains.

As a result of recommendations by an advisory committee of private dealers in the tobacco industry, specialists in the U.S. Department of Agriculture have begun intensified research on tobacco with the aim of producing types especially fitted to certain areas and climates, including varieties bred for quality and multiple resistance to major tobacco diseases. Researchers will also seek the interrelationships between cultural practices and the chemical and physical properties of the tobacco plant.

The year 1955 was generally good for British wool textile exporters, with tops shipments reaching a new record level of more than 76,000,000 lbs. Exports of all types of cloth were 9 per cent. above that in 1954 and of yarn by nearly 4 per cent. The record gain in tops exports is chiefly attributable to increased sales in three markets, namely, China, Canada, and Finland. India again took over 10,000,000 lbs. of tops, and the total exports to the four markets mentioned accounted for over half the U.K.'s sale of tops overseas.

A sharp debate took place on the issue of no-par-value shares in the United Kingdom House of Commons last week. In the course of the debate, Mr. Derek Walker-Smith, Parliamentary Secretary to the Board of Trade, disclosed that the Government welcomed the basic recommendation of the Gedge Committee's Majority Report of January 1954 to allow—but not compel—companies to issue ordinary shares but not preference shares on a no-par-value system. He said that the Government was willing to accept this principle on the basis of a no-time-commitment.

The United Kingdom Iron and Steel Board has increased the maximum prices of iron and steel products by an average of 5 per cent., with effect from the 7th inst. It is stated that the increase had, in the main, been necessitated by the higher cost of imported materials and home arising scrap. Despite this increase, the domestic price of steel is still, on average, about 10 per cent. cheaper than that of most other steel producing countries. The higher steel prices are expected to add about £34 million to the steel industry's gross income. It may be noted in this connection that French steel prices have also been increased by an average of 3 per cent.

Work has begun on a £2-million project for the manufacture of carbon black from petroleum fractions at Geelong, Victoria, in Australia, next to the Shell refinery. It will be Australia's first petrochemical unit and the only carbon black plant operating in the Southern Hemisphere. Designed to produce 16,000 tons per annum, the plant will be built and owned jointly by United Carbon Company of Charleston, West Virginia, U.S., and Shell. When in operation, it will provide the major types of furnace blacks required by the Australian rubber industry. It will also leave some surplus for export. It may be noted that carbon black is the principal reinforcing agent for rubber tyres and other rubber products, imparting to rubber the qualities of toughness and resistance.

PERSONAL

MR. Tushar Kanti Ghosh, Editor, *Amrita Bazar Patrika*, has been elected Chairman of the Board of Directors of the Press Trust of India.

Mr. N. Subramaniam, I.C.S., Director of Settlements, Madras, has been appointed Joint Secretary, Union Ministry of Commerce and Industry.

Mr. Basil Smallpeice, Deputy Chief Executive of the British Overseas Airways Corporation, has been appointed Managing Director of the Corporation, the new title for the post of Chief Executive.

Mr. Ali Yawar Jung, India's Ambassador to Egypt, has been elected Chairman of the sixteen-nation *ad hoc* committee on the special U.N. Fund for Economic Development.

Mr. S. R. Vasavada, prominent labour leader of Ahmedabad, has been elected President of the Indian National Trade Union Congress for next year. Mr. K. P. Tripathi has been re-elected General Secretary of the Congress.

Mr. J. A. Taraporevala, till recently Director of Technical Education, Bombay State, has been appointed Chief Scientific Officer (Engineering), Department of Atomic Energy. He will be in charge of the construction of the atomic reactor at Trombay.

Mr. A. Rajagopalan has been re-elected President of the new committee of the Engineering Association of India. Mr. R. M. Agrawal has been elected Vice-President, while the members of the committee are: Messrs. L. P. Misra, D. C. Driver, D. N. Jalan, B. K. Rohatgi, A. K. Bhattacharyya, P. R. Bagri, I. C. Gupta, R. L. Rajgarhia, T. R. Gupta, S. N. Rungta, K. L. Chowdhury and Ghanshyam Das Binani.

Mr. K. Venkataraman of Messrs. Venkataraman & Co., stock and share brokers, Madras, has been elected President of the Madras Stock Exchange Association for the year 1956-57. Mr. H. C. Kothari of Messrs. Kothari & Sons has been elected Vice-President, Mr. V. Rangachari of Messrs. Maconochie & Co., Honorary Treasurer, and Mr. V. Natarajan of Messrs. Dalal & Co., and Mr. C. S. Natarajan of Messrs. Raj & Co., Joint Honorary Secretaries of the Association.

Dr. John Matthai, Mr. C. D. Deshmukh, Mr. T. T. Krishnamachari, Mr. V. T. Krishnamachari, Mr. Asoka Mehta, Mr. J. R. D. Tata, Mr. J. F. Sinclair and Mr. N. R. Pillai will constitute the governing body of the Council of Economic and Industrial Research established for undertaking such research as may be assigned to it on behalf of the Government, industrial and business concerns and others in respect of problems having a bearing on industrial economics. The Council will also undertake basic research. Dr. P. S. Lokanathan, Executive Secretary of the E.C.A.F.E., has been appointed Director of the Council.

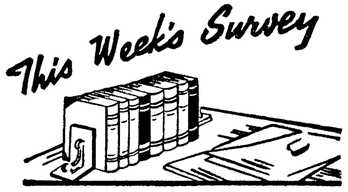
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 9*th May*

Prospects of Tea Industry

So far as future prospects of the tea industry are concerned, there is little to be said that can be described as definitely more favourable. It is true that the outturn to date from Northern India, owing to hail damage as well as lack of rain in certain districts, is well below the corresponding figure for last year. It is as yet, however, only the beginning of the season and the big producing months, which really count, have still to come. A more favourable factor appears to lie in the decision on the part of the Tea Cess Committee definitely to tackle the problem of increasing the consumption of tea in India by the establishment of their own (at any rate in the first instance) packing factory. India, it is confidently predicted, will be able eventually to consume all the tea that she can produce and the opinion has been held for a long time past that the Committee's primary activities should be concentrated on bringing about a further increase in the present rate of consumption in India, which already exceeds 50 million lbs. annually, rather than expend their energies and enormous sums of money in America, which has been a coffee-drinking country since time immemorial and where a cup of coffee can still be obtained cheaper than a cup of tea. In justification of the Tea Cess Committee, it should be added here that, during last year's worldwide depression, shipments of tea into America from Northern India increased by as much as 1½ million lbs. The London stock figures for March at approximately 242 million lbs. show a gratifying reduction of 6¼ million lbs., while deliveries increased by 15½ million lbs., as compared with the corresponding period in 1930.



SALES TAX ON INTER-STATE TRADE

THE Government has decided to clear the constitutional jungle which has grown around the tax on inter-State sales by transferring this item from the State to the Union List. Fiscal opinion has favoured this move and judicial opinion has recognised how impossible was the position of trade and industry under the original practice of permitting the States to collect tax on sales in the course of inter-State trade. The business community has time and again drawn the attention of the authorities to the serious inconvenience caused by the subjection of inter-State trade to sales tax legislation of the State Governments. But it was the Supreme Court's judgment in the *Bengal Immunity Co., Ltd.* vs. *The State of Bihar* which demonstrated the need for lifting the whole levy on inter-State trade from the purview of the State Governments, for the Court, reversing its own earlier decision, held that such a levy was *ultra vires* the Constitution.

In the course of its painstaking analysis of the entire problem of inter-State trade in the context of sales tax legislation, the Taxation Enquiry Commission stated the issue in a nutshell when it averred that the "States cannot do without the sales tax and, in terms of two or more States, the sales tax cannot do without the Union." The Commission, in the light of this conclusion, suggested amendments to the Constitution which would place beyond any shadow of legal or constitutional doubt the right of the Union Government to levy a tax on inter-State sales and distribute the revenue among the States. The Constitution (Tenth Amendment) Bill, introduced in the Lok Sabha last week, has been prepared in accordance with the Commission's recommendations.

Briefly, the Bill adds a new entry, namely, 92A, to the Union List, placing taxes on inter-State sales and purchases within the exclusive legislative and executive power of the Union and to make the entry 54 in the State List, namely, tax on sale or purchase of goods other than newspapers, subject to the provisions of the new entry, 92A. The new levy, the tax on inter-State sales, is being added to the list of subjects specified in Clause (1) of Article 269. This has the effect of empowering the Union Government to collect sales tax on inter-State trade and to distribute the revenue among the States; a similar procedure is now adopted for Estate Duty. A further provision is proposed in Article 269 expressly empowering Parliament to formulate, by law, principles for determining as to when a sale or purchase of goods takes place in the course of inter-State trade or commerce.

Further, the explanation to Clause (1) of Article 286, which has given rise to a great deal of legal controversy and practical difficulty, is sought to be omitted. It may be mentioned here that this explanation seeks to define what constitutes a trade outside a State. Clause (2) of the Article will also be omitted. Instead, it is proposed to insert a provision whereby Parliament will have powers to formulate principles for determining when a sale or purchase of goods takes place (*a*) outside a State, or (*b*) in the course of import of goods into the territory of India, or (*c*) in the course of export of the goods out of the territory of India.

It is noteworthy that the Bill seeks to replace Clause (3) of Article 286 by a new one. At present, the Clause (3) lays down that "no law made by the Legislature of a State imposing or authorising the imposition of a tax on the sale or purchase of any such goods as have been declared by Parliament by law to be essential for the life of the community shall have effect, unless it has been reserved for the consideration of the President and has received his assent." It may be recalled that it was in pursuance of this clause that Parliament passed an Act in 1952, declaring a number of goods like foodstuffs of various kinds, cloth, raw cotton, cattle feeds, iron and steel and coal to be essential to the life of the community. Since this declaration could not affect the pre-existing State laws imposing sales tax on these goods, the result was a wide disparity from State to State not only in the range of exempted goods but also in the rates applicable to them.

Presumably, the Government is now convinced that the law on the subject of essential articles should be more comprehensive. Under the clause which will replace Clause (3) of Article 286, Parliament will have the power to declare by law the goods which are of special importance to inter-State trade or commerce and also to specify the restrictions and conditions to which any State law (whether made before or after the Parliamentary law) will be subject to the system of levy, rates and other aspects of the tax on the sale or purchase of those goods.

At first sight, this might seem to be a limitation on the fiscal powers of States. But such limitation is obviously in the larger interests of the community and the States themselves. When the Commission recommended such a change, it had in mind not only essential articles in the sense of foodstuffs but also raw materials for industry. There is an urgent need for taking the levy of tax on inter-State movement of raw materials from the purview of the States. This has been neatly expressed in the statement of objects of the Bill which, reflecting the sentiment expressed by the Taxation Enquiry Commission, says:

> "Where, for instance, raw material produced in a State is important from the point of view of the consumer or the industry of another State, certain restrictions have to be placed on the taxing power of the State Government, as, otherwise, it can effect an increase in the cost of the manufactured article, whether such manufacture takes place in the State, which produces the raw material, or in another State, which imports the material from that State. In either case, to the extent that the finished goods are consumed in a State other than the one which taxes the raw material, the increase in cost on account of the tax is a matter of direct concern to the consumer of another State. Such cases of inter-State sales should appropriately be brought under the full control of the Union."

It is to be hoped that the sales tax on essential industrial raw materials will be increasingly brought within the purview of the Central Government, for that will ensure that a State which produces a particular raw material will not hold the rest of the country to ransom. The clause now proposed invests the Union Government with sufficient powers to see that the States do not use the sales tax device to hinder the free movement of raw materials.

CEILING ON INCOMES

There was a brief and inconclusive but interesting debate over the issue of ceiling on personal incomes in the Rajya Sabha last week, thanks to a non-official resolution urging fixation of such a ceiling, moved by Mr. B. K. Mukerjee, a Congress member. The resolution said that the Government should take necessary steps, by legislation or otherwise, to fix a ceiling on individual incomes at Rs. 25,000 a year and, as a first step towards the fixation of such ceiling, determine the "maximum emolument to be drawn by any civil servant under the Central Government at a sum not exceeding Rs. 1,800 a month."

In support of his plea for ceiling on incomes, Mr. Mukerjee put forward two arguments. First, the country has accepted a socialist pattern of society as the objective and it is necessary that the privileged classes in the country must fall in line with the aspirations of the people. Secondly, the second Five-year Plan is an ambitious one, requiring, for its successful implementation, the wholehearted co-operation of the people which will be forthcoming only if steps are taken to reduce inequalities of wealth and disparities in incomes; when the *per capita* income is only Rs. 200, the country cannot have a personal income of more than Rs. 25,000 per annum. These arguments were supported by several members —Congress and non-Congress. Some even wanted a more drastic reform. Mr. N. G. Ranga, for instance, considered that the ceiling proposed in the resolution was "too high" and would create "a new class of aristocracy and exploiters." He also suggested—this suggestion was endorsed by a few others—that a "reasonable" ceiling should be fixed simultaneously for all professions, including agriculturists, civil servants and industrialists.

The contents of the resolution and the views expressed on them bring out very vividly the lack of realism on the part of those members of Parliament who want fixation of ceiling on personal incomes. May be, whenever proposals of this nature are suggested, the members are prompted more by considerations of evoking praise and favour from the electorate, the vast majority of which are illiterate, than by the country's larger interest. In trying to please the electorate through such suggestions, the legislators are certainly doing a great disservice, inasmuch as they overlook the very fundamentals of economics. It is no doubt true that the *per capita* income of the country is deplorably low, being Rs. 265 and not Rs. 200 as quoted by Mr. Mukerjee. But the income cannot, by any stretch of imagination, be raised overnight by fixing ceiling on incomes. Certainly, this is a negative approach. The proper and positive approach should be to raise the income of the lower group. One would have appreciated it if Mr. Mukerjee had suggested to the Government to take steps to fix a floor below which the income of a person should not go. This aspect was lucidly stressed by Mr. P. D. Himatsingka, a Congress member of West Bengal. As Mr. Himatsingka very rightly pointed out, "an attempt should be made to raise the *per capita* income of every one who is not getting a sufficient sum; it will not do to reduce the income of persons who are getting it on account of their merit and ability and the service they render. Surely, fixation of a ceiling on personal incomes, irrespective of these considerations, would tantamount to taking off the premium on merit and ability which is so vital for the material progress of a community. What incentive will be there for people to show their worth, if there is no assurance that they will be adequately rewarded for their endeavour? Would we be right, if, instead of taking steps to raise the income of persons, we were to do away with the disparity by reducing the income of those who are getting more? It may not be inappropriate to recall here the conditions that existed in countries like Indonesia and Burma after their independence. These countries did not have a proper civil service. India is fortunate in that it has a civil service which is really efficient." Mr. Himatsingka did well to emphasise this aspect so very forcefully. As he very pertinently remarked, it would be a wrong step to suggest that the disparity in incomes should be done away with by reducing the salaries of civil servants.

Looked at from the point of view of mobilising the resources for economic development also, the plea for fixing a ceiling on incomes cannot be justified. The following extracts from the speech of Mr. Himatsingka will bear out the importance of this statement:

> "If we produce more articles, more money will be there. The rivers in our country were devastating the country so long. Now, they are being harnessed and they will help in more and more production of wealth. It is a truism to say that India is a rich country inhabited by poor people. This is because the resources that are available in the country have not been properly utilised so far. The mineral wealth is lying hidden under the soil. India is a country where 70 per cent. of the people are cultivators. But compare the production with that of countries like Japan. If we follow the improved methods and if improved ideas are accepted here, the income of the peasant will increase a number of times."

There is considerable force in the observations. There are enough resources and enough facilities in the country which, if properly utilised, will, as Mr. Himatsingka rightly said, certainly help increase the income of the country. The Government will do well to take note of these observations in examining the problem of reducing the disparity in incomes. As we pointed out only two weeks ago—*vide* page 798 of *Commerce* dated 28th April 1956—in adopting whatever measures it may deem necessary to take in this direction, the Government should not blindly yield to the essentially emotional demand for an omnibus ceiling on incomes.

HUMAN PROBLEMS IN INDUSTRY

The Duke of Edinburgh's Study Conference on Human Problems of Industrial Communities within the Commonwealth and the Empire, which will be held at Oxford from 9th to 27th July, will be an experiment on lines never before attempted in the Commonwealth. It will bring together some 300 people in the manager-employer and trade union operative roles of industry from a wide cross-section of races, industries and occupations. There will be 90 members from the U.K., 138 from other countries in the Commonwealth—of which 25 will be from India —and 52 from the Colonial territories. Twenty-nine countries and territories will be represented.

A feature of the Conference is that the members are invited as individuals and not as delegates, so that they may contribute to the common purpose of the discussions in terms of their own personal experience. As the Conference is independent in character, no Government is represented officially. There has, however, been much consultation with Governments and other organisations interested in industrial welfare in making arrangements for the invitation of members.

The members, chosen principally from among people between 25 and 45 years of age, will conduct a practical study of the human aspects of industrialisation and, in particular, those factors which make for satisfaction, efficiency and understanding both inside industrial organisations and in the everyday relations between industry and the community around it.

There is no gainsaying the fact that a proper adjustment of human resources of industry is the foremost concern of management. For to be productive and satisfied, an individual must be able to do and want to do the work which is assigned to him. The "square peg in a round hole" should be avoided in industry, both for the sake of the industry and the man concerned. The worker may lack the aptitude to learn the operation he must perform. He may be uninterested in the particular work to which he is assigned. He may dislike his associates or be unacceptable to them. He may chafe under a routine that does not fully use his skill. Whatever the factors that contribute to his inefficiency, both he and the employer suffer. Consequently, the human relations problem is the most important of industrial problems and it entails the introduction of a number of techniques of personnel management influencing day-to-day direct relations at the enterprise with the aim of enlisting the support of the workers for organisational measures benefiting workers themselves as well as the enterprise.

The Oxford Conference is essentially an experiment in common effort within the Commonwealth. It is true that many of the problems which it will study have been considered before, but much of the significance of this conference lies in its membership. The members will gather there not for academic study but as men and women of many races and nations who are facing practical responsibilities in industry and are prepared to exchange ideas freely and frankly on the tasks and opportunities ahead of them. It is noteworthy that Mrs. Durgabai Deshmukh, Chairman of the Central Social Welfare Board of India, will contribute a paper on "New Dimensions of Woman's Life in India." Mr. M. D. Madon, Deputy Director of Education and Social Services, Tata Iron and Steel Company, Ltd., will speak on human relations in the Tata Steel Works at Jamshedpur.

It may be interesting to note here that a reference to this conference was made by Mr. G. D. Somani in his speech at the twenty-third annual session of the All-India Organisation of Industrial Employers held at New Delhi on the 4th inst. He said:

> "Industrialisation involves not merely a break with the agricultural subsistence economy but also shifts and changes affecting political and social structures. New concepts and relationships arise in the life of an individual as are evidenced from the weakening of traditional authority of the head of the family, the new position of women, greater emphasis on leisure, preference for city life, reorientation of attitudes and even change in beliefs. I am glad that H.R.H. the Duke of Edinburgh has organised a Study Conference in Oxford in July this year which will concern itself with the human problems of industrial communities as such, that is, with the human aspects of industrialisation, and in particular those factors which make for satisfaction, efficiency and understanding, both inside industrial organisations and in the everyday relations between industry and the community around it."

RICE TRADE

The two weeks' conference of rice experts from India, Burma, Japan, Thailand, France, the United Kingdom and the United States, which concluded at Rome on the 3rd inst., expressed itself against any effort to freeze rice trade and rice prices at present levels. The Conference is preparatory to the forthcoming first meeting of the new inter-Governmental rice study group to be held in East Asia; the venue and the date have not been settled yet. It urged that stabilisation measures should aim not only at ironing out temporary fluctuations, but also at easy adjustment to long-term changes in the conditions of supply and demand. It will be recalled that freezing of rice trade and prices had been suggested as a possible means of reducing instability in marketing rice, the basic food of millions of Asians.

The Conference agreed that the broad objective of the countries interested in rice trade should be "a continuous and balanced expansion in the volume of rice production, consumption and trade." It pertinently felt that fuller

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FOOD PRODUCTION TARGET RAISED

NATIONAL DEVELOPMENT COUNCIL SCRUTINISES DRAFT SECOND PLAN

From A Special Correspondent

NEW DELHI, *8th May*

ALTHOUGH formal approval has yet to be accorded by Parliament to the second Five-year Plan, it may now be taken for granted that there will not be any drastic changes either in the approach to the Plan or in the quantum of the proposed expenditure. Parliament will appoint two separate committees to study the various aspects of the Plan and may make some suggestions to the Planning Commission. Knowing, the views of Parliament, as we do, it can be stated that its suggestions, if any, will not be for curtailment of the outlay on the Plan; on the contrary, it will emphasise the importance of defence industries and the need for speeding up the execution of industrial programmes.

DELHI LETTER

The deliberations of the National Development Council have left certain impressions on the onlookers not only as to how the planners and the chief participants at the meeting viewed the whole problem but also as to how they should play their cards to achieve success. Since any pruning of the Plan would result in the abandonment of some of their pet schemes, they were reluctant to agree on the question of bringing down the target expenditure below the Rs. 4,800-crore level. There was realisation that, in a country like India, agriculture should continue to receive the utmost attention, particularly food production. Even the Prime Minister, who inaugurated the meeting, pointed out that, although the Plan had primarily aimed at the building up of heavy industries, machine tools, etc., production of foodgrains should be maintained at well above the target through intensive cultivation. He thought that Community Projects and the National Extension Service Organisations could play a creditable part in achieving higher food production.

It is refreshing to note that the planners were agreed that increased production of food and raw materials would be helpful not only in saving valuable foreign exchange but also in keeping under check the inflationary spiral likely to be generated as a result of large-scale deficit financing. The Vice-Chairman of the Planning Commission was of the view that the country could step up the production of foodgrains from about 18 per cent. as proposed in the Plan to about 40 per cent. from the present level, if only the people would make some special efforts. A proposal was also reported to have been considered to the effect that the quantum of foodgrains to be imported should be increased from about three million tons to six million tons and that the greater part of these imports should be in the first two years of the Plan. It is doubtful whether the planners had considered the full implications of this proposal. For instance, it is now well known that, during the first half of the Plan, the Government has to make large-scale allocations of foreign exchange for imports of steel, machinery, industrial raw materials, including cement, etc., for the orderly execution of the various projects. All these will make serious dents into the foreign exchange resources of the country and it is, therefore, necessary that the Government should not import more foodgrains than is absolutely necessary. The latest reports from the Punjab and elsewhere suggest that this year the *rabi* wheat crop will set up another record in view of the fact that the area sown under wheat is higher by about two million acres. This means that the outturn of wheat for 1955-56 will be very near nine million tons, as compared with 8.5 million tons in the preceding season. The recent rise in the price of foodgrains must not, therefore, have been due to underproduction but mainly to the operation of speculative forces.

Further, the National Development Council did not take cognisance of the possible adverse effects likely to be caused to the foreign trade of the country as a result of the reduced flow of some commercial crops such as oilseeds, raw cotton, vegetable oils, etc. It will be remembered that, a few weeks ago, the Government had stopped exports of fine rice and pulses so as to bring down the prices. Similarly, limitations have been imposed on exports of vegetable oils such as groundnut oil, etc., while the export duty on linseed oil has been increased. Although Government has been anxious to promote the export trade of the country, it could, in its present stage of economy, do it only through the increased production of commercial crops. The National Development Council should, therefore, have given equal importance to increasing the production of commercial crops, particularly those which are capable of earning more foreign exchange. It is possible that, at the forthcoming Export Advisory Council meeting, the Commerce and Industry Minister will emphasise this aspect of the problem.

Although the National Development Council paid particular attention to the augmentation of the rail transport in the country, it appears to have overlooked another aspect of the country's economy. One visible effect of the rapidly expanding economy of the country is that the targets laid down for different industries are becoming rapidly obsolete. In other words, consumer and industrial demand is increasing on a scale rather disproportionately to the growth of production. For instance, production of cement in the country a year ago was more or less equal to demand at about 4.5 million tons, whereas, within one year, the demand has more than doubled itself. As a result, the Government which was content to fix the target for cement at 10 million tons for the second Plan, has had to think in terms of a bigger target; it is now felt that the target should be about 16 million tons. Similarly, the target for steel also is likely to be raised from about 6 million ingot tons to about 7 million ingot tons. Perhaps even this level might be revised in an upward direction after a year or two. The target for bicycles, which was fixed at 1.25 million, has now been increased to 1.6 million. In the matter of cloth also, no rigidity in regard to production should be imposed on the industry. It is, therefore, necessary for Government and the planners to adopt a flexible policy in regard to production of several consumer goods.

During the discussions at the National Development Council meeting, the problem of regional development of industries came to the forefront. All the representatives from the South, particularly the Chief Ministers of Mysore and Hyderabad, the Finance Minister of Madras and the Development Minister of Andhra, drew the attention of the Planning Commission to the fact that the interests of the South had been neglected in respect of industrialisation and made a forceful plea that heavy industries should be started in this area. In case it was found that a particular heavy industry could not be located in a specified State for want of some important raw material, it was suggested that there should at least be a balanced development of the various zones and that financial allocations for purposes of development should be made on a zonal basis. In view of the unanimity of the opinion on this question from members of the Southern States, the Planning Commission must think afresh and aim at bringing about a balanced regional development. It may be noted here that the latest Industrial Policy Statement of the Government has also emphatically stated that "only by securing a balanced and co-ordinated development of the industrial and the agricultural economy in each region, can the entire country attain higher standards of living."

These apart, there was full recognition that efforts should be made to keep down the adverse effects of deficit financing to the bare minimum. The National Development Council is now agreed that no gap should be left on the resources side of the Plan and that the present gap of Rs. 400 crores should be made good by increased taxation. All the Chief Ministers of States are reported to have agreed to raise additional taxes to the extent of Rs. 50 crores per year and some levies such as sales tax, surcharges on land revenue, agricultural income-tax, betterment levy, irrigation cess, electricity duty, etc., are expected to be imposed or enhanced, as the case may be, in order to close the gap. Meanwhile, a proper survey of the taxable capacity of different States is expected to be undertaken and the target for each State will be fixed.

TARIFF COMMISSION'S WORK

MORE ATTENTION TO BE DEVOTED TO RESEARCH

THE Tariff Commission, in the course of its normal work, comes in contact with the vital sector of Indian economy, namely, the industrial sector. And it is not as if the Commission is concerned only with the case of the weaker industries which demand protection. For its price enquiries have enabled the Commission to deal with some of the Indian industries the costs of production of which compare very favourably with those of their foreign counterparts. Further, its investigations into the case for protection of an industry often enable the Commission to acquire valuable knowledge of allied questions such as the supply of raw materials and freight problems. For these reasons, the report of the activities of the Commission deserves to be read with attention.

The latest report of the Commission—that for 1954-55, is the third of its kind. Besides containing an account of the enquiries it held and the Government resolutions on its recommendations, the report carries an interesting review of the progress of protected industries covering production, sales, stocks and wholesale prices. This review is too brief and factual to be of any worthwhile use. It is to be hoped that, in future at least, this section of the report will be further expanded in scope. After all, the Commission owes it both to itself and to the consumers (at whose expense all protection is given) to keep the progress of protected industries under proper scrutiny, to pull up the industries which shout till protection is given and are inclined to take things easy after that purpose has been achieved. The public is, therefore, entitled to know from time to time as to what progress is being made by the protected industries and it looks to the Commission for knowledge in this direction, because, as an independent body, the Commission is expected to tell the truth without fear or favour.

During the year under review, the Commission held 21 enquiries and submitted no less than 29 reports. The reports submitted covered the cases for continuance of protection for industries producing hurricane lanterns, bicycles, sheet glass, electric brass lamp-holders, cocoa powder and chocolate, antimony, cotton and hair belting, textile machinery, zip fasteners, sewing machines, stearic and oleic acid, pickers, oil pressure lamps, machine screws, soda ash, grinding wheels, calcium chloride, artificial silk, titanium dioxide, electric motors and hydroquinone. The industries which claimed protection during the year under review included those producing caustic soda and bleaching powder, dyestuffs, automobile leaf spring, automobile hand tyre inflators, engineers' steel files and diesel fuel injection equipment. The Commission also submitted a report on the revision of retention prices of tinplate.

In describing its findings on the progress of protected industries the Commission has divided its wards into four groups: metallurgical industries, engineering industries, chemical and allied industries and other industries. Production in metallurgical industries in 1954, it is stated, generally recorded an increase as compared with the previous year. Thus, the production of aluminium ingots, refined copper aluminium circles, protected steels (other than high speed and stainless steels), aluminium sheets and antimony moved up, while there was a decline in production of high speed steel and stainless steel. During the first quarter of 1955, there was improvement in production in respect of aluminium circles, sheets and ingots, antimony, and stainless steel. Among engineering industries, the industries which recorded an increase in output in 1954 included motor vehicle batteries, ring frames, hurricane lanterns, zip fasteners, oil pressure lamps, sewing machines, electric motors, bicycles, electric brass lamp-holders, grinding wheels, wood screws and machine screws. There was a decline in production in spindles, looms, spinning rings, tin rollers and cotton baling hoops. Improvement in production took place in nearly all these industries in the first quarter of 1955, the exceptions being spinning rings, spindles and machine screws.

Most of the chemical industries recorded a sizable increase in production both in 1954 and in the first quarter of 1955. Such industries included sodium bichromate, potassium bichromate,

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SECOND PLAN LACKS BALANCE

MR. K. C. NEOGY'S VIEWS

[In a note of dissent on the draft of the second Plan, which will shortly be presented to Parliament, Mr. K. C. Neogy, Member of the Planning Commission, who is in charge of industries, observes that the calculation of the financial resources for the public sector at Rs. 4,800 crores seems to be characterised by wishful thinking rather than reasonable expectations. He has also drawn attention to lack of personnel and inadequate provision for internal transport and shipping. Although his views were made known to the members of the National Development Council when they met at New Delhi last week, they failed to evoke any realistic reassessment of the Plan, with the Council deciding that the size of the Plan at Rs. 4,800 crores required no downward revision. We have also heard it said even by some of the Union Ministers who have also been critical of the Plan that Mr. Neogy is unduly pessimistic. This remark is rather surprising, for they have themselves criticised the Plan more or less on the same grounds.

In order to enable readers to judge for themselves, we publish below the text of Mr. Neogy's note. In our opinion, there is not even an iota of exaggeration in Mr. Neogy's assessment of the deficiencies in the Plan. If the public is not to be misled, the Government must reduce the size of the Plan, rearrange the priorities, cut down the provision for some of the social projects and give more scope for private enterprise—ED.]

THE calculation of the financial resources for the public sector of the Plan at Rs. 4,800 crores seems to be characterised by wishful thinking, rather than reasonable expectations. Even then, there is an uncovered gap; and large as the gap is, it may well prove to be an underestimate. There are indications that the revenue surplus may prove disappointing. The assumed foreign aid figure is a measure of our need but that does not make it easily attainable. It will, perhaps, be idle to expect State Governments as a whole to fulfil their targets of additional taxation. Tax efforts even at the Centre will have to recognise its limitations at some point.

If the Plan is seriously attempted to be maintained at its present size and the visible domestic resources cannot be stretched to provide more than half the outlay in the public sector, deficit financing of the order of Rs. 1,200 crores may no longer be the upper limit, as urged by the experts, but the inevitable minimum. Once inflationary conditions supervene as a concomitant of this order of deficit financing, all monetary calculations of the Plan expenditure will be upset, cost of projects will be increased and Plan fulfilment reduced in real terms. And in that process, those to be hardest hit would be people in the fixed income groups who number over five million and include Government servants at all levels, teachers and other non-Government employees. These classes would thus be called upon to bear the brunt of capital formation through deficit financing after they have patiently borne the war-time and post-war decline in their standards of life.

Inflation, progressively heavy taxation and rigid controls that appear to be inevitable may well set in motion forces of reaction and demoralisation at different levels of society. And, if demoralisation overtakes the people, in general, it will, in all conscience, be too dear a price to pay for economic progress, even if real progress be possible under such conditions.

Undoubted Uncertainties

Apart from financial imponderables, there are undoubted uncertainties in the physical and organisational spheres which should not be minimised. The problem of finding managerial personnel for all the projects is no small one; and, until much more is done for technical training, a shortage of skilled personnel may limit practical achievement. The answer to all these uncertainties is sought to be found in the idea of detailed annual plans which will be drawn up in the light of practical experience and are expected to meet the requirements of the situation as it unfolds itself year after year. But the annual plans are not likely to add up to the five-year picture as given in the Plan. Their sum total will be smaller, because to finance the entire Plan and fulfil its physical targets in the five-year period is beyond our capacity; and it will also be different because the individual projects and programmes constituting the Five-year Plan are not equally elastic and cannot all be reduced in the same proportion. The ultimate picture that is, therefore, likely to emerge after the operation of the five annual plans may turn out to be materially different in dimensions and content from the Five-year Plan that is now being put forward.

The question that arises in these circumstances is whether a less ambitious Five-year Plan should not have been drawn up, such as would be capable of fulfilment in practice and to which the country could pledge itself as a clear and definite programme that woud be not merely desirable but also possible to achieve. Such a realistic Plan would still be open to some degree of annual adjustment found to be necessary and possible, and be capable of being improved upon by the utilisation of any favourable turn of events from year to year.

In an economy like ours, there is a good deal of leeway to be made in every sphere of national activity, and many are the matters that directly or indirectly touch the life of the individual and call for suitable ameliorative action as an unavoidable obligation of an enlightened State. As a matter of abstract reasoning, sufficient progress deserves to be made at the same time on all fronts; but the inexorable logic of circumstances unfortunately sets a limit to any such all-embracing effort. Relative priorities should, therefore, be fixed in a planned programme of development, so that the programme for any five-year period allows for discrimination between one project and another for the purpose of determining the degrees of attention to be paid to them, in that period of time. Such a policy would, in due course, work out a satisfactory result in all the desired directions.

Too Many Proposals

It is often urged that the nature and size of the Plan have been influenced largely by the pressing need of creating employment on a large scale. Such an argument seems to imply that the desired volume of employment can be created by the simple process of enumerating targets, whether or not such targets are attainable in financial and physical terms. In our attempt, however, to cover as wide a field as possible all at once on theoretical grounds of desirability, we have, in my view, failed to recognise the necessary priorities and packed the Plan with too many proposals that make it spectacular but are in excess of our financial and physical capacity. In an attempt to reconcile ever-increasing financial demands for various projects with an overall total of Rs. 4,800 crores, the cost of some of them at least appears to have been underestimated. In reality, the Plan as put forward requires financial resources substantially in excess of the figure of Rs. 4,800 crores.

Vague assurances of a somewhat uniform character have been given to the Ministries that suitable upward revisions would be made in the financial allocations in the course of the operation of the Plan. Thus, the authorities concerned will be kept on tenterhooks of expectation of improved financial provision as a result of the annual revisions of the Plan. Having regard, however, to the overall shortage of funds, such an assurance, given impartially to different Ministries at the same time, can only lead to ultimate disappointment and confusion, apart from throwing doubts upon the proposals and targets themselves.

Allocations to Railways Poor

It is not surprising that a Plan of this character lacks balance; and this defect is best illustrated by the want of correlation between production and transport; and nowhere is that imbalance more glaring than in the case of the obligation of the railways to carry the traffic resulting from industrial and other targets of development. It is being demonstrated today how the failure correctly to assess and adequately to provide for railway requirements in the first Plan period has, in spite of the best efforts of the railways, resulted in continued restrictions on the movement of important commodities. It is apprehended that the contemplated development under the second Five-year Plan also may prove seriously unmatched by the transport capacity of the railways. A shortage of railway capacity will surely react unfavourably upon the supply of raw materials of industry and other basic commodities, as also upon the movement of export articles and distribution of foodstuffs and consumer goods, on the regular supply of which the country can rely for the purpose of countering the forces of inflation.

In this view of the matter, all the traffic generated, which may belong to any of the above categories, should be capable of prompt movement. The large foreign exchange content and heavy steel requirements of the railway programme are sometimes pointed out as its inherent difficulties. But, even if these uncertainties are a valid argument against a proper railway plan, the effect that inadequacy of transport would produce on the rest of the Plan is self-evident. Indeed, no production should be undertaken, unless it can be transported; or, in other words, the extent of available transport facilities should set the limit to production.

Shipping

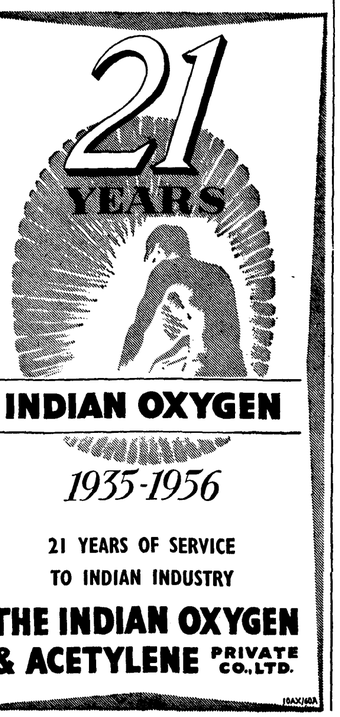
Another form of transport which has not secured adequate attention, due principally to lack of finance, is shipping, whose importance to the Indian economy is difficult to exaggerate. Coastal shipping, which has been reserved to the Indian Flag, should be capable of relieving the railways of their burden as much as possible. But overseas shipping is, in a sense, even more important, particularly from the point of view of earning foreign exchange. Unless an adequate provision is made for expansion of overseas shipping, every day that passes makes it difficult for us to occupy our rightful position in this trade, because of the steady expansion that is taking place in the shipping of different other countries. Apart from this factor, one should not ignore that merchant marine forms the second line of defence in any maritime country—an aspect which India could ill afford to overlook.

An Irony

It is an irony, however, that expert advisers are still advocating a further reduction in the allocation for transport, mainly on the strength of abstract formulæ borrowed from other lands.

In my humble judgment, basic schemes of overriding importance should have been carefully selected and given top priority in the second Plan, and the rest, arranged in a descending order of lower priorities, to be taken up for implementation as and when possible in the five-year period. Thus, the second Plan should have been primarily treated as marking a momentous transition to a fuller and more comprehensive plan in the third quinquennium, for which the foundations would have been well and truly laid in the second Plan period.

The Plan as it stands is, however, open to the criticism that, as a five-year programme, it lacks definiteness, is unrealistic and overambitious, and its massive superstructure has been raised on precarious foundations.



BOMBAY STATE FINANCIAL CORPORATION

ANOTHER YEAR OF USEFUL ACTIVITY

THE third Annual Report of the Directors of the Bombay State Financial Corporation (Managing Director: Mr. R. S. Bhatt, Bombay) for the year ended 31st March 1956 discloses that the Corporation had another year of successful operations, despite a distinct fall in the number of applicants seeking financial accommodation. The working of the Corporation during the year resulted in a profit of Rs. 3.55 lakhs, as compared with Rs. 2.40 lakhs earned in 1954-55. After making a provision of Rs. 1.50 lakhs for taxation (as against Rs. 1.06 lakhs) and setting aside Rs. 20,000 (Rs. 12,500) for statutory reserve fund, Rs. 20,000 (*nil*) for reserve for bad and doubtful debts and Rs. 4,500 (Rs. 3,500) for reserve for investments, there was a balance of Rs. 1.61 lakhs (Rs. 1.07 lakhs) for distribution as dividend. As this amount was inadequate to pay the guaranteed dividend of 3½ per cent. on the Corporation's shares, the Bombay Government was requested to give a subvention of Rs. 1.89 lakhs to make up the balance, as against Rs. 2.43 lakhs sought in the previous year for the same purpose.

The Corporation's request to the Central Government, made through the State Government, to exempt it from payment of income-tax and super-tax for a minimum period of five years, so that it could during this period consolidate its position by enlarging the volume of its business and increasing its income to meet its statutory liabilities, was not granted. The Corporation will, therefore, have to "adjust itself to this circumstance and endeavour to balance its income to meet its liabilities as early as possible."

The Corporation continued its policy of extending financial accommodation to industrial concerns for the execution of sound schemes of development and expansion, having regard to the programme of industrial development recommended by the Planning Commission and the industrial policy of the Government of Bombay. It, however, had to confine its activity to entertaining applications from industrial concerns requiring loans over Rs. 75,000 only (but up to Rs. 10 lakhs), following the amendment of the State Aid to Industries Rules. Consequently, applications from small-scale industries for loans up to Rs. 75,000 (and in exceptional cases up to Rs. 1 lakh) are being entertained by the Director of Industries. This mainly accounts for the decline in the number of applications received by the Corporation from 199 to 122. Even among the applications received by it, a good number was for loans of Rs. 75,000 or less and these have had to be transferred by the Corporation to the Department of Industries.

Out of the 122 applications for a total loan of Rs. 271.92 lakhs received by the Corporation during the year under review (as against 199 applications for Rs. 290.93 lakhs in 1954-55), 45 were for fresh accommodation, 11 were for additional loans from concerns which had already received financial assistance and 66 were brought forward from the previous year. Of these, 99 applications were considered by the Corporation and 39 were sanctioned loans for an aggregate sum of Rs. 79.86 lakhs, as against 31 for Rs. 68.37 lakhs in the previous year. Eleven applications for Rs. 26.32 lakhs were rejected and 49, involving a sum of Rs. 54.42 lakhs, were otherwise disposed of and 23 applications for Rs. 77.31 lakhs were pending at the close of the year.

As in the previous year the largest number of applications came from the general engineering industries, textile industries, electricity supply undertakings, metal industries and miscellaneous group of industries, though the actual number so received showed a marked fall. Out of the 39 applications which were sanctioned loans, 5 were in respect of new industrial units, of which one was a general engineering concern, 2 were small textile units and 2 other miscellaneous undertakings. Of the remaining 34 applicants, 23 required financial assistance for expansion of existing capacity or development of new lines of manufacture and eleven sought additional loans to increase productive capacity or to acquire capital assets as a result of the revision of their schemes of expansion.

Out of the 70 applications for which loans have been sanctioned since the commencement of the Corporation's operations, 23 applications for Rs. 16.35 lakhs pertained to small-scale industries and 47 for Rs. 131.88 lakhs were for medium-scale concerns. It may be noted, in this connection, that a small-scale concern is defined as a unit having capital or capital assets up to the value of Rs. 5 lakhs and a medium-scale concern as a unit having share capital or fixed assets of the value up to Rs. 20 lakhs.

The rate of interest charged by the Corporation remained unchanged at 6 per cent. per annum, which, as the Directors rightly observe, was in conformity with the general level of interest rates in the country. There was no change in the other terms of loans and advances either. It would, however, appear that the terms and conditions on which the Corporation extends financial accommodation are considered to be stringent by some and the rate of interest to be high. Replying to this view, Mr. Purushottam Kanji, Chairman of the Corporation, in his speech at the annual meeting held this week, drew pointed attention to the tendency for the general level of interest rates in the country to rise. Another reason why the Corporation is unable to reduce the rate of interest is, as Mr. Kanji mentioned, the obligation to pay a minimum guaranteed dividend of 3½ per cent. to its shareholders free of income-tax. "If the Corporation raised its own resources at a cheaper rate," Mr. Kanji added, "it would be in a position to formulate a more flexible policy in charging the interest rates on its loans and advances."

In pursuance of the decision of the Board of Directors of the Corporation to appoint advisory committees in chemical, engineering and textile industries, panels of experts have been constituted and a number of highly qualified technical men of long standing and experience have been appointed by the Board to serve on the respective panels. In the absence of a properly organised technical consultation service in this country, this system is the best that can be had, and it is heartening to hear from Mr. Kanji that it has hitherto shown promise of working well. It is noteworthy that the Corporation takes special care to consult an expert who is acceptable to the borrowing concern also.

The Corporation, it is reassuring to hear, has been keeping a close watch over the progress of the industries which have received financial assistance. Besides, it has been assisting its borrowers in removing, if possible, the difficulties they experience in their working. These services, we are told, are being rendered after getting information on the following points from the industries concerned:

(1) The means of production, including the availability of raw materials, power, labour, machinery and technical personnel;

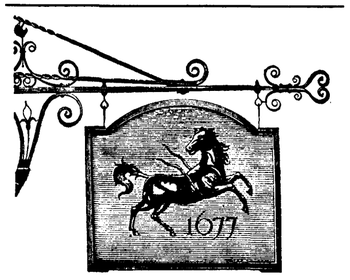
(2) the problem of marketability of their products;

(3) the availability of finance from sources other than the Corporation; and

(4) the general condition of their respective industry, with particular reference to the borrowing unit during the current year, as compared with the conditions in the previous year.

The aforesaid services are highly valuable, in that they will ensure the fulfilment of the main purpose for which the Corporation is established, namely, promotion and establishment of sound small- and medium-sized industries as part of the larger drive for raising the living standards in the country. It is gratifying to note that, on the whole, the units have co-operated with the Corporation by furnishing it with the necessary particulars.

An important political development which will upset the working of the Corporation for some time is the proposed reorganisation of States. Under the States Reorganisation Bill, the Corporation will be deemed to be constituted, under the State Financial Corporations Act, 1951, as the Financial Corporation for the State of Maharashtra. Following the reorganisation of States, some of the territories, wherein the industries which have taken loan from the Corporation lie, will fall within the jurisdiction of other States. This will involve some adjustments of outstanding commitments and recoveries of loans sanctioned to industrial concerns in these areas. The Corporation has already taken steps to bring this matter to the notice of the Government While expressing the hope that the Government will take the appropriate action, the Chairman has given the assurance that the Corporation will continue its endeavours in the same spirit of service to the State and its industries as hitherto. That is only as it should be.



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WORLD GOLD PRODUCTION

Over 27.15 million ounces of gold came off the world mines (excluding the U.S.S.R.) during 1955, according to the estimates prepared by the Union Corporation which are published in the latest annual bullion review of Messrs. Samuel Montagu of the U.K. This quantity is higher by 1.57 million ounces, as compared with the output of 25.58 million ounces in 1954. The major portion of the rise is accounted for by South Africa which alone produced 1.4 million ounces more gold than in the previous year. Canada also reported a fairly large rise in gold output. In most other gold-producing countries, the output during the year under review was about the same as in 1954 and was actually lower in some cases. The gold output figures for 1955 and 1954 for individual countries are set out beow:

(In thousands of fine ounces)

	1955	1954
South Africa	14,591	13,237
Canada	4,545	4,366
U.S.A.	1,891	1,859
Australia	1,055	1,118
Gold Coast	687	787
Southern Rhodesia	525	536
Philippines	415*	416
Mexico	380*	396
Colombia	381	377
Congo	375	365
Japan	289	300
India	212	241
Brazil	145	153
Chile	125*	125
Peru	145*	147
New Guinea	75*	86
Fiji	70*	72
Tanganyika	70*	74
Sweden	70*	70*
New Zealand	40*	42
Elsewhere	1,064*	1,083*
World total excluding U.S.S.R.	27,150*	25,850*
British Commonwealth	21,930*	20,623
British Commonwealth percentage	80.8	79.8
South Africa percentage	53.7	51.2

* Provisional figure.

The exact quantity of gold now being produced in Soviet Russia is not known. Available indications are that the output is far in excess of the pre-war level of about 5 million ounces per annum, the estimates ranging from 8 to 15 million ounces. Alluding to these estimates, Messrs. Samuel Montagu observe: "... the lower figure must be considered a minimum, the actual level probably being in excess of 10 million ounces." If this conclusion is correct, the gold reserves of the U.S.S.R. may now be in the region of the 200 million fine ounces, as suggested by some Press reports. With gold at $35 per ounce, the Russian stock will be equal to about $7,000 million—the largest gold reserve in the world after that of the U.S.

STERLING AREA GOLD AND DOLLAR RESERVES

The improvement in gold and dollar reserves of the Sterling Area noted during the first three months of the current calendar year continued during April also, although the extent of improvement was not so marked as that in the preceding two months. These reserves stood at $2,328 million at the end of April—the highest level since September 1955—as against $2,277 million, $2,210 million and $2.149 million in the previous three months, respectively. The net addition to the reserves during the month was thus $51 million, as against $67 million in March, $61 million in February and $29 million in January, bringing the total addition since the beginning of the year to $208 million. The total reserves of $2,345 million at the end of April, however, fall short of the monthly average of $2,680 million for the second quarter of 1955 by $335 million.

Out of the rise of $51 million in reserves during April, "other" gold and dollar movements account for $47 million. The balance of $4 million is the share of defence aid received from the U.S., bringing the total for the four months to $21 million. A payment of $2 million was made to the creditors of the European Payments Union (E.P.U.) in bilateral settlements. There was a surplus of $14 million with the E.P.U. which will be settled in the current month by the receipt of 75 per cent. in gold and dollars, the remaining portion being settled through the reduction of debt to the Union.

The quantum of increase in gold and dollar reserves during April was, as already stated, less than in the previous two months. No undue significance is attached in official quarters to this tendency, which is explained thus: "The 'bunching' of receipts often leads to entry in one month's accounts to the detriment of the succeeding month. This happened during March, when offshore purchase payments were received at the end of the month and were entered as March receipts." Commenting on the reserve position, the *Financial Times* observes: "The April reserves figures do confirm and continue the favourable trend. Confidence in sterling is far stronger now than in the early summer of 1955. That should provide a safeguard against the difficult season that is nearly coming upon us. A dangerous third quarter can only really shake confidence when it is already sickly. These April results should, therefore, provide a measure of reassurance for the short term." Nevertheless, the *Financial Times* observes that the need to build up much larger reserves is an overriding one. For it says: "It is right to adopt a greedy, grudging attitude towards the gold and dollar reserves. They are so pitifully small as compared with the trade they finance that every extra million dollars is an important contribution to the margin of safety. At present, about half the trade of the world is conducted in sterling, which is backed by only one-twentieth of the world's monetary reserves. That is necessarily a position of weakness and danger."

BANK OF MADURA LTD.

Encouraging results are disclosed by the audited accounts of the Bank of Madura Ltd. (Secretary: Mr. P. S. Viswanathan, Madurai) for the year ended 31st December 1955. The Bank's profit shows a rise from Rs. 1,13,319 to a record level of Rs. 1,61,810, exceeding the previous highest of Rs. 1,16,864 earned in 1949. As in the previous year, the Directors have transferred to the reserve fund a sum of Rs. 1,00,000, while the provision for investment reserve has been reduced from Rs. 12,500 to Rs. 10,000. The Directors have declared a dividend of 4½ per cent., thus restoring the Bank's shares to the dividend list after a break of four years.

It will be recalled that the Bank had paid a dividend of 3 per cent. for five successive years from 1946 to 1950, before going off the dividend list. Since then (that is, in 1953), there has been an increase in the paid-up capital of the Bank from Rs. 7.50 lakhs to Rs. 11.25 lakhs brought about by calling up Rs. 25 per share. Thus, the distribution to shareholders has been resumed not only at a higher level but also on an increased capital. The dividend absorbs Rs. 50,625, leaving a surplus of Rs. 2,665 to be carried forward.

The Bank's reserves as at the close of the year stand at Rs. 3,73,719, as against a paid-up capital of Rs. 11,25,000. Deposits have grown from Rs. 226.31 lakhs to Rs. 255.91 lakhs. Advances (including bills purchased and discounted) show a decline from Rs. 129.33 lakhs to Rs. 119.93 lakhs, mainly due to a fall in loans, cash credits and overdrafts from Rs. 122.50 lakhs to Rs. 109.92 lakhs. Liquid assets of the Bank stand strengthened, investments (at cost) having been raised from Rs. 84.67 lakhs to Rs. 103.42 lakhs and cash balances from Rs. 25.03 lakhs to Rs. 46.21 lakhs.

WORLD BANK LOANS

Since its lending operations began in 1947, the World Bank has granted 141 loans, together amounting to $2,483.5 million, the number of recipient countries being 41. This information is given in the latest financial statement of the Bank, that covering the nine months ended 31st March 1956. During this period, the Bank had a net income of $21.2 million which is $2.6 million more than what was earned in the corresponding period of the previous year. The net income has been placed in the Bank's supplemental reserve against losses on loans; the reserve now stands at $142.7 million.

The financial statement contains a specific reference to the shift in emphasis in the World Bank's lending activities. The two important purposes for which loans are currently being given are: (1) General economic development around the world, and (2) economic progress of the newly-developed areas. Initially, it will be recalled, World Bank loans were being concentrated on rehabilitation and reconstruction of the economy of European countries.

(*Concluded from third column*)

recent years between 0.16 and 0.22, while, in other countries, it has been much higher. In the U.S., for instance, it has ranged in recent years between 0.43 and 0.50; in the U.K. between 0.40 and 0.50; in Australia between 0.43 and 0.47. In those countries, this high proportion has not led to "debauchery" of currency. Lenin raised the slogan "Debauch the currency of capitalism" long ago. We are not a capitalist country. Techniques of checking inflation are much more developed today then they were during the time of Lenin. Today, no follower of Lenin will attach any value to his slogan; much less shall I.

DEMOCRATIC VS. COMMUNIST PLANNING

LARGE-SCALE CREDIT EXPANSION NEED NOT NECESSARILY MEAN INFLATION

By A Special Correspondent

I HAVE seen the article on Democratic *vs.* Communist Planning written by "Subodh" in *Commerce* dated 17th March 1956 in criticism of my article on Physical and Financial Planning. "Subodh" has raised many points and it may not be possible to take up all of them in a short space. I shall, therefore, explain only the central point of my article in the light of "Subodh's" criticism.

"Subodh" says that price inflation is all-pervasive and cannot be made to move in compartments, while my argument was that, if large-scale credit expansion is accompanied by adequate increase in output of food and cloth, the prices of these two articles, which account for the bulk of the consumer expenditure, can be kept at a reasonably stable level. "Subodh's" stand may be interpreted to mean that inflation, in whatever sector it starts first, will sweep the entire economy; I am of the view that this need not be so.

The phenomenon of disparate, or even opposite movement of prices in the different major sectors is too well known to us. But there is dispute on the point whether such a phenomenon must be short-lived or it can continue for a number of years. There are, of course, economists like Professor Alvin Hansen, who would say that agriculture is the 'football' of business. According to this view, any inflationary tendency in the industrial sector would soon bring agriculture in its fold. In my view, however, this theory is valid for conditions in industrially advanced countries and need not hold good for India. During the last inflation in India, we heard important economists saying: "Check the rise in prices of food and it will have moderating influence on the prices of everything." But we never heard people saying: "Hold the prices of refrigerators; or else, they will cause a rise in food prices."

The Underlying Theory

What is the underlying theory? In an industrially advanced country, England in the following example, not more than 7 per cent. of the population is engaged in agriculture. Any inflation in the industrial sector will raise the demand of 93 per cent. of the population for agricultural products, and this demand has to be met by the productive effort of a small fraction of the people. In view of this, it generally happens in an industrially advanced country that, when its economy is passing through an inflationary phase, agricultural products are short of the demand. Inflation in the industrial sector, therefore, carries the agricultural sector also with it.

Moreover, in advanced countries, many items of costs in agriculture are the products of industry. As the prices of industrial goods rise, the cost of production in agriculture also rises. Farmers in these countries, being price and cost conscious, ought to have higher prices to match their higher costs. If the market does not offer higher prices, they restrict output, as a result of which market prices for their products go up. Thus, both from the demand side and from the cost of production side, inflation must engulf agriculture. Agriculture is truly a football of business.

But, in India, the situation is entirely different. So far as the cost of production side is concerned, most of the items of farm costs, being the product of the farm itself, rise in industrial prices does not, in any material sense, lead to a higher cost of production in agriculture. If at all it does, it is not transmitted to the prices of farm products, simply for the reason that the farmer has not yet begun to think in terms of equalisation of marginal costs and marginal returns.

On the side of demand, in our country, about 70 per cent. of the population is engaged in agriculture. Any inflation in the industrial sector will raise the demand for food of 30 per cent. of the population which has to be met by the production capacity of 70 per cent. of the population. Inflation in the industrial sector need not necessarily be followed by shortage of agricultural products, as it does in advanced countries. Production can expand adequately to meet the additional demand of 30 per cent. of the population.

While, therefore, inflation in other countries may spread like a contagious disease to all sectors, it may not be the case in India. In India, agriculture is not the football of business; on the other hand, it would, in a large measure, be true to say that business is the football of agriculture. If we are able to expand the output of agriculture and cloth to an adequate extent—and this was the basic condition of my article—general inflation which "Subodh" is thinking of can be warded off.

Price and production data for the past decade and a half are vitiated by so many factors that it is futile to use it for testing any theory. There were price controls; in foodgrains, we were large importers and the internal prices were affected by the cost of imports. It seems idle to try to analyse the production-price-monetary circulation nexus on the basis of data for the period when free market economy did not operate. Moreover, there are considerations of leads and lags. At best, we can use the data for the year 1954 onwards. And a study of this data would show that output is a far more important factor in determining the level of agricultural prices than credit expansion and money supply. We have had the experience of, say, 10 per cent. increase in production resulting in 40 per cent. fall in prices of commodities in the agricultural sector.

Higher Structure of Development

If "Subodh" has a look at some of the N.S.S. data about incomes and expenditures on foodgrains of different households, he would, perhaps, agree that, even on the base of the currently envisaged 10 million tons of increase in output of foodgrains, we can build up a higher structure of economic development than would be made possible by an investment of Rs. 6,100 crores contemplated in the Draft Outline. I pleaded in my article for larger allocations to agriculture. If this is done, we can, under normal conditions, raise the annual amount of deficit financing progressively upwards from this year's figure of Rs. 350 crores.

"Subodh" has stated that underdeveloped economies are more susceptible to inflation than advanced economies. This pessimism seems to be unjustified. Our dependence on foreign countries for producer goods, no doubt, limits our ability to produce speedily to the desired extent in many lines. On account of this factor, the inflationary effects of credit expansion may appear to come early. But we should not overlook the other and more important side of the picture. We can produce a bulk of the essential and non-essential requirements with techniques and crafts available within the country. Given this condition, the more a country is away from the level of full employment, the less are the chances of credit expansion leading to price inflation. From this consideration, the possibility of inflation in underdeveloped economies are much less than in advanced economies.

There is a strong view that the deficiency of money supply in rural areas in India is a serious deterrent to the expansion of output of handicraft products. Consumption habits and tastes in rural India are still confined largely to products of small and cottage industries. Given the demand, expansion of output in these industries is only a matter of days and months. The only major obstacle seems to be the existence of a large non-monetised sector which stands in the way of proper development of market so essential for larger production. It is well known that the larger the area of barter economy, the slower is the expansion of production capacity. This non-monetised sector can be abolished only by the injection of more money in rural areas through various known methods. In urban areas, money supply may be enough, and any large dose of new money may create inflation in individual sub-sectors; but, in rural areas, its deficiency is a great hindrance to the expansion of output and employment. Output in the rural sector can expand right in the footsteps of new money supply. If the Government concentrates its developmental activity in rural areas during the second Five-year Plan, the chances of inflationary pressures will be greatly diminished.

In view of these considerations, a large-scale credit expansion may not be expected to "debauch" our currency. The ratio of money supply to national income in India has ranged in

(*Continued in first column*)

UTILISATION OF COTTON MILLS' CAPACITY

MORE UNITS WORK THREE SHIFTS

A NOTABLE feature of developments in the mill sector of the Indian cotton textile industry during 1955, was the intensive utilisation of capacity, induced by the rising domestic demand for cotton manufactures and the refusal of the Government to permit any addition to the existing loomage. An indication of this is provided by the marked rise in the number of mills working three shifts which, in that year, was 194, as against 174 in 1954 and 158 in 1953. Naturally, there was a fall in the number of mills working two shifts, the figure for 1955 being 161, as against 173 and 186 in the preceding two years, respectively. Similarly, the number of mills which worked one shift was also lower at 24, as compared with 27 a year before and 31 two years before. The number of mills which remained closed, however, rose, from 17 in 1953 and 25 in 1954 to 26 in 1955. The total number of mills in these three years was 392, 399 and 405, respectively.

Employment also expanded during the year under review. The total number of workers on the rolls of mills was greater at 855,726, as against 797,483 in 1954 and 801,853 in 1953. The exact increase over the year was 58,243 persons. But the increase in the average daily number of workers employed was comparatively less, being only 16,875; during 1955, about 758,044 workers were employed daily (average), as against 741,169 and 743,984 in the previous two years.

Employment in Different Shifts

The following table gives the average daily number of workers employed in the different shifts in the past three years:

	1955	1954	1953
1st shift ...	419,236	416,227	421,888
2nd shift ...	262,226	258,851	258,372
3rd shift ...	76,582	66,091	63,724
Total ...	758,044	741,169	743,984

An idea of the employment position in cotton mills in the various States at the end of 1955, as compared with that a year before, can be had from the following statement.

States	No. of workers on rolls		Average daily number of workers employed	
	December, 1955	December, 1954	December, 1955	December, 1954
Bombay	492,091	433,733	436,895	413,011
Madras	109,413	103,510	95,194	93,048
Uttar Pradesh ..	56,653	53,594	49,994	50,518
Madhya Bharat ..	48,408	43,433	40,896	38,868
W. Bengal	41,817	38,291	39,701	36,851
Madhya Pradesh ..	37,703	33,802	31,517	30,100
Mysore	24,106	20,830	18,791	18,385
Delhi	19,512	19,006	17,039	16,314
Hyderabad	17,937	15,909	14,698	15,140
Saurashtra	12,414	10,405	11,911	9,602
Travancore-Cochin ..	9,353	7,936	8,046	7,166
Pondicherry	8,216	N.A.	5,489	N.A.
Rajasthan	6,018	7,354	5,454	7,274
Ajmer	4,674	5,996	4,015	5,650
Orissa	4,067	4,125	3,720	4,110
Punjab	4,607	4,585	3,288	3,372
Andhra	3,061	2,144	2,563	1,899
Bhopal	2,745	2,598	2,314	2,324
P.E.P.S.U.	2,089	1,921	1,910	1,759
Bihar	754	1,263	693	1,127
Kutch	106	N.A.	106	N.A.
Total ..	904,239	810,464	794,854	757,218

N.A.=Not available.

The foregoing table shows that the rise in the number of workers on the rolls experienced during 1955 was shared by all the States, except Rajasthan, Ajmer and Bihar. The average daily employment of workers was also higher, barring in the aforesaid three States, as also Uttar Pradesh, Hyderabad, Orissa and the Punjab. The decline in the latter group of States was mainly the result of strikes.

While the basic wages earned by the cotton mill workers during 1955 were the same as those earned in the previous year, the dearness allowance received was lower in all the States, as will be seen from the table below which gives the basic minimum wages and dearness allowance in the cotton mill industry for a standard month of 26 working days in the past two years:

	Minimum basic wages during 1954 and 1955	Dearness allowance (average)	
		1955	1954
	Rs. a. p.	Rs. a. p.	Rs. a. p.
Bombay	30 0 0	64 12 11	65 6 11
Ahmedabad	28 0 0	54 11 4	68 14 6
Sholapur	26 0 0	40 15 9	52 6 6
Baroda	26 0 0	49 5 9	62 0 3
Indore	26 0 0	42 13 6	51 8 3
Nagpur	26 0 0	40 2 10	41 3 11
Madras	26 0 0	41 7 3	45 2 3
Kanpur	30 0 0	43 5 5	50 10 2
W. engal	20 2 5	30 0 0	30 0 0

The reduction in dearness allowance received by cotton mill workers in 1955 must be attributed to the downward trend in the prices of commodities, especially of foodgrains, which brought much relief in the urban cost of living. The all-India average general index of wholesale prices (base: August 1939=100) during 1955 stood at 355.1—it had gone down even to 340.0 early in June—as against 386.7 in 1954, or a fall of over 8 per cent. The fall in prices was in marked evidence in the case of foodgrains—the principal constituent in the worker's family budget—the average for the year being 304.5, as against 358.3 for 1954, representing a drop of 15 per cent. Following the decline in commodity prices, the all-India consumer price index number (base: 1949=100) for working class moved down, the average for the year being 96, as against 101 for 1954.

Man-days Lost

During the year under review, there were 235 disputes in the mill industry, with 187,518 workers involved, as against 122 disputes involving 121,845 workers in the previous year. The number of man-days lost was, as a consequence, more, being as many as 2,170,316, as against 424,733. It must, however, be mentioned that the appreciable rise in the man-days lost during 1955 was due largely to the Kanpur textile workers' strike in the months of May and June. Barring this strike, there was no other labour strike of any sizable magnitude.

Absenteeism—that is, percentage of man-shifts lost to man-shifts scheduled to work—in the cotton mill industry was comparatively less during 1955. This was especially so in Bombay and Madras where absenteeism was only 8.2 and 6.6, as against 10.8 and 9.1, respectively, in 1954. It was also lower in Ahmedabad, being 6.8, as against 8.7. Sholapur, Madura, Coimbatore and Kanpur, however, reported a setback. Thus, the absenteeism in these centres was greater at 18.0, 12.2, 9.9 and 12.8, the corresponding figures for 1954 being 17.4, 11.0, 8.8 and 12.4.

The average production of cotton yarn per worker during 1955 recorded an improvement; it amounted to 2,144 lbs., as against 2,111 lbs. in 1954. The per-worker output of cloth was, however, less, being 6,720 yards, as against 6,745 yards.

WORLD WOOL PRODUCTION

Free world's raw wool output in the current (1955-56) season is expected to aggregate about 4,037 million lbs. (greasy basis), according to the Commonwealth Economic Committee. The estimated output compares favourably with 3,865 million lbs. in 1954-55, or a rise of 4 per cent. The anticipated improvement in raw wool production is attributed mainly to larger clips in Australia and New Zealand. The rise in wool output will be more marked, if the production in the non-free world is also taken into account. Thus, the total world output of raw wool in 1955-56 is estimated at 4,840 million lbs., which represents an increase of 5 per cent. over the previous season's output of 4,609 million lbs. The estimates for the Soviet Union supplied by the United Nations Economic Commission for Europe show a marked expansion in raw wool output of this country.

On a clean basis, the world production of wool is expected to reach 2,750 million lbs. in the current season, as against 2,680 million lbs. in 1954-55. The bulk of the rise is accounted for by merino wool, the output of which will be higher by 6½ per cent. Crossbred and other types of wool are expected to register smaller rises.

Details of the British Wool Marketing Board's arrangements for the 1956 U.K. wool clip have been announced. The Board's schedule of price to producers for the new season is based on an overall average price of 52*d.* per lb., that is, a little over 2*d.* less than last season. The U.K. Government has guaranteed a figure of 56¼*d.* a pound, inclusive of marketing costs, for the 1956 clip. This represents 2*d.* per pound less than the guarantee for last year's clip. In addition, £53,000 (or 0.18*d.* a pound) is available for distribution within the 1956 clip prices as an award from the latest Special Price Review. The Board maintains that the recent increases in Bank rate and discount rates are adding very considerably to the cost of financing the U.K. wool clip —valued at over £15 million per annum—and it points out that the full impact of these increased costs will not be passed on to the producer but that the Board will continue to seek economies. The Board also announces that it has decided to continue the 3*d.* per pound premium on wools of hill breeds. Until this year, there has been a direction or request from the Government that the premium should be paid, but it has been agreed between both parties that, in future, this matter should be left to the discretion of the Board.

TEXTILE EXPORTS FROM JAPAN

The Textile Export Council of Japan has set the export targets for cotton piecegoods and yarn to be reached in 1956 at $242 million and $22 million as against $240 million and $20 million, respectively, for 1955. The Council has not, however, disclosed the actual quantity of cloth and yarn that will be exported during the year; it has given only the assumed average prices for the textiles. The prices come to 20.50 cents per square yard for cloth and 80.03 cents per lb. for yarn, the corresponding figures for 1955 being 20.10 cents and 90.08 cents. On this basis, the total shipments of cloth from Japan during the current year may be estimated at 1,180 million square yards which are lower than those for 1955 by 10 million yards. The slight setback to cloth exports is due partly to restrictions on exports to the U.S., Canada and Europe and partly to the shift in emphasis to goods of higher quality laid by Japanese cotton textile industry. Similarly, exports of cotton yarn will work out to nearly 27.5 million lbs., as against 22.8 million lbs. shipped in 1955. The cotton yarn export target is placed higher, because shipments of low quality yarn are expected to increase as a result of deals with South-East Asian countries.

TEXTILE MILLS IN PONDICHERRY

The details of assistance given to the textile mills in Pondicherry after the *de facto* transfer of Pondicherry to the Indian Union, were given by Mr. T. T. Krishnamachari in the Lok Sabha the other day. According to him, Indian cotton is made available to the mills at a cheaper rate than Pakistan cotton which they used to obtain before *de facto* transfer. The difference in rate was about As. 12 per lb. The cloth produced and exported by the Pondicherry textile mills is exempted at present from payment of export duty which they used to pay previous to the merger, at 4 per cent. on the exported cloth to their overseas markets. Imports of machinery, spare parts, dyestuffs, chemicals required for the rehabilitation of these mills are exempt from customs duty at present. Export of cotton yarn produced by the Pondicherry mills is allowed without any quantitative restrictions. The Ministry of Works, Housing and Supply has placed orders on the Pondicherry mills for fabrics required by the Government departments, in relaxation of the tender specifications. No restrictions have been enforced on the production by the mills of *dhotis* till September 1956 for the present There are three cotton textile mills working in Pondicherry.

MAN-MADE FIBRES IN U.K.

Production of man-made fibres in Britain touched an all-time record of 45.4 million lbs. during the month of March 1956, surpassing the previous record—touched in January 1956—by 2.0 million lbs. This performance compares favourably with 42.6 million lbs. in February 1956 and 42.2 million lbs. in March 1955. The record established is not only for the total output but also for the production of filament and staple fibre considered separately. Staple fibre output—23.6 million lbs.—during March shows an increase of nearly 9 per cent. on the record figure of 21.7 million lbs. in January and compares with 21.1 million lbs. in February and 21.6 million lbs. in March last year. Although some of the increase is presumably attributable to a rise in the output of non-cellulose staple fibres, it is understood that there was a substantial expansion in viscose staple output. The quantity of continuous filament yarn (singles) produced in the month under review was higher at 21.8 million lbs., as against 21.1 million lbs. a month before, 21.7 million lbs. two months before and 20.6 million lbs. a year before.

Sixty-five more spinning mills with a spindle capacity of 700,000 are to be erected in South India according to Mr. Nityanand Kanungo. Licences under the Industries (Development and Regulation) Act have already been issued for the setting up of these new units. Three of the proposed 65 spinning mills are proposed to be set up in Mysore State. These three mills will employ about 1,500 workers, including unskilled labour.

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TEXTILE EXPORT TRADE IN THE DOLDRUMS

IMPORTS STILL RISING

From A Special Correspondent

MANCHESTER, 1st *May*

EXPORT trade in cotton goods in Lancashire continues to be in the doldrums. Scarcely a welcome feature can be discerned in the monthly Board of Trade returns, which have presented a dismal picture for some considerable time past. There were hopes a few years ago that overseas trade had become stabilised at an annual figure of around 800 million square yards, but subsequent declines have been disappointing, and there is no evidence as yet of any halt in the downward course of shipments.

MANCHESTER LETTER

In March, the value of export trade was, in fact, slightly higher than for several months, at £7,958,756, but the volume of cloth business continued at the low level of 40 million square yards. The one redeeming feature was an increase in yarn shipments to over 3,800,000 lbs.

Exports

Total exports for the first quarter of the year were 120,190,000 square yards of cloth valued at £17,607,909, and 9,969,893 lbs. of yarn worth £4,065,424. These figures compare with 165,314,000 square yards of cloth exported last year at a value of £20,850,216 and 10,667,797 lbs. or yarn worth £4,593,079.

Quarterly Comparisons

The following table shows recent quarterly comparisons:

(Cloth in square yards, yarn in pounds)

	Exports		Imports
	Cloth	Yarn	Cloth
1954			
1st quarter	176,756,000	11,174,900	50,010,000
2nd ,, ...	160,240,000	10,164,300	55,960,000
3rd ,, ...	151,035,000	9,094,800	72,840,000
4th ,, ...	142,644,000	10,044,700	88,540,000
1955			
1st quarter	165,314,000	10,667,800	99,341,000
2nd ,, ...	116,106,000	7,510,000	71,600,000
3rd ,, ...	143,437,000	8,195,200	70,294,000
4th ,, ...	129,247,000	9,167,800	58,351,000
1956			
1st quarter	120,194,000	9,969,900	74,892,000

Whereas yarn exports have not varied to any considerable extent since the beginning of 1954, shipments of cloth have generally shown a steady decline, with the exception of the first three months of last year. The sharp fall in exports in the second quarter of 1955 was largely attributable to the rail and dock stoppages which were then encountered.

Although the larger British Commonwealth markets continue to be the standby of Lancashire exporters, their purchases have lately been severely reduced. Import restrictions have brought Australia's takings this year to below 18,000,000 square yards in the first quarter, as against nearly 30,000,000 square yards last year. Trade with South Africa has been fairly well maintained at 14,755,000 square yards, as against 15,878,000 yards. Shipments to British West Africa have declined sharply, exports to the Gold Coast being less than 6,000,000 square yards, as against nearly 13,000,000 yards a year ago. Nigeria has taken only 7,561,000 yards, as against 17,831,000 yards.

One of the few areas where sales of Lancashire cotton goods have recently shown an improvement has been the Indian sub-continent. Shipments to India in the first quarter aggregated 3,033,000 square yards, as against a mere 817,000 yards last year, while a similar quantity of 3,013,000 square yards has been exported to Pakistan, as against only 596,000 yards. This gain, small as it is compared with the past trade with these outlets, is a welcome sequel to the lifting of restrictions against British fabrics which were at one time imposed by India.

While exports have been falling, the tendency for imports of cloth from foreign countries has been to rise. In the past quarter, arrivals have been the highest for any recent comparable period, except for the last quarter of 1954 and the first three months of last year. Traders in the Manchester market have lately hinted that merchants have been ordering supplies in larger quantities from abroad and that the full impact of these purchases has not yet been portrayed in the Board of Trade returns.

In March, arrivals of grey cloth increased further to 24,304,000 square yards, as compared with 28,686,000 yards in the same month last year. For the quarter, total arrivals were 64,494,000 square yards, as against 89,806,000 yards to the end of March 1955. These imports cost £3,668,279, as against a little over £5,000,000 last year.

The major sources of foreign cloth arrivals continued to be India and Hong Kong. These duty-free imports are running at little below the level of a year ago, the quantity of Indian cloth being 35,177,000 square yards, as against 43,677,000 yards. Hong Kong has so far sent 12,340,000 square yards, as against 13,127,000 yards. The chief decline in foreign cloth purchases has been in Japanese goods which have not yet reached 10,000,000 square yards, as compared with over 27,000,000 yards in the first quarter last year.

Enter the "Outside Growths"

Another new phase in the evolution of the Liverpool futures market will begin in mid-July, if proposals which have been drawn up establishing an American type contract are approved at a special meeting of the Liverpool Cotton Association this week. This long-awaited plan is a compromise between the outside growths contract desired by many spinners and the system now in force affecting the American staple. Under the new arrangement, not only United States cotton but also alternative supplies grown in Mexico, Nigeria, Syria and East Africa will be tenderable against the American type contract. The broadening of the basis of the contract should offer wider hedging facilities for users, in general, and will be welcomed by the spinning trade.

This development was foreshadowed long before the American Government decided to offer its surplus cotton supplies at world competitive rates, thus depriving the New York market of its proper function of reflecting the price of United States cotton. In view of this move, however, the introduction of a more representative contract in Liverpool became even more essential.

While spinners in Lancashire are still keen to use cotton grown in the United States, both for its quality and for the continuity of supply offered, they are often tempted to turn to alternative sources in these days of keen competition when price is a vital factor.

There are, however, some significant omissions in the list of those cottons tenderable against the proposed new contract. Russian-grown varieties, for instance, are not included, nor are those from the Central and South American countries which have lately been supplying fair quantities of the raw material to Lancashire. Imports of Soviet cotton so far this season amount to 52,793 bales, as compared with 89,790 bales in the whole of last season.

Trading in the new Liverpool contract is at first to run concurrently with the existing American contract. Within six months of its introduction, members will have the chance to decide whether to retain both or to rely solely on the more broadly based system.

Foreign Cloth Ban

In spite of falling profits and difficult trading conditions, some Lancashire firms are sticking to their principles and refusing to buy foreign cloth for disposal in the home market. Mr. William Pickles, once a 4*s.*-a-week mill office boy in Nelson, who now controls his own £1,000,000 textile manufacturing and merchant business, declared: "We do not agree with the practice of importing foreign cloth and all our goods are wholly spun, woven and finished in this country." He was speaking for the Board of William Pickles & Co., of which he is Chairman. "General confidence in the industry has been undermined," he continued, "due to uncertainty as to the future trend of raw cotton prices and increasing competition from India and Hong Kong in lower priced cloths and from the Continent in the higher qualities."

Executive Training Need

The need for technological training in the textile industry has never been greater than at present, according to Mr. William T. Winterbottom, President of the Textile Institute. He told the annual meeting that it was sometimes suggested that, since some sections of the textile industry were contracting, the demand for trained technologists must decline. He said: "I disagree most strongly with this view. The whole basis of the industry is changing and a certain degree of contraction in some sections is an inevitable part of the process. The industry of tomorrow will not consist merely of a contracted hard core of what it is today. The firm which will survive are those which are most determined to keep abreast of technological developments, not necessarily those which are in the strongest financial position."—*All Rights Reserved.*

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ESTIMATING COST OF PRODUCTION OF COTTON

RESULTS OF PILOT STUDY MADE IN AKOLA

COTTON has the distinction of being the only commodity for which both ceiling and floor prices have been fixed. It has been under Government control for a longer period than any other agricultural commodity. And in recent years, there has been much controversy over the level of controlled prices. Critics have urged the Government to revise the limits upwards in view of the fact that they are below world parity. Be that as it may, the fact remains that a satisfactory price policy should take into account production costs in agriculture. It should also be flexible, in that changes in controlled prices should promptly follow changes in production costs.

From this point of view, the report entitled *Estimation of the Cost of Production of Crops**, published by the Indian Central Cotton Committee, will be read with interest. A brief reference to the findings of this study has already appeared in these columns. But the full report, which has now been received, is of such obvious importance to future enquiries into the prices of agricultural commodities and makes many general observations of great value to such enquiries that a further reference to the report is not out of place here. We commend the report to the attention of agricultural authorities in the States, as also to the students of agricultural economics.

Farm costing or the study of the economics of farming, as the report says, is a relatively new subject in this country, though it has made considerable progress in the U.S. and Europe. Government farms, however, maintain some data on production costs. Also, some data have occasionally been collected by revenue authorities for purposes of revenue settlement. But, on the whole, research in this sphere is strictly limited. The report, however, makes an appreciative reference to the investigations by the Punjab Board of Economic Enquiry in 1923 and those made a little later in Bombay and to the work of the Gokhale Institute of Economics and Politics at Poona. During the years 1933-34 to 1935-36, an extensive enquiry was sponsored jointly by the Indian (then Imperial) Council of Agricultural Research and Indian Central Cotton Committee with a view to arriving at production costs of sugarcane and cotton.

Need for Information

The whole question has assumed a relatively greater importance in recent years in view of the fact that the country has taken to economic planning seriously and has been controlling the economic life of the people as a whole. In a regulated economy of this type, the Government should have reliable information on the subject of production costs; without such data, it will be impossible to have a realistic discussion of the prices of agricultural commodities. Such knowledge would also enable farmers to allocate their resources more efficiently among the different crops and also assist a more rational planning of crop production.

The genesis of the present enquiry into production costs for cotton was the need for expansion of the acreage under this commodity which became urgent after the Partition of the country. In 1949, the Indian Central Cotton Committee decided that data relating to cotton and its rotation crops should be collected. The design of the whole project, it may be mentioned here, was scrutinised by a body of eminent economists and statisticians in India—Mr. W. R. Natu, Dr. V. G. Panse, Dr. V. K. R. V. Rao and Dr. P. V. Sukhatme.

Emphasising the importance of representativeness of the data in any investigation into production costs in agriculture, the report says:

"Representativeness is essential in order that the results should be applicable to the entire tract or to the whole range of conditions to which they are intended to refer. The margin of error of a numerical estimate is an index of the precision with which it is determined. To be useful in practice, the numerical estimates must have a sufficiently narrow margin of error. To ensure these characteristics, namely, representativeness and precision, the estimate must be based on measurements made on an adequately large sample of units selected randomly out of the totality of units in the population, in the present case, out of all the holdings or fields growing the crop in the tract for which the results are required. These considerations need to be stressed, as in many economic enquiries their importance does not seem to be fully realised and reliability of the results is frequently sacrificed to paying too much attention to detail in studying a small number of deliberately chosen cases. Elaborate socio-economic studies of a single or of a few so-called typical villages that are often carried out illustrate this point. Interesting as these studies are, it may be asked, can the results be applied with confidence to the entire tract to which these villages belong? Are the numerical estimates accurate enough for practical use so that any quantities calculated from them do not suffer from an unduly large margin of error? For many economic enquiries answers to these questions would be negative and this detracts much from the value of these projects."

Another important factor which the report stresses is the inappropriateness of the so-called "survey" method to Indian conditions. This method has been employed in the U.S. and Europe. But, in India, this method cannot be applied, since the Indian farmer is incapable of filling in the questionnaires mailed to him. Even if an investigator visits him periodically with a questionnaire, the farmer would not be able to supply him reliable information on many matters, partly because of ignorance of quantitative data connected with the farming operations and partly because of subtle resistance to giving away factual information to an outsider owing to various fears and suspicions. This is not to say that the farmer refuses to provide information or expresses any resentment at being questioned. On the contrary, he generally gives replies, that appear plausible, to all kinds of questions that might be put to him and the unsuspecting investigator, unless he is familiar with the local conditions and has a critical knowledge about the field of enquiry, would go away satisfied at having secured full information much of which may in reality be of poor reliability and would lead to highly biased results. Results of even relatively simple enquiries following this approach such as those on the acreage and production of crop have given untenable results.

It is a common experience of research workers in the field of agricultural statistics that the farmer generally does not even know the precise area of the land that he holds or cultivates. Considering that an enquiry into the cost of production of crops is far more complex and extends over a long duration and considering also that the sample of farmers selected randomly in order to be representative would necessarily include mostly illiterate and conservative or backward farmers, it is essential that the data should be collected by investigators through direct observation without much burden of providing information falling upon the farmer. It will thus be the method of cost accounting and the investigator himself must maintain the day-to-day accounts. This requires that the investigator should be in continuous contact with the farmer and his operations and must inspire confidence. He can do so only if he stays in the village, is familiar with the local conditions and knows local agricultural practices well.

The Enquiry

To turn to the enquiry itself. It was conducted in Akola District (Madhya Pradesh) in 1952-53. The enquiry was undertaken with a view to estimating the human and bullock labour and the materials required for the production of cotton and its rotation crops, *jowar* and groundnut. An important aim of the enquiry was to obtain data for providing technical guidance in planning large-scale enquiries into the cost of production of crops. Akola District, it is stated, was chosen for the enquiry because it is an important cotton-growing area not only in Madhya Pradesh but in the black soil tract of Peninsular India as well. The six *tehsils* of the district were treated as strata and five villages were selected randomly from each. In each selected village two types of sample units, namely, an operational holding and an individual field growing a particular crop, were selected for observation in order to compare their suitability and efficiency.

The voluminous data resulting from the enquiry were analysed in order to estimate for the sample of holdings and fields separately the different items of the cost of cultivation for each crop. These included the amount of man, woman and bullock labour required per acre, its distribution among pre-sowing cultivation, sowing, post-sowing cultivation and weeding and harvesting and processing, and the money equivalents of these quantities. The quantities of seed and manure used per acre and their money equivalents were also estimated. Besides land revenue, lease rent for fields that were taken on lease and the expenditure on implements used for cultivation were estimated from the sample of holdings only. The cost of bullock labour was also based on this sample. Crop-cutting on a random sampling basis was done in both samples in order to estimate the yield of each crop.

The various physical quantities estimated and their money values are given in considerable detail in the report. Broadly speaking, it was observed that more man labour was required for *jowar* than cotton while, for woman labour, the reverse was true. Groundnut was intermediate although the pattern of distribution of labour for this crop followed cotton more closely. The amount of bullock labour required was almost the same for all the three crops. It was also observed that 60 per cent. of man labour and 85 to 90 per cent. of woman labour was hired while bullock labour was mostly owned, less than 10 per cent. being hired. Manuring was not common and of the area under cotton, which is manured more frequently than the other two crops, only 25 per cent. received any manure, mostly farmyard manure. Both for cotton and *jowar*, seed and manure form only a small part of the cost of cultivation, but for groundnut seed forms an appreciable component of the cost. Information on lease rent showed that this was an extremely variable item, part of this variation being due to the fact that in many cases lease was taken on a crop-share basis and the money equivalent of the rent depended upon yield.

Cost Summarised

The information on the cost of production for the three crops is summarised below:

(*Cost of Production*: *Rs. per acre*)

Sub-division of cost	Cotton	Jowar	Groundnut
Human and bullock labour ...	37.14	35.99	38.60
Seeds, manure, implements, land revenue	9.72	4.96	17.75
Lease rent	4.77	9.16	16.56
Total ...	51.63	50.11	72.91

It will be seen from the table above that the cost of production per acre is nearly the same for cotton and *jowar* and almost one-and-a-half times as much for groundnut. Further, the total outlay on labour is the same for all three crops. The enquiry, however, brings out the fact that the distribution of different types of labour among different categories of operations shows considerable diversity. It would thus appear that less labour is employed on the cultivation and weeding of *jowar* than on cotton. But *jowar* requires much more labour for harvesting and threshing. Groundnut is said to be intermediate in the spread of labour over the different operations but it follows the pattern for cotton more closely. The second element of cost, namely, seed, manure, implements and land revenue, accounts for as much as Rs. 17.75 for groundnut, Rs. 9.72 for cotton and Rs. 4.96 for *jowar*. The difference in the cost of this element is said to be due to seed which accounts for the larger costs for groundnut. Lease rent, as the table shows, is the highest for groundnut, followed by *jowar* and cotton.

In planning future enquiries of this kind, it will be necessary to take account of what the report has to say by way of certain general observations. Thus, the report has emphasised the need for personal contact between the investigators and the farmers. This alone would ensure the collection of reliable information. Further, an important point to be borne in mind in planning cost of production enquiries, it is stated, is that there is a seasonal fluctuation not only in the yield of crops but even in the physical quantities in relation to crop production such as labour. For example, the amount of weeding and inter-culture will depend on the nature of the season including the amount of distribution of rainfall, while the labour required for harvesting and processing the produce per acre is obviously related to yield. These considerations lead to the conclusion that for determining the elements of the cost of production of a crop characteristic of a tract, it would be desirable to repeat the enquiry in the tract for, say, three seasons.

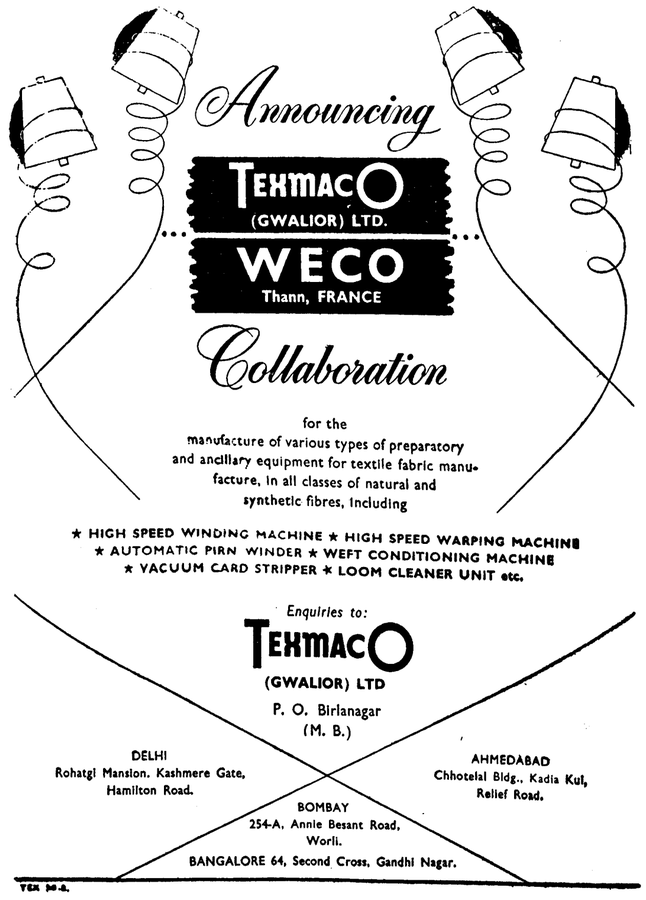
An enquiry into the cost of production of cotton and rotation crops for three years in a tract with a sample of 30 villages each year will cost, on the present indications, about Rs. 2·25 lakhs. This rather heavy estimate of cost is the consequence of the long period required for field work based on a full-time staff of field workers and supervisors. It should be noted that keeping the same sample of holdings under observation throughout the period of three years is not only not necessary but should be avoided and a fresh sample of villages and holdings should be drawn each year. This will have the advantage of spreading information over a larger number of holdings and also eliminating the risk of a bias likely to result from keeping the same holdings under continuous observations over an unduly long period.

Again, the report stresses the necessity of making the statistical staff associated with the enquiry available right from the commencement of the field work. This staff, it is emphasised, will thus get an opportunity at an early stage to become acquainted with the field procedures and the resulting primary data. What is far more important, they will be able to scrutinise the returns as they come in and arrange for whatever discrepancies or deficiencies that are noticed to be made good to the extent possible by timely action on the part of the field workers.

Finally, the consistency of the results obtained for different crops and the agreement observed between independent samples in the present pilot enquiry lead the authorities to the conclusion that reliable data relating to physical components of the cost of production of specified crops and their money equivalents can be secured. They, therefore, recommend with confidence the extension of such enquiries on a large scale on the general pattern indicated in the present enquiry. There is no doubt that a large amount of information of practical, economic and scientific significance can be derived from these enquiries.

More and more enquiries into production costs are likely to be planned in future, not only in cotton but in other crops. From this point of view, the lessons derived from experience in conducting the present enquiry—the most comprehensive and exhaustive of its kind undertaken in this country—to which a reference has been made above, are of more than academic interest.

* *Estimation of the Cost of Production of Crops. By. V. G. Panse, Statistical Adviser, Indian Council of Agricultural Research, New Delhi. Published by The Secretary, Indian Central Cotton Committee, 14, Nicol Road, Ballard Estate, Fort, Bombay. Price: Rs. 5*



COTTONSEED INDUSTRY IN U.S.

In the United States, cottonseed—once considered complete waste—is today the source of products which are more useful to man than the fibre of cotton itself. As far back as 2,000 years ago, India and China were extracting oil from cottonseed for lighting and medicinal purposes. But it was not until 1794, after the American Eli Whitney invented the cotton gin which mechanically separated the seed from the cotton, that thought was given to developing machinery for cottonseed processing. In the early 1800's a few mills were started in the United States for extracting oil from cottonseed, but the machinery and processes proved unsatisfactory. Even as late as 1875, the main use for cottonseed was for planting and only about five per cent. was crushed for oil.

Progress came slowly, but by 1910 80 per cent. of America's cottonseed was crushed for oil. There still remained the problem of developing a machine for separating the hulls and the linters from the seed. Gradually, machines were invented and today cottonseed is a crop that has opened up many new industries.

Today, with all its many uses, no part of the seed from cotton is wasted in the United States. Cottonseed yields American farmers a cash income of more than $300 million annually. Though India accounts for nearly 15 per cent. of the world production of cottonseed, it is almost entirely used as cattle food. It is estimated that less than 10 per cent. is being used to produce oil. And a negligible amount is being exploited to utilise such valuable by-products as the linters for use in the rayon and other industries.

Four types of products are derived from cottonseed, namely, linters, hulls, oil, and meal. The linters are the fuzzy fibres left around the seed after the cotton has been ginned. These fibres are almost pure cellulose and are now used for stuffing mattresses and upholstery, lacquers, films, and plastics. The hulls, which cover the seed, are excellent as a livestock feed and especially as roughage needed by dairy cows. Experiments have been made in the use of the hulls for industrial products and it has been found that ground hulls filled with a resin binder can be moulded into radio cabinets, table-tops, airplane panels, and industrial gears. The oil that is pressed from the meat of the cottonseed is valuable as a food for human beings. It is a superior oil for shortening, (vegetable cooking fat), margarine (substitute for butter), cooking oil, and salad oil. The meal, a fine powdered substance, is valuable as a feed for livestock and as a fertiliser. It is rich in proteins—the muscle-building materials found especially in meats, eggs, cheese, and milk. As a fertiliser it is excellent for tobacco and nursery crops.

U.S. SYNTHETIC RUBBER TO BE EXPANDED

THREAT TO NATURAL RUBBER

THE two important developments in the U.S., which took place last week, are of vital concern to natural rubber producers. They were the report of President Eisenhower on the future of U.S. synthetic rubber industry and the U.S. Attorney-General's report on the price of synthetic rubber. Both the reports indicate a large and growing field for the synthetic product. Nevertheless, neither of the reports had any adverse influence on the price of natural rubber. For, in London, spot rubber remained steady around 26*d.* per lb., because of the speculative interest influenced by further reports of buying from Russia, Poland and Czechoslovakia. Trade circles in London are prepared to discount any immediate effects of the U.S. President's speech about the growth of U.S. synthetic rubber industry.

To refer to Mr. Eisenhower's report first. In a report to the U.S. Congress submitted exactly one year after the transfer of Government-owned synthetic rubber facilities to private ownership, President Eisenhower indicated that the U.S. synthetic rubber industry was bound to continue its rapid growth in the immediate future. He added that new synthetic capacity could be created in one-third of the time it took to bring rubber trees to maturity and that rising demands for new rubber would make themselves felt before natural rubber output could be expanded. Referring to the progress made by the private synthetic rubber plants, President Eisenhower said that the private plants were now operating intensely and had effected marked increases in capacity. Synthetic rubber had become a highly viable private industry; facilities were being expanded and technical advances and progress towards the development of new rubbers were being made. He added that private industry could be counted on to move from laboratory synthesis to commercial production of polyisoprene rubber—a product that closely corresponds to natural rubber in chemical composition and molecular structure. Private plants were already being constructed on private initiative.

Use of Natural Rubber.

For the present, a part of the rubber requirements of the U.S., President Eisenhower said, could be met only by natural rubber. Nevertheless, the use of natural rubber in the U.S. had become of secondary magnitude, as compared with its use abroad. He said that if the world supply of natural rubber in the years to come was not large enough to meet the requirements of both the U.S. and foreign countries, the use of synthetic rubber abroad was also likely to increase and this would be met either through larger exports from the abundant American supply or through the establishment of synthetic plants abroad. The U.S. President, however, held out a ray of hope to natural rubber producers by stressing that greatly improved production techniques should make it possible in the long run for natural rubber to share in the ever-growing demand for rubber.

The total U.S. requirements of new rubber were estimated by the President to reach 1.70 million tons per annum by 1960. The capacity of synthetic plants in the U.S. as at the close of 1955 was more than 1.25 million tons and planned expansions would, according to Mr. Eisenhower, boost it up to about 1.70 million tons by 1st January 1958. In other words, the estimated total U.S. requirements of new rubber in 1960 would be met by the synthetic plants alone two years ahead.

Attorney General's Report

The U.S. Attorney-General's report was the first of the ten annual reports ordered by the Congress, giving the Attorney-General's opinion every year on competition in the U.S. synthetic rubber industry. The Attorney-General found that the synthetic rubber industry had a tendency "towards price flexibility." He was unable to say specifically that the industry was now operating in a manner which would free it from any possible future charges of monopoly in violation of American anti-Trust Laws. In other words, the operating experience of the industry under private enterprise had been inadequate to provide a basis for drawing a conclusion whether or not free and unfettered competition had been established in the industry. He, however, indicated that there were many factors favourable to the development and growth of competition.

President Eisenhower's report caused some concern among the Malayan rubber producers who felt that it was a serious threat to the natural product. They realised that rubber must be produced cheaply in Malaya and unless its price was brought down to compete with the synthetic, it would be priced out of the world market. The users of rubber would always prefer natural rubber if it could be obtained at competitive prices. This would be possible if all connected with the industry—Government, shareholders and labour—accepted some sacrifices during the period of adjustment. Producers feel that the Government can make a significant contribution by reducing the present high rates of taxation on rubber.

TRENDS IN INDIAN SUGAR ECONOMY

PROSPECTS OF HIGHER OUTPUT IN CURRENT SEASON QUITE GOOD

COMMENTING on the annual reports of the Union Food and Agriculture Ministry, we observed two years ago—*vide* page 732 of *Commerce* dated 17th April 1954—that the reports did not contain any exhaustive review of the progress registered on the sugar front as a result of the policies and programmes implemented by the Ministry. It is, therefore, gratifying that the latest report, namely, that for 1955, has made a welcome departure. The report not only gives a fairly detailed account of the developments in the sugar economy during the season 1954-55 but also assesses the outlook for the current season, that is, 1955-56.

The Food and Agriculture Ministry prefaces its review of the trends in sugar industry with a brief reference to the sugar policy. As in the previous two seasons, during 1954-55 also, there was no control on prices, movement and distribution of sugar. The Government decided, as a general policy, to retain as reserve stock 25 per cent. of the production in factories. It was, however, found unnecessary to requisition stocks from the mills and the entire production was released for sale in the free market. The minimum price for sugarcane crushed in the mills was fixed at Re. 1-7 per maund for gate delivery and Re. 1-5 for deliveries at rail centres.

It is against the background of this policy that the Ministry reviews the trend of sugar production and consumption during 1954-55. The output of sugar in the season touched an all-time record of 1.59 million tons, as against 1.00 million tons in the previous season, representing a rise of as much as 59 per cent. The remarkable expansion in output is attributed to the availability of plentiful supplies of cane to the factories, thanks to the low price of *gur* and the improvement in cane output. The rise in sugar output was, however, not accompanied by a similar increase in consumption; on the contrary, consumption actually declined from 1,810,000 tons to 1,716,000 tons, due to enlarged *gur* supplies at relatively low prices.

Imports of Sugar

On the basis of an expected production of only 1.2 to 1.3 million tons in the season, the Government first decided—in November 1954—to import up to 700,000 tons of sugar (including 100,000 tons in the form of raw sugar) to meet consumption requirements during 1955. An import of 417,000 tons was arranged in 1954 itself as a part of the overall quantity of 1,082,000 tons contracted for in that year. Later, however, when the actual production was reported to be much higher than the earlier estimates, further purchases from abroad were stopped. Against the contracts already placed, 427,000 tons were received up to the end of October 1955.

Owing to the increase in domestic production, there was a steep fall in the offtake of imported sugar at the ports, leading to accumulation of large stocks of such sugar. As adequate storage accommodation was not available at the ports, sugar had to be moved to inland consuming centres such as Ahmednagar, Amraoti, Indore, Jabalpur, Jaipur, Jamshedpur, Nagpur, Ratlam and Ujjain for storage and disposal. The imported sugar was sold on ex-docks/ex-godown basis at prices fixed by the Government. In view of the general fall in the price of indigenous sugar, the sale price of E. German sugar was reduced from Rs. 30-8 to Rs. 29-8 per maund. The price of imported sugar in Calcutta was further reduced by As. 8 from 15th October 1955. With the improvement in supply position, the earlier system of delivery on f.o.r. destination basis was discontinued from February 1955.

Sugar Balance-sheet

The sugar balance-sheet for the 1954-55 season is compared below with that for the season 1953-54:

(In thousand tons)

	1954-55	1953-54
Opening stocks with factories and Government as on 1st November	102	196
Production during the season	1,590	1,001
Imports	514	690
Quantity refined from raw sugar	63	26
Total available supply ..	2,269	1,913
Closing stocks with factories and Government as on 31st October	553	102
Total offtake during the season ..	1,716	1,811

It will be seen from the above figures that the closing stocks of sugar with the factories and the Government, as at the close of the 1954-55 season, were considerably higher than those a year before.

Expansion

The Food and Agriculture Ministry then goes on to indicate the progress made in the expansion of sugar industry during 1955. In that year, 29 applications for the establishment of new sugar mills and 22 applications for the substantial expansion of the existing units were received by the Government. Licences were granted for the setting up of 16 new units and for raising the capacity of 13 existing factories. Of the new units licensed, 13 were co-operative mills. The additional capacity licensed since the coming into force of the Industries (Development and Regulation) Act, 1951, aggregates 668,000 tons, of which 400,000 tons are on account of the establishment of new sugar factories. Of the additional capacity so far licensed, 109,000 tons are expected to materialise in the current season.

The question of rehabilitating the idle and unsuitably located sugar factories is being examined by an Expert Committee of the Development Council for Sugar Industry. During 1954-55, two sugar factories were shifted to comparatively better sites. Half the cost of shifting is proposed to be borne by the Central Government in the form of remission of excise duty on additional production at the new sites.

On the recommendations of the Development Council, the Government of India sent a delegation to Australia and Indonesia to study the measures taken in these countries to develop the sugar industry and to see how far similar measures could be undertaken in solving the problems of the sugar industry in India. The delegation completed its study in about a month's time and returned in July 1955. The recommendations of the delegation are under the consideration of the Government.

Profit-sharing in Sugar Industry

The year under review was notable for the appointment of an Expert Committee to re-examine the question of profit-sharing in sugar industries between the mills and the cane growers. It will be recalled that, during the season 1953-54, the Central Government evolved a formula for linking the price of cane with that of sugar realised by factories, which was adopted on a voluntary basis. Under the formula, the cane growers in various regions were expected to receive an extra price over and above the minimum price statutorily fixed. In the actual implementation of the formula, however, it was found that no extra price was due from as many as 95 factories. The number of factories from which such a price was due was only 39, the total amount being Rs. 85.49 lakhs; Rs. 73.33 lakhs had been paid to the growers by the end of December 1955. While the principle of the price-linking formula was accepted by all concerned the representatives of cane growers complained that the percentage share of the sugar price given to them was much too low. The millowners, however, felt that the allowance made in the formula for depreciation and replacement was too little and did not take full account of the present cost of machinery and spare parts. In view of the sharp divergence of opinion thus, the Government appointed, as already stated, an Expert Committee to re-examine the issue. The report of the Committee is awaited.

During 1955, the working of six factories in Uttar Pradesh was inspected under section 15 of the Industries Act. The management of five units was taken over by the Centre and, in the case of the sixth factory, certain directives were issued to the management. Supervisory control was maintained on a factory in Bihar. All the aforesaid seven mills had been subjected to supervisory Central control during 1954 under the Essential Supplies (Temporary Powers) Act, with a view to ensuring that the factories would work in 1954-55 and that there was no loss of production of sugar.

The Government also exercised quality control of sugar and inspection of sugar mills during 1955. The number of units inspected by technical officers was 86, the objective being prevention of unauthorised expansions. About 1,094 samples of sugar were drawn by sugar inspectors in order to check the grade standards. Of these, 107 samples were found to have been incorrectly graded.

"Gur" and "Khandsari"

With regard to the *gur* and *khandsari* sectors, however, the Ministry does not give any details. All that it says is that no control was exercised on prices or distribution of *gur* and *khandsari* during 1954-55 and that the same policy is being continued in 1955-56. Export of *gur* has been freely allowed since January 1955. A quantity of over 22,000 tons was exported up to August 1955. The policy of free licensing of *gur* for export is being continued in the current season too. The Central Government has decided to give grants to State Governments, if they so desire, in order to enable them to make support purchases in the event of *gur* prices falling to uneconomic levels. From July 1955, however, *gur* prices have shown an improvement.

The Ministry has given a brief review of sugarcane development during the year. The cane development schemes started in 1948-49 were in operation during 1955 in the factory zones of Uttar Pradesh, Bihar, Bombay, Madras, Andhra, Punjab, Mysore, Travancore-Cochin and West Bengal. The special campaign for intensive manuring of cane crop, which was launched in the middle of 1954 and which had yielded striking results, was repeated in 1955 to cover a total area of one million acres. The Ministry claims a perceptible improvement in sugarcane cultivation practices during 1954-55. As a result, while the area under cane was higher by 13 per cent., the aggregate yield rose by 25 per cent. In other words, the per-acre yield of cane was substantially higher. The quantity of cane actually harvested during the season was 55 million tons, as against 44 million tons in the previous season. This figure, however, falls short of the output of 56 million tons in the base year of the Plan and the target of 63 million tons by 1 million tons and 8 million tons, respectively.

Outlook for 1955-56

Assessing the outlook for the current (1955-56) season, the Food and Agriculture Ministry feels that the chances of higher sugar output are quite good. This view is fully justified, considering the distinctly upward trend in sugar production that has been maintained since the beginning of the season. The total quantity of sugar actually produced in the season up to 22nd April 1956 is estimated at 1,595,000 tons, which compares very favourably with 1,446 000 tons in the same period last season. According to the Ministry, the preliminary estimates of the sugarcane crop reveal a further increase of 6 per cent. in area and of 5 per cent. in production. In view of the carryover of 553,000 tons of sugar (indigenous and imported) from the previous season and the bright prospects of production in the current season, the Government has decided not to purchase any more sugar from abroad. To quote the Ministry: "The present supply position of sugar is quite satisfactory and the market prices have, since the beginning of the current season (November 1955), generally shown an easy trend."

ASSAM TO HAVE ITS FIRST SUGAR MILL

The latest reports from Shillong aver that Assam's first sugar factory will go into production during the 1957-58 crushing season. The factory will be a co-operative venture sponsored under an agreement between the Assam Co-operative Sugar Mills and Skodas (India) Ltd. The daily cane crushing capacity of the proposed factory is estimated at 1,000 tons and the total cost of the scheme, excluding the agricultural part, is expected to be of the order of Rs. 90 lakhs. A special feature of this new venture is that Skodas (a Czechoslovakian enterprise) are making available substantial credit facilities on concessional terms for repayment. It is, however, not known whether and, if so, to what extent, the State Government and the Centre will contribute to the share capital of the factory. It is also not known whether the Industrial Finance Corporation of India will be granting any loans. In the case of other States, it may be noted, the Central and State Governments have provided the bulk of capital and the I.F.C. has given loans amounting to Rs. 40 lakhs for each factory.

The Andhra Government has posted a Special Deputy Registrar to take steps to start, as a medium-scale industry, a sugar factory at Hindupur on a co-operative basis under the second Five-year Plan. Hindupur and its neighbouring taluqs are **sugarcane producing areas.** With a view to securing better price for their cane, the cultivators, it is said, have formed themselves into a co-operative marketing society and requested the State Government to start a sugar factory. The Anantapur District Planning Committee has also submitted a scheme to start the factory with Rs. 35,00,000 as share capital, subscribed equally by the producers and the Government and Rs. 35,00,000 as loans from the Union Government.

MECHANISATION OF COLLIERIES

AN ACCOUNT OF LATEST MACHINES USED IN U.K.

REPORTS from London indicate that the U.K. National Coal Board's £1,000-million programme for the reconstruction of coal industry in that country during the next 10 years will include a fairly wide extension of proved techniques of mechanisation of the collieries. It is not yet clear as to how much such extensions will cost, but the cost of this year's development is estimated at £10 million. Now that India has also embarked upon a vast plan for increased production of coal, a reference to the types of mining equipments used in the U.K. collieries will be of immense value to Indian colliery interests.

It would appear that some progress has been made in the use and manufacture of open-cast mining equipment in the U.K. to replace its present dependence on the U.S., where 35 per cent. of all coal is won by open-cast methods. From next year onwards, the U.K. section of Ruston-Bucyrus will be manufacturing large electrically-operated draglines with shovels for open-cast use. Arrangements are being made for the production in the U.K. of a new rotary air drill for prospecting purposes.

In deep mining, the drive to extend power-loading at the coal face is proceeding ahead of schedule. The rise in coal-face output per man-shift so far this year is attributed entirely to the extension of power-loading. In February last, the proportion of coal power-loaded was 12.1 per cent., as compared with 8.2 per cent. in February 1955. The biggest advances have been in the North-western Division, where 21.6 per cent. of output is power-loaded. Next come the East Midlands with 18.7 per cent.; in fact, in Edwinstowe area of the East Midlands, nearly 50 cent. of output is power-loaded.

At the end of last year, 640 power loading machines were in use. It is planned to introduce a further 700 this year. The most effective cutter to prove itself in pit conditions is the Meco-Moore cutter-loader. This machine produced 9.2 million tons of the total longwall power-loaded output last year and has an output of roughly 6.35 tons per manshift. The Meco-More cutter is an extension of the ordinary longwall cutter. It employs picks carried on a chain to attack the coal, but has two jibs—one at the roof and the second at floor level—as well as a third vertical jib, which shears the coal from the back of the cut and assists it to fall on to the face of the conveyor. The cost of this power-loader is between £7,000 and £8,000.

Another important power-loader is the Anderton shearer. At the end of December 1955, there were 83 machines. This is expected to rise to 280 at the end of 1956. Last year, it produced about 3.3 million tons of power-loaded output. Its output per man-shift is 5.65 tons. The National Coal Board's Central Engineering Establishment is working on a new model, which will be able to take a wider cut of the coal.

While the Meco-Moore does excellent work on longwall faces, it is not said to be suitable for thin seams or steep gradients. On the other hand, the Anderton shearer is considered to be one of the best propositions, because it is less selective than other machines in the conditions in which it can be operated. It has already been introduced in a 3 ft. seam, the thinnest in which it has so far worked. It is hoped that, ultimately, it will be possible to introduce this power-loader into a 2 ft.-6 in. seam, which is below the average thickness for the country.

There is yet another power loader which came into use recently and that is A.B. Trepanner. There are now four such power-loaders in use and they are reported to have met with appreciable success. The output of this kind of power-loader per man-shift was below 12 tons at the end of last year. Its cost is approximately £7,000.

Mention may be made in passing of the mechanised support system also. Already, much use is being made of adjustable props, which are hydraulic and, in 1955, they were 10 per cent. of the total. Certainly, a fully mechanised system would go a long way towards increasing production further and plans are already well ahead. Messrs. Dowty Equipment Ltd. is the biggest manufacturer of the hydraulic pit props. It is expected to supply 300,000 of these props to the Coal Board in 1956. This firm has also a self-advancing roof system on trial in the East Midlands Division.

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INDIAN TEA STATISTICS

PRODUCTION UP—EXPORTS DECLINE

A SHARP fall of nearly 87 million lbs. in exports of Indian tea, despite an expansion in production by over 20 million lbs. during 1955, has resulted in a decline of Rs. 19.57 crores in the tea industry's contribution in foreign exchange and of Rs. 2.50 crores in taxes (by way of customs and Central excise duty) during the financial year 1955-56. These and other interesting bits of information are disclosed by *Tea Statistics* 1955, the second issue of the annual publication brought out by the Statistics Branch of the Tea Board of India. A study of the information contained in this book clearly brings out the fluctuating character of the tea industry's fortunes.

In 1954 also, the Indian tea industry had raised its production by nearly 30 million lbs., but exports had fallen by 50.70 million lbs., though the foreign exchange earnings went up by over Rs. 27 crores, as also the taxes to the Government by Rs. 9.3 crores. Thus, despite the increase in production by 50 million lbs. during the past two years, the industry has not been able to increase its exports; on the other hand, the exports have shrunk in volume by about 138 million lbs. The foreign exchange earnings, however, have gone up by Rs. 7.59 crores and so also the contribution to Government revenue by Rs. 6.81 crores.

The area under tea cultivation as on 31st March 1955 is provisionally placed at 789,471.06 acres, as against 789,441.67 acres a year before. In other words, there has been a slight rise of about 30 acres. This small extension in area compares with that of 2,063.40 acres in 1953-54 and of 1,794.03 acres in 1952-53. This clearly shows that the pace of extension of the area under tea has slackened considerably. It may be noted, in this context, that the area under tea in India has extended by only 9,472.64 acres during the past five years.

The output of tea during 1955 is estimated at 664.55 million lbs., as compared with 644.37 million lbs. in the previous year and 614.60 million lbs. in 1953. Though the increase in production during 1955 is less than that in 1954, the output per acre has recorded a rise from 816 lbs. to 842 lbs. A State-wise distribution of the area and output discloses that Assam still possesses the largest area under tea, with 385,716.30 acres producing 367,26.26 million lbs., as against 386,096.94 acres in the previous year when the output aggregated 343.65 million lbs. As in the previous year, West Bengal occupies the second place with 196,403.29 acres producing 157.96 million lbs., as against 19,603.64 acres with an output of 161.98 million lbs. The area under tea in Madras and Coorg has, on the other hand, risen further from 85,867.92 acres to 86,408.65 crores, raising the output from 67.83 million lbs. to 69.27 million lbs. The area under tea cultivation in Travancore-Cochin also has widened from 83,514.11 acres to 83,821.07 acres, while production stands reduced from 58.52 million lbs. to 57.09 million lbs. It will be interesting to note that, although Madras and Coorg together occupies the third place among the tea-growing States in India in respect of both area under cultivation of tea and quantity of tea produced, it has the largest number of tea estates, with 2,901 gardens, as against 2,872 in the previous year. Travancore-Cochin comes next with 1,146 gardens, as compared with 1,136 in 1953-54. The Punjab, which produces just over 2 million lbs. of tea, has 1,125 gardens (as against 1,135 in the previous year); these are in Kangra hills. Assam, which accounts for more than 50 per cent. of total tea production, has 784 (788) gardens and West Bengal 297 (296).

The statistics relating to Indian tea sold at the three auction centres, namely, Calcutta, Cochin and London, show that the quantities at the two Indian centres have increased, while the quantity at London has declined. This is only in consonance with the Government policy of encouraging auctions in India. The quantity of tea sold in Calcutta shows a rise from 274.93 million lbs. in 1954-55 to 297.71 million lbs. in 1955-56. Of this quantity, that sold for export accounts for 219.66 million lbs., having risen sharply from 166.09 million lbs., and is probably a record, exceeding the previous highest of 217.62 million lbs. sold in 1952-53. The quantity sold for internal consumption has, on the other hand, declined from 108.85 million lbs. to 78.05 million lbs. The quantity of tea sold in Cochin during 1955 has risen from 29.24 million lbs. to 34.54 million lbs., of which that sold for export accounts for 24.92 million lbs. and sales for consumption in India for 9.61 million lbs., as compared with 22.14 million lbs. and 7.10 million lbs., respectively, in 1954. Sales of Indian tea in London have declined from 189.22 million lbs. to 188.92 million lbs. This fall is mainly accounted for by the North Indian tea, which has fallen from 164.66 million lbs. to 158.03 million lbs., while the South Indian tea has gone up from 24.56 million lbs. to 30.89 million lbs.

The quantity of Indian tea exported during 1955 amounted to 363.09 million lbs., as against 449.95 million lbs. in 1954 and 500.65 million lbs. in 1953. As in previous years, the U.K. was the main customer for Indian tea, having imported 249.27 million lbs. during the year under review, although this represented a substantial decline from that of 326.49 million lbs. imported during 1954 and of 354.92 million lbs. in 1953. The U.S. was the second largest importer with 24.06 million lbs., as against 32.49 million lbs. in 1954. The Irish Republic imported 17.97 million lbs., as compared with 22.09 million lbs. in the previous year. Among the countries which imported larger quantities of Indian tea during 1955, Egypt is prominent. Exports to this country which had dwindled from 18.14 million lbs. in 1953 to 6.96 million lbs. in 1954, show a sharp rise to 13.27 million lbs. in 1955. Russia's contribution to India's tea exports was *nil*. After taking 2.8 million lbs. in 1952, it had not bought a single pound of tea till the close of last year.

The quantity of tea consumed in India during 1954-55 has been provisionally estimated at 168.81 million lbs. which, on the basis of the 1955 population of 371.96 million, works out to a *per capita* consumption of 0.45 lb. which represents a decline from 0.50 lb. in 1953-54, when the total consumption amounted to 182.19 million lbs. for a population of 367.55 million.

The statistics relating to labour employed in the tea industry are not up to date, the latest year for which figures are available being 1953 and even these are provisional. In 1953, the daily average number of persons employed in the industry was 1,054,102, as compared with 1,054,295 in 1952 and 1,017,989 in 1951. A State-wise analysis of the figures for 1953 shows that Assam accounted for 554,715, West Bengal for 291,315, Madras for 96,079 and Travancore-Cochin for 82,964.

(Concluded from next column)

the next crop will be sizably larger and that prices of raw jute are likely to move down, thereby enabling the mills to manufacture goods at relatively lower costs. One source, for instance, observes: "Everything points to lower terms. The new crop has so far been sown and grown under very favourable conditions. There is a likely increase in acreage by as much as 20 per cent. in some quarters and the crop is likely to be earlier than normal."

W. GERMAN JUTE PRODUCTION AND EXPORTS

Jute goods production in West Germany got off to a good start for the new year, with the January output placed at 8,500 tons of yarns and 6,500 tons of woven fabrics, as against 8,100 tons and 6,200 tons in December 1955, according to the *Jute Bulletin* of the Indian Central Jute Committee. The members of the Manufacturers' Association imported about 12,400 tons of raw jute during January, as compared with 6,500 tons a month before. West German exports of jute goods to the U.S. during the first 11 months of 1955 showed a sharp drop to about 1,137 tons from 2,140 tons in 1954 and 7,873 tons in 1953.

In order to protect the grain bag industry in Southern Rhodesia from cheaper Indian and Pakistani imports, a Government-appointed Committee has recommended a subsidy of 8½*d.* per bag to the local product, over and above a protective tariff on imported hessian. The Committee has reported in favour of giving the proposed subsidy for a period of two years. The bag industry in Southern Rhodesia has an installed capacity for producing 3.36 million sacks, as against an annual requirement of 6 million sacks.

Internal manufacture will satisfy about 18 per cent. of Indonesia's jute bag requirements, which are estimated at 9 million for the current year. There is already a jute mill in production at Delanggu, Suracarta, giving an annual output of 900,000 bags. Another, estimated to produce 2.5 million bags a year when in full operation, has been officially opened in Sourabaya. It may be possible to obtain an output of 750,000 bags from the new factory this year.

U.S. CONSUMPTION OF BURLAP

RAW JUTE SUPPLIES IMPROVE

REPORTS emanating from New York indicate that consumption of burlap in the U.S. during March 1956 was 3 million yards better than that in the preceding month, having risen from 68 million yards to 71 million yards. It was, however, the same as in March 1955 and one million yards less than that in January 1956. The total consumption during the first three months of 1956 amounted to 211 million yards or an increase of 13 million yards over that in the corresponding period of last year. The table below gives the comparative figures for each of the three months ended March 1956 and 1955:

(In million yards)

Month	1956	1955
January	72	62
February	68	65
March	71	71
Total	211	198

Despite the increase in consumption of burlap, there has been an increase in stocks held in the U.S. In fact, the trend has been steadily upward since January this year, when stocks of burlap stood at 243 million yards. In the following month, they rose to 245 million yards and then shot up by 8 million yards to 253 million yards in March. The table below gives a comparative picture of stock position in the first three months of 1956 as also of 1955:

(In million yards)

Month	1956	1955
January	243	245
February	245	256
March	253	254
Total	247	251

While there has been a progressive rise in month-end stocks since January last, an average fall of 4 million yards of burlap is noted as compared with the position in the previous year. This is regarded as a favourable sign, in that it is said to suggest that, sooner or later, the U.S. will enter the market to replenish its stocks. This raises an issue of immediate concern, namely, whether India would be able to supply in full the burlap requirements of the U.S. An answer to this depends on the capacity of Indian mills to produce the goods that the U.S. needs at competitive prices. With the abolition of export duties on jute goods last year, the industry's competitive ability has undoubtedly improved. A considerable percentage of jute mills has undergone modernisation and this should enable at least these mills to offer stiff competition in the U.S. markets, provided supplies of raw jute are readily available to them. Even in this respect, their position this season appears to be relatively better than in the last. For, according to the latest figures, imports of raw jute into Calcutta and mill stations during July-March 1955-56 were about 530,000 bales more than those in the corresponding period last year, as is evident from the table below:

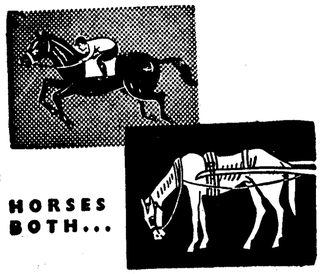
(In million bales)

	July-March		
	1955-56	1954-55	1953-54
Pakistan	1.28	0.95	1.20
India	3.94	3.74	3.03
Total	5.22	4.69	4.23

It will be seen from the table above that receipts of raw jute into Calcutta and mill stations from both India and Pakistan have shown an improvement. In distinct contrast to the experience in the nine months ended March 1955, when imports of raw jute from Pakistan had declined from 1.20 million bales to 950,000 bales, there has been a recovery in them to 1.28 million bales in the same period of 1955-56. Arrivals of Indian raw jute also rose from 3.03 million bales to 3.94 million bales. In the result, the total receipts from both sources during the nine months of 1955-56 amounted to 5.22 million bales, as compared with 4.69 million bales and 4.23 million bales in the corresponding periods of the two preceding seasons respectively.

In the coming season, too, the improvement in supplies of raw jute is expected to continue. It is reported that the jute areas both in Pakistan and India have had heavy rainfall. Weather conditions are stated to be beneficial for the standing crop. It is, therefore, estimated that

(Continued in previous column)



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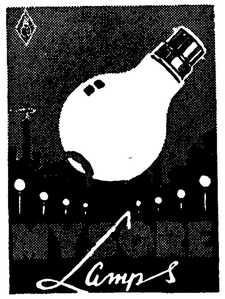

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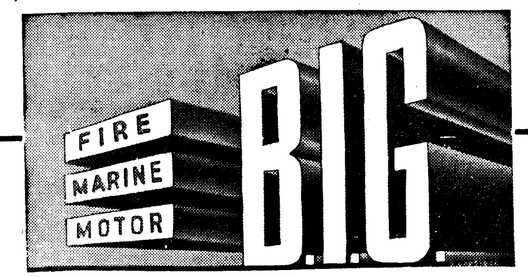

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ENGINEERING INDUSTRIES IN INDIA

SHORTAGE OF RAW MATERIALS HAMPERS PROGRESS

IT is needless to emphasise that the basis of industrial expansion rests chiefly on the development of heavy and light engineering industries. This explains why high priority is given to the development of these industries in the second Plan. Presiding over the thirteenth annual general meeting of the Engineering Association of India, held last week at Calcutta, Mr. A. Rajagopalan highlighted the problems facing the development of these industries in the context of the new Industrial Policy Statement. Sardar Swaran Singh, Union Minister for Works, Housing and Supply, who inaugurated the session, attempted to allay the fears regarding the new Policy Statement.

It is true that Mr. Rajagopalan welcomed the Industrial Policy Statement, which recognised that the Government would generally allow the undertakings in the private sector to develop with as much freedom as possible consistent with the targets and objectively of the national plan. But he felt that the area reserved for public enterprise in strategic industries was too vast, inasmuch as it included such industries as heavy castings and forgings, heavy plant and machinery, and heavy electrical plant. Besides, Schedule B to the Policy Statement included such industries as aluminium and other non-ferrous metals, machine tools, ferro-alloys and tool steel. Proceeding, he remarked:

"It is difficult to understand why Government have thought it necessary to include some of these items in Schedule B. We had requested Government to develop the tool steel industry in the Ordnance factories. One may legitimately ask why, during these last eight or nine years, Government have not been able to develop this important industry, although they had diverted part of the capacity of these factories to industrial fields which offered keen competition to the private sector. The last war had clearly demonstrated that, given necessary guidance and help, private enterprise can deliver the goods. In an underdeveloped country like India, where even minimum standards of social services are not provided, the role of a Welfare State is clear beyond doubt. We trust that Government would try to give all possible opportunity to private enterprise to develop whether it is in the reserved or in the unreserved list. One of the underlying principles for allocation of industries among private and public sectors should be their economic and efficient operation. Nationalisation merely on ideological grounds will not be conducive to national welfare. We trust that Government would actually be able to maintain an atmosphere of freedom which alone is conducive to the proper development of industries, for, as Mr. J. R. D. Tata put it, while addressing the last annual meeting of the Tata Iron and Steel Company, the voluntary enterprise of our people, individually and in groups, has a great part to play in ensuring the success of the plans on which the country has embarked. Government should avoid giving the impression that mixed economy is only a half-way house in the direction of full-fledged socialism. If Government would free private enterprise from its handicaps and uncertainties, allow it the necessary scope for initiative and provide suitable incentives, they would have a welcome surprise by way of the remarkable results achieved and the quickness with which they are achieved."

Touching upon this point, Sardar Swaran Singh observed that, although the Government's intention was to enlarge the public sector by concentrating on the production of basic capital goods and of heavy machinery, it had no intention of preventing the private sector from entering a very large field of the engineering industries. He argued that the policy of the Government did provide for the necessary atmosphere of freedom conducive to the proper development of industries both in the private and public sectors.

The chief objective of the second Five-year Plan is to ensure a more rapid growth of the national economy by large-scale expansion of industries, particularly basic industries, such as iron and steel and capital goods industries. In so far as the engineering industries are concerned, the following targets have been set for achievement by 1960-61:

		Production per annum
Iron and steel—		
(a) Finished steel	(Tons)	4,500,000
(b) Foundry pig iron	(„)	750,000
Structural fabrication	(„)	500,000
Steel foundry	(„)	15,000
Forging shops	(„)	12,000
Cast iron foundries	(„)	10,000
Aluminium	(„)	30,000
Locomotives	(Nos.)	300
Automobiles	(„)	57,000
Refractories	(Tons)	1,000,000
Diesle engines	(h.p.)	216,000
Bicycles	(Nos.)	765,000
Electric motors	(h.p.)	600,000
A.C.S.R. conductors	(Tons)	15,370

Commenting on the aforesaid targets, Mr. Rajagopalan regretted that some of the basic industries such as bolts, nuts and rivets had not been included. He pointed out that the Plan for railway development was likely to receive a setback if fastening materials like bolts, nuts and screws were not available in time and in adequate quantities.

One of the chief obstacles to the development of engineering industries is shortage of raw materials, such as pig iron and steel. It is true that the Government has planned to step up steel and pig iron production. But, until these efforts yield fruit, it is necessary to make arrangements for importing these raw materials. The Government has already planned to secure 3 million tons of steel in the three years commencing 1956-57 and this is gratifying enough. But so far as pig iron is concerned, Mr. Rajagopalan is of the view that it would not be possible to import it in any appreciable quantity and that the shortage of pig iron required by the foundries would continue right up to the end of 1958. Consequently, he felt it necessary for the Government to conserve all the available supplies of pig iron and cast iron scrap. The Government has already under control the pig iron and broken ingot mould arisings at Tatas. But he wanted all sources of cast iron scrap arisings to be controlled and equitably distributed to the foundries.

Another metal in short supply is aluminium. The approximate consumption of electrolytic aluminium is 20,000 tons. The use of aluminium for utensils and packing is also increasing. As such, Mr. Rajagopalan urged the Government to import as much aluminium as possible till domestic production was stepped up to the required level.

Alluding to the subject of raw materials, Sardar Swaran Singh hoped that, with the import of adequate quantities of steel, the engineering industries would be able to maintain their maximum output and fulfil the prospective demand in the second Plan period. He also assured the gathering that the Government would be prepared to consider private imports of basic raw materials, at present in short supply, if such imports were essential to maintain the industries output and if the terms of such imports were not in conflict with the foreign exchange policy of the Government of India.

The stores purchase policy of the Government of India also figured in the speech of Mr. Rajagopalan. Welcoming the Government's acceptance of many of the recommendations of the Stores Purchase Enquiry Committee, particularly the formation of a non-official advisory council, Mr. Rajagopalan urged pooling of Government orders to enable contracts to be placed for economic quantities. He pertinently added: "Conclusion of rate contracts covering the capacity of the industry over long periods will help stabilise production and prices, besides giving the industry added strength and confidence. Care should be taken to see that the placing of long-term contracts does not lead either to monopolistic conditions or overloading of a few firms with orders at the cost of others." In view of the current credit limitations, he urged the Government to make progress payments in long-term contracts as they did in the case of orders placed abroad. Mr. Rajagopalan further suggested that the Government should gear the central purchase organisation on the lines of the Directorate-General of Munitions Production, created during the war. Only thus, he felt, could all efforts be made to book the entire industrial capacity.

The Works, Housing and Supply Minister made a reference to this suggestion and averred that, if the targets laid for the engineering industries were to be achieved, the expansion of existing capacity of small industries, such as bolts, nuts and rivets, could not be avoided. The Central Purchase Organisation was considering steps to be taken to ensure that the indigenous capacity for such industries was suitably expanded to meet not only the present requirements but also those for the future based on the expansion of large-scale industry. He disclosed that, for this purpose, it was considering ways and means of booking the existing capacity fully over a long-term period and placing trial orders on newcomers in order to encourage them to take up the manufacture of such stores.

'FLAGS OF CONVENIENCE'

NEW HEADACHE TO TRADITIONAL MARITIME NATIONS

PROBLEMS relating to registration of ships under "flags of convenience" figured prominently at a meeting of the International Chamber of Shipping recently held at London. Admitting the fact that ships flying flags of convenience had begun to threaten world sea trade, the Chamber decided to prepare an objective survey of the implications of the post-war growth of flags of convenience fleets. It was pointed out that the flags of convenience countries, namely, Panama, Honduras, Liberia and Costa Rica, had registered a tenfold expansion of tonnage under their flags. Thus, the total strength of these countries was at present about 9 million tons, as against a mere 800,000 tons in 1946. Significantly, Liberia, a small Negro Republic in West Africa, with a coastline of 350 miles, has over 4.5 million tons of shipping, a tonnage big enough to qualify itself as a leading maritime nation in the world.

The increase, which is described as the "most startling phenomenon in international shipping," is attributed, among others, to two factors, namely, the avoidance of taxation and savings in operation costs. In Liberia and Panama, for instance, there is neither profits tax nor income-tax. Under Liberian registry, the annual tax amounts to $1.20 per ton. A ship of 10,000 tons will thus have to pay a yearly tax which is equivalent to a little over £4,000 only. In Panama, initial registration fee amounts to $1.20 per net registered ton and taxation is no more than 10 cents per ton a year. In this case, however, the annual service fees paid to the Panamian Government during the operation of the ships come to a higher figure than the year's taxation and are above the comparable fees of the traditional maritime nations.

Bermuda, which has yet to achieve equal fame as a refuge for shipowners from heavy taxation, has also offered similar facilities. Ships registered under this country's flag also pay neither income-tax nor profits tax. The only liability is a fixed annual tax of £200 and a stamp tax on capital issued in the first year of the incorporation of the ship. There are, however, some small variations from the general rule of exemption from tax for profits exceeding a certain amount. But even this constitutes very little burden on shipping companies.

It would appear that the British shipping companies are of the view that, unless taxation of shipping in the U.K. (which, it is claimed, is at a level that prohibits replacement of ships out of profits) is reduced sizably, they might be compelled to register their ships under flags of convenience, perhaps in the Commonwealth, rather than see that they are driven out of business. Bermuda, as pointed out earlier, offers flags of convenience facilities in the Commonwealth. It is, however, stated that the U.K. Finance Act of 1951, which forbids the transfer of control of a company abroad, without the prior permission from the Treasury, is an obstacle to such a transfer.

There is no doubt that the situation as described above has introduced an "element of farce in world sea transport." It is even forecast that the chances of such countries as Liberia and Costa Rica being used as pocket boroughs of the leading maritime nations to influence international shipping policies cannot be ruled out altogether. It is feared that, in times of slump, the untaxed fleets might have a deleterious effect upon the fleets of traditional maritime countries, such as the U.K., which are finding "fleet replacement even in a period of buoyant world trade so difficult a problem."

An announcement made by the Chamber after the meeting admitted that it was difficult to control registration of ships under flags of convenience through international action. It is further stated that, if international action is decided upon, its implementation will be difficult. It would, therefore, appear that the removal of the threat of flags of convenience fleets to the traditional maritime nations is far remote.

The production of crude oil in the Middle East aggregated just over 43,000,000 metric tons during the first quarter of 1956. This represents an increase of 13 per cent. over that for the same period of last year. The three largest producers were again Kuwait, with 14,300,000 tons, Saudi Arabia with 12,400,000, and Iraq 8,600,000. The largest increase, however, was achieved by Iran with 5,500,000 tons, which represents an increase of 70 per cent. above the first quarter of 1955, and nearly 20 per cent. over the final quarter of last year.

NEW PRODUCTS AND PROCESSES

Mobile Data Recording System

A DATA recording and analysis system intended for use in mobile vehicles such as aircraft, lorries, cars, military tanks, or other confined spaces, has been developed by Mervyn Instruments, St. Johns, Woking, Surrey, the U.K. The system, which has an eight-channel recording unit, will record the outputs of all types of conventional mechanical and electrical "transducers" (units which measure the mechanical effects of small physical movements). Magnetic tape is employed as the medium upon which the information is recorded, instead of the mirror galvanometer and photosensitive recording paper systems which have been more commonly used, but the results of the recordings are also presented simultaneously on paper. The system is said to have an exceptionally wide frequency response, and to yield records which are in a form entirely suitable for automatic analysis. It is claimed that the records can be interpreted entirely automatically by an unskilled operator. The system is designed so that errors in the recording system can be compensated for and corrected by playing back the records. A calibrator unit by means of which the recorder may be set up for any predetermined sensitivity is incorporated and the working capacity of the system as a whole may be doubled merely by adding a second recorder—a comparatively cheap and simple unit

Synthetic Quartz Crystals

The General Electric Company in the U.K. has developed a process by means of which crystals of synthetic quartz can be made using British raw materials instead of materials imported from Brazil. Crystals of this type called "piezoelectric crystals" because of their special electrical properties, are normally made by "growing" the synthetic crystal from Brazilian rock crystal. They are used in the manufacture of electrical oscillators and some other electrical devices. In the G.E.C. process, the Brazilian rock crystal is replaced by other raw materials such as flint and quartzites, which are available in the U.K. Methods have been developed for removing any traces of unwanted materials which may be contained in the raw materials and whose presence might affect the performance of the finished product. Crystals produced by the new process are said to be of excellent quality and to be suitable for most types of oscillator uses.

Electronic Data Processing

An electronic data processing system which has been specially designed for standardised day-to-day operation in organisations handling large amounts of routine information which requires analysing, has been developed by the Radio Corporation of America. Work on the system, which is to be used by the U.S. Army, has been in progress since 1950. The design of the unit has, it is claimed, been "streamlined" so as to reduce the amount of paper work still required, as well as the work involved in handling the data processing system itself, to a minimum. As is the case in other electronic computer and data processing systems, the new Radio Corporation of America system, which is called "Bizmac," can handle in a matter of minutes large quantities of information, which would normally take several weeks, or even months, to collate and analyse using traditional office machinery.

Snails Combat Snails

In tests made on the Pacific Coast of the United States, scientists of the University of California are using natural predators to try to control snail damage in citrus orchards. They are importing specimens of a small predatory snail, native to India, to prey on common garden snails and giant African snails which recently were discovered infesting the U.S. West Coast. The Indian snail is generally less than an inch long. It attaches itself to garden and African snails and gradually consumes them. The common garden snail has become a problem in California citrus orchards. The Giant African Snail eats almost anything, including rubber, and apparently gained its foothold in the U.S. when salvaged rubber-tyred military equipment was brought back from across the Pacific.

Gas Turbine Engine for Helicopters

The General Electric Company in the United States has developed a special small gas turbine engine which will soon be tested in helicopters. In gas turbine engines, gases created by combustion are used to spin a turbine. The turbine then turns a shaft that transmits power to the helicopter's rotors. The small size and light weight of the new engine should make it easier to install and less expensive to operate and maintain than a comparable piston engine. It is also expected to provide a more comfortable ride for helicopter passengers and crew because it will vibrate less and therefore be quieter than a piston engine.

New Pulping Process for Straw

American farmers will have a new market for their surplus grain straw as a result of a new pulping process, which uses the straw as the basic ingredient for box board and corrugated board and paper. The new process has been developed by the U.S. Department of Agriculture's research scientists. Plants for use of straw to make pulp and produce the strawboard products are expected to be established in U.S. areas where surplus straw is available in quantity.

BUILDING AN ATOMIC POWER STATION

ENGINEERING ACHIEVEMENTS AT BRITAIN'S FIRST NUCLEAR GENERATING PLANT

By W. Andrews

BRITAIN'S first step in the generation of power on a commercial scale from nuclear reaction is taking place at Calder Hall in Cumberland on England's north-west coast. Two stations, A and B, which are more or less identical, are being built and the first is expected to be supplying electricity to the National Grid by the end of this year. Station A, which is nearing completion, comprises two reactor buildings, about 130 feet (40 metres) high, with between them an orthodox steam power plant housing turbo-electric generators and the usual ancillaries.

In operation, carbon dioxide gas at a pressure of 100 pounds per square inch (7.03 kilograms per square centimetre) will be circulated, in a closed cycle by centrifugal fans, through a graphite-moderated uranium pile. The heat extracted will be used by means of heat exchangers to raise steam at about 200 pounds per square inch (14.06 kilograms per square centimetre) with a degree of superheat depending on the estimated maximum temperature of the hot gas, 430 degrees centigrade.

Rated At 50 Megawatts

In the power station section are installed four orthodox turbo generators each rated at 23 megawatts. The nominal rating of the whole plant is 50 megawatts as some of the power raised will be used in the plant itself and some exported to the nearby plutonium separation plant at Windscale, which will also treat the Calder Hall uranium after extraction from the pile. The only novel feature in this section is the provision of a "dump" condenser capable of handling the full steam load from the piles in emergency.

In the initial civil engineering work on the site, the main feature was the exceptional strength of the concrete foundation rafts required to support the heavy weight of the reactors. The real test of engineering skill was in the design, construction and execution of the atomic piles and their accessories in the reactor buildings and of the eight heat exchangers, four to each pile. Inside each reactor building is first encountered the biological shield of concrete, several feet thick, which is octagonal in shape for easy control of shrinkage. Special cement and high grade aggregate of a hard local stone were used while ultra careful control of the density of the mix to a standard of 156 pounds per cubic foot (2.4 kilograms per cubic decimetre) was exercised. Alternate sides of the octagon were poured first and the remaining walls after the first four had set. Inside this shield a six-inch (15 centimetres) space allows cooling air to be circulated to prevent overheating of the concrete.

The next part of the reactor building is a thermal shield, forming a complete lining of six-inch thick steel plates laid edge-wise, and inside this is the pressure vessel which holds the uranium graphite pile. In shape, the vessel is a cylinder built up of welded mild steel plate, two inches (five centimetres) thick, and it is about 60 feet (18 metres) long and 40 feet (12 metres) in diameter with dish-shaped end domes. Its size made welding on the site essential and the working requirements called for absolute soundness of the welds and complete permanence of the final dimensions. All butt welds were subjected to a rigid X-ray inspection and even small fillet welds were examined by crack detection methods. After welding had been completed a pneumatic pressure test and a vacuum test of 0.1 of an atmosphere were applied.

Prepared In Five Sections

The pressure vessel was first prepared in five sections, made from the shaped plates, on the ground near the reactor building. These sections were the bottom dome, two central ring-shaped parts, a "diagrid" or lattice structure which carries the weight of the graphite core and the upper dome. A 100-ton crane made it possible to assemble these sections inside the reactor thermal shield and they were then finally welded together, with the stringent testing procedure already described.

Permanence of dimensions was assured by a stress-relieving heat treatment carried out at a temperature of 550 degrees centigrade and maintained for eight hours. This temperature over the whole of the vessel was attained by radiant heat from resistors placed inside the vessel, involving an electrical load of 1,500 kilowatts.

Support for the pressure vessel inside the thermal shield is provided by a circular ring, part of the internal "diagrid" structure, which rests on brackets passing through the walls of the vessel. These components in turn rest on ten inverted A-shaped frames secured to the foundations inside the thermal shield. The bearing faces of the supporting legs are given a definite radius to allow for radial expansion of the whole assembly.

Inside the pressure vessel is the atomic pile itself, consisting of the uranium charge tubes and control rods and the graphite packing of specially shaped blocks, the whole weighing about 1,000 tons. The necessary perforations in the upper dome of the vessel to accommodate the various tubes and the fitting of the accessories had to be executed to an accuracy of 0.001 inch (0.025 millimetre), thus introducing precision engineering on a scale seldom, if ever, previously contemplated in heavy plant of this type.

Unexampled Accuracy

After extracting the heat from the atomic pile, the hot carbon dioxide is discharged into four heat exchangers each contained in a vertical shell 18 feet (5.4 metres) diameter and 70 feet (21 metres) high, made of steel plate. Of welded construction, stress relieved by heat treatment, it contains separate low and high pressure steam systems, each with its economiser, evaporator and superheater sections made up of two-inch (five centimetres) overall diameter tubing carrying the water and steam. The outside surfaces of each heat exchanger section are increased by the addition of welded-on studs of aerofoil section of which the numbers used amount to many millions.

It will be clear that the real engineering achievements of Calder Hall lie in the successful application of unexampled accuracy of construction of heavy plant in all its stages, but there has been a second factor to complicate the procedure. Because of the nature of the atomic pile, it has been essential to insure that the closed circuit in which the carbon dioxide gas circulates shall be absolutely free of alien dust, scale, metal fragments or any other loose matter which could contaminate the pile material and reduce efficiency.

In the placing of the graphite blocks in the pile, extreme precautions had to be taken. A special room adjacent to the access zone was sealed off with an airlock and all staff concerned in subsequent handling of the blocks were required to change all clothing down to the skin and put on specially laundered garments. This process was repeated every time one of the workers entered the access zone, however short the period.

Scrupulous Care

Similarly, the heat exchanger elements were all individually shot-blasted overall and scrupulous care was taken to ensure perfect cleanliness, while, immediately they were passed for use, they were loaded into steel transit cases for transfer to the heat exchanger. At the top of each heat exchanger, a temporary "clean room" was provided to guard against accidental fouling of the elements even for the few minutes they would be exposed outside the cases during installation.

Experience has already shown that there is every reason to expect Calder Hall A plant to meet its designed performance and the B plant, construction of which is proceeding alongside, will probably be a duplicate in most respects, although increased knowledge may mean that details here and there will differ.

In conception and execution, the practical engineers have been called on to alter radically their approach to a large project, rather than follow any new procedure, and the success attained so far augurs well for the solution of the problems of providing adequate power in the future with which the world is faced.—*Exclusive to* Commerce.

COMPENSATION FOR LIFE COMPANIES HELD INADEQUATE

ASSOCIATION'S ANALYSIS OF PROVISIONS

LAST week, we indicated that the provisions relating to compensation for life insurers, incorporated in the Insurance Corporation Bill as amended by the Select Committee, though they were an improvement on the original Bill, still fell short of what would be needed to provide for just compensation. The compensation payable to insurers under the new formula, according to a calculation made by the Indian Insurance Companies' Association, would be only 42 per cent. of what the shareholders could reasonably expect to receive on a correct appraisal of the value of their holdings.

The Association, in the course of a Press note on the subject of compensation, agrees with the principle underlying the Government formula, that the shareholders should receive a capitalised sum on the basis of the future dividend-earning capacity of the insurers. Only, it expresses its dissatisfaction over the way this principle is sought to be implemented by the formula. The most scientific basis for calculation of the earning capacity of life business for the purpose of compensation, the Association says, would be to make an actuarial valuation as on 31st December 1955. The dividend-earning capacity of the company would then be determined by (1) the business in force on 31st December 1955, which in life insurance is the source of earning power, (ii) the surplus earning capacity of the business in force on 31st December 1955, and (iii) the percentage of the surplus to which the shareholders of the unit are entitled in terms of their arrangements with policyholders. The Government, of course, has not adopted the method of actuarial examination, presumably because it regards the method as cumbersome. The Association would, however, have no objection to any alternative method, provided it secured fair compensation. Its contention is that the formula does not secure that.

The adjustments made under the formula are said to affect the actual compensation receivable by the shareholders in several ways. Thus, the amended Bill provides for compensation on the average business in force for the six-year period 1950-55. In consequence, as against a business in force of about Rs. 1,020 crores on 31st December 1955, only a business of Rs. 800 crores enters the compensation calculations. In other words, companies are "compensated not on current basis but on the basis of business in force of 1952 or earlier." This reduces the actual compensation by 21.8 per cent.

Valuations

Again, the Government has ignored the consideration that the surplus earning capacity should be determined, not by any arbitrary system of averaging, but by taking into account the position as on the date of acquisition. In this connection, the Association points out that insurance operations generally result in increasing quantum of surplus at successive valuations. This is so, because the "increasing new business secured by companies year by year more than replaces the wastage caused by deaths, maturity, surrenders and lapses; the contribution from excess interest, mortality and miscellaneous sources also advance in amount." The Association has cited instances to illustrate how, in the case of several companies, in the last valuation surpluses have increased from the levels at which they stood at the preceding valuation. In the case of one company, it increased from Rs. 357.89 lakhs to Rs. 623.32 lakhs, in the case of another from Rs. 16.18 lakhs to Rs. 32.87 lakhs, and, in the case of a small company, chosen for illustration, the surplus improved from Rs. 0.10 lakh to Rs. 0.94 lakh. By introducing the concept of the average, the Government's compensation formula takes into account "not more than 80 per cent. of the earning capacity on the basis of the last valuation alone." The surplus earning capacity of the companies, as on 31st December 1955, which alone is the capacity that is relevant for purposes of compensation, would be higher than that of the last actual valuation. Even if this factor were ignored, the "averaging reduces further the compensation unjustifiably to 62.6 per cent."

Finally, the Association has calculated that, in the case of 43 companies, by reducing the percentage of valuation surplus normally allotted to shareholders from 7½ per cent. to 5 per cent., the amount of compensation is further reduced to 41.7 per cent. Referring to the allocation of only 5 per cent. of the surplus to shareholders, as against the statutory limit of 7½ per cent., the Association says:

"It has been urged by the Finance Minister that enlightened insurers allocated 5 per cent. or less to shareholders. It would be pertinent to point out that the 1949 Insurance Act Amendment Bill provided for a maximum of 10 per cent. which was what companies have been customarily allocating till that time. The select committee after examining the question reduced the maximum to 7½ per cent. and this was adopted by Parliament, wherein it was commented that this was hurting the shareholders unduly. After the passage of the Act, most companies have allocated 7½ per cent. Special considerations have prevailed in the case of companies that have allocated less. Some of them have specific provision in their prospectuses or in the articles of association which debars them from allocating at a rate higher than 5 per cent. Some have made a practice of allocating less than what is usual in the market, and this is a position from which they cannot withdraw without breaking faith with their policyholders. The companies concerned are of long standing, and their quantum of surplus and business have grown to sizable proportions.

"All over the world, a 10 per cent. allocation is regarded as normal and fair. Even the largest British insurance company, 'Prudential,' declared 8.1 per cent. in 1955 as against 8.8 per cent. in 1954. Its Chairman, Sir George Barstow, aptly indicated the current trend when he said, the 'Prudential' did not visualise a reduction in the earnings of shareholders, but only emphasised the need for regulating the quantum of profits allocated to shareholders when the size of the portfolio gets abnormally large."

The Association is right in contending that the statutory limit of 7½ per cent. itself is not a very high one. It may be worth recalling, in this connection, that the report of Mr. Sushil Sen, on which the Insurance Act of 1938 was based, did not provide for any limitation on the appropriation of life insurance profits. It was then customary for offices to allocate 10 per cent. to shareholders. The Post-war Insurance Sub-Committee, 1947, suggested a limit of 10 per cent. as the limit for the shareholders' share of the surplus. The draft Insurance Bill in 1949 provided for a maximum of 10 per cent. It was the Select Committee which reduced it to 7½ per cent. In any case, the point is that, till 1950, the 10 per cent. level was not regarded as excessive. It is not clear what has happened in the last five years to justify the view that even the 7½ per cent. level, allowed by the law since 1950, should be reduced to 5 per cent.

Surplus

As regards allocation of surpluses between shareholders and policyholders in other countries, practices vary from country to country. In the U.K., the 10 per cent. level is not regarded as excessive. As the Association points out, the Prudential, which is the largest life office in the Commonwealth, allocates about 8 per cent. of the surplus to shareholders. In Canada, where the law is very strict, there is a slab system of allocation of surplus. If the mean participating fund is less than Rs. 122.5 crores, the shareholders may be allocated 10 per cent. of the surplus. All Indian life offices would fall within this limit, inasmuch as the largest Indian life office, the "Oriental," had a life insurance fund of Rs. 77.91 crores as on 31st December 1954. Thus, judged even by the stringent standards of the Canadian Law, Indian life offices would be justified in distributing as high as 10 per cent. of the surplus to shareholders. From this point of view, the 7½ per cent. limit, set by the law, itself erred on the low side. Further, in India, as the Association points out, "7½ per cent. is really a small allocation, because the size of the portfolio of most companies is small and the amount received by their shareholders annually is meagre." And, now, even this statutory limit is sought to be reduced to 5 per cent.

There is yet another consideration which must induce the Government to view the insurers' case for compensation in a more liberal manner. Under the Bill now framed, the Government itself is providing for policyholders only 95 per cent. of the surplus. In other words, it sets a certain value on the services it renders. And it sets it at 5 per cent. of the surplus, "despite all economies of large-scale trading, the advantage of operating as a monopoly and an ambitious goal of fourfold increase in business." The Association says that "if it is fair for the Government to provide for taking 5 per cent. in future on the total portfolio of business, including the cases where policyholders received more than 95 per cent. of the surplus, there are no convincing reasons to compensate the shareholders on any lower basis than their current expectations of future earnings."

Savings

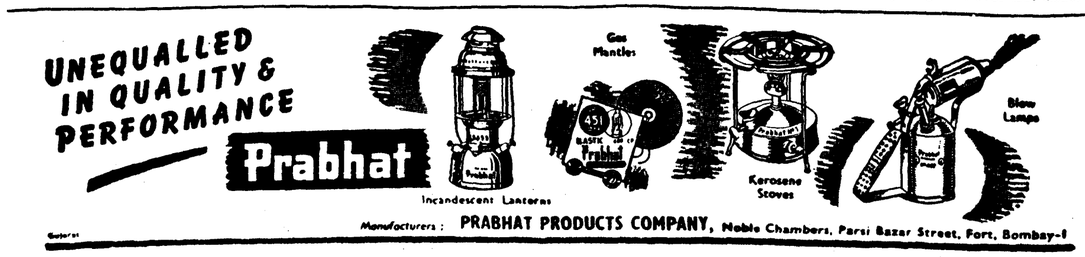
After reiterating that the formula reduces the compensation to 41.7 per cent. of what shareholders might reasonably expect to receive on a proper appraisal of the value of their interest, the Association says:

"This serious reduction in due compensation is not the only fault of the formula. It also fails to deal uniformly with all companies. It does not provide for equity and fairness in compensation between different units by ignoring their rate of growth of the business and efficiency of organisation.

"The main reason for which the Government is acquiring life insurance business is to augment the total volume of savings required for implementing the second Five-year Plan. The State is taking over a ready-made country-wide organisation of branches, agencies and personnel, and proposes to pursue more or less identical methods of business. In fixing the compensation, Parliament is now the sole arbiter against whose decision there is no remedy under the Constitution. The legislature is expected to approach the problem of regulating the respective rights of policyholders and shareholders in the business now being taken over in a judicial capacity. The compensation is not coming out of public revenue, but from the existing portfolio of contracts which will be transferred to the Corporation.

"The requirement of fairness is all the more necessary when it is realised that managing agencies have ceased to exist in insurance business since 1940 and the shareholders are mainly from fixed income group. They can ill afford to lose any part of the real value of their investments. It is hoped that, as the representative of the people's will, parliament will respect the shareholders' rights. In the long run, only a society where property rights, individual or collective, are honoured can prosper."

Besides the quantum of compensation, there are also certain other important issues on which the Government will do well to take an early and helpful decision. Thus, the Government should be prepared to allow interest on compensation. It is likely that its payment will be delayed even after the passage of the Bill. There is no reason why the Government should not agree to pay a small interest on this compensation amount. Secondly, the Government must clarify the position of the compensation from the point of view of income-tax. Obviously, compensation amount is not income. So it should not be subject to income-tax. But it would be better for the Government to announce its decision on this question, so that there may be no unnecessary litigation over this issue.



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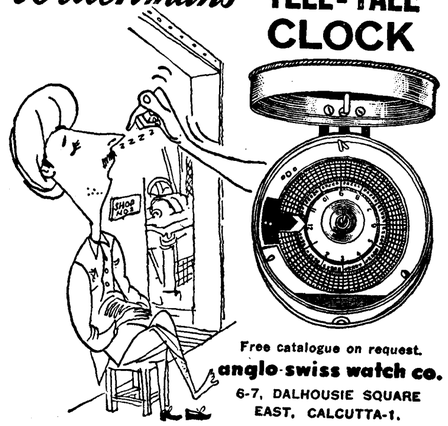
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MECHANISATION OF AGRICULTURE
IS IT SUITABLE TO INDIA?

By Daya

THE development of an underdeveloped economy is almost another name for the process of industrialisation in the minds of most people. And as an underdeveloped economy is primarily agricultural in character, the mechanisation of agriculture is considered to be the clearest sign of such a development. Steel mills, on the one end, and tractors, on the other, symbolise for the economist, the politician and the educated layman the "economic development" which is dreamt of by everybody.

The communist and the non-communist, the expert and the laity seem to be agreed on their common enthusiasm for the tractor. It is perhaps only the antiquated Gandhians who have some doubts about it, but when have they understood the complicated processes of economic development which only the experts can comprehend? And is it not a fact that countries with large exportable agricultural surpluses have also the most mechanised agriculture?

Tractor, however, is merely a symbol of mechanised agriculture. It includes other things such as threshers, mowers, reapers, binders and what are called the combine-harvesters. The main function of all these, it should be remembered, is to replace human and animal labour and not to increase the productivity of land. In countries where land is plenty in relation to the people, more land can be brought under cultivation and the total productivity can, thus, be increased. The soil and topography of the land must also be of such a nature as to allow the large-scale use of such implements. Generally, the farms should be large in area and level in their topography to allow the successful use of tractors and combine-harvesters on them.

The United States had all these conditions —abundant land, scarce labour, large and level farms—combined with a rapid development of steel and oil industries in the first decades of the twentieth century. It was in that country, therefore, that large-scale mechanisation of agriculture first started as a natural response in about the twenties of this century. From about 25,000 tractors in 1915, the figure rose to 246,000 in 1920 and to 920,000 in 1930. Since then, the number of tractors in the United States has gone on rising, till in 1950, it was 3,825,000.

Russia's Experience

The Soviet Union, where there was no labour shortage and not much production of oil or steel, felt compelled to mechanise its agriculture from the very beginning. It built its first tractor plant in 1923 and imported a large number of tractors from the U.S.A. till 1932 when, with American technical assistance, it ouilt three new tractor plants in Stalingrad, Kharkov and Cheliabinsk. It should be remembered that, till 1929, Russia's steel production was only about 5 million tons and the production of petroleum about 85 million barrels. Since then, with the phenomenal rise in steel production, the production of tractors and combine-harvesters has been continuously rising, though interrupted during the war.

The mechanisation of agriculture was demanded by no immanent factors in the agricultural situation in the Soviet Union. It was demanded more by ideological factors rather than by the necessities inherent in the situation. The aspiration to overtake and surpass the U.S.A. has been a continuous motivation of the Soviet economy from the very beginning. And thus, if the U.S. agriculture was mechanised, so should be the Soviet's, whether there was any internal necessity or not. The love of mechanisation for mechanisation's sake is, however, deeper ingrained in the valuational ethos of the planner, particularly of the communist variety, than the envious aspiration would seem to indicate. The deepest, however, seems to be the fact that the "economic development" in an underdeveloped economy being essentially an *imitation* of that which had naturally happened in the countries of the West, it comes naturally to be thought that, if we start at the other end with heavy industrialisation and mechanisation of agriculture, we would achieve the same production and consumption levels as are enjoyed by those countries.

Such an imitative impulse in the face of the most heavy odds can, however, be persisted in only because the process of economic development is being undertaken under State auspices. The private *entrepreneur* cannot, for long, persist in an economically harmful enterprise. He has to meet competition from other *entrepreneurs* and has neither the coercive capacity of the State nor the resources of the public exchequer. It was because of this reason that tractors did not make much headway in the European countries before World War II. The investment and operating costs were high, while the size of European farms was small and the topography unsuitable for their use. The most industrialised countries like the U.K., France, Belgium, Germany and Czechoslovakia had only 55,000, 30,000, 5,000, 60,000 and 6,000 tractors respectively in 1939. These figures should be compared with 1,447,000 of the U.S.A. and 483,500 of the U.S.S.R. for the same year. It is only after the war, and in some countries during the war, that a spectacular increase in the use of tractors has taken place.

The use of so many tractors has not meant any increase in the productivity of land. The U.S.A., for example, had an annual yield of 25.6 bushels per acre in corn, 12.3 in wheat and 26.5 in oats during the period 1866-75. In the period 1926-35, when it had a large amount of tractors (1,048,000 in 1935, to be exact), its per-acre yields were 23.9, 13.8 and 27.7, respectively. It is only after 1940 that the per-acre yields have risen all round in the United States and this was mainly due to a greater use of better seeds, better fertilisers and modern agricultural technology rather than more mechanisation in general. The Soviet Union's per-acre yields are no better. In fact, they are even worse than the United States'. They are just about 10 bushels of wheat per acre for 1930-34 and 10.5 bushels for 1935-39. These figures should be compared with the productivity figures for such completely non-mechanised countries as India, China, Iran, Bulgaria or Poland. During the period 1935-39 their wheat-yield per acre was 10.7, 14.9, 17.2, 22.8 and 18.0 bushels, respectively. Even the productivity per man on farms in the U.S.S.R., with the second largest numbers of tractors in the world, is about four and a half times less than that in the U.S.A.

Prerequisites to Mechanisation

Mechanisation of agriculture is, thus, indicated only for those countries where the land is abundant and there is a shortage of labour, i.e., where the land-man ratio is very high. If there is plenty of land to colonise, or if the land per farmer is very high, or if there is an acute shortage of labour for industrial undertakings, then there can be some meaning in mechanising the agriculture of a country. But there is a large amount of disguised unemployment in the agricultural sector, little new land to bring under the plough, and the land per farmer pitifully small, there can hardly be any meaning in introducing mechanisation. If, in spite of such conditions, mechanisation is sought to be introduced, it can only be because of confused ideas about its results or due to a love of mechanisation for its own sake or both.

Further, it is always possible for the State-planners to forget that tractors and combine-harvesters represent costs rather than income in relation to agricultural production as, in the computation of total national income, they count as income rather than costs. The production, maintenance and repair costs, however, are real costs and should be counted as such. A farmer would never treat them otherwise and, in fact, could not do so even if he liked. The alternative would be sheer bankruptcy and he would be quick to realise it, even if he had made such a sophisticated mistake. The State, on the other hand, can afford to ignore such a perspective and continue to believe that tractors are a sign of "economic development," whether they are needed or not. And, unfortunately, it will be able to find a sufficient number of economists to sustain her in that belief. The costs of steel, petroleum and the engineering and repairing skills is prohibitive and uneconomical in an underdeveloped country with little surplus land and large number of people. These scarce resources should, therefore, be used for more profitable purposes than the mechanisation of agriculture in these countries.

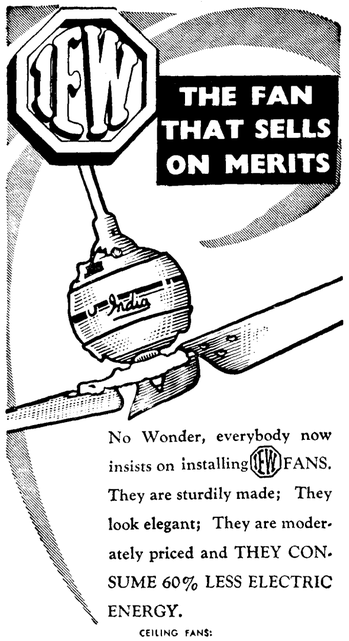
Unfortunately, most of the underdeveloped countries, particularly those of Asia, are in such a situation. Their population is large and the amount of arable land per farmer is little. Further, the rate of population growth is generally very high in these countries. With the introduction of maternity clinics, child-welfare centres and general health measures, it is expected to go still higher, at least, in the immediate future. The prospect of economic betterment would perhaps affect in the same direction in the short run. Thus, it is not the labour-displacing devices that are required for welfare development in these countries, but devices that increase productivity with a better and more extensive and intensive use of labour that is already abundant. It is a well-known common place of economic thinking these days that, under conditions of disguised unemployment, the surplus labour can, at least theoretically, be taken off the agricultural sector and used for developmental projects. As Prof. Nurske has argued, the disguised unemployment is, in fact, a disguised saving which is not recognised as such. But, if this is true and we have already a large amount of surplus labour whose proportion is expected to increase with the increase in population, there is no necessity of creating a further surplus through the mechanisation of agriculture at such huge costs.

A disguised advantage of mechanised agriculture is that it releases land for food-crops which is used as feed-crops for the upkeep of draft animals. The disguised disadvantage, however, is that the amount of available manure on farms considerably decreases and makes the application of commercial plant food more necessary than before. It should be remembered, in this connection, that "as far as can be ascertained from prolonged observation, the effect of farmyard manure is more even and lasting, while the reaction of the soil to commercial fertilisers is very strong at first but gradually falls off."* Further, the cattle population remains no more an integral part of agriculture and the farmer becomes much more dependent on the industrial sector than he has ever been before. The psycho-socio-cultural changes that are bound to occur with the mechanisation of agriculture should also be weighed in this connection.

Capital Cost Heavy

On the whole, it seems that mechanisation of agriculture is not indicated, except in some marginal cases, for the underdeveloped countries of Asia and Africa. The heavy capital costs that it involves are prohibitive in the extreme and the same amount of investment can, in most cases, be more profitably made elsewhere. The raising of productivity per acre, rather than per man-hour, should be the aim in these countries where the land-man ratio is low. As Mr. Swarup observes in his book, *Communism and Peasantry*: "A farmer's income is a function of several factors. The chief of them are: (1) the productivity of land; (2) the amount of land at his disposal; and (3) the cost of production." The amount of land per farmer can hardly be significantly increased in these countries. Therefore, the only two remaining ways to increase the income of the farmer, who constitutes the major segment of the population in these countries, are to increase the productivity of land on the one hand and to lower the costs of production, on the other. Or, at least, an increase in the costs of production must be proportionately less than the increase in productivity of the land. This is elementary economics and would never be violated if the ownership is invested in the individual farmer. But, under conditions of State ownership and collectivised agriculture, such a violation could easily take place under the confused ideology which equates "mechanisation" with "economic development" in general. In fact such a violation has already taken place in the Soviet Union, where, after 38 years of continuous attempt at economic betterment, a Prime Minister has ostensively to resign because of insufficient production in the agricultural sector. If this example is not heeded, the same mistake may be repeated elsewhere, for the ideological confusions are certainly not confined to communist countries alone.

**World Population and Production. W. S. Woytinsky and E. S. Woytinsky, 1953, p. 527. Most of the figures in this article are taken from this book.*



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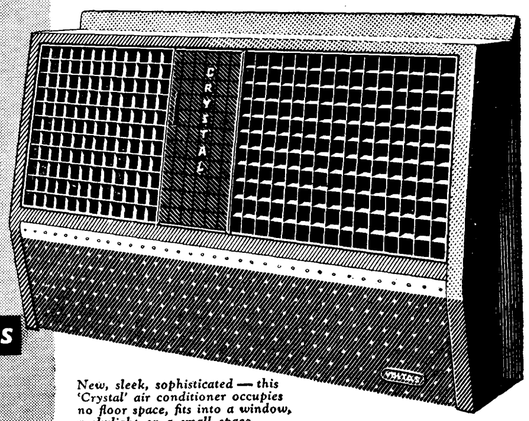

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NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Thirty-sixth Annual General Meeting of the Shareholders of the above Company will be held at the Registered Office of the Company, Temple Bar Building, 70, Forbes Street, Fort, Bombay, on Friday the 15th day of June 1956, at 4-30 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Statements of Accounts for the year ended 31st December 1955.
2. To declare a Dividend.
3. To appoint a Director in place of Mr. N. D. Sirur who retires under Article 100 of the Articles of Association of the Company but who is eligible for reappointment.

   And to consider, and if thought fit, to pass the following resolution as a Special Resolution of which special notice as required by Section 261 of the Companies Act, 1956, has been received by the Company:

   Special Resolution:

   "RESOLVED that in view of the provisions of Section 261 of the Companies Act, 1956, Mr. N. D. Sirur, an Associate of N. Sirur & Co. Private Ltd., the Managing Agents of the Company, who retires under Article 100 of the Articles of Association of the Company, be and he is hereby reappointed a Director of the Company as required by the provisions of the said Section."
4. To appoint a Director in place of Mr. Pratapsinh Mathuradas who retires under Article 100 of the Articles of Association of the Company but who is eligible for reappointment.
5. To appoint a Director in place of Mr. B. D. Kulkarni who retires under Article 100 of the Articles of Association of the Company but who is eligible for reappointment.

   And to consider, and if thought fit, to pass the following resolution as a Special Resolution of which special notice as required by Section 261 of the Companies Act, 1956, has been received by the Company:

   Special Resolution:

   "RESOLVED in view of the provisions of Section 261 of the Companies Act, 1956, that Mr. B. D. Kulkarni, an Officer of The Modern Mills Ltd., which Company is under the management of the Managing Agents, Messrs. N Sirur & Co. Private Ltd., who are also the Managing Agents of this Company, who retires under Article 100 of the Company's Articles of Association, be and he is hereby reappointed a Director of the Company."
6. To appoint a Director in place of Mr. Pingle Venkat Rama Reddy who retires by rotation but who is eligible for reappointment.

   And to consider, and if thought fit, to pass the following resolution, of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company:

   Ordinary Resolution:

   "RESOLVED that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to Mr. Pingle Venkat Rama Reddy who has attained the age of 73 years and who retires by rotation under Article 109 of the Articles of Association and that he be and is hereby reappointed a Director of the Company."
7. To appoint a Director in place of Mr. Maneklal Premchand who retires by rotation but who is eligible for reappointment.

   And to consider, and if thought fit, to pass the following resolution, of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company:—

   Ordinary Resolution:

   "RESOLVED that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to Mr. Maneklal Premchand who has attained the age of 67 years and who retires by rotation under Article 109 of the Articles of Association and that he be and is hereby reappointed a Director of the Company."
8. To consider, and if thought fit, to pass the following Ordinary Resolution:

   Ordinary Resolution:

   "RESOLVED that the consent of the Company under the provisions of Section 293 (1) (d) of the Companies Act, 1956, be and it is hereby accorded to the Board of Directors of the Company borrowing monies for the purposes of the Company even if such borrowings (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) together with the monies already borrowed by the Company exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."
9. To consider, and if thought fit, to pass the following Ordinary Resolution:

   Ordinary Resolution:

   "RESOLVED that the Registers, Minute Books and documents of the Company required to be maintained and disclosed under the provisions of the Companies Act, 1956, and particularly under Sections 49, 118, 143, 144, 150, 151, 152, 157, 163, 193, 196, 301 to 304, 307, 356 to 360, 362 and 372 of the said Act, be kept open to inspection by the persons entitled thereto under the aforesaid provisions, to the extent, in the manner and on payment of the fees, if any, specified in the aforesaid Sections, at the Registered Office of the Company on any working day between the hours of 12 noon to 1 p.m. and 3 p.m. to 4-30 p.m. (S.T.) except on Saturdays and between 11-30 a.m. to 1-30 p.m. (S.T.) on Saturdays, Provided However that the Register required to be maintained under Section 307 of the Act shall be open to the inspection of any member or holder of debentures of the Company (if any) as aforesaid during the period prescribed by clause (a) of sub-section (5) of Section 307 of the said Act."
10. To appoint Auditors for the current year and to fix their remuneration.

An explanatory statement concerning Resolutions Nos. 3, 5, 6, 7, 8 and 9 is being posted to the shareholders.

The Transfer Books of the Company will be closed from the 15th day of May 1956 to the 9th day of June 1956, both days inclusive.

A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member.

By Order of the Board,
N. SIRUR & CO., PRIVATE LTD.,
Managing Agents.
V. N. CHANDAVARKAR,
Managing Director.

BOMBAY, *27th April* 1956.

N.B.—The dividend when declared will be made payable at the State Bank of India, Bombay, on and after Friday the 22nd June 1956, to those shareholders whose names stand on the Register of Members on the 15th May 1956 and who have paid all dues to the Company whether in respect of the calls on their shares, interest thereon or otherwise. The Dividend Warrants will be made negotiable at par at the State Bank of India, Bangalore. Shareholders are requested to intimate change of address, if any.

This Notice is more particularly addressed to:—

(1) Mr. Jose Floriano Jervis Mecario Pinto, (2) Mr. Victor Rodrigues, (3) Mr. Albert Crowther Lister (Decd.) by Executors, Mr. Norman Lister and George Lister, (4) Mr. Alcina Pacheco Figuerido, (5) Mr. Domingos Rogue De Souza and (6) Mrs. Rosie Martin.

THE INDO-BURMA PETROLEUM COMPANY, LIMITED

(Originally incorporated in Burma)
(Registered in India under Ordinance No. LIV of 1942)

NOTICE IS HEREBY GIVEN THAT THE Forty-eighth Ordinary General Meeting of Members of the Company will be held at the Registered Office of the Company at Clive Buildings, Netaji Subhas Road, Calcutta, on Tuesday the 29th May 1956, at 12 noon, to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1955.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in place of Messrs. M. I. KeekeeBhai and H. J. Silverston, Directors, who retire by rotation, but are eligible for re-election and offer themselves accordingly.

(4) To pass a Special Resolution for the re-election of Mr. J. N. C. Killick who is an employee of the Managing Agents and who retires by rotation and is otherwise eligible for re-election. (See Special Resolution and Special Notice below.)

(5) To appoint Auditors for the year ending 31st December 1956, and to fix their remuneration.

Notice is further given that the Ordinary Share Transfer Books of the Company will be closed from the 14th May 1956 to 28th May 1956, both days inclusive.

AS A SPECIAL RESOLUTION

That Mr. J. N. C. Killick who is an employee of Messrs. Steel Brothers and Company, Limited, the Managing Agents, be and is hereby re-elected a Director of the Company.

Special Notice

The above Special Resolution is in accordance with Section 261(1) (*f*) of the Companies Act, 1956, since Mr. J. N. C. Killick is an employee of the Managing Agents, and it will be necessary for the Shareholders to pass a Special Resolution if they decide to re-elect Mr. Killick a Director.

By Order of the Board,
STEEL BROTHERS & COMPANY,
LIMITED,
Managing Agents.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, *30th April* 1956.

N.B.—A member entitled to attend and vote at the above-mentioned Meeting may appoint a Proxy who need not be a member to attend and, on a poll, to vote on his behalf.

THE SENDRA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-seventh Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Wednesday the 30th May 1956, at 10-40 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December 1955, declaring the Dividend recommended by the Directors, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 10th to the 30th May 1956, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CALCUTTA, *26th April* 1956.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

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Paid-up Capital - - - Rs. 45,50,000
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ALEX. IZAT,
General Manager.

AB-2.

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Capital Issued and Fully Paid up .. Hk. $25,000,000
Reserve Funds .. Stg. £ 5,000,000
Reserve Liability of Members .. Hk. $25,000,000
BRANCHES
BURMA: Rangoon
CAMBODIA: Phnom-Penh
CEYLON: Colombo
CHINA: Shanghai
DJAWA (JAVA): Djakarta, Surabaja
EUROPE: Hamburg, Paris
HONG KONG: Hong Kong, Kowloon, Mongkok, North Point
INDIA: Bombay, Calcutta
JAPAN: Kobe, Osaka, Tokyo, Yokohama
MALAYA: Cameron Highlands, Ipoh, Johore Bahru, Kuala Lumpur, Malacca, Muar, Penang, Singapore, Singapore (Orchard Road), Sungei Patani, Taluk Anson
NORTH BORNEO: Brunei Town, Jesselton, Kuala Belait, Sandakan, Tawau
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Indian Aluminium Company Limited
A Canadian - Indian Enterprise
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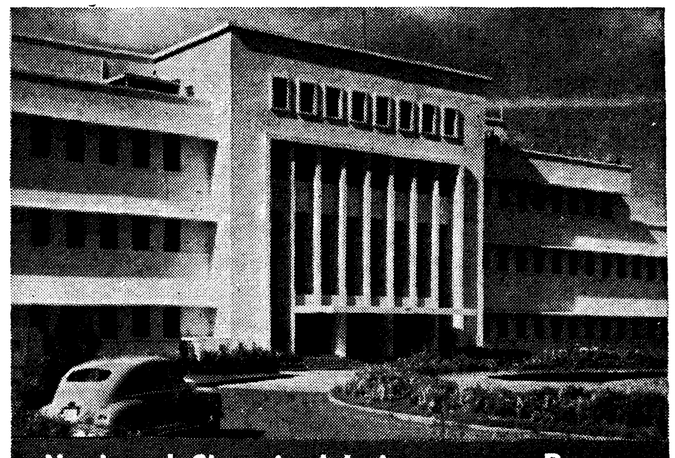

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MORE CONTROL ON CEMENT ENVISAGED

CONSUMERS WILL HAVE TO PAY HIGHER PRICE

THE demand for information on the position of cement was so strong in the Lok Sabha that the Speaker set apart 30 minutes for a discussion on the subject, despite the preoccupation of the House with more important business. The discussion took place last week, with several members participating in it. Mr. T. T. Krishnamachari, Minister for Commerce and Industry, replied to the queries put by the members. The information provided by him covered wide ground and gave an idea of the Government's mind on this important basic industry. The sum and substance of his observations was that the industry should be prepared for more controls, especially on distribution and prices. He envisaged the possibility of a pooling arrangement, whereby the imported cement and the domestically manufactured cement would be sold at a uniform price, a system similar to the one now being followed in the case of iron and steel. He further thought that it might be necessary to arrange for imports of cement through the State Trading Corporation now being actively formed. This Corporation is expected to handle imports of several articles, including steel, from the communist and the free world.

As the subject is of considerable importance, it is better to record the reported version of the Minister's remarks in the Lok Sabha. "Very soon," said Mr. T. T. Krishnamachari, "we shall be able to announce an arrangement by which the State Trading Organisation will take over the import and distribution of cement." Proceeding, he said: "We have now decided to exercise a large measure of control over distribution, because we have to tide over a period of two years, certainly, and, perhaps, even more, when stricter control over movements will have to be maintained and, perhaps, some imports will have to be made." Giving an indication of the functions of the State Trading Corporation in relation to cement, the Minister said: "The State Trading Corporation that we are setting up would take over control over distribution in the same way as is being done in the case of iron and steel. Imports will be channelled through this organisation and distribution will be arranged in such a manner that it will be reasonably efficient, but, at the same time, we will have a fair amount of control over it, without spending much money on it."

What It Means

From the foregoing quotations, it is clear (*a*) that imports of cement are certain and will continue for at least two years, if not more, (*b*) that these imports will be done not by the private sector but by the State Trading Corporation, (*c*) that the imported cement will be pooled with Indian cement and that both cements will be sold at one price, and (*d*) that the said Corporation would also distribute the imported cement within the country without spending much money on it. The position in regard to (*d*) is not quite clear. What is the extent of internal distribution that will be done by the Corporation? Will it distribute the imported cement up to the consumer stage or up to the pool, or wholesale dealers' stage? More information is necessary to know what exactly is in Government's mind. But, as the Government does not want to spend much money on this job, it is reasonable to infer that it will only import the cement and hand over the distribution of such cement to the existing trade channels, subject to its overall direction and supervision.

If this is all that is contemplated, we do not think the cement interests will raise any serious objection to the Government's move. Other sections of the mercantile community, however, may object, but the Government's reply to it will probably be that, since import of cement is a new trade, the livelihood of existing importers is not deprived and as such it can have no serious grievance against the State. The Government may further argue that, since the high-cost imported cement has to be subsidised by the low-cost indigenous cement, the import charges must be kept at as low a level as possible. Imports on State account through the State Trading Corporation will serve this object better than imports through private trade channels, inasmuch as the latter will have to be given commission and other charges amounting to a sizable amount. In other words, it can be conceivably argued that, if imports are done on no-profit basis through the State Trading Corporation, the quantum of subsidy to such cement will be less and the price of indigenous cement need not be raised heavily to achieve a uniform price. The force of this argument is strong, but it is subject to the assumption that the State Corporation can import cement more efficiently than private importers. The assumption is a big one.

Whatever may be the justification for conferring a monopoly of cement imports on the State Trading Corporation, there can be none whatever for allowing that Corporation to intrude into internal trade in cement. There is already a well-established machinery for distribution of cement. The cement marketing wing of the Associated Cement Companies has done pioneering work in this direction and has developed the market for cement through scientific research, propaganda, and efficient distribution. It was in charge of distributing the entire cement produced in the country during the war and early post-war years. It will be a waste of time and resources if this established organisation is ignored and a new one is formed for undertaking distribution. The A.C.C. is well known for its co-operative attitude and is already working under Government control and direction. Even Mr. T. T. Krishnamachari admitted in Lok Sabha that there was no difficulty in making the A.C.C. toe the Government line.

Demand Jumps Up

The necessity for importing large quantities of a simple basic raw material such as cement, for the production of which the country is well equipped by Nature, has arisen because the the demand has outstripped the supply. From 580,000 tons per month in the third quarter of 1955, the demand rose, according to Mr. T. T. Krishnamachari, to 830,000 tons per month in the first quarter of 1956 and is running at the rate of 910,000 tons per month in the current quarter. In other words, the rate of consumption has gone up from 6.96 million tons per annum six months ago to 10.92 million tons per annum now. Commenting on this phenomenal increase in demand, the Minister said: "So the demand has occurred with such rapidity that it is almost impossible to take note of it and provide against it. After all, it takes about 18 months to two years even to expand a cement factory, let alone establish a new one, and, in this connection, I would like to tell the House that, in August 1954, when I mentioned that our target for steel production should be six million tons and that our target for cement production should be in the region of ten million tons, many people thought that I was being extremely rash. But, today, we are thinking in terms of a target of 16 million tons of cement and I say that our target of 10 million tons will not be adequate at the end of the plan period. The point is that, in an expanding economy, however wise you might attempt to be and however bold you might be, the demand overtakes any provision we make."

The Minister then gave an account of what is being done to increase production in the country. He disclosed that the Government had already licensed a number of new units and substantial expansion in the existing ones. As a result, the aggregate capacity of the industry is expected to reach 12.1 million tons. This, however, does not necessarily mean that annual production will be at this rate when all the expansion plans are fulfilled, for the actual production might be a little below the capacity. From the present level of 5 million tons per annum, production is likely to touch, according to the Minister's estimate, 7.5 million tons in the first quarter of 1957 and within about nine or ten months thereafter 9 million tons. Proceeding, he remarked:

"That is the best that we could possibly do in the present circumstances. Members ask whether the Planning Commission has decided to raise the target to 16 million tons. Discussions are going on. It is not that the Planning Commission is averse to the target. The real trouble is whether we will be able to carry the cement that is made and also the raw materials that are necessary to those factories."

With the demand thus far exceeding the supply, some tightening of the existing control over distribution is inevitable. The Government may find it necessary to appoint a full time controller for cement, as has been done for steel, and give him a bigger outfit than the existing one, in order to discharge his responsibility efficiently. While thus there is a case for widening the control, it is to be hoped that this will be done in such a way as not to produce a restraining effect on expansion in production.

It is in this context that Mr. Krishnamachari's remarks on prices of cement acquire special significance. He observed that the price of cement would be decided according to the nature of supply and added by way of elucidation:

"We are thinking in terms of one equalised price. To the extent it is possible for us to reduce the price from time to time in relation or in proportion to the supplies available, the Government will certainly do it, but so long as we do not have the supplies, one of the ways by which we can inhibit the demand is to raise the prices. And I think that is a technique that will be increasingly followed by the Government in regard to those articles which are in short supply, because we do not want an inflationary spiral."

The aforesaid observation means that the method now being followed for fixing the price of steel will be applied to cement also. There will accordingly be a retention price and a selling price for cement. The factories will get the former price, while the consumers will pay the latter. Naturally, the retention price will be appreciably below the consumer's price. The difference between the two will go to the pool to be utilised for subsidising foreign cement.

The need for all this will not have arisen had the Government followed a liberal policy in fixing the price for cement. It will be recalled that the Government fixed too low a price for cement and thereby reduced the incentive to manufacturers for expanding their productive capacity. It disregarded even the modest recommendations of the Tariff Commission. This policy was also responsible for retarding the growth of new enterprises in this industry. A liberal price for cement would have attracted new *entrepreneurs* into this field, made it easy for them to raise capital, reduced the dependence on the old well-established manufacturers alone for raising production and, above all, enabled the supply to catch up with the demand. The main reasons for the parsimonious policy followed by the Government in fixing the cement prices were ideological considerations and lack of *timely* foresight. The profit-motive was considered as something derogatory and unworthy of being adopted as a device for securing expansion in production. The result is that the country is today compelled to import cement, although Nature has richly endowed it with all the raw materials necessary for producing cement. Valuable foreign exchange, which could be utilised for importing other goods and services that cannot be easily had in the country and on the availability of which depends the success of the second Plan, has to be utilised for cement. This is what happens when a Government exercises too much control, tries to interfere unduly with the operation of economic forces and discounts the value of profit-motive.

Supply of Limestone

A brief reference may now be made to the other points that emerged from the discussion. Mr. Bansal, a Congress member, asked whether the Government had looked at the problem of cement supply from a regional point of view, so as to ensure supplies quickly and also to minimise railway movement and cross-movement. Answering this question in the affirmative, Mr. Krishnamachari said: "We are examining this matter further to see how best we can make it more efficient. But regionalisation is not always possible, because the availability of limestone and coal does not coincide everywhere with the demand in that region." Dealing with availability of limestone, he informed the House that he had asked the Minister for Natural Resources and Scientific Research to get a correct assessment of the total availability of limestone in the country and to keep on exploring new areas and that the latter had promised to take this matter in hand.

Another Congress member, Mr. A. V. Thomas, asked whether Travancore-Cochin would have more than one factory now in existence. This question, said Mr. Krishnamachari, was difficult to answer, considering the fact that "the existing Travancore-Cochin factory is the highest cost unit that we have, and they (the factory) complain even now that the price allowed to them is not adequate, though they have a certain amount of advantage in regard to freight. The factory may, perhaps, expand, but, even then, it would have certain economic disadvantages loaded against its further development."

Replying to the remark of a Communist member, Mr. V. P. Nayar, that to leave the

(*Continued on page 930*)

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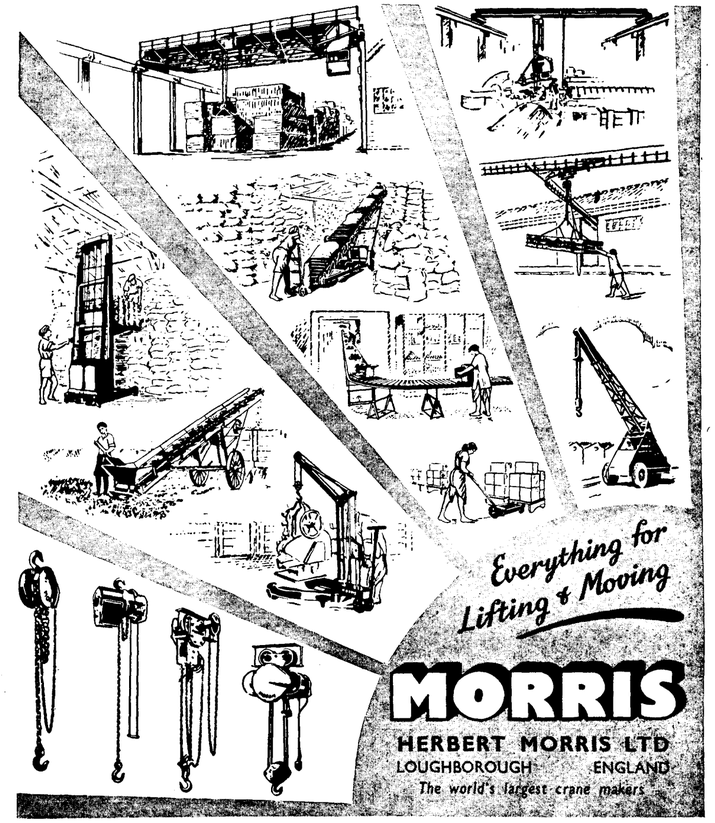

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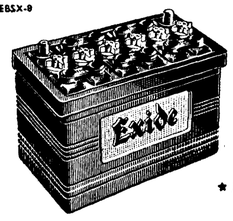

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UPWARD TREND IN EARNINGS OF TRAVANCORE RAYONS KEPT UP

DIVIDEND RAISED—OUTLOOK PROMISING

THE year ended 31st December 1955 constitutes a record one in all respects for the Travancore Rayons Ltd. (Managing Agents: Messrs. Emcete and Sons [Travancore] Ltd., Rayonpuram, Travancore-Cochin State). The production of yarn and cellulose film, in terms of weight, rose by 931,000 lbs. to a record of 5,769,000 lbs. Sales increased by over 15 per cent., that is, by Rs. 25 lakhs to Rs. 186.69 lakhs, thus well absorbing the larger production. Expenses also went up by about Rs. 23 lakhs to a new high of Rs. 126.96 lakhs. The gross profit improved by Rs. 6.96 lakhs to a record level of Rs. 54.64 lakhs. The net profit, at Rs. 25.40 lakhs, is the highest earned so far and represents an increase of Rs. 3.09 lakhs over the year.

In consonance with the above-noted progress in the working of the Company, the Directors have stepped up the dividend on ordinary shares for the second year in succession to 7½ per cent. from the maiden distribution of 5 per cent. for 1953 and 6¼ per cent. for 1954. The aforesaid increase in dividend on ordinary shares has been made after setting aside a larger sum of Rs. 14 lakhs to the deferred taxation reserve, as against Rs. 12.75 lakhs provided last year, in view of the heavy tax liability likely to arise in future.

The following comparative table presents the salient features of the Company's working results for the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	186.69	161.65	152.97	87.92
Closing stocks	25.76	31.00	40.71	56.15
Expenses	126.96	104.32	97.23	96.42
Gross profit	54.64	47.68	40.38	17.47
Managing Agents' commission	2.16	1.77	1.51	0.66
Provision for depreciation	27.08	23.59	23.31	12.45
Net profit	25.40	22.31	15.56	4.35
To deferred taxation reserve	14.00	12.75	..	..
Dividends—				
5% preference (tax free)	2.50	2.50	12.50*	0.94†
Ordinary	7.50	6.24	5.00	..
%	(7½%)	(6¼%)	(5%)	..
Carry forward	2.04	1.23	0.41	2.34

* For the five years 1949 to 1953.
† For the three years 1946 to 1948.

An encouraging feature of the Company's working during the past four years, as will be seen from the above table, is that, while sale proceeds have gone up by Rs. 98.77 lakhs, expenses have risen by only Rs. 30.54 lakhs, so that the ratio of gross profit to sales has moved up from 19.9 per cent. to 29.3 per cent. The encouraging results of the year are due to the increase in production noted above, following the successful completion of the expansion plans during the year, with the erection of (1) six Butterworth spinning machines of aggregate rated capacity of 1.8 tons of rayon yarn per day, (2) a second transparent cellulose film plant of a rated capacity of 3 tons of film per day; (3) a moisture-proof plant, capable of producing 2 tons of heat-sealing moisture-proof film per day, and (4) printing and bag-making machines to print designs and running matter on the film and to make bags out of the same. With the completion of the expansion programme, the Company's daily output rose by about 1.8 tons of rayon yarn and about 3 tons of trayophane (transparent cellulose film). The production for the year under review does not, however, reflect the full effect of the aforesaid expansion, which will be felt in the current year. The good demand which the Company's production attracted enabled the increased production to be well absorbed. The import policy of the Government was also helpful to the Company, in that it continued to take due account of the indigenous interests, although in respect of transparent cellulose film, the Government was obliged to allow some import to meet the pressing demand.

The balance-sheet as on 31st December 1955 shows that the Company has yet to build up its reserves. As against a paid-up capital of Rs. 150 lakhs, it has no reserves at all, except for a sum of Rs. 30 lakhs accumulated on deferred taxation reserve account. The current liabilities aggregate Rs. 142.19 lakhs, of which loans (secured and unsecured) from the State Government and banks account for Rs. 91.97 lakhs; a year before this item stood at Rs. 96.17 lakhs. The reduction in outstanding loans is mainly due to the repayment of the debenture loan to the State Government to the tune of Rs. 5 lakhs. The gross block shows a phenomenal increase of Rs. 105.48 lakhs during the year, of which plant and machinery alone account for Rs. 101.34 lakhs, bringing the total fixed capital expenditure up to the end of the year to Rs. 380.56 lakhs. This stands written down to a book value of Rs. 253.39 lakhs. The current assets aggregate Rs. 71.58 lakhs.

The outlook for the Company is promising. The Directors' report point out that the demand for the Company's products is constantly increasing. The tempo of economic expansion in the country is steadily helping the Company to enlarge its market. It is the firm intention and eager desire of the Directors to fulfil amply the targets allotted to this industry under the second Five-year Plan. The Directors have in view the stepping up of the rayon production by another 1.8 tons and that of cellulose film by another 4 tons per day by 1957-58.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 15-12 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 5 per cent. per annum.

INDIAN WOOD PRODUCTS' RECORD PROFIT

The decision of the Directors of the Indian Wood Products Company, Ltd. (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta), to raise the dividend on the Company's shares for the year ended 30th September 1955 from 27½ per cent. to 30 per cent., by stepping up the final distribution from 17½ per cent. to 20 per cent., is fully in consonance with the impressive performance of the Company during the year under review. The gross profit has gone up from Rs. 16.18 lakhs to Rs. 20.24 lakhs, a rise of more than 25 per cent. over the year. This increase in profit follows a fractional improvement of Rs. 0.23 lakh noted in the previous year.

The profit for the year under review, it may incidentally be noted, is a record one in the history of the Company—which is 36 years old, having been established in 1919—and exceeds the previous highest of Rs. 18.35 lakhs earned in 1951-52. After providing for Managing Agents' commission, depreciation and taxation, the net profit amounts to Rs. 9.97 lakhs—also a record—as against Rs. 7.66 lakhs for the previous year. A sum of Rs. 3 lakhs has been added to the general reserve, which had received Rs. 2 lakhs in the previous year. This is the second year in succession for which the dividend is being stepped up after the increase in capital by the capitalisation of Rs. 5 lakhs from the reserves in March 1953, as will be seen from the following comparative table which presents the salient features of the Company's working results for the last four years:

(In lakhs of rupees)

	For the year ended 30th September			
	1955	1954	1953	1952
Sale proceeds	41.81	37.41	34.01	34.94
Cost of manufacturing	20.39	20.07	17.82	17.01
Other expenses	1.39	1.29	1.32	1.28
Gross profit	20.24	16.18	15.95	16.35
Managing Agents' commission	2.13	1.82	1.68	1.74
Provision for—				
Depreciation	0.83	0.86	1.04	1.12
Taxation	7.31	5.84	5.58	6.27
Net profit	9.97	7.66	7.65	9.22
To reserves	3.00	2.00	2.72	3.00
Dividend	6.00	5.50	5.00	5.25
%	(30%)	(27½%)	(25%)	(30%)†
Carry forward	2.77	1.80	1.63	1.70

† Final dividend of 15 per cent. on the increased capital of Rs. 20 lakhs raised by the capitalisation of Rs. 5 lakhs in March, 1953.

The profit for the year under review would have been higher but for the high cost of timber on account of the higher royalty charged by the U.P. Government. The Directors expect the effects of this higher royalty on the production costs to be more keenly felt from the current year onwards. It will be noted from the table above that the surplus brought forward for the current year is higher; this additional sum is to meet the dividend tax levied in the last Union Budget which will cost the Company Rs. 85,000 on the dividend for the year under review.

The balance-sheet of the Company as on 30th September 1955 discloses an excellent financial position. The paid-up capital of Rs. 20 lakhs, of which a sum of Rs. 8 lakhs represents that raised by the capitalisation of reserves, is supplemented by reserves and surplus amounting to Rs. 23.92 lakhs. The provision for taxation stands at Rs. 4.88 lakhs. The current liabilities amount to Rs. 11.38 lakhs. The gross block of the value of Rs. 19 lakhs stands well written down to Rs. 4.65 lakhs. The current assets amount to Rs. 55.53 lakhs, of which cash balances alone account for Rs. 10.03 lakhs providing substantial cover for current liabilities and provision for taxation.

The Rs. 10 fully-paid up shares of the Company are being currently quoted at Rs. 39-12 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 8 per cent. per annum, free of income-tax.

NATIONAL RAYON'S PROFIT MAINTAINED

DIVIDEND, HOWEVER, STEPPED UP

THE shareholders of the National Rayon Corporation Ltd. (Managing Agents: Messrs. Chinai & Co. (Private) Ltd., Bombay), may have every reason to be thankful to the Directors of the Company for the increase in dividend on ordinary shares of the Company from 10 per cent. to 12 per cent. declared for the year ended 31st December 1955. This is the second increase in succession, the distribution for the previous year having been stepped up from the maiden dividend of 9 per cent. paid for 1953. The proposal to pay a higher dividend for 1955 is, however, not in consonance with the Company's working results for the year under review and is, in fact, contrary to their own declared policy, announced only a year ago, to maintain the distribution at 10 per cent. for a few years to come.

At the last annual general meeting of the Company, the Chairman had declared that, in the interest of both the shareholders and the Company, it was desirable to maintain the dividend at one rate and alter it only when a higher rate was justified and the Company's profit permitted. The Chairman had also justified this policy on the ground that the Company had to conserve its resources to finance a part of its large expansion programme. Some of the shareholders present at the annual meeting, however, contended that it was not necessary for the Chairman to make such a categorical statement in respect of dividend and wanted that portion of the speech to be deleted. Their request was not conceded by the Chairman and we also commended the Directors' wise policy on the ground that a certain amount of self-restraint in respect of dividend in the initial years of the Company would be in the long-term interests of shareholders themselves.

The Directors' decision to go back on their policy in less than a year may have been justified if at least the profit had recorded a sharp rise; but it had not done so. The gross profit for the year under review amounts to Rs. 115.26 lakhs, as compared with Rs. 115.78 lakhs for 1954, to which level it had risen from Rs. 93.17 lakhs earned in 1953. The net profit (after providing for Managing Agents' commission and depreciation) has actually declined to Rs. 58.29 lakhs after three years of successive improvement from Rs. 21.01 lakhs earned in 1951 to Rs. 63.70 lakhs in 1954. A good part of the profit has no doubt been conserved, as will be shown below, but the Company commenced building up its reserve fund only last year and has to strengthen it further. It is surprising that the Directors' report for the year under review does not contain any explanation for the change in their policy

The Company has no tax liability in respect of the year under review also. No provision has, therefore, been made for taxation. On the other hand, the deferred taxation reserve has been strengthened by the addition of Rs. 5 lakhs. The general reserve, which was created last year with an allocation of Rs. 15 lakhs, has received a further sum of Rs. 10 lakhs. A debenture redemption fund has been created by allocating Rs. 10 lakhs from the year's profit. A sum of Rs. 4.16 lakhs has also been utilised out of the profit to write off the debenture issue expenses.

The following comparative table shows the progress of the Company's working during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	342.50	296.37	285.13	211.21
Stocks of finished yarn and stock-in-process	16.08	10.92	15.85	59.60
Other income	1.75	1.57	1.35	1.14
Raw materials, stores, etc., consumed	146.81	115.57	96.55	116.52
Expenses	87.34	61.60	47.09	41.20
Gross profit	115.26	115.78	93.17	70.72
Managing Agents' commission	6.97	7.08	5.92	3.57
Provision for—				
Depreciation	50.00	45.00	40.00	35.00
Taxation	..	..	0.15	0.55
Net profit	58.29	63.70	53.02	31.60
Underwriting expenses written off	..	..	3.50	3.50
Debenture issue expenses written off	4.16	..	..	..
To reserves	25.00	38.00	22.00	..
,, gratuity fund	2.00	0.50	..	..
Dividends—				
5% cumulative preference	8.71	8.71	8.71	32.39†
Ordinary	19.02	15.77	14.19	..
%	(12%)	(10%)	(9%)	..
Carry forward	5.12	5.72	5.01	0.39

† For four years 1949 to 1952.

It will be noted from the above table that the increase in sale proceeds, has been more than offset by the rise in cost of raw materials, stores, etc., consumed and in other expenses. Of the rise in expenses, salaries, wages and allowance alone account for Rs. 17.90 lakhs and electricity charges for Rs. 4.10 lakhs. The increase in the former is due to the employment of additional workers, necessitated by the expansion in plant, and the rise in salaries to new scales of wages as per award of the Labour Appellate Tribunal with retrospective effect. The increase in electric charges is accounted for by the purchase of power from the power pool at much higher rates for operating the expanded plants.

The balance-sheet as on 31st December 1955 shows that the reserves and surplus aggregate Rs. 93.53 lakhs (as against a paid-up capital of

Points From The Chair

Mill Cloth Production

"I WOULD only like to clarify that those of us expressing the industry's point of view are not at all opposed to the development of handlooms and Ambar Charka on sound and scientific lines. I am quite in favour of giving utmost facilities and help within practical and feasible limits to enable the handloom weavers to stabilise and consolidate their position and at the same time the mill sector should also be allowed to expand in a normal way so that the position of cloth supply both for internal and external markets may continue to remain satisfactory. It should be appreciated that so far as our own narrow interest is concerned our interest will be served better by the present policy of freezing mill production rather than the policy that we advocate of increasing production and competition in the mill sector. I welcome in this connection the assurances recently given by the Prime Minister that Government will not take any risk in the matter and that nothing will be finally decided without a thorough and proper examination of all the different aspects of this complicated question."

G. D. SOMANI,
Shree Niwas Cotton Mills Ltd.

Economics of Aluminium Production

"The electric power required in very substantial quantities for the production of aluminium may be obtained from several sources. Most of the new aluminium capacity in the United States has been or is being based on coal or gas or lignite as the source of power. These thermal plants are being built at the source of fuel and in close proximity to large markets for primary aluminium. Plants so located permit savings to be made in the outward transportation of the product and are further buttressed by the protection given the domestic United States market. Leaving aside tariff protection, the true economics of such developments will no doubt be influenced by the longer range availability and price of the fuel sources as well as the demand for energy in such industrialised areas by those willing to pay higher power prices than aluminium producers. It is difficult to predict what impact these and other forces will have on the true cost and availability of such power over a period of time. Under present conditions, however, the development of these production sites based on thermal power offers vigorous competition to those like ourselves who sell aluminium in the United States."

NATHANAEL V. DAVIS,
Aluminium Ltd.

State Finance Corporation

"With regard to terms and conditions on which the Corporation extends financial accommodation, the opinion has sometimes been expressed that a few of these are stringent and that particularly the rate of interest at 6 per cent., may be regarded as on the high side for a corporation which has been established for the specific purpose of giving financial assistance to small- and medium-scale industries. In this connection, may I point out that the rate of interest has to be viewed in the total context including the general level of interest rates in the country? Moreover, as you are aware, there has been a tendency for interest rates to rise. Apart from these considerations, an important reason why the Corporation is unable at present to reduce the rate of interest is that it has to pay a minimum guaranteed dividend of 3½ per cent. to its shareholders free of income-tax. If the Corporation raised its own resources at a cheaper rate it would be in a position to formulate a more flexible policy in charging the interest rates on its loans and advances."

PURSHOTTAM KANJI,
Bombay State Financial Corporation.

(Concluded from previous page)

Rs. 333.75 lakhs), of which general reserve accounts for only Rs. 25 lakhs, deferred taxation reserve for Rs. 50 lakhs and debenture redemption reserve for Rs. 10 lakhs. During the year under review, the Company raised debenture capital to the extent of Rs. 150 lakhs, secured by 5½ per cent. mortgage debentures (1965-70), the outstandings on account of which along with accrued interest, amount to Rs. 154.63 lakhs. Out of the proceeds of the debenture issue, the Company has repaid its outstanding loan of Rs. 40 lakhs, taken from the Industrial Finance Corporation of India, as also the loans from banks. The current liabilities aggregate Rs. 48.35 lakhs. There has been an addition of Rs. 120.25 lakhs to the gross block during the year, bringing the total value to Rs. 684.71 lakhs. This stands written down to a book value of Rs. 479.71 lakhs. The current assets aggregate Rs. 178.28 lakhs.

The third stage of expansion of the Company's rayon plant taken in hand last year, as well as the putting up of the caustic soda chlorine plant, are progressing according to schedule. The bringing into operation of these plants, however, has to be co-ordinated with the availability of additional electric power required for operating these plants.

The Rs. 100 fully paid-up shares are being currently quoted at Rs. 247-8 *cum-div.* On an *ex-div.* basis, the yield works out to 5.1 per cent. per annum.

DUNLOP RUBBER COMPANY

The Dunlop Rubber Company, Ltd., London, has earned a net profit of £2,857,531 for the year ended 31st December 1955, which represents a slight decline from that of £2,902,972 earned in 1954. The transfer to the general reserve has been cut from £1,000,000 to £850,000. The preference dividends absorb £451,447, as against £364,506. The ordinary dividend has been maintained at 14 per cent. per annum, including an interim distribution of 4 per cent. made in December 1955. The surplus left to be carried forward is £1,498,490, as against £1,494,523 brought in from 1954.

COMPANY MEETINGS AND DIVIDENDS

NEW CENTRAL JUTE MILLS CO., LTD. Annual General Meeting, Calcutta, 14th May 1956. Dividend: As. 12 per share. Transfer books remain closed from 5th to 14th May 1956, both days inclusive.

SITALPORE SUGAR WORKS LTD. Annual General Meeting, Calcutta, 14th May 1956. Dividend: *Nil.* Transfer books remain closed from 1st to 14th May 1956, both days inclusive.

MAHINDRA AND MAHINDRA LTD. Annual General Meeting, Bombay, 14th May 1956. Dividend: Re. 1 per share. Transfer books remain closed from 30th April to 14th May 1956, both days inclusive.

SHREE SITARAM SUGAR CO., LTD. Annual General Meeting, Calcutta, 15th May 1956. Transfer books remain closed from 5th to 15th May 1956, both days inclusive.

DEORIA SUGAR CO., LTD. Annual General Meeting, Calcutta, 15th May 1956. Transfer books remain closed from 5th to 15th May 1956, both days inclusive.

BOKARO AND RAMGUR LTD. Half-yearly General Meeting, Calcutta, 15th May 1956. Transfer books remain closed from 9th to 15th May 1956, both days inclusive.

BHARAT LINE LTD. Annual General Meeting, Bhavnagar, 21st May 1956. Dividend: Rs. 5 per share. Transfer books remain closed from 24th April to 23rd May 1956, both days inclusive.

INDIAN WOOD PRODUCTS CO., LTD. Annual General Meeting, Calcutta, 22nd May 1956. Dividend: Rs. 2 per share (final). Transfer books will remain closed from 14th to 22nd May 1956, both days inclusive.

PEERMADE TEA CO., LTD. Annual General Meeting, Pathirapally, 24th May 1956. Dividend: Rs. 2-4 per share (final). Transfer books remain closed from 11th to 27th May 1956, both days inclusive.

INDUSTRIAL GASES LTD. Annual General Meeting, Calcutta, 24th May 1956. Transfer books will remain closed from 16th to 24th May 1956, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 29th May 1956. Transfer books will remain closed from 14th to 28th May 1956, both days inclusive.

GODFREY PHILLIPS, INDIA, LTD. Annual General Meeting, Bombay, 30th May 1956. Transfer books will remain closed from 24th to 30th May 1956, both days inclusive.

CHURULIA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 30th May 1956. Transfer books remain closed from 10th to 30th May 1956, both days inclusive.

EASTERN INVESTMENTS LTD. Annual General Meeting, Calcutta, 30th May 1956. Dividend: Rs. 9 per share. Transfer books will remain closed from 16th to 30th May 1956, both days inclusive.

SENDRA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 30th May 1956. Dividend: As. 2 per share (2½ per cent. per annum). Transfer books remain closed from 10th to 30th May 1956, both days inclusive.

BHARTIA ELECTRIC STEEL CO., LTD. Annual General Meeting, Calcutta, 4th June 1956. Transfer books will remain closed from 18th May to 4th June 1956, both days inclusive.

COIMBATORE PIONEER MILLS LTD. Dividend of Rs. 20 per ordinary share, for the year ended 31st December 1955.

TROPICAL PLANTATIONS LTD. Dividend of Rs. 4 per ordinary share for the year ended 31st December. 1955. Transfer books will remain closed from 25th to 31st May 1956, both days inclusive.

SRI VENKATESA MILLS LTD. Dividend of Rs. 13-12 per ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 19th May to 4th June 1956, both days inclusive.

MINERVA MILLS LTD. Dividend of Rs. 6 per share, for the year ended 31st December 1955, payable on 22nd June 1956. Transfer books will remain closed from 15th May to 9th June 1956, both days inclusive.

COMPANY REGISTRATIONS

SENCO ENGINEERING WORKS & CO. PRIVATE LTD. (First Director: Mr. K. C. Sen.) Business: Manufacturers of cycles, bicycles and carriages of all kinds, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 55/2, Sastitala Road, Narkeldanga, Calcutta.

R. SEN & CO. (AGENTS) PRIVATE LTD. (First Director: Mr. Milan Sen.) Business: All kinds of agency business. Authorised capital: Rs. 5,00,000. Private company. Address: 10/1, Elgin Road, Calcutta.

G. K. SEN & CO. PRIVATE LTD. (First Director: Mr. Milan Sen.) Business: Importers, exporters, shipowners, etc. Authorised capital: Rs. 5,00,000. Private Company. Address: 10/1, Elgin Road, Calcutta.

SHIPPERS LTD. (First Director: Mr. L. P. Bagaria.) Business: Boat contractors, lighter contractors, etc. Authorised capital: Rs. 5,00,000. Public company. Address: P21/22, Radhabazar Street, Calcutta-1.

Notices

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED

(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE Twelfth Annual General Meeting of the Company will be held on Monday the 4th June 1956, at the Registered Office of the Company at Pathirappally, at 11.30 a.m., to transact the following business:—

1. To receive and adopt the Audited Accounts and Balance Sheet for the year ended 31st December 1955 and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors.

   Note.—Sri V. O. Markos, one of the Directors who is to retire and is eligible for re-election, will complete 65 years of age at his next birthday in June 1956 and a resolution that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to him is necessary. Special Notice of the following resolution for exempting him from the age limit, as required by Section 281, is hereby given:—

   "Resolved that Sri V. O. Markos, who will be aged 65 years next birthday, be and is hereby re-elected as a Director, and that the age limit prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."

   A copy of the explanatory statement under Section 173 of the Companies Act, 1956, is available for inspection of the Shareholders at the Registered Office of the Company during office hours of the Company on all working days till the date of the above meeting.
4. To appoint Auditors.

The Transfer Books and Register of Members of the Company will remain closed from 18th May 1956 to 5th June 1956 (both days inclusive).

Any Shareholder unable to attend personally is entitled to appoint any person (whether a member or not) as his proxy to attend and vote instead of himself, subject to the provisions of Section 176 of the Companies Act, 1956. Such proxy should reach the Registered Office of the Company at least 48 hours before the time fixed for the Meeting.

By Order of the Board,
THE TRAVANCORE RUBBER & TEA CO., LTD.,
Per Pro ASPINWALL & Co. (TRAVANCORE) (PRIVATE) LTD.,
V. C. THOMAS,
Managing Agents.

PATHIRAPPALLY, 3rd *May* 1956.

THE WEST COAST ELECTRIC SUPPLY CORPORATION LIMITED

Registered Office:
20, Second Line Beach, MADRAS-1

INTERIM DIVIDEND

NOTICE IS HEREBY GIVEN THAT THE Directors have declared:

(*a*) An interim dividend at 5 per cent. free of Income-tax on the Ordinary Shares for the half-year ended 30th September 1955.

(*b*) Half-yearly dividend on Preference Shares at 2½ per cent. less tax.

The Share Transfer Books of the Company will be closed from 16th to 22nd May 1956 both days inclusive.

The Dividend Warrants will be posted on or after 28th May 1956 to those shareholders whose names stand on the Register of Members as on 16th May 1956.

By Order of the Board,

FOR CHANDRIE & Co., (PRIVATE) LTD.,

M. SUBRAMANIAM,
Chief Accountant,
Managing Agents.

MADRAS, 2nd *May* 1956.

COONOOR TEA REDUCES DIVIDEND

SHARP FALL IN PROFIT OF RAJALAKSHMI MILLS

Coonoor Tea Estates Co., Ltd.

THE directors of the above Company (Secretaries: Messrs. Matheson, Bosanquet & Co., Private Ltd., Belmont, Coonoor) submit the audited accounts of the Company for the year ended 30th September, 1955.

The profit for the year after providing for depreciation, taxation, etc., was Rs. 90,358 (Rs. 2,00,295) to which is to be added the balance brought forward from last year of Rs. 77,214 (Rs. 58,355), making a total of Rs. 1,67,572 (Rs. 2,58,651). After deducting preference dividend of 6 per cent. Rs. 9,000 (Rs. 9,000) and ordinary interim dividend of 10 (10) per cent. Rs. 24,986 (Rs. 24,986) there is a balance of Rs. 1,33,586 (Rs. 2,24,665). The directors now recommend the following further appropriations:

A final ordinary dividend of 15 (25) per cent. free of income-tax absorbing Rs. 37,479 (Rs. 62,465) and transfer to general reserve Rs. 95,000 (Rs. 60,000). On approval of the above appropriations, the balance of Rs. 1,107 (Rs. 77,304 after paying a bonus of 10 per cent. absorbing Rs. 24,896) is to be carried forward. The dividend, as stated in the circular dated 1st November 1955, will be paid only to holders of the old shares bearing distinctive Nos. 1 to 24,986.

Tea crop	1955	*Estimate*	1954
	lbs.	lbs.	lbs.
Coonoor	2,70,403	2,40,000	2,61,052
Adar	50,898	50,000	
Bought leaf ...	1,01,076	1,70,000	
Total ...	4,22,377		

The cost of production was 163.07 (108.39) cts., the increase being attributable mainly to the value of export quota purchased, fall in tea prices and purchase of bought leaf. The crop was sold at a net average of 210.01 cts., compared with 231.08 cts. per lb., obtained in previous season.

Estimates 1955-56:—A crop of 3,70,000 lbs. is estimated. Cost of production is estimated at 146.04 cts. including 21.58 cts. for manuring. The estimate for capital expenditure covers the following:—Factory extension Rs. 55,000, labour quarters Rs. 21,600, packing materials stores Rs. 3,000, staff quarters Rs. 5,000 and Fermenting tables Rs. 1,200.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	3,99,860	Block ...	10,97,473
Reserves ...	2,60,000	Stock-in-trade	2,04,067
Provision for taxation ...	78,773	Stores and spare parts	43,971
Liabilities ...	3,99,196	Tea export quota ...	24,480
Profit and loss account ...	1,33,586	Advances and deposits ...	28,921
		Investments	52,500
		Cash ...	20,008
Rs.	14,71,420	Rs.	14,71,420

Rajalakshmi Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. B. Rangaswamy Naidu and Sons, Uppilipalayam) submitted the audited accounts of the Company for the year ended 31st December, 1955.

After deducting all working expenses and interest and providing Rs. 8,30,905 (Rs. 1,20,511) for depreciation, the year's working has resulted in a net profit of Rs. 2,40,870 (Rs. 8,56,915). With Rs. 12,337 being the balance profit carried forward from last year, there is a balance of Rs. 2,53,207 (Rs. 8,56,337). The directors have paid out of this Rs. 4,126 (Rs. 1,000) as donation leaving a balance of Rs. 2,49,081 (Rs. 8,55,337). Adding to this a sum of Rs. 2,00,000 (*nil*) appropriated from the dividend equalisation reserve, there is a sum of Rs. 4,49,081 (Rs. 8,55,337) to the credit of profit and loss account. The directors recommend to dispose of the same as follows:—

To provision of taxes Rs. 1,25,000 (Rs. 3,80,000), to pay a tax free dividend of 6½ per cent. on preference shares Rs. 13,000 (Rs. 13,000), to pay a tax free dividend of 20 (20) per cent. on the ordinary shares Rs. 3,00,000 (Rs. 3,00,000) and to carry forward to next year Rs. 11,081 (Rs. 12,337 after placing Rs. 1,50,000 to machinery replacement reserve).

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	17,00,000	Block ...	22,79,861
Reserves ...	32,00,009	Stock-in-trade	13,33,169
Provision for taxation ...	7,07,009	Stores ...	2,17,221
Liabilities ...	7,08,413	Debts, deposits and advances ...	15,26,212
Profit and loss account ...	2,49,081	Investments ...	11,09,167
		Cash ...	98,873
Rs.	65,64,503	Rs.	65,64,503

Bombay Dyeing and Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Nowrosjee Wadia and Sons (Private) Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December, 1955.

The profit for the year, after making a provision of Rs. 29,50,000 (Rs. 18,50,000) for taxes amounts to Rs. 25,30,350 (Rs. 18,60,332). Adding thereto the balance brought forward from the accounts of the previous year of Rs. 52,579 (Rs. 2,00,000) the total comes to Rs. 25,82,929 (Rs. 20,60,419). From this is deducted the amount paid on 29th September 1955 as *ad-interim* dividend at the rate of Rs. 7-8 (Rs. 7-8) per share, free of income-tax, Rs. 7,52,940 (Rs. 7,52,940) leaving a surplus of Rs. 18,29,989 (Rs. 13,07,479). From this sum the directors recommend payment of a final dividend at the rate of Rs. 12-8 (Rs. 12-8) plus a bonus of Rs. 5 (*nil*) per share, free of income-tax absorbing Rs. 17,56,860 (Rs. 12,54,900) leaving the balance of Rs. 73,129 (Rs. 52,579) to be carried forward. The directors trust that the results of the year's working will be considered satisfactory.

During the early part of the year, prices of cotton remained steady, but declined somewhat on expectations of a bumper crop of more than 50,00,000 bales. Later, the announcement by Government of a reduction in the export duty on certain varieties of cotton gave a fillip to the market. Due to unseasonal rains and floods in August and October, the cotton crop suffered some damage with the result that prices of staple varieties hardened, and at the close of the year the cotton market displayed a firm tendency with prices ruling much higher than at the end of the previous year.

Control on the production of certain varieties of yarn and cloth continued during the year. In March 1955, the Textile Commissioner placed a restriction on the production of printed cloth by mills, and fixed quarterly quotas on the basis of peak production of past years. Conditions in the cloth market were dull in the early part of the year, but later demand revived and the offtake was well maintained.

Under the Finance Act of 1955, the Government of India changed the basis for collection of excise duty from linear yard to square yard, and the duty was fixed at 9 pies per square yard for coarse and medium cloth, and 18 pies per square yard for fine cloth, inclusive of the handloom cess.

Free licensing of export of cloth continued during the year, but the total quantity of textiles exported from India during 1955 amounted to approximately 815.5 million yards, as against 898 million yards in 1954. The Company, however, maintained its export business in various overseas markets, although in certain countries, such as Australia, import restrictions were tightened progressively. During the first half of the year prices of yarn in the local market declined slightly, but later due to increased demand prices improved.

In January 1955, the Government of India decided to permit exports of yarn on a limited scale. The quota allowed to each mill for export was gradually increased from 40 per cent. to 66⅔ per cent. of the mills' actual deliveries in the local market over 120 per cent. during each quarter. In accordance with this relaxation, the Company was able to entertain some export business for yarn at fairly good prices.

In the last report, reference was made to the orders placed for the new warp ring spinning frames for the Spring Mills, and the Barber Colman high speed automatic spoolers and warpers for the Spring and Textile Mills. This new machinery valued at Rs. 59,53,097 was received and installed, and is working satisfactorily at both the Mills.

The directors are very glad indeed to report that after prolonged negotiations with the Government of India, the Company was granted an import licence for the installation of 1,206 automatic looms for the Spring Mills. The shipment of the new looms will commence from the middle of the current year, and deliveries will be completed by the end of 1957. These looms will be of the most modern type and of the highest quality obtainable, and will replace 1,742 existing obsolete power looms. Simultaneous with the installation of these looms, a second shift will be started at the Spring Mills, and it is hoped that by the end of 1957 the output will be doubled in this Mill. This programme alone will give fresh employment to approximately another 1,500 employees.

In consonance with the policy of keeping the mill machinery up-to-date, new Sizing Machines have been ordered to replace entirely the existing equipment at the Spring Mills. As the present Bleach and Dye House cannot meet the demand on the Company for finished goods, and as the existing Works have become very congested and out of date, it has been decided to construct a new Bleach Works at the Textile Mills, to which some of the existing machinery will be transferred, and a most modern bleaching range capable of an output of 2,40,000 yards per day of two shift working will be installed along with new dyeing and finishing equipment. This plant will double our present output of finished goods, and sufficient space has been left to increase the variety of finished goods at a later stage. The construction of the building has begun, and orders for machinery for the first stage have already been placed. It is anticipated that the new Bleach Works will go into production during the first half of 1957.

The directors are glad to report that National Peroxide Ltd., about which a reference was made in the last report, commenced manufacturing operations on 15th February, 1956. The quality of hydrogen peroxide manufactured by this Company is fully upto standard of the imported British product.

In order to give a clearer picture to the shareholders, the directors have decided to keep the depreciation figures as actually allowed by the income-tax authorities. The excess over this amounting to Rs. 40,17,040, plus Rs. 10,35,701 development rebate credited in 1954, have, therefore, been transferred from the machinery deterioration and building deterioration funds and credited to the rehabilitation and development account. This explains the reason why in the profit and loss account we have shown Rs. 26,86,590 for depreciation, and yet there is a reduction in deterioration funds shown in the balance-sheet, as compared with the 1954 accounts. The figures are:—

	Machinery deterioration	Building deterioration	Motor vehicles
	Rs.	Rs.	Rs.
Depreciation as on 31st December 1954 ...	2,60,79,732	92,62,803	79,153
Less—Adjustment for sale of old machinery	18,819	...	7,236
	2,60,60,913	92,62,803	71,917
Less—Development rebate transferred	10,35,701	...	...
	2,50,25,212	92,62,803	71,917
Add—Depreciation for 1955 ...	25,15,803	1,63,388	7,399
	2,75,41,015	94,26,191	79,316
Less—Transferred to Rehabilitation and Development Account	17,86,423	22,21,510	9,107
Balance	2,57,54,592	72,04,681	70,209

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	2,50,98,000	Block ...	4,92,35,445
Reserves ...	2,99,72,778	Stock-in-trade ...	1,53,24,455
Provision for depreciation ...	3,29,59,273	Stores, oil and spare parts	29,65,696
Provision for taxation ...	29,94,200	Other assets	14,775
Liabilities ...	1,50,97,287	Debts, and advances	40,52,494
Profit and loss account ...	18,29,989	Investments	73,65,865
		Cash ...	2,89,92,797
Rs.	10,79,51,527	Rs.	10,79,51,527

Raipur Manufacturing Co., Ltd.

The directors of the above Company (Agents: Messrs. Lalbhai Dalpatbhai and Co., Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December, 1955.

The profit for the year after providing Rs. 4,75,000 (Rs. 5,67,000) for depreciation amounted to Rs. 14,65,051 (Rs. 9,42,005) to which was added the last year's balance of Rs. 37,245 (Rs. 32,522), making a total of Rs. 15,02,296 (Rs. 9,74,527). From this was deducted the *ad-interim* dividend of Rs. 7-8 (Rs. 7-8) for the first half of the year 1955 Rs. 93,750 (Rs. 93,750), provision for taxation Rs. 6,65,015 (Rs. 4,25,000), appropriations as per resolution of board of directors dated 5th October, 1955:—Transferred to "Capital Redemption Reserve Fund" on 1st January 1956, against redemption of 5,000 4½ per cent. "A" class redeemable cumulative preference shares of Rs. 100 each Rs. 3,50,000 (Rs. 50,000 to reserve fund) and transferred to preference shares dividend account on 1st January 1956, for payment of dividend (after deducting income-tax) accrued on the above said shares for the year ending 31st December, 1955) Rs. 16,594 (Rs. 1,00,000 to contingency fund) leaving an available balance of Rs. 3,76,938 (Rs. 3,05,777). The directors recommend the payment of dividends as follows:—

To income-tax free dividend of Rs. 17-8 (Rs. 17-8) plus Rs. 10 (*nil*) as bonus per share on 12,500 ordinary shares for the second half of the yeas ended 31st December 1955, Rs. 3,43,750 (Rs. 2,18,753), to dividend on 5,000 4½ per cent. cumulative preference shares for the year ended 31st December 1955, less income-tax Rs. 16,594 (Rs. 16,594) and to dividend on 5,000 4½ per cent. "B" class redeemable cumulative preference shares for the year ended 31st December, 1955 less income-tax Rs. 16,594 (Rs. 16,594).

During the year under report the prices of cotton were high, but the bill for wages was reduced to some extent. From the second quarter of the year, the demand for cloth improved and the improvement continued till the end of the year. The directors trust that the result of the working of the mills will be considered satisfactory.

The Mills have complete Dyeing and Bleaching Plants.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	27,50,000	Block ...	86,29,439
Reserves ...	1,11,10,876	Stock-in-trade	39,46,929
Depreciation fund ...	60,39,883	Stores ...	6,06,201
Provision for taxation ...	7,45,933	Debts and advances ...	15,53,532
Liabilities ...	11,43,588	Investments	48,78,774
Profit and loss account ...	7,43,531	Cash ...	29,18,936
Rs.	2,25,33,811	Rs.	2,25,33,811

Parasea Collieries, Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. Deepchand Kishenlall, Calcutta) submitted the audited accounts of the Company for the half-year ended 31st December 1954.

The Company's profit for the half-year ending 31st December 1954, after providing Rs. 28,872 (Rs. 46,154) for depreciation and Rs. 60,000 (Rs. 33,800) for income-tax is Rs. 48,075 (Rs. 26,900). After adding the balance brought forward from last account of Rs. 7,443 (Rs. 5,618), the total available amount for disposal is Rs. 55,518 (Rs. 1,52,518 with Rs. 1,20,000 transferred from the

general reserve fund). The directors propose payment of dividend to the shareholders of 3,000 preference shares at the rate of 5½ per cent. per annum taxable for the half-year ending 31st December 1954. This would absorb a sum of Rs. 16,225 (Rs. 32,450 for 1953). The directors also propose payment of dividend to the holders of 83,400 ordinary shares at the rate of As. 6 (As. 2) only per share free of income-tax for the half-year ending 31st December 1954, which will amount to Rs. 31,275 (Rs. 10,425) only leaving a balance of Rs. 8,018 (Rs. 3,020) to be carried forward.

Output and Despatches

	For the Half-year ending Dec. 1954. in Tons	For the Half-year ending June 1954. in Tons	For the Half-year ending Dec. 1953. in Tons
Raisings	45,843	46,615	35,987
Despatches	46,080	37,515	37,139
Stock after boiler consumption ...	3,117	7,335	1,676

During the half-year under review the output has been almost maintained as compared with the previous half-year and have considerably increased in comparison with the corresponding last half-year and the despatches have also improved immensely due to which the stock position became much easier. The electrification of the Colliery has already been started and we expect that by July 1956. The Company will be able to start electric power to facilitate the pumping work in the monsoon.

The directors inform that they have also submitted to the Government of India a scheme for developing Kenda Seam by sinking 2 pits for increasing the production in the next Five-year Plan by 20-25,000 tons per month by the end of 1961, and if the sanction is accorded to us the work will be taken in hand.

The relation with labour is not very cordial at present. The Colliery workers were on strike for 1 month and 10 days during January-February 1956 and the working has been resumed since the middle of February. The matter has been referred to the Industrial Tribunal at Dhanbad for their decision by the Government of India. However, the results for the next half-year are satisfactory.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	16,34,000	Block ...	9,21,342
Reserves ...	10,862	Stock of coal	29,613
Provision for taxation ...	2,34,004	Stores ...	59,020
Liabilities ...	3,41,246	Debts, deposits and advances ...	8,29,640
Profit and loss account ...	55,518	Investments	75,000
		Cash ...	3,61,015
Rs.	22,75,630	Rs.	22,75,630

Walchandnagar Industries Ltd.

The directors of the above Company (Agents: The Premier Construction Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 30th September 1955.

During the year under report the Company made a profit of Rs. 27,94,589 (Rs. 25,46,913) after providing Rs. 12,50,000 (Rs. 12,00,000) for depreciation and Rs. 15,00,000 (Rs. 13,00,000) for taxation so that this together with the sum of Rs. 1,79,083 (Rs. 1,72,670) the balance brought forward from the last year's accounts amounted to Rs. 29,73,672 (Rs. 27,19,583). This amount was available for disposal and the directors have made the following appropriations:

For dividend on preference shares at Rs. 7 per share (free of income-tax) Rs. 24,500 (Rs. 24,500), for dividend on ordinary shares at Rs. 18 (Rs. 16) per share (free of income-tax) Rs. 18,18,000 (Rs. 16,16,000), for debenture redemption fund Rs. 5,00,000 (Rs. 4,00,000), for reserve fund Rs. 5,00,000 (Rs. 5,00,000) and for carrying forward Rs. 1,31,172 (Rs. 1,79,083).

The Sugar Factory commenced crushing of sugarcane on 4th November 1954 and the same was stopped on 14th April 1955. Sugarcane crushed during the season was 1,79,930 (1,69,691) tons while sugar manufactured was 2,22,787 (2,01,894) bags with a recovery of 12.51 (12.045) per cent. The Distillery produced 3,77,757 (4,70,528) gallons of rectified spirit during the year under report.

This Company ceases to be the subsidiary company of the Premier Construction Co., Ltd. during the year under report. The Shares of the Company have been listed on forward list by the Stock Exchange, Bombay, since January last year.

The directors inform, that the Company will manufacture machinery especially sugar factory machinery in collaboration with Messrs. Skoda of Czechoslovakia and a licence for this purpose under Industries (Development and Regulation) Act, 1951 has been received from the Government of India. A further licence for substantial expansion of this unit is awaited from the Government.

The directors also inform, that the hydrogenation plant has been re-modelled and has started production of dehydrogenated groundnut oil and the quality of this has been found satisfactory. The Company had placed an order for a solvent extraction plant to improve the working of the Oil Mill by de-oiling the residual oil from the oil cakes as a result of which not only the residual oil is extracted, which otherwise would have been wasted; but also the oil cakes, when de-oiled, have got better manurial value. A major portion of the machinery for solvent extraction has been received and is under erection.

Due to keen competition and Government restriction the Company is experiencing difficulty in the disposal of distillery products and also in realising remunerative rates.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	1,04,50,000	Block ...	1,99,96,448
Debentures ...	45,00,000	Stock-in-trade	43,29,925
Reserves ...	61,97,998	Stores and spare parts	48,41,560
Provision for depreciation ...	1,15,32,428	Cane plantation in progress ...	41,83,731
Liabilities ...	52,95,269	Other assets ...	5,71,587
Profit and loss account ...	29,73,672	Debts, deposits and advances ...	8,63,733
		Investments	12,35,447
		Cash ...	49,26,936
Rs.	4,09,49,367	Rs.	4,09,49,367

Braithwaite & Co. (India) Ltd.

The directors of the above Company (Secretary: Mr. Y. S. Tayal, Calcutta) submitted the audited accounts of the Company for the year ended 31st December 1955.

After making provision to the extent of Rs. 13,00,000 (Rs. 9,00,000) to meet the Company's liability in respect of income-tax and super-tax, and after providing for depreciation and other sundry charges, the profit for the year amounted to Rs. 15,32,716 which compares with the profit of last year of Rs. 10,94,084. This profit together with the amount of Rs. 2,09,750 (Rs. 1,52,392) brought forward from last year's accounts, leaves a sum of Rs. 17,62,466 (Rs. 12,46,476).

Section 23-A of the Indian Income Tax Act as amended by the Finance Act, 1955 obliges the Company to distribute an additional dividend for the year ended 31st December 1954. The directors therefore recommend payment of an additional dividend at the rate of six annas per share.

An application is being made under sub-Section 3 of Section 23-A for exempting the Company from the provisions of Section 23-A. Pending decision on this application the directors recommend that a dividend at the rate of Re. 1-12 (Re. 1-2) per share be declared for the year ended 31st December 1955. Dividends as recommended will absorb Rs. 12,02,705 (Rs. 6,36,726), leaving a balance of Rs. 5,59,761 (Rs. 2,09,750 after transferring Rs. 4,00,000 to general reserve) for carry forward.

For a long time the value at which the block account was shown in the balance sheet was totally unrealistic in relation to current values. The directors therefore considered it advisable to invite the well known United Kingdom firm, Messrs. Edwards, Son, Bigwood and Mathews, Chartered Surveyors and Valuers to revalue the block account. The new valuation figures have been incorporated in the balance sheet and the surplus has been transferred to capital reserve. It will be appreciated that in subsequent years there will be a somewhat increased charge for depreciation. The Company's order book is in a healthy condition and in the opinion of directors, prospects remain good.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	29,61,853	Block ...	46,77,805
Reserves ...	65,42,742	Stock of materials and stores	6,89,842
Provision for taxation ...	7,52,251	Contracts-in-progress	67,59,962
Liabilities ...	49,58,214	Erection plant, tools and tackle ...	1,87,316
Profit and loss account ...	17,62,466	Debts, deposits and advances ...	14,44,465
		Investments	19,41,906
		Cash ...	22,76,230
Rs.	1,79,77,526	Rs.	1,79,77,526

Binod Mills Co., Ltd.

The directors of the above Company (Secretaries, Treasurers and Agents: Messrs. Binodiram Balchand, Ujjain, Indore) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts show a profit of Rs. 24,93,620 (Rs. 6,55,491) (which includes Rs. 2,02,566 (Rs. 38,790) as profits from subsidiary concerns) after deducting agents' remuneration and commission on sales amounting to Rs. 6,69,134 (Rs. 3,51,910) and to which adding a sum of Rs. 1,47,409 (Rs. 1,40,110) brought forward from last year's account, the total profit available for disposal comes to Rs. 26,41,029 (Rs. 7,95,600). From this amount depreciation on fixed assets and provision for taxation on profits is to be made. The directors have pleasure in reporting that the results for the year under report have been quite satisfactory. Even the profits of the subsidiary concerns have shown improvement during the year and these are Rs. 2,02,566 as compared to last year's which were Rs. 38,790.

The directors report, that as a result of an agreement with the I.N.T.U.C. the Company will be required to pay a bonus equal to 15 days' minimum wage irrespective of profits, subject to a maximum of three months wages depending on the adequacy of profits. Accordingly, the directors have paid Rs. 2,41,000 for the year 1953 and 1954 during the year and have provided Rs. 1,25,000 for the year 1955.

Due to further increase in the excise duty on cloth by 6 pies per sq. yard on all varieties of cloth excluding *dhotis* and *saris* of coarse counts, the mills will be adversely affected. This increase works upto 7-9 per cent. in coarse and medium cloth as compared to 2-3 per cent. in fine and superfine cloth. The burden of this duty will naturally affect the mills.

During the year under report, Rs. 5,75,951 (Rs. 5,54,593) were paid under the following heads: Leave with wages Rs. 1,53,102 (Rs. 1,28,106), contribution towards provident fund Rs. 2,81,617 (Rs. 2,97,973), employees' state insurance Rs. 62,525 (Rs. 39,151), provident fund administration charges Rs. 4,698 (Rs. 5,611) and octroi duty Rs. 74,009 (Rs. 83,750). The excise duty and sales-tax paid to the Government during the year have been:—Excise duty Rs. 23,02,060 (Rs. 19,83,754) and sales tax Rs. 39,609 (Rs. 76,394).

As reported last year, the Labour Department appeal before Labour Appellate Tribunal, Bombay regarding payment of Cotton Mills D.A. to Silk and Art Silk Mills is not yet decided. The Sales-tax Appeal Judge vide his order dated 10-2-1956 has allowed our appeal regarding sales tax excess assessment for Rs. 33,203 which will be refunded to us in due course.

The directors report that 20 looms have been added to the Binod Silk and Art Silk Mills. Permission for further addition of 18 looms has not yet been received from the Government. Efforts are being made to get the same. Further 2,248 spindles were added to the Deepchand Mills from the machinery which was scrapped from it for producing reeling yarn for local and export markets.

The Mills were experiencing great difficulties for obtaining power supplies as its own power generating units have gone very old. The Company has contracted for 1,100 kw. power supply from the Indore Tharmal Unit with the Madhya Bharat Government. But it is to be seen when the Company shall get the power. However it is hoped that it will greatly ease the present overloaded power plant and also provide a little power for probable additions in machinery.

The directors have placed orders for new machinery costing about Rs. 10 lakhs, out of which machinery worth Rs. 65,000 has actually arrived and the rest is expected to arrive till the end of the year.

The directors recommend that the net profits of Rs. 26,41,029 (Rs. 7,95,600) be disposed off as under:—

Dividend proposed to be paid for the year ended 31st December 1955 at Rs. 10 (Rs. 6) per share on 60,000 shares Rs. 6,00,000 (Rs. 3,60,000), special dividend tax at As. 8 (*nil*) per share on 60,000 shares Rs. 30,000 (*nil*). Total depreciation amounting to Rs. 9,88,000 (Rs. 1,73,139), reserve fund Rs. 2,02,099 (Rs. 49,860), reserve for bad and doubtful debts Rs. 40,000 (Rs. 25,000), reserve for taxation Rs. 6,00,000 (Rs. 40,192) and to carry forward Rs. 1,80,930 (Rs. 1,47,409).

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	60,00,000	Block ...	88,68,154
Reserves ...	32,92,311	Stock-in-trade ...	53,10,010
Provision for taxation ...	2,55,838	Stores and spares, etc.	16,10,272
Liabilities ...	77,98,021	Other assets	20,418
Profit and loss account ...	26,41,029	Debts, deposits and advances ...	28,19,299
		Investments	8,43,518
		Cash ...	5,15,528
Rs.	1,99,87,199	Rs.	1,99,87,199

Ravalgaon Sugar Farm Ltd.

The directors of the above Company (Managing Agents: Messrs. Walchand & Co., Ltd., Bombay) submitted the audited accounts of the Company for the year ended 30th September 1955.

During the year, the Company made a profit of Rs. 6,51,181 (Rs. 70,899) after providing Rs. 5,70,000 (Rs. 4,50,000) towards depreciation and Rs. 1,05,000 (*nil*) towards taxation. After paying the interim dividend at 4 (nil) per cent. absorbing Rs. 80,000 (*nil*), the balance available for disposal was Rs. 6,32,612 (Rs. 1,71,432) including the sum of Rs. 61,432 (Rs. 1,00,533) brought forward from the last balance sheet. The directors have made the following appropriations:—

For dividend on preference shares at 5½ per cent. (less income-tax) Rs. 1,10,000 (Rs. 1,10,000), for final dividend on ordinary shares at 14 (*nil*) per cent. (free of income-tax) making a total of 18 (*nil*) per cent. for the year Rs. 2,80,000 (*nil*), for dividend on deferred shares at 7 (*nil*) per cent. (less income-tax) Rs. 28,000 (*nil*), debenture redemption fund Rs. 1,50,000 (*nil*), and for carrying forward Rs. 64,612 (Rs. 61,432).

The Factory commenced crushing on 3rd December 1954 and the same was stopped on 10th May 1955. Sugarcane crushed during the season was 1,02,763 (69,710) tons while sugar manufactured was 1,15,768 (77,460) bags with a recovery of 10.9 (10.77) per cent.

During the year under report the confectionery plant at Ravalgaon produced about 451 (368) tons of confectionery and about 9,775 (10,500) maunds of sugar-candy. The Factory continued to produce wax from cane mud. About 10,890 (7,425) lbs. of wax was produced during the year.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	44,00,000	Block ...	89,12,138
Debentures	20,00,000	Stock-in-trade ...	27,51,944
Reserves ...	20,26,092	Plantation in progress ...	16,28,106
Provision for depreciation ...	58,60,384	Stores and spare parts	24,25,941
Provision for taxation ...	6,46,158	Other assets ...	1,41,192
Liabilities ...	23,23,068	Debts, deposits and advances ...	3,55,734
Profit and loss account ...	6,32,612	Investments	15,12,784
		Cash ...	1,60,475
Rs.	1,78,88,314	Rs.	1,78,88,314

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

QUESTION HOUR IN PARLIAMENT

Indian Investments Abroad

INDIAN capital invested in industries in Burma is of the order of Rs. 2.5 crores and in Nepal Rs. 15.2 crores approximately. Estimates for Pakistan and Ceylon are not available. There are no special restrictions imposed on Indian undertakings in Burma, Nepal, and Ceylon. Subject to existing law as applicable to foreigners, Indians are free to undertake business in these countries. As regards Pakistan, there appear to be no restrictions on investment of Indian capital, but the operation of such undertakings is subject to certain restrictions. Permission is rarely granted to remittance of profits from West Pakistan to India. Indian employees in Indian undertakings there cannot remit money to their dependents without prior permission from the State Bank of Pakistan. The amount of such remittances allowed varies from 10 to 15 per cent. of the total emoluments of the individual concerned. Whenever an Indian national in these undertakings is replaced, he is required to be replaced by a Pakistani national.

—*Jawaharlal Nehru*

State Bank of India

Since nationalisation, the State Bank of India has opened 21 new branches. While the target for the next five years is not less than 400 new branches, it will not be possible to set year-wise targets, in view of certain initial organisation and administrative difficulties, particularly accommodation. The first phase of expansion will result in branches being opened in all district towns and subdivisional headquarters. In the next phase, we will go to rural areas. It is not possible to say whether the new branches will be run at a loss and, if so, we cannot estimate the extent of the loss. But provision already exists in the integration fund to meet such losses. The criteria of priority in selecting district towns and sub-divisional headquarters are mainly population, treasury turnover and existence of other banking facilities in the area.

—*A. C. Guha*

Tax Commission's Suggestions

The Government of India has not accepted some of the recommendations of the Taxation Enquiry Commission. These relate to continuation of rebate of one anna on the undistributed income of companies, continuation of the initial depreciation allowance for five years and taxation of bonus shares. The recommendations of the Commission which have been accepted by Government with or without modification are taxation of perquisites in kind paid to employees, taxation of cash entertainment allowances, development rebate, time limit to reopen assessments removed in cases where the income evaded is Rs. 1 lakh and more, and excise duty on certain articles. The present ratio of gap between the highest paid and the lowest paid is 31 to 1. Now the post of a secretary to the Government of India not held by an I.C.S. man carries a salary of only Rs. 3,000 per month. The Secretary to the Education Ministry gets only Rs. 3,000. So far as the I.C.S. men are concerned, unless we change the guarantee that has been given under the Constitution, it becomes difficult. The matter also is under consideration.

—*M. C. Shah*

Manufacture of Carbon Black

A small factory has already been set up for producing carbon black, but its output is very small as compared with the country's requirements, which are increasing. The quality of the product needs further improvement. Carbon black has, therefore, been included in the programme of the National Industrial Development Corporation and manufacture is envisaged to be based on creosote oil as one of the raw materials. Supplies of creosote oil in the required quantities may be expected only with the commencement of distillation of coal tar from the new iron and steel plants and, therefore, actual manufacture of carbon black on a large scale is likely to take some time.

* * * *

Handloom Cloth

The total amount of subsidy given on the sale of handloom cloth from 1st to 15th November 1955 was Rs. 16.03,027-6-9 and the total yardage of cloth sold was 14,124,259 yards.

* * * *

Rubber Cultivation

The area under rubber, as registered with the Rubber Board, was 176,647 acres as on 31st December 1954 and 215,726 acres as on 31st December 1955.

* * * *

Coffee Cultivation

A scheme for increasing coffee cultivation in India is under consideration. Under the scheme, it is estimated that 23,700 acres may be brought under new coffee cultivation during the five-year period 1956-61. The area under coffee cultivation in India during the crop year 1954-55 was 252,686 acres.

* * * *

National Small Industries Corporation

The total amount of Government orders secured for small units by the National Small Industries Corporation during 1953-56 was Rs. 4,68,595. The deliveries against the contract are to commence from May 1956. In order to help the marketing of products of small-scale industries, the Corporation has put on the road three mobile sales vans to sell about 300 consumer goods from the Delhi area. In addition, a wholesale depot has been set up at Agra for marketing footwear produced by small-scale units at Agra. Steps have also been taken to open another wholesale depot at Aligarh for marketing Aligarh locks and Khurja potteries. Further, with a view to providing small industrial units, having limited financial resources, with facilities for acquiring machines and equipment on easy terms, the Corporation has launched a scheme for the supply of such machines on a hire-purchase basis.

* * * *

Handloom Board

The work done by the All-India Handloom Board has been directed towards stabilising the handloom industry and increasing the earnings of the handloom weavers. The Board has had a measure of success in its endeavours towards this end. No special effort as such has been made to increase the number of handlooms. It is possible that the present position of the industry has provided employment incidentally to large numbers of people. No evaluation of such incidental additional employment opportunities has been undertaken.

* * * *

Rubber Factory

The Travancore-Cochin Government has proposed to expand and modernise the Travancore Rubber Works for the manufacture of cycle tyres and tubes. The matter is under consideration.

—*T. T. Krishnamachari*

Exhibition in Gold Coast

The Government of India has decided to arrange shortly a wholly Indian exhibition in the Gold Coast and the exhibition will be moved to one more place, namely, Lagos in Nigeria. The object of the exhibition is to promote export trade by means of visual commercial publicity for exportable manufactured goods, particularly cotton and silk textiles, handicrafts and products of small-scale industries.

* * * *

Trade Marks Enquiry Committee

The report of the Trade Marks Enquiry Committee is still under examination.

—*D. P. Karmarkar*

Technical Institutes

The Ford Foundation has given financial assistance for the purchase of equipment for the small industries service institutes, as also for recruiting foreign technicians and consultants to be attached to the institutes for specific assignments. No assistance has been received from the Government of West Germany for the institutes. It is proposed to have at least one Institute with branch units in each State by the end of the second Five-year Plan. In addition, there will be many industrial extension centres in different parts of the country.

* * * *

Steel for Railways

The Railway demand for iron and steel in 1956-57 is one million tons. This is made up of 840,000 tons of steel and 160,000 tons of pig iron. Besides this, the outstandings from the allocations made during the previous years are about 300,000 tons. It is proposed to meet 300,000 tons out of the demand for steel from indigenous production and the rest from imports.

—*Nityanand Kanungo*

Electric Cables Factory

An application under the Industries (Development and Regulation) Act, 1951, has been received from an Indian firm to set up a factory in Madras for the manufacture of insulated wires and cables in collaboration with a German firm. This is under examination.

* * * *

Aluminium Smelter

The Indian Aluminium Company, Calcutta, has been granted a licence to install a 10,000-ton aluminium smelter at Hirakud, in collaboration with the Aluminium Laboratories Ltd., Montreal.

—*M. M. Shah*

Iron Ore Deposits

High grade iron ore deposits, estimated at about 5.5 million tons, have been found in Khanet and Warangal districts of Hyderabad.

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Tungsten Ore

Tungsten ore is known to occur in West Bengal, Bihar, Madhya Pradesh and Madras, besides Rajasthan.

—*K. D. Malaviya*

Water Dues From Pakistan

Pakistan has recently indicated its willingness to pay up the undisputed arrears of payments under the Canal Water Agreement of 1948. The amounts involved are: Disputed Rs. 70.22 lakhs and undisputed Rs. 47.02 lakhs. The Pakistan Government has paid up all undisputed arrears up to June last year and recently told the Government of India that it had instructed the West Pakistan Government to pay up the subsequent undisputed arrears too.

—*Jaisukhlal Hathi*

Milk Drying Plant at Anand

A milk drying plant to dry buffalo milk was set up in India last year under the auspices of the United Nations International Children Emergency Fund. But, it is not the first of its kind in the world. The plant costs Rs. 40 lakhs and its annual production capacity is 1,000 tons. The plant went into production on 31st October 1955.

—*A. P. Jain*

Soil Testing Laboratories

The Government of India is setting up 24 soil testing laboratories throughout India at an estimated cost of Rs. 24 lakhs. The scheme is under the Technical Co-operation Mission project on soil fertility and fertiliser use. One of the laboratories will be located at Kanpur.

—*Dr. Punjabrao Deshmukh*

Export of Edible Oils

The Bombay Government has suggested recently to the Union Government the imposition of restrictions on the export of edible oils. The Government of India has already stopped further exports of groundnut and sesamum oil and has levied an import duty of Rs. 250 per ton on linseed oil, while the export duty on castor oil has been raised from Rs. 125 to Rs. 175 per ton. Similarly, niger and kardi oils have also been subjected to an export duty of Rs. 200 per ton.

—*M. V. Krishnappa*

Power Project on the Tapi

It is proposed to develop a major hydro-electric power site on the Tapi River at Ukai and to build transmission and distribution lines from Ukai to Ahmednagar via Manmad in the second Five-year Plan. It is also proposed to extend the transmission lines from Igatpuri to Nasik and from Koyena to Ahmednagar via Karad.

—*Satyanarayana Sinha*

COMMERCE AND INDUSTRY

(*Concluded from page 924*)

cement industry "to the caprice of the private sector" was "not merely regrettable but lamentable and unpardonable," Mr. Krishnamachari said that there was nothing to prevent the Government from starting cement factories during the next five years or even thereafter, but added that "it is not one of the industries where we are now giving high priority for Government to interfere in."

The same member also asked whether it was a fact that the Government had planned to open 16 more factories in the next five years, out of which they were allocating four or five factories to the Associated Cement Companies (A.C.C.). In reply, the Commerce and Industry Minister said that the share of the A.C.C. in cement production would undoubtedly increase. It was a public company over which the Government had a fair amount of control. "If the Government did not want any expansion," he added, "prices can be lowered. We are allowing a certain amount of elbow-room in the price structure, in order to allow them to expand. When it is a public company, like the A.C.C., I do not think there is much difficulty in Government exercising control."

Referring to complaints that cement was too dear, Mr. Krishnamachari said:

"So long as we are not able to produce cement which is coterminous with the demand or in excess of the demand, I am afraid the price mechanism is one of the things by which we inhibit the demand and we are not prepared to drop it, merely because of sentimental considerations."

The one conclusion that emerges from the Minister's remarks on prices is that the cost of cement to consumers will soon go up. The increase will probably be much more than what they would have had to pay in the past, in order to encourage a rapid expansion in indigenous production of cement. If only Mr. Krishnamachari had shown four years ago a fraction of the realism, enthusiasm and solicitude which he is now displaying to bring about an increase in the output of cement, the country as a whole would have been in a far happier position than it is today.

MONEY RATES UNCHANGED

(*From Our Own Correspondent*)

BOMBAY, *9th May*

The short-term money market continued to display stringent conditions during the week under review. There was again a shortage of funds, while the pressure on banks for credit persisted. The banks, therefore, had to seek accommodation from the Reserve Bank of India and the State Bank once again.

Inter-bank call money was keenly bid at 3¼ per cent. House money at call also fetched the same rate. Short-term deposits for one to six months were in demand at 3¼ to 3½ per cent.

After two weeks of successive recession, notes in circulation show an expansion of Rs. 13.50 crores during the week ended 4th May 1956. The Reserve Bank's statement for the week discloses that notes held in the Banking Department have, on the other hand, dropped by Rs. 15.17 crores and the consequent fall of Rs. 1.67 crores in total notes issued is covered by a corresponding shrinkage in rupee coin. In the Banking Department, a decline of Rs. 2.75 crores is seen in deposits of the Central Government and of Rs. 8.89 crores in other Governments' deposits. Deposits of banks also show a fall of Rs. 1.44 crores and those of others Rs. 3.07 crores. Balances held abroad are lower by Rs. 4.15 crores. Loans and advances other than to Governments are up by Rs. 7.17 crores, of which advances to Scheduled banks against usance bills account for Rs. 5.13 crores. Fresh advances to banks against these bills amount to Rs. 14.06 crores. Government Treasury Bills purchased and discounted have declined by Rs. 2.21 crores.

A fall of Rs. 2.48 crores in demand deposits and of Rs. 48 lakhs in time deposits is disclosed by the consolidated statement of position of the Scheduled banks for the week ended 27th April 1956. Borrowings from the Reserve Bank account for an increase of Rs. 5.10 crores and those from the State Bank of India for Rs. 38 lakhs. The downward trend in advances noted in the previous three weeks has been reversed with a rise of Rs. 3.77 crores during the week. Inland bills purchased and discounted are also higher by Rs. 1.85 crores, while foreign bills have declined by Rs. 50 lakhs. Investments have dropped by Rs. 49 lakhs and cash balances have shrunk by Rs. 2.41 crores, while balances with other banks and money at call and short notice have risen by Rs. 48 lakhs and Rs. 94 lakhs, respectively.

The Gilt-edged market ruled steady during the week under review, with some of the securities registering further gain in values. The paucity of floating stocks was the main sustaining factor. The volume of business also was very much restricted for the same reason.

3 per cent. 1957 had buyers at Rs. 99-13, while 3 per cent. 1958 continued to attract sellers at Rs. 99-11. 3 per cent. 1959-61 gained an anna to Rs. 98-3, but towards the close there were buyers only at Rs. 98-2½. 3 per cent. 1963-65 was maintained at Rs. 95-1. 3 per cent. 1964 moved up by an anna to Rs. 94-15, at which level there were sellers. 3 per cent. 1966-68 was in demand and gained As. 2 to Rs. 93-2 and 3 per cent. 1970-75 an anna higher at Rs. 90. 3 per cent. 1986 Conversion Loan gathered As. 5 to Rs. 77-6. 3½ per cent. 1961 had buyers at Rs. 99-9½, while 3½ per cent. 1964 was on offer at Rs. 98-11½ and 3½ per cent. 1965 at Rs. 98-9½. Among State loans, 4 per cent. 1967 Bombay was a shade quiet at Rs. 100-11, while 4 per cent. 1967 West Bengal held ground at Rs. 100. 4 per cent. 1967 Madras gained an anna to Rs. 93-13.

In the foreign exchange section, the rupee ruled steady in terms of the U.S. dollar. Banks' selling rate of ready dollar declined from Rs. 477½ to Rs. 476¾ per $100 and their buying rate from Rs. 473 to Rs. 472¾ per $100. This is in consonance with a similar trend displayed by sterling. In New York, spot sterling rose from $2.80⅜—2.80⅝ to $2.80⅞—2.81 and three months' forward from $2.79—2.79⅛ to $2.79¼—2.79⅜. Transferable sterling was, however, unchanged on balance at $2.78-9/20—2.78 11/20.

HIDES STRONG

(*From Our Own Correspondent*)

KANPUR, *6th May*

During the week under review, the hides and skins market ruled strong. Fresh arrivals of goods were not as considerable as those in the previous week, while demand for high grade buff was keen. The Madras dealers were interested mainly in lighter cow and goat. From the local butcheries supplies were comparatively less, on account of the advent of the worst summer.

The latest available quotations are: Wet salted cow 1st grade Rs. 280, 2nd grade Rs. 200 and 3rd grade Rs. 100 per score; wet salted buff 1st grade 2 lb. 2 ozs. and 2nd grade 2 lb. 3 ozs. per rupee; goat 1st grade Rs. 250 and 2nd grade Rs. 200 per 100 pieces; sheep 1st grade Rs. 300 and 2nd grade Rs. 225 to Rs. 250 per 100 pieces.

LINSEED ADVANCES

(*Messrs. A. Bradley & Co.*)

CALCUTTA, *7th May*

Linseed prices registered a notable advance and trading was on a somewhat increased scale, with buyers showing keen interest. Scarcity of ready goods was the main feature, and crushers were keen to secure all available stocks. Market conditions upcountry remained equally firm. The entry into the market of a few large shippers, now loading linseed oil in tank vessels, caused a sharp rise in the oil section, with buyers over and sellers demanding increased prices.

The latest available quotations are: Ready Rs. 23 and May-June Rs. 23 per maund.

SILVER SLUMPS

(*From Our Own Correspondent*)

BOMBAY, *9th May*

A slump in silver to the tune of Rs. 7 per 100 tolas in the forward section and of Rs. 4 in the ready was the highlight of trading in the bullion market during the week under review. The recession in silver was a sequel to the Government of India's decision to license freely the import of any silver coin which is current in the Tibet region of China. There was no adverse factor to affect the sentiment in gold, but in sympathy with the white metal, it also sought slightly lower levels.

For the first time after many years, the Government of India has accepted the principle of allowing import of silver coins from a foreign country in a barter trade with that country. This is evident from its decision to license freely the import of silver coins from Tibet. Before the Government's decision was announced on Thursday last, silver coins equivalent to about 1,900 bars had come from Tibet. Another 1,200 bars are said to be on their way to Calcutta. After the aforesaid announcement, the authorities are stated to have issued licences to importers in Bombay for bringing in Tibetan coins to the tune of 2,500 bars and applications for import of coins equivalent to 8,000 to 9,000 bars are stated to be pending.

The Government has simultaneously raised the import duty on silver from As. 4.1/5 to As. 8.2/5 per ounce. The import duty works out to Rs. 18-12 per 100 tolas. It is, however, difficult to estimate the exact cost of the imported silver, as there are no organised markets in silver in Tibet and prices are subject to negotiations between the buyer and the seller. However, on a rough estimate, the cost of these silver coins is expected to range from Rs. 165 to Rs. 180 per 100 tolas inclusive of import duty. The exact price will also depend on the fineness of the coin.

Following the announcement of the Government's decision to permit free imports, forward silver (26th May settlement) came in for heavy selling pressure and the price retreated from Rs. 182-8 to Rs. 176-10 on Saturday. After a modest recovery to Rs. 177-15 yesterday on support at lower levels induced by good offtake in the ready section, there was again a slump to Rs. 175-8 at the close of today on reports that fresh licences for import of 2,500 bars had been issued.

Ready silver (.996 Mint) moved down from Rs. 183-2 to Rs. 179-2. It will be noted that the premium of ready over the forward has widened from As. 10 at the close of the previous week to Rs. 4 this week. This is due to the good offtake in the ready section, the decline in floating stocks and the general disinclination to part with the holdings. The floating stocks are reported to be 600 bars. The daily average offtake was 25 to 30 bars.

In sympathy with silver, forward gold (25th May settlement) moved down from Rs. 105-4 to Rs. 103-9 and after gaining ground to Rs. 104-14, closed a fraction lower at Rs. 104-4.

Ready gold displayed cheerfulness early in the week, moving up from Rs. 106-1 to Rs. 107-4, but soon receded to Rs. 105-1. After recovering again to Rs. 106-14, the ready metal finished at Rs. 106-2. The floating stocks of gold are placed at 20,000 tolas. The daily average arrivals were 3,500 tolas, while the offtake was 6,000 tolas on an average.

In London, silver was unchanged at 78¾d. for spot and at 79⅜d. for forward. Gold declined from 249s. 3d. to 249s. 1d. In New York, silver held ground at 90¾c.

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

	9-5-56	Highest	Lowest	2-5-56
GOLD	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Ready (.99 fine Mint) ..	106 2	107 4	105 1	106 1
Forward*	104 4	105 15	103 9	105 4
Sovereign	66 8	66 12	66 4	66 8
SILVER				
Ready (.996 fine Mint) ..	179 8	183 6	179 7	183 2
Forward†	175 8	182 10	175 6	182 8
London Silver Ready ..	78¼d.	—	—	78¼d.
London Forward ..	78¼d.	—	—	78¼d.
London Gold	249s. 1d.	249s. 2¼d.	249s. 1d	249s. 3d.
New York Ready	91¼c.	—	..	90¾c.

* 25th May, settlement.
† 26th May, settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

HIDES ARRIVALS MODERATE

(*From Our Own Correspondent*)

MADRAS, *7th May*

Trading in kips with the U.K. has been on a small scale, as dressers are reported to have sufficient stocks and importers have not been keen to follow Madras prices. There has been a gap of 1d. between Madras and U.K. prices which has prevented steady trading. Further, U.K. importers have been offering ½d. lower than their earlier purchases, whenever shippers try to repeat their last sale.

Arrivals of cow hides were moderate and clearances slow. Prices were a shade weak, due to poor shipment business. Buff hides market was steady, while buff calf and cow calf ruled lifeless for f.a.q. types.

In the tanned skins section, arrivals were on moderate scale and clearance limited, due to the proximity of the May London auctions.

Shipments during April were: To the U.K.: 2,055 bales tanned cow hides, 268 tanned cow calf, 22 tanned buff hides, 410 tanned buff calf, 853 tanned goat skins, 362 tanned sheep skins and 1 bale D/S. goat. To the Continent: 407 bales tanned goat skins, 88 tanned sheep skins. To the U.S.A. ports: 1 bale tanned cow hides, 5 tanned cow calf, 167 tanned buff hides, 74 tanned buff calf and 119 bales tanned goat skins. To Japan: 15 bales tanned goat and 320 tanned sheep skins.

SPOT COTTON FIRM

(*From Our Own Correspondent*)

BOMBAY, *9th May*

The attention of all cotton interests is now focussed on the deliberations of the ten-man Committee—the Cotton Contract Committee—appointed by the East India Cotton Association (E.I.C.A.) Board to examine the proposals of the Forward Markets Commission made in connection with the resumption of futures trading in cotton. The Committee has already invited the opinions of members on the eleven letters carrying the proposals addressed by the Commission to the E.I.C.A. As there is reported to be considerable divergence of opinion expressed, it remains to be seen how far and to what extent the Committee will succeed in reconciling the opinions and prepare the ground for resuming futures trading in cotton. The Committee itself, it is understood, is strongly divided over the Commission's proposals. Taking, however, the Commission, on one side, and the E.I.C.A. members generally, on the other, it would appear that there are at least six questions on which the views are at variance. These relate to (1) number of contracts, (2) delivery months, (3) tendering differentials, (4) survey system, (5) panel system and (6) nature of delivery contracts—transferable or non-transferable. The general opinion of the cotton traders over these questions may be summed up as follows:

There should be reasonable hedge facilities to all varieties of Indian cotton which necessarily mean that there should be two contracts, one covering better varieties and the other covering medium and lower varieties.

The present delivery months—February, May and August—are not quite conducive to proper functioning of the market, for, very often, there is hardly adequate supply of cotton of tenderable varieties during a given delivery period. These months should, therefore, be changed, a fair trial being given to March-April and June-July.

Replacement of the present By-law 55 by a provision for fixing tendering differences on the basis of varietal differences, as suggested by the Commission, will bring about an artificial price disparity which will call for radical measures; the trade cannot be expected to keep constant watch over this issue throughout the duration of the season to which such differentials will apply.

There is no need for the reintroduction of the old open survey system. If, however, this proposal were to be insisted upon by the Commission, the system should be the one that prevailed prior to the appointment of sworn surveyors, the selection of members for the various survey panels being so made as to give representation to all the different parties of the trade.

The panel system goes ill with democracy and should be completely done away with. There must be equal franchise for all members who should elect the total number of directors exercising their votes. The delivery contracts, entered into with the mills according to the trade, are not actually transferred but they are definite sales. Again, delivery contracts made between traders are in the nature of buying and selling daily, and the clearing in such cases should be on the monthly basis and not on a weekly basis as the Commission is reported to have suggested. Moreover, it cannot be gainsaid that delivery contracts which are being traded upon between dealers act as hedges against purchases and sales of spot cotton. They also serve as good insurance againt future requirements of the trade. There have been occasions when prices of delivery contracts have been cheaper than those of cotton sold in the interior. In such circumstances, it is always sound business for a dealer to buy delivery contracts for specific deliveries and quantities rather than buying in the interior.

It is in the light of these views that the Cotton Contract Committee may be expected to finalise its decisions. Meanwhile, the chairman of the Forward Markets Commission is believed to be keen on resuming futures trading in cotton, if the Committee completes its work as early as possible.

The spot cotton market continued to exhibit buoyant conditions during the week under review. Domestic varieties met with renewed buying support from spinners. Fairly large transactions at higher prices were put through in Surti, Moglai, Vijay, Laxmi, Jarilla and Jayadhar. Some quantities actually changed hands at the ceilings fixed by the Government. 320F variety also evoked good attention. Among exportable styles, Zoda cotton was on special request. Yellow Pickings, C.P. I, C.P. II and C.P. *Deshi* elicited sporadic enquiries. In the foreign section, mill interest continued to be concentrated on American cotton. Several mills purchased good lots of California 1.5/32" at substantially higher prices; in some transactions yesterday, this cotton fetched Rs. 1,470 per bale, as against Rs. 1,405 a week before. Africans and Sudans were also in demand, though the volume of purchases actually made was not considerable. The latest available quotations for a few varieties are: B.P. 52 Rs. 1,701, Jinja Rs. 1,440 and Sudan DG6S Rs. 1,650.

The following table gives the latest available quotations from the Sewri market, as compared with those a week and a fortnight before:

(In rupees per candy of 784 lbs.)

	9-5-56	2-5-56	25-4-56
Bengal *Deshi*	665	660	685
Berar Jarillas	800	795	790
Khandesh	810	800	790
Vijay	960	960	955
Oomra *Deshi*	700	700	690
Moglai	700	700	690

The boom in cotton prices noted at Karachi last week gathered considerable momentum during the week under review. There was persistent cornering of stocks by speculative parties. This resulted in a further depletion of the floating stocks in the market and that when buying enquiries from local mills and foreign interests were

sustained. The prices of cotton, as a consequence, forged ahead. N.T. R.G. *May* delivery rallied Rs. 6-11 to Rs. 89-6 per 82 lbs. July delivery spurted by Rs. 6-9 to Rs. 85-11. The improvement in forward cotton prices thus followed the distinctly firm trend in spot cotton. The latest available ready quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton, as compared with those a week before, are given below:

	8-5-56	1-5-56
Sind *Deshi*	101	100
Punjab *Deshi*	98	94½
4F Roller	88½	81½
S.G.	93½	86
Punjab Roller	94	87
S.G.	99	92
289F N.T. Roller	95½	88
S.G.	101	94½

The trend of the Alexandria cotton futures market was somewhat irregular this week. Thus, nearby deliveries lacked support, thanks to buyers' resistance to the recent phenomenal rise in spot premiums, while distant contracts evoked sustained buying interest. The Egyptian Cotton Commission, it is reported, is prepared to sell its stocks of cotton by auction against sterling or dollar reimbursement. The reserve prices for Ashmouni have already been announced. It is generally expected that the cotton will fetch far higher prices than the reserves. On the basis of these prices, the c.i.f. Bombay quotation for good to fully good cotton comes to 45.50*d.* per lb. Commenting on the Egyptian Cotton Commission's reported decision, a leading firm of cotton trade in Bombay observes: "Indian buyers cannot presumably obtain the stocks to be auctioned by the Commission, because of the stipulation that reimbursement should be 100 per cent. in sterling or dollars. It will be recalled that the Indo-Egyptian trade agreement specifies that payment should be 60 per cent. in sterling and 40 per cent. in rupees."

The Lint Marketing Board has already sold as much as 308,000 bales out of the 335,000 bales of Uganda cotton. Of the balance of 27,000 bales, half will be auctioned this month and the remainder later on. The prices of new crop AR Uganda have advanced appreciably, due to restricted offers.

For the second week in succession, the Liverpool cotton futures market presented firm conditions. There were sizable mill fixations in near month, while new July-August met with buying on prospects of continued small sales of cotton by the U.S. Commodity Credit Corporation. The Sudan contract was strong, with bidding on increased Sudan Board's reserve prices. The Egyptian contract was also strong, although turnover was limited.

The latest available quotations—in pence per lb.—from the Liverpool cotton futures market are: *Old contract*: May-June 26.00 and July-August 25.35. *New contract*: May-June 30.23, July-August 27.80, October-November 26.00, December-January 25.60, March-April 25.20 and May-June 25.15. *Egyptian Karnak cotton*: May-June 57.75, July-August 57.55 and November-December 57.55. *Sudan cotton contract*: July-August 52.05, September-October 51.50 and November-December 51.50.

An easy note was in evidence in the New York cotton market during the week under review. This was due to lack of interest among traders to enlarge their commitments, in view of the continued absence of information regarding prices accepted by the C.C.C. from the first bids, under the new export sales programme received on 24th April 1956. There was scattered liquidation and hedge selling which led to a fall in the prices of cotton.

Some details of the U.S. extended cotton export sales programme are now made available. Thus, stocks of cotton held by the C.C.C. will be periodically offered for export sales on a competitive bid basis. This cotton cannot be exported until after the beginning of the cotton marketing year as from 1st August 1956. Cotton purchased under the programme will be eligible for delivery against all sales, including those made under barter contracts, credit sales, etc. Cotton exported, including any identical bales in the shipment, must equal the gross weight of the cotton purchased from the C.C.C. and must be of grades within the universal standards for American upland cotton. It must have a staple length of 13/16" or longer, and must have been produced in the continental United States. The cotton must be exported from 31st July 1956 and not later than 12 months following the date when the warehouse receipts covering the cotton purchased from the C.C.C. are made available to the purchaser or the cotton is delivered to the purchaser.

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

(In cents per lb.)

	8-5-56	1-5-56	24-4-56
Spot	36.55	36.65	36.70
May	35.98	35.95	35.80
July	33.85	33.89	33.06
October	32.38	32.28	32.29
December	32.55	32.38	32.42

RAYON YARNS RECEDE FURTHER

(From Our Own Correspondent)

BOMBAY, 9*th May*

The reaction that set in in the rayon yarn market last week was carried a stage further during the week under review. The sentiment of operators was adversely affected by reports that stocks of yarn all over the country were quite comfortable, excepting stray odd deniers and qualities. These reports led the operators to feel that the demand from consuming centres might not broaden, at any rate in the next few days. There was, therefore, some selling, and rayon yarn prices continued their downward march. The staple fibre yarn section ruled distinctly irregular. Thus, while foreign yarns were subjected to heavy selling pressure and suffered a severe setback, indigenous yarns were in request by dealers, thanks to enlarged enquiries from consuming centres where offtake of staple fibre cloth was said to be encouraging. Barring finer counts, cotton yarns met with renewed support, induced by firm advices from cotton and piecegoods markets.

Snia rayon yarn (120 dull cones) for August delivery receded by Rs. 3 to Rs. 799. June delivery lost Rs. 2 to Rs. 804. In the spot section, 150 Italy dropped As. 2-6 to Rs. 3-11. 120 Italy declined by an anna and a half to Rs. 3-12. 120 Japan eased by an anna to Rs. 3-12-6. 150 Japan, however, evoked some enquiries and gained an anna to Rs. 3-4. Indigenous yarns were quiet. National Rayons 150 Bt. cones 1st grade being quoted at Rs. 3-8-6 and 120 Bt. cones 1st grade at Rs. 3-11-3.

There was, as already stated, a sharp recession in the prices of foreign staple fibre yarns (80 x 2). Paramounts were the worst sufferers, their quotation climbing down by As. 7 to Rs. 6-7. S'Sellos retreated by As. 5 to Rs. 6-10. Fujis fell by As. 3½ to Rs. 6-12-6 and H'Races by As. 3 to Rs. 6-11, but indigenous yarns (40 x 2) registered an improvement in prices on good buying support. Citys were particularly favoured; they hardened by 21 pies to Rs. 3-7-6. New Greats gathered an anna to Rs. 3-6-6. Kohinoors rose by a like amount to Rs. 3-7-9. Centurys were better by nine pies at Rs. 3-6-3.

In the cotton yarn section, forty counts provided the brightest spot. Minaxis rallied As. 14 to Rs. 29-4. Vasantas picked up As. 12 to Rs. 28-12. Laxmis strengthened by As. 8 to Rs. 29-8 and Moderns by As. 4 to Rs. 28-12. Thirty counts also elicited the support of traders. Sarojas jumped by As. 12 to Rs. 23-12. Indus spurted by As. 8 to Rs. 23-8. Kanpurs finished As. 4 higher at Rs. 22. Among 20s, Hinds rose by As. 5 to Rs. 17-12 and Edwards by As. 2 to Rs. 17-2, but Moderns and Gokaks receded by As. 4 each to Rs. 18 and Rs. 17-12, respectively. Among 10s, Moderns were fully maintained at Rs. 14, as also Gokaks at Rs. 14 and Elphinstones at Rs. 13-6. Sitarams, however, lacked support and gave way from Rs. 13-8 to Rs. 13-6. Podars were neglected at Rs. 13-7. Cotton yarns of sixty counts were being freely offered, but there were no buyers. Consequently, prices suffered a break. Raghuvanshis moved down by Re. 1-4 to Rs. 58-12. Colabas and Finlays dropped As. 12 each to Rs. 56-8 and Rs. 62, respectively. Barodas fell by As. 8 to Rs. 53-4. Among 80s, G'Mores suffered a loss of As. 12 to Rs. 74-4, while Moderns were unaltered at Rs. 68 and Seksarias at Rs. 54.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	9-5-1956	2-5-1956	25-4-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)–			
120 Dull Cone Snia June ..	804 0	806 0	814 0
August ..	799 0	802 0	—
120 Japan (per lb.)	3 12½	3 13½	3 14½*
150 Japan (per lb.)	4 4	4 3	4 1*
120 Italy (per lb.)	3 12	3 13½	3 13
150 Italy (per lb.)	3 11	3 13½	3 13
Staple fibre yarn (per lb.)			
40×2 New Great	3 6½	3 5½	3 5½
40×2 Century	3 6½	3 5½	3 6
40×2 City	3 7½	3 5½	3 6
Cotton yarn (per bundle of 10 lbs.)–			
10s Podar	13 7	13 8	13 8
20s Hind	17 12	17 7	17 11
30s Saroja	23 12	23 0	—
40s Minaxi	29 4	28 6	29 7
60s Modern	62 0	62 12	61 12
80s Modern	68 0	68 0	67 0

* Rate to general qualities.

MIXED TREND IN OILSEEDS

(From Our Own Correspondent)

BOMBAY, 9*th May*

The oilseeds section witnessed a mixed trend during the week under review. The upward trend noticed towards the end of last week in the groundnut and castorseed sections persisted almost till today, when slight decline set in. The upward trend in the groundnut section was due to enquiries from local crushers and good Madras and Calcutta advices. The castorseeds section also was steady partly in sympathy with groundnut and partly due to expectation of overseas enquiries for castor oil. The decline that set in today was attributed to profit-taking by some longs. But the decline in either case was very small, with the result that the prices of both the groundnut and castorseed sections, on balance, turned out today to be higher than at the end of last week. After ruling dull in the first few sessions of the week on lack of enquiries, the linseed section firmed up thereafter, on reports of business done in linseed oil with overseas countries to the tune of 800 tons. Even in the case of linseed, there was some decline in prices today. This was a natural reaction after a rather sharp rise. As in the case of the other two sections, the decline in the case of linseed too was negligible. Consequently, prices recorded sizable gains, on balance, over the week.

In the groundnut section, Bold ready (F.A.Q.) advanced from Rs. 35 to Rs. 35-8 on the 8th inst. Today, it receded by As. 2 to Rs. 35-6. After improving from Rs. 35-8 to Rs. 35-12, June-July delivery declined to close at Rs. 35-11. Khandesh quality improved from Rs. 35 to Rs. 36-4 on the 8th inst., before finishing lower at Rs. 36. Groundnut oil ready put on As. 9 to Rs. 19. June delivery was better by As. 2 at Rs. 19-2.

Bold delivery, in the linseed section, ruled dull at Rs. 32-12 in the 1rst two sessions of the week. Subsequently, it shot up to Rs. 34-2. At this level profit-taking set in and the price declined by As. 4 to Rs. 33-14. But over the week, it gained Re. 1-4. June-July delivery ruled quiet early in the week at about Rs. 32-6. Thereafter, it advanced to Rs. 34-4 only to decline to Rs. 33-14. Small sutnas followed a similar pattern and finished at Rs. 32, as against Rs. 30-10. After advancing from Rs. 19-9 to Rs. 20-8, linseed oil closed lower by an anna at Rs. 20-7.

May (futures) delivery in the castorseed section opened the week at Rs. 140-12, as against Rs. 141-2. It fluctuated between Rs. 146 and Rs. 139-6, before closing at Rs. 142-4. September delivery changed hands at Rs. 149-10, as against Rs. 148-4, the highest and the lowest touched being Rs. 153-4 and Rs. 146-10. In the ready section, Madras quality put on As. 14 to Rs. 29. Castor oil, Commercial quality, gained As. 5 to Rs. 16-1.

Among others, *niger* Madras quality hardened by As. 8 to Rs. 29 and *kardi* Bold by As. 6 to Rs. 20-12.

The following table shows the prices of oilseeds and oils yesterday, as compared with those at the end of the previous two weeks.

	9-5-1956	2-5-1956	24-4-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	36 0	35 0	35 4
June-July	35 11	35 8	34 12
Linseed—			
Bold Ready (per cwt.) ..	33 14	32 10	33 0
June-July	33 14	31 14	32 2
Castorseeds—			
May	142 4	141 2	138 10
September	149 10	148 4	146 8
Madras (per cwt.)	29 0	28 2	28 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 0	18 10	18 6
Castor Oil—			
Commercial (per quarter) ..	16 1	15 12	15 1
Linseed Oil—			
Ready	20 7	19 8	20 14

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, 9*th May*

A distinctly firm trend prevailed in the sugar market during the week under review, in contrast with the easy conditions noted last week. The firmness was principally aided by the issue of slim release orders to Bombay-Deccan sugar mills. The quantity of sugar involved was not more than 40,000 bags, or just 40 per cent. of the total output up to 21st April 1956. As a result of the small release thus, the ex-mill quotations of Bombay-Deccan sugar recorded a rise of Rs. 2-8 per bag. This, coupled with renewed demand from the Malabar Coast, induced good buying support for sugar, the prices of which moved up.

The improvement in sugar prices would have been more marked but for three important factors. First, it was reported that a substantial quantity of British refined sugar had been disposed of by the Regional Directorate (Food) to local parties. Secondly, there were indications that the entire stocks of imported sugar stored on Government account in Bombay would be disposed of before the month was out. Thirdly, arrivals of indigenous sugar into the market during the week were poor, being only 7,000 bags, as against 19,500 bags in the previous week.

In the spot section, small grain indigenous sugar advanced by a rupee to Rs. 89 per bag. Medium and large grains rose by a like amount to Rs. 90-Rs. 92 and Rs. 93-Rs. 98, respectively. British refined sugar was firm at Rs. 84 per bag of 2 cwts.

In the forward section, *Vaisakh* delivery contract for 'C' grade sugar spurted by As. 10 to Rs. 90-8, but was quoted slightly lower at Rs. 90-6 today.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

BLACK PEPPER RECEDES

(Messrs. Parekh & Co.)

BOMBAY, 9*th May*

Last week's attempt at a manœuvring having proved abortive, Malabar black pepper opened the week with a softer note, in sympathy with New York where grinders were reported to have withdrawn after making some purchases at advanced prices, under pressure of competitive selling by Djakarta and Sarawak. Spot in New York, after touching $0.30, came down to $0.28. Sarawak and Djakarta marked down their prices from Str.$78 to Str.$74 and from Rupias 525 to Rupias 470, respectively. Alleppey came down from Rs. 775 to Rs. 725, while garbled at Cochin also receded to Rs. 125. It was really a clever strategy on the part of the bulls to time their manipulations in the month of Ramzan when most of the Mahomedan growers in Tellicherry area were not in a mood to transact business and, if exporters wanted to buy, they had to buy from Alleppey areas only.

Arrivals of New Sarawak are reported increasing at Singapore. As a consequence, holders there are nervous. They are anxious to sell, but both dealers and grinders in the U.S.A. and Europe showed little interest. Foreign dealers are waiting still lower prices. If at all they bought, it was only for a small quantity and that too either for spot or for nearby.

The Conference Line is reported to have made 60 per cent. reduction in the freight to fight the Non-Conference. This has made Malabar somewhat competitive in New York but U.S.A. dealers and grinders, in general, wanted to await developments and, therefore, no sizable business was possible. After the announcement of reduction in the freight, growers attempted to raise their prices, but, without support from overseas, they had to reduce the price from Rs. 750 to Rs. 725. Even at this price, there are no significant enquiries.

In the last week's upheaval, a London operator was a prominent buyer and was reported to have purchased a fair quantity for early May and whole

(*Continued on page* 943)

ECONOMIC TRENDS IN U.S.

FURTHER WAGE ADVANCES LIKELY

DESCRIBING the latest economic trends in the U.S., the April issue of the *Monthly Letter* of the First National City Bank of New York observes as follows:

"The drop in the bond markets and the increases in Federal Reserve Bank discount rates have made April an eventful month in business. A heavy demand for money is in itself a sign of high activity and expansive trends, and general business reports reflect the same conditions. However, the effect of money market tightening and the purpose of Federal Reserve policy is to put a little more pressure on the brakes. It is not surprising that the month's developments have led to fresh analysis and reappraisal of the outlook.

"In the early weeks of this year, expectations were voiced in some quarters that the next developments in the money markets and in Federal Reserve policy would be towards ease. It was argued that overall demand was no longer rising, that the trend of production and trade indexes was at best only sideways, and that, with productive capacity increasing, inflationary dangers were subsiding. As events have shown, these arguments did not take account of all the elements in the economic situation, and they were never persuasive to the Federal Reserve officials, who followed a policy of sustained credit restraint and watchful waiting. Nevertheless, these expectations induced complacence as to the position of the bond and money markets, despite the immense capital expenditures scheduled by corporations and local government bodies, and they appear to have influenced deferment of borrowing to some extent.

"The error in the estimates of money requirements was exposed by the heavy demand for loans when corporate income-tax payments became due. Exceeding expectations, this demand in the week ended 21st March increased the business loans of the New York City banks alone by $436 million. The significant revelation was that the borrowing corporations needed their cash for the huge programmes of plant and equipment expenditures to which they were committed. The ensuing drop in the bond markets supplied further evidence that the demand to finance capital projects was running ahead of the supply of savings.

Industrial Prices

"At the same time, the persistent rise in industrial prices has continued, and further wage advances are in the making. Total construction contracts awards in March and the first three weeks of April (as compiled by F. W. Dodge) set new highs for this time of year and residential awards rose to all-time records, indicating that the home building decline has flattened out and probably turned upward. The business news thus has presented a picture of an investment and construction boom financed by excessive borrowing and contributing to a wage-price spiral. The discount rate advances served as a warning that brick and mortar investments should be financed by long-term capital, rather than by bank loans.

"Business indexes for April, when the final figures are in, are expected to continue close to earlier months' levels. The industrial production index of the Federal Reserve Board (1947-49=100) has held between 142 (March) and 144 (December) since last September. Total retail sales, seasonally adjusted, in March recovered 2 per cent. above the February low, but were 1 per cent. less than the September peak. Non-agricultural employment rose a little less and unemployment declined a little less than usual in March, while average hours worked in factories dropped a little to the lowest figure since January 1955. The gross national product during the first quarter reached an annual rate of $399 billion, but this was only $1.7 billion above the rate in the fourth quarter of 1955, and the gain reflected higher prices more than physical expansion.

"Looking at the overall figures alone, it would be difficult to find the source of inflationary pressures. Indeed, the fact that a drop of nearly one-third in passenger car production and contraction in some other lines has been absorbed without significant decline in aggregate output and employment is gratifying. However, the overall stability conceals divergencies of movement.

"The production index ceased to rise for two reasons. On the one hand, demand for automobiles, farm implements, synthetic fibres and some other consumer products declined, and output was curtailed accordingly. On the other hand, industries which have a greater demand than they can supply, such as steel and many of the non-ferrous metals and machinery and equipment items, cannot increase output much, because they are against the ceiling of capacity. Lack of steel, copper and aluminium imposes limits on durable goods output and heavy construction. Other materials, including cement, paper and nickel, are in short supply, despite peak output. Skilled workers are becoming increasingly hard to find. For all these reasons, production cannot rise proportionately with demand —bottlenecks and soft spots exist together.

"The key item in the changes in business activity between the fourth quarter of 1955 and the first quarter of 1956 was an increase of $1½ billion, annual rate, in business investment in new construction and equipment. Probably, this rate is higher now. Business plant and equipment expenditures are scheduled to total $35 billion this year, exceeding 1955, which was itself an all-time record, by 22 per cent. Heavier Government spending for public works, defence, and other projects is generally anticipated.

"The impact of the demand for construction and equipment falls heavily on the bottlenecks, where supplies cannot be proportionately increased and puts corresponding pressure on prices. At the same time, the effect of cost increases, including higher wages, goes around the circle. In an atmosphere of full order books, rising prices, and difficulties in getting and keeping skilled workers, union leaders will make all they can of the opportunity to demand large wage increases, and some employers may not be inclined to resist very strongly. In the steel industry, formal negotiations to replace the union contract expiring on 30th June have not yet begun. Yet so strong is the belief that there will be a sizable wage increase, followed by a commensurate price boost, that a scramble to accumulate steel, so far as limited supplies permit, has been under way for some time.

Wage Patterns

"Wage patterns this spring are being boosted by law (minimum wages up one-third), by previous contracts (auto workers will get 6 to 8½ cents more per hour on 1st June) and by collective bargaining. Whatever the method, these raises have a double-barrelled effect on prices through increasing both costs and purchasing power. It is also worth remembering that the rising volume of spending for plant and equipment, public works, and the like generates a rising flow of consumer income without contributing currently to the supply of consumer goods.

"The Bureau of Labour Statistics' comprehensive price index for industrial goods has risen steadily since last June, at the average rate of about 0.5 per cent. a month. This advance, equivalent to 6 per cent. a year, demonstrates the inflationary pressures. The overall wholesale price index, including farm products, has risen during the same period at a rate of about 3½ per cent., per annum. The consumer price index (cost of living) rose 0.1 per cent. in March. The Bureau of Labour Statistics, in publishing the figure, said that a seasonal rise in food prices could be expected from now through the summer, and that it would cause some rise in the cost of living index.

"Excessive borrowing, pressure at bottlenecks, rising wages and prices are all evidence that people are trying to get more out of the economic organisation than it can presently produce. This is the general situation, despite the soft spots, and it is the essence of the inflationary trend.

"Walter W. McAllister, Chairman of the Federal Home Loan Bank Board, put the problem in a speech in New York on 23rd April. In contrast to Federal Housing Administrator Cole's objective of building 1,300,000 more housing units this year, Mr. McAllister suggested 1,100,000 or 1,200,000 as a more practical goal: 'If we tried to sustain in excess of 1.2 million units, with the balance of the economy continuing at its present level of production, we simply would not be able to do it. We would not have the labour or materials and we certainly would not have the funds.'

The Outlook

"In reappraising the business outlook, most people will ask two questions. First, what is the importance of the well-advertised 'soft spots'? They are unlikely to disappear soon. Well over 800,000 new 1956-model passenger cars are in dealers' stocks and must be worked off before the introduction of new models in the early fall. Current passenger car production rates are roughly in line with domestic sales; before inventories can be reduced substantially, sales must be boosted or production cut. Inventory reduction is also necessary in agricultural machinery and to a less marked extent in some other lines. Even the booming steel industry faces a possibility of lower demand in the third quarter because of inventory liquidation. Roger M. Blough, Chairman of U.S. Steel stated in late April: 'A number of purchasers of steel are borrowing for the purpose of building up inventories. We believe that inventories are being built up at a rapid rate at this time. There are exceptions like plates, structurals, and pipe, which are in short supply. But all other products are being accumulated in inventory—sheets, strip, rods, bars and tin plate products.'

"Inventory liquidation in these lines may offset accumulation elsewhere during the summer months and, to that extent, the pressure of demand may be lightened. Business inventories (non-farm) rose during the fourth quarter of 1955 at the rate of $5.1 billion annually, and during the first quarter this year at the rate of $4 billion. On the whole, however, stocks are no greater in relation to sales than a year ago.

"The second question is whether tighter money will reduce investment and construction expenditures below previous expectations. Inventory liquidation is unlikely to go far or to have a major depressing effect as long as capital expenditures are maintained.

"There is little reason to doubt the firmness of business expansion and modernisation plans. They are parts of long-term programmes for cost-cutting, introduction of new products, and supplying growing markets. The extent to which commitments have already been made is evident from heavy unfilled orders for machine and other tools, dies, and specialised capital goods of all kinds, including shipping and railway freight cars. For the remainder of 1956 at least the prospects of any material slackening in the heavy goods industries are small indeed. They promise to be exempt from the 'rolling readjustment' that is affecting some sections of the economy, and the direct and indirect employment that they give will provide strong support for consumer income and expenditures.

"With tax-exempt bond yields rising, there are already intimations that the increased cost of borrowing may be causing some deferment of municipal and other local government projects. Also, business men who come forward with new programmes for capital expenditures are having to pay a little more for the money and, in some cases, may be unable to find the funds. It does not necessarily follow, however, that this will result in curtailment of present prospects in the capital goods industries, which are based on firm orders and firm plans.

"Of course, a holding of the line is precisely what is wanted. Eventually, the far-ranging spending plans of business, Government, and consumers will have to come into line with the ability of the economy to produce the desired materials and finished goods. Through tightening the credit supply, the authorities are causing lenders and borrowers alike to make a careful reappraisal of capital expenditure plans, inventory accumulation and other programmes. To the extent that greater selectivity in the use of credit brings about the deferment or cancellation of marginal spending plans, the pressure on the supply and prices of materials will be reduced. If curtailment seems to go too far, flexible money policy will, of course, take that into account at the time. For the present, it clearly is based not on expectations, forecasts or fears but on the facts as they now appear.

"The President's annual *Economic Report*, released on 24th January, discussed the lesson of 1955 and had some things to say that are equally relevant to at least the early months of 1956: 'Success in preventing depression depends, in large part, upon a willingness to avoid the excesses that can so easily develop during prosperity and upon skill in doing this. Governmental measures of monetary and fiscal restraint are not as readily accepted as are measures of economic stimulation. The manufacturer who sees an opportunity to expand his activities by borrowing cannot always understand why his bank is so short of funds that he must put up with a smaller loan than he requested. Nor can the home-builder or merchant or consumer. Nor, for that matter, can the banker. To each participant in the economic process a shortage of credit may appear as a restriction on his own opportunities. But the basic shortage under conditions of high prosperity is on the side of physical resources, not on the side of money or credit. If credit on easy terms were available to everyone at a time when the economy is already working close to capacity, the consequence would be a scramble for limited resources and a cumulative bidding up of prices. If taxes were simultaneously reduced, this inflationary process would only be speeded up. A Government that sought to prolong prosperity by such devices would be taking a road that all too often has ended in disaster.'"

Notices

THE ASSOCIATED CEMENT COMPANIES, LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company, Cement House, 121, Queen's Road, Fort, Bombay, at 4 p.m. on Friday the 8th day of June 1956, for the purpose of passing the Resolutions specified in the Notice dated 30th April 1956 which has already been forwarded to the Shareholders.

By Order of the Board,
For THE ASSOCIATED CEMENT COS., LTD.,
CEMENT AGENCIES (PRIVATE) LTD.,
Managing Agents,
N. DANDEKER,
Managing Director.

BOMBAY, 9*th May* 1956.

THE NEW INDIA ASSURANCE COMPANY, LIMITED

BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from 27th May to 25th June 1956, both days inclusive.

By Order of the Board,
B. K. SHAH,
Managing Director.

BOMBAY, 8*th May* 1956.

THE BENGAL FLOUR MILLS CO. LTD.

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Ordinary General Meeting of the Company a dividend at 15 per cent. per annum for the half-year ended 31st December 1955.

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

21, NETAJI SUBHAS ROAD,
CALCUTTA, 7*th May* 1956.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1935	4	4†
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	2½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1955	3½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3
Switzerland	26th Nov., 1954	1	1½
Turkey	28th June, 1955	3	4½
United Kingdom	16th Feb., 1955	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	7th Mar., 1956	3½	4½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 4th May, 1956		Week ended 27th April, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,26,052	66,25,44,000	2,92,327	64,28,36,871
Calcutta	1,68,208	66,06,17,667	1,52,804	58,67,29,422
Madras	55,160	10,35,28,640	50,934	9,09,93,975
All Centres—				
1953-54*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Jan., 1956	..	..	3,210,000	6,07,68,00,000
Feb.,	..	..	2,902,000	7,51,85,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 4th May, 1956

BANKING DEPARTMENT

Liabilities	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		10,00,00,000
National Agricultural Credit (Stabilisation) Fund		....
Deposits :—		
(a) Government—		
(1) Central Government		55,84,66,000
(2) Other Governments		18,11,73,000
(b) Banks		49,40,33,000
(c) Others		14,10,25,000
Bills Payable		5,39,12,000
Other Liabilities		35,71,27,000
	Rupees	198,57,41,000

Assets	Rs.
Notes	7,17,57,000
Rupee Coin	2,77,000
Subsidiary Coin	4,36,000
Bills Purchased and Discounted—	
(a) Internal	30,50,000
(b) External	....
(c) Government Treasury Bills	9,85,42,000
Balances held abroad*	40,05,31,000
Loans and Advances to Governments	1,83,50,000
Other Loans and Advances	76,88,81,000
Investments	43,86,96,000
Other Assets	18,45,71,000
Rupees	198,57,41,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 42,64,79,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 89,97,12,000.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	7,17,57,000	
Notes in circulation	1518,51,21,000	
Total Notes issued		1525,68,78,000
Total Liabilities		1525,68,78,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	681,44,72,000	
Total of A		721,46,43,000
B. Rupee Coin		105,53,18,000
Government of India Rupee Securities		698,69,17,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets		1525,68,78,000

Ratio of Total of A to Liabilities : 47.288 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 27th April, 1956

	Rs.	Rs.
1. Demand Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		6,89,31,000
(ii) Other demand liabilities		638,82,83,000
2. Time Liabilities in India :		
(i) Borrowings from banks other than the State Bank and a notified bank†		2,96,80,000
(ii) Other time liabilities		424,32,42,000
3. Borrowings in India from the State Bank and/or a notified bank :		
(i) Demand liabilities		9,19,23,000
(ii) Time liabilities		....
4. Cash in India		37,55,67,000
5. Balances with the Reserve Bank in India		48,79,90,000
6. Balances with other banks in current account in India		10,90,06,000
7. Money at call and short notice in India		9,14,50,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts		355,09,31,000
9. Advances in India		505,00,57,000
10. Inland Bills purchased and discounted in India		105,90,99,000
11. Foreign Bills purchased and discounted in India		47,14,69,000

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

EXCHANGE RATES

	7th May, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot £.	1-5 31/32	1-5 31/32
Sellers T.T. D.D. upto six months £.	1-5 31/32	1-5 31/32
Buyers T.T. spot to nine months £.	1-6 1/32	1-6 1/32
Buyers T.T. 10 to 12 months £.	1-6 1/32	1-6 1/32
Bombay on New York—		
Sellers T.T. D.D. Rs.	476 1/2	476 1/2
Buyers T.T. Rs.	473	473
London on New York $	2.80 1/2-2.81	2.80 1/2-2.81
London on Paris Fcs.	983 1/2	983 1/2
London on Berne Sw. Fcs.	12.27 1/2-12.27 1/2	12.27 1/2-12.27 1/2
New York on London $	2.80 1/2-2.81	2.80 1/2-2.81

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)		In terms of rupees (Crores)	*Per capita* income (Rs.)
India†	'53-'54	373.37	..	..	10,500	284
Pakistan	'53-'54	78.81	..	..	1,931	245
Burma	1954	19.24	Kyats	3,905	390	204
Ceylon	1954	8.33	..	..	477	569
Japan	1954	88.20	Y.	6,148,000	8,133	922
Philippines	1954	21.44	Ps.	7,438	1,770	825
New Zealand	1954	2.09	£ (N.Z.)	802	1,070	5,119
Australia	1954	8.99	£ (A)	3,357	4,220	4,694
U.K.	1954	50.78	£	15,718	20,950	4,100
U.S.A.	1954	162.41	$	300,000	144,423	9,016
Canada	1954	15.20	$	18,751	9,190	6,046
France	1953	43.86	F.Fr.	10,470,000	14,420	3,304
W. Germany	1953	48.99	Dm.	103,000	11,705	2,389
Italy	1953	48.07	Lr.	8,967,000	6,832	1,421
Norway	1954	3.39	Kr.	18,424	1,230	3,638
Sweden	1953	7.17	Kr.	36,957	3,422	4,772
Netherlands	1953	10.49	Grs.	19,360	2,451	2,336
Denmark	1953	4.37	Kr.	22,915	1,580	3,616
Switzerland	1953	4.88	Sw.Fr.	20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production or goods and services in the course of a year including net income from abroad.
Source : United Nation. Monthly Bulletin of Statistics, Dec., 1955.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 27th April, 1956

BANKING DEPARTMENT

Liabilities	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits :—		
(a) Central Government		10,87,73,000
(b) Provincial Governments		7,46,99,000
(c) Banks		17,77,94,000
(d) Others		21,39,43,000
Bills Payable		8,02,000
Other Liabilities		5,96,58,000
	Rupees	69,57,29,000

Assets	Rs.
Notes	12 57,01,000
Rupee Coin	8,000
Subsidiary Coin	18,000
Bills Purchased and Discounted :—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	2,26,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	5,20,40,000
Investments	39,18,46,000
Other Assets	12,58,90,000
Rupees	69,57,29,000

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	12,57,01,000	
Notes in circulation	288,17,95,000	
Total Notes issued		300 74,96,000
Total Liabilities		300,74,96,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion		
Silver Bullion	11,19,58,000	
Sterling Securities	66,98,38,000	
Government of India Securities	26,58,88,000	
India Notes representing assets receivable from the Reserve Bank of India	43,05,23,000	
B. Rupee Coin	6,62,88,000	167,77,02,000
Government of Pakistan Securities	130,45,00,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		127,07,88,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
Total Assets		300,74,96,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.65 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	27th April, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,505.01	1509.65	1,466.64	1,310.77
Notes held in Banking Department	35.05	22.35	16.67	11.77	31.22
Foreign Securities	59.50	681.45	681.45	656.42	661.98
Rupee Securities	37.39	698.69	698.69	678.82	583.75
Banking Department					
Deposits of :					
Government of India	14.89	58.60	55.86	67.34	51.02
Other Governments	..	27.01	25.53	62.03	35.00
Balances held abroad	10.08	44.20	52.71	89.72	53.19
SCHEDULED BANKS					
Demand Liabilities	134.36	615.72	648.31	635.99	500.39
		(6.89)†	(7.01)†	(4.89)†	(9.59)†
Time Liabilities	102.24	427.29	427.77	414.32	383.70
Borrowings from		(2.96)†	(2.96)†	(3.01)†	(2.20)†
Reserve Bank	..	55.00	30.50	65.00	20.92
		(37.52)‡	(32.52)‡	(27.43)‡	(24.84)‡
Borrowings from State Bank	9.10	8.81	20.55	4.97	
Cash in India	6.70	37.56	37.89	35.57	34.13
Balances with Reserve Bank	25.17	48.80	50.87	49.12	46.61
Excess over statutory limits	15.52	7.97	9.90	9.04	10.42
Balances with other banks in current account in India	..	10.90	10.42	10.87	10.16
Money at call and short notice in India	..	9.15	8.21	6.46	17.11
Investments (at book value)	..	355.09	355.58	360.07	344.40
Advances and bills	105.09	757.76	752.65	760.80	623.90
STATE BANK					
Deposits	..	87.76	229.53	234.69	238.06	217.09
Investments	..	51.99	105.27	105.34	106.06	103.32
Advances	..	30.35	135.08	134.57	141.14	125.95
Cash	..	14.69	16.17	18.72	15.57	17.56

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January,		Ten months, April to Jan.,	
	1955	1956	1954-55	1955-56
Import Duties				
Revenue	22.08	10.51	112.14	95.96
Protective	0.60	0.84	6.31	8.44
On surplus disposals	..	..	0.13	0.08
Total Import duties	22.68	11.35	118.58	104.48
Export Duties	4.66	2.63	32.45	90.93
Land Customs	0.14	0.20	1.57	1.15
Miscellaneous	0.09	0.05	0.90	0.59
Gross total customs	27.57	14.23	153.50	197.15
Refunds and drawbacks	0.16	0.31	1.37	2.12
Net Customs	27.41	14.02	152.23	195.03
Gross excise	9.41	13.51	85.18	123.05
Refunds	0.07	0.13	1.49	3.60
Net Excise	9.34	13.38	83.69	119.45
Net total of customs and excise†	36.75	27.40	235.92	254.49

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 4th May, 1956

	Rs.	Rs.
CAPITAL AND LIABILITIES		
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up : 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves		5,62,50,000
Deposits and Other Accounts		6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.		226,07,77,000
Bills Payable		10,56,00,000
Bills for Collection being Bills Receivable as per contra		6,55,21,000
Acceptances, Endorsements and Other Obligations per contra		62,50,000
Other Liabilities (including Inter-Office Adjustments)		22,39,000
Total .. Rs.		8,04,08,000
		264,05,45,000
PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		11,64,65,000
Balances with other Banks		2,67,80,000
Money at Call and Short Notice		33,33,000
INVESTMENTS :		
Government and other Trustee Securities	94,06,23,000	
Other Authorised Investments	10,45,21,000	104,51,44,000
ADVANCES :		
Loans, Cash Credits, Overdrafts, etc.	105,25,95,000	
Bills Discounted and Purchased	34,08,13,000	139,34,08,000
Bills Receivable being Bills for Collection as per contra		62,50,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		22,39,000
Premises less Depreciation		1,16,00,000
Furniture and Fixtures less Depreciation		49 66,000
Other Assets (including Inter-Office Adjustments)		3,08,60,000
Total .. Rs.		264,05,45,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS											
	National Savings Certificates						Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.83	65	3.26	23.66	84.17	1,18.36	92.08	31.07	7.55	25.64					
1954-55	4.70	1.62	4.99	27.27	1,24.64	1,24.94	1,30.88	36.25	5.57	37.15					
1955-56	..	..	..	..	..	..	..	..	4.79	41.25	..	..	..	..	..
February 1955	4.81	12	4.79	2.27	1,21.88	11.13	1,22.28	36.18	40	36.74	48	6.81	5	50	
March	4.70	26	4.90	2.41	1,24.64	18.51	1,30.88	36.35	40	36.74	48	6.81	5	50	
April	4.60	11	5.00	2.35	1,26.48	12.41	1,33.22	36.50	47	37.15	58	7.22	4	54	
May	4.55	36	5.24	2.01	1,27.94	11.32	1,34.44	36.64	45	37.55	48	7.56	4	58	
June	4.44	13	5.12	2.09	1,29.49	12.26	1,36.26	36.76	41	37.89	36	8.51	4	61	
July	4.36	12	5.16	2.27	1,31.28	12.80	1,40.58	36.85	39	38.23	84	9.32	5	65	
August	4.29	12	5.17	2.09	1,33.28	12.25	1,43.80	36.96	41	38.64	91	10.19	4	69	
September	4.21	13	5.20	2.54	1,34.88	13.40	1,46.91	37.11	39	38.87	88	11.00	3	72	
October	4.14	10	5.21	2.11	1,36.38	11.35	1,48.90	37.23	44	39.28	94	11.80	4	75	
November	4.07	10	5.21	1.98	1,37.68	11.25	1,50.40	38.24	46	39.88	82	12.49	5	80	
December	4.00	18	5.26	2.58	1,39.48	12.94	1,52.44	38.44	48	40.05	83	13.20	5	85	
January 1956	3.91	14	5.24	2.02	1,40.78	12.16	1,54.14	38.55	36	40.82	88	13.98	4	88	
February	3.83	16	5.29	2.33	1,42.37	13.87	1,56.19	38.66	32	40.61	84	14.73	3	91	
March	..	..	..	..	..	..	..	..	29	41.25	69	15.57	2	93	

* At the end of period.
‡ Issued from 10th May, 1954.
‡‡ Relating to nine months from July, 1954.
§ Outstandings do not include Indian Union's share of the pre-partition holdings of Indian investors.
@ Progressive net repayments at the end of period from 15th August 1947.
§ From July, 1954.
Liabilities
E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base : 1949-50=100)

Group and Sub-Group	Week ended 30-4-'56	31-3-'56	21-4-'56	28-4-'56
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.6	90.9	90.9	91.0
1. Government of India	90.4	90.7	90.7	90.8
2. Indian States	98.1	98.7	98.7	98.7
3. Municipal, Port Trust, etc.	89.3	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.6	101.1	100.9	100.9
1. Electricity	102.0	102.3	102.2	102.2
2. Jute	98.8	97.6	97.6	97.6
3. Plantations	99.6	99.1	99.2	99.2
4. General Engineering	99.0	93.5	93.5	93.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.3
8. Others	100.8	101.1	101.1	101.1
PREFERENCE SHARES	87.8	85.7	85.4	85.4
1. Electricity	97.9	93.7	93.8	93.6
2. Cotton	78.5	81.8	81.6	81.7
3. Jute	86.5	82.9	83.3	83.3
4. Coal	92.0	89.9	89.9	89.9
5. Iron and Steel	90.6	88.8	87.7	87.7
6. Sugar	93.3	85.7	84.5	84.7
7. Paper	88.8	83.5	82.1	82.1
8. Plantations	97.9	101.7	101.5	101.6
9. Miscellaneous	80.1	80.4	80.8	80.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	114.7	124.6	122.8	122.2
(a) Financial	88.2	89.3	87.8	87.6
1. Banks	84.8	89.5	88.1	88.0
2. Insurance	103.7	86.1	84.7	84.7
3. Investment Trust	93.0	93.5	94.5	94.7
(b) Public Utilities	112.2	114.2	112.9	112.2
1. Electricity	123.6	117.2	116.1	115.5
2. Shipping and other Transport	99.0	114.1	111.9	111.4
3. Railways	89.7	88.8	88.6	88.2
(c) Manufacturing industries.	118.0	133.8	131.3	130.3
1. Cotton Woollen and Silk	103.6	132.0	130.7	130.1
2. Jute	98.4	79.3	75.6	75.0
3. Iron and Steel	225.6	151.8	149.0	147.3
4. Paper	225.6	292.1	290.0	286.6
5. Cement	148.7	175.9	174.9	173.5
6. General Engineering	168.5	198.1	194.0	191.5
7. Sugar and Breweries	97.5	108.9	104.7	103.4
8. Chemicals	180.4	151.8	144.0	143.3
(d) Non-Manufacturing Industries	158.3	169.4	168.5	168.9
1. Coal	76.6	82.6	81.5	81.4
2. Mining and Oil	183.2	266.5	258.9	262.0
3. Plantations	196.4	181.4	183.5	182.9
(e) Miscellaneous	98.5	101.9	101.0	100.8
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90.1	90.3	90.4	90.4
2. Calcutta	90.5	90.8	90.9	90.9
3. Madras	90.0	91.2	91.2	91.2
DEBENTURES OF INDUSTRIAL CONCERNS :	99.2	100.0	100.0	100.0
1. Bombay	101.8	102.1	101.6	101.6
2. Calcutta	100.5	100.1	100.2	100.2
3. Madras				
PREFERENCE SHARES :	92.2	90.2	89.3	89.3
1. Bombay	83.5	80.3	80.3	80.2
2. Calcutta	95.4	97.0	97.4	97.7
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :	116.4	131.5	129.5	127.2
1. Bombay	109.3	112.7	111.4	111.1
2. Calcutta	109.9	128.8	126.7	127.0
3. Madras	116.0	132.5	131.0	130.4
4. Delhi				

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes †	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,928
1952	993	809,248	3,336,961
1953	772	466,807	3,382,608
1954	840	477,138	3,372,680
1955	1,633	723,093	5,934,676
January 1954	84	51,073	325,514
February "	85	41,351	344,295
March "	91	34,202	331,419
April "	101	34,963	207,947
May "	80	40,073	216,062
June "	89	21,589	305,078
July	122	30,189	277,492
August "	79	51,090	322,887
September "	97	50,414	363,878
October "	88	41,724	376,294
November "	68	25,115	239,701
December "	101	54,455	262,763
January 1955†	95	49,038	322,807
February "	91	38,370	144,302
March "	112	70,042	334,696
April* "	99	29,315	205,633
May "	119	56,064	324,416
June "	154	85,172	1,035,704
July*	109	57,889	692,773
August* "	235	90,565	533,971
September* "	253	94,523	581,580
October* "	131	47,042	203,544
November* "	106	49,483	173,129
December* "	130	45,929	239,157
January 1956	103	57,538 (a)	347,351 (b)

† Figures for 1955 are provisional. * Revised.
(a) Not known in 4 cases. (b) Not known in 5 cases.
§ Current as at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1953-54	614	6,301.4	5,134.3
1954-55	648	6,878.8	5,572.7
1954-55	686	7,760.9	6,319.2
December 1954	679	663.5	558.0
January 1955	684	663.5	545.2
February "	685	628.7	521.8
March "	686	698.7	568.3
April "	690	691.1	563.9
May "	691	706.5	569.3
June "	696	710.2	576.1
July "	700	724.8	593.3
August "	705	708.9	574.4
September "	707	719.3	587.1
October "	716	720.7	591.9
November "	721	725.5	597.0
December "	724	735.7	643.0
January 1956	731	757.2	621.8

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base : Year ended August, 1939=100)

Particulars	Weight	21st April, 1956	14th April, 1956	23rd April, 1955	March, 1956	March, 1955	Percentage of increase (+) or decrease (—) in Mar., 1956 as compared with Mar., 955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	361.3	360.9	279.7	351.6	297.0	+18.4	313.2	339.8
Cereals	59	464	459	324	439	339	+29.5	372	381
Pulses	8	347	351	211	373	229	+62.8	249	280
Others	33	233	230*	233	249	— 6.4		235	291
Industrial Raw Materials	(18)	475.4	471.0	395.9	475.6	412.7	+15.2	419.7	436.2
Fibres	5	501	459	436	471	452	+ 4.2	429	447
Oil seeds	10	536	524	319	511	358	+42.1	398	424
Minerals	10	443	444	417	453	417	+ 8.6	427	422
Others	7	388*	395*	449	406	480	—15.4	431	427
Semi-Manufactures	(17)	378.4	375.1 R	327.0	389.3	333.5	+10.7	338.2	350.3
Leather	3	409	410	395	408	390	+ 4.6	378	376
Mineral oils	3	203	203	208	221	220	— 5.9	207	221
Vegetable oils	16	535	511 R	329	485	354	+37.0	388	433
Cotton yarn	35	457	455	429	452	440	+ 2.7	422	454
Metals	18	281	282	215	282	212	+16.5	264	240
Oil cakes	5	426	418	277	370	284	+33.5	338	381
Others	5	362	362	329	364	333	+ 9.3	336	312
Manufactured Articles	(30)	375.8	375.5 R	377.0	374.8 R	377.8	— 0.8	372.9	377.4 R
Textiles	64	409	408 R	420	408	422	— 3.3	408	421
Jute	11	401	397	451	410	468	—12.4	418	443
Cotton	45	405*	403*	411	403*	414*	— 1.9	403*	415*
Rayon and Silk	6	502*	502*	484*	502*	463*	+ 7.3	485*	469*
Woollen	2	380	380 R	310	274	310	—11.6	284	311
Metal products	17	371	371	340	371	340	+ 9.1	359	340
Others	19	286	286	237	285	237	— 0.7	285	236
Miscellaneous	(4)	496.5	498.0	538.6	508.1	553.3	— 8.2	546.4	612.4
All Commodities	(100)	392.1	390.5 R	343.4	367.3	354.2	+ 9.3	360.3	377.5 R

R=Revised. * Estimated.

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of Weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugarf	Gur	Tobacco	Raw Cotton	Raw Jute‡	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures†	Iron and steel
1955																		
February	401	502†	117	202	205	744†	583	275	144	770†	427†	547	370	331	357	477	410	274
March	416	458	102	219

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

000's omitted

Crop		Acreage		Outturn	
	Forecast	Unit	1954-55	1953-54	1954-55	1953-54
Rice	final	tons	76,253†	75,949*	25,474†	24,531*
Wheat	final	,,	26,842	26,310	8,539	7,873
Jowar	final	,,	43,456	43,657	9,002	7,918
Bajra	final	,,	27,025†	27,982*	3,409†	3,421*
Barley	final	,,	7,999	8,721	2,786	2,904
Maize	final	,,	8,360†	9,311*	2,519†	2,939*
Ragi	final	,,	5,927†	5,711*	1,344†	1,945*
Small millets	2nd	,,	11,440†	12,215*	1,693†	2,002*
Total cereals	final	tons	208,823	214,867	55,827	57,920
Kharif	final	,,	173,982	179,836	44,002	47,143
Rabi	final	,,	34,841	35,031	11,825	10,777
Kharif pulses‡	final	tons	14,935	16,192	1,497	1,543
Rabi pulses‡	final	,,	10,498	11,214	1,977	2,089
Total pulses	final	,,	54,004	53,715	10,474	10,458
Tur	2nd	,,	5,755§	5,648*	1,709†	1,790*
Gram	final	,,	20,991	19,754	5,125	4,775
Jute	final	bales	1,581†	1,243*	4,187†	2,928*
Cotton	4th	,,	19,525†	17,508*	3,705†	4,072*
Sugarcane	2nd	tons	3,930†	5,718*	5,079†	4,858*
Groundnut	final	tons	12,585†	13,548*	3,804†	4,128*
Linseed	final	,,	3,290	3,360	388	374
Castorseed	final	,,	1,402†	1,394*	126†	124*
Rape and Mustard seed	final	,,	5,665	5,534	962	855
Sesamum	3rd	,,	5,587†	6,123*	461†	588*
Total Oilseeds	final	,,	29,335	27,482	5,377	5,462
Tobacco	final	tons	860	912	248	268
Black pepper	final	,,	214†	208*	27†	26*
Ginger	final	,,	87†	95*	15†	14*
Dry chillies	final	,,	1,472	1,326	356	297
Potato	final	,,	665	635	1,762	1,924

Source: Ministry of Food and Agriculture.

N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
@ Excludes Tur. ‡ Excludes Gram and Tur.
† Relates to 1955-56. * Relates to 1954-55.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During March, 1956	99.3
	Corresponding month, 1955	88.9
	Nine months ended Mar., 1956	800.4
	Corresponding period, 1955	750.1
Stocks	At the end of March, 1956	94.6
	Corresponding month, 1955	94.6
		(In 000 bags)
Exports (Jute Bags)	Week ended 17th Mar., 1956	3,118
	Corresponding week, 1955	8,219
	From 1st Jan., to 17th Mar., 1956	78,818
	Corresponding period, 1955	87,651
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 17th Mar., 1956	5,106
	Corresponding week, 1955	8,723
	From 1st Jan., to 17th Mar., 1956	255,174
	Corresponding period, 1955	229,273
	RAW JUTE	(In lakh bales)
Consumption by Mills†	March, 1956 (in lakh bales)	5.76
	Corresponding month, 1955	5.16
	Nine months ended Mar., 1956	46.48
	Corresponding period, 1955	48.51

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION

(In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,84,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
November 1954	98,800	90,500	68,000
December ,,	1,05,600	95,000	73,800
January 1955	1,02,400	95,800	72,200
February ,,	93,500	84,500	63,900
March ,,	95,000	89,300	66,100
April ,,	95,100	85,000	66,200
November ,,	91,900	86,200	63,400
December ,,	1,03,900	97,500	72,800
January 1956	1,03,900	96,800	71,600
February ,,	97,500	89,500	67,700
March ,,	1,03,300	96,200	69,900
April ,,	1,00,000	87,200	64,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	5,26,710	4,81,450	3,12,940
Do. 31st March, 1954	5,80,020	5,49,780	3,92,440
Do. 31st March, 1955	7,15,949	5,38,240	4,59,092
Do. 31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,83,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,85,953	1,36,801	1,20,618
,, ,, ,, Mar., 1955	1,65,108	1,48,388	1,18,186
,, ,, ,, June, 1955	1,85,505	1,54,338	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,40,630	1,06,714
,, ,, ,, Dec., 1955	1,80,750	1,54,996	1,16,192
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860

FOREIGN TRADE OF INDIA

Particulars	January		Ten months, April to Jan.	
	1955	1956	1954-55	1955-56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	14,03	4,50	108,89	43,73
Raw materials	12,61	10,97	157,98	126,09
Manufactures	26,04	39,77	252,98	340,38
Other items	6	30	2,37	2,62
Total*	52,74	55,54	522,22	512,82
By land	2,17	3,26	18,18	23,12
Total Imports	54,91	58,80	540,40	535,94
Exports :				
By sea and air—				
Foodstuffs	20,75	16,39	170,77	133,31
Raw materials	12,69	11,22	91,77	133,14
Manufactures	19,94	17,01	210,04	209,04
Other items	39	42	4,10	3,57
Total	53,77	45,54	476,68	479,56
By land	36	58	4,69	5,41
Total Exports	54,13	46,12	481,37	484,97
Total Re-exports	45	34	4,29	4,27
Balance of trade in merchandise	— 35	— 12,32	— 55,01	— 46,66
Balance of transactions in private treasure	—	— 1	— 2	— 6
Total visible balance of trade	— 35	— 12,33	— 55,03	— 46,72
Imports : ‡				
Total C'wealth countries	20,52	24,76	222,01	228,96
Total Foreign countries	32,22	30,78	300,21	285,86
Exports : ‡				
Total C'wealth countries	30,78	25,29	268,63	248,11
Total Foreign countries	22,99	20,25	208,05	236,45

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	257	25	266	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	244	26	245	47	175
1954-55	11,768	2,711	885	183	98	62	154	13	158	397	25	287	47	128
January 1955	9,609	2,275	735	145	74	51	126	11	269	332	20	233	43	110
February ,,	10,689	2,484	807	163	85	56	140	12	264	365	23	256	45	117
March ,,	11,768	2,711	885	183	98	62	154	13	158	397	25	281	47	128
April ,,	1,634	322	77	21	12	6	9	2	12	33	3	24	2	10
May ,,	2,027	445	157	40	23	12	15	4	25	66	7	48	4	23
June ,,	2,973	662	237	55	33	17	19	6	27	98	11	73	7	34
July ,,	3,973	890	324	73	41	22	23	8	52	130	14	100	12	48
August ,,	4,582	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,667	565	114	62	38	51	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	15	111	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G. = 2 M.G.) and incorporate revisions in respect of earlier months.

* Including sugarcane from November, 1955.

Source :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 3rd May., 1956	44,910(J)
	Corresponding week, 1955	56,604(J)
	1st Sept. to 3rd May., 1955-56	1,397,589*
	Corresponding period, 1954-55	1,310,079*
Cotton Exports	Week ended 3rd May., 1956	1,670
	Corresponding week, 1955	9,553
	1st Sept. to 3rd May., 1955-56	560,252
	Corresponding period, 1954-55	247,666
Mill Consumption (Estimated)	1st Sept. to 3rd May., 1955-56	856,250
	Corresponding period, 1954-55	805,585
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 3rd May., 1956	634,882
	Corresponding date, 1955	649,823
Cotton Exports from Bombay (by sea)	During January, 1956	35,978‡
	1st Sept., '55 to 31st Jan., 1956	363,052
	1st Sept. '54 to 31st Jan., 1955	128,685
Karachi (Pakistan)—		
Receipts	1st Sept. to 26th April, 1955-56	1,248,263
	Corresponding period, 1954-55	1,168,283
Exports	1st Sept. to 26th April, 1955-56	675,884
	Corresponding period, 1954-55	513,349

Particulars	From 1st Sept. 1955 to 7th May, 1956 Bales	From 1st Sept. 1954 to 7th May, 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	64,437	22,717
Continent	94,066	38,101
Hongkong	40,469	3,221
China	57,578	—
Japan	293,360	71,763
U.S.A.	4,152	15,916
Other Countries	4,145	1,360
Total to all foreign countries	558,216	153,158
Coastal Ports	93,052	102,814
Total	651,268§	255,972
	Period	Quantity (Bale of 400 lbs.
Consumption of Cotton—		
Indian	January, 1956	353,259
Foreign		49,606
Indian	Five months ended Jan., '56	1,872,064
Foreign		235,249
Indian	Same Period 1955	1,700,352
Foreign		204,740
Stocks (Mills and Elsewhere)—		
Indian	As on 31st Jan., 1956	1,137,911
Foreign		156,440
Indian	As on 31st Jan., 1955	1,043,859
Foreign		135,998
	Week ended 27th April, 1956	98,223
	Corresponding week, 1955	150,675
Cotton Pressed in India† (In running bales)	1st Sept. to 27th April, 1955-56	2,476,977
	Corresponding period, 1954-55	3,407,045

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-27	83,30,26,000	1960-70	101 ⅜
3 ½ % Loan	1935-36	1,15,17,45,000	1963-65	95
3 ½ % Loan	1950	30,33,10,000	1964	94 ⅜
3 ½ % Fg. Loan	1948	1,10,11,78,000	1956-68	93 ⅜
3 % Loan	1944	1,14,06,85,000	1957	99 ¼
3 % Loan	1945	1,15,06,88,000	1970-75	90
2½ % 2nd V. Loan	1945	1,18,85,64,000	1959-61	98
2½ % Loan	1951	50,35,63,000	1958	99 ⅛
2½ % Loan	1946	48,59,07,000	1959	96 ⅜
2½ % Loan	1946	57,09,69,000	1961	98 ⅛
2½ % Loan	1946	24,77,48,000	1976	82 ⅜
2½ % Loan	1947	75,56,72,000	1962	93 ⅜
2½ % Loan (N.P. Bonds)	1953	75,28,00,000	1961	99 ⅛
2½ % N.P. Loan	1954	157,35,41,000	1964	98 ⅛
2½ % N.P. Bonds (2nd Series)	1955	100,00,00,000	1965	98 ⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,36,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	80
3 % Loan	1948	245,81,66,000		77 ⅜
REPATRIATE‖STERLING LOANS				
4½%‖Loan	1923	5,85,20,000	1958-68***	103 ⅛
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99
3 ½ % Bombay	1942	2,99,25,000	14th Sept. 1956	99
3 ½ % Bombay	1944	2,06,56,000	15th Aug. 1958	98
3 % Bombay	1949	5,63,12,000	1st Aug. 1962	96
3 % Bombay	1950	2,92,30,000	31st July 1960	96
2½ % Bombay	1951	2,97,86,900	17th Sept. 1962	93
2½ % Bombay	1953	3,50,35,000	15th July 1963	92
4 % Bombay	1952	3,61,31,700	1st Aug. 1964	101
4 % Bombay	1953	9,00,00,000	1st Sept. 1967	100
3 % Bihar	1945	1,50,00,000	1st Sept. 1967	99
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	99
3 % Cochin	1936	70,09,000	1st June 1956-61	99
3½ % Guzerath Bridge (New)	1956-57	1,95,96,700	1956-66	95
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99
3 % Madras	1939	1,23,95,600	21st June 1959	96
3 % Madras	1943	1,35,10,000	14th Sept. 1956	99
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98
3 % Madras	1946	3,76,44,900	14th Sept. 1960	96
2½ % Madras	1946	2,81,77,300	1st Sept. 1961	92
4 % Madras	1950	4,33,55,400	31st July 1960	96
3 % Madras	1951	3,01,49,800	17th Sept. 1962	98
4 % Madras	1953	10,33,33,000	15th July 1963	100
4 % Madras	1952	5,34,31,200	1st Aug. 1964	100
4 % Madras	1954	7,00,00,000	1st Sept. 1967	99
4 % Mysore(J)	1938	2,95,55,200	1st Dec. 1956-58	101
4 % Mysore(J)	1938	5,99,72,900	30th April 1956-61	99
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99
4 % Mysore	1953	2,32,47,000	15th July 1963	100
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99
3 % M.P.	1943	50,54,200	14th Sept. 1956	99
3 % M.P.	1944	52,69,800	15th Aug. 1958	98
3 % M.P.	1945	3,08,28,800	15th Sept. 1956	98
3 % M.P.	1950	1,01,14,700	31st July 1960	96
3½ % M.P.	1951	1,02,15,100	17th Sept. 1962	98
4 % M.P.	1953	1,02,18,100	15th July 1963	100
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99
4 % Punjab**	1925-44	2,48,57,200	30th Aug. 1956	99
3 % Punjab**	1943	2,46,75,800	14th Sept. 1956	99
3 % Punjab**	1945	2,98,51,600	14th Sept. 1960	97
3 % Saurashtra	1955	3,25,00,000	1st Sept. 1967	99
2½ % Travancore	1938	40,00,000	16th Aug. 1956	99
4 % Travancore-Cochin	1953	2,25,00,000	15th July 1963	100
3 % U.P.	1936	1,57,43,600	15th Sept. 1961-66	90
3 % U.P.	1944	2,02,24,500	15th Aug. 1958	98
3 % U.P.	1945	2,17,89,700	14th Sept. 1956	99
3 % U.P.	1946	2,50,32,600	1st Sept. 1961	92
2½ % U.P.	1951	1,04,11,700	17th Sept. 1962	93
4 % U.P.	1951	6,11,45,800	1st Aug. 1964	100
4 % U.P.	1953	5,66,15,500	15th July 1963	100
4 % U.P.	1955	8,50,00,000	1st Sept. 1967	99

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
35,50,000	4	1904	1964	
35,00,000	4	1906	1966	
15,00,000	4	1906	1967	
15,00,000	4	1907	1968	
75,00,000	4	1908	1968	99‖N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
18,85,878	4	1913*	1960	D
1,00,00,000	4	1914	1974	100‖N
88,25,000	4	1914	1975	100‖
10,00,000	4	1915*	1960	
60,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,35,000	3½	1924*	1960	
35,00,000	3½	1925*	1960	
12,50,000	3½	1926*	1960	D
12,50,000	3½	1931*	1961	
19,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
45,00,000	3½	1936*	1966	
10,00,000	3½	1938*	1963	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,34,800	4	1914	1974	99
75,36,100	4	1915	1975	99
1,50,00,000	4††	1921	1981	99
68,02,8000	6½	1921	1981	144N
98,51,600	4	1926	1956-86	100
99,84,500B	4	1926	1956-86	100‖
1,49,45,500B	5	1927	1957-87	118N
1,49,80,000	5	1936	1966-86	104½
60,00,000	4½	1931	1991	95
66,06,800	4	1938	1968	97‖
25,00,000	4	1938	1963-68	99
1,00,00,000	3	1938	1968	90
58,09,000	3	1938	2003	74
50,00,000	3	1938	1978	74
50,00,000	3	1938	1977	76
50,00,000	3	1938	1976	84‖
50,00,000	3	1938	1977	74
50,00,000	3	1938	1978	83‖
50,00,000	3	1939	1981	81
1,00,00,000	3	1939	1981	81
1,00,00,000	3	1939	1982	80‖
50,00,000	3	1940	1982	80
1,50,00,000	3	1940	1981	81
50,00,000	3	1940	1982	80‖
50,00,000	3	1941	1983	80
50,00,000	3	1941	1983	80
50,00,000	3	1941	1983	80

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	76,28,421	48,05,373	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	3-11	3	0 4(e)	0 4 (e)	0 2(e)	Nil	12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	B. E. Sons, Ltd.	50,596	1,021	B. B. Cotton Mills	45	100	Nil	Nil	Nil		12	Y.
2,50,96,000	2,99,72,778	4,95,55,449	8,29,,,9,273	73,123	Nowrozjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	657‡	250	20 0	22 8*	20 0	25 0*	12	Y.P.T.
10,00,000	27,36,559	55,58,179	48,57,496	2,45,761	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	103‡	50	Nil	Nil	Nil		12	Y.
1,09,42,800	2,63,96,823	2,81,83,264	1,97,06,117	6,84,956	Birla Bros., Ltd.	1,20,344	2,698	Century Spg. & Mfg.	549	100	80 0	82 0	75 0		12	Y.P.
40,00,000	15,44,690	1,16,09,462	65,58,089	—33,25,720	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	78	100	22 0	22 0	22 0	22 0	12	Y.
26,00,000	11,38,470	51,39,789	45,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,823	680	Cooria Spg. & Wvg.	150	100	Nil	Nil	Nil		12	Y.
16,00,000	24,36,896	69,10,861	54,05,041	2,17,076	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	120	50	7 8	7 8	7 8	7	3	Y.
34,00,000	37,75,000	73,50,731	64,78,718	80,168	Puranmal Radhakishan & Co.	50,084	928	Edward Textiles	135	50	6 0	6 0	6 0	15 0	12	Y.
20,00,000	11,98,292	1,10,92,641	75,74,225	82,706	M	41,300	886	Elphinstone Spg. & Wvg.	85	100	15 0	15 0	15 0		12	Y.
50,00,000	70,11,878	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	343	100	Nil	2 8	2 8	2 8	12	Y.P.
11,84,000	....	....	....	....	....	....	....	....	370	100	20 0	16 0	16 0	20 0	12	Y.
16,000	76,64,589	1,27,76,810	99,11,500	9,223	Thos ersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	4,800	1,000	200 0*	225 0*	225 0	300 0	12	Y.
2,00,00,000	1,18,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co	2,32,640	6,278	India United Mills	138	250	50 0	56 4*	56 4	75 0	3	Y.P.
59,00,000									0 100.	50	0 10	Nil	Nil	0 10		
5,65,000	74,24,043	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	2-3‡ 0 1D.	1,000	Nil	0 1	Nil	0 10	12	Y.
35,000									5,075N	1,000	200 0*	225 0*	225 0	300 0		
60,85,000	40,58,451	2,37,16,607	1,92,83,945	25,588	Khatau Makanji & Co., Ltd.	57,740	1,505	Khatau Makanji Spg. & Wvg.	500	100	112 8*	112 8	112 8	150 0	3	Y.P.
1,80,00,000	1,21 50,000	3,56,38,095	2,88,14,796	33,980	Killick Industries Ltd.	1,20,504	1,845	Kohinoor Mills	241‡	100	10 0	10 0	10 0	10 0	6	Y.P.
22,12,050	41,06,720	1,18,74,348	55,99,115	31,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	360‡	100	18 0	20 0*	18 0	18 0	12	Y.
51,75,800	33,82,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	70 416	1,652	Morarjee Goculdas Spg. & Wvg.	450	100	5 0	5 0	5 0	8 0*	10	Y.P.
1,57,74,400	88,41,004	6,84,71,955	5,05,00,000	5,12,985	Chinai & Co., Private Ltd.	..	..	National Rayon Corporation	245‡	100	12 0	12 0	14 0		6	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	3,015	W. H. Brady & Co., Ltd.	45,644	..	New City of Bombay Mfg.	166‡	100	Nil	9 0	10 0	12 0	12	Y.P.
30,00,000	14,51,250	92,86,599	61,42,741	4,380	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	232	100	10 0	10 0	10 0	10 0	12	Y.P.
12,70,100	25,54,549	56,72,515	40,57,707	12,762	Mafatlal Chandulal & Co., (Bombay), Ltd.	24,100	573	New Union Mills	87	10	1 4	1 4	1 4	1 12	12	Y.
45,00,000	36,62,578	1,49,08,112	99,59,811	1,96,364	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	132‡	100	8 0	8 0	8 0		12	Y.
40,00,000	46,69,274	81,99,282	53,00,000	3,18,562	Podar Sons, Ltd.	32,600	930	Podar Mills	182‡	100	10 0	10 0	8 0	8 0	12	Y.
5,00,000	8,16,999	81,21,531	19,91,340	—1,78,184	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	18‡	10	1 4	1 4	1 4	5 01	12	Y.P.
25,00,000	54,26,056	1,35,89,736	1,19,14,117	11,568	M. G. Investment Corporation, Ltd.	60,608	1,254	Saxon Spg. & Mfg.	37	10	1 4	0 12	0 8		12	Y.
50,00,000	44,70,961	90,20,958	58,27,035	1,47,422	Narwar Textiles (Agency) Ltd.	66,886	1,640	Shree Niwas Cotton Mills	212‡xd	100	1 4	1 4	1 12	1 12	12	Y.
43,00,000	35,75,550	93,86,962	71,00,000	15,888	Forbes, Forbes Campbell & Co. Ltd.	56,116	1,274	Simplex Mills	218	50	15 0(g)	15 0	11 0	10 0	3	Y.
57,80,000	2,23,15,720	2,51,28,600	1,87,85,474	12,833	Mafatlal Gagalbhai & Sons	52,036	1,633	Standard Mills	481‡	100	20 0	20 0	20 0	20 0	3	Y.
99,85,700	84,69,716	2,28,37,547	1,19,01,899	67,611	Tata Industries Ltd.	72,236	2,000	Svadeshi Mills	229‡	100	16 0	16 0	20 0	20 0	12	Y.P.
26,00,000	65,35,405	1,28,99,971	81,58,715	1,51,030	James Finlay & Co., Ltd.	38,282	552	Swan Mills	425	100	30 0	30 0	25 0	25 0	12	Y.P.
22,77,425	51,96,378	1,77,34,339	68,44,553	43,486	Tata Industries Ltd.	42,096	1,800	Tata Mills	55	25	1 0	1 8	2 8	4 0	12	Y.P.
12,00,000	62,54,709	1,15,86,484	81,90,000	2,814	Thakersey Mooljee Son & Co.	54,186	1,209	Western India(Spg. & Mfg.	5,000	1,000	200 0*	225 0*	225 0	300 0	3	Y.
AHMEDABAD																
25,00,000	$1,11,660	1,36,32,272	90,47,302	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	173‡	100	10 0	10 0*	5 0	7 0	6	Y.P.
24,00,000	94,58,089	94,37,708	76,10,164	27,248	P. M. Hutheesing & Sons, Ltd.	44,220	912	Aruna Mills	928‡	100	20 0*	20 0*	20 0	30 0	12	Y.P.
25,25,000	2,40,17,401	1,48,07,666	1,03,05,000	46,564	Narottam Lalbhai & Co.	62,445	1,316	Arvind Mills	1,730	100	25 0	25 0	25 0		12	Y.P.
20,00,000	81,75,000	99,34,884	72,25,000	2,46,389	Mangaldas & Bros., Ltd.	37,164	892	Aryodaya Ginning & Mfg.	225	100	15 0	15 0	15 0	25 0*	12	Y.P.
18,00,000	1,18,39,033	94,58,974	69,64,953	69,906	Lalbhai Dalpatbhai & Co	37,268	914	Asoka Mills	920	100	22 0	22 0	22 0	30 0	12	Y.P.
1,84,79,011	1,11,66,208	4,54,55,718	3,07,83,444	16,00,758	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	542	125	18 0	18 0	18 0		12	Y.P.
68,87,000	24,53,000	1,21,06,843	89,25,000	2,760	Tribhuvandas Bhoglal & Co., Ltd.	45,356	866	Calico Printing	1,562‡	1,000	70 0	70 0	70 0	80 0	12	Y.P.
39,00,000	72,52,436	1,32,09,232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	870	125	35 0	35 0	35 0	35 0	12	Y.
5,00,000	81,15,983	46,72,745	31,76,001	700	Jagabhai Bhoglal Samaviay & Co., Ltd.	....	....	....	....	....	....	....	....	....	....	....
12,50,000	1,14,77,470	86,29,480	60,39,883	....	Lalbhai Dalpatbhai & Co	24,840	572	Nutan Mills	532‡	100	30 0*	30 0*	....	....	12	Y.P.
13,00,000	13,98,067	74,95,069	29,97,450	—29,90,510	Mangaldas Girdhardas Parekh Ltd.	32,828	636	Raipur Mfg.	1,190	100	25 0*	17 8	25 0	35 0*	12	Y.P.
82,50,000	14,78,207	1,07,01,469	71,42,808	17,34,749	Lallubhai Gendhandas Ltd.	47,820	1,095	Rajnagar Spg., Wvg. & Mfg.	827‡	250	Nil	....	....	....	12	Y.P.
38,96,150	2,02,34,553	1,76,92,542	1,52,75,000	8,23,290	Harivallabhdas Kalidas & Co.	53,197	..	Rasik Lal Mills	302‡	100	9 0	9 0	9 0	Nil	12	Y.P.
19,25,500	62,31,283	78,55,018	66,84,701	15,592	Mafatlal Chandrai & Co., (Ahmedabad), Ltd.	94,116	1,733	Shri Ambika Mills	820	50	16 0	18 0	20 0	27 0*	12	Y.P.
98,00,000	98,96,486	1,08,76,240	68,35,291	32,764	Haridas Ashratlal & Co., Ltd.	36,624	780	Shorrock Spg. & Mfg.	600	100	20 0	20 0	25 0*	25 0	12	Y.
						36,176	780	Vijaya Mills	700	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,82,800	24,33,069	21,01,810	1,06,080	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	7	10	1Fd	0 4	0 8		12	Y.P.T.
7,11,288	3,40,775	43,43,351	25,87,597	98,783	Bengal Textile Agency, Ltd.	23,544	936	Bengal Laxmi Cotton Mills	30 N	40	5 0	Nil	4 0		12	Y.
6,00,000	22,72,414	89,03,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	43,978	841	Bowreah Cotton Mills	165XR	100	Nil	Nil	Nil	4 0	6-12	H.
10,00,000	26,17,571	1,04,88,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	45,944	818	Dunbar Mills	302	100	Nil	Nil	Nil	Nil	6-12	H.
1,00,00,000	2,07,59,352	3,59,25,374	1,20,23,799	9,45,483	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	7‡	10	1 12	1 12	2 8	2 8	3	Y.P.
6,00,000									55	1 4			0 14	0 14	6-12	
88,96,288	9,75,000	84,54,400	67,06,257	5,168	Chakravarti Sons & Co.	23,454	442	Mohini Mills	—	1 4					12	Y.P.
19,47,7500									55	1 4						
5,00,000D	7,45,000	47,06,298	24,48,352	1,094	Hazaresmull Heeralall	23 036	795	Rampooria Cotton Mills	10½xd	10	0 8	0 8	0 8	1 0	6	Y.
									4N	10	Nil	Nil	Nil	....		
									1D		Nil	Nil	Nil			
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	80,27,191	29,09,649	—6,54,223	Ramia & Co., Ltd.	50,000	..	Aiagappa Textiles (Cochin) Ltd.	8‡	10	Nil	Nil	Nil		12	Y.P.T.
G.B.71,94,400	44,93,307	2,10,91,206	80,80,013	....	Industrial Trust Ltd.	56,156	709	Asain Jahi Mills	96	100	6 0	6 0	Nil		12	Y.
40,50,000	2,00,68,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	567‡	100	15 0	25 0	30 0	30 0	12	Y.P.
57,00,000	15,50,000	77,25,163	53,72,183	18,196	M.	29,886	810	Bengal-Nagpur Cotton Mills	8‡	10	0 4	Nil	Nil		6-12	H.P.T.
15,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers, Ltd.	39,866	1,046	Birla Cotton Spg. & Wvg., Delhi	8XRN	10	0 4	Nil	Nil		6-12	H.P.T.
1,78,47,800	1,75,55,500	6,80,09,252	5,52,82,180	2,38,445	Binny & Co. (Madras), Ltd.	1,20,856	2,787	Buckingham & Carnatic	201	100	4 0	10 0	10 0	10 0	12	Y.
20,00,000	20,00,000	36,09,354	21,66,351	27,588	Pedras, Leslie & Co., Ltd.	26,706	..	Cambodia Mills	135cd	10	1 0	1 0	1 0	1 0	12	Y.P.T.
15,00,000	4,51,500	44,03,466	21,80,176	44,557	K. Damodaran, Esq.	17,494	..	Camanoor Spg. & Wvg.	165	100	12 0	12 0	Nil	9 0	12	Y.
30,00,000	25,83,976	58,07,118	50,84,816	29,514	Begg, Sutherland & Co., Ltd.	28,796	561	Cawnpore Textiles	8‡	100	12 0	12 0	12 0	12 0	3	Y.
15,00,000	24,82,396	37,85,527	27,36,527	24,164	R. Bheema Naidu & Co.	22,824	..	Coimbatore Cotton Mills	8‡	100	Nil	2 8	2 8	2 8	12	Y.
20,00,000	14,20,000	38,95,518	21,25,540	14,056	K. R. Naidu & Co.	22,785	..	Coimbatore Pioneer Mills	357‡	100	6 0	6 0	20 0	35 0	6	Y.
20,76,900	4,19,814	1,15,51,599	83,06,019	16,884	R. G. S. Naidu & Co.	72,833	407	Coimbatore Spg. & Wvg.	290	100	15 0	20 0	20 0		6	Y.
46,87,000	52,52,449	2,48,18,409	1,58,09,333	5,708	Tata Industries, Ltd.	1,15,188	2,068	Central India	98‡	Nil	Nil	3 0	4 0		6	Y.
2,38,36,225	2,05,00,000	9,99,78,765	5,08,00,000	82,759	B. R. Chartat Ram & Co., Ltd.	1,16,636	2,254	Delhi Cloth & General Mills	188	100	12 0	12 0	12 0	12 0	6	Y.P.
1,00,548									85	5	0 1 4/5	0 2 4/5	0 2 8/5	0 2 8/5		
84,84,800	24,72,758	47,84,037	33,82,512	9,248	M. N. Chettiar & Sons	28,566	201	Dhanalakshmi Mills	24	10	0 1 4/5	0 2 4/5	0 2 8/5	0 2 8/5	6	Y.P.T.
15,00,000	46,53,760	1,52,16,323	1,25,71,251	92,356	Begg, Sutherland & Co., Ltd.	49,452	1,196	Eighth Mills	360	50	20 0	20 0	20 0	20 0	12	Y.
46,81,000	35,22,175	1,00,55,167	68,95,068	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	27‡	10	1 0	1 0	1 0	1 0	12	Y.
50,00,000	6,16,447	1,33,91,963	1,12,28,576	9,551	K. L. Sckaria, Esq. (Chairman.)	51,180	1,430	Indore Malwa United	233	100	17 0*	17 0	18 0	18 0	12	Y.
4,80,000	10,98,983	81,06,860	18,48,155	2,079	G. V. Naidu & Co., Ltd.	24,828	..	Jayardana Mills	161‡	100	6 0	6 0	6 0	6 0	12	Y.
24,00,000	16,25,000	78,88,868	58,50,000	22,382	Kothari & Sons	45,000	800	Kothari Textiles	99	10	2 0	2 0	2 0	2 0	12	Y.
22,00,000	68,80,185	1,48,62,650	1,12,54,204	14,744	Bombay Co., Ltd.	51,972	1,218	Lakshmi Cotton Mfg.	17	10	0 12	0 8	0 8	1 0	12	Y.P.
28,54,100	86,55,960	1,11,84,880	75,29,888	74,876	G. K. Naidu & Co.	35,908	801	Lakshmi Mills	702‡	250	37 8	37 8	33 12	42 6	12	Y.
1,78,08,480	4,18,31,878	5,73,76,129	3,56,74,019	18,86,818	A. & F. Harvey Ltd.	0,00,000	..	Madura Mills	198	50	10 0	10 0	10 0	12 6	3	Y.
15,00,000	4,17,283	28,26,768	16,72,282	—99,073	A. L. A. R. S. Chettiar and Sothers.	22,952	100	Malabar Spg. & Wvg.	95	25	2 0	2 0	2 0	2 0	6	Y.
60,00,000	99,00,000	48,41,466	41,80,286	1,43,498	W. A. Bandesali & Co., Ltd.	24,720	608	Mettur Industries Ltd.	115	100	15 0	15 0	15 0	20 0	12	Y.
29,59,700	19,47,908	84,18,877	46,23,184	9,269	M. Sirur & Co., Ltd.	39,896	704	Minerva Mills	455	100	12 8	12 8	25 0*	35 0	12	Y.
94,91,550	37,34,404	1,61,32,118	78,61,628	—7,44,022	Bansilal Abhchand Dadabhoy & Co.	51,240	948	Model Mills (Nagpur)	90	100	7 8	7 8	7 8	5 0(c)	12	Y.
99,00,000	84,19,000	1,62,38,972	1,05,51,451	—7,77,000	Indian Textile Syndicate Ltd.	56,640	1,834	Muir Mills	154‡	100	7 8	7 8	7 8	5 0(c)	12	Y.
24,38,500	50,54,547	99,04,000	63,99,388	32,708	R. Sirur & Co., Ltd.	50,128	800	Mysore Spg. & Mfg.	93N	100	....	....	....	....	12	Y.P.
18,61,750	1,000	29,41,710	18,25,283	—1,92,860	R. Suryanarayana Rao, Esq. Managar	6,900	..	Mysore Spn Silk Mills	110	50	10 0*	10 0	8 0*	6 0(c)	3	Y.
88,39,2850									7‡	10	Nil	Nil	Nil			
5,07,085D	25,02,552	1,08,16,296	58,90,719	—99,68,289	J. P. Srivastava & Sons, Ltd.	53,428	1,225	New Victoric Mills	9‡	10	Nil	Nil	Nil	Nil	3	Y.
57,16,200	57,72,270	1,68,68,562	62,88,066	....	Industrial Trust Fund	37,782	856	Osmanshah Mills	(O. 2‡ D. 1	10	Nil Nil	Nil Nil	Nil Nil		6	Y.
4,80,000A	7,80,000	35,04,755	21,06,715	9,122	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	79	100	7 0	4 0	Nil		9	Y.
6,00,000B									155	50A	10 0	10 0	12 0			
15,00,000	2,25,000	34,59,511	16,41,045	—18,87,240	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	226	75B	11 4	12 0	12 0		12	Y.
16,81,800A	30,00,000	73,80,455	41,41,878	28,697	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	78	100	Nil	Nil	Nil		12	Y.
5,40,200B									800	100	6 0	6 0	6 0			
15,00,000	30,00,000	48,74,198	25 94,337	11,081	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	146	100B	6 0	6 0	6 0		12	Y.
23,29,625	13,40,000	40,14,000	18,06,147	29,550	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	174	50	4 0	7 8	10 0	10 0	12	Y.
80,00,000	62,41,546	1,00,25,428	55,44,914	—19,16,728	J. P. Srivastava & Sons (Kamper).	54,581	600	Rasi Textiles	134‡	100	6 0	6 0	9 0	10 0	12	Y.
16,00,000	1,90,39,516	2,89,27,045	2,04,27,879	—1,50,62,067	Morarka & Co,	99,222	2,524	Sholapoor Spg. & Wvg.	7‡xN	100	Nil	Nil	Nil		12	Y.P.
									1,000	1,000	Nil	Nil	Nil			
26,09,700	18,63,625	71,75,918	51,55,899	27,871	H. N. Pallegar, Esq.	31,668	298	Sri Krishnarajendra Mills	500	100	Nil	Nil	Nil		3	Y.
26,14,800	2,00,246	35,18,906	17,79,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	95	50	4 0*	Nil	4 0*	4 0	3	Y.
15,00,000	3,11,90,257	94,09,567	72,44,784	81,57,683	Birla Brothers, Ltd.	35,556	1,243	Sutlej Cotton Mills	80N	100	Nil	Nil	Nil		12	Y.
									130	100	6 0	6 0	6 0	6 0	3	Y.
17,50,000 O	2,90,00,000	4,54,40,847	1,70,83,150	7,09,080	Jaipuria Brothers	1,12,516	2,077	Swadeshi Cotton (Kanpur)	11	10 O.	Nil	0 8	0 12	0 12	12	Y.P.
1,57,50,000P									10‡	102P.O.	Nil	Nil	Nil	Nil		
1,00,00,000	39,14,788	3,80,55,317	1,27,16,775	2,63,771	Ernesto & Sons (Travancore), Ltd.	..	..	Travancore Rayons	16‡	10	0-14 3/5	1-2 3/5	0 12		12	Y.
18,96,670	8,76,323	17,20,181	11,57,826	1,508	Mooljee Ramjee & Sons	17,600	..	Trichinopoly Mills	16	Nil	Nil	0 8	0 14	0 15	12	Y.P.T.
21,00,000	28,00,000	54,22,283	36,61,449	28,566	B. K. S. Chetty & Brothers	35,544	370	Vasanta Mills	13	10	0 11 1/5	0 11 1/5	0 14 2/5	0-14 2/5	12	Y.
22,50,000	24,42,971	1,54,67,122	1,06,10,233	28,123	Bombay Co., Ltd.	46,490	1,231	Vishaa Cotton	220	100	12 0	12 0	12 0		12	Y.
									192‡	100	16 0	16 0	4 0	4 0	12	Y.P.

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.

(g) Interim dividend of Re. 5 per share was paid on 48,000 shares of Re. 50 each; final dividend of Re. 10 per share was paid on the increase capital of 60,000 shares of Re. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,84,000	1,10,80,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	9½	5	Nil	Nil	Nil	0 8	5	Y.P.
16,20,680	18,38,917	27,20,861	14,07,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6‡	5	0 8	0 8	0 8	0 9	3	Y.
							20½	A. 16sh.	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	9	Y.P.
£580,000	£925,777	£1,304,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	34‡	B. £1	Sh. 8	Sh. 4	Sh. 5 4/5	Sh. 5 4/5		
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya Esq. (Chairman)	United Breweries	183	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
11,27,700A	10,85,516	79,90,234	39,32,658	26,628	Andhra Engineering Co., Ltd.	Andhra Cement Co.	167‡	A. 100	7 8	10 0*	10 0		12	Y.P.T.
29,79,020B							16	B. 10	0 12	1 0*	1 0			
48,14,600O	13,13,132	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	14‡	O. 10	Nil	Nil	Nil		3	Y.P.
4,70,976D							1	D. 1						
12,71,86,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	221‡	100	9 8	9 8	8 8	10 0	7	Y.
60,00,000O.	48,20,901	89,92,667	29,67,544	2,86,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	154	O. 10	1 0	1 0	1 0	1 0	12	Y.P.T.
3,00,000D.							3‡	O. 2½	0 4	0 4				
25,50,000O.							4‡	D. 1	Nil	0 1-3/5	0-1 3/5			
15,00,000D.							35½	D. 25	1 4	Nil	1 4	1 14	8	Y.P.
61,91,030O.	14,00,000	1,46,64,600	47,05,770	2,31,546	Essen Ltd.	India Cements Ltd.	6‡	D. 5	0 4	Nil	0 4	0 6		
7,50,000D.							192

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	130	25	1 *Nil*	*Nil* 1 9	1 9	2 8	6,12	H.P.S.
									5 0	6 0	7 0	0 11½		
62,98,350	66,03,631	1,11,56,780	76,81,898	83,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	5 0	6 0	7 0	0 11½	3	Y.
									1 0*	1 0*	1 0*	0 12*		
25,00,000	16,12,500	1,36,83,385	56,81,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	18⅜	10	1 0	1 0	1 0	0 8	3,9	H.P.S.
									1 0	1 0	1 0	0 8		
1,46,82,500	2,09,26,641	4,27,02,365	1,02,98,953	2,29,489	Birla Bros'	Orient Paper	36½	10	1 0	1 0	1 0	0 8	3,9	H.P.S.
									1 0	1 0	1 0	0 10		
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills ..	18½	10	0 12	0 12	0 12	0 10	3,9	H.P.S.
									0 12	0 12	0 12			
20,00,000	6,50,000	54,00,859	30,16,681	4,492	Baloria & Co.	Star Paper Mills	O. 10 11½		O. 10 A. 10	0 8	0 12	0 8	3,9	H.P.S.
10,00,000 'A.'										1 0*	1 0*	0 12		
56,00,000A.	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	A. 10 43½			1 0*	1 0*	0 12		
4,37,500P.O.										1 0	1 0	0 12		
							B. 10 43½			1 0*	1 0*	0 12	3,9	H.P.S.
										1 0	1 0	0 12		
							5	P.O. 2½		0 2	0 2	0 2		
PRESSING														
4,00,000	6,12,565	15,78,488	11,13,691	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	*Nil*	6	Y.
4,50,000	1,00,000	6,89,526	4,78,056	2,554	Pyne & Sons	Camperdown	88N	100	7 0	7 0	5 0	5 0	6	Y.
5,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0			
PROPERTY AND LAND														
10,00,780O.	6,93,332	43,52,570	22,63,279	36,000	S. A. Basil, Esqr. & others (Directors)	Humayun Properties	13½	O. 10	0 8	0 11½	0 9 3/5	*Nil*	9	Y.
2,00,000D.							8¾	D. 1	*Nil*	*Nil* 4/5	0 9 3/5	*Nil*	4	
2,00,000	18,07,874	84,89,704	15,00,000	540	David Sassoon & Co., Ltd.	Fort Canning Land	98	100	1 0	1 8	1 8			
94,00,000	30,71,674	95,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	33½	100	2 0	1 8	4 0	3 0	6	
SAW MILLS AND TIMBER														
13,99,998	26,23,970	29,97,501	8,98,801	—4,17,492	Bird & Co.	Assam Saw Mills	43	3	0 4	*Nil*	*Nil*	37-8	9	Y.
30,00,000	4,13,67,280	3,85,90,882	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	650½	Old125	22 8	15 0	20 0	15-0	5	Y.
43,00,000							245	New50	9 0	6 0	8 0			
6,00,000		7,23,569	7,26,287	—4,89,907	Jardine Henderson Ltd. ..	Bengal Timber Trading	40N	*Nil*	*Nil*	*Nil*	*Nil*		9	Y.
20,00,000	21,16,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co., Ltd	Indian Wood Products	39½	10	3 0	2 8	2 12	3 0	9	
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	8	5	*Nil*	*Nil*	0 12	0 1	6	Y.
12,00,000A.	29,18,856	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	150N	A. 100	10 0	10 0	10 0		4	Y.
5,00,000B.							143N	B. 10	1 0	1 0	1 0			
19,49,050	5,50,000	31,91,657	23,33,812	49,906	Bangur Bros., Ltd.	Belsund Sugar	10½xd	7½	0 12	0 12	0 12		6	Y.
15,00,000	13,90,295	16,40 479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8	1 8	6	Y.
82,00,000	28,37,030	1,56,90,775	99,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8½	10	0 8	0 8	0 12	0 12	6	Y.
80,00,000	57,83,651	1,03,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	10-7/8	10	2 0	1 0	1 0	1 8	6	Y.
18,00,000	38,04,891	72,86,757	58,46,902	24,019	Begg, Sutherland & Co., Ltd.	Champarun Sugar	9½	10	1 0	1 0	0 12			
9,99,452	6,16,569	24,58,360	15,38,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	240N	'A' 100	12 0*	15 0*	15 0*	15 0*	6	Y.
60,00,000A.							100	O. 100	12 0*	15 0*	15 0*	15 0*		
10,00,000O.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	64N	80	*Nil*	*Nil*	*Nil*	4 8	7	Y.
							32N	40	*Nil*	*Nil*	*Nil*	2 4		
12,00,000	8,61,001	75,81,809	42 63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	33N	10	8 8	8 8	8 8	2 8	6	Y.
							10	10	0 8	0 8	0 8			
7,89,100	22,14,068	24,94,612	19,35,533	1,264	Cotton Agents Ltd.	New India Sugar Mills	20	10	0 8	0 8	0 8		6	Y.
11,00,000	4,20,000	42,21,460	24,87,558	4,135	Karamchand Thapar & Bros. Ltd.	New Savan	240N	100	20 0	20 0	20 0	20 0	6	Y.
10,57,500A.	49,60,297	97,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill ..	60N	25	5 0	5 0	5 0	5 0	7	Y.
5,71,875B.							185N	100	6 0	11 0	11 0	11 0	7	Y.
77,45,850	53,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	115xdN	100	6 0	10 0	10 0	10 0	10	Y.
12,00,000	12,74,233	23,77,659	19,95,928	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	14½	10	1 0	1 0	0 12	0 12	10	Y.
9,00,000	17,64,369	37,85,908	30,67,249	6,371	Begg, Sutherland & Co., Ltd.	Puraipore Co.	21N	10	1 0	1 0	0 8		6	Y.
8,00,000	6,54,762	25,43,782	21,01,613	14,540	M.	Ryam Sugar	14	10	1 0	1 0	0 8	*Nil*	6	Y.
11,99,000	16,36,779	35,83,583	22,92,180	3,477	Begg, Sutherland & Co., Ltd.	Samastipur Central Sugar ..	11½	10	1 8	1 8	1 8	1 12	6	Y.
20,00,000	22,68,560	1,35,20,110	62,59,921	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar								
9,99,950	61,825	27,15,126	12,60,852	—0,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	0 6½	*Nil*	*Nil*	*Nil*	6	Y.
						Shri Sitaram Sugar	14½	10	1 0	*Nil*	*Nil*	1 8*	10	Y.
7,95,462	18,68,940	31,60,785	17,68,008	1,06,227	Karamchand Thapar & Bros ..	South Bihar Sugar	1N	O. 10	*Nil*	*Nil*	*Nil*			
9,15,0000.	47,592	27,42,197	11,46,770	—16,14,503	N. K. Jain & Co., Ltd.	Upper Ganges Sugar	6N	D. 5	*Nil*	*Nil*	*Nil*			
4,40,0000.							170N	10	5 0	0 8	1 4	8	9	Y.
5,00,000	21,91,585	96,42,062	57,49,754	82,951	Cotton Agents Ltd.	United Provinces Sugar ..	20½	10	1 8	0 8	1 4			
16,00,000	7,99,778	32,06,850	25,98,846	39,051	James Finlay & Co., Ltd. ..									
Other Centres														
49,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	234	50	16 0	16 0	16 0	16 0	9	Y.
17,50,000	9,24,292	33,03,979	21,36,722	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd.	15	10	1 0	0 10	1 0	1 0	6	Y.
15,98,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	50N	100	2 0	*Nil*	*Nil*		1 6 2/5	9
						India Sugar and Refineries ..	22½	10	2 8	2 8	1 12		9	
31,47,780	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Ltd.								10	
23,57,620	41,27,060	41,95,605	20,78,418	1,405	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	146N	10	0 12	1 0	1 0	7 8	6	Y.
10,52,2000.	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd. ..	K. C. P. Ltd.	127½	O.100	7 8	7 8	7 8			
9,37,190D.							100	D. 10	10 0	10 0	10 0	10 0	6	Y.
21,79,280	96,00,001	1,81,37,677	78,17,730	2 90,340	S. Muniswamappa, Esq. (Managing Director) ..	Mysore Sugar	48½	10	2 0	2 0	2 0	2 0	6	Y.
						Phaltan Sugar	14½	10	1 0	1 0	1 0	1 0	6	Y.
80,00,000	48,49,881	1,08,28,164	59,85,509	11,063	Mafatlal, Apte and Kantilal Ltd.	Ramnagar Cane and Sugar ..	25½xd	10	2 0	2 0	1 8	2 0	6	Y.
16,59,820	28,50,880	53,90,015	26,76,747	29,250	Anderson Wright & Co.		85N	O. 50	*Nil*	*Nil*	*Nil*		9	Y.
20,00,000Q.	21,76,092	89,12,138	58,50,383	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	7N	D. 10	0 12	0 12	0 12	0 1 1/5	10	Y.
4,00,000D.							15N	10	0 12	1 0	0 12		10	Y.
19,99,606	44,85,467	47,06,689	21,78,094	4,385	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	13⅜	10	*Nil*	*Nil*	*Nil*		6	Y.
80,00,000	10,87,776	89,76,254	17,87,159	—32,224	Parry & Co., Ltd.	Travancore Sugar	25½	100	14 0	14 0	16 0	18 0	12	Y.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,428	1,31,172	Premier Construction Co., Ltd.	Walchandnagar Industries ..								
TRANSPORT														
20,00,000	1,00,69 622	1,24,00,708	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145	100	12 8	10 0	7 8	7 8	10	
1,00,00,000	16,37,619	4,41,65,864	1,85,09,519	1,54,925	Dhanbaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0	5 0	12	
50,00,000	24,85,538	2,50,21,298	82,65,795	1,47,969	J. H. Bhiwandiwalla & Co (Bombay) Ltd.	Great Eastern Shipping Co.	17⅜	10	1 0	1 0	1 0	*Nil*	6	
						India General Navigation & Rly. Co.	107	310	5h.10	*Nil*	5h.10	*Nil*	6	
£655,580	£960,878	£5,515,681	£3,244,773	£21,866	Kilburn & Co., Ltd.	India Steamship Co.	8½	10	0 8	0 8	*Nil*	*Nil*	6	
2,25,00,000	74,59,223	7,39,25,493	1,81,58,993	1,28,061	Lionel Edwards Ltd.	Scindia Steam Navigation Co.	18-7/8	20	0 8	0 12	0 8	0 8	6	
8,40,19,675	6,94,92,081	18,36,63,413	4,54,44,800	2,75,683	Narottam Morarjee & Co. ..	Walford Transport Ltd.	22	O.	as. 1 9/25	as. 1 9/25	1 22/25		12	
3,40,8000.	18,53,194	11,38,000	6,80,211	1,34,122	R. E. Alyer, Esq. (Manager) ..		14	P.O. 1	as. 1 9/25	as. 1 9/25	1 19/25			
3,10,100P.O.														
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0	32 0	9	
15,98,860	2,04,178	7,18,542	90,000	42,582	Parakh Agencies Ltd.	Bombay-Uganda	62½	50	3 0	3 0	3 0		12	
25,00,000	1,00,000	25,74,281‡‡	9,294	3,894	Dena Sons, Ltd.	Devkaran Nanji Investment Co.	124	25	0 12	0 12	0 12	0 12	3	
14,98,840	8,48,585	28,00,500	17,75,000	4,110	Chouthai Mutilal Ltd.	Estrela Batteries	33	50	2 8	*Nil*	2 0	2 0	3	
99,99,250	19,47,386	1,22,03,694‡‡		2,83,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	78‡	100	4 8	4 8	4 8	4 8	12	
99,99,975	85,06,351	85,10,399	9 81 529	6,154	K. G. Milne, Esq. (Mg. Director) ..	Killick Industries	167	100	10 0	10 0	11 0	11 0	6	
3,07,02,800A.	5,28,634	2,87,33,378	1,25,90,292	5,86,717	Awo-Auto Ltd.	Premier Automobiles	91	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	6	
10,00,000B.								A.100	*Nil*	*Nil*	*Nil*	*Nil*		
10,21,200	5,63,605	13,96,085	11,66,085	5,61,984	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22½	B. 10	*Nil*	*Nil*	*Nil*	*Nil*		
2,75,00,000	73,75,000	3,08,67,151	1,63,71,840	3,67,974	T. H. Rydin, Esq. (Managing Director).	Western India Match Co. ..	208½	100	11 0*	11 0*	11 0*	11 0*	12	
45,00,000	55,24,647	7,24,608	3,07,108	36,434	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0	20 0	12	
Other Centres														
47,50,000	17,00,000	1,95,40 704	65,00,000	32,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	33	O. 10	*Nil*	*Nil*	*Nil*	*Nil*	3	
2,50,000							84N	D. 5						
30,00,000	85,05,079	82,06,626	21,94,951	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	21½	10	1 4	1 4	1 4	2 0*	3	
80,00,000	8 85,000	88,39,494	20,85,060	3,18,395	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 4*	1 4*	1 4*	1 4*	12	
20,00,000	27 47,883	1,01,49,387	39,87,830	32,593	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	7½	10	0 4	0 2 1/5	0 3 1/5	0 6 2/5	6	
80,01,400	82,94,253	66,81,988	82,21,988	1,49,717	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	168	100	20 0*	20 0*	18 0	2 8	12	
12,00,000	9,10,000	31,07,472	23,35,472	72,375	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	20½	10	0 10	1 8	2 8	1 8	6,12	
20,00,000	7,99,470	57,53,5648‡		1,41,733	Lovelock & Lewis	Birds Investment Ltd.	16½	10	1 4	1 4	1 4			
45,97,020	26,44,814	1,00,74,580	29,49,001	1,98,548	K. Julian Scott, Esq. (Mg. Director)	British India Corporation Ltd. ..	15-5/8	10	0 12	0 8	0 8	1 0	3	
3,25,00,000	1,16,11,805	2 82 08,905	2,22,14,167	—27,86,584	Sir Robert Menzies	Dunlop Rubber (India) Ltd. ..	304xd	10	1 0	1 0	1 0	1 8	12	
1,80,00,000	3,14,86,174	5,15,52,036	2,20,82,990	11,71,856	Cecil Black, Esq. Mg. Director)	Eastern Investments Ltd.	104	100	9 0	8 0	9 0	9 0	12	
51,26,000	54,12,212	1,42,47,6688	—	3,06,138	Bird & Co., Ltd.		179xd	100	10 0	10 0	7 8	7 8	6	
14,00,000	10,02,000	33,81,772	18,39,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	14½	10	10 0	7 8	7 8	1 6 2/5	6	
85,00,000	42,00,000	19,27,885	8,08,372	1,81,360	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co. Ltd.	237	50	15 0	15 0	4 4	6 4	12	
30,00,000	13,17,354	78,75,302	31,19,064	45,995	B. P. E. Syndicate	Great Eastern Hotel	150N	100	8 0	8 0	10 0		12	
18,48,500	9 57,964	73,31,701	43,60,659	36,686	Birla Bros., Ltd.	Hindustan Motors	9½	10	*Nil*	*Nil*	*Nil*	*Nil*	12	
4,96,13,850	2,92,450	3,66,34,606	94,58,719	5,19,485	Birla Bros., Ltd.	Indian Aluminium Co.	20	10	1 8	1 8	1 8	2 0	12	
1,60,00,000	45,77,754	4,16,71,746	1,76,76,993	5,18,074	Mr. Eric Henry Hare (Chairman)	Indian Cables	30⅜	10	1 0	1 0*	1 0*	1 4*	3	
1,56,89,220	1,20,50,000	1,56,72,891	57,17,651	58,98,462	A. R. Driessen, Esq.	Indian Rubber Manufacturers ..	11⅜	10	1 0	0 12	0 8	0 8	6	
5,37,970	5,38,000	16,40,508	8,96,110	32,616	G. S. Moulton & Co. (India), Ltd.	Imperial Tobacco Co. of India Ltd.	14⅜							
15,16,00,000	7,22,52,683	3,55,94,047	1,77,80,408	85,00,728	G. M. Mackinlay, Esq.	Jardine Henderson	100½	100	10 0*	7 8	7 8	7 8	3	
6,00,00,000	55,20,566	84,33,960	8,00,060	4,70,107			2½	O. 5	*Nil*	*Nil*	*Nil*			
5,94,00000.	3,48,848	6,89,880	4,81,766	2,240	James & Co., Ltd:	Macfarlane & Co.	2	D. ¼						
66,0000D.							213N	10	7 8	10 0	17 0		12	
60,00,000O.	72,01,900	25,16,760	7,07,501	1,87,324	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	D.0.10		0 4	0 8	1 2 1/5			
5,00,000O.							25½	10	1 8	1 0*	1 8	1 12*	9	
1,87,53,000	60,54,276	92,58,051	11,84,226	2,08,456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	27	10	1 0	1 0	1 0	1 4	3	
1,16,00,000	44,50,000	1,76,84,808	87,39,157	14,43,411	Metal Box Co. of India, Ltd. ..		21	10	*Nil*	*Nil*	*Nil*			
5,85,250	1,53,858	7,81,449	3,50,987	—18,129	Sir Chiawsji Jones, Esq. (Chairman)	Mysore Glass and Enamel Works	14½	10	1 0	1 0	1 0		3	
6,56,250	9,55,118	10,40,250	4,40,947	72	Ogale Glass Works Ltd.		14½	10	1 0	1 0	1 0	1 0	3	
10,00,000	1,23,000	15,18,188	10,10,988	20,916	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	18⅜	10	1 0	1 0	1 0	1 0*	3	
40,00,000	51,21,178	59,09,527	39,30,120	2,23,282	Mysore Tobacco									
					T. Shanmuga, Esq. (Chairman) ..	Associated Industrial Development Co., Ltd.	22⅜	10	0 12	1 0	1 0	1 0*	3	
79,97,000	81,15,337	1,14,76,878	52,77,582	9,09,480	B. N. Elias & Co., Ltd.	National Insulated Cable Co. ..	10½	10	*Nil*	*Nil*	*Nil*		3	
40,00,000	97,00,000	44,15,476	19,71,484	1,81,468	Parry & Co.	National Tobacco Co.	5½N	100	0 4 4/5	0 4 4/5	0 4 4/5		3	
5,35,00,000	7,25,185	1,59,49,091	40,14,109	—63,99,179	Corromandel Investment Trust Ltd.	Parry & Co.	33½	100	*Nil*	*Nil*	*Nil*	*Nil*	3	
1,72,24,400	1,31,20,208	7,56,34,689	2,47,94,979	1,91,644	M. P. A. Paspatti, Esq.	Ballis (India) Ltd.	23	10	1 0	1 4	1 8	1 8	10	
40,00,000	99,50,594	1,18,76,870	70,99,687	5,10,675	Sahu Jain Ltd.	Bobtas Industries	13	10	1 0	1 0	1 0	1 0	3	
75,00,000	49,00,000	13,88,9654	4,16,784	6,59,651	S. Muniswamappa, Esq.	Spencer & Co., Ltd.	17½	10	1 0	1 0	1 0		12	
9,98,380	....	14,99,229	3,84,980	....	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd. ..	3½	10	*Nil*	*Nil*	*Nil*	*Nil*	12	
					R. H. D. Campbell, Esq.	Travancore Ogale Glass								
					Ogale Bros., Ltd.									

‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Exisiding Rs. 1,49,01,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	6,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amluckie	350N	100	7 8	25 0	30 0		12	Y.P.
3,50,000	8,43,250	10,99,902	2,42,089	77,477	R. K. Kanoria, Esq.	420	Ananda (Assam) Tea ..	45N	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	49	10	*Nil*	2 8	8 0*		12	Y.
5,50,000	11,21,541	16,95,977	3,89,461	93,033	Andrew Yule & Co., Ltd. ..	369	Rasmatia	39½	10	*Nil*	2 8	8 0		12	Y.
5,10,000	8,50,000	11,99,193	2,49,193	18 304	National Tea Corporation ..	569	Bateli	23	5	0 4	2 0	4 0		12	Y.
3,30,000	6,43,425	10,11,265	6,46,285	58,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	57	10	*Nil*	2 0	10 0*		12	Y.
3,20,000	8,70,000	9,80,764	2,59,311	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	25½	10	*Nil*	3 8			12	Y.
6,50,000	20,00,000	52,30,169	22,35,169	61,929	Octavius Steel & Co., Ltd. ..	485	Bokakhat	23	10	*Nil*	*Nil*	1 0		12	Y.P.F.
6,00,000	2,53,500	10,49,416	2,03,130	64,221	McLeod & Co., Ltd.	450	Bormah Jan Tea ..	22½	10	*Nil*	0 12	3 8		12	Y.P.
7,50,000	6,52,400	8,92,327	2,83,050	1,44,195	Brook Bond India Ltd.	2,834	Brooke Bond	24⅜	10	1 0	0 8	1 4		12	Y.
35,00,000	11,92,045	73,80,473	19,49,496	283	McLeod & Co., Ltd.	2,000	Dejoo Valley	52	10	*Nil*	*Nil*	6 0		12	Y.
1,20,000	4,00,425	5,55,903	1,85,593	6,542	Jardine Henderson Ltd. ..	1,220	Desai & Parbutia ..	405N	100	10 0	20 0	40 0		12	Y.
6,00,000	10,99,000	29,64,194	16,84,471	51,359	James Warren & Co., Ltd. ..	620	Dholakhat	21½	10	1 0	1 8	2 8		12	Y.
7,53,440	9,87,943	22,73,420	4,17,340	3,779	James Finlay & Co

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
					PLANTING; PRODUCE AND RUBBER									
2,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,94,186	18,13,787	33,42,456	2,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9½	3	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,195	32,07,456	3,25,906	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	24½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	20	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd. ..	Cottamad Plantations	23	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,05,543	22,72,370	4,51,852	53,020	A. V. Thomas & Co., Ltd. ..	Highland Produce	19	10	1 0	1 4	2 8		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	37½	10	2 0	2 0	2 0	2 12	4	Y.P.
9,00,000	7,28,329	15,44,917	2,55,893	.....	K. T. Thomas Kathanar, Esq.	Malankara Rubber	32½	10	3 8	5 8	2 4	2 4	2	Y.
27,00,000	29,30,000	74,32,314	7,74,629	1,45,508	A. V. Thomas & Co., Ltd. ..	Midland Rubber	22½	10	1 8	1 8	1 12*	2 8	3	Y.P.
3,35,000	2,81,000	14,31,422	1,45,231	13,140	A. V. George & Co., Ltd. ..	Neamony Rubber	25½	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	2,09,688	7,20,895	44,185	8,690	Associated Planters Ltd. ..	Nilambur Rubber Co	15½	10	1 0	1 0	1 0		12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates	5½	2	0 3½	0 3½	0 0 3/5	0 6 2/5	10	Y.P.T.
13,50,000	7,80,000	40,92,283	3,51,077	7,161	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	25½	10	1 8	1 12*	1 12*	2 0	6	Y.P.
3,66,780	3,00,000	6,70,359	62,117	71,342	Peirce Leslie & Co., Ltd. ..	Savanna Estates Ltd.	27½d	10	3 8	3 0	2 8	1 0	11	Y.
10,00,000	3,98,340	22,01,120	1,35,829	2,031	East india Agencies	Teekoy Rubber (India) Ltd. ..	11	10	0 14½	0 14 2/5	0 12	0 14 2/5	3	Y.P.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd. ..	Thamarapally Rubber	31½	10	2 0	3 0	3 0		12	Y.P.
6,10,200	3,00,000	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2-4½	1	0 4	0 4½	0 3 3/5	0 2	9	Y.
6,00,000	40,474	7,49,611	1,11,200	3 744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	22½d	10	2 0	2 0	2 0		12	Y.
41,00,000	14,20,673	74,86,897	7,65,148	3 28,925	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13½	10	0 9 3/5	1 0	1 8		12	Y.P.T.
23,00,000	.....	27,70,782	5,45,980	27,227	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	43	25	2 8	3 0	5 0	4 0	12	Y.
6,28,580	4,40,670	7,77,154	14,119	21,363	Harrisons & Crossfield Ltd. ..	Valkundam (Travancore) Rubber ..	27	10	2 0	2 0	2 4		12	Y.
1 65,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12½	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	58,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	11⅝	10	1+1	1+1	1+1	1+	3. 9	H.T.P.
6,00,000	9,50,000	51,48,606	35,31,395	94,036	McLeod & Co., Ltd.	446	Alexandra	200	100	*Nil*	*Nil*+2½	2½+5		6, 12	H.P.T.
20,00,000	9,84,130	1,17,45,964	91,71,069	2,55,727	McLeod & Co., Ltd.	1,264	Alliance	133	100	*Nil*	*Nil*+5	6+6		5, 12	H.P.
49,20,700	72,00,000	2,72,98,335	1,57,90,000	1,23,973	Bird & Co., Ltd.	2,561	Anglo-India	170	100	10+10	7½+5	2½+5	5+5½	3, 9	H.P.
40,00,000	42,94,285	1,73,44,642	88,94,396	9,788	Bird & Co., Ltd.	810	Auckland	125	100	5+4	2+2	1+2½	6+4	3, 9	H.P.T.
20,00,000	22,86,887	96,73,016	65,15,094	15,850	Jardine Henderson & Co.	950	Bally	140	100	*Nil*	4+*Nil*	*Nil*	3½+*Nil*	3, 9	H.P.
£875,000	£631,523	£1,596,539	£1,003,227	£64,358	Sir John H. Barder (Chairman)	1,989	Barnagore	25	£1	£1	£1	£1	£1	3	Y.P.
$8,000,000	$2,30,123	92,27,342	49,93 231	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	160	100	7½+7½	7½+7½	5+5	5+2½	6, 12	H.P.
46,00,000	38,45,000	87,03,172	31,28,574	1,65,100	Scoraljmull Nazarmull	600	Bengal	17	10	1	1½	1½	1½	6	Y.P.T.
91,25,000	2,15,77,944	3,32,32,892	29,72,760	5,12,032	Birla Bros., Ltd.	1,873	Birla	18	10	3	3	1	1	6	H.P.
£6,00,000	£7,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	138	100	6½+6½	6+4	4+6	5+2½	4, 10	H.P.
7,47,380	3,16,024	42,43,494	30,69,848	85,424	Dayaram & Sons	502	Calcutta Jute Mfg.	9½xd	10	0+8	*Nil*	1+1½		6, 12	H.P.T.
18,00,000	30,46,234	87,13,271	41,48,795	6,343	Andrew Yule & Co., Ltd.	616	Caledonian	203	100	6+8	5+6	4+5	4+2½	5, 11	H.P.
£5,16,400	98,58,404	2,22,41,517	1,07,46,003	1,80,505	James Finlay & Co., Ltd.	600	Champdany	153½	100	7+8	3+3	*Nil*+3	4+6	3, 9	H.
15,95,000	28,39,282	81,34,655	56,60,175	2,615	Andrew Yule & Co., Ltd.	530	Cheviot	202	100	6+6	5+6	6+8	6+4	5, 11	H.P.
£9,15,000	£8,25,000	60,73,514	46,01,290	1,52,259	McLeod & Co., Ltd.	1,050	Chitavalsah	15	10	2½+1½	1½+½	½+*Nil*	*Nil*	6, 12	H.P.
16,00,000	24,00,000	78,22,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	14½	10	2	*Nil*	*Nil*	1-4±	3	Y.P.
£1,49,200	£1,22,863	1,34,26,320	64,46,601	1,996	Bird & Co., Ltd.	766	Dalhousie	104	100	6+1	1+3	1+1½	3+1	3, 9	H.P.T.
£8,00,000	44,74,179	75,58,699	47,00,110	15,913	Andrew Yule & Co., Ltd.	779	Dalla	201	100	10+10	10+10	6+6	5+5	5, 11	H.P.
15,00,000	£3,50,000	81,61,824	59,15,950	1,43,804	McLeod & Co., Ltd.	500	Empire	19½	10	1+½	1+½	1+1	½+	6, 12	H.P.T.
21,00,000	59,50,176	2,72,32,353	1,87,05,541	71,982	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	350N	100	10+*Nil*	*Nil*	*Nil*+5	10+5	3, 9	H.P.T.
14,00,000	17,75,000	84,16,102	58,69,759	1,15,736	Shangar Bros., Ltd.	1,014	Fort William	21	10	*Nil*	*Nil*+5	10+10	10+10	3, 9	H.P.T.
24,32,100	1,66,021	2,03,72,498	1,32,66,886	94,732	Macneill & Barry Ltd.	1,709	Gauges Mfg.	69	10	*Nil*	*Nil*+*Nil*	*Nil*+½	2½+*Nil*	3, 9	H.P.
10,80,000	28,00,000	71,52,963	48,43,692	—74,098	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,300	300	80	15	*Nil*		12	Y.
24,00,000	33,38,409	2,12,33,183	1,66,13,218	57,208	Macneill & Barry Ltd.	1,394	Gourepore	205	100	1½+*Nil*	*Nil*+3½	2½+7½	7½+7½	3, 9	H.P.
40,00,000	90,03,234	99,03,890	57,86,999	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10	10	10+10	11½+	3	H.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hoochly	35	10	1½	1½	½		3	Y.P.
66,62,500	51,32,961	1,82,27,584	1,07,31,964	11,462	Jardine Henderson Ltd.	1,940	Howrah	22½	10	1+½	½+½	½+½	½+½	3, 9	H.P.T.
82,50,000	22,00,000	2,68,15,937	1,14,15,937	1,19,793	Hukumchand	2,272	Hukumchand	23½	10	7½	5	2	2	3	H.
0. 37,00,000	16,55,558	1,33,66,655	78,55,428	7,731	M.	1,076	India	138	O. 125	8½+8½	8½+8½	*Nil*+8½	8½+1½	3, 9	H.
D. 30,000									D. 1	As.½+½	a2/5+2.5	*nil*+a2/5	a2/5+1/5		
24,00,000	16,50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	134	100	8½+6	6+3	3+6	2½+*Nil*	6, 12	H.P.
B. 19 20,000								125	'B' 100	8½+6	6+3	3+5	2½+*Nil*		
30,00,000	7,00,000	1,32,86 300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankanarrah	95	100	6+4	5+2½	2½+4	1+*Nil*	6, 12	H.P.
B. 24,00,000								91	'B' 100	6+4	5+2½	2½+4	1+*Nil*		
21,00,000	49,50,000	1,12,88 938	79,26,276	1 70 687	McLeod & Co., Ltd.	708	Kelvin	238	100	7½+7½	7½+7½	10+10		6, 12	H.P.
54,00,000	23,83,375	1,71,52,716	1,16,91,627	1,02,192	Anderson Wright Ltd.	1,530	Khardah	163	100	10+15	10+7½	7½+5	6+5	3, 9	H.
48,00,000	1,04,27,157	2,31,57,457	1,12,99,755	52,710	F. W. Heilgers & Co.	1,250	Kinnison	163	100	10+7	6+5	2+5	7+6	3, 9	H.P.T.
24,48,000	49,37,157	1,39,92,288	80,55,707	10,797	Bird & Co., Ltd.	931	Lansdowne	168½	100	7+8	2+6	1+1	5+2	3, 9	H.
28,00,000	55,89,479	1,16,02,741	64,08,985	2,154	Bird & Co., Ltd.	840	Lawrence	103	100	11+8	8+3	3+4	3+2	3, 9	H.P.
81,65,200	25,04,412	2,01,00,682	1,24,49,304	10,614	M.	1,008	Megna	81	100	2½+2½	2½+2½	*Nil* 2½	2½+1½	3, 9	H.
29,98,900	58,14,415	1,54,76,420	98,81,406	—8,19,282	F. W. Heilgers & Co.	815	Naihati	95	100	6+*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
20,00,000	15,55,000	29,01,563	18,31,709	17,518	Howrah Trading Co., Ltd. ..	425	Nalkarpara	158	10	3+½	*Nil*+½	1+½	½+	4, 10	H.P.
35,00,000	43,29,326	29,10,124	10,08,222	70,554	Andrew Yule & Co., Ltd.	852	National	244	10	1 8	1 8	1 12*	2 8	4, 10	H.P.
20,25,000	24,50,000	48,82,794	20,20,619	1,45,752	McLeod & Co., Ltd.	316	Nellimarla Jute	12½	10	2+1	1+½	½+½	½+½	6, 12	H.P.
85,50,000	2,71,44,042	4,29,15,827	87,31,293	8,71,293	Sahu Jain Ltd.	709	New Central†	163	10	10+12	12+12	12+8	½+	12	
16,79,880	48,95,164	1,17,87,858	45,80,655	46 862	Gillanders Arbuthnot & Co., Ltd.	567	Northbrook	22½	10	1½	1½	½+½	½+½	3, 9	H.P.T.
66,75,500	28,80,793	2,12,69,608	1,39,37,804	58,273	Macneill & Barry Ltd.	1,092	Nuddea	38½	50	1+*Nil*	*Nil*+½	*Nil*+½	½+½	3, 9	B.
24,51,000	58,14,893	72,46,385	50,55,590	5 794	Andrew Yule & Co., Ltd.	601	Orient	153	100	1+6	6+6	5+6	5+4	5, 11	H.P.
25,00,000	6,23,468	30,72,591	63,77,961	1,03,954	McLeod & Co., Ltd.	400	Prasidency	5½	10	*Nil*	*Nil*+½	1+½		3, 9	H.T.
30,00,000	1,44,936	26,56,380	8,39,130	—12,15,988	Birla Bros. Ltd.	805	Rameshwara	6½	10	*Nil*	*Nil*	*Nil*	*Nil*+	3, 9	H.P.
6,10,200	1,62,723	1,84,06,577	89,85,544	5,09,880	Jardine Henderson Ltd.	1,276	Reliance	9½	10	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.P.
£600,000	£1 093,713	£1,236,315		£33,558	Thomas Duff & Co. (India) Ltd.	2,015	Samnuggur	11½	61	10%	10%	10%	8%‡	12	H.P.
30,00,000	18,12,193	1,04,21,440	78,39,904	88,764	Bagaria More & Co., Ltd.	911	Shree Ambica	10	10	1+½	*Nil*+½	½+½	½+	3, 9	H.P.
14,00,000	11,52,000	66,11,794	38,79,294	8,156	Hindustan Investment Corporation.	401	Soorah	19½ N	10	*Nil*	1	1	1½	12	
25,19,600	42,44,180	1,30,76,167	51,18,568	—2,75,000	Bird & Co., Ltd.	650	Standard	100	100	8+1	1+1	1+1	1+*Nil*	3, 9	H.P.
£600,000	£925,119	£990,895		£110,316	Thomas Duff & Co. (India) Ltd.	1,794	Titaghur	11½	100	10%	10%	10%	8%‡	12	H.P.
£5,00,000	£1,00,000	1,95,46,009	61,71,517	14,518	Bird & Co., Ltd.	1,326	Union	149	100	10+1	1+4	1+8	8+5	3, 9	H.P.
£400,000	£688,085	£1,092,723		£97 910	Thomas Duff & Co. (India) Ltd.	1,331	Victoria	11½	61	10%	10%	10%	8%‡	12	H.P.
2,50,000	4,95,000	55,94,678	37,77,741	35,624	McLeod & Co., Ltd.	465	Waverley	6½	1	*Nil*	*Nil*+½	½	½	6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	35,07,684	59,23,684	$8,026	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	23½	10	1+½	½+½	½+½	½+	3, 9	H.
12,00,000	8,62,573	$8,78,477	$6,13,477	22,708	Jardine Henderson Ltd.	Bararee Coke	19½	10	½+½	½+½	½+½	½+	3, 9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6‡N	10	2½+½	7/10+7/10	½+7/10	½+7/10	3, 9	H.
1,00,00,000	1,40,49,223	5,91,92,814	3,25,77,326	7,81,568	Andrew Yule & Co., Ltd.	Bengal Coal	528	100	20+20‡	17½+15‡	15+15‡	17½+17½	*4,10	H.P.
3,25,000	4,77,174	24,81,808	22,39,968	.....	Andrew Yule & Co., Ltd.	Benguna-Nagpur	15	10	8+8	*Nil*	*Nil*	*Nil*	6, 12	H.P.
15,97,000	4,73,858	37,70,192	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10					6, 12	V.
40,00,000	8,00,000	1,39,06,662	71,05,188	27,439	Sahu Jain Ltd.	Bharat Collieries	7½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6	H.P.
7,15,000	15,09,580	53,49,025	37 09 987	—1,66,136	F. W. Heilgers & Co. Ltd. ..	Bhimbhanbaree	14N	10					6	H.
16,00,000	16,17,936	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur	12½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.
7,50,000	23,50,000	42,07,858	26,07,691	68,656	F. W. Heilgers & Co., Ltd. ..	Borrea	26½	10	1½+1½	1½+1½	1+1	1+	6, 12	H.
90,92,480	1,76,70,584	4,11,32,554	1,80,95,440	1,40,510	Bird & Co., Ltd.	Burrakur	14½	10	1+1	1+1	1+1	1+	6, 12	H.P.T.
4w,87,750	.....	39 62,720	3,82,045	14,019	Hindustan Investment Corpn. Ltd.	Central India	6½	10	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	V.
4,00,000	13 54,302	49,10,414	82,63,954	82,768	M.	Central Kurkend	11N	10	*Nil*	*Nil*	*Nil*	*Nil*	6	H.
6,00,000	1,43,698	7,28,438(k)	.....	13,201	F. W. Heilgers & Co., Ltd. ..	Churia'	25	4	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	H.
10,00,000	1,20,000	92,67,321	23,91,190	—2,45,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	H.T.
£240,000	£580,553	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	82	61	8‡()	8‡()	*Nil*	*Nil*	6, 12	
20,63,760	76,84,230	3,89,97,499	2,87 14,367	93,266	Macneill & Barry Ltd.	Equitable	29½	10	2+1½	1+½	1+½	1+	4	H.P.T.
2,15,000	10,76,354	3,75,993	11,273	11,273	Phatuer's Agency Ltd.	Ghasick and Mualla	14½ N	10					6, 12	V.
12,00,000	1,22,000	59,02,565	20,99,824	3,226	Killick Industries Ltd.	Hingir-Rampur	41½	60					6	H.
5,00,000	6,75,000	21,43,057	18,61,214	65,461	Macneill & Barry Ltd.	Hurriladih	23½	10	2+½	1+½	1+½	1+	6, 12	H.
22,00,000	1,12,060	24,74,412	6,18,546	—5,57,293	Bajpaie Trust Ltd.	Jogta Coal	2½	10	*Nil*	*Nil*	*Nil*	1½	12	H.
3,50,000	2,07,443	13,53,458	7,06,130	.....	Andrew Yule & Co., Ltd.	Kalapahari	20N	10	1½+1½	1½+1	*Nil*	*Nil*	3, 9	H.
20,00,000	17,325	29,07,391	3,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries ..	12½	100	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
5,00,000	15,66,000	45,16,229	35,85,377	1,26,128	Andrew Yule & Co., Ltd.	Katras Jherriah	56½	10	2+2	2+2	2+2	2+*Nil*	3, 9	H.
1,38,400	5,72,960	12,35,941	5,72,960	—2,60,236	Berlawala & Co.	Khas Kajora	4N	10	*Nil*	*Nil*	*Nil*		1, 7	H.
1,00,00,240	64,314	16,72,961	10,41,963	—41,260	H. V. Low & Co., Ltd.	Kuardi	8‡N	10		*Nil*	*Nil*		6, 12	V.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10					6	V.
7,48,240	2,00,000	12,18,473	9,23,172	11 096	Tantia Brothers Ltd.	Nazira	7	10					6	V.
7,00,000	22,017	10,33,740	5,20,295	4,560	Amritlal Ojha & Co., Ltd. ..	New Dandeopur	8‡N	10					12	H.
17,76,280	20,01,763	1,19,78,853	88,63,066	94,388	Andrew Yule & Co., Ltd.	New Beerbhoom	20	10	*Nil*+½	½+½	½+½	½+½	3, 9	H.
6,00,000	85 000	28,44,928	16 65,990	36,426	Octavius Steel & Co., Ltd. ..	New Manbhoom	11½	10	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
1,15,000	2,58,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	10N	10	1+½	½+*Nil*	*Nil*	*Nil*	3, 9	H.
1,67,500							16‡N	7½	½+½	½+*Nil*	*Nil*	*Nil*		
1,80,000	15,21,862	3,97,666	2,77,666	1,05,841	F. W. Heilgers & Co., Ltd. ..	Ondal	14‡N	10	1+1	1+1	1+½	½+	6, 12	H.
10,00,000	1,10,000	39,70,662	17,99,658	2,809	K. C. Thapar & Bros.	Oriental Coal	9N	10					12	H.
8,34,000	10,862	17,52,137	8,30,795	8,018	Deepchand Kishenlall	Parasea	13xd	10	*Nil*	½+½	½+½	½+	6, 12	H.
15,75,000	15,00,000	46,12,471	24,02,471	89,104	Shaw Wallace & Co., Ltd.	Pench Valley	23	10	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	H.
£2,90,500	£8,27,105	1,19,88,339	£8,22,615	£8 018	N. B. Elias & Co., Ltd.	Raneegunge	11½	10	1+½	½+½	½+½	½+	3, 9	H.
18,50,000	8,55,385	35,36,765	27,73,764	£5,521	Shaw Wallace & Co., Ltd.	Rewa	22½	10	1+1	1+1	1+1	1+½	6, 12	H.
20,00,000	20,00,000	44,28,585	16,78,118	2,20,176	Jalpuria Sons Ltd.	Samla Collieries	15	10	1+½	1+½	1+½	1+½	12	H.
1,25,000	1,05,000	13 78,490	12,31,237	£1 070	M.	Searsole	7½N	5					1	H.
2,80,000	7 86,598	29,87 021	18,41 629	40,187	Andrew Yule & Co., Ltd.	Seebpore	81	7	2+½	1+1	1+1	1½+	6, 12	H.
5,00,000	5 46,689	52,491	28,867	6 601	F. W. Heilgers & Co., Ltd. ..	Sendra	9‡N	10	*Nil*	*Nil*	*Nil*+½	½+	6, 12	H.
68,21,450	16,96,050	3,83,71,101	2,85,58,501	—4,46,963	Industrial Trust Fund (Government of Hyderabad)	Singareni	9½	10		*Nil*	0–11 1/5		12	V.
17,50,000	10,84,016	37,86,103	15,14,990	—61,588	Bird & Co., Ltd.	South Karanpura	9‡	10	½+½	½+½	½+*Nil*	½+*Nil*	3, 9	H.
8,00,000	13,69,145	1 60,570	95,510	7,987	F. W. Heilgers & Co., Ltd. ..	Standard	20	10	2+½	½+½	½+½	½+	6, 12	H.
10,00,000	12,950	80,82 289	15,43,502	—4,07,745	Villiers Ltd.	Talcher	8½	2½	*Nil*	*Nil*			9	H.
2,50,000	2,80,000	19,47,955	14,81,955	44,167	Williamson Magor & Co., Ltd. ..	Union	12½	10	1+1	1+1	1+½	*Nil*+	6, 12	V.
49,98 000	1,38,190	49,06,356	18,91,545	5,894	Hindustan Investment Corpn., Ltd.	Western Bengal	7	10	*Nil*	*Nil*	*Nil*	*Nil*	6	H.
7,00,000		55,22,183	22,66,981	122	Macneill & Barry Ltd.	West Jamuria	12½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (z) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.

(1) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (a) For seven months ended 31st March 1956.

† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,301	Allahabad Bank	357	100	18 0	18 0	18 0	18 0	12	Y.P.
14,50,000				180	50	9 0	9 0	9 0	9 0		
1,01,000				111½	100	6 0	6 8	7 8	6 8	6,12	H.
82,46,180	14,37,000	12,375	Andhra Bank	82	70	3 0	3 4	3 12	4 8 4/5		
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	93	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	164N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,52,00,000	13,26,630	Bank of India	158	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	28,00,000	60,636	Bank of Indore	5EN	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	27	50	1 8	1 8	2 0	2 0	12	Y.
50,00,000	34,00,000	1,79,254	Bank of Mysore	249	100	16 0	16 0	16 0	16 0	12	Y.
61,21,700	58,73,013	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	28,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	4 8	5 0	12	P.Y.
50,00,000	13,00,000	2,433	Canara Banking Corporation Ltd.	80½	50	5 0	5 0	5 0	5 8	12	Y.P.
2,50,00,000	4,01,81,217	18,40,359	Central Bank of India Ltd. ..	52½	25	3 8	3 0	3 0	3 0	12	R.L.Y.
52,42,375 'A'				54	25	3 8	3 0	3 0	3 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co. ..	40	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	26,00,000	1,66,276	Hind Bank	31½	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,43,000	15,919	Hindustan Commercial Bank ..	8½	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	16	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	89N	100	5 0	5 0	6 0	5 0	9	Y.
24,00,000				180	100	12 0	12 0	12 0	12 0		
18,00,000	79,75,000	1,45,140	Indian Bank	150	90	10 8½	10 8½	10 8½	10 12½	6,12	R.).H.
18,20,000				116½	65	7 8½	7 8½	7 8½	7 12½		
49,19,375	80,00,000	2,28,299	Indian Overseas Bank	130	100	6 0	6 0	6 0	7 8	12	Y.
2,25,000				42½	100(A)	6 0	Nil	Nil			
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	11	25(B)	1 8	Nil	Nil		6,12	H.
10,00,000				23½	50(C)	3 0	2 0	Nil			
87,50,000	97,50,000	2,35,108	Punjab National Bank	46xd	25	1 8	2 0	3 0	3 8	12	Y.
1,00,00,000	23,80,000	43,597	Travancore Bank	17½	25	—	0 10½	0 12	1 0	12	Y.
1,00,00,000	15,00,000	1,96,238	Union Bank of India	61	5	0 5½	0 5½	0 5½	0 6	12	Y.
3,00,00,000	95,00,000	27,761	United Commercial Bank ..	51	50	2 0	2 0	2 8	2 12	12	H.

PRINCIPAL EXCHANGE BANKS — Dividend (per cent.)

£8,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-16-6	£1	16†	14†	15†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£69,017	Eastern Bank	£7½	£5	7†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $ 10,606,689	Hongkong and Shanghai Banking Corporation	£95½	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£15,000,000	£558,006	Lloyds Bank	£3-14-6	£5 A	12†	14†	15†	12†	12	R.L.Y.
£1,437,296 'B'				£1-8-8	£1 B	5†	6†	5†	5†	12	R.L.Y.
£375,000 'A'				£4-0-0	A £2½	14†	14†	14†	14†		
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India ..	£4-0-0	B £2½	14†	14†	14†	14†	12	R.L.Y.
£730,000 'C'				—	C £1	14†	14†	14†	14†		
£2,851,563	£3,104,687	£342,158	National Bank of India	£1-0-9	sh. 12½	16†	16†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June ..	Carew & Co.	1938	99½	1st June .. 1963
4,00,000	5½	1st March and 16th September..	Carew & Co. (2nd mortgage) ..	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December ..	Ramnugger Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	103	27th December .. 1952-62
10,00,000	6	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries	1941	101	1st April 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New)	1944	97	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June .. 1956
25,00,000	4½	30th June and 31st December ..	Barrakar Coal Co.	1947	91½	30th June .. 1967(c)
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1968(c)‡
COTTON						
8,50,000	5½	30th June and 31st December ..	Rasnati Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	96½	15th November .. 1956(b)
90,00,000	6	1st April and 1st October ..	Buckingham and Carnatic	1952	99	1st March .. 1972(c)
12,63,000	5½	.. .. ..	Jaykhrey Textiles	1949	80N	1st January .. 1956-59
89 90,000	8	1st June	Tata Mills	1951	100	 1964-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co. Ltd. ..	1950	95	31st March .. 1965(c)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100½	14th June .. 1960
96,25,000	4	1st April and 1st October	Andhra Valley Power Supply Co. ..	1940	98	1st October .. 1960
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
2,45,01,800	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	100½	1st January .. 1970(c)
25,00,000	6	30th June and 31st December ..	Gourepore Electric Supply Co. Ltd.	1945	85½	31st December .. 1960
10,00,000	5	1st January and 1st July ..	Sijua (Dhanbad) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(c)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	96½	16th July 1957-61
5,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	96½	1st October 1956-60
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94½	30th September .. 1958-62
4,68,800	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94	1st July 1956-61
47,75,000	5	1st April and 1st October ..	Tata Power	1940	105	1st July 1970
3,50,00,000	4	1st April and 1st October ..	Tata Power	..	93½	15th September .. 1946-70
ENGINEERING						
5,00,000	5½	30th June and 31st December ..	Britannia Engineering	1948	99	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India), Ltd. ..	1928	99	30th June .. 1958
80,00,000	5½	15th September and 15th March.	Indian Hume Pipe (Bearer) ..	1945	99	1st July 1957-62
£1,146,600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1938	£88	31st December .. 1966(H)
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May 1971
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	100½	1st October 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	104	31st December .. 1960(c)
JUTE						
12,00,000	5½	1st October and 1st April ..	Agarpara†	1939	99	31st March .. 1960
6,00,000	5½	30th June and 31st December ..	Alexandra	1939	99	30th June .. 1960
15,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	92½	30th June .. 1960
9,00,000	5	31st January and 31st July ..	Calcutta	1949	96	31st July 1959
16,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	96	30th June .. 1964
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1969(c)
6,86,000	5	15th January and 15th July ..	Empire	1951	94½	15th July .. .. 1966(c)
25,00,000	5½	1st January and 1st July ..	Hukumchand	1947	92½	30th June .. 1967
30,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co., Ltd.	1955	99	31st March .. 1970
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co., Ltd.	1949	96½	31st December .. 1964(c)
25,00,000	4½	30th June and 31st December ..	Kaihati	1952	96	31st March .. 1967(c)
5,00,000	4½	14th November and 14th May ..	Kelliwarie Jute Mills Co., Ltd.	1939	98	14th May 1962
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	88	31st December .. 1964
6,00,000	4	30th June and 31st December ..	Presidency	1943	88	30th June .. 1956
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co., Ltd.	1950	91	5th September .. 1965(c)
8,00,000	4½	14th March and 14th September.	Soorah Jute	1937	96	14th September .. 1957
12,00,000	5	30th June and 31st December..	Union	1947	96½	30th June .. 1957
16,00,000	5½	31st January and 31st July ..	Waverly	1925	86	31st July 1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July ..	Barasat-Basirhat Light Railway?..	1939	90N	1st July 1956
£250,000	4½	1st January and 1st July ..	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October ..	Katakhal-Lalabazar Railway ..	1938	£77½N	1st October .. 1974
6,50,000	5½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1945	90½	31st December .. 1959(c)
£200,000	4½	30th June and 31st December ..	Any time on six months' notice (c)	1905	£85½N	1st September .. 1963
4,83,26,697	4½	1st March and 1st September ..	Scindia Steam Navigation ..	1949	96½	
PLANTING						
10,00,000	5½	30th June and 31st December ..	Consolidated Coffe'	1952	102	1st July 1957-62
12,50,000	6	31st March and 30th September.	Nilgiri Tea	..	103	1st April 1958-68
1,89,700	5½	31st March and 30th September.	Teakoy	1944	100	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	96	31st Decem ber .. 1965
26,80,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	96	31st December .. 1962
4,80,500	5	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
8,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	103	1st September .. 1964-90(c)
2,00,00,000	5½	1st April and 1st October ..	Calcutta Oil Refining (India) Ltd. ..	1955	102	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February .. 1964
20,92,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1938	86½	1st July 1968
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87½	15th September .. 1960
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Ltd.	1946	92	1960
1,80,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd. ..	1950	103	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(c)‡
17,75,000	5	15th March and 15th September.	Mestar Chemical Industries	1949	86½	1964
24,94,000	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes) ..	1946	550	30th September .. 1976(c)
45,00,000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes)	1947	470	31st December .. 1972(c)
					(per note)	
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	90N	1st April 1971
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1951	103	30th June .. 1972-76
1,00,00,000	5½	31st March and 30th September.	Orient Paper Mills Ltd.	1951	95	31st March .. 1961(c)
1,00,00,000	4	30th June and 31st December ..	Rohtas Industries Ltd.	1946	91½	31st December .. 1958
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. .. 1968(a)†‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium, after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 15 years. (c) Option to repay on 3 months' notice at ½ per cent. premium redeemed at par annually by drawing from 1-8-1956. Any debenture outstanding on 1-6-1969 will be redeemed on that date with option to redeem all debentures at par. † Rs. 1,80,00,000 debentures will be one of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any rates less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings at par. 5% Redeemable May 1964 onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1956, on six months' notice. †† Option to redeem at par on 1st May, 1956, on six months' notice, on or after 1st May 1956.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 10th May, 1956.

—	Closing quotations 2-5-1956	High	Low	Closing quotations 10-5-1956
	Rs.	Rs.	Rs.	Rs.
TEXTILES				
Ahm. Adv. (100) ..	173½	175	173½	174½
Apollo (2) ..	2-12½	—	2-12½	2-13½
Bombay Dyeing (250).	620‡xd	660	622½	651½
Central India (100) ..	139	140½	137	138
Century Mills (100) ..	528½	554	532½	544½
Colaba (100) ..	71½	78	71½	78
Edward Textile (200).	355	—	—	335
Elphinstone (50) ..	55	—	—	55
Finlay (100)	326xd	346	330	340
Gokak (100)	229½	235	229	232½
Ind. Untd. Deld. (1) ..	2-1½	2-4½	2-1½	
Ind. Untd. Ord. (10).	12-10½	13 3½	12-10½	
Indore Malwa (100) ..	147½	153½	146½	
Khatau (100)	240	241½	237½	
Kohinoor (100)	358	372	361	
Lakshmi (250)	685xd	705	685	
Madhusudhan (100) ..	111½	111½	109½	
Minerva Mills (100) ..	88½	91	88½	
Model Nagpur (250) ..	150	150½	150	
Morarji (100)	245	—	—	
Mysore (50)	110	110	108½	
National Rayons (100).	245½	248½	244	
New City (100)	162½	167½	162½	
New Great (100)	232½	234½	231	
New Union (10)	38½	—	—	
Phoenix (100)	128½	135	128½	
Podar Mills (100) ..	175	183½	176	
Sassoon Silk (10) ..	13½	—	—	
Sassoon Spg. (10) ..	38	—	—	
Shahpur (1,000) ..	1,700	—	—	
Shrinivas (100)	221½	221½	212½	
Simplex (50)	213½	222	213½	
Standard (100)	417½	433½	417½	
Svadeshi (100)	222	234	222½	
Swan (100)	420xd	432½	422½	
Tata Mill (25)	83	66½	52½	
Vishnu (100)	186½xd	192½	186½	
Western India (1,000).	5,000	—	—	
BANKS				
Bank of India (50) ..	165½	158	156	
Bank of Baroda (50)..	98	98	93	
Central (25)	50	53½	50	
Central 'A' (25) ..	51	55	51	
Dena Bank (50)	40	—	—	
Punjab National (25).	46xd	—	—	
Union Bank (5)	6½	—	6½	
United Com. (50) ..	51	51½	50½	
ELECTRIC COS.				
Ahmedabad (100) ..	100½	100½	96½	
Ahmedabad (10)	11½	—	—	
Andhra Valley (1,000).	1,245	1,245	1,202½	
Bom. Sub-El. (100) ..	115	115	114½	
Surat (100)	120	123½	120	
Tata Hydro (100) ..	129	129	125	
Tata Powr (1,000) ..	1,342½	1,315	1,300	
INSURANCE COS.				
British India (10) ..	13½	—	—	
Empire of India (100).	600	—	—	
Ind. Mercantile (50)..	41	—	—	
Jupiter (15)	5½	—	—	
New India (15)	40½	42½	40½	
Oriental (100)	3,900	—	—	
Universal (10)	7	—	—	
Vulcan (10)	14½	14½	14½	
STEEL COS.				
Ind. Iron (10)' ..	34-9½	37½	34½	
Tata Steel Ord. (75)..	243½	253½	243½	
SUGAR COS.				
Belapur (50)	229½	236	229½	
Bhopal (100)	13	14	13	
Phaltan (50)	142½	151	146	
Walchand Ind. (100).	246½	253½	240½	
CEMENT COS.				
Associated Cts. (100)..	218½	224	218	
Digvijay (100)	187½	199	187	
MISCELLANEOUS				
Alcock Ashdown (100).	340	363½	331½	
Bom. Burmah (125)..	541½	557½	543	
Do. (New) (50) ..	246½	247½	245	
Br. B. Petrol (4 sh.)..	4-1½	4-3½	4 4½	
Br. I. Corpn. (5) ..	11	11½	10½	
C. P. Ely. (100) ..	90	90	89	
Indian Copper (Rs.)..	6½	6-11½	6½	
Ind. Inv. Tr. (100) ..	78‡xd	78½	78½	
Kemp (200)	175	—	—	
Killick (100)	166½	167½	166	
Polson (100)	173½	178½	173½	
Port Canning (100) ..	9½	—	—	
Premier Con. (80) ..	172½	181½	172½	
Scindia (20)	17½	18½	17½	
G. E. Shipping (10) ..	17½	17½	17½	
Shivrajpur (10)	106½	107½	100	
Tata Chemicals (10) ..	17-15½	18½	17½	
Tata Locomotive ..	152	156	152½	
Tata Oil (25)	47½	49½	47½	
W. I. Match (100) ..	201½	203½	201½	

GOVERNMENT SECURITIES	3-5-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	10-5-1956
	Rs.			Rs.
2½% 1961	88½	—	3.89	88½
2½% 1962	86½	—	3.71	86½
2½% 1963-65	84½	—	3.81	84½
2½% 1967	82½	—	4.01	82½
2½% 1956-59	99½	—	3.13	99½
2½% 1959-61	99½	—	3.18	99½
3% 1964	94½	3.62	3.40	94½
3% 1963-65	95*	3.81	3.63	95½
3% 1965-68	93	3.81	3.68	93½
3% 1970-75	89½	3.92	3.72	90
3% 1986 Con. Loan..	77½	—	3.88*	77½
4% 1960-70	101½	3.65	3.88	101½
4½% 1955-58** ..	102½	3.90	4.15	102½
2½% 1961 N.P. Bonds.	99½	—	3.50	99½
3% 1964 N.P. Loan ..	98½	—	3.68	98½
3½% 1965 N.P. Bonds.	98½	—	3.68	98½

BRITISH GOVERNMENT SECURITIES	1-5-1956	Low	High	7-5-1956
	£	£	£	£
2½% Brit. Consols ..				
3% Savings Bonds 1955-75	54‡	54‡	54‡	54‡
3% War Loan 1955-59.	77‡	—	—	77‡
3½% War Loan ..	94‡	—	—	95‡
4% Victory Bonds 1976	75‡	95‡	94‡	75‡
4% Funding 1960-90 ..	98‡	93‡	98‡	93‡
	89	89‡	89	89‡

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Rights.

COMMERCE

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

VOL. XCII. No. 2359 BOMBAY, 19TH MAY 1956 PRICE Rs. 1/8

NO CHANGE IN SECOND PLAN

THERE is little that is new in the final version of the second Plan. It is substantially the same as the draft outline of the Plan published three months ago. The final report is, of course, very much bulkier than the draft outline, but that is due chiefly to the inclusion of details of the various schemes and of the revised Industrial Policy Statement. The size of the report may be in keeping with the massive investment and effort envisaged by the planners. It does not, however, contain any fresh arguments to carry conviction to those who felt that the Plan was over-ambitious and unbalanced. The thoughts of these critics had been ably brought out by Mr. K. C. Neogy, one of the members of the Planning Commission, in a separate note circulated to members of the National Development Council. They had also been recognised, in a way, by another member of the Commission, namely, Mr. C. D. Deshmukh. The latter even went to the extent of saying that the period of the Plan might have to be extended, if it were to bear even a semblance of reality. A member of the Union Cabinet, Mr. T. T. Krishnamachari, had questioned the practicability of establishing an efficient socialist economy, in which the State would own practically all the principal means of production, consistent with the ideals of democracy. The final Plan that has now emerged has not been influenced, to any material extent, by these observations. As a true democrat, Mr. Nehru, the chief architect of the Plan, has, however, taken note of these criticisms by seeing to it that appropriate qualifications are made in the report. He has appreciated, in particular, the cogent arguments put forward by Mr. Neogy. This is evident from the special reference made to his views in the concluding paragraph of the report, as well as from the admission that the considerations raised by him are important and should be constantly kept in view in carrying out the Plan. This candid recognition by the chief of the Planning Commission and his other colleagues is commendable, reflecting as it does the spirit of tolerance that still animates the policies and actions of the leadership at the helm of India's affairs. It has averted a crisis in the Planning Commission and ensured for the nation the services of an able, experienced and level-headed administrator. There is no doubt that the Commission would have become poorer had Mr. Neogy been allowed to resign his post.

Thanks to Mr. Neogy, the language of the report has been modified in some parts. It is less assertive than it was in the draft outline. But mere verbal changes do not alter the unrealistically ambitious character of the Plan. It is thus obvious that the Plan is a vast collection of the Government's intentions, desires and wants, all good and sincere of course. Only, they are unrelated to available physical and financial resources. The Planning Commission asserts that, given the effort and the sacrifice, the objectives of the Plan and the targets mentioned are well within the country's capacity. This is a very bold claim, for the qualification is not easy of fulfilment. The sacrifice that is necessary for implementing a plan of this size is beyond the capacity of its people. To aim high may be a good thing, but to attempt to do too much in too short a time is to be foolhardy. Such an attempt will compel adoption of measures that may undermine the freedom of the individual, besides leading to waste and extravagance. In his recent book, *The Theory of Economic Growth*, Prof. Arthur Lewis remarks: "The rate of economic growth can be too high for the health of the society.... Societies are not necessarily wise to choose to speed up their rate of growth above its current level; if they do, they will enjoy substantial benefits, but they may also incur substantial costs, in social, or in spiritual terms." This remark is aptly applicable to India's second Plan.

It is, of course, heartening to hear Mr. Nehru reiterate that India must proceed to industrialise itself rapidly, while maintaining and retaining, at the same time, the democratic structure of its constitution and its society. On more than one occasion, he has asserted that this can be done. While we admire his self-confidence, we have our own doubts, especially because of the large emphasis on (*a*) State-ownership of almost all the major industries, (*b*) State monopoly of certain services, as, for example, insurance, (*c*) State-trading in certain commodities and with certain countries, (*d*) co-operative farming of a type indistinguishable from collective farming in Communist States, and (*e*) heavy taxation that may retard individual initiative and enterprise. We are not alone in hesitating to share Mr. Nehru's robust optimism. Many distinguished persons in the society also do so. Dr. John Matthai, who needs no introduction to our readers, is one of them, as will be seen from the full text of his illuminating address at the Bombay Rotary Club published on page 959 of this issue. Another is Mr. T. T. Krishnamachari who knows how Government machinery works—he once sarcastically but appropriately described himself as the jailor of the private sector, the current coin for free enterprise. Only about a month ago, he frankly said in Parliament: "It is quite possible to build up a socialist economy which is efficient, but it is not quite so easily possible to build up an economy which is also democratic at the same time." In the same speech, he admitted that, despite all the study and search that has been made, "there is no synthesis in our economic philosophy." Does this not show that the Government has no clear conception of its economic policies and their implications to democratic ways of life?

The Plan suffers from many important defects. In the first place, the capital cost of the targets, in terms of finance, is underestimated. If all the targets are to be implemented, it will require more money than is indicated. Secondly, the resources required even on the basis of the estimates given in the Plan are unlikely to be forthcoming in full. When it is doubtful whether even the sum of Rs. 450 crores originally provided in the Plan could be raised by way of additional taxation, the planners have naively assumed that the gap of Rs. 400 crores could be filled in by fresh taxes. Similarly, the sum of Rs. 800 crores to be obtained by way of foreign capital, in addition to Rs. 100 crores to be received by the private sector from the same source, is based on the country's need rather than on any reasonable estimate of its availability, having regard to India's foreign policy and the series of restrictions that have been imposed on free enterprise.

Thirdly, the industrial targets are unrelated to transport capacity. It is the view of experts that the financial provision made for expansion of railways, shipping and road transport is inadequate. Even if finance is made available, we wonder whether it will be possible for the country to get from abroad, or make domestically, the necessary equipment in time. The transport shortage is already being felt. In a couple of months, arrival of steel in Bombay port alone would be about 2,000 tons per day, while transport facilities available here can lift no more than 800 tons per day. The planners are alive to the transport bottleneck, but have not provided any effective solution. It has, of course, been decided to set up a standing committee, in order to bring about co-ordination of the activities of the Ministries for Industry, Minerals and Transport, to make the best use of the funds allocated to these three portfolios and to prescribe priorities. The Member of the Planning Commission concerned with these subjects is expected to be the chairman of this committee. The membership will consist of the Secretaries of the different Ministries concerned and the Chairman of the Railway Board. But all that this Committee can do is to make the best use of the available transport capacity. It cannot make good the shortage. The effective remedy for this lies in expanding the capacity. Since the public sector has too many things to do, why not allow the private sector to expand road transport and shipping by offering to it the necessary freedom and incentives? The Plan is silent on this important question even when the magnitude of the problem is crystal clear.

Fourthly, the shortage of personnel, administrative and technical

he is wrong, because there is a difference between availing oneself of all such excessive capacity as exists and planning deliberately for additional capacity to meet the contingent inflation at a time when all available capital resources have to be pressed into use."

The necessity for stepping up the targets for production of food, cloth, etc., was, however, conceded only when Mr. Neogy came out with his appraisal of the defects in the Plan to the public. Another factor that opened the eyes of the planners was the sharp rise in prices of commodities, especially foodgrains, a development to which the Press gave proper publicity. But what is the outcome? The Plan merely admits that the targets for agricultural production should be raised and that increased output of cloth and other consumer goods will act as a valuable safeguard against inflation. No provision has, however, been made for the additional funds that will be required for hitting the higher targets. Nor has any decision been taken about allowing the cotton mill sector to expand its weaving as well as spinning capacity. Even if a decision were taken today, it would take at least 18 months for additions to capacity to be fully effective. Is it realistic then to delay a decision on this vital issue any longer? The growing demand for mill cloth, it may be noted here, is already telling on exports of cloth, thereby depriving the country of valuable foreign exchange.

To revert to agricultural production. In reply to Mr. Neogy's critical note, Mr. V. T. Krishnamachari, Deputy Chairman of the Planning Commission, stated that, if agricultural production could be stepped up by 40 per cent., the threat of inflation could be faced with confidence. An increase of 40 per cent. is more than twice as much as that mentioned in the draft Plan. Can such an increase be achieved without a proportionate increase in investment on agriculture? The Food and Agriculture Ministry seems to be of the opinion that an additional capital outlay of at least Rs. 100 crores would be needed. It is a moot point whether, even if this amount is found, agricultural production can be stepped up by 40 per cent. For one thing, State Governments, under whose jurisdiction agriculture falls, are unlikely to rise to the occasion, what with the general elections and the reorganisation of States. For another, the dubious land reforms and absence of adequate credit, as well as storage facilities, may be found to be serious obstacles. It is highly significant, in this connection, that, at the recent conference of the State Development Commissioners at Naini Tal, the consensus of opinion was that nothing beyond a 25 per cent. increase would be feasible. In order, however, to provide for any shortfall in the supply of foodgrains, agricultural raw materials and consumer goods, the Plan stresses the need for more imports and the building up of buffer stocks. A sound proposition, indeed. But where is the additional foreign exchange that will be required for this?

Finally, the Plan asserts that, since the basic objective is a socialist structure, the main criterion for determining the lines of economic advance must not be private profit but social gain. This is an ideal approach on paper, but, if serious attempts were made to follow it in actual practice, it would end in a failure and hold up the progress of the Plan. Even in Soviet Russia, where there is an authoritarian regime, it did not succeed and the State had to resort to the incentive of profit-motive, in order to secure efficiency and increased production. The experience of the Government of India, too, has not been different. This is evident from the fact that, quite recently, even the Commerce and Industry Minister found it necessary to emphasise, in one of his speeches, that it would be necessary for the Government to provide adequate incentives, if it were to build up an efficient managerial cadre. He pointed out that his Ministry was finding it difficult to get the right type of personnel for the salaries which it was allowed to offer and that it would not only be false economy but false socialism to reduce the attractiveness of public service by paying low salaries. What a difference between this voice of realism and that of the planners!

INSURANCE CORPORATION BILL

THE Insurance Corporation Bill, in the form in which it has emerged from the Select Committee, is a more balanced document than it was before, in that the Committee has incorporated several new features, such as a somewhat better basis for compensation, provision for compensation to chief agents and for the absorption of a part of their staff, and definition of the functions of some of the chief officers of the Corporation. In its amplified form, it incorporates the assurance given by the Government spokesmen that insurance staff will have ample protection and that investments will be under expert scrutiny. There is also a provision for enabling Indian insurers to transact life business abroad.

The Bill, however, is defective not so much from the point of view of what it affirms as from that of what it fails to affirm. And since these omissions are serious, they may well affect adversely the future of insurance in this country. Thus, there is no provision for the representation of policyholders in the management of the Corporation. Nationalisation is thus in distressing contrast not only with mutualisation under which policyholders controlled their destinies but even with private insurance under which there was statutory provision for some elected representatives of policyholders. Presumably, the Government feels that no such representation is called for, since it will itself represent the interests of policyholders. But there are three reasons why such a view is incorrect. In the first place, the Government can never know how the policyholders feel about the services rendered by the Corporation, unless there are special representatives to voice their grievances. Secondly, if the Government feels that it can represent the policyholder better than they can represent themselves, there is no sense in running nationalised insurance as a corporation. Thirdly, it is somewhat incongruous that, whereas the Bill provides for the setting up of employees and agents relations committees to look after the welfare of the Corporation's staff and field workers, there is to be no representation for the policyholders for whose interests the Corporation was ostensibly brought into being.

There is no statutory obligation on the part of the Corporation to manage its affairs in a way that is beneficial to policyholders. We say this because the Corporation has been enjoined to exercise its powers so as to secure that "life insurance business is developed to the best advantage of the community." And, under the cover of the vague phrase, "to the best advantage of the community", it will be possible to commit any financial sin that is detrimental to policyholders' interests. After all, who will determine what is to the "best advantage of the community." It is the Government. Since the political complexion of the Government will change from time to time, the ideas of what constitutes the "best advantage of the community" are bound to suffer changes. In the long run, the Government may well come to sacrifice policyholders' interests at the altar of the imaginary interests of the community.

Indeed, the whole approach is too doctrinaire to be realistic. It ignores the vital fact that the content of insurance is basically individualistic. A policyholder saves for his future and for the future of his kith and kin. The most powerful argument in favour of life insurance is that either a man pays for insurance during his lifetime or his family pays for it in terms of privation and misery after his death; in either case, somebody pays for it. The appeal for insurance is thus directed towards the individual prospect. Any advantage that the community derives from the individual's savings is incidental to insurance. Clearly, it is wrong to emphasise this subsidiary "community" aspect of insurance and ignore altogether the normal, realistic aspect of the individual's prosperity.

It will, perhaps, be contended that the Government has already assured the policyholders the safety of their policies and that nationalisation of insurance was, in fact, undertaken for the benefit of policyholders. Now this "safety" factor applies only to the face value of the policies. It does not cover the bonus part. In any case, nationalisation of insurance cannot appeal to the imagination of people through a mere emphasis on "safety" aspect of policies. For, as it has been pointed out several times ere now, the face value of the policies by and large had never been in jeopardy. The Government is not giving anything that the vast majority of policyholders did not already possess. If the Government's contention is that nationalisation was undertaken for the benefit of the policyholders themselves, why should it then fight shy of declaring its intentions? Why should it not lay down that the Corporation should so manage its affairs as to secure the best advantage of the policyholders? In fine, the role assigned to the Corporation should primarily be that of trustees of policyholders. If the Act cast such a responsibility on the Corporation, it would give greater confidence to policyholders, for no future Government will normally wish to change it for fear of incurring their wrath.

No one can really take a correct view of insurance who ignores that it is a long-term contract. The Government must so frame the law that no loophole is left for its successors to mismanage insurance. It is true that the law can be changed. But then, a change will at least evoke opposition, if it is manifestly unfair. A serious loophole is that there is nothing in the Bill to compel the authorities to invest the funds wisely or to run the Corporation efficiently. The provision relating to investment is vague. All that has been laid down is that an investment committee, consisting of the members of the Corporation and a few experts, will advise the Corporation on investment matters. There is no guarantee that the Corporation will accept this advice. Be that as it may, the sections of the Insurance Act, which defined the scope of the investment field for private insurers, will not be binding on the Corporation. This omission has two aspects to it. In the first place, there is no guarantee that the Corporation, in its investment policy, will follow the prudent maxim of sound private insurers—"maximum yield, consistent with security of investment." If it does not follow this maxim, the bonus to policyholders will be adversely affected. It is true that no investment committee, consisting of experts, will ignore the maxim which guides the investments by insurers all the world over. But then, it is open to some future Government to ignore the advice tendered or to adopt the simpler expedient of constituting a committee that will tender the advice it wants. If the maxim were specifically mentioned, it might well prevent misapplication of funds to enterprises of doubtful economic value or their misdirection for political purposes. There is also no guarantee that the private sector will get any part of the funds it needs from the Corporation. It is true that the Union Finance Minister, Mr. C. D. Deshmukh, has given the assurance that it is not the intention of the Government to reduce the proportion of funds the insurers normally invest in the private sector. But then, Mr. Deshmukh will not always be there to implement it. And his successors may not feel bound by this verbal assurance.

Not only is the Corporation free from the investment restrictions by which private insurers were bound but it is also free from restrictions on expense ratio. Since one of the arguments used in favour of nationalisation of insurance was that the expense ratio of private insurers in India was very high, it is to be expected that the Government will take utmost care to ensure that the charge does not return to it like a boomerang. Normally, one would expect the Corporation, now that it has a monopoly of life insurance in the country, to work with an expense ratio that is considerably less than what prevailed in pre-nationalisation days. But, in the absence of specific restrictions, the Corporation will have no special obligation to cut its expenses. On the other hand, it may well be induced to go on a spending spree to rural areas in the hope of capturing some non-existent business. A reasonable statutory restriction on expenses will go a long way towards ensuring that the authorities do not make a merry bonfire of policyholders' money.

The position of Indian insurers in foreign countries where they are working has been rendered particularly difficult. If any person wishes to start or to continue his overseas business, he has been asked to apply to the Government for a certificate. In practice, it may be found difficult to take advantage of this provision. For one thing, it looks extraordinary that the Government, having made serious charges against the insurers of this country, should be willing to grant them permission to operate abroad. If they cannot be any good to this country, they can obviously be no good to other countries either. Secondly, there are bound to be reprisals from overseas countries. If India does not allow foreign life insurers to work here, why should foreign countries permit Indian life insurers to work there? Thirdly, the few Indian insurers, who have secured good overseas portfolio, could do so, because they had a large and expanding home business. Now that they are deprived of their domestic life business, they will find it difficult to compete successfully with other insurers in the foreign markets. In fine, India is faced with the prospect of losing all its foreign life business sooner or later. In 1954, such business brought the Indian insurers a premium income of Rs. 1.04 crores, as against Rs. 95 lakhs in the previous year. There were signs that overseas business would prove an expanding source of invisible income to India. This hope has been dashed to the ground through nationalisation and that, at a time when the country needs more and more of such invisible incomes.

PLANNING COMMISSION DISCOURAGES IDEA OF CEILING ON INCOMES

NOVEL TAXES, HOWEVER, SUPPORTED—EQUITIES FIRM—COFFEE CROP BIG

THURSDAY, 5 P.M.

MARKET GOSSIP

A SUBJECT that never fails to arouse interest in this country or to make platform orators spring to their feet is the ceiling on incomes. It is surprising how often this subject is mentioned, what animated discussion it gives rise to. From all these, one would think that what people desire most is not a rise in average incomes, nor an increase in average wealth but only some level beyond which a few cannot earn more. A great Indian leader, who has had unusual opportunities to observe other nations, once said that, if India's national character could be described in one word, it would be "jealousy." May be, this is an overstatement of a national trait. But it is worth investigating why people in India, more than in any other country, attach so much importance to ceilings on income. Here is a rich field for investigation by expert psychologists. One may contrast the position in India with that in the U.S. It is said that a worker in that country never envies the man with a car but only wants to improve his position, so as to own one himself and that a man with an ordinary car does not envy the man with a Cadillac but only wants to increase his income so as to become the proud owner of a Cadillac. In India, the most widely accepted economic theory is that, if the car owners were all deprived of their vehicles, a great benefit will have been conferred on pedestrians!

This theory finds its ardent supporters among all political parties. Small wonder, then, that the recent debate on ceiling on incomes in the Lok Sabha evoked some eloquent speeches. Not content with the lucid exposition of the problem by the Union Finance Minister, Mr. C. D. Deshmukh, who advocated, in the course of the budget debate, a cautious though sympathetic approach to the issue of ceilings, the members of Parliament decided to have a debate on the subject. It drew general support all round—and, of course, from the communist members who derive their inspiration from a country where the disparities in income are believed to be the widest. No constructive comment was made, no workable solution presented. But everybody agreed that there must be ceilings on income.

The whole subject has necessarily to be viewed against the background of inequalities in wealth and reward. No one need contend that excessive inequalities are necessary for incentive or that they should not be corrected. They deserve to be corrected, but more by raising the lower levels than by lowering the higher levels. This is the simple and correct approach. At one time, the Planning Commission was rather vague on this subject. If anything it was inclined to view the demand for a ceiling on income as something that deserved consideration. In the final version of the Plan, however, the authors have stated their stand more clearly. Rejecting the idea of a direct ceiling on incomes on the ground of impracticability, they observe:

"It must be stressed that reduction in inequalities in income and wealth can follow only from the totality of measures and institutional changes undertaken as part of the Plan. The pattern of investment proposed in the Plan, the direction to economic activity given by State action, the impact of fiscal devices used for mobilising the resources needed for the Plan, the expansion of social services, and the institutional changes in the sphere of land ownership and management, the functioning of joint-stock companies and the managing agency system and the growth of the co-operative sector under State sponsorship, all these determine the points at which new incomes will be generated and the manner of their distribution. It is the essence of a planned approach that all these measures should be harmonised and brought to a focus in a manner that would ensure an enlargement of incomes and opportunities at the lower end and a reduction of wealth and privilege at the upper end."

The Planning Commission's analysis of the problem is obviously of great interest to the classes which participate in the working of the investment market. The Commission recognises that fiscal measures have an important part to play in reducing inequalities of income and wealth and that far-reaching changes in the tax system will be required, if the more well-to-do classes of society are to make a larger contribution to resources for development.

What measures does the Commission suggest? No ready-made solution has, of course, been offered. But it is noteworthy that it suggests certain lines of approach which cannot but be disturbing. At the same time, it is gratifying to note that the Commission is fully alive to the complexity of the problem and admits, that some of the measures designed to reduce inequalities are apt to react adversely on incentives.

The most important single factor responsible for inequalities of income and wealth, according to the Commission, is the ownership of property. Inequalities in income also arise from inequalities in capacity to work, and certain other social and psychological causes. These deserve to be corrected through expansion of educational and other facilities. At the same time, the Commission asserts that the "case for taxation based specifically on wealth or property needs to be carefully examined." Then it adds—the addition is rather disquieting to investors—the remark: "The fact that income from wealth is taxed when it accrues does not rebut the case for a separate moderate tax on wealth. There are problems of valuation here, and there are large possibilities of avoidance or evasion through non-reporting of transfers and the like. But given the objective of reducing inequalities of income and wealth and of raising the resources needed for development from classes which have incomes or wealth far above the average, these administrative problems have to be faced."

The Commission then goes on to point out that the yield from estate duty has so far been negligible. It feels that the estate duty will have to be supplemented by gift taxes, if the object in view is not to be frustrated. Gift taxes, it is stated, can yield "considerable revenues without impairing incentives and they are an important part of the machinery of taxation based on wealth and taxation." It adds:

"The foregoing observations are not meant to indicate that any or all of the measures mentioned can be adopted immediately. But they do suggest that further work on the incidence of these taxes, their effect on incentives and their administrative implications should be undertaken. In the nature of things some of these measures are apt to yield their full benefits only over a period of time, but there should be no hesitation in initiating changes in the desired direction if, on an examination of the case, the changes suggested promise to assist in the realisation of the objective in view."

The two-fold aspect of the problem of reducing inequalities of incomes—the reduction of higher levels and the upgrading of lower levels—is emphasised by the Commission. So far as the subject of ceiling on incomes is concerned, the Commission would like to "stress the substance rather than the form of the proposal." It recognises that a "ceiling cannot be imposed merely by legislation." It says:

"A ceiling on incomes has little significance unless it also involves a ceiling on property. Incomes from property or from business are difficult to regulate, except in so far as they come under the normal system of personal taxation. Any attempt to apply a ceiling—which means a 100 per cent. tax on incomes in all forms above a certain level—effective as from a specific date or to apply it in any rigid or mechanical way is likely to create difficulties. It is reasonable that those in receipt of large incomes should make a larger contribution to the public exchequer. This principle is well recognised and, in recent years, the marginal rates of taxation on incomes in the higher brackets have been stepped up. While inequalities have to be corrected through fiscal and other devices, the emphasis should be no less on positive measures which promote a more even distribution of incomes."

The way to lesser inequalities in incomes, according to the Commission, lies through progressive adaptation of the tax system, so as to impose heavier taxes on higher incomes, through institutional changes which place an increasing proportion of the community's surpluses directly in the hands of public authorities. In this context, promotion of co-operative farms of production, elimination of functionless rent-receivers, substitution of private usurious credit by institutional credit, control of private monopoly and enlargement of the public sector in strategic lines of production and trade, it is stated, are of far-reaching significance. Two observations, made by the Commission, deserve attention. In the first place, the Commission declares that a ceiling on incomes is the "end-product" of a process; it cannot be a "beginning." Secondly, it stresses that, in this approach to the problem, a floor for incomes, or a guarantee of certain minimum national standard of the essentials of civilised life is "no less important than a ceiling at top levels."

So far as they go, these are very sensible observations. One may or may not grant the case for deliberate, positive and speedy measures designed to reduce inequality in incomes. But even those who advocate those measures will have to recognise the wisdom of the Commission's approach that a ceiling on incomes must be the end-product of a long process and that it is meaningless without a floor for incomes. The Commission's analysis deserves to be read by those who clamour for an immediate ceiling on incomes. Assuming that there is no alternative to socialism, this analysis is certainly realistic. Only, it is not clear why the Commission could not bring to bear the same sense of realism over the question of ceilings on landholdings.

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The Commission has made a reference to a tax on expenditure as a means of getting from the well-to-do a larger contribution to the resources for development without losing in the process the incentive to work harder or to save more. Since expenditure tax is a new fiscal weapon for this country, its remarks on it will be read with interest. It says:

"It has recently been suggested that the substitution of expenditure for income as the basis for personal taxation, coupled with measures to tax wealth, can bring about this result. The idea of an expenditure tax has been discussed by economists on several occasions in the past. There is a growing body of expert opinion in favour of an expenditure tax. There are, however, administrative problems which have to be resolved before a change of this character can be made. It may be that an experimental approach on a limited scale may have to be adopted initially. Experience in more advanced countries seems to indicate that progressive income taxes on the scales that are now prevalent are in reality not so effective, firstly because the incomes by way of capital gains escape such taxation, and secondly, because there is a great deal of evasion in various ways. A tax based on expenditure may encourage saving, and, in theory at any rate, it is a more effective instrument than an income-tax for moderating inflationary or deflationary tendencies."

The planners have made a reference to the scheme of taxation in the chapter relating to finance for the Plan. Here, they have made some significant observations sufficient to suggest that they are counting on these new forms of taxes for securing additional revenue. They have in mind a tax on capital gains also. This is to be imposed by widening the concept of income. Fiscal monopolies and State trading in select lines are also mentioned as profitable devices for strengthening the revenues of the public sector.

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Despite the foregoing features of the final Plan, its publication has had no adverse effect on the Stock Exchanges. On the contrary, the trend of the markets has been steady to firm. The fact that neither the size of the Plan has been reduced, nor its period extended, has strengthened the view that deficit financing will be of a larger order than the Rs. 1,200 crores mentioned in the Plan and that, as a hedge against inflation, equities will gain in value further. Indian Irons were strongly backed and moved forward almost by a rupee in today's trading. This scrip has now become a hot favourite among speculators, being bought and sold in lakhs. The Calcutta Stock Exchange introduced a special clearing in this scrip last week and also stepped up the margin, but this has failed to restrain the bulls. There is a feeling in a section of the market that the small denomination of this scrip—its face value is only Rs. 10 per share—is very conducive to large-scale speculation in it. Accordingly, it is suggested that its face value should be raised to Rs. 100 by consolidating 10 shares into one share.

So strong is the bullish fervour now that heavy selling of Indian Irons and Indian Coppers by a Calcutta operator, who held a long position in the last crisis on the Calcutta Stock Exchange and settled his difference in Indian Irons only at Rs. 36-8, has failed to have any material effect on the market. This is attributed, to some extent, to the diversion of speculators' interest from cotton and other commodities to stock exchanges. It is significant that the Reserve Bank's circular to banks today directing them to restrict advances against stocks of paddy and rice and to raise the margin against advances on other commodities by 10 per cent. has also been ignored by the share market, even though at one time in the past the very possibility of such a move had brought equities tumbling down.

The abolition of export duty of 6¼ per cent. on coarse cloth, coupled with reported purchases of Kohinoors by custodians of insurance, has imparted additional strength to textile shares. The possibility of the Government reintroducing in the near future controls on prices and distribution of cloth has been ruled out by market circles, as both labour and the Congress Party are opposed to such detailed controls. Labour opposition is evidently due to the fear that profits would go down, thereby adversely affecting their bonus and prospects of securing higher wages. The Congress Party's opposition is due to fear of unpopularity with the masses and of increase in corruption. It is noteworthy that the Planning Commission, too, is not in favour of using such controls, except in the last resort. After stating that physical controls, including rationing and allocations, can be used to prevent consumption from increasing beyond a particular point and for economising scarce materials or scarce productive resources, the Commission adds: "But experience of the past suggests that physical controls, especially on essential and staple consumer goods, are not a device that can be relied upon to function effectively or equitably for any length of time."

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Indian coffee has earned the unenviable distinction of being the only agricultural commodity which, despite being in exportable surplus, is subjected to strict control in respect of both marketing and price. Strangely enough, the marketing policy of the Government in recent years proved disadvantageous to the growers. Large quantities of coffee were allowed to deteriorate to the benefit of none and to the detriment of the country as a whole. In 1953-54, for instance, Indian coffee production reached the then record quantity of 29,410 tons, while internal consumption amounted to 21,000 tons only. It is true that as much as 9,400 tons of coffee were allowed to be exported out of that crop, but the delay in giving permission resulted in the country missing the market and getting a good price. Further, the country lost the opportunity of exporting a larger quantity and what was worse, a substantial quantity of arabica cherry was allowed to deteriorate and had to be sold 20 per cent. below the basic price, after having, in addition, incurred heavy warehousing charges, not to speak of the cost of financing the stocks. The experience in 1955 was that the crop was relatively smaller at 25,100 tons, but a large quantity of arabica cherry could not be moved and some had to be sold at a loss.

Planters complain that these experiences of the past two years have brought home no lesson to the Government. With a substantially larger crop in 1955-56, the Government and the Coffee Board are confronted with the most delicate problem of avoiding the previous mistake. Last June, the Coffee Board estimated the current year's crop at 26,800 tons. The crop to date has already exceeded the

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EQUITIES RULE STEADY

TEXTILES WELL SUPPORTED

(From Our Own Correspondents)

BOMBAY, *17th May*

THE share market maintained a steady tone during the week under review. Equities in general were less buoyant and active than in the previous two weeks. The trend was somewhat irregular, but, over the week, equities managed to emerge better. Nevertheless, barring a few selected counters, particularly in the textile section which attracted good attention, the gains were not very pronounced. Apparently, operators were more cautious in following the sharp rise in the preceding two weeks and preferred to book their profits at the higher levels. The two main factors which served to help the market maintain its steady tone were the abolition of the export duty on coarse cloth and the persistent hectic speculative buying in Indian Irons. The absence of any depressing influence was also a helpful factor.

In the steel section, the cynosure of activity was again provided by Indian Irons which ruled firm. On reports that the Company would shortly issue fresh capital, the shares advanced early in the week from Rs. 36-11½ to Rs. 37-2. After receding to Rs. 36-6 on Tuesday, due to profit-taking, they shot up again to Rs. 37-11½ at the close today. With the rise of Re. 1 this week, the gain in these shares over the last week is Rs. 3-2½. Tata Ordinaries moved up from Rs. 249-8 yesterday. Today, again, the shares rebounded to Rs. 251-12 at the close. The Company has issued a circular to the shareholders making a call of Rs. 35 per share (made up of Rs. 25 on capital account and Rs. 10 on premium) being the first instalment payable in respect of the new issue of shares at Rs. 75 per share at a premium of Rs. 30 per share. The payment is to be made on or before 2nd July 1956. The balance of Rs. 70 per share (including the premium of Rs. 20) is payable as and when called up. No announcement has, however, been made so far by the Stock Exchange authorities of the date on which the present *cum*-right shares will be quoted *ex*-right. The Stock Exchange is stated to have not received official intimation from the Company regarding the details of the new issue. It is, however, presumed that the change-over will take place immediately after the settlement on 1st June, or at any rate after the one on 15th June. Meanwhile, unofficial transaction in renunciation letter is reported to have been done today at Rs. 57.

Textiles were again buoyant, consequent on the abolition of export duty on coarse cloth and reports of buying in select counters by custodians of insurance companies. Bombay Dyeings were rather erratic. Advancing from Rs. 651-14 to Rs. 663-12, they slipped back on Tuesday to a low of Rs. 649-6. Subsequently, however, they recovered to Rs. 660-10 at the close today. Large-scale buying in Kohinoors pushed them up from Rs. 366-4 to Rs. 383-12. Centurys came up to Rs. 550 at one time from the previous week's closing of Rs. 544-8. After dropping to Rs. 538, they regained to Rs. 547-8. Central Indias gathered Rs. 4-8 to Rs. 142-8, while Finlays and Gokaks were unchanged on balance at Rs. 340 and Rs. 232, respectively. Indu Ordinaries were brisk and rose by As. 5½ to Rs. 12-9½. New Citys gained Rs. 6-14 to Rs. 173-12 and New Greats Rs. 9 to Rs. 241. Shree Niwas Cottons were steady at Rs. 213-2, while Simplex picked up Rs. 8 to Rs. 224. Standards Rs. 8-2 to Rs. 438-2 and Svadeshis Rs. 6 to Rs. 234. Investment support to Tata Mills lifted them up by Re. 1 to Rs. 55.

Activity in bank shares was somewhat restricted. Punjab Nationals were, however, prominent with a rise of Rs. 6-8 to Rs. 52-8. Centrals were, on the other hand, marked down by Rs. 2-4 to Rs. 50-12 and their New shares by Re. 1 to Rs. 54. All other counters showed no change over the week.

Insurance shares were featureless and very little business was reported. New Indias had some business As. 8 higher at Rs. 43. British India Generals changed hands at the self-same rate of Rs. 13-6. No transactions were reported in other counters.

Further ground was lost in the electricity section, on fears about nationalisation. Ahmedabad Electrics were depressed from Rs. 98-7 to Rs. 96-14. Bombay Suburbans lost As. 15 to Rs. 114-1. Surat Electrics declined from Rs. 123-12 to Rs. 121-14 and Tata Hydros from Rs. 125-8 to Rs. 123-8. Tata Powers moved down from Rs. 1,300 to Rs. 1,277-8 before gaining to Rs. 1,295. Andhra Valleys receded from Rs. 1,202-8 to Rs. 1,187-8, but recovered to Rs. 1,195.

Barring cement and sugar shares, the miscellaneous section was on the whole featureless. In the cement group, Digvijays were in good form consequent on the Chairman's appraisal of the promising outlook for the Company. The shares were done at Rs. 193-8 *ex-div.*, as against Rs. 196 *cum-div.* (div. Rs. 8-8). Associated Cements advanced from Rs. 219 to Rs. 223, but closed lower at Rs. 220. Among sugar shares Belapurs were done Rs. 2 higher at Rs. 233 and Phaltans Rs. 6 better at Rs. 152. Walchandnagars were, however, marked down by Rs. 2-8 to Rs. 248-12. In the engineering and mining group, Alcocks receded by Rs. 7-8 to Rs. 350. Premier Constructions were a shade quiet at Rs. 176-8 and Tata Locos at Rs. 153-8. Larsen and Toubros were steady at Rs. 16-1. The Company has maintained the dividend at 10 per cent. for the year ended 31st March 1956. Shivrajpurs held their ground at Rs. 99. Indian Coppers firmed up from Rs. 6-7 to Rs. 7-2½, following the news that the Company had won its case against the Bihar State Government in respect of the renewal of mining lease and that the Government's claim against the Company for Rs. 48.78 lakhs as compensation for breach of terms of lease by the Company had been disallowed. The closing was, however, a shade lower at Rs. 6-15½.

In the shipping and transport group, Scindias moved within a narrow range and closed an anna higher at Rs. 18-6. Great Easterns were lower by As. 2 to Rs. 17-12. Hindustan Motors were dull at Rs. 9-13 and Premier Automobiles shed Re. 1 to Rs. 90. In the miscellaneous group Bombay Burmahs tumbled down from Rs. 645 to Rs. 622-8, on fears about the quantum of final dividend, but gained ground to Rs. 638-2 at the close. British India Generals were steady at Rs. 11-4. National Rayons gained Re. 1-12 to Rs. 245-12. Tata Chemicals were held at Rs. 18-5, while Tata Oils were a shade better at Rs. 48-8.

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Calcutta Stock Exchange

CALCUTTA, *16th May*

The Calcutta Stock Exchange put on a rather dull appearance during the week under review. As there were no fresh incentives, operators did not evince much interest in business. Even the publication of the final report on the second Plan failed to have any effect on the market, which was only to be expected, considering that the contents were practically similar to those of the Draft Outline. Reflecting the hesitant mood of market circles, the volume of transactions put through on the Exchange was greatly restricted, with equity values moving narrowly. Some scrips met with investment support and tended to move up, while the speculative ones lost ground on fresh offering.

Buying enquiry in the jute section was selective. Standards moved up by Rs. 2 to Rs. 102. Presidencies were strong at Rs. 5-14, as against Rs. 5-6 a week before. Reliances rose by As. 5 to Rs. 10-4. Nationals were a shade better at Rs. 24-9. Budge Budges were firm at Rs. 137. Agarparas, however, eased by As. 5 to Rs. 12-2 for want of support. New Centrals lost As. 2 to Rs. 16-12.

Tea shares also elicited selective support. Batelis hardened by Re. 1-8 to Rs. 24-8. Huldibaris and Puttinbarees recorded an improvement of As. 8 each to Rs. 37-4 and Rs. 57, respectively. Hattikhiras were an anna higher at Rs. 22-5. But Brooke Bonds slipped by As. 6 to Rs. 24-4.

Coal shares lacked interest and prices drifted generally lower. Katras Jheriahs fell by Rs. 6-6 to Rs. 50. Pench Valleys dropped As. 12 to Rs. 22-4. Burrakurs gave way from As. 14-3 to Rs. 14. Western Bengals were unaltered at Rs. 7. Deals in Central Indias were put through today at Rs. 7-5; these shares were quoted at Rs. 7-3 last week-end.

Trading in engineering shares was irregular. Indian Irons declined by As. 5 to Rs. 36-11, in the absence of sustained support. Indian Standard Wagons eased by As. 8 to Rs. 180-8. Textile Machineries decreased by As. 6 to Rs. 2-12. Jessops lost As. 3 to Rs. 34-14. Burn & Cos., however, received good attention of operators who took the shares higher up to Rs. 364, as against Rs. 354 at the close of last week. National Irons were also favoured well, the quotation rising by As. 13 to Rs. 7-15. Marshalls were better by As. 3 at Rs. 6-9.

Among mining shares, Indian Coppers encountered some support on rumours of bonus issue and strengthened by As. 7 to Rs. 7. Metal Corporations gathered As. 6 to Rs. 10-10. Consolidated Tins, however, were subjected to some selling and gave way from Rs. 2-14 to Rs. 2-12. Burma Mines were also somewhat neglected at Rs. 4-3, as against Rs. 4-5.

In the miscellaneous section, Indo-Burma Petroleums were keenly sought and rallied Rs. 2-12 to Rs. 41-4. Aluminium Corporations were also a bright spot, their price firming up by Re. 1-4 to Rs. 10. Balmer Lawries put on As. 12 to Rs. 168-12 and Indian Cables As. 7 to Rs. 31-6. Jardine Hendersons failed to evoke support and moved down by As. 8 to Rs. 100. Shaw Wallaces receded by As. 6 to Rs. 15 and Imperial Tobaccos by As. 5 to Rs. 14-7. Rhotas decreased by As. 4 to Rs. 22-9. B.B. Petrols declined by As. 3 to Rs. 4-3. B.I.C's. lost As. 2 to Rs. 11-5. National Carbons were quiet at Rs. 26-8. India Steamships were unchanged at Rs. 8-11.

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Madras Stock Exchange

MADRAS, *15th May*

Conditions on the Madras Stock Exchange were quite cheerful this week too. Operators continued to take an optimistic view of the outlook for industries in the private sector. The final version of the second Plan presented to Parliament today did not, it was felt, contain anything new other than what was incorporated in the Draft Outline. The large degree of deficit financing envisaged in the Plan and the considerable stress laid on industrialisation were interpreted bullishly. Buying by bulls was, therefore, sustained, while bears were interested in covering their positions. Consequently, turnover broadened and equity values continued their upward march. The undertone of the market was fully steady.

There were three important company announcements during the week under review. First, the Guntur Power and Light Co., Ltd., has been taken over by the Andhra Government with effect from 1st May 1956. Secondly, the Indian Bank Ltd. has stated that a call of Rs. 5 per share on the 20,000 shares of Rs. 90 paid-up and a call of Rs. 5 per share on the 28,000 shares of Rs. 65 paid-up have been made payable after the 31st inst. and on or before 29th June next. Thirdly, an extraordinary general meeting of the Emerald Valley Estates Ltd. will be held on 7th June 1956 to accept the offer for the sale of the Emerald Valley Estate for Rs. 6.55 lakhs. Besides these general announcements, the following were the dividend announcements made during the week:

Company	Dividend per cent. for the year ended December	
	1955	1954
Pankaja Mills	4	*Nil*
Radhakrishna Mills	20	16
Andhra Cements	10	10
Mysore Chemical Manufacturers*	20	12½
Vijayakumar Mills	10	7½
Palani Andavar Mills ...	24	24
Travancore Rubber and tea	7½ (f)†	15

* For the year ended March
f=Final
† Making a total of 12½ per cent.

Textile shares evoked good buying support, thanks to prospects of enlarged cloth exports following the abolition of the 6¼ per cent. *ad valorem* export duty on coarse cloth, and reports of continued high domestic offtake. Rajapalayams rallied Rs. 11-4 to Rs. 301-4 *cum-div.* Ashers and Dhanalakshmis advanced by Rs. 5 each to Rs. 165 and Rs. 385, respectively. Balasubramania 'B' rose by Rs. 4-8 to Rs. 142, Metturs by Rs. 3-12 to Rs. 461-4, Lakshmis by Rs. 3-8 to Rs. 203-12 and Cannanores by Rs. 3 to Rs. 168. Premiers were higher by Rs. 2-8 at Rs. .202-8. Vijayamohinis gained a similar amount to Rs. 96. Pankajas hardened by Rs. 2 to Rs. 80. Alagappas put on a rupee to Rs. 10.

In the planting section, coffee shares were in special request on rumours that a further quantity of coffee might be released for export. Amalgamated Coffees strengthened by As. 12 to Rs. 10-4. Mysore Coffees improved by As. 8½ to Rs. 2-13. Kadur Coffees gathered an anna to Rs. 2-10. Consolidateds were fully maintained at Rs. 19-14. Tea shares had buyers at higher rates, on expectations of the end tea sales of the season experiencing good enquiry from the U.K. United Nilgiris picked up Rs. 9-8 to Rs. 377. Coonoor Teas registered a gain of Rs. 2 to Rs. 31-4 *cum-div.* Coorg Teas added As. 10 to Rs. 11-12. Devasholas and Haileyburias were better by As. 8 each, the former at Rs. 29-4 and the latter at Rs. 29-4. Nonsuch Teas gathered As. 4 to Rs. 37-12 *cum-div.* Peermades increased by a like sum to Rs. 38 *cum-div.*

A feature of trading in the miscellaneous section was the firmness in cement and sugar company shares. Dalmia Cements spurted by As. 9 to Rs. 15-8. Travancore Cements advanced by As. 6 to Rs. 12-6. India Cements were firm at Rs. 36-4. Among sugar shares, E.I.Ds. rose by As. 4 to each to Rs. 10 and Rs. 13-10, respectively. Among other miscellaneous industrials, Textools were taken up by Rs. 4 at Rs. 166. Binnys scored a rise of Re. 1-8 to Rs. 173-8. Aluminium Industries gathered As. 2 to Rs. 20-4.

AIR CONDITIONING CORPORATION (PRIVATE) LIMITED

It is understood that Messrs. Gillanders Arbuthnot and Company Limited, have relinquished the Managing Agency of the Air Conditioning Corporation (Private) Ltd. From the 1st April 1956, the Corporation is a wholly owned subsidiary of the Orient Paper Mills Ltd. (Managing Agents: Messrs. Birla Brothers) and is being run as a director-controlled company. It is also learned that Mr. J. C. Kapur will continue as a Director of the Corporation.

The Corporation was founded in the year 1930 and has since played a pioneering role in the development of the refrigeration and air-conditioning business in India. It is learned that, in view of the recent reorganisation, and large financial backing, the Corporation proposes to considerably expand its engineering, contracting and manufacturing activities. The manufacturing programme includes, room air conditioners, railway air-conditioning equipment, industrial blower fans, and other items of heavier refrigeration and air-conditioning equipment. To implement these plans, the Corporation is entering into manufacturing agreement with their principals, The York Corporation, U.S.A.; Messrs. Buffalo Forge Company, U.S.A.; as also the Safety Car Heating and Lighting Company, U.S.A.

COMPANY LAW FOR LAYMEN

The Company Law Administration, Ministry of Finance, has published a *Layman's Guide to the Indian Company Law* which presents the main provisions of the new Company Law in simple language. The publication is in pursuance of a promise given by the Finance Minister in Parliament in September 1955 that the Government would bring out a guide to the new Company Law and would try to ensure that the common man has "Company Law without tears."

The *Guide*, while closely following the text of the Companies Act, 1956, does not confine itself to a mere paraphrase of the sections of the Act, but explains the basic facts relating to companies and the working of the Company Law. In order to assist the general reader references to the relevant sections of the Act have been given throughout the book. An attempt has also been made to explain the procedure that will have to be followed in order to comply with the requirements of the new Law. The interpretations of specific provisions of the Act are based on the spirit underlying the new Law and the intention of its authors.

NEWS IN BRIEF

THE Government of India has abolished the import duty at 19-17/32 per cent. *ad valorem* on pig iron with effect from the 10th inst.

The Government of India has abolished, with effect from the 14th inst., the existing export duty of 6¼ per cent. *ad valorem* on coarse cloth.

The Government of India is reported to have decided to establish a currency paper manufacturing mill at Hosanabad in Madhya Pradesh. The proposed mill is expected to meet the requirements of not only India but also of other neighbouring countries where there is a large demand for it.

The Union Government has under active consideration the setting up of a farmers' bank for the entire country. Disclosing this in Kakinada last week-end, Dr. Punjabrao Deshmukh felt confident that, even if Rs. 2 were collected from each agriculturist in the country, the bank would have a share capital amounting to crores of rupees.

The Government of India proposes to set up a single centralised organisation under the Ministry of Railways, with headquarters in Calcutta, to co-ordinate rail transport for all imports of steel, cement and machinery expected during the second Five-year Plan period. Individual railway administrations are said to have been requested to set up special cells to deal expeditiously with the movement of all heavy consignments which may be received from abroad in future.

The proposed Rs. 25-crore heavy electrical equipment factory to be set up in Bhopal will start production in 1960, according to the Union Minister for Production. Much of the preliminary work in connection with the establishment of the factory has been completed and a detailed project report will be submitted by the technical consultants to the Government of India in November this year and the Government's decision will be announced in December.

A Bill to amend the Indian Income-tax Act will be introduced in the current session of Parliament. The Bill will contain only one clause and is in the nature of an emergency piece of legislation which could not be foreseen earlier. It is intended to meet the situation arising out of a recent Supreme Court judgment in a Bihar case. The amendment, if passed, will save the Exchequer revenue of the order of Rs. 1 crore and prevent the dislocation of income-tax administration.

Negotiations between Yugoslavia and India are stated to have reached an advanced stage on the purchase of ships of the 10,000-ton class. A Yugoslavian shipyard expert is expected to come to India soon to give detailed specifications of ships which India desires to purchase. Some of the specifications, it is understood, have already been supplied to the Union Government. The Yugoslav shipyards have proposed to reserve a part of their production capacity to build ships for India depending on the size of the Indian orders.

The Government of India has decided to allow the import of acetate yarns of 120 and 150 deniers against actual user licences during the January-June 1956 period to the extent of 5 per cent. of the face value of the licence for art silk yarn. Accordingly, it is notified that the licences granted to actual users for art silk yarn during January-June period will be valid for import of acetate yarn of 120 and 150 deniers in bright and dull finishes up to 5 per cent. of the face value of the licence. The total value of imports of these two deniers should not exceed 5 per cent. of the face value of the licence.

The Government of India has decided to extend free licensing of all varieties of cotton piecegoods (mill-made and powerloom) and cotton manufactures, including cotton waste blankets other than the restricted varieties, to all permissible destinations for shipment up to the end of December 1956. Licences for exports of cotton piecegoods and cotton manufactures, including cotton waste blankets, already issued to the trade will be extended up to a maximum period of one year from the date of issue or till the end of December 1956, whichever is earlier.

A factory for manufacturing precision cutting and turning tools and tool holders will shortly be set up by a private firm at Bangarapet, Kolar District, 44 miles from Bangalore, in collaboration with the Ifanger precision tool manufacturers of Switzerland. The factory, to be known as "Hind Small Tools", will have an authorised capital of Rs. 50 lakhs and an issued capital of Rs. 25 lakhs. The agreement entered into by the firm with the Swiss concern provides for the setting up of the factory on the model of the Ifanger factory, and training of Indian personnel in Switzerland, besides providing the technical know-how of manufacture.

India has now an exportable surplus of over 10 million maunds of salt every year. The production of salt in 1955 was 81.1 million maunds and the area under salt cultivation increased to 80,216 acres from 77,830 acres in 1954. A production of 83.7 million maunds of salt was envisaged in 1955-56 under the first Five-year Plan, but the target was surpassed in 1953 itself when India produced 86.1 million maunds of salt. There was, however, a decline in production in 1955, which was mainly accountable to the vagaries of the weather. The salt industry in India is largely dependent on solar energy and other natural factors. The consumption of salt in India during 1955 was 72.8 million maunds, as against 71.8 million maunds in 1954. The target for the industry in the second Plan has been fixed at 100 million maunds.

Improvement in the supply of milk to towns and cities through the formation of 36 co-operative milk unions is one of the dairy development projects to be undertaken during the second Five-year Plan. Large dairies will also be established in Calcutta, Bombay, Madras and Delhi, while some existing dairies will be expanded to handle larger quantities of milk. The establishment of milk boards will further accelerate dairy development. The second line of dairy development between 1956 and 1961 aims at increasing facilities for conversion of milk into milk products in areas from where milk cannot be easily transported to the market for sale. It is proposed to establish 12 rural creameries and seven milk products factories in such areas. The capital outlay on these projects is estimated at Rs. 21 crores.

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From Abroad

Having doubled its coffee production and exports since the war, Ethiopia is now selling around $30 million worth of coffee to the United States annually, reports *Foreign Agriculture*, a U.S. Department of Agriculture publication.

Steel, a weekly magazine of Cleveland, U.S., predicts in its current issue a record production of 122 million tons of steel this year, exceeding the 1955 U.S. level by 5 million tons. The industrial publication says that steel mills will operate at an average of 99.8 per cent. of capacity during the first half-year to produce 64 million tons. The last six months, *Steel* says, should see a production of 58 million tons at 90 per cent. of capacity.

The World Meteorological Organisation, completing a nearly two-year-long study, has found no reason to conclude that nuclear explosions, which had taken place, have had any large-scale effect on weather. This finding was reached by the executive committee in its session which ended two weeks back on the basis of data gathered by the secretariat. The data consisted of replies received to enquiries asking Governments to report on the results of investigations they had made.

The market value of goods and services produced by the United States in the first quarter of 1956 was estimated at an annual rate of $398,500 million. This compares with $375,500 million in the first quarter of 1955. For the entire year 1955 the market value of goods produced was $387,200 million. Reporting this, the Commerce Department says that personal income—salary and wage payments and income from other sources—rose by 82,000 million to an annual rate of $313,600 million.

Japanese shipbuilders propose to launch a total of 1.56 million gross tons of shipping at the Japanese shipyards during the current year. New orders from overseas are said to be pouring in, the majority of which are for large tankers. Most of the shipyards have orders to keep them busy for at least two years. On 30th April last, the shipyards had orders for about 3 million gross tons on their books, of which about 2.6 million gross tons were for export.

A special study of the effect of Japanese textile imports on the U.S. textile industry has been urged by Mr. H. C. McClellan, Assistant Secretary of Commerce for International Affairs. The proposed study group is to recommend steps to help domestic industry, yet preserve the U.S. foreign trade programme. The textile industry has been complaining of increased import competition, particularly from Japan. One of the remedies under consideration is a plan to subsidise exporting mills for the difference between the cost of domestic price-support cotton and the world cotton price.

With nearly 64 million persons gainfully at work, employment in the U.S. during April was higher than in any comparable period in the country's history. A joint statement last week by the Commerce and Labour Departments said that 63,900,000 were employed last month, as compared with 61,685,000 in April 1955. Total unemployment in April was estimated at 2,564,000, a drop of nearly 400,000 from the same month last year.

Plans have just been announced in London for the erection of a new £25 million oil refinery in the U.K. It will have an initial capacity of 5 million tons of crude oil a year. The refinery will probably be built near Southampton. Work on this new project is expected to begin towards the end of this year, and the refinery may come into operation some 18 months later. The new refinery will be built by the Trinidad Oil Company and a subsidiary, the Regent Oil Company. Regent Oil imports refined products from the Middle East and from Trinidad Oil's refinery in the West Indies.

The United States Steel Corporation, the nation's largest steel producer, plans to spend at least $2,250 million in the next five years for expansion and modernisation. U.S. steel's needs involve a minimum outlay of $150 million a year for the next 10 years to increase capacity by one million tons each year and an average expenditure of $350 million a year for replacement of worn-out and obsolete facilities during the next five years. No estimate has been made of replacement costs beyond the five-year period. "Despite the rapid expansion of our steelmaking capacity in recent years," the Corporation's Chairman says, "we still cannot meet all the demands of our customers. Since this same condition prevails throughout the industry, there are presently and prospectively painful shortages of certain steel products."

PERSONAL

MR. M. Bhaktavatsalam, Minister for Agriculture and Labour, Government of Madras, will lead the Indian delegation to the forthcoming session of the International Labour Organisation at Geneva next month.

Mr. Henry Ford has resigned from the chairmanship of the Ford Foundation, but he will continue to be a member of the Board of Directors. He is being succeeded by Mr. Rowan Gaither, President of the Foundation.

Mr. N. G. Maitra, M.Sc., Technical Director of Sulekha Works Ltd., has been nominated by the Stationery and Office Equipment Association of India, Calcutta, as their principal representative on the Inks Section Committee (C.D.C. 13) of the Indian Standards Institution, Delhi.

Mr. M. G. Vohra, General Manager, Hind Cycles Ltd., Bombay, and Mr. B. P. Kapadia of Messrs. Hindustan Construction Co., Ltd., Bombay, have been elected Chairman and Vice-Chairman, respectively, of the Engineering Association of India, Bombay Region, for the year 1956-57.

Mr. J. E. Robinson, Chief Engineer of one of the largest British makers of Diesel engines and gearboxes—Henry Meadows Ltd., of Wolverhampton, Staffordshire—is now making a tour of Egypt, India, and Pakistan. His mission is to advise on technical matters associated with the manufacture and operation of his firm's equipment overseas. While in India, Mr. Robinson will visit Automobile Products of India Ltd., an organisation which recently placed an order for Meadows Diesel engines to the value of £1 million.

Dr. C. Nanjundayya, Director of the Indian Central Cotton Committee's Technological Laboratories, has been elected as the Chairman of the Bombay Section of the Textile Institute, Manchester, Dr. C. E. Salkeld of Messrs. Imperial Chemical Industries (India) Private Ltd. as the Honorary Secretary and Mr. J. G. Parikh of the Silk and Art Silk Mills Research Association as the Honorary Joint Secretary for the year 1956-57. The other members of the Committee are: Dr. G. M. Nabar, Prof. R. K. Modi, and Messrs. N. V. Ullal, J. J. Master, and R. M. Khatau.

Mr. S. W. Zaman of the Indian Consulate in Geneva is representing the Government of India on the Indian delegation to the fifth session of the I.L.O's Building, Civil Engineering and Public Works Committee, now being held (from 14th to 26th May) at Geneva. The other members of the delegation are: Mr. B. P. Kapadia, General Manager, Hindustan Construction Co., Ltd., Bombay, and Mr. B. V. Apte, Chief Engineer, McKenzies Ltd., Bombay, representing employers, and Mr. K. G. Srivastava, Organising Secretary, All-India Defence Employees' Federation, Delhi, and Mr. Ramkrishna Vasisht, Nangal Bhakra Mazdoor Sangh, representing workers.

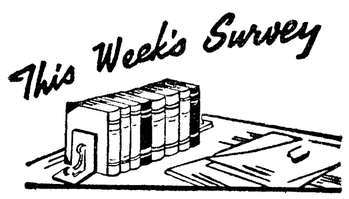
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, *16th May*

Tata Iron and Steel

In view of the rumours about the present working and financial position of the Tata Iron and Steel Company which have recently arisen, the Board of Directors of the Company consider that it is due to the shareholders and the investing public that the following statement should be published. Sir Padamji Ginwala has made a careful personal study, extending over two months, of the works operations, costs, sales and general management of the Company, and has presented to the board a full and frank report on his findings. This report is now under discussion by the board with Sir Padamji. The report is confidential, but it may be stated for general information that Sir Padamji reports that, having in view all the circumstances of the period since 1927, the Company has made satisfactory progress. He points to several directions in which further economies must be achieved and in which improvements in the plant and in the conduct of the Company's business should be made. The shareholders are, however, assured that the report contains no revelations of an alarming nature and nothing which justifies nervousness about the stability of the Company. With the help of the additional price received for rails, the Company's year just closed promises to be slightly better than the preceding year. The output of finished steel was the highest on record and the costs for the last half of 1930-31 were lower than those for any preceding year. The Company has done everything possible to counterbalance the serious drop in prices of steel, the restriction in the demand for steel in the areas which the Company can most favourable supply and the further falling off in the orders for rails. The results for the year must be regarded as satisfactory by all who realise the full weight of these factors. With regard to the rumour which is prevalent that the board is considering some scheme for the reorganisation of the Company's capital, the directors wish to announce that no such scheme is under consideration or in contemplation.



INTER-STATE SALES TAX

BEFORE these lines appear in print, the Joint Select Committee of Parliament will have reported on the Constitution (Tenth Amendment) Bill, which seeks to give effect to the Taxation Enquiry Commission's recommendations regarding the amendment of the Constitution for purposes of centralisation of inter-State sales tax. The Bill was referred to the Committee on the 9th inst. As the provisions of the Bill have been analysed in detail in our last week's issue, it is unnecessary to refer to them again. Briefly, the Bill seeks to empower the Central Government to take over the inter-State sales tax and to decide on the commodities that should be exempted from payment of such a tax.

Since the objects underlying the Bill are quite welcome, it was not surprising that the motion for referring the Bill to a Joint Select Committee was easily adopted. As against the six hours allotted for the motion, the debate was over in four hours. It must not, of course, be concluded that the members of Parliament did not take much interest in the Bill. In fact, there was a fairly lively debate over it.

During the debate, some members voiced their opposition to the Bill. Dr. A. Krishnaswami, an independent member from Madras, did not find any justification for Parliament to make a law for determining inter-State sales tax by including it in the Union List. He went even to the extent of saying that, by taking power to determine the scope and extent of inter-State sales tax, Parliament was poaching on the preserves of the States and undermining their financial stability. Expressing opinions more or less similar, Mr. G. L. Bansal (Congress—Punjab) feared that the Bill would open the floodgates for the Centre to levy tax on inter-State transactions. In support of this view, he said: "The present position is that a definite limitation has been placed on Parliament passing legislation to levy inter-State sales tax. This can be done only in exceptional and rare cases. Now, by amending the Constitution, the Government of India are taking power to make a wholesale application of sales tax on inter-State transactions. I would have understood the point, if the Government of India has specified certain commodities on which levy of inter-State sales tax is considered necessary. But it is taking blanket powers to impose such a tax on any and every commodity."

All taxes are irksome and inter-State sales tax particularly vexatious. It would no doubt be preferable to abolish inter-State sales tax altogether. But the question is whether, in the context of the Plan for economic development, it is practicable to ignore this source of revenue. Further, if there is no tax at all on inter-State trade, there will be a big loophole that will facilitate large-scale evasion of State sales tax. It is, however, true that the tax on inter-State trade should not be levied indiscriminately. If the need for imposition of sales tax on inter-State trade is recognised, then the case for its centralisation is certainly very strong. The present subjection of inter-State sales to tax legislation of the State Governments has caused much hardship and inconvenience to the industrial and business communities. For the Acts passed by the States are complicated and the dealers are required to maintain various forms of accounts. If this unsatisfactory position is to be rectified, it is imperative that there should be a unified central law for the administration of sales tax. As Mr. C. C. Shah (Congress—Saurashtra) rightly stated, the Bill is a first step towards introducing some order in the chaotic conditions that prevailed in the States as a result of sales tax legislation.

The Bill no doubt limits, to some extent, the fiscal powers of States, but such limitation is, as we pointed out last week, in the larger interests of the community and the States themselves. That there is no exaggeration whatever in this statement will be evident from the reply of Mr. M. C. Shah, Minister for Revenue and Civil Expenditure, to the debate. Declaring categorically that the Centre would not take a single pie from the inter-State sales tax, Mr. Shah observed: "The Bill is intended for the benefit of the States. We have to see that the States get enough finances and we have to explore all avenues of getting resources. We know that sales tax is a very good instrument for bringing resources to the States. The States get more than Rs. 60 crores from sales tax and, when we discuss the second Five-year Plan, we will find that an additional amount of Rs. 112 crores are to be raised from sales tax to finance the second Five-year Plan so far as the States are concerned. . . . For getting all those resources, the States should have some powers and some flexible methods of taxation."

To revert to the debate. One of the notable suggestions made during the debate related to the imposition of additional excise duties on certain commodities, instead of sales tax, the proceeds being distributed among the States. This is certainly a constructive suggestion and it is gratifying to note that Mr. Shah gave the assurance that it would be duly considered by the Government. Incidentally, he informed the House that the question of levying an additional excise duty on cloth and doing away with sales tax on it was being considered. Another notable suggestion put forward was that the Centre should look into the administration of sales tax by the States, with a view to doing something to alleviate the difficulties experienced by the people who paid sales tax. Since the administration of sales tax is a State subject, Mr. Shah said that the Centre could not interfere. He, however, stated that, "in consultation with the Chief Ministers of the States concerned, we have already appointed committees of officials to go into these matters and to report on all these points, and then (after they have reported) we will have to see what can be done. But that can only be done after consultation with the State Governments and after obtaining the full concurrence of State Governments. After all, the administration of intra-State sales tax is within the jurisdiction of the States and whatever we can do, we can do only by persuasion."

The Revenue and Civil Expenditure Minister touched on the difficulties and disparities created by the Essential Goods Act, 1952. His analysis reveals that those States which had been levying taxes on certain articles mentioned in the Act are allowed to levy them, whereas other States which had not levied them are not allowed to do so, or, if they are allowed, there are certain restrictions. This matter, the Minister said, could be discussed when the new Bill was introduced in the House. Indicating that the Essential Goods Act would be repealed, the Minister recalled that the Taxation Enquiry Commission had suggested six items to be included under the purview of sales tax and said: "After consulting the States, we will have every right to add to these articles." No one will question the "right" of the Government to increase the number of items that should be subjected to sales tax. But one would surely regret if the Government were to brush aside the recommendations of such an important body as the Taxation Enquiry Commission.

DEMOCRACY AND ECONOMIC POLICY

Chambers of commerce and trade organisations in this country have a more important role to play than in some of the other economically advanced democratic countries. This is because the public is generally ill-informed on economic problems. In India, where the illiterates form 82 per cent. of the total population and among the illiterates only a small percentage is highly educated, it is hardly to be expected that people will take a lively interest in the discussion of complex economic issues. In the past, the commercial community had special representation in legislative bodies, so that it could always command a hearing. There is no such special representation now. At the same time, there is universal franchise. This increases the responsibility of the trade and industrial organisations. For whether they get a hearing or not will now depend on the clarity of their representations to the Government and the wider publicity they give to their point of view.

By and large, business and industrial bodies are becoming increasingly alive to the need for publicising their activities. But there is still a great deal to be done. If one comes to think of the immense facilities for publicity available to the relatively smaller public sector one will no doubt be struck by the paucity of such facilities for the much larger private sector. The public sector has giant publicity and information departments in the Centre and the States, working all over the country, a large films division and an extensive broadcasting system. Nothing like these facilities are available to the private sector. Small wonder, then, that the electorate continues to believe that the only good things that are being done in this country are those that came from the benign Government. This belief is being further sedulously fostered by certain men in high positions who seldom miss an opportunity to blame the private sector for all the country's economic ills.

Among the organisations which have made some attempt at correcting this disturbing trend in Indian affairs, mention must be made of the Indian Chamber of Commerce, Calcutta. During the last 30 years of its existence, it has striven hard to form as well as represent commercial opinion in that important industrial city. Appropriately enough, the inauguration, last week, of the 14-storey India Exchange building, constructed by the Chamber, was regarded as an event of considerable significance in Calcutta. The growth and expansion of the Chamber, as Mr. B. M. Birla pointed out on the occasion, is a "testimony to the contribution that Indian enterprise has made to the economic progress of this country."

Mr. Birla made, in the course of his speech, one observation which deserves particular notice. His theme was the danger to democracy through the expansion of Governmental powers. He said:

"The private sector is often criticised on various grounds and it is even contended by some that it is no longer necessary in the new set-up of the country. It is not claimed that private enterprise has reached a stage of perfection. Yet it cannot also be denied that no other system has yet been found which has proved to be more efficient. Even countries with a totalitarian background are gradually encouraging individual initiative through incentives. And in a democracy the freedom to the individual to apply his initiative forms the pivot round which the entire economic activity of the nation operates. But, of late, there has been a growing tendency on the part of the Government to assume more and more powers in regard to economic activity, both by direct ventures in industrial fields and also by regulation of other industrial activity. This cannot but lead to concentration of all initiative and power in the hands of the Government and its bureaucratic machinery. Under such conditions, there will be the danger of the State gradually becoming authoritarian and monolithic in character. With such direction and overall control exercised by the Government, the people will tend to become more and more dependent on Government action and be influenced by patronage. Concentration of power in the hands of a few may give rise to temptations and lead to the breakdown of democracy."

The danger to which Mr. Birla has called attention is a real one, though it is insufficiently appreciated even in the highest political quarters. The country has just emerged into political freedom and it has hardly had time enough to adjust itself to the new conditions. This is evident from the several reverses the Government has suffered in the Supreme Court. Too often, laws are made which are contrary to the letter and the spirit of the Indian Constitution. And it takes long, patient and costly legal effort to bring the defects to the surface. No sooner is the battle for individual freedom won than it is lost through the Government-sponsored amendment of the Constitution. The liberal features of the Constitution are being steadily abbreviated. And it is disturbing to think that this trend, if anything, is likely to gather further momentum through the contemplated expansion of the public sector and the pursuit of vague and ill-defined egalitarian ideals.

The Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, who inaugurated the building, was, however, inclined to underrate the danger to democracy through the might of the State. Briefly, he argued that democracy implied freedom as well as discipline and that, in any case, the wisdom of the Government's economic policies would be decided by the ballot box. In theory, this is the correct position. But, being a politician himself, Mr. Krishnamachari cannot be unaware of the fact that, in India, the electorate is largely uneducated and ill-informed, guided by personalities rather than by the comparative merits of different policies. In the U.K., people might adore Mr. Churchill and yet turn his party out of office. To people in this country, such an attitude would seem strange, and even insincere. In India, the votes cast for the Congress cannot be interpreted as an indication of the people's faith in socialism. They are only a tribute to some of its great leaders and the result of the organisational efficiency of that party. What really ought to matter is what the educated, well-informed few genuinely feel about the Government's economic policies. This section is being gradually alienated from the current of Governmental action, for it feels that the policies, besides being economically unsound, are subversive of democracy. It is a great pity that the Government, obsessed as it is with a sense of the righteousness of its own position, is unwilling to listen to the voice of this minority.

TRAINING TECHNICIANS

The emphasis laid on industrial development in the second Five-year Plan is so great that utmost urgency attaches to the problem of tackling shortage of trained personnel, especially geologists and mining engineers. The country needs, according to the Committee for Higher Technical Education, as many as 300 geologists and mining engineers every year, while, at present, there are only 800 geologists. If, therefore, steps are not taken to train up an "army" of technicians, a time-lag is bound to occur in the execution of the Plan. This aspect was ably stressed by Mr. K. D. Malaviya, Union Minister for Natural Resources, when he addressed the Conference of the representatives of institutions and organisations dealing with mines and minerals held at New Delhi on Friday last week. It was imperative, Mr. Malaviya declared, that a team of scientists, mining engineers, geologists, petroleum geologists and oil drillers who could assist the Government in its task of exploring and developing the mineral wealth of India was trained up within the shortest possible time. In this connection, he observed:

"We are in haste and cannot wait for foreign help indefinitely . . . The young scientists being trained at the technical institutions should be associated with the big projects of the Government and made to share the responsibilities. The Government may consult the foreign consultants, but the only way to train up our young men quickly is to entrust them with responsibility. . . . I am only waiting eagerly for the day when universities and other technical institutions in India will so modify themselves that we get a more effective cadre to deal with our problems."

These remarks of Mr. Malaviya are indicative of the Government's anxiety to foster technical education in the country. It is now for the technical institutions and organisations to address themselves to the task of training up an adequate number of geologists and mining engineers. How vast is this task will be evident from the large programme in the second Plan which envisages not only development of the oil resources of India but also regulation and exploration of other minerals. The New Delhi conference did well, therefore, to recommend (1) immediate increase—from 55 to 110—in the rate of admissions at the Indian School of Mines and Applied Geology, Dhanbad, and (2) introduction of courses in petroleum geology and applied geophysics from July 1957. The latter recommendation is particularly important in view of the big programme for prospecting oil. The conference did well also to suggest that the question should be examined in detail whether admission could be provided for students who had passed the higher secondary school examination, instead of the intermediate standard as at present.

Further, the conference felt that facilities would be required for practical training at about 100 mines. It asked the Principal of the Indian School of Mines and Applied Geology to prepare a list of such mines and forward it to the mine-owners, requesting the latter to provide suitable accommodation to the trainees. If, however, the mineowners were unable to provide such facilities, the Government should, it was pointed out, consider taking suitable steps.

INDIAN COPPER CORPORATION

An important judgment involving the rights of a lessee under a mining lease and the application of certain mining rules to the lessee was delivered by Mr. Tulsi Prasad Mukherjee, First Sub-Judge, Patna, in the *Indian Copper Corporation* vs. *Bihar State Government*. The Corporation had been granted a lease for kyanite mining in the State of Kharswan (merged with Bihar in 1948) by its then Ruler in 1926 with an option to the lessee to renew it after 30 years for another period of 30 years. When the Corporation sought renewal of the lease in May 1954, the State Government alleged certain breaches of the covenant of the lease and demanded compensation. The Government also raised the applicability of the Mineral Concession Rules, 1949, to the lessee. It argued that no renewal could be granted, as the Corporation did not possess a certificate of approval. The Corporation rebutted the charges. The counter-title suits filed by the parties against each other were valued at Rs. 1 crore each.

The Judge decreed the suit in favour of the Corporation and dismissed the title suit filed by

(*Continued on page 981*)

AMERICAN LETTER

PROSPERITY STILL REIGNS

CREDIT SQUEEZE BEING KEPT UP

From Our Special Correspondent

NEW YORK, 11*th May*

PROSPERITY still reigns in the United States and shows no signs of diminishing. In other words, no material changes are expected in the near future in the areas of production, employment and national income. This view is shared by private and Government sources alike.

Because of prosperity, the credit policy of the U.S. Treasury and of the Federal Reserve banks is not only important, but it has become a focal point of discussion. I have just attended a number of conferences, including one at Washington, among important Government officials.

One lasting impression of the on-the-record and off-the-record discussions is that those who guide official economic policy in the U.S. are still more concerned with inflation rather than deflation. At this point, it is a tight-rope performance of administration since, because of increasing competition and relaxation of Government control, business performance is uneven.

There are firms which prosper, while others in the same classification fall behind. Credit policies, generally, aimed at, say, over-expansion in one line and accomplishing this end, unfortunately hurt others which need encouragement rather than containment. This applies particularly to manipulations with the interest rate structure either by private banks and finance companies and/or the 12 central banks.

The resignation of Allan Sproul, President of the Federal Reserve Bank of New York, created quite a stir, because the New York central bank handles practically all foreign business of the Reserve system and Mr. Sproul has been responsible for much of the credited policy decisions which have been made.

He has been a central banker for 36 years and it had been suspected from time to time that he was not in full agreement with the policies laid down in Washington. The Chairman of the Federal Reserve Board dispelled that notion by outlining policies similar to those upheld by Mr. Sproul, and the latter's resignation appears to be based on health rather than policy.

Despite the fear in some finance quarters and among retailers that tighter money is apt to hurt business, the Federal Reserve has now declared that all meritorious credit needs will be met, even though credit restraint has been applied for what is not considered in the national interest. The programme parallels rather closely that of Britain in that respect.

In other words, the Federal Reserve system in the U.S. seems to roll with the punches of an increasingly competitive economy. For the business and financial communities here and abroad, including India, it means that preconceived notions of interest rate levels which were held for many years past, are now unrealistic.

A case in point is the differential in the discount rate. Two of the 12 central banks now charge 3 per cent., while the other ten are at 2½ per cent. The difference is regarded as not particularly salutary since it promotes shifts of funds from one district to another, but it is symptomatic of the policy of flexibility now being exercised.

Eventually, all Federal Reserve banks may go to 2¾ per cent. or they may all embrace the 3 per cent. rate, all depending on economic developments. It is still considerably less than the rates charged in Britain, France, West Germany and other major central banks in the free world.

Nevertheless, the upward trend in interest is having a gradual effect on domestic and overseas business by making it more expensive to do business. The prime reason for the boost which is continuing is that the demand for credit remains quite high, in fact, commercial and industrial loans since the first of the year, are a multiple of what they were in 1955. Loans supplied by New York banks which are channelled through correspondent banks throughout the country, have risen $474 million since the first of the year, against an increase of only $71 million in the same period last year.

This is the prime reason, coupled with a few other statistical indications, for the official attitude that inflation must be stemmed. Organised banking has responded in the same vein by warning its fraternity of over-extension of credit to individuals, businesses and industry.

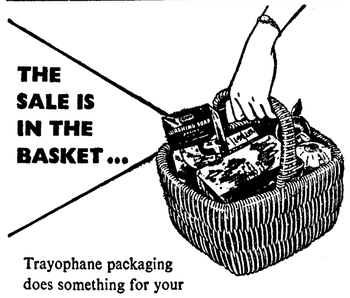
The major economic fields where reductions were expected, with few exceptions, have responded in the opposite direction. To be sure, automobile production is off somewhat, but this has not led to any decline in consumer hire-purchase credit or to any drop in steel output.

In fact, the demand for steel is such that all companies have a considerable backlog of orders, owing to industrial plant expansion, highway and bridge constructions as well as State and municipal orders for new schools, hospitals and other civic structures to satisfy the requirements of a growing population.

In the political field, most indicators spell relative stability, too. President Eisenhower's health seems fully restored, although he, obviously, is no longer a youngster in the vigorous thirties or forties. The most astute observers expect him to be re-elected this fall regardless of who is going to be the Democratic Presidential candidate.

Apprehension over the foreign situation has also subsided somewhat. The cordial atmosphere at the meetings of Soviet and British leaders has increased hopes that the East and the West may be able to live side by side peacefully, even though clashes between Israel and the Arabs continue, despite United Nations' intervention and the French still have problems in North Africa.

Therefore, confidence is still the predominant note which can be reported at this time from the United States and it applies to all sections of the country.—*All Rights Reserved.*



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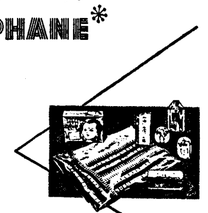

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SECOND FIVE-YEAR PLAN FINALISED

GOVERNMENT DEPARTMENTS GET BUSY WITH IMPLEMENTATION OF PROJECTS

From A Special Correspondent

NEW DELHI, 15*th May*

DELHI LETTER

WITH the signing of the revised document of the second Five-year Plan yesterday by the Prime Minister in his capacity as the Chairman of the Planning Commission, followed by the other members of that body, including Mr. K. C. Neogy, who was recently finding himself difficult to agree with the views of the majority of the members of the Commission, an important phase in respect of the second Plan may be said to be complete. The Report has also been presented to Parliament today and the last week of this month has been allotted for a detailed discussion of the Plan. Parliament has already set up four separate committees for making a thorough study of the entire Plan from different angles, which will make suitable suggestions, if necessary, towards the improvement of the Plan.

Meanwhile, a number of constructive measures are being taken by the Government, with a view to implementing the second Plan in an orderly way. Among the Ministries which are concerned with nation-building and development schemes, the Commerce and Industry Ministry occupies an important place. This Ministry is paying particular attention to the promotion of heavy industries and the new Minister, Mr. Shah, is being entrusted with this task. Most of these industries have already been taken in hand for study by the National Industrial Development Corporation. There are more than a dozen committees functioning at present, which are entrusted with the task of examining, from all angles, the project reports regarding a number of heavy industries that are proposed to be set up in the country during the next one or two years.

The Development Wing of this Ministry is being steadily expanded, with a view to providing the necessary technical advice to the private sector of industries on problems of expansion, rehabilitation, etc. For the last few years, it has been successfully donning the mantle of a selfless guide, friend and philosopher to the private sector. A comprehensive Foreign Trade Board is also expected to come into being shortly, which will be asked to handle all export promotion problems.

Simultaneous with these developments, this Ministry has been paying keen attention to the development of an organisation for encouraging the growth of small-scale industries. Now that Rs. 200 crores have been allocated under the second Plan for this purpose, it is recognised that there should be a compact and able organisation to distribute the allotted funds in such a way as to bring about maximum development in this sphere. During the last two or three years, the general complaint of the Government spokesmen was that, although substantial funds had been allocated towards the promotion of cottage and small-scale industries, the absorbable capacity of these industries was greatly limited. The promoters of small-scale industries are becoming fully conscious of this criticism and hence they are bestowing particular attention on the creation of an organisation which would be capable of directing the development in such a manner as to confer maximum benefit to the country.

The Ministry of Natural Resources and Scientific Development is also becoming greatly active these days. During the first Plan period, this Ministry concentrated its attention on the building up of various research laboratories, with a view to providing greater opportunities for intensifying scientific research. Now that work in this connection has become more or less stabilised, the officials of the Ministry are devoting greater attention to the problem of investigating the exact places where mineral oils could be found in this country. This Ministry is preparing schemes for training a team of scientists, mining engineers, geologists, petroleum geologists, oil drillers, etc., who could assist Government in the task of exploring and developing the mineral wealth of the country. Intensive recruitment of capable and first class young men is expected in the coming months. The new recruits will be given sufficient training in this new field. Similarly, plans are being finalised for the exploitation of diamond reserves at Panna at a cost of Rs. 3 crores. A firm decision is also being taken towards the expansion of the Oil and Natural Gas Commission to explore and refine the country's mineral oil resources either directly or in co-operation with the private sector.

The Agricultural Ministry is taking special steps to increase production through a number of directions. Its ambition is to exceed the targets laid down in respect of various commodities as early as practicable. It has schemes to send select personnel to a number of countries to get themselves trained in animal husbandry such as cattle breeding, dairy work, etc., soil conservation, plant protection, and the like. Soviet Russia and China are being included among the countries that are to be visited by these people. The Agriculture Ministry, it may be mentioned, has been allocated a sum of Rs. 350 crores for development purposes. Out of the above, a sum of Rs. 165 crores are earmarked for the development of agriculture, Rs. 120 crores for horticulture, animal husbandry, forests, soil conservation, etc., and Rs. 65 crores on co-operation, fisheries, etc. In case of necessity, another Rs. 100 crores are expected to be provided some time during the Plan period, for stepping up the production of such crops as are needed to strengthen the economy of the country. At the same time, the Ministry and the Planning Commission have been considering the question as to how far the enthusiasm of the rural folk could be harnessed through the Community Project and the National Extension Area officers for purposes of increasing food production.

The Agriculture Ministry is also greatly interested in maintaining a satisfactory price level in the country, so that the rural area could have sufficient purchasing power to support and sustain a growing industrial economy. The Agricultural Produce (Development and Warehousing) Corporations Bill which was passed by Parliament this week may be taken as an indication of the solicitude which this Ministry is showing towards the cultivators. The Bill proposes to establish a development fund with a capital of Rs. 15 crores. The Government's ambition is to set up 10,000 co-operatives, covering five to ten villages each during the second Plan period. It is also proposed to construct one hundred warehouses, with a capacity of between 10,000 and 20,000 tons, at important centres to facilitate the marketing and processing of agricultural produce on co-operative principles. The success of this measure, when it is implemented, will largely depend on the administrative personnel chosen for this purpose. There should be considerable initiative among the rural folk to make the principle of co-operation a success. It is, therefore, suggested that this measure should first be put into operation in such community project areas where considerable success has already been attained. In the absence of trained personnel, it is not also possible to introduce co-operative marketing in one-third of the country within the next five years.

With a view to strengthening the organisational structure of the Government for manning the various big industries in the public sector, the proposal to set up a new industrial cadre is expected to take concrete shape in the coming months. Already a number of Ministries are interested in this subject; they are the Ministries of Production, Commerce and Industry, particularly the National Industrial Development Corporation, Iron and Steel, Communications, Defence, etc.

The Railway Ministry is also setting up a central organisation to co-ordinate rail transport for all imports of steel, machinery, cement, etc., that are likely to flow into the country in the coming months. This central organisation is expected to co-ordinate and arrange easy transport facilities to consuming centres without creating any bottleneck. It is also likely that encouragement will be given to consumers in the port areas to absorb as much of the imported products as possible so as to avoid large-scale transport movement.

Generally speaking, all the Ministries of the Government of India that are vitally concerned with development and expansion, are getting busy and girding their loins to implement the second Plan. The impact of their efforts on the economy will be felt in the coming months.

AGE OF AUTOMATION

IMPLICATIONS TO LABOUR

From Our Own Correspondent

LONDON, 11*th May*

THE great strike of 12,000 men at the works of the Standard Motor Company have a much more than local significance: for Britain at least they are a convenient point to mark the start of the age of automation. Not that automation is new to this country, but this is the first time that it has been applied on this scale and in such a way as to elevate to political level the social problems involved. The strike is about to end at the moment, while management and unions discuss how best to handle the matter, but that it was necessary at all is a criticism of our industrial relations. Automation is the next stage to automatic machinery—it mechanises the processes of transferring work from one job to the next and, indeed, its equipment is often referred to as "transfer machinery." The great Renault works in Paris, regarded even by Americans as the most up-to-date in the world, were transferred to automation some time ago and the remarks of the General Manager of these State-owned works on the Standard strike have been widely quoted. It was his boast that Renault lost not a day's work when switching over to transfer machinery and that every man displaced by automation was immediately required elsewhere in the organisation not least because of the expansion of output (France has an insatiable domestic demand for cars) which the modernisation made possible.

LONDON LETTER

One must contrast that situation with the Standard works proposal to lay off 30 per cent. of their manpower temporarily while making the changeover and their Managing Director's declaration that he was not seeing £4 million of the Company's money spent on automation and then employ the same number of men. That was the sort of remark calculated to rouse Luddism in the employees and the Amalgamated Engineering Union and the Confederation of Shipbuilding and Engineering Unions (the master union organisation) knew well enough that, if Standards got their way, it would be a precedent for other automation exercises and, indeed, for the laying off of men right through the motor industry which is lugubriating in a temporary (it is hoped) doldrums. The Standard employees had to begin the strike on their own however, until their unions realised the seriousness of the implications and till in turn Ministers were drawn in.

Co-operation Needed

It has been suggested that the unions are opposed to automation and that British industry will never reap the benefits of the latest technical advances. This is not true—in spite of some remarks by the A.E.U. that no men should lose their jobs at all through automation. Every firm cannot hope to equal the Renault achievement of absorbing all their displaced labour but neither, on the other hand, can employers approach this new industrial revolution on the same lines as a century ago. Automation as a significant feature in production is only going to be applied on a very large-scale—where the problems posed will be the greatest. But it will also be easiest for the unions and the employees (with the good offices of the Ministry of Labour if necessary and always with their active interest) to get together and ensure the least possible hardship to the men concerned without serious loss of efficiency. The importance of this issue to the men can be appreciated by the fact that automation applied to some engineering processes can cut down the labour wanted to one-quarter. Such a gain will not, of course, apply to a factory as a whole and the first problem is the redistribution of labour within the factory without laying-off during a "reorganisation."

Stripped of the nonsense that has been talked about this matter, the problem reduces itself to the proposition that this new and vital industrial revolution, which the U.K., among other countries, is entering, should be conducted with co-operation between workers and management. If this is done it will be a peaceful revolution—but strife will benefit no one and that is the only alternative. Fortunately, the warning has been sounded in time.—*All Rights Reserved.*

AMERICAN ECONOMIC SYSTEM—I

TO CALL IT "PEOPLE'S CAPITALISM" WOULD BE MORE APPROPRIATE

By A Special Correspondent

THE last decade has seen so much economic revolution in the United States—in production, in productivity of workers, and in higher living standards for the masses of the American people—that many people are asking such questions as these:

What makes the U.S. economy work? What are the basic characteristics of the American economic system? What are the secrets of its productivity? How does it affect the everyday life of Americans? What changes are taking place? Where is it heading?

Although a label is not too important in itself, it has become increasingly evident that a new term is needed to describe properly the unique and fruitful economic system that now exists in the United States.

For example, if the question is asked, "What kind of economic system does the United States have?," you will probably get general agreement, both in the United States and abroad, that the United States has a capitalist economy. The American economy is capitalistic, of course, but unadorned use of such a traditional and emotion-charged tag as "capitalism" for the present-day American economy has become inadequate to the point of confusion.

To many the word "capitalism"—for a variety of reasons—is held in disfavour. Some associate it with all of Karl Marx's dire predictions about capitalism. In newly developing countries, in particular, it may be associated with colonialism. And many people throughout the world regard capitalism as a system that benefits the few—the capitalists.

Now, the American economic system is based mainly on private investments, private initiative, privately-owned business enterprises. But it is not a system that benefits the few at the expense of the many. Its success depends on the very opposite—its success is based on its dynamic ability to improve continually the standard of living of all the American people.

And so this American economic system—as many students and visitors to the United States will tell you—does not coincide with old-fashioned ideas of capitalism. The fact that one person gets more out of the system does not mean that someone else must get less.

Capitalists Alone Do Not Rule

The notion that capitalists alone—or any other economic group or interest—rule the United States is false. Economic forces alone are not predominant. In addition to its economic system, the United States has a democratic system of government—with elected officials and law-making bodies. And these, of course, have the authority to control and regulate the country's business enterprises when the nation's interests and the general welfare of the people require such action.

This democratic Government has often served both to regulate private business activities and to foster constructive growth. Today, the great influence of modern democratic government in the United States is being used more than ever to stabilise the American economy against undue fluctuations and to foster economic growth.

Another old-fashioned idea about capitalism that does not apply to the United States is the notion that it inspires colonialism. American investments abroad have not led to the acquisition of a colonial empire. Instead, such possessions as the Philippines have been given their complete independence.

Moreover, nations occupied in wartime, such as Germany and Japan, have been assisted by the United States in achieving both self-government and economic independence. And other countries around the world have received substantial help from the United States for the same purpose.

But, perhaps, the most significant way in which the American economic system differs from old-fashioned ideas about capitalism is this: the American economic system has been fabulously successful in benefiting not the few but the many.

Host of Facts

A host of facts proves this conclusively. For instance, as President Eisenhower noted in his State of the Union Message this year: "The national income is more widely and fairly distributed than ever before."

Today, slightly more than three-fourths of the total national income is labour income—that is, wages, salaries, social security benefits and related payments. One-eighth of the total national income goes to proprietors, including farm proprietors and self-employed business and professional people. Only one-eighth goes to investors as dividends, interest and rents.

In other words, the lion's share of America's productive capacity adds year by year to the economic well-being of the nation's workers.

Progress in this direction over the last half century has been tremendous. Allowing for price changes, the average American worker today can buy more than three times as much in goods and services as he could in 1900.

Today, more than 57 per cent. of all American families are home-owners. More than 70 per cent. of all American families own automobiles. Virtually every home has electricity.

Some 115 million Americans—70 per cent. of the population—have life insurance policies, valued at more than $73,000 million. Nearly 8 million own stock in corporate enterprises. More than 45 million have bought Government savings bonds, valued at more than $50,000 million. Nearly 21 million have deposited more than $28,000 million in mutual savings banks. Americans have another $46,000 million deposited in commercial banks and another $32,000 million deposited with savings and loan associations. The total of these savings was $234,820 million at the end of 1955, or about $1,412 for every man, woman, or child in the nation.

Singly and collectively, through private savings, pension and retirement plant sponsored and partially financed by the Government and by many private business firms, and through unemployment insurance and severance pay and guaranteed annual wage agreements between management and labour, the vast majority of Americans are constantly increasing their financial security.

Dynamic Development

The American economy has thus shown dynamic development that easily confounds Communists who gloomily forecast the destruction of capitalism in America as the result of internal crises. Such crises have not arrived. Nor are they in prospect.

It is the difficulty of explaining why this is so, of presenting the present-day American economic system, that has prompted students of the American economic scene to seek a more accurate and more descriptive term for the American economy than just the word "capitalism."

With this in mind, a number of business men and economists—notably members of the Advertising Council and its Chairman, Stuart Peabody of the Borden Company—have suggested the phrase "People's Capitalism." Their suggestion has met with wide favour among members of the Eisenhower Administration and leading American newspapers and business periodicals.

As proponents of the term "People's Capitalism" point out, capitalism in the United States is so widely invested in (directly or indirectly) by so many people, with the benefits in goods and wages shared by so many people, that it is truly People's Capitalism.

U.S. STOCK MARKET

The U.S. stock market, except in a few unusual cases, drops sharply when war threatens, according to a survey made by the New York Stock Exchange. Results of the survey, reported by the *New York Times*, indicate that "the U.S. stock market is growing more stable with fewer violent swings; that prices drop more sharply than they rise."

In the May issue of *The Exchange*, a magazine published by the Stock Exchange, the results of the four-month study are summarised. Statisticians who made the survey listed 222 occasions since 1934 on which the stock market gained or lost more than two per cent. in a single day. Then they attempted to pair each of the 222 market movements with news developments that caused it. According to *The Exchange*, 176 market movements were tied to news events. The *New York Times* in a separate analysis of the 222 occasions found 171 caused by news events.

In further classifying market movements based on war and the fear of war, the exchange listed 58 daily changes of two per cent. or more—51 of them changes downward. The *Times* in its separate analysis found 68 occasions of two per cent. daily changes tied to war fear. Of these in 50 cases the market went downward at the threat of war and in nine cases went upward on the promise of peace. In the other nine cases advances were usually based on announced military expenditures. "They merely reflected awareness that inflation might follow more arms spending," the *Times* said. "Even so," the *Times* pointed out, "the score was 59 to nine for peace."

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DECIMAL CURRENCY TO BE EFFECTIVE FROM APRIL NEXT

TIME LIMIT FOR EXIT OF EXISTING COINS INADEQUATE

NEARLY a year from now, on 1st April 1957 to be precise, India will join the group of more than 50 countries in the world which have the decimal system of coinage in vogue. For, on that day, the new decimal currency will be introduced throughout the country, under the Indian Coinage (Amendment) Act, 1955, the enabling measure for introducing the decimal coinage that was passed by Parliament in August last. This does not mean that, from that date, the existing coins will go into oblivion. This will neither be possible nor desirable. The Government has, therefore, declared that these coins will continue to be legal tender for about three years after the introduction of the new coins, that is, up to 31st March 1960.

The period of notice of nearly a year for the introduction of the new coins may seem inadequate, in view of the considerable time that may be taken for the vast majority of the rural people to become familiar with the new system. But this need not cause any great difficulty, as the Government has allowed both the systems of currency to be in circulation for a period of three years, so that people can more easily become familiar with the new system through the means of daily exchange of coins. The Government feels that the people will have got accustomed to the use of the new coins during this period, when sufficient quantities of new coins will also have been put into circulation. It also says that there is no need for anyone to get panicky about the status of the existing coins when the new coins are put into circulation.

While we, of course, agree that there is no cause whatever for people to get alarmed at the introduction of new coins, there is good reason to feel that the period of three years, after which all the existing currency will cease to be legal tender, is not adequate for a vast country like India with over 82 per cent. of its population being illiterate and a similar percentage living in rural areas. It must also be borne in mind that there are 380,000 villages with a population of less than 500 and about 105,000 villages with a population ranging between 500 and 1,000. Most of these villages are not linked with the urban areas by modern means of communication and it will, therefore, take a pretty long time for the new coins to percolate into these areas in sufficient numbers, unless the Government makes special arrangements. Further, the present system has been in force for over 100 years. It cannot be effectively ended all over this vast sub-continent in just three years. It will be pertinent to recall, in this connection, that a period of two years was not found sufficient to withdraw even the limited volume of *hali* currency in the Hyderabad State, although the Indian currency has been in circulation side by side for several years. It has, therefore, been found necessary to extend the time limit by another year and one is not sure whether a further extension will not be found necessary, the forthcoming reorganisation of the State notwithstanding. Again, although the old 11/12ths fine silver coins ceased to be legal tender nearly a decade and a half ago, they are still in circulation in several parts of the country and if people had not been inconvenienced by this development, it is because the value of the silver content of the coin continued to be higher than that of the face value. Similarly, the four-anna nickel coin is still in vogue, even in the capital of India, not to mention the rural and urban areas in North India, even though its issue was discontinued by the currency authorities years ago and its total issue before cessation was negligible as compared with the total coins minted and in circulation. These instances are given just to show that the period of three years for abolishing the existing coinage is not sufficient and that a much longer period —at least five to seven years—will be required for the new coins to reach every nook and corner of India.

Another point that we wish to make in this context is that, at least the existing rupee coins and the eight-anna and four-anna pieces can be kept as legal tender for a longer period, since their value in the equivalent of the lowest denomination, namely, *naya paisa*, can be easily expressed and recognised. It will be a waste of national resources to withdraw these coins from circulation in so short a period as three years and reissue them as coins of 25 cents, 50 cents, and single rupees of 100 cents. No harm will be done to anyone by letting these coins be in circulation for, say, a decade and leaving them to return to the Reserve Bank in the usual course. This will minimise the risk of losses to innocent people in rural areas who can be easily duped by anti-social elements. In the Press note issued by the authorities on this subject, it is, of course, stated at one place that "the existing quarter rupee, half rupee and single rupee will continue to be common to both the existing and new coinage systems." But this does not necessarily mean that they will be legal tender for ever. In fact, it is clearly stated in an earlier para of this note that the existing coins will be legal tender for a period of only three years. If this proviso is not applicable to these coins, then that should be made very clear.

As from 1st April 1957, the rupee coin will be divided into 100 equal units and the unit coin will be designated *naya paisa*. Thus, 100 *naye paise* will make one rupee, the value of which will remain the same as at present. Under section 6 of the Indian Coinage Act, 1906, the Government has also given the details regarding the denominations, dimensions, designs and metal composition of the new series of coins. The new coins will have the following denominations:

1 *naya paisa*, 2 *naye paise*, 5 *naye paise*, 10 *naye paise*, 25 *naye paise*, 50 *naye paise* and 100 *naye paise*.

In the above composition of units of the new coins, the present two-anna, one-anna, half-anna and one-pice coins will not have exact equivalents with the new coins, but their places will be taken by 10 *naye paise*, 5 *naye paise*, 2 *naye paise* and 1 *naya paisa*. The existing quarter-rupee, half-rupee and single-rupee coins will continue to be common to both the existing and new coinage systems. Thus, 25 *naye paise* will be equivalent to As. 4; 50 *naye paise* to As. 8 and 100 *naye paise* to Re. 1.

In order to enable the public to understand rightly the relationship of each new coin to the rupee it has been decided to indicate on the coins themselves the number of such coins required to make one rupee. Thus, the coin representing 1 *naya paisa* will have a legend embodied on it to the effect that it is one-hundredth of a rupee. Similarly, 2, 5, 10, 25 and 50 *naye paise* units will indicate that they represent 1/50th, 1/20th, 1/10th, 1/4th and one-half parts, respectively, of the rupee.

The *obverse* sides of all the new coins will have the design of the Lion Capital of the Asoka Pillar with the terms "Bharat" in Hindi and 'India" in English inscribed on them. The *reverse* sides of all the new coins will indicate the year in which the coins are produced and their value in *naye paise* specified in international numerals.

The specification of the value of new coins in international numerals is a welcome feature, not only because these numerals have been recognised in the Constitution but they will be helpful to foreigners who visit the country.

The metallic composition of the new coins will be as under:

The 100-*naye paise*, 50-*naye paise*, and 25-*naye paise* will be of pure nickel, while 10, 5, and 2-*naye paise* coins will be cupro-nickel alloy (75 per cent. copper and 25 per cent. nickel). The one-*naya paisa* coin will be of bronze. It will thus be noted that there will be no pure copper coins in the new system, as is the case in the present one, where the pice has been copper throughout. The elimination of pure copper is quite understandable, in view of the world-wide shortage of this non-ferrous metal and the consequent increase in its value. In other words, just as the high value of silver led to its fall as a coinage metal, so also the jump in the price of copper during the war and post-war years has greatly diminished the value of this metal for coinage purposes.

It is gratifying to hear that the Government will also circulate extensively conversion tables setting forth the rounded equivalent of the existing coinage, to be tendered for specified sums, expressed in *naye paise*. The table will be used in cases where a transaction involving the actual tender of coins is involved, while, in other cases, where conversion is necessary, as, for example, in the computation of total value at a given rate, the exact equivalents will be worked out at the rate of 192 *pies* per 100 *naye paise*.

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WORLD BANK LOAN TO NORWAY

The World Bank has granted a loan of $25 million to Norway for hydro-electric power development. The loan will help to finance the Tokke power project which will add 400,000 kilowatts of generating capacity to the electricity network which serves south eastern Norway, including the city of Oslo. This area now consumes 55 per cent. of all the power produced in Norway. The total cost of the project is estimated at the equivalent of $70 million. The Bank's loan will provide $25 million and the remainder will be provided by the Norwegian Government, partly from appropriations from general revenue and partly by the sale of bonds to countries, municipalities, power companies and industrial users of power in southern Norway.

This is the third Bank loan to Norway. Loans of $25 million each were made in 1954 and 1955, respectively, to help pay for capital equipment required for the development of the Norwegian economy. The latest loan is for a term of 20 years and bears interest of 4¾ per cent., including the 1 per cent. statutory commission charged by the Bank. Amortisation will begin in August 1961.

FORTNIGHTLY REPORTS FROM BANKS

Replying to a question, Mr. A. C. Guha, Minister for Revenue and Defence expenditure, said in Lok Sabha the other day that the Reserve Bank of India had asked the Scheduled banks and two important non-scheduled banks to submit fortnightly reports on their advances against commodities, bullion, shares and debentures. The circular sent by the Reserve Bank, the Minister added, was in substitution of an earlier one issued in March 1950, which required the banks to forward to the Reserve Bank a monthly statement of advances made against specified commodities and bullion. According to him, the information was now required to be sent fortnightly and in greater detail, so as to enable the Reserve Bank to bring under closer observation the extent to which accommodation was granted by banks for financing trade in essential commodities, bullion and equities and to take appropriate steps to check any tendency for undue speculation.

The World Bank granted last week a loan of $2.6 million to Haiti to help the country's three-year highway improvement programme. The Royal Bank of Canada is participating in the loan, without the World Bank's guarantee, to the extent of $413,000. This is the first time that a Canadian bank is participating in a World Bank loan. This is the first loan made by the World Bank to Haiti. It is for a term of 10 years and bears interest at the rate of 4½ per cent., including the statutory commission of 1 per cent. Amortisation will begin on 1st July 1959.

RESERVE BANK AMENDMENT BILL

INDIA TAKEN NEARER TO FINANCIAL AUTOCRACY

By B. T. Thakur

IF the Local Boards of the Reserve Bank of India are abolished, as is sought to be done through the amending legislation, India would move a step nearer financial autocracy. Whatever vestige there is of consulting local interests in the formulation of monetary policy, that will now be completely removed. Democracy thrives through discussion and conferences, and through wider representation of varied interests, geographical and economic. Autocracy believes in concentration of power and in the sole right of individual or caucus to make decisions.

The amending Bill proposes three main changes: (i) abolition of Local Boards, (ii) power to the Reserve Bank to raise reserve requirements of banks and (iii) lowering of foreign currency assets in the currency reserves.

Taking the first item, namely, abolition of Local Boards, it is certainly a most retrograde step. A vast country like India, with varying levels of economic development in different States, should have a more broad-based currency and credit system. The ideal thing to do would be to have four or five Regional Central Banks, integrated and co-ordinated through a powerful Monetary Board, so that economic interests of States do not suffer, as is the case in the United States of America. Lack of intelligent and reasonable attitude on the part of such a Regional Bank is safeguarded by vesting wide supervisory powers in the Central Authority. But the Regional Banks will serve as a check on exercise of arbitrary powers by the Monetary Board.

Like unitary government, a single Central Banking institution may be suited to small countries like England, Belgium, or Holland. Large countries like India, with huge populations, particularly when they are economically backward, need federal type of institutions both in government and for management of money, modelled on the American system. Instead of changing in the right direction, we seem to be going the opposite way.

In notes on clauses in the Bill, it is explained that, with nationalisation of the Reserve Bank, the need to retain Local Boards has disappeared, because they attended to share transfer work. But why should the functions of the Local Boards have been restricted only to the transaction of this formal business? There is nothing in the Reserve Bank Act to utilise them only for such a purpose. And, if it was actually so, that was against the will of the framers of the original and the nationalising Acts; and was a misreading of the purpose and functions of these Boards. The main function of a Local Board, or regional committees, is to keep the central authority fully informed of local facts, conditions and requirements, so that there should be correct basis for the formulation of monetary policy. If the authorities in charge of the Reserve Bank had not vested these Boards with bigger and better tasks, the fault is not of the Boards but of their appointers, who want to work independently of local advice. Today, the need for such consultations is greater than ever.

Already West Bengal and several other States are complaining against concentration of financial power in Bombay. The dismissal of the Local Boards as being unnecessary would further aggravate the suspicion and fear of neglect of local interests. If any change is to be made that should be for wider and closer statutory consultation with agricultural, commercial, industrial and financial interests of different States. The question of Regional Reserve Banks and superimposed Monetary Board now assumes great importance and urgency.

Reserve Requirements

The next item in the Bill is to arm the Reserve Bank to raise reserve requirements of banks and to freeze deposits under certain contingencies, should the Reserve Bank think that to be necessary in the discharge of its Central Banking functions. The object of this provision is to stop banks from encouraging inflation through their credit operations. Are banks doing so? Has not the Reserve Bank got already ample powers to stop banks from pursuing such a course? In existing conditions in the country, when there is no proper integration between the organised banking system and the free bazar market, can the Reserve Bank succeed in the purpose which it may intend to achieve through the use of such powers?

In spite of great expansion in created money, the banking system suffers from scarcity of funds. This is not due to their over-lending but because requirements for credit of expanding industries are growing; and banks are not getting adequate share of new currency arising out of deficit financing.

Between the last Friday in 1954 and 20th April 1956, currency in circulation has expanded from Rs. 1,200 crores to Rs. 1,510 crores that is, by about 25 per cent. But Scheduled bank deposits during the same period have increased from Rs. 932 crores to Rs. 1,066 crores, that is, by less than 13 per cent. At the end of 1954, deposits formed about 77 per cent. of currency in circulation. But, on 20th April, this percentage was less than 71. But the most noticeable thing is that the increase in deposits during this period was only Rs. 134 crores which constitute about 43 per cent. of Rs. 310 crores, the increase in currency in circulation. In other words, much smaller amount of newly created money comes into the banking system and this depresses the relationship between currency in circulation and bank deposits. If we take the figures of 22nd April 1955 and 20th April 1956, we find that currency in circulation and deposits of Scheduled banks have increased during this period by Rs. 194 and Rs. 109 crores, respectively. This also confirms the conclusion that resources of banks are expanding at a much lower rate than increase in currency.

Credit To Banks

Whenever there is danger of inflationary credit being engendered by banks, the first step to be taken by the Reserve Bank should be to curtail its own credit to banks. This can be done through restrictions on discounting facilities and by refusing to lend even against Government paper. But the Reserve Bank has obviously not felt the need for limiting these credit facilities to banks. Actually, it has increased its advances to banks. The amount of money borrowed by Scheduled banks from the Reserve Bank and the State Bank, collectively has gone up, between 22nd April 1955 and 20th April 1956, from Rs. 31 crores to Rs. 59 crores. Lendings of banks during the same period have increased from Rs. 624 crores to Rs. 753 crores, that is, by Rs. 129 crores. If the Reserve Bank felt that advances of banks are not justified by increased production and increased trade, it should not have been so free in its lending policy to banks. But the truth seems to be that increased advances by banks are fully justified and in the interests of national economy. The fault is that increasing amounts of new currency are going to classes and areas which are outside the banking system, but the pressure of credit due to increased tempo of industry and trade falls on banks.

Under the Banking Companies Act (Section 21), the Reserve Bank has ample authority to control advances by banking companies, to curb their inflationary credit. Section 21 reads as follows:

"*Power of Reserve Bank to control advances by banking companies.*—(1) Where the Reserve Bank is satisfied that it is necessary or expedient in the public interest so to do, it may determine the policy in relation to advances to be followed by banking companies generally or by any banking company in particular, and when the policy has been so determined, all banking companies or the banking company concerned, as the case may be, shall be bound to follow the policy as so determined.

"(2) Without prejudice to the generality of the power vested in the Reserve Bank under sub-section (1), the Reserve Bank may give directions to banking companies, either generally or to any banking company or group of banking companies in particular as to the purposes for which advances may or may not be made, the margins to be maintained in respect of secured advances and the rates of interest to be charged on advances, and each banking company shall be bound to comply with any directions as so given."

These are very extensive powers which the Bank can use to stop inflation of credit. Over and above these special provisions, the Bank has also traditional means to curb credit through Bank rate and open market operations.

It is only when all these powers fail that a need would arise to immobilise, partly or wholly, increase in deposits of banks to curtail their capacity to lend. Change in the reserve requirements of banks from the point of inflation through their credit operations is, therefore, not necessary, at least at this stage.

If the law in regard to ratio of reserves to deposits is to be changed, why should it be only upward and not downward? In times of contracting currency and economic depression, why should not banks be encouraged to help revival of business and industry by increasing their capacity to lend through reduction in reserve ratios. The purpose of reserves is not to provide for liquidity but to regulate credit. Under the Banking Companies Act there are ample provisions to compel banks to keep enough liquid assets to insure their existence and solvency.

No Urgency

There being no urgency to change these provisions relating to reserve ratios, it would be more appropriate to study India's monetary problems in the context of our economic plans through monetary and banking experts. Before the Central Banking institution can function properly, it is essential that there should be better integration of India's money market. Unless this is encouraged, any harshness by the Reserve Bank would mean that money would bypass the banking sector and go to the free bazar market.

Concentration of authority in a single institution or individual, even though guided and supervised by nominated Central Board and the financial *pundits* of the Central Government without adequate checks and safeguards, not only can be tyrannical but also may lead to economic disasters.

But what about the banks themselves? Should they not insist on the right of representation in the councils and consultations of the Central Banking authority which has such vast powers over them? In the Federal System of the United States of America, banks have representation on the Boards of the Federal Reserve

(*Continued on page* 981)

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TRENDS IN CARPET WOOL

SUPPLIES FALL—DEMAND RISES—PRICES FIRM

AN article which appeared in *World Wool Digest* last year drew attention to three features which distinguished the carpet wool situation in the post-war period: the reduction in available supplies of the classical Asiatic carpet wools, the rising demand in the principal carpet manufacturing countries, and the consequent diversion of apparel wools, mainly Argentine and New Zealand crossbreds, for use in carpet manufacture. These three features have remained dominant in the carpet wool market during 1955. This is well illustrated by the United States import figures which provide an indication of the end-use of some of the wools as those without Merino or English blood (i.e., the traditional carpet wools) are admitted free of import duty, as are other wools of qualities 40's (American) and below if used in the manufacture of carpets and a few other specified goods. Last year's total duty-free wool imports of 134 million lbs. clean included 61 million lbs. of wools with Merino or English blood, of which 73 per cent. came from Argentina and 17 per cent. from New Zealand. In both of these countries, however, most of the clip is finer than 40's, and thus the supply of wools eligible under existing legislation for duty-free import into the United States is insufficient for the present rate of consumption. Amending legislation to enable the American carpet industry to obtain tax-free wools finer than 40's is now before Congress.

For the United Kingdom, figures are available showing the types of wool used in woollen carpet yarns. These show that, in 1955, Indian and similar wools represented only 18.6 million lbs. of a total consumption of 57.8 million lbs., while some 68 per cent. of the total consisted of British, Dominion and South American wools. Although the clips of these countries include some recognised carpet types, much of the wool used in British carpet yarns last year was clearly of apparel quality, 16.8 million lbs. that is, 29 per cent., having been 46's and finer.

The continued reliance on crossbred types reflected both the restricted supply of unimproved wools and the buoyancy of the demand for carpet wools. 1955 was a year of great activity in the carpet industries of the main manufacturing countries. In the United States, woollen and blended carpet output rose by 9 per cent. from 55.3 to 60.5 million sq. yds., and consumption of wool in carpet yarns rose still more sharply from 114.5 to 132.7 million lbs., an increase of 16 per cent. In the United Kingdom, deliveries of carpets during the twelve months ended November were 45.2 million sq. yds., only slightly below the previous year's record of 46.1 million sq. yds., and wool consumption in woollen carpet yarns was actually slightly higher at 57.8 million lbs., as compared with 57.0 million lbs. It appears probable, from its export figures, that the Belgian carpet industry also enjoyed a very good year in 1955, though the high usage of cotton in Belgian carpets makes it difficult to relate this to wool requirements. French carpet output also showed an increase, from 3.7 to 4.3 million sq. yds.

To satisfy this increased demand there was only a limited available supply of the traditional carpet wools. Though world production of non-apparel wools is currently estimated at some 960 million lbs. greasy, the quantity available for the carpet trade is only a small fraction of that figure, for some of these fibres lack suitable characteristics for use in either carpets or apparel, and more than a quarter of the total represents the production of Communist countries not entering into world trade, while, in many Middle East and North African territories, the bulk of the clip is absorbed by local handicrafts. Two former exporters, Spain and Turkey, have now diverted most of their production to their own wool textile industries, and the raw materials of the Western carpet industries during 1955 appear to have been principally crossbreds and low wools from Argentina, East India wools, United Kingdom hill wools, New Zealand crossbreds, and a variety of clips from the Middle East and North Africa.

Certain Argentine types, such as the well-known 5/6's (36/40's) and the Criolla wools have always been staples of the carpet trade, but, in recent years, almost all of the cruza gruesa class (46's and below) would appear to have made their way into carpet manufacture or certain industrial uses. Production of cruza gruesa wools in 1954-55 amounted to 106 million lbs., some 10 million lbs. less than in the previous season, almost all of which was available for export. From the beginning of the season, the carpet wool sold more rapidly than other Argentine qualities, and by June stocks were almost exhausted. High world prices for carpet wool and predominantly American purchases meant that the Argentine exchange rate hindered sales less than it did for other wools. Furthermore, exports as a whole were assisted by the suspension of the export sales tax in February and the extension to non-dollar sales of a more favourable exchange rate in May. A further stimulus to exports was provided by the devaluation of the peso in September, and during the last quarter of 1955 it was reported that the new season's clip, in which cruza gruesa wools again amounted to 106 million lbs., was selling far more rapidly.

"East India" or "India and Pakistan" wools comprise not only the growths of India and Pakistan, but also those wools normally exported through these countries from Persia, Afghanistan and Tibet. In India itself, production is mostly of carpet quality and is estimated at 72 million lbs., of which exports have accounted for rather more than half in recent years, the balance being consumed in handicrafts and local industry. It is the policy of the Indian Government to foster wool textile manufacture; exports of wool are consequently restricted, in order to conserve supplies for the local industry. Quotas are allotted to established exporters in proportion to their trade in a given base period. The announcement at the beginning of 1955 that the April-September quota would be 40 per cent. of the base quantity drew protests from traders, and the quota was later increased by a quarter. For the October-March period a quota of 45 per cent. was fixed, and additional provision was made for newcomers to the trade. Exports of home-grown wool from India during the first ten months of 1955 amounted to 20 million lbs. of washed wool (equivalent to roughly 30 million lbs. greasy), some 4 million lbs. less than in the corresponding period of the previous year.

Wool production in Pakistan is estimated at 30 million lbs., nearly all of which is exported, local consumption being still fairly small. Exports during the first ten months of 1955 totalled 23 million lbs., of washed wool, 6 million lbs. more than in the corresponding period of the previous year. No difficulty has been experienced in selling Pakistan wools abroad, and the devaluation of the Pakistan rupee in July was far more a safeguard for infant industries than a measure to assist exports of primary produce. Estimates of production in Afghanistan are very vague, though it is generally considered that the greater part of the Afghan clip is accounted for by exports, which are in the region of 13 million lbs. and go mainly to Russia. Exports via Pakistan are relatively small, and amounted to only 3 million lbs. in the 1954-55 season. The total production in Tibet also is not known accurately, but the exports through India are normally in the region of 8 million lbs. The re-establishment of Chinese sovereignty over Tibet caused some anxiety to the wool merchants, who feared that Tibetan wool would be diverted to China, but supplies have been received as usual in India during the year, though trade sources say that the amount available has been reduced by heavy winter sheep losses.

About a third of the United Kingdom wool production consists of carpets types, and these have shared in the general expansion of British wool-growing during recent seasons. Production of these types during 1954-55 is estimated at 35 million lbs. and the 1955-56 figure is probably similar. The most important of these wools is the Blackface, which is used for mattress filling as well as for carpets, and which accounts for about half the total, the remainder coming from other hill breeds such as Welsh, Swaledale and Herdwick. There is also a substantial production of Lincoln and other lustre wools which are similar to the Argentine carpet types, but the British fleeces normally go into speciality uses. The United Kingdom is an important consumer of carpet wools and competes keenly with foreign buyers for the available British supplies, but its trade statistics do not permit the proportion exported to be identified.

The carpet trade has always used some New Zealand wools, especially the cheaper woollen types such as locks and crutchings, but there are no clearly distinguished carpet types, hardly any of the wool being as coarse as 40's. But, although the New Zealand clip consists almost entirely of apparel wools, it can readily be used in carpet manufacture as coarse crossbreds predominate, over half being of qualities 50's or lower. Production of these qualities rose to 240 million lbs. in the 1954-55 season, and, though they were used mainly for apparel, this afforded substantial relief from the shortage of traditional carpet wools.

Prices of carpet wools during 1955 reflected both the continuing shortage of traditional carpet types and the movements in values of those apparel wools which are to some extent substitutes. There was a steady upward movement during the first half of 1955, and though prices declined between July and September under the influences of lower apparel wool values, the markets were very steady during the last quarter, and December prices were generally higher than those ruling at the beginning of the year. Prices of Argentine carpet wools in the Boston market, however, rose more sharply after June in consequence of the virtual exhaustion of stocks in Argentina and declined at the end of September with the opening of the new Argentine wool season and the devaluation of the peso.

Prices of New Zealand wools are more influenced by the demand for apparel uses, but the influence of the shortage of carpet wools is reflected in the apparel wool market by the narrowing of the differential between merino and crossbred prices. This is attributable to a number of causes one of which is the increased use of coarse crossbreds in carpet manufacture.

Carpet Wool Prices During 1955

(Pence per lb. greasy or clean basis according to practice)

Category	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
"EAST INDIAN"—(washed wool)												
Bikaner—Superior white	71	72	74	77	76	69	72	72				
Joria—1st white	68	71	73	75	74	67	66	67				
Vicanere—1st white	60	63	65	67	65	59	62	62				
Khorosan—1st white	61	63	65	67	67	59	62	62				
Kandahar—Average white	55	57	58	61	61	55	57	57				
Bikaner—Superior yellow	59	62	60	64	65	59	61	59				
Vicanere—1st yellow	52	53	55	57	58	54	57	56				
Med. Pakistan—Light grey	28	28	28	29	31	32	34	34				
Med. India—Dark grey	20	20	18	21	21	21	23	24				
ARGENTINE—(clean basis) B.A. 5/6's(40/36's)	68	68	69	70	69	72	74	76	73	70	68	70
NEW ZEALAND—(clean basis) Locks—46/50's average	61	65	65	67	67	62	63					
SCOTTISH—(greasy basis) Blackface	54	59	62	61	56	58	58	58				

An Indian textiles expert, Dr. P. C. Mehta, who recently completed a study-tour in which he observed recent advances in the chemical finishing of cotton textiles and other aspects of textile research in the United States, believes much of what he has learned can be applied to Indian industry. Dr. Mehta, who is assistant director in charge of the chemistry division of the Ahmedabad Textile Research Association, spent five months in the United States. During the first portion of his stay, he travelled 6,000 miles, visited 20 cotton mills, six laboratories, and seven textile schools or institutes. He pointed out in an interview that the main emphasis in these visits was on recent advances in chemical finishing of cotton textiles, but it also covered other important aspects of textile research—work on cotton fibres, mechanical processing, research administration, personnel rating and selection, and cost accounting of research activities. As a leader in a research organisation, Dr. Mehta said he was confident of the value of all these observations and his opportunities to apply them in India.

Of particular value in research, he said, was the standardising of instruments and testing methods for evaluation of treated fabrics which he found in the United States and which he said can be applied to Indian industry immediately.

Some of the other ideas, he said, must await changes in the industry itself. "It can be easily seen that all of these will be of paramount importance to our industry when it switches more and more to application of resins for finishing. Imparting improved and durable elastic properties to cotton without deteriorating its tensile properties is a major problem for the cotton textile industry in the United States and elsewhere and any contribution in that direction will help not only the textile industry in India but the world over."

Present diversity of production in Indian mills, he said, makes it uneconomic to adopt high-speed techniques in the immediate future, but he believes this will change in time, particularly when India has adequate consumer-preference studies available.

EFFECT OF U.S. COTTON DISPOSAL PLANS ON LIVERPOOL MARKET

EXPORTS OF TEXTILE MACHINERY MOVE UP

From A Special Correspondent

MANCHESTER LETTER

MANCHESTER, 8*th May*

ACCORDING to the first messages to come through from America, the new export sales programme sponsored by the United States Government to dispose of its surplus cotton stocks "got off to a slow start." The acceptance of bids aggregating little more than 10,000 bales when set against available supplies of around 13,000,000 bales certainly looks like a drop in the ocean, but it started a set of events which is sure to have an important effect, not only upon raw cotton trading but on the turnover of finished textile goods throughout the world.

The major factor, to which cotton traders had been anxiously looking, was the price at which these initial supplies of surplus cotton were sold. This was 27.90 cents per lb., on the basis of middling 15/16 inch cotton. Beyond that fact and the news that fortnightly bids are in future to be made, the trade remains in the dark as to further developments.

It is, for instance, not certain whether a large number of offers were made for the first supplies of cotton and were not accepted for one reason or another. There is also the possibility that the Commodity Credit Corporation will adjust its ideas of price as time goes on, particularly if the quantity of cotton moved under the programme falls behind the schedules which the Administration hopes to achieve.

Although some of the uncertainty surrounding the whole manœuvre has now been removed, many doubts still remain as to the future trend of values. In Liverpool, the first price news caused a sharp advance in quotations, the opinion being widely held that recent declines had been overdone. These gains, however, were not maintained and uncertainty crept into the market once more, as New York was unresponsive to the upward movement.

Higher Level of Values

Meanwhile, the tight statistical position of Egyptian cotton has been reflected by sharp advances in quotations in Alexandria. Prices have moved on to new high levels which have been reflected in spot quotations for these qualities in Liverpool. Not only has the Egyptian crop proved smaller than was originally forecast but free supplies are relatively meagre and the unsettled political situation in the Middle East has been a further disconcerting factor.

From the local viewpoint, while uncertainty over the future trend of prices of all growths still persists, the recent upward movement in values has caused a revival in demand. Anticipating an increase in quotations to take account of the recent wage advance, numerous buyers with short interests covered their requirements and the later upward movement in raw material rates forced out more demand.

Subsequent resistance to the higher prices now ruling did not come as any surprise, but the orders placed have provided some relief to hard-pressed sections of the industry where business had been on very narrow lines for some months past. The outlook requires more clarification before any real expansion in turnover can be expected but any improvement in conditions at the moment is certainly welcome.

Production Trends

A feature of trading in the first three months of the year has been the pronounced steadiness in yarn production, which has shown very little variation except in those weeks where holidays have intervened. Towards the end of 1955 there were hopes that recruitment in the spinning section would continue its upward trend, so raising output, but these encouraging ideas have not been fulfilled and it has been a struggle in recent weeks to keep production from falling.

When compared with the corresponding figures a year ago the only promising aspect is that no further ground appears to have been lost, despite the fall in manpower which has lately occurred.

The following table shows the relative positions as regards production and recruitment so far this year and last:

(In 000 lbs.)

Week ended	Yarn production		Recruitment	
	1956	1955	1956	1955
7th January	15,890	17,840	+ 70	— 7
14th "	17,440	19,460	+174	— 20
21st "	17,720	19,440	+ 31	+ 30
28th "	17,700	19,660	+ 10	— 60
4th February	17,650	19,740	+ 44	—208
11th "	17,670	19,660	+ 55	—280
18th "	17,490	19,420	—101	—137
25th "	17,320	18,900	— 12	—270
3rd March	17,270	19,120	— 98	—212
10th "	17,450	19,200	—157	—375
17th "	17,400	19,080	—272	—413
24th "	17,640	19,010	—193	—520
31st "	14,000	19,050	—441	—479
7th April	13,060	14,810	+ 54	—543
14th "	17,590	13,490	—236	—332
21st "	17,510	18,520	—338	—548

In the 16 weeks under review production of all types of yarn was 25 million lbs. lower than 12 months ago, although the gap has narrowed noticeably since early March. The steady drain of manpower losses was then beginning to tell upon the spinning trade a year ago and this trend persisted throughout the summer months. In view of the approaching holiday season it would be unwise to expect any expansion in output from the mills during the next few months but if the position can be held until the autumn there may then be the chance of regaining a little ground.

The recruitment of full-time workers in the spinning section this year has been disappointing. After initial gains lasting for six weeks, when the labour force went up by nearly 400, there have been recurrent losses so that the position by the third week of April was that the number of full-time spinning operatives had declined by 1,410 since the beginning of the year. Against this must be set a gain of 400 part-timers, but even they have shown a tendency to drift from the trade over the past month.

An important factor has been the gradual expansion of output of spun rayon and mixture yarns which, in the second week of April, exceeded 3 million lbs. for the first time since December, 1954. This level of output is substantially higher than during many periods in post-war trading, although in 1953 a peak level of 3.5 million lbs. was recorded.

This upward trend in the spun rayon trade coincides with new high output figures achieved in filament yarns and staple fibres. In March, total production reached 45 million lbs. and in the first quarter of the year a new record of 131.4 million lbs. was set up.

More Machinery Exports

For many years past British makers of textile machinery have never slackened in their sales of plant to overseas countries. While a certain quantity may be purchased as replacement there remains a large proportion of new spindles, looms and ancillary equipment which is being set up to provide indigenous industries with their own supplies and the means to compete with Lancashire.

The volume of shipments of textile plant from this country in the first quarter of 1956, at 467,048 cwts., was higher than in the corresponding periods for the past two years. The value of these goods at £12,632,665 was the highest ever recorded in an opening quarter, exceeding the previous peak of £12,500,000 in 1952.

The only section where exports of plant have fallen so far this year compared with last is in spinning machinery. Much larger shipments of machines for preparatory processes have occurred and the expansion in sales of plant for making synthetic fibres has been significant. From only 726 cwts. shipped in the first quarter of 1954, the total this year is over 9,000 cwts. More looms and weaving machinery have been exported, amounting to 89,782 cwts. against 66,354 cwts. last year. In the finishing branch shipments have been 34,283 cwts. against 22,991 cwts.

A remarkable contrast in purchases by the neighbouring countries of India and Pakistan is apparent this year. Exports to India have risen from 72,058 cwts. to 115,572 cwts. but Pakistan has taken only 14,396 cwts. against 81,995 cwts. Second biggest user is the Soviet Union with 42,099 cwts.. against 61,096 cwts. a year ago.

In the American sphere of influence the Philippine Republic has increased its purchases of British plant from 7,827 cwts. to 11,789 cwts. and the United States has taken 16,128 cwts. against 13,350 cwts.—more than twice as much as in 1954. Exports to Mexico have also risen—from 6,522 cwts. to 17,204 cwts.

Union Views

The attitude of the trade unions in the cotton industry towards Lancashire's problems and the methods which should be adopted to overcome them is something of an enigma. The representatives of the operatives have, of course, their conflicting elements just as employers and management do not always see eye to eye on particular points at issue.

Mr. William Roberts, President of the United Textile Factory Workers' Association, has proved in the past that he can be both realistic and responsible in his approach to the many controversial matters now confronting the trade. But at the annual conference of the Association such views can be nullified by the adoption of opposing resolutions by the rank and file of delegates.

It is, for example, difficult to reconcile the programme he put forward as a policy for the future of the industry with the attitude of those who later were adamant in supporting proposals for longer holidays for cotton workers without any reduction in earnings. Some of the more cynically-minded in the trade have been heard to say that longer holidays can be expected shortly in any case from the state of current order books but that pay packets will suffer at the same time.

If his colleagues can be induced to support the contention of Mr. Roberts on shift work the possibility of important developments in this field cannot be ruled out. In his plan, he said: "The question of shift work and hours of employment should be more vigorously pursued in order to overcome the difficulties associated with it. This is fundamental if we are to become competitive."

The delegates were quickly reminded of the changes that have taken place in the industry since they last met a year ago—the closing down of 79 firms, the loss of 29,000 workers, and a sharp reduction in the number of looms and spindles producing cloth and yarn. And the annual report reinforced them with the export story. Lancashire's overseas trade in cotton goods has fallen from just over 900 million square yards in 1951 to 540 million last year. A gloomy picture, said Mr. Roberts, with everyone looking for a glimmer of light.

Not surprisingly, in view of the industry's repeated calls for Government action in the matter, delegates were soon hearing about the steps taken to secure a limit to the large-scale imports of cheap cotton cloth from India and Hong Kong. Mr. Roberts said it was quite clear that these imports would continue to grow. But it would be wrong to abandon all hope of action being taken, and every opportunity should be used to have further talks with the Government.

And that word "hope" was the keynote of the rest of the speech—a speech acknowledged as constructive and responsible. So far it had been a story of gloom, but now the conference received a challenge. "Let's face the issue courageously," it was told. Government action to curb the cloth imports would undoubtedly help but it would not solve all the industry's difficulties.—*All Rights Reserved.*

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FORWARD TRADING IN COTTON

NEW LIGHT THROWN ON ITS SUSPENSION

NOT CONVINCING ENOUGH

THE East India Cotton Association is settling down to its allotted task of examining the proposals contained in the bunch of letters (*vide Commerce* dated 28th April) received from the Forward Markets Commission. The Board is now engaged in considering the suggestions from the members of the Association who had been invited to express their opinion on the Commission's proposals. It has accepted with regret the resignation of Mr. Purshotamdas Thakurdas, President of the Association, and Mr. Chimanlal B. Parikh, Vice-President. Efforts, it is stated, are being made to fill these posts. It will, of course, be some time before forward trading in cotton can be resumed.

The controversy between the Association and the Commission has lasted for a considerable period now, though it came to a head only in the middle of April last, with the resignation of the chief office-bearers of the Association. We have, in our earlier issues, referred to the stand which Mr. Purshotamdas Thakurdas took on the question of the intervention of the Commission with the functioning of the market. His chief grievance, as readers are aware, is that the Commission interfered arbitrarily with the working of the cotton market. He has stated that he "carried on well with the Commission" until he was told "overnight" to set the ceiling for cotton at Rs. 700 in December 1955. It is now pointed out, on behalf of the Commission, that Mr. Purshotamdas has had differences with the Commission right from the date when the Forward Contracts (Regulation) Act was applied to cotton. As early as in August 1954, he had taken up, we are told, a "defiant" attitude over the Commission's proposal for adopting a system of margins. It would appear that Mr. Purshotamdas has treated with "open hostility" all proposals that were made by the Commission from time to time, though the Commission had always made it clear that its proposals were to be regarded only as a basis for discussion.

No "Overnight" Directive

Further, the Commission, it is stated, holds the view that the ceiling of Rs. 700 fixed for cotton in December 1955 was not an "overnight" directive. The Association itself had apprehensions as early as in October 1955 about a squeeze in the February 1956 contract. In November 1955, the Commerce and Industry Minister told the Export Advisory Council that the Government would not release any further export quotas for cotton till cotton prices stabilised themselves at lower levels. The Commission took up, on 30th November 1955, with Mr. Purshotamdas, the matter of option business as a factor in pushing up prices and advised him to examine the books of persons suspected of engaging in such business. Though he promised to consider the matter, he took no action. On 16th December 1955, Mr. Purshotamdas himself expressed his concern to the Board over the rising trend of prices and attributed it to option business. On 17th December, the Commission enquired what action he proposed to take so as to prevent the situation from getting out of hand. Again, on 21st December, the Commission drew the attention of the President to the heavy speculation activities in the market. The Chairman of the Commission advised him to close the market immediately but the President replied he did not think it necessary to take any of the measures suggested. The Commission felt that the time had come for more specific measures. Thus, the directive fixing the ceiling at Rs. 700, it is stated, was only the culmination of a long series of requests and suggestions.

It is alleged that Mr. Purshotamdas placed the Commission's letter of the 22nd December before the Board without giving any account to the Board of the previous discussion or correspondence that had passed between him and the Commission. It was, therefore, natural that the Board should have failed to realise the gravity of the situation and passed a resolution declaring that there was no emergency and that it was not necessary to take any action. When the facts of the situation came to be known to the trade, however, the Board, at its meeting held on the 6th January, passed a resolution declaring an emergency and fixing a maximum price of Rs. 700, which resolution was reaffirmed on 8th February by another resolution.

The concern of the Commission over the rising prices was, we are told, due to two reasons: (1) the persistent attempts being made to squeeze the February 1956 contract as shown by the concentration of more than 50 per cent. of the open purchases in the hands of a small group of persons, and (2) the repercussions of the rising trend of futures prices on prices in the ready market. The February 1956 contract was introduced on a revised basis in the expectation of a larger supply of cotton. In actual fact, however, the crop estimates showed that the supply would be only about 46 lakh bales instead of 52 lakh bales which it was expected to be. The overall supply position, however, was not unsatisfactory, since the previous year's stocks were 24 lakh bales, and, after allowing for mill consumption at 45 lakh bales and exports at 5 lakh bales, there would still have been left a carry-over of 20 lakh bales at the end of the year. This could not be considered an unsatisfactory position, in view of the fact that the stocks were only 17½ lakh bales at the end of 1953-54.

The increase of prices amounting to 21 per cent. between September 1955, and December 1955, could not, therefore, be fully explained, in the opinion of the Commission, by the reduction in supply. The more important factors were the late arrivals of the crop in the market and the deterioration in its quality which would make them non-tenderable against the February contract and liable to rejection. As a result, attempts began to be made to squeeze the contract by large-scale purchases in the belief that, when the time for delivery came, the sellers would have to buy back their sales at prices dictated to them because of their inability to fulfil their commitments. The situation was further aggravated by option business on a large scale. Consequently, the price of the contract, which was Rs. 687-6 on 2nd December and remained below Rs. 700 up to 4th December, rose rapidly thereafter until it reached Rs. 747 on 22nd December.

Spot Prices

The rise in the contract price, it is pointed out, had its inevitable effect on the prices in the ready market. The price of ready Jarilla 13/16" which is the basic variety of the contract had risen to Rs. 807 per candy by the 22nd December, when it was only Rs. 33 below the ceiling price fixed under the Cotton Control Order. The Commission felt that, if the situation had been allowed to continue for a few more days, the ceiling would have been pierced. The raw cotton prices were already at higher levels than the price of cotton textiles or food articles or other commodities. Under the circumstances, it was felt that some action had to be taken. The alternatives open were three: (1) to close the February 1956 contract, because it had become unworkable and start a new contract; (2) to allow the February 1956 contract to function under a maximum price as provided in the emergency by-laws of the Association; and (3) to close the futures market for the season. The Commission wished to adopt a course of action which would cause the least dislocation to trade. It was felt that it might be preferable to continue the contract even under a maximum price rather than close it out or close the market entirely. This, however, required the use of the emergency by-laws of the Association. Later, when it found that the market could not function properly, the February 1956 contract and the succeeding contract were closed out.

Why Rs. 700?

As regards the fixation of ceiling at Rs. 700, this level, it is stated, was decided upon because that was about the price which might have obtained if the Association had acted in time when the Commission had drawn its attention to the developing situation. The subsequent rise, it is stated on behalf of the Commission, was mainly due to the activity of a few dealers to squeeze the contract, excessive option business and the negative attiude of the Association. The closing price of Rs. 737 for the contract on 23rd December 1955, when trading was suspended, could not therefore, be adopted as a basis. In this connection, it is contended by the Commission that it is misleading to compare the figure of Rs. 700 with the ceiling of Rs. 840 fixed under the Cotton Control Order for ready cotton.

There is usually some difference between the forward price and ready price and it is necessary to take earlier action with regard to the forward price if the ceilings for ready cotton are not to be pierced. When a normal relationship does not exist between the two prices and the futures market is under pressure due to special circumstances, it becomes necessary, says the Forward Markets Commission, to fix an even lower ceiling for the futures price so that the prices do not run away in the ready market. It is for this reason that provision has been made for a ceiling within a ceiling by the Association itself in its emergency by-laws. The maximum price of Rs. 700, besides, was suggested by the Commission not for the season as a whole but only for the February 1956 and May 1956 contracts and that too as an emergency measure.

The foregoing analysis of the circumstances in which the Commission was compelled to take action in relation to the forward trading in cotton does certainly constitute a valid explanation for its intervention. But it does not wholly extenuate the Commission in relation to the charge that the ceiling of Rs. 700 was an arbitrary one. To say that the ceiling was fixed at this level, because that was the price which prevailed at the time the Commission made its proposals known to the President of the E.I.C.A., is tantamount to punishing the entire trade for the fault of one man, even assuming that the man was at fault. Further, it means that the Commission's proposals are really in the nature of directives and that, if they are not implemented immediately they are made, the trade must be prepared to suffer all the consequences of delay. If that is the position, the trade should be clearly told of it.

Speculation

Yet another argument that has been advanced in favour of cutting off a contract at a level that prevailed sometime prior to the actual date of suspension of the contract is that the rise in prices during the intervening period was due to speculation, option business and inactivity of the Association. This explanation too is unconvincing. In the first place, it is at all times difficult to draw the line between pure hedging operations and speculative trading. Secondly, it is difficult to say when speculation ceases to be normal. Thirdly, speculation is part of the apparatus of futures trading, so that the two cannot be dissociated from each other. In any case, it is no consolation to a trader who is compelled to bear unforeseen losses as a result of ceilings being fixed on a historical basis to be told that the rise in prices was due to speculation. There is no economic justice in such a procedure.

The problem of unbridled speculation is not new to this country nor to the outside world. It does take place all over the world. But the authorities introduce before hand suitable hedges to curb them. If it appeared to the Commission that the rise in prices was taking place at too rapid a rate, then it could have suggested the fixation of a maximum range for variations in prices per day or per week, as was done in Alexandria. Indeed, the Forward Markets Commission should have had the foresight to introduce such safeguards even while stipulating the conditions under which hedge trading was allowed. It is the Commission which is to be blamed for this lack of foresight and none else. It will be pertinent to mention here that, when the details of the type of hedge contract to be allowed for the 1955-56 season were under discussion a year ago, it was pointed out by some of the experienced cotton merchants that, with a view to avoiding unhealthy speculation and pressures of the type experienced during this season, there must be at least two hedge contracts, instead of the present "omnibus" contract. Why did not the Forward Markets Commission listen to this sincere advice? What reason had it to reject it? The trouble with this Commission is that it consists of persons who know little of the practical aspects of futures trading. That is probably the chief reason why Mr. Purshotamdas did not think it worthwhile meeting the Commission as often as the latter wanted him to. It is common sense that mere vesting of powers in a body cannot command respect for it from everybody. It must also have the necessary knowledge and personality.

The Commission and its spokesmen continue to argue as if the trend of prices in the forward market was unreal at the time the Commission decided to impose a ceiling for the hedge contract. The price trend was in line with that of the spot market. If anything, the hedge contract was standing at a level far below that of

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THE CASE FOR NATIONALISATION*

THERE IS NONE FOR ITS ADOPTION ON A LARGE SCALE

By Dr. John Matthai

CHAIRMAN, STATE BANK OF INDIA, AND VICE-CHANCELLOR, BOMBAY UNIVERSITY

THE point I wish to make is that there is no case for a general application of the principle of nationalisation and that private, or as I prefer to call it, free enterprise, should be the rule, State enterprise being confined to cases where there is proved necessity for it. In such cases, the decision should be based not on *a priori* considerations applicable to industries generally or to categories of industries but to particular industries on the merits of each. The Government's statement of industrial policy relies on both State and free enterprise for industrial development, but it places greater stress on State enterprise. I agree that there are conditions in which State enterprise is required for developing industries in India but, I would reverse the order of emphasis and make free enterprise the normal practice, and, if an industry is to be nationalised, the case for it should be established beyond doubt.

The recent statement of Government's industrial policy in its preamble puts forward two grounds for nationalisation, one is the acceptance of a socialist pattern of society and the other the need for speedy and planned development.

The impression that nationalisation is an essential element in socialism is not supported either by socialist thinking or by socialist practice. As regards the latter, the British Socialist Party, having experimented with nationalisation while in office for five years, is now reacting against it. The feeling is growing that none of the objectives of a socialist society are necessarily served by nationalisation. On the other hand, it is felt that regulatory and fiscal legislation by a Parliament which represents the whole community, can achieve this better.

Karl Marx

As regards socialist thinking, if Karl Marx is to be accepted as the father of theoretical socialism, there is no doubt that he gave the central place in his thinking to the socialisation of the means of production. At the time he wrote, partly through increase in population and partly through the substitution of machinery for manual labour, there was an excessive supply of labour and the employer, by his ownership of plant and machinery, held an unfair advantage in bargaining with labour, which reduced wages to subsistence level. Again, in most countries in Europe then, Government was despotic; such franchise as there was, was based on property rights. Karl Marx assumed, therefore, that the State was identified with the propertied classes and could not be depended on to judge fairly between capital and labour. Karl Marx could not anticipate the vast progress of political democracy since his days and that a time would come when government would be based on adult franchise. That has now happened in many countries and legislative measures for controlling industries and safeguarding the rights of labour have been adopted by them. The need for socialising the means of production as an instrument of social justice in the sense of a fair distribution of rewards, the removal of gross disparities of income and the provision of satisfactory conditions of work no longer exists in democratically governed countries, since all these objects can more conveniently be secured by appropriate legislation. It is significant that, in Russia, at the time of the Bolshevik revolution, there was no democratic government worth the name and it was because of this that the thesis propounded by Karl Marx came to be universally put into practice. In India, with a Parliament based on adult franchise and having sovereign powers, nationalisation as a necessary agency of socialism has little place.

Lord Keynes

Lord Keynes, in his book *The General Theory* regarded government participation in industry as a means of relieving economic depression like the one in 1929 by providing a spur to the revival of economic activity. His thinking in effect amounted to a scientific vindication of President Roosevelt's New Deal. It is worth observing that, although the policy of New Deal led to a revival of economic activity, the suspicion it caused in the minds of business men generally that it was an indication of Government's intention to take a progressively larger share in business made capital shy and delayed investment. The New Deal experiment of Government participation in industry provides, therefore, both a lesson and a warning. The lesson is that there are circumstances in which nationalisation will serve a useful purpose. The warning is that it will do so subject to limitations which must not be overlooked. The general view that Keynes held is stated in his book in the following words—"it is not the ownership of the instruments of production which it is important for the State to assume. If the State is able to determine the aggregate amount of resources devoted to augmenting the instruments and the basic reward to those who own them, it will have accomplished all that is necessary."

The definition of the State's essential part as the determination of the aggregate amount of capital resources to be devoted to development and the basic reward to those who own them means that the primary business of the State is to provide the framework within which resources are allocated and rewards are determined. In other words, the State's business is to lay down a general plan and all economic activities whether by State or by free enterprise must conform to the plan.

Five-year Plan

India has just come to the end of the period covered by the first Five-year Plan and is about to enter on the second Five-year Plan. The first Five-year Plan, in my judgment, was not a plan but would be more accurately described as a programme of piecemeal development. With the exception, perhaps, of the Community Projects, every project included in the first Five-year Plan had been designed and partially erected before the National Government came into power.

Two changes occurred since then. In consequence of the improvement in the food supply and stabilisation of food prices, due to the American wheat loan, to successive good monsoons and to the progress of irrigation, it became safer to supplement available resources by deficit finance. Secondly, the latter part of the first five-year period was marked in most countries by a revival of economic activity unprecedented since the cessation of war. Partly aided by the Plan, India shared in this revival and was able to fulfil most of the moderate targets laid down in the first Plan.

While it is a matter for gratification that the first Plan has generally proved a success, it is unrealistic to feel complacent on that ground about the prospects of the second Five-year Plan. The second Five-year Plan, unlike the first, is a real Plan—a comprehensive overall plan—which seeks to co-ordinate and integrate the different segments of the economy; it is not, like the first, a patchwork of isolated projects. Its scope is much wider and the finance it requires is correspondingly larger. It is obvious that the necessary finance cannot be provided wholly by taxation and borrowing and therefore must be supplemented by a large measure of deficit finance. Deficit finance entails serious risks. But, apart from this, there are other difficult problems to face. For a Plan so comprehensive and calling for inter-adjustment at so many points, the statistical data available are grossly inadequate and have had to be almost entirely improvised. In the circumstances, it must be expected that maladjustments will come to light at various points in the course of its implementation. Some of the maladjustments which will require to be resolved are those between employment and output of consumer goods, heavy and light industries, large-scale and small-scale industries, State enterprise and free enterprise, production, on the one hand, and transport and social services, on the other, and the effect of inflation and high prices on people of fixed and variable incomes.

Second Plan Too Big

I draw attention to these aspects of the second Five-year Plan, because it is not sufficiently realised that the task involved in directing and focussing economic development in the country to the policy requirements of the Plan would be so enormous that direct participation in the ownership and management of industries, in addition to it, will place a large and, in my opinion, unnecessary burden on the administrative and financial resources of Government. I am not suggesting that the Plan will not work. With sufficient concentration of effort and with a reasonable measure of luck, I expect it will. But it means that Government's resources in both finance and personnel should be carefully conserved and not dispersed.

Industrial Policy

This brings me to the second general consideration in the industrial policy statement which has influenced Government's approach to nationalisation, namely, the need for speedy development of industries. The question that arises here is whether Government's organisational and administrative resources are capable of meeting the demand for speedy development through nationalisation. My view is that they are not and my reasons for this view can be briefly stated.

First, for its population and area, India, I believe, is one of the most under-administered countries in the world, even for the normal purposes of government. Secondly, if the Government of India have done well so far as a government, as they undoubtedly have, as compared, for instance, with neighbouring Asian countries which have newly achieved independence, it is largely because, unlike them, we were able to take over from the previous Government a first-class going concern. The administrative momentum of the old Government is still active. Although in recent years this momentum has perceptibly declined at almost every level of administration, the decline has been offset by the dynamic leadership provided by the present Government. But it is unrealistic to think that the natural term of those who form the present leadership can last much longer.

Civil Service

Thirdly, taking the principal instrument of administration, namely, the permanent civil service, making the fullest allowance for the high order of intellectual ability and of personal integrity which by and large prevail in the service, it is common experience in most countries that civil servants "are too slow in their decisions; too much governed by precedent; too legalistic; too fearful of change and experiment ever to provide the elasticity, flexibility, initiative and the willingness to take risks, make mistakes and lose money, which are called for in successful industrial enterprise." In this context, it is worthwhile to take note of the changes which have occurred in India in recent years in the character and quality of civil servants. The old practice of rotating civil servants working at the top level between the Central and State Governments has now practically ceased. There is consequently among those who man the services at the Centre a serious lack of personal contact with problems on the spot and an increasing tendency to deal with them in a routine, mechanical way. The diminution in real terms of the remuneration paid to civil servants and of the prospects open to them have resulted in a noticeable tendency to look for satisfaction in work not so much to the work itself as to the exercise of bureaucratic authority. With the emergence of polttical chiefs, civil servants are getting into the habit, while advising Ministers, of anticipating the opinion of Ministers and adopting it as their own rather than stressing their own independent judgment. I agree also with the Prime Minister that the rules of procedure in Government departments which answered the requirements of a foreign bureaucratic Government are out of keeping with those of a national democratic Government.

Planning Commission

Lastly, I want to say a word about the Planning Commission. Frankly, I have never been happy about the institution of the Planning Commission and the place assigned to it in the structure of Government. A Planning Commission logically is or ought to be a body of experts sub-ordinate to the Cabinet. But, through adventitious circumstances into which I do not wish to enter, the Planning Commission has become a body of amateurs with whom, for all practical purposes, final decision rests in matters of economic development. The result is that the Cabinet Ministers concerned with economic affairs have lost much of their initiative and sense of responsibility. This is unfortunate, because, if it is decided to nationalise industries, it is the initiative and sense of responsibility of the Ministers concerned which must tell.

(*Continued on page* 978)

* *Text of a talk at the Rotary Club, Bombay, on Tuesday, 15th May 1956.*

SUGARCANE CESS IN UTTAR PRADESH

MOVE TO RAISE THE LIMIT

ONE of the important official Bills now on the anvil of the Uttar Pradesh Legislature is the U.P. Sugarcane Cess Bill. The first reading of the Bill was passed by the Assembly on the 1st inst. and by the Council on the 8th inst. The Bill seeks to amend and consolidate the law relating to the imposition of cess on cane intended for consumption or use in, and sale to, a sugar factory. The present law, it will be recalled, is contained in section 20 of the U.P. Sugarcane (Regulation of Supply and Purchase) Act, 1953; before that, this provision existed in section 29 of the Sugar Factories Control Act, 1938. The validity of this provision was challenged before the High Court sometime ago and some injunction orders were issued, as a result of which cess amounting to over Rs. 2 crores could not be realised at that time. It is with a view to removing the doubts about the validity of the law that the U.P. Government has come forward with a separate enactment. Moving the Bill for consideration in the Legislative Assembly, Mr. Phool Singh, the State's Deputy Minister for Planning, said: "The cess has now continued to be levied for over 17 years and it is considered expedient that the law relating to its imposition should, with such modifications as have been found necessary, be consolidated in a separate enactment and doubts about the validity removed."

The Bill authorises the State Government to levy, by a notification in the official *Gazette*, a cess not exceeding As. 4 per maund on the entry of sugarcane into the premises of a sugar factory. The Government may also remit, in whole or in part, such cess in respect of cane used in a factory for any limited purpose specified in the notification. The cess shall be payable by the factory owner. The Bill also empowers the State Government to charge cess from the mills which, though they are situated beyond the borders of Uttar Pradesh—as for example, mills in the Punjab and Delhi—purchase sugar from the cane growers of the State. The Bill contains two notable provisions applicable in case of defaults. First, if any factory owner defaults in the payment of cess due from him, the officer empowered to collect the cess may direct that, in addition to the amount of arrears and an interest on the amount at the rate of 6 per cent. per annum, a sum not exceeding 10 per cent. of the total shall be recovered from the owner by way of penalty. Secondly, if any owner defaults in the payment of the cess imposed on him or violates any provision of the rules made under this measure, he shall be liable to imprisonment up to six months or to a fine not exceeding Rs. 5,000 or both. And, in the case of continuing contravention, the offender shall be liable to a further fine not exceeding Rs. 1,000 for each day during which the contravention continues.

Cess Should be Reduced

When the aforesaid Bill was moved for consideration in both the houses of the U.P. Legislature, there was a lively debate over the imposition of sugarcane cess. Some members bitterly protested against the continuance of the levy, which, in their opinion, was not justified, since it tantamounted to taxing raw material. There is some force in this contention. As the former Tariff Board clearly declared as far back as in 1950, the levy of a tax on a raw material is, as a rule, wrong in principle and it is particularly objectionable when imposed on the raw material of an industry which had been nursed by the consumers all over the country for a period of 18 years and for which they had made a heavy sacrifice during all these years. Since, however, this cess has become a part of the structure of State taxation, the U.P. Government, as also the Governments of other States, will surely not give up this source of revenue. All that one can urge is that the rate of cess on cane, which is very high, amounting to as much as 15 per cent. of the cost of cane, should be reduced. Nowhere in the world is sugarcane subjected to such a heavy burden of taxation. One can also urge that the State Government should spend the major part of the proceeds of the cess on intensive cane development work, so as to bring about a rapid reduction in the cost of cane.

Tax Commission's Views

Viewed thus, the fixation of a higher limit to the rate of cess at As. 4 per maund, as against As. 3 at present, is certainly regrettable. Incidentally, attention may be drawn to the following observations of the Taxation Enquiry Commission on the subject of sugarcane cess:

"By way of comment on this tax, we would only sound a note of warning against any extension of a practice by which small 'local areas'—in this case the premises of factories—are set up by definition and State Governments start taxing the goods which enter therein. It seems to us clear that Entry No. 52 of the State List—'taxes on the entry of goods into a local area for consumption, use or sale therein'—was not intended to be made use of by the State Governments as an authority for taxing the raw materials of industries by defining the premises of an industrial concern as a 'local area.' We believe that the term 'local area' has been used therein to denote the area of a local authority. It was in this sense that the relevant power was utilised until the sugarcane cess came to be levied. Any extension of the use of this entry by State Governments for the purpose of taxing agricultural or mineral products or raw material would, for many reasons, be undesirable. We recommend that the State Governments should not hereafter utilise Entry 52 of the State List for imposition of their own taxes, but should reserve it in the usual manner for local authorities like municipalities, village *panchayats*, etc."

It will be observed from the above quotation that the U.P. Government's move to raise the limit of the rate of cess to As. 4 per maund runs counter to the views of the Commission. It will be worthwhile to refer, in this connection, to the point of order raised against the Bill by an opposition member in the U.P. Assembly. The objection was as follows: "Although the Bill is silent on the subject, it is based, we presume, on Item 52 on the State Legislative list of our Constitution. Item 52 permits the taxation of goods which enter, are sold or manufactured in a local area. Or the taxation powers conferred by the Item can be exercised only by the local authority concerned. As the Taxation Enquiry Commission has pointed out, no State Government are empowered under the Constitution to levy a cess on sugarcane."

This objection was, however, overruled by the Speaker. Any taxation power conferred under the State list was, the Speaker held, exercisable by a State, and not by any local authority, unless, of course, such power was delegated to the authority in question by the State. As for the views of the Taxation Enquiry Commission, he held that its opinion did not have the force of a judicial pronouncement. And in the absence of an interpretation to the contrary by the Supreme Court, he went on to say, the House must go by the interpretation of an item as it stood.

Utilisation of Cess

Be that as it may, considering the imperative need for lowering the heavy cost structure of the sugar industry, the cost of sugarcane should be reduced. Again, inasmuch as a cess is a levy imposed on a particular commodity for a specific purpose, it will be improper on the part of the U.P. Government to continue to transfer the cess to the general revenues. This aspect was stressed by Mr. Genda Singh, Opposition Leader in the U.P. Assembly. He said: "It is a moot question whether cess should be imposed upon an industrial raw material. According to experts, it should not be levied. Though the Government has been realising cess money for the last 17 years, the proceeds are not being utilised for increasing the production or improving the quality of sugarcane. Instead, the money is transferred to the general fund which is highly improper." Mr. Genda Singh called upon the Government to devote the cess collections for improving conditions in the cane-growing areas. In this connection, he said: "Under the second Plan, the Centre has allotted more sugar factories to the South which produces better varieties of sugarcane. If the cess proceeds of Rs. 5.5 crores annually were utilised for the improvement of the sugarcane-growing areas, the yield and percentage recovery would increase and the State could press its claim for opening more factories here."

While Mr. Genda Singh is perfectly right in insisting on utilising the cess on cane development, his plea for the State securing licences for the establishment of more sugar factories cannot be justified. For, as it is, there is a heavy concentration of sugar mills in Uttar Pradesh and it will not be in the larger interests of the country, if more mills are set up in that State, instead of being dispersed to other parts of India where there are facilities to grow more cane. What is more, the sub-tropical climate of the State is not so suitable for cane development as the tropical conditions of South India.

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CANE PRICES IN BIHAR

During question time in the Lok Sabha on Thursday last week, several members from Bihar protested against the reduction of As. 3 per maund in the price of sugarcane in Bihar. Replying, Mr. Ajit Prasad Jain, Minister for Food and Agriculture, said that the general policy of the Government was to link the price of sugarcane to recovery. This power of reducing the price was delegated to the State Governments which would take whatever steps were necessary in the interests of the grower. Dr. Ramasubagh Singh asked: Why are the mills in South and North Bihar allowed to start crushing very late—as late as December or January —when they should normally have started crushing as early as November? Now because it is late and the cane is still standing, the Government says that the price of cane must be reduced. To this question, Mr. Jain replied: The Government have no powers to lay down when the mills should begin crushing. Some members repeatedly urged that this late crushing of cane and the reduction in the price paid to the grower was done with a view to putting more money into the pockets of the millowners. In view of the keen interest shown in the subject, the Speaker of the Lok Sabha, Mr. Anantasayanam Iyengar, agreed to allow a half-hour debate later.

A sum of Rs. 10,27,082-2-4 is still outstanding to the cane growers out of the collection of Rs. 1,82,35,386-11-3 on account of a two-anna savings cut per maund of cane supplied by them during the year 1948-49 to all the sugar factories in the State, besides one mill in the Punjab and three Bihar sugar factories. This information was given by the Uttar Pradesh Industries Minister in the U.P. Legislative Assembly last week. According to the Minister, the cane growers have deposited Rs. 90,20,248-2 into the *Zamindari* Abolition Fund for getting *bhumidhari* rights and had been paid Rs. 81,98,056-0-9 in cash. The *kisans* have not come to take back their dues and the balance of over Rs. 10 lakhs is thus still lying in the U.P. Co-operative Bank in which the entire amount of the cut has been deposited.

The Iraq Development Board has awarded Deutsche Bergwerke und Huttenbaugesellschaft of West Germany a contract for erecting a sugar factory at Mosul. The capital outlay of the factory is of £2,047,000. The plant will have a capacity of 35,000 tons annually. It is scheduled to start production in November 1957.

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PUBLIC COLLIERIES

COMPANY FORM OF MANAGEMENT PROPOSED

REPORTS from New Delhi disclose that, out of the additional production of 23 million tons of coal envisaged in the second Plan, the Government of India has decided to raise 12 million tons, as against the earlier proposal of 15 million tons in the public sector. It is estimated that, as much as Rs. 60 crores will be required for this purpose, as against the previous estimate of Rs. 45 crores for 15 million tons. It is further reported that the share of the private sector in the additional output will be raised by about 2 million tons, that is, from 8 million tons to 10 million tons.

The Government has also decided, it is said, to adopt the joint-stock company system for administering all State-owned collieries, both old and new. It is further stated that a limited company will be formed for this purpose and the administration of all collieries will be vested in the company. In view of the vast expansion of coal envisaged in the second Plan and subsequent Plans, it is considered that the adoption of company form of management for State collieries will assist in the efficient and prompt transaction of business. According to Mr. Satish Chandra, Deputy Production Minister, the Government is taking the necessary action, including the finalisation of the memorandum and articles of association for the proposed company.

Freight Pool

Another notable development in the offing is the constitution of a freight pool for coal. It would appear that the Ministry of Production is studying a proposal for this purpose, in consultation with the Ministries of Railways and Commerce. It will be recalled that the Railway Freights Inquiry Committee has asked in its questionnaire whether it would be desirable to create a freight pool for coal, iron and steel, kerosene, petrol, cement, chemical manufactures and salt. The report is yet to be submitted to the Government.

It is stated that the proposal to create a freight pool has been prompted with a view to providing incentive for the industrial development, on an orderly basis, of the North-Western, Western and Southern regions of the country, which are comparatively far away from the Bengal-Bihar coalfields. The Federation of Indian Chambers of Commerce and Industry is, however, opposed to the move. In its memorandum to the Government, it observes:

"It is doubtful if the freight pool would remove the advantage of location enjoyed by an industry which has been established near the source of raw materials. The freight pool would violate one of the accepted tenets of railway rates policy, namely, that it is not the function of the railways to equalise the geographical advantages which are naturally enjoyed by certain industries. Further, even though it may be found necessary to subsidise long-distance traffic in essential commodities, those who move their raw materials over short distances should not be penalised and called upon to bear the cost of subsidy."

The Government has also proposed to carry out intensive surveys of the country's coal along with other mineral resources. In established industries such as coal, production has to come mainly from virgin areas, so that detailed prospecting of selected coalfields is an essential part of production programme. The Geological Survey of India and the Indian Bureau of Mines are proposed to be expanded considerably to cope with increased activities. Detailed investigations followed by drilling of Korba, South Karanpura, Raniganj, Chirimuri, Ramgarh, Jhilimili and North Karanpura will be undertaken in connection with coal production in the public sector and of the coalfields of Kota, Singareni, Umaria, Sohagpur, Kanhan and Pench Valleys, Hyderabad, Talchar, Godavari Valley and Assam for purposes of qualitative and quantitative assessment.

A meeting of the Utkal Mining and Industrial Association, Calcutta, passed a resolution, opposing the Government's reported move for State trading and mineral exploitation in Orissa. It urged the Government for immediate reconsideration of the decision in the interest of trade and commerce. Foreign and Indian firms having mining operations in Orissa attended the meeting, and Mr. S. C. Bose presided.

The Coal Mines Provident Fund Scheme, introduced in May, 1947, has a membership of about 3.2 lakh colliery workers. The total fund under the Scheme up to February, 1956, was about Rs. 5.5 crores.

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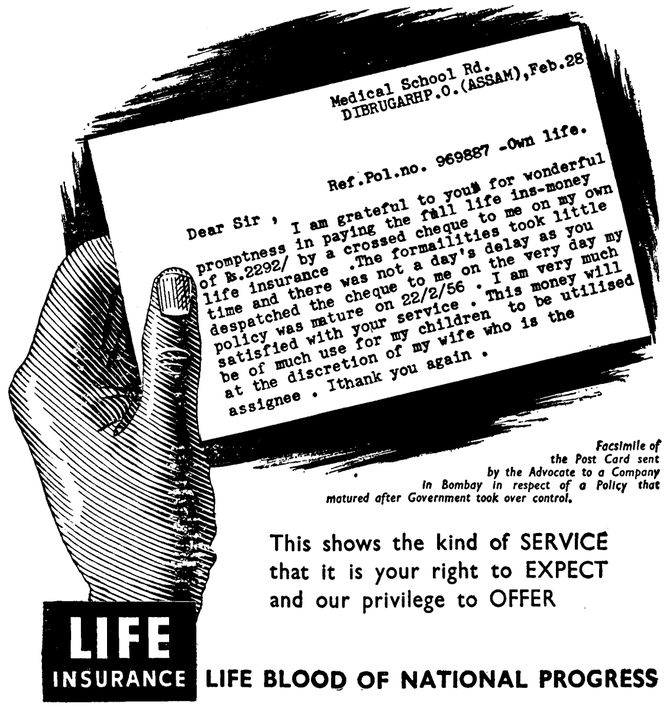

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STOCKS OF JUTE GOODS MOUNT UP

INCREASE IN LOOM CAPACITY NOT BEING ABSORBED

JUTE shares in Calcutta had some disquieting news from the Indian Jute Mills Association, with the announcement of a further substantial increase in stocks of jute goods. The stocks at the end of April 1956 amounted to 107,300 tons, representing a rise of 12,300 tons over those at the close of the previous month, thus maintaining the upward trend noted since October 1955. An increase in stocks was, in fact, anticipated, but it was never expected that it would be so large. For, as compared with the rise in stocks as at the end of March, namely, 5,200 tons, the increase in April is rather disquietingly larger. Further, the narrowing trend in the pace of monthly expansion in stocks noted in the previous two months has been reversed. What is more, with the aforesaid enlargement, the stocks at the close of last month have been brought to the highest level since September 1953, when they stood at 118,373 tons.

Another striking feature of the stocks as at the close of April 1956 is that they are 3,900 tons more than those at the end of the corresponding month of 1955, while those at the end of March disclosed no change over the year. It is true that usually the month of April witnesses accumulation of stocks to their peak level, but, at 107,300 tons, they are equivalent to about five weeks' production, while stocks amounting to three weeks' production are normally considered to be comfortable. This shows that the full effect of the unsealing of 7½ per cent. of the looms in February this year, which adds about 5,500 tons a month to the output, was more felt in April than in March, without any corresponding relief by way of an increase in despatches. One of the causes for this state of affairs is to be found in the recent strike in the dock which brought work to a standstill in the closing week of April.

The following comparative table shows the stocks of jute goods at the close of each of the last three months, as also those at the end of April 1955:

Jute Goods Stock

(In tons)

	As on			
	30-4-1956	31-3-1956	29-2-1956	30-4-1955
Hessian	35,900	30,300	28,200	39,000
Sacking	62,700	55,200	52,200	62,900
Others	8,700	9,500	9,000	1,500
Total ..	107,300	95,000	89,400	103,400

It will be noted that the rise in total stocks has been shared by both hessian and sacking, these accounting for 5,600 tons and 7,500 tons, respectively. It will also be noted that the expansion in either of these two classes of goods is very much more marked, particularly in the case of sackings, than that in the previous month. With the aforesaid rise, the stocks of hessians at the end of April this year have been brought to the highest since August 1955 and those of sackings to a record since April 1955.

It is significant that the increase in stocks at the end of April has occurred, notwithstanding a fall in production of jute goods during the month. The total output for April was 93,900 tons, a decline of 5,400 tons as compared with the previous month. With this decline, the upward trend in production noted during the previous two months has been reversed. As compared with April 1955, the output during the month under review is higher by 8,209 tons, but this is due to the fact that a year ago 12½ per cent. of the looms had remained sealed, while in April this year only 5 per cent. were kept idle. The fall in output is attributed partly to the fact that working during the month was interrupted by a number of holidays and that the month was shorter by a day.

The following comparative table shows the trend of production of the three principal varieties of jute goods during the past three months, as well as in April 1955:

Jute Goods Production

(In tons)

	April, 1956	March, 1956	February, 1956	April, 1955
Hessian	32,900	34,800	32,000	32,780
Sacking	55,000	57,800	54,700	49,335
Others	6,000	6,700	6,100	3,576
Total ..	93,900	99,300	92,800	85,691

The fall in output has been shared by all the varieties as will be seen from the above table. With the aforesaid output in April, the total quantity of goods manufactured by jute mills during the first ten months of the jute season, 1955-56 comes to 894,345 tons, as compared with 835,833 tons in the previous season.

The figures of despatches of jute goods during the month of April this year are not yet available, but the foregoing figures of stocks indicate that the upward trend in despatches experienced during the previous two months must have received a setback. It may be recalled that despatches had risen sizably from 72,900 tons in January this year to 80,000 tons in February and further to 92,800 tons in March. In this connection, reference may be made to a country-wise analysis of clearances of gunny bags and hessian and sacking cloth from Calcutta during the first three months of 1956 by Messrs. M. L. Seal & Co., Calcutta.

The aggregate number of bags shipped during the first quarter of this year amounted to 104.57 million, which represents a fall from 115.15 million sent out during the corresponding period of 1955, but compares very favourably with 87.02 million in the first quarter of 1954. Of these, Egypt and Levantine account for the largest quantity amounting to 12.27 million pieces, as compared with 18.44 million and 5.57 million in the corresponding periods of 1955 and 1954, respectively. Australia comes next with 11.74 million bags, as against 16.95 million taken up in the first quarter of 1955 and 11.01 million in the corresponding period of 1954. Among the other foreign consumers, Straits Settlements figure prominently with an offtake of 9.75 million bags, the shipments in the corresponding periods of 1955 and 1954 were 14.07 million and 5.48 million, respectively. East Africa took up 8.19 million bags (as against 7.90 million and 4.01 million). Shipments to South American countries have steadily risen from 5.67 million bags in the first three months of 1954 to 7.24 million bags in the corresponding period of 1955 and further to 8.64 million bags in that of 1956, while those to the European continent have declined from 17.33 million bags to 8.20 million and further to 5.11 million and those to the United Kingdom from 7.42 million to 6.57 million and further to 4.79 million.

Shipments of hessian cloth from Calcutta have maintained a downward trend from 351.49 million yards in the first quarter of 1954 to 341.27 million yards in the corresponding quarter of 1955 and still further to 325.46 million yards in the same period of 1956. Shipments of sacking cloth, however, show a slightly different trend. They have fallen to 5.51 million yards in the period under review from 8.01 million yards during the same period of 1955, to which level they had risen from 6.91 million yards in the first quarter of 1954.

The following table shows the trend of shipments of hessian and sacking to the main consuming centres during the first three months of the last three years:

(In million yards)

	Hessian			Sacking		
	In the first quarter of			In the first quarter of		
	1956	1955	1954	1956	1955	1954
U.K.	41.68	66.53	64.17	1.21	0.87	1.21
Continent	3.70	2.35	0.09	0.97	0.12	0.52
U.S.A.	183.80	198.16	176.52	1.24	2.09	0.68
Canada	33.61	32.81	24.47	0.06	0.05	..
S. America ..	29.18	8.40	50.06	0.21	0.18	0.93
Australia	11.44	9.64	0.46	0.73	0.57	0.59
New Zealand ..	2.06	2.05	1.86	..	..	..
Egypt and Levantine	5.58	4.07	3.05	0.71	3.42	0.98
Bombay	5.02	5.63	0.61	..	..	..
Madras	2.62	2.60	2.28	..	0.25	0.18

It will be noted that shipments to the U.S., the main consuming country of Indian gunny cloth, have considerably declined during the three months ended March 1956, although they are still well above those in the corresponding period of 1954. Shipments of hessian to the U.K. also show a drastic fall and they also lag very much behind those in the first quarter of 1954.

OUTLOOK FOR RUBBER

VAST SCOPE FOR INCREASED CONSUMPTION LARGE

THE draft second Five-year Plan does not give details of the target for rubber goods manufacturing industry, nor of the steps to be taken to expand the rubber production to meet the additional requirements of the industry which are expected to expand considerably during the Plan period. It is, however, clear that the indigenous output of natural rubber, which even now falls very much short of consumption, has to be expanded considerably or the requirements of rubber goods manufacturers have to be met otherwise, either by larger imports or production of synthetic rubber.

An idea of the additional requirements of the rubber goods manufacturing industry during the second Plan period can be had from the targets fixed for production of automobiles and bicycles. The output of automobiles is proposed to be raised from 23,000 units in 1955-56 to 57,000, an increase of 34,000 units or 147 per cent. The production of bicycles is to be doubled from 500,000 to 1,000,000. It is needless to add that the success of the whole second Five-year Plan depends on the provision of adequate transport facilities for the movement of goods. It is public knowledge now that railways alone will not be able to meet the growing transport requirements. The automobile industry will, therefore, be called upon to share the responsibility of providing transport facilities. The establishment of industries and improvement of economic condition in semi-urban, as well as rural, areas, will stimulate the demand for bicycles, the common man's popular vehicle. In addition to the automobile and cycle industries, which will call for more rubber tyres, tubes and other rubber accessories, there are other fields which will make an increased use of rubber. The vast industrial expansion, for instance, will increase the demand for conveyor and transmission belting, industrial vee belts, hoses, rubber insulated cables, etc. Under the Plan, the output of electric cables, for instance, is proposed to be raised from 9,000 tons to 15,000 tons. The anticipated increase in national income by 25 per cent. and *per capita* income by 18 per cent. will raise the general standard of life for the people and there will, therefore, be greater demand for rubber footwear.

Although the draft Plan does not provide an idea of the target for production of rubber goods, from the discussions which the representatives of the rubber manufacturing industry had with the Planning Commission in August 1955, it is gathered that the Commission was convinced that there was a case for building up additional capacity for the production of automobile tyres and tubes to 1.44 million each by 1960-61, as against the consumption of 834,000 tyres and 749,000 tubes in 1954, and a production of 9.7 million cycle tyres and 10.4 million tubes by 1960, as against the consumption in 1954 of 5.4 million and 5.6 million, respectively. It was also felt desirable to increase the capacity of footwear manufacture to 58 million pairs on a single-shift basis, in order to achieve a target of 50 million pairs of footwear by 1960.

With the aforesaid possibilities for expansion of rubber goods production, the problem of raw materials supplies, particularly rubber, has assumed great urgency and is naturally engaging the attention of the manufacturers and the Government alike. Indigenous production of natural rubber in 1955 amounted to 22,481 tons, an increase of 988 tons over the year, while consumption aggregated 27,543 tons, the highest ever recorded and 2,000 tons more than in 1954. The total deficit was 4,948 tons, which was made good to a large extent by the import of 3,839 tons. During the first three months of the current year, the output of raw rubber amounted to 4,338 tons, while the consumption aggregated 7,228 tons. The estimated deficit for the whole year will be more than 8,000 tons. The Planning Commission has estimated the raw rubber requirements of the country to reach 40,000 tons by 1960. The Rubber Board has already drawn up plans to replant 70,000 acres of rubber in India, but increased production is not expected to become available earlier than 1963 and the full benefit of the replanting scheme is not likely to be got for another ten years thereafter.

The problem is, therefore, one of finding a solution during the intervening period. The Government of India is alive to the situation and is exploring the possibility of setting up a synthetic rubber plant. The manufacture of synthetic rubber will, no doubt, be welcomed by the

(*Continued on page* 981)

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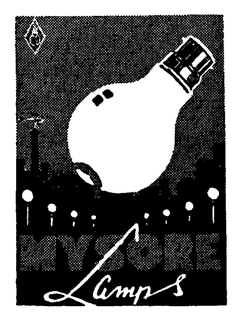

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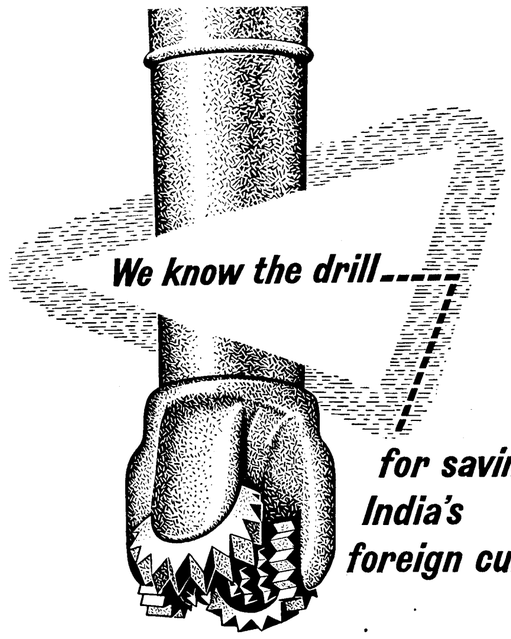

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ATOMIC RESEARCH IN BRITAIN

FUTURE HOLDS MOST EXCITING POSSIBILITIES

By K. E. B. Jay

FOR some years to come, Britain's Atomic Energy Research Establishment at Harwell, England, will be occupied mainly with the use of atomic energy for generating industrial power. Britain's demand for power is rising steadily year by year, but at the same time her indigenous coal, which has hitherto been her main source of power, is becoming so much harder to mine that it is unlikely that production of this traditional fuel can be increased sufficiently to supply the needs of the power industry.

The country thus has an immediate interest in nuclear fuel as an alternative. Early in 1955, the Government announced its plan to spend some £300,000,000 during the next ten years on nuclear-powered generating stations. By 1965, these stations would provide an installed generating capacity of 1,500-2,000 M.W., an amount which would otherwise require some 5,000,000 tons of coal. Definite plans have not been drawn up beyond 1965 but it is hoped that, by 1975, 40 per cent. of Britain's total power will be generated from nuclear fuel, with a saving of 40,000,000 tons of coal a year.

In Three Stages

The British programme is divided into three stages, of which the first two are to be completed between 1955 and 1965. In stage I, gas-cooled graphite-moderated reactors will be used, because these can burn natural uranium fuel. The reactors will be improved versions of those now being built at Calder Hall, in Northern England, designed primarily as power producers; they will, therefore, have a higher power output. It is expected that, as experience is gained in designing and operating this type of reactor, it will be possible to increase the output of the stations, in successive designs, from 100 M.W. to 200 M.W.

The main disadvantage of the gas-cooled reactor is that the amount of heat which can be extracted is low. For stage II of the programme, therefore, liquid-cooled reactors will probably be used. The most suitable type has yet to be decided upon. These reactors would require enriched fuel and could use for that purpose the plutonium produced in stage I reactors, in conjunction with natural uranium.

One possibility is the so-called pressurised-water reactor, in which ordinary water is used under pressure as moderator and also as coolant. A second possibility is a graphite-moderated reactor cooled by liquid sodium. Both these types are being studied.

Liquid Sodium

Liquid sodium is an efficient coolant and does not require the high pressures inevitable in water-cooled systems; much higher operating temperatures would be possible and hence greater efficiency in the steam cycle. There are, however, several difficulties; sodium becomes radioactive under pile irradiation; it is difficult to handle and burns in oxygen; it may enter the pores of graphite (and so increase neutron absorption), unless the graphite blocks are sheathed in zirconium. Nevertheless, the sodium-graphite reactor is a promising type. The Establishment has studied the general technique of handling liquid sodium and has developed components—heat exchanger, pumps, valves and so on—to work with it.

Stage III of the United Kingdom's nuclear power programme looks forward beyond the next ten years to so-called breeding reactors, which produce in the course of operation more secondary nuclear fuel than they consume of the primary fuel. With these, it should be possible ultimately to increase fuel utilisation to the point at which a ton of uranium will do the work of a million tons of coal. A prototype fast-fission power-breeder is being built at Dounreay, Scotland. The physics of fast-fission reactors have been studied at Harwell in the plutonium-fuelled Zephyr pile and recently another zero-energy fast reactor has begun operation. This reactor, which is called Zeus for zero-energy uranium system, is fuelled with highly-enriched uranium-235; it was built to obtain the detailed nuclear physics information needed for the Dounreay reactor.

Studies at the Establishment of the nuclear properties of uranium-233 and thorium suggest that it should be possible to make a breeder reactor operating in the thermal energy range by using the uranium-233/thorium fuel cycle. In particular, an aqueous homogeneous system of this sort seems very promising.

Primary Role

The role of the United Kingdom Atomic Energy Authority in the programme just outlined is to do fundamental research and to built prototype reactors; operation of nuclear power stations to generate electricity on a commercial basis will be the responsibility of the electricity authorities and new stations based on the Authority's prototypes will be built for these authorities by private industry.

Within the Atomic Energy Authority, the Establishment's primary role is to do long-term research and to act as a source of ideas for reactors and processes, while the Industrial Group does engineering design and construction of prototype reactors and power stations. It is the policy of the Establishment to build its fundamental research on as broad a basis as possible, for only thus can the unforeseeable demands of future technologies be met. Thus, we find work being done on cosmic rays, fission products, the chemistry of heavy elements (from polonium upwards), the effects of electron bombardment on ionic crystals, neutron diffraction as an aid to studying crystal structures, electrode reactions at metal surfaces, and many other topics.

There is also a large body of research whose results are important to fundamental science and to technical advance alike; examples include studies of surface chemistry and ion exchangers, measurements of nuclear cross-sections (which are made for all kinds of reactions in a great number of nuclides over a wide range of energies), studies of corrosion in metals and the mechanism by which it is caused, study of the deposition of aerosols and so on.

Finally, there is the work on reactors and their components, and on the other processes essential to a nuclear power industry—uranium extraction, fuel element treatment, gaseous diffusion, effluent treatment, and the like; though primarily technological, this research also yields its quota of fundamental data.

Teaching Industry

In addition to its research and design functions, the Authority, and the Establishment especially, has the important duty of teaching industry about nuclear power. Industry as a whole has had little opportunity to study the new technology, although a few firms have been able to get some experience through contracts for the Calder Hall station. Only the Authority has comprehensive knowledge of the subject and it is consequently required to disseminate scientific and technical information and train staff from the industrial firms and consulting engineers.

This is being done in various ways. A collaboration scheme with the Central Electricity Authority and industry has been organised and substantial numbers of engineers are engaged in it; in particular, four teams have been formed, each under the leadership of a major manufacturer of heavy electrical plant, to develop improved versions of the gas-cooled reactor and to consider other types.

At Harwell, a Reactor School was opened in 1954 in which engineers and scientists from industry and the Central Electricity Authority are given a three-month course on the principles of nuclear engineering and reactor design, with experimental work involving the use of Bepo. With the relaxation of security restrictions on reactor data, especially since the conference on the peaceful uses of atomic energy held in Geneva in the autumn of 1955, it has become possible to broaden the basis of admission and to open the school to students from all parts of the Commonwealth and from overseas countries.

Fruitful Line of Research

Reverting to the research programme, another problem, and a fruitful line of research, arises from the very large quantities of radioactive fission products that will be produced by a nuclear power industry. Hitherto, these have been looked upon as a nuisance, since they have to be stored for long periods of time, but it now seems that the radiation from them will find important uses. Large sources of thousands, or even millions, of curies would be required and could be made from caesium-137 or strontium-90 separated from the fission-product wastes from a chemical treatment plant.

The wastes remaining after this separation would contain only the shorter-lived fission products and could be concentrated and stored until the activity decayed to a low level; they could then be discharged to the sea or fixed on solid materials and buried. It has been estimated that the cost of storage will be small and will largely be offset by revenue from the sale of the separated isotopes. Another source of gamma radiation might be fuel elements immediately after removal from a reactor, during the so-called cooling period, that is the period during which their radioactivity is allowed to decay or "cool" to a level convenient for handling in the chemical separation.

Several applications of radiation have been studied in Britain and the U.S.A. Thus, it seems certain that pharmaceuticals and some medical supplies, for example, surgical sutures and hospital blankets, could safely be sterilised by exposure to radiation. It has also been shown that food can be sterilised in a similar manner, though it has yet to be demonstrated unequivocally that the process is safe. A difficulty with complete sterilisation is that it produces changes in the flavour of food. Surface sterilisation of foodstuffs —a kind of pasteurisation—is possible without changes in flavour and enables refrigerated foods to be kept for several times as long as would otherwise be possible.

Controlling Insect Pests

Very promising experiments have been made using radiation to control insect pests. Workers at Harwell and at the Forest Products Research Laboratory of Britain's Department of Scientific and Industrial Research, have shown that the life of beetles infesting wood can be shortened, and their ability to lay fertile eggs prevented, by doses of gamma radiation much smaller than those needed to kill the insects or their larvæ. By these means it may be possible to preserve historic timber or furniture. In the United States, screw-worm was eradicated in some large-scale experiments by liberating large numbers of males made infertile by irradiation. The parasitic disease trichinosis, transmitted by larvæ in pork, has been controlled by irradiating hog carcases; the female insect is sterilised and the disease cycle broken.

Another field for the large-scale exploitation of radiation effects is the chemical industry. Chain reactions offer the best hope of economical utilisation. Polymerisation reactions and the modification of polymers have been studied at Harwell and the principles underlying the effects have been elucidated; some of the modifications may have great technical value.

The initiation of chemical reactions by radiation is also promising; for example, gamma radiation may be used to promote vulcanisation in rubber, with the advantages over established methods that the process can be stopped at will and that the product has improved properties at high temperatures. These applications of radiation, and many others so far unexamined, open up the most exciting possibilities for the future. Some observers think that they may lead to technical and industrial developments as important economically as the development of nuclear power itself, but before these possibilities can be evaluated, the processes must be studied over a wide field. A technological irradiation group has been set up at Harwell to do this; it will use as radiation sources large cobalt-60 and caesium-137 units and "cooling" fuel elements. The Establishment is also working on the fundamental chemistry of the effects produced by all types of radiation.

The technological irradiation group will also study methods for irradiating plants to produce new mutants. Natural mutations are caused by radiation from radio-potassium contained in the soil and it has been shown that the natural mutation rate can be greatly increased by growing plants in a gamma-radiation flux. The group will make available more mutants for plant breeders and will develop prototype irradiation equipment for plant-breeding establishments.

In thinking of the future, it is, perhaps, inevitable that one should concentrate on research for power reactors and their allied plant and processes, to the neglect of the great, if less spectacular, programme of fundamental research in all branches of physical science and in engineering. It must suffice to remind the reader that these latter researches are being pursued with the same vigour as the work for nuclear power, in an atmosphere of enthusiasm and intellectual freedom.—*Exclusive to "Commerce."*

NEW PRODUCTS AND PROCESSES

Rapid Radar Switching System

A DISPLAY system which enables the tuning of the radar aerials from transmitting to receiving and *vice versa* to be carried out by a semi-skilled operator in about one minute, instead of the normal period of up to one hour's work by a skilled operator, has been developed at the laboratories of the General Electric Company, London. The equipment, developed by the G.E.C. Research Laboratories on behalf of the Admiralty, is now being used by Claude-General Neon lights, a subsidiary company of the G.E.C., in the production and testing of broad-band T.R. cells. The essential feature of the device is that the "bandpass" characteristics which enable this quick tuning to be undertaken are displayed automatically on a cathode ray tube screen and can be observed by the operator. An oscillator is mechanically tuned over about a 12 per cent. band of frequencies once every second, at a stabilised output. The reflected wave from the test object is then "identified" and, after detection, is then amplified to provide the vertical deflection displayed on the cathode ray tube screen, while the sweep of this "wave" is synchronised to a tuning unit.

Reversible Battery

A "Reversible" battery which is said to have a capacity of about 200 watt hours per pound weight of the battery, as against about 13 watts per hour capacity per pound weight of battery for a conventional lead battery, has, it is claimed, been developed in South Africa. The battery which is said to require no acid nor alkali, and to have a virtually indefinite life, is said to be based on the use of airtight "salt cells" and semi-permeable membranes. It is claimed that the battery is not only extremely light in weight, but that the system used can be adapted for the manufacture of both small "torch size" batteries and very large batteries capable of storing electricity from electric power stations in "off peak" periods. Provisional patents for the battery have, it is understood, been taken out by the inventor Mr. O. L. Krohl, of Port Elizabeth.

Measuring Minute Quantities of Moisture

It is often necessary in modern industry to measure the amount of moisture present in materials where only very small quantities of moisture are present. The presence of extremely small quantities of moisture in plastics, paper and packaging materials of other kinds, or in foodstuffs may, for example, be an important factor in either their further processing, their behaviour when in use, or their storage. An improved system for measuring accurately amounts of water in such materials when the moisture is present in quantities down to 0.000001 gram has been developed by Edwards High Vacuum, United Kingdom.

The operation of the apparatus depends on the use of a refrigerated ice trap in which the water vapour from the specimen is condensed in the form of ice while the sample of the material being examined is being vacuum pumped. This ice is then isolated from both the specimen, and from the vacuum pump, and the container holding the ice is withdrawn. The ice then re-evaporates and in so doing causes the pressure in the system to rise. The volume of this rise in pressure is directly related to the amount of water produced when the ice evaporates. As a result the change in the volume of the pressure in the apparatus can be measured by a pressure recording device and converted directly into grams of water present in the sample.

"Logarithmic" Herbicide Sprayer

An experimental spraying machine which applies herbicides and insecticides at gradually decreasing concentrations with mathematical precision has been designed by a British crop-protection firm. They call it the logarithmic sprayer. The sprayer's main tank contains only water, which must pass through a subsidiary tank containing concentrated solution before passing out through the nozzles. It is also possible to vary the rate at which concentration of the spray decreases. This means that comparison of the effects of solutions varying gradually from highly concentrated to very dilute can be made over plots of varying length. When the sprayer is used, a continuous graph of the effect of the chemical is produced in the plot itself. The line beyond which the crop is normal and the line this side of which weeds have been controlled are the margins within which—subject, of course, to weather, stage of growth, and the like—concentration of the chemical is assumed to be effective.

Pine Oil from Indian Turpentine

A new process for the production of synthetic pine oil has been developed at the Indian Agricultural Research Institute, New Delhi. Pine oil—a product of wood rosin and turpentine industry—is used in India as a wetting agent for textiles and as an ingredient of laundry detergents. It is also used as a solvent and thinner for protective coatings, as a degressing agent in leather manufacture, as a softener for rubber and as a constituent of disinfectants and in pharmaceuticals. India's requirements of pine oil—approximately 600 tons per annum—are met almost entirely from imports, mainly from hard currency areas. The synthetic substitute of pine oil is obtained now in India by reacting turpentine oil with a mixture of water and is of an inferior quality. The new process, developed at the Indian Agricultural Research Institute, produces pine oil as good in quality as the natural pine oil; some of its properties are even better than the natural product. The process is covered by the Indian Patent No. 48429 and is of particular interest to rosin and turpentine industry and to chemical manufacturers.

PENINSULAR AND ORIENTAL STEAM NAVIGATION COMPANY

STEADY PROGRESS IN A YEAR OF INFLATION

AT the One Hundred and Sixteenth Annual General Meeting of the Peninsular and Oriental Steam Navigation Company held on 9th May 1956 in London, Sir William Crawford Currie, G.B.E., Managing Director, presided, and said during the course of his speech, that:

"The result of the operations of the Group for 1955 had been a profit after taxation of £5.6 million, which was some £350,000 larger than for 1954. It must be added, however, that investment allowances had relieved taxation to the extent of over £800,000 and had the investment allowance not operated, the profits would have been some £300,000 less than they were last year.

"Every year since 1949 the dividend had been increased, and since, at 8 per cent. it still represented only some 1.3 per cent. tax-free on the capital employed in the business, they could hardly be reproached on national grounds if it were to be increased again this year." But, as he recalled "they had not made a larger profit this year than last, except by reason of the investment allowance. It had been right to make a transfer to reserve account, the more so now that depreciation was charged strictly on a 20-year life on first cost, which is not in itself sufficient to provide for replacement. Indeed, the retentions as a whole are comparable with what all prudent companies find desirable."

Turning to current conditions as a guide to dividend considerations, Sir William Currie said that costs continued to rise at the rate of 6 per cent. to 7 per cent. per annum—a rise which was extremely difficult to match in revenue. Tramp earnings continued to be remarkably good, and they were indeed fortunate in having a substantial tonnage of tramp shipping in the Group. Those of the Liner Companies operating in the East had some reason to expect better conditions generally than they had met in the past few years. The Australian trade, however—like the trade of the U.K. itself—was what at sea, they would call tender. It was lacking stability, and could fall off seriously under the impact of economic stress. Indeed so much of the Company's business was affected by the current economic stringency, that it would be very unwise not to expect a few jolts in the months ahead. Since the close of the Group's accounts, there had been two increases in the price of oil and an increase had recently been negotiated in the basic rate of wages of their sea-going staffs, which together in a full year for the P. & O. Company alone, quite apart from the rest of the Group, would increase the outgoings by £425,000. The loss to the Group resulting from the recent prolonged strike in Australia was estimated to be over £300,000. In these circumstances, the Directors regretted that they could not justify proposing an increased dividend this year. They hoped this decision would be accepted, as it had been made, as a mark of caution and certainly not as a sign of pessimism.

The phrase "flags of convenience" was much heard in shipping circles today. The flags in question were those of Liberia and Panama, and certain other countries which had no maritime reality, but which offered to shipowners virtual freedom from national taxation and national controls of any kind. When the next slump in shipping occurred, shipping companies, who bore in full their respective national responsibilities, would find it had to compete on price with those who could always undercut them by the whole cost of taxation, social services, and the like. This cloud was no longer the size of a man's hand. Flags of convenience now ranked third to the U.K. and the U.S. amongst tanker ownership in the world, and were becoming increasingly important in the dry cargo trade as well.

Nevertheless, this had become such a very serious matter for all British shipowners and shipowners of other established maritime nations that it could no longer be regarded lightly. The British shipping industry and the Government were already giving close attention to the matter, and the P. & O. Board would watch the position carefully.

During the past year six members of the P. & O. Board, including Sir William Currie, himself had visited one or more of the Company's trading areas and had, of course, included voyages on the Company's ships and visits to agents and their staffs. One General Manager visited Australia, New Zealand, and Ceylon. Another visited West Pakistan, East Pakistan, India and Ceylon and one of the senior members of the West End Passenger Office visited Japan, China, the Straits and India.

These visits, exacting though they were to the individuals concerned, were essential in a big organisation in keeping them in touch with their clients, with local atmospheres and with the thoughts and views of their people on the spot. From the angle of those who bear the heat and burden of the day, he was sure such visits did real good. In a changing Eastern world the pattern of life changed with it and the difficulties which confronted the Company's people abroad did not lessen as the months went by. The Chairman was glad to be able to report to stockholders that the interests of the Company were in good hands. In the various agencies they were encouraging the employment and promotion of the nationals of the country.

In the course of his tour of Hong Kong, Straits, India, Pakistan and Ceylon, the Chairman visited 22 of the Group's vessels and found all the commanders and officers and ship's people in good heart and very welcoming and the ships well cared for.

On behalf of the stockholders, as well as on behalf of the Board and himself, he expressed grateful thanks to all P. & O. people at sea, to all the Company's agents and to all P. & O. people ashore, for what they had done to keep the flag flying. The P. & O. Company's motto had been well chosen—*Quis nos separabit.*

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CHANGES EFFECTED IN LIFE CORPORATION BILL

SELECT COMMITTEE'S REPORT

SEVERAL notable changes have been made by the Select Committee to which the Insurance Corporation Bill was referred by Parliament. To one of these changes, namely, the alteration in compensation provisions in the Bill, we made a reference in the last two issues. But there are also a few other changes to which the attention of our readers needs to be invited. These include the provisions relating to foreign business, repatriation of assets of foreign insurers in India, composite insurers, employees of insurance companies and organisational matters.

The Life Insurance Corporation, as is well known, will have the exclusive monopoly of life business in this country. The Select Committee has made one exception. It has provided that the Central Government may permit any person to carry on life insurance business in India, in respect of the "lives of persons ordinarily resident outside India" subject to such restrictions and conditions as the Government may choose to impose on that person.

Foreign insurers working in India have contended that not all their assets in India were built out of the business transacted in this country and that they should be permitted to transfer that portion of their assets that does not relate to their business in this country. The Select Committee provides for consideration of this demand. Thus, section 35 states that any insurer incorporated outside India may, before the appointed day, make an application to the Central Government stating that, among the assets appertaining to the controlled business of the insurer, there are assets which should not be transferred to the Corporation. The Government will then determine the value of the assets of the insurer as on 31st December, 1955 and deduct therefrom the total amount of the liabilities of the insurer appertaining to his controlled business on that date. Any surplus assets will not be transferred to the Corporation.

In the original Bill, no special provision had been made for the composite insurance offices under the control of the Administrators. The Select Committee has now provided that the Administrators should, "as soon as may be practicable after the commencement of this Act," take steps to transfer the assets and liabilities appertaining to the controlled business of the insurer to the Corporation and vest the management of the affairs of the insurer in respect of any other kind of business, in the person entitled thereto.

The penal provisions under the Bill have been tightened further. Thus, the penalty for withholding property or assets from the Corporation has been increased from six months' imprisonment and/or Rs. 1,000 fine to one year's imprisonment and/or Rs. 1,000 fine. The original Bill provided that "where an insurer, whose controlled business has been transferred to and vested in the Corporation under the Act, at any time within two years before 19th January 1956" had entered into certain transactions without consideration or excessive consideration the Corporation would have the right to seek relief by referring the matter to the Tribunal. This period has now been increased to five years. Also, it has been provided that not only the Corporation but "any other person interested" may apply for relief to the Tribunal. The transactions which would be covered by this clause include those in which an insurer has (1) made any payment to any person without consideration, (2) sold or disposed of any property of the insurer without consideration or for an inadequate consideration, (3) acquired any property or rights for an excessive consideration, (4) entered into or carried out any agreement so as to require an excessive consideration, to be paid or given by the insurer, (5) entered into any other transaction of such an onerous nature as to cause a loss to, or impose a liability on, the insurer exceeding any benefit accruing to the insurer or (if a composite insurer) transferred any property from his life department to his general department without consideration or for inadequate consideration.

The Select Committee has provided not only for compensation to chief agents but also for the absorption of some of their staff. The compensation payable to chief agents will consist of 75 per cent. of the overriding commission specified in the contract relating to chief agency with the insurer on the renewal premiums received by the Corporation during a period of ten years from the appointed day in respect of the business procured by the chief agent before the appointed day; such compensation, after it is determined, will be paid annually over the ten-year period. The compensation payable to a special agent will consist of one-eighth of his annual earnings during the period 1st January 1952 to 31st December 1955 in the form of overriding commission in respect of business procured by him through insurance agents. Every whole-time salaried employee of a chief agent will be absorbed by the Corporation, provided (1) he was employed by the chief agent wholly or mainly in connection with the controlled business of the insurer, (2) his salary did not exceed Rs. 500 per month, (3) he had been employed under the chief agent for a continuous period of not less than three years immediately before the appointed day.

A notable feature of the Select Committee's amendment is that it defines the scope of the application of the Insurance Act, 1950, to the Corporation. Thus, it lays down what sections of the Act will apply to the Corporation. The sections which will apply to the Corporation are:

Section 2 (definitions under the Act); section 2B (appointment of controller); section 3 (registration of insurance companies); section 18 (furnishing of reports to controller); section 26 (alteration in statement supplied to the controller under section 3); section 33 (controller's powers of investigation into affairs of an insurer); section 38 (assignment and transfer of policies); section 39 (nomination by policyholders); section 41 (prohibition of rebates); section 45 (policy not to be called in question after two years); section 46 (application of the law in force in the States to policies issued in the States); section 47A (controller's powers to settle claims on policies not exceeding Rs. 2,000); section 50 (notice of options available to the assured in the lapsing of a policy); section 51 (supply of copies of proposals and medical reports to the policyholder); section 52 (prohibition of business on dividing principle); section 110A (delegation of powers and duties of controller); section 110B (signature of documents); section 110C (controller's powers to call for information); section 119 (inspection and supply of copies of documents); section 122 (application of transfer of Property Act to assignment and transfer of policies) and section 123 (repeal of Provident Insurance Societies Act and the previous Insurance Act).

The Central Government is empowered to apply the following sections of the Insurance Act, subject to such conditions and modifications as it may deem necessary:

Section 2D (the Act to apply to insurers so long as there are unsatisfied liabilities); section 10 (maintenance of separate accounts for each class of business); section 11 (preparation of accounts and balance-sheet); section 13 (triennial actuarial valuation of business); section 14 (maintenance of register of policies and register of claims); section 15 (submission of audited account); section 20 (custody and inspection of documents); section 21 (controller's powers to call for information); section 22 (controller's powers to order revaluation); section 23 (evidence of document); section 25 (submission of returns in statutory forms); sections 35 to 37 (amalgamation and transfer of insurance business); section 40 and 40A (prohibition of payment of reward for procuring business and limitation of expenditure on commission); section 43 (register of insurance agents); section 44 (prohibition of cessation of payment of commission); sections 102 to 106 (penalties for contravening different sections of the Act); sections 107 to 110 (institution of proceedings against an insurer); section 111 (service of notices on an insurer); section 113 (acquisition of surrender values by a policy); section 114 (power of Central Government to make rules) and section 116A (Central Government to publish summary of returns of insurers).

A significant omission is that sections 27 and 27A which hitherto governed the investment activities of the insurance companies will no longer govern the Corporation. In other words, the Corporation's investment policy will not be guided by any statutory obligations or restrictions. The Select Committee has, however, provided for the constitution of an investment committee for the purpose of "advising" the Corporation in matters relating to the investment of its funds. Thus the investment committee will consist of not more than seven members "of whom not less than three shall be members of the Corporation and the remaining members shall be persons (whether members of the Corporation or not) who have special knowledge and experience in financial matters, particularly matters relating to investment of funds.

The Corporation, it is further provided, may entrust the general superintendence and direction of its affairs and business to an executive committee, consisting of not more than five of its members; the executive committee "may exercise all powers and do all such acts and things as may be delegated to it by the Corporation." In matters of policy, the Corporation will be guided by the directions of the Government; the Select Committee has expressly provided that such directions should be in writing.

The Corporation, the Select Committee has further provided, may appoint one or more persons to be the managing director or directors of the corporation. Every managing director will be a whole-time officer of the Corporation and will exercise "such powers and perform such duties as may be entrusted or delegated to him by the executive committee or the Corporation." The Corporation may entrust the superintendence and direction of the affairs of a zonal office to a zonal manager. The original Bill provided for four zonal offices, Bombay, Calcutta, Delhi and Madras; the Select Committee has provided for an additional zonal office to be located in Kanpur.

At each zonal office, the Corporation will constitute an employees and agents' relations committee consisting of such number of persons as it thinks fit and every such committee will consist of the representative of the Corporation, the employees and agents. The number of representatives of the employees and agents on the committee will not, however, be less than the number of representatives of the Corporation. This committee will advise the zonal manager on matters which "relate to the welfare of the agents and the employees of the Corporation or which are likely to promote and secure amity and good relations between them and the Corporation." In other words, this provision is intended to facilitate participation of employees in management, albeit with limited function of safeguarding their employment and service conditions.

The provident and superannuation funds established by the insurers will vest in the Corporation which is empowered to constitute one or more trusts "having object as similar to the objects of the existing trusts as in the circumstances may be practicable." In cases where all the employees of an insurer do not become the employees of the Corporation, the moneys and other assets of the trust established by the insurer will be apportioned between the trustees of the fund and the Corporation in the prescribed manner; in the event of any dispute regarding such apportionment, the decision of the Central Government will be final.

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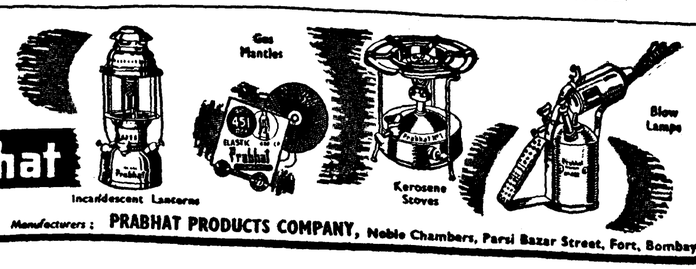

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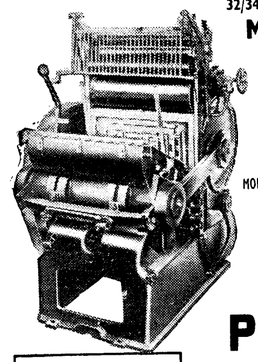

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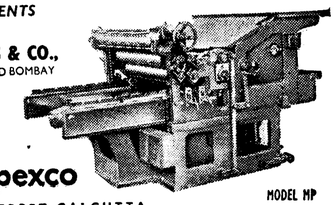

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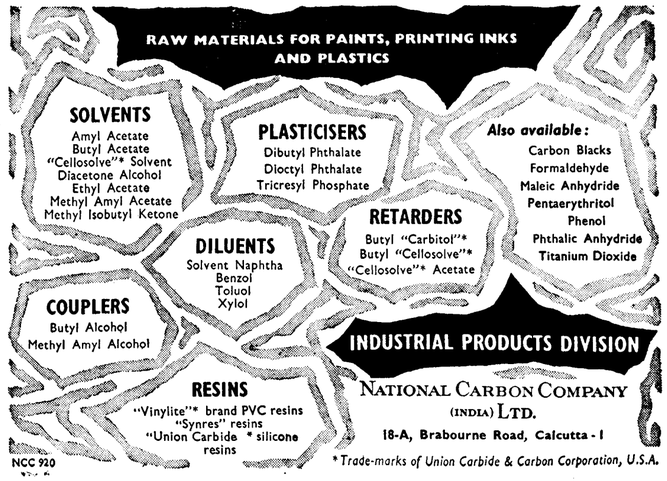

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THE RT. HON. VISCOUNT KNOLLYS' STATEMENT

MOVE TO UNDERWRITE ATOMIC RISK

THE prospect of the Employers' Liability Assurance Corporation Ltd. underwriting a new and important type of risk, namely, atomic risk, in common with other companies, is indicated by the Rt. Hon. Viscount Knollys, G.C.M.G., M.B.E., D.F.C., Chairman of the Corporation, in his statement to the shareholders accompanying the Directors' report and statement of accounts of the Corporation for the year ended 31st December 1955. He observes that there are bound to be problems in arranging these insurances in different countries, but the companies, he adds, will take all steps to see how they can be solved.

The following is the full text of Viscount Knollys' statement:

"This year the figures are again, for clarity, separated from my statement and appear by themselves under the heading of 'Record of the Year'. I can accordingly limit myself to calling your attention to the main facts and features of our year's trading and to our future prospects.

"The premiums of our group for 1955. at £32,073,826, showed an increase of £2,753,200, and the combined trading profit before tax was £1,807,294, compared with £2,312,049 in 1954. This reduction was more than accounted for by the less favourable underwriting experience. One feature of our profit and loss account is the heavy charge for taxation. This is mainly the effect of a variance between our method of calculating the necessary addition to our provision for unexpired risks on long-term business and that which we have to accept for the purpose of computing our liability to tax.

Fire and Accident

"As many of you are aware, the results of our United States branch have, as a rule, a paramount influence on the total and the difference between our profit in 1954 and that in 1955 was attributable to this branch, since it was that most of our exceptional profit was earned in 1954. For 1955, in the broadest analysis, there was a profit in the United States on the accident classes in total, but a loss on the fire account.

"It is, in fact, solely due to the experience on our United States fire business, including that of our subsidiary company, the Halifax of Massachusetts, that (as you may see from the revenue accounts) the Corporation's total fire account shows only a slender profit and the consolidated fire account shows a loss. This result must, however, be considered in conjunction with the increase in fire premiums. The total has grown—I am talking of the consolidated figures—from £2,590,511 in 1953 to £3,193,872 in 1954 and £3,997,802 in 1955. Our policy has been, and still is, to expand our fire business where and when we can in order to achieve a better proportion between our fire and accident accounts, and it is in the United States that we have a specially favourable opportunity for doing so now. At the rate at which we have recently been adding to our fire business there, the increasing provision required for unexpired risks, which is at present as high as 75 per cent. of the past year's premiums, has created a charge against earnings year by year sufficient in itself to bring about a book loss on the account. I should, I think, make it quite clear now that we intend to continue to expand as vigorously as sound underwriting permits, for properly selected fire business is a reliable source of profit in the long run. Accordingly, this process of increasing the provision will have to go on, with its inevitable effect on the results of our United States fire account for the time being.

"Motor business, of which nearly all our branches and agencies write more than they do of any other class, was good in the United States and in many other overseas territories, but rather disappointing in Canada and Australia. Our home motor account was again unprofitable. Some of our rates here were, as you will recall, increased last December, and so we have started 1956 with better prospects. I should, however, remind you, in connection with the rate increases, that the number of accidents, for all the measures taken for their prevention, has never yet failed to grow roughly in proportion to the number of cars using the roads. As this is so, and as the cost of the claims which we have had to meet has, under an inflationary economy, steadily risen, motor rates have long been due to go up like other prices. In fact, only by controlling expenses, though these also have been subject to inflationary pressure, have we been able to put off the inevitable increase so long.

"Turning to workmen's compensation, I have to report a loss on this class in the United States following a particularly good experience in 1954. It is there that we now obtain most of our premiums in this class of business, seeing that, as I told you last year, in many other territories we are, because of State action, no longer able to write it. The deterioration should be only temporary, for we have a well-selected and well-managed portfolio of business, and I believe that, given adequate rates of premium, we shall show a profit on it in future years as we have in the past.

Miscellaneous Classes

"Miscellaneous classes have again, as so often before, done quite well for us, and I do not think that there is anything of note for me to tell you about the experience of any of them last year. To sum up, the accident account has shown a fair profit on most lines in most territories, in spite of a poor workmen's compensation year.

"I should like to take the opportunity here to pay my tribute to our home branches, which, but for the small loss on the motor account discussed above, have had a particularly satisfactory year. They have produced a good profit and also a further good rate of expansion of business.

"Now let me call your attention to a development in prospect. There is a new and important type of risk which we, in common with other companies, expect to be called upon to underwrite. This is the cover required in connection with what I may call atomic risks of all types. In particular, the public liability insurance required for those nuclear reactors, for which private enterprise is responsible, is likely to test to the full the capacity of the available markets. As you can imagine there are bound to be problems in arranging these insurances in different countries but, whatever they are, the companies will take all steps to see how they can be solved.

Life, Marine and Aviation

"The first two of these classes are in the hands of our associated offices, the Clerical, Medical and General Life Assurance Society and the Merchants Marine Insurance Company, Ltd., while a good part of our interest in aviation insurance consists of our holding of shares in the Aviation and General Insurance Company, Ltd.

"The Clerical, Medical and General's investment policy is quite distinct from that of the Corporation, since it relates to life assurance funds, involving long-term contracts. By investment of an appreciable part of those funds in carefully-selected equities, the Society has secured a satisfactory increase in the yield. Further, a conservative valuation of its assets in the balance-sheet leaves the Society with a substantial margin of market values over balance-sheet values, as a protection against any further depreciation.

Society's Quinquennial Valuation

"The Society has recently announced the result of its quinquennial valuation as at 31st December 1955. The liabilities were valued, as usual, on an exceptionally stringent basis, and a record surplus of £2,612,000 was shown. The Society is to be congratulated on this fine achievement. The divisible surplus is £2,390,000, of which one-tenth comes to the Corporation, as owners of all the shares. This will be brought into our accounts over the next five years. The unappropriated surplus of £222,000 has been carried forward in the Fund.

"The Budget proposals dealing with present arrangements for self-employed persons and changes in the taxation of annuities would remove certain long-standing anomalies, which is all to the good. It will, however, be many years before any benefit can accrue to the Corporation from the increased annuity business that the Society is likely to write as a result of these welcome reforms.

"For the Merchants Marine I am glad to report a further growth in business, both in the marine and in the fire, accident and general accounts. The increase in marine premiums was due entirely to the further development of overseas business, which has always been profitable. The Company has had to bear in mind the continued uncertainty of the market and the consequent need to keep its marine fund strong. This fund now amounts to £654,219, or 148 per cent. of premium income, and should be adequate to meet all calls upon it.

"Conditions in the aviation market have been affected for some time by growing competition, which is now intense enough to make successful underwriting much more difficult than it was in the days of a less crowded market. The Aviation and General, however, again produced an underwriting profit last year.

Investments

"The amount by which the market value of the Corporation's investments at the end of last year exceeded their book values was even higher than the similar appreciation at the end of 1954, which had so far been the record. This was in spite of some depreciation in value of our Government securities, but fortunately our United States and Canadian Government bonds, which amount to nearly 90 per cent. of the total, suffered a much smaller fall than that in British Government stocks.

"There has been no change in the general make-up of our portfolio of investments during 1955, nor during the early months of 1956, except that we have steadily increased our holdings of long-term high grade debentures in the United States.

"What is perhaps of some special interest at present is our policy with regard to ordinary stocks. Though our holdings of these are a comparatively small part of our total investments, there is a large appreciation on them, and particularly on those in the United States and Canada. Some prophets in this country and elsewhere foresee a slump in North America in or before this autumn, and a slump there would have repercussions in this country and over much of the world. It would be impossible for me to discuss here the arguments for and against this forecast. It is my view, however, that the fundamental robustness of both Canada and the United States, and the degree of knowledge and skill used in the management of their national economies, make it reasonable to anticipate that, if there is a recession, it will not be of disastrous proportions.

"It is not in any case our policy to buy and sell ordinary stocks for quick profits. Those that we own at present have been chosen as 'growth stocks' to be kept for a period of years and are accordingly the stocks of well-managed businesses in the leading industries of the countries concerned. The lists are kept constantly under review by ourselves and by our various committees, and, with whatever improvements it may from time to time be decided to make, these investments afford us the means of participating in the growing prosperity which countries with expanding economies have been enjoying and are likely to continue to enjoy.

"As an example of the rate of the development that has taken place since the war, may I give you a few figures which illustrate the degree of progress made by Canada and the United States. They are in the form of the approximate percentage increases of 1955 over 1946:

	Canada. Per cent.	*U.S.A.* Per cent.
Population	27	17
Gross national product ...	121	85
Imports	146	134
Exports	88	59
Industrial production index	55	54

"It appears to me that most of the conditions that have brought about this expansion still exist and may be expected to produce results similar, if not quite as striking, over the next decade.

General

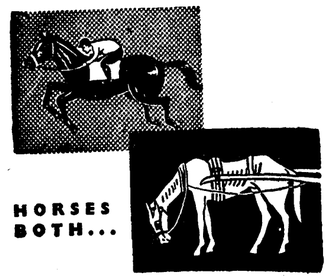
"It is a pleasure for me to be able to tell you that the Hon. Brooke Claxton, D.C.M., Q.C., LL.D., who was Minister of National Health and Welfare in the Canadian Government in 1944 and Minister of National Defence from 1946 to 1954, was appointed a Local Advisory Director of the Corporation in Canada on 1st January of this year. Mr. Claxton is Vice-President-General Manager of the Metropolitan Life Insurance Company of New York, and is in charge of that Company's Canadian business. He is also a Director of the Montreal Trust Company, and his wide experience of legal, financial and public affairs will be very valuable indeed to our Canada branch. There have been no appointments besides this to our various committees abroad since my last statement.

"I have during the past twelve months made two journeys abroad. The latest of them, in March this year, took me to Australia, where you find a prosperous and developing country suffering from problems of inflation and balance of payments deficits similar to our own—and trying to correct them by somewhat the same methods. I am pleased to say that our business there is growing with the impressive growth of the country itself. I returned by way of the U.S.A., where I took the opportunity of discussing our Branch's affairs with Mr. E. A. Larner, our United States General Manager and Attorney. Not long before that I had visited Southern Rhodesia and South Africa, and I was particularly glad to see the satisfactory progress made by our recently formed branch in the Federation of Rhodesia and Nyasaland, where such interesting and promising developments have been taking place.

General Manager's Visits

"Mr. Keysell, our General Manager, was in the United States and Canada last autumn, and Mr. Crocker, our Assistant General Manager, visited our Australia Branch in February this year. Other officials have paid visits during the year to the Middle East and Southern Asia, and you may be interested to know that, as a result of one of them, we are now represented by an agency in the Sheikhdom of Kuwait.

"In conclusion, I would like to express our appreciation of the good service of all our officials, managers, staff and agents, who have been looking after our affairs so well under the guidance of Mr. Keysell. I know how much they put into solving the problems with which they are confronted, and how varied and often difficult these problems are. Let me, as I am sure I may, wish them on your behalf their fair share of good fortune in this and future years."



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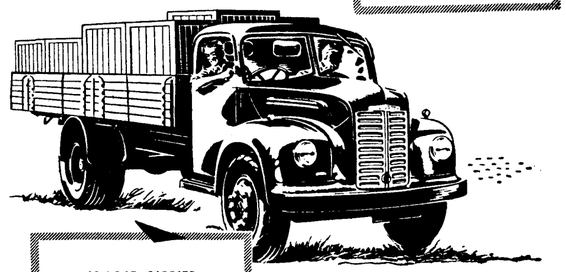

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WORKING OF LOCAL BODIES

HOW THE SYSTEM FUNCTIONS IN BRITAIN

By Rt. Hon'ble Malcolm Macdonald

[A public forum on "The working of local bodies" was organised by the Delhi Municipal Committee recently. It was inaugurated by the Rt. Hon'ble Malcolm Macdonald, High Commissioner for the U.K. in India. Reproduced on this page is his address on the occasion. In this simple address, he effectively shows how the local bodies in Britain function and what contribution they make for the preservation of democracy. It deserves to be read by all those who believe in this way of life.—ED.]

YOU are interested in the problems of local government. As good democrats, you could not be concerned with a more vital matter. No *national* democracy can be sound, unless it is supported by *local* democracy. At least, that is our opinion in Britain. I cannot say whether our experience in that most mature democracy in the West applies in all respects to India, the greatest democracy in the East. But I expect there are certain parallels. However, I should perhaps emphasise that the views which I am going to express flow from our experiences in Britain. It is not for me, but for you, to judge whether they are relevant to your problems in India.

Let me tell you why we attach such tremendous importance to the existence of thousands of popular local authorities in Britain. As I have suggested, national self-government would be incomplete, it would be crippled, without local self-government. It is not enough for a free people to go to the polls and elect a national parliament; they must also go to the polls and elect innumerable local councils. It is true that the supreme legislature makes all the nation's laws, and that those laws determine all the most important, broad conditions of life for the population. But the national laws have to be administered in countless localities throughout the country. The practical conduct of policy in many vital matters is left entirely to the local authorities. So the manner in which the law on them is interpreted depends largely on the character of the local authorities.

Functions

Let me mention some of the important matters on which administration in Britain is left wholly or largely to the local government bodies. They include:

The building of the houses in which most of the people live.

The upkeep of roads, which enable the population to travel and communicate together.

The provision of drainage, sewerage, street cleansing, refuse collection, water-supplies and similar services, which make life clean and comfortable.

The management of police forces, fire brigades and other organisations, which make life orderly and safe.

The running of maternity and child welfare units, clinics, hospitals and other medical services, which make life healthy.

The building and management of schools and training centres, which make life intellectually enlightened.

The organisation of playing fields, public parks, libraries, museums and art galleries, which make life enjoyable and inspiring.

Those are a few of the many vital matters for the administration of which the local authorities in Britain are responsible. If petty autocrats ruled in the localities, they might misinterpret or maladminister the national policies designed by the people's representatives in the central Parliament. Quite unintentionally, local officials might commit that error. Government officials are usually admirably able administrators, but occasionally, in Britain at least, they do not possess the bounteous understanding and sympathy required to adapt national laws to varying local circumstances. With the best will in the world, bureaucrats can make mistakes. If the local inhabitants had no redress against such maladministration by local officials, then an undemocratic situation would arise. The most effective insurance against that is to have popularly elected councils in every area, so that the experience and opinions of the ordinary citizens themselves influence local policy, and administration everywhere is responsive to their will. That is why our supreme Parliament in Britain is supplemented by thousands of subordinate elected local councils. Let me indicate the extent of the system. In England and Wales there are:

1 city corporation.
61 county councils.
28 metropolitan borough councils.
83 county borough councils.
309 non-county borough councils.
571 urban district councils.
476 rural district councils.
7,000 parish councils.
4,100 parish meetings.

In Scotland and Northern Ireland there are additional thousands of their counterparts arranged on a slightly different pattern. Some of these bodies are much larger and busier than the national parliaments in many sovereign States. For example, the London County Council has 150 members, its committees meet every week-day during about three-quarters of the year, and its budget amounts to more than one hundred million pounds. It receives officially all sorts of foreign dignitaries, giving, for instance, Marshal Bulganin and Mr. Khrushchev a vociferous welcome the other evening. Its colleague in the administration of London—the ancient, traditional and wealthy Corporation of the City of London—is famous for its ceremonial and liberality. A few weeks hence, it will pay its highest honours to Mr. Nehru when it confers upon him the coveted Freedom of the City of London.

Status

All these local bodies are, of course, subordinate to Parliament, and exercise their functions within statutes laid down by Parliament. But in their own wide spheres they are autonomous. There are many good reasons why this system of local self-government has been developed in our island to the utmost possible extent. As I have already shown, local administration is the part of government which touches most closely the everyday life of the people. The provision of such elementary needs as decent houses, pure water-supplies, proper sanitation, adequate roads and many other services to safeguard and promote the public well-being depend largely on the local authorities doing their jobs well. If they neglect their duty, the population immediately suffers. So if one believes in democracy at all—in the principle that the people should have a large say in the management of their own affairs—then it is at least as important that they should have control over these smaller, very practical matters which affect, for good or ill, their daily lives as that they should exert an influence on the Government's grander and remoter policies in national and international affairs.

From the constant, active concern of millions of ordinary, humble citizens with these local affairs spring other advantages. For example, their participation in the management of small village or town affairs trains them to understand better the significance of larger county and city affairs, and then of the largest national and international affairs. It is rather analogous to the case of childern who start in the bottom class of a school and learn there the simpler lessons which enable them afterwards to pass through a succession of higher classes, until the best of them graduate to colleges and universities. Practical experience in local politics is the best of all educations for taking a hand in national politics. I think it is true to say that the shrewd wisdom which the 34,000,000 British voters generally display in their dealings with national problems has been learnt by generations of coping through local elections to local councils with local problems.

Contribution to Democracy

That aspect of the situation produces another excellent result. It is not only the ordinary electors who learn to become shrewd judges on public questions from playing their parts in local elections. The men and women who get elected to local bodies learn even more. In their frequent council and committee meetings, they gradually acquire a professional knowledge of public affairs. They become steadily better trained, more practised leaders. The councils are, so to speak, the schools and colleges in which they learn the art of government. Afterwards, many of them stand successfully for membership of the more important central Parliament. Local government is, in fact, an invaluable training ground for national statesmen. Many of our finest leaders in Britain in modern times—famous Prime Ministers and Secretaries of State and other Ministers—began their public careers as comparatively obscure village or town councillors. Lord Attlee, for instance, the Prime Minister who has played such a fruitful part in recent Indian as well as British history, served his apprenticeship as a member of the Stepney Borough Council in the East End of London.

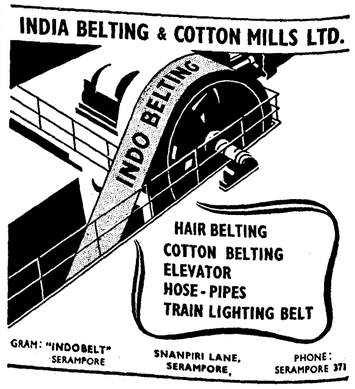
Struggle of Politics

The struggle of politics is usually one in which only the fittest survive. It is right that the men who are to bear the highest responsibilities of leadership should have to pass that test, that they should be compelled to prove themselves in the rough-and-tumble of that contest. In the process, their qualities are developing, are being strengthened and matured—like steel being tempered in fire. For many of them immersion in the conflicts of local politics is an essential part of the process.

A great democracy needs many leaders—leaders in regional affairs and in national affairs, leaders of various parties, leaders in all kinds of government activities. A few men are born leaders, but most leaders have to be made. So, in the national scheme of things, there must be provision for the competent training of hundreds of leaders. In democratic Britain, a nation-wide system of local self-government is one of the principal means of giving them their education.

So that system plays a large part in teaching both the electors and the elected, the followers and the leaders their democratic duties. It is a very ancient system in Britain. The beginnings of local self-government in England can be traced back to Saxon times. Many of the bodies then governing independently were the direct ancestors of our present-day local government councils. The system lies at the very root of British democracy. From those local roots has grown a mighty tree of liberal government which has survived many political storms and will continue to protect the liberties of the British nation in fair weather and foul.

So, long live local government in Britain and in India!



OBJECTIVES OF THE SECOND PLAN

MR. G. D. SOMANI'S ANALYSIS

[In the course of his presidential address at the annual session of the All-India Organisation of Industrial Employers, held on 4th May 1956, at New Delhi, Mr. G. D. Somani made some notable observations on the objectives of the second Five-year Plan. It is to be hoped that the relevant extract from Mr. Somani's address, given below, will be read with interest.—ED.]

THE successful implementation of the second Plan revolves round certain physical and psychological factors. No doubt the objectives of the Plan themselves, namely, increase in national income, rapid industrialisation, expansion of employment, and reduction in inequalities of income and wealth are unexceptionable. There is bound to be difference of opinion in regard to the assessment of our resources, physical and financial, and the means and techniques to be employed for mobilising these resources. This assessment is based as much on experience as on economic *mores*. The Federation of Indian Chambers of Commerce and Industry has recently submitted a memorandum on the Draft Outline of the second Plan with which I am in full agreement. Here are some salient points: in the first Plan investment in the public and private sectors was distributed roughly in the proportion of 50 : 50, while in the second Plan the proportion is 62 : 38. Relatively and absolutely the expenditure to be incurred by the public sector during the second Plan will be greater than during the first. While the proposed volume of investment by the public sector will be much larger, it will remain at the same level in the private sector as was actually attained during the first Plan. I am not against stepping up expenditure in the public sector, but there are on the resources plane a few imbalances—transport, foreign exchange, technical personnel, paucity of funds for the private sector, and inadequate flow of consumer goods which may upset the successful execution of the Plan. Each of these has to be set right and I have no doubt that it is possible to do so. Equally important, if not more important, is the psychological front. It is here that the atmosphere is clouded.

In certain influential quarters private enterprise has become an epithet of reproach. Indeed, this is unfortunate. I appreciate the need for developing the country rapidly in order to realise what was called a year ago "the socialistic pattern of society" and now "the socialist pattern" or "the socialist structure." But the essence of the new society, by whatever name it is called, I submit, is to improve the general standard of living of the people. If that be so, would it not be better if the matter of expansion of the public sector is viewed not as an end but as a means? It is necessary first to see as to whether the end in view, namely, an improvement in the standard of living of the people and widening the horizon of opportunity, cannot be secured through tried and proved means, by fashioning and moulding these means to suit our particular requirements and the general social objective. I wish the new Industrial Policy was formulated in this context. I, for one, would admit that in a country, like India, at the present time the State has a purposive role to play in economic affairs, but this role should not be equated or identified with the expansion of the public sector only. It should be much more purposive in the sense that, within the framework of social objective, constructive individual effort is helped and an atmosphere is created for the flow of new talent.

The controversy between the public and private sectors as to which is superior is like the controversy as to whether man or woman is superior. What John Ruskin said apropos of the 'battle of sexes' is true of the controversy over sectors. He said: "We are foolish, and without excuse foolish, in speaking of the 'superiority' of one sex to the other, as if they could be compared in similar things. Each has what the other has not: each completes the other and is completed by the other: they are in nothing alike and the happiness and perfection of both depends on each asking and receiving from the other what the other only can give." Much of the talk that one hears today about and against the private sector is hardly helpful. In no country in the world today there prevails the system of unfettered individual enterprise. The much discredited capitalism cannot be defined, even as socialism cannot be. In a technical sense, capitalism means the use of the so-called 'roundabout' or 'time-using' methods of production. Thus production beyond the most primitive type is capitalist wherever it obtains in any part of the world with any political system. The fact of the matter is that today every national economy is a mixed economy in varying proportions.

The view that "economy is best served if Government does nothing" has come to be countered by the theory that the "economy is best served if Government does everything." This indeed is a swing of the pendulum and it is a dangerous theory in a nascent democracy like ours. There is a probability of the State spreading its activities even when its intervention in the economic field is limited to basic industries. The Government proposes to arrange to supply to the steel plants in the public sector principal raw materials such as iron ore, coal, limestone and dolomite from Government sources. The mines will be designed and worked by the Government. It is proposed to set up at each of the steel works facilities for the distillation of the by-products to obtain chemicals for a number of industries, such as dyestuffs, paints, medicines, antiseptics, etc. Another offshoot of the steel plants, I understand, will be the setting up of central workshops with adequate capacity for forging, casting, gear cutting, etc. Now all this may be explained in terms of economics of vertical integration. The process does not stop here but may well extend to trading. The point is that, for one reason or another, the State will either deliberately extend its activities or willy-nilly be forced to do so, the result being the same—the denial of opportunities to individuals and the creation of a Leviathan no less formidable because imbued with social purpose. If the Leviathan errs, as it well may, who will correct it? If the salt lose its flavour, wherewith shall it be salted?

The solution lies not in the two extreme alternatives of the State doing nothing or everything but in the endless possible variations of the mixtures of private and public sectors, in governmental assistance and encouragement on the one hand and governmental regulation and control on the other. I submit, that economic philosophy has to be evolved as much in the market place as in Parliament and universities. Academic speculations must be integrated with the practical reflections of business men and *vice versa*. It will be seen that the final purpose of business activity is not, as is generally supposed to be, the accumulation of wealth for its own sake as distinct from its social functions. The motive for enterprise within a given social setting has to be investigated and surprising results will be got. Proponents of time-honoured economic concepts either praise or condemn the working of private enterprise by examining it in terms of economic laws only, like supply and demand, theory of diminishing returns, ideas of money measured self-interest—in short, in terms of factors that are not only strictly economic but also quantitatively calculable. The larger the corporation or the company, the more active it is in matters far removed from profit-making. An inductive study of the growth and behaviour of some 50 large corporations in America, selected for pre-eminence in the various fields, a study carried on over four years, has thrown up some interesting facts. General Motors now make charitable grants of $4.5 million to higher education. Westinghouse Electric makes atomic reactors for the Government at nominal profit. These instances can be multiplied and also drawn from our own country. I have, however, referred to America because of the common notion that in that land of private enterprise there are only possessors and pursuers of wealth for private gain.

The economic philosophy which has to be evolved must not be based on erroneous conceptions and preconceived ideas. Those engaged in industry and trade are of the people and with the people. Their activity if it is not marked with extraordinary self-denial is also not motivated by unmitigated selfishness. The business man in India is no better or worse than any other citizen pursuing a different vocation. May we direct our energies to the formulation and implementation of a coherent economic philosophy matching the urgency of the country's needs instead of in mutual recrimination and bickering? It is in this perspective that I would urge upon all those who are associated with public affairs to formulate their views.

The company law of no other country, to my knowledge, contains so many restrictions and checks in regard to various matters pertaining to company formation and management. I may particularly refer to the new concept of associate and the definitions of the terms 'associate' and 'relative.' Their ramifications and potentialities for creating difficulties and hardships for individuals and companies have not been adequately realised. This is not conducive to the development of small and medium-sized enterprises.

The growth of existing industries and business and the establishment of new ones are becoming difficult for lack of funds, among other things. The high rates of taxation do not leave enough funds in the hands of the individual, and the company profits, whether distributed or not, are also coming to be taxed. Inter-company investments are prohibited. With the nationalisation of insurance, the private sector has lost an important source of funds. The only major sources of finance left for the private sector are the Industrial Finance Corporation, the State Corporations and similar authorities. I feel that if the private sector is to perform the task assigned to it in the second Plan, Government must give immediate consideration to the vital question of permitting it to have adequate funds and further providing it with funds on easy terms. In no case should inadequacy of funds in the hands of the private sector be made an argument for extension of the public sector. It will be a curious situation if the very hurdles created by legislation are advanced as reasons for extension of the public sector, I should like to reiterate that the Government must give urgent consideration to the whole matter of removing impediments to the growth of business of all sizes, big, medium and small. Both on political and economic grounds, I attach great importance to the spread of business and to the provision of opportunities for new entrants coming into it.

It will be appreciated that the steel produced has to be consumed by fabricating industries and eventually by the individual consumer in some form or the other. Therefore, it is essential to ensure along with the enlargement of capacity of the iron and steel industry an expansion of the fabricating capacity and of purchasing power in the hands of the people. A prerequisite of economic development is giving the people improved tools to work with. Economically, there is not too obscure a meaning in the ancient saying that to him that has shall be given and from him who has not shall be taken away even what he has. It means that only if we augment our capital equipment and constantly improve upon its design and performance, would it be possible to accumulate further wealth for the community as a whole.

EMPLOYERS' LIABILITY ASSURANCE CORPN.

BUSINESS EXPANDS

THE results of the Employers' Liability Assurance Corporation Ltd. (General Manager: Mr. C. E. Keysell, M.B.E., London) for the year ended 31st December 1955 discloses that the past year shows a mixed trend. There has been an expansion in the fire, accident and general businesses, while the underwriting profit has suffered a sharp recession, consequent on the substantial rise in claims. The expansion in business referred to is indicated in the rise in premium income (less reinsurances), the fire premiums recording a marked rise from £2.80 million to £3.30 million, an increase of about 18 per cent. over the year, and the accident and general premium rising from £23.22 million to a record level of £24.59 million. Thus, the premium incomes from both the departments have maintained their upward trend noted in the previous several years. The underwriting profit in fire business, which had dwindled from £119,266 to £1,778 in the previous year, has improved to £25,763 in 1955; such profit in the accident and general business has, on the other hand, dropped from £1,579,230 to £937,267.

The setback in the underwriting profit of the accident and general business has brought down the Corporation's aggregate profit for 1955 from £1,581,008 to £963,030, which is, however, slightly better than that of £915,828 earned in 1953. This is supplemented by the Corporation's share of £55,223 (as against £55,815 in 1954) in the life profit of the Clerical, Medical and General Life Assurance Society, an associate office of the Corporation, and the interest earned on investments amounting to £1,120,248, as against £1,004,003 in the previous year. After providing more—£378,516, as against £351,466—for staff pensions and expenses not charged to other accounts, the trading profit available is £1,759,985, which represents a fall of £529,375 from the previous year's record level of £2,289,360. Out of the above profit, the Directors have set aside £1,142,923 (as compared with £1,246,620 in the previous year) for U.K. taxation, leaving a net profit of £617,062, which shows a drop of £425,678 over the year. This decline in profit has, to a large extent, been made good by the larger surplus of £1,167,095 (as compared with £882,422) brought in from 1954, so that the distributable profit amounting to £1,784,157, as compared with £1,925,162 for 1954, is only slightly lower. The Directors have not set aside anything to the general reserve, which had received £324,317 last year. The allocation to the contingencies account has been maintained at £150,000. The interim dividend paid in November 1955 at 1s. 6d. per share (less tax) had taken up £86,250 and the final one to be paid at 3s. 6d. per share (less tax), making 5s. per share (less tax) for the year—same as for 1954—requires £201,250, leaving to be carried forward £1,346,657.

The following comparative table shows the progress in the Corporation's underwriting results during the past three years:

(In 000 £'s sterling)

	For the year ended 31st December			
	1955	1954	1953	1952
FIRE				
Provision for unexpired risks at the beginning of the year ..	1,677	1,395	1,150	969
Premiums (less reinsurances) ..	3,299	2,802	2,443	2,105
Claims paid and outstanding ..	1,348	1,207	1,027	861
Commission paid	716	629	501	455
Expenses	743	611	529	441
Provision for unexpired risks at the end of the year	2,058	1,677	1,395	1,150
Profit	26	2	119	120
ACCIDENT AND GENERAL				
Provision for unexpired risks at the beginning of the year ..	8,390	8,085	7,601	7,027
Premiums (less reinsurances) ..	24,588	23,219	22,403	20,872
Claims paid and outstanding ..	13,994	12,788	13,131	12,523
Commission paid	4,637	4,388	4,139	3,912
Expenses	3,483	3,435	3,252	2,990
Provision for unexpired risks at the end of the year	9,238	8,390	8,085	7,601
Profit	937	1,579	797	283

As in previous years, the results of the Corporation's branch in the U.S. have had a paramount influence on the total and the Chairman, the Rt. Hon. Viscount Knollys, says, in his statement (the full text of which appears elsewhere in this issue) that "the difference between our profit in 1954 and that in 1955 was attributable to this branch, since it was there that most of our exceptional profit was earned in 1954." He adds: "For 1955, in the broadest analysis, there was a profit in the United States on the accident classes in total, but a loss on the fire account." The Corporation's policy has been, and still is, to expand its fire business where and when it can, in order to achieve a better proportion between its fire and accident accounts. The Corporation has found that it is in the U.S. that it has a specially favourable opportunity for doing so now.

FLEXIBLE APPROACH TO ECONOMIC PROBLEMS COMMENDED

SOME REACTIONS TO NEW INDUSTRIAL POLICY

NOW that the Government has announced its industrial policy, people are bound to make frequent references to it in the next few years, in order to support, justify or oppose Government's economic measures. In all such discussions, there may well develop a tendency to look upon the statement as a rigid formula—as a dogma from which it would be sacrilege to depart. This, of course, would be a wrong attitude. The Federation of Indian Chambers of Commerce and Industry, in the course of its statement on the Industrial Policy Resolution of the Government of India, has, therefore, done well to emphasise that the Government must have a "flexible" policy, especially in its approach to the operation of the public and private sectors.

The emphasis on "flexible" approach is certainly well placed. But the danger is that it could be interpreted in a way that is favourable to the public rather than the private sector. Indeed, the Federation has precisely this fear. For it says that, though some flexibility is envisaged in the Resolution, it would appear, in the general context, that it is intended primarily to operate in favour of the public sector, in that the State may enter any industry or trade it chooses. It points out that not only is private enterprise expected to play only a supplementary role in industries listed in schedule 'B' but, even in the category of industries where the development will be undertaken ordinarily through the initiative and enterprise of the private sector, it will be open to the State to start any industry. Thus, it should be clear that no field is safe from Government encroachment. Surely, this is not calculated to inspire confidence in the private sector. From this point of view, the Federation has rightly suggested that the Government would have done well to emphasise more specifically the point that the State would facilitate and encourage the development of industries in the private sector.

Socialism and Democracy

The nicer adjustments, to the need for which the Federation has called attention, would certainly make the Government's industrial policy more acceptable to the private sector. But the point is whether the Federation has accepted the Government's contention that in order to achieve socialism, it is necessary for the State to own and operate industries, that is, for the public sector to expand in the sphere of industry. This is a fundamental issue. The fact is that there is no organisation in the country which is now prepared to question this goal, although there are many people who feel that the extension of the public sector beyond reasonable limits will mean the undermining of democracy in this country. It is time the Federation and other organisations, which are interested as much in economic development as in the preservation of democratic values, examined the concept of socialism, as defined by the Government and the Congress Party, in relation to economic development and individual freedom. This is, of course, a much larger question than industrial policy. But it deserves to be faced and answered unequivocally, so that the country may know that the socialist and democratic concepts are not identical, that there is always some incompatibility between the two. Any failure to make the position clear will mean that the private sector is unsure of the basis of its existence, that its only anxiety is to secure small mercies from a justifiably unwilling Government.

It is true that even without going into this larger question, there is much that can be done, within the limitations imposed by the policy statement, in order to stimulate industrial development. This would imply that the Government keeps economic development clearly in view and does not allow itself to be swayed by preconceived notions of the superiority of one sector over another. This point was forcefully brought out by Mr. N. Kanoria, President of the Indian Chamber of Commerce, Calcutta. Speaking at the recent annual meeting of the Chamber, Mr. Kanoria held that, inasmuch as the financial resources available for the implementation of the schemes of economic development were limited, these resources should be utilised in such a manner that "best result are achieved with minimum expenditure." He added:

"Efficient and economic production should be the guiding principle in deciding as to who should be entrusted with our plans for future development; and no other extraneous considerations should be allowed to influence the decision on this vital issue. . . . It is often suggested that the State should take over the control, ownership and management of this or that existing undertaking now under private management. Such a policy, if implemented, cannot help the achievement of the basic objective of increasing the national wealth and thereby raising the standard of living of the people and of creating fresh opportunities of employment which Government have in view nor will it create additional resources for the future economic development of the country. It will merely result in diversion of the existing resources from one sector of the economy to the other sector. In other words, it will only mean a transfer of ownership of the existing assets without creating fresh ones. At the same time, it will also mean that the talents of the *entrepreneurs* and the rich and varied experience that they have gained during all these years in regard to industrialisation of the country will remain unutilised, while another set of people without any experience and knowledge of industries will have to start afresh and undergo the same process of trial and error which their predecessors had gone through in the past. In a country like India, where business and industrial talent is by no means abundant, it will indeed be unfortunate if the experience and knowledge of our *entrepreneurs* is allowed to go to waste."

Heavy Industries

The Federation is obviously right in welcoming the emphasis on heavy industries. There is no doubt that it is only on such a basis that it is possible to erect an imposing industrial edifice. It is also noteworthy that the Government has now veered round to the view that small-scale and cottage industries should not be encouraged merely for the sake of encouraging them. The policy statement has stressed that, while the Government will continue to assist this class of industries, the "aim of the State policy will be to ensure that the decentralised sector acquires sufficient vitality to be self-supporting and its development is integrated with that of large-scale industry." This is a new and welcome slant in Government's policy. A further welcome feature of the statement is that the Government has *recognised* that "it is essential that the technique of production should be constantly improved and modernised, the pace of transformation being regulated so as to avoid, as far as possible, technological unemployment." This is a significant change in industrial policy, for it denotes that the Government will give up the position some of its spokesmen used to take, namely, that modernisation should not involve any unemployment whatever.

To revert to the Federation's views on industrial policy. Appropriately enough, it advocates the adoption of pragmatic standards to judge the wisdom of the policy. Thus, it avers that the real test is whether the policy stimulates the expansion of the old, and the establishment of new industrial units. It says:

"The success of the economic policy of the Government must be reflected in the number of new enterprises that spring up all over the country. A bigger spread of the industrial sector and of the investing and *entrepreneurial* class is absolutely necessary. Allied to this is the question of organisation which requires serious consideration. The success of enterprises, in any sector, depends on organisation. The point is of central importance. The companies in the hands of private enterprise must be permitted to run in such a way as to produce good results for the community. The Committee would recommend that, in Governmental enterprises, people from private business with the talent, know-how and experience pertaining to the particular kind of business should be associated."

Indeed, that is the real test. In the ultimate analysis, the policy will be judged by the results it produces. The last policy statement, the 1948 statement, was by no means a great success, if it is judged from this standard. In this connection, we may refer to Mr. A. D. Shroff's experience as the Chairman of the Capital Issues Committee for some time. Mr. Shroff, speaking at a recent meeting of the Nilgiris Rotary Club at Ootacamund, said that, though the capital issues used to run into several crores of rupees, it was found upon examination that "not even 25 per cent. of the ventures for which permission was given came into existence." He said that this was due to the fear engendered in the minds of the investing public by the Government's industrial policy. Since then, no new industrial venture of any great magnitude had been embarked upon in India. Subsequently, the Union Government, he said, brought in new legislation, called the Industrial Control Act, which had resulted in the partial disappearance of private enterprise from the country, because of the difficult conditions which had to be satisfied before licences for floating companies were issued and the cumbersome and expensive procedure involved therein. As a result of these stringent conditions small and medium industries were frustrated after wasting thousands of rupees in their efforts to obtain licences.

Compensation

Mr. Shroff said that another development which caused grave concern among prospective industrialists was the amendment to the Constitution regarding the acquisition of private property by the Government. As a result of this amendment, the principles of compensation, as is well known, do not constitute a question which can be raised in a court of law. Mr. Shroff gave one instance of the way in which the Government used its bargaining powers to beat down the owners of an industry taken over by it. He said that the compensation which was paid to private airline companies acquired by the Government was just short of expropriation. It would appear that the Tata Airlines had bought Dakotas at a cost of Rs. 3,20,000 each while the Government paid them compensation at the rate of Rs. 90,000 each. When the Company protested against this arbitrary treatment and the low compensation, Mr. Deshmukh, the Finance Minister, said that it was a transaction between buyer and seller, and as Government happened to be the only buyer, the Company would have to accept the highest offer which the buyer had made. This sort of logic, Mr. Shroff said, really caused a great deal of dissatisfaction among industrialists who had done some service in the economic development of the country.

Characterising the latest industrial policy statement as positively unfair, Mr. Shroff took serious objection to the State's encroachment into the sphere of trade also by establishing a State-trading Corporation. Proceeding, he said that it was true that Parliament had accepted the policy of socialisation and that all future policies relating to the economic development of the country would be implemented on these lines. Those who were adversely affected by these policies had become mute and helpless, as they felt that no useful purpose would be served by further protests against these policies. But it did not imply that these policies had received the implicit consent of the people, who had no means of knowing that they were detrimental to the ultimate interests of the country. They had been told that the extension of the public sector was due to the inability of the private sector to fulfil its obligations towards the industrial development of the country by producing the basic and essential goods. This, according to Mr. Shroff, was a false allegation against the private sector. If the private sector, he said, had no initiative to start new enterprises, it was due not only to the industrial policy announced in 1948, but also to the fact that in recent years the fiscal policy had been so devised that the private sector had been "straight-jacketed" into a position which had left them no alternative but to keep quiet.

(*Continued on page 978*)

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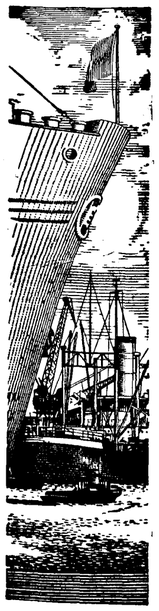

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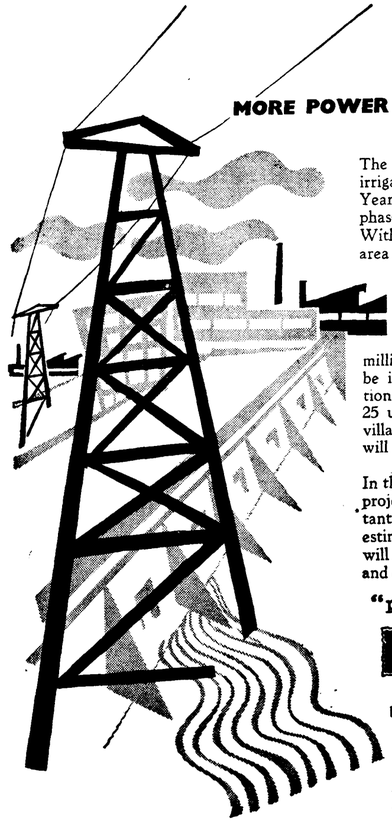

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INDO-BURMA PETROLEUM'S PROFIT SLIGHTLY BETTER

FINANCIAL POSITION SOUND

THE proposed final dividend of Rs. 2 per share, or 20 per cent., on the ordinary capital of the Indo-Burma Petroleum Company, Ltd. (Managing Agents: Messrs. Steel Brothers & Co., Ltd., Calcutta), for the year ended 31st December 1955, will bring the total dividend for the year to 30 per cent., the same as that paid for 1954, to which level it had been raised in three successive years from 10 per cent. paid for 1951. With the cash bonus of 10 per cent. paid in September 1955 out of the reserves, however, the total distribution for the year comes to 40 per cent., that is, four times that paid for 1951.

The increase in distribution for 1955 is, however, much more than warranted by the rise in the earnings of the Company for the year, the gross profit having gone up by only Rs. 4.36 lakhs to Rs. 60.61 lakhs. It is probably due to the fact that the Company falls within the purview of Section 23A of the Indian Income-tax Act.

The increase in gross profit noted above has not fully made good the decline noted in the previous year from Rs. 61.68 lakhs to Rs. 56.25 lakhs. Nevertheless, the profit for 1955 is the second highest earned since 1949. The net profit, at Rs. 24.14 lakhs, shows no notable increase from that (Rs. 24.10 lakhs) for 1954. The Directors have written back a sum of Rs. 5.62 lakhs, being the excess provision made in previous years, now no longer required. They have further supplemented the net profit by transferring Rs. 10 lakhs from the general reserve (the sum utilised to pay cash bonus in September last), Rs. 6.95 lakhs from provision for taxation (which they consider to be in excess of anticipated tax liabilities for earlier years, in respect of which assessments have not yet been finalised) and Rs. 5.98 lakhs from Pakistan Exchange reserve. They have also utilised a sum of Rs. 6.94 lakhs to write off the loss on account of Pakistan exchange and Rs. 1.02 lakhs towards adjustment in respect of previous years. The distribution on ordinary shares absorbs Rs. 40 lakhs, which represents 66⅔ per cent. of the gross profit earned for the year.

The progress of the Company during the past three years can be clearly judged from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds and commission earned	661.57	664.49	638.52	607.05
Other income	27.93	10.48	10.38	19.90
Expenses	628.89	618.73	587.23	571.00
Gross profit	60.61	56.25	61.68	49.47
Managing Agents' remuneration	2.75	2.57	2.92	3.36
Depreciation	4.82	5.58	4.86	4.35
Taxation	28.90	24.00	44.00	27.16
Net profit	24.14	24.10	9.90	14.60
Adjustments relating to previous years written back	5.62	13.02	13.67	6.66
Other income	..	..	..	8.01
Transfer from reserves and provisions	22.93	..	..	..
To adjustment relating to previous years	1.02	..	..	..
„ reserves	2.00	..	4.08	9.50
„ Pakistan exchange loss written off	6.94	..	..	..
„ bonus to staff	..	..	..	0.25
Dividends—				
7 per cent. preference	2.58	2.58	2.58	2.58
Ordinary	40.00 (D. 30% +B. 10%)	30.00 (D. 30%)	20.00 (D. 20%)	15.00 (D. 15%)
Carry forward	0.77	0.64	0.93	4.03

It will be noted that sale proceeds and commission have recorded a small decline, but this has been more than made good by the rise of Rs. 17.45 lakhs in other income, of which interest and income from investments account for Rs. 14 lakhs. On the expenditure side, cost and value of products handled account for a rise of Rs. 6.48 lakhs and wages and salaries for Rs. 5.46 lakhs.

The authorised and paid-up capital of the Company is unchanged at Rs. 150 lakhs, made up of 1,000,000 ordinary shares of Rs. 10 each and 50,000 7 per cent. taxable cumulative preference shares of Rs. 100 each. It may, however, be noted that the ordinary capital was originally made up of 250,000 shares of Rs. 40 each, but each of these shares was sub-divided in September last into four shares of Rs. 10 each. Reserves and surplus aggregate Rs. 142.89 lakhs. The provision for taxation stands at Rs. 27.77 lakhs and current liabilities amount to Rs. 155.21 lakhs. The gross block of the value of Rs. 68.47 lakhs, including an addition of Rs. 14.30 lakhs during the year, has been written down to a book value of Rs. 22.43 lakhs. Trade investments aggregate Rs. 76.20 lakhs and current assets Rs. 377.23 lakhs. Of these current assets, investments in Government securities at cost (less depreciation reserve) account for Rs. 124.49 lakhs and cash balance for Rs. 139.01 lakhs. Thus, the liquid assets alone cover the current liabilities and provision for taxation by a large margin.

The Directors report that, during 1955, the opportunity arose of acquiring a substantial interest in Messrs. Balmer Lawrie & Co., Ltd. "Negotiations for the acquisition which began during the year," they add, "have since been satisfactorily concluded with the purchase of 20,000 equity shares." The Company's suit against the Union Government of Burma in respect of the claim for war damage has made little progress during the year.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 43 *cum-div.* (final dividend: Rs. 2 per share). On an *ex-div.* basis, the yield on the shares works out to 9.8 per cent. per annum.

BOMBAY DYEING AND MANUFACTURING

Excellent results are disclosed by the audited accounts of the Bombay Dyeing and Manufacturing Company, Ltd. (Agents: Messrs. Nowrosjee Wadia and Sons, Ltd., Bombay) for the year ended 31st December 1955, which are fully in consonance with the general performance of cotton mills during the past year. The gross profit, which had gone down a little from Rs. 82.43 lakhs to Rs. 74.04 lakhs in 1954 has jumped up to a high of Rs. 116.70 lakhs, the highest level to be seen since 1945. The net profit has gone up from Rs. 33.17 lakhs to Rs. 48.02 lakhs, the increase being very much less marked than that in gross profit, due to larger provisions for Agents' remuneration, depreciation and taxation. Another cause for the relatively smaller rise in net profit is that the previous year's net profit has been "adjusted" by the reduction in the provision for depreciation originally provided for 1954 consequent on the grant of development rebate.

Out of the net profit of Rs. 48.02 lakhs, which incidentally is the highest since 1951, the Directors have transferred a sum of Rs. 14.88 lakhs to the rehabilitation and development fund, being the development rebate admissible under the Indian Income-tax Act, the corresponding allocation of the previous year being Rs. 10.36 lakhs. No addition to any other reserves has been made as in the previous year. The distribution to shareholders has been raised from 8 per cent. to 10 per cent. by paying a cash bonus of 2 per cent. Last year, it will be recalled, the distribution was reduced from 9 per cent., made up of a dividend of 8 per cent. and a bonus of one per cent., to 8 per cent. by cutting off the bonus part. This reduction has now been more than made good not by raising the dividend part, but by restoring the bonus payment at a higher level. It will be noted in this connection that, if the cash bonus paid for 1953 and 1955 is excluded, the dividend has been maintained for the fifth year in succession on the present capital after it had been doubled in December 1950 by the capitalisation of reserves. Thus, whenever the Company's profit warrants a higher distribution, the Directors have been doing so by adding a cash bonus to the dividend and not by varying the dividend itself. This conservative dividend policy, in fact, figured prominently at the recent annual general meeting of the Company, when some of the shareholders suggested the merger of the cash bonus of Rs. 5 per share declared for the year under review with the dividend. Admitting that the management had been following a conservative policy in the matter of dividend, the Chairman, Mr. Neville Wadia, said that if the cash bonus was merged with the dividend, the Company would be expected to maintain the same. But this might not be possible, because there would be more allocations to reserves in view of initial depreciation on new machinery and other provisions relating to development rebate.

The aforesaid policy of the Company would also appear to be justified in the context of the fluctuating fortunes of the Company, as will be seen from the following comparative table, which presents the salient features of the Company's working during the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	723.34	726.42	664.61	670.39
Other income	7.48	7.65	8.86	7.94
Closing stocks	182.90	223.45	198.89	158.96
Expenses*	614.12	660.03	591.03	609.72
Gross profit	116.70	74.04	82.43	69.29
Agents' remuneration	12.31	7.75	8.50	7.23
Provision for—				
Depreciation	26.87	14.62	14.07	12.74
Taxation	29.50	18.50	23.00	23.00
Net profit	48.02	33.17	36.78	26.23
Loss on "Neville House"	..	4.21	..	..
To reserves	14.88	10.36	14.00	6.84
„ dividend	25.10 (D. 8% +B.2%)	20.08 (D. 8%)	22.50 (D. 8% +B.1%)	20.08 (D. 8%)
Carry forward	0.73	0.52	2.00	1.81

* Not actual but only approximate.

A notable feature of the year's working is the substantial fall in expenses. This is mainly accounted for by the cost of raw materials, stores, etc., purchased, which show a decline of Rs. 113.29 lakhs. Wages and salaries are up by Rs. 9.82 lakhs.

The Company's capital at Rs. 250.98 lakhs is supplemented by reserves and surplus aggregating Rs. 300.46 lakhs, of which general reserve accounts for Rs. 50.01 lakhs, rehabilitation and development reserve for Rs. 163.37 lakhs and other reserves for Rs. 86.07 lakhs. The rehabilitation and development reserve has been considerably strengthened over the year by Rs. 65.41 lakhs, thanks to the development rebate of Rs. 14.88 lakhs for 1955 and of Rs. 10.36 lakhs in respect of 1954 and the excess of depreciation provision made so far over that actually allowed by the income-tax authorities, amounting to Rs. 40.17 lakhs, transferred from the depreciation fund. The provision for taxation amounts to Rs. 29.94 lakhs. The current liabilities aggregate Rs. 168.54 lakhs There has been an addition of Rs. 69.16 lakhs to the gross block during the year, bringing the value of block account to Rs. 493.20 lakhs, as against which the depreciation fund built up amounts to Rs. 330.57 lakhs. The depreciation fund represents a decline of Rs. 23.90 lakhs over the year, even after the provision of Rs. 26.87 lakhs from the year's profit, on account of the transfer to the rehabilitation and development fund, as stated above. The current assets amount to Rs. 587.01 lakhs, of which cash balances alone, aggregating Rs. 289.93 lakhs, exceed the current liabilities and provision for taxation by as much as Rs. 91.45 lakhs.

A descriptive account of the progress made in the Company's modernisation and expansion programme so far and the further proposals on hand is given in the Directors' report, extracts from which were published in our last issue.

The large reserves of the Company would appear to have caught the attention of the shareholders, some of whom suggested, at their recent annual meeting, the capitalisation of a part of them. Mr. Neville Wadia did not favour the proposal, in view of the heavy taxation on bonus issue. He added that, on the basis of one bonus share for every existing share, the taxation on the bonus issue would amount to about Rs. 31 lakhs. Instead of paying such a huge sum to the Government, he preferred to keep the sum and utilise the same for expansion and modernisation.

The Rs. 250 fully paid-up shares of the Company are being currently quoted at Rs. 661-14 *ex-div.*, at which rate and on the basis of the distribution for 1955, the yield works out to 3.8 per cent. per annum, free of income-tax. This low yield reflects the popularity of the shares on the Stock Exchange and the investors' confidence in the future for the Company.

SHREE NIWAS COTTON MILLS

A rise of Rs. 9.85 lakhs to Rs. 40.68 lakhs in gross profit is disclosed by the audited accounts of the Shree Niwas Cotton Mills Ltd. (Managing Agents: The Marwar Textile (Agency) Ltd., Bombay) for the year ended 31st December 1955. This increase is in refreshing contrast to the small setback of Rs. 1.94 lakhs suffered in the previous year and brings the year's profit to the highest level in the past four years, even after providing as much as Rs. 11.40 lakhs towards payment of bonus to workers for 1955 in terms of the agreement between the Millowners' Association, Bombay, and the Rashtriya Mill Mazdoor Sangh. The net profit, at Rs. 16.19 lakhs, is higher by only Rs. 2.38 lakhs, consequent on the slight increase in Managing Agents' remuneration from Rs. 3.19 lakhs to Rs. 4.25 lakhs and the doubling of the provision for taxation from Rs. 7 lakhs to Rs. 14 lakhs.

No allocation to the reserves has been made, while a sum of Rs. 2 lakhs had been set aside in each of the previous two years. One possible explanation for this is that the Company has had to make, out of the above profit, an additional provision of Rs. 4.22 lakhs and Rs. 2.28 lakhs for the years 1953 and 1954, respectively, towards payment of bonus to workers. The dividend on ordinary shares has been cut from 14 per cent. to 12 per cent., but it is on the increased capital of Rs. 80 lakhs raised during the year by the capitalisation of Rs. 20 lakhs from the reserve fund, so that it represents a distribution of 16 per cent. on the old capital.

The following comparative table gives an idea of the Company's progress during the last three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	404.41	369.16	338.12	362.81
Stocks	92.37	106.90	123.56	119.04
Other income	3.94	6.58	2.12	0.49
Expenses*	367.67	343.91	307.47	340.07
Gross profit	40.68	30.83	32.77	23.31
Managing Agents' remuneration	4.25	3.19	3.59	2.90
Provision for—				
Depreciation	6.24	6.84	7.98	9.97
Taxation	14.00	7.00	8.50	2.50
Net profit	16.19	13.81	12.70	7.94
To reserves	..	2.00	2.00	..
Dividends—				
4 per cent. preference	0.19	0.19	0.19	0.19
Ordinary	9.60	8.40	8.40	7.50
	(12%)	(14%)	(14%)	(12½%)
Carry forward	1.47	1.54	2.70	3.44

* Only approximate.

As will be seen from the above table, there has been a sharp rise of Rs. 23.76 lakhs in expenses, mainly due to the increase of Rs. 17.35 lakhs in the cost of cotton purchased and of Rs. 9.77 lakhs in wages and salaries.

The Company's programme of modernisation and replacement of plant and machinery is being taken up vigorously within the resources available to the Company. An idea of the programme gone through so far and on hand was given by the Chairman of the Company, Mr. G. D. Somani, M.P., in his address to the shareholders at the annual general meeting held last week. The relevant extract from his speech on the subject is given below:

"Orders for 37 ring frames were placed during the period under review, out of which 11 frames were for replacement purposes which have already been erected and are working. The remaining 26 frames totalling 10,204 spindles for which your mills had secured permission for extension are under erection and these additional spindles are expected to be put into commission by June this year. The addition of these spindles will increase our spinning capacity from 66,836 spindles to 77,120 spindles. Further orders are under negotiation for replacement of 18 ring frames and further addition of one preparation of combers to divert the mills on more fine and superfine counts.

"Your Company started working third shift in the weaving department early in April last year and by the close of the year the number of looms worked were 800. It is expected that with the addition of new spindleage, which I have referred to above, the Company will be able to work the balance 840 looms in third shift which means complete working of third-shift of the whole mills. An organdie plant, a new six-colour printing plant and some other machineries in the processing department of the mills were also added during the year. You will thus please realise that your Directors are fully alive to the needs of keeping your mills adequately modernised and equipped to enable it to produce best possible varieties at the lowest possible cost."

The Company's paid-up capital of Rs. 84.80 lakhs, of which 4 per cent. tax-free preference shares account for Rs. 4.80 lakhs and ordinary shares for Rs. 80 lakhs, is supplemented by reserves and surplus aggregating Rs. 49.17 lakhs. The provision for taxation stands at Rs. 14.57 lakhs. The current liabilities aggregate Rs. 78.07 lakhs. There has been an addition of Rs. 8.48 lakhs to the gross block bringing the total value to Rs. 95.16 lakhs. This has been written down to a book value of Rs. 39.88 lakhs. The current assets amount to Rs. 187.24 lakhs, and exceed the current liabilities and provision for taxation by a margin of Rs. 94.60 lakhs.

As regards the outlook for the current year, the Chairman told the shareholders that it was a little too early to express any definite views, but the steep rise in cotton prices, he added, might, to a certain extent, adversely affect the working results.

The Rs. 100 fully paid-up shares are being currently quoted at Rs. 215 *ex-div.*, at which rate and on the basis of the dividend for 1955, the yield works out to 5.6 per cent. per annum, free of income-tax.

MACHINE TOOLS (INDIA) PRIVATE LTD.

are pleased to announce
the acquisition of new and larger
premises at
"WIMET HOUSE"
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Points From The Chair

Nationalised Transport In U.K.

"I HAVE had a good deal to say about the difficulties under which old-established private transport, represented by British shipping, has to operate. I suggest that when considering them, we should do well to cast our minds to the state of nationalised transport, represented by the railways and the road system of this country. Primarily because those who run them have been dependent on governmental control of their capital requirements, our railways, and for the same reason our roads, have fallen far behind the country's needs. They are now quite inadequate to the purposes they ought to fulfil because they have been starved of capital expenditure during a decade in which private industry has made quite extraordinary efforts to produce the money to re-equip and modernise itself."

SIR WILLIAM CURRIE,
P. & O. Steam Navigation Co.

Price of Aluminum Ingot

"The price of aluminium ingot, which in this country is governed by the North American price, remained at £156 a ton throughout 1954, was increased to £163 a ton on 1st January 1955, and to £171 a ton on 1st July 1955. At the beginning of the current year the price was again increased to £179 a ton, and further to £189 a ton on 1st April. Whilst the total increase in the price of ingot metal has been substantial, it is of interest to note that it has not been out of line with increases in the prices of other non-ferrous metals. These price changes of course necessitated adjustments in the prices of semi-fabricated products. In general, the price of aluminium ruling in this market has been competitive with that of other countries, and world demand for the metal has continued to be buoyant."

LORD PORTAL OF HUNGERFORD,
British Aluminium Co., Ltd.

Hope for Natural Rubber

"There is, of course, an economic limit to the rate at which replacement of plantations can take place, and, eager as we may be to get rid of the remaining promiscuous stock, nearly another decade may pass before that is accomplished. Such a long drawnout procedure may be trying to one's patience, but in its inevitable gradualness it does ensure a stability that would otherwise be lacking if the supplies of natural rubber could be so rapidly increased as to distort the relationship of supply to demand. It is true that man's inventiveness may in this instance outstrip the slow processes of nature and that synthetic supplies are capable of a more rapid increase, but there are other reasons operating to put a check on the rate of expansion. Moreover, impressive as may be the technical achievements in the realm of synthetics there is a continuing need for natural rubber in all its unique qualities, and at competitive prices an ever-expanding demand. Our past history with its story, so briefly told, of difficulties surmounted, of serious setback and marked recovery, of change, adaptability and development, together with our record of present achievement should combine to give solid reason for a confident hope for the future."

SIR JOHN HAY,
Malacca Rubber Plantations Ltd.

World Tanker Position

"The rate of increase of world tanker tonnage slackened last year as compared with 1953 and 1954, but demand to move oil was somewhat greater than had been anticipated. Accordingly, the world tanker position, which had been in surplus for some time, came into close balance during the autumn of 1955. As a natural consequence, short term tanker freights sharply increased and a large majority of the ships laid up are being brought back into service. This general trend of world supply and demand of ocean-going tanker tonnage has been recognised by shipowners, and it is therefore not surprising that 9 million deadweight tons of new ships were ordered during 1955; further orders are still being announced, and the world order book now stands at some 16 million deadweight tons for delivery by 1960; while tanker building programmes of such magnitude may result in a surplus position from time to time, these figures nonetheless emphasise the healthy view that the shipping industry has taken about the long-term growth in world oil demand."

LORD GODBER,
"Shell" Transport and Trading Co., Ltd.

Savings—Keynote of U.K.'s Need

"The recent White Paper on the economic implications of full employment rightly lays emphasis on the need for restraint by all parties in making claims for larger money incomes if we are to maintain our competitive power in the export markets of the world. This is obviously important as far as it goes, but restraint in the use of spending power is as important as the acquisition of it and this applies equally to the Government as to businesses and individuals. Saving is the keynote of our present need. As the annual Economic Survey so clearly shows, investment in stock building and construction work has outstripped the volume of saving. This reflects itself in the adverse balance of payments which can be corrected only by a reduction of imports or an increase in exports or a mixture of both."

GEOFFREY KITCHEN,
Pearl Assurance Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

BHARAT LINE LTD. Annual General Meeting, Bhavnagar, 21st May 1956. Dividend: Rs. 5 per share. Transfer books remain closed from 24th April to 23rd May 1956, both days inclusive.

INDIAN WOOD PRODUCTS CO., LTD. Annual General Meeting, Calcutta, 22nd May 1956. Dividend: Rs. 2 per share (final). Transfer books remain closed from 14th to 22nd May 1956, both days inclusive.

PEERMADE TEA CO., LTD. Annual General Meeting, Pathirappally, 24th May 1956. Dividend: Rs. 2-4 per share (final). Transfer books remain closed from 11th to 27th May 1956, both days inclusive.

INDUSTRIAL GASES LTD. Annual General Meeting, Calcutta, 24th May 1956. Transfer books remain closed from 16th to 24th May 1956, both days inclusive.

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 29th May 1956. Dividend: Rs. 2 per share (final). Transfer books remain closed from 14th to 28th May 1956, both days inclusive.

GODFREY PHILLIPS, INDIA, LTD. Annual General Meeting, Bombay, 30th May 1956. Dividend: Rs. 2 per share. Transfer books will remain closed from 24th to 30th May 1956, both days inclusive.

CHURULIA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 30th May 1956. Dividend: 6 pies per share. Transfer books remain closed from 10th to 30th May, 1956, both days inclusive.

EASTERN INVESTMENTS LTD. Annual General Meeting, Calcutta, 30th May 1956. Dividend: Rs. 9 per share. Transfer books remain closed from 16th to 30th May 1956, both days inclusive.

SENDRA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 30th May 1956. Dividend: As. 2 per share (2½ per cent. per annum). Transfer books remain closed from 10th to 30th May 1956, both days inclusive.

BHARTIA ELECTRIC STEEL CO., LTD. Annual General Meeting, Calcutta, 4th June 1956. Transfer books remain closed from 18th May to 4th June 1956, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. Annual General Meeting, Pathirappally, 4th June 1956. Dividend: As. 12 per share (final). Transfer books remain closed from 18th May to 5th June 1956, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 15th June 1956. Dividend: Rs. 6 per share. Transfer books remain closed from 15th May to 9th June 1956, both days inclusive.

WEST COAST ELECTRIC SUPPLY CORPORATION LTD. Interim dividend of As. 8 per share, for the half-year ended 30th September 1955. Transfer books remain closed from 16th to 22nd May 1956, both days inclusive.

BENGAL FLOUR MILLS CO., LTD. Dividend of Re. 1-8 per share for the half-year ended 31st December 1955.

PALANI ANDAVAR MILL LTD. Dividend of Rs. 12 per 'A' ordinary share and Rs. 18 per 'B' ordinary share, for the year ended 31st December 1955.

COWCOODY ESTATES LTD. Interim dividend of As. 8 per ordinary share, for the year ending 30th June 1956. Transfer books remain closed from 15th to 21st May 1956, both days inclusive.

LARSEN AND TOUBRO LTD. Dividend of Re. 1 per ordinary share for the year ended 31st March 1956, payable on 27th June 1956. Transfer books will remain closed from 26th May to 20th June 1956, both days inclusive.

DEVKARAN NANJEE INVESTMENT CO., LTD. Dividend of As. 13 per share for the year ended 31st March 1956, payable on 27th June 1956. Transfer books will remain closed from 12th to 26th June 1956, both days inclusive.

COMPANY REGISTRATIONS

EAST ANGLIA PLASTICS (INDIA) LTD. (First Director: Mr. B. Dasgupta.) Business: Manufacturers and dealers in plastic moulding powders and compounds, etc. Authorised capital: Rs. 1,00,00,000. Public company. Address: 6A, Surendra Nath Banerjee Road, Calcutta-13.

M. BHATTACHARYYA & CO., PRIVATE LTD. (First Director: Mr. H. C. Bhattacharyya.) Business: Homœopathic chemists and pharmacists, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 73, Netaji Subhas Road, Calcutta-1.

S. N. GHOSE AND SONS PRIVATE LTD. (First Director: Mr. A. K. Ghose.) Business: Dealers in jute goods, gunny bags, hemp, etc. Authorised capital: Rs. 5,00,000. Private company. Address: Sheoraphuli, Hooghly.

HOWRAH CITY ENGINEERING CO. PRIVATE LTD. (Managing Director: Mr. J. Dutt.) Business: To purchase or otherwise acquire the iron foundry, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 75, Panchanantala Road, Howrah.

RESULTS OF TWO HEILGERS GROUP COAL COMPANIES

TROPICAL PLANTATIONS CUT DIVIDEND

Churulia Coal Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

In conformity with the provisions of the Companies Act, 1956, there will be no half-yearly audited accounts in future. The directors shall however cause to be drawn up unaudited half-yearly draft accounts. It is the intention of the directors to declare interim dividends when in their opinion the state of the Company's affairs warrant this action. From now on therefore the Company's accounts will be closed and audited as at the 31st December each year and the first annual closing will be for the 12-month period ending 31st December 1956.

Karanpura Mining Syndicate.—During the half-year ended 31st December 1955, 75,768 (66,571) tons of coal were raised and 75,993 (65,780) tons were despatched. The secretaries report that raisings from the Syndicate's Quarries could have been larger but for the fact that transport was in short supply.

The profit and loss account after including Rs. 12,201 (Rs. 25,618) brought forward from last half-year shows an available balance of Rs. 6,817 (Rs. 18,342) which the directors propose to dispose of as follows:—

In paying a dividend of 6 (6) pies per share without any deduction for income-tax paid by the Company Rs. 4,688 (Rs. 4,688) and in carrying forward Rs. 2,129 (Rs. 13,654).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Investments	7,30,051
Reserves ...	1,43,676	Debts and advances	23,594
Liabilities ...	10,325	Cash ...	2,485
Profit and loss account ...	2,129		
Rs.	7,56,130	Rs.	7,56,130

Sendra Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. F. W. Heilgers & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

In conformity with the provisions of the Companies Act, 1956, there will be no half-yearly audited accounts in future. The directors shall however cause to be drawn up unaudited half-yearly draft accounts. It is the intention of the directors to declare interim dividends when in their opinion the state of the Company's affairs warrant this action. From now on, therefore, the Company's accounts will be closed and audited as at the 31st December each year and the first annual closing will be for the 12-month period ending 31st December 1956.

Colliery.—The directors regret to have to report that the deed of sale has still to be completed although the buyers have paid the sums promised on completion of documents and the first of the five annual instalments towards the purchase price. It is hoped to finalise this matter shortly.

The profit and loss account, after providing Rs. 1,517 (Rs. 15,008) for taxation, transferring Rs. 15,000 (*nil*) from general reserve, and including the sum of Rs. 6,601 (debit Rs. 1,22,722) brought forward from last half-year, shows an available balance of Rs. 17,503 (Rs. 48,443), which the directors propose to dispose of as follows:—

In paying a dividend on the ordinary shares at the rate of 2½ (2½) per cent. per annum without any deduction for income-tax paid by the Company Rs. 10,000 (Rs. 10,000) and in carrying forward Rs. 7,503 (Rs. 38,443).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,000	Block ...	23,624
Reserves ...	5,31,289	Investments	6,22,497
Provision for taxation ...	15,000	Debts and advances ...	9,58,800
Liabilities ...	2,61,389	Cash ...	10,260
Profit and loss account ...	7,503		
Rs.	16,15,181	Rs.	16,15,181

Tropical Plantations, Ltd.

The directors of the above Company (Managing Director: Mr. P. T. Thomas, Kottayam) submit the audited accounts of the Company for the year ended 31st December 1955.

Crops and Prices—Tea.—The tea crop harvested during the year amounts to 4,26,829 (3,77,683) lbs. (858 (796) lbs. per acre). The production cost is 120.893 (107.085) cents (Re. 1-3-4.115 p.) per lb. and the average price realised is 163.970 (237.284) cents (Re. 1-10-2.820 p.) per lb.

Rubber.—The acreage statement shows that 65 acres of old mature rubber area has been replanted, which has caused considerable reduction in the total output of rubber. Besides this, the continuous strikes and particularly the "go-slow" policy of the labour throughout the season ended in serious shortfall in crop. The total crop harvested during the year is 6,83,385 (7,44,938) lbs. (390 (425) lbs. per acre) and the production cost is 72.638 (60.413) cents (Re. 0-11-7.465 p.) per lb. The average price realised is 141.086 (126.093) cents (Re. 1-6-6.886 pies) per lb.

After providing Rs. 1,07,147 (Rs. 3,14,021) for taxation and after charging depreciation, bonus to staff and remuneration to managing director, the net profit for the year amounts to Rs. 3,45,650 (Rs. 4,90,238). This, together with Rs. 2,276 (Rs. 2,038) brought forward from the previous year aggregates to Rs. 3,47,927 (Rs. 4,92,276). The directors recommend payment of a dividend of 16 (20) per cent. (Rs. 4 (Rs. 5) per share)—free of income-tax and agricultural-tax—absorbing Rs. 3,20,000 (Rs. 4,00,000) and to carry forward the balance of Rs. 27,927 (Rs. 2,276 after Rs. 90,000 to general reserve) 1956 accounts.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	20,00,000	Block ...	21,24,802
Provision for income-tax	1,72,769	Stock-in-trade	2,29,337
Liabilities ...	2,52,696	Stores and spare parts	92,715
Profit and loss account ...	3,47,927	Nurseries ...	7,689
		Advances and pre-paid expenses ...	39,870
		Cash ...	2,78,779
Rs.	27,73,392	Rs.	27,73,392

Godfrey Phillips, India, Ltd.

The directors of the above Company (Chairman: Mr. D. S. Baron, C.I.E., Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The Company made a net profit after provision for taxation, depreciation and all other charges of Rs. 9,51,201 (Rs. 3,85,189). To which is added the balance brought forward from last year of Rs. 13,30,075 (Rs. 15,43,326). After deducting short provision for bonus for the year 1954 of Rs. 72,631 (Rs. 35,013) and difference in dearness allowance, etc., in respect of previous years Rs. 57,877 (*nil*) there is a balance of Rs. 11,99,567 (Rs. 15,08,313). Including provision for taxation no longer required of Rs. 46,731 (Rs. 25,261) there is a total of Rs. 21,97,499 (Rs. 19,18,763). The directors have decided to transfer to reserve for gratuities Rs. 79,000 (Rs. 67,000). Leaving a balance of Rs. 21,18,499 (Rs. 18,51,763). The directors propose to dispose of this sum as follows:—

Pay a dividend on the preference shares at 5½ per cent. per annum subject to tax absorbing Rs. 1,21,688 (Rs. 1,21,688), dividend on the ordinary shares at 20 (10) per cent. per annum absorbing Rs. 8,00,000 (Rs. 4,00,000) and leaving a balance to be carried forward to next year of Rs. 11,96,811 (Rs. 13,30,075).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	70,00,000	Goodwill ...	62,587
Reserves ...	7,81,000	Block ...	31,08,746
Provision for taxation ...	10,60,265	Stock-in-hand	78,92,364
Liabilities ...	46,13,252	Stock-in-transit ...	19,072
Profit and loss account ...	11,96,811	Debts and advances ...	34,70,175
		Cash ...	98,384
Rs.	1,46,51,328	Rs.	1,46,51,328

Eastern Investments, Ltd.

The directors of the above Company (Secretaries: Messrs. Bird & Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The profit and loss account, after paying an interim dividend on the cumulative preference shares at the rate of 2½ per cent. per annum less tax, amounting to Rs. 46,094 (Rs. 46,094) and after providing Rs. 7,36,882 (*nil*) in respect of taxation, including super tax on dividends in excess of 6 per cent. of the paid-up capital, shows a credit balance of Rs. 8,13,572 (Rs. 8,20,742 after transferring Rs. 75,000 to general reserve) including the sum of Rs. 3,13,308 (Rs. 3,11,873) brought forward from last year. The directors propose to dispose of this amount as follows:

In paying a final dividend of 2½ per cent. per annum, as already declared by the directors and paid on 28th March 1956, making the total dividend at 5 per cent. for the year, on the 25,000 issued preference shares less income-tax at 48 pies per rupee plus 5 per cent. surcharge on income-tax Rs. 46,094 (Rs. 46,094). In paying a dividend of 9 (9) per cent. per annum on the 51,260 issued ordinary shares, without any deduction for income-tax paid by the Company Rs. 4,61,340 (Rs. 4,61,340) and in carrying forward Rs. 3,06,138 (Rs. 3,13,308).

Investments.—The Company's portfolio is representative of investments which are quoted on the Calcutta Stock Exchange, with the exception of certain shares costing Rs. 1,29,553 (Rs. 1,04,553) for which no quotations are available. The total of the market value of the investments for which quotations are available, together with unquoted investments as valued by the directors, exceeds the book value at 31st December 1955, by Rs. 75,26,031 (Rs. 64,02,628).

General reserve.—Rs. 16,459 (Rs. 1,69,819) have been added to this account representing net profit made on sales of investments during the year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	76,26,000	Investments	1,42,48,284
Reserves ...	54,12,212	Cash ...	5,81,239
Provision for taxation ...	9,28,115		
Liabilities ...	5,57,058		
Profit and loss account ...	3,06,138		
Rs.	1,48,29,523	Rs.	1,48,29,523

Shri Ambica Mills Ltd.

The directors of the above Company (Managing Agents: Harivallabhdas Kalidas & Co., Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December 1955.

After providing a sum of Rs. 18,50,000 (Rs. 17,80,000) for depreciation and a sum of Rs. 29,00,000 (Rs. 18,00,000) for estimated taxation the working of the year showed a profit of Rs. 33,41,721 (Rs. 20,68,996). To this amount was added the balance of profit from the previous year Rs. 2,52,570 (Rs. 42,133) making a total of Rs. 35,94,291 (Rs. 21,11,129). Out of this sum, the directors have carried to dividend equalisation fund Rs. 3,00,000 (*nil*), to gratuity fund Rs. 1,50,000 (Rs. 50,000), to machinery renewal fund Rs. 4,00,000 (*nil*) and to investment reserve fund Rs. 8,00,000 (Rs. 13,139), leaving a balance of Rs. 19,44,291 (Rs. 14,67,830) after placing Rs. 5,80,160 to reserve fund). From this amount the directors paid dividend on 5,600 first cumulative preference shares of Rs. 100 each at Rs. 5 (Rs. 5) per share free of income-tax for the year ended 31st December 1955 Rs. 28,000 (Rs. 28,000), dividend on 7,000 second cumulative preference shares of Rs. 100 each at Rs. 4 (Rs. 4) per share free of income-tax for the year ended 31st December 1955 Rs. 28,000 (Rs. 28,000), dividend on 57,963 ordinary shares of Rs. 50 each at Rs. 25 (Rs. 20) plus Rs. 2 (*nil*) as bonus per share free of income-tax for the year ended 31st December 1955 Rs. 15,65,001 (Rs. 11,59,260) and carried forward Rs. 3,23,290 (Rs. 2,52,570).

The directors state that they have not yet been able to carry out the proposals of capitalisation of a part of undivided profits standing to the credit of the reserve fund and the issue of bonus shares as also the consolidation of two ordinary shares of Rs. 50 each into one of Rs. 100 each, as per resolutions of the extraordinary general meeting of the Company held on 3rd October 1954, since the necessary consent of the Central Government has not yet been received in that behalf.

With regard to the Lal Mills, the directors state that since filing of a petition on behalf of the Company and the Order of the Honourable the District Court at Ahmedabad, appointed Shri Balkrishna Harivallabhdas as a Provisional Liquidator, working of the said Mills has continued. No appreciable progress has, however, been yet made in the direction of passing final orders in the matter which is pending before the Court.

During the year under report, a continuous peroxide bleaching plant has been installed at No. 1 Mill in the place of ordinary kier process for dealing with the combined production of the three mills. Besides, at No. 3 Mill necessary replacement of old spinning preparatory machinery and the conversion of the existing ring spinning machinery to the high draft system is being carried out.

There are 94,116 spindles and 1,733 looms in the mills.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	41,58,150	Block ...	1,76,92,842
Reserves ...	1,87,34,538	Stock-in-trade	96,98,795
Provision for depreciation ...	1,52,75,000	Stores and spare gear	7,69,863
Provision for taxation ...	57,19,497	Debts, deposits and advances ...	1,14,08,908
Liabilities ...	52,19,515	Investments	1,19,64,794
Profit and loss account ...	35,94,291	Cash ...	11,65,789
Rs.	5,27,00,991	Rs.	5,27,00,991

Shorrock Spinning & Manufacturing Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Mafatlal Chandulal & Co. (Ahmedabad) Ltd., Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December 1955.

The Company has made during the year, the profit of Rs. 19,65,631 (Rs. 15,21,214). To this was added last year's carry forward of Rs. 6,434 (Rs. 22,720) making a total of Rs. 19,72,065 (Rs. 15,43,934). Out of this amount, the directors have placed to depreciation fund Rs. 6,50,000 (Rs. 6,50,000), to development rebate fund Rs. 1,43,973 (*nil*) and to provision for taxation Rs. 5,75,000 (Rs. 4,00,000) leaving a balance of Rs. 6,03,092 (Rs. 4,93,934). From this the directors have paid a dividend at Rs. 25 (Rs. 20 plus Rs. 5 Golden Jubilee Bonus) per share, free of income-tax, on 19,500 ordinary shares absorbing Rs. 4,87,500 (Rs. 4,87,500), placed to dividend equalisation fund Rs. 1,00,000 (*nil*) and carried forward Rs. 15,592 (Rs. 6,434).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,52,500	Block ...	89,10,148
Reserves ...	59,87,290	Stock-in-trade	25,09,143
Depreciation fund ...	60,34,701	Stores and spare parts	7,20,931
Provision for taxation ...	60,399	Debts, deposits and advances ...	17,80,387
Liabilities ...	18,32,932	Investments	5,69,000
Profit and loss account ...	19,72,065	Cash ...	33,50,278
Rs.	1,78,39,887	Rs.	1,78,39,887

New Shorrock Spinning & Manufacturing Co., Ltd.

The directors of the above Company (Secretaries, Treasurers and Agents: Messrs. Mafatlal Chandulal & Co., Ltd., Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December 1955.

The Company has made during the year, the profit of Rs. 32,57,169 (Rs. 28,34,770) to which was added last year's carry forward of Rs. 6,387 (Rs. 38,617) making a total of Rs. 32,63,556 (Rs. 28,73,387). Out of this amount the directors have placed to depreciation fund Rs. 7,00,000 (Rs. 8,25,000), to development rebate fund Rs. 4,27,335 (*nil*) and to provision for taxation Rs. 10,25,000 (Rs. 9,50,000) leaving a balance of Rs. 11,11,221 (Rs. 10,98,387). The directors have paid a dividend at Rs. 35 (Rs. 35) per share, free of income-tax, on 31,200 ordinary shares absorbing Rs. 10,92,000 (Rs. 10,92,000) and carried forward to next year's account Rs. 19,221 (Rs. 6,387).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,00,000	Block ...	1,32,09,232
Reserves ...	72,52,436	Stock-in-trade	39,85,868
Depreciation fund ...	96,26,062	Stores and spare parts	10,87,694
Provision for taxation ...	16,84,330	Debts, deposits and advances ...	45,29,836
Liabilities ...	31,63,641	Investments	35,63,616
Profit and loss account ...	11,11,221	Cash ...	3,62,344
Rs.	2,67,38,590	Rs.	2,67,38,590

Pakistan Oilfields Ltd.

The directors of the above Company (Secretaries: Messrs. Steel Brothers & Co., Ltd., Morgah, Rawalpindi, West Pakistan) submit the audited accounts of the Company for the year ended 31st December 1955.

Expenditure incurred during the period amounted to Rs. 2,16,240 which amount has been carried forward, at the debit of profit and loss account, to 1956.

The year 1955 closed with a cash balance of Rs. 1,25,207. This, however, was sufficient only to meet the Government fees on the various licences which the Company holds, which fell due early in 1956, and it was consequently necessary for the Board to make the final call of Rs. 2 per share on 16th February 1956. The funds thus obtained will be sufficient to provide for normal expenditure through the current year and to leave a balance of rather less than Rs. 1 lakh available for carrying forward to 1957.

Karsal.—The test to which reference was made in the Chairman's statement last year, has been carried out successfully to a depth of 11,928 feet after encountering at 11,678 feet the limestones which are the source rock of the oil found in the neighbouring Attock Oil Company lease of Balkassar. Production from the well to date has been small and amounts to 2,000 B/s only. All efforts to improve production by acidisation have so far proved in vain and it may be necessary to carry the well deeper in the hope that oil in economic quantities may be encountered at a lower depth. *Bains.*—No further work has been done on this area since the last report.

Adhi.—The directors have entered into an agreement with Pakistan Petroleum Limited to test this area and the adjoining P. P. L. Chak Naban area on a fifty-fifty basis which means that the cost of successful testing and any oil production so obtained will be shared equally between the two Companies. Preparations for drilling this test well have started.

Khaur/Dhulian Extension.—Government granted the Company a prospecting licence over an area of 32.79 square miles surrounding the existing Attock Oil Company leases at Khaur and Dhulian. There was considerable delay in starting the test due to trouble in obtaining acquisition of the necessary land. This trouble has now been successfully overcome and the rigging up of the test well is approaching finality.

Jhatla.—Preparations for drilling a test well on this area which is situated roughly 24 miles South West of Balkassar are well advanced. *Teri and Kohat.*—Preliminary work is also in train to drill a geological bore hole in this area near Shahardarra village, Kohat District.

Licences.—1. *Exploration Licences.*—The Company has surrendered its licence over 2,083 square miles near Mankera, Districts Mianwali and Muzaffargarh, West Pakistan, on the advice of its Geological advisers who have decided, as the result of closer examination, that the area does not hold out promising prospects.

2. *Prospecting Licences.*—Since the directors last report the Company has secured the licence over 22.62 sq. miles at Kallar Kahar, District Jhelum, West Pakistan, which they then referred to as pending. The directors' application for a licence over 8.3 square miles at Mahesian, District Jhelum, West Pakistan, which they referred to in the same report, is still pending. The directors have submitted an application for a prospecting licence over a further area at Dhab-Kalan comprising 8.8 sq. miles, in Jhelum, West Pakistan.

The contingent liability for the cost of the work done at outfields up to the date of the closure of the accounts amounted to Rs. 82,27,480 (Rs. 1,14,92,882).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	8,00,036	Preliminary expenses ...	43,072
Liabilities ...	6,888	Advances ...	265
		Cash ...	1,25,207
		Profit and loss account ...	6,38,380
Rs.	8,06,924	Rs.	8,06,924

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

QUESTION HOUR IN PARLIAMENT

Manufacture of Handloom Implements

THE Government of India are considering a scheme for the setting up of factories for the manufacture of handloom implements.

* * * *

Mill Cloth Production

Indian mills produced 3,744 million yards of medium cloth and 606 million yards of coarse cloth during 1955-56. From these, 483 million yards of *saris* (medium) and 2 million yards of *saris* (coarse) were produced. The figures for *dhotis* were 364 million yards (medium) and 11 million yards (coarse).

* * * *

Excise Duty on "Dhotis"

The amount collected during 1955-56 (upto February 1956) under the *Dhoti* (Additional Excise Duty) Act, 1953, was Rs. 2,88,000. The collections have been credited to general revenues.

* * * *

Coir Board

The Government of India has sanctioned a loan of Rs. 19,67,500 and a grant of Rs. 24,569 to the Government of Travancore-Cochin during 1955-56 for promoting co-operative organisations among producers of husks, coir fibre and yarn.

* * * *

Spinning Mills

The Government has given permission to set up a new cotton mill in Tirupati with 12,000 spindles. Licences have been granted to Travancore-Cochin for two mills (22,600 spindles); Mysore three mills (34,000 spindles); Madras 55 mills (606,944 spindles) and Andhra five mills (90,560 spindles).

* * * *

Total Value of Exports

The total value of exports during 1955 was Rs. 603.77 crores. At the end of 1954, about 75 per cent. of the export trade was free from control.

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Industrial Co-operative Match Factory

A sum of Rs. 3,62,447 has been sanctioned for the Industrial Co-operative Match Factory at Hyderabad.

* * * *

Cloth Exports to Pakistan

The total quantity of cloth exported to Pakistan in 1955-56 was 5,485,256 yards.

—*T. T. Krishnamachari*

Machinery for Textile Industry

A number of items of machinery required by the textile industry is already being manufactured in the country, such as ring frames, carding engines, fly frames and draw frames, looms, twisting machine, and dyeing, printing, finishing and bleaching machinery. Except for fly frames and draw frames and some of the dyeing, bleaching, printing and finishing machinery, the indigenous industry has either become almost self-sufficient or is likely to be self-sufficient in the near future. The quality of the manufacture is also comparable to that of the foreign make.

—*M. M. Shah*

Match Industry

It is estimated that about 24,500 workers are employed in the match industry. Of these, nearly 8,500 are employed in the fully mechanised sector and about 16,000 in the cottage sector. The existing rate of duty does partially serve to help the cottage match industry.

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All-India Handloom Board

An order for compulsory registration of all handlooms is being issued.

* * * *

Chenopodium Oil

The quantity of chenopodium oil imported during 1955 was 2,877 lbs. The Government intends to develop cultivation of plant from which the oil is obtained. Experiments to develop suitable methods of cultivation are in progress in the Forest Research Institute and in the Drug Research Laboratory, Jammu.

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Small Industries Institute

No foreign experts are employed at the Small Industries Service Institute, New Delhi. During 1955-56, an expenditure of approximately Rs. 3.5 lakhs was incurred on the Institute.

* * * *

Motor Car Production

There are at present three firms engaged in the production of motor cars—one in Bombay, one in Madras, and the third in West Bengal. The firms claim a total capacity of 33,000 cars per annum. The reason for closing down the operations of certain firms is that they have no intention to manufacture cars in this country.

* * * *

Manufacture of Automobile Products

Besides Tata-Mercedez-Benz diesel trucks and Standard Ten cars, production of gudgeon pins and buaflex steel piston rings, electric horns and shock absorbers has also commenced during the last two years. The Government has not given any financial aid or grant to the industry.

* * * *

Production of Motor Cycles

Production of motor cycles, spark plugs and automobile radiators has already commenced in India. Motor cycles are being produced from May 1955 and spark plugs from September 1953. Manufacture of radiators is reported to have commenced about four years ago. The annual installed capacity of single shift of motor cycles, spark plugs and radiators industry is given as 5,000, 6,85,000 and 40,000, respectively.

—*Nityanand Kanungo*

State Trading Corporation

The State Trading Corporation is expected to be registered next week. The Corporation will have a share capital of Rs. 1 crore, divided into 100,000 shares.

—*D. P. Karmarkar*

Indo-Polish Shipping Agreement

There is a proposal to enter into an agreement with Poland for direct shipping service between India and Poland. The agreement is likely to be signed shortly.

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Shipping

The number of ships added to the Indian mercantile shipping during 1955-56 was eight ships aggregating 18,925 g.r.t.

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Ropeway in Assam

A scheme for the construction of a ropeway between Shella Bazar and Amingagon was received from the Government of Assam sometime ago, but, on examination, it was found that the scheme required some modification. The scheme has, therefore, been returned to the Assam Government. No revised scheme has yet been received.

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Wagons for Coal

Every endeavour has been made by the railways to step up the supply of wagons for coal loading. The target fixed by the Bengal-Bihar coalfields for coal loading is 3,250 wagons daily. Last month, the daily loading was 3,431 wagons, which was well above the target. The Government received a joint telegram recently from the Indian Mining Association, the Indian Mining Federation and the Indian Colliery Owners' Association requesting that the supply of coal-loading wagons be stepped up immediately. The present demand for wagons may be slightly more than what is being supplied at present. The demand is being adjusted by the Coal Commissioner and we are fairly able to meet it.

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Coastal Shipping

It is very difficult to gauge the effect the increase in the coastal shipping freight rate has on the transport of the commodities concerned. But, so far as the Government are aware, there is no adverse effect on the transport of the commodities concerned.

—*O. V. Alagesan*

Estimate of Wheat Crop

The final estimate of wheat crop for 1955-56 is expected to be available only by the end of May 1956. However, according to present indications, this year's wheat crop is expected to be more than the average of the last three years. It may be necessary to import some wheat both for current consumption and for building up of reserve stocks. The Government proposes to continue to sell wheat freely from Central sales depots in important consuming centres like Bombay, Calcutta, Delhi, etc., at Rs. 14 per maund. This will reduce the demand of these consuming centres from Internal markets and will help stabilise prices in these markets also at reasonable levels.

—*M. V. Krishnappa*

Aid to "Panchayats"

The Planning Commission is recommending to the State Governments to consider making grants to village *panchayats* to enable them to play their part in the programmes of rural reconstruction and development. The proportion of grants may be 15 to 20 per cent. of the land revenue, with an additional grant extending upto about 15 per cent. of the land revenue on condition that the *panchayat* raises an equal additional amount by taxation or voluntary contribution.

* * * *

Sharavathi Project in Mysore

The first stage of the Sharavathi hydro-electric project in Mysore has been tentatively included in the second Five-year Plan and as high a priority as possible will be accorded to this scheme. The first stage of the Project is estimated to cost Rs. 22.97 crores.

—*S. N. Mishra*

Auditing of State Bank Accounts

The Comptroller and Auditor-General has drawn the attention of the Government to the absence of any provision in law for auditing the accounts of the State Bank of India by him. After consideration of the matter, the Government has come to the conclusion that the provisions in the existing law required no change. Auditors are appointed for the State Bank by the Reserve Bank with the approval of the former. While piloting the State Bank Bill, certain amendments had been brought forward suggesting that the Auditor and Comptroller-General should be given certain authority. But it was decided that, as the State Bank was the biggest commercial bank, it should not be within the control of the Auditor-General, but that an independent auditor should be appointed by the Reserve Bank in consultation with the Government of India. It has been provided that the audit reports will be placed on the table of the House which will be in a position to discuss the report, if it so chooses.

—*M. C. Shah*

THE CASE FOR NATIONALISATION

(*Concluded from page 959*)

It must be noted also that, at the time of launching the new Plan, some disturbing factors have come into play which will add to the difficulties of carrying it out. First is the dislocation, not merely administrative but psychological, caused by the reorganisation of the States. Next is the deterioration of our relations with certain neighbouring countries which is bound to increase the expenditure on defence. Lastly, a fresh inflationary trend has begun to appear in most countries of the world and its reaction upon India may have consequences which it is difficult to forecast.

I have dwelt at this length on the Plan in order to enforce the point that the Government of India have their job in the near future fully cut out for them in seeing that economic development conforms to the general policy laid down in the Plan, without going further and undertaking direct participation in specific industries.

Autonomous Corporations

It may be objected that these considerations apply only to departmental management of nationalised industries, but that, if management is entrusted to public corporations, the responsibility of Government would be lessened. In practice, it will be found that the responsibilities that fall to Government in the case of a public corporation would not be any less. The funds held by public corporations are borrowed from Government, or invested or guaranteed by Government. Whatever the degree of autonomy vested in a corporation, the responsibilities inherent in the management of public funds would oblige Government to keep a close watch on its operations, including the not very helpful intervention of the Audit Department. Besides, it is the usual practice in public corporations for Government to have the right of issuing directives on matters of general policy affecting the public interest. Where the line is to be drawn between day-to-day working and public interest is a moot point in every country which has adopted the device of public corporations. In a country which has achieved sovereignty for the first time, the tendency generally is for Government to place too wide an interpretation on public interest and issue directives on matters which, strictly speaking, affect only day-to-day working. This situation arises also with regard to interpellations in Parliament. A convention has grown up in the British House of Commons that interpellations regarding public corporations, like directives, should apply only to matters of policy. But, at the present stage of public corporations in India, an unjustifiable measure of latitude appears to be allowed. The wide interpretation placed on public interest leads Ministers to assume a degree of responsibility for the working of public corporations which constitutes an abuse of the right to issue directives and to answer questions in Parliament. In certain matters with which I happen to be personally acquainted, replies by Ministers have been not merely unwarranted but almost invariably factually inaccurate.

Cautious Approach Needed

I, therefore, come to the conclusion that it is in the Government's interest at the present stage to proceed slowly and with caution in the matter of nationalisation. If the experiments in nationalisation meet with disappointing results, the reaction on the pattern of society that Government are trying to build will be serious. I suggest, therefore:—

(1) that nationalisation should be strictly limited in scope,

(2) that it should be applied selectively not in regard to categories of industries but to specific industries.

(3) that the approach to it should be empirical, and

(4) that, as far as possible, it should be decentralised.

There has recently been a tendency on the part of Government spokesmen to pronounce in favour of State enterprise, generally on the ground that concerns run by free enterprise have been guilty of serious lapses and irregularities. Free enterprise has been at work in India for nearly a century and it is easy in view of the long period and the wide range it covers to find material for allegations as compared with State enterprise. But this is a poor way of judging so important an issue. To one who for some time as Minister of Railways was in charge of the largest public enterprise in India and who at another time as a business man was in charge of the largest free enterprise in India, namely, the Tata Iron and Steel Company, comparisons of this kind carry little conviction.

I do not for a moment deny that, in a developing country, there is a case for public ownership and management of certain industries. As an illustration, I would mention transport—railway, road and air. Transport is fundamental to economic development and there is no form of business in which there is greater need for coordination. Similarly, there are industries, the products of which are required solely for defence purposes and for which a *prima facie* case for nationalisation exists. On the other hand, as an illustration of a business for which no such case exists, I would mention insurance. I have read every statement made by those in authority justifying the nationalisation of life insurance and I must confess I am as unconvinced as ever. Another case is the nationalisation of the Kolar Gold mines. The Kolar Gold fields are not a new enterprise; gold is a speculative commodity; the use of currently produced gold as a means of strengthening exchange reserves is diminishing; India's contribution to world production is negligible; the low levels at which gold is now extracted in the mines in question makes it expensive. It is difficult to imagine a case less suitable for nationalisation.

Two things are important where an industry is sought to be nationalised. First, it must be established that in the national interest there is a good case for it. Secondly, the public, as well as the interests concerned, should know definitely what are the grounds on which the final decision is taken. The policy of Government would on this basis be one of discriminating nationalisation. The tests by which the discrimination is exercised should be clearly laid down and the necessary enquiry should be made not by Government but by an independent body with requisite knowledge and experience whose judgment would command confidence.

I regard with growing concern the loose talk of nationalisation going on in high places today. I do so not merely because the country needs all the free enterprise now available for its development but because I see no justification, either practical or ideological, for the decline resulting from Government policy in freedom of enterprise, which in reality is one of the greatest freedoms in a democratic community.

COMMERCE AND INDUSTRY

(*Concluded from page 972*)

The competence of the Government to establish and run industries efficiently was questioned by Mr. Shroff. So far as he had heard and known, he said, the public sector had not succeeded anywhere in the world, except perhaps, in Soviet Russia. The reason for this was that, once the State took up an industrial venture, it became an impersonal affair. In support of this view, he gave an interesting instance. Although every modern industrialist knew that one of the vital things necessary for an industrial enterprise was an efficient costing system, the Telephone Industries at Bangalore did not have one and a system was still being devised at New Delhi.

Be that as it may, a statement of industrial policy, however liberal or free from doctrinaire bias it may be, cannot by itself stimulate industrial expansion. Such expansion can come only through the adoption of liberal fiscal policies, and realistic labour laws, encouragement to initiative and enterprise, and creation of confidence in the public that the Government will pay just compensation in the event of nationalisation.

CENTRAL STATISTICAL ORGANISATION

Having been established in May 1951 as an "attached" office of the Cabinet Secretariat, the Central Statistical Organisation has been meeting the growing needs for proper co-ordination of the statistical activities in the different Ministries of the Government of India and in the State Government and effecting improvements in the statistics collected.

The report of the Organisation for the year 1954-55 states that a "planning cell" was set up during the year. There was considerable increase in work relating to co-ordination of State statistical activities, especially in the context of Planning. In view of the need for a large number of qualified statistical personnel, the Organisation initiated a brief (about 7 weeks') "In-service" training course for senior statisticians in 1954. This course, it is stated, is now an annual feature. Besides, the Organisation, in co-operation with the Indian Statistical Institute, organised a nine months' course for junior statistical officers.

In March 1955, the Organisation published the second issue of the White Paper, giving the final estimates of national income for 1952-53 and provisional estimate for 1953-54. A working paper on "capital formation" during the years 1948-49 to 1953-54 was prepared for the information of the Planning Commission.

INDO-SWEDISH TRADE AGREEMENT

Letters were exchanged at New Delhi on the 9th inst., between the representatives of the Governments of India and Sweden, extending for the year 1956 the validity of the schedules attached to the Indo-Swedish trade arrangement signed in May 1955. The arrangement provides that the schedules of imports and exports attached to it would be revised every year. Some of the important commodities of export from India to Sweden during 1956 are cotton textiles, silk and rayon fabrics, jute goods, raw wool and woollen manufactures, coir and coir products, cotton waste, leather goods including footwear, myrobalan and extracts, sports goods, castor oil, linseed oil, mustard oil, hydrogenated oil, spices, tea, coffee, tobacco, shellac, manganese ore and magnesite, kyanite, chrome and iron ores, paraffin wax, linoleum, bristles, cottage industry products, cashew kernels and coal. Some of the important commodities for import into India from Sweden during 1956 are foodstuffs of various kinds, building materials such as cement and ceramic floor and wall tiles, various kinds of chemicals and pharmaceuticals, forestry products such as boxboards, chemical and mechanical pulp, newsprint, wrapping paper, book printing and writing paper, cardboard, wallboard, etc., textiles such as rayon wool and silk; iron and steel including ferro-alloys and stainless steel; metal manufactures and semi-manufactures such as cycle chains, hand tools, builders' hardware, horse-shoe nails, cutlery, etc.; various machinery and industrial equipment—diesel engines, metal and woodworking machinery, ball and roller bearings, match-making machinery, printing machinery, etc.—electrical equipment—generators, transformers, telephone and telegraph equipment—domestic machinery and equipment; means of transport—railway rolling stock and locomotives.

COTTON

(*Concluded from page 958*)

spot cotton. It is true that the rate for the futures should be a little below that for the spot, but not at so low a level as Rs. 140 below the ceiling for the spot, as is contended by the Commission. It may be mentioned here that there is already a provision for such a difference, according to which transactions in hedge contract would automatically have come to a close when the contract touched Rs. 815. Surely, the heavens would not have fallen had the Commission waited for this level to be reached. In any case, what has the Commission achieved by acting as it did? Has it been able to prevent the spot prices from going up? Indeed, the spot prices have continued to be firm since the date of the suspension of forward trading. Almost every variety has touched the ceiling. There have even been reports that consumers of cotton have had to pay prices above the ceilings for certain varieties. Thus, the suspension of trading has not benefited the consumers either. In fine, in fixing an arbitrary ceiling for the hedge contract, the Commission has been actuated more by academic considerations than by realistic awareness of conditions in the cotton world.

Again, much has been made by the Commission of the allegation that option business was being done on a large scale. Options are illegal in India. Yet no one has been able to stop them, without completely closing the futures market. If futures trading is to be allowed, one cannot help winking at such business. That is what is happening in all other parts of the world where options are not recognised in law. The only difference between India and the other countries is that, whereas we glibly talk of eradicating the evil, the others do not indulge in such idle talk. Occasionally, when it is found that the evil is rampant, the authorities can conduct police raids and seize the books of members, and adopt similar measures which help bring down the volume of option business for some time. Why did not the Forward Markets Commission order such a police raid in December last? Surely, it has powers to do so. Was it afraid of incurring the unpopularity of the large mass of dealers who participate in options?

Further, the explanations quoted above do not face some of the larger issues. Is it right that a contract should be cut off during its pendency at a level below the ceiling fixed for it? What happens then to the sanctity of contracts? This is a fundamental question. So long as it remains unanswered, forward trading cannot function efficiently. If the impression gets abroad that a contract may be cut off at any time, at any level, before it reaches the ceiling, it will destroy the confidence of operators which forms the basis for forward trading.

STRINGENCY IN MONEY PERSISTS

(*From Our Own Correspondent*)

BOMBAY, 16*th May*

Activity in the short-term money market was very much restricted during the week under review. This was not due to any slackening of the demand for money, but on account of the scarcity of floating funds. With the seasonal demand for bank credit still on the high side, banks had frequently to call on the Reserve Bank for increased accommodation, as witness the sharp rise of Rs. 17.25 crores in Scheduled banks' borrowings against usance bills during the week ended 11th May 1956.

In the inter-bank call money section, the rate stood unchanged at 3½ per cent. House money continued to fetch 3½ per cent. Short-term deposits were offered at 3½ per cent. for one to three months and 3¼ per cent. for longer periods.

A rise of Rs. 7.37 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 11th May 1956. This increase follows the expansion of Rs. 13.50 crores noted in the previous week. There has also been a rise of Rs. 1.60 crores in notes held in the Banking Department, so that the aggregate increase in total notes issued is Rs. 8.97 crores. On the assets side, rupee securities have gone up by Rs. 10 crores, while rupee coin is lower by Rs. 1.02 crores. In the Banking Department, there has been an increase of Rs. 9.53 crores in deposits of the Central Government and a fall of Rs. 11.44 crores in those of other Governments. On the assets side, balances held abroad are lower by Rs. 3.51 crores. Loans and advances to Governments show only a fractional rise, while that in other loans and advances is of the order of Rs. 11.19 crores. The increase in the latter is mainly accounted for by the rise of Rs. 9.43 crores in advances to Scheduled banks against usance bills. Fresh advances against usance bills during the week amount to Rs. 17.25 crores, as compared with Rs. 14.06 crores in the previous week. This is probably the largest amount advanced to banks against usance bills in any one week. Investments show a drop of Rs. 10.12 crores.

The Scheduled Bank's statement for the week ended 4th May 1956 discloses a further fall of Rs. 7.99 crores in demand deposits. Time deposits have, on the other hand, risen by Rs. 2.41 crores, borrowings from the Reserve Bank by Rs. 6.78 crores and those from the State Bank by Rs. 1.36 crores. Advances have gone up by Rs. 6.36 crores and inland bills purchased and discounted by Rs. 68 lakhs. Foreign bills have, however, fallen by Rs. 1.63 crores. Cash balances show a negligible decline and balances with other banks and money at call a shrinkage of Rs. 73 lakhs and Rs. 77 lakhs, respectively.

The Gilt-edged market displayed a very steady tone, the sentiment having been helped by good enquiries from institutional investors for long-dated securities and persistent scarcity by stocks.

3 per cent. 1957 was unchanged at Rs. 99-13, the rate at which the Reserve Bank was a buyer. 3 per cent. 1958 was on offer at Rs. 99-11. 3 per cent. 1959-61 was marked down by an anna to Rs. 98-2. 3 per cent. 1963-65 picked up an anna to Rs. 95-2. 3 per cent. 1964 also was in demand and gained an anna to Rs. 95. 3 per cent. 1966-68 moved up by As. 2 to Rs. 93-4, at which level there were sellers. 3 per cent. 1970-75 had buyers at Rs. 90, but there was no change in price. 3 per cent. 1986 Conversion Loan hardened by an anna to Rs. 77-7 and there were buyers even at Rs. 77-7½. 3½ per cent. 1961 was enquired for an anna higher at Rs. 99-10, while 3½ per cent. 1964 was an anna lower at Rs. 98-11. 3½ per cent. 1965 was unchanged at Rs. 98-10, the rate at which the Reserve Bank was a seller. Among State loans, 4 per cent. 1967 issues were in good demand. Bombay 1967 gained an anna to Rs. 100-12, while West Bengal was unchanged at Rs. 100, Madras at Rs. 99-13 and U.P. at Rs. 99-11. Madhya Pradesh 1967 was marked up by an anna to Rs. 99-8. Bihar by As. 2 to Rs. 99-7, Mysore by As. 3 to Rs. 99-9, Saurashtra by an anna to Rs. 99-11 and Hyderabad by As. 3 to Rs. 99-9.

In the foreign exchange section, rupee maintained, its ground in terms of the U.S. dollar, the banks' selling rate of ready dollar remaining unchanged at Rs. 476¾ per $100 and their selling rate at Rs. 472¾ per $100. The sterling was, on the other hand, a little erratic. In New York, spot sterling moved down from $2.80.7/8-2.81 to $2.80.11/16-2.80.13/16, before regaining to $2.80.13/16-2.80.15/16. Three months' forward gained a fraction on balance from $2.79½-2.79.3/8 to $2.79.5/16-2.79.7/16 and transferable sterling from $2.78.9/20-2.78.11/20 to $2.78.3/5-2.78.7/10.

ARRIVALS OF TEA INCREASING

[*Messrs. Forbes, Ewart and Figgis (Private) Ltd.*]

COCHIN, 10*th May*

There have been no sales in Cochin this week, sale No. 11 having been postponed until 15th May. Dust sale "J" will be held on Thursday, 17th May. It is understood that rain has fallen in almost all districts and arrivals are now increasing.

London Market—Sale of 7th May 1956.—Competition less active and buying more reflective. Thin liquoring and plain teas penny easier.

Sale of 8th May 1956.—2*d.* to 4*d.* easier, except for few selected lines.

Colombo Market—Sale of 7th May 1956.—Good demand, particularly useful liquoring. Fannings firm. Rates slightly lower for poorer dusts and stalky broken mixeds.

Sale of 8th May 1956.—Considerably less demand. Market weakened progressively and prices continued to decline. High-grownes 50 cents to Re. 1 lower. Mediums 50 to 60 cents lower. Low-grown 35 cents lower. Quality much worse. Substantial withdrawals.

Calcutta Market—Export.—Good general demand with any teas with neat leaf or pretensions to quality selling at dearer rates. Most cleaner sorts fully firm and stalky commonests slightly dearer. Others, including whole leaf, occasionally half to one anna easier.

Internal.—21,000 dust. Quite good general demand, half to one anna easier. Black leaf and best C.T.C. firm to dearer. Leaf 5,700 chests. Fairly good demand, generally half to one anna dearer.

Export Quota.—Following a Government announcement of the extension of the validity of special licence to 30th June the market has been active. There are now sellers at 9 pies and business has been done at this figure. 1956-57 export quota is quoted at 33 pies and business has been done.

Forthcoming Auctions.—Sale 11 will be held on 15th May, sale 12 on 22nd May and dust sale "J" on Thursday, 17th May.

As we go to press, Messrs. Forbes, Ewart and Figgis Ltd. wire:

"*Sale* 11.—300,000 lbs. Less demand for everything, except all fannings which are fully firm to dearer. Others irregularly As. 2 easier. Many withdrawals."

MARGIN IN SILVER

(*From Our Own Correspondent*)

BOMBAY, 16*th May*

A sharp recession in silver and a marking down in price of gold today were the only notable features of trading in bullion during the week under review. During the earlier sessions of the week both silver and gold were dull, though the undertone was fairly steady. The trend was somewhat irregular within a narrow range.

The decline in silver today, which was attributed to heavy unloading induced by the reported arrival of Tibetan coins equivalent to 150 bars, brought the forward price for May settlement down to a low of Rs. 172-8, the lowest level for the current year so far. Also, it brought the closing price (Rs. 173-1) down by Rs. 2-7 over the week and by Rs. 9-7 over the past two weeks. As the closing price of silver for the May settlement was more than Rs. 7 below the official starting rate of Rs. 180-4 for the current settlement, a margin of Rs. 500 per bar was enforced against the sellers on all their outstanding sales as per by-law 33-C (1) (b).

The recession in gold was due to the decline in offtake in the ready position.

Silver for forward delivery (26th May settlement) advanced early in the week from Rs. 175-8 to Rs. 177-5, on rumours that the export of silver from Tibet might be restricted by the Tibetan Government. Absence of any confirmation of these rumours and the decline in demand in the ready position brought the forward price down to Rs. 105-14 on Monday. After recovering again to Rs. 176-13 yesterday, it declined to Rs. 172-8 today, before closing at Rs. 173-1.

The business in the June settlement commenced on Wednesday last, the official starting rate for silver being Rs. 172-10. After moving down to Rs. 171-15, there was a recovery to Rs. 172-11 yesterday, but it again receded to Rs. 170-1 at the close.

Ready silver (.996 Mint) gathered strength from Rs. 179-8 to Rs. 181-14, but slipped back to Rs. 177-1 at the close. The floating stocks of silver are reported to be 600 bars. The daily average offtake was 20 bars.

Forward gold (25th May settlement) shaded off from Rs. 104-4 to Rs. 103-9 before coming up to Rs. 104-11 yesterday. Today, however, it dipped again to Rs. 102-12 and closed at Rs. 103-3. Forward gold (June settlement) gave way from Rs. 102-14 to Rs. 101-14.

Ready gold was marked down from Rs. 106-2 to Rs. 104-4, but the closing was a shade better at Rs. 104-11. The floating stocks of gold are reported to be 20,000 tolas. The daily average arrivals were 3,000 tolas and the offtake was also of the same order.

In London, silver prices were marked up a little, spot metal gaining from 78¾*d.* to 79*d.* and forward from 78¾*d.* to 78¾*d.* Gold also advanced from 249*s.* ¼*d.* to 249*s.* 2½*d.* In New York silver was unchanged at 90¾*c.*

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

	16-5-56	Highest	Lowest	9-5-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	104 11	106 14	104 4	106 2
Forward*	103 3	104 11	102 12	104 4
Sovereign	66 8	66 8	66 4	66 8
SILVER				
Ready (.996 fine Mint) ..	177 1	181 14	176 8	179 8
Forward†	175 6	177 5	172 8	175 8
London Silver Ready ..	79*d.*	79*d.*	78¾*d.*	78¾*d.*
London Forward	78¾*d.*	78¾*d.*	78¾*d.*	78¾*d.*
London Gold	249*s.* 2¾*d.*	249*s.* 2½*d.*	249*s.* 1¼*d.*	249*s.* 1*d*
New York Ready	90¾*c.*	—	—	90¾*c.*

* 25th May, settlement.
† 26th May, settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

COTTON RALLIES FURTHER

(*From Our Own Correspondent*)

BOMBAY, 16*th May*

If nothing goes wrong again, forward trading in cotton will be resumed by 15th June next. The Cotton Contract Committee is reported to have practically completed the examination of the proposals made by the Forward Markets Commission in the light of the views of the East India Cotton Association members. The Committee, it is understood, is generally inclined to accept the amendments to the by-laws of the E.I.C.A., as suggested by the Commission with a view to checking any tendency to speculate in the cotton market. On the issue of contracts, however, the Committee would appear to be divided in its opinions. At the meeting of the Committee held on Monday this week, some members favoured the running of two contracts simultaneously, while others opposed it and advocated only one contract. In view of the divergence of opinion thus, the meeting terminated without any decisions being taken. The two sections have been asked by the authorities to present their cases after discussion among themselves to the Secretary of the E.I.C.A. by the 26th inst. The views of the two sections will be circulated to all members of the Committee and final decision will be reached by the Committee thereafter.

The efforts of the E.I.C.A. members at presuading Mr. Purshotamdas Thakurdas and Mr. Chimanlal B. Parikh to withdraw their resignations from the office of President and Vice-President, respectively, have failed. Since the two persons expressed their inability to continue in office, the Board of the E.I.C.A. has accepted the resignation. The Board will be electing a new President and Vice-President at its meeting to be held on Friday.

The firm tone noted in the spot cotton market for some weeks now gathered considerable momentum this week. In fact, conditions akin to a boom are in evidence at present. Besides the continued excellent domestic offtake in piecegoods and shortage of indigenous popular styles, the abolition of the 6¼ per cent. *ad valorem* export duty on coarse cloth has whipped up the enthusiasm of mills to enlarge their commitments. Transactions put through are quite large and cotton prices have recorded further gains. Even the Central Government's decision to permit, with immediate effect, issue of licences for import of American cotton of staple length 1.1/16" and above has gone completely unnoticed. Indeed, the exportable short-staple and short-medium staple varieties have pierced the ceilings—the unofficial premium commanded by a few varieties is said to be Rs. 15 per candy of 784 lbs. —while long-staple varieties such as Vijay, Surti, Jayadhar and Lakshmi are bumping against the ceilings.

The following table gives the latest quotations for a few popular styles of cotton from the Sewri market, as compared with the rates prevailing a week and a fortnight before:

(In rupees per candy of 784 lbs.)

	16-5-56	9-5-56	2-5-56
Bengal *Deshi*	660	665	660
Berar Jarillas	800	800	795
Khandesh	810	810	800
Vijay	965	960	960
Oomra *Deshi*	710	700	700
Moglai	720	700	700

The Central Government has, as already stated, decided to permit, with immediate effect, issue of licences for import of American cotton of staple length 1.1/16" and above. The licences, which will be valid for shipment up to 31st December next, will be issued by the Joint Chief Controller of imports as in the past, that is, against prior sale to mills or on importers' account or to mills for direct import, on production of evidence of purchase from overseas suppliers. Two factors have been responsible for the decision. First, there is the scarcity of desirable quality domestic cottons. Secondly, the demand for fine and superfine fabrics has continued to be active.

Thanks to the aforesaid decision, mill demand for American cotton has somewhat slackened, since the mills are not in a hurry to cover their requirements immediately. Egyptians were dull because of the high prices demanded. East African cotton, however, is evoking sustained interest and, consequently, prices have gone up further. B.P. 52, for instance, was quoted yesterday at Rs. 1,800, as against Rs. 1,700 a week before. Jinja was also done higher at Rs. 1,500, as against Rs. 1,440. Some deals were put through in Gezirah Sudans for May through July shipment. Among exportable styles, Zoda cotton and yellow pickings continued to meet with buying support. There was also some foreign interest in lower Jarillas, *deshi* varieties and Wagad.

The Karachi cotton market ruled strong this week too, although the spurt in prices was not so marked as in the previous week. The speculative interests lent renewed support, with a view to enlarging their holdings on expectations of still higher prices in the coming weeks. N.T.R.G. May delivery advanced from Rs. 89-6 to Rs. 93 before opening lower at Rs. 91 per 82 lbs. yesterday. July delivery put on Rs. 3-6 to Rs. 89-1 early on the 14th inst., it, however, opened easy at Rs. 87-8 yesterday. The latest available ready quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton, as compared with those a week and a fortnight before, are given below:

	15-5-56	8-5-56	1-5-56
Sind *Deshi*	104	101	100
Punjab *Deshi*	99	98	94½
4F Roller	90	88½	81½
S.G.	94	93½	86
Punjab Roller	95½	94	87
S.G.	100	99	92
289F N.T. Roller	96	95½	88
S.G.	102½	101	94½

The Alexandria cotton futures market exhibited buoyant conditions till the close on Monday, but developed easiness yesterday. The buoyancy during

the major part of the week thus was due to firm advices from the spot market where premiums were ruling at the highest levels for the season. Cotton futures prices, as a result, registered a sharp rise. The upward trend was, however, halted yesterday when, on account of shrinkage in overseas demand, prices suffered a break. Nevertheless, the closing rates were very much higher than those at the end of last week. The following are the latest available quotations—in tallaris per lb.—from the Alexandria cotton futures market, the highest touched in the week and the closing rates a week before:

	15-3-56	14-3-56	8-3-56
Karnak:			
May	116.50	121.75	103.30
July	112.75	115.50	107.00
November	109.30	112.75	103.75
Ashmouni:			
June	88.45	90.75	87.55
October	80.15	84.45	80.80

Following reports of soaring values of comparable Egyptians and active demand, Sudan cottons continued to record new highs every day. On Tuesday last week, the Gezira Board announced new reserves which were far higher than the previous reserves and close to the prices received at the last auction. At the auction on the same day, the Board got prices which were very much higher than even those of the new reserves. XG4S, G4S, XG5S, G5S and G2L were sold about 3d. per lb. above their reserve prices and XG6S and G6S a penny above.

Last two weeks' firmness of the Liverpool cotton futures persisted during the week under review, thanks to highly encouraging advices from the Egyptian and Sudan markets. Mill fixations in the near position of the old contract were sustained. New crop positions had the support of mixed American and local trading operations. Outside growths were lifted up by commission houses. The latest available quotations—in pence per lb.—from the Liverpool cotton futures market are given below:

Old contract: May-June 26.45 and July-August 26.00. *New contract*: May-June 30.65, July-August 29.00, October-November 26.65, December-January 26-10, March-April 25.50 and May-June 25.45; *Egyptian Karnak cotton*: May-June 59.25, July-August 59.05 and November-December 59.05. *Sudan cotton contract*: July-August 57.75, September-October 57.25 and November-December 57.25.

The New York cotton market depicted a fully steady trend during the week under review, in distinct contrast with the easy conditions prevailing in the previous week. The steadiness was aided by good trade demand, commission house buying and short-covering which uncovered some stop-loss orders. Firm advices from foreign markets and higher prices paid for some of the C.C.C. export cotton also acted as favourable factors. Cotton prices, as a consequence, moved up. The improvement would have been more marked but for reports that the Agriculture Department was under pressure from Congressional quarters to lower its minimum prices for export cotton. The Crop Reporting Board of the Department has come out with its final estimate of the U.S. cotton crop in the current season, which places the total yield at 14,721,000 bales, as against 14,663,000 bales forecast in the preliminary final report issued in December last. The yield per acre is put at 417 lbs., as against 341 lbs. in the previous season. It is believed that the C.C.C. sold on the 2nd inst. about 10,487 bales of cotton, for minimum price for Mid. 15/16" gross weights at Memphis, Tennessee being 27.63 cents per lb.

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

(In cents per lb.)

	15-5-56	8-5-56	1-5-56
Spot	36.70	36.55	36.65
July	34.46	33.85	33.89
October	32.77	32.38	32.28
December	32.84	32.55	32.38

* * * *

World cotton supplies this year are estimated by the International Cotton Advisory Committee to exceed 51 million bales, a post-war record, representing an increase of 2.7 million bales since 1955. Free world production is at present estimated at 30.6 million bales and is expected to reach an all-time high, mainly due to the record yields in the U.S., despite a significant cut in acreage under cultivation. Cotton consumption in the free world is likely to be at the 1954-55 record level of 27.6 million bales. The carry-over as on 1st August 1956 will be about 23 million bales.

COTTON YARNS ADVANCE

(From Our Own Correspondent)

BOMBAY, 16*th May*

For the third week in succession, the forward section of the rayon yarn market presented an easy trend. The sentiment of traders was somewhat adversely affected by renewed reports of heavy accumulations of stocks in consuming centres. Also, there have been heavy arrivals of imported yarn in recent weeks. During April, for instance, over 3.85 million lbs. of yarn were imported into Bombay, as against about 3.48 million lbs. in the previous month. The Central Government's recent decision to permit users to import 150 and 120 deniers acetate yarn to the extent of 5 per cent. of their licences also acted as a damper. Some selling was, therefore, in evidence and forward rayon yarn prices staged a retreat. Spot rayon yarns, however, were firm. Cotton yarns registered a rise in prices, thanks to persistent enquiries induced by firm advices from the cotton and piecegoods markets. In the staple fibre yarn section, indigenous yarns met with renewed buying support, while foreign yarns were subjected to further selling pressure.

Snia rayon yarn (120 dull cones) for June and August deliveries dropped Rs. 5 each to Rs. 799 and Rs. 794, respectively. In the spot section, 150 Italy was in special request, its quotation rising by As. 2-6 to Rs. 3-13-6. 120 Italy gained half an anna to Rs. 3-12-6. 120 Japan were higher by a like amount to Rs. 3-13. 150 Japan was fully maintained at Rs. 4-4. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade put on three pies to Rs. 3-11-6. 150 Bt. cones 1st grade was firm at Rs. 3-8-6.

In the staple fibre yarn section 40 x 2 Centurys evoked very good attention of operators and climbed up by As. 2-6 to Rs. 38-9. Kohinoors spurted by As. 2-3 to Rs. 3-10. New Greats strengthened by As. 2 to Rs. 3-8-6. Citys were firm at Rs. 3-7-6. Among foreign yarns (80 x 2), S'Sellos were subjected to heavy selling pressure and fell by As. 4 to Rs. 6-6. H'Races receded by As. 3 to Rs. 6-8. Fujis lost half an anna to Rs. 6-12. Some transactions were put through in staple fibre yarn (40 x 2) for June delivery at Rs. 684. Business in this delivery, it will be recalled, has been at a standstill since 5th July 1955.

In the cotton yarn section, ten counts Modern advanced by As. 4 to Rs. 14-4. Podars gathered As. 3 to Rs. 13-10. Elphinstones were fully maintained at Rs. 13-6. Among 20s, Hinds firmed up by As. 8 to Rs. 18-4. Moderns and Podars rose by As. 6 each to Rs. 18-6 and Rs. 17-14, respectively. Edwards were higher by As. 2 at Rs. 17-4. Deals in 30 counts Sarojas were put through As. 2 higher at Rs. 23-14. Among 40s, Minaxis picked up As. 10 to Rs. 29-14. Moderns and Vasantas both put on As. 8 to Rs. 29-4. Sixty counts received good support, Finlays advancing by Rs. 2-4 to Rs. 64-12, Moderns by Rs. 2 to Rs. 64 and Raghuvamshis by Re. 1-4 to Rs. 60. Among 80s, Moderns hardened by As. 12 to Rs. 68-12. Mahendras changed hands today at Rs. 70-4.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	16-5-1956	9-5-1956	2-5-1956
	Rs. a.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)–			
120 Dull Cone Snia June ..	799 0	804 0	808 0
August ..	794 0	799 0	802 0
120 Japan (per lb.)	3 13	3 12½	3 13½
150 Japan (per lb.)	4 4	4 4	4 3
120 Italy (per lb.)	3 12½	3 12	3 13½
150 Italy (per lb.)	3 13½	3 11	3 13½
Staple fibre yarn (per lb.)			
40×2 New Great	3 8½	3 6½	3 5½
40×2 Century	3 8	3 6	3 5
40×2 City	3 7½	3 7½	3 5½
Cotton yarn (per bundle of 10 lbs.)–			
10s Podar	13 10	13 7	13 8
20s Hind	18 4	17 12	17 7
30s Saroja	23 14	23 12	23 0
40s Minaxi	29 14	29 4	28 6
60s Modern	64 0	62 0	62 12
80s Modern	68 12	68 0	68 0

OILSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 16*th May*

Firm conditions prevailed in the oilseeds market during the week under review. The chief impetus was provided by highly encouraging reports from upcountry centres which induced operators to extend their commitments. The castorseeds section ruled particularly buoyant on good offtake of castor oil by overseas interests, prospects of fresh business and tight supply position. Japan was the principal buyer of Indian oil. Australia was also interested in purchasing some quantity. Enquiries from the U.K. and the U.S., too, were in evidence. Induced by all these reports, crushers were busy buying castorseeds, the prices of which registered a sharp advance to touch new high levels. In sympathy with castorseeds and following bullish advices from terminal markets in the wake of good demand from oil-crushers and *vanaspati* manufacturers, groundnuts were also favoured at higher prices. The linseed section ruled steady, despite the recent heavy imposition of export duty on linseed oil. For shippers continued to be in the market with purchases of linseed oil for export against prior commitments. Prices, however, did not show any marked hardening tendency, as arrivals from North India centres and Hyderabad were quite large. In keeping with the general trend of the market, *kardi* and *niger* seeds tended to look up.

The castorseeds section, as already stated, ruled buoyant. There was a buying spree in castorseeds May delivery, while offerings were comparatively small. The tenders issued on Saturday aggregated not more than 500 candies, bringing the total upto that date to 8,400 candies. The contract touched a new high of Rs. 153-12 today, that is, Rs. 11-8 higher than the rate at which it closed last week. It was, of course, a shade easier at Rs. 153-10 at the finish. Over the week, September delivery rallied Rs. 9-12 to Rs. 158-14; at one time today, it was still higher at Rs. 159-6. Spot prices of castorseeds also moved up. Madras quality spurted by a rupee to Rs. 29-10. Kanpur gained As. 14 to Rs. 28-6. Castor oil B.S.S. rose by As. 13 to Rs. 17-15. Commercial was better by As. 11 at Rs. 16-12.

In the groundnut section, June-July contract increased by As. 11 to Rs. 36-6. August-September contract was done today at Rs. 37-3, as against Rs. 36-8 at which business in this contract commenced on Friday. Bold ready F.A.Q. and Coromandal spurted by a rupee each to Rs. 36-6 and Rs. 37, respectively. Khandesh gained a like amount to Rs. 37. Groundnut oil July delivery climbed up by As. 11 to Rs. 20 and June by As. 10 to Rs. 19-12. Ex-mill put on As. 10 to Rs. 19-10.

Linseed June-July delivery was throughout fully maintained at Rs. 33-14. Bold ready registered a rise of As. 6 to Rs. 34-6. Indore was higher by As. 8 at Rs. 34-8. Kanpur gained As. 2 to Rs. 32-8. Linseed oil ready was firm at Rs. 20-7, same as last week.

Among other oilseeds, *kardi* bold ready improved by As. 4 to Rs. 21 before easing to Rs. 20-12. *Niger* seed Madras quality fluctuated between Rs. 28-14 and Rs. 29-2 but finished at Rs. 29.

The following table shows the prices of oilseeds and oils yesterday, as compared with those at the end of the previous two weeks.

	16-5-1956	9-5-1956	2-5-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	37 0	36 0	35 0
June-July	36 6	35 11	35 8
Linseed—			
Bold Ready (per cwt.) ..	34 6	33 14	32 10
June-July	33 14	33 14	31 14
Castorseeds—			
May	153 10	142 4	141 2
September	158 14	149 10	148 4
Madras (per cwt.)	29 10	29 0	28 2
Groundnut oil—			
Ex-mill Ready (per quarter) ..	19 10	19 0	18 10
Castor Oil—			
Commercial (per quarter) ..	16 12	16 1	15 12
Linseed Oil—			
Ready	20 7	20 7	19 8

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, 16*th May*

The sugar market ruled firm during the week under review also, notwithstanding bearish advices from the North. The chief factor which imparted firmness was the substantial demand for sugar from the Malabar Coast. Arrivals of indigenous sugar were also small, being only 7,200 bags, as against 7,200 bags a week before and 19,500 bags a fortnight before. The low arrivals were the result of the issue of slim release orders to the mills in the Bombay-Deccan and South India. The reports that the Regional Directorate (Food), Bombay, had tentatively agreed to accept offers for the purchase of the entire stocks of British refined sugar lying in Bombay also influenced the sentiment of operators favourably. Buying support was, therefore, sustained and sugar prices continued their upward march.

In the spot section, medium grain indigenous sugar rose by a rupee to Rs. 90-Rs. 93 per bag. Small grain gained As. 8 to Rs. 89-8. Large grain was fully maintained at Rs. 93-Rs. 98, same as last week. British refined sugar improved from Rs. 84 to Rs. 84-8 per bag of 2 cwts.

Vaisakh delivery contract for 'C' grade sugar increased from Rs. 90-2 to Rs. 90-6, but was quoted lower at Rs. 90-4 today.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

BLACK PEPPER EASY

(Messrs. Parekh and Co.)

BOMBAY, 16*th May*

Malabar black pepper continued to rule easy during the week, owing to paucity of demand from both foreign and inland. Trading remained thin. What little business was done was for short covering. Alleppey came down to Rs. 719½, Tellicherry to Rs. 800 and garbled at Cochin to Rs. 123½.

Reports of broadening of new arrivals in Sarawak is responsible for the present feeling of despondency among Indian growers and exporters, who are reported to be holding reasonably large high-priced stock. Lack of short sales in the market is likely to make the market jittery, if the present resistance level of Rs. 700 is pierced through. This is most likely because New York dealers do not like to buy in a dropping market; they only buy when market stabilises at a certain level.

May shipment was done at $0.26. June and July-August-September changed hands at $0.26½ and $0.26⅞, respectively.

The possibility of enlarged arrivals of tenderable pepper from Malabar Coast made bull interest more cautious in adding to their commitment further. May delivery was done at as low as Rs. 685.

Today's nominal quotations are: Ready Rs. 100 per Bengal maund; May Rs. 685-Rs. 695 and June Rs. 700-Rs. 705 per candy of 5¼ cwts.

KIPS EASY

(From Our Own Correspondent)

MADRAS, 14*th May*

The E.I. tanned hides and skins market was lethargic, due to the *Ramzan* holidays and to the progress of the London tanned skins public auctions in the U.K. Shipment business was at a low ebb and buying was selective. Arrivals were moderate and clearance slow. Prices declined by an anna per lb. on cow hides, by As. 2 on calf skins, by half an anna on buff hides and by an anna on tanned skins.

Indications from the U.K. kip importers were at an anna lower than Madras levels, as buyers were trying to buy only at further declines.

In the London tanned skins public sales which commenced on the 7th inst., prices of prime goat skins were 6*d.* dearer than March levels, mediums unchanged and common sorts 6*d.* lower. In fact, the actual sales show greater loss to the consignors, as the lower selections met with severe reductions in prices. Out of 710,000 goat skins offered for sale, nearly a third remained unsold which is not a satisfactory feature. If the E.I. tanners were to reduce their output, it would be of help to all concerned, as there has been overproduction in this section.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 13*th May*

During the week under review, the conditions of the hides and skins market were more or less stable. Owing to some transport difficulties, new arrivals were not as considerable as those in the previous week. The main transactions were fathered by the local tanners. The Madras dealers were in for lighter variety of cow, as well as for goat and sheep.

The latest available quotations are: Wet salted cow 1st grade Rs. 280, 2nd grade Rs. 200 and 3rd grade Rs. 100 to Rs. 105 per score; wet salted buff 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 250 and 2nd grade Rs. 200 per 100 pieces; sheep 1st grade Rs. 250 and 2nd grade Rs. 220 per 100 pieces.

FOODGRAINS STEADY TO FIRM

(From Our Own Correspondent)

HAPUR, 14*th May*

Foodgrain prices were steady to firm during the week. The Government of India is reported to be keeping close watch on the price trend and is confident that the situation will not go out of control. Mr. A. P. Jain, Union Minister for Food and Agriculture, informed the Lok Sabha that India's wheat crop this year was expected to be bigger than the average for the last three years, but still it might be necessary to import wheat for consumption and for building up reserves. In order to reduce the demand in the internal markets, the Government proposes to continue selling wheat freely from Central sales depots in important consumption centres like Bombay, Calcutta and Delhi.

Wheat prices here and in Punjab centres recorded gains during the week. At Hapur, it was now quoted at Rs. 13-2 per maund for average quality and at Rs. 14-8 for farm quality. Arrivals during the week averaged 2,000 maunds daily and stock position increased to 15 *khaties*. Outside buying enquiry was from Gujerat and east U.P. Prices at this time last year averaged Rs. 10 per maund for average quality and stock was 5 *khaties*. Rice prices continued to be steady, recording minor gains and were now quoted at: *Basmati* Rs. 25 to Rs. 33, *rangooni* Rs. 16-14 and coarse quality Rs. 15 per maund.

Firm Punjab advices and poor local arrivals—at an average of 50 maunds—accounted for sharp gains in the prices of gram which is now quoted at Rs. 10-4 per maund for local quality and at Rs. 10-12 for Punjab quality. Some imports were made from the Punjab and stock was put at 2 *khaties*. Barley and *bejhar* recorded a rise of As. 8 each to Rs. 9-8 and Rs. 9-4 per maund, respectively. Arrivals were still far from heavy. *Jowar* prices were steady on good offtake for seed purpose and prices of other grains were also firm.

The improvement in pulse prices was more pronounced and peas *dara* green was now quoted at Rs. 10-2 and white quality at Rs. 12-12 per maund. Arrivals were at an average of 1,500 maunds and stock was put at 15 *khaties*. Peas *dara* last year was quoted at Rs. 5-6. Demand from consuming centres of Madras still continued and east U.P. is a new buyer this year. Heavy quantity of *arhar* is reaching here by road and stock has swelled to 46 *khaties*, but prices have recorded gains to Rs. 10-13 per maund. Other pulses also recorded steady trend during the week.

Pulses futures recorded sharp gains during the week on vigorous bull support from east U.P. and latest quotations on Monday were: Peas *jeth* Rs. 10-0-0, peas white *jeth* Rs. 10-7, *arhar jeth* Rs. 10-14 and *urd baisakh* Rs. 17-5.

SUGAR DEPRESSED

(From Our Own Correspondent)

HAPUR, 14*th May*

The sugar market continued to rule dull and depressed during the week under review. The supply position was easy, while outside buying enquiry was very slack. The latest Government releases were not lifted. Available figures indicate that the indigenous sugar production in the country will touch new heights. Up to 30th April, the total production amounted to 1,649,804 tons, as against 1,484,856 tons in the corresponding period last year and stocks with the factories on this date aggregated 1,257,671 tons, as against 1,061,867 tons a year before. Out of the 142 factories in the country, 99 were still crushing as on that date. The mill delivery prices of sugar ran down further during the week, the latest prices as on *Monday* being *Jaswant* Rs. 27-14, Simbhauli Rs. 28, Mowana Rs. 28, Daurala Rs. 29, Amroha Rs. 27-8, Bijnore Rs. 27-8, Mansoorpur Rs. 28 to Rs. 29, Rampur Rs. 30-8; retail Rs. 30 and *khandsari* Rs. 22 to Rs. 26-8 per maund.

Better outside buying enquiry and improved loading facilities with a fall in daily arrivals to 150 maunds accounted for slightly better conditions in ready *gur* market. *Gur* was quoted at Rs. 10-8 per maund. There was small offtake during the week to Gujerat and stock position was put at 100,000 maunds.

Future *gur baisakh* delivery prices eased on delivery pressure, while *fagun* delivery prices moved both ways on speculative bouts of selling and buying. The latest prices are: *Baisakh* Rs. 9-7 and *fagun* Rs. 9-8.

PLANTING

(Concluded from page 962)

rubber goods manufacturers, as synthetic is found essential in the manufacture of an increasing number of products, as it possesses certain valuable properties which make its use in place of natural rubber advantageous. Rubber growers in India are, however, opposed to the scheme on the ground that it will affect their interests. They feel that a better, cheaper and more practical method would be to get all the requirements from the plantation industry itself, by giving all possible facilities for stepping up production. It may, however, be noted that, in a growing economy, the country will find considerable use for natural rubber and there need be no fear that the synthetic rubber production will replace the natural rubber. Even in America, where synthetic rubber production has made vast strides, immense use is being found for both synthetic and natural rubber.

The Ceylon Government has decided to remove all restrictions on the export of medium-grown teas to London for auction at Mincing Lane. The removal of restrictions will, however, be operative only till the end of June. The decision has been taken with a view to overcoming the effect of accumulation that might take place as a result of possible cancellation of some Colombo auctions during the *Buddha Jayanti* holidays. Under the Government regulated scheme, direct shipments of tea to London auctions are restricted to 65 million lbs. of high and medium-grown teas in equal proportions. There is no export restriction on low-grown tea.

BANKING

(Concluded from page 955)

Banks and through them on the open market operation committee of the Federal Reserve Board. Unless authority is to degenerate into a totalitarian power, the banks must be given statutory representation at least in an advisory capacity, in the formulation of monetary or credit policies by the Reserve Bank of India.

Exchange Reserves

The last important change relates to gold and foreign currency assets in the Issue Department. It is true that, under conditions of exchange control, what real reserves, as distinct from Government's own I.O.Us. or debased metallic coins or one-rupee paper notes, are at the back of notes issued is not of much theoretical importance. There being no free convertibility, people have no right to demand gold or foreign money against domestic currency. But from the psychological point of view, adequate gold and foreign currency assets are vital for the international respect of a monetary unit and avoidance of black markets.

It should not be surprising, if at the end of the second Five-year Plan, the volume of our currency stands at a figure of the order of Rs. 3,000 crores. Deposits of banks—commercial, co-operative and Post-Office—should then be not less than Rs. 2,000 crores—in fact they may be much more if the banking habit grows and banking expands. The total money supply could be of the order of Rs. 4,500 crores or more. The combined value of minimum gold and external assets in the currency reserves, even ignoring the possibility of their reduction under emergency, may be only Rs. 550 crores. This would be about 18 per cent. of currency and 12 per cent. of money supply. These are, indeed, very low figures and are likely to endanger external position of the rupee. A study of the gold and foreign currency reserves of other good banks of issue will confirm that this danger is real and not imaginary. There is no need to make such a drastic change at this stage. We can wait and watch. If an emergency does arise, there is always the President who can be requested to issue an ordinance. Why anticipate trouble now?

Rushing Too Fast

In India, we have been rushing too fast and often unnecessarily. To cover mistakes and errors, the officials want more and more power until there is complete economic totalitarianism. Loss of economic freedom is but a first step towards the loss of personal freedom or of democratic liberty.

Those who are independent and unbiased thinkers with no axe to grind marvel at the levity with which legislation on important questions is introduced in this country or the arguments which are advanced to justify such legislation. I refer to para (2) of the Statement of Objects and Reasons which contain the words:

"The opportunity to amend the Act is also being utilised to carry out certain further amendments of minor importance."

Local Boards are dismissed as being of minor importance. Instead of revitalising them, it would mean less headache to do away with them!

But what about fundamental changes crying so loudly to be rectified? For example, section 17, sub-section 13 of the Reserve Bank of India Act which permits the Reserve Bank in this tenth year of our freedom to open "an account with" or to make "an agency agreement with," and to act "as agent or correspondent of a bank incorporated in any country outside India"—but not with a bank registered in India. To discriminate against the banks of the country is a blot on the statutes of India; and the sooner it is removed the easier would it be for Indian banks to raise their heads in the international money markets. This wanton disparagement of the country's banks should have been removed on the first day of our independence. Do the Government and the Reserve Bank think this to be of no consequence to the national dignity of the country, or of its people or of its institutions, that it should not be rated even as a minor change to be made when the Reserve Bank Act comes up for revision?

The Reserve Bank of India is a terribly overloaded Central Banking Institution, not only responsible for correct monetary policy but also for many other functions not directly connected with such a purpose. When examining the Central Banking machinery most suited to this country, the question of creating separate agencies for licensing and examining banks should also be considered.

With the existing machinery to regulate credit not being fully employed, nor there being any urgency for added powers to the Reserve Bank, it would be safer for the legislators to insist on a comprehensive review of Indian monetary problems and to examine whether the federal type of central banking system will not be better suited to the country.

Among inventions to the credit of man's genius, money is the most wayward and unpredictable social tool in its behaviour. It has, therefore, perforce to be managed and wide powers are necessary for its manager. But, at the same time, the society has to insure that money remains a faithful and honest servant and its managers act wisely and judicially. Money should not cheat the savers through inflation, nor give windfalls to anyone through deflation. In order to have an adequate machinery to achieve such a purpose, a preliminary expert enquiry is a MUST.

SURVEY

(Concluded from page 951)

the State of Bihar. He held that the charge of breach of terms and conditions of the lessee levelled by the State Government was not substantiated. On the question of grant of certificate of approval, he held that the discretion conferred on the State Government under the Mineral Concession Rules was not an untrammelled discretion and the State Government could not refuse a certificate to a person who possessed the prescribed qualifications. A significant point made out in the judgment was that the object of the Mines and Minerals Act and the Mineral Concession Rules was development of mines and conservation of minerals. The Judge said: "The object is defeated if leases are granted for short term and that is why there is provision in the Mineral Concession Rules for compulsory renewal." He further pointed out that to use the Rules to negate the Corporation's right of renewal would be to defeat the very purpose of the Rules. Accordingly, he held that the Rules were no bar to renewal of the lease granted to the Corporation in 1926.

Notice

MADHAVLAL AND COMPANY (PRIVATE) LIMITED

MR. VIRENDRA MADHAVLAL BHATT, AS Managing Director of Messrs. Madhavlal & Co. (Private) Limited, was closely associated with the management of the concern in Bombay and Calcutta, along with the late Mrs. Shantagavri M. Bhatt, who was also a Managing Director and Chairman of the Company. Mr. Virendra Madhavlal Bhatt visited Yugoslavia and other countries in Europe last September and took the opportunity to renew old business connections and establish new ones for further expansion of their business. On the death of Mrs. Shantagavri M. Bhatt, Mr. Virendra Madhavlal Bhatt, in addition to being a Managing Director, has been appointed Chairman of the Board of Directors of the Company. The old experienced staff has been continued and the business of the Company is being conducted as heretofore, both in Bombay and at Mercantile Bank Building, 9, Lall Bazar Street, Calcutta.

MADHAVLAL & CO. (PRIVATE) LTD.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1956	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	3½	4
Bolivia	30th Sept., 1950	5	6
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	4½
Chile	13th June, 1956	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	8½
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1940	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1951	2½	3½
Pakistan	1st July, 1948	3	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	5
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	1	1½
Turkey	24th June, 1955	3	4
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A. ‡	13th Aug., 1954	2½	3
West Germany	7th Mar., 1956	3½	4½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 11th May, 1956		Week ended 4th May, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	3,20,688	63,59,02,000	3,26,082	66,25,44,000
Calcutta ..	1,64,740	62,86,81,366	1,68,208	66,06,17,667
Madras ..	N.A.	N.A.	85,160	10,35,28,640
All Centres—				
1953-54* ..	..	..	2,689,000	5,595,400,000
1954-55* ..	..	..	2,885,000	6,041,200,000
Jan., 1956 ..	..	..	3,210,000	6,07,68,00,000
Feb., ..	..	..	3,302,000	7,51,85,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 11th May, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	10,00,00,000
National Agricultural Credit (Stabilisation) Fund	....
Deposits:—	
(a) Government—	
(1) Central Government	65,37,70,000
(2) Other Governments	6,67,24,000
(b) Banks	49,72,66,000
(c) Others	12,56,10,000
Bills Payable	7,86,14,000
Other Liabilities	56,04,04,000
Rupees	198,53,88,000

ASSETS	Rs.
Notes	8,77,98,000
Rupee Coin	7,82,000
Subsidiary Coin	4,68,000
Bills Purchased and Discounted—	
(a) Internal	32,50,000
(b) External	....
(c) Government Treasury Bills	9,78,55,000
Balances held abroad*	36,54,10,000
Loans and Advances to Governments	2,58,60,000
Other Loans and Advances	88,07,56,000
Investments	33,76,02,000
Other Assets	18,57,67,000
Rupees	198,53,88,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 52,08,29,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 107,22,12,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,77,98,000	
Notes in circulation	1525,88,38,000	
Total Notes issued		1534,66,36,000
Total Liabilities		1534,66,36,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	681,44,72,000	
Total of A		721,46,43,000
B. Rupee Coin		104,50,76,000
Government of India Rupee Securities		708,69,17,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets		1534,66,36,000

Ratio of Total of A to Liabilities: 47.011 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 4th May, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	7,05,96,000
(ii) Other demand liabilities	630,83,49,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank †	2,86,30,000
(ii) Other time liabilities	426,73,96,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	10,54,84,000
(ii) Time liabilities	....
4. Cash in India	36,91,11,000
5. Balances with the Reserve Bank in India	49,17,76,000
6. Balances with other banks in current account in India	10,16,53,000
7. Money at call and short notice in India	8,37,87,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	355,84,17,000
9. Advances in India	611,36,72,000
10. Inland Bills purchased and discounted in India	106,29,48,000
11. Foreign Bills purchased and discounted in India	45,51,15,000

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

EXCHANGE RATES

	14th May, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅛	1-5⅛
Sellers T.T. D.D. upto six months	1-5⅛	1-5⅛
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6⅜	1-6⅜
Bombay on New York—		
Sellers T.T. D.D. Rs.	476¾	476¾
Buyers T.T. Rs.	473	473
London on New York $	2.80¼-2.81	2.80¼-2.81
London on Paris Frs.	985¼	985¼
London on Berne Sw. Frs.	12.27½-12.27⅝	12.27½-12.27⅝
New York on London $	2.80¼-2.80⅛	2.80¼-2.81

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'53-'54	373.37	..	10,000	284
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	890	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£(N.Z.) 802	1,070	5,119
Australia	1954	8.99	£(A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 300,000	144,428	9,016
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1953	42.86	F.Fr. 10,470,000	14,420	3,364
W. Germany	1953	48.99	Dm. 103,000	11,705	2,389
Italy	1953	48.07	Lr. 8,967,000	6,832	1,421
Norway	1954	3.89	Kr. 18,424	1,230	3,638
Sweden	1953	7.17	Kr. 26,957	3,422	4,772
Netherlands	1953	10.49	Grs. 19,360	2,451	2,336
Denmark	1953	4.37	Kr. 22,915	1,580	3,616
Switzerland	1953	4.88	Sw.Fr. 20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation. Monthly Bulletin of Statistics, Dec., 1955.
† Estimates are based on the second issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 27th April, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	10,87,73,000
(b) Provincial Governments	7,46,99,000
(c) Banks	17,77,04,000
(d) Others	21,39,43,000
Bills Payable	8,02,000
Other Liabilities	5,96,58,000
Rupees	69,57,29,000

ASSETS	Rs.
Notes	12 57,01,000
Rupee Coin	8,000
Subsidiary Coin	18,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	2,26,000
(c) Government Treasury Bills	....
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	5,20,40,000
Investments	39,18,46,000
Other Assets	12,58,90,000
Rupees	69,57,29,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,57,01,000	
Notes in circulation	288,17,95,000	
Total Notes issued	....	300,74,96,000
Total Liabilities	....	300,74,96,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion	....	
Sterling Securities	86,98,38,000	
Government of India Securities	26,53,83,000	
India Notes representing assets receivable from the Reserve Bank of India	43,05,23,000	
B. Rupee Coin	6,62,88,000	(167,77,02,000
Government of Pakistan Securities	120,45,00,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		127,07,88,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,85,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	300,74,96,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.65 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	4th May, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1518.51	1,505.01	1,506.69	1,329.26
Notes held in Banking Department	35.05	7.18	22.35	14.78	10.54
Foreign Securities	59.50	681.45	681.45	686.42	661.98
Rupee Securities	37.39	698.69	698.69	688.75	533.71
Banking Department					
Deposits of:					
Government of India	14.89	55.85	58.00	57.10	50.09
Other Governments	..	18.12	27.01	35.70	23 21
Balances held abroad	10.08	40.05	44.20	62.09	58.76
SCHEDULED BANKS					
Demand Liabilities	134.36	637.89	615.72	651.20	580.95
		(7.00)†	(6.89)†	(6.17)†	(8 23)†
Time Liabilities	102.24	429.99	427.29	418.56	383.80
		(2.80)†	(2.96)†	(2.92)†	(2.10)†
Borrowings from Reserve Bank	..	62.68	55.96	50.88	32.29
		(42.65)‡	(37.52)‡	(25.44)‡	(29.94)‡
Borrowings from State Bank	..	10.55	9.19	14.34	6.74
Cash in India	6.70	36.91	37.56	38.29	34.12
Balances with Reserve Bank	25.17	40.18	48.80	54.77	46.21
Excess over statutory limits	15.52	8.70	7.97	13.84	9.49
Balances with other banks in current account in India	..	10.17	10.90	11.73	10.14
Money at call and short notice in India	..	8.38	9.16	5.80	15.16
Investments (at book value)	..	355.34	355.09	359.55	344.73
Advances and bills	105.09	763.17	757.76	756.80	620.49
STATE BANK					
Deposits	87.76	226.08	229 53	241 43	215.18
Investments	51.99	194.51	195.37	197.45	102.81
Advances	30.35	130.34	135.08	137.22	127.34
Cash	14.69	14.32	16.17	20.43	17.09

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January,		Ten months, April to Jan.,	
	1955	1956	1954-55	1955-56
Import Duties				
Revenue	22.08	10.81	112.14	95.06
Protective	0.60	0.54	6.31	8.44
On surplus disposals	—	—	0.13	0.08
Total import duties	22.68	11.35	118.58	104.48
Export Duties	4.66	2.63	32.45	30.93
Land Customs	0.14	0.20	1.57	1.15
Miscellaneous	0.09	0.05	0.90	0.59
Gross total customs	27.57	14.23	153.50	137.15
Refunds and drawbacks	0.16	0.21	1.27	2.12
Net Customs	27.41	14.02	152.23	135.03
Gross excise	9.41	15.51	85.18	123.06
Refunds	0.07	01.3	1.49	3.60
Net excise	9.34	15.38	83.69	119.46
Net total of customs and excise†	36.75	27.40	235.92	254.49

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 11th May, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up:		
5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,35,00,000
Deposits and Other Accounts	.. ..	223,39,37,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	20,50,00,000
Bills Payable	.. ..	6,93,35,000
Bills for Collection being Bills Receivable as per contra	.. ..	68,04,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	18,54,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	4,56,97,000
Total ..	Rs.	268,23,77,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	14,19,93,000
Balances with other Banks	..	3,67,22,000
Money at Call and Short Notice	..	46,67,000
INVESTMENTS:		
Government and other Trustee Securities	.. 93,33,66,000	
Other Authorised Investments	.. 10,45,21,000	
		103,78,87,000
ADVANCES:		
Loans Cash Credits, Overdrafts, etc.	.. 106,84,49,000	
Bills Discounted and Purchased	.. 33,76,18,000	
		140,60,67,000
Bills Receivable being Bills for Collection as per contra	.. ..	68,04,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	.. ..	18,54,000
Premises less Depreciation	.. ..	1,15,84,000
Furniture and Fixtures less Depreciation	.. ..	49 43,000
Other Assets (including Inter-Office Adjustments)	.. ..	3,08,56,000
Total ..	Rs.	268,23,77,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS@@											
	National Savings Certificates						Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53 ..	6.68	65	3.20	23.66	84.17	1,18.35	92.03	—	31.07	7.55	25.54	..	..	..	..
1954-55 ..	4,70	1,62	4,99	27,27	1,24,54	1,54,04	1,30,88	—	36,35	5,57	37.15	7,40E	7.88	55††	54
1955-56 ..	..	..	..	..	..	..	..	..	..	4.79	41.25	..	..	..	..
February 1955 ..	4,81	12	4.79	2,27	1,21,88	11,13	1,22,28	—	36,18	40	39.74	48	6.81	5	50
March ,, ..	4,70	26	4,99	3,41	1,24,54	18,51	1,30,88	—	36,35	47	37.15	58	7,88	4	54
April ,, ..	4,60	11	5,00	2,55	1,25,46	12 41	1,33,22	—	36,50	45	37,55	48	7,56	4	58
May ,, ..	4,62	38	5,24	2,01	1,27,94	11,82	1,34,84	—	36,64	41	37,89	66	8,51	4	61
June ,, ..	4,44	18	5,13	2,09	1,29,49	12,26	1,36,26	—	36,76	37	38,22	84	9,32	5	65
July ,, ..	4,36	12	5,15	2,27	1,31,28	12,80	1 40,53	—	36,85	41	38,54	91	10,19	4	69
August ,, ..	4,29	12	5,17	2,09	1,33 12	12,25	1,42,80	—	36,96	39	38,87	88	11,00	3	72
September ,, ..	4,21	13	5,20	2,54	1,34,88	12,40	1,46,91	—	37,11	44	39,28	94	11 80	4	73
October ,, ..	4,14	10	5,21	2,11	1,35,88	11,35	1,48,99	—	38,23	46	39,88	80	12,49	5	73
November ,, ..	4,07	10	5,21	1,98	1,37,68	11,25	1,50,40	—	38,34	43	40,05	88	12,30	5	80
December ,, ..	4,00	18	5,26	2,58	1,39,48	12,94	1,53,44	—	38,44	36	40,84	88	13,98	5	85
January 1956 ..	3,91	14	5,24	2,02	1,40,78	12,16	1,54,14	—	38,55	32	40,61	84	14,78	3	91
February ,, ..	3,83	16	5,29	2,33	1,42,87	12,67	1,56,19	—	38,26	39	40,92	93	15,57	2	93
March ,, ..	..	..	..	..	..	..	..	..	..	36	41.25	..	..	..	..

* At the end of period.
‡Issued from 10th May, 1954.
§§ Outstandings do not include Indian Union's share of the pre-partition holdings of Indian investors.
@Progressive net repayments at the end of period from 15th August 1947.
†† Relating to nine months from July, 1954.
‡ From July, 1954.
E-Relating to eleven months from MAY, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 7-5-'56	7-4-'56	28-4-'56	5-5-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.6	90.9	91.0	91.0
1. Government of India	90.5	90.7	90.8	90.9
2. Indian States	96.2	96.7	96.7	96.7
3. Municipal Port Trust, etc.	89.3	89.4	89.4	89.5
DEBENTURES OF INDUSTRIAL CONCERNS	100.8	100.9	100.9	100.9
1. Electricity	102.0	102.4	102.2	102.2
2. Jute	98.8	97.6	97.6	97.6
3. Plantations	99.6	99.1	99.2	99.2
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.8
8. Others	100.6	101.1	101.1	101.1
PREFERENCE SHARES	88.0	88.7	88.4	88.3
1. Electricity	98.1	93.9	93.4	93.4
2. Cotton	78.7	81.5	81.7	81.6
3. Jute	86.7	83.1	83.3	82.8
4. Coal	92.2	89.9	89.9	89.9
5. Iron and Steel	90.8	89.8	87.7	87.6
6. Sugar	83.3	85.7	84.5	84.5
7. Paper	89.3	88.5	92.1	92.1
8. Plantations	97.9	101.4	101.6	101.6
9. Miscellaneous	86.1	80.8	80.8	81.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	113.8	124.4	122.2	122.4
(a) Financial	88.1	88.6	87.8	88.1
1. Banks	88.9	88.8	88.0	88.4
2. Insurance	103.4	85.2	84.7	84.5
3. Investment Trust	90.3	93.9	93.1	92.8
(b) Public Utilities	113.8	115.3	112.2	112.2
1. Electricity	122.8	117.1	115.2	115.2
2. Shipping and other Transport	99.1	113.0	111.4	111.8
3. Railways	89.9	88.8	88.2	87.8
(c) Manufacturing Industries	117.8	133.6	133.3	130.4
1. Cotton, Woollen and Silk	104.0	131.8	130.1	130.2
2. Jute	97.4	78.7	75.0	74.4
3. Iron and Steel	142.3	152.2	147.3	143.7
4. Paper	225.1	233.8	236.6	234.0
5. Cement	148.5	177.6	173 o	173.8
6. General Engineering	167.7	197.7	191.5	190.9
7. Sugar and Breweries	97.6	106.6	103.4	104.0
8. Chemicals	131.0	150 5	143.3	143.2
(d) Non-Manufacturing industries	153.2	169.7	168.9	168.2
1. Coal	77.1	82 3	81.4	80.9
2. Mining and Oil	185.3	264.2	262.0	261.8
3. Plantations	185.2	183.1	182.9	183.2
(e) Miscellaneous	88.1	102.9	100.8	101.3
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.1	90.3	90.4	90.5
2. Calcutta	90.6	90.8	90.9	91.0
3. Madras	90.9	91.2	91.2	91.3
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.2	100.0	100.0	100.0
2. Calcutta	101.3	101.7	101.6	101.6
3. Madras	100.4	100.1	100.2	100.2
PREFERENCE SHARES:				
1. Bombay	92.4	90.2	89.8	89.2
2. Calcutta	85.6	90.4	90.2	90.3
3. Madras	95.4	97.0	97.7	97.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	116.0	131.0	127.2	127.9
2. Calcutta	108.2	112.7	111.1	110.9
3. Madras	109.4	126.5	127.0	123.0
4. Delhi	115.3	132.4	130.4	130.9

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,929
1952	963	809,248	3,336,901
1953	773	495,507	2,382,008
1954	840	477,138	3,372 680
1955	1,633	723,932	5,384,676
January 1954 ..	84	51,973	325,514
February ,, ..	85	41,351	344,295
March ,, ..	91	34,202	331,419
April ,, ..	101	34 963	207,247
May ,, ..	80	40,073	216,082
June ,, ..	82	21,589	305,078
July ,, ..	122	30,139	277,492
August ,, ..	79	51,090	322,857
September ,, ..	97	50,414	363,878
October ,, ..	88	41,724	276,294
November ,, ..	62	25,115	239,701
December ,, ..	101	54,455	262,763
January 1955† ..	95	49,038	322,807
February ,, ..	91	35,370	144,302
March ,, ..	112	70,042	334,896
April* ,, ..	99	29,315	303,653
May ,, ..	119	66,064	824,414
June ,, ..	154	85,172	1,035,704
July* ,, ..	109	57,889	692,773
August* ,, ..	235	90,565	533,871
September* ,, ..	252	94,523	581,359
October* ,, ..	141	47,042	303,544
November* ,, ..	106	49,483	178,129
December* ,, ..	130	45,929	239,187
January 1956 ..	103	57,538 (a)	347,351 (b)

† Figures for 1955 are provisional. * Revised.
(a) Not known in 4 cases. (b) Not known in 5 cases.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	643	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
December 1954 ..	679	683.5	558.0
January 1955 ..	684	668.5	545.2
February ,, ..	685	628.7	521.8
March ,, ..	686	698.7	568.2
April ,, ..	690	691.1	563.9
May ,, ..	691	706.5	569.2
June ,, ..	696	716.2	576.1
July ,, ..	700	724.8	593.3
August ,, ..	705	708.9	574.4
September ,, ..	707	719.3	587.1
October ,, ..	716	720.7	591.9
November ,, ..	721	725.5	597.0
December ,, ..	724	735.7	648.0
January 1956 ..	731	757 2	621.8

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	28th April, 1956	21st April, 1956	23rd April, 1955	March, 1956	March, 1955	Percentage of Increase (+) or decrease (—) in Mar., 1956 as compared with Mar., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	358.8	361.3	274.9	351.6	297.0	+18.4	313.2	339.6
Cereals	59	461	464	314	439	339	+29.5	372	381
Pulses	8	345	347	212	373	229	+62.8	289	280
Others	33	227	233	230	233	249	— 6.4	235	291
Industrial Raw Materials	(18)	471.5	475.4	398.2	475.6	412.7	+15.2	419.7	436.2
Fibres	53	457	461	431	471	452	+ 4.2	429	447
Oil seeds	30	532	536	325	511	338	+51.1	398	424
Minerals	10	440	448	423	453	417	+ 8.6	427	422
Others	7	392*	388*	445	406	480	—15.4	431	427
Semi-Manufactures	(17)	380.7	378.4	328.5	369.3	333.5	+10.7	338.2	350.3
Leather	8	406	409	396	408	390	+ 4.6	378	376
Mineral oils	13	208	208	221	208	221	— 5.9	207	221
Vegetable oils	35	542	535	331	485	354	+37.0	388	433
Cotton yarn	35	464	457	429	452	440	+ 2.7	422	454
Metals	18	231	231	244	232	242	+16.5	264	240
Oil cakes	5	429	429	370	284	94	+33.5	338	381
Others	5	361	362	329	364	333	+ 9.3	336	322
Manufactured Articles	(30)	375.4	375.8	376.0	374.8 R	377.8	— 0.8	372.9	377.4 R
Textiles	64	408	409	418	408	422	— 3.3	408	421
Jute	11	397	401	439	410	468	—12.4	418	448
Cotton	45	408*	408*	411*	403*	411*	+ 1.9	403*	415*
Rayon and Silk	6	502*	502*	494*	502*	468*	+ 7.3	485*	468*
Woollen	2	280	280	310	274	310	—11.6	284	311
Metal products	17	371	371	370	340	340	+ 9.1	359	340
Others	19	236	236	237	235	237	— 0.7	235	236
Miscellaneous	(4)	499.0	496.5	537.8	508.1	553.3	— 8.2	546.4	512.4
All Commodities	(100)	390.4

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Area: Forecast	Area: Unit	Area: 1955-56	Area: 1954-55	Outturn: 1955-56	Outturn: 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	..	29,812	..	8,539
Jowar	2nd	,,	41,129	41,378	4,565	6,040
Bajra	final	,,	27,025	27,983	3,490	3,421
Barley	final	,,	..	7,999	..	2,736
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	2nd	,,	11,446	12,215	1,693	2,092
Total cereals	final	tons	..	208,823	..	55,327
Pulses—						
Gram	final	tons	..	20,991	..	5,125
Tur	2nd	,,	5,755	5,648	1,709	1,709
Total pulses	final	tons	..	54,004	..	10,474
Potato	final	tons	..	665	..	1,762
Sugarcane	2nd	,,	3,930	3,718	5,079	4,858
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	..	1,472	..	356
Tobacco	final	,,	..	860	..	248
Oilseeds—						
Groundnut	final	tons	12,583	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	3rd	,,	5,787	6,123	461	388
Rape and Mustard	final	,,	..	5,665	..	962
Linseed	final	,,	..	3,290	..	388
Total oilseeds	final	tons	..	29,335	..	5,877
Fibres—						
Cotton*	4th	bales	19,525	17,506	3,705	4,072
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	2nd	,,	579	514	1,159	1,016

Source: Ministry of Food and Agriculture.
N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* In thousand bales of 392 lbs. each.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1956	99.9
	Corresponding month, 1955	85.6
	Ten months ended April, 1956	894.3
	Corresponding period, 1955	825.8
Stocks	As the end of April, 1956	107.3
	Corresponding month, 1955	103.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 24th Mar., 1956	8,599
	Corresponding week, 1955	8,211
	From 1st Jan., to 24th Mar., 1956	87,417
	Corresponding period, 1955	90,882
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 24th Mar., 1956	4,714
	Corresponding week, 1955	8,628
	From 1st Jan., to 24th Mar., 1956	262,838
	Corresponding period, 1955	237,896
	RAW JUTE	(In lakh bales)
Consumption by Mills†	April, 1956 (in lakh bales)	5.45
	Corresponding month, 1955	4.97
	Ten months ended April, 1956	51.88
	Corresponding period, 1955	48.48

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,54,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
November 1954	96,800	90,500	64,000
December ,,	1,05,600	95,000	73,300
January 1955	1,02,500	95,800	72,200
February ,,	93,500	84,500	63,900
March ,,	95 000	89,300	66,100
April ,,	95,100	88,000	66,300
November ,,	91,900	86,200	63,400
December ,,	1,03,900	97,500	72,300
January 1956	1 03,900	96,800	71,600
February ,,	97,600	89,500	67,700
March ,,	1,03,300	96,200	69,900
April ,,	1,00,000	87,200	64,800
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	5,80,020	5,49,980	2,92,440
Do. 31st March, 1955	7 15,949	5,28,240	4,59,008
Do. 31st March, 1956	7,06,986	5,31,505	4,50,807
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,561
,, ,, ,, Dec., 1954	1,85,053	1,35,301	1,20,618
,, ,, ,, Mar., 1955	1,65,108	1,43,328	1,18,186
,, ,, ,, June, 1955	1,55,606	1,24,223	1,16,281
,, ,, ,, Sept., 1955	1,76,191	1,30,630	1,08,714
,, ,, ,, Dec., 1955	1,60,750	1,24,996	1,05,782
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860

OVERALL BALANCE OF TRADE OF INDIA
February, 1956†

Particulars	February, 1955	February, 1956	Eleven months, April to Feb., 1954-55	Eleven months, April to Feb., 1955-56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	50,18	50,49	531,56	535,47
(b) Re-exports	39	75	4,68	5,02
Less—Transit trade	3	..	39	8
Net re-exports	36	75	4,29	4,94
Total exports	50,54	51,24	535,85	540,41
2. Imports	54,54	68,19	597,94	604,13
Less—Transit trade	2	2	12	14
Net imports*	57,52	68,17	597,82	603,99
Balance of trade in merchandise	—6,98	—16,93	—61,97	—63,58
Balance of trade in gold and silver	..	..	— 3	— 6
Total overall visible balance of trade	—6,98	—16,93	—62,00	—63,64

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manu-factures	Raw Jute	Jute Manu-factures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manga-nese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,768	2,711	885	183	98	62	154	13	158	397	25	281	47	128
January 1955	9,660	2,275	735	145	74	51	126	11	269	332	20	233	43	110
February ,,	10,680	2,484	807	163	85	56	140	12	264	365	23	256	45	117
March ,,	11,768	2,711	885	183	98	62	154	13	158	397	25	281	47	128
April ,,	1,031	222	77	21	12	6	9	2	12	33	3	24	2	10
May ,,	2,027	445	157	40	23	12	15	4	25	66	7	48	4	23
June ,,	2,973	662	237	55	33	17	19	6	27	98	11	73	7	34
July ,,	3,973	890	324	73	41	22	23	8	52	130	14	100	12	48
August ,,	4,982	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	293	45	136

Note.—The figures relate to broad and metre gauges of Clas I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G. = 2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955.
Source :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 10th May, 1956	48,508(J)
	Corresponding week, 1955	58,319(J)
	1st Sept. to 10th May, 1955-56	1,449,197*
	Corresponding period, 1954-55	1,368,398*
Cotton Exports	Week ended 10th May, 1956	2,440
	Corresponding week, 1955	14,969
	1st Sept. to 10th May, 1955-56	585,722‡
	Corresponding period, 1954-55	262,835
Mill Consumption (Estimated)	1st Sept. to 10th May, 1955-56	880,619
	Corresponding period, 1954-55	890,421
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 10th May, 1956	648,108
	Corresponding date, 1955	661,960
Cotton Exports from Bombay (by sea)	During January, 1956	85,978§
	1st Sept., '55 to 31st Jan., 1956	363,052
	1st Sept., '54 to 31st Jan., 1955	123,585
Karachi (Pakistan)—		
Receipts	1st Sept. to 3rd May, 1955-56	1,254,474
	Corresponding period, 1954-55	1,176,984
Exports	1st Sept. to 3rd May, 1955-56	602,447
	Corresponding period, 1954-55	553,447

J=By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1955 to 14th May, 1956 Bales	From 1st Sept. 1954 to 14th May, 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	64,437	23,417
Continent	94,066	39,505
Hongkong	40,469	3,379
China	57,573	..
Japan	296,462	74,986
U.S.A.	4,152	16,193
Other Countries	4,145	1,460
Total to all foreign countries	561,309	158,890
Coastal Ports	95,547	108,397
Total	656,856§	267,287

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian	January, 1956	358,259
Foreign		49,606
India	Five months ended Jan., '56	1,872,064
Foreign		235,249
India	Same Period 1955	1,700,352
Foreign		204,740
Stocks (Mills and Elsewhere)—		
Indian		1,137,911
Foreign	As on 31st Jan., 1956	156,440
Indian	As on 31st Jan., 1955	1,048,859
Foreign		135,698
Cotton Pressed in India† (In running bales)	Week ended 4th May, 1956	20,423
	Corresponding week, 1955	162,159
	1st Sept. to 4th May, 1955-56	2,555,516
	Corresponding period, 1954-55	3,567,205

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
TERMINABLE LOANS				
4 % Bonds	1926-32	62,30,26,000	1960-70	101 7/8
3 ½ % Loan	1938-50	1,15,17,46,000	1963-66	95½
3 % Loan	1950	30,00,00,000	1965	94 3/8
2½ % Fg. Loan	1943	1,10,11,78,000	1956-68	93 3/8
3 % V. Loan	1944	1,14,06,89,000	1957	90 1/8
3 % Loan	1945	1,15,56,53,000	1970-75	90
3 % 2nd V. Loan	1945	1,18,65,64,000	1959-61	98½
3 % Loan	1951	50,85,53,000	1958	99½
2½ % Loan	1946	46,53,07,000	1960	96½
2½ % Loan	1946	67,00,69,000	1961	93½
2½ % Loan	1946	14,77,48,000	1976	83 3/8
2½ % Loan	1947	75,86,72,000	1962	93 3/8
2½ % Loan (N.P. Bonds)	1952	75,29,00,000	1965	99½
2½ % N.P. Loan	1954	1,57,55,41,000	1964	99½
2½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98½
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,86,000‹	‹At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	‹80 ‹77 1/8
3 % Loan	1946	£45,81,66,000‹		
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,35,20,000	1958-68***	103½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1957	99½
3 % Bombay	1948	2,99,35,000	14th Sept. 1958	99⅜
3 % Bombay	1944	3,06,56,000	15th Aug. 1958	98½
3 % Bombay	1949	5,58,12,000	1st ,, 1959	96⅛
3 % Bombay	1950	2,92,30,000	31st July 1960	96⅜
2½ % Bombay	1951	2,97,78,900	31st Dec. 1963	93
4 % Bombay	1952	3,50,35,000	15th July 1963	101½
4 % Bombay	1953	3,61,31,700	1st Aug. 1964	101½
4 % Bombay	1954	9,00,00,000	1st Sept. 1967	100⅜
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99⅛
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-56	98½
2½ % Cochin	1946	70,00,000	1st June 1956-61	99½
4 % Hyderabad	1955	5,00,00,000	1st Sept. 1967	98⅛
3 % Madras	1939	1,29,95,600	31st June 1959	96½
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99½
3 % Madras	1944	1,07,86,000	15th Aug. 1958	98⅛
3 % Madras	1945	2,78,44,800	14th Sept. 1958	98
2½ % Madras	1946	2,81,77,200	1st Sept. 1961	92½
3 % Madras	1950	1,53,35,400	31st July 1960	96½
2½ % Madras	1951	3,01,49,800	15th Sept. 1963	97
4 % Madras	1953	10,32,48,000	15th July 1963	100⅛
4 % Madras	1953	2,54,51,300	1st Aug. 1964	100⅜
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99⅛
4 % Mysore(J)	1923	2,85,55,200	1st Dec. 1955-63	101
4 % Mysore(J)	1938	2,99,72,900	30th April 1956-61	99½
4 % Mysore	1947	5,03,05,700	25th Jan. 1962	99½
4 % Mysore	1953	3,33,47,000	15th July 1963	100⅜
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99⅛
2½ % M.P.	1948	50,54,200	14th Sept. 1958	99½
3 % M.P.	1944	83,69,500	15th Aug. 1958	98⅛
3 % M.P.	1945	3,09,28,800	15th Sept. 1958	98
3 % M.P.	1950	1,01,44,700	31st July 1960	96½
2½ % M.P.	1951	1,82,18,100	17th Sept. 1963	98
4 % M.P.	1953	1,08,18,100	15th July 1963	100⅛
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99⅛
3 % Punjab**	1922-44	3,49,87,200	15th Aug. 1958	98½
2½ % Punjab**	1943	2,46,75,800	14th Sept. 1956	99½
3 % Punjab**	1945	2,98,81,600	14th Sept. 1960	97⅜
3½ % Saurashtra	1955	2,50,00,000	1st Sept. 1967	99⅛
2½ % Travancore	1953	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	2,25,00,000	15th July 1963	100–1/8
3 % U.P.	1948	1,57,45,800	15th Sept. 1961-66	99½
3 % U.P.	1944	3,09,24,500	15th Aug. 1958	98⅛
3 % U.P.	1945	3,17,80,700	14th Sept. 1958	98⅛
2½ % U.P.	1946	2,80,92,600	1st Sept. 1961	92⅜
2½ % U.P.	1951	1,94,11,700	17th Sept. 1963	98
4 % U.P.	1953	3,11,45,200	1st Aug. 1964	100⅛
4 % U.P.	1953	3,62,15,500	15th July 1963	100⅛
4 % U.P.	1955	3,50,00,000	1st Sept. 1967	99⅛

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				Rs.
Rs.				
26,50,000	4	1904	1964	100
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99⅛N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,85,876	4	1912*	1960	D
90,00,000	4	1913	1974	100⅛N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
10,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	3½	1928*	1960	
12,50,000	3½	1930*	1960	D
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
44,04,000	3½	1940*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
20,24,306	4	1914	1974	99
76,90,100	4	1916	1976	99
1,50,00,000‡	4½	1921	1981	99
68,02,200C	6½	1921	1981	144N
98,21,606	5½	1926	1956-66	100
99,84,540B	5	1926	1956-66	100½
1,48,45,860B	5	1927	1957-67	100
1,49,30,000	5	1928	1958-68	103
80,00,000	4½	1931	1991	86
48,04,000	3	1935	1955	97½
25,00,000	3	1938	1963-68	90
24,00,000	3	1945	2005	74
24,00,000	3	1945	1975	85
24,00,000	3	1946	1976	84½
40,00,000	3	1946	2006	74
48,00,000	2½	1947	1977	79½
24,00,000	3	1948	1978	83½
50,00,000	3	1949	1959	97
1,00,00,000	3	1949	1959	97
50,00,000	3	1950	1960	93
1,00,00,000	3	1950	1960	95½
1,00,00,000	3	1950	1960	95½
24,00,000	3	1951	1981	96½
1,50,00,000	2½	1951	1961	96½
84,00,000	4	1952	1962	100
84,00,000	4	1953	1963	97½
90,00,000	4	1955	1985	97½
STERLING LOANS				
£562,500	5	1922	1953-58	£79
£901,000	5	1924	1954-64	£79½
£835,100	5½	1952	1992	£91½
MADRAS				
Rs.				Rs.
21,47,100	2½	1947	1977	A
9,58,000§	3	1947	1977	
3,00,000§	3	1949	1979	
45,00,000§	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent.	Year of Issue	Repay-able	Market quota-tion
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
30,00,000	4	1905	1965	
20,00,000	4	1906	1966	97½N
15,00,000	4	1907	1967	
20,00,000	4	1908	1968	
25,00,000	4	1913	1973	
18,00,000	4	1913	1975	
50,00,000	4	1914	1974	97½N
25,00,000	4	1916	1976	
40,00,000	5	1919	1957-79	118N
66,00,000	6	1920	1955-80	
50,00,000	6	1921	1956-81	115N
25,00,000	4	1927	1961-70	98N
STERLING LOANS				
£566,500		1909	1969	£95½N
£333,000		1910	1970	£95½N
Rs.	**CALCUTTA**			Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99⅜
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1962	91
20,00,000	3	1938	1963-68	90
80,00,000	4	1952	1962	99⅜
1,02,00,000‡	4	1956	1988	99

MUNICIPAL LOANS

Rs.	BOMBAY			Rs.
20,60,000	4	1918-19	1974	100
10,00,000	4	1919	1980	112N
25,00,000	5	1928	1958	104½ to 103½
5,45,500	5	1929	1954-59	
32,21,500	5	1929	1959	
4,25,00,000	2½	1947	1977	86
2,50,00,000	2½	1949	1979	86
4,00,00,000	2½	1950	1965	91
2,50,00,000	2½	1950	1980	86
2,00,00,000	2½	1951	1966	87½
1,20,00,000	4	1953	1963	100⅛
2,00,00,000†	4	1954	1964	100
1,00,00,000†	4	1954	1966	100
2,50,00,000	4	1955	1967	100⅛
Rs.	**CALCUTTA**			Rs.
26,00,000	5	1928	1958	103
25,00,000	5	1929	1957	103
25,00,000	5	1929	1958	103½
10,08,000	5½	1929	1959	104
23,91,000	5	1935	1965	94
60,00,000	3	1936	1966	90
47,50,000	3	1937	1962	91
15,54,800	4	1939	1956	99½
15,54,800	4	1939	1956	99½
15,55,800	4	1939	1956	99½
15,54,800	4	1940	1957	99½
17,54,400	3½	1940	1960	94½
21,10,000	3½	1941	1972	92
15,49,000	3½	1951	1960	97
16,53,000	3½	1951	1961	97½
66,88,000	3½	1951	1966	97
37,36,000	4	1952	1962	99½
72,50,000	4½	1954	1979	100
Rs.	**MADRAS**			Rs.
15,00,000	2½	1951	1961	107⅜
15,00,000	2½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1963	98
4 % W. Bengal	1953	3,00,00,000	1st Aug. 1964	100⅜
4 % W. Bengal	1953	3,80,25,000	15th July 1963	100⅛
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
‡ Bombay State Transport. †† Rate of interest reduced from 6 to 5 per cent. with effect from 1st June, 1954.
‡ Rate of Interest reduced from 6½ to 4 per cent with effect from 1st June, 1954.
N—Nominal.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5 00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	100	100
Dawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	138	100
Deccan Sugar & Abkhari 'A'	7,00,000	1920	7	July Apr.	6½	5
East India Distilleries	£200.000	1897	7	Jan. July	17½	£1
Jwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnuggar Cane	4,00,000	1933-36	6	Aug. ..	102	100
Rava gaon Sugar	20,00,000	1943	5½	Oct. Apr.	72N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8–4½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	113	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	22,92,800	1901-19	7	Apr. Oct.	122	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8	10
Equitable	4,00 000	1895	6	Mar. Sept.	116	100½
Karanpura Collieries	7,50 000	5½(a)	7	Apr. Oct.	68	75(pp)
†Kina Kajora	1,93,000	1931	6	Mar. Sept.	3½N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Ondal	2,00,000	1893-99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	103½	100
Bangalore	6,00,000	1884	6	Jan. July	125	100
Basanti Cotton	5,00,000	1933	6½	Nov. ..	8	10
Bengal-Nagpur	3,00,000	1896	7	Apr. Oct.	99	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	128	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	68	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	144	100
Cambodias	1,00,000	1923	7	Apr. ..	122½	100
Central India	50,00,000	1912	5	Apr. Oct.	465	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	111½cd	100
Elgin	11,00,000	1913	8	May Nov.	135	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	9	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	87	100
Kesoram	20,00,000	1919	7	June Dec.	134	100
Khatau Makanji (2nd)	29,92,500	1947	4	Nov. ..	87	100
Kothari	18,00,000	1937	6	Nov. ..	10‡	10
Lakshmi Cotton (Bombay)	16,00,000	1896	5(a)	.. ..	250	250
Morarjee Goculdas Spg. & Wvg.	17,25,000	1947	4½	Jan. ..	86	100
Muir Mill	30,00,000	1900	6	Jan. July	88N	100
Mysore Spg.	7,45,050	1947	4½	.. ..	80‡	100
National Rayon	1,74,64,700	1947	5(a)	.. ..	90‡	100
New Great	8,00,000	1913	5½(a)	Mar. ..	185‡

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. F=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,561	76,28,421	43,05,373	—1,17,899	Rajputana Textiles (Agencies) Ltd..	56,008	898	Apollo Mills	3-0½	2	0 4(e)	0 4 (e)	0 2(e)		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—5,97,129	B. E. Sona, Ltd. ..	45	100	B. R. Cotton Mills ..	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.P.T
2,50,95,000	2,99,72,778	4,92,35,440	3,29,09,273	73,129	Nowrosjee Wadia & Sons, Ltd. ..	2,21,008	4,855	Bombay Dyeing & Mfg. ..	653½	250	20 0	22 8*	20 0	25 0*	12	Y.
10,00,000	37,36,559	55,58,179	45,37,495	3,48,761	Ramnarain Sons, Ltd. ..	44,080	860	Bradbury Mills	200	50	100 0	100 0	75 0	100 0	3	Y.P.
1,09,42,800	2,63,06,829	2,81,83,264	1,97,66,117	6,34,966	Birla Bros., Ltd. ..	1,26,344	2,698	Century Spg. & Mfg. ..	511½	100	20 0	25 0	22 0	22 0	12	Y.
49,00,000	15,44,690	1,16,09,462	65,52,089	—33,25,720	V. J. Pliani (Chairman and Managing Director) ..	39,408	798	Colaba Land & Mill	80	100	*Nil*	*Nil*	*Nil*		12	Y.
26,00,000	11,38,470	61,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd. ..	30,828	680	Cooria Spg. & Wvg. ..	145	100	7 8	7 8	7 8	7 8	3	Y.
16,00,000	24,36,396	69,10,861	54,65,041	2,17,076	Ramnarain Sons, Ltd. ..	40,992		Dawn Mills	120	50	6 0	6 0	6 0	15 0	12	Y.
24,00,000	37,75,000	73,65,781	56,78,724	80,168	Puranmal Radhakishan & Co. ..	50,084	928	Edward Textiles	335	200	15 0	15 0	15 8		12	Y.
30,00,000	11,93,292	1,10,92,641	76,74,225	82,796	M	41,300	886	Elphinstone Spg. & Wvg. ..	55	50	2 0	*Nil*	2 8	2 81	12	Y.
50,00,000	70,11,876	1,23,36,513	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	338	100	20 0	16 0	16 0	20 0	12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thacursey Mooljee & Co. ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills ..	4,860	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
16,000									992½	250	50 0	56 4*	56 4	75 0		
2,00,00,000	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,32,640	6,278	India United Mills	138	0 100.	*Nil*	0 10	*Nil*	0 101	12	Y.
50,00,000 D									2-3½	0 1D.	*Nil*	0 1	*Nil*	0 11		
8,68,000									5,075N	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
25,000	76,24,048	1,80,07,908	92,59,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.		500	100 0	112 8*	112 8	150 0		
59,85,000	40,58,451	2,37,18,607	1,92,88,945	25,588	Khatau Makanji & Co., Ltd. ..	87,740	1,505	Khatau Makanji Spg. & Wvg. ..	241½	100	10 0	10 0	8 0	10 0	3	Y.P.
1,00,00,000	1,21,50,000	3,56,88,905	2,52,32,130	35,000	Killick Industries Ltd.	1,20,504	1,840	Kohinoor Mills	378½	100	18 0	20 0*	18 0	18 0	12	Y.
22,13,050	41,05,720	1,18,74,348	55,99,115	81,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	80N	50	5 0	10 0	10 0	8 0*	12	Y.
51,75,000	32,62,000	1,94,11,164	1,47,72,041	1,09,579	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	245	100	12 0	12 0	14 0		6	Y.
1,57,74,400	88,41,004	6,84,71,955	2,05,00,000	5,12,085	Chimal & Co., Private Ltd. ..			National Rayon Corporation ..	243½	100	*Nil*	0 0	10 0	12 0	12	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	3,016	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg. ..	170	100	10 0	10 0	10 0	10 0	12	Y.
30,00,000	14,61,250	92,85,599	61,42,741	4,380	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg. ..	240	100	10 0	10 0	7 8	10 0	12	Y.P.
12,70,100	28,54,549	56,78,515	40,67,707	12,752	Mafatlal Chandulal & Co., (Bombay), Ltd.	24,100	372	New Union Mills	37	10	1 4	1 4	1 4	1 12	12	Y.
48,00,000	36,62,878	1,49,08,112	99,99,811	1,86,864	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	131½	100	8 0	8 0	8 0		12	Y.
40,00,000	45,98,014	91,99,325	52,00,000	8,13,562	Podar Sons, Ltd.	32,500	920	Podar Mills	183½	100	10 0	10 0	10 0	5 0	12	Y.
9,00,000	8,16,999	21,21,521	19 91,340	—1,72,184	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill ..	13½	10	1 4	0 12	0 8		12	Y.
26,00,000	54,26,066	1,85,89,736	1,19,14,117	11,568	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	37	10	1 4	1 4	1 12	1 12	12	Y.
50,00,000	47,70,061	90,20,958	55,37,025	—7,77,290	Marwar Textiles (Agency) Ltd.	46,886	1,640	Shree Ninaa Cotton Mills ..	211½	100	12 8	14 0	14 0	12 0	12	Y.P.
43,00,000	35,75,650	93,88,962	71,00,000	15,893	Forbes, Forbes Campbell & Co. Ltd.	36,116	1,274	Simplex Mills	222½	50	15 0(p)	15 0	11 0	10 0	3	Y.
87 80,000	2,23,15,720	2,51,28,699	1,87,55,474	12,833	Mafatlal Gagalbhai & Sons ..	52,036	1,633	Standard Mills	438½	100	20 0	20 0	20 0	20 0	12	Y.P.
99,85,700	84,69,716	2,28,87,647	1,19,01,899	67,611	Tata Industries Ltd.	72,266	2,000	Svadeshi Mills	232½	100	15 0	15 0	8 0	12 0	12	Y.P.
80,00,000	55,33,465	1,28 99,971	81,52,715	1,51 030	James Finlay & Co., Ltd. ..	48,822	552	Swan Mills	438½	100	20 0	20 0	20 0	25 0	12	Y.
34,77,425	51,96,376	1,77,34,839	68,46,553	43,485	Tata Industries Ltd.	62,096	1,800	Tata Mills	65½	25	1 0	1 8	2 8	4 0	12	Y.T.P
12,00,000	62,55,709	1,15,80,486	61,90,000	5,814	Thackersey Mooljee Son & Co. ..	54,136	1,209	Western India Spg. & Mfg. ..	5,075	1,000	200 0*	225 0*	225 0	300 0	3	Y.
AHMEDABAD																
28,00,000	21,11,654	1,36,22,272	60,47,302	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	177½	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	24,68,068	94,37,398	76,10,164	27,288	P. M. Hutheesing & Sons, Ltd. ..	44,220	912	Aruna Mills	1,057½	100	10 0*	10 0*	20 0	30 0	12	Y.P.
20,35,000	2,40,17,401	1,48,07,666	1,03,05,000	46,584	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,725	100	25 0	25 0	25 0		12	Y.P.
30,00,000	31,75,000	96,34,384	72 25 000	2,46,389	Mangalal & Bros., Ltd.	37,184	992	Arvindya Ginning & Mfg. ..	525	200	15 0	15 0	15 0	25 0*	12	Y.P.
12,00,000	1,18,39,033	84,56,974	69,64,958	69,806	Lalbhai Dalpatbhai & Co	37,368	914	Asoka Mills	960	100	22 0	22 0*	22 0	30 0	12	Y.P.
1,32,79,011	1,11,96,332	4,24,88,718	2,07,38,344	16,00,756	Karamchand Premchand Ltd. ..	1,39,120	2,372	Calico	540½	125	18 0	18 0	18 0		12	Y.P.
62,37,000	24 53 000	1,21 00 683	92 25,000	2 760	Tricoonlal Bhogilal & Co., Ltd.	45,385	896	New Commercial Mills	1,562½	1,000	70 0	70 0	70 0	80 0	12	Y.P.
39,00,000	72 52,436	1,32,09 232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg. ..	890	125	35 0	35 0	35 0	35 0	12	Y.
5,00,000	61,15,982	46,72,745	31,76,101	700	Jagabai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	5324	100	30 0*	30 0*			12	Y.P.
12 50,000	1,14,77,470	86,29,430	60,30,883	....	Laibhai Dalpatbhai & Co. ..	32,328	636	Raipur Mfg.	1,190	100	25 0	17 8	25 0	35 0*	12	Y.P.
12,00,000	13,93,067	74,95,069	39,67,480	—89,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg. ..	327½	250	*Nil*				12	Y.P.
28,50,000	14 70 207	71,42,603	47,03,469	17,34,749	Lalubhai Gordhandas Ltd. ..	33,156	648	Rajubhai Mills	295	100	9 0	9 0	9 0	*Nil*	12	Y.P.
28,98,150	2,02,34,538	1,76 92 842	1,52,75,000	3,23 290	Harivallabhdas Kalidas & Co. ..	94,116	1,733	Shri Ambica Mills	637½	50	16 0	18 0	20 0	27 0*	12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad) Ltd.	35,624	720	Shorrock Spg. & Mfg.	600	100	20 0	20 0	25 0*	25 0	12	Y.
28,00,000	26,96,488	1,08,76,240	68,85,291	82,764	Haridas Achratlal & Co., Ltd. ..	36,176	780	Vijaya Mills	716	400	35 0*	35 0*	35 0*		12	Y.
WEST BENGAL																
15,00,000	1,32,800	84,23,069	21,01,810	1,03,080	Calcutta Agency, Ltd.†	13,044	356	Basanti Cotton Mills	'Nil	10	'Nil	9 4	0 8		12	Y.P.T.
7,11,282	75,40,775	48 42,861	25,67 997	98,783	Bengal Textile Agency, Ltd. ..	52,544	936	Bengal Luxmi Cotton Mills ..	30N	40	2 0	*Nil*	4 0	4 0	3	Y.
6,00,000	22,72,414	89,03,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd. ..	42,872	841	Bowresh Cotton Mills	45XR	100	*Nil*	*Nil*	*Nil*	*Nil*	5	H.P.
10,00,000	26,12,571	1,04,38,538	70,76,377	1,37,851	Kettlewell Bullen & Co., Ltd. ..	42,944	1,018	Dunbar Mills	305	100	*Nil*	*Nil*	*Nil*	2 8	6	H.
1,50,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,433	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	17	10	1 12	1 12	0 14	0 14	3	Y.
4,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti Sons & Co.	23,484	442	Mohini Mills	—		1 4				12	Y.P.
22,96,288											1 8					
19,47,7500	7,45,000	47,06,298	24,48,352	1,094	Hazaresmull Heeralall	23 036	795	Rampooria Cotton Mills	10½xd	10	0 8	0 8	0 8	1 0	6	Y.
5,00,000D									¾N	1D	*Nil*		*Nil*	....		
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,27,191	29,09,649	—8,54,223	Ramia & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	10	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
2,3,71,94,400	44,93,307	3,10,91,206	50,50,013	....	Industrial Trust Fund	36,136	708	Asam Jahi Mills	95	100	6 0	6 0	*Nil*		9	Y.
40,50,000	2,00,68,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd. ..	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	570	100	15 0	25 0	30 0	30 0	12	Y.P.
27,00,000	15,50,000	77,25,168	53,72,128	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills ..	8½	10	0 4	*Nil*	*Nil* †		6.12	H.P.T.
15,00,000	1,09,68,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers, Ltd.	29,896	1,046	Birla Cotton Spg. & Wvg., Delhi	88XRN	100	3 0	3 0	3 0	3 0	3	Y.
1,78,47,800	1,75,52,500	6,36,00,203	3,52,32,130	2,38,445	Binny & Co. (Madras), Ltd.**	1,20,266	2,787	Buckingham & Carnatic	203½	100	4 0	10 0	16 0	10 0	12	Y.P.
20,00,000	20,00,000	39,68,364	21,66,351	27,693	Peirce Leslie & Co., Ltd. ..	28,706	..	Cambodia Mills	13½	10	1 0	0 12	*Nil*	0 8	12	Y.P.
15,00,000	4,61,500	44,03,466	21,80,176	44,557	K. Dameodaran, Esq. ..	17,496	..	Cannanore Spg. & Wvg. ..	168	100	12 0	12 0	20 0	12 0	3	Y.
20,00,000	25,99,976	58,07,118	50,34,815	29,514	Begg, Sutherland & Co., Ltd.	28,796	591	Cawnpore Textiles	8½	8	0 9	0 9	0 8	*Nil*	3	Y.
12,00,000	20,60,000	34,68,396	27,86,527	34,164	K. Bheema Naidu & Co. ..	23,564	..	Coimbatore Cotton Mills ..	340	100	9 0	20 0	25 0	25 0	6	Y.
20,00,000	14,20,000	36,95,513	21,28,800	14,053	T. R. N. Naidu & Co.	22,738	..	Coimbatore Pioneer Mills ..	30½xd	100	9 0	15 0	20 0		6	Y.
20,76,950	4,19,514	1,15,51,599	82,06,019	16,884	R. G. S. Naidu & Co.	72,522	407	Coimbatore Spg. & Wvg. ..	98	50	*Nil*	*Nil*	2 0	6 0	6	Y.
45,87,500	52,52,449	2,45,15,400	1,38,09,838	3,702	Tata Industries, Ltd.	1,15,133	2,062	Central India	141½	100	5 0	5 0	5 0	10 0	3	Y.P.
9,38,36,125	2,55,00,000	9,99,78,765	5,08,00,000	62,759	B. R. Charat, Ram & Co., Ltd.	1,16,686	2,256	Delhi Cloth & General Mills ..	25	2	1 12	1 12	2 4	2 4	6	Y.P.T.
1,00,565									2½	0 1 4/5	0 2 4/5	0 2 3/5	0 2 3/5	0 2 3/5		
24,84,800	24,72,758	47,84,087	33,82,513	9,248	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	100	20	20 0	20 0	20 0		12	Y.
62,00,000	26,83,360	1,52,16,882	1,29,71,681	98,886	Begg, Sutherland & Co., Ltd.	48,452	1,198	Ellora Mills	100	100	8 0	8 0	1 0		9	Y.P.
48,51,000	36,22,175	1,00,55,167	68,95,088	14,000	Forbes Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	232	100	17 0*	17 0	18 0	15 0	12	Y.
50,00,000	6,16,447	1,39 91,333	1,12,28,576	9,551	K. P. Keserin, Esq. (Chairman) .	51,180	1,420	Indore Malwa United	143½xd	100	6 0	6 0	6 0	9 0	12	Y.
8,90,000	10,65,853	31,06 669	18,48,155	2,079	G. V. Naidu & Co., Ltd. ..	24,828	..	Janardhana Mills	110	50	2 12	4 8	5 0	10 0	6	Y.
24,00,000	15,35,000	78,88,868	26,50,006	29,882	Kothari & Sons	45,000	300	Kothari Textiles	17½	10	0 12	0 8	0 8	1 0	6	Y.P.
33,00,000	68,30,185	1,48,52,550	1,12,54,204	14,744	Nanji Nursi Co., Ltd.	51,978	1,219	Lakhamni Cotton Mfg.	705	250	35 0	37 8	33 12	42 8	12	Y.P.
1,75,05,480	4,18,31,878	5,73,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	100	10	1 4	1 4	1 4	1 12	12	Y.
12,00,000	4,17,363	28,26,768	16,72,262	—99,073	A. L. A. R. S. Chettiar and Others.	22,592	100	Malabar Spg. & Wvg.	51½	100	8 0	8 0	8 0		12	Y.
60,00,000	69,00,000	62,41,446	41,60,236	1,43,408	W. A. Beardsell & Co., Ltd. ..	24,720	608	Mettur Industries Ltd.	115	200	15 0	15 0	15 0		12	Y.
29,59,700	19 47,903	84,13,677	46,82,184	9,399	N. Sirur & Co., Ltd.	39,896	704	Minerva Mills	401½	100	12 8	12 8	22 8*	25 0	12	Y.
94,91,850	27,24,404	1,01,29,118	78,81,522	—7,44,932	Banalial Abirchand Dadabhoy & Co.	51,840	948	Model Mills (Nagpur)	90	100	5 0(c)	7 0*	5 0(c)		6	Y.
30,00,000	52,19,500	1,58,39,272	1,06,91,651	—7,77,290	Indian Textile Syndicate Ltd. ..	56,540	1,524	Muir Mills	150½	100	7 8	7 8*	5 0(c)		12	Y.P.
24,82,500	80,54,547	99,04,500	83,09,938	23,706	A. L. A. R. S. Chettiar and Others.	50,126	500	Mysore Spg. & Mfg.	93½	100					12	Y.
13,61,780	1,000	29,41,710	15,25,283	—1,92,800	R. Suryanarayana Rao, Esq. Manager	110	50	Mysore Sugar Silk Mills	7½	10	10 0*	10 0*	8 8*	6 0(c)	3	Y.
22,89,880	25,62,532	1,02,16,296	58,90,719	—89,08,329	J. P. Srivastava & Sons, Ltd. ..	52,428	1,225	New Victoria Mills	7½	10	*Nil*	*Nil*	*Nil*	*Nil*	3	Y.
3,07,096D									2½	0. 2½						
87,14,800	57,72,270	1,68,68,562	62,58,093	....	Industrial Trust Fund	37,788	856	Osmanshah, Mills	22	D. 1	*Nil*	*Nil*			12	Y.P.
4,00,000A	7,50,000	35,04,758	21,05,715	9,122	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	86	100	7 0	4 0	*Nil*		9	Y.
6 00,000B									156xd	50A	7 0	12 0	12 0			
15,00,000	2,25 000	84,59,511	16,41,045	—18,87,240	C. S. R. Mudaliar & Sons ..	30,796	..	Pankaja Mills Ltd.	226xd	75B	11 4	18 0	18 0		12	Y.
16,81,200A	20,00,000	78,90,455	41,41,878	25,607	A. G. Gurusamy Naidu & Co.	51,664	801	Radhakrishna Mills	80	100	*Nil*	*Nil*	*Nil*		12	Y.
5,49,200B									360cd	100A	6 0	8 0	8 0			
15,00,000	30,00,000	48,74,198	25 94,337	11,081	B. R. Naidu & Sons'	35,472	..	Rajalakshmi Mills	150cd	50B	3 0	4 0	5 0		12	Y.
22,29,625	18,40,000	40,14,000	18,05,147	29,350	Rayalaseema Developments Co. ..	14,800	..	Rayalaseema Mills	174	50	4 8	7 8	10 0	10 0	12	Y.P
60,00,000	62,41,568	1,00,25,428	35,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur).	34,582	600	Raza Textiles	134½	100	6 0	6 0	9 0	10 0	12	Y.
									Nil	*Nil*	*Nil*	*Nil*	*Nil*		12	Y.P.
16,00,000	1,60,39,516	2,89,27,048	2,04,27,279	—1,50,02,067	Morarka & Co.	95,282	2,234	Sholapoor Spg. & Wvg.	1,700	1,000	*Nil*	*Nil*	*Nil*		3	Y.P.
									—	800						
26,69,700	16,68,628	71,75,918	51,85,889	27,871	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills ..	99	50	4 0*	4 0*	4 8		3	Y.
26,14,800	2,00,245	85,18,906	17,78,000	—2,46,777	Gopaldas Lladhar & Co., Ltd. ..	17,880	440	Shree Sajjan Mills	80N	100	4 0	4 0	*Nil*		3	Y.
15,00,000	3,11,90,237	96,09,567	72,44,724	31,27,583	Birla Brothers, Ltd.	35,556	1,242	Sutlej Cotton Mills	130N	10	0 4	0 6	0 8	6 0	3	Y.
17,50,000 O	2,30,00,000	4,54,40,847	1,70,83,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadesh Cotton (Kanpur)	10½	10 O.	*Nil*	0 8	0 12	0 12	3	Y.P.
1,57,50,000PO									10½	10P.O.	*Nil*	0-14 2/5	1-2 2/5	0 12		
1,00,00,000	30,14 788	3,80,55,317	1,27,16,775	2,68,771	Emcoste & Sons (Travancore), Ltd.	..	..	Travancore Rayons	16½xd	10	*Nil*	0 8	0 10	0 12	12	Y.P.T
13,98 670	9,78,332	17,39,181	11,87,836	1,508	Mooljee Bamjee & Sons	17,600	..	Trichinopoly Mills	11½	0 11/8	0 11½	0 14 2/8	0-14 2/8	12	12	Y.
21,00,000	22,00,000	54,92,295	36,81,499	38,560	R. K. S. Chetty & Brothers ..	38,544	270	Vasanta Mills	280xd	100	12 0	12 0	15 0	0-14 2/5	12	Y.
32,00,000	34,42,971	1,04,87,122	1,06,10,233	23,125	Bombay Co., Ltd.	46,490	1,331	Vishnu Cotton	195½xd	100	10 0	8 0	15 0		12	Y.P.

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.
(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each; X.R.=Ex-Rights.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,20,630	18,38,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6	10	0 8	0 8	8	0 9	3	Y.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar ..	292	A. 16sh. B. £1	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 8/5	Sh. 1 8/5	9	Y.P.
							—		Sh. 3	Sh. 4	Sh. 5 4/5	Sh. 5 4/5		
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	181½	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
11,37,700A	10,85,516	78,90,234	39,32,658	26,622	Andhra Engineering Co., Ltd. ..	Andhra Cement Co.	167cd	A. 100	7 8	10 0*	10 0		12	Y.P.T.
39,79,020B							162cd	B. 10	0 12	1 0*	1 0			
48,14,600O	18,13,132	18,78,926	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	6½	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.
4,70,976D							1½	D. 1						
21,71,66,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies ..	219‡	100	9 8	9 8	8 8	10

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	130	25	1 / Nil	1 9	1 9	2 8	6,12	H.P.T.
62,98,250	66,03,861	1,11,56,780	76,81,898	68,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	5 0	6 0	7 0	0 11½	3,9	H.
25,00,000	16,12,500	1,36,83,585	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	18½	10	5 0	6 0	7 0	0 11½	3,9	Y.
1,46,82,500	2,09,26,641	4,27,02,365	1,02,98,953	2,29,489	Birla Bros	Orient Paper	36½	10	1 0	1 0	0 7	0 8½	3,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,487	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18	10	1 0 / 0 12	1 0 / 0 13	0 8 / 0 13	0 10 / 0 13	6,12	H.P.T.
20,00,000 / 10,00,000 'A'	6,50,000	54,00,869	30,16,681	4,402	Baloria & Co.	Star Paper Mills	11½ / 11½	O. 10 / A. 10	0 8 / 0 8	0 12 / 0 12	0 12 / 0 12	0 8½	3,9	H.P.T.
56,00,000A. / 56,04,800B. / 4,37,500P.O.	3,22,75,945	5,80,42,527	3,21,82,342	95,684	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	43½ / 43½ / 4½	A. 10 / B. 10 / P.O. 2½	1 0* / 1 0* / 0 2	1 0* / 1 0* / 0 2	0 12 / 0 12 / 0 2	1 0 / 1 0 / 0 2	3,9	H.P
PRESSING														
3,00,000	6,12,365	15,78,488	11,13,891	—35,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	Nil	9	Y.
4,50,000	1,00,000	6,39,526	4,73,056	2,554	Camperdown	Camperdown	88N	100	7 0	7 0	6 0	6 0	7	Y
5,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	6	Y
PROPERTY AND LAND														
10,00,7800. / 2,00,000D.	6,93,332	43,52,570	22,63,279	36,000	S. A. Basil, Esqr. & others (Directors)	Humayun Properties	13½ / 5½	O. 10 / D. 1	0 8 / Nil	0 11½ / 0 4/5	0 9 3/5 / Nil	0 9 3/5 / Nil	9	Y.P.
60,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	19	100	1 0	1 8	Nil	Nil	4	Y.P
84,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	83½	100	3 0	1 8	4 0	3 0	4	
SAW MILLS AND TIMBER														
13,99,998	26,23,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	4½	3	0 4	Nil	Nil	Nil	9	Y.
30,00,000 / 45,00,000	4,13,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	63½ / 243½	Old125 / New50	15 0 / 9 0	20 0 / 6 0	20 0 / 8 0	37-8½ / 15-0	8	Y.
6,00,000 / 20,00,000	.... / 21,15,487	7,28,569 / 19,00,295	7,26,267 / 14,85,560	—4,69,907 / 2,76,619	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	Nil	Nil	Nil	2 12	6	Y.P.
					Gillanders Arbuthnot & Co., Ltd	Indian Wood Products	57½xd	10	3 0	2 8	2 12	8 0	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,923	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	Nil	0 12	0 1	6	Y.
12,00,000A. / 3,00,000B.	29,18,356	49,46,285	23,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	150N / 14N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0	10 0 / 1 0		4	Y.
16,49,050	5,50,000	31,91,057	28,33,812	49,906	Bansur Bros., Ltd.	Belsund Sugar	10½	7½	0 12	0 12	0 12		9	Y.P.
18,00,000	13,90,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8	1 8	6	
22,00,000	28,37,030	1,86,90,775	92,27,801	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8½	Nil	Nil	Nil	0 12	0 4	6	Y.P.T.
80,00,000	57,83,651	1,08,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	10½	10	2 0	2 0	0 12	0 12	10	Y.P.
15,00,000	38,04,891	72,85,757	53,46,902	54,019	Begg, Sutherland & Co., Ltd.	Champarun Sugar	29½	10	2 0	1 0	1 0	1 8	6	Y.
5,99,452	6,18,562	24,58,580	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	94½	10	2 0	1 0	1 12		8	Y.P.
60,00,000A. / 10,00,000G.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	260N / 100	'A' 100 / O. 100	12 0* / 12 0*	15 0* / 15 0*	15 0* / 16 0*	15 0* / 15 0*	6	Y.P.
12,00,000	8,61,001	75,81,809	42 63,455	27,926	Kilachand Devchand & Co. ..	Kesar Sugar	64N / 32N	Nil / 40	Nil / Nil	Nil / Nil	4 8 / 2 4		7	Y.
7,89,100	22,14,658	34,94,612	19,35,833	1,264	Cotton Agents Ltd.	New India Sugar Mills	33N	10	2 8	2 8	2 8	2 8	5	Y.P.T.
11,00,000	4,20,000	42,21,480	24,87,558	4,135	Karamchand Thapar & Bros., Ltd.	New Savan	6	10	0 8	0 8	0 4		5	Y.
10,87,500A. / 5,71,875B.	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	240N / 60N	100 / 25	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0	20 0 / 5 0	6	Y.
77,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	132N	100	6 0	11 0	11 0	11 0	7	Y.P.
12,00,000	12,74,232	28,77,660	19,95,928	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	115cdN	100	6 0	10 0	10 0		10	Y.
9,00,000	17,64,569	37,56,808	20,57,249	6,871	Begg, Sutherland & Co., Ltd.	Puratabpore Co.	13	10	1 0	1 0	0 12	0 12	10	Y.P.
8,00,000	5,54,762	25,43,782	21,01,613	¥4,840	M.	Ryam Sugar	21 N	10	1 0	1 0	0 8	0 12	10	Y.P.
11,99,000	18,86,779	38,63,583	22,92,180	8,477	Begg, Sutherland & Co., Ltd.	Ramastipur Central Sugar ..	14	10	1 0	0 8	0 8		8,477	Y.P.
20,00,000	22,66,560	1,35,20,110	62,59,921	34,040	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	11½	10	1 8	1 8	1 8	1 12	8	Y.P.T.
9,99,950	61,825	27,15,126	12,60,852	—0,37,868	H. K. Ghosh, Esq., and B. N. Datta, Esq. (Managing Directors) ..									
7,95,462	18,82,940	31,60,785	17,68,068	1,06,227	Karamchand Thapar & Bros ..	Shri Sitaram Sugar	4½	10	0 6½	Nil	Nil	Nil	6	Y.
9,15,000O. / 4,40,000D.	47,592	27,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	14½ / 1N	10 / O. 10	1 0 / Nil	2 0* / Nil	1 8* / Nil		8	Y.T.
8,00,000	21,91,635	96,42,062	57,49,764	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	D. 2½ / 70N	D. 10 / 10	Nil / 2 0	Nil / 0 8	Nil / 2 8	8	10	Y.P.
16,00,000	7,99,778	32,06,650	25,98,844	39,051	James Finlay & Co., Ltd.	United Provinces Sugar	20½	10	1 8	0 8	1 4		6	Y.P.
Other Centres													9	Y.
46,99,750	₹4,53,470	1,50,12,876	1,08,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	233	50	16 9	16 0	16 0	16 0	9	Y.
17,50,000	9,24,592	33,08,879	21,52,723	4,692	A. M. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	14	10	1 0	0 10	1 0	1 0	9	Y.P.
15,98,900	2,45,841	39,19,958	20,01,146	51,998	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	50N	100	3 0	Nil	Nil	1 0	6	Y.P.
31,47,780	14,00,000	80,54,997	18,71,128	5,22,318	Indis Sugar Agencies Ltd. ..	India Sugar and Refineries ..	23½	10	2 8	2 8	1 12	1 6 2/5	9	Y.P.
33,57,620	41,27,060	41,95,605	20,78,418	1,403	Govan Bros. (Rampur), Ltd ..	Buland Sugar	14‡N	10	0 12	1 0	1 0	1 8*	9	Y.P.
10,52,2000. / 6,87,190D.	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd; ..	K. C. P. Ltd.	127½ / 100	O. 100 / D. 10	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0	6	Y.P.
21,79,280	95,00,001	1,31,37,677	78,17,780	2 90,340	S. Muninarlappa Esq (Managing Director)									
30,00,000	48,49,631	1,08,28,164	59,35,509	11 063	Mafatlal, Apte and Kantilal Ltd	Mysore Sugar	48½	10	2 0	2 0	3 0	3 0	6	Y.
16,59,920	58,50,880	53,90,015	26,76 747	29,230	Anderson Wright Ltd.	Phaltan Sugar	149	50	8 0	6 0	8 0	8 0	6	Y.
20,00,0000.	21,76,062	89,12,138	58,60,883	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	88N	O. 10	Nil	Nil	2 8	9 0	8	Y.P.T.
4,00,000D.								D. 10	Nil	Nil	Nil	Nil		
19,99,068	44,88,457	47,06,689	21,78,094	4,585	Govan Bros. (Rampur), Ltd. ..	Rare Sugar	10½	10	1 0	1 0	1 0	1 0	9	Y.P.T.
80,00,000	10,87,776	59,76,264	17,87,159	—32,224	Parry & Co., Ltd.	Travancore Sugars	18N	10	0 12	1 0	0 12		10	Y.
1,01,00,000	71,97,998	1,99,96,443	1,15,32,428	1,31,172	Premier Construction Co., Ltd.	Walchandnagar Industries ..	18½	10	Nil	Nil	Nil		7	Y.P.
							250	100	14 0	14 0	16 0	18 0	9	Y.P.T.
TRANSPORT														
20,00,000	1,00 69 622	1,24,00,708	15,56,557	55,626	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145	100	12 8	10 0	7 8	7 8	10	Y.P.
1,00 00,000	15,37,610	4,41,65,864	1,85,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0	5 0	13	Y.
50,00,000	24,35,888	2,50,31,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	17½	10	1 0	1 0	1 0		10	Y.P.
£655,580	£960,878	£5,616,681	£3,844,778	£21,866	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	107	£10	Sh.10	Nil	Sh.1 0	Nil	8	Y.P.
2,25,00,000	74,99,233	7,93,20,402	1,81,54,990	1,28,081	Lionel Edwards Ltd.	India Steamship Co.	10	10	0 8	0 8	Nil	Nil	12	Y.P.
9,40,19 678	6,94,92,081	18,86,63,413	4,34,44,300	2,73,888	Narottam Morarjee & Co. ..	Scindia Steam Navigation Co. ..	18-3½	20	0 8	0 12	0 8	0 8	6	Y.P.
9,40,8000. / 8,10,200P.O.	18,58,194	11,38,000	6,80,211	1,34,123	B. B. Ajyer, Esq. (Manager) ..	Walford Transport Ltd.	2½ / 1½	O. 1 / P.O. 1	as. 1 3/25 / as. 1 9/25	as. 1 3/25 / as. 1 9/25	1 23/25 / 1 19/25		12	Y.
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	500	35 0	32 0	32 0	32 0	9	Y.
15 98,860	3,04,178	7,18,542	90,000	42,583	Parakh Agencies Ltd.	Bombay Co.	69‡	50	4 0	5 0	5 0		12	Y.
25,00,000	1,00,000	25,74,281§§	9,294	3,894	Dena Sons, Ltd.	Devkaran Nanji Investmen Co.	12½	25	0 12	0 12	0 12	0 12	3	
14,88,840	3,48,585	89,00,500	17,76,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	33	50	2 8	Nil	2 0	2 0	3	Y.P.
99,99,250	19,47,386	1,22,03,694§§	....	2,88,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	78‡	100	4 8	4 8	4 8	4 8	12	Y
99,99,975	85,08,851	85,10,899	9 81 529	6,154	K. G. Milne, Esq. (Mg. Director) ..	Killick Industries	166‡	100	10 0	10 0	11 0	11 0	6	Y
5,07,02,800A. / 10,00,000B.	5,28,634	2,87,33,878	1,25,90,292	5,86,717	Aero-Auto Ltd.	Premier Automobiles	90	A.100 / B. 10	Nil / Nil	Nil / Nil	Nil / Nil	Nil / Nil	6	Y.
10,21,200	5,63,605	13,96,085	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22½	10	2 8	2 0	2 0	2 0	12	Y.
2,75,00,000	73,75,000	3,03,87,181	1,03,71,840	5,61,981	T. H. Rydin, Esq. (Managing Director).	Western India Match Co.	189‡cd	100	11 0*	11 0*	11 0*	11 0*	12	Y.
45,00,000	55,24,847	7,24,608	3,07,103	86,434	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	850	150	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
47,50,000 / 2,50,000	17,00,000	1,95,40 704	65,00,000	32,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	9½ / 8½N	O. 10 / D. 2½	Nil	Nil	Nil	Nil	2	Y.P.T.
30,00,000	35,05,079	32,06,626	21,94,951	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	21½	10	1 4	1 4	1 4	2 0*	3	Y.
30,00,000	8 85,800	88,39,494	20,85,060	1,18,305	T. H. Rydin, Esq. (Mg. Director) ..	Assam Match Co., Ltd.	19½	10	1 0	1 0	1 0	1 4*	12	Y.
50,00,000	27 47,388	1,01,49,387	39,87,880	52,688	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	7½	10	0 4	0 3 1/5	0 3 1/5	0 2 2/5	3	Y.P.T.
80,01,400	82,94,263	46,81,988	33,21,988	1,49,717	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd. ..	168	100	20 0*	20 0*	15 0	2 8	12	Y.
12 00,000	9,10,000	31,07,473	23,35,472	72,375	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	27	10	0 10	1 8	2 8	1 8‡	6,13	Y.
20,00,000	7,99,470	57,82,560§§	....	1,21,782	Lovelock & Lewis	Birds Investment Ltd.	17☆	10	1 4	1 4	1 4		9	Y.P.
45,97,020	26 44,814	1,00,74,580	29,49,001	1,98,548	K. Julian Scott, Esq (Mg. Director)	Britannia Biscuits	17	10	1 8	1 8	1 8	1 8	9	Y.P.
2,25,00,000	1,16,1,866	2,82,03,905	2,22,14,167	—27,36,884	Sir Robert Menzies	British India Corporation Ltd.	11½	10	1 0	1 0	1 0	1 0	3	Y.P.T.
1,50,00,000	3,14,86,174	5,15,52,036	2,20,82,990	11,71,656	Cecil Stark, Esq. Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	31½	5	Nil	Nil	Nil	Nil	12	Y.P.T.
51,26,000	54,12,212	1,42,47,668§§	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Chemicals Ltd.	30☆	10	1 8	1 8	1 8	1 8	12	Y.P.T.
14,00,000	10,02,000	33 81,772	18,39,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	14☆	10	1 0	1 0	1 0	1 0	12	Y.P.
85,00,000	42,00,000	19,27,686	8,08,872	1,51,360	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co. Ltd.	179xd	100	10 0	10 0	7 8	7 8	3	H
30,00,000	13,17,354	78,75,302	31,19,064	45,995	B. F. E. Syndicate	Great Eastern Hotel	19½	10	1 0	1 0	1 8	1 8	3	Y.P.
13,42,800	9 57,964	73,31,701	58,60,559	96,584	Birla Bros., Ltd.	Hind Cycles	237	15	15 0	15 0	7 4	6 4	3	Y.P.
4,96,13,350	2,92,450	3,56,34,606	94,52,719	5,19,485	Birla Bros., Ltd.	Hindustan Biscuits	150N	100	8 0	8 0	10 0	10 0	12	Y.P.T.
1,60,00,000	46,77,754	4,16,74 246	1,74,76,653	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	9½	10	Nil	Nil	Nil	Nil	3	Y.
1,52,89,220	1 20 50,000	1,55,72,330	57,17,651	99,584	Lt.-Col. Jessop, Esq.	Indian Cables	21☆	10	2 0	Nil	Nil	Nil	12	Y.P.
5,27,970	5,35,000	10,40,508	3,96,110	32,616	G. S. Moulton & Co. (India), Ltd.	Indian Rubber Manufacturers ..	31☆	10	1 0	1 0	1 0	1 4*	3	Y.P.T.
15,16,00,000	7,22,52,683	3,55,94,047	1,17,80,408	25,00,782	Mr. Eric Henry Hare (Chairman)	Imperial Tobacco Co. of India Ltd.	11½	10	1 0	0 12	0 8	0 8	12	Y.P.
2,00,00,000	55,29,566	34,88,960	8,60,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	31½	10	10 0	7 8	9 0 3/5	9 0 12 4/5	8	Y.
4,34,0000. / 66,000D.	2,48,848	6,89,880	4,81,766	2,840	James & Co., Ltd:	Macfarlane & Co.	100 / 2½	100 / O. 5	10 0 / Nil	10 0 / Nil	7 8 / Nil	7 8	3	Y.P.
60,00,0000. / 5,00,000D.	78,01,900	25,16,760	7,97,301	1,87,884	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.	218N	D. 1 / 0.100	Nil / 7 8	Nil / 10 0	Nil / 17 0		8	Y
1,87,53,000	60,54,276	92,58,051	11,34,226	2,08,456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	—	D.0.10	0 4	0 8	1 3 1/5		12	Y.P.
1,15,00,000	44,50,000	1,76,64,805	67,87,457	14,48,141	H. Chiswell Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	25	10	1 8	1 0*	1 8	1 12*	9	Y.P.
6,85,258	1,58,858	7,81,449	2,60,987	—15,239	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	27½	10	1 0	1 0	1 0	1 8	3	Y.P.
6,56,250	9,55,113	10,40,255	4,40,947	73	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	8½	10	Nil	Nil	Nil	Nil	12	Y.
10,00,000	1,25,000	15,18,188	8,10,826	20,916	T. Shamanna, Esq. (Chairman) ..	Mysore Tobacco	14½	10	1 0	1 0	1 0		12	Y.
40,00,000	61,21,172	59,09,527	39,20,120	2,22,282	Associated Industrial Development Co., Ltd.		18☆	10	1 0	1 0	1 4	1 0	3	Y.P.
79,97,000	21,15,887	1,14,74,878	52,77,582	9,08,480	National Insulated Cable Co. ..	National Insulated Cable Co. ..	22☆	10	0 12	1 0	1 0	1 8*	3	Y.T.
40,00,000	37,00,000	44,15,474	19,71,484	1,81,466	Coromandel Investment Trust Ltd.	Parry & Co.	12	10	Nil	Nil	Nil	Nil	3	Y.P.
2,25,00,000	7,25,185	1,38,49,091	40,14,109	—62,99,179	M. P. A. Pappatti, Esq.	Ballis (India) Ltd.	8 5/8N	D.0.10	0 4 4/5	0 4 4/5	0 4 4/5		12	Y.P.T.
1,72,54,400	1,81,20,208	7,56,34,689	3,47,94,070	4,91,624	Sahu Jain Ltd.	Rohtas Industries	33½	100	Nil	Nil	Nil	Nil	12	Y.P.T.
40,00,000	98,60,594	1,18,78,870	70,99,687	5,10,675	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	22½	10	1 0	1 4	1 8	1 8	12	Y.P.T.
75,00,000	49,00,000	19,88,8654	4,16,794	8,58,951	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	17½	10	1 8	1 8	1 8	1 8	6	Y.P.
9,98,380		14,99,229	3,84,680		Ogale Bros., Ltd.	Travancore Ogale Glass	8½	10	Nil	Nil	Nil	Nil	12	Y.

§§ Investments at cost. * Includes bonus. ‡ On old capital. § Exceding Rs. 1,49,01,000 which represent share in the firm of Shaw Wallace & Co.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	325	Amluckie	350N	100	7 8	25 0	30 0		12	Y.P.
3,50,000	8,43,250	10,69,902	2,42,089	77,477	R. K. Kanoria, Esq.	420	Ananda (Assam) Tea	49½	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,230	10,47,044	2,03,058	72,938	Gillanders Arbuthnot & Co., Ltd. ..	420	Ananda Bag	49½	10	Nil	2 8	8 0*		12	Y.
5,50,000	11,21,341	10,95,977	6,44,957	93,058	McLeod & Co., Ltd.	513	Baghmari	23½	10	Nil	Nil	3 8		12	Y.
5,10,000	8,50,000	11,39,193	3,89,461	93,033	Andrew Yule & Co., Ltd.	389	Basmatia	39½	10	2 0	2 8	3 0		12	Y.
3,30,000	4,65 000	10,11,265	6,46,265	13,304	National Tea Corporation	594	Batell	24½	5	0 4	2 0	4 0		12	Y.
3,20,000	8,70,000	9,80,764	2,59,111	68,744	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	57	10	Nil	2 0	10 0*		12	Y.
13,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd. ..	3,967	Bishnauth	25½	10	Nil	Nil			12	Y.
10,50,000	20,60,000	45,51,025	5,21,025	61,929	Octavius Steel & Co., Ltd. ..	485	Bokakhat	25	10	Nil	Nil	1 0		12	Y.P.T.
6,00,000	2,53,500	10,49,416	2,08,130	61,429	Andrew Yule & Co., Ltd.	450	Bormah Jan Tea	22½	10	Nil	0 12	3 8		12	Y.P.
7,50,000	6,52,400	8,92,327	2,93,050	1,44,105	McLeod & Co., Ltd.	2,834	Brooke Bond	24½	10	1 0	0 8	1 4		12	Y.
25,00,000	11,92,015	73,99,473	26,092		Brook Bond India Ltd.	2,834	Dejoo Valley	52	10	Nil	1 0	0 0		12	Y.
1,20,000	4,00,426	5,55,963	1,35,593	6,542	McLeod & Co., Ltd.	1,220	Dessai & Parbuttia	405N	100	10 0	20 0	40 0		12	Y.
6,00,000	10,99,000	26,04,194	10,34,471	44,551	James Warren & Co., Ltd. ..	620	Dhelakhat	22½	10	1 0	1 8	2 8		12	Y.
3,00,000	9,87,743	22,73,420	4,17,346	8,779	James Finlay & Co., Ltd.	644	Dhunseri	22	10	Nil	2 0	5 0		12	Y.P.
4,68,970	3,95,000	10,93,

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4½	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,855	1,19,659	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9¼	3	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries) ..	Coffee Lands and Industries ..	23½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	19½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd.	Cottanad Plantations	16½	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,95,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd.	Highland Produce	19½	10	1 0	1 4	2 8		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd.	Kalpetta Estates	34½	10	1 8	2 0	2 8	2 12	4	Y.P.
9,00,000	7,26,329	13,44,917	2,58,893	..	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	33	10	3 8	5 8	2 4	2 4	3	Y.
27,00,000	29,30,000	74,32,314	7,74,029	1 45,508	A. V. Thomas & Co., Ltd.	Midland Rubber	22½	10	1 8	1 8	1 12*	2 8	3	Y.P.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd.	Nenmeny Rubber	22½	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	2,99,883	7,20,805	44,185	8,690	Associated Planters Ltd.	Nilambur Rubber Co.	17½	10	1 0	1 0	1 0		12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd.	Quchterloney Valley Estates ..	5–8½	2	0 3½	0 3½	0 9 3/5	0 6 2/5	10	Y.P.
13,50,000	7 80 000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd.	Rahaiti Rubber	25½	10	1 8	1 12*	1 12*	2 0	6	Y.P.
3,66,780	3,00,000	6,70,359	62,117	71,342	Peirce Leslie & Co., Ltd.	Savamalai Estates Ltd.	26½xd	10	1 8	3 0	2 8	1 0	11	Y.
10,00,000	9,98,340	22,01,120	1,35,929	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	11½	10	0 14½	0 14 2/5	0 12	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd.	Thamarayally Rubber	31½	10	2 0	3 0	3 0		12	Y.P.
6,10,200	3,00,095	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd. ..	2–4½	1	0 4	0 4½	0 1 3/5	0 2	9	Y.
6,00,000	48,474	7,49,611	1,11,200	3,744	Kayen Thomas, Esq. (Mg. Director)	Travancore Rubber	25½xd	10	2 0	2 0	2 0		12	Y.P.T.
41,00,000	14,29,673	74,86,897	7,65,148	$ 28,025	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13 3/4cd	10	0 9 3/5	1 0	1 8		12	Y.P.T.
23,00,000	..	27,70,732	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	42cd	25	2 8	3 0	3 0	4 0	12	Y.
6,28,580	4,40,670	7,77,154	14,119	21,383	Harrisons & Crossfield Ltd. ..	Valkundam (Travancore) Rubber ..	28½	10	2 0	2 0	2 4		12	Y.
1 65,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	12½	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	11	10	1+1	1+1	1+1	1+	3.9	H.T.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,086	McLeod & Co., Ltd.	446	Alexandra	200	100	*Nil*	*Nil*+2½	2½+5		3.9	H.P.T.
80,00,000	9,84,130	1,17,45,964	91,71,069	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	133	100	*Nil*	*Nil*+5	6+6	6+6	6, 12	H.P.
49,20,700	72,00,000	2,72,98,335	1,87,90,000	1,23,973	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	170	100	10+10	7½+5	2½+5	5+5½	3.9	H.P.
40,00,000	42,94,285	1,73,44,642	88,94,396	9,783	Bird & Co., Ltd.	810	Auckland	125	100	5+4	2+3	1+2½	4+4	3.9	H.P.T.
20,00,000	22,86,387	98,73,054	65,15,094	15,850	Jardine Henderson & Co.	959	Bally	140	100	*Nil*	4+*Nil*	*Nil*	*Nil*	3.9	H.P.
£275,000	£631,523	£1,556,539	£1,003,227	£64,886	Sir John H. Burder (Chairman) ..	1,889	Barnagore	130½	£5	£1	£1	£½	£½	3	Y.P.
28,00,000	32,30,123	92,27,342	49,93,231	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	158	100	7½+7½	7½+7½	5+5	5+2½	6, 12	Y.
45,00,000	35,45,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull	600	Bengal	17	10	1	1½	1	1	6	Y.T.P.
91,26,000	2,15,77,000	3,52,52,892	39,72,760	3,16,918	Birla Bros., Ltd.	1,373	Birla	17½	10	3	3	1	1	6	H.
26,00,000	27,57,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	137	10	6½+6½	6+4	4+5	5+2½	4, 10	Y.
7,47,380	3,16,924	42,43,494	30,69,848	25,424	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9	10	0+8	*Nil*	*Nil*+1½*	1+1½*	4, 10	H.P.T.
15,00,000	80,46,234	87,13,871	41,45,795	6,548	Andrew Yule & Co., Ltd.	818	Caledonian	203	100	6+6	6+6	4+5	4+2½	6, 12	H.
25,16,400	98,58,404	2,22,41,517	1,07,46,003	1,30,505	James Finlay & Co., Ltd.	600	Champdany	186	100	7+8	3+8	*Nil*+3	4+6	5, 11	H.
15,98,000	28,39,282	81,34,655	56,80,175	2,515	Andrew Yule & Co., Ltd.	530	Chevlot	202	100	6+6	6+6	3+8	6+4	3.9	H.
30,15,000	29,25,000	60,73,514	46,01,390	1,52,253	McLeod & Co., Ltd.	930	Chitavalsah	14½	10	2½+1½	1½+½	1+½	1+½	3.9	H.P.
16,00,000	24,00,000	78,22,716	66,32,962	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	14½	10	2	*Nil*	*Nil*	1–4*	6, 12	H.T.P.
31,49,200	61,22,883	1,34,26,320	64,46,601	1,996	Bird & Co., Ltd.	766	Dalhousie	100	100	6+1	1+8	1+1½	1+1½	3.9	H.P.T.
35,00,000	44,74,179	76,56,609	47,00,110	15,918	Andrew Yule & Co., Ltd.	779	Delta	202	100	10+10	10+10	6+6	5+5	3.9	H.P.
15,00,000	33,50,000	81,98,824	59,15,560	1,48,894	McLeod & Co., Ltd.	900	Empire	10	10	1+1	1+1	1+1	5+5	6, 11	H.P.
21,00,000	49,60,176	2,72,82,353	1,87,05,841	71,982	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	10	10	1+1	1+1	1+1	1+1	6, 12	H.P.T.
15,75,000	17,75,000	84,16,108	53,99,760	1,16,743	Bangur Bros., Ltd.	1,014	Fort William	10	10	*Nil*	*Nil*+5	10+10	10+10	3.9	H.T.P.
84,32,100	1,66,021	2,03,72,498	1,32,68,888	84,782	Macneill & Barry Ltd.	1,709	Ganges Mfg.	69	100	*Nil*	*Nil*+*Nil*	*Nil*+*Nil*	2½+*Nil*	3.9	H.P.
10,80,000	28,00,000	71,52,983	48,43,892	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,800	300	80	15	*Nil*		3.9	Y.
34,20,000	83,38,459	2,12,32,128	1,65,1 5	—57,226	Macneill & Barry Ltd.	1,394	Gouripore	249	100	1½+*Nil*	*Nil*+3½	2½+7½	7½+7½	3.9	H.P.
40,00,000	55,88,234	99,08,890	57,88,999	2,27,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10	10	10+10	11½+	3.9	H.P.
16,80,000	18,52,626	66,38,235	45,81,418	22,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	35	10	1½	1½	1½		3	Y.
65,62,500	61,33,561	1,82,87,504	1,07,39,964	1,24,600	Jardine Henderson Ltd.	1,940	Howrah	10	10	1+1½	1+1	1+1		3	H.P.T.
82,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	23½	10	2½	2	2		3.9	Y.P.T.
67,00,000 }	16,55,558	1,33,66,655	78,55,428	7,781	India	1,076	India	138	O. 125	3½+3½	3½ 3½	*Nil*+3½	3½+3½	3.9	H.
Rs. 80,000 }								—	D. 1	As.4+4	4½5+2½	*nil*+4½5	4½5/6+1/5		
24,00,000 }	16,50,000	1,37,65,836	1,24,18,038	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	136	100	8½+6	6+3	3+6	2½+*Nil*	3.9	H.
Rs. 19 20,000 }								126	'B' 100	8½+6	6+3	3+6	2½+*Nil*		
80,00,000 }	7,00,000	1,32,86 300	1,00,46,425	83,115	Jardine Henderson Ltd.	1,527	Kankanarrah	95		6+4	5+3½	3½+4	2½+*Nil*	6, 12	H.P.
Rs. 24,00,000 }								98	'B' 100	6+4	5+3½	3½+4	1+*Nil*	6, 12	H.P.
21,00,000	49,50,000	1,12,58 938	79,26,876	1 70 687	McLeod & Co., Ltd.	703	Kelvin	238	100	7½+7½	7½+7½	5+5	2½+4	6, 12	H.P.
54,00,000	33,95,375	1,71,52,716	1,16,91,697	1,02,190	Anderson Wright Ltd.	1,530	Khardah	140	100	10+10	10+10	7½+5	7½+5	6, 12	H.P.
48,00,000	1,04,27,157	2,31,57,457	1,12,99,755	82,710	F. W. Heligers & Co.	1,250	Kinnison	166	100	10+7	4+5	2+5	6+5	3.9	H.P.
24,48,000	49,37,037	1,39,82,588	80,55,707	10,707	Bird & Co., Ltd.	931	Lansdowne	111	100	7+8	2+8	1+1	5+8	3.9	H.P.
38,00,000	56,59,479	1,16,03,741	64,06,982	2,154	Bird & Co., Ltd.	840	Lawrence	115	100	11+4	5+4	1+1	5+8	3.9	H.P.
31,65,200	25,04,412	2,01,00,682	1,44,49,504	10,614	M.	1,008	Mesnu	81	100	2½+2½	2½+2½	*Nil*	1+1	3.9	H.P.
29,98,900	38 14,415	1,84,76,420	98,81,406	—8,19,282	F. W. Heligers & Co.	815	Naihati	96	100	6+*Nil*	*Nil*	*Nil*	*Nil*	3.9	H.
20,00,000	15,55,000	29,01,565	16,31,709	17,816	Howrah Trading Co., Ltd.	425	Naskarpara	18½	10	1+1	*Nil*+½	1+1	1+1	3.9	H.
15,00,000	43,39,328	93,10,152	70,58,554	1,06,223	Andrew Yule & Co., Ltd.	852	National	24½	10	1+1	1+1	1+1	1+1	4, 10	H.P.
26,25,000	24,50,000	26,82,794	20,20,619	1,48,752	McLeod & Co., Ltd.	816	Nellimarla Jute	18	10	2+1	1+1	1+1	1+1	4, 10	H.P.
85,50,000	2,71,44,342	4,28,15 627	96,28,548	8 71,293	Sahu Jain Ltd.	709	New Central†	16½	10	10+12	12+12	11+11	11+	6, 12	H.P.T.
2,00,000	2,99,883	7,20,805	44,185	8,690	Associated Planters Ltd.	17½	Nilambur Rubber Co.	17½	10	1 0	1 0	1 0	1 0	12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd.	5–8½	Quchterloney Valley Estates ..	2	0 3½	0 3½	0 9 3/5	0 6 2/5	10	Y.P.
13,50,000	7 80 000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd.	25½	Rahaiti Rubber	10	1 8	1 12*	1 12*	2 0	6	Y.P.
3,66,780	3,00,000	6,70,359	62,117	71,342	Peirce Leslie & Co., Ltd.	26½xd	Savamalai Estates Ltd.	10	1 8	3 0	2 8	1 0	11	Y.
10,00,000	9,98,340	22,01,120	1,35,929	2,031	East India Agencies	11½	Teekoy Rubber (India) Ltd. ..	10	0 14½	0 14 2/5	0 12	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd.	31½	Thamarayally Rubber	10	2 0	3 0	3 0		12	Y.P.
6,10,200	3,00,095	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd.	2–4½	Tirumbadi Rubber Co., Ltd. ..	1	0 4	0 4½	0 1 3/5	0 2	9	Y.
6,00,000	48,474	7,49,611	1,11,200	3,744	Kayen Thomas, Esq. (Mg. Director)	25½xd	Travancore Rubber	10	2 0	2 0	2 0		12	Y.P.T.
41,00,000	14,29,673	74,86,897	7,65,148	$ 28,025	Aspinwall & Co. (Travancore) ..	13 3/4cd	Travancore Rubber and Tea Co., Ltd.	10	0 9 3/5	1 0	1 8		12	Y.P.T.
23,00,000	..	27,70,732	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	42cd	Tropical Plantations Co.	25	2 8	3 0	3 0	4 0	12	Y.
6,28,580	4,40,670	7,77,154	14,119	21,383	Harrisons & Crossfield Ltd. ..	28½	Valkundam (Travancore) Rubber ..	10	2 0	2 0	2 4		12	Y.
1 65,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	12½	Woodland Estates	10	*Nil*	1 0	1 8	2 0	3	Y.P.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	35,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	23½	10	½ + ½	½ + ½	½ + ½	½+	3.9	H.
12,00,000	8,82,573	38,78,477	36,13,477	22,708	Jardine Henderson Ltd.	Bararee Coke	19½	10	1+1	1+1	7/10+7/10	1+7/10	3.9	H.
4,49,350	70,000	3,49,159	5,40,266	4,951	Andrew Yule & Co. Ltd.	Bhowanjunkdee	5½N	10	1	1	1	1	6, 12	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	531	200	20+30*	17½+15*	15+15*	17½*+17½	4,10	H.
3,25,000	4,77,174	24,81,806	22,28,068	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	½ ½	*Nil*	*Nil*	*Nil*	6, 12	H.P.
15,97,000	4,73,858	37,70,192	22,77,384	12,498	H. Y. Low & Co., Ltd.	Bhalgora	6½	10					6, 12	Y.
40,00,000	1,90,06 062	1,39,06 062	87,433	Sahu Jain Ltd.	Bharat Collieries	7½	10						Y.T.P.	
7,15 000	15 09,580	55,49,025	37 09 987	—1,65,136	F. W. Heligers & Co. (Private)Ltd.	Bhulanbarasee	13½	10	½ *Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.
16,00,000	16,17,936	68,14,856	39,09,841	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12½	10					6, 12	H.
7,50,000	52,50,000	68,07,858	29,07,991	46,251	F. W. Heligers & Co., Ltd.	Borrea	26½	10	1½*+1½*	1½*+1½*	1 + ½	1+	6, 12	H.T.
90,92,480	1,76,70,564	4,14 23,554	1,80,95,440	1,40,510	Bird & Co., Ltd.	Burrakur	14½	10	1 + ½	1 + ½	1 + ½	1+	6, 12	H.P.T.
4w,87,750		39 03,720	3,32,545	14,019	Hindustan Investment Corpn., Ltd.	Central India	7½	10	*Nil*				6, 12	H.
5,00,000	18 54,302	49,10,414	22,49,954	82,788	M.	Central Kurkend	11N	10	*Nil*	½	½	½	3.9	H.
6,00,000	1,42,676	7,28,438(k)		2,120	F. W. Heligers & Co. Private Ltd	Churila	2½	4	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
16 00,000	1,20,000	56,67,331	28,91,190	—2,45,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	H.
£340,000	£380,553	£936,945	£702,277	£50,787	Jardine Henderson, Ltd.	East Indian	82½	£1	8½()	2½	2½	3	6, 12	H.
29,63,750	76,84,250	3,89,97,499	2,57 14,367	82,266	Macneill & Barry Ltd.	Equitable	29½	10	2 + 1½	1 +	2 + ½	2+	3	H.P.T.
10,00,000	2,15,000	10,76,864	3,73,963	11,273	Phatter's Agency Ltd.	Ghusick and Musila	14½N	10					6, 12	Y.
12,00,000	1,25,000	39,02,565	20,99,824	3,226	Killick Industries Ltd.	Hingir-Rampur	4½	50	½	½	½	½	3	Y.
2,00,000	6,75,000	21,48,057	18,61,314	66,461	Macneill & Barry Ltd.	Hurriladih	23½	10	2 + ½	2 + ½	2 + ½	2 & ½	6	H.
22,00,000	1,12,000	34,74,412	6,18,646	—5,57,293	Bajpaie Trust Ltd.	Jogta Coal	2½	10	*Nil*	*Nil*	*Nil*	1½+	6, 12	H.
3,50,000	3,07,448	13,58,453	7,06,180	....	Andrew Yule & Co., Ltd.	Kalapahari	20N	10	12+12	12+1	*Nil*		12	H.
20,00,000	17,825	39,07,801	5,45,150	8,661	Bird & Co., Ltd.	Karanpura Collieries ..	125	100	*Nil*	*Nil*	*Nil*	*Nil*	3, 5	Y.
5,00,000	15,60,000	45,16,239	35,35,377	1,26,128	Andrew Yule & Co., Ltd.	Katras Jharriah	56½	10	2 + 2	2 + 2	*Nil*	2½	2	H.
1,88,400	5,72,900	12,85,041	5,72,900	—2,60,236	Berlwala & Co.	Khas Kajora	4N	10	*Nil*	*Nil*	*Nil*	2½+3	1, 7	H.P.
11,00,240	64,314	16,72,961	10,41,963	—41,220	H. V. Low & Co., Ltd.	Kuardi	3½N	10		*Nil*	*Nil*		6, 12	Y.
9,00,000	11,86,413	23,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10					6	Y.
7,48,240	2,00,000	12,18,473	9,23,179	11 096	Tantia Brothers Ltd.	Nazira	7	10					4	Y.
7,00,000	29,617	10,53,740	5,80,388	4,560	Amritlal Ojha & Co. Ltd.	New Banadeopur	8½N	10					12	Y.
17,76,220	20,01,768	1,19,78,883	83,03,086	84,883	Andrew Yule & Co., Ltd.	New Beerbhoom	20½	10	*Nil*+½	½ + ½	½ + ½	½ + ½	3.9	H.
6 00 000	85 000	28,44,928	16 55,990	36,426	Octavius Steel & Co., Ltd.	New Mashbhoom	1	10	*Nil*	*Nil*	*Nil*	*Nil*	4, 10	H.
1,15,000 } 1 57,500 }	2,55,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	19N	10	½ + ½	½ + ½	½ + ½	½ + ½	3.9	H.
1,50,000	12,21,353	3,97,666	2,77,666	1,05,541	F. W. Heligers & Co., Ltd.	Ondal	16½	10	1 + 1	1 + 1	½ + ½	½ + ½	6, 12	H.P.
10 00,000	1,10,000	89,70,662	17,99,658	3,909	K. C. Thapar & Bros.	Oriental Coal	9N	10					3.9	H.P.
[illegible]	10,562	17,58,137	5,30,795	8 018	Deepchand Kishenlall	Parasea	13xd	10	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	H.
10,75,000	15 00 000	46,12,471	24,03,471	35,216	Shaw Wallace & Co., Ltd.	Pench Valley	22	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
23,99,500	18,67,108	1,19,88,539	83,32,615	83 013	N. B. Elias & Co., Ltd.	Ramagoonga	11½	10	*Nil*	*Nil*	*Nil*	*Nil*	3.9	H.
13,50,000	8 58,385	35,36,768	27,73,764	29,421	Shaw Wallace & Co., Ltd.	Rewa	27½	10	½ + 1	½ + 1	½ + 1	½ + 1	3.9	H.
20,00,000	9,90,000	44,25,585	19,73,118	2,20,172	Jalpuria Sons Ltd.	Samla Collieries	13½	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
1,25 000	1,95,802	13 78,480	12,21,257	21 070	M.	Seawoolc	7½N	10					12	M.
2,80,000	7 86,598	29 87 021	18,41 629	40,187	Andrew Yule & Co., Ltd.	Seebpore	81	7	2 + ½	1 + ½	1 + ½	1½ + ½	6, 12	H.
8,00,000	5 31,249	52 491	39,367	7,503	F. W. Heligers & Co. Private Ltd.	Sendra	92N	10	*Nil*	*Nil*	*Nil*+½	½+	6, 12	H.
63 21,450	16,96,056	3,88,71,101	2,85,46,501	—4,46,963	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	9½	10	½	*Nil*	9–11 1/5		12	Y.
17,50,000	10,54,018	37,86,108	15,14,990	—61,582	Bird & Co., Ltd.	South Karanpura ..	9½	10	½ + ½	½ + ½	*Nil*+½	½+*Nil*	3, 5	H.
8 00 000	13,69 545	1 39,570	25,510	7,987	F. W. Heligers & Co. (Private) Ltd	Standard	20	10	½ + ½	½ + ½	½ + ½	½+	6, 12	H.
10,00,000	12,950	30,32 239	15,43,502	—4,07,745	Villiers Ltd.	Talcher	2½	10	*Nil*	*Nil*	*Nil*		3.9	H.
3,50 000	2,80,000	19,47,985	14,31,955	44,167	Williamson Magor & Co., Ltd. ..	Union	2½	10	1 + ½	1 + ½	1½+½	½+	6, 12	H.
49,98 000	1,38,190	49,98,556	13,91,545	87,894	Hindustan Investment Corpn., Ltd.	Western Bengal	12½	10	1 + ½	1 + ½	1 + ½	½+	6, 12	H.
7,00,000		55,22,133	22,66,961	122	Macneill & Barry Ltd.	West Jamuria	6½	10	*Nil*	*Nil*	*Nil*	*Nil*+	3	H.
							12½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Olive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Impending bonus. (k) Investments.
(l) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-12 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (a) For seven months ended 31st March 1954
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

FINAL VERSION OF SECOND PLAN IN A NUTSHELL

NAT

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
15,00,000	1,06,00,000	11,36,301	Allahabad Bank	357	100	18 0	18 0	18 0	18 0	12	Y.P.
14,50,000				180	50	9 0	9 0	9 0	9 0		
1,01,000				111½	100	6 0	6 8	7 8	6 8		
32,46,180	14,37,000	12,375	Andhra Bank	82	70	3 0	3 4	3 12	4 8 4/5	6,12	H.
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	98	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	164N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,52,00,000	13,26,650	Bank of India	158	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	28,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	25½	50	1 8	1 8	2 0	2 0	12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	247	100	16 0	16 0	16 0	16 0	12	Y.
61,21,700	58,73,018	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 8	2 0	6	Y.T.
15,00,000	25,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	4 8	5 0	12	P.Y.
7,50,000	12,00,000	2,482	Canara Banking Corporation Ltd.	80½	50	5 0	5 0	5 0	5 8	12	Y.P.
2,62,11,875	4,01,81,217	18,40,359	Central Bank of India Ltd.	504	25	3 8	3 0	3 0	3 0	12	R.L.Y.
$2,42,375 'A'				54½	25	3 8	3 0	3 0	3 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co.	40	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	25,00,000	1,66,278	Hind Bank	31½	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	9½	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	14	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	5 0	6 0	6 0	9	Y.
24,00,000				180	100	12 0	12 0	12 0	12 0	12	Y.
18,00,000	79,75,000	1,45,140	Indian Bank	159	90	10 3½	10 3½	10 3½	10 12½	6,12	H.
18,20,000				116½	65	7 3½	7 3½	7 3½	7 12½		
49,19,875	30,00,000	2,28,299	Indian Overseas Bank	129	100	6 0	6 0	6 0	7 8	12	Y.
2,25,000				42½	100(A)	Nil	Nil	Nil			
6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	13	25(B)	Nil	Nil	Nil		6,12	H.
10,00,000				25½	50(C)	3 0	3 6	Nil			
87,50,000	97,50,000	2,35,108	Punjab National Bank	52½	25	1 8	2 0	3 0	3 8	12	Y.
1,00,00,000	23,80,000	43,597	Travancore Bank	17½	25	—	0 12	0 12		12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	6½	5	0 5½	0 5½	0 5½	0 6	12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank	51	50	2 0	2 0	2 8	2 12	12	H.

PRINCIPAL EXCHANGE BANKS

					Dividend (per cent.)						
£2,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-14-3	£1	16†	14†	15†	16†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7½	£5	7†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $10,666,689	Hongkong and Shanghai Banking Corporation	£94½	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£15,000,000	£558,006	Lloyds Bank	£2-13-9	£5 A	12†	14†	15†	12†	12	R.L.Y.
£1,437,296 'B'				£1-6-8	£1 B	5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'				£4-0-0	A £2½	14†	14†	14†	14†		
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India	£4-0-0	B £2½	14†	14†	14†	14†	12	R.L.Y.
£750,000 'C'					C £1	14†	14†	14†	14†		
£2,851,563	£3,104,687	£242,158	National Bank of India	£1-0-9	£0-12½	16†	16†	16†	16†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.B. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June .. 1963
4,00,000	5½	1st March and 15th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	1938	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1938	102	27th December .. 1955-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	88	1st November .. 1956-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November .. 1959-64
COAL						
80,00,000	4½	30th April and 31st October	Bharat Collieries	1946	95½	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	91½	30th June .. 1967(c)
60,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1968(c)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1897	99	1st March .. 1972(c)
15,68,000	5½		Jayshree Textiles	1949	80N	1st January .. 1956-63
39 90,000	5½	1st June	Tata Mills	1951	100	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1958(a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100½	14th June .. 1966
98,24,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(a)
3,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	100½	1st January .. 1970(a)
25,00,000	4	30th June and 31st December	Goenpore Electric Supply Co. Ltd.	1945	85½	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Dherriah) Electric Supply Co., Ltd	1951	96	30th June .. 1976(a)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	98½	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	98½	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	30th September .. 1953-58
4,53,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1st July .. 1970
3,50,00,000	4	1st April and 1st October	Tata Power		93½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99	31st December .. 1960
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June .. 1956
80,00,000	5½	30th September and 15th March	Indian Hume Pipe (Bearer)	1942	102	1st July .. 1957-62
61,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	88	31st December .. 1956(15)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1940	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive		100½	1st October .. 1960-65‡
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(a)‡
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	99	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June .. 1966
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1939	99	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	90	30th June .. 1966
9,00,000	5	31st January and 31st July	Calcutta	1945	93½	30th June .. 1960
10,59,000	5	30th June and 31st December	Chitavalsah Jute Mills	1940	90	31st July .. 1959
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1951	96	30th June .. 1966
8,86,000	5	15th January and 15th July	Empire	1951	99	31st March .. 1960(a)
25,00,000	5½	1st January and 1st July	Hukumchand	1945	94½	30th July .. 1965(a)
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1947	92½	30th June .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co., Ltd.	1939	99	31st March .. 1970
25,00,000	5½	30th June and 31st December	Kelihati	1952	98	31st December .. 1964(a)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1950	88	31st March .. 1960(a)
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	14th May .. 1959
8,00,000	4	30th June and 31st December	Residency	1948	93	31st December .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	91	30th June .. 1958
6,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	5th September .. 1965(c)‡
12,00,000	4½	30th June and 31st December	Union	1937	96½	14th September .. 1957
10,00,000	5½	31st January and 31st July	Waverly	1935	88	30th June .. 1957
						31st July .. 1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July .. 1956
£250,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1923	£77½N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1956(c)
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£85½N	Any time on six months' notice (c)
4,83,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	96½	1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffe	1952	102	1st July .. 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea		100	1st April .. 1955-59
1,89,700	5½	31st March and 30th September	Teakoy	1944	100	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	98	31st December .. 1965
26,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	86	31st December .. 1963
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
8,00,00,000	5½	1st March and 1st September	Burmah Shell	1954	103	1st September .. 1964-69(e)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	102	1st February .. 1956
20,92,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89½	1st July .. 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87½	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	 1960
1,30,00,000	5	1st January and 1st July	Dunlop Rubber Co. (India) Ltd.	1950	102	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(c)‡
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	105½	 1964
24,94,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	550	30th September .. 1976(c)
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	470	31st December .. 1972(c)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	(per note) 90N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	103	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	98	31st March .. 1961(c)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91½	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. 1966(a)†‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-8-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 12 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1955. Any debenture outstanding on 1-9-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. ††Rs. 2 crores repayable by cost of a cumulative sinking fund of 1¼ per cent. per annum commencing in 1941 by purchase at any price less than 105 per cent. or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1963, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January, 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 17th May, 1956.

—	Closing quotations 10-5-1956	High	Low	Closing quotations 17-5-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	174½	182½	174½	182½
Apollo (2)	3-1¼	3 2½	3⅜	3⅜
Bombay Dyeing (250)	651½	663½	649½	660½
Central India (100)	138½	143½	138½	142½
Century Mills (100)	544½	550	538	547½
Colaba (100)	78	—	—	80
Edward Textile (200)	336	—	—	335
Elphinstone (50)	55	—	—	55
Finlay (100)	340	343½	338	340
Gokak (100)	232	235	231	232
Ind. Untd. Deld. (1)	2⅜	2 2-4½	2⅜	2½
Ind. Untd. Ord. (10)	13½	13-10½	13⅜	13-9½
Indore Malwa (100)	150	151½	144½	144½xd
New Citax (100)	241½	241½	232½	238½
Kohinoor (100)	836½	885½	807	838½
Lakshmi (250)	706	705	697½	697½
Madhusudhan (100)	111½	—	—	111½
Minerva Mills (100)	91	91½	90	90
Model Nagpur (250)	150½	150½	148½	150
Mzagli (100)	245	—	—	245
Mysore (50)	110	—	—	110
National Rayons (100)	244	246½	242	245½
New City (100)	166½	173½	166½	173½
New Great (100)	252	241	232	241
New Union (10)	38½	—	—	38½
Phoenix (100)	132½	132½	131½	131½
Podar Mills (100)	183½	187½	182½	183½
Sassoon Silk (10)	13¾	—	—	13½
Sassoon Spg. (10)	38	—	—	38
Shahjanand (1,000)	1,700	—	—	1,700
Shrinivas (100)	213½xd	215	211½	213½
Simplex (50)	216	225½	217	224
Standard (100)	430	443½	430	438½
Swadeshi (100)	228	235	228½	234
Swan (100)	432½	435	432½	433½
Tata Mills (25)	54	56½	54½	55
Vishnu (100)	102½	103½	101½	101½
Western India (1,000)	5,075	—	—	5,075
BANKS				
Bank of India (50)	158	158½	157½	158½
Bank of Baroda (50)	98	98	97½	98
Central (25)	53	52½	50	50½
Central 'A' (25)	55	—	—	54½
Dena Bank (50)	40	—	—	40
Punjab National (250)	46	52½	46	52½
Union Bank (5)	6⅜	6⅝	6⅜	6⅜
United Com. (50)	51	51½	50½	50½
ELECTRIC COS.				
Ahmedabad (100)	98½	98½	94½	96½
Amalgamated (10)	11¼	11½	11	11
Andhra Valley (1,000)	1,202½xd	1,195	1,183½	1,195
Bom. Sub-Ut. (100)	115	115	113½	114½
Surat (100)	123½	124	121½	123½
Tata Hydro (100)	125½xd	125½	124	124½
Tata Power (1,000)	1,300xd	1,300	1,272½	1,295
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	600	—	—	600
Ind. Mercantile (30)	41	—	—	41
Jupiter (15)	5⅝	—	—	5⅝
New India (15)	42½	43½	42½	43
Oriental (200)	3,900	—	—	3,900
Universal (10)	7	—	—	7
Vulcan (10)	14½	—	—	14½
STEEL COS.				
Ind. Iron (10)	36-11½	37-11½	36½	37-11
Tata Steel Ord. (75)	249½	253½	248½	251½
SUGAR COS.				
Belapur (50)	231	233½	231½	233
Bhopal (10)	14	—	—	14
Phaltan (100)	146	152½	143	152
Walchand Ind. (100)	251½	253½	248½	248½
CEMENT COS.				
Associated Cts. (100)	219	223	219	220
Digvijay (100)	196	197	189	193½
MISCELLANEOUS				
Alcock Ashdown (100)	357½	360	345	350
Bom. Burmah (125)	645	649½	622½	636½
Do. (New) (50)	245	246½	240	245½
Br. B. Petrol (4 sh.)	4-8½	4⅝	4-4½	4-8½
Br. I. Corpn. (5)	11⅜	11⅜	11⅜	11⅜
C. P. Rly. (100)	89	—	—	89
Indian Copper (2 sh.)	6⅜	7-2½	6-7½	6-15
Ind. Inv. Tr. (100)	76½	78½	78	78½
Kamp (200)	175	—	—	175
Killicks (100)	167½	167½	166	166
Poison (100)	178½	180½	170½	180½
Port Canning (100)	9½	—	—	9½
Provincial Cm. (50)	177½	181	175½	179½
Scindia (20)	18⅜	18½	18½	18½
G. E. Shipping (10)	17½	17½	17½	17½
Shivrajpur (10)	99xd	100	98½	99
Tata Chemicals (10)	18⅜	18-0½	17-13½	18½
Tata Locomotive (100)	154	155½	152½	153½
Tata Oil (25)	48	48½	47½	48½
W. I. Match (100)	201½	201½	188½	189½

GOVERNMENT SECURITIES	11-5-1956	Earlier Redemption	Later Redemption	17-5-1956
	Rs.	Gross Yield		Rs.
2½% 1961	93½	—	3.89	93½
2½% 1960	96½	—	3.71	96½
2½% 1962	93½	—	3.81	93½
2½% 1976	82½	—	4.01	82½
3% 1957	99	—	3.13	99
3% 1968	99½	—	3.18	99½
3% 1960-61	98½	3.62	3.40	98½
3% 1964	94¾	—	3.72	95
3% 1963-65	95½	3.80	3.65	95½
3% 1966-68	93½	3.79	3.68	93½
3% 1970-75	90	3.90	3.72	90
3% 1986 Con. Loan	77½	—	3.87*	77½
4% 1960-70	101½	3.65	3.88	101½
4% 1958-68**	105	3.90	4.16	105½
3½% 1961 N.P. Bonds	99½	—	3.59	99½
3½% 1964 N.P. Loan	98½	—	3.68	98½
3½% 1945 N.P. Bonds	98½	—	3.68	98½

BRITISH GOVERNMENT SECURITIES

	9-5-1956	Low	High	14-5-1956
	£	£	£	£
2½% Brit. Consols	54⅜	54⅛	53⅞	53⅞
2½% Savings Bonds 1965-75	77½	77½	76⅞	76⅞
3% War Loan 1955-59	95½	95⅜	95	95⅜
3½% War Loan	72⅝	72⅜	71⅝	71⅝
4% Victory Bonds 1976	93⅜	93⅛	93⅛	93⅛
4% Funding 1960-90	90½	90⅛	90⅛	90⅛

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Eight.

COMMERCE

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

VOL. XCII. No. 2360 BOMBAY, 26TH MAY 1956 PRICE Rs. 1/8

AUDIT FOR LIFE INSURANCE

FOR long India has been groping in the dark about the form of administration to be followed in the case of State-owned commercial undertakings. Though it is yet to come to any definite conclusions on this subject and the form of management so far adopted for State enterprises varies from unit to unit, depending on their peculiar needs and requirements, it has come to be generally regarded that the joint-stock company system is preferable to other forms. The main reason for choosing this form is that it would provide for the largest measure of financial and administrative autonomy, without at the same time giving unlimited freedom from Parliamentary control. The basic idea in investing the State-owned industrial, commercial and financial undertakings with substantial autonomy is to enable them to work on business-like lines and produce satisfactory profits. Closely linked with this problem of form of management is that of public accountability of State undertakings. There are a few facets to this latter problem. And one of them is the manner of ensuring accountability to Parliament. Must all the corporations in the public sector be audited by the Comptroller and Auditor-General of India or should there be some exceptions to this rule?

Of late, the Government seems to be of the opinion that there is need for keeping some of its undertakings out of the purview of the Auditor-General. Thus, when the Imperial Bank was nationalised, it made no provision for the affairs of the State Bank of India to be scrutinised by him. Somehow, the absence of this provision went unnoticed at that time, as also for several months thereafter. It was only recently that the attention of Parliament was drawn to this lacuna—deliberately created by the Government—in the State Bank of India Act. But a section of the House was more alert when the Life Insurance Corporation Bill came up for consideration. Failure on the part of the Government to provide for auditing of the Corporation by the Auditor-General received the attention of some of the members both at the Select Committee stage and on the floor of the House when the Bill as amended by the Committee came up for discussion. It would seem that the Auditor-General himself has been responsible, in a way, for opening the eyes of Parliament to the drawback in the Bill. His alertness is, indeed, quite commendable, whatever the Finance Minister may have to say about the appropriateness or otherwise of the method followed by him for drawing the attention of Members of Parliament.

Opinion is sharply divided on the question of entrusting to the Auditor-General the responsibility for auditing the Life Insurance Corporation. When this question was put to the vote of the Lok Sabha, 24 members were for empowering the Auditor-General, while 128 were against. From this verdict, it may be contended that the vast majority is not in favour of allotting the task to the Auditor-General. But it is noteworthy that, in a House of 499 members, only 152, or less than a third, participated in voting on this question. Be that as it may, the grounds on which the Finance Minister, Mr. C. D. Deshmukh, opposed the association of the Auditor-General with the Corporation are not quite convincing. And in rejecting the reasoned plea of some of the members—these included a few from the Congress Party also—the House has displayed a regrettably poor sense of appreciation of the magnitude of the responsibility it is entrusting to the Executive without providing a proper check for ensuring efficiency and economy. It must be borne in mind, in this connection, that the Life Insurance Corporation is not subject to most of the regulations made applicable to private insurers. It has complete monopoly in the field of life insurance. There will, therefore, be no comparable criteria for measuring its efficiency. There is to be no separate representation to policyholders on the Board of Directors of the Corporation. Nor is there to be any limit on its expenses. No norms have been laid down for investing its funds. As it is to be brought into being by a separate Statute, the Corporation is not bound by the provisions of the Company Law, in which there is a separate chapter for State-owned companies. The Corporation will take over from free enterprise assets aggregating about Rs. 380 crores, with an annual premium income of about Rs. 50 crores. These resources will naturally grow in the coming years. It sounds strange to be told that, when such a large volume of public money is involved, the Comptroller and Auditor-General, who holds, under the Constitution, the status of an independent watch-dog and is answerable to no political party but only to the President, should have no control over it. To deny him that authority is to reduce further the democratic content of the Constitution already watered down by curtailing the rights of the judiciary in certain important directions.

It has been alleged in certain knowledgeable circles that nationalisation of life insurance has been carried out with the primary object of strengthening the hold of the party-in-power over the country. A vast army of volunteers, it has been pointed out, can be sustained through this Corporation in the guise of insurance salesmen, an army that will be useful for doing propaganda and ensuring a large flow of favourable votes at the time of elections to Parliament and State Legislatures. Whether this allegation is true or not, the extent of freedom that is given to the Corporation in the matter of expenses and investment, and the complete monopoly conferred on it are significant. The spirited, yet unconvincing, refusal of the Government to accommodate the demand for allowing the Auditor-General to check up the working of the Corporation is even more significant. Surely, it stands to reason that, if life insurance is not to be the plaything of politicians, the least the Government should have done is to concede this demand. By doing so, the Government will, it is needless to add, be providing for effective audit of the Corporation by an independent agency. And there can be no better independent agency than the Auditor-General who owes no allegiance to any political party or leader.

One of the main reasons for the Government's refusal to allow the Auditor-General to conduct the audit of the Corporation is that it will not be conducive to the efficient working of the Corporation. Elucidating this point, Mr. Deshmukh said:

"The Government have devoted very careful attention to this subject and, let me at once make it clear that they are ever willing, in fact, anxious, to associate the Comptroller and Auditor-General, to the maximum extent possible or advisable, with the financial working of State undertakings. Accordingly, the Comptroller and Auditor-General has been entrusted with the audit of accounts of authorities who function more or less under Government conditions—for instance, the Damodar Valley Corporation, the Industrial Finance Corporation or the Airlines Corporation—and also of Government-sponsored companies with whose transactions the staff of the Comptroller and Auditor-General are likely to be familiar. But, where important commercial considerations are involved, like the State Bank or the Insurance Corporation, since Government officers lack experience of the work in such enterprises, Government would not like the success of these recently nationalised ventures to be jeopardised by some violent change in the system. Such institutions cannot be run without the exercise of a large measure of discretion by the higher executives, and any system which makes it possible for audit to raise objections to the exercise of such discretion is bound to paralyse their working. Undertakings like the Insurance Corporation are basically different from Government's ordinary business and, until we have had some experience of their working, it seems to us to be best to maintain the *status quo*."

The foregoing defence of Mr. Deshmukh is, to say the least, very amusing. Are not airlines corporations commercial undertakings? In what way do they differ from life insurance, in so far as commercial considerations are concerned? Do they not need dash and enterprise for their successful working, in the same way as life insurance does? In our opinion, running a commercial air service is a more complicated business than selling life insurance with uniform rates under a State monopoly. The managements in charge of air services, for instance, have to keep abreast of technological inventions in the field of aircraft and their operation and have to face keen competition in overseas routes and with other modes of transport within the country. It can do this function effectively only if it is free from irksome audit restrictions. We have not heard any complaints that the progress of air services is being hampered by their financial accountability to Parliament through the Auditor-General. If civil aviation, requiring more drive and initiative than life insurance, can function without any friction, despite the audit carried out by the Auditor-General, we fail to see how the working of the Insurance Corporation will suffer, if it is subjected to his audit control. To give another instance. It is stated that the newly established State Trading Corporation is going to be under the control of the Auditor-General. As a commercial undertaking, it will require all the characteristics of a trading concern in the private sector. It will any day be a more complicated business than selling life insurance in a closed market. And yet the Commerce and Industry Minister has not fought shy of the Auditor-General, as the Finance Minister is doing for the Life Insurance Corporation.

Mr. Deshmukh complains that the Auditor-General has not the requisite type of experienced officers to conduct the audit of such commercial undertakings as the State Bank or Life Insurance Corporation. This is no argument at all for denying the Auditor-General his inherent right. If the latter has no men, it is the responsibility of the Government to see that he i

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provided with more men. What steps has it taken to remove this bottleneck? That apart, if Mr. Deshmukh can find expert auditors to do the work for him, so can the Auditor-General. With as many as 149 insurance companies taken over by the Government, there should be a number of qualified auditors available for employment by the Auditor-General. The point is that Mr. Deshmukh would not concede to the Auditor-General his right to nominate auditors of his choice.

Mr. Deshmukh's insistence that his Ministry should have the dual role of administering and auditing life insurance, albeit through an autonomous (*sic*) corporation, is tantamount to the untenable request that the judge and the prosecutor shall be one. He was perfectly right when he described the Members of Parliament as the *real* shareholders of the Life Insurance Corporation. But he conveniently refrained from saying that the Finance Ministry was the Managing Agent of the Corporation. If the Managing Agent were to have the right to appoint the auditors, would the latter care to point out the glaring defects, if any, in the working of the business, especially when the Managing Agent has under his control the majority of voting rights? Further, the vast majority of the "real shareholders" of the Corporation is an ignorant lot. If, therefore, their interests are to be effectively safeguarded, the auditors of the Corporation should owe allegiance not to the Ministry in charge of the Corporation but to the Auditor-General, who is independent of the Administration, and will, in turn, submit his report to Parliament.

Even the contention of Mr. Deshmukh that the Auditor-General has no constitutional right to insist upon auditing all State-owned corporations is a nebulous one. As the Auditor-General rightly argues, all undertakings that derive their capital from the Consolidated Fund of India—the Life Insurance Corporation is one of them—are subject to his audit jurisdiction. If, however, there is a doubt on this point, the democratic solution is not for the Administration to ride roughshod with the backing of its vast numerical majority in the House but to refer it to the Supreme Court for a ruling.

The argument that, in Britain, the example of which India is said to be following in these matters, the State-owned industries are not audited by the Auditor-General and so India, too, can do what Britain does is also not convincing. It is beside the point, for Britain has not nationalised life insurance and thereby placed the individual savings directly at the mercy of political parties. Even the Labour Party gave up the idea of nationalising life insurance when it was in power. Further, democracy in Britain, where there is no illiteracy and where there are firmly established traditions, is more real than in India, where it is still a tender plant and 83 per cent. of its electorate is illiterate. It is a simple rule in logic that, to be fair, one must compare the like with the like. But, even in Britain, as Mr. Deshmukh himself admitted, there is no finality yet in these matters. Only a few days ago, the British Prime Minister yielded to the pressure from Tory back-benchers and agreed to appoint a select committee to go into the question of accountability of State undertakings to Parliament. It may be recalled that, at one time, the British Parliament had refused this demand.

As an alternative to the demand for associating the Auditor-General with the Life Insurance Corporation, Mr. Deshmukh has suggested that the House could entrust the responsibility to a special committee chosen from amongst its members which could, with the assistance of special officers, do "achievement audit." This is a ruse to placate the vanity of the Members of Parliament. It is common knowledge that most of the members of Parliament are laymen, with little knowledge of auditing. If a committee formed from among them is asked to do the specialist's job of auditing an insurance corporation, it will be no different from the blind leading the blind. A committee consisting of politicians, even if chosen to secure some representation for the different parties, will not be the right machinery which will not mistake the trees for the wood and which can sift carefully the chaff from the grain. For this purpose, independent expert enquiries at intervals of every five or six years should supplement the regular work of the Auditor-General. That, in our opinion, would be the right way of having "achievement audit." In any case, it would be clearly wrong to condemn the Auditor-General as a person who is so wooden as not to realise his responsibilities in a socialist State, undertaking industrial, commercial and financial activities. If the three speeches delivered by the present Auditor-General, Mr. A. K. Chanda, early this year—two at Madras and one at Bangalore—are any indication of his understanding of Governments' new functions, he can surely be regarded as an Auditor-General worthy of any progressive, modern socialist State. Read against the background of these three speeches, some of the observations of Mr. Deshmukh on the Auditor-General are unduly harsh and unwarranted.

CEILING ON INCOMES

BY his wise intervention in the debate in the Rajya Sabha on ceiling on incomes, Mr. Nehru has once again demonstrated his ability to lift a subject from emotional morass and acrimonious controversy to a higher plane of reason. Last time, he intervened, with similar effect, in the debate on Ambar Charka. His wholesome approach to this pet theme of a class of propagandists in this country brought a sense of realism into the debate. No less effective on the course of the debate was Mr. Nehru's exposition of the problem of ceiling on incomes. He summed up the entire problem when he insisted that socialism did not mean a "dead level of poverty," that one could not give effect to a proposal for ceiling on incomes and all that one could gain from talking about it was to satisfy oneself psychologically.

Mr. Nehru's statement, refreshingly clear and comprehensive as it was, should go a long way towards making the advocates of a ceiling on incomes see the problem in its correct perspective. Having started its career from an innocuous reference in the Taxation Enquiry Commission's report, the subject has gathered around itself the vehement emotional attachment of its suporters. In the last few months, it has been apparent that some people think that a ceiling could be straightaway imposed on incomes. Indeed, there were people who felt disappointed that it did not figure in the budget proposals. And yet, when one comes to think of it, it seems surprising that anybody could think of it as a practical proposition at all either now or at some future date. The Taxation Enquiry Commission had referred to it in a most guarded manner with a number of qualifications. But what led to public discussion and speculation about the prospect for a ceiling on incomes was the Commission's statement that "there should be a ceiling on net personal incomes after tax which, generally speaking, should not exceed approximately 30 times the prevailing average per family income in the country." People tore this statement from its context and averred that the Commission had set its stamp of approval on ceiling on incomes. The fact is that the Commission was for too realistic to commit itself to so rash a statement. For the Commission, after stating its view on ceiling on incomes, hastened to add: "We do not suggest that this is capable of immediate implementation, but we think that it is important to strive by stages for its implementation over a period of time. The accomplishment of this objective cannot merely be the result of tax changes, but must be related to an integrated approach along several directions." In all the subsequent controversy, this important qualification which the Commission attached to its general statement on ceiling was gradually lost sight of.

Early this year, Dr. John Matthai, the Chairman of the Commission, clarified this issue (*vide Commerce* dated 21st January 1956) by pointing out that the essence of the Commission's formula was that the upper limit to income should be related to the average income and that, in any case, it was not a rigid formula, since "equality in the context of a socialistic pattern of society must be dynamic as well as realistic." Finally, the Union Finance Minister, Mr. C. D. Deshmukh, declared, in the course of the debate on the Finance Bill, that ceiling on incomes implied ceiling on property and that a limit on incomes through ceiling on property was not a "feasible proposition, since it would involve payment of compensation."

Neither the essentially cautious character of the Commission's approach nor the clarification of the issue by both its Chairman and the Union Finance Minister has deterred people from persisting in their advocacy of the cause of ceiling on incomes. In both Houses of Parliament, resolutions were moved favouring the imposition of ceiling and these evoked a wide measure of support. But the practical issues were completely overlooked by those who supported the resolution. In general, their attitude was: "We want a ceiling on incomes. And we want it here and now."

In their anxiety to get the Government to impose ceiling on incomes, the sponsors of the resolution had overlooked two important factors. In the first place, they overlooked the very source—the Commission's report—from which they originally derived their inspiration. Not only did they ignore the important qualifications which governed the Commission's approach to the problem, but they varied even the formula which the Commission had suggested. Dr. Matthai calculated that, "at the present estimated *per capita* income, on the assumption that an average family consists of five persons, the Taxation Enquiry Commission's formula will mean a ceiling of approximately Rs. 3,500 per mensem." The sponsors of the resolution in the Rajya Sabha would not even concede this. They demanded a ceiling at Rs. 25,000 a year (or about Rs. 2,100 per month) and the determination of the maximum emolument of a civil servant at a sum not exceeding Rs. 1,800 per month. Mr. M. C. Shah, Minister for Revenue and Civil Expenditure, quoted some interesting statistics. He said that, out of 15,96,466 Government servants as on 30th June 1954, only 89 persons got over Rs. 3,000 per month. He pointed out that the ratio between the lowest and the highest pay-scales in Government services had gradually come down and that it was now no more than 1:32. Apparently, the advocates of a ceiling on civil servants' income were not satisfied with this ratio.

The second factor which the sponsors overlooked was that there had occurred a change in the Government's thinking on the subject. They might have guessed it from the way in which the Finance Minister dealt with the question of ceiling on incomes. Also, if they had read the report of the Planning Commission, they would have noted that the Commission regarded a ceiling on incomes as the end-product of a process, rather than a beginning, and a floor for incomes, or a guarantee of certain minimum natural standard of the essentials of civilised life as being "no less important than a ceiling at top levels." In other words, the Commission, after an elaborate examination of the problems, had reached the very sensible conclusion that a "ceiling cannot be imposed merely by legislation."

Mr. Nehru's statement is an excellent synopsis of all the instructive discussion that has taken place so far on the subject of ceiling on incomes. He emphasised that, for underdeveloped countries like India, the most important thing was to increase production. He agreed that disparities should be reduced. Referring to the demand for a cut in salaries of civil servants, he said that it was an "extraordinary proposition to ask to begin a lopping off of the heads and cutting of salaries of the services." He knew that some services were highly paid, but by far the majority were not paid heavily at all. He condemned—very rightly—vulgar display of wealth but added that to think that ceilings on income could be brought about by legislation was "wishful thinking." By way of reply to those who had urged a ceiling on incomes in the name of socialism, he said:

> "Socialism is not something which can be defined as a dead level of poverty. I do not think socialism can be equated with poverty. You may call it a dead level of poor people in the country. That is not an ideal to be aimed at. Socialism only becomes socialism when there is something worthwhile to socialise, when the productive apparatus is functioning, so that it produces wealth which does not concentrate in the hands of a few. Therefore, it becomes quite essential for a country like ours where the level of living is low to produce more wealth and to see that that wealth is properly distributed. The most important thing is production of wealth. Everything else is secondary or tertiary."

Explaining the concept of socialism, Mr. Nehru deplored that the word was used to justify all kinds of suggestions, as if "socialism means cutting off of the head of everybody who is above a certain height." Realistically enough, he affirmed that the question of reducing disparities in incomes could be looked at from two points of view—raising the income of the people at the bottom and reducing the income or the standard of living of a few people at the top. He agreed that both processes had to continue, but said that the major process was raising the income of the people at the lower end of the income scale. These are wise words. It is to be hoped that their main purport will not be lost upon those who, in the name of socialism, clamour day in and day out for a ceiling on incomes. Mr. Nehru's statement ought to be an eye-opener to these men.

RUSSIAN GOLD FOR INDIA UNLIKELY

EQUITIES IN SHORT SUPPLY—TIP TO STATE TRADING CORPORATION

THURSDAY, 5 P.M.

MARKET GOSSIP

BARRING a marked fall in the price of bullion, the week has been uneventful for the city markets. The drop in bullion is a sequel to the earlier push by the bulls. The sizable imports of silver coin from Tibet towards the tag end of the traditional busy season had not been expected by the bulls; they, in fact, proved to be the proverbial last straw on the camel's back. Though sizable, these imports have by no means been heavy; yet they have been sufficient to prick the bubble. Silver prices are now standing at levels which are not attractive enough for ordering further imports of coins from Tibet. This shows that the pace of consumption of silver in India has gone down appreciably, not a surprising feature, considering the growing use of stainless steel for purposes of presentation and domestic wares. Another important factor for the reversal of the trend is the stringency of credit. The decline in gold prices has been relatively less spectacular as compared with silver. It is due partly to the drop in white metal and partly to profit-taking by bulls, in view of the possibility of a slow down in offtake in the near future. It must, however, be mentioned that the bulls have not yet completely given up their hopes and that the technical position of the market is still in their favour, as witness the high budli rates paid by the bears for both the metals.

The arrival of silver coins from Tibet, now a part of Communist China, has given rise to speculation in certain quarters that gold from Russia may be offered for sale in India. This is most unlikely. If Tibet has been allowed to export silver coins to India, it is because that country needs some goods from India and has probably no other means of paying for it. Before Tibet became a colony of China, it used to export almost all its wool through India. This provided it with sufficient foreign exchange for buying goods from India. But ever since it came under Chinese suzerainty, the bulk of its wool clip has been going to China. India's trade position with Russia and its satellites is different. Very soon, India will have an adverse trade balance with them, owing to import of steel, armaments, steel plant, oil drilling equipment and other machinery. Indeed, it would be a problem for India to find the means of paying for these imports. Russia's purchases of Indian goods and commodities are slow and halting, despite its loud promises. The balance of payments position with Russia would become even more difficult, if India were to allow that country to sell gold also. The apprehension of Russian gold coming to India is thus unwarranted. Even if Russia is keen on selling gold in the Indian markets, the Government of India, which is quite alive to the foreign exchange requirements of the second Plan, will not simply allow it. Further, the Russians themselves will be the last people on earth to reduce their gold reserves unnecessarily.

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The share markets are listless, but the trend is firm. A prominent bull operator booked a part of his profit in steel and textile shares; this, however, has had no sustained effect either on values, or on sentiment. Over the week, prices of equities reveal only minor variations. The leading speculative counters are still in the grip of bulls. Despite the strident rise since the last Central budget and the consequent fall in equity yields, the floating supply of good scrips is believed to have narrowed down. This means two things. One, investors are not parting with their holdings in the hope of still better prices in future. Two, as not many new companies are coming up and as some of the existing well-established companies are being directly allowed to expand their activities in new lines of production, those who have accumulated some savings and want to invest them have to go in for only the limited supply of shares of existing companies.

In spite of the enormous demand for cement, steel, coal, chemicals and heavy engineering products, there have not been any new companies worth the name with an issue to the public. Even in consumer goods industries, the position is not different. No new cotton mills have been started for several years now, although the demand for cloth and yarn is at a record level. Only one new paper company has been started in recent years, even though the prospects for paper and pulp industry are extremely bright. The same is the case with soap, matches, vegetable oils, and such light engineering industries as bicycles, sewing machines and electrical goods. Shipping is another field where no new talent is forthcoming. May be, here and there, a few small concerns have been started. But, in most cases, they are either family concerns, or private limited companies or public limited companies with a small number of shareholders. In an expanding economy like that of India, there should have been at least dozens of new companies of a fairly large scale. But the economic policy of the Government is such that the growth of large new companies is being arrested. The new company and tax laws, coupled with the Government's policy of expanding the public sector and the co-operatives, are primarily responsible for this regrettable state of affairs. We are told *ad nauseam* that it is the avowed policy of the Government to prevent concentration of economic power in a few hands. But what is happening in actual practice is more and more concentration in the hands of bureaucracy and a limited number of *entrepreneurs*, who have already enough on their hands.

There is no indication yet that this trend will change in the near future. It is now 15 months since the I.C.I.C. was formed, in order to encourage the growth of new industries in the private sector. But only two new companies—one a paper mill and another a chemical factory—have been floated under its auspices so far. A fairly big issue relating to a new sugar company, already in nominal existence, has been hanging fire for a long time. It has not materialised so far, because of some handicap or other arising from the Government's economic policy. At the time the Corporation was floated, it was expected a good number of companies with foreign capital participation would come into being fairly quickly. Not a fraction of this expectation has been realised so far. The fault is not that of the Corporation but that of the Government. When conditions in the country are such that domestic capital and *entrepreneurial* talents are not forthcoming, it is too much to expect that these two prerequisites for production will flow from foreign countries.

With the floating stocks of good investment scrips shrinking, even the custodians of life insurance are reported to be buying equities of the existing A class companies on a yield basis of 4½ to 5½ per cent. At one time, there were even strong rumours that they would be buying Indian Irons, the yield on which is well below 3 per cent. It is not known whether there is any substance in them. But what else can the custodians do, except to buy the industrial scrips at the ruling prices, if they are to maintain the return on their investments and show a good profit?

Another factor that is keeping up the buoyancy of equities, despite all the tax imposts in the last budget and the likelihood of further imposts in the coming years, is the prospect of heavy inflation. The impact of this inflation on equities may be quite strong, if the number of new flotations with reasonable prospects, does not increase.

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While the Government's economic policy is not conducive to the growth of new companies or the flow of foreign private capital, the authorities have shown enough evidence of their anxiety to help the existing industries in the private sector. The export duty on coarse cloth was abolished about a fortnight ago, with a view to meeting the growing competition in overseas markets. Similarly, the import duty on pig iron was abolished, in order to help the domestic foundry industry which has been suffering from a shortage of this essential raw material. At the Export Advisory Council last week-end, the Minister for Commerce and Industry admitted the necessity for sustaining the financial strength of the jute industry and for toning up the health of the tea and coffee gardens. Ever since this avowal of his, there have been reports of the Government fixing a floor price for jute manufactures, the object here being to ensure a margin of profit for jute mills. It is not clear what exactly this report means. If, however, the idea is to give a sort of subsidy to the jute industry, it is quite understandable. After all, by levying heavy export duties, the Government did not allow the industry to take full advantage of the boom in jute goods market and build up strong reserves for the rainy day. Further, by prolonging these duties at relatively high levels even after the trend of the world jute markets had changed, the Government encouraged the growth of competitors in other parts of the world, especially in Pakistan. Very recently, the Government compelled the jute mills to increase their production. This action has strengthened the bullish fervour in the raw jute markets and brought down the profit margin of mills to unremunerative levels. The Government is thus morally bound to go to the rescue of this premier export industry. Above all, India needs foreign exchange very badly and it would not be a bad idea to pay a price in rupees to domestic manufacturers in order to earn foreign currency. One way of subsidising the jute mills will be for the authorities to buy jute goods under certain conditions and at specified minimum prices that will give a decent profit to the mills and resell them for export when there is demand, even if such re-sale means a loss.

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It is now being increasingly realised that the foreign exchange budget may well turn out to be the weakest link in the chain of the second Five-year Plan. The most urgent task that faces the Government is to strengthen that link. And it is obviously a task which calls for expert attention and prompt action on the export front. The recent meeting of the Export Advisory Council has done much to spotlight this problem. Textiles, jute and tea are the tripod on which India's export trade stands. Each leg of this tripod has its own weakness. It is the duty of the Government to see that these staple lines of export do not languish for want of care and assistance and that the other lines of trade are simultaneously developed.

Export trade, however, is a singularly difficult sector of a country's economy to handle. This is so, because it cannot always be controlled, even through appropriate measures in the domestic sphere, for, much depends on the state of the overseas markets and the relative position of the rivals over there. The emergence of Japan as a leading exporting country has already affected adversely India's position as a textile exporter. Indeed, reports from Tokyo suggest that Japan is making a fresh bid to capture a somewhat larger proportion of South-East Asian markets than it has been able to secure so far. With Government backing, Japanese industrialists, according to the Tokyo correspondent of the *Financial Times*, are planning an independent all-Japan policy of trade expansion in South-East Asian markets. It is stated that the powerful Japanese Federation of Economic Organisations—Keidanren—and the Asiatic Society—Ajia Kyokai—are the driving force behind the new campaign. A joint committee of both bodies envisages a central organisation like Japan's pre-war South-East Asian Development Corporation, which opened the way for the "notorious" Greater South-East Asian Co-prosperity plan. The proposed body, it is further stated, will be financed by Government investment, private funds, and loans from the Export-Import Bank of Japan. Funds, equipment and technical aid will be made available for the development of South-East Asian areas in return for access to raw materials, but the Japanese naturally expect that they will also get their foot in the door for subsequent exports.

It is believed that Japan has received specific requests for assistance from various countries—from South Viet Nam for establishment or shipyards and aircraft overhaul facilities, from Pakistan for sugar-refining, cement and machine-manufacturing plant, from Cambodia for railway and port development, from Siam for development of fisheries, refrigerator plant and from Burma for a triangular arrangement under which W. Germany will construct and Japan will maintain steel manufacturing plants. It is true that, in few of these lines, is India a rival to Japan. The significance of this move to India is, however, indirect, in that, if Japan comes to dominate the economy of the South-East region to a greater extent than now, it might conceivably reduce still further India's chances of securing a larger entry into these markets.

This development, which is still in the early stages, has a certain obvious lesson. It shows that export weather is not always fine weather and that it can change frequently in a world where nearly all countries have set for themselves the maxim "Export or perish." A new feature of world trade, as the Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, pointed out, in the course of his address to the Export Advisory Council, is a "pronounced inclination on the part of underdeveloped countries to give up multilateral trade for bilateral agreement—partly by barter agreement and partly by single country licences in order to sell their own surplus agricultural commodities." Perhaps, this "inclination" which, according to the Minister, promises to reverse the trend established in Bretton Woods and Havana, is not confined to underdeveloped countries alone. Even industrially advanced countries are increasingly resorting to bilateral trade agreements. They find that such agreements are necessary, in view of the fact that Communist countries are expanding their trade with the non-Communist world. So far as underdeveloped countries are concerned, this trend reflects the failure of the free world to provide a solution for the problem of surplus produce. The economically advanced countries, as Mr. Krishnamachari said, cannot blame the underdeveloped countries, because it is the farm policy of the U.S. that makes it difficult for them to cultivate the Havana spirit.

In this context, there is certainly some justification for India's State Trading Corporation. It will obviously take some time before the Corporation gets into stride. Meanwhile, many people are rightly anxious that it should supplement, not supplant normal export efforts in this country. But the fear is that it might do so. Some members expressed such a fear at the meeting of the Export Advisory Council. In his opening speech, Mr. Krishnamachari made a brief reference to the Corporation but refused to define its functions. He said:

"I have been asked from time to time to define the orbit of the operations of this Corporation. If I were to do this, I shall defeat the main purpose for which this organisation was brought into being. Its main purpose is to stimulate trade, primarily export trade, and incidentally import trade, and in this task it has to fill many gaps in our foreign trade structure. I cannot, therefore, agree to limit its activities to any set of gaps now known until I know what the entire gamut of the gaps happens to be."

Although the Government has not defined the scope of the State Trading Corporation, it is reasonable to expect that, in the first instance, the Corporation may conceivably take to trading with Communist countries which also have similar State trading organisations. In this connection, it seems necessary to sound a note of caution. The authorities will do well to incorporate a special clause in the sale contracts they enter into with the U.S.S.R. and China and other East European countries. The Corporation should take an undertaking from the buyers that the particular purchases made by them should be used for their internal consumption only and should not be reshipped to any other country or countries. This is because, there will always be a possibility—if not immediate, at least remote—that these goods may be reshipped to the U.S., the U.K., and Holland and/or to any other country for earning dollars or transferable sterling to the detriment of India. It will be better if the Government, after studying the requirements of each buying country, fixes a quota for each of them for all of India's exportable commodities. Nothing more should be sold. For instance, anything beyond 2,000 tons of Malabar black pepper which are estimated to be more than its annual requirements should not be sold to the U.S.S.R. In this connection, it may be recalled that, some time in 1928, Cuba sold to the U.S.S.R. more than 200,000 tons of Cuban sugar on credit or deferred payment terms. After buying this sugar, the U.S.S.R. sold equivalent quantity of golden syrup made out of that sugar to the U.K. for cash.

(Continued on page 1039)

RESTRAINED ACTIVITY IN SHARES

VALUES MOVE NARROWLY

(From Our Own Correspondents)

BOMBAY, *24th May*

THE week's review of the Stock Exchange covers only four sessions. For, besides the usual fortnightly closing on Saturday last for settlement, the Exchange remained officially closed today on account of *Buddha Jayanti*. During this short week, activity was restricted, and fluctuations were narrow. A few counters, however, attracted wider attention and recorded sizable gains over the week. The undertone remained steady, in the absence of any adverse influences. Encouraging advices from Calcutta also aided sentiment. Indian Irons, which were concerned in large-scale buying activity by a leading Calcutta operator during the previous two weeks, were hesitant, although they managed to score some fractional gain. Except for a few selected scrips, textile shares in general found very little enthusiastic support, thanks to growing anxiety about exports of cotton piecegoods.

The Bombay Stock Exchange authorities announced this week that trading in *ex*-right shares of the Tata Iron and Steel Ordinaries would commence on 4th June. Official trading in letters of renunciation began on Monday this week. The Stock Exchange also announced the procedure for carrying forward on 1st June and for quotations thereafter. It is stipulated that for the purpose of settlement on 8th June, there will be one contract for five *cum*-right shares, while for the 22nd June settlement two contracts will have to be made, one for five *ex*-right shares at the *ex*-right price and the other for five new ordinary shares through letters of renunciation. Of these two contracts for the 22nd June settlement, the *ex*-right contract will be a forward one, while the second one will be a cash transaction. The Stock Exchange will also announce on 1st June the rates for the *ex*-right shares and letters of renunciation.

Section-wise, steel shares were erratic. After an early advance from Rs. 251-12 to Rs. 256-12, Tata Ordinaries quickly dropped to Rs. 249-8 on Tuesday, following the aforesaid announcement regarding procedure for *budla* on 1st June, on fears that there would be heavy unloading in *cum*-right shares in the forthcoming settlement. At the close, however, there was a mild recovery to Rs. 251-12. Business in Tata Steel rights was done at Rs. 58-8. Indian Irons were marked down from Rs. 37-11½ to Rs. 37-3, but gathered strength, on higher advices from Calcutta, to Rs. 38 at the close.

The concern expressed by the Union Minister for Commerce and Industry over the declining trend in textile exports induced caution in textile shares. Bombay Dyeings were irregular. After a spurt from Rs. 660-10 to Rs. 671-4 early in the week, the shares receded to Rs. 655-10 on Tuesday. This recession was partly regained when they closed yesterday at Rs. 662-8. Centurys rose from Rs. 547-8 to Rs. 557 on large speculative support. Kohinoors reacted from Rs. 383-12 to Rs. 374-8 before recouping to Rs. 376. Central Indias were featureless at Rs. 142 and Finlays at Rs. 340. Gokaks were up by a rupee to Rs. 233. *Indu Ordinaries* shaped well with a rise of As. 6½ to Rs. 14, on rumours about higher dividend. Brady group mills again attracted good attention, New Citys advancing by Rs. 3-2 to Rs. 176-14 and New Greats by Rs. 9 to Rs. 250. Ruia group shares also were in the limelight, Bradburys gaining Rs. 5 to Rs. 205, Dawns Rs. 5 to Rs. 125 and Phœnix Rs. 8-12 to Rs. 140. Podars were lower by Re. 1-4 at Rs. 183-12 and Shree Niwas by Re. 1-14 at Rs. 211-4. Simplex lost Rs. 2 to Rs. 222. Standards rose by Rs. 3-12 to Rs. 441-14, while Svadeshis shed Rs. 3-8 to Rs. 230-8 and Tatas Rs. 2 to Rs. 53.

A rise of Rs. 2 to Rs. 160 in Bank of Indias was the only notable feature in the banking section. Central Banks were better by As. 8 at Rs. 51-4, while their new shares were marked down by Rs. 2 to Rs. 52-8. Barodas were unchanged at Rs. 98, while United Commercials were done As. 12 lower at Rs. 50 and Unions As. 2 down at Rs. 6-10.

Insurance shares were dull and very few transactions were reported. New Indias changed hands at the previous week's rate of Rs. 43, while Indian Mercantiles were taken up Re. 1 higher at Rs. 42.

In the electricity section, Tata Hydro and Power shares were in demand. Tata Hydros fetched Rs. 3-8 more at Rs. 127 and Tata Powers were done Rs. 11-4 higher at Rs. 1,306-4. Tata Powers new gained Rs. 10 to Rs. 1,260. Andhra Valleys were maintained at Rs. 1,193 while their new shares had business Rs. 67-8 lower at Rs. 1,155. Ahmedabad Electrics disclosed no change at Rs. 96-14, as also Bombay Suburbans at Rs. 114-1, while Surat Electrics dropped Re. 1-9 to Rs. 120-10.

In the miscellaneous section, cement shares were dull. A.C.Cs receded from Rs. 220 to Rs. 217, but revived to Rs. 219 at the close. Digvijays were quiet at Rs. 193. In the sugar group, Belapurs moved up from Rs. 233 to Rs. 236, but dropped at the close to Rs. 234. Phaltans declined by Re. 1-8 to Rs. 150-8, while Walchandnagars rose by Re. 1-4 to Rs. 250. Engineering and mining shares received some support. Alcocks moved up by Rs. 2-8 to Rs. 352-8. Premier Constructions firmed up from Rs. 176-8 to Rs. 180 and Tata Locos from Rs. 153-8 to Rs. 155. Larsen and Toubros gathered As. 3 to Rs. 16-4. Shivrajpurs put on Rs. 2 to Rs. 101. Indian Coppers were a shade better at Rs. 7, on expectations of higher dividend, though the market was a bit disappointed over the terms of the Company's new issue, because they fell below expectations. B.B. Petrols were quiet at Rs. 4-2½.

In the shipping and transport group, Scindias came up from Rs. 18-6 to Rs. 18-11 before closing at Rs. 18-9½. India Steamships gained As. 2½ to Rs. 8-12½. Great Easterns were, however, unchanged at Rs. 17-12. Hindustan Motors were marked down a little to Rs. 9-12. Premier Automobiles were quiet at Rs. 89-8. Among other miscellaneous industrials, Bombay Burmahs attracted heavy selling pressure and were pushed down from Rs. 638-2 to Rs. 625-10, but, on bear covering and support at lower levels, gained to Rs. 633-12. B.I.Cs were done As. 2 lower at Rs. 11-2. National Rayons were featureless, but steady at Rs. 246. Tata Chemicals were steady at Rs. 18-6. Tata Oils gained As. 8 to Rs. 49, while Wimcos were held at Rs. 189-6.

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Calcutta Stock Exchange

CALCUTTA, *22nd May*

With a slight increase in the volume of business, the Calcutta Stock Exchange displayed better conditions during the week under review. Speculative counters drew considerable interest following support by a powerful bull operator to Indian Irons and Indian Coppers. Real investment buying was insignificant, the more so yesterday and today. Speculative enthusiasm for Indian Irons was fanned by rumours of an impending rights issue. The unlikelihood of nationalisation of the existing private units in industries continued to be the main factor for purchases by bulls. The Finance Minister's reluctance to reduce life insurance compensation at the higher level as recommended by a section of M.Ps., the Prime Minister's forthright rejection of the demand for fixing a ceiling on incomes and his terming this proposal as improper and impractical, and substantial increase in notes in circulation suggesting greater industrial and trade activity were noted with satisfaction and were fully exploited by bulls.

The much-awaited bonus issue for Indian Copper Corporation was announced during this week. The terms of the issue fell below the expectations of the market. For, it had been thought earlier that the ratio would be one for one, and the price had shot up on this expectation. Subsequently, however, prices gave way as the ratio was thought to be three for five. The actual issue when it came about turned out to be 1:2. However, the decline in the rate was only fractional as operators pinned their hope on the announcement of an encouraging dividend in a few weeks' time.

Sectionwise, among coals Bengals were earlier steady at Rs. 531. From Rs. 14 Burrakurs rose to Rs. 14-13 by today, while Equitables sagged from Rs. 32-6 to Rs. 30-1. Raneegunges were dealt with at Rs. 11-7, as against Rs. 11-14 previously.

There was a definite broadening of sentiment in textile shares, following the improved outlook for mills. However, prices did not depict any noticeable change towards higher level. Kesorams, at Rs. 17-15, and Bengal-Nagpurs, at Rs. 8-9, were higher by As. 2 each.

Among minings, for reasons already stated, Indian Coppers sagged earlier from Rs. 7 to Rs. 6-13. Today, however, a recovery set in to push the rate up to Rs. 6-15. Metal Corporations were favoured by buyers and were pushed from Rs. 10-10 to Rs. 11. On profit-taking, Burma Mines were a few annas lower at Rs. 3-13.

Jutes recorded an increase on support at lower levels. Barnagores picked Rs. 3 to Rs. 143, and Anglo-Indias after recovering from Rs. 178 to Rs. 180 sagged to Rs. 176 today. Opening at Rs. 24-14, Nationals gained to Rs. 25-8. On Monday the rate fell back to Rs. 24-14, before recovering to Rs. 25-2. On moderate buying support, Kinnisons recovered to Rs. 168-8 from Rs. 164. On balance, Howrahs gained As. 5 to Rs. 23-3.

Engineering scrips received good speculative support. Indian Irons, after opening at Rs. 37-10, soon gained to Rs. 37-12 and maintained the higher level on Friday and Monday. Today, however, they gave way to Rs. 37-6. After rising from Rs. 34-14 to Rs. 35-2 Jessops reacted to Rs. 34-11, but today the rate went up to Rs. 35-3. Braithwaites were unchanged at Rs. 27-14, while Indian Galvanizings were lower at Rs. 24-12.

Cement shares invited support. Ashokas hardened from Rs. 11-2 to Rs. 12-4. Sone Valleys were pushed up from Rs. 8-8 to Rs. 8-12. Assam Bengals rallied from Rs. 6-9 to Rs. 7-1.

Teas recorded a lower volume of business. Even so, there were selected features. These included the advance from Rs. 19-12 to Rs. 23-4 in New Samanbaghs. Tezpores recovered from Rs. 24-7 to Rs. 26, and Brooke Bonds from Rs. 24-2 to Rs. 24-4.

Among miscellaneous industrials, India Steamships recorded a steady rise from Rs. 8-11 early in the week to reach Rs. 9 today. National Carbons were in good demand and, at Rs. 27-7, registered a fractional rise. Indian Cables were another favourite counter and hardened from Rs. 31-4 to Rs. 32-8. At Rs. 22-14, Rohtas Industries were better by As. 6. Darbhanga Sugars advanced from Rs. 22-12 to Rs. 22-15.

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Madras Stock Exchange

MADRAS, *22nd May*

For the third week in succession, the Madras Stock Exchange exhibited a firm tone. The renewed firmness was aided by expectation of the current signs of inflation gathering considerable momentum in the coming months. The expectation was based on the view that the dose of deficit financing would be larger than what is envisaged in the second Five-year Plan. The operators would appear to feel that, as a hedge against inflation, equities would gain in value further. They, therefore, were inclined to extend their commitments, and the sellers being reserved, quotations for most of the scrips continued their upward march.

The textile section ruled particularly buoyant on hopes of a substantial rise in export business in cloth, following the abolition of export duty on coarse counts cloth. Venkatesas provided the brightest spot; they forged ahead by Rs. 15-8 to Rs. 197 *cum-div.* Ashers and Metturs were also keenly sought, their values advancing by Rs. 11-4 each to Rs. 176-4 and Rs. 472-8, respectively. Coimbatore Spinnings firmed up by Rs. 9 to Rs. 107. Janardhanas rallied Rs. 7 to Rs. 117. Bangalore Woollens, Coimbatore Cottons and Vijayakumars spurted by Rs. 5 each to Rs. 575, Rs. 345 and Rs. 135 *cum-div.*, respectively. Radhakrishnas improved by Rs. 3-8 to Rs. 303-8 *cum-div.*, Gnanambikais by Rs. 3 to Rs. 150, Lakshmi 'A's by Rs. 2 to Rs. 102, Premiers by Re. 1-8 t.. Rs. 204 and Coimbatore Pioneers by Re. 1-4 to Rs. 302-8 *cum-div.* Pankajas were done at Rs. 81 *cum-div.*, as against Rs. 80 last week. The Directors of the Pankaja Mills Ltd. have declared a dividend of 4 per cent. on ordinary shares for the year 1955; in the last three years, it will be recalled, no dividend was paid.

Coffee shares in the planting section met with sustained buying support, induced by renewed expectation of a further export quota. Coffee Lands rallied As. 9 to Rs. 24-3. Kadur Coffees picked up As. 5 to Rs. 2-15. Consolidateds strengthened by As. 4 to Rs. 20-2. Mysores were better by half an anna at Rs. 2-13-6.

Enquiries for tea shares broadened further and there were more additions to prices. United Nilgiris climbed up by Rs. 9 to Rs. 386. Mlamallays scored an impressive gain of Rs. 3-12 to Rs. 75. Peermades advanced by a rupee to Rs. 39 *cum-div.* Coonoor Teas recorded a rise of Re. 1-2 to Rs. 32-8 *cum-div.* Coorg Teas and Nilgiri Teas gathered As. 4 each to Rs. 12 and Rs. 14-8, respectively. Nonsuch Teas were transacted at Rs. 37-2 *ex-div.*, as against Rs. 37-12 *cum-div.*

Rubber shares had also good buyers. Nenmenys increased by Re. 1-4 to Rs. 25. Rajagiris put on As. 6 to Rs. 26-2. Cochin Malabars improved by As. 2-6 to Rs. 9-5-6 and Teekoys by As. 2 to Rs. 14-7. Kailas were better by 18 pies at Rs. 6.

Among miscellaneous industrials, Textools elicited very good attention of some operators who lifted up the quotation by Rs. 7 to Rs. 173. Madras Safes were also bid higher by Rs. 4 at Rs. 50. Travancore Cements rose by As. 8 to Rs. 12-14 and Dalmia Cements by As. 4 to Rs 15-12. Business in Mysore Coffee Curings was put through As. 8 higher at Rs. 12-4. Indian Aluminiums gathered As. 6 to Rs. 21-10. Indian Steel Rollings, Rallis and Singarenis put on As. 4 each to Rs. 15-12, Rs. 34-12 and Rs. 10-8, respectively. Travancore Rayons had buyers at Rs. 15-9 *ex-div.*, as against Rs. 15-6 a week before.

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D. G. MOORE, *Manager.*

NEWS IN BRIEF

THE Rockefeller Foundation has announced a grant of $163,280 to aid the field study of population dynamics in India.

A successful experiment in artificial rain-making was conducted in Ootacamund last week by a team led by the Chief Engineer (Irrigation) to the Government of Madras. Three hours after a mixture of calcium and sodium chloride was vapourised through a huge funnel, a fairly heavy shower came down.

The Government of India has decided to join the new International Wheat Agreement for a period of three years commencing from August 1956. India's quota under the agreement will be 200,000 metric tons, as against 1,000,000 metric tons under the existing agreement which will expire in July next.

During the first year of its production, the Integral Coach Factory at Perambur is expected to turn out twice as many passenger coaches as it was originally scheduled to do. As the full target production of 350 coaches is now expected to be reached earlier than originally proposed, global tenders for additional machinery have been invited.

The Indian Central Oilseeds Committee has approved of a five-year scheme for breeding and agronomy of oilseed crops—gingelly and groundnut—in the Andhra State. Under the scheme, the recurring expenditure will be shared by the Committee and the State Government in the ratio of 75:25 and the entire non-recurring expenditure will be borne by the State Government.

The U.P. Vidhan Sabha has passed the U.P. Sales Tax (Amendment) Bill replacing the Ordinance promulgated on 21st March last. The State Government has announced its decision to exempt 12 commodities from the purview of the Bill, bringing the total number excluded to 19. The commodities that are exempted include oilcakes, cottonseed, foodgrains, green fodder and all manure, except chemical fertilisers.

A pilot sample survey on pepper conducted last year in the ten main pepper-growing taluks of Travancore-Cochin State disclosed that the average yield per bearing standard was 4.5 lbs. of green pepper or 1.5 lb. of black pepper. The total number of pepper standards in the ten taluks was estimated at 21.68 million and the yield at 8,500 tons of black pepper. Sixty per cent. of the standards were bearing ones.

The Mysore Government has constituted a committee to suggest measures for the implementation of the scheme of labour participation in the management of Government industries, in accordance with the decision arrived at at the tripartite conference convened by the Government on 10th May. The Committee will examine the question of constituting managing councils to each of the ten Government-owned industries, their personnel and powers to be vested in them and make recommendations thereon.

A seven-member Indian goodwill mission, under the leadership of Mr. H. V. R. Iengar, Secretary to the Union Ministry of Commerce and Industry, left for Sweden early this week. The delegation will visit various industrial units in Sweden, Finland and Denmark to study the industrial techniques of these countries and find out how far these could be used in India for the implementation of the second Five-year Plan. The tour has been sponsored by the Swedish Export Association in cooperation with the Government of India.

The Standing Metric Committee of the Government of India has fixed 1st January 1958 for the introduction of the metric system of weights and measures in certain sectors. The revised draft Standards of Weights and Measures Bill, 1956, was approved by the Committee with minor verbal amendments. Differing from the earlier one in two main respects, the revised draft is wider in scope, inasmuch as the earlier draft covered only standards of weight, length, area, volume and capacity, while the revised draft covers also mass, time, temperature, electric current and luminous intensity. The revised draft lays down a maximum period of 10 years within which the Act is to come into force throughout the country.

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From Abroad

The area under wheat in Canada will be cut during the current year by 1.2 million acres to 19.60 million acres, the lowest since 1943 and 5.8 per cent. less than that of 1955.

Australia is reported to be considering changing her present British style coinage currency to the decimal system. Australia is said to have been greatly influenced by India's decision to introduce decimal coinage in April next.

The Ceylon Government has abolished the sliding scale export duty on rubber and has introduced in its place a fixed duty of 32 cents per lb. on rubber sheet, crepe and latex and of 15 cents per lb. on scrap rubber and scrap crepe, with effect from 17th May 1956.

More than 200 million coins were struck for 16 countries by Britain's Royal Mint last year. Altogether, the Mint struck 505,586,029 coins for circulation at home and abroad. This output, which is roughly the same as that for 1954, represents an average of over 10 million coins every working week. Coinage for the United Kingdom comprised nearly 60 per cent. of total production.

The U.S. Department of Agriculture has asked the Congress for another $2,000 million to support farm prices, thus raising the total agricultural borrowings of the Commodity Credit Corporation—the buyer and seller of Government-owned farm surpluses—under the farm price support programme to $14,000 million. The Department of Agriculture, has also indicated that it may approach the Congress again for still more money by next spring.

Shipbuilding contracts received by Japan from abroad during the year ended March 1956 amounted to a record total of 150 vessels of 2,234,000 gross tons valued at $540 million. The backlog of orders, including domestic orders, is now estimated at 3.5 to 3.6 million gross tons. At a generous potential estimate of 1 million gross tons per annum, the Japanese shipyards will work at full capacity for more than three years.

World petroleum output during 1955 amounted to 786.3 million tons, as compared with 704 million tons in 1954, of which the U.S. accounted for 360.1 million tons, as against 336.1 million tons in the previous year. Consumption throughout the world aggregated 786 million tons, a rise of 80 million tons over the previous year. The U.S. was the largest consumer accounting for 406 million tons, as against 374 million tons in 1954. The total proved and published oil reserves at the end of the year amounted to 26,055 million tons, the corresponding figure for 1954 being 21,710 million tons.

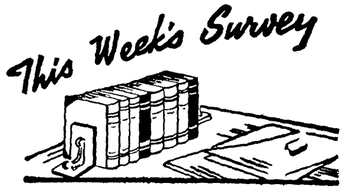
PERSONAL

MR. Adolfo Scilingo has been appointed Ambassador Extraordinary and Plenipotentiary of Argentina to India.

Mr. Madanmohan R. Ruia, President of the Cotton Buyers' Association, has been elected Chairman of the East India Cotton Association, *vice* Mr. Purshotamdas Thakurdas who resigned recently.

Mr. K. C. Bhandari, Principal, Development Officers' Training Centre, Ranchi, has been selected by the United Nations Technical Assistance Board for appointment as Community Development Expert to Indonesia.

Mr. K. P. Goenka has been elected President of the Indian Chamber of Commerce, Calcutta, for the year 1956. Mr. S. Gupta has been elected Senior Vice-President and Mr. B. P. Singh Roy, Vice-President. The other members of the Committee are: Mr. S. T. Sadasivan, Mr. L. N. Birla, Mr. Kanai Lall Jatia, Mr. D. N. Jalan, Mr. M. L. Shah, Lala Karam Chand Thapar, Mr. K. M. Naik, Mr. S. P. Jain, Mr. R. L. Nopany, Mr. A. K. Bhattacharya, Mr. Narsing Das Bangur, Mr. M. C. Parekh, Mr. A. Rajagopalan and Mr. Sisir Kumar Dass. Mr. B. M. Birla, Mr. N. L. Kanoria, Mr. C. L. Bajoria and Mr. L. C. Kanoi were also co-opted as members of the Committee.



INSURANCE CORPORATION

THOSE who were looking forward to further changes in the Life Insurance Corporation Bill will feel disappointed that the Government is determined not to go beyond the alterations made by the Select Committee in the original Bill. Several important issues relating to compensation, representation of policyholders, investment of insurance funds and expenses of running the Corporation were raised by the members during the debate on the Bill in the Lok Sabha. The Government spokesmen were not inclined to make any concession, nor to accept any suggestion. The result is that the Bill is likely to be placed on the statute book practically in the form in which it emerged from the Select Committee.

On the vital question of compensation to shareholders, both insurers and some members of the Select Committee had raised certain fundamental issues. These related to the appropriateness of fixing the shareholders' share of the bonus at a maximum of 5 per cent. as against the statutory limit of 7½ per cent. and of the system of averaging the business in the last two valuation periods, instead of taking into account only the latest valuation. The Union Finance Minister, Mr. C. D. Deshmukh, confined his remarks on this subject to a mere re-statement of the relevant provisions of the Bill and did not examine the issues raised by insurers in their memorandum or by the minutes of dissent appended to the Select Committee report. In vain did Mr. Tulsidas Kilachand plead the cause of 50,000 shareholders. Protesting against what he termed the "expropriation mentality" of the authorities, he emphasised that, "in the long run, only a society in which property rights of the individuals or groups are honoured can prosper." But this plea fell on deaf ears. Mr. Deshmukh, however, clarified one important point. He announced that compensation would not be liable to income-tax in the hands of the insurance companies as it would be a capital receipt; nor would it be liable to income-tax in the hands of shareholders.

The Corporation will be free from the statutory restrictions on expenses which had been imposed upon private insurers. Mr. Deshmukh's defence of this freedom was somewhat unconvincing. He said that the Corporation should certainly be able to keep its renewal expense ratio at a much lower figure than the 15 per cent. within which the bigger companies were able to operate. Even the 15 per cent. limit was, he said, on the high side. Remarking that the absence of a statutory limit would not encourage the Corporation to be extravagant, since, in any such event, there will be a spate of questions in Parliament, he observed:

"In fact, I would have promised an immediate reduction in the expense ratio but for one difficulty. The Corporation will not really need the large number of employees it would be inheriting from the various insurance companies. By retrenching the superfluous staff, the Corporation could bring down the expense ratio straightaway without the least loss of efficiency. But, I am aware how anxious members are that nationalisation should not result in unemployment and it was for this reason that I had given a categorical assurance that there would be no retrenchment. The best solution is to expand the business and thus find real work for all. We are confident that we shall be able to do so in due course. But, till the business is increased, the reduction in the expense ratio cannot be obviously as rapid as we would wish. While we shall be denied the benefit of integration for the time being, we shall have inevitably to incur additional expenditure made inevitable by the reorganisation of the offices which is attended by the movement of offices from one building to another, from one place, town, district and State to another place, town, district and State."

The passage is revealing for more than one reason. It shows how the Government is increasingly expecting Parliament and the country to rely on its word than to commit itself to a written law. Mr. Tulsidas Kilachand rightly asked why the Government should fight "shy" of applying the expenses provisions of the Insurance Act to the Corporation, if it is certain of being able to work within the limits. Perhaps the Government is not so sure. Further, it is interesting to note that the Government feels that it is only through retrenchment of surplus staff that it can bring down the expense ratio. In pre-nationalisation days, any such argument by private insurers would have been frowned upon by the Government. Finally, the Government recognises that till the business is increased the "reduction in the expense ratio cannot be obviously as rapid as we would wish." This indeed is the correct position. Only, it makes nonsense of the original position which the Government took in relation to private insurers.

When insurance was in the private sector, the Government used to criticise it on the ground that its expense ratio was very high *vis-a-vis* insurance in the U.K. and the U.S. It would not then listen to the insurers' plea that expense ratio could not be brought down overnight and that it would, in fact, go up in a period of expansion and then come down when the business expanded. It is precisely on this argument that the Government is now relying to defend the Corporation's expenses. But this shows that private insurers were right after all, though their voice of reason was drowned in the political din.

Mr. Deshmukh defended the non-inclusion in the Bill of the investment provisions of the Insurance Act by insisting that they were "needless," inasmuch as investments were to be made under the guidance of a high-powered investment committee and the Government had the right to give directions to the Corporation. He added: "It is, therefore, inconceivable that any wrong policy could be followed by the Corporation." In other words, Mr. Deshmukh would not like to lay down specifically that the Corporation should hold the policyholders' money in trust. It is true he gives the assurance that no "wrong" policy would be followed. But what is "wrong" from the point of view of policyholders may appear politically right to certain sections of opinion. When such a conflict arises, it should be clear that party opinion will carry the day. That is the fear of policyholders. This fear is not unfounded. One member averred that he was "rather unhappy that the Government have made a definite promise that the same proportion of life funds would continue to be invested in the private sector as before." He insisted that they should have relative priorities in the interests of national development and "it may very well be that the private sector will get much less funds than what it did get under the earlier dispensation." The policyholders will naturally feel apprehensive that, under the cover of "national development," the Corporation may be compelled to throw overboard the maxims of prudent investment. It is for this reason that the Government would have done well to incorporate in the Bill the specific clauses in the Insurance Act (with minor modifications, if necessary) relating to investment.

The most unconvincing part of Mr. Deshmukh's speech was where he defended the absence of representation for policyholders. It is significant that from all sections of opinion in the House, this point was pressed. Dr. A. Krishnaswamy, an Independent Member, declared that such absence constituted a "retrograde step." Mr. Asoka Mehta, the Praja Socialist Party member, pleading for adequate representation to policyholders in the Corporation, said that he was "surprised to find that the Select Committee and the Finance Minister had not enlightened us on this important point." The argument in favour of policyholders' representation on the Corporation is particularly strong in view of the fact that there is no specific directive to the Corporation that it must manage its affairs in the interests of policyholders.

Mr. Deshmukh opposed the suggestion for representation of policyholders on two grounds. He said that those who put forward this suggestion did not realise the expense and other difficulties it would involve. He said: "Today, we have five million policyholders. We hope that, in the not-too-distant future, we shall be dealing with 50 million policyholders and I for one cannot see how we can arrange for the election of three or four representatives to represent the interests of 50 million policyholders." He added: "Our experience of election of policyholders' directors for the last 15 years is such that we fear that it would easily be that these elections are a farce and perhaps, serve no useful purpose."

It is not clear what insuperable practical difficulties stand in the way of providing for election of policyholders' representatives. If private insurers could arrange for such election, the Corporation too should be able to do it. If the election of policyholders' representatives to the main board of the Corporation is difficult, it should be possible to arrange for such election at the zonal level and to provide for election from among these representatives to the Central Board. Mr. Tulsidas Kilachand rightly asked why, if a company like the Oriental which was controlling about 20 per cent. of the life business, could arrange for election of policyholders' representatives, the Corporation should find it difficult to hold such an election. At the zonal level, the number of policyholders could not be very unwieldy. In this connection, one might dismiss as rhetorical exaggeration the suggestion that the total number of policyholders will swell to 50 million in the near future. It is true that the election of policyholders' directors in the pre-nationalisation days was not properly conducted. But, in course of time, the institution would have come into its own. In any case, it would be incorrect to contend that such elections were a farce. This tantamounts to condemning democracy itself. If policyholders, who have a vital stake in the Corporation, cannot exercise their franchise well, is there any reason to think that they can do so in a general election where they have to consider abstract political and economic issues?

COASTAL FREIGHT RATES

The note of warning struck by Mr. C. R. Srinivasan, at the annual meeting of the Bharat Line Ltd., held the other day, against the danger that bids fair to dislocate the developing economy of the country on account of the inadequate attention paid to the problem of transport in the framework of planning, has come none too soon. Even with the limited objectives achieved under the first Five-year Plan, transport has failed to cope with the demand, with the result that production and distribution programmes of industrial units have been seriously upset. The problem will assume enormous proportions during the second Five-year Plan with its great emphasis on industrial development.

The congestion on railways has become so unmanageable that efforts are being made to discourage traffic. As a result, there has been a large-scale diversion of coal traffic to coastal shipping. This would normally be welcomed by shipping companies, inasmuch as it would improve their earnings and stimulate enterprise. But, at present, they do not seem to be very enthusiastic about it, because, for more than one reason, the coastal trade has become unremunerative to shipping companies. As Mr. Srinivasan put it, the reasons for this sad state of affairs are: (1) the costs of shipping companies are rising; (2) there are unavoidable delays at the ports, and (3) the freight rates offered are found so uneconomic that shipping companies have little incentive to commission more ships to cope with the coastal traffic.

The case made out by Mr. Srinivasan for a further upward revision of the freight rates for coastal trade at an early date needs the sympathetic attention of the authorities. The Government no doubt granted in October last an increase of 5 per cent. in freight rates, but this was inadequate and done after repeated representations made several months before. This was the first increase to be made after an interval of five years. During this period, it may be noted, other trades with which India is intimately connected had the benefit of increased freight rates ranging from 21 per cent. to 45 per cent. The Government of India was not unaware of this position, but it did not seem to be anxious to review it, apparently under the pretext that the Rail-Sea Co-ordination Committee was going into the matter and that it should await the Committee's report before taking a decision. The Government, however, had assured the industry that, if the report of the Committee was not received by March 1956, it would take up the matter again and examine whether any further rise could justifiably be made. The Committee's report not having been received so far, the Government recently granted an interim increase of 5 per cent. with effect from 1st April.

The defect about this increase is that it is piecemeal treatment. For, in the first instance, it is applicable only to general cargoes and not to coal. Secondly, the freight rates on coal will remain unchanged till the Rail-Sea Co-ordination Committee submits its report and, even if any increase is recommended by the Committee, it will not have retrospective effect from 1st April unlike that on railway coal. "This piecemeal treatment," to quote Mr. Srinivasan, "takes no cognisance of loss in earnings already suffered by the shipowning community, nor does it take into account the changed circumstances of the case which have been duly represented to the Government and which call for higher increase in the freight structure, nor even is the present increase in any way commensurate with the increase effected by foreign shipping on foreign trade routes with some of which the Government themselves are associated."

Mr. Srinivasan's fear that, unless a further substantial relief was forthcoming without loss of time, there was little prospect of improvement in coastal traffic, seems to be quite justified. The railways did not hesitate to increase the fares and freight when they wanted, in order to find a surplus for development. Even now it is being urged by experts in transport economics that there should be a further rise in fares and freights. And, what is more, the Prime Minister himself endorsed this stand a few days ago. Surely, what is sauce for the goose should be sauce for the gander, too. Unless, therefore, the shiping companies are enabled to make both ends meet by way of an increase in freight rates, the chances of their being in a position to avail themselves of the credit facilities offered by the State are rather dim.

NATIONAL INCOME OF INDIA

The high tempo of activity in the agricultural sector witnessed during the first three years of the first Plan abated somewhat in the fourth year, that is, 1954-55. Reflective of this trend is the sharp fall in the rate of real improvement in national income for that year. The net output at 1948-49 prices rose during 1954-55 by only Rs. 130 crores, which compares unfavourably with increases of Rs. 380 crores, Rs. 360 crores and Rs. 250 crores in the three preceding years, respectively. Revealing this information, the third issue of the annual paper just released by the Central Statistical Organisation places the aggregate national income of India (at 1948-49 prices) for 1954-55 at Rs. 10,170 crores, as against Rs. 10,040 crores for 1953-54, Rs. 9,460 crores for 1952-53 and Rs. 9,100 crores for 1951-52. The national income estimate of Rs. 10,170 crores for 1954-55, it may be noted, represents an increase of Rs. 170 crores as compared with Rs. 10,000 crores anticipated in the first Five-year Plan.

The fall in the rate of expansion in national income during the year under review is to be attributed almost entirely to the drop in agricultural output. Thanks to this fall and to the increase of as much as 5 million to 378 million in population, the *per capita* income for 1954-55 does not show any change; it is estimated at Rs. 269, same as that for the previous year. Expressed at current prices, the *per capita* income is actually lower at Rs. 262.1, as against Rs. 281.0 a year before, the total national income being Rs. 9,910 crores, as against Rs. 10,490 crores. This fall is due to a decline in both output and prices of agricultural commodities. Taking the seven-year period ended 1954-55 as a whole, the real *per capita* income was, however, higher by 9 per cent. The salient features of the estimates of national income are indicated below:

Year	At 1948-49 prices		At current prices	
	Net output (Rs. crores)	*Per capita* net output (Rs.)	Net output (Rs. crores)	*Per capita* net output (Rs.)
1948-49	8,650	246.9	8,650	246.9
1949-50	8,820	248.6	9,010	253.9
1950-51	8,850	240.3	9,530	265.2
1951-52	9,100	250.1	9,970	274.0
1952-53	9,460	256.6	9,820	266.4
1953-54	10,040	269.0	10,490	281.0
1954-55*	10,170	269.0	9,910	262.1

* Preliminary.

There was, as already stated, no rise in agricultural production during 1954-55. In fact, the figures at current prices indicate a considerable shift against agricultural and other primary production. This shift is attributed mainly to the disproportionately large fall in the prices of agricultural commodities and partly to a relatively steeper rise of incomes in the secondary and tertiary sectors. Even when expressed at 1948-49 prices, the selective share of agriculture exhibits a small fall, while all the other sectors mark some rise.

It is customary for countries like the U.K. to revise the estimates of their national income for the past years when fresh data become available for those years. In the Indian estimates also, certain revisions have been incorporated in the figures for the earlier years, particularly in the industrial sector and some consequential changes in other sectors. Naturally, the revisions have affected the estimates for 1951-52 and 1952-53, a few of which are now a little different from those given in the earlier release. The changes, however, are said to be not substantial.

HINDUSTAN MOTORS Ltd.

NOTICE TO SHAREHOLDERS

Issue of 5 lakhs cumulative preference shares *with shareholders' right to convert* them into ordinary shares

SHAREHOLDERS are hereby informed, in continuation of the previous notice dated 7th May, 1956 that the Directors of the Company, in view of the expanding activities of the Company and to meet the increased demand for vehicles anticipated in the next Five-Year Plan as also to ensure manufacture of a larger number of parts and components of vehicles of various types and to make the factory increasingly self-sufficient as well as to diversify manufacturing activities of the Company, have decided to raise the capital of the company by issue of five lakh cumulative convertible redeemable preference shares of Rs. 100/- each forming part of the unissued capital of the Company **with right to convert them into ordinary shares** on the following terms and conditions :

(a) That the preference shares shall be issued for cash at par.

(b) That the preference shares shall carry fixed cumulative preferential dividend @ 6% per annum, free of income tax payable on the capital for the time being paid thereon from the date of allotment and such preference shares in winding up shall rank both as regards capital and dividend (up to the commencement of winding up whether declared or not) in priority to the ordinary shares and shall not confer on the holders thereof the right to any further participation in profits or assets and shall not confer on the holders thereof the right to vote either in person or by proxy or by attorney at any general meeting, except as provided in Section 87 of the Companies Act 1956.

(c) That the holder of any of the said preference shares may by notice in writing left, together with the certificate for the shares therein referred to, at the company's registered office not earlier than 1st July, 1961 and not later than 30th June 1966 if the same remain unredeemed at that time, elect to convert the preference shares, specified in the said notice into ordinary shares, whereupon such shares shall become ordinary shares, and shall rank in all respects pari passu with the ordinary shares of the company and shall cease to have any preference or priority as above mentioned, and a new certificate shall be issued to the holder thereof free of charge.

(d) That the preference shares shall be redeemable at par at any time after 30th June 1963 at the option of the company by giving three calendar months' notice.

(e) That the preference shareholders will be entitled, in priority to and before any dividend is distributed on ordinary shares, to payment of the arrear dividend (whether declared or not) if any, which may have accrued in respect of all financial years ending before the date on which a shareholder elects to convert the preference shares into ordinary shares.

The shareholders of the Company whose names shall appear on the Shareholders' Register of the Company on the **25th May, 1956** will be entitled to one such preference share for every ten ordinary shares held by them ignoring fractions, if any. The shareholders may also apply for additional shares which will be allotted to them, if available, at the discretion of the Directors. The amount payable on application has been fixed at Rs. 25/- per share as application money which must be paid along with the application. Rs. 25/- per share shall be payable on allotment, and remaining Rs. 50/- per share shall be payable by one or more calls as may be made by the Directors by giving three calendar months' notice for each call.

Necessary circular along with applications for right shares (in terms of Section 81 of the Companies Act 1956) and additional shares and also forms of renunciation will be sent to the shareholders on or about **the 25th May, 1956.** If, for any reason, any shareholder is not in receipt of the circular and the said forms, etc. he should apply to or contact the Company and secure the requisite forms and copy of the circular.

Necessary consent of the Central Government has been obtained to the aforesaid issue.

INDIA EXCHANGE,
Royal Exchange Place, Extn.,
Calcutta-1, 16th May, 1956.

By order of the Board
BIRLA BROTHERS PRIVATE LIMITED
Managing Agents :

PROSPECTS FOR EXPORT TRADE

T. T. K. MORE OPTIMISTIC THAN PLANNERS

From A Special Correspondent

NEW DELHI, *22nd May*

THE proceedings of the meetings of the Import and the Export Advisory Councils this week, coming as they did in the wake of the publication of the Report on the second Plan, provided a valuable opportunity for a further elucidation of the Governments' trade policy. They also helped focus the public attention on the inherent conflicts and indecisions of various Government departments, which not only hamper the country's economic progress but also jeopardise its economy to some extent.

DELHI LETTER

In a speech notable for both robust optimism about the inherent and growing strength of the Indian economy and characteristic frankness, Mr. Krishnamachari, the Union Minister for Commerce and Industry, pointed out the best way along which the Indian economy should be taken in order to have a smooth sailing during the coming years. He emphasised the need for paying greater attention to the export trade as a primary factor in the maintenance of our developmental economy. He did not appear to agree with the tentative figures worked out by the Planning Commission regarding the possible export earnings. His considered view was that the annual average from the export earnings envisaged by the Planning Commission at Rs. 592 crores was unduly low. Only a few weeks ago, Mr. Krishnamachari, it will be recalled, spoke to the effect that the export trade of India would continue to maintain an upward trend during the second Plan and that the extent of increase would be as much as 40 per cent. before the end of the second Plan period. In the last year of the first Plan, India's export earnings stood at very near the Rs. 600-crore mark, the precise figure being Rs. 598 crores, and exceeded the average contemplated annual estimate of Rs. 592 crores for the second Plan. One cannot be certain that India's export trade could show an impressive rise of 40 per cent. during the next five years, as was visualised by the Minister, but it may be taken for granted that, when a country's economy is developing, its export trade also will be moving up to a considerable extent.

Now that the Plan is being assailed by many thinking men as unrealistic, especially on account of the large gap in the external balance of payments position, Mr. Krishnamachari's view that the country would be able to export more and earn more exchange resources, will provide considerable encouragement to the planners. It may be mentioned here that, leaving the Korean war boom, the value of exports recorded a rise of about 33 per cent. in the last year of the first Plan as compared with the pre-Korean average of Rs. 450 crores. It is, therefore, possible that India's export trade might show a sizable increase during the second Plan period, reducing the gap in the external balance of payments position.

Mr. Krishnamachari's optimism that India would be able to earn more exchange will prove true only if the Government is able to adopt a realistic economic policy in regard to internal production. The Minister was hopeful that the trade treaties that India had been entering into with a number of countries, if implemented to the fullest extent should lead to a substantial increase in our export trade. The increased trade brought about by this method would, according to the Minister, help in raising the level of the tempo of activity in the country which itself would create certain economic forces favourable for the implementation of the Plan. Two things are considered essential to bring about this desideratum; one is to increase the level of internal production in the type of articles that go into the export trade and the other is to have a reasonable degree of price flexibility.

The Minister did some loud thinking regarding the export of cotton textiles. Since the export of cotton textiles has been fetching between Rs. 60 and Rs. 85 crores per annum in recent years, he considered the preservation of this export trade as a must item. There is at present formidable competition from Japan and also as a result of barter agreements and the operation of single country licences. India's exports of cotton textiles to Burma, Thailand, etc., for instance, have been showing a downward trend in recent years, since these countries have entered into barter agreements with Japan for the disposal of their surplus rice against a number of consumer articles including cloth. Again, imports under U.S. economic aid and the single country licences issued in discharge of treaty obligations, have been offering some practical difficulties to Indian cloth in some markets. For instance, under the tripartite agreement on cotton exports from America, Pakistan is expected to receive substantial supplies of cotton textiles from countries like the U.K., Japan, France and Italy, thus displacing sellers like India.

Another hurdle against the augmentation of India's trade in textiles has been the supply of sub-standard goods to foreign countries. It is well known that almost all the Government of India Trade Commissioners have been unanimous in drawing the attention of Government and the export trade interests to this fact. In order to remedy this state of affairs, Mr. Krishnamachari hinted that he would be taking steps to bring about standardisation in textile production both for internal consumption and external trade.

It is noteworthy that Mr. Krishnamachari did not want the Government to become a victim of antediluvian thinking in regard to textile production. In the interests of export trade and the expanding economy of the country, it is extremely urgent that Government should revise its policy in regard to cloth production along realistic lines. Now that some West German textile technicians are reported to have pronounced their expert opinion on the Ambar Charka, the Government should not resort to its large-scale introduction through a policy of heavy subsidy. On the contrary, it should take speedier action on the question of rehabilitation and extension of the textile machinery in the cotton mills of the country. At the same time it should also encourage the erection of many spinning mills in the country for increasing the yarn supplies to the handloom industry.

Analysing the broad trend of exports of the major commodities of the country, Mr. Krishnamachari pointed out that the problem concerning the jute mills industry was now the imperative need to step up the production of raw jute further, so as to reduce India's dependence on East Pakistan to the minimum. He was conscious of the fact that the Indian jute industry had begun to meet keen competition from Pakistan in many foreign countries. He promised to take vigorous measures to safeguard and promote India's export trade in regard to tea, tobacco, mica, shellac, etc. He did not agree to limit the activities of the State Trading Corporation, established last week to provide a stimulus to the export trade and to fill some of the gaps in the import trade.

During the discussions at the Export Advisory Council Meeting, it was urged that the Government should maintain a sort of continuity in regard to the export of certain goods, as, for instance, vegetable oils. It was suggested that the Government should allocate a certain quota from the production for purposes of export and that it should spread the allocation throughout the year in the interests of the export trade. It was also brought to the notice of the Government that exporters experienced considerable difficulty in getting refund of the excise duty paid on vegetable oils exported. Another suggestion made related to the appointment of a special committee which should look after the export of manganese ore and remove the bottlenecks of transport concerning this trade. These suggestions are besides the point, since the Export Advisory Council and the Trade Promotion Councils have already been looking after the interests of the export trade, while the transport problems are generally being considered from all angles by the local transport advisory bodies.

(Concluded from next column)

that the investment capital is there. But the Report pins too much hope that all these things will be looked after by "co-operation" and goodwill and so forth and the Government is clearly not minded to interfere. One is left with the uneasy impression that many of the problems which the Report envisages will after all not be serious, because, in Britain, the obstacles to automation will be too great for other than slow progress. The U.K. looks like being left behind in this new industrial revolution. It is a serious and disquieting thought.

MORE ABOUT AUTOMATION

AN OFFICIAL REPORT

From Our Own Correspondent

LONDON, *18th May*

THE publication of this week of "Automation" —a report by the Department of Scientific and Industrial Research—is intended to put in perspective the probable impact of this new industrial revolution on industry and on the social economy. Technically, it is an important and objective document but its fault lies—and it is a fault inherent in a document prepared by a Civil Servant without political guidance—in the way it skates over the main problems, which an industrial revolution throws up to the small firm and to the unadaptable worker.

LONDON LETTER

Automation means three technical developments—the use of transfer machines (the principle application to date) to move work from one set of processes to the next and to maintain the flow of production unchecked; the use of remote control techniques to measure changes in processes in, particularly, the chemical and petroleum industries and to provide the necessary correctives; and the use of electronic computers which started as machines to do complicated sums at great speed but which, with their capacity to "store" information fed into them, can not only make, for example, the wage calculations in a great factory, but actually control processes, for example, prepare the pay packets. No doubt the automatic factory of the future, controlled by an electronic computer, will, a decision having been put into it, turn out the finished article packed for despatch at one end along with the credits to suppliers for material and new orders for stock!

But, just as the development of machine tools downgraded operational labour while upgrading the fitter and the machine-tool maker, so the new processes will mean not only more skilled equipment makers, more maintenance men, more design engineers but also more scientists and more technologists. Automation is simply an advanced stage of mechanisation and its problems are an intensification of the problems with which mechanisation has already made us familiar. Thus, the Board of Trade have pointed out that, if British factories were fully "automated," there would be treble the demand for electric power of today. The demand for labour would be transferred to other fields, from operational processes to machine-making and power-making processes, from routine and semi-skilled labour jobs to more skilled and individualistic jobs. What the report does not stress adequately is that this country is in danger of falling down on just this aspect of automation—the U.K.'s shortage of present and prospective technicians.

It is also too easily assumed that the capital resources will be there for the new investment in automation. Of course, they are there—in terms of money, especially for the big firms—but where are they in terms of real investment resources? Output in this country is not rising at a high enough rate (per head in industry it is put at 3 per cent. per annum) to release the labour needed for the new revolution. Two hundred years ago, the industrial revolution in Britain was made possible by the great farming enclosures which dispossessed the small-holders and drove them into the towns to become the servants of the machine age. Nothing comparable can be envisaged today and the Report is at pains to indicate that these new advances should be made without "the social and economic dislocation that marred the early history of the Industrial Revolution." Indeed, the Report—with both eyes on the Standard Motor strike—says that the transition to automation will be easier, if there is full employment. But the transition will be very slow, unless there are capital resources in real (not money) terms and, unless labour is prepared for mobility both in terms of persons and skills. There it is right that the fullest co-operation between unions and employers should be looked for—but enterprise will be necessary on the part of both capital and labour and it is a sad fact of our present age that enterprise is at a discount in both fields.

One answer would be for the State to take the risks—to underwrite the capital to be found, to ensure employment to the elderly displaced worker (the worst victim of all such changes) and to direct the employment of resources, so

(Continued in previous column)

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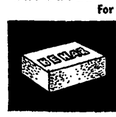

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PEOPLE'S CAPITALISM IN U.S.—II

ACCENT ON COMPETITION—CONSUMER THE KING

By A Special Correspondent

WHAT makes the U.S. economy work? What are its motivating forces? Where is it heading?

Competition is the driving force of the American economy. Business men continually vie with each other to produce better and cheaper goods and services that will coax people to buy.

Year after year, American companies large and small engage in a constant race to offer newer, constantly improving, more saleable goods. The list of such goods is long and varied.

Each year, for instance, brings new model automobiles—bigger, faster, safer, easier riding, more colourful than those of the previous year. Or there are television sets with bigger screens and sharper pictures at lower prices. Or farm implements that perform more agricultural tasks more quickly and cheaply. Or clothing made of fabrics that wear longer, look better, and need less pressing.

Every visitor to the United States has noted the emphasis on the new and different. And many observers see the direct link between the economic force of competition and the continual search for improved products to please the consumer.

Consumer Is The King

Competition makes the consumer king. Every phase of business points to the consumer—the research laboratory seeking new products, the elaborate testing and consumer sampling procedures followed before new products are put on the market, the assembly line turning them out rapidly and cheaply, the distribution system making them easily available.

If one business enterprise does not find a way to fulfil a consumer's wants, another will. The consumer always has a choice of where he may spend his dollar. And because of this, the many business enterprises that make up American industry are in a constant quest for increased efficiency, for better design, so as to produce the most tempting goods at prices low enough to attract wide sales. The unrelenting search for ways to manufacture cheaper colour television sets is a typical example.

Competition's contribution as an economic spur toward greater productivity is widely recognised throughout the world. Even Karl Marx, while bitterly attacking capitalism, noted the creative effects of competition.

But today Communists—and sometimes non-Communists—criticise the competitive aspects of capitalism on two distinctly different, and contradictory, grounds. They argue, as Lenin did, that capitalism develops tendencies toward monopoly that abolish competition or restrict its area of operation. Or they contend that competitive capitalism is subject to violent fluctuations, that it results in a system in which labour is driven to the wall and—as Marx put it—"the rich become richer and the poor poorer."

Neither of these charges is valid when applied to today's American economic system. Despite constantly repeated charges by Communists about "monopolists" in U.S. life, competition thrives—and is on the increase. Despite the eager anticipation of Communists of another American depression, the United States today shows remarkable signs of economic stability. Today, the United States is making far greater progress toward raising the living standards of all of its people than the U.S.S.R. and the other Communist countries are doing.

Classless Society

And today the benefits of the American system of People's Capitalism are spread so widely that a classless society is far more apparent in the United States than in the Soviet Union.

The reasons why the United States escaped a trend toward monopoly are partly historic. When the trusts threatened to become too powerful, Congress passed laws against them. The first important one was the Sherman Anti-Trust Law of 1890; the Clayton Act of 1914 followed. The U.S. laws prohibit companies from fixing prices and production and marketing quotas and from conspiring to keep or force other concerns out of the market.

These laws work—not always perfectly and not to everyone's satisfaction—but always to a point that maintains fair competition. The record of anti-trust and unfair business practices decisions is long. Some of the earliest court rulings broke up oil and steel trusts at the turn of the century.

In addition, Congress keeps a watchful eye on the present-day trend toward corporation and bank mergers. So does the Executive Branch of the Government through the Justice Department, the Federal Trade Commission and other agencies.

President Eisenhower, in his recent Economic Report, made recommendations to strengthen the anti-trust laws and their enforcement. The President stated flatly: "Strict enforcement of the anti-trust laws is our primary weapon for thwarting any impairment of competition."

Of course, the proof of the effectiveness of this competitive system is in the competition itself. One only needs to shop in American stores to see the many ways business men compete with one another to win the favour of the consumer.

Americans have debated and studied a trend toward mergers, a tendency toward bigness in the industrial and banking fields. Congress has held hearings on the subject. There are some who think the Government should prevent further development in this direction, possibly by setting some ceiling on size. There are others who do not think so.

Competition Among Giants

But the important point for the moment is a very obvious one: The automobile industry, which is comprised of three large companies and two smaller ones, all of them large corporations, is in the midst of very real, vigorous and healthy competition. Year after year, these giant companies vie with each other for the favour of the car-buying public. And the reason the three larger companies enjoy the larger sales is simply this: They have met the tastes and pocketbooks of the consuming public better than their rivals have done.

What of the second charge against capitalism —that it is subject to violent fluctuations?

Many people abroad fear the abstraction known as the business cycle. They believe that, when the American economy sneezes, the rest of the free countries of the world may suffer a bad cold, or worse. And some even believe Communist horror stories about the effects of a business downturn on American workers.

But the actual facts show that the American economic system has a good deal more stability and social justice than its critics, friendly and unfriendly, give it credit for.

In the first place, large and strong labour unions have taken a respected and accepted place in the economy. The unions block the possibility of paying the American worker less and less for his labour, as Marx predicted.

In the second place, the productivity increases resulting from improved manufacturing and marketing methods have been shared by management with the workers in the form of higher wages and shorter working hours.

Thus, instead of the American worker being paid less and less for his labour, the reverse has actually occurred. The average worker in steel mills, for instance, has become a man of some means, earning more than $5,000 a year, and his basic work week of 40 hours compares with 60 hours at the turn of the century. Under the law, workers receive 50 per cent. higher hourly pay for each hour they work in excess of 40 hours a week.

The American steel worker is admittedly higher paid than industrial workers in most industries. However, industrial workers in general have made great gains in purchasing power in recent years. "Purchasing power" is computed by adjusting earnings to price changes of consumer goods and services.

According to estimates made by the C.I.O. (Congress of Industrial Organisations), which recently merged with the American Federation of Labour, the purchasing power of the average hourly earnings of factory workers increased 23.5 per cent. between 1947 and the first half of 1955.

A third factor that accounts for more stability and social justice in the modern capitalistic system in the United States is that some of the real risks of economic freedom are as clearly recognised by Americans and their Government as they are by other peoples and their Governments.

And so the United States, in common with other democratic nations, has established old-age pensions, unemployment insurance and a dozen other "shock-absorbers" that both guard the welfare of the average citizen and help maintain purchasing power of consumers when business activity slows down. The Government, through these and other methods, plays an influential role in maintaining the stability of the American economy, which will be discussed later.

But, although Government helps assure stability, the American economic system is fundamentally based on private ownership and is motivated by competition.

"Against the record of all other economic systems devised through the ages," said President Eisenhower in his State of the Union Message, "this competitive system has proved the most creative user of human skills in the development of physical resources, and the richest rewarder of human effort."

A FRENCH DISCOVERY: THE SPECTRO-READER

The requirements of metallurgy are such that analyses have to be more and more swift and precise. Consequently, spectrology is slowly replacing the traditional chemical analysis. The problem of *instantaneous analysis*, which was studied by Mr. Orsay with the help of Professor Lallemand, was solved by the mass-production of a device called "spectro-reader" by Mr. Mathieu, Director of the Cameca Company. This device is formed by a Jobin and Yvon spectrograph, the normal framework of which can be replaced by a "reading head" which contains two electron multiplicators, the second of these multiplicators intensifies the rays necessary for the analysis, and amplifies the signals so that they may be recorded. By comparing with samples carefully analysed beforehand, the quantitative analysis can be made in three or four minutes.

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RURAL CREDIT AND WAREHOUSING OF AGRICULTURAL PRODUCE

PARLIAMENT PASSES LEGISLATION

THE Agricultural Produce (Development and Warehousing) Corporations Bill, which was passed by the Lok Sabha on the 11th inst. and the Rajya Sabha on the 21st inst., seeks to fulfil a long-felt need of the agricultural sector, namely, provision of institutional credit to agriculturists for financing crops at reasonable rates of interest, thereby replacing, as far as possible, the high cost credit provided by the traditional moneylender in rural areas. The need has become all the greater, because land is fast ceasing to be a negotiable asset, thanks to land reform policies. The Bill gives effect to the recommendations of the Rural Credit Survey Committee relating to the development and warehousing of agricultural produce on co-operative principles. It will be recalled that, after a very careful survey of the Co-operative Movement in India, the Committee had come to the conclusion that the Movement had failed to tackle the problem of agricultural development in an integrated manner. The failure was attributed to the following four defects:

First, the Co-operative Movement was confined only to giving credit facilities and did not take into account the question of marketing agricultural produce.

Secondly, the Movement did not deal with warehousing and storage.

Thirdly, it was confined mostly to the big farmers and only to a limited part of the country.

Fourthly, the Government had not taken the interest it should have to develop the Movement, the activities of the Government being confined mainly to registration and supervision of co-operative societies.

In view of these defects and with a view to giving a fresh lease of life to the Co-operative Movement, so that the latter could play a more prominent part in the task of expanding the agricultural economy, the Committee recommended, as one of the three main parts of its integrated scheme of rural credit, development and warehousing of agricultural produce. The recommendation was accepted by the Government which decided to bring forward legislation providing for the promotion, by State Governments, of the development, on a co-operative basis, of certain economic activities essential to the rural produce such as marketing and processing, and the parallel promotion, by all-India and State organisations, of the development of storage and warehousing of agricultural commodities, together with the distribution of goods and implements of importance to the cultivator as producer and consumer. The Bill was accordingly introduced in Parliament on 28th February 1956 which, as stated at the outset, has since been passed by both Houses.

Warehousing Board

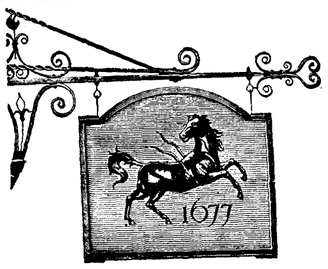
The Bill provides for the constitution of a Central National Co-operative Development and Warehousing Board, which will be a policy-making and financing body. The functions of the Board will generally be to plan and promote programmes for the production, processing, marketing, storage, warehousing, and export and import of agricultural produce through co-operative societies. In particular, the Board may (*a*) advance loans or grant subsidies to State Governments for financing co-operative societies; (*b*) provide funds to a State Government or a Warehousing Corporation for financing co-operative societies for the purchase of agricultural produce on behalf of the Central Government; (*c*) subscribe to the share capital of the Central Warehousing Corporation or advance loans or grant subsidies to that Corporation or any State Warehousing Corporation, and (*d*) plan and promote programmes through co-operative societies for the supply of seeds, manures, fertilisers, agricultural implements and other articles for the development of agricultural produce.

The Board will be financed by the Central Government which will pay a non-recurring grant of Rs. 5 crores and a recurring grant in each year of Rs. 5 crores for five years. The Board is to maintain two funds, namely, the National Co-operative Development Fund (known as the Development Fund) and the National Warehousing Development Fund (the Warehousing Fund). The non-recurring grant will be credited to the latter fund, while the recurring grant will be divided between the two Funds. The Development Fund shall be applied for advancing loans and granting subsidies to State Governments on such terms and conditions as the Board may deem fit for the purpose of enabling State Governments to subscribe to the share capital of co-operative societies or for otherwise financing co-operative societies. The Warehousing Fund shall be applied (*a*) for subscribing to the share capital of the Central Warehousing Corporation; (*b*) for advancing loans to State Governments on such terms and conditions as the Board may deem fit for the purpose of enabling them to subscribe to the share capital of State Warehousing Corporations, and (*c*) for advancing loans and granting subsidies to a Warehousing Corporation or to a State Government for the purpose of promoting the warehousing and storage of agricultural produce.

The Bill also provides for the setting up of a Central Warehousing Corporation which will be entrusted with the task of implementing the warehousing programme laid down by the Board. The main functions of the Corporation are (*a*) to acquire and build godowns and warehouses at such suitable places in India as it thinks fit; (*b*) to run warehouses for the storage of agricultural produce, seeds, manures and fertilisers offered by individuals, co-operative societies and other institutions; (*c*) to arrange facilities for the transport of agricultural produce to and from warehouses; (*d*) to subscribe to the share capital of a State Warehousing Corporation; (*e*) to act as agent of the Board or of the Government for the purposes of the purchase, sale, storage and distribution of agricultural produce, seeds, manures and fertilisers; and (*f*) to carry out such other functions as may be prescribed.

The authorised capital of the Corporation is Rs. 20 crores, of which Rs. 10 crores will be issued in the first instance as will be indicated presently. The shares will be in units of Rs. 1,000 each. A part of the capital will be subscribed for by the National Co-operative Development and Warehousing Board (N.C.D. and W. Board), and the rest by the State Bank of India, Scheduled banks, co-operative societies, etc. The exact quantum of subscription to the share capital by the different classes of institutional investors is as follows:

	(Rs. crores)
The N.C.D. and W. Board	4.00
State Bank of India	1.00
Scheduled banks	1.25
Co-operative societies	0.25
Insurance, investment trusts and other financial institutions	3.00
Recognised associations and joint-stock companies dealing in agricultural produce	0.50
Total ...	10.00



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The shares of the Corporation will be guaranteed by the Government as to the repayment of the principal and the payment of a minimum annual dividend to be determined by the Central Government at the time of the issue of shares. The management of the Corporation will vest in a Board of Directors which will be assisted by an Executive Committee and a Managing Director. The Executive Committee will consist of the Chairman and Vice-Chairman of the Board of Directors, the Managing Director, and two other Directors chosen by the Corporation in the prescribed manner.

State Corporations

The Bill empowers all the State Governments also to establish, within the States, State Warehousing Corporations on the lines of the Central Corporation. These Corporations will (*a*) acquire and build godowns and warehouses at such places within the State as it may, in consultation with the Central Warehousing Corporation, determine; (*b*) run warehouses in the State for the storage of agricultural produce, seeds, manures and fertilisers; (*c*) subscribe to the share capital of co-operative societies engaged in the storage or warehousing of agricultural produce; (*d*) arrange facilities for the transport of agricultural produce to and from warehouses; (*e*) act as an agent of the Central Warehousing Corporation or of the Government for the purposes of the purchase, sale, storage and distribution, of agricultural produce, seeds, manures and fertilisers; and (*f*) carry out such other functions as may be prescribed. The authorised capital of each State Corporation shall not exceed Rs. 2 crores. The capital will be subscribed for equally by the State Government and the Central Corporation. If any dispute regarding the functions were to arise between the Central Corporation and a State Corporation, such would be referred to the Central Board the decision of which will be final. As in the case of the Central Warehousing Corporation, the management of the State Warehousing Corporations also will be in the hands of a Board of Directors, assisted by a full-time Managing Director and an Executive Committee.

Provision is made in the Bill for financial control and auditing of accounts of the various statutory bodies set up under the Bill. The Board and all the Warehousing Corporations—Central and State—are required to submit an annual statement of their programmes and activities, as well as the financial estimates in respect thereof, to the appropriate authority. The funds of a Warehousing Corporation are to be invested only in Government securities. The accounts of the Development and Warehousing Board are to be audited by the Comptroller and Auditor-General of India, while those of Warehousing Corporations by qualified auditors appointed by the appropriate Government, one of whom being selected in consultation with the Comptroller and Auditor-General. A copy of every audit report will be laid before both Houses of Parliament of the Legislature of the State, as the case may be.

Prerequisites for Success

It will be seen from the foregoing account that the establishment of warehousing and marketing arrangements for agricultural produce is intended to facilitate provision of credit to rural areas. The mechanism envisaged in the Bill is so comprehensive that it can be implemented successfully only if there are the necessary organisational effort and efficiency. Indeed, there are the two prerequisites for providing the agricultural business with a credit base which should, as was rightly pointed out by a member of Parliament, "go far towards making farming a way of living, instead of the mere way of life that it now is." Much also depends on the way in which the different authorities connected with the implementation of the series of measures will co-operate with one another. Thus, the Central Food and Agriculture Ministry will undertake the formulation of the scheme envisaged in the Bill and advance finance through the Development and Warehousing Boards, while the responsibilities for carrying out the scheme and developing rural credit fall on the State Governments and the Reserve Bank, respectively. Unless all the three authorities co-ordinate their work fully, the whole scheme will, as Mr. Ajit Prasad Jain said in the Rajya Sabha the other day, be in danger of collapsing. Even more essential will be the co-operation of the non-officials, what with the considerable number of village warehouses owned by co-operative credit societies which will, through the co-operative marketing societies serving groups of villages, be linked to the State Warehousing Corporations and ultimately to the Central Warehousing Corporation.

How vast is this problem will be evident from the details of the development of co-operatives furnished by the Union Food and Agriculture Minister in Parliament. During the second Plan period, it is proposed to set up a little more than 10,000 large-sized credit and marketing co-operative societies, each covering five to ten villages. These societies, together with the existing successful ones, are expected to cover, by 1960, nearly one-third of the whole country. The aggregate amount of credit—short, medium and long—to be granted by these societies is estimated at Rs. 225 crores, which represents about 30 per cent. of the total credit annually needed by all the peasants. It is also proposed to set up, during the next five years, co-operative marketing societies in 1,400 *mandis*, each society having a godown with a capacity ranging from 300 to 1,000 tons. The number of such godowns is placed at 1,500. Further, the Central Warehousing Corporation will build warehouses in about 100 places of all-India importance, each with a storage capacity ranging from 10,000 to 20,000 tons. The State Corporations will set up 200 warehouses at places of State importance. Normally, the capacity of these warehouses, will vary between 1,000 and 10,000 tons.

Considering the importance of linking rural credit to warehousing and marketing, it is not surprising that the Bill evoked keen interest among the members of both Houses of Parliament. In fact, the time limit of 10 hours fixed for the Bill in the Lok Sabha had to be exceeded and even then the guillotine had to be applied to the majority of the clauses in the Bill. The Bill was welcomed by most of the members and several suggestions were put forward. Among them, three are notable. First, commodities like tobacco, coconut and sugar should be included under the definition of agriculture produce. Mr. Jain, however, opposed this suggestion on the ground that such would violate Entry 33 of the Current List in the Constitution. Secondly, the capital of the Warehousing Corporation should be raised to Rs. 50 crores. Mr. Jain pointed out that this could not be done, because even the Industrial Finance Corporation had only Rs. 5 crores as capital but was able to borrow more. Thirdly, compulsion should be introduced in the organisation of co-operative societies for farmers. Rejecting this suggestion, Mr. Jain said:

"Co-operation depends on volition. It essentially means development of one's own self. Hitherto, we have understood co-operation to be a voluntary movement and it was for this reason that, when the Government wanted to come in a little too much, there was objection from the side of the non-official co-operators. Even China which has got a different type of set-up boasts in saying that the Co-operative Movement there is voluntary. If we introduce some sort of compulsion, I think, instead of developing the Movement, there may be a general apathy against the Movement."

During the debate, some members asked as to why the Bill had not provided for the formation of an Advisory Council as recommended by the Rural Credit Survey Committee to tender advice on co-operative matters to the Food Ministry, the Reserve Bank and the Central Development and Warehousing Board. Replying to this query, Mr. Jain said that the Government had decided to constitute the Council but provision had not been made in the Bill, because the Council will function in relation not only with the Food and Agriculture Ministry and the Board to be set up under the Bill but also with the Reserve Bank.

MITSUI BANK LTD.

The 1st July 1956 will mark an important landmark in the history of the Mitsui Bank Ltd. (Head Office: Tokyo Japan); for, on that day, the Bank, one of the leading financial institutions of Japan, will complete full 80 years of its extensive and useful service to the country. The birth of the Bank, in fact, dates back to the seventeenth century, having been organised in 1683 as an exchange house. It was, however, only in 1876 that it was reorganised and it commenced banking business on a modernised basis as the pioneer private banking institution in Japan. Since then, many structural changes have been made in the Bank, the most important of which was the amalgamation in 1944 of the Jugo Bank, an institution nearly as old as the Mitsui Bank, having been formed in 1877.

During these 80 years, the Bank underwent many vicissitudes, but was able to overcome them successfully and expand its business year after year. Through its strenuous efforts in the fields of domestic financing, the promotion of foreign trade as well as the induction of foreign capital, the Bank contributed much to the development of Japan's national industry and came to enjoy its present prosperity.

The present authorised capital of the Bank is 8,000 million yen, having been raised in recent years, from 3,800 million yen to 4,000 million yen in 1953 and, again, to the present level in 1955. The paid-up capital is 2,000 million yen. During the half-year ended 30th September 1955, the latest period for which the Bank's accounts are available, the Bank earned a net profit of 703.01 million yen, as compared with 688.53 million yen in the previous half-year and 650.26 million yen in the corresponding six months of 1954. The Bank's deposits as on 30th September 1955 amounted to 163.41 billion yen, having risen from 131.24 billion yen a year before. Loans (inclusive of import bills settlement loans) and bills discounted together accounted for 135.30 billion yen, as compared with 137.02 billion yen at the end of September 1954. Investments in securities were strengthened from 16.40 billion yen to 19.89 billion yen and cash balances from 31.11 billion yen to 37.17 billion yen. Following the expansion in its resources and the strengthening of its liquidity, the Bank's borrowings from the Bank of Japan were reduced considerably from 33.40 billion yen to 8.01 billion yen.

The Bank has got three branches abroad, one in London, another in Bangkok and the third in Bombay, and one representative office in New York. The Bombay branch, which had been closed at the outbreak of the last war, was reopened in May 1955. During the short period of its working since inception to 31st December 1955, it suffered a loss of Rs. 2.70 lakhs, mainly due to heavy expenses and a loss of Rs. 1.67 lakhs suffered on revaluation of investments. The loss was covered mostly by debiting its London office.

As on 31st December 1955, the Bank's deposits amounted to Rs. 11.61 lakhs, while advances aggregated Rs. 32.47 lakhs, investments in Government and other trustee securities Rs. 19.34 lakhs and cash balances and money at call Rs. 10.30 lakhs. Acceptances, endorsements, etc., amounted to Rs. 30.67 lakhs.

In addition to the normal functions of a modern foreign exchange bank, the Bank is furnishing credit and other information about importers and exporters in India and Japan, with a view to assisting the promotion of trade between the two countries.

ASSAM STATE FINANCIAL CORPORATION

The working of the Assam State Financial Corporation (Managing Director: Mr. K. Varnasy, Shillong) during the year ended 31st March 1956 has resulted in a profit of Rs. 2,73,103, as compared with Rs. 38,545 for the five months of the previous year (arrived at after writing off the value of assets destroyed in the fire in March 1955). The Directors have set aside Rs. 1,08,000 (including the shortfall in the provision made last year) for taxation, as against Rs. 15,000 provided a year ago, and have transferred to Rs. 14,500 to the reserve fund, as compared with Rs. 5,000. As the balance available, namely, Rs. 1,50,603, for distribution is insufficient to meet the guaranteed dividend of 3½ per cent., the State Government has been requested to give a subvention of Rs. 1,98,709 to make up the total amount of Rs. 3,49,312 required to pay the above dividend. The State Government will, however, get back a substantial part of this subvention in the form of dividend on its own holdings in the share capital of the Corporation.

The amounts of outstanding loans and advances as at the end of the year under review is Rs. 26.42 lakhs. The Corporation received during the year 60 applications for loans aggregating Rs. 119.63 lakhs, of which sanction was accorded to 26 applications for Rs. 53.95 lakhs. Sixteen applications, involving a total of Rs. 17.52 lakhs, were rejected, while 18 were kept pending. Unlike in the previous year, when the State's tea industry received the maximum amount of financial accommodation from the Corporation, the electric supply companies were the recipients of the largest amount of advances during the year under review. Out of the nine applications for Rs. 34.95 lakhs received from such concerns, six were sanctioned Rs. 21.85 lakhs, but only five of them availed of Rs. 16.10 lakhs, as at the close of the year under review. Manufacturers of black tea, who applied for loans aggregating Rs. 27.12 lakhs, and were sanctioned Rs. 12.45 lakhs, availed of only Rs. 6.65 lakhs up to the end of the year. In the previous year, most of the electric companies did not pursue their applications to the Corporation for loans, because of the long-term loans granted by the State Government on more advantageous terms. Following, however, the State Government's direction in June 1955 that urban electric companies should approach the Corporation for financial accommodation, the companies turned to the latter for advances. As regards the tea gardens, most of the amount advanced is for block capital and some for working capital where it was not forthcoming from commercial banks or other sources.

The Corporation decided during the year to charge uniform rates of interest, namely, 6½ per cent. for all loans of Rs. 1 lakh and over and 7½ per cent. in the case of loans below Rs. 1 lakh, with a rebate of ½ per cent. for prompt payment of interest and annual instalments. The maximum and minimum effective rates are, therefore, 7 per cent. and 6 per cent., respectively.

HYDERABAD STATE FINANCIAL CORPORATION

The Directors' report of the Hyderabad State Financial Corporation for the year ended 31st March 1956—the second year of its working—indicates that the purpose for which the Corporation was originally formed is not being fully served, due to factors over which the Corporation itself has no control. The volume of fresh business handled by the Corporation during the year—the number of applications for loans received and sanctioned, as well as the amount of loans sought for and granted—has considerably dwindled and this is due not to lack of initiative or enterprise on the part of the Corporation's management, but to certain anomalies in the Central Government's policies to which the Directors of the Corporation have drawn attention in their report. Consequently, the working of the Corporation has not proved to be very remunerative.

The Corporation has earned a profit of Rs. 2.86 lakhs (subject to provision for taxation), as against Rs. 1.91 lakhs in 1954-55. The provision for taxation has been raised from Rs. 54,800 to Rs. 78,000 and the allocation to the reserve fund has been doubled from Rs. 15,000 to Rs. 30,000. These appropriations leave a balance of Rs. 1.78 lakhs. As the dividend of 3½ per cent. per annum guaranteed by the State Government requires Rs. 3.30 lakhs, the Corporation has sought a subvention of Rs. 1.72 lakhs from the State Government to make up the guaranteed dividend. Last year, a subvention of Rs. 2 lakhs was obtained from the Government for a similar purpose.

The Corporation received 23 applications for loans aggregating Rs. 31.10 lakhs, as against 38 applications for Rs. 95.15 lakhs in the previous year. The loans sought for by nine applicants for Rs. 4.58 lakhs were sanctioned, as against 20 applicants for Rs. 38.56 lakhs in 1954-55. The number of applications pending consideration at the end of the year was 11, the amount involved being Rs. 39.10 lakhs, as against a similar number for Rs. 22.32 lakhs at the close of the previous year. As in the previous year, the largest number of applications from any single industry was from oilseeds crushing concerns, which numbering six sought an aggregate loan of Rs. 15.25 lakhs (as compared with nine concerns for Rs. 35.8 lakhs in 1954-55).

Out of the total amount sanctioned during the past two years, namely, Rs. 43.14 lakhs, only a sum of Rs. 26.14 lakhs was disbursed up to the end of the year under review. The causes for the delay in the disbursement of loans are non-maturity of commitments for which loans were sought, non-arrival of machinery for which orders had been placed, the practice of making payments only after the expenditure is incurred, etc. The Corporation had agreed to subscribe for Rs. 10 lakhs of 7 per cent. first mortgage debentures of a cotton mill, of which debentures of the value of Rs. 7 lakhs were taken up last year. The balance of Rs. 3 lakhs was taken up this year.

Setting out the causes for the decline in business, the Directors observe in their report:

"The establishment of the Small-scale Industries Board for the financial assistance of cottage and small-scale industries envisaged by the Central

(*Continued on page* 1039)

SCOPE FOR MULTIPLE-SHIFT WORKING IN COTTON MILLS

MINISTERS' VIEWS EXAMINED

By A Textile Correspondent

IN their memoranda, submitted separately to the Planning Commission last December, Mr. Gulzarilal Nanda, and Mr. T. T. Krishnamachari, both Union Ministers, have expressed their views on the possibility of attaining higher cloth and yarn output by putting the cotton mills in the country on multiple-shift working. The views of the Ministers are of great importance in determining the production targets for the cotton textile industry in the second Five-year Plan and, therefore, call for careful consideration, especially in the context of the mill industry's demand for a higher production target and for a corresponding increase in its plant and machinery.

Relying on the estimates made by the Karve Committee, Mr. Nanda places the *additional* cloth requirements, including export demand, at the end of the second Five-year Plan period, at 1,400-1,700 million yards. He contends that this requirement could be attained by an intensification of the existing system of shift working. Mr. Nanda has developed his case for a more intensified system of shift working, along the following lines:

(*a*) The spindle working position in India as on 1st January 1955 was:

	Million spindles
Number installed	11.96
,, working 1st shift	10.13
,, working 2nd shift	9.46
,, working 3rd shift	3.59

(*b*) *First shift.*—After allowing for closure of mills with an aggregate of 436,360 spindles, and making an allowance of 2½ per cent. for repairs, cleaning and oiling, and a further 2½ per cent. for absenteeism, Mr. Nanda contends that 10.944 million spindles should be made to work on the first shift, which would, by itself, bring an increase of 0.81 million spindles over the present figure of 10.13 million.

(*c*) *Second shift.*—Mr. Nanda sees no insuperable difficulty in working 10.94 million spindles also in the second shift, which would bring in an addition of 10.94 million *minus* 9.46 million, or 1.48 million spindles in the second shift.

(*d*) *Third shift.*—Referring to the third shift, Mr. Nanda's point is that, even after providing for mills with old machinery, it would be possible to put an additional 3.68 million spindles on the third shift, though he does not say how he has arrived at this figure.

(*e*) The additional spindleage which can thus be pressed into service and the additional production which can be obtained, work out as under:

Shift	Additional spindles (in million)	Additional production	
		Yarn (in mil. lbs.)	Cloth (in mil. yds.)
First	0.81	76.5	344
Second	1.48	139.0	625
Third	3.68	253.0	1,139
Total ..	5.97	468.5	2,108

[*Note*:—The conversion from spindleage into yarn production, and from yarn production to cloth production, has been made on the following assumptions:

Yarn — On an average of 20s per shift of 8 hours .. 5 ozs. per spindle.

Cloth — One lb. of yarn .. .. 4¼ yards of cloth]

This additional production, he points out, is very much in excess of the optimum figure of additional requirement of cloth visualised by the Karve Committee.

(*f*) Licences for new spindles of the order of 2.15 million are still outstanding, and allowing for an effective working 95 per cent. the new spindleage on double shift, Mr. Nanda claims additional production to the extent of 408 million lbs. of yarn, equivalent to 1,836 million yards of cloth.

(*g*) The idle spindle capacity and the licences already issued would permit the production of more than double the total quantity of cloth required during the Second Plan period.

Mr. Nanda's suggestion, therefore, is that there should be no further expansion of the industry, and he urges, in addition, the cancellation of all licences granted for expansion which have not so far been cashed by the mills.

Mr. Krishnamachari's Memorandum

Mr. Krishnamachari, on the other hand, places the additional demand for cloth, both for internal and export purposes, at 2,500 million yards. He discounts the chances of the industry being able to increase the spindleage in the first two shifts, but concedes the possibility of increasing spindleage on the third shift by 20 per cent., which might yield 50 million lbs. of yarn equivalent to 230 million yards of cloth. In his opinion this, however, is not capable of being achieved due to factors like natural inclinations of the workers and the management, etc. Of the new spindles licensed, he concedes that 1.7 million spindles might go into production in the Plan period, and produce yarn equivalent to 1,060 million yards of cloth. The details of Mr. Krishnamachari's working are as under:

(*a*) *First shift.*—There is no room for any increase in the number of spindles working in the first shift. According to Mr. Krishnamachari, the number of spindles idle in the country on 1st January 1955 due to various reasons was as follows:

	Million
Gross spindleage in mills closed and which are not likely to restart	0.44
Spindles kept idle on account of repairs, cleaning, oiling—5 per cent.	0.60
Spindles idle due to absenteeism	0.30
Spindles in a dilapidated condition in the mills which are already running	0.50
Total ..	1.84

If the total figure were subtracted from the number of spindles installed (11.96 million *minus* 1.84 million), the result, namely, 10.12 million, is substantially the same as the number of spindles at present working in the first shift.

(*b*) *Second shift.*—The difference between the spindleage working in the first and second shifts now is 0.67 million spindles, and at 4 ozs. per spindle per day, 0.67 million spindles might theoretically give 55 million lbs. of yarn, equivalent to 224 million yards of cloth; but this increase has to be ruled out as a possibility in the same way as any increase in the first shift.

(*c*) *Third shift.*—Mr. Gulzarilal Nanda's assumptions in regard to fuller working of third shift are not practicable. In industrialised areas, employees resist third shift; nor are the employers anxious to put in another shift. In non-industrialised areas, the employee resistance to third shift is even more pronounced. There might, however, be the possibility of increasing the complement in the third shift by about 20 per cent. for a time, which might give us 50 million lbs. equivalent to 230 million yards of cloth, but it requires effort, and if the natural inclinations of the parties are allowed to operate, it might not be achieved at all.

(*d*) Coming to new spindle capacity for which licences have been issued, Mr. Krishnamachari thinks that, even if all the licences materialise, which would not, the period of time in which they would be installed, would be spread over a number of years, and in any event, any increase in production arising from the operation of new spindle capacity may come in perhaps at the end of the third, or even in the fourth, year of the Plan period. Assuming, however, that about 1.7 million newly licensed spindles would come into existence, then that may yield, after allowing for 12½ per cent. for repairs, overhauls, power cuts, etc., yarn capable of producing an additional 1,060 million yards.

The present availability of cloth for domestic consumption is 5,850 million yards, and it is likely to go upto 8,000 million yards in the second Plan period at 20 yards per head for a population of 400 millions. Additional production for domestic consumption will, therefore, be of the order of 2,150 million yards. Exports will go up from 900 million yards (850 million yards of mill-made cloth and 50 million yards of handloom cloth) to 1,250 million yards (1,175 million yards of mill-made cloth and 75 million yards of handloom cloth) and this would call for an additional production of 350 million yards. The total additional production, which should be achieved by the end of the second Plan, would, therefore, be 2,500 million yards, but the spindles which have now been issued are capable of giving only 1,060 million yards, while nothing more can be expected from the existing spindleage. Mr. Krishnamachari, therefore, urges that expansion in both the spinning and weaving centres must be provided for to enable the country to meet the deficit.

These, in brief, are the views of the Ministers on the feasibility of securing higher output by means of multiple-shift working. The points that call for consideration are:

(*a*) Estimate of additional requirements of cloth at the end of the second Five-year Plan period;

(*b*) Whether, and if so to what extent, additional spindles can be worked in the first, second and third shifts; and

(*c*) Estimate of production per spindle.

Estimate of Additional Cloth Requirements

(*a*) The Millowners' Associations of Bombay and Ahmedabad, in their joint memorandum submitted to the Planning Commission in August 1955, have stated that the *per capita* consumption of cloth at the end of the second Five-year Plan would be 22 yards. On this basis, cloth requirements can be assessed as under:

	Million
According to the decennial census of 1951, India's population was	357
With an increase of 4 millions per annum, the population in 1960-61 would be	400
At 22 yards per head, total clothing requirements .. .. (yards)	8,800
Export target at the end of the second Five-Year Plan .. .. (yards)	1,200
Total .. (yards)	10,000

Against the above requirements, present output is—

(In million yards)

Mill-made piecegoods	5,000
Handlooms	1,500
Powerlooms	200
Total ..	6,700
Therefore, additional requirement (10,000–6,700) =	3,300

This conclusion has been arrived at on the following hypothesis:

(*a*) *per capita* consumption on the basis previously estimated by the two Associations;

(*b*) population figures and increases therein accepted according to usual estimates;

(*c*) export target figures as fixed by the Planning Commission in the recent Draft Outline; and

(*d*) handloom production as indicated in the Textile Commissioner's Statistical Bulletins according to which 1955 production is 1,480 million yards.

(*b*) Mr. Gulzarilal Nanda has relied on the Karve Committee's estimates in paragraph 76 of their report. The Karve Committee state that there might be a 20 or 25 per cent. increase in the *per capita* consumption of cloth, and so the total cloth requirements would vary between 8,150 million yards minimum and 8,450 million yards maximum, in the year 1960-61.

This does not appear to be correct, as shown below:

Per capita consumption in the year 1954 was.. (yards)		15.00
20 per cent. increase would give .. ..(,,)		18.00
25 per cent. increase would give .. ..(,,)		18.75
Population in the year 1960-61, with a 4 million increase every year over the basic census year of 1951 (357 million) would be	(millions)	400
Total internal demand for cloth—		
Minimum at 18.0 yds.	(mil. yds.)	7,200
Maximum at 18.75 yds. .. .. (,, ,,)		7,500
Added to this, export target fixed by Government, namely, 1,200 million yards—		
Total:		
Minimum	(mil. yds.)	8,400
Maximum .. .. .. (,, ,,)		8,700
As against the Karve Committee's		
Minimum	(mil. yds.)	8,150
Maximum .. .. .. (,, ,,)		8,450
Therefore, additional production required—		
Minimum .. .. 8,400 minus 6,500 = 1,900 mil. yds.		
Maximum .. .. 8,700 minus 6,500 = 2,200 mil. yds.		

against the Associations' figure of 3,300 million yards.

The Karve Committee's estimates suffer from the following drawbacks:

(i) Under-estimation of *per capita* consumption in so far as it ignores growth of population.

(ii) Under-estimation of export target. (As against 1,200 million yards, the Karve Committee has taken only 1,000 million yards.)

Mr. Krishnamachari's Estimates

(*c*) Regarding Mr. Krishnamachari's estimates, the Minister had estimated requirements on the basis of a population of 400 million at 20 yards per head, yielding a total internal consumption of 8,000 million yards. He has added the export target of 1,250 million yards, and deducting present production of 6,750 million yards, the additional production required at the end of the second Plan period is equal to 2,500 million yards, against the Associations' estimate of 3,300 million yards.

(*d*) We have, therefore, three figures before us:

(i) The Associations' estimate, which gives a total additional requirement of 3,300 million yards, that is, at 22 yards per head.

(ii) Mr. Gulzarilal Nanda's estimates, based on the Karve Committee's report which we have shown as untenable, but which gives an additional requirement of 1,900 million yards minimum and 2,200 million yards maximum.

(iii) Mr. Krishnamachari's estimate, on the basis of a population of 400 million, at 20 yards per head *plus* the export target, amounting to 9,250 million yards, which gives a total additional requirement of 2,500 million yards.

Of the two Ministerial estimates of cloth requirements, we may have no hesitation in accepting the one coming from the Commerce and Industry Minister, since it is nearer to the industry's figures. Further, the Karve Committee's estimates of cloth requirements suffer from certain drawbacks which have already been listed.

Productive Potential

Mr. Nanda assumes that 10.94 million spindles will work in the first shift. This is not likely to be achieved. He has deducted from the total installed capacity, (*a*) spindleage of mills closed; (*b*) 2½ per cent. for oiling, cleaning, etc., (c) 2½ per cent. for absenteeism; and has assumed that all the remaining spindles must work. This is not within the scope of practical economics. The monthly mill-opperational statistics (C.S.T.), issued by the Textile Commissioner, show that, while there was a certain amount of variation from month to month in 1955, the average spindleage worked in the first shift, taking the year as a whole, was 85 per cent. of the installed capacity, which shows the need for a 15 per cent. allowance for outage to offset such factors as oiling, overhauling, repairs, absenteeism and closure, but without making any provision for the fact that about half a million spindles working at present are in a very dilapidated condition. This has been recognised by Mr. Nanda himself. That Mr. Nanda's claim is an exaggerated one is amply borne out by the fact that, even when it would have been profitable to put all the productive machinery into commission, no substantial increase in working spindleage and loomage was noticed. In these circumstances, the possibility of an increase in spindleage in the first shift is ruled out.

Coming now to the second and third shifts, some of the most dominating factors which severely limit the quantum of machinery which can be pressed into service in these two shifts, quite apart from such things as overhauling, oiling, repairing, etc., are:

(1) supply of labour and the availability of housing and other amenities to deal with the influx of working class population following an increase in shift working;

(2) labour's unwillingness to work an additional shift;

(3) availability of requisite quantities of cotton, coal or power;

(4) adequacy of the preparatory machines in the blow room, cards, frames, etc., and in the weaving preparatory departments, winding, warping, drawing-in, etc.; and

(5) condition of machinery generally.

It is very difficult to say precisely how each of the above factors operates and to what extent idle spindleage in the second and the third shift is due to the operation of each of the above factors. Nevertheless, an objective study of the working of mills in the City of Bombay and elsewhere shows that, in a very large number of cases, inactivity in the second and third shifts is due to bottlenecks in the preparatory departments, and this is very pronounced in the third shift.

Estimate of Production per Spindle per Day

Mr. Nanda's estimates are based on an assumed figure of 5 ozs. per spindle per day of eight hours, on an average of 20s count. The Textile Commissioner's statistics of yarn production, when analysed, yield an average production figure of 4.2 ozs. per spindle; yet, it would be wrong to assume for the purpose of planning that the present spindleage, 20 per cent. of which is already admitted to be in a very dilapidated condition, would yield in the next five years production at the rate of an average 4.2 ozs. per spindle per day. In this view of the case, the more modest figure assumed by the Commerce and Industry Minister may be accepted.

Machinery Needed to Meet Additional Demand

Basing our estimates on the position taken up by the industry in the matter of the *per capita* consumption of cloth, the additional requirement of cloth per annum would be 3,300 million yards. With the meagre information available regarding the development of the handloom industry, it is not possible to make any exact estimate regarding the extent to which that industry would contribute to this increased demand, but, assuming that 1,000 million yards of the additional demand came from the handloom industry, then, immediate licences would have to be granted for purposes of expansion to the cotton mill industry on the following scale:

(*a*)	Additional quantity of cloth required in the Plan period .. .. .. (mil. yds.)	3,300
(*b*)	*Less*: Contribution by the handloom industry .. .. (mil. yds.)	1,000
(*c*)	Balance .. .. (,, ,,)	2,300
(*d*)	Taking the production of an automatic loom at 25,000 yards per year, the number of automatic looms required to produce the abovementioned quantity would be	92,000
(*e*)	The quantity of yarn required to produce the additional quantity of cloth, on the basis of 4¼ yards = 1 lb. of yarn.. .. (million lbs.)	510
(*f*)	With an effective working of 87½ per cent. to cover outages for oiling, repairs, etc., the total number of spindles required on the basis of double-shift working on a 300-day basis, to produce the above quantity of yarn .. .. .. (mil. spindles)	4.0
(*g*)	Already licensed by Government.. (,, ,,)	2.1
(*h*)	Spindles now required to be licensed .. ..(,, ,,)	1.9
(*i*)	The quantity of yarn required to produce 1,000 million yards by the handloom industry on the basis as at (*e*) above .. (mil. lbs.)	222
(*j*)	The total number of spindles required to produce 222 million lbs. of yarn on the basis at (*f*) above .. ..(mil. spindles)	1.7
(*k*)	Total spindles required to be licensed, i.e., (*h*) *plus* (*j*) .. .. ..(mil. spindles)	3.6

(*Note.*—The above calculations are based on an average count of 20s, but, if the industry goes finer, then the spindleage requires a corresponding upward adjustment.)

The above figures are not intended to be very exact, but they give a rough indication of the size of the problem of expansion in the industry in relation to the second Five-year Plan. The need for cloth is there, and it is too much to expect that the handloom industry would be able to step into the gap effectively either in the Five-year Plan or at any time in future. Next to food, clothing constitutes an important element of our civilised existence, and it will be dangerous to neglect the organised industry and depend on the traditional cottage industry to supply the growing needs of the country when we know that the handloom industry is subject to various influences which affect its working.

WOOL MARKETS IN FIRST QUARTER OF 1956

Although official figures of world wool consumption during the first quarter of 1956 will not be available for some time, reports from the principal manufacturing countries indicate that activity followed very much the pattern of the preceding three months, when consumption was up to a good level. This finds an element of confirmation in the continued healthy rate of wool disposal in Commonwealth markets and in the generally well maintained basis of values, according to the I.W.S. trade correspondent at Bradford. Disposals in Australia were disturbed by the dock strike in February. This led to a limited rearrangement of the selling programme for the remainder of the season, but, since selling was resumed, an extremely active level of demand was in evidence. Wool moved briskly from the market, while every effort was made to overtake shipment arrears.

A feature of the quarter under review in the Australian market was a sustained call for wool on the part of Japan, which frequently led the buying and dominated the market on good style wools. The substantial character of Japanese buying lent colour to reported plans of a further extension in wool textile production in that country. Australian shipment figures for the seven months of the season up to the end of January show that Japan, as the third largest buyer in the Commonwealth, took 327,000 bales. The United Kingdom held its traditional first place with 594,000 bales and France was second with 419,000 bales. The other chief buyers in the order of importance were Belgium, Italy, the German Federal Republic and the U.S.A. Disposals in South Africa and New Zealand were on a large scale and, in each of these markets, the selling season was entering its final stages. Most of the full length wool in South Africa had been disposed of and shorter wools were to preponderate in the offerings for the remainder of the season. In New Zealand, the sustained world vogue for crossbred wools of all types led to ready clearance at all the sales. In all Commonwealth markets, the wool price trend over the three months was very steady. There was a slight setback to prices of both merinos and crossbreds early in March, and it was relatively more pronounced in the latter, but New Zealand prices showed a recovery in the last two sales before Easter and clean costs—when selling was suspended for the Easter recess—were 2d. to 3d. per lb. above those ruling at the beginning of the season last October. Merino prices also became firmer in the few days before Easter.

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REDUCED EARNINGS OF COTTON MILL COMPANIES

CLOTH OUTPUT MOVES DOWN

From A Special Correspondent

MANCHESTER, 15*th May*

MANCHESTER LETTER

JUDGING from the latest financial returns, the experience of most cotton companies in Lancashire this year is certainly going to make discouraging reading for the investor. The incidence of severely contracted trading with short-time running at intervals and a dearth of demand is now having its inevitable effect upon the earning capacity of the industry. Some firms managed to recoup part of their fall in profits after the 1952 recession by judicious tax adjustments but the current returns show a definite trend towards very much lower profits—and in some instances none at all.

A startling example of adverse trading conditions has been portrayed by Crosses and Heatons Ltd., the Bolton fine spinning group, whose net profit of over £230,000 last year has been turned into a loss of £29,000. The dividend has been reduced from 10 per cent. to 7½ per cent. But as if to prove that such conditions were equally to be found in the coarser section of the trade, the Royton Textile Corporation group has also incurred a small net loss of £2,690, compared with a profit of £32,061 a year ago. In this case, the dividend is reduced from 12½ per cent. to 10 per cent.

Nor is this unfortunate experience solely the prerogative of the spinning section, for William Pickles & Co., which not only manufactures cloth but has an extensive merchanting organisation, has lately announced a net loss of some £22,000 against a profit of more than £35,000. No dividend is recommended in this instance against 12½ per cent. The spinning and weaving concern of Slack Mills has also suffered a net loss of about £4,000 against a profit of £35,000, but is maintaining its dividend.

Although more than a dozen other textile companies which have announced their results during the past month have avoided actual losses, the majority have recorded lower profits —and in some cases a sharp reduction has been shown. They cover all sections of the industry —from spinners of yarns made from synthetic fibres like the Mutual Mills, whose profit has fallen from £103,000 to £66,000, to weaving firms such as Robert Pickles where the reduction has been from over £31,000 to £18,000. Most of these companies have continued to pay an unchanged dividend although in several cases allocations to reserves have been curtailed.

Lower Interim Payments

Some idea of future results can also be gauged from the policy of directors in declaring interim dividends. The Joshua Hoyle group has lately cut its interim from 5 per cent. to 4 per cent. and several spinning mill companies have taken similar precautionary action. Reduced interim payments have been announced by the Belgrave Mills, the Dove Spinning Company and Coldhurst Mill.

All these indications underline the struggle which is now going on to maintain production at a remunerative level. Yet in isolated cases the situation is not entirely discouraging. The Eclipse Mill has reported a slight improvement in earnings, at about £20,000 against £17,500. The Ellenroad Mill, although profit is some £22,000 lower at around £40,000, is paying an increased dividend of 25 per cent. against 22½ per cent.

One of the most interesting reports has lately come from the directors of Bannisters of Trawden all of whose mills are employed on shift work. It is dangerous to draw conclusions from an individual example, but it cannot be denied that this group has improved its net profit during the past year from £40,000 to over £55,000. Most of its weaving capacity is run on three shifts and other machinery in the finishing and processing section is operating on double shifts.

Downward Drift

Sufficient details have been given at one time or another to emphasise the decline in mill output and manpower in Lancashire but still the depressing facts and figures come in. The latest statistics issued by the Cotton Board show that for the first quarter of this year cloth production was almost exactly 100 million yards lower than in the corresponding period of 1955.

With the single exception of February last year weekly average production of cloth was below the corresponding total 12 months previously throughout the past 15 months. In many cases the reduction was substantial and the gap shows no sign of being narrowed. Again it should be emphasised that, particularly in recent months, the quantity of rayon and mixture cloth produced has compared reasonably well with the 1955 figures.

The most significant feature of this particular development is that the fall in output can be attributed almost entirely to the drop in cotton cloth production. The quantity of rayon and mixture fabric turned out by the mills showed very little change from last year's total. This is in line with the better results obtained in spun rayon production in the spinning branch of the industry. Some idea of the uphill battle which has been fought over the past 12 months, in ever-worsening circumstances, can be observed in the following table, showing a comparison of cloth output in weekly averages and the drift of labour from the mills during the same period.

	Cloth production		Manpower	
	Weekly average (In 000 linear yards)		In spinning, doubling and weaving	
	1955	1954	1955	1954
January	53,690	54,040	280,490	289,960
February	55,030	55,480	284,320	290,600
March	54,520	56,440	279,970	290,040
April	48,320	53,510	275,740	290,020
May	53,220	57,480	271,670	289,790
June	46,860	53,960	267,350	288,580
July	39,040	54,870	262,920	287,680
August	44,090	53,360	260,560	288,410
September	44,480	53,770	258,950	287,240
October	49,300	58,170	257,810	287,570
November	48,690	57,020	257,660	287,690
December	43,350	50,170	256,080	286,460
	1956	1955	1956	1955
January	47,370	53,690	256,580	286,490
February	46,930	55,030	255,020	284,320
March	46,340	54,520	253,280	279,970

Anglo-Persian Trade

British textile machinery can capture Persian orders for spinning and weaving machinery —provided they offer easier terms of payment, said Senator Nikpour, leader of a five-man delegation from the Teheran Chamber of Commerce during a visit to the Manchester Chamber.

Under his country's seven-year development plan the importation of more textile machinery was envisaged so that Persia could produce its own cotton goods.

Lancashire had two great rivals in the supply of cotton goods to Persia, said Senator Nikpour. They were Japan and Russia, both of whom offered better credit facilities and cheaper goods. Persian merchants who wanted to order cotton goods in Lancashire had to pay a 70 per cent. deposit on the order in the bank.

New Machines Wanted

The absence of revolutionary new machines for the textile industry was criticised by Mr. William Leach, President of the Textile Officials' Association, in his address to the annual conference which opened at Southport this week.

Describing the textile machinery manufacturers as "oblivious," he said there had been no revolutionary changes in design in the textile industry to match the contrast between the first aircraft and now the jet engine, or the first motor car and its present-day successor.

"We must realise that this is an age of speed and movement and we cannot afford to stand still. Our own skills and techniques can only change when epoch-making discoveries are introduced," said Mr. Leach.

Speaking of juvenile recruitment to the Lancashire textile industry, Mr. Leach said juvenile employment officers had "nothing in their windows to sell to potential entrants." No information was available on the subject of how youths might eventually become part of higher management and no scale of salaries indicating what level of earnings could be expected after receiving practical and technical training. "This is an indictment of the trade and little progress will be made until we leave the Victorian policy of 'wait and see' behind," said Mr. Leach.—*All Rights Reserved.*

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WORLD COTTON SURPLUS

AN UNDERDEVELOPED COUNTRY'S VIEW OF DISPOSAL PROBLEM

WORLD cotton supply has grown from year to year, thereby creating a problem for the producers. For the current (1955-56) season, the output of this commodity has been estimated by the U.S. Department of Agriculture at 39.3 million bales, against 39.1 million bales in the 1954-55 season. The estimate for the 1955-56 season is about one million bales below the prediction made by the Department in January last. It said that the cut was "due principally to unfavourable weather and insect damage in Egypt, India and the Soviet Union." The increase in world output had taken place in the face of a large reduction in the U.S. acreage under cotton. Over the past five years, it noted, the U.S. acreage had been steadily reduced from 26.9 million acres to 17.4 million acres. While the U.S. had been reducing its cotton acreage, most other foreign countries had "sharply increased the area planted to cotton." In this connection, it cited the fact that the foreign free world countries increased their land under cotton from 39.6 million acres in 1953-54 to 45.6 million acres in 1955-56. The Communist countries, though they did not increase the land under cotton, have more than doubled the cotton production since World War II.

The world supply of cotton, on the basis of the latest estimate of the U.S. Department of Agriculture, would amount to 61.1 million bales, made up of 39.3 million bales of cotton output and 21.8 million bales of carryover cotton. If consumption were to aggregate no more than last year's level of 36 million bales, the carryover at the end of the current season would be about 25 million bales, as against 21.8 million bales on 31st July 1955 and 20.2 million bales on 31st July 1954.

Against the background of the large surplus of cotton in the world and the absence of any immediate prospect of any reduction in these stocks, the deliberations of the International Cotton Advisory Committee which met this month in Washington, acquire a special significance. At this session were represented the representatives of 79 countries and 10 international organisations. Addressing the opening session, the U.S. Assistant Secretary for Agriculture, Mr. Marvin L. McLain, said that the "U.S. feels that this organisation has an important function to perform, and believes firmly in the need for international co-operation to solve our mutual cotton problems through discussion."

Although the details of the discussions which took place at the session have not been available, it is reported that the Committee has found that the cotton surplus problem is difficult to solve. The Committee, it is stated, could offer no solution to the problem of mounting world cotton surpluses. This failure to find a solution will naturally cause apprehensions in the minds of cotton men the world over, because they feel that the U.S. which has a large proportion of the free world's total cotton supply and which is faced with a particularly acute surplus problem, may be compelled to sell its cotton at very low prices. The fear is that any such policy would disrupt world markets. It is true that the U.S. authorities have consistently given the assurance that such a policy will not be followed. Nevertheless, in many countries, there is a feeling that the U.S. may be compelled to resort to it to an increasing extent. The U.S., as is well known, has already announced that it will sell, with effect from 1st August next, its surplus cotton at competitive prices.

It has, however, been stated on behalf of the U.S. that that country has a right to make every effort to recover its traditional position in the world cotton market and that, in the long run, the U.S. policy of selling cotton at the prices it will fetch will contribute to the improvement of the position of cotton in relation to artificial fibres. Commenting on these two objectives of the U.S. cotton sales policy, the Mexican journal, the *Comercio Exterior*, says:

"Though numerous considerations might be formulated with respect to the first objective, suffice it to say that, although the right of a nation to recover her markets is undeniable, it should be kept in mind that the increase in total United States' exports has been far greater than the drop in her cotton sales. Furthermore, it should be understood that the international community cannot recognise as legitimate an effort aimed at the recovery of markets based on encouraging exports by subsidies and artificial measures, which besides upsetting the market, harms the interests of other nations, and compromises their development as well as world economic stability. As to the idea that the decrease in prices fostered by United States' policy can reinforce the competitive position of the cotton industry with respect to the artificial fibres industry, it is so unrealistic as to recall Alice's discoveries in Wonderland. Such a thing could be true only if the United States alone were in a position to guarantee an adequate and stable supply to the entire world's textile industries on long terms, after having ruined cotton producers of all other countries and become the only producer in the market."

The effect of the U.S. cotton policy of selling for export at below domestic prices, the journal fears, would be to force prices below costs "even in those countries naturally and economically best equipped for cotton production." It adds: "Obviously, if this should happen, besides the frictions it would provoke, it would create a radical disorganisation of the cotton industry with consequent reductions in supply, increased prices and be even more favourable to departure from cotton consumption to the consumption of artificial fibres than has occurred up to now." Referring to the impact of such an export policy on the economy of underdeveloped cotton-producing countries, the journal says:

"Nations such as Mexico, apart from being traditional cotton producers, have found its cultivation a basis for increasing their agricultural development, for providing remunerative employment to a growing population, for utilisation of formerly unused arid land, and for a more solid foundation for industrial development. The interests of these nations are entitled to consideration and respect. Not only is the fate of one or several isolated countries at stake at this moment, but also something which affects practically the whole world."

In conclusion, the journal rightly holds that the root of the problem of cotton surpluses in the U.S. lies in its extraordinary economic development, rapid agricultural progress resulting in increased per-acre yields and the system of fixing domestic guarantee prices. The last factor, as is well known, has been a particularly important one in causing the emergence of surpluses. From this point of view, it would seem a great pity that the U.S. has not found it possible to abandon the policy of rigid price support for agricultural produce.

COTTON IN COIMBATORE

Coimbatore District in South India is known all over India as a region which grows some of the finest varieties of Indian cotton. Some light is thrown on the cultivation and marketing of cotton in this district by the report of the Coimbatore Market Committee, Tirupur (Chairman: Mr. E. R. Kandaswamy Gounder) for the year 1955. The Report points out that the production of cotton in this district during the year under review was 115,000 bales, consisting of 65,000 bales of Cambodia, 20,000 bales of Madras Uganda and 30,000 bales of Karunganni.

The total ginnings in this district amounted to 77,850 cds., comprising 10,000 cds. of Madras Uganda, 48,455 cds. of Cambodia and 19,395 cds. of Karunganni. During 1954, the total ginnings came to 65,196 cds., consisting of 43,805 cds. of Cambodia, 18,547 cds. of Karunganni and 2,844 cds. of Madras Uganda. The total pressings during 1955 amounted to 76,199 bales as against 43,617 bales in 1954. The consumption of cotton by the textile mills in Coimbatore District was about 3,00,000 bales, consisting of 1,10,000 bales of Cambodia and Karunganni, 1,55,000 bales of other Indian cotton and about 35,000 bales of cotton of foreign origin. About 69,000 bales of cotton were exported to places outside this district such as Madura, Tirunelvelli, Malabar, North Arcot, Travancore-Cochin, Andhra, Orissa, Ahmedabad and Bombay.

The Committee has continued to publish useful marketing information. Its publications include weekly reports regarding arrivals, despatches and stocks of cotton in the Tirupur market, weekly statement of prices of cotton and *kapas* and monthly review of cotton market. These reports are being made available to the authorities of the Central Government and the Government of Madras. A notable feature of the work of the Committee during the year was the propaganda campaign it undertook among producers and consumers in the cause of regulated market for agricultural commodities. It would, however, appear that "for want of frequent contacts, this did not achieve any success worth reporting." Now that the financial position of the Committee has improved, the authorities propose to carry on vigorous propaganda in this direction.

Subjugation of the Mad Elephant by the Buddha. From the Amaravati Stupa, Andhra.

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जिने कदरियं दानेन सच्चेन अलिकवादिनं॥

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Overcome the miser by generosity, and the liar by truth.

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THE current sugar season—that is, 1955-56—will go down as a landmark in the history of the Indian sugar industry, for it is expected to witness an all-time record output of sugar, the latest estimate of aggregate production being 1.70 million tons. The estimate compares very favourably with the previous peak of 1.59 million tons produced in 1954-55, a rise of nearly 7 per cent. over the season. The improvement in sugar production would have been more marked but for the distinct decline in the quality of sugarcane supplied to the mills. Indicative of this setback is the fall in the recovery percentage of sugar, the all-India average for the season under review being 9.87, as against 9.93 a year before.

The substantial rise in sugar production during 1955-56 has been rendered possible by the availability of plentiful supplies of sugarcane; the estimate of the total quantity of cane crushed is placed at 17.1 million tons, as against 16.0 million tons in 1954-55. The large supplies of cane thus must be attributed to two most favourable factors. First, the sugarcane crop has registered an improvement, the aggregate yield during 1955-56, according to the second official estimate, being 50.79 million tons, as against the adjusted second estimate of 48.58 million tons for 1954-55. Secondly, the prices of *gur* have continued to be low, the average for the year being not more than Rs. 10—Rs. 11 per maund, same as in the previous season, as against Rs. 20—Rs. 22 during 1953-54. Consequently, the cultivators preferred to sell a large part of their cane crop to the sugar mills, instead of converting it into *gur* themselves or selling it to professional *gur* producers.

Cane Crushed and Sugar Produced

The rise in sugar production during 1955-56 is shared principally by the State of Bihar which is expected to produce 91,000 tons more sugar than in 1954-55. Hyderabad and Madhya Bharat also account for an increase in output, the extent of the increase being 16,000 tons each. Bombay, too, accounts for higher output, the rise being 15,000 tons. The State of Uttar Pradesh, however, has suffered a drop of about 33,000 tons in sugar output. Similarly, the production is somewhat less in Andhra, Madras, Mysore and P.E.P.S.U.

The following table gives estimates of the total quantity of cane crushed and sugar produced by the sugar mills in the different States during 1955-56, as compared with those for the previous season:

(In thousand tons)

	Cane crushed		Sugar produced	
	1955-56*	1954-55	1955-56*	1954-55
Uttar Pradesh ..	9,024	9,347	870	903
Bihar	3,176	2,201	316	225
Bombay	1,623	1,486	189	174
Hyderabad	625	425	63	47
Andhra	592	676	56	65
Madras	554	611	51	57
Mysore	470	500	47	49
Madhya Bharat ..	299	111	27	11
Punjab	220	217	21	20
Rajasthan	136	117	13	11
West Bengal	96	86	10	9
P.E.P.S.U. ..	92	104	8	9
Travancore-Cochin ..	90	56	8	6
Bhopal	63	45	6	4
Orissa	28	30	2	3
All-India	17,084	16,012	1,687	1,592

* Estimated.

Out of the 160 sugar mills in existence, 137 units are reported to have worked during the season, as against 136 in the previous season. All those factories which were in operation in 1954-55 continued to work, the increase of one being due to the addition of the Gaya Factory in Bihar. The number of factories that actually worked during 1955-56 was 67 in U.P., 28 in Bihar, 14 in Bombay, 8 in Andhra, 4 in Madhya Bharat, 3 each in Madras, Hyderabad and "others", 2 each in Mysore and Rajasthan, and 1 each in the Punjab, P.E.P.S.U., W. Bengal, Orissa, Travancore-Cochin and Bhopal.

For the country as a whole, the duration of the crushing season is expected to be longer during 1955-56 than in 1954-55, the all-India average being 133 days, as against 129 days. The rise in the average duration of the crushing season is said to be particularly marked in the States of Madhya Bharat and Bihar, the estimate of the average number of days for both the States being placed at 127, which compares very favourably with 49 days and 94 days, respectively, for 1954-55. The number of crushing days has also increased in Andhra from 141 to 148 and in the rest of India from 120 to 157. In U.P. and Mysore, however, the duration of the current crushing season is expected to be shorter, as compared with the actual duration in 1954-55. The number of sugar mills which worked for more than 120 days is put at 95, as against 79. The table given below shows the frequency distribution of mills with regard to the number of working days during 1955-56, as compared with 1954-55:

Number of working days	U.P.	Bihar	Other States	Total for 1955-56	1954-55
200 and over ..	3	1	5	9	9
190-199	..	..	1	1	2
180-189	4	..	2	6	6
170-179	6	1	1	8	6
160-169	8	2	5	15	7
150-159	6	2	4	11	7
140-149	3	5	8	16	13
130-139	7	5	3	15	16
120-129	8	3	7	18	14
110-119	2	1	2	5	9
100-109	5	1	4	10	12
80-99	9	6	1	16	23
60-79	5	..	..	5	9
59 and below ..	5	1	..	6	4
Total ..	67	28	42	137	136
Average duration of season—					
1955-56 ..	126	127	148	133	..
1954-55 ..	139	94	130	129	..

The data relating to the frequency distribution of sugar mills according to the dates of commencement of crushing reveal that, on the whole, crushing operations began earlier than last year. By 7th December 1955 about 108 factories had commenced crushing, as against 97 units actually in production on the same date in 1954. By the end of 1955, nearly 132 of the 137 working factories had started producing sugar. The crushing operations are reported to have continued in the case of a number of factories even in the current month, although the majority of them—88 units—have nearly closed down. An idea of the close of mills' cane crushing operations in the past two seasons can be had from the following figures:

	1955-56	1954-55
15th February	4	3
16-29th ,, ...	8	3
1-7th March	4	2
8-15th ,, ...	4	6
16-22nd ,, ...	4	9
23-31st ,, ...	9	10
1- 7th April	3	11
8-15th ,, ...	19	13
16-22nd ,, ...	9	16
23-30th ,, ...	24	10
1- 7th May	7	8
8-15th ,, ...	14	11
16-22nd ,, ...	8	6
23-31st ,, ...	12	11
After 31st May	8	17
Total ..	137	136

It will be interesting to note here that Mysore accounts every year for the largest number of working days, the average for the season under review being 219, which was, of course, lower than 240 days in the previous season. Next in order come Madras with 211 working days (figure for 1954-55 being 219 days) and the Punjab with 200 days (203 days). The average number of working days with figures in brackets relating to the 1954-55 season for other States is: Uttar Pradesh 126 (139); Bihar 127 (94); Bombay 138 (139); Andhra 148 (141); West Bengal 143 (134); Orissa 100 (105); Hyderabad 171 (126); P.E.P.S.U. 118 (131); Madhya Bharat 127 (49); Rajasthan 129 (116); Travancore-Cochin 138 (96) and Bhopal 86 (85).

SUGAR IN MYSORE

The Mysore Sugar Company has urged the Union Food Ministry to issue to the Company an immediate release order for selling sugar in the free market. The plea is a sequel to the sudden appearance of scarcity in sugar and the consequent spurt in prices in some parts of the State. Disclosing this, Mr. S. Muninanjappa, Chairman of the Company, claimed at Bangalore the other day that the Company had ample stocks of sugar and could dump the market with enough supply to bring down prices. Mr. Muninanjappa declared that the spurt in sugar prices was wholly unwarranted, inasmuch as the supplies of sugar made available for consumption in the State during the first six months of the current season were in no way less than those in the corresponding period last season. During the month of April alone, as much as 22,720 bags of sugar had been despatched for consumption in the State, as against only 3,440 bags a year before. Incidentally, he stated that the Mandya factory produced 35,000 tons of sugar annually, of which 50 per cent. was sold within the State, the balance being sent outside.

Proceeding, the Chairman alluded to the special sales tax on sugar—at the rate of one anna in the rupee—over and above the normal rate of nine pies imposed by the Government of Madras, and said: "The disparity in the rates of sales tax in the two neighbouring States offers attraction for the transfer of stocks to Madras. How far such movement of stocks from the local market (Bangalore) took place last month is a matter for investigation and gives some clue to the present situation."

NEW SUGAR MILLS IN MADRAS

The three co-operative sugar mills proposed to be established in Madras State are expected to commence crushing during the 1957-58 sugar season. These factories will be located in the districts of Chingleput, North Arcot and Coimbatore. The production capacity of each factory comes to about 800—1,000 tons and capital outlay is estimated at Rs. 90 lakhs, of which Rs. 15—Rs. 20 lakhs are collected from individuals, farmers and co-operative societies, the rest being contributed by the Central and State Governments, as well as by the Industrial Finance Corporation of India. On the basis of a per-acre yield of 25 to 30 tons, each of the proposed factories will require the growing of cane in 4,000 acres which will ensure sufficient supply for crushing for a continuous period of 120 to 150 days during the season.

A technical expert from the Indian Institute of Sugar Technology, Kanpur, recently visited Madras, in order to give advice to the promoters of the aforesaid ventures on the type of machinery that would be required for the factories and on the location of the factories. A meeting of the representatives of the proposed factories and of the foreign firms which manufacture the machinery is likely to be held next month to decide on the types of plants to be imported according to specifications.

"INDIAN SUGAR" ANNUAL NUMBER

Another useful and interesting Annual of *Indian Sugar* has been published by the Indian Sugar Mills' Association, Calcutta (Editor: J. S. Mehta. Price: Rs. 3). Besides giving a resume of the proceedings of the Association's recent yearly general meeting, the *Annual* contains several interesting articles on the wide and varied aspects of the sugar industry—in India and abroad. These cover not merely the manufacture of white sugar, but also the cultivation of sugarcane. There are three interesting articles on sugar technology. The utility of the publication has been enhanced by the inclusion of statistical data relating to production, despatches, and stocks of sugar, production of *gur* and molasses, technological results of sugar factories, trend of cane cultivation, *per capita* consumption of sugar in India and other countries, and estimates of world sugar output. Also incorporated in the *Annual* are two statements—one showing the total revenue realised by the Government from sugar factories in India and the other indicating the value of sugar produced, amount of money paid for cane by mills, and the sum dispersed as salary, wages, etc., to workers.

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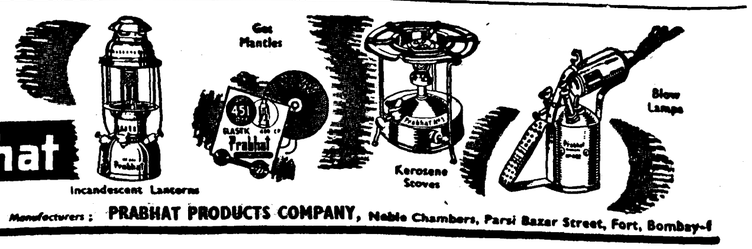

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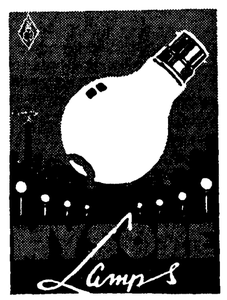

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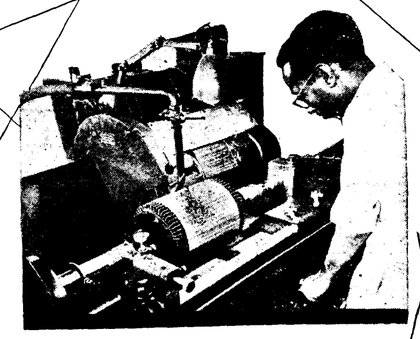

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OUTLOOK FOR TEA IN NEXT SEASON

PRODUCERS OF BEST QUALITY TEAS CAN EXPECT A REWARDING YEAR

TEA auctions in Calcutta for the season 1955-56 are practically over, the sale that took place early this week being of a clearing nature only. In fact, the season's sales were expected to close early in May but they had to be unavoidably extended on account of the weak state of the market during most part of April when withdrawals were rather heavy. There were nearly 130,000 chests of leaf tea remaining for sale at the beginning of May. Two sales of about 53,000 chests each have since been held for export, as also two sales of an average of 6,000 chests each for internal consumption. The results of the current week's sales, meant for the purpose of clearing the balance of the closing season's stocks, are not available at the time of writing. It will be recalled that last year, the auctions for export closed in the first week of April and those for internal consumption in the middle of May.

The new season's opening sales is expected to be held on 11th June. There will, therefore, be an interval of only two weeks between the two seasons, unless the new season's opening sale is advanced by a week, as is expected by some. Meanwhile, a supplementary sale of 4,256 packages was held on 9th May in the new season's Darjeeling teas.

The last two sales of the old season's tea for export witnessed a fairly good general demand, the bright liquoring teas, in particular, being a strong feature. No quotations were, however, given, as most of the offerings consisted of end-of-season types and very few teas were truly representative. The sales for internal consumption also experienced a fair general demand. The black leaf teas suitable for the Middle East and the very best autumnal C.T.C. Assams were firm and dearer. The other varieties ruled irregularly quiet.

The following comparative table shows the trend of prices in recent weeks:

	14-5-1956	7-5-1956	30-4-1956	2-4-1956
Export sale	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p
Clean B.P.	N.Q.	N.Q.	N.Q.	2 2 0
Plain B.P.	N.Q.	N.Q.	1 8 0 to 1 9 0	1 9 0 to 1 10 0
Medium Assam B.P....	N.Q.	N.Q.	1 10 0	1 11 0
Best C.T.C. Assam B.P.	N.Q.	N.Q.	N.Q.	N.Q.
	15-5-1956	8-5-1956	1-5-1956	3-4-1956
Internal consumption	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p
Medium Dooars dust..	1 8 0	1 8 0 to 1 9 0	1 8 0 to 1 9 0	1 11 0 to 1 12 0
Medium Assam grainy dust	1 9 0	1 9 0 to 1 10 0	1 9 6 to 1 10 6	1 12 0 to 1 14 0
Best Assam C.T.C. dust	2 12 0 to 2 14 0	2 12 0 to 2 14 0	2 12 0 to 2 14 0	2 14 0 to 3 0 0

Advices from London indicate that there is still a good demand for good quality teas. The general trend of prices, however, shows a slight recession. Plain B.P. is being nominally quoted at 38¾*d.* per lb., a fall of 1¼*d.* from the previous week's price. The small recession in prices at London need not be viewed with any concern. It would appear to be only a corrective reaction to the sustained upward trend noted for some weeks past. Plain B.P., for instance, had risen from a low of 35*d.* per lb. in February to 60.24*d.* two weeks back. The demand for the U.K. even at the close of the season is taken as an indication of the fear that supplies from India to the U.K. may fall below their requirements, due to the vastly increased internal consumption. Further, the statistical position of tea in London does not warrant any further decline. The stocks in London and warehouse deliveries as on 27th April last amounted to 150.6 million lbs., as compared with 186.3 million lbs. a year ago. With such a heavy fall of stocks in the U.K. and the good demand from that country, the season 1955-56, therefore, closes on a promising note.

The prospects for the new season are considered brighter than at this time last year. Much will, however, depend on the size of the North Indian crop. Another uncertain factor is the non-renewal of the International Tea Agreement among the growing countries for the regulation of production and exports. Discussing the outlook for the next season in the light of several counteracting influences, Messrs. W. S. Crosswell & Co., Ltd., one of the leading tea brokers, observe thus:

"While the market for tea is an expanding one, indiscriminate extension of tea areas by individual countries could rapidly lead to disaster for the majority. It is in this context that we find the ever-increasing cost of production of Indian tea very disturbing. Recent wage and bonus awards, combined with a multitude of taxes, are, in our opinion, slowly pricing the plainer varieties of Indian tea out of the world markets. Low cost tea, notably from Africa, is steadily gaining on the Indian product in the London market and, while an alternative outlet exists in India, valuable foreign exchange is being lost. Another depressing aspect of the present cost structure is the increasing difficulty being experienced by many producers in finding the money, after meeting their other liabilities for replanting and development programmes often essential for progress and future prosperity. It is against this background of increasing competition from other producing countries, often on a lower cost basis, that the question of quality assumes special importance.

"Quantity at the expense of quality is often profitable as a short-term policy, but in the present circumstances, we consider it both dangerous and not in the general interest. If Indian tea is to maintain and develop its position in the world's markets, its product must be able to stand comparison in quality and appearance with similar varieties from any other quarter. In conclusion, we think it fair to anticipate a satisfactory season for growers, provided world production remains within reasonable bounds and costs are not forced up still further. We expect a particularly rewarding year for producers of the best quality teas; and to those who, by their geographical position, cannot aspire to come into this category we recommend the maintenance of a standard of plucking which will ensure a good appearance."

If the supplementary sale of the new season's crop from Darjeeling is any indication, the emphasis should be on producing better quality teas. For the sale disclosed that the demand for quality teas was good and a few flavoury invoices realised prices well above valuations. Stylish leaf grades and fannings were the strongest feature and sold generally above valuations, but the more ordinary descriptions met with less demand and were disposed of at prices irregularly below brokers' valuations.

(*Concluded from next column*)

5.4 million bales. Further, the jute produced during the last few years was of poor quality and, consequently, fetched lower prices. The emphasis has, therefore, to be shifted from quantity to quality and it is gratifying to find that the second Five-year Plan avers that new jute cultivation should be undertaken only in areas suitable for growing high quality jute. The additional jute to be produced in the Second Plan period is only 1 million bales over the output in 1955-56. This is a very modest target, in that it is actually 400,000 bales below the target fixed in the first Plan and 2.2 million bales short of the jute industry's total requirements placed at 7.2 million bales. Apparently, the Planners have realised that India cannot attain self-sufficiency in jute in the foreseeable future. It must however, be added that, elsewhere in the report on the Plan, the authors have stated that the target fixed for agricultural production is in the nature of first estimates arrived at on the basis of production potential expected to be added as a result of various development programmes and these targets may be revised subsequently after a detailed study of crop pattern, land and water resources and the related development programmes. In view of this, it is likely that the target for raw jute output may be raised after this study is over.

Be that as it may, the programme for cultivation of jute during the next five years is explained in the blue book on the second Plan as follows:

"The requirements of the industry for raw jute may be placed at 7.2 million bales if all the mills were to work to full capacity. In addition, about 150,000 bales may be treated as extra-factory consumption. It is, therefore, proposed to provide 5 million bales from internal production and to import the balance. It should be possible to produce the additional quantity of 1 million bales of jute largely through intensive cultivation measures with the ultimate objective of achieving an average yield of 3 bales per acre of good quality jute. The measures proposed in the second Plan include the continuation on an expanded basis of the existing jute extension schemes, setting up of seed farms, supply of improved seeds, distribution of seed drills, construction of retting tanks, etc. The organisation of an extension service for demonstration of improved cultural practices is an important item in the jute development programme."

In order to improve the quality of jute under the second Plan, it is proposed to develop and strengthen the jute technological laboratory in Calcutta, which functions under the Indian Central Jute Committee.

INDIAN JUTE INDUSTRY

EXPORT ADVISORY COUNCIL DISCUSSES PROBLEM

THE meeting of the Export Advisory Council held early this week provided another occasion for bringing to the forefront the jute industry's problem of low return. The speech of the Union Minister for Commerce and Industry to the members of the Council indicates that the Government is quite conscious of the central problem facing the industry, namely, the narrowing gap between the cost of production and the prices realised for the manufactured goods, consequent on the disproportionately high price of raw material.

As an important foreign exchange earner for the country, the industry has made substantial progress in recent years, its production having gone up from 835,200 tons in 1950 to 1,027,200 tons in 1955. Its exports for the ten months ended 31st January 1956 amounted to 743,616 tons, as compared with 650,370 tons in the year 1950-51. Internal consumption of jute goods has also been on the up-grade. It would, however, be wrong to have a rosy view of the industry's position. For, as Mr. D. P. Goenka reiterated at the Export Advisory Council meeting, the main trouble with the mills is the heavy losses on their production just now, because the prices of manufactured goods have gone out of line with those of the raw materials. There is, therefore, hardly any margin left between the two. Mr. Goenka, therefore, wanted the Government to help the industry get out of the "embarrassing" situation. Another direction in which the industry needs help is the ready availability of raw materials at economic prices.

Mr. T. T. Krishnamachari also referred to the progress made by the industry towards raising the foreign exchange earnings of the country. Attempts were being made, he said, for modernising the jute machinery and these attempts were gathering momentum, but the trouble had risen from a new quarter. "The increase in manufacture," to quote him, "has not been offset by an increase in the production of raw materials, though increased attention is being given to stepping up the yield per acre and to improve the quality of raw jute." He added: "The gap between the prices of raw jute and the price of the finished article is getting shortened (against the seller of the latter) and certainly would result in losses to uneconomic mills."

The problem of supplying raw jute at economic prices will assume an even greater proportion in the coming years, as the second Plan provides a bigger target of 1.10 million tons for jute goods to be hit in 1960-61 as against the estimated production of 1.04 million tons in 1955-56. The target for the export of jute goods, fixed at 900,000 tons, is by no means high. It is well within the capacity of the industry and was nearly reached in the last year of the first Plan itself. Indeed, the industry's export performance could even be higher, provided it is enabled to keep down the price of jute manufactures and earn a decent margin of profit. A perceptible improvement in the financial position of the industry is a prerequisite for bringing down the price of jute manufactures, because, without funds, the industry cannot effectively and quickly modernise its equipment and, without modernisation, the productivity cannot be raised and, unless productivity is pushed up, prices of jute goods cannot be brought down to any appreciable extent. It may be noted here that, apart from the cost of modernisation amounting to several crores of rupees, the Plan envisages a fixed capital investment of Rs. 1.5 crores during the period 1956-61, on the establishment of a new unit in Assam. The industry has already invested Rs. 15 crores on replacements and modernisation during the first Plan period.

Raw jute production in India has, no doubt, expanded substantially from 1.7 million bales in 1947-48 to about 4 million bales in 1955-56. Under the first Five-year Plan, the target of additional production of raw jute was fixed at 2.1 million bales over that of 3.3 million bales in the base year 1950-51. In 1951-52, the output rose to the peak level of 4.7 million bales, followed by a progressive decline to 2.9 million bales in 1954-55. There has, however, been a sharp improvement to 4 million bales (estimated) towards the end of the Plan, that is, in 1955-56. But this was well below the target of

(*Continued in previous column*)

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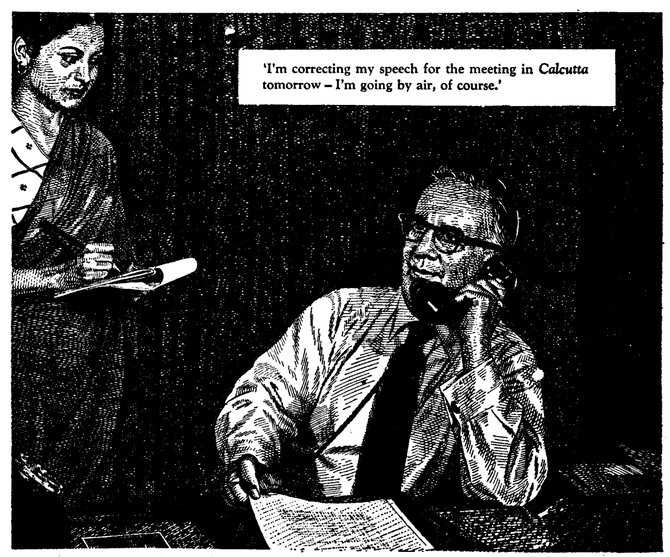

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MANUFACTURE OF EQUIPMENT FOR RAILWAYS

AUTHORITIES URGED TO ENLIST SUPPORT OF PRIVATE SECTOR

IN the course of his speech, presenting the Railway budget, the Minister for Railways, Mr. Lal Bahadur Shastri, affirmed that the Government attached the "greatest" importance to making the country self-sufficient in respect of rolling stock and other equipment used by the Railways. As a measure of the progress that had been made in this direction, he cited some interesting statistics. He showed how last year the output of locomotives improved to 145, coaches to 970 and wagons to 10,689 from 63 locomotives, 791 coaches and 6,388 wagons only two years earlier. Further, the proportion of stores of Indian manufactures purchased by the Indian Railways to the total value of stores purchases made also rose within the same period from 70 per cent. to 78 per cent.

These are no doubt encouraging figures. But the demand on the services of the Railways is bound to increase in the next few years, so that the authorities have necessarily to augment considerably the equipment the Railways possess. This raises many complex issues of enlarging the capacity of the Railways for the manufacture of equipment, including the formidable problem of importing large quantities of iron and steel. These issues, it is gratifying to note, have been dealt with in a very comprehensive manner by the nine-member Railway Equipment Committee (Chairman: Mr. G. B. Katak) which was appointed in 1955 to locate idle capacity for the manufacture of railway equipment and to suggest ways and means of expanding the existing plants and/or of setting up new industries in India for meeting existing and future requirements of railway equipment. The Committee, in the course of its report, has recommended that the development of additional capacity for the manufacture of Railway equipment should be based on the original second Five-year Plan for Railways of Rs. 1,480 crores and not on the revised Plan of Rs. 1,125 crores. A notable feature of the Committee's recommendation is that it has advocated a closer association of the private sector in the matter of manufacturing equipment for the Railways.

The Committee points out that the expenditure on Railway equipment and stores during the second Five-year Plan would be substantially higher than Rs. 100 crores per year which had been the average during the past few years. Although it feels that "near self-sufficiency" in regard to Railway requirements would be reached by 1960, if the actual requirements do not exceed the present estimates based on the financial provision made in the second Plan, it apprehends that the increasing demand on the Railways as the second Five-year Plan progresses would appreciably enhance the requirements of Railway equipment in the latter part of the Plan. "If imports are to be avoided at that stage," it adds, "a somewhat bold policy for developing indigenous manufacturing capacity, even in excess of the present estimates, should be followed from now onwards." Dealing with the requirements of locomotives during the second Plan period, the Committee recommends the immediate establishent of a diesel and electric locomotive plant to help in reducing imports to some extent during the Plan period, and to lead the Railways to self-sufficiency in the third Plan period.

The Committee has also made a number of specific recommendations in regard to other major items of railway equipment like underframes of coaches, signalling equipment, permanent way materials, train lighting equipment, traction equipment, steel castings, wheels and axles, etc. In this connection, it would perhaps be interesting to cite the figures, recently furnished by the Estimates Committee of Parliament, of the average authorised rolling stock on Indian railways as on 31st March 1951 (actual), on 31st March 1956 (estimated) and on 31st March 1961 (anticipated, on the basis of the second Five-year Plan for the Railways):

	Locomotives	Coaches	Wagons (Four-wheelers)
31-3-1951	7,016	20,351	2,04,805
31-3-1956	8,795	22,771	2,71,774
31-3-1961	10,460	27,872	3,83,148

Assuming that the Railways do have all the rolling stock as estimated, the number of locomotives, coaches and wagons per route mile on the Railways would be 0.31, 0.82 and 11.3 respectively, as compared with 0.98, 2.98 and 58.37 in the U.K. From this comparison of the Indian and British figures, the Estimates Committee concluded that the "anticipated rolling stock on Indian railways as on 31st March 1961 cannot be regarded as excessive and that there will still be considerable scope left for adding to their strength to meet the increasing requirements of traffic."

It is against this background that one must view the Railway Equipment Committee's plea for undertaking the manufacture of equipment on a larger scale than what would be possible under the reduced second Five-year Plan for the Railways. It is not, however, clear from the Press version of the Report whether the Committee has examined the question of expansion of repair facilities in workshops. The Estimates Committee, on its part, made some interesting general observations on this question. The Committee emphasised that when "additional rolling stock is put in circulation on a railway system, provision of additional facilities to attend to their repairs and periodical overhaul becomes necessary." It recalled that the existing railway workshops were planned many years ago for repairs of rolling stock then owned. Since then, new rolling stock has been added but the country has lost considerable workshop capacity due to the Partition. Obviously, there is much leeway to be made up in respect of repair and servicing facilities.

The Railways, as is well known, are large consumers of steel. The expansion of their equipment would naturally depend upon ample supplies of iron and steel being made available to manufacturers. The Estimates Committee has quoted numerous instances where the progress of works on the Railways has been held up for want of steel. And what is more, this remark is true of every zone. According to an estimate quoted by the Committee, the Railways would require about 4.8 million tons of steel and pig iron during the years 1956-57 to 1960-61. Large quantities of steel are needed for such vital purposes as construction, rails and fish plates, steel sleeper bars, and wheels, tyres and axles. Realising the importance of steel and the insufficiency of supplies within the country, the Equipment Committee has recommended that substantial imports of steel and pig iron should be accepted as "inescapable" and that suitable arrangements should be made for obtaining adequate and regular supplies from abroad after making an assessment of the short-fall expected during the next five years. Further, the Committee has suggested that adequate quantities of controlled raw materials should be stocked as "dumps" at suitable places in the country from which these could be issued to manufacturers. This measure, it is stated, would ensure timely release of materials in short supply. It also recommends the introduction and the establishment of at least one centre in every State to be declared a "port" for the purpose of uniform price for steel, pig iron, coal and coke.

It may be mentioned here that the Government has already taken steps to get some three million tons of steel during the three-year period commencing from 1st April 1956. A large part of these imports is earmarked for the Railways. In fact, a special team of officials, drawn mostly from the Railways, is at present touring the Continent to arrange for imports of the types of steel needed by the Railways. In order to ease the shortage of "pig," through imports, the Government has abolished the import duty on pig iron.

The Committee has made, as stated at the outset, several notable and realistic suggestions for enlisting the support of the private sector in the manufacture of Railway equipment. If prospective manufacturers, it points out, are to be attracted to invest capital in new ventures, they must be assured, for a reasonable period, of utilisation of the major portion of the capacity developed. It also advocates the implementation of the suggestions for the development of indigenous industry made by the Stores Purchase Committee, namely, price preference in favour of indigenous products, special preference to small-scale producers and establishment of permanent exhibitions. With a view to safeguarding against the possibility of capacity offered by newcomers not materialising fully, licences for new capacity should be issued in excess of the present assessed requirements. This will also cater for any increase in requirements at a later stage. As regards goods wagons, it would appear the Committee received a large number of proposals from private manufacturers who exhibited "much enthusiasm." The Committee feels that complete self-sufficiency in regard to wagons is ensured, provided "educational" orders are placed by the Railways liberally.

Finally, in order to enable the private sector to co-operate more effectively with the Railways, the Committee has recommended the setting up of Central and Regional advisory committees of Railway equipment which, it thinks, will be of "great help." Surely, these committees, if they are manned by right men, could serve as effective links between the Railways and the private sector and ensure speedy execution of the former's requirements.

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WORLD STEEL PRODUCTION

More steel was produced in 1955 than in any previous year, according to the report of the British Iron and Steel Federation for 1955. The total world output of crude steel was about 265 million tons, or some 20 per cent. higher than in 1954. Comparative figures for the main steel producing areas are shown in the following table:

(Million tons)

	1953	1954	1955 (est.)
U.K.	17.61	18.52	19.79
U.S.A.	99.65	78.85	104.46
E.C.S.C.	38.93	43.06	51.73
Overseas Commonwealth	8.26	8.02	9.40
U.S.S.R. and E. Europe	49.66	53.10	58.72
Other countries ...	16.55	17.87	21.04
	230.66	219.42	265.14

As compared with 1954, by far the largest increase in production (25.61 million tons) occurred in the U.S. The countries of the European Coal and Steel Community raised their production by about 8½ million tons, of which slightly less than half was accounted for by Western Germany. The U.K. output rose by over 1½ million tons and there was a similar increase in the rest of the Commonwealth.

In the U.S., according to the Report, more ground was gained than had been lost during the recession of 1954, when output was somewhat reduced; in 1955 output was almost 5 per cent. higher than in 1953, the best previous year. On the continent, the recovery from the slack period of 1953 continued unabated throughout 1955, supported by a very active demand both at home and abroad. "There is no sign, either in America or in Europe, of a reduction in plans for new capital investment", says the report, and it adds: "Indeed, there is a general feeling on the Continent that the rate of expenditure in the steel industry in the recent past

(*Continued on page* 1039)

NEW PRODUCTS AND PROCESSES

Machine for Biscuits, Cake, etc.

AN engineering works (Bakkerijmachinefabriek K. G. Z. Nieuwe Gracht 193 Utrecht (Holland) (the Netherlands)) supplies a new machine for spouting, cutting, drawing and moulding biscuits, cake, pastry, etc. The machine is equipped with a pump, which works horizontally and which, at each stroke, can spout a quantity of dough varying from only 2 grammes (30 grains) to 500 grammes (17½ oz.) to within 1 gramme (15 grains). The machine is designed in such a way that the dough cannot possibly drip after being spouted. The machine has three rollers; it works with or without the pump, in combination with or without using the rolling pins, so that every type of dough, from the stiffest to the most fluid, can be worked. The machine is normally supplied for baking plates of 40½ x 81 cm. (16" x 32"), 45½ x 81 cm. (18" x 32") or 66 x 66 cm. (26" x 26"). It is driven by a 2 h.p. electric motor; the speed can be adjusted to the product to be worked. The capacity is three to seven plates per minute. Despite the many possibilities of this machine, the designers have succeeded in keeping the construction simple.

Moisture-repellent Storehouses

Numerous materials, products, instruments or apparatus are attacked or damaged by the action of moisture. In many cases, however, it is not necessary or even possible to keep dry the entire room in which these articles are stored or used, and it is sufficient to keep part of it dry. This constitutes a considerable economy in drying apparatus. To this end, therefore, a storehouse is needed which is adapted to the space occupied by the moisture-sensitive articles. Such storehouses are manufactured by a concern (Droogtechniek en Luchtbehandeling, Post Box 6047, Nieuwe, Mathenesserstraat 39, Rotterdam) (the Netherlands), in an airtight and water vapour-tight design. They are composed of standardised building elements, so that they can be built up *to measure*. Moreover, they can be extended in a very simple manner if the drying space should afterwards prove to be insufficient. The use of relatively light building elements enables the storehouse to be assembled without a special foundation on any level floor. The structure is such that the storehouse can be easily disassembled and, consequently, can be readily moved. In combination with the semi-automatic or automatic air dryers made by the same concern, the relative humidity of the air in the storehouse can be fully controlled.

New Tread Design for Tyres

An Australian inventor (Wastl Mariner, Innsbruck, Colingasse 5) has designed a new tread for tyres which guarantees an increased protection against skidding on curves and on inclined road surfaces. The tread has two symmetrical rows of skid protecting elongated studs starting at the edges and ending in the middle of the tread. The studs are arranged in an inclined position with respect to the middle axis of the tread. They are wedge-shaped with the broader side towards the outer edge. The inclined arrangement guarantees an even distribution of the load on the tyre and eliminates vibrations. Tests have proved that an angle of 90 to 135° is most advantageous for the stud arrangement. In the space between the stud rows a further row of angle-shaped studs may be foreseen, the angle sides being nearly perpendicular to the inner part of the wedge-shaped studs. The ends of the sides fit in the gaps between the inner ends of the symmetrical stud rows.

Space Saving for Garages

A new type of tilting door for garages, etc., has been developed by an Austrian firm (Stahlbau Viktor Otte & Co., Vienna 14). Unlike the customary type of tilting doors, this new door requires no guide rollers on the upper door frame. Consequently no steel parts protrude into the garage when the door is closed. Another feature of the door is that the panels of the door are made of sheet metal in the shape of flat pyramids. Apart from the very low weight of these panels, they strengthen the surface of the door and give it a high degree of resistance against wind pressure and shocks. When the door is tilted open, it comes to lie horizontally immediately under the ceiling and, therefore, in no way obstructs the entry and exit or movement of the cars. The opening and closing mechanism is fully automatic and can be controlled either by a photo-electric cell or a contract threshold. In case of garages where servicing of cars is carried out, these doors can be delivered as special doors with glass or light-weight corrugated plexiglass panels which are practically unbreakable. Moreover, these doors guarantee a high degree of heat insulation. These tilting doors are also suited for large warehouses, depots, etc.

Rubber Plane

The Goodyear Aircraft Corporation in the United States has designed and built a small inflatable rubber airplane, which has flown successfully. When it is to be flown it is pumped full of air, like a balloon. When it is not inflated it can be rolled up and stowed in the trunk of an automobile. The single wing of the plane is made of two strips of a rubber-coated nylon fabric, joined on the inside by thousands of strong threads. When air is pumped in, the expansion at each point is governed by the length of the thread at that point. The taut threads maintain the desired wing shape. The airplane's tail and pilot seat are of similar construction. The pressure needed to inflate the plane is less than that needed for automobile tyres. Power is provided by a 40-horsepower engine mounted on a tubular metal support behind the wing. The only other metal parts are those that connect the wheels and the pilot's seat to the fuselage.

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ROLE OF PRIVATE ENTERPRISE IN EXPORT CREDIT INSURANCE

A BRITISH INSURER'S VIEWS

THREE weeks ago, we referred in these columns to the views of the Federation of Indian Chambers of Commerce and Industry on the question of implementing a scheme for export credit insurance. The Federation, as we indicated then, is of the view that the Government should first consult private insurers in order to ascertain whether they are willing to implement a scheme and that, in the event of their refusal, it should proceed to set up on its own a corporation for export credit insurance. Obviously, there are some advantages in private enterprise undertaking to operate this form of insurance whether with the co-operation of the Government or independently. In this connection, the views expressed by Mr. Stanley E. Phillips, Deputy General Manager of the Trade Indemnity Company, Ltd., in the course of his address on "The Insurance of Credit by Private Enterprise" at a meeting of the U.K.'s Institute of Export, are bound to be read with interest in this country.

In the U.K., export credit insurance is operated both by private enterprise and the Government. While on behalf of the Government, the scheme is operated by the Export Credit Guarantee Department (E.C.G.D.), the leading institution in the sphere of private enterprise engaged in credit insurance is the Trade Indemnity Company, Ltd. It is noteworthy that both the Company and the Department started their activities in the same year, namely, 1918. Both the organisations limited their cover at that time to loss arising from the commercial insolvency of an overseas buyer. In course of time, it became apparent that there was need for covering other risks such as the risk of non-payment through non-availability of exchange, cancellation of licences and the risk of war. The E.C.G.D. extended its cover against these additional risks in particularised countries because the political risks and some of the economic risks were beyond the capacity of private enterprise to assume. Explaining the effect of this development, Mr. Phillips said: "Unfortunately for private enterprise, the Department's policies were issued on a whole turnover basis and, therefore, there could be no selection on the part of an exporter as to what he could insure in one quarter and what in another. If he needed the protection of economic or political cover in one country, then he could only obtain it by including his trading with all other countries in his cover. The result of all this was practically no progress in the export field by the Trade Indemnity and its attentions were perforce directed to the insurance of credits in the home trade. This state of affairs has largely persisted in the years that have followed the Second World War, although there has been a substantial increase in the amount of export credits that are insured by the Trade Indemnity."

Mr. Phillips next dealt with the organisation of credit insurance in some of the West European countries. In Germany and Holland, the two leading companies in this field act as agents for their respective Governments in the underwriting of export credits and reinsuring with the Government the political element of their risks. In France, a joint-stock company was formed for the purpose of insuring export credit. But this company is owned jointly by the Government and private enterprise. It is enabled by its constitution to place the political risk element with the Government. In Belgium, private enterprise and the appropriate Government Department are complementary, the one confining its interest to the insurance of the commercial risks and the other to the political risks of the same business. Mr. Phillips regretted that, in his own country, the "resources and technique of private enterprise have not been officially used in the development and expansion of export credit guarantees." He, however, explained that this did not imply any criticism of the operations of the E.C.G.D. He added: "There is no doubt that exports have been immensely helped by the Department's operations and many an exporter has cause to be thankful for its existence."

The Government has certainly a place, and a very important place, in the operation of export credit insurance. This is because there are risks which private enterprise cannot cover. As Mr. Phillips said: "It seems to me that a risk undertaken by an exporter on behalf of the nation, such risk being outside his assessment and control, is one that the nation should assume. By this I mean, of course, the exchange transfer and political risks." He pointed out, in this connection, that the one risk which private insurance cannot cover is national default by an overseas country on economic and political grounds. Such a contingency, he said, could only be "controlled and dealt with at State Bank or Governmental level."

Private enterprise, on its part, can cover commercial risk of insolvency and default. In this sphere, private enterprise, according to Mr. Phillips, can offer several facilities. In the first place, it can cover up to 85 per cent. against loss from the insolvency or protracted default of a buyer. Secondly, it can provide a degree of flexibility which will permit the insurance of either an applicant's whole turnover—which is obviously preferable—or the insurance of one or more markets or even the insurance of one or more buyers. Thirdly, it can provide an information service on overseas buyers which is built up from association with similar companies and correspondents who are domiciled in the countries of the overseas buyers. Such an information service would be sustained by frequent visits of its own officials to many of the countries where its insured interests lie. Fourthly, it could, through the security of its policies, help solve the insured exporters' credit problems. This could be arranged either by way of general assignment in favour of a bank or finance house or, in approved cases, an undertaking to pay the assignee—on the insolvency of a buyer—the amount of loss in respect of particular bills irrespective of whether the loss is admissible against the policy.

Finally, Mr. Phillips affirmed that private enterprise tries to fit the policy to the needs of an insured. It tries to follow trade and to adapt its cover to varying export conditions. At the same time, he emphasised that private enterprise is opposed to the encouragement of "hazardous overtrading" and it will not support "uneconomic" credit. Clearly, it is only by following these cautious maxims that private enterprise can play a vital role in credit insurance.

GENERAL INSURANCE

A plea for nationalising general insurance has been made by the All-India Insurance Employees' Association in the course of a memorandum submitted by the Association to the Select Committee on the Life Insurance Corporation Bill. This was revealed by the Vice-President of the Association, Mr. Ajit Chakravarty, at a Press Conference in Calcutta. He said that, if general insurance was not nationalised, it would lead to the closure of many companies closely linked with and subsidised by life insurance companies and thus result in retrenchment and unemployment. He thought that the total assets of general insurance companies and annual profits which amounted to Rs. 62 crores and Rs. 4 crores respectively could be doubled "if illegal rebating is stopped."

Criticising the provisions of the Life Insurance Corporation Bill relating to employees, Mr. Chakravarty said that the Bill excluded a section of employees presently employed as part-time and daily-rate staff from employment under the Corporation. It further provided for rationalisation and reduction of pay scales, emoluments and other benefits and deprived workers of compensation which they were otherwise entitled to under the Industrial Disputes Act in the event of their being retrenched or if they opted to quit service due to curtailment of benefits.

He said the Bill empowered the Corporation to revise the existing terms of service but lacked any provision for workers to appeal against the decisions of the Corporation to a tribunal or other machinery. The Bill also failed to provide for workers' representation on the Corporation Board and for machinery to settle disputes between the management and the employees. The Association demanded the holding of a bipartite conference of representatives of the Association and the Corporation to go into pay scales and service conditions and to form a joint committee at all levels to deal with staff matters, recognition of trade unions and collective bargaining.

(Concluded from next column)

in action. Approximately, 69 per cent. of the life insurance in force in U.S. companies in 1954 was participating. In other words, 69 per cent. of all U.S. life insurance policyholders shared, through dividends, in the surplus earnings accruing from investments by U.S. life insurance companies in American private industry.

INVESTMENT OF LIFE FUNDS IN U.S.

POLICYHOLDERS PARTICIPATE IN INDUSTRIAL PROGRESS

IN the U.S., industry and business are depending more and more on the assets of life insurance companies for investment capital. In post-war America, life insurance funds have proved the most fecund source of fuel supply for stoking the fires of the expanding U.S. economy. This has been made possible by a relaxation of the strict governmental regulations which formerly limited the investment field of U.S. life offices. As a result, money invested by millions of individual Americans as financial protection for their families, or for their own old age, has unexpectedly made the policyholders partners in the country's industrial growth—and in the profits accruing therefrom.

The insurance premiums of these millions of small policyholders are utilised for such socially beneficial projects as housing developments for low-income and medium-income workers; loans to State, county and municipal governments for civic improvements, such as schools and roads; loans to public utility corporations operating telephone systems and electric power plants; and to railroad companies for the improvement of the country's railway system. The Metropolitan Life Insurance Company was the pioneer in the field of housing developments. Today, more than 150,000 Americans live in housing projects built and managed by insurance companies. Located for the most part in large cities, some of these insurance housing developments were built on the sites of substandard dwellings, the tenants of which eventually moved into the new developments' clean, modern apartment units.

Life insurance funds financed the New Jersey Turnpike's 118 miles of super-highway (divided highway, with no intersections or cross roads), the southern gateway to New York City. New Jersey State officials had long considered this project, but feared political repercussions because of the heavy taxes it would entail. When insurance companies were approached, it was their first experience with such an investment. But they were equal to the occasion. The insurance companies agreed to advance the required $220 million, not as a lump sum, but under a "borrow-as-you-build" plan. This plan saved the Turnpike Authority $12½ million in commissions and interest charges.

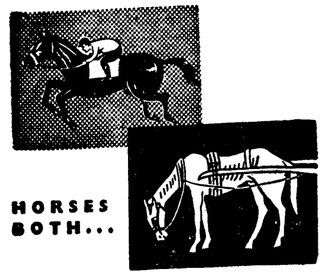
Traditionally, life insurance funds have gone into such "risk-free" investments as Government bonds, railroad and utility bonds, industrial and real-estate mortgages, etc. But since the relaxation of the strict Government regulations which limited the field of investment of life insurance funds, life offices have invested literally billions of dollars in thousands of private businesses operating under the U.S. private-enterprise system of economy.

One insurance company, the Equitable Life Assurance Society, discovered that several American railroads were badly in need of freight cars but did not have the cash to have them built. The Society went to the builder and ordered 19,000 freight cars. On delivery, the insurance company turned the freight cars over to the railroads that needed them so badly, under a 15-year rental contract.

Insurance companies in the U.S. are also making direct investments in American business and industry by a scheme known as "the purchase lease-back." The insurance company buys the business firm's property, or property needed by the firm, then immediately rents it to the firm under a long-term agreement. This device makes available to the business firm a lump sum of money needed for improvements, new stock, or to liquidate its indebtedness. At the same time, the insurance company is assured of a sound investment. Such nationally known firms as the giant department stores, Sears, Roebuck & Co. and Montgomery-Ward, as well as many other types of enterprise, have taken advantage of this plan. As a consequence, U.S. insurance companies own nearly a billion dollars in industrial and commercial property.

At first glance it might seem that a new, giant monopoly is in the process of entrenching itself in the American economy. But a closer scrutiny discloses that investments by life insurance companies in U.S. private enterprise really constitutes a phase of people's capitalism

(Continued in previous column)



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ANNUAL MEETING OF THE BHARAT LINE LIMITED

MR. C. R. SRINIVASAN'S PLEA FOR INDUSTRIAL PEACE

INCREASE IN FREIGHT RATES INADEQUATE

ADDRESSING the shareholders of The Bharat Line Ltd. at their Tenth Ordinary General Meeting held at Bhavnagar on 21st May 1956, Mr. C. R. Srinivasan, Chairman of the Company, said that it was not enough if the Government merely restated its industrial policy in clear terms. It must also create and maintain conditions under which industries, howsoever placed, could thrive and give their best. The prerequisite for this, he added, was a period of industrial peace. Dealing with shipping problems in particular, Mr. Srinivasan feared that, unless further substantial relief by way of higher freight rates was forthcoming without delay, there was little prospect of improvement in coastal traffic.

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

"GENTLEMEN,

"It gives me great pleasure to welcome you all to the tenth ordinary general meeting of the Company. The Directors' report and the audited balance-sheet and profit and loss account have been in your hands for some time now. I trust I have your permission to take them as read.

"You will notice in the agenda for the meeting there are several items included which have not hitherto found a place there. The Companies' Act I of 1956, came into force in April last and under the provisions of the new Act, much that was assumed in the past, now requires formal affirmation by shareholders after due notice. The intention obviously is to associate shareholders more intimately in the affairs of the Company. The need to do so arises not merely because there have been instances where their interests have been neglected for lack of sufficient and suitable safeguards; it arises also in the context of our expanding economy which depends in part on joint-stock enterprise wisely directed and watchfully supervised for the service of the country's interests. It may be that some of these provisions of watch and ward impose needless and vexatious burdens on the freedom of enterprise, but so long as they are administered with understanding and sympathy, those who are moved and motivated by an identity of interest between the Company and the country should find little difficulty in adjusting themselves to the new conditions and, if an informed and instructed body of shareholders emerge in consequence, it is all to the good and none may gainsay its value and importance. Incidentally, it may help the private sector to recover its proper place in public economy.

A Balanced Economy Needed

"The economy that we recovered from the foreign administration was one of shreds and patches and its reconditioning called for care and caution, especially with the limited mobile resources at our disposal. The First Five-year Plan was drawn up with emphasis on the agricultural sector and by all accounts a very good job of work has been done in the first Plan period. The second Five-year Plan commences with the current official year and, though its contours are yet to be defined with precision, it is common knowledge that this time the accent is on the industrial sector. The need to create a balanced economy with a view to widening the range of employment and raising the standard of living is now increasingly recognised and means and methods to this end are now vigorously canvassed in all informed circles. Considering the size of the Plan frame and the prospect of recourse to deficit financing to service substantial parts of it, it is obvious that the success of this adventure turns largely on the measure of willing and wholehearted co-operation forthcoming from the community; in particular, wisdom lies in enthusing the private sector to engage in the task ahead, without doubts or misgivings.

"It is not so much the socialistic pattern of society to which our course is set that alarms the business community; they are realists and can appreciate the impact of new forces in a changing world. Everywhere these forces are at work; only in India additional momentum has been imparted, because these forces had been dammed for decades past; but our political propagandists, in their anxiety to show that they are in the vanguard of the new movement, have unfortunately laid more stress on the break with the past than the build for the future. The business community is naturally exercised over recent developments and a restatement of the Government policy in the context of the socialist pattern was clearly indicated. This has now been clearly enunciated by the Prime Minister in Parliament and should serve to enlighten concerned interests where they stand in the new economy. Industrial programme and progress will be attempted and achieved on a three-tier basis. There will be at the base a public sector comprehending industries which, for reasons of security and scale of investments, can best be run on Government ownership and control; in the middle, there will be a composite sector where private enterprise is intended to supplement Government efforts; at the top there will be a private sector where private enterprise will have full play though subject to regulation in public interest. Rightly understood, interpreted and administered, few will be disposed to quarrel with this distribution of responsibilities in a country's economy, if the international forces unleashed in the twentieth century are properly appraised and assessed. It cannot, however be denied that what is being attempted is a controlled economy with facets of freedom.

Industrial Peace Needed

"It is not enough, however, if the Government restates its policy in clear terms. It must also create and maintain conditions under which industry, howsoever placed, can thrive and give of its best. The primary requisite in this direction is a period of industrial peace. In my address last year I have dealt at length with the problems posed by labour and, by way of illustration, cited facts and figures to establish that neither in their own interest nor in the interests of the country could the way they had reacted to the needs of the situation be justified. The Government is not unaware of what is happening; but the machinery of the Government moves so slowly that oftentimes it serves but to illustrate the juristic maxim that justice delayed is justice denied. I am sorry that so far as our experience goes the position has, if anything, aggravated and the infection has begun to spread to higher ranks also. Not merely is the weapon of strike indulged in on the smallest provocation as the recent dockyard strike in Calcutta illustrates, but the 'go-slow' virus seems to have lodged itself deeply in the body politic. The output is steadily falling and the turnover per man-hour has declined in every industry. Apart from standard wages, incentive bonuses have been offered by way of additional inducement, but it is early days yet to assess how far this will stop the rot. In marginal industries working under competitive conditions the strain on enterprise is beginning to sap all enthusiasm for expansion. That this should happen when the country is being called upon to co-operate with a large-scale expansion in the industrial sector is a tragedy too deep for tears. I hope those who are framing the Plan will turn their attention to this festering sore in the system and see their targets are not defeated by it.

Inadequate Attention to Transport

"In a rapidly developing economy where progress on many fronts is contemplated there is one danger that farsighted men should guard against well in advance. I raise this note of warning because I am afraid in the framework of planning sufficient attention has not been paid to the multifaced problem of transport. As it is, with the limited objectives we have achieved under the first Five-year Plan, transport has already become difficult, seriously upsetting production and distribution programmes of industrial units. Traffic on the railways has become so congested that it is seriously suggested that propaganda should now be taken on hand for discouragement and not encouragement of traffic. There has also been large-scale diversion of coal traffic to coastal shipping; but with rising costs, on the one hand, and avoidable delays at the ports, on the other, the rates offered are so uneconomic that shipping companies find little enthusiasm in a situation that should normally stimulate enterprise. The turnover of every shipping company engaged in the coastal trade has registered a fall and the margin of profit is fast coming to vanishing point. More ships should be commissioned to cope with the coastal traffic, but frankly the incentive is not there.

Freight Rates

"Nearly a year back, shipping interests applied for raising the freight rates, but after repeated representations a token 5 per cent. increase was allowed in October last year. During the interval the costs of replacement, services and materials have kept on rising, with the result that the original increase, which the Indian shipowners considered a year back as barely sufficient to meet their liabilities, is out of date today, and suitable representations have been made to the Government in the matter. Whereas the coastal trade saw the last increase as far back as in 1951, the other trades with which India is intimately connected have seen increases ranging from 21 per cent. to 45 per cent. during the same period. Examples are not uncommon where the Conferences concerned have increased their freight rates by 21 per cent. within the last twelve months. The coastal trade has meanwhile been compelled to suffer heavy losses. The Government of India would appear to be cognisant of this position because, at the meeting of the Consultative Committee of Shipowners held in Bombay in November last, the Hon'ble Minister for Transport stated:

"'One of the matters which have of late agitated the Indian shipowners is the question of suitable increase in the coastal freight rates. The shipowners had proposed to put up the coastal freights by 10 per cent., but the Government have found it possible to agree to an increase of 5 per cent. only. I know this has not been generally appreciated, but Government are committed to review the matter after the Rail-Sea Co-ordination Committee has submitted its report. If that report is not received by March 1956, Government would take up the matter again on their own with a view to examining whether any further modification in the freight rates could be justifiably made.'

"The Rail-Sea Co-ordination Committee have not been able to bring out their report so far. In the meantime, the second interim increase, which was contemplated by the Hon'ble Minister for Transport to be effective soon after 1st March, materialised only some time during the current month. Even this increase is to the extent of 5 per cent. only on general cargoes effective 1st April last. The freight rates on railway coal will be revised with retrospective effect from 1st April this year only after the Government receives the recommendations of the Rail-Sea Co-ordination Committee. On the other hand, the freight rates on coal moving on private account or for bunkers will continue at the present level till the Government takes decision on the recommendations of the Rail-Sea Co-ordination Committee and will have no retrospective effect as on railway coal. This piecemeal treatment takes no cognisance of loss in earnings already suffered by the shipowning community, nor does it take into account the changed circumstances of the case which have been duly represented to the Government and which call for higher increases in the freight structure, nor even is the present increase in any way commensurate with the increase effected by foreign shipping on foreign trade routes with some of which the Government themselves are associated.

Further Substantial Relief Needed

"Unless, therefore, further substantial relief is forthcoming without loss of time, I am afraid, there is little prospect of improvement in coastal traffic. A modest target is fixed under the second Five-year Plan for the expansion of shipping, raising the total tonnage to less than a million tons in 1961, and shipping companies have been asked to frame programmes of expansion during the second planning period. I wonder, however, if in the conditions that prevail today the response will be adequate. The Government is no doubt anxious to help with credit facilities; but unless the prospects of making both ends meet are visibly improved, few will come forward to take advantage of the

(*Continued on page 1029*)

THE MITSUI BANK LIMITED

(INCORPORATED IN JAPAN WITH LIMITED LIABILITY)

BALANCE SHEET OF BOMBAY BRANCH AS AT 31st DECEMBER 1955

(THE BANK STARTED FUNCTIONING IN INDIA ON 28TH MAY, 1955)

CAPITAL AND LIABILITIES	Rs. a. p.	Rs. a. p.
1. Capital—		
Deposit with Reserve Bank of India under Section 11 (2) of the Banking Companies Act, 1949	20,09,037 8 0	
2. Reserve Fund and Other Reserves		Nil
3. Deposits and Other Accounts—		
Fixed Deposits	28,600 0 0	
Savings Bank Deposits	Nil	
Current Accounts, Contingency Accounts, etc.	11,32,785 15 9	
		11,61,385 15 9
4. Borrowings from Other Banking Companies, Agents, Etc.—		
(i) In India	*Nil*	
(ii) Outside India	*Nil*	
		Nil
PARTICULARS—		
(i) Secured Nil		
(ii) Unsecured Nil		
	Nil	
5. Bills Payable		Nil
6. Bills for Collection Being Bills Receivable as per contra—		
(i) Payable in India	Nil	
(ii) Payable outside India	Nil	
		Nil
7. Other Liabilities—		
(i) Head Office and Branches outside India	50,97,248 0 10	
(ii) Adjusting Account	44,936 6 4	
		51,42,184 7 2
8. Acceptances, Endorsements and Other Obligations per contra		*30,67,106 0 9*
9. Contingent Liabilities—	Rs. a. p.	
On Outstanding Forward Exchange Contracts	1,59,390 15 3	
NOTE:—No provision has been made *for future gratuities* to Staff, the liability in respect of which has not been ascertained.		
Total .. Rs.		93,70,676 7 8

PROPERTY AND ASSETS	Rs. a. p.	Rs. a. p.
1. Cash—		
In hand and with Reserve Bank of India and State Bank of India (including Foreign Currency Notes)		1,49,539 8 11
2. Balances with Other Banks on Current Accounts—		
(i) In India	1,80,475 8 9	
(ii) Outside India	Nil	
		1,80,475 8 9
3. Money at Call and Short Notice		7,00,000 0 0
4. *Investments* (at Book Value):		
(i) Securities of the Central and State Governments and other Trustee Securities, *including Treasury Bills* of the Central and State Governments	19,33,866 14 6	
(ii) Shares	Nil	
(iii) Debentures or Bonds	Nil	
(iv) Other Investments	Nil	
(v) *Gold*	Nil	
		19,33,866 14 6
5. Advances—		
(Other than bad and doubtful debts for which provision has been made to the satisfaction of the Auditors)		
(i) Loans, Cash Credits, Overdrafts, etc.— Rs. a. p.		
(i) In India 26,98,928 14 9		
(ii) Outside India Nil		
	26,98,928 14 9	
(ii) Bills Discounted and Purchased (excluding Treasury Bills of the Central and State Governments—		
(i) Payable in India 3,59,658 11 10		
(ii) Payable outside India 1,88,615 10 3		
	5,48,274 6 1	
		32,47,203 4 10
PARTICULARS OF ADVANCES—		
(i) Debts considered good in respect of which the Banking Company is fully secured	30,38,995 4 1	
(ii) Debts considered good for which the Banking Company holds no other security than the debtors' personal security	2,08,208 0 9	
(iii) Debts considered good secured by the personal liabilities of one or more parties in addition to the personal security of the debtors	Nil	
(iv) *Debts considered doubtful or bad, not provided for*	*Nil*	
	32,47,203 4 10	
(v) Debts due by Directors or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	
(vi) Debts due by Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
(vii) Maximum total amount of advances, including temporary advances made at any time during the year to Directors or Managers or Officers of the Banking Company or any of them either severally or jointly with any other persons	Nil	
(viii) Maximum total amount of advances, including temporary advances granted during the year to the Companies or Firms in which the Directors of the Banking Company are interested as Directors, Partners or Managing Agents or, in the case of Private Companies, as Members	Nil	
(ix) Due from Banking Companies	Nil	
		Nil
6. Bills Receivable Being Bills for Collection as per contra—		
(i) Payable in India	Nil	
(ii) Payable outside India	Nil	
		Nil
7. Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		30,67,106 0 9
8. Premises, Less Depreciation		Nil
9. Furniture and Fixtures, Less Depreciation—		
Cost to 31st December, 1955	41,763 5 9	
LESS—Depreciation written-off during the period	1,987 0 0	
		39,776 5 9
10. Other Assets—		
Stamps, Prepaid Expenses and Charges Recoverable	1,968 7 0	
Adjusting Account	34,538 10 4	
		36,507 1 4
11. *Non-Banking Assets Acquired in Satisfaction of Claims*		Nil
12. Profit and Loss—		
Loss for the period from 28th May, to 31st December, 1955	2,70,145 6 3	
LESS— Rs. a. p.		
Remittances from London Office 1,23,829 1 7		
Loss transferred to London Office 1,30,114 9 10		
	2,53,943 11 5	
		16,201 10 10
Total .. Rs.		93,70,676 7 8

PROFIT AND LOSS ACCOUNT OF BOMBAY BRANCH FOR THE PERIOD FROM 28th MAY TO 31st DECEMBER, 1955

EXPENDITURE	Rs. a. p.	INCOME (Less Provision made during the period for Bad and Doubtful Debts and other usual or necessary provisions)	Rs. a. p.
1. Interest paid on Deposits, Borrowings, etc.	45,770 12 1	1. Interest and Discount	81,652 1 7
2. Salaries and Allowances and Provident Fund (including Salary and Allowance of *Manager Rs. 25,041-11-1*)	87,834 8 11	2. Commission, Exchange and Brokerage	48,785 15 6
3. Directors' and Local Committee Members' Fees and Allowances	Nil	3. Rents	Nil
4. Rent, Taxes, Insurance, Lighting, etc.	21,140 2 3	4. Net Profit on Sale of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	Nil
5. Law Charges	1,381 2 0	5. Net Profit on Revaluation of Investments, Gold and Silver, Land, Premises and Other Assets (not credited to Reserves or any particular Fund or Account)	*Nil*
6. Postage, Telegrams and Stamps	6,547 8 3	6. Income from Non-Banking Assets, and Profit from Sale of or Dealing with such Assets	Nil
7. Auditors' Fees	1,000 0 0	7. Other Receipts	248 1 6
8. Depreciation on and Repairs to Banking Company's Property	1,987 0 0	8. Net Loss	2,70,145 6 3
9. Stationery, Printing, Advertisement, etc.	15,133 3 9		
10. Loss from Sale of or Dealing with Non-Banking Assets	Nil		
11. Other Expenditure including London Office Charges	53,288 6 3		
12. Loss on Revaluation of Investments	1,66,743 13 4		
Total .. Rs.	4,00,826 8 10	Total .. Rs.	4,00,826 8 10

T. KONDO,
Manager.

We have audited the foregoing Balance Sheet of the Bombay Branch of the Mitsui Bank Limited, as at 31st December, 1955, and also the foregoing Profit and Loss Account for the period from 28th May to 31st December, 1955, and report that:—

(a) we have obtained all the information and explanations which we have required;

(b) in our opinion, the foregoing Balance Sheet and Profit and Loss Account are drawn up in conformity with the law;

(c) such Balance Sheet exhibits a true and correct view of the state of the Branch's affairs according to the best of our information and the explanations given to us and as shown by the books of the Branch; and

(d) in our opinion, Books of Account have been kept by the Branch as required by Section 130 of the Indian Companies Act, 1913.

A. F. FERGUSON & CO.,
Chartered Accountants.

BOMBAY, 28th March, 1956.

PROBLEMS ARISING FROM MYSORE STATE REORGANISATION

AN ECONOMIC APPRAISAL

By An Economist In Mysore

[The areas that are being merged with Mysore State, in accordance with the Government of India's scheme for reorganisation of States, are less advanced than the State absorbing them. This raises a series of economic and social problems, the magnitude of which is indicated in the article appearing on this page. The object in publishing this article is not to create any opposition to the merger and the formation of a bigger Karnataka, which is a fait accompli already, but to give an indication of the problems that are likely to arise in other parts of the country where reorganisation of States is on similar lines. Accordingly, the article is of interest not merely to Kannadigas but also to a wider section of the public.—ED.]

THIS note analyses the economic and financial consequences of the merger of the Mysore area in the proposed Karnatak State. The analysis will be in three stages: (1) The extent and direction of existing development and the economic burden thereof; (2) the present financial position and structure; and (3) the financial repercussions of the merger under these conditions. For purposes of broad analysis, the Karnatak areas in Hyderabad (Gulberga and Raichur), Bombay (four districts) and Madras (S. Kanara) will, as a whole, be compared with the Mysore State.

The S.R.C. Report, in one context, states that Karnatak areas outside Mysore are regarded as undeveloped and are likely to have a financial deficit, but a little further down, it observes that "the assumption which has sometimes been made that the Karnatak areas outside Mysore are particularly backward areas seems to us to be quite unwarranted." As the issue of backwardness or otherwise has a very important bearing on the financial position, it may be tested in terms of the data presented by the Fact-Finding Committee (will be referred to below as the Seshadri Report), which appears to be the only official, non-opinionated factual document.

Tests of Backwardness

The tests of backwardness will have to be made in the context of State subjects, namely, communications, industry and social services. Among the means of communication, railways being a Union concern, the extent and development of roads only matter for the present analysis:

Road Mileage per 100 square miles

Hyderabad—		
Gulberga	7.3	
Raichur	10.3	
Bombay—		
Belgaum	22.3	
Bijapur	14.6	
Dharwar	21.7	22.5
N. Kanara	30.9	
Madras—		
S. Kanara	26.2	
Coorg	26.3	
Mysore	36.7	

The relative backwardness of road communications is obvious. In Hyderabad, several of the taluk headquarters are not even connected with one another, so that, if one has to travel from one taluk centre to another, one has to come back to the district headquarters. There does not appear to be even a district road from Raichur to Gulberga. "To reach the Mysore standard in respect of road facilities," concludes the Seshadri Report, "5,069 miles of roads will have to be added to the road mileage in the Kannada areas of Hyderabad and 3,245 miles in the Kannada area in Bombay." On a conservative estimate, the approximate cost of these constructions would be over Rs. 13 crores as follows:

		Rs.
Hyderabad		760 lakhs
Bombay		486 ,,
Madras		60 ,,
	Total	Rs. 1,306 lakhs

This amount excludes the costs of repairing and relaying existing roads and of any improvement over the Mysore standard.

Social Services

Let us now turn to the social services, namely, education, medical relief and public health. The available educational facilities are as under:

	In terms of area served (square miles)		In terms of population served	
	One high school	One primary school	One high school	One primary school
			Lakhs	
Hyderabad—				
Gulberga	571.4	724 6	7.5 1.45	1,314
Raichur	383	9		
Bombay—		3.0		930
Belgaum		4.0		306
Bijapur	159	3.4	3.2 3.2	1,014
Dharwar		5.5		993
N. Kanara				
Madras—	59	3.2	0.25	1,338
S. Kanara	136	2.49	0.45	902
Mysore				

Thus, the number of institutions, especially in Hyderabad, will have to be doubled to approximate to the Mysore level and the extra cost in this region alone would exceed Rs. 100 lakhs.

Backwardness is more pronounced in medical and health services and so are the consequent financial implications.

	Area served by one hospital	Population served
Hyderabad—		
Gulberga	419 } 431	85,232 } 87,759
Raichur	477	82,284
Bombay—		
Belgaum	} 255	62,000
Bijapur		
Dharwar		
N. Kanara		
Madras—S. Kanara	88	47,270
Mysore	64	19,000

To reach Mysore standards, facilities in Hyderabad will have to be expanded fourfold, in Bombay threefold and in Madras twofold. The cost of constructing additional district hospitals and rural dispensaries is estimated at Rs. 44 lakhs with an annual expenditure of Rs. 20 lakhs more. In the Bombay region, the additional constructional cost would be at least half a crore for 260 institutions (It is not clear how the Seshadri Committee puts the number of new hospitals at 80 and the cost thereof at Rs. 16 lakhs where there is a threefold expansion needed to reach the Mysore standard of one hospital for 19,000 people).

Extra cost on hospitals, etc.

		Rs.
Hyderabad		44 lakhs
Bombay		56 ,,
N. Kanara		10 ,,
	Total	Rs. 110 lakhs

Thus, the extra expenditure on educational and health services to level up with the Mysore standards would be at least Rs. 2½ crores. And yet the S.R.C. Report observes: "The extra cost, if any, of uniform standards of expenditure on the social services cannot, therefore, in our opinion be very great."

Underdevelopment in the non-Mysore areas in other fields is no less marked. For instance, veterinary services are as below:—

Square miles served by one institution

Hyderabad area	43,570
Bombay area	44,246
Mysore area	28,207

THE
SOUTH INDIA INSURANCE
COMPANY, LIMITED
(Incorporated in India)
(Established 1934)

Transacts
Fire, Marine, Accident and Miscellaneous Insurance Business

Authorised Capital Rs. 1,00,00,000
Subscribed Capital ,, 50,00,000
Paid-up Capital ,, 10,00,000

Head Office:
New India Assurance Building
Mahatma Gandhi Road
Fort, BOMBAY

About industries, the Fact-Finding Committee concludes: "Compared to the development of cottage and small-scale industries in Mysore State, the results so far achieved in this area leave much to be desired."

The Financial Position

The present financial position of non-Mysore Karnatak is as under (Seshadri Report):

(Figures in lakhs of Rs.)

	1950-51	1951-52	1952-53
Hyderabad area—			
Revenue	272	291	265
Expenditure	163	162	166
Surplus (+) or Deficit (—)	+109	+129	+100
Bombay area—			
Revenue	533	527	549
Expenditure	692	684	764
Surplus (+) or Deficit (—)	—158	—157	—214
Madras (S. Kanara)—			
Revenue	131	} Not available	
Expenditure	139		
Surplus (+) or Deficit (—)	—8		
Overall position	—57	—28	—114

The overall deficit would really be very much larger, as the surplus in Hyderabad would soon become a deficit. For the main source of revenue in Gulberga and Raichur is excise accounting for Rs. 129 lakhs in 1950-51, that is, a little over one-third of the total receipts. With the inevitable adoption of prohibition, this important source would disappear, increasing the overall deficit to a little over Rs. 2 crores. It is doubtful if the multi-point sales tax, now yielding about 7 per cent. of the revenue, would yield appreciably larger income, even if the Taxation Enquiry Commission's suggestion of levying simultaneously a universal single point tax and a selective law multi-point levy is adopted. The only other important source is land revenue, now accounting for about 17 per cent. of the receipts. Hyderabad Karnatak is a dry, arid region at present and, until substantial irrigational and agricultural improvements are effected, there is little possibility of increasing the land revenue. It may be pointed out that the K.P.C.C., while adverting to land revenue charges as a likely source of additional receipt in Bombay, is silent about Hyderabad. The scope for neutralising the loss on the excise side is, therefore, extremely limited.

On the other hand, there would necessarily be an increase in expenditure consequent on stepping up the present low outlay on social services and developmental activities so as to reach the Mysore standards. As pointed out earlier, this may be of the order of Rs. 1 to Rs. 1½ crores, raising the overall deficit to about Rs. 3 to Rs. 4 crores.

Let us look at the position from another angle. The overall *per capita* expenditure in 1952-53 was:

	Rs.
Hyderabad	6.00
Bombay	14.05
Mysore	19.86

This indicates that, if the Mysore level of expenditure is to be attained, nearly 270 per cent. more in Hyderabad and 50 per cent. more in Bombay will have to be spent. This may mean an additional outlay of about Rs. 3 crores per year in Bombay and Rs. 4½ crores in the Hyderabad area, in all Rs. 7½ crores along with the shortfall of Rs. 2 to Rs. 2½ crores on the revenue side. The compelling conclusion, therefore, is that, if there is integration in the near future, a sum of Rs. 9 to Rs. 10 crores on the revenue expenditure side alone will have to be found.

The Ways Out

Overlooking for the moment the problem of *improving* the standards in Mysore, let us make a realistic assessment of the alternative means of meeting the foregoing situation. There are three possible ways out. The first way relates to the *slowing down and even neglecting to raise the non-Mysore areas* to the higher level. But, if there is integration, this approach is both unfair and almost impossible, especially since the legislature would have a very strong representation from those areas. The second way is *getting the extra grants from the Union.* Thus, the K.P.C.C. memorandum remarks that, "in the initial stages, the new state would be justified in expecting some substantial help from the Centre by way of cost of integration." The S.R.C. also holds that, during the transitional period, it is necessary to provide help to the newly constituted units and that revenue gap grants-in-aid be given. "It is doubtful," continues the Commission, "whether it is possible or desirable for the Centre to undertake a blanket commitment on these lines," namely, assuming the residual responsibility for supporting the revenue budgets of the States until such time as other arrangements can be made. As the nature and extent of such aid is uncertain pending a comprehensive review, the Commission recommends the grant of long-term loans. This solution is thus, indefinite.

The third alternative is *raising larger revenue from current sources or levying more taxation.* The scope in this direction also appears limited. As noted earlier, the revenue structure in Hyderabad is rudimentary offering little scope for expansion. With regard to Bombay, the K.P.C.C. suggests the following new sources:

(1) *Converting the single-point sales tax into a multi-point one.*—This may not yield very much more than at present, even if a selective low multi-point tax is coupled with a universal single-point one, as suggested by the Taxation Enquiry Commission.

(2) *Surcharge on land revenue* whose incidence is low in North Karnatak. In neither of these cases has the K.P.C.C. even surmised the extent of the increase, because of the difficulty of assessing the yield.

(3) *Changes in land tenure* resulting in an addition of Rs. 33 lakhs. It is doubtful if the share of Karnatak would be of the order of one-third of the estimated increase in the whole of the Bombay State.

(4) *Revision of land revenue settlement* expected to yield Rs. 35 lakhs. This, again, is counting the chickens before they are hatched, as the revision of the settlement in the *ryotwari* tracts is a prolonged process. Thus, whatever the theoretical utility of these sources, they cannot be counted upon for practical purposes in the near future.

There are, however, a few *distant possibilities* of large revenue. First, the successful completion and working of the multi-purpose projects—Tungabhadra, Upper Krishna, Bhima, Ghataprabha and Malaprabha—would increase the revenue potential. Secondly, Karnataka's resources are said to be considerable. When they are fully exploited, larger public income may be realised. But these are very long-term possibilities, and much cannot be expected for one or two decades or even generations.

Can Mysore Do It?

Thus, we come to the last solution, that, *in the interests of the larger whole, Mysore will have to step into the breach.* Can Mysore do it? If so, at what cost?

Mysore revenue is about Rs. 22 crores with a *per capita* incidence of Rs. 23, as compared with Rs. 12.7 in Bombay Karnatak and Rs. 15 in the Hyderabad region. Already, a higher proportion of the people's income is thus being raised for public purposes. If, therefore, the responsibility of improving the rest of Karnatak is to be shouldered by Mysore, there are only two ways out. First, tax the Mysore citizen more, so as to cover up the whole or part of the anticipated deficit. Every crore of rupees to be raised would add about one rupee per head or 5 per cent., more to the incidence on the people. Assuming that a part, say, 50 per cent., of the shortfall, can be raised in other areas or through Union grants-in-aid, the balance of Rs. 4 to Rs. 5 crores would increase Mysore's burden by 20 to 25 per cent. Are the resources of the people able to bear this addition? Referring to the continued deficits in the Mysore budget, the Chief Minister observed that, in 1954, eight specific taxation measures were proposed but only two were approved by the legislature. "Thus, against a crore of rupees of additional revenue anticipated by the several taxation measures proposed last year, it has been posible to realise only a sum of Rs. 25 lakhs.... We should think of some immediate measures whereby the wide gap between revenue and expenditure can be reduced to the extent possible." If Mysore is finding it hard to raise this bit of revenue for her own immediate needs, it should become much harder to raise a larger sum for the benefit of an erstwhile neighbour.

The second way out is for Mysore to spare the amount from her own current revenues, that is, to spend annually not Rs. 22 crores but Rs. 17 or Rs. 18 crores directing the balance to the backward areas. What would be the effect of this? With an expenditure of about Rs. 23 *per capita*, Mysore is in the vanguard of social and economic progress in India. She has been running continued deficits.. "The gap between revenue and expenditure in the last few years," observed the Chief Minister, "is progressively on the increase. ... The rising tempo of expenditure in the Development Department with the decline in the incomings from certain principal heads of revenue would tend to widen further the gap." The lack of finances has already cut short her stride, for example, in educational and medical facilities and in economic development. If, under these conditions, Mysore has to support other areas, not only will her present rate of progress be slowed down but also substantial cuts will have to be effected in the existing social services and developmental projects. It would become extremely difficult to keep to the objective so spiritedly put forward by the Chief Minister: "In the position of a State like Mysore, there could be no going back on the progressive policies and programmes followed so far and we could only go forward."

Administrative Difficulties

There is also another consequence of the merger to be taken note of, namely, the inevitable administrative difficulties relating to the services. The scales of pay in Mysore are, by and large, low—often unfairly low—at the starting stage, in the incremental rate and with regard to the maximum. The overall difference is roughly of the order of 25 per cent. and is particularly marked in the lower cadres. There is also considerable difference in the dearness allowances. Merger of Mysore in the Karnatak State necessarily compels integration of services, which becomes complicated when salaries differ in different areas.

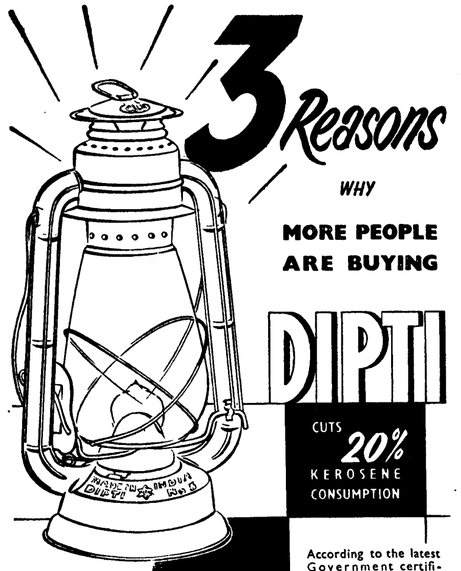
Apart from the fact that, merger or not, salaries will have to be upgraded in the interests of fair play and efficiency, the merger precipitates the issue. Scaling down of other salaries to the Mysore level is impracticable and so scaling up of Mysore salaries becomes inevitable. The present expenditure on salaries and allowances is: Gazetted Rs. 66.46 lakhs, non-gazetted Rs. 444.05 lakhs and allowances Rs. 299.19 lakhs, making a total of Rs. 809.7 lakhs. A 25 per cent. overall increase would add about Rs. 2 crores, raising the item to a little over Rs. 10 crores. In other words, either the aggregate expenditure will go up to Rs. 25 crores, necessitating an increase in taxation or borrowing, or, if Mysore has to support the backward areas, its net effective expenditure on social and developmental schemes would be further cut down by Rs. 2 crores, that is, to Rs. 15-Rs. 16 crores.

The remark of the S.R.C. Report that the deficit and the cost of revising Mysore scales of pay could be set off against appreciable savings in overhead cost is, indeed, surprising. For the formation of a new State would, if anything, add to these charges. The observation of the Seshadri Committee is undoubtedly sounder in this respect. They say: "The necessity will arise inevitably to expand the establishments of the Heads of Departments and of the Secretariat. The number of Secretaries may have to be doubled and the strength of the Judges of the High Court will have to be substantially increased."

Thus, if the large revenue gap is not made good by the Centre, the issue of merging Mysore in the Karnatak State resolves itself to this: (1) retardation of social welfare and developmental projects in Mysore for at least the next decade or two; or *alternately* (2) an increased tax burden on the Mysore taxpayer of approximately 20 per cent.

Some economic advantages, however, have been claimed in the S.R.C. Report as arising from *one* State, as, for example, that a United Karnataka would solve the problem of the development of Malnad. It is held that the formulation and implementation of economic development plans in a co-ordinated manner have been impeded by the area being under four Governments, and that under one State co-ordinated planning for these areas would be easier. It is also claimed that the unification will facilitate the rapid development of the areas under the multi-purpose projects. "Northern Karnataka," concludes the Report, "is on the eve of large-scale and rapid economic development.... The increased production of food ... will meet the needs of Mysore.... It is not therefore, only Karnataka which may hope to benefit from the unification....

There may be some force in these arguments but it is impossible to check effectively their accuracy. For, they are largely matters of opinion and are results which *may accrue* only in the distant future.



FOREIGN TRADE UNDER SECOND PLAN

EXPORTS SHOULD BE BOOSTED IN ORDER TO MINIMISE BALANCE OF PAYMENTS DEFICIT

AN outstanding point that emerges from the speeches of Mr. T. T. Krishnamachari and Mr. D. P. Karmarkar at the meetings of the Export and Import Advisory Councils early this week, is that the accent of trade policy during the second Plan period will be on maximisation of exports and utmost economy in imports. This is only as it should be, considering the heavy strain on foreign exchange resources that will be imposed by the substantial stepping up of aggregate investment envisaged in the Plan. The estimated gap in balance of payments is very wide; the total deficit on current account works out to as much as Rs. 1,120 crores, even after allowing for a surplus of Rs. 255 crores on invisibles. Mr. Krishnamachari fears that this deficit will be still bigger, for he says:

"The development of the economy at the rate which the Plan envisages would need a tempo of activity which cannot be adequately met by the utilisation of resources that we have in the country *plus* what we have estimated would be imported by way of capital equipment, raw materials, foodgrains and consumer goods. It is, therefore, quite on the cards that the import schedule in the Plan would have to be increased perceptibly, with the result that the balance on current account at the end of the Plan might show formally a bigger deficit balance than Rs. 1,120 crores, even if there is no material increase in imports."

Expression of Hope

It is thus evident that the balance of payments gap will be quite considerable, both absolutely and in relation to the funds that have so far been forthcoming. Since balance of payments is particularly sensitive to inflationary pressures and since the nation cannot produce dollars or sterling whenever it wants in the same way as it can create rupees, it is of the utmost importance that all possible avenues are explored for securing the required inflow of resources. The Planning Commission has no doubt fully recognised this aspect, but has failed to indicate exactly how the gap could be covered. As Mr. Krishnamachari rightly pointed out, the Plan has not made a completely watertight provision for meeting this gap; it has left uncovered roughly Rs. 800 crores, that is, after taking into account the sum of Rs. 300 crores which can be found from the existing sterling resources. The Plan, of course, has suggested several means by which the gap could be covered—as, for example, withdrawal from foreign exchange reserves, flotation of public issues in foreign money markets, bankers' credits and export credits. World Bank loans, private foreign investment, etc.—but these represent, to quote Mr. Krishnamachari, "more an expression of hope than anything based on the realities of the situation."

Viewed thus, the problem, indeed, needs "a very careful study" of both the size of imports that will have to be made and the size of the deficit that will result at the end of the Plan period. Mr. Krishnamachari did well to draw particular attention to this problem and urged that "earnest attempts" would have to be made primarily to meet the possible increase in the deficit on current account and also to reduce perceptibly the size of the deficit itself.

No Easy Task

That there is no exaggeration whatever in these remarks will be evident from the fact that the country does not have limitless foreign exchange resources; nor has it any large surpluses of commodities and manufactured goods to be exported against imports of plant and machinery, food and raw materials. It will not, therefore, be an easy task to find the wherewithal even for the essential imports. This aspect was impressively brought out by Mr. Karmarkar in his address at the import Advisory Council meeting. He said: "It will be necessary for us to take every possible device to effect savings on items which are not directly related to our development plants.... We will have to continue the process of judicious pruning of imports of items which can be economically produced in the country. This will be a continuous process and we hope that, as the Plan proceeds, we will be devoting a larger and larger proportion of our foreign exchange to the import of machinery, equipment and industrial raw materials." In this connection, Mr. Karmarkar cited the following trade statistics:

The value of our imports has risen from Rs. 618 crores in 1954 to Rs. 647 crores in 1955. The value of plant and machinery imported during 1955 exceeded the 1954 figure by Rs. 23 crores. There has been a more significant expansion in the import of metals, the value of which has gone up from Rs. 51 crores in 1954 to Rs. 75 crores in 1955; and yet the balance of trade has not been too unfavourable. In fact, we closed 1955 with an unfavourable balance of only Rs. 41.27 crores, as against the corresponding figure of Rs. 54.88 crores for the previous year. Similarly, the balance of payments position has not been unsatisfactory. At the end of March 1956, our sterling balances stood at Rs. 748 crores, as against Rs. 732 crores at the end of March 1955.

Proceeding, Mr. Karmarkar revealed that the increased tempo of industrialisation envisaged in the second Plan was already beginning to have an effect on the country's import trade. During the first three months of the current calendar year, imports were running at a level considerably higher than those in the corresponding periods of the previous two years. In that period, the balance of trade was unfavourable to India to the extent of Rs. 45 crores. The rate of licensing for capital goods had increased sharply and it was estimated that the expenditure on imports of machinery and metals in the remaining nine months would exceed the figure for the whole of 1955 by over Rs. 60 crores. It is for these considerations, Mr. Karmarkar declared that the Government found it difficult to give favourable consideration to the suggestions for liberalising imports in certain sectors. He, however, felt—this is, indeed, gratifying—that it might be necessary to provide for increased imports of some non-industrial items to meet the expected increases in consumer demand. Incidentally, he claimed that the Government had perfected its machinery to bring about planned shifts in imports from non-essential to essential items.

Augmenting Exports

While the adoption of a rational import policy will help reduce the trade deficit on current account, the need for augmenting the export trade assumes greater importance. It is unfortunate that this aspect has not received adequate emphasis in the Plan. "The Plan," to quote Mr. Krishnamachari, "is not very helpful, because it has posed some problems and postponed the solution. One good thing that the Plan does is that it gives a complete picture of our hopes and aspirations, and of our needs and the direction in which we have to proceed to fulfil them. Such gaps as we find when the full picture is presented have got to be filled and it is from this point of view that I am emphasising the need for greater attention of our export trade as a primary factor in the maintenance of our development economy." Mr. Krishnamachari expressed his concern over the "declining trend" in textile exports, a trend that appears to be gathering momentum. But the blame for this must be squarely laid on the Government. Mr. Krishnamachari was candid enough to admit this. He said: "It is my view that, if any blame is to be apportioned for the present export trend in textiles, that blame must be laid on the shoulders of Government. I am prepared to accept the responsibility for it. It is, perhaps, true to some extent that we cannot reconcile our export ambitions with the restrictive production policy in regard to textiles. Though that policy is primarily directed towards home consumption, it is not always easy to separate the relative interest of home consumption and export trade."

It is undoubtedly a good thing to be frank and to own the mistake. But what is the value of such confessions as the one made by the Commerce and Industry Minister, if no vigorous steps are taken to correct the past mistakes? The stage for candid admissions is over. The time has come for proof that the Government has learned from its mistakes. We have yet no evidence that it is forthcoming or will be forthcoming in the near future.

Price Flexibility

It is common knowledge that the progress of export trade depends very largely on conditions obtaining elsewhere in the world. If, therefore, the country is to launch forth any scheme of active export promotion, what would be most necessary is, as Mr. Krishnamachari very aptly put it, not merely augmentation of internal production in the type of articles that go into the export trade but, along with it, a reasonable degree of price flexibility. There are various factors contributing towards the maintenance of such price flexibility or otherwise. The first need would be, according to Mr. Krishnamachari, to raise the output of exportable items, for it is only by augmenting supplies that prices can be brought down. With this view, we agree. Secondly, domestic fiscal policy, according to him, has a big say in regard to making supplies available for export, as "any fiscal policy which tends to inhibit internal consumption will certainly release a larger quantum of goods for export at a price which will be the ruling price in the internal market less the fiscal burden on that type of goods." This is true only to some extent. For, if the article concerned is one of the basic consumption goods—cloth is surely one of them—the policy of inflating domestic prices with a view to compelling manufacturers to look for export markets will have adverse effects on the economy in other ways. Besides causing serious hardship to consumers, and, consequently, discontentment among the public, it would result in higher cost of living and thereby add to the cost of development. Thus, the second solution of Mr. T. T. Krishnamachari is not a sound one. The best thing to do in such cases would be to expand production to a level which would leave sufficient balance for exports after meeting all reasonable domestic demand. Discussing the ways and means of achieving a rapid increase in exports, Mr. Krishnamachari said: "It is clear they are not easy. A lot of work has to be done before making any progress in this direction. No planned economy can ever be successful, unless it has attached to it controls and restraints." He, of course, took care to add that, "in a plan within a democratic structure, you can plan neither for rigorous controls nor for long-term restraints. So again, it is a problem of striking the golden mean."

State Trading Corporation

As was only to be expected, the State Trading Corporation, set up by the Government of India recently, figured prominently in the discussions at the meetings of both the Import and the Export Advisory Councils. Several members of the Import Advisory Council expressed apprehensions regarding the disquieting effect of the Corporation's activities on the trading community. Allaying these fears, Mr. Karmarkar made the following remarks:

"The object of the State Trading Corporation is not to encroach upon the normally recognised trade channels. As to the question of what would happen 10 or 15 years hence, wise speculators do not take into consideration such long periods. It is no use getting scared with something which need not scare. The country has opted for the socialist system ultimately, but the resources, the personnel and organisation will take an amount of time which, it looks, need hardly raise fear among the members. I am sure business men in the country have sufficient horse sense to know that there is nothing to be terrified about it ultimately. During the next five years, the production potential will increase and it may well be that the percentage increase in private trade will be more than what the State Trading Corporation may get."

Mr. Krishnamachari was even more vague in his references to this subject. All that he stated was that private enterprise should show a degree of tolerance to the Corporation. He refused to define the orbit of its activities, because it would defeat its purpose. The Corporation, he said, had been formed to stimulate trade, primarily export trade and, incidentally, import trade. He could not agree to limit its activities until he knew "the entire gamut of gap in our foreign trade structure."

STATE TRADING CORPORATION

The Central Government-sponsored State Trading Corporation was registered under the Companies Act 1956 at New Delhi on Friday the 18th inst. under the name "The State Trading Corporation of India (Private) Ltd. The authorised capital of the Corporation is Rs. 1 crore, divided into 100,000 shares of Rs. 100 each. The initial subscribed capital is Rs. 5 lakhs, the whole of it being contributed by the Government of India. The objects of the Corporation, as set out in its Memorandum of Association, are:

"To organise and effect exports from and imports into India of all such goods and commodities as the Company may, from time to time, determine, and the purchase, sale and transport of, and general trade in, such goods and commodities in India or anywhere else in the world, and to do all such other things as are incidental or conducive to the attainment of the these objects."

The affairs of the Corporation will be handled by a Board of Directors which has already been appointed by the Government, Mr. K. B. Lall, I.C.S., and Mr. Satish Chandra, I.C.S., Joint Secretaries, Ministry of Commerce and Industry, are the Chairman and Managing Director, respectively, of the Board. The other members are Messrs. V. Narayanan, Joint Secretary, Ministry of Finance, Nagendra Singh, I.C.S., Director-General of Shipping, V. N. Rajan, I.C.S., Director-General of Supplies and Disposals and H. D. Singh, Director, Railway Board.

STEEL FORGINGS INDUSTRY

The Government of India has brought the industrial undertakings pertaining to the steel forgings industry within the scope of the registration and licensing provisions of the Industries (Development and Regulation) Act. 1951. All industrial undertakings engaged in the production of steel forgings which employ or propose to employ 50 or more workers with the aid of power or 100 or more workers without the aid of power fall within the purview of these provisions. The undertakings which existed on 7th May 1956, or for the establishment of which effective steps had been taken before that date, should now get themselves registered under section 10 of the Act. The Government has prescribed a period of eight months with effect from 12th May 1956 within which the undertakings should be registered. Owners of such undertakings are advised to send in their applications for registration within five months from the above date. Applications should be made in quintuplicate to the Ministry of Commerce and Industry in form 'A' and 'B' according as the industrial undertaking existed on 7th May 1956 or for the establishment of which effective steps had been taken before that date, as the case may be.

The owners of all industrial undertakings pertaining to the steel forgings industry which have come into existence after 7th May 1956 either as new undertakings and any person wishing to establish a new industrial undertaking or to effect a substantial expansion of an existing undertaking, for the purpose of producing steel forgings, or proposing to produce steel forgings as a 'new article' in an existing undertaking, should obtain a licence from the Central Government under section 11, 13(1)(D), and 11A, as the case may be.

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SURAT ELECTRICITY'S RESULTS GOOD

PROFIT AND SALES AT RECORD LEVELS

THE working of the Surat Electricity Company, Ltd. (Agents: Messrs. Killick Industries Ltd., Bombay), during the year ended 31st December 1955, has produced excellent results. Sales of energy have registered a rise of 19.9 per cent. over the year to a record level of 33.87 million kw.h. and the gross profit has established a fresh record of Rs.13.29 lakhs, beating the previous highest of Rs. 11.06 lakhs earned only in the previous year. With the increase of Rs. 2.23 lakhs in 1955, the Company's profit has advanced in the past two years by Rs. 4.92 lakhs. The net profit, which had gone up from Rs. 3.79 lakhs to Rs. 5.43 lakhs in the previous year, has further risen to Rs. 7.66 lakhs in the year under review, thus doubling itself in the course of two years.

Out of the above net profit, the Directors have utilised a sum of Rs. 2.381 for writing off the new share capital issue expenses, for which purpose they had utilised Rs. 1,751 last year. The statutory contingencies reserve has been provided with Rs. 56,974, as against Rs. 25,670 set aside a year ago, the dividend equalisation reserve Rs. 1.40 lakhs (as against Rs. 60,000) and employees' retiring gratuities reserve Rs. 80,640 (as compared with Rs. 61,900). The Directors have also decided to take Rs. 42,786 each to the tariffs and dividends control reserve and consumers' benefit reserve. The dividend on ordinary shares has been maintained at 7 per cent. per annum, made up of an interim distribution of 2½ per cent. and a final one of 4½ per cent. It must, however, be noted that the interim dividend for the year under review was on the old capital, while the final one is on the increased capital (raised in August 1955 by the *isue of new shares*) proportionate to the amount called up.

The following comparative table will provide an idea of the Company's progress during the past three years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds of energy ..	54.37	46.66	40.01	31.72
Other income ..	2.74	2.58	2.52	2.54
Cost of energy purchased ..	25.47	21.76	17.96	1.68
Other expenses	18.35	16.42	16.20	23.83
Gross profit	13.29	11.06	8.37	8.74
Agents' remuneration ..	1.23	1.15	1.00	1.03
Depreciation	3.37	2.78	2.38	2.14
Taxation	1.03	1.71	1.20	1.32
Net profit	7.66	5.43	3.79	4.25
New share capital issue expenses	0.02	0.02	0.02	0.01
To reserves	3.63	1.47	0.23	1.54
Dividends—				
6½ per cent. preference ..	0.32	0.32	0.32	0.32
Ordinary	3.66	3.59	3.27	2.35
	(7%)	(7%)	(7%)	(7%)
Carry forward	0.05	0.03	0.01	0.05

The upward trend in earnings from sale of energy noted in the previous years has been maintained, consequent on the increase in sale of energy. The quantity of energy sold during the year amounted to 33.87 million kw.h., as compared with 28.25 million kw.h. in 1954, 23.62 million kw.h. in 1953 and 16.65 million kw.h. in 1952. Thus, sales of energy has more than doubled in the course of three years. During the year under review, 1,541 new consumers were connected to the Company's mains bringing the total number to 24.372. From 1st July 1955, the Company made a downward revision of its basic rates for H.T. and L.T. power and for residential supplies. A minimum charge of Re. 1-8 per month in respect of lights and fans was reintroduced from 1st October 1955. Further, an *ad hoc* rebate of 6 pies in the rupee on the basis of total monthly bills (excluding coal surcharge) for the billing period January to June 1955 was allowed and credited in the December bills of those consumers qualifying for it. The continuity of supply to the Company from the Bombay Electricity Board's thermal station was satisfactory. The Company's maximum demand on the Board was 9,000 kw., as against 4,900 kw. in 1954, and it purchased 31.47 million kw.h., an increase of 5.76 million kw.h. over the year. The maximum load on the Company's system as a whole was 9,000 kw., as compared with 7,600 kw. in the previous year.

The Company's issued capital was increased during the year from Rs. 56.25 lakhs to Rs. 75 lakhs, by the issue of 18,750 ordinary shares of Rs. 100 each. Of the 18,750 new shares of Rs. 100 each, 17,765 shares of Rs. 25 each were called and paid-up, raising the paid-up capital from Rs. 56.24 lakhs to Rs. 60.69 lakhs. Since the close of the year, the first call of Rs. 25 per share was made on the new issue, making the new shares Rs. 50 paid-up. The reserves and surplus aggregate Rs. 17.63 lakhs. The provision for taxation stands at Rs. 2.76 lakhs and current liabilities aggregate Rs. 25.72 lakhs. The gross block of the value of Rs. 113.95 lakhs has been written down to Rs. 81.01 lakhs. Capital work-in-progress and intangible assets account for Rs. 0.42 lakh. The current assets amount to Rs. 29.47 lakhs, thus providing adequate cover for the current liabilities and provision for taxation.

The Rs. 100 fully paid-up ordinary shares are being currently quoted at Rs. 122-3 *cum-div.* (final dividend: Rs. 4-8). On an *ex-div.* basis, the dividend for 1955 gives a yield of just 5 per cent. per annum, free of income-tax.

ALUMINIUM LTD.

The general prosperity of world aluminium industry during 1955, when production, sales and profits all *reached record levels*, was duly shared by Aluminium Ltd. (President: Mr. Nathanael V. Davis, Montreal, Canada) and its subsidiaries in Canada and abroad. The Directors' report and accounts of the Company for the year ended 31st December 1955 show that the production of primary and semi-fabricated products was maintained at a very high level and the consolidated earnings were well above those of any previous year.

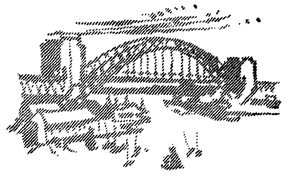
The Company's production of primary aluminium during 1955 reached a record level of 607,700 short tons, an increase of 8 per cent. over the output (560,900 tons) in 1954. All available ingot and semi-fabricated products were *readily sold*, consequent on the strong demand throughout the year for aluminium products in all the markets served by the Company. This is duly reflected in the rise in sales and operating revenues from $327.65 *million in 1954 to $412.15 million. Cost of sales* and operating expenses also went up from $190.89 million to $245.64 million. The net income, after providing for depreciation, current and future income-taxes and dividends on preferred shares of subsidiaries, *amounted to $48.19 million*, as compared with $34.97 million for the previous year. The dividend was raised to $2.15 per share from $2.00 per share paid for the previous three years.

The Company's expansion programme announced last year, if completed in 1959 as at present planned, will increase the effective capacity of the Company in Canada to 912,000 tons of aluminium per annum, as compared with 650,000 tons at the end of 1955.

Bombay

Singapore

Australia



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ANDHRA CEMENT'S PROFIT IMPROVES

DIVIDEND, HOWEVER, UNCHANGED

A rise of Rs. 2.75 lakhs to Rs. 21.08 lakhs in gross profit is disclosed by the statement of *accounts of the Andhra Cement Company, Ltd.* (*Managing Agents: The Andhra Engineering* Co. (Private) Ltd., Madras), for the year ended 31st December 1955. Though this improvement in profit has not made good the recession of Rs. 3.56 *lakhs suffered during 1954*—the profit for 1955 is still lower than the record of Rs. 21.89 lakhs earned in 1953—it has helped the Company resume the upward trend in its profit. The net profit, at Rs. 7.80 lakhs, is, however, only slightly better than that of Rs. 7.66 lakhs for 1954, on account of the larger provisions for depreciation and taxation.

No allocation to the general reserve has been made as in the previous year. In fact, the general reserve, which needs to be strengthened considerably, has not received anything for the last four years. The last occasion on which the general reserve received anything was *in 1951*, when the Directors transferred to it a sum of Rs. 2.15 lakhs from the sinking fund after the redemption of mortgage debentures. The Directors have, however, allocated a sum of Rs. 2.43 lakhs to the rehabilitation and expansion fund under the Government's directive *that a sum of* Rs. 2 per ton of cement sold (out of the statutory price fixed) should be set aside for rehabilitation and *development purposes only.*

The distribution to shareholders has been kept unchanged at 10 per cent., made up of a dividend of 7½ per cent. and a bonus of 2½ per cent., a rate which had been paid for the previous two years, after having been stepped up from a dividend of 7½ per cent. for 1951 and 1952.

The Company's progress during the past three years can be judged from the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	94.33	93.23	94.01	71.50
Stocks	6.55	6.84	7.40	14.62
Expenses*	73.75	76.39	79.27	59.27
Gross profit	21.08	18.33	21.89	18.31
Managing Agents' remuneration	1.20	1.17	1.34	1.49
Depreciation	5.00	3.50	10.00	10.00
Taxation	7.25	6.00	5.45	0.75
Net profit	7.80	7.66	5.10	6.07
Reserves	2.43	2.16	..	2.15
Dividends—				
6 per cent. preference ..	0.15	0.15	0.15	0.15
Ordinary	5.12	5.12	5.12	3.83
	(D. 7½% +B. 2½%)	(D. 7½% +B. 2½%)	(D. 7½% +B. 2½%)	(D. 7½%)
Carry forward	0.20	0.27	0.03	0.20

* Approximate only.

The Directors report that production and *despatches* of cement during the year under review were maintained at the same rate as in the previous year. There was, however, a considerable increase in power tariffs, *increase in cost* of raw materials and labour charges. *The in*crease in power tariffs is duly reflected in the rise in cost of power and fuel consumed from Rs. 16.38 lakhs to Rs. 17.64 *lakhs*. The cost of raw materials purchased has gone up from Rs. 17.08 lakhs to *Rs. 17.64 lakhs and wages and* bonus from Rs. 7.10 lakhs to Rs. 7.75 lakhs.

The Company's paid-up capital is unchanged at Rs. 53.77 lakhs, and this is supplemented by reserves and surplus aggregating Rs. 13.26 lakhs, of which general reserve *accounts for only Rs. 5.43 lakhs* and rehabilitation and development reserve for Rs. 4.63 lakhs. The provision for taxation stands at Rs. 12.80 lakhs and current liabilities aggregate Rs. 28.91 lakhs. The *addition to the* gross block made during the year, in pursuance of the scheme of expansion, amounts to Rs. 3.13 lakhs, bringing the total value of the block account *to Rs. 83.24* lakhs. The present book value of the block is Rs. 39.06 lakhs. The current assets aggregate Rs. 69.69 lakhs, exceeding the current liabilities and provision for taxation by a margin of Rs. 27.98 *lakhs*.

Last year, the Directors of the Company decided to expand the capacity of the factory from 300 to 500 tons a day, with a view to making the Company's own contribution towards meeting the shortage of cement in the country, as well as making its cost of production cheaper. In pursuance of this programme of expansion, the Directors have placed orders for machinery with a leading firm in West Germany and made arrangements for the execution of the civil works at the factory. The Directors hope to complete the expansion work before the end of the current year.

Points From The Chair

No Incentive to Shipping

"IN a rapidly *developing economy* where progress *on many fronts* is contemplated there is one danger that farsighted men should guard against well in advance. I raise this note of warning because I am *afraid in the framework of planning* sufficient *attention has not been* paid to the multifaced problem of transport. As it is, with the limited objectives we have achieved under the first Five-year Plan, transport has already become difficult, seriously upsetting *production* and distribution programmes of industrial units. Traffic on the railways has become so congested that it is seriously suggested that propaganda should now be taken in hand for *discouragement* and not encouragement of *traffic*. There has also been large-*scale diversion* of coal traffic to coastal shipping; but with rising costs on the one hand and avoidable delays at the ports on the other the rates offered are so uneconomic that shipping companies find little enthusiasm in a situation that should *normally* stimulate enterprise. The turnover of *every shipping company engaged in the coastal* trade has registered a fall and the margin of profit is fast coming to vanishing point. More ships should be commissioned to cope with the coastal traffic, but frankly the incentive is not there."

C. R. SRINIVASAN,

Bharat Line Ltd.

Fight Against Inflation

"Our most imperative need in the fight against inflation is for our nation so to live and spend that it adds greatly to its reserves *out of yearly* surpluses on its *balance of payments* and *maintains* them against the possible needs of the future when times may be adverse. If we go on as we have been doing, we shall without question fail to hold back inflation and soon *come to disaster. For us*, as a *nation, it is vital that income*, whether wages or other income, should not increase faster than production. As a nation we must face *some im*mediate self-denial to remedy the position and to improve our savings. *Those who saw* at firsthand the full effects of rapid inflation, such as was experienced in Germany after the First World War, know that however painful *the corrective measures* may prove to be, they are infinitely to be preferred to the consequences *of rampant inflation. It is* essential that each one of us shall appreciate that, unless we all play our part in helping to put right our present *disorders, we shall all suffer the* consequences. There will be no escape for any of us. The step each of us can take in varying degrees can be stated quite simply. They are to increase our production—that is, to work harder and as efficiently as possible, and to exercise all the *influence we can* in the direction of curtailing for the *time being all non-essential expenditure whether* public or private—that is, as a nation to save more."

LORD BRAND,

North British and Mercantile Insurance Co., Ltd.

Production and Saving in U.K.

"The official statistics show that in the first nine *months of 1955* United Kingdom exports and manufactures were about 7 per cent. higher in value than a year previously. The corresponding increases for the U.S.A., Western Germany and Japan were about 9, 18 and 27 per cent., respectively. An increasing volume of exports is clearly necessary to meet our *vital needs* and maintain the value of our currency in world markets. To succeed in the export market we require quality of product, promptness of delivery, good aftersales service and, above all, prices *that buyers* are willing and able to pay. British industry will require a vastly increasing and not a diminishing investment in plant and machinery and power facilities if it is not to lag even further behind its main competitors, the U.S.A., Western Germany and Japan. There is also a need for a higher degree of utilisation of our existing plant and a lessening of restrictive practices. A more efficient use of our existing plant would have an immediately beneficial effect and I regard this as one of the major tasks now confronting management and their advisers. Wealth cannot be created by book entry or the bases upon which financial accounts are prepared. The only way out of our present difficulties is by hard work and saving—hard work to increase production, saving to build up resources for capital investment and future betterment."

W. S. CARRINGTON,

Institute of Chartered Accountants.

Insurance Against Atomic Risks

"Now let me call your attention to a development in prospect. There is a new and important type of risk which we, in common with other companies, expect to be called upon to underwrite. This is the cover required in connection with what I may call atomic risks of all types. In particular, the public liability insurance required for those nuclear reactors for which private enterprise is responsible is likely to test to the full the capacity of the available *markets*. As you can imagine, there are bound to be problems in arranging these insurances in different countries but, whatever they are, the companies will take all steps to see how they can be solved."

LORD KNOLLYS,

Employers' Liability Assurance Corporation Ltd.

COMPANY MEETINGS AND DIVIDENDS

INDO-BURMA PETROLEUM CO., LTD. Annual General Meeting, Calcutta, 29th *May* 1956. *Dividend*: Rs. 2 per share (final). Transfer books *remain* closed from 14th to 28th May 1956, both days inclusive.

GODFREY PHILLIPS, INDIA, LTD. Annual General Meeting, Bombay, 30th *May* 1956. *Dividend*: Rs. 2 per share. Transfer books remain closed from 24th to 30th May 1956, both days inclusive.

CHURULIA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 30th May 1956. Dividend: 6 pies per share. *Transfer books remain closed from* 10th to 30th May, 1956, both days inclusive.

EASTERN INVESTMENTS LTD. Annual General Meeting, Calcutta, 30th May 1956. Dividend: Rs. 9 per share. Transfer books remain closed from 16th to 30th May 1956, both days inclusive.

SENDRA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 30th May 1956. Dividend: As. 2 per share (2½ per cent. per annum). Transfer books remain closed from 10th to 30th May 1956, both days inclusive.

RELIANCE FIREBRICK AND POTTERY CO., LTD. Annual General Meeting, Calcutta, 31st May 1956. Transfer books remain closed from 24th to 31st May 1956, both days inclusive.

BHARTIA ELECTRIC STEEL CO., LTD. Annual *General Meeting, Calcutta, 4th June 1956. Transfer* books remain closed from 18th May to 4th June 1956, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. Annual General Meeting, Pathirappally, 4th June 1956. Dividend: As. 12 per share *(final). Transfer books* remain closed from 18th May to 5th June 1956, both days inclusive.

SURAT ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 11th *June* 1956. Dividend: Rs. 4-8 per share (final) payable on and after 19th June 1956. Transfer books will remain closed from 28th *May to* 11th June 1956, both days inclusive.

NATIONAL RAYON CORPORATION LTD. The 9th Annual General Meeting, of the above company will be held in Bombay, on 14th June 1956. The meeting was to be held on 24th May 1956, as per *previous notice but the date* has now been changed to 14th June 1956, as mentioned above.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 15th June 1956. Dividend: Rs. 6 per share. Transfer books remain closed from 15th May to 9th *June 1956, both days* inclusive.

ANDHRA CEMENT CONSTRUCTION CO. (PRIVATE) LTD. Annual General Meeting, Vijayawada, 15th June 1956. Dividend: Rs. 3 per share, payable on and after 15th June 1956. Transfer books will re*main closed from* 1st to 15th June 1956, both days inclusive.

ANDHRA CEMENT CO., LTD. Annual General Meeting, Madras, 16th June 1956. Dividend Rs. 10 per 'A' ordinary share (includes bonus of Rs. 2-8) and Re. 1 per 'B' ordinary share (includes bonus of As. 4 per share), payable on and after 16th June 1956. Transfer books will remain closed from 2nd to 16th June 1956, both days inclusive.

LARSEN AND TOUBRO LTD. Annual General Meeting, Bombay, 20th June 1956. Dividend: Re. 1 per ordinary share, payable on or after 27th June 1956. Transfer *books remain closed* from 26th May to 20th June 1956, both days inclusive.

DEVKARAN NANJEE INVESTMENT CO., LTD. Annual General Meeting, Bombay, 26th June 1956. Dividend: As. 13 per share, free of *income-tax. Transfer books will remain* closed from 12th to 26th June 1956, both days inclusive.

BANGALORE PRINTING AND PUBLISHING CO., LTD. *Dividend of Rs.* 10 per ordinary share, for the year ended 31st December 1955. Transfer books remain closed from 25th May to 9th June 1956, both days inclusive.

MYSORE CHEMICAL MANUFACTURERS LTD. Dividend of Rs. 2 per ordinary share for the year ended 31st March 1956. Transfer books will remain closed from 10th to 23rd June 1956, both days *inclusive.*

VIJAYAKUMAR MILLS LTD. Dividend of Rs. 10 per ordinary share, for the year ended 31st December 1955. Transfer books remain closed from 26th May to 8th June 1956, both days *inclusive.*

RADHAKRISHNA MILLS LTD. Dividend of Rs. 20 per ordinary share and Rs. 10 per 'B' ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 28th May to 15th June 1956, both days inclusive.

PANKAJA MILLS LTD. Dividend of Rs. 4 per ordinary share, for the year ended 31st December 1955. *Transfer books remain* closed from 21st May to 4th June 1956, both days inclusive.

COMPANY REGISTRATIONS

SHAH, SALZGITTER AND JOLLY (PRIVATE) LTD. (First Director: Mr. Mahendra J. Shah.) Business: To enter into contracts for the construction of a dam or dams across the Koyna River and for other works relating to Koyna River Valley Project. Authorised capital: Rs. 1,00,00,000. Private company. Address: 198, Jamshedji Tata Road, Churchgate Reclamation, Bombay-1.

HOECHST-FEDCO PHARMA PRIVATE LTD. (First Director: Mr. C. R. Sharp.) Business: Manufacturers, producers and refiners of drugs, medicines, etc. Authorised capital: Rs. 30,00,000. Private company. Address: 'Mafatlal House', Back Bay Reclamation, Bombay.

STORES DYES AND CHEMICALS LTD. (First Director: Mr. Rameshchandra T. Desai.) Business: Dealers in dyes, dyewares, colours, oils, paints, etc. Authorised capital: Rs. 5,00,000. Address: Harisadan, Char Rasta, Khadia, Ahmedabad.

POWER SHORTAGE AFFECTS DIGVIJAY CEMENT

POLSON MAINTAINS DIVIDEND

Shree Digvijay Cement Co., Ltd.

THE directors of the above Company (Managing Agents: Shree Laxmi Agents Ltd., Sikka, Saurashtra) submitted the audited accounts of the Company for the year ended 31st December, 1955.

The year's working results show, after meeting all expenses of operation and management and after setting aside Rs. 18,00,000 (Rs. 18,00,000) for depreciation, a profit of Rs. 25,55,767 (Rs. 23,71,008). To this has been added the balance brought forward from last year's account of Rs. 2,77,143 (Rs. 1,62,701), making a total of Rs. 28,32,910 (Rs. 25,33,709). Out of this the directors propose to appropriate to reserve fund Rs. 4,50,000 (Rs. 12,50,000) and to contingency reserve Rs. 11,50,000 (Rs. 3,00,000). This leaves a balance of Rs. 12,32,910 (Rs. 9,83,709) which the directors recommend to dispose of as under:—

To payment of a dividend on 39,900 (39,760) 5 per cent. cumulative preference shares at Rs. 5 (Rs. 5) per share (free of income-tax) Rs. 1,99,500 (Rs. 1,98,800) and to payment of a dividend on 38,810 (59,737) ordinary shares at Rs. 8-8 (Rs. 8-8) per share Rs. 7,54,885 (Rs. 5,07,765), leaving a balance of Rs. 2,78,525 (Rs. 2,77,144) to be carried forward.

The Company has had to face during the period under review power shortage which was aggravated by certain breakdown in both the turbines. The trouble in the power supply still continues. The Nawanagar Electric Supply Co., Ltd., assisted by the Saurashtra Electricity Board, has however, taken steps to expand the Sikka Power House and it is hoped that the difficulty for power will be overcome in due course.

The production of clinker and cement was 2,12,876 (2,11,015) and 2,26,432 (2,36,268) tons respectively during the year and the directors hope that the results shown under the circumstances will be regarded as fully satisfactory.

The directors are pleased to report that good progress has been made on the second extension and a major portion of the machinery has already been received at site. It is hoped that this second extension plant will go into operation sometime in the later half of this year, by which time the rated capacity of this factory would be 4,30,000 tons per annum.

The labour situation in the year on the whole has been satisfactory. The senior executives, and the members of staff in general have had to work under strain and the directors take this opportunity of placing on record their high appreciation of the excellent results turned under difficult circumstances.

The directors purchased 47,000 ordinary shares of Rs. 100 each and 8,000 preference shares of Rs. 100 each in The West Coast Paper Mills Ltd., during the year under report and further acquired 4,950 ordinary shares during the current year. Now The West Coast Paper Mills Ltd., has become the subsidiary of the Company. This is a new paper project with very good prospects and the directors are confident that the association of the Company with this project would prove beneficial.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	1,28,80,125	Block ...	2,04,20,192
Reserves ...	28,50,000	Extensions works-in-progress	33,68,689
Depreciation fund ...	86,59,098	Stores, spare parts, etc.	30,10,235
Liabilities ...	69,07,154	Coal, gunny bags, paper bags, etc.	13,73,840
Profit and loss account ...	28,32,912	Stock-in-trade	2,80,752
		Tools, etc.	1,22,140
		Debts, deposits and advances ...	14,67,204
		Investments	29,44,353
		Cash ...	11,41,884
Rs.	3,41,29,289	Rs.	3,41,29,289

Polson Ltd.

The directors of the above Company (Managing Agents: Messrs. Polson (Agencies) Ltd., Bombay) submitted the audited accounts of the Company for the year ended 31st December 1955.

The net profits after providing for managing agents' commission and depreciation amounted to Rs. 11,10,290 (Rs. 10,11,048) which with the sum brought forward from the preceding year's accounts of Rs. 25,124 (Rs. 18,566) made a total of Rs. 11,35,414 (Rs. 10,29,614). From this sum the directors have placed to reserve for taxation Rs. 5,00,000 (Rs. 4,80,000) and to reserve fund Rs. 3,00,000 (Rs. 2,00,000) leaving a balance available for distribution of Rs. 3,35,414 (Rs. 3,29,614). Out of this amount the directors paid a dividend of Rs. 6 (subject to deduction of income-tax) per share on the preference shares Rs. 88,500 (Rs. 88,500) and a dividend of Rs. 10 (Rs. 10) per share free of income-tax on the ordinary shares Rs. 2,16,000 (Rs. 2,16,000) and carried forward Rs. 30,914 (Rs. 25,124).

The sales during the year improved to Rs. 97,38,656 from Rs. 96,54,246 of the previous year.

The machineries at the Company's factories at Bombay, Anand and Dinapore have been kept in good repair and their efficiency have been continuously maintained.

The Polson Model Dairy at Patna is nearing completion and is expected to go into production during the current year. The work would have been completed earlier had it not been for the fact that throughout the construction work, there has been a great shortage of cement which still continues notwithstanding best efforts.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	41,60,000	Block ...	40,00,144
Reserves ...	15,80,000	Stock-in-trade	12,53,201
Depreciation fund ...	17,69,167	Stores, spare parts, etc.	5,38,006
Provision for taxation ...	11,30,528	Debts, deposits and advances ...	19,07,342
Liabilities ...	7,48,894	Investments	29,429
Profit and loss account ...	3,35,414	Cash ...	19,95,881
Rs.	97,24,003	Rs.	97,24,003

Sitalpore Sugar Works Ltd.

The directors of the above Company (Managing Directors: Mr. R. N. Datta and Mr. D. P. Ghosh, Calcutta) submit the audited accounts of the Company for the year ended 30th June 1955.

The result for the period shows a trading loss of Rs. 72,491 (Rs. 1,54,224) to which is added depreciation for the year of Rs. 67,025 (Rs. 60,644) making a total debit balance of Rs. 1,39,515 (debit of Rs. 2,09,087 after deducting Rs. 5,781 which represents tax-free interest realised from investment).

The directors once again regret to have to report the loss as shown above incurred during the year under review. Inspite of great economy and improvements in the working of the Factory the directors could not present a good account for the financial year. This is partly due to enhanced burden of Sugar excise duty from Rs. 2-12 to Rs. 4-2 per maund of sugar and general fall in prices of sugar resulting from heavy imports of sugar on Government account.

Production by the factories in the country together with Government imports totalled more than 22 lakh tons against estimated consumption of about 18 lakh tons leaving a carryover exceeding four lakh tons. This resulted in further deterioration in selling prices of sugar in the current year.

Although supply of cane improved during the year to certain extent in comparison to previous year but the cane available for crushing was only 11,14,900 maunds which is much below the normal requirement of the factory. The factory worked for 61 days and closed with a recovery of 9.70 per cent. as against 43 days' working and a recovery of 9.53 per cent. recorded in the previous year. Cost of production was substantially reduced but unfortunately the effect could not be felt due to reasons stated above. It is expected that the supply of cane may exceed the normal requirement of your factory during the season 1955-56 and a good production may be achieved.

Accounts in brief are as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	9,99,950	Block ...	14,54,274
Reserves ...	61,825	Stock-in-trade	15,27,932
Liabilities ...	36,48,649	Stores tools, etc. ...	2,05,923
		Debts, deposits and advances ...	8,41,732
		Investments	1,21,533
		Cash ...	21.162
		Profit and loss account ...	5,37,868
Rs.	47,10,424	Rs.	47,10,424

New Commercial Mills Co., Ltd.

The directors of the above Company (Agents: Messrs. Tricumlal Bhogilal & Co., Ltd., Ahmedabad) submitted the audited accounts of the Company for the year ended 31st December. 1955.

During the year the Company has made a profit of Rs. 21,17,518 (Rs. 10,97,352). After adding the balance from the previous year of Rs. 242 (Rs. 6,391) there is a total of Rs. 21,17,760 (Rs. 11,03,742). This amount the directors recommend for appropriation as under:—

To payment of dividend at Rs. 4 per share (free of income-tax) on 5,250 redeemable cumulative preference shares for the year ended 31st December, 1955 Rs. 21,000 (Rs. 21,000), to payment of dividend at Rs. 80 (Rs. 70) per share (free of income-tax) on 6,300 ordinary shares for the year ended 31st December, 1955 Rs. 5,04,000 (Rs. 4,20,000), to provision for taxation Rs. 5,25,000 (*nil*), to depreciation fund Rs. 9,75,000 (Rs. 7,00,000), to dividend equalisation fund Rs. 75,000 (*nil*), to bad debts reserve fund Rs. 5,000 (*nil*) and to charity account Rs. 10,000 (Rs. 7,500) leaving a balance to be carried forward to the next year's account of Rs. 2,760 (Rs. 1,96,242).

During the year under report, the Sanforizing Plant has been successfully put to commission in December but it was rather late than expected. The directors hope to derive benefits of the plant this year.

Notices

THE BANK OF PATIALA

Head Office: THE MALL, PATIALA

FOR SALE

THE OFFICIAL LIQUIDATORS OF THE PATIALA BANASPATI AND ALLIED PRODUCTS CO., LTD. (IN LIQUIDATION) INVITE offers for the sale of the vegetable oil mills machinery of the above Company lying at Doraha. The machinery consists of 400 kw. generating set, processing tanks, boiler and other accessories like condensors, bleachers, catchels, autoclaves, etc., unused and unassembled. The machinery can be inspected at the Factory site at Doraha (Pepsu).

For further enquiries and details please contact

THE BANK OF PATIALA,
Official Liquidators,
Patiala Banaspati and Allied Products Co., Ltd.
(In Liquidation),
Head Office, The Mall, Patiala.

THE SIMPLEX MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from 22nd June 1956 to the 6th July 1956, both days inclusive.

Shareholders are requested to notify immediately any change in address to the undersigned.

By Order of the Board,
FORBES FORBES CAMPBELL & CO. PRIVATE LTD.,
Agents.

FORBES BUILDING,
HOME STREET, FORT,
BOMBAY, 16*th May* 1956.

THE AZAM JAHI MILLS, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from the 8th day of June 1956, to 30th day of June 1956, both days inclusive.

By Order of the Board,
C. S. TYABJEE,
Managing Agent,
For THE INDUSTRIAL TRUST FUND,
Secretaries, Treasurers and Agents,
The Azam Jahi Mills Ltd.

HYDERABAD-DN.,
Dated 8th May 1956.

THE OSMANSHAHI MILLS, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Transfer Books of the Company will be closed from the 8th day of June 1956 to 30th day of June 1956, both days inclusive.

By Order of the Board,
C. S. TYABJEE,
Managing Agent,
For THE INDUSTRIAL TRUST FUND,
Secretaries, Treasurers and Agents,
The Osmanshahi Mills Ltd.

HYDERABAD-DN.,
Dated 8th May 1956.

The mills have 45,836 spindles, 866 looms including 104 automatic looms with necessary dyeing, bleaching, printing, and yarn and cloth mercerising plants.

Accounts in brief were as under:—

LIABILITIES	Rs.	ASSETS	Rs.
Capital ...	68,25,000	Block ...	1,21,06,843
Reserves ...	23,63,000	Stock-in-trade	45,66,217
Depreciation fund ...	79,50,000	Stores, etc. ...	11,06,512
Provision for taxation ...	9,585	Debts, and advances	47,47,792
Liabilities ...	60,65,214	Investments	10,15,805
Profit and loss account ...	21,17,760	Cash ...	17,87,390
Rs.	2,53,30,559	Rs.	2,53,30,559

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

Notice

THE TROPICAL PLANTATIONS LIMITED

KOTTAYAM

NOTICE IS HEREBY GIVEN THAT THE Thirty-second Annual General Meeting of the Shareholders of The Tropical Plantations, Ltd., Kottayam, will be held at the Registered Office of the Company, Chief Anchal Office Road, Kottayam, on Thursday the 31st May 1956, at 4 p.m., to transact the following business:—

1. To consider the Balance-sheet and Profit and Loss Account for the year ended 31st December 1955, and the Reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors in the place of the two Directors retiring by rotation.

   Note.—Sri Lazar Paul Attokaren who retires and is eligible for re-election is aged 65 years, last birthday, and a resolution, that the age limit prescribed under Section 280 of the Companies Act 1956 shall not apply to him, is necessary. Special notice of the following resolution for exempting him from the age limit as required by Section 281 of the Companies Act 1956 is hereby given:—

   "Resolved that Sri Lazar Paul Attokaren who is aged 65 years last birthday, be and is hereby re-elected as a Director and that the age limit prescribed under Section 280 of the Companies Act 1956 shall not apply to him."

   Explanatory Statement, under Section 173 of the Companies Act 1956, regarding this matter is annexed with this Notice.
4. To appoint Auditors for the current year and to fix their remuneration.

By virtue of Sections 9 and 87 of the Companies Act 1956, every member of this Company shall *hereafter* be entitled to *Notice of and Admission to* all General Meetings and every member shall on a poll have *one vote for every share* held by him and shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed *shall not have any right to speak* at the meeting and *shall not be entitled to vote except on a poll.* The instrument of proxy should be received by the Company at least 48 hours before the time fixed for the meeting. (*Vide* Section 176 of the Companies Act.)

By Order of the Board,
C. T. JOHN,
Secretary.

KOTTAYAM, 27*th April* 1956.

The Register of Members of the Company will be closed from 25th to 31st May 1956 (both days inclusive).

Note.—The Dividend when declared will be made payable on 29th June 1956, by Dividend Warrants which will be posted to the Registered addresses of the shareholders whose names stand in the Company's Register on 31st May 1956.

Explanatory Statement annexed to the Notice of the Thirty-second Annual General Meeting of The Tropical Plantations, Ltd., Kottayam.

TO THE SHAREHOLDERS OF
THE TROPICAL PLANTATIONS, LTD.

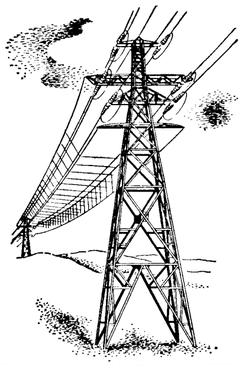
Dear Sir/Madam,

The Indian Companies Act 1956 has come into force on 1st April 1956.

Sections 280 to 282 of the Act provide, *inter alia*, that no person who has attained the age of 65 years shall be appointed a Director unless his appointment is approved by a resolution passed by the Company in General Meeting and specifically declaring that the age limit shall not apply to him/her and also that special notice shall be given of such resolution.

Sri Lazar Paul Attokaren, one of the Directors who is due to retire at the next Annual General Meeting and who is otherwise eligible for re-election, has given notice to the Company that he has already attained the age of 65 years, last birthday. Accordingly, for his re-election, a resolution, as aforesaid is necessary

(*Continued on page* 1039)



BOMBAY ELECTRIC SUPPLY & TRANSPORT UNDERTAKING
•
CALCUTTA ELECTRIC SUPPLY CORPORATION
•
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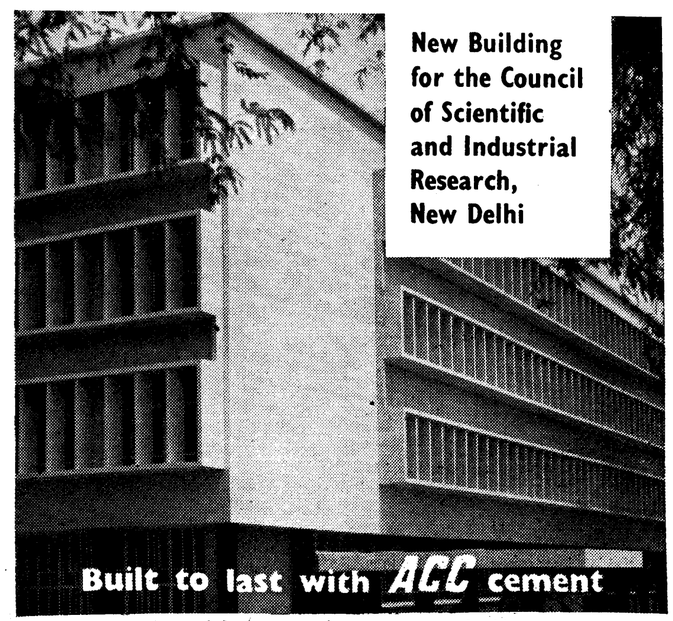

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QUESTION HOUR IN PARLIAMENT

Atomic Reactor

THE swimming pool type atomic reactor, now being built in Bombay, will begin functioning in six weeks or two months from now. The bigger Indo-Canadian reactor will take another two years to be built. In addition to these, India will be having a number of other reactors India's atomic energy programme is aimed at the peaceful use of atomic energy. Radio-active isotopes which are being used increasingly in industry, medicine and agriculture in India are at present being imported from abroad. They will be produced in India as soon as the Indian atomic reactors are ready. As regards power generation, the economic aspects of setting up atomic power stations in India are at present under study by the atomic Energy Department. India is in close collaboration with foreign countries in the field of atomic research and the necessary personnel for its programme has been sent from time to time to foreign countries for training. As soon as the new reactor is ready, it will make isotopes and the quantity will go on increasing; so will our needs. Obviously, if we have to give them to all our hospitals and for all our agricultural operations, we shall want an enormous quantity.

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Ilmenite and Monazite

A field party of the Department of Atomic Energy is engaged on the estimation of reserves of ilmenite and monazite on the beaches of Andhra. The party is working under the supervision of the Geology Department of the Andhra University. The interim reports from the field party about the reserves of ilmenite and monazite in the sands of Andhra beaches are fairly encouraging. Final reports have not yet come. If the reports are good, action will be taken. For the moment, we have quite enough of this material on the Travancore beaches.

—*Jawaharlal Nehru*

Bhilai Steel Works

A contract has been concluded between the Government of India and the Ministry of Iron and Steel of the U.S.S.R. for the supply of 60,000 tons of structural steel for the Bhilai iron and steel works. The first consignment is expected to arrive in India this year and the entire supply completed by the middle of June 1959.

* * * *

Cement Consumption

The quantity of cement consumed in the country during 1955-56 was 4.5 million tons. During 1955, imports were nearly 400 tons.

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Coir Industry

The Coir Board has submitted to the Planning Commission a scheme for the development of the coir industry for inclusion in the second Five-year Plan. The total outlay of the scheme is Rs. 2.26 crores. The Planning Commission have, however, tentatively allocated a sum of Rs. 1 crore only, excluding the expenditure for working capital. The specific schemes to be implemented and the pattern of financial assistance to be given by the Central Government are under consideration.

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Import Policy

It is not possible to make a general statement about liberalisation of import policy, since the Government has liberalised its import policy in regard to machinery and industrial raw materials over several half-years. Quota restrictions have been removed or relaxed in the case of several commodities when import duties on these articles have been raised.

* * * *

Brass Sheet Factories

There are 10 factories manufacturing brass sheets in India and about 10,220 tons of brass sheets were manufactured by them during 1955-56. Five factories are located in Bombay and one each in Bihar, West Bengal, Rajasthan, Madras and Punjab. Their total rolling capacity for brass sheets and circles and copper sheets and circles is estimated at 40,500 tons per year. Large-scale manufacturers are mainly equipped for the manufacture of brass sheets of commercial quality, the demand for which has gone down, while industrial types of sheets are yet to be developed in the country. There is still competition between the large-scale and small-scale manufacturers of brass sheets, as the costs of production of the latter who use brass scrap as raw material are cheaper. The approximate production of brass in 1955-56 in the ordnance factories is about 6,000 tons. Brass sheets are not produced in the ordnance factories.

* * * *

Import and Export of Publications

The total value of books, magazines and periodicals imported into India during 1955 was Rs. 105.9 lakhs. The corresponding value of exports for the same year is Rs. 68.22 lakhs.

—*T. T. Krishnamachari*

Central Research Institute for Coir

Schemes submitted by the Coir Board for a Central research Institute and a branch Research Institute have been approved by the Government. The expenditure as originally estimated by the Coir Board is Rs. 20.28 lakhs during the second Five-year Plan period. The estimate is, however, under revision.

—*M. M. Shah*

"Bidi" Tobacco

A delegation consisting of the Secretary of the Indian Central Tobacco Committee and a *bidi* trader of Madhya Pradesh left on 8th May 1956 for Egypt, Gold Coast, Nigeria, Sudan, British East Africa and Aden to explore foreign markets for promoting the sale of *bidi*-tobacco.

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Export of Fish

The recommendation of the Export Promotion Committee to do away with the restricted quota and licence for the export of fish from India has been accepted.

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Mica Exports

An export promotion Council for mica will be set up shortly. Government Commercial officers are continually making studies of the important markets for developing exports of mica and the commodity is included in all trade agreements that have been concluded.

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Markets for Indian Tobacco

Steps are being taken to strengthen and explore markets for Indian tobacco in the East European countries. A tobacco officer has been appointed in Antwerp for promoting sales of Indian tobacco in European countries, including East European countries. Tobacco has been included as one of the items available for export from India in the latest trade agreements concluded with the U.S.S.R., Czechoslovakia, Poland, Austria, and Hungary. Samples of Indian tobacco were exhibited at the International Fair at Leipzig in which India participated recently. Tobacco samples of grades 1 to 4, LBY and LBY 2, desired by the Ministry of Foreign Trade, Czechoslovakia, have been sent for examination. In order to enable certain countries, including those in East Europe, which experience payment difficulties to import tobacco from India, facilities have been given for import into India of certain commodities from these countries so as to finance the exports of certain low grades of tobacco from India from the proceeds of these imports into India. This concession has been withdrawn as stocks of these types of tobacco have now been liquidated.

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Coffee Auctions

There is a proposal to hold open auctions for the export of Indian coffee as a trial measure for one year to start with. Open bids are expected to fetch higher prices than at present. Indian exports of coffee have to be limited in view of the large internal demand for coffee. When we grow more coffee, it will be time to think in terms of greater exports.

—*D. P. Karmarkar*

Coal Production

The Government of India has decided that, out of the additional production of 22 million tons of coal per year to be achieved by 1960-61, the public sector will raise 12 million tons and the private sector 10 million tons.

—*K. C. Reddy*

Ambar Charka

It will be premature to assess the employment potential of the Ambar Charka programme until the technical tests currently being held are completed. The Khadi Board has, however, estimated that the programme will provide employment to nearly 5 million spinners and carders, besides, a large number of weavers, carpenters and blacksmiths.

—*S. N. Misra*

Credit Market

Credit conditions in the commercial and industrial centres of India have become difficult. The emergence of seasonal stringency is a normal phenomenon of the Indian money market. This is attributable to the seasonal character of the demand for credit for the purpose of financing the movement of crops, from upcountry centres. This year, the degree of the stringency experience has been somewhat more pronounced than in the previous busy season. With the broadening of economic activity owing to the rise in industrial and agricultural production under the impetus of the first Five-year Plan, there has been a tendency for credit demands in successive busy seasons to become more pronounced and the return of funds to the banking system in the sebsequent slack season to be attenuated. Thus, as a result of the all-round increase in production and consumption and the increasing price level, the volume of demand for credit has been continually on the increase during the last few years.

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World Bank Loans

The International Bank mission now visiting the country has already had discussions with various Ministries of the Government and the Planning Commission. It will also meet industrialists and business men. It is true that various such missions which visited the country in the past have declared India to be a good risk and have stated that India's capacity to service foreign debts has increased as a result of the first Five-year Plan. The Finance Minister has said in his budget speech that he expects the Bank to play a more significant part in financing the foreign capital requirements of the second Plan. A significant increase in the amount of loans to India from the Bank is expected.

—*B. R. Bhagat*

Road Development

The Government of India have under consideration a proposal to draw up phased five-year programmes for road development to be financed from State allocations. The Government have been trying to impress upon the State Governments the desirability of early utilisation of funds in the interest of rapid road development in the country. The estimated unspent balance for 28 States, including Andaman and Nicobar Islands as on 1st April 1956 is Rs. 895.30 lakhs. The amount spent for the development of roads in the Andaman islands during 1955-56 is estimated at Rs. 8,79,200.

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T.E.L.CO. Locomotives

The question of fixing the price of locomotives manufactured by the T.E.L.Co. has been referred to the Tariff Commission. The agreement between the Railway Ministry and the T.E.L.Co. provides "certain standards" by which the price of locomotives manufactured by T.E.L.Co. could be fixed. But, we have not been able to accept the price quoted by the T.E.L.Co. for the locomotives and hence the reference to the Tariff Commission, an impartial tribunal. Meanwhile, provisional payments are made to T.E.L.Co. for the locomotives delivered.

—*O. V. Alagesan*

Foodgrains Prices

The prices of *jowar* have increased considerably in Bombay State and in some areas have gone up by 300 to 400 per cent. over last year's prices. The Government is arranging to sell wheat at Rs. 14 per maund and rice at Rs. 16 per maund in the affected areas. If a State Government wants to sell it at a lower rate in scarcity areas, 50 per cent. of the loss will be borne by the Central Government.

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Soil-Testing Laboratories

The Government of India are setting up a number of soil-testing laboratories throughout the country. No charges for testing will be collected from cultivators for the duration of the scheme. One of the centres would be located at Kanpur in Uttar Pradesh. The project is financed by Rs. 28,75,000 allotted by the Central Government and 1,85,000 dollars worth of equipment given by the United States Government under the T.C.M. project. The main feature of the scheme, which is likely to be implemented soon, will be to collect soil samples from farmers fields, to analyse them in the laboratories and then to make practical recommendations regarding requirement of fertilisers for increasing the crop yields.

* * * *

Village-level Workers

About 6,465 village-level workers were trained during 1955-56 at a cost of Rs. 14,05,179. Approximately 5,580 workers are proposed to be trained in the current year.

—*Dr. Punjabrao Deshmukh*

Search for Oil

The Soviet oil experts who came to India in the last week of November 1955 have recommended that, 'during the coming five years, it will be best to concentrate attention in two States—Punjab and Rajasthan (Jaisalmer Area) which are the most studied and where the prospects are encouraging. Simultaneously, it is essential to carry out geological and geophysical investigations as well as deep test drilling in the Ganga Valley and West Bengal, geological and geophysical survey and core drilling in Cambay area, geological and geophysical investigations on the Madras Coast. The latter four regions will constitute a reserve for extending the exploration during following years and could compensate the first two regions in the case of possible failures. They have also recommended geophysical and geological survey for oil and gas in the Punjab, Jaisalmer, Cambay, West Bengal, Uttar Pradesh and Madras, with a view to preparing these areas for exploration by drilling. They have advised: (1) to prepare by seismic survey 16 areas and by core drilling 13 areas for deep tests. To cover by gravity and magnetic survey 176,000 sq. miles by geological mapping—11,400 sq. miles; (2) to investigate by deep drilling oil and gas potentialities of five areas in the Punjab (Jawalamukhi, Balh, Nana, Dharamsala and Januari), as well as the areas in Jaisalmer regions; (3) to carry out deep test drilling in the Ganga Valley in order to ascertain its oil prospects, in the West Bengal (the areas which are not under licence) and in the Plains of Punjab close to the course of the Beas River; (4) to organise research work for oil geology in order to lay the scientific foundation for oil and gas prospecting in India; (5) to organise 14 gravity, 10 seismic and 14 geological parties and 5 parties for core drilling and 5 parties for deep test drilling; (6) to complete 34 deep test wells and start drilling six more wells with total footage of 464,500 feet; (7) to complete 145 wells—by core drilling with the total footage of 500,000 feet; and (8) to shoot 17,240 miles of seismic profiles. The recommendations in the interim report, which have been examined and discussed, have been mostly adopted by the Director, Oil and Natural Gas Directorate and the Government, and it is intended to work on these lines subject to such modifications as Government may find necessary.

—*K. D. Malaviya*

GILT-EDGED DULL

(From Our Own Correspondent)

BOMBAY, *23rd May*

The week under review witnessed no marked change in the stringency in the short-term money market. There was, however, some influx of funds from other centres, but these were easily absorbed on account of the sustained demand for bank credit from industries and had, therefore, no effect on interest rates.

Inter-bank call money continued to be bid at 3½ per cent. House money was in demand at 3½ per cent. Short-term deposits were offered 3½ per cent. for one to three months and 3¼ per cent. for longer periods.

After two weeks of successive expansion to the tune of Rs. 20.87 crores in the aggregate, notes in circulation have declined by Rs. 9.61 crores during the week ended 18th May 1956. The notes held in the Reserve Bank's Banking Department, however, shows a rise of Rs. 9.72 crores. The fractional increase in total notes issued is covered by a corresponding rise in rupee coin. In the Banking Department, deposits of the Central Government are up by Rs. 2.46 crores, those of other Governments by Rs. 49 lakhs and of banks by Rs. 1.37 crores. On the assets side, balances held abroad show a decline of Rs. 1.08 crores. Loans and advances other than to Governments have dropped by Rs. 5.91 crores, being accounted for mainly by the repayment of outstanding borrowings by Scheduled banks against usance bills to the extent of Rs. 5.97 crores. Fresh advances to banks against these bills during the week amount to Rs. 5.04 crores. Investments have been strengthened by Rs. 1.31 crores.

The downward trend in demand deposits of Scheduled banks noted for some weeks past has been maintained during the week ended 11th May 1956 also, with a further drop of Rs. 6.03 crores. Time deposits of banks have, on the other hand, gone up again by Rs. 2.42 crores. Inter-bank borrowings are higher by only Rs. 36 lakhs. Borrowings from the Reserve Bank show a marked rise of Rs. 10.78 crores, while those from the State Bank of India are practically unchanged. An increase of Rs. 5.70 crores is noted in advances and of Rs. 32 lakhs in bills purchased and discounted. Cash balances are lower by Rs. 1.46 crores, while money at call and short notice is up by Rs. 61 lakhs.

The Gilt-edged market was colourless during the week under review. Enquiries were selective and restricted and the volume of business was low. The undertone was, however, kept steady.

3 per cent. 1957 was unchanged at Rs. 99-13, while 3 per cent. 1958, which was on offer, shed an anna to Rs. 99-10. 3 per cent. 1959-61 was maintained at Rs. 98-2, as also 3 per cent. 1963-65 at Rs. 95-2 and 3 per cent. 1964 at Rs. 95. 3 per cent. 1966-68 was bid at Rs. 93-4 and 3 per cent. 1970-75 at Rs. 90. 3 per cent. 1986 Conversion Loan was neglected at Rs. 77-7, while 3½ per cent. 1961 was done an anna better at Rs. 99-11. 3½ per cent. 1964 held ground at Rs. 98-11 and 3¾ per cent. 1965 at Rs. 98-10. Small business was done in a few 4 per cent. 1967 State loans. Bombay 1967 changed hands at the unchanged rate of Rs. 100-12 and Madras loan was done at Rs. 99-13. Bihar was better by an anna at Rs. 99-8 and Mysore and Hyderabad also gained an anna each to Rs. 99-10.

In the foreign exchange section, there was no change in the rupee. U.S. dollar exchange rates, the banks' selling rate of ready dollar standing at Rs. 476¾ per $100 and their buying rate at Rs. 472¾ per $100. Sterling, however, moved irregularly and closed a shade easy. In New York, spot sterling was down on balance from $2.80.13/16-2.80.15/16 to $2.80½-2.80¾. Three months' forward declined from $2.79.5/16-2.79.7/16 to $2.79¼-2.79⅜ and transferable sterling from $2.78.3/5-2.78.7/10 to $2.78.7/20-2.78.9/20.

CLEARANCE IN KIPS SLOW

(From Our Own Correspondent)

MADRAS, *21st May*

Arrivals of kips were on a moderate scale and clearances slow. U.K. buying was small and selective. Prices of cow hides declined by six pies per lb. and calf skins by an anna. There were a few enquiries for top marks and top grades in hides, but business did not materialise, as prices offered were low. There was some demand for superior marks buff calf seconds and run selection, but sellers had thirds as excesses on hand and did not wish to part with run unless combined with thirds. Trading on the whole was poor and was not expected to revive this week also due to the Whitsuntide holidays in the U.K.

In the tanned skins public sales, prices of sheep skins declined by 3d. to 12d. as compared with March levels, and disposal of goods was not easy. Common tannages suffered most. In the local market, clearance was small and badly adulterated lining sheep declined to Rs. 4-4 per lb.

HIDES EASY

(From Our Own Correspondent)

KANPUR, *20th May*

During the week under review, the hides and skins market ruled slightly easy. Fresh arrivals were quite considerable. The main purchasers were the local tanners headed by Messrs. Cooper Allens. The country tanners and the Madras dealers were both lukewarm.

The latest available quotations are: Wet salted cow, 1st grade Rs. 280, 2nd grade Rs. 200 and 3rd grade Rs. 130 per score; wet salted buff, 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat, 1st grade Rs. 250 and 2nd grade Rs. 200 per 100 pieces; sheep, 1st grade Rs. 225 and 2nd grade Rs. 250 per 100 pieces.

SLUMP IN BULLION

(From Our Own Correspondent)

BOMBAY, *23rd May*

The downward trend in bullion witnessed during the previous two weeks gathered momentum during the week under review. The speculators who had seized the opportunity provided by the Government's permission to import silver coins from Tibet to hammer down the market in silver, seemed to be in no mood to cover their sales, notwithstanding the heavy carry-forward charges payable by them. The dwindling demand in the ready section also affected sentiment. Gold also lost substantial ground on nervous sales induced by poor offtake in the ready section and rumours about arrivals of yellow metal from other centres. The *budli* rates were as high as Rs. 5-8 in silver and Rs. 2-4 in gold, both against sellers.

The automatic margin enforced against sellers in forward silver (May settlement) on Wednesday last week (the closing price for that settlement on that day having been more than Rs. 7 below the starting rate of Rs. 180-4 for that settlement) became inoperative the next day as the closing price had risen above Rs. 173-4. It was, however, again enforced on Monday this week and is still operative. As per by-law 33d(1) (b), a margin of Rs. 500 per bar of silver was also enforced today against buyers as the closing rate for the current settlement was lower than the official starting rate and also quoted higher than the next settlement by more than Rs. 5. In other words, the bulls also had to pay a margin today, because the *budli* rate was in their favour by over Rs. 5. Sellers in gold also had to pay a margin of Rs. 7 per tola yesterday on all their outstanding sales in the current settlement, as the closing rate yesterday for that settlement was more than Rs. 5 below the starting rate. Besides, a special clearing in silver for the June settlement was introduced on Monday last, as the closing rate was Rs. 5 below the last clearing rate.

Forward silver (26th May settlement) slumped from Rs. 173-1 to Rs. 171-4 on Monday. After recovering to Rs. 174-10 today, it wound up at Rs. 173-4. Silver for forward delivery in June settlement declined from Rs. 170-1 to Rs. 166-8 before finishing at Rs. 167-12.

Ready silver (.996 Mint), after an early advance from Rs. 177-1 to Rs. 178-13, receded to a low of Rs. 173-7, before closing at Rs. 174-12.

The floating stocks of silver are estimated at 500 bars. The daily average offtake was 15 bars.

Forward gold (25th May settlement) slumped from Rs. 103-3 to Rs. 100-1 and the rate for the June settlement fell from Rs. 101-14 to Rs. 97-15, before closing better at Rs. 98-7.

Ready gold suffered a drop of Rs. 4-8 to Rs. 100-3. The floating stocks of gold are placed at 15,000 tolas. The daily average arrivals and offtake were estimated at 3,000 tolas.

In London, silver suffered a slight recession, spot metal moving down from 79*d.* to 78⅞*d.* and forward from 78⅞*d.* to 78⅛*d.* Gold also lost ground from 249*s.* 2¼*d.* to 249*s.* ¾*d.*, before recouping to 249*s.* 2*d.* In New York, silver was unchanged at 90⅜*d.*

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

	23-5-56	Highest	Lowest	16-5-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	100 3	104 13	100 0	104 11
Forward*	100 1	103 1	99 11	103 3
Sovereign	65 8	66 8	65 8	66 8
SILVER				
Ready (.996 fine Mint) ..	174 12	178 13	173 7	177 1
Forward†	173 4	174 10	172 12	173 1
London Silver Ready ..	78¼d.	79d.	78⅛d.	79d.
London Forward	78¼d.	78¾d.	78¼d.	78¾d.
London Gold	249*s.* 2*d.*	249*s.* 2*d.*	249*s.* 2*d.*	249*s.* 2¼*d.*
New York Ready	90⅜c.	—	—	90⅜c.

* 25th May, settlement.
† 26th May, settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

LINSEED SUPPLIES POOR

(Messrs. A Bradley and Co.)

CALCUTTA, *21st May*

Trading in the linseed market was on a much reduced scale during the week under review. Values, however, did not decline owing chiefly to insufficient supplies of seeds. Arrivals were somewhat below normal for this period and availability of goods was much below the present absorption capacity of local crushers. It was felt that the high price of mustard oil was responsible for the withholding of linseed stocks in upcountry centres for the purpose of adulteration. Linseed oil was inactive. Weak overseas advices and lack of parity ruled out any prospects of fresh business. The reluctance of some exporters to ship against former contracts made before the announcement of export duty was causing grave concern overseas. Local enquiries for oil were spasmodic and prices have registered a small decline.

The latest available quotations for both Ready and May-June is Rs. 22-11 per maund.

COTTON FIRM

(From Our Own Correspondent)

BOMBAY, *23rd May*

The hopes of forward trading in cotton being resumed by 15th June next have brightened. The Board of the East India Cotton Association has elected Mr. Madanmohan Ruia as its new President, in place of Mr. Purshotamdas Thakurdas who resigned. With his intimate knowledge of the cotton trade and the confidence of the Forward Markets Commission which he is reported to enjoy, Mr. Ruia should be able to succeed in ending the deadlock in cotton that has been persisting since 23rd December 1955. The two sections which are divided in their opinions over the issue of contracts—one favouring the running of two contracts simultaneously and the other advocating only one contract —will be submitting their respective viewpoints to the Cotton Contract Committee which is expected to submit its report on these views, as also on the several proposals for amending the by-laws of the E.I.C.A., to the Commission by the end of the month. Indications are that the Committee will accept, with certain modifications, most of the Commission's proposals for changing the structure of forward trading in cotton. It is on the basis of the report of the Cotton Contract Committee and in consultation with the Union Minister for Commerce and Industry who is expected in the city on 2nd June that the Forward Markets Commission will decide on the resumption of futures trading in cotton.

While the aforesaid developments are being watched with considerable interest in cotton circles, speculation is once again rife as to whether the authorities are contemplating some fresh measures to check the continued boom in spot cotton prices. Among the measures, reintroduction of the quota system for allocating the available domestic cotton to the mills is anticipated by a section of the trade. This is based on fears that the firm trend of the spot cotton market will continue unabated with more varieties piercing the ceilings fixed by the Government. The fears would appear to be quite justified. For the abolition of the 6¼ per cent. *ad valorem* export duty on coarse cloth has lifted up the prices of textiles, thereby inducing the mills to augment their stocks of raw cotton. Further, the Government has decided not to impose any ban on exports of Zoda cotton and yellow pickings; a categorical declaration to this effect was made by Mr. T. T. Krishnamachari at the Export Advisory Council meeting on Sunday last. The overseas cotton markets, particularly the Egyptian and the Sudan markets, continue to rule buoyant. The currently ruling prices of cotton in these markets are considered too high to permit any large imports into India. Nor are there chances of any early arrivals of American cotton which are expected only after September.

The spot cotton market, as already stated, continues to present boom conditions. Under the impetus of sustained mill demand and good export enquiries, cotton prices have registered further improvement. The number of varieties piercing the official ceilings has gone up and more styles are bumping against the ceilings.

The following table gives the latest quotations for a few popular styles of cotton from the Sewri market, as compared with the rates prevailing a week and a fortnight before:

(In rupees per candy of 784 lbs.)

	23-5-56	16-5-56	9-5-56
Bengal *Deshi*	640	660	665
Berar Jarillas	810	800	800
Khandesh	820	810	810
Vijay	980	965	960
Oomra *Deshi*	710	710	700
Moglai	725	720	700

In contrast with the distinctly firm trend in domestic cotton, foreign cottons are ruling quiet, thanks to the reported decision of the U.S. Commodity Credit Corporation to lower the minimum acceptable price by one cent. per lb. East Africans have lacked follow-up support, as a result of the recent marked rise in prices. B.P. 52 was done yesterday at Rs. 1,725, as against Rs. 1,800 last week-end. Jinja was quiet at Rs. 1,490, as against Rs. 1,500 a week before.

A distinctly bearish tone was depicted by the Karachi cotton market during the week under review, in contrast with the firm trend noticed in the past few weeks. The undue rise in prices led to consumers' resistance which was reflected in slackness in overseas enquiries for Pakistan cotton. Consequently, traders who had hoarded stocks in anticipation of still higher prices began liquidating their holdings and prices of cotton suffered a break. The recession was particularly in marked evidence in the ready section. The latest available quotations —in rupees per 82 lbs.—from the Karachi cotton market, as compared with those a week and a fortnight before, are given below:

	22-5-56	15-56	8-5-56
N.T.R.G. May	90⅜	91	89⅜
N.T.R.G. July	86⅞	85⅞	85-11/16
Sind *Deshi*	100	104	101
Punjab *Deshi*	94	99	98
4F Roller	86½	90	88½
S.G.	91½	94	93½
Punjab Roller	91½	95½	94
S.G.	95½	100	99
289F N.T. Roller ...	92	96	95½
S.G.	96	102½	101

The Alexandria cotton futures market ruled strong during the week under review on firm advices from the spot market where premiums continued to hover round the highest levels for the season. Leading shippers are reported to have stopped quoting firm prices; if at all any offers are made, such are only subject to execution at the last known futures rate. The latest available quotation—in tallaries per lb.—from the Alexandria cotton futures market, as compared with those pre-

vailing a week and a fortnight before, are given below:

Karnak:

	22-5-56	15-5-56	14-5-56
May	123.90	116.50	121.75
July	118.75	112.75	115.50
November	115.30	109.30	112.75
Ashmouni:			
June	87.75	88.45	90.75
October	83.65	80.15	84.45

The confined rise in cotton prices, it is reported, has perturbed the authorities in Egypt who are now determined to check the upward trend by declaring a forced liquidation of outstanding positions in old futures with compensation. Meanwhile, a scheme has been worked out, according to which cotton will be sold by auction, provided settlement is effected either in dollars or in sterling exclusively. This scheme will run parallel to the system already in existence whereby the Egyptian Cotton Commission is selling its stock on the basis of the premiums established each Thursday by the Bourse Commission and to which are added the closing prices of the futures market. The basic prices for medium staples will be based on the settling prices of the third issue of April dockets, to which will be added or subtracted the difference fixed for the delivery of the various grades and for long staples on the settling price of the first issue of the May dockets, to which will be added or subtracted the differences fixed for the delivery of the various grades. These prices will be valid until the next issue of dockets when the prices for settlement and grade differences will be fixed as a basis for new sales. In disposing of its cotton in this manner, the basic sale price of the Government will be less than the prices in the actual market, the difference being represented by the premium of Karnak (good to fully good) for long staples of about (13 tallaris) and by the premium of good Ashmouni for medium staples (about 8 tallaris). The settlement of the cotton sold must be effected at the latest within three months of sale.

The firm trend noted in the Liverpool cotton futures market in the past three weeks abated this week. In fact, the market ruled distinctly easy. The easiness was due to the reported decision of the C.C.C. to reduce the minimum acceptable price by one cent per lb. There was a fair quantity of American selling which brought about a fall in prices. Egyptian and Sudan contracts failed to elicit support and staged a retreat. The following are the latest available quotations—in pence per lb.—from the Liverpool cotton futures market:

Old contract: May-June 26.35 and July-August 26.00. *New contract*: May-June 30.40, July-August 28.20, October-November 26.00, December-January 25.50, March-April 25.00 and May-June 24.85. *Egyptian Karnak cotton*: May-June 58.25; July-August 58.05; November-December 58.05. *Sudan cotton contract*: July-August 50.00, September-October 49.40; November-December 49.40.

The New York cotton market presented quiet conditions. Dealings were slow, being generally confined to routine operations. There was sizable commission house selling induced by new Farm Bill uncertainties and reports of possible export subsidy to cotton textile manufacturing industry. Nearby July position was subjected to selling, which was brought about by slowness of loan repossessions, indicating that mills were inclined to let their stocks drop in anticipation of buying cheaper new crop cotton. Old crop cotton came in for increased liquidation, with uncovering of stop-loss orders. The U.S. Agriculture Department has set the support rate for 1956 crop Middling 1" cotton at 32½ cents a pound, 3-2/5 cents higher than the loan rate for Middling 7/8" cotton.

The Commodity Credit Corporation sold 223,554 bales on the 11th inst. under the new cotton export sales programme for shipments in August and later. The prices accepted ranged from 27.50 cents to 29.23 cents for basis Middling 15/16" cotton gross weights average location. The minimum price of 27.50 cents accepted by the C.C.C. is 110 cent points more than the minimum under the previous export sales programme covering one million bales of 15/16" and shorter cotton. It would seem that, in order to keep clear of any charges of dumping from other cotton exporting countries, the U.S. Department of Agriculture has set a high price level. However, private organisations are still pleading for acceptance of lower rates. They have emphasised that comparable Mexican and Brazilian growths are cheaper in price and that a further cut in prices is essential to ensure a rapid movement of U.S. surplus cotton into export channels. The mid-April parity price was announced as 35.22 cents, which represents an advance of 25 points from that of March. The final loan rate will be determined on the basis of the mid-July parity price, if it is higher. If the present upward trend continues into July, the loan rate of 28.85 cents for Middling at average location already set will, it is felt, be increased proportionately.

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

(In cents per lb.)

	22-5-56	15-5-56	8-5-56
Spot	36.56	36.70	36.55
July	34.20	34.46	33.85
October	32.74	32.77	32.38
December	32.87	32.84	32.55

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 23rd *May*

Dull conditions prevailed in the yarn market during the week under review. Turnover was considerably restricted, with fluctuations in prices confined to a narrow range. Despite rumours of an upward revision in prices by overseas suppliers, rayon yarns lacked support, as traders preferred to await enlarged offtake in rayon piecegoods. Although there was good demand for staple fibre yarn, prices did not register any marked rise, owing to sizable sales by mills yesterday. Cotton yarns were somewhat favoured at higher prices, the buyers' interest being induced by the continued firm trend of raw cotton prices and expectation of broadening of enquiries from consuming centres in the coming weeks.

In the rayon yarn section, Snia yarn (120 dull cones) for June delivery declined by Rs. 2 to Rs. 797. August delivery lost a rupee to Rs. 793. Ready 150 Italy decreased by half an anna to Rs. 3-13. 150 Japan was quiet at Rs. 4-4, as also 120 Italy at Rs. 3-12-6. 120 Japan was done at Rs. 3-13-3, as against Rs. 3-13 last week-end. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade dropped an anna to Rs. 3-10-6. 150 Bt. cones 1st grade receded by nine pies to Rs. 3-7-9.

Staple fibre yarn (40×2) for June delivery improved by Rs. 2 to Rs. 686. Spot (40×2) City met with special buying support and rallied As. 2 to Rs. 3-9-6. Centurys were fully maintained at Rs. 3-8-9. New Greats and Kohinoors eased by three pies each to Rs. 3-8-3 and Rs. 3-9-9, respectively. Among imported yarns (80×2) Paramounts advanced by As. 6 to Rs. 6-13. H' Races put on As. 4 to Rs. 6-12. Fujis and K' Suns were both higher by As. 3, the former at Rs. 6-15 and the latter at Rs. 7-4.

In the cotton yarn section, sixty and eighty counts provided the brightest spot. Sixty counts Raghuvamshis increased by Re. 1-4 to Rs. 61-4. Moderns hardened by Re. 1 to Rs. 65 and Apollos by As. 12 to Rs. 48-8. Among 80s, Mahendras were specially favoured, their quotation spurting by Rs. 2-12 to Rs. 73. Moderns gathered As. 12 to Rs. 69-8. Deals in 20s were put through at higher levels, Gokaks rising by As. 12 to Rs. 18, Elphinstones by As. 4 to Rs. 17-6 and Edwards by As. 2 to Rs. 17-6. Among 10s, Podars strengthened by As. 4 to Rs. 13-14 and Moderns were firm at Rs. 14-4, while Elphinstones shed As. 2 to Rs. 13-4. Among 40s, Moderns improved by As. 2 to Rs. 29-6, but Minaxis lost As. 2 to Rs. 29-12. Business in 30 counts Sarojas were done at Rs. 23-14, same as last week.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	23-5-1956	16-5-1956	9-5-1956
Art Silk yarn (per case of 200 lbs.)—	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia June ..	797 0	799 0	804 0
August ..	793 0	794 0	799 0
120 Japan (per lb.)	3 13½	3 13	3 12½
150 Japan (per lb.)	4 4	4 4	4 4
120 Italy (per lb.)	3 12½	3 12½	3 12
150 Italy (per lb.)	3 13	3 13½	3 11
Staple fibre yarn (per case of 200 lbs.)—			
40×2 June	686 0	684 0	..
40×2 New Great (per lb.) ..	3 9½	3 8½	3 6½
40×2 Century (per lb.) ..	3 8½	3 8½	3 6½
40×2 City (per lb.) ..	3 9½	3 7½	3 7½
Cotton yarn (per bundle of 10 lbs.)—			
10s Fodar	13 14	13 10	13 7
20s Hind	18 4	18 4	17 12
30s Saroja	23 14	23 14	23 12
40s Minaxi	29 12	29 14	29 4
60s Modern	65 0	64 0	62 0
80s Modern	69 8	68 12	68 0

OILSEEDS RETREAT

(From Our Own Correspondent)

BOMBAY, 23rd *May*

Last week's firmness of the oilseeds market abated during the week under review. In fact, the market put on an easy appearance. Fears of tightening of credit facilities following the Reserve Bank's directive to banks to raise the margin against advances on commodities by 10 per cent. affected the sentiment of operators adversely. The ban on exports of mustard oil and rape-seed oil also acted as a damper. The groundnut section was particularly depressed, thanks to pressure of sales by Saurashtra and Madras interests in the wake of slackness in demand. The castorseeds section ruled easy, notwithstanding strong statistical position. For arrivals of seeds from Hyderabad side were somewhat large. This factor, together with reports of lack of enlarged enquiries for castor oil from the U.S. and the U.K., induced some selling and prices tended to move down. Deals put through in the linseed section were limited, with values drifting lower, since operators preferred to await settlement of the issue relating to outstanding export business in linseed oil. Similarly, trading in *kardi* seed and *niger* seed was restricted and prices suffered a fall, in sympathy with the general tend of the market.

In the groundnut section, August-September contract dropped Re. 1-3 to Rs. 36. June-July receded by Re. 1-2 to Rs. 35-4. Coromandel ready fell by Re. 1-12 to Rs. 35-4. Bold F.A.Q. and Khandesh quality were lower both by Re. 1-10 at Rs. 34-12 and Rs. 35-6, respectively. Groundnut oil ex-mill eased by As. 5 to Rs. 18-11. Railway receipt lost As. 3 to Rs. 18-11. July contract decreased by a like amount to Rs. 19-5. May slipped by As. 2 to Rs. 18-12.

Castorseeds September delivery opened the week at Rs. 157-12 and, after moving up to Rs. 161 on the 19th inst., closed lower at Rs. 157-4, as compared with the last week's closing rate of Rs. 158-14. May delivery opened at Rs. 153. It advanced to Rs. 155-4, but reacted to Rs. 152-2 at the close. Over the week, ready Kanpur fell by Rs. 2-4 to Rs. 28-8. Madras quality declined by As. 12 to Rs. 30. F.A.Q., however, was better by As. 4 at Rs. 30.

Linseed bold ready dropped As. 10 to Rs. 33-12. Indore quality lost a similar amount to Rs. 33-14. Small Sutna eased by As. 4 to Rs. 32. June-July climbed down by As. 14 to Rs. 33. April-May receded by As. 10 to Rs. 33-12. Linseed oil ready was subjected to heavy selling and dropped As. 13 to Rs. 19-10.

Among other oilseeds, *kardi* bold ready suffered a loss of As. 12 to Rs. 20 for want of support. April-May was today done lower at Rs. 20-2, as against Rs. 21 a week before. *Niger* seed ready F.A.Q. receded by As. 8 to Rs. 28-8. Ready Madras was quiet at Rs. 29.

The following table shows the prices of oilseeds and oils today as compared with those at the end of the previous two weeks.

	23-5-1956	16-5-1956	9-5-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	35 6	37 0	36 0
June-July	35 4	36 6	35 11
Linseed—			
Bold Ready (per cwt.) ..	33 12	34 6	33 14
June-July	33 0	33 14	33 14
Castorseeds—			
May	152 2	158 10	142 4
September	1o7 4	158 14	140 10
Madras (per cwt.)	30 0	29 10	29 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 11	19 10	19 0
Castor Oil—			
Commercial (per quarter) ..	16 8	16 12	16 1
Linseed Oil—			
Ready	19 10	20 7	20 7

SUGAR EASY

(From Our Own Correspondent)

BOMBAY, 23rd *May*

Despite sustained demand for sugar from the Malabar coast, the sugar market exhibited an easy trend. Traders did not show much interest in extending their commitments, thanks to reports of a fall in ex-mill quotations of North Indian sugar. Buying enquiries for ex-mill sugar in Bombay-Deccan were also reported to have slackened a bit. Another unhelpful factor was the rise in arrivals of indigenous sugar into the market, being 10,500 bags, as against 7,200 bags in the previous week. Consequently, sugar prices tended to look down.

In the foreign section, *Vaisakh* delivery contract for 'C' grade sugar receded by As. 9 to Rs. 89-13 per bag; this contract is expected to be squared up at Rs. 89-12 on the 25th inst. Business in a new forward specific contract for *Shravan* delivery was commenced at Rs. 90-4 during the week. The contract declined to Rs. 90 before being quoted today at Rs. 90-1. The tone of the forward section is uncertain, in view of the differences of opinion among trade circles as to the actual production of sugar in the season which is estimated at 1.75 million tons by some and at 1.85 million tons by others.

In the spot section, medium grain indigenous sugar lost As. 8 to Rs. 90—Rs. 92½. Small grain was quiet at Rs. 89-8 and large grain at Rs. 93—Rs. 98. British refined sugar eased by As. 2 to Rs. 84-6 per bag of 2 cwts. This decline is attributed to the continued acceptance of tenders and the delay in the acceptance of offers submitted for purchase to the Regional Directorate (Food), Bombay.

N.B.—The rate for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

PEPPER STEADY

(Messrs. Parekh & Co.)

BOMBAY, 23rd *May*

Despite continuous marking down of prices for Sarawak black pepper (new crop) at Singapore, Malabar black pepper during the week remained quietly steady with business thin and fluctuations narrow. The present comparative steadiness for Malabar black appears to be due to the growing belief among a section of the trade that in view of smaller export from India during April and May, New York dealers may come in the market during June for covering their requirements for autumn. However, if New York dealers decide to sit back and refuse to buy sizable quantity of Malabar, paying the present high premium of nearly 5 cents over the prices offered for Sarawak black, it is feared the Indian market will be facing a serious situation as overseas demand is the main stay of the commodity.

Singapore came down from Str. $73 to $68 thanks to increased arrivals and poor demand both from U.S.A. and the Continent. Alleppey moved narrowly, the highest and the lowest being Rs. 743½ and Rs. 712½ respectively. Garbled at Cochin hovered around Rs. 127½. In A.S.T.A. section, May shipment, June and July-August-September after touching $26, $26 and $27½ improved to $27½, $28 and $28½ respectively, but fresh business remained very much restricted as buyers refuse to pay higher price while sellers hesitate to sell short at lower prices. In the delivery section, the market was quietly steady without fluctuations.

The present market is in a stalemate and unless there is some unexpected development it is more likely to move lower, if not now, at least when competition from Sarawak and Lampong increases.

Following are today's nominal quotations: Ready delivery Rs. 101 per Bengal maund; and June delivery Rs. 732½-737½ per candy of 5¼ cwts.

SELECTIVE BUYING IN TEA

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 18th *May*

Offerings in sale No. 11, which was held on Tuesday, 15th May, amounted to 1,300,000 lbs. Quality continued to show a slight seasonal decline, particularly amongst the high-grown teas. The sale opened to much less demand for all types with the exception of fannings grades. All brokens were irregularly As. 2 easier and buying was selective. High-grown brokens were cheaper to buy, although prices were firm on valuations which reflected the decline in quality. Fannings, and in particular Middle East types, met with keen competition and must be quoted dearer. There was an easier tendency for whole leaf grades and these declined by As. 2 to As. 3. Withdrawals were fairly heavy. The following are the quotations:

	1956 Rs. a. p.
Plain B.P.	... 1 11 0 (nominal)
Low Medium B.O.P.	... 1 15 0
Medium B.O.P.	... 2 1 0
Good B.O.P.	... 2 10 0 to 2 12 0
Well-made black leaf O.P. ...	... 2 5 6

Dust Sale "J".—550,000 lbs. of dust were on offer in dust sale "J" which was held on Thursday, 17th May. Although prices were irregularly one to two annas easier, there was a much improved demand and the majority of offerings were sold. There was, however, keen enquiry for black, grainy Middle East type dusts which must be quoted dearer. Best liquoring dusts sold well although below valuations.

London Market—Sale of 14th May 1956.—To-day's market 1*d.* to 3*d.* lower, except for best.

Sale of 15th May 1956.—Quality and coloury teas firm. Others irregularly easier.

Colombo Market—Sale of 14th May 1956.—Good demand. Best liquoring dusts firm. All other kinds about 20 cents lower.

Sale of 15th May 1956.—Much better demand maintained throughout, although quality again worse. Best Dimbula Dickoya B.O.P's frequently up 30 to 50 cents, bright liquoring Uvas up 10 to 20 cents mediums and low-growns up 10 cents.

Calcutta Market—Export.—5,200 packages. Good general demand at rates irregularly half to one anna easier. Commonest stalky tea for price fully firm. Unrepresentative selection.

Internal.—22,000 dust. Fair general demand. Black leaf strongest feature several annas dearer. C.T.C. good liquoring mediums steady. Other types one to two annas easier. 7,000 internal leaf. Fair demand at one to two annas below valuation.

Export Quota.—Although small business was transacted at 10 pies early in the week, for special licence, there are now limited enquiries at 9 pies. 1956-57 export quota remains firm at 36 pies.

Forthcoming Auctions.—Sale No. 12 will be held on 22nd May.

The average price realised in the sale held on 15th May 1956 amounted to Rs. 2-5-1 per lb., as compared with Re. 1-14-11 in the corresponding sale of 1955. The average price for the period 1st January to 15th May 1956 was Rs. 2-3-9, as against Rs. 2-15-10 per lb. for the corresponding period last year. The average price realised in dust sale "J" of 17th May 1956 was Re. 1-12-0 per lb., as against Re. 1-12-2 a year ago and the average for the period 1st January to 17th January was Re. 1-11-2. The price for the corresponding period of 1955 was Rs. 2-6-2.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale* 12.—725,000 lbs. Strong demand for all fannings which are dearer. Others regular and easier, particularly B.O.Ps."

FOODGRAINS STEADY

(From Our Own Correspondent)

HAPUR, 21st *May*

Steady conditions continued to prevail in the foodgrains market during the week under review. The Government of India, it was reported, was anxious about the firmness in foodgrain prices even at the peak of the season. Besides selling wheat freely in important consumption centres, the Government was contemplating to begin selling wheat in the five big towns of U.P. State and also in some other deficit areas of the country. Wheat *dara* was now transacted at Rs. 13-2 and farm quality at Rs. 14-12, having touched the highest at Rs. 13-6 and Rs. 15 per maund, respectively, during the mid-session. Daily arrivals were at an average of 2,500 maunds and the local stock swelled to 30 *khaties*, as the entire arrivals were mostly absorbed by stockists. With stock put at 25 *khaties* wheat *dara* was quoted at Rs. 9-12 per maund last year. Rice prices also recorded fractional gains during the week and, considering the abnormal rise in the prices of paddy and rice in some parts of the country, the Reserve Bank has issued directives to Scheduled banks to refrain from excessive lending against commodities. The latest prices of rice are: *Basmati* Rs. 25 to Rs. 33, *Rangooni* Rs. 17 and coarse Rs. 15-8 per maund.

Fresh arrivals from Punjab which resulted in stock position improving to 12 *khaties*, as against 2 last week-end, accounted for a slight fall in gram prices to Rs. 10-8 per maund for local quality and to Rs. 10-14 for Punjab quality, as against the highest levels touched during mid-session, namely, Rs. 10-12 and Rs. 11, respectively. Barley and *bejhar* prices also recorded fractional gains, as daily arrivals were still poor. The prevailing prices were Rs. 9-8 and Rs. 9-6 per maund, respectively.

Pulses also recorded quietly steady trend during the week and peas *dara* green was transacted at Rs. 10-4 and white quality at Rs. 12-8 per maund. Arrivals averaged 1,500 maunds daily and stock position improved to 22 *khaties*. Outside buying enquiry continued to be fairly good. Heavy quantity of *arhar* was still reaching Hapur even from Punjab, east U.P. and other centres and stock position swelled to 67 *khaties*, but, even then, prices recorded fractional gains during the week to be quoted at Rs. 11-2 per maund.

Pulses futures continued to record firm trend, on vigorous bull support from east U.P. The latest quotations as on Monday were at the best level of the week being quoted at peas *jeth* Rs. 10-6-1½, peas white *jeth* Rs. 10-10, *arhar jeth* Rs. 11-4-6 and *urd baisakh* Rs. 17-6.

JUTE GOODS DECLINE

(From Our Own Correspondent)

CALCUTTA, 22nd *May*

Prices of both jute goods and raw jute gave way during the week under review. Jute goods were affected on nervous liquidation by bulls. This had naturally a repercussion on raw jute. The news about the crisis in the American automobile industry and its consequent decision to reduce production substantially was noted with grave concern. This industry consumes burlap in large quantities, and in view of the above circumstance would require only lesser hessian. This bleak prospect affected sentiment. The report that burlap consumption in the United States during April was only 69 million yards, as against 71 million yards in March and that stocks at the end of April were 2 million yards higher, at 255 million yards, the highest since May 1955, injected nervousness among speculators. Bulls had pinned their hopes on the possibility of the month of May recording higher shipments. In fact, shippers were very active for some time. However, this expectation has so far been belied. For, the quantities of hessian and sacking shipped between 1st and 15th May were only 18,500 tons and 10,800 tons, respectively, as against 20,100 tons and 24,400 tons in the corresponding period during the last month.

During the week, figures relating to output for the month of April were also available. These were lower at 93,900 tons, as against 99,300 tons in March. Considering the March-end stocks, the availability during April, therefore, amounted to 188,900 tons. Stocks at the end of April were as much as 107,300 tons so that demand during the month was 12,300 tons lower than the production for that month. Such an analysis paled into insignificance in the context of firmer raw jute, following reports of a further rise in river levels both in East Bengal and Assam districts which led to jute goods keeping a firmer ground early in the week. On Tuesday last, ready 40" 10 oz. hessian

(*Continued on page* 1039)

ANNUAL MEETING OF THE BHARAT LINE LIMITED

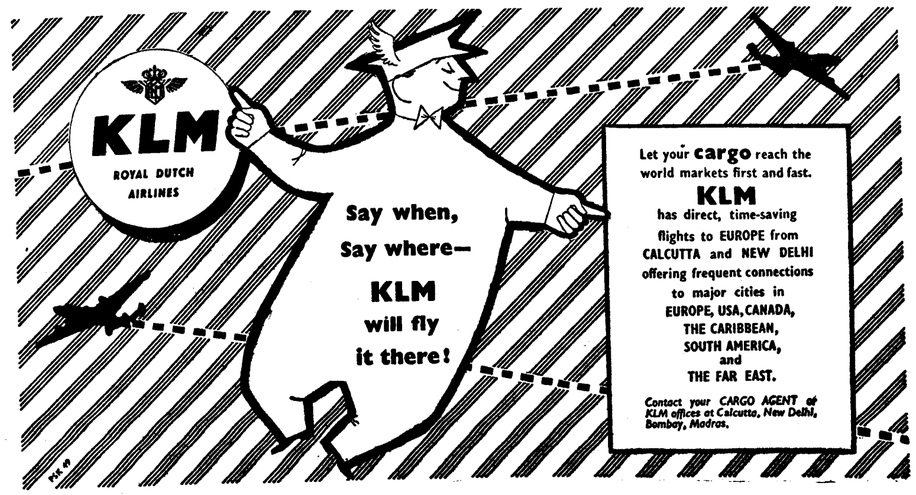
(*Concluded from page* 1016)

credit facilities offered. Earlier experience is not calculated to enthuse enterprise either. Shareholders are aware that we were induced to enter the Persian Gulf trade with promise of Government co-operation and assistance. Though two years have passed, a lot of spadework had been done, and quite a sizable trade had been built up, at a considerable sacrifice. We still await concrete proposals as to the manner and measure of help that the Government intends to extend to stabilise this new line of traffic. Another matter, which is likely to affect the financial side of the Company's operations, is the recent strike of the Company's floating staff officers, the arbitration award in respect of which imposes considerable additional financial burden on the Company. It seems that the time has come when, as in the case of the ships' crews, the emoluments of the officer staff should also be standardised: and it will be in the interests of the shipowners that they seek immediate appointment of a commission to examine the subject from all angles and evolve fair standards of emoluments for the officer staff linked with the country's cost of living index. I am afraid that unless a Ministry of Shipping is separately organised to study and service the interests concerned, the shipping industry will not develop as much as it should, if the expanding needs of the situation are to be adequately met. At the request of the Government we have diverted two of our ships to the Russian service, but it will be possible to assess its potentialities only after an initial proving period. All that I am concerned to stress in this context is that there is no lack of enterprise, provided fair conditions and fruitful co-operation are assured.

"The report of the Directors gives a comprehensive picture of the year's work and, though earnings have fallen and the margin of profit reduced, we have been able to maintain the dividend at the previous level. I do not propose to make any detailed comments. My thanks are due to my colleagues on the Board and the management for the cordial co-operation they have extended and I bear testimony also to the good work of the staff, both ashore and afloat. With these words, I now formally move that the Directors' report and the audited balance-sheet and profit and loss account for the year ended 31st December 1955, already duly sent to the shareholders, be and are hereby adopted."

BOMBAY BURMAH TRADING CORPORATION

The Directors of the Bombay Burmah Trading Corporation Ltd. have decided to appoint Messrs. Wallace & Co., at present Secretaries, Treasurers and Managers of the Company, as Secretaries and Treasurers of the Company on a reduced remuneration of 7½ per cent. of the annual net profit of the Company, with effect from 1st June 1956, subject to the approval of the Government of India. The Directors have secured the approval of Messrs. Wallace & Co. to the above change. In order to secure the continued efficient management of the Company, the Directors have further decided, also subject to the approval of the Government, to appoint a full-time Managing Director to conduct the day-to-day affairs of the Company, at a remuneration to be fixed by the Directors.



MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	3½
Chile	17th June, 1935	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1940	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5·84	7·3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1953	2½	3½
Pakistan	1st July 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	3	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	4½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	28th June, 1955	3	4½
United Kingdom	16th Feb., 1956	4½	5
U.S.S.R.	1st July, 1936	3	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	18th May, 1956	4½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 18th May, 1956		Week ended 11th May, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,63,368	58,78,98,000	3,20,688	63,59,02,000
Calcutta ..	1,52,722	51,39,63,063	1,64,746	52,86,81,866
Madras ..	75,959	8,05,56,000	86,170	9,07,56,378
All Centres—				
1953-54* ..	..	..	2,689,000	5,595,400,000
1954-55* ..	..	..	2,885,000	6,041,200,000
Jan., 1956 ..	..	..	3,210,000	6,07,68,00,000
Feb., ..	..	..	3,302,000	7,51,85,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 18th May, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		10,00,00,000
National Agricultural Credit (Stabilisation) Fund		....
Deposits:		
(a) Government—		
(1) Central Government		67,84,25,000
(2) Other Governments		7,16,38,000
(b) Banks		51,09,43,000
(c) Others		12,65,55,000
Bills Payable		7,21,57,000
Other Liabilities		36,83,58,000
Rupees ..		202,80,77,000

ASSETS	Rs.
Notes	18,49,93,000
Rupee Coin	8,42,000
Subsidiary Coin	4,86,000
Bills Purchased and Discounted—	
(a) Internal	....
(b) External	82,50,000
(c) Government Treasury Bills	9,63,69,000
Balances held abroad*	35,45,70,000
Loans and Advances to Governments ..	2,83,46,000
Other Loans and Advances	82,16,96,000
Investments	35,05,66,000
Other Assets	19,70,09,000
Rupees ..	202,80,77,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 46,11,24,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 112,26,83,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	18,49,93,000	
Notes in circulation	1516,27,72,000	
Total Notes issued		1534,77,65,000
Total Liabilities	....	1534,77,65,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	681,44,72,000	
Total of A		721,46,43,000
B. Rupee Coin		104,62,05,000
Government of India Rupee Securities		708,69,17,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1534,77,65,000

Ratio of Total of A to Liabilities: 47.008 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 11th May, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank† ..	7,56,86,000
(ii) Other demand liabilities	624,79,90,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank† ..	2,71,30,000
(ii) Other time liabilities	429,15,98,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	10,56,26,000
(ii) Time liabilities	....
4. Cash in India	36,04,46,000
5. Balances with the Reserve Bank in India ..	48,57,99,000
6. Balances with other banks in current account in India	10,24,45,000
7. Money at call and short notice in India ..	8,98,87,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	355,20,23,000
9. Advances in India	617,06,97,000
10. Inland Bills purchased and discounted in India	106,57,27,000
11. Foreign Bills purchased and discounted in India	45,55,38,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	22nd May, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot .. s.	1-5/32	1-5/32
Sellers T.T. D.D. upto six months .. .. s.	1-5/32	1-5/32
Buyers T.T. spot to nine months .. .. s.	1-6 1/4	1-6 1/4
Buyers T.T. 10 to 12 months .. .. s.	1-6 1/4	1-6 1/4
Bombay on New York—		
Sellers T.T. D.D. .. Rs.	476 1/2	476 1/2
Buyers T.T. .. Rs.	472	473
London on New York .. $	2.80 1/2-2.81	2.80 1/2-2.80 1/2
London on Paris .. Fcs.	985 1/2	985 1/2
London on Berne .. Sw. Fcs.	12.26 1/2-12.26 1/2	12.27 1/2-12.27 1/2
New York on London .. $	2.80 1/2-2.80 1/2	2.80 1/2-2.80 1/2

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupee (Crores)	Per capita income (Rs.)
India† ..	'54-'55	378.07	..	10,170	269
Pakistan ..	'53-'54	78.81	..	1,931	245
Burma ..	1954	19 24	Kyats 3,905	390	204
Ceylon ..	1954	8.38	..	477	569
Japan ..	1954	88 20	Y. 6,148,000	8,133	922
Philippines ..	1954	21 44	Ps. 7,438	1,770	825
New Zealand ..	1954	2.09	£ (N.Z.) 802	1,070	5,119
Australia ..	1954	8 99	£ (A.) 3,957	4,220	4,694
U.K. ..	1954	50.78	£ 15,718	20,950	4,100
U.S.A. ..	1954	162 41	$ 360,000	144,423	9,016
Canada ..	1954	15 20	$ 19,751	9,190	6,046
France ..	1953	42 86	F.Fr. 10,470,000	14,420	3,364
W. Germany ..	1953	48 99	Dm. 103,000	11,705	2,389
Italy ..	1953	48 07	Lr. 8,067,000	6,832	1,421
Norway ..	1954	3.39	Kr. 18,424	1,230	3,638
Sweden ..	1953	7.17	Kr. 36,957	3,422	4,772
Netherlands ..	1953	10.49	Grs. 19,360	2,451	2,336
Denmark ..	1953	4.37	Kr. 22,915	1,580	3,616
Switzerland ..	1953	4 88	Sw.Fr. 20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production or goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, Dec., 1955.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 11th May, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:	
(a) Central Government	9,80,10,000
(b) Provincial Governments	6,68,03,000
(c) Banks	16,13,40,000
(d) Others	22,07,02,000
Bills Payable	19,02,000
Other Liabilities	7,05,53,000
Rupees ..	67,03,09,000

ASSETS	Rs.
Notes	8,13,45,000
Rupee Coin	7,000
Subsidiary Coin	18,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	16,35,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances ..	....
Other Loans and Advances	4,04,95,000
Investments	41,96,64,000
Other Assets	12,77,45,000
Rupees ..	67,03,09,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,13,45,000	
Notes in circulation	292,21,78,000	
Total Notes issued	....	300,35,23,000
Total Liabilities	....	300,35,23,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion ..	11,19,58,000	
Silver Bullion		
Sterling Securities	86,98,38,000	
Government of India Securities	26,58,95,000	
India Notes representing assets receivable from the Reserve Bank of India	43,08,85,000	167,80,76,000
B. Rupee Coin	6,24 53,000	
Government of Pakistan Securities	120,39,88,000	
Internal bills of exchange and other commercial paper	....	126,64,41,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion ..	19,02,000	
Sterling Securities ..	4,40,65,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	5,90,06,000
Total Assets	....	300,35,23,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.74 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	11th May, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation ..	172.87	1,525 88	1518.51	1,515.98	1,331.09
Notes held in Banking Department ..	35.05	8 78	7.18	10.05	8 52
Foreign Securities ..	59 50	681 45	681.45	681 45	661.98
Rupee Securities ..	87.39	708.69	698.69	698.69	533.71
Banking Department					
Deposits of:					
Government of India.	14.89	65 38	55 85	53 28	51 93
Other Governments.		6 67	18 12	32 36	19 24
Balances held abroad	10.08	36 54	40 05	58.73	52.07
SCHEDULED BANKS					
Demand Liabilities..	134.36	632 37	637 80	650.87	581 37
		(7 57)†	(7.00)†	(6 31)†	(7 55)†
Time Liabilities ..	102.24	431 87	429 90	423 56	385 89
Borrowings from Reserve Bank ..	..	(2 71)† 73 46 (52 09)‡	(2 86)† 62 68 (42.65)‡	(2 93)† 49 42 (28 95)‡	(1 90)† 35 80 (33.43)‡
Borrowings from State Bank ..	..	10.56	10 55	10 66	5 79
Cash in India ..	6.70	36.04	36.91	37.20	34.83
Balances with Reserve Bank ..	25.17	48.58	49.18	49.53	45.97
Excess over statutory limits ..	15.52	8.32	8.70	8.52	9.18
Balances with other banks in current account in India..	..	10.24	10.17	11.33	10.91
Money at call and short notice in India ..	..	8.99	8.38	8.59	13.44
Investments (at book value) ..	..	355 20	355.34	356.37	344 28
Advances and bills..	105.09	769 20	763.17	754.80	626 24
STATE BANK					
Deposits	87.76	223.39	226 08	236 03	212.26
Investments	51.99	103.79	104 51	105 32	102 14
Advances	30.35	140 61	139 34	135 59	126 25
Cash	14.69	17.77	14.32	16 89	17 68

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	January,		Ten months, April to Jan.,	
	1955	1956	1954-55	1955-56
Import Duties				
Revenue	22.08	10 51	112.14	95.96
Protective	0.60	0.84	6.31	8.44
On surplus disposals ..	..	—	0 13	0.06
Total *Import duties*	22.68	11.35	118.58	104.48
Export Duties ..	4.66	2 63	32.45	30 93
Land Customs ..	0.14	0.20	1.57	1.15
Miscellaneous ..	0.09	0.05	0.90	0.54
Gross total customs ..	27.57	14.23	153 50	137.15
Refunds and drawbacks	0.16	0.21	1.27	2.12
Net Customs	27.41	14 02	152.23	135.03
Gross excise	9.41	13.51	85 18	123 05
Refunds	0.07	01 3	1.49	3.60
Net Excise	9.34	13.38	83.69	119.46
Net total of customs and excise†	36.75	27.40	235.92	254.49

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 11th May, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	5,62,50,000
Reserve Fund and Other Reserves		6,35,00,000
Deposits and Other Accounts		223,39,87,000
Borrowings from Other Banking Companies, Agents, etc.		20,50,00,000
Bills Payable		6,03,35,000
Bills for Collection being Bills Receivable as per contra		68,04,000
Acceptances, Endorsements and Other Obligations per contra		18,54,000
Other Liabilities (including Inter-Office Adjustments)		4,56,97,000
Total ..	Rs.	268,23,77,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		14,19,93,000
Balances with other Banks ..		5,57,22,000
Money at Call and Short Notice ..		46,57,000
INVESTMENTS:		
Government and other Trustee Securities	93,33,66,000	
Other Authorised Investments ..	10,45,21,000	103,78,87,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc. ..	106,84,49,000	
Bills Discounted and Purchased ..	33,76,18,000	
Bills Receivable being Bills for Collection as per contra		140,60,67,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		18,54,000
Premises less Depreciation		1,15,84,000
Furniture and Fixtures less Depreciation ..		49 49,000
Other Assets (including Inter-Office Adjustments)		3,08,56,000
Total ..	Rs.	268,23,77,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS‖									
	National Savings Certificates				Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates	10-Year National Plan Certificates‡		15-Year Annuity Certificates§	
	5-Year		7-Year		12-Year							
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*			Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6,83	65	3,26	23,66	84,17	1,13,35	92,03	— 31,07	7,55	25,54	..	..
1954-55	4,70	1,62	4,39	27,27	1,24,64	1,24,94	1,30,88	— 36,35	5,57	37 15	..	..
1955-56	..	..	..	..	..	..	..	..	4.79	41.25	..	..
February 1955 ..	4,81	12	4,79	2,27	1,21,88	11,18	1,22,28	— 36,18	40	36,74	48	6,81	5	50
March „ ..	4,70	26	4,90	2,41	1,24,64	16,51	1,30,88	— 36,35	47	37 15	58	7,38	4	54
April „ ..	4,60	11	5,26	2,56	1,26,46	12 41	1,33,22	— 36,50	45	37,55	48	7,86	4	58
May „ ..	4,52	36	5,24	2,01	1,27,94	11,62	1,34,24	— 36,64	41	37,89	66	8,51	4	61
June „ ..	4,44	18	5,12	2,09	1,29,49	12,26	1,35,26	— 36,76	37	38,22	64	9,32	5	65
July „ ..	4,36	12	5,15	2,27	1,31,28	13,80	1,40,38	— 36,85	41	38,54	91	10,19	4	69
August „ ..	4,29	13	5,17	2,09	1,32 82	12,25	1,43,80	— 36,96	39	38,87	88	11,00	3	72
September „ ..	4,21	13	5,20	2,54	1,34,88	13,40	1,45,91	— 37,11	44	39,28	94	11 80	4	75
October „ ..	4,14	10	5,21	2,11	1,36,38	11,35	1,48,99	— 38,23	46	39,88	80	12,49	5	80
November „ ..	4 07	10	5,21	1,98	1,37,48	11,25	1,50,40	— 38,34	43	40,05	82	13,20	5	85
December „ ..	4,00	18	5,25	2,45	1,39,48	13,94	1,52,44	— 38,44	36	40 84	88	13,98	4	88
January 1956 ..	3,91	14	5,24	2,02	1,40,78	12,16	1,54,14	— 38,55	32	40,91	84	14,78	3	91
February „ ..	3,83	16	5,20	2,23	1,42,37	12,87	1,56,19	— 38,68	39	40,26	93	15,57	2	93
March „ ..	..	..	..	..	..	..	..	..	35	41,25	..	..	..	..

* At the end of period.

‡Issued from 16th May, 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@Progressive net repayments at the end of period from 15th August 1947.

‡‡ Relating to nine months from July, 1954.

§ From July, 1954.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 14-5-'55	14-4-'56	5-5-'56	12-5-'56
ALL-INDIA				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES ..	90.7	90.9	91.0	91.1
1. Government of India..	90.5	90.7	90.9	91.0
2. Indian States ..	96.2	96.7	96.7	96.7
3. Municipal Port Trust, etc.	89.4	89.4	89.5	89.4
DEBENTURES OF INDUSTRIAL CONCERNS ..	100.7	100.9	100.9	100.9
1. Electricity	102.1	102.2	102 2	102.2
2. Jute	98.3	97.6	97.6	97.6
3. Plantations	99.6	99.1	99.2	99.2
4. Sugar	99.0	98.5	98.5	98.6
5. Coal	90.0	90.0	90.0	90.0
6. General Engineering ..	100.6	100.9	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.3
8. Others	100.6	101.1	101.1	101.0
PREFERENCE SHARES ..	87.8	85.6	85.3	85.1
1. Electricity	97 3	93.9	93 4	93.4
2. Cotton	78.5	81.4	81.6	81.3
3. Jute	80.8	83.2	82 8	81.6
4. Coal	91.8	89.9	89.9	89.5
5. Iron and Steel ..	90.5	88.4	87.6	87 4
6. Sugar	86.5	85.1	84 5	84.5
7. Paper	89.3	82.6	82.1	82.1
8. Plantations	98 2	101.2	101.6	101.7
9. Miscellaneous ..	85.9	80.8	81.1	81.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES.	113.0	123.1	122.4	124.1
(a) Financial	87 1	88 1	88 1	89.5
1. Banks	85 1	88.3	88.4	90.0
2. Insurance	107 9	84 3	84.5	85.0
3. Investment Trust..	92 8	92.9	92 8	93.0
(b) Public Utilities ..	113.1	113 0	112.2	112.0
1. Electricity	122 1	116.7	115.2	114.2
2. Shipping and other Transport	98 3	111.3	111.8	113.7
3. Railways	89.7	88.5	87.8	87.3
(c) Manufacturing industries.	117.3	131 8	130.4	133.1
1. Cotton, Woollen and Silk	103 8	131.1	130.2	132.7
2. Jute	96.4	77 2	74.4	74.7
3. Iron and Steel ..	148.6	148.7	148 7	154.7
4. Paper	224 6	291.4	284 0	285.7
5. Cement	147 6	174.9	173 8	180.1
6. General Engineering	168.1	193.8	190 9	193.6
7. Sugar and Breweries	97 4	104 7	104.0	105.5
8. Chemicals	130.0	146.2	143 2	144.0
(d) Non-Manufacturing industries	149.5	167 3	168 8	170 0
1. Coal	77.3	81.6	80 9	81 3
2. Mining and Oil ..	184.0	256 6	261 8	263.2
3. Plantations ..	178.9	181.9	183 4	184.7
(e). Miscellaneous ..	94.5	101 5	101.3	101.8
REGIONAL				
GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.1	90.4	90.5	90.6
2. Calcutta	90.6	90.8	91 0	91.1
3. Madras	91.0	91.2	91.3	91.4
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.2	100.0	100.0	100.0
2. Calcutta	101.4	101 6	101.6	101.6
3. Madras	100.4	100.1	100.2	100.2
PREFERENCE SHARES:				
1. Bombay	92 1	89.9	89 2	89.1
2. Calcutta	83.5	80.4	80.2	79.8
3. Madras	95.4	97.0	97.4	97.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	115.4	128.9	127.9	131.0
2. Calcutta	107.5	111.6	110.9	111 4
3. Madras	108.5	126.1	128.0	130.6
4. Delhi	116.2	130.6	130.9	135.3

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes ‖	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,023
1952	963	809,243	3,336,961
1953	772	466,507	3,382,608
1954	840	477,138	3,374 630
1955	1,633	723,932	5,384,676
January 1954..	84	51,973	325,514
February „ ..	85	41,351	344,295
March „ ..	91	34,202	231,419
April „ ..	101	34 963	207,247
May „ ..	80	40,073	216,062
June „ ..	82	21,589	305,078
July „ ..	122	30,189	277,492
August „ ..	79	51,090	322,867
September „ ..	97	50,414	363,578
October „ ..	88	41,724	276,294
November „ ..	62	25,115	239,701
December „ ..	101	54,455	262,763
January 1955†..	95	49,038	322,807
February „ ..	91	38,370	144,302
March „ ..	113	70,043	334,696
April „ ..	99	29,815	303,658
May „ ..	119	66,064	823,416
June „ ..	154	85,173	1,035,704
July „ ..	109	57,889	682,773
August „ ..	235	90,565	533,871
September* „ ..	252	94,523	581,589
October* „ ..	131	47,012	303,544
November* „ ..	109	49,433	178,129
December* „ ..	130	45,929	239,187
January 1956 ..	103	57,538 (a)	347,351 (b)

† Figures for 1955 are provisional. * Revised.

(a) Not known in 4 cases. (b) Not known in 5 cases.

‖ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‖	Units generated‡	Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,780.9	6,319.3
December 1954 ..	679	683.5	558.0
January 1955 ..	684	668.5	545.2
February „ ..	685	628.7	521.8
March „ ..	686	698.7	568.3
April „ ..	690	691.1	568.9
May „ ..	691	706.5	569.3
June „ ..	696	716.2	576.1
July „ ..	700	724.8	583.3
August „ ..	705	708.9	574.4
September „ ..	707	719.3	587.1
October „ ..	716	720.7	591.9
November „ ..	721	725.5	597.0
December „ ..	724	735 7	643.0
January 1956 ..	731	757 2	631.8

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

‖ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	28th April, 1956	21st April, 1956	23rd April, 1955	March, 1956	March, 1955	Percentage of increase (+) or decrease (—) in Mar., 1956 as compared with Mar., 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	358.8	361.3	274.9	351.6	297.0	+18.4	313.2	339.8
Cereals	59	461	464	314	439	339	+29.5	372	381
Pulses	8	345	347	272	372	229	+62.8	289	289
Others	33	227	233	230	233	249	— 6.4	235	291
Industrial Raw Materials ..	(18)	471.5	475.4	398.2	475.9	412.7	+15.2	419.7	436.2
Fibres	53	457	461	431	471	452	+ 4.2	429	447
Oil seeds	30	532	536	325	511	338	+51.1	398	424
Minerals	10	440	448	423	453	417	+ 8.6	427	422
Others	7	393*	393*	445	406	480	—15.4	431	427
Semi-

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955–56	Acreage 1954–55	Outturn 1955–56	Outturn 1954–55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	..	28,842	..	8,530
Jowar	2nd	,,	41,129	41,378	4,565	6,040
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	..	7,990	..	2,756
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	2nd	,,	11,446	12,215	1,693	2,002
Total cereals	final	tons	..	208,823	..	55,327
Pulses—						
Gram	final	tons	..	20,991	..	5,125
Tur	2nd	,,	5,755	5,648	1,709	1,799
Total pulses	final	tons	..	54,004	..	10,474
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	3rd	,,	5,587	6,123	461	588
Rape and Mustard	final	,,	..	2,955	..	992
Linseed	final	,,	..	3,290	..	388
Total oilseeds	final	tons	..	29,335	..	5,877
Fibres—						
Cotton*	4th	bales	19,525	17,506	3,705	4,072
Jute†	final	,,	1,581	1,243	4,137	2,028
Mesta†	2nd	,,	579	514	1,159	1,016
Other crops—						
Potato	final	tons	..	665	..	1,762
Sugarcane	3rd	,,	3,930	3,718	5,070	4,858
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	final	,,	..	860	..	248

Source: Ministry of Food and Agriculture.
N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* In thousand bales of 392 lbs. each.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1956	99.9
	Corresponding month, 1955	85.6
	Ten months ended April, 1956	394.3
	Corresponding period, 1955	835.8
Stocks	1st Ides of April, 1956	107.3
	Corresponding month, 1955	103.4
Exports (Jute Bags)	Week ended 31st Mar., 1956	(In 000 bags) 13,784
	Corresponding week, 1955	3,191
	From 1st Jan., to 31st Mar., 1956	101,201
	Corresponding period, 1955	94,053
Exports* (Jute Cloth)	Week ended 31st Mar., 1956	(In 000 yds.) 21,516
	Corresponding week, 1955	8,528
	From 1st Jan., to 31st Mar., 1956	284,404
	Corresponding period, 1955	246,419
	RAW JUTE	(In lakhbales)
Consumption by Mills†	April, 1956 (In lakh bales)	5.45
	Corresponding month, 1955	4.97
	Ten months ended April, 1956	51.88
	Corresponding period, 1955	48.48

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,84,400	10,42,900	7,81,200
Do. 31st March, 1956	11,56,900	10,62,100	7,97,800
November 1954	98,800	90,500	68,000
December ,,	1,05,600	95,000	78,500
January 1956	1,02,600	95,800	72,500
February ,,	93,500	84,500	63,900
March ,,	95,000	89,300	66,100
April ,,	95,100	83,000	66,500
November ,,	91,900	86,200	63,400
December ,,	1,03,900	97,500	72,300
January 1956	1 03,900	96,800	71,600
February ,,	97,500	89,500	67,700
March ,,	1,03,300	96,200	69,900
April ,,	1,00,000	87,200	64,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,81,460	3,12,240
Do. 31st March, 1954	5,80,020	5,49,930	2,92,440
Do. 31st March, 1955	7 16 940	5,88,240	4,59,093
Do. 31st March, 1956	7,06,366	5,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,561
,, ,, ,, Dec., 1954	1,88,053	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,65,108	1,43,828	1,18,136
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, ,, Sept., 1955	1,70,181	1,30,550	1,07,714
,, ,, ,, Dec., 1955	1,60,750	1,24,696	1,05,752
,, ,, ,, Mar., 1956	1,84,450	1,41,346	1,19,860

OVERALL BALANCE OF TRADE OF INDIA
February, 1956†

Particulars	February, 1955	February, 1956	Eleven months, April to Feb., 1954-55	Eleven months, April to Feb., 1955-56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise—				
(a) Exports	50,18	50,49	531,56	535,47
(b) Re-exports	39	75	4,68	5,02
Less—Transit trade	3	..	39	8
Net re-exports	36	75	4,29	4,94
Total exports	50,54	51,24	535,85	540,41
2. Imports	54,54	68,19	597,94	604,13
Less—Transit trade	2	2	12	14
Net imports*	57,52	68,17	597,82	603,99
Balance of trade in merchandise	— 6,98	—16,93	—61,97	—63,58
Balance of trade in gold and silver	..	..	— 3	— 6
Total overall visible balance of trade	— 6,98	—16,98	—62,00	—63,64

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,768	2,711	885	183	98	62	154	13	158	397	25	281	47	128
January 1955	9,660	2,275	735	145	74	51	126	11	209	332	20	233	43	110
February ,,	10,080	2,484	807	163	85	56	140	12	264	365	23	256	45	117
March ,,	11,768	2,711	885	183	98	62	154	13	158	397	25	281	47	128
April ,,	1,034	222	77	21	12	6	9	2	12	33	3	24	2	10
May ,,	2,027	445	157	40	23	12	15	4	25	66	7	48	4	22
June ,,	2,973	662	237	55	33	17	19	6	27	98	11	73	7	34
July ,,	3,373	890	324	73	41	22	23	8	52	130	14	100	12	48
August ,,	4,082	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	135

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 BG.=2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955.
Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 17th May, 1956	51,716(J)
	Corresponding week, 1955	53,624(J)
	1st Sept. to 17th May, 1955-56	1,502,410*
	Corresponding period, 1954-55	1,424,022*
Cotton Exports	Week ended 17th May, 1956	3,136
	Corresponding week, 1955	9,562
	1st Sept. to 17th May, 1955-56	571,858‡
	Corresponding period, 1954-55	272,197
Mill Consumption (Estimated)	1st Sept. to 17th May, 1955-56	904,979
	Corresponding period, 1954-55	916,257
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 17th May, 1956	662,547
	Corresponding date, 1955	667,586
Cotton Exports from Bombay (by sea)	During January, 1956	35,976‡
	1st Sept., '55 to 31st Jan., 1956	363,052
	1st Sept. '54 to 31st Jan., 1955	123,685
Karachi (Pakistan)—		
Receipts	1st Sept. to 10th May, 1955-56	1,200,100
	Corresponding period, 1954-55	1,182,091
Exports	1st Sept. to 10th May, 1955-56	700,661
	Corresponding period, 1954-55	591,246

Particulars	From 1st Sept. 1955 to 21st May, 1956 Bales	From 1st Sept. 1954 to 21st May, 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom	64,437	25,870
Continent	94,066	41,240
Hongkong	40,469	8,379
China	57,573	..
Japan	300,097	76,233
U.S.A.	4,152	16,248
Other Countries	4,145	1,594
Total to all foreign countries	564,944	164,573
Coastal Ports	96,578	114,110
Total	661,522§	278,683

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian	February, 1956	348,949
Foreign		52,195
Indian	Six months ended Feb., '56	2,221,013
Foreign		287,444
Indian	Same Period 1955	2,022,925
Foreign		344,791
Stocks (Mills and Elsewhere)—		
Indian	As on 29th Feb., 1956	1,187,986
Foreign		157,625
Indian	As on 29th Feb., 1955	1,161,158
Foreign		135,385
Cotton Pressed in India† (In running bales)	Week ended 11th May, 1956	5,577
	Corresponding week, 1955	10,761
	1st Sept. to 11th May, 1955-56	2,700,089
	Corresponding period, 1954-55	3,077,966

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

TERMINABLE LOANS

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % Bonds	1926-33	63,30,26,000	1960-70	101⅜
3½ % Loan	1935-39	1,15,17,46,000	1963-65	95½
3 % Loan	1950	30,33,10,000	1964	95
3½ % Fg. Loan	1942	1,10,11,78,000	1966-68	93⅛
3 % V. Loan	1944	1,14,06,89,000	1967	99⅜
3 % Loan	1945	1,15,06,38,000	1970-75	90
2½ % 2nd V. Loan	1945	1,18,65,64,000	1959-61	98⅛
2½ % Loan	1951	60,35,63,000	1958	99⅛
2½ % Loan	1946	45 68,07,000	1960	96⅛
2½ % Loan	1946	57,00,69,000	1961	93⅛
2½ % Loan	1946	14,77,48,000	1962	92⅜
2½ % Loan	1947	75,86,72,000	1963	93⅛
3½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99⅜
2½ % N.P. Loan	1954	157,35,41,000	1964	98⅛
3½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98⅛

NON-TERMINABLE LOANS

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
2 % Loan	1896-97	8,98,36,000	At option of Government after three months' notice. On September, 1986 or later at option of Government after three months' notice.	80

REPATRIATE STERLING LOANS

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
4½ % Loan	1928	£,55,20,000	1958-68***	103½

STATE LOANS

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99-0½
3 % Bombay	1948	2,99,26,000	14th Sept. 1956	99⅜
3 % Bombay	1949	1,06,05,000	15th Aug. 1958	98⅛
3 % Bombay	1949	5,62,12,000	1st Aug. 1962	94
3 % Bombay	1950	2,92,30,000	31st July 1960	96⅛
3½ % Bombay	1952	2,97,58,900	17th Sept. 1963	98⅛
4 % Bombay	1952	3,50,85,000	15th July 1963	101⅛
4 % Bombay	1953	3,61,31,700	1st Aug. 1964	101⅛
4 % Bombay	1954	2,00,00,000	1st Sept. 1967	100⅜
4 % Bihar	1955	1,50,00,000	15th Sept. 1967	99
3 % Cochin	1946	1,00,00,000	16th Dec. 1955-58	98⅜
3 % Kerala	1956	70,09,000	1st June 1956-61	99⅛
3½ % Howrah Bridge (New)	1936-37	1,95,98,700	1956-66	95½
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99⅛
3 % Madras	1939	1,23,98,500	15th July 1958	99⅜
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99⅜
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98⅛
3 % Madras	1946	3,78,44,900	15th July 1958	98⅛
2½ % Madras	1946	3,81,77,200	1st Sept. 1961	92⅛
3 % Madras	1950	4,38,29,400	31st July 1960	96⅛
3 % Madras	1951	5,01,49,300	17th Sept. 1963	97⅛
4 % Madras	1953	10 38,68,000	15th July 1963	100⅞
4 % Madras	1953	5,24,81,200	1st Aug. 1964	100⅛
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99-12½
3 % Mysore(J)	1933	2,95,85,200	1st Dec. 1953-63	101⅛
3 % Mysore(J)	1936	5,99,72,900	30th April 1956-61	99⅜
3 % Mysore	1947	5,08,05,700	25th Jan. 1958	99⅜
3 % Mysore	1948	2,33,47,000	15th July 1958	100⅛
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99⅞
3 % M.P.	1943	50,54,200	14th Sept. 1956	99⅛
3 % M.P.	1948	52,84,800	15th Aug. 1958	98⅛
3 % M.P.	1948	2,03,25,800	31st Sept. 1964	98
3 % M.P.	1950	1,01,44,700	31st July 1960	95⅛
3½ M.P.	1951	1,02,18,100	17th Sept. 1963	98
4 % M.P.	1953	1,03,18,100	15th July 1963	100⅛
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99⅛
3 % Punjab**	1938-44	3,49,87,200	30th Aug. 1956	98⅛
3 % Punjab**	1948	2,46,78,200	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,96,81,500	14th Sept. 1960	97⅛
3 % Saurashtra	1955	3,25,00,000	1st Sept. 1967	99⅜
3½ % Travancore	1938	50,00,000	16th Aug. 1956	99⅛
4 % Travancore-Cochin	1953	3,25,00,000	15th July 1963	100-1⅛
3 % U.P.	1936	1,57,42,500	15th Sept. 1961-66	90⅜
3 % U.P.	1944	3,02,24,500	15th Aug. 1958	98⅛
3 % U.P.	1946	3,17,59,700	14th Sept. 1956	99⅛
2½ % U.P.	1946	3,20,93,500	1st Sept. 1961	92⅜
3½ % U.P.	1951	1,94,11,700	17th Sept. 1963	98
4 % U.P.	1953	2 11,42,500	1st Aug. 1964	100⅛
4 % U.P.	1953	5 65,15,500	15th July 1963	100⅛
4 % U.P.	1955	8,50,00,000	1st Sept. 1967	99⅜

PORT TRUST LOANS

BOMBAY

Amount Rs.	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
36,50,000	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99⅛N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14 85,876	4	1913*	1960	D
80,00,000	4	1913	1974	100⅛N
88,25,000	4	1914	1974	100⅜N
10,00,000	4	1915*	1960	
55,00,000	4	1915	1975	
61,61,000	4	1922*	1960	
11,61,000	4	1924*	1960	
10,25,000	4½	1919*	1960	
35,00,000	5	1920*	1960	
12,50,000	5	1920*	1960	D
12,50,000	5	1921*	1961	
13,50,000	5	1932*	1962	
24,58,000	5	1935*	1975	
15,00,000	5	1936*	1966	
48,04,000	5	1936*	1960	
10,00,000	5	1938*	1968	
7,00,000	5	1941	1971	

CALCUTTA

Rs.	Interest per cent.	Year of Issue	Repayable	Rs.
90,54,200	4	1914	1974	99
76,90,100	4	1915	1975	99
1,50,00,000C	5††	1921	1981	83
68,02,800C	6‡	1921	1981	144N
98,21,800	5	1916	1956-86	100
99,84,500B	5	1926	1956-86	101½
1,49,49,500B	5	1927	1957-87	103
1,49,99,000	5	1928	1958-88	103
80,00,000	4‡	1931	95	85
60,08,000	5‡	1935	1965	97½
25 00,000	3	1938	1963-68	90
50,00,000	3	1939	1959	87
58,09,000	3	1945	1975	85
1,50,00,000	3	1946	1976	84½
50,00,000	3	1947	1977	82
50,00,000	2½	1947	1977	79½
50,00,000	3	1948	1978	83½
1,00,00,000	3	1949	1979	87
50,00,000C	3	1949	1959	97
1,00,00,000	3	1950	1980	83
1,00,00,000	3	1950	1960	95½
58,00,000	3	1950	1960	95½
1,50,00,000	3½	1951	1981	81½
56,00,000	4	1952	1982	98½
90,00,000	4	1953	1983	98½
90,00,000	4	1954	1984	97½

STERLING LOANS‡

£	Interest per cent.	Year of Issue	Repayable	Rs.
£382,600	5	1923	1953-83	£79
£901,000	5	1924	1954-84	£79½
£335,100	5½	1932	1962	£91½

MADRAS

Rs.	Interest per cent.	Year of Issue	Repayable	Rs.
31,47,100	3½	1947	1977 †	
9,58,000C	3	1947	1977 †	A
5,00,000C	3	1949	1979 †	
45,00,000C	4½	1954	1984 †	

IMPR. TRUST LOANS

Amount Sanctioned Rs.	Interest per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	
80,00,000	4	1905	1965	
25,00,000	4	1906	1966	97⅜N
15,00,000	4	1907	1967	
80,00,000	4	1908	1968	
80,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	
25,00,000C	5	1919	1957-79	113N
40,00,000	5	1919	1957-79	
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-86	115N
25,00,000	4	1927	1961-70	98N
10,00,000	3	1934	1966	
STERLING LOANS				
£566,600		1909	1969	£91½
£333,000		1910	1970	£91½
CALCUTTA				
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99⅜
35,00,000	3½	1935	1965	94
80,00,000	3	1936	1966	90
50,00,000	3	1937	1962	91
80,00,000	3	1938	1963-68	90
80.00.000	4	1953	1963	99⅜
1,02,00,000C	4	1956	1965	99

MUNICIPAL LOANS

Rs.	Interest per cent.	Year of Issue	Repayable	Rs.
BOMBAY				
20,50,000	4	1915	1974	100
10,00,000	5	1920	1980	113N
25,00,000	5	1923	1958	104⅛
50,00,000	5	1924	1954-59	Ao
26,21,500	5	1925	1975	102⅛
8,25,00,000	3½	1947	1977	86⅛
2,50,00,000	3½	1948	1978	86⅛
4,00,00,000	3½	1949	1979	86⅛
1,20,00,000	3	1951	1965	92⅛
2,50,00,000	4	1952	1964	100⅛
1,00,00,000†	4	1952	1964	100⅛
1,00,00,000†	4	1954	1966	100
2,50,00,000	4	1955	1967	100⅜
CALCUTTA				
50,00,000	5	1928	1958	103
25,00,000	5	1929	1957	103
25,00,000	5	1929	1958	102⅛
10,00,000	5½	1932	1962	108
25,91,000	5½	1935	1965	104
60,00,000	3	1936	1966	90
47,50,000	3	1938	1968	90
1,58,80,800	3	1939	1958	99⅛
15,56,800	4	1939	1958	99⅛
15,56,800	4	1940	1957	99⅛
17,64,400	3½	1942	1959	96⅛
21,10,000	3½	1943	1973	99
15,49,000	3½	1951	1960	97
16,33,800	3½	1951	1961	97⅛
66,58,000	3½	1951	1966	97⅛
37,36,000	4	1952	1966	99⅛
72,50,000	4½	1954	1979	100
MADRAS				
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107⅛N

GOVERNMENT SECURITIES—*Concld.*

STATE LOANS—*Concld.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,75,00,000	17th Sept. 1963	98
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100⅛
4 % W. Bengal	1953	3,30,23,000	15th July 1963	100⅛
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
† Bombay State Transport. †† Rate of interest reduced from 6 to 2 per cent. with effect from 1st June, 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1955. ‡—Interest free to first 12 years. §—Interest free for first 7 years.
§—Nominal.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	132	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	100	100
Cawnpore Sugar Works 'A'	10,00,000	1905-24	8	Feb. Aug.	138	100
Deccan Sugar & Abkhar 'A'	7,00,000	1920	7	July Apr.	6½	5
¶East India Distilleries	£200,000	1897	7	Jan. July	17⅞	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnuggar Cane	4,00,000	1933-36	6	Aug. ..	102	100
Rava gaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8–4½	10
Upper Ganges	15,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	113	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	117	100
Burrakur (1st)	29,99,900	1901-19	7	Apr. Oct.	110½	100
Do. (2nd)	4,50,000	1946	6(a)	Mar. Sept.	8	10
Equitable	4,00,000	1905	6	.. ..	116	100½
Kasampura Collieries	7,50,000	1946	5½(a)	.. ..	68	75(pp)
††Khas Kajora	1,93,000	1931	6	Mar. Sept.	3‡N	10
New Beerbhoom	2,00,000	1920	5	Jan. July	12	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	103‡	100
Bangalore	5,00,000	1884	6	Jan. July	125	100
Basanti Cotton	3,30,000	1896	6½	Nov. ..	8	10
Bengal-Nagpur	6,00,000	1900	8	Apr. Oct.	99	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	138	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	68	100
Bradbury	14,75,000	1919	7	Jan. July	144	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	144	100
Cambodias	1,00,000	1928	7	Apr. ..	122½	100
Central India	50,00,000	1912	5	Apr. Oct.	465	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	111½cd	100
Elgin	11,00,000	1912	8	May Nov.	135	100
Do. 'B' Pref.	4,20,000	1943	7(a)	May Nov.	87	100
Elphinstone	25,00,000	1919	7	June Dec.	134	100
Kesoram	20,00,000	1947	6	Nov. ..	87	100
Khatau Makanji (2nd)	29,92,500	1947	6	Nov. ..	10‡	10
Kothari	18,00,000	1896	5(a)	.. ..	206‡	250
Lakshmi Cotton (Bombay)	13,00,000	1947	4½

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. F=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
40,00,000	62,561	76,28,421	48,05,872	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	3¼	2	0 4(e)	0 4 (e)	0 2(e)		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,07,120	B. K. Sons, Ltd. ..	50,596	1,021	B. K. Cotton Mills	46	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.T
3,50,98,000	2,99,72,778	4,92,25,445	2,25,40,978	73,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg. ..	662½	250	20 0	22 8*	20 0	25 0*	12	Y.
10,00,000	87,86,699	65,86,179	48,67,495	2,48,761	Ramnarain Sons, Ltd. ..	44,080	660	Bradbury Mills	50	100	0 150	0 150	0 150		12	Y.P.
1,09,42,800	2,63,96,829	2,81,83,204	1,97,06,117	6,34,056	Birla Bros., Ltd. ..	1,26,344	2,698	Century Spg. & *Mfg.* ..	557	100	20 0	22 0	22 0		12	Y.
49,00,000	15,44,690	1,16,09,462	65,52,089	—33,25,720	V. J. Pilani (Chairman and Managing Director) ..	39,408	798	Colaba Land & Mill	80	100	*Nil*	*Nil*	*Nil*		12	Y.
28,00,000	11,38,470	81,59,789	48,80,041	20,755	Cowaslee Jehangir & Co., Ltd.	30,528	680	Cooria Spg. & Wvg. ..	145	100	7 8	7 8	7 8	7 8	6	Y.
16,00,000	24,56,398	69,10,361	34,05,041	2,17,076	Ramnarain Sons, Ltd. ..	40,992	..	Dawn Mills	125	50	5 0	5 0	5 0	15 0	12	Y.
84,00,000	37,75,000	73,60,731	64,78,724	20,168	Parasmal Sadhukhan & Co. ..	50,084	928	Edward Textiles	34½	200	15 0	15 0	15 0		12	Y.
30,00,990	11,93,892	1,10,92,641	75,74,225	32,706	M	41,800	836	Elphinstone Spg. & Wvg. ..	56	50	3 0	*Nil*	3 8	3 8	3	Y.P.
50,00,000	70,11,378	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd. ..	49,332	784	Finlay Mills	340	100	20 0	16 0	16 0	20 0	12	Y.
11,34,000	76,64,589	1,27,76,810	99,11,500	9,223	Thos ersey Moolen & Co. ..	49,672	1,122	Hindoostan Spg. & Wvg. Mills	3,825	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
16,000									992½	250	50 0	56 4*	56 4	75 0		
2,00,00,000 O.	1,18,37,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,32,640	6,278	India United Mills	14	0 100.	*Nil*	0 10	*Nil*	0 101	12	Y.
50,00,000 D.									2-64	0 1D.	*Nil*	0 1	*Nil*	0 11		
8,65,000	74,24,048	1,30,07,932	92,59,000	5,102	Damodhar Thackersey Mooljee& Co.	56,256	1,192	Indian Mfg.	5,075N	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
35,000									----	500	100 0	112 8*	112 8	150 0		
59,35,000	40,58,451	2,37,18,607	1,92,95,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg. ..	238½	100	10 0	10 0	8 0	10 0	6	Y.P.
1,00,00,000	1,21,50,000	3,56,88,695	2,68,14,796	33,980	Killick Industries Ltd. ..	1,20,504	1,846	Kohinoor Mills	370	100	18 0	20 0	18 0	18 0	12	Y.
23,13,050	41,06,725	1,18,74,548	55,99,115	31,670	N. Sirur & Co., Ltd. ..	49,000	644	Modern Mills	95N	50	5 0	5 0	5 0	8 0*	10	Y.T.
51,75,000	32,92,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons	70 416	1,652	Morarjee Goculdas Spg. & Wvg.	245	100	12 0	12 0	14 0		6	Y.P.
1,57,74,400	85,41,001	6,34,71,095	2,05,00,000	5,12,085	National Rayon Corporation ..	*Nil*	*Nil*	National Jute Mfg. Corpn. ..	245	100	*Nil*	*Nil*	10 0	12 0	12	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	3,015	W. H. Brady & Co., Ltd. ..	45,944	452	W. H. Brady & Co., Ltd. ..	175½	100	10 0	10 0	10 0	10 0	12	Y.P.
80,00,000	14,61,250	92,85,599	61,42,741	4,330	W. H. Brady & Co., Ltd. ..	49,012	1,018	New Great Spg. & Wvg. ..	250	100	10 0	10 0	7 8	10 0	12	Y.P.
12,70,100	28,54,546	66,73,515	40,57,707	12,752	Mafatlal Chandulal & Co., (Bombay), Ltd. ..	84,100	878	New Union Mills	37	10	1 4	1 4	1 4	1 12	12	Y.
48,00,000	26,62,873	1,49,03,112	99,59,511	1,86,364	Ramnarain Sons, Ltd. ..	69,208	1,190	Phoenix Mills	140	100	8 0	8 0	8 0	8 0	12	Y.
40,00,000	45,69,014	81,99,245	28,00,978	3,18,153	Podar Sons, Ltd. ..	52,600	930	Podar Mills	185½	100	10 0	10 0	10 0	5 0i	12	Y.P.
5,00,000	8,16,999	21,21,521	19,01,340	—1,72,164	David Sassoon & Co., Ltd. ..	9,520	277	Sassoon & Alliance Silk Mill	11½	10	1 4	0 12	0 8		12	Y.
25,00,000	54,26,058	1,35,89,736	1,19,14,117	11,668	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg. ..	88	10	1 4	1 4	1 12	1 12	12	Y.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,428	Narwar Textiles (Agency) Ltd.	66,836	1,640	Shree Niwas Cotton Mills ..	211½	100	12 8	14 0	14 0	12 0	12	Y.P.
42,00,000	35,75,550	93,88,962	71,00,000	15,898	Forbes, Forbes Campbell & Co. Ltd. ..	36,116	1,274	Simplex Mills	222	50	15 0(p)	15 0	11 0	10 0	3	Y.
87,80,000	2,23,15,720	2,51,28,699	1,87,85,474	12,833	Mafatlal Gagalbhai & Sons ..	52,036	1,632	Standard Mills	441½	100	20 0	20 0	20 0	12 0	12	Y.P.
99,85,700	84,69,716	2,28,87,847	1,19,01,899	67,611	Tata Industries Ltd. ..	72,236	2,000	Svadeshi Mills	230½	100	16 0	16 0	16 0	12 0	12	Y.P.
36,00,000	66,33,405	1,28,99,971	81,52,715	1,51,080	James Finlay & Co., Ltd. ..	43,352	552	Swan Mills	435	100	20 0	20 0	20 0	25 0	12	Y.
33,77,425	51,96,379	1,77,34,839	68,44,653	43,483	Tata Industries Ltd. ..	62,096	1,800	Tata Mills	23	25	1 0	1 8	2 8	4 0	12	Y.T.P
13,00,000	62,55,700	1,15,86,436	81,90,000	2,816	Thackersey Mooljee Son & Co.	54,136	1,209	Western India Spg. & *Mfg.* ..	5,075	1,000	200 0*	225 0*	225 0	300 0	3	Y.
AHMEDABAD																
33,00,000	31,11,650	1,36,23,878	60,47,302	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills ..	177½	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	94,58,088	94,37,398	76,10,164	27,288	P. M. Hutheesing & Sons, Ltd.	44,220	912	Aruna Mills	1,005	100	20 0*	20 0*	20 0	30 0	12	Y.P.
26,25,000	2,40,17,401	1,48,07,666	3,08,05,000	46,584	Narottam Lalbhai & Co. ..	62,448	1,216	Arvind Mills	1,735	100	25 0	25 0	25 0		12	Y.P.
20,00,000	31,75,000	96,34,384	72,25,000	2,46,389	Mangaldas & Bros., Ltd. ..	37,164	892	Aryodaya Ginning & Mfg. ..	530xd	200	15 0	15 0	15 0	25 0*	12	Y.P.
13,00,000	1,18,39,033	84,56,974	69,64,953	59,806	Lalbhai Dalpatbhai & Co. ..	37,584	914	Asoka Mills	1,010	100	22 0	22 0*	22 0	30 0	12	Y.P.
1,24,79,011	1,11,66,338	4,24,86,718	2,67,58,544	16,00,764	Lalchand Hirachand Ltd. ..	1,59,120	2,372	Calico	1,515	125	18 0	18 0	18 0		12	Y.P.
62,87,000	21,53,000	1,21,06,843	89,25,000	2,760	Tricunial Bhogilal & Co., Ltd.	45,836	666	New Commercial Mills ..	1,562½	1,000	70 0	70 0	70 0	*80 0*	12	Y.P.
89,00,000	72,52,436	1,32,09,232	98,26,962	19,221	Mafatlal Chandabhai & Co., Ltd. ..	51,152	864	New Shorrock Spg. & Wvg. ..	877	125	35 0	35 0	35 0	35 0*	12	Y.
8,00,000	61,19,383	46,72,743	31,79,001	700	Lalbhai Dalpatbhai Manavaty & Co., Ltd.	24,840	572	Nutan Mills	662½	100	30 0*	30 0*			12	Y.P.
13,50,000	1,14,77,470	86,29,439	60,39,383	....	Lalbhai Dalpatbhai & Co. ..	52,328	636	Rajpur Mfg.	1,160	100	25 0	17 8	25 0	35 0*	12	Y.P.
13,00,000	13,98,067	1,37,95,069	89,67,450	—39,90,510	Nanjalaxmi Girdhardas Parekh Ltd.	47,820	1,005	Rajnagar Spg., Wvg. & *Mfg.*	365xd	250	*Nil*				12	Y.P.
33,50,000	14,78,207	1,07,01,469	71,42,803	17,34,749	Lallabhai Gordhandas Ltd. ..	33,156	648	Rohit Mills	2974	100	9 0	9 0	9 0	*Nil*	12	Y.P.
28,98,150	2,02,34,638	1,76,92,842	1,26,02,850	3,23,290	Harivallabhdas Kalidas & Co.	94,116	1,733	Shri Ambica Mills	633	50	16 0	18 0	20 0	27 0*	12	Y.P.
19,52,500	62,31,263	78,68,018	66,84,701	15,692	Mafatlal Chandulal & Co. (Ahmedabad), Ltd. ..	36,624	720	Shorrock Spg. & Mfg. ..	600	100	20 0	25 0*	25 0*		12	Y.
83,00,000	26,96,488	1,03,76,849	68,25,291	32,764	Haridas Achratlal & Co., Ltd.	36,176	780	Vijaya Mills	720xd	400	25 0*	25 0*	25 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,52,500	84,23,069	21,01,510	1,03,030	Calcutta Agency, Ltd.† ..	13,044	356	Basanti Cotton Mills ..	6	10	*Nil*	0 4	0 8		12	Y.P.T.
7,11,250	2,40,775	43,48,881	25,67,597	98,788	Bengal Textile Agency, Ltd.	33,544	936	Bengal Laxmi Cotton Mills ..	40 N	50	3 0	*Nil*	4 0		12	Y.
6,00,000	22,72,414	89,03,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	43,872	841	Bowreah Cotton Mills ..	140	100	*Nil*	*Nil*	*Nil*	4 0	6.12	B.P.
19,00,000	26,17,571	1,04,88,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	43,944	816	Dunbar Mills	300	100	*Nil*	*Nil*	*Nil*	2 8	6.12	B.
1,50,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,433	Birla Brothers, Ltd. ..	70,384	1,990	Kesoram Cotton Mills	17½	10	1 12	1 12	0 14	0 14	3	Y.P.
4,00,000										10	1 12					
4,00,000	9,75,000	84,54,400	67,06,257	8,158	Chakravarti Sons & Co. ..	33,484	442	Mohini Mills	—	10	*Nil*				12	Y.P.
23,96,288										10	0 3					
12,47,750 O.	7,45,000	47,06,298	24,48,352	1,094	Hazaresmull Heeralall	23 036	795	Rampooria Cotton Mills ..	10½N	10	0 3	0 3	0 3	1 0	6	Y.
6,00,000 D									1D	10	*Nil*	*Nil*	*Nil*	....		
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	80,37,191	29,09,649	—8,54,223	Ramia & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	10	10	*Nil*	*Nil*	*Nil*		12	Y.P.T.
@8.71,94,400	44,93,807	3,10,91,206	50,60,018	....	Industrial Trust Fund ..	90,186	708	Asam Jahi Mills	95	100	6 0	6 0	*Nil*		9	Y.
40,50,000	2,00,68,745	3,24,98,906	2,42,33,258	2,88,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	575	100	15 0	25 0	30 0	30 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,123	18,199	M.	29,986	810	Bengal-Nagpur Cotton Mills ..	8½	10	0 8	0 4				
15,00,000	1,09,42,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers, Ltd. ..	29,986	1,046	Birla Cotton Spg. & Wvg., Delhi	81XRN	10	3 0	3 0	3 0	3 0	12	H.P.T.
1,78,47,800	1,76,52,500	6,38,09,203	2,52,22,180	2,85,441	Binny & Co. (Madras), Ltd. ..	1,20,256	2,787	Buckingham & Carnatic Mills	201	100	4 0	10 0	10 0	8 0	3	Y.
20,00,000	20,00,000	39,69,354	21,66,351	27,593	Peirce, Leslie & Co., Ltd. ..	38,706	..	Cambodia Mills	14	10	1 0	1 0	1 0	10 0	12	Y.P.T.
15,00,000	4,51,500	44,03,466	21,80,176	44,557	K. Damodaran, Esq. ..	17,496	..	Cannanore Spg. & Wvg. ..	100	100	12 0	12 0	*Nil*	0 8	12	Y.P.
30,00,000	25,98,978	53,07,118	25,84,518	22,514	Begg, Sutherland & Co., Ltd.	28,794	591	Cawnpore Textiles	84	5	0 9	0 9	0 9	0 9	3	Y.
12,00,000	20,65,396	73,60,297	27,56,527	84,164	B. Bhesmia Naidu & Co. ..	33,564	..	Coimbatore Cotton Mills ..	845	100	0 0	0 0	6 0	*Nil*	3	Y.
20,00,000	14,20,000	35,95,513	21,28,500	14,053	T. R. N. Naidu & Co. ..	22,783	..	Coimbatore Pioneer Mills ..	2624cd	100	20 0	20 0	25 0	25 0	12	Y.
20,78,900	4,19,314	1,15,51,599	52,05,019	16,884	R. G. S. Naidu & Co. ..	73,823	407	Coimbatore Spg. & Wvg. ..	107	50	*Nil*	*Nil*	20 0		6	Y.
40,87,500	52,28,449	2,46,16,409	1,48,06,833	3,708	Tata Industries, Ltd. ..	1,15,288	2,000	Colonial India.	142	100	5 0	5 0	5 0	6 0	6	Y.
3,33,36,225	2,55,00,000	9,09,78,765	5,06,00,000	62,759	B. B. Charak Ram & Co., Ltd.	1,16,686	2,854	Delhi Cloth & General Mills ..	36½N	25	2 0	2 0	2 0	2 0	3	Y.P.
1,00,548										1	0 4	0 4	0 4	0 4		
24,24,800	24,22,758	47,34,037	23,82,512	9,248	M. N. Chettiar & Sons ..	32,568	201	Dhanalakshmi Mills	265	100	20 0	20 0	20 0		12	Y.
93,00,000	76,33,560	1,52,16,383	1,29,71,631	93,886	Begg, Sutherland & Co., Ltd.	48,462	1,198	Elgin Mills	277	100	10 0	10 0	10 0		12	Y.
48,81,000	35,22,175	1,00,55,167	68,95,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	233	100	17 0*	17 0*	17 0	12 0	12	Y.
50,00,000	6,16,447	1,33,91,953	1,12,28,576	9,551	K. L. N. Kanthi Esq. (Chairman.)	51,180	1,430	Indore Malwa United	1432	100	6 0	6 0	6 0	12 0	12	Y.
4,90,000	10,65,553	81,06,699	12,45,155	2,079	G. V. Naidu & Co., Ltd. ..	24,828	..	Janardana Mills	117	50	3 12	4 8	5 0	10 0	12	Y.
24,00,000	16,25,000	78,88,868	26,50,000	29,882	Kothari & Sons	48,000	300	Kothari Textiles	173	10	0 12	0 8	0 8	0 8	12	Y.
82,00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	695	250	37 8	37 8	33 12	42 8	12	Y.P.
33,54,100	66,55,960	1,11,86,880	75,29,838	74,376	G. K. Naidu[&Co.*	85,908	201	Lakshmi Mills (Sa... ..	206	50	5 0	5 0	10 0	12 8	3	
17,82,050									102	25	2 0	2 0	2 0	2 8		
1,75,25,480	4,13,81,878	5,73,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	512	15	3 0	3 0	3 0	3 0	3	Y.
12,00,000	4,17,933	82,26,768	16,72,822	—99,073	A. L. A. R. S. Chettiar and 3 others.	22,592	100	Malabar Spg. & Wvg.	1134	100	8 0	8 0	8 0		12	Y.
60,00,000	69,00,000	2,64,41,446	41,50,235	1,43,408	W. A. Beardsell & Co., Ltd.	24,720	603	Mettur Industries Ltd. ..	1134	100	8 0	8 0	*Nil*		12	Y.
29,59,700	19,47,908	84,13,677	46,83,184	9,399	N. Sirur & Co., Ltd. ..	39,896	704	Minerva Mills	472½	100	12 8	12 8	12 8*	25 0	3	Y.
94,91,850	27,34,404	1,61,29,118	78,51,982	—7,44,982	Bangalal Abirchand Dadabhoy & Co.	51,240	948	Model Mills (Nagpur)	150	250	7 8	7 8*	5 0(e)		12	Y.
30,00,000	18,19,603	1,53,89,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	88,640	1,884	Muir Mills	94N	100	7 8	7 8	5 0(e)		12	Y.
24,88,500	80,84,547	99,04,000	63,69,938	28,708	N. Sirur & Co., Ltd. ..	50,128	500	Mysore Spg. & Mfg.	110	50	10 0*	10 0*	8 8*	6 0(e)	3	Y.P.
18,61,750	1,000	29,41,719	15,25,283	—1,92,880	B. Suryanarayana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills ..	7½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
22,39,88[5]	25,62,533	1,04,27,293	58,90,719	—43,53,037	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	2½	10	*Nil*	*Nil*	*Nil*		3	Y.
5,07,066 D									D. 2½		*Nil*	*Nil*	*Nil*			
57,14,300	57,72,270	1,68,65,562	62,88,093	....	Industrial Trust Fund ..	87,788	856	Osmanshah, Mills	----	10	7 0	4 0	*Nil*		12	Y.P.
4,00,000A	7,50,000	25,04,758	21,95,715	9,182	Bhaghyalakshmi & Co. ..	29,924	..	Palani Andavar Mills	86	100	7 8	12 0	12 0		6	Y.
6,00,000B									155xd	50A	7 8	12 0	12 0			
16,00,000	2,25,000	24,59,511	16,41,045	—18,87,240	C. S. B. Mudaliar & Sons ..	30,706	..	Pankaja Mills Ltd.	225xd	75B	11 8	15 0	18 0		12	Y.P.
16,81,200A	20,00,000	73,90,455	41,41,878	23,607	A. G. Guruswamy Naidu & Co.	51,664	801	Radhakrishna Mills	81cd	100A	*Nil*	*Nil*	*Nil*		12	Y.
5,49,200B									303xd	50A	6 8	8 0	16 0			
16,00,000	30,00,000	48,74,198	25 94,337	11,081	B. B. Naidu & Sons ..	35,472	..	Rajalakshmi Mills	151cd	50B	3 0	4 0	8 0		12	Y.
22,29,625	12,40,000	40,14,000	18,05,147	29,850	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	174½	50	4 0	6 0	8 0	10 0	12	Y.
80,00,000	62,41,548	1,00,25,428	35,44,914	—19,16,728	J. P. Srivastava & Sons (Rampur).	34,583	600	Rana Textiles	134½	100	6 0	6 0	10 0	10 0	12	Y.
16,00,000	1,80,29,516	2,89,27,068	2,04,27,279	—1,50,02,067	Morarka & Co.	95,282	2,224	Shola spoor Spg. & Wvg. ..	84N	10	*Nil*	*Nil*	*Nil*		3	Y.P.
									1,700	500	50 0	50 0	50 0		12	Y.
26,69,700	16,63,633	71,75,918	51,35,889	27,871	H. N. Pallegar, Esq. ..	31,668	292	Sri Krishnarajendra Mills ..	100	50	4 0*	4 0*	4 8		3	Y.
26,14,800	9,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80N	100	*Nil*	*Nil*	*Nil*		3	Y.
19,00,000	3,11,90,237	96,09,567	72,44,724	81,27,883	Birla Brothers, Ltd. ..	35,556	1,243	Sutlej Cotton Mills	180M	10	4 0	4 0	5 0	6 0	3	Y.
17,50,000 O	2,30,00,000	4,54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadeshi Cotton (Kanpur)	10	10 O.	*Nil*	9 8	8 12	0 12		
1,57,50,000 P									102P.O.	100	*Nil*	0 14 2/5	1 2 2/5	0 12	12	Y.P.T
1,00,00,000	30,14,788	3,80,55,317	1,27,16,775	2,63,771	Emcoke & Sons (Travancore), Ltd.	..	..	Travancore Rayons	15 ½xd	10	*Nil*	0 14 2/5	1 2 2/5	0 12		
18,86,670	8,78,333	17,39,181	11,37,436	1,508	Mooljee Ramlee & Sons ..	17,800	..	Trichinopoly Mills	28	10	0 11 1/5	0 11 1/5	0 10	0 12	12	Y.P.T
21,00,000	23,00,000	54,92,506	36,31,499	90,506	E. K. S. Chetty & Brothers ..	33,544	570	Vasanta Mills	250xd	100	15 0	15 0	0 14 2/5	0-14 2/5	12	Y.P.
32,80,000	34,42,971	1,64,67,122	1,05,10,233	23,125	Bombay Co., Ltd.	46,490	1,551	Vishnu Cotton	191½	100	15 0	4 0	4 0	8 0	12	Y.P.

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.
(p) Interim dividend of Re. 5 per share was paid on 43,000 shares of Rs. 50 each; final dividend of Re. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,84,000	1,19,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari ..	10½	5	*Nil*	*Nil*	*Nil*	0 8	5	Y.P.
16,20,680	16,38,917	27,26,561	14,07,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries ..	5½	5	0 8	0 8	0 8	0 9	3	Y.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd. ..	East India Distilleries and Sugar	29½	A. 16ab. B. £1	8h. 1 3/5	8h. 1 3/5	8h. 1 3/5	8h1 3/5	3	Y.P.
							—		8h. 8	8h. 4	8h. 5 4/5	8h4	9	
9,00,000	9,00,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	131½	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
11,87,700A.	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	167cd	A. 100	7 8	10 0*	10 0	10 0*	12	Y.P.T.
89,79,020B.							161cd	B. 10	0 12	1 0*	1 0	1 0*		
48,14,600O.	13,13,133	13,73,393	7,69,496	2,19,821	Eastern Corporation Ltd. ..	Assam Bengal Cement ..	7½	O. 10	*Nil*	*Nil*	*Nil*		3	Y.P.
4,70,976D.							14	D. 1						
18,71,56

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	130	25	1	*Nil*	1 9	2 8	6,12	H.P.T.
									Nil	1 9	1 9	2 8		
62,98,250	66,03,861	1,11,56,780	76 81,898	88,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	5 0	6 0	7 0	0 11½	3,9	H.
25,00,000	16,12,500	1,36,83,885	56,31,688	35,487	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	18½	10	1 0*	1 0*	0 12*	0 12*	3	Y.
1,46,82,500	2,09,26,641	4,27,02,365	1,02,98,058	2,29,489	Birla Bros	Orient Paper	37½	10	1 0	1 0	0 8	0 10	3,9	H.P.T.
									1 0	1 0	0 8	0 10		
1,25,07,295	42,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18½	10	0 12	0 12	0 12	0 10*	6,12	H.P.T.
									0 12	0 12	0 12			
80,00,000	6,50,000	54,00,860	30,16,681	4,492	Saboria & Co.	Star Paper Mills	11½	O. 10	1 0	1 0	0 12	0 8‡	3,9	H.P.T.
10,00,000 'A'							11½	A. 10	1 0	1 0*	0 12			
56,00,000A.	$22,75,945	5,80,42,527	3,21 32,342	95,684	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd. ..	42½	A. 10	1 0	1 0*	0 12	1 0	3,9	H.P
56,04,800B.									1 0	1 0*	0 12	1 0		
4,37,500P.O.							42½	B. 10	1 0*	1 0*	0 12	1 0		
							4½	P.O. 2½	0 2	0 2	0 2	0 2		
PRESSING														
6,00,000	9,12,355	15,79,488	11,13,291	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	*Nil*	9	Y.
4,50,000	1,00,000	9,89,526	4,79,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	7 0	5 0		6	Y.
5,00,000	1,95,000	10,91,811	9,80,877	13,957	Andrew Yule & Co.	Central Hydraulic	100	100	5 0	4 0	5 0	5 0	6	Y
PROPERTY AND LAND														
10,00,7850.	6,98,382	48,52,570	22,63,279	86,000	S. A. Basil, Esq. & others (Directors)	Humayun Properties	O. 10	O 8	0 11½	0 9 2/5	0 9 3/5		9	Y.P.
2,00,000D.							D. 1	*Nil*	0 0	4/5	*Nil*	0 9 3/5		
80,00,000	18,07,874	84,89,704	16,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	94	100	1 0	1 8	1 8	*Nil*	4	Y.
94,00,000	36,71,674	96,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	33½	100	3 0	1 8	4 0	3 0	4	Y.P.
SAW MILLS AND TIMBER														
13,99,998	25,23,970	29,97,501	3,95 801	—4,17 492	Bird & Co.	Assam Saw Mills	4½	3	0 4	*Nil*	*Nil*		9	Y.
50,00,000	4,13,57,280	3,35 90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	683½	Old125	22 8	15 0	20 0	37-8	5	Y.
48,00,000							245	New50	9 0	6 0	8 0	15-0		
5,00,000	....	7,38,569	7,26,267	—4,89,907	Jardine Henderson Ltd.	Bengal Timber Trading	403N	100	*Nil*	*Nil*	*Nil*		6	Y.P.
20,00,000	21,15,487	19,00,295	14,85,560	2,76,619	Gillanders Arbuthnot & Co., Ltd	Indian Wood Products	38½	10	3 0	2 8	2 12	3 0	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,923	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	*Nil*	*Nil*	0 12	0 1	6	Y.
15,00,000A.	29,18,356	49,46,285	33,16,660	16,50,000	Narang Bros. & Co., Ltd. ..	Basti Sugar	150N	A. 100	10 0	10 0	10 0		6	Y.
5,00,000B.							14N	B. 10	1 0	1 0	1 0		6	Y.
19,49,050	8,50,000	21,91,657	28,38,812	49,906	Bangur Bros., Ltd.	Belsund Sugar	11½	10	0 12	0 12	0 12		9	Y.
15,00,000	18,90,295	16,40,479	11,77,641	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8	1 8	6	Y.P.
32,00,000	28,37,080	1,56,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8¾	*Nil*	*Nil*	0 12	0 4	0 8	6	Y.P.T.
80,00,000	57,88,651	1,08,44,947	64,32,451	32,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	19½	10	1 0	1 0	0 12	0 12	10	Y.P.
18,00,000	38,04,591	72,85,757	55,46,902	24,019	Begg, Sutherland & Co., Ltd.	Champaran Sugar	29½	10	1 0	1 0	1 0	1 8	3	Y.T.
5,99,458	2,16,562	24,58,580	15,83,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	94N	10	1 0	1 0	1 0		6	Y.T.
55,00,000A.	32,00,000	75,94,877	56,00,000	62,419	Bashbraj & Co., Ltd	Hindustan Sugar Mills	260N	'A' 100	12 0*	15 0*	15 0*	15 0*	6	Y.P.
10,00,00000.							100	O. 100	12 0*	15 0*	15 0*	15 0*		
12,00,000	8,61,001	75,81,809	42 63,455	27,926	Khaitand Devchand & Co.	Kesar Sugar	82N	40	*Nil*	*Nil*	*Nil*	4 8	7	Y.P.
7,50,100	22,14,058	34,24,612	19,35,888	1,864	Cotton Agents Ltd.	New India Sugar Mills	33N	10	1 8	1 8	1 8	2 8	6	Y.P.T.
11,00,000	4,50,000	42,21,480	24,87,558	4,125	Karamchand Thapar & Bros. Ltd.	New Savan	10	10	0 8	0 8	0 8	0 8	6	Y.
10,57,500A.	49,60,297	67,74,122	31,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	240N	100	20 0	20 0	20 0	20 0	6	Y.
2,11,875D.							60N	25	5 0	5 0	5 0	5 0		
77,45,350	58,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	128N	100	11 0	11 0	11 0	11 0	7	Y.P.
13,00,000	12,74,223	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	116N	100	6 0	10 0	10 0		10	Y.
9,00,000	17,64,269	27,35,808	20,57,249	4,571	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	18	10	1 0	1 0	0 12	0 12	6	Y.P.
8,00,000	5,54,763	25,48,783	21,01,613	24,840	M.	Ryam Sugar	214N	10	1 0	1 0	1 0		6	Y.T.
11,99,000	18,86,779	28,65,583	22,92,180	8,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar	13½	10	1 0	0 8	0 8	*Nil*	6	Y.
20,00,000	29,68,560	1,35,20,110	62,50 921	84,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	12½	10	1 8	1 8	1 8	1 12	6	Y.P.T.
9,99,950	61,225	27,15,197	12,60,852	—0,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..									
						Sitalpore Sugar	4½	10	0 6‡	*Nil*	*Nil*	*Nil*	6	Y.
7,95,462	18,82,940	21,60,735	17,83,068	1,06,227	Karamchand Thapar & Bros.	Shri Sitaram Sugar	14½	10	1 0	1 0*	1 8*		6	Y.T.
9,10,000O.							8N	O. 10	*Nil*	*Nil*	*Nil*			
4 40,000D.	47,592	87,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	8N	D 2½	*Nil*	*Nil*	*Nil*		10	Y.P.
8,00,000	21,91,685	96,42,063	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 0	0 8	2 8	8	6	Y.P.
16,00,000	7,99,778	82,06,650	55,98,644	29,051	James Finlay & Co., Ltd. ..	United Provinces Sugar	20½	10	1 8	0 8	1 4		6	Y.
Other Centres														
46,99,750	76,58,470	1,50,12,876	1,08,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	234	50	16 9	16 0	16 8	16 0	6	Y.
17,50,000	9,24,592	33,03,379	21,07,778	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	14	10	1 0	0 10	1 0	1 0	6	Y.P.
14,99,900	2,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	50N	100	3 0	*Nil*	*Nil*		6	Y.P.
31,47,780	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Ltd.	India Sugar and Refineries ..	23½	10	2 8	2 8	1 12	1 6 2/5	6	Y.P.
22,57,620	41,27,060	41,95,606	20,78,418	1,402	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	144N	10	0 12	1 0	1 8	1 8	10	Y.
10,82,2000.	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	187½	0.100	7 8	7 8	7 8	7 8	6	Y.
2,87,190D.							100	D. 10	10 0	10 0	10 0	10 0		
81,79,280	95,00,001	1,31,37,577	78,17,780	2,90,840	S. Muninanjappa, Esq. (Managing Director)	Mysore Sugar	48½	10	3 0	2 0	2 8	2 8	6	Y.
						Phaltan Sugar	150½	50	8 0	6 0	8 0	8 0	6	Y.
80,00,000	48,49,531	1,08,28,164	59,35,509	11,053	Mafatlal, Apte and Kanitkal Ltd.	Ramnagar Cane and Sugar	150	10	2 0	2 0	2 8	3 0	6	Y.
16,56,820	26,50,680	58,90,015	24,76 747	19,230	Anderson Wright Ltd.									Y.P.T.
20,00,000O.	21,76,092	89,12,188	58,60,883	64,612	Walchand & Co., Ltd.	Travancore Sugar Farm	85½	O. 50	9 0	*Nil*	2 8	9 0	6	Y.P.T.
4,00,000D.							75	D. 10	1 0 11½	*Nil*	*Nil*	0 1 1/5	9	
19,99,600	44,88,457	47,06,689	21,78,094	4,685	Govan Bros. (Rampur), Ltd. ..	Raza Sugar	163½	10	1 0 12	1 0	0 12		10	Y.
80,00,000	10,87,776	59,76,284	17,87,159	—22,224	Parry & Co., Ltd.	Travancore Sugars	13½	10	*Nil*	*Nil*	*Nil*		10	Y.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,423	1,31,172	Premier Construction Co., Ltd.	Walchandnagar Industries	200	100	14 0	14 0	16 0	18 0	9	Y.P.T.
TRANSPORT														
20,00,000	1,00,69,622	1,24,00,709	15,56,557	55,526	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	140	100	12 8	10 0	7 8	7 8	10	Y.P.
1,00,00,000	15,37,019	4,41,65,964	1,55,59,119	1,55,925	Dimbhaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0	5 0	12	Y.
50,00,000	24,85,888	2,50,21,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	17½	10	1 0	1 0	1 0	*Nil*	6	Y.P.
£655,580	£960,378	£5,515,631	£3,844,778	£21,866	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	107	410	8h.10	*Nil*	8h.10	*Nil*	6	Y.P.
£25,00,000	£4,99,233	£ 7,93,25 462	£1,81,54,690	£1,28,061	Lionel Edwards Ltd.	India Steamship Co.	8–12½	410	0 8	0 12	*Nil*	*Nil*	12	Y.P.
£ 40,19,678	£ 94,92,081	£8,86,63,413	£4,84,44,800	£ 78,688	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	16–9½	20	0 8	0 12	*Nil*	*Nil*	6	Y.P.
£ 40,00000 A.	£ 94,92,081	£8,86,63,413	£4,84,44,800	£ 78,688										
£ 10,000P.O.	18,58,194	11,88,000	6,80,211	1,34,123	B. B. Ayer, Esq. (Manager)	Walford Transport Ltd.	2½	O. 1	as. 1 3/25	as. 1 3/25	1 23/25		12	Y
							1½	P.O. 1	as. 1 9/25	as. 1 9/25	1 19/25			
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0	32 0	9	Y.
15,98,860	2,04,178	7,18,542	90,000	48,568	Parakh Agencies Ltd.	Bombay-Baroda	62½	50	4 0	3 0	4 0		9	Y.
25,00,000	1,00,000	22,37,314‡§	....	225	Pranlal D. Nanjee, Esq.	Devkaran Nanji Investment Co.	12½	25	0 12	0 12	0 12	0 12	12	Y.
14,98,840	3,42,585	28,00,500	17,75,000	4,119	Choonilal Manilal Ltd.	Estrela Batteries	38	50	2 8	*Nil*	2 8	2 8	6	Y.
99,99,250	19,47,886	1,22,03,604‡§	....	2,88,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	75	100	4 8	4 8	4 8	4 8	12	Y.P.
99 99 975	85,08 851	85,10,899	9 81 529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	166	100	10 0	10 0	11 0	11 0	6	Y.
2,07,02,800A.	5,28,684	2,87,33,878	1,25,90,292	5,86,717	Asco-Auto Ltd.	Premier Automobiles	89½	A.100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y
10,00,00B.								B. 10	*Nil*	*Nil*	*Nil*	*Nil*		
10,21,250	5 63,605	13,96,085	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22½	20	3 0	3 0	3 0		12	Y.
2,75,00,000	72,75,000	3,03,67,181	1,65,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director).	Western India Match Co.	136½xd	100	11 0*	11 0*	9 0	2 0	12	Y.
45,00,000	55,24,847	1,24,608	3,07,108	36,434	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0	20 0	12	Y.
Other Centres														
47,50,000	17,00,000	1,95,40,704	65,00,000	32,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	10½	O. 10	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.P.T
2,50,000							8½	D. 5						
30,00,000	35,05,079	32,05,026	21,94,951	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	21½	10	1 4	1 4	1 4	2 0*	3	Y.
80,00,000	8,85,000	88,30,494	20,58,060	1,18 305	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 4*	1 4	1 4*	2 0*	12	Y.
50,00,000	27 47,883	1,01,49,887	39,87,880	82,683	Oberoi Hotels (India) Ltd.	Associated Hotels of India	7½	10	0 4	*Nil*	1 4*	1 4*	12	Y.
80,21,400	82,24,263	46,81,988	23,31,988	1,49,717	O. T. Jenkins, Esq. (Director) ..	Balmer Lawrie & Co., Ltd.	168	100	0 8	0 8	0 8	0 6 2/5	6	Y.P.
12,00,000	9,10,000	31,07,472	23,35,472	72,375	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	27	10	0 10	1 0	1 0	1 0	6	Y.
20,00,000	7,99,470	57,53,56045	....	1,21,733	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 8	1 8	1 8	6,12	Y.
45,97,020	26,44,814	1,00,74,380	29,49,001	96,548	R. Julian Scott, Esq. (Mg. Director)	Britannia Biscuits Co., Ltd. ..	16½	10	1 0	1 0	1 0	1 0	9	Y.P.
5,25,00,000	1,11,11,505	2,62,02,905	2,22,14,167	—27,26,584	Sir Robert Menzies	British India Corporation Ltd. ..	11½	10	0 12	0 8	1 0	1 0	3	Y.P.T.
1,60,00,000	3,14,86,174	5,15,52,086	2,20,82,990	11,71,686	Cecil Stack Esq. (Mg. Director)	Dunlop Rubber (India) Ltd. ..	30½	10	1 0	1 8	0 8	*Nil*	12	Y.P.
51,26,000	54,12,212	1,42,47,06855	....	8,96,136	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	147	100	5 0	5 0	5 0	5 0	12	Y.
14,00,000	10,02,000	33,31,772	18,89,772	27,194	MacNeill & Barry Ltd.... ..	Ganges Rope Co., Ltd.	179xd	100	8 0	8 0	8 0	8 0	12	Y.P.
									10 0	10 0	10 0	10 0		
85,00,000	48,00,000	19,27,685	8,09,872	1,21,860	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	18½	10	1 0	1 0	1 0	1 0	9	H
30,00,000	15,17,554	78,75,302	31,10,054	45,995	B. P. E. Syndicate	Great Eastern Hotel	227	100	10 0	7 8	7 8	7 8	9	Y.P.
13,42,800	9,87,964	78,31,701	53,80,659	26,686	Birla Bros., Ltd.	Hind Cycles	150N	10	15 0	15 0	4 4	1 6 2/5	6	Y.
4,96,18,350	2,92,450	3,56,34,606	94,58,719	5,19,435	Birla Bros., Ltd.	Hindustan Motors	9½	10	1 0	1 0	10 0	10 0	6	Y.P.T.
1,60,00,000	46,77,754	4,16,74,245	1,74,75,683	5,13,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	21½	10	*Nil*	*Nil*	*Nil*		12	Y.
1,58,39,220	1,20,50,000	1,55,72,391	57,17,651	28,98,462	A. R. Driessen, Esq.	Indian Cables	32½	10	1 0	1 0	*Nil*	*Nil*	9	Y.P.T.
3,87,970	3,28,000	16,40,508	8,96,110	32,616	G. S. Monison & Co. (India), Ltd.	Indian Rubber Manufacturers ..	11½	10	1 0	1 0*	1 0*		12	Y.P.
18,16,00,000	7,82,28,883	3,55,94,047	1,17,30,403	25,00,772	Mr. Eric Henry Hare (Chairman)	Imperial Tobacco Co. of India Ltd.	140	10	1 0	0 8	0 8		6	Y.P.
2,00,00,000	55,29,566	84,88,960	8,00,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	100	100	10 0	7 8	7 8	9 12 4/5	3	Y.P.
8,34,00000.	3,48,343	6,80,880	4,31,766	2,240	James & Co., Ltd:	Macfarlane & Co.	28	O. 5	2 0	2 0	2 0	2 0	6	Y.P.
66,000D.							218N	D. 1	*Nil*	*Nil*	*Nil*			
40,00,00000.	73,01,900	25,16,760	7,97,301	1,87,834	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.		O.100	7 8	10 0	17 0		9	Y
2,00,000D.								D.O.10	0 4	0 8	1 3 1/5			
1,87,78,000	60,54,276	92,58,051	11,34,226	2,08,456	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	25½	10	1 0	1 0	1 0		12	Y.P.
1,16,00,000	44,50,000	1,76,64,805	67,87,457	14,48,147	H. Chitnevil Jones, Esq. (Chairman)	Mecal Bor Co. (India), Ltd. ..	27½	10	1 0	1 0	1 0	1 12*	9	Y.P.
	1,58,388	7,81,449	2,60,667	—15,229	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works ..	27½	10	*Nil*	*Nil*	*Nil*		12	Y.P.
6,25,255	9,58,113	10,40,250	3,40,947	73	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	14½	10	1 0	1 0	1 0	1 4	6	Y.
2,50,250	1,23,000	16,18,188	8,10,826	20,916	T. Shanmanna, Esq. (Chairman).	Mysore Tobacco	12½	10	1 0	1 0	1 0		12	Y.P.
10,00,000	51,21,172	59,09,527	39,20,120	2,23,882	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	22½	10	1 0	1 0	1 4	1 0	3	Y.P.
						National Tobacco Co.	19	10	0 12	1 0	1 0	1 8*	12	Y.
79,97,000	31,15,337	1,14,74,878	58,77,582	9,03,450	B. N. Elias & Co., Ltd.	Oceanspecial Investment Trust Ltd.	15	10	*Nil*	*Nil*	*Nil*		12	Y.
40,00,000	27,00,000	64,15,474	19,71,424	1,31,468	Oceanspecial Investment Trust Ltd.	Parry & Co.	—N	5	0 4 4/5	0 4 4/5	0 4 4/5		12	Y.P.
2,50,00,000	7,25,182	1,58,49,091	40,14,109	—68,99,179	M. F. A. Pirpatell, Esq.	Rallis (India) Ltd.	344	100	*Nil*	*Nil*	0 4 4/5	0 4 4/5	12	Y.P.
1,12,24,400	1,31,20,208	7,56,34,689	3,47,94,970	4,91,624	Sahu Jain Ltd.	Robbins Industries	22½	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
40,00,000	93,60,594	1,18,78,879	70,99,587	5,10,673	Spencer & Co., Ltd.	Shaw Wallace & Co., Ltd.	12½	10	1 8	1 8	1 8	1 8	6	Y.P.
75,00,000	49,00,000	....	13,88,9655	4,15,784	R. H. D. Campbell, Esq.	Travancore Ogale Glass	15½	10	1 0	1 0	1 0	1 0	12	Y.
9,98,350	....	....	14,99,259	3,84,580	Ogale Bros., Ltd.		84	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.

* Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,01,600 which represent share in the firm of Shaw Wallace & Co.

§§ Investments at cost.

‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Acreage under Tea	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	Amluckie	832N	373N	100	7 8	25 0	30 0		12	Y.P.
3,50,000	3,43,250	10,69,902	2,42,089	77,477	B. K. Kanoria, Esq.	Ananda (Assam) Tea	420	45N	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	78,998	Gillanders Arbuthnot & Co., Ltd. ..	Ananda Bag	420	49	10	*Nil*	2 8	3 0*		12	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,033	McLeod & Co., Ltd.	Baghmari	513	29½	10	*Nil*	*Nil*	3 8		12	Y.
5,10,000	8,50,000	11,09,193	3,39,461	93,033	Andrew Yule & Co., Ltd.	Baijnath	389	40½	10	2 0	2 8	3 0		12	Y.
3,30,000	4,65,000	10,11,235	6,40,265	18,304	National Tea Corporation	Bateli	599	24½	5	0 4	2 0	4 0		12	Y.
3,20,000	8,70,000	9,80,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd. ..	Betjan	594	58	10	*Nil*	2 0	10 0*		12	Y.
16,50,000	20,60,000	52,30,169	22,05,169	1,99,547	Williamson Magor & Co., Ltd. ..	Bishnauth	3,267	23½	10	*Nil*	3 8			12	Y.
35,00,000	11,92,045	5,55,963	1,35,593	61,929	Gotavius Steel & Co., Ltd. ..	Bolakhat	935	25	10	*Nil*	*Nil*	1 0		12	Y.
5,00,000	3,53,500	8,92,337	2,33,050	1,44,105	McLeod & Co., Ltd.	Bormah Jan Tea	450

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						PLANTING; PRODUCE AND RUBBER								
2,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4½	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,655	1,19,669	Pelrce, Leslie & Co., Ltd. ..	Cochin Malabar	0-5/-	3	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,996	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	24-8	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70,000	63,72,750	1 07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	20½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd.	Cottanad Plantations	22	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,95,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce	19	10	1 0	1 4	2 8		12	Y.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	34½	10	2 0	2 0	2 8		12	Y.P.
9,00 000	7,28,329	18,44,917	2,55,893	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	32	10	3 8	5 8	2 0	2 12	4	Y.P.
27,00,000	29,30,000	74,32,314	7,74,629	1,45,508	A. V. Thomas & Co., Ltd. ..	Midland Rubber	22½	10	1 8	1 8	2 4	2 4	8	Y.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd. ..	Nenmeny Rubber	25	10	2 0	2 0	1 12*	2 8	3	Y.P.
2,00,000	2,99,688	7,20,895	44,185	8,600	Associated Planters Ltd.	Nilambur Rubber Co	17½	10	1 0	1 0	1 8		12	Y.P.T.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Pelrce, Leslie & Co., Ltd. ..	Onchterlony Valley Estates ..	5-8½	2	0 3½	0 3½	0 9 3/5	0 6 2/5	12	Y.P.T.
13,50,000	7 80 000	40,92,293	3,51,077	7,491	A. V. Thomas & Co., Ltd. ..	Rajakiri Rubber	20½	10	1 8	1 12*	1 12*	2 0	10	Y.P.T.
3,66,780	3,00,000	6,70,359	62,117	71,342	Pelrce Leslie & Co., Ltd. ..	Savamalai Estates Ltd.	26½	10	3 8	3 0	3 8	1 0	6	Y.P.
10,00 000	3,98,340	22,01,120	1,85,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	11½	10	0 14½	0 14 2/5	0 12	1 0	11	Y.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd. ..	Thamaraiyally Rubber	31½	10	2 0	3 0	3 0	0 14 2/5	3	Y.P.T.
6,10 200	3,00,005	3,91,561	60,565	24,020	Pelrce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2-8	1	0 4	0 4½	0 1 3/5	0 2	12	Y.P.
6,00,000	46,474	7,49,611	1,11,200	3 744	Espen Thomas, Esq. (Mg. Director)	Travancore Rubber	25½	10	2 0	2 0	2 0		9	Y.
41,00,000	14,29,673	74,58,807	7,65,148	3 28,925	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13½cd	10	0 9 3/5	1 0	1 8	2 0	12	
20,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director)	Tropical Plantations Co.	41½cd	25	2 8	3 0	3 0	4 0	12	Y.P.T.
6,28,580	4,40,670	7,77,154	14,119	21,363	Harrisons & Crossfield Ltd. ..	Vaikundam (Travancore) Rubber ..	28½	10	2 0	2 0	2 4		12	Y.
1 65,000	87,259	3,55,239	17,483	5,554	M. R. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12½	10	1+1	1+1	1+1	1+	3, 9	H.T.P.
6,00,000	9,50,000	51,48,608	35,31,395	94,086	McLeod & Co., Ltd.	446	Alexandra	200	100	*Nil*	*Nil*+24	2½+5		6, 12	H.P.T.
80,00,000	9,84,130	1,17,45,964	91,71,069	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	133	100	*Nil*	*Nil*+5	5+6		6, 12	H.P.
49 20,700	72,00,000	2,72,98,335	1,87,90,000	1,23,973	Dalgety Bros. & Co., Ltd. ..	2,561	Anglo-India	176	100	10+10	7½+5	2½+5	5+8½	3, 9	H.P.
40,00,000	42,94,255	1,73,44,542	88,94,936	9,783	Bird & Co., Ltd.	810	Auckland	125	100	6+8	5+8	1+2½	6+4	3, 9	H.P.T.
20,00,000	22,86,887	96,73,016	65,15,094	15,350	Jardine Henderson & Co.	959	Bally	138½	100	*Nil*	4+*Nil*	*Nil*	2½+*Nil*	3, 9	H.P.T.
£275,000	£631,523	£1,656,539	£1,003,227	£64,858	Sir John H. Burder (Chairman)	1,889	Barnagore	155	100	£1	£1	£1	£1	3	Y.P.
22,00,000	32,30,123	95,27,342	49,93,231	1,005	Andrew Yule & Co. Ltd.	820	Belvedere	158	100	7½+7½	7½+7½	5+5	5+2½	6, 12	H.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull	600	Bengal	17	10	1	1½	1½	1½	6	H.P.T.
91,26,000	2,15,77,044	5,82,32,892	29,72,760	5,12,630	Birla Bros., Ltd.	1,373	Birla	13	10	3	3	1	1	8	Y.
80,00,000	27,37,926	1,12,50,557	72,55,930	3,271	McLeod & Co., Ltd.	991	Budge-Budge	140	100	6½+6½	6+4	4+4	5+2½	4, 10	H.P.
7,47,380	8,16,924	42,48,494	30,69,848	35,424	Dayaram & Sons	502	Calcutta Jute Mfg.	9½xd	10	0+8	*Nil*	1+1		6, 12	H.P.
18,00,000	30,46,234	87,13,271	41,48,795	6,243	Andrew Yule & Co., Ltd.	616	Caledonian	205	100	6+6	6+6	4+6	4+2½	6, 12	H.P.T.
92,15,400	98,58,404	2,23,41,517	1,07,46,005	1,30,506	James Finlay & Co., Ltd.	600	Champdany	157	100	7+8	5+8	*Nil*+8	4+6	5, 11	H.
15,95,000	28,39,282	81,34,655	56,60,175	2 615	Andrew Yule & Co., Ltd.	530	Cheviot	202	100	6+6	6+6	6+8	6+4	5, 9	H.
30,15,000	28,25,000	60,73,514	46,01,290	1,52 253	McLeod & Co., Ltd.	500	Chitavalaah	15	10	2½+1½	1½+1	1+1		5, 11	H.P.
24,00,000	15,00,000	75,22,716	56,22,962	1,07,142	Sir Krishna Investment Co., Ltd.	959	Clive	14½	10	2	*Nil*	*Nil*		6, 12	H.P.T.
31,49,200	61,22,363	1,34,26,320	64,46,601	1,996	Bird & Co., Ltd.	766	Dalhousie	104	100	6+1	1+3	1+1½	1+1½	3	H.P.
28,00,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd.	779	Delta	202	100	10+10	10+10	6+6	5+5	3, 9	H.P.T.
15,50,000	81,50,000	1,12,50,524	59,15,560	1,43,894	McLeod & Co., Ltd.	600	Empire	10	10	1+1	1+1	1+1	1+	5, 11	H.P.
21,00,000	59,60,176	2,72,82,353	1,87,05,641	71,982	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	350N	100	10+*Nil*	*Nil*	*Nil*+5	10+5	6, 12	E.T.P.
14,00,000	17,75,000	84,16,102	53,69,756	1,16,743	Bangur Bros., Ltd.	1,014	Fort William	21½	10	*Nil*	*Nil*+5	10+10	10+10	3, 9	H.P.T.
84,32,100	1,66,021	2,05,72,408	1,32,68,885	84,227	Macneill & Barry Ltd.	1,709	Ganges Mfg.	71	100	*Nil*	*Nil*+*Nil*	*Nil*+½	2½+*Nil*	3, 9	H.P.
10,80,000	28,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,250	300	30	15	*Nil*		3, 9	H.P.
24,00,000	33,38,409	2,12,33,183	1,65,13,218	57,208	Macneill & Barry Ltd.	1,394	Gourepore	265	100	1½+*Nil*	*Nil*+3½	2½+7½	7½+7½	12	Y.
40,00,000	58,58,234	99,03,890	57,86,999	8,27,745	Banqur Bros., Ltd.	1,078	Hastings	114N	100	10	10	10+10	11+	3, 9	H.P.
16,80,000	18,52,628	66,39,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	30	10	1½	1½	1½		3	Y.P.
55,62,500	51,32,961	1,82,27,584	1,07,31,964	11,463	Jardine Henderson Ltd.	1,940	Howrah	23½	10	1+½	1+½	1+½		3	Y.P.
52,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	23½	5	7½	5	2	2	3, 9	H.P.T.
C. 87,00,000	16,55,558	1,23,66,655	78,55,428	7,731	M.	1,076	India	145	O. 125	3½+3½	3½+3½	*Nil*+3½	3½+1½	3	Y.P.T.
D. 30,000								—	D. 1	As.1+1	a2/5+2.6	*Nil*+a2/5	a2/5+1½	3, 9	H.
24,00,000	16,50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	134	100	8½+6	6+3	3+6	2½+*Nil*		
B. 19 20,000								126	'B' 100	8½+6	6+3	3+5	2½+*Nil*		
80,00,000	7,00,000	1,32,86 300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankanarrah	95	100	6+4	5+2½	2½+4	1+*Nil*	6, 12	H.P.
B. 24,00,000								94½	'B' 100	6+4	5+2½	2½+4	1+*Nil*	6, 12	H.P.
21 00,000	49,50,000	1,12,88,938	79,26,276	1 70 687	McLeod & Co., Ltd.	703	Kelvin	237	100	7½+7½	7½+7½	7½+7½		6, 12	H.P.
54,00,000	23,83,375	1,71,52,716	1,16,91,627	1,02,102	Anderson Wright Ltd.	1,530	Khardah	134	100	10+10	10+7½	7½+5	6+5	6, 12	H.P.
43,00,000	1,04,37,157	2,31,57,457	1,12,99,753	52,710	A. W. Hellgers & Co.	1,250	Khinnion	167½	100	10+7½	5+5	5+5	5+5	3, 9	H.P.
24,48,000	49,37,087	1,39,82,288	80,55,707	10,707	Bird & Co., Ltd.	931	Lansdowne	115	100	7+8	5+6	2+5	7+6	3, 9	H.P.T.
28,00,000	56,39 479	1,16,02,741	64,08,985	2,154	Bird & Co., Ltd.	840	Lawrence	115	100	11+4	2+3	2+4	5+2	3, 9	H.P.
81,65,200	25,04,412	2,01,50,652	1,24,49,304	10,014	Mcnia	1,008	Meghna	83½	100	21+21	21+21	*Nil* 21	5+3	3, 9	H.P.
29,98,900	39,14,415	1,84,76,420	98,81,406	—8,19,252	F. W. Heilgers & Co.	815	Naihati	95	100	6+*Nil*	*Nil*	2 8	2½+11	3, 9	H.
20,00,000	15,55,000	29,01,563	18,21,709	17,816	Howrah Trading Co., Ltd. ..	425	Naskarpara	188	10	2+1	*Nil*+1	1+1	1+	3, 9	H.
85,00,000	43 29,328	29,10,124	10,08,222	76,514	Andrew Yule & Co., Ltd.	852	National	25½	10	1+1	1+1	1+1	1+	4, 10	H.T.
26,25,000	24,50,000	20,20,619	1,49,752	1,49,752	McLeod & Co., Ltd.	316	Nellimarla Jute	12½	10	2+1	1+1	1+1	1+2	4, 10	H.
85,50 000	2,71,44,342	4,29,15 627	96,28,548	8 71,293	Sahu Jain Ltd.	709	New Centralt	169	10	10+12	12+12	12+12	12+12	6, 12	H.P.T.
16,79,880	45,95,164	1 17,37,858	48,80,655	46 889	Bird & Co., Ltd.	567	Northbrook	23½	50	1+1	1+1	1+1		12	Y.P.
66,79,500	28,30,793	2,12,51,606	1,39,37,864	58,573	Macneill & Barry Ltd.	1,092	Nuddea	42½	50	1+*Nil*	*Nil*+1	*Nil*+1	1+1	3, 9	H.P.T.
24,91,000	26,81,049	72,46,385	50,35,690	5 784	Andrew Yule & Co., Ltd.	601	Orient	157	100	1+6	6+4	*Nil*+1	5+4	5, 9	B.
25,00,000	6,23,468	80,72,591	63,77,981	1,05,954	Mcleod & Co., Ltd.	400	Presidency	5	*Nil*	*Nil*	*Nil*+1	1+1		5, 11	H.P.
20,00,000	1,44,936	26,56,830	8,39,130	—12,15,883	Birla Bros. Ltd.	305	Rameshwara	6½	10	*Nil*	*Nil*	1+1		3, 12	H.T.
49 50,000	1,62,723	1,24,06,577	59,38,544	5,09,680	Jardine Henderson Ltd.	1,276	Reliance	11½	10	*Nil*	1+1	*Nil*	*Nil*	3, 9	H.
£800,000	£1 093,713	£1 236,315		£83 658	Thomas Duff & Co. (India) Ltd. ..	2,019	Samnuggur	11½	£1	10%	10%	10%	8%£1	3, 9	H.P.T.
20,00,000	13,12,193	1,04,21,440	88,764	3 28,925	Aspinwall & Co. (Travancore) ..	911	Shree Ambica	16	10	1+1	*Nil*+1	*Nil*+1		3, 9	Y.P.
14,00,000	11,25,000	66 11,794	38,79,294	8,156	Hindustan Investment Corporation.	401	Soorah	15§	10	*Nil*	*Nil*			3, 9	H.P.
25,19,500	42,44,180	1,30,76,167	51,18,663	—2,75,291	Bird & Co., Ltd.	650	Standard	100	100	8+1	1+1	1+1	1½	12	Y.P.T.
£600,000	£995,119	£990,805		£110,373	Thomas Duff & Co. (India), Ltd..	1,794	Titaghur	11½	£1	10%	10%	10%	1+*Nil*	3, 9	H.P.
85,98,600	88,14 828	1,95,40,009	81,71,517	14,518	Bird & Co., Ltd.	1,326	Union	149	100	10+1	1+4	1+5	8%£1	12	Y.P.
£400,000	£683,035	£1,092,723		£97 816	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	11½	£1	10%	10%	10%	8%£1	3, 9	H.P.T.
2,50,000	4,95,000	55,94,678	37,77,741	35 624	McLeod & Co., Ltd.	465	Waverley	6	1	*Nil*	*Nil*+	1+		12	Y.P.
														6, 12	H.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	88,026	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields	23½	10					3, 9	
12,00,000	8,62,573	38,78,477	36,13,427	22,788	Jardine Henderson Ltd.	Bararee Coke	10½	10	3/5 +	7/10+7/10	+	+	6, 12	H.
4,49,350	8,49,150	15,00,000	5,40,066	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	5½N	10	+		+7/10	+7/10	3, 9	H.
1,00,00,000	1,40,49,223	5,91,02,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	538	200	20+20*	17½*+15*	15*+15*	17½*+17½	6, 12	H.
2,25,000	4,77,174	24,81,806	22,28,968	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	+	*Nil*	*Nil*	*Nil*	*4,10	H.P.
15,97,000	4,73,358	37,70,192	22,77,364	18,498	B. V. Low & Co., Ltd.	Bhalgora	6½	10					*4,10	H.P.
40 00,000	8,00,000	1,39,06 662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	7½	10	*Nil*	*Nil*	*Nil*	*Nil*	9	H.P.
7,15 000	15 09,580	52,49,025	37 09 987	—1,65,136	F. W. Heilgers & Co. (Private)Ltd.	Bhulanbarasee	13½	10					6	Y.T.P.
16,00,000	16,17,936	68,14,856	39,99,841	68,656	Rohtas Industries (Coal) Co. ..	Bokaro-Ramgur	12½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.
7,50,000	23,50,000	42,07,858	26,07 691	68,656	F. W. Heilgers & Co., Ltd.	Borrea	26½	10	1½*	1½*+1½*	1+1	1+	6, 12	H.T.
90,22,480	1,76,70,564	4,16 32,554	1,80,95,440	1,40,510	Bird & Co., Ltd.	Burrakur	14½	10	+	+	+	+	6, 12	H.P.
49,97,750	....	89 62,720	3,82,545	14,019	Hindustan Investment Corpn., Ltd	Central India	7½	10	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	H.P.T.
8,00,000	18 54,802	49,10,414	32,63,954	82,768	M.	Central Kurkend	11N	10	*Nil*	+	+		6	H.
6,00,000	1,43,676	7,28,438(k)		2,120	F. W. Heilgers & Co. Private Ltd	Churia	2½	4	+	+	-		3, 12	Y.
16 00,000	1,20,000	52,67,321	28,91,190	—2,43,279	Macneill & Barry Ltd.	Dhemo Main	8½	10	*Nil*	*Nil*	*Nil*	*Nil*	6, 12	H.
£240,000	£380,353	£956,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	33	£1	31(/)				6, 12	H.T.
29,63,760	76,84,250	3,89,97,499	2,87 14,367	93,266	Macneill & Barry Ltd.	Equitable	80	10	2 +1½	1 +	2+	3	4	Y.
10,00,000	2,15,000	10,76,864	3,73,963	11,273	Phatter's Agency Ltd.	Ghusick and Mudla	14½ N	10				+	6, 12	H.P.T.
12,00,000	1,75,000	39,02,565	20,99,824	3,226	Killick Industries Ltd.	Hingir-Rampur	4½	50					5	Y.
8,00,000	5,75,000	21,43,057	18,61,214	65,461	Macneill & Barry Ltd	Hurriladih	23½	10	+	+	*Nil*	3 4	6	Y.P.
22,00,000	1,12,060	24,74,412	6,18,546	—5,57,293	Rajpale Trust Ltd.	Jogta Coal	2	10	*Nil*	*Nil*	+	1+	6, 12	H.
3,50,000	2,07,448	13,53,458	7,08,130	....	Andrew Yule & Co., Ltd.	Kalapahari	20N	10	1½	1½	*Nil*		12	H.P.
20,00,000	17,325	29,97,801	3,43,150	2,661	Bird & Co., Ltd.	Karampura Collieries	11?	100	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
5,00,000	15,60,000	45,16,229	35,86,877	1,26,128	Andrew Yule & Co., Ltd.	Katras Jherriah	66½	10	2	2	2	2	3	H.P.
1,38,400	5,72,980	12,85,941	5,72,960	—2,60,266	Agarwala & Co.	Khas Kolora	4N	*Nil*	*Nil*	*Nil*	*Nil*	2½+3	1, 7	Y.
11,00,240	64,314	16,72,961	10,41,963	—41,320	H. V. Low & Co., Ltd.	Kuardi	8½N	10					6, 12	H.
9,00,000	11,86,413	28,69,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10					6	H.P.
7,48,240	2,00,000	12,18,473	9,23,179	11 096	Tantia Brothers Ltd.	Naxira	7	10					6	Y.
7,00 000	26,617	10,33,740	5,20,295	4 560	Amritlal Ojha & Co., Ltd.	New Banadeopur	8½N	10					4	Y.
17,75,220	20,01,763	1,19,85,853	83,63,966	94,383	Andrew Yule & Co., Ltd.	New Beerbhoom	20	10	*Nil*+	+	+	+	12	Y.
6 00 000	85 000	28,44,928	16 65 990	36 426	Octavius Steel & Co., Ltd.	New Manbhoom	11½	10	*Nil*	*Nil*	*Nil*	+	3, 9	H.
7,15,000							10N	10	+	+	*Nil*	+	4, 10	H.P.
1,67,500	2,56,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	16½N	10	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
1,80,000	12 21,853	3,07,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd.	Ondal	15½	10	1 + 1	+ 1	+	+	3, 9	H.
10 00,000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	9N	10					6, 12	H.P.
8,34,000	10 862	17,52,137	8,30,795	8 018	Heerjchand Kishenlall	Parasea	13xd	10					6, 12	Y.T.
16,75,000	15 00 000	46 12,471	24 25,471	88 869	Shaw Wallace & Co., Ltd.	Pench Valley	22	10	+ +	+	+	+	6, 12	H.P.
25,99,500	19,77,105	1,19 98,330	33,82,515	33 013	N. B. Elias & Co., Ltd.	Ranegunge	11½	10	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
13,50,000	8 58,385	85,36,765	27,73,764	25,621	Shaw Wallace & Co., Ltd.	Rawa	22½	10	+ +	+	+	+	3, 9	H.
20,00 000	8,90,000	44,23,585	18,73,119	2,20,179	Jaipuria Sons Ltd.	Samla Collieries	13½	10	+ +	+	+	+	6, 12	H.
1,25 000	1,95,302	13 78,492	12,21,237	21 070	M.	Seasole	7½N	2½					12	Y.
2,50,000	7 86,593	29 87 021	18,41 629	40 187	Andrew Yule & Co., Ltd.	Seebpore	81	10	+ +	+	+	+	1	Y.
3,00,000	5,31,239	52 491	28 867	7,503	F. W. Heilgers & Co. Private Ltd.	Sendra	9½N	10	*Nil*	*Nil*	1+1	1½ +	3, 12	H.P.
63,31,450	16,96,060	3,82,71,101	2,85,68,601	—4,46,963	Industrial Trust Fund (Govern- ment of Hyderabad)	Singareni	10½	10		*Nil*			6, 12	H.P.
17,50,000	10,84,018	37,86,103	15,14,990	—51,533	Bird & Co., Ltd.	South Karanpura	9½	10	+ +	+	0-11 1/5		12	Y.T.
8 00 000	18 69,545	1 02,570	25,510	7 937	F. W. Heilgers & Co., (Private) Ltd	Standard	26	10	+ +	+	*Nil*+	+*Nil*	3, 8	H.
10,00,000	12,900	30,82 229	15,43,502	—4,07,745	Villiers Ltd.	Talcher	3½	2½	*Nil*	*Nil*	+	+	6, 12	H.
3,50 000	2 80,000	19,47,965	14 81,955	44,167	Williamson Magor & Co. Ltd. ..	Union	12½	10	1½+1½	+ +			9	Y.
49,98 000	....	49,06,358	18,91,545	5 694	Hindustan Investment Corpn., Ltd	Western Bengal	7½	10			1½+	*Nil*+	6, 12	H.
7,00,000	1,39,190	55,22,133	22,56,981	122	Macneill & Barry Ltd.	West Jamuria	11½	10	*Nil*	*Nil*	*Nil*	*Nil*+	3	Y.
													6, 12	H.

M—Managed by the board of directors. † Less income-tax. (a) Clive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (b) Investments.
(f) Made up of an interim dividend of Re. 1-12 per share on 1,20,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (g) For seven months ended 31st March 1954
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

MARKET REPORTS

(*Concluded from page 1029*)

was thus at Rs. 37-14 and ready B. twills at Rs. 106-8. Heavy goods were in good demand and although hessian was not wanted, a firmer trend was maintained mainly in sympathy with sacking. On Wednesday bears sold fair quantities in the *Fatka* to push down ready B. twills to Rs. 104-8 from Rs. 106-8. Forward quotation also lost Rs. 2. In sympathy with

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
10,00,000	1,08,00,000	11,36,301	Allahabad Bank	356	100	18 0	18 0	18 0		12	Y.P.
14,50,000				178	50	9 0	9 0	9 0			
1,01,000	14,37,000	12,375	Andhra Bank	111½	100	6 8	6 8	6 8	6 8	†6,12	H.
32,46,180				82	70	3 0	3 4	3 12	4 8 4/5		
1,00,00,000	1,88,00,000	3,35,546	Bank of Baroda	98	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	16½N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,53,00,000	18,26,530	Bank of India	160	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,875	25,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	25½	50	1 8	1 8	2 0	2 0	12	Y.
50,00,000	84,00,000	1,70,254	Bank of Mysore	247	100	16 0	16 0	16 0	16 0	12	Y.
50,00,000	58,73,013	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.†
$1,21,700	58,73,013	10,069	Canara Bank Ltd.	86	50	4 8	4 8	4 8	5 0	12	F.Y.
15,00,000	29,00,000	19,501	Canara Banking Corporation Ltd.	80½	50	5 0	5 0	5 0	5 8	12	Y.P.
7,50,000	12,00,000	2,483		51½	25	3 8	3 0	3 0	3 0	12	R.L.Y.
2,63,11,875	4,01,81,217	18,40,359	Central Bank of India Ltd.	52½	25	3 8	3 0	3 0	3 0	12	
$3,42,875 'A'					25	3 8	3 0	3 0	3 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co.	40	50	4 0	4 0	4 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	16,00,000	1,66,278	Hind Bank	31½	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,48,000	16,919	Hindustan Commercial Bank	10	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	14	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	5 0	6 0	5 0	9	Y.
24,00,000	79,75,000	1,45,140	Indian Bank	180	100	12 0	12 0	12 0	12 0	†6,12	R.H.
18,00,000				161	90	10 3½	10 3½	10 3½	10 12½		
18,29,000				121½	65	7 8½	7 3½	7 3½	7 12½		
49,19,875	80,00,000	2,28,299	Indian Overseas Bank	130	100	6 0	6 0	6 0	7 8	12	Y.
2,25,000	5,64,500	—1,12,440	Indo-Commercial Bank	45½	10	0 8	0 8	Nil		†6,12	H.
6,50,000				11	25(B)	1 8		Nil			
10,00,000				26½	50(C)	2 0	2 0	Nil			
87,50,000	97,50,000	2,35,108	Punjab National Bank	52½	25	1 8	2 0	3 0	3 8	12	Y.
1,00,00,000	23,25,000	43,597	Travancore Bank	17	25	—	0 10	0 12	1 0	12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	6½	5	0 5½	0 5½	0 5½	0 6	12	Y.
2,00,00,000	95,00,000	27,761	United Commercial Bank	50	50	2 0	2 0	2 8	2 12	12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-14-3	£1	16†	14†	15†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7½	£5	7†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $10,606,689	Hongkong and Shanghai Banking Corporation	$93½	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£15,000,000	£558,006	Lloyds Bank	£2-13-6	£5 A	12†	14†	15†	12†	12	R.L.Y.
£1,437,296 'B'				£1-6-3	£1 B	2†	3†	5†	5†	12	R.L.Y.
£375,000 'A'				£4-0-0	A £2½	14†	14†	14†	14†		
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India	£4-0-0	B £2½	14†	14†	14†	14†	12	R.L.Y.
£720,000 'C'				—	C £1	14†	14†	14†	14†		
£2,851,568	£3,104,687	£842,158	National Bank of India	£1-0-9	sh. 12½	16†	16†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††U.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	90½	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	30th June and 30th December	Ramnagger Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	6	1st May and 1st November	Ravalgaon Sugar (New)	1944	88	1st November .. 1959-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November .. 1959-64
COAL						
60,00,000	4½	20th April and 21st October	Bharat Collieries	1944	95½	20th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	91½	30th June .. 1967(e)
60,00,000	5½	15th June and 15th December	Equitable Coal Co.	1958	100	14th December .. 1968(e)‡
COTTON						
6,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November .. 1956(h)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1953	99	1st March .. 1972(e)
13,68,000	5½		Jaykhree Textiles	1949	160N	1st January .. 1956-59
89 90,000	5	1st June	Tata Mills	1951	100	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(e)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100‡	14th June .. 1966
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(e)
9,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	100‡	1st January .. 1970(e)
25,00,000	4	30th June and 31st December	Goenpore Electric Supply Co. Ltd.	1945	88½	31st December .. 1970
15,30,875	5	1st January and 1st July	Sijua (Dherjah) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(e)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	96½	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	98½	1st October .. 1957-61
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	30th September .. 1958-62
4,50,000	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1949	103	1st July .. 1956-61
2,50,00,000	4	1st April and 1st October	Tata Power		93½	15th September .. 1966-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1948	96	31st December .. 1969
2,00,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1938	95	30th June .. 1958
50,00,000	5½	15th September and 15th March	Indian Rame Pvts (Reserve)	1942	102	1st June .. 1957-62
61,146,600	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1938	88	31st December .. 1958(m)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101‡	31st December .. 1966(e)‡
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	99	31st March .. 1960
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June .. 1960
15,00,000	4	31st December and 30th June	Auckland Jute Co., Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1935	90	30th June .. 1960
9,00,000	4	31st January and 31st July	Calcutta	1949	90	31st July .. 1960
10,59,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1959
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1964
8,26,000	5	15th January and 15th July	Empire	1951	94½	15th July .. 1960(e)
25,00,000	5½	1st January and 1st July	Hukumchand	1947	95½	30th June .. 1960(e)
30,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	99	31st March .. 1967
25,00,000	5	30th June and 31st December	Khaleon Jute Mills Co. Ltd.	1949	94½	31st December .. 1964
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March .. 1964(e)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1939	98	14th May .. 1957(e)
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	98	31st December .. 1964
6,00,000	4	30th June and 31st December	Presidency	1945	92	30th June .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	91	5th September .. 1965
8,00,000	4½	14th March and 14th September	Socrah Jute	1937	96	14th September .. 1965(e)
12,00,000	5	30th June and 31st December	Titlon	1937	96½	30th June .. 1957
10,00,000	5½	31st January and 31st July	Waverly	1925	90	31st July .. 1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	6	1st January and 1st July	Barasat-Basirhat Light Railway	1939	£90N	1st July .. 1956
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£64½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October		1933	£77½N	1st October .. 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	£90½	31st December .. 1974
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£55½N	Any time on six months' notice (e)
4,53,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	£95½	1st September .. 1968
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1953	102	1st July .. 1967-68
12,50,000	6	31st March and 30th September	Nilgiri Tea	1944	105	1st April .. 1957-62
1,89,700	5½	31st March and 30th September	Teakoy	1944	100	31st March .. 1958-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	96	31st December .. 1963
26,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	96	31st December .. 1963
4,80,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1958
2,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	103	1st September .. 1967
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1958	102	1st October .. 1964-69(e)
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1918	92	1st February .. 1970
20,92,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	99½	1st July .. 1966
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87½	15th September .. 1966
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	1966
1,20,00,000	5	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1950	102	1st January .. 1964
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June .. 1971(e)††
17,75,000	5	15th March and 15th September	Neptur Chemical Industries	1949	95½	.. .. 1969(e)‡
24,94,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	550	30th September .. 1964
49,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	470 (per note)	31st December .. 1972(e)
75,00,000	5	1st April and 1st October	Macneill and Barry Ltd.	1951	90N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	103	30th June .. 1965-70
1,00,00,000	4	31st March	Orient Paper Mills Ltd.	1951	98	31st March .. 1966-70
1,00,00,000	6	30th June and 31st December	Rohtas Industries Ltd.	1946	81½	31st December .. 1961(e)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	104‡	1st May .. 1968(e)††

(e) These debentures are registered and are transferable by transfer deeds. (f) Option to repay on 3 months' notice at any time at 2 per cent. premium. (e) Option to repay on 3 months' notice at ¼ per cent. premium after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 18 years. † Rs. 1,60,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-9-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings at par. †† Rs. 60 lakhs will be redeemed annually by drawings from 1st cent of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by annual drawings at par. ‡‡ Rs. 80 lakhs will be redeemed annually by drawings from May 1964 onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1965, on six months' notice. †† Option to repay at par on 6 months' notice, on or after 1st January 1957.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 23rd May, 1956.

	Closing quotations 17-5-1956	High	Low	Closing quotations 23-5-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	182½	184½	182½	184½
Apollo (2)	3½	3-1½	3-0½	3½
Bombay Dyeing (250)	660½	671½	655½	662½
Central India (100)	142½	143	140½	142
Century Mills (100)	547½	560	554½	557
Colaba (100)	80	—	—	80
Edward Textile (200)	335	341½	335	341½
Elphinstone (50)	55	56	55	56
Finlay (100)	340	343	339	340
Gokak (100)	232	233½	231½	233
Ind. Untd. Defd. (1)	2½	2-6½	2-3½	2-6½
Ind. Untd. Ord. (10)	13-0½	14-⅛	13-8½	14
Indore Malwa (100)	144½xd	145	142½	143½
Khatau (100)	238½	239½	238½	239½
Kohinoor (100)	383½	384	374½	376
Madhusudhan (100)	697½	697½	695	695
Minerva Mills (100)	111½	111½	106½	109½
Model Nagpur (250)	150	90	90	90½
Morarji (100)	150	—	—	150
Mysore (50)	245	—	—	245
National Rayons (100)	110	—	—	110
New City (100)‡	245½	240	245½	246
New Great (100)	173½	176½	173½	176½
New Union (10)	241	252	245	250
Phoenix (100)	38½	—	—	38½
Podar Mills (100)	131½	140½	131½	140
Rassoon Silk (10)	186	185½	183½	183½
Rassoon Spg. (10)	13½	13½	11½	11½
Sholapur (1,000)	38	—	—	38
Shrinivas (100)	213½	213½	210½	211½
Simplex (50)	224	224½	221	222
Standard (100)	438½	440½	435	441½
Swadeshi (100)	234	236	234	235
Swan (100)	433½	437½	435	435
Tata Mill (25)	55	55½	53	53
Vishnu (100)	191½	—	—	191½
Western India (1,000)	5,075	—	—	5,075
BANKS				
Bank of India (50)	158½	161½	150	160
Bank of Baroda (50)	98	—	—	98
Central (25)	50½	—	51	51½
Central 'A' (25)	54½	54½	51½	52½
Dena Bank (50)	40	—	—	40
Punjab National (25)	52½	—	—	52½
Union Bank (5)	6½	—	—	6½
United Com. (50)	50½	6½ 50½	6½ 50	50
ELECTRIC COS.				
Ahmedabad (100)	96½	97½	95½	96½
Amalgamated (10)	11	—	—	11
Andhra Valley (1,000)	1,105	1,195	1,190	1,195
Bom. Sub-Ut. (100)	114½	114½	113½	114½
Surat (100)	123½	122½	120½	120½
Tata Hydro (100)	124½	127	124½	127
Tata Power (1,000)	1,295	1,310	1,287½	1,306½
INSURANCE COS.				
British India (10)	18½	—	—	—
Empire of India (100)	600	—	—	13½
Ind. Mercantile (50)	41	—	—	600
Jupiter (15)	4½	—	—	41
New India (15)	43	43½	42½	5½
Oriental (100)	3,900	—	—	43
Universal (10)	7	—	—	3,900
Vulcan (10)	14½	—	—	7
STEEL COS.				14½
Ind. Iron (10)	—	—	—	—
Tata Steel Ord. (75)	87-11½ 251½	88-0½ 256½	87½ 249½	88 251½
SUGAR COS.				
Belapur (50)	238	236	232	234
Bhopal (10)	14	—	—	14
Phaltan (56)	162	158½	150	150½
Walchand Ind. (100)	248½	251½	248½	250
CEMENT COS.				
Associated Cts. (100)	220	221½	217	219
Digvijay (100)	198½xd	194	192½	193
MISCELLANEOUS				
Alcock Ashdown (100)	350	355	348½	352½
Bom. Burmah (125)	638½	643½	623½	638½
Do. (New) (50)	245½	246½	245	245
Br. B. Petrol (4 sh.)	4-8½	4-3½	4-1½	4-
Br. I. Corpn. (5)	11½	11½	11½	11½
C. F. Fly. (100)	89	—	—	89
Indian Copper (4 sh.)	8-15½	7-0½	6½	7
Ind. Inv. Tr. (100)	76½	78½	75	75
Kamp (100)	175	—	—	175
Killicks (100)	166	166½	166	166
Polson (100)	180½	181½	180	181½
Port Canning (100)	9½	9½	9½	9½
Premier Con. (30)	176½	180	176	180
Scindia (20)	18½	18½	18½	18-
G. E. Shipping (10)	17½	—	—	17½
Shivraipur (10)	99	101	98½	101
Tata Chemicals (10)	18½	18-6½	18½	18½
Tata Locomotive (100)	153½	156	153½	155
Tata Oil (25)	46½	49½	47½	49
W. I. Match (100)	189½xd	190½	186½	189½

GOVERNMENT SECURITIES	18-5-1956	Gross Yield Earlier Redemption	Later Redemption	23-5-1956
	Rs.			Rs.
2½% 1961	98½	—	3.89	98½
2½% 1962	96½	—	3.71	96½
2½% 1963	94½	—	3.81	94½
2½% 1964	92½	—	4.01	92½
2½% 1965	90½	—	4.18	90½
2½% 1966	88½	—	4.18	88½
2½% 1959-61	99½	—	3.40	99½
2½% 1964	95½	3.62	3.72	95½
2½% 1964-66	95½	—	3.65	95½
2½% 1966-68	95½	3.80	3.68	95½
2½% 1970-72	89½	3.78	3.72	90
2½% 1974 Con. Loan	77½	3.90	3.87*	77½
4% 1960-70	77½	—	—	77
4% 1955-60**	101½	3.65	3.88	101½
4% 1961 N.P. Bonds	102½	3.80	4.15	103½
3½% 1964 N.P. Loan	99½	—	3.59	99½
3½% 1965 N.P./Bonds	98½	—	3.60	98½

BRITISH GOVERNMENT SECURITIES	16-5-1956 £	Low £	High £	18-5-1 £
2½% Brit. Consols	58½	58⅜	58½	
2½% Savings Bonds 1955-75				
2½% War Loan 1955-59	76½	76½	76½	
3½% War Loan	95½	95½	95½	
4% Victory Bonds 1976	77½	77½	77½	
4% Funding 1960-90	98½	98½	98½	
	90½	90½	90½	

* Current Income. x.d.—Ex-dividend. **Rupee Counterpart. Ex-Eight.

COMMERCE

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

VOL. XCII. No. 2361 BOMBAY, 2ND JUNE 1956 PRICE Rs. 1/8

Commerce

A WEEKLY REVIEW OF INDIAN FINANCIAL, COMMERCIAL AND INDUSTRIAL PROGRESS

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A PLAN FOR EXPENDITURE

THE large volume of Governmental expenditure, contemplated in the second Five-year Plan, has again brought to the fore the question of evolving an appropriate pattern for financial budgeting and scrutiny. It became evident during the period of the first Plan that the pre-independence forms of budgetary control, however appropriate they might have been for the low level of Governmental activity of those times, were grossly inadequate for the rising tempo of State expenditure. Two years ago, the Estimates Committee subjected the problem to a detailed scrutiny and made a number of recommendations designed to ensure that the schemes framed by administrative ministries were more expeditiously dealt with by the Finance Ministry. It is not known whether any decision has been taken on these recommendations. Meanwhile, Mr. A. K. Chanda, the Comptroller and Auditor-General, who combines in himself both financial realism and an imaginative grasp of the national importance of speedy execution of projects, has consistently applied his mind to the problem of budgetary control and financial scrutiny. In the Audit Report (Civil) for 1955, he has appended a note which clarifies and elaborates the ideas which he has expressed from time to time.

Briefly, the entire problem is one of ensuring that, while the rigour of financial scrutiny of schemes and projects is not softened down to a mere formality or a farce, such scrutiny does not also become a nagging and fault-finding inquisition. This indeed is the essence of the problem. Busy administrative ministries are often justly impatient that the best of their schemes are held up by the Finance Ministry. But it cannot be denied that the Finance Ministry's scrutiny has often saved the taxpayer crores of rupees. There is, however, one grievance of the administrative ministries which, though genuine, is not so vocal. It is that the Finance Ministry is indulgent in its attitude towards the ministries which have "a pull" and is unduly harsh towards certain cinderellas among the other ministries. The first budgetary reform that must take place is in the Finance Ministry itself. If it must be strict at all, let it be strict impartially.

This does not, however, solve the entire problem. The question, as was stated at the outset, is one of evolving a pattern of control which fully takes into account the expanding character of Governmental activity and the need for ensuring that the country gets full value for the money spent. Under old budgetary rules, all new schemes should be prepared in detail and included in the annual budget at the time of its presentation. But the difficulty is that new schemes may not all be ready at one time, though many are likely to be ready at different times of the year. Any hasty or ill-conceived budgeting will result either in over-spending—the excess has then to be covered by *ex post facto* sanction—or in under-spending which means a certain immobilisation of resources which could have been applied to better advantage in some other project.

Mr. Chanda's solution to the problem consists essentially in modifying the budgetary procedure itself, so that only the broad details of a scheme will come up for scrutiny and approval by Parliament. He suggests that a small provision for each new scheme may be made to obtain Parliamentary approval. He further suggests that, as and when a new scheme matures sufficiently and estimates are prepared in sufficient detail, a supplementary vote should be obtained from Parliament, if in session; otherwise, allotment of funds should be made out of the contingency fund sufficient to cover the immediate expenditure on the project, until a supplementary grant for the full amount can be obtained from Parliament. In support of this suggestion, he says: "This arrangement will, on the one hand, introduce more realism in budgeting, and, on the other, provide a mechanism by which Parliament and Government will be enabled to keep a watch on the performance of the ministries responsible for the projects." He realises that a possible objection to this method would be that it would not enable the Finance Ministry to get a reasonably accurate picture of expenditure in a financial year and would thus make it difficult for him to formulate or adjust his taxation proposals. But this criticism, he rightly holds, will be valid only if the annual budgets are regarded in isolation. In the context of the Plan, which provides for expenditure budget over the entire Plan period, the "expenditure scheme in any particular year loses much of its significance."

In defence of his proposal, Mr. Chanda further observes that it "would expedite matters if, at the stage of obtaining the Finance Ministry's approval, an administrative ministry is not required to provide complete details of the scheme, but furnish sufficient details to enable the Finance Ministry to take a view of the scheme as a whole and its cost." Once the Finance Ministry has sanctioned the scheme on this basis—that is on the basis of the total cost of a scheme and its breakdown by categories of expenditure such as staff and allowances, works outlay and contingencies—it should be for the administrative minist

up of a corps of officers who could fill both administrative and financial posts with equal facility."

There is no doubt that, if Mr. Chanda's scheme could be implemented, the execution of projects and schemes in the public sector would be expedited. But there are two obvious defects in his scheme. In the first place, the Finance Ministry, by reason of long experience and ingrained habits of mind, is able to assess properly the worth of a scheme or its estimated expenditure. Would it not be a national loss if it were allowed to bring all its knowledge and experience to bear only on the broad details of a scheme? Secondly, are the administrative ministries competent to exercise the financial control which would devolve upon them? The question is not whether it is or is not appropriate to decentralise financial control and responsibility. The real question is whether the persons to whom such control and responsibility are to be delegated will be capable of exercising these new powers. If there were no slackening of control after devolution, it would be a distinct gain. Otherwise, the experiment in decentralisation might conceivably make matters worse than they are now.

In the light of these considerations, Mr. Chanda's other suggestions acquire a new significance. One suggestion relates to the installation of Finance officers at appropriate levels in the administrative ministries. He also suggests that each ministry should be provided with competent and technical advice so that there may be a "reasonable and accurate assessment of spending capacity." He wants the Planning Commission, which also has its own complement of technical staff, to be more actively associated with the preparation of schemes and projects. Under this scheme of things, he says estimates will be more realistic and there would be greater speed in execution of schemes.

Clearly, Mr. Chanda's scheme must be regarded as an integrated whole. Decentralisation of financial scrutiny, though an essential element of the scheme, is only one aspect of it. If it is implemented, the Government should also see that the other safeguards which he has suggested in the shape of installation of officers and simultaneous examination of projects by the Finance Ministry and the Planning Commission are also put into effect. Without these safeguards, financial control will be rendered dangerously weak through decentralisation. Finally, it should be obvious that the success of the reform will be determined by the sense of financial responsibility which the men in the administrative ministries are able to acquire, in addition to their normal duties and functions. Since such acquisition is necessarily a slow process, the reform also will have to be implemented with caution. There is, however, no gainsaying the fact that the reform itself is in the right direction.

WAGES FOR COAL MINERS

FEW coal miners will have any reason to regret the two-year period that has elapsed between the reference of their wages dispute to the All-India Industrial Tribunal and the announcement of the Tribunal's award last week-end. They will receive under the award a substantial increase in their emoluments. Although the award comes into operation from the date of its announcement (26th May 1956) and not with retrospective effect, as the representatives of labour had demanded, there is no doubt that it makes the miner's job so much more attractive than before. From this point of view, the award was certainly worth waiting for. The Tribunal, on its part, has the satisfaction that it has done what it considers "to be just for the industry as well as the employees." It is now for the workers to respond to the Tribunal's call for a "period of industrial peace in this industry when we can expect the target of 60 million tons, envisaged under the second Five-year Plan, to be reached without difficulty."

Coal mining is not just one simple operation, so that the Tribunal, in fixing wages, has had to take into account the different categories of workers. Accordingly, it has divided the workers into nine categories for which the basic wages have been fixed at As. 15, Re. 1-0, Re. 1-1, Re. 1-2, Re. 1-3, Re. 1-4, Re. 1-12, Rs. 2-2 and Rs. 2 10 all per day. The minimum wage for each worker will consist of the basic wage, dearness allowance and statutory bonus. Dearness allowance is calculated at 150 per cent. up to a wage of Rs. 30 per month, 100 per cent. for wages between Rs. 31 and Rs. 50, 66⅔ per cent. for wages between Rs. 51 and Rs. 100, and 40 per cent. for wages between Rs. 101 and Rs. 300. The statutory bonus is calculated at the rate of one-third of the basic wage. On this basis, it will be seen that the minimum wage for the lowest category of workers will work out to Rs. 2-10-6 per day, being the total of the basic wage (As. 15), dearness allowance at 150 per cent. of the basic wage (Re. 1-6-6) and statutory bonus at the rate of one-third of the basic wage (As. 5); for a month of 26 days, it will work out to Rs. 69-1-0. The minimum wages for other categories will work out to Rs. 2-13-4, Rs. 3-0-2, Rs. 3-3-0, Rs. 3-5-0, Rs. 3-6-4, Rs. 4-1-4, Rs. 4-12-1 and Rs. 5-6-9 per day or to Rs. 73-10-8, Rs. 78-4-4, Rs. 82-14-0, Rs. 86-2-0, Rs. 88-4-8, Rs. 106-2-8, Rs. 123-10-2, and Rs. 140-15-6 for a month of 26 days. These wages are for surface workers only. Those who work underground are entitled to an additional 12½ per cent. of the basic wages. The Tribunal has held that the wages for women workers should be calculated on the basis of 2.25 consumption units. This would mean that a woman worker would get 75 per cent. of what a male worker gets. It has stated that this recommendation does not imply the denial of the right to equal wage. What has been done, according to it, is to assess the requirement of the woman worker on a different basis from that of a male worker.

The Tribunal has thus laid down the all-India minimum for market collieries. Both the basic wages and the total emoluments have been raised. The daily-rated unskilled worker in Talcher, for instance, will get the same emolument as his counterpart in the market colliery in Bengal, Bihar, Hyderabad or any other State. This applies also to other time-rated workers in the higher categories. The Tribunal says: "There is now no question of different awards, resulting in different rates of wages, at least so far as the time-rated workers are concerned. We have categorised the workers and have directed the application of one scheme of categorisation in all the States." Further, the Tribunal has brought the piece-rated and time-rated workers in State collieries in line with those in the market collieries. From all this, it will be clear that the Tribunal is fully entitled to the claim that it has "introduced standardisation in wages."

There is one important aspect of the award to which attention deserves to be drawn. It is the essentially sound approach of the Tribunal to its task. Many a tribunal has failed to carry conviction with the interests concerned, because it has frequently been obsessed with the facts of the case and been unable to view them in the larger perspective. A similar charge cannot be made against the collieries Tribunal. In its comments on the wages question, in general, and the wages in the coal industry, in particular, the Tribunal has shown commendable awareness of the national importance of an equitable settlement of wage disputes. Thus, the Tribunal has done well to emphasise that a mere money increase in wages will avail the workers nothing, unless it is accompanied by the availability of goods that can be purchased with the money earned. Increase in wages unaccompanied by a larger supply of goods, it points out, will "simply put prices up and cannot afford any relief to workmen." This is an unexceptionable statement, though there are still many sections of labour which believe only in a larger pay packet, irrespective of what it will buy. So far as wages in the coal industry are concerned, the Tribunal, though it feels that labour has lived on a low wage for a long time and may have deserved better, is rightly unwilling to overlook the fact that "any sudden increase in wages may give a shock to the industry which it may not be able to stand." This is the reason why it has had to reject the higher demands made by the unions.

A notable feature of the award is that the Tribunal has left a certain area for settlement by the parties to the dispute. Thus, it has directed that the wages of the monthly-rated workmen, not specifically covered by the award, should be fixed by the management in the light of what it has given for analogous jobs. We commend this feature to the attention of all industrial tribunals. Surely, if it is not practicable under the law as it now stands to settle all questions by mutual negotiations, every tribunal could at least arrange to leave some questions in respect of each award for voluntary negotiations and settlement. This would encourage the parties to get together for settlement and pave the way for that mutual appreciation of problems which forms the basis for enduring industrial peace. Gradually, the area to be covered by voluntary negotiations could be enlarged to the advantage of both employers and workers. In taking the decision to leave some matters for amicable settlement to the employers and the workers themselves, the Tribunal has generously recognised that the "employers have realised what is expected of them and have shown indications that they are prepared to move with the times." It is to be hoped that the colliery owners, on their part, will prove worthy of the trust the Tribunal has reposed in them.

Bound up with the implementation of the award is the question of coal prices. In giving the award, the Tribunal says that it has taken into consideration the fact that coal is a basic industry essential for industrial progress, and that any large-scale increase in the cost of coal or any upsetting in the structure of the industry would not be in the interests of the country. This is a vital consideration. Apparently, it is in spite of this consideration that the Tribunal has been compelled to grant an increase in wages. This increase will naturally have its repercussions on the cost structure of the coal industry. It will, of course, be some time before the precise effect of the increase in wages on the industry's cost structure can be assessed. Present indications, however, are that it will not be inconsiderable, in view of the fact that wages constitute some 60 per cent. of the costs in the coal industry and the Tribunal's recommendations imply a 40 per cent. increase in minimum wages. Production costs, according to one estimate, may go up by 20 per cent. or Rs. 3 per ton.

Clearly, the next question to which the Government has to address itself is the revision of prices for coal now under its strict control. It is to be hoped that the Government will take a realistic and early decision on this question. Indeed, it should have announced its decision on this question simultaneously with the announcement of the award. We are, however, told that the Government has appointed a special committee to go into the question. The committee should lose no time in arriving at its conclusions and submitting its report, so that the Government could take an early decision on the basis of its findings. It is needless to add that, since the award has already come into force, any delay would mean a substantial financial loss to the industry. In order to avoid such loss, the Government could at least permit an interim increase in prices, pending the findings of the committee.

In taking its decision on prices of coal, the Government will do well to take into account at least four factors. In the first place, while it is true that an increase in coal prices will have its repercussions on cost of production of other industries, it must at the same time be recognised that no single industry should be penalised in order to subsidise other industries. The fact that the coal industry is a basic industry should not be used as an argument for denying it a fair and equitable return. Rather, it is an additional argument for giving the industry sufficient incentive in order to increase its production. Secondly, coal is a wasting asset. This means that the source of income is bound to dry up in due course, unless the owners are allowed to open up new collieries to replace the exhausted ones. Under the revised industrial policy, the scope for such expansion for colliery owners in the private sector is very limited, so that a day will come when the private sector may gradually cease to exist in the coal industry. Essentially, this means that the return on the investment in the industry should include a certain element to represent the return of capital itself.

Thirdly, excepting for some minor changes here and there, coal prices have not been raised since 1947; on the contrary, they were subjected to a cut of 10 per cent. in 1949. Production costs have mounted since then and the industry's repeated appeals to the Government to look into this matter and render justice have been of no avail; the authorities simply turned a deaf ear to them. It is on top of this state of affairs that a new burden in the shape of an increase in wages has been imposed on the industry. Fourthly, the second Five-year Plan, though it assigns a smaller role to the private sector in the coal industry than to the public sector, envisages a not inconsiderable increase in production by privately-owned coal mines. Thus, the Plan envisages an increase in the output of coal in the private sector from 33.50 million tons to 43.50 million tons. Obviously, in the absence of attractive incentives, the private sector will find it difficult even to maintain its existing level of production, let alone increase it. It is, of course, now well understood that State acquisition of existing coal mines is not contemplated. Assurances to this effect have been given by the authorities. But these assurances can have a recognisable meaning only if the Government follows them up by positive assistance in the shape of a constructive decision on coal prices and taxation of colliery profits.

MR. NEHRU'S STATEMENTS ON ECONOMIC POLICY ANALYSED

MONEY MARKET—NEW LOAN—SQUALL ABROAD?

THURSDAY, 5 P.M.

MARKET GOSSIP

MR. Jawaharlal Nehru is the keyman of India. This is, of course, an obvious fact known even to a schoolboy. And yet if it is repeated here, it is done with a purpose. Sometimes obvious things fail to hit the eye and require to be stressed. The share market in Bombay did not seem to remember this obvious fact during the past few days. Equities were inclined to be easy, because some of the operators feared that, at the All-India Congress Committee (A.-I.C.C.) meeting due to be held in this city during the week-end, the private sector might be subjected to a fresh attack by the Congress politicians and that great stress might be laid on the need for additional taxation. Another reason was the apprehension that the supporters of the *Samyuktha* Maharashtra Movement might intensify their campaign by staging some spectacular demonstrations before the A.-I.C.C. meeting, demonstrations which might lead to disturbances in the City. Whether the last mentioned fear is justified or not is beyond our ken. There are, however, signs that it may not materialise, because there is a lively realisation among the supporters of the Movement that to anger Mr. Nehru again by creating fresh disturbances would be to reduce to nothing whatever chances there are now for Maharashtra getting Bombay City.

As for the other fear, it looks as though the private sector will not be mauled any more by the Congress Party, at any rate not until the next General Elections are over. The A.-I.C.C. is, of course, scheduled to debate upon the second Plan and it is quite likely that some back-benchers and leftist elements will make a few disagreeable remarks on the private sector and harp upon the need for reducing economic disparities by raising the taxes applied to the upper middle class and the tall poppies. But whatever they say will be of no consequence. It is what Mr. Nehru says that will matter. And, of late, Mr. Nehru's attitude towards the private sector has undergone a change for the better. In fact, his whole approach to economic problems is more sensible and realistic than it was sometime ago. There is enough evidence of this change in his recent speeches. The share market, however, does not seem to have fully realised this new development. Had it done so, it would not have entertained misgivings about the outcome of the forthcoming A.-I.C.C. meeting.

The speech made by Mr. Nehru while initiating the debate on the second Five-year Plan in the Lok Sabha on 23rd May 1956 contains his latest elucidation of the Government's economic policy. This was a great speech, running into about 12,000 words. One should read the full text of his speech, if one were to understand his mind on problems of economic development. The speech consists of several themes and is, therefore, somewhat disjointed. There are also several passages in it reflecting the obsolete nature of some of Mr. Nehru's economic theories or his ignorance of the free enterprise economies in the world. It will, indeed, do the nation considerable good, if Mr. Nehru can relax for a while and devote some time to a serious study of the modern economic history, especially of the post-war era, of free countries like the U.S., the U.K., France, West Germany and the Scandinavian countries. If he does, he will realise to his pleasant surprise that there is as much economic planning in these free enterprise countries as there is in India, if not more. He will also realise that the type of economic planning that is being followed there is of a superior variety than the one in India and, what is more, that it does not conflict with democratic values to the extent it does in this country.

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Notwithstanding these and other defects, the speech is notable for a large measure of clear thinking. This is particularly so on socialist pattern of society, ceiling on incomes, unemployment and private sector. Mr. Nehru was unwilling to define precisely the meaning of socialism in this context, apparently because he wanted to avoid any doctrinaire thinking. But giving a broad idea of what he meant by socialist pattern of life, he observed:

"Surely, we mean a society in which there is social cohesion, without classes, equality of opportunities and the possibilities for everyone to live a good life. Obviously, this cannot be attained, unless we produce the wherewithal to have these standards and lead that good life. So, we have to lay great stress on equality, on the removal of disparities, and it has to be remembered always that socialism is not the spreading out of poverty. The essential thing is that there must be wealth and production."

Thus, wealth and production are important and it is the primary duty of Mr. Nehru's lieutenants to give priority to the achievement of this goal. Their actions should be so designed as to provide "equality of opportunities" and a suitable climate "for everyone to live a good life." They should not try to sidetrack the main issues by making wrong interpretations or acting against the spirit of Mr. Nehru's conception of socialism.

The views of Mr. Nehru on ceiling on incomes were analysed in this journal only last week. Nevertheless, what he said on this subject in his address to Parliament on the Plan bears reproduction. He remarked:

"There is a good deal of talk about ceilings, and it is a talk with which naturally one tends to agree, because you want to remove disparities. But one has always to remember that the primary function of a growing society is to produce more wealth; otherwise, it will not grow, and you will have nothing to distribute. If, in the process of your fixation of ceilings or in any other process or methods of producing some kind of equality which is so necessary and at which we are aiming, you stop this process of growth and wealth accumulation, then you fail in your objective. Therefore, whether it is in industry or in agriculture, the one and the primary test is whether, in your process, you are going in for raising the wealth of the country, for increasing the production of the country or not. If not, you become stagnant in that field or your progress is much more limited, that is to say, that, in order to reach equality, as I hope you will some time or other, an automatic ceiling with everybody having equal opportunities is not the road to it. It is not by some artificial fixation but by a hundred paths that you can gradually bring that about. Certainly, the result will be the same, but an artificial attempt at it may prevent it from reaching it and meanwhile reduce the rate of your progress and your growth."

Here again, it will be noted, the Prime Minister's stress is on production and on gradual reduction in disparities and not on a direct ceiling on incomes.

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Equally forthright was Mr. Nehru when he spoke on unemployment, as will be seen from the following quotation:

"It (unemployment) is a terrific problem, a human problem, which we cannot ignore whatever else we may do. Yet, in looking at it, it has to be remembered that merely giving some kind of occupation to a large number of persons does not ultimately increase employment or lessen unemployment. We delude ourselves, if we think so. An Hon'ble Member of this House made a remark one day, not in the House, I believe, but outside, and said something like this: How would it be, to give employment to a large number of people, if the railways were abolished? Probably there will be some kind of hand-carts, many people will be pushing the hand-carts and some no doubt will be sitting in them! That is a completely wrong approach to this problem. Employment comes by newer and more effective means of wealth production, and you canot get that. The whole experience and history of the past 200 years shows that the growth of technological methods has led to greater and more profitable employment. It is true that you cannot merely think of technological growth, as just for the moment it leads to human misery. That is a different matter; you provide for that. Do not imagine that by *minus* technological progress, we are going to deal with the problem of unemployment. You cannot. Every country which boasts of full employment today is a country which is technologically advanced. Every country which is not technologically advanced has unemployment or underemployment. Therefore, if India is to advance, India must advance in science and technology, and India must use the latest techniques, always keeping in view, no doubt, that, in doing so, the intervening period, which always occurs, must not cause unhappiness or misery. We have to provide for that even at the cost of progress, because that is no progress, which brings suffering and misery in its train. But the fact is that our poverty is due to our backwardness in science and technology and, by the measures that we remedy that backwardness, we create not only wealth but also employment."

The advocates of Ambar Charkha and village *ghanis*, that is, the *Sarvodayists* who dominate the All-India Khadi and Village Industries Board, should carefully read the observations of Mr. Nehru and cease wasting their time, as well as the taxpayers' money, on their pet schemes of dubious economic value. They would be spending their energy and time more profitably, if they devoted their attention to better economic means of employment for the unemployed and underemployed. There are surely many avenues for this purpose, as the present Commerce and Industry Minister will show them.

Now that the country's leader has given a clear verdict on an issue needlessly made controversial by the politicians, it is to be hoped that the policy of taxing the technologically advanced industrial sector for subsidising the traditional but completely out-of-date cottage industries will be suitably revised and followed with circumspection. Several modern factory industries have been hit hard by the present policy, without any tangible gain to productive employment.

* * * *

The observations of the Prime Minister on the place of the private sector in the economic set-up of India were more encouraging than any that he had made earlier. Thus, he observed:

"While I am for the public sector growing, I do not understand, or, at any rate, I do not appreciate, the condemnation of the private sector. The whole philosophy behind this Plan is to take advantage of every possible way of growth and not by doing something which fits in some doctrinaire theory and imagine we have grown because we have satisfied some text-book maxim of a hundred years ago. We talk about nationalisation as if nationalisation were some kind of a magic remedy to every ill. *I believe that the means of production will be owned by the nation: I believe that, ultimately, all the principal means of production will be owned by the nation.* (Italics ours—ED.) But I just do not see why I should do something today which fixes my progress, my increasing production, simply to satisfy some theoretical urge. I have no doubt that, at the present stage in India, the private sector has a very important task to fulfil, provided always that it works within the confines laid down, provided always that it does not lead to the creation of monopolies and the other evils that the accumulation of wealth gives rise to. I think we have enough power in our laws, in our rules, etc., to keep the private sector in check.

"We are not afraid of nationalising anything. The House knows that, even during the last few months, we have taken some big steps. Only just a little while ago, the House was dealing with the Bill concerning insurance. These are all big, mighty steps that we have taken and we are not afraid of taking them, but we do not propose to take any such step merely to nationalise, unless we think it is profitable to the nation. On the other hand, we will much rather build up national industries, new ones, rather than pay compensation to all and sometimes rather decrepit industries, in order to take charge of them. Why should we, in this growing age, in the changing technology and changing techniques, take possession of any old technique? I must rather have the latest technique and have new factories or new plants and not an old plant, unless that old plant happens to serve some strategic purpose, which is a different matter; and, in that case, I do it, because I want to hold the strategic points in our economy. Therefore, I should like the House to appreciate that the philosophy behind this report is that the public sector and the private sector are made to co-operate within the terms and limitations of this Plan. While the public sector obviously will grow—and even now it has grown both absolutely and relatively—the private sector is not something unimportant; it will play an important role and no doubt gradually; *ultimately, it will fade away.*" (Italics ours.—ED.).

It will be noted from the foregoing extract that Mr. Nehru is not anxious to interfere with the activities of the private sector, so long as it behaves well and does not stand as an impediment to economic progress and, what is more, to the attainment of the socialist goal. In other words, much depends upon the behaviour of the private sector itself. If it works vigorously, keeps its employees happy and contented, pays the taxes regularly, ceases from indulging in anti-social activities and voluntarily enforces a moral code on all its members through its own associations, its future is assured. But there is a snag here. The private sector can function only if it is given a certain amount of freedom and if there are private savings. At the moment, both the criteria do not obtain to the extent necessary. Indeed, savings are so limited and the restrictions so many that the growth of the private sector, instead of being horizontal, is vertical. If this trend is not rectified in good time by appropriate changes in all the economic policies of the Government, there will be monopolies or near monopolies in the private sector, which in turn will provide a convenient excuse for future Governments to take it over.

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Despite Mr. Nehru's assertion to the contrary, there is dogmatism in his statement on private enterprise and nationalisation quoted above. This cannot be denied, for, almost in the same breath, he declares that, "ultimately, the private sector will fade away," and adds: "*The public sector will control and should control all the strategic points in our economy.*" As Dr. Matthai remarked in his speech at the Rotary Club in Bombay a fortnight before, it is unnecessary for a State to own and control such a large number of industries and services as is envisaged by the Industrial Policy Statement in order to achieve a socialist society.

Then again, his innate love for the public sector will be obvious, if one carefully examines his reasons for not reducing, for the present, the importance of private sector further. These are three, namely, (1) further extension of nationalisation might hold up the progress of the Plan; (2) it would involve payment of compensation at a time when the State has other heavy commitments; and (3) there is no point in taking over old factories. If these explanations mean anything, it is that he does not want to nationalise more things now or in the near future, because it does not suit him to do so. It is noteworthy that, in all his discussions on this subject, Mr. Nehru has not viewed the question of nationalisation from the larger and more important angle, namely, its implications to democratic ways of life. He is such a great democrat both at heart and in action that he is probably unable to comprehend any danger to the freedom of individuals when free enterprise ceases to exist or exists only in name. But history is full of grim instances of what happens when the State becomes the sole employer or the principal employer.

From a practical point of view, one need not, however, let one's peace of mind be unduly disturbed by the long-range implications of Mr. Nehru's foregoing statements. In this fast changing world, what is more important is the near future, by which we mean a period of, say, 5 to 10 years. It is obvious that, during this period, the Government is unlikely to nationalise any of the existing industries. On the contrary, it is prepared to permit the private sector to expand in certain directions. It is also possible that, during this interval, Mr. Nehru may become even less dogmatic and,

(Continued on page 1083).

EQUITIES LISTLESS

TATA OILS, HOWEVER, RALLY

(From Our Own Correspondents)

BOMBAY, 31*st May*

THE Stock Exchange was listless during the week under review. Barring a modest revival today, equity values were on a downward trend, albeit on a small scale. Parliament having been adjourned, the operators' attention was diverted to the A.-I.C.C. session which commences in Bombay on 2nd June. They preferred to be cautious, in anticipation of some important pronouncements by the Congress leaders on the economic and industrial policies of the party-in-power. Some, however, were of the view that the industrial policy of the Government having been made clear already and the Prime Minister's speech initiating the debate on the second Five-year Plan having given a fair indication of the Government's views about the implementation of the Plan, there was no other topic on which any pronouncements could be expected. Nevertheless, they were not in a mood to go long; this was probably due to the fact that the Plan is to be discussed at the A.-I.C.C. session and a draft resolution on it has been prepared by the Congress Working Committee. Fears about agitation over the future of Bombay City during the A.-I.C.C. session also induced caution.

In the steel section, Tata Ordinaries reacted from Rs. 251-12 to Rs. 247-8, but revival of support on the eve of the shares being listed *ex*-right lifted them to Rs. 250-8 at the close. Indian Irons were irregularly lower. After having staged a quick rise of nearly Rs. 3-8 in the previous three weeks, the shares lacked support and languished from Rs. 38 to Rs. 37-6.

Leading counters in the textile section ruled quiet, on profit-taking at higher levels. Bombay Dyeings opened on a promising note at Rs. 66$\frac{8}{4}$, as against the previous week's closing of Rs. 662-8, but relapsed to Rs. 642-8 on Monday this week. After a revival to Rs. 652-8 today, they closed at Rs. 650. Centurys moved in a narrow groove and closed Re. 1-4 lower at Rs. 555-12. Kohinoors fluctuated between Rs. 377 and Rs. 367 before finishing at Rs. 374. Central Indias dropped by Rs. 2-8 to Rs. 139-8, while Ahmedabad Advances gained Rs. 5-10 to Rs. 190. Finlays were, however, down by Rs. 2 at Rs. 338 and Gokaks by Rs. 2-8 at Rs. 230-8. Indu Ordinaries shed As. 9$\frac{1}{2}$ to Rs. 13-6$\frac{1}{2}$. The Company has declared a final dividend of As. 5 per share of Rs. 10, bringing the total dividend for the year ended 31st December 1955 to As. 15 per share, as against *nil* for 1954 and As. 10 for 1953. Indore Malwas moved down by Re. 1-4 to Rs. 142-8, while Khataus gathered Re. 1-14 to Rs. 240. New Citys gained Re. 1-4 to Rs. 178-2, while New Greats were maintained at Rs. 250. Morarjee Goculdas changed hands Rs. 2-8 lower at Rs. 242-8. Ruia Group shares were again fancied, Bradburys gaining Rs. 16-4 to Rs. 221-4, Dawns Rs. 7-8 to Rs. 132-8 and Phœnix Re. 1-4 to Rs. 141-4. Shree Niwas Cottons shed Rs. 2-8 to Rs. 208-12, Simplex Re. 1-8 to Rs. 220-8 and Svadeshis Re. 1 to Rs. 229-8. Standards were dull at Rs. 441-4. Tata Mills were steady at Rs. 53-4, while Vishnus declined by Rs. 2-8 to Rs. 188-12.

Bank shares presented a mixed pattern. Barodas receded by Re. 1-8 to Rs. 96-8, while Bank of Indias were done Re. 1 higher at Rs. 161. Central Banks were marked up by As. 8 to Rs. 51-12. Punjab Nationals were lower by Re. 1-4 at Rs. 51-4, while United Commercials picked up Re. 1 to Rs. 51.

Insurance shares ruled steady, but the volume of business done was small. New Indias attracted some attention and gained As. 12 to Rs. 42-12. Indian Mercantiles were taken up As. 8 higher at Rs. 42-8. British India Generals were a shade better at Rs. 13-8.

Some interest was in evidence in electricity shares on reassuring reports about the Governments nationalisation policy. Ahmedabad Electrics gathered As. 5 to Rs. 97-3 Bombay Suburbans were well held at Rs. 114-1, while Surat Electrics were a shade lower at Rs. 120. Tata Hydros were in favour and rallied from Rs. 127 to Rs. 131-8. Tata Powers gathered Rs. 5 to Rs. 1,311-4 and Andhra Valleys shot up by Rs. 27-8 to Rs 1,222-8.

Select scrips in the miscellaneous section were active on good support and scored handsome gains, in the face of general dullness, Bombay Burmahs, Tata Locos and Tata Oils being prominent in this group. Sugar shares ruled quiet, Belapurs losing Rs. 3 to Rs. 231. Phaltans were a shade lower at Rs. 150. Walchandnagars shed Rs. 2-8 to Rs. 247-8 and Bhopals As. 6 to Rs. 13-10. Cement shares fared no better, Associated Cements giving way from Rs. 219 to Rs. 217 and Digvijays from Rs. 193 to Rs. 189-8. In the engineering and mining group, Tata Locos shaded off earlier in the week from Rs. 155 to Rs. 152-12, but spurted to Rs. 157-8 today, on reports that the Tariff Commission has been asked by the Government of India to expedite its enquiry on fair prices for the Company's locomotives and boilers. Alcocks were held at Rs. 352-8. Larsen and Toubros gained As. 3 to Rs. 16-7, while Premier Constructions slipped back by Rs. 3 to Rs. 177. Shivrajpurs were unchanged on balance at Rs. 101. Indian Coppers moved down by As. 5$\frac{1}{2}$ to Rs. 6-10$\frac{1}{2}$. B.B. Petrols were also quiet at Rs. 4-0$\frac{3}{4}$.

Among shipping and transport shares, Scindias were featureless and shed As. 5$\frac{1}{2}$ to Rs. 18-4. India Steamships, on the other hand, attracted good attention on higher advices from Calcutta and hardened from Rs. 8-12$\frac{1}{2}$ to Rs. 9-5. Hindustan Motors were done at Rs. 9-4 *ex*-right, as against Rs. 9-12 *cum*-right last week. Premier Automobiles gathered strength from Rs. 89-8 to Rs. 92-8. Among other miscellaneous industrials Bombay Burmahs, after moving down from Rs. 633-12 to Rs. 622-8, rallied to Rs. 648-12 on expectations that the dividend would be maintained. B.I.Cs were maintained at Rs. 11-2, while National Rayons shed Re. 1 to Rs. 245. Tata Oils staged a spurt from Rs. 49 to Rs. 52-8 on reports that the Company would show record results for the year ended 31st March 1956 and the dividend would be stepped up substantially. Tata Chemicals were lower by As. 3$\frac{1}{2}$ at Rs. 18-2$\frac{1}{2}$, while Wimcos held ground at Rs. 189-6.

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Calcutta Stock Exchange

CALCUTTA, 29*th May*

There was a note of steadiness in trading on the Calcutta Stock Exchange during the week under review. Generally, the Finance Minister's forthright rejection of the leftist advice in Parliament to take recourse to compulsory loans from foreign firms as well as from Indian industrialists was the factor which gave confidence to speculators. And this week was, again, a period in which speculators, rather than genuine investors, accounted for the major part of the business volume. The Government's acceptance of the resolution—moved in the Lok Sabha—to pursue the spirit of progressive reduction in inequality did not as such affect the sentiment of operators, as, even without such a declaration, operators and investors had been aware of the Government's objective. For Mr. Deshmukh made it clear that there was no room for raising indirect taxation, but that the Government would take recourse to more and more direct taxation. Coals were entirely neglected, following the publication of the Tribunal award which raises the wages bill of employers. Serious doubts as to whether the few collieries which had been making some profit would continue to do so were entertained. Jutes were, however, shown more attention, in view of the anxiety felt in New Delhi over the disparity between the prices of goods and the fibre. Tea shares were subdued, despite Mr. Krishnamachari's indication—given in Parliament—of the possibility of reducing the export duty on tea should the reduction made by Ceylon adversely affect India's export.

Textiles continued to receive more support, and a larger number of scrips came to business. The Government's indication that something would be done to arrest the decline in cloth exports provided the encouragement. From Rs. 6-8, Jayshrees were taken to Rs. 6-14, while Kesorams, after rising to Rs. 18-6 from Rs. 18-2, were pulled down to Rs. 18-3. Benares were held steady at Re. 1-10 and, on moderate support, Dunbars came to business at Rs. 308, as against Rs. 302 previously. Elgin Mills rallied from Rs. 27-6 to Rs. 27-10.

Coals were driven to lower levels for the reason already stated. Burrakurs sagged from Rs. 14-6 to Rs. 13-12 and New Beerbhooms from Rs. 20 to Rs. 19-6. Western Bengals, although unchanged at Rs. 6-15, were quiet.

Jutes gained strength, as the lower levels attracted buying. New Delhi's considerate attitude to the need of the mills to realise higher prices for jute goods also encouraged the bulls. Nationals advanced from Rs. 25-4 to Rs. 25-13, with Howrahs receiving attention at Rs. 23-15, more or less the previous rate. In strong support, Anglo-Indias rose from Rs. 176 to Rs. 186, but receded today to Rs. 182. At Rs. 73-8, Ganges were Rs. 2-8 higher on balance. After being pushed back to Rs. 16-8 from Rs. 16-12, New Centrals recorded an impressive recovery to Rs. 17-4.

Mining shares were done at previous levels. Indian Coppers were shown attention at rates varying between Rs. 7 and Rs. 6-12. Karanpura Developments recovered from Rs. 26-3 to Rs. 26-6 and Burma Mines were steady at Rs. 3-15.

More support was accorded to cement shares. Assam Bengals gained As. 7 to Rs. 7-9. Ashoks rose by As. 5 to Rs. 12-2. Sone Valley at Rs. 9 were better by As. 3.

In the engineering section, Indian Irons received considerable speculative attention and, at one time, touched Rs. 38-1, as against the opening of Rs. 37-12 on Wednesday last. Subsequently, however, the rate receded to Rs. 37-9 on profit-taking. From Rs. 25-6, Texmacos had risen to Rs. 25-12 before giving way to Rs. 25-1. After opening at Rs. 26-12 a zigzag movement was in evidence in Richardson and Cruddas which, however, rose to close higher on balance at Rs. 27-9. At Rs. 28-4, Braithwaite & Cos. were a few annas higher. Burn & Cos. were as high as Rs. 376 today, as against Rs. 364 a week ago.

Tea shares were featureless, reflecting the dull conditions during auctions. Among sugars, a star feature was provided by the advance of Re. 1-6 to Rs. 14 in Sree Krishna Gyanodayas on sustained interest. Ramnugger Canes scored a gain of As. 13 to Rs. 24-14. Dharbangas were fully steady at Rs. 23. The cause for this increased interest in sugars was the official declaration that India had now reached self-sufficiency in sugar, that no more imports were necessary, and that the possibility of some exports would be considered.

Among shippings, India Steamships improved to Rs. 9-11, after opening at Rs. 9. India General Navigations were also higher at Rs. 113-8. Among papers, Orients spurted by Rs. 2-12 to Rs. 40. India Pulps put on As. 7 to Rs. 25-11.

Moderate activity was also recorded in the miscellaneous section. Electric Constructions were taken up As. 9 higher at Rs. 14-9. Indian Cables at Rs. 36-10 recorded an impressive gain of about four points, although the rate today was lower at Rs. 35-14. At Rs. 27-6, National Carbons disclosed no change. Niccos were taken at Rs. 23-6, as against Rs. 22-15. Calcutta Electric Supply rose fractionally to Rs. 13-13. Angelo Bros., however, eased by As. 6 to Rs. 21-6.

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Madras Stock Exchange

MADRAS, 29*th May*

The Madras Stock Exchange displayed firm conditions this week too, with the exception of rubber company shares which lacked support. There was keen buying in equities, induced by renewed prospect of heavy inflation in the coming years. The general view of operators was that the impact of inflation on shares, especially of the well-known enterprises, would be strong. For the chances of any large-scale new flotations with reasonable prospects were not considered to be very bright. The operators were also inclined to be optimistic about the yield from investment in shares in the context of deficit financing. The shares that were offered on the Exchange, therefore, met with good absorption and values moved further upward.

The week under review was notable for a number of dividend announcements which are given below:

Company	*Dividend per cent. for the year ended December*	
	1955	1954
Anglo-French Mills	*Nil*	5
Sri Venkatesa Mills	27$\frac{1}{2}$	27$\frac{1}{2}$
Coimbatore Pioneer Mills	20	20
Peermade Tea Co.	‡22$\frac{1}{2}$(f)	55
Tropical Plantations	16	20
Andhra Cement Co.	10	10
Dalmia Cement Co.	12$\frac{1}{2}$	10
Ashok Leyland Ltd.	*Nil*	5
Spencer and Co.*	5(i)	15

*Year ended 30th June 1956.
i=Interim. f=Final.
†Making a total of 35 per cent.

Textile mill shares attracted considerable attention of operators. Metturs provided the brightest spot and jumped up by Rs. 27-8 to Rs. 300 on expectation that the dividend—to be announced shortly—would be higher than what was paid in the previous year, namely, 35 per cent. Palani Andavar 'A's rallied Rs. 12 to Rs. 167. Cannanores, Dhanalakshmis, Palmalai Rangas and Vasantas advanced by Rs. 5 each to Rs. 174, Rs. 370, Rs. 90 and Rs. 285, respectively. Ashers spurted by Rs. 2-12 to Rs. 180. Venkatesas hardened by Rs. 3 to Rs. 200 *cum-div.* Radhakrishnas gathered Re. 1-8 to Rs. 305 *cum-div.*, Loyals Re. 1-4 to Rs. 51-4 and Janardhanas Re. 1 to Rs. 118. Bangalore Woollens, however, receded by Rs. 5 to Rs. 570 for lack of follow-up support. Buckinghams were also somewhat neglected at Rs. 197, as against Rs. 201.

In the planting section, coffee shares continued to be favoured well on reports that the release of a further quantity of coffee for export would be announced shortly. Amalgamateds strengthened by As. 4 to Rs. 20-6. A similar sum was added to Consolidated Coffees which were done at Rs. 10-10. Coffee Lands picked up As. 3 to Rs. 24-6.

Business was put through in tea shares generally at higher levels. Mlamallays rose by a rupee to Rs. 76. Devons and Nonsuch Teas gathered As. 4 each to Rs. 24-2 and Rs. 37-6, respectively. Periakaramalais were fully maintained at the last week's level of Rs. 9-5. As a result of the conversion of the shares of the United Nilgiri Tea Company from Rs. 100 paid to Rs. 10 paid, the entire list of Madras Plantation shares now has a par value of Rs. 25 and below. After conversion, the quotation for the shares stood at Rs. 24-8 which improved at the close to Rs. 25-8.

In contrast to coffee and tea shares, rubber shares came in for selling, despite reports of a distinctly upward trend in production up to the end of April last. Malankaras slipped by a rupee to Rs. 33. Rajagiris dropped As. 10 to Rs. 25-8. Midlands moved down by As. 8 to Rs. 22-6. Nenmenys lost As. 4 to Rs. 24-12. Be Bes eased by As. 2 to Rs. 4-15. Pullangodes were lower by 18 pies at Rs. 4-14.

In the miscellaneous section, Binnys evoked considerable enquiries and forged ahead by Rs. 4 to Rs. 177-8. Rallis were keenly sought; their quotation firmed up by Rs. 2-4 to Rs. 37. Ranes hardened by As. 4 to Rs. 10-8. Mysore Chemical Manufacturings put on a like amount to Rs. 24-8 *cum-div.* Aluminium Industries and India Cements were done each As. 2 higher, the former at Rs. 20-8 and the latter at Rs. 36-2. Travancore Rayons were firm at Rs. 15-9.

NEWS IN BRIEF

THE Centre has decided to license freely for export of Indian khaki and olive green cotton cloth and hosiery cuttings to all permissible destinations, other than the Portuguese possessions in India.

An American firm has submitted to the Government of India a proposal to set up a factory for the manufacture of carbon black in India. The proposed factory is expected to result in a saving in foreign exchange of Rs. 1 crore per annum.

The Government of India will follow rigidly the present policy of controlling the quality of salt produced in the country. The question of enforcing quality control over the salt produced by persons holding less than 10 acres is also under the Government's consideration.

The Constitution (Sixth Amendment) Bill, which seeks to transfer inter-State sales tax to the Union List and empowers Parliament to place restrictions on sales tax by State Governments on goods of special importance to inter-State trade, has been passed by the Lok Sabha.

A conference of representatives of the State Governments will be held in New Delhi on 17th June next to discuss the structure of co-ordinating organisation for the implementation of the schemes pertaining to small-scale, village and cottage industries.

The Rajpramukh of Hyderabad has advanced an aggregate sum of Rs. 15.11 crores to the State Government, besides investing about Rs. 3 crores in development loans. These loans bear interest ranging from 1$\frac{1}{4}$ to 2$\frac{3}{4}$ per cent. per annum, payable in 15 to 25 years. The public debt of the State as at the beginning of the current financial year is estimated at Rs. 70 crores.

A factory with a daily capacity of five tons is to be installed in Mysore shortly for the manufacture of multi-purpose food. The food will be available at as low a price as As. 1$\frac{1}{4}$ per 2 ozs. It is composed of a mixture of specially processed low fat groundnut flour and roasted Bengal gram flour fortified with calcium salts, vitamins A and D, thiamine and riboflavin.

The foreign debt of the Government of India increased by about Rs. 91 crores between 31st March 1951 and 31st March 1956. The public debt of the Government of India and the Part 'A' States increased from Rs. 1,497 crores on 31st March 1951 to Rs. 1,688 crores on 31st March 1956. The exact figures of the public debt of the Part 'B' States on 31st March 1951 were not readily available, but on 31st March 1956 they stood at Rs. 81 crores.

The Marketing Committee of the Coffee Board has decided that the Board's future policy should be to limit gradually the import of chicory into India to the extent of the actual quantity that would be re-exported from India in the form of French coffee, and that, in the meanwhile, imports of chicory be recommended to only established and *bona fide* concerns using chicory for mixing with coffee. The Committee has, accordingly, recommended that a total quantity of 1,000 tons of chicory may be allowed to be imported into India during the year 1956.

A tripartite conference on coal mining will be held at Dhanbad in the first week of July, after a lapse of about five years. The Conference, in which the representatives of the Union and the State Governments, employers and labour will participate, will discuss various aspects of coal mining, besides questions like water-supply amendment to the Mines Act 1952, amendment to the Coal Mines Bonus Scheme, revised code of draft regulations under the Mines Act 1952 debarring employment of female labour in open cast mines, abolition of contract labour for construction of pithead baths, and findings of the court of enquiry into the causes and circumstances of the colliery explosion in Amlabad.

The Government of India have under consideration the question of setting up a company to take over the management of the coal mines in Korba and Sirimili-Bisrampur regions. All the mines in these regions will be managed by a company proposed to be set up for the purpose. No new coal mines will be managed by private contractors. One of the recommendations made is that company management is better than Government management. In fact, there is a proposal to form a company to take over the management of not only these mines but also the existing Government-managed collieries. All future recruitment to collieries will be made through employment exchanges as far as possible.

The Planning Commission proposes to hold discussions with some of the State Governments in the near future, in order to have a clear appreciation of the position regarding the financing of the outlay on the State plans in the current year. The State Budgets for 1956-57 provide for the first year's outlay on the plans of State Governments. The Budgets as presented to State Legislatures show very big deficits. The Planning Commission has already made a detailed analysis, particularly of State Budgets which show big gaps in resources. In a letter addressed to the Chief Ministers of States, Mr. V. T. Krishnamachari, the Deputy Chairman, has suggested that Plan outlays in 1956-57 for individual States be kept within the estimates agreed to between the Planning Commission and the respective State Governments. The course for the State Governments to adopt is, he says, to bring the Plan outlay within the ceiling, reduce the committed expenditure to the agreed level and drop the non-Plan development expenditure.

In reply to a question by a member in the Lok Sabha this week as to what measures the Government had taken to stabilise the prices of tea, Mr. D. P. Karmarkar, Minister for Commerce, said that the ability of one country to bring about a stabilisation of tea prices in the foreign markets was limited. The price at which tea could be sold depended on a number of factors—actual or anticipated relationship between supply and demand, stocks lying in the producing and consuming countries, conditions of money market in the purchasing countries, etc. Another member asked whether the Government was aware of the reduction of export duty by the Ceylon Government and what effect it would have on prices of Indian tea in the London market. In reply, Mr. Krishnamachari, Minister for Commerce and Industry, said that, if reduction was going to affect us adversely, the member might depend on it that the Government of India also would reduce the duties.

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From Abroad

Japan's six leading car manufacturers are expected to invest in plant expansion and modernisation 7,500 million yen during 1956, an increase of 30 per cent. over the investment in 1955.

The U.S. Budget for the fiscal year ending 30th June 1956 is expected to show a surplus of $1,800 million, as compared with $230 million anticipated in the January Budget. This surplus will make a most welcome reduction in the country's huge national debt.

The world's first atomic power station to supply electricity on a large scale from nuclear sources started working in Cumberland, U.K., last week. Physics measurements and instrument checks are now taking place and the plant will be gradually commissioned. The formal opening of the station will be performed by the Queen in October this year.

Australia has sought a new comprehensive trade agreement with the U.K. Government in place of the Ottawa Agreement on trade preferences. The proposed agreement, while preserving the principle of preference between Australia and the U.K., is expected to open the way for a growing volume of trade not only between the two countries but also between both the countries and the rest of the world.

The new U.S. Farm Bill, which replaces the one vetoed by the President in April last, has received the President's signature, the Bill having been passed by the Senate and the House of Representatives. It does not contain any of the provisions objected to by the President, particularly the one relating to high rigid price supports. It, however, includes the "Soil Bank" scheme favoured by him. The $1,200 million "Soil Bank" scheme is intended to pay farmers for taking surplus lands out of production and is designed to overcome the problem of growing surpluses.

A great event of this year would be the opening of the first transatlantic telephone cable service, according to Britain's Postmaster General, Dr. Charles Hill. It is a tripartite venture of the British Post Office, the Canadian Overseas Telecommunications Corporation, and the Bell Telephone Company of the U.S. The total cost is estimated at about £15,000,000. At every 40 miles across the Atlantic, the cable will be studded with amplifiers or repeaters. Such is the confidence of modern electronic science that the 300 valves between Newfoundland and Scotland will, it is said, be relied on to work without mishap for 20 years.

A merchant bank, sponsored by a group of bankers and finance houses, has been established in Salisbury to carry on business in the Federation of Rhodesia and Nyasaland. The new institution will be known as the Merchant Bank of Central Africa and, it is expected, will open for business early in 1957. The new bank is sponsored by N. M. Rothschild and Sons and Philip Hill, Higginson and Co., both of London, in conjunction with Rhodesian Selection Trust, Dillon Read and Co., New York, de Rothschild Freres, Paris, Banque Lambert, Brussels, Messina (Transvaal) Development Company, Messina, and Leben Investment (Rhodesia) (Private), Bulawaya.

A warning that supplies of newsprint might run out unless substitute raw materials were found for their manufacture was given by a Director of a Paris newspaper at the Congress of International Newspaper Publishers Association held in Berlin last week. He said that some Scandinavian countries, known as the leading producers of newsprint, were already importing newsprint. Meanwhile, France, Belgium, Switzerland and Japan were experimenting in new raw materials and the U.S. had successfully used wood-pulp produced from trees grown in the southern regions, which were ready to fell in 15 years, instead of the usual 50 years. But this, he added, was not possible in Europe.

An agreement has been signed between the Government of Pakistan and the Shell Company of Pakistan Ltd., under which an operating company, "Pakistan Shell Oil Company Ltd." will be formed to carry out an extensive search for oil over an area of some 10,000 square miles in West Pakistan and an area of similar size in East Pakistan. The Petroleum Development of Pakistan Limited, a company to be owned wholly by Pakistan private capital, will hold 25 per cent. of the shares in the new company, the remaining 75 per cent. of the shares being held by Shell. The agreement provides that, in the event of oil being produced in commercial quantities, profits will be shared equally with the Government of Pakistan.

PERSONAL

MR. Nguyen Co Thach has been appointed Consul-General for North Viet Nam in India.

Mr. Balvantrai Mehta, M.P., has been appointed Chairman of the Parliamentary Estimates Committee for 1956-57.

Mr. C. R. Srinivasan, Chairman, East India Distilleries and Sugar Factories Ltd. and the Bharat Line Ltd., left for the U.K. this week.

Mr. V. B. Gandhi, M.P., has been appointed Chairman of the Parliamentary Committee on Public Accounts for 1956-57.

Dr. S. Radhakrishnan, Vice-President of India, left for London on Tuesday this week on a goodwill mission to Europe and Africa for two months.

Mr. Malcolm Macdonald, High Commissioner for the U.K., has returned from the U.K. after consultations with the British Government.

Mr. G. P. Nair has been elected Chairman and Mr. V. N. Sardesai, Honorary Secretary, of the Indian Chemical Manufacturers' Association, Bombay State Branch, for 1956-57.

Mr. T. N. S. Raghavan, I.C.S., has been appointed State Transport Commissioner, Madras. He is authorised to exercise and discharge, in lieu of the State Transport Authority, the powers and functions under the Indian Motor Vehicles Act.

Mr. Paul de Kronacker of Belgium has been elected Chairman of the U.N. International Sugar Conference. Mr. Amadeo Lopez Castro of Cuba and Mr. M. Gopala Menon of India have been elected first and second Vice-Chairman, respectively.

Mr. C. P. Philipose, Overseas Officer of the Cotton Textiles Export Promotion Council, left for Mombasa on Sunday this week. He will be in charge of the Council's Office to be opened in British East Africa with headquarters at Mombasa. His sphere of activities will include Kenya, Tanganyika, Uganda, Zanzibar, the Federation of Rhodesia and Nyasaland, and Madagascar.

Mr. P. M. Nayak, I.C.S., Chairman of the Coal Board, has been appointed Chairman of the newly constituted Advisory Committee on stowing in coal mines. The other members of the Committee are Messrs. S. S. Garewal, Chief Inspector of Mines in India, Dhanbad, A. N. Lahiri, Director, Fuel Research Institute, W. H. S. Michelmore, Bird and Company, R. P. Sossen, Bengal Coal Company, Limited, Amritlal Chanchani, Rasiklal Worah and M. L. Shome, Chief Mining Engineer, Coal Board (Secretary).

Mr. P. H. Kutar, Technical Director of the Tata Iron and Steel Co., Ltd., flew to West Germany this week for technical consultations with West German manufacturers who are to supply Rs. 10 crores worth of equipment for the Steel Company's two million ton project scheduled for completion by mid-1958. Mr. Kutar was accompanied by Mr. Paul Mueller, the Company's Chief Engineer, and Mr. S. Dasgupta, Master Roll Turner. Representatives of the consulting engineers on this project, Kaiser Engineers, will also join these discussions at Dusseldorf.

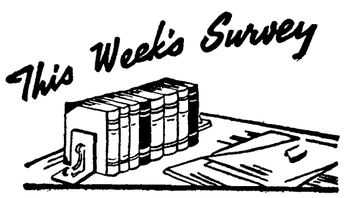
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 30*th May*

Silver Sales

So far as India is concerned, no one expected that the announcement in the Indian budget of an increase in the silver import duty to six annas per ounce would have any marked immediate effect upon the price of metal in the London market. Sir George Schuster's budget speech last year, in which he gave, in considerable detail, his views on the silver question, showed that it was virtually certain that he would counter the subsequent price fall by an increase this year. In India, it was originally thought that the duty would be doubled and prices were revised on this basis, but, on the eve of the presentation of the budget in the Legislative Assembly, opinion favoured the two-anna increase, which was, in fact, imposed. Thus, this year, unlike last, the change was fully discounted in the present Budget prices, so that the market was spared the sharp drop which followed the budget statement a year ago. Opinion as to the long-period effects is now divided, but, in well-informed bullion circles in London, it is not expected that Indian demand will be curtailed. At the same time, London brokers are disposed to criticise Sir George's attitude to Government sales of silver. It is contended that, even though, as Sir George emphasised, these sales are small in comparison with India's imports, they have had a considerable effect upon the world silver market, largely through their influence upon trade conditions in China. It is felt that, if conditions in China improve—and Government sales of silver delay that improvement—silver will recover, since, at present, an important source of the weakness of silver lies in its use as a medium for covering operations against depreciation or loss on assets and other interests in that country.



AUDIT REPORT

BOTH the country and Parliament have now become so much used to hearing stories of Governmental extravagance and infructuous expenditure that they fail to be moved even by shocking revelations of waste and incompetence in the Audit Reports. Surely, this is by no means a very satisfactory state of affairs. For it denotes that people, in a mood of helpless dejection, are getting reconciled to a very unsatisfactory state of affairs which they feel they can neither mend nor end. And nobody seems to be worried that such a mood ill serves the cause of a Plan in which the share of the public sector is going to account for no less than Rs. 4,800 crores out of a total investment (estimated) of Rs. 7,200 crores. Apparently, the Government spokesmen and their supporters are now too busy exposing the evils in the private sector to find time for any introspection. That there is need for such introspection is, however, clear from the Audit Report (Civil) for 1955 which has brought to light a few more striking instances of financial irregularity in Governmental expenditure.

The cases cited by the Report cover both extravagance and nugatory expenditure. Typical of the first is the case of a lease of certain premises by a High Commission in 1950 by payment of a premium of £4,000 and annual rental of £1,150. When Government sanction to this agreement was applied for, no mention was made that the premises would need extensive repairs and re-decoration. But a sum of £6,000 had to be spent on repairs. More than two-fifths of the building leased remained unutilised from the date of acquisition to 14th July 1955. Again, it occurred to an Indian embassy abroad that it could effect considerable economy in the publication of catalogues and trade brochures, if it possessed a *printing machine*. Without assessing its requirements and possible savings, it bought in 1950 two such machines for £992. Experience taught the buyers that neither of the machines could be put to economic use; both the machines were sold in 1954 for £240.

The Report has drawn attention to many instances of infructuous expenditure. A residential building was taken on lease by a High Commissioner in 1950 for 15 years at an annual rental of Rs. 9,800. The premises have remained vacant as they require considerable repairs. The expenditure on the premises upto 31st March 1956 amounts to Rs. 68,133 and there is a recurring liability at the rate of Rs. 9,800 per annum for the next 10½ years in addition to repairs, rates, taxes, insurance, etc., and a further liability for substantial expenditure at the end of the lease for returning the building in a reasonable state of repair. And, what is more, the terms of the lease do not permit sub-letting. A particularly reprehensible instance of wasteful expenditure is the purchase of an unseaworthy second-hand motor vessel which, even after repairs, has not been found useful; the expenditure on purchase and repairs amounted to Rs. 2.26 lakhs.

A notable instance of financial irregularity is that an officer was sanctioned three advances (making a total of Rs. 24,500) for the purchase of motor cars within a period of four years. The cars, it is stated, were "sold each time without the prior approval of the Government, which regularised these transactions of *ex-post-facto* sanctions." There seems to be more in this transaction than appears at first sight. The advance was drawn in sterling by the officer's wife when the officer was stationed in India. The officer purchased the car in his wife's name but left it with a relative to whom it was subsequently transferred. An amount of Rs. 1,540 drawn in excess of the actual cost of the car was not refunded to the Government. The car was not used for a single day in the discharge of his official duties. At the time the officer drew the third advance for the purchase of a car, he had been allowed the use of an official car.

Normally, one associates a high code of conduct with Government departments. The instances which the Report has cited show how serious are some of the lapses among public servants. While introducing currency reforms a foreign Government permitted the embassies situated in that country to convert the official balance of the preceding day at a favourable rate of exchange as against the legal rate. The amounts converted by the Indian embassy included a fairly large sum of money belonging to private individuals including India-based officers and staff. A silver fruit set of 12 pieces was purchased by an Indian embassy for the Ambassador's use. After some time the set showed some signs of deterioration. An exchange of correspondence between the embassy and the previous Minister followed, the Minister stating that the "Government set was inadvertently brought away instead of his own set of 11 pieces." The Minister's set was returned to him after he had returned the Government set. The Audit Report has also mentioned cases of an authorised use of Government cash such as withdrawal of money for personal use and of drawal of advances without sanction.

These are only a few of the instances of financial irregularity cited in the Report. Some of the irregularities mentioned above must have involved contravention of the Foreign Exchange Control Order. It would be interesting to know as to what the Reserve Bank has to say on them. Did its Exchange Control Department take any action against the persons involved or merely wink at their actions? Surely, the Government must tighten its hold on its own expenditure and also inculcate in its employees a higher sense of financial rectitude if its appeal for a larger revenue from the public is to evoke any cheerful response.

DIVIDING GAINS OF PRODUCTIVITY

Those who think that an increase in wages is the only way to improve the lot of labour in India will do well to ponder the statement of the U.S. National Association of Manufacturers that unwarranted wage increases has the danger of perpetuating evils of inflation. In a study, entitled "A New Force for Inflation," just published, the Association points out that the labour union "monopoly power" is the underlying cause of a new inflation threat facing the U.S., the U.K. and Western Europe. The problem, it says, is how to maintain economic growth and full employment and, at the same time, avoid further additions to the money supply beyond the normal requirements of economic expansion. The question is of utmost significance as much to the western world as to India which has embarked on a policy of large-scale deficit financing, with a view to meeting a large part of the second Five-year Plan's outlay. It is in this context that emphasis should be laid on the need for self-restraint among labourers "in making wage demands and among employers in fixing profit margin and prices, so that total money income would not rise faster than output."

The Association has attacked unwarranted wage increases, exceeding labour's reasonable share in the gains of productivity, which, it says, are forced on the industry year after year by union power. Drawing attention to the fact that the reservoir of excess money which permits these gains by labour and the resultant increases in prices has now been absorbed, it urges—and rightly so—that gains in productivity should be divided in three ways—to labour for higher efficiency, to investors for more effective tools and machines provided by their savings, and to consumers through price reductions.

Introducing the study, Dr. Ralph Robey, Economic Adviser to the Association, observes that the U.S., the U.K. and Western Europe stand at the economic cross-road: whether to take the road leading to continuous inflation or to go straight ahead on the super-highway of orderly growth. "They (the countries) must" to quote him, "choose the right road and the only way to do so is to share the benefits of economic growth fairly by means of lower prices to consumers, better wages to labour and increased returns to investors." There is, of course, nothing new or novel in this observation; it is only a reiteration of what has been stressed ere now by many economists. Nevertheless, there is a certain sense of urgency in Dr. Ralph Robey's observation, because the whole world is threatened by inflation and the continuous fall in the purchasing power of money. It needed reiteration also because, as he has rightly remarked, the obvious and correct course advocated by him will be "unavailable as long as trade unions are permitted by law to exercise monopoly powers."

TECHNICAL EDUCATION

Mr. Jehangir Ghandy, Chairman of the Eastern Regional Committee of the All-India Council of Technical Education, struck a correct note of realism when he averred, in the course of his address at a meeting of the Committee held at Calcutta last week-end, that "we must go all out to strengthen the existing technical institutions and develop new ones; there is no room for complacency, no time to be lost." For one of the most essential prerequisites for the success of the second Five-year Plan is provision of adequate technical personnel who are needed in rapidly increasing numbers in each sector of development. It is true that commendable progress was made in the field of technical education during the first Plan period. But, considering the large demand for technical personnel that will arise in the coming years, a substantial expansion of technical education is imperative. As the Planning Commission has rightly observed, the requirements of engineering and technological personnel will be on a scale exceeding the capacity of existing institutions. This, indeed, is the main problem in the development of technical education in the second Plan.

The progress made in expanding technical education under the first Plan was, as already stated, notable. The following statement summarises the position of technical education at the beginning and end of the first Plan.

	1949-50			1955-56		
	No. of institutions	Intake	Outturn	No. of institutions	Intake	Outturn
Post-graduate courses and research facilities in engineering and technology	8	136	91	18	270	190
Degree on equivalent courses	53	4,120	2,200	60	6,050	3,700
Diploma courses	81	5,900	2,480	108	8,700	3,900

It will be seen from the above figures that admissions to institutions and outturn of graduates and diploma holders show a 50 per cent. rise over the period 1949-50 to 1955-56. Besides, 30 national research fellowships were instituted during the period. Further, in recognition of the importance of management studies, courses in industrial engineering and business management were started at a number of centres. A decision was also taken to set up an Administrative Staff College at Hyderabad on the same pattern as the Staff College at Henley-on-Thames in the U.K.

While the increasing attention given to planning for technical manpower is thus commendable, the fact remains that, generally, it will be beyond the capacity of the majority of existing institutions to admit a much larger number of students for training than they do at present and maintain, at the same time, proper standards. The Planning Commission has no doubt recognised this aspect, but, it is regrettable that it has reduced the original allocation of Rs. 80 crores for technical education to Rs. 48 crores, including provision for completing schemes initiated in the first Plan. During the second Plan period, it is proposed to set up three higher technological institutes—on the pattern of the Kharagpur College—in the West, North and South. When fully developed, each of the four institutes will provide for a total student-body of 1,200 for undergraduate courses and 600 for post-graduate courses and research. It is also proposed to start a number of engineering colleges and polytechnics, while special provision has been made for the establishment of junior technical schools for boys of the age group 14-17. There is also a programme for extension of the facilities for instruction and training available at the Indian School of Mines at Dhanbad.

To revert to Mr. Jehangir Ghandy's speech. Discussing the special problems of the Eastern region, Mr. Jehangir pointed out that there were as yet only 10 technical institutions of degree standard in the area, as compared with 20 in the South, 14 in the West and 11 in the North. Since 80 per cent. of the country's heavy engineering capacity was located in the Eastern area, its demand for technical personnel was the heaviest, whereas training facilities were deficient. Referring to the work done by the Committee in securing practical training facilities, he said that 250 graduates and 28 diploma holders had been placed in some 50 firms. "Our aim," to quote Mr. Jehangir, "is to provide every graduate with training facilities before he starts life as a professional engineer."

At the end of the meeting, the Eastern Regional Committee approved of schemes for the opening of two engineering colleges—one in

(*Continued on page 1073*)

REGULATION OF STOCK EXCHANGES

SALIENT FEATURES OF THE BILL AS AMENDED BY SELECT COMMITTEE

THE problem of regulating stock exchanges has been before the Government, in one form or another, for the last ten years. Stock exchanges play an important part in the economic life of a free enterprise country, acting as a means for channelling the savings of people into various industrial and other investments. Their working closely affects not only the persons operating on the stock exchanges, but also the large number of savers, individual and institutional, who invest their funds in securities, and the institutions (including the Government) whose securities are, or are likely to be, listed on the stock exchanges. Their regulation is an integral part of the Government's policy of bringing under its supervision or control the institutions affecting the nation's economy.

Though a stock exchange is meant to cater to the needs of genuine investors, a major part of the activity on a stock exchange is made up of speculation. However, speculation is essential to the efficient functioning of a stock exchange: by their offers to buy and sell; a scrip, speculators lend liquidity to the market for such scrip; by their willingness to buy and sell at any time, they maintain the continuity of the market; by the extensiveness of their dealings, they make price movements smooth, and minimise the differential between buying and selling prices.

Speculation, however, is a double-edged weapon, and when it gets out of control, it may not only scare away genuine investors; it may, by impeding the channel of finance, adversely affect the rest of the economy. "The essence of the regulation of stock exchanges," to quote an authority, "is the control of speculation in stock exchanges, and the crux of the control of speculation is its confinement to the right sphere, the right persons and the right type and volume of operations."

Securities Contracts (Regulation) Bill, 1954

Under the constitution, stock exchanges and futures markets are a subject of central legislation. Trading in commodities is already regulated by the Forward Contracts (Regulation) Act, 1952. Legislation to control trading in securities was considered by the Gorwala Committee in the middle of 1951. The Committee also gave, along with its report, a draft of a Bill for regulating stock exchanges. Based mostly on the Report of and the Bill proposed by the Committee, the Government introduced in the Lok Sabha on 24th December 1954, the Securities Contracts (Regulation) Bill, 1954. The Bill was referred to a Joint Select Committee of both Houses of Parliament on 28th November 1955. The Joint Committee reported on the Bill on the 29th February 1956. The Bill, as passed by the Joint Committee, is likely to come up before Parliament during this session.

The Bill is a short one, containing 31 clauses. Its provisions may be considered under four heads: control of dealings in securities; recognition of stock exchanges; Government control and internal autonomy of stock exchanges; and miscellaneous.

Dealings in Securities

For the purposes of regulation, the Bill provides for two kinds of distinctions: (1) between spot delivery contracts and other contracts, and (2) between notified areas in which stock exchanges are granted recognition, those in which dealers in securities are licensed, and other areas.

A spot delivery contract is defined as one which provides for its performance by delivery and payment within two days, including the day of contract but excluding the period taken for despatch of securities and remittance of money through the post if the parties to the contract do not reside in the same town or locality (clause 2(i)). All other contracts would be forward contracts though this term is not expressly defined in the Bill. It may be interesting to note here that the Forward Contracts (Regulation) Act, 1952, allows for a period of 11 days for delivery and payment, of a spot contract. The longer time limit given under this Act is probably due to the bulky nature of the commodities covered by it, which would require rail transport (section 2(i)); this Act also specifically defines a forward contract (section 2(c)).

In addition to the scheme of having notified areas under recognised associations and other areas, the Bill, as proposed by the Government and approved by the Select Committee, provides for licensing of dealers in areas where there are no recognised stock exchanges. Hence, there will, in future, be three kinds of areas: (1) areas in which dealings in securities will be controlled by associations recognised by the Government (clause 13); (2) areas in which licensed dealers will be allowed to carry on dealings in securities (clause 17); and (3) other areas.

With this background, the scheme envisaged by the Government to control dealings in securities is as follows: (1) Spot delivery contracts will not be subject to any regulation in any of the areas (clause 18, but see below). (2) In a notified area in which the Government has granted recognition to a stock exchange, all forward contracts which are not made between or through members of a recognised stock exchange will be illegal (clause 13). (3) The Government may notify areas other than those which have recognised stock exchanges; in such a case, licensed dealers alone can carry on the business of dealing in securities in such area (clause 17). This applies only to forward contracts (clause 18(i)), and clause 17 specifically exempts dealings in securities even in such areas between or through a member of a recognised stock exchange; that is, such a member will not need a licence to carry on forward dealings in such areas. (4) Finally, the Government may even regulate spot dealings in securities in any area, by imposing licensing requirements for all spot dealings in all or certain specified securities in such area (clause 18 (2)). The words used in this clause are "the provisions of section 17 shall also apply," and, as clause 17 exempts members of recognised stock exchanges from its operation, it appears that the licensing requirements under clause 18(2) for spot dealings will not apply to members of recognised stock exchanges. As clauses 17 and 18 stand now, the position is, however, not absolutely clear.

Looking at the matter from another point of view, the position is as follows:

A member of a recognised stock exchange can enter into forward contracts in the area for which the stock exchange of which he is a member is recognised and also other areas in which there are no recognised stock exchanges (including areas to which licensing provisions for forward contracts apply). A licensed dealer can enter into forward contracts only in areas for which he is licensed. Any other person can enter into a forward contract only in areas in which there are no recognised stock exchanges and to which the licensing provisions do not apply. As regards spot delivery contracts, these can be entered into freely by all persons, the Government may, however, make them subject to licensing, in which case members of recognised stock exchanges alone will be allowed to carry on spot dealings, and any other person would need a licence to do so.

The provisions relating to licensing do not appear in the Forward Contracts (Regulation) Act, 1952, and the Gorwala Committee had pronounced against incorporating such provisions in the Bill. "Control would be difficult and there is no point in allowing a privileged position when proper responsibility cannot be enforced." The suggestion of the stock exchanges (Bombay, Calcutta and Madras) that such licensed dealers should be subject to the overall control of recognised stock exchanges in neighbouring areas was not accepted by the Select Committee.

Recognition of Stock Exchanges

The Government may recognise stock exchanges in different parts of the country. Such recognition may be subject to conditions which may relate to the qualifications for membership of stock exchanges, the mode of entering into and enforcement of contracts between members, representation of the Central Government by not more than three nominees on the stock exchanges, and the maintenance and, where required by the Central Government, audit of accounts of members (clause 4).

The Central Government have power to call for periodical returns from a recognised stock exchange, to call for information from a recognised stock exchange or its members, and to direct enquiries to be made in the affairs of a stock exchange or its members (clause 6); to make rules or direct rules to be made (clause 8); to make or amend by-laws (clause 10); to prohibit contracts in certain securities (clause 16); to compel listing of securities (clause 21); to supersede the governing body of a stock exchange (clause 11); to suspend business for a period of seven days at a time (clause 12); and, finally, to withdraw recognition of a stock exchange (clause 5).

A recognised stock exchange may, subject to the previous approval of the Central Government, make by-laws for the regulation and control of contracts, in particular, providing for the opening and closing of markets, the maintenance of a clearing house and publication by it of specified particulars, the regulation or prohibition of blank transfers and of *budlas* or carry-over facilities, the regulation of *taravani* business, the listing of securities and the regulation of dealings by members for their own account (clause (9)). A contract in contravention of by-laws is void as regards the rights of any member of the stock exchange who has entered into such contract, and of any other person who has knowingly participated in the transaction (clause 14).

Miscellaneous

A recognised stock exchange is required to furnish the Central Government with a copy of its annual report, containing particulars as may be specified (clause 7). A member of a recognised stock exchange cannot act as a principal in relation to any person other than a member, unless he has disclosed to such person the fact of his so acting (clause 15). Options in securities shall be illegal from the date the Bill comes into force (clause 20). A transferee on blank will not be entitled to dividend, unless he lodges the security with the company for registration within 15 days of the date on which the dividend becomes due (clause 27).

Conclusion

Two changes introduced by the Select Committee in the Bill deserve to be commented upon. The Committee have removed the penal aspects of the provisions regarding a holder on blank, which would have deprived him also of his rights to bonus shares and other rights, besides his dividend rights. Regulation of blank transfers has been left to the discretion of stock exchanges, as proposed by the Gorwala Committee, though a majority of the Select Committee "feel that the currency of blank transfers should be limited by by-laws to a period not exceeding six months." Recently, Prof. Kaldor, in his proposals for an annual tax on wealth, is reported to have suggested the prohibition of blank transfers. Secondly, the Select Committee has added a provision in the Bill to provide for publication by the clearing house "as soon as may be after each periodical settlement" of certain specified particulars. The particulars specified relate to the number of each category of security carried over from one settlement to another or squared up during a settlement or actually delivered at each clearing, and the amount paid as difference in respect of each category of security. The making of such by-laws is not compulsory on a stock exchange, but the implications of the publication of such data would appear to be dangerous, because, by ripping open the market position, control of the market by powerful financial interests would be rendered easier; in fine, such publication will endanger the stability of the market.

The Bill vests vast powers in the hands of the Government for regulating stock exchanges. The provision in the Gorwala draft for the setting up of a Stock Exchanges Commission was deleted in the Bill presented by the Government—a decision which must be deemed to be proper in view of the controversy recently generated by the excessive actions of the Forward Markets Commission. The representation of Government nominees on the governing bodies of recognised stock exchanges should give the Government the necessary contact with the day-to-day happenings to enable its interference to be informed, if not wise. The Government has been vested with powers to bring about reasonable uniformity in the by-laws and practices of different stock exchanges. It is, however, necessary that the powers be used with restraint and after consultation with the governing bodies of the stock exchanges.

DEBATE ON SECOND PLAN INCOMPLETE

GOVERNMENT OPTIMISTIC OF SUCCESS IN DEVELOPING THE ECONOMY

From A Special Correspondent

NEW DELHI, 29*th May*

THE Budget Session of Parliament is coming to an end today. Members of Parliament are already busy preparing to leave the Capital as early as practicable for hill stations or for their home towns as the case may be. Their anxiety to avoid Delhi's proverbial heat and dust-storms for the last few weeks was fully reflected in the dull character of the proceedings of Parliament ever since the weather in the Capital took a turn for the worse. They were, therefore, happy when the discussion on the second Plan was postponed. Similarly, the postponement of the States Reorganisation Bill to July was also welcomed by them, since they were desirous of taking up such controversial issues in a better and cooler atmosphere.

DELHI LETTER

Despite the apparent slackness of many members in the work of Parliament, the volume of business put through during the latest session must be considered more than satisfactory. In view of the gradual and increasing participation of Government in the country's economic life, the demands of grants for various Ministries have grown considerably. Every Ministry has been asking for not only larger allocations but has also been complaining that it is not being allowed to expand its development expenditure further. In recent months, the staff expansion in Government has become more a rule rather than an exception. At this rate, it is likely that the number of Ministers with and without Cabinet rank will easily exceed 50 within the next few years. It is also possible that, after the next elections, there will be separate Ministries for Iron and Steel, Heavy Machinery, Electricity, Small-scale Industries, Mineral Oils, etc. The Bureaucracy will thus become stronger than ever before.

The Indian economy is in a transition stage. Reflecting this, the pattern of thinking, too, has been changing from time to time. In recent weeks, some changes were discernible in the views held by the high dignitaries of Government on the second Plan. Until a few months ago, great emphasis was laid on the development of heavy machinery industries, including iron and steel, but, when Parliament began to debate on the second Plan, the Prime Minister was found laying equal emphasis on the need for an increase in foodgrains production. It will be recalled that, in the first week of this month, when the National Development Council discussed the second Plan Report, Mr. K. C. Neogy's note attached to the general agenda of that meeting came in for a good deal of attention. A section of the members who attended the meeting would appear to have become convinced of the arguments of Mr. Neogy against the inherent dangers of inflation consequent on the proposed heavy deficit financing under the Plan. Since then, it is now being thought that this heavy dose of deficit financing could be counteracted by stepping up agricultural production in the country.

When the Prime Minister opened the debate on the Second Planning Report in Parliament, he pointed out that planning was an exciting subject, that the country was becoming plan-minded and that India's success in this sphere would have considerable beneficial repercussions on its neighbouring countries. He also stressed that planning must be flexible and that the physical targets laid down must be considered as somewhat moderate and could be revised from time to time according to circumstances. He told them that he would present annual plans which should be implemented during the year under reference and that, if the absorbable capacity of the country were to show a definite improvement in the coming years, the size of the Plan could be expanded.

The Prime Minister was anxious that the country should have a higher target for foodgrains and suggested that it should try to achieve an increase of 35 to 40 per cent. in the production of foodgrains. This will mean that the production of cereals and pulses, the target for which is set at about 75 million tons in 1960-61, as against 65 million tons at the end of the first Plan, will have to be increased to about 90 million tons. This is certainly a very high figure and even a 50 per cent. achievement will confer considerable benefit to Government and the country. If the country is able to attain this level of production in foodgrains, it will also mean that it could reach a much higher target for raw cotton, raw jute and oilseeds. While the first two could help Government conserve the foreign exchange resources, the third item will enable it to augment such resources to a considerable extent. In effect, they will all be able to narrow the possible gap in the exchange requirements of the second Plan. It may be noted that the trend in regard to exports of vegetable oils has become very unsteady in recent years and one of the reasons for considerable imbalance in our trade with most west European countries is our inability to maintain a steady flow of supply from the country. If increased production of oilseeds could be achieved, India's vegetable oils will find a ready market in Germany, France, Belgium, etc., and could pay, to a large extent, for the imports of machinery, iron and steel, etc.

The Finance Minister, Mr. C. D. Deshmukh who also participated in the three-day debate, was more optimistic about the implementation of the Plan according to the programme than the Prime Minister himself. He also harped on the possibilities of exporting foodgrains during the second Plan period and stated that, in case India were to export about two million tons of foodgrains per annum, it could earn foreign exchange resources to the extent of Rs. 400 crores during the Plan period. Mr. Deshmukh claimed that the planners were too modest about our anticipated agricultural production and remarked that the dynamic impulse given by the first Plan to the country would be able to stand in good stead during the coming years.

A seeming contradiction would appear to exist between the Government's actions and pronouncements. While Government spokesmen have been loudly talking about the prospects of India being able to export foodgrains during the second Plan period, an agreement has just been reached with Burma for the import of about two million tons of rice, spread over a period of five years, at a price varying between £32 and £34 per ton during the first three years. But there is no real contradiction. This arrangement is a sort of a precautionary measure against the possibilities of inflation during the second Plan period. It may also be the result of Government's desire to maintain close commercial and economic relations with its neighbouring country by buying rice and selling its own manufactured goods in return.

Anyway, a vigorous and sustained action appears to be necessary for stepping up foodgrain production to levels beyond the target originally contemplated by the Planning Commission. It is only then that the Government would be able to export sizable quantities of foodgrains, particularly fine rice, and pulses. It is reported that the whole question is now being re-examined by the Planning Commission under the lead of Mr. V. T. Krishnamachari. The Vice-Chairman of the Planning Commission is stated to be studying the lines of action necessary to increase the foodgrains in the country. He is sounding the various State Governments on this question.

These apart, efforts are being made to secure a larger quantum of loans from the World Bank and other sources. A top ranking officer of the Finance Ministry will shortly be proceeding to Europe, in order to study the question of obtaining some loans from a few willing European countries. It may be that, barring Switzerland, the economy of European countries will not permit large-scale loans to India. However, even moderate sums from these countries will go a long way towards helping India in implementing its development programmes. Further, in view of the high level of Government revenue and expenditure obtaining in these countries, it cannot be impossible for them to come to the help of India by granting loans or by arranging easy payment for the purchase of machinery and other industrial raw materials from them.

(Concluded from next column)

Other political footballs are East-West trade and the gradual break-up of the remaining British and French empires. The dualism of philosophy and reality remains to be resolved. The U.S., ever since its existence, has been a haven for the persecuted all over the world. Its inhabitants, emotionally, reject bondage of peoples in any form, including colonialism.

Yet, for vital economic and political reasons, allegiance with the Western empires has been accepted as a practical matter. Reality, on the one hand, and philosophy and emotionalism, on the other, have been at odds on many occasions and they are now. While there is no reason for anyone to deny the Arabs their pursuit of happiness, there is also Israel, striving for new existence; there is North Africa and the French; also there is the mute question of the balance of power, the protection of the U.S. bases abroad, and so on. To be sure, these bases are defensive, rather than offensive, because constitutionally, the U.S. cannot start a war, but it wants to be prepared in case of an attack and, with the advance in air-speed, 3,000 miles mean little.

The American public is not quite certain, at this point, what the condemnation of Stalin and the greater amity, displayed by top Soviet leaders, will mean in the long run. All that can be said at the moment is that the lessening of tension has been welcomed. Greater East-West exchanges of ideas and trade have already materialised and they are expected to be increased, assuming that the present policies in the Kremlin persist. There are doubts on this point in the U.S. However, these developments, too, have added to the atmosphere of confidence which is prevailing here at this time.—*All Rights Reserved.*

AMERICAN LETTER

ELECTION PROSPECTS

MR. EISENHOWER'S POSITION STRONG.

From Our Special Correspondent

NEW YORK, 25*th May*

THE political situation in the United States has changed very much in favour of President Eisenhower. In the first place, another widely publicised medical examination of the Chief Executive shows that his health is fully restored and his heart is acting normal again. Thus, the President has resumed his normal schedule. Secondly, there have been several masterful appointments to key administrative posts in the Government by the White House. They were based on ability rather than on party affiliation. In the process, deserving Democrats, in addition to Republicans, were named as well.

The top leadership of the Democratic Party is still a house divided. Ex-Governor Adlai Stevenson, who is the titular head of the Democratic Party and has tossed his hat in the ring for nomination as President, has two active competitors for that post.

They are Senator Estes Kefauver and Governor Averell Harriman of New York. Neither of them has particularly brilliant records. For that matter, Mr. Stevenson has none at all, but by sheer appearance and bearing, he seems to be several notches ahead of his opponents, even though Mr. Harriman did hold several important posts in the regime of Franklin Delano Roosevelt.

My guess at this point is that Mr. Stevenson will get the Democratic nomination for President at the forthcoming convention of the Party. If there are no material changes in the picture between now and election time in November, the Eisenhower-Nixon ticket looks a lot stronger than any combination that can be conjured up by the Democrats.

This is particularly true, because of the real absence of issues. The present Administration may end the fiscal year with a cash surplus of $2,000 million on 30th June, according to official projections, and with a bookkeeping surplus of $4,000 million, taking into consideration the various Government trust funds.

Nobody can really complain about such showing. Skilful monetary management has brought it about. Out of political expediency, the campaign cry of the Democrats is that there should be a reduction of taxes. Although a slight tax reduction is envisaged, the present Administration maintains that, in times of prosperity, such as the present one, a substantial part of the surplus should be devoted to reduction of debt which is huge rather than to cut taxes.

Other areas which may come under attack, include the following:

Purchases of automobiles have been lagging. The used car lots are overflowing with vehicles and the market for new autos has fallen off as well. This has led to cuts in production on the factory level. It has resulted in a reduction in the income of workers engaged in that and related industries and it has also produced a fractional rise in unemployment.

Although this is by no means serious, these facts cannot be denied and they will show up, in due course, in national statistics. The opposition will blame the tight money policies of the Administration for this development, particularly the recent boost in the discount rate by the central banks from 2½ to 2¾ per cent. in ten districts and to 3 per cent. in two districts.

Any intellectually honest person must accept that, in a competitive human society with all its frailties, there will always be up and down cycles, to a certain degree. Moreover, figures for retail trade as a whole, which, in a way portray the confidence or lack of public trust in the future, so far this year, have been running 3 to 4 per cent. above last year's level and the price structure and the cost of living have remained fairly stable during that period.

Wages and fringe benefits have been going up and so are pension plans and new ones are being established with every renewal of mangement-labour contracts. Savings in all categories are still going up as well in terms of savings accounts, building associations, insurance companies, Government savings bonds, investment companies and so on, although the rates of increase, as compared with 1955, are slightly lower.

All this means that, in addition to Federal social security, a tremendous backlog of savings by the public exists which also includes house ownership. This has created a psychological air of confidence throughout the country which in turn has helped all lines of endeavour and business.

Another area which may come under attack in this year's political campaign is farm policy. A compromise has been reached now which seems to satisfy most people. The fact remains that farm prices are lower than they were four years ago and that farm income is smaller and that no satisfactory solution has been found yet to the problem of the vast surpluses which glut the world markets, while millions of people in Asia are still on a below parity diet.

(Continued in previous column)

PEOPLE'S CAPITALISM IN U.S.—III

ROLE OF GOVERNMENT

By A Special Correspondent

WHERE does the U.S. Government fit into the American economic system? This system is admired in many parts of the world, but it also creates some anxiety. It is admired for its productive capacity, for furnishing the economic resources which help support the security of the free world and help to bring a better life to free peoples everywhere. But it also is a source of anxiety, because some people overseas believe it is unstable. These people think that economic fluctuations of considerable severity are an inevitable part of capitalism and that the U.S. faith in the stability of its economy is mistaken. Often, too, they fear that any American recession or depression will seriously affect them, directly or indirectly.

Are their fears justified? Is instability an inevitable part of the American economic system? Is another great American business depression just over the horizon? The simple answer to all these questions is "No." Some fluctuations—in prices, production and the like—will take place in any economy that relies on free markets and the free choice of millions of individuals. But today the American economy is protected by a number of important safety devices.

Most business experts agree with President Eisenhower and his Council of Economic Advisers that the United States now has the tools to prevent depressions—to compensate for unexpected economic swings and to encourage high levels of production and employment. Not only does the United States have these tools, but they have been used for the last 10 years to good advantage.

The depression of the 1930's had a great impact on American thinking, just as it affected the thinking of other peoples in other countries. The depression inspired unprecedented action by the U.S. Government both in regulating and encouraging business. World War II also resulted in new Government activities relating to the nation's economic affairs. And the war stimulated a national resolve to combat an old problem, the business cycle, when hostilities ceased.

These war-time discussions of this problem led to the passage of the Employment Act of 1946. This measure had more than a year of vigorous debate in Congress before it was passed. The Act is important for its purpose, for the machinery it created and for a new concept, rather than for any new powers it gave the Government. The Act's purpose is to foster "free competitive enterprise," while promoting "maximum employment, production, and purchasing power."

The machinery it established consisted of a Council of Economic Advisers serving the President and a Joint Committee on the Economic Report in Congress. It called upon the President, with the assistance of his Council of Economic Advisers, to issue an annual report on the state of the American economy.

Thus, the essence of the Act is that it created two advisory groups—one for the Executive Branch and the other for the Legislative Branch—to check the nation's economic pulse regularly and systematically. The reason why this procedure is important is the fact that the Government has—through other legislation—many ways of influencing the economy.

Some of the Government's tools for maintaining stability include credit controls administered by the Federal Reserve Board, which regulates the country's central banking system. They include the Government's power to raise or lower its own expenditures or to change tax rates, both strategic factors in the economy. The Government also has the ability to raise or lower price supports for agricultural commodities and to initiate and carry out public works construction when private employment declines. Such actions could be used as "shock-absorbers" if the economic activity should drop unduly. There are also the so-called "built-in-stabilisers," as economists call them, which tend to balance the economy automatically.

Government unemployment insurance, for instance, produces this kind of stabilising effect automatically. When private business activity declines and workers are laid off, they receive payments from the unemployment insurance fund. Thus, they continue to have purchasing power for their necessities, and their lay-off does not lead to an immediate and sharp curtailment of consumption, reacting in one part of the economy after another.

The minimum wage law is another shock absorber. It prevents a rise in unemployment leading to wage cuts by protecting 24 million workers from having their wages cut below the legal minimum of $1 an hour. The law also insures fairer competition by discouraging labour exploitation and increases purchasing power of the labour force.

The Government's task in keeping the economy balanced is a difficult one in times of business booms, too. Many experts think the key problem is that of restraining inflation. This means putting on the brakes when prices are rising, when too much money and too many jobs are chasing too few goods and too few workers. It means preventing the conditions of overspeculation and inflation that make a profound deflationary movement—a depression—possible. Throughout 1955 and early 1956, the U.S. Government fiscal policy applied just this kind of restraint amid rapidly rising business activity.

Taken together, all these things have contributed to the remarkable stability which the U.S. economy has shown over the last decade. There have been fluctuations—and two recessions, one in 1949 and another in 1953. But unemployment at its highest—in 1949—did not exceed five and one-half per cent. of the total labour force.

Meanwhile, there has been an impressive record of steady growth over the last ten years. Employment has risen from 55 million to almost 65 million at the present time. The nation's total output of goods and services has come close to $400,000 million. Allowing for price changes, this is an increase of 36 per cent. over the national production a decade ago. And this steady rise has been accompanied by a wider and more equitable sharing of the fruits of this production, a subject which will be discussed later.

The history of the Employment Act over the past 10 years, then, has encouraged Americans in their confidence that depressions are not inevitable. No one suggests that the Act will act automatically, or that it will work in every conceivable set of circumstances. No one suggests that it has solved all of America's economic problems. But, what has been accomplished is worthy of note. The last ten years have shown that democratic Government, acting prudently on the basis of accurate economic information, can counteract the swings and fluctuations of a free economy based principally on private enterprise. In the words of President Eisenhower's Economic Report, this testifies to "our increasing maturity as a nation in dealing with the problem of economic instability." And it demonstrates that the American system of People's Capitalism is something far, far different from the picture of capitalism in America in the minds of many people overseas.

U.S. ECONOMY

Dr. Arthur Burns, Chairman of the President's Council of Economic Advisers believes that the nation can maintain a high-level economy and at the same time avert inflation. Addressing the National Federation of Financial Analysts' Societies last week, Dr. Burns said: "Surely, many of the forces that have recently kept the over-all level of consumer prices stable can be counted on to operate in the years ahead." According to him, as a result of policies pursued by private industry and the Government during the past four or five years, the value of the dollar has been "approximately steady." This fact "should make us hesitate about describing our times as an age of inflation." Consumer markets, Dr. Burns said, are likely to remain intensely competitive.

Dr. Burns forecast keen competition for the consumer's dollar in the years ahead, "with productivity rising, industrial capacity expanding, the abundance and variety of consumer articles increasing, and our international trade growing." He said: "It cannot be justly argued from the evidence so far available that a high-level economy is necessarily biased in an inflationary direction. It is a disservice both to truth and to social opportunity to describe our times as an age of inflation. We are living in an age that can be either one of inflation or general price stability, depending upon the courage and wisdom that private citizens and Government officials bring to their responsibilities." In his opinion, four factors accounted for the "rough stability" of the overall level of consumer and wholesale prices in recent years, namely, rising productivity and expansion of industrial facilities; increasing business competition; restraint in advancing prices; and Government's monetary and fiscal policies.

REFLECTIONS OF A RETIRED BANKER

MR. THAKUR'S REPLY TO HIS CRITICS

IT will be recalled that, in a series of two articles entitled "Bureaucracy and Banks," published in our issues dated 28th April and 5th May 1956, Mr. B. T. Thakur commented on some of the economic policies of the Government with particular reference to banking. Mr. Thakur has the distinction of having built up, within a short period, a modern giant banking institution from scratch. It is needless to mention the name of the institution as it is well known, but for the benefit of those who may not be aware of it, we may say that it is the United Commercial Bank. Several banks were established during the war years, but none has attained the heights of the UCo. Bank, as it is popularly known. Against heavy odds, Mr. Thakur succeeded in establishing world-wide connections for the UCo. Bank and in earning a large volume of foreign exchange business. This business acumen of Mr. Thakur was backed by a distinguished academic record. Mr. Thakur is thus not only a practical banker but a distinguished economist, with special knowledge of banking and monetary problems. He had his initial monetary training in the mid-twenties under such master minds as Dr. Visering of the Netherlands Bank, Dr. Schacht of Deutsche Bank, and other eminent bankers. He was also a member of the Shroff Committee which went into the question of credit needs of the private sector two years ago. He will shortly be publishing a book entitled "Money, Its Nature and Management."

It was because of his creditable achievements and unique contribution to the banking world that we had requested Mr. Thakur to give his reflections on the current economic trends, with particular reference to banking. And he was, of course, kind enough to respond. Only a retired banker with such fund of experience and knowledge is eminently suited to speak frankly, without fear or favour, because no working banker can afford to take the risk of displeasing the Reserve Bank by giving publicity to his candid opinions on its policies and actions. After all, the fact remains that the Reserve Bank has enormous powers and the last word on any question confronting the banks rests with it.

Criticisms Answered

The reflections of Mr. Thakur were criticised by a contemporary of ours, the *Economic Weekly*. Answering the most important of these criticisms in the course of a letter to us, Mr. Thakur observes as follows:

"I have received today from a friend a cutting from an issue dated the 12th May of the *Economic Weekly*, which presumably deals with my recent writings in your esteemed paper, on 'Bureaucracy and Banks,' though the paper does not refer to them. I do not know who the writer is, whether the article is inspired or if it forms a part of that paper's editorial comments. But whatever be the position, its author has either tried to hide from his readers the original writings so as to befog the issue, or, in his haste to champion somebody's cause, he has forgotten to refer to them. The writing in the *Weekly* is under the caption, 'Reflections on Reflections.'

"I thank its writer for referring to me as 'so eminent a banker.' But a person should not be called eminent, without conceding to him capacity to know, understand, and analyse facts of his daily business, nor should he be accused of lack of sense of responsibility. Eminence and such derogatory adjectives do not go together.

"I also agree with him when he says that my 'retirement has perhaps not come too soon.' In these days of official control, it is only those who are free from bondage of office that can breathe freely, think freely and write freely.

"No serious attempt has been made by the writer to deal with the facts revealed in my writings. For obvious reasons, I had to withhold names of banks and bankers.

"I must ignore oblique references to me, to my mode of writing or my writings being called 'personal outpourings.' After all, when one exposes doings of a bureaucracy, having tremendous power and patronage, there would be several who would come forward to champion its cause, either to repay past favours done or in the hope of creating new patrons. An unbiased reader of the original and of the comments in question can see for himself to what extent facts revealed by me, or my observations, have been squarely met, or answered, or whether the purpose of the comments is to side-track the issues.

(Continued on page 1073)

DECIMAL SYSTEM OF COINAGE

AN INTERESTING SUGGESTION BY RAJAJI

THE decimal system of coinage will, as readers are aware, come into force on 1st April 1957. The necessary legislative measure had been enacted by the Union Government as early as in September 1955 by an amendment to the Indian Coinage Act, 1906. When the Bill to introduce the decimal system was passed, there was no serious opposition to the system either in the House or outside. Only, some members wanted the Bill to be circulated for eliciting public opinion. The Government met this criticism by saying that, as the subject had been under discussion for a long time, there was no need for consulting public opinion again.

The general welcome accorded to the new system of currency is due to the fact that decimalisation has been acclaimed all over the world as the simplest form of coinage, making calculations easy and quick. In the modern complicated systems of trade and commerce, easy conversion of money is most essential and the decimal system answers this need very well.

Though the official Bill to introduce decimal coinage owed its immediate origin to a non-official resolution passed by the Lok Sabha in April 1955, demanding early introduction of the decimal currency and metric system of weights and measures, it was not the first time that the Bill was introduced in the legislature. In fact, a peep into the history of Indian coinage reveals that the first major step in this direction was taken as far back as 1867 when, after a very thorough examination of the subject, the then Government of India came to the conclusion that the decimal system would have to be adopted in gradual stages. An Act was also passed in 1871. but, for a variety of reasons, it remained a dead letter thereafter.

In 1946 again, a Bill was introduced in the Central Legislative Assembly for the purpose, but, owing to the political changes that were in the offing, the Bill could not be pursued. It, therefore, lapsed. Several learned bodies and institutions, which were then consulted, had favoured the decimal system, the Indian Science Congress and the Indian Standards Institution being prominent among those who welcomed it. In more recent years, the volume of public opinion in favour of the system grew considerably, leading to the enactment of the enabling measure last year.

By introducing decimal coinage, India will be carrying out a reform in currency which has already been adopted in 105 out of about 140 coin-issuing countries of the world. According to the *Encyclopædia Britannica*, the United States was the first country to introduce the decimal system (between 1786 and 1792) with the dollar as the unit. France soon followed (between 1799 and 1803) and its system was extended to the countries of the Latin Union (1865). Then followed Germany (1873), the Scandinavian States (1875), Austria, Hungary (1870 developed in 1892) and Russia (1839 and 1897) as the adherents to the decimal system. The Latin American countries and Japan (in 1871) also adopted this system. If India had introduced the decimal coinage in 1871 when the Act was first passed, it would have been one of the earliest to adopt it. The most notable exception is the U.K. Even in that country, the advantage of decimal coinage seems to be widely recognised, but the overwhelming practical difficulties, mainly on account of the widespread use of automatic counting machines, stand in the way of its adoption. The experience of the U.K. has hastened the adoption of the system in India as early as possible, particularly as this country is now on the threshold of a new spurt in industrial activity which will involve the use of many thousands of calculating machines during the next 10 or 15 years. Even now there are in use in India calculating machines or coin-operated slot machines, but their number is relatively small and may not cause any great inconvenience or loss if the new system is adopted without any further delay, as will be the case if it is postponed.

The present time is opportune for the adoption of the demical system from another point of view. Decimal system, in order to be fully effective, must be linked up with the introduction of the metric system of weights and measures. As the Government of India has already taken a decision regarding the latter reform which will be spread over a period of 15 years, the decimal coinage will be the precursor of the bigger reform of standardising weights and measures in which there is multiplicity and variety all over the country.

A notable feature of the Indian decimal coinage is that, while it will be on a decimal basis, it will not follow the orthodox rigidity of having denominations only in multiples and sub-multiples of ten. Thus, in a perfect system, where the standard unit is one, the higher coins will be 10, 100, 1,000, etc., and the lower units will be 0.1, 0.01, 0.001, etc., and there will be no breaks or interpolations. In India, the *Naya Paisa* will be the unit with its multiples of 10 and 100, but there will also be other multiples of 2, 5, 25 and 50. India is, however, not the only country which has broken away from the orthodox rigidity. France, Germany and the U.S. also have such irregularities.

The change-over from the present system to decimal coinage will no doubt cause some inconvenience and it will take a number of years before all the coins of the present system, particularly those of the smaller denominations, are completely withdrawn. Some feel that it will not at all be possible to do so from the rural areas. But there is no doubt that the difficulties during the intervening period will be more felt by the people in villages who deal in coins of smaller denominations in their daily transactions than in rupees and notes of higher denominations. It is this consideration which prompted Mr. C. Rajagopalachari, ex-Governor-General of India, to submit an alternative scheme of currency reform. Rajaji's proposal was, however, rejected by the Finance Minister on the grounds that it was too late to think of a change and that it would place too great a burden on the Government and other high-level officers.

The main difference between the Rajaji scheme and that of the Government is that, while the Government's decimal system retains the present rupee and makes a change only in the lower denominations of coins, Rajaji's proposal seeks to bring a change only in the rupee and to retain all the other existing coins of the small denominations.

The main feature of Rajaji's proposal is to keep the *paisa*, that is, ¼ anna, at its present value and make the rupee equivalent to 100 of such *paisas*, instead of 64 *paisas* as at present. This will mean that the new rupee will be worth Re. 1-9 of the present currency, that is to say, the *naya* rupee will be equal to **As. 25. This,** Rajaji says, will work into the decimal system smoothly. Four *paisas* will make an anna; As. 25 will make a rupee; 100 *paisas* will, as stated above, be a *naya* rupee, 50 *paisas* half a rupee and 25 *paisas* quarter of a rupee. Under this arrangement, the half-rupee, the quarter-rupee, the two-anna piece, the anna and the *paisa* will all remain unchanged in value. It is only the rupee that will have appreciated and become equivalent to As. 25, instead of As. 16.

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The change in the rupee proposed by Rajaji will mean a change in foreign exchange equivalent also. Thus, instead of 1*s.* 6*d.* as at present, the *naya* rupee will be equivalent to 1*s.* 10½*d.*, as it will cover the value of Re. 1-9 in the present currency.

Rajaji is of the view that it will be easier to create the *naya* rupee and work it alongside the old rupee notes and coins until the latter got worked out and withdrawn. It will, in his opinion, be a quicker process smoothly to withdraw the old rupee notes and coins than for the old *paisas* to disappear from currency.

It is, of course, true that, under this proposal, an employee getting Rs. 1,000 now will be getting only 640 *naya* rupees and that he may feel that he has been hit hardly. This will, however, be only an illusory feeling, because each new rupee will get the value in the market and in the banks of As. 25, instead of As. 16.

Contending that his proposal is intended to reduce the difficulties of the poor, Rajaji says:

"My plea, however, is that it would be better to reduce the difficulties in favour of the poorer folk who deal with less than one rupee in their daily transactions, even if it should mean some trouble to those at higher levels. The tables of conversion which the Government may provide could be very easily handled and utilised by the people in the offices; not so by the peasantry in the country-side who deal in fractions of the rupee in their weekly markets and in the bazars. It is common knowledge that in such situations the poorer people will be at the mercy of exploiters.

"The smaller coins will not easily disappear from currency. They will continue to be going round for a long time alongside of the new coins. Value in terms of the new money for all the things of traditional rural production cannot be easily calculated and converted even by the learned. Far less can it be expected that poor and illiterate folk will be able to refer to tables and protect themselves. Every fraction will be worked against them and to their disadvantage."

He adds that the rupee, the anna and the pie, with their tables of 16 and 12, are much more of a handy medium of exchange when we deal with values below one rupee and where purchase transactions require exact division leaving no fractions in monetary value. He says in conclusion that "it is not as if there were nothing to be said in favour of the time-honoured table of Indian money."

The concluding sentence clearly shows that he is, perhaps, not able to get over his nostalgia for the existing system. Or it may be that he wants to have the best of both the systems. What have the experts on this subject to say on Rajaji's novel proposal?

PUNJAB FINANCIAL CORPORATION

A substantial improvement in turnover and earnings is disclosed by the Directors' report and audited accounts of the Punjab Financial Corporation for the year ended 31st March 1956. The number of applications received for financial accommodation shows a rise from 45 to 56 and the amount of loan sought from Rs. 39.12 lakhs to Rs. 70.17 lakhs. Of these, 33 applications for Rs. 39.57 lakhs were sanctioned loans, as against 26 applications for Rs. 20.77 lakhs in 1954-55. The actual amount disbursed during the year has risen from Rs. 15.20 lakhs to Rs. 19.33 lakhs. The profit also shows an increase from Rs. 2.39 lakhs to Rs. 3.07 lakhs.

Out of the aforesaid profit, the Directors have set aside a sum of Rs. 1.30 lakhs for taxation, as against Rs. 90,000 provided last year, and have raised the allocation to the reserve fund from Rs. 10,000 to Rs. 20,000. The balance available for distribution is Rs. 1.57 lakhs, which, however, falls short by Rs. 1.43 lakhs of the amount required to pay the guaranteed dividend of 3 per cent. on the Corporation's paid-up capital of Rs. 1 crore. This short-fall is to be met by a subvention from the State Government. The subvention paid by the Government last year for this purpose was Rs. 1.61 lakhs, that is, Rs. 18,000 more than this year. This shows that the Corporation's reliance on the State Government for paying the guaranteed dividend has been reduced, thanks to the encouraging working results.

The total number of applications for loans received by the Corporation since its inception up to the end of the year under review amounts to 195 for an aggregate sum of Rs. 232.43 lakhs, of which 79 applications for Rs. 88.86 lakhs were sanctioned and 65 for Rs. 42.62 lakhs were rejected. The total loan commitments, however, stand reduced at Rs. 70.14 lakhs, on account of the fact that some of the applicant concerns did not at all avail themselves of the loans sanctioned to them, while some borrowers availed of less than the loans sanctioned. In some cases, the amounts disbursed had to be reduced below the amounts sanctioned on account of insufficiency of the security margin in favour of the Corporation. The total disbursements made so far amount to Rs. 43.37 lakhs, of which textile manufacturing and processing industry accounts for Rs. 9.66 lakhs, cold storage and ice manufacturers for Rs. 5.95 lakhs, hosiery industry for Rs. 5.55 lakhs, woollen yarn manufacturers for Rs. 3.97 lakhs and wood and machine screws industry for Rs. 3.20 lakhs.

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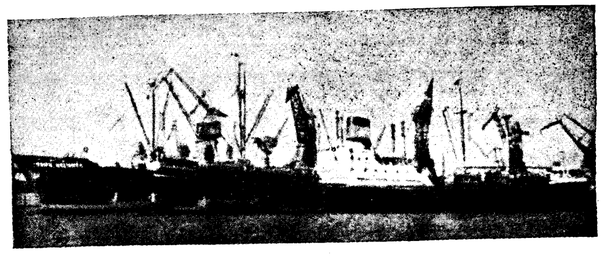

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RESULTS OF TESTS ON AMBAR CHARKHA NOT QUITE ENCOURAGING

WEAVERS' PREFERENCE IS FOR MILL YARN

PRESS reports from New Delhi aver that the Government of India will take a "considerable" time in arriving at a decision on the use of Ambar Charkha. For the Committee appointed by the Government to examine the technical and economic feasibility of large-scale introduction of Ambar Charkha has still not completed its work. The Committee, it will be recalled, was scheduled to complete its work by the end of last month. The delay is attributed to the fact that the Committee has not yet received, from the All-India *Khadi* and Village Industries Board, the report of the results of the experiments now being made on Ambar Charkha in various centres. Also, the Committee would appear to have been confronted with a question for which it has not been able to find an answer. The question is: If it is decided to establish a very large number of Ambar Charkhas, who will use the yarn produced?

This is, indeed, a very pertinent question. The reports available to us indicate that the handloom weavers are reluctant to touch the hand-spun yarn and prefer only mill yarn. This is only to be expected, considering that the quality of Ambar yarn does not compare favourably with that of yarn produced in mills on scientific lines and under the supervision of experts. A recent test of Ambar yarn in Bombay revealed that, even when produced from mill rovings, the strength of the yarn was only 50 per cent. of mill-made yarn of identical counts made of identical cotton. Then, there is the question of price. Ambar yarn will be definitely costlier than mill-made yarn. According to one estimate, the difference would be as much as 80 to 90 per cent. The high cost of Ambar yarn thus is due to the economic inefficiency of Ambar Charkha *vis-a-vis* the power-operated spindle. In order to produce a given quantity of yarn, the Ambar Charkha is estimated to require, on an average, at least 56 times the number of man-hours taken by an ordinary power-spindle. It is not surprising, therefore, that the wage cost of the Ambar Charkha is substantially heavy, being Re. 1-14 per lb. of yarn, as against As. 2¼ of a mill known for its high wages and excellent technical performance.

In view of the high price and poor quality of Ambar yarn, the wage-earning potentialities of the weavers who use it cannot at all be expected to be encouraging. It is gathered from the weavers of Sankaranainarkoil in Madras State, who were selected for experimental tests, that an expert weaver can calculate on getting only As. 7 with one pound of Ambar yarn, while he can earn a rupee with mill yarn.

Other Vital Considerations

The question of quality and cost apart, there are other vital considerations to be taken into account. One is whether Ambar Charkha can be relied upon to meet the entire increase in the yarn requirements of handlooms in the coming years. Some experts of cotton textile industry are of the view that Ambar Charkha cannot produce yarns above 25s economically, since the cost differential between mill and Ambar yarn widens increasingly with higher counts. This aspect has been stressed by Mr. R. K. Hazari in his article on the Economics of Ambar Charkha contributed to *Commerce* dated 14th April 1956 (*vide* page 708). Mr. Hazari observes:

"The *Khadi* Board's production programme is limited, for the present, to the count range 16s to 20s or an average of 18s. It appears to have slipped the Board's memory that *dhotis* and *saris*, the demand for which may be legitimately expected to keep on rising, cannot be made from counts less than 25s. With mill production of yarn frozen at the present level, and assuming hosiery and other production to increase rapidly, the handlooms would be unable to produce enough *dhotis* and *saris* to satisfy the increase in demand during the second Plan period. As a matter of fact, the Board's programme has nothing whatever to say about correlating the production and marketing patterns of handlooms with Ambar yarn production. The counts proposed to be produced on this Charkha can actually be utilised only for the production of fabrics like bedsheets and covers, towels, Madras handkerchiefs, etc., which occupy only about one-half of the handlooms at present."

It will be evident from the above extract that any undue reliance on Ambar Charkha will only be to ignore the vast diversity of production patterns and, consequently, yarn requirements, of the handloom industry—a diversity even greater than that found in the mill industry. Mention may be made, in this connection, of the fact that handloom weavers prefer mill yarn to hand-spun yarn, because of the ease with which designs can be worked out. Drawing attention to this aspect, the New Delhi Correspondent of the *Hindu* says that, if the Government wants to augment the quantity of hand-spun yarn as a patriotic gesture through encouragement to Ambar Charkha, it will do well first to attract a large number of newcomers and train them as weavers. "Weaving in India," to quote from his report, "is generally a traditional family occupation. At the same time, it would be necessary to secure a market for the handloom cloth so laboriously produced and this would, in turn, demand the limitation of production not only of mill cloth but also of handloom cloth. The basic issue posed for solution is whether this drive to encourage the production of hand-spun yarn is intended as an act of loyalty to the Congress or to provide additional employment. If the object is to provide more employment, it (the Congress) must examine whether there are not other and more economical ways of creating new jobs."

Price Aspect

Employment is, of course, an important consideration, but it must be matched against the no less important consideration, namely, the price the consumer is called upon to pay for his requirements of cloth. This price would, as noted already, be very high, if the country were made to depend on Ambar Charkha for its growing needs of clothing. Surely, such a course would defeat the very object of economic planning, namely, to raise the living standards of the common man. The price aspect assumes special significance in the present context when, with the implementation of the series of development schemes under the second Five-year Plan, the incomes of the people will tend to move up, thereby raising the demand for such an essential item of consumption as cloth. If, therefore, adequate quantity of cloth is not produced, a situation is bound to arise when there will be a virtual cloth famine in the country with spiralling prices.

In the light of the foregoing analysis, it is not surprising that there is great divergence of opinion among the members of the Ambar Charkha Committee. The representatives of the Central Commerce and Industry Ministry, the Finance Ministry and the All-India Handloom Board are reported to have differed materially from the members associated with the Planning Commission, the Production Ministry and the *Sarva Seva Sangh*. These representatives feel that the available data are not sufficient to justify the conclusion of the majority on the technical potentialities of the Ambar Charkha. The conclusion of the majority is that, with between 76 and 90 days' training, an average adult can produce about six hanks of yarn within eight hours, while one member places the average output at 5.6 hanks and another at five hanks; the capacity of operators will grow to eight hanks or more, as their familiarity with the machine increases. There is also difference of opinion among the members on the fatigue factor involved in operating it. The majority holds the view that the Ambar Charkha is primarily meant to give spare-time employment to agricultural workers and they will normally get rest or diversion between the hours of spinning. Others, however, feel that more research is required on the subject.

The Ambar Charkha Committee is reported to have arrived at a few general conclusions of a tentative nature. First, Ambar Charkha workers should be paid according to piecework, the rate proposed being nearly six pice per hank, although it is stressed that the rate should be reviewed from time to time so as to ensure a living wage for the worker. Secondly, the *Khadi* Board's recommendation that the subsidy available to ordinary *khadi*—As. 4 per rupee at the point of sale—should be extended to Ambar Charkha *khadi* may be favoured, though some members feel that this scale will be inadequate. It is believed that Ambar Charkha *khadi* will be 40 per cent. cheaper than ordinary *khadi*. Thirdly, the Ambar Charkha yarn should be available in the first instance to about 67,000 *khadi* weavers in the country. Supplies should then be canalised to handloom weavers who give an undertaking that they will not mix mill yarn for the Ambar Charkha yarn for the production of cloth. Later, the handloom weavers who are in co-operatives should be catered for. Fourthly, two men should be engaged on every Ambar Charkha set—one for carding and roving and the other for spinning. Thus, about 150,000 operators should be trained this year. Fifthly, the production of Ambar Charkha should be decentralised. Carpenters should be subsequently used to service the machine and to help in fashioning agricultural implements like ploughs. The programme should be worked through the Community Projects and National Extension Service administration wherever possible. In conclusion, the Ambar Charkha Committee is believed to have decided to recommend a cut in the original size of the Ambar Charkha programme.

HIGHER PAY FOR BOMBAY MILL TECHNICAL STAFF

The Millowners' Association (Bombay) and the *Rashtriya* Mill *Mazdoor Sangh* must be congratulated on their successful efforts to come to a mutual agreement in the matter of pay scales, dearness allowance, gratuity, etc., for the technical and supervisory staff employed in the cotton mills in Bombay City. The agreement—signed on 16th May 1956—provides for a 5 per cent. rise in dearness allowance and benefits of higher pay scales, with effect from 1st May 1955. The agreement has been placed before the Industrial Court, which is adjudicating the dispute, for acceptance.

Under the agreement, the existing technical and supervisory staff, including assistant engineers, is classified into five categories—assistant masters, departmental assistants, assistants who are technical and engineering graduates, foremen and assistant foremen, and apprentices. The pay scales of these categories are given below:

Category	*Scale of pay*
	Rs.
Assistant masters ...	320—the Association may fix a suitable grade for them.
Foremen	215-15-260-20-340
Assistant foremen ...	170-15-260
Graduate assistants ...	175-15-260-20-300-25-350
Other assistants	120-10-170-11-260-20-320 (Diploma holders and graduates other than technical graduates to be started on Rs. 140).
Apprentices (stipends) ...	65-65-65-75-75 (5 years) 90-100-110 (3 years) 125-140 (2 years)

For the application of the new grades, the pay that an employee would have drawn in the appropriate scale as on 1st May 1955 under the recommendations of the Association dated 25th August 1948 will be taken as the basis. Those employees who have reached the maximum of the ordinary grade will be given one additional increment in the new scale, if they have been getting the maximum salary in the ordinary grade for a period of three years or more. All other employees will be put in the new scales after proper stepping up but without any additional increments. When an employee who has reached the maximum of a grade is promoted to a higher grade, he will be given one increment in that higher grade.

The rates of dearness allowance payable to all categories of employees (including apprentices), sub-

(*Continued on page 1083*)

BOOK NEWS

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IMPORTS OF CLOTH INTO U.K.

LABOUR UNION PROPOSES DIRECT TALKS BETWEEN BRITAIN AND INDIA

From A Special Correspondent

MANCHESTER, *23rd May*

MANCHESTER LETTER

THE question of imports of Indian and Hong Kong cloth into the United Kingdom, which continues to be a major talking-point in the Lancashire cotton industry, has brought a new suggestion aimed at ending the present fears and uncertainties about the future. It comes from a trade union source—the 80,000-strong Amalgamated Weavers' Association, the largest of the cotton trade unions—and in essence proposes direct industry-to-industry talks between the cotton leaders of India and Britain.

In its Annual Report, the Weavers' Association deals with the problem at some length and suggests that it would be in India's own interests if it were encouraged to develop a wide range of industries to enable it to "compete with the whole world and not only with Lancashire." On the proposal for joint talks, the report says: "It is known that some of the Indian textile leaders would be prepared to talk things over. How many or how few they may be is not known. It could at least be tried and without doubt we should learn something."

Surveying the future outlook for the mills of Lancashire, the trade union comments: "Employers and operatives alike are in a dilemma of uncertainty. Clearly, if the Government's present policy continues, the industry is wide open and vulnerable. At present India and Hong Kong are sending here mainly cheaper quality goods, but already better quality goods are appearing."

The Indian Government's Textile Enquiry Committee had suggested that automatic looms replace traditional looms at the rate of 5,000 a year for the next 20 years and efforts should be made to export more quality goods. "It is clear then that whilst a safe and certain market exists India will continue to develop her textile industry. Who can blame her?"

Referring to the official viewpoint in Britain that to impose import restrictions on the Indian cloth might result in retaliatory action against exports of British engineering and other capital goods, the report says it is interesting to note that whilst Germany has by agreement fixed an annual import quota of cotton piecegoods to a limit of £300,000 sterling it had not prevented that country from securing substantial engineering contracts from India. The report continues:

"It is senseless to throw our industry to the wolves in the hope of saving others. The way India is developing she will, in due course, produce a whole range of engineering products cheaper than we can. She is now erecting her own iron and steel plants and already is preparing to manufacture her own automatic looms to meet her 20 years' programme. She will, in the not-far-distant future, manufacture her own motor cars. Modern techniques with cheap labour can beat any Western nation and some day will have to be faced. India should not be encouraged to kill Lancashire's cotton industry and make her own economy top-heavy in the process."

Shuttleless Loom

Widespread interest is being shown in Lancashire textile quarters in an experiment which is to be tried out by a branch of the big English Sewing Cotton Company with two shuttleless looms produced in Switzerland. The idea of shuttleless looms has been discussed in the industry for many years, the chief point being whether the very heavy capital cost would be warranted by the increased production. So far as is known, this is the first occasion that the idea has been subjected to practical experiment in Lancashire and interest at this particular time is stimulated by the constant reminders that the industry must cut its costs and be more competitive.

The two looms have cost £3,000 each and weigh three tons. It is claimed that they can run at 200 picks a minute, weaving any width of cloth up to 120 inches. What is not clear at the moment is whether the looms are capable of producing fancy as well as plain cloths at this rate of output. Here we come up against a fundamental problem—whether Lancashire's future lies in concentration on fabrics of high quality and outstanding design, produced in short runs for quick delivery, or in long runs of cheaper cloths in which she would have to meet the full force of competition from the textile industries of India, Hong Kong, Japan and other Far East countries. There is, however, another school of thought. According to this, no matter what type of machinery is used and regardless of manufacturing techniques, Lancashire cannot hope to survive in the latter field of production if only because of its much higher labour costs. On the other hand, a spokesman of the company now installing the shuttleless looms expressed the hope that they would enable Lancashire to fight increased competition from overseas.

So far, the trade unions, while keenly interested in the outcome of the experiment, are not particularly worried about the possible impact on labour. If redundancy should occur it is felt that displaced workers would quickly be absorbed elsewhere.

Trade Unions

The rapid increase in imports of Indian and Hong Kong cloth into the United Kingdom, and the problems this has created within the Lancashire cotton industry, is one of the reasons why the cotton unions' first policy declaration for 10 years—work on which was started three years ago—is to be "substantially redrafted." The 30,000-word document, "Plan for Cotton," has not so far been made public, but is known to contain a number of far-reaching proposals in the direction of the "socialisation" of the industry.

After a special meeting of the Legislative Council of the United Textile Factory Workers' Association in Manchester, the author of the document, Mr. Harold Wilson, a Socialist Member of Parliament, and a former President of the Board of Trade, spoke of "big changes" which had taken place in the Lancashire industry during the past three years. For example, there had been the large-scale cloth imports. The trade union attitude towards this found no mention in the original policy document because the problem had not at that time attained its present proportions. A guide, perhaps, to trade union thinking on the subject is the proposal made by Mr. Wilson some time ago that a Government-sponsored buying agency should be set up to control Commonwealth cloth imports into the United Kingdom.

Commonwealth Conference

Leaders of 600 manufacturing firms in Lancashire and the North-West of England have expressed concern at the impact of overseas competition on the key industries in the region. They are particularly anxious about cloth imports from the Far East.

After discussing the problem, the Manchester branch of the National Union of Manufacturers has sent a resolution to the Government urging that the Commonwealth Prime Ministers attending the London conference in June should be accompanied by their Ministers of Trade or Commerce to discuss every aspect of Commonwealth trade, particularly the Ottawa Agreements. It is under these agreements that cotton cloth is entering the United Kingdom duty-free. The resolution asks that the June conference should decide whether, after 24 years, the Ottawa Agreements are now in need of revision to take account of modern trade trends.—*All Rights Reserved.*

The first of a series of special displays at the recently opened Design Centre in London is the "Design in Cotton" exhibition, to be opened on 4th June, by Mr. Derek Walker-Smith, Parliamentary Secretary to the Board of Trade. Assembled by the Cotton Board's Colour, Design and Style Centre, Manchester, the exhibition is mounted in collaboration with the Council of Industrial Design. Its aim is to show the best at present available in cotton dress and furnishing fabrics and cotton laces.

In accordance with the Council of Industrial Design's policy for the main exhibition at the Design Centre, most of the fabrics will be available in shops, but there will be a number of brand-new designs likely to be of particular interest to oversea buyers. Examples of blends and mixtures of cotton with other fibres will also be included.

The Foreign Trade Department of Brazil has announced that the sale of raw cotton for export has been suspended pending an examination of the situation of the domestic textile mills and foreign exchange revenue from such exports.

Two reasons are given for this decision, first that too much cotton has been exported in recent weeks to countries whose currencies are of "only relative interest to our international balance of trade" and secondly, heavy rains in the State of Sao Paulo have so reduced the size of the present crop that it is feared that the internal market demand is endangered. The department added that after re-examination of both situations it would re-authorise sales to certain markets.

U.S. cotton consumption in April was higher at 721,577 bales as compared with 659,188 bales in the corresponding month of the previous year, according to authoritative sources. Total consumption during the nine months ended April, 1956, was also higher at 7,071,573 bales as against 6,722,182 bales in the corresponding period of last year. Despite the high rate of consumption, cotton stocks in the country rose to 16,266,864 bales at the end of April this year from 13,035,063 bales at the end of April last year.

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MR. M. R. RUIA ON POLICY OF EAST INDIA COTTON ASSOCIATION

FULL CO-OPERATION OFFERED TO GOVERNMENT

MR. Madanmohan R. Ruia, the newly elected President of the East India Cotton Association, enters upon his duties at a critical juncture in the history of the cotton trade in this country. While all would naturally wish him success in his new position, it would be wrong to under-estimate the difficulties that face him in adjusting the Association's trading practices to the new set-up created by the presence of that all-powerful body, the Forward Markets Commission. If success is not to become just some euphemism for surrender, it will certainly call for the highest qualities of business statesmanship.

On his election to his high office, Mr. Ruia has done well to explain what, in his opinion, should be the East India Cotton Association's policy; in this, he says he has the concurrence of all the members of the Board of Directors of the Association. Defining the role of a trade association in relation to the Government, Mr. Ruia says:

"By reason of the policies of far-reaching importance in the realm of trade and commerce announced by the Government of India and in the context of the proclamation of the nation's new economic pattern, it is clear that no trade association, if it wishes to function effectively in the changed circumstances, can afford to challenge the policies of the authorities in power. In other words, it will not be possible for any association to fulfil even its primary obligations to the trade, unless and until the Government in power fully approves and supports its actions. On behalf of the Association, I would like to take this opportunity to offer my fullest co-operation to the Government, while, at the same time, seeking their support in the fulfilment of the important tasks that lie ahead of us. I hope that, prior to formulating their future policies, Government will take this Association into confidence and ascertain its views. Given this understanding and co-operation on both sides, I see no reason why we should not achieve results which would be satisfactory to both sides."

First Task

Proceeding, Mr. Ruia observes that the first task before them is to work for the resumption of forward trading in cotton as early as possible. He adds:

"I can assure the trade that, in so far as the E.I.C.A. is concerned, we are working earnestly towards formulating a hedge contract which would not only provide the necessary protection alike to the trade and to the growers but also help rehabilitate the persons who have been thrown out of employment as a result of the continued closure of the forward market, since the past five months. Suggestions as to whether there should be one contract or two are also receiving our earnest consideration. All these are going to be soon finalised. Meanwhile, I must mention here that the Hon'ble the Union Minister for Commerce and Industry, as well as the Forward Markets Commission, who, incidentally, are fully seized of this problem, have assured us of their utmost support in evolving a suitable contract. In view of this helpful assurance, I am quite confident that we shall be able to start forward trading at a very early date."

Appeal to Press

In a special appeal to the Press, asking for its co-operation, Mr. Ruia says:

"It is unnecessary for me to add that the Press can play a vitally helpful role in bringing about such a consummation speedily. I would accordingly seek the goodwill and understanding of all sections of the Press not only in helping us to solve the problems that are presently confronting the cotton trade but also in properly educating the public about the precise nature of these problems. In this connection, I have particularly to appeal to my Press friends to desist from publishing anything which does not correctly reflect the views of the Association on matters pertaining to the cotton trade. I assure all Press people that they can always ask and get from me any information or assistance that they may need in this connection."

It will thus be seen that Mr. Ruia has offered his "fullest co-operation" to the Government. All that he desires in exchange for this attitude is that the Government should, in its turn, take the "Association into its confidence and ascertain its views." Beyond emphasising that, "given understanding and co-operation on both sides," there is no reason why satisfactory results should not be achieved, he has given no indication of how he seeks to resolve the basic conflicts which drove his illustrious predecessor from office. The Press, on its part, will certainly respond to his call for "goodwill and understanding." But it cannot obviously bind itself to not "publishing anything which does not correctly reflect the views of the Association." It should not, of course, attribute to the Association the views the latter does not hold. Apart from this consideration, the Press, in a democratic country, can owe no allegiance to a trade association, or the Government. Its fundamental duty is to support freedom and what it considers to be right and to favour only such restrictions on freedom as are, in fact, necessary in the very cause of freedom.

The Association has resolutely addressed itself to the task of considering the issues raised by the Forward Markets Commission in the bunch of 11 letters it wrote to the Association on 10th April. These letters, as we indicated in our issue dated 28th April 1956, deal with such matters as the formulation of a new hedge contract, margin system in trading, delivery contracts, election of President. It would appear that the Association, which had invited the opinion of its members on the Commisson's proposals, is now engaged in sifting and analysing the views and comments offered by the traders.

Hedge Contract

An important question which the Commission has raised relates to hedge contract. The Commission had suggested that the E.I.C.A. should formulate proposals of a kind that would ensure that hedging facilities are offered to all varieties of cotton grown in the country. In particular, the Commission sought the Association's advice on whether there should be one contract or two contracts in the light of the need for providing hedging facilities for different varieties and whether the present system of fixation of differences should be replaced by a provision for the fixation of varietal differentials on the basis of their intrinsic merit before the commencement of each season. Several suggestions are stated to have been received by the Association on this question. Some members have suggested two contracts: (1) Jarilla ⅜" with a tolerance of 1/32" and (2) Vijay 13/16" with a tolerance of 1/32". They have further suggested that the qualities tenderable against the first contract should be Jarilla, Buri, 320F, Kalagin and Wagad, while Vijay and all other qualities should be tenderable against the second contract. Another suggestion is to have one contract for cotton of stapling 11/16" to 25/32", and another for cotton stapling 13/16" and above, the qualities tenderable against the former being Dhollera, Wagad, Kalagin, Mathia and Jarilla. Yet another suggestion is to have three contracts: (1) Khandesh 13/16", including Punjab, the delivery months being February, March, April and May; (2) Vijay 13/16," including Surti and Navsari, the delivery months being April, May, June and July, and (3) Westerns, including Jayadhar and Gaorani, the delivery months being June, July and August.

Tendering Differences

Some members, it is stated, are against the suggestion for fixing tendering differences at the commencement of the season. These differences, according to some members, should be fixed in October-November. Another suggestion is that the Commission should fix them before permission for trading in new crop is given and that the differences once fixed should not be varied during a given season.

Although a section of the trade does not favour a ceiling within a ceiling, there are some who are inclined to allow the Commission the freedom to fix maximum and minimum prices before the commencement of each season, provided the latter does not change the prices so fixed during a season. Another section would favour the Commission fixing such prices, provided the right to declare an emergency is vested in the Association, the representatives of which should support such declaration by a three-fourths majority. There is yet another suggestion: it is that the maximum and the minimum prices should stand automatically removed on 20th day of delivery month. On that day, the buyer in the case of maximum prices should pay 50 per cent. of his outstanding purchases and a seller, in the case of minimum prices, should pay 50 per cent. of the value of cotton of his outstanding sales. The margin system recommended by the Commission, it is felt, would create great hardship. Some members have, however, expressed their agreement with the Commission's suggestion. Others give a qualified support, stating that the free limit should be 5,000 bales (as against 2,500 bales suggested by the Commission) and that the business done on behalf of clients should be excluded from the purview of this restriction.

Other Issues

The other matters on which opinions have been expressed by members include delivery contracts, survey system and election of office-bearers. One suggestion is that delivery contracts with mills alone should be non-transferable. The present system for the survey of cotton, it is stated, is good and as such need not be changed. Another suggestion is in favour of setting up of a representative advisory committee for purposes of deciding appeals. As regards election of office-bearers, some members are in agreement with the suggestions made by the Commission. A few members favour the abolition of the panel system and its substitution by a system which accords equal franchise to all. So far as the limitation on the term of office of the President is concerned, some members are inclined to agree with the Commission's recommendation. Some others, however, regard such restriction unnecessary, if a chairman were elected at a general body meeting.

IMPORTS OF COTTON

During the period 1st September 1955 to 28th April 1956, the total quantity of cotton licensed for import into India aggregated 595,147 bales of 400 lbs. each. Actual arrivals during 1st September 1955 to 21st April 1956 were, however, lower at 390,694 bales. The following table gives the quantity licensed and actual arrivals during the periods referred to:

(In bales of 400 lbs. each)

Variety	Quantity licensed from 1st Sept., 1955 to 28th April, 1956	*Actual arrivals from 1st Sept., 1955 to 21st April, 1956
Sterling Area Cotton—		
East Africans	271,662	92,661
Egyptians	206,742	194,262
Sudans	95,304	86,359
Peru and others	12,740	6,543
	586,448	379,825
Dollar Area Cotton—		
U.S.A.—		
Under Aid 1,125		
Freely 7,574		
	8,699	10,869
Total ..	595,147	390,694

* Arrivals include quantity licensed in the previous season.

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COAL IN SECOND FIVE-YEAR PLAN

PUBLIC SECTOR TO ACCOUNT FOR BULK OF EXPANSION

COAL is a basic industry. It serves as fuel to a variety of industries and also as a raw material to a number of key industries such as iron and steel, cement, chemicals and petroleum. Any country that wants to develop industrially must, therefore, give a high priority to coal. In India's first Five-year Plan, the importance attached to coal was not much. Apart from laying down a programme for conservation of metallurgical coal, scientific classification of what is produced, research and resurveying of certain areas, no specific targets or schemes for increased production were prescribed. Production, however, did go up from 34.30 million tons in 1951 to 38.22 million tons in 1955, but this increase was stimulated and sustained by a general expansion in the demand for coal generated obviously by the large developmental expenditure incurred under the first Plan.

In refreshing contrast to the secondary importance thus given in the first Plan, coal has received great attention in the second Plan. That is only as it should be, in view of the vast expansion contemplated in the industrial sector. Not only is the expansion envisaged in industries and transport where coal acts as a fuel large, but there is also going to be a tremendous increase in industries where coal is a basic raw material. The production of iron and steel, for instance, is to be trebled. So is that of cement. A number of industries based on carbonisation of coal is also scheduled to be established. In order to meet all these needs, the target for coal industry has been fixed by the planners at 60 million tons, to be hit by the end of March 1961. This represents an increase of 22 million tons over the production level attained in 1955, or 23 million tons over the 1954 level. As the Plan admits, special efforts will be required to raise this quantity. Some additional production can be obtained from the existing workings, but the order of increase is such as to make necessary the opening up of a number of new areas.

Share of the two Sectors

The bulk of the coal now produced comes from the private sector and only a small quantity from the public sector. In 1955, for instance, the private sector produced approximately 33.70 million tons and the public sector 4.50 million tons. The draft outline of the second Plan had estimated the increase in production to be achieved by 1961 at 23 million tons, on the basis of the 1954 achievement of 37 million tons. It was proposed by the Government that, of this 23 million tons of additional production, as much as 15 million tons should be met by expanding the public sector, leaving the balance of 8 million tons to be covered by the public sector. It was pointed out by the spokesmen of the coal industry in the private sector, as well as by a section of the Press, that the share allotted to the public sector was beyond its capacity and that it would be prudent to leave the bulk of expansion to the private sector. For a long time, the authorities could not make up their mind. Later on, however, they yielded a little and agreed to raise the share of the private sector to some extent, though there were conflicting reports about the exact share of the respective sectors. The second Plan report says that it has been tentatively decided that the private sector should produce 10 million tons out of the 22 million tons of additional coal required, leaving 12 million tons to be met by the public sector.

For reasons recounted in some of our previous issues, it is doubtful whether the public sector can nearly quadruple its production in the next 4 years and 10 months. It is a pity that, despite all the debate that has taken place on this subject for over a year now, the authorities should have stuck to their unrealistic stand. Their only reason for doing so is ideological, namely, in a socialist structure of society, all the basic industries should be State-owned, and, when this is not possible immediately, the State should reach this goal progressively. In actual practice, this ideology will mean a much greater increase in the cost of coal to consumers than would be necessary if the whole task were entrusted to the private sector.

It is now the declared policy of the Government that all new undertakings in coal should be in the public sector. Accordingly, expansion of production by the establishment of new collieries will be undertaken wholly in the public sector and the additional production by the private sector will have to be raised from its "existing workings and immediately contiguous areas." Of the additional production in the public sector, two million tons will come from existing workings—1.5 million tons from Singareni and 500,000 tons from Bokaro; four million tons are to be obtained by developing the Korba coalfields. The areas from which the remaining six million tons are to be obtained have been "broadly decided," according to the Plan, "but particulars including specific allocations for each area are being determined."

Capital Investment

The total capital investment required for raising 12 million tons of additional coal in the public sector alone is roughly estimated at Rs. 60 crores, of which cost of housing represents Rs. 12 crores. For the present, the Plan contains a provision of Rs. 40 crores only. This incomplete financial provision, as well as the assertion in the Plan that the allocation of additional production between the two sectors is only tentative, suggests that later, as the Plan period advances, the private sector may be given a bigger share. This possibility will be strengthened if the private sector manages to render a better performance than the public sector in the coming two or three years. If, for instance, the private sector hits its target in advance, say, by March 1959, its case for better treatment will have won considerable strength and moral support. It is, therefore, to be hoped that colliery-owners will not get disheartened, but, instead, go ahead by hook or by crook, with measures for stepping up their production. They will do well to note that, in a democracy, one has the opportunity to prove one's case by performance and persuasion. It is, of course, true that colliery-owners will be helpless, unless the State assists them by creating the necessary climate for achieving higher production. For coal is a strictly controlled commodity and not a ton of it can be produced or moved without the previous sanction of the Government. But it is to be hoped that the Government will do everything possible to enable colliery-owners to carry out the task allotted to them.

Viewed from this angle, the Government's decision to bifurcate the functions of the Coal Controller is welcome. The Coal Controller will henceforth have nothing to do with production of coal in the public sector. He will mind only the administration of the Coal Control Order, regarding distribution, price, etc., and supervision of production in the private sector. Coal in the public sector will be looked after by a Coal Production and Development Commissioner.

Shortages of transport and technical personnel will prove to be formidable bottlenecks. These must be broken if the Plan for coal is to be implemented successfully. The following extract from the Plan report will show how the authorities propose to deal with them:

"For the training of the technical personnel that will be required in connection with the expansion of production of coal, four training centres are to be established as a first step at Kargali, Giridih, Talcher and Kurasia for the training of intermediate and lower technical staff required for the industry such as supervisors, overseers, electrical and mechanical subordinates, etc. More training centres will be opened during the period of the Plan to meet the increasing requirements of technical staff.

"Transport of coal places a heavy strain on the railways, because, while coal is needed all over the country, production is at present concentrated in the States of West Bengal and Bihar. The railways have tried to rationalise coal movements, but, in the context of the very large increase in demand, a measure of rationalisation of production is also called for. The coal production programme has been drawn up so as to develop collieries in different States."

Coal Output: Regional Distribution

(Figures in million tons)

	Output in 1954	Output in 1960-61	Increase
ASSAM	0.50	0.50	..
WEST BENGAL:			
Darjeeling	0.03	0.03	..
Raniganj	12.22	18.16	5.94
BIHAR:			
Jharia	13.19	16.69	3.50
Karanpura	1.44	6.00	4.56
Bokaro	2.88	2.88	0.50
Giridih	0.26	0.26	..
Other small fields in Bihar	0.14	0.14	..
MADHYA PRADESH:			
Chindwara and Chanda	2.25	2.25	..
Korba	..	4.00	4.00
Sasti	0.07	0.07	..
Central India Coalfields	2.31	5.31	3.00
ORISSA	0.52	0.52	..
HYDERABAD: Singareni	1.48	2.98	1.50
RAJASTHAN: Bikaner	0.03	0.03	..
Total ..	36.77	59.77	23.00

Coal Washeries Committee. A number of suggestions was made by this Committee. Basing itself on these suggestions, the Government has taken the following decisions:

(1) Generally, all metallurgical coal down to grade II should be washed;

(2) to meet the requirements of washed coal of all existing and projected steel plants, private collieries may be given the choice to set up washeries. If the required quantities do not become available from washeries set up by private collieries, Government will themselves set up washeries to meet the full requirements; and

(3) the average cost of washing should be made good to the collieries, through either revision of prices or a negotiated price for washed coal or by means of a suitable subsidy as may be determined at the appropriate stage.

It may be noted, in this connection, that there are already three washeries in the private sector at Jamadoba, West Bokaro and Lodna collieries, respectively, which supply washed coal to the Tata Iron and Steel Company and the Indian Iron and Steel Company. It has already been decided to set up a coal washing plant at Bokaro-Kargali, with a capacity for washing 2.2 million tons of coal per annum. The washed coal from this washery will be supplied to the Rourkela and Bhilai steel plants. Orders have already been placed with a Japanese firm for the manufacture and installation of this washing plant. Another washery is proposed to be set up at Durgapur. Proposals for further washeries for meeting the requirements of the steel plants are under consideration. A provision of Rs. 6 crores has been made in the Plan for setting up coal washeries.

There is a reference to soft coke also in the Plan. Consumption of soft coke, mostly for domestic purposes, is 1.6 million tons at present. It had been hoped at one time that it would be as much as 2.1 million tons by March this year, as against 1.1 million tons in 1950, but limitations of transport has restricted the use of this coal. It is estimated that, by 1961, about 3.5 million tons of coal will be required for conversion into soft coke for meeting the needs of Z class consumers. At present, most of the soft coke is produced from low grade metallurgical coal in the Jharia coalfield. Recent research has proved that this grade of coal could be beneficiated for metallurgical purposes. By converting this coal into soft coke, the country is thus wasting some precious coal the reserves of which are not inexhaustible. But the Plan says that this cannot be helped for some time to come. The only way it can be avoided is to establish large-scale units of modern type for low temperature carbonisation of non-coking coal.

SUGARCANE CRUSHING SEASON IN U.P. TO BE EXTENDED

GOVERNMENT'S DIRECTIVE TO MILLS

A DISTRESSING feature of the sugar industry in Uttar Pradesh has all along been the none-too-happy relation between the sugar mills and the cane growers. This is due to the unhealthy influence of politicians with vested interests over the cane growers, the vast majority of whom are poor and illiterate. A recent instance of this nature is the highly unjustified and unnecessary hue and cry raised on the floor of the State Legislature over the so-called miserable lot of the cane growers in the current season. A large part of the sugarcane crop in many parts of the State is reported to be lying uncrushed, resulting in undue hardship to the cultivators; in the Terai and Rohilkand areas alone, the uncrushed quantity of cane is estimated at 10 million maunds. Indeed, the situation is characterised as being "serious." Availing themselves of this opportunity, some members of the State Legislature once again sought to bring pressure on the Government to impose further restrictions on the sugar mills, in order to assist the cane growers. The pressure exercised by the opposition was so much that there was a fairly prolonged debate on this subject in the State Legislature on 15th and 19th May 1956.

During the debate held on 15th May, the sugar policy of the U.P. Government was severely criticised by several members, who threw the blame for the heavy accumulations of cane stocks lying uncrushed entirely on the Government. Even the detailed and convincing statement made by Mr. C. B. Gupta, the State's Planning and Industries Minister, failed to satisfy the members. Mr. Gupta stated that, in the crushing season, all the sugar mills not only in the Terai and Rohilkand area but in the entire central and western parts of the State were required to crush surplus quantities of cane in the interests of the cane growers. It was, therefore, incorrect to say that the authorities had not taken adequate steps for the crushing of surplus cane. The U.P. Government, he declared, was doing all it could to persuade the sugar mills to make the cane-crushing season the longest, so that the largest quantity of sugarcane could be crushed before the season was out. Proceeding, Mr. Gupta said:

"The cane position in the areas of the different mills was reviewed periodically and necessary orders are issued from time to time, with a view to making the full use of all the available capacity in the mills. . . . The 1954-55 crushing season was a peak one in the history of the industry when the factories recorded the highest crush. Even in that season, many factories (about 19) closed during May. . . . All these factories will, it is hoped, definitely continue crushing operations throughout May in the current season and a very large number of them will continue crushing operations till late in June. The continuance of crushing operations till late in June clearly establishes how keenly and promptly the authorities concerned have been making adjustments in the distribution of cane to the factories from time to time, with a view to ensuring the crushing of the maximum possible quantity of sugarcane."

Blame Lies on Cane Growers

It will be seen from the above quotation that the U.P Government has made efforts to stretch the crushing season. If, in spite of these efforts, cane supplies have accumulated in some parts, the blame for it must lie partly on the cane growers themselves. Despite the Government's warning, the cultivators have not been discriminate in growing sugarcane. In fact, they are reported to have increased the acreage under cane out of all proportion to the capacity of sugar mills. That there is no exaggeration in this remark will be evident from the following extract from the Planning and Industries Minister's statement:

"After the shifting of the Panniji Sugar Factory from Gokulnagar, the problem of the disposal of cane of Naini Tal district has undoubtedly become difficult and the cane growers have to face difficulties in the disposal of their cane year after year. In spite of all this, they have been increasing their area under sugarcane. Prior to the last sowing season, the cane growers of this area had been warned, but, from the reports available, it appears that they have further increased the area under sugarcane. As in the previous season, all possible efforts are being made in the current crushing season as well to get the maximum cane of this area crushed by the factories. Keeping in view the position of surplus cane in this area, *taqavi* loans for *kolhus* and crushers were also advanced to the cane growers during the current crushing season and they were told from time to time that they should take steps for the disposal of their surplus cane which was not likely to be crushed by the factories."

Another factor responsible for the surplus cane position is the weakness of the *gur* market. Owing to the low prices of *gur*, the cane growers have, according to Mr. Gupta, not even disposed of that quantity of sugarcane which they normally used to divert to the making of *gur*, with the result that the pressure on the factories has increased. In these circumstances, it will not be fair, as Mr. Gupta pointed out, to expect the sugar factories having only a limited crushing capacity to consume the entire excess cane produced by the growers.

Start of Crushing Operations

The aforesaid statement of Mr. Gupta failed, as already stated, to satisfy the opposition members of the U.P. State Assembly who insisted upon having an adjournment debate on the subject. Accordingly, a debate was held on 19th May also. It was marked by emotional morass, with the opposition hurling a series of accusations at the authorities. It was pointed out, for instance, that there was no co-ordination between the Centre and the State Government in respect of sugar policy. This criticism was based on the ground that the State Government's plea to the Centre for giving permission for the early start of crushing operations by mills was turned down by the Centre. Perhaps, the Centre thought—and rightly so—that, since an early start of the season would mean crushing of unripe cane with lower sugar per cent., there would be loss of sugar production. Also, the Centre was prompted by considerations of the need for avoiding any possibility of an undue fall in sugar prices, in view of the heavy stocks—as much as 550,000 tons—lying unsold with the mills at the end of the last season.

Several members trenchantly criticised also the U.P. Government's latest decision to revise the policy governing the price of cane payable by factories. According to this revision, the factories are obliged to pay for the cane purchased during the months of May and June the minimum price of Re. 1-7 per maund only when the percentage of sugar in cane is 9.6. Opposing this revision, a prominent independent member of the Assembly observed:

"The cane growers have a number of grievances against both millowners and Government. The Cane Commission has ordered that the price of the sugarcane supplied by growers should be noted on *parchis* supplied to *them*. It has been found that as many as 38 mills have not observed this rule. Prices are fixed on the basis of the recovery percentage which is manipulated by millowners. The Government has no machinery to verify whether the figures supplied by the millowners are correct. If the recovery percentage is more than the average, the growers are not given bonus, as was done in 1951 when the price was Re. 1-10, as against Re. 1-7 today. Often, the millowners pass the too inferior grades of sugar as molasses to show lower percentage of recovery and thus to deprive the growers of just prices."

How far and to what extent these remarks are true, it is difficult to say. This much, however, can be said and that is the U.P. Government is perfectly justified in linking the cane price to recovery, especially as the cane that arrives after the normal crushing season is poor in sugar content. What is more, such a policy would induce the mills to crush more sugarcane. If, on the contrary, the factories are obliged to pay for the cane irrespective of recovery they may not care to extend their crushing operations, for the use of cane with less sucrose content but subject to the same minimum price of Re. 1-7 per maund will raise the cost of sugar production further.

Interim Price for Cane

It is a pity that the latter aspect was not adequately stressed either by Mr. C. B. Gupta or by his deputy, Mr. Phool Singh, in the course of their replies to the debate. All that Mr. Gupta said was this: "The sugarcane price, which is Re. 1-7 (per maund) for the normal crushing season, has been reduced in anticipation of the fall in the percentage recovery during the months of May and June." Incidentally, he revealed that the State Government would shortly issue an order to the sugar factories to pay one rupee for each maund of cane supplied by growers after 7th May. The balance, if any, would be paid later, when the schedules computed on the basis of recovery percentage by the Director of the Sugarcane Research Institute were published, as was done last year. He also revealed that the Government was persuading the factories to extend the crushing season.

An important suggestion which was put forward by some members in the course of the debate related to price support to *gur*. One of the members said that, if the suggestion had been implemented, the present situation of heavy cane stocks would have been averted. Replying to this, Mr. Phool Singh stated that the Government did not pursue the price support policy, because the price of *gur* was invariably well above Rs. 10 per maund, the support price followed in the preceding season. Mr. Phool Singh announced, in this connection, that his Government was considering a proposal to open small sugar mills from next year. From the Press version of the Minister's statement, it is, however, not known whether the proposal relates to the establishment of new small sugar manufacturing units or to the existing units which have been closed down on account of uneconomic working.

SUGAR PRODUCTION AND STOCKS

The aggregate sugar production in India during the month of April 1956 amounted to 250,723 tons, according to the Indian Sugar Mills Association. This quantity compares favourably with the 194,900 tons produced in the corresponding month last year. The total output for the first six months of the current season is estimated at 1,655,998 tons, as against 1,485,000 tons a year before.

The offtake of sugar during April 1956 amounted to 125,000 tons, as against 119,000 tons in April 1955. The total offtake for the six months was 806,000 tons, which represents an increase of as much as 341,000 tons as compared with that for the same period in 1954-55.

The closing stocks of indigenous sugar as on 30th April 1956 aggregated 1,257,000 tons, as against 1,062,000 tons a year before.

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LABOUR UNION MOVEMENT IN JAPAN

PROGRESS SINCE END OF WAR REVIEWED

ONE of the major reforms enacted in the post-war years to bring about Japan's democratisation was in the field of labour. Soon after the end of the war—in 1946—various pre-war and war-time regulations were scrapped and new labour union laws were brought into force. At the present time, organised workers number more than six million and they belong to 32,000 unions. The General Council of Trade Unions of Japan (Sohyo) claims a membership of three million while the Japan Trade Union Congress (Zenro) boasts 620,000 members. Two million workers belong to the so-called neutral unions.

On the basis of the views clarified by the S.C.A.P. in November 1945 regarding the formation and encouragement of trade unions in Japan, as well as the protection of workers, the Japanese Government established a committee composed of 34 management and labour representatives to deliberate the enactment of laws relating to labour services. After carefully studying the findings of the Committee, the Government drafted a labour union law and put it into effect from March 1946. With the aim of preventing labour disputes and settling them most efficiently when they arise, the Government also drafted a law for the adjustment of labour relations. It came into effect from October 1946. With the enactment and promulgation of these two laws, the workers were guaranteed the right of association and collective bargaining and were protected by legislation for the prevention and solution of labour disputes. The recommendations of G.H.Q. and the Far East Commission also helped spur on the spectacular development of the labour movement.

Post-war Movement

Japan's labour unions were entirely disorganised following the war. But, by the end of 1946, they organised more than 4,920,000 workers. The number exceeded six million at the end of 1947, reached 6,670,000 in 1948. This meant that about 54 per cent. of the total number of workers in this country had been organised into unions.

The spectacular development of Japan's labour unions, on the other hand, led to a sharp increase in labour disputes as a result of the poor post-war economic conditions. The activities of unions at that time tended to go to the extreme. Acts such as so-called "production controls," etc., occurred throughout the country. The climax of this trend was the so-called "February 1st strike" by the Government Workers' Union, with the National Railways workers at the forefront. It ended in failure. It was at this point when the general strike failed that criticisms were raised against the extreme actions of labour movements. These protests first took the form of a democratisation movement within the unions themselves. In the autumn of 1947, an Anti-Communist Federation of Railway Workers was formed, while, in February the following year, a Federation for Democratisation was established within the Congress of Industrial Unions of Japan (Sanbetsu). This trend gained strength in all major unions throughout the nation. In view of the trend of Government workers' unions—led by the Communications Workers' Union—being engaged in disputes, the Government enacted, in December 1948, the law relating to labour in public enterprises and partially restricted Government workers the right to strike.

Revision of Labour Laws

From the standpoint that economic reconstruction of the country and democratisation of the labour movement must go hand in hand, an overall revision of the labour union law was carried out. With some changes made in the two laws mentioned previously, the new law was promulgated in June. The revision sought to advance the establishment and maintenance of labour relations on a democratic and rational basis and clearly to delineate illegal labour practices.

Recovering from the blows of the war, the managements finally began to stiffen their attitude. From the summer of 1950 through autumn of that year, a so-called "red" purge was carried out in vital industries, beginning with the newspapers and communications industries. In August, moveover, the once powerful Government Workers' Union was dissolved by the order of the G.H.Q. Together with these measures to correct the undemocratic elements, intense labour education was carried out for the purpose of vigorously democratising trade unions and also for fostering their healthy growth. In July 1950, democratic unions combined to form General Council of Trade Unions of Japan (Sohyo).

Second Revision of Labour Laws

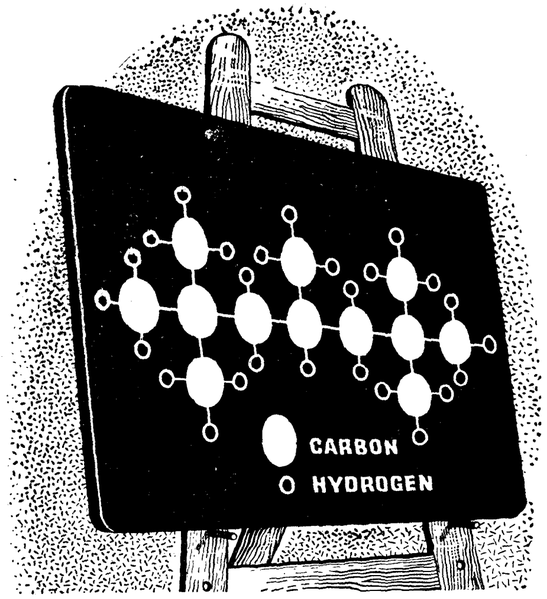
Although the previous revision of the labour laws for the establishment of rational and democratic labour-management relations had great significance, voices were again raised around 1950 in G.H.Q. and in other quarters for another revision. The question was argued in various quarters. Since the weight of the opinion was that the time was too early for an overall revision, the question was temporarily shelved.

In May 1951, however, the so-called "General Ridgway Declaration" was issued. In accordance with this, a Government Ordinance Consultative Committee was established in the Cabinet and a report was made on basic policies regarding a revision of the labour laws. Thus, the question was again taken up. On the basis of the Committee's report, partial revisions were carried out in the three labour laws (trade union law, labour adjustment law and public workers law). They were one phase in the revisions of various occupation-instituted laws as a result of the coming into force of the Peace Treaty. The new laws were promulgated in July of that year.

Labour Unions At Present

The labour movement in Japan, which registered unusual progress in the immediate post-war years, receded temporarily in 1949, but began to develop again from 1950, with the gradual expansion of the national economy and the organisation of Sohyo. During this period Sohyo's original democratic character changed and gradually shifted to the left. Unions were critical and dissatisfied with Sohyo's growing political struggles. They seceded and organised the Zenro (Japan Trade Union Congress).

At present, labour unions are divided into two principal groups: the three million-member Sohyo (two million belong to the Government Workers' Union) and the 620,000-member Zenro. Neutral unions have a total membership of over two million. According to statistics compiled in June 1955, there are 32,000 unions in Japan with a total membership of 6,184,561. The estimated ratio of organisation is 39.5 per cent.



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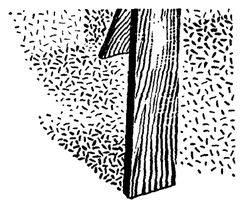

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RESTORING SOLVENCY OF JUTE INDUSTRY

NEED FOR FRESH THINKING

READERS will recall that a brief reference was made last week in our Market Gossip columns to the rumour that the Government of India was considering the question of fixing a "floor" price for jute manufactures, with a view to helping the jute mills. At the time we wrote on the subject, the rumour had evoked in our mind the idea that the Government might, by fixing a minimum price, offer to purchase jute goods whenever the price thereof went below the "floor" price and build up buffer stocks, so that it could, in lean days as at present, ensure a decent margin of profit to the mills, and sell the goods when the demand for them expanded. Subsequent reports, however, indicate that the proposal which the Government is believed to be considering is quite different from that referred to in our last issue.

According to these reports, the Government may fix a minimum export price for jute goods. It may, however, be noted that the proposal has not yet been seriously taken up for consideration by the Government. Anyway, if at all the Government has any idea of considering this proposal, it will be well advised not to take such a step, as it is unworkable and will do more harm than good to the industry which the Government is anxious to help. In the first instance, India no longer enjoys a virtual monopoly in the supply of jute goods to the world market. Secondly, jute manufactures do not command a sellers' market. As was pointed out by us last week in another context, export weather is not always fine and it can change frequently in a world where almost all countries have set for themselves the motto "export or perish." This is equally true of the export trade in jute goods where competition in world markets is increasing.

The fixation of a minimum export price for jute goods would amount to dictating prices to foreign buyers. This is sure to be resented by them. Such a step will, therefore, react on the country's foreign trade at a time when increasing attention is necessary and is being given to improving its foreign exchange resources. The recent unsuccessful attempt on the part of the Government of India in compelling foreign buyers of tea to buy more of their requirements at Calcutta rather than at London should serve as a pointer to the Government that, just as it is anxious to preserve the confidence of foreign investors in India, it should not play with the foreign buyers of Indian goods, lest it should undermine their confidence.

The present plight of jute mills is due to lack of profits. Even in the case of the few units that are able to show a surplus, the margin of profit is unremunerative. This development is due to (1) accumulation of stocks brought about by an increase in production and a fall in demand from overseas, and (2) the high level of raw jute prices. The increase in raw jute prices is due to larger demand engendered by the unsealing, under Government directive in January-February last, of 7½ per cent. of the looms kept idle. Readers will recall that expansion in working looms was ordered in quick succession, first by 2½ per cent. early in January and then by 5 per cent. in February. The effective solution for stock accumulation and higher raw jute prices lies in stimulating the demand for jute goods and in increasing the supply of raw jute. But these results cannot be achieved overnight.

The alternative would be to curtail production of jute goods, which in turn would automatically lead to a drop in the demand for jute and thereby to lower prices for the raw material. But, as the Government seems to believe that there must be plentiful supply of jute goods to meet the possible increase in the demand for them and to maintain prices at reasonable levels, this alternative will not appeal to it. A mere fixation of minimum prices is, however, no solution at all. It will assist nobody. On the contrary, it will lead to undesirable consequences. If the current prices for jute goods are unremunerative to producers, as they seem to be, then the minimum prices will necessarily have to be higher. But the outcome of such a step is not difficult to imagine. It may mean outpricing Indian jute goods in the world markets. It will make it easy for Pakistan and other foreign jute manufacturers to compete successfully with India. Another consequence of this move will be an increase in raw jute prices, which in turn will raise the mills' cost of manufacture. It may be argued that, by fixing a ceiling on raw jute prices, the increase in mills' cost could be averted. Such a step, however, may hamper production of raw jute and even the modest target of 1 million tons for additional output during the second Five-year Plan period may not be reached.

These aspects of the problem are so simple and obvious that it will be most surprising if the Commerce and Industry Ministry, headed by such a shrewd business man and practical student of economics as Mr. T. T. Krishnamachari, is thinking of merely fixing a minimum price for jute goods. It is true that this minister has occasionally tried to stop economic tides in the fashion of King Canute. Nevertheless, it is hard to believe that he will be that foolish in regard to jute goods, the major markets for which lie outside the country and, therefore, beyond his control.

An effective way in which the Government can ensure the financial solvency of the jute industry is, as was indicated by us last week, to guarantee a minimum price for jute goods or to give them an export bonus in cash. This will no doubt amount to subsidising the jute industry, but, as a short-term expedient, there cannot be any serious objection to it. In times of boom, the Government had mulcted the industry of crores and crores of rupees. It will be only in the fitness of things if a part of this amount is expended on the industry for sustaining its strength during the current period of lean days. It would, however, be infinitely better if any scheme for this purpose were related to another designed to reorganise and rejuvenate the industry, so that its benefits may last longer. The Government and the industry will be well advised to consider a plan similar to the one adopted by the late Sir Stafford Cripps for strengthening Lancashire cotton mills. Some special incentives may be offered to those jute mills which are prepared to merge themselves with one another into strong units for the purpose of reducing excess capacity, modernising their machinery and working double shift. There is need for fresh thinking, in order to restore the competitive capacity of Indian jute industry. And the sooner it is done the better.

(*Concluded from next column*)

original target of only 39,000 acres fixed for the first three years. The total area expected to be covered by the 1956 replanting permits is about 28,000 acres. Even after making allowance for the abandonment of the replanting scheme by a few planters, it is estimated that about 24,000 acres will actually be replanted on 1956 permits, bringing the total area so replanted in the first four years of the subsidy scheme to nearly 77,000 acres, as against the original target of 52,000 acres for the period.

BONUS FOR TEA LABOUR

An agreement has been signed recently between the representatives of the I.N.T.U.C. Union of Tea Planters in South India and the United Planters' Association of South India in respect of bonus payable for the years 1952-53 and 1954. It covers about 100,000 workers employed in tea plantations throughout the Madras State. The management of tea plantations had already paid bonus voluntarily for the three years 1952, 1953 and 1954 at 6¼ per cent., 8¼ per cent. and 10 per cent., respectively, of the total earned wages of workers during these years. The workers, however, did not agree to accept it as final bonus and received it only as interim bonus. The dispute for additional bonus for the years 1952 and 1953 was referred to a Special Tribunal and the issue is still pending before it. Meanwhile, the bonus for 1954 and 1955 had become due and the delay in final settlement of the dispute caused restlessness among the workers.

After protracted negotiations and through the good offices of the State Government, an agreement was reached recently in respect of the years 1952, 1953 and 1954. Under this agreement, the managements of plantations have to pay a total bonus of about 33 per cent. of the total annual wages for the three years. This means that they will have to pay an additional bonus of 8¼ per cent. of the total earned annual wages for the three years. It has, however, been agreed that the additional 8¼ per cent. should be on the 1954 earned wages. A notable feature of the agreement is that all the tea plantations have agreed to pay this additional bonus of 8¼ per cent. regardless of profits or losses.

The payment of the additional bonus is expected to be made before 1st July 1956. In the case of estates with mixed crops, they will be treated as tea plantations for the purpose of bonus payments, if 25 per cent. or more of the acreage is under tea.

RUBBER OUTPUT HIGHER

CEYLON'S REPLANTING SCHEME GOES AHEAD

THE output of natural rubber in India during the month of April 1956 amounted to 1,826 tons, which compares favourably with that of 1,279 tons in the previous month. It, however, falls short of that (2,277 tons) in the corresponding month of 1955. The improvement over the previous month means that production has maintained the upward trend for the second month in succession, after the sharp fall from 2,083 tons in January to 976 tons in February.

This trend of production during the first four months of the current year is not unusual; it is in consonance with the trend noted in previous years, as will be borne out by the table below. It will, however, be noted that the improvement in output during the past two months has not been large enough to make good the decline in February. It may also be noted that the April output is the lowest in the last five years.

The following table shows the trend of production during the first four months of the last five years:

(In tons)

	1952	1953	1954	1955	1956
January	1,651	1,992	1,898	1,709	2,083
February	325	390	406	435	976
March	1,127	1,031	1,220	1,329	1,279
April	1,073	2,045	1,967	2,277	1,826

The aggregate output during the first four months of the current year is 6,164 tons, as compared with 5,741 tons in the corresponding period of 1955; it is probably the highest so far recorded for this period.

Consumption of rubber by manufacturers during the month under review aggregated 2,402 tons, as against 2,341 tons in March 1956 and 2,140 tons in April 1955. The increase in consumption in April this year has reversed the downward trend in monthly consumption noted in the previous three months.

The total consumption for the first four months of the year amounts to 9,630 tons, as against 8,911 tons in the corresponding period of 1955, thus maintaining the upward trend for the fourth year in succession. It may be noted incidentally that consumption during this period of the year is nearly 50 per cent. higher, as compared with that four years before.

The foregoing figures of output and consumption for April 1956 show that the shortfall in production of raw rubber during the month was 576 tons, as against 1,062 tons in the previous month. Imports of rubber by manufacturers during the month aggregated 788 tons, as compared with 340 tons in March.

The stocks with estates, dealers and manufacturers as at the close of the month amounted to 5,276 tons, a rise of 202 tons over the month. They, however, represent a decline of 713 tons from those held at the end of April 1955, thus maintaining the downward trend for the third year in succession, having fallen from a high of 9,321 tons at the close of April 1953.

As pointed out before in these columns, the estimated deficit in requirements of rubber for the current year as a whole is estimated at 8,000 tons. India has, therefore, to rely on imports for some years to come, albeit on a declining scale, till full benefit of the replanting schemes drawn up by the Rubber Board, but yet to be implemented, materialises, provided the consumption does not go beyond expectations in the meantime. The cost of such imports may, however, not be heavy, because there is no indication of the possibility of any large rise in world prices of natural rubber, although the scope for increased consumption thereof is large. For, besides the growing tendency to produce more and more synthetic rubber in consuming countries, natural rubber growers are going ahead with their replanting schemes.

Advices from Ceylon point out that it is at present replanting its worn-out rubber area at the rate of well over 20,000 acres per annum. The latest annual report of the Ceylon Rubber Controller on the rubber replanting subsidy scheme released last week claims that the rate of rubber replanting in Ceylon, measured as a percentage of the Island's total rubber area, is the highest among the rubber producing countries in the world. The total area replanted up to March 1956 on the 1953-54-1955 replanting permits under the subsidy scheme was 45,171 acres. When the replanting of the balance of area authorised on 1955 permits is completed, the total area replanted under the scheme during the first three years of its operation will amount to about 52,700 acres, as compared with the

(*Continued in previous column*)

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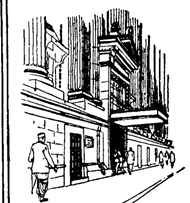
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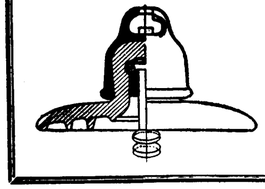
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ATOMIC RESEARCH IN BRITAIN—III

ISOTOPE PRODUCTION

By K. E. B. Jay

RADIOISOTOPES are well known as one of the most useful by-products, so far, of atomic energy work; their value in research, medicine and industry is beyond question. From its earliest days, Britain's Atomic Energy Research Establishment has concerned itself with these materials. Shortly after Gleep—the first pile to be built at Harwell—began operation, it was used to make small quantities, in spite of its low neutron flux, and equipment for isotope irradiations was built into Bepo, Harwell's second pile, from the start. Nor have the requirements of isotope production been forgotten in the new high-flux reactor Dido, which will be capable of making some isotopes, for example, cobalt-60, with considerably higher specific activity than heretofore.

The British production of radioisotopes is now very large. In the year ended 31st December 1955. 20,772 shipments of radioisotopes were made. Of these, nearly 30 per cent. were exported to some 40 different countries; Britain is in fact the largest exporter of radioisotopes in the world.

New Processes

Production of radioisotopes is the responsibility of the Isotope Division at Harwell. For some years, this Division also undertook chemical processing, but, recently, this work was divided between the Division and the Radiochemical Centre, an outstation of the Establishment situated at Amersham, in Buckinghamshire. The Isotope Division at Harwell is now responsible for irradiations in Harwell reactors and for all isotopes that require little or no processing; where the material requires more elaborate treatment, this is done at Amersham.

The Radiochemical Centre was set up originally to process and distribute natural radioactive materials, such as radium and radon, principally for medical purposes, but now the the Centre is concerned more with pile-produced isotopes. New and efficient routine processes have been established for extracting isotopes such as phosphorus-32, carbon-14, and iodine-131, for which there is a large demand.

Carbon-14 is extracted from aluminium nitride irradiated for long periods in the plutonium-producing piles at Windscale, in Northern England. This tracer, the most important of all for biological research, is incorporated in a wide range of complicated organic compounds. The Centre has developed several methods for preparing these compounds; most are made by chemical synthesis but for some, biological methods are preferred. For example, sugars and starches are obtained from carbon dioxide by photosynthesis in the green leaves of tobacco and canna plants, grown in an atmosphere of the radioactive gas. Amino acids, labelled with carbon-14, have been prepared by growing the micro-organism *Chlorella vulgaris* on a medium containing radioactive carbon dioxide and then extracting the acids from the uniformly-labelled vegetable protein so obtained. Altogether some 130 organic compounds labelled with carbon-14 are available from stock.

Industrial Radiography

The Isotope Division at Harwell has developed a number radioisotope sources for radiographical purposes, both industrial and medical. For industrial radiography of thick steel sections, the three isotopes cobalt-60, iridium-192, and caesium-137 provide gamma rays with a suitable range of penetrating powers. For thinner sections, or for sections of light alloys, the much softer gamma rays from thulium-170 have been found satisfactory.

In medical radiography the radioisotope most used so far is cobalt-60, which is replacing radium in teletherapy sources. Cobalt-60 sources with activities up to 400 curies have been made, by irradiation in the Windscale piles, for medical purposes and an 800 curie source is in use at Harwell for studying the chemical effects of radiation.

Small caesium-137 radiographic sources have also been made by pile irradiation, but this isotope is now being extracted from the fission-product waste solutions obtained in plutonium separation at Windscale. For some time separations on a scale of tens of curies have been made at Amersham, and recently the Windscale laboratory separated a caesium source of 1,000 curies, which is to be installed in a British hospital. It is expected that many similar kilocurie sources will be made in the future.

Application to Process Control

The application of radioisotopes to process control in industry, as well as to industrial research, has been given particular attention by the Isotope Division. An industrial advisory service was set up in 1948 to advise enquirers from industry on the use of radioisotopes to solve their individual problems and, in some circumstances, to perform experiments for the enquirer, either in his own works or in the laboratory at Harwell.

This service has proved very popular. It receives 600-800 different enquiries a year, roughly a quarter of which involve some experimental work or at least a visit to the enquirer's factory; this work leads to about 50 new applications of radioisotopes a year.

Applications of radioisotopes to factory operation include the well-established thickness-measuring gauges, in which the absorption of beta or gamma rays is used to indicate the thickness of a continuously-moving belt of material. The thickness of a thin coating of paint or metal on a base material may be measured by beta-ray back-scattering gauges; accurate control of the process is possible, leading to considerable savings in costs. The back-scattering of high-energy gamma rays is used to measure thickness when only one side of the material is accessible; an elegant instrument of this type has been designed primarily to measure the wall thickness of steel pipes in situ, in an oil refinery. Another useful, if perhaps obvious, application to process control is the so-called package monitor; in this, a gamma-ray beam is used to detect failures to fill opaque packages—match-boxes, bottles of pills, and so on—coming off a production line.

Testing Beer Filters

Dispersal of electrostatic charge by means of beta-emitters, such as strontium-90, incorporated sandwich-wise in robust metal holders, has been valuable in paper-making and many other industries. A method for testing the filters used in making beer has been developed which is much more rapid than older bacterial methods; fine carbon granules coated with gold-198 are passed through the filter and the filtrate tested for radioactivity.

Radioisotopes also provide an excellent means for testing industrial mixing process; by using a short-lived isotope and taking advantage of high sensitivity to increase dilution to a maximum, the method can be made completely safe.

The last two applications use the radioactive tracer principle. This is also valuable for detecting leaks, for example, in water mains or in gas-filled electric cables. Water mains are tested by means of sodium-24 in salt solution, pumped through lengths of the main; Geiger counters, placed in holes at intervals along the length of the main, enable leaks to be found quickly and accurately. This method has been elaborated, so that it can be applied to many miles of pipeline and to both oil and water mains. Sodium-24 and tritium have been used for tracing the movement of water through large volumes of soil.

A Tracer Experiment

A tracer experiment on a strikingly large-scale was done in the Thames estuary, to find out how the mud and silt were deposited by tidal movements. Glass, ground into particles of the right size and containing activated scandium, was used as the tracer material. This method has been developed for tracing the movement of undersea sandbanks; it is probably the only one by which such movements can be traced.

The application of radioisotopes to medicine, both for therapy and research, is the province of Britain's Medical Research Council and the hospitals rather than of the Establishment. However, both the Isotope Division and the Radiochemical Centre collaborate closely with individual workers in the field, developing isotopes in special forms and preparing compounds labelled as required.

Hitherto, practically all radioisotopes have been made by pile irradiation, a method which enables a very wide range of active materials to be prepared. Now, however, useful isotopes are beginning to be extracted from waste fission product solution. As far as can be seen at present, it is likely that only caesium-137 (already mentioned) and strontium-90 will be economically worth separating individually, but these will be available as very intense sources, of thousands of curies activity. Moreover, bulk solutions containing mixed fission products could probably be used as intense radiation sources for industrial purposes. These developments may be very important.

Stable Isotopes

Before leaving the subject of isotopes, we must make a brief reference to the production and sale of stable isotopes. The demand for these is much smaller than that for radioisotopes, but they are indispensable in certain researches. The Establishment has a large electro-magnetic separator with which enriched isotopes of some 40 of the polyisotopic elements below uranium have been separated and are usually available from stock. In general, the amount of each element separated lies between one and ten grams, the weight of each enriched isotope being roughly proportional to its abundance.

The isotopes may be supplied deposited on metal foils for use as targets in bombardment experiments. A new electro-magnetic machine has just been completed with which it will be possible to separate the transuranic elements and heavy radioactive nuclides generally. The Establishment also possesses fractional-distillation and thermal-diffusion columns for separating a few other stable isotopes in rather larger quantities; carbon-13, oxygen-18, and helium-3 are examples of these.—*Exclusive to Commerce.*

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PAKISTAN AIRWAYS

Mr. M. A. Ispahani, Chairman, Pakistan International Airlines Corporation, before his departure for London, announced in Karachi that the P.I.A.C. Board has approved the purchase of three Vickers Viscounts turbo-prop airliners with an option on another two aircraft. The projected purchase of the modern Viscount airliners is the second new aircraft commitment made by the P.I.A.C. recently under a fleet modernisation and expansion programme authorised by the P.I.A.C. Board of Directors. The first commitment was for the purchase of two Convairs in order to augment and improve internal services immediately. One Convair has been purchased already and negotiations for the other will be finalised soon. Mr. Ispahani is visiting London in connection with the purchase of Viscounts. Mr. K. J. Bhore, Director General of Civil Aviation, Government of Pakistan, who is also leaving for London, will act as technical adviser. Delivery of the Viscounts is scheduled for 1958.

The decision of the P.I.A.C. Board of Directors, according to Mr. Zafarul Ahsan, General Manager, P.I.A., is in line with the policy of world airlines to modernise their fleets. The use of Viscounts will multiply the benefits of air transportation for commerce and the travelling public. By taking this step now, he added, they should be able to bring to travellers the tremendous advantages of faster speeds, silent almost vibrationless flight and a far greater frequency of schedules.

PUSH-THE-BUTTON VOTING

The French National Assembly may soon be voting by button-pushing, if a project of one of its members is adopted, and signs appear favourable. The French Parliament would be following the parliaments of Sweden, Finland and a number of States of the Union in America. The great advantage would be in time-saving, for results would be known immediately and all the long vote-counting cut out. This would save many days a year. The proposal is to have four buttons, one for a vote in favour, one for a vote against, one for voluntary abstention, and one for non-participation.

NEW PRODUCTS AND PROCESSES

Armchairs of Compressed Polyester Resin

A STEEL tube office and household furniture factory [Gispen's Fabriek voor Metaalbewerking N.V. Stationssingel 25 Culemborg (Holland)], has now put on the market an armchair consisting of a lacquered and bake-enamelled steel frame (of 15 m.m.=0.6 in. diameter bar iron) and a seat and back formed by a tub, pressed in one piece under high pressure, of polyester resin reinforced with glass fibre. This material is strong and proof against temperature fluctuations and atmospheric influences. The frames of these armchairs have a light-grey colour, while the tub can be supplied in dark grey, red and off-white. The tub is attached to the frame by means of six rubber tips; the legs are fitted with a flat steel disc held in a grey plastic cap.

Double-walled Nickel Teapot

A metalware factory (N. V. Koninklijke Metaalwarenfabrieken, v/h J. N. Daalderop and Zonen, Tiel (Holland)), produces a double-walled teapot of modern design, specially made to keep the tea thoroughly hot without the use of a spirit stove, tea cosy or tea basket. The insulating space between the double walls causes the tea to keep its temperature during the meal or at teatime. The capacity of this teapot is about 10 cups and it can be filled up again in the usual manner. No stand is needed, as the bottom of the teapot does not become hot.

Better Bulbs

"The greatest single improvement in incandescent light bulb performance in 42 years" was recently announced by the General Electric Company in the United States. Developments now being placed in effect will cause increases in light output ranging from 6 per cent. for household bulbs to 15 per cent., for higher wattage bulbs used in industrial and commercial lighting. No more electricity is required to achieve this improvement. The increased light output is obtained, the Company says, by improving the tungsten filament; positioning the filament lengthwise, or axially, in the bulb; and substituting for the first time double-coiled filaments for singly-coiled ones in 300-watt and larger lamps.

Electronic Eye Sorts Lemons

Electronic eyes are now sorting lemons into five colour categories at the Oxnard, California, plant of the Somis Lemon Association. Six machines equipped with electronic eyes sort and classify 1,128,000 lemons a day. Before lemons could be sorted by machine rather than by manual labour, many technical problems had to be solved. There was the matter of colour alone—five degrees of colour ranging from dark green to bright yellow. The fruit also can be easily bruised and damaged by mechanical equipment. Researchers also had to devise a method of total exposure to the electronic eye for each lemon, so that the most minute discolouration could be detected. The equipment now in use is the result of several years of laboratory research and field experiments. It was made by the Electric Sorting Machine Company of Grand Rapids, Michigan, which also makes sorters for beans, peas, seeds, coffee, peanuts, and plastic materials.

Antidote for Machine Vibration

A simple electronic device which can isolate vibrating machines or reduce their vibration has been built by the Radio Corporation of America. The new device is an electronic means of turning vibration against itself through a detecting and amplifying system which responds instantaneously to each motion of a vibrating machine, either by creating an opposite force or by absorbing the motion. The vibration reducer is a small box-like unit. Several of these units are placed beneath a machine to isolate it from the floor. The device can be used either to reduce the vibration of the machine itself, or simply to prevent the vibration from being transmitted to the floor. Since the system is electronic, the entire process is carried out almost instantaneously, permitting the reducer to counteract or absorb vibrations at speed of thousands of times per minute.

Pellets for Cattle Feed

Cattle of the future may get an entire bale of hay in the form of a shovelful of pellets, Mr. H. D. Bruhn, Professor of Agricultural Engineering at the University of Wisconsin in the United States, predicts. Tests at the University show that most cattle feeds can be made into small pellets. This is done by subjecting hay, corn or alfalfa to tremendous pressures in a pelleting machine. Pressures as high as 20,000 pounds per square inch have been used in one such machine. A practical pressure appears to be from 4,000 to 6,000 pounds per square inch. Pelleted hay or grain, the Wisconsin scientist reports, can reduce labour, the need for maintaining high-quality feed, and cut the cost of storage space, feed-handling equipment and transportation.

Insecticidal Clear Varnish

A paint factory (Vernis-en Verffabriek v/h H., Amsterdam (Holland)), turns out a clear varnish incorporating an insecticide. This varnish can be painted over all existing coats of paints without changing either the colour or the quantity of the base. Six hours after the application of the varnish, the insecticide comes to the surface in a fine crystalline form, perceptible only with the aid of a strong magnifying glass. All sorts of insects which come into contact with the varnish are paralysed within a few seconds and die soon after. The varnish is harmless to warm-blooded creatures. The varnish can be used in the shipping trade, in workshops and storage rooms, which attract many insects and in breeding and hiding places of insects. The insecticide remains active for one-and-a-half to two years, even when the coat of varnish is repeatedly washed with soap suds.

THE BRITISH PETROLEUM COMPANY, LTD.

MR. B. R. JACKSON ON THE TASK AHEAD

THE Forty-seventh Annual General Meeting of the British Petroleum Company, Limited, will be held on 7th June 1956 at Britannic House, Finsbury Circus, London, England.

The following is an extract from the circulated statement of the Chairman, Mr. B. R. Jackson:

"During 1955 substantial progress was made in all aspects of the B.P. group's operations. Our total sales increased by 15 per cent., crude oil production by 25 per cent., and refining throughput by 23 per cent., while exploration and marketing operations were further diversified and extended. The Company thus played a full part in meeting the free world's expanding demand for petroleum, which increased by 11 per cent. in 1955, continuing the post-war trend which has resulted in a doubling of world consumption of oil products in the last ten years.

Consumption Expected to Increase

"The roots of this strong demand lie not only in the growth of industrial activity and improving standards of living; they also, in the Eastern Hemisphere, lie in the more limited capacity for increasing output of the other major sources of energy, especially coal. There is every indication that this combination of factors will maintain the post-war rate of expansion in world petroleum consumption until nuclear power becomes available to supplement world energy resources on a substantial scale. Thus, in the next ten years the world petroleum industry may well be again called upon to double its present output. The rate of expansion can be expected to continue, as now, to be greater in the Eastern Hemisphere, where this Company mainly operates; and the Middle East oil-producing territories, in which we have so substantial a position, are expected to contribute an increasingly large proportion of the world's requirements.

"The discovery, production, refining, transportation and distribution to the consumer of the oil supplies needed to meet such a future demand can only be achieved by large-scale capital expenditure on the facilities necessary for each of these operations. The oil industry generally, and the B.P. group as one of its major components, will have to provide for the greater part of this expenditure from its own resources. If the industry is to maintain its record of meeting all consumers' needs, the performance of the task which lies ahead of it will require both adequate economic price levels and the continued ploughing back of a high proportion of earnings to finance future growth.

The Accounts

"The consolidated trading profit and other income for 1955 before providing for depreciation and overseas taxation was £139,817,943, as compared with a corresponding figure of £118,228,792 for 1954.

"Depreciation totalled £22,143,401, as compared with £30,406,091 for 1954. The reduction of £8,262,690 is mainly under the heading of fixed assets on which expenditure in 1955 was considerably lower than in 1954. The reduced capital expenditure marks the virtual completion of the recent heavy programme of refinery expansion and tanker construction, but as indicated by the figures totalling £97,200,000 mentioned in the accounts, capital expenditure is certain to be heavy if the Company is to keep pace with the frequently changing improvements and expansion of the oil industry.

"The 1955 figure of overseas taxation of £62,691,602 compares with £42,879,851 for 1954, the increase in the main being due to our larger offtake of oil from the countries concerned. Provision for United Kingdom taxation, after double taxation relief, amounts to £8,697,875.

"The amount available for reserves and dividends is £46,189,539, as compared with £17,043,404 for 1954. In view of anticipated requirements for future capital expenditure, your Directors have placed £28,500,000 to the general revenue reserve and have recommended a final dividend, on the ordinary stock, of two shillings per £1 stock unit, free of income-tax, making a total for the year of three shillings per £1 stock unit, free of income-tax. The total now standing to the credit of general revenue reserve is £75,000,000.

"The total capital expenditure of the Group during 1955 was approximately £43,000,000.

Production

"Our total crude oil production in 1955 was 46,000,000 tons, over 9,000,000 tons more than in 1954, the increase being mainly due to larger production in Iran and Kuwait.

Refining

"Our total refinery throughput in 1955 was 29,500,000 tons, 5,500,000 tons more than in 1954. This increase was mainly due to 1955 being the first complete operating year of Aden refinery, and the first operating year of Kwinana refinery in Western Australia, commissioned in February 1955; also to our share of processing at Abadan during its first complete year's operation under the consortium agreement of October 1954.

"In Great Britain, the total throughput of our Kent, Llandarcy, and Grangemouth refineries decreased by some 2,000,000 tons to 8,500,000 tons; this being due to the major increases in offtake from Aden, Kwinana and Abadan replacing the uneconomically routed products which had, during the last four years, to be drawn from the United Kingdom refineries to assist in the supply of our Eastern markets."

The statement then referred to the refinery operations in France, Germany, Belgium, Italy, Aden, Kuwait, Australia and Iran.

Sea Transport

"The British Tanker Company's fleet now consists of 144 ships totalling 2,018,000 deadweight tons, and we have also about 2½ million tons of tanker shipping on charter. There are now 41 ships totalling 1,225,500 deadweight tons under construction or on order for the British Tanker Company. The estimated cost of this building programme exceeds £80 million.

Distribution and Sales

"The B.P. group's sales of crude oil and refined products in 1955 attained the record level of 48 million tons, an increase of more than 6 million tons or 15 per cent. over the 1954 total.

"The sales expansion reported last year in India, Pakistan, the Middle East, South and East Africa and neighbouring markets, has continued.

"The international coverage of B.P. Aviation Service and our sales of aviation fuels are steadily expanding.

"The B.P. International Oil Bunkering Service, now in its thirty-sixth year of operation, is established at more than 160 ports on world shipping trade routes.

"Sales of our lubricants have increased very satisfactorily. B.P. Energol brands have been introduced successfully in the following new areas: Portugal, Spanish Morocco, Tangier, Gibraltar, British and French West Africa, Iceland and Madeira. Our new motor oil, B.P. Energol Visco-Static, has established itself in a foremost position as a multigrade oil in the United Kingdom, on the Continent and in Australia. Good progress also continues to be made in the international marine oil market."

INSURANCE PROBLEMS OF PEOPLE IN LOW-INCOME GROUPS

RESULTS OF SURVEY CONDUCTED IN HYDERABAD

NOW that life insurance has been nationalised, it becomes the responsibility of the Government to ensure that its message is carried to wider sections of India's population. In this country, where the *per capita* insurance is no more than Rs. 30, there is certainly scope for extending the benefits of life insurance. But this is a task that calls for expert knowledge and efficient organisation. In this context, the Institute of Economics, Hyderabad (Director: Prof. S. Kesava Iyengar), deserves to be congratulated on the exhaustive survey it has conducted into the insurance problems of the low-income groups in Hyderabad-Secunderabad City. The Survey brings out the inadequacy of life insurance in these groups, and also analyses the reasons as to why insurance has not been popular. The Survey can be said to have a country-wide significance, inasmuch as conditions elsewhere in India are not likely to be very different from those in the Hyderabad-Secunderabad area. Appropriately enough, Mr. Mehdi Nawaz Jung, Minister for Rural Reconstruction and Medical Public Health Services, Hyderabad Government, in his brief introduction to the Report of this inquiry, has commended the Report "for careful study by the public as well as Government Departments interested in the augmentation of social welfare."

At the outset, it may be useful to set out the scope and the results of this inquiry. Briefly, they are:

(1) The inquiry, which was confined to income groups up to Rs. 500 per month, covered 4,302 samples out of 19,439 employees in shops and establishments as per the record of the Labour Department; thus, the Survey covered about 22.13 per cent. of the employees.

(2) Out of the 4,302 samples covered by the Survey, only 407 are insured and have 482 policies —all endowment policies.

(3) The face value of 482 insurance policies is Rs. 12.51 lakhs with a cash value of Rs. 1.71 lakhs. Advances against policies account for Rs. 7,231. If all the 4,302 samples had been insured at the proportions obtaining in this inquiry, the face value of policies would have been Rs. 132.24 lakhs.

(4) The Survey reveals that, as the household increases in inmates, the *per capita* protection declines—from Rs. 3,116.67 (single-member household) to Rs. 321.62 (9-12 size group).

(5) Only 64 out of 407 insured samples have insurance protection beyond the age of 40.

(6) The total monthly premium is Rs. 5,477 or 8.46 per cent. of the income and the total annual premiums work out to 5.25 per cent. of the face value of the policies.

(7) There are 89 samples with lapsed policies, the face value being Rs. 1.58 lakhs. These included 16 cases where the policies are capable of renewal but have not been renewed due to inability to pay arrears of premiums.

To turn now to some of the details of the data collected by the investigators. Only 407 out of 4,302 samples, as already stated, have life insurance policies, the total face value being Rs. 12.51 lakhs. The distribution of insurance among the different income-groups is given below:

Income range	No. of samples	No. of insured samples	No. of policies	Percentage of (2) to (1)
Rs.				
1-54	1,927	12	12	0.62
55-100	1,700	127	130	7.47
101-150	357	97	103	27.17
151-200	144	68	75	47.22
201-250	71	38	47	50.70
251-300	37	23	42	62.16
301-500	66	44	73	66.66
Total ..	4,302	407	482	9.46

Among the 407 insured samples, there are in all 482 policies—all of them endowment policies. The contract period ranges from 10 years to 35 years, the most popular being 20-25 years. The smallest policy is for Rs. 500 and the largest for Rs. 25,000. The Survey reveals that there has been no instances of female life insurance. Further, in all insured cases, insurance agents "took the initiative, approached the parties and took out policies." Even in the case of the people employed in insurance offices, the initiative, it is stated, did not come from the insured. This observation serves to lend weight to the maxim that insurance is invariably sold and not bought.

An interesting feature of the Survey is the attempt made by the investigators to know from the persons interviewed the reasons for non-insurance. Since the listing of all reasons would make the overall picture vague, only the predominant reason was recorded in each case. The predominant reasons are:

Number of Cases

Ignorance of life insurance 578; no saving margin 520; literature in unknown language 349; laborious process in payment of premiums 321; too young by age 317; inability of insurance agents to explain 291; fear of lapse 245; laborious process in securing loans 229; no necessity: no dependents 213; laborious process in settlement of claims 136; fear of medical examination 119; laborious process in taking out policies 118; objection of wives 113; no credit facilities for prompt payment of premiums 112; disbelief in long-term contracts 87; fear of liquidation of the insurance company 74; medically unfit 34; religious objection 27, and more reliable avenues of investment 12—Total 3,895.

If there is to be further progress in life insurance, something must be done to remove the obstacles in the way of taking out policies. There is, of course, one important reason, namely, absence of "saving margin" and this cannot be set right immediately. But there are other causes which deserve notice. Thus, ignorance of life insurance could be eradicated through more publicity. Similarly, the "laborious process in securing loans" could be set right through appropriate administrative action.

The total monthly premium which is paid by the 407 insured samples in the Survey is Rs. 5,477 while their total income is Rs. 64,967 per month. Thus, the percentage of premium to total income works out to 8.46, the range of variations being 6.81 in the income group Rs. 101-15 and 10.81 in the income group Rs. 251.30. The Report points out that 10 per cent. of income is considered as generally commensurate in the income ranges included in this inquiry, and so far as insured samples are concerned, the extent of protection may be considered as not unsatisfactory (the overall percentage being 8.46 in this inquiry). But it should be remembered here once again that 3,895 samples have no life insurance, and the percentage of insurance premiums is zero. Among the different income ranges, the percentage of premium to income stands as follows:

Income ranges Rs.	*Percentage of insurance premium to income*
1-54	9.17
55-100	7.04
101-150	6.81
151-200	7.76
201-250	8.31
251-300	10.81
301-500	10.31
Overall	8.46

The percentage is high in the lowest income group and in the Rs. 251-500 group. It generally descends as the income range rises between Rs. 55 and Rs. 150. The Report adds: "No particular relation between insurance premiums and incomes is discernible: it should be remembered that life insurance is only one avenue among several others for saving."

The average face value of insurance protection varies from income group to income group. In the income range Rs. 1-54 the average face value is Rs. 1,166, in the Rs. 55-100 range it is Rs. 1,438, in the Rs. 101-150 range Rs. 2,433, in the Rs. 151-200 range Rs. 3,182, in the Rs. 201-250 range Rs. 4,669, in the Rs. 251-300 range Rs. 7,348 and in the Rs. 301-500 range Rs. 6,026; the overall average is Rs. 3,074. Thus, as the income range rises, insurance protection also rises, except in the Rs. 301-500 group. The Survey explains this exception by pointing out that provident fund contributions are particularly heavy in this group. The *per capita* insurance figures for the different income-groups are given below:

Income range	*Per capita* protection per insured household	*Per capita* protection per inmate of all sample households
Rs.	Rs.	Rs.
1-54	341.46	2.78
55-100	370.39	27.51
101-150	530.23	131.30
151-200	630.78	264.82
201-250	1,012.65	414.21
251-300	1,352.00	884.21
301-500	978.41	535.85
Overall	664.09	81.86

Lapses constitute one of the most intractable of India's insurance problems. The inquiry reveals that it found 89 samples with lapsed policies, the face value of such policies being Rs. 1.58 lakhs. Growing consumption expenditure, it is stated, is by far the most important cause of lapses. This reason accounted for 68 cases of lapsed samples. The other causes were: downgrading of employment (6 cases); liquidation of insurance company (3 cases); quarrel with the agent (1 case); other causes (5 cases). Analysing the causes still further, one finds that growing consumption expenditure accounts for all lapses in the Rs. 1-54 income group and for 28 out of 44 lapsed samples in the Rs. 55-100 income group. In the Rs. 101-150 income group, this cause was responsible for eight cases of lapsed policies, in the Rs. 151-200 income group for 12 lapses, in the Rs. 201-250 income group for four lapses, in the Rs. 251-300 income group for six lapses and in the Rs. 301-500 income group for four lapses. Commenting on the occurrence of this cause even in the upper income ranges, the Report points out that it is due to the shrinkage in the saving margin in all income groups Rs. 1-500, thanks to the fall in the purchasing power of money and the rise in the respective standards of life or in the size of the family. This observation deserves to be underlined for the reason that any further fall in the purchasing power of money through inflation during the period of the next Five-year Plan may conceivably aggravate the problem of lapses.

INSURANCE BILL

Several important points were made by the Union Finance Minister, Mr. C. D. Deshmukh, in the course of the debate on the Insurance Corporation Bill in the Lok Sabha which passed the Bill last week. To some of these points, reference has already been made in this journal. Among others, mention deserves to be made of his views on organisation of the Corporation, compensation and general insurance.

So far as organisational matters are concerned, Mr. Deshmukh said that the Government proposed to have: (1) Northern zone, with headquarters at Delhi, covering the areas of the Punjab, Rajasthan, Himachal Pradesh and Jammu and Kashmir; (2) Central zone, with headquarters at Kanpur, covering Uttar Pradesh and the proposed new Madhya Pradesh; (3) Eastern zone, with headquarters at Calcutta, covering Bengal, Assam, Bihar, Orissa, Manipur, Tripura and Andaman Islands; (4) Southern zone, with headquarters at Madras, covering Andhra, Madras, Kerala and Mysore, and (5) Western zone, with headquarters at Bombay, covering Bombay, the new States of Maharashtra and Gujarat. He revealed that the Government's intention was to avoid over-centralisation. He said: "Only matters like investment and other big policy matters will be dealt with at the Centre. Most of the other matters will be delegated to the zones. There will be further delegation to the division offices and it is our intention that they should more or less function as head offices of the Corporation with a wide measure of autonomy."

In the course of the debate, some members complained that compensation was not only over-generous but "unconscionably over-generous." Replying to these critics, Mr. Deshmukh said: "When we give compensation, we try to give compensation. I deprecate this tendency first of thinking in terms of compensation and then trying to work out ways of reducing it. On the whole, we are trying to give compensation and not trying to practice a fraud on the law."

Mr. Tulsidas Khilachand, through a series of amendments, urged that the insurers should be paid compensation with interest at 3½ per cent. from the date on which life insurance was nationalised. He suggested 31st December 1956 as the target date for the payment of compensation. Mr. Deshmukh said he could not accept this proposal. He added: "We are ourselves most anxious that the compensation should be settled and paid as quickly as possible. We, therefore, do not anticipate any delay." He estimated the total compensation likely to be paid to companies at Rs. 450 lakhs. He was quite convinced that the compensation that was being offered was fair and reasonable to the insurers and not unfair to the community. The House accepted an amendment moved by the Finance Member, providing for additional compensation to displaced insurers.

The Finance Minister reiterated his earlier stand that no useful purpose would be served by nationalisation of general insurance. He, however, added: "In this country, we are aware, as in life insurance, there are malpractices in general insurance also. If we find there is no improvement in that respect, we shall be forced to re-examine this question but only in that context." He said that the Government decided not to nationalise general insurance, because that was part and parcel of the private sector of trade and industry and functioned on a year-to-year basis. The commissions and omissions in the conduct of the business did not directly affect individual citizens. Again, that kind of policyholders did not stand in need of protection. On the contrary, life insurance business, he said, concerned individuals whose life savings might be affected by acts of folly on the part of those who were in control of that business. Moreover, accumulation of vast funds in private hands carried with it the danger that the funds might not be used in the interest of the community. Further, the total funds available in general insurance was less than Rs. 50 crores. From the point of view of the second Plan, nationalisation of general insurance, Mr. Deshmukh pointed out, was not going to offer any significant assistance.

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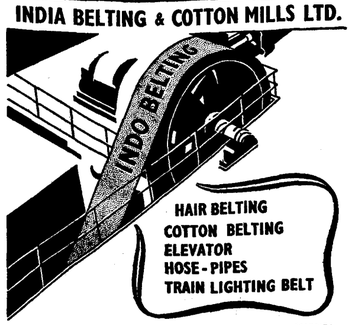

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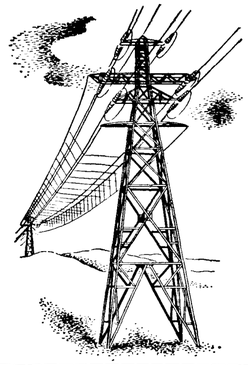

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GENEVA CONFERENCE OF G.A.T.T. ENDS

FURTHER TARIFF CUTS AFFECTING WORLD TRADE WORTH $2,500 MILLION

THE protocol of acceptance for new tariff reductions, signed by the representatives of 22 member-countries of the General Agreement on Tariffs and Trade—G.A.T.T.—at Geneva on Wednesday last week, marks another important step forward towards the establishment of a free and multilateral system of world trade. The protocol covers a wide range of tariff concessions in the form of lower or bound tariffs; they benefit over $2,500 million of international trade in value; the new tariff schedules, it is said, will be announced on the 7th inst., after the technical work of preparation has been completed. With these schedules, the whole Agreement will cover more than three-quarters of world trade for which tariffs are now bound and subject to international supervision.

The negotiations at Geneva constituted the fourth multilateral attempt under the G.A.T.T. to reduce tariff barriers. The previous rounds of negotiations, it will be recalled, were held at Geneva in 1947, at Annecey in 1949 and at Torquay in 1950-51. These rounds were considered to have "well nigh exhausted the possibilities of product-by-product tariff bargains between high and low tariff countries." In October last, the contracting parties to the G.A.T.T. exchanged the lists of products on which they were interested to receive tariff concessions from their principal suppliers. Owing to the wide range of differences in levels between existing tariffs, the rule was duly recognised that the binding of low tariffs was, in principle, equivalent to the reduction of high tariffs.

The Main Purpose

The main purpose of the latest round of negotiations was to take advantage of the new powers conferred on the U.S. President to cut tariffs by the renewed Reciprocal Trade Agreements Act. Under this Act, the President may reduce any rate of duty in excess of 50 per cent. *ad valorem* to that level. He can also reduce the other rates up to 5 per cent. of their January 1955 level in each of the next three years, the first one being negotiable before 1st July 1956. The American delegation to the recent Geneva talks was, however, empowered to negotiate the three slices at the same time under the proviso that they would be implemented over three years.

The results achieved at the Geneva Conference, some claim, markedly exceed expectations. It is, for instance, pointed out that, in addition to the U.S., other countries, including Germany and Italy, had substantial concessions up their sleeves. These eventually gave substance to some 60 bilateral agreements concluded among 22 countries. From the world trade policy angle, the participation of the U.S., of course, was of great interest. For whatever the actual concessions granted by the American delegation, the main problem as seen by the other contracting parties was to have the U.S. acting on a low barrier trade policy.

Speaking at the closing session of the Conference, Mr. Dana Wilgress, Chairman of the G.A.T.T., claimed that, as a result of the Conference, the mass of tariff concessions, already embodied in the General Agreement, had been significantly extended by the addition of concessions affecting trade to the value of over $2,500 million. Mr. Wilgress no doubt admitted that the extent of the reduction of individual rates of duty had been limited for a variety of reasons, with some gratifying exceptions, most of the concessions tended to vary between a cut of 15 per cent., on the one hand, and the binding of existing rates, on the other. Nevertheless, he declared that, as this Conference followed extensive negotiations which had taken place since 1947, "we can certainly feel greatly encouraged at the further progress we have made at the Conference in the vast effort to scale down tariff rates throughout the world."

A Warning

Expressing opinions more or less similar, Mr. C. W. Sanders, Adviser on Commercial Policy to the U.K. Board of Trade, said that, as measured by the area of trade covered, the latest tariff reductions constituted a useful addition to what had been done at the G.A.T.T. conferences to reduce and stabilise tariffs on a mutually advantageous basis. He, however, sounded a note of warning to the so-called "no tariff" countries on the Continent that Britain's participation in any original mechanism of tariff cuts would be difficult to secure. Mr. Sanders was prompted to utter this warning by the pressure of the Continental "no tariff" countries for another round of tariff reduction as revealed in the closing speeches of their delegation. The most outspoken on behalf of these countries was Baron C. A. Bentinck, the Netherlands representative, who frankly expressed disappointment and urged that new steps should be taken for "a meaningful reduction of the disparity of European tariffs."

Quota Barriers

Whatever may be the comments made on the outcome of the Geneva Conference of the G.A.T.T., the Conference has at least provided an opportunity for further tariff negotiations on a world-wide basis, including the U.S. Even so the fact remains that the work of reducing tariffs would, as Mr. Dana Wilgress rightly pointed out, be of doubtful value, if the G.A.T.T. could not eliminate the quota barriers "that are even more restrictive than tariffs and much easier to apply." Indeed, there is no exaggeration whatever in the statement of Mr. Wilgress that "we must all of us feel a certain sense of anxiety that the ratification of the Organisation for Trade Co-operation (O.T.C.), the Governing body of the G.A.T.T., still remains uncertain." After all, there are few fields of international activity where there is more need for co-operation than in that of international trade.

India dropped out of the Geneva tariff negotiations, since it did not have any concessions either to be offered or to be received. Similarly, Greece and Nicaragua did not participate in the negotiations.

INDO-BURMESE TRADE

The discussions relating to Indo-Burmese trade, held at New Delhi recently between the Indian delegation led by Mr. Ajit Prasad Jain and the Burmese delegation led by Mr. U. M. A. Rashid, Burma's Minister of Trade, Development and Labour, have ended in success. It has been agreed between the two countries to conclude a fresh trade agreement designed to step up the volume of trade between them "to as high a level as practicable." The broad outlines of the proposed agreement have been discussed and the two Governments have expressed their willingness to accord all possible facilities to promote exports to and imports from the other country.

In the past year, there was a sharp setback in Burma's exports to India. The aggregate value of exports from that country to India during 1955 was thus only Rs. 22.71 crores, as against Rs. 44.16 crores in 1954, while the value of its imports from India was lower at Rs. 13.29 crores, as against Rs. 16.41 crores. In other words, the favourable balance of trade which Burma enjoyed with India has narrowed down, from Rs. 27.75 crores in 1954 to Rs. 9.42 crores in 1955.

Pending the conclusion of the proposed trade agreement, the Government of India has agreed to the purchase of 2.0 million tons of rice from Burma over a period of five years commencing from 1st June 1956. This arrangement, it is agreed, will provide the necessary means to enable Burma to obtain a larger proportion of its requirements from India. On its part, the Burmese Government has undertaken to provide adequate facilities for the trade between the two countries "to be developed to the highest practicable level." The price of Burmese rice is fixed at £34 per ton for 1956, at £33 for 1957 and at £32 for 1958. The price for the remaining two years—1959 and 1960—will be fixed by mutual agreement.

METRIC SYSTEM OF WEIGHTS AND MEASURES

At the meeting held at New Delhi last week, the Standing Metric Committee of the Government of India approved of the revised draft covering the standards of weights and measures. The revised draft is much wider in scope than the one prepared earlier, inasmuch as it covers, in addition to standards of weight, length, area, volume, and capacity as covered by the earlier one, also standards of mass, time, temperature, electric current and luminous intensity. The revised draft lays down a maximum period of ten years within which the metric system of weights and measures should be adopted throughout the country. The date for the introduction of the metric system of weights and measures in certain sectors has been tentatively fixed as 1st January 1958.

The Committee urged the Government to expedite the introduction in Parliament of the Bill giving effect to the implementation of the revised draft. It further urged that, after the adoption of the Bill, a conference of the representatives of State Governments should be convened for consultations on steps to be taken for the early adoption of the new system. Meanwhile, steps should be taken, according to the Committee, for the manufacture of an initial quantity of standard weights and measures in ordnance factories for being supplied to the interests concerned. The Indian Standards Institution is expected to produce the designs of new weights and measures by October next. The Committee decided to accept *in toto* the international nomenclature for the metric system. This decision was a sequel to the majority view of the sub-Committee which had gone into the question earlier. It felt, at the same time, that a sample survey should be undertaken in order to assess the prospective demand for weights and measures.

The Committee also took four other decisions. First, immediate consultations should be held with the Union Education Ministry over the revision of educational curricula, with a view to giving greater importance to the metric system of measurements. Secondly, as a preliminary to the ultimate publication of official statistics in metric units, a beginning could be made by showing aggregate and summary data in the old and new systems. Thirdly, the form of organisation needed to promote the adoption of the metric system in the private sector should be taken up for discussion at the forthcoming meeting of the Central Advisory Committee for Industries. An advisory and consultative cell is proposed to be set up under the Standing Metric Committee to advise private establishments on the adoption of the metric system. Fourthly, a quarterly metric journal, as well as *ad hoc* bulletins, should be published in order to make the knowledge of the new system universally available.

During the discussions, it was revealed that action was being taken with regard to the earlier recommendation of the Committee that the Government of India should join the International Bureau of Weights and Measures.

PLASTIC INDUSTRY IN INDIA

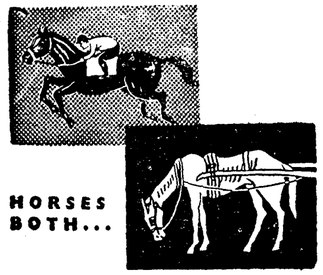
Plastic goods valued at Rs. 14.6 lakhs were exported from India during 1954-55. Revealing this during question hour in the Lok Sabha the other day, Mr. M. M. Shah, Minister for Industrial Development, gave the details of the steps taken for the development of the plastic industry. According to him, all the raw materials required by the industry, as well as machines, are allowed to be imported freely. Phenel formaldehyde, which is one of the essential raw materials for the industry, has been given tariff protection and the duties levied on the chemical raw materials used in its manufacture are permitted to be refunded to those who have the minimum production of 200 tons. Finished plastic goods, for which there is sufficient capacity in the country, are not generally permitted to be imported. The Government has obtained the services of foreign experts under the U.N.T.A.A. Programme for imparting to the industry knowledge about the latest developments in the processing of goods, as well as designing tools. Encouragement is given to the Indian *entrepreneurs* to collaborate with foreign manufacturers of plastics raw materials to set up plants for their production within the country.

The Plastic Sectional Committee of the Indian Standards Institution is engaged in drawing up standards for plastics raw materials and various finished plastic goods, particularly those meant for export. The Plastic Research Committee of the Council of Scientific and Industrial Research sponsor investigations which have a direct bearing on the industry's development. In order to step up exports, an Export Promotion Council for the industry has been set up. A rebate on import duty on some of the major raw materials used in the manufacture of exported plastic goods is granted and additional licences for such imported raw materials are issued under the scheme of export promotion. Plastic goods industry has been enjoying tariff protection since 1950.

The services of the United Nations expert are useful in the designing and construction of moulds of various plastic articles. The expert has offered advice to four manufacturers, some of whom have been able to design and construct the moulds themselves. The mouldings so obtained are quite comparable with those obtained from imported moulds. With the assistance of the expert, a blue-print is prepared for setting up a central tool room for manufacturing moulds for the plastic industry. Details of these are given to the All-India Plastic Manufacturers' Association, in order to examine the possibility of setting up a central tool room with the assistance of the Industry.

FORWARD TRADING IN CASTORSEED

The Government of India has brought under its regulation forward contracts in castorseed in the whole country, except the State of Hyderabad for the time being. A notification to this effect was issued on Wednesday last week by the Government under section 15 of the Forward Contracts (Regulation) Act, 1952. Accordingly, forward contracts, barring non-transferable specific delivery contracts, entered into on or before 23rd May 1956, shall be deemed as closed at the rate prevailing at the time the forward markets in the commodity closed on that day. Hitherto, it may be noted, section 15 of the Act was applied to castorseed only in Greater Bombay. Consequently, while forward contracts in castorseed could be entered into in Greater Bombay only under the auspices of a recognised association, in other areas, the same could be freely entered into under the auspices of any association. The application of section 15 to the other parts of the country is a prelude to confine futures trading in castorseed only to recognised associations in certain closer centres. Accordingly, the Commission may soon be expected to take the necessary measures for licensing the trading bodies in the towns chosen by it.



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COMPENSATION TO MYSORE GOLD MINING COMPANIES

BREAK-UP VALUE OF ASSETS

THE talks between the Mysore Government and the representatives of the Kolar Gold Mining Companies on the quantum of compensation to be paid to the gold mining companies in the event of their nationalisation have almost broken down, according to reports appearing in a section of the daily Press. It is further stated that the matter would now be referred to the State Legislature. The possibility of the Central Government's intervention in the matter is, however, not ruled out. It will be recalled, in this connection, that, in the course of the talks held in New Delhi between the representatives of the Mysore Government, the Government of India and the Gold Mining Companies, in April last, on the question of nationalisation, the Government of India, while giving its approval to the principle of nationalisation, impressed upon the State Government the need for ensuring adequate and just compensation. The Government of India was also keen that, when the question of quantum of compensation to be paid was considered, the State Government should bear in mind that the latter was dealing with a foreign company and that nothing should be done which would impair the confidence of foreign investors in India. Further, the Union Government wanted the issue to be settled as early as possible. It is, therefore, obvious that, unless and until a compromise is reached between the Mysore Government and the companies on the quantum of compensation, there will be no nationalisation of the gold mines.

It may, however, be noted that the State Government has committed itself to paying "fair compensation" to the Companies. The main point of contention between the Mysore Government and the Companies is "what is fair compensation." The Government's estimate of fair compensation is the market value of the Companies' shares before the idea of nationalisation was raised, while the Companies demand the total value of assets *less* liabilities, *plus* the compensation for loss of earning power due to premature termination of leases. On the basis of the market value of the shares, as specified by the State Government, the compensation works out to Rs. 60 lakhs, while the Companies' claim runs to a figure between Rs. 6 crores and Rs. 8 crores. The Companies have submitted that the compensation should be based on an impartial valuation by experts. The Government does not seem to be willing to agree to this suggestion. If an agreement is not reached between the Companies and the Government by resuming negotiations and if it is left to the State Legislature to decide the issue, then the Companies cannot expect to get anything more than that offered by the Government. But it is a moot point whether the Government of India would give its approval to the State Legislature's resolution, for the very fact that it asked the parties to the dispute to discuss the issue again implies that the State Government's offer is not fair even in its opinion. It would, therefore, be in the mutual interests of both the parties to refer the issue to an impartial body of experts, with the distinct understanding that the Government would abide by the decision of the expert body.

The market value of shares of a joint-stock company cannot always be taken as the measure of intrinsic worth of the company concerned. It may be highly inflated or deflated on account of speculative activity and other causes, such as a change in economic weather. In the case of the Kolar Gold Mining Companies, when the State Government's intention to nationalise the mines was announced by the Chief Minister on 18th June 1955, the shares had already been depressed, following the bogey of nationalisation raised as far back as in 1949 when negotiations were conducted for the new leases. The shares were also affected by the imposition of a heavy royalty and the steep fall in gold prices from the peak of 1950. It may be recalled that, under the new agreement which the Companies entered into with the Mysore Government in 1949, the Companies had to pay, in addition to the 5 per cent. royalty on sales of gold and the additional royalty payable under the leases, a substantial share of the net surplus, known as "contribution," in consideration of the Government's removing the gold duty. At that time, on the basis of the then prevailing price of gold, it was expected that the Government would receive between Rs. 25 lakhs and Rs. 30 lakhs per annum by way of "contribution" from the four mining companies then operating. Although the Companies have not been paying any contribution or additional royalty to the Government since 1952, as the net surplus has suffered a substantial shrinkage due to various factors, the aforesaid causes had a depressing effect on the Companies' shares. To take this depressed value as the basis would be quite unfair. In this context, an interesting analysis of the break-up values of the Companies' shares, recently made by the *Investors' Chronicle*, London, will be read with interest by the Indian shareholders of the Companies. The following table prepared by this journal shows the break-up values of the three existing Companies, namely, the Nundydroog, the Champion Reef and the Mysore Gold (K.G.F.) on the basis of their balance-sheets as on 31st December 1954:

—	Nundydroog	Champion Reef	Mysore Gold K.G.F.
Capital	£283,000 (10s. per share)	£325,000 (10s. per share)	Rs. 81,33,400 (Rs. 5 per share)
Price	7s. 6d.	5s. 6d.	3s.
Net U.K. liquid assets*	4s. 6d.	3s. 6d.	..
Net cost of K.G.F. Co.	3s.	2s.	3s.
Net liquid assets of K.G.F. Co.†	7s. 6d.	12s. 3d.	3s. 6d.
Fixed assets of K.G.F. Co.	13s. 6d.	14s. 3d.	8s.
Total net balance-sheet value of K.G.F. Co.	21s.	26s. 6d.	11s. 6d.
Tax and other possible liabilities of K.G.F. Co.	3s.	10s.	1s. 9d.
Capital expenditure during 1954	3s.	3s.	6d.

* After allowing 10 per cent. depreciation on the value of gilt edged holdings in December, 1954.
† After deducting reserve for retirement pay, silicosis, compensation, etc.

The foregoing analysis was prepared from the point of view of investors in the U.K. holding shares of the mines. So far as Indian investors in the rupee companies of the Kolar Gold Field Companies are concerned, the main point of interest is the net balance-sheet value of the three companies, which, as will be seen from the table, are: 21s. per share for Nundydroog, 26s. 6d. per share for Champion Reef and 11s. 6d. for Mysore Gold. The rupee equivalents of these are: Rs. 14, Rs. 17-10-8 and Rs. 7-10-8, respectively. As against these, the 10s. paid-up shares of the Nundydroog are being quoted on the Madras Stock Exchange at Rs. 6-9, the 10s. paid-up shares of the Champion Reef at Rs. 4-7 and the Rs. 5 paid-up shares of the Mysore Gold (K.G.F.) at Rs. 2-6. If the Mysore Government finally agrees to the principle of paying compensation at the net value of the assets, then there is considerable scope for capital appreciation of these shares.

SUCCESSFUL YEAR FOR I.C.I.'s INDIAN ASSOCIATES

The value and volume of sales of Imperial Chemical Industries for 1955 were both new records, according to the annual report of the Company, to be submitted at the annual general meeting in London on 14th June 1956. The value of the whole I.C.I. group's consolidated sales in 1955 was £411 million, as compared with £352.1 million in the previous year. The Company's expenditure on its construction programme during the year amounted to £33 million, bringing the total outlay on new fixed assets since the end of the war to £223 million. It also spent about £9.5 million last year on research and development. Referring to the latter expenditure, the report points out that experience shows that chemical processes hardly ever reach such a stage of perfection that further research cannot give rise to improvement. As an example, the report says that, although ammonia has been one of the Company's major products for nearly 30 years, a good deal of research and development work is still in progress to discover more efficient catalysts and to find methods of producing hydrogen—one of the materials for the production of ammonia—more economically from fuel-oil than is now possible from coke.

Referring to the activities of the Company's Indian associated companies, the I.C.I. report says that steps are being taken to ensure that the I.C.I. misses no suitable opportunity of taking part in those sections of the chemical industry which are open to private enterprise under the Government of India's industrialisation plans. The Alkali and Chemical Corporation of India Ltd.—an associate of I.C.I.—had another successful year, the report notes, and there were particularly satisfactory increases in the production and sales of paints and "Gammexane" formulations. The plants making these products are now being extended to cater for the growing demand. The report also says that, after protracted negotiations with the Government of Bihar, the Indian Explosives Ltd.—a subsidiary of I.C.I. formed to

(*Continued on page* 1069)

MINERVA RAISES DIVIDEND

EARNINGS SHOW IMPROVEMENT

ENCOURAGING results are disclosed by the audited accounts of the Minerva Mills Ltd. (Managing Agents: Messrs. N. Sirur & Co., Ltd., Bombay) for the year ended 31st December 1955. The Company has earned a gross profit of Rs. 5.78 lakhs, in refreshing contrast to the loss of Rs. 1.55 lakhs suffered in the previous year, thanks to the more satisfactory trading conditions during the year. The improvement in results has, however, not been large enough fully to offset the recession in earnings noted in 1954. Thus, the profit for 1955 falls short, albeit slightly, of that (Rs. 6.39 lakhs) for 1953. This is due to (*a*) an increase in wages and (*b*) poor demand and low prices for yarn, particularly in the latter half of the year, and which improved only with the turn of the year.

The net profit, at Rs. 2.08 lakhs, compares well with the loss of Rs. 3.96 lakhs, after setting aside Rs. 59,472 (as against *nil* for 1954) for managing agents' commission and raising the provision for depreciation from Rs. 2.41 lakhs to Rs. 3.21 lakhs. No provision for taxation has been made as in the previous year. A small sum of Rs. 13,768 has been added to the reserve fund which had not received anything in the previous five years. The dividend has been stepped up by one per cent. to 6 per cent., but with this increase the distribution has not been restored to that of 1953, when the shareholders had received 7 per cent., made up of a dividend of 6 per cent. and a cash bonus of one per cent.

The following comparative table shows the progress of the Company during the past three years:

(In lakhs of rupees)

—	For the year ended 31st December.			
	1955	1954	1953	1952
Sale proceeds	132.30	127.76	145.24	131.47
Stocks of cloth and yarn	32.07	32.00	24.74	30.17
Cotton, stores, etc., consumed	81.36	87.30	85.65	99.96
Wages and other expenses*	40.44	50.03	42.56	39.56
Gross profit (+) or loss (—)	+5.78	—1.55	+6.39	+0.85
Managing Agents' commission	0.59	..	0.66	0.09
Depreciation	3.21	2.41	3.54	1.08
Taxation	..	..	0.26	0.18
Net profit (+) or loss (—)	+2.08	—3.96	+1.93	—0.50
To provision for bad and doubtful debts	..	0.04	..	..
To reserves	0.14	..	..	..
Transfer from reserves and provisions written back	..	..	..	2.02
Dividend	1.77 (D. 6%)	5.45 1.48 (D. 5%)	2.07 (D. 6% +B.1%)	1.48 (D. 5%)
Carry forward	0.17	0.09	0.12	0.26

It will be observed that the increase of Rs. 4.54 lakhs in sale proceeds for the year under review has been accompanied by a fall of Rs. 5.94 lakhs in cost of cotton, stores, etc., consumed and of Rs. 3.39 lakhs in wages and other expenses. The decline in wages and other expenses is mainly accounted for by the saving of Rs. 8.25 lakhs in dearness allowance. Salaries and wages, on the other hand, show a rise of Rs. 4.20 lakhs, consequent on an adjustment in wages of workers. The Directors observe that the long-pending disputes between the workers and the management of the Mills were settled during the year under review by an agreement which was passed as a consent award by the Industrial Tribunal in March 1955. In terms of the Award, workloads in the Mills have been standardised more or less on the basis of the Bombay Standardisation Scheme and wages have been adjusted accordingly, involving an increase in wage cost. The main item of the increase is the minimum wage which has been fixed at Rs. 27 for 26 working days, as against the pre-Award wage of As. 10 per day. Labour conditions, according to the Directors, were unsettled until the Award was given and it took the operatives further six months to get used to the new workloads on the basis of normal efficiencies. The full benefit of the standardisation was, therefore, not derived by the Company during the year under review, and is expected to accrue only in 1956.

The Company's reserves and surplus as on 31st December 1955 amount to Rs. 19.78 lakhs, as against a paid-up capital of Rs. 29.81 lakhs. The current liabilities aggregate Rs. 73.65 lakhs and provision for taxation Rs. 0.79 lakh. The gross block of the value of Rs. 89.75 lakhs, including an addition of Rs. 5.67 lakhs during the year, has been written down to Rs. 39.80 lakhs. The current assets amount to Rs. 84.24 lakhs, having been reduced from Rs. 110.72 lakhs a year ago; the reduction is mainly accounted for by the fall in stocks of cotton from Rs. 29.26 lakhs to Rs. 13.25 lakhs.

The Rs. 100 fully paid up shares of the Company are being currently quoted at Rs. 90-8 *cum-div.* On an *ex-div.* basis, the latest dividend provides a yield of 7.1 per cent. per annum.

Points From The Chair

Liberal Policy for Industrial Finance

"THE history of industrial finance has shown that there are special risks attending long-term loans of this kind not met with in transactions entered into by commercial banks. If, in the circumstances, a credit institution of the type of your Corporation seeks to look for cent per cent security, its utility is to that extent reduced, in that very few industrial concerns would then qualify for loans from the Corporation. On the other hand, it is necessary for the successful working of any credit institution to strengthen its position and increase its reputation by steering clear of bad debts. The objective of your Corporation, under the able guidance of the Chairman and the several Directors of the Board, has been to strike a balance between these opposite considerations. In my humble opinion, the time has come when a bolder and more liberal policy in the matter of financial assistance to industries requires to be formulated."

S. K. GANGOPADHYAY,
Saurashtra Financial Corporation

Industrial Policy of India

"A few days ago the Indian Prime Minister made a statement on his Government's revised Industrial Policy. The place for private enterprise in future will be as an agency for planned national development in the context of the country's expanding economy. 'Mineral oils' are included in the category of industries of which all 'new units' will be set up only by the State, 'save where their establishment in the private sector has already been approved.' At first sight, so far as 'mineral oils' are concerned, this statement of revised policy does not differ appreciably from the policy announced in 1948. Both draw a distinction between 'new units' and 'existing undertakings' and we are at present engaged in conversations to clarify the future scope for our operations in India. In the meantime stockholders may have read in the Press that on the advice of a team of Russian experts, after a three-months' general mineral survey of India, the Government have decided to enter the field of oil exploration with a programme to spend about £20 million over the next few years."

SIR KENNETH B. HARPER,
Burmah Oil Company Ltd.

Capital Expenditure in British Industries

"So much has been written and said on this subject of exports lately that I will restrict myself to making one further comment, which is that your Directors view with grave disquiet the recent statements by Government favouring, from the short-term aspect, the slowing down, and indeed almost discouragement, of capital expenditure by industry. We fully appreciate the necessity of curtailing consumption in this country, but surely the last type of expenditure to be curtailed is that which will make a substantial and essential contribution to two of our most vital and closely related problems, namely, the achievement of a real increase in productivity and the capture of a far greater share of world markets. We, in industry, can and must do a lot for ourselves, but in the electrical industry, with its constant development of new and improved techniques, we must be fearless in our capital expenditure, if we are going to hold at bay and beat our substantial and numerous overseas competitors."

WILLIAM H. MCFADZEAN,
British Insulated Callender's Cables Ltd.

Merit—The Only Test of Suitability

"At the outset let me say that the only test which we apply to determine a man's suitability to enter our managerial ranks is that of merit. There is no question of demanding a particular social or educational background. An increasing proportion of prospective managers have had a university education, but my forecast is that in future, as today, many Unilever managers will be men who came in at one of the lowest levels, who came up the hard way and whose qualities of leadership were developed after they had joined the business. We try to see that in our business there is always a ladder by which a man with the right qualities can climb to the next stage. If we succeed in this, there will always be found at every level of our management men whose only university has been what William Lever used to call the University of Hard Knocks."

LORD HEYWORTH,
Unilever Limited

U.K. Government Manufactures Paint

"You may not know that the British Government are also paint manufacturers. Is there any necessity for our Government to continue to make paint which, after all, must only have been a wartime expedient? Recent tests have shown that the Government paint is no better than the paint manufactured by civil firms, who did so well for the Government before and during the war. I would suggest that the Government cease manufacturing paint, which cannot pay them as we have so few ships in commission and so many are being cocooned. Besides, who knows at what cost if all charges incurred in the process are added to the cost."

J. W. ADAMSON,
British Paints (Holdings) Ltd.

COMPANY MEETINGS AND DIVIDENDS

BHARTIA ELECTRIC STEEL CO., LTD. Annual General Meeting, Calcutta, 4th June 1956. Dividend: Re. 1-4 per share. Transfer books remain closed from 18th May to 4th June 1956, both days inclusive.

TRAVANCORE RUBBER AND TEA CO., LTD. Annual General Meeting, Pathirappally, 4th June 1956. Dividend: As. 12 per share (final). Transfer books remain closed from 18th May to 5th June 1956, both days inclusive.

SURAT ELECTRICITY CO., LTD. Annual General Meeting, Bombay, 11th June 1956. Dividend: Rs. 4-8 per share (final) payable on and after 19th June 1956. Transfer books remain closed from 28th May to 11th June 1956, both days inclusive.

NATIONAL RAYON CORPORATION LTD. The 9th Annual General Meeting, of the above company will be held in Bombay, on 14th June 1956. The meeting was to be held on 24th May 1956, as per previous notice but the date has now been changed to 14th June 1956, as mentioned above.

ASSAM SILLIMANITE LTD. Annual General Meeting, Gauhati, 14th June 1956. Transfer books remain closed from 31st May to 14th June 1956, both days inclusive.

PERIYAR AND PAREEKANNI RUBBERS LTD. Annual General Meeting, 14th June 1956. Transfer books will remain closed from 7th to 14th June 1956, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 15th June 1956. Dividend: Rs. 6 per share. Transfer books remain closed from 15th May to 9th June 1956, both days inclusive.

ANDHRA CEMENT CONSTRUCTION CO. (PRIVATE) LTD. Annual General Meeting, Vijayawada, 15th June 1956. Dividend: Rs. 3 per share, payable on and after 15th June 1956. Transfer books remain closed from 1st to 15th June 1956, both days inclusive.

BENGAL FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 15th June 1956. Dividend: As. 12 per share. Transfer books will remain closed from 4th to 15th June 1956, both days inclusive.

ANDHRA CEMENT CO., LTD. Annual General Meeting, Madras, 16th June 1956. Dividend Rs. 10 per 'A' ordinary share (includes bonus of Rs. 2-8) and Re. 1 per 'B' ordinary share (includes bonus of As. 4 per share), payable on and after 16th June 1956. Transfer books remain closed from 2nd to 16th June 1956, both days inclusive.

KAMANI ENGINEERING CORPORATION LTD. Annual General Meeting, Bombay, 19th June 1956. Dividend: *Nil*. Transfer books remain closed from 1st to 19th June 1956, both days inclusive.

LARSEN AND TOUBRO LTD. Annual General Meeting, Bombay, 20th June 1956. Dividend: Re. 1 per ordinary share, payable on or after 27th June 1956. Transfer books remain closed from 26th May to 20th June 1956, both days inclusive.

ASHOK LEYLAND LTD. Annual General Meeting, Ennore, Madras, 21st June 1956. Dividend: *Nil*. Transfer books remain closed from 1st to 21st June 1956, both days inclusive.

DEVKARAN NANJEE INVESTMENT CO., LTD. Annual General Meeting, Bombay, 26th June 1956. Dividend: As. 13 per share, free of income-tax. Transfer books will remain closed from 12th to 26th June 1956, both days inclusive.

RANEEGUNGE COAL ASSOCIATION LTD., Half-yearly General Meeting, Calcutta, 27th June 1956. Transfer books will remain closed from 14th to 27th June 1955, both days inclusive.

WALFORD TRANSPORT LTD. Annual General Meeting, Calcutta, 29th June 1956. Transfer books will remain closed from 16th to 29th June 1956, both days inclusive.

CALCUTTA ELECTRIC SUPPLY CORPORATION LTD. Final dividend of £3 per cent, net (tax applicable at 8s. 6d. in the £) for the year ended 31st December 1955, payable on 2nd July 1956.

AZAMJAHI MILLS LTD. Dividend of Rs. 3-8 per share, for the year ended 30th September 1955, payable on 17th July 1956. Transfer books will remain closed from 8th to 30th June 1956, both days inclusive.

OSMANSHAHI MILLS LTD. Dividend of Rs. 2-8 per share, for the year ended 30th September 1955, payable on 17th July 1956. Transfer books will remain closed from 8th to 30th June 1956 both days inclusive.

BANGALORE PRINTING AND PUBLISHING CO., LTD. Dividend of Rs. 10 per ordinary share, for the year ended 31st December 1955. Transfer books remain closed from 25th May to 9th June 1956, both days inclusive.

MYSORE CHEMICAL MANUFACTURERS LTD. Dividend of Rs. 2 per ordinary share for the year ended 31st March 1956. Transfer books will remain closed from 10th to 23rd June 1956, both days inclusive.

Notices

THE NEW INDIA ASSURANCE COMPANY, LIMITED

NOTICE TO THE SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE THIRTY-SEVENTH ANNUAL GENERAL MEETING of the Shareholders of the Company will be held at the Registered Office of the Company, New India Assurance Building, Mahatma Gandhi Road, Fort, Bombay, on Wednesday the 27th June 1956, at 4-30 p.m. (S.T.).

1. To receive and adopt the Directors' Report and the Audited Accounts for the year ended 31st December 1955,
2. To declare a Dividend,
3. To elect two Directors in place of Mr. B. C. Mehta and Mr. J. D. Choksi who retire by rotation but are eligible for re-election and offer themselves accordingly.
4. To elect a Director in place of Mr. Dinsha K. Daji who retires by rotation and to consider if thought fit to pass the following ordinary resolution of which special notice as required by Section 281 of the Companies Act, 1956, has been received by the Company.

   "Resolved that Mr. Dinsha K. Daji who has completed the age of 82 years and who retires by rotation be and is hereby re-elected a Director of the Company and that the age limit, prescribed under Section 280 of the Companies Act, 1956, shall not apply to him."
5. To elect Mr. B. K. Shah, who was appointed an additional Director of the Company on 29th September 1955, as a Director of the Company,
6. To appoint Auditors for the current year and to fix their remuneration.

The Transfer Books of the Company are closed from the 27th day of May 1956 to the 25th day of June 1956 (both days inclusive).

A member entitled to attend and vote at the General Meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself. The proxy need not be a member of the Company.

By Order of the Board,
B. K. SHAH,
Managing Director.

BOMBAY, 23*rd May*, 1956.

N.B.—The Dividend when sanctioned at the General Meeting will be payable to those shareholders whose names stand registered on the Company's Registers on the 26th May 1956. It will be payable at the Central Bank of India Limited, Bombay, for six months on and after the 2nd July 1956, and thereafter at the Registered Office of the Company.

CHANGE OF ADDRESS should be notified without delay.

EXPLANATORY STATEMENT

Mr. B. K. Shah was appointed an Additional Director on 29th September 1955 by the Board of Directors of the Company. Section 260 of the Companies Act, 1956, provides that an additional Director shall hold office only upto the date of the next Annual General Meeting of the Company. As such, Mr. Shah holds office as a Director only upto the date of the 37th Annual General Meeting of the Company. Mr. A. D. Shroff has given written notice signifying his intention to propose Mr. Shah as a candidate for the office of Director. Mr. Shah has also given to the Company his consent in writing required to be filed with the Registrar of Companies.

BALMER LAWRIE AND COMPANY LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the Company a final dividend of 10 per cent. for the year ended 31st December 1955.

By Order of the Board,
BALMER LAWRIE & CO., LTD.,
O. T. JENKINS,
Director.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 23*rd May*, 1956.

TRAVANCORE RUBBER AND TEA COMPANY EARNS LOWER PROFIT

ASHOK LEYLAND PASSES OVER DIVIDEND

Travancore Rubber & Tea Co., Ltd.

THE directors of the above Company (Managing Agents: Messrs. Aspinwall & Co. (Travancore) (Private) Ltd., Pathirapally) submit the audited accounts of the Company for the year ended 31st December 1955.

The balance of Rs. 14,44,415 (Rs. 15,94,191) in profit and loss account, carried to appropriation account, bears income-taxes amounting to Rs. 5,37,773 (Rs. 6,04,008) and depreciation Rs. 1,06,986 (Rs. 98,977), leaving a carry forward to the balance sheet of Rs. 8,01,263 (Rs. 8,92,756). The 1955 profit and loss account has the benefit of a sum of Rs. 57,847 formerly reserved for anticipated sales tax liability. Subsequent sales tax decisions have disclosed non-liability.

Rubber.—The rubber crop shows a slight improvement on 1954 figures. With consumption in India in excess of production, no crop disposal difficulties were experienced. Two increases in the control prices of rubber took place in the year under review, one of Rs. 12 per 100 lbs. in February and one of Rs. 5-12 in September. The latter effected compensation for an increase in excise duty introduced in August. Against these benefits, estate expenditure increased by 6.78 cts. per lb., principally accounted for by increased excise duty (2.45 cts.), increased payments to and improved amenities for labour (1.11 cts.), and increased cultivation and disease protection.

The rubber crop for the year amounted to 10,35,280 (10,03,214) lbs. The estate expenditure was 70.88 cts. per lb. as against 64.10 cts. per lb. in 1954. The all-in cost was 110.95 (98.55) cts. per lb. The average sale price realised was 144.64 cts. per lb. as compared with 129.40 cts. per lb. in 1954. It is conservatively estimated that a crop of 10,25,000 lbs. of rubber will be collected during 1956.

Tea.—The crop slightly exceeded the previous year's harvesting. The first two months of 1955 shared in the late 1954 boom, but prices began to slide rapidly by March, and the year's average sale price ended up at 204.06 cents as against 241.23 cents in 1954. The reduction of all-in cost from 195.26 cents in 1954 to 178.77 cents in 1955 is mainly accounted for by smaller purchase of export quota, and less taxation through reduced profit. The tea crop amounted to 11,65,729 (11,53,752) lbs. and the average sale price realised was 204.06 (241.23) cts. per lb. The estate expenditure was 178.77 (195.26) cents per lb. For 1956 a crop of 12,25,000 lbs. of tea is estimated at an estate expenditure of 132.17 cents per lb. Both groups have maintained, if not improved, their standard of manufacture, and are currently turning out a well made black leaf tea which commends itself well to buyers.

After deducting preference dividends, and the ordinary interim dividend of 5 (5) per cent. paid during the year, the total available for distribution is Rs. 8,29,189 (Rs. 8,96,425) and the Board recommend disposal as below. The transfer to replanting reserve represents that part of prices realised which, in price fixation by Government, is reserved for rehabilitation. In making their dividend recommendation the Board have taken into account the probability that negotiations now taking place will result in an increased liability for bonus to labour in respect of the years 1953 and 1954.

By payment of a final dividend on the paid up ordinary capital of 7½ (10) per cent. Rs. 3,07,500 (Rs 4,10,000), transfer to non-executive staff retirement fund Rs. 30,000 (Rs. 40,000), transfer to rubber replanting reserve Rs. 70,606 (Rs. 67,500) and transfer to dividend equalisation fund Rs. 50,000 (Rs. 50,000), leaving to be carried forward Rs. 3,71,083 (Rs. 3,28,925).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	57,00,000	Block ...	68,14,119
Reserves ...	13,10,193	Stock-in-trade	6,26,451
Provision for taxation ...	6,75,439	Stores, spare parts and loose tools	1,92,627
Liabilities ...	6,13,044	Other assets	40,459
Profit and loss account ...	8,29,189	Debts, deposits and advances ...	1,57,447
		Investments	3,06,839
		Cash ...	4,89,923
Rs.	91,27,865	Rs.	91,27,865

Ashok Leyland Ltd.

The directors of the above Company (Chairman: Sir A. Ramaswami Mudaliar, Ennore, Madras) submit the audited accounts of the Company for the year ended 31st December 1955.

During the year under review, the sale of Leyland chassis has increased satisfactorily and the total sales for 1955 were more than double those for 1954. The Company's turnover amounted to Rs. 1,49,93,712, as compared to the previous year's figure of Rs. 97,37,495.

But for certain circumstances to which reference is made later, the trading profit would have increased in proportion to the improved sales turnover. But, on account of abnormal expenditure exceeding Rs. 6 lakhs, the net profit after making provision for depreciation at the permissible rate on fixed assets, amounted to Rs. 1,79,519 (Rs. 4,03,411). This amount, together with Rs. 1,970 (Rs. 5,613) brought forward from last year, amounts to Rs. 1,81,489 (Rs. 4,09,024). The directors propose the following appropriation of this amount:—

To provision for taxation Rs. 1,19,525 (Rs. 1,34,224) leaving a balance to be carried forward to next year's account of Rs. 61,965 (Rs. 1,970 after paying a dividend of 5 per cent. on "A" and "B" class shares absorbing Rs. 2,72,830).

Abnormal expenditure during the year, to which reference has been made, was on account of the following factors: Expenses on the manufacturing programme, which ought to have been incurred in 1954, being added to 1955 expenditure, due to unavoidable delay in implementation. Payment of Rs. 2½ lakhs compensation to the managing agents and reduction in book value of Austin spares by Rs. 3½ lakhs, due to an actual reduction in the realisable value, owing to a reduction in import duties.

The sales of Leyland vehicles have been satisfactory and it is anticipated the improvement will continue. In this connection, it is particularly pleasing to note that in the last three months of 1955 a good start was made in effecting sales of Leyland "Comet" chassis to private operators and including a large proportion of goods chassis.

Implementation of the manufacturing programme commenced in the latter part of the year. Planning for the first four phases of production was completed and orders were placed for the supply of machine tools and other factory equipment to a value exceeding Rs. 20 lakhs.

Liability in respect of Madras Sales Tax has been a cause of continuous anxiety. The Sales Tax Authorities have demanded a sum of Rs. 8,79,492 for the years 1951-52, 1952-53, 1953-54 and 1954-55. It is hoped that appeals in the High Court will obviate the Company's liability for this amount.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	54,56,800	Block ...	18,42,500
Reserves ...	1,50,000	Stock-in-trade	92,84,218
Provision for taxation ...	85,000	Stores ...	2,12,927
Liabilities ...	71,35,899	Debts, deposits and advances ...	14,95,119
Profit and loss account ...	61,965	Investments	500
		Cash ...	54,400
Rs.	1,28,89,664	Rs.	1,28,89,664

Vaikundam (Travancore) Rubber Co., Ltd.

The directors of the above Company (Agents and Secretaries: Messrs. Harrisons and Crosfield Ltd., Quilon, T.C. State) submitted the audited accounts of the Company for the year ended 31st December 1955.

Crops, Costs and Prices.—The crop amounted to 475,600 (464,500) lbs., the cost of production was 52.78 (48.62) cts. per pound and the average price was 142.41 (129.65) cts. per pound.

The visiting agent visited the estate in May and November and reported it to be in satisfactory order. The total capital expenditure for the year was Rs. 74,334 (Rs. 35,482). Estimates for 1956 provide for a crop of 460,000 lbs. to cost 58.13 cents per lb. Capital expenditure on scrap battery, minor buildings and furniture is estimated at Rs. 1,27,080.

After providing for all taxation, and depreciation the net profit amounted to Rs. 2,76,562 (Rs. 2,32,031) to which was added the amount brought forward from 1954 of Rs. 21,363 (Rs. 30,763), making a total of Rs. 2,97,925 (Rs. 2,62,794). Out of this amount the directors paid a dividend of 25 (22½) per cent. free of Travancore-Cochin Agricultural Income-tax Rs 1,57,145 (Rs 1,41,431), transferred to general reserve Rs 1,00,000 (Rs. 1,00,000) and carried forward the balance of Rs. 40,780 (Rs. 21,363).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,28,580	Block ...	8,35,360
Reserves ...	5,40,670	Stock-in-trade	1,55,828
Provision for taxation ...	1,62,543	Stores and spare parts	6,560
Liabilities ...	1,87,232	Advances ...	14,354
Profit and loss account ...	40,780	Cash ...	5,47,703
Rs.	15,59,805	Rs.	15,59,805

Peermade Tea Co., Ltd.

The directors of the above Company (Secretaries: Messrs. Aspinwall & Co. (Travancore) (Private) Ltd., Pathirapally, T.C. State) submitted the audited accounts of the Company for the year ended 31st December 1955.

The net profit for the year amounted to Rs. 4,87,543 as compared with a profit of Rs. 12,34,897 in 1954, the reasons for the decline being manifest in the figures relating to estate expenditure, crop, and average sale price. The usual provisions for depreciation on buildings and machinery have been made. Provision for taxation covers the proposed new taxation on dividends in excess of 6 per cent. in respect of dividend payments made during the year under review.

Crop.—Crop harvested was 1,55,000 lbs. odd less than estimate and 84,000 lbs. odd less than 1954 crop. Weather conditions were not entirely favourable, but the shortfall must in the main be attributed to the attitude of labour in the months of maximum crop potential. Not only was harvesting below that potential, but maintenance of the normal standard of manufacture was rendered impossible. In the result both the Company's and labour's earnings suffered. Estate expenditure shows little change from the 1954 figures, but a smaller crop has meant an increase in the "per lb." figure.

The tea crop for the year amounted to 18,54,907 (19,39,534) lbs. The estate expenditure was 128.06 (121.37) cents per pound. The average sale price realised was 185.03 (236.36) cents per pound. The fall in average sale price compared with 1954 is in accordance with the market for the year, which generally showed an excess of supply over demand position. For 1956 the Manager has estimated for a crop of 19,00,000 lbs. at an estate expenditure of 117.83 cents per lb.

The total amount available for disposal was Rs. 6,19,963 (Rs. 13,13,920), which the directors disposed of as follows:—

By payment of a second and final dividend on paid up ordinary capital of 22½ (40) per cent. Rs. 3,82,500 (Rs. 6,80,000), by transfer to non-executive staff retirement fund Rs. 20,000 (Rs. 50,000) and carried forward Rs. 2,17,463 (Rs. 3,53,920 after transferring Rs. 2,30,000 to dividend equalisation fund). The total dividend paid for the year 1955 is Rs. 3-8 per share as against Rs. 5-8 per share paid in 1954.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	18,50,000	Block ...	18,49,923
Reserves ...	9,93,033	Stock-in-trade	4,30,534
Reserve for taxation ...	4,93,453	Stores, spare parts and foodgrains	3,37,391
Liabilities ...	7,57,600	Nursery ...	3,656
Profit and loss account ...	6,19,963	Debts, deposits and advances ...	3,41,877
		Investments	13,91,749
		Cash ...	3,58,919
Rs.	47,14,049	Rs.	47,14,049

Belsund Sugar Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bangur Brothers Ltd., Calcutta) submitted the audited accounts of the Company for the year ended 30th September 1955.

The result for the year, after providing for depreciation showed a profit of Rs. 3,36,484 (Rs. 1,38,925) from which was deducted for taxations Rs. 1,39,502 (Rs. 10,255), leaving a balance of Rs. 1,96,982 (Rs. 1,28,670). After adding the carry forward from the previous year of Rs. 49,906 (Rs. 1,66,138), there was an available balance of Rs. 2,46,888 (Rs. 2,94,808). This balance, the directors disposed off in payment of dividend at As. 12 (As. 12) per share free of income-tax for the year ended 30th September 1955 Rs. 1,94,903 (Rs. 1,94,903) and carried forward to the next account Rs. 51,985 (Rs. 49,906 after transferring Rs. 50,000 to reserves).

The factory commenced crushing on the 30th December 1954 and finished on the 17th April 1955 with a total crush of 19,84,371 mds. of cane as compared to 13,06,997 mds. of cane in the previous year. The quality of cane available was normal and the recovery was 10.72 per cent. compared to 10.73 per cent. in the previous year.

The minimum cane price was Re. 1-7 per maund at the factory and Re. 1-5 per maund at outstations. Cane cess was levied at As. 3 and Cane Co-operative Society's commission was 9 pies per maund of cane. The Government of India did not exercise any statutory control on the price or distribution of sugar for the year under review though 25 per cent. of the total sugar production if needed, was reserved for Government requisition at fair ex-factory prices. The Central Excise Duty was increased from Rs. 3-12 to Rs. 5-10 per cwt. of sugar with effect from 1st March 1955. This enhancement coupled with the increased home production and huge imports by the Government of India contributed to considerable depression in the sugar market and as a result thereof the sugar prices went down to a large extent.

Season 1955-56.—The cane supply during the year is expected to be the largest one since the inception of the Company, despite sufficient quantity of cane being diverted to other sugar factories. As regular supply of more than 30 lakhs maunds of cane is anticipated each year the extension of the crushing capacity of the plant has become necessary and steps in this direction are being taken up by the Company.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	19,49,050	Block ...	8,94,088
Reserves ...	5,50,000	Stocks ...	28,16,122
Provision for taxation ...	1,25,000	Stores and spare gear	8,48,344
Liabilities ...	37,11,580	Debts, deposits and advances ...	19,37,733
Profit and loss account ...	2,46,888	Investments	23,914
		Cash ...	60,317
Rs.	65,82,518	Rs.	65,82,518

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

Notices

ORIENT PAPER MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the above-named Company will be held on Friday the 29th June 1956, at 3 p.m., at 8, Royal Exchange Place, Calcutta, to consider and, if thought fit, to pass, with or without modification, the following resolutions:

AS ORDINARY RESOLUTIONS

1. RESOLVED that Messrs. Birla Brothers Private Limited, the managing agents of the company and/or their associates be and are hereby authorised to retain any commission or other remuneration earned or to be earned by such agent or associate as the managing agent, secretaries and treasurers, manager, agent or selling or buying agent of any firm, body corporate or other concern including insurance companies, in respect of the goods, power, freight, repairs or other services, for the sale, purchase, supply or rendering of which a contract has been, or is to be entered into by such firm, body or concern, including insurance companies with the company, provided the prices or amounts charged to, or received by the company are at rates which are not less favourable to the company than the market rates or which are otherwise reasonable.

2. RESOLVED that consent of the company be and is hereby given to the borrowings by the Board of Directors from time to time of all monies deemed by it to be requisite or proper, for the carrying on of the business of the company notwithstanding that the monies to be borrowed together with the monies already borrowed by the company (apart from temporary loans obtained from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purposes.

3. RESOLVED that consent of the company be and is hereby given to the Board of Directors to contribute and/or subscribe to any national, political, charitable, benevolent, public or general and other funds not directly relating to the business of the company or the welfare of its employees, from time to time, such amounts as may be considered proper by it notwithstanding that such amounts in any financial year will exceed Rs. 25,000 or 5 per cent. of the company's average net profits, as determined in accordance with the provisions of the Companies Act, 1956, during the three financial years immediately preceding, whichever is greater.

AS SPECIAL RESOLUTIONS

4. RESOLVED that for a period of five years from the 1st April 1956, payment of commission upto one per cent. as may, from time to time, be decided by the directors, on the net profits of the company in respect of each financial year, as determined in accordance with and subject to the provisions of the Companies Act, 1956, be and is hereby sanctioned to all the directors of the company including its managing directors and the directors in its whole-time employment and that the same be distributed amongst such directors and in such manner as may, from time to time, be thought fit by them.

5. RESOLVED that the Articles of Association of the company be amended as under:

(a) The word "two" appearing after the word "exceeding" and before the words "per cent." in Article No. 117 of the Articles of Association of the company be substituted by the word "one."

6. RESOLVED that consent of the company be and is hereby accorded to Shri B. L. Nemani, A.C.A., a Chartered Accountant, who is a relative of Shri A. L. Goenka, a director of the company, to hold an office or place of profit under the company and/or under any of its subsidiary companies

By Order of the Board,
BIRLA BROTHERS PRIVATE LIMITED,
Managing Agents.

8, ROYAL EXCHANGE PLACE,
CALCUTTA, *28th May*, 1956.

N.B.—A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member.

THE CALCUTTA TRAMWAYS COMPANY, LIMITED

(Incorporated in England)

NOTICE IS HEREBY GIVEN THAT THE Preference Shares Transfer Books will be closed from the 18th to 30th June 1956 (both days inclusive), for the preparation of Dividend Warrants in respect of the Interim Dividend of 2½ per cent., less Income-tax payable on the 30th June 1956, on account of the profits for the year ending 31st December 1956.

By Order of the Board,
A. C. T. BLEASE,
Agent.

P-4, MISSION ROW EXTENSION,
CALCUTTA-1, *23rd May*, 1956.

DALMIA CEMENT (BHARAT) LIMITED

DALMIAPURAM

NOTICE

IS HEREBY GIVEN THAT THE FOURTH ORDINARY ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY AT DALMIAPURAM (DIST. TIRUCHIRAPALLI) ON FRIDAY the 20th July 1956, at 12 Noon, to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1955.
2. To declare Dividend.
3. To elect Director in place of the retiring Director, Shri M. Satyanarayana, who retires by rotation and is eligible for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. Messrs. V. Sankar Aiyar & Co., the retiring Auditors, are eligible for re-appointment.
5. Any other business that under the Articles of Association of the Company may be transacted at an Ordinary Annual General Meeting.

The Share Transfer Books of the Company will remain closed from THURSDAY the 21st June 1956 to FRIDAY the 20th July 1956, both days inclusive.

By Order of the Board of Directors,
For DALMIA CEMENT (BHARAT) LIMITED,
For HARI BROTHERS PRIVATE LIMITED,
J. DALMIA,
Director,
Managing Agents.

Dated 22nd May 1956.

Note.—The Dividend if declared will be payable on or after 10th August 1956 to the Registered shareholders as on 20th July 1956.

COMPANY AFFAIRS

(*Concluded from page* 1066)

manufacture explosives—has obtained possession of its factory site and has begun building operations.

The Atic Industries Ltd.—a joint dyestuffs manufacturing company established with Atul Products Ltd.—has made considerable progress with its first plant, which is expected to be producing jade greens during the present year. A proposal to increase the scope of Atic Industries by the manufacture of an extended range of vat dyestuffs and their intermediates is at present awaiting the approval of the Government of India.

The polythene film plant of Imperial Chemical Industries (India) Private Ltd. had a most successful year in the manufacture of film from imported polythene granules, and it is considered that the market prospects for polythene in this and other forms are sufficiently promising to justify the erection of a substantial plant to make polythene from Indian industrial alcohol. Proposals to this end have been approved by the Indian Government, and the erection of a plant is shortly to begin in the factory at Rishra of the Alkali and Chemical Corporation of India Ltd.

The report says that a principal interest of I.C.I. remains the import of chemicals from overseas and their sale throughout India. It is remarked in the report that the traditional pattern of trade is changing with the increasing manufacture in India of heavy chemicals, especially fertilisers and alkalies, and with growing Government control of purchase and distribution which has recently included soda ash. Nevertheless, the report says, I.C.I. trade in other products has so developed that both the value of the Company's exports to India and the sales of I.C.I. (India) have been maintained.

Referring to activities in Pakistan, the report says that shortage of foreign exchange caused the Government to restrict imports, but I.C.I. (Pakistan) Ltd. had been able to maintain its sales turnover. The Khewra Soda Company, in which I.C.I. has an interest, again had a successful year and further increased its production of soda ash over the record figure established in 1954. Plans for extending the plant have been made, says the I.C.I. report, and the Khewra Soda Company has rupee funds available for this purpose, but the firm is awaiting permission from the Pakistan Government for the necessary foreign exchange to pay for the importation of new plant.

United Nations

STATISTICAL YEARBOOK 1955

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QUESTION HOUR IN PARLIAMENT

Foreign Investments

THERE was an increase of Rs. 112.12 crores between 1948 and 1953 in the total foreign investments in the 420 branches of firms and companies operating in India and 565 companies in India owned by foreigners. The Reserve Bank is presently conducting a census of foreign investments, but the data would be available, after being collated, only in another two years' time. The direct investment of the U.K. as on 31st December 1953 in India was Rs. 78.4 crores and the value of shares of companies Rs. 39.17 crores. Similar figures for American investment were Rs. 10.2 crores and Rs. 1.82 crores, respectively.

—*M. C. Shah*

I.C.I.C.

The Chairman of the Industrial Credit and Investment Corporation of India Limited has brought to the notice of the Government the fact that, as a result of nationalisation of life insurance, the shares of the insurance companies held in the investment portfolio of the Corporation will pass into Government hands, thereby affecting the wholly private character of the Corporation. The Government, in their reply, have stated that, although the extent of Government ownership of such shares is not yet known, they will assure the Corporation that they have no intention of taking advantage of this incidental result of the nationalisation of life insurance companies to interfere in the day-to-day work of the Corporation.

—*B. R. Bhagat*

Newsprint Production

India produces at present 500 tons of newsprint per month. Precise information is not available, but the quantity of newsprint consumed by the newspapers in the country is estimated at 60,000 tons per annum. The quantity of newsprint imported in 1954-55 and 1955-56 was 78,791 tons and 78,853 tons, respectively.

* * * *

Indian Textiles for Viet Nam

The Government of India have been informed that South Viet Nam is prepared to import cotton textiles from India also, as from any other country. The export duty on coarse cloth has been removed and there is now no duty on any variety of cloth. The Government of South Viet Nam has also, at India's request agreed to grant this country, on reciprocal basis, the most-favoured-nation treatment in the matter of tariffs on products originating from and imported into Viet Nam. There is demand in South Viet Nam for sheeting, shirting, longcloth, drill and cotton waste blankets.

* * * *

Cigarette Paper

About 2,448.5 tons of cigarette paper valued at about Rs. 117 lakhs were produced in India during 1955-56.

* * * *

Dyestuffs Factory in India

The Government are aware that certain experts from an Italian firm have recently visited India in connection with the establishment of a dyestuffs industry in the country. The report of the experts is awaited.

* * * *

Central Control Over Drug Manufacture

The manufacture of drugs is already subject to Central control by virtue of the Industries (Development and Regulation) Act, 1951. The centralisation of the administration of the Drugs Standard Control, which is at present within the jurisdiction of State Governments, is under consideration.

* * * *

Iron Smelting

Mostly iron smelting is done only by large-scale factories. It is not economical to smelt iron ore on a cottage-industry basis. Low grade iron ores are not generally being used by large-scale iron and steel industries.

* * * *

Import and Export of Betelnuts

No import or export licence is required for the movement of betelnuts from one State to another in the Indian Union. The States that import betelnuts from other States in India are Assam, Bihar, Bombay, Madhya Pradesh, Orissa, Punjab, Uttar Pradesh, Hyderabad, Jammu and Kashmir, Mysore, P.E.P.S.U., Rajasthan, Saurashtra, Travancore-Cochin, Andamans, Ajmer, Bhopal, Coorg, Delhi, Kutch, Manipur, Tripura, Vindhya Pradesh and Pondicherry. Those which export betelnuts to other States in India are Bombay, Madras, West Bengal, Mysore, Travancore-Cochin and Coorg.

—*T. T. Krishnamachari*

Installed Capacity of Handlooms

The total number of handlooms in India is about 20 lakhs, according to the Textile Enquiry Committee. Production of handloom cloth in 1955 was about 1,450 million yards.

—*Nityanand Kanungo*

Indian Expert Teams to Russia

Two Indian expert teams visited Russia during the last three years to study the various industries in that country. Reports have been submitted by the teams. The purpose of the visit is generally to study the working of industries in Russia and not with a view to installing particular industries in India.

Dyeing and Tanning Material

By the end of the third Five-year Plan, the Government hope to be able to manufacture considerable quantities of various types of dyestuffs required by the leather industry. As regards tanning substances, the main items of which are wattle bark and its extract, efforts are being made to plant wattle trees in certain parts of the country. It is anticipated that the country may become nearly self-sufficient in regard to wattle bark by 1974.

* * * *

Printing Machinery

The Government are now exploring the possibilities of the manufacture of printing machinery in India. About 39 platen and flat-bed types of printing presses were produced in India in 1955. A survey is in progress to have an accurate assessment of demands of the types of printing machinery which can be economically produced in the country.

* * * *

Japanese Steel

While no Government-to-Government talks are going on with Japan for the import of steel, a private Indian firm is conducting negotiations for the import of 100,000 tons of steel this year from Japan. At present, India is importing some 50,000 tons of steel every year from Japan. No Japanese steel delegation is visiting India.

* * * *

Automobile Industry

Mr. A. J. Romer, a Director of the Associated Commercial Vehicles of the United Kingdom, has been invited by the Government of India to advise them with regard to the development of the automobile industry of India. Mr. Romer arrived on 19th April 1956, and it is understood that he would visit the principal manufacturing centres of automobiles in India.

—*M. M. Shah*

Import of Buttons

There has been an increase in imports of buttons since 1953-54, notwithstanding a heavy increase in duty in 1953 to 66-2/3 per cent. *ad valorem* in the case of buttons other than plastic, and in the case of plastic buttons to an alternative duty of As. 12 per gross. Quotas were reduced during July-December 1955 and the quota of metal buttons was further reduced in January-June 1956.

—*D. P. Karmarkar*

Diesel Engines

It has been decided in principal that a factory to manufacture diesel propelling machinery required for Indian-built ships will be set up in the public sector. The Indian shipping companies are being consulted, with a view to ascertaining their requirements of diesel engines. While it is too early to say where the proposed factory will be set up, I hope it will be located at Vizagapatam.

—*K. C. Reddy*

Tea Cargo

The percentage of tea cargo carried by Indian shipping companies from Calcutta to the U.K. in 1954 and 1955 was 17.13 and 22.55, respectively. The cargo is ordinarily shipped through private commercial channels. It is, however, understood that the Indian shipping companies would be satisfied, if they were given a 25 per cent. share and, as a result of voluntary co-operation between the interests concerned, this share is likely to be made available to them.

* * * *

Motor Transport Policy

The Ministry of Transport is examining whether it is possible to enunciate the Government's transport policy through a resolution or whether it should be incorporated in some existing legislation. The whole question of future set-up for State Transport undertakings is under active consideration of the Ministry of Transport and the Planning Commission. The question of encouraging the use of lorries in rural areas has to be considered in the context of its effect on the bullock carts upon which the rural economy is based. As far as the development of motor transport in urban areas is concerned, a scheme worked out by the Ministry of Transport for formation of co-operatives for running motor transport is under consideration of the Planning Commission which has agreed to a pilot scheme being worked in selected areas. The question of constitution of the Transport Advisory Council has been deferred till the implementation of the recommendations of the S.R.C.

—*Lal Bahadur Shastri*

Rural Credit Survey

The technical experts in the Department of Research and Statistics of the Reserve Bank of India are preparing a plan for recurring investigation, research and check up of the credit situation in the rural areas.

—*Dr. Punjabrao Deshmukh*

D.V.C. Estimates

The estimates of the Damodar Valley Corporation were last revised in January 1956 and amounted to Rs. 102.79 crores. The revision registered an increase of Rs. 13.79 crores over the estimate of Rs. 89 crores of October 1953. The main reasons for the increase are (i) extension of the D.V.C. transmission system to Calcutta, Gaya, Patna, and Dalmianagar; (ii) increase in the cost of land; (iii) increase in the cost of rehabilitation; (iv) provision of additional buildings; (v) rise in prices of tools and plants; (vi) change in design of the Panchet Hill project; (vii) increase in the cost of establishment; and (viii) increase in cost on account of spares.

—*Jalukhlal Hathi*

Notices

THE GANESH FLOUR MILLS COMPANY, LIMITED

DELHI

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 64th Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Subzimandi, Delhi, on Saturday the 23rd June 1956, at 10-30 a.m., to transact the following business:—

(*a*) To receive Directors' Report and pass Audited Accounts for the year ended 30th September 1955.

(*b*) To declare Dividends on:—

(1) 1st, 2nd, 3rd, 4th and 5th C.P. Shares for the years ending 30th September 1954 and 30th September 1955.

(2) Ordinary Shares for the year ending 30th September 1955.

(*c*) 1. To elect Director in place of Lala Balraj who retires by rotation and offers himself for re-election.

2. To elect Director in place of Shri Shivraj Bahadur who retires by rotation and offers himself for re-election.

(*d*) To appoint Auditors and fix their remuneration.

The Transfer Register of the Company will remain closed from 3rd June to 23rd June 1956 (both days inclusive).

By Order of Directors,
(Sd.) MAHO NARAIN,
Secretary & General Manager.

DELHI, 22*nd May* 1956.

Note.—(1) Members unable to attend are requested to send their Proxy Forms (sent herewith) duly stamped, signed and witnessed in favour of a person attending the meeting. Forms not properly witnessed or stamped or received less than 48 hours before the meeting will be invalid.

(2) A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and that a Proxy need not be a member of the Company.

THE BENGAL FLOUR MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the abovenamed Company that an Annual General Meeting within the meaning of the Companies Act, 1956 (being the One Hundred and Twenty-second Ordinary General Meeting of the Company) will be held at its registered office, 21, Netaji Subhas Road, Calcutta, on Friday the 15th June 1956, at 12 noon, to receive the Report of the Board of Directors and the Report of the Auditors, to consider the Profit and Loss Account for the half-year ended 31st December 1955 and the Balance Sheet as at that date, to declare a dividend and to transact other ordinary general business of the Company.

Notice is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 4th June 1956 to 15th June 1956, both days inclusive.

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 11*th May* 1956.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

THE INDIA UNITED MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of The India United Mills, Limited, will be closed from Friday the 22nd June 1956 to Thursday the 12th July 1956, both days inclusive.

By Order of the Board,
AGARWAL & CO.,
Agents.

BOMBAY, 23*rd May* 1956.

GILT-EDGED IMPROVES

(*From Our Own Correspondent*)

BOMBAY, 30*th May*

Demand for bank credit showed no sign of relaxation during the week under review also, with the result that the stringency in the short-term money market remained as keen as in the preceding weeks. There was, of course, some influx of funds, but it had no effect on the market, as the demand was good. There was, therefore, no variation in interest rates.

Inter-bank call money was bid at the self-same rate of 3½ per cent. and house money at call was also offered 3½ per cent. Short-term deposits fetched 3½ per cent. for one to three months and 3½ per cent. for longer periods.

There has been a further shrinkage of Rs. 10.15 crores in notes in circulation during the week ended 25th May 1956, bringing the aggregate fall during the past two weeks to Rs. 19.76 crores. Notes held in the Banking Department of the Reserve Bank show a rise of only Rs. 48 lakhs, so that the decline in total notes issued is Rs. 9.67 crores. This is covered by a drop of Rs. 9.94 crores in rupee securities and a rise of Rs. 27 lakhs in rupee coin. A marked fall of Rs. 11.15 crores is noted in deposits of the Central Government and a rise of Rs. 1.96 crores in those of other Governments. Balances held abroad are lower by Rs. 4.76 crores Loans and advances to Governments have declined by only Rs. 64 lakhs. Other loans and advances have fallen by Rs. 3.64 crores, of which advances to Scheduled banks against usance bills account for Rs. 1.89 crores. Fresh advances to banks against these bills during the week under review amount to Rs. 7.28 crores.

In contrast to the decline of Rs. 6.03 crores in demand deposits of Scheduled banks in the previous week, a rise of Rs. 6.18 crores in these deposits is disclosed by the Scheduled banks' statement for the week ended 18th May 1956. Time deposits are also up by Rs. 1.44 crores. Borrowings from the Reserve Bank stand reduced by Rs. 5.87 crores, thanks to the repayment of borrowings against usance bills to the tune of Rs. 5.97 crores. A fall of Rs. 2.31 crores is noted in advances, while bills purchased and discounted have risen by Rs. 1.20 crores. Investments are lower by Rs. 1.65 crores, while cash balances have risen by Rs. 2.17 crores.

The Gilt-edged market was a bit cheerful during the week under review, with an appreciation in values, thanks to the good demand for medium and long-dated issues. A fair volume of business was also reported done. Enquiries in market circles reveal that it is too early to indicate the terms of the forthcoming Central Government loan.

3 per cent. 1957 and 1958 were unchanged at Rs. 99-13 and Rs. 99-10, respectively, at which rates, the Reserve Bank was a buyer. 3 per cent. 1959-61 was maintained at Rs. 98-2, but there were buyers at that rate. 3 per cent. 1963-65 was in demand an anna higher at Rs. 95-3. 3 per cent. 1964 had business at the self-same rate of Rs. 95. 3 per cent. 1966-68 changed hands an anna higher at Rs. 93-5. 3 per cent. 1970-75 gained As. 2 to Rs. 90-2, at which level there were buyers. Business in 3 per cent. 1986 Conversion Loan was put through an anna higher at Rs. 77-8. 3½ per cent. 1961 was in demand As. 2 higher at Rs. 99-13. 3½ per cent. 1964 was done an anna higher at Rs. 98-12. 3½ per cent. 1965 gained an anna to Rs. 98-11, following the rise in the Reserve Bank's selling rate to that level. State loans were dull with no change in prices.

There was a marked fall in the value of rupee in terms of the U.S. dollar during the week under review, following the recession in sterling. The banks' selling rate of ready dollars moved from Rs. 476¼ per $100 to Rs. 477¾ per $100 and their buying rate from Rs. 472¼ per $100 to Rs. 473½ per $100. In New York, spot sterling weakened from $2.80¾-2.80¾ to $2.80¾-2.80½ and three months' forward from $2.79¼-2.79⅜ to $2.78¾-2.79. Transferable sterling declined from $2.78-3/5-2.78-7/10 to $2.77⅞-2.77-17/20.

LINSEED SUPPLIES SCARCE

(*Messrs. A. Bradley and Co.*)

CALCUTTA, 28*th May*

There has been no improvement in arrivals from the centres. Firm conditions upcountry, to which the continued abnormal prices of mustard oil have contributed largely, have caused a local scarcity of ready goods. To this unhappy state of affairs has been added a decline in the linseed oil market. Seed prices have shown no sympathetic reaction whatever and mills are unable to work profitably. Overseas prices for linseed oil are out of parity and conclusions have yet to be reached about the fate of former contracts, only a proportion of which have already been implemented. Local shippers have withdrawn from the market.

The latest available quotations are: Ready Rs. 22-10 and May-June Rs. 22-8 per maund.

HIDES ARRIVALS LARGE

(*From Our Own Correspondent*)

KANPUR, 26*th May*

During the week under review, the hides and skins market ruled quiet. Fresh arrivals were considerable, though the contribution to the total by the local butcheries was small. It was reported that consumption of meat had gone down considerably, due to extreme heat. The main purchasers were the local tanners and the Madras dealers.

The latest available quotations are: Wet salted cow 1st grade Rs. 280, 2nd grade Rs. 260 and 3rd grade Rs. 110 per score; wet salted buff 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces; sheep 1st grade Rs. 250 and 2nd grade Rs. 200 per 100 pieces.

GOLD SHOOTS UP

(*From Our Own Correspondent*)

BOMBAY, 30*th May*

Gold captured the limelight of trading in the bullion market during the week under review, with a rise of Re. 1-11 per tola in forward and Rs. 2-11 in ready. This appreciation in the value of gold was in refreshing contrast to the successive recession noted in the previous four weeks which had brought down the yellow metal by Rs. 7-11 per tola in the forward section and by Rs. 6-8 in the ready. Silver, on the other hand, ruled irregularly lower, the decline being more marked in the ready section than in the forward.

The rise in gold was due to a spurt in demand for ready metal from Madras, in the face of lower arrivals. The result was that the premium for ready over forward widened from Re. 1-12 to Rs. 2-12. In silver, ready, which had dropped by Rs. 4-11 over the week, was affected by the heavy arrivals of Tibetan silver coins. These arrivals were evidently the result of import commitments that had been made earlier. With the decline, registered during the week, the drop in ready price over the last four weeks comes to Rs. 13-1 per 100 tolas. At the same time, the premium for ready over forward has narrowed down from Rs. 7 to Rs. 3-8. Forward silver was marked down by only Re. 1-3 over the week, thanks to a partial revival of speculative support.

The large arrival of silver coins from Tibet, despite the heavy fall in prices in the local market, is explained in market circles thus: the silver coins now being brought in were purchased at very low prices long before the free import of silver from Tibet was permitted and the import duty was doubled. The transport of these coins from that country to India is also arduous and takes a long time to reach the markets of India. Despite the higher import duty and the recent fall in local prices, the importers of these coins have a fair margin of profit.

To revert to the market trend. Forward silver (26th June settlement) dropped from Rs. 167-12 to Rs. 166-4 early in the week. After a sizable improvement to Rs. 167-14 yesterday, it reacted to Rs. 166-9 at the close today.

Ready silver (.996 mint) slumped from Rs. 174-12 to Rs. 168-8 and, after a short-lived advance to Rs. 171-8, gave way to Rs. 170-1 at the close.

The floating stocks of silver are estimated at 500 bars. The daily average offtake was 35 bars.

Gold for forward delivery (25th June settlement) moved up from Rs. 98-7 to a high of Rs. 100-6 before closing at Rs. 100-2.

Ready gold gained from Rs. 100-3 to Rs. 103-2, but wound up a shade lower at Rs. 102-14.

The floating stocks of gold are reported to be 14,000 tolas. The daily average arrivals were 1,500 tolas, while the offtake was 4,000 to 5,000 tolas on an average.

In London, both silver and gold prices were marked up. Spot silver advanced from 78¾d. to 79¼d. but closed at 79d. yesterday. After moving up from 78¼d. to 78¾d. forward silver declined to 78¼d. Gold gained ground from 249s. 2d. to 249s. 4d. In New York, silver was unchanged at 90¾c.

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

	30-5-56	Highest	Lowest	23-5-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	102 14	103 2	100 4	100 8
Forward*	100 2	100 6	98 8	98 7
Sovereign	66 4	66 4	66 0	65 8
SILVER				
Ready (.996 fine Mint) ..	170 1	171 8	168 8	174 12
Forward†	166 9	167 14	166 4	167 12
London Silver Ready ..	79d.	79¼d.	78¾d.	78¾d.
London Forward	78¾d.	78¾d.	78¼d.	78¾d.
London Gold	249s. 4d.	249s. 4d.	249s. 2d.	249s. 2d.
New York Ready	90¾c.	—	—	90¾c.

* 25th June, settlement.
† 26th June, settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

HIDES RECEDE

(*From Our Own Correspondent*)

MADRAS, 28*th May*

The E.I. tanned hides and calf market remained lifeless during the week under review. Importers' enquiries were meagre and selective. Prices were lower than those for the earlier purchases and these were nearer the levels current during the slump period in 1952. As the kip trade depends mostly on U.K. buying, the lower prices offered and the continued absence of enquiries for regular quantities from the U.K. have been causing great anxiety to the trade. Demand for lower grade kips for inland consumption was small and this was another bad feature in the market.

There was little or no call for ordinary qualities in buff calf and cow calf. The buff hides market ruled weak.

In the tanned skins section, there was good clearance of lining sheep probably on account of the low prices taken by weak stock-holders. There were some enquiries for middle class and common sheep from Japan. Arrivals of goat skins were moderate and clearance slow.

SPOT COTTON DULL

(*From Our Own Correspondent*)

BOMBAY, 30*th May*

The coming week will be a crucial one for the cotton market. For it is in this week that the whole issue of resuming forward trading in cotton is expected to be finally settled. The Hedge Contract Committee has already received the views of the two sections, one advocating only a single contract and the other favouring two contracts side by side for longer and shorter staples. The views were discussed by the Committee at a meeting held on the 28th inst., but, since the Committee was itself divided sharply over the question, no decision was taken. The Committee, met again today. At this meeting, eight members were reported to have favoured two contracts and four members wanted one contract. In view of the divergence of views, no decision was taken and the question was referred to the Board of the East India Cotton Association which will discuss it at its meeting on Friday next.

In the meantime, it is learned that the Union Minister for Commerce and Industry will be visiting the City in a few days. The Minister, it is said, will hold discussions with both the representatives of the cotton trade, and the Forward Markets Commission. The outcome of the discussions is awaited with considerable interest. The visit of the Minister has been tipped by a report "as the most opportune time for something definite in respect of all the loose ends of the cotton tangle to take shape." The optimism seems to be somewhat justified, considering that the new President of the East India Cotton Association, Mr. Madanmohan Ruia, has started off fairly well in the task of resumption of forward trading in cotton. Immediately after assuming office as President, Mr. Ruia came came out with a statement in the Press in which he appealed for understanding and co-operation on both sides, that is, the Government and the Association. While offering his fullest co-operation to the Government, he assured the cotton trade that the hedge contract—to be formulated—"would not only provide the necessary protection alike to the trade and to the growers, but also help rehabilitate the persons who have been thrown out of employment as a result of the continued closure of the forward market for the last five months."

Since the attention of all cotton traders is focussed on the deliberations of the Hedge Contract Committee, the spot cotton market has put on a rather dull note, although prices continue to rule firm. Buying enquiries are not very encouraging, as operators prefer to watch the trend of cotton prices after the resumption of forward trading. Some are inclined to believe that the new crop contracts are unlikely to reflect immediately any marked bullish sentiment. In fact, they expect that futures cotton would be cheaper than spot cotton. In support of this view, it is pointed out that, given normal favourable weather, the domestic crop next season will be at least 5 million bales (of 400 lbs. each). Consequently, daily turnover has been reduced and prices of domestic styles are moving narrowly, the general tendency being slightly upwards.

The following table gives the latest quotations for a few popular styles of cotton from the Sewri market, as compared with the rates prevailing a week and a fortnight before:

(In rupees per candy of 784 lbs.)

	30-5-56	23-5-56	16-5-56
Bengal *Deshi*	640	640	660
Berar Jarillas	810	810	800
Khandesh	820	820	810
Vijay	985	980	965
Oomra *Deshi*	710	710	710
Moglai	725	725	720

In the foreign cotton section also, interest is subdued. Thanks to the bearish view of the American cotton situation, deals put through in new crop U.S. styles are only moderate, with prices drifting lower. Good Middling 1.5/32" was done during the week at Rs. 1,405, as against Rs. 1,435-Rs. 1,445 a week before. The volume of business put through in Pima, Sudans and East Africans is also small, with prices recording a fall. There are no enquiries for Egyptians.

There was no notable development in the Karachi cotton market during the week under review. The sharp break in values suffered last week evoked some buying support which led to a recovery. The recovery was, however, not marked enough to make up for the last week's losses, so that yesterday's closing quotations were still substantially lower than those a fortnight before. The latest available quotations—in rupees per 82 lbs.—from the Karachi cotton market, as compared with those a week and two weeks before, are given below:

	29-5-56	22-5-56	15-5-56
N.T.R.G. May	*92½	90⅝	91
N.T.R.G. July	86½	86⅞	85½
N.T.R.G. January ...	77⅜	—	—
Sind *Deshi*	101	100	104
Punjab *Deshi*	95	94	99
4F Roller	86½	86½	90
S.G.	97½	96	102½
Punjab Roller	91½	91½	95½
S.G.	96½	95½	100
289F N.T. Roller ...	92½	92	96
S.G.	97½	96	102½

*Deleted on 23-5-56.

The firm trend noted in the Alexandria cotton futures market last week gathered considerable momentum this week. In fact, conditions akin to boom were in evidence. This was due to tight supply position and unfavourable reports about the progress of new crop. Buying support, therefore, broadened and cotton prices forged further ahead.

The following are the latest available quotations—in tallaris per lb.—from the Alexandria cotton futures market, as compared with those a week and a fortnight before:

	29-5-56	22-5-56	15-5-56
Karnak:			
May	133.50*	123.00	116.50
July	133.00	118.75	112.75
November ...	126.80	115.30	109.30
Ashmouni:			
June	96.30	87.75	88.45
October ...	89.05	83.65	80.15

* on 25-5-56.

The Government of Egypt has decided to revoke its decision to tax commissions paid to foreign agents on sales of cotton effected abroad by Egyptian shippers. Accordingly, such commissions are not subjected now to taxation on commercial and industrial profits. This decision is a sequel to the representation made by the cotton trade.

Barring Egyptian and Sudan cotton contracts which ruled strong, the Liverpool cotton futures market exhibited an easy note this week also. The easiness was due to reports that the U.S. Senate had upheld the section in the Farm Bill under which the Agriculture Department should offer cotton abroad at prices cheaper than at present. Some selling ensued, as a consequence, and old and new contract prices tended to look down. The following are the latest available quotations—in pence per lb. —from the Liverpool cotton futures market:

Old contract : May-June 26.33 and July-August 25.75. *New contract*: May-June 29.95; July-August 27.50; October-November 25.20; December-January 24.90; March-April 24.55 and May-June 24.40. *Egyptian Karnak cotton*: May-June 62.75; July-August 62.55 and November-December 62.55. *Sudan cotton contract*: July-August 51.75; September-October 50.55 and November-December 50.50.

Conditions in the New York cotton futures market were distinctly easy, thanks to reduction of one cent in the minimum acceptable price of cotton by the Commodity Credit Corporation and to the Senate's approval of the section in the Farm Bill which forces the Agriculture Department to cut prices of cotton offered for sale abroad to 25.50 cents (Basis Middling 15/16" at ports). These factors led to liquidation and selling, with the result that cotton prices moved down. The decline would have been more marked but for small mill and local buying.

The new Farm Bill was signed by President Eisenhower on Monday this week. As its chief feature, the Bill is built on the President's soil bank plan and a programme for payment of up to $1,200,000,000 a year to compensate farmers for taking land out of surplus-producing crops. Under the new Bill, the Secretary of Agriculture is directed to sell up to five million bales of Government-held cotton each year in world markets at competitive prices to help cut down the cotton surplus.

The U.S. Agricultural Department will sell up to 5 million bales of Government-owned cotton at or below the floor price of 25.50 cents per lb., the price at which the Department sold 1 million bales of surplus cotton in January and February last. Under the current cotton sales programme started this month, the Department has sold about 234,000 bales at the floor price of 27.50 cents per lb.

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

(In cents per lb.)

	29-5-56	22-5-56	15-5-56
Spot	36.55	36.55	36.70
July	34.45	34.20	34.46
October	32.29	32.74	32.77
December	32.45	32.87	32.84

SUGAR STEADY

(From Our Own Correspondent)

BOMBAY, 30*th May*

Steady conditions prevailed in the sugar market during the week under review. Arrivals of indigenous sugar into the market were negligible, being only 3,000 bags, as against 10,500 bags a week before. This factor influenced the sentiment of operators favourably and prices registered a slight improvement. The improvement would have been marked, had there not been a fall of Re. 1 per bag in ex-mill quotations for Bombay-Deccan sugar on rumours of a further monthly release of sugar towards the week-end.

In the ready section, small grain indigenous sugar hardened by As. 8 to Rs. 89-Rs. 90 per bag. Medium grain rose by a like amount to Rs. 90-Rs. 93. Large grain was fully firm at Rs. 93-Rs. 98. British refined sugar advanced by As. 14 to Rs. 85-4 per bag of 2 cwts., with keen buyers at this price. The spurt in the price of this sugar is attributed to its concentration in the hands of one party. During the week, about 7,000 tons of British refined sugar stocked at Calcutta were sold at Rs. 28¾-Rs. 28⅞ per maund. Simultaneously with this disposal, about 10,000 tons stocked at Bombay were sold at Rs. 30-8, leaving a balance of only 2,500 tons of damaged sugar with the Regional Directorate (Food), Bombay.

In the forward section, *Shravan* delivery contract for 'C' grade sugar moved up from Rs. 89-14 to Rs. 90-8. *Vaisakh* delivery was squared up at Rs. 89-12.

The ex-mill quotations for Bombay-Deccan sugar have, as already stated, receded by a rupee per bag in anticipation of a further monthly release. The fall is in distinct contrast with the rise of As. 4 per maund in the price of North Indian sugar. Despite this fall, the ex-mill quotations in the Bombay-Deccan are still considered to be artificially high and trade circles anticipate a further drop in quotations.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

RAYON YARN FIRM

(From Our Own Correspondent)

BOMBAY, 30*th May*

The rayon yarn market presented a firm trend during the week under review. The firmness was aided by renewed rumours of an upward revision in prices of yarn by overseas suppliers and paucity of stocks of tenderable quality. Operators were interested in extending their commitments on expectation of a further hardening tendency, and rayon yarn registered a handsome rise in prices. The staple fibre yarn section, however, ruled easy, thanks to limited offtake locally, as well as in the important consuming centres. The cotton yarn section also ruled easy, in the absence of any encouraging development.

Snia rayon yarn (120 dull cones) for August delivery met with good buying support and rallied Rs. 9 to Rs. 802. June delivery advanced by Rs. 8 to Rs. 805. In the spot section, 150 Italy was sought an anna higher at Rs. 3-14. 120 Italy strengthened by half an anna to Rs. 3-13. 120 Japan was better by three pies at Rs. 3-13-6. 150 Japan was throughout fully maintained at Rs. 4-4. Among indigenous yarns, 150 Bt. cones 1st grade picked up six pies to Rs. 3-8-3. 120 Bt. cones 1st grade gained a like amount to Rs. 3-11.

Foreign staple fibre yarns (80x2) came in for heavy selling and prices moved downwards. Paramounts were the worst sufferer, their quotation declining by As. 3-6 to Rs. 6-9-6. Fujis and K'Suns dropped As. 3 each to Rs. 6-12 and Rs. 7-1, respectively. Suicos shed an anna to Rs. 7-11. H'Races lost a similar sum to Rs. 6-11. Among indigenous yarns (40x2), Kohinoors decreased by six pies to Rs. 3-9-3. Citys eased by three pies to Rs. 3-9-3. Centurys were quiet at Rs. 3-8-9, same as last week. Staple fibre yarn (40x2) for June delivery lacked support and receded by a rupee to Rs. 685.

Activity in the cotton yarn section was greatly restricted. Traders were cautious in making fresh purchases of yarn, as they preferred to watch the trend of cotton prices, as also developments in piecegoods markets. Consequently, prices moved narrowly. Ten counts Podars rose by As. 2 to Rs. 14. Moderns were unchanged at Rs. 14-4 and Elphinstones at Rs. 13-4. Among 20s, Hinds lost an anna to Rs. 18-5. Edwards were quiet at Rs. 17-6, Elphinstones at Rs. 17-6, Podars at Rs. 18 and Kumlas at Rs. 17-13. Thirty counts Sarojas changed hands As. 2 higher at Rs. 24. Among 40s, Chinas were unaltered at Rs. 33-8. Minaxis shed As. 4 to Rs. 28-14 and Moderns As. 2 to Rs. 29-4. Among 80s, Mahendras were quiet at Rs. 73. Moderns were favoured a rupee higher at Rs. 70-8. Business was reported in 60 counts at lower prices. Moderns slipped by Re. 1-8 to Rs. 63-8. Finlays and Barodas dropped As. 12 each to Rs. 64 and Rs. 56, respectively. Raghuvamshis decreased by As. 8 to Rs. 60-12.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	30-5-1956	23-5-1956	16-5-1956
Art Silk yarn (per case of 200 lbs.)–	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia June ..	805 0	797 0	799 0
August ..	802 0	793 0	794 0
120 Japan (per lb.)	3 13½	3 13½	3 13
150 Japan (per lb.)	4 4	4 4	4 4
120 Italy (per lb.)	3 13	3 12½	3 12½
150 Italy (per lb.)	3 14	3 13	3 13½
Staple fibre yarn (per case of 200 lbs.)–			
40×3 June	685 0	686 0	684 0
40×2 New Great (per lb.) ..	3 8¼	3 8¼	3 8½
40×2 Century (per lb.) ..	3 8¼	3 8¼	3 8¼
40×2 City (per lb.)	3 9½	3 9½	3 9½
Cotton yarn (per bundle of 10 lbs.)–			
10s Fodar	14 0	13 14	13 10
20s Hind	18 5	18 4	18 4
30s Saroja	24 0	23 14	23 14
40s Minaxi	28 14	29 12	29 14
60s Modern	63 8	65 0	64 0
80s Modern	70 8	69 8	68 12

OILSEEDS WEAK

(From Our Own Correspondent)

BOMBAY, 30*th May*

Trading in the oilseeds market during the week under review was characterised by long liquidation and bear pressure. The Central Government's decision to close out forward contracts in castorseed (barring non-transferable specific delivery contracts) at the closing rates as on the 23rd inst. throughout India, excluding Hyderabad, was interpreted as a prelude to further official intervention in the oilseeds market. Reports of rains in upcountry centres and fears of decline in overseas demand for oils further adversely affected the sentiment of operators. Rumours of an upward revision in the export duty on castorseed also acted as a damper. The cumulative effect of all these bearish influences was the sharp break in the prices of oilseeds and oils. The undertone of the market was distinctly weak.

The castorseed section was particularly depressed, thanks to the reported move of the U.S. Government to offer a large quantity of oil from the old stocks in the auction to be held shortly and to the possibility of a rise of $6 per ton in the freight rates for oil shipments to the U.S. Castorseed May delivery was subjected to heavy selling pressure which resulted in its decline from Rs. 152-2 last week-end to Rs. 142-10 before closing a shade better at Rs. 143-6. September delivery slumped by Rs. 10-6 to Rs. 146-14. Ready F.A.Q. dropped Rs. 2 to Rs. 28. Kanpur and Madras fell by Re. 1-12 each to Rs. 26-12 and Rs. 28-4, respectively. Castor oil B.S.S. receded by Re. 1-1 to Rs. 16-10. Commercial quality suffered a loss of As. 14 to Rs. 15-10.

In the groundnut section also, there was a landslide in prices, which followed an appreciable fall in demand from crushers, as a result of enlarged arrivals of oil from North Indian markets. Groundnut August-September delivery climbed down by Rs. 2 to Rs. 34. June-July lost a similar amount to Rs. 33-4. Ready bold F.A.Q. decreased from Rs. 34-12 to Rs. 33. Coromandel and Khandesh finished the week each Re. 1-8 lower, the former at Rs. 33-12 and the latter at Rs. 33-14. Groundnut oil June delivery eased by Re. 1-3 to Rs. 17-13 and July delivery by Re. 1-12 to Rs. 18-3. Ready railway receipt declined by As. 15 to Rs. 17-12. Ex-mill shed As. 11 to Rs. 18.

The linseed section ruled weak, owing to a large increase in floating stocks of oil, which was due to lack of enquiries from shippers. The incidence of heavy export duty on linseed oil was reported to have encountered buyers' resistance in overseas markets. Linseed August-September dropped Rs. 2-2 to Rs. 30-14. June-July climbed down by Rs. 2 to Rs. 31-12. Ready Indore fell by Rs. 3-10 to Rs. 30-4. Kanpur declined by Re. 1-14 to Rs. 30 and bold by Re. 1 to Rs. 32-12. Linseed oil ready was transacted lower at Rs. 18-8, as against Rs. 19-10 last week-end.

In sympathy with the general trend of the market, the prices of other oilseeds drifted lower. *Niger* seed ready F.A.Q. and Madras both retreated by Re. 1-4 to Rs. 27-12. *Kardi* seed lost As. 12 to Rs. 19-4.

The following table shows the prices of oilseeds and oils today as compared with those at the end of the previous two weeks.

	30-5-1956	23-5-1956	16-5-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
Khandesh Quality Ready (per cwt.)	33 14	35 6	37 0
June-July	33 4	35 4	36 6
Linseed—			
Bold Ready (per cwt.) ..	32 12	33 12	34 6
June-July	31 12	33 0	33 14
Castorseeds—			
May	143 6	152 2	158 10
September	146 14	157 4	158 14
Madras (per cwt.)	28 4	30 0	29 10
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 0	18 11	19 10
Castor Oil—			
Commercial (per quarter) ..	15 10	16 8	16 12
Linseed Oil—			
Ready	18 8	19 10	20 7

PEPPER FIRM

(Messrs. Parekh and Co.)

BOMBAY, 30*th May*

After a continuous dullness for a pretty long time, Malabar black pepper, during the week under review turned firmer, following the broadening of enquiries for new shipments from New York where spot material is reported to be getting scarce owing to smaller shipments during the last two to three months. New York dealers must thank themselves for the situation because when the trade from India and Singapore was offering at lower prices, they refused to buy and asked for further concession at every new bid. Recently, one of the main topics of the discussion among trade circles in all the primary markets is whether pepper has now really turned the corner or that the present advance is a temporary one. The future alone can answer this question. But analysts in the trade believe that the worst is now over and that the market will improve, for the following reasons among others:

(1) Scarcity of spot stock in the U.S.A. and Europe; (2) sizable short sales in Sarawak black for June-July-August both at Singapore and overseas; (3) eagerness on the part of American and European buyers to buy in advance against the possible expansion of demand during the coming autumn; (4) possibility of political unrest in Singapore following the resignation of Mr. Marshall after the breakdown of the London-Singapore talks; (5) unwillingness on the part of Sarawak assemblers to sell forward; (6) holdings capacity of the Indian and Indonesian growers and (7) possibility of Russian and Chinese buying.

Spot in New York improved from $0.28½ to $0.30¼ while Sarawak black improved from Str.$68 to Str.$73. In India, Alleppey rose from Rs. 737½ to Rs. 781½ while garbled at Cochin moved up to Rs. 133¾. In the A.S.T.A. section, May shipment changed hands from $0.27 to $0.29¼, while June from $0.27 to $0.29½ and July-August-September from $0.27½ to $0.29¾.

In the delivery section, June delivery moved from Rs. 732½ to Rs. 755 with scarcity of sellers.

The short-range view for pepper appears bullish in view of the approaching autumn demand and resistance to lower prices from both Indian and Sarawak growers. However, the real arbiter of prices is New York and, therefore, one should closely watch that market.

Following are today's nominal quotations: Ready Rs. 106 per Bengal maund; June Rs. 727½-732½ and July Rs. 727½-732½ per candy of 5¼ cwts.

FANNING TEAS IRREGULARLY DEARER

[Messrs. Forbes, Ewart & Figgis (Private) Ltd.]

COCHIN, 24*th May*

Almost 775,000 lbs. were on offer in sale No. 12 which was held on Tuesday, 22nd May. The sale opened to a strong demand for all fannings grades and these types were irregularly dearer. Middle East type fannings met with competition and any teas with a show of tip sold well. Broken grades were in less demand and prices were fully As. 2 lower. Rates for high grown teas reflected the decline in quality. Orange pekoes were rather difficult of sale, but there was some demand for pekoes and flowery pekoes. The following are the quotations:

	Rs. a. p.
Plain B.P.	1 10 0
Low medium B.O.P.	1 13 0
Medium B.O.P.	1 15 0
Good B.O.P.	2 6 0
	to 2 8 0
Well made black leaf O.P.	2 3 6

The average price realised in Sale No. 12 was Rs. 2-3-2 per lb., as against Re. 1-14-1 per lb. in the corresponding sale of 1955. This brings the average from 1st January to 22nd May 1956 to Rs. 2-3-9 per lb., as compared with Rs. 3-2-8 per lb. for the same period in 1955.

London Market.—No sales this week, due to Whitsun holidays.

Colombo Market.—Except for thin liquoring or weathery sorts, strong demand continued to strengthen throughout, particularly for useful coloury teas and brighter liquoring Uvas. Prices fully firm to dearer, in spite of inferior quality. Off grades very strong substantially dearer, particularly useful liquoring fannings.

Calcutta Market—Export.—22,000. Fair general demand. Price for all but black medium Assams, neat Orange pekoes and some fannings irregularly one anna to As. 2 easier.

Internal.—21,600 Dust. Fairly good demand. Strongest feature medium Assam good liquoring. Selective buying Middle East types. Best C.T.C. fully firm. Others one anna to As. 2 easier.

Export Quota.—There has been an easier tendency for special licence and business has been done at 6 to 7 pies. 1956-57 export quota is changing hands at 36 pies.

Forthcoming Auctions.—Sale No. 13 will be held on Tuesday, 29th May.

As we go to press, Messrs. Forbes Ewart and Figgis (Private) Ltd. wire:

"*Sale* 13:—1,100,000 lbs. Irregular demand. Practically no enquiry for medium and low medium B.O.P.'s with heavy withdrawals. Good medium and best liquoring B.O.P.'s useful demand. Keen competition for all fannings grades which are dearer. Whole leaf less demand and easier."

SUGAR QUIET

(From Our Own Correspondent)

HAPUR, 28*th May*

After last week's active conditions, the sugar market again ruled quiet during the week under review. Outside buying enquiry was slack and small demand from Madras could not be met, thanks to want of loading facilities to that area. Supply position was reported easy, as some of the factories were still crushing for the season and anxiety was reported from some centres that the factories would not be able to crush the cane still left in the fields. The cane crop for the next season, which was hitherto considered very good, is now reported to be suffering from pests in some parts of the State.

The latest mill delivery prices of sugar at Hapur are: Jaswant Rs. 27-14, Simbhauli Rs. 28, Mowana Rs. 27-13, Daurala Rs. 29, Amroha Rs. 27-8, Bijnore Rs. 27-8, Mansoorpur Rs. 28 to Rs. 29, Rampur Rs. 30-8; retail Rs. 30 per maund.

Easy loading facilities to consuming areas of Gujerat accounted for a rise of As. 4 in the price of *gur* which stood at Rs. 10-8 per maund. The week's offtake aggregated 28 wagons, being mostly to Gujerat, and small daily arrivals were nominal, at an average of 150 maunds out of the stocks retained by the producers. Local stocks dwindled to 90,000 maunds.

Future *gur* prices eased on bear pressure. The latest price as on Monday for *fagun* delivery were Rs. 8-11-6, as against the last week's opening of Rs. 9-5-7½.

FOODGRAINS EASY

(From Our Own Correspondent)

HAPUR, 28*th May*

Foodgrain prices which had recorded a strident advance during the major part of the week eased towards the week-end, following substantial fall in future prices and increased arrivals which were at their peak. The Union Food Minister said that the Government had already taken suitable remedial measures to bring down prices in the urban areas, such as ban on exports, issue of wheat from Central sales depots freely at Rs. 14 per maund, and release of substantial quantities of rice from Central stocks to State Governments at Rs. 16 per maund. Wheat prices at Hapur which had touched peak levels during the mid-session to Rs. 13-10 per maund for average quality and to Rs. 15-2 for farm quality declined at the close of the week to be quoted at Rs. 13-4 and Rs. 14-12 per maund, respectively, on Monday. Arrivals were 4,000 maunds, most of which were absorbed by local stockists, with the result that the stock has gone up to 42 *khaties*. The total arrivals of wheat since the beginning of the season were put at 62,000 maunds, as against 72,000 maunds by this date last year.

Rice prices ruled quiet, following the Government of India's agreement to import two million tons of rice from Burma in the next five years. Half of this quality would be imported in the next two years. The latest prices of rice at Hapur are: *Rangooni* Rs. 16-12, *basmati* Rs. 24 to Rs. 31-8, *manipuri* Rs. 19, and coarse quality Rs. 15-6 per maund. After touching the highest during mid-session at Rs. 11-2 per maund, gram Punjab quality prices eased towards the week-end to Rs. 10-14 per maund. Stock was put at 14 *khaties*. The other coarse grain prices also eased. Today's prices were: *Bejhar* Rs. 9-10 and barley Rs. 9-12. Stock of *bejhar* was put at 4 *khaties*.

Owing to bullish activity in the last few weeks, peas arrivals increased to 5,000 maunds today. There was, therefore, a fall of As. 8 per maund in *dara* green prices to Rs. 10-4. White quality was transacted at Rs. 12 per maund, with stock position put at 35 *khaties*. *Arhar* stock swelled further by 10 *khaties* during the week to 78 *khaties*, due to heavy arrivals from Punjab and east U.P. Prices also eased towards the week-end to Rs. 11 per maund.

REFLECTIONS OF A RETIRED BANKER

(*Concluded from page* 1049)

"I am an advocate of very great powers for the management of money. Amongst inventions to the credit of man's genius, I reckon money as the most necessary social tool; and, because it is so wayward, unpredictable and unmanageable, it has to be managed strictly, and its manager must possess vast powers. But that is not the same thing as saying that the manager need not hold the technical qualifications and the experience necessary for the job; nor that the possession of authority and discretion *ipso facto* implies that they are always used wisely. In demanding statutory right for bankers to be consulted, I had no desire to belittle the huge paper work that is done in the Economic Division of the Reserve Bank, but, on the analogy of what prevails in other countries, to provide for the monetary authority a practical touchstone on which to test their conclusions. Capacity to collect statistics and data is not the same thing as ability to interpret them correctly.

"I repeat again that a right to give advice is not the same thing as duty to accept it. In opposing such a simple argument, the *Economic Weekly* has unjustly condemned, and perhaps unintentionally, the bankers of the country as ignorant, meddlesome and irresponsible, and also advocated autocracy in money and finance. Democracy thrives through discussion, but autocracy shuns advice and arguments.

"The *Weekly* condones violations of confidential relations between customers and bankers. This raises a serious issue. Does it advocate that the central monetary authority should be a super secret service of Government? And, in that case, why not abrogate the law, whereby relations between solicitors, lawyers, doctors and bankers and their clients are held sacred." Why should the trade secrets be recognised in law? Why are employees, officers, directors and auditors of banks required to sign undertakings to keep strictly secret, facts concerning bank accounts?

"The issue is not that banks encourage malpractices. All facts cannot be read correctly into accounts. There may be impression or even suspicion, but that is not proof. Obviously, banks cannot usurp the role which is reserved for judges and magistrates. But bureaucratic eyes are always full of suspicion. If they are encouraged in witch-hunting among business men, which results in annoyance to people, the latter would shun banks. And the country needs more banks, and greater discipline over money and credit, though increased banking. Otherwise, why plan opening of 400 new branches by the State Bank? The Shroff Committee, by which my critic swears, draws the attention of the Central and State Governments, in para 111 of its reports, 'to the necessity of doing everything possible to maintain the secrecy of banker-customer relationship and of developing and fostering the banking habit.'

"A case recently decided in the Punjab court, in which a number of bank officials were criminally prosecuted on the information said to have been supplied by the Reserve Bank to the police—the Bank must have obtained the information in the course of its inspection—shows that such a role can be damaging to the prestige, fair-mindedness and dignity of the Bank. The accused have been acquitted. Why should the Bank go outside the purpose of inspection, to look after depositors' interests, and assume a responsibility which law has not devolved upon it —and which in fact is repugnant to banking practices all over the world?

"Once Society concedes the right to witch-hunting, then we cannot be far from the rule of gestapo. We shall revert to the days of inquisition of the middle ages. It would be far simpler and easier to advocate abolition of democracy and establishment of totalitarian authority.

"I agree with my critic when he says that the world is moving and we need newer concepts. The federal management in money is certainly newer than the old unitary type of management. And obviously, the bureaucrats, brought up in the old traditions of suspicion, with emphasis on, and trained in, law and order at any cost, are not the newer type of managers needed for India's financial and economic institutions. The Government's recent decision to recruit administrators for its industrial and trading enterprises from the mercantile community shows that the bureaucrat is least fitted to hold any office outside normal civil administration.

"In my writings in your esteemed paper I had deliberately withheld some of the more serious mistakes and violations in the working of India's central banking institution, because my object was not to create sensation or encourage ghoulish delight, but to improve conditions, so that our economic plans should not suffer, from wrong monetary concepts or from mistaken policies in regard to credit and currency.

"In order to achieve national purpose and improved standard of living, we need maximum co-operation between all sections of population, intelligent and unbiased management, and help and guidance of builders in industry and finance. But, above all, we require correct and fearless thinking on India's political and economic problems."

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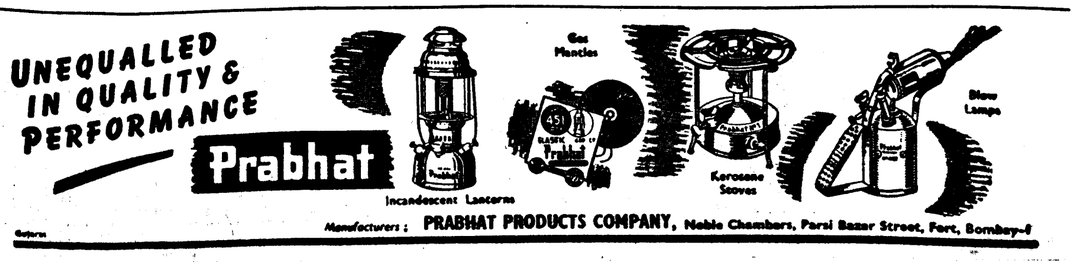
[The aforesaid letter was delayed in transit. Had it reached us in time, it would have been published in our last issue.—ED.]

SURVEY

(*Concluded from page* 1046)

Assam offering courses in civil engineering and the other in Orissa offering courses in electrical, mechanical and civil engineering. The grants recommended by the Committee for the two colleges were Rs. 24 lakhs and Rs. 38 lakhs, respectively. The Committee also approved of grants for several institutes—Rs. 7 lakhs for opening a civil engineering diploma institution at Berhampore, Rs. 6 lakhs for the Bihar Institute of Technology, Sindri, Rs. 5.2 lakhs for the Jadavpur College of Engineering and Technology, Rs. 4.5 lakhs for setting up a polytechnic at Asansol, and Rs. 1 lakh each for the Assam Civil Engineering Institute and the Hooghly Institute of Technology. This is a good beginning but will hardly meet the growing need for technical personnel during the second Plan. Further, the authorities will have to see that the students that are turned out of these institutions get sufficient practical training that will enable them to discharge efficiently the responsibilities entrusted to them.



MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936		3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	6	8
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1956	4	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	18th May, 1948	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	10th Oct., 1955	6	7
Norway	14th Feb., 1955	2½	3½
Pakistan	1st July 1948	3	2½
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	3	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1956	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	24th June, 1955	3	4½
United Kingdom ..	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	19th May, 1955	4½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 25th May, 1956		Week ended 18th May, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay ..	2,54,446	48,93,30,000	2,68,368	58,78,98,000
Calcutta ..	1,44,286	51,19,28,883	1,52,722	51,39,63,063
Madras ..	74,579	8,43,70,903	75 959	8,05,56,000
All Centres—				
1955-56* ..	..	..	2,689,000	5,595,400,000
1954-55* ..	..	..	2,885,000	6,041,200,000
Jan., 1956 ..	..	..	3,210,000	6,07,68,00,000
Feb., ,, ..	..	..	3,302,000	7,51,85,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 25th May, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		10,00,00,000
National Agricultural Credit (Stabilisation) Fund		....
Deposits:—		
(a) Government—		
(1) Central Government		56,68,99,000
(2) Other Governments		6,12,76,000
(b) Banks		51,21,18,000
(c) Others		12,53,15,000
Bills Payable		6,12,76,000
Other Liabilities		37,37,69,000
	Rupees	193,46,19,000

ASSETS	Rs.
Notes	18,97,83,000
Rupee Coin	8,50,000
Subsidiary Coin	5,18,000
Bills Purchased and Discounted—	
(a) Internal	32,50,000
(b) External	....
(c) Government Treasury Bills	8,53,38,000
Balances held abroad*	80,69,20,000
Loans and Advances to Governments	2,19,00,000
Other Loans and Advances	78,52,95,000
Investments	25,38,36,000
Other Assets	25,88,79,000
Rupees	193,46,19,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 44,22,20,000 advanced to Scheduled banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 119,54,04,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	18,97,83,000	
Notes in circulation	1506,13 10,000	
Total Notes issued		1525,10,93,000
Total Liabilities	....	1525,10,93,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	681,44,72,000	
Total of A		721,46,43,000
B. Rupee Coin		104,89,08,000
Government of India Rupee Securities		698,75,42,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1525,10,93,000

Ratio of Total of A to Liabilities: 47.306 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 18th May, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	6,99,90,000
(ii) Other demand liabilities	630,98,16,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	3,11,80,000
(ii) Other time liabilities	430,60,21,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	9,63,81,000
(ii) Time liabilities	....
4. Cash in India	88,57,32,000
5. Balances with the Reserve Bank in India	48,22,66,000
6. Balances with other banks in current account in India	10,30,09,000
7. Money at call and short notice in India	9,06,45,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	353,55,41 000
9. Advances in India	614,75,90,000
10. Inland Bills purchased and discounted in India	107,60,12,000
11. Foreign Bills purchased and discounted in India	45,72,41,000

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

EXCHANGE RATES

	29th May, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6⅜	1-6⅜
Bombay on New York—		
Sellers T.T. D.D. Rs.	477½	476½
Buyers T.T. Rs.	478	473
London on New York $	2.80½-2.80½	2.80½-2.81
London on Paris Fcs.	985½	985½
London on Berne Sw. Fcs.	12.24½-12.24½	12.26½-12.26½
New York on London $	2.80½-2.80½	2.80½-2.80½

NATIONAL INCOME*

Country	Year	Population (In millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	890	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.00	£ (N.Z.) 802	1,070	5,119
Australia	1954	8.99	£ (A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162 41	$ 300,000	144,423	9,016
Canada	1954	15.20	$ 18,751	9,190	6,048
France	1953	42.86	F.Fr. 10,470,000	14,425	3,364
W. Germany	1953	48.99	Dm. 103,000	11,705	2,389
Italy	1953	48.07	Lr. 8,967,000	6,832	1,421
Norway	1954	3.39	Kr. 18,424	1,330	3,938
Sweden	1953	7.17	Kr. 36,957	8,422	4,772
Netherlands	1953	10.49	Grs. 19,360	2,451	2,336
Denmark	1953	4.37	Kr. 22,915	1,580	3,616
Switzerland	1953	4 88	Sw.Fr. 20,800	2,286	4,684

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.
Source: United Nation. Monthly Bulletin of Statistics, Dec., 1955.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 11th May, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	9,89,10,000
(b) Provincial Governments	6,58,03,000
(c) Banks	16,13,49,000
(d) Others	22,07,02,000
Bills Payable	19,92,000
Other Liabilities	7,05,53,000
Rupees	67,93,09,000

ASSETS	Rs.
Notes	8,13,45,000
Rupee Coin	7,000
Subsidiary Coin	18,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	16,35,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	4,94,95,000
Investments	41,96,64,000
Other Assets	12,77,45,000
Rupees	67,93,09,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	8,13,45,000	
Notes in circulation	292,21,78,000	
Total Notes issued	....	300 35,23,000
Total Liabilities	....	300,35,23,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion	....	
Sterling Securities	86,96,38,000	
Government of India Securities	26,58,95,000	
India Notes representing assets receivable from the Reserve Bank of India	43,03,85,000	
B. Rupee Coin	6,24 53,000	167,80,76,000
Government of Pakistan Securities	120,39,88,000	
Internal bills of exchange and other commercial paper	....	
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		126,64,41,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	300,35,23,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.74 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	18th May, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.87	1,516.28	1,525.88	1,509.65	1,322.41
Notes held in Banking Department	35.05	18.50	8.78	16.67	17.46
Foreign Securities	59.50	681.45	681.45	681.45	661.98
Rupee Securities	87.39	708.69	708.69	698.69	533.71
Banking Department					
Deposits of:					
Government of India	14.89	67.84	65.38	55.86	55.23
Other Governments	..	7.16	6.67	25.53	14.99
Balances held abroad	10.08	35.46	36.54	52.71	53.58
SCHEDULED BANKS					
Demand Liabilities	184.36	637.98	632 37	648.31	587.78
		(7.00)†	(7.57)†	(7.01)†	(9 22)†
Time Liabilities	102.24	433.72	431.87	427.77	387.63
Borrowings from Reserve Bank	..	(3.11)†	(2.71)†	(2.99)†	(2.20)†
		67.69	72.46	50.89	31.96
		(45.11)‡	(52.03)‡	(32.82)‡	(30.05)‡
Borrowing from State Bank	..	0.64	10.56	8.51	5.12
Cash in India	5.70	38.57	36.04	37.89	34.32
Balances with Reserve Bank	25.17	48.23	48.58	50.87	48.59
Excess over statutory limits	15.52	7.66	8.32	9.90	11.45
Balances with other banks in current account in India	..	10.30	10.24	10.42	10.23
Money at call and short notice in India	..	9.00	8.99	8.21	16.11
Investments (at book value)	..	353.55	355.20	355.58	344.29
Advances and bills	105.09	768.08	769.20	752.65	622.60
STATE BANK					
Deposits	87.76	225.86	223.39	234.69	211.60
Investments	51.99	102.10	103.79	105.34	102.23
Advances	30.35	130.47	140 61	134.57	122.31
Cash	14.69	17.48	17.77	18.72	19.48

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	February,		Eleven months, April to Feb.,	
	1955	1956	1954-55	1955-56
Import Duties				
Revenue	12.23	10.05	124.41	105.89
Protective	0.52	0.99	6.81	9.45
On surplus disposals	—	..	0.14	0.09
Total (import duties	12.75	11.04	131.36	116.43
Export Duties	4.23	2.63	37.06	38.85
Land Customs	0.12	0.09	1.69	1.24
Miscellaneous	0.10	0.05	3.01	0.64
Gross total customs	17.10	14.71	171.12	157.16
Refunds and drawbacks	0.19	0.32	1.46	2.44
Net Customs	17.01	14.39	169.66	149.72
Gross excise	9.00	14.18	94.70	136.59
Refunds	0.17	0.00	1.72	3.69
Net Excise	9.43	14.04	92.98	133.20
Net total of customs and excise†	26.44	28.43	262.64	282.92

† Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 25th May, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves	.. ..	5,62,50,000
Deposits and Other Accounts	.. ..	6,35,00,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	227,80,01,000
Bills Payable	.. ..	15,50,00,000
Bills for Collection being Bills Receivable as per contra	.. ..	6,82,58,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	68,66,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	18,54,000
	.. ..	2,90,73,000
Total	.. Rs.	265,88,02,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	.. ..	14,41,77,000
Balances with other Banks	.. ..	3,17,86,000
Money at Call and Short Notice	.. ..	....
INVESTMENTS:		
Government and other Trustee Securities	.. 91,08,72,000	
Other Authorised Investments	.. 10,43,77,000	
	.. ..	101,52,49,000
ADVANCES:		
Loans Cash Credits, Overdrafts, etc.	.. 103,38,79,000	
Bills Discounted and Purchased	.. 36,81,25,000	
	.. ..	140,20,01,000
Bills Receivable being Bills for Collection as per contra	.. ..	68,66,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	.. ..	18,54,000
Premises less Depreciation	.. ..	1,16,01,000
Furniture and Fixtures less Depreciation	.. ..	49 99,000
Other Assets (including Inter-Office Adjustments)	.. ..	4,03,29,000
Total	.. Rs.	265,88,02,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS@@											
	National Savings Certificates						Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53 ..	6,68	65	3.26	23.66	84.17	1,18.35	92.03	— 31.07	7,55	25.54	..	..	..	..	..
1954-55 ..	4,70	1,62	4,99	27,27	1,24,64	1,84,94	1,80,88	— 36,25	5,57	37 15	..	..	..	..	..
1955-56 ..	..	..	..	..	..	..	..	..	4 79	41.25	..	7,40E	7,38	55†‡	54
February 1955 ..	4,81	12	4.79	2,27	1,21,88	11,13	1,22,28	— 36,18	40	36,74	48	6,81	5	6	50
March ,, ..	4,70	26	4,99	3,41	1,24,64	18,51	1,30,88	— 36,25	47	37,15	58	7,88	4	5	54
April ,, ..	4,60	11	5,00	2,35	1,26,46	12 41	1,33,22	— 36,50	47	37,15	58	7,88	4	5	54
May ,, ..	4,52	36	5 24	2,01	1,27,94	11,12	1,34,34	— 36,64	48	37,86	64	8,14	4	5	54
June ,, ..	4,44	18	5,12	2,09	1,29,49	12,26	1,35,26	— 36,76	56	8,51	4	5	61		
July ,, ..	4,36	12	5,15	2,27	1,31,28	12,80	1 40,33	— 36,85	57	38,22	84	9,33	5	5	65
August ,, ..	4,29	12	5,17	2,09	1,32,82	12,25	1,43,80	— 36,96	61	38,54	91	10,19	4	6	69
September ,, ..	4,21	13	5,20	2,54	1,34,88	12,40	1,46,91	— 37,11	39	38,37	88	11,00	3	7	72
October ,, ..	4,14	10	5,21	2,11	1,36,38	11,35	1,48,99	— 36,23	44	39,28	94	11 80	4	7	75
November ,, ..	4,07	10	5,21	1,98	1,37,68	11,25	1,50,40	— 38,24	46	39,68	80	12,49	5	7	80
December ,, ..	4,00	13	5,26	2,35	1,39,48	12,94	1,52,44	— 38,44	43	40,05	82	13,20	5	8	85
January 1956 ..	3,91	14	5,24	2,02	1,40,78	12,15	1,54,14	— 38,55	36	40.84	84	13,86	3	5	88
February ,, ..	3,83	16	5,29	2,33	1,42,37	13,27	1,56,19	— 38,68	32	40,61	84	14,78	3	6	91
March ,, ..	..	..	..	..	..	..	..	..	39	40,95	93	15,57	3	5	93
									36	41.26	..	..	..	..	..

* At the end of period.
@ Progressive net repayments at the end of period from 15th August 1947.
‡ Relating to nine months from July, 1954.
‡‡ Relating to nine months from May, 1954.
§ From July, 1954.
E—Relating to eleven months from May, 1954.
§§ Outstandings do not include Indian Union's share of the pre-partition Bank deposits repayments, however, include those from the pre-partition holdings of Indian investors.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 21-5-'56	21-4-'56	12-5-'56	19-5-'55
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.7	90.9	91.1	91.2
1. Government of India	90.6	90.7	91.0	91.0
2. Indian States	96.2	96.7	96.7	96.7
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.9	100.9	100.8
1. Electricity	102.3	102.2	102.2	102.2
2. Jute	98.8	97.6	97.5	97.6
3. Plantations	99.6	99.2	99.2	99.2
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.6	100.0	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.3
8. Others	100.6	101.1	101.0	101.0
PREFERENCE SHARES	87.6	85.4	85.1	85.0
1. Electricity	96.8	93.8	93.4	93.3
2. Cotton	78.4	81.6	81.3	81.1
3. Jute	86.7	83.3	81.6	81.5
4. Coal	92.2	89.9	89.5	87.7
5. Iron and Steel	90.3	87.7	87.4	85.0
6. Sugar	83.3	84.5	84.5	84.5
7. Paper	88.9	82.1	82.1	82.1
8. Plantations	93.2	101.6	101.7	101.9
9. Miscellaneous	85.8	80.8	81.3	81.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	112.4	122.8	124.1	124.3
(a) Financial	88.1	87.9	89.5	89 8
1. Banks	85.2	88.1	90.0	90.8
2. Insurance	107.3	84.7	87.4	85.7
3. Investment Trust	88.6	93.5	93.0	92.4
(b) Public Utilities	112.9	112.9	112.0	111.1
1. Electricity	122 2	116.1	114.2	113.1
2. Shipping and other Transport	97.7	111.9	113.7	113.1
3. Railways	88.9	88.6	87.3	86.9
(c) Manufacturing industries	116.9	131.3	133.1	133.7
1. Cotton, Woollen and Silk	103.7	130.7	132.7	133.1
2. Jute	95.6	75.6	74.7	75.2
3. Iron and Steel	141.6	149.0	154.7	157.0
4. Paper	223.0	290.0	285.7	286.9
5. Cement	149.4	174.9	180.1	179.8
6. General Engineering	107.7	194.0	193.6	194.1
7. Sugar and Breweries	96.7	104.7	105.5	104.5
8. Chemicals	129.6	144.0	144.0	143.6
(d) Non-Manufacturing industries	146.9	188.5	170.0	170.2
1. Coal	77.5	81.5	81.3	81.5
2. Mining and Oil	180.7	253.9	253.2	255.5
3. Plantations	174.1	183.5	184.7	185.0
(e) Miscellaneous	94.4	101.9	101.8	101.4
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.2	90.4	90.6	90.7
2. Calcutta	90.6	90.9	91.1	91.1
3. Madras	91.0	91.2	91.4	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.2	100.0	100.0	100.0
2. Calcutta	101.5	101 6	101.6	101.5
3. Madras	100.4	100.2	100.2	100.2
PREFERENCE SHARES:				
1. Bombay	91.7	89.3	89.1	89.1
2. Calcutta	85.4	80.3	79.8	79.8
3. Madras	95.6	97.4	97.4	97.4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	115.1	128.5	131.0	130.8
2. Calcutta	106.9	111.4	111.4	111.8
3. Madras	108.2	126.7	130.6	131.3
4. Delhi	115.3	131.0	135.3	136.9

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

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes §	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,218,928
1952	903	809,243	3,336,961
1953	772	456,507	2,382,606
1954	840	477,193	2,378,930
1955	1,033	725,982	3,384,676
February 1954..	85	41,351	344,295
March ,, ..	91	34,208	331,419
April ,, ..	101	34,963	307,247
May ,, ..	80	40,078	216,063
June ,, ..	83	21,589	305,078
July ,, ..	122	30,189	277,492
August ,, ..	79	51,090	322,887
September ,, ..	97	50,414	363,878
October ,, ..	88	41,724	276,294
November ,, ..	82	35,115	330,701
December ,, ..	101	54,455	263,782
January 1955†..	95	49,035	322,807
February ,, ..	91	33,570	144,302
March ,, ..	113	70,042	354,696
April* ,, ..	99	39,515	303,558
MAY ,, ..	110	64,064	324,416
June ,, ..	154	85,172	1,035,704
July*	109	57,889	682,772
August* ,, ..	235	90,565	533,371
September* ,, ..	252	94,523	561,589
October* ,, ..	121	47,042	238,544
November* ,, ..	106	49,483	178,129
December* ,, ..	130	45,929	230,157
January 1956†..	109	61 098	357,633
February ,, ..	116	66,995 (a)	369,489 (a)

† Figures are provisional. * Revised.
(a) Not known in 1 case. § Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.8	5,573.7
1954-55	686	7,760.9	6,319.2
December 1954 ..	670	683.5	556.0
January 1955 ..	684	668.5	545.2
February ,, ..	685	625.7	511.8
March ,, ..	686	695.7	568.5
April ,, ..	690	691.1	563.9
May ,, ..	691	706.8	569.2
June ,, ..	696	716.2	578.1
July ,, ..	700	724.8	583.3
August ,, ..	704	708.9	574.4
September ,, ..	707	719.3	587.1
October ,, ..	716	730.7	591.9
November ,, ..	721	725.5	597.0
December ,, ..	734	735.7	643.0
January 1956 ..	731	757.2	631.8

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

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	12th May, 1956	5th May, 1956	14th May, 1955	April, 1956	April, 1955	Percentage of increase (+) or decrease (—) in April, 1956 as compared with April, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	350.1	353.5	276.5	360.9	283.6	+27.3	313.2	339.8
Cereals	59	445	452	316	461	327	+41.0	372	381
Pulses	8	363	346	222	357	217	+64.5	289	280
Others	33	227	229	230	234	235	— 0.4	235	291
Industrial Raw Materials	(18)	475.2	469.6	397.1	472.8	398.6	+18.6	419.8	438.2
Fibres	53	456	449	425	459	437	+ 5.0	429	447
Oil seeds	30	547	538	343	529	323	+63.8	392	454
Minerals	10	437	445	413	446	414	+ 7.7	427	422
Others	7	397	396*	420	394*	461	—14.5	431	427
Semi-Manufactures	(17)	382 8	380.9	328 3	377.0	327 8	+15.0	338.2	350.3
Leather	8	406	403	402	409	393	+ 4.1	378	378
Mineral oils	13	208	208	221	208	221	— 5.9	207	221
Vegetable oils	14	555	547	342	525	330	+59.1	422	433
Cotton yarn	35	471	467	427	457	432	+ 5.8	422	454
Metals	18	280	280	244	282	244	+15.6	264	240
Oil cakes	5	307	301	273	319	295	+40.5	338	381
Others	5	300	361	328	362	329	+10.0	336	312
Manufactured Articles	(32)	378.2	376.1 R	375.5	375.6	377.1	— 0.4	372.9	377.4 R
Textiles	64	413	408 R	416	408	421	— 3.1	403	421
Jute	11	391	392	435	393	452	—11.9	418	448
Cotton	41	416*	406*	408*	408*	411*	— 0.7	435*	415*
Sugar	6	502*	510*	502*	494*	+ 3.7	485*	469*	
Woollen	2	264	264 R	310	260	310	—16.1	284	311
Metal products	17	371	371	344	371	340	+ 9.1	359	340
Others	19	236	237	236	237	236	+

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955–56	Acreage 1954–55	Outturn 1955–56	Outturn 1954–55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,		26,842		8,539
Jowar	final	,,	42,721	43,445	6,940	9,003
Bajra	final	,,	27,029	27,983	3,400	3,421
Barley	final	,,		7,999		2,736
Maize	final	,,	8,009	9,311	2,519	2,959
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	2nd	,,	11,446	12,215	1,693	2,002
Total cereals	final	tons	..	208,823	..	55,327
Pulses—						
Gram	2nd	tons	22 206	20,065	4,702	4,535
Tur	2nd	,,	5,755	5,648	1,709	1,799
Total pulses	final	tons	..	54,004	..	10,474
Oilseeds—						
Groundnut	final	tons	12,535	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	3rd	,,	5,587	6,123	461	588
Rape and Mustard	final	,,	..	5,663	..	963
Linseed	final	,,	..	3,290	..	388
Total oilseeds	final	tons	..	29,335	..	5,877
Fibres—						
Cotton*	4th	bales	19,525	17,506	3,705	4,072
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	2nd	,,	579	514	1,159	1,016
Other crops—						
Potato	final	tons				1,762
Sugarcane	2nd	,,	3,930	3,718	5,079	4,858
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	final	,,	..	860	..	248

Source: Ministry of Food and Agriculture.
N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* In thousand bales of 392 lbs. each.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1956	99.9
	Corresponding month, 1955	85.6
	Ten months ended April, 1956	894.3
	Corresponding period, 1955	835.8
Stocks	At the end of April, 1956	107.3
	Corresponding month, 1955	103.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 7th April, 1956	13,529
	Corresponding week, 1955	13,877
	From 1st Jan., to 7th April, 1956	114,730
	Corresponding period, 1955	107,930
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 7th April, 1956	16,299
	Corresponding week, 1955	67,518
	From 1st Jan., to 7th April, 1956	300,703
	Corresponding period, 1955	313,932
	RAW JUTE	(In lakh bales)
Consumption by Mills†	April, 1956 (in lakh bales)	5.45
	Corresponding month, 1955	4.97
	Ten months ended April, 1956	51.88
	Corresponding period, 1955	48.48

* From Calcutta † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1958	11,88,000	10,61,900	7,91,800
Do. 31st March, 1954	11,64,000	10,70,200	7,80,000
Do. 31st March, 1955	11,54,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
November 1954	98,800	90,500	68,000
December	1,05,600	95,000	73,800
January 1955	1,02,800	95,800	72,200
February ,, ...	93,500	84,500	63,900
March ,, ...	96 000	89,300	66,100
April ,, ...	95,100	88,000	66,200
November ,, ...	91,900	86,200	63,400
December ,, ...	1,03,900	97,500	72,300
January 1956	1 03,900	96,800	71,600
February ,, ...	97,500	89,500	67,700
March ,, ...	1,03,300	96,200	69,900
April ,, ...	1,00,000	87,200	64,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1955	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954	5,80,020	5,49,980	2,92,440
Do. 31st March, 1955	7 15 240	5,28,240	4,59,083
Do. 31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80 018	1,29,741	1,12,861
,, ,, ,, Dec., 1954	1,88,058	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,65,108	1,43,828	1,18,136
,, ,, ,, June, 1955	1,85,605	1,34,333	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,030	1,08 714
,, ,, ,, Dec., 1955	1,60,750	1 24 696	1,05,752
,, ,, ,, Mar., 1956	1,84,450	1,41,840	1,19,860

OVERALL BALANCE OF TRADE OF INDIA
March, 1956†

Particulars	March, 1955	March, 1956	Twelve months, April to Mar., 1954-55	Twelve months, April to Mar., 1955-56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
1. Trade in merchandise— (a) Exports	56,91	56,76	588,47	590,85
(b) Re-exports	82	1 51	5,50	6,58
Less—Transit trade	3	4	43	12
Net re-exports	79	1,47	5,07	6,46
Total exports	57,70	58,23	593,54	597,31
2. Imports	58,50	74,52	656,44	678 99
Less—Transit trade	7	2	18	16
Net imports*	58,43	74,50	656,26	678,83
Balance of trade in merchandise	— 73	—16,27	—62,72	—81,52
Balance of trade in gold and silver	— 1	— 2	— 4	— 8
Total overall visible balance of trade	— 74	—16,29	—62,76	—81,60

† Total values of foreign trade of India by all routes (i.e., sea, air and land).
*Excludes the value of certain stores imported on Government Account, full particulars of which are not yet available.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,768	2,711	885	183	98	62	154	13	158	397	25	281	47	128
January 1955 ..	9,660	2,275	735	145	74	51	126	11	269	332	20	233	43	110
February ,, ..	10,680	2,484	807	163	85	56	140	12	294	365	23	256	45	117
March ,, ..	11,768	2,711	885	183	98	62	154	13	158	397	25	281	47	128
April ,, ..	9,451	222	77	21	12	6	9	2	12	33	3	24	2	10
May ,, ..	2,027	445	157	40	23	12	15	4	25	66	7	48	4	23
June ,, ..	2,973	662	237	55	33	17	19	6	27	98	11	73	7	34
July ,, ..	3,973	890	324	73	41	22	23	8	52	130	14	100	12	48
August ,, ..	4,982	1,129	412	88	49	27	20	11	68	164	18	126	16	62
September ,, ..	5,981	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,, ..	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,, ..	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,, ..	9,238	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956 ..	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,, ..	11,548	2,541	883	190	97	62	132	27	395	374	38	288	45	136

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955.
Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 24th May, 1956	37,573(J)
	Corresponding week, 1955	58,313(J)
	1st Sept. to 24th May, 1955-56	1,450,480*
	Corresponding period, 1954-55	1,426,835*
Cotton Exports	Week ended 24th May, 1956	1,699
	Corresponding week, 1955	9,563
	1st Sept. to 24th May, 1955-56	573,557‡
	Corresponding period, 1954-55	281,760
Mill Consumption (Estimated)	1st Sept. to 24th May, 1955-56	929,339
	Corresponding period, 1954-55	940,093
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 24th May, 1956	665,573
	Corresponding date, 1955	698,400
Cotton Exports† from Bombay (by sea)	During January, 1956	35,978§
	1st Sept., '55 to 31st Jan., 1956	363,052
	1st Sept. '54 to 31st Jan., 1955	128,685
Karachi (Pakistan)—		
Receipts	1st Sept. to 17th May, 1955-56	1,271,439
	Corresponding period, 1954-55	1,193,607
Exports	1st Sept. to 17th May, 1955-56	714,727
	Corresponding period, 1954-55	603,746

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1955 to 28th May, 1956 Bales	From 1st Sept. 1954 to 28th May, 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom	64,437	25,989
Continent	94,066	43,949
Hongkong	40 469	3,779
China	67,578	
Japan	304,719	70,638
U.S.A.	4,152	16,380
Other Countries	4,145	1,621
Total to all foreign countries	560,646	171,356
Coastal Ports	99,154	117,041
Total	668,800§	288,397

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian Mills	February, 1956	348,049
Foreign Mills		52,195
Indian Mills	Six months ended Feb., '56	2,221,013
Foreign Mills		287,444
Indian Mills	Same Period 1955	2,022,925
Foreign Mills		344,701
Stocks (Mills and Elsewhere)— Indian	As on 29th Feb., 1956	1,187,986
Foreign		174,025
Indian	As on 29th Feb., 1955	1,161,158
Foreign		135 385
Cotton Pressed in India† (In running bales)	Week ended 18th May, 1956	71,803
	1st Sept. 18th May, 1955-56	116,965
	Corresponding period, 1954-55	2,878 330
	Corresponding period, 1953-54	3,704,751

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-33	63,30,26,000	1960-70	101⅛
3½ % Loan	1938-39	1,16,17,46,000	1963-65	95½
3 % Loan	1950	30,33,10,000	1964	95
2½ % Def. Loan	1943	1,10,11,78,000	1966-68	93⅛
2½ % V. Loan	1944	1,14,06,89,000	1967	92⅛
2½ % Loan	1945	1,15,06,83,000	1970-75	90
2½ % 2nd V. Loan	1945	1,13,65,64,000	1959-61	98⅛
2½ % Loan	1951	50,35,53,000	1969	99⅛
2½ % Loan	1945	45 03,07,000	1960	98⅛
2½ % Loan	1946	57,00,69,000	1961	98⅛
2½ % Loan	1946	14,77,48,000	1976	82⅛
2½ % Loan	1947	75,86,72,000	1962	93⅛
2½ % Loan (N.P. Bonds)	1953	75,23,00,000	1961	98⅛
2½ % N.P. Loan	1954	157,85,41,000	1964	98⅛
2½ % N. P. Bonds (2nd Series)	1955	100,00,00,000	1965	98⅛
NON-TERMINABLE LOANS				
3 % Loan	1896-97	8,93,26,000	At option of Government after three months' notice.	80
3 % Loan	1946	245,91,66,000	On September, 1986 or later at option of Government after three months' notice.	77⅛
REPATRIATE STERLING LOANS				
4½ % Loan	1923	5,35,20,000	1955-68***	103⅛
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99–10⅛
3 % Bombay	1948	2,99,25,000	15th Sept. 1956	99⅛
3 % Bombay	1944	3,05,66,000	15th Aug. 1958	98⅛
3 % Bombay	1949	5,62,12,000	1st Aug. 1962	94
3 % Bombay	1950	2,92,30,000	31st July 1960	96⅛
3½ % Bombay	1951	3,57,56,000	17th Sept. 1963	99⅛
3 % Bombay	1953	5,50,85,000	15th July 1963	101⅛
3 % Bombay	1953	3,61,31,700	1st Aug. 1964	101⅛
3 % Bombay	1955	9,00,00,000	1st Sept. 1967	100–⅛
3 % Bihar	1955	1,50,00,000	1st Sept. 1967	99⅛
3 % Cochin	1945	1,00,00,000	16th Dec. 1955-58	98⅛
3½ % Cochin	1956	70,09,000	1st June 1956-61	99⅛
3½ % Howrah Bridge (New)	1936–37	1,95,96,700	1956-66	85⅛
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99⅛
3 % Madras	1939	1,23,95,600	21st June 1959	99⅛
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99⅛
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98⅛
3 % Madras	1945	2,78,44,000	14th Sept. 1960	96–9⅛
2½ % Madras	1946	3,51,77,200	14th Sept. 1961	93–1⅛
3 % Madras	1950	4,85,25,400	31st July 1960	96⅛
3½ % Madras	1951	3,01,49,300	17th Sept. 1962	97⅛
3 % Madras	1953	10,33,63,000	15th July 1963	100⅛
4 % Madras	1952	5,24,81,200	1st Aug. 1964	100⅛
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99⅛
4 % Mysore	1933	2,95,85,200	1st Dec. 1958-63	101⅛
3½ % Mysore	1936	3,98,72,500	30th Apr. 1956-61	99⅛
3 % Mysore	1947	5,06,05,700	25th Jan. 1958	99⅛
3 % Mysore	1958	2,83,47,000	15th July 1958	100⅛
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99–10⅛
3 % M.P.	1943	50,54,200	14th Sept. 1956	99⅛
3 % M.P.	1944	52,64,800	15th Aug. 1958	98⅛
3 % M.P.	1948	2,08,32,800	15th Sept. 1964	98⅛
3 % M.P.	1950	1,01,44,700	31st July 1960	96⅛
3½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98⅛
4 % M.P.	1953	1,02,18,100	15th July 1963	100⅛
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99⅛
2½ % Punjab**	1938–44	3,49,87,200	15th Aug. 1958	98⅛
3 % Punjab**	1943	2,46,78,300	14th Sept. 1956	99⅛
3 % Punjab**	1945	2,26,21,600	14th Sept. 1960	97⅛
4 % Saurashtra	1955	3,25,00,000	1st Sept. 1967	99⅛
2½ % Travancore	1938	50,00,000	16th Aug. 1956	99⅛
4 % Travancore-Cochin	1952	3,25,60,000	15th July 1963	100–1⅛
3 % U.P.	1936	1,57,42,600	15th Sept. 1951-66	90⅛
3 % U.P.	1944	3,02,94,500	15th Aug. 1958	98⅛
3 % U.P.	1945	3,17,76,700	14th Sept. 1960	96⅛
2½ % U.P.	1946	3,20,83,600	14th Sept. 1961	93⅛
3½ % U.P.	1951	1,94,11,700	17th Sept. 1962	98
4 % U.P.	1953	6 11,45,200	1st Aug. 1964	100⅛
4 % U.P.	1953	5 65,15,500	15th July 1963	100⅛
4 % U.P.	1955	8,50,00,000	1st Sept. 1967	99⅛

PORT TRUST LOANS

Amount	Interest Per cent.	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs. 36,50,000	4	1904	1964	Rs.
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99⅛N
40,00,000	4	1909	1970	
55,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1973	
14,35,376	4	1913*	1960	D
90,00,000	4	1913	1974	100⅛N
88,25,000	4	1914	1975	100⅛N
10,00,000	4	1915*	1960	
85,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,25,000	2½	1924*	1960	
35,00,000	3½	1929*	1959	
12,50,000	3½	1930*	1960	D
13,50,000	3½	1931*	1961	
18,50,000	3½	1932*	1962	
24,58,000	3½	1935*	1975	
15,00,000	3½	1936*	1966	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 80,24,306	4	1914	1974	Rs. 99
76,90,100	4	1915	1975	99
1,50,00,000	5††	1921	1981	88
68,02,3000	5	1921	1981	88
98,21,600	5½	1926	1956-86	104N
99,84,840B	5	1926	1956-86	100⅛
1,49,49,5000	5	1927	1957-87	102
1,49,30,000	5	1928	1958-88	103
49,06,000	4½	1931	1961	98
25,00,000	2½	1935	1965	97⅛
85,00,000	3	1935-36	1965-66	90
50,00,000	3	1945	1965	84
66,00,000	3	1945	1975	85
50,00,000	3	1946	1976	84
50,00,000	3	1946	1976	84
50,00,000	3	1946	1976	84
50,00,000	2½	1947	1977	79⅛
50,00,000	3	1948	1978	83⅛
1,00,00,000	3	1949	1959	97
50,00,0000	3	1949	1959	97
1,00,00,000	3	1950	1960	95
1,00,00,000	3	1950	1960	95⅛
50,00,000	3	1951	1961	94⅛
1,50,00,000	3½	1951	1961	98⅛
56,00,000	4	1953	1963	100
50 00,000	4	1953	1963	98⅛
90 00,000	4	1955	1985	97⅛
77,00,0000	4	1956	1986	97⅛
STERLING LOANS				
£892,600	5	1922	1952–82	£79
£901,000	5	1924	1954–84	£79½
£885,100	5½	1932	1942	£91½
MADRAS				
Rs. 31,47,169	3½	1947	1977	Rs.
9,86,000	3	1947	1977	
2,00,000	3	1949	1979	A
45,00,0000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest Per cent.	Year of Issue	Repayable	Market quotation Rs.
Rs.				
BOMBAY				
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
30,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1905	1965	97⅛N
50,00,000	4	1906	1966	
15,00,000	4	1907	1967	
40,00,000	4	1908	1968	
80,00,000	4	1909	1970	
40,00,000	5	1910	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97⅛N
25,00,000	5	1916	1976	
40,00,000	5	1919	1961–79	113N
66,00,000	6	1920	1955–80	
25,00,000	5	1926	1956–86	111N
25,00,000	4	1927	1961–79	96⅛
10,00,000	3	1936	1966	
STERLING LOANS				
£566,600		1909	1959	£95½N
£333,000		1910	1970	£95½
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	99⅛
35,00,000	3½	1935	1965	94
30,00,000	3	1936	1966	90
50,00,000	3	1937	1963	91
50,00,000	3	1938	1968–88	80
50,00,000	4	1951	1961	99⅛
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Rs.		BOMBAY		Rs.
20,60,000	4	1918–19	1974	115N
10,00,000	5	1920	1980	113N
25,00,000	5	1928	1958	104⅛
8,45,000	5	1929	1954–59	to 105⅛
26,21,500	5	1929	1959	
4,25,00,000	3½	1947	1977	86
2,50,00,000	3½	1947	1977	86
4,00,00,000	3½	1949	1979	88
2,50,00,000	4	1950	1980	94
5,00,00,000	4½	1952	1964	100
1,50,00,000	4	1951	1966	97⅛
1,00,00,000	4	1952	1968	100⅛
1,00,00,000	4	1952	1964	100
2,50,00,000	4	1954	1966	100
	4	1955	1967	100⅛
Rs.		**CALCUTTA**		Rs.
26,00,000	5	1928	1958	104
25,00,000	5	1929	1957	103
25,00,000	5	1929	1958	104⅛
10,00,000	5½	1932	1962	108
33,91,000	5½	1933	1963	104
60,00,000	5	1936	1966	90
47,50,000	3	1938	1968	80
15,56,300	4	1939	1956	99⅛
15,56,800	4	1939	1956	99⅛
15,56,800	4	1940	1957	99⅛
17,64,400	3½	1942	1959	96⅛
21,10,000	3½	1943	1973	92
15,49,000	3½	1943	1973	92
16,38,000	3½	1951	1961	97⅛
66,88,000	3½	1951	1966	97⅛
67,50,000	4	1952	1962	99⅛
72,50,000	4½	1954	1979	100
Rs.		**MADRAS**		Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1953	1963	107⅛

ELECTRICS

					Latest Available Quotation Rs.
Andhra Valley Power Supply	‖49,34,000	1917	7(a)	May Nov.	1,105⅛ 1,000
Amalgamated Electric	35,00,000	..	5(b)	June Dec.	103⅛ 100
Calcutta Electric	‖1,000,000	1900–11	5(b)	June Dec.	111⅛ 81
Poona Electric	4,00,000	1935	7(a)	June Dec.	111⅛ 100
South Arcot	2,00,000	1933	6	Jan. July	100
South Madras (1st)	23,00,000	1940	5½	July Nov.	100
Do. (2nd)	8,00,000	1940	6½	.. ..	10
Surat Electric Co.	‖ 5,00,000	1939	6½	Apr. ..	102⅛ 100
Tata Hydro Electric Power	99,25,000	1907	7(a)	May Nov.	113⅛ 100
Tata Power	86,97,000	1918	7(a)	May Nov.	1,193⅛ 1,000
Vellore	1,25,000	1923	6	Mar. Sept.	7½ 10

ENGINEERING

Arthur Butler (Musaffarpore)	1,30,000	1919	7	Mar. ..	8½ 10
Burn & Co., Ltd. (1st)	13,08,000	1895–98	7	Feb. Aug.	141 100
Do. (2nd)	15,00,000	1902	6	Feb. Aug.	124 101
Indian Iron and Steel Co., Ltd.	1 50,00,000	1950	5	Dec. ..	107 100
Indian Standard Wagon	19,66,500	1918	7‡	June Dec.	140 100
Indian Steel Rolling	4,99,950	..	5½	.. ..	9⅛
Jessop	15,00,000	1941	5	May Nov.	101 100
†††Kumardhubi Engineering	12,00,000	1915	4	June Dec.	103 100
Larsen and Toubro Ltd.	13,00,000	1946–47–51	5	.. ..	98 100
McLeod & Co.	5,50,000	1907	6½	.. ..	80 100
Premier Construction (1st)	10,00,000	..	6½(a)	.. ..	102⅛ 100
Do. do. (2nd)	15,00,000	1936	6½(a)	.. ..	99 100
Do. do. (3rd)	50,25,000	1947	4½(a)	.. ..	6½ 10
Steel Products	3,00,000	1917	5	.. ..	1⅜ 10
Tata Iron and Steel (1st)	75,00,000	1908	6(a)	Nov. ..	165⅛ 150
Do. do. (2nd)	6,93,81,900	1908	7½(a)	May ..	126 100

JUTE

Agarpara	10,00,000	1927	7	Jan. July	112 100
Alexandra	9,00,000	1905	7	Feb. Aug.	108 100
Alliance	15,00,000	1905	7	Mar. Sept.	95 100
Anglo-India	15,00,000	1917	7	May Nov.	107 100
Auckland	10,00,000	1909	5½	May Nov.	94 100
Do. (2nd) (j)	15,00,000	1945	4½	June Dec.	73 100
Bally	20,00,000	1918	7	Apr. Oct.	103 100
Barnagore	15,00,000	1896	5(a)	May Nov.	40 25
Belvedere	7,00,000	1906	7	Jan. July	115 100
Birla	24,00,000	1919	7(k-a)	Jan. Dec.	103 100
Budge-Budge	9,00,000	1894	7	May Nov.	115 100
Calcutta	6,00,000	1934	6½	Jan. July	87xd 100
Caledonian	10,00,000	1919	7	June Dec.	115 100
Chevior	10,00,000	1919	7	June Dec.	113 100
Chitavalsah	5,00,000	1923	7	Mar. Sept.	113 100
Clive (1st Pref.)	3,00,000	1900	6	May Nov.	91 100
Do. (A) (2nd Pref.)	5,00,000	1905	7	May Nov.	101 100
Dalhousie	15,00,000	1903–13	7	May‡ Nov.	112 100
Delta	5,00,000	1897	5	June Dec.	93 100
Empire	10,00,000	1912	7	Feb.‡ Aug.	113 100
Fort Gloster	14,00,000	1890–98	7	May Nov.	113 100
Do. (2nd Pref.)	7,00,000	..	5	.. ..	86 100
Fort William	10,00,000	1911	7	May Nov.	116 100
Ganges	6,00,000	1916	8	June Dec.	126 100
Gouripore	26,50,000	1895–04	6	May Nov.	98 100
Hastings	25,00,000	1935	6	Mar. Sept.	104 100
‖Hooghly	15,00,000	1913	10	May Nov.	132 10
Howrah	11,75,000	1890	7	May Nov.	115 100
Do. (A)	8,75,000	1890	7	May N

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y.=Accounts published yearly. H.=Accounts published half-yearly. P.=Company has Preference shares. T.=Company has Debentures. N.=Nominal quotations x.d.=Ex.Dividend. x.d.=Cum. Dividend. I.=Interim Dividend. F.=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
50,00,000	62,567	76,28,421	42,05,272	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2¾	2	0 4(e)	0 4 (e)	0 2(e)	Nil	12	Y.
40,00,000	24,00,000	1,88,62,007	72,25,655	—5,97,129	B. K. Sons, Ltd.	50,596	1,021	B. K. Cotton Mills	45	100	Nil	Nil	Nil	Nil	3	Y.P.T
2,40,96,000	2,99,72,778	4,05,25,445	3,29,09,273	73,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	647½	250	20 0	22 8*	25 0*	25 0*	12	Y.
10,00,000	27,26,559	55,58,179	48,57,495	3,48,731	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	211½	50	100 0*	75 0			12	Y.P.
1,09,42,800	2,63,98,826	2,81,83,264	1,97,06,117	5,84,956	Birla Bros., Ltd.	1,26,844	2,698	Century Spg. & Mfg.	554	100	20 0	22 0	22 0	22 0	12	Y.
49,00,000	15,44,690	1,16,09,462	65,52,089	—32,25,720	V. J. Pilani (Chairman and Managing Director)											
26,00,000	11,25,470	81,39,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	39,408	798	Colaba Land & Mill	80	100	Nil	Nil	Nil		12	Y.
15,00,000	24,56,996	69,10,761	54,00,041	2,17,076	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	122½	50	5 0	6 0	6 0	15 0	12	Y.
24,00,000	27,75,000	72,60,731	54,73,784	50,188	Edward Textiles	50,384	928	Elphinstone Textiles	337½	100	15 0	15 0	15 8		12	Y.
30,00,000	11,93,292	1,10,92,641	75,74,225	32,796	M	41,300	886	Elphinstone Spg. & Wvg.	57½	50	3 0	Nil	3 8	3 8	12	Y.P.
50,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	338	100	20 0	16 0	16 0	20 0	12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,221	Thos ersey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	4,725	1,000	200 0*	225 0*	225 0	200 0	3	Y.P.
16,000									992½	250	50 0	56 4*	56 4	75 0		
2,80,00,000	1,13,27,883	4,58,17,544	3,07,00,000	—16,61,890	Agarwal & Co.	2,32,640	6,278	India United Mills	13–6½	0 100	Nil	0 10	Nil	0 101	12	Y.
50,00,000D									2–5½	0 1D	Nil	1	Nil	0 11		
5,65,000	74,24,043	1,80,07,903	92,59,000	6,102	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	5,075	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
25,000										100	20 0	22 8*	22 8	150 0		
50,25,000	40,58,451	2,37,15,507	1,92,88,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	239½	100	10 0	10 0	8 0	10 0	6	Y.
1,90,00,000	1,21 50,000	2,56,88,065	2,68,14,796	33,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	371½	100	18 0	18 0	18 0	18 0	12	Y.
23,13,050	41,06,720	1,18,74,848	55,99,115	31,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	95¾	50	5 0	5 0	5 0	8 0*	12	Y.
51,75,000	23,85,000	1,94,11,144	1,47,73,741	1,09,579	Piramal & Sons	70 416	1,652	Morarjee Goculdas Spg. & Wvg.	245	100	12 0	12 0	14 0		12	Y.P.
1,57,74,408	88,41,004	6,84,71,005	2,05,00,000	5,12,085	Chinai & Co., Private Ltd.			National Rayon Corporation	244	100	Nil	9 0	10 0	13 0	12	Y.
24,00,000	24,50,000	76,57,858	46,04,750	3,015	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	178½	100	10 0	10 0	10 0	10 0	12	Y.
30,00,000	14,61,250	93,55,599	61,43,741	4,380	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	250	100	10 0	10 0	7 8	10 0	12	Y.P.
12,70,100	28,54,549	56,73,516	40,57,707	12,752	Mafatlal Chandulal & Co., (Bombay), Ltd.											
48,00,000	26,62,278	1,49,03,112	99,59,811	1,86,364	Ramnarain Sons, Ltd.	69,208	1,190	New Union Mills	38½	10	1 4	1 4	1 4	1 12	12	Y.
40,00,000	45,68,014	81,89,325	23,00,000	3,13,562	Podar Mills, Ltd.	52,000	930	Phoenix Mills	141½	100	8 0	8 0	8 0		12	Y.
5,00,000	8,16,999	21,21,521	19,61,340	—1,78,154	David Sassoon & Co., Ltd.	9,520	277	Podar Mills	103½	100	10 0	10 0	10 0	5 0†	12	Y.P.
35,00,000	54,20,056	1,35,39,726	1,19,14,117	11,568	M. G. Investment Corporation, Ltd.	60,638	1,254	Sassoon Spg. & Wvg.	88	10	1 4	1 4	1 12	1 12	12	Y.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,423	Marwar Textiles (Agency) Ltd.	66,586	1,640	Shree Niwas Cotton Mills	209½	100	12 8	14 0	14 0	12 0	12	Y.P.
43,00,000	25,75,554	98,88,962	71,00,000	18,998	Forbes, Forbes Campbell & Co. Ltd.											
57,80,000	2,23,15,720	2,51,28,699	1,37,85,474	12,833	Mafatlal Gagalbhai & Sons	36,116	1,274	Simplex Mills	210½	50	15 0(p)	15 0	11 0	10 0	3	Y.
99,85,700	84,69,716	2,28,37,547	1,19,01,899	67,611	Tata Industries Ltd.	52,038	1,533	Standard Mills	437½	100	20 0	20 0	20 0	20 0	12	Y.P.
50,00,000	76,53,465	1,28,99,971	51,53,716	1,51,080	James Finlay & Co., Ltd.	72,236	2,000	Svadeshi Mills	320	100	16 0	16 0	8 0	12 0	12	Y.P.
32,77,425	51,96,876	1,77,34,339	68,44,553	43,486	Tata Industries Ltd.	38,838	552	Swan Mills	436½	100	30 0	20 0	20 0	25 0	12	Y.
12,00,000	62,58,709	1,15,86,436	81,90,000	2,814	Thackersey Mooljee Son & Co.	54,186	1,209	Western India Spg. & Mfg.	5,075	1,000	200 0*	225 0*	225 0	300 0	3	Y.

AHMEDABAD

33,00,000	31,11,650	1,36,22,272	60,47,202	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	190	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	94,58,088	94,37,398	76,10,164	27,288	F. M. Hutheesing & Sons, Ltd.	44,220	912	Aruna Mills	1,005	100	50 0*	50 0*	20 0	80 0	12	Y.P.
26,25,000	2,40,17,401	1,45,07,668	1,03,06,000	46,584	Ambalal Sarabhai & Co.	62,448	1,216	Arvind Mills	1,787	100	25 0	25 0	25 0		12	Y.P.
20,00,000	31,75,000	96,34,384	72,25,000	3,46,389	Mangaldas & Bros., Ltd.	37,164	892	Arvindava Ginning & Mfg.	530	100	15 0	15 0	15 0	25 0*	12	Y.P.
12,00,000	1,18,39,033	84,56,974	69,64,953	69,806	Lalbhai Dalpatbhai & Co.	37,868	914	Asoka Mills	970	100	22 0	22 0	22 0	30 0	12	Y.P.
1,84,72,011	1,11,42,208	4,05,85,718	3,07,33,844	16,00,776	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	542	125	18 0	18 0	18 0	18 0	12	Y.P.
62,87,000	24,53,000	1,21,06 848	80,25,000	2,760	Tribhuvandas Bhoglal & Co., Ltd.	45,336	866	New Commercial Mills	297½	100	6 0	6 0	9 0		12	Y.P.
39,00,000	72,52,439	1,32,09,232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	1,562½	1,000	70 0	70 0	70 0	80 0	12	Y.P.
5,00,000	61,19,983	46,78,745	31,76,001	700	Jagabhai Bhoglal Nanavaty & Co., Ltd.				877	125	35 0	35 0	35 0	35 0	12	Y.
12,50,000	1,14,77,470	86,29,430	60,39,883		Lalbhai Dalpatbhai & Co.	24,840	578	Nutan Mills	650	100	30 0*	30 0*	30 0*		12	Y.P.
13,00,000	12,93,057	74,95,069	39,67,466	—29,90,510	Mangaldas Girdhardas Parekh Ltd.	47,820	1,095	Rajnagar Spg., Wvg. & Mfg.	1,160	100	25 0	17 8	25 0	35 0*	12	Y.P.
23,40,000	14,78,207	1,07,01,469	71,42,808	17,34 749	Lallubhai Gordhandas Ltd.	35,116	648	Rohit Mills	365 xd	250	Nil				12	Y.P.
28,98,150	2,02,34,538	1,76,92,842	1,52,75,000	3,23,290	Harivallabhdas Kalidas & Co	94,116	1,733	Shri Ambica Mills	297½	100	0 0	0 0	0 0	Nil	12	Y.P.
19,53,500	62,31,283	76,08,018	66,84,701	15,592	Mafatlal Chandulal & Co., (Ahmedabad) Ltd.				624	125	15 0	15 0	15 0	27 0*	12	Y.
33,00,000	26,06,488	1,08,76,840	66,35,291	33,764	Haridas Ashratlal & Co., Ltd.	36,024	730	Shorrock Spg. & Mfg.	580	100	20 0	20 0	25 0*	25 0	12	Y.
						36,176	780	Vijaya Mills	720xd	400	35 0*	35 0*	35 0*		12	Y.P.

WEST BENGAL

15,00,000	1,52,500	84,23,069	21,01,810	1,03,080	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	6	10	Nil	0 4	0 8		12	Y.P.
7,11,250	3,40,775	43,42,381	25,67,997	96,798	Bengal Textile Agency, Ltd.	23,044	936	Bengal Laxmi Cotton Mills	40 N	40	5 0	Nil	4 0	4 0	3	Y.
6,00,000	22,72,414	89,03,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	42,978	841	Bowreah Cotton Mills	163	100	Nil	Nil	Nil	Nil	6.12	H.
19,00,000	26,17,571	1,04,88,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	908	100	Nil	Nil	Nil	2 8	6.12	H.
1,50,00,000	2,07,59,266	3,59,23,374	1,20,23,790	2,45,483	Birla Brothers, Ltd.	70,384	1,990	Kesoram Cotton Mills	18½	10	1 12	1 12	0 14	0 14	3	Y.
6,00,000										25	1 4					
23,96,288	9,75,004	84,54,400	67,06,257	5,158	Chakravarti, Sons & Co.	23,484	442	Mohini Mills	—	10	1 4				12	Y.P.
19,47,750O										10	0 8					
5,00,000D	7,45,004	47,06,298	24,48,352	1,094	Hazaresmull Heeralal	23 036	795	Rampooria Cotton Mills	10¼N	1D	0 8	0 8	0 8	1 0	6	Y.
									4½N		Nil	Nil	Nil	....		

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	60,27,191	29,09,640	—8,54,223	Ramin & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	10½	10	Nil	Nil	Nil		12	Y.P.
3,75,71,400	44,93,807	2,10,91,206	50,80,018	....	Industrial Trust Fund	86,186	708	Asam Jahi Mills	95	100	6 0	6 0	Nil		9	Y.
40,50,000	2,00,68,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,167	Bangalore Woollen, Cotton and Silk Mills	570	100	15 0	25 0	20 0	30 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,132	18,199	M.	29,986	810	Bengal-Nagpur Cotton Mills	9N	10	0 8	0 4	Nil	Nil	6.12	H.P.
15,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers, Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	31XRN	10	0 8	0 8	3 0	3 0	3	Y.
1,78,47,800	1,76,52,500	6,88,09,203	2,52,32,130	2,38,443	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckingham & Carnatic	197	100	4 0	10 0	10 0	10 0	12	Y.P.
20,00,000	20,00,000	39,69,364	21,66,351	27,593	Peirce Leslie & Co., Ltd.	88,706	..	Cambodia Mills	14½	10	1 0	0 12	Nil	0 8	12	Y.P.
15,00,000	4,51,500	44,03,466	21,80,176	44,557	K. Damodaran, Esq.	17,496	..	Canmanore Spg. & Wvg.	174	100	15 0	12 0	20 0	12 0	3	Y.
30,00,000	25,93,076	58,07,118	50,84,515	29,514	Begg, Sutherland & Co., Ltd.	25,796	591	Cawnpore Textiles	8½	5	0 9	0 9	0 8	Nil	3	Y.
18,00,000	20,60,000	54,68,596	27,56,527	34,184	E. Bheema Naidu & Co.	28,864	..	Coimbatore Cotton Mills	345	100	9 0	20 0	25 0	25 0	12	Y.
20,00,000	14,20,000	86,95,513	21,98,500	14,053	T. B. N. Naidu & Co.	23,788	..	Coimbatore Pioneer Mills	224	100	10 0	10 0	10 0	25 0	12	Y.
20,78,900	4,19,814	1,15,51,599	92,06,019	16,884	R. G. S. Naidu & Co.	72,523	407	Coimbatore Spg. & Wvg.	107½	50	Nil	Nil	Nil		6	Y.
49,87,500	52,52,449	2,48,18,409	1,58,09,858	5,703	Tata Industries, Ltd.	1,15,188	2,062	Central India	138½	100	2 0	5 0	2 0	8 0	6	Y.P.
3,38,38,225	2,56,00,000	9,99,78,765	5,08,00,000	82,759	B. B. Charat Ram & Co., Ltd.	1,16,636	2,354	Delhi Cloth & General Mills	86½N	25	1 8	1 12	2 4	2 4	6	Y.P.
1,00,563									2½	1	0 5	0 5	0 5	0 5 3/5		
24,54,900	24,72,758	47,34,037	33,52,512	9,248	M. N. Chettiar & Sons	22,568	201	Dhanalakshmi Mills	370	100	20 0	20 0	20 0	20 0	12	Y.
83,00,000	46,33,360	1,52,16,882	1,29,71,631	93,886	Begg, Sutherland & Co., Ltd.	48,452	1,198	Gokak Mills	27½	10	1 8	1 0	1 0	1 0	3	Y.
48,81,000	35,22,175	1,00,55,167	68,95,088	14,000	Forbes Forbes Campbell & Co., Ltd.	77,574	4	Gokak Mills	230½	100	17 0*	17 0*	18 0	15 0	12	Y.
50,00,000	6,16,447	1,33,91,953	1,12,28,576	9,551	K. L. Kelkarla, Esq. (Chairman.)	51,180	1,420	Indore Malwa United	141½	100	6 0	6 0	6 0	9 0	12	Y.
8,00,000	10,65,883	91,06,669	18,48,155	2,079	G. V. Naidu & Co., Ltd.	24,828	..	Janardana Mills	118	50	8 12	4 8	5 0	10 0	12	Y.
24,00,000	16,25,000	78,88,888	38,50,000	29,882	Kothari & Sons	43,000	800	Kothari Textiles	17½	10	0 12	0 8	0 8	0 8	6	Y.
32,00,000	68,30,188	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd.	61,978	1,219	Lakshmi Cotton Mfg.	205	250	37 8	37 8	33 12	42 8	12	Y.H
55,54,100									205	100	12 8	14 0	14 0	12 0		
17,82,050	66,55,960	1,11,56,880	75,29,888	74,376	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	206	50	5 0	5 0	10 0	12 8	3	Y.
1,75,28,480	4,18,81,878	5,78,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	103	25	2 8	2 8	2 8	6 4	3	Y.
11,00,000	4,17,383	93,25,758	15,72,263	—99,078	A. L. A. R. S. Chettiar and 8 others	23,592	100	Malabar Spg. & Wvg.	51½	10	1 8	1 0	1 0	3 0	12	Y.
60,00,000	69,00,000	62,41,448	41,00,224	1,43,406	W. J. Beardsell & Co., Ltd.	24,720	608	Mettur Industries Ltd.	200	100	8 0	8 0	8 0		12	Y.
29,80,884	19,61,581	89,75,246	49,94,738	16,588	N. Sirur & Co. Private Ltd.	30,596	704	Minerva Mills	500	100	12 8	12 8	22 8*	35 0	12	Y.
94,91,850	47,34,404	1,81,29,118	78,51,838	—7,44,982	Bansilal Abirchand Dadabhoy & Co.	61,840	948	Model Mills (Nagpur)	90½	100	5 0	7 0*	5 0(a)	6 0	12	Y.
80,00,000	58,19,600	1,58,39,272	1,06,91,651	—7,77,296	Indian Textile Syndicate Ltd.	58,640	1,584	Muir Mills	150	250	7 8	7 8*	5 0(a)		12	Y.
34,88,500	50,24,547	99,04,006	63,09,938	28,706	N. Sirur & Co., Ltd.	50,172	500	Mysore Spg. & Mfg.	84N	100					12	Y.
19,61,780	1,000	29,41,710	15,25,283	—1,02,860	R. Seryasaravana Rao, Esq. Manager	6,000	..	Mysore Spun Silk Mills	110	50	10 0*	10 0*	8 8*	6 0(c)	3	Y.
22,89,889O									7½	10	Nil	Nil	Nil	Nil		
3,07,066D	25,62,583	1,04,27,293	58,90,719	—48,58,087	J. P. Srivastava & Sons, Ltd.	52,423	1,225	New Victoria Mills	2½	1	0 4½	0 4	0 4		12	Y.H
57,14,800	57,78,270	1,68,64,562	62,88,092	....	Industrial Trust Fund	57,788	856	Osmanshah Mills	—	D. 1	Nil	Nil	Nil		9	Y.
4,00,000A	6,50,000	39,12,549	23,46,016	14,608	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	86	100	7 0	4 0	Nil		9	Y.
6,00,000B									187	50A	7 0	18 0	18 0	12 0	12	Y.H
10,00,000	2,25 000	84,59,511	16,41,045	—18,97,240	C. S. R. Mudaliar & Sons	20,796	..	Pankaja Mills Ltd.	226	75B	11 4	15 0	18 0	18 0	12	Y.
16,81,200A	20,00,000	73,90,455	41,41,878	23,867	A. G. Gurusamy Naidu & Co	51,564	801	Radhakrishna Mills	884xd	100	Nil	Nil	Nil		12	Y.
8,43,800B									306xd	100A	6 0	8 0	16 0			
15,00,000	20,00,000	48,74,198	25 94,337	11,081	B. B. Naidu & Sons	35,472	..	Rajalakshmi Mills	116	50B	3 0	4 0	8 0		12	Y.
23,29,625	12 40,000	40,14,000	18,05,147	29,850	Rayalaseema Development Co.	14,800	..	Rayalaseema Mills	175	50	4 8	7 8	10 0	10 0	12	Y.
60,00,000	62,41,548	1,00,25,428	38,44,914	—19,16,722	J. P. Srivastava & Sons (Rampur).	54,581	600	Rana Textiles	103	100	6 0	6 0	9 0	10 0	12	Y.
									184	10N	Nil	Nil	Nil		12	Y.
16,00,000	1,00,39,516	2,89,27,048	2,04,27,579	—1,50,02,067	Morarka & Co	96,222	2,224	Sholapoor Spg. & Wvg.	1,025	1,000	Nil	Nil	Nil		3	Y.
									500	500						
36,60,700	16,63,622	71,75,918	51,35,889	27,871	H. N. Pallegar, Esq.	22,688	292	Sri Krishnarajendra Mills	103	50	4 0*	4 0*	4 8		3	Y.
26,14,800	2,00,246	35,18,906	17,73,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,280	440	Shree Sajjan Mills	80N	100	Nil	Nil	Nil		12	Y.
15,00,000	3,11,90,287	96,09,567	78,44,724	31,27,588	Birla Brothers, Ltd.	35,856	1,243	Sutlej Cotton Mills	112N	10	4 0	4 0	4 0	4 0	12	Y.
17,50,000 O	2,80,00,000	4,54,40,847	1,70,63,150	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadesh Cotton (Kanpur)	10½	10 O.	Nil	0 8	0 12	0 12	3	Y.J
1,57,50,000 P									11½	10P.O.	Nil	0-14 9/5	1-8 2/5	0 15		
1,00,00,000	30,14,788	2,80,55,317	1,27,16,775	2,63,771	Bmrose & Sons (Travancore), Ltd.		..	Travancore Rayons	10	10	Nil	Nil	Nil	Nil	12	Y.P.
18,86,670	5,75,232	17,39,181	11,37,336	1,508	Mooljee Ramjee & Sons	17,600	..	Trichinopoly Mills	182	10	0 11 1/5	0 11 1/5	0 14 3/5	0-14 3/5	12	Y.
21,00,000	22,50,000	71,38,723	40,63,188	56,000	R. K. R. Chetty & Brothers	30,000	370	Vasanta Mills	285	100	12 0	12 0	12 0	12 0	12	Y.
22,00,000	34,43,971	1,54,67,122	1,05,10,233	33,125	Bombay Co., Ltd.	46,490	1,231	Vishnu Cotton	186½	100	10 0	4 0	4 0	8 0	12	Y.

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (c) Paid out of reserves.
(p) Interim dividend of Rs. 9 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 63,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,80,170	54,83,974	1,12,336	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10½	5	Nil	Nil	Nil	0 8	5	Y.P.
16,20,000	18,38,917	27,26,561	14,67,213	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6	5	0 8	0 8	0 8	0 9	3	Y.
							29½	A. 16sh	Sh. 1 3/5	Sh. 1 3/5	Sh. 1 3/5	Sh1 3/5	9	Y.P.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	—	B. £1	Sh. 2	Sh. 4	Sh. 5 4/5	Sh4		
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	181½	75	15 0	15 0	15 0	15 0	3	Y
CEMENT														
11,37,700A	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	167cd	A. 100	7 8	10 0*	10 0	10 0*	12	Y.P.T.
39,79,080B							166cd	B. 10	0 12	1 0*	1 0	1 0*		
43,14,600O	13,13,132	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	7½	O. 10	Nil	Nil	Nil		3	Y.P.
4,70,976D							1½	D. 1						
12,71,06,208	5,49,40,618	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	216½	100	9 8	9 8	8 8	10 0	7	Y.
60,00,000O.							18 4cd	O. 10	0 10	1 0	1 0			
25,50,000D.	48,20,901	89,93,667	29,67,544	2,86,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	4½	O. 2½	0 2½	0 4	0 4		12	Y.P.T.
5,00,000D.							55cd	D. 1	Nil	0 1-8/5	0-1 3/5			
61,91,0300.							36½	O. 25	1 4	Nil	1 4	1 14		
7,50,000D.	14,00,000	1,46,64,600	47,05,770	2,31,546	Essen Ltd.	India Cements Ltd.	7½	D. 5	0 4	Nil	0 4	0 6	3	Y.P.
88,93,275	44,50,000	2,04,20,192	86,59,098	2,78,525	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	189½	100	6 0	6 0	8 0	8 8	12	Y.P.
75,00,000	20,95,000	1,83,36,123	1,41,94,359	88,454	Martin Burn Ltd.	Sonevalley Portland Cement	9	5	0 6	0 6	0 4		12	Y.
50,00,000	....	1,04,00,351	84,33,980	2,75,

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	121	25	*Nil*	*Nil*	1 9	2 8	6,12	H.P.S
62,98,250	66,03,861	1,11,56,730	76,81,898	88,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	5 0	6 0	7 0	0 11½	2,9	H.
25,00,000	16,12,500	1,36,83,385	56,31,688	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	18½	10	1 0*	1 0*	0 12*	0 12*	2	Y.
1,46,82,500	2,09,28,541	4,27,02,365	1,02,98,953	2,29,489	Karamchand Thapar & Bros. ..	Orient Paper	39½	10	1 0	1 0	0 7½	0 8½	2,9	H.P.S
									1 0	1 0	0 8	0 10		
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,51,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	18½	10	0 12	0 12	0 12	0 10½	2,9	H.P.S
20,00,000 }	6,50,000	54,00,869	30,16,681	4,492	Baloria & Co.	Star Paper Mills	11½	O. 10	0 8	0 12	0 12½	0 8½	2,9	H.P.S
50,00,000'A.' }							11½	A. 10	1 0	1 0	0 12½			
50,00,000A. }	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co., Ltd.‡ ..	Titaghur Paper Mills Co., Ltd.	44½	A. 10	1 0	1 0*	0 12	1 0½*	2,9	H.P.
4,27,50O.P.O. }							44½	B. 10	1 0*	1 0*	0 12	1 0½*		
							4½	P.O. 2½	0 2	0 2	0 2	0 2½		
						PRESSING								
5,00,000	6,12,365	15,78,488	11,18,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	1*Nil	6	Y.
4,80,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	7 0	.. ..	.. ..	7	Y.
5,00,000	1,95,000	10,91,811	6,80,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	5 0	4 0	5 0	5 0	6	
						PROPERTY AND LAND								
10,00,780O. }	6,93,332	43,52,570	22,63,279	36,000	S. A. Basil, Esq. & others (Directors)	Humayun Properties	13½	O. 10	0 8	0 11½	0 9 3/5	0 9 3/5	9	Y.P.
2,00,000D. }							2½	D. 1	0 4/5	*Nil*	0 3	0 3 2/5		
60,00,000	18,07,874	84,89,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	9½	100	1 8	1 8	*Nil*	*Nil*	4	Y.
94,00,000	36,71,674	95,09,208	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	32½	100	2 0	1 8	4 0	4 0	4	Y.P.
						SAW MILLS AND TIMBER								
12,99,998	26,23,970	29,97,501	3,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	4½	2	0 4	*Nil*	*Nil*		9	Y.
50,00,000 }	4,15,57,280	3,25,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	635	Old125	22 8	15 0	20 0	37-8½	5	Y.
43,00,000 }							245	New50	9 0	6 0	8 0	15-0		
6,00,000	.....	7,28,569	7,26,287	—4,89,907	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	*Nil*	*Nil*	*Nil*		6	Y.P.
80,00,000	21,15,487	19,00,295	14,35,560	2,76,019	Gillanders Arbuthnot & Co., Ltd	Indian Wood Products	37½	10	3 0	2 8	2 12	3 0	9	Y.
						SUGAR (U.P. and Bihar)								
14,00,000	15,41,237	29,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	*Nil*	*Nil*	0 12	0 1	6	Y.
12,00,000A. }	29,18,356	49,46,285	33,16,660	16,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	150N	A. 100	10 0	10 0	10 0	.. ..	4	Y.
8,00,000B. }							14N	B. 10	1 0	1 0	1 0	.. ..		
19,49,050	5,50,000	33,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	11½	10	1 4*	1 4*	1 4*	2 0*	9	Y.
18,00,000	18,90,295	16,40,479	11,77,841	18,206	Cotton Agents Ltd.	Bharat Sugar	17½	10	1 8	1 8	1 8	1 8	6	Y.P.
32,00,000	28,37,080	1,36,90,775	92,57,501	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	17N	10	*Nil*	*Nil*	0 12	0 4	6	Y.P.
90,00,000	57,83,651	1,08,44,647	84,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	8½	10	1 0	1 0	0 12	0 4	6	Y.P.
18,00,000	38,04,891	72,85,757	53,45,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	19½	10	2 0	1 0	1 0	1 8	6	Y.
1,99,481	8,16,563	24,85,882	15,33,747	48,304	Karamchand Thapar & Bros. ..	Deoria Sugar	21½	10	0 8	1 0	0 12	1 8	6	Y.P.
50,00,000A. }	33,00,000	75,94,377	55,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	21½N	10	2 0*	2 0*	15 0*	15 0*	6	Y.P
10,00,0000. }							260N	'A' 100	12 0*	15 0*	15 0*	15 0*		
12,00,000	8,61,001	75,81,300	42 63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	100	O. 100	12 0*	15 0*	15 0*	15 0*	7	Y.P
7,80,100	22,14,058	24,94,612	19,35,583	1,864	Cotton Agents Ltd.	New India Sugar Mills	60N	10	*Nil*	*Nil*	*Nil*	2 4		
11,00,000	4,30,000	43,21,480	34,57,555	4,185	Karamchand Thapar & Bros., Ltd.	New Savan	39N	10	2 8	2 8	2 8	2 8	6	Y.P.
19,27,500A. }	49,60,297	97,74,122	81,56,900	5,817	Cotton Agents Ltd.	New Swadeshi Sugar Mill	6	10	0 8	0 4	0 4	.. ..	6	Y.
9,71,875B. }							240N	10	20 0	20 0	20 0	20 0	6	Y.
77,15,250	58,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	60N	25	5 0	5 0	5 0	5 0	6	Y.P
12,00,000	12,74,223	28,77,669	19,95,925	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	185N	100	6 0	11 0	11 0	11 0	7	Y.
9,00,000	17,64,362	37,85,308	30,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	115N	100	6 0	10 0	10 0	.. ..	10	Y.
5,00,000	6,54,762	25,42,782	21,01,513	24,540	M.	Ryam Sugar	14½	10	1 0	1 8	0 8	0 12	10	Y.P
11,99,000	18,86,779	38,68,583	22,92,180	9,477	Begg, Sutherland & Co., Ltd. ..	Ramasipur Central Sugar	21½N	10	1 0	1 0	0 8	0 8	6	Y.P
20,00,000	22,68,560	1,35,20,110	62,59,521	24,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar ..	13½	10	1 8	1 8	1 8	1 8	6	Y.P.
9,99,950	61,285	27,16,126	12,60,552	—10,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	0 6½	*Nil*	*Nil*	*Nil*	6	Y.
7,95,462	18,82,940	31,60,785	17,68,068	1,06,237	Karamchand Thapar & Bros	Shri Sitaram Sugar	14½	10	1 0	2 0*	1 8*	.. ..	8	Y.P
9,15,000O. }	47,502	37,42,197	11,46,779	—16,14,603	N K. Jain & Co., Ltd....	South Behar Sugar	1N	O. 10	*Nil*	*Nil*	*Nil*		10	Y.P
4 40,000D. }							6N	D. 2½	*Nil*	*Nil*	*Nil*			
3,00,000	21,01,625	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 0	0 8	1 8	2 8	6	Y.P
16,00,000	7,99,778	32,06,850	25,98,546	39,061	James Finlay & Co., Ltd.	United Provinces Sugar	20½	10	1 8	0 8	1 4	.. ..	6	Y.
						Other Centres								
48,99,750	74,88,470	1,50,12,876	1,03,10,281	99,043	W. H. Brady & Co., Ltd.	Belapur Company	32½	50	16 8	16 0	16 0	16 0	9	Y.
17,50,000	9,24,202	33,08,379	21,86,722	4,692	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	13½	10	1 0	0 10	1 0	1 0	6	Y.I
16,98,900	8,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	50N	100	3 0	*Nil*	*Nil*		6	Y.I
31,47,780	14,00,000	80,54,997	18,71,123	5,22,318	India Sugar Agencies Ltd.	India Sugar and Refineries ..	16½xr	10	2 8	2 8	1 12	1 6 2/5	9	Y.I
23,57,620	41,37,060	41,95,605	20,73,418	1,403	Govan Bros. (Rampur), Ltd.	Buland Sugar	14½N	10	0 12	1 0	1 8	1 8	10	Y.
19,44,2000. }	69,50,900	96,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.;	K. C. P. Ltd.	19½	O.100	7 8	7 8	7 8	7 8	6	Y.I
2,87,190D. }							100	D. 10	10 0	10 0	10 0	10 0		
21,70,250	95,00,001	1,31,37,677	78,17,720	2,90,340	S. Muniswamjappa Esq. (Managing Director)	Mysore Sugar	48½	10	2 0	2 0	2 0	2 0	6	Y.
50,00,000	48,49,631	1,08,28,164	59,35,509	11,063	Mafatlal, Apte and Kanitkal Ltd.	Phaltan Sugar	150½	50	8 0	8 0	8 0	8 0	6	Y.
16,59,880	25,50,880	53,90,018	29,26,747	59,230	Anderson Wright Ltd.	Ramnagger Cane and Sugar	24½	10	2 0	2 0	1 8	.. ..	6	Y.P.
20,00,0000. }	21,76,092	89,12,138	58,60,888	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	105N	O. 50	*Nil*	*Nil*	2 8	9 0	9	Y.P.
4,00,000D. }							7N	D. 10	0 11½	*Nil*	*Nil*	0 1 1/5		
1,50,00,000	44,88,457	47,06,689	21,78,094	4,685	Govan Bros. (Rampur), Ltd.	Rana Sugar	151N	10	0 12	1 0	0 12	.. ..	10	Y.P.
80,00,000	10,87,776	59,76,254	17,87,156	—22,284	Parry & Co., Ltd.	Travancore Sugars	13½	10	*Nil*	*Nil*	*Nil*	.. ..	7	Y.
1,01,00,000	71,97,998	1,99,96,448	1,18,32,423	1,31,172	M.	Walchandnagar Industries	248½	100	14 0	14 0	16 0	18 0	9	Y.I
						TRANSPORT								
20,00,000	1,00,69,622	1,24,00,708	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145	100	12 8	10 0	7 8	7 8	10	Y.I
1,00,00,000	16,37,619	4,41,65,864	1,85,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0	5 0	12	Y.
50,00,000	24,35,888	2,50,21,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	17½	10	1 0	1 0	1 0	*Nil*	6	Y.I
6655,580	6960,378	65,516,681	23,344,773	821,866	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	112½	510	8h.10	*Nil*	8h.10	*Nil*	6	Y.I
2,25,00,000	74,99,223	7,93,25,462	1,81,54,690	1,28,051	Lionel Edwards Ltd.	India Steamship Co.	9½	10	0 8	0 8	*Nil*	*Nil*	12	Y.I
9,40,19,978	6,94,25,051	18,36,68,413	4,34,44,300	2,75,688	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	18-3½	20	0 8	0 12	0 8	*Nil*	8	Y.I
3,45,850O. }							2½	O. 1	1s. 1 3/25	1s. 1 3/25	1 23/25		12	Y
3,16,200P.O. }	18,58,194	11,38,000	6,80,211	1,24,122	R. R. Aiyar, Esq. (Manager) ..	Walford Transport Ltd.	2	F.O.½	1s. 1 9/25	1s. 1 9/25	1 19/25			
						UNCLASSIFIED (Bombay)								
2,40,000	77,000	9,58,321	4,22,843	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0	32 0	9	
13,99,880	3,04,173	7,18,542	90,000	43,563	Parakh Agencies Ltd.	Bombay-Uganda	62½	50	4 0	5 0	4 0	4 0	6	Y.
25,00,000	1,00,000	22,37,314‡‡	.....	225	Pranlal D. Nanjee, Esq.	Devkaran Nanji Investment Co. ..	12½	25	0 12	0 12	0 12	0 12	8	Y.I
14,98,840	3,48,388	28,00,500	17,75,000	4,119	Oboonlal Manlal Ltd.	Estrela Batteries	33	50	2 8	*Nil*	2 0	2 0	8	Y.I
99,99,250	19,47,888	1,22,03,604‡‡	.....	2,88,136	Premchand Roychand & Sons	Industrial Investment Trust	78	100	4 8	4 8	4 8	4 8	12	Y
99 99,975	85,06,851	85,10,899	9 81,529	6,154	K. G. Milne, Esq. (Mg. Director) ..	Killick Industries	161½xd	100	10 0	10 0	11 0	11 0	6	Y
6,97,02,800A. }	5,28,684	2,87,33,378	1,25,90,292	5,86,717	Aero-Auto Ltd.	Premier Automobiles	90½	A.100	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
19,00,000B. }								B. 10	*Nil*	*Nil*	*Nil*	*Nil*		
10,21,200	5,63,605	13,96,085	11,66,085	10,384	Sir Joseph Kay (Chairman)	United Motors (India) Ltd.	22½	20	2 0	2 0	2 0	2 0	12	Y.
2,75,00,000	73,75,000	3,03,67,181	1,63,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director).	Western India Match Co.	188½	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
45,00,000	55,24,847	1,24,668	3,07,168	36,434	Sir Joseph Kay, K.B.E. (Mg. Director).	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0	20 0	12	Y.
						Other Centres								
47,50,000 }	17,00,000	1,95,40,704	65,00,000	32,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd...	10	O. 10						
2,50,000 }							8½N	D. 2½	*Nil*	*Nil*	*Nil*	*Nil*	2	Y.P.
30,00,000	35,05,079	33,05,625	21,94,251	3,43,951	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	21½	10	1 4	1 4	1 4	2 0*	2	Y.
30,00,000	8,85,000	38,39,494	20,85,060	1,18,895	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 4*	1 4*	1 4*	2 0*	2	Y.
20,00,000	27 47,888	1,01,49,337	39,87,880	52,688	Oberoi Hotels (India) Ltd.	Associated Hotels of India	7½	10	0 4	0 8 1/5	0 5 1/5	0 6 2/5	12	
80,01,400	82,94,268	46,81,988	22,21,988	1,49,717	O. T. Jenkins, Esq (Director) ..	Balmer Lawrie & Co., Ltd.	160	100	20 0*	20 0*	12 0	2 8	12	Y.
12,00,000	9,10,000	31,37,448	24,05,448	76,830	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	27	10	0 10	1 8	2 8	2 8	12	Y.
20,00,000	1,99,470	57,34,560‡‡	.....	1,21,732	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 8	2 8	2 8	2 4	6,12	Y.
45,97,080	20,44,514	1,00,74,580	29,49,001	1,95,548	K. Julius Book, Esq (Mg. Director) ..	Britannia Biscuits	152½	10	1 4	1 4	1 4	1 4	9	Y.
2,25,00,000	1,16,11,805	2,82,03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd. ..	11½	10	0 12	0 8	0 8	1 0	8	Y.
1,50,00,000	3,14,86,174	5,16,52,036	2,92,82,990	11,71,686	Cecil Steak Esq. Mg. Director) ..	Dunlop Rubber (India) Ltd.	80½xd	10	0 10	0 8	0 8	1 0	12	Y.
51,28,000	54,12,212	1,42,47,663‡‡	.....	8,06,188	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	147	100	3 0	3 8	3 8	1 8	12	Y.
14,00,000	10,02,000	35,81,772	18,39,772	27,194	MacNeill & Barry Ltd....	Ganges Rope Co., Ltd.	179xd	100	8 0	8 0	8 0	9 0	12	Y.
66,00,000	42,00,000	19,27,688	8,06,872	1,51,860	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	18½	10	1 0	1 0	1 0	1 0	12	Y.
30,00,000	15,17,554	78,75,309	31,19,064	45,995	D. F. R. Syndicate	Great Eastern Hotel	237	10	7 8	7 8	7 8	7 8	9	Y.
12,43,800	9,87,964	78,31,701	58,80,659	36,686	Birla Bros., Ltd.	Hind Cycles	260N	25	0 6	1 0	1 4	1 6 2/5	3	Y.
4,96,13,850	2,92,450	3,56,24,606	94,58,719	8,19,485	Birla Bros., Ltd.	Hindustan Motors	160N	100	5 0	5 0	10 0	6 4	3	Y.
2,50,00,000	46,77,754	4,16,57,653	1,74,76,653	5,19,174	Indian Aluminium Co.	Indian Cables	9½xr	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
1,58,50,220	1,20,50,000	1,55,72,391	57,17,651	29,95,462	A. B. Driessen, Esq.	Indian Rubber Manufacturers ..	22½	10	1 0	1 0	0 8	0 8	12	Y.
5,37,970	5,35,000	16,40,508	8,96,110	32,616	G. S. Monkon & Co. (India), Ltd.	Imperial Tobacco Co. of India Ltd.	13½	10	1 0	1 0	1 0	1 0	12	Y.
15,16,00,000	7,52,58,583	3,55,94,047	1,17,80,408	25,00,782	Mr. Eric Henry Hare (Chairman)	Jardine Henderson	144½	10	1 0	1 0	0 8	0 8	12	Y.
2,00,00,000	58,39,566	34,58,960	8,60,060	4,70,107	K. M. Mackinlay, Esq.	Macfarlane & Co.	100	100	10 0	7 8	7 8	0 9 3/5	9	Y.
4,34,0000. }	3,63,343	6,89,230	4,31,766	2,240	James & Co., Ltd:	Macfarlane & Co.	2½	O. 5	*Nil*	*Nil*	*Nil*	*Nil*	6	Y.
66,000D. }							8	D. 5						
20,00,0000. }	78,01,900	25,16,760	7,97,301	1,87,884	A. T. Doig, Esq. (Mg. Director) ..	McLeod & Co.	213N	O.100	7 8	10 0	17 0		12	Y.I
1,87,53,000								D.O.10	0 4	0 8	1 8 1/5			
1,15,00,000	60,54,276	92,58,051	11,34,226	2,09,456	T. Leslie Martin, Esq. (Mg. Director).	Martin Burn Ltd.	25½	10	1 0	1 0	1 0	1 0	12	Y.I
1,15,00,000	44,50,000	1,76,64,306	67,97,457	14,43,141	H. Chiswell Jones, Esq. (Chairman) .	Metal Box Co. of India, Ltd. ..	27½	10	1 0	1 0*	1 6	1 8*	9	Y.I
62,35,155	1,55,558	7,51,449	2,60,987	—19,239	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	8½	10	1 0	1 0	1 0	1 0	9	Y.I
6,56,250	9,58,118	10,46,350	4,40,947	73	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	12	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.I
10,00,000	1,23,000	15,18,188	8,10,686	20,916	T. Shamanna, Esq. (Chairman) ..	Mysore Tobacco	13½	10	1 0	1 0	1 0	1 0	8	Y.
40,00,000	51,21,172	59,09,527	29,20,120	2,22,552	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	23½	10	0 12	1 0	1 0	1 8*	8	Y.I
79,97,000	31,15,337	1,14,74,378	52,77,582	9,05,480	B. N. Elias & Co., Ltd.	National Tobacco Co.	12	10	*Nil*	*Nil*	*Nil*	*Nil*	8	Y.I
40,00,000	27,00,000	44,15,474	19,71,484	1,81,468	Coromandel Investment Trust Ltd. ..	Parry & Co.	—N	2	0 4 4/5	0 4 4/5	0 4 4/5	.. ..	12	Y.I
2,25,00,000	7,25,185	1,58,49,091	40,14,109	—61,99,179	M. P. A. Pasyatti, Esq.	Rallis (India) Ltd.	36	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.I
1,72,54,400	1,21,20,308	7,56,34,689	3,47,94,970	4,91,584	Sahu Jain Ltd.	Rohtas Industries	24½	10	1 0	1 4	1 8	1 8	12	Y.I
40,00,000	96,80,564	1,16,78,870	70,99,687	5,10,675	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	171xd	10	1 0	1 4	1 8	1 8	12	Y.I
75,00,000	49,00,000	1,18,26,9654	4,16,784	2,53,561	B. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	14½	10	1 0	1 0	1 4	1 0	6	Y.I
9,96,850	.....	14,99,220	2,54,580	.....	Ogale Bros., Ltd.	Travancore Ogale Glass	31	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.

M.—Managed by Board of Directors. §§ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,01,800 which represent share in the firm of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
							ASSAM								
4,45,700	6,11,774	9,59,057	4,78,517	.....	McLeod & Co., Ltd.	325	Amluckie	372N	100	7 8	25 0	30 01		12	Y.P.
2,50,000	8,43,250	10,69,902	2,42,939	77,477	R. K. Kanoria, Esq.	429	Ananda (Assam) Tea	45N	10	0 12	1 4	7 81		12	Y.
3,50,000	5,43,250	10,47,144	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	49	10	*Nil*	2 8	8 0*		12	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,058	McLeod & Co., Ltd.	513	Baghmari	29½	10	*Nil*	*Nil*	*Nil*		12	Y.
8,10,000	8,50,000	11,69,193	3,89,461	93,033	Andrew Yule & Co., Ltd.	309	Basmatia	40§	10	2 0	2 8	3 0		12	Y.
3,20,000	4,55,000	10,11,265	6,49,265	18,304	National Tea Corporation	589	Batell	22½xd	5	0 4	2 0	4 0	2 01	12	Y.
3,20,000	8,70,000	9,80,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	55	10	*Nil*	2 0	10 0*		12	Y.
16,50,000	20,60,000	52,30,169	22,35,169	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	25§	10	*Nil*	3 8			12	Y.
6,00,000	3,53,500	10,49,415	2,95,139	61,929	Octavius Steel & Co., Ltd.	485	Bokakhat	25	10	*Nil*	*Nil*	1 0		12	Y.
7,50,000	6,52,400	8,92,327	2,83,050	1,44,105	McLeod & Co., Ltd.	450	Borman Jan Tea	22§	10	*Nil*	0 12	3 8		12	Y.P.
35,00,000	11,92,045	73,89,473	19,49,496	26,092	Brook Bond India Ltd.	2,834

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4¼	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,655	1,19,669	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9¼	3	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	24§	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Associated Planters Ltd. ..	21§	10	1 8*	1 8	1 8	1 12*	3	Y.P.
4,00,000	2,76,708	5,59,957	48,704	7,754	Associated Planters Ltd. ..	Cottanad Plantations	15§	10	1 0	1 4	2 8		12	Y.P.
18,00,000	9,95,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce	35	10	2 0	2 0	2 0	2 12	4	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	33	10	3 8	5 8	2 4	2 4	3	Y.
9,00,000	7,28,329	13,44,917	2,55,893	..	K. T. Thoma Kathanar, Esq.	Mahaykara Rubber	22§	10	1 8	1 8	1 12*	2 8	3	Y.P.
27,00,000	29,30,000	74,32,314	7,74,029	1,45,568	A. V. Thomas & Co., Ltd. ..	Midland Rubber	24§	10	0 10	0 12	1 8		12	Y.P.T.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd. ..	Nenmeny Rubber	17§	10	1 0	1 0	1 0		12	Y.P.
2,00,000	2,90,688	7,20,895	44,185	8,600	Associated Planters Ltd. ..	Nilambur Rubber Co.	5☆	2	0 3½	0 3½	0 0 3/5	0 6 2/5	10	Y.P.T.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	25§	10	1 8	1 12*	1 12*	2 0	6	Y.P.
13,50,000	7,80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajacri Rubber	26§	10	3 8	3 12	2 8	1 0	11	Y.
3,66,780	3,00,930	6,70,359	62,117	71,342	Peirce Leslie & Co., Ltd. ..	Savannalai Estates Ltd.	26§	10	0 14½	0 14 2/5	0 12	0 14 2/5	3	Y.P.T.
10,00,000	3,98,340	22,01,120	1,35,329	2,031	East India Agencies	Tevekoy Rubber (India) Ltd. ..	11☆	10	2 0	3 0	3 0		12	Y.P.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd. ..	Thamarajally Rubber	31§	10	2 0	3 0	3 0		12	Y.
6,10,200	3,00,995	8,91,561	60,565	24,020	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	1	10	0 4	0 4§	0 1 3/5	0 2	9	Y.
6,00,000	48,474	7,49,611	1,11,209	3,744	Eapen Thomas, Esq. (Mg. Director)	Travancore Rubber	25§	10	2 0	2 0	2 0		12	Y.P.T.
41,00,000	14,30,799	76,82,300	8,68,181	3,71,033	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13§ed	10	0 0 3/5	1 0	1 8	1 4	12	Y.
23,00,000	..	27,70,782	6,43,380	27,957	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	41ed	25	2 8	3 0	3 0	4 0	12	Y.
6,28,580	5,40,670	8,51,488	16,128	40,780	Harrisons & Crosfield Ltd. ..	Vaikundam (Travancore) Rubber ..	28§	10	2 0	2 0	2 4	2 8	12	Y.
1,65,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13§	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,90,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12§	10	1+1	1+1	1+1	1+	3, 9	H.T.P.
6,00,000	9,50,000	51,48,608	35 31,395	94 986	McLeod & Co., Ltd.	446	Alexandra	200	100	*Nil*	*Nil*+2½	2½+5		6, 12	H.P.
30,00,000	9,84,130	1,17,45,964	91,71,069	2,55,797	McLeod & Co., Ltd.	1,254	Alliance	140	100	*Nil*	*Nil*+5	5+5		6, 12	H.P.
49 20,700	72,10,000	2,72,98,335	1,37,90,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	163	100	10+10	7½+5	2½+5	5+3½	3, 9	H.P.T.
40 00,000	42,94,285	1,73,44,642	88,94 396	9,733	Bird & Co., Ltd.	810	Auckland	125	100	5+4	2+2	1+2½	6+4	3, 9	H.P.
20,00,000	22,86,887	96,73 016	65,15,994	15,381	Jardine Henderson & Co. ..	959	Baliy	135½	100	*Nil*	4+*Nil*	*Nil*	3½+*Nil*	3, 9	H.P.
£275,000	£631,000	£1 556,539	£1,003,237	£64,458	Sir John H. Burder (Chairman)	1,889	Barnagore	151	£5	£1	£1	£1	£1	3	Y.P.
28,00,000	32,30,123	92,27,342	49,93 231	1,005	Andrew Yule & Co. Ltd.	820	Belvedere	102	100	7½+7½	7½+7½	5+5	5+2½	6, 12	Y.
45,00,000	88,45,000	87,03,172	81 28 574	2,65,100	Sovarimull Nagarmull	600	Bengal	17	10	1	1	1¼	1¼	3	Y.P.
11,25,000	2,15,77,034	3,32,92,892	25,72,760	5,12,630	Birla Bros., Ltd.	1,373	Birla	184	10	3	3	3		6,12	H.
86,00,000	27,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	144	100	6½+6½	6+4	4+5	5+2½	4, 10	H.
7 47,380	3,16,924	42,43,494	30,69,848	85,424	Dayaram & Sons	502	Calcutta Jute Mfg. ..	0 9/32 xd	10	0+8	*Nil*	4+4		6, 12	H.
18,00,000	30,46,234	87,13,271	41,48,795	6,304	Andrew Yule & Co., Ltd.	903	Caledonian	203	100	6+6	6+6	4+5	4+2½	5, 11	H.
52,18,400	98,58,404	2,22,41,517	1,07,46,003	1,30,505	James Finlay & Co., Ltd.	600	Champdany	162	100	7+8	3+3	*Nil*+3	4+6	3, 9	H.P.
15,95,000	28,39,282	81,34,655	56,60,175	2,615	Andrew Yule & Co., Ltd.	530	Chevlot	130	100	6+6	6+6	6+8	6+4	5, 11	H.T.
30,15,000	26,25,000	60,73,514	46,01,290	1,52,253	McLeod & Co., Ltd.	500	Chitavalah	95	100	2½+1½	1½+1½	1+1½	7½+7½	6, 12	H.P.
16,00,000	24,00,000	78,22,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	14§	10	2	*Nil*	*Nil*	1-4±	3	H.P.
11,49,200	61,22,383	1,34,26,320	64,46,801	1,996	Bird & Co., Ltd.	766	Dalhousie	104	100	6+1	1+3	1+1¼	3+1	5, 9	H.P.
28,00,000	44,74,179	75,56,709	47,00,110	16,915	Andrew Yule & Co., Ltd.	779	Delta	214	100	10+10	10+10	6+6	5+5	5, 11	H.T.
15,00,000	33,50,000	81,98,824	59,15,580	1,43,894	McLeod & Co., Ltd.	500	Empire	20½	10	3+3	3+3	3+3	3+	6, 12	H.P.
21,00,000	59,60,176	2,72,32,353	1,87,05,641	71,982	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	350N	10	*Nil*+*Nil*	*Nil*	*Nil*+5	*Nil*+5	3, 9	H.T.P.
14,00,000	17,75,000	84,18,192	53,89,759	1,16,178	Bangur Bros., Ltd.	1,014	Fort William	21§	10	*Nil*	*Nil*+5	10+10	10+10	3, 9	H.T.P.
84,32,100	1,66,021	2,03,72,498	1,32,68,885	84,732	Macneill & Barry Ltd.	1,709	Ganges Mfg.	72§	100	*Nil*	*Nil*+*Nil*	*Nil*+4	2½+*Nil*	3, 9	B.P.
10,80,000	28,00,000	71,52,963	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,250	300	30	15	*Nil*		12	Y.
24,00,000	33,38,409	62,33,183	1,65,13,218	57,208	Macneill & Barry Ltd.	1,394	Gouripore	265	100	1½+*Nil*	*Nil*+3½	2½+7½	7½+7½	3, 9	H.P.
40,00,000	55,68,234	99,03,890	57,85,999	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10	10	10+10	11½+	3	Y.P.
16,80,000	18,52,626	66,38,235	45,81,416	32,401	Gillanders Arbuthnot & Co., Ltd.	720	Hooghly	38½	10	1½	1½	½		3	H.P.T.
66,52,500	51,32,000	1,67,31,994	1,82,27,584	11,463	Jardine Henderson Ltd.	1,940	Howrah	22½	10	1+2	2+2	2+2	2+2	3, 9	H.P.T.
52,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	23☆	10	6	2	2	2	3	
C. 87,00,000	16,55,558	1,23,66,655	78,55,428	7,731	M.	1,076	India	125	31+3½	31+3½	*Nil*+3½	3½+1½			H.
D. 30,000								D. 1	As.1+½	a2/5+2.6	*nil*+a2/5	a2/5+1	5	3, 9	
24,00,000	16,50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	134	100	8+6	6+3	3+6	2½+*Nil*	6, 12	H.P.
B. 19 20,000								'B' 100	8+6	6+3	3+5	2½+*Nil*			
30,00 000	7,00,000	1,32,86 300	1 00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	100	6+4	5+2½	2½+4	1+*Nil*	6, 12	H.P.
B. 24,00,000								'B' 100	6+4	4+2½	2½+4	1+*Nil*			
21 00,000	49,50,000	1,12,88 938	79,26,276	1 70 687	McLeod & Co., Ltd.	703	Kelvin	244	100	7½+7½	7½+7½	7½+10		6, 12	H.P.
64,00,000	23,83,375	1,71,52,716	1 16 91,627	1,02,192	Anderson Wright Ltd.	1,530	Khardah	134	100	10+15	10+7½	7½+5	6+5	3, 9	H.P.
24,00,000	1,04,27,457	1,12,99,755	52,710	F. W. Heilgers & Co.	1,250	Kinnison	163	100	10+7	4+5	2+5	7+6	3, 9	H.P.T.
24,48,000	49,37,087	1,39,82,288	80,65,707	10,707	Bird & Co., Ltd.	931	Lanadowne	119	100	7+8	3+3	1+1	6+2	3, 9	H.P.
31,50,000	30,00,000	1,16,02,741	84,08,985	2,154	Bird & Co., Ltd.	1,008	Lawrence	115	100	11+4	6+8	2+4	5+1	3, 9	H.
81,65,300	25,04,412	2,01 00,852	1,24 49 804	10,614	M.	1,008	Meatia	89	100	2½ ½‡	2½+*Nil*	*Nil*+2½	2½+1½	3, 9	B.
29,98,900	38 14,415	1,84,76,420	98 81,406	—3,19,252	F. W. Heilgers & Co.	815	Naihati	95	100	6+*Nil*	*Nil*	*Nil*	*Nil*	3, 9	B.
25,00,000	15,55,000	29,01,563	18,31,710	17,816	Howrah Trading Co., Ltd.	425	Naskarpara	18§	10	2½+½	*Nil*+½	1+½	½	4, 10	H.T.
25,00,000	43 29,326	29,10 124	10,08,222	70,554	Andrew Yule & Co., Ltd.	852	National	25½	10	1+1	1+1	1+1½	1+½	4, 10	H.P.
26,25,000	24,50,000	26,82,794	20,20,619	1,43,752	McLeod & Co., Ltd.	316	Nellimarla Jute	12§	10	2+1	1+½	1+½	½	5, 12	H.P.T.
55,50,000	2,71,44,340	4,29,15,627	96,26,548	8 71,258	Sahu Jain Ltd.	709	New Central†	17§	10	10+12	12+12	12+5	2+	12	H.P.T.
16,79,880	48,95,164	1 17 37 958	46,95,955	46 982	Bird & Co., Ltd.	557	Northbrook	24	10	1+1	1+1	1+1	1+½	3, 9	H.P.T.
66,79,500	28,30,743	2,12,69,608	1,39,37,804	58,273	Macneill & Barry Ltd.	1,092	Nuddea	43§	50	1+*Nil*	*Nil*+½	*Nil*+½	½	3, 9	B.
24,91,000	26,81,049	72,46,385	50,35,000	8 744	Andrew Yule & Co., Ltd.	601	Orient	162	100	1+6	6+6	5+5	5+4	5, 11	H.T.
25,00,000	6,23,491	30,72,591	23,77,961	1,03,934	McLeod & Co., Ltd.	440	Prestidency	6☆	2	*Nil*	*Nil*+½	½+*Nil*		6, 12	H.P.
20,00,000	1,44,936	26,56,880	8,39,130	—12,15,988	Birla Bros. Ltd.	805	Rameshwara	6☆	10	*Nil*	*Nil*	*Nil*	*Nil*+		H.P.
49 50,000	1,02,728	1,24,06,577	89,88,544	8,09,680	Jardine Henderson Ltd.	1,276	Reliance	11§	10	*Nil*	½+½	*Nil*	*Nil*	3, 9	H.P.T.
£600,000	£1 093,713	£1 236,315		£88,658	Thomas Duff & Co. (India) Ltd.	2,018	Samnuggur	11½	£1	10%	10%	10%	3%+1	12	Y.P.
20,00,000	18,12,193	1,04,21,440	75,39,904	88,764	Bazaria More & Co., Ltd.	911	Shree Ambica	16½	10	1+1	*Nil*+½	½+½	½	3, 9	H.P.
14,00,000	11,25,000	66 11,794	38,79,294	4,158	Shaw Wallace & Co., Ltd.	401	Soorah	14§	10	*Nil*	½	1	1½	12	Y.P.T.
25,19,600	45,44,180	1,30,76,167	81,16,668	—2,75,241	Bird & Co., Ltd.	650	Standard	100	100	8+1	1+1	1+1	1+*Nil*	3, 9	H.
£600,000	£925,119	£990,895		£110,516	Thomas Duff & Co. (India), Ltd.	1,794	Titaghur	11½	£1	10%	10%	10%	3%+1	12	Y.P.
85,08,800	85,14,928	1,95,40,000	31,71,517	14,518	Bird & Co., Ltd.	1,326	Union	154	100	10+1	1+4	1+5	5+3	3, 9	H.P.T.
£400,000	£683,035	£1,092,723		£97 810	Thomas Duff & Co. (India) Ltd.	1,331	Victoria	11½	£1	10%	10%	10%	3%+1	12	Y.P.
2,50,000	4,95,000	55,94,678	37,77,741	35 026	McLeod & Co., Ltd.	465	Waverley	5	1	*Nil*	*Nil*+¼	¼	¼	6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25 50,000	22,00,000	85,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	23½	10	½ + ½	½ + ½	½ + ½	½+	3, 9	H.
12,00,000	8,82,573	38,78,477	38,13 477	22,708	Jardine Henderson Ltd.	Barakar Coke	19½	10	3/5 +	7/10+7/10	½ + 7/10	½+	3, 9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	5½N	10	½ + ½	½ + ½	½ + ½	½+	3, 9	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,31,563	Andrew Yule & Co., Ltd.	Bengal Coal	545	200	20+20	17½+15	15+15	17½+17½	*5,10	H.P.
2,25,000	4,77,174	24,81,806	22,28,968	.....	H. V. Low & Co., Ltd.	Bengal-Nagpur	15	10	½ + ½	*Nil*	*Nil*	*Nil*	6,12	H.P.
15 97,000	4,73,358	37,70,102	22,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	5½	10	½	½	½	½	3	Y.
40,00 000	8,00,000	1,39,05 662	71,05,189	27,433	Sahu Jain Ltd.	Bharat Collieries	7☆	10	½	½	½	½	3	Y.P.
7,15,000	15 09,560	52,49,021	37 09 967	—1,05,139	F. W. Heilgers & Co. (Private)Ltd.	Bhubneshwaree	13½	10	½ *Nil*	*Nil*	*Nil*	*Nil*+	6,12	Y.P.
16,00,000	16,17,936	68,14,856	39,99,841	—79 196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12☆	10	*Nil*				6,12	H.
7,50,000	23,50,000	42,07 858	26,07 691	68,656	F. W. Heilgers & Co., Ltd.	Borrea	28½	10	1½+1½	1½+1½	1+1	1+	6,12	H.P.
90,92,480	1,76,70,564	4,16 82,554	1,80,95,440	1,40,510	Bird & Co., Ltd.	Burrakur	13§	10	½ + ½	½ + ½	½ + ½	½+	6,12	H.P.T.
44,97,750	..	39 62,720	3,82,645	14,019	Hindustan Investment Corpn., Ltd	Central India	7☆	10	*Nil*				6,12	H.
20,00,000	13 54,302	49 10 414	32,63,954	82,768	M.	Central Kurkend	11N	10	½ + ½				6,12	H.
6,00,000	1 43,676	7,24 438(k)	..	2,219	F. W. Heilgers & Co. Private Ltd	Churia	2§	4	½ + ½	½+ ½	½+ ½	½+	6,12	H.
15,00,000	1,20,000	52,67,321	28,01,190	—2,43,879	Macneill & Barry Ltd.	Dhemo Main	8½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6,12	H.T.
£240,000	£380,553	£936,945	£702,277	£59,767	Jardine Henderson, Ltd.	East Indian	3§	£1	31(f)	2½	2½	3	4	Y.
29,63,760	76,84,250	3,59,97,499	2,87 14,367	93,266	Macneill & Barry Ltd.	Equitable	30½	10	2 +1½	1 +	2 +	2+	6, 12	H.P.
10,00,000	2,15,000	10,76,884	3,73 963	11,273	Phatehgarey Ltd.	Ghusick and Mualla	14+N	10	½	½	½	½	3	Y.
12,00,000	1,22,000	39,02,565	20,99,824	3,226	Kilnick Industries Ltd.	Hingir-Rampur	4½	50	4	3	*Nil*	2 4	6	Y.P.
8,00,000	6,75,000	21,43,057	18 61,214	65,461	Macneill & Barry Ltd.	Hurriladih	23§	10	2 + ½	2 + ½	2 + 1	1½+	6, 12	H.
22,00,000	1,12,060	24,74,412	6,18,546	—5,57,293	Bajpaie Trust Ltd.	Jharia Coal	2☆	10	*Nil*	*Nil*	*Nil*		12	Y.P.
5,00,000	2,07,458	13 53,458	7,08,180	..	Andrew Yule & Co., Ltd.	Kalyanbari	20N	10	1½+1½	1½+1½	*Nil*	*Nil*	2, 8	H.
20 00,000	17,325	29,07,891	3,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries ..	11§	100	*Nil*	*Nil*	*Nil*	2½	2	Y.P.
5,00,000	15,60,000	45,16,229	35,85,877	1,26,128	Andrew Yule & Co., Ltd.	Katras Jherriah	56§	10	2 + 2	2 + 2	2 + 2	2½+8	1, 7	H.
1,39,400	5,72,960	12,85,941	6,72,960	—2,60,236	Berlawas & Co.	Khas Kajora	4N	10	*Nil*	*Nil*	*Nil*		6, 12	H.P.
11,00,240	64,314	16,72,961	10,41,863	—41,320	H. V. Low & Co., Ltd.	Kuardi	3½N	10		*Nil*	*Nil*		6	B.
9,00,000	11,86,413	28,59,268	22,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10					4	Y.
7,48,240	2,00,000	12 18,473	9,23 179	11 096	Tantia Brothers Ltd.	Nazira	7	10					12	Y.
7,00,000	26,617	10,33 740	5 20,355	4 560	Amritlal Ojha & Co., Ltd.	New Banadeopur	8½N	10	½ + ½	½ + ½	½ + ½	½ + ½	3, 9	B.
17,76,280	20 01,765	1,19,78,853	88 63,066	94,383	Andrew Yule & Co., Ltd.	New Beerbhoom	19½	10	*Nil*+½	½ + ½	½ + ½	½ + ½	4, 10	H.P.
6 00 000	85 000	28,44,928	16 65 990	36 426	Octavius Steel & Co., Ltd.	New Manbhoom	11☆	10	*Nil*	*Nil*	*Nil*	*Nil*	3, 9	H.
1 15 000 }	2,55,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	10N	10	½ + ½	½ + *Nil*	*Nil*	*Nil*	3, 9	H.
1 57,500 }							7½N	7½	½ + ½	½ + *Nil*	*Nil*	½ + ½		
1,50,000	12,21 853	3,97,666	2,77,666	1,05,541	F. W. Heilgers & Co., Ltd.	Ondal	15§	10	1 + 1	1 + 1	½ + ½	½+	6, 12	H.P.
10 00 000	1,10,000	29 70,662	17,99 858	3,809	K. C. Thapar & Bros.	Oriental Coal	9N	10	½	½	½		12	Y.P.
8,34,000	10 000	17,52,137	8,30,795	8 018	Deepchand Khaheriali	Parasea	14§	10	*Nil*	½ + ½	½ + ½	½+	6, 12	H.
25,99,500	18 67,105	1,19 88,839	88,82 615	33 013	Shaw Wallace & Co., Ltd.	Peach Valley	22	10	½ + ½	½ + ½	*Nil* + ½	½+	3, 9	H.
13,50 000	3 53,765	35,36 765	27,78 764	25,921	Shaw Wallace & Co., Ltd.	Ranegunge	11§	10	*Nil*	½ + ½	½ + ½	½+	3, 9	H.
20,00 000	3,90 000	44,28,885	18,73,118	2,20,170	Jaipuria Sons Ltd.	Rewa	2½	10	½ + ½	+ 1	½ + ½	½+	6, 12	Y.
1,25 000	1,95,802	18 78,480	12,21,237	21 070	M.	Samla Collieries	14§	10	½ + ½		*Nil* + ½	½+	12	Y.
2,80,000	7 35,598	29 87 021	18,41 629	40 147	Andrew Yule & Co., Ltd.	Seasora	7½	10	½ + ½	½ + ½	½ + ½	½+	6, 12	H.P.
8,00,000	5 31,249	52 491	28 867	7,503	F. W. Heilgers & Co. Private Ltd.	Seebpore	31	7	2 + 1	½ + ½	1 + 1	1½ +	6, 12	H.P.
62,21,450	16,96,050	3,82,71,101	2,85,68,501	—4,46,953	Industrial Trust Fund (Govern- ment of Hyderabad)	Sendra	9½N	10	*Nil*	*Nil*+½	½+	½+	6, 12	Y.P.
15,00,000	10,84,016	37,86,103	15,14,990	—61,538	Singareni	South Karanpura	10½	10	½ + ½	*Nil*	0–11 1/5		12	H.
8 00 000	13 69 545	1 30,570	23 810	1,937	Bird & Co. Ltd.	Standard	9½	10	½ + ½	½ + ½	*Nil* + ½	½+*Nil*	3, 9	H.
10 00 000	12,950	30 82 280	15 49 ...	—4,07,745	F. W. Heilgers & Co., (Private) Ltd	Standard	25☆	10	½ + ½	1 + 1	½ + ½	½+	6, 12	H.
3,50 000	2,80,000	19 47 ...	...	...	Vulkan Ltd.	Taicher	3½	2½	*Nil*	*Nil*			3	H.
49 98 000	..	49,06,356	18,91,545	44,167	Williamson Magor & Co. Ltd. ..	Union	12☆	10	1½+1½	1 + ½	½+1	*Nil*+	6, 12	Y.
7,00,000	1,38,190	58,22 133	22,66 981	5,694	Hindustan Investment Corpn., Ltd.	Western Bengal	6½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	H.
				122	Macneill & Barry Ltd.	West Jamuria	11§	10						H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Cuve mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus. (k) Investments.
(l) Made up of an interim dividend of Re. 1-12 per share on 1 20 000 shares and final dividend

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
10,00,000 / 14,50,000 / 1,01,000	1,08,00,000	11,36,801	Allahabad Bank	356 / 178 / 111½	100 / 50 / 100	18 0 / 9 0 / 6 0	18 0 / 9 0 / 6 8	18 0 / 9 0 / 7 8	6 8	12 / 6,12	Y.P. / H.
32,46,180	14,87,000	12,375	Andhra Bank	82	70	3 0	3 4	3 12	4 8 4/5		
1,00,00,000	1,38,00,000	2,35,546	Bank of Baroda	9½	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	16¾N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	2,52,00,000	13,26,630	Bank of India	161	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	25,00,000	60,036	Bank of Indore	52N	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	25½	50	1 8	1 8	2 0	2 0	12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	247	100	15 0	16 0	16 0	16 0	12	Y.
61,21,700	48,72,012	10,069	Bombay State Co-operative Bank.	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	20,00,000	19,501	Canara Bank Ltd.	86	50	4 8	4 8	4 8	5 0	12	P.Y.
7,50,000	13,00,000	2,483	Canara Banking Corporation Ltd.	80½	50	5 0	5 0	5 0	5 8½	12	Y.P.
2,62,11,875 / 82,42,375 'A'	4,01,81,217	18,40,859	Central Bank of India Ltd. ..	51½ / 52	25	3 8	3 0	3 0	3 0	12	R.L.Y.
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co. ..	40	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,896	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	18,00,000	1,66,278	Hind Bank	8½	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,45,000	16,919	Hindustan Commercial Bank ..	10	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	13½	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	89N	100	5 0	5 0	6 0	6 0	6	Y.
84,00,000 / 18,00,000	79,75,000	1,45,140	Indian Bank	192 / 161	100	13 0	12 0	12 0	12 0	6,12	R.L.H.
18,20,000				122	90	10 3½	10 3½	10 3½	10 12½		
49,19,575	80,00,000	2,28,299	Indian Overseas Bank	130	65	7 3½	7 3½	7 3½	7 12½	12	Y.
2,25,000 / 6,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	42½ / 11 / 26½	100	6 0	6 0	6 0	7 8	6,12	H.
10,00,000					100(A)	6 0	Nil	Nil	Nil		
87,50,000	97,50,000	2,35,108	Punjab National Bank	51½	25(B)	1 8	Nil	Nil	Nil		
1,00,00,000	25,00,000	48,597	Travancore Bank	17½	50(C)	3 0	3 0	3 0		12	Y.
40,00,000	33,00,000	1,95,238	Union Bank of India	64	25	0 5½	0 5½	0 5½	1 0	12	Y.
9,00,00,000	98,00,000	27,761	United Commercial Bank ..	51	50	2 0	2 0	2 0	2 8	12	H.

PRINCIPAL EXCHANGE BANKS

Dividend (per cent.)

£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-15-3	£1	16†	14†	15†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7½	£5	7†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K.$128,000,000	H.K. $ 10,606,689	Hongkong and Shanghai Banking Corporation	$92½	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A' / £1,437,296 'B'	£15,000,000	£558,006	Lloyds Bank	£2-12-0 / £1-6-3	£5 A / £1 B	12† / 5†	14† / 5†	15† / 5†	12† / 5†	12	R.L.Y.
£375,000 'A' / £375,000 'B' / £720,000 'C'	£1,750,000	£219,872	Mercantile Bank of India ..	£4-0-0 / £4-0-0 / —	A £2½ / B £2½ / C £1	14† / 14† / 14†	14† / 14† / 14†	14† / 14† / 14†	14† / 14† / 14†	12	R.L.Y.
£2,851,563	£3,104,687	£342,158	National Bank of India	£1-0-9	£5 sh. 12½	16†	16†	16†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R.L.—Reserve liability on shares. ††U.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June ..	Carew & Co.	1933	99½	1st June .. 1962
4,00,000	5½	1st March and 16th September..	Carew & Co. (2nd mortgage) ..	1941	96	28th February .. 1960
6,00,000	5½	30th June and 30th December ..	Ramnagger Cane & Sugar Co.,Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1942	102	27th December .. 1952-58
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1944	86	1st November .. 1958-64
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	97	1st November .. 1959-64
			COAL			
80,00,000	4½	30th April and 31st October ..	Bharat Collieries	1944	95½	30th June .. 1956
80,00,000	4½	30th June and 31st December ..	Burrakar Coal Co.	1947	91½	30th June .. 1967(c)
50,00,000	5	15th June and 15th December ..	Equitable Coal Co.	1953	100	14th December .. 1966(c)‡
			COTTON			
6,50,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1937	95½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	99	1st March .. 1972(c)
12,50,000	5½		Jayshree Textiles	1949	80N	1st January .. 1956-59
89 90,000	5	1st June	Tata Mills	1951	100	....
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd. ..	1950	95	31st March .. 1965(a)
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..		100½	14th June .. 1960
98,28,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co.	1940	98½	1st October .. 1959
12,00,000	4½	30th June and 31st December ..	Benares Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
2,45,01,800	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1950	100½	1st January .. 1970(c)
25,00,000	4	30th June and 31st December ..	Gourepore Electric Supply Co., Ltd.	1945	85½	31st December .. 1970
10,00,000	5	1st January and 1st July ..	Sijua (Dherrian) Electric Supply Co., Ltd.	1951	99	30th June .. 1976(c)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1940	98½	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1939	96½	1st October .. 1960-64
1,00,000	6	3rd April and 3rd October ..	South Madras Electric Supply ..	1940	94½	30th September .. 1953-58
4,68,800	4½	1st April and 1st October ..	South Madras Electric Supply ..	1941	94	1st July .. 1956-61
47,78,000	5	1st April and 1st October ..	Tata Power	1940	103	1st July .. 1970
2,50,00,000	4	1st April and 1st October ..	Tata Power		98½	15th September .. 1965-70
			ENGINEERING			
6,00,000	5½	30th June and 31st December ..	Britannia Engineering	1945	96	31st December .. 1969
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India),Ltd.	1938	96	30th June .. 1958
80,00,000	5½	15th September and 15th March.	Indian Iron Pipe (Dorr)	1938	102	1st July .. 1957-62
61,16,600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1936	85	31st December .. 1956(d)
1,00,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
2,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1950	100½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation[Ltd. ..	1950	101	31st December .. 1960(a)
			JUTE			
12,00,000	5½	1st October and 1st April ..	Agarpara	1939	99	31st March .. 1969
6,00,000	5½	30th June and 31st December ..	Alexandra	1938	99	30th June .. 1958
18,00,000	4	31st December and 30th June ..	Auckland Jute Co., Ltd.	1945	90	1st July .. 1957-62
50,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	95½	31st December .. 1956
9,00,000	5	31st January and 31st July ..	Calcutta	1949	90	30th June .. 1960
10,69,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1951	90	31st July .. 1959
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	30th June .. 1966
8,86,000	5	15th January and 15th July ..	Empire	1951	94½	31st March .. 1969(c)
25,00,000	5½	1st January and 1st July ..	Hukumchand	1947	95½	15th July .. 1966(c)
50,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co., Ltd. ..	1956	99	30th June .. 1957
20,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1949	96½	31st December .. 1970
25,00,000	5½	30th June and 31st December ..	Nathati	1952	96	31st March .. 1964(c)
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd	1939	93	14th May .. 1967(c)
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1945	88	31st December .. 1959
9,00,000	4	30th June and 31st December ..	Presidency	1943	88	30th June .. 1964
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co. (Ltd. ..	1950	91	30th September .. 1958
8,00,000	4½	14th March and 14th September.	Soorah Jute	1937	96	14th September .. 1965(a)
13,00,000	4½	30th June and 31st December ..	Union	1937	96½	30th June .. 1957
10,00,000	5½	31st January and 31st July ..	Waverly	1925	85	31st July[.. .. 1960
			RAILWAYS ; STEAMSHIP AND TRAMWAYS			
6,50,000	6	1st January and 1st July ..	Barasat-Basirhat Light Railway	1939	90N	1st July 1956
£250,000	4½	1st January and 1st July ..	Calcutta[Tramways	1900	66½N	At 106% at any time on 6 months' notice or at par or every seventh year thereafter
£189,363	5	1st April and 1st October ..		1933	67½N	1st October .. 1974
6,50,000	5½	30th June and 31st December ..	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1959(c,
£200,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1905	68½N	Any time on six months' notice (c)
4,85,26,597	4½	1st March and 1st September ..	Scindia Steam Navigation	1949	105½	1st September .. 1968
			PLANTING			
10,00,000	5½	30th June and 31st December ..	Consolidated Coffe	1952	102	1st July 1957-62
12,50,000	6	31st March and 30th September.	Kilguri Tea		100	1st April 1958-63
1,59,700	5½	31st March and 30th September.	Teakoy	1944	100	31st March 1949-59
			MISCELLANEOUS			
10,00,000	5	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	96	31st Decem l's .. 1965
25,50,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	86	31st December .. 1962
4,90,500	4½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1957
8,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	103	1st September .. 1964-69(c)
2,00,00,000	5½	1st April and 1st October ..	Caltex Oil Refining (India) Ltd. ..	1954	102	1st October .. 1970
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1955	92	1st February .. 1964
29,92,000	4½	1st July and 1st January ..	"Five Buildings (Calcutta) Ltd. ..	1936	89½	1st July .. 1966
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87½	15th September .. 1960
1,80,00,000	4	31st March and 30th September.	Dalmia Cement Ltd.	1946	92	 1960
1,00,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd...	1950	102	1st January .. 1971(e)††
17,75,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(e)‡
24,94,000	4	15th March and 15th September.	Metlac Chemical Industries	1949	95½	30th September .. 1964
45,00,000	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1949	550	30th September .. 1976(e)
		30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes)	1947	470 (per note)	31st December .. 1972(e)
75,00,000	5	1st April and 1st October ..	Macneill and Barry Ltd.	1951	90N	1st April 1971
1,50,00,000	2½	30th June and 31st December ..	National Rayon	1955	103	30th June .. 1964-70
1,00,00,000	3½	31st March	Orient Paper Mills Ltd.	1951	96	31st March .. 1961(e)
1,00,00,000	4	30th June and 31st December ..	Robbes Industries Ltd.	1948	91½	31st December .. 1959
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	104½	1st May .. .. 1968(a)††

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium. (c) Option to repay on 3 months' notice at ¼ per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,50,00,000 debentures will be redeemed at par annually by drawing from 1-9-1965. Any debenture outstanding on 1-8-1969 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-8-1964. ¶ Redeemable out of a cumulative sinking fund of 1½ per cent. per annum commencing in 1941 by purchase at any price less than par or by Annual drawings at par. †† Rs. 80 lakhs will be redeemed annually by drawings from 1st May 1964 onwards. The Company has option to redeem all debentures at 101 per cent. on 1st May, 1968, on six months' notice. †† Option to repay at par on 3 months' notice on or after 1st January 1961.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 31st May, 1956.

—	Closing quotations 23-5-1956	High	Low	Closing quotations 31-5-1956
	Rs.	Rs.	Rs.	Rs.
TEXTILES				
Ahm. Adv. (100) ..	184½	190½	184½	190
Apollo (2)	3	3-1½	2½	2½
Bombay Dyeing (250).	662½	666½	642½	650
Central India (100) ..	142	142	138	139½
Century Mills (100) ..	557	550½	540½	555½
Colaba (100)	80	—	—	80
Edward Textile (200).	341½	341½	337½	337½
Elphinstone (50) ..	56	57½	56	57
Finlay (100)	340	343	338	338
Gokak (100)	233	233½	230	230½
Ind. Untd. Deld. (1) ..	2-6½	2	2-4½	2-5½
Ind. Untd. Ord. (10)..	14	14	13	13-6½
Indore Malwa (100) ..	143½	143½	141½	142½
Khatau (100)	238½	240	238½	240
Kohinoor (100)	376	377	367	374
Lakshmi (250)	695	—	—	695
Madhusudhan (100) ..	106½	109½	106½	108½
Minerva Mills (100) ..	90½	—	—	90½
Model Nagpur (250) ..	150	150½	150	150
Mcnarji (100)	245	245	242½	243½
Mysore (50)	110	115	113	115
National Rayons (100).	246	247	243½	245
New City (100)	176½	178½	176½	178½
New Great (100)	250	—	—	250
Phoenix (100)	140	141½	140	141½
Podar Mills (100) ..	183½	183½	183½	183½
Sassoon Silk (10) ..	11½	—	—	11½
Sassoon Spg. (10) ..	38	—	—	38
Sholapur (1,000) ..	1,700	1,925	1,700	1,925
Shrinivas (100)	211½	212½	208½	208½
Simplex (50)	222	222	218	220½
Standard (100)	441½	441½	435½	441½
Svadeshi (100)	230½	232½	227	229½
Swan (100)	435	—	—	436½
Tata Mill (25)	53	53½	52	53½
Vishnu (100)	191½	190	188½	188½
Western India (1,000).	5,075	—	—	5,075
BANKS				
Bank of India (50) ..	160	161	160	161
Bank of Baroda (50)..	98	98	96½	96½
Central (25)	51½	52	51	51½
Central 'A' (25) ..	52½	—	—	52
Dena Bank (50)	40	—	—	40
Punjab National (25).	52½	52½	51	51½
Union Bank (5)	6½	6½	6	6½
United Com. (50) ..	50	51	49½	51
ELECTRIC COS.				
Ahmedabad (100) ..	96½	98½	96	97
Amalgamated (10) ..	11	—	—	11
Andhra Valley (1,000).	1,105	1,222½	1,102½	1,222½
Bom. Sub-El. (100) ..	114½	114½	114	114
Surat (100)	120	121½	120	120
Jaipur (15)	5½	—	—	5½
New India (15)	43	43½	42½	42½
Oriental (200)	8,900	—	—	8,900
Universal (10)	7	—	—	7
Vulcan (10)	14½	—	—	14½
STEEL COS.				
Ind. Iron (10)	38	38-11½	37	37½
Tata Steel, Ord. (75)..	251½	251½	247½	250½
SUGAR COS.				
Belapur (50)	234	238½	230½	231
Bhopal (10)	14	14	13½	13½
Dhatkar (50)	150½	151	148	150
Walchand Ind. (100)..	250	260½	243½	247½
CEMENT COS.				
Associated Cts. (100)..	219	219½	215½	217
Digvijay (100) ..	193	193½	189½	189½
MISCELLANEOUS				
Alcock Ashdown (100).	352½	360	350	352½
Bom. Burmah (125)..	638½	636½	622½	648½
Do. (New) (50) ..	246	246½	241½	246½
Re. B. Petrol (4 sh.) ..	4-2½	4½	4-0½	4-0½
Re. I. Corpn. (5) ..	11½	11½	11½	11½
C. P. Rly. (100) ..	89	89	88½	88½
Indian Copper (2 sh.)..	7	6½	6	6-10½
Ind. Inv. Tr. (100) ..	75	78	75	76½
Kesoram (200)	175	—	—	175
Killicks (100)	166	166½	162½	163½d
Poison (100)	183½	182½	180	182½
Port Canning (100) ..	9½	9½	9½	9½
Premier Cm. (20) ..	180	181½	175	177
Scindia (20)	18-0½	18	16½	18½
G. E. Shipping (10) ..	17½	17½	17½	17½
Shivtarpur (10)	101	104	100	101
Tata Chemicals (10)..	18½	18-6½	18½	18-6½
Tata Locomotive (100)	156	167½	162½	167½
Tata Oil (25)	49	53	48½	52½
W. I. Match (100) ..	189½	190	188½	189½

GOVERNMENT SECURITIES	24-5-1956	Gross Yield Earlier Redemption	Gross Yield Later Redemption	31-5-1956
	Rs.			Rs.
2½% 1961	98½	—	3.89	98½
2½% 1962	96½	—	3.71	96½
2½% 1963	95½	—	3.81	95½
2½% 1975	82½	—	3.81	82½
2½% 1957	99½	—	4.01	99½
3 % 1958	99½	—	3.18	99½
3 % 1959-61	98½	—	3.18	98½
3 % 1964	95	3.62	3.40	95
3 % 1965-66	96½	3.80	3.72	95½
3 % 1966-68	93½	3.89	3.65	93½
3 % 1970-75	90	3.90	3.68	90½
3 % 1986 Con. Loan..	77½	—	3.72	77½
4 % 1960-70	101½	3.65	3.87	101½
4½% 1958-68	103½	3.90	3.68	103½
2½% 1961 N.P. Bonds.	99½	—	4.16	99½
2½% 1964 N.P. Loan ..	98½	—	3.68	98½
2½% 1965 N.P. Bonds.	98½	—	3.68	98½

BRITISH GOVERNMENT SECURITIES	22-5-1956	Low	High	24-5-1956
	£	£	£	£
2½% Brit. Consols. ..	58½	58½	58½	58½
3% Savings Bonds 1965-75	76½	76½	76½	76½
3% War Loan 1955-59.	95½	—	76½	95½
3½% War Loan	72	72	71½	71½
4% Victory Bonds 1976	93½	93½	93½	93½
4% Funding 1960-90..	90½	90½	89½	89½

* Current Income. x.d.—Ex-dividend. **Rupee Counterparts. Ex-Eight.

COMMERCE

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

VOL. XCII. No. 2362 BOMBAY, 9TH JUNE 1956 PRICE Rs. 1/8

BANKING STANDARDS IMPROVE

WHEN the Banking Companies Act 1949 was on the anvil, many members of Parliament (it was then known as the Constituent Assembly) desired that the Reserve Bank of India, as the authority controlling the commercial banks, should submit to the Central Government every year a report on the trend and progress of banking in the country. Accordingly, a section—36(2)—was introduced in the Act; this section authorises the Reserve Bank to include in such annual reports its suggestions, if any, for the strengthening of banking business throughout the country. The object in making this provision was that Parliament and the public must know what is happening in the banking world, what action the Reserve Bank has been taking to ensure progress of banking with stability and what further steps the Bank wants to be taken to achieve this objective. The latest annual report under this section, covering the year ended 31st December 1955, makes interesting reading and is fully in conformity with the letter and the spirit of the law. It contains a mass of statistical data preceded by a rapid but critical survey of banking trends. It recites the action taken by the Bank to remove the unhealthy features of the banking system and offers a few suggestions for bringing about further improvement. In the light of the demand by a section of politicians for nationalisation of banks, this latest report acquires special significance. It is to be hoped that these politicians, at least those who have not developed a closed mind, will read the report carefully before extending any further support to this demand.

Nationalisation of banking has been demanded on two grounds. One is prevalence of malpractices and the other is ideological. There are vague charges that commercial banks are not being properly run and that, in some of them, the managements are indulging in malpractices of a nature injurious to the community, in general, and the depositors, in particular. The ideological argument is that, as banking is a basic service, without which a modern economy cannot exist, its ownership in the hands of the private sector, which works essentially on the basis of profit-motive, will not be conducive to the progress of a socialist economy. Such a basic service, runs the argument, must, therefore, be owned and manned by the State. Further, so long as this service is in the hands of the private sector, there will be, it is stated, a strong impediment to the extension of the public sector.

Of late, the spokesmen of the Government, not excluding the Prime Minister, who only a few months ago categorically stated that banking must ultimately be in the public sector, have realised that this ideological argument holds good only in theory and that it is not essential to nationalise the entire banking system to bring into existence a truly socialist structure of society. Yet there are quite a few among the leaders of this country who still feel that, without nationalisation of banking, socialism cannot be a live force in India. To them we must commend the latest annual report on banking. They will see therefrom that the State has already complete control of the banking system through the Reserve Bank, that no bank of any substance has refused to co-operate with the controlling authority and that, with the nationalisation of the Imperial Bank of India as part of the programme for carrying banking facilities to rural and semi-urban areas, the public sector has come to occupy the most strategic position in the field of banking. Properly administered, the State Bank of India should be able to correct the lopsided growth of branch banking. Despite these "momentous" and "far-reaching" organisational changes, if anyone were to harp upon nationalisation of banking, he would be an incurable doctrinarian.

If there is little ground for nationalising banks even on ideological considerations, there is none whatever for doing so on charges of malpractices. The Reserve Bank's report is pretty clear on this point. Its conclusion, arrived at after a careful inspection of banks and a continuous watch over their activities, is that whatever defects there were are being gradually rectified. "Though they have not yet been completely eliminated," to quote from the report, "inspections of banks and the advice given by the Reserve Bank in following up the inspections have tended to bring about a change for the better. Steps are being taken by the management of many banks to conform to the normal standards and banks, in general, are receptive to the advice of the Reserve Bank and, in many cases, have taken action to set their affairs right." This is a very clear verdict. Coming as it does from an institution dominated by the Government and managed by civilians, this judgment should dispel any doubts that may still linger about the quality of Indian banking.

Unlike the Department of Controller of Insurance, which is alleged to have been slack in exercising its authority for eliminating malpractices in the insurance world, the Reserve Bank has been vigilant and active. Being an autonomous institution, it has perhaps been in an advantageous position as compared with the Controller of Insurance whose office constituted a subordinate department of the Finance Ministry. It is noteworthy that the association of non-officials on the Board of the Reserve Bank has not stood in the way of a thorough inspection of banks in the private sector. This is as much a tribute to the Governor and the Deputy Governors of the Reserve Bank as it is to the non-official members on the Board. It must be said to the credit of the Bank that it has done an excellent job of inspection. When it assumed this responsibility, it hardly had the requisite type of staff for this purpose nor the necessary facilities for training the personnel. Yet the Bank has not only completed the first round of inspection of all the 453 reporting banks but also reinspected 247 of these banks more than once—a remarkable achievement indeed.

It is true that the number of banks still to receive a licence (which in actual practice is a certificate, testifying that the bank is being run on sound lines) was as large as 422 on 31st December last, but the vast majority of these consisted of small banks. What is more significant is the fact that the 46 commercial banks, which have received the licence, and the four banks, which do not require a licence as they have been brought into being under separate statutes, together account for as much as Rs. 980.9 crores out of the total bank deposits amounting to Rs. 1,082.30 crores as at 31st December last. In other words, 90.8 per cent. of total deposits of all banks are with banks which have been licensed or do not require a licence, as, for instance, the State Bank of India. It may be argued that even the balance of about 10 per cent. is a fairly big one, in that it means banks with Rs. 101.40 crores of deposits are still unlicensed. But there is the assurance of the Reserve Bank that, though unlicensed, the affairs of these banks are under its effective surveillance and that it is actively pursuing the rectification of the defects observed in their working. It is obvious that, if the Bank is unable to give a licence to these banks, it is mainly because of the delay by the latter in improving their affairs and quality to the required standard.

A brief reference to the type of inspection carried out by the Reserve Bank will be relevant. The inspection seems to have been of a thorough character. This is evident from the steps taken to rectify the undesirable features noticed in some banks. These include "replacement of the chief executive officer by a suitable person and the appointment of a Banking Adviser, curtailment of the powers of particular persons on the Board of Directors, the recalling of any advance or group of advances which are defective in more than one respect, and restrictions on the grant of further advances." It will be clear from these steps that the central banking authority has been doing a lot of policing. It is not surprising, therefore, that one often hears of complaints of excessive interference by the Reserve Bank. But it is not known to what extent the inspection work of the Bank is impeding the growth of genuine commercial banking. It is suggested by some that, as the Reserve Bank is all-powerful, only a confidential enquiry conducted by an impartial body, in which there will be no representative of the Reserve Bank, can bring forth sufficient evidence. Such an enquiry, however, may not be practicable, in view of the present political climate which is by no means friendly to the private sector. Nor will it be conducive to happy and fruitful co-operation between the Reser

mushroom banks and indiscriminate branch expansion, a feature witnessed during the war years with the consequent unfortunate results. The banks, however, can minimise the need for controls by the Reserve Bank to arrest this trend, if they themselves remain alert and "make every effort to use their resources in a manner which not only brings profit to them but also accords with the priorities laid down in the Plan." In this context, the following advice by the Reserve Bank is commendable:

> "The importance of sound management is of particular relevance in a period of sizable increase in bank resources and the wider opportunities for credit expansion which the growth of the economy would open out. The emphasis in banks' credit policies should be rather more on channelling finance for desirable purposes and to limit extension of credit to the genuine requirements of trade and business. It would be necessary for banks to avoid adopting methods to attract business which cannot but fail to have deleterious effects on the system, in general, and affect the position of individual units. . . . The expansion in resources would naturally have a favourable effect on bank earnings. It would be necessary for banks to make a judicious use of their earnings by way of adding to their reserve. Where reserves are at present inadequate, this would be imperative and even where they may appear to be adequate now, prudence would require them to be strengthened further, so as to help inculcate confidence in the system which, in the last resort, is the only guarantee for a proper and orderly growth of banking."

In endorsing the above advice, one is conscious of the fact that it is easy to preach, but difficult to practise. Nevertheless, it cannot be denied that the aforesaid advice of the Reserve Bank is quite appropriate and timely.

Lest one should jump to the conclusion from what has been stated thus far that undesirable practices have been widespread in the banking world, it must be emphasised that the Reserve Bank itself mentions in the report that these practices "have been observed in the operation of some banks" only. It must be further pointed out that the Bank has been fair enough to concede that "one of the structural weaknesses of the Indian banking system, and, in particular, of its non-scheduled sector, has been the existence of a large number of small and often uneconomic units." A fairly effective and logical solution to this weakness lies in the amalgamation of these units. The Bank is quite conscious of the efficacy of this remedy. And yet there has hardly been any amalgamation. What is the reason? The Bank quite candidly attributes it to labour legislation and Awards. How correct is its explanation will be seen from the following quotation from the report:

> "A major factor which should normally be in favour of amalgamation of banking units is the eventual rationalisation of branches and staff, with the resultant economy in working costs. But the attitude of the public towards the problem of unemployment and underemployment which is attracting a great deal of attention in the country and the necessity of maintaining cordial relations with labour, as also the effects of labour legislation, have made the prospects of any such reduction of staff remote even in the event of an amalgamation. Further, the Bank Award classifies banks into different categories and, if, as a result of amalgamation, the new unit falls into a higher class than that of any of the amalgamating units, the costs are likely to rise. Heavy compensation is also payable to staff which may be rendered surplus and may have to be consequently retrenched. These factors make amalgamations rather an unattractive proposition to banks."

It is, indeed, gratifying that the Reserve Bank has not hesitated to tell the truth, even though it may be unpalatable to many in authority and to trade union leaders. The authors of the Banking Companies Act had imposed upon the Reserve Bank a responsibility to tell the Government as to how banking could be strengthened all over the country. Well, here is one constructive comment. It is for the people's representatives to decide whether the country should have uneconomic banking units or face for a while a little bit of unemployment among the workers belonging to them. As the banking system is on the threshold of a new phase of expansion, now is the time to eradicate the structural weakness referred to, for the staff rendered surplus by amalgamation of the smaller units can be absorbed by others that are expanding, as, for instance, the State Bank of India, which will require personnel to man the 400 branches it is obliged to open before the end of June 1960. It will be interesting to know the Government's reaction to the solution implied in the Reserve Bank's observation.

U.S. FARM LEGISLATION

THE new U.S. Farm Bill, signed by President Eisenhower towards the close of last month, is a compromise between the original Bill which he vetoed on 16th April and the Administration's ideas of what a farm Bill ought to be. Although the vetoed Bill carried the essence of the President's farm policy, namely, the Soil Bank plan, it stuck to rigid price support for commodities against which the President had protested. In taking his decision to veto the Bill, the President showed commendable courage, for he then acted against the advice of his own Party leaders who feared unpopularity among farmers and the consequent risk of losing the forthcoming elections. The new Bill, though it is far from incorporating all that the President would have liked, is an advance on the vetoed Bill, in that it retains the Soil Bank plan, as well as accepts the principle of flexible price support.

The two main features of the new Bill are thus the Soil Bank programme and flexible price support. Briefly, there are two aspects to the Soil Bank scheme—the acreage reserve programme and the conservation reserve programme. Under the acreage reserve programme, the farmers will be encouraged to take land out of cultivation and paid for doing so. The payment will be made in certificates redeemable by the Commodity Credit Corporation either in cash or in commodities at specified rates. Under the conservation reserve programme, the farmers who co-operate with the Administration in setting aside land needing conservation measures, will receive annual payments for the contracted period.

The second feature of the Bill, namely, flexible price support, is just as important as the first. The Bill provides that the Government's price supports will vary within certain limits, depending on the product, the supply and the price situation from year to year. These limits will range from 70 to 90 per cent. parity. In American farm parlance, by "parity" is meant the statistical measure of the prices farmers should receive for the produce they sell in relation to the prices of the things they must buy. The Bill, of course, continues another feature which has been part of the U.S. farm policy for many years—acreage restrictions.

It will be seen that the entire Bill is designed to prevent the growth of burdensome surpluses. Indeed, it is the presence of these surpluses that compelled the President to evolve a new farm policy. He realised that, so long as the Government was forced to support farm commodities at high and rigid levels, there would be no incentive for farmers to cut costs or to put their land to its most efficient use and there would inevitably be surpluses from year to year. With the Government compelled to carry reserves of farm products valued at about $9,000 million and obliged, under the law, to continue to support a wide range of agricultural commodities at high price levels, there could be only one result—excess production for the country and large expenditure for the Government. But, in the U.S., the farm vote is politically so significant that no party can afford to incur the wrath of the farmers. Although many Americans were convinced that the country's imprudent farm policy was at the root of the problem of surpluses, they had stuck to it, because any attack on it would be politically inexpedient. It, therefore, reflects great credit on the President that he has at least been able to take the first step in the direction of a less rigid farm policy.

The new Farm Bill, as stated at the outset, is a compromise Bill. The Congress, accepting the President's farm programme, has abandoned rigid price support. But the farmers are partly compensated by increased price support for certain crops. Thus, the President has agreed to an increase in the 1956 support level for foodgrains (other than corn) from 70 to 76 per cent. parity with no restrictions on plantings. This feature is not in tune with the spirit of the President's farm policy. But it is nearer the spirit than the provision in the vetoed Bill which set the price support for foodgrains at 85 per cent. parity. As a further concession, the Administration, it is stated, has agreed to the freezing for another year of the present "transitional" parity prices for wheat, corn and peanuts. The new legislation also increases 1956 corn allotments to 51 million acres from the 43 million acres previously established, raises the funds for purchases of pork and other perishable commodities in temporary abundance and authorises payments to cover ocean freight on surpluses disposed of through welfare organisations.

Under the Soil Bank programme, the Government will pay farmers up to $1,200 million per year as an incentive for taking land out of cultivation. Of this amount, $750 million will be available to farmers who agree to withdraw land from production of basic crops (wheat, cotton, corn, peanut, rice and tobacco). The additional $450 million will be payable for conversion of the land to grass, trees and similar soil-conservation uses on a long-term basis. It is believed that it is now too late for the Soil Bank to operate on any sizable scale this year. It will, however, have come into force in 1957. Further, it is only when the Government-held surpluses decline to more reasonable levels that the farm prices would begin to show any sustained rise. This would, according to some estimates, take three or four years.

From the point of view of the Administration, the new law is a very bad compromise in respect of two commodities, cotton and rice. In cotton, with Government-held stocks estimated at about 12 million bales, the Administration has already inaugurated a programme to dispose of the reserves at competitive world prices. The new law approves this programme, directing the U.S. Agriculture Department not only to sell up to five million bales of cotton on the world market but also to go as low as 25.50 cents a pound or even lower, if necessary. At the same time, additional curtailment of cotton plantings have been forbidden for the next two years. In the case of rice, the law permits—but does not require—the Department to put into operation a two-price plan for two years beginning 1957 or 1958. If this plan were adopted, rice would be supported at parity levels in the U.S., while, in the world market, it would be offered at competitive prices.

The section of the new law dealing with cotton, Mr. Eisenhower said, would have to be administered with "extreme caution." It remains to be seen how far the Administration will be able to live up to this ideal. It is clear that the Congress wants the Administration to follow a relatively more aggressive sales policy. The Congressional directive will make it difficult for the Administration to adopt a flexible sales policy for cotton which will not disrupt world markets. Again, the fact that additional curtailments of cotton plantings are forbidden for the next two years means that there is no escape from heavy crops and continued surpluses. Further, the new cotton policy, it is feared, may compel the Administration to subsidise textile exports.

The immediate impact on farm prices of the new law has been favourable. After having declined for some three years, farm prices have been rising. Also, the index of farm prices received to farm prices paid (the so-called parity ratio based on the 1910-14 average as 100) has advanced from 80 in December 1955 to 85. The improvement in farm prices is due partly to the confidence generated by the increase in price supports on 1956 crops and dairy products by the Administration and partly to seasonal factors and reports of poor wheat crops in several European countries. But the worth of the new farm legislation cannot be judged from short-term trends in commodity prices. It is not meant to offer an easy or immediate solution to the problem of agricultural surpluses. Its importance lies in the gradual and effective solution it seeks to provide to this problem.

So far as India is concerned, the U.S.'s new farm policy can have no direct relevance. But India is interested in imports and exports of cotton and also in exports of textiles. The fact that the new turn in the U.S.'s policy will make for lower cotton prices and that there is also the possibility of subsidy for American textile exports means that India may possibly gain on its cotton import front, but lose a part of its export market in cotton and textiles. The significance of the new American policy to the current trends in this country for a price support programme for agricultural produce is not very great, in view of the fact that no serious attempt has been made here to support agricultural prices. But the Government cannot possibly avoid taking a decision on price support for farm commodities for a long time. When it does take such a decision, it will do well to profit by American experience and avoid rigid price support policies.

INDUSTRIALISTS QUITE OPTIMISTIC

COTTON TO HAVE TWO HEDGE CONTRACTS

THURSDAY, 5 P.M.

MARKET GOSSIP

A FEELING of optimism has come to prevail among the industrialists. The diffidence created by the new Company Law, nationalisation of life insurance and the taxation proposals contained in the last Central budget seems to have melted away. The Company Law is, of course, irksome, but business men have quickly learned to adapt themselves to it. The experience in the last two months has shown that the Government is not as inquisitive or strict as was feared at the time the Law was being framed. The spirit of tolerance that is displayed by the Company Law Administration has come as a pleasant surprise to many. The business community, too, is reconciled to the necessity of abiding by the official interpretation of the Law, for it has realised that it does not pay to fight the Government. Apart from the fact that it has no strong backing from the public, the fear that, even if the Courts were to uphold its point of view, no useful purpose would be served as the Government would suitably amend either the Law or the Constitution, must be responsible for this docile attitude.

It is now nearly five months since life insurance went out of the hands of the private sector. The business community appears to have felt no particular handicap as a result. On the contrary, the one-way operation by the custodians in the share market—these persons have only bought shares, never sold any—have helped to cushion the shock provided by the budget and strengthen the equities, thereby creating an atmosphere of buoyancy.

As for the after-effects of the budget, the dividend tax appears less onerous than the one on bonus shares. Several companies have, therefore, postponed capitalisation of reserves, and this in turn has led to the expectation that these companies would declare higher dividends. Moreover, with many leading companies incurring heavy capital expenditure, they will have a long period of tax-holiday and as such even the dividend tax is not expected to have any inhibiting effect on payment of dividends. In fact, the possibility of being able to escape the present high rates of company taxation is inducing many an industrialist to expand the activities of their companies either by raising their existing lines of production or by taking to new lines. "Beg or borrow, but expand investment." This is the policy of almost all the leading industrial houses in the country at present. The recent statements of the Prime Minister on the scope for the private sector has greatly strengthened this attitude.

Some instances of the great stir in the major industrial houses may now be given. To take Tatas first. They are going ahead with the expansion of steel industry; there are unconfirmed reports that they may be allowed to raise their capacity further, that is, over and above the additional million tons of ingot already permitted. The TELCO factory, too, is likely to be expanded and it may be that, sooner or later, the Company may enter the capital market with a fresh issue. The Tata Chemical has plans for raising its capacity to 400 tons of soda ash per day from 200 tons now aimed. The Company has already received the licence for it. Besides, Tatas have also entered into arrangements with a West German firm for the manufacture of refractories needed by the iron and steel industries.

Similarly, Birlas, too, have big plans for expansion. Rayon, staple fibre, rayon pulp, heavy engineering, cement and paper are the industries on which they are concentrating their attention. Sahu Jains, Khataus and Kasturbhai Lalbhais have also large industrial projects on hand. Thus, the private sector is up and doing. It is fully conscious that, because of physical limitations, the public sector cannot expand as fast as it wishes and that the Government may, therefore, find it necessary to lean on the self-same *entrepreneurs*. A time may come in the near future when the Government will go out of its way and ask the private sector to shoulder more responsibilities. This will, of course, happen only if the industrialists keep themselves in readiness with the blue prints of their projects.

The optimism among industrialists is at the root of the current buoyancy of share markets. The fear that there may be some fireworks against the private sector at the A.-I.C.C. meeting has not, as was anticipated in these columns last week, materialised. While it was a foregone conclusion that the keymen of the Congress Party would say nothing against the private sector, it was thought that at least some of the back-benchers would say something hostile to it. Even this did not happen. The deplorable behaviour of railway workers, who staged a number of lightning strikes, supplemented by violent demonstrations, must have made the climate for the left-wingers in the Congress somewhat uncomfortable. The Prime Minister, who had been greatly annoyed by the misdemeanours of railway workers, would have definitely chided them had they repeated their usual performance.

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There is a sense of relief in the ranks of cotton traders. After all the controversy generated by the suspension of the futures trading in December last, they are happy that the Board of the East India Cotton Association has been able to see its way to the resumption of such trading. The Board, it is learned, decided this week to commence such trading on the basis of two hedge contracts. A general body meeting is scheduled to be held tomorrow at which nearly all the proposals made by the Forward Markets Commission are expected to be approved. If things go as well as they have gone in the recent past, futures trading should commence on Monday the 18th inst.

The decision to resume forward trading on the basis of two contracts is a sequel to the recommendations of the majority of the Hedge Contract Sub-committee which favoured two hedge contracts. The minority, however, advocated the continuance of the present single contract system, with certain modifications. It said that the Indian cotton crop was largely dependent upon the vagaries of the monsoon and no definite forecast of the crop would be possible. It contended that, unless the country enjoyed a crop of 5 million bales continuously for two to three seasons, one could not expect an increase in the basic carryover. Till then, in the interest of the trade and smooth working of the futures contract, a single hedge contract would be the only correct solution. Secondly, the Government had permitted, the minority in the Committee argued, futures trading in Akola and Indore, where the markets would cater to the whole of the Jarilla tract and take care of cotton of ¾" and/or 25/32" staple and below. Thirdly, the Government was anxious to curb inflationary forces. A single hedge contract would help in keeping prices at reasonable levels. Fourthly, the authorities might not tolerate any departure from the normal difference in prices between the two contracts. Thus, assuming that the difference between the basic staples of the two contracts is 3/32", the difference in prices of the two contracts should be about Rs. 75 or Rs. 85, since, generally speaking, the staple difference value for 1/32" is Rs. 25. It was, however, quite possible, argued the minority, that, owing to the anomalies of nature, the actual difference between the two contracts might turn out to be more or less than the theoretical difference between their prices. This might invite criticism from the authorities to the effect that there was unhealthy speculation.

The Board has apparently not been impressed by these arguments. It has, on the contrary, been inclined to favour the majority view. The main defect in the present single-contract system, according to the majority opinion, is that varieties having a premium value even to the extent of Rs. 400 or more over the lowest variety are tenderable against the contract. This factor, it points out, divorces the contract price from the actual spot value, thereby affording no hedge protection to the spinner, merchant or grower. Under the two-contract system formulated by it, all Indian varieties, except the *deshi* varieties, would be tenderable. And the premium values over the basic varieties in each of the two contracts would not exceed Rs. 100-150. The system would afford real hedge protection to the spinner, the merchant and the grower and the contract price would also be as near the spot prices as possible. By and large, this seems to be the correct view to take of the situation. An omnibus contract of the type which has prevailed in recent years has not served as a real hedge. In this connection, it may be mentioned that Egypt, with less than 50 per cent. of India's cotton crop, has always operated on a two-contract basis—the long-staple Karnak contract and the medium and short-staple Ashmouni contract.

Under the two-contract system advocated by the majority of the Sub-committee, the basis for the first contract will be Fine M.G. Jarilla (A), of staple 25/32" as per standard to be prepared from Jarilla or Virnar (197/3) cotton grown in Khandesh District or Madhya Bharat, tenderable upto two classes 'on' and one class 'off' for grade and upto 2/32" 'on' and 1/32" 'off' for staple. In the case of M.G. Jarilla (B), M.G. Dholleras and Rajasthan American, with basic staple of ¾", there will be no 'off' value for 1/32" staple. The regions in which M.G. Jarilla (B) will be tenderable are Hyderabad and Bombay States (stations to be specified later, if possible). The standard for Jarilla (B), it is stated, should be prepared from Jarilla cotton grown in Hyderabad State.

The basis for the second contract will be Fine M.G. Vijay staple 27/32" as per standard to be prepared from Vijay cotton grown in Bombay State, tenderable upto two classes 'on' and one class 'off' for grade and upto 2/32" 'on' and 1/32" 'off' for staple.

The months of delivery for the first contract will be March, May and July, while those for the second are April, June and August. The Sub-committee has suggested that the Government should permit trading in the first contract for new crop before the end of June every year and in the second contract before the end of July. The suggested floor and ceiling prices for the first contract are Rs. 500 and Rs. 825, respectively, for Fine Jarilla 25/32" staple and Rs. 450 and Rs. 775 respectively, for Dholleras (including Cutch) of ¾" staple, the corresponding rates for the second contract being Rs. 625 and Rs. 975, respectively, for Fine Vijay 27/32" staple. There will be a weightage of 6¼ per cent. except for the basic varieties. Tendering differences, it is suggested, should be fixed on the basis of the forward contract rate and not on the basis of the spot rate, as at present. The invoicing back of cotton rejected in survey should also be on the forward rate and not on the spot rate of the basic cotton and the rejection penalty should be Rs. 10 per candy. Further, fresh trading during delivery period, except for the purpose of squaring up of contract—that is, liquidation of commitments—should be prohibited.

(*Continued on next page*)

THE RUINOUS SPIRAL

From Our Own Correspondent

LONDON, *2nd June*

LONDON LETTER

THINGS are beginning to move fast on the inflation front. The Chancellor of the Exchequer having made one appeal for wage restraint has now come out with an even more severe warning in which he goes so far as to say that wage earners should expect some rise in prices from the last set of wage increases, but should refrain from attempting to catch up by any further increases. He put the problem succinctly when he said: "If every rise in price resulting from previous wage increases is now to be regarded as ground for further wage increases, then we are certainly on the road to ruin.

His speech was accompanied by two significant moves which illustrated the difficulty of the whole position. The railway engine drivers in conference resolved to submit a claim for a 15 per cent. increase in pay—no doubt before hearing of Mr. Macmillan's speech—on the other hand—and no doubt in anticipation of the speech—the engineering employers passed a resolution to give notice *in advance* that they would refuse to consider further wage claims. Of course, the Chancellor is right that a beginning to end inflation has to be made somewhere, and equally the employers will be ready to concede that they will make a beginning by not conceding further wage claims. It is the trade unions who are going to feel the effect most severely, because their members will be faced with rises in the cost of living and, accordingly, some fall in the buying power of their wage packets in comparison with what they were getting after their last wage gain. They will, therefore, be loth to draw the line or, to use the Chancellor's simile, to agree that the chapter should be closed.

Yet, in default of restraint by the unions (or to be fair, one should add of restraint by producers not to put up the price of their products as their costs rise), outside forces will take a hand. The Chancellor, addressing the Association of British Chambers of Commerce, said that international competition at present was "something of which the country had no experience since the war"; he instanced America, Japan and Western Germany as growing and severe competitors to our export trades, and pointed out that constant rounds of wage increases would accentuate the existing trend in which British exporters were already losing ground to countries which, up to now, had been enjoying steadier prices. He philosophised on the results of falling exports, unemployment in the export trades, unbalance in the country's overseas payments and restrictions on imports leading to even more serious unemployment. But are the unions going to accept that all these potential evils are as real as the acceptance of an immediate reduction in living standards through not pursuing wage claims? We have the near parallel of the Standard Motor Company involved in a dispute over automation. The Company has now decided to declare over 2,000 men redundant and the general expectation is that 11,000 employees will go on strike. The unions can clearly be relied upon to fight on the immediate issue rather than take the long view.

But then they are not alone in this. The Chancellor of the Exchequer, referring to the recent rises in the cost of fuel, thought that the effect on industrial costs would only be about two or three per cent. and he urged that an increase of this order should be absorbed in manufacturing costs, not added to prices. It remains to be seen whether this appeal to voluntary restraint will be respected. The trouble is that the Chancellor's philosophy on the ruinous spiral is impeccable, but he is bound to be seen by both sides as a man standing outside, but too much involved in, the battle and arbitration is likely to be left to events. It may be, as a recent development in Western Germany has shown, that our competitors in export markets will find themselves in a similar quandary which will certainly relieve the consequences of inflation at home; but the problem will still remain for all countries to face.—*All Rights Reserved.*

A French professor has succeeded, for the first time, in creating the synthesis of granite. The experiment was carried out on natural glass, obsidian, from the Lipari islands. A few grammes of glass were subjected to a temperature of 500 degrees Centigrade and a pressure of 3,000 atmospheres. In a few days, the French professor obtained fragments of rock which were entirely crystalline with the mineralogic constituents of granite.

EQUITIES BUOYANT

ALL-ROUND SPECULATIVE SUPPORT

(From Our Own Correspondents)

BOMBAY, *7th June*

THE share market shook off its lethargy during the week under review and bloomed into activity. There was all-round speculative buying and heavy covering by short-sellers which lifted up equity values to a marked extent. Towards the close, however, there was corrective profit-taking which brought down the closing levels well below the week's highest. Nevertheless, the gains over the week were sizable.

The absence of any unfavourable pronouncements at the A.-I.C.C. session, the Congress High Command's decision about the future of Bombay City, absence of any bearish news and expectations of favourable Government policy regarding textile industry were all factors which cumulatively led to a fresh bout of bull support.

In the steel section, the Stock Exchange authorities fixed the *cum*-right making-up value of Tata Ordinaries for the 8th June settlement at Rs. 253, the rate at which the shares closed on 1st June, that is, on the eve of being listed *ex*-right. The *ex*-right value of the shares was fixed at Rs. 195 and the value of the letters of renunciation (rights) at Rs. 58. The members were, however, given the discretion to adjust the rates of the *ex*-right shares and the rights, so long as the overall rate was maintained at Rs. 253. The *cum*-right shares advanced from Rs. 250-8 to Rs. 253, before being listed *ex*- right. The *ex*-right shares opened at Rs. 193-12 and advanced to Rs. 202-12, but profit-taking brought them down to Rs. 200-4 at the close The rights jumped from Rs. 57-8 to Rs. 66-12, but reacted at the close to Rs. 64-8. Indian Irons rallied from Rs. 37-6 to Rs. 38-14½ before shading off to Rs. 38-8½.

Textiles presented a cheerful tone, with an all-round rise in prices. Bombay Dyeings were marked up from Rs. 650 to Rs. 674-6 before finishing at Rs. 668-12. Century Mills were taken up to Rs. 572, as against the previous week's closing of Rs. 555-12, but at the close they reacted to Rs. 566. Kohinoors were keenly sought and rose from Rs. 374 to Rs. 381, but a substantial part of the gain was wiped out at the close when the shares were done at Rs. 375-8. Central Indias were marked up by Rs. 2 to Rs. 141-8. Finlays gathered Rs. 3 to Rs. 341 and Gokaks Rs. 2-8 to Rs. 233. Indu Ordinaries were favoured and rose by As. 8 to Rs. 13-14½. Indore Malwas gained Rs. 5 to Rs. 147-8, while Khataus were unchanged at Rs. 240. Morarjee Goculdas changed hands Rs. 6-4 higher at Rs. 248-12 and New Greats Rs. 5 better at Rs. 255. New Citys picked up Re. 1-14 to Rs. 180. Shree Niwas improved by Rs. 3-12 to Rs. 212-8. Simplex moved up from Rs. 220-8 to Rs. 225-8, but closed at Rs. 223. Standards put on Rs. 2-8 to Rs. 443-12. Svadeshis staged a smart rise from Rs 229-8 to Rs. 241-8 and Tata Mills from Rs. 53-4 to Rs. 55-8. Dawn Mills were keenly bid and advanced by Rs. 10 to Rs. 142-8. Madhusudans were done at Rs. 111-4, a rise of Rs. 2-8 over the week, and Podars were taken up Re. 1-4 higher at Rs. 185.

Banks were steady with enquiries in select counters. Barodas were in demand at Rs. 96. Bank of Indias rose smartly from Rs. 161 to Rs. 163-4. Central Banks were done As. 4 higher at Rs. 51-8 and their New shares gained As. 8 to Rs. 52-8. Punjab Nationals staged a rise of Rs. 4 to Rs. 55-4, while United Commercials were a shade quiet at Rs. 50-8.

Insurance shares were featureless and enquiries were very much restricted. New Indias were bid up to Rs. 44, as against Rs. 42-12 and Indian Mercantiles gained Re. 1 to Rs. 43. Vulcans were a shade lower at Rs. 14-4.

Electricity shares were steady, though business reported done remained restricted. Ahmedabad Electrics gained As. 3 to Rs. 97-8, while Bombay Suburbans receded from Rs. 114-1 to Rs. 113-7. Surat Electrics rose by Re. 1-4 to Rs. 121-4. Tata Hydros were maintained at Rs. 131-8 and Andhra Valleys at Rs. 1,222-8, while Tata Powers advanced by Rs. 7-8 to Rs. 1,318-12.

The miscellaneous section ruled firm in consonance with the general trend. Sugar shares, in particular, shaped well. Belapurs hardened from Rs. 231 to Rs. 239-8, but closed lower at Rs. 236. Phaltans moved up by Rs. 7 to Rs. 157 and Walchandnagars by Rs. 6-4 to Rs. 253-12. Bhopals held their own at Rs. 13-10. Cement shares scored modest gains, A.C.C. rising from Rs. 217 to Rs. 218-8. Digvijays were slightly better at Rs. 190-4. In the engineering and mining group, Alcocks were in the limelight and were taken up from Rs. 352-8 to Rs. 363-12. Tata Locos were, however, marked down from Rs. 157-8 to Rs. 154-8, despite expectations of a maiden dividend. Larsen and Toubros were steady at Rs. 16-6. Premier Constructions provided a lively feature on keen buying from knowledgeable circles and rose by Rs. 11-4 to Rs. 188-4. Shivrajpurs were bid Rs. 2-8 higher at Rs. 103-8. Indian Coppers scored a gain of As. 3½ to Rs. 6-14. B.B. Petrols were better at Rs. 4-2, as against Rs. 4-0½.

Shipping and transport shares shaped well. Scindias were lifted up from Rs. 18-4 to Rs. 19-2, before they closed at Rs. 18-14½. Great Eastern Shippings moved up by As. 6 to Rs. 18-2. Bharat Lines stood at Rs. 76. India Steamships gained from Rs. 9-5 to Rs. 9-7 *cum-div.* Hindustan Motors were in demand and rallied from Rs. 9-8 to Rs. 10-8. Premier Automobiles also gained from Rs. 92-8 to Rs. 94. Among miscellaneous industrials, Bombay Burmahs received keen attention on optimistic expectations about dividend and rose from Rs. 648-12 to Rs. 665, but heavy profit-taking at the close wiped out a part of the gain and the shares closed at Rs. 657-8. National Rayons advanced from Rs. 245 to Rs. 250, before finishing at Rs. 246-4. British India Corporations ruled steady at Rs. 11-4. Killick Industries dropped from Rs. 162-8 to Rs. 160. Tata Chemicals gathered As. 13 to Rs. 18-15½, Dhrangadhra Chemicals As. 8 to Rs. 125-8 and Tata Oils As. 12 to Rs. 53-4. Wimcos were maintained at Rs. 189.6.

* * * *

Calcutta Stock Exchange

CALCUTTA, *6th June*

The Calcutta Stock Exchange put on a rather dull appearance during the week under review. In the absence of any fresh incentives, operators did not evince much interest in fresh business. Consequently, turnover was small and values moved within narrow limits. The speculative counters evoked sizable profit-taking, but offerings were quickly absorbed. The undertone of the market was generally easy.

The coal section experienced continued selling on apprehensions of reduced profit from collieries, following the upward revision in wages granted by the All-India Industrial Tribunal. Bengals came down by Rs. 9 to Rs. 536. Harriladihs dropped Re. 1-2 to Rs. 22-8. Burrakurs receded by As. 13 to Rs. 13-1. Western Bengals fell by As. 10 to Rs. 6-5. Raneegunges declined by As. 6 to Rs. 11-2 and New Bheerbhooms by As. 3 to Rs. 19-3. Central Indias were quiet at Rs. 7-4.

Tea shares also lacked support and prices drifted lower. Teliaparas retreated from Rs. 175 to Rs. 170. Banarhats and Rungamatees decreased by Rs. 2 each to Rs. 369 and Rs. 102, respectively. Brooke Bonds suffered a loss of As. 12 to Rs. 23-2 and Brahmapootras of As. 11 to Rs. 9-5. Sungmas were lower by As. 2 at Rs. 11-6. Darjeelings and Chinchonas were quiet at Rs. 170. Oodlabaris, however, scored a gain of Re. 1-12 to Rs. 51-12 on special buying enquiries.

Jute shares, too, failed to evoke follow-up support, despite the possibility of the Central Government taking steps to enhance the competitive capacity of Indian jute goods abroad. Anglo-Indias dropped Rs. 4 to Rs. 179. Nuddeas shed Re. 1-10 to Rs. 42-2. Orients decreased by a rupee to Rs. 163. Reliances lost As. 7 to Rs. 11-1. Howrahs eased by As. 4 to Rs. 23-8. Champdanys, however, had some buyers a rupee higher at Rs. 164. New Centrals were in request, the quotation spurting by As. 9 to Rs. 18-1. Birlas improved from Rs. 18-11 to Rs. 19.

Engineering shares ruled generally strong. Burn Cos. provided the brightest spot, the values forged ahead by Rs. 46 to Rs. 382. Indian Irons went up by Re. 1-1 to Rs. 38-9. National Irons put on As. 7 to Rs. 8-4. Marshalls gathered an anna to Rs. 6-10. But Textile Machinerys were somewhat neglected at Rs. 24-8, as against Rs. 25-1 last week-end. Jessops eased by As. 8 to Rs. 35-13.

Mining shares were dull and values fluctuated irregularly. Burma Mines lost As. 2 to Rs. 3-13. Consolidated Tins declined by an anna to Rs. 2-10, while Indian Coppers strengthened by As. 2 to Rs. 6-14.

Among cement shares, Assam-Bengals received good enquiries and hardened by As. 13 to Rs. 8-4. Dalmias picked up As. 4 to Rs. 17-8. Sone Valleys, however, slipped by As. 3 to Rs. 8-13.

In the miscellaneous section, Jardine Hendersons receded by Re. 1-8 to Rs. 99-8. Balmer Lawries were lower by a rupee at Rs. 168. Calcutta Electrics and National Insulated Cables decreased by As. 7 each to Rs. 13-4 and Rs. 22-15, respectively. National Carbons declined by As. 4 to Rs. 27-2, India Steamships by As. 3 to Rs. 9-2 and Dunlop Rubbers by As. 2 to Rs. 30-10. Indian Aluminiums, however, changed hands As. 12 higher at Rs. 22-12. Alkali and Chemicals met with support and improved by As. 10 to Rs. 21-4. Rallis registered a rise of As. 8 to Rs. 36-8. Indian Tobaccos gained As. 6 to Rs. 14-14. B.B. Petrols appreciated by a similar sum to Rs. 4-1. F. & C. Oslers gathered As. 2 to Rs. 11-6. British India Corporations were better by an anna at Rs. 11-3.

* * * *

Madras Stock Exchange

MADRAS, *5th June*

The firm tendency noted on the Madras Stock Exchange in the past two weeks continued unabated during the week under review. The firmness was aided principally by the recent assurance of the Union Finance Minister not to take recourse to compulsory loans from industrialists for covering the gap in resources needed for financing the second Five-year Plan. Optimism regarding increasing Government assistance to the private sector also influenced operators favourably. It was based on the indication which Mr. T. T. Krishnamachari gave in Parliament the other day that the export duty on tea might be reduced, should the cut effected by Ceylon adversely affect India's exports. To add to these factors, there was, of course, the renewed prospect of heavy inflation in the coming years. Consequently, operators were inclined to be active and, on their support, shares recorded further gains all round.

The following were the dividend announcements made during the week under review:

Company		Dividend per cent. for the year ended December 1955	1954
South Arcot Electric	...	6¼	6¼
Lucky Valley Tea Estates	...	10	Nil
Haileyburia Tea Estates	...	15(f)*	25
Twyford Tea Co.	...	10(f)†	25
Cannanore Spg. and Wvg.	...	15‡	12

f Final.
* Making a total of 25 per cent.
† Making a total of 20 per cent.
‡ Year ended 31st March 1956.

Induced by persistent buying support, the textile section continued to rule buoyant and most of the scrips forged further ahead. Dhanalakshmis were particularly sought with their quotation jumping up by Rs. 20 to Rs. 390. Radhakrishnas rallied Rs. 11-8 to Rs. 316-8 *cum-div.* Premiers hardened by Rs. 11 to Rs. 215 and Vasantas Rs. 10 to Rs. 295. Lakshmi fully paids spurted by Rs. 9 to Rs. 215 and A shares strengthened by Rs. 4-8 to Rs. 107-8. Saradas firmed up by Rs. 6-8 to Rs. 141-8. Ranga Vilas advanced by Rs. 6 to Rs. 107. Coimbatore Cottons and Krishna Rajendras rose by Rs. 5 each to Rs. 350 and Rs. 220, respectively. R.C. Amlkais were higher by Rs. 3-8 at Rs. 220, Balasubramania 'B's by Rs. 3 at Rs. 145 and Vijayalakshmis by Rs. 2-8 at Rs. 130.

Support for coffee shares was sustained, owing to renewed rumours of an early export quota announcement, Bababudins and Consolidateds put on As. 8 to Rs. 11-8 and Rs. 20-14, respectively. Coffee Lands gathered As. 4 to Rs. 24-10. Amalgamateds hardened by As. 2 to Rs. 10-12. Mysore Coffees were better by half an anna at Rs. 2-13. Kadurs were firm at Rs. 2-14.

Tea shares were favoured well. United Nilgiris moved up by As. 11 to Rs. 26-3. Mlamalays increased by As. 8 to Rs. 76-8. Nilgiris gathered As. 4 to Rs. 14-10 and Nonsuch Teas As. 2 to Rs. 37-8. Periakaramalais were fully maintained at Rs. 9-5, as also Peermades at Rs. 37-2 *ex-div.* and Coorg Teas at Rs. 12.

Among rubber shares, Cochin Malabars rose by As. 3 to Rs. 9-8. Teekoys gained an anna to Rs. 11-8. Rajagiris, however, came in for selling and receded by As. 4 to Rs. 25-4. Midlands declined by As. 2 to Rs. 22-4. Travancore Rubbers lost a like amount to Rs. 25-6. Kailas were unchanged at Rs. 6, Malankaras at Rs. 33 and Thirumbadis at Rs. 2-4-6. The Thirumbadi Rubber Co., Ltd., has purchased the Calicut Estate from the Kerala Calicut Estates Ltd., with effect from 1st March 1955 and the management of the estate is vested in the Company as and from 16th May 1956.

The banking section which had all along been dull sprang to activity this week. Andhra Bank fully paids advanced by Rs. 3-8 to Rs. 115 and Rs. 75 paids by Rs. 3 to Rs. 85. Indian Rs. 65 paids rose by Rs. 2 to Rs. 124. Fully paids gathered a rupee to Rs. 183. Punjab Nationals recorded a gain of As. 12 to Rs. 53-4. Travancores were better by As. 4 at Rs. 17-6.

In the miscellaneous section, sugar shares attracted good attention. Indias hardened by As. 12 to Rs. 17-10. Deccans picked up As. 9 to Rs. 11-1. Travancores gathered As. 2 to Rs. 13-10. Among other miscellaneous industrials, Rallis were supported well, their value advancing by Rs. 6 to Rs. 43. Ranes strengthened by As. 8 to Rs. 11. Andhra Cement 'A's rose by a similar sum to Rs. 167-8. Travancore Cements improved by As. 2 to Rs. 13-1.

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PAKISTAN INTERNATIONAL AIRLINES

MARKET GOSSIP

(Concluded from previous page)

As regards emergency provisions, the Sub-committee has recommended the payment of deposit calculated at Rs. 35 per bale when the prices in the respective hedge contract are Rs. 50 below the ceiling price or Rs. 50 above the floor price. This deposit will be automatically increased to Rs. 50 per bale when the price of each contract reaches a level that is Rs. 25 below the ceiling price or Rs. 25 above the floor price. This provision, it is stated, should be made only if the Government accepts the floor and ceiling prices it has recommended. In the case of a bear raid, the weightage will be increased to 25 per cent. The Sub-committee has further suggested that, when the difference between the ruling prices of the two hedge contract narrows down to Rs. 25 or less, an emergency should be deemed to exist and that the provisions relating to squeeze, corner or bear raid should be made applicable to either of the contracts which is declared by the Board to be in the wrong position.

NEWS IN BRIEF

THE Government of India has fixed the price of tea, for the purpose of determining export duty, at Rs. 3-5 per lb., as against Rs. 2-4-3 per lb. in force from 1st May 1956. There is no change in the existing rate of duty of As. 6 per lb.

A three-day conference of State Agriculture Ministers will be held at Mussoorie on 28th June to discuss schemes for increasing food production in the country. The Conference will also discuss policies relating to higher targets not only with regard to foodgrains but also oilseeds, cotton and jute.

The freight rate on tapioca flour and chips from Indian ports to foreign ports has been reduced from Rs. 151 to Rs. 107 per ton, following the intervention of the Government of India on a representation made by the Travancore-Cochin State Government to the Central Government, with a view to encouraging trade in tapioca starch and other products.

Talks between the Government of India and Burmah-Shell for setting up a fertiliser factory in Bombay with a maximum capacity of about 36,000 tons of fixed nitrogen by the utilisation of waste gases from the oil refineries have ended in failure, following the withdrawal of the Company's earlier offer to co-operate with the Government in the venture.

The Government of India has liberalised the face value restriction from 33⅓ per cent. to 50 per cent. on import licences for electric motor starters up to 50 h.p. This will mean that not more than 50 per cent. of the face value of the licences, or Rs. 500 whichever is higher, can be utilised for the import of motor starters up to 50 h.p. The liberalisation is consequent on the rise in the price of such motors due to inadequate supplies.

Utilisation of atomic energy in agriculture will be one of the important questions to be discussed at the eleventh meeting of the Crops and Soils Wing of the Board of Agriculture and Animal Husbandry of the Indian Council of Agricultural Research to be held in Simla from 14th to 23rd June 1956. The Conference will review methods of reclamation of saline and alkaline soils with special reference to agronomic practices, afforestation and crop rotations.

An agreement has been signed between the Government of India and the International Technical Co-operation Mission of the United States providing for the allocation of $144,000 by the International Co-operation Administration for obtaining consultant and technical services for the completion of a steel casting foundry at the Chittaranjan Locomotive Works. The Government of India's contribution to the project will be Rs. 3,00,000. The present agreement is a supplement to the technical co-operation programme agreement signed between the Governments of India and the United States on 5th January 1952.

The total land area in this country under cereals during 1954-55 was 208,823,000 acres, having expanded from 193,314,000 acres in 1950-51. Out of this total area, the land under wheat in 1954-55 was 26,842,000 acres, whereas in the beginning of the first Plan period in 1950-51 it was 24,082,000 acres. The total production of cereals in this country increased from 41,744,000 tons in 1950-51 to 55,327,000 tons in 1954-55. The production of wheat during this span also rose from 6,360,000 tons in 1950-51 to 8,539,000 tons in 1954-55. The average yield of wheat per acre also registered an increase from 592 lbs. per acre in 1950-51 to 713 lbs. per acre in 1954-55.

With a view to feeding the printing industry with trained personnel, a scheme for the establishment of a Department of Printing Technology in Bombay has been sanctioned by the State Government. The proposed school, which will be one of the regional schools in the country, will provide facilities, to begin with, for training 25 students in letterpress printing during the first year. Additional courses will be introduced later on. During the past few years, there has been an unprecedented expansion of the printing industry, but simultaneously with this expansion there is no provision for feeding the industry with trained experts.

Investigations by the Geological Survey of India in the south-eastern part of Nepal have revealed the existence of large reserves of limestone, an essential raw material for the cement industry. Survey of the limestone deposits was undertaken at the request of the Nepal Government. The limestone reserves in these areas are estimated at 25 million tons to 70 million tons up to a depth of every 100 feet. The cement grade limestone content of these deposits varies from 30 to 60 per cent. According to the report of the Indian geologists who conducted the investigations, the quantity of cement grade limestone in each of the deposits appears to be sufficient to support a cement plant of the capacity of about 1,000 tons per day.

The total cattle population in India in 1952-53 stood at 155,099,000, out of which 49,848,000 were cows and 21,842,000 buffalos yielding about 510 million maunds of milk per year, according to the *Indian Livestock Statistics* (1952-53) brought out recently by the Directorate of Economics and Statistics, Ministry of Food and Agriculture, Government of India. The publication, which contains other particulars in regard to farming, also gives some statistics about milk products, poultry, etc. According to it, India produced 11,727,000 maunds of ghee and 2,035,000 maunds of butter in 1951. Nearly 1,407,200,000 eggs were produced during that period.

The Government of India would consider "almost immediately" the recommendations of the Ambar Charkha Committee, according to Mr. K. C. Reddy. The recommendations are expected to come up for discussion at a conference of the representatives of the Governments—Central and State—the Khadi and Village Industries Board, the Handloom Board, the Planning Commission, and other all-India bodies to be convened by the Union Production Ministry at New Delhi on the 20th inst. The main items on the agenda of this conference relate to the programmes drawn up by the various organisations, the organisational aspects of the programmes, avoidance of overlapping of functions, and ways as to how best allotment of funds for different organisations can be spent.

The Ahmedabad Textile Industry's Research Association (A.T.I.R.A.), India's premier scientific laboratory for textile research, has plans to apply atomic energy for testing and improving textiles, and thereby making it faster, easier and more economical to produce them. Although the plans are still in the formulative stage, 120 research scientists are already at work at the A.T.I.R.A. laboratory. They have on hand 60 research projects which will help Indian manufacturers to improve quality, speed, production and reduce costs on numerous textile products. In order to enable the Association to fulfil its vital new role in India, several U.S. and international organisations are co-operating with the Institute. These include the U.S. Government under the Technical Co-operation (Point-4) Programme, the world-famous Massachusetts Institute of Technology, the I.L.O., and the U.N.E.S.C.O. Five of A.T.I.R.A.'s top research scientists have been educated or trained in leading U.S. institutions (one is in America now), while outstanding American technicians are assisting their counterparts by working in the Institute's laboratories.

* * * *

From Abroad

The Malayan and Singapore Governments are considering the plan to establish a central bank in Malaya.

The Malayan and Singapore Governments have lifted the embargo on Malayan rubber exports to China. Shipments of "reasonable quantities" will be permitted under licence. The relaxation would mean an increased demand for Malayan rubber.

The Goodrich-Gulf Chemical Company, one of the manufacturers of synthetic rubber in the U.S., has reduced its price of GR-S synthetic rubber by 9/10 cent to 23 cents per lb. The cut has been effected consequent on the fall in natural rubber prices.

The Japan Mining Company, the largest producer of copper in Japan, has reduced its "special price" for copper by 50,000 yen to 430,000 yen per ton *ex*-refinery with effect from 1st June. The ordinary price remains unchanged at 410,000 yen per ton. The "special price" applies to 30 per cent. of the total output to cover high costs of imported ore and scrap.

Keen anxiety in U.S. Government and labour union circles is being expressed over increasing unemployment in the U.S. automobile industry which is said to be spreading outside Detroit also. Last week, 18,000 workers in the car industry lost their jobs, bringing the total number of unemployed in the automobile industry to 185,000 out of a total of 709,700.

The three-year-old freight war between the Mitsui Shipping Line and the U.K.-Japan Homeward Freight Conference ended last week-end with the signing of an agreement. The agreement is, however, subject to confirmation by a full conference meeting in London this month. It is estimated that the agreement will raise the earnings of Mitsui and the two Japanese members of the Conference by 1,000 million yen per annum. The Mitsui Shipping Line will continue its east bound round-the-world service, which for three years has been the main barrier to an agreement.

The British House of Commons approved this week the double taxation agreement with India in respect of estate duty reached in April last. The Financial Secretary to the Treasury, speaking on the agreement, regretted that the efforts of the British Government to get deleted the provision relating to the liability of a British company for Indian estate duty on the value of a deceased shareholder's share at the rate of 7 per cent. proved a failure. The Government, he said, reluctantly came to the conclusion that it must accept the agreement with the defect in it.

The prices of all grades of pithead coal in Britain have been raised by 8 per cent., or an average of 6s. per ton, with effect from 1st June. Coke prices have also been raised from that date by 8s. 4d.—9s. 6d. per ton. The increase in coal prices is expected to bring in about £35 million in 1956 and £61 million in 1957, which will enable the National Coal Board to reduce its deficit from £36.6 million at the end of 1955 to about £15 million at the end of 1956 and to earn a surplus next year.

A very large extension of public ownership in Britain has been suggested by Mr. Aneurin Bevan, Labour M.P., as the only way to make effective economic planning possible. Among the industries which, he said, should come under public ownership are steel, chemical and machine tools. He added that, unless land was nationalised, food production would never go up. He believed that the National Boards should be made directly responsible to Parliament, because it was only in that manner that the workers could control them.

PERSONAL

MR. G. D. Birla, who had been on a business tour of the U.S., Europe and the U.K., returned to India on Friday last week.

Mian Ziauddin, former Pakistan's Ambassador to Japan, has been appointed High Commissioner for Pakistan in India, *vice* Raja Ghaznafar Ali Khan.

Mr. M. Bhaktavatsalam, Minister for Agriculture and Labour, Government of Madras, and leader of the Indian delegation to the I.L.O. session, left for Geneva to attend the session.

Mr. T. M. B. Nedungadi, Deputy Chief Controller of Imports and Exports, Cochin, and Chairman of the Cashew and Spices Promotion Council, has been appointed Chairman of the Coir Board, *vice* Mr. K. Narayana Menon.

Mr. Dalip Singh, formerly officer on special duty in the Union Finance Ministry in connection with the implementation of the Taxation Enquiry Commission's recommendations on sales tax, has been appointed Secretary, Industrial Finance Corporation of India.

Mr. S. N. Ramanna has been re-elected President of the Indian Planters' Association of Mysore for the year 1956-57. Mr. A. M. Basava Gowda has been elected Vice-President and Messrs. B. K. Narasimhamurthi and C. Veera Gowda, Honorary Secretaries of the Association.

Mr. B. T. Narayan, Director of Research, and Mr. Narasimhaswami, Botanist, Indian Coffee Board, have been deputed to visit Kenya, Uganda and Tanganyika to study the cultural practices and experimental work in regard to production of coffee. They will be leaving in about two weeks.

Mr. P. N. Thapar, Secretary, Ministry of Food and Agriculture, left for Rome on Monday this week. He will represent India at the next meeting of the Co-ordinating Committee of the United Nations Food and Agriculture Organisation, which will be held in Rome, to draw up the programme of work of F.A.O. for the next two years.

Mr. Dharamsey M. Khatau, Chairman of the Associated Cement Companies Ltd., and Mr. N. Dandekar, Managing Director of the Company, who had been to the U.K. for talks with Vickers Ltd. and Babcock and Wilcox Ltd. in connection with the setting up of a factory to produce cement manufacturing machinery, returned to Bombay on Friday last week.

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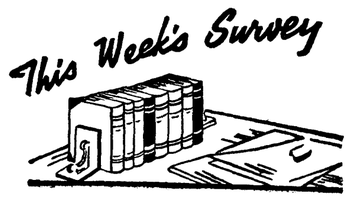

CEILING ON INCOMES

IF there are any in this country who are still unconvinced of the unwisdom of ceiling on incomes even after the effective exposition of the case against it by no less a person than Mr. Nehru, they will do well to ponder the advice tendered by the British tax expert, Prof. Kaldor, now in India. This distinguished visitor is known for his leftist views. He is a strong believer in egalitarian ideals. But even he has declared, in a report submitted to the Government of India, that the proposal for a ceiling on incomes is a "spectacular but meaningless" one. He thinks that the current agitation for a ceiling on income proceeds from "any but the highest moral and social motives." We are not so sure of that. We are rather inclined to believe that it proceeds from an irrational hatred of the rich rather than a genuine love of the poor. Be that as it may, he has done well to warn that the agitation would do considerable harm if it were to lead to lower top salary scales for top executive personnel in the newly established State enterprises. Proceeding, he remarks:

"I think it is essential to the success of India's current approach to her future development—the socialistic pattern of society—that the important enterprises in the public sector should be able to attract the best available talent; and this means that they should be able to pay remuneration on a scale that is fully competitive with that offered by private industry."

He admits that the marginal tax on income, which has already reached 97.5 per cent., could clearly be raised to 100 per cent. without making any radical difference. Obviously, what he means is that there could be no insuperable technical difficulty in making the change. But he rightly holds that such a change would lead to the elimination of "desirable social incentives." Further, economic inequality, he points out, cannot be reduced through introduction of absolute ceilings so long as wealth continues to be privately owned. The proposal for a ceiling on income can acquire some meaning, only if ceilings are "meant to comprise a ceiling on ownership of wealth and not only on annual accruals." He adds:

"Interpreted in this comprehensive sense, however, the proposal is not one which a country like India could adopt without seriously compromising her prospects of growth and improvement or of even the maintenance of existing standards. Soviet Russia discovered to her cost that economic incentives cannot be eliminated without perilous consequences, except perhaps at a stage of economic well-being which is far above that of even the richest nation (like the U.S.), let alone India."

Prof. Kaldor concedes that there is a strong case for reducing the prevailing degree of economic inequality. But the way to do this, as he points out, is by making the tax system "comprehensive and administratively effective, not by introducing absolute ceilings." From this point of view, he seems to favour "comprehensive and effective taxes on wealth" rather than the "spectacular but meaningless (and indirectly harmful) notion of an income ceiling." It is not, however, clear from the published version of Prof. Kaldor's report how he would implement a tax on wealth in a country where property is not held in forms in which their value is easily ascertainable. It is true that a similar problem occurs in the collection of estate duty. But the difference between estate duty and tax on wealth is that, whereas the former is collected only once on property, the latter is meant to be an annual collection. Further, India has only recently introduced estate duty, so that it has not yet faced and solved all the problems involved in the estimation of the value of different forms of property.

The British expert feels that there might be a case for a ceiling on landholdings, but, in his view, this does not justify a ceiling on income. Elucidating his view, he says: "Since the effective size of farms in India is relatively small, land ownership above a certain amount serves no economic purpose and is merely a method of exploiting the peasantry, and often a positive impediment to improvement in productivity on the land. This is certainly not true of the high incomes earned through a successful business or professional career or the accumulation of fortunes through successful enterprise." In his laudable attempt at building up a valid case against ceiling on incomes, Prof. Kaldor has apparently over-stated the case for ceiling on landholdings. The fact is that the arguments which could be urged against limitation of incomes could, with equal justice, be used against ceilings on holdings. It is not true that land-ownership above a certain level serves "no useful purpose." Actually, large holdings, far from being an "impediment to improvements in productivity on the land," facilitate scientific agriculture whereas small holdings hinder it. Nor is it true that large landholders exploit the peasantry. They are often in a position to pay better wages than small landholders. The case for a ceiling on land is just as weak as that for a limitation on incomes.

ONE-WAY TRAFFIC IN MONEY

The thesis about the one-way movement of money to rural areas, which Mr. B. M. Birla presented the other day as the Chairman of the West Bengal Financial Corporation, deserves wider notice and patient investigation. Speaking at the last annual meeting of the Corporation, Mr. Birla averred that the tendency in recent years was for money to flow into rural areas from which it seldom returned to the cities. He deplored that, while this trend continued, the urban population was being subjected to an increasingly heavier burden of taxation. This made the problem of finding equity capital for industries more difficult, inasmuch as the urban classes, who have been the mainstay of the capital market, have come to possess less money than they had formerly. He stated, in effect, that the position might have been different if the banking facilities were more extensive in rural areas for that would have served to siphon off this excess supply in those regions into the main money stream.

To reinforce this thesis about the supply of money to rural areas, Mr. Birla cited the pattern of expenditure under the first Plan. He pointed out that, out of a total outlay of Rs. 2,356 crores, about Rs. 1,485 crores were allocated for such schemes as agriculture and community development, irrigation and power, village and small-scale industries, road transport and water-supply. A very large part of the money on these schemes was spent in the rural sector. Even under the second Plan, rural development will claim Rs. 2,300 crores or about 50 per cent. of the expenditure in the public sector. Mr. Birla admitted that it is only "when the purchasing power of the people increases that industry can find a ready market for its products." But he contended that, since the spending habits of the people were still conservative and there were no banking facilities either, all that money was neither available to the Government nor to industries. This trend, Mr. Birla rightly suggested, will adversely affect the supply of credit to industries—and the money rates too—and the Government's loan programme, and will also necessitate greater deficit financing and higher taxation. But the main point which he urged was that, if rural savings were not tapped, or only insufficiently tapped, and if industrial development were held up through absence of credit facilities, it would greatly increase the inflationary potential within the country.

The obvious remedies to such a situation are extension of banking facilities to the rural areas and the creation of the urge in the rural sector to improve its living standards. It is true that banks cannot be carried to the villages overnight. This is a long-term reform. The other remedy is not so difficult. It should be possible for industrial enterprises through effective and adequate salesmanship to capture an increasingly larger share of the rural market. The rural consumer should thus be made to fill part of the vacuum created by the diminution of the urban investing classes. Meanwhile, efforts should be made to encourage the investment habits in both the rural and urban classes, to build up a broad-based property-owning democracy. And here, the Government has a vital role to play. It can, through abandonment of unhelpful fiscal policies and pursuit of vague egalitarian ideals, create a climate in which investment habits could become more strongly and more widely established.

LABOUR AND MANAGEMENT

The constructive suggestions for improving employer-employee relations in industrial establishments put forward by Mr. J. K. Srivastava, Deputy Chairman, the Employers' Association of Northern India, Kanpur, at the annual meeting of this body held last week, merit the wholehearted attention of all those who have at heart the prosperity of industry. For many labour problems still remain unresolved, while new ones are being added every day to the detriment of industrial progress. Demand for new concessions to labour shows no signs of abatement. The question of rationalisation of industry is still hanging fire, as a section of labour continues to oppose the move. Strikes and the resulting loss of man-days have not been infrequent. Competition among labour leaders for gaining hold of power over workers' unions has been the bane of the labour movement in post-independent India, bringing in its wake suffering and privations to workers who follow them. And there is the move drastically to amend the provisions of the Industrial Disputes Act which is likely to add further burdens to industry. Consequently, if proper attention is not paid to these problems, industrial progress under the second Five-year Plan is, as was warned by Mr. Srivastava, likely to lag behind schedule.

For some time now, there has been a move to have workers associated with managements through a council of management. This move has had the approval of not only the Joint Consultative Board of Industry and Labour but also the Planning Commission. The move has no doubt much for commending in its favour, but has also certain demerits, chiefly owing to illiteracy amongst vast sections of labour and lack of a healthy labour movement. Although Tatas have succeeded, to a certain extent, in associating workers with the management for certain limited objectives, the move is yet to be tried in the country and fuller association of workers is only possible by gradual stages in the light of the experience gained by each unit in each industry. Consequently, the suggestion made by Mr. Srivastava that the proposal should be tried "as an experimental measure in specified large industries on the distinct understanding that all matters pertaining to finance and general administration should be excluded from the purview of the Council" sounds practicable.

Mr. Srivastava is also not opposed to the principle of profit-sharing as advocated by the Joint Consultative Board since it promotes better work. He is, however, not in favour of payment of bonus out of capital reserves of a company, as such a principle, in his opinion, would tantamount to the voluntary depletion of working capital. He considers that the Joint Consultative Board has done good work in the sphere of harmonious industrial relations. As this is a body working at the national level, he desires that it should be organised industry-wise and, at a later date, even at the unit levels.

Being the chief office-bearer of a leading association of employers in Kanpur, Mr. Srivastava could not help referring to the big strike staged last year by workers of the cotton mill industry in that city. He said that the strike demonstrated the recklessness with which some of the labour leaders sacrificed the true interests of labour to suit their own ends. At the Nainital Tripartite Conference these leaders had accepted, in principle, that rationalisation, must be carried through. When the U.P. Government set up a committee to work out a programme of rationalisation, some leaders dropped out and launched an anti-rationalisation campaign. It is this campaign that culminated in the strike. As many as 27,000 workmen participated in it, involving a loss of 1.7 million man-days, 50 million yards of cloth, nearly 15 million pounds of yarn, over 7 million yards of jute fabric, and over Rs. 55 lakhs in wages. The strike finally ended in the acceptance, once again, of the very principle of rationalisation to prevent which the strike was launched. The whole episode reflects irresponsible character of labour leadership and unhealthy trade unionism in U.P. Multiplicity of labour unions that exists in the Kanpur textile industry is stated to be responsible for the inability of the industry there to reach a bonus agreement similar to that achieved in Bombay, Ahmedabad and Jamshedpur. It is, however, expected that the co-operation of labour in the city would soon be forthcoming for implementing the rationalisation programme now being drawn up by the Kanpur Cotton Textile Rationalisation Enquiry Committee on which labour representatives are serving at present. The Committee is expected to complete its work by the end of this month.

Since Kanpur has experienced labour unrest in recent months, it is but natural that Mr. Srivastava should have dealt at length with the question of establishing a sound system of trade unionism. According to him, there is a need for changes in two directions, namely, a drastic revision of the Trade Union Act and a radical change in the attitude of labour. In order to improve the tone of the unions, Mr. Srivastava favours debarring, by law, participation of outside elements in workers' unions. He advocates the acceptance of the principle of one union for one industry and incorporate the same in the Trade Union Act. He pointed out at the meeting referred to above that the recognition of trade unions must depend not only on their numerical strength but also on the acceptance by the unions of the principle of resorting to strikes only in the last resort after the failure of all other steps for reaching an amicable settlement of the dispute across the table.

The decision reached at the recent meeting of the Labour Panel of the Planning Commission to raise the rate of contributions to Employees' Provident Fund from 6¼ per cent. to 8⅓ per cent. is viewed with a certain amount of anxiety by Mr. Srivastava. According to the present law, employees are free to contribute, if they so desire, upto the maximum of 8⅓ per cent. But the employer is not bound to raise his share of contribution correspondingly. But, if the Labour Panel's decision is given effect to, it would mean that employers, too, must raise their contribution. Accordingly, if the move materialises it would place further burden on industry.

ENGINEERING PERSONNEL

It was only last week that we stated in these columns that it was unfortunate that the Planning Commission should have reduced the provision for technical education in the second Plan from Rs. 80 crores originally allocated to Rs. 48 crores. The criticism was based on the ground that the revised outlay was too meagre to meet the growing requirements of technical personnel to man the enterprises in the public as well as the private sector. That there is no exaggeration whatever in this statement is clearly brought out in the following extract from the report of the Planning Commission's Engineering Personnel Committee, a summary of which has just been published:

"In 1960-61, India will be in short supply of engineering personnel to the extent of 1,800 graduates and 8,000 diploma holders in different branches. If the existing institutions are expanded fully, it may be possible to secure, on an average, a 20 per cent. increase in the output of graduates and 25 per cent. increase in the case of diploma holders. The total cost of creating additional training facilities will be in the neighbourhood of Rs. 16 crores."

Considering the high priority given to heavy industries and mining in the second Five-year Plan, the need for ensuring an adequate supply of engineering personnel is, indeed, imperative. Equally imperative is the need for a new orientation in engineering studies, so as to enable future engineers to handle both men and machines with equal facility. It is reported that there has been a certain lowering of standards in engineering education, thanks to dearth of teachers of right calibre, inadequate facilities for practical training, ineffective methods of examinations, and insufficiency of equipment. The Engineering Personnel Committee has done well to draw pointed attention to this aspect and lay great emphasis on qualitative rather than merely quantitative improvement. "The strength and effectiveness of our future development," as the Committee says, "will depend, to a large extent, on the quality of engineering personnel available for absorption. No efforts should, therefore, be spared in achieving a high level of competence in engineers who will be trained by various methods during the coming years."

The Committee has put forward several general recommendations of far-reaching importance. Among them, four stand out prominently. They relate to (i) creation of suitable deployment machinery to co-ordinate release of personnel from one project and their absorption in another; (ii) making foreign training more purposeful by an advance mapping of the field in which training is needed and earmarking personnel for suitable positions in the country on their successful completion of training; (iii) grant of scholarships for specialised training in urgently needed techniques; and (iv) affording facilities for advance work in specialised fields. For improving educational standards, the Committee has suggested that the service conditions for teaching staff should be on a par with those obtaining in executive positions under the Government. The other suggestions in this regard are: Sparing competent and experienced men from Government cadres for teaching in colleges; promotion of advanced work and research in universities; encouraging consulting work by university staff; and allowing servicing engineers who display a special aptitude and potentiality for research to enter work on adequate remuneration.

These recommendations apart, the Committee has also suggested certain interim measures to meet the shortages in engineering personnel. They include promotion from lower ranks, more balanced utilisation of available talent, retention of superannuated persons for considerable periods, and organisation of functional training at the supervisory level.

The aforesaid recommendations of the Engineering Personnel Committee deserve to be implemented in right earnest. Otherwise, there is the danger of the progress of development schemes being hampered considerably by lack of adequate technically trained persons.

FOODGRAINS TARGET

The National Development Council has directed the Planning Commission to step up the target of additional foodgrains production from 15 per cent. to 40 per cent. during the second Plan period. This would mean an increase in the target for foodgrains to be produced by 1960-61 from 75 million tons, envisaged in the draft Plan, and the estimated output of 65 million tons in 1955-56, to 91 million tons. Evidently, the Council's decision to step up the target has been prompted by the consideration of the need for countering the possibilities of inflationary pressures resulting from the implementation of the series of development schemes and of other factors such as the rise in population, need to improve *per capita* consumption, increase in urban population, and effects on food consumption of improvement in national income.

The National Development Council's directive is no doubt commendable, but the question is whether such a substantial increase as 40 per cent. suggested by it can be achieved. In fact, some are of the view that to think in terms of a 40 per cent. rise in additional foodgrains production in five years is no more than wishful thinking. Alluding to this view in his speech on the second Plan in the Lok Sabha the other day, Mr. Jawaharlal Nehru said: "I do not think it is wishful thinking. I think it is possible that we can achieve nearly 40 per cent. increase and, if not 40 per cent., something like 35 per cent." Mr. Nehru no doubt admitted that the change in the target from 15 to 40 per cent. was a tremendous one, but felt confident that it was not beyond practicability. Giving reasons for his optimism, he stated: "Our agricultural production today is almost the lowest in the world. And we have shown in parts of India that we can increase it by a hundred-fold. It is true the whole of India cannot be treated on the basis of a model farm, but, if we can increase it a hundred or hundred-and-fifty-fold in a model farm, we can no doubt achieve an increase of 40 to 50 per cent. on an average." Mr. Nehru, of course, took care to qualify his statement by stressing that one must apply enough thought and energy to produce actual results. He thought that increase in food and other agricultural production should be made the special work of our community schemes. In this connection, he made the following observations:

"Thus far, these Community Projects and others have aimed at what might be called 'amenities' like roads, tanks, wells, school buildings and so on and so forth. Perhaps, it was right, because we have to create that atmosphere. People should see that what they do produce results. Still, some attention was paid to food production and, in all the Community Project areas, the percentage of increase in food production there is from 20 to 25 in the last three years, which is really considerable. And this, when they were not paying very special attention to it; they were paying some attention, but they were paying more attention to other matters. Now we want them to pay special attention to food production and to the growth of small-scale and cottage industries. That means two things, production, industrially and agriculturally. I have no doubt that, in those areas, certainly our agricultural production should increase rapidly, and reach at least the 40 per cent. mark that we propose to lay down for the next five years."

While Mr. Nehru's anxiety to reach the revised target of additional foodgrains production is clearly understandable and should be fully appreciated, there is no denying the fact that the fulfilment of the foodgrains target depends considerably on the rate of investment on agriculture. The Union Food and Agriculture Ministry puts the additional capital outlay at Rs. 100 crores. This estimate seems to be a very conservative one. For the cost of augmenting yields from more intensive and efficient agricultural operations will be very high. It is calculated by experts that, on an average, a sum of Rs. 100 is required to be spent on nitrogen (as ammonium sulphate), in order to produce an additional ton of foodgrains. The response of food crops to 20 lbs. nitrogen per acre, it is computed, varies from crop to crop. Thus, the additional yield is 4.1 to 4.3 maunds for rice, 2.8 maunds for wheat (irrigated), 1.7 to 1.8 maunds for wheat (unirrigated) and 2.6 to 2.8 maunds for maize. It will be interesting to note here that the all-India average yield per acre is at present about 9 maunds for rice and maize and 8 maunds for wheat. On this basis, the capital outlay required for securing the additional rise of 26 million tons during the second Plan period works out to a very much higher figure than that estimated by the Food Ministry. Even if this sum is found, it is doubtful whether foodgrains production can be stepped up by 40 per cent. For, as we had pointed out on an earlier occasion—*vide* page 946 of our issue dated 19th May 1956—the State Governments, under whose jurisdiction agriculture falls, are unlikely to rise to the occasion, what with the general elections and the reorganisation of States. There are also serious obstacles such as land reforms of doubtful value and absence of adequate credit as well as storage facilities. Unless all these obstacles are removed and earnest steps taken to ensure adequate and regular supplies of irrigation water for agriculture, the target of a 40 per cent. rise in foodgrains production may remain unhit for a long time to come.

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ALL EYES ON MR. C. D. DESHMUKH

WILL HE QUIT THE GOVERNMENT?

From A Special Correspondent

NEW DELHI, *5th June*

THE centre of interest this week was shifted, as it were, from New Delhi to Bombay, where the political *pundits* and luminaries of the party-in-power assembled together, with a view to taking stock of the situation and coming to a decision on the measures necessary for implementing the second Plan. The meeting also discussed a number of important pending political problems, prominent among them being the Goa question, the linguistic States, the future of Bombay City, etc.

DELHI LETTER

While the Congress Party was holding its Committee meetings in Bombay, some disquieting tendencies in the country's economic and political life began to manifest, naturally causing some concern to those interested in the welfare of this country. The wave of unrest and discontentment among a section of the labourers employed in the railways, resulting in strikes and loss of public property, was being taken due note of in the Capital and, after due investigation into the causes of these unpleasant happenings, it is expected that suitable action will be taken in future in order to prevent such unfortunate recurrences. Fortunately, these strikes proved to be a temporary phenomenon. The Government is of the view that there should not be any atmosphere of violence in the country. It is recognised here that some of the essential factors for ensuring the success of the second Plan are peace, internal and international, a high sense of discipline among the people, a spirit of sacrifice and mutual co-operation. When unrest manifests itself in the form of strikes in some essential services like the railways, the ability of the country to implement its development plans will be seriously jeopardised. In the Capital itself, the train services were dislocated for about two days, causing considerable inconvenience to countless passengers and citizens. The serious situation at the Kalka Railway Station also had its adverse repercussions on some other railway junctions, such as Ambala, for instance.

Stocking of Essential Materials

If the dislocation to the train services in these parts had persisted, it would have seriously endangered the construction of the Bhakra Dam where the work is being done continuously both day and night. This is, perhaps, the first time, when the temporary strike of railway men has caused considerable anxiety to the engineers in charge of the construction work at Bhakra. However, in the construction work of this type, it is extremely essential to keep some reserve stocks of cement, iron and steel, etc., so that, in the event of any unforeseen events happening, these reserve stocks could be utilised and the construction work could be carried on smoothly and without interruption. It is extremely unwise to depend on the day-to-day movement of cement and other construction materials. It is to be hoped that the latest developments in the railways will have their own lessons on the people engaged in the nation-building activities of the country, and keep them more alert in regard to stocking of essential materials.

The verdict of the Prime Minister that the City of Bombay should be Centrally administered, with the concession that, at the end of five years, "the citizens of this great City should be the arbiters of its destiny" was not unexpected. It is, however, felt here that it should not be allowed to result in any Cabinet changes in the Centre It is a known fact that Mr. C. D. Deshmukh had already submitted his resignation on this issue but it is being hoped that the Finance Minister will not take any precipitate action and quit the Central Government. The Prime Minister's significant remarks to the effect that the Central administration for the City would not mean the creation of a barrier between the people of the City and the surrounding Konkan and Thana districts as regards employment, etc., and that the people in the City's offices would not be thrown out of employment, etc., are expected to allay the misapprehensions entertained by Mr. Deshmukh that the economic and employment interests of the people of his constituency, namely, the Kolaba District, would be exposed to considerable jeopardy if the City of Bombay were cut off from Maharashtra. In view of the aforesaid assurances by the Prime Minister, normal conditions in the City of Bombay will be maintained in the coming years. Hence, there is no point in Mr. Deshmukh resigning from the Central Cabinet on this issue.

It is fully recognised that Mr. Deshmukh has been doing a splendid job in his capacity as the Finance Minister of the Central Government for the last five years and more. Great credit is due to him for not only maintaining the solvency of the Government but of improving it to a substantial extent. He has been able to curb inflation in the country at the commencement of the first Plan, restore normalcy, augment the revenue resources for the Government coffers and carry out many ambitious development schemes in a methodical and orderly way. He has raised the status of the Indian rupee in the international money markets and laid out plans for implementing the second Plan. It is an acknowledged fact that his financial and administrative calibre is of a very high order and it is being hoped in the Capital that he will continue to lend his weight and wisdom on the side of Government, especially as the Government has embarked on a more ambitious planned development.

The presence of Mr. Deshmukh in the Central Cabinet is also extremely necessary, for giving effect to the proposed changes in the tax structure. In view of his wide knowledge and long experience, he may be able to single out what is practicable and easily workable from the many novel suggestions that are being offered by financial experts.

Inter-State Sales Tax

It was only in the last week of May that the Lok Sabha placed taxes on inter-State sales and purchases in the Union list of taxes when it passed the Constitution Amendment Bill on sales tax. The Finance Minister claimed that the Bill, when enforced, would achieve a great deal of uniformity in the levy of sales tax on inter-State transactions. He pointed out that the Government had broadly accepted the view of the Taxation Enquiry Commission that sales tax should continue to be under State taxation essentially and that only inter-State taxation should be the concern of the Central Government. A small board of experts in sales tax is expected to be constituted shortly by the Central Government in order to bring about improvements in the system of this particular levy prevailing in various States. The Finance Minister also hoped that the logic of events would finally drive the States to come together closer in their rates of levy. The expert body has yet to prepare a list of commodities and manufactured articles which should come under the list of inter-State sales tax.

Apart from the many recommendations of the Taxation Enquiry Commission which are yet to be implemented, Prof. Nicholas Kaldor, the U.K. economist and taxation expert, who had recently been invited by the Finance Ministry of the Government, to give his expert advice on tax reform in this country, has come out with a number of suggestions. Broadly speaking, he has made five suggestions, important among them being the lowering of the income and super taxes to about 45 per cent., as against the present 92 per cent., the introduction of new taxes on capital gains, the annual value of capital tax, gifts and personal expenditure tax, etc. In order to counter the alleged large-scale tax evasion in the country, he has suggested the institution of a comprehensive return and compulsory reporting of all property transfers and other transactions of a capital nature. He is also for doubling the land tax. The Government of India is now engaged in a detailed study of the suggestions of Prof. Kaldor from all angles and will soon consider as to which of them could be profitably incorporated into the tax structure of this country. For all these matters, an experienced person like Mr. Deshmukh will be necessary to adorn the Treasury Bench.

The Government of India has under consideration the starting of a drugs and chemicals industry, according to Mr. K. C. Reddy, Union Minister for Production. The Production Ministry is considering at present certain proposals and preliminaries in this connection.

LATEST ECONOMIC TRENDS IN U.S.

THIRD QUARTER MAY BE LEANER THAN EXPECTED

DESCRIBING the latest economic trends in the U.S., the June issue of the *Monthly Letter* of the First National City Bank of New York observes as follows:

"The month of May has brought a mixture of good and bad business reports. The strong spots in industry, which in general are the capital goods lines, seem to have become stronger, for new evidence has appeared that business plans for plant and equipment expenditures are still expanding and unfilled orders in these lines have risen further. The soft spots, on the other hand, are softer, with automobile sales disappointing, production cut further, and estimates of the year's output reduced. The leading automobile companies now say that passenger car sales this year will fall below 6,000,000, as compared with estimates of 6,500,000 last January and with 7,400,000 domestic sales in 1955.

"In terms of overall production and trade, it is unlikely that the sideways trend on a high level, which has persisted for a good many months, has been significantly altered. In business comment and sentiment, however, a shift of emphasis is apparent. The buoyant confidence of last winter appears to have given way to a tendency to stress the soft spots. The sharp decline in stock prices both reflects and adds to unsettlement. Money policy has been increasingly criticised. Inventory accumulation and estimates of a reduced level of housing starts have come in for more attention. There are indications that the flow of orders has slackened in some lines, although the evidence is conflicting. During April, the volume of new durable goods orders continued to exceed shipments, and order backlogs rose further.

Business is Spotty

"In a period of mixed reports such as this, there are two ways of looking at almost any item in the news. The cut of over 40 per cent. in weekly passenger car production since last December is depressing, but the fact that other activities have absorbed the curtailment with only a minor drop in overall production and employment should be encouraging. The industrial production index (seasonally adjusted, 1947-49=100) edged up slightly from 141 in March to 142 in April as the result of a general advance in durable goods output. Factory employment rose moderately on a seasonally adjusted basis, after declining from November through March. The number of new homes started in April increased somewhat more than seasonally to 106,000 units. To some these reports are heartening. For others, the reaction is one of disappointment that all three series continue a little lower than they were early last fall, and of belief that they will go lower before they turn up again.

"For many months, the business trend has been sideways and inconclusive. In some lines, the 'pause' has been more than a pause; it has cut deep. Yet the country is fortunate in the smoothness with which large-scale adjustments have cancelled out, leaving an overall pattern of stability. The shift from one type of demand to another—from an automobile and home building boom to a producers' equipment boom—explains why business is so spotty and why some industries are faced with sales and inventory problems while others experience shortages and delayed deliveries. In some localities and industries, unemployment and business failures have increased; in other areas, the pressure on supplies of materials and manpower is great enough to warrant anti-inflationary action.

The Causes of Concern

"In the main, the change in sentiment seems to apply to the short-term outlook. The immediate causes of concern are passenger car inventories, too much steel in the hands of the automobile industry, farm implement curtailment, spotty weakness in some household appliances and textiles, and pessimism about housing. It is plain that many of these weaknesses are real, and that adjustments must occur before the economy is ready to move forward again as a whole. No one can be certain when that will be. But the impression has spread that the third quarter will be leaner than was earlier expected. A longer range concern is whether consumer spending will be affected or capital goods programmes curtailed.

"It is hard to feel pessimistic, however, when so much basic strength is visible. An economy straining at the limits of materials, manpower, and financing, as is the case in the capital goods industries today, is not weak, but dynamic. In retrospect, it may appear that the moderation of optimism during these recent weeks was timely. The automobile companies are facing up to the problem of high stocks and disappointing sales now, rather than see it get worse during the summer. Further cuts in production must come. But in the fall, introduction of the 1957 models should revive sales. Probably, some buyers are holding off for the new cars. Farm implement curtailment is cutting into excess stocks. In business generally it was time for careful examination of inventory policy, after five consecutive quarters of rising stocks.

"Judging by available business indicators the economy is neither soaring perilously high nor starting to slide dangerously. Nor is it likely to swing to either extreme in the near future. The best hope for a resumption of long-term growth by the end of this year lies in a speedy completion of the necessary inventory adjustment and a continuation of the strong advance in business spend-

(*Continued on page* 1127)

FIRST FIVE-YEAR PLAN AT WORK

PROGRESS DURING 1954-55 REVIEWED

THE summarised version of the progress report on the first Five-year Plan for 1954-55 not merely assesses the extent of the fulfilment of targets envisaged in the Plan but also indicates what remained to be achieved in the last year of the Plan, namely, 1955-56. The report claims perceptible signs of improvement in the economic situation at the end of the fourth year as compared with that obtaining in the beginning of the Plan. The economy as a whole, it says, presented a picture of added strength and stability. According to it, the year witnessed a further intensification of developmental effort. The Plan outlay in the public sector was stepped up substantially and investment in the private sector recorded an improvement over the level of the previous two years. What exactly all this development expenditure signified in economic idiom is described by the Planning Commission as follows:

The high level of agricultural production attained in the preceding year (1953-54) was more or less maintained (during 1954-55) and industrial production increased further. The quantum of foreign trade expanded and the external payments position showed a small current account surplus. The rise in domestic production, coupled with a budgetary deficit and the balance of payments surplus, was accompanied by an increase of about 6 per cent. in money supply with the public. This increase arrested the downward trend in agricultural prices which, for a time, had caused some concern. During the fourth year of the Plan, business outlook and confidence, which had shown signs of recovery in the preceding year, further improved. The capital market maintained a tone of buoyancy. . . . By the end of the fourth year, it was evident that the Plan was succeeding in respect of its immediate objectives, namely, to correct the imbalance between supply and demand by augmenting the production of certain essential goods and to lay the foundation for further progress through judicious investment mainly in the economic and social overheads.

Agriculture

Some of the targets set in the Plan and the progress made towards their fulfilment are given in the table appearing at the bottom of columns 2 and 3. It will be seen from that statement that agricultural production as a whole rose by 19 per cent. during the fourth year of the Plan, as compared with the base year 1950-51. In 1954-55, while output of wheat and pulses registered a further improvement, rice production, because of the extensive damage caused by floods in Assam, Bihar, Orissa and West Bengal, suffered a decline, with the result that the overall food production in 1954-55 showed a decline, from 68.4 million tons in 1953-54 to 65.6 million tons. All the same, food production in 1954-55 was higher by 11.6 million tons as compared with the base year and had thus again exceeded the five-year target. A part of the increase in food production is, of course, attributed to successive good monsoons. The additional area brought under irrigation over the first four years of the Plan is estimated at 10.3 million acres—4.0 million acres from major irrigation works and 6.3 million acres from minor irrigation works.

Industrial Sector

During 1954-55, the industrial sector showed considerable advance. Some entirely new products were produced for the first time in the country. The index of industrial production (1946=100) which was 137 in 1953-54 rose to 148 in 1954-55. Five of the major State enterprises, namely, the Hindustan Cable Factory at Roopanarainpur, U.P. Government's Cement Factory, the Hindustan Machine Tools Factory at Jalahalli, the Penicillin Factory at Pimpri and the Madhya Pradesh Government's Newsprint Factory went into production during the year. Mention is also made of the completion of the two petroleum refineries during the year, both of which have started production. Mill cloth production exceeded the target substantially. In locomotives, cement and ammonium sulphate, the Plan targets were realised by the fourth year of the Plan was 85 per cent., 82 per cent. and 79 per cent., respectively. The production of ammonium sulphate at Sindri was 298,300 tons in 1954-55, as against 249,000 tons in 1953-54. Production of iron and steel and jute manufactures showed considerable advance during the fourth year.

Railways and Transport

As a result of the steady implementation of the rehabilitation programme of the railways and the completion of works for augmenting line capacity, loadings on railways showed noticeable improvement; in 1954-55, they increased by about 6 per cent. over 1953-54. The demand for railway traffic has been continuously increasing in the period of the Plan, with the result that, even with increased loadings, the railways have not found it possible to move all the traffic offered. In 1954-55, 80 miles of new lines were added and 293 miles of dismantled lines restored.

Under the national highways programme, construction of 140 miles of new roads, building of five major bridges and improvement of 1,200 miles of existing roads was completed in 1954-55. Progress on other roads was also satisfactory. Work on the special programme of inter-State roads and roads of economic importance, which was included in the Plan in 1954-55 and for which Central grants of Rs. 10 crores were made available to State Governments, also proceeded satisfactorily.

In the field of education, medical services and public health, progress in the fourth year of the Plan was distinctly better than that in the previous years.

Satisfactory progress was maintained in regard to the expansion of the Community Development and National Extension Programmes. The target for these programmes for the first Plan period was to cover one-fourth of the rural population. This target required the opening of about 1,200 development blocks. As against this, by the end of the fourth year, about 726 blocks covering over 83,000 villages with a population of about 53.7 million had been started.

Progress of Expenditure

The progress of expenditure on the Plan in the first three years was rather slow, the total outlay over the three-year period amounting to Rs. 872 crores. The working of the Plan during that period had shown that there was likelihood of shortfalls in expenditure under certain heads of development. On the other hand, under certain heads, it was felt that the Plan needed strengthening, if employment opportunities on an adequate scale were to be created. Additions to the Plan of the order of Rs. 288 crores were, therefore, made which raised the size of the Plan to Rs. 2,357 crores.

In the fourth year of the Plan, there was a considerable stepping up of the developmental expenditure; the revised estimate of outlay for 1954-55 works out at Rs. 514 crores, as against Rs. 340 crores in 1953-54, Rs. 273 crores in 1952-53 and Rs. 259 crores in 1951-52. For 1955-56, the budgeted outlay is placed at Rs. 734 crores.

The capital market showed, as already stated, a buoyant tone in 1954-55. Public borrowings in this and the preceding year received an encouraging response from the market. Prices and yields of Government securities remained relatively steady.

The effect of improved domestic production was reflected in the improved balance of payments position. In the first year of the Plan, because of the large imports of food and other consumer goods, external payments position on current account showed a large deficit of Rs. 142 crores. Subsequently, with the improvement in domestic production, imports of food declined substantially, with the result that, during the three following years, the external payments position showed surpluses, Rs. 66 crores in 1952-53. Rs. 38 crores in 1953-54 and Rs. 9 crores in 1954-55.

Investment Outlay

There has been a progressive stepping up of the investment outlay in the public sector. In the private sector, however, the growth of investment in the period of the Plan has been rather uneven. There was a decline in private investment in 1952-53 and 1953-54, as compared with 1950-51, mainly by way of de-stocking in these years. Domestic production of capital goods continued to expand, but imports of producer goods like machinery, metals and vehicles in 1952-53 and 1953-54 were lower as compared with 1951-52. Private investment again looked up in 1954-55 and the trend, as seen from such indices, as new issues, imports of capital goods from abroad, and domestic production of capital goods, appears to have been maintained in the last year of the Plan.

The table below gives estimates of outlay on the Plan from year to year. Figures for the first three years are "accounts," while those for 1954-55 and 1955-56 are "revised" and "budget" estimates respectively:

(In crores of rupees)

	Centre	States	Total
1951-52 Accounts	129.9	129.3	259.2
1952-53 Accounts	127.1	146.0	273.1
1953-54 Accounts	178.9	161.2	340.1
Total for 3 years ..	435.9	436.5	872.4
1954-55 (Revised Estimates) ..	303.2	210.5	513.7
1955-56 (Budget Estimates) ..	437.3	296.9	734.2
Total for 5 years ..	1,176.4	943.9	2,120.3

Briefly, the position with respect to the financing of the above outlay may be put as follows:

(In crores of rupees)

	1951-52 (Accounts)	1952-53 (Accounts)	1953-54 (Accounts)	Total for 3 years	1954-55 (R.E.)	1955-56 (B.E.)	Total for 5 years
Domestic budgetary resources ..	204.6	146.8	243.4	594.8	266.9	251.2	1,112.9
External assistance ..	64.9	45.6	18.6	129.1	25.5	75.3	229.9
Increase in floating debt, sale of securities held in reserves and drawing down of cash balances ..	—10.8	80.7	78.1	148.5	221.3	407.7	777.5
Total resources for and outlay on the Plan ..	259.2	273.1	340.1	872.4	513.7	734.2	2,120.3

Indications are that actual outlays incurred in the fourth and the fifth year of the Plan would turn out to be lower than those given above.

Resources Position

An outstanding feature of the resources position in the first Plan was the encouraging success of the borrowing programme. Net receipts from loans over the five-year period were estimated at Rs. 202 crores, as against the target of Rs. 115 crores. Net borrowings of the Centre worked out at about Rs. 50 crores, as against the target of Rs. 36 crores. In the case of States, receipts from their loans, together with their share out of the proceeds of the National Plan Loan of 1954-55, worked out at Rs. 152 crores. Funds for Government borrowing were largely provided by the public out of their savings. In the first four years, net long-term borrowings of the Centre and States amounted to about Rs. 112 crores

In the scheme of finance envisaged for the Plan, it had been assumed that the States would raise about Rs. 230 crores over the five-yea

(*Continued on page* 1027)

	Unit of measurement	Base year 1950-51	Increase by 1955-56 plan targets	Increase achieved 1953-54	Increase achieved 1954-55	Percentage of achievement in 1954-55 to targets
Agricultural output—						
Foodgrains	Mill. tons	54.10	7.60	14.40	11.60	152
Sugarcane (*gur*)	,,	5.62	0.70	—1.15	—0.07	..
Oilseeds	,,	5.10	0.40	0.36	0.78	195
Cotton	Mill. bales	2.97	1.26	1.06	1.39	110
Jute	,,	3.28	2.09	—0.15	—0.13	..
Irrigation	Mill. acres	50.00	19.70	7.50	10.30	52
Electricity (installed capacity) ..	Mill. K.W.	2.30	1.30	0.60	1.00	77
Industrial production—						
Finished steel	000 tons	980	670	100	260	39
Cement	,,	2,690	2,110	1,340	1,720	82
Ammonium sulphate	,,	46	404	261	319	79
Jute manufactures	,,	892	308	—28	79	26
Locomotives	Nos.	3	170	86	145	85
Mill cloth	Mill. yds.	3,718	982	1,188	1,328	135
Bicycles	In 000's	101	429	188	392	91
Coastal shipping	000 G.R.T.	217	165	102	130	79
National highways	000 miles	11.90	0.60	0.30	0.40	67
Education—						
Primary schools (non-basic) ..	In 000's	208	57	25	41	72
Junior basic schools	,,	1.40	7.00	2.50	4.70	67
Health—Hospital beds	,,	113	12.80	4.80	5.50	46

INDIAN BANKING KEEPS PACE WITH TEMPO OF ECONOMIC ACTIVITY

DEPOSITS OF SCHEDULED BANKS INCREASE

JUDGED by its performance in 1955, the banking system in India may be expected to acquit itself well in meeting the demands that might be placed on it during the second Five-year Plan period. The year was significant not only for the increased volume of banking business but also for the momentous and far-reaching changes in the overall organisational structure of banking. Reflecting the high level of economic activity experienced by the economy, resources of banks expanded and so also their loan portfolios. On the organisational side, the transformation of the former Imperial Bank of India into the State Bank of India in July 1955 marked, as the Reserve Bank's annual report on the *Trend and Progress of Banking in India During* 1955 says a new chapter in the history of Indian banking. In addition, steps were also taken to ensure wider banking facilities and to strengthen the banking structure so as to equip it better for its important role of financing diverse forms of economic activity during the coming years.

A small section of banks was, however, not free from certain defects. These, in fact, fall under two categories: (1) defective advances and investments and (2) deficiencies of management and control. Defective advances covered generally those cases where credit was given without regard to the safety or liquidity of the proposition. Again, a high proportion of advances was given without taking into account the borrowers' resources and ability to pay. Advances were also given against unrealisable securities. The deficiencies of management and control took the form of indifference of directors to their responsibilities, inadequate reserves, low levels of investment in Government securities and unsatisfactory provision for investment depreciation. These defects are, however, being rectified as a result of the various regulatory and remedial measures taken by the Reserve Bank. It is said that a gradual improvement in the financial position as well as methods of operation of a number of unlicensed banks is being achieved, and it is heartening to note, from the Report mentioned above, that "reserves are being built up, outstanding borrowings in chronic cases are being reduced, liquid assets have been considerably augmented and the position regarding the disproportionate extent of unsecured advances and those against real estate is being appreciably improved." The Report adds further that, "although defects do still exist in the working of certain banks, the various corrective measures already taken are gradually bearing fruit and the banking system in this country has been steadily improving."

During 1955, the growth in banking business reflected the rising requirements of an expanding economy. Production in industry continued to mount, the general index of industrial production recording a rise of 8.3 per cent. to 122.3. The index of agricultural production at 113.9 was only slightly below the level of 114.1 of the record year 1953-54. The volume of trade, both internal and external, rose and prices were generally looking up.

Money Supply

The expansion in output was more than matched by an increase in the volume of money. In 1955, money supply with the public rose by Rs. 209 crores, as against Rs. 121 crores in 1954. Most of this increase was in the currency component of money supply, as the increase in deposits amounted to no more than Rs. 48 crores. In the previous year, however, the increase was more equally shared by currency and deposits. The busy season of 1956 witnessed a larger expansion of Rs. 232 crores in money supply than that of Rs. 171 crores in the 1954 busy season. Again, in the slack season of 1955, money supply showed a contra-seasonal rise of Rs. 5 crores, with the result that, at the start of the current busy season, the volume of money was considerably higher. Despite this expansion in money supply, prices in general did not record any net rise over the year.

In 1955, the deposits of Scheduled banks increased by Rs. 91 crores to Rs. 1,013 crores, crossing thereby the Rs. 1,000-crore mark for the first time in seven years. The expansion in deposits, though of the same magnitude as in 1954, differed markedly in one important respect. During the year under review, the rise in time deposit was somewhat more significant at Rs. 48 crores as against an increase of about Rs. 43 crores in demand deposits, but in the preceding year, demand deposits had shown a much larger rise at Rs. 56 crores than time deposits which had gone up by Rs. 35 crores. There was no change in the share of savings deposits in the total deposits.

While deposits showed a sizable growth, the banks' own funds in the shape of capital and reserves increased by Rs. 1 crore. In the result, the ratio of capital and reserves to total deposits dropped by 0.5 per cent. to 6.3 per cent. The reserves of Indian Scheduled banks as a proportion of their paid-up capital increased by 2 per cent. to about 86 per cent. while, in the case of Non-scheduled banks, reserves for the first time accounted for a little over one-half of the paid-up capital.

Scheduled Bank Credit

Over 1955, Scheduled bank credit expanded by Rs. 80 crores. This, however, conceals seasonal variations. The early months of the year coincided with the most active part of the busy season, 1954-55, during which the total expansion in Scheduled bank credit amounted to Rs. 107 crores. Of this, the increase in the first eighteen weeks amounted to Rs. 89 crores. In the ensuing slack season, the return of funds to the banking system was only Rs. 32 crores. This meant that well over two-thirds of the total credit made available earlier remained in the pipeline. The Report interprets this tendency as a reflection of the beginning of a somewhat deeper underlying trend of a general increase in, and lengthening of credit demands, as a result of the growing diversification of the Indian economy.

The expansion of bank credit, however, did not mean any significant change in the distribution either between the various groups of banks or as between different purposes. Indian Scheduled banks continued to account for a little over two-thirds of total advances. The share of Exchange banks was less than a fourth and that of non-Scheduled banks over 6 per cent. Again, industry continued to claim a little over a third of all Scheduled bank credit and commerce about one half. Production credit for agriculture remained insignificant. The fact that the proportional shares of both industry and commerce in the total bank credit registered no variations, despite an increase in bank credit, indicates that the activity in both kept pace with the rising tempo of economic development. Taking the five-year period ended December 1955 as a whole, however, it is seen that the proportion of industrial to total advances rose by 2.3 per cent. to 34.3 per cent. while the proportion of commercial advances declined from 51.8 per cent. to 50.1 per cent. This trend should be welcomed in that it reflects a marked departure in the attitude of banks towards industries. For, industries have complained in the past of the difficulties experienced by them in getting accommodation from commercial banks.

Lower Cash Ratio

Although the increase in bank credit was smaller than that in bank resources, principally deposits, Scheduled banks drew down their cash reserves from Rs. 103.6 crores to Rs. 100.2 crores, thus bringing down their cash ratio from 11.2 per cent. to 9.9 per cent. The reduction in cash reserves occurred in the balances held with the Reserve Bank. This lower cash ratio was possible because of the more liberal borrowing facilities available from the Reserve Bank.

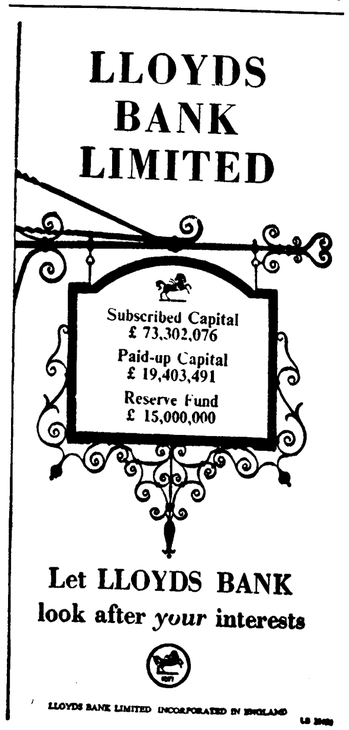
The relatively larger increase in bank deposits than in bank credit and the reduction in cash helped Scheduled banks to add to their investment portfolio by as much as Rs. 42 crores, of which more than Rs. 36 crores represented investments in Government securities.

On the whole, the resources position of the Indian banking system in 1955 was considered to be fairly comfortable. A notable feature of the Reserve Bank's lending was the interest shown by Exchange banks in the Bill Market Scheme of which the Indian banks were the main patrons hitherto. The Report observes that this development strengthens the belief that "the Indian money market is acquiring a greater degree of autonomy." Higher borrowing rates abroad were chiefly responsible for this trend.

The profit and loss accounts of 18 big Indian Scheduled banks showed that, during 1955, their gross earnings rose by Rs. 3.8 crores to Rs. 35 crores. Over three-fifths of this rise was due to an increase in interest and discount earned. The total expenses also rose by Rs. 3.4 crores to Rs. 29.3 crores. Of the increase, establishment expenses accounted for Rs. 1.8 crores. The net profits of the banks rose by Rs. 40 lakhs to Rs. 5.7 crores.

Another notable development of the year was an increase, for the second consecutive year in the post-war period, in the total number of offices of banks. The increase was mostly in the offices of Scheduled banks which rose by 91 to 2,793. There was an increase by one to 66 in the offices of Exchange banks, while the number of offices of Non-scheduled banks declined by 28 to 1,258. 111 new offices were opened by Indian Scheduled banks during the year. Statewise, 33 offices were opened in Madras, 26 in Bombay, 9 in Uttar Pradesh, 7 each in West Bengal and Delhi, 6 in Hyderabad, 3 each in Andhra and Mysore, 2 each in Bihar, Madhya Pradesh and Vindhya Pradesh, 1 each in Assam, Orissa, Punjab, Madhya Bharat, P.E.P.S.U., Rajasthan, Travancore-Cochin, Bhopal, Coorg, Cutch and Himachal Pradesh. Of the 48 offices of Non-scheduled banks closed during the year, 30 offices were accounted for by banks which either went into liquidation or converted themselves into non-banking companies or otherwise ceased to function and the rest were closed by the existing banks.

The Report reminds the banks that they would have to play a more significant role in the second Plan period by extending their area of operations, as well as range of functions. They are advised to prepare themselves for meeting the requirements of trade and industry of a relatively larger magnitude than at present as also to participate in granting production credit to agriculture. The deposit expansion would also place on the banks greater responsibilities in regard to the proper utilisation of their resources. Proceeding, the Report says: "The importance of sound management is of particular relevance in a period of sizable increase in bank resources and the wider opportunities for credit expansion which the growth of the economy would open out. The emphasis on banks' credit policies should be rather more on channelling finance for desirable purposes and to limit extension of credit to the genuine requirements of trade and business." Finally, it warns against the tendency of bidding up interest rates to attract deposits, a tendency which became pronounced during the current busy season.



PEOPLE'S CAPITALISM IN U.S.—IV

CLASSLESS SOCIETY COMES INTO BEING

By A Special Correspondent

HOW does the American economy work? What rewards does it offer its workers, its managers, its investors? How does it achieve its mass markets? How does it manage to boost the U.S. standard of living? The late Frederick Lewis Allen—author of "The Big Change," an account of American economic growth over the last half century—cited a simple incident to illustrate his theme.

He told of watching a crew of labourers ripping up New York City's streets for repairs. One of the workmen, in a pause between spells of digging, was using his pick axe to practice his golf swing. The labourer's golfing stance and form showed experienced skill—testifying to a good many hours spent on the golf course. And Mr. Allen commented that a half century earlier such a thing would not have been likely.

A labourer in 1900 would not have had the leisure time to devote to a sport like golf. He might not have had the money to spend on golf clubs and equipment or on the fees for playing on neighbouring golf courses. And in 1900 golf was something of a rich man's game—a distinction which may be the nearest thing to a class distinction America has had.

Today, nearly any American who chooses can play golf—from labourers to presidents. The 40-hour work week—which for some industries and trades has already shrunk to a 37- or 35-hour week—gives leisure to American wage and salaried workers. And because of this growing leisure, sports equipment makers—and others catering to American recreational wants—have produced cheaper goods and services for more and more customers. Another mass market has been found.

Everyone knows that mass production is a characteristic of the American economic system. Not everyone, however, gives too much thought to the basic qualities of the mass market, the essential ingredients that make large-scale production possible and profitable. What are the reasons for American leadership in this field?

In part, the American mass market arises directly from the classless nature of American society. Political and social factors, as well as economic ones, are at work here. Universal free public education has long been part of U.S. life. Constant economic expansion has offered constant economic opportunities for jobs, or better paying jobs, or for new businesses or new farms. And then there is the melting-pot tradition—the nation's capacity to absorb and assimilate successive waves of immigrants from abroad and to benefit from their collective creativeness.

All these disparate elements contribute to the social freedom on which overseas visitors to the United States frequently comment. There is a feeling of equality, a social mobility, that seems unusually marked when compared with the conditions of many other countries.

As pointed out by a leading sociologist, David Riesman, the social prestige of great wealth has been declining under the influences of mass production and the managerial revolution which has largely supplanted owner-managers of business enterprises with professional executives. Luxury articles have become increasingly standardised and within the reach of practically all consumers.

As late as 1930, a Ford and a Lincoln automobile represented vastly different levels of motoring pleasure and appearance, but, by 1955, many people considered the differences between low-priced and high-priced cars, except in size, difficult to distinguish. The large house, in 1900 the chief symbol of wealth, has become increasingly rare, because of the virtual disappearance of "live-in" servants and for other reasons such as high property taxes and maintenance expenses.

Americans, no matter what their job or status, do not feel bound by caste or custom. Bosses and workers often call each other by their first names; they frequently regard each other as members of the same team, working toward the same end—a better productive machine that will enable earnings for both worker and investor to rise.

They know that, in order to achieve an improvement in real wealth for themselves, they have to produce better quality goods at a lower price for their customers—the consuming public. And they know that they themselves—worker, manager, investor—constitute the country's consumers.

This realisation that the nation's workers also are a mass market for every conceivable kind of goods is the basis for the wage policy attributed to Henry Ford a generation ago. The automobile maker announced firmly in 1914 that he was going to pay every worker at least $5 a day, doubling the existing wage rate, because of his conviction that high wages would mean more car sales.

The prospect of more car sales, Mr. Ford argued, would help him achieve lower unit costs of production. With lower production costs, he could set his prices lower, enabling him to sell still more cars. And his profits, although relatively small for each car, would mount with larger and larger volume of production and sales. His idea proved 100 per cent. right.

Not every American industrialist followed Ford's lead in doubling wages. Instead, labour's fight for higher wages has been marked by difficult episodes in the United States, just as it has elsewhere. But the principle that Ford expressed is now almost universally accepted by American business managers. The idea of high volume of production and relatively small profits per unit is a first principle of American business.

And the concept that labour must share in the rewards of higher productivity both as a matter of right and as a matter of business—because the worker also is a customer—is equally ingrained in the People's Capitalism in the United States.

Today, the national income is being shared more evenly than it used to be. Early in the century, only one in every 10 American families had an income of $4,000 or more yearly. Today, half of all U.S. families have incomes of $4,000 or more. And because American income taxes are based on ability to pay, the proportion of income left after taxes is larger for lower-income groups than for the higher-income groups. The Federal personal income-tax rate ranges from 20 per cent. on $2,000 of taxable annual income to a maximum of 91 per cent. on taxable income of $200,000 or more.

In comparison with the past, today's worker spends a lesser share of his income on basic necessities such as staple food items and shelter and more on so-called "discretionary" goods. He may not actually need a television set, a new car, a new hat, an album of long-playing phonograph records of an opera, a set of golf clubs. But he buys more and more of them. And he and his family—and his fellow workers and their families—make up the expanding American mass market.

These Americans—all 166 million of them—are the essential part in the cycle of greater production and the wider sharing of the resulting abundance. They are the spur that keeps American industry seeking and adopting the latest advances in technology. And they are the inspiration for the continuing American economic revolution—the reason for calling the American economic system People's Capitalism.

(Concluded)

BANK OF RHODESIA AND NYASALAND

The Act establishing the Bank of Rhodesia and Nyasaland came into operation on 15th March last. On 1st April the Bank took over the assets and liabilities of the Central Africa Currency Board.

The Bank of Rhodesia and Nyasaland Act provides that the Bank may not lend to, or directly purchase Treasury bills or notes from the Federal Government so that the amount outstanding at any one time exceeds 20 per cent. of the Federal Government's estimated revenues for the financial year in which such advances are made; nor may the Bank invest in Federal Government securities with a maturity longer than six months a sum exceeding the capital and general reserve fund of the Bank plus 20 per cent. of its liabilities to the public in the Federation. It is required to maintain a reserve of gold, sterling, or foreign assets convertible into gold or sterling equal to at least 25 per cent. of its liabilities to the public. The Minister of Finance may, however, suspend this requirement for a period not exceeding 60 days, and may extend the period of suspension for further periods not exceeding 60 days each. If suspension is to continue longer than six months, a resolution of the Federal Assembly is required. Every commercial bank carrying on business in the Federation is required to submit monthly returns to the Bank of Rhodesia and Nyasaland, and to maintain with the Bank a minimum reserve balance to be determined by the Bank, but not less than 6 per cent. or more than 25 per cent. of its demand liabilities in the the Federation, and not less than 3 per cent. or more than 10 per cent. of its time liabilities.

The Bank is prohibited from buying or selling sterling at rates which differ by more than 1 per cent. from the parity determined by the Governor-General. A Federal Government notice states that the value of one pound unit of currency which is legal tender in the Federation shall be one pound sterling.

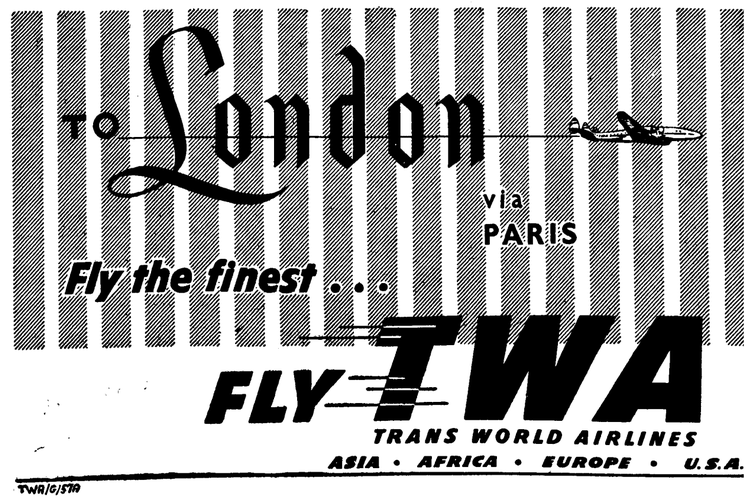
NATIONAL INCOME OF INDIA

A reference to the national income estimates for the year 1954-55 prepared by the Central Statistical Organisation (C.S.O.) was made in these columns two weeks ago. These estimates differ substantially from those subsequently given by the Planning Commission in the Five-year Plan Progress Report for 1954-55, as will be seen from the following comparative statement:

	Central Statistical Organisation		Planning Commission	
	1953-54	1954-55	1953-54	1954-55
At 1948-49 prices—				
Net output (Rs. crores) ..	10,040	10,170	9,950	10,224
Per capita net output (Rs.) ..	269.0	269.0	266.5	273.8
At current prices—				
Net output (Rs. crores) ..	10,490	9,910	10,600	10,892
Per capita net output (Rs.) ..	281.0	262.1	286.9	294.8

The foregoing figures reveal that the C.S.O. puts the extent of real increase in national income during 1954-55 at Rs. 130 crores or 1.29 per cent., while the Planning Commission estimates the net rise at Rs. 274 crores, or about 2.75 per cent. Similarly, the estimates of *per capita* income given by the two bodies vary. According to the C.S.O., the *per capita* income does not show any change; it is estimated at Rs. 269, same as that for the previous year. But the Planning Commission places the figure for the year under review higher at Rs. 273.8, as against Rs. 266.5 for 1953-54.

It is regrettable that the estimates of national income prepared by the two expert bodies should be at great variance. It is all the more regrettable, because the C.S.O. is under the control of the Finance Minister who is also a key member of the Planning Commission. Considering that national income is the only mirror which reflects the actual progress of the country on the economic front, utmost care should be taken in making the estimates of national income.



SERICULTURE INDUSTRY IN INDIA

WORK OF CENTRAL SILK BOARD NOT QUITE SATISFACTORY

ALTHOUGH more than seven years have elapsed since the Central Silk Board was set up to organise the development of the silk industry in India, the progress actually achieved by it has not been quite satisfactory. True, the production of raw silk, which had gone down from 2.23 million lbs. in 1950 to as low as 1.75 million lbs. in 1952, has since moved up, the estimate for 1955 being placed higher than 2.40 million lbs. But the production still falls considerably short of the estimated requirements of over 8.00 million lbs. No wonder then that the prices of silk continue to rule high in all conscience. The average difference between the fair selling price of indigenous silk and the landed cost (without duty) of foreign silk comes to very nearly 50 per cent. The quality of silk, excepting that produced in a few centres, does not also compare so favourably with foreign silk. If, therefore, the silk industry is to be set on a more solid and sound footing, it is of the utmost importance that the quality of silk should be improved and the production costs reduced. Mr. V. Nanjappa, I.C.S., Textile Commissioner and Chairman of the Board, did well to stress this aspect in the course of his speech at a meeting of the Board held at Bangalore last week. Mr. Nanjappa said:

"The silk industry has suffered on account of its inferior quality in comparison with imported silk, apart from high costs. Both the charkha and the filatures should be modernised, with a view to producing high grade silk at reduced prices. I have been thinking of having a survey conducted for assessing the position of filatures and taking steps for the production of modern machinery, as also evolving methods by means of which financial assistance can be given to the old institutions."

Incidentally, Mr. Nanjappa gave a brief account of the future programme of the Board. The Board, we are told, has evolved a standard reeling unit that can be introduced in charkha reeling establishments. It is considering what steps should be taken to give the necessary assistance in this connection. The marketing of silks is to be organised on a co-operative basis and the scheme submitted by the Government of Mysore is before the Centre for sanction. Similar marketing organisations will be set up in Madras, West Bengal and elsewhere. Adequate funds have been provided in the second Five-year Plan for these purposes. The sub-committee of the Board has recommended the opening of a central training institute at a cost of Rs. 9.56 lakhs for training higher officers for all the States. The Board has approached the Centre for sanction.

It is, however, not so much the programmes as the way in which they are implemented that is important. A look back at the working of the Central Silk Board in the past years will reveal that the Board has been more a talkie than a movie. That there is no exaggeration whatever in this view will be evident from the statement of no less a person than Mr. K. C. Reddy, Union Production Minister, who, in the course of his speech at the meeting, said: " . . . . we have not been able to make as much progress as we hope for or like to." During the last seven years, Mr. Reddy pointed out, it had not been able to spend more than 25 per cent. of the sums sanctioned by the Centre for the development of sericulture. Mr. Reddy attributed this state of affairs to the following two factors:

The first factor relates to the policy of 'matching' grants. The States are required to spend from the funds a certain percentage of the sums sanctioned by the Centre. There seem to be some difficulties on account of the financial procedure adopted. Mysore has a full-fledged Sericulture Department with experienced officers, while the position in other States is not known.

The second factor responsible for the non-utilisation of the sanctioned grants and non-implementation of schemes has been the lack of necessary staff and lack of organisation.

Drawing attention to the latter factor, Mr. Reddy declared that it is up to the members of the Board to see how best they could gear up their organisational efforts. He added that the Central Government was thinking of suitable measures for checking the progress of the schemes taken up for implementation. He further stated that the Board had suggested setting apart 4 per cent. of the estimated cost of any scheme for meeting the expenditure on administration.

A notable pronouncement made by the Production Minister was that the question of shifting the offices of the Central Silk Board to Mysore would receive very urgent and serious consideration at the hands of the Government of India. This statement is, indeed, very reassuring. As readers are aware, the Board is at present located in Bombay—that is, in a place which is not at all in the silk-producing region—whereas Mysore is the major seat of the silk industry. The State of Mysore, with the addition of Kollegal, accounts for about 80 per cent. of the total silk output in the whole of India. It would, therefore, be quite appropriate, as Mr. K. Hanumanthiah, Chief Minister of Mysore, rightly said while inaugurating the meeting, to have the headquarters of the Board somewhere in Mysore State.

In the course of his speech, Mr. Hanumanthiah urged that the sericulture industry should be freed from "unfair and unhealthy competition." To quote him: "Personally, I feel that we should, to a great extent, restrict imports and allow the sericulture industry to grow to its full stature in the country." The anxiety of Mr. Hanumanthiah to see that the domestic sericulture industry is not adversely affected from foreign competition is no doubt understandable. But, in adopting that policy, every care should be taken to safeguard the interests of the consumer also. As it is, there is a wide gap between actual production and the requirements of silk. This gap is bound to widen further considerably in the coming years, what with the rising demand for silk fabrics following the increase in population and the improvement in the standard of living as a result of the implementation of the series of development schemes under the second Plan. If, therefore, adequate supplies of silk are not ensured, a situation is bound to arise where there will be a virtual silk famine in the country with spiralling prices. This aspect must be taken into account while formulating the import policy for silk. As Mr. Reddy rightly declared, imports of silk can be restricted only if there is rise in production and improvement in quality. Moreover, foreign silk will continue to be required for the weaving of certain high grade fabrics such as brocades and georgettes.

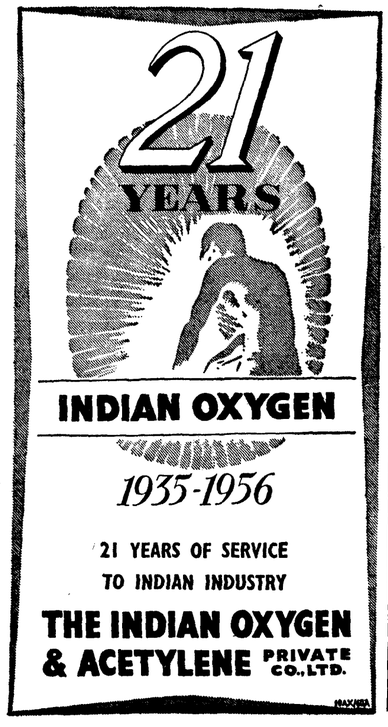
Referring to the export of silk waste, Mr. Reddy gave the assurance that it would be the endeavour of the Centre to see that there were no exports of silk waste in a way which would adversely affect the needs of the spun silk industry. The Government has been planning, according to him, to establish one or two more spun silk plants in the country. Assam, West Bengal and Bihar are thought of in this connection. If the proposed factories were to come into being and the Mysore spun silk factory worked to full capacity, there would be no need to export silk waste out of the country.

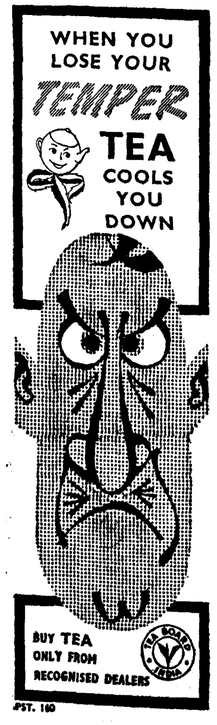
CLOTH PRICES

Question-time in the Rajya Sabha on Thursday last week was primarily marked by much concern at the rising prices of cloth. Several members wanted to know the causes for the rise. Mr. Nityanand Kanungo, Minister for Industries, attributed this tendency to two factors, (1) increase in raw cotton prices and (2) domestic demand for cloth outstripping supply. One member asked whether the shortage of cloth was due in any measure to the controversy over the Ambar Charkha and the ceiling on mill production. Replying to the question, Mr. T. T. Krishnamachari said that the Government was not in a position to enlighten the member. He, however, added that the steps proposed to be taken by the Government were all under consideration and it would not be wise to divulge them at the present stage until the proposals were formulated finally and orders issued. In this connection, he observed:

"I have no knowledge of the information collected by the Reserve Bank of India about the credit given by banks. But the information I have been able to gather shows that there is no appreciable increase in the stocks held by retailers or wholesalers. The demand for exports has actually fallen and, to this extent, there has been an increase in internal consumption of cloth. Normally, prices of raw cotton, taking *jarilla* as the standard, range between Rs. 700 and Rs. 720 at this time of the year. There is now an increase of about Rs. 80 to Rs. 90. This indicates a rise of 12½ to 15 per cent. in the price of the raw material. But the rise in the price of raw cotton is only one of the causes for the increase in the price of cloth, and not the main cause."

The U.S. cotton textile industry would appear to be very much dissatisfied at the reluctance of the Government to regulate imports of foreign textiles. Addressing the annual convention of the South Carolina Textile Manufacturers' Association at Sea Island (Georgia) the other day, Mr. Robert Jackson, Executive Vice-President of the American Cotton Manufacturers' Institute, for instance, declared that the cotton industry could expect little assistance from the Eisenhower Administration in dealing with the textile import problem. The industry's efforts towards the establishment of a control system over foreign imports, he said, had been bolstered by the Tariff Commission which, in its report to the Senate Finance Committee, had expressed its inability to undertake a detailed study of the inflow of goods from abroad. This, Mr. Jackson added, was an indication of the Government's helplessness in curbing unrestricted imports. To quote him: "Lacking any signs of interest by the executive branch of the Government other than polite expressions of sympathy, the textile industry is compelled to seek relief in legislative actions."





VARIATIONS IN COTTON AND YARN PRICES ANALYSED

FURTHER FALL IN EXPORTS

From A Special Correspondent

MANCHESTER, *29th May*

FOR well over a year one of the main reasons for the depression which has existed in all sections of the industry in Lancashire has been the fear of lower cotton prices, arising from the large stocks held in many parts of the world. If traders could have foreseen the trend of values 12 months ago their attitude would in all probability have been very different and business would have flowed far more freely.

MANCHESTER LETTER

It is far easier to possess "hindsight" than foresight but a glance back at the prices ruling a year ago shows that much of the nervousness which has intervened need never have arisen. The trouble is that the current outlook is very little better than it was in 1955 and the threat of lower values at some time in the future still overhangs the market.

Traders continue to feel that the accumulation of supplies built up over recent years must cause some dislocation as they are, however slowly, dispersed. The possibility of a sudden fall in values is now less likely; in fact, the paradox has arisen of dearer rates in certain growths due to a tight supply situation of free stocks.

The following table shows the fluctuations in spot rates in the Liverpool cotton market and variations in yarn prices in Lancashire over the past 12 months:

(In *d.* per lb.)

Date	American 15/16" Middling	Egyptian Karnak G/FG	Egyptian Ashmouni G/FG	American 36s Ring Beams	Egyptian 42s Cop Weft	Egyptian 60s Cop Twist
1955						
June 1 ..	31.87	47.50	37.00	63.13	59.52	82.00
,, 15 ..	32.06	47.50	37.25	63.29	59.67	82.00
July 1 ..	32.56	48.25	37.50	63.27	59.65	81.50
,, 15 ..	31.54	48.00	37.25	63.13	59.51	81.50
Aug. 2 ..	32.50	49.00	37.75	63.16	59.54	81.50
,, 15 ..	32.60	49.25	37.75	62.85	59.29	81.50
Sept. 1 ..	32.61	49.00	38.25	62.87	59.31	81.50
,, 15 ..	32.24	48.00	36.50	62.87	58.89	80.50
Oct. 3 ..	31.39	42.70	34.40	61.74	58.21	80.25
,, 17 ..	31.95	43.20	33.90	61.95	58.42	79.50
Nov. 1 ..	31.95	42.75	32.70	62.57	59.02	79.50
,, 15 ..	30.40	42.25	32.50	63.08	59.53	79.50
Dec. 1 ..	29.15	42.25	32.25	63.56	59.83	81.00
,, 15 ..	29.75	45.75	32.25	62.81	58.62	80.00
1956						
Jan. 3 ..	27.00	42.00	33.30	62.79	59.08	80.00
,, 17 ..	27.33	45.00	34.65	63.57	59.84	81.00
Feb. 1 ..	27.07	44.50	35.40	63.66	59.92	82.00
,, 15 ..	26.92	49.40	35.65	64.70	60.94	83.50
Mar. 1 ..	26.30	53.25	39.25	63.23	60.63	85.50
,, 15 ..	28.05	52.75	39.25	63.49	60.59	86.25
Apr. 3 ..	27.85	51.75	38.75	63.69	60.82	86.25
,, 16 ..	27.70	57.25	42.25	63.00	60.82	87.25
May 1 ..	28.48	63.25	47.00	63.68	61.47	88.50
,, 15 ..	28.70	65.50	49.50	63.68	61.47	91.50
,, 25 ..	28.58	65.50	48.50	63.68	61.47	91.50

Only in the past quarter has any material change taken place in prices, and that has been in Egyptian qualities, but the firm tone which has prevailed throughout the period can be observed. In assessing the price of yarn the steady rise in costs of production must be taken into account, culminating in the wage advance to the operatives at the beginning of the current month.

Although raw cotton costs are an important part of the general level of prices, many items of incidental expenditure must be included when establishing quotations. Few, if any, of these charges have declined during the year and warnings have already been given that further advances will have to be met in the near future.

Trade Prospects in Pakistan

Mr. Noel S. Belan, United Kingdom Trade Commissioner, at Karachi, said in Manchester, this week, that Pakistan offered excellent long-term prospects for British exports but vigorous efforts would be needed to retain this country's position in the market. "If we let up in our efforts the Germans will be ready to step in. We are facing strong German competition," said Mr. Belan, speaking at the Manchester Chamber of Commerce at the start of a four-day visit for discussions with North-West export firms.

Referring to opportunities for Lancashire textile exports, he said there was a fund of goodwill towards this country and now was the time for manufacturers to try to make progress in the market with quality fabrics. Pakistan was quickly becoming self-sufficient in the ordinary type of cheap textiles but would continue to require better quality textiles such as those produced in Lancashire. Although some of Pakistan's new mills were equipped with British-made plant, the Japanese textile machinery industry had succeeded in obtaining a good deal of business, helped by Pakistan's foreign exchange position.

Fall in Exports

The Government returns relating to exports of British textile goods for last month were not expected to be encouraging and there are indications of a further decline in foreign trade. Cotton cloth exports to the end of April were 158,161,000 square yards, valued at £20,449,580. A year ago the total was 205,231,000 square yards and the value £26,813,165. Yarn exports for the same period were 12,857,547 lbs. as against 13,802,902 lbs. last year, the value being £5,300,292 as against £5,926,894.

So far this year Australia has taken 26,436,000 square yards as against 38,821,000 square yards in the same period of 1955. India continues to improve her imports from the United Kingdom, the totals for this year being 3,897,000 square yards as compared with 1,115,000 square yards. Traders with Pakistan are also doing better, as so far 3,048,000 square yards have been exported as against 659,000 square yards in the same period of 1955.

The chief market for yarn remains Australia but exports to that Dominion compared with a year ago have fallen from 2,448,778 lbs. to 1,960,627 lbs. this year. On the other hand, Canada has taken 1,498,646 lbs. as against 1,062,824 lbs. while shipments to India have also improved from 723,705 lbs. to 1,277,205 lbs.

Several causes contributed to the fall in earnings incurred by Crosses and Heatons Ltd., the Bolton fine spinning group, during the year which ended on 31st March. Colonel Benjamin W. Heaton, the Chairman, refers to various factors which have affected the industry in his annual report. He mentions the fall in cotton values, short-time working, labour shortages and unsatisfactory margins for fibre yarns as some of the reasons for the Company's disappointing showing during the past 12 months. A certain amount of loss of production and increased expense due to a temporary shortage of staple fibre was also responsible for the group's difficulties.

Since the revival of trading in futures on the Liverpool Cotton Exchange, Col. Heaton has been critical in his reports of the facilities offered for hedging long-stapled cottons and on this occasion he emphasises that companies in the fine spinning section are exposed to considerable risk. "We are faced with the problem of either securing our cotton when this comes to market and risking the price or, alternatively, endeavouring to buy from hand to mouth," he says. The latter method was impracticable and not conducive to the maintenance of quality. As a result of being forced to buy cotton without sufficient hedging facilities, fluctuations in trading results would occur from year to year, he warns, but the recent introduction of a Sudan futures contract in Liverpool was welcomed in the hope that it would eventually broaden sufficiently to afford adequate cover for spinners.

In the past 10 years the group has spent £1,800,000 on new machinery and modernisation of existing plant, while over £920,000 has been spent on general maintenance of fixed assets.

Textile Machinery

India continues to head the list of purchasers of British textile plant this year. Supplies sent to India have in fact been more than three times as much as to any other country, the total for the first four months being 151,816 cwts. out of aggregate exports from the United Kingdom of 615,170 cwts.

The value of this plant exported from Britain was £16,561,433 and India's share in this trade has been £3,558,010. Second biggest buyer is the Soviet Union with 42,099 cwts. valued at more than £1,000,000. The major quantities of textile plant exported have been in looms and other weaving machinery, amounting to 114,006 cwts., while preparatory plant has accounted for 82,629 cwts. and spinning machinery 54,998 cwts.

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The U.S. Agriculture Department experts have begun working out the details of the new farm programme, which is expected to result in reduced crop surpluses through operation of the so-called Soil Bank provisions. As was noted in his statement issued on signing the measure into law, President Eisenhower considers the Soil Bank provisions, under which the farmers will be paid for taking acreage out of production, "the heart" of the legislation. "Its acreage reserve," Mr. Eisenhower said, "will help bring production of certain crops into balance with their markets. . . . It is a concept rich with promise for improving our agricultural situation." The Agricultural Department experts are also concentrating on those provisions of the legislation which the President accepted with reluctance. In his statement, Mr. Eisenhower pointed out that the provision of the law which relates to cotton export sales "will have to be administered with extreme caution." A Department spokesman gave an assurance that every effort would be made to avoid working hardship on other cotton exporting countries. He said that the American price on cotton sold on the world market would not be reduced arbitrarily.

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FURTHER INCREASE IN COTTON SUPPLY

CURRENT TRENDS IN FREE WORLD REVIEWED

THE strenuous efforts that are being made by the U.S. to dispose of its surplus cotton reflect not only the conditions of abundant supplies in that country but the relatively more comfortable state of supply in the free world. The total supply of cotton in the free world during the 1955-56 season, according to the estimate of the International Cotton Advisory Committee, Washington, is 51.4 million bales (of 478 lbs. each), consisting of carry-over stocks of 20.5 million bales, production of 30.6 million bales and imports of 300,000 bales from the U.S.S.R., as against 48.7 million bales in the 1954-55 season, made up of carryover stocks of 18.9 million bales and the crop of 29.5 million bales and import from the U.S.S.R. of 300,000 bales. As regards disappearance of cotton, the Committee's preliminary ideas are that the consumption in the current season may reach, if not exceed, last year's level of 27.6 million bales and exports to communist countries may aggregate some 700,000 bales, as against 500,000 bales last season. Making an allowance of 100,000 bales for "destroyed" cotton, the end of this season will see a carryover of 23 million bales, as against 20.5 million bales at the end of the 1954-55 season and 18.9 million bales at the end of the 1953-54 season.

Record High

The main point that deserves to be noted in the supply position of cotton in the current season is that the free world production, now estimated at 30.6 million bales, will be an "all-time record high." It is also noteworthy that this high level of production has been reached, in spite of the restriction of acreage under cotton in the U.S. This has happened, because there has been a marked improvement in per-acre yield of cotton in the U.S. and an expansion of the land under cotton in the other major and minor cotton-producing countries. The following table sums up the trends in acreage, yield and output in the cotton-producing countries of the free world:

(Acreage in million acres; yield in lbs. per acre; production in million lbs.)

Country	Average 1934-35* 1938-39	Average 1949-50* 1953-54	1954-55	1955-56*	Change
Acreage—					
United States	28.4	24.5	19.3	16.9	−2.4
Other countries	41.1	38.0	43.0	46.1	+3.1
Major†	37.0	33.0	36.7	39.2	+2.5
Minor	4.1	5.0	6.3	6.9	+0.6
Free world total	69.5	62.5	62.3	63.0	+0.7
Yield—					
United States	212	283	341	416	+75
Other countries	137	161	177	167	−10
Major†	141	165	178	168	−10
Minor	105	134	167	159	− 8
Free world total	169	209	227	232	+ 5
Production—					
United States	12.4	14.5	13.6	14.5	+0.9
Other countries	11.8	12.8	15.9	16.1	+0.2
Major†	10.9	11.4	13.7	13.8	+0.1
Minor	0.9	1.4	2.2	2.3	+0.1
Free world total	24.2	27.3	29.5	30.6	+1.1

* Preliminary.
† Mexico, India, Pakistan, Turkey, Syria, Egypt, Sudan, Uganda, Belgian Congo, Brazil, Argentina and Peru.

In the U.S., the national acreage allotment, as is well known, was set at 18.2 million acres for the current season, of which 17.5 million were planted and 16.9 million harvested. Acreage was 2.4 million or 12 per cent. less than in the 1954-55 season. On the other hand, the aggregate free world acreage outside the U.S. increased by roughly 3 million. The Committee observes that, although the increase in acreage was fairly world-wide, it was concentrated in the major cotton-producing countries, namely, Mexico, India, Pakistan, and Brazil, and, to a lesser extent, in Egypt, Syria and Turkey. Aggregate acreage in the smaller countries rose by an estimated 600,000 acres or 10 per cent, but the increase occurred chiefly in the Central American countries, Greece and Spain.

A feature of the cotton economy in recent seasons has been the marked improvement in the per-acre yield. For the 1955-56 season, the average per-acre yield in the free world is placed at 232 lbs., as against 227 lbs. in 1954-55 and 169 lbs. being the average of the yields in the pre-war period 1934-35 to 1938-39. The yield in the U.S. touched a "new all-time record" of 416 lbs. per acre. Referring to this factor, the Committee observes: "Theoretically, the overall increase in yield in the U.S. this season contributed some 2.5 million bales to production and largely explains the increase in the final production estimates compared to earlier ones." In the countries outside the U.S., yields generally were lower, particularly in the major producing countries. Thus, in these countries, the average per-acre yield was 168 lbs., as against 178 lbs. in the 1954-55 season. Nevertheless, it was higher than in the pre-war years when it was only 141 lbs.

Per-Acre Yield

It is the increase in per-acre yield that explains the increase in the output of cotton in the U.S. in the current season. When the acreage allotment was restricted in that country, it was originally believed that the crop would be lower by a million bales than in the 1954-55 season. But the crop eventually turned out to be 14.5 million bales as against 13.6 million bales in the last season. Referring to the upward trend in per-acre yields of cotton in the U.S., the Committee says: "In the light of recent experience, it appears probable that the improvement in yield may be permanent, though, obviously, there will be variations from year to year. With cotton acreage restricted and with only limited opportunity for crop substitution, growers tend to produce more intensively and, given normal growth conditions, yields can be expected to be higher than a few years ago."

As regards the trends in acreage and output in the free world outside the U.S., the Committee points out that increased acreage seemed to herald a further significant increase in production this season, possibly by as much as one million bales. However, as the season progressed, it became evident that yields in many countries were much under last season and on present expectations the increase in production will be insignificant. The only real increases in production this season are in Mexico and possibly Brazil but smaller increases in many other countries add up to a sizable amount. On the other hand, despite an increase in acreage, production in India could be down by up to half a million bales. The same is true of Egypt where acreage increased by 14 per cent. and production turned out to be somewhat under last season.

Staple Length

An analysis of the free world's cotton crop by staple-length shows that the production of extra-long staples (1⅛" and longer) has remained unchanged at approximately one million bales. The upward trend in long staples (1⅛" to 1⅛") has continued, but the largest increment has taken place in the medium-staple group (⅞" to 1⅛"). The slight decline which is estimated to have taken place in the short-staple group (below ⅞") is attributed to extensive damage from floods in India and Pakistan.

The following table gives the estimated output of cotton by staple-lengths in the 1953-54, 1954-55 and 1955-56 seasons:

(In thousand bales)

Country	1953-54	1954-55	1955-56*
1⅛" and longer			
Egypt	507	531	552
Peru†	46	79	370
Sudan	360	350	370
U.S.A.	32	15	1
Others	22	25	26
Total	967	1,000	1,019
⅞" to 1⅛"			
Brazil	200	320	235
Egypt	960	1,074	1,118
Peru†	501	390	380
Sudan	55	70	50
Uganda	300	245	280
U.S.A.	420	465	606
Others	155	140	150
Total	2,591	2,704	2,869
⅝" to 1⅛"			
U.S.A.	15,950	13,155	13,893
Mexico	1,215	1,815	2,200
India	3,070	3,725	3,320
Pakistan	1,055	1,120	1,200
Brazil	1,265	1,315	1,515
Turkey	620	630	600
Argentina†	618	600	550
Others	1,073	2,544	2,547
Total	25,766	24,804	25,825
Less than ⅞"	1,000	1,000	900
Free world total	30,324	29,508	30,613

* Estimated. † Based on ginnings August-July.

Communist Countries

Production in the communist countries is thought to be around 8.95 million bales in the 1955-56 season, as compared with 9.1 million bales in the last season. For the current season, the crop in China, the U.S.S.R. and East Europe is placed at 3.5 million bales, 5.3 million bales and 150,000 bales respectively as compared with 3.1 million bales, 5.8 million bales and 160,000 bales for the last season. In East Europe, the land under cotton has declined from 590,000 acres to 560,000 acres. But there has been an expansion of land under cotton in both China and the U.S.S.R. where it was 10 million acres and 5.1 million acres, respectively, as compared with 9.6 million acres and 5 million acres in the 1954-55 season. It is noteworthy that, between the 1954-55 and the 1955-56 season, the per-acre yield of cotton improved from 154 lbs. to 167 lbs. in China, remained unchanged at 130 lbs. in East Europe and declined from 554 lbs. to 497 lbs. in the U.S.S.R. Even at the current season's low level, the per-acre yield in the U.S.S.R. is appreciably larger than in pre-war years when it was 292 lbs.

The Committee, after its survey of the trends in cotton economy, makes many notable observations. It notes that, although favourable weather must not be ignored in explaining the increase in the cotton output in recent years, the "fact still remains that conscious effort is being made to augment yields not only in the U.S. but in other countries as well." It further notes that acreage control of the kind that is enforced in the U.S. and Egypt will not by itself necessarily achieve the desired result, unless it is "much more drastic and widespread than it has been so far." In any case, such control on acreage "does not guarantee that production will be reduced proportionately." It suggests that there is a "chronic tendency" to overproduction of cotton in the world which, in the absence of acreage restrictions in the U.S., would have been more pronounced than now. Apparently, the Committee realises that such abundance could be easily absorbed by raising the overall world demand for cloth. Perhaps, it is inclined to regard it as only a long-term solution, for it emphasises that, the short-term solution to the problem of surpluses must be found through controlling the supply of cotton. It says that, in the short period at least, the establishment of an equilibrium between supply and demand and liquidation of surpluses is "primarily a supply function." In its opinion, the problem is to discourage excess production whether by control of acreage or through price disincentives or both. But experience, as the Committee itself admits, has shown that acreage control by itself is no effective solution to the problem. The other method, namely, price disincentives, could be tried, only if the main cotton-producing country, namely the U.S., is willing to give up high and rigid price supports.

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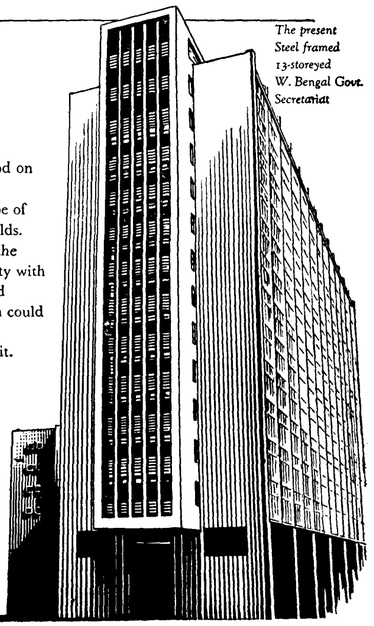

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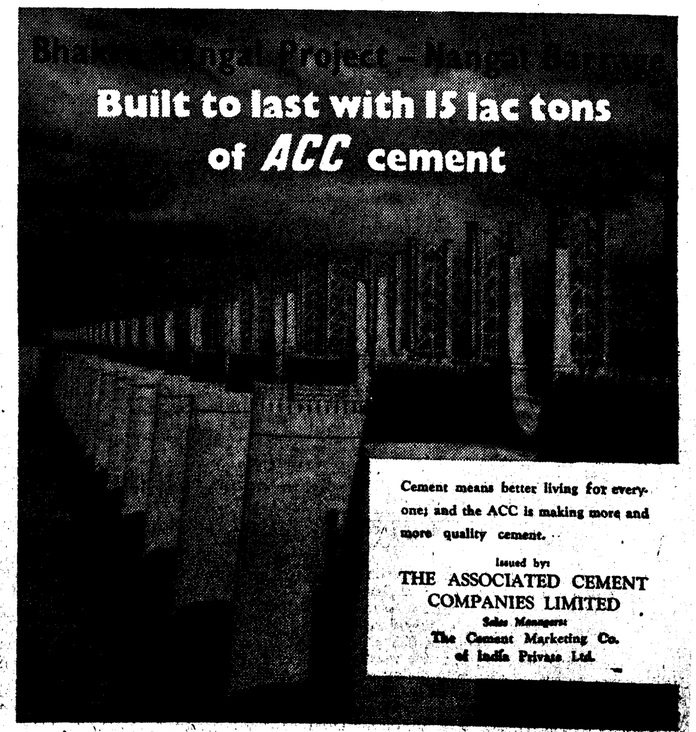

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U.N. WORLD SUGAR CONFERENCE

MOVE TO IMPART STABILITY TO TRADE

HOW to prevent overproduction of sugar in the world and yet keep the commodity at a price that would suit the pocket of everybody? This was the question posed before the International Sugar Conference which commenced at New York on 23rd May 1956. The Conference, it will be recalled, was convened by the United Nations at the request of the International Sugar Council when it met in London on 1st December 1955. Delegates from 37 countries, including India, Ceylon, Israel and Syria, participated in the Conference. There were, besides, observers from Ethiopia, Pakistan and Turkey. The Conference was presided over by Mr. Paul de Kronacker of Belgium. Mr. Amaded Lopez Castro of Cuba was elected the first Vice-Chairman and Mr. M. Gopala Menon of India the second Vice-Chairman.

No detailed information on the deliberations of the Sugar Conference and the decisions taken thereat is available at the time of writing. From the scattered reports in the Press, it is, however, gathered that, in the course of their speeches, the representatives of several countries stressed the imperative necessity for augmenting sugar consumption the world over and for bringing more countries into the World Sugar Agreement on price and quotas. Indeed, the speakers warned that the world sugar price and quota agreement would collapse, unless a larger number of countries joined it.

The warning is based on fears that, if the present state of affairs were to continue, the problem of effecting a balance between free market supplies and requirements under the World Sugar Agreement would become extremely difficult, especially because of the continuously upward trend in world sugar production. The estimate for the current (1955-56) season, it may be noted, is placed at 38.61 million tons, as against 37.87 million tons, 38.88 million tons and 35.04 million tons in the three previous years, respectively. But, along with the rise in output, consumption of sugar has also expanded and will doubtless expand in the coming years, what with the increase in population and improvement in the standard of living of masses in many countries, particularly in the underdeveloped and undeveloped region.

Indicative of this trend is the reduction in the aggregate world stocks of sugar which are expected to amount to 11.09 million tons at the end of the season, as compared with 11.86 million tons a year before and 12.22 million tons two years before. How else can one explain, for instance, the distinctly steady trend of the world sugar market that has been in evidence in the past few months? Not only has the downward tendency in sugar prices been arrested, but prices have, in fact, registered a marked recovery. Raw sugar (spot No. 4 world contract) in the New York market, which had gone down very much below the minimum of 3.25 cents per lb. fixed under the World Sugar Agreement—the actual quotation as on 2nd December 1955 was 3.13 cents—improved by stages to touch 3.38 cents on 7th May, the latest quotation being 3.36. This is the highest price since early November 1955, when buying resistance, together with the influence of larger crop reports and the unsettling effect of barter deals, took the sugar price in the world market to a level lower than the Agreement minimum.

The following table indicates the world statistical position of sugar during the current season (September 1955 to August 1956), as compared with that in the three preceding seasons:

(In million tons)

	1955-56*	1954-55	1953-54	1952-53
Opening stocks	11.86	12.22	10.72	10.81
Production	38.61	37.87	38.88	35.04
Total supplies	50.47	50.09	49.60	45.85
Consumption	39.38	38.23	37.38	35.13
of which exports	N.A.	14.79	15.48	15.22
Closing stocks	11.09	11.86	12.22	10.72

* Estimates. N.A.—Not available.

To the extent consumption of sugar has improved and stocks have fallen, the immediate problem of effecting a balance between free market supplies and requirements under the World Sugar Agreement has been rendered less difficult. Even so, much significance attaches to the International Sugar Conference, thanks to the series of stresses and strains to which the Agreement is at present being subject. Particular mention must be made of the struggle between cheap and large-scale producers, including Cuba and the Dominican Republic, and high cost producers such as the European beet sugar producers. Speaking at the Conference, the delegate from Cuba—the world's largest sugar producer—for instance, declared that the main objective of the Conference was to get countries which did not import large quantities of sugar to buy more at a price they could pay. It was necessary, he said, to face the fact of increased production in some countries where there were all the characteristics of an artificial industry maintained by excessive protection. At the same time, the delegate made it clear that Cuba had reached the 'limit' of its agreed restrictions on production.

Mention may also be made of three other notable developments. First, when the World Sugar Agreement was negotiated in 1953, supply of rice was somewhat scarce. Formosa had changed over some of its cane acreage to paddy fields. Now, with its reversion to cane sugar, the sugar output in this country has gone up, the estimate for the current season being placed at 800,000 tons, as against 512,000 tons in 1951-52 and 400,000 tons in 1950-51. It has, therefore, been demanding a bigger sugar outlet. It had even threatened to withdraw from the Agreement some time ago.

Secondly, Cuba's share in the U.S. requirements of sugar will be reduced from next year, thereby forcing Cuba to look elsewhere for an outlet for its sugar. This has naturally thrown a further strain on the working of the Agreement. For, under the U.S. Sugar Act amended recently, the domestic producers of sugar are given 55 per cent. of any increase in quotas beyond 8.35 million tons, the balance of 45 per cent. being divided by foreign sugar growers, including Cuba. For the calendar year 1956, however, Cuba will continue to receive 96 per cent. of the foreign participation and full-duty countries the remaining 4 per cent. But, commencing with 1957, Cuba would receive 75 per cent. of the foreign share and full-duty countries 25 per cent. Cuba's share in the rise over and above an initial domestic requirement quota of the U.S. will thus be reduced greatly. Consequently, Cuba has entered into several barter transactions by selling large quantities of sugar in exchange for tunnel, highways and hotel construction projects at very favourable terms to buyers. When the sugar thus contracted is unloaded, the world sugar market will naturally be affected.

Thirdly, the countries in the Far East have gone a long way towards complete recovery from war-time devastation and sugar production in this region, particularly in the non-signatory countries, has, increased considerably.

Considering all the aforesaid developments, the task before the International Sugar Conference was, indeed, formidable. The success of the Conference will be judged by the extent to which it was able to bring about a conciliation between the conflicting interests of the countries concerned. It is to be hoped that the Conference was able to find a satisfactory solution for these problems.

CANE ZONES TO BE REVISED

The State Governments would be asked by the Centre to revise the sugarcane zones, so that the zonal areas might produce just that quantity of cane as the mills could crush. This was revealed by Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture, in the course of his reply to a half-hour debate on heavy accumulations of uncrushed cane in several parts of Bihar in the Lok Sabha on 25th May. During the debate, anxiety was expressed over the hardship caused to cane growers by large sugarcane crops standing in the fields which the sugar mills were refusing to buy for crushing. The Government was criticised for not doing anything to reduce the hardship. Initiating the discussion, Dr. Ram Subhag Singh, a Congress member from Bihar, said that the sugar millowners adopted the policy of starting crushing cane late and many crushed the cane produced at their farms. These sugar mills had existed all these years, because of the protection given to the industry, and they were like public utility concerns. He regretted that, by their refusal to crush cane, the factories had caused considerable hardship to the cane growers.

Replying to the debate, Mr. Jain pointed out that there was no other alternative to the problem except revision of zones where sugarcane is grown for consumption in mills. "I have," he disclosed, "already advised the U.P. Government in this respect and I am going to advise the Bihar Government to revise the zonal areas." Mr. Jain no doubt admitted that such a revision might not be totally in the interest of the cane growers, but felt that that was the only alternative left.

MINIMUM WAGES FOR COAL MINERS

INDUSTRY'S CAPACITY TO PAY

THE All-India Industrial Tribunal, while giving its award on a fair minimum wage for workers in coal mines—the main features of the Award were discussed in the course of a leading article in our last issue—has also taken into consideration the factors other than the needs of the workmen. One of the factors which have, however, not received adequate attention is the capacity of the industry to pay the minimum wage recommended by it. The Tribunal has, of course, given its reasons for not taking into account this factor.

The question whether or not the industry's capacity to pay a minimum wage should be taken into account is not a new one. On the other hand, it is an old one and has figured before the Fair Wages Committee, the Bombay Textile Labour Enquiry Committee, the Bihar Labour Enquiry Committee and the U.P. Labour Enquiry Committee. The contention of the coal miners is that the capacity of industry need not be a material factor for consideration in fixing a minimum wage. For they are of the view that, if the capacity to pay is examined, it will be found that, even on the basis of the present controlled price, the coal industry has a sufficient margin of profit and that it will be more so if the future prospects for the industry are taken into account. They further contend that, if the prices fixed do not leave a sufficient margin for the industry to pay a minimum wage, the workmen cannot be asked to accept a wage, which is below what may be termed a fair living wage, for no fault of theirs. The employees point out that the price of coal in India is low as compared with the prices in other countries and that, "after fixing the prices of coal in such a manner that the margin of profit left is too narrow to permit payment of a fair wage to workmen, by whose sweat the coal is produced, they cannot be told that the controlled prices are not high enough to allow a fair wage to be paid to them." The colliery owners, on the other hand, claim that the consideration of the capacity of the industry to pay is not only important but also most imperative.

The Fair Wages Committee, it will be recalled, had expressed the view that the payment of a minimum wage was an imperative necessity which should not be made to depend on capacity. It had further stated that "an industry incapable of paying minimum wage should cease to exist." The late Mr. Justice Rajadhyaksha in his Postal Award, as well as the U.P. Labour Enquiry Committee, had also endorsed the view of the Fair Wages Committee that the payment of minimum wage should not be made to depend on capacity. The Government of India also did not allow the capacity of the industry to come in the way of the workers getting the wages awarded by the Conciliation Board, when, as a result of that Award, it raised the price of coal. Similarly, when the contribution towards provident fund was raised recently, a rise of As. 3 in the price of coal was granted by the Government.

The question, namely, the capacity or incapacity of the industry to pay, also figured prominently during the arguments before the All-India Industrial Tribunal. The Tribunal was required to consider the question from two aspects: (a) whether capacity to pay was relevant for determining the minimum wage, and (b) if it was, whether the capacity of the industry to pay in the case before the Tribunal could be correctly assessed. As regards the first, the Tribunal has expressed the view that "the capacity of the industry to pay is a factor to be taken into consideration only when any wage higher than the minimum is fixed and not for minimum wage." The Tribunal is also in complete agreement with the Fair Wages Committee that an industry incapable of paying a minimum wage should cease to exist. So far as the second aspect is concerned, the Tribunal has expressed the difficulty in assessing correctly the capacity of the industry; for the discussions before the various committees which had gone into the question earlier have shown that views on the 'capacity' vary widely. Moreover, it depends on so many factors. In the dispute before the Tribunal, it had to deal with 960 collieries, the conditions of which differ widely from place to place, depending on many factors. It was impossible for the Tribunal to find out the capacity of each unit. The only practical method

(Continued on page 1127)

ATOMIC RESEARCH IN BRITAIN—IV

SCIENTISTS WORK ON TROUBLE-FREE REACTORS

By K. E. B. Jay

DURING its first years, Britain's Atomic Energy Research Establishment, at Harwell in Southern England, was occupied chiefly with providing information for the designers of the production factories, particularly the plutonium factory.

It was originally intended that this factory, at Windscale, Cumberland, should be equipped with water-cooled graphite-moderated piles similar to those built during the war at Hanford, Washington, for producing plutonium. However, it was much more difficult to find sites suitable for piles of this type in a highly-populated country like Britain than in the United States and the designers began to consider gas cooling.

Calculations indicated that by using extended cooling surfaces on the aluminium sheaths enclosing the uranium rods, it should be possible to cool even a high power pile by blowing air through at atmospheric pressure, without excessive consumption of power in the blowers. These calculations were confirmed by experiments on a model of the pile channel at Harwell.

Theoretical Studies

In fact, the Windscale piles are not unlike Bepo, one of the atomic piles at Harwell, except that they are much larger and are not provided with facilities for experimental work; they are intended strictly for making plutonium. The Establishment did the theoretical calculations for the design of the piles and much experimental work, especially in connection with the cooling, the fuel elements (the sheathed rods of uranium), and the moderator structure; the Establishment also designed the electronic instruments for controlling the piles and monitoring their operation.

During this period, not much effort was available for considering the problem of reactors as electric power generators, but nevertheless theoretical studies were made of a wide variety of reactors. These studies included calculation of critical masses and investment of fissile material, determination of excess reactivity and of poisoning by fission products, heat transfer, and the general assessment of practicability of a design.

Broadly, nuclear reactors can be classified in terms of the speed of neutrons causing fission into fast, intermediate or resonance, and slow or thermal. In the thermal reactor the neutrons are allowed to bump about among the atoms of a moderating material, losing energy at each collision, until they are in thermal equilibrium with the moderator; an advantage of this type is that it will work with natural uranium fuel. In the intermediate reactor the neutrons are slowed only until they reach energies intermediate between fission energy and thermal, at which there is a strong probability of fission in uranium; this type needs less moderator but the fuel must contain a higher proportion of fissile atoms than natural uranium. Finally, in the fast reactor the neutrons cause fission while still moving at high speed; no moderator is needed but the fuel must be highly concentrated.

Within these broad classifications innumerable variations are possible, in type of fuel, moderator, coolant, and so on. Many of the variants can be dismissed at once as impracticable, but there still remain a number worthy of closer study. It is not possible to make a pilot-scale experiment with a nuclear reactor, and because the cost is so great it is essential to be sure that any reactor that is built is likely to be reasonably successful. Therefore, the Establishment spent a long time looking carefully at many different designs.

From these theoretical studies a few promising types were chosen for full-scale feasibility (or design) studies. In a feasibility study a much closer investigation is made of the proposed reactor; engineering difficulties are considered in some detail, the practicability of fabricating suitable fuel elements is examined, chemical and metallurgical experiments are made on materials of construction, and the economic aspects are discussed. Only if this study shows promise of an economically-successful outcome is there any question of building the reactor.

As the pressure of work for the production factories slackened, the Establishment has been able to turn more and more effort over to these feasibility studies for power-producing reactors.

One of the first was an examination of the possibility of adapting the gas cooler to power production. If reasonable efficiencies were to be obtained, it was necessary to reduce to a minimum the power consumed in pumping the gas coolant through the core. It was seen that this could be done by keeping the gas under pressure, but then, the whole core of the reactor would have to be contained in a pressure vessel.

Heavy Water As Moderator

In fact, the design was dictated less by nuclear considerations than by the maximum size of a pressure vessel capable of withstanding the proposed pressure which could be fabricated. Notwithstanding considerable engineering difficulties, this design did seem to be very promising and the Government decided to build a prototype power station along the lines suggested. This is the station now being built at Calder Hall in Northern England.

The Establishment also considered a thermal reactor in which heavy water was used as moderator, instead of graphite. Heavy water is a more efficient moderator and leads to greater economy of neutrons, but it is expensive and there are complications in cooling the reactor. The first study was directed to designing a large reactor for use as a research and development tool. Following this, it was decided to build a smaller machine for experimental use and isotope production only; for this the fuel was to be enriched uranium. This is the reactor now known as Dido which is being built at Harwell.

Work has also been going on for some time on a fast-fission power-producing breeder reactor. Very much less practical experience is available of this type than of thermal reactors and at the same time the design problems are in many respects more formidable. The absence of a moderator results in a small core in which very large amounts of heat are generated; the thermal stresses are consequently extremely high and heat transfer is difficult.

When the design began many aspects of the physics of the reactor were not known in detail and for this reason the low power reactor Zephyr was built at Harwell so that experimental information could be obtained. Considerable progress has, however, been made in the design and a prototype reactor of this type is being built at Dounreay, Scotland.

We have mentioned graphite and heavy water as moderators. Ordinary or light water also serves and is interesting because of its cheapness. When it is used as coolant as well as moderator, an inherently safe reactor can be designed. A disadvantage of light water is that it absorbs neutrons to a greater extent than heavy water; consequently enriched uranium is necessary for fuel. For some time the Establishment has been investigating light water reactors, first for experimental purposes and subsequently for power production units of about 100 MW of electricity.

A major difficulty in all reactor development is to design a fuel element which can be left in the reactor long enough to ensure that a reasonable fraction of the fissile atoms is burned. There are two causes of this difficulty. The first is that some of the fission products—the two bits into which an atom splits on fission—are strong neutron absorbers; consequently as these nuclear ashes accumulate they will tend to stop the reaction, to put the nuclear fire out.

Metal Becomes Distorted

The second cause is that the fuel metal becomes distorted after a time owing to the effect of the intense local heating that accompanies fission and to the damage to the crystal lattice of the metal caused by the motion of fission product atoms; after a time this distortion may be so severe as to necessitate removing the fuel element.

A great deal of research has been done at the Establishment to elucidate the exact mechanism of this distortion and to devise metallurgical treatments to reduce it. For example, one type of distortion is the wrinkling of the surface of the uranium; it has been shown that this wrinkling is related to the grain size of the metal and techniques have been worked out for modifying the grain size by heat treatment or alloying.

Fuel elements removed because excessive amounts of neutron-absorbing fission products have accumulated, still contain large quantities of unused fissile material. It is, therefore, necessary to remove the fission product poisons, as they are called, so that the fissile material can be put back into the reactor. Also fertile material in the blanket of a breeder reactor will contain, after a time, fission products and newly-bred fissile material; the latter has to be extracted to be used as fuel in the core of a reactor.

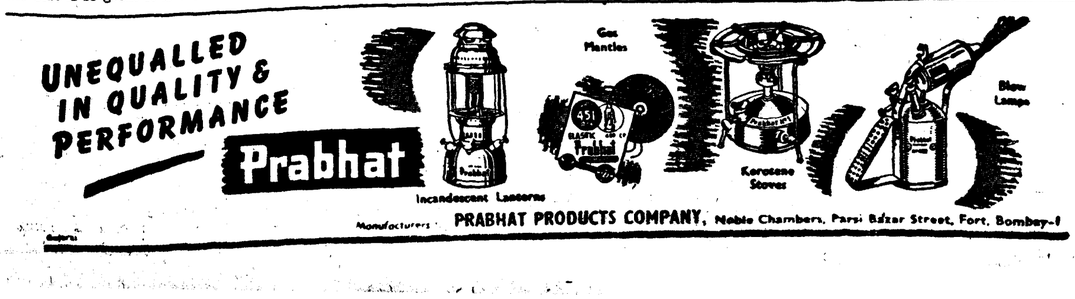
Extraction processes for both these purposes—decontamination from fission products and extraction of fissile material—are being studied at Harwell. A solvent extraction process is now in use at Windscale but this achieves a degree of decontamination unnecessarily high for modern reactors and has the disadvantage that the metal is extracted as a solution and must subsequently be reduced to metallic form.

Important Objective

An important objective of current research is to find cheaper processes in which, if possible, the desired product is kept in metallic form throughout and only the minimum necessary decontamination is achieved. Pyrometallurgical processes are particularly promising; these include melting the fuels and skimming impurities from the melt, electrolysing the fuels at high temperatures in fused salts, and dissolving the wanted metal in other molten metals, also at high temperature.

The troubles inseparable from solid fuel elements are avoided altogether if the fuel is used in liquid form as in the so-called homogeneous reactors. Typical of these is the homogeneous acqueous reactor in which the fuel is a solution of uranyl sulphate in heavy water, the latter acting as moderator. A design study of this general type is going forward at Harwell.—*Exclusive to Commerce.*

(Concluded)



LABOUR APPELLATE TRIBUNAL'S VERDICT ON JUTE MILLS' DISPUTE

PLEA FOR FULL FINANCIAL RELIEF REJECTED

THE judgment delivered at Calcutta on 31st May last by a Special Bench of the Labour Appellate Tribunal on appeals arising from the award on labour disputes in jute mills given by the West Bengal Government on 12th July 1954, will be welcomed by the mills for several reasons, belated though it is. While acknowledging the justified complaints of the employees with regard to the full implementation of the earlier awards, the Bench has displayed a sense of realism in deciding that it is "unable to give fuller relief of financial compensation or by way of an increase of total emoluments", for the simple reason that it "feels reluctant to impose a further burden on the industry." It seems to be satisfied also that there is nothing to show in the accounts and documents placed before it that the employers had resorted to manipulation of these accounts in order to present a disquieting economic picture of the industry. Thus, the L.A.T. says: "For want of substantial and sufficient materials, we are unable to hold that the accounts and the profits are not fairly and honestly expressed in the relative documents before us." These appreciative remarks deserve to be noted particularly by those who have a tendency to view with a certain amount of suspicion the profit and loss accounts presented by employers generally.

The appellants were the Indian Jute Mills Association (representing 95 mills), three individual mills and three jute mill workers' unions. In its appeal, the I.J.M.A. questioned (a) the competency of the Government to make a reference, (b) the validity of the reference itself, and (c) the jurisdiction of the Tribunal to give an award on the ground that the second award had not terminated in terms of section 19(6) of the Industrial Disputes Act. The L.A.T. overruled these objections on the ground that the provision did not stand in the way of this reference.

The workers' unions had demanded that the basic wages and dearness allowance of all categories of workmen should be revised. For the lowest paid workman, their demands varied between Rs. 74-12 and Rs. 100 per month. This meant an increase ranging between Rs. 11-6 and Rs. 36-10 per month over the then existing rates. Acceptance of this demand meant, according to the L.A.T., an additional expenditure of about Rs. 3.30 crores to Rs. 10.80 crores a year. This, the L.A.T. considered, was beyond the financial ability of the industry. Even the alternative demand by the workers for a payment of Rs. 71 per month or an increase of about Rs. 4 above the rates allowed in the award under appeal, required, according to the Bench, an additional recurring expenditure of Rs. 2.40 crores or Rs. 1.20 crores over the burden of a like amount given by the award under appeal. The L.A.T. further added that an expenditure of double this amount would be necessary, if these demands were allowed to take effect retrospectively, from 7th April 1954. In the circumstances, the L.A.T. said that it was a moot question whether the financial capacity of the industry was strong enough to bear this burden.

Financial Position of Mills

Examining the financial position of the industry, the L.A.T. stated that the industry had gradually built up a substantial reserve which, at the time of hearing the appeal, amounted to Rs. 25.17 crores, an increase of Rs. 3.57 crores over that of 1948. Leaving out the Korean boom of huge profits and the years of loss, the average net profits of the last few years of normal business amounted to about Rs. 2 crores a year. Capitalised bonus shares of the value of Rs. 6 crores were issued between 1948 and 1954. Dividends paid between 1948-49 and 1952-53 were at an overall average of 11.5 per cent, which according to the L.A.T. was "a very handsome dividend."

Although the Tribunal characterised the above as a fair picture of the financial position of the industry, it held that it was not complete without a critical analysis of the whole position, since the industry's stability depended on its trading prospects, present and future. Its observations in this context are as follows:

"The industry is old and well organised and is doing a steady business. It stands on a fairly solid foundation. Its difficulties have been progressively overcome and there has been some improvement in its overall situation. Whether this improvement is going to be permanent or not is another matter. It is not possible to make any prediction about the future of any industry, much less about jute where speculators traditionally get a free hand in controlling the market. Its trading prospects are neither bleak nor discouraging. At least there does not seem to be any cause for panic now or in the near future.

"The situation even now requires observing economy to keep the expenditure well under control and keeping down the price level of finished goods effectively to meet the challenge of growing competition in the overseas market. It is, therefore, advisable in the best interest of the industry, to proceed with due caution in imposing any extra financial burden on its resources. At no time the need for forbearance on the part of both labour and capital in the matter of incurring extra expenditure was so conspicuous as it is at present."

The unions had also pressed the case for an increase in the rate of dearness allowance to cover fully the rise in the cost of living. This point too was not conceded by the L.A.T. To quote the Bench again: "It has been the policy of industrial tribunals, including this tribunal, like all other wage-fixing machinery, not to allow under present conditions in the country, a hundred per cent. neutralisation for the rise in the cost of living." The L.A.T. held that, while the earnings of the teeming millions in India were much lower that what industrial workers got, it was natural to expect the latter also to make some sacrifice like every other citizen. This is a very pertinent point which many labour leaders conveniently ignore when voicing the demands of workers for higher and still higher wages.

Although the L.A.T. was reluctant to impose special burdens on the industry, it seems strange that it should have considered it necessary to modify, in an upward direction, the award of the primary tribunal favouring certain categories of employees. According to the modification, the basic wages of *jamadars, havildars,* and *durwans* will be raised by Rs. 8.67 instead of Rs. 8 as awarded by the tribunal. With this increase the basic wages of these three classes of employees will be Rs. 73.67, Rs. 58.67 and Rs. 44.67, respectively. Those who are already enjoying higher basic wages and scales of increment will continue to do so under the existing conditions. The increment of Rs. 8.67 will not apply to them.

The Jute Industries group in Dundee reports a rise of 27 per cent. in the productivity per worker during the past five years. The increase has been mainly achieved through the installation of modern machinery, but a large number of workpeople has accepted redeployment and modern methods of work evaluation for which they have been duly rewarded. The industry is introducing a new method of fostering efficiency by the use of what is called a "*productivity ladder.*"

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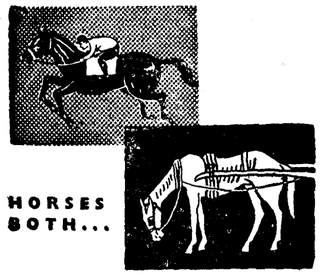

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ATTAINING SELF-SUFFICIENCY IN ROLLING STOCK FOR RAILWAYS

ESTIMATES COMMITTEE'S SUGGESTIONS

ALTHOUGH the Indian railway system was established more than a hundred years ago, it is only in recent years that considerable attention has been given to the attainment of self-sufficiency in rolling stock. Among the measures that have been taken in this direction, mention must be made of the setting up of the Chittaranjan Locomotive Works, which went into production in January 1950, and the Integral Coach Factory, which commenced production in October 1955. These two factories have been rightly acclaimed as projects of national importance, considering the large foreign exchange they help save for the country, besides the employment they provide. These two projects have been the subject of investigation by the Estimates Committee, which has made a number of recommendations designed to improve and extend their working.

The national importance of these two projects will be clear from the fact that India has generally depended on imports for its locomotives, carriages, wagons and their components which, during the period 1938-39 to 1954-55, accounted for Rs. 138 crores. A small beginning was no doubt made in the direction of locomotive manufacture in the Railway Workshops in 1885 at Jamalpur and in 1896 at Ajmer. But, by and large, these workshops, like all others of their kind in the country, were merely repair workshops. In 1939, a Committee was appointed to go into the question of locomotive manufacture. The report of the Committee received no serious consideration till 1945. It was only in 1947 that the site for location of the factory—Chittaranjan—was finally chosen. The Chittaranjan Locomotive Works (C.L.W.) went into production in January 1950. Over the five years ended 1955-56, it has exceeded the target of 268 locomotives by producing 341 locomotives. It is now turning out locomotives at the rate of 12 per month.

Second Plan

The country's requirements of locomotives during the period of the second Plan are very large. This question has to be viewed in the context of the anticipated increase in passenger traffic by 6,180 passenger miles (by 15 per cent.). increase in goods traffic by 47 million tons (by 4 per cent.) and construction of 850 miles of new lines (2.5 per cent. increase in route mileage). Taking into account these factors, the number of B. G. locomotives that would be required have been estimated at 2,110, made up of 1,048 locomotives for additional traffic (138 for passenger traffic, 834 for goods traffic and 76 for shunting purposes) and 1,062 locomotives for rehabilitation (318 for passenger, 553 for goods and 191 for shunting purposes). The Railway Plan envisages electrification of 800 miles. If this materialises, less steam locomotives will be needed. India will then need about 1,595 locomotives—533 for additional traffic and 1,062 for rehabilitation purposes. The C.L.W. will not be able to meet all the requirements of B. G. locomotives in the first few years of the Plan. But, when its outturn increases to 300 locomotives per year, it will be able to meet most of the annual requirements of standard passenger and goods B. G. steam locomotives.

The C.L.W. is now engaged in the manufacture of goods engines, though it proposes to undertake the manufacture of passenger locomotives also. For the B. G. main line passenger and goods services, the W.P. and W.G. types of steam locomotives are considered most suitable. The C.L.W. now manufactures only the W.G. type. It proposes to undertake the manufacture of the W.P. type in due course. The Estimates Committee has suggested that "it would be advisable to make a small beginning in the manufacture of W.P. locomotives also simultaneously" and that "a suitable target for manufacturing W.P. locomotives may be set up at an early date." The Railway Board, it is stated, is also considering the question of manufacturing electrical locomotives in India. Emphasising the importance of such manufacture, the Committee suggests that the "matter should be pursued vigorously."

Production Costs

It would appear that the actual cost of the locomotives manufactured by the C.L.W. is not available. A scientific system of costing has only recently been introduced. The estimated cost of a W.G. locomotive during 1955-56, it is stated, was about Rs. 5.1 lakhs, exclusive of interest charges on the capital-at-charge. Referring to production costs, the Committee observes: "Considering the fact that the locomotive works has been in existence for only a few years, the Committee note with satisfaction that the cost of the indigenous locomotives does not compare unfavourably with that of the imported ones." It expresses the hope that, with greater experience in the technique of production and more rigorous control, the cost would be reduced further. It may be recalled here that, in the course of his reply to a question in Parliament early in December last, Mr. O. V. Alagesan, Deputy Minister for Railways and Transport, stated that the cost of locomotives produced at Chittaranjan had already begun to come down. In 1954-55, it was Rs. 4.81 lakhs excluding interest charges, as against the estimated landed cost of Rs. 5.25-5.50 lakhs for a similar type of imported locomotive. The cost estimate of the Estimates Committee is, however, higher than Mr. Alagesan's estimate by Rs. 30,000.

Some notable recommendations have been made by the Committee in regard to the manufacture of components. In the manufacture of locomotives, most of the components are manufactured by processing of raw metal and basic materials; there are a few proprietary articles and other fittings, some essential and others desirable, like vacuum and pressure gauges, electric lighting equipment, roller bearings, asbestos mattresses, etc., which are obtained from outside sources. In Chittaranjan all processing shops have been fully developed and given the basic materials, 100 per cent. of the components for production of a locomotive can be manufactured. At present, a certain quantity of some of the components, which are produced in Chittaranjan Locomotive Works, are also obtained from outside sources to maintain optimum production from Chittaranjan Locomotive Works. The Committee suggest that the question of setting up subsidiary industries in the private sector for the manufacture of such of the parts as are not manufactured in the Chittaranjan Locomotive Works should be given prompt attention. The Committee understand that, at present, the assistance received from indigenous sources is not appreciable; it is limited to supply of cotters, split pins, rivets, bolts and nuts, minor fabrications and light steel castings.

Standardisation

Locomotives recently standardised for the Indian railways vary widely both in size and power. These variations range from 51 tons to 239 tons by weight and from 13,700 to 66,600 lbs. in tractive effort. With the establishment of locomotive manufacture in India, however, it became necessary to fix a standard unit for locomotive production. The Central Standards Office for Railways evolved a standard unit for evaluating production. This unit is a locomotive weighing 93.5 tons and with the surface area (index 93.5) 2/3=20.25. For practical purposes, however, the standard unit is taken as the HGC class locomotive, with weight 89.95 tons and surface area index of 20.25. The amount of work involved in the production of a WG locomotive, it is stated, is 1.23 times that of the standard locomotive. Assuming that the C.L.W.'s output is increased to 12 WG locomotives per month it will mean a rate of production of 15 standard locomotives or 180 such locomotives per year.

Integral Coach Factory

The Integral Coach Factory (I.C.F.) at Perambur (Madras), as is well known, is the result of a technical aid agreement concluded, in May 1949, between India and the Swiss Car and Elevator Manufacturing Corporation. Planned for an output of 350 B.G. coaches annually (on a single-shift basis), the factory is intended to make India self-sufficient in the matter of supply of coaches. The project has been named "Integral Coach Factory" after the integral type of coach of modern design that will be manufactured in the factory. Claimed as the latest in the field, it incorporates three major factors, which contribute towards the comfort and safety of the travelling public, namely, smooth running, light-weight and strength of the coach. The tubular character of the coach forms a structure of great strength along its axis. The design incorporates all-welded trough floor system, integral with the body and permits the forces sustained by the coach to be borne by the entire body including the skin. It is this feature of the coach that gives it the name "Integral Coach." At the coach is light-weight, being seven tons lighter than the conventional 42-ton coach, more integral coaches can be hauled by an engine without any extra cost in fuel. The extent to which overcrowding will ease can very well be imagined by the fact that in a train of 10 bogies, there would be a saving of 70 tons of deadweight, i.e., equivalent of two additional coaches.

The sanctioned estimate for the whole project is Rs. 7.35 crores; the approximate expenditure upto end of August 1955 was Rs. 4.06 crores. The factory, which went into production in October 1955, is expected to reach its target of 350 coaches in five stages: 1st year 20 coaches; 2nd year 100 coaches; 3rd year 200 coaches; 4th year 300 coaches and 5th year 350 coaches. The Swiss engineers and specialists in the factory are on a 3-year contract. Indian engineers and technicians are under training both in the factory in India and in the factory of India's technical collaborators. The Committee has urged the Railway Ministry to see that a nucleus of trained men is available in time for building adequate number of coaches and locomotives during the third Plan period. It has also stressed that the "import of rolling stock should be put a stop to by the end of the second Plan period, if not earlier."

The Committee has made a comparison of the production costs of coaches built at the Integral Coach Factory and the Hindustan Aircraft Ltd. The all-metal conventional type B.G. coach (fully furnished III class) built at the Hindustan Aircraft, costs about Rs. 1,37,731. The cost of the first unfurnished coach at the Integral Coach Factory has been estimated at Rs. 1,80,000 and the cost of furnishing at Rs. 60,000. But it is believed that, when the factory is in full production, the cost will come down to about Rs. 1,17,000 per unfurnished coach.

The authorities of the Integral Coach Factory, according to the Committee, expect that the factory will be able, from the fifth year of production, to manufacture all the parts, except wheels, axles, springs and certain proprietary articles. The coach to be manufactured consists of 1,043 components, of which 769 are to be manufactured in the I.C.F. itself. The remaining units, it is stated, cannot be manufactured on an economic basis in the factory. It is, however, proposed to obtain wheels and axles and certain other items from Tatas. The Committee notes that the supply of wheels, axles and springs will improve as and when the new steel plants go into production. It has recommended that the Railway Ministry should ensure that all the components required for the Integral Coach Factory are manufactured within the country itself.

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FOUNDRY INDUSTRY

The shortage of raw material has been the primary cause of what the Indian Foundry Association, Calcutta, calls the "crisis" in the foundry industry. In a memorandum submitted to the Minister for Commerce and Industry, Mr. T. T. Krishnamachari, the Association estimates the total capacity of the foundries in India at 1,166,560 tons per annum. On the basis of expansion in various industries, the Planning Commission has estimated that the demand for foundry pig iron would go up to 700,000 tons per year, by 1955-56. The Engineering Capacity Survey Committee has estimated that the industry is working at only 40 per cent. capacity. An important reason for the idle capacity is the shortage of pig iron and scrap. In 1954, only about 302,000 tons of pig iron were given to the industry. It would appear that the other source of raw material, namely, cast iron scrap, is

(Continued on page 1111)

NEW PRODUCTS AND PROCESSES

Zirconium Alloys

EXPERIMENTS with a number of different types of zirconium alloys which have been carried out by the Battelle Institute, 44, Bryanston Street, London, W. 1, indicate that zirconium alloys containing tin, molybdenum, or, alternatively, aluminium, and niobium, had particularly promising tensile properties, hardness and resistance to creep. Alloys of this type are, it is claimed, easily fabricated when hot and show good strength and ductility at room temperature. Zirconium alloys having these two types of composition are said to maintain excellent creep-resistance at 500°C. The experiments also showed that the metallurgical effects of the alloying additions were related to their effects on temperature at which zirconium underwent transformation. Thus molybdenum, niobium, tantalum and vanadium, which tend to lower the transformation temperature, can be used to strengthen zirconium at temperatures below 500°C. and above.

Building Material

An expanded shale building material which has been used in the U.S. for a number of years is to be produced in Britain by the Butterley Company. Aglite, as it is to be known in the U.K., is a light-weight aggregate which is claimed to be stronger than anything produced in Britain up to now. Butterley hopes to have its first plant in Derbyshire producing at full output of 1,000 cubic yards of aggregate a day in September. Development of this plant, together with initial research, has cost about £150,000. The Company plans to locate further plants throughout the country until national distribution is achieved. As well as considerable strength in relation to weight, Aglite aggregate is claimed to produce good thermal insulation and sound absorption qualities, to be inert with a high resistance to fire, and to be economical in the use of cement.

Bulk Handling of Salt

A new system of bulk handling for dried vacuum salt has been developed by Imperial Chemical Industries. A delivery service has been established by which salt, carried in special vehicles, is pumped by compressed air direct from the vehicle into containers on the consumer's premises. The new system keeps costs down—an essential consideration in dealing with a low-priced basic product—and also dispenses with laborious handling of bags. Although all grades of salt have in the past been despatched in bulk, it is not always possible to discharge the delivery vehicles conveniently and economically. This was particularly true of dried vacuum salt which, because of its free-running nature, had to be sent in enclosed bottom-discharge hopper vehicles. As a result, only a few large users took bulk delivery, while most customers took dried salt in bags in order to avoid having to provide (for their relatively small tonnages) the underground bins and elevators needed for bottom-discharge vehicles. The new service, it is claimed, offers many advantages and should be of interest to relatively small users of salt as well as to large users. As the salt is discharged by means of compressed air it is unnecessary to use conveyors and elevators to take it from the vehicle to the customer's storage points. The consumer is enabled to locate a silo or saturator at the most convenient point for his process and to have salt delivered directly into it. The type of special delivery vehicle which is being operated by I.C.I. consists of a Leyland "Octopus" chassis on which are mounted light alloy pressure vessels manufactured by Marston Excelsior, of Wolverhampton. A compressor on the chassis provides the compressed air needed to discharge the load.

Detection of Flaws

An increasing number of X-ray non-destructive testing units are being used to examine both materials and finished products for possible flaws or weaknesses. The newly developed industrial X-ray unit of this type which has been designed and produced by Philips Electrical, Century House, Shaftesbury Avenue, London, W.C. 2, can be operated at any voltage from 200-250 volts alternating current. The apparatus consists of two main parts —the X-ray tube head and the control unit. The former comprises a cylindrical tank, containing the X-ray tube, a filament transformer and high tension transformer. Since the tube head is 40 inches long and 14½ inches in diameter it can be passed through narrow apertures which are normally inaccessible to X-ray inspection apparatus. The unit, called the "Compactix 150," is rated at 150 kilowatts penetration, 10 mega-amperes and the X-ray tube has a focal spot of 3 millimetres by 3 millimetres. The whole tube head assembly is oil immersed and water cooled. The controls include a penetration selector, which will give step-less penetration adjustments from 50 or 150 kv., a milli-ampere selector, a synchronous motor exposure timer, with a range of from 0 to 30 minutes, a series of indicator lamps showing "no water flowing" and "high tension on," and mains and high tension "on" and "off" push buttons. A number of alternative mountings are available for the tube head which will enable it to be slung either vertically, or horizontally, from a hoist, or crane, or as an alternative, it can be mounted on a mobile stand. It is claimed that the tube head of the unit will fit snugly into the boot of a small car, while the control desk can be carried on the rear seat, and that both parts of the unit can be easily man-handled. The unit complies with the international recommendations on X-ray protection, and therefore is both ray-proof and shock-proof.

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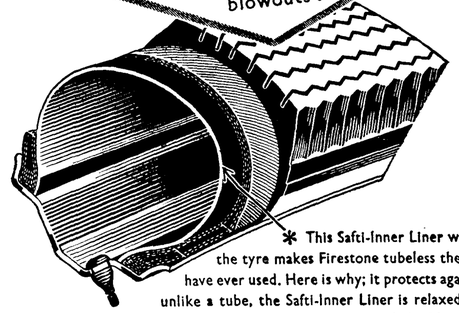

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NEW INDIA'S RESULTS ENCOURAGING

GENERAL PREMIUM INCOME NEAR RS. 5-CRORE MARK

LAST year, when the New India Assurance Company, Ltd. (Managing Director: Mr. B. K. Shah, Bombay) celebrated its silver jubilee, having completed 25 years of useful existence, it was an occasion of national rejoicing, for, both in India and abroad, the Company had established its reputation as a very progressive composite office. Now that the Company, thanks to nationalisation of life insurance, has gifted away its life portfolio to the nation, it is reduced to the status of a purely general office. As a general insurer, however, New India continues to maintain its leading position. And the results of its working for 1955 are yet another proof of the pioneering zeal, hard work and business acumen of those who guide the Company's destinies.

For New India, as for all composite offices in India, the year 1955 represents the last year of their career as composite insurers. The Report and Accounts of the Company for that year, now published, do not contain an account of the Company's life business. This is because the Company's life business, like that of all other insurers in India, is under the management of a custodian appointed by the Government. We are told that the Company "does not have access to the books of accounts of the controlled business, and the Board of Directors are unable to incorporate herein the accounts thereof for the year ended 31st December 1955." It is, however, understood that the custodian will be issuing a separate report for the life department of the Company. The report under review, therefore, covers only the Company's general departments.

Premium Income

It is encouraging to note that the pace of progress of the Company has been higher. Thus, between 1953 and 1954, the premium income from its general departments moved up from Rs. 3.89 crores to Rs. 4.36 crores or by Rs. 47 lakhs, whereas it increased to near the Rs. 5-crore mark in 1955, to Rs. 4.97 crores to be precise, thereby showing an increase of Rs. 61 lakhs over the previous year. Some doubts had been expressed as to whether the management, in view of the loss of the life department, would be willing to maintain the dividend at previous levels. These doubts were authoritatively set at rest soon after the nationalisation of life insurance. It is not, therefore, surprising, though it is certainly gratifying, to know that the Directors have recommended a dividend of Rs. 2-8, the same as last year. Incidentally, the fact that the Directors have thought it fit to maintain the dividend, despite the loss of the life department, shows that they are confident of being able to maintain the dividend in future years. Incidentally, this suggests that the dividend policy pursued by the Company in previous years was, if anything, conservative. This proves how erroneous is the impression in certain quarters that shareholders of insurance companies have received rich dividends in the past.

The increase of Rs. 61 lakhs in the general premium income of the Company, to which reference has been made above, is shared by all the three principal departments of the Company. In the fire department, the premium income moved up from Rs. 2.50 crores in 1954 to Rs. 2.74 crores in 1955, in the marine department from Rs. 1.00 crore to Rs. 1.15 crores and in the miscellaneous department from Rs. 85.5 lakhs to Rs. 1.09 crores. The following table gives the premium income of the Company in all the three general departments over the four-year period ended 31st December 1955:

Premium Income (Rs. in lakhs)

	1955	1954	1953	1952
Fire Department ..	2,74.1	2,50.3	2,33.3	2,29.3
Marine Department ..	1,14.5	1,00.7	84.0	91.1
Miscellaneous Department ..	1,08.9	85.5	72.3	65.5
Total ..	4,97.5	4,36.5	3,89.6	3,85.9

An analysis of the claims experience of the Company shows that there has been a slight worsening of the position in the fire and marine departments. Thus, in the fire department, the claims ratio was higher at 37.5 per cent., as against 36.1 per cent. in 1954, and in the marine department, it advanced from 74.1 per cent. to 75.6 per cent. in 1955. In the miscellaneous department, however, the ratio declined from 49.8 per cent. to 49.6 per cent. There was a notable improvement in the commission and expenses ratio in the fire and marine departments where it declined from 46.1 per cent. and 26.8 per cent. to 43.0 per cent. and 22.3 per cent. respectively. In the miscellaneous department, however, it increased from 32.6 per cent. to 35.3 per cent.

The fire department has yielded a profit of Rs. 40.4 lakhs as against Rs. 35.36 lakhs in 1954, after providing for unexpired risks on a 42.1 per cent. basis and strengthening the additional reserve by Rs. 2.7 lakhs. After maintaining the reserve on a 100 per cent. basis and increasing the additional reserve by Rs. 0.48 lakh, the marine department shows a deficit of Rs. 7.9 lakhs as compared with a deficit of Rs. 14.12 lakhs in the previous year. In the miscellaneous department, the reserve for unexpired risk has been provided on a 40 per cent. basis and the additional reserve strengthened by Rs. 2.9 lakhs; the underwriting profit in the department was Rs. 5.4 lakhs as against Rs. 9.36 lakhs in 1954.

After taking into account the profit from the fire and miscellaneous departments, the profit transferred from the shareholders' life profit account (Rs. 7.76 lakhs) and income from other sources and providing for the deficit in the marine department, for taxation (Rs. 18.05 lakhs) and other expenses there was a balance of Rs. 36.5 lakhs which, together with Rs. 71,250 brought forward from the previous year's accounts, made in all Rs. 37.30 lakhs. Out of this sum, the Directors have appropriated Rs. 3.46 lakhs to exchange reserve and Rs. 15 lakhs to general reserve. The payment of the recommended dividend of Rs. 2-8 per share will absorb Rs. 17.80 lakhs, leaving Rs. 1.03 lakhs to be carried forward to current year's accounts.

Subsidiary Companies

During the year under review, the Company acquired, by purchase of shares, the Bombay Fire and General Insurance Company, Ltd. and the Jayabharat Insurance Company, Ltd. as its subsidiaries. The Sentinel Insurance Company, Ltd., is a subsidiary of the Jayabharat Insurance Company. Ltd. South India Insurance Company. Ltd. is another subsidiary company of the New India. In accordance with section 212 of the Companies Act, 1956, the reports and accounts of all the subsidiary companies have been appended to the main report. The following is a summary of the results of the working of the subsidiary companies:

South India Insurance Company Ltd.—Balance transferred to profit and loss appropriation account Rs. 89,037; balance brought forward Rs. 8,276; transfer to general reserve Rs. 40,000; provision for proposed dividend at Re. 1 per share Rs. 50,000; balance carried forward Rs. 7,313.

Bombay Fire and General Insurance Company Ltd.—Balance transferred to profit and loss appropriation account Rs. 2.83 lakhs; balance brought forward Rs. 4.09 lakhs; provision for taxation Rs. 1 lakh; transfer to general contingencies fund Rs. 1.5 lakhs; provision for proposed dividend at Rs. 3 per share (Rs. 40 paid-up) and As. 12 per share (Rs. 10 paid-up) Rs. 31,467; balance carried forward Rs. 4.10 lakhs.

Jayabharat Insurance Company Ltd.—Balance transferred to profit and loss appropriation account Rs. 7.85 lakhs; balance brought forward from previous year Rs. 61,323; transfer to reserve for taxation Rs. 3.25 lakhs; to general reserve Rs. 1.50 lakhs; provision for payment of dividend at Rs. 6 per share Rs. 3 lakhs; balance to be carried forward Rs. 71,789.

Sentinel Insurance Company Ltd.—Balance transferred to profit and loss appropriation account Rs. 7,557; balance brought forward Rs. 15,170; balance carried forward Rs. 22,727.

To revert to the report and accounts of the parent Company. As a result of the year's operations, the total funds have increased by Rs. 49.70 lakhs. The financial position of the Company is strong. Besides a capital of Rs. 1.07 crores, the Company has reserves and funds aggregating Rs. 5.81 crores inclusive of a fire fund of Rs. 1.81 crores, miscellaneous fund of Rs. 74 lakhs and marine fund of Rs. 1.56 crores.

INSURANCE BILL

Several important issues relating to compensation to insurers and the organisation of nationalised insurance were raised last week in the Rajya Sabha during the debate on the Life Insurance Corporation Bill. Although the Rajya Sabha passed this Bill, both Congress and non-Congress members were sharply critical of some features of the Bill and even more critical of the way in which they had been denied a fuller discussion of the Bill. They protested against "rushing through the Bill at the fag end of the session." They were indignant that none of the amendments—nearly 75 had been tabled—were considered on their merits.

The Republican member from Madras, Mr. H. D. Rajah, moved an amendment seeking to refer the Bill to a select committee of the Rajya Sabha. Mr. Raju said that many of the important provisions of the Bill had to be considered carefully. One objectionable feature of the Bill was the setting up of a monolithic corporation "with 15 wiseacres" to conduct its affairs; these men were replacing 159 executives of insurance companies. He pointed out that the Corporation would become a "semi-controlled bureaucracy" and there would be no initiative to develop insurance business. He drew the attention of the House to the fact that many countries had tried the experiment and failed. Except Costa Rica with a population of eight lakhs, all other countries had to give up the experiment. Formerly, a policyholder could get a loan against his policy in two hours, whereas it now took ten days. He pleaded for representation of policyholders on the Corporation and provision for bringing to book the investment committee of the Corporation in the event of bad investment of funds.

Before Mr. Rajah's resolution was put to vote and lost, the Union Finance Minister, Mr. C. D. Deshmukh, raised a point of order. Mr. Deshmukh said that the question of referring the Bill to a joint committee was considered at the time of referring the Bill to a select committee of the Lok Sabha, but it was felt that the Bill could not be referred to a joint committee as it was a finance Bill and thus such reference would contravene the relevant article of the Constitution. The Deputy Chairman, Mr. Krishnamurthy Rao, however, ruled out the point of order, on the ground that, so far as finance Bills were concerned, the Rajya Sabha had got as much powers as the other House in referring them to a select committee. The rules of the Rajya Sabha provided that, if there was no joint committee and a Bill was referred to a select Committee of the Lok Sabha then the Rajya Sabha had powers to refer it to a select committee of its own. Opposing the motion, Mr. M. C. Shah, Minister for Revenue and Civil Expenditure, said that a reference of the Bill to a select committee of the Rajya Sabha would mean considerable delay. Even as matters stood, they would be able to set up the Corporation only in August and any further delay might bring in additional difficulties.

The need for subjecting the Corporation to the audit of the Comptroller and Auditor-General was emphasised both by Dr. H. N. Kunzru and Mr. P. N. Sapru. Besides, Dr. Kunzru wanted the Corporation to function under company law. Some members were apprehensive that, in the absence of competition, the Corporation would have no incentive to extend business or to improve its working. Mr. P. S. Rajagopal Naidu (Congress) felt that the nationalisation of co-operative insurance would result in a setback to the co-operative movement. He said that a separate co-operative corporation should be set up by amalgamating all the co-operative insurance societies, so that there might be competition between the two bodies. Communist members criticised the compensation provisions as being too generous to shareholders and pleaded for representation of employees on the Corporation.

In the course of his replies to the debate, Mr. Shah explained the Government's point of view. He said that the Government had given an assurance not only to agents but also to the employees that there would be no retrenchment and that they would be treated very sympathetically. On the question of introducing an element of competition, Mr. Shah said that the main principle of nationalisation was that the monopoly of life insurance business should be vested in the Corporation. If competition was allowed all the malpractices would prevail again. Explaining why the Government did not take over general insurance, the Minister said that general insurance was confined to business circles while life insurance concerned every individual in the country. Therefore, the Government thought it proper for the present to leave general insurance to the private sector.

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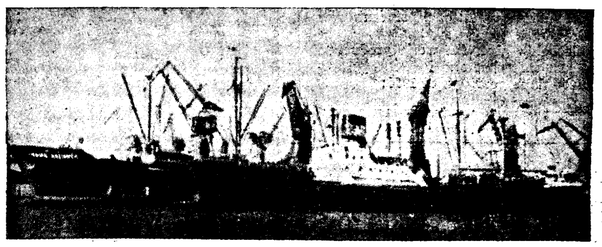

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WORLD INDUSTRIAL PRODUCTION

TEN PER CENT. RISE LAST YEAR

WORLD industrial production in 1955 registered a 10 per cent. increase over that in the preceding two years. As compared with the average level of output in the two pre-war years of 1937 and 1938, the rise is more than 100 per cent. Thus, the combined index of mining and manufacture in 1955, according to the April 1956 issue of the U.N. publication, *Monthly Bulletin of Statistics*, stood at 110 (Base: 1953=100), as compared with 100 in the two preceding years, and 54 the average for the pre-war years 1937 and 1938. The increase in output was due to a number of factors such as enlarged supplies of raw materials, thanks to a substantial rise in the output of most of them, the continuation of the boom in Western Europe, the recovery in industrial output in the U.S. and Canada after the decline in 1954 and a marked improvement in the production of coal, crude petroleum and electricity all over the world.

The table below containing the world index of industrial production in 1955, as compared with that in the previous two years as also in 1937 and 1938 shows at a glance the trend of production in (*a*) the world, (*b*) the world excluding the U.S., and (*c*) Europe:

World Index of Industrial Production*

Base: 1953=100

Year	World output	World output excluding U.S.	Europe
1937	56	69	74
1938	51	68	72
1953	100	100	100
1954	100	108	110
1955	110	118	120

* Excluding U.S.S.R., China, Bulgaria, Czechoslovakia, Eastern Germany, Hungary, Poland and Rumania.

The industrial output in Europe rose by 10 per cent. in 1954 and 20 per cent. in 1955, as compared with that in 1953. More or less a similar increase took place in world industrial production excluding the U.S.; the index figure rose from 100 to 108 in 1954 and to 118 in 1955. As compared with these increases, the total world production last year was at a relatively lower level because, as already stated, the U.S. and Canada had to stage a recovery to offset the setback suffered in 1954.

The chief contributory factor for the rise in world industrial output was the marked improvement in the production of almost all important raw materials. Thus, iron and steel in 1955 exceeded all previous records by a wide margin, being as much as 12 per cent. in the case of pig iron and 14.7 per cent. in crude steel as compared with that in 1953, the previous record year. In absolute figures world production of pig iron rose from 138.4 million metric tons in 1953 to 155.1 million metric tons in 1955. During the same period crude steel production rose from 92.9 million to 114.7 million metric tons. During the three-year period ended 1955, cement production rose from 159.3 million to 183.8 million metric tons, as the need for cement was felt owing to the generally high level of construction activity. There were gains in production of a number of important non-ferrous metals. As compared with the output levels of 1953, copper production rose by 10 per cent., zinc by 13 per cent., lead by 7 per cent., and aluminium by 22 per cent. The output of tin, however, suffered a fall of 2 per cent. over that of 1953.

The table below gives the world production of different raw materials and fuel energy during each of the three years ended 1955:

(In million metric tons)

	1953	1954	1955
Raw materials—			
Cement	159.30	169.60	183.80
Pig iron	138.40	126.20	155.10
Crude steel	194.20	180.10	220.80
Copper	2.47	2.48	2.72
Zinc	2.08	2.11	2.34
Lead	1.64	1.74	1.75
Tin	1.84	1.86	1.80
Aluminium	2.18	2.45	2.66
Rubber	1.75	1.88	1.92
Fuel energy—			
Coal	1,385.00	1,288.00	1,388.00
Crude petroleum	668.00	680.40	700.80
Electricity (in mill. kw.)	1,112.00	1,196.00	1,338.00

It is clear from the table above that, excepting tin, all other materials had established record production in the past year.

As mines and factories turned out goods at the highest level ever recorded, the energy requirements of the accelerated economic activity were fulfilled by increases in the production of coal, crude petroleum and electricity. The downward trend in coal output which began in 1952 was reversed, and 1955 closed with production standing 4 per cent. above that of 1953 and slightly higher than in 1951, the previous record year. Electricity and crude petroleum production continued to reach new heights as they had done in every year since the war, except for a slight fall in petroleum in 1948-49.

During 1955, the petroleum industry underwent the greatest development in its history, with production of crude petroleum and natural gasoline rising by 82 million metric tons to a total of more than 788 million metric tons, 11½ per cent. above the peak attained in the previous year. All regions, except Africa, shared in this development, as indicated below:

	Million tons		% acreage 1954 to 1955
	1954	1955*	
North America	340.9	369.0	8.2
Middle East (including Egypt)	137.8	160.9	16.8
Caribbean†	122.3	137.5	12.4
Eastern Europe—U.S.S.R.—China Mainland	72.8	84.7	17.2
Far East	17.3	18.7	8.1
Western Europe	8.2	9.3	13.4
Other America‡	7.6	8.2	7.9
Africa (excluding Egypt)	0.2	0.2	..
World	706.6	788.5	11.6

* Preliminary data.
† Mexico, Central America, the Caribbean Islands, Venezuela and Colombia.
‡ South America and Venezuela and Colombia.

In North America, the absolute increase in production was the second largest in history, but North America's share in world production continued its decline, falling to less than 47 per cent. as compared with more than 48 per cent. in the previous year, over 53 per cent. in 1951, and 64 per cent. in the pre-war period. The Middle East, in contrast, increased its share in world output from 19.5 to 20.4 per cent. and lesser gains occurred in the East Europe-U.S.S.R.-China Mainland area and in the Caribbean.

STATE TRADING CORPORATION STARTS OPERATIONS

The State-sponsored two-week old State Trading Corporation seems to have started its trading operations briskly and in right earnest. Reports emanating from New Delhi indicate that this infant organisation has already transacted business worth nearly Rs. 3 crores. The Corporation has contracted for the sale of 500 tons of coffee to Russia and 200,000 tons of iron ore to Poland. It has also entered into a contract with Pakistan to buy 150,000 tons of gypsum, and with Poland to purchase 150,000 tons of cement, in pursuance of the agreements signed by the Government of India with these countries. The Corporation is likely to monopolise the trade with communist countries and to take over the import of chemicals, raw silk and cement.

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CEYLON: Colombo
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EUROPE: Hamburg, Paris
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INDIA: Bombay, Calcutta
JAPAN: Kobe, Osaka, Tokyo, Yokohama
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The Corporation will get from China, East Germany and Britain large quantities of soda ash and caustic soda, the prices of which have risen considerably in recent months. It is reported that the Government of India will place orders during the next few weeks for importing 20,000 tons of soda ash and 15,000 tons of caustic soda with a view to curbing prices in the country. In fact, about 7,000 tons of soda ash and 12,000 tons of caustic soda already contracted for by the Government are shortly to arrive from abroad, and the Corporation will arrange for the distribution of these imported chemicals through the existing trade channels.

Incidentally, it may be mentioned here that the present production of caustic soda and soda ash in India is about 36,000 tons and 80,000 tons per annum, respectively. In the second Five-year Plan, the targets set are 135,400 tons and 230,000 tons, respectively. As, however, a part of the output will be used by the producing concerns themselves for conversion to other products, only about 106,000 tons of caustic soda and 185,000 tons of soda ash will be available for sale through private trade channels. When domestic production goes up, the private trade will certainly stand to benefit, a factor that will offset the loss of import business, thanks to the State's entry into that sphere.

The State Trading Corporation will also handle the Government of India's deal with Pakistan for importing 150,000 tons of gypsum required by the fertiliser factory at Sindri. The Indian delegation which negotiated the deal a fortnight ago in Pakistan included Mr. B. S. Grewal, Joint Secretary, Ministry of Production, Mr. Satish Chandra, Joint Secretary, Ministry of Commerce and Industry, and Dr. Ramaswami, Production Superintendent, Sindri. Under the contract, the Pakistan Industrial Corporation will begin to supply gypsum in about six weeks and complete the deliveries over a period of about seven months. It is stated that the Corporation will despatch daily train-loads from West Pakistan to Sindri.

The Pakistan gypsum will cost India Rs. 13 per ton f.o.r. Wagah. Its price at Sindri will be nearly Rs. 6 per ton more than that of Rajasthan gypsum. As Pakistani gypsum is, however, of a superior quality, its import at the stipulated price is considered to be an economic proposition. Besides, the production of gypsum in Rajasthan cannot cope, it is stated, with the rising demand for the raw material at Sindri. In passing, it may be recalled that, a few years ago, India had placed an order for more than 10,000 tons of Pakistan gypsum, but no more than 5,000 tons were actually imported as the prices were exorbitant.

The Board of Directors of the Corporation, at its first meeting held at New Delhi last week, decided to organise Import and Export Departments on commercial lines and to set up branch offices at Calcutta, Bombay and Madras. Mr. K. B. Lall, Joint Secretary, Ministry of Commerce and Industry, who is the Chairman of the Board, presided. The Corporation aims to play a leading role in promoting exports of ores, particularly iron ore, manganese ore and chrome ore from India. The Board decided to take over the rights and obligations devolving on the Government of India under the contracts recently included for the import of cement and the export of iron ore and coffee. The Board also gave consideration to organisational problems for handling and developing trade with countries having a State-controlled economy and other monopolistic trading organisations abroad.

SPURT IN INDUSTRIAL PRODUCTION

The large spurt in industrial production during 1955-56 was, to some extent, the result of concerted efforts to achieve the first Plan targets before the end of the Plan period, according to the *Annual Report of the Development Wing of the Ministry of Commerce and Industry*. The general index of industrial production rose from 112.9 in 1954 to 122.3 in 1955, with the base 1951=100.

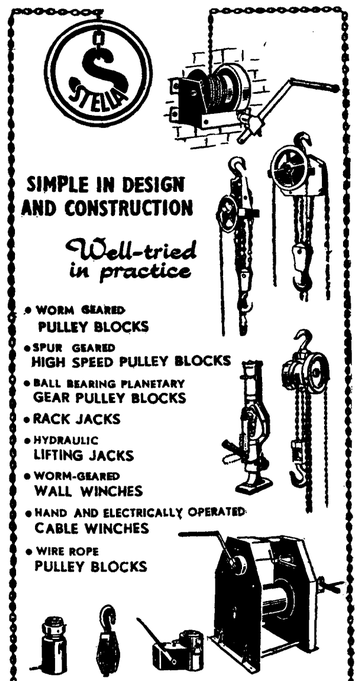
The *Report* adds that this increase was due to the progress made not only in the expansion of existing units but in the establishment of several new industries. Among other favourable factors which led to the increase in industrial activity were the assistance given by the Central and State Governments in the form of export and import regulations and tariff protection as well as financial aid in the form of loans.

The number of licences issued during 1955-56 for the establishment of new undertakings was 164 and for the expansion of existing industries 319. The corresponding figures for the previous year were 110 and 226. The new industries for which licences were issued included newsprint, sheet glass, insecticides, antibiotics, several important heavy chemicals and industrial machinery of various types.

Among the engineering industries, there was a phenomenal increase in the production of textile machinery, machine tools, bicycles, electric motors, incandescent lamps, sewing machines, razor blades, etc. During the year, there was greater demand for electrical cables and wires, transformers, radio receivers and automobiles. Many of the industrial units engaged in the production of these articles, particularly automobile ancillaries, worked multiple shifts to meet the growing demand.

Referring to metallurgical industries, the *Report* says that in the case of aluminium, production of virgin metal increased from 4,886 tons in 1954 to 7,245 tons in 1955. Two new lead refineries were put up and one of them has gone into production. In many other important industries, particularly copper and antimony, production was maintained at or near capacity level.

Most of the chemical and allied industries showed satisfactory progress during the year. Some of the important items, whose manufacture was undertaken for the first time during 1955, were penicillin, D.D.T., newsprint, plastic emulsion paints and sheet glass. Increased production of rayon, paper and glass was also achieved by expansion of the installed capacities.



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Notices

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(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THE Twenty-first Ordinary General Meeting of the above Company will be held at the Registered Office of the Company, Henley House, Graham Road, Ballard Estate, Bombay, on Thursday the 28th June 1956, at 3 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and Audited Revenue Accounts, Profit and Loss Account, Profit and Loss Appropriation Account and Balance Sheet for the year ended 31st December 1955.

(2) To sanction the declaration of a Dividend.

(3) To elect Directors in place of Mr. Manoobhai Doongursee, and Mr. Pallonji Shapoorji Mistry who retire under Article 95 of the Articles of Association of the Company and being eligible, offer themselves for re-election.

(4) To appoint Auditors for the current year and to fix their remuneration.

The Share Transfer Register of the Company will be closed from 7th June to 28th June 1956 (both days inclusive).

By Order of the Board,
K. K. DASTUR,
Manager.

BOMBAY, 28*th May* 1956.

N.B.—A member entitled to attend and vote at the General Meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of himself and the proxy need not be a member.

The Dividend when sanctioned at the General Meeting will be paid on or after the 2nd July 1956, to those Shareholders whose names stand on the Company's registers on 28th June 1956.

HARINAGAR SUGAR MILLS LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Twenty-fourth Annual General Meeting of the Shareholders of the Company will be held at the Registered Office, No. 207, Kalbadevi Road, Bombay, on Saturday, 30th June 1956, at 4 p.m. (S.T.), to transact the following business:

1. To receive and adopt the Directors' Report and audited statements of accounts for the year ended 30th September 1955.
2. To declare a Dividend.
3. To appoint Directors in place of those retiring under Articles 99 and 92 of the Articles of Association of the Company.
4. To appoint Auditors and fix their remuneration.
5. To pass ordinary resolution waiving the age limit prescribed under Section 280 of the Companies Act, 1956, in respect of Shri Lachhmandas H. Daga.
6. To pass ordinary resolution in respect of the borrowing powers of the Directors, as required under Section 293(1) of the Companies Act, 1956.

as per detailed Notice, with explanatory statement, posted to the shareholders.

The Share Transfer Books of the Company will remain closed from Saturday, 23rd June 1956 to Saturday, 7th July 1956, both days inclusive.

A member entitled to attend and vote at a meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member.

By Order of the Board,
HARINAGAR SUGAR MILLS, LIMITED,
NARAYANLAL BANSILAL,
Managing Agents.

BOMBAY, 1*st June* 1956.

DALMIA CEMENT (BHARAT) LIMITED

DALMIAPURAM

NOTICE

NOTICE IS HEREBY GIVEN THAT THE FOURTH ORDINARY ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF THE COMPANY WILL BE HELD AT THE REGISTERED OFFICE OF THE COMPANY AT DALMIAPURAM (DIST. TIRUCHIRAPALLI) on FRIDAY the 20th July 1956 at 12 Noon, to transact the following business:

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts for the year ended 31st December 1955.
2. To declare Dividend.
3. To elect a Director in place of the retiring Director, Shri M. Satyanarayana, who retires by rotation and is eligible for re-election.
4. To appoint Auditors for the current year and to fix their remuneration. Messrs. V. Sankar Aiyar & Co., the retiring Auditors, are eligible for re-appointment.
5. Any other business that under the Articles of Association of the Company may be transacted at an Ordinary Annual General Meeting.

The share transfer books of the Company will remain closed from THURSDAY the 21st June 1956 to FRIDAY the 20th July 1956, both days inclusive.

By Order of the Board of Directors,
For DALMIA CEMENT (BHARAT) LTD.,
For HARI BROTHERS PRIVATE LIMITED,
J. DALMIA,
Director,
Managing Agents.

Dated 22nd May 1956.

Note.—The Dividend if declared will be payable on or after 10th August 1956 to the Registered Shareholders as on 20th July 1956.

Every Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/her and such proxy need not be shareholder. The proxies should, however, be deposited at the registered office of the company not later than 42 hours before the commencement of the meeting.

THE ONDAL COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the abovenamed Company that an Annual General Meeting within the meaning of the Companies Act, 1956 (being the One Hundred and Thirteenth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Saturday the 7th July 1956, at 10-30 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December 1955, declaring the Dividends recommended by the Directors, electing Directors and Auditors and for transacting any other ordinary business of the Company.

The Share Registers of the Company will be closed from the 23rd June to the 7th July 1956, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CALCUTTA, 31*st May* 1956.

Note.—1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

2. The Dividend, if sanctioned, will be paid on or after 14th July 1956, to those shareholders so entitled whose names appear in the Company's books on the 7th July 1956, or to their mandatees. No application for Dividend Warrants will be necessary.

THE STANDARD COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the abovenamed Company that an Annual General Meeting within the meaning of the Companies Act, 1956 (being the One Hundred and Tenth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Saturday the 7th July 1956, at 10-50 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December 1955, declaring the Dividend recommended by the Directors, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Register of the Company will be closed from the 23rd June to the 7th July 1956, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CALCUTTA, 31*st May* 1956.

Note.—1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

2. The Dividend, if sanctioned, will be paid on or after 14th July 1956, to those Shareholders so entitled whose names appear in the Company's books on the 7th July 1956, or to their mandatees. No application for dividend warrants will be necessary.

THE BORREA COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the abovenamed Company that an Annual General Meeting within the meaning of the Companies Act, 1956 (being the One Hundred and Thirtieth Ordinary General Meeting of the Company) will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Saturday the 7th July 1956, at 11-00 a.m., for the purpose of receiving the Report of the Directors, passing the Audited Accounts for the half-year ended 31st December 1955, declaring the Dividends recommended by the Directors, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Registers of the Company will be closed from the 23rd June to the 7th July 1956, both days inclusive.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CALCUTTA, 31*st May* 1956.

Note.—1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

2. The Dividend, if sanctioned, will be paid on or after 14th July 1956, to those shareholders so entitled whose names appear in the Company's books on the 7th July 1956, or to their mandatees. No application for Dividend Warrants will be necessary.

THE BORREA COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 31st May 1956, the following Dividends were recommended to be paid for the half-year ended 31st December 1955, without any deduction for Income-tax paid by the Company.

	Per annum
On Preference Shares ...	6½ per cent.
On Ordinary Shares ...	20 per cent.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE ONDAL COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF DIRECtors held on the 31st May 1956, the following Dividends were recommended to be paid for the half-year ended 31st December 1955, without any deduction for Income-tax paid by the Company.

On Preference Shares ... 6½ per cent. per annum
On Ordinary Shares ... 10 „ „

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE BURRAKUR COAL COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and Tenth Ordinary General Meeting of the Shareholders will be held at the Registered Office of the Company, Chartered Bank Buildings, Calcutta, on Saturday the 7th July 1956, at 11-10 a.m., for the purpose of receiving the Directors' Report, passing the Audited Accounts for the half-year ended 31st December 1955, declaring the Dividends recommended by the Directors, electing Directors and Auditors, and for transacting any other ordinary business of the Company.

The Share Transfer Registers of the Company will be closed from the 23rd June to the 7th July 1956, both days inclusive.

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

CALCUTTA, 31*st May* 1956.

Note.—1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

2. The Dividend, if sanctioned, will be paid on or after 14th July 1956, to those shareholders so entitled whose names appear in the Company's books on the 7th July 1956, or to their mandatees. No application for Dividend Warrants will be necessary.

THE BURRAKUR COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 31st May 1956, the following Dividends were recommended to be paid for the half-year ended 31st December 1955—

	Per annum
On 1st Preference Shares ...	7 per cent.
On Ordinary Shares ... ... (without any deduction for Income-tax paid by the Company in each case).	6¼ per cent.
On 2nd Preference Shares ... ... (after deduction of Income-tax paid by the Company).	6 per cent.

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

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE STANDARD COAL COMPANY LIMITED

AT A MEETING OF THE BOARD OF Directors held on the 31st May 1956, a Dividend of 10 per cent. per annum was recommended to be paid for the half-year ended 31st December 1955, without any deduction for Income-tax paid by the Company.

By Order of the Board,
F. W. HEILGERS & CO. (PRIVATE) LTD.,
Managing Agents.

CHARTERED BANK BUILDINGS,
CALCUTTA.

THE GANESH FLOUR MILLS COMPANY, LIMITED

DELHI

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 64th Ordinary General Meeting of the Shareholders of the Company will be held at the Registered Office of the Company at Subzimandi, Delhi, on Saturday the 23rd June 1956, at 10-30 a.m., to transact the following business:—

(*a*) To receive Directors' Report and pass Audited Accounts for the year ended 30th September 1955.

(b) To declare Dividends on:—
(1) 1st, 2nd, 3rd, 4th and 5th C.P. Shares for the years ending 30th September 1954 and 30th September 1955.
(2) Ordinary Shares for the year ending 30th September 1955.

(c) 1. To elect Director in place of Lala Balraj who retires by rotation and offers himself for re-election.
2. To elect Director in place of Shri Shivraj Bahadur who retires by rotation and offers himself for re-election.

(d) To appoint Auditors and fix their remuneration.

The Transfer Register of the Company will remain closed from 3rd June to 23rd June 1956 (both days inclusive).

By Order of Directors,
(Sd.) MAHO NARAIN,
Secretary & General Manager.

DELHI, 22*nd May* 1956.

Note.—(1) Members unable to attend are requested to send their Proxy Forms (sent herewith) duly stamped, signed and witnessed in favour of a person attending the meeting. Forms not properly witnessed or stamped or received less than 48 hours before the meeting will be invalid.

(2) A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and that a Proxy need not be a member of the Company.

THE TATA IRON AND STEEL COMPANY, LIMITED

NOTICE

THE TRANSFER BOOKS OF THE COMPANY will be closed from Friday the 6th July to Monday the 30th July 1956, both days inclusive.

The dividends for the year ending 31st March 1956, when sanctioned, will be made payable to those shareholders whose names stand on the Share Registers of the Company on Monday the 30th July 1956.

By Order of the Directors,
TATA INDUSTRIES PRIVATE LTD.,
Managing Agents,
J. R. D. TATA,
Director.

BOMBAY, 5*th June* 1956.

SECRETARY—ACCOUNTANT

HIGHLY QUALIFIED YOUNG Accountant, well versed in the New Companies Act, desires change of employment with Companies of standing. Prepared to work anywhere in India. Decent salary expected. Write to Box 957, c/o "Commerce," Brady House, Veer Nariman Road, Fort, Bombay.

ENGINEERING

(*Concluded from page* 1104)

not also yielding as much as it was doing formerly. This is because the railways, which till recently made available scrap iron for the foundries, are believed to be using their scrap themselves. The result is that scrap prices have increased from Rs. 115-130 per ton in 1953-54 to Rs. 250-270 per ton. Meanwhile, there has been a "phenomenal" increase in the requirements for castings necessitated by the increased industrial activity in India and the decision of the Railway Board to place orders for cast iron sleepers on the local foundries. There has, however, been no increase in the production of pig iron in the country.

The Association feels that the demand for castings will go up to 750,000-875,000 tons by 1960-61. The two steel plants in the private sector and the one belonging to the Mysore State are, however, expected to produce 573,000 tons of pig iron by 1959, as against their current output of 202,200 tons. The Government-sponsored steel plants are not likely to supply pig iron before 1959. It is, therefore, felt that the present acute shortage of raw material for the foundry industry is likely to continue up to 1958. In this connection, the Association deplores that the Government should have allowed exports of pig iron to take place. It, however, learns that licences for export have not been issued after February 1956. It also learns that the Government is trying to arrange for imports of pig iron from Russia, Poland and certain other European countries. While welcoming these efforts, the Association urges the Government to take into account the fact that the c.i.f. price of imported pig iron would be about Rs. 380 per ton as against Rs. 163 per ton being the price of the best quality of Indian pig iron.

In the light of the situation caused by shortage of raw material in the country and the higher prices of imported pig iron, the Association has made a number of suggestions. In the first place, it says that, since the shortage of raw material is likely to last at least for the next two years, it is desirable that arrangements should be made to import pig iron from countries which can offer the best terms. Secondly, the difference between the high cost of imported pig iron and the low cost of domestic pig iron should be made good. The Government could see that imported iron is used by the Railways for the manufacture of cast iron sleepers, since it is the heavy demand from the railways for this purpose that explains the present shortage of the raw material for the foundry industry. This would mean that the entire community bears the burden of the high-cost imported iron. Alternatively, the Government could evolve, as in the case of steel, a scheme of equalisation fund for the purpose of meeting the extra cost of pig iron. Thirdly, the Government should ban all export of pig iron. Finally, the Government should overhaul the existing system of distribution. Thus, allocations should be made only to genuine foundries. Further, in the context of acute shortage of raw material, the present system of distribution through controlled stockists, it is stated, is likely to lead to anti-social practices. Unbroken ingot moulds should not be allotted to stockists who have neither the breaking arrangement nor any direct consuming interest. The Government could also control all sources of supply of cast iron scrap and distribute it equitably among the different units of the foundry industry.

REFRIGERATION AND AIR CONDITIONING

The Indian Standards Institution has published three Indian standards relating to refrigeration and air-conditioning a safety code for air-conditioning, a safety code for mechanical refrigeration and a code of practice for insulation and safe operation of cold storages. The manufacture of refrigeration and air-conditioning equipment in this country consists mainly of assembling the different types of units for which a large part of the major components are imported. The assembling operation involves putting together imported components and indigenously manufactured parts to produce units having the same performance as that of a fully imported unit. These codes have been prepared to serve as a guide to the manufacturer regarding the performance requirements expected of the units and further to assist the consumer in satisfying himself that requirements of safety and efficiency of operation have been met.

The code for air-conditioning covers the safe design, construction, installation, operation and inspection of air-conditioning equipments and systems. The safety code for mechanical refrigeration includes features in the design, construction, installation, operation and inspection of mechanical refrigeration systems including working conditions in the plant room considered necessary to safeguard life, health and property. The code for insulation and safe operation of cold storages covers construction and safe operation of cold storages with special reference to insulating and finishing the structures of permanent construction such as brick, steel, concrete, etc.

RADIO AIDS IN NEW CARGO SHIP FOR EASTERN SERVICE

A particularly comprehensive range of the latest radio equipment is being installed in the Ellerman liner *City of Winnipeg*, which is being built at Dundee (Scotland) for cargo services to the East. Primarily designed as a cargo carrier, the new ship is of 10,200 tons gross and has accommodation for a few passengers. A transmitter and receivers for medium and high-frequency communication are included in the wide range of Marconi equipment being used. Radio aids to navigation include a long-range direction finder, and marine radar equipment with a peak power of 50 kW. and a maximum range of 40 miles. Portable transmitter/receiver sets will be supplied for use in the ship's lifeboats.

ENCOURAGING PERFORMANCE OF LARSEN AND TOUBRO

SALES AND PROFIT AT RECORD LEVELS

THE Directors' report and audited accounts of Messrs. Larsen and Toubro Ltd. (Managing Agents: L. & T. (Management) Private Ltd., Bombay) for the year ended 31st March 1956 show that there has been a considerable expansion in the activity of the Company during the year and that the earnings also have correspondingly increased. Reflecting the expansion in turnover is the rise in sale proceeds of about Rs. 44 lakhs to a record level of Rs. 358 lakhs. The gross profit has advanced from Rs. 16.01 lakhs to Rs. 18.48 lakhs, a record in the history of the Company. It will be interesting to note here that, barring a slight recession in 1953-54, the profit has maintained its upward trend since 1948-49. During this period of seven years, it has grown from Rs. 5.88 lakhs to Rs. 18.48 lakhs, that is, it has more than trebled itself.

The net profit, after providing for managing agency commission, depreciation and taxation, for the year under review amounts to Rs. 8.81 lakhs, also a new high, and represents a rise of Rs. 1.72 lakhs over the year. Out of the net profit, the Directors have written off Rs. 1.90 lakhs, being the expenses relating to previous years borne in 1955-56. They have also written back Rs. 1.50 lakhs, being the excess provision for taxation set aside in previous years. After raising the allocation to the general reserve from Rs. 2.75 lakhs to Rs. 4 lakhs, the Directors propose to maintain the dividend on ordinary shares at 10 per cent. per annum for the seventh year in succession. It must, however, be noted that the latest dividend is on an increased capital raised in December 1955 by a fresh issue of Rs. 5 lakhs. The additional capital, however, bears only proportionate dividend for the three months ended 31st March 1956.

The following comparative table provides a broad idea of the Company's progress during the last three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	279.96	209.44	192.16	162.80
Other income	10.91	11.80	13.47	8.95
Cost of sales	218.02	156.75	146.02	113.66
Other expenses	54.37	47.98	44.55	42.60
Gross profit	18.48	16.01	15.06	15.49
Managing Agents' commission..	1.62	1.84	1.29	1.28
Depreciation	2.25	2.57	2.11	2.72
Taxation	5.80	5.00	5.00	5.45
Net profit	8.81	7.09	6.84	6.05
Goodwill written off	..	..	..	0.95
Commission and brokerage on issue of shares written off	..	..	0.10	0.43
Deferred expenditure written off	..	..	0.48	..
Expenses relating to previous years	1.90	..	..	..
Excess provision for taxation made in previous years written back	1.50	..	..	..
To general reserve	4.00	2.75	2.25	1.00
Dividends—				
5 per cent. preference ..	0.75	0.75	0.65	0.65
Ordinary	3.62	3.50	3.20	3.20
	(10%)	(10%)	(10%)	(10%)
Carry forward	0.29	0.25	0.16	0.18

The Company's direct sales amounted to Rs. 279.96 lakhs, having risen from Rs. 209.44 lakhs for the previous year. Indirect sales, that is, indent sales for overseas principals and sales effected as selling agents, have, on the other hand, declined from Rs. 105 lakhs to Rs. 78 lakhs. Total sales are, however, higher at Rs 357.96 lakhs, as compared with Rs. 314.44 lakhs for 1954-55. The sale of caterpillar tractors and earthmoving machinery continued to increase. Substantial orders for mobile cranes for ports were duly executed. The Company also completed important orders for tube-well drilling equipment and tube-well pumps. Many orders were executed and several new orders were secured for industrial plant and equipment, notably for dairy plant, paper and pulp-making plant and machinery and electrical power generating plant. The work on the tube-well drilling contract undertaken in North Gujerat for the Bombay Government progressed satisfactorily, with the result that the Government has placed another order with the Company for drilling additional wells. The Company expects to complete the work in June-July 1956.

During the year under review, the Company's workshops at Powai were expanded and were engaged to full capacity in the manufacture and assembly of dairy equipment, electrical switchboards for industrial uses and earth consolidating machinery. It was granted a licence by the Central Government for manufacturing Sheeps Foot roller and more than 50 of these machines have so far been manufactured and supplied.

As already stated, the Company's paid-up capital was raised during the year under review from Rs. 50 lakhs to Rs. 55 lakhs by the issue of 50,000 ordinary shares of Rs. 10 each. The response to the issue was gratifying and the issue was oversubscribed. The reserves and surplus aggregate Rs. 10.29 lakhs. The provision for taxation stands at Rs. 21.44 lakhs. The current liabilities amount to Rs. 131.87 lakhs. The gross block of the value of Rs. 29.07 lakhs has been written down to Rs. 12.81 lakhs. The current assets amount to Rs. 205.78 lakhs and exceed the current liabilities and provision for taxation by a margin of Rs. 52.47 lakhs.

Regarding the outlook for the current year, the Directors strike a note of cautious optimism thus:

"Price competition is keen; and, while a number of the overseas manufacturers whom the Company represents are extremely heavily booked with orders and their time of deliveries consequently tends to increase, a number of competitors, with less heavily filled order books, are in a position to offer more prompt supplies. The Company expects to meet that situation by maintaining inventories at a high level and by efficient planning of its purchases.

"The considerable number of orders on hand which have still to be executed and the increasing number of important enquiries, the requirements of the public and the private sectors under the second Five-year Plan and the steady progress of the Company in the field of sales, local manufacture and service, justify the Directors' confidence in the continuing expansion of the Company's business."

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 16-7 *cum-div.*, as against Rs. 13-4 *cum-div.* a year ago. On an *ex-div.* basis, the dividend for the year under review provides a yield of 6.5 per cent. per annum, free of income-tax.

MYSORE CHEMICAL MANUFACTURES

Satisfactory progress is disclosed by the audited accounts of the Mysore Chemical Manufactures Ltd. (Chairman, Board of Directors: Mr. S. Ramanathan, Bangalore) for the year ended 31st March 1956. The sale proceeds of the Company have gone up from Rs. 16.98 lakhs to Rs. 22.76 lakhs, which shows that the hopes expressed by the Company's Chairman at the last annual general meeting that the demand for the Company's copper sulphate and the newly produced copper fungicide and iron-free sulphate of alumina would go up during the year under review have materialised.

The gross profit has improved from Rs. 2.76 lakhs to Rs. 3.15 lakhs, thus maintaining the upward trend for the fourth year in succession, having risen from Rs. 1.09 lakhs in 1951-52. The net profit is, however, a shade lower at Rs. 1.01 lakhs, as against Rs. 1.12 lakhs in the previous year, consequent on the larger provisions for depreciation and taxation. The provision for depreciation has been raised from Rs. 47,174 to Rs. 76,443 and that for taxation from Rs. 98,264 to Rs. 1,24,990. The managing agency commission has absorbed Rs. 29,420, as against Rs. 25,012 for 1954-55. Since the close of the year under review, the Company is being managed by the Board of Directors, the managing agents, Messrs. Krishna & Co., Ltd., having resigned on 31st March 1956.

Out of the net profit for 1954-55, a sum of Rs. 28,781 had to be written off, being the loss on sale of investments. No such loss has had to be provided for in the profit for the year under review. Nevertheless, the dividend on ordinary shares has been maintained at 20 per cent. per annum, to which level it had been raised last year from 12½ per cent. per annum for 1953-54 and 10 per cent. per annum for the two years 1951-52 and 1952-53. The dividend on ordinary shares absorbs Rs. 60,000 and that on 6 per cent. cumulative preference shares Rs. 12,000, leaving a sum of Rs. 97,410 to be carried forward (as against Rs. 68,600 brought in), without any addition to the reserves. It may be noted here that the Company has not strengthened its reserves for the last 11 years.

The paid-up capital of the Company is Rs. 5 lakhs, made up of 30,000 ordinary shares of Rs. 10 each and 20,000 6 per cent. (tax-free) cumulative preference shares of Rs. 10 each. The reserves and surplus amount to Rs. 4.97 lakhs. The current liabilities aggregate Rs. 1.94 lakhs and provision for taxation stands at Rs. 1.17 lakhs. The gross block of the value of Rs. 6.80 lakhs has been written down to Rs. 3 lakhs. The current assets amount to Rs. 10.08 lakhs and exceed the current liabilities and provision for taxation by a large margin of Rs. 6.97 lakhs.

The Rs. 10 fully paid-up ordinary shares of the Company are being currently quoted on the Madras Stock Exchange at Rs. 24-8 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 8.9 per cent. per annum, free of income-tax.

VASANTA MILL RAISES DIVIDEND AGAIN

PROFIT NEARLY MAINTAINED

FOR the second year in succession, the Directors of Vasanta Mills Ltd. (Managing Agents: Messrs. R. K. Shanmukham Chetty & Bros., Coimbatore) have stepped up the dividend on ordinary shares of the Company. Thus, the dividend, which had been raised from 12 per cent. per annum paid for the year ended 31st December 1953 to 15 per cent. for 1954, has been increased to 20 per cent. for 1955. The latest enhancement in dividend does not, however, follow any expansion in profit, on the other hand, the latter is a shade lower than that for the previous year.

The gross profit for the year under review amounts to Rs. 18.28 lakhs, as compared with Rs. 18.58 lakhs for 1954. This shrinkage, albeit small, is in distinct contrast to the sharp rise of Rs. 6.05 lakhs noted in the previous year and is also in contrast to the experience of cotton mills, in general, during the year under review. The net profit is, however, better at Rs. 7.25 lakhs, as compared with Rs. 6.46 lakhs for 1954, to which level it had risen successively from Rs. 3.95 lakhs earned in 1952. The increase in net profit is mainly accounted for by the cut in the provision for taxation from Rs. 6 lakhs to Rs. 5 lakhs. A sum of Rs. 4.67 lakhs has been set aside for depreciation, as against Rs. 4.73 lakhs provided in the previous year. While the transfer to the general reserve has been drastically cut from Rs. 3 lakhs to Rs. 50,000, a sum of Rs. 2 lakhs has been added to the dividend equalisation reserve, which had not received anything in the previous year.

The following comparative table, giving the salient features of the Company's working results for the past four years, provides an idea of the progress since 1952:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	160.92	160.57	131.50	140.88
Raw materials and stores consumed	112.87	112.07	95.68	112.54
Expenses	30.17	30.55	23.81	20.10
Gross profit	18.28	18.58	12.53	8.52
Managing Agents' commission..	1.36	1.38	0.90	0.55
Depreciation	4.67	4.73	3.55	2.52
Taxation	5.00	6.00	3.50	1.50
Net profit	7.25	6.46	4.58	3.95
To general reserve	0.50	3.00	..	0.50
,, other reserves	2.00	..	1.99	0.50
Dividends—				
Preference	0.28	0.28	0.28	0.28
Ordinary	4.20	3.15	2.52	2.52
	(20%)	(15%)	(12½%)	(12%)
Carry forward	0.59	0.30	0.29	0.50

The sale proceeds of cloth, yarn and waste and raw materials and stores consumed during the year under review do not indicate any expansion in output. There was a further increase in spindleage during the year under review by the addition of 6,720 spindles, following the installation of 4,000 spindles in 1954. The additional spindles installed in 1955 were, however, brought into commission only on 1st December 1955, so that the full benefit of the latest increase in spindleage was not derived in the year under review. Of the expenses, mill salaries and wages account for a decline from Rs. 24.20 lakhs to Rs. 22.49 lakhs, while other expenses have gone up from Rs. 6.35 lakhs to Rs. 7.68 lakhs.

The Company's financial position, as seen from the latest balance-sheet, is sound. The paid-up capital stands at Rs. 25.50 lakhs, made up of 21,000 ordinary shares of Rs. 100 each, 3,000 6½ per cent. cumulative preference shares of Rs. 100 each and 1,500 6 per cent. cumulative preference shares of Rs. 100 each. Of the ordinary capital of Rs. 21 lakhs, as much as Rs. 14 lakhs were raised by the capitalisation of reserves in 1947 when two bonus shares were issued for every share held. The paid-up capital is supplemented by reserves and surplus aggregating Rs. 35.06 lakhs, of which general reserve alone accounts for Rs. 16 lakhs, reserve for replacement and renovation of machinery for Rs. 11 lakhs, dividend equalisation reserve for Rs. 5 lakhs, reserve for contingencies for Rs. 2 lakhs and investment depreciation reserve for Rs. 50,000. The provision for taxation stands at Rs. 6.14 lakhs. The current liabilities amount to Rs. 25.81 lakhs. There has been an addition of Rs. 15.55 lakhs in gross block during the year, bringing the total value to Rs. 71.83 lakhs; this has been written down to Rs. 31.20 lakhs as at the end of the year under review. The current assets aggregate Rs. 61.31 lakhs, exceeding the current liabilities and provision for taxation by a margin of Rs. 29.36 lakhs.

(*Continued on next page*)

Points From The Chair

Industrial Development of Rajasthan

"WE are hearing for some time past that in the second Five-year Plan a number of new industries are proposed to be started in Rajasthan. But how these dreams are going to be fulfilled, unless we have prepared the necessary background for them? The Government has little correct statistical data and other necessary information available with them. It will be dangerous to take up any plan haphazardly, lest it should prove a failure after some time. What is required is to have an immediate industrial survey of the whole State to find out the possibilities of industrial expansion. This is a long-felt need and ought to be done without any delay. It is high time now that this important task should be taken in hand, so that the proposed industrial development of this State may be taken up, and new projects may be started. I note that some work has been done in this connection by the Mining Department of the Rajasthan Government to find out the possibilities of developing the mineral resources of the State. But what other industries could and should be started in the State should be got thoroughly examined by a team of experts. The Saurashtra Government got such complete industrial survey made and that has resulted in large-scale industrial activity in that State."

RAMNATH A. PODAR,
Rajasthan Financial Corporation

Employment Under Second Five-year Plan

"This shift of emphasis in the policy gives a new hope to our State which is most densely populated and industrially very backward in the whole of India. The allotment for our State under the second Five-year Plan is Rs. 72 crores, which is only 1 per cent. of the estimated expenditure of Rs. 7,200 crores for the whole of India. The population of our State is more than 2.5 per cent. of that of the Union of India. The proportion of unemployed to the total population is indisputably much higher in our State than the rest of India. The Government of India expect to provide employment for 10 million people under the various schemes in the second Five-year Plan. The number of unemployed at the commencement of the Plan is estimated at 5 million. Taking into consideration the increase in the number of unemployed during the period, the Government expect that there would be a balance of 2 million unemployed at the close of the period. I do not desire to burden you with figures. A simple calculation will convince anyone that the number of unemployed in our State would only be increased by more than 60 per cent. even after the expenditure of Rs. 72 crores during the five-years, though in India, as a whole, it would be reduced by 60 per cent.

A. S. DAMODARAN ASAN,
Travancore-Cochin Financial Corporation

Handicaps of State Financial Corporations

"Advances by the Government under the Aid to Small-scale Industries Scheme must also necessarily have its repercussions on the scope of operations by the Financial Corporation. In order not to curtail the usefulness of the Corporation, we requested the State Government that the Corporation should be permitted to act as Agent of the Government in the matter of scrutiny of applications, sanction and disbursement of the loans and collection of interest and instalments, consistent with the policy laid down by the Government in this behalf. Acting as agents of the Government would, however, involve suitable amendment to the State Financial Corporations Act. This matter is being taken up by the Central Government, but pending such amendment, the work of disbursement of the loans has been entrusted to our Corporation by the State Government in an informal way and it is expected that the Corporation would be adequately remunerated for such agency work. Nevertheless, the Corporation will have to face the competition from this direction and it was, therefore, proposed to the State Government that our Corporation should be recognised as the appropriate agency for canalising the funds allocated for the small-scale and other industries, as otherwise there would be a multiplicity of agencies for the same purpose with the attendant difficulties for co-ordination. At present, all applications for loans which are not eligible for assistance from the Corporation are being forwarded to the Industrial Trust Fund. It was suggested by us that where an industry is considered by the Government to be of such importance as to warrant assistance, the Corporation would be willing to entertain such applications upon such terms and conditions as the State Government decides, provided the Government would also guarantee such loans. The Government were not agreeable to this suggestion."

C. DAMODAR REDDY,
Hyderabad State Financial Corporation

(*Concluded from previous page*)

With the aforesaid addition of 6,720 spindles in 1955, the installed capacity of the mill has been raised to 44,424 ring spindles and 4,550 doubling spindles. The consequent increase in the spinning output is expected to bring "reasonably decent profit" during the current year.

The construction of 32 tenements under the Government of India Industrial Housing Scheme taken up last year has been completed and the construction of a further 96 tenements has been taken up by the Company. Seventy-two of these tenements are expected to be completed this month.

The Rs. 100 fully paid-up shares of the Company are being quoted at Rs. 285 *ex-div.*, at which rate and on the basis of the latest dividend, the yield on the shares is 7 per cent. per annum, free of income-tax.

COMPANY MEETINGS AND DIVIDENDS

NATIONAL IRON AND STEEL CO., LTD. Annual General Meeting, Calcutta, 11th June 1956. Transfer books remain closed from 5th to 11th June 1956.

ASSAM SILLIMANITE LTD. Annual General Meeting, Gauhati, 14th June 1956. Transfer books remain closed from 31st May to 14th June 1956, both days inclusive.

PERIYAR AND PAREEKANNI RUBBERS LTD. Annual General Meeting, 14th June 1956. Transfer books remain closed from 7th to 14th June 1956, both days inclusive.

MINERVA MILLS LTD. Annual General Meeting, Bombay, 15th June 1956. Dividend: Rs. 6 per share. Transfer books remain closed from 15th May to 9th June 1956, both days inclusive.

ANDHRA CEMENT CONSTRUCTION CO. (PRIVATE) LTD. Annual General Meeting, Vijayawada, 15th June 1956. Dividend: Rs. 3 per share, payable on and after 15th June 1956. Transfer books remain closed from 1st to 15th June 1956, both days inclusive.

BENGAL FLOUR MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 15th June 1956. Dividend: As. 12 per share. Transfer books remain closed from 4th to 15th June 1956, both days inclusive.

GONDALPARA JUTE MILLS LTD. Annual General Meeting, Calcutta, 15th June 1956. Transfer books remain closed from 4th to 15th June 1956.

MCFARLANE AND CO., LTD. Annual General Meeting, Calcutta, 15th June 1956. Dividend: *Nil*. Transfer books remain closed from 7th to 15th June 1956.

ANDHRA CEMENT CO., LTD. Annual General Meeting, Madras, 16th June 1956. Dividend Rs. 10 per 'A' ordinary share (includes bonus of Rs. 2-8) and Re. 1 per 'B' ordinary share (includes bonus of As. 4 per share), payable on and after 16th June 1956. Transfer books remain closed from 2nd to 16th June 1956, both days inclusive.

KAMANI ENGINEERING CORPORATION LTD. Annual General Meeting, Bombay, 19th June 1956. Dividend: *Nil*. Transfer books remain closed from 1st to 19th June 1956, both days inclusive.

LARSEN AND TOUBRO LTD. Annual General Meeting, Bombay, 20th June 1956. Dividend: Re. 1 per ordinary share, payable on or after 27th June 1956. Transfer books remain closed from 26th May to 20th June 1956, both days inclusive.

ASHOK LEYLAND LTD. Annual General Meeting, Ennore, Madras, 21st June 1956. Dividend: *Nil*. Transfer books remain closed from 1st to 21st June 1956, both days inclusive.

MYSORE CHEMICAL MANUFACTURERS LTD. Annual General Meeting, Chikbanavar, Bangalore District, 23rd June 1956. Dividend: Rs. 2 per share, free of income-tax, payable on or after 25th June 1956. Transfer books will remain closed from 10th to 23rd June 1956 both days inclusive.

GANESH FLOUR MILLS CO., LTD. Annual General Meeting, Subzimandi, Delhi, 23rd June 1956. Transfer books remain closed from 3rd to 23rd June 1956, both days inclusive.

DEVKARAN NANJEE INVESTMENT CO., LTD. Annual General Meeting, Bombay, 26th June 1956. Dividend: As. 13 per share, free of income-tax. Transfer books will remain closed from 12th to 26th June 1956, both days inclusive.

RANEEGUNGE COAL ASSOCIATION LTD. Half-yearly General Meeting, Calcutta, 27th June 1956. Transfer books will remain closed from 14th to 27th June 1956, both days inclusive.

MAHABOOB SHAHI KULBURGA MILLS CO., LTD. Annual General Meeting, Bombay, 27th June 1956. Transfer books will remain closed from 20th to 27th June 1956, both days inclusive.

WALFORD TRANSPORT LTD. Annual General Meeting, Calcutta, 29th June 1956. Transfer books will remain closed from 16th to 29th June 1956, both days inclusive.

DALMIA CEMENT (BHARAT) LTD. Annual General Meeting, Dalmiapuram, Tiruchirapalli, 20th July 1956. Dividend: Re. 1-4 per ordinary share and As. 2 per deferred share payable on or after 10th August 1956. Transfer books will remain closed from 21st June to 20th July 1956, both days inclusive.

INDIA UNITED MILLS LTD. Dividend of As. 2 per deferred share (final) and As. 5 per ordinary share (final), for the year 1955. Transfer books will remain closed from 22nd June to 12th July 1956, both days inclusive.

BALMER LAWRIE AND CO., LTD. Dividend of Re. 1 (10 per cent.) per share for the year ended 31st December 1955.

SPENCER AND CO., LTD. Interim dividend of As. 8 per share, for the period ending 30th June 1956. Transfer books remain closed from 8th to 15th June 1956, both days inclusive.

COMPANY REGISTRATIONS

U. D. PATEL & CO., PRIVATE LTD. (First Director: Mr. Ramabhai Lallubhai Patel.) Business: Importers and exporters. Authorised capital: Rs. 10,00,000. Private company. Address: 11, Bank Street, Bombay.

MERCURY IRON AND STEEL CO. PRIVATE LTD. (First Director: Mr. Sorabji Hormusji Commissariat). Business: Manufacturers and dealers in iron and steel goods and other receptacles, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 50, Nesbit Road, Bombay 10.

ASHOK VELVET MANUFACTURING CO. PRIVATE LTD. (First Director: Mr. Vinodrai B. Mody). Business. Importers, exporters, merchants, agents and dealers in textile, yarn, cotton, silk, art silk, rayon, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 144, Dharavi Road, Bombay 17.

QUESTION HOUR IN PARLIAMENT

Match Factories

ABOUT 200 'D' class match factories will be set up every year during the second Five-year Plan by the All-India Khadi and Village Industries Board. The location of these factories will be decided after the funds are allotted. It is also proposed to establish small-scale co-operative match factories, at least one in each State, to provide additional remuneration to the women belonging to the lower middle class income groups. Such factories have already been set up at Delhi, Hyderabad, Poona, Vijayawada, Allahabad and Madras. Proposals to set up more factories in other States are under consideration.

—*T. T. Krishnamachari*

New Caustic Soda Units

Seven new schemes for the manufacture of caustic soda and three new schemes for the manufacture of soda ash have been licensed in the private sector. The progress of these schemes is satisfactory. No unit has been set up in the public sector for the manufacture of caustic soda or soda ash. Facilities for the development of these industries are given for selection of a location for the plant, determination of the process used and the capacity of the plant, and licences for import of machinery and raw materials.

—*Nityanand Kanungo*

Zinc Smelter Plant

A zinc smelter plant may be established in India, if attempts to increase the present zinc ore mining capacity from 250 tons per day to 1,000 tons succeed. At present, there is no concrete proposal before the Government for starting a zinc smelter plant. For setting up the plant on an economic basis, we would require at least 1,000 tons a day. The Government are hoping to raise the capacity to 1,000 tons and hope to do it very soon when it would be possible to put up a smelter plant.

—*M. M. Shah*

Tourist Traffic

The number of foreign tourists who visited India during 1955 was 43,645. The amount of foreign exchange earned in 1953 and 1954 as assessed by the Reserve Bank of India was Rs. 2.7 crores and Rs. 3.6 crores, respectively. The corresponding provisional figure for January-June 1955 is Rs. 1.8 crores.

—*Lal Bahadur Shastri*

Sugar Position

There is no cause for any shortage of sugar in any part of the country, except due to temporary difficulties of transport. There was a carry-over of 5.42 lakh tons on 1st November 1955, and the estimated production during the 1955-56 season is 18.50 lakh tons, which is an all-time record. Last week, there was a total stock of 12.55 lakh tons available with the factories. There is no proposal to import any sugar during the year. On the contrary, India may export some. There is no abnormal rise in the price of sugar except to a certain extent in Madras. There, it is due to the sales tax and not due to any shortage or other reasons.

—*Dr. Punjabrao Deshmukh*

Oil Refinery

The Government have not yet initiated the question of setting up an oil refinery in Assam either with the Assam Oil Company or with anyone else. It is, however, open to the Assam Oil Company to make any proposal to the Government for the refininig of crude oil in Assam. I cannot give an assurance that the refinery would be established in Assam itself and not anywhere else. However, I would assure that it is the desire of Government to have a refinery in Assam, if it is possible on grounds of economy and technically.

—*K. D. Malaviya*

Rail Fares

The suggestion made by Prof. John Kenneth Galbraith of Harvard University, recommending to the Government to enhance the railway passenger fare in order to discourage rail travel, is under the consideration of the Government. The report of Prof. Galbraith has been placed before the Railway Board. The Government have not taken any final decision in the matter.

—*Raj Bahadur*

Private Power Companies

On the basis of figures for 1953 which is the latest year for which figures are available, foreign capital invested in power generating private companies is Rs. 14.20 crores, as against the total investment of Rs. 52.67 crores in such companies. The percentage of foreign investment works out to approximately 27.

• • • •

Rural Electrification

The number of villages and towns electrified during the first Five-year Plan period is 7,761. Information about the cost involved is not available, as no separate provision for rural electrification was made by State Governments in the Plan. About 11,100 villages and towns are proposed to be electrified during the second Plan period. A sum of Rs. 75 crores has been allotted for rural electrification in the second Plan.

• • • •

Hirakud Dam Project

Owing to the substantial completion of the spillway of the Hirakud Dam Project, 404 employees borne on work charged establishments are rendered surplus. There will, however, be no retrenchment of staff on regular establishment. All the surplus personnel are offered alternative employment on the project. About 271 have been so transferred and 133 have not joined. Most of them are *mazdoors* and helpers.

—*Jaisukhlal Hathi*

KAMANI ENGINEERING REDUCES ARREARS OF PREF. DIVIDEND

PROFIT OF BENGAL FLOUR DECLINES

Kamani Engineering Corporation Ltd.

THE directors of the above Company (Managing Agents: Messrs. Kamani Brothers Private Ltd., Bombay) submit the audited accounts of the Company for the year ended 30th September 1955.

The following appropriations have been made out of the profit of Rs. 5,42,179 (Rs. 3,36,247) made by the Company during the year:

To depreciation fund Rs. 3,21,296 (*nil*), to reserve for doubtful debts Rs. 10,000 (Rs. 10,000) and to gratuity reserve Rs. 40,000 (Rs. 40,000) leaving an available balance of Rs. 3,71,296 (Rs. 10,124 after deducting the previous year's loss of Rs. 2,79,123). After providing a sum of Rs. 3,71,296 (Rs. 50,000) as above, the amount available (together with the surplus of Rs. 10,124 from the last year, subject to arrears of depreciation) comes to Rs. 1,81,007 (Rs. 10,124) which the directors recommend to be utilised as follows:—

To payment of dividend on 5½ per cent. (less income-tax) cumulative preference shares of Rs. 100 each for two years ending 30th September 1953 and 1954 at Rs. 5-8 per share absorbing Rs. 1,65,000 (*nil*), leaving a balance to be carried over to next year's account Rs. 16,007 (Rs. 10,124).

The working of the Company during the year under report has shown improvement over the previous year. The following review gives the activities of the Corporation.

Manufacture and Galvanisation of Steel Transmission Line Towers:—

More than half the quantity of the order for towers received from Damodar Valley Corporation has been successfully executed, in addition to other orders placed by Government and semi-Government bodies for towers and other light structurals.

The Corporation's work in this line proved quite efficient with the result the directors are hopeful to secure more orders from the Government for various Hydro-Electric projects to be undertaken in the country under the second Five-year Plan. However very often the Company has to face keen competition from foreign firms and consequently has to reduce its margin in order to secure orders.

Erection of Transmission Line Towers:—

The Erection work of Duduma-Rayagada 132 kv. transmission line in Orissa and 33 kv. line at Delhi is nearing completion. Further erection work for Railway's Electrification scheme at Calcutta has been secured and the directors expect to secure further orders for such erection.

Wagon Assembly Plant at Okha:—

For few months the wagon assembly work had to be curtailed owing to non-arrival of wagons from abroad. As these have now started coming to India, the work is now well in progress.

Manufacture of Road Rollers:—

The production of this could not be commenced during the period under report. The production has now started in right earnest from April in the current year at an average of six Road Rollers per month which would be expanded to make twelve numbers.

Agency Business:—

Earnings from agency business showed good progress during the year under report. It is expected to improve in the next Five-year Plan.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	59,96,250	Block ...	48,72,066
Reserves ...	2,71,833	Stock-in-trade ...	18,82,029
Depreciation fund ...	10,73,316	Stores, raw materials, etc. ...	13,22,153
Provision for taxation ...	29,168	Debts, deposits and advances ...	63,13,449
Liabilities ...	80,73,571	Investments ...	1,26,660
Profit and loss account ...	1,81,007	Cash ...	2,75,983
		Lahore assets	8,32,805
Rs.	1,56,25,145	Rs.	1,56,25,145

Bengal Flour Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

The profit for the half-year (including items relating to previous years), after providing for taxation and depreciation was Rs. 94,456 (Rs. 3,45,028) to which is added transfer from equalisation of dividend account of Rs. 1,00,000 (*nil*) and the balance brought forward of Rs. 72,375 (Rs. 67,309) making a total of Rs. 2,66,830 (Rs. 4,12,336). The directors have transferred Rs. 1,00,000 (Rs. 50,000) to general reserve leaving a balance of Rs. 1,66,830 (Rs. 2,72,336 after placing Rs. 90,000 to tax contingency reserve) available for distribution, which they recommend be dealt with as follows:—

Pay a dividend on 1,20,000 shares at 15 (30) per cent. per annum, absorbing Rs. 90,000 (Rs. 1,80,000) and to carry forward Rs. 76,830 (Rs. 92,336).

The demand for the Company's products continued during the half-year and the milling showed a substantial increase. The allotment of imported wheat by Government of India was not reintroduced until late November, when the price was increased. During the previous five months indigenous wheat only was available. Whilst the demand was sustained throughout the half-year, the margin of profit was reduced as a result of the overall fall in prices of finished products. Indian wheat prices commenced rising at the end of September and continued during the remainder of the year, reaching a high level in December. Whilst the average cost of wheat in the period under review showed a small reduction compared with the previous half-year, the selling price of flour registered a substantial decrease. The directors report that the Mills ran satisfactorily throughout the period under review.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	7,32,000
Reserves ...	9,10,000	Stock-in-trade ...	8,29,049
Provision for taxation ...	3,12,297	Stores and spare parts	3,96,668
Provision for sales tax ...	20,000	Debts, deposits and advances ...	15,39,094
Liabilities ...	11,58,121	Investments	34,649
Profit and loss account ...	76,830	Cash ...	1,45,788
Rs.	36,77,248	Rs.	36,77,248

Palani Andavar Mills Ltd.

The directors of the above Company (Managing Agents & Secretaries: Baghyalakshmi & Co., Udamalpet) submitted the audited accounts of the Company for the year ended 31st December 1955.

After meeting all expenses and providing Rs. 1,56,954 (Rs. 3,55,526) towards depreciation, the year's trading resulted in a net profit of Rs. 5,62,943 (Rs. 5,25,751). Adding to this, the carryforward balance of last year's profit, amounting to Rs. 9,122 (Rs. 551) and deducting therefrom, Rs. 3,456 (Rs. 12,180) spent for charity and donations, there remained a balance of Rs. 5,68,609 (Rs. 5,14,121) available for distribution, which the directors disposed of as follows:—

Paid a tax free dividend of 7 per cent. on preference shares Rs. 14,000 (Rs. 14,000), paid a tax free dividend of 24 (24) per cent. on ordinary shares Rs. 2,40,000 (Rs. 2,40,000), provided for contingencies Rs. 50,000 (*nil*), provided for taxes Rs. 2,50,000 (Rs. 2,51,000), and carried forward to next year Rs. 14,609 (Rs. 9,122).

The directors are glad to report that orders have been placed for 18,400 spindles and they have begun to arrive. It is hoped that the entire machinery will go into production before the end of the year.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	15,66,533
Reserves ...	6,50,000	Stock-in-trade ...	10,00,414
Provision for taxation ...	1;78,208	Stores and spare parts	3,32,271
Liabilities ...	15,63,061	Debts, deposits and advances ...	9,67,269
Profit and loss account ...	5,68,609	Investments	1,10,198
		Cash ...	1,83,193
Rs.	41,59,878	Rs.	41,59,878

Periyar and Pareekanni Rubbers Ltd.

The directors of the above Company (Managing Agents: East India Agencies Private Ltd., Palai, T.C. State) submit the audited accounts of the Company for the year ended 31st December 1955.

The Periyar and Pareekanni Estates owned by the Company comprise a total area of 1,787.5 acres, of which 1,555 acres are planted with rubber and the remaining 232.5 acres consists of sundry cultivations, buildings, roads, etc.

The Company took possession of the properties on the 1st January 1955. The crop harvested during the year was 3,69,600 lbs. rubber. The average cost including estate expenses, overhead charges and depreciation works out to Rs. 80 per 100 lbs. The average price realised was Rs. 141 per 100 lbs. The average price realised was Rs. 141 per 100 lbs. The price of rubber which remained fixed at Rs. 138 per 100 lbs. for No. 1 quality was raised to Rs. 150 per 100 lbs. with effect from the 15th February 1955. A further revision to Rs. 155-12 per 100 lbs. was made on 24th September 1955 along with the enhancement of excise duty from As. 8 per 100 lbs. to Rs. 6-4 per 100 lbs.

After meeting all charges and expenses, commission on shares and debentures and preliminary expenses there is a net profit of Rs. 1,77,369. Out of this the dividend on preference shares for the period ended the 31st December 1955 absorb Rs. 13,212. The directors recommend that the balance of Rs. 1,64,157 may be utilised as follows:

To dividend on ordinary shares at 12 per cent. Rs. 60,000, to debenture redemption fund Rs. 40,000, to reserve for taxes Rs. 62,000 and to carry forward Rs. 2,157.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	7,00,000	Block ...	9,02,096
Debentures ...	4,00,000	Stock-in-trade ...	1,53,760
Liabilities ...	95,438	Stores and spare parts	4,452
Profit and loss account ...	1,64,157	Debts, deposits and advances ...	55,905
		Cash ...	2,43,382
Rs.	13,59,595	Rs.	13,59,595

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

NEW REFRACTORY PLANT IN ORISSA

The tiny village of Belpahar, 100 miles from here in the Sambalpur district of Orissa, has been chosen as the site of a new plant to manufacture refractory bricks. This project, jointly sponsored by Indian and German interests, will have an initial annual capacity of 60,000 tons of refractory bricks, with scope for expansion to 120,000 tons to meet the growing needs of the country's steel industry.

The capital of Rs. 2 crores required for this joint Indo-German enterprise is being subscribed in the proportion of 65:35 by the Tata Iron and Steel Company, Ltd. and its nominees, on the one hand, and Didier-Werke A.G. of West Germany and its nominees, on the other. The German firm will act as technical consultants and will be responsible for all engineering work. Their patents and know-how will also be available to the Indian company. Indian personnel will be trained in Didier works in West Germany, and will eventually replace foreign technical staff to be engaged in the initial period. Indigenous items will represent a third of the total capital cost, while world-wide tenders will be invited for the balance.

The central location of the plant in relation to the three Steel works at Tatanagar, Bhilai and Rourkela is considered particularly advantageous. Fireclay, the principal raw material, is plentifully available close to the site while silica rock will be obtained from Rakhamines in Bihar, chrome ore from Sukhinda in Orissa and magnesite from Salem and in the Madras State. Power will be drawn from the Hirakud grid. The installation of the plant, as also the construction of quarters and other amenities at this undeveloped site, are expected to be completed by January, 1958.

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NO CHANGE IN MONEY

(From Our Own Correspondent)

BOMBAY, *6th June*

Conditions in the short-term money market during the week under review disclosed that funds were readily usable and that banks were still keen borrowers to meet the persistent demand for bank credit. The return of funds from the trade was not sufficiently large to change the complexion of the market. Banks had often to seek accommodation from the Reserve Bank and the State Bank. An idea of the keenness of the demand at this time of the season can be had from the fact that borrowings of banks against usance bills during the week ended 1st June 1956 had amounted to no less than Rs. 13.79 crores.

Inter-bank call money was in demand at 3¼ per cent. and house money at call was also offered at 3¼ per cent. Deposits fetched 3¼ per cent. for one to three months and 3¼ to 3⅜ per cent. for four to six months.

The Reserve Bank of India statement for the week ended 1st June 1956 shows a further shrinkage of Rs. 4.29 crores in notes in circulation following the drop of Rs. 19.76 crores in the previous two weeks. Notes held in the Banking Department are up by Rs. 4.46 crores. The consequent small rise is covered by a similar increase in rupee coin. There has been a fall of Rs. 4.97 crores in foreign securities, which is offset by a corresponding increase in rupee securities. In the Banking Department, a rise of Rs. 2.21 crores is noted in deposits of the Central Government and of Rs. 1.14 crores in those of other Governments. There has been no notable variation in deposits of banks. Balances held abroad show a decline of Rs. 1.83 crores, while loans and advances other than to Government has risen by Rs. 1.72 crores, of which outstanding borrowings by banks against usance bills account for Rs. 1.36 crores. As already stated, fresh borrowings by banks against these bills during the week aggregate Rs. 13.79 crores, one of the largest amounts borrowed in any one week, having been exceeded only twice during the current year so far. Investments have gone up by Rs. 1.65 crores.

A rise of Rs. 6.79 crores in demand deposits and of Rs. 1.74 crores in time deposits is disclosed by the consolidated statement of position of Scheduled banks for the week ended 25th May 1955. Inter-bank borrowings are also higher by Rs. 41 lakhs, while borrowings from the Reserve Bank stand reduced by Rs. 3.64 crores, of which those against usance bills account for Rs. 1.89 crores. For the second week in succession, advances show a fall, albeit small, of Rs. 1.06 crores. Bills purchased have also declined by Rs. 2.01 crores. Cash balances have improved by Rs. 1.45 crores.

The Gilt-edged market maintained a firm tone during the week under review. There was good demand for medium and long-dated issues, but scarcity of sellers restricted business. It is generally expected that the new loan will be issued in the first week of July, if not in the last week of this month.

3 per cent. 1957 and 1958 were unchanged at Rs. 99-13 and Rs. 99-10, respectively, the Reserve Bank being a buyer at these rates. 3 per cent. 1959-61 was on offer at Rs. 98-2, at which rate the Reserve Bank was a buyer against switches. 3 per cent. 1963-65 was placed at Rs. 95-1 *ex*-voucher, as against Rs. 95-3 *cum*-voucher. 3 per cent. 1964 was in demand at Rs. 95. 3 per cent. 1966-68 had sellers at Rs. 93-4. 3 per cent. 1970-75 picked up As. 3 to Rs. 90-5 on good enquiries. 3 per cent. 1986 Conversion Loan changed hands As. 2 higher at Rs. 77-10. Among 3½ per cent. loans, 1961 was on offer an anpa lower at Rs. 99-12, while 1964 was done at the self-same rate of Rs. 98-12. 3½ per cent. 1965 had business an anna higher at Rs. 98-12. State loans were featureless.

There was a further weakening of the rupee in terms of U.S. dollars during the week, in consonance with the drop in sterling abroad. Banks' selling rate of ready dollars moved up from Rs. 477½ to Rs. 478½ per $100 and their buying rate from Rs. 473½ to Rs. 474 per $100. In New York, spot sterling receded from $2.80½-2.80½ to $2.80-2.80½. Three months' forward dropped from $2.78½-2.79 to $2.78½-2.78½ and transferable sterling from 277.75-277.85 cents to 277.30-277.40 cents.

TANNED COW HIDES RECEDE

(From Our Own Correspondent)

MADRAS, *4th June*

Arrivals of E.I. tanned cow hides were on the usual scale during the week under review, and clearances restricted. Prices were week, as U.K. demand was negligible, due to dressers following a cautious, though not necessarily a pessimistic, policy.

Importers seem to be waiting for prices to decline further, despite the fact that E.I. kip prices have declined to very low levels. There were a few enquiries for top marks cow calf and buff calf for higher selections in which supplies were short. F.A.Q. marks and lower selections have been accumulating in the bazaar on which tanners will lose heavily. Arrivals of buff hides were moderate and offtake slow, due to poor demand from U.S. buyers and from dealers catering for local trade.

There was some call for prime tanned goat skins 11/12 lbs. run at 12s. and 5½/6 lbs. at 13s. 3d. to 13s. 6d., while market qualities were neglected. There was good clearance of market lining sheep at low prices, and some demand for inferior class sheep fifths and inferiors for shipment.

Shipments during May amounted to 2,563 bales cow hides, 399 cow calf, 31 buff hides, 423 buff calf, 946 goat, 412 sheep to the U.K. ports; 7 bales cow, 495 goat, 67 sheep to the Continent; 21 bales cow calf, 60 buff hides, 13 buff calf, 110 goat, 25 dry-salted goat to the U.S., and 7 bales goat, 318 sheep to Japanese ports.

SILVER BUOYANT

(From Our Own Correspondent)

BOMBAY, *6th June*

A strident advance in forward silver on strong speculative support was the notable feature of trading in the bullion market during the week under review. Gold, which had staged a spurt in the previous week, was less buoyant this week, though the trend was irregularly higher.

Absence of any arrivals of silver coins from Tibet this week and rumours that the issue of *licences to import silver coins* would be restricted confounded the bears, who were forced to cover their sales, and encouraged the bulls to tighten their grip over the market. A fairly good demand in the ready section also helped sentiment.

Gold was relatively subdued, due to rumours about arrivals of smuggled gold in the city and a fall in offtake. However, the demand from Madras was sufficiently strong to keep the prices higher.

Forward silver (26th June settlement) rallied from Rs. 166-9 to Rs. 170-8, but closed a shade lower at Rs. 169-13.

Ready silver (.999 mint) moved up from Rs. 170-1 to Rs. 172-10 and, after a shortlived recession to Rs. 169-6, recovered to close at Rs. 171-5. The premium of ready over forward, which had narrowed down from Rs. 7 to Rs. 3-8 in the previous week, shrunk further to Re. 1-8 today.

The floating stocks of silver are estimated at 700 bars. The daily average offtake was 25 bars.

Gold for forward delivery (25th June settlement) gained from Rs. 100-2 to Rs. 101-14 before closing at Rs. 101-5.

Ready gold came up from Rs. 102-14 to Rs. 104-5, but reacted to Rs. 103-5 at the close.

The floating stocks of gold are reported to be 15,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was slightly higher at 3,500 tolas per day.

In London, silver was unchanged at 79d. for spot and at 78⅞d. for forward. Gold, however, displayed strength, reflecting the weakness of sterling, and advanced from 249s. 4d. to 249s. 9½d. In New York, silver held its own at 90⅜c.

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

	6-6-56	Highest	Lowest	30-5-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint) ..	103 5	104 5	102 14	102 14
Forward*	101 5	101 14	100 4	100 2
Sovereign	66 6	66 6	66 4	66 4
SILVER				
Ready (.996 fine Mint) ..	171 5	172 10	169 6	170 1
Forward† ..	169 13	170 8	167 1	166 9
London Silver Ready ..	79d.	—	—	79d.
London Forward	78⅞d.	—	—	78⅞d.
London Gold	249s. 9½d.	249s. 9½d.	249s. 6½d	249s. 4d.
New York Ready	90⅜c.	—	—	90⅜c.

* 25th June, settlement.
† 25th June, settlement.
N.B.—Foreign bullion prices shown in the above table relates to the previous day.

PEPPER EASY

(Messrs. Parekh & Co.)

BOMBAY, *6th June*

Last week's firmness in Malabar black pepper proved short-lived and prices eased a little in sympathy with New York where spot pepper, after touching $0.30½, came down to $0.29. New York grinders withdrew as Sarawak began to offer pepper at lower prices under pressure of increasing arrivals. Competitive offers from Indonesia also affected adversely the sentiment in the market. Indian growers, however, presented comparatively steady front, for they expected expansion of demand from New York during the coming weeks. They anticipated a pick-up in inland demand too.

Alleppey and Cochin, after coming down to Rs. 737½ and Rs. 727½ respectively, are reported steady with minor fluctuations. June shipment during the week changed hands from $0.28½ to $0.28 while July-August-September was done at $0.28 with sellers reserved. At the present prices neither bulls nor bears are aggressive as both of them prefer to watch the development at New York as well as at Singapore. Most of the Indian exporters and dealers are bullishly inclined, while almost all the Singapore commission houses are reported to be only short sellers as they expect Singapore to go down still further, affecting both the U.S.A. and Europe.

In the delivery section, price for June delivery came down to Rs. 695-705.

Following are today's nominal quotations: Ready delivery Rs. 102 per Bengal maund and June delivery Rs. 695-705 and July delivery Rs. 695-705 per candy of 5½ cwts.

LINSEED WEAK

(Messrs. A. Bradley and Co.)

CALCUTTA, *4th June*

Poor demand for seeds and lack of interest in oil characterised the trading in linseed during the week under review. With a much reduced daily output, crushers showed limited interest in seeds while freer offers were being made from upcountry. The oil market was devoid of any buying interest and declined appreciably.

The latest available quotations are: Ready Rs. 22-4 and June Rs. 22-2 per maund.

TWO HEDGE CONTRACTS ACCEPTED

(From Our Own Correspondent)

BOMBAY, *6th June*

It now looks as though the way has at last been made clear for the resumption of futures trading in cotton. The Board of the East India cotton Association (E.I.C.A.) has accepted the majority view of the Hedge Contract Committee that two contracts should be run simultaneously, one having fine M.G. Jarilla (A) staple 25/32" as the basis (Contract No. 1) and the other having fine M.G. Vijay staple 27/32" (Contract No. 2). The adoption of two hedge contracts is advocated on the following grounds:

Considering the current trend of cotton production, consumption and export, a single hedge contract does not afford adequate protection, either to the grower or to the trader or to the spinner. For, in the case of single contracts, there are occasions when varieties, having a premium value of about Rs. 400 over the lowest variety, are tenderable against the contract. This evidently means that there is no selection between the contract price and the actual spot price. If, however, there are two hedge contracts which make all varieties grown in India (except *deshi* styles) tenderable against the contracts, the premium values will hardly exceed Rs. 100 or Rs. 150. What is more, the gap between the contract and the spot prices will be small.

In the opinion of the majority section of the Committee, the months of delivery should be March, May and July for Contract No. 1 and April, June and August for Contract No. 2. The Government should permit trading in the two contracts for new crop before the end of June and July every year, respectively. The tendering differences under By-law 55 must be fixed on the basis of the forward contract rate and not the spot rate. Similarly, the invoicing back of cotton rejected in survey must be on the forward rate, and not the spot rate, of the basic cotton; rejection penalty is fixed at Rs. 10 per candy. Fresh trading during delivery period, except for purposes of squaring up, that is, liquidation of outstanding contracts, should be prohibited.

At a special meeting held today, the E.I.C.A. Board accepted the two contracts scheme. The decision of the Board will be communicated to the Forward Markets Commission which, it is believed, will accept it and will give permission for the resumption of futures trading with effect from the 13th inst. Simultaneously, with the grant of permission by the Commission, the Government of India is expected to announce a downward revision in the ceiling price for the standard variety 13/16" Jarilla from Rs. 840 to Rs. 815. With regard to the margin system, the Board decided to impose margin above the level of Rs. 7,500. A slab system, had been proposed by the majority of the directors, that is, 5 per cent. on Rs. 15,000, 7½ per cent. for the business between Rs. 15,000 to Rs. 20,000, 10 per cent. for the business between Rs. 20,000 to Rs. 25,000. To fix the revised floors and ceilings for the new contracts, an informal meeting of the general body has been called by the Board on Friday next.

The spot cotton market continued to rule dull during the week under review. Mill enquiries for domestic cotton were not large, but the prices of staple styles maintained their firm tendency on expectation of enlarged spinner demand from the South Indian mills, following the restoration of power cut in Madras. Exportable styles also met with limited support, the small deals put through being in Zoda and Yellow pickings.

The following table gives the latest quotations for a few popular styles of cotton from the Sevri market, as compared with the rates prevailing a week and a fortnight before:

(In rupees per candy of 784 lbs.)

	6-6-56	30-5-56	23-5-56
Bengal *Deshi*	640	640	640
Berar Jarillas	810	810	810
Khandesh	820	820	820
Vijay	985	985	980
Oomra *Deshi*	710	710	710
Mogtal	725	725	725

In the foreign section, too, spot and shipment business was slack. There was moderate turnover in Californian new crop at lower prices, yesterday's quotation being Rs. 1,400 (October-November Calcutta delivery), as against Rs. 1,405 a week before and Rs. 1,435-Rs. 1,445 two weeks before. The fall in prices was due to the provision in the new U.S. Farm Legislation directing sales of surplus cotton to be made at more competitive prices. East Africans were neglected. B.P. 52 was quoted at Rs. 1,680 and Busoga at Rs. 1,560. These prices were lower by Rs. 30 and Rs. 45, respectively, as compared with those prevailing a week before. Some business was, however, reported in new crop Pima 1 9/16" for October-November shipment at slightly higher prices.

Last week's recovery in cotton prices at Karachi proved short-lived and the market turned easy once again this week. The buying support which had emerged after the sharp break in values in the preceding week failed to persist. Thanks to this and to the liquidation of holdings by stockists, prices of cotton drifted lower. Over the week, N.T.R.G. July delivery dropped Rs. 2-9 to Rs. 83-15. January delivery lost As. 6 to Rs. 77-4. The spot prices also tended to look down. The latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton are given below:

Sind *Deshi* 99; 4F Roller 86-3; S.G. 90-11; Punjab Roller 90-3; S.G. 94-3; 289F N.T. Roller 86-12; SG. 93-7; 289F Punjab Roller 94-7; S.G. 100-3.

The firm trend noted in the Alexandria cotton futures market in the past two weeks abated dur-

ing the week under review. In fact, the market exhibited a distinctly easy note. The easiness was due to reports that there was no fresh export business in current or new crop cotton, since overseas enquiries were negligible. Consequently, cotton prices suffered a recession. The following are the latest available quotations—in tallaries per lb.—from the Alexandria cotton futures market, as compared with those a week and a fortnight before:

	5-6-56	29-5-56	22-5-56
Karnak:			
July	120.75	133.00	118.75
November ...	113.75	126.80	115.30
January ...	109.30	119.25*	—
Ashmouni:			
June	87.25	96.30	87.75
October ...	79.65	89.05	83.65

*On 30-5-56.

Irregular conditions prevailed in the Liverpool cotton futures market. Thus, nearby contracts elicited commission house and trade buying, while distants tended to be easy on hedge selling and local liquidation. The Egyptian Karnak contract was dull, although prices were a shade better. The Sudan contract was easy with limited offtake and prices were slightly lower. The following are the latest available quotations—in pence per lb.—from the Liverpool cotton futures market:

Old contract: July-August 25.80. *New contract*: July-August 28.45; October-November 25.05; December-January 24.50; March-April 24.08; May-June 23.93. *Egyptian karnak cotton*: July-August November-December and January-February 63.00. *Sudan cotton contract*: July-August 49.10; September-October 47.65; November-December 47.60.

The New York cotton market ruled fully steady during the week under review. Nearby July position registered an improvement in price, reflecting tight free supply situation. In sympathy and induced by some trade buying and local demand, distant positions also tended to move up.

The Commodity Credit Corporation sold recently 28,725 bales of cotton under the new export sales programme, bringing the total sales so far to 262,766 bales. The C.C.C. accepted prices ranging from 27.50c. to 30.37c. for basis Mid. 15/16" gross weights average location. It is understood that most bidders were reluctant to bid much above 25.50c. which accounted for the small quantity sold. The new Farm Bill has now gone into the Statute Book. The law includes a direction to the C.C.C. that it should attempt to regain the historical share of the U.S. of the cotton world market, construed presently as 5 million bales of annual exports. In order to achieve this end, the C.C.C. has been instructed to accept bids of even 25½ cents per lb. for basis Mid. 15/16" at ports. If competition of even cheaper priced comparable foreign growths should retard the attainment of the present export objective, the C.C.C. has also been authorised to meet such competition by accepting even lower prices. This export provision of the new legislation has caused great concern because of the uncertainty regarding the minimum price the C.C.C. will accept. Responsible trade circles continue to plead strongly for a specific export subsidy *in lieu* of the present competitive bid basis. It is also reported that there is the possibility that the C.C.C. will sell cotton to domestic mills also at the world prices, provided an equivalent quantity of textile fabrics that can be manufactured out of the cotton thus bought is exported by them.

Commenting upon the Government's decision to suspend temporarily sales of its cotton stocks to overseas buyers, the U.S. Secretary of Agriculture, Mr. Benson, stated the other day that the decision was intended to permit the Agriculture Department to study the new farm legislation. Mr. Benson told a news conference in Washington that the temporary suspension would also permit the Department "to develop any new terms and conditions necessary or desirable" regarding cotton sales in the world market and "to develop plans to sell its cotton in an orderly manner in accordance with the new legislation." He said that the U.S. would "exercise extreme caution" in carrying out its new cotton export programme, in order to "avoid disrupting world market prices."

The Commodity Credit Corporation, a Government agency, originally announced that it would accept offers to buy domestic cotton for export, but the acceptance of offers was later withdrawn. Mr. Benson said that, "after the new legislation is thoroughly reviewed, the sales announcement will be amended to include any new items and conditions, and offers will be accepted on 19th June." The U.S. officials have stressed that sales of U.S. cotton on a competitive basis under the new export programme starting 1st August 1956 will be made in an orderly manner to avoid disrupting the world market and impairing the traditional competitive position of other countries. Reviewing the new Farm Act, Mr. Benson noted that the legislation provided for U.S. payment of ocean freight charges on American farm products donated to other countries for relief purposes. He estimated that, under the provisions of the Act, it would take the U.S. about three or four years to reach the goal of a balance in production and consumption of farm products. This, he pointed out, would be accomplished under the Soil Bank Programme, whereby the Government would pay farmers for taking crop lands out of production and putting the land in cover crops or trees.

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

(In cents per lb.)

	5-6-56	29-5-56	22-5-56
Spot	36.65	36.55	36.55
July	34.60	34.45	34.20
October	32.57	32.29	32.74
December	32.67	32.45	32.87

YARNS BEARISH

(From Our Own Correspondent)

BOMBAY, *6th June*

Conditions in the yarn market were distinctly bearish during the week under review. Cotton yarns were particularly depressed, thanks to weak advices from South India. The restoration of power cut in Salem, Coimbatore and other places led operators to believe that the consequent improvement in the yarn output by the mills would result in enlarged arrivals into the local market. Nor were reports of offtake in consuming centres encouraging. Selling pressure ensued as a consequence and cotton yarn prices slipped downwards. Rayon yarns were also subdued, due to slackness in demand from handlooms and powerlooms associated with the onset of monsoon. Further, heavy arrivals of yarn also added greatly to the floating stocks. Staple fibre yarns, too, ruled easy in the absence of sufficient enquiries from consuming regions and reports of booking difficulties to Delhi and Ludhiana sides.

Snia rayon yarn (120 dull cones) for August delivery fell by Rs. 6 to Rs. 796. June delivery receded from Rs. 805 to Rs. 800, before closing at Rs. 802. The spread between the two contracts widened from Rs. 3 last week-end to Rs. 6 today. In the spot section, 120 Japan declined by fifteen pies to Rs. 3-12-3. 120 Italy lost half an anna to Rs. 3-12-6. 150 Japan was quiet at Rs. 4-4 and 150 Italy at Rs. 3-14. National Rayons 150 Bt. cones, 1st grade, eased by three pies to Rs. 3-8. 120 Bt. cones, 1st grade, however, were a shade better at Rs. 3-11-3.

In the forward staple fibre yarn section, 40 x 2 June delivery was subjected to heavy selling and slumped by Rs. 16 to Rs. 669, but recovered to Rs. 674 at the close. Among spot (40 x 2) indigenous yarns, Centurys decreased by nine pies to Rs. 3-8. New Greats receded by six pies to Rs. 3-8. Citys and Kohinoors lost a similar amount to Rs. 3-8-9. Deals in foreign yarns (80 x 2) were put through at lower levels. Paramounts fell by 18 pies to Rs. 6-8. K'Suns and H'Races shed an anna each to Rs. 7 and Rs. 6-10, respectively. Suicos were unchanged at Rs. 7-11, as also S'Sellos at Rs. 6-9.

Cotton yarns, as already stated, were depressed. Forty counts were the worst to suffer. Moderns climbed down by Re. 1-6 to Rs. 27-14. Minaxis gave way from Rs. 28-14 to Rs. 27-14. Chinas dropped As. 8 to Rs. 33. Among sixty counts, Raghuvamshis slumped by Rs. 2-12 to Rs. 58. Finlays fell by Rs. 2 to Rs. 62 and Moderns by Re. 1-14 to Rs. 61-10. Business was reported in 20 count yarns. Moderns and Hinds declining by As. 2 each, the former to Rs. 18-4 and the latter to Rs. 18-3. Among 10s, Podars fell by As. 3 to Rs. 13-13. Moderns were unchanged at Rs. 14-4 and Elphinstones at Rs. 13-4. Among 80s, Moderns lacked support and decreased by As. 8 to Rs. 70. Mahendras were quiet at Rs. 73.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	6-6-1956	30-5-1956	23-5-1956
Art Silk yarn (per case of 200 lbs.)–	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia June ..	802 0	805 0	797 0
August ..	796 0	802 0	793 0
120 Japan (per lb.)	3 12½	3 13¼	3 13¼
150 Japan (per lb.)	4 4	4 4	4 4
120 Italy (per lb.)	3 12¼	3 13	3 12¼
150 Italy (per lb.)	3 14	3 14	3 13
Staple fibre yarn (per case of 200 lbs.)–			
40 x 2 June	674 0	685 0	686 0
40 x 2 New Great (per lb.) ..	3 8	3 8¼	3 8¼
40 x 2 Century (per lb.) ..	3 8	3 8¼	3 8¼
40 x 2 City (per lb.)	3 8½	3 9¼	3 9¼
Cotton yarn (per bundle of 10 lbs.)–			
10s Podar	13 3	14 0	13 14
20s Hind	18 3	18 5	18 4
30s Saroja	24 0	24 0	23 14
40s Minaxi	27 14	28 14	29 12
60s Modern	61 10	63 8	65 0
80s Modern	70 0	70 8	69 8

OILSEEDS EASY

(From Our Own Correspondent)

BOMBAY, *6th June*

The trend of the oilseeds market this week revealed no marked change from that reported last week. The undertone continued to be easy. Under the cumulative pressure of bear selling and tired long liquidation, prices of both oilseeds and oils moved further down, with setbacks occurring at every small recovery. Reports regarding the favourable onset of monsoons, absence of any bullish advices from overseas markets, and prospects of a further decline in values caused hesitancy among operators. Neither shippers nor crushers showed any eagerness to enter into fresh commitments. And the market wound up the week with closing quotations registering losses all round.

The castorseed section was devoid of any interest during the week under review. Under sustained selling pressure, September delivery, which had opened the week at Rs. 148-6, moved successively to lower levels till yesterday when the week's lowest was seen at Rs. 141-4. The low level attracted some support and the quotation improved to Rs. 143-2. But profit-taking which emerged later brought down the quotation at the close to Rs. 142. In the ready section, F.A.Q. lost As. 14 to Rs. 27-2. Ready Madras receded by a rupee to Rs. 27-4. B.S.S. oil shcd As. 4 to Rs. 16-6. Commercial oil declined further by As. 7 and finished the week at Rs. 15-3.

Trading in groundnut was adversely affected by the sharp decline in castorseed futures. Crushers bought sparingly at declines. June-July delivery contract was done at Rs. 32-12, as against Rs. 33-4 a week ago. August-September shed As. 9 at Rs. 33-7. Khandesh quality was, however, fractionally better at Rs. 34 as compared with Rs. 33-14 last week. Groundnut oil ex-mill was lower by As. 2 at Rs. 17-14. Railway receipts were, however, slightly better at the same rate, namely, Rs. 17-14.

Linseed also presented an easy trend. June-July delivery was dealt in at Rs. 30-14, as against Rs. 31-12. August-September was As. 4 lower at Rs. 30-10. Indore quality receded sharply from Rs. 30-4 to Rs. 28-12. Linseed oil ready fell by Rs. 1-2 to Rs. 17-6.

The prices of other oilseeds, too, were a shade lower, depicting thereby the generally weak trend of the market. *Niger* seed ready F.A.Q. retreated by As. 12 to Rs. 27 and Madras by As. 8 to Rs. 27-4.

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On the advice of the Forward Markets Commission, the Government of India, has granted recognition to the Ahmedabad Seeds Merchants' Association, Ltd., Ahmedabad, for conducting futures trading in castorseed and cottonseed for a period of three years. Mr. D. N. Mahta, Member of the Commission, will formally inaugurate the Association on Thursday, 7th June 1956 at Ahmedabad and the Association will begin trading in the September 1956 contract in castorseed from that date. Trading in cottonseed is expected to start in July in the January 1957 contract.

The following table shows the prices of oilseeds and oils today as compared with those at the end of the previous two weeks.

	6-6-1956	30-5-1956	23-5-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	34 0	33 14	35 6
June-July	32 12	33 4	35 4
Linseed—			
Bold Ready (per cwt.) ..	30 12	32 12	33 12
June-July	30 14	31 12	33 0
Castorseeds—			
September	142 0	146 14	157 4
Madras (per cwt.)	27 4	28 4	30 0
Groundnut oil—			
Ex-mill Ready (per quarter) ..	17 4	18 0	18 11
Castor Oil—			
Commercial (per quarter) ..	15 3	15 10	16 8
Linseed Oil—			
Ready	17 6	18 8	19 10

SUGAR MOVES UP

(From Our Own Correspondent)

BOMBAY, *6th June*

The sugar market continued to rule steady during the week under review and there was a further rise in prices. The operators were interested in extending their commitments, thanks to the delay in the issue of monthly release of sugar by the Union Food Ministry, as also to good spot demand induced by pre-monsoon upcountry enquiries. There was persistent support from Malabar coast. Rumours of the Government considering proposals for allowing export of sugar also influenced the operators bullishly. The enlarged arrivals of indigenous sugar into the market—being 7,500 bags, as against 3,000 bags in the previous week—were readily absorbed and prices of sugar continued their upward march.

In the ready section, large grain indigenous sugar advanced by a rupee to Rs. 94-Rs. 99 per bag. Medium grain rose from Rs. 90-Rs. 93 to Rs. 91-Rs. 93. Small grain was fully maintained at Rs. 90. British refined sugar rallied Re. 1-8 to Rs. 86-12.

In the forward section, *Shravan* delivery contract for C grade sugar improved from Rs. 90-8 to Rs. 90-14, but was lower at Rs. 90-8 today. The increase in price early in the week was due to rumours that the Government of India would soon conclude a deal to export 200,000 tons of sugar, the countries interested in Indian sugar being Pakistan, Burma and Ceylon. It is, however, understood that no such deal has been completed yet, although it is considered possible that the Food Ministry is examining tentative proposals from interested countries for barter arrangements.

The Union Food Ministry is reported to have turned down the offers from a couple of dealers to take up the entire stocks of British refined sugar—estimated at 11,000 tons—in the City. This decision is a sequel to the representation made by about 20 genuine wholesale dealers in sugar who offered to take up the entire stocks, including slack, torn and damaged sugar, at Rs. 30-8 per maund. The Government, it is said, has viewed this offer favourably, in view of the need for avoiding any monopolistic cornering of stocks of British refined sugar.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

JUTE GOODS ACTIVE

(From Our Own Correspondent)

CALCUTTA, *5th June*

Following the expectation that minimum export prices would be fixed higher than the present levels, there was keen speculative activity in jute goods during the week under review. Sentiment in raw jute also improved, following heavy rains experienced during this week in almost all jute districts in both Pakistan and India. Reports that New Delhi was thinking in terms of fixing minimum export prices for jute goods continued. Despite these reports, overseas buyers were in no hurry to cover their requirements at the prevailing prices. They were apparently thinking that, if the minimum prices were fixed higher than the present prices, the scheme might not be a success. The price which Pakistan is demanding for its raw jute is high and, as a result, as also due to increased labour costs, the Continental mills are unable to compete with India in world markets. Indian mills are only partly dependent on Pakistani jute. The natural result of these circumstances has been that Indian mills have been able to export more jute goods. However, profits of mills have woefully declined, and reports of loss have been a common feature of the working results of many a mill. Closely following such a disquieting trend in one of the country's premier export industry came the Tribunal Award in July 1954 which had increased the wage bills of employers in an industry which spends as much as 66 per cent. of its total expenses on raw jute. The mills appealed, and the Labour Appellate Tribunal, modifying the judgment of the primary tribunal, has increased the basic wages of jamadars, havildars and durwans by Rs. 8.67 instead of Rs. 8 as per the original award. This means a further increase in the wage bills of mills.

That the industry is finding it difficult to meet all these burdens is only too clear from the working results of mills. If then the prices of jute goods are increased, traders fear that mills' stocks would increase, landing them in further financial problems. What mills need is more supplies of the indigenous fibre at lower prices. If this problem engages the attention of the powers-that-be in New Delhi, the market feels that a step in the right direction would have been taken. All things considered there is a strong case for lower prices for raw jute, which should not, however, deter the incentive of cultivators to grow more. By producing more and reducing the selling prices, cultivators of raw jute may not be called upon to sacrifice anything. However, it is common knowledge that the cultivators and middlemen have made enough money during recent years; even if they are called upon to cut down prices in the interest of the industry, their sacrifice would be worthwhile as that would turn to their favour in the long run.

During the week, prices improved steadily. Speculators were very active but mills were reserved. Shippers also evinced interest and accepted some offers at hardening rates. Figures so far available regarding shipments during the month of May gave the market the impression as though the month-end stocks would show a further rise. Between 1st and 25th May, sackings shipped were 23,400 tons and hessians 20,700 tons respectively, both lower by 6,500 and 3,300 tons respectively as compared with the corresponding figures for April. However, this circumstance did not deter speculators to go in for as much as their funds permitted them to buy, since they believed that New Delhi would fix minimum export prices, higher than the present levels. This led to the early recovery to Rs. 105-14 from Rs. 105-2 in ready B. twills, although ready 40" 10 oz. hessians was unchanged at Rs. 37-12. It was on Thursday last when profit-taking intervened to bring down ready B. twills to Rs. 105. Speculative support soon followed and pushed up ready B. twills to Rs. 106-12 by the week-end and 40" 10 oz. hessians to Rs. 38-7. Yesterday there was a further gain in quotations, B. twills advancing to Rs. 107-4 and 40" 10 oz. hessians to Rs. 38-12.

Raw jute prices were maintained at previous levels. Mills made purchases sparingly off and on. Sellers were not making any offers of new crop, as such forward contracts had usually put them to severe losses in the past. This was a factor for raw jute prices being firm despite negligible purchases by mills. During the week there was heavy rain. Reports of floods have been received from many centres and rivers are rising. Damage to crop is feared, and in certain West Bengal districts, where sowing has not yet been done, great delay is apprehended. The latest quotations are given hereunder:

	Middles	Bottoms
	Rs. a.	Rs. a.
Pakistani:		
Northern	32 0	29 0
District	32 8	29 8
Indian:		
Northern	30 0	27 0
Assam Upper ...	30 0	27 0
Assam Lower ...	30 0	27 0
Daissee	30 8	27 8
Murshidabad ...	29 0	26 0
Western	29 8	26 8
Jungli	29 0	26 0
Orissa	30 8	27 8
Uttar Pradesh ...	29 0	26 0
Daissee mesta ...	28 0	25 0
Bimli f.a.q.	...	Rs. 25 8

IRREGULAR DEMAND FOR TEAS

(Messrs. Forbes, Ewart & Figgis (Private) Ltd.)

COCHIN, *1st June*

Approximately 1,100,000 lbs. were on offer in sale No. 13 which was held on Tuesday, 29th May. From the outset, demand was irregular and there was practically no enquiry for low medium and medium B.O.Ps. As a result there were heavy withdrawals of these types. Good medium and medium brokens met with a useful demand and prices were around valuations. There was keen competition for all fannings grades, and, in particular, good liquoring fannings which can be quoted dearer. Although there was a fair demand for the few O.P. grades on offer, there was less demand for other whole leaf teas and these were generally easier. The following are the quotations:—

	1956 Rs. a. p.
Plain B.P.	1 9 0*
Low medium B.O.P.	1 12 0
Medium B.O.P.	1 14 0
Good B.O.P. ... Rs. 2 4 0 to	2 6 0
Well-made black leaf O.P. ...	2 4 0

* Nominal.

London Market.—Sale of 28th May 1956:—C.T.C. teas irregularly 2d. to 4d. lower. Black leaf coloury fannings firm. Others ½d. to 1½d. lower.

Sale of 29th May 1956:—Best quality teas about steady. Others appreciably lower.

Colombo Market:—No sale this week.

Calcutta Market.—Export:—10,200 packages. New seasons' Darjeelings came to a fair general, but very selective demand. Any good flavoured teas sold well and strong bazaar support forthcoming for lower types.

Internal:—21,700 dust. Fair general demand. Opened one anna to As. 2. Easier closed As. 2 to As. 3. Any black leafy dusts firm. Few C.T.Cs. fairly well supported. 3,800 internal leaf met fair demand at easier rates.

Dust Sale 'K':—Almost 500,000 lbs. were on offer in dust sale K which was held on Thursday, 31st May. The sale opened to a good general demand for all types. Milled dusts were occasionally slightly easier, but prices for medium dusts remained steady. There was a very strong demand for Middle East types which were As. 2 to As. 3 dearer. Best liquoring dusts sold well at firm rates.

Export Quota:—Business is still being done freely in special export licence at 5 pies. The quotation for 1956-57 export quota remains steady at 36 pies.

Forthcoming Auctions:—Dust Sale L will be held on Thursday, 14th June.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale* 14:—1,150,000 lbs. Medium and low-medium B.O.Ps. still neglected. Good medium and best liquoring B.O.Ps. about steady, but prices following quality. Good demand for all fannings grades, but rates tending easier."

HIDES STEADY

(From Our Own Correspondent)

KANPUR, *4th June*

During the week under review, conditions in the hides and skins market were more or less stabilised. There were many customers for the upper level goods of the wet salted buff and cow category. The main purchasers were, of course, the local tanners. Fresh supplies were ample.

The latest available quotations are: Wet salted cow, 1st grade Rs. 280, 2nd grade Rs. 260 and 3rd grade Rs. 110 per score; wet salted buff, 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat, 1st grade Rs. 300 and 2nd grade Rs. 250 per 100 pieces; sheep, 1st grade Rs. 250 and 2nd grade Rs. 200 per 100 pieces.

FOODGRAINS RECOVER AT CLOSE

(From Our Own Correspondent)

HAPUR, *4th June*

After an early fall, the foodgrains market recorded a steady trend towards the week-end. The Government is determined to stop the rising trend and a programme to make ample imports has been chalked out, with a view to building up sufficient stocks and to thwart hoarders and speculators. India imported 178,950 tons of wheat until the first week of May from the beginning of the year and about

(*Continued on page* 1128)

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BRITISH OVERSEAS AIRWAYS CORPORATION

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1926	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	8	8
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1955	4	4½
Colombia	19th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	16th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	3
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1953	5·84	7·3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1951	2½	3½
Pakistan	1st July 1948	..	3
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	3½	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	24th June, 1955	5	4
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	18th May, 1956	4½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 1st June, 1956		Week ended 25th May, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	3,03,014	66,51,47,000	2,54,446	48,93,30,000
Calcutta	1,71,949	64,73,44,996	1,44,286	51,19,28,883
Madras	91,592	9,76,91,449	74,979	8,43,70,903
All Centres—				
1955-56*	..	..	2,669,000	5,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Jan., 1956	..	..	3,210,000	6,07,68,00,000
Feb., ,,	..	..	3,302,000	7,51,35,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 1st June, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up	..	5,00,00,000
Reserve Fund	..	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	..	10,00,00,000
National Agricultural Credit (Stabilisation) Fund	..	....
Deposits:		
(a) Government—		
(1) Central Government	..	54,48,22,000
(2) Other Governments	..	10,26,45,000
(b) Banks	..	51,88,62,000
(c) Others	..	13,09,73,000
Bills Payable	..	12,77,31,000
Other Liabilities	..	38,13,39,000
	Rupees ..	200,63,72,000

ASSETS	Rs.	Rs.
Notes	..	23,45,72,000
Rupee Coin	..	3,71,000
Subsidiary Coin	..	5,16,000
Bills Purchased and Discounted—		
(a) Internal	..	26,10,000
(b) External	..	....
(c) Government Treasury Bills	..	5,95,79,000
Balances held abroad*	..	25,85,85,000
Loans and Advances to Governments	..	2,80,00,000
Other Loans and Advances	..	80,24,95,000
Investments	..	37,03,21,000
Other Assets	..	13,91,21,000
	Rupees ..	200,63,72,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 45,58,51,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 133,33,04,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	23,43,72,000	
Notes in circulation	1501,83,95,000	
Total Notes issued	..	1525,27,67,000
Total Liabilities	..	1525,27,67,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	676,47,85,000	
Total of A		716,49,56,000
B. Rupee Coin		105,05,82,000
Government of India Rupee Securities		703,72,29,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1525,27,67,000

Ratio of Total of A to Liabilities: 46.975 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 25th May, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	7,31,16,000
(ii) Other demand liabilities	637,77,26,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	8,21,80,000
(ii) Other time liabilities	432,34,42,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	9,88,68,000
(ii) Time liabilities	....
4. Cash in India	39,49,67,000
5. Balances with the Reserve Bank in India	48,75,73,000
6. Balances with other banks in current account in India	10,48,07,000
7. Money at call and short notice in India	9,94,03,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	352,73,61,000
9. Advances in India	613,69,99,000
10. Inland Bills purchased and discounted in India	109,10,63,000
11. Foreign Bills purchased and discounted in India	46,22,79,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	5th June, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to nine months	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6¼	1-6¼
Bombay on New York—		
Sellers T.T. D.D. Rs.	475½	477½
Buyers T.T. Rs.	473	475
London on New York $	2·80-2·80½	2·80-2·80½
London on Paris Frcs.	983½	983½
London on Berne Sw. Frcs.	12·22-12·23½	12·241-12·248
New York on London $	2·80-2·80½	2·80-2·80½

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of Rupees (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'55-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 8,905	890	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,133	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£(N.Z.) 902	1,070	5,119
Australia	1954	8.99	£(A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 400,000	144,423	9,016
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1953	42.86	F.Fr. 10,470,000	14,420	3,364
W. Germany	1953	48.99	Dm. 103,000	11,705	2,389
Italy	1953	48.07	Lr. 8,067,000	6,882	1,421
Norway	1954	3.30	Kr. 18,424	1,230	3,638
Sweden	1953	7.17	Kr. 36,957	3,227	4,772
Netherlands	1953	10.49	Grs. 19,360	2,451	2,336
Denmark	1953	4.37	Kr. 22,915	1,580	3,616
Switzerland	1953	4.88	Sw.Fr. 20,800	2,286	4,684

* National income at *factor* cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation. Monthly Bulletin of Statistics, Dec., 1955.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 25th May, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	9,00,00,000
Deposits:—	
(a) Central Government	8,00,62,000
(b) Provincial Governments	7,94,52,000
(c) Banks	18,71,24,000
(d) Others	22,75,22,000
Bills Payable	89,03,000
Other Liabilities	7,54,16,000
Rupees	71,84,79,000

ASSETS	Rs.
Notes	13,06,20,000
Rupee Coin	9,000
Subsidiary Coin	21,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	....
(c) Government Treasury Bills	10,35,000
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	3,84,60,000
Investments	40,08,29,000
Other Assets	14,75,05,000
Rupees	71,84,79,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	13,06,20,000	
Notes in circulation	287,51,35,000	
Total Notes issued		300,57,55,000
Total Liabilities		300,57,55,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,38,000	
Silver Bullion	....	
Sterling Securities	86,98,38,000	
Government of India Securities	26,58,95,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin	6,48,12,000	167,79,40,000
Government of Pakistan Securities	120,39,88,000	
Internal bills of exchange and other commercial paper	....	
		126,88,00,000
II. Held with the Reserve Bank of India pending transfer to Pakistan—		
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,68,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets	....	300,57,55,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.69 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	25th May, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1,506.13	1,516.28	1,505.01	1,316.09
Notes held in Banking Department	35.05	18.98	18.50	22.35	24.03
Foreign Securities	59.50	681.45	681.45	681.45	661.98
Rupee Securities	37.39	698.75	708.69	698.69	533.71
Banking Department					
Deposits of:					
Government of India	14.89	56.69	67.84	58.60	54.63
Other Governments	..	9.13	7.16	27.41	14.17
Balances held abroad	10.08	30.69	35.46	44.20	48.46
SCHEDULED BANKS					
Demand Liabilities	134.36	637.77 (7.31)†	637.98 (7.00)†	645.72 (6.89)†	502.68 (8.84)†
Time Liabilities	102.24	432.34 (3.21)†	432.72 (3.11)†	427.39 (2.96)†	388.17 (2.67)†
Borrowings from Reserve Bank	..	63.95 (14.22)‡	67.59 (46.11)‡	55.90 (37.52)‡	27.18 (25.57)‡
Borrowings from State Bank	..	9.88	9.64	9.19	4.73
Cash in India	6.70	39.50	38.57	37.56	35.31
Balances with Reserve Bank	26.17	48.76	48.23	44.80	47.54
Excess over statutory limits	15.52	8.65	7.66	7.97	10.15
Balances with other banks in current account in India	..	10.43	10.30	10.90	10.44
Money at call and short notice in India	..	9.94	9.66	9.15	16.17
Investments (at book value)	105.09	352.79 769.03	353.55 768.08	355.00 757.76	344.34 619.82
Advances and bills					
STATE BANK					
Deposits	87.76	227.81	225.86	229.53	210.45
Investments	51.99	101.52	102.20	105.27	101.87
Advances	30.35	140.29	139.47	135.08	121.27
Cash	14.69	17.60	17.43	16.17	16.10

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	February,		Eleven months, April to Feb.,	
	1955	1956	1954-55	1955-56
Import Duties				
Revenue	12.23	10.05	124.41	106.89
Protective	0.52	0.99	6.81	0.45
On surplus disposals	..	..	0.14	0.09
Total import duties	12.75	11.04	131.36	116.43
Export Duties	4.23	2.63	37.06	33.85
Land Customs	0.12	0.09	1.69	1.24
Miscellaneous	0.10	0.05	0.61	0.64
Gross total customs	17.10	14.71	171.12	152.16
Refunds and drawbacks	0.19	0.32	1.46	2.44
Net Customs	17.01	14.39	169.66	149.72
Gross excise	9.60	14.18	94.70	136.89
Refunds	0.17	0.09	1.72	3.69
Net Excise	9.43	14.04	92.98	133.20
Net total of customs and excise†	26.44	28.43	262.64	282.92

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 1st June, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	..	6,35,00,000
Deposits and Other Accounts	..	226,54,55,000
Borrowings from Other Banking Companies, Agents, etc.	..	19,50,00,000
Bills Payable	..	5,81,72,000
Bills for Collection being Bills Receivable as per contra	..	65,10,000
Acceptances, Endorsements and Other Obligations per contra	..	18,49,000
Other Liabilities (including Inter-Offices Adjustments)	..	3,16,23,000
Total .. Rs.		267,83,59,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	..	13,17,83,000
Balances with other Banks	..	3,60,71,000
Money at Call and Short Notice	..	46,66,000
INVESTMENTS:		
Government and other Trustee Securities	90,67,65,000	
Other Authorised Investments	10,33,12,000	
		101,00,77,000
ADVANCES:		
Loans Cash Credits, Overdrafts, etc.	100,52,73,000	
Bills Discounted and Purchased	38,13,52,000	
		138,66,25,000
Bills Receivable being Bills for Collection as per contra	..	65,10,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	..	18,49,000
Furniture and Fixtures, less Depreciation	..	1,16,01,000
Other Assets (including Inter-Office Adjustments)	..	50,30,000
		8,41,47,000
Total .. Rs.		267,83,59,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS@@											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates	10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year									
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts
1952-53	6.33	65	3.26	23.56	84.17	1,13.84	92.08	—	31.07	7.55	25.64	..	..	..
1954-55	4.70	1.62	4.99	27.27	1,24.64	1,34.94	1,30.88	—	36.35	5.57	37.15	..	..	..
1955-56	3.76	1.96	5.46	27.17	1,44.39	1,52.96	1,63.00	—	36.80	4.79	41.25	7.40‡	7.35	5½‡
March 1955	4.70	26	4.99	3.41	1,24.64	18.51	1,30.88	—	36.35	..	..	9.30	16.41	45
April	4.60	11	5.00	2.35	1,26.46	19.41	1,33.22	—	36.50	45	37.15	58	7.38	4
May	4.52	26	5.24	3.01	1,27.94	11.28	1,34.24	—	36.64	41	37.55	48	7.86	4
June	4.44	13	5.12	2.09	1,29.49	12.35	1,35.76	—	36.76	37	38.22	56	8.51	5
July	4.36	12	5.15	2.27	1,31.28	12.80	1,40.58	—	36.85	41	38.54	54	9.23	5
August	4.29	12	5.17	2.09	1,32.82	12.25	1,43.80	—	36.96	39	38.87	91	10.19	4
September	4.21	13	5.20	2.54	1,34.88	12.40	1,46.91	—	37.11	44	39.28	94	11.00	5
October	4.14	10	5.21	2.11	1,36.88	11.35	1,48.99	—	38.23	46	39.68	80	11.80	4
November	4.07	10	5.21	1.98	1,37.68	11.25	1,50.40	—	38.34	46	40.06	80	12.49	5
December	4.00	18	5.26	2.56	1,39.43	12.94	1,52.44	—	38.44	36	40.24	88	13.20	5
January 1956	3.91	14	5.24	2.03	1,40.78	12.16	1,54.14	—	38.55	32	40.61	84	13.98	4
February	3.83	16	5.29	2.33	1,42.27	12.97	1,56.16	—	38.96	39	40.95	93	14.73	2
March	3.76	31	5.46	2.80	1,44.39	18.45	1,63.00	—	38.80	26	41.25	91	16.41	3
April	..	..	..	..	..	..	..	—	..	34	41.51	..	..	3

* At the end of period.

‡ Issued from 16th May, 1954.

§§ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the pre-partition holdings of Indian investors.

@Progressive net repayments at the end of period from 16th August 1947.

‡‡ Relating to nine months from July, 1954.

§ From July, 1954.

E-Relating to eleven months from May, 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended			
	25-5-'56	28-4-'56	19-5-'56	26-5-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.8	91 0	91.2	91.2
1. Government of India	90.6	90.8	91.0	91.1
2. Indian States	96.2	96.7	96.7	96.7
3. Municipal, Port Trust, etc.	89.4	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.7	100.9	100.8	100.8
1. Electricity	102.3	102.2	102.2	102.0
2. Jute	98.8	97.6	97.6	97.6
3. Plantations	99.1	99.2	99.2	99.2
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	100.2	102.3	102.3	102.3
8. Others	100.6	101.1	101.0	101.0
PREFERENCE SHARES	87.6	85.4	85.9	85.1
1. Electricity	96.1	93.6	93.3	92.3
2. Cotton	78.7	81.7	81.1	81.0
3. Jute	82.7	83.3	81.5	81.7
4. Coal	92.2	89.9	87.7	86.1
5. Iron and Steel	90.1	87.7	87.5	87.8
6. Sugar	83.3	84.5	84.6	84.5
7. Paper	83.8	82.1	82.1	82.1
8. Plantations	98.1	101.7	101.9	102.4
9. Miscellaneous	85.8	80.8	81.4	81.0
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	112.3	122.2	124.3	124.4
(a) Financial	88.0	87.8	89.8	90.0
1. Banks	85.2	88.0	90.3	90.5
2. Insurance	106.3	84.7	85.7	86.3
3. Investment Trust	88.9	93.1	92.4	92.1
(b) Public Utilities	113 0	112 2	111.7	111.6
1. Electricity	122 6	115.5	113.1	113.0
2. Shipping and other Transport	97.2	111.4	113.1	115.3
3. Railways	88.5	88.2	86.9	87.1
(c) Manufacturing industries	116.6	130 3	133.7	134.2
1. Cotton, Woollen and Silk	103.7	130.1	133.1	133.1
2. Jute	95.1	75.0	75.2	76.2
3. Iron and Steel	139.9	147.3	157.0	159.0
4. Paper	224.3	286.6	286.2	280.0
5. Cement	145.6	173.5	179.8	180.2
6. General Engineering	168.3	191.6	194.1	194.8
7. Sugar and Breweries	96.3	103.4	104.5	104.2
8. Chemicals	129.7	143.3	143.6	143.6
(d) Non-Manufacturing industries	147.2	168.9	170.2	167.5
1. Coal	77.8	81.4	81.5	79.7
2. Mining and Oil	181.6	262.0	263.5	262.3
3. Plantations	174.3	182.5	185.0	181.0
(e) Miscellaneous	84.0	100.8	101.4	101.6
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:	90.3	90.4	90.7	90.8
1. Bombay	90.6	90.9	91.1	91.1
2. Calcutta	91.1	91.2	91.5	91.5
3. Madras	99.2	100.0	100.0	100.0
DEBENTURES OF INDUSTRIAL CONCERNS:	101.5	101 6	101.5	101.4
1. Bombay	100.2	100.2	100.2	100.2
2. Calcutta	91.5	89.3	89.1	89.1
3. Madras	85.5	80.2	79.8	79.8
PREFERENCE SHARES:	92.5	92.7	92.4	92.7
1. Bombay	95.5	97.7	97.4	97.7
2. Calcutta	114.6	127.2	130.8	131.0
3. Madras	106.7	111.1	111.8	111.6
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	108.6	127.0	131.3	132.4
1. Bombay	115.0	130.4	136.9	138.2
2. Calcutta	..	..	..	..
3. Madras	..	..	..	..
4. Delhi	..	..	..	..

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes †	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,818,923
1952	963	809,243	3,833,608
1953	772	456,609	3,178,530
1954	840	477,139	5,384,676
1955	1,633	728,932	344,295
February 1954	85	41,351	321,419
March ,,	91	34,202	207,247
April ,,	101	34,953	316,062
May ,,	80	40,078	305,078
June ,,	82	21,589	277,492
July ,,	123	30,189	323,387
August ,,	79	51,090	363,378
September ,,	97	50,414	276,294
October ,,	88	41,734	339,701
November ,,	83	25,115	263,763
December ,,	101	54,455	322,807
January 1955†	95	49,088	144,303
February ,,	91	35,370	254,696
March ,,	113	70,043	393,515
April ,,	99	29,513	224,416
May ,,	119	66,064	1,035,704
June ,,	154	55,173	682,773
July*	109	57,889	533,571
August ,,	225	90,565	581,599
September ,,	253	94,523	203,544
October ,,	181	47,042	175,129
November ,,	106	49,953	220,157
December*	180	45,929	357,333
January 1956†	109	61,098	369,489 (a)
February ,,	116	6 6,995 (a)	..

† Figures are provisional.

(a) Not known in 1 case.

* Revised.

§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.2
1953-54	643	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
January 1955	684	668.5	545.2
February ,,	685	638.7	521.8
March ,,	686	698.7	568.3
April ,,	690	691.1	563.9
May ,,	691	706.5	580.2
June ,,	696	716.2	576.1
July ,,	700	724.8	588.3
August ,,	705	706.9	574.4
September ,,	707	719.3	587.1
October ,,	716	730.7	591.9
November ,,	721	725.5	597.0
December ,,	724	735.7	645.0
January 1956	731	757.2	621.8
February ,,	739	749.9	622.0

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

§ At the end of period.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	19th May, 1956	12th May, 1956	21st May, 1955	April, 1956	April, 1955	Percentage of increase (+) or decrease (−) in April, 1956 as compared with April, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	350.5	350.1	279.2	380.9	283.6	+27.3	313.2	339.8
Cereals	59	447	445	312	461	327	+41.0	372	381
Pulses	8	367	363	216	337	217	+64.5	289	280
Others	33	225	227	244	234	235	− 0.4	235	291
Industrial Raw Materials	(18)	483.5	475.2	399.6	472.8	398.6	+18.6	419.8	436.2
Fibres	53	457	456	431	450	437	+ 5.0	429	447
Oil seeds	30	559	547	341	529	323	+63.8	398	424
Minerals	10	463	437	417	446	414	+ 7.7	427	422
Others	7	427	397	418	394*	401	−14.5	431	427
Semi-Manufactures	(17)	384.6	382.8	330.6	377.0	327.8	+15.0	338.2	350.3
Leather	8	406	406	400	409	393	+ 4.1	378	376
Jute	13	309	303	253	308	221	+ 5.0	207	221
Vegetable oils	16	557	555	347	525	330	+59.1	389 R	433
Cotton yarn	35	476	471	426	457	432	+ 5.3	422	454
Metals	18	289	289	244	282	244	+15.6	264	240
Oil cakes	5	402	397	305	419	236	+46.5	338	381
Others	5	360	360	327	362	329	+10.0	336	312
Manufactured Articles	30	377.1	378.2	374.7	375.6	377.1	− 0.4	372.9	377.4 R
Textiles	64	411	413	415	408	421	− 3.1	408	421
Jute	11	349	331	333	305	332	+ 11	418	445
Cotton	45	416*	416*	400*	408*	411*	− 0.7	403*	415*
Rayon and Silk	6	485*	502*	503*	502*	484*	+ 3.7	485*	469*
Woollen	4	264	264	310	264	310	−15.1	284	311
Metal products	17	371	371	343	371	340	+ 9.1	359	340
Others	19	286	286	286	286	287	− 0.3	285	286
Miscellaneous	(4)	501.0	498.0	547.0	496.7	541.2	− 8.2	546.4	612.4
All Commodities	(100)	391.2	389.8	343.9	351.2	345.4	+ 13.3	360.4	377.5

R=Revised.

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

* Estimated.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugarf	Gur	Tobacco	Raw Cotton	Raw Jute‡	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
1955	401	502†	117	202	205	744†	583	275	144	770†	427†	547	370	331	357	477	410	274
February	416	458	108	219	198	591†

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS (000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	...	26,842	...	8,539
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	...	7,999	...	2,786
Maize	final	,,	8,999	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,344	1,646
Small millets	2nd	,,	11,446	12,215	1,603	2,002
Total cereals	final	tons	..	208,323	..	55,327
Pulses—						
Gram	2nd	tons	22,206	20,065	4,702	4,535
Tur	2nd	,,	5,755	5,648	1,709	1,799
Total pulses	final	tons	..	54,004	..	10,474
Oilseeds— ¶						
Groundnut	final	tons	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	3rd	,,	5,587	6,123	461	588
Rape and Mustard	final	,,	...	5,665	...	962
Linseed	final	,,	...	3,290	...	388
Total oilseeds	final	tons	..	29,335	..	5,877
Fibres—						
Cotton*	4th	bales	19,525	17,506	3,705	4,072
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	2nd	,,	579	614	1,159	1,016
Other crops—						
Potato	final	tons	...	665	...	1,762
Sugarcane	2nd	,,	3,930	3,718	5,079	4,358
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,462	1,223	340	363
Tobacco	final	,,	...	860	...	248

Source: Ministry of Food and Agriculture.
N.B.—The figures of sugarcane outturn are in terms of raw sugar (gur).
* In thousand bales of 392 lbs. each.
† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1956	99.9
	Corresponding month, 1955	85.6
	Ten months ended April, 1956	894.3
	Corresponding period, 1955	835.8
Stocks	As the end of April, 1956	107.3
	Corresponding month, 1955	103.4
		(In 000 bags)
Exports (Jute Bags)	Week ended 14th April, 1956	8,185
	Corresponding week, 1955	4,665
	From 1st Jan., to 14th April, 1956	122,915
	Corresponding period, 1955	112,595
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 14th April, 1956	16,272
	Corresponding week, 1955	8,086
	From 1st Jan., to 14th April, 1956	316,975
	Corresponding period, 1955	322,013
	RAW JUTE	(In lakh bales)
Consumption by Mills†	April, 1956 (in lakh bales)	5.45
	Corresponding month, 1955	4.97
	Ten months ended April, 1956	51.88
	Corresponding period, 1955	48.48

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,84,400	10,42,900	7,61,200
Do. 31st March, 1956	11,58,900	10,62,100	7,97,800
December 1954	1,06,600	95,000	72,800
January 1955	1,02,600	95,800	72,200
February ,,	93,500	84,500	63,000
March ,,	95 000	89,300	66,100
April ,,	95,100	88,000	66,200
May ,,	94,200	87,500	5,600
December ,,	1,08,900	97,500	72,800
January 1956	1 03,000	96,800	71,600
February ,,	97,500	89,500	67,700
March ,,	1,08,300	96,200	69,900
April ,,	1,00,000	87,200	64,300
May ,,	96,600	89,400	66,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,26,710	4,31,466	3,13,940
Do. 31st March, 1954	5,80,020	3,49,280	2,92,440
Do. 31st March, 1955	7 15,949	5,28,240	4,59,092
Do. 31st March, 1956	7,06,986	5,31,506	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,13,861
,, ,, ,, Dec., 1954	1,88,654	1,36,251	1,25,116
,, ,, ,, Mar., 1955	1,65,108	1,43,823	1,13,136
,, ,, ,, June, 1955	1,85,605	1,34,233	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,640	1,08,714
,, ,, ,, Dec., 1955	1,96,750	1,46,693	1,36,762
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860

FOREIGN TRADE OF INDIA

Particulars	February 1955	February 1956	Eleven months April to Feb., 1954-55	Eleven months April to Feb., 1955-56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs	9,41	6,51	113 30	59.24
Raw materials	16,48	14,25	174,46	140,34
Manufactures	23,86	43,83	281,34	384,07
Other items	9	33	2,76	2,94
Total*	54,84	64,77	577,06	577,59
By land	2,70	3,42	20,88	26,54
Total Imports	57,54	68,19	597,94	604,13
Exports :				
By sea and air—				
Foodstuffs	17,89	14,68	188,67	148,50
Raw materials	10,93	15,41	102,70	148,55
Manufactures	20,13	19,76	230,57	228,80
Other Items	35	26	4,44	3,33
Total	49,70	50,11	526,38	529,68
By land	48	38	5,17	5,80
Total Exports	50,18	50,49	131,55	535,48
Total Re-exports	39	75	4,68	5,02
Balance of trade in merchandise	— 6,98	— 16,93	— 61,97	— 63,58
Balance of transactions in private treasure	...	...	3	6
Total visible balance of trade	— 6,98	— 16 93	— 62,00	— 63,64
Imports :‡				
Total C'wealth countries	23,10	23,45	245,12	250,41
Total Foreign countries	31,74	41,33	331,94	327,18
Exports :‡				
Total C'wealth countries	27,18	26,51	295,81	269,62
Total Foreign countries	22,52	23,80	230,57	260,06

* Exclusive the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS
(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	890	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,700	886	184	98	62	154	13	299	399	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
March 1955	11,782	2,703	886	184	98	62	154	13	299	399	25	281	47	128
April ,,	1,034	222	77	21	12	6	9	2	12	33	2	24	2	10
May ,,	2,027	445	157	40	23	12	15	4	25	66	7	48	4	23
June ,,	2,973	662	237	55	33	17	19	6	27	98	11	73	7	34
July ,,	3,973	890	324	73	41	22	23	8	52	130	14	100	12	48
August ,,	4,982	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,981	1,361	491	101	56	32	35	12	82	196	22	153	22	76
October ,,	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,236	2,079	723	153	77	51	95	21	205	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	365	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 BG.=2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955. *Source* :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Inland—		
Cotton Receipts	Week ended 31st May, 1956	36,257(J)
	Corresponding week, 1955	59,596(J)
	1st Sept. to 31st May, 1955-56	1,583,243*
	Corresponding period, 1954-55	1,544,431*
Cotton Exports	Week ended 31st May, 1956	3,418
	Corresponding week, 1955	15,330
	1st Sept. to 31st May, 1955-56	576,976‡
	Corresponding period, 1954-55	297,090
Mill Consumption (Estimated)	1st Sept. to 31st May, 1955-56	932,866
	Corresponding period, 1954-55	954,690
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 31st May, 1956	687,582
	Corresponding date, 1955	722,148
Cotton Exports from Bombay (by sea)	During January, 1956	85,978§
	1st Sept., '55 to 31st Jan., 1956	363,052
	1st Sept. '54 to 31st Jan., 1955	128,685
Karachi (Pakistan)—		
Receipts	1st Sept. to 24th May, 1955-56	1,878,672
	Corresponding period, 1954-55	1,200,062
Exports	1st Sept. to 24th May, 1955-56	757,683
	Corresponding period, 1954-55	617,914

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

From 1st Sept. 1955 to 4th June, 1956 Bales	From 1st Sept. 1954 to 4th June, 1955 Bales
From Bombay Cotton Shipments to—	
United Kingdom	64,437	27,801
Continent	94,116	44,669
Hongkong	40,469	3,857
China	57,578	...
Japan	307,899	82,190
U.S.A.	4,152	16,624
Other Countries	4,145	1,639
Total to all foreign countries	572,796	176,780
Coastal Ports	99,905	125,182
Total	672,701§	301,962

Period	Quantity (Bale of 400 lbs.
Consumption of Cotton—	
Indian: February, 1956	848,049
Indian: Six months ended Feb., '56	52,135
Foreign: Six months ended Feb., '56	2,221,013
India	287,444
Foreign: Same Period 1955	2,022,925
Foreign	344,791
Stocks (Mills and Elsewhere)—	
Indian: As on 29th Feb., 1956	1,187,986
Foreign	174,025
Indian: As on 29th Feb., 1955	1,161,155
Foreign	120,0..
Cotton Pressed in India† (In running bales)	15,615
	91,567
	2,947,573
	3,873,321

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-28	42,30,26,000	1960-70	101½
2½ % Loan	1935-39	1,16,17,46,000	1962-65	95½
2½ % Loan	1950	50,84,15,000	1964	95
2½ Fg. Loan	1943	1,10,11,78,000	1956-59	98⅜
2½ Y. Loan	1944	1,14,06,89,000	1957	99⅛
2½ Loan	1945	1,15,06,35,000	1970-75	90½
2½ 2nd V. Loan	1945	1,18,65,54,000	1959-61	98⅜
2½ Loan	1951	60,35,63,000	1959	99⅝
2½ Loan	1941	45,53,07,000	1960	96¼
2½ Loan	1946	57,00,59,000	1961	88½
2½ Loan	1946	14,77,45,000	1976	82½
2½ Loan	1947	75,86,72,000	1962	94
3½ Loan (H.P. Bonds)	1952	75,29,00,000	1961	90⅜
2½ % N.P. Loan	1954	167,35,41,000	1964	90⅜
2½ % H.P. Bonds (2nd Series).	1955	100,00,00,000	1965	90⅜
NON-TERMINABLE LOANS				
3 % Loan	1896-97	3,93,36,000	(At option of Government after three months' notice). On September, 1986 or later at option of Government after three months' notice.	30
3 % Loan	1846	245,91,66,000		77 ⅜
REPATRIATE STERLING LOANS				
4½ % Loan	1922	8,55,20,026	1956-62***	103½'
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99–101½
3 % Bombay	1942	2,99,25,000	14th Sept. 1956	99½
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98½
3 % Bombay	1947	3,06,66,000	1st Aug. 1962	98
3 % Bombay	1950	2,92,50,000	1st July 1965	98
2½ % Bombay	1951	2,97,56,900	17th Sept. 1962	98
4 % Bombay	1952	5,60,25,000	15th July 1962	101½
4 % Bombay	1953	3,61,31,700	1st Sept. 1962	101½
4 % Bombay	1955	9,00,00,000	1st Sept. 1967	100–101
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99½
4 % Cochin	1946	1,00,00,000	1st Dec. 1956-58	99½
2½ % Cochin	1936	70,00,000	1st June 1956-61	99½
4 % Howrah				
Bridge (New)	1936-37	1,86,06,700	1956-66	98½
4 % Hyderabad	1955	5,00,00,000	1st Sept. 1967	99½
3 % Madras	1939	1,23,96,600	21st June 1959	96½
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99½
3 % Madras	1944	1,07,98,000	15th Aug. 1958	98–99½
3 % Madras	1948	2,78,44,800	14th Sept. 1960	96–98½
2½ % Madras	1949	3,31,77,200	1st Sept. 1961	98–99
3 % Madras	1950	44,32,34,400	4th July 1960	96½
2½ % Madras	1951	3,01,49,200	17th Sept. 1962	97½
4 % Madras	1952	10,53,43,000	15th July 1962	100½
4 % Madras	1953	4,34,31,200	1st Aug. 1964	100½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99½
4 % Mysore(J)	1933	2,96,55,200	1st Dec. 1956-63	101
3 % Mysore(J)	1935	2,96,72,900	30th April 1956-61	99½
3 % Mysore	1947	4,06,06,700	14th Sept. 1956	99½
4 % Mysore	1953	3,33,47,000	15th July 1962	100½
4 % Mysore	1955	5,25,00,000	1st Sept. 1967	99–101½
3 % M.P.	1943	50,54,200	14th Sept. 1956	99½
3 % M.P.	1944	52,69,800	15th Aug. 1958	98½
3 % M.P.	1948	3,08,28,800	14th Sept. 1964	98
3 % M.P.	1950	1,01,44,700	31st July 1960	95½
2½ % M.P.	1951	1,32,18,100	17th Sept. 1962	98
4 % M.P.	1952	1,02,18,100	15th July 1962	100½
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99½
4 % Punjab**	1955-56	9,48,27,200	15th Aug. 1958	99½
3 % Punjab**	1943	2,46,78,200	14th Sept. 1956	99½
3 % Punjab**	1945	2,95,51,600	14th Sept. 1960	97½
4 % Saurashtra	1955	3,25,00,000	1st Sept. 1967	99½
3½ % Travancore	1938	50,00,000	16th Aug. 1964	99½
4 % Travancore-Cochin	1952	3,25,00,000	15th July 1962	100–101½
3 % U.P.	1936	1,57,42,500	15th Sept. 1961-66	99½
3 % U.P.	1946	3,02,24,500	15th Aug. 1958	98½
2½ % U.P.	1945	2,17,86,700	14th Sept. 1960	95½
3 % U.P.	1946	2,30,38,800	1st Sept. 1961	98½
2½ % U.P.	1951	1,94,11,700	17th Sept. 1962	98½
4 % U.P.	1952	6 11,45,200	1st Aug. 1964	100½
4 % U.P.	1953	5,65,15,500	15th July 1962	100½
4 % U.P.	1955	5,50,00,000	1st Sept. 1967	99½

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Treasuries. ** Quotations in Pak Currency. *** Rupee Counterparts.
†Excluding Treasury Transport. ‡‡ Rate of interest reduced from 3 to 2 per cent. with effect from 1st June, 1944.
‡ Rate of Interest reduced from 3½ to 2 per cent. with effect from 1st April, 1942. ¶ Interest free to June 1st Issue. §—Reissued from the Sinking Fund.

PORT TRUST LOANS

Amount	Interest payable (per cent.)	Year of Issue	Repayable	Market quotation Rs.
BOMBAY				
Rs.				Rs.
85,50,000	4	1904	1964	
85,50,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
40,00,000	4	1908	1968	99⅛N
40,00,000	4	1909	1969	
86,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,10,00,000	4	1912	1972	
14,85,876	4	1913*	1960	D
80,00,000	4	1913	1974	103⅜N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
75,00,000	4	1915	1975	
41,61,000	4	1923*	1963	
11,51,000	4	1924*	1960	
10,55,000	2½	1926*	1960	
35,00,000	2½	1928*	1960	
12,50,000	2½	1929*	1960	D
12,50,000	2½	1931*	1961	
12,50,000	2½	1934*	1974	
24,85,000	3	1935*	1975	
15,00,000	3	1936*	1966	
15,00,000	3	1937*	1962	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,24,800	4	1914	1974	99
76,96,100	4	1915	1975	99
1,50,00,0000	4	1921	1981	99
66,02,3000	4½	1921	1981	144N
98,91,600	5	1926	1956-58	100
99,84,3000	5	1926	1956-58	100⅛
1,46,49,5000	5	1927	1956-58	100⅛
1,49,80,000	5	1928	1956-58	100
1,00,00,000	4½	1931	1961	98
66,00,000	4½	1932	1962-63	97½
2,50,00,000	3	1933	1963-66	74
2,50,00,000	3	1934	1966-68	74
2,50,00,000	3	1935	1967-68	74
2,50,00,000	3	1936	1968	74
2,00,00,000	3	1937	1968	74
1,00,00,000	3	1938	1968	74
1,00,00,000†	4	1938	1968	97
1,00,00,000†	4	1939	1969	97
1,00,00,000	3	1939	1969	97
2,50,00,000	3	1940	1970	97
	3	1940	1970	97
	3	1941	1971	97
	3	1942	1972	97
	3	1943	1973	97
	3	1944	1974	97
	3	1945	1975	97
	3	1946	1976	97
STERLING LOANS				
£592,600	5	1922	1956-62	97½
£901,000	5	1924	1956-64	97½
£885,100	5½	1932	1962	99⅛
MADRAS				
Rs.				Rs.
81,47,100	4½	1947	1977	
5,86,0000	3	1947	1977	A
1,00,0000	3	1949	1979	
45,00,0000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest payable (per cent.)	Year of Issue	Repayable	Market quotation Rs.
Rs.			**BOMBAY**	Rs.
50,00,000	4	1899	1959	100
80,00,000	4	1901	1961	
80,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
90,00,000	4	1906	1966	97⅛N
80,00,000	4	1907	1967	
80,00,000	4	1908	1968	
15,00,000	4	1913	1973	
18,00,000	4	1914	1974	97⅛N
50,00,000	4	1915	1975	
50,00,000	4	1916	1976	
40,00,000	4	1919	1947-79	115N
66,00,000	6	1920	1955-80	
25,00,000	5	1926	1956-58	115N
25,00,000	5	1927	1957-59	115N
10,00,000	5	1928	1958	
STERLING LOANS				
£566,600		1909	1969	
£585,000		1910	1970	
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1922	1960	107
50,00,000	4	1924	1964	99½
35,00,000	5½	1924	1965	96½
50,00,000	5	1925	1965	96½
50,00,000	5	1926	1966	99½
20,00,000	5	1928	1963-68	99½
50,00,000	4	1932	1962	99½
1,02,00,000	4	1936	1963	99

MUNICIPAL LOANS

Amount	Interest payable (per cent.)	Year of Issue	Repayable	Market quotation Rs.
Rs.		**BOMBAY**		Rs.
20,50,000	4	1915-16	1974	100
25,00,000	5	1928	1958	115½
25,00,000	5	1929	1954-56	104½ to
8,45,500	5	1929	1959	105½
25,00,000	5	1930	1960	105½
3,25,00,000	2½	1947	1965	68½
2,50,00,000	2½	1948	1970	68½
2,50,00,000	2½	1950	1965	68½
2,50,00,000	2½	1951	1966	68½
2,50,00,000	2½	1952	1968	68½
1,00,00,000†	4	1954	1969	100½
2,50,00,000	4	1955	1967	100½
Rs.		**CALCUTTA**		Rs.
25,00,000	3	1928	1958	102
25,00,000	3	1929	1957	102
25,00,000	3	1929	1958	102½
10,00,000	5½	1929	1959	99½
23,91,000	2½	1925	1965	68½
40,00,000	3	1928	1958	99½
47,50,000	3	1929	1959	99½
15,54,800	4	1930	1960	99½
15,54,800	4	1930	1960	99½
47,50,000	3	1940	1957	99½
17,54,400	2½	1940	1960	99½
21,10,000	2½	1942	1972	99½
21,49,000	2½	1951	1966	97½
16,53,000	2½	1951	1966	97½
26,25,000	2½	1951	1966	97½
27,36,000	4	1953	1963	99½
72,50,000	4½	1954	1979	100
Rs.		**MADRAS**		Rs.
15,00,000	2½	1951	1961	107N
15,00,000	2½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½ % W. Bengal	1951	1,76,06,000	17th Sept. 1966	95
4 % W. Bengal	1952	3,00,00,000	1st Apr. 1964	100½
4 % W. Bengal	1953	2,50,00,000	15th July 1962	100½
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	128	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec. ..	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	100	100
Cawnpore Sugar Works	10,00,000	1935-24	8	Feb. Aug.	137	100
Deccan Sugar & Abkhar	7,00,000	1920	7	July Apr.	6½	5
¶East India Distilleries	£200,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	100
Purtabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	102	100
Rava gaon Sugar	20,00,000	1945	6½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1938	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	90N	100
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	113	100
Burrakur (1st)	2,99,800	1901-19	7	Apr. Oct.	111½	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8	10
Equitable	4,00,000	1895	6	Mar. Sept.	108	100½
Karanpura Collieries	7,50 000	1946	5½(a)	.. ..	62	75(pp)
¶¶Khas Kajora	1,00,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Ondai	2,00,000	1898-99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	103½	100
Bangalore	6,00,000	1934	6	Nov. ..	125	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Bengal-Nagpur	3,30,000	1896	7	Apr. Oct.	99	100
Bengal-Nagpur	6,00,000	1900	8	Feb. Aug.	128	100
Bowreah 'A'	6,00,000	1900	7	Feb. Aug.	68	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	68	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	144	100
Cambodia	1,00,000	1923	7	Apr. ..	122½	100
Central India	50,00,000	1912	5	Apr. Oct.	465	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	111½cd	100
Elgin	11,00,000	1913	8	May Nov.	135	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	9½	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	87	100
Kesoram	20,00,000	1919	7	June Dec.	133	100
Khatau Makanji (2nd)	29,92,500	1947	4	Nov. ..	87	100
K

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. n.d.=Cum. Dividend. I=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, at stand or the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
50,00,000	62,567	76,28,421	42,05,873	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2-15½	2	Nil	Nil	Nil	Nil	12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,258	—6,97,129	B. E. Sons, Ltd.	50,596	1,021	B. E. Cotton Mills	45	100	Nil	Nil	Nil	Nil	3	Y.P.T
2,50,98,000	2,99,72,778	4,93,58,445	2,20,49,278	78,122	Nowrozjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	660½	250	20 0	32 8*	20 0	25 0*	12	Y.
19,00,000	37,35,559	50,58,179	45,57,498	2,45,751	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	222½	50	100 0*	100 0	75 0		12	Y.P.
1,09,42,300	2,63,96,820	2,81,88,264	1,97,06,117	6,84,956	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	567½	100	20 0	22 0	22 0	22 0	12	Y.
49,00,000	15,44,590	1,14,09,462	65,52,089	—32,25,720	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	80	100	Nil	Nil	Nil	Nil	12	Y.
98,00,000	11,85,470	81,28,789	48,80,041	20,755	Cowasjee Jehangir & Co., Ltd	30,823	680	Coorla Spg. & Wvg.	152½	100	7 8	7 8	7 8	7 8	12	Y.
10,00,000	24,36,965	69,10,851	54,66,041	2,17,076	Damanzain Sons, Ltd.	40,992	1382	Dawn Mills	50	50	6 0	6 0	6 0	15 0	12	Y.
34,00,000	27,75,000	78,60,731	54,78,734	80,188	Puranmal Radhakishan & Co.	50,054	928	Edward Textiles	357½	200	15 0	15 0	15 0		12	Y.
30,00,000	11,82,202	1,10,92,641	75,74,225	22,796	M	41,300	886	Elphinstone Spg. & Wvg.	57	50	2 0	Nil	3 8	2 81	12	Y.P.
50,00,000	70,11,575	1,23,38,518	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	340	100	20 0	16 0	16 0	20 0	12	Y.
11,84,000	76,64,589	1,27,76,510	99,11,600	9,22,958	Thos ersey Mcoljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	4,800	1,000	200 0*	225 0*	225 0	300 0	3	Y.P.
16,000									4,800	1,000	200 0*	225 0*	225 0	75 0		
2,98,80,000	1,19,37,853	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,32,640	6,378	India United Mills	992½	250	50 0	56 4*	56 4	75 0	12	Y.
56,00,0000.									(13-14½	0 100.	Nil	0 10	Nil	0 101		
6,65,000	74,24,048	1,30,07,908	92,59,000	5,102	Damodhar Thackersey Mcoljee & Co.	56,256	1,192	Indian Mfg.	2-6¼	1,000	Nil	0 1	Nil	0 11	12	Y.P.
25,000									5,075Rs	1,000	200 0*	225 0*	225 0	300 0		
59,25,000	40,58,451	2,37,18,607	1,93,93,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	240	100	10 0	10 0	10 0	10 0	3	Y.P.
1,80,00,000	1,21,50,000	3,56,88,005	2,68,14,796	33,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	878	100	100 0	100 0	100 0	100 0	6	Y.
23,13,050	41,06,720	1,18,74,848	55,99,119	31,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	95N	50	5 0	5 0	5 0	8 0*	12	Y.P.
51,75,000	33,52,000	1,94,11,154	1,47,78,041	1,05,579	Piramal & Sons	47,036	1,052	Monarch Gounidas Spg. & Wvg.	242½	100	12 0	12 0	14 0		12	Y.P.
1,57,74,400	38,41,004	2,84,71,005	2,05,00,000	5,12,085	Chinai & Co., Private Ltd.	84,194		National Rayon Corporation	249	100	9 0	10 0	14 0	12 0	12	Y.P.
24,00,000	24,50,000	76,57,853	46,04,750	3,016	W. H. Brady & Co., Ltd.	45,944	482	New City of Bombay Mfg.	180	100	10 0	10 0	10 0	10 0	12	Y.
80,00,000	14,61,250	92,85,509	61,42,741	4,230	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	255	100	10 0	10 0	7 8	10 0	12	Y.P.
12,70,100	28,54,549	56,78,516	40,57,707	12,752	Mafatlal Chandulal & Co. (Bombay), Ltd.	34,100	878	New Union Mills							12	Y.
45,00,000	36,62,272	1,49,08,118	99,59,811	1,26,564	Ramanlals Sons, Ltd.	69,208	1,190	Phoenix Mills	141½	100	6 0	8 0	8 0	8 0	12	Y.
40,00,000	45,68,014	81,89,235	23,00,000	2,19,562	Podar Sons, Ltd.	23,500	980	Podar Mills	186	100	10 0	10 0	10 0	5 0	12	Y.
5,00,000	8,16,999	21,21,521	12,91,340	—1,72,164	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	17½	10	1 4	0 12	1 8		12	Y.
25,00,000	54,28,058	1,35,39,726	1,19,14,117	11,588	M. G. Investment Corporation, Ltd.	60,608	1,254	Sassoon Spg. & Wvg.	88½	10	1 4	1 4	1 12	1 12	12	Y.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	56,586	1,040	Shree Niwas Cotton Mills	211½	100	12 8	14 0	14 0	12 0	12	Y.P.
42,00,000	25,75,550	92,88,982	71,00,000	16,898	Forbes, Forbes Campbell & Co. Ltd.	36,116	1,274	Simplex Mills	224	50	15 0(p)	15 0	11 0	10 0	3	Y.
87,80,000	2,33,15,720	2,51,28,699	1,37,85,474	12,833	Mafatlal Gagalbhai & Sons	92,089	1,583	Standard Mills	442½	100	20 0	20 0	20 0	20 0	12	Y.P.
99,85,700	84,99,716	2,28,87,647	1,19,01,899	67,611	Tata Industries Ltd.	72,286	2,000	Svadeshi Mills	241½	100	10 0	16 0	8 0	12 0	12	Y.P.
86,00,000	55,35,455	1,29,99,971	81,58,718	1,51,080	James Finlay & Co., Ltd.	58,528	553	Swan Mills	430	100	20 0	20 0	20 0	25 0	12	Y.
28,77,425	51,96,376	1,07,84,539	69,44,553	48,488	Tata Industries Ltd.	62,096	1,800	Tata Mills	54½	25	0 0	1 8	1 8	4 0	12	Y.P.T
12,00,000	62,56,709	1,16,24,426	81,90,000	2,816	Thackersey Mcoljee Sons & Co.	54,126	1,209	Western India Spg. & Mfg.	5,075	1,000	200 0*	225 0*	225 0	300 0	3	Y.
AHMEDABAD																
32,00,000	21,11,854	1,36,23,272	60,47,909	5,408	Tata Industries, Ltd.	48,144	1,916	Ahmedabad Advance Mills	190½	100	10 0	10 0*	5 0	7 0	6	Y.P.
10,00,000	24,58,068	94,37,308	76,10,164	27,288	P. M. Hutheesing & Sons, Ltd.	44,220	912	Aruna Mills	1,005	100	20 0*	20 0*	20 0*	30 0	12	Y.P.
2,25,00,000	2,40,17,401	1,68,07,665	1,03,05,006	46,884	Narottam Lalbhai & Co.	62,448	1,316	Arvind Mills	1,840	100	25 0	25 0	25 0		12	Y.P.
20,00,000	21,75,000	78,54,384	72,25,000	2,39,589	Mangaldas & Bros., Ltd.	37,164	992	Aryodaya Ginning & Mfg.	551	100	15 0	15 0	15 0	25 0*	12	Y.P.
15,00,000	1,18,39,089	84,56,974	69,64,958	69,806	Lalbhai Dalpatbhai & Co.	37,868	914	Asoka Mills	976	100	22 0	22 0*	22 0	30 0	12	Y.P.
1,24,79,011	1,11,66,208	4,24,85,718	3,07,63,244	16,00,764	Karamchand Premchand Ltd.	1,39,120	2,372	Calico	554½	125	18 0	18 0	18 0		12	Y.P.
22,57,000	24,53,000	1,21,06,845	89,25,000	2,760	Tricumlal Bhogilal & Co., Ltd.	45,884	866	New Commercial Mills	1,562½	1,000	70 0	70 0	70 0	80 0	12	Y.P.
39,00,000	72,59,436	1,32,09,223	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	882	125	25 0	25 0	25 0	30 0	12	Y.
10,00,000	58,48,000	50,63,197	37,93,317	16,658	Jagabhai Bhogilal Nanavaty & Co., Ltd.	24,840	572	Nutan Mills	642½	100	20 0*	20 0*	30 0*	20 0	12	Y.P.
12,50,000	1,14,77,470	86,29,430	60,39,888		Lalbhai Dalpatbhai & Co.	52,228	636	Raipur Mfg.	1,105	100	25 0	17 8	30 0*	25 0	12	Y.P.
13,00,000	13,08,067	74,95,069	39,67,450	—39,90,510	Mangaldas Girdhardas Parekh Ltd.	47,320	1,096	Rajnagar Spg., Wvg & Mfg.	365xd	250	Nil		Nil	35 0*	12	Y.P.
25,50,000	14,78,207	1,07,01,489	71,12,808	17,34,749	Lalubhai Gordhandas Ltd.	52,156	648	Rohit Mills	291½	100	9 0	9 0	9 0		12	Y.P.
28,98,150	2,02,34,538	1,76,92,342	1,52,75,000	3,52,771	Harivallabhdas Kalidas & Co.	94,116	1,783	Shri Ambica Mills	640	50	16 0	15 0	20 0	27 0*	12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Mafatlal Chandulal & Co. (Ahmedabad), Ltd.	36,624	730	Shorrock Spg. & Mfg.	580	100	20 0	20 0	25 0*	25 0	12	Y.
28,00,000	26,96,484	1,08,76,240	68,35,291	22,764	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	725	400	35 0*	35 0*	35 0*		12	Y.P.
WEST BENGAL																
15,00,000	1,22,500	24,22,069	21,01,810	1,02,050	Calcutta Agency, Ltd.	12,044	256	Bazaat Cotton Mills	6	10	Nil	0 4	0 8		12	Y.P.T.
7,11,256	3,40,778	43,42,881	28,67,597	98,752	Bengal Luxmi Cotton Mills	32,544	996	Bengal Luxmi Cotton Mills	40N	40	3 0	Nil	4 0	4 0	3	Y.
6,00,000	22,72,414	39,08,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	43,272	341	Bowreah Cotton Mills	168	100	Nil	Nil	Nil	Nil	12	Y.P.
19,00,000	35,17,571	1,04,38,558	70,26,377	1,37,951	Kettlewell Bullen & Co., Ltd.	43,944	516	Dunbar Mills	308	100	Nil	Nil	Nil	Nil	6-12	Y.
1,20,00,000	2,07,59,396	3,59,32,374	1,20,33,799	2,45,453	Birla Brothers, Ltd	70,384	1,900	Kesoram Cotton Mills	18½	10	1 12	1 12	0 14	0 14	3	Y.P.
6,00,000										10	1 12					
22,24,266	9,75,000	84,54,400	67,06,357	5,158	Chakravarti, Sons & Co.,	23,484	443	Mohini Mills	—	10	Nil				12	Y.P.
19,47,7500	7,45,000	47,06,298	24,48,852	1,094	Hazaresmull Heeralal	23 026	795	Rampooria Cotton Mills	104N	10	0 8	0 8	0 8	1 0	6	Y.
5,00,000D									2M	1D	Nil	Nil	Nil	....		
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,37,191	29,09,649	—9,84,323	Ramia & Co., Ltd.	50,000	..	Alagappa Textiles (Cochin) Ltd.	10½	10	Nil	Nil	Nil	Nil	12	Y.P.T.
9,8.71,94,400	44,93,307	2,10,91,206	50,50,013		Industrial Trust Fund	96,186	708	Ambika Mills	95	100	0 0	0 0	Nil	Nil	9	Y.P.T.
40,80,000	2,00,58,745	3,24,98,906	2,42,38,258	2,38,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	571	100	15 0	25 0	30 0	30 0	12	Y.P.
27,00,000	15,50,000	77,25,162	53,72,182	18,198	M.	29,936	810	Bengal-Nagpur Cotton Mills	9N	10	0 8	Nil	Nil		6-12	H.Y.P.
15,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,321	Birla Brothers, Ltd.	39,886	1,046	Birla Cotton Spg. & Wvg., Delhi	81XRN	10	3 0	3 0	3 0	3 0	12	Y.
1,76,47,500	1,75,55,000	5,85,00,228	5,52,82,180	2,35,445	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckingham & Carnatic	194	100	4 0	10 0	16 0	10 0	12	Y.P.
20,00,000	20,00,000	50,69,554	21,86,351	27,598	Petrea, Leslie & Co., Ltd.	38,706	..	Cambodia Mills	144	100	10 0	10 0	12 0	10 0	12	Y.P.T.
15,00,000	4,51,500	44,08,466	21,80,176	44,557	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	182cd	100	12 0	12 0	12 0	12 0	12	Y.
80,00,000	25,52,976	53,07,118	30,84,816	22,514	Begg, Sutherland & Co., Ltd.	23,796	591	Cawnpore Textiles	8½	10	0 0	0 0	0 0	0 0	3	Y.
12,00,000	20,60,000	34,66,267	24,96,527	34,194	B. Bheema Naidu & Co.	23,254	..	Coimbatore Cotton Mills	360	100	0 0	20 0	25 0	25 0	12	Y.
20,00,000	14,20,000	36,96,518	21,28,500	14,058	T. B. N. Naidu & Co.	23,738	..	Coimbatore Pioneer Mills	231xd	100	0 0	15 0	25 0	25 0	12	Y.
20,78,900	4,19,814	1,15,51,699	83,06,019	16,884	R. G. S. Naidu & Co.	72,523	407	Coimbatore Spg. & Wvg.	107½	50	0 0	0 0	0 0	0 0	3	Y.
48,87,500	82,82,449	2,49,18,409	1,58,09,883	9,702	Textile Industries, Ltd.	1,15,188	3,098	Coastal India	141½	100	8 0	8 0	8 0	8 0	6	Y.P.
9,22,86,750	2,55,00,000	9,99,78,765	5,06,00,000	82,759	B. B. Chara Ram & Co., Ltd.	1,16,636	3,254	Delhi Cloth & General Mills	364N	10	1 8	1 8	1 8	1 8	3	Y.P.
1,00,563									2½		0 1 4/5	0 8 4/5	0 2 8/5	0 3 8/5		
24,54,500	24,73,756	47,84,087	22,55,519	9,248	M. N. Chettiar & Sons	32,588	801	Dhanalakshmi Mills	390	100	20 0	20 0	20 0		12	Y.
98,00,000	46,58,860	1,58,16,582	1,29,71,631	98,386	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	278	100	10 0	10 0	10 0	10 0	12	Y.
49,81,000	35,22,175	1,00,58,167	68,95,088	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	233	100	17 0*	17 0*	12 0	1 0	3	Y.P.
50,00,000	8,16,447	1,32,91,953	1,12,28,576	9,551	K. L. Sckaria, Esq. (Chairman)	51,150	1,480	Indore Malwa United	148½	100	6 0	6 0	6 0	15 0	12	Y.
3,80,000	10,55,553	31,06,949	18,45,155	2,079	G. V. Naidu & Co., Ltd.	24,288		Jamardasa Mills	118	50	12 0	4 0	4 0	10 0	12	Y.
24,00,000	16,25,000	78,88,868	36,50,000	29,282	Kothari & Sons	48,000	500	Kothari Textiles	178	10	10 0	10 0	10 0	10 0	12	Y.
25,00,000	68,80,185	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakhanmi Cotton Mfg.	695	250	37 8	37 8	33 12	45 8	12	Y.
25,64,100	66,55,260	1,11,86,880	76,29,888	74,376	G. K. Naidu & Co.	55,008	801	Lakshmi Mills	215	50	8 0	8 0	10 0	12 8	3	Y.P.
17,82,000									107½	25	2 0	2 0	2 0	3 0		
1,76,02,480	6,18,21,878	5,78,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	6,00,000	..	Madura Mills	51½	15	2 0	2 0	2 0	3 0	12	Y.
12,00,000	4,17,563	28,26,768	15,72,265	—92,073	A. L. A. R. S. Chettiar and 8 others	22,592	100	Malabar Spg. & Wvg.	110	100	8 0	8 0	8 0	8 0	12	Y.
60,00,000	69,00,000	62,41,446	41,00,225	1,43,408	W. A. Beardsell & Co., Ltd.	24,720	608	Meteor Industries Ltd.	500	100	12 0	12 0	12 0	12 0	12	Y.
29,30,384	19,61,681	89,75,246	49,94,738	16,588	N. Sirur & Co. Private Ltd.	39,826	704	Minerva Mills	90½	100	7 8	7 8*	8 12	8 0	3	Y.
94,91,880	27,34,404	1,61,29,118	78,31,428	—7,44,982	Banalal Abirchand Dadabhoy & Co.	51,540	948	Model Mills (Nagpur)	150½	50	7 8	7 8	0 0(q)	6 0	12	Y.
80,00,000	58,13,000	1,58,19,270	1,01,91,651	—7,77,220	Indian Textile Syndicate Ltd.	58,640	1,834	Muir Mills	84½	100	9 0	9 0	0 0(q)		12	Y.
24,88,500	50,24,547	99,04,000	68,09,988	28,708	N. Sirur & Co., Ltd.	50,128	500	Mysore Spg. & Mfg.	115	50	10 0*	10 0*	8 0*	6 0(q)	12	Y.
12,61,750	1,000	29,41,719	15,25,288	—1,02,860	B. Suryanarayana Rao, Esq. Manager	6,900	..	Mysore Spun Silk Mills	7½	10	Nil	Nil	Nil	Nil	3	Y.
22,39,3820	25,02,538	1,04,27,293	58,90,719	—43,58,037	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	2½	24	Nil	Nil	Nil	Nil	12	Y.P.
9,97,060									D. 1	24	Nil	Nil	Nil	Nil		
57,14,500	57,72,270	1,68,58,562	92,55,088	....	Industrial Trust Fund	37,738	856	Osmanshah Mills	100	100	7 8	4 0	Nil	Nil	9	Y.
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	168	50A	15 0	12 0	12 0	12 0	12	Y.P.
6,00,000B									336	100A	30 0	24 0	24 0	24 0		
15,00,000	3,25,000	84,59,511	16,41,045	—15,87,240	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	100	Nil	Nil	Nil	Nil	Nil	12	Y.
16,81,200A	20,00,000	78,90,455	41,41,878	23,087	A. G. Gurusamy Naidu & Co	51,554	301	Radhakrishna Mills	316xd	100A	6 0	6 0	6 0	16 0	12	Y.
8,40,200B									105xd	50B	3 0	3 0	3 0	8 0		
15,00,000	20,00,000	48,74,198	25 94,337	11,081	B. B. Naidu & Sons	35,472	..	Rajalakshmi Mills	174	50	6 0	6 0	6 0	10 0	12	Y.
23,29,625	12,40,000	40,14,000	18,05,147	29,850	Rayalaseema Development Co.	14,800	600	Rayalaseema Mills	138½	100	6 0	6 0	6 0	10 0	12	Y.
60,00,000	62,41,548	1,00,25,428	35,44,914	—19,16,728	Rasa Textiles	34,538		Sankar Mills	8N	10	Nil	Nil	Nil	Nil	12	Y.
16,80,000	1,60,89,516	2,89,27,068	2,04,87,879	—1,50,26,067	J. P. Srivastava & Sons (Rampur)	94,533	2,254	Shahapoor Spg. & Wvg.	1,025	100	Nil	Nil	Nil		12	Y.P.
									—	500						
26,69,700	18,63,626	71,75,918	51,85,899	27,871	H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	108	50	4 0*	4 0*	4 8		12	Y.
26,14,800	9,00,246	38,18,906	17,79,000	—2,46,777	Gopaldas Lladher & Co., Ltd.	17,280	440	Shree Sajjan Mills	80N	100	Nil	Nil	Nil		3	Y.
15,00,000	3,11,80,237	96,06,567	72,44,724	21,27,863	Birla Brothers, Ltd.	33,556	1,245	Sutlej Cotton Mills	113N	10	4 0	4 0	0 0	0 0	3	Y.
17,50,000 O	2,30,00,000	4,54,40,847	1,70,68,159	7,00,029	Jaipuria Brothers	1,12,216	2,077	Swadesh Cotton Kanpur	10½	10 O.	Nil	0 8	0 12	0 12	12	Y.P.
1,57,50,000 P									111	107.0.	0-14 3/6	1-4 3/6	1-4 3/6	0 12		
1,00,00,000	30,14,788	3,80,55,317	1,27,16,775	2,68,771	Escorts & Sons (Travancore), Ltd.	15 P	10	Travancore Rayons	15 P	10	Nil	0 10	0 10	0 12	12	Y.P.
13,96,670	6,76,338	17,39,181	11,37,836	1,808	Moolloo Ramjee & Sons	17,600	270	Krishnacoply Mills	19½	10	0 11 1/2	0 11 1/2	0 14 3/6	0-14 3/6	12	Y.P.
21,00,000	24,50,000	71,23,722	40,83,168	55,000	R. K. & Chesty & Brothers	48,274	1,000	Vasanta Mills	52½	10	1 0	1 0	1 0	2 0	12	Y.
82,50,000	94,68,971	1,04,67,238	1,06,10,282	28,125	Bombay Co., Ltd.	46,490	1,231	Vishnu Cotton	188½	100	10 0	8 0	8 0	8 0	12	Y.

* Includes looms. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (a) Paid out of reserves.

(p) Interim dividend of Rs. 5 per share was paid on 49,000 shares of Rs. 50 each; final dividend not to exceed 10 per share was paid on the increase capital of 60,000 shares of Rs. 50 each. X.D.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,338	Parry & Co., Ltd.	Deccan Sugar & Abkhari	11½	5	Nil	Nil	0 8		5	Y.P.
16,20,580	18,38,917	27,26,861	14,67,218	9,143	Mr. K. G. Khanna	Dyer Meakin Breweries	5	5	0 8	0 8	0 9		3	Y.
5580,000	4925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	29½	A. 16sh. B. £1	5h. 1 3/6 Sh. 4	5h. 1 3/6 Sh. 5 4/6	5h1 3/5 5h6	3/5	9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Maliya, Esq. (Chairman)	United Breweries	181½	75	15 0	15 0	15 0		3	Y
CEMENT														
11,37,700A	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	167½cd	A. 100	10 0*	10 0	10 0*		12	Y.P.T.
39,70,020B							16½cd	B. 10	1 0*	1 0	1 0*			
45,14,6000	18,13,133	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	8½	O. 10	Nil	Nil			3	Y.P.
4,70,976D							1½	D. 1						
13,71,99,208	5,49,40,618	24,90,99,271	8,74,71,583	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	291½	100	9 8	8 8	10 0		7	Y.
60,00,0000							17½cd	O. 10	1 0	1 0				
25,50,0000	48,20,901	89,92,667	29,67,544	2,86,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)‡	4½	O. 5½	0 4	0 4			12	Y.P.T.
5,00,000D							5½cd	D. 1	0 1-3/5	0-1 2/5				
61,91,0300							38	O. 25	Nil	1 4	1 14			
7,50,000D	14,00,000	1,45,64,600	47,05,770	3,31,546	Essen Ltd.	India Cements Ltd.	7½	D. 5	Nil	0 4	0 6		3	Y.P.
88,23,275	44,50,000	2,04,20,192	86,59,098	2,78,525	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	190	100	6 0	8 8	8 8		12	Y.P.
75,00,000	20,95,000	1,83,36,123	1,41,94,859	88,454	Martin Burn Ltd.	Sonevalley Portland Cement	8½	5	0 6	0 4			12	Y.
50,00,000	.....	1,04,00,351	34,33,980	2,75,454	Essel Ltd.	Travancore Cements Ltd.	13½	10	0 8

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
						PAPER								
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	121	25	Nil 1 9	Nil 1 9	1 9 2 8	2 8	6,12	H.P.T.
62,98,250	66,03,861	1,11,56,730	76,81,898	83,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	5 0	6 0	7 0	0 11½	3,9	H.
25,00,000	16,12,500	1,36,83,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	17½	10	1 0*	1 0*	0 12*	0 12*	2	Y.
1,46,82,500	2,09,26,641	4,27,02,365	1,02,98,953	2,29,489	Birla Bros	Orient Paper	39½	10	1 0	1 0	0 8	0 8	3,9	H.P.T.
									1 0	1 0	0 8	0 10		
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	10½	10	0 12	0 12	0 12		6,12	H.P.T.
									0 12	0 12	0 12	0 10f		
20,00,000 } 10,00,000'A.' }	6,50,000	54,00,869	30,16,681	4,402	Baloria & Co.	Star Paper Mills	11½	O. 10	0 8	0 12	0 12	0 8f	3,9	H.P.T.
							11½	A. 10	0 8	0 12	0 12			
56,00,000A. } 56,04,800B. } 4,87,500P.O. }	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heligers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	44½	A. 10	1 0	1 0*	0 12	1 0	3,9	H.P.
									1 0*	1 0*	0 12	1 0*		
							44	B. 10	1 0*	1 0*	0 12	1 0*		
									1 0*	1 0*	0 12	1 0*		
								P.O. 2½	0 2	0 2	0 2	0 2		
						PRESSING								
8,00,000	5,13,365	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	1Bo	6	Y.
4,80,000	1,00,000	5,89,626	4,73,056	2,854	Pyne & Sons	Camperdown	88N	100	7 0	7 0	5 0	5 0	7	Y.
5,00,000	1,95,000	10,91,811	9,30,877	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	5 0	4 0	5 0	5 0	6	Y.
						PROPERTY AND LAND								
10,00,780D. } 2,00,000D. }	6,93,332	43,52,570	22,63,279	36,000	S. A. Basil, Esq. & others (Directors)	Humayun Properties	13½	O. 10	0 8	0 11½	0 9 3/5	0 9 3/5	9	Y.P.
60,00,000	18,07,874	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	2½	D. 1	Nil	0 4/5	Nil	0 9 3/5	4	Y.
84,00,000	36,71,674	95,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	9½	100	1 0	1 8	1 8	Nil	4	Y.P.
							33½	100	2 0	1 8	4 0	0	6	
						SAW MILLS AND TIMBER								
13,99,998	22,23,970	29,97,501	8,95,801	—4,17,492	Bird & Co.	Assam Saw Mills	4½	3	0 4	Nil	Nil		9	Y.
50,00,000 } 45,00,000 }	4,15,57,280	3,35,90,682	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	66½	Old125	22 8	15 0	20 0	37-8	5	Y.
6,00,000	.....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	246½	New50	0 12	0 0	15-0	15-0	6	Y.P.
80,00,000	21,15,487	19,00,295	14,35,560	2,76,619	Gillanders Arbuthnot & Co., Ltd	Indian Wood Products	40N	100	Nil	Nil	Nil		6	Y.
							39½	10	3 0	2 8	2 12	3 0	9	
						SUGAR (U.P. and Bihar)								
1,00,00,000	15,41,237	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	Nil	0 12	0 1	6	Y.
12,00,000A. } 3,00,000B. }	29,18,356	49,46,285	23,16,660	16,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	150N	A. 100	10 0	10 0	10 0		6,12	Y.
19,49,050	3,50,000	33,35,389	24,41,301	51,985	Bansur Bros., Ltd.	Belsund Sugar	14N	B. 10	1 0	1 0	1 0		4	Y.
18,00,000	13,80,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	11½	10	0 12	0 12	0 12	0 12	9	Y.
32,00,000	28,37,030	1,36,90,775	92,27,801	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	17N	10	1 8	1 8	1 8	1 8	6	Y.P.
80,00,000	57,88,651	1,03,44,547	84,32,451	82,023	Begg, Sutherland & Co., Ltd.	Cawnpore Sugar	8½	10	Nil	Nil	0 12	0 4	6	Y.P.
16,00,000	88,04,891	72,85,757	52,46,902	24,019	Begg, Sutherland & Co., Ltd.	Champaran Sugar	19½	10	2 0	1 0	1 0	0 12	10	Y.
5,99,452	6,18,562	24,58,580	15,33,747	48,204	Karamchand Thapar & Bros.	Deoria Sugar	29½	10	1 0	1 0	0 12	1 8	6	Y.P.
							9½N	10	0 8	1 0	0 12		8	
80,00,000A. } 10,00,000O. }	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	250N	'A' 100	12 0*	15 0*	15 0*	15 0*	6	Y.P.
							100	O. 100	12 0*	15 0*	15 0*	15 0*		
12,00,000	8,61,001	75,81,809	42 63,455	27,926	Khaitan and Dewchand & Co. ..	Kesar Sugar	60N	80	Nil	Nil	Nil	4 8	7	Y.P.
							82N	40	Nil	Nil	Nil	2 4		
7,89,100	22,14,058	24,94,612	19,35,833	1,864	Cotton Agents Ltd.	New India Sugar Mills	39N	10	2 8	2 8	2 8	2 8	6	Y.P.T.
11,00,000	4,20,000	42,21,480	24,87,558	6,185	Karamchand Thapar & Bros., Ltd.	New Savan	6	10	0 8	0 4	0 4		5	Y.
10,87,500A. } 5,71,875B. }	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill	240N	100	20 0	20 0	20 0	20 0	6	Y.
							60N	25	5 0	5 0	5 0	5 0		
17,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	183N	100	6 0	11 0	11 0	11 0	7	Y.P.
12,00,000	12,74,223	28,77,660	19,95,928	55 000	Narang Bros. & Co., Ltd.	Punjab Sugar	115N	100	6 0	10 0	10 0		16	Y.
9,00,000	17,64,360	30,57,249	87,58,868	6,971	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	14½	10	1 0	1 0	0 12	0 12	10	Y.P.
8,00,000	5,64,762	25,48,782	21,01,613	24,340	M.	Ryam Sugar	21½N	10	1 0	1 0	0 8	0 8	6	Y.P.
11,99,000	16,86,770	38,68,588	22 02 180	8,477	Begg, Sutherland & Co., Ltd.	Saraspur Central Sugar	18½	10	1 0	1 0	0 8	0 8	6	Y.
20,00,000	22,68,560	1,35,20,110	62,59,921	34,045	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13½	10	1 8	1 8	1 8	1 12	8	Y.P.T.
9,99,950	61,825	27,15,126	12,60,852	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	0 8	Nil	Nil	Nil	6	Y.
7,95,462	18,82,940	31,60,735	17,68,083	1,06,227	Karamchand Thapar & Bros ..	Shri Bitarani Sugar	14½	10	1 0	1 0*	1 8*		8	Y.
9,15,0000. } 4,40,000D. }	47,592	37,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	1N	O. 10	Nil	Nil	Nil		10	Y.P.
							2½N	D. 2½	Nil	Nil	Nil			
8,00,000	21,21,535	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	76N	10	1 0	0 8	2 8	2 8	6	Y.P.
16,00,000	7,99,778	82,06,650	23,98,546	39,051	James Finlay & Co., Ltd.	United Provinces Sugar	20½	10	1 8	0 8	1 4		6	Y.
						Other Centres								
46,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	236½	50	16 0	16 0	16 0	16 0	6	Y.
17,50,000	9,24,925	21,56,772	4,99,2	4,992	A. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd.	13½	10	1 0	0 10	1 0	1 0	9	Y.P.
15,99,900	3,45,841	39,19,958	20,01,146	51,992	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	50N	100	1 0	Nil	Nil		4	Y.P.
31,47,780	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Ltd.	India Sugar and Refineries ..	17½xr	10	2 8	2 8	1 12	1 6 2/5	9	Y.P.
28,57,620	41,27,060	41,95,605	20,73,418	1,408	Govan Bros. (Rampur), Ltd.	Buland Sugar	144N	10	0 12	1 0	1 0		10	Y.
19,22,2000. } 3,27,1900. }	69,50,000	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd.	K. C. P. Ltd.	187½	O.100	7 8	7 8	7 8	7 8	6	Y.P.
21,79,250	95,00,001	1,31,37,677	78,17,780	2 90,340	S. Munnanjappa, Esq. (Managing Director)	Mysore Sugar	100	D. 10	10 0	10 0	10 0	10 0		
							48½	10	2 0	2 0	2 0	2 0	9	
80,00,000	48,49,631	1,08,22,164	55,35,509	11,063	Mafatlal, Apte and Kantilal Ltd. ..	Phaltan Sugar	157	50	3 0	3 0	3 0	3 0	6	
16,59,920	35,50,530	58,90,015	29,20,746	29,320	Anderson Wright Ltd.	Ramgoor Cane and Sugar	26	100	2 0	2 0	1 8		8	Y.P.T.
20,00,0000. } 4,00,000D. }	21,76,092	89,12,138	58,60,883	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	106N	O. 50	7 8	7 8	7 8	7 8	9	Y.P.T.
19,99,608	44,88,457	47,06,689	21,78,094	4,625	Govan Bros. (Rampur), Ltd.	Rana Sugar	7N	D. 10	0 11½	Nil	Nil			
80,00,000	10,87,776	40,76,224	17,87,169	—22,224	Parry & Co., Ltd.	Travancore Sugars	15½N	10	0 12	1 0	0 12	0 1 1/5	10	Y.
1,01,00,000	71,97,998	1,99,96,448	1,15,32,423	1,81,172	M.	Walchandnagar Industries	13½	10	Nil	Nil	Nil		6	Y.P.
							261½	100	14 0	14 0	16 0	18 0	9	
						TRANSPORT								
20,00,000	1,00,59,522	1,24,00,703	15,56,557	55,223	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	146	100	12 8	10 0	7 8	7 8	10	Y.P.
1,00,00,000	16,37,519	4,41,65,864	1,85,09,519	1,54,925	Dhunhaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0	5 0	12	Y.
50 00,000	24,35,538	2,50,21,298	88,68,795	1,47,959	A. H. Bhiwandiwalla & Co. (Bombay) Ltd.	Great Eastern Shipping Co. ..	18	10	1 0	1 0	1 0	Nil	9	Y.P.
£555,880	£960,878	£5,513,631	£3,344,778	£21,866	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	115½	£10	8s.10	Nil	8s. 1 0		12	Y.P.
2,25,00,000	74,99,223	7,93,25,462	1,81,59,690	1,88,061	Lionel Edwards Ltd.	India Steamship Co.	½ red	10	0 8	0 8	Nil	Nil	12	Y.
9,40,19,675	6,94,92,081	18,96,68,418	4,34,44,800	3,78,688	Narottam Morarjee & Co.	Scindia Steam Navigation Co. ..	19½	20	0 8	0 12	0 8	0 8	6	Y.
1,00,0000. } 2,10,200P.O. }	19,68,266	11,55,483	7,29,969	1,84,493	R. R. Alyer, Esq. (Manager) ..	Walford Transport Ltd.	3½	O. 1	as. 1 3/25	as. 1 3/25	1 23/25	as. 2 6/25	12	Y
							2½	P.O. 1	as. 1 9/25	as. 1 9/25	1 19/25	as. 1 23/25		
						UNCLASSIFIED (Bombay)								
2,40,000	77,000	9,58,321	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	35 0	32 0	32 0	32 0	9	Y.
13 99,860	3,04,178	9,18,544	90,000	43,553	Parish Agencies Ltd.	Bombay-Uganda	62½	80	4 0	5 0	4 8		6	Y.
25,00,000	1,00,000	22,37,314½	....	225	Pranlal D. Nanjee, Esq.	Dwarkesh Nanji Investment Co.	12½	25	0 12	0 12	0 12	0 12	6	Y.
14,98,840	5,44,586	28,00,500	17,75,000	4,110	Choontial Manjal Ltd.	Estrela Batteries	55	50	3 0	3 0	3 0	3 0	6	Y.P.
99,99,250	19,47,886	1,22,03,60415	....	2,83,186	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76	100	4 8	4 8	4 0	4 0	12	Y.
99 99,975	35,08,851	35,10,899	9 31,529	6,154	K. G. Milne, Esq. (Mg. Director)	Killick Industries	160	100	10 0	10 0	11 0	11 0	6	Y.
1,97,02,800A. } 10,00,000B. }	5,23,634	2,87,33,378	1,25,90,292	5,56,717	Aero-Auto Ltd.	Premier Automobiles	90½	A.100	Nil	Nil	Nil	Nil	6	Y.
								B. 10	Nil	Nil	Nil	Nil		
10,21,250	5 68,605	13,96,085	11,66,085	10,334	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	22½	50	3 0	3 0	2 0	2 0	12	Y.
2,75,00,000	73,75,000	3,03,67,181	1,63,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director)	Western India Match Co.	189½	100	11 0*	11 0*	11 0*	11 0*	12	Y.
45,00,000	55,24,647	7,24,608	3,07,103	36,484	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	550	150	20 0	20 0	20 0	20 0	12	Y.
						Other Centres								
47 50,000 } 2,50,000 }	17,00,000	1,95,40 704	65,00,000	32,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	10	O. 10	Nil	Nil	Nil	Nil	2	Y.P.T.
							84N	D. 24	Nil	Nil	Nil	Nil		
30,00,000	35,05,079	32,06,626	21,84,951	3,43,961	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	21½	10	1 4	1 4	1 4	2 0*	8	Y.
30,00,000	8,85,000	88,39,494	20,85,000	1,19,893	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	19½	10	1 0	1 0	1 0	1 0*	9	Y.
30,00,000	27 47,383	1,01,49,387	39,87,880	82,688	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	7½	10	0 6	0 8	0 8	1 0*	12	Y.
										0 8/15	0 8/15	0 6 2/5		
80,81,400	82,94,268	46,81,988	22,21,988	1,49,717	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	168½	100	20 0*	20 0*	12 0	2 8	12	Y.
12 00,000	9,10,000	31,37,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	27	10	0 10	1 0	2 8	2 4	12	Y.
20,00,000	7,99,470	57,58,5004½	....	1,81,728	Lovelock & Lewis	Birds Investment Ltd.	17½	10	1 4	1 8	2 8	2 4	6,12	Y.
45,97,020	26,44,814	1,00,74,580	39,49,001	1,96,948	K. Julian Scott, Esq. (Mg. Director)	Britannia Industries	15½	10	1 0	1 0	1 4	1 8	9	Y.
2,25,00,000	1,16,17,325	2,83,03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd. ..	12½	10	0 12	0 8	1 0	1 0	12	Y.
1,50,00,000	3,14,86,174	5,18,52,086	2,20,82,990	11,71,686	Cecil Stack Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	80½	10	2 0	2 0	2 0	Nil	12	Y.
51,26,000	54 12,212	1,42,47,66695	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	147	100	8 0	8 0	8 0	2 8	12	Y.P.
									8 0	8 0	8 0	2 8		
14,00,000	10,02,000	33 31,772	18,89,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	170xd	100	20 0*	20 0*	20 0*	20 0*	6	Y.
									10 0	10 0	7 8	7 8		
65,00,000	42,00,000	19,27,685	8,06,872	1,51,860	J. F. R. d'A. Wills, Esq.	Gillanders Arbuthnot & Co. Ltd.	182	10	10 0	7 0	7 8	7 8	9	Y.P.
30,00,000	13,17,854	78,75,302	31,19,054	45,995	R. P. E. Syndicate	Great Eastern Hotel	257	250	15 0	15 0	15 0	1 0 2/5	6	Y.
18,43,800	9,57,954	73,31,701	48,60,656	39,536	Birla Bros., Ltd	Hind Cycles	160N	100	9 0	8 0	4 0	6 0	12	Y.P.
6,96,13,350	2,92,450	3,56,24,606	94,52,719	5,19,486	Birla Bros., Ltd	Hindustan Motors	10½xr	10	Nil	Nil	Nil		12	Y.P.
1,60,00,000	46,77,754	4,16,74 246	1,74,76,663	6,18,074	R. S. Greenwood (Mg. Director)	Indian Aluminium Co.	22½	10	2 0	Nil	Nil	Nil	9	Y.
1,56,89,220	1,20,50,000	1,56,72,891	57,17,651	25,96,405	E. B. Dyason, Esq.	Indian Cables	35½	10	1 0	1 0	1 0*	1 0*	8	Y.
2,25,00,000	1,16,17,325	2,83,03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd. ..	12½	10	0 12	0 8	1 0	1 0	12	Y.
1,50,00,000	3,14,86,174	5,18,52,086	2,20,82,990	11,71,686	Cecil Stack Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	80½	10	2 0	2 0	2 0	Nil	12	Y.
51,26,000	54 12,212	1,42,47,66695	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	147	100	8 0	8 0	8 0	2 8	12	Y.P.
									8 0	8 0	8 0	2 8		
14,00,000	10,02,000	33 31,772	18,89,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	170xd	100	20 0*	20 0*	20 0*	20 0*	6	Y.
65,00,000	42,00,000	19,27,685	8,06,872	1,51,860	J. F. R. d'A. Wills, Esq.	Gillanders Arbuthnot & Co. Ltd.	182	10	10 0	7 0	7 8	7 8	9	Y.P.
30,00,000	13,17,854	78,75,302	31,19,054	45,995	R. P. E. Syndicate	Great Eastern Hotel	257	250	15 0	15 0	15 0	1 0 2/5	6	Y.
18,43,800	9,57,954	73,31,701	48,60,656	39,536	Birla Bros., Ltd	Hind Cycles	160N	100	9 0	8 0	4 0	6 0	12	Y.P.
6,96,13,350	2,92,450	3,56,24,606	94,52,719	5,19,486	Birla Bros., Ltd	Hindustan Motors	10½xr	10	Nil	Nil	Nil		12	Y.P.
1,60,00,000	46,77,754	4,16,74 246	1,74,76,663	6,18,074	R. S. Greenwood (Mg. Director)	Indian Aluminium Co.	22½	10	2 0	Nil	Nil	Nil	9	Y.
1,56,89,220	1,20,50,000	1,56,72,891	57,17,651	25,96,405	E. B. Dyason, Esq.	Indian Cables	35½	10	1 0	1 0	1 0*	1 0*	8	Y.
2,25,00,000	1,16,17,325	2,83,03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd. ..	12½	10	0 12	0 8	1 0	1 0	12	Y.
1,50,00,000	3,14,86,174	5,18,52,086	2,20,82,990	11,71,686	Cecil Stack Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	80½	10	2 0	2 0	2 0	Nil	12	Y.
51,26,000	54 12,212	1,42,47,66695	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	147	100	8 0	8 0	8 0	2 8	12	Y.P.
									8 0	8 0	8 0	2 8		
14,00,000	10,02,000	33 31,772	18,89,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	170xd	100	20 0*	20 0*	20 0*	20 0*	6	Y.
									10 0	10 0	7 8	7 8		
65,00,000	42,00,000	19,27,685	8,06,872	1,51,860	J. F. R. d'A. Wills, Esq.	Gillanders Arbuthnot & Co. Ltd.	182	10	10 0	7 0	7 8	7 8	9	Y.P.
30,00,000	13,17,854	78,75,302	31,19,054	45,995	R. P. E. Syndicate	Great Eastern Hotel	257	250	15 0	15 0	15 0	1 0 2/5	6	Y.
18,43,800	9,57,954	73,31,701	48,60,656	39,536	Birla Bros., Ltd	Hind Cycles	160N	100	9 0	8 0	4 0	6 0	12	Y.P.
6,96,13,350	2,92,450	3,56,24,606	94,52,719	5,19,486	Birla Bros., Ltd	Hindustan Motors	10½xr	10	Nil	Nil	Nil		12	Y.P.
1,60,00,000	46,77,754	4,16,74 246	1,74,76,663	6,18,074	R. S. Greenwood (Mg. Director)	Indian Aluminium Co.	22½	10	2 0	Nil	Nil	Nil	9	Y.
1,56,89,220	1,20,50,000	1,56,72,891	57,17,651	25,96,405	E. B. Dyason, Esq.	Indian Cables	35½	10	1 0	1 0	1 0*	1 0*	8	Y.
2,25,00,000	1,16,17,325	2,83,03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd. ..	12½	10	0 12	0 8	1 0	1 0	12	Y.
1,50,00,000	3,14,86,174	5,18,52,086	2,20,82,990	11,71,686	Cecil Stack Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	80½	10	2 0	2 0	2 0	Nil	12	Y.
51,26,000	54 12,212	1,42,47,66695	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	147	100	8 0	8 0	8 0	2 8	12	Y.P.
									8 0	8 0	8 0	2 8		
14,00,000	10,02,000	33 31,772	18,89,772	27,194	MacNeill & Barry Ltd.	Ganges Rope Co., Ltd.	170xd	100	20 0*	20 0*	20 0*	20 0*	6	Y.
									10 0	10 0	7 8	7 8		
65,00,000	42,00,000	19,27,685	8,06,872	1,51,860	J. F. R. d'A. Wills, Esq.	Gillanders Arbuthnot & Co. Ltd.	182	10	10 0	7 0	7 8	7 8	9	Y.P.
30,00,000	13,17,854	78,75,302	31,19,054	45,995	R. P. E. Syndicate	Great Eastern Hotel	257	250	15 0	15 0	15 0	1 0 2/5	6	Y.
18,43,800	9,57,954	73,31,701	48,60,656	39,536	Birla Bros., Ltd	Hind Cycles	160N	100	9 0	8 0	4 0	6 0	12	Y.P.
6,96,13,350	2,92,450	3,56,24,606	94,52,719	5,19,486	Birla Bros., Ltd	Hindustan Motors	10½xr	10	Nil	Nil	Nil		12	Y.P.
1,60,00,000	46,77,754	4,16,74 246	1,74,76,663	6,18,074	R. S. Greenwood (Mg. Director)	Indian Aluminium Co.	22½	10	2 0	Nil	Nil	Nil	9	Y.
1,56,89,220	1,20,50,000	1,56,72,891	57,17,651	25,96,405	E. B. Dyason, Esq.	Indian Cables	35½	10	1 0	1 0	1 0*	1 0*	8	Y.
2,25,00,000	1,16,17,325	2,83,03,905	2,22,14,167	—27,36,584	Sir Robert Menzies	British India Corporation Ltd. ..	12½	10	0 12	0 8	1

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,60,000	3,72,893	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4½	2	0 3½	0 4	0 4	0 4	5	Y.P.
17,94,186	13,13,787	33,42,456	3,75,655	1,19,659	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9½	10	0 9 3/5	0 12	0 12	0 7 1/5	2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries ..	24½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.T.
47,70,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	20½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd. ..	Cottanad Plantations	21½	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,95,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd. ..	Highland Produce	19½	10	1 0	1 4	2 8		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	34½	10	2 0	2 0	2 0	2 12	4	Y.P.
9,00,000	7,28,329	18,44,917	2,55,893	..	K. T. Thomas Kathanar, Esq.	Malankara Rubber	33	10	3 8	5 8	2 4	2 4	3	Y.
37,00,000	29,30,000	74,32,314	7,74,629	1 45,508	A. V. Thomas & Co., Ltd. ..	Midland Rubber	22½	10	1 8	1 8	1 12*	2 8	3	Y.P.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd. ..	Neenmeny Rubber	24½	10	0 10	0 12	1 8		12	Y.P.T.
2,00,000	2,99,883	7,20,895	44,185	8,000	Associated Planters Ltd. ..	Nilambur Rubber Co.	17½	10	1 0	1 0	1 0		12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterloney Valley Estates ..	5 ✕	2	0 3½	0 3½	0 9 3/5	0 6 2/5	10	Y.P.T.
13,50,000	7 80,000	40,02,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajaviri Rubber	25½	10	1 8	1 12*	1 12*	2 0	6	Y.P.
3,66,780	3,00,000	6,76,359	62,117	71,342	Peirce Leslie & Co., Ltd. ..	Savannah Estates Ltd.	20½	10	3 8	3 0	2 8	1 0	11	Y.
10,00,000	3,98,340	22,01,120	1,35,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	11½	10	0 14½	0 14 2/5	0 12	0 14 2/5	3	Y.P.T.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd. ..	Thamarapally Rubber	31½	10	2 0	3 0	3 0		12	Y.P.
6,10,200	3,00,095	8,81,561	60,585	24,920	Peirce, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2–4½	1	0 4	0 4½	0 1 3/5	0 2	9	Y.
6,00,000	46,474	7,49,611	1,11,200	3,744	Espen Thomas, Esq.(Mg. Director)	Travancore Rubber	25½	10	2 0	2 0	2 0		12	Y.
41,00,000	14,30,799	70,84,200	8,68,181	3,71,083	Aspinwall & Co. (Travancore)	Travancore Rubber and Tea Co., Ltd.	13½cd	10	0 9 3/5	1 0	1 0	1 4	12	Y.P.T.
20,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	37xd	25	2 8	3 0	5 0	4 0	12	Y.
6,25,580	5,40,670	8,51,488	10,128	40 780	Harrisons & Crosfield Ltd. ..	Valkuliam (Travancore) Rubber ..	29½	10	2 0	2 0	2 4	2 8	12	Y.
1 65,000	87,259	3,65,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	Nil	1 0	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Number of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd. ..	879	Agarpara	12½	10	1+1	1+1	1+1½	1+	3, 9	H.T.P.
6,00,000	9,50,000	51,45,508	32,31,395	96,066	McLeod & Co., Ltd. ..	446	Alexandra	200	100	Nil	Nil+2½	2½+5		6, 12	H.P.T.
4,49,350	70,000	8,49,159	5,40,966	4,951	McLeod & Co., Ltd. ..	150	Auckland	140	100	Nil	Nil+5	6+6		6, 12	H.P.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,31,568	Andrew Yule & Co., Ltd. ..	1,254	Bally	959	100	Nil	4+Nil	Nil	3½+Nil	3, 9	H.P.
2,25,000	4,77,174	24,81,806	22,29,068	....	Andrew Yule & Co., Ltd. ..	2,561	Barnagore	1,889	£5	£1	£1	£2		6, 12	H.P.
15 97,000	4,73,358	37,70,102	22,77,564	13,498	H. V. Low & Co., Ltd. ..	810	Auckland	125	100	5+4	2+2	1+2½	6+4	3, 9	H.P.T.
40,00,000	6,00,000	1,39,06,663	71,05,188	87,433	Sahu Jain Ltd. ..	959	Bally	137	100	Nil	4+Nil	Nil	3½+Nil	3, 9	H.P.
7,15,000	16 09,580	52,49,025	37 09 887	—1,66,186	F. W. Heilgers & Co. (Private)Ltd.	1,889	Barnagore	151	£5	£1	£1	£2		6, 12	H.P.
16,00,000	16,17,936	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co. ..	820	Belvedere	107	100	7½+7½	7½+7½	5+5	5+2½	6, 12	H.P.
7,50,000	23,50,000	42,07,858	20,07,691	68,656	F. W. Heilgers & Co., Ltd. ..	600	Bengal	117	10	1	1½	1½	1½	6	Y.P.T.
90,92,480	1,76,57,554	4,16,32,554	1,80,56,440	1,40,550	Bird & Co., Ltd. ..	1,373	Birla	184	10	3	3	1	1	6, 12	Y.P.
49,97,750	....	39 62,720	3,82,545	14,019	Hindustan Investment Corpn., Ltd.	991	Budge-Budge	144	100	6½+6½	6+4	4+5	5+2½	4, 10	H.T.P.
3,00,000	13 54,302	49,10,414	32,63,954	82,768	M.	502	Calcutta Jute Mfg. ..	9½xd	10	6+8	Nil	4+4		6, 12	H.P.T.
6,00,000	1,43,676	7,28,436(k)	....	2,112	F. W. Heilgers & Co. Private Ltd	616	Caledonian	205	100	6+6	5+5	4+5	4+2½	5, 11	H.
16 00,000	1,20,000	52,67,321	25,91,190	—2,43,279	Macneill & Barry Ltd.	600	Champdany	168	100	7+8	8+8	Nil+3	4+6	5, 9	H.
£340,000	£880,553	£936,945	£705,277	£59,767	Jardine Henderson Ltd.	530	Cheviot	205	100	6+6	6+6	6+8	6+4	5, 11	H.P.
29,33,750	76,54,250	3,59,97,499	2,57 14,567	92,266	Macneill & Barry Ltd.	500	Chitavalsah	158	10	2½+1½	1½+½	1+½	2½	6, 12	H.T.P.
10,00,000	2,15,000	10,76,864	5,78,963	11,273	Phatter's Agency Ltd.	969	Clive	144	10	2	Nil	Nil		6, 12	H.T.
18,00,000	1,22,000	89,02,565	20,99,824	2,226	Killick Industries Ltd.	1,884	Fort Gloster	350N	100	Nil	Nil	Nil+5	10+5	3, 9	H.P.T.
9,00,000	6,75,000	21,43,057	18,51,214	65,451	Macneill & Barry Ltd.	1,709	Ganges Mfg.	72½	100	Nil	Nil+Nil	Nil+5	10+10	3, 9	H.T.P.
22,00,000	1,12,060	24,74,412	6,18,646	—5,57,293	Bajpaie Trust Ltd.	1,250	Gondalpara	80	100	15	Nil	Nil	2½+Nil	3, 9	H.P.
3,50,000	2,07,448	13,83,458	7,08,130	....	Andrew Yule & Co., Ltd.	607	Gondalpara	200	100	15	Nil	Nil		12	Y.
20,00,000	17,925	29,07,891	8,49,150	2,661	Bird & Co., Ltd.	1,394	Gouripore	265	10	1½+Nil	Nil+3½	2½+7½	7½+7½	5, 9	H.P.
40,00,000	55,68,234	99,03,890	57,88,999	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	125N	100	10	10	10+10	11½+	3, 9	H.P.
15,80,000	18,52,626	66,38,235	45,31,416	32,401	Gillanders Arbuthnot & Co., Ltd.	398	Hoochly	10	10	1½	1½	½		3	Y.P.
65,62,500	51,32,961	1,82,27,584	1,07,31,964	11,463	Jardine Henderson Ltd.	1,140	Howrah	10	10	1½	1½	½		3, 9	Y.P.
52,50,000	23,00,000	2,58,15,937	1,84,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	24½	7½	5	5	2	2	3, 9	H.P.T.
67,00,000	16,55,558	1,23,66,655	78,55,428	7,731	M.	1,076	India	148	125	3½+3½	3½+3½	Nil+3½	3½+1½	3	Y.P.T.
24,00,000	16,50,000	1,87,65,836	1,84,18,024	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	D. 1	100	As.1+1	a2/5+2.6	nil+a2/5	a2/5+1/5	3, 9	H.
27,00,000								136	100	8½+6	6+3	3+6	2½+Nil		
19,20,000								'B' 100	100	8½+6	6+3	3+6	2½+Nil		
30,00,000	7,00,000	1,83,86 800	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	126	100	6+4	5+2½	2½+4	1+Nil	6, 12	H.P
24,00,000								'B' 100	100	6+4	5+2½	2½+4	1+Nil		
21,00,000	49,50,000	1,12,88 938	79,26,276	1 70 687	McLeod & Co., Ltd.	703	Kelvin	244	100	7½+7½	7½+7½	7½+10	1+Nil	6, 12	H.P.
53,33,375	1,71,52,716	1,16,91,627	1,02,192	Anderson Wright Ltd.	1,530	Khardah	134	100	10+15	10+7½	7½+10		6, 12	H.P.
48,00,000	1,04,27,157	2,31,57,457	1,12,99,755	82,710	F. W. Heilgers & Co.	1,250	Kinnison	163	100	10+7	10+7½	7½+6	6+5	3, 9	H.P.
24,48,000	49 27,087	1,19 82,288	80,86,707	10,707	Bird & Co., Ltd.	931	Lansdowne	123	100	7+8	8+5	5+5	7+6	3, 9	H.P.T.
28,06,000	56,89 479	1,16,02,741	64,08,985	2,154	Bird & Co., Ltd.	940	Lawrence	115	100	11+4	2+5	1+1	6+3	3, 9	H.P.
21,65,200	25,04,412	2,01,00,682	1,24 49 304	10,614	M.	1,008	Megna	89	100	2+8	2+8	2+4	5+1	3, 9	H.P.
59,98,900	58 14,415	1,54,76,420	98,81,496	—8,19,382	F. W. Heilgers & Co.	815	Nalhati	95	100	21+24	24+24	Nil 2½	2½+ 11	3, 9	H.
20,00,000	15,55,000	29,01,563	18,31,709	17,816	A. V. Thomas & Co., Ltd. ..	425	Naskarpara	184	10	Nil	Nil	Nil	Nil	3, 9	H.
35,00,000	43 29,326	29,10,124	10,08,222	70,554	Andrew Yule & Co., Ltd.	855	National	25½	10	½+½	Nil+½	1+½	1+	4, 10	H.T.
26,25,000	54,50,000	66,32,794	20,30,619	1,43,752	McLeod & Co., Ltd.	316	Nellimarla Jute	12½	10	1+1	1+1	1+1	1+1	4, 10	H.P.
85,50,000	2,71,44,342	4,29,15 627	96,26,548	8 71,293	Sahu Jain Ltd.	1,765	New Central	43½	10	2+1	1+1	1+1	1+	6, 12	H.P.T.
16,79,880	48,95,164	1,17,37,858	45,80,855	46,862	Bird & Co., Ltd.	567	Northbrook	24	10	10+12	12+12	12+6	1+	6, 12	H.P.
66,79,500	23,80,782	2,15,69,508	1,30,37,804	58,316	Macneill & Barry Ltd.	1,092	Nuddea	43½	10	1+1	1+1	1+1	1+½	3, 9	H.P.T.
24,31,000	26,81,049	72,46,385	50,35,690	5 744	Andrew Yule & Co., Ltd.	601	Orient	162	50	Nil+1	Nil+1	Nil+1	1+½	3, 9	H.
25,00,000	6,23,468	80,72,591	63,77,991	1,03,934	McLeod & Co., Ltd.	400	Presidency	100	100	1+5	6+6	5+5	5+4	3, 9	H.
20,00,000	1,44,936	26,56,830	9,32,130	—12,15,988	Birla Bros. Ltd.	805	Rameshwara	6½	5	Nil	Nil+½	½+½		5, 11	H.P.
40,50,000	1,65,782	1,34,06,577	89,88,544	5,06,680	Jardine Henderson Ltd.	1,276	Reliance	6½	10	Nil	Nil	½+½	Nil+	6, 12	H.P.
£600,000	£1 093,713	£1 236,315	....	£82 658	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	118	10	½+½	½+½	Nil	½	3, 9	H.
30,00,000	15,12,193	1,04,31,140	78,39 904	88,764	Bajaria More & Co., Ltd.	911	Shree Ambica	111	61	10%	10%	10%	8%+1	4, 10	H.P.T.
14,00,000	11,20,000	66 31,794	38,79,294	3,156	Hindustan Investment Corporation	401	Soorah	161	10	1+1	1+1	Nil+½	½	12	H.P.
25,19,600	42,44 180	1,30,76,167	51,18,668	—2,75,291	Bird & Co., Ltd.	650	Standard	145	10	Nil	1	1	1½	3, 9	H.P.
£600,000	£925,119	£900,895	....	£110,316	Thomas Duff & Co. (India), Ltd. ..	1,794	Titaghur	105	100	8+1	1+1	1+1	1+Nil	3, 9	Y.P.T.
25,38,600	58,14,822	1,95,40,009	81,71,817	40 780	Harrisons & Crosfield Ltd.	1,258	Union	61	100	10%	10%	10%	8%+1	3, 9	H.P.
£400,000	£688,085	£1,092,728	....	£97 816	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	154	100	10+1	1+4	1+5	1+5	3, 9	H.P.
2,50,000	4,95,000	55,94,878	37,77,741	35 624	McLeod & Co., Ltd.	465	Waverley	113	61	10%	10%	10%	8%+1	12	Y.P.
								5	1	Nil	Nil+½	½	½	6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	88,026	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23½	10	8/5 + ½	7/10+7/10	1+½	½+7/10	3, 9	H.
12,00,000	8,62,573	38,78,477	36,13 477	22,708	Jardine Henderson Ltd.	Barrare Coke	19½	10	½ + ½	½	½ + ½	½	3, 9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	5½N	10	2	1	1	1	6, 12	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,31,568	Andrew Yule & Co., Ltd.	Bengal Coal	536	10	20+20	17½+15	15+15	17½+17½	3, 9	H.
2,25,000	4,77,174	24,81,806	22,29,068	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	1	Nil	Nil	Nil	6, 12	H.
15 97,000	4,73,358	37,70,102	22,77,564	13,498	H. V. Low & Co., Ltd.	Bhalgora	5½	10	½ Nil	Nil	Nil	Nil	6, 12	H.
40,00,000	6,00,000	1,39,06,663	71,05,188	87,433	Sahu Jain Ltd.	Bharat Collieries	2	10	Nil	Nil	Nil	Nil+½	6, 12	H.P.
7,15,000	16 09,580	52,49,025	37 09 887	—1,66,186	F. W. Heilgers & Co. (Private)Ltd.	Bhubaneswara	7	10	½	½	½	½	6, 12	H.P.
16,00,000	16,17,936	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	13½	10	Nil	Nil	Nil	Nil	9	Y.
7,50,000	23,50,000	42,07,858	20,07,691	68,656	F. W. Heilgers & Co., Ltd.	Borrea	12½	10	½	½	½	Nil+	6, 12	Y.P.T.
90,92,480	1,76,57,554	4,16,32,554	1,80,56,440	1,40,550	Bird & Co., Ltd.	Bural	22½	10	1½+1½	1½+1½	1+1	1+1	6, 12	H.
49,97,750	....	39 62,720	3,82,545	14,019	Hindustan Investment Corpn., Ltd.	Central India	13½	10	Nil	Nil	½	½	6, 12	H.
3,00,000	13 54,302	49,10,414	32,63,954	82,768	M.	Central Kurkend	7	10	½	½	½	½	6, 12	H.P.
6,00,000	1,43,676	7,28,436(k)	....	2,112	F. W. Heilgers & Co. Private Ltd	Churia	11N	10	Nil	Nil	Nil	Nil	6, 12	H.P.T.
16 00,000	1,20,000	52,67,321	25,91,190	—2,43,279	Macneill & Barry Ltd.	Dhemo Main	9½	4	½ + ½	½ + ½	½ + ½	½ + ½	3	Y.
£340,000	£880,553	£936,945	£705,277	£59,767	Jardine Henderson Ltd.	East Indian	33½	10	½	½	½	½	6, 12	H.
29,33,750	76,54,250	3,59,97,499	2,57 14,567	92,266	Macneill & Barry Ltd.	Equitable	29½	10	2½(f)	2½	2½	2½	6, 12	H.
10,00,000	2,15,000	10,76,864	5,78,963	11,273	Phatter's Agency Ltd.	Ghusick and Musilia	14½N	10	2 + ½	1 + ½	2½	2	4	H.
18,00,000	1,22,000	89,02,565	20,99,824	2,226	Killick Industries Ltd.	Hingir-Rampur	41½	10			½ + ½	½	9, 12	H.P.T.
9,00,000	6,75,000	21,43,057	18,51,214	65,451	Macneill & Barry Ltd.	Hurriladih	23½	10			Nil	½	3	Y.
22,00,000	1,12,060	24,74,412	6,18,646	—5,57,293	Bajpaie Trust Ltd.	Joora Coal	2½	10	½ + ½	½ + ½	½ + ½	2 + ½	6	Y.
3,50,000	2,07,448	13,83,458	7,08,130	....	Andrew Yule & Co., Ltd.	Kalapahari	20N	10	Nil	Nil	1½	½	6, 12	Y.P.
20,00,000	17,925	29,07,891	8,49,150	2,661	Bird & Co., Ltd.	Karanpura Collieries	11S	100	1½+1½	1½+1	Nil	Nil	12	Y.
40,00,000	55,68,234	99,03,890	57,88,999	3,27,745	Bangur Bros., Ltd.	Katras Jharriah	60½	10	2 + 2	2 + 2	Nil	Nil	3, 9	H.
15,80,000	18,52,626	66,38,235	45,31,416	32,401	Gillanders Arbuthnot & Co., Ltd.	Khas Kajora	4N	10	Nil	Nil	Nil	Nil	3, 9	Y.P.
65,62,500	51,32,961	1,82,27,584	1,07,31,964	11,463	Jardine Henderson Ltd.	Khandi	8½N	10				2½+3	1, 7	H.
52,50,000	23,00,000	2,58,15,937	1,84,15 937	1,19,762	Ramdutt Ramkissendas	Lakurka	10N	10					6, 12	H.P.
67,00,000	16,55,558	1,23,66,655	78,55,428	7,731	M.	Nasira	7	10					6	Y.
24,00,000	16,50,000	1,87,65,836	1,84,18,024	86,624	Jardine Henderson Ltd.	Amritlal Ojha & Co. Ltd. ..	8½N	10					4	Y.N
27,00,000						New Randeepur	10½	10					12	Y.
19,20,000						New Beerbhoom	11½	10					3, 9	H.
30,00,000	7,00,000	1,83,86 800	1,00,46,425	82,115	Jardine Henderson Ltd.	New Kanbhoom	12½	10	Nil+½	½ + ½	½ + ½	½ + ½	3, 9	H.
24,00,000						North West	16½N	10	Nil	Nil+½	Nil+½	½ + ½	4, 10	H.P.
21,00,000	49,50,000	1,12,88 938	79,26,276	1 70 687	McLeod & Co., Ltd.	Ondal	15½	10	½ + ½	½ + ½	Nil	½ + ½	3, 9	H.
53,33,375	1,71,52,716	1,16,91,627	1,02,192	Anderson Wright Ltd.	K. C. Thapar & Bros.	Oriental Coal	9N	10	1 + ½	1 + ½	Nil	½ + ½	3, 9	H.
48,00,000	1,04,27,157	2,31,57,457	1,12,99,755	82,710	F. W. Heilgers & Co.	Parasea	14½	10			½ + ½	½ + ½	6, 12	H.P.
24,48,000	49 27,087	1,19 82,288	80,86,707	10,707	Bird & Co., Ltd.	Pench Valley	22	10	Nil	½ + ½	½ + ½		6, 12	Y.T.
28,06,000	56,89 479	1,16,02,741	64,08,985	2,154	Bird & Co., Ltd.	Ramegungas	11½	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.P.
21,65,200	25,04,412	2,01,00,682	1,24 49 304	10,614	M.	Rewa	9½	10	Nil	Nil	Nil	Nil	6, 12	H.
59,98,900	58 14,415	1,54,76,420	98,81,496	—8,19,382	F. W. Heilgers & Co.	Samla Collieries	14½	10	½ + ½	½ + ½	½ + ½	½ + ½	3, 9	H.
20,00,000	15,55,000	29,01,563	18,31,709	17,816	A. V. Thomas & Co., Ltd.	Searsole	7½N	10	½ + ½	½ + ½	½ + ½	½ + ½	3, 9	H.
35,00,000	43 29,326	29,10,124	10,08,222	70,554	Andrew Yule & Co., Ltd.	Seebpore	8½	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
26,25,000	54,50,000	66,32,794	20,30,619	1,43,752	M.	Sendra	9½N	7	2 + ½	½ + ½	½ + ½	½ + ½	12	Y.
85,50,000	2,71,44,342	4,29,15 627	96,26,548	8 71,293	Sahu Jain Ltd.	Singareni	10½	10	Nil	Nil	1 + ½	1½ + ½	6, 12	H.P.
16,79,880	48,95,164	1,17,37,858	45,80,855	46,862	Bird & Co., Ltd.	South Karanpura	9½	10		Nil	Nil+½	½ + ½	6, 12	H.T.
66,79,500	23,80,782	2,15,69,508	1,30,37,804	58,316	Macneill & Barry Ltd.	Standard	22½	10	½ + ½	½ + ½	0–11 1/5			
24,31,000	26,81,049	72,46,385	50,35,690	5 744	Andrew Yule & Co., Ltd.	Tilleru Ltd.	7½	10	½ + ½	½ + ½	Nil+½	½ + ½	12	Y.T.
25,00,000	6,23,468	80,72,591	63,77,991	1,03,934	McLeod & Co., Ltd.	Talcher	3½	10	Nil	Nil	½	½ + ½	3, 8	H.
20,00,000	1,44,936	26,56,830	9,32,130	—12,15,988	Birla Bros. Ltd.	Union	12½	10	½ + ½	½ + ½	½ + ½	½ + ½	6, 12	H.
40,50,000	1,65,782	1,34,06,577	89,88,544	5,06,680	Jardine Henderson Ltd.	Western Bengal	6½	10	1½+1½	1 + ½	1½	Nil+	6, 12	H.
£600,000	£1 093,713	£1 236,315	....	£82 658	Thomas Duff & Co. (India) Ltd. ..	West Jamuria	11½	10	Nil	Nil	½ + ½	½ + ½	6, 12	H.
30,00,000	15,12,193	1,04,31,140	78,39 904	88,764	Bajaria More & Co., Ltd.							Nil+	3	Y.
14,00,000	11,20,000	66 31,794	38,79,294	3,156	Hindustan Investment Corporation								6, 12	H.
25,19,600	42,44 180	1,30,76,167	51,18,668	—2,75,291	Bird & Co., Ltd.								6, 12	H.
£600,000	£925,119	£900,895	....	£110,316	Thomas Duff & Co. (India), Ltd. ..									
25,38,600	58,14,822	1,95,40,009	81,71,817	40 780	Harrisons & Crosfield Ltd.									
£400,000	£688,085	£1,092,728	....	£97 816	Thomas Duff & Co. (India) Ltd. ..									
2,50,000	4,95,000	55,94,878	37,77,741	35 624	McLeod & Co., Ltd.									

M—Managed

MARKET REPORTS

(*Concluded from page 1117*)

700,000 tons of wheat have been bought from Australia and the U.S.A. for the half-year ending October 1956. Besides continuing sales of wheat at Calcutta and Bombay, it is proposed to supply wheat at Rs. 14 per maund to all flour mills in the country. The Government proposes to build up a reserve of 200,000 tons of wheat in the U.P., 100,000 tons in Delhi and 50,000 tons each in the Punjab and Bihar. Storing facilities to the capacity of 50,000 tons are being built at Hapur in the form of masonry godowns.

Wheat prices at Hapur, after touching the lowest level of Rs. 13 per maund for average quality during mid-session, recovered at the close to Rs. 13-6 per maund. Farm quality was quoted at Rs. 14-12. Arrivals were at an average of 3,000 maunds daily and they were mostly absorbed by stockists, as outside, support was wanting. Stock position, as a result, improved to 55 *khaties*. Firm Punjab and Madras advices accounted for further gains in gram prices to Rs. 10-12 per maund for local quality and to Rs. 11 for Punjabi quality and stock position was put at 15 *khaties*. Other coarse grain prices also recorded modest gains in sympathy with wheat to be quoted at: Barley Rs. 9-12 and *bejhar* Rs. 9-10 per maund. *Jowar* was very much in demand and, due to poor local stocks, prices improved fractionally to Rs. 14-10 per maund.

Peas in which there was bullish activity in the last few weeks was a bit quiet during the week under report. Arrivals which had mounted to 2,500 maunds daily declined towards the week-end to 1,000 maunds today. Prices, after touching the highest at Rs. 11 per maund for *dara* green quality, eased to Rs. 10-6 per maund quoted today. Stock position had gone up to 44 *khaties*, the corresponding figure last year being 41 *khaties*, when peas *dara* was quoted at Rs. 5-5 per maund. *Arhar* prices also lost a part of the gains to Rs. 11-6 per maund today. Local stock had swelled to 84 *khaties*, as against 24 *khaties* only last year when *arhar* was transacted at Rs. 6-6 per maund. Other pulses ruled quietly steady during the week.

Pulses futures advanced in all sections during the week. The latest quotations as on Monday are: Peas *jeth* Rs. 10-3-3 and *bhadon* Rs. 10-8-9; peas white *jeth* Rs. 10-10-9 and *bhadon* Rs. 11-1-9; *arhar jeth* Rs. 11-4 and *bhadon* Rs. 11-10-9.

* * * *

In view of the decision of the International Wheat Conference in London to curtail production, it is interesting to review the prospects of the crop position this year. The problem of overproduction confronts many other staple commodities, besides wheat, and the proper solution lies in the removal of the root cause which affects the economic well-being of the world at large. There can be no gainsaying the fact that reduction in production will ease matters to a certain extent, but so long as the purchasing power of the people remains at the present low ebb, there can scarcely be any real improvement of the situation. Means and methods must be devised to increase consumption. Artificial maintenance of prices by curtailment of production is merely an expediency, the effect of which is neither conducive nor permanent. The International Conference has, therefore, done well in laying stress on the desirability of a careful exploitation of all avenues for greater utilisation of wheat, both for food and other purposes. Press comment shows some disappointment in the small results of the conference. It is, however, generally agreed that very little could be expected from a first gathering of the kind and that the contacts established and the views exchanged will lead to results later. The chief conclusion reached by the International Conference of 11 wheat-exporting countries was that where possible a reduction in the area devoted to wheat should be undertaken.

SUGAR RULES DULL

(From Our Own Correspondent)

HAPUR, 4*th June*

The sugar market ruled dull and featureless. Though demand from South Indian markets was fairly good, despatches were hampered for want of loading facilities. The total production of indigenous sugar in the country is expected to touch an all-time high of 1.85 million tons. By 15th May 1956, the production had aggregated 1,724,901 tons, as against 1,536,942 tons a year before. The despatches this year were heavy at 874,509 tons, as against 528,773 tons, and the closing stock with the factories as on this date was 1,262,649 tons, as against 1,050,243 tons on the same date last year. Nearly half of the mills in U.P. are still crushing and, due to ample supply of cane, the State Government has asked some of the factories to extend crushing operations upto the end of June. The production in this State alone is expected to exceed 1 million tons. Owing to a steep fall in agricultural prices last year, the agriculturist produced more sugarcane and, with *gur* prices falling unduly and the crushing season of the mills having started a little late, supplies of cane to factories was heavy and, despite a prolonged season, some of the cane will still remain uncrushed.

The latest mill delivery prices of sugar at Hapur are: Jaswant Rs. 28; Simbhauli Rs. 28-2; Mowana Rs. 27-15; Daurala Rs. 29; Amroha Rs. 27-10; Bijnore Rs. 27-10; Mansoorpur Rs. 28 to Rs. 29; Rampur Rs. 30-10; retail Rs. 30; and *khandsari* Rs. 23 to Rs. 26-8.

Ready *gur* prices eased slightly to Rs. 10-2 per maund for want of support. Arrivals were scanty, the average being 150 maunds daily and offtake during the week was also small, due to want of loading facilities. Local stock was put at about 85,000 maunds.

Gur fagan ruled quietly steady. Opening at Rs. 8-11-6 on Monday last, it was quoted at highest level of the week at Rs. 9-1 today.

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Notes
18,00,000	1,08,00,000	11,36,301	Allahabad Bank	356	100	18 0	18 0‡	18 0‡		12	Y.E.
14,50,000				178	50	9 0	9 0‡	9 0‡			
1,01,000	14,37,000	12,375	Andhra Bank	115	100	6 0	6 8	7 8	6 8	6,12	H.
82,46,150				85	70	5 0	5 4	5 12	4 8 4/5		
1,00,00,000	1,28,00,000	8,35,546	Bank of Baroda	96	50	3 0	3 4	3 12			
50,00,000	17,00,000	11,795	Bank of Bikaner	60	50	6 0	6 0‡	6 0‡	6 0	12	
2,50,00,000	2,52,00,000	18,26,630	Bank of India	25	10	0 12	0 12	0 12		12	Y.
15,30,875	28,00,000	60,636	Bank of Indore	162½	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	52N	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	25½	50	1 8	1 8	2 0	2 0	12	Y.
61,21,700	58,75,013	10,069	Bombay State Co-operative Bank.	243	100	16 0‡	16 0‡	16 0‡	16 0‡	12	Y.
15,00,000	29,00,000	19,501	Canara Bank Ltd.	57N	50	2 8	2 8	2 0	2 0	6	Y.
7,50,000	12,00,000	2,483	Canara Banking Corporation Ltd.	86	50	4 8	4 8	4 8	5 0	12	Y.
2,62,11,875	4,01,81,217	18,40,359	Central Bank of India Ltd. ..	80‡	50	5 0‡	5 0‡	5 0	5 8‡	12	Y.
£2,42,375 'A'				51‡	25	3 8	3 8	3 8	3 0	12	R.L.Y.
50,00,000	28,10,000	1,64,911	Davkaran Nanjee Banking Co. ..	52‡	25	3 8	3 8	3 8	3 0		
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	40	50	1 12	2 0	2 0		12	Y.
50,00,000	26,00,000	1,66,278	Hind Bank	72N	50	4 0	4 0	4 0		12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank ..	31‡	50	1 0	1 8	1 8	3 0	12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank ..	10	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank ..	15½	50	—	—	—		12	Y.
24,00,000				80N	100	5 0	5 0	6 0‡	5 8	12	Y.
18,00,000	79,75,000	1,45,140	Indian Bank	383	100	12 0‡	12 0‡	12 0‡	12 0	9	
16,20,000				180‡	50	10 3‡	10 3‡	10 3‡	10 12‡	6,12	C.J.H.
49,19,575	80,00,000	2,28,299	Indian Overseas Bank	124	25	7 3‡	7 3‡	7 3‡	7 12‡		
2,25,000				129‡	100	6 0	6 0	6 0	7 8	12	Y.
6,60,000	5,64,500	—1,12,440	Indo-Commercial Bank	42‡	100(A)	6 0	Nil	Nil			
10,00,000				11	25(B)	1 8	Nil	Nil		6,12	R.
87,50,000	97,50,000	2,35,103	Punjab National Bank	26‡	50(C)	1 8	Nil	Nil			
1,00,00,000	23,80,000	43,597	Travancore Bank	55‡	25	1 8	2 0	2 0	3 8	12	Y.
40,00,000	35,00,000	1,05,939	Union Bank of India	17‡	25	—	3 10	3 0	3 12	12	Y.
8,00,000	95,00,000	27,761	United Commercial Bank ..	6‡	5	0 5‡	0 12	0 12	1 0	12	Y.
				50‡	50	2 0	2 0	2 8	2 12	12	Y.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-15-3	£1	16†	12†	15†	16†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	47‡	£5	7†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $10,606,689	Hongkong and Shanghai Banking Corporation							12	
£17,965,195 'A'	£15,000,000	£558,006	Lloyds Bank	£91‡	H.K. $125	5*	5*	5*	5*	12	Y.*
£1,437,296 'B'				£2-12-3	£5 A	12†	14†	15†	12†	12	R.L.Y.
£375,000 'A'				£1-6-3	£1 B	5†	5†	5†	5†	12	R.L.Y.
£375,000 'B'	£1,750,000	£219,372	Mercantile Bank of India ..	£4-0-0	A £2½	14†	14†	14†	14†		
£750,000 'C'				£4-0-0	B £2½	14†	14†	14†	14†	12	R.L.Y.
£2,851,563	£3,104,687	£342,158	National Bank of India ..	—	C £1	14†	14†	14†	14†		
				£1-0-3	sh. 12½	16†	16†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.B. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June ..	Carew & Co.			
4,00,000	5½	1st March and 15th September..	Carew & Co. (2nd mortgage)	1938	99‡	1st June 1958
6,00,000	5½	30th June and 30th December ..	Ramnagar Cane & Sugar Co., Ltd.	1941	95	28th February .. 1960
10,00,000	6	1st August and 1st February ..	Ravalgaon Sugar	1938	99‡	30th December .. 1956
10,00,000	4	1st May and 1st November ..	Ravalgaon Sugar (New)	1948	101	27th December .. 1952-66
20,00,000	6	1st May and 1st November ..	Walchandnagar Industries ..	1944	88	1st November .. 1958-64
25,00,000	4½	1st May and 1st November ..	Walchandnagar Industries (New) ..	1944	101	1st April 1956-61
			COAL		97	1st November .. 1958-64
20,00,000	4½	30th April and 31st October ..	Bharat Collieries			
20,00,000	4½	30th June and 31st December ..	Burrakar Coal Co.	1944	95‡	30th June .. 1956
50,00,000	5½	15th June and 15th December ..	Equitable Coal Co.	1942	91½	30th June .. 1957(c)
				1953	100	14th December .. 1963(A)(c)
			COTTON			
8,50,000	5½	30th June and 31st December ..	Basanti Cotton Mills Ltd. ..	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November ..	Bengal-Nagpur	1897	93‡	15th November .. 1956(D)
60,00,000	5	1st April and 1st October ..	Buckingham and Carnatic	1952	92	1st March .. 1972(c)
12,68,000	5½		Jayalaxmi Textiles	1949	80N	1st January .. 1956-66
99,90,000	6	1st June	Tata Mills	1951	100	 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.			
1,25,00,000	4½	15th June and 15th December ..	Ahmedabad Electric Co., Ltd. ..	1950	95	31st March .. 1966(c)
66,25,000	4	1st April and 1st October ..	Andhra Valley Power Supply Co. ..		100‡	14th June .. 1969
12,00,000	4½	30th June and 31st December ..	Beanres Electric Light and Power Co., Ltd.	1940	99	1st October .. 1959
2,46,01,800	5	1st January and 1st July ..	Calcutta Electric Supply Corporation Ltd.	1949	94	31st December .. 1964(c)
25,00,000	4	30th June and 31st December ..	Cawnpore Electric Supply Co., Ltd.	1950	100‡	1st January .. 1970(c)
15,00,000	5	1st January and 1st July ..	Giza (Cheritish) Electric Supply Co., Ltd.	1945	85‡	31st December .. 1970(c)
4,95,000	5½	15th January and 15th July ..	South Madras Electric Supply ..	1951	98	30th June .. 1976(c)
2,00,000	5½	31st March and 30th September	South Madras Electric Supply ..	1940	98‡	15th July .. 1960-64
1,00,000	5	3rd April and 3rd October ..	South Madras Electric Supply ..	1939	98‡	1st July .. 1960-64
4,63,800	4½	1st April and 1st October ..	South Madras Electric Supply ..	1940	94‡	30th September .. 1958-63
47,73,000	5	1st April and 1st October ..	Tata Power	1940	94	1st July .. 1957-62
1,50,00,000	4	1st April and 1st October ..	Tata Power	1940	103	1st July .. 1979
					93‡	15th September .. 1965-70
			ENGINEERING			
5,00,000	5½	30th June and 31st December ..	Britannia Engineering			
2,00,000	5	30th June and 31st December ..	Bridge and Roof (India) Ltd. ..	1948	91	31st December .. 1968
20,00,000	5½	15th September and 15th March.	Indian Rume Pipe (Bearer) ..	1938	98	30th June .. 1958
51,146,600	4½	1st January and 1st July ..	Indian Iron and Steel Co. (1st mortgage)	1948	102	1st July .. 1967
10,00,000	4	31st May and 30th November ..	Kumardhubi Engineering Works Ltd.	1938	103	31st December .. 1956(c)
1,50,00,000	5	1st April and 1st October ..	Tata Locomotive	1946	88	31st December .. 1966(c)
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1946	87	31st May .. 1971
				1950	100‡	1st October .. 1960-66
			JUTE		101	31st December .. 1956(c)
12,00,000	5½	1st October and 1st April ..	Agarpara			
6,00,000	6½	30th June and 31st December ..	Alexandra	1939	99	31st March .. 1960
15,00,000	4	31st December and 30th June ..	Auckland Jute Co. Ltd.	1930	99	30th June .. 1961
10,00,000	4½	30th June and 31st December ..	Bengal Jute Mill Co., Ltd. ..	1945	90	31st December .. 1961
9,00,000	5	31st January and 31st July ..	Calcutta	1948	93‡	30th June .. 1962
10,00,000	5	30th June and 31st December ..	Chitavalsah Jute Mills	1949	90	31st July .. 1962
15,65,000	5½	31st March and 30th September	Dalhousie Jute Co.	1951	98	30th June .. 1966
8,56,000	5	15th January and 15th July ..	Kamptee	1954	99	30th June .. 1966(c)
25,00,000	8½	1st January and 1st July ..	Hukumchand	1951	94‡	31st March .. 1966(c)
20,00,000	5½	31st March and 30th September.	Howrah Jute Mills Co., Ltd. ..	1947	94‡	15th July .. 1966(c)
25,00,000	5	30th June and 31st December ..	Kinnison Jute Mills Co. Ltd. ..	1958	90	30th June .. 1967
25,00,000	5½	30th June and 31st December ..	Naihati	1949	90	31st March .. 1970
5,00,000	4½	14th November and 14th May ..	Nellimarla Jute Mills Co., Ltd.	1952	96‡	31st December .. 1966(c)
20,00,000	4	30th June and 31st December ..	Northbrook Jute Co., Ltd. ..	1938	88	31st March .. 1967(c)
8,00,000	4	30th June and 31st December ..	Presidency	1945	88	14th May .. 1967(c)
25,00,000	5	31st March and 30th September.	Reliance Jute Mills Co., Ltd. ..	1948	88	31st December .. 1964
5,00,000	4½	14th March and 14th September.	Seorah Jute	1950	91	30th June .. 1965
12,00,000	4½	30th June and 31st December ..	Union	1937	90	8th September .. 1966(c)
10,00,000	5½	31st January and 31st July ..	Waverlyk	1937	96	14th September .. 1957
			RAILWAYS ; STEAMSHIP AND TRAMWAYS		96‡	30th June .. 1957
4,50,000	6	1st January and 1st July ..	Barasat-Basirhat Light Railway ..	1939	98	31st July .. 1960
£350,000	4½	1st January and 1st July ..				1st July .. 1956
£139,363	5	1st April and 1st October ..	Calcutta Tramways	1900	96‡N	At 105% .. any time on 6 months' notice or at par or every seventh year thereafter
6,50,000	5½	30th June and 31st December ..	Katakhal-Lalabazar Railway ..	1933	97‡N	1st October .. 19
£800,000	4½	30th June and 31st December ..	Shahdara-Delhi-Saharanpur Railway	1945	90‡	31st December .. 19
4,53,26,697	4½	1st March and 1st September ..	Scindia Steam Navigation	1908	98‡N	Any time on six months' notice (c)
				1949	100‡	1st September .. 19
			PLANTING			
10,00,000	5½	30th June and 31st December ..	Consolidated Coffe			
12,50,000	6	31st March and 30th September.	Highet Tea	1939	102	1st July .. 1957
1,89,700	5½	31st March and 30th September.	Tenkay	1944	100	1st April .. 1957
					100	31st March .. 1958
			MISCELLANEOUS			
10,00,000	6	1st January and 1st July ..	Aluminium Corporation of India Ltd.	1948	96	31st Decem be 1965
58,50,000	4½	1st January and 1st July ..	Associated Hotels of India ..	1948	96	31st December .. 1965
4,96,800	4½	30th June and 31st December ..	Bengal Paper Mills	1937	97	30th June .. 1958
5,00,00,000	5½	1st March and 1st September ..	Burmah-Shell	1954	103	1st September .. 1957
2,00,00,000	5½	1st April and 1st October ..	Calico Oil Refining (India) Ltd. ..	1954	102	1st October .. 1973
21,00,000	5½	1st February and 1st August ..	Chowringhee Properties	1915	92	1st February .. 1958
30,93,000	4½	1st July and 1st January ..	Clive Buildings (Calcutta) Ltd. ..	1936	89‡	1st July .. 1958
20,00,000	4	15th March and 15th September.	Dalhousie Properties	1946	87‡	15th September .. 1966
1,00,00,000	4	31st March and 30th September.	Dalmia Cement Ltd.	1946	92	 1967
1,50,00,000	5	1st January and 1st July ..	Dunlop Rubber Co., (India) Ltd. ..	1946	92	1st January .. 1970(c)
1,00,00,000	5½	1st January and 1st July ..	Indian Cable Co., Ltd.	1950	105	30th June .. 1956(c)
24,50,000	5	15th March and 15th September.	Mentor Chemical Industries	1954	105	.... 1966(c)
24,50,000	4	31st March and 30th September.	Martin Burn Ltd. (Convertible Notes)	1949	85‡	30th June .. 1966
45,00,000	4	30th June and 31st December ..	McLeod & Co. Ltd. (Convertible Notes)	1948	850	30th September .. 1976(c)
				1947	470	31st December .. 1973(c)
75,00,000	5	1st April and 1st October ..	Mazneli and Barry Ltd.		(Purchase)	
1,50,00,000	5½	30th June and 31st December ..	National Rayon	1951	80N	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1956	108	30th June .. 1965-70
1,00,00,000	6	30th June and 31st December ..	Rohtas Industries Ltd.	1951	96	31st March .. 1961(c)
4,00,00,000	5½	1st May and 1st November ..	Standard-Vacuum Refining Co. India, Ltd.	1953	91‡	31st December .. 1966
				1942	100	1st May .. 1962

COMMERCE

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

VOL. XCII. No. 2363 BOMBAY, 16TH JUNE 1956 PRICE Rs. 1/8

MINERAL POLICY

THE Union Government's mineral policy is still in the melting pot. Hitherto, it was an incoherent policy of *ad hoc* and halting decisions. The authorities are now trying to evolve a more purposive policy designed to encourage mineral development. But, so far, only the negative aspects of this policy seem to have received adequate emphasis. These aspects are conservation of minerals and reservation of certain minerals for exclusive exploitation by the State. There is something to be said in favour of these two aspects, more particularly in respect of conservation. Since minerals are a wasting asset, it is necessary to conserve their reserves if we are not to rob future generations of their share of this limited wealth. Nevertheless, even this policy could be carried too far. The danger is that, in the name of conservation, minerals may fail to be adequately exploited. It is well to recognise that conservation must follow, not precede, exploration and mining.

The other aspect of mining policy is the Government's desire to participate more directly in mineral development. This could be justified only in so far as this desire is dictated by strategic considerations, such as the necessity for State ownership of minerals of defence significance, or by considerations of facilitating development of particular minerals in the event of marked disinclination of the private sector to undertake their exploitation. But there are good reasons to think that the Government's policy is dictated by considerations other than defence or development. The proposed, but almost certain, nationalisation of gold mines in Kolar and of the diamond mines at Panna is a case in point. Clearly, these measures are dictated by ideological considerations. And such considerations will retard the development of the mining industry in this country.

Indeed, the Government, by administering one shock after another to the mining industry, has undermined the confidence of prospectors to such an extent that the prospect of rapid development of minerals now appears very bleak. It dealt the first blow at such confidence when it amended the Constitution to the effect that no law providing for the extinguishment or modification of any rights accruing by virtue of any agreement, lease or licence for the purpose of searching for, or winning, any mineral or mineral oil, or the premature termination or cancellation of any such agreement, lease or licence, shall be deemed to be void on the ground that it is inconsistent with, or takes away or abridges any of the rights conferred by Article 14, Article 19 or Article 31. One thought that this amendment, together with the one making compensation a non-justiciable issue and other mining laws, had invested the Government with sufficient powers to ensure that mining in the private sector was carried on efficiently and in the national interest. Apparently, the Government was not satisfied with those powers but wanted exclusive monopoly for mining certain minerals and opportunity for participation alongside the private sector in others. This is the genesis of the new twist given to mineral policy by the Industrial Policy Resolution.

Under this Resolution, the minerals and mining processes, the future development of which will be the sole responsibility of the State, are: iron and steel, heavy plant and machinery for mining, coal and lignite, mineral oils, mining of iron ore, chrome ore, gypsum, sulphur, gold and diamond, mining and processing of copper, lead, zinc, tin, molybdenum and wolfram. Next come the minerals or mining industries which will be progressively State-owned and in which the State will, therefore, take the initiative in establishing new undertakings, but in which private enterprise will also be expected to supplement the effort of the State. In other words, this is a field in which the private sector will continually face the threat of nationalisation. In this category are included all other minerals (except the minor minerals as defined in section 3 of the Mining Concession Rules, 1955), aluminium and other non-ferrous metals not included in the first category and manufacture of ferro-alloys and tool steels.

What then is the prospect before an able prospector or an industrious miner? His field is strictly limited. And, if he does well, he runs the risk of inviting nationalisation. And, if he does badly enough, he fares no better, for that will be sufficient justification for the cancellation of his lease. Surely, it is not under such a dispensation that a country can hope to build up a prosperous mining industry. For it must be remembered that in few other industries is the role of reward for pioneering effort more important than in prospecting and mining of metals and minerals. No one will brave the inhospitable jungles or uninviting deserts or work in fair and foul weather if there is no adequate reward for the labour involved. The recent amendment to the Constitution, the Industrial Policy Resolution, the unhelpful attitude of the Government towards the coal industry and the recent moves for nationalisation of gold and diamond mines have all served to make one wonder whether the Government is really serious about laying the foundations for an expanding mining and mineral industry in India.

There is one factor which must make the Government take a more realistic view of its role in mining and mineral development. India, according to present knowledge, is not too plentifully endowed with metals and minerals. This, of course, is true of all countries in the world. No country can boast of complete self-sufficiency in all ores. India too presents a mixed pattern. This is not surprising. At the same time, one should recognise that India lacks some essential metals and minerals. It is well endowed with ores of ferrous and certain other metals, particularly iron, manganese, chromium and titanium. It has no good deposits of nickel, cobalt, molybdenum and tantalum. As the country's steel industry expands and alloy steels begin to be manufactured, these metals will have to be imported. There are deposits of mica, magnesite and barytes and other minerals used for the manufacture of paints and refractory materials. There are also good deposits of ores for the manufacture of aluminium and magnesium but only limited reserves of copper, lead and zinc. There is coal but no large proved deposits of petroleum. In other words, India can be classified in the list of countries which are only reasonably endowed with metals and minerals. But this is in so far as present knowledge goes. Future prospecting may well reveal fresh sources of supply or new metals and minerals. From this point of view, the Government's policy should be so calculated as to make such prospecting possible and attractive. Apart from this consideration, there is the far more immediately relevant consideration of technical personnel. It is well known that the Government has no large trained personnel. Indeed, it is this consideration which has compelled the Union Government to be chary of lending its officers even to the State Governments for purposes of mineral development. In this context, the Government would be well advised to enlist the co-operation of as many private agencies (both national and foreign) as possible.

Against this background, the assurances given to the private sector by the Union Minister for Natural Resources, Mr. K. D. Malaviya, at the recent meeting of the Mineral Advisory Board, held at Bangalore, are welcome. He emphasised that the recent declaration of industrial policy "should not cause any alarm in the minds of the miners." The policy of the Government, he explained, would "continue to be flexible and designed to maintain not only the balance between our internal requirements of minerals and the exportable quantities but also a healthy balance between the private and the public sector." Obviously, the value of this assurance lies in the way it is implemented. It is, however, reassuring to be told that the private sector would be given mining leases for areas already prospected by it. At the conclusion of the session, Mr. Malaviya reiterated that the new Industrial Policy Resolution did not shut out the private sector from participating in the development of mineral industry.

Considering that India is a vast country, the Government has done well to think in terms of regional mineral development. The Minister announced the formation of regional boards and the creation of zonal mineral advisory boards with headquarters at Ajmer, Calcutta, Nagpur and Bangalore. The Mineral Advisory Board, after its recent session, set up a seven-member committee (Chairman: Dr. M. S. Krishnan, Officer on Special Duty in the Ministry of Natural Resources) to consider the questions relating to liaison between the Bureau of Mines and the organisations, if any, set up by the State Governments. The Minister further announced that the Government had decided, in consultation with the Railway Ministry, to set up a Mineral Transport Advisory Committee which will take measures designed to improve the transport of minerals. Meanwhile, the Board has recommended that the railway authorities should examine the question of reducing railway freight on mineral ores for export and building materials, as, in its view, there was a case for such reduction.

An important question to which Mr. Malaviya referred in his address was that of terms of leases granted to private mine-owners. There is no doubt that some of these leases have conferred excessive rights on owners, some of whom have probably no clear idea of how to utilise the benefits. Some leases have been granted in perpetuity or for unconscionably long periods, extending in some cases to 999 years and covering 100-sq. mile units of area or even more. These terms have to be altered in the light of the Mines and Minerals (Regulation and Development) Act, 1949, and the Mineral Concession Rules. The current prescribed limits are a period of 30 years (with the right of renewal for a similar period) and an area of 10 sq. miles. These terms appear to be reasonably fair, sufficient to encourage genuine *entrepreneurs* to

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take the plunge. It is stated that the draft rules for the modification of the old leases have been framed and also revised in the light of comments by the State Governments and the mining industry. The Minister announced that care had been taken to provide for compensation on an equitable and even liberal basis to the holders of old leases whose areas are likely to be reduced as a result of the operation of these rules.

There are two subjects which have not yet received the attention of the Mineral Advisory Board. One is the general problem of making men more mineral-minded and the other, the more specific question of tax relief for efficient, enterprising and honest mine-owners. So far as the general problem is concerned, the real task is to instil in men the love for minerals and a spirit of adventure that will make them undertake prospecting. There is need for wider dissemination of knowledge about minerals and mineral prospecting. The specific question of tax relief no doubt lies within the province of the Finance Ministry. Even so, the Board, as the informed spokesman of the mining industry, could give a correct lead by suggesting measures designed to provide such tax relief to miners as would lead to a rapid expansion of the mining industry and eventually to a larger revenue to the Government. The Taxation Enquiry Commission has itself recognised that the "mineral industry in India is yet in an underdeveloped state and requires encouragement." Among other measures, it has suggested that capital expenditure incurred for acquiring minerals, expenditure on successful exploration and development of mines should be allowed to be charged against profits. These and other suggestions, made by the Commission, as well as the constructive fiscal policies adopted in other countries in relation to mining industries, deserve to be examined. It is to be hoped that the Board will include these questions in its agenda for the next meeting. Meanwhile, the Ministry will do well to prepare and circulate a tentative study of these questions.

FEDERATION ON RESERVE BANK AMENDMENT BILL

THE grounds on which the Federation of Indian Chambers of Commerce and Industry has criticised the proposed amendments to the Reserve Bank of India Act are, to say the least, not convincing. In fact, some of them are so puerile that it is surprising that they should have at all been urged by an apex commercial body like the Federation. There is a special reason for making this remark, for, about a year ago, it was the Federation which proposed, in all seriousness, a Rs. 7,200-crore plan. The main defect in that Plan was the absence of any indication of the manner in which the required resources would be found. Surely, the authors of the Plan must have contemplated a large volume of deficit financing, larger than that envisaged in the second Plan of the Government of India. And yet the very same source is opposed to the Government's move to delink the currency reserve requirements from the total notes issued, one of the three features of the amending Bill now pending before Parliament.

As readers are aware, at present the Reserve Bank Act requires currency reserves to be maintained at a fixed ratio related to the note issue. Thus, the total notes issued should be backed 40 per cent. in gold and foreign securities. This has a restrictive effect on the quantum of notes that can be issued, as every expansion has to be matched by gold and/or foreign securities to the tune of two-fifths. Since the Plan envisages heavy investments, there would naturally be a sizable expansion in notes issued. If the present system of reserve ratio were retained, it would be extremely difficult to create the additional requirements of currency, more especially because a considerable amount of foreign exchange would be needed to cover the imports of plant, machinery, and technical services necessary for implementing the Plan. It is with a view to overcoming this difficulty that it is now sought to abandon the proportionate reserve system in favour of a fixed reserve system. According to the Bill, the minimum reserves are to be reduced to an absolute figure of Rs. 400 crores in foreign securities and Rs. 115 crores in gold. Incidentally, gold is now being shown at Rs. 40 crores. This is to be revalued at the current I.M.F. value of $35 per fine ounce and raised to Rs. 115 crores. There is also a provision that, in exceptional circumstances, the minimum level of foreign securities can be lowered to Rs. 300 crores, but only with the previous permission of the Government.

While the Federation is not opposed to a reduction in the proportion of backing to the currency with a view to facilitating the second Plan's progress, it feels that the reserve requirements should continue to bear some relation to the actual note issue. One would like to know what, in the opinion of the Federation, will be the right ratio, if the existing 40 per cent. is conceded as being high in the light of Plan requirements. An indication of its mind on this question would have enabled one to judge whether the Federation is practical or theoretical in taking the stand it has. It will be pertinent to note here that, assuming the expected increase of Rs. 1,000 crores in note circulation during the second Plan period to be correct and taking Rs. 1,480 crores as the total notes issued at the commencement of the second Plan, the minimum reserve of Rs. 515 crores will mean a reserve ratio of 20.80 per cent. at the close of the second Plan. Will this be inadequate in the opinion of the Federation? In times of forced economic development, forced either by war or extreme poverty, it is not unusual for a country to reduce its currency reserve requirements. During the Second World War, for instance, when the U.S. was faced with the problem of a rapidly declining currency reserve under the pressure for more notes, it did not hesitate to reduce the statutory currency reserve limit from 40 per cent. to 25 per cent. The aforesaid figure of about 21 per cent. is not very far from 25 per cent. From a practical angle, therefore, the Government's move is not something that need adversely affect people's confidence in the rupee.

The remark that the Federation's criticism is theoretical may sound trite to orthodox currency managers. But its objection in principle to a minimum fixed currency reserve system is based on a theory which is out of date by at least a quarter of a century, if not more. In a world of managed currencies, the insistence on a high level of foreign currency reserve closely related to the note issue is to carry the principle of minimum safeguard too far. What is the backing for sterling, dollar, franc and D.Mark? What guarantee is there that these currencies will not suffer from excessive inflation and the consequent devaluation? What happens to national currencies that are created on the basis of reserves in these foreign currencies when the purchasing power of the latter goes down in value? In posing these queries, the intention is not to say that there is no value at all in keeping a sufficient volume of foreign currency reserve but only to point out that the value of such a safeguard should not be exaggerated.

The importance of reserves in foreign currency and gold is more relevant to the balance of payments position than to the total note issue. It is in realisation of this that certain underdeveloped countries in Latin America and Asia have related the reserve requirements to their international payments position. Even from this point of view, it is not necessary to lay down a proportionate reserve system. For a country of India's size and development requirements, such a system will prove too rigid. The examples of countries following this system are not quite appropriate to this country, because, first, they are all small economies based on limited productive resources and dependent upon a few commodities and, secondly, India is a relatively developed economy based on a wider structure of economic resources. Today, its *per capita* national income may be smaller than in Latin-American Republics, the Philippines or Ceylon. But, when its economy gathers momentum as a result of the present developmental efforts, it will be far ahead of these small nations. In any case, it is worth noting that the existence of a rigid foreign currency reserve ratio based on balance of payments position has not acted as an effective check against heavy inflation in some of those countries which boast of modern central banking laws.

Viewed from the balance of payments angle, it would appear that a minimum sterling balance of Rs. 400 crores is not so low as to cause any anxiety either in India or abroad. Such a minimum, together with Rs. 115 crores in gold coin and bullion, will give a total reserve of Rs. 515 crores. This is, as was pointed out by this journal on an earlier occasion, more than 50 per cent. of the average annual imports during the second Plan period. With such a minimum currency reserve, India should be able to supplement its foreign exchange requirements by borrowings from the International Monetary Fund and regulate the position through import-export controls, in the exercise of which it has acquired sufficient experience.

The necessity for ensuring the confidence of people, both within and outside the country, in the Indian rupee has been rightly stressed by the Federation. The best way to ensure such confidence is to run the affairs of the country on sound lines. And this is a question of choosing the right type of people for governing the country. The Federation is fully aware of it, for it admits that "good currency management is secured not so much by rigid rules as by men of ability and wisdom." But it is afraid that a weak administration may misuse the power for creating unlimited expansion of currency and bring ruin to all. While there is, of course, some force in this argument, it cannot at the same time be denied that history is full of instances where, despite all the best monetary and currency laws, bad governments had come into vogue and mismanaged the affairs of the State. No Government has been effectively restrained by such man-made laws. For effective checks against a bad Government one must rely on other means, the most important of which is a vigorous, true democracy. It is the duty of associations such as the Federation to be ever vigilant and mobilise public opinion whenever there are signs of a Government—in effect, it means the party-in-power—becoming autocratic.

It is in this context that the absence of any comment by the Federation on the proposal to abolish the Local Boards of the Reserve Bank is a deplorable lapse. The significance of this step was clearly explained by Mr. B. T. Thakur in a widely publicised article, *vide* page 955 of *Commerce* dated 19th May last. As he rightly pointed out, the abolition of the Local Boards of the Bank is a retrograde step, for it will strengthen the trend towards bureaucratism and too much centralisation of power in certain spheres where such will be quite undesirable. It is true that the Local Boards have only limited functions and powers at present. In fact, following the complete State ownership of the Bank, they have hardly any work. But that is no reason for their abolition. On the contrary, they can be of great help to the Reserve Bank in the discharge of its new task, namely, extension of rural credit through the State Bank and the co-operatives. Further, India is a vast country, with varying levels of economic development in different States. The problems of banks all over India are not the same. They vary widely and are not amenable to uniform solutions. The Local Boards will be useful in interpreting them against their proper background and in arriving at the right kind of solutions. They can also assist the Bank in selecting the staff suited to their respective areas. Mr. Thakur was perfectly right when he remarked:

"In notes on clauses in the Bill, it is explained that, with nationalisation of the Reserve Bank, the need to retain Local Boards has disappeared, because they attended to share transfer work. But why should the functions of the Local Boards have been restricted only to the transaction of this formal business? There is nothing in the Reserve Bank Act to utilise them only for such a purpose. And, if it was actually so, that was against the will of the framers of the original and the nationalising Acts; and was a misreading of the purpose and functions of these Boards. The main function of a Local Board, or regional committees, is to keep the central authority fully informed of local facts, conditions and requirements, so that there should be correct basis for the formulation of monetary policy. If the authorities in charge of the Reserve Bank have not vested these Boards with bigger and better tasks, the fault is not of the Boards but of their appointors, who want to work independently of local advice. Today, the need for such consultations is greater than ever."

In short, the Local Boards can be of great service in several ways. What is needed, therefore, is not their abolition but reorganisation and extension to all the States. It is a pity that the Government which talks so much about decentralisation of production has failed to realise the value of decentralisation of certain functions in the sphere of central banking. And it is a greater pity that the Federation, the accredited mouthpiece of the business community, should have chosen to remain silent on this important issue.

The views of the Federation on the amendment relating to the Reserve Bank's control over commercial bank credit will be examined at some length in our next issue. Meanwhile, it must be said that they are also unrealistic and obsolete.

PREMIUM ON INDIAN IRON NEW ISSUE DISAPPOINTS OPERATORS

PEAK IN BANK RATES REACHED—IS IT WISE TO RESUME FUTURES TRADING IN COTTON NOW?

THURSDAY, 5 P.M.

THE share markets have had two unpleasant shocks this week which have completely transformed the sentiment. Confidence has been badly shaken and weak bulls have been selling out in a rush, with a view to cutting their loss or booking their profit before it is too late. It was thought yesterday that the nervous selling would be quickly absorbed and that the markets would stabilise.

MARKET GOSSIP

This view was supported at today's official trading when the trend was remarkably steady, with a minor rise in several scrips. But, all of a sudden, late in the evening today, there was a revival of selling pressure at the kerb. It remains to be seen whether the worst is over. The bulls have, however, been sadly disappointed at the sudden turn of events, so that, even if there were to be no further big drop in values, the recovery might be a slow process.

The first shock was provided by the report that the Government was contemplating certain measures which would impose an additional burden on the cotton textile industry. There is no point in commenting on this report at this stage; since the new policy is in the making at the time of writing, it is better to wait till it is made public officially. It would, however, appear that the widespread impression that the mills are making handsome profits has emboldened the Government to think of taxing them further under some pretext or other. To readers of this column, this development could not be a surprise. We had warned from time to time of the possibility of cotton textile industry being mulcted further by the Treasury.

In the bullish fervour which had overcome them, the speculators had apparently ignored this warning. Many of them had entered the market in the belief that textile shares would touch new high levels. They were talking of Rs. 700 for Bombay Dyeings, Rs. 400 for Kohinoors and Rs. 600 for Centurys. Evidently, they had started pushing up the values rather too fast. Otherwise, it is difficult to explain the quick fall in these counters. From the highest levels seen on Saturday last, Dyeings had withered, within a couple of days, by Rs. 32, Centurys by Rs. 14-8 and Kohinoors by Rs. 13-8. Though today's official closing rates were higher by a few points, the trend in the kerb market reveals a certain amount of underlying weakness.

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The second shock was even more serious and contributed to the demoralisation of speculative counters to a much greater extent than the first one. It was provided by the Government's decision to permit the Indian Iron and Steel Company Ltd. to issue new shares at a premium of Rs. 3-8 per share, as against Re. 1-8 to Rs. 2-8 anticipated earlier. Within a few minutes of the news, the counter lost a rupee, the rate coming down from Rs. 39 to Rs. 37-12. It then hovered between Rs. 37-14 and Rs. 37-4, but gave way further at today's kerb to Rs. 36-11, which compares with Rs. 39-4 witnessed on Saturday last. Tata Steels, too, declined in sympathy, from Rs. 202-8 on the 9th inst. to Rs. 196 at the kerb today.

In the months of March-April, the expectation in the market was that the premium on Indian Iron's new issue would be Rs. 2-8 per share. Last month, knowledgeable circles were of the opinion that it would be no more than Re. 1-8. It was this view that had led to strong buying support to this scrip. Our enquiries go to show that the Department concerned itself had felt that a premium of Re. 1-8 would be appropriate and had recommended that rate. Later, at higher levels in the Ministry, this rate was raised to Rs. 3-8. The Finance Minister and the Secretary of the Department concerned are stated to be mainly responsible for this decision. It may be noted here that the Company's management had requested the Government for permission to issue the shares at par.

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In the light of the Government's decision in regard to the terms of the new issues of T.I.S.Co. and A.C.C., a premium of Rs. 3-8 sounds pretty high for the I.I.S.Co. The face and paid-up value of T.I.S.Co. shares is Rs. 75. The premium fixed for the new issue of this Company is Rs. 30, that is, 45 per cent. of the paid-up value. In the case of A.C.C., the shares of which are Rs 100 each, the premium is Rs. 20 only, that is, at half the rate applied to T.I.S.Co. This was done perhaps on the ground that the new issue was to be only at the rate of one share for every two shares, as against one for one in the case of T.I.S.Co. The I.I.S.Co. also proposes to raise new capital at the rate of one for one, but the premium fixed in its case is 35 per cent. Considering that the financial position of this Company is less strong than that of either the T.I.S.Co. or A.C.C., a premium of 35 per cent. is clearly large. Why then did the Finance Ministry choose this rate? We believe that it must have done so for the following reasons:

(1) It was time, that is, when it was the [illegible] all well-established concerns working at [illegible] new shares at a substantial [illegible] on the market value of [illegible] a minimum [illegible] had to tended to raise additional capital at a premium of Rs. 7-8 per share.

(2) On the stock exchanges, Indian Irons were always bid at rates which gave an appreciably lower yield than Tata Steel Ordinaries. When the yield on the latter ranged between 4.5 and 6 per cent., it used to be between 2.5 per cent. and 3.5 per cent. on the former. In other words, the market evaluation of the prospects for Indian Irons was more optimistic than for Tata Steels. The same yardstick should be applied for determining the premium for the new issue of I.I.S.Co.

(3) The heavy bull speculation in the shares of I.I.S.Co. itself showed that the operators felt that the scrip was worth more than was believed to be so by those who proposed the rate of Re. 1-8 per share.

(4) The spurt in the value of T.I.S.Co.'s rights for the new share from Rs. 57 to Rs. 65 and in that of the ex-right quotation for T.I.S.Co. shares from Rs. 193-12 to Rs. 202 must have created the impression in the Finance Ministry that they were deliberately misled by Tatas that their Company's shares could not bear a premium of Rs. 50, and much less Rs. 75, per share proposed by the Government. The rise in the value of A.C.Cs. in recent weeks must have also strengthened this view. It would be recalled that Tatas were arguing that even a premium of Rs. 35 would be too heavy and would not attract the support of investors. Subsequent developments have belied their contention. There are keen buyers for both the rights and the shares. When the rights stood at Rs. 65, it meant that the *cum*-right value of this scrip was as high as Rs. 287. The Finance Ministry must have felt that it should not allow itself to be "fooled" again by the private sector.

The "victim" of the Ministry becoming wise after the event has unfortunately been the I.I.S.Co. But this is hardly just. There cannot be one rule for X. and another for Y., both belonging to the *same* field and *category*. The market, however, cannot complain on this score. It is the exaggerated notions of speculators and their price-boosting tactics that have led to the Government's latest stiff decision.

It must be added that there are still some optimists who argue that, even at the current price of about Rs. 37, Indian Irons are not overvalued. Their line of reasoning is that, if one buys the scrip at this level and pays Rs. 13-8 for the new share, one will get two shares for Rs. 50-8, or, say, a round figure of Rs. 51-0, allowing for brokerage, and transfer charges. This means that each share will cost Rs. 25-8 net. If the Company maintains the dividend at Re. 1 per share on the increased capital, the yield will be a little less than 4 per cent. Having regard to the bright prospects for the Company, even this yield should, in their opinion, be regarded as attractive. It is further pointed out by them that, unlike the T.I.S.Co., the I.I.S.Co. is yet to make a bonus issue and that, when all the expansion programmes are completed, it would be able to declare higher dividends. According to their information, the Company is said to be making profit at the rate of Rs. 4 per share, whereas it is now paying a dividend of only Re. 1 per share. This school of thought, therefore, believes that, after the present shake-out is over, the scrip would quickly rise again. An additional point that is mentioned in favour of this view is that the Company has permission to make the new issue only after 1st November 1956, thereby giving ample time for investors to get the necessary capital ready.

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The capital market is being reserved for the Central and State Governments for a period of four months from the 1st proximo. During this period, no flotations by the private sector will be allowed. This was the reason why the Hindustan Motors rushed through its Rs. 5-crore preference issue. And it is for the same reason that the I.I.S.Co. has been told by the Government that its new issue can be made only after 1st November 1956. The last big capital offer of this season by the private sector will be the long-awaited issue of Cauvery Sugars and Chemicals Ltd. This issue is for an aggregate sum of Rs. 49 lakhs, consisting of Rs. 20 lakhs in 6 per cent. (tax-free) cumulative preference shares of Rs. 100 each and Rs. 29,00,000 in ordinary shares of Rs. 100 each. Both the shares are being offered at par. The list will open on the 28th inst., and will remain open until 12th July 1956, unless closed earlier at the discretion of the Directors, but not before 4th July.

Although only two weeks are left for the month of June to come to a close and the rains have set in, the money market is still fairly tight. The repayment of commercial advances of seasonal nature is being offset by fresh demand for credit from industries and trade. If these conditions continue in the coming fortnight also, it is doubtful whether the Central Government's new loan will be floated in the first week of July. Since, however, the monetary authorities are alive to the fact that seasonal variations in the short-term money market are thinning down, it will not be surprising if they decide not to wait beyond the first week of next month. Indeed, the chances are that the flotation of new loan may lead to perceptible stringency in the money market. Several institutional investors are keeping their funds liquid with banks on a call basis at 3 to 3½ per cent. When they draw these funds for investment in the new loan, the banks will have to go to the Reserve Bank for accommodation, unless the present demand for credit eases.

Last year, the banks were the principal supporters to the new loan. This year, it is doubtful whether they can take up the forthcoming issue on the same scale. Apart from their present tight position, last year they could borrow funds from the Reserve Bank at 3 per cent. against usance bills and buy with such funds the new loan carrying interest at 3½ per cent. In this bargain, they thus gained ½ per cent. Now, however, the cost of borrowing against usance bills has gone up to 3⅜ per cent., with the result that the margin of profit will be only ⅛ per cent., too low to induce the banks to take all the trouble of drawing a usance bill, getting the customer's signature, and discounting it with the Reserve Bank and then applying for the new loan. If this reading of the situation is right, the Reserve Bank, the State Bank and the insurance companies will have to take up the bulk of the issue. Considering this prospect, there is little likelihood of a long-term loan giving a yield of 4 per cent. being issued by the Centre, in addition to the customary 3½ per cent. medium-dated loan.

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By and large, world money rates in recent months have pursued a one-way traffic. They have moved up. The Bank rate in more than one country has been revised upwards. This cannot altogether be a matter of unconcern to India which depends for the success of its Five-year Plan on large imports of capital goods—if not of capital. If the interest rates in the overseas countries continue to rise, India cannot possibly get advantageous credit terms for its imports. Interest rates in the industrially advanced countries are, therefore, a matter of utmost concern to India. What, then is the prospect for these rates? The outlook varies, of course, from country to country. But an interesting feature is that in many of the countries where the Bank rate has been raised there is a growing section of opinion which feels that the time has arrived for the interest rates to be lowered. In the U.K. itself, there is a section of bankers which feels that the dear money policy has been overdone. Another section feels that it is tending to make Britain's exports costlier than they need be. There is even a section which seems to feel that dear money has failed to achieve the results expected of it. In the House of Commons, the U.K. Chancellor of the Exchequer was heckled last week by a member who asked when the Government proposed to reduce the Bank rate, now that the higher rate had failed to check inflation. The Chancellor, of course, refused to admit that the Bank rate had not been effective. But the incident shows how strongly people react to the continued operation of a high Bank rate.

In Germany, the increase in Bank rate has led to open disputes in the cabinet itself and between the Government and the Central Bank. Dr. Adenauer has described the Bank's action as "a heavy blow to the German economy, probably unnecessary and perhaps of no avail." Incidentally, it shows how even nationalised banking institutions in these countries can adopt policies which the Government of the day may not approve. One is compelled to admire the sense of financial independence of the central banking authorities in the Western world. Be that as it may, the fact remains that the West German Government is opposed to high Bank rates.

The official rates of discount of the Federal Reserve Bank, as is well known, have gone up in the U.S. also. This policy too has been the subject of criticism, though not in so open a manner as in West Germany. It would appear that some of the leading members of the Republican Party are opposed to this change. In any case, the rates may be revised downwards, if industrial unrest, which has reared its ugly head in that country, were to spread more widely than now.

This brief survey should indicate that in none of the countries where the interest rates have been raised are the authorities very happy over the situation. In any case, the chances of any further increase in Bank rates in the Western world are very, very remote. One can, therefore, infer that the peak levels in Bank rates have been seen. Further, the monetary authorities would not, generally speaking, like to maintain these rates at their high levels for a moment longer than is necessary. Surely, this is a prospect that India should welcome heartily.

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The stage is ready for the resumption of forward trading in cotton with effect from 18th Inst. The general body of the East India Cotton Association has voted in favour of two hedge contracts and approved of all the decisions of the Board. Since the Board has generally adopted all the suggestions made by the Forward Markets Commission, it is now understood that the Commission will raise no obstacle to the reopening of the futures. The Commission has yielded on the question of the continuance of the present system of surveying of cotton while the Board is reported to have accepted the Commission's view relating to the fixation of tending differentials on the basis of forward, rather than spot prices. Apart from these changes, there have been no major alterations—that is, alterations other than those that had been anticipated already. The whole decision now rests with the Government to which the Commission is reported to have forwarded the Board's proposals, apparently with its endorsement. The Government's permission is expected any time now.

If there is one thing that is difficult to predict about the futures trading it is its future. The two chief uncertainties are the crop and Washington's cotton policy. Little can now be predicted about the crop. If the crop turns out to be less than normal, there is bound to be a recurrence of the kind of crisis which the market faced last year. Indeed, the prospect for such recurrence is greater, considering the

(Continued on page 1179)

EQUITIES MARKED DOWN

HEAVY SELLING IN INDIAN IRONS

(From Our Own Correspondents)

BOMBAY, 14*th June*

EQUITIES on the Stock Exchange presented a two-sided movement during the week under review. The buoyancy noted in the previous week could not persist further than the opening day of the week. For, in the following two sessions, the market experienced a sharp setback on speculative offerings. At the close, however, there was again a moderate recovery, but such was not strong enough to make good the earlier loss. On balance, therefore, equities finished with modest losses over a wide range.

The chief event of the week was the announcement by the Indian Iron and Steel Company, Ltd., of the terms of its new issue to the effect that the Government of India had sanctioned the fresh issue of ordinary capital on the basis of one new share at Rs. 13-8 for each ordinary share of Rs. 10 now held. This meant a premium of Rs. 3-8 per share, or 35 per cent., on the new shares, as against 40 per cent. insisted by the Government in the case of Tata Iron and Steel and 20 per cent. in that of A.C.C. The speculators were, however, quick to cash their holdings on the pretext that the premium was Re. 1 higher than their expectations. The heavy selling orders which were unleashed depressed Indian Irons and with them the other main sections of the market succumbed to sizable selling.

Another factor which affected the sentiment was the rumour that the Government of India might increase the excise duty on mill cloth to mop up the extra profit resulting from the reported proposal to allow mills to increase their spindleage and loomage by 10 per cent. for catering to the needs of the export markets. This dampened the enthusiasm of operators who hastened to liquidate their purchases, especially in textile shares. This, too, helped acceleration of selling pressure in other sections.

In the steel section, Tata Ordinaries gathered strength early in the week from Rs. 200-4 to Rs. 202-8, but soon reacted to Rs. 193-4. Towards the close, however, they recovered to Rs. 198-4. Tata Rights were done at the close at Rs. 64, as against Rs. 64-8 a week ago. Indian Irons moved up from Rs. 38-8½ to Rs. 39-3½ before receding to Rs. 37-4. The closing was a shade better at Rs. 37-7.

Textile shares were erratic. Bombay Dyeings advanced early in the week from Rs. 668-12 to Rs. 675-10, but the subsequent selling brought them down to Rs. 643-12. On replacement buying and bear covering the shares finished better at Rs. 651-14. Centurys closed Rs. 2 lower at Rs. 564, after touching earlier a low of Rs. 556. Kohinoors finished with a loss of Rs. 5-8 at Rs. 370. Central Indias, however, provided an exception with a rise of Rs. 8-8 to Rs. 150. Ednas shares were also higher by Rs. 4 at Rs. 62. Finlays were quiet at Rs. 340. Gokaks gathered on balance Rs. 2-4 to Rs. 235-4. Indu Ordinaries lost As. 1½ to Rs. 13-13. Lakshmis receded by Rs. 5 to Rs. 690, Mysores by Rs. 2-8 to Rs. 112-8 and New Greats by Rs. 3 to Rs. 252. Shree Niwas shed Re. 1-4 to Rs. 211-4, Simplex Rs. 2 to Rs. 221 and Standards Rs. 3-12 to Rs. 440. Svadeshis were, however, keenly sought and they shot up by Rs. 11-8 to Rs. 253. Tata Mills were lower by Re. 1 at Rs. 54-8 and Vishnus by Rs. 3-2 at Rs. 185-10.

A sharp drop of Rs. 6-4 to Rs. 157 in Bank of Indias was the feature in the banking section. After advancing from Rs. 96 to Rs. 98-4, Barodas gave way to Rs. 97. Centrals were steady at Rs. 51-8 and their new shares at Rs. 53. Punjab Nationals rallied further from Rs. 55-4 to Rs. 57-8. Union Banks changed hands As. 2 higher at Rs. 6-12. United Commercials were done As. 8 better at Rs. 51.

Insurance shares met selling pressure. New Indias were brought down from Rs. 44 to Rs. 42-12, before closing at Rs. 43-2. Orientals slipped from Rs. 3,900 to Rs. 3,855. Empire of Indias suddenly slumped from Rs. 600 to Rs. 325. Indian Mercantiles reacted from Rs. 43 to Rs. 41-8.

Except for a few select counters which were marked up modestly, the miscellaneous section ruled quiet in consonance with the general trend. In the sugar group, Belapurs were lifted up early in the week from Rs. 236 to Rs. 240-8. After reacting from this level to Rs. 234-8 they closed at Rs. 237-8. Bhopals were As. 2 better at Rs. 13-12 and Walchandnagars gained Re. 1-4 to Rs. 255. Phaltans were, however, lower by Re. 1 at Rs. 156. In the cement group, A.C.C. moved narrowly and closed a fraction lower at Rs. 218. Trading in these shares on an *ex*-right basis will commence on 18th June. The Stock Exchange authorities have decided that for the purpose of *badlas* that will take place on 15th June the unit will be 10 shares, instead of five. Thus, for the current settlement (22nd June) the contract will be for 10 old shares on *cum*-right basis, but for the ensuing 6th July settlement there will have to be a contract of 10 old shares at *ex*-right price plus a cash contract of five new shares by letters of renunciation. Digvijays were bought Re. 1-4 higher at Rs. 191-8.

In the engineering and mining section, Alcocks were on offer to decline from Rs. 363-12 to Rs. 356-4. Tata Locos fell by Rs. 4 to Rs. 150-8 and Premier Constructions by Rs. 2-4 to Rs. 186. Shivrajpurs were in favour and rose by Rs. 3-12 to Rs. 107-4 on favourable reports from the manganese market. Indian Coppers finished As. 6 better at Rs. 7-4, following encouraging working results of the Company and the declaration of a final dividend of 10 per cent. and a bonus of 25 per cent., making a total dividend of 20 per cent. and a bonus of 25 per cent. for the year ended 31st December 1955, as against a dividend of 15 per cent. and a bonus of 10 per cent. for 1954.

Shipping and transport shares were quiet. Scindias closed at Rs. 18-12½ (as against Rs. 18-14½ a week ago) after going down to a low of Rs. 18-7. Great Easterns shed As. 2 to Rs. 18. India Steamships were placed at Rs. 9 *ex-div.*, as against Rs. 9-7 *cum-div.* Hindustan Motors eased from Rs. 10-8 to Rs. 10-0½. Premier Automobiles, which were admitted to the cash list of the Stock Exchange today, were done Rs. 2 lower at Rs. 92. Among miscellaneous industrials, Bombay Burmahs fluctuated widely between Rs 663-12 and Rs. 640 before closing at Rs. 657-8 with no change over the week. B.I.Cs. were fairly steady at Rs. 11-3½. National Rayons were marked up on balance by Rs. 3-4 to Rs. 249-8. Tata Chemicals were featureless at Rs. 18-15, while Dhrangadhra Chemicals were bought Re. 1 higher at Rs. 126-8.

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Calcutta Stock Exchange

CALCUTTA, 13*th June*

Mixed conditions were in evidence on the Calcutta Stock Exchange during the week under review. During last Thursday and Friday, a steady trend was maintained. However, from Monday prices eased, following the Government's announcement which, although it fixed uniform prices for iron and steel throughout the country, virtually raised the prices to consumers in Calcutta. Speculative counters were particularly affected when the market knew that any proposal for rights issue in Indian Irons in the proportion of 1 to 1 would only be sanctioned by the Government, if the rights carried a premium of Rs. 3-8 per share, i.e., the rights should be issued at Rs. 13-8, as against the face value of Rs. 10 per share

Sectionwise, sentiment broadened in the textile section on the prospect of a more realistic policy towards mills. Kesorams were a star feature and jumped to Rs. 19-10 from Rs. 18-4, although subsequently the rate gave way to close steady at Rs. 18-14. Elgin Mills at Rs. 28-10 gained As. 12, with Bengal-Nagpurs moving to Rs. 9-8 from Rs. 9-2 previously. At Rs. 8-15, Cawnpores represented no change.

Earlier in the week the lower levels attracted buying support to the coal section, but from Monday the recovery received a setback. Burrakurs recovered to Rs. 13-11 from Rs. 13-1, giving way subsequently to Rs. 13-8. Bengals sagged to Rs. 538, after moving up to Rs. 542 from Rs. 536. Western Bengals at Rs. 6-15 were higher by As. 2, and New Beerbhooms were pushed to Rs. 19-7 from Rs. 19-3. East Indians were unchanged at Rs. 33-4.

Jutes shares moved within narrow limits. Nationals, after improving to Rs. 25-12 from Rs. 25-6, were dealt with at Rs. 25-6. However, New Centrals, after declining to Rs. 17-13 from Rs. 18-1 on profit-taking, closed better at Rs. 18-4. At Rs. 238 Kelvins were weaker by Rs. 2, and Champadanies at Rs. 163-8 recorded a recession. Anglo-Indias were neglected and on offerings receded to Rs. 167-8 from Rs. 181. Reliances were unchanged at Rs. 11-2.

Indian Coppers in the mining section were fully steady, and rose to quote as high as Rs. 7-4 from Rs 6-15. The rate was subsequently maintained too. On interested buying, Orissa Minerals were raised to Rs. 27-12 from Rs. 24-6. Burma Mines revealed considerable strength as evidenced in the recovery to Rs. 4-2 from Rs. 3-11. The section was not, however, devoid of a weak spot as indicated by the recession in Karanpura Developments to Rs. 24-8 from Rs. 25-2.

Engineering shares received a setback for the reasons already stated, but this setback should prove only temporary. Burn & Cos. eased to Rs. 376 from Rs. 382. Texmacos were dealt with at around Rs 24-10 and declined to Rs. 24-6. Richardson & Cruddas at Rs. 26-10 were a few annas lower. Indian Irons, at one time, had improved to Rs. 39-2 from Rs. 38-10 on the prospect of an immediate rights issue, but subsequently declined to as low a rate as Rs. 37-8, when it was learnt that any rights issue would be allowed by Government only after 1st November and that the issue would carry a premium of Rs. 3-8 per share.

Cement shares continued to be firm. Asokas at Rs. 12-2 maintained the higher rate. Assam Bengals were better at Rs. 8-9. Sone Valley had buyers at the higher rate of Rs. 9-0, as against Rs. 8-13 earlier.

Among paper mills, India Paper Pulps registered steadiness at Rs. 25-13. Orients were fully steady at Rs. 39 earlier before giving way to Rs. 38-12. At Rs. 44-14, Titaghurs accounted for a fractional improvement. Among shippings, India Steamships were favoured and as a result, they impressively rose to Rs. 9-10 from Rs. 9-2. Sugars were steady with Darbhangas being put through at Rs. 24-3 as against Rs. 23-3 a week ago. Carew & Cos. at Rs. 8-15 picked up As. 3. Belsunds were held firm at Rs. 11-5.

Selected counters in the miscellaneous industrials section were favoured at higher rates. Thus Indian Aluminiums had a number of enquiries and in the transactions that followed the rate improved to Rs. 23-2 from Rs. 22-10. Alkali & Chemicals were another favourite and advanced to Rs. 21-8 from Rs. 20-13. Niccos were fully steady at Rs. 24-9 and from Rs. 49-8 Rallis rose to quote Rs. 51. B.I. Corporations were steady at Rs. 11-6. Clive Row Investments were lifted to Rs. 12-10 from Rs. 11-10, while Dunlop Rubbers were unchanged at Rs. 30-10. Angelo Bros. came to business at Rs 21-12, as against Rs. 21-6 previously.

Teas received more attention at around previous levels on expectations of prices rising at the auctions.

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Madras Stock Exchange

MADRAS, 12*th June*

Barring a fractional recession in some planting shares, the general undertone of the share market was steady this week. Under the lead of textile shares, which hardened further on a good amount of investment support, the market moved forward with many leading counters recording notable gains on balance. Reports from Delhi that the Government of India might revise its policy regarding cotton textile industry would appear to have influenced the sentiment favourably, although later on reports, which suggested that the Centre was likely to mop up the additional profit of mills by an increase in excise duty on cloth, caused a contraction of enquiries towards the close. Miscellaneous industrials also received some support, but buying was selective. Planting shares presented a mixed pattern, while banks were in favour.

The following dividend announcements were made during the week under review:

Company	*Year ended*	*Dividend* Per cent.
Kumbakonam Electric ..	31-12-55	10 (8½)
Negapatam Electric	31-12-55	8½ (8½)
Balanoor Tea	31-3-56	15 (f) (15)
Devon Tea	31-3-56	15 (f) (15)

Figures in brackets represent the corresponding dividends of the previous year. f = Final.

Sectionwise, the buoyancy in textiles noted in the previous week gathered further momentum. Bangalore Woollens were steady at about Rs. 571-4, while Buckinghams gained Re. 1 to Rs. 195. Cambodias were, however, quiet at Rs. 14-4. Cannanores advanced by Rs. 4 to Rs. 186. Coimbatore Cottons jumped by Rs. 7-8 to Rs. 357-8, Coimbatore Kamala Rs. 100 paid-ups by Rs. 4 to Rs. 100 and Rs. 50 paid-ups by Re. 1 to Rs. 50. Coimbatore Pioneers gathered Re. 1 to Rs. 282-8. Dhanalakshmis were again a feature with a smart rise of Rs. 12 to Rs. 402. Janardhanas were taken up As. 8 higher to Rs. 118-8. Krishnarajendras changed hands Rs. 4 higher at Rs. 112, Lakshmis Rs. 5 better at Rs. 220 and Lakshmis 'A' Rs. 2-8 at Rs. 110. Loyal Textiles shed As. 12 to Rs. 51. Despite the lock-out declared by the Madura Mills the shares of the Company met with no heavy offerings. On balance, they lost only As. 8 to Rs. 51. Mettur Industries gained Rs. 2-8 to Rs. 502-8. Palaniandavars 'B' moved up by Rs. 9 to Rs. 235 and Premiers by Rs. 2 to Rs. 217. Radhakrishnas Rs. 100 paid-ups hardened by Rs. 3-8 to Rs. 320 and Rs. 50 paid-ups by Rs. 5 to Rs. 160. Rajalakshmis firmed up by Rs. 2-8 to Rs. 176-8, Ramalinga Choodambikas by Rs. 5 to Rs. 225, Rayalseemas by Rs. 2-8 to Rs. 136 and Saradas by Re. 1-8 to Rs. 142. Travancore Rayons were well held around Rs. 15-8. Vasantas were lifted by Rs. 5 to Rs. 300 and Vijayalakshmis were done Rs. 5 higher at Rs. 135.

In the planting section, coffee shares continued to receive support. Amalgamated Coffees were sought after and they gained As. 12 to Rs. 11-8. Bababuddins rose by As. 8 to Rs. 12. Mysore Coffees were steady at Rs. 2-12½. Rajendras picked up As. 3 to Rs. 9-2. Consolidated Coffees were, however, lower by As. 4 at Rs. 20-10 and Coffee Lands by As. 2 to Rs. 24-8.

Tea shares were a little quiet on reports that withdrawals in tea auctions were heavy, except in the case of quality teas. Balanoor Teas moved up by As. 4 to Rs. 24-8, on the announcement of a final dividend of 15 per cent., making 25 per cent. for the year ended 31st March 1956, the same as for the previous year. Chembra Peaks were dull at Rs. 5-6. Coorg Teas lost As. 4 to Rs. 11-12, Devasholas As. 8 to Rs. 29-12 and Emerald Valleys As. 8 to Rs. 8-12. Devon Teas gathered As. 8 to Rs. 24-12 on declaration of a final dividend of 15 per cent., making 25 per cent. for the year ended 31st March 1956, thus maintaining the distribution. Haileyburias were lower by As. 4 to Rs. 28-8, while Highland Produces were a shade better at Rs. 18-15. Kalasa Teas were also an exception to the general trend with a rise of As. 2 to Rs. 16-14. Nonsuch Teas softened by As. 4 to Rs. 37-4 and Peermades by As. 2 to Rs. 37. Periakaramalais were featureless at Rs. 9-4. Twyford Teas reacted from Rs. 25-6 to Rs. 24-8. United Nilgiris fell by As. 3 to Rs. 26.

Among rubber shares, Cochin Malabars were dull at Rs. 9-7. Kailas Rubbers were steady at Rs. 6-1. Kalpettas were featureless at Rs. 34-12. Malankaras were marked down by As. 4 to Rs. 32-12, while Midlands hardened by As. 2 to Rs. 22-6 and Nenmeny by As. 2 to Rs. 24-14. Pullangodes lost an anna to Rs. 4-12 and Travancore Rubbers As. 2 to Rs. 25-4.

In the miscellaneous section, Andhra Cements were in the limelight with a rise of Rs. 2-8 to Rs. 170. Dalmia Cements were, however, lower by As. 8 to Rs. 17-10 and Travancore Cements by As. 4 to Rs. 12-14. Binnys shot up by Rs. 5-8 to Rs. 184. Indian Aluminiums changed hands As. 14 higher at Rs. 22-8. Mysore Chemical Manufactures gained As. 4 to Rs. 24-12 and Mysore Stonewares As. 6 to Rs. 10-12. Rallis provided another feature with an increase of Rs. 7-4 to Rs. 50-4. Ranes gained further by Re. 1 to Rs. 12. Textools shaped well, having been marked up by Rs. 6 to Rs. 179.

NEWS IN BRIEF

THE next session of the Lok Sabha will commence on 16th July and end on 7th September.

The Government of India has decided to continue free licensing of linoleum for export up to the end of December 1956 to all permissible destinations.

The Government of India has decided to license freely the export of hand-printed cotton *saris*, meant for domestic consumption, till the end of December 1956.

The Travancore-Cochin Government has sanctioned a scheme costing Rs. 6.16 lakhs for the development of cashew plantations in the forest lands of the State.

A consignment of 500 tons of coffee, valued at Rs. 40 lakhs, will be shipped in a few days' time from Cochin to Russia by a Russian vessel on behalf of the State Trading Corporation, New Delhi.

The management of the Madura Mills Ltd. has declared a lock-out of the mills, as a sequel to workers in the ring frame and winding departments staging a stay-in-strike for four days. The lock-out will affect 12,500 workers.

The Government of India is planning the setting up of technological research centres and organisations for directing exploration and exploitation of solar and wind power in the country. Proposals in this connection are being studied by the Government.

The President has given his assent to the Hyderabad General Sales Tax (Amendment) Bill, 1956. The Bill seeks to achieve additional resources for implementing the second Five-year Plan by increasing the sales tax on certain commodities and to subject to sales tax certain other commodities which have hitherto been exempt.

Negotiations for a new trade agreement between India and Burma began in New Delhi on Monday this week, between the Burmese Ambassador in New Delhi and the Joint Secretary, Union Ministry of Commerce and Industry. A general discussion was held on a draft trade agreement, which will be examined in detail later.

A three-member railway delegation has left for China and Japan to make a detailed study of the working of important marshalling yards and control offices in the two countries. It will also study the regulation of movement of traffic, the working of the centralised traffic control system, the capacity of single-line sections by diesel and by electric traction, operation of heavy mineral traffic like coal, iron, etc., and compilation of statistics in the two countries.

The Government of India has decided to intervene in the dispute between the Mysore Government and the management of the Kolar Gold Mining Companies over the question of compensation to the Companies in the event of their nationalisation. Talks between the State Government and the Companies, which had failed recently at Bangalore, have been resumed in New Delhi at the instance of the Central Government.

Orders for the supply of additional plant and machinery for the Integral Coach Factory at Perambur, near Madras, will be placed shortly, global tenders for which were invited on behalf of the Government of India earlier this year by the Swiss Car and Elevator Manufacturing Corporation Ltd., Switzerland. The Government of India has an agreement with this firm for providing technical aid for the establishment of full production at the Integral Coach Factory.

The Madras Government will shortly finalise the list of commodities on which sales tax is proposed to be levied at a single point, instead of the present multi-point levy. The Government is taking steps to ensure that the change does not result in a fall in revenue. As the single-point levy is easier of evasion than the multi-point one, the change is proposed as an experimental measure and will be confined only to commodities wherein the risk of evasion is very little.

The National Small Industries Corporation Ltd., New Delhi, has drawn up a scheme of hire-purchase of machines with a view to providing the small-scale industrial units having limited financial resources with facilities for acquiring machines and equipments on easy instalment basis. Machines will be supplied to deserving units against an initial advance deposit, not exceeding 40 per cent. of the value of the machines to be purchased, to be paid as earnest money. The balance will be recovered in easy instalments spread over a number of years.

The Indian Statistical Institute has set up an industrial management research unit for planning, with headquarters at Bangalore. The main functions of the new research unit are: (1) To study and report on the nature of organisations most suited for State enterprises, (2) to formulate methods for maximum utilisation of resources, (3) to investigate problems in relation to industrial development, such as economics of location, mechanisation and inter-industrial relationships, and (4) to supply all the necessary technical data for work connected with long-range planning.

The Government of India has decided to set up a steel foundry at Chittaranjan for the production of locomotive steel castings, which are at present imported. The capacity of the proposed foundry will be 7,000 long tons of finished steel castings annually, with scope for expansion to 10,000 long tons. Proposals have been invited from a number of American firms of consulting engineers for setting up the foundry. The U.S. Technical Co-operation Administration will finance the dollar expenditure incurred on the services of the consulting engineers.

The President has given his assent to the Indian Trade Unions (Bombay Amendment) Bill, 1956. Under Section 33 of the Indian Trade Unions Act, 1926, the Registrar of Trade Unions may make complaints in respect of offences under Section 31(2) within six months of the date on which the offence was committed. The Bombay Government found that, in most cases, the offences come to the notice of the Registrar after the expiry of this period. It, therefore, considered that Section 33 should be amended to enable the Registrar to make complaints six months after the offence came to his notice. The aforesaid Bill was, accordingly, drawn up to achieve this objective.

* * * *

From Abroad

Jordan has become a member of the International Finance Corporation.

The East Pakistan Government has set up a jute advisory committee to advise the Government on general matters relating to jute, particularly prices.

More U.S. cotton textile mills propose to cut production on account of the rising Japanese competition. One of the mills has also postponed indefinitely its plans for expansion programme costing $10 million.

A meeting of member-countries of the International Tin Agreement will be held in London on the 29th inst. to decide the date on which the Agreement will come into effect. Most probably, the date will be 1st July 1956.

The U.S. House of Representatives has passed the Foreign Aid Bill after cutting the demand by $1,100 million to $3,800 million. The amount sanctioned by the House is still $1,000 million more than the appropriation voted by the Congress last year. The Bill is now before the Senate.

A West German firm has secured a contract worth DM. 78 million (about £6.5 million) for building a coke oven plant for the combined foundry and steel plant of the Hindustan Steel Company in Rourkela. The plant will have an annual capacity of one million tons of steel and will be built in North Orissa.

Ceylon is reported to have decided to break away from the International Wheat Agreement. The main reason for such a step is said to be that, under the Agreement, Ceylon does not benefit from the decline in world wheat prices. It may sign bilateral agreements with wheat-producing countries to get its annual requirements of 200,000 tons of wheat and flour.

A tripartite conference is being held at Karachi to explore the possibilities of launching a joint shipping enterprise, financed equally by Iraq, Iran and Pakistan. The aim of the joint company is to start coastal shipping between Pakistan and ports on the Persian Gulf. This is the first time that three Muslim countries of this region have come together to discuss a commercial venture on a co-operative basis.

A contract for printing machines which will take two years to fulfil has been placed by the Government of India with a U.K. firm. The order for the 22 reel-fed rotary presses to be built for India is one of the biggest ever placed with a printing-machine manufacturer for this type of equipment. Costing several thousand pounds, each of the presses will be used for printing Government forms.

The Soviet Union's population has now been officially estimated at 200.2 million, about 20 million less than the estimate made by Western countries, according to the official publication, *The National Economy of the U.S.S.R.*, released for public sale. The publication also gives statistics of industrial production, of which steel accounts for an output of 45.3 million tons in 1955, as against 18.3 million tons just before the German invasion in 1941.

The U.K. Government has decided to drop the proposal contained in the Finance Bill to increase the taxation liability of foreigners and Commonwealth citizens working in Britain for overseas firms. An amendment to the Finance Bill will be made which will have the general effect of restoring the existing position for persons domiciled overseas who work in the U.K. for overseas employers. Such persons, who had been hitherto liable on the remittances basis, will continue to be liable on that basis and not on their full pay.

Japan is planning to set up in July a special office in New York to render after-service to ships manufactured in Japanese shipyards. The office will be staffed with several technicians who will handle repairs and arrange for spare parts necessary to maintain the ships exported by Japan in first-class condition. After-service has become an indispensable part of the ship export programme as in the case of plant exports. Complaints have been heard from time to time that it is difficult to make even minor repairs because spare parts are not immediately available at the ports of call of the ships made in Japan.

The British Government has turned down the suggestion made in the House of Commons last week that it should try to reach an amicable settlement with India in respect of limiting the latter's export of cotton textiles to Britain. When a member pointed out the existence of a similar agreement between the U.S. and Japan, Mr. Thorneycroft, President of the Board of Trade, said that Britain itself had limited by quota imports of Japanese cotton cloth. He added: "Our relations with India as a fellow member of the Commonwealth are not analogous to those between the U.S.A. and Japan. In the present circumstances, the Government would not feel justified in changing the basis of our trade arrangements with India."

The Bulgarian Government is doing its utmost to make the Plovdiv Fair a great success this year too. The Fair, which is the seventeenth of its kind, is scheduled to open in that city on 2nd September next and will continue till 20th of that month. Preparations are already in full swing, new pavilions are being built and general improvements on international standards are being introduced. Elaborate arrangements are being made to attract foreign exhibitors to participate in this Fair. Participating foreign exhibitors will be granted an allowance up to a maximum of $180 per square metre of covered floor space and a maximum of $80 per square metre of outdoor space.

In 1955, the Fair city extended over an area of 380,000 sq. metres, of which 105,000 sq. metres represented total floor space. Half the floor space was allotted to foreign exhibitors who were able to establish valuable business contacts with business men from France, West Germany, Austria, Switzerland, Sweden, Holland, Greece, Turkey, Japan and several other countries.

The Plovdiv Fair is playing a major role in Bulgaria's economic life. It has opened new opportunities for the further extension of economic collaboration between Bulgaria and the countries of Europe and the Near Middle East. During the past several years, it has acted as a great stimulant to the development of Bulgarian industries. In this year's Fair, the Bulgarian Industrialists are looking forward to put on show their best wares.

PERSONAL

MR. J. R. D. Tata, Chairman, Messrs. Tata Sons (Private) Ltd., left for Geneva on Sunday last.

Mr. L. Francis Hartley has been re-elected Chairman of the International Wool Secretariat for the ensuing year.

Mr. Lyman Thomas Newell, Aviation Electronics Adviser to the Technical Co-operation Mission at the U.S. Embassy at New Delhi, has left for Colombo.

Dr. K. S. Krishnan, Director, National Physical Laboratory, Delhi, left for Paris this week to attend a meeting of the Executive Board of the International Council of Scientific Union now being held there.

Mr. B. K. Nehru, Joint Secretary, Union Ministry of Finance, who has been deputed by the Government of India to study the money market conditions in foreign countries as a preliminary to obtaining financial credit to implement the various projects under the second Five-year Plan, left for London last week.

Prof. C. N. Vakil, Director, School of Economics and Sociology, University of Bombay, has been appointed a member of the Experts Committee of the International Labour Office which is to submit a report on industrial and human relations. Prof. Vakil will leave for Geneva on the 28th inst. to participate in the deliberations of the Committee between 2nd and 12th July. Later, he will attend the first Congress of the International Economic Association to be held at Rome from 6th to 11th September.

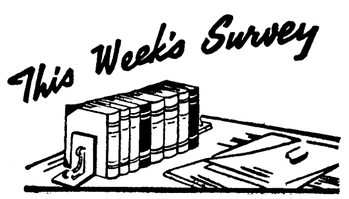
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 13*th June*

Economic Difficulties in India

The economic difficulties of India are only partially to be attributed to the fall in the price of silver, or political unrest, according to Sir Atul Chatterjee, the High Commissioner for India in London, who speaking at the International Labour Conference at Geneva last week-end, said that the complete collapse of agricultural prices throughout the world amply accounted for the agricultural slump in India, thus contracting markets for Indian produce. The advance in industrial conditions in the West could not be attained, he said, unless Asiatic and other overseas countries participated in it. Sir Atul's diagnosis is quite correct. India, as we are all aware, is at once one of the greatest of agricultural countries and also, by international recognition as expressed through the League of Nations, one of the eight principal industrial countries of the world. But her industries, while already important enough to secure her this position, are at present small in comparison with her agriculture, and small also in relation to the future extension which they are no doubt destined to achieve. The development which India contemplates may be presumed to be in the direction in which Canada has already made such progress, that of an improvement in the technique of economical agricultural production combined with the simultaneous enlargement of industrial and commercial activity. In this development it may be anticipated that, as in other countries and probably more than in most, the active assistance and guidance of Government and the official machinery is an essential necessity.



MR. L. S. VAIDYANATHAN

LIFE insurance is so great a cause and attracts men of such diverse talents that it is difficult to attribute its progress in any country to a single individual. In India, however, few men, taken individually, have been more responsible for shaping it than Mr. L. S. Vaidyanathan, who retired last week as the Manager of India's oldest and largest life office, the 'Oriental.' It is certainly remarkable that, in this country, where insurance is comparatively underdeveloped, there should be a man of Mr. Vaidyanathan's calibre—a man who can hold his own against the best of insurance executives in the relatively more advanced Western world. Mr. Vaidyanathan combines in himself an erudition and a galaxy of achievements sufficient to make several men well known, if not famous. He has had, as the address presented to him at a meeting held last week in Bombay under the chairmanship of Sir Cowasjee Jehangir, Bart., pointed out, several "firsts" to his credit. The address said:

"It is heartening to recall on this occasion, that you crowned your college career with a First Class First at the M.A. examination of the Madras University, that you were the first Indian to qualify as a Fellow of the Institute of Actuaries, that you were the first to introduce mechanisation in the field of insurance operations in India, that you were the first Indian to investigate into the mortality of Indian population from the Census Report, that you were the first seriously to think of directing the growth of Indian insurance on sound and healthy lines (as witness your work in connection with the Insurance Act, 1938, and again the Insurance Enquiry Committee in 1945), that you were the first Indian to become the Superintendent of Insurance and that you were the first Indian to become the Manager of the Oriental Government Security Life Assurance Company, Ltd., one of the largest life assurance companies in the East."

To this list must now be added the distinction of his being the only manager of an insurance office to be appointed by the Government as the Custodian for the same office. It is also on the cards that he will be the first Managing Director of the proposed Insurance Corporation.

Although Mr. Vaidyanathan may not be one of those who will suffer fools gladly, it is also true that his faith in insurance and enthusiasm for work could be easily infectious. Mr. K. R. Srinivasan, the Actuary of the "Oriental," who has had unusual opportunities of observing from close quarters his chief at work, paid a well-deserved tribute to him when he said that Mr. Vaidyanathan's "towering personality continues to fill the insurance horizon with a magnificence that can hardly be equalled at any time anywhere." Mr. Srinivasan added: "Endowed with a brilliant intellect and an immense capacity for work and animated by a high sense of duty and integrity, Mr. Vaidyanathan has earned universal admiration and respect from all those with whom he came in contact."

It is not, of course, as the mere manager of a large and expanding life office, the traditions of which he maintained as well as improved, that Mr. Vaidyanathan's name will go down in insurance history. He has rendered great service to insurance in India and to the cause of actuarial science itself. He was nominated a member of the Central Legislative Assembly before it enacted the Insurance Act, 1938, in the shaping of which he played a very notable part. The Government again drew upon his services in 1943 when he was appointed Superintendent of Insurance. And when it decided in 1945 to institute a Committee to inquire into insurance, Mr. Vaidyanathan was the obvious choice as its member-Secretary. His investigation into the mortality of Indian assured lives based on the experience of the 'Oriental' for the decade 1925-35, as Mr. Srinivasan points out, is a contribution of the highest value to Indian insurance.

Sir Cowasjee Jehangir, paying his tributes to Mr. Vaidyanathan, said that they were now in a new world in which the retiring manager of the 'Oriental' was prepared to serve with the same purity, integrity and perseverance which distinguished his career in the old world. He hoped that the Government would not allow such talent to remain idle. He also expressed the hope that his formal retirement would turn out to be a "bogus retirement" and that he would continue to give the benefit of his experience to the country for a very long time.

In the course of his reply to the address presented to him, Mr. Vaidyanathan recounted his experience in handling the problems relating to insurance which he met during his 31-year old connection with the Company and his association with the Government. He deplored the recent trends in insurance, prior to nationalisation, which took the "ugly shape of worshipping the golden calf of huge figures and sacrificing on its altar the real interests of the policyholder." Referring to what he called the Government's "bold and, at the same time, an extremely desirable step in nationalising life insurance," he said that he did not see any reason why it should not be a success, with the "willing co-operation given, as is already evident, by persons who have already acquired considerable knowledge and experience in running their respective life insurance companies."

There is no doubt that among the persons on whom the Government relies for guidance, assistance and support in making nationalised insurance a success—after all, even the worst critics of nationalisation of insurance will not want to see the experiment fail, for that would be a national disaster—Mr. Vaidyanathan is the foremost. Indeed, it has been stated that a responsible Minister of the Government told his friends, at a private gathering, that he had no idea of how the life insurance industry should be run and so would leave it to Mr. Vaidyanathan to "swim or sink" in this effort. The whole country will certainly wish him success in this endeavour.

PROMOTION OF TOURISM

Although India has frequently been described as a paradise for tourists, it is only in recent years that any concerted effort has been made to publicise India's centres of tourist interest and to create the facilities that are needed to attract foreign visitors to India and to promote internal tourism. Some of the problems connected with the development of tourist industry were reviewed by Mr. O. V. Alagesan, Deputy Minister for Transport, Government of India, at the recent session of the Central Tourist Advisory Committee, held at New Delhi. He revealed that the Government had taken steps to strengthen the tourist organisation both in India and abroad "commensurate with the resources available."

There are now a dozen tourist offices functioning in India and the Government proposes to open three more such offices at Bhopal, Bhubaneshwar and Cochin. So far as foreign countries are concerned, India opened a tourist office in New York in 1953. Since then, offices have been opened in London, San Francisco, Paris and Colombo. In the near future, the Government proposes to open tourist offices in Australia and West Germany. Mr. Alagesan deplored that most of the foreign tourists visited only centres in Northern India, whereas only a few went to South India. This is not, of course, due to lack of centres of tourist interest in the South which can, in fact, boast of as many good spots as the North, if not better. It is due to lack of adequate publicity and paucity of tourist amenities. It would appear that the Tourist Division of the Transport Ministry is doing its best to put South India on the tourist map. It is to be hoped that its efforts will bear fruit and more tourists, from North India and abroad, will be attracted to the South.

For promotion of internal tourism, and more particularly, for attracting foreign tourists, the most important consideration is the existence of amenities for the visitors. Among such amenities must be mentioned clean and well-equipped hotels. Indeed, the entire tourist industry, as Mr. Alagesan himself admitted, is built round the hotel industry. In recent weeks, some correspondence has appeared in the daily Press wherein some foreign visitors have deplored that the service available at the hotels in India is far from satisfactory and that the guides available to them did not also render much help. These complaints need to be investigated and, if proved correct, the Government should take the necessary remedial action. Meanwhile, it is gratifying to learn that the Government has given assistance to hotel owners in procurement of materials and importation of plant and equipment. A scheme to promote the hotel industry on a large-scale, it is stated, is being prepared by the Government. There is also a proposal in hand to start a hotel training school. So far as training the guides is concerned, special training courses have been held at Delhi, Bombay, Calcutta, Madras, Banaras and Jaipur. The Government proposes to start similar courses at other centres.

The proposals under the second Plan for tourist development fall into three categories. The first contains proposals for the development of tourist amenities at centres usually visited by foreign tourists. Expenditure on such items is borne entirely by the Union Government. The estimated cost of the schemes under this category is Rs. 144.80 lakhs. Next comes schemes for the provision of amenities of moderate standard for home tourists of middle and lower income groups at the same centres as are included in the first category. Here the expenditure is shared equally by the Centre and the State Government concerned. A provision of Rs. 84 lakhs has been made in the second Plan for schemes of this nature, the Union Government's share being limited to Rs. 42 lakhs. Expenditure on other schemes, not included in the first two, will be incurred by the State Governments themselves. Of the proposals contained in the first category, a few important projects, estimated to cost Rs. 17.38 lakhs, have been approved for execution in 1956-57. These proposals relate to centres like Ajanta and Ellora, Elephanta Island, Khajuraho, Mahabalipuram and Simla.

The Union Transport Ministry will open tourist offices at 15 selected centres of all-India importance. For the general promotion of internal tourism, tourist bureaux are to be set up at other centres of tourist importance; the Union Government will give financial aid to the State Governments or private organisations for setting up such bureaux. It would appear that tentative details for setting up some 17 State tourist bureaux in 1956-57 have been drawn up. Each State Government is to name sites of local interest in its region where such a bureau would be opened. The Union Government would consider subsidising each of these units, the maximum grant, now proposed, being Rs. 5,000 a year.

An important factor which will help promote tourism is the simplification of the procedure relating to customs and other formalities. Some of these regulations, made particularly rigorous during the war years, are rightly resented by foreign tourists now. It is gratifying to note that the Government has realised the importance of simplifying these regulations, thereby making it easier for the tourists to comply with the minimum regulations that may be needed. Thus, the Government has introduced a system of oral customs declaration for air passengers and of simplified embarkation and disembarkation cards. These measures, it is stated, have now brought India on par with the leading tourist countries of the West in this respect.

TAX EXPERT'S VIEWS

Some more light has been thrown on the report submitted to the Government of India by Prof. Nicholas Kaldor, the British tax expert. It is not clear why his report continues to be made available in fragments without official blessings. In view of the importance of the report, one would think that the Government would itself publish the text of the report. This would enable the public to discuss it in much the same way as the Taxation Enquiry Commission's report was reviewed in the Press and by the interests concerned. It is true that the expert's views are meant to be available only to the Government. But then, the fact that they are of great significance to the taxpayers should induce the Government to take the public into confidence. There does not seem to be any particular gain in secrecy.

Be that as it may, Prof. Kaldor, it is now learnt, has advocated a capital gains tax, annual tax on wealth, tax on personal expenditure and tax on gifts. Describing the suspension of the capital gains tax after only two years of its operation as unjustifiable, Prof. Kaldor has urged its reintroduction as early as possible. He has recalled that the tax was given up on the ground that the anticipated yield (Rs. 1 crore) was small, and that the tax, through curbing free movement of securities in the capital market, would hinder investment. He feels that neither of these grounds provides an adequate justification for the abandonment of the tax. In the first place, the yield in the first few years was Rs. 6 crores, so that he wonders how the low Rs. 1-crore estimate was made at all. In the years following the imposition of a tax, the yield from it is less than what it should be. From this point of view, the yield from capital gains tax, he points out in effect, would have been progressively greater. Secondly, he argues that it is a contradiction to say that the yield from the capital gains tax would be low and yet hold that it would have a disincentive effect. In the Indian context, however, the two arguments are certainly not mutually contradictory. For the Indian capital market is still in an underdeveloped stage. Sometimes, even good securities do not find a ready market. To impose a capital gains tax at this stage of the country's economic development is to rob one of the incentives for investment. Further, it is not clear whether Prof. Kaldor has examined the possibilities of evasion in this form of tax.

Prof. Kaldor is also reported to have suggested an annual tax on wealth at the rate of Re. 0.3 per cent. per annum on the lowest slab of Rs. 1 lakh to Rs. 4 lakhs, rising to Re. 1.5 per cent. per annum on the highest slab, say, on the value of property in excess of Rs. 15 lakhs. Referring to the economic arguments against the tax, namely, the discouraging effect of the tax on productive enterprise, he says that it is true that a tax on capital has such an effect in relation to no taxation at all. But it has a smaller discouraging effect than an equivalent amount of tax collected from the taxpayer in the form of income-tax. He, however, admits that, though annual taxes on property at one time formed part of the legislation in over a dozen countries, only a few of them, the Scandinavian countries and Japan, now possess a tax on the lines recommended by him.

In order to induce investment, Prof. Kaldor has suggested a tax on personal expenditure. A progressive personal tax on expenditure, according to him, is a most potent weapon for inducing economies in personal spending among the well-to-do classes. He also feels that such a tax would make the administration of income-tax more effective. Since the taxpayer would have to make a return of his income as well as expenditure, it would be easier, according to him, to detect cases of evasion which would be reflected in unduly low figures for personal expenditure. Further, he has pointed out that his suggestion for lowering the maximum rate of income-tax to As. 7 in the rupee is part of wider reforms which envisages the replacement of the present super-tax by a personal expenditure tax and the introduction of an annual tax on wealth. It is extremely doubtful whether it will be a feasible proposition to collect an expenditure tax on the lines suggested by him without providing room for large-scale evasion.

As regards his proposal for a tax on gifts, Prof. Kaldor defends it on the ground that, if the Estate Duty was justified, there is no reason in equity for differentiating between the right to pass on property through gift and the right to pass on property by bequest. There is, therefore, a *prima facie* case for supplementing estate duties with taxes on gifts made *inter vivos*. An additional reason for the taxation of *inter vivos* gifts, according to Prof. Kaldor, is that the imposition of the Estate Duty itself has stimulated the *inter vivos* transfer of property to heirs and successors so as to avoid the tax. Before a tax on gifts is imposed, it will perhaps be better to await the results of the working of the Estate Duty and also to examine whether large gifts do take place in order to evade the duty.

WORLD TRADE

It is with some satisfaction that the Secretariat of the General Agreement on Tariffs and Trade (G.A.T.T.) has viewed the trends of world trade during 1955 in its fourth annual report published at Geneva last week. The rise in the volume of international trade in that year, the Secretariat observes, was not only a continuation of the growth which began in 1952 but also represented a further acceleration in its speed. Thus, the volume of world exports during 1955 was higher by as much as 8.6 per cent., as against 6.4 per cent. in 1954 and 4.3 per cent. in 1953.

The renewed expansion of world trade, though remarkable, should not, however, be taken to mean that all is well on the international economic front. For the rise in world exports has increasingly been accounted for by trade among the industrial countries only, while the relative importance of the non-industrial areas—both as markets and as suppliers—has continued to decline. This is certainly a disquieting trend, inasmuch as it indicates lack of balanced progress in the distribution of productive activity, which is the basis for international exchanges of goods and services and the entire working of world trade. Indeed, the share of world trade between the industrial and non-industrial camps "continues to change steadily to the disadvantage of the latter." This trend should be corrected, if the world economy were to be set on a more rational and secure footing.

The G.A.T.T. report highlights two major developments in the sphere of world trade during 1956. First, there was a revival in North American exports, thanks to the growing dependence of Western Europe on supplies of raw material and fuels from that source. Secondly, with a view to meeting the severe competition in world markets, many industrial countries adopted more liberal import policies. The underlying idea here was to import from the most economic source of supply; apparently the U.S. was such a source. Exports of non-industrial areas, however, suffered a setback, notwithstanding a substantial improvement in the terms of trade in their favour. This is attributed, among others, to (*a*) a fall in the ratio of raw material prices to the gross value of industrial production, (*b*) development of manufactured substitutes for certain raw materials, and (*c*) decline of the textile industries *vis-a-vis* other manufacturing industries in the traditional industrial areas. Commenting on the first two causes, the report observes: ".... the import requirements of the industrial areas would have been roughly 40 per cent. larger in, 1955, had the home-produced substitutes not existed. While their production started in most cases as the result of war-time shortages, the rise in the relative prices of natural raw materials has certainly contributed to the further growth of production since the war." If this trend were to persist, the advantages reaped by the non-industrial areas from improved terms of trade might, the report warns, "vanish rapidly."

A notable feature of world trade during 1955 was the improvement in the world dollar balance. The dollar deficit on merchandise account of the industrial areas was narrower at $1,770 million, as against $1,950 million in the previous year, while the dollar surplus of the non-industrial areas was very much larger, being $620 million, a rise of $470 million as compared with 1954, despite the marked rise of $1,820 million in exports from North America to these areas. Another notable feature of world trade was the favourable experience of Western Europe as exporter of capital goods and other manufactures to non-industrial areas.

The G.A.T.T. report has also analysed the growing importance of the communist group—the U.S.S.R., Eastern Europe and mainland China—in world trade. The analysis reveals that there was a "significant increase" in the turnover of trade transacted by this group, with an apparent export surplus. The East European countries, especially Czechoslovakia, Poland and Hungary, adopted active measures to expand their trade with the non-industrial areas, in particular Latin America, Asia and the Middle East, by means of long-term bilateral agreements. Although the bulk of capital goods imported into these areas continues to come from the West, the U.S.S.R. and East European countries have increased their sales, "thanks to the priority given to heavy industry." The communist countries appear to have a competitive advantage, "as a result of a more advanced technical integration in the form of exchange of designs, etc., as well as of the specialisation that takes place in the exports of the various countries of the area." Among other reasons given by the report for the expansion in the export trade of the communist countries, mention is also made of the long-term credits, technical aid and the readiness with which they accept payment in kind for a number of years.

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S. L. KOTHARI, General Manager.

U.K.-AUSTRALIAN TRADE TALKS

Australia is keen on negotiating a fresh comprehensive trade agreement to replace the Ottawa Agreement on trade preferences signed twenty-four years ago in the Canadian capital. It is evidently dissatisfied with the Imperial Preference system of trade. It finds this system as outdated and outmoded to serve the changed conditions in both Australia and the world alike. When the Ottawa Agreement was signed, Australia held the field in primary production and exported mostly wool and wheat. Since then, along with this, it has expanded secondary industry which has now reached a point at which it must vigorously enter the export field. It has derived the advantages of an excellent steel industry, mineral resources of growing value and a nearness to export markets likely to assume greater importance than at present. Australian productivity is also increasing and would increase further, if there is more capital per worker. Meanwhile, similar changes have taken place in other parts of the globe. There, too, secondary industries have been developed with the help of new techniques and new processes. More competitors have entered the world markets and those who have been able to deliver the goods at the most competitive prices have held the field. And Australia is feeling that if its commodities, both agricultural and industrial, are to enter world markets successfully, it should also be able to sell them at competitive prices. Unfortunately, the country has not succeeded to the extent desired. According to the Australian Government's economic survey published a fortnight ago, the outlook for Australian exports appears to be, in some respects, far from encouraging. Among the adverse factors mentioned in the survey are: (*a*) a probable levelling off in world trade; (b) the question of disposal of U.S. farm surplus and (*c*) agricultural protectionism in Europe.

For all these reasons, Australia is now desirous of a change in its trade relations with the U.K., its potential customer, so that the Ottawa Agreement could be replaced by a better one, which would ensure enlarged trading between the two countries. Justifying the desire to replace the twenty-four-year-old agreement, Mr. Menzies, Australian Prime Minister, said recently that world trading conditions had changed greatly since it was made, and that it provided no solution for new problems. Australia was confronted with balance of payments problems, and consequently, with import licensing controls. To help solve its problems, it was necessary, said Mr. Menzies, to reach wider understanding with the U.K. This understanding should ensure that each party had reasonable access to the market of the other and fair opportunities to compete in the market on competitive terms.

Mr. Menzies intends to avail himself of the forthcoming Commonwealth Conference in London to carry on the projected trade discussions with the U.K. The talks would be in two stages. The first, which would be between Ministers, would be directed towards reaching agreement on broad but basic principles providing the outline for the new agreement. The second would be between officials who will work out details in the light of the principles laid down by the Ministers.

It is yet too premature to surmise the shape the trade talks would take. For there are several barriers to be overcome. At present, Australia is granting a higher margin of preferential treatment to British goods. In return, it gets very little useful preferential tariff from Britain, because of the nature of the goods it exports to Britain. Britain buys, for instance, wool and wheat and these commodities are free of duty, irrespective of their source. To please Australia, Britain can hardly give any preferential treatment to them. Australia is also worried about British policies of agricultural protection. Here it is likely to press for some concessions, by reason of its being the biggest customer for British goods. The Commonwealth countries will, no doubt await with considerable interest the outcome of these talks.

Fourteen member-nations of the Coffee Federation of America and observers from Brazil and Colombia approved of a resolution calling for an agreement on coffee price at a meeting of the Federation held last week. The U.S. was opposed to such an agreement. The Brazilian delegate said that, although the present coffee situation was satisfactory, production was constantly increasing, while consumption was fluctuating. In order to correct the disequilibrium, prices must be stabilised and the possibility of new markets explored.

TASK BEFORE FINANCE COMMISSION

EVOLVING EQUITABLE BASIS FOR ALLOCATION OF REVENUE TO STATES

From A Special Correspondent

NEW DELHI, 12*th June*

THE new Finance Commission that was recently constituted under the chairmanship of Mr. K. Santhanam, the former Lieutenant-Governor of Vindhya Pradesh, began its work this week with a Press conference. Mr. K. Santanam, himself an experienced journalist, knows fully well the importance of publicity. And since the Commission is concerned with the work of intricate and abstruse financial matters, he has apparently thought it prudent at least to draw the attention of the people to the scope of the work of the Commission. It is needless to add that the Santanam Commission has an important task to perform, particularly in the matter of arriving at a more equitable distribution of the divisible pool of the proceeds of some of the Central taxes between the Centre and the States.

DELHI LETTER

Considerable changes have taken place almost imperceptibly in the financial relations between the Centre and the States during the last few years. It may be true that the State Governments have been enjoying a large measure of financial autonomy during the last two or three decades. Some distinct transformation in this relationship would, however, appear to have come about during the last few years, especially after the advent of the idea of economic planning. In other words, the influence and the power of the Centre in determining the course of development expenditure in the States have been growing at a rapid pace. The Centre has been trying to direct and regulate, albeit indirectly, the economic policies of the States in such a manner as to conform to the best interests of the country as a whole.

Divisible Pool

From another angle also, the influence that the Centre has begun to wield over the States in the economic sphere has increased to an appreciable extent. During the days when Sir Otto Niemeyer pronounced his award regarding the division of the income-tax between the Centre and the States, the former was getting a total revenue of about Rs. 85 crores per annum. The divisible pool of income-tax was about Rs. 12.7 crores only. In those days, the Centre was also paying a few crores of rupees to some of the jute-growing States, namely Bengal, Assam, Bihar and Orissa, as their share in the export duty on raw jute and jute goods. Besides, it was occasionally giving a few lakhs of rupees as grants-in-aid to some States whose revenue position became adversely affected as a result of famine or for specific beneficial schemes.

During the first Plan period, the financial help to the States from the Centre by way of division of income-tax, Central excise duties, grants-in-aid, loans, etc., has become a predominant factor in determining the economic development of the concerned States. For instance, the States' share of income-tax in 1951-52 stood at Rs. 52.86 crores while in 1955-56 it was marked up to Rs. 73.60 crores. It will be remembered that the Neogy Commission recommended a moderate share in the Union excise duties to the States, as a result of which the States secured as high as Rs. 16.92 crores in 1955-56. For the current fiscal year, the estimated share of the States from these taxes, including the revenue from Estate Duty amounted to Rs. 74.51 crores.

These apart, the grants and subventions which the States have been receiving from the Centre during the last few years have recorded an impressive rise. In 1951-52, they stood at Rs. 33.89 crores whereas in 1955-56 they improved to a high level of Rs. 97.65 crores. For the current year, the figure is still higher at Rs. 121.99 crores. A sizable share is now being absorbed by the community development projects and the national extension service schemes, grow-more-food schemes, rehabilitation plans, etc.

The biggest item in determining the course of the economic development in the States is the Centre's loans to the State Governments. The loans are being given for specific schemes, especially for the promotion of irrigation, the handloom and small-scale industries, industrial housing, grow-more-food plans, etc. In 1951-52, all these accounted for Rs. 73.30 crores while in 1955-56 they increased to Rs. 261.73 crores. For the current fiscal year, the allocations under this head are still higher at Rs. 283 crores. The tax revenue of all the States is now computed at between Rs. 325 and Rs. 350 crores at present while the financial aid from the Centre by way of all forms of assistance is computed at as much as Rs. 480 crores. In other words, the Centre is now responsible for contributing nearly 60 per cent. of the total expenditure of the States.

Broadly speaking, the principles that were followed by the preceding Commissions and eminent individuals in the matter of allocation of revenues between the Centre and the States were as under: About 20 per cent. weightage was given for the place of collection and about 80 per cent. weightage for population. Before the war, the income-tax was the only tax that came to be divided between the Centre and the States on a certain basis. The Neogy Commission included some of the Central excise duties for the purpose of division. Now that the yield from the Central excise revenue has been steadily growing at a rather rapid rate, it is certain that almost all the States will insist on a greater share under this tax. Again, it is likely that some States, like Assam, where intensive exploration work is being carried on for locating mineral oil may claim, at a future date, a share in the aggregate yield of this valuable product.

Defence Budget

These apart, the Santanam Commission will have to view the problem of allocation of resources between the Centre and the States from other angles. Until now, the approach was from the revenue side only, such as the place where the tax was collected, the capacity of the people to pay, the *per capita* income in the States, the relative population of each State, the relative volume of industrial labour in each State, etc. There is another angle from which the whole problem should be studied afresh. Although the data for a detailed study may not be available it is not impossible to have a broader view of the whole problem. For instance, the defence expenditure of the Central Government which is as high as Rs. 200 crores per annum is being concentrated in certain regions of the country. At the present time, this expenditure is being spent in areas like the Punjab, Jammu and Kashmir and some cantonment areas. States like Orissa or Bihar are not at all being benefited from this type of expenditure. In view of the defence strategy, etc., this expenditure is being largely spent in the north rather than in the south with the result that the people of some of the peaceful States have not been deriving any benefit from this expenditure.

During the last one or two years, considerable emphasis is being laid on the development of the public sector of industries. Although it may be conceded that the industries will have to be developed in areas where adequate raw materials and transport facilities exist, the money spent on them will doubtless go to the benefit of some States only. It is but natural that the States where industries are being developed, will become more prosperous in future and that the standard of living of the people of these States will become relatively higher than that prevailing in some of the backward States. In order to reduce the regional disparity in wealth, the Centre must take some special measures. The Centre should constitute a separate fund from which it could make grants to the backward States or finance some specific schemes in those States.

The Commission has another important aspect to bear in mind. Now that the help from the Centre has begun to exceed the actual revenue receipts of the States by a wide margin, the Centre has a special responsibility to see that the money allocated to the States is spent in a useful manner. In certain quarters it is felt that some States have been able to secure a better hearing from the Centre because the authorities in these States have personal contacts with the men at the Centre or by reason of the inability of their officials to present their case well. In order to set at rest these allegations, the Commission should clearly lay down the principles that should guide the authorities in respect of allocating grants-in-aid, etc. At the same time, it should consider the feasibility of setting up a special expert committee of, say, three members, experienced in accounting procedure including a judge of the Supreme Court, in order to study the manner in which the States have spent the money allocated to them by the Centre. The States which have been most prudent in the matter of spending and achieved maximum beneficial results from the Centre's allocations should be given a prize while extravagant States should be asked to take a cut.

MUDDLE OVER MONEY

MR. MACMILLAN HECKLED

From Our Own Correspondent

LONDON, 9*th June*

EVERY time the Chancellor speaks one looks for a further statement on impending disaster, and this has had a steadily growing effect abroad very far from that which Mr. Macmillan intended. The weakness of sterling has been the result. On Tuesday of this week, however, after the announcement earlier of further gain in the gold reserves—from which all joy was taken by the manner in which the gain was made—the Chancellor became involved in an altercation in the House over the success of his Bank rate policy. He was asked by a Government supporter whether he would not now reduce the Bank rate as it was no longer effective. The Chancellor replied that it *was* effective. The Opposition waded in to criticise his general reliance on monetary weapons and the Chancellor then made a rather ambiguous statement. "I am not saying," he said, contrasting the use of Bank rate by itself against the general monetary policy, "that we have yet absolute proof whether the re-introduction of these methods is going to succeed or not, but I am very confident, . . . that we are beginning to overcome our difficulties so long as we do not throw unnecessary spanners into the works." He was then challenged to make a statement in relation to sterling and the Bank rate. He refused to undertake this and said, "I repeat that the results of the gain we have made on the reserves and the result of the gain in the balance of payments in the last five months, give us great confidence in the future."

LONDON LETTER

The ex-Chancellor on the opposite benches could not resist rising to this succulent fly, to exclaim mid the cheers of his supporters, "If things are going as well as the Chancellor suggests, why does he keep on making speeches about the coming disaster?" That led Mr. Macmillan to explain that he did not say that things were going so well but that a steady pursuance of his present policy would overcome our difficulties. This is much more the kind of thing that overseas operators in sterling like to hear and if he persists in this slightly more optimistic tone then the June gold figures will make a better showing.

In May, the reserves went up by the equivalent of $41 million but of this $29 million were receipts from the European Payments Union arising out of the *April* balance which had already been discounted. It is already known that the E.P.U. settlements for May show an adverse balance and that $17 million will have to be *paid back* to the Union in June. Therefore, excluding E.P.U. and American aid, the May figures showed a surplus of only $9 million, as compared with an average for the first five months of this year of nearly $50 million. As we are now moving into the period in which, traditionally, heavier payments for imports are made, it is not surprising that the May figures were not taken as a good augury.

But where does the difficulty lie? Visible exports to North America continue to run at record levels. The rest of the sterling area has not been so successful as a result of the fall in the prices of some of its export commodities; but the cynics are inclined to say that the economic position is very much better as Mr. Macmillan was forced to admit it in Question and Answer in the House on Tuesday (after all the gold reserves have risen by some £90 million this year) than he has been portraying in his recent vivid speeches—and that the less he speaks the stronger sterling may become.—*All Rights Reserved.*

WHAT IS NEW IN CHEMICALS

WIDE VARIETY OF PRODUCTS ON VIEW AT B.I.F.

By E. N. Pullom

NEVER before has Britain's chemical industry provided such a representative display of chemical technology and production as it did at this year's British Industries Fair. Over 29,000 sq. ft. of space at London's Olympia was occupied by stands of companies representing all branches of modern chemical manufacture—heavy chemicals, solvents, dyestuffs, insecticides and fungicides, plastics, perfumery compounds, laboratory reagents and pharmaceuticals, and many other classes of products.

The chemical industry, as a whole, is expanding at a rate twice that of other industries in Britain and now ranks fourth of her exporting industries. It sends overseas about one-third of its total output. In 1955, exports of chemical products amounted to £233 millions, as against £204 millions in the previous year.

To this export achievement the British pharmaceutical industry contributed £36 millions in 1955, as compared with £32 millions in the previous year and Britain is second only to the United States as an exporter of drugs and medicines.

The Commonwealth countries were, and continue to be, the principal buyers of Britain's chemical products, but the United States also took more chemicals in 1955 than in 1954—£7.6 millions, as against £7.09 millions.

Petrochemicals

The petrochemical industry, which provides so many of the raw materials of chemical manufacture—for paints and plastics, detergents and nitrogenous fertilisers—is fast expanding in Britain. Several large plants are increasing output, while scheduled expansion programmes are estimated to increase the size of the industry by some two-thirds at a cost of over £30 millions by 1958. Already, the industry has an output that exceeds any other country in the world, excluding the United States. The expansion of petrochemicals will make a considerable saving in Britain's dollar imports.

It is against this backcloth that the 1956 exhibition of Britain's chemicals must be seen.

Of outstanding interest in the "heavy" chemicals side of the industry is the development of a new process for the production of titanium, a metal that was little more than a laboratory curiosity only a few years ago. Titanium, possessing the strength of stainless steel without its weight, is increasingly being used in aircraft construction, both for engine parts and for structural purposes.

Commercially, the new process is a great success, for it has enabled the company responsible to reduce prices of raw titanium, so that their quotation compares favourably with that of transatlantic producers. A new plant at Wilton, Yorkshire, England, is operating this sodium process for making titanium. It has a scheduled output of 1,500 tons a year of granular titanium of very high purity.

Titanium was first discovered in England—in black sands at the Cornish port of Falmouth in 1790. The ores of titanium are now known to be widespread and the element itself is the world's fourth most abundant constructional metal. Previously, titanium used to be produced by reacting titanium tetrachloride with magnesium. The new process, which employs sodium instead of magnesium, provides a highly ductile metal and the makers are already engaged on a programme of work designed to bring down the cost of production still further as well as to make more improvements in quality.

Anti-flame Finish for Textiles

A synthetic resin containing the phosphorus compound THPC (tetrakis-hydroxymethyl phosphonium chloride) is the basis of a new durable anti-flame finish for textiles. When first introduced a few months ago, all the treated material went into the manufacture of protective industrial cloth. Now, however, increasingly large quantities of cellulosic fabrics are being treated and the finish is a marked advance in the control of the fire hazard. "Proban," as it is called, will be supplied under licence to textile finishers.

The makers say that the finish cannot be described as being "fireproof," "flameproof" or "flame-resistant," since none of these terms provides an accurate description. All textiles, excepting those made of glass-fibre or asbestos, will char when subjected to flame and be destroyed. Material treated with the new finish will only show charring where it is in direct contact with the flame and the charred area will not smoulder and spread.

Weathering Properties

Clothes and other materials made from textiles treated with the finish may be freely laundered and dry-cleaned without loss of protection and treated fabrics have improved weathering properties and are very resistant to attack by moulds and bacteria. The resin in the finish is an amino-formaldehyde precondensate, similar to the type used by the finisher to provide "anti-crease" properties to the fabric. It makes for a full resilient handle to the cloth; staple viscose rayon fabrics usually have a soft full handle when treated with "Proban," while that of cotton fabrics may range from soft to somewhat firm.

Plastic Materials

Two plastic materials introduced recently are both improvements on older products in the same ranges. Lustrex T-11, a polystryrene moulding powder, is claimed to produce articles with outstanding toughness, that are rigid without moulded reinforcement. Articles made from the plastic have a high resistance to breakage and can be produced using standard injection moulding techniques. Alkathene HD is a new polythene, produced by a modification of the maker's high pressure process. Whereas the standard polythene is a "low density" flexible product, the new product is of high density and is stiff. Apart from this property of stiffness, the newer polythene has a much greater resistance to heat and can be sterilised—subjected to a temperature of 110 degrees Centigrade for 15 minutes, products made from it show no distortion.

Organic Borates

Amorphous boron, of very high purity, is now available from one British maker; the same company is producing a number of organic borates (some of which are solid esters) with exceptional resistance to hydrolysis. Another product recently introduced by a Manchester company is "Sulfan," a stabilised form of liquid sulphur trioxide, which will be of interest to users carrying out sulphonation or chlorsulphonation processes. Aluminium "alcoholates," for use in the manufacture of the so-called "non-spillable" paints, were featured by one manufacturer, while another showed a new range (Sobenite) of anti-corrosive compounds.

The newer pharmaceutical products are many and it would be invidious to pick out any few items as being worthy of special mention. There has been increasing interest in nutritional problems and deficiency diseases and this is reflected in products for both human and animal consumption.

If we may be so bold as to forecast likely developments for the pharmaceutical industry, we should say that nutritional products, together with the development of medicinal products for tropical diseases, will play an increasingly important part in the next few years.—*Exclusive to* COMMERCE.

AUTOMATION'S IMPACT ON BRITISH WORKER

NO DANGER OF ROBOT REVOLUTION

By John Walton

WILL automation put me out of a job? If not, what will it do to the job I hold? These questions have flashed through the mind of every British worker who has heard that automation is on the way to his firm. They are natural enough. But what of the answers? These are not so easy, though they may be less difficult to frame now than they were before. One reason is the appearance of a new, sober, but nonetheless stimulating survey which knits together the information about current automation developments and offers some forecasts for the future. Another is the very real ferment of discussion inside British trade unions about the impact of automation on the workers they represent.

The report from the Government's Department of Scientific and Industrial Research (D.S.I.R.) comes as a necessary corrective to the science-fiction approach of those who overdramatise current automation developments into an imminent and total robot revolution—a danger to which James Crawford, Chairman of the Production Committee of the Trades Union Congress (T.U.C.), recently drew attention.

Never dogmatic, but always candid, this report aims to stimulate discussion among all who work by giving them a glimpse into what industry will be like when more automatic machines and processes come along as part of what the D.S.I.R.'s Chief Scientific Officer has called "a slow, inevitable, and massive movement." In this movement, the coal miner, the builder, the land worker, and the clothing worker are far less likely to meet automation than workers in oil, chemicals, engineering, printing, textiles, and insurance and banking. Already in most of these industries, some form of automation has arrived; and there is more to come.

Until now, automation in individual firms has caused few dismissals, though it has brought striking savings of up to 50 per cent. in labour costs on some processes. To avoid redundancies, firms have transferred workers to other jobs and have adjusted their rate of recruitment. Indeed, as the report stresses, the planning of labour is among the essential steps in a smooth change-over to automatic processes.

Advice to Firms

This, then, is its advice to firms about introducing automation as painlessly as possible: Plan both manpower and technical policy; Consult the trade unions about the plans. Ensure that the workers know how it is going to affect them. And, if necessary, organise training for workers either to operate new machines or to work in other departments.

In this, the report finds common ground with the views expressed by many trade unions at their annual conferences this year. The first point in a resolution passed by the Amalgamated Engineering Union—an organisation whose members will more and more be affected by automation—was "no automation without prior consultation." And as long ago as last September, the annual Trades Union Congress passed a policy statement on automation in which the emphasis was on negotiation and consultation. Later this summer, the T.U.C. plans another important statement on automation. It will be the result of many months' discussion in the T.U.C.'s Scientific Advisory and Production Committees, which have taken into account the views of individual unions with experience of automation in the industries where they organise.

With unions setting so much store by consultation at the place of work, the D.S.I.R. report arouses interest in its comments about the changes it expects there. For example, piecework generally goes when automatic processes come in. In automated firms, pay packets will more and more tend to reflect how the team or the factory works as a whole. Then, automation increases the pressure for more shift working to make the introduction of costly plant worthwhile. Hence the impact of rearranged hours on the way the home is run and on health and efficiency.

Team Spirit

On the other hand, the report looks to happier and more satisfied workers. Fully automated processes can banish dirt, danger, and drudgery, as well as irritation that workers often feel when their job is paced by the machines they serve. By becoming more of an onlooker, the worker will see more of the process; he is likely to develop a sense of being part of a team

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in his co-operation with maintenance men and technical managers.

But what of the skills on which non-automated industry depends so much today? The D.S.I.R. report suggests that when automation comes, rarely is there a sharp break with existing skills. Re-training may take only as much as 10 weeks. Workers will have to know when to stop the machine, because the failure to correct faults could be costly. All this will give them more responsibility and more satisfaction.

In addition, there will have to be more skilled managers and technicians. And, by introducing training schemes of their own, firms can set their workers on the road to being candidates for these jobs. Automation continually increases the demand for scientists and technicians; it is a challenge industry and the Government must face. If they do not, the shortage may put a brake on essential developments.

The D.S.I.R. report does not claim to be anything like the last word on automation; it recognises that so much more needs to be known. To this end, the Department proposes to continue its job of investigating. Of one thing it is certain: "automation will not make robots of us all. On the contrary, it will demand wider knowledge, greater ability, and a higher degree of skill from manager and worker alike."

AMENDMENT TO RESERVE BANK OF INDIA ACT

VIEWS OF FEDERATION OF INDIAN CHAMBERS

THE Federation of Indian Chambers of Commerce and Industry, the premier apex organisation of Indian business men, would appear to be not quite happy with the amendments to the Reserve Bank of India Act, 1934, as embodied in the amending Bill introduced in Parliament some weeks ago. This Bill did not come up for discussion during the last session but may do so when the Lok Sabha meets again in July. The Federation feels that the proposed amendments may not only result in shaking the confidence of the public in the Indian rupee but also prove detrimental to the development of banking in India. This feeling appears to have been born of the fear that a too flexible currency law may expose the monetary authorities to the temptation of resorting to it very frequently and thus cause disturbance to the economic life of the country. Whether the Federation is justified in entertaining the fear or not, it is worthwhile to note its viewpoints, if only to avoid the dangers visualised by it.

One of the clauses in the Reserve Bank of India (Amendment) Bill seeks to amend section 33 of the principal Act to the effect that the total amount of gold coins or gold bullion and the amount of foreign securities held in the Issue Department shall not be less than Rs. 115 crores and Rs. 400 crores, respectively. If further permits lowering of the amount of foreign securities to be held by the Bank to Rs. 300 crores for short periods, but this could be done only with the previous sanction of the Government of India. In other words, the clause seeks to do away with the proportionate reserve system under which the gold and foreign assets to be held as backing to the currency are linked to the total amount of note issue. This proposed change is considered by the Federation as one of far-reaching significance. It points out that, whereas under the existing Act, there is a check on the note issue, as every expansion is to be backed by gold and foreign securities to the extent of 40 per cent. of such expansion, the new proposal reduces the minimum reserve requirements to an absolute figure of Rs. 515 crores, irrespective of the size of note issue.

Confidence in the Rupee Necessary

Commenting on this proposed change, the Federation says that it is aware that the reserves in the Issue Department are primarily needed for meeting the country's foreign obligations and that they create and maintain the confidence in the paper currency. But it warns the Government that, in its enthusiasm to remove technical impediments in the way of implementing the second Five-year Plan (involving an envisaged deficit financing of Rs. 1,200 crores), it should not be unmindful of the necessity for maintaining confidence in the rupee both at home and abroad. "The Indian rupee is," it adds, "already being increasingly used as a medium for international transactions in countries of West Asia; and in places like Bahrein and Kuwait, the rupee is used both for internal and international purposes. Any loss of confidence in the intrinsic value of the rupee or its stability will result in its being replaced by some other currency and our earnings will be affected."

Harm Possible

The Federation further expresses the fear that in a country like India where the niceties of currency are not understood or appreciated by the layman, considerable harm may be done, if confidence in the note issue is lost as a result of expansion of currency. Stating that the law of the land must provide for good and bad administrations alike, the Federation observes that, for a weak administration, the power of unlimited expansion conferred by these amendments may prove to be an irresistible temptation to resort to printing of currency to meet Government expenditure. Hence, it feels that reserve requirements should still continue to bear some relation to the actual note issue, although there may be a need to reduce the proportion of backing to currency to meet the requirements of the Plan.

Another amendment proposed in the Bill relates to the control over commercial bank credit by the Reserve Bank of India. At present, commercial banks are required to keep with the Reserve Bank reserves to the extent of 5 per cent. of their demand liabilities and 2 per cent. of time liabilities. The Bill suggests that those percentages should be increased to 20 and 8, respectively. The purpose of acquiring this power is to control the secondary expansion of credit which may follow the increase in note circulation as a result of deficit financing. Expressing its views on the proposed change, the Federation contends:

"The system of variable reserve ratios, the Committee note, is a recognised means of Central Bank control over bank credit. But clause 10 gives power to increase reserve requirements by as much as four times the present legal minima. It is doubtful whether the power to make such drastic increases will be necessary especially in view of the fact that the amount of deficit financing is to be kept, as is claimed by Government, within safe limits and if the initial expansion of note issue is kept within check as suggested above. Moreover, the proposal may adversely affect the earnings of the Scheduled banks as a considerable part of their working capital will be immobilised and they would not get any commercial yield on the same. Even in the United States, where the system of variable reserve ratios prevails, the maximum increase which can be made is limited to only twice the legal minimum. The Committee, therefore, suggest that the power of increasing reserve requirements should be limited to 10 per cent. of the demand liabilities and 4 per cent. of time liabilities only. This will also prevent the possibility of an undue restriction of credit which would occur if the power to make a drastic increase in reserve requirements was given to the Bank and such power was exercised in the midst of a busy season."

Payment of Interest

The Federation, however, welcomes the provision regarding payment of interest by the Reserve Bank of India to Scheduled banks on the excess balance required to be maintained with it. In this context, it points out that the language of the relevant clause in the Bill does not make it clear whether interest will actually be paid or not, and if so, the rate at which it will be made. The Federation, therefore, stresses that the Act "should specifically mention that interest at a rate above the prevailing Bank rate will be paid to all Schedule banks on such excess balances as may be required to be kept with the Bank." It seeks to justify the insertion of such a specific clause on the ground that clause 10 (*b*) of the Bill prescribes specific penal interest rates on the amount by which the balances fall short of the prescribed minimum to be kept by the banks with the Reserve Bank. "It is hardly fair to the banks," according to the Federation, "that, if they fail to maintain the required balance, they would be liable to pay interest at penal rates, but, if they comply with the Reserve Bank notification, they are not assured of reasonable earnings on the immobilised funds which could otherwise be put to a profitable use."

Further, clause 10(*a*) of the Bill provides that the Reserve Bank may require that every Scheduled bank should keep an additional balance calculated with reference to any increase in its demand and time liabilities during any period. The Federation considers that, in practice, the exercise of this power is likely to discriminate against those banks which have shown greater initiative and enterprise and succeeded in increasing their deposits as compared with others. But those banks which have not increased their deposits during the prescribed period will escape the liability of keeping additional balances altogether. In other words, the progressive banks which attract deposits will be penalised. "This is hardly the type of policy," to quote the Federation, "which will be conducive to the development of banking." The power which clause 10(*a*) (1A) seeks to confer on the Reserve Bank will not be necessary, if the initial expansion of the currency is kept within limits and the various weapons of control, including the new power to vary reserve requirements, are wielded promptly and judiciously."

The foregoing views of the Federation indicate that it is not in favour of any drastic changes in the law relating to the central banking authority. But such an attitude is hardly suited to the ever-changing conditions in the country which are rendering out-of-date traditional concepts and theories. In fact, some of the changes proposed in the Bill have been adopted by a number of central banks in the world. It is needless to add that the proposed changes are the result of experience gained in these countries and, therefore, they should by themselves hardly cause any anxiety. This is, of course, not to say that, in exercising the new powers, the monetary authorities have not on them a very great responsibility. It is to be hoped that they will use these powers with due care and caution in order to avoid any adverse repercussions on the economy.

STERLING AREA RESERVES

The sterling area gold and dollar reserves went up by $41 million to $2,369 million in May 1956. The rise compares unfavourably with the increases in the two preceding months, April and March, amounting to $51 million and $67 million, respectively. The reserves have, however, increased by $249 million over the first five months of the current year, as compared with $76 million in the corresponding period of last year.

A notable feature of the gold and dollar movements is Britain's surplus with the E.P.U. for the second successive month. In April, the surplus amounted to £14 million and in May it was £8 million. These surpluses followed a year of deficits which ended with March this year. Britain received in May $29 million from the E.P.U. This represented a 75 per cent. settlement in gold of Britain's April surplus of £14 million, the balance being applied to a reduction of book debt. May's surplus of £8 million falls due for payment during the current month when Britain will receive £6 million or about $17 million in gold.

During May, Britain received $3 million by way of American aid. Excluding this as well as other gold and dollar movements amounted to $9 million, as against $47 million in April and $80 million in March this year.

No particular reason is provided for the small surplus in May. It is presumed, in London financial circles, to be due to lower world prices for sterling area raw materials.

Commenting on the position of Britain's overseas balances, at the annual meeting of the Associant., Mr. R. A. Butler, Lord Privy Seal and former Chancellor of the Exchequer, stated that these balances were more important than the budget. The Government should always give priority, he observed, in its policies to anything likely to improve the U.K.'s overseas balances.

Referring to the further measures which the country might take, Mr. Butler said that such depended on whether wages and profits remained at their existing levels. He pointed out the need for everyone in the country to get together and do his best to stop spiral of wages and prices, in order to achieve stability. He was optimistic of the future, as the country which made a great recovery in 1952, when it faced greater difficulties than today, could make a great recovery again.

COMMITTEE TO REVIEW CO-OPERATIVE LAW

The Government of India has set up a Committee to simplify the present law governing the working of co-operative societies. This Committee, which will be under the chairmanship of Mr. S. T. Raja, Joint Secretary, Union Ministry of Food and Agriculture, will not only rationalise and modernise the co-operative law but examine in the light of the recommendations made by the Rural Credit Survey Committee, the modification necessary in the Co-operative Societies Act and incorporate in it the concept of State partnership in share capital and State participation in the management of co-operative societies.

Besides, the Committee will also review the existing provisions relating to various types of co-operative societies such as credit, marketing, processing, irrigation, dairying, farming, small-scale and village industries, consumers, construction and housing and transport.

The appointment of the Committee stems from the necessity to lay down a simple and expeditious procedure for registration and regulation of co-operative societies, so that the co-operative sector can play an important role in the economic development of the country. It may be mentioned here that the Rural Credit Survey Committee has also advocated the need for reorganisation of co-operative institutions on the basis of State partnership.

The Committee is expected to submit its report within six months.

WORLD BANK LOANS

According to the President of the World Bank, Mr. Eugene R. Black, during the year ended June 1956, the Bank is likely to establish records for (*a*) loans granted, (*b*) profits, and (*c*) reserves.

The World Bank has approved so far in this fiscal year 23 new loans. An additional five loans, now under negotiations, would probably also be approved, bringing the total of loans for the current fiscal year up to $420 million which would exceed the previous record of $410 million established in 1954-55.

Earnings of the World Bank during the current year are expected to reach a new peak of $29 million, while reserves at the end of June would probably also rise to a new record of $225 million.

Mr. Black said, at Washington last week, just before leaving for Europe and the Middle East on a short tour, that there was no indication that the Bank would need to replenish its funds by floating new bonds in the near future.

The Turkish Central Bank has raised the discount rate from 4½ per cent. to 6 per cent. The increase has been made with a view to checking inflation in the country. This is the second increase in a period of one year. In June 1955 the Bank had raised its discount rate from 3 per cent. to 4½ per cent.

RESULTS OF FOUR MORE STATE FINANCE CORPORATIONS

APPLICANTS FOR LOAN SHOULD BE ASSISTED BETTER

IN some of our previous issues, we have reviewed the results of working of a few State Financial Corporations during the year ended 31st March 1956. The Corporations so far covered are those relating to Bombay, Hyderabad, Assam, and the Punjab States. We have since then received the Directors' report and statement of accounts of four more State Financial Corporations, namely, of Andhra, Saurashtra, Rajasthan and Travancore-Cochin. A perusal of these reports reveals some interesting trends in the activities of these Corporations. It confirms the view that the Corporations are still in an infant stage, passing through teething troubles. They are not yet in a position to extend financial assistance to industries on any appreciable scale. They are, of course, not suffering from want of borrowers, for each of them is flooded with demand for funds, but for some reason or other, legal or otherwise, a large number of applications are being rejected. These rejections call for some serious thinking on the part of all those interested in the rapid expansion of industries, especially medium and small-scale. The authorities of the Corporations may be right in turning down applications on some sound grounds. But their work should not cease with the refusal; if it does, progress of industrialisation will also become slow. They should re-examine the schemes and find out how the schemes could be improved upon and made creditworthy. After all, no prospective borrower will take the trouble of preparing an application for loan and submit it to the Corporation, unless he sees some chance of making money out of it. It is up to the staff of the Corporation to analyse the scheme, note its deficiencies and procure such assistance as necessary to make it worthy of acceptance for granting credit.

There is now a number of financing agencies—such as the Industrial Finance Corporation of India, the State Financial Corporations, the National Industrial Development Corporation floated by the Commerce and Industry Department of the Government of India, and the Industrial Credit and Investment Corporation. All these are specially meant for providing development finance to industries. Besides these, there are the commercial banks and the State Bank of India which has been assigned a special role in the development of rural areas. In addition, the Central and State Governments themselves are directly providing finance to industries in the form of loans, debentures, preference shares and equity capital. There is an urgent need to bring about co-ordination among these bodies so that there may be no overlapping and a common agency to look into the difficulties of borrowers and solve them. This need has already been recognised by the Reserve Bank of India, as witness its plea for the evolution of a scheme of integrated credit. It is regrettable that not much progress has been made in this direction. There has, however, been a small beginning by the State Bank of India. It is gratifying to note from the latest Directors' Report of the Andhra State Financial Corporation that the State Bank has recently evolved a scheme as an experimental measure by setting up co-ordination committees and working parties for pilot schemes. It is the intention of the State Bank to render assistance to institutional agencies by furnishing them with confidential reports on the applicants from centres where the financing agencies are not represented. The progress of this experiment will doubtless be watched with interest.

Reorganisation of States

The impending reorganisation of States will necessitate a corresponding reorganisation of the State Financial Corporations also. While some of the Corporations are facing merger, others are to break up a part of their business and cede it to the adjacent corporations. One or two, however, as, for instance, the Punjab Corporation, may actually derive additional strength.

The Andhra State Financial Corporation was established only in November last as a consequence of the formation of the Andhra State out of the old Madras State. This Corporation is now proposed to be merged with the Hyderabad State Financial Corporation which is deemed to be the financial corporation of the new Andhra State, following the proposed merger with it of the Telugu Districts of the present Hyderabad. Again, since the Bombay State Financial Corporation will become the Corporation for the proposed new Maharashtra State, the Gujerat areas of the Bombay State will be served by the Saurashtra Financial Corporation. As regards the Travancore-Cochin State Financial Corporation, it will serve a bigger area than now, as the new Kerala State will receive the districts of Malabar now belonging to the Madras State. It is true that four taluks of Kerala will be transferred to the Madras State, but what it cedes to Madras is only a fraction of what it takes over. The transfer of territories thus from State to State involve redistribution of the areas of operation, and assets and liabilities among the various Corporations. The consequences of States Reorganisation are being studied and tackled by the Corporations affected. It will, therefore, take some time for them to settle down to their legitimate work of financing industries.

Andhra Financial Corporation

The bulk of the share capital of the Andhra State Financial Corporation having been received only about the middle of January 1956, no loans were granted by the Corporation during the period ended 31st March 1956. Five applications for loans amounting to Rs. 8.40 lakhs were received but none of them was complete, inasmuch as they did not contain full information. The Madras Industrial Corporation Ltd. had made five advances to industrial concerns in the Andhra territory up to the formation of the State of Andhra. These were assigned to the Andhra Government later. Of these, four with outstandings aggregating Rs. 8.07 lakhs were transferred to the Andhra State Financial Corporation early this year.

After payment of expenses of administration and taxes, the net profit of the Andhra Corporation amounted to Rs. 8,320. Out of this, Rs. 1,000 was allocated towards reserves. The balance of Rs. 7,320 was utilised for payment of the guaranteed dividend at the rate of 3½ per cent. As the amount required to pay the shareholders for the three months ended 31st March 1956 aggregated Rs. 43,750, the State Government was requested to make good the balance of Rs. 36,429 as subvention.

Rajasthan Corporation

The Rajasthan State Financial Corporation received during the period between 8th April 1955 and 31st March 1956, 43 applications for Rs. 78.06 lakhs. Out of these, loans aggregating Rs. 7.28 lakhs to seven concerns were sanctioned. Ten applications for loans aggregating Rs. 12.46 lakhs were rejected or withdrawn. The total amount of loans disbursed up to 31st March last was Rs. 1.85 lakhs.

For the period under review, the net profit amounted to Rs. 2.11 lakhs. Of this, Rs. 97,000 was earmarked for taxation and Rs. 5,000 credited to reserve fund. The balance of Rs. 1.09 lakhs was utilised for payment of the guaranteed dividend requiring Rs. 2.88 lakhs, the balance of Rs. 1.79 lakhs being received from the Rajasthan Government by way of subvention.

Saurashtra Corporation

The Saurashtra State Financial Corporation received 23 applications for Rs. 61.29 lakhs during the year ended 31st March 1956, as compared with 37 applications for Rs. 62.22 lakhs in the preceding period of operations. Of these, 11 applications for Rs. 28 lakhs were sanctioned, as against a similar number of applications for Rs. 15.4 lakhs in the preceding year. During the year 13 applications for Rs. 14.07 lakhs were rejected, the corresponding figures for the previous period being seven and Rs. 2.77 lakhs. Loans actually advanced aggregated Rs. 17.55 lakhs as against Rs. 6.10 lakhs a year before.

The industries for which loans were sanctioned included cotton textiles, chemicals, bonemeal, silicate of soda, biscuit manufacturing, R.C.C. span pipes, clock manufacturing, cotton ginning and flour mills.

The net profit of the Corporation aggregated Rs. 3.23 lakhs. After transferring Rs. 17,000 to reserves and Rs. 1.50 lakhs to taxation, the balance of Rs. 1.56 lakhs was available for disbursement of the guaranteed dividend, taking up Rs. 3.50 lakhs. The shortfall was made up by drawing Rs. 1.94 lakhs as subvention from the Saurashtra Government.

It is encouraging to note that the Government has agreed to exempt the loanees of the State Corporation from payment of stamp duties on their loan deeds for a period of two years.

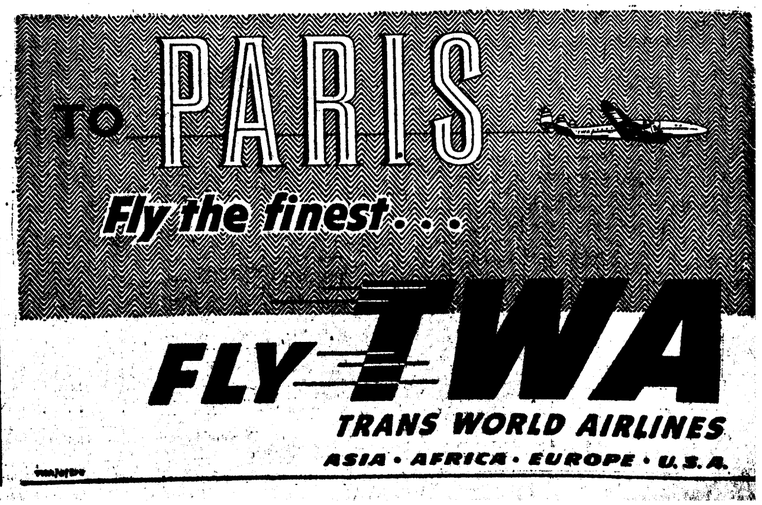
T-C. State Corporation

The number of applications received by the Travancore-Cochin State Financial Corporation during the year ended March 1956 amounted to 26, as against 34 in the previous year. But the number of applications disposed of was 29, as against 24. The loans sanctioned amounted to Rs. 43.25 lakhs, as against Rs. 37.15 lakhs. Since its inception, the Corporation had received 63 applications for an aggregate accommodation of Rs. 109.32 lakhs. Of these, 50 applications for Rs. 80.40 lakhs were sanctioned, three for Rs. 1.90 lakhs were rejected and 10 applications valued at Rs. 7.60 lakhs were pending disposal. At the end of the period, the total amount disbursed stood at Rs. 62.69 lakhs. Loans, advances and debentures outstanding at the end of the year amounted to Rs. 61.87 lakhs.

Of the total amount of Rs. 80.40 lakhs sanctioned, textile mills accounted for Rs. 21.49 lakhs, tea factories for Rs. 16 lakhs and rubber manufactures Rs. 10.85 lakhs. Among the others were cashew, oil and soap, coir, tile, and fertiliser industries.

The result of working during the year ended 31st March 1956 was a profit of Rs. 4.34 lakhs. Of this, provision for tax absorbs Rs. 1.89 lakhs. After transferring a sum of Rs. 21,696 to reserves, there was a balance of Rs. 2.22 lakhs. Since the sum fell short by Rs. 1.27 lakhs for the payment of the guaranteed dividend to shareholders of the order of Rs. 3.49 lakhs, the Government was requested to make good the shortfall by way of subvention.

(*Continued on page 1175*)



ROLE OF MAN-MADE FIBRES IN WORLD TEXTILE ECONOMY

NEW PLANT CAPACITY CONTINUES TO BE ADDED

REVIEWING the trends in world apparel fibre economy, the U.N. Food and Agriculture Organisation had observed some time towards the end of 1954 that there was a fairly consistent tendency for increased use of man-made fibres in practically all regions. The truth of this observation, made in 1954, continues to be borne out by events. During 1955, man-made fibres, according to the International Cotton Advisory Committee, Washington, continued to fare much better than cotton in competition for markets. The aggregate free world output of man-made fibres in that year was as much as 11.0 million bales (of 445 lbs. each), which is nearly double the production in 1949. The rise of 5.3 million bales in the output of these fibres since 1949 thus has fully equalled the gain in cotton consumption. Taking the year 1955 alone, it is seen that the production of man-made fibres was higher by 1.2 million bales, while that of cotton improved by only 300,000 bales.

The upward trend in man-made fibre output is expected to gather further momentum in the future, what with the installation of new plant capacity. The *Textile Organ* estimates total plant capacity by the end of the current calendar year at about 14.8 million bales, as against 13.4 million bales in March 1955. Although rayon continues to account for the major part of the rise in capacity, the newer synthetics, including nylon, dacron, terylene, orlon, perlon, etc., are increasing rapidly in importance and it is expected that the capacity will aggregate 2.0 million bales by December 1956. The table at the foot of this column will indicate the trend of free world production of man-made fibres and consumption of cotton in the past seven years. It will be seen therefrom that all sections of the man-made fibres industry have participated in the trend towards enlarged production, but the percentage increase has been the greatest for the new synthetics and least for continuous filament rayon yarns. The largest increase in the production of rayon in the last two years has been in Japan. There has also been substantial improvement in nearly all countries of Western Europe, as well as in the U.S. and Latin America.

An idea of the trend in man-made fibres and cotton consumption in the principal textile manufacturing countries of the world can be had from the statement given at the foot of the second and third columns. This statement reveals that consumption of rayon has gone up much more than that of cotton in all countries, except India where the synthetics industry is yet in its infancy. In the Federal Republic of Germany and Japan, consumption of rayon (exclusive of other synthetics) is now around three-fourths as large as cotton consumption. The percentage of the market won by man-made fibres in the other major countries, though smaller, is generally rising. Cotton's showing *versus* man-made fibres would have been more unfavourable but for the rising cotton consumption in a number of countries in the Asian, African and Latin American regions, where textile industries are growing in importance.

There are several factors which govern the competition between man-made fibres and cotton. Among them, four stand out prominently. They are (1) quality characteristics as applied to end-use requirements; (2) comparative prices; (3) promotion and other activities to develop consumer preferences; and (4) preferences for domestically produced *versus* imported fibres.

Although increasing attention is devoted to cotton research, the amount of research that is being conducted to improve the quality characteristics of man-made fibres continues to be far greater. It is this factor that has undoubtedly been the most important in raising the competitive capacity of man-made fibres *vis-a-vis* cotton over the years. The recent improvements in rayon include development of high-tenacity yarns for uses where strength is a key factor—for example, tyre cord—and of additional types for particular applications such as carpet staple. Of great importance, however, is probably the rapidly rising production of a large variety of newer synthetics. With the prices much higher than cotton or rayon, the use of these fibres depends on superiority in performance for given uses. Much of the competition from these fibres is with rayon. Wool and cotton are also noticeably affected in a long list of end-uses.

The prices of rayon remained largely unchanged during 1955. Although cotton prices declined and then rose during the year, it is likely that the net competitive price position of cotton strengthened and there are prospects of further improvement in future. Nevertheless, the prices of rayon staple in all the main textile countries continue to be below all cotton prices, barring those of the poorest qualities. Substantial reductions were made in the prices of new synthetics in 1955. Thanks to those reductions, the competitive capacity of the synthetics relative to cotton tended to improve, though they continued to be priced several times higher than cotton, as is shown below:

(In cents per pound)

	U.S.A.		Japan	
	April 1956	April 1955	April 1956	April 1955
Cotton middling 15/16"* ..	37.3	35.3	31.0	37.0
Cotton U.S.S.M. 1-1/16" ..	40.6	39.7	42.4	40.8
Cotton Egyptian (Ashmouni) ..	..	..	50.0	45.5
Viscose rayon staple	31.0	32.0	29.7	28.8
Acetate ,, ...	32.0	37.0	55.5	61.1
Nylon ,, ...	130.0	155.0	139.0	152.2
Orlon ,, ...	130.0	160.0	..	..
Dacron ,, ...	140.0	160.0	..	..
Vinylon	..	..	70.8	77.8
Cotton yarn, 30s combed ..	85.0	79.1	..	..
Viscose yarn, 150 deniers ..	86.0	83.1	..	..

* Price at mills.

A more active and co-ordinated effort is, no doubt, now being made to promote consumption of cotton. But this effort may be offset, to some extent, by increased activity on behalf of man-made fibres. With the consumption of all textiles faring badly in competition from other industries for consumer favour, there is, perhaps, something to be gained by all sections of the textile industry from the growing promotional activities.

For those countries which must economise on foreign exchange expenditure, there is a temptation to favour domestically produced man-made fibres, as against cotton or, perhaps, the reverse sometimes. A survey by the International Cotton Advisory Committee indicates that this is not as much a consideration as formerly. According to the Committee, there are only isolated instances where the problem is of any real import.

BURMA'S TEXTILE IMPORTS

The prospects of India exporting a larger quantity of cotton textiles to Burma would appear to be quite bright. The Burmese Government, for instance, has announced that it intends to speed up imports of textiles, with a view to offsetting the recent rise in prices. Again, the fresh trade agreement now being negotiated between the two countries is expected to provide for the import of larger quota of Indian cotton textiles by Japan. As readers are aware, India has suffered a severe setback in the cotton textile market of Burma, owing chiefly to restrictions on imports and partly also to severe competition from other countries, especially Japan. The total shipments of Indian cotton textiles to Burma during 1955 were not more than 14.41 million yards, which compare very unfavourably with 40.00 million yards in 1954. During the same year, Japanese exports to Burma amounted to 42.58 million yards which were, however, lower than the figure of 68.12 million yards for 1954.

The Executive Committee recently appointed by the Burmese Government to implement anti-inflationary measures has decided to issue next week licences for the import of nearly 1.25 crore kyats worth of textiles from West Germany and 4.16 crore kyats worth of textiles from Japan. Discussions are also under way with India and the U.K. for the purchase of textiles valued at 3.00 crore kyats.

Meanwhile, Burma has encountered "major difficulties" in arranging for the U.S. raw cotton to be processed elsewhere and in utilising the credits from rice sales, mainly to communist countries. "Swift and appropriate action" will, it is said, be taken to make arrangements for the processing of U.S. cotton. If the efforts in this direction fail, the Government will issue extra licences for textile imports up to a value of 5.00 crore kyats.

The wool growers of Australia, New Zealand and South Africa have decided to press forward with the rapid intensification of wool research by doubling the expenditure available, while, at the same time, the world budget for promotion in the fourteen countries has been increased, according to the statement issued by the Executive of the International Wool Publicity and Research Fund (con-Wool Secretariat) at the end of the series of meetings held at London recently. At the meetings, expansion of joint promotions with the wool industry was planned and the decision of the American Sheep Producers Council to make a contribution of $425,000 for wool promotion, in conjunction with the activities of the Wool Bureau in the United States, was welcomed. Overseas Directors attended the Executive meeting for the first time to give a firsthand account of the work of the International Wool Secretariat throughout Europe and in Japan.

Thanks to mounting Japanese competition in the U.S. domestic textile market, several cotton piecegoods manufacturing units are cutting production. The Spring Cotton Mill in the southern U.S. has postponed indefinitely the implementation of a $10-million expansion programme. Announcing this, Col. Elliott Springs, President of the Mill, said at Lancaster the other day that the Japanese were gaining every day. He complained that the Commodity Credit Corporation had sold cotton to Japan 10 cents a pound cheaper than he could buy. "We have," to quote Col. Springs, "always been able to meet competition without fear, but we can't lick the State Department, the Secretary of Agriculture and the $64,000-million give-away programme while Congress twists our arm."

A Russian party is reported to have bought raw wool "quite heavily" from the Bombay market last month. Estimates of these vary between 1.5 and two million lbs. at rates ranging from 74d. to 76d. per lb. C. & F., clean basis. Trade circles assess the total value of these purchases up to date at approximately Rs. 40 lakhs. It may be recalled that, in terms of the Indo-Soviet trade agreement signed on 2nd December 1953, raw wool was among the goods agreed for export from India into the U.S.S.R.

Following the recent visit to India of a Soviet purchasing Mission, it is understood that negotiations are under way for the sale of woollen goods to the U.S.S.R., according to the I.W.S. News Service. While a sizable quantity is reportedly being negotiated, no final decision on the deal has been made, pending settlement of the terms of the contract, particularly in respect of inspection and arbitration. This is the first time that the U.S.S.R. has entered the Indian woollen textiles market for direct purchases.

World Production of Man-made Fibres and Consumption of Cotton

(In million bales of 445 lbs.)

	Man-made fibres				Cotton
	Filament yarn	Staple fibre	Others	Total	
1949	3.5	2.0	0.2	5.7	22.2
1950	4.1	3.0	0.4	7.5	24.8
1951	4.5	3.6	0.6	8.7	26.6
1952	3.8	3.1	0.7	7.6	25.0
1953	4.8	3.8	0.9	9.0	26.5
1954	4.2	4.5	1.1	9.8	27.3
1955	4.7	4.9	1.4	11.0	27.6
Increase—					
1949-55	1.2	2.9	1.2	5.3	5.4
	34%	145%	600%	93%	24%
1953-55	0.4	1.1	0.5	2.0	1.1
	9%	29%	56%	22%	4%
Capacity of production					
March 1955 ..	5.9	5.8	1.7	13.4	..
December 1956 ..	6.1	6.7	2.0	14.8	..

Consumption of Man-made Fibres and Cotton

(In thousand bales of 445 lbs.)

	Rayon			Cotton		
	1955	1954	1949	1955	1954	1949
U.S.A.	4,184	2,594	2,233	9,075	8,512	7,874
U.K.	1,028*	773*	215*	..	..	..
Belgium	887*	901*	582*	1,620	1,856	2,035
France	70	83	52	336	441	405
W. Germany	422	402	334	1,193	1,358	1,062
Italy	882	832	609	1,255	1,248	1,112
Netherlands	332	395	319	756	868	941
Japan	113	108	58	332	327	256
India	1,593	1,379	238	2,090	2,316	545
Other countries	223	188	124	4,006	3,835	3,312
	1,956	1,805	961	6,937	6,539	4,358
Free world total ..	11,000*	9,800*	5,700*	27,600	27,300	22,200

* Man-made fibres.

THE NATIONAL RAYON CORPORATION LTD.

SPEECH OF THE CHAIRMAN, MR. KASTURBHAI LALBHAI

THE following is the text of the speech of Mr. Kasturbhai Lalbhai, Chairman of the National Rayon Corporation Ltd., delivered at the Ninth Annual General Meeting of the Company held at Bombay on Thursday, 14th June 1956:

"I have great pleasure in welcoming you this afternoon and present to you for adoption the ninth Directors' report and audited statement of accounts for the year ended 31st December 1955. Since these have been in your hands for some time now, I believe, I have your permission to take them as read.

"This meeting was originally convened on the 24th of May 1956 but, from the announcements that appeared in newspapers some time by the end of April, it was found that this day was declared as a public holiday under the Negotiable Instruments Act. Since under the provisions of the Companies Act, 1956, holding of general meetings on public holidays has been prohibited, fresh notices had to be issued to convene this meeting for today. The inconvenience caused to you all is very much regretted.

"The accounts in your hands contain as usual the corresponding figures for last year. Some of the important points pertaining to the accounts have also been covered in the Directors' report. The amount of salaries, wages and allowances, appearing in the profit and loss account, however, needs some further explanation. This amount not only includes the sum of Rs. 7,08,135 shown in the profit and loss account as payment in respect of previous year which includes bonus for the year 1954 and the difference in wages but also includes the sum of Rs. 6,93,255 provided for payment of bonus for the year 1955 and since paid to the employees of the Company.

"Though the actual production in the year 1955 was higher than the previous year, the profits earned by the Company have remained almost the same, mainly due to lower rates realised for the sale of the Company's yarn.

Plant Expansion

"The expansion of the rayon plant and also putting up of the caustic soda chlorine plant are progressing at the plant site according to schedule. Recently, steps have been taken to order out further machinery and, with the placing of this order, the duplication of the rayon plant, as originally envisaged, is likely to be achieved in the near future.

"The advantage conceded by section 15C of the Income-tax Act, exempting from tax profits upto 6 per cent. of the capital employed by new industrial undertakings cannot be availed of by this Company even in this the fifth and the last year of the benefit period. Since the Company does not expect that the profits hitherto made will catch up with the depreciation and unabsorbed depreciation, the dividends to be received by the shareholders this year also will continue to be liable for tax in their hands, though there will be no deduction of tax at source. The Finance Act of 1956 has imposed fresh burdens on companies by way of super-tax on dividends declared in excess of 6 per cent. on the paid-up equity capital. However, the Company may not have to pay this tax, as there is expected to be no assessable income for the year 1955 as explained earlier.

"You are, perhaps, aware that, effective from 1st of April 1956, the facility afforded to industries by way of initial depreciation on new buildings has been withdrawn. Whereas it is conceded that it is necessary to find out new sources of taxation for raising finance for implementing the ambitious Second Five-year Plan, the withdrawal of this concession would coincide with the scarcity in the country of building materials such as steel and cement which will compel the use of imported materials at a much higher cost. It is to be hoped that the combined effect of these will not go to retard the expansion programmes undertaken by the private sector.

Power and Fuel

"As I said last year, adequate supply of power and coal are a must for expansion of industry as a whole. The electrical energy required for meeting the expansions undertaken by the Company are expected to be met from public sources of supply. However, the position regarding the supply of wagons for the movement of coal is most unsatisfactory. It appears that the railways are behind schedule in increasing the carrying capacity to cope with the increased movement demands, consequent upon the successful implementation of the First Five-year Plan. Demands on the transport system are bound to increase when the Second Five-year Plan is in the process of implementation, particularly when the capital goods for the huge steel and electrical projects begin to arrive. It is to be hoped that the steps being taken by the Government in this connection would bring out satisfactory results and that the transport bottlenecks experienced by the industries would be solved, enabling the industries to play their due part in the planned development of the country.

"The policy regarding the import of rayon yarn adopted by the Government appears to have suffered a slight shift towards liberalisation for some time past. Whereas it was expected that, with the increased indigenous production, Government would take steps to reduce imports from abroad, the actual figures of imports disclosed by the official figures for the nine months ended December 1955 reveal an import of as much as 38 million lbs. of rayon yarn into this country. At this rate, the total imports for the financial year ended March 1956 are likely to be about 51 million lbs. which, together with the actual production of the indigenous industry, would make available to the country a much larger quantity of rayon yarn than the estimated annual requirements of the country of about 45 million lbs. The unhealthy competition by foreign manufacturers referred to in my last speech that they sell the two popular deniers of 150 and 120 at the same rates in this market, maintaining much higher rates for their domestic sales, continues. Our Government, I am sure, will bear this in mind while formulating the import policy for the next period.

Freight Charges

"This time last year the Conference Line of Steamers had contemplated to levy a surcharge of about 35 per cent. on the freight rates on cargo shipped to the ports of Bombay and Calcutta. Thanks to the timely intervention of the Central Government and the speedier clearance of cargoes at both these ports, the contemplated surcharge was not enforced. It is to be hoped that the speedier clearance and turnover effected at these important ports will continue to be maintained hereafter also for the general good of the industrial progress of the country.

"In order to fall in line with a few important provisions of the new Companies Act, certain resolutions have been placed before the annual general meeting for your approval. They are incorporated in the notice convening the meeting. Explanatory notes have also been printed and sent along with it. I hope the same will, when moved at the proper time, receive your due consideration."

(Concluded from next column)

and the disparity disappears after a month or two when raw jute flows in.

In fine, the present period is one of transition. With an estimated Indo-Pakistan crop of 150 lakh bales in the ensuing season, the jute mills will have plenty of raw materials at cheap prices to meet world demand. To decide the policy for the whole year on the basis of the present transitional period will be to commit a grave blunder and create chaos and dislocation in trade.

The unfortunate position in which some of the mills find themselves today is a result of their not doing simultaneous business in jute manufactures at the time of making their purchases of raw jute with the speculative motive of deriving higher price for their finished products later on.

As regards the proposal for fixing minimum prices, with no one to support them, never has any such scheme found favour in the history of jute trade, though the jute industry has passed through several vicissitudes in the past. Even in the 1930's when hessian (40-6 oz.) sold at Rs. 6 only and B. twills at Rs. 18, no minimum prices were fixed. Besides bringing hostile reactions from foreign consumers, the scheme will put the Indian mills in a very desperate position, as compared with their confreres in Pakistan and Europe and cause great suffering to the industry and trade alike.

MINIMUM PRICE OF JUTE GOODS

NO NEED FOR THEM

By Debiprasad More

IN 1952, the Ministry of Commerce and Industry expressed grave concern over the fact that the position of the Indian jute industry, which had been unchallenged for decades, had become serious. It realised that "the continental mills, by installing the latest types of machinery, have captured some of the ground formerly held by Indian jute products in foreign markets." Since then, the entire efforts of the Government and the I.J.M.A. were directed towards developing the exports of Indian jute goods by selling them at competitive rates. In this drive, they were quite successful, inasmuch as the year 1955-56 witnessed a recovery of our lost markets by a considerable increase in our exports. The value of jute goods exports in 1955-56, though much higher than the two post-Korean years 1952-53 and 1953-54, came, surprisingly enough, to be also higher than 1954-55 which was an exceptional year of sky-rocketing prices owing to a very short crop of only 80 lakh bales in both India and Pakistan.

Even last year, as an expression of the Government's anxiety over high prices, the following statement emanated from New Delhi:

"Though competition from European manufacturers as well as the new industry in Pakistan continues, the I.J.M.A. with the assistance of the Government is carrying on a successful campaign to increase the consumption of jute goods, not only on traditional lines but also by finding out new uses for jute products. *It has been realised by the mills that, in the present context of keen competition, not only from the jute industries in other countries but also from substitutes, it is only through cheapness and a sustained sales campaign that Indian exports can be maintained at a satisfactory level.*" (Italics mine.)

In order to implement this idea of making jute goods cheaper, the Government of India have laid down a production target for raw jute at an annual rate of 7 million bales to be attained at the end of the second Five-year Plan. But it is rather very surprising that all on a sudden an attempt is being made to undo past work. The long-enunciated policy of meeting foreign competition is now being forsaken and much concern is being shown over the present position which is not so bad as is being seriously thought of and at least not worse than last year when the above statement advocating cheaper prices was made. At that time, the price of raw jute (Assam Bottom) was Rs. 27-8 per maund and B. twills Rs. 107. Now, the same are Rs. 26-8 and Rs. 106 respectively. A lot of proposals, including one to fix minimum prices, are said to be under consideration, though no official announcement has yet been made to remove the uncertainties prevailing in the market.

The gravity of the present situation has been measured by two factors, namely, (1) stocks of jute goods, (2) uneconomic position of jute mills. As regards the present stock position of jute goods, it can never be called as too big as it amounts only to a little over one month's production. Even a single buyer of ours, namely, the U.S.A., keeps a stock of 26 crore yards of hessian while our mills have got a stock of only 15 crore yards. The jute mills should keep at least one and a half to two months' stock, to meet any eventuality. The following figures well illustrate the position of present stocks, as compared with that in some previous years:

(In 1,000 tons)	*Hessian*	*Sacking*	*Others*	*Total*
October 1945 ...	73.7	118.0	4.4	196.1
,, 1946 ...	106.2	140.8	2.1	249.2
February 1948 ...	51.9	98.8	6.2	156.9
May 1953	47.7	89.2	1.9	138.8
,, 1956	40.6	71.1	7.4	119.1

It may be noted from the above figures that the present stock position is not at all excessive. Further, it is a fact that the stocks usually increase in the January-June period and decrease in the July-December period. Hence, the normal forces of demand and supply will automatically bring the stocks to their normal levels.

As regards the present disparity between the prices of raw jute and jute goods, it is only fictitious and not real. As already mentioned, the present disparity is no wider than that prevailing in June last year when the Government was advocating further cheaper prices. It is further claimed by some of the jute mills with modern machinery that their present cost of B. twills is about Rs. 95. Leaving these considerations apart, the vital factor must be borne in mind that, usually in June and July, the prices of jute manufactures move and adjust themselves according to the outlook on the new crop of jute

(Continued in previous column)

FREE WORLD'S COTTON CONSUMPTION IN 1955-56

ESTIMATE PLACED AT 27.6 MILLION BALES

THE consumption of cotton in the free world has increased from year to year, thanks to the increase in population and the establishment of textile industries in many countries which were formerly dependent almost exclusively on imports of cloth. During 1954-55, the free world consumed 27.6 million bales (of 478 lbs. each) and the communist countries 9.0 million bales, as compared with 26.9 million bales and 9.1 million bales, respectively, in the previous season and 22.4 million bales and 8.0 million bales in the pre-war year 1938-39. The consumption of cotton in the free world in the current season, namely, 1955-56, according to the International Cotton Advisory Committee, will probably be maintained at the 1954-55 level. This factor, the Committee then goes on to point out, may be of "special significance" to the cotton surplus problem, in that it indicates that, "in the short run, at least, consumption can be counted on to play only a limited role in the process of equating supply and demand."

There are two most notable changes in the regional pattern of consumption of cotton. In the first place, there has been a decline in consumption in some of the older textile producing countries which import cotton, such as the U.K. Secondly, there has been an increase in the consumption of cotton in the cotton producing countries such as the U.S. and India. The following table gives the regional pattern of cotton consumption in the free world in 1934-38 (average) and in each of the three years ended 1955-56:

(In million bales of 478 lbs. each)

	1934-38 (Average)	1953-54	1954-55	1955-56
U.S. and Canada ..	6.8	8.9	9.2	9.6
W. Europe	7.5	7.3	7.3	8.7
Japan	3.5	2.4	2.1	2.0
India	3.1	4.0	4.1	4.2
Others	1.5	4.3	4.9	5.1
Total ..	22.4	26.9	27.6	27.6

Explaining the geographical changes in cotton consumption, the Committee says that the reasons for these changes are to be found in the "variations in yarn and textile trade, the movement of cotton textile production away from the traditional manufacturing countries towards the sources of supply of raw cotton and the inexorable growth in production of rayon and synthetic fibres." In the shorter period, these changes are influenced by cyclical factors and governmental policy and this season, especially by the uncertainties surrounding the future price trend of raw cotton.

An important factor which influences cotton consumption in the textile-exporting countries is the level of export trade. In many countries, this level has fallen. Between 1954 and 1955, exports from the U.S. fell from 605 million square yards to 542 million square yards, and those from the U.K. from 637 million square yards to 555 million square yards. A similar trend was noticeable in India which sent 773 million square yards in 1955, as against 861 million square yards in 1954 and in Japan, where the corresponding figures were 1,139 million square yards and 1,278 million square yards, respectively.

In the U.S., the upswing in textile activity which commenced early in 1955 has continued during the present season. This is reflected in higher cloth prices and mill margins and a significant decline in the ratio of stocks of broad woven goods to unfilled orders. Mill margins declined in February for the first time in many months as a result of an increase in raw cotton prices. Mill consumption of cotton for the first eight months aggregated 6.3 million bales compared to 6.0 million in the same period last season. The comparable average daily rates were 36,286 bales and 34,440 bales. Official sources predict that if the monthly rates for the ensuing months show normal seasonal changes, consumption for the 1955-56 season will probably be about 9.2 million bales or some 400,000 bales or 5 per cent. higher than in 1954-55. This increase in cotton consumption has been achieved despite greatly increased imports of both cotton and rayon textiles, lower textile exports, and a marked increase in domestic production of rayon and synthetic fibres. *Per capita* consumption of cotton for the calendar year 1955 rose for the first time since 1951 but was still about 16 per cent. under that year. Furthermore, cotton's share of the total market continued to decline to less than 66 per cent. the lowest on record. Conversely, in 1955, the man-made fibres took a record 28 per cent. of the total textile market.

As regards European countries, the Committee quotes the report of the Organisation of European Economic Co-operation which attributed the difficulties facing the textile industry in these countries to the uncertainty surrounding the evolution of the U.S. cotton policy which has compelled the "traders to adopt hand-to-mouth buying tactics at all stages of production and distribution." It was no mere coincidence that the downtrend in cotton consumption in many countries began soon after the first indication was given early in 1955 that there would be a change in U.S. cotton policy. Imports subsequently declined and stocks in net importing countries are now several hundred thousand bales under what they were a year ago. The O.E.E.C. report stresses another long-term factor in the adverse textile situation, namely, the competition from the Asian industries, mainly India and Japan. The European industry is faced with the need for large capital expenditures to modernise the industry at a time when the future is far from reassuring.

The following table gives the consumption of cotton in European countries in the first half of 1954-55 and of 1955-56:

(In 000 bales)

	First half of		Per cent. change
	1954-55	1955-56	
U.K.	939	787	—16
France	677	594	—12
W. Germany	636	650	+ 2
Italy	402	350	—13
Netherlands	167	170	+ 2
Belgium	231	221	— 4
Others	728	708	— 3
Total ..	3,780	3,480	— 8

For most European countries, the decline in textile exports is a comparatively recent phenomenon. Even allowing for the declining trend, exports in most cases are significantly higher than in the immediate pre-war period. In the United Kingdom, however, the shrinkage in textile exports has been more protracted and significant. Exports now are well under half their pre-war volume and show a downward trend nearly every year. Shipments of cotton piecegoods from this country registered a further steep decline in 1955 and, from all accounts, there is certainly no sign of any improvement in export demand.

During the first six months of the current season, the consumption of cotton in the U.K. was 16 per cent. below the comparable volume last season. Consumption is presently estimated at 1.55 million bales or the minimum post-war level. In France, some improvement has been noticed more recently. Nevertheless, for the season as a whole, consumption is estimated at 1.1 million bales or one of the lowest levels for many years. Similarly, consumption in Italy may fall below 750,000 bales in the current season as compared with 800,000 bales in the last season. The fall is attributed to decline in textile exports. In Germany and the Netherlands, consumption so far this season has been higher, thanks to increased exports. The Committee stresses the fact that, in Europe, the mixing of cotton with synthetic fibres is on the increase. It adds: "In summary, all things considered, consumption is expected to decline in most European countries and in total is likely to be off by at least half a million bales as compared with last season."

IMPORTS OF COTTON

During the period 1st September 1955 to 26th May 1956, actual arrivals of foreign cotton in India aggregated 442,507 bales, as against 647,521 bales for which licences were issued. The following are the figures relating to actual arrivals and quantity licensed during the period under review:

(In bales of 400 lbs. each)

	Quantity Licensed	Actual Arrivals*
Sterling Area cotton		
East Africans	280,043	126,991
Egyptians	210,278	202,694
Sudans	107,502	95,166
Peru and others	26,566	6,543
	624,389	431,394
Dollar Area cotton		
U.S.	23,132	11,113
Total ...	647,521	442,507

*Arrivals include quantity licensed in the previous season.

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FEW SIGNS OF REVIVAL OF DEMAND FOR CLOTH IN U.K.

LABOUR ON DUTY-FREE TEXTILE IMPORTS

By Our Special Correspondent

MANCHESTER, *5th June*

THERE are very few signs at the moment in Lancashire of any revival of demand in cotton yarn and piecegoods and the same influences are still at work which have caused the slack state of affairs in business for a long time back. The two outstanding factors in the situation are still lack of confidence in prices and the effect of substantial imports of foreign cloth into the home market.

MANCHESTER LETTER

There seems to be a possibility at an early date of more stability in rates for United States cotton at a slightly lower level following the passage of the Farm Bill just signed by President Eisenhower. There is uncertainty, however, as to competitive prices from other growths which have been purchased by Lancashire mills in preference to the United States staple.

Local spinners have now experienced the spinning value of many of these outside growths and in some instances they have discovered advantages which have not been known in the past. To that extent growers in the United States may find that these alternative raw materials are preferred against the cotton grown in the United States on a similar price basis. It will be interesting to watch this factor when competition between other growths is more acute. For some time back very little yarn has been spun in Lancashire from entirely United States cotton, blending with other qualities now being almost universal.

Home Market

The other factor which has affected Lancashire so drastically for over 12 months back has been the receipt of foreign cloth, especially from India and Hong Kong. This has cut very severely into production of goods for the home market. Recently, however, some Lancashire cloths have been in better demand because earlier delivery can be offered than by importing materials from other countries.

In some quarters the opinion is now held that the balance between yarn output and cloth production in Lancashire may be disturbed as the weaving branch appears to be suffering from the depression to a greater extent than the spinning section. The general situation remains very unsatisfactory and all producers are struggling very hard against the problems which beset them. It is often suggested that more could be done by greater efficiency but it takes courage for firms to spend money on re-equipment when the outlook is so uncertain.

The British Government's attitude on foreign cloth imports meant quite plainly that the cotton textile industry must continue to suffer from these cheap labour imports and, quite regardless of all consequences, must reduce its production potential, according to Mr. Charles Schofield, General Secretary of the 50,000 strong Operative Spinners' Amalgamation in a report issued last week. The Report said: "Presumably this is part of the Government's plan of reciprocal trade with India and Hong Kong, particularly the former. The export of capital goods shall be paid for, at least in part, by duty-free import of cotton textiles."

Proceeding, the report observed: "In view of the extent to which capital goods are at present being exported to these countries, it may not be long before we shall be seeing a substantial importation of goods other than textiles, manufactured by the machinery shipped from this country. With the application of present methods of production this may develop earlier than many people may think."

Mr. Schofield said that although it appeared an impasse had been reached, the industry must continue its efforts to "bring about a reasonable and fair condition of trade."

Shift Work Claims

Contrasting reports and reviews continue to come to hand about the progress of the industry in Lancashire and prospects for the future. Company chairmen—almost daily—indicate the difficult year through which the industry has passed, but their comments about existing conditions and the outlook are by no means uniform.

Considerable interest has been taken in the report issued by Hayeshaw Ltd. which has spinning units at Leigh and Bolton. Since 1948 the group has spent more than £1,150,000 on replacements, modernisation and extension of plant and machinery. According to the chairman, Mr. W. A. Grierson, all this machinery is running on a two- or three-shift system. "If precious labour is being wasted on traditional and obsolete methods of operations, if two people are doing a job which one can perform on modern machinery operated on the well-tried work study basis, then the extension of shift working must be disappointingly slow," he declares.

In view of past criticisms levelled against Lancashire for its inability to match competing nations in the number of spindle-hours operating, it is significant that the Chairman of Hayeshaw Ltd., can claim that in the group's re-equipped ring mills the number of spindle-hours worked during the past year was 3,720. This compares very favourably with the majority of West European countries, whose average it exceeds, with the exception of Holland.

Mr. Ibrahim el Mufti, Sudan's Minister of Commerce, Industry and Supply, began a two-day visit to Manchester and Liverpool this week, for an exchange of views with Lancashire industrial leaders.

In talks with textile trade representatives, at the Manchester Chamber of Commerce, he urged Lancashire millowners to buy more Sudan raw cotton. In the next three years, he said, the acreage under cultivation for cotton in Gezira-land would be increased from a million to 1,800,000 and would greatly increase the country's supplies.

Agreements Under Fire

Antagonism between British merchants and the spinners and doublers in Lancashire over the effect of current price regulation schemes on the competitive effectiveness of the industry has often been voiced. Fresh impetus to the argument has come from the annual report of the Cotton and Rayon Merchants' Association, which in its annual survey of the state of trade has commented on the recent controversy over the size, structure and organisation of the industry.

The dominating issue in such discussions, according to the merchants, is the competitive position of the trade as a whole. They believe in the "fundamental necessity to achieve maximum efficiency in all sections of the industry as reflected in quality, price and service." This they regard as essential if Lancashire is to maintain an export trade in the face of foreign competition and growing local production in overseas markets.

The spinners and doublers contend that without their price schemes the rest of the trade would lack the sheet-anchor which has proved invaluable when conditions have not been entirely satisfactory. The opposing view is that current systems are too rigid. It is made clear in the yarn section of the merchants' annual report that this aspect of the situation is to be the subject of further attacks. "In spite of strenuous efforts on the part of your representatives for some degree of flexibility in the minimum price scheme," says this sectional review, "the Yarn Spinners and Cotton Yarn Doublers' Associations are still apparently adamant that it should continue in its present form. Competitors of Lancashire overseas have full knowledge of Lancashire's yarn prices and can cut their yarn prices without fear of retaliation."

In order to have the appropriate background for a fresh approach to the producers, the merchants are gathering information about the prices of foreign yarn which they intend to use in further negotiations.

Some idea of the cost to the various sections of the trade in financing the sales promotion scheme under the "Buy Britain's Cottons" tag can now be gained. It is known that the Cotton Board is providing the first £50,000 towards the £250,000 bill covering the 2½ years' duration of the programme.

The trade unions have already recommended their constituent amalgamations to combine in making a £10,000 contribution to the scheme. It has been worked out that this amounts to about 1s. 3d. per operative or the equivalent of perhaps a quarter of an hour's wages.—*All Rights Reserved.*

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WHAT IS HIGH COST OF SUGAR DUE TO?

DEFECTIVE LOCATION AND HEAVY TAXATION

THERE is no exaggeration whatever in the statement made by Mr. T. S. Venkataraman, an acknowledged authority on the sugar industry, in the course of his presidential address at the Eleventh Conference of Sugarcane Growers held at Cuddalore (Madras) recently, that India can produce sugarcane as cheaply as any other country in the world. The climate of India is quite suited for the cultivation of tropical and sub-tropical sugarcane. The wild cane of India, as Mr. Venkataraman said, can stand any strain due to climate. Nevertheless, the conditions in the sugarcane economy have all along been none too happy. Not only is the per-acre yield of cane very low as compared with the other sugarcane-producing countries but the quality of the cane also is relatively poor. Thus, on an average, one acre of land in India gives a yield of not more than 14 tons, which compares very unfavourably with 62.1 tons in Hawaii, 56.2 tons in Java, 41.1 tons in Peru, 30.4 tons in Egypt, 28.3 tons in Formosa and 27.1 tons in the Philippines. The recovery per cent. of sugar in cane grown in India is very low, the all-India average being about 9.5 to 10.0, as against 14.33 in Australia, 12.93 in Formosa, 12.33 in Peru, 12.23 in Puerto Rico, 12.25 in Cuba and 12.06 in Mauritius.

What is this state of affairs due to? The answer to the poser is not far to seek. As readers are aware, the sugar industry is unduly concentrated in the States of Uttar Pradesh and Bihar, the sub-tropical climate of which is not quite suitable for cane development. Despite the implementation of several sugarcane development schemes in these States for the past few years, the average level of yield and sucrose-content continue to be low, lower than even the all-India averages. It is this factor which has all along been largely responsible for the high cost of sugar produced. The truth of the statement is clearly borne out by the remarks of no less a person than Mr. Ajit Prasad Jain, Union Minister for Food and Agriculture. Inaugurating the Cane Growers' Conference at Cuddalore, Mr. Jain said: "The sugar industry is the second biggest in the country. It is unfortunate that it should have been started in that part of the country which is unsuited to it. It was started 20 or 30 years ago in Uttar Pradesh. The Government gave protection to it and the protection is continued even today. Although the industry is run efficiently, its price is higher than that of imported sugar."

Tax Burden Heavy

While the high price of sugar produced in India is largely due to the defective location of units, there is no denying the fact that the heavy incidence of taxation—Central and State—has also been an equally important cause. Taxation alone accounts for as much as 25 per cent. of the total price a consumer pays for his requirements of sugar. Nowhere in the world is such an essential item of consumption as sugar subjected to so heavy a tax burden. Indeed, several sugar-exporting countries give concessions—as, for example, subsidies—to the industry. No industry will, of course, succeed, as Mr. Jain said, by subsidy, for its ultimate success depends upon the ability to produce cheaply. But the point is that the ability of the Indian sugar industry to produce sugar cheaply has been greatly nullified by the tax policies of Governments. In their anxiety to raise as much revenue as possible, the Governments—Central and States—are treating the sugar industry as their milch cow. How can Mr. Jain say that it is up to the sugar industrialists and the cane growers alone to adopt measures which would reduce the cost of production?

The cost structure of the sugar industry is so rigid that there is not much scope for a reduction. One of the main solutions to the problem of high sugar prices, therefore, lies in the downward revision of taxes. This is especially the case with regard to the cess on sugarcane, the raw material. The rate of cess is very high, amounting to as much as 15 per cent. of the cost of cane. The levy of such a high level of tax on a raw material is wrong in principle. When raw cotton—the raw material of the textile industry—and rubber—the raw material of rubber goods manufacture—are not liable to any cess, one fails to understand why the imposition of a heavy cess on sugarcane alone should be continued. In actual effect, since the cess is levied only on the cane crushed by sugar factories, it is a tax that denies to the consumer the full benefit of technological advance and amounts to a penalty on efficiency. It may be noted here that no cess is levied on the cane crushed for making *gur*, a process in which quite a lot of sucrose is left in the cane to be dried up by the sun. It is pertinent to recall here that sugarcane in many countries is treated as a plantation industry like tea, coffee and rubber. Mr. C. K. N. S. Nagarajan, Chairman of the Reception Committee, did well to draw attention to this fact, in the course of his welcome speech. Mr. Nagarajan rightly urged that the same status should be given to sugarcane in this country also.

To revert to Mr. Jain's address. There is considerable force in his statement that, by scientific research and technology, it would be possible to reduce the price of sugar and make it profitable. Mr. Jain claimed that sugarcane cultivation in India had improved in the past 20 years. Here he quoted the example of Walchandnagar where one acre of sugarcane yielded 100 tons. Coimbatore cane is the most popular in the world; in Egypt, 90 per cent. of the cane is of Coimbatore variety. Nevertheless, Mr. Jain opined that there was still scope for further improvement. In this connection, he observed: "During the first Five-year Plan, greater stress was laid on the development of agriculture than in the second Plan. But, in a country like India, for a long time to come, the strength of the nation's economy will depend on agriculture. Therefore, Mr. Nehru has envisaged an increase in the target from 15 to 40 per cent. and I fully share the Prime Minister's feelings. Accordingly, more allocation of money is being made and my Ministry is examining it."

Progress of Sugar Industry

Proceeding, Mr. Jain reviewed briefly the progress made by the sugar industry in recent years. According to him, sugar production last year (1954-55) was 50 per cent. more than in 1953-54, the quantity actually produced being nearly 1.5 million tons. As a result of this marked rise in output, import of sugar was reduced. The foreign exchange thus saved was diverted for the purchase of machinery. The record of last year has been beaten in the current year which is expected to witness a production of about 1.8 to 1.9 million tons of sugar. But, side by side with production, consumption of sugar is also on the increase. The installed capacity of the sugar industry a couple of years ago was 1.5 million tons. So the Government decided to issue licences for another 1.0 million tons; most of the licences were only to South India, which is most suited for cane growing. Mr. Jain regretted that some persons to whom licences had been granted did not make use of them. He made it clear that, since the Government was anxious to bring about a balance between production and consumption, the licences would be cancelled if they were not used.

Addressing the cane growers, Mr. M. Bhaktavatsalam, Minister for Agriculture, Madras State, emphasised the need for cultivating different kinds of crops, instead of sticking to paddy alone. He sought to allay the fears expressed by some cultivators that, by growing sugarcane, production of paddy would diminish. Mr. Bhaktavatsalam stated that the Government had granted licences for starting sugar factories on a co-operative basis in North Arcot, Chingleput and Coimbatore. In Salem also, a co-operative sugar mill would be established. He promised to see to it that a co-operative factory was started in South Arcot, even though a similar factory would soon be opened in the nearby Pondicherry State.

MANUFACTURE OF SUGAR MILL MACHINERY

The Government of India has approved of four schemes for the manufacture of sugar machinery in the country. It will be recalled that, at present, the country makes only machinery for sugar mills other than cane crushing mills and centrifugals. There are six Indian firms which undertake their manufacture against specific orders. In addition to these, there are other firms in India which manufacture machinery for sugar mills, but on a smaller scale. It is expected that a large number of new sugar mills will be established in the country during the second Five-year Plan period. Keeping this in view and the requirements of the existing factories by way of replacement, the Government of India has for some time been considering the possibility of manufacturing the complete range of machinery for sugar mills indigenously. After studying different schemes, it has been decided to approve the schemes of the following firms :

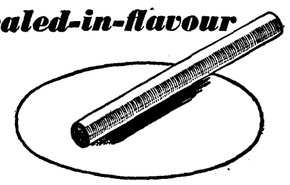
Name of firm	*Name of firm's collaborator*
Walchandnagar Industries Ltd., Bombay.	Skoda Works Ltd., Praha, Czechoslovakia.
Protos Engineering Co., Bombay.	Maschinen Fabriek Buckau R. Wolf A.G., West Germany.
Textile Machinery Corporation Ltd., Belghurriah.	Stork Werkspoor, (Holland).
Indian Sugar and General Engg. Corporation, Yamuna Nagar (Punjab).	A. F. Craig and Co. Ltd., Paisley (Scotland).

It is expected that these undertakings will start production shortly and attain full capacity by 1961 when they will be able to make machinery for eight sugar mills per year.

U.N. WORLD SUGAR CONFERENCE

The United Nations World Sugar Conference at New York is expected to last at least for six to seven weeks more, contrary to anticipations at the time of the commencement—23rd May 1956—that the Conference would terminate at the end of two weeks. The sessions of the Conference are being held in secret. Meanwhile, the world sugar market continues to rule fully steady, with the New York No. 4 (world) contract price not varying much outside the 3.37 cents to 3.40 cents a pound mark. Analysing the recent trends in the world market, the *Financial Times* observes:

"Recently, Japanese buying has provided the greatest interest in world raw sugar markets. The largest tonnages have again been bought from Cuba, but, as a result of the trade agreement signed last week between Formosa and Japan, the latter is now expected to take a minimum of 250,000 tons of Formosan sugar in the year commencing April 1956. Japan is, of course, one of the traditional outlets for Formosan sugar; in the meantime, however, Formosa has been finding substantial outlets among other Far Eastern and Middle Eastern countries. This year appears to have been a disappointing one for British refiners in export markets. By 31st May, Cuba had sold nearly 1.6 million tons of raw sugar, as against just over 1.4 million tons on the same date in 1955."



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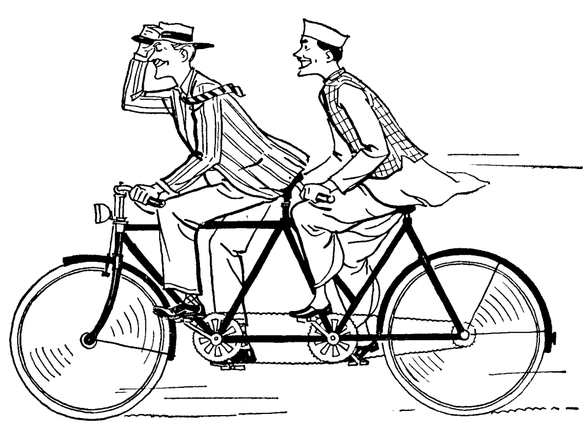

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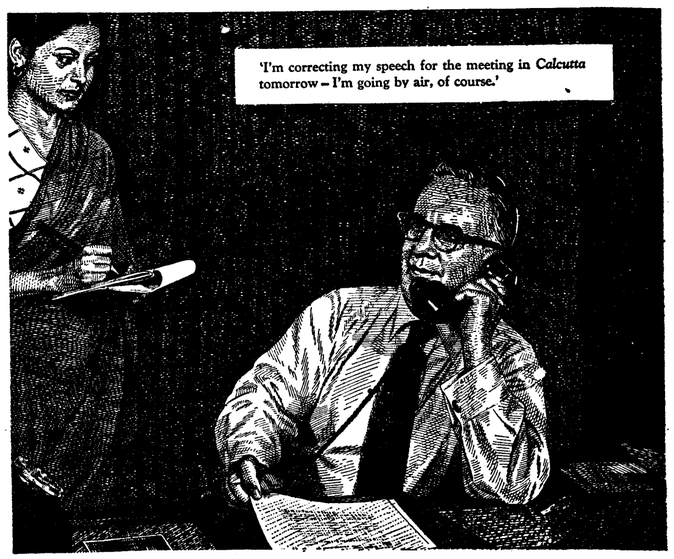

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STABILITY OF TEA INDUSTRY

TEA BOARD TAKES STEP TO INCREASE INTERNAL CONSUMPTION

THE need for bringing about stability in tea prices by establishing equilibrium between supply and demand was emphasised by Mr. H. C. Bannerman, Chairman of the Indian Tea Associaton (London), at the annual Assam Dinner held in London last week. He struck a somewhat alarmist view of the present position of the tea industry when he said that the position today was somewhat akin to that which existed in 1952.

It is true that instability of prices brings no good either to the producer or to the consumer and that it will be desirable to establish some equilibrium between supply and demand, but few will agree with Mr. Bannerman that the present position of the industry is akin to that in 1952. No doubt, production of tea in principal producing countries of the world has gone up sizably over the three years, but this rising production must be viewed against the background of a rising level of consumption in the world, particularly in the tea-growing countries themselves. The economy of the various underdeveloped countries has considerably improved during these three years and there is every prospect of a further improvement in the coming years. There is no doubt a surplus of tea in the world, but such at a time when the level of consumption shows a rising trend should not be viewed with the same degree of concern as it was a few years ago, when consumption was more or less stagnant. With prospects of a rise in the national incomes of consuming countries in years to come, a further steady expansion in consumption of tea, the cheapest beverage so far produced, can be expected. It must, however, be noted that more and more new producers of tea, such as East Africa, have come in the field in recent years and they will considerably add to the world supply. Nevertheless, there is no reason to be unduly pessimistic about the outlook for the industry. The fact that more and more countries are taking to production of tea is itself an indication of the scope for increasing consumption of this beverage.

In order to ensure a greater price stability, Mr. Bannerman said that two factors must be relied on, namely, (1) an international tea agreement, and (2) a renewal of campaigns to expand tea consumption.

International Tea Agreement

From 1933 onwards until 31st March 1955, when it expired, the International Tea Agreement had been administered by the International Tea Committee in such a way that the world suffered neither a shortage nor a glut of tea. This was the boast of Mr. Bannerman. But what was the success of the Agreement due to? The main reason was political. It will be pertinent to recall here the fact that, out of the four signatories to the Agreement, three had remained under the control of the U.K.—the largest consumer of tea in the world and sponsor of the Agreement—while the fourth was dominated by the Netherlands. It suited both Britain and the Netherlands to be of one mind on this issue. The position is now different. The four signatory countries are politically independent and strongly nationalistic in their outlook, with one of them at loggerheads with another. While India has always been in favour of an international agreement on tea, others have not been very keen about it. Indonesia was, of course, ready to toe the line drawn by India, but Ceylon and Pakistan raised numerous issues. The latest position is that, while Ceylon is willing to come in, Pakistan it still reluctant. It has been putting forward a number of proposals which do not appeal to others. In short, the main impediment to reviving the Agreement is provided by Pakistan, evidently due to political differences with India. As far as we can see, there is no prospect of agreement being reached in the near future.

The only other factor on which the equilibrium between supply and demand depends is the expansion in consumption. Mr. Bannerman regretted that, in some parts of the world, the vigorous pre-war propaganda campaigns had not been renewed. In the U.S. and Canada, he said, the post-war campaigns had been well conceived, though the industry had too many disappointments in these countries in the past to be able to build firmly on results there. According to Mr. Bannerman, India offered the most helpful field for expansion of consumption. He felt gratified that the Indian Tea Board intended to "revive the somewhat moribund campaigns in that country."

A step in this direction was taken by the Tea Board last week with the inauguration in Bombay of the first Tea Centre in India. One of the primary functions of the Tea Board is to conduct propaganda both in India and abroad so as to increase the consumption of Indian tea. Though it is three years since the statutory body was set up, it is only now that the first practical step towards increasing internal consumption has been taken. The Tea Board has accepted that, while for many years to come the foreign market is vital to the growth of the Indian tea industry, it cannot overlook the fact that, in the ultimate analysis, only a sound internal consumption can give the right measure of stability to a product which, apart from being influenced by foreign demand, is subject to all the vagaries of an agricultural product. In other words, while India's need of foreign exchange, in the present context of its industrial development, impels that more tea from this country should be sold abroad, yet, in the larger interests of the industry, it is vitally important that the internal consumption must be increased from the present low *per capita* consumption of less than 0.5 lb. per annum to a decent level which will enable the industry to weather any storm in times of crisis in foreign markets. Of the total Indian production of about 640 million lbs., foreign consumers account for 450 million lbs. and Indian consumers for 180 million lbs.

Tea Centre

The Tea Centre opened in Bombay last week is perhaps the first of its kind in Asia. Plans are now being formulated to open the second tea centre at Madras, followed by two more at Delhi and Calcutta. The tea served at the Tea Centre, Bombay, is beyond the means of the middle class, not to speak of the workers belonging to the low-income group. But this does not mean that the Tea Board has no idea of carrying on propaganda among these workers also. Plans are afoot to open canteens in industrial centres and other areas where people with low incomes work. That apart, the chief function of the Tea Centre already opened in this city is to provide the main propaganda platform. The Centre is also demonstrating to the public how tea should be prepared correctly. The activity of the Board is not going to be confined to the cities only. It is being extended to villages through field units. At present, the field units are operating in more than 100 towns scattered throughout the country. Gradually, they will be extended to villages also.

So far as propaganda outside India is concerned, opening of tea councils in various countries on the lines of the Councils in the U.S. and Canada may be taken up by the Tea Board. In fact, Mr. Bannerman suggested that a tea council should be formed even in Britain, where the tea habit is widespread, and expressed the hope that Mr. H. V. R. Iengar, Secretary, Ministry of Commerce and Industry, Government of India, would be able to initiate the formation of such a body during his forthcoming visit to Britain. We, however, wonder whether such a high priority, as has been suggested by Mr. Bannerman, should be given to the opening of a tea council in the U.K., inasmuch as tea is already well known to Britishers and does not require any special propaganda drive.

AUTOMATIC TEA-MAKER

One of the methods by which tea drinking habit can be spread is the adoption of a simple process for tea making, which does not involve too many movements. Experiments done in the U.S. in this connection during the past five years have met with success and an automatic tea maker, like that of an automatic coffee maker, which is already in vogue in the U.S., has been invented, though its production on a commercial scale is yet to be undertaken. This automatic tea maker does away with the separate movements, such as boiling of water, handling the crockery, straining the tea and adding milk and sugar. It is still a commercial secret, but a machine has been presented to the American Tea Trade Association for trial. It is stated that the machine will be very useful to industrial canteens where tea has to be made on a large scale at a given time. It will, of course, be a long time before India takes to automatic tea making, but its adoption in America itself on a large scale will stimulate consumption of tea, the benefit of which is bound to be felt by this country too.

JUTE STOCKS MOUNT UP

MINIMUM PRICE IDEA NOT YET GIVEN UP

WITH the accumulation of more jute goods, the position of jute mills has worsened further. The latest returns of the Indian Jute Mills Association reveal a rise of 11,200 tons to 119,000 tons in the stocks of jute goods held by them at the end of May last. Although this rise is less than the increase of 12,300 tons noted at the end of the previous month, the fact that the upward trend in stocks has continued month after month ever since October 1955 only underlines the urgency for initiating measures to restore the solvency for jute industry. The accumulation of stocks is, as stated in these columns a fortnight ago, chiefly due to increased production and a fall in overseas offtake. The slackness in demand is attributed to high prices occasioned by the high cost of raw jute.

The table below shows the stocks of jute goods at the end of each of the three months ended May 1956 as also at the end of May 1955:

(In tons)

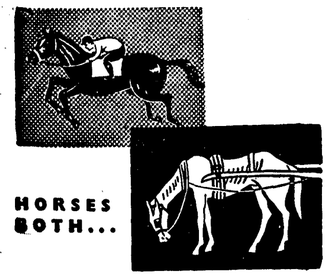
	As on 31st May, 1956	As on 30th April, 1956	As on 31st March, 1956	As on 31st May, 1955
Hessian	40,600	35,900	30,300	40,600
Sacking	71,100	63,300	55,200	52,900
Others	7,400	8,700	9,500	1,200
Total ..	119,100	107,900	95,000	94,700

As will be seen from the table above, the increase in stocks has taken place in both hessians and sackings. Hessian stocks have risen by 4,500 tons to 40,600 tons and sackings by 7,800 tons to 71,100 tons. In marked contrast to the continuous rise in these two main categories of goods, there has been a steady decline in the stocks of other varieties of goods. Thus, from 9,500 tons in March 1956, they had come down to 8,700 tons in April and still further to 7,400 tons in May.

The worsening position of jute mills calls for some quick remedies calculated not only to arrest the rot but also to reverse the trend. It is gratifying to note that the Government of India is seized of the problem. It seems to entertain the view that the stock position could be improved by fixing a minimum export prices for jute goods. The futility of such a step has been pointed out in these columns ere now, and it is needless to refer to it once again. The proposal has been referred to the I.J.M.A. for consideration and this body has discussed the problem for several days during the past fortnight. The industry is stated to be generally opposed to it because it seems to fear adverse reactions from the American market, the most important outlet for jute goods. It has, however, come to no final decision. This delay reflects the industry's hesitance to accept the Government's proposal and in a way goes to confirm the stand already taken by us on the issue, namely, that mere fixation of minimum export price is unworkable and will do more harm than good.

The proposal for fixing a minimum export price first found public expression at the recent meeting of the Export Advisory Council, where Mr. T. T. Krishnamachari, the Minister for Commerce and Industry, expressed his willingness to issue immediate orders disallowing shipment of any goods at rates less than a minimum for hessian and *pro rata* for heavier goods. He added: "Why should your buyer be extremely sensitive when you are selling him at a price far cheaper than what you did after reduction of duty." Advising exporters of jute goods to hold a meeting and evolve a workable solution to the export problem, he said: "Should a minimum export price be fixed, every export contract entered into by an exporter will, I understand, have to be reported to the Government." It is stated that the Government is concerned seriously with the exports of jute goods, because it desires to see that the industry is not beaten down to a low price, owing to the foreign buyers' strong position at the moment.

In addition to fixation of minimum export price, the Government is stated to be paying attention to other measures also in order to reduce the stocks. One of the suggestions put forward before it for this purpose is curtailment of production. The Government, according to Press reports, is averse to limiting production. For it expects that there is bound to be an increased demand for jute goods, on account of the expected rice purchases from Burma and increased consumption of cement in India, both of which require substantial quantities of gunny bags in the near future.



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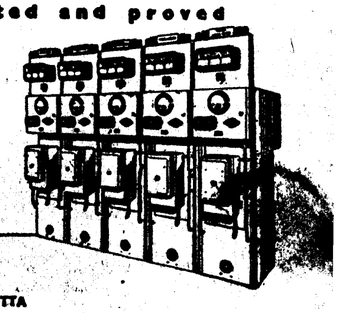

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UNIFORM PRICES FOR STEEL AND PIG IRON FIXED

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THE chief objective of the new price policy for steel and pig iron, announced by the Government of India last week-end, is to give a fillip to consumers of these products in the interior and to introduce into the sphere of pig iron consumption the principle of equalisation in prices—that is, uniform prices for imported and indigenous varieties—which has been successfully operated so far in the matter of steel supplies. Steel and pig iron will be available at an average price of Rs. 525 and Rs. 225 per ton at any railhead in India, inclusive of freight.

The position hitherto was that steel was sold at Rs. 500 per ton at Bombay, Calcutta, Madras, Jamshedpur and Burnpur and varying freight rates were charged for the commodity at other railheads, depending upon the distance from the port towns. This structure of prices dates back to a time when the Indian producers of steel had to quote the lowest prices at port towns in order to compete with imported steel. This consideration has now lost its force, thanks to the fact that Indian steel is much cheaper than imported steel. The continuance of the original arrangement of quoting attractively low prices at port towns is, therefore, regarded as an anomaly. Some steps had no doubt already been taken to rectify this position even before last week's price changes were announced. Thus, the freight element charged for steel in different parts of the country was made subject to a maximum. Further, more recently, prices of steel in Jamshedpur and Burnpur, the two main centres of steel production in India, were brought to the same levels as those in port towns. Previously, the consumer of steel in Jamshedpur, the home of steel, had to pay a higher price than his counterpart in Bombay or Calcutta.

Price Changes

Explaining the significance of the price changes, announced now, an official Press note says: "The basic consideration underlying this change is the desire of the Government to encourage the decentralisation of industries and to reduce the disparities in levels of development between different regions. Hitherto, the price of steel has been the cheapest at ports and the price at all other railheads has been determined by adding to the port price an extra on account of freight. Under the revised arrangement, the freight element will be pooled on an all-India basis." It would appear that many of the inland States, such as Uttar Pradesh and the Punjab, had been urging the Government to improve the position under which the existing price structure placed them at a disadvantage in regard to the development of new industries.

Although the Government realised that it is but natural that the actual cost of transport should be paid by the consumer, so that the growth of industries is based on sound economic considerations and that natural advantages of an area producing a raw material are not neutralised by what can be regarded as a subsidy to the distant consumers, it came to the conclusion that, in regard to iron and steel, a uniform price would be in the best interests of the country. The cheapness of steel at port towns, it is stated, has led to gravitation of most of the industrial units to the port areas. To counter balance this and to secure a balanced development of industries as between different regions of the country, the Government felt that an all-India price for iron and steel would be most advisable.

The effect of the new prices for steel is that consumers in cities like Kanpur and Amritsar will pay Rs. 35 per ton less than what they do now, whereas consumers in the two chief steel producing centres and in the port towns, namely, Calcutta, Bombay and Madras, will have to pay an additional Rs. 25 per ton. Generally speaking, towns beyond 200 miles from the five "ports" will benefit by the measure, while the consuming centres within this distance will have to pay a higher price than now. The average price of steel will, however, be the same for all consumers at railheads. The Government, it is stated, is likely to import about two million tons of steel this year. Nearly half of this quantity will be subsidised from the steel equalisation fund. A substantial quantity—about 400,000 to 500,000 tons—has, however, been imported by private parties who are prepared to pay the non-subsidised rates.

Pig Iron

As regards pig iron, its price has now been raised from Rs. 163 per ton, exclusive of freight, to Rs. 225 per ton inclusive of freight. This increase in price has been effected, because the output of pig iron in the country falls far short of the demand, so that substantial quantities of this raw material have to be imported from abroad this year at prices higher than those ruling in the country. A few weeks ago, it may be noted here, the Government had abolished the import duty on pig iron in order to bring down its cost to consumers. Last week, we referred in these columns to the Indian Foundry Association's estimate of the demand for castings. The demand, according to this estimate, will go up to 750,000—875,000 tons by 1960-61. The two steel plants in the private sector and the one belonging to the Mysore State are, however, expected to produce 573,000 tons of pig iron by 1959 as against their current output of 202,000 tons. The Government-sponsored steel plants are not likely to supply pig iron before 1959. So, for the next two or three years, at least, India will have to augment its supply of pig iron by heavy imports.

The Government, it is learnt, is trying to arrange for import of pig iron from Russia, Poland and other European countries. While negligible quantities were imported last year, India's imports of pig iron in the current year are expected to exceed the indigenous production of 463,000 tons. But the c.i.f. price of imported pig iron is about Rs. 380 per ton, as against the price of Rs. 163 (exclusive of freight) which prevailed till last week in the country. The Government has now raised the price to Rs. 225 per ton (inclusive of freight). But this price will apply to the high-cost imported pig iron as well as to indigenous pig iron. In other words, the principle of equalisation, which has prevailed in the realm of steel prices, is now being made applicable to pig iron. This is an arrangement which the pig iron consumers have themselves advocated. It should, however, be clear that the arrangement will be beneficial to the consumers only if the Government succeeds in importing large quantities of pig iron from abroad.

A notable change in the organisational set-up in regard to steel control is the Government's decision to open two regional offices of the iron and steel control at Bombay and Madras. The Bombay office will cover, besides the Bombay State, the States of Madhya Pradesh, Madhya Bharat, Rajasthan, Saurashtra, Ajmer, Bhopal, Kutch and Vindhya Pradesh. The Madras office will have jurisdiction over the States of Madras, Andhra, Hyderabad-Mysore, Travancore-Cochin, Coorg and Pondicherry. The main function of the new regional office, it is stated, will be to facilitate the issue of import licences and customs clearance permits to the Western and Southern zones of the country and to keep a proper check on the movement of imported steel to the consuming centres without any loss of time.

CORROSION BY SEA-WATER

The centre for oceanographic research and studies in France, founded in 1948, is an organisation which specialises in questions concerning corrosion by sea-water and air. This centre has established a Commission for the co-ordination of sea corrosion, and the fouling of ships, the members of which belong to all those public or private organisations which are interested in these problems. As soon as it was formed, this Commission decided to create two testing stations, one at La Rochelle and the other at Abidjan. The former is situated in the port of La Pallice, and includes a test raft in the floating dock, a spray testing station at the end of the south jetty and a sea-air testing station on the roof of the submarine base. As for the Abidjan testing station, it comprises the same equipment as that of La Rochelle, but because the raft is rapidly fouled by the water, two rafts have been installed and are cleaned alternatively without interrupting the tests. Corrosion is also much more intense than in temperate regions.

The activity in these testing stations is divided between research and the testing of materials and of protective products. Research is being undertaken on such questions as the resistance of bare steel, of protected steel, of light materials and heterogeneous combinations, the working out of a method for the observation, detection and determination of fouling and its growth and the effects of certain anti-fouling paints. In addition, the water is being analysed systematically (temperature, salinity, pH, etc.) near various testing points of La Pallice, and the characteristics of the microclimate of the two stations are being determined.

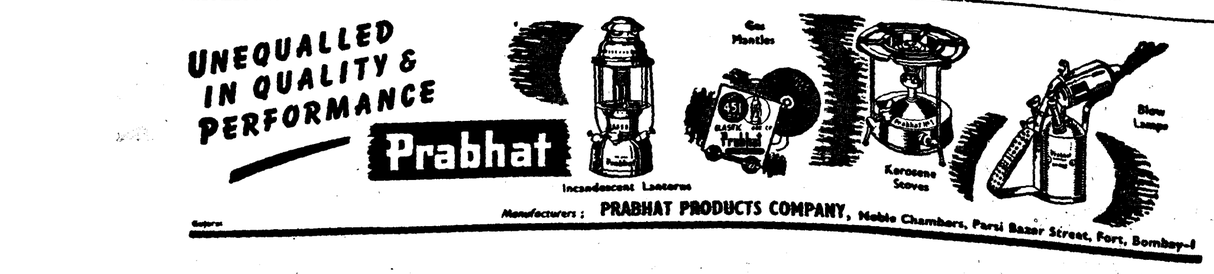
The tests, which are being made at the request of certain public and private bodies (the technical department of the Air Service, the central office for naval building and weapons, the light metal industry, paint manufacturers, etc.) consist in exposing to salt air or to spray certain materials or protective products, particularly anti-corrosive or anti-fouling paints. The samples sent by the applicants are exposed or submerged for a year, during which anti-corrosive paints are examined every quarter, and anti-fouling paints every month, in order to detect the moment when they begin to be corroded or fouled. Tests can be made at any time for anti-corrosive paints; but the anti-fouling paints are generally submerged in March at the La Pallice station, and in October at the Abidjan station, when fouling is most intense. At the end of each test, an official report is sent to the applicant.

DISTRIBUTION OF NATURAL GAS: AIRIAL PIPING

Lamagistère is a small, peaceful and pleasant town of 1,000 inhabitants between Moissac and Agen, in the valley of the Garonne, in France. The town had never been equipped with gas, and it wished to use the natural gas of Saint-Marcet naturally, without too much expense. This would have been difficult if the ordinary methods had been used, for underground pipes involve much expense. Lamagistère has been chosen to carry out a revolutionary and conclusive experiment; the Saint-Marcet gas is carried through pipes above ground.

The gas is extracted near the town under a pressure of 30 kg. per cm 2, the pressure then being reduced in a specially-built station—the "pylon cabin"—where at the same time the gas is filtered, measured and de-odorised. It is again submitted to a maximum pressure of 4 kg., and circulates in a circuit made of very narrow aluminium pipes glued together, or connected by screwed joints. V-shaped cables support the pipes when they cross over a street. These pipes are fitted with a safety device at both extremities which automatically stops the gas when the pipe is broken. The overhead network of Lamagistère, which follows the outlines of the house-fronts, is no more visible than the ordinary electric wires. After a last relaxing of pressure, the gas is delivered to consumers in a "block" which is most often placed inside the habitation. This block about the size of a fist, includes a stop cock, a safety valve and an ordinary meter. A simple device allows the supervisors of the network to find out immediately when consumers are deprived of gas. Several areas can also be supplied with other sources of natural gas, more particularly by a set of mobile containers.

Thus the technique for the laying of overhead piping has been perfected in France. Owing to the excellent results obtained at Lamagistère, this technique will be used at Libourne in the near future—for the distribution of natural gas—and at Sarlat—for the distribution of propane. This achievement, it is stated, is particularly interesting now that plans for the transportation of the Lacq gas are under consideration.



NEW PRODUCTS AND PROCESSES

Radioactive Isotopes

Radioactive installations for automatisation of technological processes are undergoing tests in coal mines in Chelyabinsk region in the U.S.S.R. Such radioactive devices have been used in Pit N 4-6 of the Kopeisk Coal Trust to keep a record of loaded coal trucks taken up to the surface by cage. On the same level as the trucks was an irradiator on one side and an indicator on the opposite side, and the passing trucks absorbed the rays. During this time, the ray counter does not register and the relay functions. The device's supply circuit, in which the truck counter at the control operator's desk is included is closed and the hand on the counter moves ahead one division, thus recording the passing truck. At the 42-Kapitalnaya pit a check was made on how full the skip was loaded.

Vulcanised Fibre

Vulcanised fibre, used for many years by industry, is beginning to find new outlets in consumer products. A laminated plastic made from cotton cellulose bonded in layers by chemical treatment, it is very light in weight and highly shock, wear and abrasion resistant. Some of the uses into which it is moving, according to the U.S.'s biggest manufacturer, National Vulcanised Fibre Company, are hampers and wastepaper baskets. Other markets envisaged include camping goods, toys, containers and apparel accessories. This should broaden the market for the product beyond the highly diversified industrial uses up to the present time. In industry vulcanised fibre is used in all types of handling receptacles, and in specialised applications ranging from textile loom shuttles to parts for bomb sights, from hypodermic needle washers to railway track insulations. Between 1945 and 1955, sales of the product rose from some $16 million to around $28 million.

Mass Mailing

A machine which the U.S. manufacturer, the Burroughs Corporation, claims may cut the production costs of vast mailings, such as magazine subscription and mail order house lists, in half is now on the market. The equipment can handle name and address printing at the rate of 900 lines a minute. Burroughs claims that this is faster than any type of punch card machine so far on the market. In a specific comparison, it is stated that the machine can process a million names and addresses in 75 hours, for a cost of $2,400. On existing equipment this would take five machines some 200 hours, at a cost of $5,300. The equipment is an electronic machine weighing about two tons. It can sort out by electronic "inspection" certain address cards from the total for a specified mailing by passing all the cards through the input mechanism and extracting those required. This process takes less than a minute. In addition to application in high-speed printing of addresses, the equipment may also be used for such purposes as fast billwriting for large utilities and cheque-writing for banks. The cost of a machine outright has not yet been determined. Burroughs Corporation has arranged to rent the equipment at between $1,650 and $5,000 a year, according to the number of simultaneous operations required.

New Safety Aid

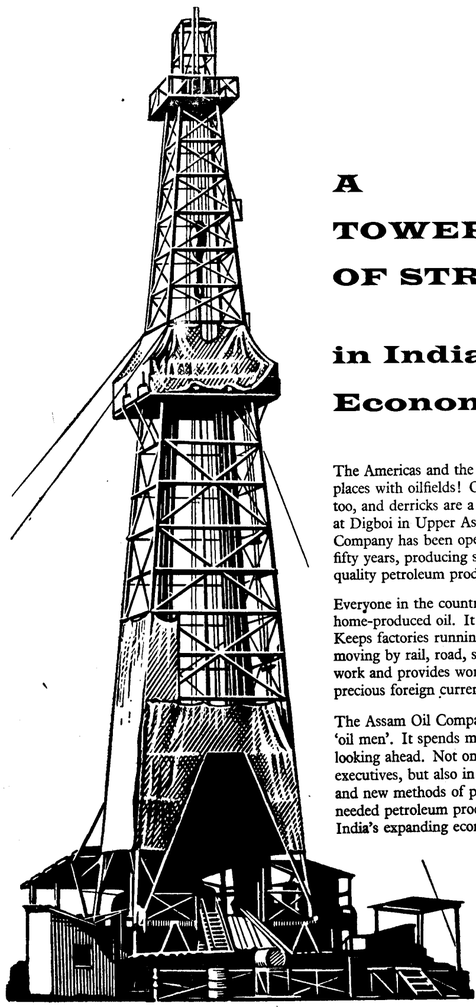
A new type of periscopic television unit, incorporating industrial TV equipment developed by a British firm, has been installed at a London power station for remote observation of the interior of a boiler furnace. With furnaces of the latest type, such as are installed at the power station, it is essential that the jet-injected pulverised fuel remain ignited at all burners—otherwise a serious explosion might result. Safety has hitherto been ensured by constant observation through small inspection doors, but modern boilers have now become so tall that a complete tour of inspection could take half an hour and involve climbing more than 100 ft. of galleries and ladders. The new periscopic TV unit solves this problem by enabling all burners to be observed by one television camera, the resultant picture being displayed on a monitor screen, or screens, at any convenient points in the power station.

Rustproofing

A liquid metallic coating for rustproofing steel surfaces subjected to high temperatures, such as steel chimneys, has been developed by a British firm. The coating is applied cold and does not depend on high temperature to stove, cure, or alloy it to the steel, as is the case in some special aluminium high-temperature-resistant coatings. This is important because most steel chimneys, for example, operate at temperatures below 600° F. The company claims that the liquid metal can withstand temperatures up to 600° F. It can be applied with a paint brush or spray gun. When dry, the coating leaves an anodic metal skin on the steel surface, which gives it cathodic protection.

Mica Plant

An English firm which is the sole manufacturer of chemically-pure wet ground mica in the United Kingdom has just opened a £250,000 extension to complete what is claimed to be the most up-to-date mica processing plant in the world. The new unit is noteworthy in that it is almost entirely mechanically operated—it covers a floor space 224 ft. long and 145 ft. wide and houses 250 items of plant, all looked after by 15 men working in three 12-hour shifts of five each. In the past 12 months about 170 tons of the powder has been exported to Austria, France, and the Netherlands, and among other countries with which trade is being done are India, Australia, Belgium, Canada, Czechoslovakia, Denmark, Finland, Germany, Greece, Hong Kong, Iceland, the Irish Republic, Israel, Italy, New Zealand, Portugal, Siam, South Africa, Sweden, and Switzerland.



A TOWER OF STRENGTH in India's Economy

The Americas and the Middle East are not the only places with oilfields! Oil is produced here in India, too, and derricks are a familiar part of the landscape at Digboi in Upper Assam. The Assam Oil Company has been operating this oilfield for over fifty years, producing some 300,000 gallons of high quality petroleum products daily.

Everyone in the country benefits from this flow of home-produced oil. It speeds food production. Keeps factories running smoothly. Keeps goods moving by rail, road, sea and air. Takes people to work and provides work for them—as well as saving precious foreign currency.

The Assam Oil Company itself employs over 8,000 'oil men'. It spends much time and money in looking ahead. Not only in training technicians and executives, but also in finding new sources of oil and new methods of processing it into the much-needed petroleum products which are so vital to India's expanding economy.

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INSURANCE AND THE ATOMIC AGE

PROVIDING COVER FOR ACCIDENTS

THE generation and use or application of atomic energy have been rightly acclaimed as the most important development of modern life, destined to mark a revolution in world economy more significant than what the use of steam or electric power meant in the last two centuries. Insurers in the West are therefore becoming alive to the necessity for soon equipping themselves with the necessary knowledge about the atomic progress and its effect, so as to be able to provide cover for the risks which this development means to life and property. In the U.K., the Atomic Energy Committee of the British Insurance Association is investigating this subject, while in Europe, a sub-committee of the *Comite' European des Assurances* is engaged in a similar task. The U.S. Atomic Energy Commission, in March 1955, set up an Insurance Study Group to review the insurance problem created by industrial utilisation of atomic energy.

Both the British Committee and the American Study Group have now issued their preliminary reports. The British Committee has emphasised that the insurance market should offer cover for atomic risks "recognising these developments as of the greatest importance in Britain's industrial progress." The Committee considers that the fire and explosion risk is not greatly different from those of a good many modern factories, but there is a quite novel hazard in radio-active contamination that can involve damage both to the power station itself, and the consequent liability to third parties for personal injuries and for damage to their property. The general interim conclusions reached by the U.S. Study Group are that adequate insurance will be available to meet atomic hazards and, in particular, that workmen's compensation hazard could be handled by existing insurance facilities and that the public liability hazard resulting from damage to persons or property arising from the manufacture, construction, ownership or operation of power reactors can be insured by existing insurance facilities up to the limits of liability normally available to the more hazardous types of industrial progress.

Third Party

The Study Group, however, felt that third party liability would be a serious problem in view of the large claims that might occur as a result of a possible, though not necessarily probable, catastrophic accident. It underlined the importance of stringent safety standards, of periodic inspection of licences and of increased experience and knowledge in the power reactor field. Also, it called for further examination of insurance against radio-active contamination of plant and equipment.

The effect of radiation and radio-activity on human beings has been the subject of special study in recent years. The International Commission on Radiological Protection has defined safe maximum permissible levels of exposure which have now been internationally accepted. In the British atomic industry, the recommendations of the Commission have been used as a basis for radiological protection. Reviewing the experience in the U.K., in the London *Financial Times*, Mr. W. G. Marley, Head of the Division of Health Physics, Atomic Energy Research Establishment, Harwell, states that the medical records show very satisfactory standards of health in the atomic industry at present. He adds: "Although the industry in the U.K. has only been in existence for some 10 years, there is already a cumulative experience of over 50,000 man-years and it is thought that significant deductions may now well be made. Partly as a result of the emphasis on radiological safety, the atomic energy industrial accident rate also is remarkably good at 2,000 per 100,000 man-years, and is equivalent to the safest occupations." As regards radio-active wastes, he says that the present methods enable the Atomic Energy Authority to dispose of all waste from present operations in such a way that there can be no conceivable hazard to human beings, farm animals or fisheries. He adds: "Extensive investigations at Harwell have already shown that there will be no insurmountable long-term problem in the safe manipulation, storage or disposal of the enormously increased quantities arising in the generation of nuclear power."

These are, of course, some broad conclusions on the subject. But there is a vast, and still growing, mass of information on this subject which is engaging the attention of the atomic insurance experts. In a lecture at the recent educational conference of the U.K.'s Chartered Insurance Institute, held at Oxford, Mr. A. G. M. Batten, a leading spokesman on atomic insurance, reviewed the information relating to atomic risks. According to a summary of his speech in *The Review*, Mr. Batten said that, so far as insurance reactors were concerned, the chance of accident did not at present seem to be great. But the question of scale of loss, if accident does occur, according to Mr. Batten, looms large, owing to the huge plant and fuel values involved, the wide area over which the effects of the disaster may be felt and the long period of dislocation which may be caused not only to the plant itself and its dependent industries but to the neighbourhood affected. Contractors engaged in the construction of atomic plant also face a risk in that a reactor may "run away" through some negligence of the contractor or fault in the work done. This risk, it is stated, is outside the purview of the usual contractors' insurances.

Householders' comprehensive and other policies may have to be extended to cover both damage due to the reactor, loss due to contamination from the reactor, loss of use if premises have to be evacuated owing to contamination, and depreciation during such evacuation when buildings and contents cannot be cared for. In theory, of course, the sufferer should be able to look for compensation to the owner of the reactor, but in practice he will probably prefer to insure the risk and leave his insurers to their abrogation rights. Insurance against aircraft and articles dropped therefrom is analogous. It is understood that, to be on the safe side, fire brigades will avoid those parts of burning buildings which they know to contain isotopes, whatever the degree of danger from the particular isotope. Such buildings will, in fact, be left to burn. This is a factor which insurers will have to accept; no doubt it will be allowed for in the rating. Meanwhile, as these atomic by-products are coming into increasing use, all industrial firms should be asked from time to time whether they are now using radio-isotopes. Mr. Batten feels that such use is now such a matter of public notoriety that non-disclosure by an insured could not be held against him, the onus really being on insurers to make the enquiry, rather than on the insured to reveal the information.

Transport

The transport by air, sea and land of atomic goods raises certain problems. There are, according to Mr. Batten, two aspects: the risk from the vehicle, and the risk of contamination of goods carried. Until commercial use of atomic-powered transport begins, the latter is academic only. So far, owing to the bulk of the shielding equipment necessary, only sea transport has been tried to any extent; there are several experimental vessels, including two submarines, in being. Accident to an atomic-powered vessel might cause a disaster, of course, if it occurred in harbour or inshore, but the risk should be much less if the ship were damaged on the high seas. In fact, it is not the chance of mishap with the atomic apparatus as such which causes concern in connection with transport, but the risk of collision, or, in the case of aircraft, of crashing. Experiments will go on; at what stage, insurers will be asked to carry the risk, whether for the experimenter or the victim, is yet unknown. Chemical processes ancillary to power generation by nuclear fission, for the purpose of recovering valuable waste products, are becoming an increasingly important factor. The waste products themselves are radio-active and dangerous, and elaborate precautions have to be taken. Insurance will presumably be required for such works, and also to cover the ultimate dumping (usually in deep waters) of the final irreclaimable waste. Finally, there is reinsurance. This covers the question of the appropriate limits to be observed by direct insurers, how and where they are to find reinsurance protection, and the chance of accumulation of risk by professional reinsurers.

Atomic insurance is still in a fluid state. But, as the generation and application of atomic energy to industrial purposes become more widespread than now, there is no doubt that insurers will be called upon to cover the many risks involved in this development. It is not clear whether the Government of India, which is also actively interested in promoting the peaceful uses of atomic energy, is sufficiently alive to the importance of atomic insurance. If it is not already seized of the problem, it is time it gave its attention to it. Meanwhile, private insurers should at least appoint a group of experts to study these developments and to keep close contact with the men and organisations in overseas countries who are interested in this subject.

INDIAN TRADE AND GENERAL

The Indian Trade and General Insurance Company, Ltd. (General Manager: Mr. T. M. Sturgess, Bombay), has, in the course of its bare 12 years of existence, grown from strength to strength until it now ranks with some of the leading insurers in India. There are, in this country, men who decry successful business enterprises in the private sector as being essentially anti-social. They will do well to ponder some of the telling facts and figures which the Chairman of the Indian Trade and General, Lala Karam Chand Thapar, has quoted in his statement accompanying the Company's report and accounts for 1955. During the 12 years of its existence, the Company's income aggregated Rs. 3.42 crores. In some men's minds, income gets mixed up with "profit." It is well to remind them that a large part of this income had to be spent in keeping the business going. Total expenditure consisted of: Claims, paid and outstanding Rs. 1.48 crores (43.3 per cent.); commission Rs. 33.73 lakhs (9.86 per cent.); expenses of management Rs. 1.09 crores (31.72 per cent.); reserves for unexpired risks Rs. 38.41 lakhs (11.22 per cent.) and other provisions and reserves Rs. 9.50 lakhs (2.77 per cent.). All this left a meagre Rs. 3.9 lakhs or 1.14 per cent. of the total income for the shareholders who, from their hand-earned savings, gave Rs. 24 lakhs for the establishment of this enterprise. As against the Rs. 3.9 lakhs received by the shareholders, the 300 men who serve this office received Rs. 10 lakhs by way of salaries, wages and bonuses. The Chairman said: "It will not be out of place to add that we paid bonus to staff long before shareholders received any return on their investment. The founder of your Company, an ex-Managing Director and the present Chairman has throughout this period of 12 years entirely waived the remuneration of Rs. 20,000 a year to which he was entitled under the Articles of Association." These facts should serve to dispel the two popular, but erroneous, impressions that private enterprise has no social conscience and that shareholders of companies receive a disproportionately large return on their investments. Incidentally, we commend to other managements the Indian Trade and General's method of presenting the facts about the Company. In a democracy it is not enough if private enterprise is engaged in public service. The public should be constantly reminded that it is being served.

To turn now to the report and accounts for the year ended 31st December 1955, it is satisfactory to note that the net premium income from all the three general departments aggregated Rs. 58.63 lakhs or Rs. 1.52 lakhs more than in 1954. This increase was shared by both the fire and miscellaneous departments. In the fire department, the net premium income moved up from Rs. 27.67 lakhs to Rs. 28.87 lakhs and in the marine department from Rs. 18.80 lakhs to Rs. 19.77 lakhs. There was, however, a slight decline in net premium income of the miscellaneous department where it was Rs. 9.99 lakhs as against Rs. 10.63 lakhs in 1954. The improvement in underwriting results is reflected in the increased return to shareholders—Rs. 2 per share as against Re. 1-8 paid last year.

In the fire department, net claims, paid and outstanding, accounted for 44.8 per cent. of the premium income, as against 39.5 per cent. in 1954 and commission and expenses of management for 45.8 per cent. as against 45.6 per cent. After maintaining the reserve for unexpired risks at 50 per cent. level, the underwriting profit was Rs. 2.14 lakhs as compared with Rs. 3.25 lakhs in the previous year. The Chairman has stated that indications this year point to an "increase of business in this branch and a possible improvement in underwriting results."

Claims in the marine department accounted for 67.1 per cent. as against 60.1 per cent. in 1954. In this connection, the Chairman has deplored the rise in the volume of damage claims and the fact that "current rates are still below those prevailing in 1939 when conditions all round were infinitely better." Commission and expenses absorbed 30.2 per cent. as compared with 26.9 per cent. The department showed a loss of Rs. 1.10 lakhs, as compared with that of Rs. 1.13 lakhs. But this loss, as the Chairman pointed out, would have been converted into a small profit had the Directors decided to maintain the reserve for unexpired risks at 90 per cent. instead of increasing it, as they have done, to 98 per cent.

A notable feature of the working of the miscellaneous department is that the loss ratio declined from 63.9 per cent. to 52.0 per cent. thanks to selective underwriting. Commission and expenses accounted for 45.7 per cent. as against 39.9 per cent. After maintaining the reserve for unexpired risks at 50 per cent. level, there was an underwriting profit of Rs. 48,843, as compared with a loss of Rs. 1.44 lakhs.

After including the balance carried forward from the 1954 accounts which amounted to Rs. 17,211, there was a balance of Rs. 1.45 lakhs. The payment of a dividend of Rs. 2 per share of Rs. 40 paid-up will absorb Rs. 1.2 lakhs, leaving Rs. 25,247 to be carried forward to current year's accounts.

The financial position of the Company is quite strong. Besides a capital of Rs. 24 lakhs, the Company has reserves and funds aggregating Rs. 41.43 lakhs inclusive of a fire fund of Rs. 14.44 lakhs, marine fund of Rs. 18.98 lakhs and miscellaneous fund of Rs. 5 lakhs.

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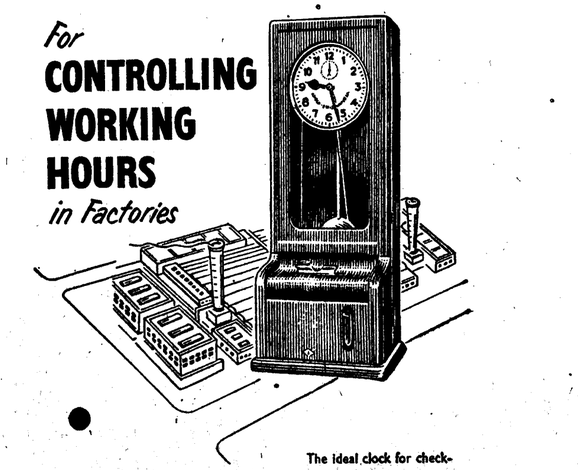
General Manager.



FINANCE ACT OF 1956—I

SALIENT FEATURES ANALYSED

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

EVERY year now, we have the Finance Act, which not only fixes the rate of tax, which it is primarily intended to do, but also amends the *Income-tax Act*, in order to tap new sources of revenue or plug any loopholes discovered for evasion of tax or tighten the screws on the existing provisions.

The advantage from the Government point of view of tacking on the Income-tax Amendment Bill to the Finance Bill is to secure that the amendments come in force simultaneously with the Finance Act. From the point of view of the public, the disadvantage is that, as the Finance Bill is not referred to a Select Committee, the Income-tax Bill also gets an exemption from this necessary important stage of careful, quiet and studied consideration for shaping it by amendments, alterations and additions, so as to meet the largest common measure of agreement amongst the public.

Let us consider here some new features that the Finance Act has introduced this year.

Registered Firms

The most important change that has been introduced is the levying of income-tax on registered firms. A registered firm has been defined as a firm registered under the provisions of section 26A. The effect of registration under this section is that the firm itself is not taxed to income-tax or super-tax, but the individual partners are subjected to both income-tax and super-tax on their individual share. Unlike the unregistered firm, it is, *therefore, not* taxed as an entity at the rate applicable to its total income.

The Finance Act, 1956, levies for the first time a separate tax on a registered firm calculated as follows:

		Per rupee
(1)	On the first Rs. 40,000	*nil*
(2)	On the next Rs. 35,000	9 pies
(3)	On the next Rs. 75,000	12 „
(4)	On the balance	18 „

In order that small partnership may not be affected by this, an exemption is provided upto Rs. 40,000. In other words, a registered firm whose income is Rs. 40,000 or less will not be required to pay this new tax.

The partner of such registered firm is, however, given some relief in respect of his share in the profits of the firm as is equal to the difference between his share in such total income of the firm and his share in such total income excluding income-tax payable by the firm—the share in either case being computed in the manner laid down in section 16(1)(b) of the Act.

If the firm were a registered firm of professionals and not of business men, for example, a firm of solicitors, accountants and architects, each partner shall be assumed to have paid income-tax as well as super-tax on the above difference.

An Illustration

To illustrate it in figures, let us suppose a registered firm has business income of Rs. 2,00,000. It has four partners with equal shares. The share of each partner will be Rs. 50,000. Now on Rs. 2,00,000 the firm is called upon under the Finance Act to pay a tax at the abovementioned rate amounting to Rs. 11,016. Assuming that the partners have no other income, each partner for purpose of income-tax (not super-tax) will be assumed to have paid tax on 25 per cent. of Rs. 11,016, that is, Rs. 2,754, at the rate applicable to the total income of Rs. 50,000. If he is a professional, each partner will be assumed to have paid income-tax as well as super-tax on Rs. 2,754 at the rate applicable to his income of Rs. 50,000.

In justification of the impost, it was stated by the Finance Minister in his Budget speech as under:—

"In the case of the registered firm, no tax is imposed on the firm as such, but its profits are taxed in the hands of the partners according to their respective shares and at rates applicable to them individually. In the case of unregistered firm, the tax is imposed on the firm as such at rates applicable to personal income."

It is true that, between an unregistered firm and a registered firm, the latter enjoys certain benefits, but is that sufficient ground for imposing a tax on this differentiation—which is at best a law-made fiction? Nowhere in the world does such a distinction obtain. The Government first creates an artificial distinction. Then, based on this artificiality, it tries to justify a tax. If such fine distinctions are to be drawn, one may well justify a surcharge rate of tax on salary income as compared with business or professional income. Salary income is regular and is earned without any risk of losing, whereas a business income fluctuates and is uncertain. A person who takes greater risk to earn a certain quantity of income should surely be taxed less than the one who has non-risk income. A person who earns income passively is less favourably treated than one who earns income actively by giving the former and denying the latter "earned income" allowance, which is but a tax relief. Well, when the Government needs money for the crying need of financing its projects and plans, one cannot expect these niceties of a golden scale to prevail.

Dividend Tax

The next salient feature introduced is the change in the corporation tax. Under the Finance Act, 1955, a rebate of income-tax of one anna in a rupee was allowed on the amount by which the total income of a company, to which section 23A did not apply, exceeded the amount distributed as dividend. This rebate has been discontinued. That means the Government thinks that companies conserving their resources do not need any encouragement by means of giving a rebate on their undistributed profits. But, whenever such profits—which previously were subject to a rebate—are now distributed, the Government has taken care to recover back the rebate by the process of rectification under section 35, which in this respect has been expressly amended.

Another feature of the Finance Act, 1955, was an additional income-tax on excess dividend. This has also been discontinued. But, instead, a new feature is introduced of taxing such dividends declared in excess of 6 per cent. of the paid-up capital. The new feature is this. In addition to normal super-tax payable by a company, a special super-tax has been now levied on dividends distributed by it during the previous year in excess of 6 per cent. of the paid-up capital. The rates of this additional super-tax are as follows:

As. 2 in a rupee on the amount of dividend in excess of 6 per cent., but not exceeding 10 per cent.; and

As. 3 in a rupee on the excess over 10 per cent.

This extra super-tax will not apply to all companies in which the public are substantially interested having an income not exceeding Rs. 25,000.

Thus, the only exemption given is to a company, which although a public company and in which the public are substantially interested, has an income not exceeding Rs. 25,000. It is, therefore, clear that all other companies fall within its net, namely, a public company having an income over Rs. 25,000 as well as a private company or a compay in which the public are not substantially interested, known as section 23A companies.

23A Company

There seems to be some well justified complaint against bracketing "Section 23A company" for the levy of this super-tax. The justification for such a tax seems to be that, if the company distributes more than a reasonable portion of its net profit among the shareholders—which the Government thinks should not exceed 6 per cent. on the paid-up capital of the company—the Government is justified in imposing a tax on such excess dividend. Therefore, the underlying idea here is to discourage dividends over 6 per cent. But, when it attacks section 23A companies, which by law are required to distribute at least 60 per cent. of their total income, less taxes, and if they do not, the law will impose additional tax of 8 annas in a rupee in case of an investment company and 4 annas in a rupee in case of other companies on the balance of undistributed profits, the justification for excess dividend tax in their case seems to be rather void of any logical principles. On one hand, the Government compels distribution and, on the other hand, "punishes" such distribution by a tax.

On the Government side, however, it may well be urged that a private company being more or less an *alias* for a partnership, we should levy super-tax at the maximum rate of As. 6-9. There is enough justification for differentiating such companies from public companies in which the public are substantially interested. Now, if this is granted, in other words, if this justification is well-founded, then the levy of super-tax on both public and private companies blunts much of the edge of the controversy, for the excess dividend tax and bonus tax are but forms of rebate adjustment.

Rebate Withdrawn

Part D of the Finance Act, 1956, states:—

	Rate
"In the case of every company—	
On the whole of total income ...	Six annas and nine pies in the rupee."

This overall rate is subject to the following rebates:

(1) A rebate at the rate of 5 annas per rupee of the total income, in case of a company which—

(a) in respect of its profits liable to tax under the Income-tax Act for the year ending 31st March 1957 has made prescribed arrangements for declaration and payment within the territory of India, of the dividend payable out of such profits and for deduction of super-tax under section 18(3D);

(b) is a public company with total income not exceeding Rs. 25,000 to which provision of section 23A cannot be made applicable.

(2) A rebate of 4 annas per rupee of the total income shall be allowed in the case of any company which satisfies condition (a) but not condition (b) of the preceding clause;

(3) A rebate at the rate 3 annas and 6 pies per rupee on so much of the total income as consists of dividends from a subsidiary Indian company, and

(4) A rebate at the rate of one anna per rupee on any other income included in the total income shall be allowed in the case of any company not entitled to a rebate under either of the preceding clauses, e.g., a foreign company operating in India.

Now the new tax on excess dividend and bonus shares is, as already stated, nothing but a readjustment of these rebates.

Tax on Bonus Shares

We have dealt with excess dividend. There is a tax on bonus share issue also. An extra super-tax at the rate of 2 annas in a rupee is imposed on the face value of bonus shares issued during the previous year.

The extra super-tax on excess dividends and bonus issues taken together will not exceed an amount calculated at the rate of 4 annas or 5 annas in a rupee, as the case may be, on the total income of the company. This means, in any event, super-tax on the company shall not exceed 6 annas 9 pies in a rupee, the maximum rate of super-tax imposed.

The Act, therefore, provides that the amount of the rebate under clause (1) or clause (2), as the case may be, of the preceding proviso shall be reduced by the sum, if any, equal to the amount or the aggregate of the amounts, as the case may be, computed as under:

(a) on the amount representing the face value of any bonus shares or the amount of any bonus issued to its shareholders during the previous year with a view to increasing the paid-up capital, except to the extent to which such bonus shares or bonus have been issued out of premiums received in cash on the issue of its shares, at the rate of 2 annas in a rupee;

(b) in addition, in the case of a company referred to in clause (2) of the preceding proviso which has distributed to its shareholders during the previous year dividends in excess of 6 per cent. of its paid-up capital, not being dividends payable at a fixed rate—

on that part of the said dividends which exceeds 6 per cent. but does not exceed 10 per cent. of the paid-up capital	2 annas in a rupee
on that part of the said dividends which exceeds 10 per cent. of the paid-up capital ...	3 „ „

Where the sum arrived at in accordance with sub-clause (a) or sub-clause (b) or both the sub-clauses of clause (1) of the proviso exceeds the amount of rebate arrived at in accordance with clause (1) or clause (2), as the case may be, of the preceding proviso, only so much of the amounts—

(a) issued as bonus shares or as bonus, and
(b) distributed as dividends,

as is sufficient, *in that order*, in accordance with the rates specified in clause (1) of this proviso, to reduce the rebate to *nil*, shall be deemed to have been taken into account for the purpose.

This means that, where super-tax both on bonus shares and excess dividend is levied and together it exceeds the rebate of 4 annas or 5 annas in a rupee, as the case may be, the rebate shall abate, in the order, namely, first abatement will be given to bonus shares tax and then to excess dividend tax.

It further provides that super-tax payable by a company, the total income of which exceeds Rs. 25,000, shall not exceed—

(a) the super-tax which would have been payable by the company if its total income had been Rs. 25,000, and

(b) half the amount by which its total income exceeds Rs. 25,000.

This is a provision for marginal relief in the case of a public company having its total income just over the margin of Rs. 25,000.

Dividend and Paid-up Capital Defined

Excess dividend is to be calculated on "paid-up capital," which is defined as—

"The expression 'paid-up capital' means the paid-up capital (other than capital entitled to a dividend at a fixed rate) of the company as on the first day of the previous year relevant to the assessment year 1956-57, increased by any premiums received in cash by the company on the issue of its shares, standing to the credit of the share premium account as on the first day of the previous year aforesaid."

The expression "dividend" is also defined as follows:

"The expression 'dividend' shall be deemed to include any distribution included in the expression 'dividend' as defined in clause (6A) of section 2."

Therefore, not only dividend as understood under the Companies Law shall be treated as dividend, but also capital distribution deemed to be dividend under section 2(6A).

Agricultural Incomes

Lest in computing excess dividend tax agricultural income or incomes, which have been statutorily exempt, should come to be taxed, the Finance Act provides thus:

"Where any portion of the profits and gains of the company is not included in the total income by reason of such portion being exempt from tax under any provision of the Income-tax Act—

(1) the amount of paid-up capital of the company,

(2) the amount distributed as dividends (not being dividends payable at a fixed rate),

(3) the amount representing the face value of any bonus shares, and

(4) the amount of any bonus issued to shareholders

shall each be deemed to be such proportion thereof as the total income of the company for the previous year bears to its total profits and gains for that year other than capital gains or capital receipts reduced by such allowances as may be admissible under the Income-tax Act which have not been taken into account by the company in its profit and loss account for the year."

There is also a provision that, where premium on shares is capitalised as bonus shares, it shall not be taxed, the reason being that capitalisation is not out of profits, but out of cash paid as premium.

Proposals Summarised

To summarise the proposal of new taxes on companies:

(1) A super-tax at the rate of 2 annas and 3 annas per rupee on excess dividend over 6 per cent. of the paid-up capital of the company shall be levied;

(2) paid-up capital shall include premium on shares;

(3) it shall exclude capital entitled to a dividend at a fixed rate, that is, preference capital;

(4) dividend shall be deemed to include dividend as defined in section 2(6A);

(5) but shall exclude dividends from profits and gains exempt from tax and as such not included in the total income of the company;

(6) in the latter case—

(i) the amount of "paid-up capital" of the company;

(ii) the amount of dividend, excluding preference dividend;

(iii) the amount of the face value of any bonus shares, and

(iv) the amount of any bonus issued to the shareholders

shall each be deemed to be such proportion as the total income of the company for the previous year bears to the total profits and gains, other than—

(a) capital gains or capital receipts and

(b) reduced by allowances permissible under the Act which the company has not taken into account in its profit and loss account, for example, depreciation allowance at prescribed rates;

(7) no bonus tax will be levied where capitalisation is out of premium on shares received in cash.

(To be continued)

"TAX-FREE" OFFERS TO U.K. SHIPPING COMPANIES

Two countries in the British Commonwealth—Bermuda and Jamaica—have extending invitations to British shipowners to consider the advantages of tax concessions which will follow the establishment of shipping companies in those countries. Disclosing this in an interview after the Council meeting of the U.K. Chamber of Shipping, in London last week, Viscount Simon, Vice-President of the Chamber, said that Jamaica's Minister of Finance would be visiting the U.K. shortly in this connection.

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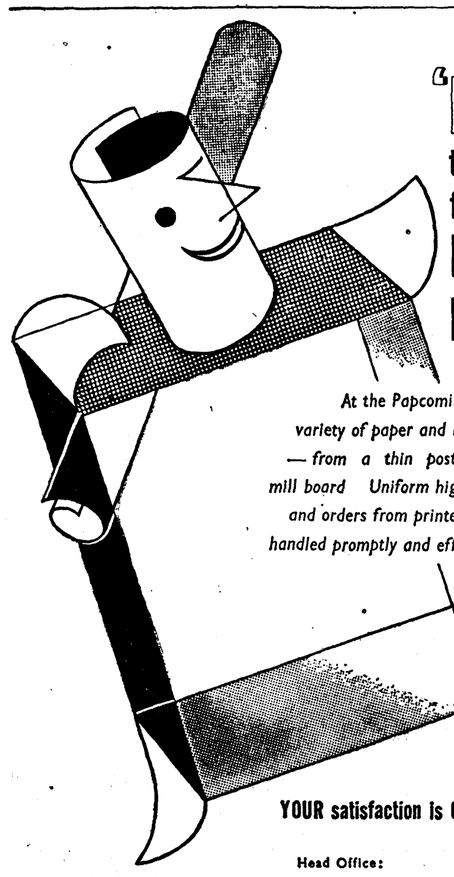

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INDIAN TRADE AND GENERAL INSURANCE COMPANY, LTD.

ANOTHER YEAR OF SATISFACTORY RESULTS—DIVIDEND RAISED

LALA KARAM CHAND THAPAR'S STATEMENT

THE public will be in a position to judge in two or three years' time whether the nationalisation of life insurance, which had proved a failure in almost every other country in the world where it had been tried, will be a success in India. This view is expressed by Lala Karam Chand Thapar, Chairman of the Indian Trade and General Insurance Company Ltd., in his statement accompanying the accounts of the Company for the year ended 31st December 1955. In answer to criticisms of private enterprise, Lala Karam Chand cites a few facts about the Company. These facts should convince the discerning few that the Company's business is being conducted on sound and conservative lines.

The following is the full text of Lala Karam Chand's statement:

"Once again, I am happy to be able to report further expansion of your Company's business and, if this has not been so marked this year as in the last few years, I hope you will agree that the accounts presented disclose a continued strengthening of your Company's reserves which will enable us to play a full part in the increased tempo of industrial expansion which plays such a large part in the Government of India's second Five-year Plan.

"What is of paramount importance is that we have been able to maintain our place amongst the leading Indian insurance offices, an achievement which should not be lightly disregarded in these highly competitive days. Our gross world-wide premium for the year fell a little short of a crore of rupees and our net premium in all departments totalled Rs. 58,63,163, as against Rs. 57,10,597 in 1954.

"To the net premium income of Rs. 58,63,163 must be added interest and dividends (less income-tax) amounting to Rs. 1,91,571 and miscellaneous receipts of Rs. 13,587; the total income of the Company thus amounted to Rs. 60,68,321; claims paid and outstanding take Rs. 31,40,787 (53.5 per cent.), commissions, expenses of management and foreign taxes Rs. 23,75,359 (40.5 per cent.); and bad debts and other debits account for a further Rs. 1,19,803 (2.04 per cent.) leaving a balance of Rs. 4,32,372, to which must be added the balance carried forward from the previous year amounting to Rs. 17,211, making a total credit balance of Rs. 4,49,583 (7.67 per cent). Out of this balance, an amount of Rs. 2,59,303 (4.4 per cent.) has been placed to the reserve for unexpired risks in all departments and, after making a provision of Rs 43,033 for taxation, there is an available balance at the end of the year of Rs. 1,45,247.

"Having regard to the satisfactory underwriting results combined with the favourable margin between the aggregate book and the market values of our investments at the close of the year, your directors have decided to recommend an increase in the dividend from Re. 1-8 to Rs. 2 per share, free of tax.

"The sum of Rs. 1,20,000 which it is proposed to distribute to shareholders is well covered by net interest earned by the Company on its investments which amount to Rs. 1,91,571.

Fire Department

	Net premiums Rs.	Surplus Rs.	Percentage of premiums
1955	28,87,406	2,13,827	7.4
1954	27,67,331	3,25,415	11.7
1953	25,97,027	2,47,846	9.5

"In my statement to shareholders last year I said that, consequent upon the reduction of fire premium rates combined with some serious fire losses reported in the early months of 1955, it was unlikely that the very favourable underwriting results of 1954 would be repeated this year and my prediction has, unfortunately, been justified in the event.

"In the circumstances, however, results can be considered satisfactory and credit is due to those in charge of the Company's underwriting in this department.

"That there was only a modest increase of 4.3 per cent. in the premium income is to an appreciable extent due to the devaluation of the Pakistan rupee and the substantial reduction in the fire premium rates to which I have already referred.

"Indications this year point to an increase of business in this branch and a possible improvement in the underwriting results; let us hope that events will in due course justify my guarded optimism in this regard.

Marine Department

	Net premiums Rs.	Fund as at 31st December Rs.	Percentage of premiums
1955	19,77,035	18,97,941	96
1954	18,80,133	16,92,120	90
1953	16,75,458	13,25,967	80

"There is little change in market conditions since my statement last year.

"There are possibly some signs of a slight improvement in claims for theft and pilferage, but, on the other hand, the very small profit margin on which shippers are operating in the present 'buyer's' market is, undoubtedly, reflected in the volume of damage claims received and one is sometimes led to believe that we are now expected to cover trading losses however they may arise.

"One welcome event is the reintroduction of a limitation of the period of cover after discharge of cargo, but current rates are still below those prevailing in 1939 when conditions all round were infinitely better and there has been no halt in rate cutting, notwithstanding the substantial reduction in 'war' rates.

"The continuation of the present competition for premium income irrespective of results can serve nobody's interest but the assured's.

"Once again we have thought it prudent to strengthen the marine fund by a transfer from the profit and loss account which brings our reserve up from 90 to 96 per cent. of our premium income—it is not out of place, however, to remark here that, had your directors decided to maintain the previous level of reserve at 90 per cent., there could have been a small underwriting profit on the account.

Accident Department

	Net premiums Rs.	Surplus Rs.	Percentage of premiums
1955	9,93,722	48,843	4.9
1954	10,63,133	(1,48,726)	(13.5)
1953	9,03,662	86,104	8.9

"I said in my statement last year that, as a result of more selective underwriting, there was likely to be a fall in premium and this has proved to be the case; on the other hand, we have, as a result, succeeded in reducing our loss rate from 63.9 to 52 per cent. and are once again able to make a transfer to profit and loss account.

"Private motor car business, however, continues to be unremunerative and the level of premium rates bears no economic relation to the ever-increasing cost of claims; in this context it is astonishing to find people occupying positions of responsibility saying the same breath that, whilst the loss experience displays an upward trend and a further increase of rates for private car comprehensive cover is warranted, we should not rely on increased rates to enable us to put this business on a profitable basis. With more and more private car traffic on the roads and the ever mounting cost of repairs, premium rates have fallen once again well below an economic level and an upward revision of rates is already well overdue.

"It has only been by developing other branches of miscellaneous accident business that we have been able to produce a surplus in this account.

Balance Sheet

"The balance-sheet follows the same pattern as the previous year and calls for no particular comment; interest and dividends less tax deducted at source give the satisfactory return of 4.23 per cent. on the aggregate book value of our investments.

"On these occasions I am expected to say something about major events which may directly or indirectly affect our business and, of course, the nationalisation of life assurance early this year must take pride of place; however, so much has already been said on this subject that there is little point in my adding to the many and various views already so freely ventilated; in two or three years' time we shall be in a position to judge whether this experiment, which has proved a failure in almost every other country in the world where it has been tried, can be a success here in India.

"The repercussions are twofold; first, composite companies are now undergoing a surgical operation which will separate the life from the general section of their business and, whilst I have no doubt that the operation will be pronounced successful, I fear that many of the weaker patients will not long survive the surgeon's knife.

"Secondly, general insurance offices, such as yours, are now in the limelight and those who think that nationalisation is the panacea for all ills now focus their gaze on us.

Progress of the Company

"At a time when it is fashionable to decry private enterprise and those who have devoted all their time, talent and energy to building it up, I may perhaps be permitted to present a few facts about your own Company which, if they prove nothing else, may convince the discerning few that, far from having anything to be ashamed of, we can, on the contrary, take pride in the sound and conservative lines upon which we have managed and continue to conduct our business.

"I set out below an analysis of the total net income and outgo of your Company over the period of 12 years since we commenced business in 1944:

	Rs.		
Total premium income	3,26,72,376		
,, interest and dividends	13,17,874		
,, miscellaneous receipts	2,80,437		
	3,42,20,687		
Total claims paid and outstanding ..	1,48,18,004		43.29
,, commissions paid —net ..	33,78,278		9.86
,, expenses of management ..	1,08,58,843		31.72
,, reserves for unexpired risks ..	38,41,005		11.22
,, other provisions and reserves ..	9,49,557		2.77
,, dividends	3,90,000		1.14
	3,42,20,687		100.0

"The total commission and management expenses at 41.58 per cent. of the net premium will bear comparison with almost any company anywhere in the world and there can surely be no room for criticism on this account, whilst the claims ratio most certainly reflects the soundest underwriting principles.

"As against just over Rs. 21 lakhs of reinsurance premiums ceded abroad in 1955, we received Rs. 38 lakhs of net premiums from our overseas connections—surely this does not justify criticism on account of mismanagement.

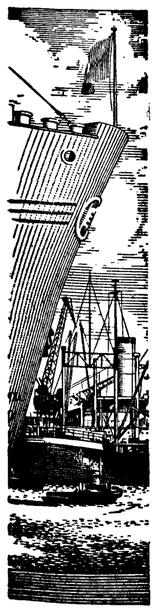
"We give employment to a staff of over 300 to whom we paid last year in salaries, wages, contribution to provident fund and bonuses in the aggregate a sum exceeding Rs. 10 lakhs; it will not be out of place to add here that we paid bonus to our staff long before shareholders received any return on their investment. The founder of your Company, your ex-Managing Director and present Chairman, has throughout this period of 12 years entirely waived the remuneration of Rs. 20,000 a year to which he was entitled under the Articles of Association. I sincerely hope that these few facts and figures will be sufficient to convince you that we are quite capable of running our business in accordance with the best traditions and hardly merit the wild allegations constantly levelled against the industry from certain ill-informed quarters.

Ills of the Industry

"Although the Government have recently repeated their assurances that they have no intention of nationalising general insurance, it cannot be denied that our industry suffers from certain longstanding ills which must be put right; in this connection, I strongly deprecate the feeling, often expressed by some executives of insurances offices, that we should ask Government to put these matters right for us; surely, it is not impossible for Indian offices acting together with patience and forbearance to find an equitable solution to their problems, and it is a terrible confession of ineptitude and weakness in the trade, if we cannot put our heads together and find a remedy for our own ills.

"I sincerely hope that those now seeking a remedy will have learned from the lessons of the

(Continued on page 1160)



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DEVELOPMENT OF FISHERIES

OUTPUT TO BE RAISED BY 50 PER CENT. IN TEN YEARS

THE importance of developing fisheries in India can hardly be exaggerated. Every year, fisheries contribute about Rs. 27 crores to the country's national income, keep engaged about 75,000 craft of various types along a coastline of about 3,000 miles and give employment to some 750,000 fishermen. Although the role thus played by fisheries in the economy of the country is noteworthy, it could be increased three to four times more effectively by the adoption of progressive and scientific methods of deep-sea fishing. This is evident from the discoveries of Mr. G. S. Illugason, an Icelandic master fisherman, employed by the Food and Agriculture Organisation on a fisheries mission to India. According to him, the use of nylon gill-nets introduced by the F.A.O. to the fishermen on the east coast of India has resulted in as much as 500 per cent. increase in catches and in about 300 per cent. increase in the earnings of these fishermen. Giving details of his experience at the F.A.O. headquarters in Rome, recently, Mr. Illugason said:

"I have been working along the Madras and Andhra Coasts, demonstrating the nylon bottom gill-net. The fishermen on the east coast mostly fish from catamarans which are log rafts and use bag nets made of cotton. We have demonstrated that they can catch five times as much fish, if they use bottom set nylon gill-nets. What is more, they catch bigger fish and species they rarely trap in their cotton nets. The important fact is that nylon gill-nets can be used from the bigger catamarans. A five-log catamaran with a crew of four can use a set of five 30-fathom long nylon gill-nets, and the men can increase their earnings by at least 300 per cent., a factor of far-reaching economic and social significance."

Motor Boats

Mr. Illugason demonstrated the superior efficiency of motor boats to the fishermen. These latter now seem to have learnt the art of handling the boats and gear and fish effectively on their own, and thus have multiplied their earnings. This has created a strong demand for small mechanised boats and the Madras Government is making several such craft available to the fishermen under the Five-year Plan.

The Icelandic master fisherman has also discovered a "gold mine" in the form of a vast shrimp ground stretching more than 140 miles along the Malabar Coast. The shrimps (water animals) average about 4 to 5 inches in length and live in about a four-mile wide strip stretching from Beypore in the north to Mangalore in the south. Between 21st March and 18th April last, the local fishermen were able to catch 11,306 lbs. of shrimp and fish. It is stated that the commercial and economic consequences of the discovery will be most favourable to fishermen. With their big nets, they could only catch shrimp during the monsoon in small quantities. Now with mechanised boats they can catch, it is stated, ten times as much during mid-winter and spring and increase their earnings. A private fish processing company has already started an export trade in frozen shrimp. The F.A.O.'s naval architects have designed 30 and 32-foot boats, powered with 30 h.p. engines to travel in the new region. If full encouragement is provided to the fishermen on the West Coast, the prospects for building up a lucrative export market in shrimps will undoubtedly be bright.

State Assistance

In recent years, efforts have been made to increase the production of both fresh-water fish and sea fish. Progress in this field has received an impetus from the Central and State Governments alike. The technical and other assistance, received under the Indo-U.S. Technical Co-operation Programme, the Indo-Norwegian Fisheries Community Development Programme and, as stated above, from the F.A.O. has also helped enhance the pace of progress.

In the first Five-year Plan, provision was made for an expenditure of Rs. 5 crores. In the second Plan, the outlay on fisheries has been raised to Rs. 12 crores. Of this, the Centre's share is Rs. 4 crores and that of the States Rs. 8 crores. It is to be hoped that in implementing the programmes for development, the Central and State Governments will give priority to the suggestions of Mr. Illugason.

It will be appropriate to recall here the progress of fisheries in India under the first Five-year Plan. At the beginning of the first Plan, India produced about one million metric tons of fish per annum, the average catch per head being near 2,500 lbs. The improvements effected in the means of production during the Plan period increased the yield by about 10 per cent. and production in 1955-56 was estimated at 1.1 million metric tons. These improvements included new methods of fishing, bringing under fish culture large sheets of water currently lying fallow, introduction of new methods of scientific fish farming, and better forms of storage, transport and marketing. Research helped to reduce the mortality rate of fry and fingerlings in nursery and rearing ponds as well as during transport. Developments of fisheries in larger reservoirs was for the first time undertaken as an organised experiment. Some State Governments undertook legislation to bring neglected waters under fish culture.

Steps to Augment Output

In the maritime States, mechanisation of indigenous craft and introduction of trawler fishing have been the steps taken to augment fish production. While mechanisation will step up sea fish production, the possibilities of a good haul will still be limited without adequate mechanical know-how. Private enterprise has been attracted to carry on trawler fishing, based on the results of the exploration conducted by the Government of India. Small power vessels are, therefore, being used for introducing new techniques of fishing such as fishing with flat trawl, shrimp trawl, improved types of gill-net and drift-net. Instruction in these techniques is being given under the foreign aid programmes.

Another significant achievement during the first Plan period was the organisation of about 800 fishermen co-operatives for credit production and marketing.

Development schemes of the State Government under the second Plan are expected to cost about Rs. 8 crores, as stated already. The schemes covered by this expenditure relate to fish farming and demonstration, improvement of fishing craft and mechanisation, and development of fishing harbours, training and extension. Provision is also made for the supply of fishery requisites, intensive seed collection and distribution and introduction of fish culture in lakes and fishermen's co-operatives. Further, attention is being paid to scientific development in spheres where effete methods have failed to increase India's fish production. If all the development plans currently envisaged are implemented, fish production will go up, it is stated, by 50 per cent. in the next ten years.

IRREGULARITIES IN TWO STATE-OWNED UNITS

The Estimates Committee's twenty-seventh report submitted to Parliament recently embodies its conclusions and recommendations on the activities of the Hindustan Antibiotics Ltd., Pimpri, and the Hindustan Insecticides Ltd., New Delhi. Both the concerns are owned by the Ministry of Production. The Committee's investigations into the activities of both the concerns reveal a number of irregularities and lapses. The Hindustan Antibiotics Ltd. was registered under the company law on 1st June 1954. It took over the Penicillin Bottling Plant at Bombay on 1st February 1955. The plant, located at present in a new building at the Haffkine Institute in the city, is to continue to be operated there till the filling and packaging section is ready at Pimpri.

The penicillin factory at Pimpri was initially planned to produce 3.6 million mega units of penicillin per year to start with, rising subsequently to 9 million mega units per year. The total estimated expenditure on the project was Rs. 1.86 crores, of which Rs. 1.29 crores were to be contributed by the Government of India, the balance being the cost of imported equipment contributed by the U.N. International Children's Emergency Fund. According to the original schedule, production ought to have started by 1st December 1953, but actually the first step, namely, the seeding of penicillin, was undertaken on 14th December 1954, and trial operations commenced only in March 1955.

The original estimates provided for the manufacture of streptomycin. But, as the cost of penicillin equipment alone absorbed the entire estimated amount, the plant for streptomycin was not supplied. The Estimates Committee has recommended that negotiations for getting equipment for the manufacture of streptomycin should be expedited.

The management, it is stated, had not prepared its accounts within 18 months after its incorporation and placed before the Company for approval, as required by the Articles of Association. This lapse has been criticised by the Estimates Committee.

Of the sale proceeds of all the products of the factory amounting to about Rs. 47 lakhs, as much as Rs. 10 lakhs were spent on staff. This sum is considered to be very high. The Company has been advised to cut down the staff wherever necessary. The Estimates Committee notes that there is scope for further improvement in the replacement of imported raw materials by indigenous materials.

The Committee is evidently not satisfied with the existing selling arrangements for the Company's products through only one firm. It has advised a revision of this policy after the expiry of the term of the present agent, so that many firms all over the country may be given the chance of selling its products.

The Committee is of the view that, as far as possible, care should be taken to fix the selling price not below the cost of production and that the price should also include a certain amount of return on capital. With a view to increasing the outturn in the factory, it has advocated the introduction of the system of payments of wages linked to outturn. It has also recommended the manufacture of penicillin ointment after consultations with experts.

It is stated that the Company has approved of a plan to give facilities to a glass factory to set up a fully automatic machine for making neutral glass vials, adjacent to the present penicillin factory. In this connection, the Committee suggests that care should be taken to avoid any commitment with the proposed glass factory, before hand, without paying attention to the quality, price etc., of the glass products manufactured by the latter.

Similarly, the Committee does not seem to have been satisfied with the way in which the Hindustan Insecticides Ltd. was established at New Delhi. It has noticed many drawbacks and lapses which do not speak well of a Government that proposes to play a very dominant role in building up industries in the second Five-year Plan period. The construction of the D.D.T. factory, for instance, did not proceed according to plan for lack of a workable plan drawn by those connected with it. Although the equipment needed by the factory and supplied by U.N.I.C.E.F. came earlier than the original schedule, it had to remain idle for one year. The explanation given for the delay, namely, lack of experience, has not been accepted by the Committee, since experienced personnel for constructing buildings and erecting the structural works for the factory were available in the country. The story did not end there; for even after the machinery was set up, production difficulties had been experienced owing to lack of spare parts and the difficulty in obtaining them. And some of the new features of the D.D.T. plant were new even to the advisers made available to the factory by the U.N.T.A.A. The Committee, therefore, suggests that, in future, the Government should satisfy itself that the advisers appointed under any agreement are persons who are conversant with all the detailed technical matters connected with the agreement.

The management of the Hindustan Insecticides is involved also in another trouble. It is experiencing difficulties in acquiring the land on which the factory is at present situated. It was chosen because it was near to the Delhi Cloth Mills and Chemical Works in Delhi so that it would be convenient to have raw materials such as chlorine, sulphuric acid and alcohol. Before undertaking the construction work, full examination of the ownership of the land was not made nor were the terms of agreement for the purchase or taking the land on lease finalised.

Another defect noticed by the Committee is the conclusion of an agreement for the sale of the hydrochloric acid produced by the Company to the D.C.M. Chemical Works for a period of six years. The price at which it is sold is not revealed. The Committee, however, feels that had the Government insisted on the agreement for the disposal of hydrochloric acid forming part of the agreement for further supply of the raw materials by the D.C.M. Works, it would have been in a better position to obtain a more favourable rate for the acid.

Although the defects and lapses noted above are regretted, it is to be hoped that the experience gained now would help the Government in avoiding a repetition of the mistakes in future at least.

JAPAN-THAILAND TRADE AGREEMENT

Japan has entered into a trade agreement with Thailand, with a view to promoting the trade between the two countries. The agreement was signed at Bangkok by Japanese and Thai representatives on 9th April last. Under the new agreement the payments will be on a cash basis. The agreement provides for the suspension of old open account formula governing the trade between the two countries under the payments agreement signed in September 1952. The outstanding balance under the open account formula remains in favour of Japan to the extent of $14.8 million in actual and $26.7 million in projected balance. In order to dispose of these balances, the two nations have agreed to adopt the following methods: (1) The open account formula should be used in payments for rice which Japan will import this year. (2) Japan should make every attempt to purchase Thai commodities under the old account formula. (3) The final payment of the overall net balance should be made in cash on or before the end of July 1957 and thus abolish the open account system.

Hitherto, trade between Japan and Thailand has been carried on very smoothly, Japan buying rice and other goods from Thailand and the latter purchasing from Japan textiles machinery and metal products. Japan's exports amounted to $55.4 million in 1954-55, as against $61.0 million in 1953-54. The country's offtake of Thai goods amounted to $73.3 million in 1954-55 as compared with $72.1 million in the previous year. Thailand accounts for about 3 per cent. of Japan's total trade.

The Thai-Japan trade agreement now concluded reflects, it is stated, the recent world-wide trend towards liberalisation of trade. It also stems from the difficulty experienced by Thailand in keeping track of payments under the open accounts system, since it abolished its foreign exchange centralisation system last year.

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ALEX. IZAT,
General Manager.

A.B. 10

THE BANK OF INDIA, LTD.
ESTABLISHED 7th SEPTEMBER, 1906
CAPITAL SUBSCRIBED ... Rs. 5,00,00,000
CAPITAL PAID-UP ... Rs. 2,50,00,000
RESERVE FUND ... Rs. 3,52,00,000
Head Office:
MAHATMA GANDHI ROAD, FORT, BOMBAY.
BRANCHES IN INDIA:
AHMEDABAD (Main Office), Bhadra, Bhatia Bridge, Gandhi Road, Manek Chowk, Station Branch
AMRITSAR, BANGALORE
BOMBAY, Andheri, Bandra, Bullion Exchange, Colaba, Kalbadevi, Malabar Hill
BHUJ (Kutch)
CALCUTTA, 23-B, Netaji Subhas Road (Main Office), Bara Bazar, Chowringhee Square
COIMBATORE
DELHI
GANDHIDHAM (Kutch)
HYDERABAD (Deccan)
JAMSHEDPUR
JUNAGADH
KOZHIKODE (Late Calicut)
MADRAS
NAGPUR, Kingsway, Itwari Bazar
NEW DELHI
PALANPUR
POONA, POONA CITY
RAJKOT
SURAT
SHOLAPUR
VERAVAL
FOREIGN BRANCHES:
LONDON—17, Moorgate, London. E.C. 2.
ADEN, DAR-ES-SALAAM, JINJA, KAMPALA, KARACHI MOMBASA NAIROBI, OSAKA, SINGAPORE, TOKYO.
DIRECTORS
SIR COWASJEE JEHANGIR, Baronet, G.B.E., K.C.I.E. (Chairman).
Mr. AMBALAL SARABHAI.
SIR JOSEPH KAY, K.B.E.
Mr. DINSHA K. DAJI.
Mr. RAMNIWAS RAMNARAIN.
Mr. BHAGVANDAS CHUNILAL MEHTA.
Mr. KRISHNARAJ M. D. THACKERSEY.
Mr. A. D. SHROFF.
Mr. MADANMOHAN MANGALDAS.
Current Deposits Accounts.—Except at certain places interest is allowed on daily balances from Rs. 500 to Rs. 1,00,000 at ½ per cent. per annum. No credit will be given for interest amounting to less than Re. 1 per half-year.
Fixed, Short and Savings Bank Deposits received on favourable terms. Rates on application.
Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.
The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.
Every Description of Banking Business Undertaken.
D. R. THOM, *General Manager.*

INDIA BELTING & COTTON MILLS LTD.

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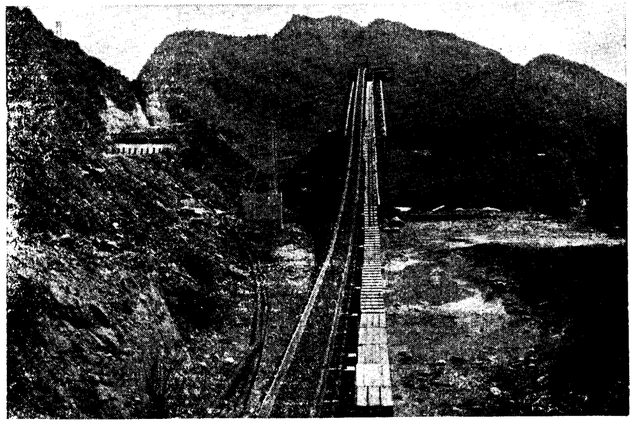
COTTON BELTING
ELEVATOR
HOSE-PIPES
TRAIN LIGHTING BELT
GRAM: "INDOBELT" SERAMPORE
SHANPIRI LANE, SERAMPORE.
PHONE: SERAMPORE 371

At Bhakra, where the Sutlej has cut deep gorges in the mountains and strewn its banks with boulders, an endless conveyor belt carries these aggregates to the location of the dam. The conveyor system, the longest in India, is operated with push-button ease. The belt was made by Dunlop in India.

Dunlop conveyor belts, made to B.S.S. at Sahaganj, are superior :
★ *Tailor-made for specific service conditions.*
★ *Spliced at site by a Mobile Splicing team.*
★ *Tested rigorously to ensure world-famous Dunlop quality.*

moving mountains by push-button
DUNLOP
conveyor belts

Dunlop conveyor belting at the Bhakra Nangal Dam. DRAC-31



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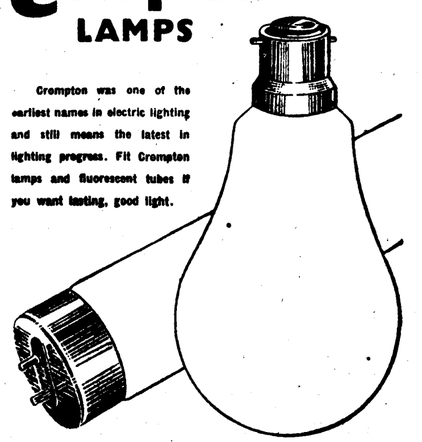
Crompton was one of the earliest names in electric lighting and still means the latest in lighting progress. Fit Crompton lamps and fluorescent tubes if you want lasting, good light.



Greaves Cotton & Crompton Parkinson (Private) Ltd.
P. O. BOX 91, BOMBAY P. O. BOX 166 CALCUTTA

Notices

HERCULES INSURANCE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE TWENTY-FIRST ORDINARY GENERAL MEETING of the shareholders will be held at the Registered Office of the Company, 16, Hare Street, Calcutta, on Thursday the 5th July 1956, at 3.30 p.m., for the purpose of receiving the Directors' and Auditors' Reports, adopting the Statement of Accounts and Balance Sheet for the year ended 31st December 1955, declaring a Dividend, electing Directors and appointing Auditors and fixing their remuneration.

Two of the Directors retiring by rotation, namely, Sir Badridas Goenka and Rai Bahadur Moongtu Lall Tapuriah are 73 years and 70 years of age respectively. Special Notices have been received by the Company of the intention to move resolutions proposing their re-election to the Board and specifically declaring that the age limit under Section 280 of the Companies Act, 1956, shall not apply to them.

The Share Transfer Register will be closed from the 25th June to the 5th July 1956, both days inclusive.

By Order of the Board,
G. RAMABADRAN,
Secretary.

CALCUTTA, *5th June* 1956.

Note:—1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and that a proxy need not be a member.

2. The dividend when declared will be paid only to those shareholders whose names appear on the Company's Register as on the 5th July 1956.

TRITON INSURANCE COMPANY LIMITED

with which is incorporated
THE EASTERN INSURANCE COMPANY

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT THE Sixty-ninth Annual General Meeting of Shareholders of the Company will be held at the Registered Office of the Company, No. 4, Clive Row, Calcutta, on Wednesday the 11th day of July 1956, at 11-30 a.m., for the following purposes:—

(1) To receive and adopt the Directors' Report and audited Accounts for the year ended 31st December 1955 and the Balance Sheet as at that date.

(2) To declare a Dividend.

(3) To elect Directors.

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

The Share Transfer Books of the Company will be closed from 26th June to 11th July 1956, both days inclusive.

By Order of the Board,
(Sd.) G. M. MACKINLAY,
Managing Director.

4, CLIVE ROW,
CALCUTTA, *30th May* 1956.

THE INDIAN GALVANIZING COMPANY (1926) LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the Company the payment of the following dividends for the year ended 31st December 1955:

Dividend on Preference Shares at the rate of 6 per cent. (subject to deduction of Indian Income-tax).

Dividend on Ordinary Shares at 10 per cent. free of Income-tax.

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

21 NETAJI SUBHAS ROAD,
CALCUTTA, *6th June* 1956.

BRIDGE AND ROOF COMPANY (INDIA) LIMITED

THE BOARD OF DIRECTORS HAS DECIDED to recommend to the forthcoming Annual General Meeting of the Company a dividend at 15 per cent. per annum for the half-year ended 31st December 1955.

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *6th June* 1956.

THE INDIA UNITED MILLS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-sixth Ordinary General Meeting of the Shareholders of THE INDIA UNITED MILLS, LIMITED, will be held at the Registered Office of the Company at Indu House, Dougall Road, Ballard Estate, Bombay, on Thursday the 12th July 1956 at 3-00 p.m. (S.T.), to transact the following business:—

(1) To receive and adopt the Directors' Report and the Audited Statements of Accounts upto 31st December 1955.
(2) To sanction the declaration of a Dividend on Ordinary and Deferred Shares.
(3) To elect a Director in place of Shri Shri Gopal Nevatia who retires by rotation but is eligible for re-election.
(4) To elect a Director in place of Shri Chinubhai C. Dalal who retires by rotation but is eligible for re-election.
(5) To elect a Director in place of Shri Basudev Somani who retires by rotation but is eligible for re-election.
(6) To appoint Auditors for the current year and to fix their remuneration.

AND for the purpose of considering, and if thought fit, of passing with or without amendments the following Resolution as a Special Resolution:—

SPECIAL RESOLUTION

"RESOLVED that Shri Rameshwarprasad Bagla, a Partner of Messrs. Agarwal & Co., the Managing Agents of the Company, be and he is hereby re-elected a Director of the Company and that pursuant to Section 261 of the Companies Act, 1956, the Company consents to and approves of such election."

Explanatory Statement as required by Section 173 (2) of the Companies Act, 1956

Shri Rameshwarprasad Bagla is a Partner and consequently an associate of Messrs. Agarwal & Co., the Managing Agents of the Company, and to comply with the requirements of Section 261 of the Companies Act, 1956, it is necessary to have a Special Resolution for his re-election.

Shri Bagla was originally an Ex-Officio Director. Later he was appointed as additional Director and under Article 92 he retains his office until the next Ordinary General Meeting of the Company but is eligible for re-election.

It may be added that Shri Bagla has been a Director since 1943 and the Chairman of the Company since October 1950. He takes a prominent part in the Management and his presence on the Board is in the interest of the Company.

Accordingly, a Special Resolution as mentioned in the Notice will be placed before the Annual General Meeting called on 12th July 1956.

Two Shareholders have given Special Notice to the Company of this Resolution, and the Directors commend this Resolution for your consideration.

Note.—Every Shareholder entitled to attend and vote is entitled to appoint one or more Proxies to attend and vote instead of him/her, and such a Proxy or Proxies need not be Shareholders.

The Share Transfer Books of the Company will be closed from Friday the 22nd June 1956 to Thursday the 12th July 1956, both days inclusive.

By Order of the Board,
AGARWAL & CO.,
Agents.

BOMBAY, *23rd May* 1956.

Note.—The Dividend, when sanctioned, will be payable from Monday the 13th August 1956, to those Shareholders whose names stand on the Register of the Company on the 12th July 1956, and Dividend Warrants will be posted to the registered addresses of such Shareholders.

To,
THE SHAREHOLDERS OF THE INDIA UNITED MILLS, LIMITED.

THE CALCUTTA JUTE MANUFACTURING COMPANY, LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held at the registered office of the Company at Stephen House, 4th Floor, No. 4, Dalhousie Square East, Calcutta, on Friday the 6th July 1956, at 3 p.m., to consider and if thought fit to pass with or without modification the following resolutions:

(As an Ordinary Resolution)

(1) "Resolved that with effect from 1st April 1956 the consent of the Company be and is hereby accorded to the Board of Directors borrowing moneys which together with the moneys already borrowed by the Company may exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose and that borrowings shall be exclusive of the temporary loans obtained or to be obtained by the Company from the Company's bankers in the ordinary course of business."

(As an Ordinary Resolution)

(2) "Resolved that the Company do hereby consent and authorise its Managing Agent or any associate of its Managing Agents with effect from 1st April 1956 to retain any commission or other remuneration earned or to be earned by such agents or associate as the Managing Agent, Manager, Agent, Secretary or Selling and Buying Agent of any other firm, body corporate or other concern in respect of any goods, power, freight or other service (including effecting insurance of any kind) whatsoever relating to or arising out of the affairs of the Company for the sale, purchase, supply or rendering of which a contract has been or will be entered into by such firm, body corporate or concern with the Company at rates which are not less favourable to the Company than the market rates or which are otherwise favourable."

(As a Special Resolution)

(3) "Resolved that the Company approves of contracts to be entered into or being entered into with the associates of the Managing Agents for sale, purchase or supply of articles in which the Company or the associates do regular trade or business provided that the prices or amount charged or received by the Company are at rates which are not less favourable to the Company than the market rates or which are otherwise reasonable."

Explanatory Notes

In respect of item (1) of the above notice, under Section 293 sub-section (1) of the Companies Act, 1956, the Board of Directors is not entitled to borrow money after the commencement of the Act without sanction of the Company if the amount already borrowed (except the temporary loan) and the amount to be borrowed exceed the paid-up capital of the Company and its free reserves and hence this resolution is necessary to enable the Board to borrow money in case of necessity.

In respect of item (3) of the above notice, full particulars of each such contract and all particulars relating thereto will be entered in a separate register to be maintained by the Company under Section 360 of the Companies Act, 1956.

By Order of the Board,
DAYARAM & SONS,
Managing Agents.

4, DALHOUSIE SQUARE EAST,
CALCUTTA-1, *23rd May* 1956.

THE OSMANSHAHI MILLS LIMITED
HYDERABAD-DECCAN

NOTICE IS HEREBY GIVEN TO THE Members of The Osmanshahi Mills Ltd., pursuant to Section 412 (2) of the Companies Act, 1956, that an application will be made to the Central Government as required by Section 310 of the Companies Act, 1956, for approval of the increase in the remuneration of the Directors for attending the Board Meetings from O.S. Rs. 50 to I.G. Rs. 75 for every meeting attended by them.

For THE OSMANSHAHI MILLS LTD.,
C. S. TYABJEE,
Managing Agent to the Industrial Trust Fund.
Secretaries, Treasurers & Agents.

HYDERABAD-DN., *6th day of June* 1956.

Notices

THE AZAM JAHI MILLS LIMITED
HYDERABAD-DECCAN

NOTICE IS HEREBY GIVEN TO THE Members of The Azam Jahi Mills Ltd., pursuant to Section 412 (2) of the Companies Act, 1956, that an application will be made to the Central Government as required by Section 310 of the Companies Act, 1956, for approval of the increase in the remuneration of the Directors for attending the Board Meetings from O.S. Rs. 50 to I.G. Rs. 75 for every meeting attended by them.

For THE AZAM JAHI MILLS LTD.,
C. S. TYABJEE,
Managing Agent to the Industrial Trust Fund,
Secretaries, Treasurers & Agents.

HYDERABAD-DN., *6th day of June* 1956.

THE HAILEYBURIA TEA ESTATES LIMITED
KOTTAYAM

NOTICE IS HEREBY GIVEN THAT THE Thirty-third Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Kottayam on Monday the 2nd July 1956, at 11 a.m., to receive the Directors' Report and Accounts for the year ended 31st December 1955, to declare a final dividend, to elect a Director, to elect Auditors and to fix their remuneration, etc., and to transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from 24th June to 5th July 1956, both days inclusive.

By Order of the Board,
PARKINS (PRIVATE) LIMITED,
Managing Agents.

KOTTAYAM, *1st June* 1956.

THE TWYFORD TEA COMPANY LIMITED
KOTTAYAM

NOTICE IS HEREBY GIVEN THAT THE Forty-first Annual General Meeting of the Shareholders will be held at the Registered Office of the Company at Kottayam on Monday the 9th July 1956, at 11 a.m., to receive the Directors' Report and Accounts for the year ended 31st December 1955, to declare a final dividend, to elect two Directors, to elect Auditors and to fix their remuneration, etc., and to transact any other ordinary business of the Company.

The Transfer Books of the Company will be closed from 3rd July to 12th July 1956, both days inclusive.

By Order of the Board,
PARKINS (PRIVATE) LIMITED,
Managing Agents.

KOTTAYAM, *1st June* 1956.

THE ASSOCIATED CEMENT COMPANIES, LIMITED

NOTICE

Re. Issue of 6,35,928 New Shares of Rs. 100 each at a premium of Rs. 20 per share
Closing of Share Transfer Books

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Company will be closed from Friday the 6th July to Saturday the 14th July 1956 (both days inclusive), in connection with the above New Issue of Shares.

The Letters of Offer outlining the terms of the issue together with the Application forms will be forwarded to shareholders by the second week of September 1956.

Shareholders are requested to advise the Company immediately of any change in their registered addresses.

By Order of the Board,
For THE ASSOCIATED CEMENT COMPANIES, LTD.,
CEMENT AGENCIES (PRIVATE) LTD.,
Managing Agents,
N. DANDEKER,
Managing Director.

CEMENT HOUSE,
121, CHURCH GATE ROAD, FORT,
BOMBAY, *7th June* 1956.

THE METAL BOX COMPANY OF INDIA LIMITED

NOTICE IS HEREBY GIVEN THAT THE Twenty-third Annual General Meeting of the Company will be held at 59C, Chowringhee Road, Calcutta, on Wednesday the 18th day of July 1956, at 4 p.m., for the following purposes:

1. To receive the Report of the Directors, the Statement of Accounts for the year ended 31st March 1956 and the Report of the Auditors thereon.
2. To declare a Dividend.
3. To elect Directors.
4. To appoint Auditors and fix their remuneration.
5. To transact any other ordinary business of the Company.

A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the Company.

Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting.

The Ordinary Share Register of the Company will be closed from 1st to 18th July 1956, both days inclusive.

By Order of the Board,
A. B. BASU,
Acting Secretary.

59C, CHOWRINGHEE ROAD,
CALCUTTA, *8th June* 1956.

THE INDIAN GALVANIZING COMPANY (1926) LIMITED

NOTICE IS HEREBY GIVEN TO THE MEMbers of the above-named Company that an Annual General Meeting within the meaning of the Companies Act, 1956 (being the Thirtieth Ordinary General Meeting of the Company) will be held at its Registered Office, 21, Netaji Subhas Road, Calcutta, on Wednesday the 4th July 1956, at 12 noon, to receive the Report of the Board of Directors and the Report of the Auditors, to consider the Profit and Loss Account for the year ended 31st December 1955, and the Balance Sheet as at that date, to declare dividends and to transact other ordinary general business of the Company.

Notice is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 20th June to 4th July 1956, both days inclusive.

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, *6th June* 1956.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

SHAW WALLACE AND COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Tenth Annual General Meeting of the Members will be held at the Registered Office of the Company, 4, Bankshall Street, Calcutta, on Wednesday, the 11th July 1956, at 3 p.m., for the following purposes:—

1. To receive and adopt the Directors' Report and Audited Accounts for the year ended 31st December 1955.
2. To declare a Dividend on the Ordinary Shares.
3. To elect Directors.
4. To appoint Auditors and to fix their remuneration.

The Transfer Register of the Company's Ordinary Shares will be closed from 30th June to 11th July, both days inclusive.

N.B.—A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy who need not be a Shareholder of the Company. If it is desired to use a Proxy, the same should be completed in the manner described by Section 176(5) of the Companies' Act, 1956 and delivered at the Registered Office of the Company at least 48 hours before the time fixed for the Meeting.

By Order of the Board,
C. A. CUNLIFFE,
Director.

4, BANKSHALL STREET,
CALCUTTA, *14th June*, 1956.

THE TRAVANCORE RUBBER AND TEA COMPANY, LIMITED
(Incorporated in India)

NOTICE IS HEREBY GIVEN THAT THIS Company will pay on the 30th June 1956 to the registered holders as at that date half-yearly interest due on Preference Shares at the rate of 6 per cent. per annum.

Preference Share Transfer Books will be closed from 26th June to 30th June 1956, both days inclusive.

By Order of the Board,
ASPINWALL & CO. (TRAVANCORE)
(PRIVATE) LTD.,
Managing Agents.

PATHIRAPPALLY, *8th June* 1956.

INDIAN TRADE AND GENERAL INSURANCE COMPANY LTD.

(Concluded from page 1154)

past; these can in my view be summed up very simply as follows:—

(1) No amount of legislation will turn bad management into good management.

(2) What might be termed 'police methods' are no more likely to be successful in the future than they have proved to be in the past.

"The present state of affairs arises entirely from the lack of confidence between one company and another and it is quite obvious that an entirely fresh approach must now be made; any new approach to be successful must spring from the utmost good faith for without this any measures taken, no matter what they may be, are foredoomed to failure; I feel confident, however, that before very long commonsense and the hard school of experience must succeed, as it has done in other countries of the world, in building up a sound and virile Indian insurance industry.

"Another milestone in the history of insurance in this country is the formation of an Indian reinsurance corporation which it is expected will shortly commence operation; there is no doubt that, properly managed, as I have every reason to believe it will be, such an institution will perform a useful function in our domestic affairs and there is no reason why, in the course of time, it should not broaden its activities to embrace the larger markets of the world.

"Your Company has expressed its confidence in the future of this Corporation and as promoters have already agreed to take shares of the total face value of Rs. 5,70,000 which is the maximum amount to which we are entitled to subscribe on the present basis of allocation of shares; I would like to take the opportunity here afforded to wish this brave new venture every success in its operations.

Outlook

"What of the future? I firmly believe that, if we continue to apply all our energies and resources to the proper fulfilment of our functions as a necessary adjunct to the industrial and economic progress of the country, we cannot but grow and prosper with it.

"Within the limits of our resources we are doing what we can to train and build up a body of young men who will be technically and otherwise equipped to fill responsible positions in our organisation in the future, and we are also doing everything we can to support and encourage the recently formed Federation of Insurance Institutes (J. C. Setalvad Memorial) which gives such excellent opportunities to those in our profession who wish to equip themselves with that technical knowledge of the various branches of our business which is so essential to sound management in the future.

"One of our greatest assets and one which does not figure in the balance-sheet must always be in the persons of those who represent us in India or abroad, and if this is a tribute to them for good work put in in the past, I hope it will also act as a spur to even greater efforts in the future.

"I cannot conclude without once again paying tribute to Mr. T. M. Sturgess, our General Manager, and the executives and staff of the Company, wherever they may be, for their continued devotion to the interests of your Company, and finally I must thank those good friends of ours at home and abroad whose confidence in us has contributed so largely, to the position which your Company has been able to build up and maintain amongst the leading insurance offices in India."

HAILEYBURIA'S PROFIT LOWER

DIVIDEND MAINTAINED—FINANCIAL POSITION GOOD

AFTER two years of successive advance, from Rs. 2.33 lakhs in 1952 to a record level of Rs. 16.24 lakhs in 1954, the gross profit of the Haileyburia Tea Estates Ltd. (Managing Agents: Messrs. Parkins Ltd., Kottayam) for the year ended 31st December 1955, has suffered a marked fall to Rs. 10 lakhs. The net profit, too, has dropped to Rs. 5 lakhs from Rs. 9.04 lakhs, to which level it had gone up from a low of Rs. 1.47 lakhs in 1952. Notwithstanding this recession, the profit for the year under review is one of the highest in the Company's history and is, in fact, higher than that earned in any of the years preceding 1954.

The setback in results has necessitated a cut in the allocation to reserves from Rs. 5.50 lakhs to Rs. 1.75 lakhs, the latest addition representing the sum transferred to the development reserve. In the previous year, the Directors had added Rs. 2 lakhs to the general reserve, Rs. 1 lakh to the dividend equalisation reserve and Rs. 2.50 lakhs to the debenture redemption reserve. The dividend has, however, been repeated at 25 per cent., a level which is being maintained for the third year in succession, though it is on an increased capital of Rs. 12.50 lakhs for 1954 and 1955 raised by the issue of 50,000 new shares of Rs. 10 each in 1954.

The progress of the Company during the past three years is clearly shown in the following comparative table:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds of tea	21.42	26.56	14.55	7.08
Stocks	12.59	11.01	5.65	8.69
Estate expenditure	24.38	20.27	12.08	12.85
Other expenses	0.51	1.09	0.62	0.60
Gross profit	10.00	16.24	6.93	2.33
Managing Agents' commission..	0.94	1.35	0.52	0.17
Depreciation	0.81	0.35	0.29	0.35
Taxation	3.26	5.50	2.20	0.35
Net profit	5.00	9.04	3.92	1.47
To reserves	1.75	5.50	1.90	0.87
Dividends—				
5 per cent. preference ..	0.12	0.12	0.12	0.12
Ordinary	3.12 (25%)	3.12 (25%)†	1.87 (25%)	0.75 (10%)
Carry forward	0.37	0.37	0.03	0.06
Tea crop harvested (lbs.)	1,603,876	1,322,630	942,823	893,428
Cost of production (cents per lb.)	152	153.21	134.51	143.13
Net average sale price realised (cents per lb.)	212.05	285.27	215.51	176.56

† On the increased capital of Rs. 12.50 lakhs raised by the issue of 50,000 shares of Rs. 10 each in 1954.

The crop harvested during the year under review, at 1,603,876 lbs., is a fresh record and represents an increase of 281,196 lbs. over that for the previous year and of 228,876 lbs. over the estimate. The sizable increase in output has not brought any substantial reduction in the cost of production, the fall being of the order of only 1.21 cents per lb. The cost is, however, very much less than that estimated last year; for, since the estimate was made, the slab system of export duty took the place of the fixed rate of As. 10 per lb. levied earlier.

There has been a sharp fall in average price realised from 285.27 cents to 212.05 cents per lb. This is only in consonance with the general trend of tea prices during the year, when prices fetched were well below the peak of 1954. In fact, in the second quarter of the year, prices were below the cost of production. Thereafter, the market began to improve and, although it was irregular for the rest of the year, the undertone was strong. It may also be noted that the net average sale price realised by the Company for the year under review is lower than that for 1953, though higher than that for any of the preceding years. For these reasons, the decline of Rs. 5.14 lakhs in the Company's sale proceeds for 1955 is accompanied by a rise of Rs. 4.11 lakhs in its estate expenditure.

The Company's financial position is sound. The paid-up capital at Rs. 15 lakhs (made up of 125,000 ordinary shares of Rs. 10 each and 2,500 5 per cent. tax-free cumulative preference shares of Rs. 100 each) is supplemented by reserves and surplus aggregating Rs. 17.87 lakhs, of which Rs. 3.75 lakhs represent capital reserve, being premium received on new shares issued, once in August 1951 and again in 1954, and Rs. 8.50 lakhs general reserve. The reserves stand at such a high level, despite the capitalisation of a sum of Rs. 3.75 lakhs, once in 1949 when 2,500 preference shares were issued as bonus shares in the ratio of five preference shares for every 100 ordinary shares held and again in 1950, when 12,500 ordinary shares were issued as capital bonus in the ratio of one share for every four ordinary shares held. There is also a debenture liability of Rs. 2.30 lakhs, having been reduced by the repayment of 20 debentures of Rs. 1,000 each during the year under review. The provision for taxation stands at Rs. 3.38 lakhs and current liabilities aggregate Rs. 9.14 lakhs. The gross block of the value of Rs. 31.57 lakhs stands written down to Rs. 26.61 lakhs. The current assets amount to Rs. 22.96 lakhs, exceeding the current liabilities and provision for taxation by a large margin of Rs. 10.44 lakhs.

The current year's crop is estimated at 700,000 lbs. from Haileyburia to be produced at a cost of 162.39 cents per lb. and 870,000 lbs. from Semni Valley Estate at a cost of 164.30 cents per lb.

An idea of the outlook for the Company can be had from the following extracts from the Chairman's statement accompanying the accounts for the year:

"Our new clearings have been doing well and I expect yields of well over 1,000 lbs. per acre in the very near future from these clearings. The work of extending the Semni Valley factory was started and is now in progress. The new drier on order is expected shortly and I expect the work to be completed before the end of the year.

"We are still awaiting the rules under the Plantation Labour Act. The extension of the Provident Funds Act to plantations is likely to take place in the very near future. In the meantime, the recent bonus agreement for 1953 and 1954 will make heavy demands on our resources. A tripartite committee is still considering the other labour demands, which has been referred to a special tribunal. While the tea industry is, on the one hand, being asked to carry more than its fair share of the welfare State, the demands from Government like the new dividend tax, etc., are piling up, on the other side. I expect the current year's results will not be unfavourable. Though bad weather conditions have affected our crop during the first half of the year, I do not visualise a serious drop in the final figures."

The Rs. 10 fully paid up ordinary shares of the Company have become one of the favourite counters in the planting section of the Madras Stock Exchange; they are strongly held at Rs. 28-12 *cum-div.* (final dividend: 15 per cent.) as against Rs. 27-8 *cum-div.* a year ago. On an *ex-div.* basis, the dividend for the past year provides a yield of 9.2 per cent. per annum.

AZAM JAHI AND OSMANSHAHI MILLS

Distinctly better results are disclosed by the audited accounts of the Azam Jahi Mills Ltd. and the Osmanshahi Mills Ltd. (Secretaries, Treasurers and Agents: The Industrial Trust Fund, Government of Hyderabad) for the year ended 30th September 1955, as compared with those for the previous year. The Azam Jahi has earned a gross profit of Rs. 9.12 lakhs for the year under review, in refreshing contrast to the loss of Rs. 1.73 lakhs for 1953-54, and the Osmanshahi Rs. 25,018, as against a loss of Rs. 3.72 lakhs for the previous year.

The Azam Jahi has set aside Rs. 7.50 lakhs for writing off depreciation on fixed assets, as against *nil* in the previous year. After providing Rs. 0.26 lakh for Secretaries and Treasurers' commission, the Directors have carried forward the balance of Rs. 1.36 lakhs. In the case of Osmanshahi, after providing Rs. 30,000 for Secretaries and Treasurers' commission, there is a loss of Rs. 4,982, which has been covered by the profit of Rs. 44,591 on sale of machinery and by writing off unclaimed dividend amounting to Rs. 37,403. The resulting profit left to be carried forward is Rs. 74,722.

The Directors of the two Companies have, however, decided to pay dividend for the year under review, by drawing the required sums from the dividend equalisation funds of the respective Companies. A dividend of 3½ per cent., absorbing Rs. 2.52 lakhs, has been declared on the Azam Jahi shares and 2½ per cent. on the Osmanshahi shares (requiring Rs. 2.19 lakhs) while, in the previous year, the Directors had to pass over the dividends of both the Companies following the loss suffered by them.

The improvement in the results for the year under review is the result of more satisfactory trading conditions and the increase in offtake of cloth, although competition in export markets was keen. The share of the Azam Jahi in the export trade during the year fell by about 50 per cent. from that of the previous year. Apart from making a profit, the working of the Azam Jahi Mill is stated to have shown definite improvement. "Efficiency, both of spinning and weaving," the Directors report, "improved to a satisfactory extent and production increased." The average efficiency of the Osmanshahi Mills also improved to some extent and the range and attractiveness of the Mill's products were extended. However, the comparatively less satisfactory results of the Company is mainly due to illegal strikes of workers, at different times during the year, over the question of bonus and other demands.

The following synopses of the Companies' latest balance-sheets give an idea of their financial position:

	As on 30th September 1955	
	Azam Jahi	Osmanshahi
	I.G. Rs.	I.G. Rs.
Capital	61,71,428	87,19,600
Reserves and surplus	36,75,295	55,88,268
Liabilities	1,52,41,518	69,01,682
Gross block	1,84,91,530	1,69,09,989
Less—Depreciation	50,78,582	61,91,861
Net block	1,34,12,948	1,08,08,128
Stock-in-trade	34,95,380	47,02,547
Stores and spares	13,15,304	13,04,318
Debts, deposits and advances ..	43,88,685	30,63,094
Investments	24,05,030	12,22,801
Cash	70,294	1,05,662
Total .. Rs.	2,50,88,241	2,12,09,550

The accounts of the Azam Jahi Mills for the year under review are presented in I. G. currency, while those for the previous years were in O.S. currency. This change follows the demonetisation of the O.S. currency. The paid-up capital of the Company, amounting to Rs. 72 lakhs in O.S. currency (made up of 72,000 ordinary shares of Rs. 100 each), is equivalent to Rs. 61,71,428 in I.G. currency. The Directors have decided to convert the above capital in O.S. currency into an equal amount in I.G. currency, that is, to convert the shares of O.S. Rs. 100 each into shares of I.G. Rs. 100 each. This is proposed to be done without calling upon the shareholders to make up the difference. On the other hand, the exchange difference of O.S. Rs. 12 lakhs, equivalent to I.G. Rs. 10,28,571-7, is proposed to be met from the general reserve of the Company. The necessary sanction for the above proposal has been obtained from the Central Government.

The Directors of both the Azam Jahi and the Osmanshahi have decided to utilise Rs. 12,48,394 and Rs. 47,01,896 from the general reserves of the respective companies to write off depreciation on fixed assets of the companies, as adequate depreciation has not been written off the assets up to date. Having regard to the Companies' business, the Directors feel that it will be some time before depreciation is completely written off out of the profits of the Companies.

If the aforesaid proposals are carried out, the general reserve of the Azam Jahi will stand reduced from Rs. 32.77 lakhs to Rs. 10 lakhs and that of the Osmanshahi from Rs. 52.02 lakhs to Rs. 5 lakhs. It may also be noted, in this connection, that the general reserves of the two Companies include also provisions for taxation which are not shown separately.

SEEBPORE COAL

The audited accounts of the Seebpore Coal Co. Ltd. (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta), for the half-year ended 31st December 1955 show an encouraging performance. The gross profit of the Company, which had dwindled slightly from Rs. 3.43 lakhs to Rs. 3.27 lakhs in the half-year ended 30th June 1955, has staged a recovery to Rs. 3.67 lakhs for the six months under review. What is more gratifying is the fact that the latest half-year's profit is the highest earned by the Company since the six months ended 31st December 1945 when it aggregated Rs. 4.59 lakhs.

The net profit is, however, a shade lower at Rs. 1.06 lakhs, as compared with that of Rs. 1.11 lakhs for the previous half-year, though it compares favourably with Rs. 0.94 lakh earned in the corresponding six months of 1954. To the net profit is added a sum of Rs. 13,000 being the excess provision made in previous half-years for taxation. As in the previous half-year, a sum of Rs. 50,000 has been added to the general reserve. The dividend on ordinary shares has been maintained at Re. 1-4 per share of Rs. 7, or at 35.5/7 per cent. per annum, to which level it had been raised in the previous half-year from Re. 1 per share paid for each of the two half-years of 1954.

The Company's progress during the past three half-years can be judged from the following comparative table:

	For the half-year ended			
	31-12-55	30-6-55	31-12-54	30-6-54
	Rs.	Rs.	Rs.	Rs.
Sale proceeds	12,31,020	10,66,337	11,91,243	10,31,120
Stocks	47,024	43,582	45,988	1,10,621
Colliery expenses	2,37,062	2,18,781	2,60,863	2,25,016
Other expenses	6,37,300	5,82,405	5,23,190	4,62,472
Gross profit	3,67,013	3,27,196	3,45,137	2,46,097
Managing Agents' commission..	26,901	23,420	22,419	15,410
Depreciation	69,000	67,000	92,500	75,000
Taxation and cesses	1,65,000	1,26,000	1,34,500	77,000
Net profit	1,06,112	1,10,776	95,788	78,687
Transfer from taxation provision	13,000			
To general reserve	50,000	50,000	30,000	25,000
Dividends—				
5 per cent. preference ..	10,000	10,000	10,000	10,000
Ordinary	50,000	50,000	40,000	40,000
Per cent.	(35-5/7 p.a.)	(35-5/7 p.a.)	(28-4/7 p.a.)	(28 4/7 p.a.)
Carry forward	49,299	40,187	39,411	25,543
Raisings (in tons) ..	65,970	61,696	65,879	55,705
Despatches (in tons) ..	65,531	61,757	71,646	63,168

The raisings of coal for the half-year under review are substantially larger than those for the previous half-year and are, in fact, the highest in the past five half-years. Despatches are also higher as compared with the previous half-year, but are sizably lower than those in the corresponding six months of 1954. Sale proceeds, on the other hand, show a rise over those for either of the two previous half-years. This is evidently due to the slight increase in coal prices, once in July 1955, when the price of grade I and above was raised by As. 3 per ton, and again in November, when a similar increase was granted for selected 'A' and 'B', grade I and II coals.

The latest balance-sheet of the Company shows that the reserves and surplus aggregate Rs. 8.86 lakhs, as against a paid-up capital of Rs. 6.80 lakhs. The provision for taxation and cesses stands at Rs. 2.96 lakhs and current liabilities amount to Rs. 5.67 lakhs. The gross block of the value of Rs. 29.99 lakhs has been written down to a book value of Rs. 10.92 lakhs. The current assets amount to Rs. 13.37 lakhs, of which cash balances alone account for Rs. 6.84 lakhs and provide a large coverage to the current liabilities and provision for taxation.

Since the close of the half-year under review, the Directors report, the Poniati and Koithi Seams at Pretoria colliery of the Company have been finally worked out. Raisings at this colliery have, therefore, been suspended and the future of the colliery is engaging the attention of the Directors. Lachipur colliery, the raisings at which were 38,622 tons of selected 'B' grade coal for the half-year, however, continues to work satisfactorily and there is a good demand for this coal.

The Rs. 7 partly paid-up shares of the Company are being currently quoted at Rs. 31 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 8.4 per cent. per annum.

ASSOCIATED CEMENT COMPANIES LTD.

Addressing the shareholders of the A.C.C. at the extraordinary general meeting held on Friday last week to confirm the recent decision of the Company to issue new shares at a premium of Rs. 20 per share, Mr. Dharamsey M. Khatau, Chairman of the Company, outlined the progress made towards the establishment of a company for the manufacture of cement-making machinery and other equipment in collaboration with foreign concerns. Mr. Khatau who had returned from the U.K. only last week, after preliminary negotiations with Messrs. Babcock and Wilcox Ltd. and Messrs. Vickers Ltd., said that there would be three principal partners in the venture, instead of two proposed earlier, the new entrant being Messrs. Babcock and Wilcox. Originally, Messrs. Vickers and A.C.C. had agreed to contribute 49½ per cent. each to the capital of the new venture. The balance of 1 per cent. was to be contributed by the managing agency house, namely, Cement Agencies Ltd. Mr. Khatau disclosed that, despite the association of Messrs. Babcock and Wilcox, the contribution of the A.C.C. to the capital of the new company would not be affected, its share would remain at 49½ per cent. There would be no change in the share of the Cement Agencies Ltd. either. The share of Messrs. Vickers would, however, be shared equally between the firm and Messrs. Babcock and Wilcox.

It will be seen from the foregoing arrangement that the controlling interest rests in Indian hands, an important consideration for securing the consent of the Government of India to participation of foreign capital in Indian industries.

Mr. Khatau added that following the entry of the third partner, the field of manufacture would be extended to boilers also. The shareholders were assured that there was full agreement among the three parties concerned on the fundamentals. The details of the Plan would be submitted to the Government of India shortly, after they were approved by the Board, for obtaining a licence. This is expected to be received by the end of August.

As regards the new issue of shares, Mr. Khatau admitted that the premium of Rs. 20 per share insisted by the Government was reasonable in the existing circumstances. He revealed that at one time the Government had fixed the premium of Rs. 25 per share and agreed to reduce it to the present level only after considerable and prolonged discussion.

The new shares will cost Rs. 120 per share, that is, Rs. 100 paid-up and face value and Rs. 20 premium. The Company proposes to call up Rs. 60 on application, of which Rs. 10 will be towards premium. The balance of Rs. 60 (including the premium of Rs. 10) will be called up later, but sufficient interval will be given to the shareholders between the two calls.

SIRSILK AND SIRPUR PAPER

The demonetisation of the Osmania currency in Hyderabad and the adoption of the I.G. currency throughout the State has necessitated changes in the capital structure of many companies there. The latest companies to move in this direction are Sirsilk Ltd. and the Sirpur Paper Mills Ltd. The proposals of the two companies to bring about the necessary changes differ from each other in one respect. Whereas in the case of Sirsilk the change is being effected by lowering the face value of the shares, in the case of Sirpur Paper it is sought to be done by increasing the paid-up value of the shares.

The paid-up capital of Sirsilk is made up of 157,005 ordinary shares of O.S. Rs. 70 each and 233,333 preference shares of O.S. Rs. 100 each. The nominal value of the ordinary shares is proposed to be reduced from O.S. Rs. 100 each, or I.G. Rs. 85-11-5.1/7 to the present paid-up value of O.S. Rs. 70 each which is equivalent to I.G. Rs. 60 each, by extinguishing the uncalled liability of Rs. 25-11-5.1/7 per share, so that the paid-up ordinary capital will be I.G. Rs. 94,20,300, made up of 157,005 shares of Rs. 60 each. Each of these shares will then be sub-divided into six shares of Rs. 10 each.

The 233,333 preference shares of O.S. Rs. 100 each, or I.G. Rs. 85-11-5.1/7 each, will be consolidated in such a manner that every seven existing shares will constitute six shares of I.G. Rs. 100 each. As the 233,333 preference shares issued so far cannot be consolidated in the aforesaid ratio, without leaving a fraction, the Directors propose to allot further five shares, so that the reconstituted paid-up preference capital will consist of 200,004 preference shares of Rs. 100 each fully paid-up.

The present paid-up ordinary capital of the Sirpur Paper Mill consists of 242,836 shares of O.S. Rs. 100 each. In terms of I.G. currency, the paid-up value of each share is Rs. 85-11-5.1/7. The Directors propose to raise the paid-up value of these shares to I.G. Rs. 90 by capitalising a sum of Rs. 10.41 lakhs from out of the general reserve and utilising the same towards payment in full of the unpaid balance of Rs. 4-4-6.6/7 per share. Thereafter, the shares will be sub-divided into 5,850,000 ordinary shares of Rs. 10 each fully paid-up. The Directors also propose to consolidate the existing issued and fully paid-up 42,560 preference shares of O.S. Rs. 100 each, or I.G. Rs. 85-11-5.1/7, in such a manner that seven existing shares shall constitute six preference shares of Rs. 100 each, that is, into 36,480 preference shares of Rs. 100 fully paid-up.

BENGAL PAPER

Readers will recall our brief reference in our issue of 24th March 1956 to the cornering activities in shares of leading joint-stock companies and the trafficking in managing agency by some moneyed people. One of the victims of such activities was the Bengal Paper Mill Co., Ltd., under the managing agency of Messrs. Balmer Lawrie & Co., Ltd. Since then, the matter has been taken up by one of the Directors of the Company with the Central Government. He filed a complaint to the effect that, as a result of a change in the ownership of shares held in the Company, a change in the Board of Directors was likely to take place which, if allowed, would affect prejudicially the affairs of the Company. The Central Government, in exercise of the powers conferred by sub-section (2) of Section 409 of the Companies Act, 1956, has directed that, pending the completion of its enquiry under sub-section(1) of the above section, no resolution passed or action taken to effect a change in the Board of Directors of the Company after the date of the complaint, namely, 12th April 1956, shall have effect, unless confirmed by the Central Government.

Points From The Chair

Government's Industrial Policy

"THE long-awaited statement on the new Industrial Policy of the Government has been announced in the Lok Sabha. As you know, industries have been divided into three categories, the first of which includes 17 industries whose development is to be the exclusive responsibility of the State. While generation and distribution of electricity are included in this first category, it is felt that there is no immediate threat of nationalisation to existing undertakings, but they must reconcile themselves to very strict control by the State. The new policy statement has not gone as far as it might have done to allay the fears generally expressed by investors all over India, because it has stated that the industries which are now left to the initiative of the private sector are not immune from future State intervention. However, I am hopeful that it will soon appear quite clearly that whoever is doing a good job is a good chap and not to be hindered. India has need of all the good jobs she can get done, and all the skills she can get to do them, regardless of sectors. This cannot be too often said, or too forcibly emphasised."

K. G. MILNE,
Surat Electricity Co., Ltd.

Future of Indian Jute Industry

"Originally, the Indian jute industry owed its prosperity, amongst other factors, to the Indian monopoly of the raw material. With the division of the sub-continent, this disappeared and it is very doubtful whether India can ever become independent of Pakistan for supplies of jute. This is reflected in an unfortunate feature of recent years, namely, the disparity between the price of the raw material in relation to the manufactured article. While there is, undoubtedly, an expanding market in India for the products of the Indian mills, competition from Pakistan will affect their products in overseas markets and the general outlook for Indian mills is not so favourable as in the past. So far as the mills of the Champdany Jute Company, Ltd., are concerned, I am glad to be able to report that production was well maintained, the tendency being for this to increase during the year. Costs of production have, therefore, been kept at a level which compares well with those of mills of similar standing, but the future must be described as somewhat obscure, because of the high costs which have to be paid for jute in relation to the prices obtained for jute manufacture."

W. H. MARR,
James Finlay & Co., Ltd.

India—A Promising Market for Tea

"With the general outlook so uncertain, it is of great importance to the tea industry as a whole that the International Tea Agreement should be renewed without delay. Unfortunately, the Governments of the participating countries have failed to reach any settlement over their respective standard export figures and the future of the Agreement, which expired over a year ago, is still in the melting pot. Indian producers have an immense market on their doorstep and it is to be hoped that the Tea Board will take active steps to promote sales in India and increase the pace of expansion of this most promising market."

W. H. MARR,
Consolidated Tea and Lands Co., Ltd.

COMPANY MEETINGS AND DIVIDENDS

LUKWAH TEA CO., LTD. Annual General Meeting, Calcutta, 20th June, 1956. Dividend: Re. 1-8 per share. Transfer books remain closed from 10th to 20th June, 1956, both days inclusive.

GANESH FLOUR MILLS CO., LTD. Annual General Meeting, Subzimandi, Delhi, 23rd June 1956. Transfer books remain closed from 3rd to 23rd June 1956, both days inclusive.

RANEEGUNGE COAL ASSOCIATION LTD. Half-yearly General Meeting, Calcutta, 27th June 1956. Dividend: As. 6 per share. Transfer books remain closed from 14th to 27th June 1956, both days inclusive.

KALAPAHARI COAL CO., LTD. Half-yearly General Meeting, Calcutta, 28th June 1956. Dividend: Nil. Transfer books remain closed from 15th to 28th June 1956, both days inclusive.

SEEBPORE COAL CO., LTD. Half-yearly General Meeting, Calcutta, 28th June 1956. Dividend: Re. 1-4 per share. Transfer books remain closed from 15th to 28th June 1956, both days inclusive.

HOWRAH-AMTA LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 29th June 1956. Dividend: Rs. 6 per share, less income-tax. Transfer books will remain closed from 19th to 29th June 1956, both days inclusive.

HOWRAH-SHEAKHALA LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 29th June 1956. Dividend: Rs. 3 per share, less income-tax Transfer books will remain closed from 19th to 29th June 1956, both days inclusive.

UNITED PROVINCES ELECTRIC SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 29th June 1956. Dividend: Rs. 5 per share. Transfer books will remain closed from 23rd to 29th June 1956, both days inclusive.

UPPER JUMNA VALLEY ELECTRICITY SUPPLY CO., LTD. Half-yearly General Meeting, Calcutta, 29th June 1956. Dividend: As. 10 per share. Transfer books will remain closed from 23rd to 29th June 1956, both days inclusive.

PUNJAB MINERALS CO., LTD. Annual General Meeting, Calcutta, 29th June 1956. Dividend: *Nil*. Transfer books remain closed from 15th to 29th June 1956, both days inclusive.

HOOGHLY MILLS CO., LTD. Annual General Meeting, Calcutta, 29th June 1956. Dividend: Re. 1-4 per share. Transfer books will remain closed from 22nd to 29th June 1956, both days inclusive.

WALFORD TRANSPORT LTD. Annual General Meeting, Calcutta, 29th June 1956. Dividend: As. 2-6/25 per ordinary share As. 1-23/25 per preferred ordinary share. Transfer books remain closed from 16th to 29th June 1956, both days inclusive.

HARINAGAR SUGAR MILLS LTD. Annual General Meeting, Bombay, 30th June 1956. Transfer books will remain closed from 23rd June to 7th July 1956, both days inclusive.

LUCKY VALLEY (NILGIRI HILLS) TEA ESTATES LTD. First Annual General Meeting, Coonoor, Nilgiris, 30th June, 1956. Dividend: Re. 1 per share. Transfer book will remain closed from 18th to 30th June, 1956, both days inclusive.

HAILEYBURIA TEA ESTATES LTD. Annual General Meeting, Kottayam, Travancore-Cochin, 2nd July 1956. Dividend: Rs. 2-8 per share. Transfer books will remain closed from 24th June to 5th July 1956, both days inclusive.

BORREA COAL CO., LTD. Half-yearly General Meeting, Calcutta, 7th July 1956. Dividend: Re. 1 per share. Transfer books will remain closed from 23rd June to 7th July 1956, both days inclusive.

BURRAKUR COAL CO., LTD. Half-yearly General Meeting, Calcutta, 7th July 1956. Dividend: As. 5 per share. Transfer books will remain closed from 23rd June to 7th July 1956, both days inclusive.

ONDAL COAL CO., LTD. Half-yearly General Meeting, Calcutta, 7th July 1956. Dividend: As. 8 per share. Transfer books will remain closed from 23rd June to 7th July 1956, both days inclusive.

STANDARD COAL CO., LTD. Half-yearly General Meeting, Calcutta, 7th July 1956. Dividend: As. 8 per share. Transfer books will remain closed from 23rd June to 7th July 1956, both days inclusive.

INDIA UNITED MILLS LTD. Annual General Meeting, Bombay, 12th July 1956. Dividend: As. 2 per deferred share (final) and As. 5 per ordinary share (final), payable from 13th August, 1956. Transfer books will remain closed from 22nd June to 12th July 1956, both days inclusive.

METAL BOX CO. OF INDIA LTD. Annual General Meeting, Calcutta, 18th July 1956. Dividend: Re. 1 per share, (final) making Re. 1-10 for the whole year (with As. 10 interim dividend).

DALMIA CEMENT (BHARAT) LTD. Annual General Meeting, Dalmiapuram, Tiruchirapalli, 20th July 1956. Dividend: Re. 1-4 per ordinary share and As. 2 per deferred share payable on or after 10th August 1956. Transfer books will remain closed from 21st June to 20th July 1956, both days inclusive.

COMPANY REGISTRATIONS

MERCURY IRON AND STEEL CO. PRIVATE LTD. (First Director: Mr. Sorabji Hormusji Commissariat). Business: Manufacturers and dealers in iron and steel goods and other receptacles, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 50, Nesbit Road, Bombay 10.

ASHOK VELVET MANUFACTURING CO. PRIVATE LTD. (First Director: Mr. Vinodral B. Mody). Business. Importers, exporters, merchants, agents and dealers in textile, yarn, cotton, silk, art silk, rayon, etc. Authorised capital: Rs. 5,00,000. Private company. Address: 144, Dharavi Road, Bombay 17.

WALFORD TRANSPORT STEPS UP DIVIDEND

RESULTS OF TWO MARTIN BURN GROUP ELECTRIC COMPANIES

Walford Transport Ltd.

THE directors of the above Company (Manager: Mr. R. R. Aiyer, Calcutta) submit the annual accounts of the Company for the year ended 31st December 1955.

After writing off Rs. 59,839 (Rs. 55,020) for depreciation and setting aside Rs. 1,86,274 (Rs. 1,15,703) for taxes, the available profit for the year is Rs. 3,77,429 (Rs. 3,58,141) including Rs. 1,34,123 (Rs. 1,38,899) carried forward from the last account. It is recommended that this sum be dealt with as follows:—

By payment of a dividend of 12 (11) per cent. per annum on 2,10,200 preferred ordinary shares, absorbing Rs. 25,224 (Rs. 23,122), payment of a dividend of 14 (12) per cent. per annum on 8,40,800 ordinary shares absorbing Rs. 1,17,712 (Rs. 1,00,896), transfer to contingency reserve of Rs. 1,00,000 (Rs. 1,00,000) thereby bringing it to Rs. 7,00,000 (Rs. 6,00,000) and to carry forward Rs. 1,34,493 (Rs. 1,34,123).

From the point of view of volume of sales, the year under review may be considered satisfactory. Total sales in value were 28 per cent. higher than in 1954, but the ratio to turnover declined due largely to reduced margin. Early this year the Company took up the Hindusthan Landmaster franchise for the districts of West Bengal. Owing to new Government policy, the DeSoto franchise in Assam is being discontinued; also the Studebaker dual franchise for West Bengal. It is not yet known what the directors will do to replace these agencies. It will thus be seen that some of the franchises the Company holds may change during the year. The second Five-year Plan has brought with it additional activity all over the country, but the Company can participate in the benefits only after it gets itself lined up with new or substitute agencies. The future operations is not thus clear and possibly difficulties lie ahead. It would thus appear prudent to provide for as large a reserve and carry forward balance as possible to the 1956 accounts.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	10,51,000	Block ...	4,25,514
Reserves ...	18,68,266	Stock ...	28,24,744
Provision for taxation ...	1,86,274	Stores ...	25,658
Liabilities ...	17,07,673	Goods-in-transit ...	2,54,135
Profit and loss account ...	3,77,429	Work-in-progress ...	72,434
		Debts, deposits and advances ...	12,31,137
		Investments	41,250
		Cash ...	3,15,770
Rs.	51,90,642	Rs.	51,90,642

United Provinces Electric Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

As will be seen from the following schedule, satisfactory progress is being maintained.

Half-year ended	*Units sold*	*Revenue* Rs.
31st March 1953 ...	28,300,538	34,62,595
30th September 1953 ...	31,257,135	37,86,990
31st March 1954 ...	30,249,935	37,97,207
30th September 1954 ...	34,269,077	39,84,423
31st March 1955 ...	31,849,909	41,29,830
30th September 1955 ...	35,756,720	40,67,114

After providing for all charges, and placing Rs. 1,00,000 (Rs. 1,00,000) to reserve for redemption of debentures, Rs. 67,046 (Rs. 61,686) to statutory contingencies reserve, Rs. 10,000 (*nil*) to reserve for bad and doubtful debts, and Rs. 80,000 (*nil*) to general reserve, there remains a balance of Rs. 3,60,098 (Rs. 3,60,681) including Rs. 77,157 (Rs. 83,389) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

By payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax for the half-year absorbing Rs. 2,80,000 (Rs. 2,80,000) and in carrying forward to next half-year Rs. 80,098 (Rs. 80,681).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	56,01,185	Block ...	1,54,28,364
Debentures	30,00,000	Stores, coal, fuel, etc. ...	20,88,435
Reserves ...	53,93,741	Tools and instruments	1,53,487
Liabilities ...	71,92,486	Expenditure on capital work in progress	7,36,836
Profit and loss account ...	3,80,098	Other assets	77,269
		Debts, deposits and advances	17,34,701
		Investments	6,56,600
		Cash ...	6,71,818
Rs.	2,15,47,510	Rs.	2,13,47,510

Upper Jumna Valley Electricity Supply Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

Satisfactory progress is being maintained as indicated in the following schedule.

Half-year ended	*Units sold*	*Revenue* Rs.
31st March 1953 ...	3,537,022	6,96,433
30th September 1953 ...	3,659,582	6,96,992
31st March 1954 ...	3,758,678	7,37,088
30th September 1954 ...	4,379,345	7,43,320
31st March 1955 ...	4,568,387	7,98,142
30th September 1955 ...	5,283,394	9,12,734

After providing for all charges and placing Rs. 4,403 (Rs. 3,797) to statutory contingencies reserve and Rs. 15,518 (*nil*) to general reserve, there remains a balance of Rs. 59,383 (Rs. 45,218) including Rs. 31,490 (Rs. 27,667) brought forward from the previous half-year available for distribution, and this the directors recommend be disposed of as follows:—

By payment of a dividend at the rate of 10 (10) per cent. per annum free of income-tax for the half-year absorbing Rs. 24,875 (Rs. 24,875), by an additional payment of As. 2 (As. 2) per share free of income-tax Rs. 6,219 (Rs. 6,219) and in carrying forward to next half-year Rs. 28,289 (Rs. 14,124).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	4,98,750	Block ...	9,83,503
Reserves ...	5,55,284	Stores ...	5,73,855
Provision for taxation ...	30,758	Tools and instruments	12,810
Liabilities ...	17,43,845	Expenditure on capital work in progress	22,189
Profit and loss account ...	59,383	Debts, deposits and advances ...	6,78,346
		Investments	1,69,363
		Cash ...	4,47,954
Rs.	28,88,020	Rs.	28,88,020

Lucky Valley (Nilgiri Hills) Tea Estates Ltd.

The directors of the above Company (Secretaries: Messrs. Matheson, Bosanquet and Co. Private Ltd., Coonoor, Nilgiris) submit the audited accounts of the Company for the year ended 31st December 1955.

Crop.—A record crop of 2,18,124 lbs. was secured against an estimate of 2,00,000 lbs. The cost of production was 160.27 cents per lb., sold at an average of 242.16 cents.

The profit for the year after providing for depreciation and for Central income-tax and Madras State Agricultural Income-tax was Rs. 84,429. The directors recommend the following appropriations:—

Transfer to general reserve Rs. 20,000 and pay a dividend of 10 per cent. free of Indian income-tax absorbing Rs. 50,000, leaving a balance of Rs. 14,429 to be carried forward.

Estimates for 1956.—A crop of 2,10,000 lbs. of tea is estimated to cost 130.28 cents including 16.45 cents for manuring.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	5,00,000	Block ...	8,19,860
Reserves ...	20,000	Stock-in-trade	77,220
Provision for taxation ...	42,500	Stores ...	21,243
Liabilities ...	3,74,015	Other assets	10,941
Profit and loss account ...	14,429	Debts, deposits and advances ...	20,002
		Investments	1,000
		Cash ...	678
Rs.	9,50,944	Rs.	9,50,944

Lukwah Tea Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Tantia Brothers (Private) Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

Crop.—The crop weighed out at 12,965 mds. against the estimated figure of 12,000 mds. and were disposed off at an average price of Rs. 2-5-9 per lb. for graded tea and at the rate of Re. 0-5-9 per lb. for stalky and broken tea.

After allowing for depreciation and managing agents' commission there remains a net profit of Rs. 4,84,908 to which is added the balance brought forward from last year of Rs. 64,942, making a total of Rs. 5,49,850. The directors recommend to deal with this as follows:—

To reserve for taxation Rs. 2,09,000, to carry to general reserve Rs. 1,00,000, to pay dividend on 47,500 preference shares at 5 per cent. (free of income-tax) absorbing Rs. 23,750, and on 80,000 ordinary shares at Re. 1-8 per share (free of income-tax) Rs. 1,20,000, leaving a balance to be carried forward to next year of Rs. 97,100.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,75,000	Block ...	6,90,061
Reserves ...	8,33,987	Stock of tea	7,70,939
Provision for taxation ...	5,82,400	Stores ...	1,94,111
Liabilities ...	2,49,745	Other assets	1,738
Profit and loss account ...	5,32,956	Debts, deposits and advances, etc.	10,26,419
		Investments	6,57,533
		Cash ...	1,33,267
Rs.	34,74,088	Rs.	34,74,088

Devkaran Nanjee Investment Co., Ltd.

The directors of the above Company (Chairman: Mr. Pranlal Devkaran Nanjee, Bombay) submitted the audited accounts of the Company for the year ended 31st March 1956.

The net revenue for the year under review amounted to Rs. 84,610 (Rs. 66,736) after providing for Rs. 13,033 (Rs. 10,576) payable to the managing agents. The underwriting commission has been further written off by Rs. 6,500 (Rs. 1,000). This leaves a balance of Rs. 78,110 (Rs. 65,736) to which has been added Rs. 3,394 (Rs. 12,658) brought forward from the accounts of the last year making a total of Rs. 81,505 (Rs. 78,394), which the directors recommend to appropriate as follows:—

To dividend at As. 13 (As. 12) (free of income-tax) per share Rs. 81,250 (Rs. 75,000) and to carry forward (subject to taxation from 1st April 1951) Rs. 255 (Rs. 3,394).

Messrs. Dena Sons Limited resigned as the Managing Agents of the Company and their resignation was accepted by the Board of Directors with effect from 1st April 1956.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,00,000	Cash ...	3,12,956
Reserves ...	1,00,000	Investments	22,87,314
Liabilities ...	25,027	Furniture and fixtures ...	1,262
Revenue account ...	81,505	Underwriting commission	1,05,000
Rs.	27,06,532	Rs.	27,06,532

Pankaja Mills Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. C. S. Ratnasabapathi Mudaliar & Sons, Coimbatore) submitted the audited accounts of the Company for the year ended 31st December 1955.

The directors report that the year's working has been fairly satisfactory as envisaged by them last year. After meeting all expenses including 2 months bonus to operatives paid under protest and providing a sum of Rs. 1,08,630 (*nil*) towards depreciation for the year 1955, the year's trading has resulted in a net profit of Rs. 3,88,343 (Rs. 2,41,401). Depreciation for the three years 1952, 1953 and 1954 was not provided as stated in the respective reports. Instead of providing for all those years out of the profits of the year, the directors propose to set off the profit for the year 1956 against the carry forward loss. By doing so, the loss will get reduced to Rs. 14,98,897 (Rs. 18,87,240) and this will be carried forward. In the circumstances the directors recommend that a dividend of 4 (*nil*) per cent. per annum be paid from out of the dividend equalisation fund which will absorb a sum of Rs. 60,000 (*nil*) and leave a balance of Rs. 40,000 in the fund account.

Trade condition remaining normal, it will be possible to maintain the improvement and show satisfactory results in the future years.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	15,00,000	Block ...	16,66,341
Reserves ...	2,25,000	Stock-in-trade ...	18,82,819
Liabilities ...	41,49,543	Stores and accounts ...	14,98,897
		Debts, deposits and advances ...	6,23,113
		Investments ...	7,750
		Cash ...	22,737
		Profit and loss account ...	14,98,897
Rs.	58,74,543	Rs.	58,74,543

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

OUTLOOK FOR BRITANNIA BISCUIT

Addressing the shareholders of the Associated Biscuit Manufacturers, Ltd., London, Mr. Philip Carr, Chairman said:

"Our Indian subsidiary (The Britannia Biscuit Company, Ltd.) again had a satisfactory trading year ended 31st March 1955, and, as anticipated in my last report, results were somewhat better than those for the previous trading year. The trading and business community in India has, however, many problems with which to contend, as a result of some of the policies of the Indian Government, and the management at Calcutta, Bombay and Delhi are now meeting, and will, I fear, continue to meet, their full share of these problems. I am glad to say, however, that despite these problems the results for the current year are expected to compare favourably with those for the year brought into the accounts now before you."

MONEY UNCHANGED

(From Our Own Correspondent)

BOMBAY, 13*th June*

There was a perceptible increase in the return of funds to banks during the week under review, but the demand for money was so strong that the influx could bring about little change in the state of the market. The trend, therefore, continued to be one of stringency and the rates of interest remained unaltered at the levels reported last week. Thus, inter-bank call money and house money at call were bid at 3½ per cent. Short-term deposits fetched 3½ per cent. for one to three months and 3¼ to 3⅜ per cent. for four to six months.

The customary statement of the Reserve Bank of India for the week ended 8th June 1956 is not available at the time of going to press.

The consolidated statement of position of Scheduled banks for the week ended 1st June 1956 shows a drop of Rs. 6.55 crores in demand deposits, in distinct contrast to the aggregate rise of Rs. 12.97 crores noted in the previous two weeks. Time deposits have, however, maintained their upward trend, with a further increase of Rs. 1.74 crores. Inter-bank borrowings show no worthwhile variation, but borrowings from the Reserve Bank have gone up by Rs. 1.81 crores. Borrowings from the State Bank have, on the other hand, declined by Rs. 1.22 crores. A rise of Rs. 1.20 crores is noted in advances, as against a decline of Rs. 3.37 crores in the previous two weeks. Inland bills purchased and discounted are lower by Rs. 4.19 crores, while foreign bills are higher by Rs. 2.10 crores. Investments stand reduced by Rs. 3.11 crores and cash balances by Rs. 87 lakhs.

The Gilt-edged market presented steady conditions, with enquiries confined to selected counters. The volume of business was restricted, in view of the forthcoming issue of Central Government loan.

3 per cent. 1957 and 1958 continued to find a buyer in the Reserve Bank of India at Rs. 99-13 and Rs. 99-10, respectively. 3 per cent. 1959-61 had sellers at Rs. 98-1½. 3 per cent. 1963-65 was marked up by an anna to Rs. 95-2, while 3 per cent. 1964 was unchanged at Rs. 95. 3 per cent. 1966-68 was on offer at Rs. 93-5, while 3 per cent. 1970-75 continued to be the cynosure of buyers and business was done As. 2 higher at Rs. 90-6. 3 per cent. 1986 Conversion Loan was on offer and declined by an anna to Rs. 77-9. 3½ per cent. 1961 was marked down by an anna to Rs. 99-11. 3½ per cent. 1964 was bid an anna lower at Rs. 98-12, while 3½ per cent. 1965 had sellers at Rs. 98-12. Little interest was evinced in State loans.

After two weeks of successive weakness, the rupee gained some ground in terms of the U.S. dollar during the week under review, following the strength of sterling. Banks' selling rate of ready dollars fell from Rs. 478¼ to Rs. 477¼ per $100 and their buying rate from Rs. 474 to Rs. 473¾ per $100. In New York, spot sterling recovered from $2.80-2.80⅛ to $2.80-7/16-2.80-9/16 and three months' forward from $2.78⅛-2.78⅜ to $2.78⅞-2.79. Transferable sterling firmed up from 277.30-277.40 cents to 277.60-277.70 cents.

HEAVY WITHDRAWALS OF MEDIUM TEAS

(Messrs. Forbes, Ewart and Figgis (Private) Ltd.)

COCHIN, 7th *June*

There were 1,175,000 lbs. on offer in sale 14, which was held on Tuesday, 5th June. The market followed the same pattern as the previous week. Low medium and medium B.O.Ps., were virtually unwanted and withdrawals of these types were again heavy. Good medium and best liquoring brokens met with a fair demand and prices were about steady. Once again all fannings grades were well supported and met with some competition. Prices, however, showed a slight decline on last rates. Whole leaf teas were in less demand, with the exception of a very small quantity of high grown leaf teas.

The following are the quotations:

		Rs.	a.	p.
Plain B.P.		1	8	0*
Low medium B.O.P.		1	10	6
Medium B.O.P.		1	12	0
Good B.O.P. ...	Rs. 2-3-0 to	2	5	0
Well made black leaf O.P. ...		2	2	0

*Nominal.

The average price realised in sale No. 14 was Rs. 2-2 per lb., as compared with Re. 1-14-11 per lb. in the corresponding sale of 1955. This brings the average price realised from 1st January to 5th June 1956 to Rs. 2-3-8 per lb., as against Rs. 2-15-10 in the corresponding period of 1955.

London Market: Sale of 4th June 1956.—Good teas and all off grades strong to dearer. Others, particularly stalky kinds, 1d. to 2d. easier.

Sale of 5th June 1956.—Best quality firm. Others slightly easier.

Colombo Market: Sale of 4th June 1956.—Good demand. Stalky broken mixeds lower. Better sorts firm. Better liquoring off grade fannings very strong, generally dearer.

Sale of 5th June 1956.—Active demand throughout, particularly for colourv sorts and better liquoring Uvas. Highgrowns generally up 10 to 20 cents, mediums up 10 to 15 cents and small leaf lowgrowns up 30 cents. Persian Gulf types much dearer.

Calcutta Market: Export.—5,300 packages. Fair demand, mainly for internal consumption, with prices generally tending lower. Offerings almost exclusively end of season semi-residue types.

Internal.—21,000 dust. Fair general demand As. 1 to As. 3 easier, except Middle East strongest and commonests firm.

Export Quota.—Special licence continues to change hands at 5 pies. 1956-57 export quota remains steady at 36 pies.

Forthcoming Auctions.—Sale No. 15 will be held on Tuesday, 12th June.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:—

"*Sale* 15: 1,200,000 lbs. Market irregular. Much less demand. Low-medium and medium As. 2 to As. 3 lower. All grades and heavy withdrawals. Best liquoring useful enquiry around valuation. Whole leaf rather dearer."

BULLION LISTLESS

(From Our Own Correspondent)

BOMBAY, 13*th June*

The bullion market was featureless during the week under review. Both silver and gold moved irregularly within a narrow range, but the undertone in gold remained steady, thanks to the fairly good demand in ready, while silver was somewhat quiet on reports of some arrivals from Calcutta.

In the earlier half of the week, silver staged a recession on selling by the importers of Tibetan coins. Sentiment was also affected by rumours that more coins will come into the market within the next two weeks. Latterly, however, there was a recovery on revival of support influenced by the improvement in offtake in the ready section. At the close, there was again profit-taking which pruned the gain. On balance, ready silver suffered a fall of Re. 1-2 and forward As. 6 per 100 tolas.

After a mild decline at the opening of the week on rumours of arrivals of unauthorised metal, gold gained ground due to slackness in arrivals, accompanied by an expansion in offtake. Over the week, gold disclosed a fractional gain.

Forward silver (26th June settlement) gave way from Rs. 169-13 to Rs. 168-10, but gained strength to touch Rs. 170-1 today before closing at Rs. 169-7. Trading in the next settlement (July) commenced on Monday, the official starting rate being Rs. 168-6. Opening at Rs. 168-3, silver forward (July settlement) came down to Rs. 167-13 before gaining to Rs. 169-5. The closing was, however, lower at Rs. 168-13.

Ready silver (.996 Mint) slipped from Rs. 171-5 to Rs. 169-10 earlier in the week. After recouping to Rs. 170-15, it reacted to Rs. 170-3 at the close.

The floating stocks of silver are estimated at 700 bars. The daily average offtake was 25 to 30 bars.

Gold for forward delivery (25th June settlement) fell early in the week from Rs. 101-5 to Rs. 100-9, but slowly advanced to Rs. 101-14 and closed at Rs. 101-11. The official starting rate for the July settlement was fixed at Rs. 99-15. On the Exchange, however, business in this settlement opened at Rs. 100-3. After declining to Rs. 99-12, the price improved to Rs. 100-4 at the close today.

Ready gold moved down from Rs. 103-5 to Rs. 102-4 before advancing to Rs. 103-10. The closing was done at Rs. 103-7.

The floating stocks of gold are reported to be 15,000 tolas. The daily average arrivals were 2,500 tolas, while the offtake was 3,000 tolas.

In London, silver prices were marked down by ¼*d.* per fine ounce, the spot metal from 79*d.* to 78¾*d.* and the forward from 78¾*d.* to 78⅝*d.* Gold also reacted from 249s. 9½*d.* to 249s. 6*d.* In New York, silver was unchanged at 90¢.

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

	13-6-56	Highest	Lowest	6-6-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
Gold				
Ready (.99 fine Mint) ..	103 7	103 10	102 4	103 5
Forward*	101 11	101 14	100 9	101 5
Sovereign	67 0	67 0	66 8	66 6
Silver				
Ready (.996 fine Mint) .	170 3	170 15	169 10	171 5
Forward†	169 7	170 2	168 10	169 13
London Silver Ready ..	78 3*d.*	79*d.*	78¾*d.*	79*d.*
London Forward	78 3*d.*	78¾*d.*	78¾*d.*	78¾*d.*
London Gold	249s. 6*d.*	249s. 9½*d.*	249s. 6*d.*	249s 9½*d.*
New York Ready	90¼c.	—	—	90¼c.

* 25th June, settlement.
† 26th June, settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

LINSEED DULL

(Messrs. A. Bradley and Co.)

CALCUTTA, 11*th June*

Linseed prices depressed further, owing to generally slack demand. They reached as low as Rs. 21-8 during the middle part of the week. Latterly, however, with some deterioration in supply position, prices staged recovery. The condition of the linseed market was dull, with crushers showing very limited interest. The oil market was inactive, with buyers more or less out of the market, while millers were unwilling to reduce prices in the absence of any appreciable decline in the value of seeds. Interest from overseas was negligible and no fresh business was reported. The latest available quotation for Ready-June is Rs. 21-12 per maund.

COTTON FUTURES TO BE RESUMED ON MONDAY

(From Our Own Correspondent)

BOMBAY, 13*th June*

Kalbadevi will once again spring to activity at 10.17 a.m. on Monday, when the futures trading in cotton will be resumed after a break of nearly six months. The trading will be on the basis of two hedge contracts—Contract (short staple) No. 1 based on M.G. Jarilla (A) staple 25/32" and Contract (long staple) No. 2 based on M.G. Vijay staple 27/32". The two contracts will run simultaneously, being subject to the ceilings and floors fixed by the Forward Markets Commission. It is not yet known at what levels the ceilings and floors will be decided. Indications are that they will be fixed as proposed by the East India Cotton Association. The suggested floor and ceiling prices for the two contracts are given below:

(In rupees per candy of 784 lbs.)

	Floor	*Ceiling*
Contract No. 1		
Jarilla Fine 25/32"	500	825
Dhollera (including Kutch) ¾"	450	775
Contract No. 2		
Vijay Fine 27/32"	625	975

The Commission is expected to approve of the aforesaid rates, as also four other suggestions of the Association. These relate to (1) weightage of 6¼ per cent., except for basic varieties; (2) fixation of tendering differences on the basis of forward contract rate, instead of on spot rate; (3) linking the invoicing back of cotton rejected in survey to forward rate, the rejection penalty being Rs. 10 per candy; and (4) prohibition of fresh trading during delivery period, except for the purpose of squaring up of contract, that is, liquidation of commitments.

With less than a week remaining for the resumption of futures trading in cotton, speculation is rife in cotton circles over the question: *What will be the trend of spot rates?* Although the poser looks simple, it is rather difficult to answer it with any degree of certainty. A section of traders is somewhat inclined to feel that the prices of cotton futures would be lower than those of spots. In support of its contention, this section draws attention to possibilities of a bumper crop next season, recent recession in agricultural commodity markets, and bearish advices from overseas cotton markets. Reflecting this feeling, those operators who had gone long at higher prices would now appear to be interested in reducing their holdings. It is no wonder, therefore, that the spot prices of cotton have staged a retreat.

The following table gives the latest quotations for a few popular styles of cotton from the Sewri market, as compared with the rates prevailing a week and a fortnight before:

(In rupees per candy of 784 lbs.)

	13-6-56	6-6-56	30-5-56
Bengal *Deshi*	625	640	640
Berar Jarillas	790	810	810
Khandesh	800	820	820
Vijay	970	985	985
Oomra *Deshi*	690	710	710
Moglai	700	725	725

Along with domestic styles, foreign cottons have also tended to recede, thanks to continued slackness in demand. Busoga, for instance, was quoted lower yesterday at Rs. 1,555-R.N. 1,560, as against Rs. 1,580 a week before. Similarly, Jinja was done at Rs. 1,392, as against Rs. 1,410. New crop Californian good middling 1-5/32" recently came in for moderate turnover around Rs. 1,355 per candy for October-November shipment.

After exhibiting a firm trend early in the week, the Karachi cotton futures market developed a distinctly easy tendency on the 7th inst. which persisted till the close yesterday. The initial firmness was aided by good Chinese demand for Pakistan cotton. Shippers, therefore, lent support and cotton prices forged ahead. The upward trend was, however, checked on Thursday when, following higher official estimate of 1955-56 crop, selling pressure ensued and prices drifted lower. N.T.R.G. July delivery hardened from Rs. 83-15 to Rs. 85-11, but receded to Rs. 82-8. January delivery, after improving by Rs. 2-1 to Rs. 79-5, fell to Rs. 77 yesterday. In contrast to the forward section, the spot market ruled quite strong and prices tended to look up. The latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton are: Sind *Deshi* 100; Punjab *Deshi* 94; 4F Roller 85-2; S.G. 87-10; Punjab Roller 88-10, S.G. 91-10; 289F N.T. Roller 86-2; S.G. 91-2; 289F Punjab Roller 93-2; S.G. 99-10.

The fourth official estimate of area under cotton in Pakistan for the year 1955-56 shows an increase of 12.7 per cent. in respect of American variety and an increase of 4.1 per cent. in respect of *Deshi* variety over corresponding estimates for last year. The estimate puts the area under cotton crop for the year at 3,537,000 acres (American and *Deshi* varieties: 2,956,000 acres and 5,81,000 acres, respectively), as against 3,181,000 acres (American and *Deshi* varieties: 2,623,000 acres and 5,58,000 acres, respectively), as reported in the corresponding estimate for last year.

Last week's easiness of the Alexandria cotton futures market gathered considerable momentum during the week under review and there was a further sharp fall in prices. Despite tight statistical situation and firmness in spot premiums, the market experienced selling pressure, induced by fears of official action to stop speculative increases, should prices continue to spiral unchecked. Large profit-taking sales were also in evidence. The fall in futures did not, however, lead to any revival of interest among foreign spinners. The following are the latest available quotations—in tallaries per lb.—from the Alexandria cotton futures market,

as compared with those a week and a fortnight before:

		12-6-56	5-6-56	29-5-56
Karnak:				
July ...	...	108.60	120.75	133.00
November	...	105.10	113.75	126.80
January	...	101.30	109.30	119.25*
Ashmouni:				
June ...	...	80.50	87.25	96.30
October	...	76.35	79.65	89.05

*On 30-5-56.

Barring nearby contracts which met with support from Commission houses and traders, the Liverpool cotton futures market depicted an easy note. Operators showed limited interest in fresh business, as they preferred to await details of U.S. surplus sale of cotton. Egyptian contracts were subjected to hedge selling, following weak advices from Alexandria. The Sudan contract was depressed by attempted hedge selling and absence of buying interest. The following are the latest available quotations—in pence per lb.— from the Liverpool cotton futures market:

Old contract: July-August 26.25; *New contract*: July-August 28.50; October-November 25.30; December-January 24.60; March-April 24.10; May-June 23.92; *Egyptian Karnak cotton*: July-August, November-December and January-February 57.80; *Sudan contract*: July-August 47.45; September-October 46.05; November-December 46.00.

Thanks to uncertainties regarding the operation of the new cotton export programme, the New York cotton futures market was in a state of suspense this week. The Commodity Credit Corporation was reported to have suspended export sales till the implications of the new farm legislation were fully understood. Business was, therefore, confined to routine transactions, with operators generally disinclined to enter into fresh commitments. The C.C.C. preponed the date for the acceptance of bids from the 19th to 12th inst. This decision, it is said, is a sequel to the representation made by the cotton industry and trade. Protesting against the postponement of C.C.C. export sales, the cotton interests said that such postponement would seriously affect shippers who had committed themselves heavily to August shipments, steamship companies which had arranged the routing of their vessels to undertake this business, and foreign spinners who were awaiting August shipment cotton.

Following the passage of the U.S. Farm Bill, the U.S. Department of Agriculture has resumed sales of surplus cotton with effect from the 12th inst. The Department has assured traders that prices would be consistent with recent Congressional directive. It may be recalled that the Congress gave out that sales of surplus Upland cotton should be 'at or lower' that of 25.50 cents per pound. It is also stated that, in accordance with the provisions of the Agricultural Act of 1956, the C.C.C. will make its Upland cotton available without quantity limitations for the time being. The Department has also laid down that the bids would be accepted every two weeks after the 12th inst.

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

(In cents per lb.)

		12-6-56	5-6-56	29-5-56
Spot	... ...	36.75	36.65	36.55
July	... ...	34.49	34.60	34.45
October	... ...	32.51	32.57	32.29
December	... ...	32.61	32.67	32.45

YARNS DEPRESSED

(From Our Own Correspondent)

BOMBAY, 13*th June*

The yarn market continued to rule depressed this week also. Speculators and weak holders were busy clearing their stocks, a natural phenomenon on the eve of the monsoon. Consequently, prices moved downwards. The decline was shared by all kinds of yarns, with the exception of fine count cotton yarns which evoked good demand, thanks to shortage of supplies.

Staple fibre yarns were subjected to pressing sales for forward delivery by local as well as upcountry mills. A leading group of mills was reported to have sold a large quantity of yarn As. 2-As. 4 per lb. lower than the rates at which the previous sale was made. June delivery contract for 40 x 2 staple fibre yarn was hammered down by Rs. 17 to Rs. 657. July contract was done at Rs. 651. In the spot section, foreign yarns (80 x 2) suffered a sharp break. Suicos dropped As. 3 to Rs. 7-8. Paramounts receded by As. 2 to Rs. 6-6. K'Suns and H'Races slipped by a like amount to Rs. 6-14 and Rs. 6-8, respectively. S'Sellos lost an anna to Rs. 6-8. Among indigenous yarns (40 x 2), New Greats and Citys shed an anna each, the former to Rs. 3-7 and the latter to Rs. 3-7-9. Kohinoors declined by nine pies to Rs. 3-8. Centurys eased by a similar sum to Rs. 3-7-3.

Rayon yarns were also subjected to heavy selling, induced by considerable slackness in demand in the wake of continued large arrivals from abroad. Huge stocks were said to have been accumulated with dealers. To quote one report: "Important consumers, including silk weaving mills, have been buying very little and some of them have already large stocks with them which they are eager to dispose off but without finding buyers. Even the well-known brands are difficult to find buyers at any reasonable prices, not to talk of unknown brands which are not saleable at all." Snia rayon yarn (120 dull cones) for June delivery fell by Rs. 5 to Rs. 797. August delivery drifted lower from Rs. 796 to Rs. 792. Shot 120 Japan declined by 15 pies to Rs. 3-11. 150 Japan lost half an anna to Rs. 4-3-6. 120 Italy was quiet at Rs. 3-12-6 and 150 Italy at Rs. 3-14. Among indigenous yarns, National Rayons 120 Bt. cones 1st grade eased by an anna to Rs. 3-10-3. 150 Bt. cones 1st grade shed nine pies to Rs. 3-7-3.

The cotton yarn section ruled generally quiet, despite weak advices from the cotton market where there was a sizable fall in prices. Ten counts Moderns were unchanged at Rs. 14-4, as also Podars at Rs. 13-14. Twenty counts Hinds shed an anna to Rs. 18-2. Moderns were neglected at Rs. 18-4. Among 30s, Mahendras receded by As. 8 to Rs. 72-8. Moderns and Finlays were unaltered at Rs. 70 and Rs. 78, respectively. Cotton yarns of forty and sixty counts, however, elicited enlarged buying enquiries and tended to move up. Among 40s, Minaxis improved by As. 6 to Rs. 28-6. Moderns gathered As. 2 to Rs. 28. Among 60s, Raghuvamshis put on As. 8 to Rs. 58-8. Moderns gained As. 6 to Rs. 62. Finlays were better by As. 4 at Rs. 62-4.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	13-6-1956	6-6-1956	30-5-1956
Art Silk yarn (per case of 200 lbs.)–	Rs. a.	Rs. a.	Rs. a.
120 Dull Cone Snia June ..	797 0	802 0	805 0
August ..	792 0	796 0	802 0
120 Japan (per lb.)	3 11	3 12½	3 13½
150 Japan (per lb.)	4 3½	4 4	4 4
120 Italy (per lb.)	3 12½	3 12½	3 13
150 Italy (per lb.)	3 14	3 14	3 14
Staple fibre yarn (per case of 200 lbs.)–			
40 x 2 June	657 0	674 0	685 0
40 x 2 New Great (per lb.) ..	3 7	3 8	3 8½
40 x 2 Century (per lb.) ..	3 7½	3 8	3 8½
40 x 2 City (per lb.)	3 7½	3 8½	3 9½
Cotton yarn (per bundle of 10 lbs.)–			
10s Podar	13 14	13 3	14 0
20s Hind	18 2	18 3	18 5
30s Sarojs	—	24 0	24 0
40s Minaxi	28 6	27 14	28 14
60s Modern	62 0	61 10	63 8
80s Modern	70 0	70 0	70 8

OILSEEDS STEADY

(From Our Own Correspondent)

BOMBAY, 13*th June*

The oilseeds market witnessed a two-sided movement during the week under review. In the first three sessions of the week, the market put on a somewhat cheerful note. Operators showed interest to enter into commitments, following the appearance of a few shippers to cover their sales overseas. Reports from the U.S., too, were encouraging. There was, besides, brisk offtake of groundnut by crushers and traders from Gujerat and Saurashtra. Prices of both oilseeds and oils, therefore, recorded sizable gains.

The improvement proved, however, a short-lived affair in the remaining sessions. At higher levels, the market showed lack of drive and energy. There was no follow-up support, while a few longs showed eagerness to take profits on reports of good monsoons and weakness of other produce market. Besides, the commencement of the new December-January delivery contract at a discount of Rs. 5 over the August-September position adversely affected the sentiment of the market. In the result, prices reacted to stay more or less at last week's levels. The undertone was steady at close.

In the castorseeds section, September contract was subject to considerable variations. On favourable U.S. advices, September delivery improved from Rs. 142 to Rs. 145-14 but subsequently staged a retreat to close at Rs. 139-8 today. F.A.Q. was As. 2 better at Rs. 27-4, while ready Madras revealed no change at Rs. 27-4. Kanpur quality was, however, As. 4 better at Rs. 26-4. Castor oil B.S.S. quality declined from Rs. 16-6 to Rs. 16-4. But Commercials were an anna higher at Rs. 15-4.

On sustained support, groundnut bold improved from Rs. 33 to Rs. 34-8 but reacted to Rs. 33-4 today. June-July delivery, however, put on As. 10 to Rs. 33-6. August-September, however, lost As. 7 to Rs. 33. Khandesh quality rose from Rs. 34 to Rs. 35, but relapsed again to Rs. 34. Groundnut oil *ex*-mill advanced from Rs. 17-14 to Rs. 18-6. Railway receipts too were better by As. 6 to Rs. 18-4.

In the linseed section, Bold variety, lost As. 4 to Rs. 30-8. As similar loss was noticed in June-July delivery at Rs. 30-8. Indore had some business done at Rs. 30-14, as against Rs. 29-12. Satna, however, was unchanged at Rs. 28-12. Linseed oil railway receipts was done at Rs. 16-14, as against Rs. 17-6 a week ago.

Among others, *kardi* seeds improved by As. 8 to Rs. 18-10 and *niger* seeds by a rupee to Rs. 28.

The following table shows the prices of oilseeds and oils today as compared with those at the end of the previous two weeks.

	13-6-1956	6-6-1956	30-5-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
Khandesh Quality Ready (per cwt.)	34 0	34 0	33 14
June-July	33 6	32 12	33 4
Linseed—			
Bold Ready (per cwt.) ..	30 8	30 12	32 12
June-July	30 8	30 14	31 12
Castorseeds—			
September	139 8	142 0	140 14
Madras (per cwt.)	27 4	27 4	28 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 6	17 4	18 0
Castor Oil—			
Commercial (per quarter) ..	15 4	15 3	15 10
Linseed Oil—			
Ready	16 4	17 6	18 8

SUGAR FIRM

(From Our Own Correspondent)

BOMBAY, 13*th June*

Distinctly firm conditions prevailed in the sugar market during the week under review. Thanks to the meagre release issued by the Union Food Ministry to the Bombay-Deccan and South Indian mills, the ex-mill quotations in this region and even in the U.P., registered an improvement. This factor, coupled with reduced arrivals of indigenous sugar into the market—being 4,800 bags, as against 7,500 bags in the previous week—induced good buying support and prices of sugar registered a handsome improvement.

In the ready section, large grain indigenous sugar advanced from Rs. 94-Rs. 99 to Rs. 95-Rs. 102 per bag. Medium grain spurted by a rupee to Rs. 91-Rs. 94. British refined sugar rallied Re. 1-12 to Rs. 88-8 per 2 cwts.

Shravan delivery contract for 'C' grade sugar hardened from Rs. 90½ to Rs. 91-12 before being quoted today at Rs. 91-10.

The quantity of sugar released for sale in the free market is, as already stated, meagre. It will be recalled that, as the release of sugar issued last month was very small, the markets in the Deccan and South India had been starved of sufficient supplies. It was anticipated that the release in the current month would be satisfactory. This anticipation was, however, believed. In the face of heavy pre-monsoon demand, sugar prices registered a spectacular rise. This rise is termed "scandalous," especially in view of the fact that sugar output in the current season is expected to touch an all-time record of 1.85 million tons.

Meanwhile, there are rumours of large-scale smuggling of indigenous sugar into Pakistan where there is reported to be a virtual sugar famine. It is said, in this connection, that all the areas in South India, including Mysore, Madras, Cochin and Calicut, are aggressive buyers of sugar in the Deccan. The fact that these centres are such keen buyers, dspite the abnormally high freight charges from the North and Deccan areas to the South, shows that there has been a distinct rise in consumption.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

NARROW MOVEMENTS IN PEPPER

(Messrs. Parekh & Co.)

BOMBAY, 13*th June*

During the week under review Malabar black pepper moved narrowly, with undertone uncertain in view of the absence of new incentive. New crop a consequence, arrivals at Singapore are increasing from week to week. Sarawak growers are weak holders. They want to sell at the best market price. This is making the position of Singapore market rather precarious. Discouraging advices from Singapore and Sarawak, in their turn, are causing weakness in India as well as in New York. Dealers in the U.S.A. and Europe are marking time for covering their fall requirements. In the declining market, they wait for a still lower bottom and wish that someone else should make a start. This has caused shortage of spot stock in almost all the consuming countries. As such, a slight appearance of grinders' aggressive demand will be enough to make the market active. New York market tried to lift its head twice during the last fortnight. But it proved short-lived for want of holding capacity of Sarawak. The present stalemate in the conditions of the world's pepper markets is not likely to improve, unless seasonal pressure in Sarawak is relieved by a fairly good demand from Europe and America. Since the last two seasons, Sarawak has proved itself a controlling factor in the world market.

Alleppey after rising to Rs. 750, went down to Rs. 731-8, while garbled at Cochin from Rs. 128-4 to Rs. 125. For want of any new development most of the exporters are sidelining. They refuse to offer below parity to meet foreign buyers, because they are not certain to get pepper in quantity from the growers, if once the market begins to move up. The market in India seems to have stabilised at round about the present price, but unless Singapore market steadies up, there remains a small chance of good buying by the U.S.A. Russia and China are reported to be at present out of the picture, but growers, in general, are banking upon the reappearance of Russia as a potential buyer if not now, after some time.

Early June shipments were purchased from changed hands locally from $0.28¼ to $0.28¾. July-Aug-Sept. from $0.28¼ to $0.28¾.

In the delivery section the market is in the doldrums with prices moving narrowly with tone downward.

Following are today's nominal quotations: Ready delivery Rs. 100 (as against Rs. 102 a week ago) per Bengal maund. June Rs. 700-705 (Rs. 695-705), July Rs. 705-15 (Rs. 695-705) per candy of 5¼ cwts.

JUTE GOODS STEADY

(From Our Own Correspondent)

CALCUTTA, 12*th June*

Prices of both jute goods and raw jute were maintained during the week under review. The announcement during mid-week that stocks of finished goods with mills at the end of May rose by 11,200 tons to 119,100 tons did not cause any setback to prices, although such a large rise was read with concern. For, a higher increase had been anticipated. The major rise was in sacking goods amounting to 7,800 tons. Hessians advanced to 40,600 from 35,800 tons, while miscellaneous constructions declined to 7,400 tons from 8,700 tons. In normal circumstances, such a huge increase of 11,200 tons would have forced down quotations, but the New Delhi report which believed that Government which was averse to mills curtailing production would take active steps to reduce stocks of mills to a reasonable level caused cheer. Increased imports of rice from Burma, stepping up production of indigenous cement, and more imports of cement would all require more gunny bags. Also with the increased tempo of industrial activity, there would be more movement of industrial production within the country. All these would, in course of time, balance mills' production with demand. The idea of fixing minimum export prices is still being considered but members of the Indian Jute Mills Association are believed to hold different opinions on this matter. European mills are generally opposed to such a prospect but most Indian mills favour a measure of this kind.

What New Delhi will finally decide on the proposal is difficult to say. For, such a measure as fixation of minimum prices can be formulated only after full consideration of all aspects. Prior agreement of the mills would strengthen authority. However, mills are reluctant to give their support, as they fear if prices are fixed higher than those prevailing now, American buyers may turn to using more substitutes at the cost of the Indian industry. The situation is certainly confusing, but there is wisdom in the point of view of mills, inasmuch as the continued reports of this proposal have failed to frighten buyers. All that the rumours have done is to encourage bazar dealers to absorb as much offers as possible, and, indeed, one operator has bought all that has been offered to him. And that explains why during the week under review prices were firm.

Early in the week, ready B. twills were fully steady at Rs. 106-14 and hessians 40″ 10 oz. at Rs. 38-4 on sustained speculative support.

Profit-taking soon followed, and, in the absence of genuine business for substantial quantities, prices sagged. Thus B. twills declined to Rs. 106-2 and 40″ 10 oz. hessians to Rs. 38-1 on Wednesday. At these levels mills showed keen interest in selling forward, and in fact a fair amount of business was done both for forward and near positions. At this stage, shipping figures for the month of May were available, and these showed that shipments of both hessians and sackings were very near the April record. Details of stock soon followed and since the increase was below earlier expectations prices recovered fractionally on Thursday. B. twills were quoted at Rs. 106-8 and 40″ 10 oz. hessians at Rs. 38-2. Genuine buyers, however, slowed down activity, since the huge increase in stocks was a factor in their favour. So by the week-end, ready B. twills lost to Rs. 105-14 and 40″ 10 oz. hessians to Rs. 38-0. However, yesterday there was lively interest shown by bears, and covering demand pushed up ready B. twills to Rs. 106-2 and hessians 40″ 10 oz. to Rs. 38-5. The 8 oz. hessians were priced at Rs. 31-10, as against Rs. 32-4 a week ago.

Raw jute was fully steady, and rates were maintained. Mills bought small quantities of the old crop. They also evinced keen interest in new crop and entered into some deals on the basis of Rs. 25-8 per maund for August-September delivery. However, sellers of the new crop were reserved and fearing losses, they did not enter into any large commitment. As such mills' demand could not be fully satisfied. It is now learned that damage to crop, following the recent heavy rains, was insignificant. The condition of the plants is reported to be excellent, and a bumper crop is still anticipated. Latest quotations are given hereunder:—

	Middles Rs. a.	*Bottoms* Rs. a.
Pakistani:		
Northern	32 0	29 0
Indian:		
Northern	30 0	27 0
Assam Upper ...	30 0	27 0
Assam Lower ...	30 0	27 0
Daissee	30 8	27 8
Murshidabad ...	29 8	26 0
Western	29 8	26 8
Jungli	29 0	26 0
Orissa	30 8	27 8
Uttar Pradesh ...	29 0	26 0
Daissee Mesta ...	28 8	25 8
Bimli f.a.q.	25 8	

QUALITY TEAS FAVOURED

(From Our Own Correspondent)

CALCUTTA, 12*th June*

The new season's first export sale was held yesterday when a quantity of 24,759 chests of new season's teas and 123 of old season's teas was offered. Contrary to earlier expectations, withdrawals of medium and poor grades were heavy, but quality teas were absorbed in no time. There was good demand for Darjeelings with flavour, and for stylish whole leaf grades. Dooars, with useful first flush quality, realised prices above brokers' valuations. However, subsequent offerings were of poor quality, and among these, Cachars and Assams with plain liquors withdrawals were heavy.

Prospects for tea gardens during the season 1956-57 are considered good as world demand is running at a higher level. During the season 1955-56, most producing countries including India reported increased production with the result world output reached a record level, which, however, was absorbed without causing serious setback in prices. For world consumption also increased. India's own consumption increased by as much as 30 million lbs., and this is attributed to the rising standard of living. For the same reason, it is expected that internal sales during this year would further improve. The fact that stocks at the end of last month in the U.K. were lower by 36.5 million lbs. as compared with those at the close of the corresponding month of last year shows that British buyers should get busy. During this season substantial support to the Indian market is expected from Russia which is likely to lift as much as 80 million lbs. All these factors indicate that demand during the export and internal auctions of the current season tend to go higher, and if it is remembered that last year's record world output, including that in India, was due to favourable climatic conditions, the repetition during this year of the same performance depends on certain factors. Chances are that output may decline. The combined production figures of the Indian gardens (South and North), Ceylon, and Pakistan for the first four months of this year are about 19 million lbs. lower than last year's comparative figure. The decline has been caused by bad weather. However, all these factors did not make buyers rush to the offers during yesterday's auctions; the reason attributed to this is that it will not be until a few auctions conditions can get settled. Buyers would have to study the trends carefully in the meantime.

Offerings during last week's internal sale comprised 21,150 packages. Clean commons went down by As. 3 and good liquoring grainy Assams by an anna to As. 2. However, good support at higher rates was forthcoming to black leafy teas suitable for export to the Middle East. The commonest residue teas found buyers at firm rates. Among C.T.C. Assams, the best lots were steady, while the remainder declined. The quotations were: best Assam C.T.C. Rs. 2-8 to Rs. 2-10 (nominal), medium Assam grainy dust Re. 1-6, and medium Dooars Re. 1-4.

Offerings of leaf grades amounted to 167 packages. Prices were lower, despite keen demand and the meagre quantity on offer.

GOOD DEMAND FOR HIDES

(From Our Own Correspondent)

MADRAS, 12*th June*

The volume of trading in the hides and skins market was better than last week. Clearance of cow hides was good, though at lower prices. Inquiries from the U.K. were patchy, as buying was selective.

Demand for buff calf and cow calf (market qualities) was poor, though a few odd parcels of top marks were sold at full prices. There was limited clearance of buff hides at unchanged prices, due to internal demand and to buying on U.S. account.

As regards tanned skins, prices ruled unchanged, and shipment business was limited, due to stiff prices quoted at origin here.

* * * *

(From Our Own Correspondent)

KANPUR, 10*th June*

During the week under review, the hides and skins market ruled fully steady. Demand for both cow and superior buff was keen. Madras dealers made heavy purchases of lighter cow and goat. The local tanners made the major purchases while the country tanners were eager purchasers of inferior cow.

The latest available quotations are: Wet salted cow 1st grade Rs. 280, 2nd grade Rs. 200 to Rs. 240 and 3rd grade Rs. 135 per score; wet salted buff 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat skins 1st grade Rs. 215 and 2nd grade Rs. 180 per 100 pieces; sheep skins 1st grade Rs. 180 and 2nd grade Rs. 130 to Rs. 140 per 100 pieces.

FOODGRAINS STEADY TO FIRM

(From Our Own Correspondent)

HAPUR, 11*th June*

Steady to firm conditions prevailed in the foodgrains market during the week. Prices of wheat were particularly firm, despite the warning administered by the Union Food and Agriculture Minister that, in order to maintain prices of foodstuffs at reasonable levels the Government would crush the anti-social tendencies like hoarding and speculation. Hoping to get better prices in the off season, the stockists were making large purchases. Arrivals were below average, indicating that the crop as a whole has been poor. Wheat average quality prices improved by As. 10 to Rs. 14 during the week and, with arrivals at an average of 2,000 maunds daily, stock position improved to 70 *khaties*, as against 80 *khaties* at this time last year when average quality wheat was quoted at Rs. 10 per maund. Farm quality prices, however, recorded a gain of only As. 4 to Rs. 15, due to want of outside buying enquiry at higher rates.

The Government of Uttar Pradesh is anxious to check the rising trend of prices and is reported to have asked the Centre to allow it to ban export of foodgrains outside the State. The Centre has also diverted about 40,000 tons of imported wheat to the U.P. for sale, in order to check the rising trend.

Rice and other cereals also depicted a firm trend. Despite sale of Burma rice at Bombay, *rangooni* rice prices rose by As. 8, due to good demand from the South. Barley and *bejhar* prices also advanced fractionally, in sympathy with wheat and following good seasonal demand. Gram prices improved on good enquiry from Madras side. The latest available prices are: Rice: *rangooni* Rs. 17-8, *basmati* Rs. 25 to Rs. 33; coarse Rs. 15-8; *barley* Rs. 10-4; *bejhar* Rs. 10, gram: local Rs. 10-14 and punjabi Rs. 11-4 per maund.

Pulses ruled irregular. While peas was unchanged at Rs. 10-4 per maund for *dara* quality and at Rs. 11-12 for white quality, *arhar* rose by As. 4 to Rs. 11-8 per maund. Peas arrivals were small, being 1,000 maunds daily, and stocks improved to 52 *khaties*, while *arhar* stock was higher at 94 *khaties*. Other pulses recorded minor gains to be quoted at: *Urd* Rs. 17 to Rs. 18-8, *moong* Rs. 14-12 and *masoor* Rs. 13 per maund.

Pulses futures moved both ways. Jeth delivery ruled quietly steady and *bhadon* delivery ruled quiet. The latest quotations as on Monday were: Peas *jeth* Rs. 10-3-3, *bhadon* Rs. 10-10, peas white *jeth* Rs. 10-12-6, *bhadon* Rs. 11-4-9, *arhar jeth* Rs. 11-4-9 and *bhadon* Rs. 11-13.

SUGAR IMPROVES

(From Our Own Correspondent)

HAPUR, 11*th June*

Better pre-monsoon demand from all sides—mainly from markets in the South—coupled with improved loading facilities accounted for an advance in the mill delivery prices of sugar during the week. The total production of indigenous sugar up to 22nd May was above 1.75 million tons. The Government has released about 145,000 tons of sugar for sale in the free market, thus bringing the total releases made out of the 1955-56 production to 811,000 tons. In addition, 177,000 tons of sugar have been made available for consumption from imported stocks.

The latest mill delivery prices of sugar at Hapur are: Jaswant Rs. 28-5, Simbhauli Rs. 28-4, Mowana Rs. 28-3, Daurala Rs. 29-4, Amroha Rs. 27-12, Bijnore Rs. 27-12, Mansoorpur Rs. 28-4 to Rs. 29-8, Rampur Rs. 30-8, retail Rs. 30 and *khandsari* Rs. 23 to Rs. 27 per maund.

Owing to easy loading facilities, there was heavy offtake of *gur* to Gujerat during the week with the result that prices went up by As. 8 to Rs. 10-12 per maund. Daily arrivals were small, the average being 150 maunds out of producers' stocks and local stocks amounted to 80,000 maunds. The standing cane crop is reported to have suffered by pest, due to continued easterly winds, and is now in need of rains.

Gur futures moved both ways. Opening at Rs. 9-1, *fagun* delivery touched the highest at Rs. 9-4-6 and the lowest at Rs. 8-15 and were quoted today at near the best level of the week at Rs. 9-4. The firm trend was due to bull support, influenced by better ready prices.

Notices

INDUSTRIAL FINANCE CORPORATION OF INDIA

KEELING ROAD, NEW DELHI

NOTIFICATION

IT IS HEREBY NOTIFIED THAT THE SHARE Register of the Corporation will be closed and the registration of transfers suspended from the 16th June 1956 to the 30th June 1956 (both days inclusive).

By Order of the Board,
H. V. VENKATASUBBIAH,
General Manager.

Dated the 5th June 1956.

THE INDIAN IRON AND STEEL COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT IN CONnection with the financing of the cost of the further expansion which the Company is required to undertake in contribution towards the increase of steel production under the Second Five-Year Plan, application was made to Government for consent to the issue of further Ordinary shares at par on the basis of one new right share for each Ordinary share held. Advice has now been received that Government have sanctioned the issue of new Ordinary share capital at a price of Rs. 13-8 per share.

In according their sanction Government have stipulated that no fresh issue of capital shall be made until after the 1st November 1956.

By Order of the Board,
MARTIN BURN LIMITED,
F. G. LIVERSEDGE,
Managing Director,
Managing Agents.

CALCUTTA, 12*th June* 1956.

BURN AND COMPANY LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Board of Directors has sanctioned payment of the dividend on 6 per cent. and 7 per cent. Preference Shares of the Company for the half-year ending 30th June 1956. Payment will be made on or after the 10th July 1956, to those shareholders whose names appear on the Company's Registers on the 30th June 1956, or in accordance with their instructions.

By Order of the Board,
MARTIN BURN LTD.,
Managing Agents.

12, MISSION ROW,
CALCUTTA, 16*th June* 1956.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES%

Centre	Changed on	From	To
Argentina	1st Mar., 1956		3½
Austria	15th Jan., 1950	4½	5
Belgium	4th Aug., 1955	3	3½
Bolivia	8th Sept., 1950	5	6
Canada	4th April, 1956	3½	4
Ceylon	31st June, 1954	3	2½
Chile	16th June, 1955	6	4½
Colombia	15th June, 1953	4	5
Costa Rica	1st April, 1954	6	5
Denmark	1st May, 1956	5	5½
El Salvador	25th May, 1945	2	1½
Eire	25th May, 1956	5	5½
Finland	5th April, 1956	5	6
France	21st Dec., 1954	3½	3
Greece	1st Jan., 1953	10	6
India	16th Nov., 1951	3	2½
Indonesia	1st April, 1940	4	3
Ireland	25th May, 1954	3½	4
Italy	15th April, 1950	4½	5
Japan	10th Aug., 1955	5·84	7·3
Mexico	4th June, 1942	4	5
Netherlands	7th Feb., 1956	3½	4
New Zealand	19th Oct., 1955	5	4½
Norway	14th Dec., 1955	4½	5
Pakistan	1st July, 1948	3	2½
Peru	23rd Jan., 1950	6	5
Portugal	8th March, 1954	3	2½
Russia	1st Jan., 1944	6	4
South Africa	19th Jan., 1956	3½	4
Spain	7th Sept., 1955	4	4½
Sweden	1st July, 1955	3½	4
Sweden	1st April, 1956	4	4½
Switzerland	1st June, 1956	2½	3
Turkey	2nd June, 1956	4	5
United Kingdom	17th Feb., 1955	4½	5
U.S.S.R.	1st Jan., 1955	6	4
U.S.A.	14th April, 1954	2	1½
West Germany	16th March, 1956	4½	5½

‡ Money Chicago, where the rate is nil per week.

CLEARING HOUSE RETURNS

Centre	Week ended 1st June, 1956		Week ended 8th June, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	[illegible]	[illegible]	[illegible]	[illegible]
Calcutta	[illegible]	[illegible]	[illegible]	[illegible]
Madras	[illegible]	[illegible]	[illegible]	[illegible]
Alternative—				
1955-56*		3,662.44 crores		3,540.47 crores
1954-55*		4,580.04 crores		4,611.29 crores
Feb., 1956		[illegible]		[illegible]

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 1st June, 1956

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	10,00,00,000
National Agricultural Credit (Stabilisation) Fund	[illegible]
Deposits :—	
(a) Government—	
(1) Central Government	[illegible]
(2) Other Governments	[illegible]
(b) Banks	[illegible]
(c) Others	[illegible]
Bills Payable	[illegible]
Other Liabilities	[illegible]
Rupees	[illegible]

Assets	Rs.
Notes	[illegible]
Rupee Coin	[illegible]
Subsidiary Coin	[illegible]
Bills Purchased and Discounted—	
(a) Internal	[illegible]
(b) External	[illegible]
(c) Government Treasury Bills	[illegible]
Balances held Abroad*	[illegible]
Loans and Advances to Governments	[illegible]
Other Loans and Advances	[illegible]
Investments	[illegible]
Other Assets	[illegible]
Rupees	[illegible]

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 42,58,51,000 advanced to Scheduled banks against usance bills under section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 250,23,14,000.

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	28,40,72,000	
Notes in circulation	1501,58,85,000	
Total Notes issued		1529,27,57,000
Total Liabilities		1529,27,57,000

Assets	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	49,01,71,000	
(b) Held outside India	676,47,85,000	
Foreign Securities		
Total of A		725,49,56,000
B. Rupee Coin		10,5 [illegible]
Government of India Rupee Securities		793,72,29,000
Internal Bills of Exchange and other commercial paper		
Total Assets		1529,27,57,000

Ratio of Total of A to Liabilities : 45·975 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 1st June, 1956

		Rs.
1.	Demand Liabilities in India :	
	(i) Borrowings from banks other than the State Bank and a notified bank †	7,36,65,000
	(ii) Other demand liabilities	823,21,79,000
2.	Time liabilities in India :	
	(i) Borrowings from banks other than the State Bank and a notified bank †	9,21,30,000
	(ii) Other time liabilities	435,00,07,000
3.	Borrowings in India from the State Bank and/or a notified bank :	
	(i) Demand liabilities	8,66,43,000
	(ii) Time liabilities	
4.	Cash in India	87,80,68,000
5.	Balances with the Reserve Bank in India	50,07,42,000
6.	Balances with other banks in current account in India	10,60,23,000
7.	Money at call and short notice in India	9,65,88,000
8.	Investments (at book value) in India in Central and State Government securities (excluding Treasury Bills and Treasury Deposit Receipts	342,67,82,000
9.	Advances in India	614,90,28,000
10.	Inland Bills purchased and discounted in India	104,91,67,000
11.	Foreign Bills purchased and discounted in India	48,83,29,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	Unit	Previous week
Bombay on London—		
Sellers T.T. D/D. Spot	£	1/4
Sellers T.T. D/D. up to six months	£	1/4
Buyers T.T. D/D. spot to [illegible] months	£	1/4
Buyers T.T. D/D. up to [illegible] months	£	1/4
Bombay on New York—		
Sellers T.T. D/D.	Rs.	4/2
Buyers T.T.	Rs.	4/0
London on New York	$	2 [illegible]
London on Paris	Fcs.	[illegible]
London on Zurich	Sw. Frs.	[illegible]
New York on London	$	2 [illegible]

NATIONAL INCOME*

Country	Year	Fiscal Year ending in	National Income (In millions)			In terms of Rupee (Crores of Rupees)	Per capita Income (Rs.)
India†	1954-55	1955-56				10,275	265
Pakistan	1954	1954	Kwais	9,005		852	105
Ceylon	1954	1955	Rs.			1,020	555
Japan	1954	1954	Yen	6,144,000		1,536	165
Philippines	1954	1954	Ps.	7,457		1,491	360
New Zealand	1954	1954	£ N.Z.	1,302		1,302	1,114
Australia	1954	1954	£ (A)	4,202		4,202	1,014
U.K.	1954	1954	£	18,000		24,300	1,134
U.S.A.	1954	1954	$	364,500		1,944,570	10,766
Canada	1954	1954	$	25,000		133,375	1,000
W. Germany	1954	1954	DM	121,000		1,210	2,420
Italy	1954	1954	Lire	9,000,000		1,440	1,000
Norway	1954	1954	Kr.	15,454		1,030	3,090
Sweden	1954	1954	Kr.	21,000		2,100	3,000
Netherlands	1954	1954	Fl.	21,000		1,400	1,400
Switzerland	1954	1954	Fr.	15,000		1,500	3,000

* National income at factor cost. The aggregate of all incomes earned by the factors of production, whether owned by residents or non-residents, in the course of a year.

† Source : United Nations Monthly Bulletin of Statistics, March 1956.

‡ Estimates for 1953-54 have not been published in the Statistical Yearbook on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 1st June, 1956

BANKING DEPARTMENT

Liabilities	Rs.
Capital paid-up	[illegible]
Reserve Fund	[illegible]
Deposits	
(a) Central Government	[illegible]
(b) Provincial Governments	[illegible]
(c) Banks	[illegible]
(d) Others	[illegible]
Bills Payable	[illegible]
Other Liabilities	[illegible]
Rupees	[illegible]

Assets	Rs.
Notes	[illegible]
Rupee Coin	[illegible]
Subsidiary Coin	[illegible]
Bills Purchased and Discounted :—	
(a) Internal	[illegible]
(b) External	[illegible]
(c) Government Treasury Bills	[illegible]
Loans and Advances to Governments	[illegible]
Provincial Governments' Inter Balances	[illegible]
Other Loans and Advances	[illegible]
Investments	[illegible]
Other Assets	[illegible]
Rupees	[illegible]

ISSUE DEPARTMENT

Liabilities	Rs.	Rs.
Notes held in the Banking Department	19,17,50,000	
Notes in circulation	981,15,85,000	
Total Notes issued		800,02,74,000
Total Liabilities		800,02,74,000

Assets	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion		
Sterling Securities	86,98,86,000	
Government of India Securities	26,58,95,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,55,000	
B. Rupee Coin	6,58,81,000	167,79,49,000
Government of Pakistan Securities	120,50,88,000	
Internal Bills of exchange and other commercial paper		
II. Held with the Reserve Bank of India pending transfer to Pakistan :—		120,50,88,000
Gold Coin and Bullion	19,02,000	
Sterling Securities	4,40,65,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,08,000
Total Assets		800,02,74,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57·6 per cent.

COMPARATIVE BANKING STATISTICS

(In Rupees Crores)

	1st Sept., 1950 (Pre-War)	31st March, 1956	3 weeks ago	4 weeks ago	1 year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172·87	1501·58	1529·27	1529·27	1485·59
Notes held in Banking Department	30·13	28·41	28·41	28·41	28·41
Deposits					
Government Securities	142·74	1473·17	1501·86	1501·86	1457·18
Banking Department					
Deposits					
Government of India	14·79	1·48	56·74	15·05	55·35
Other Governments		0·13	0·13	0·13	0·13
Scheduled Banks	10·08	21·58	9·71	9·71	7·49
Other Accounts		1·58	0·75	0·75	0·75
BANKS					
Demand Liabilities	134·56	803·52	852·77	852·77	841·15
Time Liabilities		1·72	2·03*	2·03*	1·98*
Bills Payable	102·24	437·71	432·24	432·24	391·34*
Borrowings from Reserve Bank		73·50	73·50	73·50	73·50
Rediscounts with Reserve Bank		(4·00)	(11·00)	(12·00)	(12·00)
State Bank	6·70	35·01	35·01	35·01	35·01
Cash in India		5·83	5·83	5·83	5·83
Balances with Reserve Bank	20·17	91·77	84·56	84·24	84·24
Balances with other Scheduled banks in India	15·52	9·20	9·05	9·20	11·17
Balances with other banks in current account in India		10·50	10·40	10·17	10·54
Money at call and short notice in India		9·65	9·65		16·74
Investments (at book value)					
Advances and bills	102·00	844·75	858·70	860·54	844·54
STATE BANK		35·01	35·01	35·01	35·01
Deposits		27·56	27·56	27·56	27·56
Investments	51·56	596·07	596·07	596·07	596·07
Advances	60·56	187·74	187·74	187·74	187·74
Bills	14·70	15·2	15·2	15·2	12·11

* Figures for 1955 relate to Scheduled banks only.

† Figures relate to Scheduled banks excluding the Imperial Bank and the State Banks.

‡ Figures relate to Scheduled banks and Co-operative banks.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of rupees)

	Budget Estimates, 1955-56	Revised Estimates, 1955-56	Actuals for April, 1955	Actuals for March, 1956
Import Duties :				
Customs	12·65	13·17	1·00	1·07
Countervailing duty	0·43	0·64	0·01	0·08
Export Duties		0·01	0·01	0·01
Export Duties	10·01	14·03	1·43	1·07
Land Customs	0·32	0·05	41·80	85·64
Miscellaneous	0·02	0·02	1·81	1·81
Gross total customs	11·02	17·96	1·81	1·81
Refunds and drawbacks	17·96	17·96	1·81	1·81
Net Customs	10·00	10·00	1·81	1·81
Gross excise	145·00	145·00	1·81	1·81
Refunds	1·00	1·00	1·81	1·81
Net Excises	144·00	144·00	1·81	1·81
Net total of customs and excises*	154·00	154·00	1·81	1·81

* Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 8th June, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,000 Ordinary Shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up : 6,62,50,000 Shares of Rs. 100 each	6,62,50,000	
Reserve Fund and Other Reserves		6,62,50,000
Deposits and Other Accounts		6,65,00,000
Borrowings from Other Banking Companies, Agents, etc.		224,68,24,000
Bills Payable		15,00,00,000
Bills for Collection being Bills Receivable as per contra		5,92,12,000
Acceptances, Endorsements and Other Obligations as per contra		60,18,000
Other Liabilities (including Inter-Office Adjustments)		18,61,000
Total .. Rs.		263,47,21,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank		13,60,47,000
Balances with other Banks		8,03,24,000
Money at Call and Short Notice ..		40,00,000
INVESTMENTS—		
Government and other Trustee Securities		
Other Authorised Investments ..	90,00,81,000 / 10,58,12,000	
ADVANCES—		100,84,42,000
Loans, Cash Credits, Overdrafts, etc.	100,83,59,000	
Bills Discounted and Purchased	58,78,12,000	
Bills Receivable being Bills for Collection as per contra		159,42,85,000
Contingent Liabilities for Acceptances, Endorsements and Other Obligations per contra ..		60,18,000
Premises less Depreciation ..		18,71,000
Furniture and Fixtures less Depreciation		1,16,71,000
Other Assets (including Inter-Office Adjustments)		50,28,000
Total .. Rs.		263,47,21,000

SMALL SAVINGS

POSTAL SAVINGS‖

(In lakhs of rupees)

	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates	10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	6-Year		7-Year		12-Year									
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts
1953-54	6,88	65	3,26	15,66	24,17	1,16,28	92,08	—	81,07	7,55	55,64	—	—	—
1954-55	4,70	1,63	4,99	21,27	1,24,64	1,84,24	1,80,88	—	84,85	6,74	87,15	7,40‖	7,38	64
1955-56	3,76	1,05	5,46	27,17	1,44,03	1,52,95	1,59,19	—	88,80	4,70	1,07,82	9,89	10,41	65
March 1955	4,70	26	4,99	3,41	1,24,64	18,81	1,80,88	—	84,85	47	87,15	7,40‖	7,38	64
April ..	4,60	11	5,00	2,88	1,24,65	18,41	1,83,22	—	86,55	47	87,15	9,89	10,41	65
May ..	4,62	26	5,24	3,01	1,24,67	11,98	1,84,84	—	85,50	45	87,56	58	7,88	4
June ..	4,44	18	5,13	3,00	1,23,49	11,83	1,84,84	—	85,64	45	87,56	58	7,88	4
July ..	4,86	18	5,15	2,97	1,21,58	12,50	1,85,40	—	85,76	87	87,99	66	7,88	4
August ..	4,39	18	5,17	3,06	1,21,58	12,50	1,85,40	—	85,71	87	88,22	84	9,32	6
September ..	4,21	18	5,20	3,04	1,22,53	12,25	1,48,80	—	86,98	41	88,22	84	9,32	6
October ..	4,14	10	5,21	3,11	1,26,28	13,45	1,42,91	—	88,97	91	88,71	91	10,19	6
November ..	4,07	10	5,21	2,96	1,26,28	13,55	1,40,99	—	89,11	44	89,66	44	11,00	5
December ..	4,00	18	5,26	3,45	1,30,45	11,25	1,40,60	—	89,23	44	89,66	44	11,00	5
January 1956	5,91	14	5,24	3,08	1,30,45	18,04	1,53,44	—	89,44	43	90,06	86	11,50	5
February ..	5,28	18	5,39	3,58	1,40,78	13,16	1,54,14	—	88,66	43	90,06	86	11,50	5
March ..	5,78	31	5,46	2,80	1,44,27	12,87	1,46,19	—	88,80	86	90,45	86	11,50	5
April ..						15,45	1,58,06	—		86	90,45	86	11,50	5
										86	41,61	91	16,41	5

* At the end of period.

‖ Issued from 10th May, 1954.

@ Outstandings do not include Indian Union's share of the pre-partition liabilities repayments, however, include those from the non-resident holdings of Indian investors.

‡ Relating to nine months from July, 1954.

§ Relating to seven months from May, 1954.

‖ From July, 1954.

● Programme not operational as the end of period dates 16th August 1947.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

Group or Subgroup	Week ended 1-6-1955	1-6-1956	8-6-1956	15-6-1956
ALL INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES				
1. Government of India	80 3	81 0	81 2	81 3
2. Bank rate				
3. Municipal Port Trust, [illegible]				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DEBENTURES OF INDUSTRIAL CONCERNS				
1. Bombay	100 5	103 9	103 8	103 9
2. Calcutta				
3. Ahmedabad				
4. Madras				
5. Delhi				
6. Industrial Engineering				
7. Electrical				
8. [illegible]				
PREFERENCE SHARES	87 8	85 1	85 1	85 1
1. Bombay				
2. Calcutta				
3. Ahmedabad				
4. Delhi				
5. Iron and Steel				
6. Jute				
7. Electrical				
8. Miscellaneous				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	111 9	122 4	123 6	124 3
(a) Financial	87 7	88 1	90 0	90 1
1. Banks				
2. Insurance				
3. Investment Trust				
(b) Public Utilities	172 5	112 2	111 6	112 4
1. Electricity	122 1	111 1	111 1	111 1
2. Shipping and other transports				
3. Miscellaneous				
(c) Manufacturing industries	116 0	130 4	134 2	134 3
1. Cotton, Woollen and Silk				
2. Jute				
3. Iron and Steel				
4. Paper				
5. Cement				
6. General Engineering				
7. Sugar and Breweries				
8. Chemicals				
(d) Non-Manufacturing (Industries)	148 1	168 8	167 5	168 3
1. Coal				
2. Mining and Oil				
3. Plantations				
(e) Miscellaneous	93 0	101 3	101 6	101 9
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES :				
1. Bombay	90 8	90 5	90 5	90 5
2. Calcutta	90 7	91 0	91 1	91 2
3. Madras	91 1	91 3	91 3	91 3
DEBENTURES OF INDUSTRIAL CONCERNS :				
1. Bombay	99 2	100 0	100 0	100 0
2. Calcutta	100 2	101 5	101 4	101 1
3. Madras	100 2	100 2	100 2	100 2
PREFERENCE SHARES :				
1. Bombay	91 4	89 2	89 1	88 4
2. Calcutta	83 6	80 2	79 5	79 2
3. Madras	95 5	97 4	97 7	97 4
VARIABLE DIVIDEND INDUSTRIAL SECURITIES :				
1. Bombay	113 5	127 9	131 0	131 1
2. Calcutta	104 1	121 0	122 4	122 7
3. Madras	109 2	125 0	132 5	132 7
4. Delhi	114 2	153 3	153 2	153 3

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes ‖	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,814,923
1952	958	809,245	3,592,904
1953	772	466,047	2,372,850
1954	840	477,135	3,304,678
1955	1,038	748,092	844,995
February 1954 ..	85	41,351	251,419
March ..	91	34,209	207,247
April ..	101	34,905	210,962
May ..	80	40,025	306,075
June ..	82	21,589	177,498
July ..	123	80,189	322,527
August ..	92	51,090	563,578
September ..	79	50,414	275,294
October ..	87	50,434	239,701
November ..	83	41,784	382,748
December ..	68	25,115	
January 1955† ..	101	34,455	222,807
February ..	95	48,935	244,804
March ..	91	58,870	344,564
April* ..	113	70,048	505,658
May ..	99	39,815	824,316
June ..	114	65,194	1,105,544
July* ..	109	57,889	535,871
August* ..	105	90,585	584,543
September* ..	102	84,508	515,544
October* ..	101	47,415	179,199
November* ..	106	49,483	290,187
December* ..	130	45,929	857,833
January 1956† ..	109	61,094	869,810 (a)
February ..	118	6 [illegible] (a)	

‖ Figures are provisional. * Revised.

(a) Not known in 1 case. † Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilowatt-hours)

	No. of Concerns	Units generated†	Total Units Sold
1953-54	614	6,301·4	5,154·3
1954-55	645	6,758·3	5,529·7
1954-55	656	7,760·9	6,319·2
January 1956	634	668·5	545·8
February ..	655	653·7	521·8
March ..	656	698·7	568·3
April ..	660	691·1	563·9
May ..	691	706·5	569·3
June ..	696	716·8	576·1
July ..	700	724·8	584·8
August ..	702	706·9	574·4
September ..	707	719·3	587·1
October ..	716	730·7	591·9
November ..	721	728·5	597·0
December ..	724	735·7	598·0
January 1956 ..	781	757·2	621·8
February ..	789	749·9	628·0

* Relating to power stations, railway and tramway power stations, Grain Shops, Jute Mills and Cotton Mills generating and using electricity for their own purposes. Undertakings connected with the Tata Power System, has been excluded. † Excludes purchases from non-electric utilities.

INDEX NUMBERS OF WHOLESALE PRICES

Item/Group	Week ended 26-5-1956	2-6-1956	9-6-1956	16-6-1956	Variation over previous week	Variation over corresponding week of previous year	Financial Year Average 1955-56	Financial Year Average 1954-55
Food Articles	331	334·2	350·5	276·2	+ 26·9	+ 22·8	+ 27·3	313·2	339·8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Industrial Raw Materials	18	391·1	481·5	393·9	472·6	378·6	- 18·6	419·5	416·2
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Semi-Manufactures	417	386·9	385·0R	331·4	377·0	327·8	- 15·0	328·2	350·3
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Manufactured Articles	30	376·9	377·3	373·6	375·6	377·1	+ 0·5	372·9	377·4
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Miscellaneous	(4)	508·2	501·0	548·8	498·7	541·2	- 8·2	518·4	612·4
All Commodities	(100)	391·1	391·3R	341·0	351·2	345·4	+ 13·3	360·4	377·6

R—Revised.

Figures in brackets indicate the relative weight in the group/sub-group/all commodities index. Weights assigned to the various groups/sub-groups/commodities are subject to revision from time to time.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnuts	Linseed	Castor	Coal†	Iron manufactures	Cotton manufactures	Iron and steel
1955	401	502*	117	102	315	744*	583	275	146	770*	487*	547	320	331	357	422	419	374
February	408	495	108	99	295	752*	567	253	140	784*	524*	510	355	319	357	458	416	374
March	418	494	108	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
April ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
May ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
June ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
July ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
August ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
September ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
October ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
November ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
December ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
January 1956 ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
February ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
March ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
April ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374
May ..	412	502	110	101	295	752*	567	253	140	784*	524*	510	355	319	357	458	411	374

Source : Reserve Bank of India Bulletin. † Retrospective.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS

	All-India Base (1949=100)	Bombay Base June (1934-100)	Ahmedabad Base July (1927-100)	Shahjahanpur Base January (1924-25=100)	Kanpur Base (1949=100)	Nagpur Base August (1933-100)	Calcutta Base (1949=100)	Madras City Base (1949=100)	Delhi Base (1949=100)	Ajmer Base (1949=100)	Gauhati Base (1949=100)	Jamshedpur Base (1949=100)	Jubbulpore Base (1949=100)
1952 Average	108	327	259	310	98	101	251	103	108	108	111	113	99
1953 ..	106	318	254	303	95	103	242	100	105	105	113	110	100
1954 ..	101	309	244	284	95	99	224	96	100	101	109	107	98
1955 ..	103	315	247	275	96	103	229	99	99	103	87	98	88
February 1956	95	345	307	254	80	96	210	101	97	93	85	88	86
March ..	94	340	305	250	79	96	210	99	98	87	87	94	86*
April ..	93	340	300	247	79	96	211	97	97	86*	87	94*	85
May ..	93	336	304	239	79	95

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Forecast	Unit	Acreage 1955–56	Acreage 1954–55	Outturn 1955–56	Outturn 1954–55
Cereals—						
Rice	final	tons	70,253	75,949	25,474	24,531
Wheat	final	,,	..	26,842	..	8,539
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,083	3,400	3,421
Barley	final	,,	..	7,999	..	2,786
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	2nd	,,	11,446	12,215	1,693	2,002
Total cereals	final	tons	..	208,823	..	55,327
Pulses—						
Gram	2nd	tons	22,206	20,065	4,702	4,535
Tur	2nd	,,	5,755	5,648	1,709	1,799
Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Total pulses	final	tons	..	54,004	..	10,474
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,123
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	3rd	,,	5,587	6,123	461	588
Rape and Mustard	final	,,	..	5,665	..	962
Linseed	final	,,	..	3,290	..	338
Total oilseeds	final	tons	..	29,335	..	5,877
Fibres—						
Cotton*	4th	bales	19,525	17,506	3,705	4,072
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	2nd	,,	579	514	1,159	1,016
Other crops—						
Potato	final	tons	..	665	..	1,762
Sugarcane	2nd	,,	3,930	3,718	5,079	4,858
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	final	,,	..	860	..	248

Source: Ministry of Food and Agriculture.

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

* In thousand bales of 392 lbs. each. § Excluding Tur.

† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During April, 1956	99.9
	Corresponding month, 1955	85.6
	Ten months ended April, 1956	894.3
	Corresponding period, 1955	835.8
Stocks	At the end of May, 1956	119.1
	Corresponding month, 1955	94.7
		(In 000 bags)
Exports (Jute Bags)	Week ended 21st April, 1956	4,130
	Corresponding week, 1955	3,777
	From 1st Jan., to 21st April, 1956	127,045
	Corresponding period, 1955	116,372
		(In 000 yds.)
Exports* (Jute Cloth)	Week ended 21st April, 1956	11,065
	Corresponding week, 1955	6,470
	From 1st Jan., to 21st April, 1956	328,640
	Corresponding period, 1955	328,488
	RAW JUTE	(In lakh bales)
Consumption by Mills†	April, 1956 (In lakh bales)	5.45
	Corresponding month, 1955	4.97
	Ten months ended April, 1956	51.88
	Corresponding period, 1955	48.48

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955	11,24,400	10,42,900	7,81,200
Do. 31st March, 1956	11,55,900	10,62,100	7,97,800
December 1954	1,05,500	95,000	73,800
January 1955	1,02,800	95,800	72,200
February ,,	93,500	84,500	63,900
March ,,	96,000	89,300	66,100
April ,,	95,100	88,000	66,200
May ,,	94,200	87,500	5,600
December ,,	1,03,900	97,500	72,800
January 1956	1,03,900	96,800	71,600
February ,,	97,500	89,500	67,700
March ,,	1,03,300	96,200	69,900
April ,,	1,00,000	87,200	64,300
May ,,	96,600	89,400	66,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953	6,95,710	4,81,460	3,12,940
Do. 31st March, 1954	5,80,020	5,49,980	3,92,440
Do. 31st March, 1955	7,15,949	5,22,340	4,59,083
Do. 31st March, 1956	7,06,986	5,31,505	4,50,607
Three months ended June, 1954	1,82,770	1,17,870	1,07,480
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,12,561
,, ,, ,, Dec., 1954	1,85,868	1,36,801	1,20,616
,, ,, ,, Mar., 1955	1,65,106	1,48,328	1,18,126
,, ,, ,, June, 1955	1,85,605	1,34,822	1,16,281
,, ,, ,, Sept., 1955	1,76,181	1,30,680	1,08,714
,, ,, ,, Dec., 1955	1,78,238	1,36,158	1,26,752
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860

FOREIGN TRADE OF INDIA

Particulars	February 1955 (Rs. lakhs)	February 1956 (Rs. lakhs)	Eleven months April to Feb., 1954–55 (Rs. lakhs)	Eleven months April to Feb., 1955–56 (Rs. lakhs)
Imports :				
By sea and air—				
Foodstuffs	9,41	6,51	118 30	50,24
Raw materials	16,48	14,25	174,43	140,24
Manufactures	28,86	43,68	281,84	384,07
Other Items	9	33	2,46	2,94
Total*	54,84	64,77	577,06	577,59
By land	2,70	3,42	20,88	26,54
Total Imports	57,54	68,19	597,94	604,13
Exports :				
By sea and air—				
Foodstuffs	17,89	14,68	188,67	148,50
Raw materials	10,93	15,41	102,70	148,55
Manufactures	20,13	19,76	230,57	229,80
Other Items	35	26	4,44	3,33
Total	49,70	50,11	526,38	529,68
By land	48	38	5,17	5,80
Total Exports	50,18	50,49	131,55	535,48
Total Re-exports	39	75	4,68	5,02
Balance of trade in merchandise	6,98	16,93	61,97	63,83
Balance of transactions in private treasure	—	—	3	5
Total visible balance of trade	6,98	16,93	62,00	63,64
Imports ‡ ‡				
Total C'wealth countries	23,10	23,45	245,12	250,41
Total Foreign countries	31,74	41,32	331,94	327,18
Exports ‡ ‡				
Total C'wealth countries	27,18	26,51	295,81	269,62
Total Foreign countries	22,52	23,80	230,57	260,05

* Includes the value of certain stores imported on Government account, full particulars of which are not yet available.

‡ Includes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952–53	11,413	2,635	949	171	108	61	188	21	109	297	25	260	46	156
1953–54	11,082	2,612	899	153	92	61	152	16	100	344	26	245	47	175
1954–55	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
1955–56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	149
March 1955	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
April ,,	1 034	222	77	21	12	6	9	2	12	33	3	24	2	10
May ,,	2,027	445	157	40	23	12	15	4	26	66	7	48	4	23
June ,,	2,973	662	237	55	33	17	19	6	27	98	11	73	7	34
July ,,	3,973	890	324	73	41	22	23	8	52	130	14	100	12	48
August ,,	4,982	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,981	1,361	491	101	56	32	39	11	82	196	22	153	22	76
October ,,	7,012	1,607	585	114	62	38	54	14	92	229	23	179	27	90
November ,,	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,236	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	898	192	97	62	132	27	395	374	38	298	45	136
March ,,	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	143

Note.—The figures relate to broad and metre gauges of Clas I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 BG.=2 M.G.) and incorporate revisions in respect of earlier months.

* Including sugarcane from November, 1955.

Source :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 7th June, 1956	48,325(J)
	Corresponding week, 1955	56,700(J)
	1st Sept. to 7th June, 1955-56	1,645,068*
	Corresponding period, 1954-55	1,603,131*
Cotton Exports	Week ended 7th June, 1956	2,981†
	Corresponding week, 1955	11,265
	1st Sept. to 7th June, 1955-56	579,956†
	Corresponding period, 1954-55	305,355
Mill Consumption (Estimated)	1st Sept. to 7th June, 1955-56	955,616
	Corresponding period, 1954-55	979,190
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 7th June, 1956	712,366
	Corresponding date, 1955	750,803
Cotton Exports from Bombay (by sea)	During January, 1956	35,978‡
	1st Sept., '55 to 31st Jan., 1956	363,052
	1st Sept. '54 to 31st Jan., 1955	128,855
Karachi (Pakistan)—		
Receipts	1st Sept. to 24th May, 1955-56	1,278,672
	Corresponding period, 1954-55	1,200,062
Exports	1st Sept. to 24th May, 1955-56	757,683
	Corresponding period, 1954-55	617,914

Particulars	From 1st Sept. 1955 to 4th June, 1956 Bales	From 1st Sept. 1954 to 4th June, 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	64,437	27,801
Continent	94,116	44,669
Hongkong	40,469	8,667
China	57,578	
Japan	307,899	
U.S.A.	4,152	82,190
Other Countries	4,145	16,624
Total to all foreign countries	572,796	176,780
Coastal Ports	99,905	125,182
Total	672,701‡	301,962

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian	March, 1956	847,759
Foreign		51,951
Indian	Seven months ended March, '56	2,568,772
Foreign		339,395
Indian	Same Period 1955	2,373,049
Foreign		395,940
Stocks (Mills and Elsewhere)—		
Indian	As on 31st March 1956	1,359,857
Foreign		211,500
Indian	As on 31st March, 1955	1,340,432
Foreign		145,804
Cotton Pressed in India† (In running bales)	Week ended 25th May, 1956	13,615
	Corresponding week, 1955	21,587
	1st Sept. to 25th May, 1955-56	2,947,573
	Corresponding period, 1954-55	3,878,821

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926–33	63,30,26,000	1960-70	101 ½
2½ % Loan	1938–39	1,16,17,46,000	1965–67	95½
2½ % Loan	1950	30,88,10,000	1964	95
2½ % Fg. Loan	1943	1,10,11,78,000	1965–68	93
2½ % V. Loan	1944	1,14,06,89,000	1957	99
2½ % Loan	1945	1,15,15,83,000	1970–75	90½
2½ % 2nd V. Loan	1945	1,18,66,64,000	1959–61	98½
2½ % Loan	1951	50,85,03,000	1958	99
2½ % Loan	1946	45,58,07,000	1960	96½
2½ % Loan	1946	67,00,69,000	1961	95½
2½ % Loan	1946	14,77,48,000	1976	82½
2½ % Loan	1947	75,86,72,000	1962	94
2½ % Loan (N.P. Bonds)	1953	75,29,00,000	1961	99½
2½ % N.P. Loan	1954	157,85,41,000	1964	98½
2½ % N. P. Bonds (2nd Series)	1955	109,80,00,000	1965	98½
NON-TERMINABLE LOANS				
3 %Loan	1896–97	5,93,36,000	At option of Government after three months' notice. On 1st September, 1966 or later at option of Government after three months' notice.	80 77½
REPATRIATE STERLING LOANS				
4½% Loan	1923	5,85,20,906	1956-65***	103½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99–101
3 % Bombay	1943	2,99,25,000	14th Sept. 1956	99½
3 % Bombay	1944	3,06,66,000	15th Aug. 1958	98½
3 % Bombay	1945	4,43,12,000	1st Aug. 1962	94
3 % Bombay	1950	2,93,30,000	21st July 1960	96½
2½ % Bombay	1951	2,97,86,900	17th Sept. 1962	98½
4 % Bombay	1953	5,50,35,000	16th July 1963	101½
4 % Bombay	1954	8,61,81,700	1st Aug. 1964	101½
4 % Bombay	1955	9,00,60,000	1st Sept. 1967	100½
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99½
3 % Cochin	1946	1,09,05,000	16th Dec. 1956-58	98½
2½ % Cochin	1938	70,69,800	1st June 1956-61	99½
4 % Hyderabad	1955	2,00,00,000	1956-58	98½
3 % Madras	1939	1,23,95,000	1st Sept. 1967	99½
3 % Madras	1943	1,25,10,000	21st June 1959	99½
3 % Madras	1944	1,27,95,000	14th Sept. 1956	99½
3 % Madras	1945	2,79,44,900	15th Aug. 1958	98½
3 % Madras	1945	2,21,77,200	14th Sept. 1960	96–98
2½ % Madras	1950	4,58,58,400	1st Sept. 1960	93–95
4 % Madras	1951	2,01,49,300	21st July 1960	96½
4 % Madras	1952	10,23,83,000	17th Sept. 1962	97½
4 % Madras	1953	8,54,51,200	16th July 1963	100½
4 % Madras	1955	7,90,06,000	1st Aug. 1964	100½
4 % Mysore	1953	3,54,35,200	1st Sept. 1967	99½
4 % Mysore	1953	5,21,47,900	15th July 1963	99½
4 % Mysore	1955	3,55,50,000	1st Sept. 1967	99–101
3 % M.P.	1943	54,34,200	15th Sept. 1956	99½
3 % M.P.	1944	52,49,300	15th Aug. 1958	98½
3 % M.P.	1945	2,03,32,800	15th Sept. 1964	98½
3 % M.P.	1945	1,51,44,700	21st July 1960	98½
2½ % M.P.	1951	1,02,15,100	17th Sept. 1962	98
4 % M.P.	1953	1,02,15,100	15th July 1963	100½
4 % M.P.	1955	1,56,80,000	1st Sept. 1967	99½
3 % Punjab**	1938–44	2,49,57,300	15th Aug. 1958	98½
3 % Punjab**	1945	2,46,75,300	14th Sept. 1956	98½
3 % Punjab**	1945	2,26,51,600	14th Sept. 1960	97½
2½ % Rajasthan	1952	2,25,00,000	1st Sept. 1967	99½
2½ % Travancore	1938	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	3,25,60,000	15th July 1963	100–101
3 % U.P.	1938	1,57,42,000	15th Sept. 1961–66	99½
3 % U.P.	1944	2,02,24,500	15th Aug. 1958	98½
3 % U.P.	1945	2,17,59,700	14th Sept. 1960	98½
2½ % U.P.	1945	2,26,84,600	21st July 1960	98½
2½ % U.P.	1951	1,94,11,700	17th Sept. 1962	98
4 % U.P.	1953	3,11,45,300	1st Aug. 1964	98
4 % U.P.	1953	4,66,15,500	15th July 1963	100½
4 % U.P.	1955	5,50,00,000	1st Sept. 1967	100½

PORT TRUST LOANS

Amount	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
26,50,900	4	1904	1964	
85,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	
40,00,000	4	1909	1970	99½N
55,00,000	4	1910	1971	
75,00,000	4	1911	1972	
14,55,000	4	1912	1973	
80,00,000	4	1913	1960	D
85,25,000	4	1914	1975	100½N
10,00,000	4	1915	1960	
55,00,000	4	1915*	1975	
61,61,600	4	1922*	1960	
11,61,000	4	1924*	1960	
10,25,000	3½	1924*	1960	
35,00,000	3½	1928*	1959	
12,50,000	3½	1930*	1960	
12,50,000	3½	1931*	1961	
13,50,000	3½	1932*	1962	
24,55,000	3½	1935*	1975	
15,00,000	3½	1936*	1964	
48,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
90,24,300	4	1916	1974	99
76,96,100	4	1919	1975	99
1,50,00,000	2½†	1921	1981	82
98,31,800	3	1921	1981	144N
99,94,800B	5	1925	1955–56	100
1,00,42,800B	5	1926	1954–56	100½
1,49,20,000	5	1927	1957–62	102
86,00,000	4½	1928	1948–58	103
50,00,000	3½	1931	1961	95
35,00,000	3	1935	1965	97½
50,00,000	3	1936	1962–66	99
50,00,000	3	1938	1978	84
50,00,000	3	1945	1975	74
50,00,000	3	1946	1976	84½
50,00,000	2½	1947	1977	74
50,00,000	3	1947	1978	83½
50,00,000	3	1948	1978	83
1,00,00,000	3	1949	1980	97
50,00,000	3	1950	1980	93
1,00,00,000	3	1950	1980	93
1,00,00,000	3	1951	1981	85½
50,00,000	3	1951	1981	93½
50,00,000	3	1952	1982	100
50,00,000	3	1953	1983	97½
50,00,000	4	1955	1985	97½
77,00,0000	4	1956	1986	97½
STERLING LOANS				
£262,500	5	1922	1952–57	87½
£555,600	5	1923	1953–58	87½
£333,100	5½	1923	1962	87½
MADRAS				
Rs.				Rs.
21,47,100	3½	1947	1977 †	
5,35,000	3	1947	1977 †	A
5,50,000	3	1948	1978 †	
45,80,0000	4½	1954	1984)	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
50,00,000	4	1904	1964	97½N
30,00,000	4	1905	1965	
15,00,000	4	1906	1966	
30,00,000	4	1907	1967	
30,00,000	4	1908	1968	
55,00,000	4	1912	1972	
50,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
50,00,000	4	1916	1976	
40,00,000	5	1919	1957–79	112N
66,00,000	6	1920	1958–80	
25,00,000	5	1922	1956–86	112N
25,00,000	5	1924	1961–70	96N
10,00,000	3	1934	1964	
STERLING LOANS				
£566,500		1900	1960	£95½N
£333,000		1910	1970	£95½N
Rs.		**CALCUTTA**		Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1934	1964	98
25,00,000	3½	1935	1965	94
50,00,000	3	1936	1966	93
50,00,000	3	1938	1968	91
50,00,000	3	1938	1962–68	93
Steel Products	4	1954	1962	99½
Tata Iron and Steel (1st)	4	1956	1968	99
Do. do. (2nd)				

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,50,000	4	1918–19	1974	100
10,00,000	4	1928	1958	115N
25,00,000	5	1928	1958	114
8,45,500	5	1929	1954–59	to
25,00,000	5½	1929	1959	103½
2,50,00,000	3	1930	1970	86½
2,50,00,000	3½	1949	1977	86½
2,50,00,000	3½	1950	1965	92½
2,50,00,000	3½	Dec.	1965	92½
2,00,00,000	3½	1951	1964	100½
2,50,00,000	4	1953	1963	100½
1,40,00,000	4	1953	1964	100½
2,50,00,000	4	1954	1964	100½
2,50,00,000	4	1955	1967	100½
CALCUTTA				
Rs.				Rs.
25,00,000	5	1928	1958	108
25,00,000	5	1929	1957	108
25,00,000	5	1929	1959	108
25,21,200	4	1931	1961	94
40,00,000	3	1936	1966	90
47,50,500	4	1938	1968	98
15,00,000	4	1938	1968	98½
15,00,000	4	1939	1969	98½
17,44,400	4½	1948	1968	98½
21,10,200	3½	1948	1968	98½
15,49,000	3½	1949	1978	98½
15,49,000	3½	1951	1980	97
15,49,000	3½	1951	1961	97½
66,35,800	3½	1951	1961	97½
87,86,000	4	1954	1979	99½
72,50,000	4½	1954	1979	100
MADRAS				
Rs.				Rs.
15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1962	98
3½% W. Bengal	1952	2,00,00,000	14th Aug. 1964	100½
4 % W. Bengal	1953	3,00,32,000	15th July 1963	100½
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
† Bombay State Transport. * Loans held entirely by the Trustees. ** Quotations in Pak. Currency. *** Rupee Counterparts.
‡ Rate of Interest reduced from 4½ to 4 per cent. with effect from 1st April, 1952. †† Rate of Interest reduced from 6 to 5 per cent. with effect from 1st April, 1952. ‡—Interest free to first 15 years. §—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	128	100
BREWERIES AND SUGAR						
Bharat Sugar	5,00,000	1931	5	Dec.	70N	100
Carew & Co.	8,00,000(b)	1875	6½	Mar. Sept.	100	100
Cawnpore Sugar Works	10,00,000	1905–24	8	Feb. Aug.	137	100
Deccan Sugar & Abkhar	7,00,000	1920	7	July Apr.	6½	5
†East India Distilleries	£200,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	68	100
Puritabpore Co.	6,00,000	1922	10	Oct.	15	10
Ramnagger Cane	4,00,000	1933–36	6	Aug.	102	100
Rava gaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1938	7(a)	Oct.	20N	100
Travancore	15,00,000	1946	5(c)	Dec.	10	10
Upper Ganges	12,00,000	1932	5	Dec.	90N	100
Do.	15,00,000	1946	5(a)	Dec.	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borea	4,00,000	1895–97	6½	Oct. Apr.	113	100
Burrakur (1st)	2,99,800	1901–19	7	Apr. Oct.	111½	100
Do. (2nd)	4,50,000	1946	6(a)	.. ..	8	10
Equitable	4,00,000	1895	6	Mar. Sept.	103	100½
Karanpura Collieries	7,50 000	1946	5½(a)	.. ..	62	75(pp)
†Khas Kajora	1,93,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Ondai	2,00,000	1893–99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	103½	100
Bangalore	6,00,000	1884	6	Jan. July	125	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Bengal-Nagpur	3,30,000	1898	7	Apr. Oct.	99	100
Bowreah 'A'	10,00,000	1900	8	Feb. Aug.	128	100
Do. 'B'	6,00,000	1900	7	Feb. Aug.	68	100
Bradbury	14,75,000	1919	7	June Dec.	65	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan. July	144	100
Cambodias	1,00,000	1923	7	Apr. ..	122½	100
Central India	50,00,000	1912	5	Apr. Oct.	475‡	500
Coimbatore Pioneer	1,00,000	1935	6½	Nov. ..	104‡xd	100
Elgin	11,00,000	1912	8	May Nov.	135	100
Do. 'B' Pref.	4,20,000	1943	5	July Jan.	9½	10
Elphinstone	25,00,000	1919	7(a)	May Nov.	97	100
Kesoram	20,00,000	1919	7	June Dec.	133	100
Khatau Makanji (2nd)	29,92,500	1947	4	Nov. ..	87	100
Kohinoor	18,00,000	1937	6	Nov. ..	10‡	10
Lakshmi Cotton (Bombay)	10,00,000	1906	5(a)	.. ..	200‡	250
Morarjee Gooculdas Spg. & Wvg.	17,25,000	1947	4½	Jan. ..	88	100
Muir Mills	30,00,000	1900	6	J

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations. x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

BOMBAY CITY AND ISLAND

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1952	1953	1954	1955	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
50,00,000	62,567	76,28,421	43,05,873	—1,17,309	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2½	2	0 4(e)	0 4 (e)	0 2(e)		12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,653	—6,07,129	B. E. Sons, Ltd.	50,596	1,021	B. E. Cotton Mills	*Nil*	100	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.T
2,50,98,000	2,20,72,778	4,02,38,443	3,29,,0,778	73,129	Nowrosjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	647½	100	32 0	32 0	20 0		3	Y.P.T
10,00,000	27,85,559	55,58,179	48,57,495	2,48,761	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	220	50	100 0	100 0	75 0	25 0*	12	Y.
1,09,42,800	2,63,96,822	2,81,83,264	1,97,06,117	6,34,956	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	560	100	20 0	22 0	22 0	22 0	12	Y.
49,00,000	15,44,690	1,16,09,402	66,58,089	—23,25,720	Y. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	80	100	*Nil*	*Nil*	*Nil*		12	Y.P.T.
26,00,000	11,88,470	81,26,789	48,80,041	30,755	Cowasjee Jehangir & Co., Ltd.	30,828	680	Coorla Spg. & Wvg.	170	100	7 8	7 8	7 8		12	Y.
16,00,000	34,36,696	69,10,951	54,65,041	2,17,076	Ramnarain Sons, Ltd.	40,962	..	Dawn Mills	145½	50	6 0	6 0	6 0	15 0	12	Y.
24,00,000	27,75,000	75,60,781	64,73,784	30,168	Puranmal Radhakishan & Co.	50,084	928	Edward Textiles	337½	200	15 0	15 0	15 0		12	Y.
30,00,000	11,93,293	1,10,92,641	75,74,825	32,795	M	40,332	784	Hindoostan Spg. & Wvg. Mills	62	50	3 0	*Nil*	3 8	8 81	12	Y.P.
50,00,000	70,11,378	1,23,88,518	74,17,207	1,07,199	James Finlay & Co., Ltd	49,672	1,122	Hindoostan Spg. & Wvg. Mills	333	100	25 0	16 0	16 0	20 0	12	Y.
11,84,000	75,64,589	1,27,76,810	99,11,500	9,223	Thacarsey Mooljee & Co.	49,672	1,122	Indian United Mills	4,800	1,000	200 0*	225 0*	225 0	200 0	3	Y.P.
16,000									992½	250	50 0	56 4*	56 4	75 0		
3,99,00,000 O	1,13,27,883	4,58,17,844	3,07,00,000	—16,61,890	Agarwal & Co.	2,32,640	6,278	India United Mills	13–10½	0 10O.	*Nil*	0 10	*Nil*	0 10½	12	Y.
50,00,000 D									2–6½	0 1D.	*Nil*	0 10	*Nil*	0 10½		
8,65,000	74,24,048	1,30,07,903	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	56,256	1,192	Indian Mfg.	5,076N	1,000	200 0*	225 0*	225 0	200 0	12	Y.
25,000									5,076	1,000	200 0*	225 0*	225 0	200 0		
59,85,000	40,58,451	2,37,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	240½	100	10 0	12 8*	12 8	15 0	3	Y.P.
1,00,00,000	1,21,50,000	3,56,88,095	2,68,14,796	33,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	368½	100	18 0	20 0*	8 0	10 0	6	Y.P.
52,18,050	41,06,720	1,18,74,348	55,99,115	31,670	N. Sirur & Co., Ltd.	40,000	544	Modern Mills	55	50	5 0	5 0	10 0	10 0	12	Y.
51,75,000	23,92,000	1,94,11,164	1,47,72,041	1,09,579	Piramal & Sons	70,416	1,652	Morarjee Goculdas Spg. & Wvg.	242½	100	10 0	12 0	8 0	8 0*	10	Y.P.
1,57,74,400	88,41,004	6,84,71,095	2,05,00,000	5,12,085	Chinai & Co., Private Ltd.	..	..	National Rayon Corporation	248	100	*Nil*	12 0	14 0		6	Y.P.
24,00,000	24,50,000	76,57,863	46,04,760	3,015	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	181½	100	10 0	10 0	10 0	12 0	12	Y.P.
80,00,000	14,61,250	92,85,599	61,42,741	4,330	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	251	100	10 0	10 0	10 0	10 0	12	Y.P.
12,70,100	28,54,549	56,73,515	40,57,707	12,752	Matalial Chandulal & Co., (Bombay), Ltd.	34,100	873	New Union Mills	..	..	..	..	7 8	10 0	12	Y.P.
48,00,000	36,62,273	1,49,08,112	99,59,811	1,26,364	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	140	100	1 4	1 4	1 4	1 12	12	Y.
40,00,000	45,68,014	81,89,235	23,00,000	3,13,562	Podar Sons, Ltd.	32,600	980	Podar Mills	183½	100	8 0	8 0	8 0	8 0	12	Y.
5,00,000	8,16,999	81,21,621	19,01,340	—1,79,154	David Sassoon & Co., Ltd.	9,850	277	Sassoon & Alliance Silk Mill	11½	10	1 4	1 4	1 4	5 01	12	Y.P.
25,00,000	54,29,056	1,35,59,739	1,19,14,117	11,568	M. G. Investment Corporation, Ltd.	50,608	1,254	Sassoon Spg. & Wvg.	37	10	1 4	0 12	0 8	4 0	12	Y.P.
80,00,000	47,70,061	90,20,958	55,27,925	1,47,422	Marwar Textiles (Agency) Ltd.	66,336	1,640	Shree Niwas Cotton Mills	210	100	12 8	14 0	14 0	12 0	12	Y.
43,00,000	35,75,550	98,88,982	71,00,000	15,898	Forbes, Forbes Campbell & Co. Ltd.	36,116	1,274	Simplex Mills	219	50	15 0(p)	16 0	11 0	10 0	12	Y.P.
87,80,000	2,23,15,720	2,51,28,699	1,37,85,474	12,883	Mafatlal Gagalbhai & Sons	52,036	1,633	Standard Mills	441½	100	20 0	20 0	20 0	20 0	12	Y.P.
99,85,700	84,89,716	2,28,87,547	1,19,01,899	67,611	Tata Industries Ltd.	72,236	2,000	Svadeshi Mills	245½	100	16 0	16 0	8 0	20 0	12	Y.P.
94,00,000	55,33,405	1,28,99,971	81,52,715	1,51,030	James Finlay & Co., Ltd.	58,228	552	Swan Mills	430½	100	30 0	20 0	8 0	12 0	12	Y.
32,77,425	51,96,376	1,77,34,839	68,44,653	43,485	Tata Industries Ltd.	62,096	1,800	Tata Mills	54½	25	3 0	3 0	20 0	25 0	12	Y.
12,00,000	62,55,709	1,15,86,436	81,90,000	2,816	Thackersey Mooljee Son & Co.	54,136	1,209	Western India Spg. & Mfg.	5,075	1,000	200 0*	225 0*	225 0	200 0	3	Y.P.

AHMEDABAD

33,00,000	31,11,655	1,36,23,272	60,47,302	5,405	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	202½	100	10 0	10 0*	5 0	7 0	6	
10,00,000	94,55,068	94,37,398	76,10,154	27,283	P. M. Hutheesing & Sons, Ltd.	44,220	913	Aruna Mills	1,010½	100	20 0*	20 0*	20 0	30 0	12	Y.P.
26,25,000	2,40,17,401	1,48,07,668	1,09,05,000	45,584	Narottam Lalbhai & Co.	62,443	1,216	Arvind Mills	1,770	100	25 0	25 0	25 0		12	Y.P.
20,00,000	31,75,000	98,34,384	72,25,000	2,46,389	Mangaldas & Bros., Ltd.	37,164	892	Arvodaya Ginning & Mfg.	547½	200	15 0	15 0	22 5		12	Y.P.
12,00,000	1,18,39,033	84,56,074	69,64,953	69,806	Lalbhai Dalpatbhai & Co	37,368	914	Asoka Mills	975	100	22 0	22 0*	22 0	25 0*	12	Y.P.
1,34,79,011	1,11,55,208	4,54,38,718	3,07,33,344	16,00,758	Kasturbhai Lalbhai Land Ltd.	1,39,120	2,372	Calico	54½	125	18 0	18 0	22 0	30 0	12	Y.P.
62,37,000	24,53,000	1,21,06,843	89,25,000	2,760	Trikumlal Bhogilal & Co., Ltd.	45,836	866	New Commercial Mills	1,562½	1,000	70 0	70 0	70 0		12	Y.P.
39,00,000	72,52,436	1,32,09,232	96,26,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	865	125	35 0	35 0	35 0	80 0	12	Y.P.
10,00,000	58,43,000	50,63,197	37,03,317	16,658	Jagabhai Bhogilal Mahavaty & Co., Ltd.	24,840	572	Nutan Mills	660	100	30 0*	30 0	30 0*	20 0	12	Y.
12,50,000	1,14,77,470	86,29,439	60,39,883	..	Lalbhai Dalpatbhai & Co.	52,822	686	Raipur Mfg.	1,180	100	25 0	30 0*	30 0*	20 0	12	Y.P.
12,00,000	15,93,067	74,95,069	29,67,456	—29,60,516	Mangaldas Girdhardas Parekh Ltd.	47,220	1,095	Rajnagar Spg., Wvg. & Mfg.	365xd	250	*Nil*	..	25 0	35 0*	12	Y.P.
32,50,000	14,79,207	1,07,01,469	71,42,503	17,34,749	Lallubhai Gordhandas Ltd.	33,156	648	Rohit Mills	292	100	..	..	..		12	Y.P.
33,98,150	2,02,34,538	1,76,92,842	1,52,75,000	3,28,290	Harivallabhdas Kalidas & Co.	94,116	1,733	Shri Ambica Mills	627	50	16 0	9 0	9 0	*Nil*	12	Y.P.
19,52,500	62,31,263	78,08,018	66,84,701	15,592	Matalial Chandulal & Co., (Ahmedabad), Ltd.	36,024	730	Shorrock Spg. & Wvg.	600	100	30 0	30 0	25 0*	27 0*	12	Y.P.
33,00,000	26,96,488	1,03,76,340	68,35,591	32,764	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	725	100	35 0*	35 0*	35 0*	25 0	12	Y.

WEST BENGAL

15,00,000	1,32,800	84,23,069	21,01,810	1,03,030	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	6½	10	*Nil*	0 4	0 8		12	
7,11,256	3,40,775	43,43,881	25,67,597	96,788	Bengal Textile Agency, Ltd.	22,544	936	Bengal Laxmi Cotton Mills	40 N	40	3 0	*Nil*	4 0		12	Y.P.T.
6,00,000	22,72,414	89,03,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	42,376	941	Bowreah Cotton Mills	160	100	*Nil*	*Nil*	*Nil*		12	Y.
19,00,000	29,17,571	1,04,88,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunlop Mills	310	100	*Nil*	*Nil*	*Nil*		6, 12	H.P.
1,60,00,000	2,07,59,266	3,59,23,874	2,45,433	Birla Brothers, Ltd.	70,384	1,980	Kesoram Cotton Mills	18½	25	1 12	1 12	0 14	0 14	3	6, 12	H.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravarti & Sons & Co.	23,484	443	Mohini Mills	—	25	1 4				12	Y.P.
88,94,253										10	0 8					
19,47,7500	7,45,000	47,06,298	24,48,352	1,094	Ramaroomull Hemraj &	23,086	795	Rampooria Cotton Mills	11½	10	0 8	0 8	1 0		12	Y.P.
6,00,000 D									1N	1D	*Nil*		*Nil*		6	Y.

SOUTH INDIA AND OTHER CENTRES

15,00,000	9,00,000	60,27,191	29,09,649	—8,54,223	Ramla & Co., Ltd.	50,000	..	Ainagappa Textiles (Cochin) Ltd.	10½	10	*Nil*	*Nil*	*Nil*	*Nil*	12	
61,71,428	35,91,264	1,84,91,530	80,78,582	1,36,043	Industrial Trust Fund	86,186	708	Asam Jahi Mills	95	100	0 0	0 0	*Nil*	*Nil*	12	Y.P.T.
40,80,000	2,00,58,745	3,24,98,908	2,42,85,358	2,85,649	Binny & Co. (Madras) Ltd.	40,068	1,167	Bangalore Woollen, Cotton and Silk Mills	571½	100	15 0	25 0	30 0	3 8(o)	12	Y.P.
27,00,000	15,50,000	77,25,168	58,72,182	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	91N	10	3 0	0 0	3 0	3 0	12	Y.P.
18,00,000	1,09,48,251	1,19,14,492	87,78,902	4,25,821	Birla Brothers, Ltd.	29,896	1,046	Birla Cotton Spg. & Wvg., Delhi	91N	10	3 0	3 0	3 0		6, 12	H.P.T.
1,78,47,800	1,76,52,500	6,38,09,203	3,52,32,130	2,58,445	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckingham & Carnatic	195	100	8 0	8 0	8 0		12	Y.
20,00,000	20,00,000	99,09,364	21,66,351	27,589	Finlay Mills	38,706	..	Cambodia Mills	144	100	4 0	10 0	10 0	8 0	3	Y.P.
15,00,000	4,51,500	64,08,466	21,80,176	44,557	K. Damodaran, Esq.	30,000	..	Chamundeswara Spg. & Wvg.	1886xd	100	12 0	10 0	10 0	10 0	12	Y.P.
80,00,000	25,99,976	53,07,118	50,84,815	29,514	Begg, Sutherland & Co., Ltd.	28,796	591	Cawapore Textiles	8½	10	1 0	1 0	2 0	2 8	12	Y.
12,00,000	20,60,000	84,66,396	27,86,527	84,164	R. Bheema Naidu & Co.	38,864	..	Coimbatore Cotton Mills	857	100	12 0	12 0	8 8	12 0	3	Y.
10,00,000	14,20,000	56,55,512	31,23,509	14,083	T. S. N. Naidu & Co.	23,788	..	Coimbatore Pioneer Mills	282½xd	100	8 0	8 0	8 0	*Nil*	12	Y.
30,78,500	4,19,514	1,15,01,899	82,06,019	16,884	R. G. S. Naidu & Co.	72,322	407	Coimbatore Spg. & Wvg.	106	50	5 0	5 0	5 0	25 0	12	Y.
45,87,500	52,82,449	2,48,18,409	1,56,09,833	8,708	Tata Industries, Ltd	1,15,188	2,062	Central India	144½	100	*Nil*	*Nil*	*Nil*		6	Y.
2,33,16,225	2,55,00,000	9,99,78,765	5,08,00,000	52,750	B. B. Charat Ram & Co., Ltd.	1,16,636	2,254	Delhi Cloth & General Mills	36 N	100	2 0	2 0	2 0		6	Y.
1,00,162									34	10	2 0	2 0	2 0			
24,34,800	25,47,678	52,74,245	32,16,332	6,864	M. N. Chettiar & Sons	28,568	201	Dhanalakshmi Mills	24	0 2 4/5	0 2 4/5	0 2 4/5	0 2 4/5	0 2 4/5	6	Y.P.T.
48,00,000	46,98,360	1,54,16,382	1,29,71,681	99,886	Begg, Sutherland & Co., Ltd.	52,152	1,196	Elgin Mills	402	100	20 0	20 0	20 0	0 2 8/5	12	Y.
48,31,000	25,52,170	1,00,00,000	65,86,168	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	28	10	1 0	1 0	1 0	1 0	12	Y.
50 00,000	8,16,447	1,39,91,953	1,12,28,576	9,551	K. L. Srikanta, Esq. (Chairman)	51,180	1,430	Indore Malwa United	234	100	17 0*	17 0	15 0	10 0	12	Y.
4,90,000	10,55,883	31,06,669	18,46,155	2,079	G. V. Naidu & Co., Ltd.	24,283	..	Janardana Mills	147½	100	6 0	6 0	6 0	16 0	12	Y.
24,00,000	19,25,000	78,88,868	26,50,000	29,882	Kothari & Sons	49,000	200	Kothari Textiles	118½	50	12 0	4 0	6 0	10 0	12	Y.
32,00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	17½	10	0 12	0 8	0 8	10 0	12	Y.
25,54,100	66,55,960	1,11,86,880	75,29,833	74,376	G. K. Naidu & Co.	55,908	901	Lakshmi Mills	990	250	37 8	37 8	25 0	1 0	6	Y.P.
17,52,050									220	50	8 0	8 0	8 0	8 0	12	
1,78,02,450	4,19,81,878	5,78,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	6,00,000	..	Madura Mills	110	25	2 0	2 0	2 0	2 0	3	Y.
12,00,000	4,17,263	28,26,768	16,72,252	—99,073	A. L. A. R. S. Chettiar and others	23,592	100	Malabar Spg. & Wvg.	115	100	8 0	8 0	8 0	16 8	3	Y.
60,00,000	69,00,000	68,41,448	41,80,258	1,48,408	W. A. Beardsell & Co., Ltd.	24,730	608	Meenakshi Mills	205½	100	20 0	20 0	20 0	30 0	12	Y.
29,50,584	19,61,581	89,75,246	49,94,788	16,588	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	100	100	12 8	12 8	*Nil*		12	Y.
84,91,850	37,24,404	1,61,29,115	78,81,628	—7,44,963	Rasalal Abirchand Dadabhoy & Co.	51,240	948	Model Mills (Nagpur)	94½	25	2 8	2 8	2 8	35 0	6	Y.
30,00,000	58,19,600	1,43,59,272	1,06,91,451	—7,77,280	Indian Textile Syndicate Ltd.	50,940	1,254	Muir Mills	150	100	7 0*	7 0*	6 0	6 0	12	Y.
24,53,500	50,24,547	99,04,000	69,99,998	32,706	N. Sirur & Co., Ltd.	50,123	500	Mysore Spg. & Mfg.	86N	100	16 0	16 0	16 0	16 0(g)	12	Y.
18,61,780	1,000	29,41,719	15,25,233	—1,02,850	R. Seryasarayana Rao, Mng. Manager	6,000	..	Mysore Spun Silk Mills	112½	10	1 0	1 0	1 0	4 0	12	Y.P.T.
22,59,3830	25,02,583	1,04,27,293	58,90,719	—43,58,087	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills	77	10	10 0*	10 0*	*Nil*	6 0(o)	12	
3,07,090 D									7½	0. 5½	*Nil*	*Nil*	*Nil*	*Nil*		
87,19 600	55,48,220	1,60,09 989	61,91,861	74,722	Industrial Trust Fund	87,782	856	Osmanshah Mills	—	D. 1	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.P.
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.	29,924	..	Palani Andavar Mills	86	100	7 0	4 0	*Nil*		12	
6,00,000B									160	50A	3 8	2 0	*Nil*	2 8(o)	9	Y.
16,00,000	1,65 000	84,16,017	17,49,676	—14,98,897	C. S. R. Mudaliar & Sons	30,796	..	Pankaja Mills Ltd.	235	75B	11 0	12 0	12 0	15 0	12	Y.P.
16,81,200A	20,00,000	73,90,455	41,41,878	23,667	A. G. Guruswamy Naidu & Co.	51,564	901	Radhakrishna Mills	82xd	100	*Nil*	*Nil*	*Nil*	15 0	12	Y.P.
8,49,200B									320xd	100A	8 0	8 0	*Nil*	*Nil*		
16,00,000	20,00,000	48,74,196	25 94,887	11,661	B. R. Naidu & Sons	35,472	..	Rajalakshmi Mills	160xd	50B	8 0	8 0	8 0	16 0	12	Y.P.
22,29,625	12,40,000	40,14,000	18,06,147	29,850	Rayalaseema Development Co.	14,200	..	Rayalaseema Mills	174	50	6 0	6 0	6 0	10 0	12	Y.P.
60,00,000	69,41,548	1,00,25,423	35,44,914	—19,16,728	J. P. Srivastava & Sons (Kanpur)	54,338	900	Rasa Textiles	186	100	6 0	6 0	6 0	10 0	12	Y.P.
16,00,000	1,60,29,516	2,89,27,048	2,04,27,879	—1,50,62,067	Morarjee & Co.	98,123	2,234	Shahapoor Spg. & Wvg.	8½N	10	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
1,00,000									1,025	1,000	*Nil*	*Nil*	*Nil*	*Nil*	12	Y.
36,68,700	16,82,628	71,75,918	51,35,880	27,577	H. N. Pallonjee, Esq.	21,660	292	Sri Krishnarajendra Mills	500	100	*Nil*	*Nil*	*Nil*		12	Y.P.
28,14,800	3,00,246	35,18,906	17,78,000	—2,46,777	Gopaldas Lladhar & Co., Ltd.	17,280	440	Shree Rajjan Mills	112	50	4 0*	4 0*			12	
15,00,000	3,11,90,237	96,09,567	72,44,754	31,27,588	Birla Brothers, Ltd.	35,556	1,243	Surat Cotton Mills	80N	100	*Nil*	*Nil*	*Nil*		12	Y.
									112N	10	4 0	4 0	4 0		12	
17,50,000 O	2,90,00,000	4,54,40,847	1,70,68,150	7,09,020	Jaipuria Brothers	1,12,216	2,077	Swadesh Cotton (Kanpur)	11	10 O.	*Nil*	0 8	0 12	0 8	12	Y.
1,57,50,000 D									11½	10P.O.	*Nil*	0 8	0 12	0 8		
1,00,00,000	30,14 788	3,80,55,317	1,27,16,775	2,63,771	Emcote & Sons (Travancore), Ltd.	17,600	..	Travancore Rayons	16½	10	*Nil*	0 14 2/5	1 4 2/5	0 12	12	Y.P.
15,96,970	8,78,882	17,39,181	11,37,856	1,606	Mooljee Ramjee & Sons	4,116	1,733	Trichinopoly Mills	16½	10	1 0	1 0	1 0	0 12	12	Y.P.
21,00,000	24,50,000	71,28,723	40,63,183	56,000	T. K. S. Chetty & Brothers	49,074	270	Vasanta Mills	45	10	1 0	1 0	1 0	0 12	12	Y.P.
22,90,000	34,42,971	1,64,87,122	1,08,10,233	23,125	Bombay Co., Ltd.	46,460	1,531	Vishnu Cotton	805	100	20 0	20 0	20 0	25 0	12	Y.P.
									186½	100	12 0	12 0	12 0	20 0	12	

* Includes bonus. M—Managed by board of directors. (b) Subject to taxation and workers' bonus. (p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital (of 58,000 shares of Rs. 50 each). X. R.—Ex-Rights. (g) Paid out of reserves.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,34,000	1,10,30,170	54,33,974	1,12,386	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10½	5	*Nil*	*Nil*	0 8		5	Y.P.
16,20,680	18,38,917	27,26,861	14,67,212	8,143	Mr. K. G. Khanna	Dyer Meakin Breweries	6	5	0 8	0 8	0 9		3	Y.
£580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	20½	A. 16sh. B. £1	8h. 4	8h. 1 3/5 5h. 4/5	8h. 1 3/5 5h. 6	3/5	9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	181½	75	15 0	15 0	15 0		3	Y
CEMENT														
11,37,700A	13,06,128	83,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	170cl	A. 100	10 0*	10 0	10 0*		12	Y.P.T.
39,79,080B							17cd	B. 10	1 0*	1 0	1 0*			
43,14,6000	13,13,133	13,78,393	7,89,496	8,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	8	O. 10	*Nil*	*Nil*			3	Y.P.
4,79,976D							1½	D. 1						
12,71,95,208	5,49,40,018	24,90,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	217‡	100	9 8	8 8	10 0		7.	Y.
60,00,0000							17‡cd	O. 10	1 0	1 0				
26,50,0000	48,20,901	89,92,667	29,67,544	2,86,599	Hari Brothers Ltd.	Dalmia Cement (Bharat)	4‡	O. 2½	0 4	0 4	0 1-3/5		12	Y.P.H.
5,00,000D.							3cd	D. 1	0 1-3/5	0-1 3/5				
61,21,0300	14,00,000	1,46,54,600	47,05,770	3,31,548	Essen Ltd.	India Cements Ltd.	35‡	O. 25	*Nil*	1 4	1 14

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carr ed Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	121	25	1 Nil 1	Nil 9	1 9 1	2 8 2	6,12	H.P.I
62,98,250	66,03,861	1,11,56,730	76 81,808	88,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	5 0	6 0	7 0	0 11½	2,9	E.
25,00,000	16,12,500	1,36,83,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	17½	10	1 0*	1 0*	0 12*	0 12*	2	Y.
1,46,82,500	2,09,26,641	4,27,02,365	1,02,98,953	2,29,489	Birla Bros	Orient Paper	38½	10	1 0 1	1 0 1	0 0 1	0 8	2,9	H.P.I
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros. ..	Shree Gopal Paper Mills	10½	10	0 12 1	0 12 1	0 12 1	0 10	6,12	H.P.I
80,00,000	6,50,000	54,00,869	30,16,681	4,492	Baloria & Co.	Star Paper Mills	11½ 11½	O. 10 A. 10	0 12 0 8	0 12 0 12	0 12 0 12	0 12 0 8	2,9	H.P.I
56,00,000A. 56,04,800B. 4,87,500P.O.	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	44½ 44½ 4½	A. 10 B. 10 P.O. 2½	1 0* 1 0* 0 2	1 0* 1 0* 0 2	0 12 0 12 0 2	1 0 1 0 0 2	2,9	H.P.
PRESSING														
6,00,000	6,12,865	15,75,488	11,13,691	—35,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	5 0	3 0	4 0	Nil	6	Y.
4,80,000	1,02,000	6,99,525	4,78,056	2,354	Fyne & Sons	Camperdown	88N	100	7 0	7 0	4 0	5 0	7	Y
5,00,000	1,95,000	10,91,811	9,80,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	5 0	4 0	5 0	5 0	6	Y
PROPERTY AND LAND														
10,00,7800. 2,00,000D.	6,93,332	43,52,570	22,63,279	35,000	S. A. Basil, Esqs. & others (Directors)	Humayun Properties	13½ 2½	O. 10 D. 1	0 8 Nil	0 11½ 0 4/5	0 92/5 Nil	0 9 3/5 0 9 5/6	9	Y.P.
80,00,000	18,07,874	84,89,704	15,00,000	540	David Sassoon & Co., Ltd. ..	Port Canning Land	91	100	1 0	1 8	1 8	Nil	4	Y.
94,00,000	36,71,674	95,09,808	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	30½	100	3 0	1 8	4 0	0	4	Y.P
SAW MILLS AND TIMBER														
13,99,998	28,05,545	31,61,533	10,73,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	2	0 4	Nil	Nil	Nil	9	Y.
50,00,000	4,18,57,280	3,35,90,882	1,47,51,851	61,990	Wallace & Co.	Bombay-Burmah Trading Corpn.	647½ 240	Old128 New50	25 8 40 N	15 0	20 0	37-8 15-0	5	Y.
48,00,000	....	7,28,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	40N	100	Nil	Nil	Nil	Nil	6	Y.P.
80,00,000	21,15,487	19,00,295	14,35,560	2,76,819	Gillanders Arbuthnot & Co., Ltd	Indian Wood Products	39½	10	3 0	2 8	2 12	3 0	9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	Nil	Nil	Nil	3	Y.
18,00,000A. 8,00,000B.	29,18,856	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	150N 14N	A. 100 B. 10	10 0 1 0	10 0 1 0	0 12 1 0	0 1	6	Y.
19,49,050	8,50,000	33,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	11½	7½	0 12	0 12	0 12	0 12	4	Y.
15,00,000	15,90,295	16,40 479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	1 8	0 12	6	Y.
22,00,000	28,37,030	1,86,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	8½	10	Nil	Nil	1 8	1 8	6	Y.P.
30,00,000	57,83,551	1,09,44,947	84,32,451	82,023	Begg, Sutherland & Co., Ltd.	Champarun Sugar	20	10	2 0	2 0	0 12	0 12	10	Y.P.
18,00,000	28,04,991	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd.	Deoria Sugar	29½	10	2 0	1 0	1 0	1 8	8	Y.P.
5,99,452	6,18,562	24,58,580	15,38,747	48,304	Karamchand Thapar & Bros. ..	Dwarkesh Sugar	94N	10	0 8	1 0	0 12		8	Y.P.
60,00,000A. 10,00,000D.	32,00,000	75,94,877	55,00,000	62,419	Baehbraj & Co., Ltd.	Hindustan Sugar Mills	260N 100	'A' 100 O. 100	15 0* 15 0*	15 0* 15 0*	15 0* 15 0*	15 0* 16 0*	6	Y.P.
12,00,000	8,61,001	75,81,309	42 63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	60N	80	Nil	Nil	Nil	Nil	7	Y.P.
7,89,100	22,14,058	24,94,612	19,35,683	1,364	Cotton Agents Ltd.	New India Sugar Mills	32N	40	Nil	Nil	Nil	4 4		
11,00,000	4,20,000	42,21,480	24,87,558	4,185	Karamchand Thapar & Bros. Ltd.	New Savan	33N	10	0 8	0 8	0 8	2 8	6	Y.P.I
19,87,500A. 8,71,875B.	49,60,297	67,74,122	21,56,900	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill ..	240N 60N	100 25	0 0 0 0	0 0 0 0	0 0 0 0	0 0	6	Y.
17,45,350	52,18,159	1,86,90,446	95,00,000	5,540	Cotton Agents Ltd.	Oudh Sugar	185N	100	6 0	11 0	11 0	11 0	7	Y.P.
12,00,000	12,74,223	28,77,669	19,95,928	55,000	Narang Bros. & Co., Ltd. ..	Punjab Sugar	115N	100	1 0	1 0	1 0	1 0	7	Y.
9,00,000	17,54,269	37,85,808	30,57,249	6,871	Begg, Sutherland & Co., Ltd.	Purtabpore Co.	14½	10	1 0	1 0	1 0	1 0	10	Y.
8,00,000	6,54,762	25,48,782	21,01,613	24,340	M.	Ryam Sugar	21N	10	1 0	1 0	0 12	0 12	10	Y.
11,99,000	18,86,779	38,63,583	22,92,180	8,477	Begg, Sutherland & Co., Ltd.	Sahu Jain Ltd.	13	10	1 0	0 8	0 8	Nil	6	Y.
20,00,000	22,58,500	1,35,20,110	62,59,921	84,046	H. K. Ghosh, Esq., and R. N. Dutta, Esq. (Managing Directors)	Shree Krishna Gyanoday Sugar	13½	10	1 8	1 8	1 8	1 12	8	Y.P.I
9,99,950	61,825	27,15,126	12,50,852	—5,37,868		Sitalpore Sugar	4½	10	0	0	0	0	3	Y.
7,95,462	18,82,940	31,60,735	17,68,063	1,06,227	Karamchand Thapar & Bros ..	Shri Sitaram Sugar	14½	10	0 8½	Nil	Nil	Nil	6	Y.
9,15,000O. 4,40,000D.	47,592	37,42,197	11,46,770	—16,14,608	N K. Jain & Co., Ltd.	South Behar Sugar	1N 6N	O. 10 D. 2½	1 8* Nil	Nil Nil	Nil Nil	2 8	10	Y.P.
8,00,000	21,91,635	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	2 0	0 8	2 8		6	Y.P.
18,00,000	7,99,778	32,06,650	25,98,846	29,051	James Finlay & Co., Ltd. ..	United Provinces Sugar	20½	10	1 8	0 8	1 4	2 8	9	Y.
Other Centres														
46,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	235½	50	16 0	16 0	16 0	16 0	9	Y.
17,50,000	9,24,292	33,08,879	21,86,722	4,692	A. H. Bhiwandiwalla & Co. ..	Bhopal Sugar Industries Ltd. ..	13½	10	1 0	0 10	1 0	1 0	9	Y.
15,99,900	3,40,541	20,10,952	8,01,146	51,928	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	19½	10	1 0	1 0	1 4	1 0	9	Y.
2,50,000	1,16,11,806	2,82,03,905	2,22,14,167	—27,36,584	Govan Bros. (Rampur), Ltd. ..	Indian Sugar and Refineries ..	18	10	2 8	2 8	1 12	1 6 2/5	6	Y.P.
1,50,00,000	2,14,86,174	5,15,62,086	2,20,82,990	11,71,080	Cecil Stack (Mg. Director)	Buland Sugar	144N	100	0 12	1 0	1 0		9	Y.P.
51,26,000	54 12,212	1,42,47,883‡	....	3,06,183	Bird & Co. (Private) Ltd. ..	K. C. P. Ltd.	147½ 100	O.100 D. 10	1 0 10 0	1 0 10 0	1 0 10 0	7 8	6	Y.P.
14,00,000	10,02,000	33,81,777	16,99,773	87,194	MacNeill & Barry Ltd.	Ganges Rope Co. Ltd.	179	100	10 0	10 0	9 0	12	12	Y.P.
65,00,000	42,00,000	19,27,685	9,06,573	1,51,866	J. F. E. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co. Ltd.	13½	10	10 0	7 8	7 8	9 0	12	H
30,00,000	13,17,854	78,75,302	31,19,064	45,995	B. P. R. Svadivate	Great Eastern Hotel	237	250	15 0	15 0	1 6 2/5	3	9	Y.P.
30,17,900	13,63,886	36,39,283	59,24,587	88,602	Birla Brothers Private Ltd. ..	Hind Cycles	14½	10	1 0	0 8	0 8	0 8	6	Y.
4,96,13,350	2,96,450	8,56,84,606	94,58,719	5,19,485	Birla Bros., Ltd	Indian Aluminium Co.	100	10	1 0	1 0	0 12	0 12	10	Y.P.
1,00,00,000	48,77,754	4,16,74 240	1,74,76,663	6,18,074	E. S. Greenwood (Mg. Director)	Indian Cables	100	10	6 0	6 0	10 0	10 0	11	Y.P.
1,24,89,220	1,92,50,000	1,55,72,891	57,17,051	28,98,463	A. R. Driessen, Esq.	Indian Rubber Manufacturers	22½	10	Nil	Nil	Nil		3	
3,37,970	5,38,000	16,40,508	6,96,110	82,616	G. S. Mcaltes & Co. (India), Ltd.	Imperial Tobacco Co. of India Ltd.	20½	10	1 0	1 0*	1 0*	1 0*	8	Y.P.I
18,16,00,000	7,22,98,683	3,54,94,074	1,17,30,408	25,00,783	Mr. C. H. J. Clarke (Chairman)	Jardine Henderson	13	10	1 0	0 12	0 8	0 8	6	Y.
5,00,00,000	55,35,556	84,58,960	9,80,060	4,70,107	G. M. Mackinnay, Esq.	Macfarlane & Co.	14½ 102½	10 O. 5	1 0 7 8	1 0 7 8	0 9 3/5 7 8	0 12 4/5 7 8	8	Y.P.
2,668	1,91,892	5,94,030	3,53,758	2,668	James & Co. Private Ltd. ..		2½	D. 2½						
66,00,000. 66,00,000O.	72,01,900	25,16,760	7,97,301	1,97,884	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	213½ O.100	O.100 D.O.10	Nil 17 9	Nil Nil	Nil Nil		8	Y.Y.
1,47,58,000	60,54,276	92,58,051	11,34,226	2,03,456	T. Leslie Marsh, Esq. (Mg. Director)	Martin Burn Ltd.	—	—	10 0	10 0	7 8		12	
1,16,00,000	64,50,000	1,76,54,306	67,87,457	14,41,551	M. Chatterjee, Esq. (Chairman)	Meaal Bor Co. of India, Ltd. ..	24½	10	1 0	1 0	1 8	1 12*	9	
8,56,250	1,53,558	7,81,449	2,60,967	—15,226	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	28½	10	1 0	1 0	1 0	1 4	9	
8,56,250	9,56,118	10,40,220	4,40,947	72	G. Chandy, Esq. (Counsellor) ..	Mysore Lamp Works	3½	10	Nil	Nil	Nil	Nil	3	
10,00,000	1,53,000	15,15,188	9,10,988	20,916	Y. Shanmuga, Esq. (Chairman)	Mysore Tobacco	14½	10	1 0	1 0	1 0	1 0	12	
40,00,000	51,21,178	66,09,587	20,30,120	2,23,888	Associated Industrial Development Co., Ltd.		13½	10	1 0	1 0	1 4	1 0	8	
79,97,000	21,15,337	1,14,76,878	52,77,563	9,05,480	R. F. Hills & Co., Ltd.	National Insulated Cable Co. ..	24½	10	0 12	1 0	1 0	1 0*	12	
40,00,000	27,00,000	44,15,474	19,71,484	1,31,468	Occasional Investment Trust Ltd.	National Tobacco Co.	13½	10	Nil	Nil	0 8		12	
2,25,00,000	7,25,185	1,52,40,091	40,14,106	—62,99,179	M. P. A. Pumpatil, Esq.	Ralli's (India) Ltd.	8	10	0 4 4/5	0 4 4/5	0 4 4/5		12	
1,12,24,000	1,21,50,000	1,76,54,306	6,47,94,370	1,31,551	Chhatarpal Singh, Esq.	Rohtas Industries	51	100	Nil	Nil	Nil		12	
40,00,000	22,50,594	1,18,79,870	70,99,687	5,10,275	C. W. Stephenson, Esq.	Spencer & Co., Ltd.	24½	10	1 0	1 0	1 0	1 0	12	
75,00,000	48,00,000	18,98,9654	4,16,754	3,66,451	R. H. D. Campbell, Esq.	Shaw Wallace & Co., Ltd. ..	17½d	10	1 0	1 4	1 8	1 8	16	
9,36,380	....	14,99,250	2,84,580	....	Ogale Bros., Ltd.	Travancore Ogale Glass	14½	10	1 0	1 0	1 4	1 0	12	

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital.

‡‡ Indian Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each

§ Rs.1,68,91,000 which represent share in the firm of Shaw Wallace & Co.

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amluckie	372N	100	7 8	25 0	30 0		12	Y.P.
3,50,000	8,43,250	10,09,902	2,42,059	77,477	R. K. Kasoria, Esq.	429	Ananda (Assam) Tea ..	45N	10	0 12	1 4	7 8		12	Y.
3,50,000	6,43,250	10,47,044	2,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	513	Ananda Bagh	49	10	Nil	2 8	3 0*		12	Y.
5,50,000	11,21,541	10,95,977	3,44,367	93,056	McLeod & Co., Ltd.	298	Baghmari	29N	10	Nil	Nil	3 8		12	Y.
5,10,000	8,50,000	11,09,193	3,89,491	93,033	Andrew Yule & Co., Ltd. ..	369	Baamaila	40N	10	2 0	2 8	3 0		12	Y.
3,30,800	4,65,000	10,11,265	6,46,285	18,304	National Tea Corporation ..	594	Batell	224xd	5	0 4	2 0	4 0	2 01	12	Y.
3,20,000	8,70,000	9,80,764	2,59,311	93,794	Williamson Magor & Co., Ltd.	504	Betjan	50N	10	Nil	2 0	10 0*		12	Y.
16,50,000	20,60,000	52,30,192	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	25	10	Nil	Nil			12	Y.
5,00,000	2,53,500	10,49,418	2,08,130	61,929	Octavius Steel & Co., Ltd.	485	Bokakhat	22½	10	Nil	0 12	3 8		12	Y.P.T.
7,50,000	6,52,400	8,92,327	2,43,050	1,44,105	McLeod & Co., Ltd.	2,834	Brooke Bond India Ltd. ..	23½	10	1 0	0 8	1 4		12	Y.P.
25,00,000	11,92,045	73,30,473	19,49,495	20,092	McLeod & Co., Ltd.	1,220	Dejoo Valley	40½	10	Nil	1 0	2 0		12	Y.
6,00,000	4,00,426	5,55,903	1,35,593	6,542	Jardine Henderson Ltd.	1,220	Dessai & Parbuttia	405N	100	10 0	20 0	40 0		12	Y.
6,00,000	10,99,000	26,34,194	16,34,471	51,359	James Warren & Co., Ltd. ..	620	Dhelakhat	21½	10	1 0	1 8	2 8		12	Y.
7,53,440	9,37,943	22,73,420	4,17,346	44,251	James Finlay & Co., Ltd. ..	644	Dhunseri	24½	10	Nil	2 0	5 0		12	Y.P.
4,98,970	3,93,000	10,93,269	3,77,383	8,779	McLeod & Co., Ltd.	453	Dibrugarh	27½	10	Nil	1 0	4 0		12	Y.
4,50,000	6,75,000	9,00,334	2,06,317	54,592	Williamson Magor & Co., Ltd.	611	Dimakusi	34	10	1 0	4 8	5 0		12	Y.P.
2,36,700	6,60,000	10,29,006	5,54,096	55,532	Williamson Magor & Co., Ltd.	615	Duillaghur	47½	10	1 0	4 0	5 0		12	Y.
5,60,000	5,80,000	19,85,851	13,34,016	1,64,360	Williamson Magor & Co., Ltd.	1,150	East India Tea	20½	10	0 4	2 8	3 8		12	Y.
10,00,000	6,40,000	23,25,313	9,78,313	78,838	Williamson Magor & Co., Ltd.	497	Gillapukri	31	10	Nil	1 12	3 8		12	Y.
3,80,000	5,05,000	8,25,214	4,30,235	5,997	L. C. Kanoi, Esq.	546	Gohpur	27½	10	1 8	2 8	4 8		12	Y.
3,38,000	7,20,000	15,56,000	7,85,020	88,216	Williamson Magor & Co., Ltd.			39½	A 10	2 0	3 0	5 0		12	Y.
7,41,540	15 26,250	30,53,908	6,17,945	56,376	Octavius Steel & Co., Ltd. ..	1,912	Grob	29	B 5	1 0	1 8	2 8			
3,51,135								38N	10	1 8	3 0	9 0		12	Y.
2,00,000	8,75,000	7,75,574	2,08,800	84,780	Andrew Yule & Co., Ltd.	476	Hoograjuli	200N	100	Nil	12 8	55 0		12	Y.
3,70,000	11,47,718	13,90,576	10,80,837	1,45,234	Andrew Yule & Co., Ltd.	1,295	Hoolungooree	12½	10	0 9 3/5	Nil	1 0	1 0	12	Y.
68,56,900	34,40,339	....	....	55,532	Birla Bros., Ltd	2,901	Jay Shree Tea Gardens ..	26½	10	Nil	Nil	3 8		12	Y.
7,50,000	7,85,000	14,15,643	2,37,369	97,186	Gillanders Arbuthnot & Co., Ltd.	945	Jutlibari	32½	10	Nil	Nil			12	P.Y.
2,40,000	2,50,000	11,47,520	6,37,520	6,193	G. D. Kothari, Esq.	1,166	Kinzaley-Golaghat (Assam)	32½N	100	Nil	Nil			12	Y.
6,50,000	6,59,133	7,20,222	1,70,223	44,643	Duncan Bros. & Co., Ltd. ..	1,046	Ledo	27	10	Nil	2 0	2 12		12	Y.
5,00,000	11,40,000	19,48,410	4,74,235	10,713	Duncan Bros. & Co., Ltd. ..	612	Methoni	21½	10	Nil	1 0	4 8		12	Y.
4,80,000	2,50,000	9,01,159	1,01,152	53,033	Kettlewell Bullen & Co., Ltd.	433	Mothola	52½N	100	Nil	Nil	65 0		12	Y.
1,50,000	7,22,434	7,68,680	4,47,850					23½	O. 10	2 0	2 0	4 8			
50,000								31½	P.O. 10	2 8	2 8	5 0		12	Y.
2,00,000	5 30,000	9,09,874	5,40,379	50,536	Andrew Yule & Co., Ltd.	344	Murphulani	54	10	Nil	3 0	3 0		12	Y.
4,00,000	3,61,274	6,00,328	3,80,662	49,567	S.C. Sen, Esq., Supervising Director	542	Naga Hills	21	10	Nil	Nil	0 8		12	Y.
5,35,000	....	12,71,401	6,75,401	58,053	M.	810	Namburnadi	153N	100	Nil	5 0	10 0		12	Y.
5,00,000	3,60,000	5,94,477	1,94,447	22,913	Duncan Bros. & Co., Ltd. ..	937	New Chumtollah	40½	10	Nil	2 8	7 8		12	Y.
2,00,000	6,77,500	7,59,943	3,35,545	39,433	Andrew Yule & Co., Ltd. ..	353	Rajgarh	26½	10	Nil	2 8	4 8		12	Y.
6,00,000	5,56,302	17,12,490	7,10,249	5,643	L. C. Kanoi, Esq.	932	Sapoi	33½	10	Nil	2 0	4 0		12	Y.
2,40,000	2,90,000	9,14,755	5,59,212	41,943	Williamson Magor & Co., Ltd.	452	Seajuli	39½	10	1 0	3 0	6 0		12	Y.
4,50,000	7,34,500	11,24,096	3,43,117	45,753	Octavius Steel & Co., Ltd.	515	Tea Ali	31½	10	Nil	1 8	5 0		12	Y.
6,98,000	10,73,006	10,33,209	3,74,340	81,743	McLeod & Co., Ltd.	495	Teloijan	120	10	0 12	2 8	5 8*		12	Y.
4,00,000	7,35,127	9,58,820	2,43,134	82,932	Gillanders Arbuthnot & Co., Ltd.	503	Tengpani	26½	10	Nil	2 8	5 0		12	Y.P
15,86,310	17,34,382	33 87,279	14,00,279	59,935	Shaw Wallace & Co., Ltd. ..	2,139	Tezpore	48	10	Nil	1 0	6 0		12	Y.
5,20,000	16,00,350	22,53,186	10,72,453	9,014	McLeod & Co., Ltd.	1,050	Tyrcoa								
CACHAR															
3,00,000	1,75,000	15,20,703	11,72,876	—3,38,155	M.	863	Aroutipore	12	10	Nil	Nil	Nil		12	Y.
12,00,000	16,700	27,61,193	92,031	—33,429	Octavius Steel & Co., Ltd.	649	Eastern Cachar	13	10	Nil	2 8	4 0		12	Y.
12,60,000	11,62,995	23,73,391	10,39,376	60,379	Octavius Steel & Co., Ltd.	2,154	Hastichira	22½	10	Nil	Nil	15 0		12	Y.
4,50,000	2,50,000	2,32,721	34,274	15,530	Bullen Co., Ltd.	577	Kalinagger and Khoreel ..	110N	100	Nil	Nil	2 12		12	Y.
3,00,000	2,53,754	3,15,635	1,14,630	19,031	Duncan Bros. & Co., Ltd. ..	600	Kunchupara	21½	10	Nil	Nil	20 0		12	Y.
7,00,000	5,50,000	10,43,915	2,23,915	1,32,129	B. L. Nopany, Esq.	1,250	North Patharia Cachar	210	100	Nil	Nil			12	Y.P.
1,34 050	6,445	3,16,007	15,763	—91,997	Octavius Steel & Co., Ltd.	437	Pathemara	14½	10	Nil	Nil			12	Y.
2,50,000	3,16,592	5,39 110	1,98,733	29,603	McLeod & Co., Ltd.	633	Roopacherra	22½	10	Nil	Nil	1 0		12	Y.
6,25,000	6,33,514	9 16,505	3,91,505	40,497	Duncan Bros. & Co., Ltd. ..	1,494	Rungamahee	104½	50	Nil	Nil	10 0	17 8	12	Y.P.H.
4,00,000	5,51,718	10 16,960	3,28,644	—82,256	Davenport & Co., Ltd.	633	Sonai River	18½	10	Nil	Nil	1 4		12	Y.P.
DARJEELING															
3,79,000	1,25,000	3,33,330	2,59,750	19,147	Williamson Magor & Co., Ltd.	403	Chamong	18½	10	Nil	Nil	2 0		12	Y.
2,00,000	1,27,639	3,32,398	1,43,785	408	M.	488	Dilaram	27N	10	Nil	Nil	2 8		12	Y.P.
2,00,000	2,81,825	7,41,200	2,37,700	26,850	Davenport & Co., Ltd.	509	Glelle	17½	10	Nil	0 12	1 0		12	Y.
4,00,000	3,00,000	6,02,817	1,50,353	10,852	McLeod & Co., Ltd.	816	Margaret's Hope	30	10	Nil	Nil	1 0		12	Y.
1,50,000	3,10,339	3,44,574	1,69,434	38,037	Andrew Yule & Co., Ltd. ..	455	Mim	200	10	Nil	2 0	5 0	

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4½	2	0 3½	0 4	0 4	0 4 4/5	5	Y.P.
17,94,156	18,13,787	38,42,456	3,75,656	1,19,659	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9 3/8	3	0 9 3/5	0 12	0 12	0 7 1/5	3	Y.P.E.
18,00,000	15,80,195	32,07,456	5,25,006	1,21,059	Cons. Coffee Estates (Secretaries).	Coffee Lands and Industries	24½	10	0 14 2/5	0 4 4/5	2 8	1 12 4/5	6	Y.P.E.
47,70,000	63,72,750	1 07,67,843	19,78,244	2,42,884	R. C. Paterson Esq.	Consolidated Coffee	20½	10	1 12 4/5	1 8	1 12	2 4	6	Y.P.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd.	Cottaud Plantations	21½	10	1 8*	1 8	1 8	1 12*	3	Y.P.
18,00,000	9,95,543	22,72,370	4,51,852	53,920	A. V. Thomas & Co., Ltd.	Highland Produce	18 xcd	10	1 0	1 4	2 8		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd.	Kalpetta Estates	34½	10	2 0	2 0	2 0	2 12	4	Y.
9,00 000	7,28,329	18,44,917	2,55,893	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	32½	10	3 8	5 8	2 4	2 4	8	Y.
27,00,000	29,30,000	74,32,314	7,74,639	1 45,508	A. V. Thomas & Co., Ltd.	Midland Rubber	22½	10	1 8	1 8	1 12*	2 8	5	Y.
3,35,000	2,81,000	14,31,422	1,45,231	13,146	A. V. George & Co., Ltd.	Nennemy Rubber	24½	10	0 10	0 12	1 8		12	Y.P.E.
2,00,000	2,99,688	7,20,895	44,186	8,690	Associated Planters Ltd.	Nilambur Rubber Co.	17½	10	1 0	1 0	1 0		12	Y.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd.	Ouchterlony Valley Estates	5–7½	2	0 3½	0 3½	0 9 2/5	0 6 2/5	10	Y.P.
13,50,000	7 80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd.	Rajagiri Rubber	25½	10	1 8	1 12*	1 12*	2 0	6	Y.
3,66,780	3,00,000	6,70,359	62,117	71,342	Peirce Leslie & Co., Ltd.	Savamalai Estates Ltd.	20½	10	1 8	3 0	2 8	1 0	11	Y.
10,00 000	8,98,340	22,01,120	1,85,829	2,031	East India Agencies	Teekoy Rubber (India) Ltd. ..	11½	10	0 14½	0 14 2/5	0 12	0 14 2/5	3	Y.P.E.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd.	Thamarapally Rubber	31½	10	2 0	3 0	3 0		12	Y.
2,10,200	3,00,005	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4	0 4½	0 1 3/5	0 2	9	Y.
6,00,000	75,401	9,79,479	3,25,517	2 745	Karen Thomas, Esq. (Mg. Director)	Travancore Rubbers	25½	10	2 0	2 0	2 0	3 0	12	Y.
41,00,000	14,36,799	76,82,300	8,68,191	3,71,033	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13 xd	10	0 9 3/5	1 1	1 1	1 4	12	Y.
22,00,000	....	27,70,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co.	37	25	2 8	3 0	5 0	4 0	12	Y.
6,28,580	5,40,670	8,51,488	16,128	40 780	Harrisons & Crosfield Ltd.	Valkundam (Travancore) Rubber ..	23½	10	2 0	2 0	2 4	2 8	12	Y.
1 65,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	*Nil*	1 0	1 8	2 0	3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	53,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12½	10	1+1	1+1	1+	3+	3.9	H.T.P.
5,00,000	9,50,000	51,48,808	35,31,395	94,086	McLeod & Co., Ltd.	446	Alexandra	200	100	*Nil*	*Nil*+2½	2½+5		6.12	H.P.T.
30,00,000	9,84,130	1,17,45,964	91,71,059	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	130	100	*Nil*	*Nil*+5	6+6		6.12	H.P.
49,20,700	72,00,000	2,72,98,335	1,87,90,000	1,23,973	Duncan Bros. & Co., Ltd.	2,561	Anglo-India	107½	100	10+10	7½+5	7½+5	5+3½	3.9	H.P.
40,00,000	42,64,285	1,73,41,642	88,94,396	9,733	Bird & Co., Ltd.	810	Auckland	120	100	5+4	2+2	1+2½	6+4	3.9	H.P.T.
20,00,000	22,86,887	98,73,016	65,15,094	15,350	Jardine Henderson & Co.	959	Bally	137	100	*Nil*	4+*Nil*	*Nil*	3½+*Nil*	3.9	H.P.
£275,000	£931,523	£1,56,539	£1,09,227	£64,858	Sir John H. Burder (Chairman)	1,889	Barnagore	148	£5	51	61	£5	7	3.9	H.
₹20,00,000	₹2,30,123	92,27,342	49,93 231	1,005	Andrew Yule & Co., Ltd.	820	Belvedere	168	100	7½+7½	7½+7½	5+5	5+2½	6.12	H.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull	660	Bengal	17	10	1	1½	1½	1½	6	Y.P.
91,28,000	2,15,77,044	3,32,32,902	29,72,790	3,12,880	Birla Bros., Ltd.	1,373	Birla	18½	4	*Nil*	*Nil*	*Nil*	*Nil*	6.12	H.P.
25,00,000	4,73,858	37,70,192	72,25,930	2,271	Andrew Yule & Co., Ltd.	991	Budge-Budge	144	100	6½+6½	6+4	4+5	5+2½	4.10	H.P.
7,47,380	3,29 640	43,00,831	31,53,654	—2,77,365	Dayaram & Sons	502	Calcutta Jute Mfg.	9 xd	10	0+8	*Nil*	1+1	*Nil*+	6.12	H.P.
15,00,000	30,46,234	87,13,271	1,07,46,003	1,30,505	Andrew Yule & Co., Ltd.	616	Caledonian	203	100	6+8	5+6	6+8	4+2½	5.11	H.
82,16,400	98,58,404	2,22,51,517	1,47,46,003	—4,57,295	James Finlay & Co., Ltd.	600	Champdany	163½	100	7+8	3+3	*Nil*+3	4+6	3.9	H.
15,95,000	28,39,282	81,34,655	56,60,175	2,615	Andrew Yule & Co., Ltd.	530	Chevlot	208	100	6+6	6+6	6+8	6+4	5.11	H.P.
30,15,000	28,25,000	60,73,514	46,91,390	1,52,253	McLeod & Co., Ltd.	800	Chitavalsah	14	10	2½+1½	1½+½	1+½		6.12	H.P.T.
18,00,000	24,00,000	73,22,716	66,22,962	1,07,142	Shree Krishna Investment Co., Ltd.	989	Clive	14½	10	2	*Nil*	*Nil*	1-4±	3	Y.P.
31,49,200	61,22,843	1,34,26,320	64,46,601	1,096	Andrew Yule & Co., Ltd.	766	Dalhousie	107	100	6+1	1+3	1+1½	3+1	3.9	H.P.T.
28,00,000	44,74,179	75,56,699	47,00,110	15,912	Andrew Yule & Co., Ltd.	779	Delta	214	100	10+10	10+10	6+6	6+5	5.11	H.
11,00,000	33,50,000	81,98,324	59,15,560	43,894	McLeod & Co., Ltd.	500	Empire	20½	10	1½+1	1½+1	2+2	1+	6.12	H.P.T.
21,00,000	59,60,176	2,72,32,358	1,87,05,841	71,882	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	850N	100	10+*Nil*	*Nil*	*Nil*+5	*Nil*+6	3.9	H.P.T.
14,00,000	17,75,000	84,16,193	53,99,759	1,16,743	Bangur Bros., Ltd.	1,014	Fort William	21½	10	*Nil*	*Nil*+5	10+10	10+10	3.9	H.P.
24,32,100	1,66,092	2,03,72,498	84,08,985	1,709	Gauzes Mfg.	773	Gauzes Mfg.	70N	100	*Nil*	*Nil*+*Nil*	*Nil*+4	2½+*Nil*	3.9	H.P.
10,80,000	23,00,000	71,52,963	48,43,893	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,300	100	30	15	20		12	Y.
24,00,000	33,33,409	2,12,33,133	1,55,13,215	57,208	Macneill & Barry Ltd.	1,394	Gourepore	266	100	1½+*Nil*	*Nil*+3½	2½+7½	7½+7½	3.9	H.P.
40,00,000	55,84,234	99,03,980	57,36,999	3,27,745	Bangur Bros., Ltd.	1,078	Hastings	114N	100	10	10	10+10	11½+	3	H.
16,80,000	18,01,856	65,91,206	46,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	720	Hoozhly	33	10	1½	1½	½	1½	3	Y.P.
65,62,500	51,32,961	1,52,27,534	1,07,31,964	1,463	Jardine Henderson Ltd.	1,940	Howrah	23½	10	1+½	½+½	½+½	½+½	3.9	H.P.T.
1,82,50,000	23,00,000	2,58,15,937	1,54,15 937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	25	7½	5	5	3	3	3	Y.P.T.
57,00,000 }	16,55,558	1,23,66,655	78,55,428	7,731	M.	1,076	India	140	O. 125	3½+3½	3½+3½	*Nil*+3½	3½+1½	5	9, 9
D. 80,000 }									D. 1	As.1+1	a2½+2.6	*nil*+a2½	a2½+1½		
24,00,000 }	16,50,000	1,37,65,836	1,24,18,038	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	136	100	8+6	6+3	8+6	2½+*Nil*	6, 12	H.P.
B. 19 20,000 }								126	'B' 100	8½+6	6+3	8+5	2½+*Nil*		
20,00,000 }	7,00,000	1,32,86 300	1,00.46,425	82,115	Jardine Henderson Ltd.	1,527	Kankarvah	100	100	6+4	6+2½	2½+4	1+*Nil*	6, 12	H.P.
24,00,000 }								98	'B' 100	7½+7½	7½+7½	10+10			
21,00,000	49,50,000	1,12,88 938	76,26,876	1 70 657	McLeod & Co., Ltd.	703	Kelvin	238	100	10+15	10+7½	7½+5	6+6	6, 12	H.P.
54,00,000	23,82,375	1,71,52,716	1,16 91,937	1,02,192	Anderson Wright Ltd.	1,530	Khardah	140	100	10+10	10+7½	7½+5	6+5	3.9	H.P.
48,00,000	1,04,27,157	2,31,57,457	1,12,99,755	52,710	F. W. Heilgers & Co.	1,250	Khinlison	175	100	10+7	6+6	6+5	7+6	3.9	H.P.T.
24,48,000	49,37,087	1,39,82,288	80,55,707	10,707	Bird & Co., Ltd.	931	Lansdowne	120	100	7+8	2+5	1+1	5+2	3.9	H.P.
28,00,000	58,89 479	1,16,02,741	84,08,985	3,154	Bird & Co., Ltd.	840	Lawrence	120	100	11+4	3+3	2+4	5+1	4.9	H.P.
31,85,200	25,04,412	2,01,06,863	1,44 49 304	10,614	M.	1,008	Mantra	88	100	2½+5½	2½+3½	*Nil* 3½	2½+1½	3.9	H.
40,00,000	39,98,990	88 14,415	1,84,76,420	98,81,406	—8,19,282	F. W. Heilgers & Co.	815	Naihati	94	100	6+*Nil*	*Nil*	*Nil*	3.9	H.
20,00,000	15,55,000	29,01,562	18,21,709	17,316	Howrah Trading Co., Ltd. ..	425	Naskarpara	18½	10	2+½	*Nil*+½	1+½	1+	4.10	H.P.
35,03,000	45,30,228	89,10,124	10,36,223	70,654	Andrew Yule & Co., Ltd.	852	National	25	10	1	1+½	1+1	1+½	4.10	H.P.
26,25,000	24,50,000	26,82,794	20,20,519	1,43,752	McLeod & Co., Ltd.	316	Nellimarla Jute	12½	10	2+1	1+1½	1+1	1+½	6, 12	H.P.T.
85,50,000	2,71,44,342	4,28,15 627	98,35,548	8,71,293	Sahu Jain Ltd.	1,765	New Central†	18½	10	10+12	12+12	12+5	11+	6, 12	Y.P.
16,79,880	48,95,154	1,17,37,858	48,80,655	40,892	Bird & Co., Ltd.	567	Northbrook	24	10	1+1	1+1	1+1	1+½	12	H.P.T.
26,79,500	23,80,793	2,12,69,608	1,39,37,804	58,873	Macneill & Barry Ltd.	1,093	Ouddee	40½	50	1+*Nil*	*Nil*+4	*Nil*+1	1+1½	3.9	H.
24,91,000	26,81,049	72,46,365	50,35,690	5 784	Andrew Yule & Co., Ltd.	601	Orient	164	100	1+6	6+6	6+6	5+4	6.12	H.P.
25,00,000	6,23,468	89,72,591	45,77,981	1,03,654	McLeod & Co., Ltd.	400	Presidency	6½	*Nil*	*Nil*	*Nil*+1½	1+1½		6.12	H.P.
30,00,000	1,44,936	26,56,830	8,39,130	—12,15,983	Birla Bros. Ltd.	305	Rameshwara	6½	10	*Nil*	*Nil*	*Nil*	*Nil*+	3.9	H.
49,50,000	1,62,723	1,24,06,577	69,38,544	5,09,680	Jardine Henderson Ltd.	1,276	Reliance	11½	10	*Nil*	1+½	*Nil*	*Nil*	3.9	H.
£600,000	£1,093,713	£1,236,315	....	£53,654	Thomas Duff & Co. (India) Ltd.	2,018	Samnuggur	11½	£1	10%	10%	10%	8%½1	12	Y.P.
30,00,000	18,12,193	1,04,21,440	73,39,904	3,71,033	Begaria More & Co., Ltd.	911	Shree Ambica	11½	10	1+1	*Nil*+1	1+1	1 4	12	Y.
14,00,000	11,25,000	66 11,794	38,79,294	3,156	Hindustan Investment Corporation	401	Soorah	16½N	10	*Nil*	1+	1	1	3.9	Y.P.
25,19,600	42,44 180	1,30,76,187	51,18,563	—2,35,228	Bird & Co., Ltd.	650	Standard	105	100	8+1	1+1	1+1	1+*Nil*	3.9	H.P.
£5,00,000	£925,119	£990,895	....	£110,316	Thomas Duff & Co. (India) Ltd.	1,500	Titaghur	£1	£1	10%	10%	10%	8%½1	12	Y.P.
£5,98,500	88,14 828	1,95,40 009	81,71,617	14,518	Bird & Co., Ltd.	1,326	Union	154	100	10+1	1+1	1+1	1+*Nil*	3.9	H.P.
£400,000	£689,035	£1,092,722	....	£97,816	Thomas Duff & Co. (India) Ltd.	1,331	Victoria	11½	£1	10%	10%	10%	8%½1	12	Y.P.
2,50,000	4,95,000	55,04,678	37,77,741	55,034	McLeod & Co., Ltd.	465	Waverley	6½	1	*Nil*	*Nil*+½	½	½	6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1952 Rs.	1953 Rs.	1954 Rs.	1955 Rs.	Accounts Closed	Reference
25,50,000	22,00,000	85,07,684	59,23,684	38,026	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	23	10	4+	7/10+7/10	7/10+7/10	4+7/10	3.9	H.
12,00,000	3,62,573	33,76,477	26,18 477	22,708	Jardine Henderson Ltd.	Bararee Coke	19½	10	3½	3	3	3	3.9	H.
4,49,350	70,000	8,49,159	5,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6½N	10	1	1	1	1	3.9	H.
1,00,00,000	1,40,49,223	5,91,92,614	3,95,77,326	7,31,583	Andrew Yule & Co., Ltd.	Bengal Coal	538	200	20+20	17½+15	15+15	17½+17½	6.12	H.
2,25,000	4,77,174	24,31,806	22,59,068	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	18	10	1	*Nil*	*Nil*	*Nil*	6.12	H.P.
15,97,000	4,73,858	37,70,192	22,77,264	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	1				6,12	
40,00,000	8,00,000	1,39,06 662	71,05,188	27,433	Sahu Jain Ltd.	Bharat Collieries	7½	10	1	1	1		3	Y.
7,15,000	15 09,580	52,49,025	37 09 987	—1,55,554	F. W. Heilgers & Co. (Private)Ltd.	Bhuleatores	18	10	*Nil*	*Nil*	*Nil*	*Nil*+	6,12	H.
16,00,000	16 17,956	68,14,856	39,99,841	—79,196	Bhuro Industries (Coal) Co. ..	Bhuro-Ramgur	12	10	1	1	1	1+	6,12	H.
7,50,000	23 50,000	42,07,858	26,07,691	68,856	F. W. Heilgers & Co., Ltd.	Borree	23½	10	1½+1½	1½+1½	1 1	1+	6,12	H.
90,92,480	1,76,70,564	4,16 32,554	1,80,95,409	1,40,510	Bird & Co., Ltd.	Burrakur	13½	10	2	1	1	1	6,12	H.
44,97,750		89 63,720	3,82,645	14,010	Hindustan Investment Corpn., Ltd.	Central India	7½	10	1	1	1	1	6,12	H.P.
3,00,000	13 54,302	49,10,414	32,63,984	32,765	M.	Central Kurkend	11N	10	*Nil*				6	Y.
6,00,000	1,43,676	7,28,438(k)	....	3,129	F. W. Heilgers & Co. Private Ltd.	Churilia	4	4					6,12	H.
16 00,000	1,80,000	52,67,321	25,91,190	—2,43,279	Macneill & Barry Ltd.	Dhemo Main	9½	10	*Nil*	*Nil*	*Nil*	*Nil*	6,12	H.
£240,000	£380,553	£956,945	£702,277	£50,767	Jardine Henderson, Ltd.	East Indian	32½	£1	8½()	2½	2½		6,12	H.P.
29,68,760	76,84,250	3,89,97,499	2,87,14,367	92,266	Macneill & Barry Ltd.	Equitable	20½	10	2+1½	1+	1½	1	4	
10,00,000	2,15,000	10,76,884	5,73,963	11,272	Phalkera Agency Ltd.	Ghusick and Mudla	14½N	10					6, 12	H.P.
12,00,000	1,22,000	39,02,585	20,99,824	3,226	Killick Industries Ltd.	Hingir-Rampur	41½	80	4	4	4	4	6	H.
5,00,000	6,75,000	21,43,057	16,61,214	66,451	Macneill & Barry Ltd.	Herrtladih	23½	10	3	3	3	3+1	5.11	H.
22,00,000	1,12,000	24,74,413	6,18,444	—4,57,295	Balpale Trust Ltd.	Jhanjra Coal	9½	10	*Nil*	*Nil*	*Nil*	1½+	6, 12	H.
3,50,000	3,45,579	18,54,857	7,23,653	....	Andrew Yule & Co., Ltd.	Kalapahari	18N	10	1½+1½	1½+1	*Nil*		12	Y.
20,00,000	17,325	29,07,991	3,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries ..	11½	100	*Nil*	*Nil*	*Nil*		3.9	H.
5,00,000	15,80,000	45,15,239	25,55,577	1,29,128	Andrew Yule & Co., Ltd.	Katras Jharriah	60½	10	2	2	2	2½	3	H.
1,25,400	5,73,960	12,55,941	5,72,960	—4,60,236	Berwala & Co.	Khas Kajora	32N	10	*Nil*	*Nil*	*Nil*	3+4	1, 7	H.
11,00,240	54,314	16,72,961	10,41,863	—41,820	H. V. Low & Co., Ltd.	Kusrdi	4N	10		*Nil*	*Nil*		6, 12	H.
9,00,000	11,36,418	23,69,338	22,07,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10					6	H.
7,48,240	2,00,000	12,19,473	9,23,176	11,066	Tantia Brothers Ltd.	Nazira	7	10					4	
7,00,000	26,617	10,32,740	5,20,295	4,560	Amritlal Ojha & Co., Ltd.	New Bansdeopur	68N	10					12	S.
17,76,280	20,01,763	1,19,78,853	85,63,066	94,883	Andrew Yule & Co., Ltd.	New Beerbhoom	12½	10	*Nil*+	*Nil*+	*Nil*+	*Nil*+	3.9	H.
6 00 000	85 000	25,44,988	19 44,960	96,456	Octavius Steel & Co., Ltd. ..	New Manbhoom	19N	10	*Nil*	*Nil*	*Nil*	*Nil*	4.10	H.
1,15,000 }	2,55,102	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd.	North West	164N	10	2+	2+*Nil*	*Nil*	2+	3.9	H.
1,97,500 }							7½	10	1	1	1	2+		
1,50,000	12,21,553	2,97,566	2,77,666	1,08,541	F. W. Heilgers & Co., Ltd.	Ondal	15½	10	1+	1	1	1	6,12	H.
10,00,000	1,10,000	39,70,663	17,99,638	8,809	K. C. Thapar & Bros.	Oriental Coal	9N	10					6,12	H.
5,34,000	10,563	17,52,137	8,30,795	8,016	Deepchand Kishenlall	Parasea	14	10					12	H.
15,75,000	15,00,000	49,12,471	34,02,471	88,803	Shaw Wallace & Co., Ltd.	Peach Valley	22	10	1	1	1	1	6,12	H.
22,50,500	19 17,105	1,25,09,503	85,50,855	10 540	N. D. Birla & Co., Ltd.	Ramagunda	11½	10	1+	1+	1+	1+	3.9	H.
15,50,000	5,53,326	30,36,755	27,73,764	35,621	Shaw Wallace & Co., Ltd.	Rewa	22½	10	1	1	1	1	3.9	H.
30,00,000	3,90,000	44,25,585	15,79,118	2,20,170	Jalpuria Sons Ltd.	Samla Collieries	14	10	1	1	1	1	6,12	H.
1,95,000	1,95,328	18,78,480	12,51,287	21 070	M.	Searsole	5½N	10	1	1	1	1	12	H.
2,50,000	3,35,598	29 99 400	19,07 295	45 239	Andrew Yule & Co., Ltd.	Seebpore	21	10	1	1	1	1	3	H.
6,00,000	5,51,239	55,491	28,867	7,503	F. W. Heilgers & Co. Private Ltd.	Seadra	9½N	10	*Nil*	*Nil*	*Nil*+	1½+1½	6,12	H.
63,51,450	16,96,050	2,82,71,101	2,86,68,501	—4,46,963	Industrial Trust Fund (Governt. of Hyderabad)								6,12	
17,50,000	10,84,016	37,86,103	15,14,900	—51,533	Bird & Co., Ltd.	Singareni	10½	10						
8 00,000	13,99,545	1 06,570	25,510	7,937	F. W. Heilgers & Co., (Private)Ltd.	South Karanpura	9½	10	*Nil*	*Nil*	*Nil*		12	Y.
16,00,000	13,960	30,88,399	15,43,903	—4,07,745	Villiers Ltd.	Standard	25½	10	1	1	1		2, 6	
3,50,000	2,00,000	19,47,545	14,81,355	44,167	Williamson Magor & Co., Ltd. ..	Talcher	9½	10	1	1	1		6, 12	
45,00 000		40,06,356	18,91,545	2,094	Hindustan Investment Corpn., Ltd.	Union	12½	10	1	1	1		6, 12	
7,00,000	1,36,190	26,25,185	22,56,991	122	Macneill & Barry Ltd.	Western Bengal	6½	10	1	1	1		6, 12	
						West Jamuria	11½	10	*Nil*	*Nil*	*Nil*	*Nil*+	6, 12	

M—Managed by the board of directors. ‡ Less income-tax. (a) Olive Mills have paid dividend at As. 12½ on bonus shares, for the year, 1955. • Including bonus. (k) Investments.
(l) Made up of an interim dividend of Rs. 1-12½ per share on 1,32,000 shares and final dividend of Re. 1-12½ per share on 2,40,000 shares of which 1,20,000 shares are bonus shares. (s) For seven months ended 31st March 1956.
† New Central Jute Mills—Dividend for 1955 is on shares of Rs. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

otice

HIND CYCLES LIMITED

NOTICE TO SHAREHOLDERS

THE SHAREHOLDERS OF
HIND CYCLES LIMITED.

NOTICE IS HEREBY GIVEN THAT THE Sixteenth Annual General Meeting of the hareholders of the Company will be held at ie Office of Birla Brothers Private Limited, dustry House, 159, Churchgate Reclamation, ombay-1, on Saturday the 30th June 1956, at 30 p.m., to transact the following business and r the purpose of considering and, if thought , of passing with or

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
16,00,000	1,08,00,000	11,36,301	Allahabad Bank	356	100	18 0	18 0½	18 0½		12	Y.P.
14,50,000				178	50	9 0	9 0½	9 0½			
1,01,000	14,87,000	12,575	Andhra Bank	115	100	6 0	6 8	7 8	6 8	6,12	H.
32,46,150				85	70	3 0	3 4	3 12	4 8 4/5		
1,00,00,000	1,28,00,000	3,85,546	Bank of Baroda	98½	50	6 0	6 0½	6 0½	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	162N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,58,00,000	13,26,630	Bank of India	161	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	28,90,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 0	3 8	12	Y.
50,00,000	19,00,000	41,779	Bank of Jaipur	25½	50	1 8	1 8	2 0	2 0	12	Y.
50,00,000	94,00,000	1,79,254	Bank of Mysore	244	100	16 0	16 0½	16 0½	16 0	12	Y.
61,21,700	58,78,013	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	29,00,000	19,591	Canara Bank Ltd.	86	50	4 8	4 8	4 8	5 0	12	P.Y.
7,50,000	12,00,000	2,483	Canara Banking Corporation Ltd.	80½	50	5 0	5 0½	5 0	5 8½	12	Y.P.
2,62,11,875	4,01,81,217	18,40 339	Central Bank of India Ltd.	51½	25	3 8	3 0	3 0	3 0	12	R.L.Y.
£2,42,375 'A'				55½	25	3 8	3 0	3 0	3 0		
50,00,000	13,10,000	1,64,911	Devkaran Nanjee Banking Co.	40	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	26,00,000	1,66,278	Hind Bank	31	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,43,000	16,919	Hindustan Commercial Bank	10	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	15	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	89N	100	5 0	5 0	6 0	5 0	9	Y.
24,00,000				182	100	12 0½	12 0½	12 0½	12 0		
18,00,000	79,75,000	1,45,140	Indian Bank	180½	90	10 8½	10 8½	10 8½	10 12½	6,12	H.
18,23,000				124	65	7 8½	7 8½	7 8½	7 12½		
49,19,375	80,00,000	2,28,299	Indian Overseas Bank	220½	100	6 0	6 0	Nil	Nil	12	Y.
2,25,000				42½	100(A)	6 0	Nil	Nil	Nil		
5,50,000	5,64,500	—1,12,440	Indo-Commercial Bank	11	25(B)	1 8	Nil	Nil	Nil	6,12	H.
10,00,000				26½	50(C)	3 0	3 0	Nil	Nil		
87,50,000	97,50,000	2,35,103	Punjab National Bank	58	25	1 8	2 0	3 0	3 8	12	Y.
1,00,00,000	25,80,000	48,597	Travancore Bank	18½	25	—	0 10	0 12	1 0	12	Y.
40,00,000	35,00,000	1,96,238	Union Bank of India	52	5	0 5½	0 5½	0 6½	0 6	12	Y.
₹,00,00,000	95,00,000	27,761	United Commercial Bank	51	50	2 0	2 0	2 8	2 12	12	H.
PRINCIPAL EXCHANGE BANKS						Dividend (per cent.)					
£3,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-16-3	£1	16†	14†	15†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7‡	£5	7†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K. $128,000,000	H.K. $ 10,606,689	Hongkong and Shanghai Banking Corporation	£91‡	H.K. $125	5*	5*	5*	5*	12	Y.
£17,966,195 'A'	£15,000,000	£553,006	Lloyds Bank	£2-12-3	£5 A	12†	14†	15†	12†	12	R.L.Y.
£1,437,295 'B'				£1-6-3	£1 B	5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'	£1,750,000	£219,372	Mercantile Bank of India	£4-0-0	A £2½	14†	14†	14†	14†	12	R.L.Y.
£375,000 'B'				£4-0-0	B £2½	14†	14†	14†	14†		
£720,000 'C'				—	C £1	14†	14†	14†	14†		
₹2,851,563	£3,104,687	£342,158	National Bank of India	£1-0-3	sh. 12½	16†	16†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June .. 1963
4,00,000	5½	1st March and 16th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
5,00,000	5½	30th June and 30th December	Ramnugger Cane & Sugar Co., Ltd.	1936	90‡	30th December .. 1956
10 00,900	6	1st August and 1st February	Ravalgaon Sugar	1942	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	88	1st November .. 1959-64
20 00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25.00,000	4½	1st May and 1st November	Walchandnagar Industries (New)	1944	97	1st November .. 1959-64
COAL						
30,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June .. 1956
20,00,000	4½	30th June and 31st December	Burrakar Coal Co.	1947	91½	30th June .. 1967(e)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1958	100	14th December .. 1968(e)‡
COTTON						
8,50,000	5½	30th June and 31st December	Basanti Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	99	1st March .. 1972(e)
18,68,000	5½		Jaysbree Textiles	1949	80N	1st January .. 1956-59
89 90,000	5	1st June	Tata Mills	1951	100	 1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100½	14th June .. 1960
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	90	1st October .. 1959
12,00,000	4½	30th June and 31st December	Benares Electric Light and Power Co., Ltd.	1949	92	31st December .. 1956(e)
2,45,01,800	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	100‡	1st January .. 1970(a)
25,00,000	6	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85‡	31st December .. 1970
15,00,000	5	1st January and 1st July	Sijua (Dharrjiah) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(e)
4,05,000	5½	15th January and 15th July	South Madras Electric Supply	1940	98‡	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	98‡	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94	30th September .. 1958-62
4,63,800	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1956-61
47,73,000	5	1st April and 1st October	Tata Power	1940	103	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power		95½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	94	31st December .. 1969
2.00.000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1938	99	30th June .. 1963
80,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bearer)	1942	102	1st July .. 1957-62
41,46,500	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	88	31st December .. 1966(f§)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	100‡	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	99	31st March .. 1969
6,00,000	5½	30th June and 31st December	Anglo India	1939	90	30th June .. 1962
15,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1947	93‡	30th June .. 1966
9,00,000	5	31st January and 31st July	Calcutta	1940	90	31st July .. 1959
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	90	30th June .. 1966
18,68,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1960(a)
8,46,000	5	15th January and 15th July	Empire	1951	94‡	15th July .. 1960(a)
25,00,000	5½	1st January and 1st July	Fleetwood	1947	92‡	30th June .. 1957
80,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	99	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	96‡	31st December .. 1964
25,00,000	5½	30th June and 31st December	Kalhati	1952	98	31st December .. 1966(e)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1939	93	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	88	31st December .. 1964
8,00,000	4	30th June and 31st December	Present Agency	1943	93	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co., Ltd.	1950	91	6th September .. 1965(e)
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September .. 1957
18,00,000	4½	30th June and 31st December	Union	1937	96‡	30th June .. 1957
10,00,000	5½	31st January and 31st July	Waverley	1955	88	31st July .. 1960
RAILWAYS; STEAMSHIP AND TRAMWAYS						
4.50,000	4	1stJanuary and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July .. 1954
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£86½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,353	5	1st April and 1st October	Katakhal-Lalabazar Railway	1923	£77½N	1st October .. 1974
6,50,000	5½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1976
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£86½N	Any time on six months' notice (e)
4,83,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	96½	1st September .. 1963
PLANTING						
10,00,000	5½	30thJune and 31st December	Consolidated Coffe	1952	102	1st July .. 1957-62
12,50,000	6	31st March and 30th September	Nilgiri Tea		100	1st April .. 1958-63
1,89,700	5½	31st March and 30th September	Teekoy	1944	100	31st March .. 1949-59
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1948	96	31st Decem I'r .. 1965
26,80,000	4½	1st January and 1st July	Associated Hotels of India	1948	86	31st December .. 1958
4,90,500	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1958
3,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	103	1st September .. 1957
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102	1st October .. 1964-69(e)
21,00,000	5½	1st February and 1st August	Cowerjeehee Properties	1915	92	1st February .. 1970
20,92,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1946	89‡	1st July .. 1964
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87‡	15th September .. 1960
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	1st January .. 1960
1,80,00,000	5	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1947	102	30th June .. 1964
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	1st January .. 1970
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95‡	30th June .. 1969(e)‡
24,94,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	550	30th September .. 1969(e)
45,00,000	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	470	31st December .. 1972(e)
75,00,000		1st April and 1st October	Macneill and Barry Ltd.		(pay note)	
1,50,00,000	5½	30th June and 31st December	National Rayon	1951	90N	1st April .. 1971
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1955	103	30th June .. 1965-70
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1951	96	31st March .. 1961(e)
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1946	91‡	31st December .. 1959
				1953	104‡	1st May .. 1968(a)††

(a) These debentures are registered and are transferable by transfer deeds. (c) Option to repay on 3 months' notice at any time at 3 per cent. premium. (e) Option to repay on 3 months' notice at ½ per cent. premium after 1-8-1954 but before 1-8-1957 and 1 per cent. premium on or after 1-8-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 18 years. † Rs. 1,50,00,000 debentures redeemed as per annuity by drawing from 1-9-1965. Any debenture outstanding on 1-6-1965 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-9-1964. ¶ Rs. 80 lakhs will be redeemed as per annuity commencing in 1941 by purchase at any price not more than par or by annual drawings at par. †† Rs. 80 lakhs will be ... per cent of a cumulative sinking fund of 1½ per cent. per annum commencing in 1944 by purchase at par or by drawings at par. ‡‡ Redeemable at 101 per cent. on 1-9-1964. § Redeemable at 101 per cent. on 1-6-1964. ... months' notice. †† Option to ... May 1964 onwards. The Company has option to redeem a debenture at 101 per cent. on 1st May, 1965 ...

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 14th June, 1956.

—	Closing quotations 7-6-1956	High	Low	Closing quotations 14-6-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Ahm. Adv. (100)	190⅛	205	197½	202½
Apollo (2)	3	3-0½	2-12	2-9
Bombay Dyeing (250)	668½	675⅛	643½	651⅛
Central India (100)	141½	150	142½	150
Century Mills (100)	566	570½	556	564
Colaba (100)	80	—	—	80
Edward Textile (200)	337½	—	—	337½
Elphinstone (50)	58	63	57½	62
Finlay (100)	341	343½	338	340
Gokak (100)	233	236	233	235½
Ind. Untd. Defd. (1)	2-6⅛	2½	2⅜	2-6
Ind. Untd. Ord. (10)	13-14½	14⅛	13½	13⅜
Indore Malwa (100)	147½	152½	144⅜	147½
Khatau (100)	240	240⅜	240	240⅜
Kohinoor (100)	372½	382	366½	370
Lakshmi (250)	695	695	690	690
Madhusudhan (100)	111⅛	112½	110⅜	112½
Minerva Mills (100)	175	95	90½	94
Model Nagpur (250)	150	—	—	150
Mcnarji (100)	248⅜	248⅜	245	245
Mysore (50)	115	115	113½	113½
National Rayons (100)	246½	249½	246½	249½
New City (100)	180	181⅛	180	180
New Great (100)	255	255	251	252
Podar Mills (100)	141½	141½	140	140
Saacoon Silk (10)	185	185	183½	183½
Saacoon Spg. (10)	38½	—	—	39½
Sholapur (1,000)	1,925	—	—	1,925
Shrinivas (100)	210½	210½	210	211½
Simplex (50)	223	224½	218	220
Standard (100)	443⅜	447½	435	440
Swadeshi (100)	241½	253	240	253
Swan (100)	480	490½	455	490½
Tata Mill (25)	55½	56½	54¼	54½
Vulcan (100)	188½	188½	185	185½
Western India (1,000)	5,076	—	—	5,075
BANKS				
Bank of India (50)	163½	163½	157	157
Bank of Baroda (50)	96	99	97	97
Central (25)	51½	52½	51	52½
Central 'A' (25)	52½	53½	52½	53
Dena Bank (50)	40	—	—	40
Punjab National (25)	55½	58	56	57½
Union Bank (5)	61⅝	62	62	62
United Com. (50)	50½	51½	50½	51
ELECTRIC COS.				
Ahmedabad (100)	97½	98½	96½	97½
Amalgamated (10)	11	11-1½	11	11⅛
Andhra Valley (1,000)	1,222½	1,225	1,112½	1,215
Bom. Sub-El. (100)	113⅜	113½	112½	112½
Surat (100)	121½	123½	121½	123½
Tata Hydro (100)	131½	131¼	129	130
Tata Power (1,000)	1,318½	1,320	1,275	1,276
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	600	600	325	325
Ind. Mercantile (20)	43	43	41½	41½
Jupiter (15)	6⅛	—	—	6⅛
New India (15)	44	44½	42½	43½
Oriental (200)	3,900	3,900	3,850	7
Universal (10)	7	—	—	14½
Vulcan (10)	14½	—	—	
STEEL COS.				
Ind. Iron (10)				
Tata Steel Ord. (75)	38-8½	39-3½	37½	37½
	200½xr	202½	195½	198½
SUGAR COS.				
Belapur (50)				
Bhopal (10)	236	240½	234½	237½
Phaltan (50)	13½	13⅜	13-13½	13⅜
Walchand Ind. (100)	157	157½	153½	155
	253½	256½	252½	255
CEMENT COS.				
Associated Cts. (100)	218½	221½	217½	218
Digvijay (100)	190½	191½	190	191½
MISCELLANEOUS				
Alcock Ashdown (100)	363½	367½	356½	356½
Bom. Burmah (125)	663½	663½	640	657½
Do. (New) (50)	242½	243½	240½	240½
Br. B. Petrol (4 sh.)	4½	4-2½	4-0½	4-0½
Br. I. Corpn. (5)	11⅛	11⅛	11⅛	11⅛
C. P. Rly. (100)	88½	88½	85	85
Indian Copper (2 sh.)	6½	7-4½	6-18½	7⅛
Ind. Inv. Tr. (100)	76	76½	76	76½
Kemp (200)	175	—	—	175
Killicks (100)	160	160½	150½	150½
Polson (100)	181½	181½	181½	181½
Port Canning (100)	9½	—	—	9½
Premier Con. (50)	188½	190½	183½	186
Scindia (20)	18-14½	19⅛	18⅛	18⅜
G. E. Shipbuilding (10)	18½	18½	18	18
Shivrajpur (10)	108½	108	104	107½
Tata Chemicals (10)	15-15½	16-7⅛	15-14½	16-4½
Tata Investative (100)	164½	165½	160½	160½
Tata Oil (25)	53½	53½	51½	52½
W. I. Match (100)	189½	189½	187½	189½

GOVERNMENT SECURITIES	7-6-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	14-6-1956
	Rs.			Rs.
2½% 1961	93½	—	3 89	93½
2½% 1960	96⅛	—	3 71	96⅛
2½% 1962	94	—	3 79	94
2½% 1976	82½	—	4 01	82½
3 % 1957	99⅛	—	3 18	99⅛
3 % 1958	99½	—	3 18	99½
3 % 1959-61	98⅞	—	3 18	98⅞
3 % 1964	98⅞	3.62	3 40	98⅞
3 % 1965-66	95	3.80	3 72	95
3 % 1966-68	95½	3.80	3 65	95½
3 % 1970-76	93⅜	3.78	3 68	93⅜
3 % 1966 Con. Loan	90⅞	3.90	3 71	90⅞
4 % 1960-70	77⅜	—	3 87*	77⅜
4½% 1958-68**	101½	3.65	3 87	101½
3½% 1961 N.P. Bonds	108½	3.00	4 15	108½
3½% 1964 N.P. Loan	99⅜	—	3 69	99⅜
3½% 1965 N.P. Bonds	98⅜	—	3 67	98⅜
		—	3 68	

BRITISH GOVERNMENT SECURITIES	4-6-1956	Low	High
	£	£	£
2½% Brit. Consols			
3% Savings Bonds 1955-75	52⅛	—	—
3% War Loan 1955-59	74⅛	—	—
3½% War Loan	96⅛	—	—
4% Victory Bonds 1976	99⅛	—	—
4% Funding 1960-90	93⅛	—	—
	88¼	—	—

* Current Income. x.d.—Ex-dividend. **Rupee Counterpart. Ex-Eight.

COMMERCE

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

VOL. XCII. No. 2364 BOMBAY, 23RD JUNE 1956 PRICE Rs. 1/8

FREEZE ON TEXTILE FRONT THAWS

WHAT economic logic and practical wisdom failed to achieve in this country, normal market forces have. The revised cotton textile policy of the Government is proof of this statement. It is not three years of preaching, propaganda and friendly advice from competent sources that opened the eyes of the Government to the defects in this policy but rising prices, falling exports and the possibility of a famine in cloth for domestic consumption in the near future. Even now the Government does not seem to have fully realised the extent to which its policy has been faulty, for it has rectified the defects only in part. Apparently, it is yielding to the inexorable economic laws only reluctantly, little realising that these laws are no respector of persons or ideology. Even the all-powerful monolithic States, such as Russia and China, could not hold back the operation of these laws for long. They have had to yield to them and step up their investments for production of consumer goods on modern lines. It is unfortunate that India's ministers should take such a long time to realise this truth.

Wise planning would have avoided the defects in the textile policy. But ideological conflicts and domination of outmoded economic theories have reduced the clarity of our planners' vision. It was evident long ago that a ceiling of 5,000 million yards for the mill industry was untenable in the context of the plan for raising the living standards of the masses, and that the handlooms would not be able to fill the gap either in time or by producing cloth at a price that will suit the purse of the common man, without, at the same time, denying the cotton grower his due. Yet, the Government prevaricated and tried to evade the issue in the usual bureaucratic fashion by referring it to committee after committee. First, it was the Kanungo Committee; then the Karve Committee and thereafter the Khera Committee. The alliteration here may be purely accidental, but it is fascinating, though not the recommendations of these committees. There was some sense in the suggestions of the first committee at least, but hardly any in those of the subsequent two committees. In fact, it has been a case of from good to bad and from bad to worse. It is to be hoped that the cycle will end here, if not reverse itself. If the saying that things must get worse before they can improve is not to be disproved, the next committee that may be appointed to look into the clothing needs of the people and the export requirements of the country must do better than recommend schemes of dubious value.

The time and resources absorbed by the Karve and Khera Committees are a waste which a poor country like India can ill-afford. This is evident from the lines on which the textile policy has been modified now. The work of these committees has contributed precious little to this change. On the contrary, the spell cast by these committees on an influential section of the Union Cabinet and the Congress Party still lingers, causing considerable damage to the country's economic progress. It may be argued that it is not the committees that should be blamed but those who appointed them. While there is some force in this contention, the committees, too, are not completely free from blame. They are at fault to the extent they put forward impracticable proposals, in anticipation of the wishes of their masters. One wonders, for instance, whether such a distinguished I.C.S. officer as Mr. Khera would have supported proposals of the nature contained in the report if the committee bearing his name when he was under the British regime or had he been serving the Commerce and Industry Ministry. There is little hope of salvation for the country once the top-ranking officials of the Secretariat fail to take an independent stand and act according to the courage of their conviction at least when they are asked to tender advice, and offer only such advice as would, in their opinion, please the Ministers.

The revised textile policy has been dictated by force of circumstances rather than by any forethought on the part of the Government, as it should be in a planned economy. This is borne out by all the three features thereof. Take the decision to permit installation of 14,600 automatic looms in the mills. What brought the Government to it is not the rising domestic demand, but falling exports of cloth at a time when India needs more foreign exchange to finance the second Plan. From experience, the Commerce and Industry Ministry has learned that India cannot hope to hold a prominent place in the world trade in textiles as an exporter, unless its mills are modernised and brought on a par with its foreign confreres in the matter of equipment. It has realised that automatic looms are particularly suited to the production of coarse and medium cloth, the main export varieties of India, and that cloth produced on such looms is more even and has fewer defects as compared with that manufactured on ordinary powerlooms. Since these automatic looms are to be utilised only for producing cloth for export, a penal excise duty will, we are told, be levied on such cloth if it is diverted to the domestic market. There can be no objection to this proposal in principle, especially in the light of the necessity for earning foreign exchange. Further, it will be no exaggeration to say that, if today's conditions in the cloth market were to continue when the automatic looms go into production, it would pay many a manufacturer to bear the penal excise duty and sell the cloth in the internal market rather than make special efforts to export it. Such is the disparity in the profit-margin on sales for export as compared with that on sales for home consumption.

It is, however, of little value to comment on this aspect now. For it will take some two to three years for all the automatic looms to be installed and go into production. Who could say at this stage as to what would be the conditions in export markets then? If the export markets slump and Indian cloth becomes unsaleable, despite the best will in the world, does Mr. Krishnamachari think that he can levy a penal excise duty on the undisposable cloth meant for export? Conversely, if the demand from both domestic and export markets is so heavy as to create an acute scarcity of cloth within the country, does he think that the Government will not find it necessary to place any restriction on exports, so that supplies for domestic consumption can be increased? In such an event, can a penal excise duty on automatic loom cloth sold for domestic consumption be levied? Practical-minded millowners must have realised these points and hence their silence on this particular aspect of the Government's policy.

As an automatic loom is capable of producing 25,000 yards per annum, 14,600 of such looms will give an output of 365 million yards. If all this quantity is to be exported over and above the current level of exports, it will mean a total export of approximately 1,200 million yards. It remains to be seen whether Indian mills, with only about 7 per cent. of its loomage automatic, will be able to compete effectively with mills in foreign countries having a considerably larger percentage of automatic looms. Up to now, India has had an advantage in the shape of low-priced cotton but this advantage is rapidly diminishing and may disappear altogether in the next two or three years. The position may actually worsen, if internal production costs rise as a result of inflationary pressures that may be generated by large-scale developmental expenditure seriously contemplated in the second Plan. In the sphere of international trade, the spirit of bilateralism is gaining momentum, supplemented by triangular deals, to the detriment of multilateralism, the goal of the Bretton Woods and Havana charters. The only silver lining to these pessimistic clouds is the possibility of a steady increase in the living standards of the people of Asia and Africa and the resultant broadening of the market for cloth. In any case, it is obvious that, even if exports are to be held at 1,000 million yards, a much larger number of automatic looms than the 14,600 now sanctioned will be required. Perhaps, the entire quantity of 1,000 million yards may have to be produced on automatic looms, in which case Indian mills will need as many as 40,000 of them. It is to be hoped that the Government will review the position from time to time and follow a more liberal policy in this respect.

The expansion of 350 million yards in the output of mill-made cloth now permitted is only a little more than 20 per cent. of 1,700 million yards of additional production necessary to give a *per capita* consumption of 18.5 yards in the second Plan period, after allowing 1,000 million yards for export. The estimated rise in per *capita* consumption is, in the opinion of experts, on the low side and compares adversely with 22 yards assumed by the millowners in their calculations. One cannot, however, be dogmatic on this point, for *per capita* consumption will be governed by a number of factors, the most important of them being the price of cloth and the purchasing power of the people. Both these factors are easily influenced by the Government's fiscal and financial policies which are unpredictable. Given, however, a stable price level and an increase of 25 per cent. in the national income, 20 to 22 yards *per capita* before the end of the second Plan are not an over-optimistic estimate. In view of the large inflationary potential of the Plan, it will certainly not be wrong to aim at a target for cloth production higher than the one that has been just decided. It is true that Mr. T. T. Krishnamachari has assured the public that Government would not be unprepared to raise the target on the basis of a per capita consumption of 20 yards if between now and the next 12 months consumption were to rise materially. Welcome as this assurance is, it is not wholly satisfactory for two reasons. First, production of cloth cannot be stepped up at a moment's notice, especially when the industry is already working to cap

city. It will require considerable advance preparation. The Minister himself has admitted that the results of the present revision of the policy will be reflected in production only after about two years. Secondly, there is no certainty that the mill industry will be allowed to provide the entire increase in production that will be needed for ensuring a *per capita* consumption of 20 yards. Failure to do so will, of course, mean great hardship to consumers.

Even as it is, there is sufficient ground for doubting the availability of 18.5 yards of cloth *per capita* at reasonable prices. For the allocation of additional production of cloth among the four sectors of the industry has not been done on realistic lines. Thus, out of 1,700 million yards of additional production, the most economic sector, namely, the mills, has received only 350 million yards. Since the whole of this increase is meant for export, in addition to the quantity now being exported, the consumer can hope to get little benefit from the addition to mill production. If some mills are not able to export the cloth produced out of the automatic looms and have to divert it to domestic consumption, they will be subjected to a penal excise duty on such cloth, thereby denying the consumer the full advantage of automatic looms even when export trade becomes slack. Accordingly, almost all further increase in the *per capita* consumption of cloth will have to be met from the output of high cost handlooms, Ambar charka and powerlooms, which are, of course, a little more economical than the first two. We advisedly say almost, because the Government has not yet made up its mind as to which sector should be given the unallocated portion of 150 million yards of the increase in production.

While powerlooms in the handloom sector may be in a position to fulfil the target of 200 million yards, it is a moot question whether the handlooms can step up their production by 1,000 million yards in the next five years. During the past four years, this sector could raise its production by no more than 300 million to 400 million yards, despite intensive efforts and the creation of a sellers' market in cloth in the past 20 months. It may be that the machinery for giving a push to handlooms is now in better shape and can be more effective in the coming years than it has been all along. But, as against this advantage, there is the handicap provided by Ambar charka. It is a part of the scheme that, out of the 1,000 million yards earmarked for the handloom sector, 30 per cent., or 300 million yards, are to be produced from yarn spun on Ambar charka, a crude machine the economic soundness of which is yet to be established beyond doubt. If this charka fails as a commercial proposition, there will be a drop of 0.75 yard in the *per capita* availability of cloth as is worked out now. If it succeeds, it can do so only at the expense of the taxpayer and to that extent his capacity to buy cloth will be affected.

The new textile policy is typical of the Congress Party's weakness, namely, reluctance to face squarely an inconvenient issue, even when the right solution to it is obvious beyond doubt. Its old textile policy has proved to be a costly failure. This policy has impaired the competitive capacity of Indian mills in the overseas markets, brought a lower return to cotton growers, made cloth dearer to consumers and led to a waste of several crores of rupees of taxpayers' money in the form of subsidy and other assistance to the handloom industry. Yet, the departure made from it now is half-hearted and not substantial. The millowners have, of course, welcomed it, because for them something is always better than nothing. The threatened freeze on spindleage has been prevented, a few automatic looms have been allowed, and the imposition of the much-feared additional excise duty has been stayed. In view of all these, the welcome accorded by them to the new policy is quite understandable. And there is one more reason for it. They know very well that Mr. Krishnamachari had to wage a tough battle even for these small concessions with the *Sarvodayists* who are still wielding a strong influence over the Government and the party-in-power. It would have certainly disheartened him had they not extended a warm welcome to this policy, unsatisfactory though it may be in several respects. It is also a question of tactics, if not politics. From experience, they have found that the best way to get things done by the Government is to flatter it and not to grouse and ask for more, like Oliver Twist. Indeed, in his anxiety to please the Government, one of the leading millowners, considered to be an expert on cotton textiles, has gone out of his way to declare boldly that "there is no enlightened industrialist in the country who is not in favour of Ambar charka." This, of course, is not true, for several industrialists have opposed it, including the Millowners' Associations of Bombay and Ahmedabad, and none can say that all of them are unenlightened persons. One should not, therefore, let oneself be misled by the chorus of approval that has emanated from the representatives of millowners.

More than the millowners, the protagonists of Ambar charka have every reason to feel satisfied with the new policy. They have succeeded in getting a firm foothold for their favourite machine as the fourth sector of the cotton mill industry. True, they could not get a ceiling placed on the spindleage of mills. But they have won substantial backing for Ambar charka in other ways, such as, large sums of subsidy and elaborate marketing arrangements. This is just a beginning and it will soon be the story of the camel and Arab tent. It will be pertinent to recall here how Mr. T. T. Krishnamachari had to yield more and more ground to the handloom industry, after his initial unsuccessful fight with Mr. C. Rajagopalachari, who, as the Chief Minister of Madras State, demanded and succeeded in partitioning the cloth market into handloom and mill sectors. Now that a leading millowner himself has capitulated in favour of Ambar charka, our misgivings are by no means unwarranted. All this cannot but be a disturbing development to consumers of cloth and growers of cotton.

FEDERATION ON RESERVE BANK AMENDMENT BILL—II

IN our last issue, we examined some of the views of the Federation of Indian Chambers of Commerce and Industry on the amendments to the Reserve Bank of India Act now awaiting the approval of Parliament. For considerations of space, we could not complete the task then. What was left over related to the system of variable reserve ratios. We propose to deal with this subject now.

While the Federation is not opposed to the introduction of this system with a view to enabling the central banking authority to have control over commercial bank credit, it has made three points. First, the maximum ratios proposed are unduly high; secondly, the interest payable by the Reserve Bank on excess balances required to be maintained with it should be above the prevailing Bank rate; and, thirdly, the power sought to be given to the Reserve Bank to vary the reserve ratio from bank to bank is likely to result in discriminatory treatment. It is not so much these objections as the grounds on which they are based that are unrealistic and unconvincing. The reserve ratios are sought to be raised from a minimum of 5 per cent. of demand liabilities and 2 per cent. of time liabilities to a maximum of 20 per cent. and 8 per cent. respectively. The Federation's contention is that, if and when such high ratios are enforced, the earning capacity of Scheduled banks would be adversely affected and that, as even in the U.S., where the system of variable reserve ratios prevails, the maximum increase which can be made is limited to only twice the legal minima, the power of increasing reserve requirements should be limited to 10 per cent. and 4 per cent. of demand and time liabilities, respectively.

There is not much force in these arguments. The Reserve Bank will use these powers only sparingly and when required by the exigencies of the situation. As national interests will be the chief criterion for action, the Bank can be depended upon not to overdo it and bring about unhealthy consequences to the economy of the country as a whole. While power is being taken to fix the reserve requirements up to 20 per cent. of demand liabilities and 8 per cent. of time liabilities, it does not necessarily mean that these maximum ratios will be prescribed every now and then. The example of the U.S. does not hold good fully, because there the statutory minima themselves are higher than in India, as will be seen from the following figures:

	Percentage of deposits	
	Minimum	Maximum
Demand deposits:		
Central reserve city banks ...	13	26
Reserve city banks	10	20
Country banks	7	14
Time deposits:		
Central reserve and reserve city banks	3	6
Country banks	3	6

In some cases, of course, the maxima in the U.S. are lower than those proposed in the amending Bill. But, instead of classifying the banks into three and two categories for demand and time deposits as in the U.S., the Bill seeks to vest power in the Reserve Bank of India to use its discretion in order to avoid hardship to certain classes of banks which would arise if uniform ratios are fixed for all banks. After all, in India, there are banks of varying sizes and strength. They have been classified into four categories for purposes of awards by industrial courts. A similar classification will not be quite suitable for purposes of determining reserve ratios, for the growth of deposits even among banks of a particular category may not be uniform. Realising this difficulty apparently, the framers of the Bill have given discretionary powers to the Reserve Bank to fix differential ratios. The Federation's fear that this provision will lead to discrimination against banks showing initiative and enterprise in attracting deposits is far-fetched or born of either misunderstanding of the provision or distrust of the central banking authority. The real merit of this amendment is that it will ensure that the anomaly created by the application of reserve requirements on banks having unequal rates of deposit growth is set right by prescribing that a specific percentage of new deposits is impounded in respect of all banks, thereby making the impact even for all. Thus, the object of this provision is not to discriminate between banks and banks but to enable the Reserve Bank to be just to all banks when the economic situation demands the imposition of reserve ratios.

On the subject of interest on excess balances maintained by banks with the Reserve Bank, the Federation's demand is unreasonable and the argument put forward in support of it is absurd. In order to avoid any misunderstanding, we quote below the relevant portion from its memorandum:

> "While it is gratifying to note that the necessity of paying interest on immobilised funds is recognised, the clause, as it at present stands, does not make it clear whether interest will in fact be paid or not and, if so, at what rate. The Committee have to stress that the Act itself should specifically mention that interest at a rate above the prevailing Bank rate will be paid to all the Scheduled banks on such excess balances as may be required to be kept with the Reserve Bank. Clause 10(b) of the Bill prescribes specific penal interest rates on the amounts by which the balances fall short of the prescribed minimum to be kept by the banks with the Reserve Bank. It is hardly fair to the banks that, if they fail to maintain the required balances, they would be liable to pay interest at penal rates, but, if they comply with the Reserve Bank notification, they are not assured of reasonable earnings on the immobilised funds which could otherwise be put to a profitable use."

To mention the rates of interest used to levy a penalty on erring banks as an argument for asking remunerative rates on impounded deposits is surely not the right way of presenting a case, because it is not in good taste. As for the demand for a rate of interest higher than even the Bank rate, it is so extravagant that we wonder whether the banks themselves will support it. In advancing such a demand, the Federation seems to have ignored the social purpose of banking. In a period of excessive money supply, the growth of deposits will be easy and swift. It is the result of large-scale development expenditure undertaken by the State for the benefit of the people as a whole. When a part of these deposits is immobilised, it is done with a view to checking inflation, that is, for the benefit of the public. In such a circumstance, will it be fair on the part of banks to expect to make a profit out of such money? All that they can legitimately expect is that they are not put to any loss by having to maintain reserves in excess of the minimum levels. In other words, the rate of interest on such balances should be related to the cost of deposits. Since this may not be easy of determination, the Treasury Bill rate may be taken as a reasonable basis for this purpose.

An important point which many a critic of the variable reserve ratio system seems to have missed is that, when put into operation, the system will act as a restraining factor on the activities of not only the private sector but also of the public sector, inasmuch as it will restrict the capacity of banks to subscribe to all State obligations. It is thus a valuable instrument of protection in the hands of a central banking authority for keeping a check on the spending propensity of Governments also in times of inflation.

MARKETS NOT UPSET BY MR. DESHMUKH'S IMPENDING EXIT

DR. MATTHAI TO QUIT STATE BANK?—VAST SCOPE FOR CONSUMER GOODS INDUSTRIES

THURSDAY, 5 P.M.

MARKET GOSSIP

THE main event of the week, so far as city markets are concerned, was the resumption of futures trading in raw cotton and groundnut, with effect from the 18th inst. The break in hedge trading in cotton has been only a few months, while that in groundnut has been as long as a dozen years. It is not clear as to why the Government permitted trading in these two important commodities so early in the year when no picture of the crops concerned can be formed. It is common knowledge that the Government now wants prices of commodities to go down. Perhaps, the Government feels that, as speculators are taking a bearish view of the next season's crops, they will accelerate the downward trend in commodity values which has already started, if they are given an opportunity to do so. The behaviour of these two commodity futures since they were allowed to begin shows that initially at least the Government's expectation has been fulfilled. After opening at Rs. 136, groundnut February has quickly receded to Rs. 132. Castorseeds have slumped by Rs. 7 in two days to Rs. 125-8. In sympathy, spot positions in all oilseeds and oils have declined. The experience of the cotton market also is similar. Jarilla and Vijay contracts have receded from the opening rates of Rs. 681-4 and Rs. 830 to Rs. 642-8 and Rs. 803-8, respectively. The spot market also is quiet, with turnover remaining limited. The bearish view of commodity futures is based on expectation of good monsoon, resulting in bigger crops. The fact that so far rains have been satisfactory has strengthened this expectation. But Indian monsoons are known for their unpredictable vagary. It will, therefore, be nothing short of gambling to take a view of the markets in the hope that the monsoon will behave all right and enable India to reap a bumper harvest of agricultural crops. How does such speculation square with the Government's conception of a planned economy and socialist pattern of society?

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Neither the downward trend of commodities nor the opening of fresh avenues for speculators has had any adverse effect on the Stock Exchanges. On the contrary, a part of the ground that had been lost by the leading equities in the past week has been recovered and the undertone is fully steady. The report that the resignation of Mr. C. D. Deshmukh, Union Finance Minister, has been accepted and that Mr. Nehru will relieve him after his return from foreign tour in the third week of next month has caused neither a ripple nor a sigh in the market. Rightly or wrongly, an impression has come to prevail in the share market that his exit would augur well for the private sector and investors. This impression stems from the belief that he has been principally responsible for some of the recent acts of socialisation, such as the nationalisation of the Imperial Bank and life insurance, as well as for steepening the incidence of taxes. It is even stated that, but for Mr. Nehru, the last Central budget would have been worse than the Liaquat Ali budget of 1947-48, so severe were some of the taxes contemplated by Mr. Deshmukh. Then, of course, it is on record that he is the author of some of the scathing and provocative attacks against the private sector. Business men will not, of course, easily forget some of the exaggerated statements made by him while supporting nationalisation of life insurance, an act that brought him down in the estimation of the capital markets in Europe and America also. He has the distinction of being the first Minister of the Central Government to make the unprovoked suggestion for an enquiry into the working of the private sector. His historic statement to this effect in Bangalore strengthened the hands of left-wingers in the Congress Party, as well as in the Cabinet, in their move to restrict the scope for and freedom of the private sector. Of late, Mr. Deshmukh has become so unpopular that it will be no exaggeration to say that many a business man will heave a sigh of relief when he actually lays down the office of Finance Minister. The good work that he has done for the country has fast receded to the background.

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The resignation of Mr. S. K. Handoo, Managing Director, State Bank of India, has caused not a little stir in the City. It is being asked how the Government hopes to attract men of ability to it if it cannot even keep the able men it comes to have as a result of nationalisation. Many still wonder whether a last-minute compromise cannot be evolved in order to retain the services of a banker of Mr. Handoo's eminence. As it is, Mr. Handoo's resignation will come up for consideration by the Board of the Bank at the end of this month. It remains to be seen whether the resignation will be accepted or Mr. Handoo persuaded to stay. Meanwhile, it is reliably understood that there may be further defections from this nationalised institution. Some Directors of the Bank, including the Chairman, though friendly with the Government and anxious to place their knowledge, experience and services at its disposal, are known to be sharply critical of the Government's economic policies. If they should ever resign, as they are reported to have done, that would, of course, be still more unfortunate.

What is the cause for this provocation? Could it be that the Government did not like some of the candid criticisms of Dr. Matthai on its economic policy, the Planning Commission and the Second Plan? Rumours are that the Government has sent a communication to the Directors of the Bank which amounts to placing an indirect restriction on their freedom to criticise the Government in public. It is further understood that socialist-minded directors as Mr. A. D. Gorwala are putting forward proposals which are unbusinesslike but which receive the support of the Finance Ministry, thereby causing annoyance to other directors who are trained to think in terms of profit and business. In short, there seems to be cleavage of opinion among the directors of the Bank.

It is believed that Mr. Handoo's resignation stems from the fact that the Union Deputy Minister for Finance, Mr. B. R. Bhagat, gave an equivocal reply to a question in Parliament about the salaries of top executives of the State Bank. He is reported to have said that, as some continuity had to be maintained in a credit institution, a "concession" was made in the shape of retaining the services of the officers who had served the Bank in pre-nationalisation years. This reply, it is held, takes no account of the fact that the men agreed to serve the Bank despite a reduction in their emoluments. The continuance of their services which springs from their loyalty to the institution, it is felt, is being unjustifiably interpreted by the Government as a concession from it.

Whatever may be the outcome of this resignation, which is genuinely regretted in commercial circles, many sober men feel apprehensive over the state of affairs under which salaries of public servants are raised to the status of issues of national significance, discussed by politicians and widely commented upon by the columnists in the Press.

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The investors who risk their savings in the consumer goods industries are not likely to regret their decision. It has been evident for a long time now that, given an era of peace and reasonably adequate level of employment, India offers a vast and expanding market for all varieties of consumer goods. Indeed, this is true of all underdeveloped countries. For any increase in the level of incomes in these countries is bound to be reflected in higher demand for primary necessities of life, and, at a subsequent point of time, in a rising demand for all those modern amenities such as cycles, radios, sewing machines, electric lights, and motor cars. This is precisely what is happening in this country. Shrewd industrialists have always anticipated this trend in consumption. And events have fully justified their faith in India's almost limitless capacity for absorption of consumer goods.

It is to this trend that the Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, deservedly known for his uncanny grasp of India's industrial problems, drew the pointed attention of the Central Advisory Council of Industries, at its meeting, held this week, in New Delhi. He averred that the demand for consumer goods during the first Five-year Plan had exceeded the "optimistic expectations" of the planners. And yet, this demand, large as it was, "is, perhaps, nothing as compared with what we should expect as the implementation of the second Plan gathers momentum." This is a point which the industrialists, as well as the investors, will do well to note. As population increases—"family planning" scheme will affect only a fringe of the population—and living standards rise, the demand for consumer goods is bound to go up. But here, the planners no doubt face a basic dilemma. If people are allowed to spend all increment in their income on consumer goods, there may be little left for financing further schemes of development. In a totalitarian regime, the dilemma is easily resolved through compulsion. People will simply be denied the consumer goods and compelled to save their income. Such a method may or may not have its virtues. But the fact remains, it cannot work very smoothly in an underdeveloped country and a democracy. Mr. Krishnamachari rightly said that "austerity is a virtue which only the prosperous can indulge in." He added:

> "If economic progress is to have meaning for the average Indian, he must be able to raise his standard of living and to afford some of those things which he has at last begun to clamour for. You cannot ask people who are starving to tighten their belts. In fact, they can afford no belts. Planning in a democracy has got to give the highest priority to the daily needs of the mass of people. One could, of course, for a short period of time ask people to put up with shortages or high prices as a price to be paid for future prosperity. But such a course can only be taken in a desperate situation and for a short period of time. If the occasion arises, I have no doubt that the people of India would be prepared to respond to such an appeal. I see no occasion today at least to make such an appeal to them. Instead, I would ask our industries to increase their production to meet this challenge which is also their opportunity."

Perhaps, it is the increased demand for consumer goods that explains the fact that a large proportion of the applications for licences for establishing new undertakings under the Industries (Development and Regulation) Act, came from those who intended starting units manufacturing such goods. Since July 1955, the Licensing Committee has approved 450 applications, consisting of 144 applications for the establishment of new manufacturing units and the rest for expansion of existing undertakings. Of the applications for new enterprises, approved by the Committee, 104 related to textiles, 35 to sugar, 21 to silk and art silk fibre textiles, 22 to pharmaceuticals and drugs, 33 to bicycles, 32 to glass and ceramics, 17 to vegetable oils and 9 to radio receivers. All these are consumer goods industries. Other applications included: iron and steel (53), machinery used in industry (27); machinery and equipment for generation and transmission of electric energy (24); heavy chemicals, including fertilisers (19); automobiles (32); cement (14) and ferro-manganese (2).

Since the demand for consumer goods is expected to go up even further in the next few years, the Government has done well in setting up a separate division in the Commerce and Industry Ministry for keeping the problems relating to supplies of such goods under constant scrutiny. There is also another urgent reason why these problems deserve special treatment. This arises from the fact that any increase in purchasing power, which might take place as a result of deficit financing, will impinge itself primarily on consumer goods. Unless these goods are available in reasonably large supply, it will be difficult to hold the inflation, caused by deficit financing, in check. The Government seems to be fully aware of this aspect of its responsibility. For Mr. Krishnamachari, in the course of a press conference at New Delhi, this week, said: "If inflation is to be avoided, the supply and demand position for consumer goods will have to be continually watched and targets adjusted where necessary. In fact, it has already been decided that there will be annual plans within the framework of the Five-year Plan and that the Plan targets are not to be regarded as ceilings." In other words, consumer goods are rightly being treated as the first line of defence against inflation. This is as it should be, considering that the alternative is either open inflation or suppressed inflation through the imposition of controls and rationing. Past experience has shown that nothing makes a government more unpopular than the imposition of controls. It is significant that, while the public has forgotten the men who, in difficult times, worked out the administrative regulations relating to controls, it continues to regard as national heroes men like C. R. and the late Mr. Kidwai, who courageously removed the controls.

Although consumer goods are thus the absorbers of the inflationary shocks, which are perhaps unavoidable in the context of a developing economy, it must be recognised that it is the producer goods industries that lay the foundations for enduring economic development. Indeed, without producer goods industries, the consumer goods units will also be condemned to a state of abject dependence on imports for all their vital needs of plant and equipment. In the interests of balanced progress, it is obviously necessary to develop both the sectors. A new stimulus is being given to the producer goods industries. The Heavy Industries Division of the Commerce and Industry Ministry will be in charge of these industries, while the National Industrial Development Corporation is expected to lend financial assistance to the establishment of a few heavy industrial units. This Division will be responsible for both providing the industries with the raw material they need and looking after their development. Among raw materials, steel and pig iron, as is well known, are in short supply. It would, however, appear that the situation already shows signs of improvement. Arrivals of steel in the current year are expected to be more than 1½ million tons. From next month, pig iron is expected to arrive on a substantial scale.

The Government is also exploring the possibilities of setting up plant to build up heavy machinery for the needs of the producer goods industries and is expected to take a "big step" towards this end in the next two or three months. A technical team from the U.S. is arriving shortly to advise the Government on the setting up of one or more aluminium plants. In the chemical field, the National Industrial Development Corporation will concentrate on basic and intermediate products required for drugs and dyestuffs. The Government has been impressed by the report submitted on this subject by Russian experts. It is stated to be an eye-opener, in that it deals with the production of alkaloids from Indian herbs.

With the projected expansion in the output of steel and non-ferrous metals, establishment of a wide range of producer goods industries and increase in the production of consumer goods, India bids fair to reach a significantly higher level of industrialisation in the near future. Mr. Krishnamachari has expressed the hope that India would emerge at the end of the third Five-year Plan from the position of a semi-developed country to one of the industrially advanced countries of the world.

There will, of course, be many obstacles before this goal is reached. A reference deserves to be made to three chief obstacles—capital resources, transport and manpower. And it is noteworthy that the Government is aware of the existence of all these three obstacles. From the point of view of the Government, capital resources may appear to be a less urgent problem, since it is open to the Government to increase the burden of taxation in order to derive the resources it needs. But this will leave less resources for the private sector. The deficiency in capital resources, whether in the public or the private sector, could be made good by larger inflow of foreign capital. Mr. Krishnamachari said that it might not be a good thing to seek the aid of foreign capital. At the same time, he pointed out that "in the long run, if you do not have the resources, you must ask help from such people as would be willing to give." He thought that any dislike of foreign capital did not generate from the Government and remarked: "It is completely neutral in this matter.

(Continued on page 1227)

EQUITIES RECOVER

SHARP RISE IN TATA STEELS

(From Our Own Correspondents)

BOMBAY, 21*st June*

THE share market maintained a steady tone during the week under review, under the leadership of steels and textiles which found fairly good support. The main inspiration was provided by not only the bright outlook envisaged for the steel industry but also the announcement of the Union Government's cloth policy. Even in these two sections, the rise in values was not very marked, except in the case of Tata Ordinaries. This was due to several reasons, such as (1) the strings attached to the permission to raise cloth production, (2) the apathy of investors to follow the market, (3) frequent profit-taking at higher levels, and (4) political developments regarding the future of Bombay City, such as the reported resignation of Mr. C. D. Deshmukh, Union Finance Minister, and the threat of Maharashtrian leaders to secede from the Congress Party.

The eagerly awaited Union Government's textile policy was announced on Monday this week. Though the policy was generally welcomed by the industry and was greeted by the share market with a moderate rise in share values, the allocation to the mill industry out of an additional quantity of 1,700 million yards of production was considered inadequate. Nevertheless, the permission to install additional loomage given to mills for raising the production would have been well received, but for the strings attached to it, namely, (1) the reservation of additional production for exports, and (2) the imposition of a penal excise duty, if the output of the additional looms is directed to the home market.

In the steel section, the upward trend in Tata Ordinaries noted towards the close of last week gained strength during the week under review, rising from Rs. 198-4 to Rs. 205-12 before closing a shade lower at Rs. 204-4. Tata Rights moved up by Re. 1-4 to Rs. 65-4. Indian Irons advanced from Rs. 37-7 to Rs. 38-4½, but wound up at Rs. 37-14.

Textile shares were marked up, but the rise in values was moderate. Thus, Bombay Dyeings gained only Rs. 2-8 to Rs. 654-6, although they touched during the week a high of Rs. 663-2. After moving up from Rs. 564 to Rs. 572, Centurys shaded off to Rs. 569. Kohinoors rose by Rs. 3-8 to Rs. 373-8. Central Indias put on Rs. 2-8 to Rs. 152-8. Finlays were unchanged at Rs. 340, while Gokaks were dull at Rs. 235 and Indu Ordinaries at Rs. 13-12. Indore Malwas were up by Re. 1-4 at Rs. 148-12, whereas Khataus declined by Rs. 3-2 to Rs. 237-8. New Greats gathered Rs. 2 to Rs. 254, Shree Niwas Rs. 5-10 to Rs. 216-14. Simplex, on the other hand, fell by Rs. 2-8 to Rs. 218-8, despite the increase in dividend for the year ended 31st March 1956 from Rs. 10 to Rs. 12 per share. Standards were maintained at Rs. 440 and Svadeshis at Rs. 253. Tata Mills were bid Rs. 2-8 higher at Rs. 57.

Bank shares were featureless, but steady. Barodas were a fraction better at Rs. 97-4 and Centrals at Rs. 52. Bank of Indias were sought Re. 1-4 higher at Rs. 158-4. United Commercials put on As. 12 to Rs. 51-12, while Unions shed As. 2½ to Rs. 6-9½.

A rise of Rs. 3-4 to Rs. 46-12 in New Indias was the feature in the insurance section, following the announcement of a bonus issue, in the ratio of one share for every three shares held. Indian Mercantiles regained from Rs. 41-8 to Rs. 43.

Electricity counters ruled quiet with a slight marking down in values. Ahmedabad Electrics shed As. 10 to Rs. 96-9. Surat Electrics were placed at Rs. 121 *ex-div.*, as against Rs. 121-14 *cum-div.* last week. Tata Hydros dropped Rs. 2 to Rs. 129, Tata Powers Rs. 2-8 to Rs. 1,272-8 and Andhra Powers Rs. 17-8 to Rs. 1,197-8.

Activity in the miscellaneous section was restricted and fluctuations in prices were narrow. In the sugar group, Belapurs were steady at about Rs. 238. Phaltans were held at Rs. 156, while Walchandnagars were a fraction higher at Rs. 255-10. Among cement shares, A.C.C. were done at Rs. 155 *ex*-right, as against Rs. 218 *cum*-right a week ago. Digvijays rose by Re. 1-8 to Rs. 193. In the engineering and mining section, Alcocks were lower by Re. 1-4 at Rs. 355, while Tata Locos were dull at Rs. 150. Premier Constructions were a firm feature with a rise of Rs. 4-8 to Rs. 190-8. Shivrajpurs were a shade better at Rs. 108. Indian Coppers gained As. 2 to Rs. 7-6 and B.B. Petrols As. 5 to Rs. 4-5½.

Among shipping and transport shares, Scindias moved within a narrow range and closed steady at Rs. 18-12. Great Easterns gained As. 2 to Rs. 18-8 and India Steamships As. 5 to Rs. 9-5. Hindustan Motors gained from Rs. 10-0½ to Rs. 10-4 and Premier Automobiles from Rs. 92 to Rs. 93. Among miscellaneous industrials, Bombay Burmahs staged a rise from Rs. 657-8 to Rs. 661-14, but reacted sharply to Rs. 653-12. National Rayons were marked down from Rs. 249-8 *cum-div.* to Rs. 232 *ex-div.* (div. Rs. 12). Rl.Cs. were quiet at Rs. 11-1. Tata Chemicals were steady at Rs. 19, while Dhrangadhra Chemicals were favoured to stage a rise of Re. 1 to Rs. 127. Tata Oils were keenly bid and they rose by Rs. 3-8 to Rs. 56, on expectations of higher dividend. Wimcos receded by Rs. 4-6 to Rs. 185.

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Calcutta Stock Exchange

CALCUTTA, 20*th June*

Trading was lively during the week under review on the Calcutta Stock Exchange. Gains were recorded in almost all sections, and there was an impressive increase in the volume of transactions. News of the reported acceptance of the Finance Minister's resignation by the Prime Minister did not influence sentiment, although market circles were unanimous in their extreme regret in the Finance Minister's exit at this stage when the country was embarking on the second Plan and felt that a man of Mr. Deshmukh's calibre was required to pilot the country's finances. They realised that Mr. Deshmukh's success lay in mixing the party's idealism with realism.

Operators' enthusiasm at the Government's new cloth policy as announced by Mr. T. T. Krishnamachari, the Commerce and Industry Minister, was fully reflected in trading. The permission now given to mills to increase production of cloth by 350 million yards a year will invite more attention to textile shares. Mr. Krishnamachari's assurance that there would be no pressure on private enterprise was noted with satisfaction and contributed to steady sentiment. Bulls put to good use the recent increase in prices of essential commodities. The week's best news to the market was provided by the announcement of a sumptuous dividend of 10 per cent. plus a bonus of 25 per cent. for Indian Copper Corporation. With this declaration, the dividend for 1955 comes to 45 per cent., as against 25 per cent. in 1954 and 10 per cent. in 1953. Prospects for coming years for the Corporation are indeed brighter.

Sectionwise, interest in coals widened, and several counters recorded a smart recovery. This was due, first, to lower levels and secondly to expectations of an imminent increase in prices for the fuel. It was believed that the question of price was being considered by the Government. Mr. Malaviya's re-exposition of the Government's mineral policy wherein he told private collieries that the existing mining leases would be renewed also contributed to higher sentiment. From Rs. 19-15, New Beerbhooms rose to Rs. 20-9. Burrakurs gradually recovered to Rs. 14-9 from Rs. 13-8. On interested buying, Central Indias hardened to Rs. 7-14 from Rs. 7-3. At Rs 31-2 Equitables collected Re. 1-2. East Indians rallied to Rs. 33-4 from Rs. 32-12. Pench Valleys at Rs. 23-8, was better off by Re. 1-8.

Textile shares forged ahead. Kesorams, on good support, advanced to Rs. 20-11 from Rs. 18-11. Muir Mills came to business at Rs. 88, as against Rs. 84 previously. Elgin Mills gathered strength to quote Rs. 29-2 from Rs. 28-1. Bowreahs were as high as Rs. 165, as against Rs. 155 previously.

Jute shares were quiet, although the business volume tended to increase. Nationals, after being better at Rs. 25-2, gave way to Rs. 24-9. New Centrals opened at Rs. 17-14 and soon gained to Rs. 18-8, but subsequently lost the entire gain. Anglo-Indias eased to Rs. 169 from Rs. 173, Cheviots to Rs. 203 from Rs. 208, and Kinnisons to Rs. 171 from Rs. 175.

Mining shares were steady with a note of buoyancy in Indian Coppers for reasons already stated. This counter rose to as high as Rs. 7-7 from Rs. 7-1. Burma Mines were maintained at Rs. 7-1. Orissa Minerals were fully steady at Rs. 27-10.

Engineering shares moved within narrow limits. Indian Irons opened at Rs. 37-6 and after moving around rates within Rs. 37-12 gave way to Rs. 37-2 by the week-end. Since Monday the variation was between Rs. 37-2 and Rs. 37-12, retaining the higher level at each stage of the rise. Jessop and Cos. after being easy at Rs. 34-14 gained to Rs. 35-4. Richardson and Cruddas were quiet at Rs. 26-4. Texmacos were held around Rs. 24, but Hooghly Dockings, on interested buying, spurted to Rs. 125 from Rs. 120. Kumardhubis, although unchanged, were nevertheless fully steady at Rs. 10-10.

Among miscellaneous industrials Electric Constructions gained to Rs. 14-9 from Rs. 14-1 with Alkali and Chemicals moving to Rs. 21-12 from Rs. 21-5. India Steamships were wanted at Rs. 9-6 with few sellers. Niccos were a shade better at Rs. 25-2, with Clive Row Investments improving to Rs. 12-13 from Rs. 12-5. Orient Papers advanced Rs. 39-6 from Rs. 38-11. Indo-Burma Petroleums were put through at Rs. 40-12 as against Rs. 40-8 previously.

Teas were shown selective attention with Sapois steadily improving to Rs. 26 from Rs. 23. Methonis changed hands at Rs. 25-4 and were a favourite of buyers at that level. Dhelakhats were taken to Rs. 22-12 from Rs. 22-2.

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Madras Stock Exchange

MADRAS, 19*th June*

During the week under review activity on the Madras Stock Exchange centred round textile shares which were in good demand on expectations of a favourable cotton textile policy. The other sections were listless and business was selective. The undertone, however, remained steady. Planting shares again presented a mixed pattern, though the range of variations was small.

The long-awaited policy of the Government of India regarding expansion of cloth production was announced in New Delhi yesterday, under which the Government decided to sanction the establishment of 14,600 automatic looms for export promotion and to grant licences for the installation of 2.1 million spindles. The absence of any pronouncement regarding levy of additional excise duty (except for a penal levy in case the production from the additional looms is diverted to home consumption), anticipated earlier, was also a welcome feature of the policy.

The following dividend announcements were made during the week:

Company	*Year ended*	*Dividend*
		Per cent.
Highland Produce ...	31-12-55	+13¾ (18¾)
Emerald Valley ...	31-12-55	+12½
Mettur Industries ...	31- 3-56	42½ (35)
Balasubramania Mills ...	31-12-55	15 (13)

Figures in brackets represent the corresponding distributions of the previous year.
+Final

In the textile group, Anglo-French staged a sharp rise of Rs. 2-8 to Rs. 99. Balasubramanias were unchanged at Rs. 82 *cum-div.* (Rs. 40 paid-ups) and Rs. 145 *cum-div.* (Rs. 70 paid-ups). Bangalore Woollens were a fraction higher at Rs. 572. Buckinghams were done Rs. 3 better at Rs. 198. Cannanores gathered Rs. 4 to Rs. 190. Coimbatore Cottons spurted from Rs. 357-8 to Rs. 367-8 and Janardhanas gained Re. 1 to Rs. 119-8. Sri Krishnarajendras were bid Rs. 2-8 higher at Rs. 114-8. Loyal Textiles were a shade quiet at Rs. 50-4. Maduras changed hands As. 8 higher at Rs. 51-8. Mettur Industries shot up from Rs. 502-8 to Rs. 532-8, following the stepping up of the dividend from 35 per cent. to 42½ per cent. Radha Krishnas (Rs. 100 paid-ups) were placed at Rs. 300 *ex-div.*, as against Rs. 320 *cum-div.* last week, and Rs. 52 paid-ups at Rs. 150 *ex-div.*, as against Rs. 160 *cum-div.* R. C. Ambikais rose by Rs. 3 to Rs. 228 and shed Rs. 2 to Rs. 105. Vasantas advanced by Rs. 7-8 to Rs. 307-8 and Vijayakumars by Rs. 3 to Rs. 129.

In the planting section, coffee shares were steady. Amalgamated Coffees were maintained at Rs. 11-8. Blue Mountains were done at Rs. 5-14½. Coffee Lands gained an anna to Rs. 24-9 and Consolidated Coffees As. 3 to Rs. 20-13. Tea shares were quiet. Coonoor Teas declined by Re. 1-4 to Rs. 29 and Coorg Teas by As. 4 to Rs. 11-8. Devasholas shed As. 12 to Rs. 29. Emerald Valleys fell by As. 12 to Rs. 8 *cum-div.* The proposed sale of the Company's estates was not accepted by the general body of the shareholders and the proposal has, therefore, been dropped. Haileyburias were lower by As. 4 at Rs. 28-4. Highland Produces were, however, better by As. 5 at Rs. 19-4. Kil Kotagiris were a shade higher at Rs. 8-5, Nelliampathys at Rs. 4-0½, Nilgiri Teas at Rs. 14-12 and Parksides at Rs. 19. Peermade Teas dropped As. 4 to Rs. 36-12, Talayar Teas As. 6 to Rs. 13-10, Twyford Teas As. 4 to Rs. 24-4 and United Nilgiris As. 12 to Rs. 25-4. Rubber scrips were also lower. Cochin Malabars were dull at Rs. 9-6. Malankaras were marked down by As. 4 to Rs. 32-8, Midlands by As. 5 to Rs. 22-1, Rajagiris by As. 6 to Rs. 24-12 and Travancore Rubbers by As. 4 to Rs. 25.

Interest in miscellaneous industrials was selective. Andhra Cements were placed at Rs. 161 *ex-div.* (div. Rs. 10), as against Rs. 170 *cum-div.* last week. Binnys were done Rs. 2 higher at Rs. 186. F.A.C.Ts were listless at Rs. 6-13. India Cements dropped As. 2 to Rs. 35-10. Mysore Chemicals Manufacturers were bid As. 12 higher at Rs. 25-8. Mysore Papers were quiet at Rs. 17-10. Rallis reacted from Rs. 50-4 to Rs. 47-8. Travancore Cements fell by As. 6 to Rs. 12-8.

Bank shares were steady, but support was confined to selective counters. Punjab Nationals were again marked up by Re. 2 to Rs. 86-8. Travancore Banks had some business As. 6 higher at Rs. 15. Indian Banks (Rs. 90 paid-ups) gained a fraction to Rs. 161, while Bank of Mysores were a shade lower at Rs. 243-8 and Indian Overseas at Rs. 148

To be published in September 1956

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NEWS IN BRIEF

THE Tariff Commission will hold a public enquiry into the prices of automobiles on 28th and 29th June 1956.

The erection of a new lighthouse, 184 feet high, one of the 25 to be erected under the first Five-year Plan, has been completed on the rocky coast of Bhatkal between Karwar and Mangalore, at a cost of Rs. 4 lakhs.

The Government of India is reported to have agreed to supply on loan 10,000 tons of ammonium sulphate to East Pakistan, on an urgent request from the Pakistan Government, notwithstanding a shortage of fertilisers in India.

India will import 550,000 tons of steel from different countries during the current year to meet a part of the deficit of 1 million tons, according to Mr. M. M. Shah, Union Minister for Heavy Industries. Substantial quantities of cement will also be imported.

The Central Government has decided to continue free licensing of cotton fishing nets for export to all permissible destinations other than the Portuguese possessions in India, within a ceiling, for shipment till 31st December 1956 or upto the date of reaching the ceiling, whichever is earlier. The existing licensing procedure will continue for the July-December 1956 period.

Exports of coal from India during May 1956 reached a new high level of 100,131 tons, as against 83,107 tons in the previous month and 51,725 tons in March last. Coastal shipments amounted to 100,307 tons, as against 42,569 tons in April, bringing the total despatches by sea during the month to 200,438 tons, as compared with 125,586 tons in the previous month.

The Government of Bihar will soon fix the ceiling on land holding and the subject is not going to be shelved indefinitely, according to the State Revenue Minister. The proposed Land Ceiling Bill will give the Government about 600,000 acres of land for distribution among the landless. The Minister is of the view that land must be evenly distributed among the State's 8.6 million landless persons, if agricultural production is to be stepped to an appreciable extent.

Experiments carried on in Uttar Pradesh show that wheat yields can be increased by giving the land a ploughing in summer. The ploughing should be done with a soil-inverting plough soon after the harvest of the *rabi* crop. Ploughing is easy at this stage. Experiments in various soil-climatic regions in the State showed that wheat yields increased by 12 per cent. on an average. On this basis, an average farmer whose average wheat yield is about 16 maunds an acre can get an extra two maunds per acre.

The railways in India built 40,000 quarters for their staff during the first Five-year Plan. During the Plan period, electricity was taken to 784 small stations, covers over platforms were provided at 198 stations, platforms were raised, surfaced and extended at 922 stations, waiting halls were improved or extended at 184 stations, new waiting halls were provided at 214 stations, waiting rooms were improved at 212 stations, new waiting rooms were built at 226 stations, and improved water-supply arrangements were made at 510 stations.

A semi-commercial plant capable of producing 1,500 tons of electrolytic copper per annum is likely to be set up in Calcutta. Various suggestions in this connection were recently examined by the Council of Scientific and Industrial Research which recommended the erection of a pilot plant for production of electrolytic copper. Experts consider that a plant of 10,000-ton capacity is economic for a small electrolytic copper refinery, but, in view of the doubts regarding the availability of raw materials for a plant of this capacity, it is proposed to have a semi-commercial plant of 1,500-ton capacity.

The total gross sea and land customs revenue collected in the Indian Union during April 1956 amounted to Rs. 12.09 crores, as compared with Rs. 12.14 crores in the corresponding month of the previous year. Of the total customs revenue collections, import duties accounted for Rs. 10.43 crores, as against Rs. 9.63 crores, export duties for Rs. 1.54 crores, as against Rs. 2.27 crores and land customs and miscellaneous for Rs. 12 lakhs, as against Rs. 24 lakhs. The total gross collection of Union excise duties amounted to Rs. 12.09 crores, as compared with Rs. 10.96 crores. The grand total of gross customs and Union excise revenue realised during the month under review thus amounted to Rs. 24.18 crores, as compared with Rs. 23.10 crores during the corresponding month of the preceding year.

Two new marshalling yards are to be built on the South-Eastern Railway to cater to goods traffic in connection with the new steel plants at Bhilai and Rourkela. The Railway Board has ordered surveys to be undertaken immediately by the South-Eastern Railway in connection with the layout of these yards. The yard at Bhilai is needed for handling 13 goods trains daily carrying raw materials for the plant and three trains daily carrying finished products from the steel plant. This yard will also deal with the anticipated increase of traffic to the tune of ten goods trains daily due to heavy movement from the Central India coalfields. The yard at Rourkela will handle more than 13 trains of raw materials and two trains of finished products daily for the steel plant and also for general traffic on the main line.

The President has given his assent to the Industrial Employment (Standing Orders) (Bombay Amendment) Bill, 1956. The original definition of "employer" in the Industrial Employment (Standing Orders) Act, 1946 was very wide and made the employer responsible for persons employed on work which was not ordinarily the work of the particular establishment. The present Bill, therefore, provides that the employer (owner) of the establishment will not be responsible in respect of workers employed through a contractor for work not ordinarily part of the industrial establishment; in respect of workers employed through contractors on work which is ordinarily part of the establishment, the employer will be responsible only for those workers who do the work on the premises of the establishment.

In a telegram addressed to the Government of India, the Committee of the Bharat Chamber of Commerce, Calcutta, has opposed the reported proposal for fixation of minimum prices for jute goods meant for export. The Chamber considers the proposal as undesirable and risky and expresses its apprehension that in view of the accumulation of stocks in all the competing countries, fixation of minimum price by India may provide an opportunity for its competitors to price out India from the foreign market. It mentions that the Indian jute industry, at present, produces roughly 58 per cent. of the world's jute goods and thus 42 per cent. of supply came from competing foreign countries and thus India enjoys no monopoly so as to be able to maintain a minimum price. The Chamber observes that the present stock and price crisis may prove only temporary in view of the recent floods in Eastern India and Eastern Pakistan. The Chamber, however, opines that the industry may be justifiable in expecting some temporary assistance from the Government in one way or the other but not through fixation of minimum prices.

* * * *

From Abroad

An international meeting of fish processing technologists, organised by the F.A.O. Interim Committee on Fish Handling and Processing, will be held next week at Rotterdam, Netherlands.

Burma and the U.K. have signed an agreement, under which Britain will supply Burma with cotton textiles of the value of 1.25 crores of kyats. Payment will be in the form of U.S. raw cotton made available to Burma under the U.S. aid programme.

The Goodyear Tyre and Rubber Company has reduced its prices for Plioflex general purpose type synthetic rubber by 0.15 cent per lb. This brings the price for a popular grade down to 24.10 cents per lb. for quantities of 60,000 lbs. or more.

The U.S. Senate Foreign Relations Committee has approved of the Foreign Aid Bill, recommending a sum of $4,502 million. This represents an increase of $702 million over that voted by the House of Representatives, but falls short by $398 million of the amount sought for by the President.

The U.S. House of Representatives Armed Services Committee disapproved last week of the proposed sale of the Government-owned alcohol butadiene plant at Kentucky. It also decided to extend the life of the Rubber Producing Facilities Disposal Commission up to 1st July 1957.

The first batch of motor cars to be manufactured by China will come out in the autumn of this year. All the spare parts and the steel are produced in factories in various parts of China. In order to develop China's motor car industry, steel production at the steel centres like Fusin and Anshan will be increased.

A revolving store with customers sitting in front of merchandise conveyed to them for push-button recording of purchases was forecast at the 52nd annual convention of the Advertising Federation of America, held recently. A merchandising expert said self-service will extend to nearly all categories of merchandise.

The Malayan Government has decided to refund to the rubber producers the anti-inflationary cess amounting to M.$53 million collected, whenever the price of rubber stood over $1 per lb. The repayment will be made to estates in four equal instalments. The refund to small holders will be in the form of a reduction of 4½ cents on the export duty.

A five-day conference on earthquake engineering was held last week at the University of California, marking the fiftieth anniversary of the San Francisco earthquake, at which Japan, India, Germany, Colombia, Chile, New Zealand, Turkey, Pakistan, Mexico and Italy were represented. The topics discussed included effects of earthquakes on soils and foundations and the design of earthquake-resistant structures.

A new shipping company, known as American Coal Shipping Corporation Inc., is to be formed jointly by American coal producers, exporters, miners' union and coal hauling railroads. The new $50 million corporation will buy ships to carry U.S. coal to export markets. Foreign demand for U.S. coal is said to be permanent and even expanding and contracts have been signed for three to five years ahead. U.S. coal exports since July 1955 amount to 3.55 million tons per month on an average, or an annual rate of 42.63 million tons.

The world citrus production during 1955-56 shows an increase over previous years, according to data collected by the U.S. Department of Agriculture. The orange and tangerine crop in the Northern Hemisphere is estimated at 297 million boxes, about six per cent. higher than the previous year's record crop of 281 million boxes. Grapefruit production in the Northern Hemisphere increased from 47 million boxes in 1954-55 to 51 million boxes in the current season. Last year's production of limes in the world was 4.6 million boxes. Lemons grown in the Northern Hemisphere remained at about the same figure as last year, 27 million boxes. The Northern Hemisphere produces about 75 per cent. of citrus fruits grown in the world. Figures for the Southern Hemisphere for the 1955-56 season will not be available until the current crop matures.

More than 100 countries and territories received last year technical aid from the United Nations, according to a report of the United Nations Economic and Social Council. The report shows that, during the period, about 1,400 experts were engaged, in various parts of the world, in improving agricultural and industrial production, health, education, public administration, and communications. Britain supplied the largest number (348) of these experts. The U.S. provided 236 experts and France 209. Britain also took pride of place as the country where most recipients of technical assistance fellowships went during the year. A total of 351 went to Britain to study. Two hundred and fifty-one went to France, 248 to the U.S., and 176 to West Germany.

Pan American World Airways added a fifth around-the-world flight to its schedules with effect from 1st June 1956. "With the addition of this new around-the-world flight," Willis G. Lipscomb, Vice-President, Traffic and Sales, said, "we now offer a new pattern of service in the Middle East that links Ankara, Teheran and Karachi with direct flights for the first time. Previously, passengers in Ankara or Teheran who wanted to continue on our routes had to backtrack to Istanbul or Beirut to pick up planes bound for Europe or Asia." Between London and Tokyo, service is in Super Six Clippers and between Tokyo and the United States in double-decker Strato Clippers. The round-the-world fare is Rs. 6,309 (approx.) in tourist class and Rs. 9,048 (approx.) in first class.

PERSONAL

MR. Jose Cochrane de Alencar, Brazilian Ambassador to Pakistan, has been appointed Ambassador to India.

Mr. A. K. Mukerji, who has been appointed First Secretary (Commercial) in the Indian High Commission in London, left for the U.K. on Friday last week.

Mr. P. N. Thapar, Secretary, Union Ministry of Food and Agriculture, has been elected Vice-Chairman of the Co-ordinating Committee of the United Nations Food and Agriculture Organisation.

Mr. M. Gopala Menon, Consul-General for India in New York, has been elected Vice-President of the United Nations Sugar Conference, which is scheduled to re-convene at Geneva early in October next.

Mr. D. L. Crawford, who has been appointed Trade Commissioner for Australia in Bombay, assumed charge on Friday last week. Mr. R. T. M. Rose, his predecessor, is returning to Australia on completion of his term of office in India.

Mr. M. B. Madgavkar, a member of the Managing Committee of the Western India Automobile Association, has been elected President of the Association for the current year. Mr. B. N. Karanjia and Mr. V. C. Setalvad have been elected Vice-Presidents.

Mr. T. P. Barat, Director, Messrs. Nowrosjee Wadia and Sons, who are the Managing Agents of the Bombay Dyeing and Manufacturing Company, Ltd., left for the U.K. on the 22nd inst. as a delegate to the forthcoming H.R.H. Duke of Edinburgh's Commonwealth Study Conference on Human Problems of Industrial Communities.

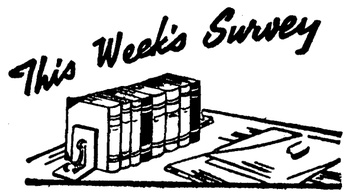
"COMMERCE" 1931

FROM OUR FILES OF TWENTY-FIVE YEARS AGO

CALCUTTA, 20*th June*

Duty on Pig Iron

In a recent communication to the Government of India, the Bihar Chamber of Commerce charged the Central Government with shelving the report of the Tariff Board on its enquiry into the duty on pig iron. The enquiry was started in 1928, evidence was recorded in March 1929, and the Board's report was submitted to the Government of India in November 1929 and yet until last month the report was not made public. And the Central Government seemed so obdurate in the matter that it refund to receive any deputation from the Bihar Chamber of Commerce in that connection. The Bihar Chamber further complained that the continuation of high prices of pig iron adversely affected Indian foundries and retarded the development of the iron and steel industry in India. The Government of India has since released the report for publication and announced, in a resolution in the *Gazette of India*, that it accepts the finding of the Tariff Board that no case has been made out upon which the Board could base any recommendation for removal of the revenue duty on pig iron and that no serious harm, according to the Board, would be done to any consumer, if the duty were retained, until the whole position is re-examined in the next statutory enquiry into the steel industry to be held in 1933-34 or earlier.



BAD LUCK FOR TAXPAYER

THE advocates of the Ambar charka who have been sharply critical of what they have regarded as the Government's apathy, if not antipathy to this tool, will no doubt be delighted by the new scheme announced by the Government this week. If official high-pressure salesmanship and assistance were all that were needed to rectify the economic deficiency of the Ambar charka method of textile production, the present scheme should go a long way towards its success. Under this scheme, no effort will be spared to spread the Ambar habit in the village. And the scheme visualises a widening use of the Ambar yarn by the handloom weavers. It remains to be seen how far official patronage will enable this instrument, which represents at best only a slight improvement on the rudimentary equipment, the charka, to meet the growing demand for quality cloth.

The scheme, prepared by the Committee headed by Mr. S. S. Khera, Secretary, Union Ministry of Production, and accepted by the Government of India, envisages the introduction of 200,000 Ambar charkas by the end of 1957-58. At the first instance, about 75,000 charkas will be introduced in 1956-57. The operation of the scheme will be reviewed at the end of the current calendar year, when further measures for popularising it will be adopted. The Committee, which has by no means been unanimous in its conclusions, has recommended that the programme should be implemented so far as possible, in areas where cotton is locally available, where handloom-weaving is intensively practised and where there is greater need of providing employment. Whether, and if so to what extent, all these objectives can be easily reconciled is a moot question. One will not be wide of the mark in saying that, wherever handloom weaving is being intensively practised, there can be no unemployment now, because in all such centres the weavers are known to be fully employed. Equally right one will be in saying that the need for providing greater employment exists to a larger extent in places where there are no handlooms than in those having the looms.

An important aspect of the scheme is that weavers' families, in preference to non-weavers, will be trained and supplied with Ambar charka. Presumably, this is intended to overcome any resistance the weaver may have to use Ambar yarn. A weaver, if he is also a spinner, will acquire a vested interest in the yarn he produces. But the success of this appeal will depend on whether weavers as a class will take to Ambar charka. No weaver will lose the chances of making better cloth out of mill-made yarn for the sake of utilising his own Ambar yarn, though, in the Committee's general view, such yarn is "fairly even, strong and suitable for weaving." One will do well to take note of the guarded use of the adjectives by the Committee to describe the quality of Ambar yarn. No comparison is made with the mill yarn, as should have been done if the Committee were to be true to itself. Those who have made such a comparative study of the quality of Ambar yarn have found it to be considerably inferior to mill yarn. It has also been found from experience in some South Indian centres that a weaver who uses Ambar yarn will be able to earn only half of what he can by using mill yarn, *vide* page 1052 of *Commerce* dated 2nd June 1956.

Incidentally, it will be interesting to know whether the Committee visited South India where there is a large concentration of handlooms and tried to know the reactions of weavers in this region, and whether it consulted the concerned State Governments and, if so, what were their views on this subject. It is significant, in this connection, that, so far, there have been no signs of enthusiasm for Ambar charka in that part of the country. Neither weavers' organisations nor any of the State Ministers have publicly voiced their support to this mechanised form of charka. South India, it may be further borne in mind, is noted not only for handlooms but also for the large army of employable unemployeds. Consequently, if there is any real merit in Ambar charka as an efficient provider of yarn or as an economic means of employment, South India should surely be shouting for it from the house tops. The very fact that Mr. T. T. Krishnamachari himself has been a strong critic of Ambar charka is proof enough to show that this charka will be more a handicap to handlooms than a help.

Another aspect of the scheme is the replacement of the traditional charka by the Ambar variety. This, of course, might be more easily accomplished, in view of the higher technical efficiency of the new charka.

The implementation of all the proposals, made by the Committee, it is stated, will cost Rs. 4 crores. There is, of course, a large element of subsidy in the scheme. The Committee has recommended a single-point subsidy of a minimum of As. 4 in the rupee for Ambar cloth. It is not, however, clear how this subsidy will be paid. Perhaps, the Committee is itself convinced that this is large subsidy for it has stressed that the objective should be to eliminate the need for subsidy, and that, in the first instance, special effort should be made to bring down the subsidy to As. 2 in the rupee, exclusive of the cost of training, subsidised cost of the Ambar units and interest on the working capital advanced to co-operatives. Despite all the assistance, the scale of wages the scheme promises to the spinners is likely to remain a pittance. A flat piece-rate of six pies a hank for all counts, for the present, is reasonable in the Committee's opinion. As the productivity of the Ambar charka is estimated at about six hanks a day, a spinner will earn only As. 9 a day, or Rs. 14-10 per month of 26 working days. Considering that those who have to work on this charka will have to undergo a certain amount of training, one wonders how many persons will come forward to take up this profession.

The yarn produced on the Ambar charka, according to the Committee, should be confined to counts upto 24 only, since the charka is believed to be best suited for the manufacture of yarn up to this count. This may not suit the needs of a large bulk of the weavers, who, as producers of special varieties of fabrics, will require yarns of much finer counts, with a higher degree of dyeing characteristics.

Obviously, the implementation of the scheme implies considerable organisational effort. The institution of finishing and stocking centres for Ambar cloth and a network of emporia and sales depots and sample rooms has been recommended. An annual review of the progress made, the Committee has said, should be undertaken and further progress of the scheme should be examined with special attention to technical improvement, quality of the product, productivity, workers' earnings and subsidy element. Village carpenters from the Ambar charka areas should be trained and supplied with minimum precision parts from a central agency for the purpose of manufacturing these charkas. The charka, it is pointed out, should not be manufactured in any central factory or in a number of manufacturing centres. At the same time, efforts should be continued to improve the design of the Ambar charka and a design competition should be organised. The Committee has further recommended the establishment of a textile research centre, mainly devoted to decentralised spinning and weaving; regional centres may be set up later. Special emphasis has been laid on the training of both spinners and instructors.

The Government is thus experimenting in a textile policy which combines high-precision automatic equipment at one end and technologically backward tools, like the Ambar charka, at the other. The policy is an ill-assorted mixture and is bound to end in fiasco. That the Government should decide to continue the experiment on a vast commercial scale, in spite of best advice against it by competent technical experts —Indian as well as foreign—is a great pity. We are convinced that the crores that are being "invested" on this charka constitute good money thrown down the drain. It is just bad luck for the taxpayer of this country that his hard-earned money, taken by the Government, is not being put to better use.

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COMMERCE AND INDUSTRY MINISTRY REORGANISED

The Government of India has announced the reorganisation of the Ministry for Commerce and Industry. The Ministry now consists of three separate divisions, each headed by a Minister. The Minister for Industrial Development will be in charge of heavy industries. The Minister for Industries will be responsible for consumer industries, while trade will be entrusted to the care of the Minister for Commerce. Each division has a State-owned Corporation attached to it, in order to provide a flexible and positive instrument of policy as distinct from the regulatory functions of the administration. This reorganisation of the Ministry is intended to ensure co-ordination, flexible and efficient planning and execution in each of the three major fields, so that the Ministry, as a whole, may discharge efficiently the functions set to it under the second Five-year Plan. These functions fall under three categories, namely, development of heavy industries, supply of adequate consumer goods to fight inflationary tendencies, if any, and lastly, procurement of essential imports and promotion of exports for earning foreign exchange needed for financing the Plan.

Thus, geared to undertake the implementation of the second Plan, the Ministry seems to have drawn a tentative but integrated programme of development in the next five years. An idea of this programme was given by Mr. T. T. Krishnamachari, Minister for Commerce and Industry, at a Press Conference on Monday this week. The Ministry is expected to take a big step in two or three months, towards the setting up of plants to build heavy machinery for the needs of producer industries. This programme will cover a period of ten years, at the end of which, India could expect 66 per cent. of its machinery to be manufactured within the country. The machinery produced is expected to cater to the requirements of jute, steel, cement, sugar and coke oven industries. The location of the various machine manufacturing units remains yet to be decided. The Heavy Industries Division, which will be responsible for setting up the units, is also required to look after the needs of industries both in the private and public sectors in respect of raw materials such as steel, pig iron, cement, chemicals. It is also proposed to set up one or more aluminium plants in areas where abundant supply of electricity is available.

The second Five-year Plan envisages, as readers are aware, a rise in the demand for consumer goods such as textiles, bicycles, sewing machines, electric lamps, tyres and tubes of automobiles. If inflation is to be avoided, arrangements must be made for the supply of these goods to meet the demand. The Consumer Industries Division is entrusted with this work. It will also undertake the functions connected with the decentralisation of industries and development of small-scale production. It will supervise the establishment of Industrial Estates to encourage the small *entrepreneur*. Technical assistance and credit will be made available to him on favourable terms.

Since the execution of the industrial and other development plans requires a large increase in the level of imports, the Trade Division of the Ministry will look after this work. It will enter into trade agreements with different countries for getting the key commodities and initiate export promotion measures to make exports pay for the commodities imported. This Division is expected to pay special attention to increasing the exports of ores, oils and oilseeds, raw cotton and other traditional items and to developing new lines of export, both commoditywise and countrywise. The State Trading Corporation established last month is scheduled to play a leading role in discharging this function.

Although the Ministry for Commerce and Industry has thus an ambitious programme, it remains to be seen how far it will be in a position to fulfil it. It is common knowledge that the barriers it has to overcome are innumerable, the biggest one being the availability of technical personnel. It is true that it is considering the question of establishing a Directorate of Manpower and an Industrial Management Service. To a certain extent, these agencies may be helpful in procuring the personnel but the requirements are so large that it is doubtful whether all the required number and type of personnel could be found in time and at reasonable cost. Besides there is also the difficulty of securing plant and machinery, as much depends on the supply position abroad. These problems may not be beyond solution, but they need careful thinking and planning, in order to avoid loss of time and excessive cost.

SCOPE FOR MORE PAPER MILLS

A number of decisions of far-reaching importance to the Indian paper industry were taken by the *Ad Hoc* Committee at its meeting held at Srinagar on the 12th inst. This Committee, which was appointed by the Central Government in November last, is headed by the Inspector-General of Forests, Mr. C. R. Ranganathan, and consists of heads of Forest Departments of States as well as representatives of the Ministry of Commerce and Industry, the Planning Commission and the Railway Board. The appointment of this Committee was a sequel to the decision that a survey of the raw materials available in the country for the manufacture of paper should be undertaken by the States. This decision was taken at the conference of State Forestry Ministers and officials which met at Delhi in October 1955.

According to the terms of reference, the *Ad Hoc* Committee has to advise the Government on the preparation of a basic plan for the expansion of the paper industry from the point of view of raw material supply. It has to consider measures for ensuring full exploitation of bamboo and other groves by private contractors for supply to paper mills. It has also to examine and devise methods for increasing the availability of cellulosic raw material for future expansion of the paper industry in the third and subsequent five-year plans by using new raw materials and by a planned programme of plantation of suitable species. The Committee has also to investigate the existing specifications for bamboos required by paper mills with a view to relaxing them where possible so as to enlarge the available supplies. It has also to consider utilisation of fibrous raw materials for production of various kinds of paper and suggest standard terms of lease (royalty) for working bamboo and other fibrous material-bearing trees and examine the zones of supply of the existing mills with a view to ensuring sustained supply of raw materials to them, on the one hand, and to advise how best to utilise any surplus availability, on the other.

The present rate of production of paper in India is a little less than 200,000 tons per annum. It is proposed to step this up to 600,000 tons by the end of the second Plan period. Since the success of the Plan hinges directly on the availability of raw materials such as bamboos, sabai grass and coniferous woods, the *Ad Hoc* Committee took up the question of assessing those resources. In this context, it considered at the Srinagar meeting a brief report submitted by an Italian expert committee on the utilisation of fir forests in the Western Himalayas for the production of newsprint. This Expert Committee had suggested extraction in the form of short-length logs for mechanical conversion, portions of which were capable of being utilised as timber and the diversion of the rest for the manufacture of newsprint. This recommendation did not, however, find favour with the *Ad Hoc* Committee, mainly on the grounds that logs of larger girths available in these forests would not lend themselves to floating. But the Committee recognised the need for urgently developing the newsprint industry in the country. It felt that attempts should be made to utilise resources of fir trees in U.P. The Committee, therefore, recommended the adoption of artificial methods of regeneration in these areas in order to enable regeneration to keep pace with the probable consumption of fir wood by the newsprint industry. With a view to examining the issue further, a sub-committee consisting of heads of the Forest Departments of U.P., Punjab, and Jammu and Kashmir was appointed by the *Ad Hoc* Committee.

The *Ad Hoc* Committee considered the reports from the various States on the available resources of bamboo submitted by the heads of State Forest Departments. These reports indicated that, in Assam, considerable resources awaited utilisation by new units of the paper industry. At present only a portion of the State's bamboo production was being made use of by the paper mills in Calcutta. In Orissa, where the scope for a new mill with a daily production capacity of 50 tons had already been accepted, the bamboo resources appeared to exceed even the previous estimates.

The *Ad Hoc* Committee agreed that there was room for the establishment of a paper mill with a rated capacity of 100 tons per day in Vindhya Pradesh, without interfering with the existing supply of raw material to mills outside the State. Madhya Pradesh is stated to have claimed the existence of a surplus of 100,000 tons of bamboo per year to feed a new unit. Madras estimated that a mill of 80,000 tons at Bhavanipur and another of about 60,000 tons at Mettur could be set up immediately. It claimed a bamboo potential of over 350,000 tons in the Nilambur Valley.

The findings of the Committee are to be welcomed, in that they remove the impression which had prevailed hitherto that India had almost reached a stage of exhaustion in the matter of supplies of raw material for the paper industry and that the scope for setting up new paper mills was very limited. With the continued increase in the country's population, the growth of literacy in the country and the rise in the standard of living, the demand for paper of all kinds is bound to expand in future. There is, therefore, need to expand the rated capacity of paper manufacture in the country. It is, therefore, comforting to note that the country has still raw material potential for starting some more paper factories.

During the first Plan period, a sum of Rs. 11 crores was invested in the paper and paper board industry. At the end of 1955-56, the rated capacity of the industry stood at 210,000 tons, while the output, as stated already, was at the rate of about 200,000 tons per annum. In the second Plan, the targets for rated capacity and production are fixed at 450,000 tons and 350,000 tons, respectively, as against the estimated requirements of 350,000 tons. The Plan envisages an investment of Rs. 44 crores to reach these targets.

STOCK EXCHANGE REFORM

Stock Exchanges play a vital role in the economy of a free country, providing, as they do, means for channelling the savings of people for its industrial development. Their functioning is a matter of concern not only to the investors who stake their savings in stocks and securities but also to the institutions the securities of which are quoted or are likely to be quoted thereon. In short, the economy of the country largely depends on the efficient and sound functioning of stock exchanges. Viewed from this angle, it will be noted that expansion of stock exchange activities in India will certainly contribute to the growth of joint-stock enterprises and capital formation, which are vitally necessary for the successful implementation of the Five-year Plans.

The reform of stock exchanges forms part of the Government's policy of regulating and controlling institutions which affect the nation's economy. The Securities Contracts (Regulation) Bill, 1954, which is yet to be passed by Parliament, is a measure which seeks to regulate the business of dealing in the securities on stock exchanges. The provisions of this Bill were subjected to a critical scrutiny by Mr. Chunilal B. Mehta, President of the Indian Stock Exchange, Bombay, in the course of his address at the annual meeting of the Exchange this week. Mr. Mehta was of the opinion that the Bill lays more stress on the suppression of stock exchange activities, instead of encouraging the formation and development of more stock exchanges. He said that clause 19 (which prohibits stock exchanges other than those recognised by the Government) and sub-clauses (e) to (i) of clause 23(1) which levy penalties for contravention of the provisions of the legislation) would, in effect, force even the existing stock exchanges to close down, if they were not recognised by the Government, even though they might be working satisfactorily as *bona fide* ready delivery markets. He added that it was reasonable to expect that the Government, without compelling the different bodies to close down by a stroke of the pen, should see that the interests of those bodies, which were financially sound and working satisfactorily at present, did not suffer as a result of the passing of the Bill. The different persons who were in the trade should be enabled and have the opportunity to continue the trade. This would be possible, Mr. Mehta said, only if all the existing exchanges were accorded recognition. "In the event, however, of the Government deciding to recognise only one exchange in any one area," he added, "a voluntary or compulsory merger of institutions working in the same area should be brought about on the lines of mergers effected in several forward markets dealing in the same commodity such as cotton, bullion, oilseeds, metal and yarn."

(*Continued on page 1227*)

UNIVERSAL REGRET OVER FINANCE MINISTER'S RESIGNATION

FERTILISER PRICES RAISED

From A Special Correspondent

NEW DELHI, 19*th June*

THE Prime Minister is scheduled to leave the Capital for the United Kingdom before this week-end in order to attend the Commonwealth Prime Ministers' Conference. During the period when he is away from India, the political and social life in the Capital is expected to become largely static and dull. The Finance Minister, Mr. C. D. Deshmukh, will also be out of Delhi for about a month, spending the period mostly in the South. Many of the leading Cabinet Ministers are also likely to leave the Capital during the coming week to some cooler climate. But for the Prime Minister's impending departure on foreign tour, these high Government dignitaries would have left New Delhi by now to avoid its enervating, sultry and slumbersome summer.

DELHI LETTER

There is universal regret at the resignation of Mr. C. D. Deshmukh, Finance Minister to the Government of India, on the issue of Bombay City in the States Reorganisation scheme. Although he is expected to be relieved of his high office only a month hence, his resignation will certainly create a sort of vacuum in Government circles. From all standards, Mr. Deshmukh is the ablest of all the Finance Ministers that have adorned the Treasury Bench during the last few decades. Perhaps, his only comparison may be found in Sir Basil Blackett, who was the Finance Minister in the twenties of this century. Sir Basil's name is generally remembered for the manner in which he was able to shape the Government of India's Gilt-edged loan policy. Mr. Deshmukh's name will be remembered not only for his efficiency as an administrator but also for his ability to bring about considerable stability in the economy of the country during one of its critical periods. He has been the financial architect of the First Plan and has achieved great success in the sphere of his work. It will be a difficult task for the Prime Minister to get a suitable person to replace him. One possible successor may be Mr. T. T. Krishnamachari. He has capacity, drive and business and financial shrewdness to handle the Finance portfolio but his hands are full at present due to his preoccupation with the establishment of three steel factories, heavy machinery industry, etc. Pandit Govind Ballabh Pant, the present Home Minister, may have the requisite calibre and understanding, but it is a moot point whether his delicate health would permit him to devote full time for handling this difficult portfolio. If and when he takes over this responsibility, it will be only for a short period.

T.T.K.'s Ministry Expands

In September 1946, that is nearly ten years ago, when the Congress formed the interim Ministry at the Centre, Mr. Nehru, in his capacity as the Prime Minister, paid a visit to all the Ministries then located in the Secretariat. At that time, the first question he asked the Joint Secretaries or Secretaries who received him, was invariably as to how much the concerned Ministry had expanded during the wartime. The same question was repeated when he visited the then Ministry of Commerce and the reply that was given to him then was that the Ministry had not expanded much, the only expansion being the Import and Export Control Departments.

Perhaps, the present Ministry of Commerce and Industry has now begun to expand with a vengeance. Where there was formerly one Minister, there are at present four Ministers with all the paraphernalia of personal and private secretaries. Where there were formerly two Joint Secretaries, there are at present six. Of the number of Deputy Secretaries or Under-Secretaries, it has become extremely difficult to keep count of them, much less to remember their names and the work they are doing. But all this inflation in the size of the Ministry merely reflects the nature of expanding work it is now being called upon to handle.

Some indications of this were given at the latest Press Conference of Mr. T. T. Krishnamachari, Minister for Commerce and Industry. Over the next five years his Ministry, he stated, will have to discharge three important functions to implement the second Five-year Plan, namely, (i) co-ordinated development of heavy industries, which will lay the basis for further industrialisation; (ii) provision of adequate supplies of consumer goods, which will be required as the standard of living increases, and (iii) securing essential imports and promoting exports to earn the foreign exchange needed for the Plan.

Diversification of Trade

Through a series of bilateral trade agreements, the Government of India has been able to bring about a certain amount of trade diversification, particularly with the Soviet nation. The Minister revealed that the supply position of steel was already showing signs of improvement and that the arrivals of steel from abroad during the current year would come to the high figure of 1.5 million tons. Arrangements were also made, he said, to import about 500,000 tons of cement to supplement the internal production. He stated that, in order to co-ordinate steel production and imports, he would be shortly constituting a Steel Board. He reported that the plans for the establishment of heavy machinery industries for producing plants for the steel, sugar and cement industries had reached an advanced stage and that the whole programme of work was being implemented on a ten-year basis, so that, after this period, the country may be in a position to manufacture its own machinery to the extent of 60 to 70 per cent.

The extent of trade diversification as revealed by the Minister presents a heartening picture. He revealed that the Indo-Russian trade agreement was working very satisfactorily. Russia has exported 86,000 tons of steel and about Rs. 8 to Rs. 10 crores worth of drills, rigs and equipment for the Bhilai Steel Plant. In turn, the U.S.S.R. has used its rupee earnings to buy hides and skins, jute goods, shellac, coffee, pepper, raw wool and tea. Russia, he said, had stopped making further purchases in the country for the time being, as it has no more money available in this country to buy Indian goods. He added that India would import steel and other equipment from Russia to the extent of Rs. 90 to Rs. 100 crores during the next three years. In addition, India was exploring the possibilities of Russian help for setting up drugs and dyestuffs industries.

Realism in Policy

All these indicate considerable realism in Government's economic policy. This week, the Prime Minister declared before a gathering of Congress workers at Narora (Uttar Pradesh) that they should not overemphasise the beneficial aspects of the cottage industries. While he is reported to have conceded that the advancement of cottage industries was desirable as they ensured larger scope for employment than big industries did at present or might provide in the near future, he is also said to have made the remark that larger employment should not be sought at the cost of production. The decline in production that would result from restrictions on large-scale industries might engender inflation, jeopardising the second Plan, which was based on considerable deficit financing. The situation, he said, called for a delicate balance between encouraging the cottage industries, on the one hand, and increased production, on the other, to ward off inflation. These observations of the Prime Minister must be considered very significant, inasmuch as he attended this political meeting almost immediately after the Cabinet discussions on the future textile policy.

It is well known that the Prime Minister, being a student of science, is well aware of the importance of technology in the modern world. At the time of initiating the debate in Parliament the other day on the second Plan, he made an important reference to the necessity of India keeping itself abreast of the latest scientific and technological developments. He said: "If India is to advance, India must advance in science and technology. ... When we talk of planning, more so, when we talk bf anything else, we have to think in technological terms, because it is this growth of science and technology that has enabled man to produce wealth which nobody could ever dream of. It is that which has made other countries wealthy and prosperous, and it is only through the growth of this technological process that we shall grow and become a prosperous and wealthy nation; there is no other way.". It is only these realisations that are responsible for the Government of India coming to a sensible decision on the future of textile industry, according to which the mills are permitted to have a specific number of automatic looms and install more spindles. The Government could have, of course, been more liberal, but it must be conceded that even this is a great advance from its earlier stand.

Fertilisers

The Government of India has announced an increase of Rs. 15 per ton in the pool issue prices of sulphate of ammonia supplied to industrial consumers and to tea and coffee plantations. The industrial consumers of ammonium sulphate will henceforth have to pay Rs. 340 per ton as against Rs. 325 hitherto. The price for coffee and tea plantations will now be Rs. 335 per ton as against Rs. 320. All will have to bear the extra cost on actual rail freight, if that exceeds Rs. 35 per ton. The retail price for plantations, however, would not exceed Rs. 365 per ton.

The pool issue price will continue to be Rs. 315 per ton in respect of purchases made by the State Governments. They will not, however, be permitted to charge a margin exceeding Rs. 30 per ton for distribution to cultivators in villages. They have been asked to open a number of retail depots in such a manner as to ensure that cultivators do not have to travel more than five miles for receiving their requirements.

The new prices came into effect from the 18th inst. and will remain in force up to 31st March 1957. The upward revision of prices has been necessitated, we are told, by the increase in procurement cost.

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PRESTIGE AND OIL POLITICS

INVESTMENT SOLD FOR EARNING DOLLARS

From Our Own Correspondent

LONDON, 16*th June*

WHY has the proposed Trinidad Oil deal caused such a rumpus of excitement in this country and particularly in the House of Commons? So far as the City is concerned, it did not take long for the political and prestige feelings involved to give place entirely to solid satisfaction at the purely financial aspects of the deal. These are that the American Texas Oil Company is prepared to pay £63 million, or $180 million for the ordinary shares of the British-owned Trinidad Oil Company. The shareholders of the British Company get double the former market value of their investments, the coffers of the sterling area gain gold to the tune of $180 million and Britain gains a new refinery at Southampton. As soon as the take-over bid of the American Company became known, the price of the Trinidad shares soared rapidly and, in spite of the political repercussions, have crept to a point not far from, though not quite as high as, the proposed take-over price.

LONDON LETTER

But why then, if financially, in both a private and public sense, the deal is so favourable, has there been so much opposition? There is no doubt that the basis of the feeling has been that Britain is selling part of its heritage for, in biblical terms, a mess of pottage. The fact that apologists in this country for the transfer as well as advocates of it in Trinidad point out that Britain cannot afford the necessary capital investment and the Commonwealth must be prepared to accept it wherever it can get it, only strengthens this feeling. But, before dismissing such a view as mere sentimentalism, let one look at the actual physical aspects of the transaction. The Trinidad Company produces half the oil in Trinidad and supplies this country from that source with about one half of 1 per cent. of its oil requirements. But the refineries in Trinidad take Venezuela oil and now refine more imported petroleum than is produced in the Island. In this country, the Company has a half share in the important Regent distribution network which supplies one-tenth of domestic requirements. The take-over will give the American Company additional refining capacity in Trinidad, it will give it an increased interest in distribution in Canada and a controlling interest in the British Regent Distributive Company in which it already has a part share. The political opposition have no doubt put their finger on the point when they say that the take-over is really the means to strengthen American distributive oil interests in this country.

But does this matter? The internal distributive oil mechanism is already largely under the control of American interests but that is in the way of ordinary business and does not take control of this vital industry domestically away from the Government if the Government should ever wish to intervene. Power in oil lies in the source of supply and in the points of refining. The source of supply in this case is of very little interest to the U.K. in volume: not a large enough interest to weigh. On the other hand, the building of the Southampton Refinery, which it is doubtful whether the Trinidad Company could have financed by itself, will increase the sinews of oil power under the control of the British Government.

The remaining issue is the effect of the transaction on Trinidad itself, but that is a matter which the Government of Trinidad has weighed up with full allowance for the projected new Dominion or Caribbean Confederation. There are two obvious dangers of American acquisition of the principal Trinidad industry. The first that the industry might be regarded by the acquiring Company as unimportant and be let to languish. The second that, in multi-racial Trinidad, the American colour bar would bring strife to a civilised community. The British Government whose sanction in this matter is that of authorising a currency exchange transaction, have, in consultation with the Government of Trinidad, imposed conditions that production in Trinidad must be increased as far as possible and that racial discrimination will not be tolerated. Provided these aspects of the matter, fundamental to the life and society of Trinidad, are respected, there is no economic reason why the transfer should be regarded with disfavour.—*All Rights Reserved.*

DELHI LETTER

(Concluded from previous page)

The increase in pool issue prices of ammonium sulphate is illtimed, in that it will raise the cost of production of the crops mentioned above and is bound to work harsh on coffee and tea plantations which have been perforce required to bear a number of other burdens under the various laws applicable to them. It may also act adversely on the consumption of artificial fertilisers, which has gone up rather markedly since 1952 as will be seen from the table below:

Year	*Consumption of Ammonium sulphate in tons*
1951	282,400
1952	276,340
1953	426,600
1954	453,600
1955	552,400
1956 (estimates)	625,000

The estimated consumption of the fertiliser will be double the quantity consumed in 1952. It is expected to go up to 1,850,000 tons by 1960-61. These expectations are likely to materialise only under certain conditions, namely, a reduction in the price of the fertiliser, its ready availability in adequate quantities and at the appropriate time. The latter condition can be fulfilled only if there are proper marketing arrangements and prompt provision of transport facilities.

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Construction of the sugar factory at Pettavaytalai is to start shortly.

BRITAIN BATTLES WITH INFLATION

RESULTS SLOW BUT STEADY

ALL the sectors of British economy, excepting, of course, labour, would appear to be responding to the anti-inflationary measures initiated by the British Chancellor of the Exchequer, Mr. Harold Macmillan. But the trouble is that this response has not been fast enough and far enough to win the battle of inflation. This is evident from the remarks made by the Chancellor himself at the luncheon of the Press Association, London, last week. He said that the "modest but unmistakable gains in the battle of inflation are encouraging not merely because of the limited ground won, but because it tends to confirm our judgment of the general strategy that we have employed."

The Chancellor appears to be sanguine that things are beginning to work in the right direction. Thus, consumer demand has been slackening. Up to April this year, retail sales have been one per cent. below the last, and the output of consumer durables has fallen substantially. Government expenditure is being cut back, productive investment and the output of goods continue to rise, but less precipitately than before. Above all, exports have been increasing steadily, and the preliminary trade figures released by the Board of Trade reveal that exports in May resulted in record earnings. With the month's earnings, the average value of all exports in the first five months of the year has risen by 6¼ per cent. Exports to the dollar area in the same period have risen by a third. All these indicate that Britain has moved away from the brink of an economic crisis. But British official circles are conscious that there is no room for complacency. The Chancellor of the Exchequer, for instance, commented on the record level of exports in May thus: "While it would be a mistake to overlook such effects as the anti-inflation campaign is having or to miss their significance as pointers to the correct judgment of policy, it would be an even more dangerous mistake to build too much on these figures. It is always risky to assume that one month's figures are reliable evidence of a long-term trend. But, even supposing that the improvement lasts, it is no more than we need very urgently in order to cure the persistent weaknesses that have handicapped our progress ever since the war."

Smallness of Reserves

The main difficulty facing Britain is the smallness of the reserves which are inadequate to absorb any adverse swings in balance of payments. There is, in fact, a long way to go before the deficit of just over £100 million last year is converted into a surplus of between £300 million and £400 million, which the country needs to meet its debts and to finance overseas investment. It needs a surplus of this size not for a month or two, but over a fairly long period, if not permanently. Continued surpluses are only possible by building an effective export market. Britain has, of course, proved that it can do it. The fact that in May its exports reached a record demonstrates that its goods have not been priced out of the world markets. Its industries enjoy the benefit of exceptionally cheap coal and steel. World trade had gone up by 10 per cent. last year and it is likely to move up further this year. Britain may, therefore, be expected to hold its own. This pleasant thought, however, should be tempered by a certain amount of caution. This is clear from the observations of the Chancellor who said: "We have to face the prospect of increasing foreign competition. For instance, in the first four months of this year, German exports rose twice as fast as ours compared with a year before. Moreover, the experience of recent months shows that, in addition to American, German, and Japanese competition, we must now begin to take serious account of the exporting efforts of the industrial countries in the Soviet orbit."

Inflationary conditions at home have been mainly responsible for weakening British competitive ability in world markets. In the country's battle against inflation, success has been obstructed by a continued rise in wages and production costs. To quote Mr. Macmillan again: "An analysis of our economic affairs in recent years shows that this has been the most persistent obstacle to our progress against inflation. Though now our various fiscal, monetary and other measures have enabled us to make a little headway, this will certainly be stopped, if the rising tendency of our labour costs and prices continues." He added that further rises in industrial production costs, whether through higher wages outrunning increased production or from any other cause, could put at risk all that the country had gained since the war. He stressed that progress had all along been handicapped by the constant tendency of wages to run ahead of output and drove up prices. He warned that, if the country went ahead too fast with money incomes, Britain would price itself out of export markets. There are, however, no indications that labour has realised the importance to the country's economy of moderating its demand for a further increase in wages.

Nevertheless, there seems to be a growing belief that prices in the U.K. are likely to remain more stable this year than last. According to Sir Anthony Eden, Prime Minister of Britain, prices may not go up by more than two or three points this year, as against a rise of six or seven points last year. These estimates take into account all the increases that can be foreseen as a result of the Government's measures already taken or initiated, namely, the ending of the subsidy on bread, the halving of the milk subsidy and rises due to wage increases in the nationalised industries. Sir Anthony, therefore, believes that "Britain has reached the point where there is a real chance of breaking the vicious spiral of rising prices and wages." He wants the earnings of industry, both wages and profits, to expand but they cannot, he points out, expand faster than production with any benefit to anybody.

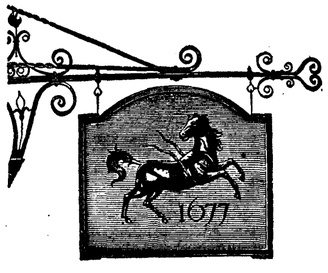
INTERNATIONAL FINANCE CORPORATION

The prospects for bringing into existence the International Finance Corporation, the new affiliate of the World Bank, have further improved, now that action to join the Corporation has been completed in 25 countries. The Corporation can come into being only when a minimum of 30 countries have joined with subscriptions amounting to at least $75 million. The capital subscriptions of 25 countries now amount to $64.5 million. The five countries which have completed action since April last are El Salvador, Jordan, Norway, Pakistan, and Sweden.

Some 27 other countries have expressed their intention to join and several of these have completed the necessary legislative action to enable them to do so. Their adherence to the Corporation is expected in the near future.

Last year, India initiated legislative action to become a member of the Corporation. Its contribution to share capital amounts to Rs. 2.11 crores ($4.43 million) and the payment towards this was made in November last.

The Corporation is intended to serve the purpose of furthering economic development by encouraging the growth of private enterprise in member-countries belonging to the less developed areas.



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AMENDMENTS TO RESERVE BANK ACT

SOME REFLECTIONS

By Dr. K. K. Sharma

A BILL was recently introduced in the Lok Sabha to grant additional powers to the Reserve Bank of India to regulate credit extension by other banks and to check any inflationary trends that might threaten to develop in the country due to deficit financing in the second Five-year Plan. There are several factors which lead to a rise in money supply in the country. First, an increase in the monetised sector must lead to a rise in money supply and, as the effects of economic planning become visible, production, trade, internal and foreign, employment, incomes and living standards must rise. Secondly, some spurt in prices is inevitable to augment production and a rising price level requires an increase in money supply. Thirdly, the second Five-year Plan envisages an annual increase of five per cent. in production which ought to warrant a rise in money supply. Finally, a rise in *per capita* income must lead to a rise in consumption and living standards of the masses.

All these factors will bring about a rise in money supply. And money supply here both bank money in the form of deposits, created and made in cash, and legal tender money circulation or note circulation.

The process of planned economic development necessarily implies a certain amount of credit creation and a consequent increase in the note issue. The Reserve Bank of India must, therefore, be enabled to increase the money supply in the country with a view to enable the successful impiementation of the second Five-year Plan. The proposed amendment to section 33 of the Reserve Bank of India Act is directed with this object in view.

Section 33 (2) of the Reserve Bank of India Act provides that "of the total amount of the assets, not less than two-fifths shall consist of gold coin, gold bullion or foreign securities: provided that the amount of gold coin and gold bullion shall not at any time be less than forty crores of rupees in value." This means that the proportion of gold and foreign assets to the total note circulation should be forty.

Total Assets

According to the statement of affairs of the Reserve Bank of India for the week ended 30th March 1956, the total assets of the Department were Rs. 1,478,41,10,000. Gold and foreign securities were worth Rs. 696,48,31,000 or 47.107 per cent.

In 1951-52, the average of Friday figure of notes in circulation came to Rs. 1,163.21 crores and the total of the Issue Department came to Rs. 1,217.62 crores. The total assets rose from this figure to Rs. 1,478.41 crores by the end of March 1956. This means that the assets rose by Rs. 261 crores or by about 21 per cent. during the first Plan period. The notes in circulation rose from about Rs. 1,190 crores in 1951-52 to about Rs. 1,467 crores on 30th March 1956 or by 23 per cent. Thus, as against a rise in production of about 18 per cent. in the national income during the first Plan period, the note circulation rose by 23 per cent.

In the second Plan period, production is expected to rise by 25 per cent. The pace of rise in the second Plan will be 33 per cent. higher than in the first Plan. Roughly to maintain a moderate rise in price level, note circulation may rise by about 30 per cent. It may go up to about Rs. 1,900 to Rs. 2,000 crores by the end of March 1961, that is, the end of the second Plan.

According to the present provision of the Reserve Bank of India Act, 40 per cent. of the total assets must be in gold or foreign securities. That means that, if the total of the Issue Department rises to Rs. 2,400 crores, the minimum percentage reserve must be Rs. 960 crores in gold or foreign securities. As pointed out above, gold and foreign securities on 30th March 1956 amounted to about Rs. 697 crores. That means that, under the existing percentage reserve system, a large amount of foreign assets must be immobilised which the country can ill-afford. In fact, the demand for foreign exchange in the second Five-year Plan will be near about Rs. 1,600 to Rs. 2,000 crores. The existing percentage reserve system, will, therefore, lock up a large part of our foreign assets.

Under the proposed amendment to section 33(2) of the Reserve Bank of India Act, there is to be a minimum holding of Rs. 400 crores in foreign securities and Rs. 115 crores in gold in the Issue Department of the Reserve Bank of India. The fixed minimum reserve method will lead to greater elasticity in currency and credit which will become indispensable in the second Five-year Plan period, when, for the various reasons discussed above, a rise in note circulation to near about Rs. 2,000 crores at least will become indispensable.

It may be recalled in this connection that, in England, under the Currency and Bank Notes Act of 1939, restrictions are imposed on the Issue Department. It is allowed to issue notes to the value, at the official market price, of the gold it holds; but the Bank in fact holds practically no gold and this provision is ineffective. The Bank is allowed to issue notes without gold backing to the value of £300 millions, or whatever sum may be agreed upon by the Treasury on application by the Bank. Of course, Treasury permission to raise the fiduciary issue has to be notified to Parliament and in January 1952, the fiduciary issue limit was £1,450 millions.

Section 33(4) of the Reserve Bank of India Act provides that gold coin and gold bullion shall be valued at 8.47512 grains of fine gold per rupee. This means that the existing gold is valued at the statutory price of Rs. 21-3-10 per tola. The world price of gold is Rs. 166 per oz. which means about Rs. 75 per tola. This section is being amended to revalue gold at the rate agreed to by the International Monetary Fund. At the international price of gold, the existing gold now shown at Rs. 44 crores is really worth about Rs. 160 crores.

Further, under section 37 of the Act, the assets requirements of the Issue Department of the Reserve Bank may be suspended initially for a period of 30 days only which may subsequently be extended of and on by periods not exceeding 15 days at a time. The amended provision seeks to permit such suspension initially for a period of six months which may be extended from time to time by periods not exceeding three months at a time.

Tax Provision

The existing provision regarding payment of tax to Government when the holding of the assets of the Issue Department falls below the minimum prescribed by sub-section (2) of section 33 is being deleted as the nationalisation of the Bank has secured the entire surplus profit of the Bank for the Government and the implication is that the provision relating to the payment of the penal tax has lost its significance.

This provision should, however, be retained. The surplus profit of the Bank is, of course, payable to the Government; but, according to accountancy principles, the net profit is arrived at after deducting the tax and deletion of the provision will inflate the profits and hide the real state of affairs from the public.

Deficit financing will increase bank reserves and it will increase the power of banks to create credit. The Bill, therefore, seeks to empower the Reserve Bank to control bank credit by varying the reserve requirements. The present provision is that Scheduled banks have to maintain 5 per cent. of demand liabilities and 2 per cent. of time liabilities free of interest with the Reserve Bank. The amendment empowers the Reserve Bank to vary reserve requirements of Scheduled banks within the range of 5 to 20 per cent. in respect of demand liabilities and 2 to 8 per cent. in respect of time liabilities and to require them to maintain additional reserves in respect of any increase in deposits with them after a specified date and the additional reserves required to be maintained may be up to 100 per cent. of such increase. The overall reserves so to be maintained should not, however, exceed 20 per cent. of demand liabilities and 8 per cent. of time liabilities.

The aforesaid percentages are the outer limits and within them the Reserve Bank is being authorised to prescribe ratios in such a manner as to immobilise the maximum amount of deposits necessary, without, at the same time, adversely affecting such banks as have not participated in the rise in deposits. The amendment also provides for payment of interest to Scheduled banks at the discretion of the Reserve Bank. Such interest is not, however, payable if the prescribed minimum balance is not maintained.

A similar provision exists in the Federal Reserve Bank Act. The requirements in effect in late 1953 in the Federal Reserve Banking system are:—

	Range	In effect
Demand deposits:		
Central reserve city banks ...	13 to 26	22
Reserve city banks	10 to 20	19
Country banks	7 to 14	13
Time deposits for all member-banks	3 to 6	6

It may be pointed out that the American system which treats different banks in different manner is more suitable than the proposed amendment to the Indian Act. The Reserve Bank will, of course, take into consideration the extent of rise in deposits, while fixing these ratios, but it would be proper to lay down some principles, according to which the ratios would be fixed by the Reserve Bank of India. There can be some such criteria as are laid down with regard to capital standards for different banks in the country.

So far, the Reserve Bank of India was not empowered to control credit through the method of varying the cash reserve ratios of the banks. It has now become necessary to give this power to the Reserve Bank, because of the growing deposits of banks in our country. The importance of this method in respect of credit control grows with the growth of bank money in relation to currency in circulation.

In 1950-51, the total money supply with the public in our country was Rs. 2,006 crores, of which deposit money (demand deposits) came to Rs. 667 crores. The corresponding figures for 1954-55 are Rs. 1,981 crores and Rs. 669 crores, respectively.

The total deposits of Scheduled banks in India rose from Rs. 918 crores in 1951 to Rs. 996 crores in 1954. The deposits of Non-scheduled banks rose from Rs. 26 crores to Rs. 67 crores during the same period. The total went up from Rs. 944 crores to Rs. 1,063 crores during the period. The note circulation went up from Rs. 1,190 crores in 1951-52 to Rs. 1,196 crores in 1954-55. Thus the supply of bank-money is fast catching up with that of legal tender money. Hence the importance of arming the Reserve Bank of India with this new method of credit control in the second Five-year Plan, with particular reference in the context of deficit financing, is great.

The Federal Reserve System: Purposes and Functions, a publication of the Federal Reserve Board, Washington, 1954, describes the effects of changes in reserve requirements thus: "Because changes in reserve requirements affect at the same time and to the same extent all member-banks subject to the action, they are a potent instrument. Their immediate incidence . . . is upon the operating reserves and liquidity positions of the affected banks. Increasing or decreasing the available reserves and liquidity of banks tends to find prompt response in the rate of bank lending and investing, in the tone of the whole credit market, and in the rate of monetary expansion. The fact that the multiplying power of bank reserves is affected exerts either a dampening or an accelerating influence on the expansion of bank credit and money."

Time and Demand Deposits

The distinction between time deposits and demand deposits is mainly due to the limitation of the right of the public to exchange time deposits for cash. According to Sayers, the cash reserve ratios were based on the protection of the public against banking illiquidity rather than on the significance of the cash ratio for central banking control. According to him, the lower ratio to be held against time deposits than against demand deposits may be a source of embarrassment to the efficiency of central bank control. He writes that "despite much discussion on this point, the confusion between legal regulation of cash reserves to protect the public against banking illiquidity and legal regulation of cash reserves to give control to the Central Bank has continued to appear in new central bank charters (as, for example, in those of New Zealand, the Argentine, and India). For purposes of central bank control, one flat rate is highly desirable. Open market operations may then be relied upon to cause a predictable change in the aggregate supply of bank deposits in the country." (*Modern Banking*, pages 127 and 128, Third Edition.)

In America, member-banks may not allow their cash reserve ratios to fall below the legal minima. They may, however, raise the reserves above the legal minima. Of course, the profit motive may be relied upon to prevent the maintenance of excess reserves. Exceptions will occur only when the earning assets available for banks are not sufficiently attractive. In the nineteen-thirties in the U.S.A., gold influx was so great that the supply of bank cash greatly increased. The demand for commercial bank loans was low. As a result of the banking crisis, the banks were unwilling to touch whole classes of assets. They had purchased enormous amounts of Government securities on which the yield was very low. They were, therefore, unwilling to stuff their portfolios with Government securities *ad infinitum* and preferred to allow their cash ratios to rise far above the old legal minimum The surplus reserves of the member-banks rose so high that the Reserve Banking system could not bring any contractionist pressure to bear by selling securities. The security reserve might be exhausted before member-bank reserves had been brought down to the legal minima. With boom conditions again, the system could not check the enormous amount of bank credit as the demand for it developed. It was to meet this extraordinary position that in 1949 the fixed ratios of the earlier period were replaced by the variable reserve ratios. The system has been able to prevent undesirable expansion of bank credit by raising the ratios. A rise in the required ratio, by immobilising the former excess cash, is equivalent to a destruction of cash by open market security sales. In the reverse case, a fall in required ratios releases cash from legal requirement and adds to excess reserves. The result is that credit expansion by banks is encouraged.

Reserve Ratio

It is this variable reserve ratio system that is being adopted in India, with the Reserve Bank of India being armed with the necessary powers to exercise credit control to prevent inflationary pressures from developing as a result of deficit financing. The public debt of the country has risen considerably since the second World War. It has gone up from Rs. 1,200 crores to about Rs. 3,300 crores since the beginning of World War II. It is likely to go up as a result of the success of loans that may be floated in the second Five-year Plan period. Thus, the Reserve Bank of India will have scope to pursue effectively open market operations policy along with the power to vary the cash reserve ratios of banks.

One word more about the variable reserve ratio provisions which are being introduced in the Reserve Bank of India Act. The proposed ratios are 5 to 20 per cent. in the case of demand liabilities and 2 to 8 per cent. in respect of time liabilities. In the U.S.A. the Board's Regulation D was amended in 1954 so as to reduce the reserves required to be maintained by member-banks with Federal Reserve Banks. The percentage applicable on time deposits for all member-banks was reduced from 6 to 5 per cent. and the percentages on net demand deposits were reduced from 22 to 20 per cent. for central reserve city banks, from 19 to 18 per cent. for reserve city banks, and from 13 to 12 per cent. for all other member-banks. (Source: Page 50 of the *Forty-first Annual Report of the Board of Governors of the Federal Reserve System*, 1954.) The proposed maxima in the Indian Bill seem to be higher than in the U.S.A. prevailing at the present time. The statutory maxima for time deposits should be 5 per cent. as in the United States, while those for demand deposits can be fixed within 20 per cent. for different banks from time to time.

With regard to the effect of changes in reserve requirements, it may be said that such changes do not directly alter the total of reserves but they do change the proportion of bank deposits that must be held as reserves with the Reserve Bank of India. Hence changes in reserve requirements affect the liquidity position of member-banks and consequently the amount available for lending or investing. These changes also affect the rate of multiple expansion of deposits for the entire banking system. As explained in *The Federal Reserve System: Purposes and Functions*, a publication of the Federal Reserve Board: "On a 15 per cent. reserve requirement against demand deposits, $100 of reserves will support a deposit volume of $666 . . . and on a 10 per cent. basis it will support $1,000 of deposits.

Thus changes in reserve requirements are a powerful instrument for influencing the volume of bank credit and money. It may, however, be pointed out that this instrument of credit policy is not adapted to day-to-day changes in banking and monetary conditions. Even small changes in reserve requirements of one or two percentage points result in large changes in the available reserves and liquidity positions of member-banks. Frequent changes in requirements would be disturbing to member-banks and to the credit market. Hence this method of credit control is usually employed only when large-scale changes in the country's available bank reserves are necessary.

The Local Boards are also to be abolished as a result of the proposed amendment. Another change seeks to empower the Reserve Bank of India to make loans and advances from the National Agricultural Credit (long-term operations) Fund recently established as a result of the recommendations of the Rural Credit Survey Committee. Such loans and advances include medium-term loans to State Co-operative Banks for agricultural purposes. These banks will be able to lend money to small and medium cultivators for such purposes as are allied to or will assist agricultural activities, such as purchase of shares in co-operative societies.

In my opinion, the Reserve Bank of India Act should be changed in fundamental respects to permit of the establishment of regional Reserve Banks on the American model.

India is a vast country whose different regions have different industries and grow different agricultural crops. Their credit and economic problems differ in needs. Regional Federal Reserve Banks should, therefore, be set up in the country, which will be in effective touch with their constituents, subject to the overall control of the Central Board. This aspect must be examined with a view to seeing how far it can be applied in our country.

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WORLD WOOL CONSUMPTION

SIZABLE INCREASE RECORDED IN FIRST QUARTER OF CURRENT YEAR

UNLIKE cotton, which is known to be yielding place to the synthetic fibres, wool is apparently able to hold its own. Indeed, world wool consumption is on the increase. Thus, during the first quarter of the year, according to the latest estimates of the Commonwealth Economic Committee, consumption of wool in the world was about 5 per cent. higher than in the previous quarter and 10 per cent. higher than in the corresponding period of 1955. It must, however, be added that the first quarter of the current year is not strictly comparable with the previous quarter, inasmuch as the former had a larger number of working days in all the chief manufacturing countries than the latter period. Even if allowance were made for this fact, consumption in the first quarter of the current year was greater than in the previous quarter. Thus, the daily rate of consumption in the first three months of 1956 increased by a little over four per cent. over the previous three-month period.

An outstanding feature of the quarter under review was the improvement in consumption in the U.S. and Japan which was 11 per cent. higher in each case than in the fourth quarter of 1955. There was a marked rise in France and a lesser improvement in the U.K. but W. Germany and Italy appear to have experienced a slight setback.

The combined figures for the United Kingdom, U.S.A., France, W. Germany, Japan, Italy, Belgium, Australia, the Netherlands, Canada and Sweden show wool consumption in the January-March quarter of this year to have been 474 million lbs. (clean), which was higher than in any quarter of last year and compares with 451 million lbs. in the October-December quarter, which was the highest three-monthly figure during 1955.

The production of wool and hair tops in the eleven major producing countries, it is estimated, increased by about 9 per cent. in the first quarter of 1956, as compared with the previous three months and aggregated 277 million lbs. The largest increase was in the United Kingdom where output rose by 6.3 million lbs. (8 per cent.) to 84 million lbs. In the United States, production expanded by 5.3 million lbs. (16 per cent.) to 39 million lbs. and in France by 4.7 million lbs. (11 per cent.) to 49 million lbs. There was also a 4-million-lb. increase in Japanese output, which rose by 18 per cent. Although figures for tops production in Uruguay are not available, some idea of the trend of output in that country can be obtained from export returns, since the greater part of the production is known to be for export. Preliminary returns indicate that exports in the first quarter of 1956 amounted to some 8½ million lbs. or a shade lower than in the previous three months. As compared with a year ago, total production of tops in January-March showed a rise of 13 per cent. Practically every country recorded an increase, except Sweden, the output of which fell by 15 per cent.

Yarn Output

Aggregate output of woollen and worsted yarn in the eleven major producing countries came to 645 million lbs. in the first quarter of 1956, or only one per cent. higher than in the previous quarter. Most of the reporting countries recorded declines in output, the largest being in W. Germany and Belgium (10 per cent. in each case). There were reductions of 4 per cent. each in French, Australian and Swedish production, with smaller declines in the United Kingdom and the Netherlands. These falls, however, were offset by an estimated rise of 13 per cent. in United States' output from 162 to 183 million lbs. and by smaller increases in Italian and Japanese production.

An important factor which influences the production of woollen fabrics and, therefore, of consumption of raw wool is the state of the export trade. In many Western countries, the wool industry is one of the leading export industries. Thus, in the U.K., this industry has contributed a great deal to the country's export earnings, especially on dollar account. Nevertheless, the U.K. faces, according to the Bradford correspondent of the London *Financial Times*, competition from both Japan and Italy. This competition, it is stated, is regarded as unfair because it is based on "subsidised prices or double pricing." Referring to Italian competition, the correspondent says: "In West Germany, Italian competition is especially strong at prices which appear to be a third of the British and other European cloths. West Germany accounts for about 40 per cent. of Italy's European trade in cloth and Britain 30 per cent. The Italian cloths are cheap woollens and, in this type of trade, the Batley, Morley and Colne valley districts of the West Riding have built an enviable reputation for great skill in producing attractive materials often from the most unpromising raw materials." Competition from behind the Iron Curtain is also stated to be increasing. Thus, Polish cloths are competing with the British in several European countries.

Nor is competition confined to Britain's export markets. Imports into the U.K. have also increased. This means that Britain's woollen industry is faced with conditions which resemble those of its cotton industry. Nevertheless, imports, it is stated, have not reached a level at which the industry as a whole feels impelled to make any protest. Only, in the case of competition from both Japan and Italy, the industry feels that it should be protected by the Government. It is likely to press the Government to expedite the proposed legislation for acquiring powers to deal with dumping.

U.S. TEXTILE INDUSTRY

A notable feature of world textile trends in recent years is the emergence of the U.S. as one of the leading exporters of textiles. Whereas some of the older textile-producing countries like the U.K. find it difficult to export even half the quantity they exported in pre-war years, the U.S. has been able to show a sizable improvement in its export trade. Thus, between 1938 and 1955, U.S. exports of cotton textiles increased from 320 million square yards to 542 million square yards. Between these two years, exports of cloth from the U.K. declined from 1,386 million square yards to 554 million square yards. The U.S. has been able to reach a high level of technical efficiency in textile production through the installation of modern equipment and adoption of advanced technical processes. In this connection, a review of the American textile industry, which forms part of the survey of economic and commercial conditions in the U.S., published by the U.K. Board of Trade in its "Overseas Economic Surveys" series, will be read with interest.

Approximately 8,000 firms, according to the Survey, are engaged in the manufacture of textile products. There have been two major developments in the textile industry since the Second World War. The first is the trend in the cotton industry to move from New England to the south-eastern States. Since 1951, 14,000 cotton and rayon looms have closed down in the New England area while new factories have sprung up in the States of Georgia and North and South Carolina. There are several reasons for this move, the main one being the cost of operation in New England, owing partly to the necessity of modernising mills and to labour costs.

The second development is the great increase in the use of the new artificial fibres as opposed to the older rayon and acetate fibres. Production of these new fibres has increased from 47¼ million linear yards in 1948 to about 296 million linear yards in 1954. There has also been a spectacular rise in the use of nylon, output of which has increased from 32½ million yards in 1948 to some 364 million yards in 1954. As a result of this increase, the relative consumption of both cotton and wool has fallen. Cotton made up 85 per cent. of the total fibre used in 1939; by 1954 the proportion had fallen to about 68 per cent. Wool has also fallen from 9 per cent. of the total fibre used in 1939 to about 8 per cent. in 1954. The trade estimates that by 1975 cotton may provide 53 per cent. of the fibre used, rayon 23 per cent., synthetics 18 per cent. and wool 6 per cent.

While the proportion of cotton in the total fibre used throughout the world has fallen by about 7 per cent. between 1937 and 1954, it has fallen by 17 per cent. in the United States. The proportion of synthetics in the total fibre used throughout the world has increased by about 7 per cent. over the same period whereas in the United States it has increased by 20 per cent. By 1975 the proportion of cotton used in the United States is expected to have fallen by about 32 per cent. compared with 1939 and the proportion of synthetics to have increased by about 38 per cent. Synthetic fibres are being increasingly used in the manufacture of tyres. This is a trend that is likely to continue and it is thought that shortly there may be no cotton used in the manufacture of tyres.

Production of cotton piecegoods has remained fairly constant over the past five years at between 9,500 million and 10,200 million linear yards per annum. Within this total the yardage of printed fabrics rose from about 3,650 million to 3,900 million between 1950 and 1954 while the yardage of narrow sheetings and allied coarse and medium yarn fabrics fell from about 2,700 million to 2,500 million. The number of spindles in the cotton industry has remained constant at approximately 22 million. Over half of the cotton mills are now situated in Carolina and in Georgia, about 15 per cent. are in New England and another 15 per cent. in the New York, New Jersey, Pennsylvania area.

Production of rayon broad woven fabrics suffered a fall in 1953 of some 500 million linear yards from the peak year of 1950 when production was 2,406 million linear yards. Production in 1954 was lower still at about 1,625 million yards. The most important section of the rayon industry is that engaged in 100 per cent. filament, rayon and/or acetate fabrics, though output has declined from 1,600 million linear yards in 1950 to about 850 million in 1954. Following this in importance, with somewhat less than one-half of the present output of filament fabrics, is 100 per cent. spun rayon and/or acetate fabrics. The balance of the total is made up of mixtures of filament and spun rayon and acetate, pile, upholstery and tie fabrics and various other specialised manufactures. Output of rayon and acetate filament yarn in 1954 was 707 million lbs. and of staple and tow 379 million lbs., compared with 887 and 310 million lbs. respectively in 1953.

Manufactures of woollen and worsted fabrics have declined steadily since 1946, in which year 603 million yards were produced. In 1954 this figure had fallen to 338 million yards and the decline seems likely to continue. The proportion of woollen fabrics to worsted was, in 1954, 196 million yards to 104 million yards and this proportion seems to be more or less constant. Although half of the woollen and worsted mills are still located in New England, since 1951, some 9,500 woollen and worsted looms have closed down in that area which has always been the heart of the textile industry. The New England States are seeking new industries to compensate for the loss of employment caused by the reduction in textile activity. Apart from the transfers of operations to the South referred to above, another cause for the reduction in wool textile activity is the use of synthetics for summer suits instead of tropical worsted which, although it is probably still the most satisfactory cloth, is more expensive.

The yardage of 100 per cent. nylon broad woven fabrics manufactured in the United States has increased from 32½ million yards in 1948 to about 365 million yards in 1954. This increase has been followed by other and newer man-made fibres that have passed the period of testing and have now reached a point where they are receiving public approval. It is likely that their increasing rate of production, particularly of blends with other fibres, will continue. Estimated production of nylon in 1953 was 160 million lbs. and "Dacron" ("Terylene") 8 million lbs. Output of "Dacron" in particular doubtless rose substantially in 1954.

JAPANESE MILLS

Nearly all Indian visitors to Japan have been struck by the rapid recovery of that country after the ravages of the last war, and, more particularly, by the progress of that country's textile industry. A recent Indian visitor to Japan was Mr. Babulal Bubna, Director, Hind Mills Ltd., who too has been impressed by productivity levels in that country. Summing up his impressions, Mr. Bubna says:

"The textile industry in Japan is composed of three groups, the large enterprise (generally known as the 'Big Ten'), the medium and the small enterprises. The wages and conditions vary considerably according to the type of the mill, with the 'big ten' mills having much better wages and conditions. After the war, Japan had a textile industry composed of little more than two million spindles as most of it had either been destroyed or dismantled during the war years. At present, however, there are many modern mills containing every up to date technical development. It will be realised that the capital required for the re-establishment of the textile industry is so great that it was impossible to meet the cost out of the reserves. Large sums were, therefore, borrowed and the industry now carries a heavy burden of debt, having to pay 9½ per cent. interest on an average.

"Generally speaking, the working conditions in Japanese mills are of the European standards. At present, there are about seven million spindles, out of which five million spindles had been installed after the war and the lay-out of these new mills is excellent. The wages of the textile worker in Japan reveal a rather surprising uniformity. In all larger mills owned by the Big Ten, wages are at their highest, whilst at the medium sized mills they are lower. On an average, wages are 7,000 yen per month. The work-load per worker in Japan is far more than in India, one worker attending to 60 looms and a piecer attending to 2,000 spindles. One remarkable feature is that the workers, who are usually girls, are all very young, the average age being 21, and the period for which they work being not more than five years. Males are found only in the supervisory grades and their average wage is 15,000 yen per month. The textile industry in that country has made rapid progress and it can compete with any other textile manufacturing country because of the modern machinery and rationalised labour."

STAIN-REPELLENT COTTON FABRICS

Cotton fabrics incorporating a new stain- and water-repellent finish are being shown in London by the directors of a British firm who are about to begin a 50,000-mile world tour to introduce the fabrics to the export market.

In a demonstration, ink, tomato sauce, sherry, and other heavy-staining liquids were poured on the treated cotton fabric. When water was sponged over it, the stains disappeared, and the fabric, when shaken, dried immediately. The originators of the process claim that the fabric stands up well to any kind of hard laundering treatment. It is expected that the cottons will be available for the British as well as the export market by the end of the year.

SUGGESTION FOR CURTAILING IMPORTS OF CLOTH FROM JAPAN

SHARE OF COMMONWEALTH IN BRITAIN'S TEXTILE EXPORTS

From Our Special Correspondent

MANCHESTER, 12*th June*

NOT for the first time has Mr. Cyril Lord taken it upon himself to whip up the somewhat flagging enthusiasm for the cause in favour of protection against foreign cloth imports. His new and original approach to M.Ps. has caused a good deal of talk. If publicity is what the case requires, Mr. Lord is the man to seek, and usually get, it.

MANCHESTER LETTER

It has been suggested in some quarters that whatever the leading organisations may feel on the subject the rank and file of cotton workers will be behind the agitation. That the Government itself is not impressed was quickly established by the comments of Mr. Low, Minister of State, at the Board of Trade. He shifted not one inch from the Government's recognised position of rejecting any claim for protection.

Mr. Lord's solution is directed mainly against the Japanese, whose imports he suggests should be severely curtailed. In their place he proposes that India and Hong Kong grey cloth should be used, after finishing in this country, for re-shipment to British Colonies in direct competition with Japanese products.

There are details in the case presented by Mr. Lord which do not quite square with the accepted facts. Foreign imports of cotton cloth into this country have fallen to some extent and are not in any case as large as they were in the 1949-51 era. Whatever the future may bring, Japanese exports of cotton goods last year suffered a severe setback and the quantity so far imported into the United Kingdom in the first four months of 1956 has been very much smaller than a year ago.

World Trade

The vital factor which cannot be ignored is that world trade in cotton goods as a whole is steadily shrinking. There is increasing competition for the remaining markets while formerly backward countries are slowly becoming industrialised and beginning to make their own requirements. It is impossible to put back the clock and Lancashire's main task is to retain as much trade as possible in the adverse circumstances prevailing. From this viewpoint it is legitimate to endeavour to maintain our close contacts with Commonwealth markets and if the means are available for securing foreign cloth on advantageous terms for finishing here and re-export this system should be maintained.

There is little or no argument in Lancashire on that score. Where the outcry arises is in the "open-door" policy, providing foreign competitors with the means to send duty-free goods to compete with locally-made products at home. Here, Mr. Lord appears to have no fresh proposals to make other than the complete protection which he called for at last year's Harrogate conference and which the Government has steadfastly refused to provide.

Empire's Share

Local dependence on export trade with British Commonwealth markets has frequently been commented upon in the past. The situation is just as true today as it has been in recent years and the latest developments on the export front show that despite the general decline in cotton cloth shipments abroad the proportion of goods sent to Empire markets has remained constant.

The following table gives the leading Commonwealth customers so far this year as well as recent comparative figures:

(In million square yards)

Destination	1955	First four months of	
		1955	1956
Sierra Leone	14.4	4.9	5.2
Gold Coast	44.2	16.3	7.3
Nigeria	48.1	21.7	9.7
South Africa	55.6	21.4	19.1
Rhodesia and Nyasaland	21.8	9.2	9.1
India	6.5	1.1	3.9
Pakistan	6.6	0.7	3.0
Singapore	4.1	1.3	1.6
Malaya	3.6	1.6	0.9
Ceylon	9.4	3.5	3.2
Australia	99.8	38.8	25.4
New Zealand	37.4	13.8	9.6
Canada	8.4	2.7	3.2
Commonwealth total	409.1	158.8	113.9
World total	554.5	211.3	158.2

Although these markets combine to take nearly three-quarters of Lancashire's overseas turnover there has lately been a slight movement towards increased trade with other areas. The proportion of shipments to Empire countries throughout last year was 73¾ per cent. but in the early part of 1956 this figure has fallen to below 72 per cent. The sharp contraction in business recorded for the West African colonies, Australia and New Zealand is to a large extent responsible for this development.

The ground gained in other directions, moreover, is relatively small, but it is significant that dollar sales to the United States have made some headway this year. Exports to the end of April were 4,759,000 square yards, as against 3,904,000 square yards. Trade with South American countries, which provided a substantial turnover for Lancashire firms before the war, has now been practically eliminated.

In assessing the further drop in export trade in Lancashire cotton textiles, the official returns show that the decline has spread over all types of cloth. The major drop, however, has been in printed fabrics, which account for less than 55,000,000 square yards this year as against 81,000,000 in the same period of 1955.

Imports of Empire cotton into this country last year were slightly lower at 417,500 bales but the proportion of total arrivals improved from 21.4 per cent. to 25.6 per cent. The report of the Empire Cotton Growing Corporation points out that, in 1952, purchases represented 30 per cent. of all imports.

Although Lancashire spinners continued to buy similar total quantities of Empire-grown cotton, the survey records big and important changes in its distribution. Imports from East Africa, for instance, fell from 87,000 bales in 1954 to only 22,000 bales in 1955. Arrivals from Nigeria increased from 142,000 bales to 187,000 bales, the whole of the crop exported being sold to this country.

The big drop in imports and consumption figures for East Africa is a disappointing feature. Lower freight charges to India undoubtedly helped to stimulate the use of the cotton in that country but, as the report says, they do not explain why Continental spinners last year used so much more East African cotton that did Lancashire mills.

Increases on minimum wage rates for 24,000 workers in the narrow fabrics section of the textile industry have been announced by the Joint Industrial Council for the industry. The increases operating from the first week in July, range from 3*s.* 9*d.* to 9*s.* 4*d.* a week. Workers receiving more than the new minimum rates will get from 3*s.* 9*d.* to 5*s.* 7*d.* a week more. Workers in the narrow fabrics industry produce ribbons, braids and tapes.

Latest details of the labour force in the Lancashire cotton industry given by the Cotton Board show that in twelve months the mills have lost nearly 24,000 workers. At the beginning of May this year, the number of workers in the spinning, doubling and weaving sections of the industry had fallen to 251,880 from a total of 275,740 on the comparative date last year. Losses in the weaving section amount to over 13,000 and in spinning to 9,000.

Production of cotton and rayon cloth in the month to 28th April averaged 46,440,000 yards weekly as against 46,340,000 yards in the previous month and 48,320,000 yards in the corresponding month last year. Cotton Board figures of cotton and rayon yarn output in the week ended 26th May show that Whit-week holidays restricted production to 14,090,000 lbs. This compared with 17,650,000 lbs. in the previous week and 18,030,000 lbs. in the corresponding week last year.—*All Rights Reserved.*

EXPORT TRADE

At a recent meeting with representatives of North West export firms in Manchester, Mr. A. R. W. Low, Minister of State at the Board of Trade, said it had been the most successful he had held in Manchester, since he became a Minister, and also the most valuable since he started visiting different parts of the country for discussions on the export situation. Among the questions raised were market restrictions and subsidies and dumping practices on the part of other countries. During a Press Conference, Mr. Low figured in a clash with Mr. Cyril Lord, the Lancashire textile manufacturer, who said he represented a national newspaper.

Mr. Low said that in the past few months the Board of Trade's export services branch had dealt with 33 per cent. more enquiries than at the same time last year. Earlier, he had told exporters the Government was determined to end inflation.

"We cannot be competitive in our price if costs of production are constantly rising, and we cannot be competitive in delivery if the demand at home sucks up too much industrial effort," he said.

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INNOVATION AND CHANGES IN U.S. ECONOMY

AUTOMATION REGARDED AS BEGINNING OF SECOND INDUSTRIAL REVOLUTION

By Dr. Henry Tenenbaum

LECTURER IN ECONOMICS, AMERICAN UNIVERSITY, WASHINGTON

THE United States is rightly known as the country of the pioneer. Ever since the first settlers started the penetration of this vast continent, they were faced with the necessity of coping with entirely new problems which an unknown environment imposed upon them. It is this tradition of exploring the unknown, of constant adaptation to new conditions, of finding solutions to problems without precedent, that has decisively shaped the psychology and attitudes of the American people. Even today, at a time when the achievements of the American economy with respect to production and technology are well known, the spirit of pioneering and change is still as much alive as ever before.

The basic idea which guides American economic thinking is that of an expanding economy. The belief in the continuous growth of the economy is not only based on the deep-rooted optimism in the country's future but also on the factual record. In 1940, the country had a gross national product of $100,600 million and a labour force of 55.6 million people. In 1955, the gross national product amounted to more than $387,000 million with a labour force of 65.8 million people. The gross national product for 1965 is estimated at $500,000 million with a working population of 10 million more.

Moreover, the growth of the national product has resulted in the working population sharing increasingly in the country's wealth and prosperity. The personal income of the American people amounted to $96,300 million in 1941. By 1955, it had risen to $303,100 million and it is expected to grow further with the increase of the gross national product. This increase in personal income translates itself into an increase of the purchasing power of the population and assures the manufacturer of a continuously growing market for his products. As a result, the American manufacturer does not hesitate to invest huge amounts in new plants and equipment.

An ever-expanding international trade, an exchange of goods—and ideas—with other countries, is another expression of the spirit of the American economy, which is fully aware of its interdependence with economic developments in other nations.

While the American economy is producing higher incomes for its population, it is also gearing its ingenuity and creative thinking towards the development of an ever-increasing variety of new designs and products. These are diversifying the consumer's choice, making life easier and providing more leisure for the average man and his family. New real and hidden needs in all fields of human activities are thus constantly being created and satisfied.

The dynamic character of the American industry involves a steady abandonment of established production and consumption patterns. Competition being keen, the manufacturer knows that he has to turn out new ideas and products if the company is not to lose its market to competitors who are more eagerly catering to the desire of the consuming public for new and better goods. The constant change in production and consumption patterns has developed a keen awareness in business of the need for continuously exploring new products, designs and ideas and, at the same time, for studying all the factors determining the demand for its products. Today, one of the chief assets of an American corporation is its investment in research and development.

Thus, American business, while carrying out its task for the present market, is steadily planning for and anticipating the future. It is generally admitted that a product which is a great earner today could possibly be a loser tomorrow. Therefore, it is a matter of survival for American business to take changes in its stride and to welcome them.

Anticipation of Risks

It is the anticipation of the risk factors involved in such a dynamic economy that explains, for example, the present trend towards diversification of production and investments in industry. Companies want to diminish their risks by taking advantage of the growth potential of other and particularly new industries. A leading rubber tyre company recently bought a motion picture studio. A food company has become a leader in the electronics field. This trend towards diversification is a dramatic proof that American industry has no tendency to adhere to rigid patterns and the *status quo*.

These changes and innovations create, of course, problems of adjustment for business, labour and the general public. In this respect, it can be said that all elements of the American economy show the highest degree of flexibility. This flexibility reveals itself particularly in the mobility of labour, capital, scientific knowledge, technical skill and managerial "know-how". Migrations of people from all walks of life are a permanent feature of the American scene. The creation of new plants never fails because of difficulties in attracting people to move to new locations. Wage incentives and the creation of community facilities similar to those at home make the move worthwhile.

What applies to labour is also true for capital. Many reasons may be in favour of a company choosing the site of a new plant far away from the chief establishments. The problems and alternatives involved are carefully studied. When the decision is made, all of the obstacles, be they lack of labour, power, transportation, community facilities such as housing, churches, and schools, are sure to be overcome.

Flexibility

Such flexibility and the continuous changes engender, of course, problems of community and business dislocations and the like. However, people are prepared to take these hazards in their stride. None of the inconveniences or even hardships are considered insuperable.

There are some instances of industries suffering from economic dislocation. The latter generally affects individual firms as well as entire communities or regions as a result of the closing down or the slow decline of the town's or area's only industry. However, the solution of problems of depressed areas, as they are called, is being sought by a multitude of means. Through self-help, the organisation of appropriate bodies, such as development corporations in which all responsible elements of a town or area participate, a wider industrial diversification and frequently more employment than before are brought into the area.

Problems of depressed areas are not only being attacked locally but also by State and Federal Governments. State development agencies are functioning throughout all the states. The Federal Government assists by placing Government contracts and defence facilities in those areas, in addition to advising them through the Office for Area Development, specially created for handling such matters within the U.S. Department of Commerce. In his Economic Report to Congress on 24th January, President Eisenhower said that the Office of Area Development has been enlarged so that it could better serve local area needs. The President also recommended a new Area Assistance Programme for aiding communities that have experienced persistent and substantial unemployment.

Problems of maladjustments, or anticipated changes and innovations, are constantly being studied by all segments of the American people. They are discussed in universities, research institutions, business, labour and civic organisations, on radio and television, and, of course, by the Executive Branch of the Government and Congress.

Automation

Thus, the problem of automation is presently being given a great deal of attention. The trend towards automation in industry and business is regarded by leading experts as the beginning of a second industrial revolution in America. The development of automation is going to have a profound impact upon the future society and eco-

(*Continued on next page*)

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OUTLOOK FOR TEA IN CURRENT SEASON

WARNING AGAINST RISING COST OF PRODUCTION

THE season 1955-56 for tea closed on a buoyant note, in refreshing contrast to the gloomy prospect that greeted the opening sales of January with world supply apparently far outstripping demand. The change in the complexion of the market during the closing months of the season was due to (1) the strong demand from internal buyers attracted by the "ridiculously" cheap price of common tea and (2) the withdrawal of restriction by the Government of India on the shipment of teas for London auctions. The latter step provided an additional indication of a possible internal shortage and internal operators were encouraged to replenish their stocks.

By the time the sales for the season came to an end, it became apparent that internal demand had accounted for more than 200 million lbs. of the crop and the U.K. buyers were operating vigorously in the Calcutta auctions as late as May, a rather unusual feature, as the stocks in London had fallen to a low of 100 million lbs. The statistical position at the end of the season, therefore, augured well for the new season and there is a widespread belief that the current season will witness a buoyancy in tea prices. This view is also shared by Messrs. J. Thomas & Co., Ltd., the well-known tea brokers of Calcutta. Referring to the outlook for 1956-57, they observe in their annual report for the season 1955-56: "Good as the prospects appear, however, the buoyancy of the market must as always be conditional on certain factors being favourable." While the control of some of these factors may be in the hands of the industry, they point out, there are others whose fate must rest with nature or other countries.

Low Stocks in U.K.

The first bullish factor which is apparent immediately is the fact that "the record world production manufactured during the season 1955-56 appears to have been fully absorbed by the world markets." Secondly, none of the consuming countries appear to be holding now any excess of tea above their normal requirements. At the end of May, the stocks in the U.K., the world's largest consumer of tea, were 36.5 million lbs. less than those on the corresponding date of 1955. This decline in stocks shows that the U.K. buyers have not been stockpiling, but buying only their immediate needs. The same tendency is visible in most of the other larger consuming countries.

Another important factor on which the fortunes of the Indian tea industry depends is the level of internal consumption. The experience of the previous seasons shows that whenever price declines to an attractive level internal consumption shoots up. Last season, there was an increase of about 30 million lbs. in internal consumption over the previous year and this was the major factor which was responsible for the revival in tea prices during the closing months of the season. Messrs. Thomas & Co. feel that "there is every likelihood that this increased rate of absorption in India will be maintained so long as tea is retailed at an inexpensive price to the Indian consumer." Even otherwise, there is reason to believe that the level of consumption in India will increase with the rise in the general standard of living, as a result of the implementation of the Five-year Plans.

Yet another factor on which the outlook depends is the production of quality teas. The record crops manufactured by all producing countries in 1955 were mainly due, according to Messrs. Thomas & Co., to the "coincidence of favourable growing conditions occurring in all tea-producing areas throughout the world in the same year." They feel that another extraordinary coincidence of climatic conditions favourable for heavy production occurring simultaneously in North and South India and Ceylon is unlikely. As climate in this country appears to go in cycles, and as North-East India has had favourable growing weather for three years out of the last four, there is a fair chance that the climate in 1956-57 will be conducive to quality production, rather than quantity. Moreover, producers have come to realise that larger output of poor quality teas is not a profitable proposition and there are indications that "increases in crop are being tempered by improvements to quality and manufacture."

The last bullish factor on which Messrs. Thomas & Co. base their optimistic estimate for the current season is the likelihood of Russian buying of Indian tea. No indications are at present available of the Russian intentions to purchase, but it is rumoured that it may buy 20 to 30 million lbs. of tea under its barter agreement with India. If this materialises, Messrs. Thomas & Co. feel, a "strong market should result for all types of tea."

Rising Cost

The optimistic estimate of the outlook for the current season by Thomas & Co. is, however, subject to two bearish factors. In fact, they have drawn pointed attention to these two. The first is the danger of rising cost of tea production and the second is the increased competition from other countries, as well as from other beverages. Referring to this, Messrs. Thomas & Co. observe:

"As the cost to the producer continues to mount, so must the cost of tea as a drink to its consuming public, both in India, and all over the world. As new beverages of various kinds are continually being marketed and gaining popularity daily, it is vital that the price of tea does not rise to a level beyond which its present consumers can afford to make it their staple drink. Although the United Kingdom still remains, and is likely to remain for some time, the largest consumer of tea in the world, it does not follow that she will continue to purchase the major portion of her requirements from India if she is able to procure adequate supplies at cheaper prices elsewhere. It is an undeniable fact that tea is being produced in increasing quantities yearly, by other producing countries, at costs considerably below that of India. Although *per capita* consumption in Great Britain is still estimated at approximately 9.3 lbs. per year, this is no longer a matter for complacency, which fact was forcibly stated by Mr. C. A. Crossle, a Director of Lyons, in his speech as Chairman of the Tea Trade Dinner in London, on Friday the 4th of May this year. He informed the members of the trade assembled at this dinner that by the end of 1955 the use of beverages had shown a significant change compared with that of pre-war. Although the population of the country had increased 6½ per cent., tea consumption had grown only 10 per cent., compared with milk's 76 per cent., coffee 100 per cent. and soft drinks 125 per cent.' The implications of this well-informed statement should, to say the least, give us members of the tea industry food for thought."

In this connection, Messrs. Thomas & Co. draw attention to the various imposts by the Central and State Governments in India on the industry which have gone to increase the cost of production of tea. It is difficult to say to what height the price of tea will eventually rise, but there must obviously be a point at which the world's tea consumers will find it too expensive as compared with other beverages.

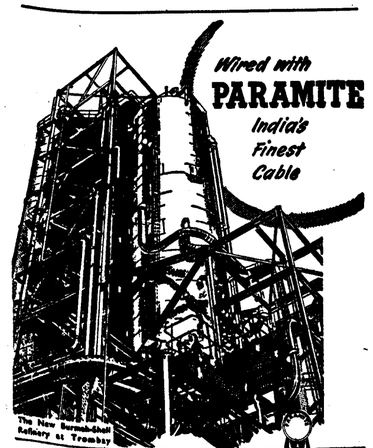
(*Concluded from previous page*)

nomy. It harbours many potential risks for America's working population. However, the problems that are anticipated from the advent of these mechanical devices do not frighten American business, labour or the Government. In October 1955, extensive hearings were held before a subcommittee of the Joint Congressional Economic Committee where authorities from representative segments of the American economy discussed and analysed the effects of automation on America's future.

Such hearings indicate the concern of the Government and the public over such problems. As a result, possible dislocations and hardships will undoubtedly be anticipated. Moreover, with the co-operation of business, labour, government, and science, ways and means will be found to make the process of adjustment as smooth as possible through retraining workers, social security and other devices.

America thus faces its problems with the same deep faith in the future of the country as it has done since its beginning.

The quantity of tea shipped from Ceylon during March was 29.5 million lbs., as compared with 27.7 million lbs. in February, and resulted in a total of 84.8 million lbs. for the first quarter. There was a change in the pattern of exports during the first quarter of this year, brought about by a marked reduction of exports to Australia (consequent on the dock strike in that country) but the shortfall was made up to some extent by an increase of exports to the Middle East.



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SUGARCANE DEVELOPMENT UNDER SECOND PLAN

MAIN EMPHASIS TO BE ON RAISING SUCROSE CONTENT

THE problems relating to sugarcane development are expected to figure prominently at the Conference of Agriculture Ministers to be held at Mussoorie from the 28th to 30th inst. The Conference will consider whether and to what extent the existing target of sugarcane production fixed under the second Five-year Plan can be successfully hit. With this objective in view, the Conference will examine (*a*) the schemes that should be undertaken, in order to step up cane output to the desired level, (*b*) the financial implications of these schemes, and (*c*) the minimum price for cane which the cultivator should get, if he is not to be discouraged from resorting to improved methods of cultivation, such as use of fertilisers, better seeds, pumps, implements, etc.

The deliberations of the Conference and the decisions taken thereof will be awaited with much interest, especially because of the sad experience of sugarcane development during the first Plan period, not only was the production target set in the Plan not realised but even the quantity of cane produced during the last year of the Plan (1955-56) fell short of the figure for the first year (1951-52), as will be seen from the following table:

Year	Production (in terms of million tons *gur*)
1950-51	5.6
1951-52	6.1
1952-53	5.0
1953-54	4.4
1954-55	5.5
1955-56	6.8*
1955-56 (target)	6.3

* Estimated.

The relatively low level of sugarcane production is not encouraging. It indicates that the development schemes have not been implemented in right earnest. The trend must be reversed now, for, otherwise, there is the danger of the agricultural sector of the sugar industry lagging far behind the manufacturing sector. As readers are aware, the consumption of white sugar and *gur* has increased steadily in recent years. During 1954-55, as much as 1.7 million tons of white sugar were consumed, as against 1.07 million tons under conditions of control in 1950-51. The consumption is bound to rise further in the coming years, what with the rise in population and improvement in the standard of living as a result of implementation of the series of development schemes. The Planning Commission has, accordingly, raised the targets for the sugar industry's installed capacity and production to 2.50 million tons and 2.25 million tons, respectively, as against the estimated output of 1.85 million tons in 1955-56.

Supply of Sugarcane

The successful fulfilment of the aforesaid target will depend, to a large extent, on the availability of adequate supplies of sugarcane. Realising this and also the need for providing for higher *gur* consumption, the Planning Commission aims at an additional cane production of 1.3 million tons (in terms of *gur*). the rise envisaged being from 5.8 million tons in 1955-56 to 7.1 million tons in 1960-61. The target will be achieved through schemes for the intensive cultivation of sugarcane which include provision of irrigation facilities, establishment of seed nurseries, distribution of disease-free and improved varieties of seeds, supply of manures and fertilisers, control of pests and diseases, organisation of demonstrations and crop competitions. The main emphasis will, it is said, be on augmenting the sucrose content of sugarcane and ensuring maximum supplies of cane during the crushing season.

Considering the importance attached to improvement of sugarcane cultivation both quantitatively and qualitatively, the part played by the sugarcane research institutes will, indeed, be vital. The institutes should not confine themselves merely to more intensive research work; they must also endeavour to see that the results of research undertaken actually reach the grower on the field without delay. It will not be out of place if a reference is made here to the progress of sugarcane research. The schemes relating to research on cane are implemented by the State Governments, with the usual subsidy of 50 per cent. towards pay and allowances of staff from the Indian Central Sugarcane Committee. The latter has appointed *ad hoc* sub-committees to draw up the programme of sugarcane development, as also *gur* and *khandsari* research, under the second Five-year Plan. It is shortly starting a quarterly journal on cane research and development. Two documentary films, one on cane cultivation and the other on the technique of *gur* manufacture, are under preparation.

The research work on the various problems of cane cultivation done at the Indian Institute of Sugarcane Research, Lucknow, has yielded satisfactory results. The Institute has commenced issue of monthly news letters, containing results of research carried out, for cane research workers. During 1955, about 368 varieties were planted for varietal performance tests. The farm of the Institute, comprising an area of 555 acres, is being gradually levelled and laid out into plots of uniform size. It is proposed to raise the area under cane from 54 acres last year to 95 acres this year, in order to provide a large number of experimental plots for agronomical, mycological and entomological trials. The seeds of promising varieties are multiplied for distribution to cultivators.

Sugarcane Breeding

The Sugarcane Breeding Institute at Coimbatore and its sub-station at Karnal have also been doing useful work. The Institute has carried out successfully the breeding programme, the number of crosses effected during 1955 being 227, a record number. In that year, some important commercial canes were imported from abroad for cross-breeding. Special crosses were also made to induce disease resistance and, to produce soft-rinded chewing canes, 50 new co-canes were released. About 680 seedlings were under trial at the Karnal substation. The Institute has evolved a new technique of breeding new varieties of cane, under which it will be possible to release planting material of new varieties in the second year itself for simultaneous testing at Karnal and Coimbatore. According to the old technique, it is only in the fifth year after the cross has been effected that it is possible to send seedlings to experimental stations. The exploration work under the Spontaneum Expedition Scheme has already been completed. The Botanist of the Institute has been deputed to certain neighbouring countries for survey and collection of the wild form of *Sacchasum* and allied genera. The construction work of the new laboratory buildings has commenced and this is expected to be completed by the end of this year. The Karnal sub-station has been allocated 30 acres of additional land for more experimental plots.

Research in Bombay

In the State of Bombay, sugarcane research is carried out at the main station in Padegaon and the seven sub-stations. The water requirements of the various crops are also studied at the research station, Arbhari. New varieties are being evolved at the Coimbatore Research Station every year and these are tried out for suitability to the conditions in Bombay at the Padegaon Research Station. These trials extend over a period of years and those varieties which show better performance than the existing varieties in cultivation are introduced. About 55 new varieties were tried during 1955-56. Considerable research is done on irrigation-*cum*-fertiliser requirements of the sugarcane crop. The problem of maintaining soil fertility under intensive cultivation is also being investigated. Experiments on manures have shown that groundnut cake as a manure can be replaced without any loss in yield of sugarcane. This is a very important finding, because groundnut cake is a valuable cattle feed and must be conserved for this purpose. The study of the requirements for producing good quality *gur* is being done at Padegaon. It is said that earth-worms help improve the physical condition of the soil. The use of soil cultured with these worms is being tried and indications are that yields would register an improvement.

By 1959-60, Pakistan expects to produce 38 per cent. more sugarcane as compared with 1954-55. The target for cane production fixed in the Five-year Plan is 1.46 million tons (*gur*), as against 1.06 million tons. The increase in output, it is said, will be achieved largely through augmenting the per-acre yield and partly through bringing a larger area under cultivation. The Plan provides for research for the evolution of improved varieties of sugarcane, preparation and use of chemical fertilisers, plant protection, etc.

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AWARD TO COLLIERY WORKERS

MORE REFLECTIONS ON ITS IMPLICATIONS

IN our issue of 2nd June 1956, we commented on the Award of the All-India Industrial Tribunal (Colliery Disputes), which have conferred substantial benefits on the workers. Here are a few more jottings, indicating the implications of the Award to the collieries, in particular, and industries, in general. These notes are the result of information gathered by us subsequent to our first thoughts on the subject:

The impact of the Award on the cost of coal has not been accurately gauged but estimates in various regions vary, with about Rs. 4 in respect of Bengal and Bihar fields and about Rs. 6 in the case of collieries in Orissa, with the cost in other outlying collieries coming in between.

Hitherto, the wages in the mining industry have accounted for 70 per cent. of the cost of production and the immediate effect of the Award will be an increase in wages of a further 40 per cent.

Even before the May 1956 Award of the All-India Industrial (Colliery Disputes), the position of collieries was becoming untenable, because of their continuing to operate on the basis of prices fixed in 1947. Since then, there have been radical changes in the costs of production and the increase in costs has tended to make the coal price structure unrealistic.

The Government contemplated the setting up of a Price Revision Committee as early as 1955 and one of the questions posed by the Committee was:

Do you think that a general review of prices is called for at this stage? If so, do you consider that the present method of fixing prices is satisfactory and need not be altered?

There was, therefore, an implied recognition that coal prices should be revised, even before the effects of the recent Tribunal Award were known.

Individual units of the coal industry have made available for examination of the investigating officers appointed by the Coal Price Revision Committee annual accounts, cost sheets, etc., to enable an accurate survey of the present cost of production being made.

The Conciliation Award in 1947, in fixing the prices, had taken into account the various amenities to colliery labour and had fixed a profit margin of Re. 1-8 per ton or approximately 10 per cent. of the selling price. For an extractive industry, this was then considered reasonable. Subsequently, various selling price reductions were imposed by Government, until it was demonstrated clearly by a past Chairman of the Indian Mining Association in 1953 that the total profits—as opposed with profits distributed to shareholders—over a group of 51 companies in the industry amounted to no more than 2½ per cent. of the total working funds.

A 2½ per cent. return in a wasting industry like coal mining certainly does not offer sufficient incentive for raising equity capital. Another factor which militates against raising capital for the industry is the non-availability of bank loans against coal stock. During the past few years, the story of coal industry has been one of dwindling profits, falling dividends and diminishing reserves.

It should also be borne in mind that it is only from profits that colliery owners can find most of the money needed to finance the cost of new plant and replacements. The prevailing demands for credit in the market, caused partially by procedural delays in Government concerns, has added not inconsiderably to the shortage of funds in the industry, and it is, therefore, of prime importance that Government should fix the margin of profit at such level as to maintain a 10 per cent. profit on selling prices.

With the case for a price increase of not less than Rs. 4 per ton in respect of Bengal and Bihar coalfields and up to Rs. 6 per ton in other outlying fields having been established, the point for consideration is the effect of the price increase in other industries using coal. It has been estimated, in the *Census of the Indian Manufacturing Industries*, 1952, that the cost of solid fuel (coal and coke) expressed as a percentage of the gross factory value of a representative range of Indian Industries is no more than 1.96 per cent. The effect of the increase in the price of coal on other industries will thus be in no way serious.

It is generally not realised that coal prices in India compare very favourably with other countries, and, even with the proposed increase in price from Rs. 4 to Rs. 6 per ton, the price of coal in India will be very much below that in other countries. The price of coal for industry in the U.K., for instance, is of the order of 65s. per ton (about Rs. 44).

The implementation of the Colliery Award by employers is dependant on an immediate increase in coal prices, at least to the extent necessary to meet the impact of the Award. It is needless to add that there should be no undue time lag between the implementation of the Award and the price increase.

Colliery labour in India is full of expectations following the award, and it would not be surprising if greater demands are made by it before long. The implementation of the Award, therefore, cannot be avoided in the interest of industrial peace which means that both Government and industry at large must reconcile to the necessary price increase. The alternative is for the Government to withdraw the control over distribution and prices of coal, so that coal price would find its economic level. There are, however, reasons to believe that the adoption of this alternative will lead to many other complications. Accordingly, it will appeal neither to Government, nor to industry, not to mention labour.

The output of coal in India increased from 3,358,077 tons in February 1956 to 3,360,456 tons in March 1956, according to the official statistics released by the Chief Inspector of Mines in India. Despatches of coal during the month amounted to 2,835,244 tons, as against 2,696,604 tons in the preceding month. Coal stocks at pitheads amounted to 3,899,650 tons at the close of the month.

During the month under review 839 collieries were reported to be working, with an average daily employment of 333,269 workers.

Nine coke plants at collieries and elsewhere produced 358,179 tons of hard, soft and other kinds of coke during the month and despatched 170,911 tons.

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NEW MAN-MADE NATURAL RUBBER

GOODRICH-GULF CHEMICALS TO COMMENCE PRODUCTION

NATURAL rubber planters all the world over will have received with concern the report from the U.S. that "natural" rubber has been produced by synthetic process on a laboratory scale and plans are well ahead to manufacture it on a commercial scale. Goodrich-Gulf Chemicals, Inc., a firm jointly owned by the B. F. Goodrich Company and the Gulf Oil Corporation, claims to have produced in the laboratory the true molecule of tree rubber, which is said to be really the base of natural rubber. Called Ameripol SN, the synthetic "natural" rubber is said to be chemically and physically identical with the *Hevea* grown on rubber plantations. X-ray defraction photography and infra-red studies have all confirmed the identity of the laboratory product with the natural one.

The construction of a plant to manufacture the synthetic "natural" rubber on a commercial scale is well advanced and production is expected to commence by the end of 1956. In the first instance, however, the output will be confined to a quantity that can be offered to rubber users for test. The raw materials from which the product has been developed are kept a secret, but it is stated that they are neither styrene nor butadiene from which the regular synthetic rubber is produced. They are believed to be petrochemicals which also form the source of the synthetics. What is more significant from the point of view of the plantation product is the possibility of the Goodrich-Gulf Chemicals Inc. producing its man-made "natural" rubber at prices that will make it competitive with the higher grades of plantation rubber.

It will, however, be noted that there is no immediate threat to the plantation rubber from the "natural" rubber produced in laboratories; for it will be some years before the latter is produced commercially on a scale that is required to compete effectively. Much will depend on the availability and adequate supply of the raw material which forms the basis of the synthetic "natural" rubber. It also remains to be seen how far the new synthetic product of the Goodrich-Gulf compares favourably, so far as price is concerned, with the present synthetic. It is not known whether the existing synthetic rubber plants, in which the private sector in the U.S. has invested huge capital upon their being taken over from the Government, can be used for the manufacture of the new synthetic. It will be interesting to recall here that, only very recently, the leading tyre manufacturers of the U.K. joined hands and formed a company, known as the International Synthetic Rubber Company, Ltd., thanks to the efforts of the Dunlop Rubber Company, Ltd., which had been engaged on research in synthetic rubber for many years. It had also under constant review the project for the construction of a synthetic rubber factory. It was not, however, until last year that the project became economically practicable, leading to the formation of the Company mentioned above. The plant, which is yet to be built by the International Synthetic Rubber Company, will be designed to produce 50,000 tons of GR-S rubber per annum, almost the entire quantity to be used for tyre manufacture. It will probably take about two years for the plant to be built and come into operation. The capital outlay on the project is estimated at not less than £7 million, not to speak of the considerable capital cost to the suppliers of essential raw materials. All these efforts and expenditure will be a huge waste if it is ultimately found that the new man-made "natural" rubber is more economical and the existing plants cannot switch over to its manufacture.

Anyway, the report about the manufacture of man-made "natural" rubber has had no effect on plantation rubber prices. On the other hand, the No. 1 R.S.S. spot rubber in London is ruling steady around 23¾d. per lb., having risen by nearly 2d. over the week, following some consumer interest in both London and New York, due partly to fears about higher prices and partly to the announcement by the U.K. Board of Trade to the effect that it was not intended to reduce the U.K. stockpile of natural rubber just now, in spite of the suggestions in the White Paper on Defence. It may be noted that the General Services Administration, U.S., also has denied reports that the U.S. would lend rubber from its stockpile to ease the squeeze in July futures in New York. It is noteworthy that the recovery in natural rubber prices has occurred, notwithstanding the recent reductions in the price of some varieties of synthetic rubber in the U.S. This shows that much use is still found for natural rubber. Leading rubber goods manufacturers are of the view that the demand for natural rubber will continue to grow. Lord Baillieu, Chairman of the Dunlop Rubber Company, Ltd., for instance, said, in his address to the shareholders of the Company at their annual general meeting held in London last week, that the manufacture of synthetic rubber elsewhere and in Britain should not give rise to the apprehension that was still evident in some quarters about its consequences to natural rubber. During the last 10 years, world consumption of rubber (natural and synthetic), he pointed out, had increased from 1.47 million tons to 2.9 million tons. In the U.K., in particular, consumption had risen from 127,000 tons to 267,000 tons. There was plenty of evidence to support the belief that this growth would continue. Lord Baillieu also drew attention to the fact that, but for the establishment of synthetic plants in America, there would have been a scarcity of rubber in recent years. He firmly believed in the future of natural rubber alongside that of the synthetic product. It was also possible, he added, that, with the increasing use of synthetic rubber, rubber goods manufacturers might enjoy a more stable price for natural rubber.

(*Concluded from next column*)

every effort should be made to ensure supply of raw jute at reasonably low prices, so that the industry may cut its costs of production. Export drive should also be intensified in the U.S., Canada, Australia and South American countries to press sales of gunnies in these areas. Special agreements may be reached with China and the U.S.S.R. for the purchase of jute goods from India.

A variety-wise analysis of jute goods production in May 1956 discloses that the increase has been shared by all the three principal categories, as indicated in the table below:

Jute Goods Production

(In tons)

	May, 1956	April, 1956	March, 1956	May, 1955
Hessian	35,800	32,900	34,800	32,200
Sacking	59,600	55,000	57,800	46,200
Others	6,300	6,000	6,700	3,300
Total ..	101,700	93,900	99,300	81,700

Thus, hessian output has risen from 32,900 tons in April to 35,800 tons in May 1956. Similarly, production of sackings has improved from 55,000 tons to 59,600 tons and that of others from 6,000 tons to 6,300 tons.

With the output in May the total production of jute goods during the first 11 months of the season 1955-56 amounts to 996,045 tons as compared with 917,542 tons in the corresponding period of 1954-55. Consumption of raw jute during the period by mills may be estimated, on the basis of production, at 5.77 million bales, as against 5.32 million bales during June-May of 1954-55.

JUTE OUTPUT IN MAY

FRESH RECORD TOUCHED

THE output of jute goods in May 1956 amounted to 101,700 tons, an increase of 8.3 per cent. over that in April. The May output has, in fact, been the record for any single month since December 1948 when the jute mills produced 103,600 tons—a post-war peak. The record output in May in a way indicates the desire on the part of the mills to put their resources to fuller use in order to reduce costs. The increased production has been facilitated also by the unsealing of 7½ per cent. of the looms since January-February this year. Secondly, though raw jute prices have been generally higher, supplies of raw jute have been relatively better than they were last year. Thus not only was there an increase in the output of jute crop in 1955-56 but there were also increased arrivals into Calcutta and mill stations this season. Thus the total crop in both India and Pakistan in 1955-56 is estimated (official) at 9.72 million bales, as against 7.6 million bales in 1954-55. Similarly, arrivals of raw jute into Calcutta and mill stations in the first ten months of the 1955-56 season were 5.7 million bales, as against 5.0 million bales in the corresponding period of the season 1954-55. Of these arrivals, jute from indigenous sources amounted to 4.32 million bales and that from Pakistan 1.37 million bales. The corresponding figures for 1954-55 were 4.0 million bales and one million bales.

The record output in May accounts for the large accumulation of stocks with mills, as pointed out in these columns a week ago. But the increase in stocks of jute goods at the end of May occurred despite a marked rise in despatches from mills, on account of both export and internal consumption, from 81,000 tons in April to 90,500 tons. Evidently, the offtake of jute goods has not kept pace with production for reasons mentioned in these columns ere now, namely, (*a*) relatively high prices of Indian jute goods, and (*b*) competition from packaging substitutes such as cotton and paper bags.

In the result, the jute industry is facing the problem of reducing the stocks that are accumulating with them. The problem has been engaging the attention of the industry as well as the Government for some time now but no decision seems to have been taken so far. As readers are aware, the Government seems to favour fixation of export minimum prices for jute goods, while the industry favours curtailment of production. It is even stated that proposals for mills to shut down for a specified period each month over an unspecified length of time have been placed before the Government as well as the I.J.M.A. for consideration.

Either of the alternative proposals is unsuited to meet the situation, since both of them are likely to do more harm than good in the long run. Any hasty step, therefore, should be avoided at all costs. After all, the stocks now lying with the mills, namely, 119,100 tons, are only just four or five weeks' output and there were months in the past when they were as high as 248,000 tons, and the industry was able to get through without much difficulty. It is possible that demand for the goods may develop, as envisaged by the Government, on account of increased purchases of Burma rice and a rise in the consumption of cement. Meanwhile

(*Continued in previous column*)

TEXTILE MILL FOR SALE BY PUBLIC AUCTION

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(In Creditors' Voluntary Liquidation)

situated at Secunderabad (Deccan), having lands, factory buildings, godowns, etc., spinning and weaving machineries of the capacity of about 12,000 spindles and 241 looms (including electric motors, calender machine, sizing machine, baling press, etc.), will be sold by Public Auction at Mill premises below Husain Sagar Bund between Secunderabad and Hyderabad (Deccan) on SUNDAY the 22nd July, 1956, between 3 p.m. and 4 p.m. Detailed list of the properties can be obtained from the undersigned from 1st July, 1956 to 20th July, 1956, between 9 a.m. to 10 a.m. and 5 p.m. to 7 p.m. and at the Office of the Mahaboob Shahi Kulburga Mills Company, Ltd., Begumpet (Dn.), between 1 p.m. to 4 p.m. on all working days.

All the previous lists in the hands of parties issued till 30th June, 1956, are not valid.

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Date, 18*th June* 1956.

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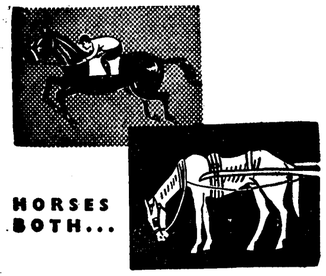

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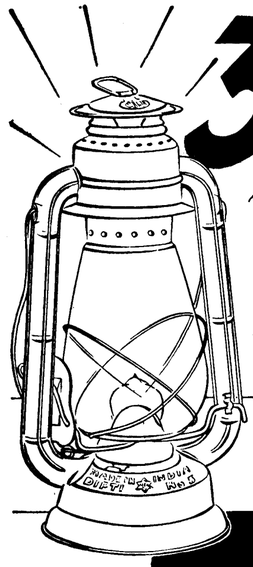

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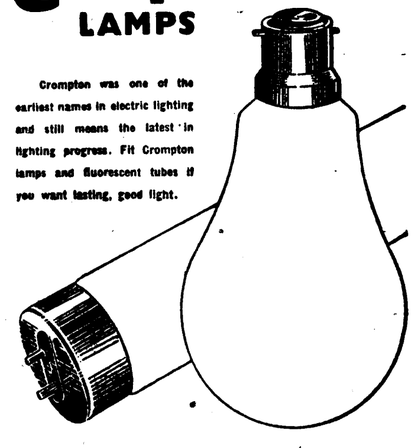

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INDIA'S SEARCH FOR OIL RESOURCES

GOVERNMENT UNDERTAKES PRELIMINARY OPERATIONS OVER WIDE AREAS

THE general opinion of oil experts, who are competent to speak with authority on the subject, is that conditions in this country are at least as favourable as in other countries where oil has been found recently. It is also well recognised that the chances of successful exploration for oil and establishment of production are linked up with exploration on a large-scale, followed by intensive prospecting, including drilling in promising areas. The policy of the Government of India is to carry out exploration for oil and natural gas on a large scale. With this objective in view, it has set up, with effect from January this year, the Oil and Natural Gas Directorate as part of the Ministry of Natural Resources and Scientific Research.

The Ministry has drawn up proposals for the Government's entry in the oil industry which include a Rs. 29-crore scheme for exploration of oil in four areas under Government auspices and a Rs. 11-crore scheme for collaboration with private firms engaged in the industry. Provisions have also been made for training a large number of Indians in oil development and technology in the U.S.S.R., Rumania, West Germany, the U.S. and the U.K. So far as exploration under Government auspices is concerned, the most important of the four areas chosen for this purpose is in Jaisalmer in Rajasthan where the work will include intensive geological and geophysical survey followed by test drilling. The work will be done in three phases extended over five years at an estimated cost of Rs. 8.6 crores. Exploration in Uttar Pradesh and the Punjab (in the plains of the Ganga basin and the Siwalik Hills) will also be carried out in three phases at an estimated cost of Rs. 2.24 crores. This work will be confined mainly to geological and geophysical investigation of the areas. The third place selected for exploration is the Sunderbans in W. Bengal, at an estimated cost of Rs. 5.5 crores. It would appear that this region holds promise of revealing oil. But there are certain special difficulties to be met with in this region in view of the fact that it is marshy and just about the level of the sea. Work in this region involves the use of specially constructed vehicles and other equipment with which India is not familiar. The Government is engaged in studying the type of exploration made in Venezuela and the Gulf Coast of the U.S. where a search for oil has been carried on under similar conditions. A scheme for oil exploration in Saurashtra has been drawn up. In Cambay in this region, some geophysical and geological work has already been conducted. A provision for Rs. 7.5 crores has been made for drilling in this area and in the Sunderbans.

Nahorkatiya

Of the schemes for collaboration with the private sector mention must be made of the joint venture with the Assam Oil Company which has been carrying out aerial and aeromagnetic survey as well as geophysical surveys on the ground for some time and a scheme for contriving collaboration with the Standard-Vacuum Oil Company. So far as the Assam Oil Company's efforts are concerned, the authorities are developing a new oilfield at Nahorkatiya near Digboi. In this connection, it is interesting to note that the prospect of Nahorkatiya being able to provide a million tons of oil a year for India "for at least 20 years to come," is mentioned by Sir Kenneth Harper, Chairman of the Burmah Oil Company Ltd., in his review of prospecting and oilfield development operations in India during 1955. This estimate refers only to the area so far proved by the Assam Oil Company in its Assam Valley prospecting programme, which began in 1951 with the start of drilling operations at Nahorkatiya Well No. 1. The latest well to be completed in the valley is No. 16. The "million-tons-a-year" figure does not include output from the Digboi oilfield. The Chairman says: "Drilling results at Nahorkatiya have confirmed previous expectations that the structure is geologically complicated but I am pleased to say that, on the whole, they have been successful. Potential production in the area so far proved is judged to be sufficient to maintain a refinery throughput of one million tons a year for at least 20 years. Discussions are being held with the Government of India regarding the formation of a rupee company with Indian participation to take over and develop the oilfield at Nahorkatiya and certain other concessions in Assam. Additional refining capacity will be required. The location of this and the transportation of the crude oil are subjects which are also under discussion with the Government of India."

Faint but promising indications of oil have just been reported by the Assam Oil Company from Digboi from the test well at Moran. A routine inspection of rock cuttings brought to the surface during drilling operations showed slight signs of petroleum when examined under a fluoroscope. The discovery was made shortly after the drill had penetrated sandstone rocks at the extreme depth of 11,065 feet (more than two miles). Drilling operations are continuing, and a careful watch is being kept for further oil indications as the well goes deeper into the zone of sandstone rocks. Whether the new well is capable of producing oil will not be known until production tests have been carried out. This is the first time oil has been noticed in this area of the Brahmaputra valley, where test drilling began on 27th March.

Several Wells

The story of oil in the Brahmaputra valley makes interesting reading. Oil in the valley was first discovered in 1953 at No. 1 Test Well at Nahorkatiya at a depth of 11,715 feet. Proof of oil there not only led to further drilling in the same area but also opened the way for geophysical survey to continue more hopefully down the valley. Since mid-1953, 14 wells have been completed in the alluvial areas of the Brahmaputra valley of Upper Assam. The average depth of these 14 wells is 10,827 feet or more than two miles. All the wells put together add up to a total depth of over 28 miles. The Assam Oil Company has now applied to the Government for lease over certain adjoining areas. A rupee company is proposed to be set up for working this new lease and, in this venture, the Government may participate to the extent of Rs. 4 crores.

A new petroleum refinery will be erected in India if further resources of crude oil are discovered in Upper Assam to justify a substantial increase in production. Announcing this from Digboi, the Assam Oil Company states that further intensive exploratory and development drilling will be necessary before anyone can say how much additional crude oil will be obtained. A preliminary assessment is now being made by experts, and if the results show that extra refining capacity will be needed, the choice of the site for the new plant will be governed by economic considerations. Among the factors to be taken into account are the quality of the crude oil, the method of transporting it to a refinery and the facilities required for moving the finished products to market. The Company emphasises that there is no intention or possibility of moving the Digboi refinery. Indeed, as the demand in its supply area increases, the capacity of the Digboi refinery, far from being reduced, will sooner or later have to be examined to meet it

It is believed that more foreign or Indian interests may come forward for collaboration with the Government in the exploration for oil in the country. Accordingly, the Government has made a provision of Rs. 5 crores for such collaboration with private agencies. It may be recalled that Mr. K. D. Malaviya, Minister for Natural Resources, made a reference to this aspect of the Government's policy in the course of his address at the recent meeting of the Mineral Advisory Board. The Minister said: "We are willing to work in partnership with foreigners to work a portion of our oilfields, but that partnership should be consistent with the policy laid down by the Government." He further added, "it may, however, be noted that our association with the foreigners can only be on the clearest terms and has to be consistent not only with the dignity of our country, but also with its interest. Many bases of work which are in vogue today in some countries of Asia and Latin America are not quite clear to us. We must understand them more clearly if they have to be adopted by us. We shall, therefore, pursue in our efforts to welcome co-operation of foreign oil interests and persuade them to our viewpoints."

The task of oil exploration naturally implies the availability of large number of trained personnel. Accordingly, the Ministry has drawn up a training scheme in the light of the informal discussions the Minister for Natural Resources and Scientific Research has had with the Soviet and the Rumanian experts during his recent tour of these two countries. India is particularly lacking in experts in the technology of oil exploration and production and well-trained mining engineers who can tackle difficult problems connected with mining of non-ferrous metals. Provision for training of Indian technicians in various countries, including the U.S.S.R., Rumania, West Germany, U.S.A. and the Commonwealth countries would be necessary. This would require both long-term and short-term training and it is proposed to make provision for half a dozen officers per year under this group.

So far as organisational set-up is concerned it is proposed that the organisation which will undertake all work in connection with prospecting, exploration and development of oil and natural gas fields in this country should take the form of a commission or statutory board consisting of a chairman and two or three members. The chairman is being vested with powers of an additional secretary to the Government. The commission should consist of high ranking technicians—men well versed in some branch of work connected with oil and natural gas exploration and development It should be autonomous and should have sufficient powers to manage the affairs of the organisation without having to encounter the numerous procedural obstacles that make for delays. It would have full powers for the purchase of stores, equipment and recruitment of personnel.

Experts' Views

The technical reports relating to prospects for oil in India submitted by the foreign experts to the Central Government have not been published. But it is believed that the reports submitted by the Russian experts are far more encouraging than those of other foreign experts. In this connection, the ratio of success to failure in drilling quoted by some foreign companies, according to some Press reports is doubted. The recommendations recently made by Russian oil experts independently are stated to have substantiated the Government of India's belief that India is wealthy in oil in several regions, including West Bengal. It is felt that there is no justification for delaying drilling operations on which the further programme of action depends. A ratio of one to twenty is regarded antiquated, particularly with increased knowledge in exploration methods. The figure of one to seven, quoted by a foreign company, is presumed to be a fair average of oil failures

ZONAL COUNCILS FOR MINERAL DEVELOPMENT

The Government of India has, as already announced by the Union Minister for Natural Resources, Mr. K. D. Malaviya, at the fourth meeting of the Mineral Advisory Board, decided to set up four Zonal Councils in order to expedite the execution of the programme of mineral development. The four zones are: (1) Ajmer or the North-west Region, comprising Jammu and Kashmir, Punjab, Himachal Pradesh, Delhi, Uttar Pradesh and Rajasthan; (2) Calcutta or the Eastern Region, comprising West Bengal, Bihar, Assam, Manipur and Tripura, Orissa and the Andamans; (3) Nagpur or the Central Region, comprising Madhya Pradesh, Madhya Bharat, Vindhya Pradesh, Bombay, Saurashtra and Hyderabad; (4) Bangalore or the Southern Region, comprising Andhra, Madras, Kerala, Karnataka and Coorg.

The Zonal Councils will consist of the senior Regional Officer of the Geological Survey of India, the Regional Officer of the Indian Bureau of Mines, a representative of each of the State Governments in the region, a Member of Parliament and four to six members of the mineral industry and consumer industry in the region. The Members of Parliament and the representatives of the mineral industry will be nominated by the Ministry of Natural Resources and Scientific Research. The State Governments may nominate either an official or a member of the State Legislature.

The functions of these Zonal Councils will be: to review periodically the programme and the progress of exploration and investigations undertaken in the zone; to make suggestions and advise regarding future programmes; to review and advise on the requirements of minerals for consuming industries, the programme, potentialities, and difficulties of the mining industry including transport by rail or by road; and generally to advise on the exploitation and utilisation of minerals and allied natural resources of the region.

MINERAL PRODUCTION IN ASIA

India is not the only country in Asia to undertake vast schemes for the development of mineral resources. Mineral production, especially of coal, petroleum and iron ore, has continued to increase in Asia, according to a report on Mining Development in Asia and the Far East 1954-55, prepared by the U.N. Economic Commission for Asia and the Far East (E.C.A.F.E.). Most prominent production increases in the E.C.A.F.E. region at the beginning of 1955 were: coal 169 million tons as against 160 million tons in 1953; crude oil 18,171 million tons as

(Continued on page 1227)

NEW PRODUCTS AND PROCESSES

Experimental Solar Still

AN experimental solar still to remove minerals from water has been erected at Mildura in Australia, the U.N.E.S.C.O. reports. The device consists of a glass structure set over a shallow trough of black plastic. Water to be treated is siphoned into the trough and evaporated by the sun shining through the glass canopy. The vapour condenses and drains into storage tanks. Designers of the solar still are hopeful that it can be used to provide an inexpensive method of purifying water from artificial wells for agricultural and household uses in areas that receive little rainfall.

Gas-cooled Reactor

The U.S. Atomic Energy Commission has announced plans for a project to develop small gas-cooled atomic-powered electric generator plants for civilian and military use. A.E.C. estimated the project will cost $4 million over a period of several years. The announcement said that the gas-cooled reactor is the "eighth type chosen by the commission for research and development work in the programme to achieve economic reactor power systems for civilian application as well as for possible military applications."

Evaporation from Water

Research work by the Australian Commonwealth Scientific and Industrial Research Organisation in the use of cetyl alcohol to reduce evaporation from water storages has caused much interest in some parts of the United States, the Minister in Charge of the C.S.I.R.O., Mr. R. G. Casey, said recently. Recent tests in four Australian States, carried out with the co-operation of several water authorities (State, Municipal and private), on dams and reservoirs, with areas ranging from two to 20 acres, have confirmed earlier small-scale tests in showing that evaporation may be reduced by between 20 to 70 per cent., depending on conditions. In Australia's arid regions, where water supplies are inadequate and often unreliable, evaporation losses of up to eight feet of water occur annually. This loss may be greater than the amount of water which remains for use. The process evolved by Mr. W. W. Mansfield of the C.S.I.R.O., maintains a thin invisible film of cetyl alcohol (or hexadecanol as it is sometimes called) on the surface of the water. This restricts the transfer of water to the air, but does not prevent oxygen being dissolved from the air to keep the water fresh. Where normal evaporation is eight feet per year, a saving of 45 per cent. means a saving of 1,000,000 gallons of water for every acre of reservoir surface. The cost of treatment calculated from the recent experiments amounted to about 2½d. per 1,000 gallons of water saved.

Diesel Engine Under Water

A British manufacturer has successfully installed an engine for permanent operation in water. A six-cylinder engine inside a steel-framed, 400-gallon glass tank runs at the touch of a button. The engine can be stopped and re-started while submerged, although the starter motor is also under water. Four pipes for the air intake, exhaust, fuel, and lubricating oil are above water level. The dynamo is under water, and charges when the engine is running. The main object of the installation is to show the ability of the maker's Diesel engine to operate under the most adverse conditions of moisture.

Painting Lines on Roads

Several oversea orders have already been received for a new British petrol-driven machine that paints white lines down the middle of roads. It is claimed to lay straight, uniform lines over long stretches of road in far less time than that taken by older methods. The machine enables the driver to see both the road and the line as it is being laid, enabling one operator to repaint an old line, whether continuous or broken, curved or straight. A new type of plastic paint can be used with the machine. Existing types of road line paint have a very short life under modern traffic conditions, showing bad signs of wear after only a few weeks. The new material is claimed to have several advantages. It has lasted over 12 months, the makers say, on some main roads. In addition, it has outstanding colour and quick-drying properties, enabling traffic to cross the line within four to six minutes of application.

Isotopes in Steel Industry

Instruments making use of radioactive substance properties are widely applied in the Soviet iron and steel industry. Such an instrument has recently been installed at a blast furnace of the steel plant in Dnieprodzerzhinsk, Ukraine. The instrument is used to watch the process of smelting and the movement of the stock in the furnace. It will make for better quality metal and faster heats. At the Kuznetsk Steel Mill, Siberia, radioactive substances are used to study the process of refractory lining wear in the blast furnace. The findings thus obtained have helped to considerably increase the life of the lining. With the help of radioactive instruments the engineers of the Cheliabinsk plant in the Urals have determined the sequence and rate of steel ingot crystallisation and have decided upon more rational methods of charging the open hearth furnace.

DUNLOP RUBBER COMPANY LIMITED

LORD BAILLIEU'S SPEECH

THE Fifty-seventh Annual General Meeting of the Dunlop Rubber Company, Ltd., was held in London, on 11th June 1956.

The Rt. Hon. Lord Baillieu, K.B.E., C.M.G., the Chairman, in the course of his speech said:

"The reserves and surplus of the Group increased during the year by some £2½ million. They now cover the ordinary share capital more than one and a half times, and you will see from the report that, of our capital expenditure in the last ten years, practically one-half has been provided out of these retained profits appropriated to reserves.

"In my speech last year I referred to the fact that trading in 1954 had followed the pattern of the previous year, and again in 1955 this continued, reflecting the state of full employment and an increasing demand for our products. In fact, in many sections of our business during the year it was difficult to satisfy the demands of our customers. During the year the Group sales to customers amounted to £219 million, as compared with £191 million in the previous year. As you will appreciate, it is difficult with our very wide variety of products to measure accurately variations in volume, but we estimate that during the year the sales volume of the Group in terms of quantities increased by 6 per cent. This follows an increase of 15 per cent. in the previous year, and in the last ten years we calculate that our volume has increased by over 100 per cent. Including supplies within the Group, our total turnover for 1955 was £302 million.

Rubber Prices

"You will have already noted from the Directors' report and from the Press from time to time the impact on our trading and results this year, as in previous years, of the movements in the price of natural rubber. Charts of price fluctuations over the last ten years shown in our report illustrate the nature of our problem. In 1955, we again had some very considerable fluctuations; in January, the London spot price was 30d. per lb., and by March this had fallen to 26d. per lb. Thereafter, the price steadily increased, reaching a peak of 43d. per lb. in September. It then dropped back quickly, finally finishing the year at 37d. per lb. Accordingly, during the year the price fluctuated by no less than 17d. per lb., or, put another way, the range of the price increase was 65 per cent. or 26d. per lb. to 43d. per lb. Inevitably these price fluctuations have a very material bearing on our costs, and we had no alternative but to raise our selling prices during the year. These price increases were insufficient to meet the additional costs which occurred during the year. Apart from this cost aspect, however, the violent fluctuations in the price of our main raw material created an abnormal or hesitant demand which caused difficulties in maintaining an even flow of production and in turn employment.

"Although the quantities of synthetic rubber used in 1955 were small, the proportion is increasing, since we are now able to purchase and import it. The increasing introduction of synthetic rubber involves tyre manufacturers in adjustments of processing machinery, and this, you will understand, means some disturbance of production.

"For the reasons I have just described our profit margins were lower in 1955 and the net profit before taxation represented 1s. 1d. per £ sterling of sales, or 5.3 per cent., compared with 1s. 3d. or 6.2 per cent. in the previous year. In considering our profits, particularly in the United Kingdom, you should bear in mind that a relatively high proportion of our tyre sales is made as original equipment sales to the motor, motor cycle, cycle and aviation industries. The prices at which we sell original equipment products are lower than the prices in the replacement sales market, whereas the cost of making the tyre, whether for a new vehicle or in replacement of a worn-out tyre, is the same.

"This point should also be borne in mind in connection with the recent Monopolies Commission Report, in which it was confirmed—contrary to belief in certain quarters—that profit margins in the tyre industry are not excessive. In fact, considering the capital and equipment involved in the production of tyres, and the effect on costs of fluctuations in the price of natural rubber, I repeat what I have said previously, that profit margins are, if anything, too low.

Diversified Range of Products

"I would now like to refer to two aspects of the Company's policy which concern growth. For some thirty years now our consistent policy has been to broaden the basis of our trading, first, by diversification as regards products and, secondly, by broadening the spread of our interests geographically.

"This policy of diversifying the range of products manufactured is being pursued. In the majority of these products natural rubber features as a raw material and, accordingly, because prices did not follow the rising trend of raw material costs, the profit margins on these products have been lower than in the preceding year. However, there are other instances where raw material prices have not had such a serious effect and these types of products are being still further developed with a view to reducing the possibility of lower margins. A great many synthetic rubber and plastics materials are now used and we have also a wide and diversified range of products which we manufacture for the use of other industries or as component parts.

"The second aspect of our policy, namely, geographical spread, is with other industries at once a cause and a reflection of the inevitable growth and development in overseas territories, not only in the so-called young countries, but also in the old-established industrial countries where road transport and motoring are encouraged.

Overseas Activities

"Our overseas activities during 1955 were highly successful. You will already have noted from the Report that exports from the United Kingdom, which are very considerable, and the trading of our Companies and branches overseas, contributed over two-thirds of the profits of the Group. The maximum assistance is given to these overseas Companies in terms of research, development, personnel, and in the commercial and administrative fields. I am sure, you will appreciate that this is not only a benefit from the Dunlop point of view but it is also in the national interest. From the financial point of view we draw from these Companies, in the form of royalties and dividends, a reasonable return.

"You will no doubt have noted that the proportion of their profits retained by subsidiaries, and this particularly refers to overseas subsidiaries, was again a substantial figure at over £1½ million. In this way these Companies become more self-supporting and self-reliant for their future expansion and development.

"I might just add at this point that we have not only considerably extended our tyre exports from the United Kingdom during the year but we have also increased our proportion of the total exports of the industry. This, I suggest, is a very satisfactory position in view of the increasing competitive conditions operating in overseas markets."

The report and accounts were adopted.

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FUTURE OF FIELD WORKERS

THEIR IMPORTANCE UNDER NATIONALISED SET-UP

IT is now widely recognised that, even under its nationalised set-up, life insurance will require the services of able agents. Indeed, without their active co-operation, it would be impossible to spread the insurance habit to wider sections of India's population. Nationalisation of insurance has thus not made the agents superfluous. On the contrary, it calls for an intelligent field force which will carry the gospel of insurance to the areas—particularly the rural and semi-urban areas—which were hitherto inaccessible to insurance.

Indeed, insurance agents, as Mr. S. Chatterjee, President of the All-India Insurance Field Workers' Association, stated at the recent annual meeting of the Association, held at Calcutta, are the "cornerstones of insurance edifice." Mr. Chatterjee said that, after nationalisation of insurance, there was "identity of interests" among agents all over the country. He added: "Insurance is sold and never bought. Agents must carry the message of insurance to every Indian household." He pointed out that there could be much saving in expenses of running insurance as a result of nationalisation. He thought that the funds, so released, could be utilised in fixing the minimum rate of commission to agents, at least, at 55 per cent. of first year's premium and 7½ per cent. of premium as renewal commission. He said that the terms and conditions of service should be made attractive enough even for the "best products of our universities." He also stressed that the profession should ultimately be manned by wholetime workers. Other points Mr. Chatterjee made out in his speech were: (1) Training centres should be set up to impart training to agents; (2) provision should be made for representatives of agents on the committees the Government may set up in the course of its administration of nationalised insurance; (3) a wide variety of policies should be made available to the public, so that there will be room for "intelligent agents to bring into play their ability to mould a policy to the peculiar and particular needs of their prospects."

Finally, Mr. Chatterjee averred that the "need of the hour is hundreds of thousands of well-trained dynamic agents, operating in every nook and corner of this vast sub-continent." He suggested that the persons who might be thrown out of jobs as a result of nationalisation, could be readily absorbed as insurance agents.

Although the Government spokesmen have not committed themselves on the question of retention of the services of all the agents, it is generally believed that all encouragement will be given to live-wire insurance salesmen. Only, the Government is understandably opposed to the continuation of the system of dummy agents or of the services of men who have not so far given any evidence of even average ability and persuasiveness in selling insurance. Among the agents, there are persons who work on a salary-*cum*-commission basis. Their future under the nationalised set-up is somewhat obscure, for they do not come under the class of regular employees of insurance companies whose services have been continued. Some of these officials are apprehensive about their future. There is no doubt that their cases cannot all be dealt with by any rule-of-thumb method. Some of them are exceedingly able men, some only moderately able, and some just of the average type. There must, of course, be a few men of less than average ability. It is necessary to ensure that, in any scheme of reorganisation of the agency force, the men who have rendered or have shown promise of rendering efficient service should be not only retained but given sufficient encouragement. But there seems to be a lurking fear in the minds of these men that their future is not quite so safe.

Thus, the Executive Committee of the All-India Federation of Life Insurance Officers' Association says that, at its meeting held recently at New Delhi, it "has very carefully reviewed the whole position from the point of view of field workers and is constrained to find that in spite of the best efforts of all concerned in general and the Federation, in particular, the element of uncertainty in the mind of every field worker, instead of reducing, is gradually increasing." The Committee has stressed that, in view of the fact the "field and development personnel have played and have still to play a very important role in the building up of this industry, the Federation is of the very strong opinion that the interests of the field and development personnel should be fully safeguarded." The resolutions adopted by the Committee, *inter alia*, say:

(1) "That, while rationalising the remunerations of the field and development personnel, the total emoluments, earned by a worker, step by step, through a number of years of hard labour, should not be reduced; and while fixing up their salaries, the Corporation should take cognisance of all the benefits derived by an employee, before nationalisation, as they formed part of his remunerations."

(2) "That, in the event of termination of services of any employee for his non-acceptance of the revised remuneration as a result of rationalisation, he should be paid a minimum of three months' notice salary, at the rate of last salary drawn, besides cash payment for all leave due to him along with a compensation at the rate of 15 days' salary for every completed year of his service in the industry, in addition to his earned gratuity, provident fund, etc., accumulated as at the time of taking over the controlled life business by the Corporation."

(3) "That all the accrued benefits like provident fund, gratuity, leave benefits, pension, bonuses, etc., should be credited to the account of the respective employee by the Corporation at the time of taking over, and the employees should have the option to encash their accrued leave benefits at any time after the formation of the Corporation."

(4) "That priority should be given to the personnel working in an area of a particular zone for different posts meant for that zone. It is, therefore, suggested in the interest of the industry that field and development personnel should not be ordinarily dislocated. If, however, it is found imperative in a few cases, sufficient time, say, not less than three years, be allowed to the person concerned, so as to enable him to properly establish himself in the new surroundings and justify his appointment. In this context, it may not be out of place to mention that the insurance business has its own peculiarities, inasmuch as it is dependent upon many factors like language, customs, influence and personal contacts of a person in his particular area of work."

These demands—at least the spirit and essence of them—deserve the consideration of the Government. In any scheme of rationalisation, there is a need to distinguish between the chaff and the grain among the field workers. And, if it is necessary to terminate the services of any experienced field worker, it should be done after giving him an opportunity to explain his position and give a better account of himself.

ATOMIC RADIATION

Last week, we discussed in these columns the significance of atomic developments to insurance. So far as life insurance is concerned, present evidence indicates that atomic accident rate is very small, so that work in the atomic plants is now regarded as a fairly safe occupation. Nevertheless, the importance of radiological safety cannot be overemphasised. Thus, the U.S. National Academy of Sciences, which has completed a year-long study of the effects of atomic radiation on man, has stressed that such radiation from any source—bombs, nuclear reactors, X-rays or natural environment—is "often harmful" to life. It has particularly stressed that any amount of radiation, however small, is potentially hazardous from the genetic or hereditary standpoint.

The Academy points out that when a world-wide atomic industry becomes fully developed, its radio-active waste products may "represent more radiation than would be released in an atomic war." Referring to the hazard from the dropping of atomic bombs, it says that "radiation from fall-out inevitably contaminates man's food supply." It adds: "At present, the contamination is negligible. But the maximum tolerance level is not known. There is not nearly enough information about the long-term biological effects on man or animals from eating radiation-contaminated food. Research in this area is urgently needed." The major recommendations made by the Academy include: (1) Further improvement in techniques for monitoring world-wide fall-out, (2) establishment of a national agency to "control and keep records of all dumping of radio-active material in the ocean, (3) establishment by an international body of safe standards for the marine and air disposal of radio-active materials as soon as possible, based on current knowledge, (4) sealing of buildings that house atomic reactors located near populated areas against the release of radio-active materials in the event of accident—this to be done "until advances in reactor technology substantially reduce potential hazards" and (5) reduction of the medical use of X-rays as much as is consistent with medical necessity.

FREE INSURANCE

An interesting development in the sphere of accident insurance has been reported from the U.S. It would appear that both the American Motors Corporation and Studebaker-Packard Corporation offer free cover for accidental death to the buyers of their new cars. The American Motors policy is for $25,000 for one year and provides coverage for the purchaser or spouse in the event of death of either or both while driving or riding in the car. The full amount would be paid on the death of both and half the amount on the death of one partner. Studebaker-Packard's offer is designed to cover the original registered owner of each new 1956 Studebaker against accidental death while driving and arising out of an accident involving his Studebaker. The insurance is for $20,000.

There is a section of opinion in insurance circles which has protested against this offer of free insurance cover. The manufacturers, on their part, stress in their advertisements that they are offering the coverage as evidence of their faith in the safety construction features of their new models.

The legal position of this episode is not yet clear. According to the *Review*, Commissioner Navarre of Michigan has stated that the free insurance plan is perfectly legal in Michigan and in many other States. It would, however, appear that the authorities in North Carolina hold that free accident policies are illegal in that State since the law in that State requires that insurance business should only be put through a licensed agent. The New York Insurance Department, it is stated, has also ruled the give-away policy illegal. But this ruling has been disputed by the interests concerned. Meanwhile, a Bill has been introduced in Rhode Island to prohibit free insurance as an inducement to purchase merchandise or real estate.

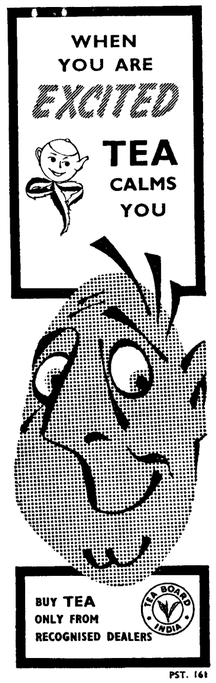
DIFFERENCE BETWEEN ITALY AND U.K. SETTLED

The difference which arose between the United Kingdom and Italy following the latter country's adoption of new measures concerning insurance operations, it is stated, has now been settled on the basis of recommendations made to the two parties by the Council of the O.E.E.C.

On 11th April 1955, the Italian Parliament passed a new law relating to insurance which appreciably modified the existing legislation, particularly as regards the provisions relating to the deposits and reserves required from national and foreign insurance companies operating in Italy. The United Kingdom authorities, considering that these measures were more rigorous than required for the safeguarding of the policyholders and might seriously prejudice the operations of British insurance companies in Italy, referred the matter to the O.E.E.C. some months ago.

This question was submitted to the examination of the Committee for Invisible Transactions, composed of high-level officials, which was recently set up by the Council to further the liberalisation of services and transfers. On the basis of the analysis and proposals made by this Committee, the O.E.E.C. Council considered that, subject to the introduction of certain relaxations in respect of foreign insurance companies in Italy, the obligations imposed by the new Italian legislation did not go beyond what was justified for the protection of the assured and conformed with the spirit of the insurance section of the Code. The Council recommended that the Italian Government should endeavour to introduce the relaxations to the relevant provisions and regulations in their application to these companies. The Council made detailed recommendations on this matter, and on 23rd March 1956 invited the Governments of the United Kingdom and Italy to seek a settlement and to report to the Organisation on the results of their negotiations by 30th April.

The two Governments have now informed the O.E.E.C. that they have succeeded, within the arranged period and on the basis of the Council's Recommendation, in reaching agreement.



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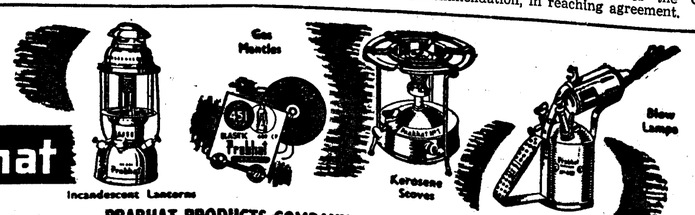

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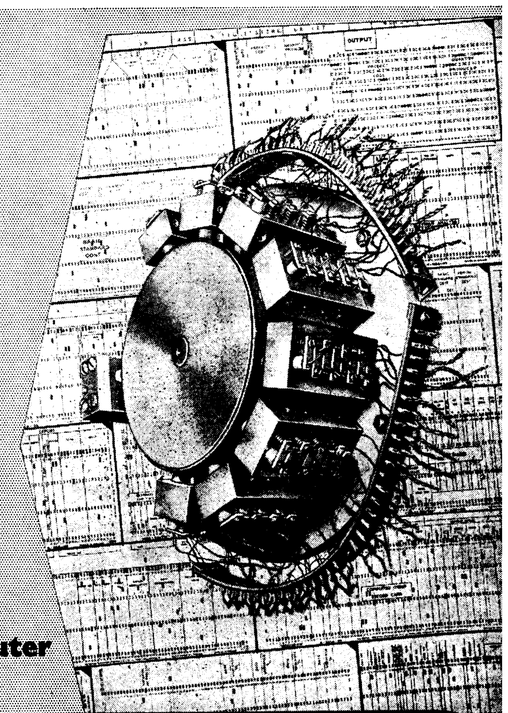
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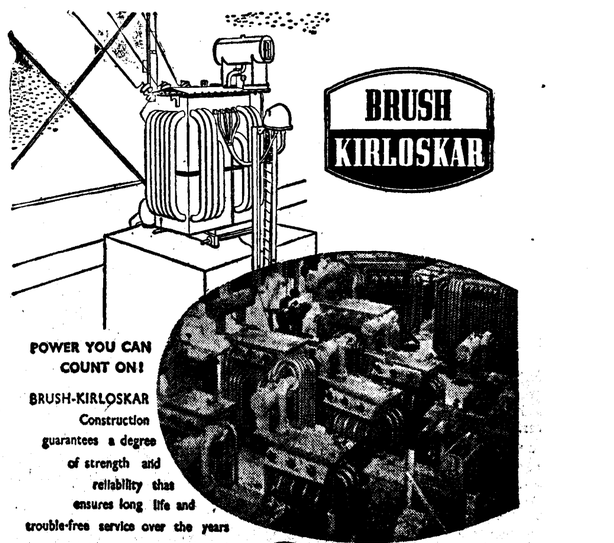

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FEATURES OF FINANCE ACT, 1956—II

DOUBLE TAXATION CLEVERLY DOVETAILED INTO THE SYSTEM

By R. K. Dalal, B.Com., F.S.A.A., F.C.A.

IN the first article, the substantial changes that have been effected in the taxation rates applicable to registered firms and companies were considered. In this article, I propose to deal with other important features introduced in the Income-tax Act itself.

The definition of 'dividend' under section 2(6A) has been amended, so that accumulated profits on distribution (whether capitalised or not) would be treated as dividend in the event of liquidation of a company.

This amendment counteracts the decision of the Bombay High Court in the matter of *Haridas Achratlal* (1955 (27) I.T.R. 684). Before the amendment, the operation of section 2(6A) was restricted to only accumulated profits which arose during the six previous years of the company preceding the date of liquidation. But now, by this amendment, the accumulated profits of *any past year* are brought within the net. The insertion of the phrase "whether capitalised or not"—which was conspicuous by its absence in this clause of the section—has the result of making liable to tax distribution on liquidation out of capitalised profits, for example a distribution made in respect of bonus shares or a distribution out of profits capitalised by converting partly paid shares into fully paid shares.

The scheme of treating capitalised profits as part of the reserve under amended section 23A in 1955 having been accepted in the last year's Finance Act, this is merely an improvement on the existing section, or as the Government would say, 'plugging' an obvious loophole for evasion of tax.

But there is one aspect which does not seem to have been noticed and it is this. Under the Finance Act, 1956, bonus shares will be subjected to tax at 2 annas in a rupee of the face value or the bonus, making partly paid shares fully paid. When such a company goes into liquidation, this additional tax which is levied will not be given credit for, with the result that such profits will be taxed twice—once in the hands of the company and again when they are distributed. The Government has cleverly avoided this issue by tacking on this tax to super-tax and not to income-tax. If it was the latter, the question of credit would naturally follow. But, as it is super-tax, the company pays its own super-tax—never on behalf of the shareholders. And thus they can wriggle out of an odd situation. Surely, the Government cannot camouflage double taxation of the profits by merely calling the impost a super-tax. Similar argument may be advanced in relation to super-tax on excess dividend. That too being now called super-tax, the question of double taxation is cleverly side-tracked.

Excess Remuneration

Coming next to the amendment to section 10, dealing with computation of income under the head business or profession, the following features are noteworthy: The amendment provides for disallowance of excess remuneration or value of amenities or benefits provided by a company to its directors or shareholders substantially interested in the company, if, in the opinion of the Income-tax Officer, any such allowance is deemed excessive or unreasonable, having regard to the legitimate business needs and the benefit derived by or accruing therefrom. Such amounts disallowed will nonetheless be taxed in the hands of the recipient. A person is said to have substantial interest, if he is concerned with the management of business, being the beneficial owner of ordinary shares carrying 20 per cent. voting power.

Initial depreciation will not now be available for new buildings erected and new plant and machinery installed after 1st April 1956. The result of this is that items such as buildings, motor cars, office equipments and other depreciable assets owned by persons assessed under the head 'profession' will not be entitled to initial allowance. This does not, however, disturb the development rebate. It will continue to be given on such of those assets as are eligible for that rebate.

Turning to section 16 dealing with the computation of 'total income,' the amended section reads:

"When the sum out of which dividend has been paid, credited or distributed or deemed to have been paid, credited or distributed includes—

(i) the profits and gains of the company not included in its total income,

(ii) any income on which income-tax is not payable, or,

(iii) any amount attributable to any allowance made in computing the profits and gains of the company,

the increase to be made under section 16(2) will be calculated only upon such portion of the dividend as the said sum after deduction of the inclusion enumerated above bears to the whole of that sum."

In short, dividends paid out of sources which have not borne any tax in the hands of the company will not be eligible for grossing up.

The three categories mentioned cover: (1) agricultural income, which is not to be included in the total income; (2) income of pioneering industries where tax is not payable to the extent of 6 per cent. on the capital employed, and (3) any allowances, for example, development rebate, etc. Such profits, if they are distributed, although they form part of dividend, are not entitled to grossing up on such parts.

The next important feature relates to section 23A companies in which public are not substantially interested. This has been amended in two respects:

(a) The amendment raises the flat rate of super-tax payable by investment companies on their undistributed profits from As. 4 to As. 8, if their distribution of dividend falls short of the prescribed minimum; the existing rate of As. 4 for other companies is, however, retained.

(b) It is a clarificatory amendment, securing inclusion of accumulated profits not transferred to reserves for determining the applicability of the proviso to section 23A. In Century Mills' case, it was held that reserves did not include the balance of profit and loss account carried forward, with the result that, in determining under section 23A whether reserves were equal to capital, profit and loss account balance would have to be ignored. The amendment secures that such balances shall also be deemed to be reserves for purpose of section 23A.

Reopening of Accounts

The most important change effected is the change introduced in section 34 dealing with escaped income. The Finance Act, 1956, has made substantial changes in this section. These are:

(1) The limit of eight years existing in section 34 (1)(a) is dropped. No assessment for the years earlier than 1940-41 will, however, be reopened, except as indicated under (3) below.

(2) There will be no limit for completion of assessment or reassessment made under section 34 (1)(a). Previously, such assessment had to be completed before the expiry of one year from the date of service of the notice, even if such period exceeds the period of eight years or four years, as the case may be.

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31st December, 1955

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Working Funds ... Rs. 112·89 Crores

One year ago

31st December, 1954

Deposits ... Rs. 75·64 Crores

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(3) Opening or reopening of the assessment of cases more than eight years at the close of the assessment year will continue to be subject to—

(a) the sanction of the Central Board of Revenue;

(b) the amount of income that has evaded tax must not be less than Rs. 1,00,000.

The Central Board of Revenue will continue to have power of settlement in respect of war years. It will have no power to make such settlements in respect of other years.

The New Finance Act, 1956, also empowers the Income-tax authorities to enter buildings, search the premises, seize any documents, take notes or make inventory which may be relevant or useful for any proceedings under the Act. Such power shall be exercised with the previous approval of the Commissioner of Income-tax. The Income-tax Officer shall not impound any books of account or other documents without recording his reasons for so doing and retain custody of such books and documents exceeding 15 days without obtaining the approval of the Commissioner of Income-tax.

Section 35, which deals with rectification of mistakes, has been considerably enlarged. *Inter alia,*

(1) This amended section enables the amount of income-tax deemed to have been paid by the shareholder in respect of dividend under section 49B or section 18(5) on the presumption that the full tax assessed on the company would be paid by it to be reduced in the event of any portion of the tax not being paid by the company within three years from the date the dividend was declared and consequential recovery to be made from the shareholder.

(2) It authorises recovery of rebate of income-tax allowed in respect of profits retained by a company in any year, if such profits are subsequently distributed as dividend.

Other Amendments

Among the other amendments of a miscellaneous character might be mentioned the following:

(1) Deduction of expenses incurred by a salaried employee on the maintenance of a conveyance of his own used for the purpose of his employment. At present, no such tax relief is available to salaried employee.

(2) Grant of unilateral relief in India for income charged to agricultural income-tax in Pakistan. At present, such income is liable to tax in India and Pakistan and the assessee is unable to get any relief from Double Income-tax Avoidance agreement, as it does not extend to income classified as agricultural in either country.

(3) Exemption of foreign technicians employed in Government undertaking. In the Finance Act, 1955, exemption for a limited period of remuneration received by a foreign technician employed in business was given. But, as the law stood, a foreign technician who stayed in India for 365 days or more lost the benefit of the exemption for the second financial year, while one whose stay was for less than 365 days got it. The new provision affords now relief as below:

(a) granting exemption to foreign technicians employed by Government and local authorities or statutory corporations;

(b) granting exemption for the remuneration for one full year from the date of technician's arrival in India in case where the technician stays in India for more than 365 days.

This amendment is given a retrospective operative effect from 1st April 1955 instead of 1st April 1956.

(4) Continuation of the exemption of profits from tax for new industrial undertakings. At present they are exempted for a period of five years from the commencement of manufacture or production, if they satisfy certain conditions. The exemption is limited in each of the five years to profits not exceeding 6 per cent. of the capital employed in the undertaking. It is extended by the Finance Act, 1956, to another period of five years.

(5) Section 8 relating to interest on securities has been amended so as to secure a deduction of reasonable sums expended by an assessee, including a bank, in the realisation of interest on securities.

This completes an outline of the main and salient features of the Finance Act, 1956. Days were when the tax was only a fraction of the income. Now the income has become a mere fraction of the tax. With the rising tempo of fresh taxation, one may not, perhaps, be surprised to find one day that the income—the whole of it—has faded into some tax or other.

(Concluded)

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AUDITORS :—MESSRS. S. B. BILLIMORIA & CO.

REGISTERED OFFICE OF THE COMPANY :

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Dr. PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955. Cr.

1954 Rs.		Rs.	1954 Rs.		Rs.
57,48,026	To Stock on 1st January 1955	63,21,114	1,77,80,747	By Proceeds of Cotton, Cloth, Yarn, Waste and Sundries	1,89,40,693
94,67,202	,, Purchases of Cotton and Yarn	84,09,454	2,932	,, Interest Received	3,852
43,23,997	,, Millhand's Wages and Dearness Allowance and Bonus (including Rs. 6,00,000 as provision for Bonus covering the period 1953, 1954 and 1955)	45,29,268			
24,86,151	,, Other Manufacturing Expenses (including Materials Consumed Rs. 16,90,722 and Repairs to Buildings and Machinery)	26,00,778	84,769	,, Miscellaneous Income (including Rs. 37,854 being compensation for breach of contracts and Rs. 66,866 being fire loss claims from Insurance Companies)	1,27,900
6,00,461	,, Salaries	6,08,668			
	,, General Charges (including Brokerage and Commission, Rent, Rates and Taxes, Auditor's Fees, Insurance, etc., and Rs. 48,030 excess provided for Municipal Taxes in past years)	5,68,468	63,21,114	,, Stock on 31st December, 1955	59,57,111
5,08,930					
2,60,783	,, Staff and Workers' Provident Fund Contributions	2,44,328			
95,935	,, Interest Paid	77,865			
1,400	,, Directors' Fees (including refund of Rs. 200 of past year)	2,000			
....	,, Bad Debts	4,250			
8,000	,, Loss on Sale of Fixed Assets	....			
85,000	,, Provision for Taxation	5,00,000			
5,44,677	,, Balance, being Profit (subject to provision for Depreciation on Fixed Assets) carried to Appropriation Account	10,73,363			
2,41,39,562	Total .. Rs.	2,50,29,556	2,41,39,562	Total .. Rs.	2,50,29,556

Dr. APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1955. Cr.

1954 Rs.		Rs.	1954 Rs.		Rs.
1,75,000	To Depreciation	5,00,000	17,999	By Balance Brought Forward from 1954	32,796
1,75,000	,, Provision for Proposed Dividend on 25,000 7 per cent. Cumulative Preference Shares of Rs. 100 each (subject to Income-tax) for the year 1955	1,75,000	5,44,677	,, Balance from Profit and Loss Account	10,73,363
1,49,900	,, Interim Dividend on 59,961 Ordinary Shares of Rs. 50 each (free of Income-tax) declared on 18th October, 1955	1,49,902			
29,980	,, Provision for Proposed Final Dividend on 59,961 Ordinary Shares of Rs. 50 each (free of Income-tax)	1,49,903			
32,796	,, Balance carried to Balance Sheet	1,31,354			
5,62,676	Total .. Rs.	11,06,159	5,62,676	Total .. Rs.	11,06,159

BALANCE SHEET AS AT 31st DECEMBER, 1955.

1954 Rs.	CAPITAL AND LIABILITIES	Rs.	Rs.	1954 Rs.	PROPERTY AND ASSETS	Rs.	Rs.
	Capital—				**Fixed Capital Expenditure—**		
	AUTHORISED—			1,10,92,641	As per schedule attached to and forming part of the Balance Sheet	1,09,78,649	
	25,000 7 per cent. Cumulative Preference Shares of Rs. 100 each	25,00,000		75,74,225	LESS—Depreciation written off to date	50,74,224	
	50,000 Ordinary Shares of Rs. 50 each	25,00,000		35,18,416			59,04,425
	1,00,000 Unclassified Shares of Rs. 50 each (out of this 10,000 Shares have been classified as New Ordinary Shares by Resolution No. 2 of 3rd June, 1952)	50,00,000	1,00,00,000	10,81,657	**Stores and Spare Parts—** As per Inventories valued and certified by an official of the Company; Below Cost		11,61,805
1,00,00,000				6,909	**Livestock and Vehicles**		6,679
	ISSUED AND SUBSCRIBED—				**Stock-in-Trade—**		
	25,000 7 per cent. Cumulative Preference Shares of Rs. 100 each issued as fully paid-up in payment of purchase consideration	25,00,000			(As per Inventories valued and certified by an official of the Company; Cotton at Cost or market rate, whichever is lower; Yarn sold at contract rate, unsold at cost or market rate, whichever is lower; Waste saleable at contract rate, mixable at cost; Cloth sold at contract rate, unsold at cost or market rate, whichever is lower)	63,21,114	59,57,111
	5,000 Ordinary Shares of Rs. 50 each issued as fully paid-up in payment of purchase consideration	2,50,000					
	25,000 Ordinary Shares of Rs. 50 each issued as fully paid under the Scheme of Arrangement sanctioned under Section 153 of the Indian Companies Act, on 14th April, 1944	12,50,000			**Goods-in-Transit (At cost)—**		
	9,960 New Ordinary Shares of Rs. 50 each issued as fully paid-up Bonus Shares without payment being received in cash pursuant to Resolution No. 2 of 3rd June, 1952, as per last Balance Sheet .. .. .. Rs. 4,98,000			....	Cotton		5,52,237
	ADD—1 Share of Rs. 50 each transferred from Capital Suspense .. .. .. ,, ,, 50	4,98,050		4,86,123	**Book Debts** (Unsecured considered good)		4,00,365
	20,000 Ordinary Shares of Rs. 50 each fully paid-up in cash	10,00,000	54,98,050		**Advances—**		
54,98,000					Against Cotton, Machinery, Stores, Spare Parts, etc.	2,47,105	
	Capital Suspense—				Prepaid Rates, Taxes, Subscriptions, Insurance Premia, etc.	36,295	
	40 Ordinary Shares of Rs. 50 each which remain to be allotted against 200 Fractional Certificates issued but not yet submitted for conversion as per last Balance Sheet	2,000			Advance Payment of Income-tax under Section 18 (A) (1) of the Indian Income-tax Act, 1922, for the Accounting Years 1953, 1954 and 1955	2,78,160	
2,000	LESS—1 Share of Rs. 50 each, transferred to Capital	50	1,950		Other advances (including Rs. 34,720 for purchase of land from the Bombay Municipality)	1,71,607	7,33,167
10,00,000	**General Reserve**		10,00,000	6,31,897			
....	**Surplus Realised on Acquisition of Land**		1,31,233		**Investments** (At cost)—		
	Retention for Land Acquisition—				In Government Securities lodged as deposit with the Central Excise	9,845	
	Compensation received under protest for land acquired by the Bombay Municipality, pending settlement of Appeal		....	49,909	Interest accrued on above	64	
1,93,292					Shares in Joint Stock Company fully paid-up	40,000	49,909
	Loans—				**Investment of Employees' Provident Fund (At cost)*—**		
	(a) Secured: From the State Bank of India, by hypothecation of the whole of the Company's Stock-in-Trade, and Stores and Spare Parts		11,61,953	9,06,521	In Central Government Securities		13,96,385
20,89,465	(b) Unsecured	5,610			**Cash and Other Balances—**		
	Interest accrued on above	500	6,110		With Banks on Current Account	61,657	
5,892					Cash on hand at Office and at Mills	5,434	
9,75,411	**Employees' Provident Fund**		13,75,880	51,333	Deposits	9,497	76,582
1,31,190	**Unclaimed Dividends**		1,72,043				
	Liabilities—				* The reason for the difference between the Employees' Provident Fund and the investment made against it is due to the fact that investments were made covering the liability for the month of December, whereas the payment of wages was made after the close of the accounting year.		
	For Goods Supplied	3,05,755					
	,, Expenses	14,89,690					
	,, Other Finance	3,59,721	21,55,166				
20,56,825							
	Provision for Taxation—						
	As per last Balance Sheet	5,64,523					
	LESS—Taxes paid	1,08,092					
			7,56,481				
	ADD—Tax on 1954 Preference Dividend recovered and further provision made during the year	5,45,937	13,02,368				
8,64,523			5,24,903				
2,04,980	**Provision for Proposed Dividends**						
	Profit and Loss—						
32,796	Balance as per Appropriation Account		1,31,354				
	Contingent Liability—						
	Under the proposed Town Planning Scheme, Bombay City No. IV (Mahim Area), the Company is called upon to pay a sum of about Rs. 6,00,000 in respect of the alleged notional appreciation in the value of the Company's properties as a result of the implementation of the said Scheme. The said claim is disputed by the Company.						
	NOTE:—The company claims that the provision for taxation is considered adequate to cover the liability for the accounting years 1952 to 1955.						
1,30,53,874	Total .. Rs.		1,33,33,665	1,30,53,874	Total .. Rs.		1,33,33,665

REPORT OF THE AUDITORS TO THE SHAREHOLDERS.

We have audited the foregoing Balance Sheet of the Elphinstone Spinning and Weaving Mills Co., Ltd., as at 31st December, 1955, and also the foregoing Profit and Loss Account of the Company for the year ended upon that date, from both of which annas and pies have been eliminated.

The Balance Sheet and Profit and Loss Account have been drawn up in accordance with the Indian Companies Act, 1913, and therefore do not give the information required by the Companies Act, 1956, in the manner so required.

Subject to the foregoing, we report as follows:—

(1) In our opinion and to the best of our information and according to the explanations given to us, the foregoing Accounts give a true and fair view (a) in the case of the Balance Sheet of the state of the affairs of the Company as at 31st December, 1955, and (b) in the case of the Profit and Loss Account of the profits of the Company for the year ended on that date;

(2) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of auditing the Accounts in the form in which they have been prepared;

(3) in our opinion, proper Books of Account as required by the law in force as at the date of the Balance Sheet have been kept by the Company so far as appears from our examination of the books;

(4) the Balance Sheet and Profit and Loss Account are in agreement with the Books of Account.

S. B. BILLIMORIA & CO.,
Chartered Accountants.

BOMBAY, 7th June, 1956.

The above Balance Sheet to the best of our belief contains a true account of the Capital and Liabilities and of the Property and Assets of the Company.

B. L. JALAN,
N. K. JALAN,
MULRAJ KERSONDAS,
SANWALRAM MORE,
MATADIN H. KHAITAN,
DAMODARLAL JAIPURIA,
} Directors.

C. N. SHAH,
Secretary.

BOMBAY, 6th June, 1956.

CONDITIONS FOR THE WORKING OF A FREE ECONOMY

GENERAL WELFARE OF PEOPLE IS AN IMPORTANT CONSIDERATION

By Dr. Per Jacobsson

[India is, perhaps, one of the few countries in the free world where the virtues of a free economy are not readily recognised in influential quarters. Much of this is due to confused thinking by the leaders themselves and the tendency among the rank and file to accept the observations and pronouncements of their leaders without adequate reflection. Experience in other parts of the world has shown that a vigorous free enterprise is an essential prerequisite to the survival of democracy, as well as to rapid and yet sound economic progress. There does not seem to be adequate appreciation of this condition in this country. The article on this page, reproduced from the Quarterly Review, *with the courtesy of the Skandinaviska Banken, Stockholm, is, therefore, a timely contribution to reinforcing India's gradually waning faith in free economy. In this article, the author, Dr. Per Jacobsson, a reputed Swedish economist, describes the conditions necessary for the efficient working of a free economy and convincingly dispels some of the general misconceptions about this system. Our object in publishing this article is to strengthen the hands of those who are generally inclined to support the system of free economy but have of late begun to vacillate, under the pressure of continuous attack against it, and to enable the open-minded critics of the private sector to reflect on what the Swedish economist has stated on the merits of that system.—ED.]*

BY a "free economy" is meant a *market economy*, i.e., an economy in which prices are determined by supply and demand in relatively untrammelled markets and in which price movements, through their influence on profits, are the principal factor promoting and balancing production. In the alternative kind of economy, which may be called either centrally-managed or authoritarian, prices and production are determined by decisions of the authorities; and, although these decisions are not necessarily arbitrary but may conform to certain established principles, the authorities do not consider themselves strictly bound by the need to consider the prevailing conditions of supply and demand. Indeed, one of the difficulties connected with East-West trade has been precisely that *internal* prices in the Eastern countries are essentially different from those applied to their foreign trade.

No economy, however, adheres to one single method of determining prices and production. As far as the Eastern countries are concerned, relatively free markets seem to be tolerated for certain foodstuffs, old clothes, etc., while, in the Western countries, on the other hand, there are certain sets of prices which are fixed by Government agencies or which are for some other reason not subject to ordinary market conditions. But care must be taken to see that such measures of intervention as may be adopted in a free economy conform to the basic rules resulting from the interplay of supply and demand in the markets, for otherwise the workings of the market mechanism can be most adversely affected and the consequences may be felt for a long time. How intractable the disturbance can be, may be gathered from the results of the policy of price support for agricultural products in the United States, where there are large accumulations of stocks, which, in their turn, have created problems most embarrassing to the authorities and also the farmers themselves. While a free economy is, in principle, based on the right to own private property and to pass it on to one's heirs, this right is, as experience shows, compatible with a fair amount of public ownership and the levying of death duties, provided, however, that enterprises in the hands of public authorities are managed with due attention to ordinary market conditions and that death duties are not so heavy that they seriously impair the public's willingness and capacity to save or to pass on their savings to their heirs.

Enough Scope for Control

This is not the place to go into the question why the Western countries prefer a free economy to the alternative system of centralised direction. May it suffice to recall that, with the aid of modern techniques, the public authorities nowadays may exert a degree of effective power far beyond what their predecessors in earlier times would ever have dreamt of. If, under such conditions, both political and economic power were to be vested in the same set of persons, there would not be much room left for individual action and judgment. In a market economy, the economic decisions are largely decentralised, being subject to the discipline of the market, and this seems vastly preferable to the kind of discipline which has to be backed ultimately by the police and the armed forces. A market economy is by its very nature conducive to a high degree of variety and thus offers greater scope for continuous progress sustained by a persistent flow of innovations. A system of free enterprise liberates forces which, together with the desire to work and to provide for one's dependants, constitute powerful factors ensuring economic growth and rising standards of living.

Political Framework

Turning now to the particular conditions requisite for the working of a free economy, it must be mentioned, *in the first place*, that *the general political framework must be in a relatively good order.* While there is a great deal to be said for the advantages of change—though not too frequent change—in the personnel of Governments, enabling various groups to participate at different times in the administration of the nation's affairs, there ought at any rate to be a certain stability in the main principles applied to economic and monetary matters. As far as monetary problems are concerned, it may be just as well to recall what in our days are the guarantees of the future value of a currency, now that currencies consist mainly of notes and demand deposits, i.e., means of credit of various kinds. Even when, as in the United States, the currency is linked to gold, experience shows that, without any change in the official gold price, the creation of credit can lead to very appreciable increases in the level of wholesale prices and the cost of living and thus to corresponding alterations in the real purchasing power of the means of payments. The fact has to be faced that the value of a currency ultimately depends on the determination of the authorities to limit adequately the creation of new money. The question is, therefore, to what extent one can rely on the sense of responsibility of the authorities, not only at the moment but in years to come, since many contracts—insurances, pension arrangements, etc.—cover a period of 20 years or more.

Fortunately, it is possible to state that, over the last year or two, a much greater unanimity has been revealed with regard to the principles of monetary policy which should be applied in the various countries; flexible credit policies have been adopted almost everywhere.* And it has been interesting to note that—probably quite deliberately—questions of monetary policy have been kept out of the campaigns in recent elections in both Great Britain and the United States.

Monetary policy has been mentioned as just one example. It is, of course, desirable that a fair degree of unanimity should also be reached in regard to other aspects of economic policy, for otherwise there is always a danger that abrupt and perhaps fundamental changes will be introduced whenever there is a change of Government. In view of the tendency nowadays in many countries to elect "middle-of-the-road" representatives whether formally of the Left or of the Right, it would seem that there may soon be a relatively stable political basis capable of ensuring relatively steady economic growth in the countries of the Western world.

Sufficient Entrepreneurs

A second condition for the proper working of a free economy is the existence of *sufficient entrepreneurs.*

At the time of the great inventions which gave rise to the Industrial Revolution at the end of the eighteenth and the beginning of the nineteenth century, it was generally members of a new middle class, often of a rather puritanical bent, who started and developed the firms which manufactured and sold the newly-created articles and machines. Much has been written about the connection between Calvinism and capitalism and in more than one way this connection is a strange one: whereas quite clearly the New Testament considers riches as a source of spiritual danger, it would seem that the majority of the new *entrepreneurs* on both sides of the Atlantic has regarded advancement in business as a sign of the Lord's special approval. In any case, the puritan virtues—love of work, orderliness, frugality and diligence—did in fact help to bring forth the necessary capital and to ensure success in whatever enterprise was undertaken.

Today, there is a new class of *entrepreneurs* —the highly trained managers—and whatever their faults, they do not seem to lack energy.

It is an important factor in the economic history of the modern world that the populations of the underdeveloped countries do not for the most part include any large group corresponding to the middle class which was the mainstay of industrial development in the West. Instead of relying on private enterprise, the Governments of these countries, anxious to promote rapid industrialisation, set up nationalised industries run by State officials, and fearing that the supply of voluntary savings will not be adequate, they look for ways and means of extracting "forced savings" from the public. The end of these experiments is not yet in sight. Undoubtedly a new class of technicians and of managers of various grades is being formed, and it may be that with the aid of this class there may one day be evolved a system more akin to that existing in the Western countries.

Effective Market System

A *third condition*—and perhaps the most important one—for the working of a free economy is that prices should be allowed to be determined in relatively unrestricted markets, which means that there must be an *effectively functioning market system.*

The Western world had its fill of controls and rationing during the war, and, when the shortages began to disappear, the majority of the direct controls were taken off. Professor Erik Lundberg, in his monumental study of business-trend policy from pre-1914 times up to the present, comes to the conclusion that direct controls over prices and production are a very clumsy means of intervention and that they are definitely inferior to the "invisible hand," i.e., the influence of price changes in the markets, by which, as Adam Smith pointed out, production is directed in a free economy.† Professor Lundberg was a member of the State Price Control Board in Sweden during the war and was afterwards head of the Swedish Institute of Economic Research, so that his judgment can be said to be based not only on theoretical analysis but also on direct personal experience of how the methods employed actually worked in practice.

Principles are put to the test when difficulties occur; and it was in the period of intense boom, which began in the autumn of 1954 that the authorities in the various countries had to decide whether to seek to restore equilibrium by means of general measures of a fiscal and monetary nature or whether they would reimpose direct controls in the field of foreign trade—controls which would involve, in particular, a curtailment of imports. As we now know, interference with foreign trade has in fact been avoided, and in this connection the attitude adopted by Great Britain is for several reasons of outstanding importance. If the British authorities had ceased to rely on methods of monetary and fiscal policy, the conclusion would have been widely drawn that these methods are to be regarded as ineffective under modern conditions and must be replaced by direct controls imposed by the State. What is done in Great Britain is much more important in these respects than, for instance, the policies followed in the United States—for the simple reason that the United States is so large and possesses such ample monetary reserves that it need never worry about the emergence of a deficit in its balance of payments and it might even welcome a deficit, since the reappearance of a deficit would help to put an end to the "dollar shortage"—whereas other countries in the Western world, almost without exception, have to be very careful about what happens to their balances of payments.

*In this connection the increases in the official discount rates and other financial measures taken in the Scandinavian countries when they were experiencing balance-of-payments difficulties in 1954-55 have attracted much attention, since the Labour Parties are the dominant in the Governments of all these countries.

†See *Konjunkturer och Ekonomisk Politik* by Erik Lundberg, Stockholm, 1953

It may, however, be asked whether prices are any longer a reliable guide. For it can be argued that, in the modern world, price rings and cartels and other forms of restraint on trade nowadays exert such a strong influence that it is an illusion to think that the majority of prices are still determined on free markets. But, in actual fact, when one examines the price changes which have occurred in recent years, one finds that competition still plays a very considerable role: the importance of "services" has increased and the rendering thereof is still a matter for free competition; moreover, substitutions are taking place to an increasing extent, especially as new products appear on the market, with the result that the consumer's choice is being widened. And investment is continuing at a high rate —which will lead to increased production of ready-made articles, thus tending to prevent the artificial shortages that are the essence of monopolies.

The liberalisation of trade works in the same direction. Furthermore, the authorities in one country after another are taking steps to get rid of practices in restraint of trade—and in not a few instances they are being helped in this by the *entrepreneurs* themselves. It is, indeed, essential that business people should realise that it is not right for them to turn to the Government for help each time they meet with difficulties in their own particular branch.

Governments' Duty

Governments, too, need to examine their own record, for not infrequently it is as a result of their intervention that the price system is deranged. Mention has already been made of the "supporting" of agricultural prices; another example is to be found in the field of housing. The artificial holding-down of rents is having some dangerous consequences, one of these being that many houses are no longer being kept properly, the resultant capital loss being quite considerable in the case of a fair number of countries. Legislation regarding rent restriction is, however, being gradually eased; and even agricultural prices are being made more flexible, so that developments can be said to be generally tending in the direction of freer marketing.

But, if this is the case, how can people be given some assurance that, in spite of competition, prices will not rise sharply—or perhaps fall so abruptly that production becomes unremunerative and unemployment ensues? The public, it may be argued, will surely not be willing to allow itself to be exposed without any protection to the risks of a *laissez-faire* policy. The answer is that it will not be asked to do so, for there have been evolved certain guarantees and the existence of these guarantees is a further condition for the proper working of a free economic system.

Monetary and Fiscal Policies

Thus, the *fourth condition* in our list is that *sensible monetary and fiscal policies should be pursued.* As the famous English economist Walter Bagehot pointed out nearly a hundred years ago, "money does not manage itself." A very important step was taken in March 1951 in Washington when, with the agreement of the U.S. Treasury, the Federal Reserve Banks were once more given freedom to conduct a flexible credit policy. It seems now to be generally admitted that the monetary authorities in the United States have made good use of this freedom, since the prompt measures which they have taken in the various phases of the business cycle have made an essential contribution to the relatively smooth progress of the American economy in recent years. When monetary policy is being considered, attention is often concentrated primarily on changes in interest rates; these changes are certainly of great importance, but a number of other measures also need to be applied—and such other action has in fact been taken as is shown, *inter alia*, by the reports of the President of the United States and of the Federal Reserve System, in which much interesting information is given about the various aspects of the policies pursued.

The return of flexible credit policies has helped to restore to central banks a greater freedom of action. The general public is getting tired of continuous price rises and is beginning to understand that there must be some safeguard against excessive credit granting not only to the private business world but also to Government agencies. The note-issuing institution needs to be as independent of Government policies as possible; and it is of interest, in this connection, to recall that the statutes of some central banks do not allow members of the Government or of Parliament to be appointed to their Boards. In the case of Sweden, there is no such similar restriction, but demands have recently been made that the persons appointed to the Board of the Sveriges Riksbank should not be members of Parliament.

Monetary policy is coming into its own again, but to be effective it must be supplemented by appropriate action in the public sector, which now constitutes such a large part of most economies. For this reason the increase in the British bank rate from 4½ to 5½ per cent. introduced on 16th February 1956 was accompanied by measures designed to curtail spending in the public sector.‡

It would be going too far to claim that the ideal methods of monetary and fiscal policy have already been worked out, but much experience has been gathered and people are now more ready to learn what the proper methods should be. It must not be expected, of course, that the steps that have to be taken in execution of the monetary and fiscal policies will be altogether painless, but they should, on the other hand, make it possible to avoid any such widespread suffering as that caused by many of the depressions of the past.

General Welfare

This leads us on to the *fifth condition*, namely, that *arrangements must be made to safeguard general welfare*, without which no economic system can be truly acceptable to the public at large.

It is of interest, in this connection, to make a comparison with some of the main principles of biology. We have learnt that the factors which influence the evolution of the species include not only the struggle for life, as stressed by Darwin, but also mutual aid (within the family and the herd and even as evidenced by the protection afforded to each other by the trees in a forest, to mention only a few examples) and these two factors must further be supplemented by the existence of conditions which allow of the occurrence of variations (or "mutations" as they are called), without which there would be no new developments. If we translate these findings into economic terms, we may say that what is required for progress is, in the first place, competition (both in the individual markets and elsewhere); secondly, the Welfare State, extending help especially to the economically weak; and, thirdly, a general state of affairs which ensures that innovations are not suppressed but, on the contrary, actively encouraged. Sometimes, these different requirements clash with one another and then some kind of compromise has to be found. In this connection, it is only possible to indicate here one general problem. The crux of the problem before us is that, although the Welfare State has undoubtedly come to stay, it needs to be managed in such a way as to make it compatible with the proper working of the price system and with sound finances.

Firm Foundations

In addition to the five conditions mentioned above, there is reason to include a *sixth*, namely, that continuous efforts must be made to ensure that the *general foundations of the economy are firmly established.* Law and order must reign and it must in particular be possible to rely upon the fairness of the courts; taxes must be properly distributed and tax laws fairly administered; trades and professions must be allowed to have their own organisations, but these must be run in a highly responsible fashion and not used for restrictive purposes; proper education must be provided; the banking system must be sufficiently solid and great attention must be paid in particular to the system whereby savings are transmitted to those whose business it is to employ them. The list could easily be added to. One of the essential guiding principles to be observed in all this is that, in free economies, the spirit of private enterprise must not be unduly hampered but must be given sufficient scope for dynamic action. Recent experience provides encouraging evidence of what can be achieved; one cannot but be struck by the extent to which the economic life of various countries has been able to adjust itself to the vicissitudes of the war and of the post-war years. But the continuance of general prosperity cannot be taken for granted. This, fortunately, is widely realised, and the latest Economic Report of the President of the United States includes a list of objectives, consisting of practical steps which need to be taken to strengthen the foundations of future prosperity. One of these objectives is stated thus: "The incentives to work, to save, to invest and to venture must be protected and enhanced."

Critics Answered

It is often useful to examine *what the critics of a system have to say about it.* The capitalistic system, as embodied in the free economies, has been much criticised and its greatest antagonists have pointed to what they call its "two fundamental weaknesses":

(1) In the first place, it is said that the system will lead to war, because the capitalistic countries are bound to fight one another, as they have done in the past, for the possession of markets, especially in colonial areas.

(2) Secondly, it is contended that the system will continue to be exposed to devastating depressions with widespread unemployment.

The wars will lead to inflation and the depressions will cause general discontent, under the impact of which the capitalistic system is expected to be destroyed from within.

There is no doubt that the critics enormously exaggerate the importance of colonies as markets, but otherwise it cannot be claimed that the criticism has been wholly unjustified in the past. For have there not been within the last 50 years the two world wars and the great depression of the 1930's? Are there really grounds for hoping that more sensible policies will be pursued during the next 50 years?

As far as the danger of war is concerned, account has to be taken not only of the deterrent effect of the atomic bomb but also of the existence of the Atlantic Community, which, through its various organisations, should be able to ensure that the Western countries do not again go to war with each other. Perhaps war will have to be recognised as an outmoded way of settling conflicts not only between the capitalistic countries but between *all* the countries on this earth.

As for the danger of another bad depression, it would seem possible to state, with a fair amount of confidence, that considerable progress has been made in this field, especially in the last quarter of a century. Not only is there now more insight into the workings of the economy and a greater sense of responsibility on the part of the authorities and also among the organisations representing particular interests, but in many countries the economic and financial foundations have been strengthened by built-in stabilisers and in other ways. No doubt fresh problems will arise demanding new solutions. Mistakes will be made and difficult situations will have to be faced. But, with the greater resources now available to many of the free economies, there is no reason to expect that the countries in question will fail in their task or that they will be rendered unable to extend a helping hand to the less favoured regions of the world.

‡In the years since the Second World War, the effective demand both for goods and for funds has been so strong that there has been no difficulty in finding investment opportunities for all available savings. The particular difficulty which Keynes had in mind—namely, that current savings would not be fully invested—has therefore not arisen, and Keynes' recommendations, as expressed in his *General Theory* (published 1936), had thus better be forgotten for the time being. But this does not mean that these difficulties may not reappear one day. Lack of adequate monetary demand is a contingency which cannot altogether be disregarded; if it were to recur on a dangerously large scale a situation similar to that for which Keynes's remedies were prescribed would be created and certain exceptional measures would then be called for; it is only to be hoped that, in this event, the injection of fresh purchasing power would be made in such a way as to help to maintain the balance between costs and prices, thus enabling remunerative production to continue.

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Notices

THE EMPIRE JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Eighty-seventh Ordinary General Meeting of the Shareholders of THE EMPIRE JUTE COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 16th July 1956, at 3-0 p.m., for the following purposes:—

(1) To receive and adopt the Directors' and Auditors' Reports and to pass the Accounts for the half-year ended 31st December 1955.

(2) To declare Dividends.

(3) To appoint a Director in place of Mr. R. G. Edwards who retires by rotation, but who is eligible for reappointment.

And, in this connection, to consider, and if thought fit, to pass the following resolution as a Special Resolution of which Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the said Act, is annexed hereto.

To be proposed as a Special Resolution:

"That Mr. R. G. Edwards, an Associate of McLeod & Co., Ltd., the Managing Agents of the Company, who retires by rotation be and is hereby reappointed a Director of the Company."

(4) To appoint a Director in place of Mr. C. L. Bajoria who resigned in May 1956.

And, in this connection, to consider, and if thought fit, to pass the following resolution as a Special Resolution of which Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the said Act, is annexed hereto.

To be proposed as a Special Resolution:

"That Mr. B. L. Bajoria, an Associate of McLeod & Co., Ltd., the Managing Agents of the Company, be and is hereby appointed a Director of the Company in place of Mr. C. L. Bajoria."

(5) To consider, and if thought fit, to pass the following Ordinary Resolution pursuant to Section 293(1) (*d*) of the Companies Act, 1956, the relative explanatory statement, as required by Section 173 of the said Act, being annexed hereto.

"That the Board of Directors be and is hereby permitted to borrow moneys from time to time for the carrying on of the business of the Company notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

(6) To appoint Auditors for the year 1956 and to fix their remuneration.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and to vote instead of himself. A proxy need not be a member.

The Share Transfer Books of the Company will be closed from 25th June 1956 to 16th July 1956, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 12*th June* 1956.

Note.—Payments of the proposed dividends, if declared, will be made on or after 6th August 1956, only to those members whose names are registered in the Books of the Company on the 16th July 1956, or to their Mandatees.

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

EXPLANATORY STATEMENTS

1. In the Special Notice given to the Company of the resolution under item No. 3 of the above Notice, it has been pointed out that Mr. R. G. Edwards is an Associate of the Managing Agents and, in view thereof, it will be necessary for the shareholders to pass a Special Resolution in accordance with Section 261 of the Companies Act, 1956, if they decide to reappoint him as a Director of the Company.

2. In the Special Notice given to the Company of the resolution under item No. 4 of the above Notice, it has been pointed out that Mr. B. L. Bajoria is an Associate of the Managing Agents and, in view thereof, it will be necessary for the shareholders to pass a Special Resolution in accordance with Section 261 of the Companies Act, 1956, if they decide to appoint him as a Director of the Company.

3. The resolution under item No. 5 of the above Notice is intended to provide the Board of Directors with the necessary authority to enable them to borrow moneys from time to time for the Company's business in excess of the paid-up capital of the Company and its free reserves pursuant to Section 293(1) (*d*) of the Companies Act, 1956.

THE KELVIN JUTE COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Ninety-seventh Ordinary General Meeting of the Shareholders of THE KELVIN JUTE COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 16th July 1956, at 4-0 p.m., for the following purposes:—

1. To receive and adopt the Directors' and Auditors' Reports and to pass the Accounts for the half-year ended 31st December 1955.
2. To declare Dividends.
3. To appoint a Director in place of Mr. Ramsundar Kanoria who retires by rotation, but who is eligible for re-appointment.
4. To appoint a Director in place of Mr. C. L. Bajoria who resigned in May 1956.

And, in this connection, to consider, and if thought fit, to pass the following resolution as a Special Resolution of which Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the said Act, is annexed hereto.

To be proposed as a Special Resolution:

"That Mr. B. L. Bajoria, an Associate of McLeod & Co., Ltd., the Managing Agents of the Company, be and is hereby appointed a Director of the Company in place of Mr. C. L. Bajoria."

5. To consider, and if thought fit, to pass the following resolution which will be proposed as a Special Resolution.

"That with effect from the commencement of the Companies Act, 1956 and in compliance with the provisions of Section 314 thereof, Messrs. Luchhminarain Kanoria & Co., a firm in which Mr. Ramsundar Kanoria, a Director of the Company, is a Partner, be and are hereby permitted to hold an office or place of profit under the Company, namely, as Guarantee Brokers."

6. To consider, and if thought fit, to pass the following Ordinary Resolution pursuant to Section 293(1) (*d*) of the Companies Act, 1956, the relative explanatory statement, as required by Section 173 of the said Act, being annexed hereto.

"That the Board of Directors be and is hereby permitted to borrow moneys from time to time for the carrying on of the business of the Company notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

7. To appoint Auditors for the year 1956 and to fix their remuneration.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. A proxy need not be a member.

The Share Transfer Books of the Company will be closed from 25th June 1956 to 16th July 1956, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 12*th June* 1956.

Note.—Payment of the proposed dividends, if declared, will be made on or after 6th August 1956, only to those members whose names are registered in the Books of the Company on the 16th July 1956, or to their Mandatees.

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

EXPLANATORY STATEMENTS

1. In the Special Notice given to the Company of the resolution under item No 4 of the above Notice, it has been pointed out that Mr. B. L. Bajoria is an Associate of the Managing Agents and, in view thereof, it will be necessary for the Shareholders to pass a Special Resolution in accordance with Section 261 of the Companies Act, 1956, if they decide to appoint him as a Director of the Company.

2. By virtue of an agreement dated 25th June 1936, Messrs. Luchhminarain Kanoria & Co., a firm in which Mr. Ramsundar Kanoria, a Director of the Company, is a Partner, were appointed as Guarantee Brokers to the Company in respect of Gunny Sales. Although a resolution was passed by the Company at the 59th Ordinary General Meeting held on 8th March 1937, consenting to Messrs. Luchhminarain Kanoria & Co. holding an office of profit under the Company, it is considered desirable to regularise this appointment under Section 314 of the Companies Act, 1956. The resolution under item No. 5 of the Notice provides for this. A copy of the aforesaid agreement is available for inspection at the Registered Office of this Company during business hours.

3. The resolution under item No. 6 of the above Notice is intended to provide the Board of Directors with the necessary authority to enable them to borrow moneys from time to time for the Company's business in excess of the paid-up capital of the Company and its free reserves pursuant to Section 293(1) (*d*) of the Companies Act, 1956.

CHITAVALSAH JUTE MILLS COMPANY, LIMITED

NOTICE IS HEREBY GIVEN THAT THE Fifty-ninth Ordinary General Meeting of the Shareholders of CHITAVALSAH JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 16th July 1956, at 3-45 p.m., for the following purposes:—

1. To receive and adopt the Directors' and Auditors' Reports and to pass the Accounts for the half-year ended 31st December 1955.
2. To declare Dividends.
3. To appoint a Director in place of Rai Bahadur Nityananda Singh Roy, J.P., who retires by rotation, but who is eligible for re-appointment.
4. To appoint a Director in place of Mr. C. L. Bajoria who resigned in May, 1956.

And, in this connection, to consider, and if thought fit, to pass the following resolution as a Special Resolution of which Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the said Act, is annexed hereto.

To be proposed as a Special Resolution:

"That Mr. B. L. Bajoria, an Associate of McLeod & Co., Ltd., the Managing Agents of the Company, be and is hereby appointed a Director of the Company in place of Mr. C. L. Bajoria."

5. To consider, and if thought fit, to pass the following Ordinary Resolution pursuant to Section 293 (1) (d) of the Companies Act, 1956, the relative explanatory statement, as required by Section 173 of the said Act, being annexed hereto.

"That the Board of Directors be and is hereby permitted to borrow moneys from time to time for the carrying on of the business of the Company notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

6. To appoint Auditors for the year 1956 and to fix their remuneration.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and to vote instead of himself. A proxy need not be a member.

The Share Transfer Books of the Company will be closed from 25th June 1956, to 16th July 1956, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 12*th June* 1956.

Note.—Payment of the proposed dividends, if declared, will be made on or after 6th August 1956, only to those members whose names are registered in the Books of the Company on the 16th July 1956, or to their Mandatees.

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

EXPLANATORY STATEMENTS

1. In the Special Notice given to the Company of the resolution under item No. 4 of the above Notice, it has been pointed out that Mr. B. L. Bajoria is an Associate of the Managing Agents and, in view thereof, it will be necessary for the shareholders to pass a Special Resolution in accordance with Section 261 of the Companies Act, 1956, if they decide to appoint him as a Director of the Company.

2. The resolution under item No. 5 of the above Notice is intended to provide the Board of Directors with the necessary authority to enable them to borrow moneys from time to time for the Company's business in excess of the paid-up capital of the Company and its free reserves pursuant to Section 293(1) (*d*) of the Companies Act, 1956.

WAVERLEY JUTE MILLS COMPANY LIMITED

NOTICE IS HEREBY GIVEN THAT THE Seventy-seventh Ordinary General Meeting of the Shareholders of WAVERLEY JUTE MILLS COMPANY, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 16th July 1956, at 3-30 p.m., for the following purposes:—

1. To receive and adopt the Directors' and Auditors' Reports and to pass the Accounts for the half-year ended 31st December 1955.
2. To declare Dividends.
3. To appoint a Director in place of Mr. D. P. Goenka who retires by rotation, but who is eligible for reappointment.

And, in this connection, to consider, and if thought fit, to pass the following resolution as a Special Resolution of which Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the said Act, is annexed hereto.

To be proposed as a Special Resolution:

"That Mr. D. P. Goenka, an Associate of McLeod & Co., Ltd., the Managing Agents of the Company, who retires by rotation, be and is hereby reappointed a Director of the Company."

4. To appoint a Director in place of Mr. C. L. Bajoria who resigned in May 1956.

And, in this connection, to consider, and if thought fit, to pass the following resolution as a Special Resolution of which Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the said Act, is annexed hereto.

To be proposed as a Special Resolution:

"That Mr. B. L. Bajoria, an Associate of McLeod & Co., Ltd., the Managing Agents of the Company, be and is hereby appointed a Director of the Company in place of Mr. C. L. Bajoria."

5. To consider, and if thought fit, to pass the following Ordinary Resolution pursuant to Section 293(1) (*d*) of the Companies Act, 1956, the relative explanatory statement, as required by Section 173 of the said Act, being annexed hereto.

"That the Board of Directors be and is hereby permitted to borrow moneys from time to time for the carrying on of the business of the Company notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

6. To appoint Auditors for the year 1956 and to fix their remuneration.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and to vote instead of himself. A proxy need not be a member.

The Share Transfer Books of the Company will be closed from 25th June 1956 to 16th July 1956, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents.

3, NETAJI SUBHAS ROAD,
CALCUTTA, 12*th June* 1956.

Note.—Payment of the proposed dividends, if declared, will be made on or after 13th August 1956, only to those members whose names are registered in the Books of the Company on the 16th July 1956, or to their Mandatees.

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

EXPLANATORY STATEMENTS

1. In the Special Notice given to the Company of the resolution under item No. 3 of the above Notice, it has been pointed out that Mr. D. P. Goenka is an Associate of the Managing Agents and, in view thereof, it will be necessary for the Shareholders to pass a Special Resolution in accordance with Section 261 of the Companies Act, 1956, if they decide to re-appoint him as a Director of the Company.

2. In the Special Notice given to the Company of the resolution under item No. 4 of the above Notice, it has been pointed out that Mr. B. L. Bajoria is an Associate of the Managing Agents and, in view thereof, it will be necessary for the Shareholders to pass a Special Resolution in accordance with Section 261 of the Companies Act, 1956, if they decide to appoint him as a Director of the Company.

3. The resolution under item No. 5 of the above Notice is intended to provide the Board of Directors with the necessary authority to enable them to borrow moneys from time to time for the Company's business in excess of the paid-up Capital of the Company and its free reserves pursuant to section 293 (1) (*d*) of the Companies Act, 1956.

THE ALEXANDRA JUTE MILLS LIMITED

NOTICE IS HEREBY GIVEN THAT THE One Hundred and First Ordinary General Meeting of the Shareholders of THE ALEXANDRA JUTE MILLS, LIMITED, will be held at McLeod House, No. 3, Netaji Subhas Road, Calcutta, the Registered Office of the Company, on Monday the 16th July 1956, at 3-15 p.m., for the following purposes:—

1. To receive and adopt the Directors' and Auditors' Reports and to pass the Accounts for the half-year ended 31st December 1955.
2. To declare Dividends.
3. To appoint a Director in place of Mr. A. N. Sil who retires by rotation, but who is eligible for reappointment.

And, in this connection, to consider, and if thought fit, to pass the following resolution as a Special Resolution of which Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the said Act, is annexed hereto.

To be proposed as a Special Resolution:

"That Mr. A. N. Sil, an Associate of McLeod & Co., Ltd., the Managing Agents of the Company, who retires by rotation be and is hereby reappointed a Director of the Company."

4. To appoint a Director in place of Mr. C. L. Bajoria who resigned in May 1956.

And, in this connection, to consider, and if thought fit, to pass the following resolution as a Special Resolution of which Special Notice as required by Section 261 of the Companies Act, 1956, has been received by the Company and the relative explanatory statement concerning which, as required by Section 173 of the said Act, is annexed hereto.

To be proposed as a Special Resolution:

"That Mr. B. L. Bajoria, an Associate of McLeod & Co., Ltd., the Managing Agents of the Company be and is hereby appointed a Director of the Company in place of Mr. C. L. Bajoria."

5. To consider, and if thought fit, to pass the following Ordinary Resolution pursuant to Section 293(1) (*d*) of the Companies Act, 1956, the relative explanatory statement, as required by Section 173 of the said Act, being annexed hereto.

"That the Board of Directors be and is hereby permitted to borrow moneys from time to time for the carrying on of the business of the Company notwithstanding that the moneys to be borrowed, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will exceed the aggregate of the paid-up Capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose."

6. To appoint Auditors for the year 1956 and to fix their remuneration.

A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and to vote instead of himself. A proxy need not be a member.

The Share Transfer Books of the Company will be closed from 25th June 1956 to 16th July 1956, both days inclusive.

By Order of the Board,
MCLEOD & CO., LTD.,
A. T. DOIG,
Managing Director,
Managing Agents

3, NETAJI SUBHAS ROAD,
CALCUTTA, 12*th June* 1956.

Note.—Payment of the proposed dividends if declared, will be made on or after 6th August 1956, only to those members whose names are registered in the Books of the Company on the 16th July 1956, or to their Mandatees.

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

(Continued on page 1214)

WORLD MARINE RESOURCES SURVEY

KEY TO FUTURE OF FISHERIES

From A Special Correspondent

IN a suite of offices in a big, white building fronting the Viale delle Terme di Caracalla, Rome, the headquarters of the Food and Agriculture Organisation (F.A.O.), marine biologists of many nations are engaged on the complex work of collecting, sorting, analysing, codifying and recording, by decimal classification, facts and information about the oceans, seas, rivers and inland waters of the world.

These men are engaged on a task which will take many years to complete—a survey of the living aquatic resources of the world. It is a task which relates to the activities of the member-Governments of the 72 nations of F.A.O., and of marine biologists, and of fishery scientists studying the world's fisheries, as well as fishermen themselves. Ultimately, this resources survey, of which F.A.O. acts as a clearing house and stimulator, not an originator, may determine the future welfare of fisheries throughout the world.

"Fisheries are still in a primitive state as compared with, say, farming," said Dr. G. L. Kesteven, Chief of the Biology Branch of Fisheries Division, F.A.O., who is in charge of the Organisation's work on the survey. "The ultimate aim in fisheries is to conduct the industry with the same efficiency and certainty which now exists in agriculture, although, of course, we can never hope to 'farm,' as it were, all the oceans and seas. But we need to practise fish husbandry to the fullest extent within the limits possible. We need to manage, control and breed fish as a farmer manages, controls and breeds animals, so that we can cultivate fish, whether at sea or in fresh water, for the benefit of mankind, that is to say, breed them for our purpose, pasture them as we do animals, and harvest them for food or commercial purposes as we do sheep or cattle.

"At the present time, we are a great distance from such a goal," he continued, "although Governments have made the first tentative steps in that direction through the introduction of fishery controls such as closed seasons for catching certain fish and regulations concerning the size of nets to be used, and have, as in the case of whales, restricted the quantities that may be caught in one season."

Complicated Problem

The problem of management, control and development of fisheries is complicated by a number of factors. First, no individual or nation has property rights over the oceans and seas or the life in them. Even the extent of ownership of territorial waters is in dispute. Second, about 75 per cent. of the earth's surface is covered by water and knowledge of the life and resources of this vast area is limited. Third, the knowledge that does exist of well-known and exploited sea fisheries is inadequate for rational management on a national or international scale.

"According to statistical information available, only about 10 per cent. of animal protein food consumed by man comes from the waters of the world," said Dr. Kesteven. "Our present knowledge of resources indicates that we could gather much more food from this source and also use much greater quantities of sea products for commercial purposes. For example, Dr. Woodward, of the United Kingdom, estimates that there are 10 million tons of brown seaweed available around Scotland and one million tons could be harvested each year to produce 70,000 to 110,000 tons of carbohydrates. He has also estimated that there are 60 million tons of such weed growing on the coasts of Norway, France, the British Isles, Canada and the Falkland Islands. This is only one example of aquatic flora which could be used by man and, as always when one talks about marine life, the figures run into astronomical dimensions."

At the End of the Food Chain

Fish and aquatic mammals are at the end of the food chain in the sea but there are intermediate stages in this chain which might be of commercial value. Zooplankton is an example. This minute growth is a basic food for many creatures in the sea. Whales, for example, consume millions of tons of it. Man can use zooplankton and in Asian countries great quantities are used in the manufacture of pastes and other fishery products. Attempts have been made by Governments of Western countries to use zooplankton industrially but with little success so far.

"I mention these in passing to indicate that any survey of marine resources is concerned with much more than fish," explained Dr. Kesteven, "although, naturally, mankind is more directly interested in the food he can get for immediate consumption, that is to say, fish. We have gathered much knowledge about the available commercial fish, but, before we can reach a point of conducting fish husbandry, we need to know a tremendous lot more. What we do know has led to some conservation measures being taken as, for instance, in the North Sea where it has been recognised that unrestrained, over-fishing might lead to gross depletion of stocks. Fishery biologists believe that, through international agreement at Government level and through other control and conservation activities, the yield of fisheries can be maintained at a determined level, but we need full knowledge of all the factors involved before we can attain such results. Another practical result from a world survey of marine resources would be the discovery of the nature and the extent of stocks in relatively unexploited grounds, of new grounds, and, perhaps, the commercial uses for trash fish or species which are not now considered to be of any value."

New Resources

The discovery in recent times of new resources of fish and crustacea indicates that the oceans contain much unknown wealth. It is estimated, for example, that only 10 per cent. of known plaice grounds are being fished, and it is quite possible that there are also many unknown flat fish grounds. In South African waters, a huge pilchard fishing industry has grown up within the past 10 years or so. In the case of crustacea, in the past 50 years new resources have been found and exploited off the east coast of America, the east coast of Australia, the Mexican Gulf and even in the Mediterranean. Again, only this year an F.A.O. master fisherman discovered a new shrimp ground, 140 miles in extent, ranging along the West coast of India.

"These are only a few instances of finding and exploiting new resources," said Dr. Kesteven. "They tend to support the theory held by some that there are no deserts in the sea and perhaps a survey of aquatic resources may ultimately prove this to be well founded. However that may be, the steadily increasing catch of fish in the world is a pointer to the potential possibilities. At present, the total catch of fish, crustaceans and molluses amounts to about 27 million metric tons, according to the *F.A.O. Yearbook of Fishery Statistics*. This is about 5 million metric tons more than was caught in, say, 1938, and marine biologists believe that the total might well be raised to some 50 million metric tons annually in the course of the next 20 years or so.

But, in order to increase production, we must have comprehensive knowledge of the resources, and the object of the survey is to provide us with that knowledge.

"I should stress," he continued, "that F.A.O.'s part in this survey is that of a clearing house of information. We do not carry out research and surveys ourselves, except through the agency of technical assistance projects, but we are attempting to collate all available information and to disseminate that information to Governments and international fishery agencies and to other interested fishery organisations, firms and persons."

Continuous Research

In connection with this work, F.A.O. is collaborating with the *Bibliographia Oceanographica*, with member-Governments of F.A.O. and with international fishery organisations. "We attempt to read, appraise, and extract all information in current literature relative to the survey of aquatic resources," explained Dr. Kesteven. "In doing so, we read some 2,500 books and contributions in periodicals a year from which we extract information which we record by a punched card system. In a year we probably deal with some three or four thousand cards. The editors of *Bibliographia Oceanographica* are engaged on a similar work and produce a great number of reference cards, which they exchange with us."

One of the by-products of F.A.O.'s work will be a world atlas of fishing maps. These maps will contain in simple and easy-to-see form all the immediately important information relative to world fisheries. The atlas will be issued next year. Meanwhile, the information which Dr. Kesteven and his assistants are continually extracting is being brought to the attention of Governments and fishery organisations.

"It is important to realise," said Dr. Kesteven in conclusion, "that the work we are doing on this survey of marine resources is only one contribution to the development of world fisheries. There are a great number of other activities involved, such as technical developments in fishing, exploitation of known stocks, and increasing the productivity of the fisheries in underdeveloped countries through mechanisation and the introduction of modern catching techniques. There are also a multitude of financial, marketing, social and economic considerations, all of which can, and often do, affect any national or international development of fisheries. Our principal task is basic, that of gaining knowledge and understanding of the marine resources, and, when we have that knowledge, it will have a practical effect on all policy, plans and work concerned with the development of world fisheries."

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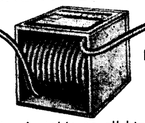

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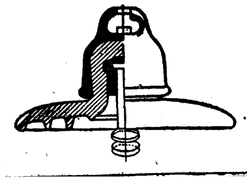

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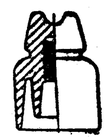

RECENT TRENDS IN WORLD TRADE

SHARE OF NON-INDUSTRIAL COUNTRIES DECLINES

IN the analysis of world trade trends last week only broad outlines were given owing to considerations of space. In this article, it is, however, proposed to deal with these trends in greater detail, in order to enable one to get a clear and full picture of world trade in 1955, as drawn by the G.A.T.T. Secretariat in its fourth annual report on *International Trade*. The report runs into three parts. Part I deals with the recent developments in the structure and pattern of international trade. Part II examines development of commercial policy and Part III sets out the principal activities of the Contracting Parties to the G.A.T.T.

The year 1955 will stand out prominently for establishing new records in both value and volume of world exports. In the first half of the year, the *value* of world exports amounted to over $80,000 million and, in the second half, it rose by a further $5,700 million, thus reaching a total which was 13 per cent. higher than that in 1951.

The increase in the *volume* of world exports was even more impressive, for the simple reason that export prices as a whole, though rising slowly since the latter half of 1954, were nevertheless appreciably lower than in 1951. In the second half of 1955, the volume of world exports attained a level which exceeded that of 1951 by more than one-fifth, 21 per cent. to be precise.

Apart from an increase in volume, there was also a notable acceleration in the speed of growth of world trade. Thus, during 1953, the volume of world exports rose by 4.3 per cent. In 1954 it rose by 6.4 per cent. and it was as high as 8.6 per cent. in 1955. This expansion in trade fully reflected the growth of the world's industrial production. In 1955, world output stood nearly 10 per cent. higher than in 1954 and, over the five-year period ended 1955, it rose by 31-32 per cent.

The G.A.T.T. report highlights three major developments in international trade during 1955. The first is that the increase in the value of international trade was mainly accounted for by trade among industrial countries. Thus, out of a total increase of $7,300 million, the share of these countries was as much as $4,100 million and rose from 37 per cent. of the world trade in 1954 to 38.7 per cent. in 1955.

The trade between the industrial and non-industrial countries, on the other hand, continued to decline. This share, which had been 55 per cent. in 1937, became 53 per cent. in 1950 and dropped to 50.7 per cent. in 1955. This decline is of significance to the underdeveloped countries of the world, as it means that, if the development of manufacturing industries is neglected by these countries, they are likely to face further shrinkage in their share of world trade. The causes for this decline, which took place despite a substantial improvement in the terms of trade between primary products and manufactured goods in favour of non-industrial countries are worth noting.

First, the decline is attributed to an increase in the production of substitutes for natural raw materials and fuels in the industrial countries themselves, thereby becoming less dependent on the non-industrial countries for their supplies. These articles included rayon, man-made fibres, aluminium, synthetic rubber, plastic materials and synthetic detergents.

Secondly, while the production of these substitute raw materials started as a result of war-time scarcities, the rise in the relative price of natural raw materials did certainly contribute to the further increase in their output. The report says that, if the production of these substitutes is considered as a whole, the rate of growth since 1950 has been twice as rapid as that of industrial production. It is estimated that, if these substitutes had not existed, the import requirements of industrial areas would have risen 40 per cent. higher than the actual imports in 1955. The report warns: "If, as may be expected, the production of manufactured substitutes continues to grow at the expense of the natural products at the same rate as in recent years, the advantages reaped by the non-industrial areas from improved terms of trade may vanish rapidly and the export proceeds of these areas may diminish in absolute terms."

The third factor which contributed to the fall in exports of non-industrial areas to industrial areas is the relative decline of textile industries as compared with other manufacturing industries in industrial areas. Production of textiles in industrial countries in 1955 was 129 per cent. of that in 1938, whereas that of other manufacturing industries reached 259 per cent. of 1938. A point worth mentioning is that this loss in importance of textile manufactures was responsible for a substantial reduction in the demand for imports of raw materials, because, textile industries absorb a comparatively high input of raw materials per unit of output. The G.A.T.T. Secretariat estimates that, if the production of textiles in industrial areas had risen since 1938 at the same rate as textile production in the world as a whole, the textile industries in industrial areas would, in 1955, have imported about $500 million more of natural textile fibres from non-industrial countries.

The second major development in world trade in 1955 was the marked recovery of North American exports which accounted for a large share of the increase in the export trade of industrial countries. The disposal of agricultural surplus commodities played a larger part in the increase of U.S. exports. Shipments of this category amounted to $1,000 million in 1955, as compared with about $340 million in 1954. About two-thirds went to industrial areas as against three-quarters in 1954. A point to be borne in mind, in this connection is that the disposal of surplus commodities does not call for actual payment in dollars, but in national currencies, or, in the event of barter contracts, for payment in strategic commodities. Hence, the world's adverse trade balance *vis-a-vis* North America, which in 1954 and 1955 was nearly the same—$2,140 million and $2,150 million, respectively—actually corresponded to a smaller dollar deficit on merchandise account—$1,820 million in 1954 and $1,120 million in 1955.

The substantial improvement in the world's dollar position on merchandise account is not only due to the fact that North American exports did not always call for payment in dollars but also to the fact that that country increased its imports by an amount even slightly larger than the increase in its total exports. In fact, such imports were $1,110 million larger than in 1954. This increase considerably exceeded the fall which had occurred in 1954, as a result of American recession.

In the supply of capital goods, North America is stated to have lost some of its advantages over other exporters, as West European countries were rapidly overcoming their competitive disadvantage as supplier of these goods. The liberalisation of imports from dollar sources by Western European countries helped them purchase raw materials from North America at economic prices. Consequently, the dollar gap on merchandise account of the rest of the world was not so serious as trade returns may indicate. The combined value of total imports by the eleven West European countries during the three quarters of 1955 rose by $3,600 million over that in the same period of 1954. Nearly one-third of this increase ($1,130 million) was due to imports from North America. In 1955, the total imports of these eleven West European countries from the latter source were 38 per cent, higher than in 1954, while imports of all other countries, including imports from Western Europe, showed a rise of only 12 per cent. Western Europe's imports from North America were confined mostly to metals and fuels.

The third major development in international trade was the intensification of competition among industrial countries and their endeavour to lower costs of production. In 1955, many industrial countries—in order to meet more severe competition in world markets through lowering their costs of production—relied more heavily on imports from the most economic source of supply and to that end adopted more liberal import policies. A number of these countries either suspended or temporarily reduced import duties on raw materials and capital goods. The extent of the measures taken recently in these countries shows that intensification of competition among industrial suppliers on world markets has led to a growing realisation of the adverse effects of protection on costs of production.

Commodity Composition

There was a notable change in the commodity composition of international trade in the first half of 1955. Manufactures, which in the earlier period had accounted for 46-47 per cent. of the total value of exports, increased to 49 per cent., while the share of primary products correspondingly fell from 53-54 per cent. to 51 per cent. The trade in manfactures in the first half of 1955 was 12 per cent. higher than that in the same period of 1954, while trade in primary products rose by about 5 per cent.

Referring to supply position of commodities, the report says that there were large stocks in food products, cereals, sugar and coffee. The stock position was, however, normal in respect of rice, cocoa, tea, butter, tobacco, raw wool and certain oils and fats, while stocks of metals, solid fuels, rubber and olive oil were definitely short. The production of aluminium rose by 9 per cent. in 1955, while consumption was at least 30 per cent. higher both in Western Europe and the U.S. Demand for iron ore and scrap in Western Europe rose faster than the supply in the area itself, thereby necessitating larger imports. The output of crude steel in the U.S., the European Coal Community, the U.K. and Japan aggregated 188 million tons, 37 million tons, more than in 1954. But this sharp increase was not large enough to cope with an even stronger rise in the demand for it.

International trade in manufactured goods, represented by exports of these products from North America, Western Europe and Japan, in 1954 amounted to $31,000 million, about $2,000 million more than in 1952 or 1953. The first six months of 1955 brought an even stronger increase, exports rising to an annual rate of $33,900 million, thus recording a rise of about 9 per cent. over the first half of 1954. Among manufactures, trade in textiles experienced marketing difficulties, consumption of textile goods in Western Europe and the U.S. did not follow the rapid rise in income in these areas. Production of textiles showed a slowing down in 1955 in Western Europe. In India, the increase was slight, whereas, in Japan, there was a 5 per cent. decline from the 1954 volume, the output having been adjusted to a lower export level.

Exports of passenger cars rose by 30 per cent. Exports of cars by North America was only 3 per cent. of production, while it was 44 per cent. in West Germany and 42 per cent. in the U.K.

The value of capital goods exported from the industrial areas to all destinations rose from $10,800 million to $11,600 million. The largest increase occurred in export of Continental Western Europe which accentuated its lead over North America, the European sterling area and Japan. The increase in the exports of capital goods was chiefly accounted for by machinery.

The reappearance of Germany and Japan in world markets as main exporting countries was a significant development in world trade during 1955. The share of Germany and Japan in total export trade of the main industrial exporting nations was 15½ per cent. This improvement took place at the expense of North America, U.K., France and Italy. This reappearance of Germany and Japan in world markets has, however, not yet restored to them their pre-war importance as major exporting nations.

The G.A.T.T. report has drawn pointed attention to the growing importance of the U.S.S.R., Eastern Europe and China in world trade. The value of trade between all these countries, on the one hand, and the Western world, on the other, was, of course, not higher than that of Australia's or Sweden's trade in 1955. But there was a significant increase both in the exports from and imports into the U.S.S.R. and Eastern Europe, and their trade position *vis-a-vis* the rest of the world improved considerably. Excepting with Japan, and the overseas sterling area, the U.S.S.R. and Eastern Europe had a trade surplus with all major trading groups. China (mainland) had a substantial export surplus.

The report observes that the countries in Eastern Europe may have a competitive advantage in the supply of capital goods over the major Western industrial countries as a result of more advanced technical integration in the form of exchange of designs, etc., within the area. Secondly, the conclusion of bilateral trade agreements with the non-industrial countries and the readiness to accept payment for their deliveries in kind over a number of years have also facilitated the expansion of trade of the communist bloc with these countries.

U.K.'s EXPORTS IN MAY

Britain set up an all-time record for exports in May, according to provisional figures just issued in London by the Board of Trade. The total value of exports in the first five months of this year was 6½ per cent. higher than in the corresponding period of 1955.

The value of exports in May was £283,800,000, imports £329,100,000, and re-exports £13,500,000.

The excess of imports (valued c.i.f.) over exports and re-exports (valued f.o.b.) was £31,900,000. The monthly average of January-May, at £51,100,000, was £14,500,000 less than in the corresponding period of 1955.

The export figures for May include the value of the liner *Empress of Britain*, recently delivered to Canada, and also some silver bullion repayments to the U.S.A. British exports to North America in May were valued at £47,100,000—over £13,000,000 more than in April. Even excluding the value of the *Empress of Britain* and the silver bullion repayments, exports to North America in May were the highest so far recorded. In the five months January-May, exports were over 32 per cent. more than in the same period of 1955.

Exports to the U.S.A. amounted to £24,000,000 in May. In the first five months of the year, they were nearly 33 per cent. higher than in the corresponding period of 1955. Exports to Canada amounted to £23,000,000 in May. In the first five months of the year, they were over 32 per cent. more than in the same period of 1955.

LEIPZIG AUTUMN FAIR

The Leipzig Autumn Fair is scheduled to take place from 2nd to 9th September 1956. This Fair is also expected to be as successful as the Spring Fair which opened on 26th February and closed on 8th March 1956. At the latter Fair, 9,863 exhibitors from 40 countries displayed their products. The exhibits occupied 33 Fair buildings and halls and 21 pavilions on an area of 2,917,000 square feet. As many as 505,000 visitors from 68 countries were present at the Fair.

Government delegations came from the U.S.S.R., China, Finland, Egypt, Sudan, India and Burma. Official representatives of the Commerce and Trade Ministries of numerous other Arab and Asiatic countries as well as many West European and American States were also present at the Fair.

The Fair demonstrated once again, it is stated, the importance of Leipzig as a centre of international trade and as the principal centre of trade between the two world markets. A relaxed atmosphere characterised the Fair.

The foreign trade of the German Democratic Republic developed very favourably during the Fair. The total turnover of the foreign trade organisations of the Republic amounted to 3,511 million roubles, of which exports accounted for 2,915 million roubles and imports 596 million roubles.

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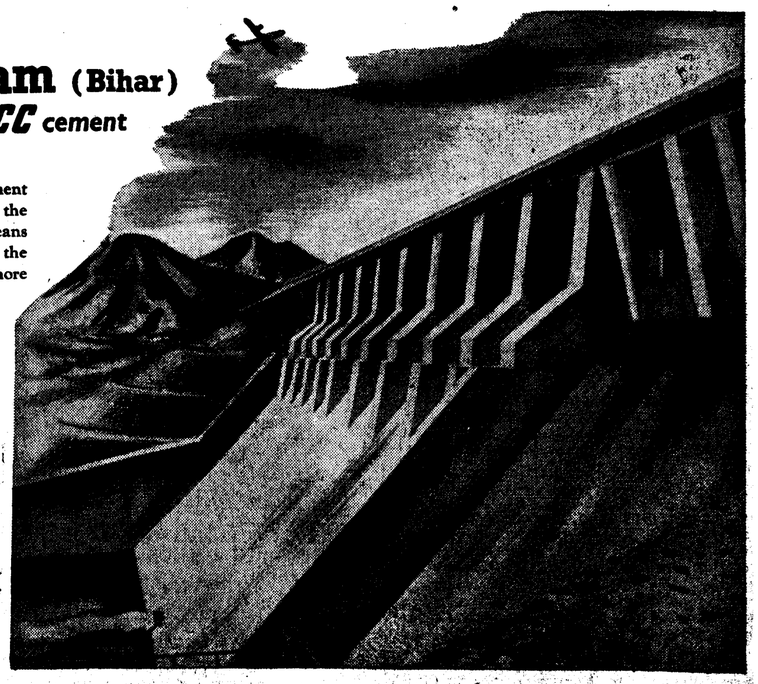
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METTUR INDUSTRIES' BUMPER PROFIT

RECORD DIVIDEND—IMPRESSIVE FINANCIAL POSITION

THE steady rise in value of the shares of the Mettur Industries Ltd. (Managing Agents: Messrs. W. A. Beardsell & Co. (Private) Ltd., Madras), from Rs. 375 in the middle of February this year to Rs. 530 at the end of last week, has been justified by the excellent results of the Company for the year ended 31st March 1956. The dividend has been stepped up from 35 per cent. to 42.5 per cent. The gross profit has jumped up from Rs. 45.64 lakhs to Rs. 60.75 lakhs. With this increase, the profit has recorded an upward trend for the third year in succession and has more than doubled itself (from Rs. 29.69 lakhs in 1953) in the course of the past three years. What is more, it is the highest earned by the Company since 1948-49.

The net profit also has risen from Rs. 26 lakhs in 1954-55 to Rs. 31.68 lakhs, even after raising the provision for taxation from Rs. 13.50 lakhs to Rs. 21.77 lakhs, and constitutes a fresh record in the 20-year history of the Company. After setting aside a sum of Rs. 7.15 lakhs for payment of bonus to staff, the sum available for distribution (including the surplus of Rs. 1.43 lakhs brought in from the previous year) is Rs. 25.96 lakhs. As the Company comes under the purview of Section 23A of the Income-tax Act, it is obliged, as in the previous year, to distribute as dividend the whole of the assessable income. Accordingly, the Directors have declared a dividend of 42.5 per cent. free of income-tax (absorbing Rs. 25.50 lakhs), as compared with 35 per cent. for the previous year, to which level the distribution had been raised from 22.5 per cent. (made up of a dividend of 12.5 per cent. and a bonus of 10 per cent.) for 1953-54 and 12.5 per cent. for 1952-53. The dividend for the year under review is the highest to be paid so far.

The following comparative table presents the Company's progress during the past three years:

(In lakhs of rupees)

	For the year ended 31st March			
	1956	1955	1954	1953
Sale proceeds	156.19	153.99	132.93	123.76
Closing stocks	1.87	1.80	1.55	0.97
Cotton consumed	50.98	63.92	54.16	54.50
Other expenses	47.28	47.00	44.39	40.40
Gross profit	60.75	45.64	37.26	29.69
Managing Agents' commission	5.42	4.22	3.92	2.97
Provision for—				
Depreciation	1.88	1.92	1.66	1.45
Taxation	21.77	13.50	9.20	10.50
Net profit	31.68	26.00	22.48	14.77
Refund of E.P.T. (net) ..	..	..	6.35	..
To reserves	..	..	6.50	7.00
,, bonus	7.15	4.07	9.57*	..
,, dividend	25.50 (D. 42½%)	21.00 (D. 35%)	13.50 (D. 12½% + B. 10%)	7.50 (D. 12½%)
Carry forward	0.46	1.43	0.50	0.77

* Includes Rs. 2.53 lakhs being compensation paid for involuntary unemployment due to power cut in 1952-53.

For the second year in succession, the mill worked without any interruption by power cuts. The demand for the Company's cloth continued to be keen, which is reflected in the small rise in sale proceeds. The improvement in profit is, however, largely due to the substantial saving of Rs. 12.94 lakhs in cost of cotton consumed.

The balance-sheet of the Company as on 31st March 1956 discloses a sound financial position. Of the paid-up capital of Rs. 60 lakhs, as much as Rs. 30 lakhs was raised by the capitalisation of a part of the reserves in February 1951 and the balance by cash. Even after the capitalisation of such a large sum and, despite the fact that no addition has been made out of the profits for the last two years, the reserves and surplus aggregate Rs. 69.46 lakhs. Of these, general reserve accounts for Rs. 38 lakhs, raw materials fluctuation reserve for Rs. 10 lakhs, fixed assets replacement reserve for Rs. 11 lakhs, and dividend equalisation reserve for Rs. 10 lakhs. The provision for taxation, after making advance payments to the tune of Rs. 14.81 lakhs, stands at Rs. 7.35 lakhs. The current liabilities amount to Rs. 45.74 lakhs, of which the proposed dividend for the year under review alone accounts for Rs. 25.50 lakhs. There have been no notable additions to the gross block during the year, which, at Rs. 63.80 lakhs, has been well written down to a book value of Rs. 20.50 lakhs. The current assets amount to Rs. 162.05 lakhs and are equal to more than three times the current liabilities and the provision for taxation. Of the current assets, stores, spares, etc., account for Rs. 13.19 lakhs, stock-in-trade for Rs. 22.55 lakhs, deposits and advances for Rs. 6.39 lakhs, investments for Rs. 71.51 lakhs and cash balances for Rs. 47.79 lakhs. Thus, the liquid assets alone more than amply cover the current liabilities, as well as the provision for taxation.

The Company produces yarns of 32s and 36s and above for the manufacture of its own bleached mulls and longcloths which enjoy a wide reputation.

The Rs. 100 fully paid-up shares are being currently quoted at Rs. 530 *cum-div.* On an *ex-div.* basis, the latest dividend gives a yield of 8.7 per cent. per annum, free of income-tax.

CAUVERY SUGARS AND CHEMICALS LTD.

As was briefly indicated in our last issue (*vide* page 1131), the Cauvery Sugars and Chemicals Ltd. will approach the capital market next week for subscription to a fresh issue of capital. The Company proposes to offer 20,000 6 per cent. (free of income-tax) cumulative preference shares of Rs. 100 each at par and 29,000 ordinary shares of Rs. 100 each at par. A sum of Rs. 25 per share is payable on application. No sum is payable on allotment, but a call of Rs. 25 per share will be payable on 16th August 1956. The balance of Rs. 50 in respect of each preference and ordinary share will be payable in two calls, with an interval of not less than two months between them. The whole of the issue has been underwritten by the Industrial Credit and Investment Corporation of India Ltd. and others.

The history of the Company dates back to 1948, when it was formed with an authorised capital of Rs. 30 lakhs for the purpose of cultivation of sugarcane and manufacture of sugar. A site was purchased in Namakkal taluq of Salem District. Later on, it was found that irrigation facilities were inadequate and the site was, therefore, found unsuitable for the purpose. The site has since been disposed of without loss. As little progress was made in bringing the Company into a state of successful operation, the Directors approached Messrs. Parry & Co., Ltd., a firm which has been associated for many years with highly successful sugar undertakings in South India, for assistance and guidance. As a result, the Board has been reconstituted and a scheme has been formulated, which the new Board considers has reasonable prospect of success and justifies the present approach to the public. A notable feature of this scheme is the appointment of (1) Messrs. Parry & Co., Ltd., as Secretaries to the Company (which will have no managing agency) and the East India Distilleries and Sugar Factories Ltd. as Technical Advisers.

A new factory site has been chosen at Pettavaytalai in Tiruchirapalli District, where, in the adjacent cane cultivation area, the high level canal affords irrigation for an adequate acreage during 11 to 11½ months of the year. The factory will initially be equipped to crush 800 to 850 tons of cane per day and capable of producing 15,000 tons of sugar in a normal year. The other advantages of the site are the availability of sufficient labour, adequate power supply and good transport facilities. The Directors expect the factory to go into full production by the end of 1958.

The Company is assured of not only a regular supply of cane but cane of adequate quality. The land adjacent to the factory site is recognised to be one of the most suitable lands in India for sugarcane cultivation. In order to ensure a regular and adequate supply of cane, the Company, in addition to owning 504.03 acres of land, has entered into lease agreements in respect of a further 1,229.51 acres. The lands so leased have been subleased to Kulittalai Cane Farms Ltd., which Company will grow cane for supply to the factory under the supervision of this Company. The Directors expect an annual crush of 150,000 tons of cane during an aggregate working period of 200 days, once the factory is in full production, with a recovery of sugar at the rate of not less than 10 per cent. On the basis of the aforesaid production programme, and on the basis of conditions at present ruling in the sugar industry, the Directors expect, after the first full year of production, to earn a net profit of Rs. 10 lakhs, after providing for all charges, including depreciation and additional payments to be made to cultivators, in accordance with the formula adopted by the South Indian Sugar Mills Association, and after making full provision for taxation.

The Company is, for all practical purposes, a new venture and, as such, it will enjoy exemption from income-tax on profits up to 6 per cent. on the capital employed for the first five years, in addition to the special benefits regarding development rebate and depreciation. It has been estimated that these various provisions make it unlikely that the Company will be liable for income-tax for the first three years after the commencement of production.

The Directors expect the profit for the year ending 30th November 1959, the first full year of production, to be sufficient to pay preference dividend, including arrears thereof, and a start to be made with a modest dividend on the ordinary capital. They are further of the opinion that subsequent to that year, after making necessary transfers to reserves, it will be possible to pay an ordinary dividend of at least 10 per cent. per annum, subject to the consent of the I.F.C. of India, from which the Company is taking a loan. On the basis of an annual profit of Rs. 10 lakhs, the preference dividend will be covered more than eight times.

In addition to the present issue of Rs. 49 lakhs, the Company has arranged for a loan of Rs. 35 lakhs from the Industrial Finance Corporation of India for financing the establishment of the factory. The loan is repayable in 14 equal instalments of Rs. 2.50 lakhs commencing on 31st December 1958 and will carry interest at the rate of 6½ per cent. per annum, subject to a rebate of ¼ per cent. for prompt payment of principal and interest.

As the year ending 30th November 1959 will be the first year of production, investors will have to wait for another three to four years before getting any return. However, considering the bright outlook for the industry and the association of Messrs. Parry & Co., Ltd., with the Company, the present issue offers a good long-term investment. A point worthy of note by investors in the preference issue is that the dividend is tax-free and in any year when the profit is not liable to tax and preference dividend is distributed, an additional payment will be made so as to ensure that the net amount in the shareholders' hands shall be 6 per cent, as if the Company had been liable to tax. Investors in ordinary shares will also do well to note that, as per terms of the loan agreement with the I.F.C. of India, the Company cannot pay a dividend of more than 6 per cent. on ordinary shares, so long as the loan remains outstanding, without the previous permission of the Corporation. There are, however, instances where the I.F.C. has readily given such permission as, for instance, the National Rayon Corporation.

THE
CENTRAL INDIA
INSURANCE COMPANY, LTD.
Head Office: INDORE

FIRE • MOTOR
MISCELLANEOUS

Branches:
BOMBAY MADRAS CALCUTTA
AHMEDABAD KANPUR HYDERABAD
AJMER AMRAOTI BELGAUM JALGAON

HIND CYCLES' BUMPER PROFIT

A record gross profit of Rs. 20.03 lakhs has been earned by Hind Cycles Ltd. (Managing Agents: Messrs. Birla Brothers, Bombay) during the year ended 31st December 1955. This represents an increase of Rs. 5.40 lakhs over that for 1954 and of Rs. 7.41 lakhs over that for 1953. The net profit, at Rs. 6.02 lakhs, also compares favourably with Rs. 4.41 lakhs for the previous year and Rs. 3.33 lakhs for 1953. Following the sizable improvement in earnings for the second year in succession, the Directors have maintained the dividend at 10 per cent. on the higher capital of Rs. 30.18 lakhs, raised by the fresh issue of capital during the year. It will be recalled that, for 1954, the Directors had raised the dividend to 10 per cent. from 8 per cent. for the preceding two years, all on the old capital of Rs. 12.43 lakhs.

The output of bicycles during the year reached a fresh record level of 147,176, as compared with 130,232 in 1954, representing an increase of 13 per cent. over the year. The production of chains, which was commenced in 1954, aggregated 144,310 in the year under review. This expansion in production is duly reflected in the sharp rise in sale proceeds and expenses, as will be seen from the following comparative table giving the salient features of the results for the past four years:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds (gross)	195.32	181.78	165.55	125.07
Closing stocks	25.30	24.77	26.42	34.68
Other income	3.94	1.98	1.05	..
Expenses	179.84	167.46	145.70	138.27
Gross profit	20.05	14.65	12.64	15.22
Managing Agents' commission	1.23	0.84	0.65	0.72
Depreciation	7.82	6.28	6.09	7.80
Taxation	4.98	3.12	2.56	2.82
Net profit	6.02	4.41	3.33	3.85
To debenture sinking fund ..	..	0.50	0.50	0.50
,, reserves	2.50	2.00	1.50	1.67
Dividends—				
Preference	0.49	0.49	0.49	0.49
Ordinary	3.02 (10%)	1.24 (10%)	0.99 (8%)	0.99 (8%)
Carry forward	0.39	0.37	0.19	0.34

Of the rise of Rs. 12.38 lakhs in expenses, commission on sales accounts for Rs. 1.46 lakhs, stores and raw materials consumed for Rs. 4.51 lakhs, sales and manufacturing expenses for Rs. 2.38 lakhs and salaries and wages for Rs. 3.85 lakhs. No addition to the debenture sinking fund has been made, while the allocation to the reserves has been raised by Rs. 50,000 by increasing the transfer to the general reserve from Rs. 1 lakh to Rs. 1.50 lakhs. The addition to the dividend equalisation fund has been maintained at Rs. 1 lakh.

During the year under review, the Company raised fresh capital to finance its expansion programme. It issued 18,642 ordinary shares of Rs. 100 each, of which 17,751 shares of Rs. 100 each were subscribed, raising the paid-up capital from Rs. 24.91 lakhs to Rs. 42.66 lakhs, of which ordinary shares account for Rs. 30.18 lakhs and preference shares for Rs. 12.48 lakhs. The paid-up capital is supplemented by reserves and surplus aggregating Rs. 14.07 lakhs. Out of its debenture liability, the Company paid off debentures of the value of Rs. 3 lakhs, the balance remaining to be discharged, along with the accrued interest thereon, is only Rs. 1.03 lakhs. There is a provision of Rs. 8.56 lakhs for taxation, while current liabilities aggregate Rs. 56.21 lakhs. In consonance with the programme of expansion, additions were made to the gross block during the year, the exact cost thereof being Rs. 13.14 lakhs, bringing the total value of the block account to Rs. 86.39 lakhs. As against this the provision for depreciation amounts to Rs. 59.25 lakhs. The current assets, amounting to Rs. 96.11 lakhs, exceed the current liabilities and provision for taxation by Rs. 31.34 lakhs.

The directors have decided to increase further the capacity of the factory to 200,000 bicycles per annum and have, accordingly, placed orders for additional plant and machinery of the value of Rs. 11 lakhs. The construction of additional floor on the north and east of the factory has been completed and the plating plant and other machines, which have been received, are now being erected. If the delivery of the remaining machines is not delayed, the directors expect to put into operation all the additional plant by the last quarter of this year.

ELPHINSTONE SPG. AND WVG. MILLS

The improvement in the offtake of cloth and the higher prices fetched during 1955 have resulted in a sharp rise in the earnings of the Elphinstone Spinning and Weaving Mills Company, Ltd., for the year ended 31st December 1955. The gross profit, for instance, has gone up from Rs. 6.30 lakhs earned in 1954 to Rs. 15.73 lakhs, at which level it constitutes a record for the past four years. The profit is substantially higher even after making a provision of Rs. 6 lakhs for payment of bonus to workers for the years 1953, 1954 and 1955 in terms of the bonus agreement covering a period of five years from 1953 to 1957 concluded between the workers' union and the Millowners' Association.

After raising the provision for depreciation from Rs. 1.75 lakhs to Rs. 5 lakhs and that for taxation from Rs. 0.85 lakh to Rs. 5 lakhs, the net profit shows a rise of Rs. 2.03 lakhs to Rs. 5.73 lakhs. For the sixth year in succession, no allocation to the reserves has been made. The dividend has, however, been stepped up to 10 per cent. from 6 per cent., to which level it had been restored a year ago after a break of a year, that is, 1953. With the aforesaid increase, the dividend stands on a par with the level for 1949, but the latest one is on the increased capital of Rs. 30 lakhs, raised by the capitalisation of Rs. 5 lakhs from the reserves and the issue of one share for every five shares in 1951.

The following comparative table gives an idea of the Company's progress since 1952:

(In lakhs of rupees)

	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds	180.41	177.81	155.45	182.09
Stocks	59.57	63.21	57.48	51.82
Expenses*	174.99	171.88	155.68	174.01
Gross profit	15.73	6.30	0.51	9.65
Agents' commission	..	..	..	1.03
Depreciation	5.00	1.75	..	4.00
Taxation	5.00	0.85	..	0.30
Net profit	5.73	3.70	0.51	3.33
Transfer from reserves ..	..	..	1.00	..
Dividends—				
7 per cent. preference ..	1.75	1.75	1.75	1.75
Ordinary	3.00 (10%)	1.80 (6%)	..	1.80 (6%)
Carry forward	1.31	0.33	0.18	0.64

*only approximate.

The latest balance-sheet shows that the reserves and surplus aggregate Rs. 12.62 lakhs, as against a paid-up capital of Rs. 55 lakhs. The provision for taxation stands at Rs. 13.02 lakhs and current liabilities aggregate Rs. 51.74 lakhs. The gross block of the value of Rs. 109.79 lakhs stands written down to Rs. 29.04 lakhs. The current assets amount to Rs. 103.34 lakhs and exceed the current liabilities and provision for taxation by Rs. 38.58 lakhs.

The Rs. 50 fully paid-up shares of the Company are being currently quoted at Rs. 62 *cum-div.* (final div. Rs. 2-8). On an *ex-div.* basis, the yield on the shares works out to 8.4 per cent. per annum, free of income-tax.

STEEL TUBE PLANT AT JAMSHEDPUR

The Government of India has sanctioned the expansion of the steel tube plant at Jamshedpur, a joint Indo-British venture, according to news agency reports from New Delhi. The expansion relates to the installation of a third plant to manufacture seamless tubes for high pressure work. The project will involve an outlay of Rs. 3 crores.

The tube plant, jointly sponsored by the Tata Iron and Steel Company and Stewarts and Lloyds at a cost of Rs. 3 crores was formally inaugurated in March this year. It has an annual capacity of 90,000 tons of tubes for conveyance of gas, air and water. The second plant, now under construction for the manufacture of locomotives and other boiler tubes, envisages an investment of Rs. 2 crores.

Points From The Chair

Automation in Industry

"WITH full employment, it is self-evident that any broad advance in standards of living must depend upon a reduction in human effort relative to the results achieved. In general, this can only come by applying new methods, of which electronic equipment and servo-mechanisms are recent examples. I stress again, therefore, that automation is not new, but merely the continuing extension of a process which has for long been a normal feature of our operations. In our industry we certainly do not regard these changes as revolutionary, nor do we think they are likely to cause unemployment or other major difficulties. The steady growth of employment which has taken place in the Company confirms this view. For the country as a whole, I would go further. Employment will only be maintained, if British industry keeps abreast of the world in technical efficiency. This means not only the extension of automation but continued heavy capital expenditure."

SIR ALEXANDER PLECK,
Imperial Chemical Industries Ltd.

Research in Rubber Production

"Our new synthetic pilot plant at Castle Bromwich will come into production very shortly and is primarily intended for developing new forms of synthetic rubber and similar materials. In the same way a considerable section of these facilities is devoted to research on new synthetic fibres developed by the textile and chemical industries and their adaptation for our products. In the development of new materials and processes, either for our existing products or entirely new ones, we now have a well-organised developed and design section. There is a constant flow of new ideas and processes from this section which find their way into our factories and into the new products we are able to offer to our customers. I would specifically like to mention that we have developed a new method of construction for tyres which may in future be regarded as revolutionary. Put simply, this consists of winding a cord round a drum in a series of geodetic loops. Patent protection for this new process is being taken out, but it will be some time yet before it can be fully developed and applied. This new construction may, if successful, introduce entirely new methods of manufacture for a wide range of tyres in the future."

LORD BAILLIEU,
Dunlop Rubber Co., Ltd.

Outlook for Natural Rubber

"Past experience has shown that, at the present level of price, the marginal producer tends to fall out and unless, therefore, there is a reversal of the present trend, natural rubber production is likely to be stabilised at about 1,800,000 tons per annum. There is another and important aspect to the fall in price. It has now about reached the level at which it can be regarded as competitive with synthetic. Although it would be optimistic to expect an immediate transfer of use from the synthetic to natural, it is reasonable to suppose that there will be a check to the extended use of the former which might otherwise occur and that world need for natural rubber should be sufficient to absorb the supplies that are likely to be forthcoming at the present price. The expansion and multiplication of synthetic manufacturing facilities points to a total productive capacity in excess of probable requirements for some time to come even after allowing for a continuance of U.S.A. use of synthetic at a rate of 60 per cent. as opposed to only 40 per cent. for natural."

SIR JOHN HAY,
United Sua Betong Rubber Estates, Ltd.

Reinsurance Corporation

"Another milestone in the history of insurance in this country is the formation of an Indian Reinsurance Corporation which it is expected will shortly commence operation; there is no doubt that, properly managed, as I have every reason to believe it will be, such an institution will perform a useful function in our domestic affairs and there is no reason why in the course of time it should not broaden its activities to embrace the larger markets of the world. What of the future? I firmly believe that if we continue to apply all our energies and resources to the proper fulfilment of our functions as a necessary adjunct to the industrial and economic progress of the country we cannot but grow and prosper with it."

KARAM CHAND THAPAR,
Indian Trade and General Insurance Co., Ltd.

Economic Position of New Zealand

"It would be true to say that the general position in New Zealand is one of prosperity, yet still inflationary, with overfull employment a strong demand for goods and services, and a lack of personal savings. There are signs, however, that the financial measure taken over the past 12 months are beginning to have some effect in damping down inflationary trends and conditions are tending slowly to assume a more healthy form. It is clear, however, that present financial policies will have to be continued for some time, if relative stability is not only to be achieved but is also to be maintained."

ARTHUR H. ENSOR,
National Bank of New Zealand Ltd.

COMPANY MEETINGS AND DIVIDENDS

ASSAM SAW MILLS AND TIMBER CO., LTD. Annual General Meeting, Calcutta, 28th June 1956. Dividend: *Nil.* Transfer books remain closed from 15th to 28th June 1956, both days inclusive.

HIND CYCLES LTD. Annual General Meeting, Bombay, 30th June 1956. Dividend: Rs. 10 per share. Transfer books remain closed from 13th June to 7th July 1956, both days inclusive.

INDIAN GALVANIZING CO. (1926) LTD. Annual General Meeting, Calcutta, 4th July 1956. Dividend: Re. 1 per share. Transfer books remain closed from 20th June to 4th July 1956, both days inclusive.

PENCH VALLEY COAL CO., LTD. Half-yearly General Meeting, Calcutta, 6th July 1956. Dividend: As. 12 per share. Transfer books will remain closed from 24th June to 10th July 1956, both days inclusive.

BRIDGE AND ROOF CO. (INDIA), LTD. Half-yearly General Meeting, Calcutta, 6th July 1956. Dividend: As. 12 per share. Transfer books will remain closed from 27th June to 6th July 1956, both days inclusive.

HIGHLAND PRODUCE CO., LTD. Annual General Meeting, Alleppey, Travancore-Cochin, 7th July 1956. Dividend: Rs. 2 per share (includes interim dividend of As. 10 per share). Transfer books will remain closed from 1st to 7th July 1956, both days inclusive.

TWYFORD TEA CO., LTD. Annual General Meeting, Kottayam, Travancore-Cochin, 9th July 1956. Dividend: Rs. 2 per share. Transfer books will remain closed from 3rd to 12th July 1956, both days inclusive.

ELPHINSTONE SPINNING AND WEAVING MILLS CO., LTD. Annual General Meeting, Bombay, 10th July 1956. Dividend: Rs. 5 per share (includes Rs. 2-8 interim dividend). Transfer books will remain closed from 24th June to 10th July 1956, both days inclusive.

SHAW WALLACE & CO., LTD. Annual General Meeting, Calcutta, 11th July 1956. Transfer books will remain closed from 30th June to 11th July 1956, both days inclusive.

ALEXANDRA JUTE MILLS LTD. Half-yearly General Meeting, Calcutta, 16th July 1956. Transfer books will remain closed from 25th June to 16th July 1956, both days inclusive.

CHITAVALSAH JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 16th July 1956. Transfer books will remain closed from 25th June to 16th July 1956, both days inclusive.

DALMIA CEMENT (BHARAT) LTD. Annual General Meeting, Dalmiapuram, Tiruchirapalli, 20th July 1956. Dividend: Re. 1-4 per ordinary share and As. 2 per deferred share payable on or after 10th August 1956. Transfer books remain closed from 21st June to 20th July 1956, both days inclusive.

METTUR INDUSTRIES LTD. Annual General Meeting, Madras, 27th July 1956. Dividend: Rs. 42-8 per share. Transfer books will remain closed from 13th to 27th July 1956, both days inclusive.

INDIAN COPPER CORPORATION LTD. Annual General Meeting, Calcutta, 12th September 1956. Dividend: 10 per cent. final plus a bonus of 25 per cent. (i.e., 7 annas 5.6 pies per unit of stock), free of income-tax, payable on 28th September 1956. Transfer books will remain closed from 24th July to 6th August 1956, both days inclusive.

BALANOOR TEA AND RUBBER CO., LTD. Final dividend of Re. 1-8 per ordinary share, for the year ended 31st March 1956. Transfer books will remain closed from 9th to 14th July 1956, both days inclusive.

DEVON TEA AND PRODUCE CO., LTD. Final dividend of Re. 1-8 per ordinary share, for the year ended 31st March 1956. Transfer books will remain closed from 9th to 14th July 1956, both days inclusive.

CANNANORE SPINNING AND WEAVING MILLS LTD. Dividend of Rs. 15 per ordinary share, for the year ended 31st March 1956. Transfer books remain closed from 22nd June to 5th July 1956, both days inclusive.

COMPANY REGISTRATIONS

NANAVATY NARENDRA PRIVATE LTD. (First Director: Mr. Gautam S. Nanavaty.) Business: Importers and exporters. Authorised capital: Rs. 2,00,000. Private company. Address: Sakar Bazar, Vakharias' Dehla, Ahmedabad.

BAUMGARTEN AND WALLIA PRIVATE LTD. (First Director: Mr. G. A. E. Baumgarten.) Business: Merchants, traders, etc. Authorised capital: Rs. 1,00,000. Private company. Address: 10 Bombay Mutual Annexe, 17, Gumbow Street, Bombay 1.

U. D. PATEL & CO., PRIVATE LTD. (First Director: Mr. Ramabhai Lallubhai Patel.) Business: Importers and exporters. Authorised capital: Rs. 10,00,000. Private company. Address: 11, Bank Street, Bombay.

INDIAN GALVANIZING REPORTS BETTER RESULTS

INDIA UNITED MILL RESUMES DIVIDEND

Indian Galvanizing Co. (1926) Ltd.

THE directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st December 1955.

The profit for the year, after deducting items relating to previous years and providing for depreciation and taxation was Rs. 4,79,903 (Rs. 1,69,361) to which is added the balance brought forward from 1954 of Rs. 22,770 (Rs. 18,139), making a total of Rs. 5,02,673 (Rs. 1,87,501). Out of this amount the directors have set aside Rs. 75,000 (*nil*) for general reserve. This leaves a balance of Rs. 4,27,673 (Rs. 1,87,501) available for distribution, which the directors recommend be dealt with as follows:—

To dividend on preference shares at the rate of 6 per cent. (subject to deduction of Indian income-tax) Rs. 16,947 (Rs. 16,947), to dividend on ordinary shares at 10 (4) per cent. free of income-tax Rs. 3,69,459 (Rs 1,47,784) and balance to be carried forward Rs. 41,267 (Rs. 22,770).

The much improved results are attributable to the increased production of the drum and metal window shops of the Calcutta works. The rehabilitation of the drum shop was completed towards the end of the year and the drums from the new plant are in every way superior to those previously produced.

Although the production of steel windows and doors showed a considerable increase, this was below the level necessary to meet the volume of orders obtained during the latter half of the year.

The Bombay drum plant continued to work satisfactorily, but at times production was restricted due to the difficulties experienced in procuring sufficient drum sheets.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	39,77,040	Block ...	23,07,100
Reserves ...	7,65,000	Stock ...	32,51,409
Provision for taxation ...	4,85,900	Work-in-progress ...	14,68,357
Liabilities ...	54,69,622	Tools ...	51,000
Profit and loss account ...	41,267	Goods-in-transit ...	1,90,083
		Debts, deposits and advances ...	34,14,964
		Investments	1,000
		Cash ...	54,916
	Rs. 1,07,38,829		Rs. 1,07,38,829

India United Mills, Ltd.

The directors of the above Company (Managing Agents: Messrs. Agarwal & Co., Bombay) submit the audited accounts of the Company for the year ended 31st December 1955.

The accounts show a profit of Rs. 27,05,612 (loss of Rs. 51,18,700) after providing for all working expenses and managing agents' commission, but subject to taxation, depreciation and bonus to workers. Provision has been made, as under, for depreciation and bonus to workers; but no provision has been made for taxation as the directors are advised that the existing provision in this behalf is sufficient in view of the past losses and arrears of depreciation allowable by the department. The directors propose the following appropriations therefrom:—

Profit as per profit and loss account is Rs. 37,05,612 (loss of Rs. 51,18,700 after adjusting previous loss). From this is deducted provision for bonus to workers in respect of the four years ending December 1955, including Rs. 6,38,000 for the year 1955, worked out on the basis of the Millowners' Associations' formula Rs. 25,00,000 (*nil*) and provision for depreciation on fixed assets Rs. 32,00,000 (*nil*), leaving a balance of Rs. 30,05,612 (debit of Rs. 51,18,700). The directors have paid interim dividends at As. 10 (*nil*) per share on ordinary shares absorbing Rs. 12,50,000 (*nil*) and at one anna (*nil*) per share on deferred shares absorbing Rs. 3,12,500 (*nil*). From the balance amount of Rs. 14,43,112 they recommend final dividends at As. 5 (nil) per share on ordinary shares absorbing Rs. 6,25,000 (nil) and at As. 2 (*nil*) per share on deferred shares absorbing Rs. 6,25,000 (*nil*) leaving a balance to be carried forward to next year of Rs. 1,93,112 (loss of Rs. 51,18,700).

The directors trust that the results of the year's working will be considered satisfactory. Conditions in the cloth market were dull in the early period of the year but later there was an improvement in demand and the offtake was well maintained.

It was informed in the last report that steps were being taken to obtain the final approval and sanction of the Central Government to the change in the constitution of the managing agents firm and the directors are glad to inform that this has been obtained. The supplemental agreement between the Company and the newly constituted partners, the draft of which was approved at the extraordinary general meeting of the Company convened and held on 31st October 1935, has not yet been executed. It is however expected to be executed shortly and before the general meeting is held the Award in respect of the differences between the partners of Messrs. Agarwal & Co. should be published.

Income-tax assessments upto the accounting year ending 1950 are completed and appeals against the assessments for 1948, 1949 and 1950 are pending.

During the year Messrs. Bhagwatiprasad Jagadambaprasad Ltd., the selling agents for cloth manufactured by the Company, have resigned their post with effect from 20th April 1955 and all sales of cloth are since made directly by the Company.

An agreement has been recently reached by the Millowners' Association, Bombay, with the Rashtriya Mill Mazdoor Sangh in regard to the payment of bonus to the mill employees for the years 1952 to 1957 to which the Company has agreed to conform. The amount of bonus to workers in respect of four years ending December 1955 worked on the basis of the Millowners' Association Agreement comes to about Rs. 25,00,000 which the directors, as stated above, propose to appropriate from the profit of the year under review.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	2,50,00,000	Block ...	4,68,15,552
Reserves ...	62,50,399	Stock-in-trade ...	2,55,11,255
Depreciation reserve ...	3,07,00,000	Stores and spare parts	27,67,238
Provision for taxation ...	64,96,288	Debts, deposits and advances ...	85,64,199
Liabilities ...	76,70,262	Investments	2,84,116
Profit and loss account ...	87,05,612	Cash ...	8,80,201
	Rs. 8,48,22,561		Rs. 8,48,22,561

Assam Saw Mills & Timber Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Bird and Co. (Private) Ltd., Calcutta) submit the audited accounts of the Company for the year ended 30th September 1955.

After providing Rs. 1,78,488 (Rs. 2,00,997) for depreciation and crediting Rs. 12,000 (Rs. 12,000) being allowance forgone by managing agents, the profit and loss account shows a loss of Rs. 97,045 (Rs. 3,20,289) which increases the debit balance brought forward from the previous year to Rs. 5,14,537 (Rs. 4,17,492) and this amount the directors recommend should be carried forward.

General report.—The directors regret to report that although the Tea trade continued to prosper during 1954-55, indigenous manufacturing capacity continued to be greatly in excess of demand with the result that selling prices were forced down to an uneconomical level and this factor combined with the definite limitation on output and consequent increased costs caused by inadequate all weather communications with the Works, led to a further loss for the year under review.

The insecure communications have been the subject of continued reference to the Assam Government and North East Frontier Agency Administration who have expressed their intention to assist in providing proper road communication to which end surveys of probable alignments have already been taken in hand.

Although there is now every likelihood of adequate communications with the Mill being provided, some time must elapse before suitable roads can be constructed and it is likely that any profit can be realised from the current year's operations.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	13,99,998	Block ...	20,87,700
Reserves ...	28,30,285	Capital work in progress	37,915
Liabilities ...	18,42,740	Stock-in-trade	3,22,894
		Stores and spare parts	10,23,231
		Other assets	63,286
		Debts, deposits and advances ...	19,59,278
		Investments	87
		Cash ...	64,095
		Profit and loss account ...	5,14,537
	Rs. 60,73,023		Rs. 60,73,023

Hooghly Mills Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Gillanders Arbuthnot & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1955.

The holding of the Annual General Meeting has been delayed as the Company was restrained by an order of the Calcutta High Court from holding the Meeting in consequence of a suit instituted by Mr. Radheshyam Bajoria and others against the Company's directors. The injunction was however withdrawn by the Court on the 23rd April 1956 and the meeting has now been convened after taking the necessary permission from the Registrar of the Companies.

In accordance with the Indian Jute Mills Association's main and supplementary working time agreements the mill worked 42½ hours per week up to 10th July 1954, 45 hours per week up to 16th October 1954, and 48 hours per week during the remaining part of the year, with 12½ per cent. looms sealed throughout the year.

During the last quarter of the period under review, a threatened shortage of raw jute caused prices to reach uneconomic levels.

Jute in stock and process has been taken into account at rates corresponding with forward sales of manufactured goods, and manufactured goods have been taken into account at contract or market rates.

The result of the year's working is a profit of Rs. 5,74,972 (Rs. 3,31,522) to which is added rebate on foodstuffs Rs. 2,843 (Rs. 4,243) and depreciation overprovided in previous years in respect of assets sold, now written back Rs. '52,500 (*nil*) making a total of Rs. 6,30,315 (Rs. 1,68,832 after deducting income-tax and depreciation). After deducting reserve for income-tax and super-tax Rs. 1,51,388 (Rs. 24,033) depreciation Rs. 1,00,000 (Rs. 1,00,000) provision against contingent loss on forward jute purchases Rs. 39,030 (*nil*) and unclaimed dividend previously forfeited, paid during the year Rs. 150 (*nil*) there is a balance of Rs. 3,39,747 (Rs. 1,68,832). With the credit balance brought forward from previous year of Rs. 32,401 (Rs. 65,169) there is a total available sum of Rs. 3,72,148 (Rs. 2,34,001). The directors recommend that this should be dealt with as follows:—

In payment of the interim-dividend on preference shares at the rate of 10 (10) per cent. per annum for the year ended 31st March 1955 (without any deduction in respect of income-tax payable by the Company) Rs. 1,17,600 (Rs. 1,17,600), in payment of the interim-dividend on ordinary shares at the rate of 12½ (first and final 5 per cent.) per annum for the year ended 31st March 1955 (without any deduction in respect of income-tax payable by the Company) Rs. 2,10,000 (Rs. 84,000) and in carrying forward to next year Rs. 44,548 (Rs. 32,401). The directors do not recommend payment of any further dividend for the year ended 31st March 1955.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	28,56,000	Block ...	19,70,290
Reserves ...	18,91,656	Stock ...	29,93,729
Provision for taxation ...	2,17,451	Stores ...	10,24,364
Liabilities ...	24,28,833	Debts, deposits and advances ...	16,82,136
Profit and loss account ...	3,72,148	Investments	81,023
		Cash ...	14,546
	Rs. 77,66,088		Rs. 77,66,088

Twyford Tea Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Parkins (Private) Ltd., Kottayam, Travancore-Cochin] submit the audited accounts of the Company for the year ended 31st December 1955.

The result of the year's working after providing for depreciation on buildings, factory and machinery amounting to Rs. 32,104 (Rs. 16,693) and after making provision for payment of income-tax and Travancore-Cochin Agricultural income-tax amounting to Rs. 1,04,748 (*nil*) is a net profit of Rs. 1,52,764 (Rs. 9,66,246) to which must be added the balance of Rs. 48,592 (Rs. 7,341) brought forward from the previous year's account making a total of Rs. 2,01,356 (Rs. 9,73,587). Out of this an interim dividend of 10 (10) per cent. amounting to Rs. 90,000 (Rs. 90,000) was paid and the balance now available is Rs. 1,11,356 (Rs. 8,83,587). The directors recommend the payment of a final dividend of 10 (15) per cent. making a total of 20 (25) per cent. for the year 1955 absorbing Rs. 90,000 (Rs. 1,35,000), leaving a balance of Rs. 21,356 (Rs. 48,592 after transferring Rs. 3,65,000 to taxation reserve, Rs. 2,59,994 to general reserve and carried forward to next year's account.

Crop and Price.—9,70,321 (9,05,478) lbs. tea was produced during the year under report against an estimate of 9,25,000 (8,50,000) lbs. The cost of production was 166.72 cents against 152.80 cents per lb. in 1954. The increase was mainly due to heavy expenses on pest control and payment to labour under various heads. The net average sale price realised per lb. was 200.83 cents against 276.76 cents in 1954.

The stock of tea remaining unsold as at 31st December 1955 was 2,80,202 (3,11,153) lbs. out of which 2,72,574 (1,57,522) lbs. have since been sold leaving a balance of 7,628 (1,53,631) lbs. which have been valued at 4 (2) shillings per lb.

Estimates:—The estimate for the year ending 31st December 1956 is 10,00,000 (9,25,000) lbs. tea to be produced at a cost of 166.90 (192.81) cents.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	9,00,000	Block ...	19,57,857
Reserves ...	16,50,000	Stock-in-trade	6,59,338
Provision for taxation ...	1,35,081	stores and spares ...	1,24,562
Liabilities ...	4,71,363	Nurseries ...	2,737
Profit and loss account ...	1,11,356	Debts, deposits and advances ...	1,45,153
		Investments	1,101
		Cash ...	3,77,052
	Rs. 32,67,800		Rs. 32,67,800

Kalapahari Coal Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Andrew Yule & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 29th February 1956.

After providing Rs. 15,528 (Rs. 28,633) for depreciation and bringing in excess liabilities provision of Rs. 69,393 (*nil*), the accounts for the half-year show a profit of Rs. 1,38,130 (debit of Rs. 1,83,611). After deducting this from the debit balance brought forward from the previous half-year and transferring Rs. 63,105 (*nil*) to capital reserve, there is a balance of Rs. 2,21,237 (Rs. 1,82,611) to the debit of the profit and loss account to be carried forward.

Raisings during the half-year were 22,440 (19,030) tons compared with 1,660 tons during the previous half-year and despatches were 22,767 (16,869) tons as against 1,752 tons. Since the end of the period under review the output of grade I coal from the Ghusick 'A' Seam at Damra has shown a further increase.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,50,000	Block ...	6,31,199
Reserves* ...	3,45,579	Stores ...	22,077
Provision for taxation and cesses ...	1,944	Debts, deposits and advances ...	2,89,274
Liabilities ...	2,46,434	Cash ...	1,407
	Rs. 9,43,957		Rs. 9,43,957

*Reserves have been shown after deducting the debit balance of Rs. 2,21,237 in the profit and loss account.

Raneegunge Coal Association Ltd.

The directors of the above Company (Managing Agents: Messrs. B. N. Elias & Co., Private Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

Coal raisings, despatches and stocks

	Half-year ended 30-9-54 Tons	*Half-year ended* 31-3-55 Tons	*Half-year ended* 30-9-55 Tons
Raisings ...	1,72,761	1,71,520	1,62,989
Despatches ...	1,70,086	1,58,269	1,88,821
Stocks ...	39,956	53,207	27,375

Raisings over the half-year decreased as compared with the previous half-year. The overall target fixed by the Coal Board will however be reached by the end of the year and raisings for the months of October, November and December 1955 will therefore be higher than usual. Despatches increased considerably as a result of which pithead stocks decreased by 25,832 tons.

Coke manufacture: The Company manufactured during the half-year under review 3,361 (2,662) tons of hard coke. 3,223 (3,640) tons were despatched and 303 (238) tons remained in stock.

Development and prospects: The development and workings of the Company's collieries have proceeded as planned by the management. Kustore South pits have been completely dewatered and have finally been entered. Arrangements for working from these pits are now in progress and it is hoped to shortly raise coal from these pits. This will give the Company far greater scope to increase production of coking coal so as to meet Government's increased requirements over the second Five-year Plan.

The Company's profit for the half-year ended 30th September 1955 after inclusion of Rs. 33,013 (Rs. 72,001) brought forward is Rs. 2,16,827 (Rs. 3,07,197). And after making provision for taxation Rs. 60,000 (Rs. 1,00,000) there remains a balance of Rs. 1,56,827 (Rs. 2,07,197). From this balance the directors have placed to machinery replacement and development reserve Rs. 50,000 (Rs. 1,00,000) and recommend the payment of 66th dividend at As. 6 (As. 4) per share absorbing Rs. 89,981 (Rs. 59,988) leaving a balance to be carried forward Rs. 16,846 (Rs. 47,209).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	23,99,500	Block ...	37,59,038
Reserves ...	19,17,105	Stock of coal	3,84,244
Provision for taxation ...	3,05,000	Stores ...	5,81,124
Liabilities ...	19,36,504	Debts and advances ...	18,11,351
Profit and loss account ...	16,846	Investments	8,158
		Cash ...	31,040
	Rs. 65,74,955		Rs. 65,74,955

Punjab Minerals Co., Ltd.

The directors of the above Company [Managing Agents: Messrs. Bird & Co. (Private) Ltd., Calcutta] submit the audited accounts of the Company for the year ended 30th September 1955.

Some orders have been received from the Cement Works for gypsum resulting in a small profit amounting to Rs. 2,835 (debit of Rs. 80,145) during the year under review. After setting off this profit against debit balance of profit and loss account brought forward from the previous year, the profit and loss account shows a debit balance of Rs. 77,310 (Rs. 80,145) which is being carried forward.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	3,00,000	Block ...	2,23,096
Provision for doubtful debts ...	200	Preliminary expenses ...	8,615
Liabilities ...	14,670	Debts, deposits and advances ...	3,485
		Investments ...	87
		Cash ...	2,277
		Profit and loss account ...	77,310
	Rs. 3,14,870		Rs. 3,14,870

National Iron & Steel Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Nursing & Co., Ltd., Calcutta) submit the audited accounts of the Company for the year ended 31st March 1955.

The net profit for the year amounts to Rs. 5,89,495 (Rs. 70,644) after providing Rs. 4,31,831 (Rs. 3,78,366) for depreciation. This sum together with the profit of Rs. 59,200 (Rs. 1,95,571) on account of adjustment for 1954 and the balance of Rs. 1,37,985 (Rs. 1,770) brought forward from the previous year aggregate to Rs. 7,86,680 (Rs. 2,67,985).

Publication of this account was delayed because the Company's old income-tax matters were on the final stages of settlement and the directors thought it proper to get them settled. The position of the I. T. matters as they stand at present is discussed below:—

According to the Auditors' report it would be seen that the contingent liability on account of income-tax and other taxes is Rs. 22,89,041 but according to the terms of settlement concluded with the I. T. Department the net tax liability upto 31st March 1955 would come to Rs. 11,26,389 only including the tax for the year 1955, but the Income Tax Department has not confirmed the settlement as yet in writing and hence the auditors had to make the remark. Cotingent liability on account of income-tax would now remain at Rs. 3,71,080 only. The directors propose to make the following adjustments in the taxation reserve account:

Balance in taxation reserve account: in taxation reserve Rs. 8,09,661 less income-tax advance Rs. 7,01,146 leaving a balance of Rs. 1,08,515 to transfer from general reserve account Rs. 5,10,000 (nil) and to transfer from profit and loss account Rs. 5,07,874 (*nil*) making a total of Rs. 11,26,389. This would leave Rs. 4,90,630 in the general reserve account on account of premium on shares and Rs. 2,78,806 (Rs. 2,67,985) in the profit and loss account. The directors recommend that a dividend of As. 4 (*nil*) per share free of income-tax be paid in respect of the year ended 31st March 1955. This would absorb Rs. 1,24,900 (*nil*) and the balance Rs. 1,53,906 (Rs. 1,37,985 after transferring Rs. 1,30,000 to taxation reserve) is to be carried over to the next year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	49,96,000	Block ...	36,93,212
Reserves ...	10,00,630	Stock-in-trade	19,54,212
Debentures ...	6,00,000	Stores, coal, raw materials, etc.	13,38,208
Provision for taxation ...	8,09,661	Goods-in-transit ...	26,515
Liabilities ...	33,41,429	Debts, deposits and advances ...	39,67,541
Profit and loss account ...	7,86,681	Investments	3,01,500
		Cash ...	2,53,213
	Rs. 1,15,34,401		Rs. 1,15,34,401

Travancore Rubbers, Ltd.

The directors of the above Company (Managing Director: Mr. Eapen Thomas, Kottayam) submitted the audited accounts of the Company for the year ended 31st December 1955.

Crop and prices.—The total output of rubber for the year was 5,79,270 lbs. (i.e., 506 lbs. per acre) against 5,42,791 lbs. harvested in the previous year, and the cost of production was 61.57 (68.23) cts. (i.e., As. 9-10.21) per pound. The average price realised was 141.16 (127.91) cts. (Re. 1-6-7) per pound. It is to be stated that although the management had planned to spray the whole rubber area as in previous years, only a portion could be sprayed as a result of labour troubles.

The result of the year's working showed a net profit of Rs. 2,35,001 (Rs. 1,51,573) after providing Rs. 1,48,300 (Rs. 1,04,800) towards taxation and after charging the usual depreciation, a bonus of three months' basic salary to the staff and, subject to the approval of the Central Government, a bonus equivalent to three months' salary to the managing director. This, together with Rs. 3,744 (Rs. 2,171) brought forward from the previous year aggregates to Rs. 2,38,745 (Rs. 1,53,744). The directors disposed of this amount as follows:—

To reserve for contingencies Rs. 10,000 (Rs. 5,000), to reserve for capital expenditure Rs. 45,000 (Rs. 25,000), to pay a dividend of 30 (20) per cent. Rs. 1,80,000 (Rs. 1,20,000) and to carry forward to next year's account Rs. 3,745 (Rs. 3,744).

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	6,00,000	Block ...	6,55,962
Reserves ...	17,491	Stock-in-trade	2,09,361
Provision for taxation ...	1,50,827	Stores and spare parts	38,201
Liabilities ...	83,654	Debts, deposits and advances ...	19,349
Profit and loss account ...	2,38,745	Cash ...	1,67,844
	Rs. 10,90,717		Rs. 10,90,717

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

(Concluded from next column)

"Both labour and staff have worked satisfactorily at the factory and at the head office of the Company and the relations between the management and labour have continued to be cordial."

ISHER DAS *Chairman*

BALMOKAND SHAH
KANHAYA LAL } *Directors*
DINANATH KAKAR
PURAN CHAND SAWHNEY

THE GANGA SUGAR CORPORATION LTD.

FRESH CAPITAL TO BE RAISED

PRESENTING the annual report and audited accounts of the Ganga Sugar Corporation Ltd. for the year ended 31st March 1956, the Directors of the Company observe:

"LADIES AND GENTLEMEN,

"We have the honour to present to you the annual accounts and profit and loss statement for the year ended 31st March 1956. For certain important reasons an interim balance-sheet was presented to you together with the profit and loss account for the half-year ended 30th September 1955. The present statement includes and incorporates the results of the first six months of the season for which a separate report was presented to the shareholders. So these accounts should be taken as consolidated accounts for the whole year ended 31st March 1956.

"The shareholders will be glad to note that the operations of the year under report have been successful. We succeeded in crushing 5,578,088 maunds of sugarcane, as against 3,943,788 maunds in the previous year.

"The recovery for the year has also been .4 per cent. higher than in the previous year. The factory worked for 213 days during the season as against 147 days in the previous year. The performance of the plant was quite satisfactory, but market conditions were not so favourable; otherwise, the financial results for the year would have been much better. However, in all the circumstances of the case, we have decided to recommend distribution of dividend to the shareholders at the same rate as last year.

"In the last year's report the Directors had informed the shareholders that suitable additions would be made to the plant to increase its capacity because permission from the Government of India had been received to increase the capacity of the factory to 1,600 tons. Order for the machinery was placed in England and with Continental firms and delivery times of the additional machinery were so fixed that we might be able to use it during the 1956-57 season. All efforts are being made to install this machinery when received so that even if it does not work for the whole of the next season it may be tried well under service conditions during a part of the 1956-57 season. As the cane supply is estimated now (and with future development) to exceed the requirements of a 1,600 tons plant, we have submitted a further application to the Government of India for licensing the factory for crushing of 2,500 tons of cane per day. This application is receiving consideration of the Government and we hope it will be sanctioned. By running our present plant and the additional machinery we hope to achieve the capacity of 2,500 tons with very few further additions.

"The order for the additional machinery has put a great strain on our financial resources. We have been granted permission by the Controller of Capital Issues to increase our capital by issue of bonus shares for Rs. 10 lakhs and right shares for a similar amount at par to increase our capital resources. We are also arranging for a debenture loan of Rs. 30 lakhs which we hope to secure in due time and have in view other proposals to arrange the necessary finances. These measures will enable us to complete the project satisfactorily. The additions to the plant and buildings and their erection will cost the Company about Rs. 70 to 75 lakhs.

"After providing Rs. 2,75,000 for bonus to labour and staff and writing off Rs. 95,174-1-0 towards depreciation and including Rs. 22,813-15-2 carried forward from last year's accounts, the profit comes to Rs. 24,96,579-9-3 which is allocated as follows:

	Rs.	a.	p.
Towards general reserve ... (This includes Rs. 5 lakhs written towards general reserve in September 1955 accounts)	6,00,000	0	0
Towards reserves for taxation ... (inclusive of Rs. 1,82,960-2-0 provided in September 1955 accounts)	10,35,000	0	0
Towards tax-free dividend at 20 per cent.	6,96,598	0	0
Towards charity	85,000	0	0
Carried forward	77,981	9	2

(Continued in previous column)

Notices

(*Concluded from page 1205*)

EXPLANATORY STATEMENTS

1. In the Special Notice given to the Company of the resolution under item No. 3 of the above Notice, it has been pointed out that Mr. A. N. Sil is an Associate of the Managing Agents and, in view thereof, it will be necessary for the shareholders to pass a Special Resolution in accordance with Section 261 of the Companies Act, 1956, if they decide to reappoint him as a Director of the Company.

2. In the Special Notice given to the Company of the resolution under item No. 4 of the above Notice, it has been pointed out that Mr. B. L. Bajoria is an Associate of the Managing Agents and, in view thereof, it will be necessary for the shareholders to pass a Special Resolution in accordance with Section 261 of the Companies Act, 1956, if they decide to appoint him as a Director of the Company.

3. The resolution under item No. 5 of the above Notice is intended to provide the Board of Directors with the necessary authority to enable them to borrow moneys from time to time for the Company's business in excess of the paid-up capital of the Company and its free reserves pursuant to Section 293(1) (*d*) of the Companies Act, 1956.

NATIONAL MACHINERY MANUFACTURERS, LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Eighth Annual General Meeting of NATIONAL MACHINERY MANUFACTURERS LTD., will be held at Sir Vithaldas Chambers, 16, Apollo Street, Fort, Bombay, on Wednesday, 11th July 1956, at 5 p.m. (S.T.), to transact the following business:

1. To receive and adopt the Directors' Report and Audited Profit and Loss Account and Balance Sheet for the year ended 31st December 1955.
2. To elect Directors in place of Mr. Krishnaraj M. D. Thackersey, Mr. Kasturbhai Lalbhai and Mr. D. M. Khatau who retire by rotation and who, being eligible, offer themselves for re-election.
3. To elect a Director in place of Mr. Arvind N. Mafatlal who retires under Article 134 of the Articles of Association and who, being eligible, offers himself for re-election.
4. To appoint Auditors for the current year and to fix their remuneration.
5. To consider and, if thought fit, to pass the following resolution:—

   "Resolved that the appointment of Indian Textile Engineers Private Ltd., as the Sole Selling Agents of the Company for the sale of the Company's products as from the 1st January 1955 upto 31st December 1956, upon the terms and conditions recorded in the agreement dated 9th day of May 1956 between the Company of the one part and the said Sole Selling Agents of the other part, and which agreement is placed before this Meeting be and the same is hereby approved."

6. To consider and, if thought fit, to pass the following resolution:—

   "Resolved that the registers and documents required to be kept and disclosed by the Company under Sections 49, 118, 136, 143, 144, 150, 151, 152, 163, 193, 196, 301, 302, 303 and 307 of the Companies Act, 1956, be kept open for inspection by the persons entitled thereto at the Registered Office of the Company on all working days between the hours of 11 a.m. and 1-30 p.m. (S.T.) provided, however, that the register required to be maintained under section 307 of the Act shall be open to the inspection of any member or holder of debentures of the Company (if any) at the place and time aforesaid during the period prescribed by clause (*a*) of sub-section (5) of the said section."

The Share Transfer Books of the Company will be closed from 27th June 1956 to 11th July 1956, both days inclusive.

Any member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself and proxy need not be a member.

By Order of the Board,
D. V. SHIVESHWARKAR,
Secretary.

EXPLANATORY STATEMENT

To THE SHAREHOLDERS,

NATIONAL MACHINERY MANUFACTURERS LIMITED.

The Resolution for approval of the appointment of Indian Textile Engineers Private Ltd. as the Sole Selling Agents of the Company is required to be passed in view of Section 294 of the Companies Act, 1956. Actually, their appointment was made prior to the coming into force of the Act, with effect from 1st January 1955. However, since the terms of their appointment were subsequently embodied and recorded in the Agreement which was executed by the Company on 9th May 1956, the Directors have thought it advisable to place the agreement before the Company in General Meeting for its approval.

Indian Textile Engineers Private Ltd. have been the Sole Selling Agents in respect of the Company's products ever since the Company started manufacturing its products and they have as such acted efficiently and satisfactorily. The Agreement is open for inspection by the members at any time at the Registered Office of the Company on all working days between 11 a.m. and 1-30 p.m. (S.T.). The commission payable to the Sole Selling Agents on the Company's products is as under:—

(*a*) Commission on sale of complete machines and Casablanca Equipment—
   (*a*) 10 per cent. on the first Rs. 8,00,000 on unpacked ex-Works selling price.
   7½ per cent. on the next Rs. 8,00,000 on unpacked ex-Works selling price.
   3 per cent. on the balance, on unpacked ex-Works selling price.
(*b*) Commission on sales of Spares—
   (*b*) 7½ per cent. of the invoiced value.

Mr. J. C. Morton, the General Manager of the Company, is the Managing Director of Indian Textile Engineers Private Ltd., in the capital whereof certain shares are held by Textile Machinery Makers Ltd., of Oldham, England, three of whose nominees are, at present, Directors of the Company, viz., Sir Vithal N. Chandavarkar, Mr. E. D. Sheppard and Mr. J. C. Burns. Messrs. Textile Machinery Makers Ltd. hold certain shares in the capital of your Company.

As to the Resolution for maintaining and disclosing certain registers and documents, under the relevant sections of the Act, you are entitled to impose reasonable restrictions on the hours of giving inspection thereof. The hours mentioned in the Resolution are reasonable and convenient from the administrative point of view.

By Order of the Board,
D. V. SHIVESHWARKAR,
Secretary.

Dated, 13th June 1956.

INDIAN COPPER CORPORATION LIMITED

(*Incorporated in England*)

COMPANY NOTICE

DIVIDEND NO. 29 (FINAL)

NOTICE IS HEREBY GIVEN THAT AT THE Thirty-second Ordinary General Meeting to be held at the Royal Exchange Hall, Royal Exchange, Calcutta, on Wednesday the 12th September 1956, at 11-30 a.m., the Directors will recommend payment of a Final Dividend (No. 29) for the year ended 31st December 1955, of 10 per cent. and Bonus of 25 per cent. (8.4 pence, i.e., 7 annas 5.6 pies per unit of stock) free of Income-tax payable by the Company in respect of the existing Issued Capital of £914,200. Subject to confirmation of members, the dividend will be paid on the 28th September 1956 to all members registered in the books of the Company at the close of business on the 23rd July 1956.

The Registers of Members will be closed from the 24th July to the 6th August 1956, both days inclusive.

The nett profit for the year ended 31st December 1955 was £416,758 (against £263,987 for previous year), after providing £175,000 for Depreciation (£100,000 last year), £683,046 for Taxation (against £264,396), £200,000 for General Reserve (against £150,000) and £ *Nil* on other accounts (against £120,000). With £111,715 brought in from 1954, there is an available balance of £528,473 (against £340,265). After providing £411,390 for Interim Dividend (No. 28 of 10 per cent. already paid on 10th February 1956) and for proposed Final Dividend of 10 per cent. and Bonus of 25 per cent., free of Income-tax payable by the Company (Dividend No. 27 of 15 per cent. and Bonus of 10 per cent. free of tax last year—£228,550) the balance carried forward is £117,083 (against £111,715 brought in from the previous year).

It is also intended to propose the necessary resolutions to effect capitalisation of the Reserves at the aforesaid Annual General Meeting to be held on the 12th September 1956 and after the resolutions have been approved by the stockholders, to close the Registers of Members from the 3rd to 14th November 1956 for the purpose of allotment of Bonus shares on the 14th November 1956.

By Order of the Board,
G. A. CARVER,
Secretary.

CLIVE BUILDINGS,
NETAJI SUBHAS ROAD,
CALCUTTA, 14*th June* 1956.

BRIDGE & ROOF CO. (INDIA), LTD.

NOTICE IS HEREBY GIVEN TO THE members of the abovenamed Company that an Annual General Meeting within the meaning of the Companies Act, 1956 (being the Seventy-second Ordinary General Meeting of the Company) will be held at its Registered Office, 21, Netaji Subhas Road, Calcutta, on Friday the 6th July 1956, at 12 noon, to receive the Report of the Board of Directors and the Report of the Auditors, to consider the Profit and Loss Account for the half-year ended 31st December 1955, and the Balance Sheet as at that date, to declare a dividend and to transact other ordinary general business of the Company.

Notice is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 27th June 1956 to 6th July 1956, both days inclusive.

By Order of the Board,
BALMER LAWRIE & Co., LTD.,
D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 6*th June* 1956.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

MINERVA MILLS, LIMITED

NOTICE OF 21st DIVIDEND

NOTICE IS HEREBY GIVEN THAT A Dividend of Rs. 6 per share of Rs. 100 for the year ended 31st December 1955 sanctioned by the shareholders at the Thirty-sixth Annual General Meeting held on the 15th June 1956 is made payable at the State Bank of India, Bombay, on and after Friday the 22nd June 1956 to those shareholders whose names stood on the Register of Members on the 15th May 1956 and who have paid all dues to the Company whether in respect of calls on their shares, interest thereon or otherwise.

By Order of the Board,
N. SIRUR & Co. PRIVATE LTD.,
Managing Agents,
V. N. CHANDAVARKAR,
Managing Director.

Registered Office:—
TEMPLE BAR BUILDING,
70, FORBES STREET, FORT,
BOMBAY, 15*th June* 1956.

ACTIVITY IN MONEY BROADENS

(*From Our Own Correspondent*)

BOMBAY, 20*th June*

The short-term money market was a little more active during the week under review and the volume of business showed some expansion, thanks to the further influx of funds and the persistent demand for bank credit. As the demand for funds outstripped supply, interest rates showed no signs of coming down.

Inter-bank call money was keenly bid at 3½ per cent. and house money at call was offered the self-same rate of 3½ per cent. Short-term deposit rates were well held at 3½ per cent. for one to three months and at 3¼ to 3⅜ per cent. for four to six months.

A sharp drop of Rs. 10.50 crores in notes in circulation is disclosed by the Reserve Bank of India's statement for the week ended 15th June 1956. This decline is in contrast to the rise of Rs. 12.98 crores noted in the previous week. Notes held in the Banking Department are higher by Rs. 11.29 crores, as compared with the fall of Rs. 13.98 crores in the previous week. In the Banking Department, deposits of the Central Government have risen by Rs. 3.33 crores, as also those of other Governments by Rs. 34 lakhs. Balances of banks, too, have gone up by Rs. 1 crore. There has been a decline of Rs. 4.54 crores in balances held abroad and of Rs. 1.55 crores in loans and advances other than to Governments. The fall in the latter is mainly due to the reduction of Rs. 1.48 crores in outstanding advances to Scheduled banks against usance bills; this follows the decline of Rs. 2.67 crores in the preceding week. There have, however, been fresh advances to the tune of Rs. 9.50 crores to Scheduled banks against usance bills during the week; in the preceding week, too, these advances aggregated Rs. 11.21 crores.

For the second week in succession, there has been a decline in demand deposits of banks. The latest statement of Scheduled banks for the week ended 8th June 1956 shows a fall of Rs. 3.57 crores in these deposits, while time deposits have gone up further by Rs. 3.28 crores. Inter-bank borrowings have also risen by Rs. 1.04 crores, while borrowings from the Reserve Bank have been reduced by Rs. 5.33 crores, of which those against usance bills account for Rs. 2.67 crores. A decline of Rs. 2.28 crores is noted in advances and a rise of Rs. 3.15 crores in bills purchased and discounted. Cash balances show minor variations, but money at call and short notice shows a rise of Rs. 1.15 crores.

The Gilt-edged market presented dull conditions. Enquiries from institutional investors were conspicuous by their absence; evidently these investors are conserving their funds for supporting the forthcoming Central loan. The volume of business was very much restricted. 3 per cent. 1957 and 1958 were stagnant at Rs. 99-13 and Rs. 99-10. 3 per cent. 1959-61 attracted sellers and was marked down by an anna to Rs. 98-1. 3 per cent. 1963-65, after declining from Rs. 95-2 to Rs. 95-1 regained to Rs. 95-2. 3 per cent. 1964 held ground at Rs. 95. 3 per cent. 1966-68 shed an anna to Rs. 93-4, while 3 per cent. 1970-75 gathered an anna to Rs. 90-7 owing to scarcity of stocks. 3 per cent. 1986 Conversion Loan dipped from Rs. 77-9 to Rs. 77-5. 3½ per cent. 1961 was unchanged at Rs. 99-11. 3½ per cent. 1964 had business at the self-same rate of Rs 98-12, while 3½ per cent. 1965 changed hands an anna better at Rs. 98-13.

In the foreign exchange section the rupee displayed some further strength in terms of the U.S. dollar. Banks' selling rate for ready dollars declined from Rs. 477½ to Rs. 477¼ per $100 and their buying rate from Rs. 473¼ to Rs. 473 per $100. Sterling, on the other hand, was a little erratic. In New York, spot sterling was unchanged on balance at $2.80.7/16—2.80.9/16, after going down to $2.80.3/8—2.80¼. Forward sterling (three months) was, however, a shade lower at $2.78¾—2.78⅞, as compared with $2.78½—2.79. Transferable sterling was marked down from 277.60—277.70 cents to 277.50—277.60 cents.

SUGAR FIRM AGAIN

(*From Our Own Correspondent*)

BOMBAY, 20*th June*

The bullish fervour reported last week in the sugar market continued unabated during the week under review, as the expectation of an *ad hoc* release did not materialise. There was no break in the demand from the adjoining areas as also from Bombay-Deccan and Malabar Coast. The position was further strengthened, as all the ex-mill sugar in Bombay-Deccan and in the South had been sold out and the trade demand had to be diverted to the North. The latter factor led to an improvement of about As. 6 per maund in ex-mill quotations of the northern mills.

Arrivals of indigenous sugar during the week under review amounted to 14,000 bags, as against 4,800 bags in the previous week.

As for the rates, in the spot section, small grain was quoted at Rs. 91, medium grain at Rs. 92 to Rs. 94 and large grain at Rs. 95 to Rs. 102, all per bag. British refined is fully steady at Rs. 89-8 per bag. The Regional Directorate (Food) Bombay, it is reported, will be issuing delivery orders for British refined sugar in the course of a day or two and it is anticipated that the price for this variety may drop after this sugar reaches the market.

In the forward section, *Shravan* delivery contract for "C" grade sugar receded from Rs. 91-12 to Rs. 91-4 and is fully steady to-day at Rs. 91-12.

The undertone of the spot and forward sections alike is distinctly firm at the time of writing.

N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax.

SHARP RISE IN SILVER

(*From Our Own Correspondent*)

BOMBAY, 20*th June*

A striking feature of trading in the bullion market during the week under review was the marked recovery of silver in the latter half of the week after a dip earlier. On balance, therefore, the white metal showed a gain of Rs. 2-4 in the ready section and of Rs. 2-10 in the forward. Gold, on the other hand, was listless, the undertone being quiet.

The decline in silver during the earlier part of the week was mainly due to speculative selling on rumours that more silver coins from Tibet would be coming into the market before the current settlement was over. However, absence of any indication in confirmation of these rumours, the good offtake in the ready section and the approach of settlement forced the bears to cover their earlier sales, pushing the price well above the week's lowest level.

Sentiment in gold was adversely affected by the decline in offtake.

Forward silver (26th June settlement) reacted from Rs. 169-7 to Rs. 168-4, before bear covering lifted it up to Rs. 172-15 today. The closing was, however, a shade lower at Rs. 172-1. The next settlement (25th July) gave way from Rs. 168-13 to Rs. 167-14, but recovered to close at Rs. 171-11, the carry forward charges against sellers declining from As. 11 to As. 6.

Ready silver (.996 Mint) advanced from Rs. 170-3 to Rs. 172-7, after an earlier recession to Rs. 168-14. The floating stocks of silver are estimated at 600 bars. The daily average offtake was 20 to 25 bars.

Gold for forward delivery (25th June settlement) moved a little erratically between Rs. 102 and Rs. 100-10, before closing at Rs. 100-12, as against the previous week's closing of Rs. 101-11. Forward gold for the next settlement (24th July) was marked down from Rs. 100-4 to Rs. 99-11, the highest and the lowest quotations being Rs. 100-12 and Rs. 99-6, respectively.

Ready gold fell from Rs. 103-7 to Rs. 101-7. The floating stocks of gold are reported to be 15,000 tolas. The daily average arrivals were 2,500 tolas, while the offtake was 1,500 tolas on an average.

In London, silver prices suffered a sizable decline to touch the lowest levels since the first week of February this year. Spot silver was marked down from 78.¼*d.* to 78¼*d.* and forward from 78⅜*d.* to 77¾*d.* Gold moved irregularly, but, on balance, showed a decline from 249*s.* 6*d.* to 249*s.* 5¼*d.* In New York, the price of silver was marked down by ¼*c.* to 90¼*c.*, after having maintained it at 90¾*c.* since 18th April last.

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

	20-6-56	Highest	Lowest	13-6-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	101 7	103 7	101 5	103 7
Forward*	100 12	102 0	100 10	101 11
Sovereign	67 0	—	—	67 0
SILVER				
Ready (.996 fine Mint) ..	172 7	173 5	168 14	170 3
Forward†	172 1	172 15	168 4	169 7
London Silver Ready ..	78¼*d.*	78¼*d.*	78¼*d.*	78¼*d.*
London Forward	77¾*d.*	78¼*d.*	77¾*d.*	78⅛*d.*
London Gold	249*s.* 5¼*d.*	249*s.* 5¼*d.*	249*s.* 4¼*d.*	249*s.* 6*d.*
New York Ready	90¼*c.*	90¼*c.*	90¼*c.*	90¼*c.*

* 25th June, settlement.
† 26th June, settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

METALS MARKED UP

(*From Our Own Correspondent*)

CALCUTTA, 19*th June*

Conditions were notably better in the metal market during the week under review, following higher advices from overseas markets, particularly from the London Metal Exchange. Most of India's metal requirements are met by imports, internal production being insignificant in comparison to consumption which is on the increase, in view of the greater impetus to industrial development under the Second Plan. Imports of metals cost the country considerable sums in foreign exchange, and the Indian metal market has necessarily to reflect market conditions abroad. It was against this background that industry and trade circles read the speech of the Union Natural Resources Minister, Mr. K. D. Malaviya, to the 4th Mineral Advisory Board meeting in Bangalore last week. For, the Minister declared that Government proposed to concentrate attention in order to raise internal output of non-ferrous metals.

During the week tin opened at Rs. 490 and gained to quote higher at Rs. 494, which was, however, Rs. 11 below the replacement cost. The recovery was due to the higher trend in Singapore, attributed to reports of American intention to purchase tin concentrates from Indonesia and Bolivia. In London, the spot rate spurted by £10 and three months forward by £9, following reports of renewal of Bolivian tin contract with the U.S.A. Barring a mid-week temporary jump to Rs. 228, electrolytic copper remained at Rs. 225 for most part of the week. From Rs. 67, electrolytic zinc recovered to Rs. 68. Stocks were limited and as a result the ready metal commanded a premium. However, fresh arrivals were being cleared from the docks, and with these it was expected that the ready metal would lose the premium. Although demand for lead was insignificant, the price gained from Rs. 78-8, to Rs. 86-8 following higher advices from London.

FORWARD TRADING IN COTTON RESUMED

(*From Our Own Correspondent*)

BOMBAY, 20*th June*

From the point of view of the cotton market, the week under review has, on the whole, been an eventful one. Two outstanding developments of the week were the resumption of forward trading with effect from 18th inst. and the Government's announcement of its new textile policy. So far as the latter is concerned, it is of significance to the cotton market, in that it accords, albeit a belated and only a half-hearted, recognition to the consideration that mills have to play a vital role in meeting the anticipated increase in demand for cloth. An increase in mill consumption of cotton, as distinguished from consumption by any other sector of textile production, must be a source of satisfaction to raw cotton interests. For, it is only the mills which can pay better prices for cotton. The new policy envisages an increase in cloth output by 1,700 million yards to 8,400 million yards before 1960. The additional production is to be shared by handlooms (700 million yards), power-looms (200 million yards), Ambar charka (300 million yards) and mills (350 million yards); the balance of 150 million yards will be reserved for subsequent allotment.

The much-awaited permission by the Forward Markets Commission for the resumption of forward trading in cotton was given on 16th inst. In announcing its permission, the Commission referred to its own proposals for the amendment of the by-laws of the East India Cotton Association and the fact that the amendments which had been made by the Board of the Association, had been published in the *Gazette of India Extraordinary* dated 14th June 1956. It added: "The principal features of the amendments are as follows: Firstly, there will be two hedge contracts, viz., one with Jarilla 25/32" Fine as its basis and the other with Vijay 27/32" Fine as its basis, instead of the present single hedge contract with Jarilla 13/16" Fine as its basis. It is believed that this will provide a better hedge and offer protection to a larger quantity of cotton. Secondly, the delivery months for the contracts have been advanced, so as to ensure larger supplies of tenderable cotton during the delivery periods. Thirdly, the margin system has been tightened up and a provision for special clearing has been introduced. Fourthly, the provisions regarding the reporting of information by members have been made more comprehensive."

The East India Cotton Association, while announcing that trading would commence on 18th June, cautioned its members, in a circular, against "accumulation of large speculative interests in the contracts." The circular added: "The Board will keep a close watch on the working of the two hedge contracts so that such changes as may be found necessary from the experience of working of the contracts will be made before permitting trading in the subsequent delivery months."

Inaugurating the resumption of forward trading, on 18th instant, Mr. Morarji Desai, Chief Minister of Bombay, emphasised the role of hedge trading in commodities but deprecated unhealthy speculation. He said that the element of speculation could never be abolished completely from trade but he advised traders to carry on business in a manner that would enhance the prestige of the business community and the Association. He added that the trade should make it a point to solve the problems by friendly negotiations with Government and both the parties should refrain from staging a trial of strength. Mr. Madanmohan Ruia, the President of the Association, welcoming the Chief Minister, expressed his gratification at the resumption of trading and thanked the Commission for its help in expediting the start of business. On the Chief Minister's polite refusal to put through the maiden deal, Mr. Ruia signalled the resumption of futures trading by buying 100 bales of Jarilla March 1957 contract at Rs. 681-4 from Mr. Ramdas Kilachand.

Forward trading commenced on 18th inst. in respect of both the contracts—Contract I and Contract II. The basis of the contract I, it may be mentioned here is Fine M.G. Jarilla A of staple 25/32", tenderable up to two classes 'on' and one class 'off' for grade and upto 2/32" 'on' and 1/32" 'off' for staple, except that in the case of M.G. Jarilla (B), M.G. Dholleras and M.G. Rajasthan-American with basic staple of ¾", there will be no 'off' values for 1/32" staple.

The following varieties are tenderable against this contract:

(1) M.G. Jarilla (A) 25/32" staple, tenderable varieties being Jarilla, Virnar (197/3), Verum, M.P. Cambodia M.B. Cambodia, M.B. Upland, Malvi, Bhoj, H. 420—tenderable upto 27/32"; (2) M.G. Jarilla (B) ¾" staple (without tolerance), M.G. Jarilla ¾" staple (without tolerance), M.G. Rajasthan-American ¾" staple (without tolerance)—tenderable upto 13/16"; (3) M.G. Kalyan 25/32" staple—tenderable upto 27/32" and (4) M.G. Western 25/32" staple—tenderable upto 27/32".

The basis of the contract II is Fine M.G. Vijay staple 27/32" tenderable upto two classes 'on' and one class 'off' for grade and upto 2/32" 'on' and 1/32" 'off' staple. The tenderable varieties against this contract are:

(1) M.G. Vijay 27/32" staple, tenderable varieties being Vijay, Nandurbar, Surti, Talod Surti and Dehgam 1027—tenderable up to 29/32"; (2) M.G. Ankleshwar 27/32" staple, tenderable varieties being Ankleshwar, Rajpipla Jhagadia, Netrang, Navapur—tenderable up to 29/32"; (3) M.G. Surti 7/8" staple, tenderable varieties being Surti, Suyog and 2087—tenderable upto 15/16"; (4) roller ginned and Saw-ginned Punjab/American: L.S.S. 27/32" staple—tenderable upto 29/32" 320F 27/32" staple—tenderable up to 29/32", 216F 7/8" staple—tenderable up to 15/16"; (5) M.G. Jayadhar (A) 7/8" staple—tenderable up to 15/16"; (6) M.G. Jayadhar (B)

27/32" staple—tenderable up to 29/32"; (7) M.G. Laxmi (A) 29/32" staple—tenderable varieties being Laxmi and M.A. 5—tenderable up to 31/32"; (8) M.G. Laxmi (B) 7/8" staple—tenderable up to 15/16"; (9) M.G. Gaorani 6 and 12 27/32" staple—tenderable up to 29/32"; (10) M.G. Buri and Parbhani Americans 7/8" staple—tenderable up to 15/16"; (11) *M.G. Cambodia* 29/32" staple, tenderable varieties being Cambodia, Avanashi, Cambodia Co2 including Co2 grown in Surat, Cambodia Co3, Cambodia 4462, and Cambodia Co4 (including Co4 B/40 Cambodia Uganda 1, MU1 and MU2) otherwise known as Rajapalayam and also Cambodia Co4, 170 Co2 and 134 Co2M—tenderable up to 31/32"; and (12) M.G. Karunganni 27/32" staple—tenderable up to 29/32".

The Jarilla contract (March 1957) opened on 18th inst. at Rs. 681-4 but soon declined to touch a low of Rs. 660. On the following day, it improved to Rs. 669½ but again receded today to touch a low of Rs. 654 which was also the closing rate. The Vijay contract (April 1957) opened at Rs. 830 and moved up to Rs. 844 on the following day but receded to Rs. 818 today, though it was somewhat better at Rs. 820 towards the close of the session. The gap between the two contracts stands at Rs. 166.

No clear trend will probably emerge until the crop picture is known. So far, the course of the monsoon is stated to be favourable. But it is too early to judge, the most unpredictable factor in India being the monsoon.

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

	Opening	*High*	*Low*	*Closing*
Jarilla contract ...	Rs. 681¼	681¼	654	654
Vijay contract ...	Rs. 830	845	810	820

The spot market remained somewhat subdued, thanks to the resumption of forward trading. Buyers evinced some interest in Laxmi. Jayadhar, Vijay and Surti varieties. The following are the latest available prices from the Sewri market:

Bengal *Deshi* Rs. 625; Berar Jarillas Rs. 780; Khandesh Rs. 790; Vijay Rs. 960; Oomra *Deshi* Rs. 680; Moglai Rs. 690.

The Karachi cotton market remained weak on reports of poor export demand. Both N.T.R.G. July and N.T.R.G. January were fractionally lower at Rs. 82-4 and Rs. 77-8, respectively. There are, however, reports that the Soviet trade delegation which is touring Pakistan has offered to buy 2,000 tons of medium-staple cotton from that country. It remains to be seen whether this deal will be successfully completed. The latest available quotations from the Karachi market are:

Sind *Deshi* Rs. 101; Punjab *Deshi* Rs. 96; 4F Punjab R.G. Rs. 84; S.G. Rs. 86; L.S.S. Punjab R.G. Rs. 86¾; S.G. Rs. 90¾; 289F Punjab R.G. Rs. 92; S.G. Rs. 100.

Further weakness has been reported from the Alexandria cotton market which, however, remained closed during the major part of the week under review. Two new regulations governing the futures market have been introduced. Under one of them, in certain circumstances, Associate members will be obliged to provide margins. The other regulation provides for reduction of the current limit of an open market position of 15,000 cantars per holder but it is learnt present holders of 15,000 cantars will not be obliged to reduce them forthwith. These rules are expected to limit price movements in the futures market. In spite of a slight decline in spot premiums, demand continued to be small.

The latest available quotations (in talaries per lb.) from the market are: Karnak—July 11.50; November 106.75; January 103.25; Ashmouni —June 80.10; October 75.20.

The weakness in the Alexandria cotton market was reflected in the downward trend of the Egyptian contract in the Liverpool market. The new contract also declined, thanks to persisting uncertainties about U.S. cotton policy. The Sudan contract, however, showed some improvement. The following are the latest available quotations (in pence per lb.) from the Liverpool market:

New contract: July-August 28.45; October-November 25.25; December-January 24.40; March-April 23.80; May-June 23.45. *Egyptian Karnak cotton:* July-August 57.80; November-December 57.80; January-February 57.80. *Sudan cotton:* July-August 49.35; September-October 47.85; November-December 47.65.

Exports of cotton from the U.S. in April 1956 continued an upward trend which began in the previous month. Shipments in April aggregated 379,000 bales as compared with 249,000 bales in April 1955 and 310,000 bales in March, 1956. But exports for the eight-month period August-April 1955-56 are still below those of the same period in 1954-55; the former aggregated 1.57 million bales as compared with 2.99 million bales in the corresponding period of last season. The increased movement noticed in March and April, this year, is attributed to the special million-bale export sale of cotton 15/16" and shorter staple in January and February.

Although the ready section of the New York cotton market continues to be firm, the forward rates have again shown a sagging tendency. The supply position in the ready market is believed to be tight so that large weekly re-possessions from the loan have been made to meet the demand. It is, however, believed that the prices will fall as soon as the domestic mill demand for the current season has been fully met.

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

(In cents per lb.)

	19-6-56	12-6-56	5-6-56
Spot	36.90	36.75	36.55
July	34.48	34.49	34.80
October	32.37	32.51	32.57
December	32.45	32.61	32.67

YARNS EASY

(From Our Own Correspondent)

BOMBAY, 20th *June*

No marked changes in the conditions witnessed in the yarn market last week were discernible this week. The trend continued to be weak owing to a number of bearish influences. The slackness associated with the monsoon, absence of demand for yarns from the consuming centres, consumer resistance at the present high rates, reluctance of operators to enter a declining market and the tendency to await the new import policy in respect of yarns—all these were cumulatively responsible for a general decline in prices in all kinds of yarns. Even fine-count cotton yarns, which were in demand last week, could not but succumb to this influence.

In the staple fibre yarn section, June delivery contract for 40 x 2 variety evinced some speculative attention and improved from Rs. 657 to Rs. 667. But July contract more or less remained quiet at Rs. 651. In the spot section, foreign yarns (80 x 2) were subjected to selling pressure. Suicos dropped As. 4 to Rs. 7-4, and Paramounts a like amount to Rs. 6-2. K'Suns slipped from Rs. 6-14 to Rs. 6-10 and H'Races from Rs. 6-8 to Rs. 6-4. S'Sellos retreated from Rs. 6-8 to Rs. 6-4. Among indigenous yarns (40 x 2) New Greats and New Citys shed an anna each to Rs. 3-6 and Rs. 3-6-9 respectively. Kohinoors were a quarter anna lower at Rs. 3-7-9. A similar loss was seen in Centurys at Rs. 3-7.

The downward trend was also witnessed in rayon yarns. Snia rayon yarn, 120 dull cones, for June delivery fell by 19 points to Rs. 778. August delivery drifted Rs. 6 lower to Rs. 786. Spot 120 Japan declined by six pies to Rs. 3-11-6. 150 Japan was, however, better at Rs. 4-4 as against Rs. 4-3-6. 120 Italy was dull at Rs. 3-12-6. But 150 Italy was steady at Rs. 3-14-3.

The cotton yarn section ruled generally quiet on lack of demand from handloom weavers. Business in 19 counts was stated to be poor, with quotations showing a tendency to decline. Podars were an anna lower at Rs. 13-13, while Moderns evoked little interest at Rs. 14-14. Twenty counts Hinds were unchanged at Rs. 18-2 but Moderns were As. 2 lower at Rs. 18-2. Among 60 counts, Kadri were done at Rs. 46-14 as against Rs. 47-8. Moderns were quoted at Rs. 62 and Raghu Rs. 58-0, as compared with Rs. 62 and Rs. 58-8 respectively a week ago. Among 80 count yarns, Moderns lost a rupee to Rs. 69 and Finlays Rs. 2 to Rs. 76. Mahendras were, however, unchanged at Rs. 72-8.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	20-6-1956	13-6-1956	6-6-1956
	Rs. a. p.	Rs. a.	Rs. a.
Art Silk yarn (per case of 200 lbs.)–			
120 Dull Cone Sata June ..	778 0 0	797 0	802 0
August ..	786 0 0	792 0	796 0
120 Japan (per lb.) ..	3 11 6	3 11	3 12½
150 Japan (per lb.) ..	4 4 0	4 3½	4 4
120 Italy (per lb.) ..	3 12 6	3 12½	3 12½
150 Italy (per lb.) ..	3 14 3	3 14	3 14
Staple fibre yarn (per case of 200 lbs.)–			
40 x 2 June	667 0 0	657 0	674 0
40 x 2 New Great (per lb.) ..	3 6 0	3 7	3 8
40 x 2 Century (per lb.) ..	3 7 0	3 7½	3 8
40 x 2 City (per lb.)	3 6 9	3 7½	3 8½
Cotton yarn (per)bundle of 10 lbs.)–			
10s Podar	13 13 0	13 14	13 3
20s Hind	18 2 0	18 2	18 3
30s Sarojs	—	—	24 0
40s Minaxi	28 3 0	28 6	27 14
60s Modern	62 0 0	62 0	61 10
80s Modern	69 0 0	70 0	70 0

GROUNDNUT FUTURES BEGUN

(From Our Own Correspondent)

BOMBAY, 20th *June*

The outstanding development of the week—nay, of the year—in the oilseeds market was the opening of futures trading in groundnut on the 18th inst., after a lapse of nearly 13 years. It may be mentioned here that hedge trading in groundnuts was suspended in May 1943 under the Defence of India Rules and continued to remain under suspension after the war under the Essential Supplies Temporary Powers Act, 1946, till January 1955, and subsequently under the Forward Contracts (Regulation) Act, 1952. For most part of this period, trading in non-transferable specific delivery was, however, permitted.

Futures trading, now started under the auspices of the Bombay Oilseeds Exchange, is confined to February (1957) Contract, with Bombay bold quality being the basic variety. The unit of trading will be 100 candies. There will be in all three delivery contracts in a year, the months being February, May and August. According to the modified by-laws approved by the Forward Markets Commission, the margin system will be applied to all the oilseeds for which trading is permitted. Trading up to 7,500 candies in each kind of oilseeds, as well as all oilseeds taken together, will be free from margin. Graded rates will apply to quantities in excess of this free limit. The trading in different oilseeds will be permitted to be offset against one another.

On the basis of the by-laws mentioned above, futures trading in groundnut was resumed on Monday the 18th inst. It was inaugurated by Mr. Morarji Desai, Chief Minister of Bombay. During the three sessions ended today, the February delivery developed a certain amount of weakness after exhibiting a somewhat firm tone in the initial stages. Lack of encouraging upcountry advices and satisfactory progress of monsoon, coupled with the weakness of castorseeds, induced selling. The contract opened at Rs. 131-4 and, after improving to Rs. 137-4, reacted to Rs. 134-2 for reasons just mentioned. In the non-futures section, Bold F.A.Q. was, however, steady at Rs. 33, as against Rs. 32-4 early in the week. But June-July shed As. 6 to close at Rs. 31-6 and August-September As. 8 to finish the week at Rs. 32-2. Coromandals were slightly better at Rs. 34-2. On some special buying, groundnut oil ex-mill advanced from Rs. 17-6 to Rs. 17-12. Railway receipts improved by As. 4 to Rs. 17-10.

Owing to weaker advices from the U.S. markets where castor oil showed a tendency to decline from 14.75 cents to 14.25 cents per lb., castorseeds September delivery developed weakness and lost as much as Rs. 11-2 per candy over the week, to close at Rs. 127-2 as against Rs. 138-4. Castorseeds F.A.Q. ready lost as much as Rs. 2-8 to Rs. 24. Madras variety receded from Rs. 26-8 to Rs. 25-8. Castor oil B.S.S. was, however, As. 2 better at Rs. 16-2 and Commercials at Rs. 15-2.

Linseed also moved in sympathy with the other two sections and reported fractional losses on balance. Bold ready shed as much as As. 12 to quote at Rs. 28-12. June-July delivery retreated from Rs. 29-2 to Rs. 28-12, and August-September from Rs. 29-4 to Rs. 28-6. Linseeds oil was, however, slightly better at Rs. 17-2.

Among others, *kardi* seeds, ready, were a shade easy at Rs. 17-8, as against Rs. 18. August-September was quoted As. 8 lower at Rs. 18-2. *Niger* seeds, F.A.Q. were, however, better by a rupee to Rs. 28.

The following table shows the prices of oilseeds and oils today as compared with those at the end of the previous two weeks.

	20-6-1956	13-6-1956	6-6-1956
	Rs. a.	Rs. a.	Rs. a.
Groundnuts—			
February 1957	134 2	..	..
Khandesh Quality Ready (per cwt.)	..	..	..
June-July	31 6	33 6	32 12
Linseed—			
Bold Ready (per cwt.)	28 12	30 8	30 12
June-July	28 12	30 8	30 14
Castorseeds—			
September	127 2	139 8	142 0
Madras (per cwt.)	25 8	27 4	27 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	17 12	18 6	17 4
Castor Oil—			
Commercial (per quarter) ..	15 2	15 4	15 3
Linseed Oil—			
Ready	17 2	16 4	17 6

PEPPER EASY

(Messrs. Parekh & Co.)

BOMBAY, 20th *June*

During the week under review, Malabar black pepper continued to rule easy under pressure of liquidation by stale bulls and in sympathy with Singapore which after rapid rise to Str. $77 relapsed to Str. $71, immediately on withdrawal of European buying and short covering. Singapore report indicates that from January to May, about 7,000 tons, including 5,000 tons of new crop have already been exported from Sarawak thus leaving an exportable balance of about 10,000 tons, if the crop reaches the figure of 15,000 tons and about 7,000 tons in case it turns out to be 12 000 tons, as officially estimated. On the face of the above figures and in view of the smaller stocks, both in the U.S.A. and Europe, the statistical position of Sarawak cannot be called unsatisfactory.

As for the statistical position of Malabar, the following figures will be worth noting:—

		Tons
Carryover from the crop of 1954-55 ...		1,000
Estimated production for 1955-56 ...		24,000
Total ...		25,000
Less:		
Quantity exported by the end of May		9,100
Quantity despatched from producing areas to Bombay and Calcutta by steamers and to interior by rail		7,000
Total ...		16,100
Balance available for export and inland consumption		8,900
Estimated requirements for consumption up to 30th October 1956 ...		3,000
Total quantity available for export ...		5,900

New crop of Lampong and Muntok are estimated to be about 6,000 and 5,000 tons respectively.

Looking to these figures, future of pepper in general does not warrant such diffident feelings in the commodity as at present. However, following are some of the factors which are working against the market:

1. Lack of outside and speculative interest in view of the heavy losses sustained by the trade owing to continuous declining prices during the last three years.
2. Lack of short position.
3. Hand-to-mouth purchases by American and European buyers.
4. Weak holding capacity of Sarawak.
5. Bearish trend in other commodities.
6. Practice of sending unsold consignments to U.S.A. and Europe.

Alleppey after reaching Rs. 762-8, came down to Rs. 737-8, and garbled at Cochin from Rs. 732 to Rs. 726-4. Calicut also came down from Rs. 8[illegible] to Rs. 775.

In the A.S.T.A. section, June, after touching $0.30, was traded up to $0.28½, while July-August-September, from $0.29½ to $0.28.

The spot market is weak in view of liquidation by tired longs and accumulation of stocks by the local market which is estimated to be about 7,000 bags.

Following are today's nominal quotations:—Ready Rs. 100 (as against Rs. 100 a week ago) per Bengal maund. June Rs. 690-95 (Rs. 700-705) and July Rs. 697½-702½ (Rs. 705-715) per candy of 5¼ cwts.

RAW JUTE QUIET

(From Our Own Correspondent)

CALCUTTA, 19th *June*

Prices of jute goods moved within narrow limits during the week under review, while raw jute prices were noted for a fractional decline. Trade that passed in jute goods was nothing unusual, as both mills and buyers were reluctant to operate until a clear idea was available as to the steps New Delhi proposed to take in order to prevent the glut in the market. Opinions have been exchanged between the Indian Jute Mills Association and the Government of India on the latter's proposal to fix minimum prices for jute goods. The trade was also anxious that some early steps must be taken. Mills are divided on the measures considered advisable. Some favour the fixation of minimum prices while others consider that if minimum prices are enforced that would force foreign buyers to use more substitutes. So the latter group of mills clearly see the need to curtail production by cutting short working hours. That would be a practical way to see stocks go down. Some reports have suggested that mills should close down for a certain period, and resume working, without any cut in working hours, after stocks had gone down.

The market has now reached a stage of uncertainty, and if some announcement is not made in New Delhi, it is feared that stocks at the end of this month would show a further marked increase. During the week, details of production during the month of May were announced. The output of all constructions was 101,700 tons, representing an increase of 7,800 tons. Sackings at 59,600 tons recorded an increase of 4,600 tons, while hessians rose to 35,800 tons from 32,900 tons and miscellaneous constructions to 6,300 tons from 6,000 tons. With the April-end stocks, the total availability of goods during the month of May was 209,600 tons, from which if the May-end stocks of 119,100 tons were deducted, the net demand during May was of the order of 90,500 tons only. The market could again return to a healthy state, if only stocks dropped lower than the monthly production. There is keen activity in the market, if stocks represent production of about three weeks or so. As such, the need for measures by which stocks would decline becomes urgent. It is realised that the Government cannot suggest a solution overnight. Apparently, New Delhi and the Indian Jute Mills Association are considering all aspects in their minutest details with a view to arriving at a solution which should prove the best in the circumstances.

During the week under review, activity in jute goods remained restricted for reasons already mentioned. Buyers seemed to pause for time in view of the present uncertainty. Ready B. twills declined on Wednesday to Rs. 105-2 from Rs. 105-6 and hessians 40" 10 oz. to Rs. 38-1 from Rs. 38-2. At these levels, demand was in evidence, although in the absence of any definite indication regarding the methods by which the jute mills could work on a profitable basis, covering demand was insignificant. On Friday, ready B. twills recovered to Rs. 105-10 and hessians 40" 10 oz. to Rs. 38-3. Over the week-end, the rate for B. twills was maintained at Rs. 105-10, but that for hessians improved further to Rs. 38-5. However, yesterday's prices were fractionally lower, with hessians 40" 10 oz. at Rs. 38-4 and B. twills at Rs. 105-8.

Prices of raw jute declined by As. 8 for almost all constructions, as reports of good condition of plants were being received both from Indian and Pakistani districts. Another factor for the easier price-trend was the apparent necessity for mills to reduce production. Sellers of the new crop were few and far between for fear of losses. What little business took place in the new crop with mills was on the basis of Rs. 25 per maund basis northern bottoms August-September delivery. Reports from Assam indicate commencement of cutting in lowland areas. In fact, Calcutta buyers have already had the opportunity of seeing samples of new crop daissee white jute. Latest quotations of the old crop are given below:

	Middles Rs. a.	*Bottoms* Rs. a.
Pakistani:		
Northern	32 0	29 0
District	32 8	29 8
Indian:		
Northern	29 8	26 8
Assam Upper	29 8	26 8
Assam Lower	29 8	26 8
Daissee	30 0	27 0
Murshidabad	29 0	26 0
Western	29 0	26 0
Jungli	28 8	25 8
Orissa	30 0	27 0
Uttar Pradesh	28 8	25 8
Daissee mesta	28 0	25 0
Birnli f.a.q.	25 0	

LESS DEMAND FOR TEA

(Messrs. Forbes, Ewart & Figgis (Private) Ltd.)

COCHIN, 15th *June*

Approximately 1,200,000 lbs. were on offer in Sale 15 which was held on 12th June. Quality showed a further decline and there were a number of rush teas on offer of very mixed and stalky appearance. The sale opened to much less demand and, for the first time in many weeks, buyers showed little interest in plain liquoring fannings. Low medium and medium teas were generally As. 2 to As. 3 easier and withdrawals were heavy. There was a slightly easier tendency for good medium types and best liquoring sold at around valuations. Best liquoring fannings were well supported. Low grown whole leaf teas were slightly easier but there was a strong demand for high grown leaf teas. The following are the quotations:—

	1956 Rs. a. p.
Plain B.P.	1 8 0 Nominal
Low medium B.O.P. ...	1 10 0
Medium B.O.P.	1 11 6
Good B.O.P. ... Rs. 2 2 0 to	2 4 0
Well made black leaf O.P. ...	2 2 0

London Market:—Sale of 11th June 1956:—Good general demand. Irregular. No quotable change.

Sale of 12th June 1956:—Best liquorings firm to dearer. Thin liquoring and stalky kinds tended easier.

Colombo Market:—Sale of 11th June 1956:—Dusts irregularly lower. Others strong demand generally dearer, particularly useful liquoring sorts.

Sale of 12th June 1956:—Poorest liquoring sorts and lowgrowns ten to fifteen cents lower. Others strong general demand generally dearer rates, particularly improved quality Uvas. Persian Gulf types substantially lower.

Calcutta Market—Export.—24,800 chests. Good demand for any teas with first flush quality which often sold above valuation. Otherwise interest almost non-existent and withdrawals very heavy. Whole leaf grades and Darjeelings fairly well supported.

Internal:—21,400 dust. Met good general demand at a full As. 1 dearer. C.T.Cs. easier, but residue types As. 2 to As. 3 dearer. Black leaf dusts considerably dearer. 400 internal leaf. Fairly good demand at irregular rates.

Dust Sale 'L':—There was approximately 625,000 lbs. on offer in Dust Sale L which was held on Thursday, 14th June. Although there was a useful demand, prices were irregularly As. 2 lower for all types. Milled dusts were fairly well supported and high grown descriptions sold well.

Export Quota:—The market has eased for special licence, as the validity draws to a close. There are now sellers over at 5 pies. New seasons quota is quoted at 30-33 pies.

Forthcoming Auctions:—Sale No. 16 will be held on 19th June and Dust Sale M on the 28th of June.

As we go to press, Messrs. Forbes, Ewart & Figgis (Private) Ltd. wire:

"*Sale* 16:—1,500,000 lbs. Low and low mediums neglected, particularly stalky types, and withdrawals heavy. Useful demand for teas of good appearance and liquor at As. 1 to As. 2 lower. Whole leaf stronger."

HIDES RULE WEAK

(From Our Own Correspondent)

MADRAS, 18th *June*

Madras tanned hides and calf market has shown no change for the better, and prices have ruled weak, U.K. buying has been at a low ebb and patchy, because the leather dressers are reported to be pursuing a hand-to-mouth policy. Stock holders at Madras have accepted lower prices for financial reasons, and tanners have been losing money on their stocks in hand.

Arrivals of kips have been on the usual scale and offtake by shippers has been good. There was selective demand for top marks and higher selections in which supplies have been limited. Tanned cow calf market remained lifeless, while buff calf was active due to fair clearance on U.S.A. account. There was no change in the buff hides section.

Demand for prime class sheep and goat skins and middle class sheep was good and prices ruled firmer in consequence. As regards market quality types, shippers were offering low prices due to excess adulteration in them.

TEA PRICES RULE STEADY

(From Our Own Correspondent)

CALCUTTA, 19th *June*

Tea prices during yesterday's export auction, as well as last week's internal sale, tended steadier. Enquiries from Russia continued to be received and these were for new season's Darjeelings and leaf grades. The London report that Russia's need to purchase as much as 20 to 30 million lbs. from Calcutta sales during this season would stem the decline in prices lately in evidence in Mincing Lane's auctions was noted. Similarly, the reports of better demand during the auctions held in Chittagong last Wednesday and in Colombo last Tuesday contributed to the steadier trend locally. In last week's auctions in London, both Ceylon and South Indian teas advanced.

Reports are current that the International Tea Agreement now under revision would place no limitation on extensions and replacements. The producing countries could not even comply with the replacements and extensions provided for in the old agreement, due to replanting proving costly. The new agreement, it is stated, would raise export quota of India to 560 million lbs. (an increase of 89.9 million lbs.) of Pakistan to 47.5 million lbs. (as against 47.2 million lbs.), and of Ceylon's to 400 million lbs. (an increase of 60,4 million lbs.). On the other hand, Indonesia's share would be reduced from 234.3 million lbs. to 175.0 million lbs. These changes would mean a net increase in the total export quota by 91.3 million lbs. to 1,182.6 million lbs.

Reports from tea gardens in North India indicate that during this season producers would pay more attention to producing quality teas rather than making more tea of inferior varieties. As a result, overall production would be lower with an improvement in quality.

During yesterday's auction, new season's teas offered amounted to 19,600 packages and old season's teas 626 chests. There was good support for the tippy teas on offer, and C.T.C. teas which were green, had buyers at above valuations. Buyers paid keen attention for flavoury Darjeelings, bright liquoring Dooars and Assams. The last-mentioned two varieties were better in quality. Withdrawals in respect of plain and medium brokens and whole leaf grades were heavy; demand having been poor. Prices of these declined by an anna to As. 2. However, the most stylish kinds were about steady. Plain B.Ps were nominally quoted at Re. 1-9.

Dusts offered during last week's internal sale aggregated 21,500 packages of old season's teas. Demand was good, and prices advanced, although irregularly. Clean common and medium teas met with good support, and prices advanced by an anna and, on occasions, even more than that. Keen competition was in evidence in residue teas which were a good feature with a rise of As. 2 to As. 3. Buyers paid more attention to black leafy exportable teas which provided the strongest feature of the sale. A very few lots of good C.T.Cs. sold well, but other C.T.Cs. eased. The rates were: best medium C.T.C. Rs. 2-6, medium Assam grainy dust Re. 1-7, and medium Dooars Re. 1-6-6.

Leaf grades on offer amounted to 327 chests. Demand was fair and prices were fully firm to dearer.

KANPUR HIDES DECLINE

(From Our Own Correspondent)

KANPUR, 17th *June*

During the week under review the prices of the main items of the local hides and skins market displayed a downward trend. Fresh supplies were, however, considerable and were promptly disposed of. The main purchasers were the local tanners and the Madras dealers. The disposal of goats and skins was particularly brisk. The latest quotations are as follows:—

Wet salted cow 1st grade Rs. 280, 2nd grade Rs. 175 and 3rd grade Rs. 120 per score; wet salted buff 1st grade 2 lbs. and 2nd grade 2 lbs. 2 ozs. per rupee; goat 1st grade Rs. 175 and 2nd grade Rs. 150 per 100 pieces; sheep skins 1st grade Rs. 170 and 2nd grade Rs. 150 per 100 pieces.

LINSEED DULL

(Messrs. A. Bradley & Co.)

CALCUTTA, 18th *June*

Activity has been limited during the week and conditions have been generally dull. Only the shortage of ready seeds has prevented a sharp decline in prices; the undertone has been quiet and values have lost further ground. Sellers have been more in evidence for forward delivery, but crushers are showing little interest with an unfavourable outturn. The oil market is stagnant; with a poor local demand and declining overseas prices, sellers have been discounting the market to secure sporadic enquiries received from local consumers.

Latest quotations are as follows: Ready Rs. 21-8 and June-July Rs. 21-4 per maund.

SUGAR ACTIVE

(From Our Own Correspondent)

HAPUR, 18th *June*

The sugar market ruled active during the week under review. Demand was reported from almost all parts of the country, chiefly from Gujerat, Saurashtra and Punjab. South Indian markets also showed keen interest, but want of loading facilities to these markets hampered despatches. Mill delivery prices hardened during the week. Factories in west U.P. were asked to extend crushing due to ample supply of cane. But the quality of such cane deteriorated and its sugar content has declined.

The latest mill delivery prices on Monday were:—Jaswant Rs. 28-8, Simbhauli Rs. 28-7, Mowana Rs. 28-5, Daurala Rs. 29-8, Amroha Rs. 28, Bijnore Rs. 28, Mansoorpur Rs. 28-8 to Rs. 29-8, Rampur Rs. 30-8; retail Rs. 30-4; *khandsari* Rs. 23 to Rs. 27. The *khandsari* market continued depressed due to lack of demand.

Better loading facilities and firm trend in the futures section accounted for a gain of As. 6 per maund in ready *gur* prices to Rs. 10-11 per maund on Monday. Local arrivals during the week were fairly good due to better prices and about 5,000 maunds were put in the market. Offtake, mostly to Gujerat, aggregated 23 wagons during the week and local stocks have gone down to 65,000 maunds as today.

The standing cane crop for the next season is progressing satisfactorily, but is reported to be badly in need of rains.

In the futures section, *gur* appreciated during the week, the closing on Saturday being Rs. 9-8-3 for *Fagun* delivery, as against the week's opening level on Monday last week at Rs. 9-4-3. Today, the market remained closed.

FOODGRAINS QUIET TO STEADY

(From Our Own Correspondent)

HAPUR, 18th *June*

Quiet to steady conditions prevailed in the foodgrain prices during last week. Wheat of average quality continued to be transacted at Rs. 14 per maund and farm quality at Rs. 15-4. Arrivals averaged 2,000 maunds daily. While farm quality was requested from outside destinations including Madras, average quality was lifted by stockists, with the result that the local stocks have gone up to 81 *khaties*, as against 70 last week-end. Heavy

(*Continued on page* 1227)

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug., 1955	2½	3
Bolivia	30th Sept., 1950	8	6
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	13th June, 1938	4	4½
Colombia	18th July, 1923	5	4
Costa Rica	1st April, 1954	4	5
Denmark	2nd May, 1955	5	5½
Ecuador	13th May, 1949	7	10
Egypt	15th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	2½	3
Greece	1st Jan., 1955	10	9
India	15th Nov., 1951	3	3½
Indonesia	1st April, 1949	4	3
Ireland	25th May, 1954	3½	4
Italy	6th April, 1950	4½	4
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	16th Oct., 1955	6	7
Norway	14th Feb., 1955	3½	4
Pakistan	1st July, 1948	3	6
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	2	1½
Portugal	12th Jan., 1944	3	4½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	3½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	1	1½
Turkey	6th June, 1956	4½	6
United Kingdom	16th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	5	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	18th May, 1956	4½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 15th June, 1956		Week ended 8th June, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	63,34,05,000	2,74,407	55,30,69,000	
Calcutta	1,73,609	52,85,29,228	1,63,285	55,64,23,313
Madras	82,335	10,15,31,982	87,016	9,93 45,916
All Centres—1953-54*	..	..	2,669,000	6,595,400,000
1954-55*	..	..	2,885,000	6,041,800,000
Feb., 1956	..	..	3,302,000	7,51,85,00,000
Mar.,	..	..	3,335,000	7,54,87,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 15th June, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	5,00,00,000
Reserve Fund	5,00,00,000
National Agricultural Credit (Long-term Operations) Fund	16,00,00,000
National Agricultural Credit (Stabilisation) Fund	....
Deposits:—	
(a) Government—	
(1) Central Government	55,79,97,000
(2) Other Governments	5,27,64,000
(b) Banks	51,18,49,000
(c) Others	18,16,65,000
Bills Payable	5,59,36,000
Other Liabilities	41,39,35,000
Rupees	192,41,46,000

ASSETS	Rs.
Notes	20,74,57,000
Rupee Coin	7,52,000
Subsidiary Coin	4,67,000
Bills Purchased and Discounted—	
(a) Internal	20,35,000
(b) External	....
(c) Government Treasury Bills	9,17,58,000
Balances held abroad*	28,55,49,000
Loans and Advances to Governments	4,99,00,000
Other Loans and Advances	79,36,22,000
Investments	36,38 38,000
Other Assets	18,57,88,000
Rupees	192,41,46,000

* Includes Cash and Short-term Securities.
(1) The item 'Other Loans and Advances' includes Rs. 41,43,52,000 advanced to Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act.
(2) The total amount of Advances availed of by Scheduled Banks against usance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 154,03,74,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	20,74,57,000	
Notes in circulation	1504,81,35,000	
Total Notes issued		1525,05,92,000
Total Liabilities		1525,05,92,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India	....	
Foreign Securities	666,54,10,000	
Total of A		706,55,81,000
B. Rupee Coin		104,84,00,000
Government of India Rupee Securities		713,66,04,000
Internal Bills of Exchange and other commercial paper	....	....
Total Assets	....	1525,05,92,000

Ratio of Total of A to Liabilities: 46.330 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 8th June, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	8,71,20,000
(ii) Other demand liabilities	627,64,99,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	2,91,80,000
(ii) Other time liabilities	441,29,50,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	8,02,50,000
(ii) Time liabilities	....
4. Cash in India	37,41,15,000
5. Balances with the Reserve Bank in India	49,42,27,000
6. Balances with other banks in current account in India	10,87,04,000
7. Money at call and short notice in India	10,80,81,000
8. Investments (at book or value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	849,00,07,000
9. Advances in India	615,62,45,000
10. Inland Bills purchased and discounted in India	105,84,84,000
11. Foreign Bills purchased and discounted in India	47,55,55,000

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

EXCHANGE RATES

	19th June, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5 11/16	1-5 11/16
Sellers T.T. D.D. upto six months	1-5 13/16	1-5 13/16
Buyers T.T. spot to nine months	1-5 15/16	1-5 15/16
Buyers T.T. 10 to 12 months	1-6 1/16	1-6 1/16
Bombay on New York—		
Sellers T.T. D.D. Rs.	477 1/2	477 1/2
Buyers T.T. Rs.	473	473
London on New York	2.80 3/8-2.80 1/2	2.80-2.80 1/2
London on Paris Fcs.	981 1/2	981 1/2
London on Berne Sw. Fcs.	12.21 3/8-12.21 1/2	12.21 3/8-12.21 1/2
New York on London $	2.80 3/8-2.80 1/2	2.80 3/8-2.80 1/2

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (in millions)	In terms of rupees (Crores)	Per capita income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,981	245
Burma	1954	19.24	Kyats 3,905	390	204
Ceylon	1954	8.35	..	477	569
Japan	1954	88.20	Y. 6,145,000	8,123	922
Philippines	1954	21.44	Ps. 7,435	1,770	825
New Zealand	1954	2.06	£ (N.Z.) 902	1,070	5,119
Australia	1954	8.99	£ (A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,940	4,100
U.S.A.	1954	162.41	$ 300,000	144,423	9,016
Canada	1954	16.51	$ 18,751	9,190	6,046
France	1954	42.84	Fr.Fr. 11,498,000	15,640	3,650
W. Germany	1954	49.62	Dm. 115,395	12,734	2,570
Italy	1954	47.07	Lr. 9,718,000	7,380	1,545
Norway	1954	3.39	Kr. 18,424	1,230	3,638
Sweden	1954	7.21	Kr. 38,630	3,544	4,918
Netherlands	1954	10.62	Grs. 21,060	2,640	2,488
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4 92	Sw.Fr. 22,010	2,410	4,895

* National income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year inclusive net income from abroad.
Source: United Nation. Monthly Bulletin of Statistics, March, 1956.
† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 8th June, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.
Capital paid-up	3,00,00,000
Reserve Fund	3,00,00,000
Deposits:—	
(a) Central Government	11,21,83,000
(b) Provincial Governments	4,97,64,000
(c) Banks	19,71,91,000
(d) Others	23,59,74,000
Bills Payable	1,26,10,000
Other Liabilities	6,63,74,000
Rupees	73,40,96,000

ASSETS	Rs.
Notes	10,94,86,000
Rupee Coin	6,000
Subsidiary Coin	9,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	17,04,000
(c) Government Treasury Bills	....
Loans and Advances to Governments	3,54,35,000
Provincial Governments' Debtor Balances	43,29,71,000
Other Loans and Advances	14,94,53,000
Investments	....
Other Assets	....
Rupees	73,40,96,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	10,94,86,000	
Notes in circulation	289,55,16,000	
Total Notes issued	....	300,50,02,000
Total Liabilities	....	300,50,02,000

ASSETS	Rs.	Rs.
I. A. Gold Coin and Bullion	11,19,58,000	
Silver Bullion	....	
Sterling Securities	26,26,35,000	
Government of India Securities	26,58,95,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
B. Rupee Coin	6,40,59,000	
Government of Pakistan Securities	120,29,88,000	
Internal bills of exchange and other commercial paper	....	
		126,80,47,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,62,000	
Sterling Securities	4,46,66,000	
Government of India Securities	1,00,84,000	
Rupee Coin	29,51,000	
		5,96,66,000
Total Assets	....	300,50,02,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 97.70 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	8th June, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1514.82	1501.84	1,525.88	1331.23
Notes held in Banking Department	35.05	9 45	23.44	8.78	8.22
Foreign Securities	59.50	666 54	676.48	681.45	652.04
Rupee Securities	37.39	713.66	703.72	708.69	543.65
Banking Department					
Deposits of:					
Government of India	14.89	52 47	54.48	65.38	55.85
Other Governments	....	4 93	10.26	6.67	11.58
Balances held abroad	10.08	33.10	23.86	36.04	66.11
SCHEDULED BANKS					
Demand Liabilities	124.86	636.36	638 59	632.37	592.19
		(8.71)†	(7.37)†	(7.57)†	(9.95)†
Time Liabilities	105.24	444.21	441.22	431.87	393.04
Borrowings from Reserve Bank	..	(2.91)† 60.42 (42.92)‡	(3.21)† 65.76 (45.59)‡	(3.71)† 73.46 (52.08)‡	(3.20)† 20.40 (10.57)‡
Borrowings from State Bank	..	3.03	3.66	10 56	4.22
Cash in India	6.70	37.41	37.31	36.04	34.61
Balances with Reserve Bank	25.17	49.42	50.07	48.58	48.64
Excess over statutory limits	15.52	8.72	9.32	8.32	11.17
Balances with other banks in current accounts in India	..	10.87	10.60	10.24	10.45
Money at call and short notice in India	..	10.81	9.65	8.99	17.75
Investments (at book value)	105.09	849.00	849.68	855.20	844.87
Advances and bills		769.03	768.15	769.20	617.87
STATE BANK					
Deposits	37.76	224.63	226.55	223.39	208.61
Investments	51.99	100.84	101.01	103.79	110.90
Advances	80.38	139.43	138.96	140.61	119.47
Cash	14.69	16.64	16.78	17.77	15.54

† Borrowings from Banks excluding the Reserve Bank and the State Bank.
‡ Borrowings against usance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	March, 1955	March, 1956	Twelve months, April to March, 1954-55	Twelve months, April to March, 1955-56
Import Duties				
Revenue	12.54	13.27	136.98	120.17
Protective	0.47	0.94	7.24	10.39
On surplus disposals	—	—	0.14	0.09
Total Import duties	13.01	14.21	144.36	130.65
Export Duties	8.94	3.08	41.89	37.49
Land Customs	0.12	0.05	1.81	1.20
Miscellaneous	0.08	0.07	1.07	0.70
Gross total customs	17.15	17.36	188.63	170.12
Refunds and drawbacks	0.33	0.19	1.85	2.68
Net Customs	16.77	17.17	186.80	167.50
Gross excise	12.32	12.47	106.62	148.33
Refunds	0.27	0.39	1.98	4.08
Net Excise	12.05	12.08	104.64	144.75
Net total of customs and excise†	28.82	29.25	291.44	312.25

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 15th June, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital— 20,00,00,000 shares of Rs. 100 each	20,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
Reserve Fund and Other Reserves	.. ..	5,62,50,000
Deposits and Other Accounts	.. ..	6,85,00,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	223,01,85,000
Bills Payable	.. ..	15,50,00,000
Bills for Collection being Bills Receivable as per contra	.. ..	6,18,20,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	59,76,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	3,43,46,000
Total ..	Rs.	261,71,19,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	.. ..	27,74,00,000
Balances with other Banks	..	13,62,50,000
Money at Call and Short Notice	..	3,03,14,000
INVESTMENTS:		45,67,000
Government and other Trustee Securities		
Other Authorised Investments	20,26,57,000 / 10,49,22,000	
ADVANCES:		100,75,79,000
Loans, Cash Credits, Overdrafts, etc.	30,76,06,000	
Bills Discounted and Purchased	88,01,41,000	
Bills Receivable being Bills for Collection as per contra		187,77,49,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra		59,76,000
Premises less Depreciation		13,42,000
Furniture and Fixtures less Depreciation		1,16,02,000
Other Assets (including Inter-Office Adjustments)		50,76,000
Total ..	Rs.	3,85,65,000
		261,71,19,000

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS@@															
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	2½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates ‡	
	5-Year		7-Year		12-Year										
	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1949-50	6.62	65	5.26	25.64	84.17	1,18.38	92.08	—	31.07	7.55	25.54	....	....	....	....
1950-51	4.70	1.62	4.99	27.27	1,24.64	1,54.04	1,30.86	—	36.35	5.57	27.15	7.40‖	7.40	....	....
1951-52	3.76	1.96	5.46	27.17	1,44.89	1,52.96	1,63.00	—	39.50	4.79	31.25	9.89	16.41	45	95
1952-53	4.70	98	4.99	2.41	1,24.64	18.51	1,40.88	—	36.35	47	27.15	53	7.93	4	94
April	4.60	11	5.00	2.56	1,25.45	13.41	1,33.23	—	36.50	45	27.15	53	7.93	4	94
May	4.58	38	5.24	2.81	1,27.94	11.84	1,37.45	—	36.64	45	27.26	54	7.96	4	94
June	4.44	13	5.13	2.00	1,29.49	12.86	1,36.36	—	36.76	57	28.22	54	8.23	4	94
July	4.28	12	5.15	2.27	1,31.26	13.80	1,40.58	—	36.85	41	28.24	91	10.19	4	98
August	4.29	13	5.17	2.09	1,33.02	13.55	1,43.80	—	36.95	41	28.27	91	11.20	4	98
September	4.21	12	5.20	2.34	1,34.85	13.63	1,46.91	—	36.96	39	28.27	91	11.20	4	98
October	4.14	10	5.21	2.11	1,36.66	13.55	1,46.91	—	37.11	44	28.29	94	11.20	5	97
November	4.07	10	5.21	1.98	1,37.42	11.85	1,49.36	—	36.93	40	28.29	94	11.20	5	97
December	4.00	15	5.20	2.55	1,39.45	11.62	1,49.45	—	36.84	40	28.29	94	11.20	5	97
January 1956	3.91	14	5.24	2.02	1,40.78	12.44	1,52.44	—	36.44	38	28.26	93	11.20	4	97
February	3.88	16	5.20	2.23	1,42.27	12.16	1,54.16	—	35.55	32	28.01	94	11.20	5	97
March	3.76	21	5.46	2.50	1,44.39	12.87	1,56.19	—	35.26	32	28.01	94	11.20	5	97
April	..	..	..	..	..	18.45	1,62.00	—	35.50	32	28.01	94	11.20	5	97
May	..	..	..	..	..	..	..	—	35.50	24	41.51	91	16.41	5	97

* At the end of period.
@ Closed from 16th May, 1954.
‡ Relating to nine months from July, 1954.
‖ Relating to seven months from May, 1954.
@@ Represents net repayments at the end of period from 16th August 1949.
‡‡ Relating to three months from May, 1956.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 4-6-'56	5-5-'56	28-5-'56	2-5-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.8	91.0	91.2	91.3
1. Government of India	90.6	90.9	91.1	91.1
2. Indian States	96.3	96.7	96.7	96.7
3. Municipal, Port Trust, etc.	89.4	89.5	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.5	100.9	100.8	100.6
1. Electricity	101 9	102.2	102.0	101.7
2. Jute	98.8	97.6	97.6	97.5
3. Plantations	99.1	99.2	99.2	99.2
4. Sugar	98.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.6	100.9	100.9	100.9
7. Shipping	102.3	102.3	102.3	102.3
8. Others	100.7	101.1	101.0	101.0
PREFERENCE SHARES	87.8	88.3	88.1	88.1
1. Electricity	96.1	93.4	92.3	90.7
2. Cotton	78.8	81.6	81.0	80.9
3. Jute	86.9	82.8	81.7	81.8
4. Coal	86.9	86.9	86.1	86.1
5. Iron and Steel	90.1	87.6	87.8	87.9
6. Sugar	88.3	84.5	84.5	84.7
7. Paper	83.9	82.1	82.1	82.1
8. Plantations	98.1	101.6	102.4	102.5
9. Miscellaneous	85.7	81.1	81.6	81.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	111.9	122.4	124.6	126.4
(a) Financial	87.7	88.1	90.6	90.1
1. Banks	85.0	84.5	90.5	90.5
2. Insurance	86.0	84.5	86.3	86.3
3. Investment Trust	89.1	92.8	92.1	92.6
(b) Public Utilities	112.5	115.2	111.5	113.4
1. Electricity	122.4	115.2	113.0	113.1
2. Shipping and other Transport	95.7	111.8	115.3	117.5
3. Railways	88.5	87.5	87.1	87.4
(c) Manufacturing industries	116.0	130.4	134.2	134.3
1. Cotton, Woollen and Silk	108.8	130.2	133.1	132.7
2. Jute	95.2	74.4	76.2	77.5
3. Iron and Steel	137.3	148.7	159.0	158.3
4. Paper	221.6	284.0	286.9	286.9
5. Cement	144.6	173.8	180.2	179.7
6. General Engineering	166.8	190.9	194.8	195.8
7. Sugar and Breweries	95.9	104.0	104.2	104.3
8. Chemicals	129.3	143.2	143.6	143.8
(d) Non-Manufacturing industries	148.1	168.8	167.5	166.3
1. Coal	77.7	80.9	79.7	78.9
2. Mining and Oil	180.5	261.8	262.3	259.1
3. Plantations	176.6	183.2	181.0	180.5
(e) Miscellaneous	93.0	101.3	101.6	101.9
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.8	90.5	90.8	90.8
1. Bombay	90.7	91.0	91.1	91.2
2. Calcutta	91.1	91.3	91.5	91.5
3. Madras				
DEBENTURES OF INDUSTRIAL CONCERNS:	99.2	100.0	100.0	100.0
1. Bombay	101.2	101 6	101.4	101.1
2. Calcutta	100.2	100.2	100.2	100.2
3. Madras				
PREFERENCE SHARES:	91.4	89.2	89.1	88.8
1. Bombay	83.5	80.2	79.8	79.9
2. Calcutta	95.5	97.4	97.7	97.8
3. Madras				
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:	113.5	127.9	131.0	131.1
1. Bombay	106.4	119.9	122.4	122.7
2. Calcutta	109.2	123.0	123.4	123.7
3. Madras	114.2	130.9	133.2	133.3
4. Delhi				

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes ‖	Number of workers involved.	Number of man-days lost
1951	1,071	691,231	3,218,958
1952	963	809,243	3,383,606
1953	773	466,807	2,272,500
1954	840	477,135	2,564,076
1955	1,033	735,023	344,295
February 1954	85	41,351	331,419
March "	91	34,926	207,247
April "	101	24,963	215,068
May "	99	40,078	305,078
June "	88	21,589	277,426
July "	122	30,189	282,587
August "	79	51,090	363,573
September "	97	50,414	276,894
October "	88	41,724	229,701
November "	93	36,115	262,793
December "	101	54,455	222,907
January 1955†	96	49,093	144,526
February "	91	28,370	234,986
March "	113	70,043	308,468
April "	99	29,815	254,416
May "	119	56,064	1,038,704
June "	134	35,173	283,778
July "	109	57,899	533,571
August "	125	90,556	561,599
September "	151	80,253	308,544
October "	152	47,043	178,129
November "	131	49,453	259,157
December "	106	45,999	357,233
January 1956†	130	....	369,459 (a)
February "	109	61,098	
March "	116	6 6,995 (e)	

‖ Figures are provisional.
(a) Not known in 1 case.
† Revised.
§ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns§	Units generated‡	Total Units Sold
1950-51	614	4,301.4	5,184.3
1951-52	643	5,576.5	5,573.7
1954-55	696	7,760.9	6,819.3
February 1955	654	668.5	545.2
March	656	688.7	561.8
April	660	661.1	563.9
May	691	706.5	549.5
June	696	718.3	574.4
July	700	734.5	585.8
August	706	708.9	574.4
September	707	719.3	587.1
October	..	..	..
November	716	730.7	591.9
December	721	734.9	597.9
January 1956	721	757.2	621.8
February	729	744.9	623.0

‡ Including generation by railway and factory power stations. Owing to the inclusion of new undertakings in the Uttar Pradesh and the Tata Power Systems, the figures for generation are not strictly comparable with those for previous months.
§ Including undertakings supplying electricity in bulk.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August, 1939=100)

Particulars	Weight	2nd June, 1956	26th May, 1956	4th June, 1955	May, 1956	May, 1955	Percentage of increase (+) or decrease (—) in May, 1956 as compared with May, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	353.6	348.2	276.7	350.5	276.1	+26.9	313.2	339.8
Cereals	59	459	453	309	449	311	+44.4	372	381
Pulses	8	355	355	210	388	216	+65.7	299	290
Others	33	221	216	242*	224	230	— 5.1	235	291
Industrial Raw Materials	(18)	478.0	484.3	388.2	478.0	396.4	+20.6	419.8	436.2
Fibres	53	488	459	404	455	424	+ 7.3	429	447
Oil seeds	30	539	558	342	581	341	+61.3	398	424
Minerals	10	460	415	415	413	424	— 2.6	427	427
Others	7	430	431	415				431	
Semi-Manufactures	(17)	385.4	386.9	330.9	384.1	329.6	+16.5	338.2	350.3
Leather	8	402	404	391	404	400	+ 1.0	378	376
Mineral oils	13	208	208	221	208	221	— 5.9	207	221
Vegetable oils	16	559	559	557	557	544	+61.9	389 R	433
Cotton yarn	35	479	480	424	474	427	+11.0	422	454
Metals	18	278	279	244	280	244	+14.8	256	240
Woollen	5	411	424	309	406	291	+39.5	336	881
Oil cakes	5	361	361	329	361	323	+10.1	336	312
Others	7	....	....	....	....	....	....	....	....
Manufactured Articles	(30)	376.7	376.9	371.0	376.8	374.6	+ 0.6	372.9	377.4 R
Textiles	11	411	411	400	411	415	— 1.0	408	421
Jute	4	388	386	412	390	420	— 9.1	418	448
Cotton	15	416*	416*	406*	414*	403*	+ 2.0	403*	415*
Rayon and Silk	4	478*	485*	479	493	507*	— 2.8	452*	469*
Woollen	6	264	264	235	264	310	—14.8	264	311
Metal products	2	264	264	235	264	310	+ 7.8	259	340
Others	17	371	371	344	400	344	+ 0.3	285	286
	19	286	286	286	286	287			
Miscellaneous	(4)	508.0	508.2	574.8	501.8	544.6	— 7.9	544.6	612.4
All Commodities	(100)	391.6	391.1	340.6	390.2	342.0	+ 14.1	360.4	377.5

* Estimated.
R—Revised.
Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures†	Iron and steel
1955	401	508†	117	202	205	744†	553	275	144	770†	437†	547	370	331

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop		Acreage		Outturn	
	Forecast	Unit	1955-56	1954-55	1955-56	1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	26,225	27,317	8,318	8,775
Jowar	final	,,	42,721	43,446	6,940	9,093
Bajra	final	,,	27,025	27,383	3,400	3,421
Barley	final	,,	..	7,999	..	2,786
Maize	final	,,	8,999	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets ..	2nd	,,	11,446	12,215	1,693	2,002
Total cereals ..	final	tons	..	208,823	..	55,327
Pulses—						
Gram	2nd	tons	22,206	20,065	4,702	4,555
Tur	2nd	,,	5,755	5,648	1,709	1,709
Kharif pulses §	final	,,	13,482	16,719	1,650	1,930
Total pulses ..	final	tons	..	54,004	..	10,474
Oilseeds—						
Groundnut ..	final	tons	12,585	13,548	3,891	4,128
Castorseed ..	2nd	,,	1,402	1,304	129	124
Sesamum ..	3rd	,,	5,587	6,123	461	588
Rape and Mustard	final	,,	..	5,665	..	962
Linseed	final	,,	..	3,290	..	388
Total oilseeds ..	final	tons	..	29,335	..	5,877
Fibres—						
Cotton*	4th	bales	19,525	17,506	3,705	4,072
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	2nd	,,	579	614	1,159	1,016
Other crops—						
Potato	final	tons	..	665	..	1,762
Sugarcane ..	2nd	,,	3,930	3,718	5,079	4,858
Ginger (Dry) ..	final	,,	37	35	15	14
Pepper (Black) ..	final	,,	214	208	27	26
Chillies (Dry) ..	final	,,	1,492	1,523	340	363
Tobacco	final	,,	..	860	..	248

Source : Ministry of Food and Agriculture.

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

* In thousand bales of 392 lbs. each. § Excluding Tur.

† In thousand bales of 400 lbs. each.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production ..	During May, 1956 ..	101.7
	Corresponding month, 1955 ..	81.7
	Eleven months ended May, 1956 ..	996.0
	Corresponding period, 1955 ..	917.5
Stocks	At the end of May, 1956 ..	119.1
	Corresponding month, 1955 ..	94.7
		(In 000 bags)
Exports (Jute Bags) ..	Week ended 28th April, 1956 ..	16,200
	Corresponding week, 1955 ..	12,155
	From 1st Jan., to 28th April, 1956 ..	143,335
	Corresponding period, 1955 ..	128,627
		(In 000 yds.)
Exports* (Jute Cloth) ..	Week ended 28th April, 1956 ..	26,607
	Corresponding week, 1955 ..	19,345
	From 1st Jan., to 28th April, 1956 ..	355,247
	Corresponding period, 1955 ..	348,433
	RAW JUTE	(In lakh bales)
Consumption by Mills† ..	May, 1956 (in lakh bales) ..	5.90
	Corresponding month, 1955 ..	4.74
	Eleven months ended May 1956 ..	57.77
	Corresponding period, 1955 ..	53.22

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (In tons)

	Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	11,58,000	10,61,900	7,91,800
Do. 31st March, 1954 ..	11,54,000	10,70,200	7,80,000
Do. 31st March, 1955 ..	11,84,400	10,42,500	7,81,200
Do. 31st March, 1956 ..	11,55,900	10,62,100	7,97,800
December 1954	1,05,500	95,000	73,800
January 1955	1,02,500	95,800	72,200
February ,, ..	93,500	84,500	63,900
March ,, ..	95 000	89,300	66,100
April ,, ..	95,100	88,000	66,200
May ,, ..	94,200	87,500	65,600
December ,, ..	1,03,900	97,500	72,300
January 1956	1 03,900	96,300	71,600
February ,, ..	97,500	89,500	67,700
March ,, ..	1,03,300	96,200	69,900
April ,, ..	1,00,000	87,200	64,300
May ,, ..	96,600	89,400	66,300
Indian Iron and Steel Co., Ltd.			
Year ended 31st March, 1953 ..	6,26,710	4,81,460	3,12,940
Do. 31st March, 1954 ..	5,80,020	5,49,930	3,92,440
Do. 31st March, 1955 ..	7 15,949	5,28,240	4,59,082
Do. 31st March, 1956 ..	7,06,986	5,81,505	4,50,607
Three months ended June, 1954.	1,82,770	1,17,870	1,07,430
,, ,, ,, Sept., 1954	1,80,018	1,29,741	1,13,561
,, ,, ,, Dec., 1954	1,82,063	1,26,801	1,01,814
,, ,, ,, Mar., 1955	1,65,108	1,43,828	1,18,126
,, ,, ,, June, 1955.	1,55,605	1,24,823	1,16,281
,, ,, ,, Sept., 1955	1,60,830	1,30,630	1,07,714
,, ,, ,, Dec., 1955	1,60,750	1,24,496	1,05,782
,, ,, ,, Mar., 1956	1,84,450	1,41,846	1,19,860

FOREIGN TRADE OF INDIA

Particulars	February		Eleven months April to Feb.,	
	1955	1956	1954-55	1955-56
	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)	Rs. (lakhs)
Imports :				
By sea and air—				
Foodstuffs ..	9,41	6,51	118 30	50.24
Raw materials ..	16,48	14,25	174,46	140,34
Manufactures ..	28,86	43,68	281,84	384,07
Other items ..	9	33	2,46	2,94
Total* ..	54,84	64,77	577,06	577,59
By land ..	2,70	3,42	20,86	26,54
Total Imports ..	57,54	68,19	597,94	604,13
Exports :				
By sea and air—				
Foodstuffs ..	17,89	14,68	188,67	148,50
Raw materials ..	10,93	15,41	192,70	148,55
Manufactures ..	20,13	19,76	230,57	228,80
Other items ..	35	26	4,44	3,83
Total ..	49,70	50,11	626,38	529,68
By land ..	43	38	5,17	5,80
Total Exports ..	50,13	50,49	131,55	535,48
Total Re-exports ..	39	75	4,68	5,02
Balance of trade in merchandise	— 6,98	— 16,93	— 61,07	— 63,58
Balance of transactions in private treasure	..	..	3	6
Total visible balance of trade.	— 6,98	— 16,93	— 62,00	— 63,64
Imports : ‡				
Total C'wealth countries ..	23,10	23,45	245,12	250,41
Total Foreign countries ..	31,74	41,32	331,94	327,18
Exports : ‡				
Total C'wealth countries ..	27,18	26,51	295,81	269,62
Total Foreign countries ..	23,08	23,60	230,57	260,06

* Excludes the value of certain stores imported on Government account, full particulars of which are not yet available.

‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-Iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,705	886	184	98	62	154	13	299	393	25	281	47	128
1955-56	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148
March 1955	11,782	2,709	886	184	98	62	154	13	299	399	25	281	47	128
April ,, ..	1,031	222	77	21	12	6	9	2	12	33	3	24	2	10
May ,, ..	2,027	445	157	40	23	12	15	4	25	66	7	48	4	23
June ,, ..	2,973	662	237	55	33	17	19	6	27	98	11	73	7	34
July ,, ..	3,073	890	324	73	41	22	23	8	52	130	14	100	12	48
August ,, ..	4,092	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,, ..	5,081	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,, ..	7,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,, ..	8,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,, ..	9,236	2,079	723	153	77	51	99	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,, ..	11,648	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,, ..	12,761	2,772	972	212	110	67	150	29	474	412	41	331	48	148

Note.—The figures relate to broad and metre gauges of Class I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revisions in respect of earlier months.

* Including sugarcane from November, 1955.

Source :—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts ..	Week ended 14th June, 1956 ..	27,705(J)
	Corresponding week, 1955 ..	33,849(J)
	1st Sept. to 14th June, 1955-56 ..	1,685,863*
	Corresponding period, 1954-55 ..	1,691,989*
Cotton Exports ..	Week ended 14th June, 1956 ..	3,377‡
	Corresponding week, 1955 ..	6,289
	1st Sept. to 14th June, 1955-56 ..	583,333‡
	Corresponding period, 1954-55 ..	314,644
Mill Consumption (Estimated) ..	1st Sept. to 14th June, 1955-56 ..	978,366
	Corresponding period, 1954-55 ..	1,003,690
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 14th June, 1956 ..	705,709
	Corresponding date, 1955 ..	804,083
Cotton Exports from Bombay (by sea)	During January, 1956 ..	35,978§
	1st Sept., '55 to 31st Jan., 1956 ..	363,052
	1st Sept. '54 to 31st Jan., 1955 ..	123,685
Karachi (Pakistan)—		
Receipts	1st Sept. to 31st May, 1955-56 ..	1,285,181
	Corresponding period, 1954-55 ..	1,203,916
Exports	1st Sept. to 31st May, 1955-56 ..	778,913
	Corresponding period, 1954-55 ..	637,689

J—By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

Particulars	From 1st Sept. 1955 to 11th June, 1956 Bales	From 1st Sept. 1954 to 11th June, 1955 Bales
From Bombay Cotton Shipments to—		
United Kingdom ..	64,437	29,003
Continent ..	94,116	48,654
Hongkong ..	40,469	4,304
China	57,578	
Japan	312,991	82,359
U.S.A. ..	4,152	16,701
Other Countries ..	4,145	1,739
Total to all foreign countries ..	577,888	188,290
Coastal Ports ..	100,005	129,764
Total	677,893§	318,054

Consumption of Cotton—	Period	Quantity (Bale of 400 lbs.
Indian		
Foreign	March, 1956 ..	347,759
Indian	Seven months ended March, '56	51,951
Foreign		2,565,772
Indian	Same Period 1955 ..	329,295
Foreign		2,373,049
Stocks (Mills and Elsewhere)—		395,940
Indian		
Foreign	As on 31st March, 1956 ..	1,359,857
Indian		211,500
Foreign	As on 31st March, 1955 ..	1,346,432
Cotton Pressed in India† (In running bales)	Week ended 8th June, 1956 ..	145,304
	Corresponding week, 1955 ..	11,394
	1st Sept. to 8th June, 1955-56 ..	109,211
	Corresponding period, 1954-55 ..	3,177,122
		4,086,137

GOVERNMENT SECURITIES

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS		Rs.		
4 % Bonds	1926-28	63,30,26,000	1950-70	101 4/8
3 % Loan	1938-39	1,16,17,46,000	1963-65	95½
2½ % Loan	1950	20,38,10,000	1964	76
2½ % Loan	1945	1,10,11,78,000	1966-68	93½
3 % Loan	1944	1,14,06,89,000	1967	90 9/16
3 % Loan	1945	1,15,05,33,000	1970-75	91½
2½ % Nat'l V. Loan	1945	1,13,65,64,000	1959-61	98½
3 % Loan	1946	56,35,63,000	1948	99½
2½ % Loan	1946	45,63,07,000	1960	95 9/16
2½ % Loan	1946	57,00,69,000	1961	93 3/16
2½ % Loan	1947	74,77,46,000	1976	82½
2½ % Loan (N.P. Bonds)	1947	75,86,72,000	1962	94
2½ % N.P. Loan	1953	75,29,00,000	1961	99 1/16
2½ % N.P. Loan	1954	157,35,41,000	1964	98 3/16
2½ % N. P. Bonds (2nd Series)	1955	108,40,00,000	1965	98 1/16
NON-TERMINABLE LOANS				
2 ½ Loan	1896-97	6,93,36,000	At option of Government after three months' notice. On September, 1966 or later at option of Government after three months' notice.	80
3 % Loan	1948	245,91,66,000		77½
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,20,000	1958-68***	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1967	99½
3 % Bombay	1943	2,99,25,000	14th Sept. 1956	99½
3 % Bombay	1945	4,06,46,000	15th Aug. 1956	99½
3 % Bombay	1949	5,42,12,000	15th Aug. 1963	94
3 % Bombay	1950	2,92,30,000	31st July 1960	96½
2½ % Bombay	1951	2,97,86,900	17th Sept. 1962	98½
4 % Bombay	1952	5,00,00,000	14th July 1962	101½
4 % Bombay	1952	3,66,72,700	1st Aug. 1964	101½
4 % Bombay	1955	9,00,00,000	1st Sept. 1967	100 3/4
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99½
3 % Cochin	1944	1,00,00,000	16th Dec. 1956-58	99½
2½ % Cochin	1936	70,00,800	1st June 1956-61	99½
4 % Guntur Bridge (New)	1956-57	1,95,96,700	1956-66	99½
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99½
3 % Madras	1939	1,23,85,000	21st June 1959	96½
3 % Madras	1943	1,25,10,000	14th Sept. 1956	99½
3 % Madras	1944	1,07,95,000	15th Aug. 1958	98½
3 % Madras	1945	2,76,44,900	14th Sept. 1960	96-5/8
2½ % Madras	1946	3,81,77,300	31st July 1961	98-1/8
2½ % Madras	1950	4,32,25,400	31st July 1960	96½
2½ % Madras	1951	3,01,49,300	17th Sept. 1962	97½
4 % Madras	1953	12,82,62,200	14th July 1963	100 3/4
4 % Madras	1953	5,24,81,300	1st Aug. 1964	100½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99½
3 % Mysore	1943	2,25,25,200	15th July 1958	99½
4 % Mysore	1955	3,32,47,000	15th July 1963	100½
3 % Mysore	1955	2,50,00,000	1st Sept. 1967	99-10½
3 % M.P.	1943	50,54,200	14th Sept. 1956	99½
3 % M.P.	1944	52,69,800	15th Aug. 1958	98½
3 % M.P.	1945	2,03,32,800	15th Sept. 1964	98
3 % M.P.	1950	1,01,44,700	31st July 1960	95½
2½ % M.P.	1951	1,02,18,100	17th Sept. 1962	98
4 % M.P.	1953	1,02,18,100	15th July 1963	100 3/4
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99½
3 % Punjab**	1939-44	3,49,87,200	15th Aug. 1958	99½
3 % Punjab**	1943	2,46,78,300	14th Sept. 1956	99½
3 % Punjab**	1945	2,93,31,500	14th Sept. 1960	97½
4 % Saurashtra	1955	2,25,00,000	1st Sept. 1967	99½
2½ % Travancore Cochin	1938	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1953	3,25,60,000	15th July 1963	100-1/4
3 % U.P.	1936	1,57,42,600	15th Sept. 1961-66	99½
3 % U.P.	1944	2,02,54,500	15th Aug. 1958	98½
3 % U.P.	1945	2,17,89,700	15th Sept. 1960	96½
2½ % U.P.	1946	2,20,93,600	1st Sept. 1962	98
4 % U.P.	1951	1,94,11,700	17th Sept. 1962	98
4 % U.P.	1952	3,11,65,200	1st Aug. 1964	100½
4 % U.P.	1953	5,65,15,500	15th July 1963	100 3/4
4 % U.P.	1955	8,50,00,000	1st Sept. 1967	99½

ABBREVIATIONS:

A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.

(J) Income-tax free. * Loans held entirely by the Trustees. Quotations in Pak. Currency. *** Rupee Counterparts.

‡ Bombay State Transport. †† Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st June, 1956.

PORT TRUST LOANS

Amount	Interest per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs.				Rs.
35,50,600	4	1904	1964	
35,00,000	4	1905	1965	
15,00,000	4	1906	1967	
44,50,000	4	1907	1968	
75,00,000	4	1908	1968	99½N
40,00,000	4	1909	1970	
56,00,000	4	1910	1971	
75,00,000	4	1912	1972	
1,10,00,000	4	1912	1972	
14,35,576	4	1913*	1960	D
88,00,000	4	1913	1974	100½N
88,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
53,00,000	4	1915*	1975	
61,61,000	4	1922*	1960	
11,51,000	4	1924*	1960	
10,23,000	2½	1928*	1960	
35,00,000	2½	1928*	1960	
12,50,000	2½	1930*	1960	
12,50,000	2½	1931*	1961	
15,50,000	2½	1932*	1962	
24,58,000	2½	1935*	1975	
18,03,000	2½	1936*	1966	
45,04,000	2½	1937*	1967	
18,00,000	2½	1938*	1968	
7,00,000	2½	1941	1971	
CALCUTTA				
Rs.				Rs.
90,36,200	4	1914	1974	99
76,96,100	4	1915	1976	99
1,50,00,000C	2½††	1921	1961	93
46,02,200C	2½	1921	1961	144N
92,71,600	4	1926	1956-86	100
99,54,000C	5	1926-27	1956-86	100½
1,49,49,500C	5	1927	1957-87	100
1,49,25,000	5	1928	1958-88	98
56,00,000	2½	1931	1991	96
60,00,800	3	1935	1963-68	97½
25,00,000	3	1938	2003	74
25,00,000	3	1945	2005	74
50,00,000	3	1945	1976	84½
50,00,000	3	1946	2006	74
50,00,000	2½	1947	1977	79½
50,00,000	3	1948	1978	83½
1,00,00,000	3	1949	1959	97
50,00,000C	3	1949	1959	97
1,00,00,000	3	1950	1980	83
1,00,00,000	3	1950	1960	95½
59,06,000	3	1950	1966	95½
1,50,00,000	3	1951	1961	98½
50,00,000	3½	1951	1961	98½
50,00,000	4	1953	1963	100
98,60,000	4	1954	1964	99½
77,00,000C	4	1955	1965	98½
	4	1956	1986	97½
STERLING LOANS				
£593,600	5	1923	1953-83	67½
£501,000	5	1924	1954-84	67½
£388,100	5½	1932	1962	67½
MADRAS				
Rs.				Rs.
21,47,169	3½	1947	1977	
9,88,000	3	1947	1977	
2,00,000	3	1949	1979	A
45,00,000	4½	1954	1984	

IMPR. TRUST LOANS

Amount Sanctioned	Interest per cent	Year of Issue	Repayable	Market quotation
Rs.				
BOMBAY				Rs.
50,00,000	4	1899	1959	100
30,00,000	4	1901	1961	
30,00,000	4	1902	1962	
60,00,000	4	1903	1963	
30,00,000	4	1904	1964	
30,00,000	4	1905	1965	97½N
20,00,000	4	1906	1966	
15,00,000	4	1907	1967	
25,00,000	4	1908	1968	
25,00,000	4	1912	1972	
50,00,000	4	1912	1972	97½N
25,00,000	4	1914	1974	
25,00,000	4	1916	1976	
66,00,000	5	1919	1957-79	113N
25,00,000	5	1920	1955-80	
25,00,000	5	1926	1956-86	111N
10,00,000	4	1927	1961-70	98N
			1966	
STERLING LOANS				
£586,600		1909	1959	£95½
£333,000		1910	1970	£95½
CALCUTTA				
Rs.				Rs.
25,00,000	5½	1929	1959	107
50,00,000	4	1924	1964	99½
35,00,000	3½	1935	1964	96
30,00,000	3	1936	1966	86
50,00,000	3	1937	1962	91
20,00,000	3	1938	1968-88	90
48,00,000	4	1954	1962	99½
1,02,00,000	4	1956	1968	99

MUNICIPAL LOANS

Rs.				Rs.
30,60,000	4	1913-15	1974	100
10,00,000	5	1920	1956	113½
25,00,000	5	1922	1958	104½
5,45,500	5	1923	1963	107
25,00,000	5	1924	1964-84	107½
2,50,000	5	1929	1959	103½
2,50,00,000	3	1947	1977	80½
4,00,00,000	3	1948	1978	83½
2,50,00,000	3	1950	1965	92½
2,00,00,000	3	1952	1964	100½
1,00,00,000	3	1953	1963	97½
1,50,00,000	4	1953	1963	100½
1,00,00,000	4	1954	1965	100
2,50,00,000	4	1955	1967	100

Rs.				Rs.
CALCUTTA				
36,00,000	5	1928	1958	105
25,00,000	5	1928	1958	105
25,00,000	5	1929	1959	103½
25,00,000	5½	1932	1962	106
35,91,000	3½	1933	1963	96
40,00,000	3	1936	1966	90
47,50,000	3	1938	1968	90
15,58,800	4	1939	1956	99½
15,56,800	4	1939	1956	99½
15,56,800	4	1940	1957	99½
21,10,000	3½	1942	1959	99½
15,49 000	3½	1951	1960	97
16,53,000	3½	1951	1961	97½
36,88,000	3½	1951	1966	97½
37,36,000	4	1953	1968	99½
72,50,000	4½	1954	1979	100
Rs				Rs.
MADRAS				
15,00,000	3½	1951	1961	107½
15,00,000	3½	1952	1962	107½

STATE LOANS—*Contd.*

Loan	Issued	Outstanding	Repayable	Latest Available Quotation Rs.
		Rs.		
4 % W. Bengal	1951	1,75,00,000	17th Sept. 1962	99
4 % W. Bengal	1952	2,70,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	3,50,23,000	15th July 1963	100½
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.	Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK						
Allahabad Bank	15,00,000	1901	6	Mar. Sept.	123	100
BREWERIES AND SUGAR						
Bharat Sugar	5 00,000	1931	5	Dec. ..	70N	100
Carew & Co.	3,00,000(b)	1875	6½	Mar. Sept.	100	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb. Aug.	137	100
Deccan Sugar & Abkhar A' ..	7,00,000	1920	7	July Apr.	6½	5
†East India Distilleries	2200,000	1897	7	Jan. July	17½	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec. ..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec. ..	68	10
Partabpore Co.	6,00,000	1922	10	Oct. ..	15	10
Ramnugger Cane	4,00,000	1933-36	6	Aug. ..	102	100
Rava gaon Sugar	20,00,000	1943	5½	Oct. Apr.	75N	100
South Behar Sugar	5,00,000	1936	7(a)	Oct. ..	20N	100
Travancore	15,00,000	1946	5(c)	Dec. ..	8½	10
Upper Ganges	12,00,000	1932	5	Dec. ..	90N	100
Do.	15,00,000	1946	5(a)	Dec. ..	70N	100
COAL						
Bengal-Nagpur	1,12,500	1905	7	Jan. July	105	100
Borrea	4,00,000	1896-97	6½	Oct. Apr.	113	100
Burrakur (1st)	2,99,800	1901-19	7	Apr. Oct.	111½	100
Do. (2nd)	4,50,000	1948	6(a)	.. ..	84	10
Equitable	4,50,000	1895	6	Mar. Sept.	108	100½
Karanpura Collieries	7.50 000	1946	5½(a)	.. ..	62	75(pp)
††Khas Kajora	1,93,000	1931	5	Mar. Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan. July	12	10
Ondal	2,00,000	1898-99	6½	Apr. Oct.	113	100
COTTON						
Ahmedabad Advance	10,00,000	1939	5	Apr. Oct.	103½	100
Bangalore	6,00,000	1884	6	Jan. July	125	100
Basanti Cotton	5,00,000	1938	6½	Nov. ..	8	10
Bengal-Nagpur	3,30,000	1896	7	Apr. Oct.	99	100
Bowreah 'A'	6,00,000	1900	8	Feb. Aug.	123	100
Do

STOCK & SHARE QUOTATIONS

Abbreviations :—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. P=Company has Preference shares. T=Company has Debentures. N=Nominal quotations. x.d.=Ex-Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts :—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends :—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
20,00,000	62,067	76,28,421	43,05,373	—1,17,309	Rajputana Textiles (Agencies) Ltd.	55,008	898	Apollo Mills	2½	5	0 4 (o)	0 2½(o)	*Nil*		12	Y.
40,00,000	24,00,000	1,38,52,007	73,35,555	—5,97,129	B. B. Sons, Ltd.	50,596	1,021	B. B. Cotton Mills	45	100	*Nil*	*Nil*	*Nil*		12	Y.P.
3,50,95,000	2,99,72,778	4,02,36,445	3,29,,9,378	73,129	Nowrozjee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	650‡	250	22 8*	20 0	25 0*		12	Y.P.T
10,80,000	97,26,559	55,58,179	18,57,695	2,45,761	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	50	100	0 8	0 8			12	Y.
1,09,42,800	2,65,96,829	2,81,83,264	1,97,06,117	6,84,956	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	398‡	100	22 0	22 0	22 0		12	Y.
40,00,000	15,44,600	1,16,09,402	65,52,089	—33,25,720	V. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	80	100	*Nil*	*Nil*			12	Y.
90,00,000	11,35,478	81,38,786	45,80,041	20,755	Cowasjee Jehangir & Co., Ltd.	30,823	680	Cooria Spg. & Wvg.	165	100	*Nil*	*Nil*			12	Y.
15,00,000	24,36,936	69,10,861	54,66,041	2,17,076	Ramnarain Sons, Ltd.	40,992	..	Dawn Mills	147‡	50	6 0	6 0	7		3	Y.
24,00,000	37,75,000	73,60,731	44,75,784	93,183	Premamal Radhakishan & Co.	50,084	923	Edward Textiles	337‡	200	15 0	15 0	15 0		12	Y.
29,98,050	11,31,233	1,00,78,640	80,74,224	1,31,354	M	41,800	856	Elphinstone Spg. & Wvg.	61‡	50	*Nil*	3 8	5 0		12	Y.
50,00,000	70,11,878	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,332	784	Finlay Mills	340	100	16 0	16 0	20 0		12	Y.P.
11,54,000	76,64,589	1,27,76,810	99,11,500	9,233	Thacursey Mooljee & Co.	49,672	1,122	Hindoostan Spg. & Wvg. Mills	4,800	1,000	225 0*	225 0	300 0		3	Y.P.
16,000									992‡	250	56 4*	56 4	75 0			
2,00,00,000	62,50,399	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,33,812	6,412	India United Mills	13–13½	0 100.	0 10	16 0	20 0		12	Y.
50,00,000									2–7½	0 1D.	0 1	*Nil*	0 3			
5,61,900	76,24,048	1,80,07,908	92,59,000	5,102	Damodhar Thackersey Mooljee & Co.	58,256	1,192	Indian Mfg.	5,075N	1,000	225 0*	225 0	300 0		3	Y.P.
59,25,000	40,58,451	2,37,18,607	1,92,85,948	25,588	Khatau Makanji & Co., Ltd.	57,740	1,503	Khatau Makanji Spg. & Wvg.		100	115 85	115 0	150 0			
1,66,82,100	1,21,50,000	2,56,88,076	1,34,76,796	53,980	Kilachand Mills	1,20,504	1,846	Kohinoor Mills	337‡	100	20 0*	18 0	18 0		6	Y.P.
21,18,080	41,06,720	1,18,74,348	55,99,115	31,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	50	50	5 0	5 0	8 0*		12	Y.
51,75,800	32,63,000	1,94,11,184	1,47,72,041	1,09,579	Piramal & Sons	70 416	1,652	Morarjee Goculdas Spg. & Wvg.	246‡	100	17 0	18 0	8 0*		12	Y.P.
1,57,72,400	88,41,004	6,84,77,005	2,05,00,000	5,12,085	Chimanlal & Co., Private Ltd.			National Rayon Corporation	234‡xd	100	12 0	14 0	10 0		12	Y.P.
24,00,000	24,20,000	70,57,853	46,04,750	3,015	W. H. Brady & Co., Ltd.	45,944	432	New City of Bombay Mfg.	173‡	100	9 0	10 0	12 0		12	Y.P.
20,00,000	14,61,250	92,85,599	61,42,741	4,880	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	254	100	10 0	10 0	10 0		12	Y.P.
12,70,100	28,54,549	56,78,515	40,57,707	12,752	Mandvi (Bombay), Ltd.											
					Mandvi (Bombay), Ltd.	84,100	372	New Union Mills	—	10	1 4	1 4	1 12		12	Y.
48,00,000	36,62,873	1,49,08,112	99,80,811	1,26,344	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	138‡	100	8 0	8 0			12	Y.
40,00,000	43,85,014	81,89,221	25,00,000	2,12,562	Podar Sons, Ltd.	32,500	930	Podar Mills	185	100	10 0	10 0	5 0‡		12	Y.P.
5,00,000	8,16,999	81,31,521	19,01,340	—1,73,184	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	11‡	10	0 12	0 8			12	Y.
35,00,000	54,26,056	1,35,89,736	1,19,14,117	11,568	M. G. Investment Corporation, Ltd.	60,668	1,224	Sassoon Spg. & Wvg.	37‡	10	1 4	1 12	1 12		12	Y.
60,00,000	47,70,061	90,20,958	55,57,025	1,47,422	Mazwar Textiles (Agency) Ltd.	56,886	1,640	Shree Ninwa Cotton Mills	216‡	100	14 0	14 0	12 0		12	Y.
43,00,000	38,75,564	92,52,983	71,00,000	13,898	Forbes, Forbes Campbell & Co. Ltd.	36,116	1,274	Simplex Mills	219	50	15 0	11 0	16 0		12	Y.P.
37,80,000	2,23,15,720	2,51,23,602	1,37,55,474	12,883	Mafatlal Gagalbhai & Sons	52,036	1,533	Standard Mills	443‡	100	20 0	20 0	20 0		12	Y.P.
99,50,700	84,09,716	2,33,87,647	1,19,01,899	67,611	Tata Industries Ltd.	72,236	2,000	Svadeshi Mills	254‡	100	16 0	8 0	12 0		12	Y.P.
24,00,000	55,33,455	1,28,99,971	81,52,715	1,51,030	James Finlay & Co., Ltd.	58,328	552	Swan Mills	439‡	100	20 0	20 0	25 0		12	Y.
23,77,425	51,96,876	1,77,84,389	68,46,593	43,482	Tata Industries Ltd.	62,094	1,800	Tata Mills	56‡	25	1 8	2 8	4 0		12	Y.
12,00,000	62,56,709	1,15,84,434	81,00,000	5,816	Thackersey Mooljee Sons & Co.	54,126	1,200	Western India Spg. & Mfg.	5,075	1,000	225 0*	225 0	300 0		3	Y.P.
AHMEDABAD																
33,00,000	31,11,656	1,36,32,272	60,47,302	5,405	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	200	100	10 0*	5 0	7 0		6	Y.P.
10,00,000	94,58,068	94,37,398	76,10,164	27,288	P. M. Hutheesing & Sons, Ltd.	44,220	912	Arvna Mills	1,010‡	100	30 0*	20 0	30 0		12	Y.P.
26,25,000	2,40,17,461	1,48,07,566	1,09,09,009	45,184	Narottam Lalbhai & Co.	62,445	1,216	Arvind Mills	1,258	100	25 0	25 0			12	Y.P.
30,00,000	31,75,000	98,34,384	72,25,000	2,46,389	Mangaldas & Bros., Ltd.	37,164	892	Aryodaya Ginning & Mfg.	547‡	100	25 0	25 0			12	Y.P.
12,00,000	1,18,39,033	84,56,974	69,04,953	69,806	Lalbhai Dalpatbhai & Co.	37,358	914	Asoka Mills	985	100	22 0*	15 0	25 0*		12	Y.P.
1,84,79,311	1,11,94,926	4,84,85,718	3,07,83,444	16,60,756	Kasturbhai Premchand Ltd.	1,39,120	2,372	Calico	550	125	16 0	16 0	30 0		12	Y.P.
66,57,000	24,53,000	1,21,06,845	89,25,000	2,760	Trikumlal Bhogilal & Co., Ltd.	45,536	866	New Commercial Mills	1,562‡	1,000	70 0	70 0	80 0		12	Y.P.
39,00,000	72,59,436	1,32,09,232	96,28,962	19,221	Mafatlal Chandulal & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	683	100	25 0	25 0	35 0		12	Y.P.
10,00,000	58,48,000	50,63,197	37,93,317	16,658	Jagabhai Bhogilal Manavaty & Co., Ltd.	24,840	572	Nutan Mills	660	100	30 0*	30 0	35 0		12	Y.
12,50,000	1,14,77,470	86,29,439	60,39,883		Lalbhai Dalpatbhai & Co.	32,328	636	Raipur Mfg.	1,142‡	100	20 0*	20 0			12	Y.P.
12,00,000	18,99,567	74,94,069	29,67,448	—29,90,510	Manaklas Gitabardas Parekh Ltd.	47,320	1,095	Rajnagar Spg., Wvg. & Mfg.	365xd	250	17 8	25 0	35 0*		12	Y.P.
12,00,000	14,75,207	1,07,01,469	72,73,903	17,34,749	Lallubhai Gordhandas Ltd.	58,156	1,548	Rajnagar Mills	292	100					12	Y.P.
23,98,150	2,02,34,538	1,76,92,842	1,52,75,000	8,28,290	Harivallabhdas Kalidas & Co.	94,116	1,733	Shri Ambica Mills	839	50	13 0	20 0	*Nil*		12	Y.P.
19,52,500	63,31,263	78,06,018	66,84,701	15,592	Mafatlal Chandulal & Co., (Ahmedabad), Ltd.	36,624	730	Shorrock Spg. & Mfg.	600	100	20 0	25 0*	25 0		12	Y.P.
20,00,000	26,96,489	1,03,76,240	63,55,291	22,764	Haridas Ashratlal & Co., Ltd.	36,176	780	Vijaya Mills	725	400	25 0*	25 0*			12	Y.
WEST BENGAL																
15,00,000	1,32,800	84,23,069	21,01,810	1,03,030	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	6½	10	0 4	0 8				
7,11,286	5,40,775	43,43,331	25,57,597	26,788	Bengal Textile Agency, Ltd.	33,544	936	Bengal Luxmi Cotton Mills	40 N	40	*Nil*	*Nil*	4 0		12	Y.P.T.
6,00,000	22,72,414	89,03,142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	45,778	941	Bengal Pottery Mills	100	100	*Nil*	*Nil*	*Nil*		3	Y.
19,00,000	26,17,571	1,04,28,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	310	100	*Nil*	*Nil*			6.12	H.P.
1,60,00,000	2,07,59,266	3,59,23,374	1,30,23,799	2,45,435	Birla Brothers, Ltd	70,384	1,990	Kesoram Cotton Mills	310	100	*Nil*	*Nil*	2 8		6.12	H.
6,00,000	9,75,000	84,54,400	67,06,257	5,158	Chakravartti Sons & Co.	23,484	443	Mohini Mills	10½	1	1 12	0 14	0 14		3	Y.P.
22,95,225									—	—						
19,47,750	7,45,000	47,06,298	24,48,353	1,094	Hazaresmall Heeralall	23 036	795	Rampooria Cotton Mills	11½	25					12	Y.P.
5,00,000										10						
									1N	1D	0 8 *Nil*	0 8 *Nil*	1 0		6	Y.
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	80,87,191	29,00,640	—8,54,223	Ramia & Co., Ltd.	50,000	..	Aiagappa Textiles (Cochin) Ltd.	10½	10	*Nil*	*Nil*				
61,71,422	35,01,284	1,24,91,530	56,75,582	1,36,043	Industrial Trust Fund	56,186	702	Asam Jahi Mills	95	100	6 0	*Nil*	3 8(o)		12	Y.P.T.
40,50,000	2,00,58,745	2,24,36,906	2,42,83,258	2,55,049	Binny & Co. (Madras) Ltd.	40,068	1,187	Bangalore Woollen, Cotton and Silk Mills	572	100	25 0	30 0	30 0		12	Y.
37,00,000	15,50,000	77,25,162	53,73,183	18,199	M.	29,936	810	Bengal-Nagpur Cotton Mills	9½	10	0 *Nil*	*Nil*			12	Y.P.
15,00,000	1,09,48,251	1,19,14,492	87,78,992	4,25,221	Birla Brothers, Ltd.	29,896	1,046	Birla Cotton Spg. & Wvg., Delhi	31N	10	3 0	3 0	3 0			
1,75,47,500	1,76,55,500	6,33,09,203	3,52,82,180	2,58,445	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckingham & Carnatic	198	100	10 0	10 0	10 0		6	Y.
20,00,000	20,00,000	39,09,354	31,62,351	27,593	Petrie, Leslie & Co., Ltd.	26,706	..	Cambodia Mills	14‡	10	1 0 12	*Nil*	1 0		12	Y.
15,00,000	4,51,500	44,39,466	21,80,176	44,557	K. Damodaran, Esq.	17,496	..	Cannanore Spg. & Wvg.	188cd	100	12 0	*Nil*	20 0		12	Y.P.
50,00,000	25,82,976	58,07,118	50,24,815	29,514	Begg, Sutherland & Co., Ltd.	28,796	591	Cawapore Textiles	52	50	6 0	8 0	12 0		12	Y.
12,00,000	20,60,000	34,68,396	27,86,527	34,164	R. Bheema Naidu & Co.	23,364	..	Coimbatore Cotton Mills	367	100	20 0	20 0	*Nil*			
20,00,000	14,20,000	51,53,800	31,53,800	14,063	T. R. M. Naidu & Co.	23,785	..	Coimbatore Pioneer Mills	300	100	15 0	20 0	25 0		12	Y.
20,76,900	4,19,814	1,15,51,599	82,06,019	16,384	R. G. S. Naidu & Co.	72,833	407	Coimbatore Spg. & Wvg.	105‡	50	*Nil*	5 0			12	Y.P.
46,37,400	52,82,449	2,48,18,409	1,48,09,833	9,708	Tata Industries, Ltd.	1,16,188	2,068	Central India	161	100	6 0	6 0	6 0		6	Y.P.
2,58,24,125	2,55,00,000	9,99,78,766	5,08,00,000	82,759	B. E. Charat Ram & Co., Ltd.	1,16,636	2,254	Delhi Cloth & General Mills	37½	25	1 12	2 4	3 0		6	Y.P.
24,24,800	25,47,678	52,74,245	32,20,382	6,364	M. N. Chettiar & Sons	38,668	201	Dhanalakshmi Mills	25	10	0 2 4/5	0 2 8/5	0 2 8/5		6	Y.
60,00,000	45,32,360	1,55,16,333	1,20,71,681	25,356	Begg, Sutherland & Co., Ltd.	48,452	1,194	Elgin Mills	100	50	10 0	10 0	30 0			
20,00,000	25,22,175	1,00,55,167	63,95,068	14,000	Forbes, Forbes Campbell & Co., Ltd.	77,974	4	Gokak Mills	28‡	10	1 0	1 0	1 0		12	Y.
50,00,000	6,16,447	1,33,91,853	1,12,28,576	9,651	K. L. Sekaaria, Esq. (Chairman.)	51,180	1,450	Indore Malwa United	235	100	17 0	18 0	15 0		6	Y.P.
4,90,000	10,65,668	31,06,999	18,45,155	2,079	G. Y. Naidu & Co., Ltd.	24,288	..	Jamardan Mills	148‡	100	6 0	4 0	9 0		12	Y.
24,00,000	16,55,000	78,38,988	36,50,000	29,325	Kothari & Sons	49,000	800	Kothari Textiles	119‡	10	4 8	4 0	10 0		12	Y.
22,00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakhanni Cotton Mfg.	17‡	10	0 8	0 8	1 0		12	Y.
25,64,100	66,55,960	1,11,56,880	75,29,833	74,876	G. K. Naidu & Co.	85,908	801	Lakshmi Mills	887‡	250	37 8	33 12	42 8		12	Y.P.
17,82,050									220	50	8 0	10 0	12 8			
1,75,32,450	4,18,81,878	5,78,76,128	3,58,74,019	18,86,818	A. & F. Harvey Ltd.	5,00,000	..	Madura Mills	110	25	2 8	3 0	3 0		3	Y.
12,00,000	4,17,253	23,26,768	16,72,253	—99,078	A. L. A. R. S. Chettiar and 2 others	23,992	100	Malabar Spg. & Wvg.	51‡	25	2 8	3 0	3 0			
60,00,000	69,00,000	33,79,327	23,72,737	15,333	W. A. Bendall & Co., Ltd.	24,720	608	Mysore Industries Ltd.	100	100	*Nil*				12	Y.
35,00,000	54,26,056	1,35,89,736	1,19,14,117	11,568	M. G. Investment Corporation, Ltd.	60,668	1,224	Sassoon Spg. & Wvg.	532‡cd	100	12 8				12	Y.
60,00,000	47,70,061	90,20,958	55,57,025	1,47,422	Mazwar Textiles (Agency) Ltd.	56,886	1,640	Shree Ninwa Cotton Mills	95	100	22 8*	35 0	35 0		12	Y.
43,00,000	38,75,564	92,52,983	71,00,000	13,898	Forbes, Forbes Campbell & Co. Ltd.	36,116	1,274	Simplex Mills	150	100	7 0*	8 0	6 0	42 8	12	Y.P.
37,80,000	2,23,15,720	2,51,23,602	1,37,55,474	12,883	Mafatlal Gagalbhai & Sons	52,036	1,533	Standard Mills	88N	100	20 0*	8 8*	6 0(o)		12	Y.P.
99,50,700	84,09,716	2,33,87,647	1,19,01,899	67,611	Tata Industries Ltd.	72,236	2,000	Svadeshi Mills	112‡	50	10 0*	8 0	6 0(o)		12	Y.P.
24,00,000	55,33,455	1,28,99,971	81,52,715	1,51,030	James Finlay & Co., Ltd.	58,328	552	Swan Mills	82	25	2 0	2 0	2 8(o)		12	Y.
23,77,425	51,96,876	1,77,84,389	68,46,593	43,482	Tata Industries Ltd.	62,094	1,800	Tata Mills	235	75B	15 0	15 0	12 0		12	Y.
12,00,000	62,56,709	1,15,84,434	81,00,000	5,816	Thackersey Mooljee Sons & Co.	54,126	1,200	Western India Spg. & Mfg.	5,075	1,000	225 0*	225 0	300 0		3	Y.P.

* Includes bonus. M=Managed by board of directors. (b) Subject to taxation and workers' bonus. (o) Paid out of reserves.
(p) Interim dividend of Rs. 5 per share was paid on 48,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 62,000 shares of Rs. 50 each. X. B.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
12,93,000	17,34,009	1,19,30,170	54,33,974	1,12,336	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10½	5	*Nil*	*Nil*	0 8		5	Y.P.
14,30,630	18,38,917	27,26,861	14,67,313	5,143	Mr. K. G. Khanna	Dyer Meakin Breweries	5	5	0 8	0 8	0 9		3	Y.
£580,000	£925,777	£1,308,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	20½	A. 16sh. B. 61	5h. 1 3/5 Sh. 5 4/5	Sh. 1 3/5 Sh. 5 4/5	5h1 3/5 Sh4		9	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	— 182	Rs. 75	Rs. a. 15 0	Rs. a. 15 0	Rs. a. 15 0	Rs. a.	3	Y
CEMENT														
11,37,700A.							161xd	A. 100	10 0*	10 0	10 0*			
20,79,020B.	13,06,128	33,25,520	44,19,760	19,893	Andhra Engineering Co., Ltd.	Andhra Cement Co.	17cd	B. 10	1 0*	1 0	1 0*		12	Y.P.T.
48,14,600O.							8½	O. 10						
4,70,976D.	13,13,122	18,73,932	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	— 1½	D. 1	*Nil*	*Nil*			3	Y.P.
13,71,80,326	5,49,40,618	24,00,99,271	8,74,71,582	5,62,770	Cement Agencies Ltd.	Associated Cement Companies	195XR	100	9 8	8 8	10 9		3	Y.
60,00,000.							16½xd	O. 10	1 0	1 0	1 4			
29,50,000O.	60,02,261	96,09,838	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	4½	O. 10	0 4	0 4	0 5		12	Y.P.
5,00,000D.							5cd	D. 1	0 1-3/5	0-1 3/5	0 2			
61,51,280O.							35½	O. 25	*Nil*	1 4	1 14		3	Y.P.
7,50,000D.	14,00,000	1,46,54,600	47,05,770	8,31,546	Rasen Ltd.	India Cements Ltd.	7½	D. 5	*Nil*	1 8	2 0			
59,33,275	44,50,000	2,04,20,192	86,59,098	2,78,525	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	193	100	6 0	8 8	8 8		12	Y.P.
75,00,000	20,95,000	1,34,36,133	39,45,454	Nil	Martin Burn Ltd.	Sonavalley Portland Cement	8½	5	0 6	0 6			12	Y.
50,00,000	.....	1,04,00,351	24,33,980	2,76,454	Rasel Ltd.	Travancore Cements Ltd.	12½	10	0 6	0 10	0 8½		12	Y.
CERAMIC; MINING AND QUARRYING														
31,70,655	2,00,000	62,32,608	26,51,552	17,549	Bharat Ram Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 4			12	Y.
10,00,000	25,12,725	57,20,295	32,23,355	9,143	Bird & Co., Ltd.	Biara Stone Lime Co.	40N	10	0 14	0 8½	0 14f		3, 9	H.
591,14,208	£1,322,766	£2,037,845	£1,086,287	£111,715	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	7–6½	Sh. 2	Sh. 1	Sh. 1			12	Y.
20,00,000	27,32,296	43,79,359	13,19,311	—30,704	Bird & Co., Ltd.	Karanpura Development	24½	10	*Nil*	*Nil*	*Nil*		6, 12	H.
4,00,000	3,50,000	8,73,499	5,07,504	1,050	Mysore Industrial Development Co.	Mysore Stoneware Pipes & Potteries	10‡	10	0 12	0 8	0 15		9	Y.
30,00,000	34,49,599	45,11,204	24,33,930	10,51,033	Bird & Co., Ltd.	Orissa Minerals	27½	10	2 0	1 0	1 0f		6, 12	H.
5,00,000	8,83,350	30,62,315	20,25,104	7,623	B. K. Agarwala & Brothers	Reliance Firebrick & Pottery	20½xd	10	*Nil*	*Nil*			2, 8	H.
7,00,000	57,30,000	44,10,972	20,73,805	21,661	Killick Industries Ltd.	Shivrajpur Syndicate	103	10	8 0*	8 0*	8 0*		11	Y.
CHEMICAL														
33,00,000	31,41,583	79,37,561	40,19,759	16,251	Bhailal Amin & Sons, Ltd.	Alembic Chemical Works Co.	111½	100	8 0	8 0			12	Y.P.
60,00,000	42,71,273	1,89,39,160	38,97,818	1,19,188	Imperial Chem. Ind. (India), Ltd.	Alkali and Chem. Corpn. of India	21½	10	0 9 2/5	0 9 3/5	0 12 4/5		9	Y.P.
1,37,45,500	....	2,17,74,684	25,53,892	25,533	Lalbhai Sons & Co.	Atul Products Ltd.	190	100	*Nil*	*Nil*	5 4		12	Y.
15,00,000	90,85,000	46,75,674	30,59,410	—5,19,709	Dr. B. N. Ghose (Managing Director)	Bengal Chemical and Phar.	104	100	6 0	8 0	6 0		4	Y.P.
24,00,000	1,06,355	15,00,358	10,06,818	—11,70,055	Sahu Bros. (Saurashtra), Ltd.	Dharangadhra Chemicals	127	100	12 0	12 0	12 0		3	Y.
12,00,000	94,65,000	5,73,35,494	2,56,25,008	47,892	Seshasayee Bros. (Travancore), Ltd.	E. A. C. T.	24½	10	*Nil*	*Nil*			12	Y.
3,45,97,740	41,82,560	4,20,56,176	1,66,41,311	—44,66,878	Seshasayee Bros. (Travancore), Ltd.	Kamp & Co.	175	100	20 0	12 0			3	Y.
11,50,900		6,40,584	24,60,915	10,77,957	S. V. S. Iyer (General Manager)	Mettur Chemicals	9½	10	*Nil*	0 8	0 10		3	Y.P.
40,48,990	7,67,806	90,44,475	41,82,575	6,468	Seshasayee Bros. (Travancore), Ltd.	Mysore Chemicals and Fertilisers	9½	10	0 10	0 8	0 8		3	Y.
24,81,280	7,67,806	7,00,000	45,71,248	20,56 035	S. Muniunajappa, Esq. (Chairman)	Mysore Chemical Mfrs.	2420d	10	1 0	1 4	2 0	2 0		Y.P.
3,00,000	4,00,000	6,80,038	3,79,640	M.	Sir Robert Menzies (Chairman)	Smith, Stanistreet & Co.	16N	5	0 3	0 8	0 8		3	Y.P.
5,00,000	10,45,304	17,81,240	12,51,979	83,983	Tata Industries Ltd.	Tata Chemicals	19	10	*Nil*	*Nil*			6	Y.P.T.
1,31,69,810	6,899	3,09,71,944	1,13,00,000	57,597	

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,919	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	121	25	Nil	1 9	2 8		6,12	H.P.1
									1 9	1 9	2 8			
62,98,250	66,03,861	1,11,56,780	76,81,898	88,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	1 0	7 0	0 11½		3,9	E.
									6 0	7 0	0 11½			
25,00,000	16,12,500	1,36,83,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	17½	10	1 0*	0 12*	0 15*		3	Y.
									1 0	0 12	0 15			
1,46,82,500	2,09,26,641	4,27,02,365	1,02,98,953	2,29,489	Birla Bros	Orient Paper	39⅜	10	1 0	0 7	0 8	0 10	3,9	H.P.1
									1 0	0 8	0 10			
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	18	10	0 12	0 12	0 10‡		6,12	H.P.1
									0 12	0 12				
20,00,000	6,50,000	54,00,869	30,16,681	4,492	Baloria & Co.	Star Paper Mills	11½	O. 10	0 12	0 12	0 8‡		3,9	H.P.1
10,00,000'A.'							11½	A. 10	0 12	0 12				
54,00,000A.							44½	A. 10	1 0*	0 12	1 0			
54,04,800B.	3,22,75,945	5,80,42,527	3,21,32,342	95,684	F. W. Heilgers & Co., Ltd.	Titaghur Paper Mills Co., Ltd.	44½	B. 10	1 0*	0 12	1 0		3,9	H.P.
4,97,500P.O.									1 0*	0 12	1 0			
							4½	P.O. 2½	0 2	0 2	0 2			
PRESSING														
4,00,000	6,73,365	15,78,488	11,18,891	—35,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	Nil		6	Y.
4,80,000	1,00,000	6,89,526	4,78,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	5 0			7	Y.
5,00,000	1,95,000	10,91,811	9,30,377	13,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
19,00,7800.	6,93,332	43,52,570	22,63,279	36,000	S. A. Basil, Esqu. & others (Directors)	Humayun Properties	13½	O. 10	0 11½	0 9 3/5	0 9 3/5		9	Y.1
2,00,000D.							8½	D. 1	0 4/5	Nil	0 9 3/5			
80,00,000	18,07,374	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	9½	100	1 8	1 8	Nil		4	Y.
94,00,000	36,71,674	95,09,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	34	100	1 8	4 0	0		4	Y.1
SAW MILLS AND TIMBER														
13,00,000	28,05,545	31,61,533	10,73,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	4½	3	Nil	Nil	Nil		9	Y.
30,00,000							65½	Old185	15 0	20 0	37-8			
43,00,000	4,13,57,280	3,35,90,582	1,47,51,851	61,999	Wallace & Co.	Bombay-Burmah Trading Corpn.	245	New50	6 8	8 0	15-0		5	Y.
6,00,000	....	7,23,569	7,26,267	—4,89,907	Jardine Henderson Ltd.	Bengal Timber Trading	35N	100	Nil	Nil			4	Y.1
20,00,000	21,15,487	19,00,295	14,25,560	2,76,619	Gillanders Arbuthnot & Co., Ltd	Indian Wood Products	39	10	2 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,237	39,45,224	28,07,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	0 12	0 1			
56,00,000A.	29,18,356	49,46,285	33,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	150N	A. 100	10 0	10 0			6	Y.
2,00,000B.							14N	B. 10	1 0	1 0				
19,49,050	5,50,000	33,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	11½	74	1 0	1 4*			4	Y.
15,00,000	15,90,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	0 12		3	Y.
32,00,000	28,37,630	1,59,90,775	92,27,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	10	10	Nil	0 12	1 8		6	Y.1
30,00,000	57,83,551	1,39,44,647	84,32,451	82,028	Begg, Sutherland & Co., Ltd. ..	Cawnpore Sugar	20½	10	1 0	0 12	0 4		6	Y.1
18,00,000	38,04,891	72,85,757	53,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	30	10	1 0	0 12	0 12		10	Y.1
5,99,452	6,18,562	24,58,580	15,33,747	48,204	Karamchand Thapar & Bros. ..	Deoria Sugar	9½	10	1 0	0 12	1 8		3	Y.1
50,00,000A.	32,00,000	75,94,877	56,00,000	62,419	Bachhraj & Co., Ltd., ...	Hindustan Sugar Mills	260N	'A' 100	15 0*	15 0*	15 0*		6	Y.1
10,00,000C.							100	O. 100	15 0*	15 0*	15 0*			
12,00,000	8,61,001	75,81,309	42 63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	80N	80	Nil	Nil	4 4			
7,89,100	22,14,058	24,94,612	19,35,633	1,364	Cotton Agents Ltd.	New India Sugar Mills	33N	10	Nil	Nil	2 4		7	Y.1
11,00,000	4,20,000	42,21,480	24,57,558	4,195	Karamchand Thapar & Bros. Ltd. ..	New Savan	6	10	2 8	2 8	2 8		4	Y.F.
15,87,500A.	49,50,297	67,74,122	21,56,000	5,317	Cotton Agents Ltd.	New Swadeshi Sugar Mill ..	240N	100	0 0	0 4			6	Y.
5,71,875B.							60N	25	5 0	5 0	20 0			
77,45,350	52,18,159	1,80,90,446	95,00,000	5,540	Cotton Agents Ltd.	Ouch Sugar	188N	100	11 0	11 0	11 0		7	Y.1
13,00,000	12,74,233	28,77,699	19,95,923	55,003	Narang Bros. & Co., Ltd	Punjab Sugar	110xdN	10	1 0	1 0			10	Y.1
9,00,000	17,54,359	37,85,808	30,67,249	6,371	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	14½	10	1 0	0 12			10	Y.1
8,00,000	6,54,762	28,48,782	21,01,913	24,940	M.	Ryam Sugar	21N	10	1 0	0 8	0 12		10	Y.1
11,99,000	18,56,779	38,63,583	22,92,180	8,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar ..	18	10	1 0	0 8			10	Y.1
30,00,000	22,68,560	1,35,20,110	62,59,521	34,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13½	10	1 0	0 8	Nil		6	Y.
9,99,950	61,825	27,15,126	12,50,852	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..			10	1 8	1 8	1 12		8	Y.F.
7,95,462	18,82,940	31,60,735	17,68,068	1,06,227	Karamchand Thapar & Bros	Sitalpore Sugar	4½	10	Nil	Nil	Nil		6	Y.
9,16,0000.	47,592	97,42,197	11,46,770*	—16,14,603	N. K. Jain & Co., Ltd.	Shri Sitaram Sugar	14½	10	1 0*	1 8*			6	Y.
4 40,000D.							4½	O. 10	Nil	Nil				
8,00,000	21,91,685	96,42,062	87,49,754	82,931	Cotton Agents Ltd.	South Behar Sugar	8N	D 2½	Nil	Nil			10	Y.1
18,00,000	7,99,778	82,06,650	25,98,848	30,051	James Finlay & Co, Ltd.	Upper Ganges Sugar	76N		1 0	1 0				
						United Provinces Sugar	20½	10	0 8	1 4	2 8		6	Y.1
Other Centres														
46,99,750	74,55,470	1,50,12,876	1,03,10,251	99,042	W. H. Brady & Co., Ltd.	Belapur Company	236½	50	16 0	16 0	16 0		9	Y.
17,50,000	9,24,292	83,08,379	51,35,723	4,692	A. H. Bhiwandiwala & Co.	Bhopal Sugar Industries Ltd.	14½	10	0 10	1 0	1 0		3	Y.1
3,45,00,000	3,45,541	39,19,958	20,01,146	51,993	Sir J. P. Srivastva & Sons (M.B.) Ltd.	Gwalior Sugar	80N	100	Nil	Nil			9	Y.1
21,47,780	14,00,000	80,54,997	18,71,128	5,22,318	India Sugar Agencies Ltd	India Sugar and Refineries ..	17½	10	1 8	1 12	1 6 2/5		6	Y.
23,57,620	41,37,050	41,91,605	20,78,418	1,408	Buland Sugar	Buland Sugar	14½N	10	1 0	1 0			9	Y.1
10,52,200D.	69,50,800	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd;	K. C. P. Ltd.	127½	O.100	17 8	17 8	7 8		10	Y.
2,57,190D.							100	D. 10	10 0	10 0	10 0			
21,79,250	95,00,001	1,31,37,677	78,17,780	2,90,240	S. Muniaanlappa Esq. (Managing Director)	Mysore Sugar	48½	10	2 0	2 0	2 0		6	Y.1
80,00,000	48,49,651	1,08,28,164	49,35,509	11,063	Mafatlal, Apte and Kantilal Ltd	Phaltan Sugar	156	50	2 0	2 0	2 0		6	Y.
16,50,980	85,50,880	53,90,018	53,90,018	89,230	Anderson Wright Ltd.	Ramnagar Cane and Sugar ..	27½	10	2 0	2 0	3 0		6	Y.
20,00,000D.							10½	10	1 8					
4,00,000D.	21,76,092	89,12,138	58,60,333	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	105N	O. 10	Nil	2 8	2 0		9	Y.F.
19,99,608	44,58,457	47,06,689	21,78,094	4,885	Govan Bros. (Rampur), Ltd. ..	Rasa Sugar	7N	D. 10	Nil	Nil	0 11/5		9	Y.F.
80,00,000	10,87,776	89,76,254	17,87,159	—88,224	Parry & Co., Ltd.	Travancore Sugars	15½N	10	1 0	0 12			10	Y.
1,01,00,000	71,97,998	1,99,96,443	1,15,32,428	1,81,172	M.	Walchandnagar Industries ..	19½	100	Nil	Nil			7	Y.F.
							256½		14 0	16 0	18 0		9	Y.F.
TRANSPORT														
20,00,000	1,00,69,622	1,24,00,708	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co. ..	145	100	10 0	7 8	7 8		16	Y.F.
1,00,00,000	19,37,519	4,41,55,994	1,85,09,519	1,54,925	Dhalwar (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		11	Y.F.
80,00,000	24,35,338	2,60,21,298	88,65,795	1,47,959	A. H. Bhiwandiwala & Co. (Bombay) Ltd.	Great Eastern Shipping Co.	18½	10	1 0	1 0	Nil		6	Y.1
						India General Navigation & Rly. Co.	117	610	Nil	Nil			6	Y.1
5,55,580	5960,378	55,515,631	53,344,773	521,866	Kilburn & Co., Ltd.	India Steamship Co.	9½	10	0 8	Sh. 1 0	Nil		12	Y.1
2,25,00,000	74,99,238	7,99,25,462	1,81,58,660	1,88,061	Lionel Edwards Ltd.	Scindia Steam)Navigation Co.	18½	20	Nil	Nil	Nil		12	Y.1
9,40,19,673	6,94,93,081	18,36,63,413	4,84,44,800	2,73,688	Narottam Morarjee & Co.									
4,40,8000.	19,68,266	11,55,488	7,29,969	1,84,493	R. R. Alyar, Esq. (Manager) ..	Walford Transport)Ltd.	2½xd	O. 1	as. 1 9/25	1 22/25	as. 2 6/25		12	Y
10,800P.O.							1½xd	P.O. 1	as. 1 9/25	1 19/25	as. 2 128/25			
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,22,863	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	32 0			
15,98,860	3,04,172	9,18,548	90,000	43,588	Parakh Agencies Ltd.	Bombay-Uganda	62½	50	5 0	5 0			9	Y.
25,00,000	1,00,000	22,37,514‡	....	225	Chanilal D. Naniee, Esq.	Devaran Nanji Investment Co.	12½	25	0 12	0 12	0 12		12	Y.
14,98,540	9,41,588	28,00,500	17,75,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	83	100	4 8	4 8	4 8		12	Y.
99,99,250	19,47,886	1,22,03,604‡‡	....	2,83,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76½	100	3 0	3 0	3 0		8	Y.
99 99,975	85,08,351	85,10,399	9 21,529	6,154	K. G. Milne, Esq. (Mg. Director) ..	‖Killick Industries	160	100	10 0	11 0	11 0		12	Y.
8,97,02,800A.	5,88,684	3,87,38,378	1,25,90,292	5,86,717	Aero-Auto Ltd.	Premier Automobiles	98	A.100	Nil	Nil	Nil			
10,00,000B.							——	B. 10	Nil	Nil	Nil			
10,21,250	5 68,605	13,96,065	11,66,065	10,334	Sir Joseph Kay (Chairman)	United Motors (India) Ltd. ..	22½	20	2 0	2 0	2 0		6	Y.
2,75,00,000	73,75,000	3,03,67,181	1,63,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director)	Western India Match Co.	186½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000	55,24,847	7,24,608	3,07,108	36,484	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000	17,00,000	1,95,40,704	65,00,000	82,582	J. K. Industries Ltd	Aluminium Corporation of India Ltd.	10½	O. 10	Nil	Nil	Nil			
2,50,000							3½	D. 2½						
30,00,000	35,05,079	32,06,628	21,94,951	3,43,961	Turner Morrison & Co., Ltd.	Angelo Bros., Ltd.	21½	10	1 4	1 4	2 0*		3	Y.F.
30,00,000	8,85,000	83,39,494	30,95,000	1,19,895	T. H. Rydin, Esq. (Mg. Director) ..	Associated Biscuit Co., Ltd. ..	18½	10	1 0	1 4*	1 4*		4	Y.
20,00,000	27 47,838	1,01,49,387	1,01,49,387	33,688	Oberoi Hotels (India) Ltd.	Associated Hotels of India ..	7N	10	0 2 1/5	0 3 1/5	0 6 3/5		12	Y.
80,01,400	88,94,368	66,31,988	32,21,988	1,49,717	O. T. Jenkins, Esq; (Director) ..	Balmer Lawrie & Co., Ltd. ..	167	100	20 0*	18 0	2 8		12	Y.
12,00,000	9,10,000	31,37,448	24,05,448	76,880	Balmer Lawrie & Co., Ltd.	Bengal Flour Mills Co., Ltd. ..	26xd	10	1 8	2 8	2 8			
30,00,000	7,99,476	57,55,560‡‡	....	1,31,783	Lovelock & Lewis	Birds Investment Ltd.	16½	10	1 8	2 8	2 4			
45,97,050	26,44,814	1,00,74,580	29,49,001	1,85,548	K. Julius Boots, Esq. (Mg. Director) .	Britannia Biscuits	16½	10	1 0	1 4	1 4		6,12	
2,25,00,000	1,16,11,809	4,83,81,167	2,22,14,167	—27,26,564	Sir Robert Menzies	British India Corporation Ltd. ..	11½	5	0 8	0 8	1 0		3	
1,50,00,000	9,14,86,174	5,15,52,036	3,20,82,990	11,71,686	Cecil Stack Esq. Mg. Director) ..	Dunlop Rubber (India) Ltd. ..	30½	10	1 0	0 8	Nil		12	
51,26,000	54,12,312	1,42,47,668‡‡	....	3,06,138	Bird & Co. (Private) Ltd.	Eastern Investments Ltd.	147	100	1 8	1 8	1 8		12	
14,00,000	10,02,000	23,31,772	18,89,772	27,194	MacNeill & Barry Ltd....	Gangee Rope Co., Ltd.	185	100	10 0	7 8	9 0		12	
45,00,000	42,00,000	19,27,585	8,06,572	1,51,266	J. F. E. d'A. Willis, Esq.	Gillanders Arbuthnot & Co. Ltd.	13½	10	10 0*	7 8	9 0		12	
30,00,000	13,17,354	73,75,302	31,19,064	45,995	R. F. R. Hawkins	Great Eastern Hotel	240	250	15 0	7 8	1 4 2/5		3	
30,17,900	19,88,986	86,39,283	59,94,587	38,502	Birla Brothers Private Ltd.	Hind Cycles	160	100	8 0	0 4	0 4		6	
4,96,18,580	2,92,450	2,86,34,606	94,58,719	5,19,485	Birla Bros., Ltd.	Hindustan Motors	10½	10	1 0	1 0	1 0		12	
1,80,00,000	46,77,754	4,16,74,246	1,74,76,663	6,18,074	E. S. Greenwood (Mg. Director) ..	Indian Aluminium Co.	28½	10	Nil	Nil	Nil		12	
1,58,89,250	1,20,60,000	1,55,72,191	57,17,551	28,95,463	A. R. Dykes, Esq.	Indian Cables	84½	10	1 8	1 8	1 8		12	
5,87,970	1,35,000	16,40,506	8,06,110	22,616	G. S. Meallen & Co. (India), Ltd.	Indian Rubber Manufacturers ..	13½	10	1 0*	1 0*	1 0*		12	
15,15,00,000	7,22,58,988	3,55,94,047	1,17,80,408	95,00,723	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	14½	10	0 12	0 8	0 8		12	
2,00,00,000	56,39,566	84,83,960	6,80,060	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	100	100	7 8	7 8	0 12 4/5		12	
4,24,0000.	1,91,892	5,94,030	3,53,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	2½	O. 2	Nil	Nil	7 8		6	
66,000D.							2½	D. 1						
40,00,0000.	72,01,900	25,16,766	7,97,301	1,87,884	A. T. Dalg. Esq. (Mg. Director) ..	McLeod & Co.	213½	O.100	10 0	17 0			8	
1,50,00,0D.								D.O.10	1 8	1 8	1 8 2/5			
1,57,58,000	60,54,276	92,58,051	11,34,226	3,09,456	T. Leslie Marth, Esq. (Mg. Director)	Metal Box Co. of India, Ltd. ..	24½	10	1 0*	1 6	1 4	1 12*	12	
1,15,00,000	44,50,000	1,76,64,805	67,67,457	14,43,141	H. Chiswul Jones, Esq. (Chairman) .	Mysore Chemicals and Fertilizers	28½	10	1 0	1 6	1 4			
6,82,256	1,53,555	7,31,449	2,50,957	—15,299	Gale Glass Works Ltd.	Mysore Lamp Works	2½	10	Nil	Nil				
6,54,350	9,58,113	10,40,030	4,40,947	73	G. Chandy, Esq. (Controller)	Mysore Tobacco	14½	10	1 0	1 0			12	
10,00,000	1,53,000	15,18,188	8,10,626	20,916	T. Shamanna, Esq. (Chairman) ..	Associated Industrial Development Co., Ltd.	16	10	1 0	1 4	1 0		12	
48,00,000	51,31,179	59,09,527	39,20,190	2,21,522	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	25½	10	1 0	1 4	1 0		12	
79,97,000	31,15,337	1,14,74,878	52,77,562	9,05,420	B. N. Elias & Co., Ltd.	National Tobacco Co.	12½	10	1 0	1 0	1 0*		12	
40,00,000	27,00,000	44,16,471	19,71,454	1,21,488	Coromandel Investment Trust Ltd. ..	N. P. A. Pranjivan, Esq.	——	10	Nil	Nil				
2,25,00,000	7,25,158	1,44,49,081	40,14,109	—69,99,179	M. P. A. Pranjivan, Esq.	Sahu Jain Ltd.	45½	100	Nil	0 4 4/5			12	
1,72,24,400	1,21,20,326	1,76,34,669	5,47,94,970	4,91,854	Sahu Jain Ltd.	C. W. Stephenson, Esq.	84½	10	1 0	1 4	1 0		12	
40,00,000	65,30,594	1,18,78,879	70,99,287	5,19,275	C. W. Stephenson, Esq.	R. E. D. Campbell, Esq.	17	10	1 4	1 8	1 6		10	
75,00,000	49,00,000	1,25,28,9664	4,16,794	3,68,961	R. E. D. Campbell, Esq.	Shaw Wallace & Co., Ltd.	15½	10	1 0	1 4	1 0		12	
9,80,880			14,99,290	2,84,650	Omalo Bros., Ltd.	Travancore Omala Gleam	8½	10	Nil	Nil	Nil		12	

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. ‖ Exceeding Rs. 1,49,21,000 which represent share in the firm of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Acreage under Tea	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	825	Amlookie	375N	100	7 8	25 0	30 0‡		12	Y.F.
3,50,000	8,43,350	10,69,902	2,42,089	77,477	B. K. Kanoria, Esq., ...	429	Ananda (Assam) Tea ..	44½N	10	0 12	1 4	7 8‡		12	Y.
3,50,000	8,43,350	10,47,044	3,03,058	72,998	Gillanders Arbuthnot & Co., Ltd.	420	Ananda Bag	47½	10	Nil	2 8	3 8	0*	12	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,058	McLeod & Co., Ltd.	513	Baghmari	29½	10	Nil	Nil	3 0		12	Y.
4,10,000	8,50,000	11,69,193	3,89,451	93,033	Andrew Yule & Co., Ltd.	369	Baimatia	40½	10	2 0	2 8	3 0		12	Y.
3,50,000	4,60,000	10,11,265	5,46,265	48,948	National Tea Corporation	594	Batell	23xd	5	0 4	2 0	4 0	2 0‡	12	Y.
2,20,000	3,70,000	9,60,764	2,59,311	68,794	Gillanders Arbuthnot & Co., Ltd.	594	Betjan	59½	10	Nil	2 0	10 0*		12	Y.
16,50,000	20,60,000	52,30,169	22,95,169	1,99,547	Williamson Magor & Co., Ltd.	3,967	Bishnauth	25½	10	Nil	3 8			12	Y.
5,00,000	2,53,500	10,49,416	2,98,130	1,44,105	McLeod & Co., Ltd.	450	Bormah Jan Tea ..	22½	10	Nil	0 12	3 8		12	Y.F.N.
7,50,000	5,52,000	9,92,527	2,93,050		Andrew Yule & Co., Ltd.	2,334	Brooke Bond	23 3/4	10	1 0	0 8	1 4		6*	Y.F.
35,00,000	11,92,045	73,80,473	19,49,496	25,092	Brook Bond India Ltd.	232	Dejoo Valley	50½	10	Nil	1 0	6 0		12	Y.
1,20,000	4,00,426	5,55,963	1,85,538	5,543	McLeod & Co., Ltd.	1,220	Dessai & Parbuttia ..	405N	100	10 0	20 0	40 0		12	Y.
6,00,000	10,99,000	20,54,194	10,34,471	51,859	Jardine Henderson Ltd.	620	Dhalkhat	22½	10	1 0	1 8	2 8		12	Y.
7,58,440	9,87,983	22,73,420	4,17,846	44,551	James Warren & Co., Ltd.	644	Dhunseri	23½	10	Nil	2 0	5 0		12	Y.F.
4,85,270	3,95,000	10,93,269	3,77,353	8,779	James Finlay & Co., Ltd.	458	Dibrugarh	27½	10	Nil	1 0	4 0		12	Y.
4,50,000	8,75,000	9,00,334	2,96,317	54,692	McLeod & Co., Ltd.	611	Dimakuri	34½	10	1 0	4 0	5 0		12	Y.F.
2,36,700	6,60,000	10,29,005	5,54,006	55,532	Williamson Magor & Co., Ltd.	615	Duffaghur	33xr	10	2 0	4 0	5 0		12	Y.F.
5,40,000	8,32,000	19,35,851	13,34,014	1,64,960	Williamson Magor & Co., Lt

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Refer ence
PLANTING; PRODUCE AND RUBBER														
2,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4¾	2	0 4	0 4	0 4 4/5		5	Y.P
17,94,188	18,13,787	33,42,456	3,75,655	1,19,659	Peirce, Leslie & Co., Ltd. ..	Cochin Malabar	9¾	3	0 12	0 12	0 12		2	Y.P
18,00,000	15,80,195	32,07,456	5,25,906	1,21,059	Cons. Coffee Estates (Secretaries). .	Coffee Lands and Industries ..	24½	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.
47,70 000	63 72,750	1 07,57,843	19,78,244	2,42,884	R. C. Paterson, Esq.	Consolidated Coffee	20½	10	1 8	1 12	2 4		6	Y.P.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd.	Cottanad Plantations	21½	10	1 8	1 8	1 12*		3	Y.P
18,00,000	9,30,543	22,77,090	4,04,158	46,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	19½cd	10	1 4	2 8	2 0		12	Y.P
4,00,000	10,93,963	17,58,385	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	34½	10	2 0	2 0	2 12		4	Y.
9,00 000	7,29,329	18,44,917	2,55,893	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	32½	10	5 8	2 4	2 4		3	Y.
27,00,000	29,30,000	74,32,314	7,74,629	1,45,508	A. V. Thomas & Co., Ltd. ..	Midland Rubber	22½	10	1 8	1 12*	2 8		3	Y.P.
3,35,000	2,81,000	4,31,231	1,45,231	13,146	A. V. George & Co., Ltd. ..	Nennemy Rubber	24½	10	0 12	1 8			12	Y.P
2,00,000	2,39,688	7,20,895	44,185	8,600	Associated Planters Ltd.	Nilambur Rubber Co. ..	17½	10	1 0	1 0			12	Y.P.
19,45,980	24,00,991	41,19,708	12,04,557	40,399	Peirce, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	2	2	0 3½	0 9 3/5	0 6 2/5		10	Y.P
13,50,000	7 80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	24½	10	1 12*	1 12*	2 0		6	Y.
3,66,780	3,00,000	6,70,359	62,117	71,342	Peirce Leslie & Co., Ltd.	Savamalai Estates Ltd.	20½	10	3 0	2 8	1 0		11	Y.P.
10,00,000	3,95,340	22,01,120	1,35,889	2,051	East India Agencies	Teekoy Rubber (India) Ltd. ..	11½	10	0 14 2/5	0 12	0 14 2/5		3	Y.P
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd.	Thamarapally Rubber	32	10	3 0	3 0			12	Y.
6,10,200	3,00,005	8,91,561	60,565	24,920	Peirce, Leslie & Co., Ltd.	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4½	0 1 3/5	0 2		9	Y.
6,00,000	75,491	9,73,479	3,23,517	3,745	Kapen Thomas, Esq.(Mg. Director)	Travancore Rubbers	22	10	2 0	2 0	3 0		12	Y.P.
41,60,000	14,30,709	76,82,999	8,08,181	3,71,083	Aspinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13-3½	10	1 0	1 8	1 4		12	Y.
20,00,000	.....	27,76,782	6,45,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co. ..	36½	25	3 0	5 0	4 0		12	Y.
6,28,580	5,40,670	8,51,483	16,128	40,760	Harrisons & Crosfield Ltd. ..	Valkenndam (Travancore) Rubber ..	23½	10	2 0	2 4	2 8		12	Y.P
1,65,000	87,259	3,55,239	17,483	6,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		3	

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs.	1954 Rs.	1955 Rs.	1956 Rs.	Accounts Closed	Refer ences
60,00,000	54,00,000	1,03,23,050	53,90,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12½	10	¼+¼	¼+¾	¾+		3, 9	H.T.I
5,00,000	9,50,000	51,48,698	35,31,395	94,086	McLeod & Co., Ltd.	416	Alexandra	200	100	*Nil*+2½	2½+5			6, 12	H.P.J
30,30,000	9,84,130	1,17,45,964	91,71,069	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	137	100	*Nil*+5	6+6			6, 12	H.P
49,20,700	72,00,000	2,72,98,335	1,87,00,000	1,23,973	Duncan Bros. & Co., Ltd. ..	2,561	Anglo-India	171	100	7½+5	2½+5	6+3½		3, 9	H.P
40,00,000	42,94,285	1,73,44,642	89,94 396	9,783	Bird & Co., Ltd.	810	Auckland	128	100	2+2	1+2½	6+4		3, 9	H.P.J
20,03,000	22,86,837	96,73,016	65,15,094	15,859	Jardine Henderson & Co.	953	Baily	137	100	4+*Nil*	*Nil*	3½+*Nil*		3, 9	H.P.
£275,000	£431,523	£1,856,539	£1,008,227	£64,758	Sir John H. Burder (Chairman)	1,889	Barnagore	148	£5	£1	£1	£1		3	Y.P.
23,00,000	32,30,123	92,27,342	49,03 231	1,035	Andrew Yule & Co., Ltd.	820	Belvedere	165	100	7½+7½	5+5	5+2½		6, 12	H.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,65,109	Soorajmull Nagarmull	600	Bengal	17	10	1½	1½	1½		6	Y.P.J
91,26,000	2,15,77,044	3,32,32,492	39,72,760	3,12,890	Birla Bros., Ltd.	1,373	Birla	183	10	3	3	1		3	Y.P.
25,00,000	27,37,926	1,12,57,557	72,25,930	2,271	Andrew Yule & Co., Ltd.	931	Budge-Budge	145	100	6+4	4+5	5+2½		4, 10	H.P.I
7,47,380	3,20 640	43,00,871	31,53,654	—2,77,365	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9½	10	*Nil*	1+1	*Nil*+		6, 12	H.P.I
18,00,000	30,46,234	87,13,271	41,48,702	4,258	Andrew Yule & Co., Ltd.	816	Caledonian	203	100	6+6	4+5	4+2½		5, 11	H.
59,15,400	98,58,404	2,22,41,517	1,07,46,093	1,30,505	James Finlay & Co., Ltd.	600	Champdany	193	100	3+3	*Nil*+3	4+6		3, 9	H.
15,05,000	23,39,292	81,34,655	56,60,175	2 615	Andrew Yule & Co., Ltd.	530	Chevlot	204	100	6+6	6+8	6+4		5, 11	H.P.
30,15,000	29,25,000	60,73,514	45,01,390	1,52,258	McLeod & Co., Ltd.	530	Chitavalsah	15	10	1½	1½			3, 9	H.T.I
16,00,000	24,00,000	78,22,716	46,22,052	1,07,142	Shree Krishna Investment Co., Ltd.	969	Clive	14	10	*Nil*	*Nil*	1-4x		6, 12	H.P.
81,49,200	61,22,383	1,34,26,320	54,46,501	1,996	Bird & Co., Ltd.	766	Dalhousie	107	100	1+3	1+1½	3+1		3, 9	H.P.I
28,00,000	44,74,179	75,56,629	47,00,110	15,912	Andrew Yule & Co., Ltd.	779	Delta	210	100	10+10	6+6	5+5		5, 11	H.P.
15,00,000	39,58,000	81,08,824	59,15,370	43,804	McLeod & Co., Ltd.	500	Empire	204	10	1+1	1+1	2+		5, 11	H.P.I
21,00,000	59,60,176	2,72,82,553	1,87,05,641	71,982	Kettlewell Bullen & Co., Ltd. ..	1,884	Fort Gloster	350S	100	*Nil*	*Nil*+5	10+5		3, 9	H.P.I
14,00,000	17,75,000	84,15,102	53,60,750	1,16,743	Bangur Bros., Ltd.	1,014	Fort William	223	10	*Nil*+5	10+10	10+10		3, 9	H.T.I
84,32,100	1,00,021	2,03,72,498	1,82,68,988	84,732	Macneill & Barry Ltd.	1,709	Ganges Mfg.	73	100	*Nil*+*Nil*	*Nil*+4	2½+*Nil*		3, 9	H.P.
80,00,000	28,00,000	71,52,953	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,300	300	15	*Nil*			12	H.P.
18,50,000	33,38,409	2,12,33,183	1,65,13,218	57,208	Macneill & Barry Ltd.	1,394	Gourepore	205	100	*Nil*+3½	2½+7½	7½+7½		3, 9	H.P.
40,00,000	55,84,234	93,03,890	57,88,099	3,27,745	Baugur Bros., Ltd.	1,078	Hastings	114N	100	10	10+10	11½+		3	Y.P.
16,80,000	18,01,856	65,91,206	46,20,916	44,982	Gillanders Arbuthnot & Co., Ltd.	587	Howrah	67	10	1½	1½	1½		3, 9	H.P.I
65,82,500	51,32,981	1,82,27,584	1,07,31,964	11,463	Jardine Henderson Ltd.	2,272	Hukumchand	23½	10	1½	2	2		3, 9	H.P.I
52,50,000	23,00,000	2,58,15,937	1,54,15 037	1,19,762	Ramdutt Ramkissendas			24½		7½	3	2		3	Y.P.I
87,00,000	16,55,558	1,33,66,655	78,55,428	7,731	M.	1,076	India	140	D. 125	3½+3½	*Nil*+3½	3½+1½		3	H.
80,000										x2½+2½	*Nil*+x2½	x2½+1½			
24,00,000	16,50,000	1,37,65,836	1,24,18,036	86,024	Jardine Henderson Ltd.	1,797	Kamarhatty	145	D. 100	6+3	3+6	2½+*Nil*		5 3, 9	H.
19 20,000								135	'B' 100	6+3	3+5	2½+*Nil*		6, 12	H.P.
30,00,000	7,00,000	1,32,86 300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	102		5+2½	2½+4	1+*Nil*			
24,00,000								97	'B' 100	5+2½	2½+4	1+*Nil*		6, 12	H.P.
21,00,000	49,50,000	1,12,88,088	79,26,276	1,70 687	McLeod & Co., Ltd.	703	Kelvin	238	100	7½+7½	10+10			6, 12	H.P.
64,00,000	23,83,375	1,71,52,716	1,19,91,027	1,03,198	Octavius Steel & Co., Ltd.	1,330	Khardah	139	100	10+7½	7½+5	6+5		3, 9	H.P.
48,00,000	1,04,37,157	2,31,57,457	1,12,99,755	52,710	F. W. Heilgers & Co.	1,250	Kinnison	171	100	4+5	3+5	4+7½		3, 9	H.P.I
24,48,000	49 37,097	1,39,82,388	80 55,707	10,707	Bird & Co., Ltd.	931	Lanadowne	110½	100	2+5	1+1	5+5		3, 9	H.P.
28,00,000	56 89 479	1,16,03,741	64,08,985	3,154	Bird & Co., Ltd.	840	Lawrence	120	100	3+3	2+4	5+1		3, 9	H.P.
81,65,200	25,04,873	2,01,00,063	1,44 49,304	10,614	M.	1,008	Meghna	85	100	21+24	*Nil* 21	24+11		3, 9	H.
29,98,000	39 14,415	1,84,76,420	98,81,406	—3,19,252	F. W. Heilgers & Co.	815	Naihati	94	100	*Nil*	*Nil*	*Nil*		3, 9	H.
20,00,000	15,55,000	29,01,583	18,21,709	17,816	Howrah Trading Co., Ltd...	425	Naskarpara	188	10	*Nil*+½	1+½	½+		4, 10	H.P.
55,00,000	43,29,328	89,10,124	30,36,328	70,744	Andrew Yule & Co., Ltd.	952	National	243	10	1+1	1+1	1+½		4, 10	H.P.
26,25,000	24,50,000	98,82,794	20,20,619	1,48,752	McLeod & Co., Ltd.	316	Nellimarla Jute	124	10	1+1	1+½	½+		6, 12	H.P.I
85,50,000	2,71,44,342	4,29,15 827	98,28,548	8 71,293	Sahu Jain Ltd.	1,765	New Centrait	174	10	1 0	1 0			12	Y.P.
16,79,880	48,95,164	1,17,37,858	48,80,655	46,962	Bird & Co., Ltd.	667	Northbrook	24	10	1+1	1+1	1+½		3, 9	H.P.I
66,79,500	28,30,703	1,12,69,808	1,39,37,804	58,373	Macneill & Barry Ltd.	1,092	Nuddea	40	50	*Nil*+¼	*Nil*+¼	½+¼		3, 9	H.
24,91,000	26,81,049	72,46,385	50,35,699	5 784	Andrew Yule & Co., Ltd.	601	Orient	159	106	6+6	5+5	5+4		5, 11	H.P.
25,00,000	6,23,458	30,72,591	68,77,981	1,09,914	McLeod & Co., Ltd.	500	Prestdency	6	5	*Nil*+½	½+*Nil*			6, 12	H.P.
20,00,000	1,44,936	28,58,630	8,59,130	—12,15,858	Birla Bros. Ltd.	305	Rameshwara	74	10	*Nil*	*Nil*	*Nil*		3, 9	H.P.
49,50,000	1,62,723	1,24,08,577	59,38,544	5,09,680	Jardine Henderson Ltd.	1,278	Reliance	10½	10	½+½	*Nil*	*Nil*		3, 9	H.P.I
£600,000	£1 093,713	£1 236,315	£33 058	Thomas Duff & Co. (India) Ltd.	1213	Ramanugur	41	10%	10%	3%½			12	Y.P.
30,00,000	18,18,193	1,04,21,440	75,39,904	38,764	Bagaria More & Co., Ltd.	911	Shree Ambica	16	10	*Nil*+½	½+½			3, 9	H.P.
14,00,000	11,25,000	66 11,704	38,79,294	3,166	Hindustan Investment Corporation.	401	Soorah	15½	10					3, 9	Y.P.I
25,19,600	42,44 180	1,30,76,167	51,18,663	—2,75,291	Bird & Co., Ltd.	1,104	Standard	150	10	1+1	1+1	1½		3, 9	H.P.
£603,000	£995,119	£905,995		£110,316	Thomas Duff & Co. (India), Ltd...	1,794	Titaghur	10	£1	10%	10%	3%½		3, 9	Y.P.
55,98,500	58,14,828	1,95,40,009	81,71,517	14,518	Bird & Co., Ltd.	1,326	Union	151	100	1+4	1+5	5+5		12	H.P.I
2400,000	£683,035	£1,092,723		497 816	Thomas Duff & Co. (India) Ltd...	1,331	Victoria	10	£1	10%	10%	3%½		3, 9	Y.P.
2,50,000	4,95,000	55,94,078	37,77,741	35 624	McLeod & Co., Ltd.	495	Waverley	6½	1	*Nil*+¼	¼+¼	¼+		6, 12	H.P.I

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs.	1954 Rs.	1955 Rs.	1956 Rs.	Accounts Closed	Refer ences
25,50,000	24,50,000	88,12,991	61,77,091	26,053	Shaw Wallace & Co., Ltd.	Amalgamated Coalfields ..	23½	10	½+½	½+½	½+½		3, 9	H.
12,00,000	8,52,573	38,78,477	36,13 477	22,703	Jardine Henderson Ltd.	Barares Coke	20	10	7/10+7/10	½+7/10	½+7/10		3, 9	H.
4,49,350	8,40,159	3,40,966	3,40,966	4,951	Andrew Yule & Co., Ltd.	Bengal-Bhatdee	6¼N	10	½	½	½		3, 9	H.
1,00,00,000	1,40 49,223	5,91,92,614	3,95,77,326	7,81,563	Andrew Yule & Co., Ltd.	Bengal Coal	539	200	17½+15	15½+15	17½+17		6, 12	H.P.
2,25,000	4,77,174	24,81,806	22,25,968	....	Andrew Yule & Co., Ltd.	Bengal-Nagpur	15	10	*Nil*	*Nil*	*Ni l*		4, 10	H.P.
15 97,000	4,73,353	37,70,192	23,77,364	13,498	H. V. Low & Co., Ltd.	Bhalgora	6½	10	½				6, 12	H.P.
40,00,000	8,00,000	1,39,06 662	71,05,188	27,432	Sahu Jain Ltd.	Bharat Collieries	7½	10	½				9	Y.P.
7,15 000	16,17,036	1,66,15,856	37 09 987	—1,66,156	F. W. Heilgers & Co. (Private)Ltd.	Bhowanbarasree	13½	10	*Nil*	*Nil*	*Nil*+		6	H.
16,00,000	16,17,036	68,14,856	30,98,841	—79,196	Ramgarh Industries (Coal) Co.	Bokaro-Ramgur	12	10	½				6, 12	H.P.
7,50,000	34,29,025	42,39,603	26,55,408	84 207	F. W. Heilgers & Co., Ltd.	Borrea	23½	10	1½+1½	1 + 1	1+1		6, 12	H.P.
90,92,480	1,75,17,502	4,19 21,370	1,85,17,846	1,15,376	Bird & Co., Ltd.	Burrakur	14½	10	½ + ½	½ + ½	½ + ½		6, 12	H.P.
4w,87,750	....	39 62,720	3,83,645	32,788	Hindustan Investment Corpn., Ltd.	Central India	7½	10					6, 12	H.P.I
3,00,000	13 54,302	49,10,414	33,63,954	32,788	M.	Central Kurkend	12+N	10	½	½	½		3	Y.
6,00,000	1,48,076	7,28,438(k)	....	2,120	F. W. Heilgers & Co. Private Ltd	Charilal	2½	4	½ + ½	½ + ½	½ + ½		6, 12	H.
16,00,000	1,80,000	52,67,321	23,91,190	—2,45,257	Macneill & Barry Ltd.	Dhemo Main	8½	10	*Nil*	*Nil*	*Nil*		6, 12	H.P.
2,50,00,000	2,80,05,558	4,96,945	5,70,8,277	250,767	Jardine Henderson, Ltd.	East Indian	33½	41	2½	2½	3		6, 12	H.
29,68,760	76,84,250	3,89,97,499	2,87 14,867	93,206	Macneill & Barry Ltd.	Equitable	31½	10	1 + ½	2 + ½	2 + ½		4	H.P.
10,00,000	2,15,000	10,76,864	2,78,963	11,373	Shaikh's Agency Ltd.	Ghusick and Misalla ..	144N	10					6, 12	Y.
12,00,000	1,22,000	29,02,565	20,09,824	2,286	Killick Industries Ltd.	Hingir-Rampur	41½	50		*Nil*	2 ½		3	Y.P.
3,00,000	6,75,000	21,43,057	18,61,214	65,461	Macneill & Barry Ltd.	Hurriadih	28½	10	½ + ½	½ + ½	1½ +		6	H.
22,00,000	1,12,000	24,74,412	6,18,646	—5,57,293	Bajpai Trust Ltd.	Jore Coal	9½	10	*Nil*	1+1			6, 12	H.P.
2,50,000	3,45,579	18,54,857	7,25,658	....	Andrew Yule & Co., Ltd.	Kalapahari	18N	10	1½ + 1	*Nil*			15	H.
20,00,000	17,325	29,07,991	1,43,150	2,661	Bird & Co., Ltd.	Karanpura Collieries ..	117	100	*Nil*	*Nil*			2, 8	H.
8,00,000	15,60,000	45,16,229	35,35,577	1,36,128	Andrew Yule & Co., Ltd.	Katras Jherriah	60½	10	2 + 2	2 + 2			2	H.
1,38,400	5,78,960	12,85,941	6,72,940	—2,40,356	Beriwala & Co.	Khas Kajora	38N	10	*Nil*	*Nil*			1, 7	H.T.I
11,00,240	64,10,000	16,72,941	10,41,803	—4,220	H. V. Low & Co., Ltd.	Khandi	4N	10	*Nil*	*Nil*			6, 12	H.
9,00,000	11,86,413	28,59,268	23,97,987	2,255	H. V. Low & Co., Ltd.	Lakurka	10N	10					6	Y.
28,00,000	44,74,179	75,56,629	47,00,110	15,912	Andrew Yule & Co., Ltd.	Lalgarh	7½	10					4	Y.
15,00,000	39,58,000	81,08,824	59,15,370	43,804	McLeod & Co., Ltd.	Lodna	88N	10	½ + ½	½ + ½	½ + ½		12	H.
21,00,000	59,60,176	2,72,82,553	1,87,05,641	71,982	Kettlewell Bullen & Co., Ltd. ..	Lodna	204	10	*Nil*	*Nil*	*Nil*		3, 9	H.P.I
14,00,000	17,75,000	84,15,102	53,60,750	1,16,743	Bangur Bros., Ltd.	Lodna	188	10	1½ + 1	*Nil*	*Nil*		15	H.P.
84,32,100	1,00,021	2,03,72,498	1,82,68,988	84,732	Macneill & Barry Ltd.	Lodna	117	100	*Nil*	*Nil*			2, 8	H.P.
80,00,000	28,00,000	71,52,953	48,43,692	—74,093	Gillanders Arbuthnot & Co., Ltd.	Lodna	60½	10	2 + 2	2 + 2			2	H.
18,50,000	33,38,409	2,12,33,183	1,65,13,218	57,208	Macneill & Barry Ltd.	Lodna	31½	10	*Nil*	*Nil*	2½+3		1, 7	H.P.
40,00,000	55,84,234	93,03,890	57,88,099	3,27,745	Baugur Bros., Ltd.	Lodna	4N	10	*Nil*	*Nil*			6, 12	H.P.
16,80,000	18,01,856	65,91,206	46,20,916	44,982	Gillanders Arbuthnot & Co., Ltd.	Lodna	10N	10					6	Y.
65,82,500	51,32,981	1,82,27,584	1,07,31,964	11,463	Jardine Henderson Ltd.	Lodna	7	10					4	Y.
52,50,000	23,00,000	2,58,15,937	1,54,15 037	1,19,762	Ramdutt Ramkissendas	Lodna	88N	10	½ + ½	½ + ½	½ + ½		12	H.
87,00,000	16,55,558	1,33,66,655	78,55,428	7,731	M.	Lodna	94,388	10	½ + ½	½ + ½	½ + ½		3, 9	H.
80,000						Lodna	36,426	10	11½	*Nil*	*Nil*		4, 10	H.P.
24,00,000	16,50,000	1,37,65,836	1,24,18,036	86,024	Jardine Henderson Ltd.	Lodna	16	10	½	*Nil*	*Nil*		3, 9	H.
19 20,000						North West	16½N	10	½+*Nil*	*Nil*	½+½			
30,00,000	7,00,000	1,32,86 300	1,00,46,425	82,115	Jardine Henderson Ltd.		7½	10	½+*Nil*	*Nil*	*Nil*+½		3, 9	H.
24,00,000						Ondal	15	10	1 + 1	½ + ½	½ + ½			
21,00,000	49,50,000	1,12,88,088	79,26,276	1,70 687	McLeod & Co., Ltd.	Oriental Coal	9N	10					6, 12	H.P.
64,00,000	23,83,375	1,71,52,716	1,19,91,027	1,03,198	Octavius Steel & Co., Ltd.	Parasea	14	10	½ + ½	½ + ½	½ + ½		12	H.P.
48,00,000	1,04,37,157	2,31,57,457	1,12,99,755	52,710	F. W. Heilgers & Co.	Pench Valley	23½	10	½ + 1	½ + ½	½ + ½		6, 12	H.
24,48,000	49 37,097	1,39,82,388	80 55,707	10,707	Bird & Co., Ltd.	Raneegunge	11½	10	*Nil*	½ + ½	½ + ½		3, 9	H.
28,00,000	56 89 479	1,16,03,741	64,08,985	3,154	Bird & Co., Ltd.	Rewa	22½	10		½ + ½	½ + ½		3, 9	H.
81,65,200	25,04,873	2,01,00,063	1,44 49,304	10,614	M.	Samla Collieries ..	14½N	10	1	½ + ½	½ + ½		6, 12	H.
29,98,000	39 14,415	1,84,76,420	98,81,406	—3,19,252	F. W. Heilgers & Co.	Searsole	5½N	2½					12	H.
20,00,000	15,55,000	29,01,583	18,21,709	17,816	Howrah Trading Co., Ltd...	Seebpore	20½cd	10	½ + ½	½ + ½	½ + ½		3, 9	H.
55,00,000	43,29,328	89,10,124	30,36,328	70,744	Andrew Yule & Co., Ltd.	Sendra	93N	10	*Nil*	*Nil*	½+½		6, 12	H.P.
26,25,000	24,50,000	98,82,794	20,20,619	1,48,752	McLeod & Co., Ltd.								6, 12	H.
85,50,000	2,71,44,342	4,29,15 827	98,28,548	8 71,293	Sahu Jain Ltd.	Industrial Trust Fund (Government of Hyderabad)								
16,79,880	48,95,164	1,17,37,858	48,80,655	46,962	Bird & Co., Ltd.	Singareni	10½	10	*Nil*	0–11 1/5			12	Y.P.
66,79,500	28,30,703	1,12,69,808	1,39,37,804	58,373	Macneill & Barry Ltd.	South Karanpura ..	9½	10	½ + ½	*Nil*+½			2, 8	H.
24,91,000	26,81,049	72,46,385	50,35,699	5 784	Andrew Yule & Co., Ltd.	Standard	25½	10	½ + ½	½ + ½	½+*Nil*		6, 12	H.
25,00,000	6,23,458	30,72,591	68,77,981	1,09,914	McLeod & Co., Ltd.	Tasher	3½	2½	*Nil*		½+½			H.
20,00

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
10,00,000 } 14,50,000 } 1,01,000	1,08,00,000	11,36,801	Allahabad Bank	320 160 115	100 50 100	18 0 9 0 6 0	18 0½ 9 0½ 6 8	18 0½ 9 0½ 7 8	6 8	12 6,12	Y.P. H.
32,46,180	14,87,000	12,375	Andhra Bank	85	70	3 0	3 4	3 12	4 8 4/5		
1,00,00,000	1,25,00,000	3,35,546	Bank of Baroda	97½	50	6 0	6 0½	6 0½	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	161N	25	0 12	0 12	0 12		12	Y.
2,50,00,000	3,53,00,000	13,26,530	Bank of India	158½	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	25,00,000	60,636	Bank of Indore	62N	25	3 0	3 0	3 0	3 8	12	Y.
80,00,000	10,00,000	41,779	Bank of Jaipur	25½	50	1 8	1 8	2 0	2 0	12	Y.
50,00,000	84,00,000	1,79,254	Bank of Mysore	243	100	16 0½	16 0½	16 0½	16 0½	12	Y.
61,21,700	58,73,013	10,069	Bombay State Co-operative Bank.	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
15,00,000	29,00,000	19,501	Canara Bank Ltd.	98	50	4 8	4 8	4 8	5 0	12	P.Y.
7,50,000	13,00,000	2,433	Canara Banking Corporation Ltd.	80½	50	5 0½	5 0½	5 0	5 8½	12	Y.P.
2,62,11,875 } 62,43,375 'A'	4,01,81,217	18,40,359	Central Bank of India Ltd.	51½ 53½	25 25	3 8 3 8	3 0 3 0	3 0 3 0	3 0 3 0	12	R.L.Y.
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co.	40	50	1 12	2 0	2 0		12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0		12	Y.
50,00,000	25,00,000	1,66,278	Hind Bank	33	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,42,000	16,919	Hindustan Commercial Bank	10	50	—	—	—		12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	15	50	—	—	—		12	Y.
75,00,000	76,00,000	1,04,406	††Hyderabad State Bank	89N	100	5 0	5 0	6 0½	5 0	9	Y.
84,00,000				182	100	12 0½	12 0½	12 0½	12 0		
18,00,000	79,75,000	1,45,140	Indian Bank	161	90	10 8½	10 8½	10 8½	10 12½	6,12	J.J.H.
18,20,000				124	65	7 8½	7 8½	7 8½	7 12½		
40,19,375	80,00,000	2,28,299	Indian Overseas Bank	129	100	6 0	6 0	6 0	7 8	12	Y.
2,25,000 } 6,50,000	5,64,500	—1,19,440	Indo-Commercial Bank	42½ 11	100(A) 25(B)	0 0 1 8	Nil Nil	Nil Nil		6,12	H.
10,00,000				26½	50(C)	2 0	2 0	2 0			
87,50,000	97,50,000	2,35,108	Punjab National Bank	—	25	1 8	2 0	2 0	3 8	12	Y.
1,00,00,000	23,80,000	43,597	Travancore Bank	19	25	—	0 10	0 12	1 0	12	Y.
40,00,000	25,00,000	1,96,238	Union Bank of India	6–9½	5	0 5½	0 8	0 8	0 6	12	Y.
6,00,00,000	95,00,000	27 761	United Commercial Bank	51½	50	2 0	2 0	2 8	2 12	12	H.

PRINCIPAL EXCHANGE BANKS

						Dividend (per cent.)					
£2,500,000	£5,000,000	£405,375	Chartered Bank of India, Australia and China	£1-16-10½	£1	16†	14†	15†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7‡	£5	7†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K.$128,000,000	H.K. $ 10,606,689	Hongkong and Shanghai Banking Corporation	£0-14	H.K. $125	5*	5*	5*	5*	12	Y.
£17,866,195 'A' £1,437,296 'B'	£15,000,000	£558,006	Lloyds Bank	£2-15-0 £1-6-3	£5 A £1 B	12†	14†	15†	12†	12	R.L.Y.
£875,000 'A' £375,000 'B'	£1,750,000	£219,872	Mercantile Bank of India	£4-0-0 £4-0-0	£2½ A £2½ B	14†	14†	14†	14†	12	R.L.Y.
£780,000 'O'				—	£1 O	14†	14†	14†	14†		
£2,541,563	£3,104,687	£242,158	National Bank of India	£1-0-3	sh. 12½	16†	16†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††O.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
			BREWERIES AND SUGAR			
19,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1950
6,00,000	6½	30th June and 31st December	Ramnagger Cane & Sugar Co., Ltd.	1936	99½	30th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1946	102	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1944	88	1st November .. 1958-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
35,00,000	4½	1st May and 1st November	Walchandnagar Industries(New)	1944	97	1st November .. 1958-64
			COAL			
20,00,000	4½	30th April and 31st October	Bharat Collieries	1944	95½	30th June .. 1956
50,00,000	5½	30th June and 31st December	Burrakur Coal Co.	1947	91½	30th June .. 1967(c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1963(c)‡
			COTTON			
8,50,000	5½	30th June and 31st December	Bananji Cotton Mills Ltd.	1942	85	30th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November .. 1956(b)
90,00,000	5	1st April and 1st October	Buckingham and Carnatic	1952	90	1st March .. 1972(c)
12,48,000	5½		Jaykishen Textiles	1949	80N	1st January .. 1956-59
89,90,000	5	1st June	Tata Mills	1951	100½	 1966-71
			ELECTRICS			
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(c)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.	..	100½	14th June .. 1969
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98½	1st October .. 1959
12,00,000	4½	30th June and 31st December	Bijnor Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
2,46,01,850	5	1st August and 1st February	Calcutta Electric Supply Corporation Ltd.	1950	100½	1st January .. 1970(c)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co., Ltd.	1945	85½	31st December .. 1970
10,00,000	5	1st January and 1st July	Sijua (Dharrial) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(c)
4,95,000	5½	15th January and 15th July	South Madras Electric Supply	1940	98½	15th July .. 1960-64
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	..	98½	1st October .. 1960-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	30th September .. 1952-62
4,62,800	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1961-61
47,75,000	5	1st April and 1st October	Tata Power	1940	102	1st July .. 1979
2,50,00,000	4	1st April and 1st October	Tata Power	..	93½	15th September .. 1965-79
			ENGINEERING			
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	96	31st December .. 1969
2,50,000	5	30th June and 31st December	Bridge and Roof (India), Ltd.	1938	99	30th June .. 1957
20,00,000	5½	15th September and 15th March	Indian Hume Pipe (Bauxite)	1943	102	1st July .. 1957-62
61,16,800	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1936	88	31st December .. 1956(M)
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1950	102½	1st October .. 1960-65
40,00,000	6	31st December — —	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(c)
			JUTE			
12,00,000	5½	1st October and 1st April	Agarpara	1939	99	31st March .. 1969
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June .. 1966
15,00,000	6	31st December and 30th June	Auckland Jute Co. Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1945	91½	30th June .. 1960
9,00,000	5	31st January and 31st July	Calcutta	1949	90	31st July .. 1965
10,89,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1966
18,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1969(c)
5,86,000	5	15th January and 15th July	Empire	1951	94½	15th July .. 1965(c)
25,00,000	5½	1st January and 1st July	Hukumchand	1947	95½	30th June .. 1957
20,00,000	5½	31st March and 30th September	Howrah Jute Mills Co., Ltd.	1955	99	31st March .. 1970
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	99½	31st December .. 1964(c)
25,00,000	5½	30th June and 31st December	Naihati	1952	98	31st March .. 1967(c)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co., Ltd	1939	92	14th May .. 1959
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	92	31st December .. 1964
6,00,000	4	30th June and 31st December	Presidency	1943	92	30th June .. 1958
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co. (Ltd.	1950	91	5th September .. 1965(c)
8,00,000	4½	14th March and 14th September	Soorah Jute	1937	96	14th September .. 1957
12,00,000	4½	30th June and 31st December	Union	1947	96½	30th June .. 1957-62
16,00,000	5½	31st January and 31st July	Waverly	1925	90	31st July .. 1960
			RAILWAYS ; STEAMSHIP AND TRAMWAYS			
4,80,000	6	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July .. 1954
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£139,363	5	1st April and 1st October		1933	67½N	1st October .. 1974
6,50,000	2½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1956(c)
£300,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1905	£93½N	Any time on six months' notice (c)
4,82,36,607	4½	1st March and 1st September	Scindia Steam Navigation	1949	96½	1st September .. 1963
			PLANTING			
19,08,000	5½	30th June and 31st December	Consolidated Coffe	1953	102	1st July .. 1957-62
19,50,000	6	31st March and 30th September	Nilgiri Tea	..	102	1st April .. 1956-66
1,50,750	5½	31st March and 30th September	Teokoy	1944	102	31st March .. 1940-59
			MISCELLANEOUS			
10,00,000	6	1st January and 1st July	Aluminium Corporation of India Ltd.	1946	96	31st Decem ber .. 1965
20,00,000	4½	1st January and 1st July	Associated Hotels of India	1946	96	31st December .. 1962
4,00,000	4½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
2,00,00,000	5½	31st March and 1st September	Burmah-Shell	1954	108½	1st September .. 1954-69(c)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1955	102	1st October .. 1970
21,00,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
30,00,000	4½	1st July and 1st January	Clive Buildings (Calcutta) Ltd.	1936	89½	1st July .. 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	1946	87½	15th September .. 1968
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	 1969
1,50,00,000	5	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1950	102	1st January .. 1971(c)†††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(c)‡
17,75,000	5	15th March and 15th September	Mysore Chemical Industries	1946	85½	 1964
24,34,000	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	550	30th September .. 1976(c)
45,00,000	4	30th June and 31st December	MaLeod & Co. Ltd. (Convertible Notes)	1947	470 (per note)	31st December .. 1972(c)
75,00,000	5	1st April and 1st October	Mecneill and Barry Ltd.	1951	90N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	103	30th June .. 1965-76
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	96	31st March .. 1961(c)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91	31st December .. 1959
6,66,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	104½	1st May .. 1968(c)‡‡

(c) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 2 per cent. premium. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 100-8 per cent. after 13 years. † Rs. 1,60,00,000 debentures at 101 per cent. on 1-6-1964, Rs. 90 lakhs will be redeemed annually by drawing from 1-6-1965. Any debenture outstanding on 1-6-1960 will be redeemed on that date with option to redeem all debentures at 101 per cent. on 1-6-1964. ‡‡ Rs. 50 lakhs will be redeemed annually by drawings at par. ††† Option to repay at par on 6 months' notice.

WEEK'S STOCK EXCHANGE TRENDS

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 21st June, 1956.

—	Closing quotations 14-6-1956 Rs.	High Rs.	Low Rs	Closing quotations 21-6-1956 Rs.
TEXTILES				
Ahm. Adv. (100)	202½	202½	200	200
Apollo (2)	2½	2–15/16	2–14½	2–1
Bombay Dyeing (250)	651½	663½	643½	654½
Central India (100)	150	152½	147	152½
Century Mills (100)	564	572	561½	569
Colaba (100)	80	—	—	80
Edward Textile (300)	337½	338½	337½	338½
Elphinstone (50)	62	62	60	61½
Finlay (100)	340	340½	336	340
Gokak (100)	235½	236	234	235
Ind. Untd. Petd. (1)	2–6½	2–7½	2–6½	2–7½
Ind. Untd. Ord. (10)	13½	14	13½	13½
Indore Malwa (100)	147½	148½	147½	148½
Khatau (100)	240½	240½	236½	237½
Kohinoor (100)	370	374½	366	373½
Lakshmi (250)	690	690	687½	687½
Madhusudhan (100)	112½	—	—	112½
Minerva Mills (100)	94½	95½	95	95
Model Nagpur (250)	150	—	—	150
Morarji (100)	245	246½	245	246½
Mysore (50)	112½	113½	112½	113½
National Rayons (100)	240½	238½	230½	232½
New City (100)	180	—	—	178½
New Great (100)	252	254	250	254
Phoenix (100)	140	—	—	138½
Podar Mills (100)	183½	185½	183½	185
Sassoon Silk (10)	11½	—	—	11½
Sassoon Spg. (10)	38½	—	—	38½
Shahpur (1,000)	1,925	—	—	1,925
Shrinivas (100)	211½	218½	210	216½
Simplex (50)	221	222	217	218½
Standard (100)	440	445	435	440
Svadeshi (100)	253	257½	249	253
Swan (100)	436½	—	—	436½
Tata Mill (25)	54½	58½	54½	57
Vishu (100)	135½	—	—	135½
Western India (1,000)	5,075	—	—	5,075
BANKS				
Bank of India (50)	157	158½	157	158½
Bank of Baroda (50)	97	97½	96½	97½
Central (25)	51½	52½	50½	52
Central 'A' (25)	53	53½	53	53
Dena Bank (50)	40	—	—	40
Punjab National (25)	57½	58	58	58
Union Bank (5)	6½	6–11½	6–9½	6–9½
United Com. (50)	51	51½	50½	51½
ELECTRIC COS.				
Ahmedabad (100)	97½	97½	96½	96½
Amalgamated (10)	11	11–1/16	10½	11
Andhra Valley (1,000)	1,216	1,218½	1,197½	1,197½
Bom. Sub-El. (100)	112½	102	102	112½
Surat (100)	121½	—	—	121½
Tata Hydro (100)	130	132½	129½	129
Tata Power (1,000)	1,275	1,285	1,270	1,279½
INSURANCE COS.				
British India (10)	13½	—	—	13½
Empire of India (100)	325	—	—	325
Ind. Mercantile (50)	41½	—	—	42
Jupiter (15)	5½	42	41½	5½
New India (15)	42½	—	—	42½
Oriental (200)	3,855	42½	42½	3,855
Universal (10)	7	—	—	7
Vulcan (10)	14½	—	—	14½
STEEL COS.				
Ind. Iron (10)	37	38–4½	36–10½	37½
Tata Steel Ord. (75)	198½xr	205½	198½	204½
SUGAR COS.				
Belapur (50)	237½	230	236	236
Bhopal (10)	13½	14½	13½	14½
Phaltan (50)	156	157½	155½	156
Walchand Ind. (100)	255	256½	253½	256½
CEMENT COS.				
Associated Cm. (100)	218	219½	194	196XR
Dirvijay (100)	191½	193	190	193
MISCELLANEOUS				
Alcock Ashdown (100)	350½	360	347½	355
Bom. Burmah (125)	657½	661½	647½	653½
Do. (New) (50)	248½	661½	647½	246½
Br. D. Petrol (Ak.)	4–0½	245	240½	4–0½
Br. I. Corpn. (5)	4–3½	4½	4–0½	11½
C. P. Bly. (100)	85	11–4½	11½	85
Indian Copper (Rs.)	7½	—	—	7½
Ind. Inv. Tr. (100)	76½	7–7½	7½	76½
Kemp (200)	176	76½	76½	176
Killicks (100)	159½	—	—	160
Polson (100)	181½	—	—	181½
Port Canning (100)	92	—	—	92
Premier Con. (80)	186	—	—	190
Scindia (50)	18–12½	192½	185	188
G. B. Shipping (10)	18	19	18–8½	18½
Shivrajpur (10)	18	18½	18	18
Tata Chemicals (10)	107½	107½	107½	107½
Tata Locomotive (100)	18½	19–2½	18½	19
Tata Oil (25)	150½	152	149	150
W. I. Match (100)	54½	56½	53	55
	189½	188½	185	185

GOVERNMENT SECURITIES	15-6-1956 Rs.	Gross Yield Earlier Redemption	Later Redemption	21-6-1956 Rs.
2½% 1961	93½	—	3.89	92½
2½% 1962	96½	—	3.73	96½
2½% 1963	94	—	3.79	94
2½% 1964	82½	—	4.01	82½
3 % 1957	99½	—	3.18	99
3 % 1958	99½	—	3.18	99½
3 % 1959-61	98½	3.62	3.89	98½
3 % 1964	95	—	3.72	95
3 % 1965-85	95½	3.80	3.66	95½
3 % 1966-68	93½	3.78	3.69	93½
3 % 1970-75	90½	3.90	3.71	90½
4 % 1960 Con. Loan	77½	—	3.87*	77½
4½% 1960-70	101½	3.65	3.89	101½
4½% 1955-65**	108½	3.00	4.20	108½
2½% 1961 N.P. Bonds	99½	—	3.57	99½
2½% 1964 N.P. Loan	98½	—	3.67	98½
2½% 1965 N.P. Bonds	98½	—	3.66	98½

BRITISH GOVERNMENT SECURITIES	Closing quotations 6-6-1956 £			
2½% Brit. Consols	53½	—	—	53½
3% Savings Bonds 1955-75	75½	—	—	74½
3% War Loan 1955-59	95½	—	—	94½
2½% War Loan	72½	—	—	72½
4% Victory Bonds 1976	93½	—	—	93½
4% Funding 1960-90	89½	—	—	89½

* Current Income. 2½.—Ex-dividend. **Rupee Conversion. Ex-Eight.

COMMERCE

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

VOL. XCII. No. 2365 BOMBAY, 30TH JUNE 1956 PRICE Rs. 1/8

LESSONS OF RECENT TEA SLUMPS

ONE of the amazing facts about tea industry is that none seems to care to learn a lesson from the vast changes that occur in its career from season to season. It was hardly four years ago that this industry faced a crisis of the greatest magnitude. Due to a variety of circumstances, the demand for tea slumped and the price fell sharply, to touch a level at which no garden could hope to make a profit. Huge losses were suffered by gardens, as they had to sell teas at prices much below the cost of production. After a good deal of suffering had been inflicted, the tide turned slowly and the industry began to pass through a boom, perhaps unparalleled in its history. This boom lasted for a short period and soon the tide began to turn once again and brought the industry very near a crisis. Then, in early 1956, the industry started to recover, much in the manner that it did in early 1953, and things began to look normal again. All these changes have occurred within so short a period that many lessons could have been learned from them, but, curiously enough, no one seems to have taken the trouble of learning anything.

Who are the people who should profit from the past? During the discussion on the Tea Bill in Parliament three years ago, the Government spokesmen made much of the fact that it is not only employers and labour who are concerned with the tea industry, but the Government and the consumer as well. On that reasoning, provision was made for strong representation on the Tea Board not only for employers (producers) and labour, but also for the Central and State Governments and consumers of tea. So one can rightly say that all these four parties have a duty to learn the lessons of the recent history of tea. It would help all the parties—or partners—if they would but look at their respective roles in a friendly and co-operative spirit.

Before doing so, however, one must pause to bear in mind some of the basic facts concerning the industry, particularly in relation to recent developments. India is the largest producer of tea in the world, and next in order come Ceylon, Indonesia, Pakistan and East Africa. The trend of world production is such that bigger and bigger crops are to be expected from every one of the main producers. While this is so, the level of consumption also is rising in all the countries where tea is drunk, chiefly the United Kingdom, the U.S.A., Canada, the Irish Republic, Egypt and West Asia, not to mention the producing countries also. Nevertheless, available statistics show that the rate of world production is actually a little ahead of the rate of world consumption and that, in 1955, there was, in fact, a somewhat large unabsorbed production. Assuming that the normal incentives to production exist in all the producing countries, one should expect, an increasing level of production over consumption in the world, at least for some years to come. This conclusion, it may be stated here, has been reached only after taking into account the increase in consumption which could be expected as a result of the vigorous propaganda conducted by the producing countries for spreading the tea habit and of the rising level of incomes all over the world. The important point to remember is that there is not likely to be any shortage of supplies for a good many years ahead, unless, of course, Dame Nature happens to be unfavourable to tea growing or transport.

In passing it is well to remember that a steady increase in the world consumption of tea can only be expected so long as tea continues to be one of the cheapest beverages in the world. Once the price rises, tea will necessarily yield its position to many other competitive beverages which flood the markets of the world. At the same time, tea drinkers the world over are becoming so quality-minded that it is necessary to ensure that the supply is of good quality. In fact, the preference today is for quality teas at reasonable prices.

The second point to be borne in mind is the extent of the Governments' interest in tea industry. In India—the world's largest tea-producing country—tea is the second largest foreign exchange earner. In Ceylon—the second largest tea-producing country—tea provides the Government with two-thirds of its foreign exchange needs. In Pakistan and Indonesia also, tea greatly helps the country's foreign exchange earning capacity. In addition to foreign exchange, tea contributes very largely to the revenues of these countries, particularly of India, by means of export and excise duties, income-tax and a host of other levies.

The third important point is that, in India and Ceylon at least, the future of tea is inextricably linked with the fortunes of export markets. While internal consumption is no doubt rising, the rate of increase can never, in the next 10 or 15 years, rise to such an extent that the export markets could be ignored completely. The necessity for these countries to ensure that export markets are regularly supplied with tea of competitive quality and price is, therefore, self-evident.

Now let us consider the lessons which the producer should learn from the recent past. Some of the blame for the slump of 1952 and 1955 should be placed at the door of the producer, because of his lack of attention to quality. It is true that this lack of attention was, to some extent, forced upon him by other circumstances such as adverse weather, but, nevertheless, his indifference was admitted to by one of the reasons for the slump. In a strongly competitive market such as the one that exists at present, quality teas hold their position well and their future is assured. In order to produce quality tea, the grower should constantly keep his garden in a healthy condition, by suitable and adequate manuring, by eradicating pests and diseases, and by taking full advantage of the results of scientific research. He should also pay careful attention to proper methods of packing tea, for appearance makes a big difference in the selection of teas in the export markets.

The lesson that labour should draw may be easily stated. A slump, in its true and naked form, can frighten anyone, and most of all the labour. The slump of 1952 caused a number of estates in North-East India to close down, throwing a large number of workers out of employment. Labour must, therefore, realise that its duties towards the management are no less important than its rights, and that its primary duty is to co-operate with the management in producing teas of good quality. It is true that, tea being an agricultural crop, its quality is influenced to a considerable extent by Nature. The latter can alter the climate in such a way as to cause heavy flushes of leaf, thereby making it extremely difficult for even the best run gardens to keep pace with them. But there is no gainsaying the fact that producing quality tea depends to an even greater extent on the willing co-operation of labour also. Coarse plucking, go-slow tactics and strikes such as we have witnessed in recent months inevitably mean loss of crop and loss of revenue for all, the management, the labour and the Government. Besides wages and other amenities, plantation workers, it may be noted here, are in receipt of generous bonuses which are linked to their earnings. If gardens are compelled to shut down due to workers' indiscipline, earnings will be reduced and so also the quantum of bonus to workers. Some of the recent troubles in tea gardens were generated by rivalry between different unions working in the same area, and some of these unions were organised by leaders having no stake in the industry and whose only objective was political gain. It is up to workers themselves, who are reasonably well-paid and well looked after, to think and decide whether they should be the tools of political agitators.

Employers in plantation industry have already voluntarily provided many amenities for labour at considerable expense, and what has not been so provided is now required to be provided by suitable legislation. The workers have, therefore, no reason to complain against managements about these matters and, where they do, it is the result of misleading propaganda by some of the union leaders. Something must be done to prevent workers from falling a victim to such vicious propaganda. One of the ways in which the influence of outside elements over labour can be eliminated is to establish closer direct relations between management and workers.

Of all the parties mentioned, the Government seems to be the most negligent in learning a lesson from the tea industry's recent difficulties. One of the well-known reasons for the slump of 1952 was the Central Government's reluctance to respond to the tea industry's appeal for relief from some of the burdens imposed by it. In particular, the reluctance to adjust the export duty so as to improve the competitive strength of Indian tea in export markets must be considered very unfortunate. When the export duty on tea was imposed for the first time, the then Finance Minister, Mr. Liaquat Ali Khan, had made it quite clear that he would not hesitate to withdraw the duty, if it was found to injure the export trade. That promise was not only not kept but, year after year, the duty has gone up until it has reached the present high level. The scales now in force authorise a minimum levy of As. 4 a pound, however low the price of tea may be. The Government should recall that, in 1952, a number of gardens was selling tea at no more than Re 1-8 per lb., which did not cover their actual cost of production. A similar situation arose in some gardens in 1955 also, but little relief was given. Luckily, the unfavourable position did not last long. Exports began to pick up and a smart rise in the offtake for domestic consumption saved the situation.

Following the heavy recession in tea prices in 1955, the Government, of course, effected, as part of the 1956-57 budget proposals, a cut of As. 2 in the rate of export duty for the price slab between Rs. 3-4 and Rs. 4 per lb., but this

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brought no relief to the industry, as the ruling price was well below the slab to which the reduced scale of duty is applicable. Further, the present system of fixing the "world price" of tea for determining the export duty leaves much to be desired. The "world price," it may be noted, is determined on the basis of London auction average prices only and the industry's repeated plea for taking into account Calcutta and Cochin sale averages also has so far failed to evoke any response. The defect in the present system arises from the fact that London prices are invariably well above the prices obtained in India. In the U.K., the buyer shows a distinct preference to buy "spot teas," instead of buying at producing countries. By fixing the duty in relation to the prevailing high London prices, India seems to be running a grave risk of forcing the buyer to seek cheaper teas from other sources. The question that Government should consider is whether it is not prepared to lose some revenue by reducing the duty, instead of losing a valuable market altogether by sticking to its present policy.

Apart from export duty, the Central Government has forced many other burdens on the industry such as legislation to secure labour welfare at considerable expense, increased wages to workers, etc., and much of this has occurred since 1952. The State Governments, too, in their turn, have started levies of their own such as agricultural income-tax, carriage tax and octroi duty. The extension of Provident Fund schemes to workers is also expected. While no one can take exception to the provision of these and other amenities to workers considered essential in a Welfare State, it is necessary to have a sense of priority. It may be asked whether the Government is wise in rushing to place on the industry new burdens without caring much for its capacity to bear them. It is significant that these measures are usually thought of when the industry is in a seemingly prosperous state, as, for instance, during 1954, but actually brought into effect when the tide has turned against the industry. The moment the industry enters a spell of prosperity, the Government, like anybody else, appears to forget the long spells of adversity through which the industry has passed in the past.

The slump of 1955 has shown how unwise and dangerous it is for the Government to attempt to interfere with the established channels of marketing. In that year, Indian tea exports were 86 million lbs. below the exports during 1954. Much of this quantity represented reduction in exports to the United Kingdom, the largest consumer of tea in the world. One of the reasons for this reduction was the compulsory fixation by Government of a ceiling on the quantity of tea that could be consigned to London for auctions. The removal of the ceiling in February 1956 has, of course, helped increase exports. But now there is a proposal to extend State Trading to tea. No one seems to know its precise implications, but, if it involves any element of interference with the normal trade channels, it cannot but cause deep concern in the industry.

It is high time the Government took note of all the facts mentioned above and did two things. First, there should be no further demand by it on the industry in any shape or form, until the industry has been able to absorb the effects of the burdens so far placed on it. The cost of production has now reached a point not far away from the uneconomic danger zone for a beverage, such as tea, the popularity of which has always depended upon its cheapness to the consumer. It is needless to add that, while prices of tea are highly elastic, costs are inelastic. Secondly, the Government should refrain from making any announcements, which, for the time being at least, would act as a deferrent or a disincentive to investment in tea industry. This is an important consideration, having regard to the fact that large sums of money have to be invested for replacement of old bushes and bringing new areas under tea.

Lastly comes the fourth party, the consumer. It is good, indeed, that the consumer has been recognised as one interested in the affairs of the industry. For it is not the Government, nor the producer nor even the labour that stands to suffer most by the changing fortunes of the industry. It is the consumer who has to take the ultimate burden of the errors of omission and commission committed by the other three parties. It is in his interest to see that the price of tea is not unduly inflated by the unreasonable demands of the other parties.

LIFE INSURANCE—IN RETROSPECT

A DEPLORABLE effect of nationalisation of an industry is that the men who are most competent to speak in defence of the industry are often constrained to observe a scrupulous silence on the merits of the measure and compelled to spend all their time and energy on obtaining the most advantageous terms of compensation. The chief aim then becomes what best one could make of a bad bargain. The fundamental issues such as whether nationalisation was the right step are never raised for fear that the battle for compensation might be lost. The spirit of inquiry thus gets stifled. There is a fatalistic tendency to accept the *fait accompli*, to resign to the inevitable. This happened in the case of nationalisation of civil aviation in India. This has nearly happened in life insurance. It augurs ill for the future of democracy in this country that the men who are competent to speak on these subjects refrain from expressing their views. It is truly said that, in a democracy, "they are slaves who dare not be in the right with two or three."

Fortunately, however, a few lone voices are still sometimes raised in protest against nationalisation of life insurance. Dr. B. C. Roy, W. Bengal's Chief Minister, went on record as saying that he frankly did not like the measure. More recently, Dr. John Matthai, who, though not a full-fledged politician, cannot be accused of partisan views, declared that he had read all the arguments in favour of nationalisation of insurance but remained unconvinced. This week, two men connected with the industry—Mr. B. M. Setalvad and Mr. A. D. Shroff—returned to the same theme. Addressing the annual meeting of the Insurance Association of India General Insurance Council, Mr. Setalvad said that, if the interest of the policyholder was all that the Government was seeking to protect through nationalisation of insurance, there were ample safeguards in the Insurance Act and an adequate machinery in the shape of the Department of Insurance; if necessary, the Government could have armed itself with additional powers. If, on the other hand, the Government's intention was to harness insurance funds to the Plan effort, the Government could have adopted the simple expedient of legislating for the investment of entire life funds (except loans to policyholders) in Government securities.

No apology is, of course, needed when the chairman of a leading insurance office, like the New India, decides to go over the painfully trodden track of nationalisation of life insurance and restate the position of private insurers. From a narrow angle, it would, as stated at the outset, appear superfluous, since no purpose is gained by opposing an established fact. But the whole controversy must be looked at from the broader national angle. It is not a mere question of State acquisition of an isolated industry. For it appeared several times during the course of the Parliamentary debate on this subject that the disappearance of the entire private sector was certain, and, what was more, that it was imminent. Allegations, founded as well as unfounded, were made. And, despite the heroic efforts of two or three members of Parliament, the case of private insurance did not receive the hearing it deserved. Lest this case should go entirely by default, it was, perhaps, in the national interest that Mr. Shroff decided to plead it.

Mr. Shroff listed the grounds on which nationalisation of life insurance has been sought to be justified. Briefly, these are: (1) Insurance is basic to the economy and should be run by the State; (2) nationalisation of insurance will help augment the resources of the State for implementing the Plan; (3) management expenditure could be reduced through nationalisation; (4) there are malpractices and cut-throat competition in insurance; (5) there is an unhealthy concentration of economic and financial power in a few hands. Mr. Shroff then proceeded to examine these arguments in a thoroughgoing manner, and his examination would leave no one in any doubt about the essentially irrational nature of these arguments. Referring to the first argument, he admitted that insurance was basic to the economy. Only, he rightly contended that this did not necessarily mean that insurance was best run by the State. In a number of countries, like the U.K., Germany, Sweden and Norway, as he said, very thorough investigations have led to the conclusion that it is neither desirable nor practicable to nationalise life insurance. Mr. Shroff might as well have added that if insurance was basic to the economy, more basic to the economy were food and cloth and yet nobody except communists had suggested that farming and textile industry should be run as State enterprises.

The argument about insurance as a source of funds for the State Exchequer has been demolished often enough. Indeed, even the Government spokesmen have admitted that nationalisation of life insurance cannot bring any large revenue to the State. Instead of nationalising the industry, the Government could have taken steps to re-vitalise the industry, so that it could expand and divert a larger flow of funds to the public sector. In this connection, Mr. Shroff suggested that the Government could have set annual targets to each individual insurer, established rigid control in order to bring about competitive standards, set up co-operative training institutions, and instituted machinery for joint publicity campaigns. Surely, if these measures had been adopted, it would not have been difficult, as he said, to reach the target of a new life business of Rs. 1,000 crores in a few years' time.

On management expenses, Mr. Shroff averred that the industry itself was not unaware of the fact that they were on the high side. But what the insurers were aware of and the Government ignored was that insurance in India is still in the early stages of development; the average sum assured per policy in advanced countries is generally about 3 to 3½ times that in India, and life insurance in India is more akin to industrial life assurance in advanced countries. If allowance were made for these factors, he said, it would be realised that the "differential in the procuration and management costs of the life assurance companies in India *vis-a-vis* of those in the more advanced countries was not too disproportionate." The fact is that the Government itself now realises that management expenses cannot be brought down overnight.

Alluding to the argument about malpractices in insurance, Mr. Shroff recalled that the position in the U.S. in the early years of this century was very bad and that it was only after it was "ruthlessly regulated and controlled" that the industry became the most dynamic institution of its kind in the world. He complained that the Government did not take even the elementary precaution of ensuring the physical safety of securities which could have been arranged through insistence on every insurer keeping the investments in a safe custody account with a recognised bank. Further, he rightly contended that most of the troubles in India arose because the "enforcement of insurance law was most ineffective, unimaginative, tardy and loose." No law was, in fact so grossly under-administered, as the Insurance Law.

Finally, much play has been made of the fact that private insurance means concentration of economic power in a few hands. Apparently, this refers to the investment of funds. But there were laws regulating such investments, so that the freedom was not an entirely unfettered one. Apart from this consideration, is there no concentration of economic power in a few hands under the Corporation set-up? There will soon be, as Mr. Shroff pointed out, a "greater concentration of power in the hands of a much smaller number than could be the case under well-regulated and well-controlled life assurance business, run by joint-stock and mutual companies." Above all, it must be remembered that, while the possibility of mischief arising from any concentration of power in private hands could be prevented through appropriate State action, much unmitigated evil could flow from nationalisation of an industry which, in essence, means concentration of economic power in hands which also wield political power.

All this defence is, of course, like a pathetically convincing posthumous plea of innocence left behind by a convict sent to the gallows. But its only justification lies in the consideration that it is never too late to expose a case of miscarriage of justice. In insurance, there was such miscarriage. Without in any way belittling the importance of making nationalised insurance a success, we would urge the Government to appreciate the moral of this measure. It is that a great deal of harm can be caused by condemning an industry to nationalisation without giving it an adequate hearing. Indeed, such hearing and consultation would be conducive to the very success of nationalisation. As it is, though life insurance has been nationalised, many vital questions still remain unsettled. Neither the future of the field force nor the regionalisation of policies, nor the integration of companies, not even the elementary question of the location of the head office of the Corporation has been settled, yet

BULLS IN EQUITIES DISHEARTENED

Killicks To Expand—Further Thought On Automatic Looms—Mr. Shroff's Plea

THURSDAY, 5 P.M.

THERE has been an unexpected collapse of equities after the close of the market today. For the past few days, the share market has been gradually moving down in an irregular fashion, the closing rates today being about the lowest for the week. But the break in values in kerb trading has taken many by surprise. At the time of writing, Indian Irons have gone down to Rs. 35-13, Tata Ordinaries to Rs. 197, and Bombay Dyeings to Rs. 630, from the official closing rates of Rs. 36-9, Rs. 199-12 and Rs. 645-10, respectively. Over the week, the latest kerb rates reveal a loss of Rs. 2 in Indian Irons, Rs. 7-4 in Tata Ordinaries and Rs. 23-12 in Bombay Dyeings. No convincing explanation is available for this sudden drop in prices. It is possible that the tired bulls may have decided to "get out" of the market and the bears are taking full advantage of this defection in the bull ranks. Another reason may be that, with the fortnightly settlement falling due tomorrow and with conditions quite in their favour, the bears decided to create panic, so that the account may end to their credit. As usual on such occasions, all sorts of rumours have been set afloat. One of them is that a rise in the British Bank rate is imminent and, if this were to happen, interest rates in India, too, would go up. Another rumour is that a leading operator, who has been a bull in Steels, Irons and Dyeings in recent weeks, has been liquidating his position, as he intends to go abroad on a long holiday in a week's time. A third rumour has it that this operator has suddenly withdrawn from the market, having scented that a group of prominent speculators in Calcutta has planned a concerted attempt at squeezing him in Indian Irons by selling short heavily. His exit from the scene, it is further stated, has demoralised the weaker bulls, especially as they know that the chief of their ranks will not be in station for several weeks.

MARKET GOSSIP

It is not easy to ascertain the veracity of these rumours, but the fact remains that there has been no change in the British Bank rate today. It may also be added that there is very strong opposition in Britain to any further increase in Bank rate. The hard money school is on the defensive and the Government itself has begun to resort to physical controls, as we shall show presently.

Whether there is any truth or not in the aforesaid rumours, it is obvious that the speculative position built up in recent months is getting adjusted. At some stage or other, the bulls must take their profit or cut their loss, if any. And, when they do so, their opposite numbers are bound to exploit the situation. This is a regular feature of trading in all futures markets; the stock exchange is no exception to it. Once this squaring up activity is over, equities will stabilise in the neighbourhood of their intrinsic value. The present fall in values may, therefore, prove to be a passing phase.

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There has been no change in the assumptions on which equities rose after the 1956-57 budget. Nor have there been any new developments to neutralise the earlier ones, regarded as favourable to the private sector. It is obvious that the Government is as anxious as it was a few weeks ago to help the private sector within the confines of its socialist policy. Many leading business houses are extremely busy with their projects for expanding their existing industrial undertakings and for starting new ones. The private sector is very keen on playing its part in the execution of the second Plan, despite the serious limitations imposed on it by the Government's economic policy. It fully realises that to harp upon difficulties all the time and to remain idle is to invite early extinction and pave the way for a monolithic State.

Some instances of what the leading business houses are doing to further industrialisation were given in these columns three weeks ago. The latest instance comes from the Killick Industries Ltd., another leading business house of Bombay, always on the look out for avenues of expansion. It will be recalled that this house started manufacture of engineers' steel files only last year in the congenial surroundings of Chandivli Hills near Powai lake. This project has been faring better than was hoped by the promoters. Being thus encouraged by the success of its debut in the field of light engineering products, the Company is said to have firm plans to add several new lines of manufacture which may result in a full-fledged industrial estate coming into existence in Chandivli area. We learn that the Government has just sanctioned a plant to make nuts and bolts, as well as fish bolts and dogspikes, which are badly needed by the Indian railways. The Company has other plans, too, in mind. Refractories, rayon and paper are only a few of the other heavier projects which are under consideration. The refractory project, we are told, has gone beyond the blut-print stage.

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A significant development has taken place in the fight against inflation in West European countries. Hitherto, they were not willing to resort to physical controls, in the belief that fiscal and monetary measures will suffice to restore economic equilibrium. But now they are beginning to have second thoughts. Although these traditional measures have had some effect, the results have been slow and not entirely satisfactory. Inflation is still rife, affecting the external values of currencies such as the pound sterling and the French franc. There is, of course, no pressure yet on the D.Mark, but West Germany, too, is not free from the malady of inflation. The realisation that any further increase in interest rates might lead to fresh problems of a different nature is growing in strength. One of these problems is export of capital goods to underdeveloped countries like India. The monopoly of the West in these goods has been successfully broken by Russia and Eastern Europe. These countries are now in a position to supply plant and machinery, as well as technical know-how at competitive rates on liberal long-term credits carrying low rates of interest. The growing competition from the communist world has already begun to tell on Western Europe, as is evident from the reported speech of Sir Anthony Eden to the Commonwealth Prime Ministers' Conference now in session in London. In view of this, it is most unlikely that Britain will raise the Bank rate any further.

This inference is strengthened by Britain's move to freeze prices in an attempt to break the vicious spiral of wages and prices. The first step in this direction has already been taken. The National Coal Board has decided not to raise the pithead coal prices during the next 12 months, "unless something quite unexpected or exceptional happens." This decision was taken shortly after an increase in coal prices a few days ago. The Central Electricity Authority also has decided not to raise the tariffs, in spite of the increase in coal prices. The private sector, which has commended these decisions, is expected to follow suit. The most important question that remains to be answered is whether workers, too, will fall in line and abandon their demands for increases in their wages. Available indications of their attitude are not optimistic. That probably is the reason why the pound sterling is weak again. This week, it has dropped nearly half a cent in terms of U.S. dollars and come to be quoted under the parity rate of $2.80. Since the Conservative Government is opposed to devaluation of the £ as a matter of policy, there is no cause for the fear that it would resort to that solution. It would rather prefer to face a showdown with labour, in case the latter refuses to toe the line and insists upon protecting its bloated standard of living. Meanwhile, if the external pressure on sterling were to persist, what else could the Government do but extend the physical controls to other spheres of economic activity as well? It may, for instance, reintroduce restrictions on imports, a step which it has all along been valiantly trying to avoid.

While Britain has thus made a small beginning in the use of physical controls, France is resorting to it on a large scale. Even though its Bank rate at 3 per cent. is the lowest in Western Europe and can easily stand a rise, it is not using this weapon. Nor has it taken any material steps to restrict credit facilities. But it has given priority to freezing of price levels and profit margins, besides increasing the taxes.

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Further thought on the Government's new cotton textile policy confirms our earlier impression that it is a hotch-potch business and that the programme for installing 14,600 automatic looms may need some revision if the mill industry is to implement it successfully, as well as expeditiously. The Minister for Industries, Mr. Nityananda Kanungo, has now met the millowners at Bombay, Ahmedabad, Saurashtra and Calcutta, and ascertained their views. Mr. T. T. Krishnamachari will soon have a chat with the South Indian millowners. The Ministers will then pool their impressions and announce the details of the scheme. Two important points that emerge from the Government's new policy and will have to be satisfactorily dealt with may be stated as follows:

(1) The Government's intention seems to be that, out of the proposed 14,600 automatic looms, 12,500 should be allotted to mills on the basis of their actual performance in the field of cloth exports. The balance of 2,100 looms is to be distributed among mills which are not eligible on this basis but have other merits. Obviously, the Government will use its discretion here.

This proposal means that a mill wanting to install automatic looms will have to strive not only to maintain its present level of exports but also to export the cloth that will be produced on the automatic looms. In other words, this mill will have to modernise its existing equipment and take such other steps as are necessary to improve the quality of cloth produced on the ordinary looms. A large amount of capital expenditure will thus have to be undertaken in the near future. It remains to be seen how many mills are ready to avail themselves of this offer.

The chances of an adequate and prompt response from the industry to the Government's plan for the introduction of automatic looms will be better if the string (referred to above) attached to it is removed. Moreover, since no one could predict what would be the state of affairs in the world trade in cotton textiles, there is no practical value in this string. If conditions are favourable for export, almost every mill will automatically try to ship as much cloth as possible, to foreign markets. If conditions are not favourable, no amount of coercion by the Government is going to help.

(2) It seems that Government will allow imports of automatic looms only on the condition that, for every four foreign looms, a mill should buy one Indian-made loom. There is only one factory—Texmaco (Gwalior) Ltd.—in India that can make automatic looms. While no millowner is opposed in principle to the necessity for utilising indigenous capacity, there are some who feel that, in actual practice, this restriction of 4:1 will raise several difficulties. It is pointed out, for instance, that it will not be quite economical to have two different types of automatic looms. For they will have to maintain different sets of spares and parts. They feel that some other way should be found for ensuring full utilisation of the automatic looms made in India. One suggestion made is that those mills which are prepared to go in for Texmaco looms should be exempted from the proposed penal excise levy, if the cloth made thereon is used for domestic consumption.

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Seldom does Mr. K. R. P. Shroff, President of the Bombay Stock Exchange, disappoint his listeners. At the annual meeting of the Exchange, held this week, he made a speech which, like all other speeches he has made before, was both a clear and analytical survey and a stimulating review of current economic trends. The economic picture he painted was bright. But he also warned that it could easily turn dark, if the Government followed unrealistic policies. He was frankly alarmed by the "spate of loose talk and threats of expropriation." He hoped that the country would follow the late Lord Keynes' advice that "the important thing for the Government is not to do things which individuals are doing already, and to do them a little better or a little worse, but to do those things which are not done at all." These are wise words. Will the Government ever adopt this advice as its motto? The question is not whether it should but whether it will.

Why does Mr. Shroff consider the economic picture bright? Briefly, he attributed it to "steady agricultural output, expanding industrial production, a comfortable balance of payments position and a stable price level." These conditions are reflected in the accounts of joint-stock companies which reported better working results, well-filled order books, larger profits and increased dividends. He added: "The chain reaction of these forces stretched to the stock market in an unbroken run, and, touched off by the dynamic impulse of an ample money supply, equity prices blazed into a boom."

India, Mr. Shroff said in effect, was well set on the road to economic prosperity. "The stock market," he averred, "has its base in an economy which is fundamentally sound and a part of the rise in prices witnessed during the year represents the growth that normally takes place in an expanding system, planned for rapid development." He derived encouragement from the fact that "capital formation has visibly improved, the productive capacity has been enlarged and economic and financial stability has been maintained." And it is at this stage that Mr. Shroff felt it necessary to utter a warning. The picture, bright as it is, could be easily spoilt through "the pursuit of ideological will-o'-the-wisps." He pointed out that an outlay of Rs. 2,400 crores in the private sector and Government borrowing of Rs. 700 crores, contemplated in the second Plan, implied a big draft on the nation's financial resources. He added:

"In order to evoke the maximum possible investment support, it is necessary that those who save and invest should be assured of a measure of certainty, security and stability. Unfortunately, investors are being demoralised and investment confidence is being ruined by the spate of loose talk and the threats of expropriation in one form or another which have been emanating in an apparently endless stream from persons holding responsible positions and from those who are known to influence the mind of the authorities. These shock tactics have unsettled the stock markets time and again and sapped their inherent vitality. It does not have to be stressed that the policies pursued by Government in relation to financial matters, more particularly in regard to taxation and nationalisation, will be the most important single factor on which will depend the fulfilment of the Plan. Without broadbased public and investment support and healthy stock exchanges, the uninterrupted flow of corporate and individual savings and investment, so vital for development, cannot be maintained. The constant war of nerves must therefore cease if grievous damage to the capital market is to be avoided and investors are to play the important part assigned to them in the second Five-year Plan."

Mr. Shroff emphasised that "wealth must be increased before it is taxed and to invert the sequence is to set in motion a cycle of contraction in which consumption, production, employment and wealth diminish in turn." He subjected some of the Government's fiscal and other measures to a critical scrutiny. He felt that the taxation on income had already reached "expropriatory levels." He said that it was difficult to visualise what repercussions the denudation of capital, implied in the proposed annual tax on wealth, will ultimately have on the private sector. He declared:

"If resources are to be mobilised anyhow for meeting the requirements of the State sector and the private sector is to be treated as a residuary legatee, the question is whether private enterprise will be able to fulfil the target investment of Rs. 2,400 crores that has been allotted to it under the second Five-year Plan. The feeling cannot be escaped that the expansion of the State sector is being attempted irrespective of the cost in the pursuit of ideological considerations which bear little relation to facts or experience and that tax policy is being distorted into an instrument of power politics instead of being employed as one of economic development."

In the course of his speech, Mr. Shroff referred to a few specific issues such as the tax on bonus shares and the Government's insistence, in certain cases, on the issue of new shares only at a premium. He rightly pointed out that the tax on bonus issues against the unanimous recommendation of

(Continued on next page)

REACTION IN SHARES

INDIAN IRONS DESERTED

(From Our Own Correspondents)

BOMBAY, 28*th June*

THE week under review witnessed a reactionary trend on the Stock Exchange and equities failed to maintain the cheerful conditions noted in the previous week. Though there were no adverse factors to affect the sentiment of operators, they were not inclined to follow the rise noted last week. On the other hand, there was widespread liquidation under the leadership of steel shares. The news that the Tata Iron and Steel Company, Ltd. had finalised the terms of the loan agreement with the World Bank for financing its Rs. 75-crore expansion programme and that a formal agreement would be signed in a few days did not bring cheer to the market, so also the report that the output of T.I.S.C.O. for 1955-56 was the highest for any year in the post-war period. Under the terms of the agreement, the World Bank will give a loan of $75 million, or over Rs. 35 crores, to the Company, carrying interest at 4¾ per cent. per annum. The loan is repayable in eleven equal instalments, the first one falling due in 1959-60 on the expiry of three years after the signing of the agreement.

In the steel section, Tata Ordinaries retreated from Rs. 204-4 to Rs. 202 early in the week. After a recovery to Rs. 204-8, they gave way again to Rs. 199-12, thus nearly wiping out the entire gain made in the previous week. The Rights were Re. 1-4 lower at Rs. 64. Indian Irons dropped from Rs. 37-14 to Rs. 37-3½ before regaining to Rs. 37-12. The improvement proved short-lived, as the shares slipped back to Rs. 36-9, the lowest level since 15th May last.

Leading counters in the textile section succumbed to selling pressure, but losses over the week were moderate. Bombay Dyeings declined early in the week from Rs. 654-6 to Rs. 646-14. After a sudden spurt to Rs. 655, they receded to Rs. 641-14. Centurys fell to Rs. 567, after an early advance from Rs. 569 to Rs. 575-8. Kohinoors also displayed a firm tone for some time, moving up from Rs. 373-8 to Rs. 379, but towards the close they were marked down to Rs. 371-8. Central Indias, however, gathered over the week Rs. 3-8 to Rs. 156. Finlays were maintained on balance at Rs. 340, while Gokaks shed Re. 1-8 to Rs. 233-8. Indu Ordinaries showed no change at Rs. 13-12. Morarjees gained Rs. 5 to Rs. 251-4, while New Greats were held at Rs. 254. Sholapoors receded from Rs. 1,925 to Rs. 1,750. Shree Niwas changed hands Rs. 3-2 lower at Rs. 213-12. Simplex were fairly steady at Rs. 218-4, following the publication of the Directors' report for the year ended 31st March 1956. The report not only showed excellent results for the past year but also disclosed that the new machinery had been installed and that permission had been obtained for the installation of an additional 15,000 spindles. Standards gathered Rs. 2 to Rs. 442, but Svadeshis were lower by Rs. 2 at Rs. 251. Swans declined by Rs. 3-12, while Tata Mills were held at Rs. 57. Coorla Spinnings came into the limelight with a rise of Rs. 13-2 to Rs. 178-2.

In the banking section, a rise of Rs. 2-8 to Rs. 160-12 in the quotation for Bank of Indias was the main feature. Punjab Nationals reacted from Rs. 59 to Rs. 57-4. Barodas were steady at Rs. 97-8, while Centrals fell by Re. 1 to Rs. 51 and their New shares by As. 8 to Rs. 52-8. United Commercials were a shade quiet at Rs. 51-8, while Unions were slightly better at Rs. 6-11½.

Selective enquiries were in evidence in the insurance section. New Indias, after declining from Rs. 46-12 to Rs. 45-12, recouped to Rs. 46-8. Indian Mercantiles were again up by Re. 1 to Rs. 44. Universals advanced sharply by Rs. 4 to Rs. 11. Vulcans were bid As. 12 higher at Rs. 15.

Electricity shares attracted selling pressure and prices gave way further on lack of support. Ahmedabad Electrics eased by As. 5 to Rs. 96-4. Bombay Suburbans were done As. 15 lower at Rs. 111-14. Surat Electrics reacted sharply from Rs. 121-4 to Rs. 118-12. Tata Hydros were quiet at Rs. 128-8. Tata Powers receded by Rs. 2-8 to Rs. 1,270 and Andhra Valleys by Rs. 17-8 to Rs. 1,180.

The miscellaneous section followed the general pattern of the market. In the sugar section, Belapurs shed Rs. 2-8 to Rs. 235-8, while Bhopals were bid Re. 1 higher at Rs. 15-4. Phaltans were dull at Rs. 155-8 and Walchandnagars at Rs. 255. Among cements, A.C.C. dipped from Rs. 195 to Rs. 189-12, before closing at Rs. 191. Digvijays were, however, better on balance by Re. 1 at Rs. 194. In the engineering and mining group, Alcocks declined by Rs. 7-8 to Rs. 347-8. Tata Locomotives were pushed down from Rs. 150 to Rs. 145-8. Premier Constructions gained Re. 1 to Rs. 191-8 on interested buying. Larsen and Toubros were done at Rs. 15-6 *ex-div.*, as against Rs. 16-5 *cum-div.* last week. Shivrajpurs fell sharply by Rs. 11-8 to Rs. 96-8, on reports that the Company's proposal to issue bonus shares had been shelved in view of the heavy bonus tax involved. B.B. Petrols were a shade quiet at Rs. 4-5. Indian Coppers were marked down by As. 4 to Rs. 7-2.

Shipping shares were steady. Scindias moved within a narrow range and closed an anna higher at Rs. 18-13. Great Easterns spurted from Rs. 18-2 to Rs. 19-4. India Steamships were, however, quiet at Rs. 9-2. In the transport group, Premier Automobiles were unchanged at Rs. 93, while Hindustan Motors shaded off from Rs. 10-4 to Rs. 9-12. Among miscellaneous industrials, Bombay-Burmahs were erratic, moving between Rs. 657-8 and Rs. 643-2, before closing Rs. 7-2 lower at Rs. 645-10. B.I.Cs were quiet at Rs. 10-13. Killick Industries gained Re. 1-8 to Rs. 161-8. National Rayons were fractionally higher at Rs. 232-12. Tata Chemicals shed As. 3 to Rs. 13-13, while Dhrangadhras were again a firm feature with a further rise of Re. 1 to Rs. 128. Tata Oils were marked up by As. 8 to Rs. 56-8 and Wimcos by Re. 1-4 to Rs. 186-4.

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Calcutta Stock Exchange

CALCUTTA, 27*th June*

The Calcutta Stock Exchange ruled distinctly easy during the week under review, in contrast with the lively note presented last week. Besides absence of fresh incentives, persistent uncertainty about coal prices was interpreted bearishly. The re-sealing of 2½ per cent. looms also acted as a damper. Operators were, therefore, extremely reluctant to extend their commitments. Some of them were even trying to unload their holdings. Consequently, equity values tended to move downwards.

Jute shares were depressed, thanks to selling pressure. Orients slumped by Rs. 23-8 to Rs. 135-8. Northbrooks dropped Re. 1-6 to Rs. 22-10. Nationals fell by a rupee to Rs. 23-14. Howrahs receded by As. 14 to Rs. 22-8. New Centrals declined by As. 7 to Rs. 17-8. Hastings, however, met with special enquiries and rallied Rs. 10 to Rs. 124.

Coal shares were also neglected. Among the former, South Karanpuras declined by As. 3 to Rs. 9-12. Talcahrs and Western Bengals lost As. 2 each to Rs. 3-5 and Rs. 7-2, respectively. New Bansdeopurs were quiet at Rs. 10.

Among cotton shares, Bowreahs shed Rs. 3 to Rs. 165. Kesorams eased by Re. 1-1 to Rs. 18-15. New Victorias were dull at Rs. 2-11.

Sellers dominated the trading in the engineering section and pushed down the prices of most of the scrips. Britannia new shares climbed down by Rs. 2-11 to Rs. 16-4. Textile Machinerys dropped Re. 1-7 to Rs. 23-2. Jessop & Cos. slipped by Re. 1-1 to Rs. 34-7. Indian Irons gave way from Rs. 38-2 to Rs. 37-3. Braithwaites shed As. 8 to Rs. 28 and Kumardhubis As. 3 to Rs. 10-7.

Mining shares lacked support. Karanpura Developments and Orissa Minerals receded by As. 8 each, the former to Rs. 24-12 and the latter to Rs. 27-5. Indian Coppers eased by As. 4 to Rs. 7-3. Burma Mines were unchanged at Rs. 4-1.

In the miscellaneous section, Indian Cables declined by As. 8 to Rs. 34-2. National Carbons suffered a similar loss to Rs. 26-12. At Rs. 10-13, British India Corporations were lower by Rs. 7. Indo-Burmas eased by As. 4 to Rs. 41-4. B.B. Petrols and India Steamships decreased by As. 3 each to Rs. 4-4 and Rs. 9-2, respectively. Calcutta Electrics shed an anna to Rs. 13-7.

Tea shares proved an exception to the general trend and were firm. The firmness was aided by the entry of Russia in the Indian tea market and upward trend in prices. Buying support ensued and quotations moved up. Gungarams spurted by Rs. 7 to Rs. 237. Tezpores strengthened by Rs. 2-12 to Rs. 28-8 and Rangamatees by Rs. 2-8 to Rs. 103-8. Dauracheras hardened by Rs. 2 to Rs. 13. Hattikhiras picked up Re. 1-12 to Rs. 23. New Samanbags Re. 1-8 to Rs. 25 and Hantaparas Re. 1 to Rs. 241. Ranicherras gathered As. 11 to Rs. 23-9. Methonis were higher by As. 5 at Rs. 26-4. Baghmaris rose by As. 4 to Rs. 29-10.

* * * *

Madras Stock Exchange

MADRAS, 26*th June*

The general appearance of the Madras Stock Exchange was cheerful during the week under review. Buying enquiries were somewhat encouraging, reflecting the operators' note of optimism with regard to the outlook for industries. Textile shares continued to meet with good demand, on expectation of better corporate results, following the expansion of cloth production now allowed by the Government. Electric company shares were also favoured well. The planting section witnessed selective buying support. The undertone of the market was steady.

The dividend announcements made during the week under review are given below:

Company	*Year ended*	*Dividend* Per cent.
Manar Estates	31-3-1956	15 (15)
Pullangode Rubber ...	31-3-1956	15 (17½)
Mercara Rubbers	30-6-1956	7½i (15)
Gnanambikai Mills ...	31-12-1955	12 (10)
Travancore Cements ...	31-12-1955	14½* (6½)
Krishnarajendra Mills ...	31-3-1956	9f** (10)
Lakshmi Mills	31-3-1956	15f† (25)

Figures in brackets represent the total dividends paid last year.

i—Interim, f—final. *—Making a total of 6½ per cent. **—Making a total of 14 per cent. †—Making a total of 25 per cent.

There was, as already stated, good demand for textile shares. Coimbatore Pioneers rallied Rs. 7 to Rs. 307. Radhakrishnas advanced by Rs. 5 to Rs. 305, Buckinghams by Rs. 4 to Rs. 202 and Cannanores by Rs. 3 to Rs. 187 *cum-div.* Coimbatore Cottons strengthened by Rs. 2-8 to Rs. 370. Metturs hardened by a like amount to Rs. 535 *cum-div.* Radhakrishna 'B's and Rajapalayams registered a rise of Rs. 2 each to Rs. 152 and Rs. 155, respectively. Pankajas were higher by Re. 1-8 to Rs 84-8. Anglo-Frenchs gained a rupee to Rs. 100. Rajalakshmis were better at Rs. 174, as against Rs. 173. Ranga Vilas gathered As. 8 to Rs. 105-8, Jawahars As. 6 to Rs. 12 and Adonis As. 4 to Rs. 12-12.

In the planting section, rubber shares put on a cheerful note. Vaikundams strengthened by As. 10 to Rs. 29-4. Rajagiris picked up As. 4 to Rs. 25. Kailas improved by As. 3-6 to Rs. 6-4-6. Teekoys put on As 2 to Rs. 11-10. Cochin Malabars were firm at Rs. 9-7, Malankaras at Rs. 32-8, Midlands at Rs. 22 and Travancore Rubbers at Rs. 13-10. Tea shares were, however, neglected. Coonoor Teas and Devasholas both receded by a rupee to Rs. 28. Haileyburias declined by As. 4 to Rs. 28 *cum-div.* Highlands lost a similar sum to Rs. 19 *cum-div.* Talayar Teas eased by an anna to Rs. 13-8. Coffee shares also failed to evoke adequate support, despite good export prospects. Consolidated Coffees declined by As. 3 to Rs. 20-11 and Coffee Lands by As. 2 to Rs. 24-1. Blue Mountains were lower by an anna at Rs. 5-13-6. Amalgamated Coffees, however, received special support and climbed up by As. 12 to Rs. 12-4.

Among miscellaneous industrials, Textools provided the brightest spot, with their quotations advancing by Rs. 3-8 to Rs. 182-8. Binnys increased by a rupee to Rs. 187. Andhra Scientifics strengthened by As. 5 to Rs. 16-6 *ex-div.* and Andhra Cement 'B's by As. 5 to Rs. 16-6. Nundydroogs moved up by As. 4 to Rs. 7-2 and Champion Reefs by As. 2 to Rs. 4-9. Mysore Papers were done As. 4 higher at Rs. 17-14. But Rallis fell by Rs. 2 to Rs. 45-8 for want of support.

Among electricity shares, Mangalores were wanted As. 6 higher at Rs. 14-10. Kumbakonams gathered As. 4 to Rs. 12-12 *cum-div.* South Madras rose by a like amount to Rs. 12-9.

Sugar shares were distinctly easy. Indias receded by As. 6 to Rs. 17-8. Jeypores and Kirlampudis declined by As. 4 each to Rs. 17-12 and Rs. 27-0, respectively. E.I.D.s lost As. 2 to Rs. 29-6. Deccans eased by an anna to Rs. 10-9.

MARKET GOSSIP

(Concluded from previous page)

the contrary of the Taxation Enquiry Commission and the amendment of Section 2(6A) of the Income-tax Act, whereunder reserves, whether capitalised or not, are deemed to be dividend and taxed as such in the aggregate when returned to the shareholders on the liquidation of the company were "instances of deliberate taxation of capital in the corporate sector in callous disregard of the baneful effects they are bound to have on companies and shareholders who save and invest."

Referring to the Government's insistence, as in the case of the T.I.S.Co. and the A.C.C., on issue of new shares at a premium, he said:

"Once permission to raise a certain amount of capital is granted, it should not matter whether the new issue is made at a premium or at par. So far as the shareholders are concerned, since the issue is offered to them *pro rata*, their stake in the equity of the Company is in no way affected. Nor are there any adverse repercussions from the general point of view. The argument that an issue at par would seriously disable new companies from obtaining their capital requirements is mistaken and misconceived. Whether an existing company should be allowed to raise fresh capital or not is a question of policy to be decided in the larger context of national economic development. If new enterprises deserve a higher priority and investment funds are in short supply, consent to existing companies should not be given at all. But, once consent is given, it is a necessary assumption that a certain amount of capital would be diverted to such issues and it is futile to argue that an offer at par would make them more attractive. Is it suggested that new issues of capital by existing companies should not succeed? If not, since the reduction in the quantum of funds available for investment is the same, whether the issue is at a premium or at par, the difficulties in the way of new companies obtaining their capital requirements are not diminished if existing companies are compelled to offer their new shares at a premium; nor are the difficulties increased, if the offers are allowed to be made at par. On the other hand, shareholders of joint-stock companies are badly in need of protection against the current ideological bias, the imposition of predatory taxes and arbitrary labour awards, the unfair charges of profiteering levelled at them and the expropriatory terms of compensation offered when their concerns are nationalised. In view of these developments, it is more than ever necessary that the customary camouflage of reserves in share premium and other accounts should be done away with and the paid-up capital of companies brought in line with their actual block. This is the only way to ensure that the size and magnitude of the investors' real stake in the business is seen at a glance from the balance-sheets and the profits earned by companies and the dividends distributed by them sensibly related to the shareholders' total capital. The insistence of the Capital Issues Control on existing companies issuing shares at a premium is, therefore, difficult to understand and no justification has been forthcoming for what can only be regarded as unwise and unnecessary interference."

There is nothing new in the foregoing observations of Mr. Shroff. They have been advanced with no effect by the Shareholders Association, of which he himself is the Chairman. That is not surprising, because his reasons are not sufficiently convincing. He has not stated, for instance, as to why, in the past, the very companies referred to by him issued new shares at a premium and why similar companies elsewhere in the world, the U.K. for instance, even now issue such shares at a premium. In any case, the fact that the new issues of the T.I.S.Co. and the A.C.C. are being avidly taken up by investors, despite the premia payable on them, as witness the keen demand for the "Rights" of the T.I.S.Co. and the spurt in the *ex*-Right quotations for steels and cements, does not bear out the contentions of the learned President of the Stock Exchange.

NEWS IN BRIEF

THE Government of India issued 310 licences for the expansion of existing industries in India during 1955-56, as against 226 in 1954-55.

The State-owned penicillin factory at Pimpri produced 1.13 million mega units during May 1956 —the highest figure since the factory went into production in August 1955.

India and Thailand have signed an air traffic agreement, which seeks to formalise the existing arrangement under which air traffic has been flowing between the two countries for some time now.

The Government of India will release rice worth Rs. 40 crores from its stocks during the next four or five months, with a view to keeping the price of this foodgrain at a reasonable level.

Talks between the Union Minister for Planning and the Minister for Industries, Pakistan, will be held in New Delhi at the end of July to settle procedural details regarding exchange of information on the position of floods in the two countries and measures to control them.

The Government of India has reduced the issue price of Burma rice from Rs. 18 to Rs. 16 per maund (net) in Bombay City, with effect from 21st June 1956. The revised price does not, of course, apply to cases where payments have already been made on or before 20th June 1956 and deals concluded.

In partial exchange for steel, Russia will take Indian tea. Russia has already entered the tea market in India with an initial deal of about 2 million lbs. to be put through by Indian traders in the Calcutta auctions. It is expected that a further 15 to 20 million lbs. will be purchased later.

The Union Ministry of Railways is considering the question of setting up a workshop for manufacturing railway coaches near Barauni, in Monghyr district. The power requirements of the workshop will be met from the Barauni thermal station. A survey of the area for selecting a suitable site will be undertaken shortly by a team of railway experts.

The Government of India has decided to set up a new service cadre of about 200 officers to run the growing number of industrial undertaking owned or managed by the State. In this connection, a scheme has been drawn up which provides for setting up a pool of senior officers, and recruitment will be similar to the special recruitment to the I.A.S. now proceeding.

The Government of West Bengal has undertaken a programme of intensive cultivation of jute, with a view to increasing its annual production by 8.28 lakh bales during the second Five-year Plan period. The annual yield of the crop during the first Plan period was 14.96 lakh bales. The present acreage under jute cultivation will not be increased, but the additional yield is expected to be achieved through improved methods of farming.

The West Bengal Government has finally decided to undertake legislation enabling it to acquire and develop land in slum areas for constructing buildings to provide displaced people with accommodation at a rent within their means. The project is estimated to cost Rs. 60 to Rs. 70 crores. The Central Government has agreed to advance 50 per cent. of the estimated expenditure as loan and 25 per cent. as subsidy. The remaining 25 per cent. will be subsidised by the State Government.

The Law Commission has taken up the task of the revision of the Land Acquisition Act and other Central Acts dealing with the acquisition and requisitioning of immovable property for public purposes. The Commission will make recommendations as to the lines on which these Acts should be amended, revised, consolidated or otherwise brought up-to-date. The Commission has invited individuals and organisations interested in the subject to send their views to the Under-Secretary, Law Commission (Statute Revision Section) by 31st August this year.

The Government of India has set up a new shipping corporation, called the Western Shipping Corporation (Private) Ltd., with an authorised capital of Rs. 10 crores and a paid-up capital of Rs. 5 crores. This Corporation, which was registered in Bombay on the 22nd inst., is a wholly Government-owned Corporation and will operate ships in certain Western runs. Mr. Nagendra Singh, Director-General of Shipping, will be the Chairman and Managing Director of the Corporation, in addition to his present duties.

The Government of India has made adequate provision to meet the transport needs of steel plants, according to the Union Minister for Transport. The arrangements include extension of berthing facilities at Calcutta, estimated to cost Rs. 13 crores, and speedier movement of heavy machinery for use in steel plants. The Government has also taken steps to speed up movement of coal to South India through Vijayawada and measures for doubling the line between Vijayawada and Madras. Besides, construction of certain new routes and cross stations has also been undertaken.

By a notification published in the *Gazette of India (Extraordinary)* on 26th June 1956 the Life Insurance Corporation Act will come into force on 1st July 1956. The effect of this will be to enable the Government and companies concerned to take certain preliminary action without waiting for the Corporation itself to come into being. In terms of section 2 of the Act, the Corporation will be established only on the "Appointed Day" which will be notified separately later. It is hoped to be able to establish the Corporation some time in August or in September.

The Government of India has decided to introduce State trading in cement and fix a uniform selling price for it with effect from 1st July 1956. With effect from that date, producers of cement will have to sell production and stocks as on that date to the State Trading Corporation of India (Private) Ltd. The producers will be paid the fair prices on an f.o.r. ex-works basis; the fair prices will be the prices which have already been determined by Government in respect of various producers. The uniform price at which the Corporation will sell cement will be Rs. 102-8 per ton.

An official Indian delegation led by Mr. S. Bhoothalingam, Secretary, Ministry of Iron and Steel, left for Europe on the 24th inst. to settle contracts for steel plants. The delegation will first visit Germany to finalise contracts to be entered into with a number of German firms which have offered to supply the various sections of the steel plant and rolling mills in the Rourkela Project. It will then leave for London to settle the details of the agreement with the British Steel Consortium for the construction of the third plant at Durgapur. It will also visit some of the European countries to conduct negotiations with leading firms to secure technical collaboration and specialised equipment for the manufacture of refractories and special steels.

The Tata Iron and Steel Company's Rs. 75-crore project to expand the capacity of its steel plant to two million tons of steel per year, will receive the help of American engineers, over 400 of whom have already arrived in Jamshedpur. The construction of the project is progressing satisfactorily and the expanded plant would start production from June 1958. Out of the total cost of Rs. 75 crores, Rs. 35 to Rs. 40 crores will be spent to procure equipment from abroad, for which world tenders have been invited. Equipment and machinery worth Rs. 17 to Rs. 20 crores have been purchased so far, mainly from West Germany and the U.S. The orders are being distributed among a number of countries, including Britain.

The Government of India has fixed the packing charges of cement for the quarter commencing from 1st July 1956, at Rs. 13-3 per ton. The price has been fixed in accordance with the announcement made on 27th March 1954, that packing charges for cement would be fixed every quarter on the basis of the average of the maximum and minimum market price for packing material during each week of the immediately preceding nine months *plus* Re. 1-4 per ton to cover incidental charges. On this basis, packing charges for the current quarter were fixed at Rs. 13-4 per ton. These charges are applicable to cement packed in new bags only. As for cement packed in old bags, the charges will be a matter for settlement between the buyer and the seller subject to the maximum indicated above.

The two-day conference of State Ministers for Co-operation, convened by the Union Government, will be held at Mussoorie on 1st July. The Conference will discuss matters pertaining to the setting up of State Warehousing Corporations and the selection of the centre for the Central Warehousing Corporation. The Conference will also discuss policy questions arising out of the implementation of the programme for co-operative development during the second Five-year Plan period. The programme for organising more than 10,000 large-sized credit societies by 1960-61, training of officials and non-officials for the Movement, organisation of co-operative marketing of agricultural produce and its linking up with credit—these are some of the other subjects which will be discussed at the Conference.

The Government of India has completed arrangements for importing nearly all the steel required during the current year from a large number of countries including Germany, the U.K., Belgium, France, Italy, Japan, China, the Soviet Union, Poland and Czechoslovakia. While the estimated indigenous production for 1956-57 is 1.2 million tons, the demand is expected to be 3 million tons. The Government of India has arranged to import, on a subsidy basis, about 1.8 million tons of steel, of which about 700,000 tons are expected on private account. Having thus provided for the current year, the Government is planning imports of steel for the next two or three years. A part of the requirements for the next two years has already been arranged and an official mission is now on tour in European countries for exploring additional sources of steel.

* * * *

From Abroad

An agreement has been reached among shipping lines operating between Malaya and Japan on a new rubber freight rate, thus ending the eighteen-month-old freight war. The shipping lines have unanimously agreed to stop offering low freight rates and rebates.

The U.S. Senate has approved of a Bill authorising the construction of an atom-powered merchant ship at an estimated cost of $37 million. The Bill, which has already been approved by the House of Representatives, will now be considered by a Joint House-Senate Committee.

Britain supplied stores worth about £11.5 million to the Government of India during the year ended 31st March 1956. The purchases, made through the India Store Department of the Indian High Commission, constituted a record so far and were higher than those from any other country in Europe during the year.

World production of automobiles hit a new high of 12,961,000 in 1955, according to the June issue of the United Nations monthly *Bulletin of Statistics*. Of these, passenger cars accounted for 10,782,300 and commercial vehicles for 2,179,400. The previous record year was 1950, when 10,128,000 automobiles were produced.

Exports of tea from Ceylon during the year ended 31st March 1956, amounted to 359.09 million lbs. as compared with 352.52 million lbs. in the previous year, despite a poor offtake by the U.K., Australia and New Zealand. This expansion was due to increased offtake by other countries, particularly Iran and Iraq, Africa and the U.S.A.

With effect from the 21st inst., export of raw jute from Pakistan has been freed from controls. The Central Government has granted general permission with effect from that date, until further orders, to any person or firm resident in or having a place of business in Pakistan and registered under the East Bengal Jute Dealers' Registration Act, 1949, to export raw jute to all countries in the world.

The use of commercial fertilisers has more than doubled since 1938, according to the U.N. Food and Agriculture Organisation (F.A.O.). In its latest yearbook, the F.A.O. says that world use (excluding U.S.S.R.) of nitrogenous fertilisers rose from 2.4 million tons in 1938 to 5.8 million tons in the year ended July 1955. Use of phosphoric acid and potash fertilisers also showed a considerable increase during the period.

West Germany topped the list of seventeen member-countries of the O.E.E.C. as the biggest steel producer in 1955 with an output of 21.3 million tons, as compared with 17.4 million tons in 1954. The U.K. produced 20.1 million tons, as against 18.8 million tons, and France (including the Saar) 15.8 million tons. The total output of the member-countries rose from 66.9 million tons in 1954 to 77.4 million tons, an increase of 15.7 per cent.

The Japanese shipping industry is stepping up efforts to rebuild its merchant fleet to the pre-war size. The Government is aiming at increasing the merchant fleet from the present tonnage of 3.2 million to 4.5 million gross tons in the next five years. In addition, the shipping companies propose to start construction of 40 ocean-going ships by the end of March 1957 and 40 more in the following twelve months.

Following the recommendations of a group of world recognised authorities on inland fisheries, the Food and Agriculture Organisation, Rome, will organise an international meeting of inland fisheries workers at Helsinki, Finland, from 24th to 26th July this year. The meeting will review the state and importance of inland fisheries in relation to world food economy. It will also make a critical examination of fisheries science as applied to inland fisheries and discuss the outstanding problems.

An exhibition of fishing equipment is being organised by the Government of Turkey to coincide with the Fourth Meeting of the F.A.O. sponsored by the General Fisheries Council for the Mediterranean, which will take place at Istanbul, Turkey, from 17th to 22nd September 1956. The exhibition of fishery equipment will take place from 15th to 22nd September 1956. The Turkish Foreign Trade Department will authorise the duty-free temporary import of equipment for display at the exhibition. Sales of equipment by exhibitors may be made within the limits of trade agreements between Turkey and the country of origin concerned.

A contract has been signed between the Government of Pakistan, on the one side, and the International Co-operation Administration and the International Engineering Company of San Francisco, on the other, providing for construction designs and operational plans for a $68-million dam to be built in East Pakistan. The I.C.A. has sanctioned $12.7 million for the project. The Pakistan Government has spent the equivalent of more than $10 million for equipment, excavation of the dam site and other preparations for construction and will also provide a further local currency equivalent to $20 million. An additional sum of $25 million in foreign exchange is required to complete this project.

PERSONAL

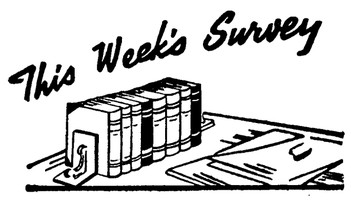
MR. J. R. D. Tata, Chairman of the Tata Iron and Steel Company, Ltd., returned from Zurich on the 26th inst.

Mr. Dharma Vira, I.C.S, formerly Indian Ambassador to Czechoslovakia, has been appointed Special Secretary to the Union Ministry of Rehabilitation.

Dr. S. R. Sen, Economic and Statistical Adviser, Union Ministry of Food and Agriculture, has been elected Chairman of the Committee on Commodity Problems of the F.A.O. of the United Nations.

Mr. J. D. Choksi, Vice-Chairman of the Tata Iron and Steel Company, Ltd., returned to Bombay on the 24th inst. after a two-month stay in the U.S. where he finalised the terms of the Company's loan agreement with the World Bank.

Messrs. N. K. Roy, S. R. Kalyanaraman and N. C. Deb, at present Directors in the Railway Board, Mr. K. Ramachandran, Chief Mechanical Engineer, Eastern Railway, and Mr. S. L. Viswanathan, Chief Engineer, Northern Railway, have been appointed Additional Members of the Railway Board.



AN URBAN SURVEY

IN recent years, there has been an impressive growth in urban population. Apart from the natural increase in population, there has also been a steady influx of people to the urban areas. The war created new opportunities for employment. Those who came to towns from their village homes preferred to stay in their new surroundings even after the earlier opportunities which first induced them to make the journey to the towns, ceased to be attractive. But the new spendthrift habits, acquired during the war-time conditions of illusory affluence, die hard. All this has created a new proletariat in the towns, hungry for houses, dissatisfied with their incomes and eager for jobs. Perhaps, the need to study this pattern is as urgent as that of the rural. But, while village life has recently been studied by various bodies, the urban living standards have not received the same attention. From this point of view, the socio-economic survey of the Hyderabad-Secunderabad area, conducted by the Indian Institute of Economics, is of special interest.

The Survey studied the living pattern of 32,173 persons in 4,899 households. The *per capita* income worked out to Rs. 22-8 per month, excluding pensions and unearned incomes of the sample studied. The number of employed persons was 8,070, daily workers constituting 12.8 per cent., salaried workers 52.1 per cent. and independent workers 35.1 per cent. The average monthly earnings of daily workers was Rs. 27.8, of salaried workers Rs. 95.7 and proprietory workers Rs. 107.2. In the employable age-group, the unemployed constituted 4.3 per cent. This is not perhaps a high figure in Indian conditions, especially considering that the duration of unemployment varied from only 9 to 12 months. It is, however, likely that the unemployed are a drag on the people who can ill afford to support them. The position is also bad from another point of view. Since 1948, there has been continuous retrenchment in several Government departments. The Survey found that "among big businesses, there is not much additional employment during the last five years." This is a sad commentary on the Government's commercial and industrial policy which makes it difficult for big business to expand sufficiently. If it could do that, it would help relieve unemployment in urban areas. No wonder the Survey finds that the "employment exchange touches but a fringe of the population." The exchange can hardly be expected to create jobs.

With earnings at such low levels and living costs continuing to rise, it is scarcely surprising that many households are in debt. The number of indebted persons was 2,759, the average liability being Rs. 2,187. The lenders in order of importance were: moneylenders (42.0 per cent.); commercial banks (20.9 per cent.); Government (17.3 per cent.); others—friends and relatives (16.7 per cent.), and co-operative societies (3.1 per cent.). In the urban as in rural, areas, moneylenders constitute the major source of finance and co-operatives the least important. It is some consolation that not all liabilities were unproductive, the proportion of productive liabilities being 60 per cent. of the total. The number of asset holders was 5,587, the average assets per asset holder being Rs. 10,083. But, if 47 "big cases" were excluded, the average asset would be no more than Rs. 5,988. It is not clear whether these assets represent unencumbered property.

Being an urban area, the Hyderabad-Secunderabad region shows a high literacy ratio. Among men, it was 75.4 per cent. and among women 46.7 per cent. It is, however, disturbing to be told that there are 1,013 households which have children of school-going age but do not send them to school. If schools have no attraction for the people, cinemas have. Among the households surveyed, 1,732 households go to cinemas, the average expenditure on this form of entertainment being Rs. 5.6 per month. Again, persons in 2,286 households frequent tea shops, the average expenditure per household being Rs. 6.8 per month. Thus, these two items absorb Rs. 12.4 per month. This is obviously a high figure, considering that the average income is still low. The Survey points out that the "expenditure on cinema shows and tea shops is disproportionately high and is at the expense of elementary needs of healthy food, clothing and shelter." Perhaps, this could be remedied only when the problem is tackled on both the economic and social fronts, through an increase in income and expansion of free and healthy cultural and recreational facilities.

PROTEST AGAINST TRADE UNION TYRANNY

A notable development in the U.K. is the formation of the "People's League" to fight what this organisation calls the trade union tyranny. This new body, which is rapidly acquiring a larger measure of support, owes its birth to certain disturbing trends in that country's labour movement. So long as the trade unions fought for their legitimate political and economic rights, the liberty-loving British were prepared not only to tolerate but even support the movement. Apparently, it is now felt that the trade unions have exceeded the well recognised democratic limits and are a danger to democracy and personal freedom. It is to this trend in political thought that the People's League owes its origin.

Some of the recent disturbing signs of the growing *malaise* in Britain's labour movement deserve notice. Without realising that the Press was the backbone of democracy, the press workers went on a totally unjustified strike. Again, in a certain factory, loyal workers were victimised by the trade union. In another factory, the union found fault with the workers who chose to work hard and improve their incomes. But what caused most exasperation to public opinion was the behaviour of trade unions in the Smithfield meat market. A certain butcher, Mr. Durrant by name, thought that he had the right to collect from Smithfield in his own van the meat he bought there. But he was told that, unless he employed the 'regular workers, the "bummarees," there would be no meat for him. Incensed by this affront to what he rightly considered his right, Mr. Durrant went to the court. The judge upheld his right. But the workers made it impossible for him to enjoy his right, for they threatened the wholesalers that, if they supplied meat to Mr. Durrant, they would go on strike. So the judgment was of no avail to Mr. Durrant.

These and other incidents of a similar nature have now served to awaken among the British a new spirit of inquiry. They are now asking whether the eight-million strong trade unions should hold the rest of the community (42 million) to ransom. They have now begun to feel that the trade unions are becoming a law unto themselves, a State within a State. They also realise that incessant wage demands, which the employers concede in order to avoid a strike, hit the consumers hard, bring down the value of money and damage the national economy. It is out of this heart-searching that the People's League has been born.

The objects of the League are:

(1) To organise public support for a policy which will afford protection and help for all citizens whose standard of life or freedom is threatened by the growing abuse of power by trades unions, or by administrative tribunals against whose decision there is no right of appeal to an independent judicial authority; (2) to uphold the liberty of the Press by sponsoring a printing undertaking free from trade union dictatorship; (3) to seek by all constitutional means to reform the law as it affects trades unions, in order that they cannot act as a State within a State or put themselves above the law; (4) to subject all expenditure of public money to rigorous and continuous scrutiny and to campaign for the progressive reduction of rates and taxes and the elimination of bureaucratic waste; and(5) to combine in protecting its members from any infringement of their traditional liberties from whatever source it may come.

In the near future, the League proposes to press Parliament to bring in legislation which will make the closed shop illegal, prevent unions from raising a political levy and outlaw strikes unless more than 50 per cent. of the membership of a union vote in favour of a strike in a secret ballot held by an independent returning officer and make the registration of trade unions compulsory. It will also call for law that will make it obligatory for every registered trade union to hold an election of officers, executive officials and members of the controlling committee at least once every five years. The election should be by individual vote in a secret ballot under the supervision of the Registrar-General. If less than 50 per cent. of the members cast votes, or no election be held, the union is to be struck off the register and disbanded and its funds made subject to the order of the Court. It will also press for legislation which will make payments made by members to unions for superannuation purposes to be returnable in full by law, if a member resigns, or is expelled from his union. Finally, it will demand that the present laws relating to trades unions be brought into line with the laws governing other associations of people. This means amending the Trades Disputes Act of 1906 so that unions will be liable for the torts of themselves and their servants.

The League, in a communication addressed to trade unions, has emphasised that it is in no sense anti-trade union. Only, it is opposed to the "growing tyranny and now anti-social tendencies of the union." It is opposed to restrictive practices "which are slowing down the tempo of production, which shield the lazy and idle and which are one of the main causes of inflation." It asks why a trade union should not be made responsible in law for losses incurred by other parties through the union's action, if "that action involves breach of contract in exactly the same way that business concerns, all other kinds of associations and individuals are." Finally, it argues that the trade union movement, "born to fight for the undoubted rights of the workers and to combat the economic power of the financiers and industrialists, is itself fast becoming an oppressor and is forcing those who suffer from its now selfish creed to combine for their own protection."

The moral of the People's League movement is obvious. If labour unions fail to carry the public with them and use their power in a way that is destructive of public interest they are bound to meet with opposition. In this country, too, the public is dissatisfied with some of the activities of the labour unions and even with some of the laws relating to unions. Thus, many people ask why they, as consumers, should not protest when the trade unions strike on some political or linguistic issue or when the strike is the result of conflict between two unions affiliated to different political parties. Again, the unions continue to demand higher wages regardless of the scale of wages of non-industrial workers. Although the Indian public is not so vocal as the British, the unions will do well to realise that they should win public sympathy or they would lose their battle.

WEST GERMAN ECONOMY

West Germany continues to be in the grip of a boom. Evidence of this is provided by the fresh measures to check the trade boom announced by Dr. Erhard, Minister of Economic Affairs, in a report submitted to the Lower House this week. The measures include tax incentives for stockpiling of imported commodities, tax incentives for small savings, hire purchase restrictions and curtailment of steps to boost exports. It will be recalled that, in October last, the W. German Government had launched a comprehensive scheme to check further expansion in industrial investment and to reduce price levels. The scheme, however, did not succeed fully in achieving the objective and, as such, the German Central Bank Council raised the Bank rate by a full 1 per cent. to 5½ per cent. with effect from 18th May 1956. Even this upward revision in Bank rate would appear to have not proved adequate to curb undue expansion in credit. The Government has, therefore, been compelled to take, as already stated, certain new measures to prevent the trade boom from gathering momentum.

One of the proposals put forward by Dr. Erhard relates to the grant of write-off allowances to importers, with a view to enabling them to build up stocks. The Bank Deutscher Lander has been requested to co-operate in implementing this proposal. The applications for export risk credits will, in future, be closely scrutinised and the Government "would have to refer foreign countries seeking export credits to the private German capital market." There are three other important proposals. First, the duration of hire-purchase contracts will be limited, minimum down payments enforced, and cash prices and hire-purchase terms clearly marked. Secondly, small savings will be encouraged, first, by tax incentives for savings blocked for a period of three years (up to 5 per cent. of income will be deductible, if 10 per cent. of income is saved) and, secondly, by issuing share certificates of State-owned enterprises through investment trust companies. Thirdly, the budgetary appropriations of the

(*Continued on page* 1275)

AMERICAN LETTER

PRESIDENTIAL ELECTION PROSPECTS

LITTLE CHANGE IN OVERALL ECONOMIC PICTURE

From Our Special Correspondent

NEW YORK, 15*th June*

PRESIDENT Eisenhower's sudden illness and subsequent operation has produced new uncertainties, even though his recuperation has been rapid and most satisfactory.

Bearing in mind the sudden death in office of the late President Franklin Delano Roosevelt, doubts have arisen in many people's minds whether the Chief Executive of the United States could physically stand a second term of four years, beginning in January 1957.

The decision whether he will be available for a second term rests with the President himself. His last widely publicised indisposition may have decreased his chances of winning voters, but there is no question in my mind that, if he decides to run, he will be re-elected.

If Mr. Eisenhower retires possible Republican candidates to replace him are ex-Governor Harold E. Stassen of Minnesota, now Special Assistant to the President, Chief Supreme Court Justice Earl Warren and Senator Knowland of California.

Mr. Stassen, after retiring as Director of the Mutual Assistance Programme, has been mostly concerned with foreign affairs and has been engaged as a trouble shooter. He had long talks with the Russian leaders when they visited London. He is the best known of likely successors. He was President of the University of Pennsylvania at one time and has great diplomatic ability.

Mr. Warren as Supreme Court Justice and ex-Governor of California has a lifetime job. He is a possibility, enjoys an admirable reputation, but is not too well known nationally and internationally.

Senator Knowland, also of California, has assumed considerable stature owing to his legislative activities. While he is Republican, he has disagreed with the Eisenhower policies on many occasions and, thus, has become a controversial figure.

On balance, therefore, if Mr. Eisenhower is not a candidate, the Republican ticket may well be headed by Mr. Stassen with Richard Nixon as Vice-President, a post he holds at the present time.

On the Democratic side, Senator Estes Kefauver has been left behind in the primaries and the principal contestants for the Presidential nomination are now Adlai Stevenson, former Governor of Illinois, and Averell Harriman, Governor of New York. At this point, Mr. Stevenson is way ahead of Mr. Harriman.

While stock prices broke sharply upon the announcement of President Eisenhower's illness, they have recovered since and there is little change in the overall economic picture of the United States.

Despite a slowdown in automobile production which has been one of the sustaining factors of the U.S. economy for years, steel production and the demand for bank loans continue at high levels. Much of the high demand for steel by fabricators and consumers was prompted, however, by the fear of a prolonged steel strike. Present labour-management contracts in that industry expire on 30th June and negotiations have proved fruitless, so far. Talks continue, though, between trade union representatives and the managements of the major producers.

Another interesting development is that 25 countries, with prospective capital subscriptions of $64,565,000, have now completed legislative action to join the International Finance Corporation, the proposed new affiliate of the International Bank for Reconstruction and Development.

The new company would invest in productive undertakings, in association with private investors without Government guarantees. In general, it would seek to stimulate and help create conditions which would promote the flow of private investments. The Corporation would come into existence when 30 countries have joined.

The five countries which have completed action on the project so far are El Salvador, Jordan, Norway, Pakistan and Sweden. Twenty-seven other nations have expressed their intention to join and several of these have completed the necessary action to do so. Their adherence in the Corporation is expected in the near future.

This development may be supported to a degree by the easier money rates which have been in evidence in the U.S. in the last few weeks. Dealers in bankers' acceptances have reduced their rates and the Federal Reserve Banks have furnished reserves to the commercial banks to take care of the loan demand to a greater extent than before, although official quarters still deny that there has been a change of policy.

The U.S. farm picture is better than it has been for some time. Prices have risen for the second consecutive month, not appreciably, but fractionally.

The prospects for retail trade in the second half of 1956 are generally regarded as excellent. Present estimates are that the 1955 volume of sales will be exceeded this year by somewhere between 3 and 5 per cent. This may be explained, in part, by the steady increase in personal income which is now running at an annual rate of about $318,000 million.

There is still some apprehension and fear of inflation, because of the rise in inventories and personal and business credit. Projected against the steady rise in population and in the demand for goods and services, it, however, seems to be disappearing more and more.

Foreign trade figures are also encouraging. Exports were about $4,200 million in the first quarter, up 12 per cent. from the first three months of 1955 and imports totalled approximately $3,200 million in that period, a rise of 18 per cent. These figures may be compared with the present Administration's request for foreign aid of $4,900 million. The latter figure has been pared somewhat in the meantime, but, eventually, appropriations will probably run somewhere between $4,000 and $4,500 million.

The demand for reductions was occasioned by the visit of Marshal Tito of Yugoslavia to Moscow and the cordial reception he received there, against the background of previous substantial aid from the United States.

"PEOPLE'S CAPITALISM"—WHAT MAKES IT WORK

Currently appearing in leading American periodicals is a public service advertisement on the nature of the U.S. economy prepared by General Electric, one of the outstanding industrial corporations in the United States.

The advertisement is titled "People's Capitalism—What Makes It Work for You." It points out that the "American brand of capitalism is distinctive and unusually successful," because "all the people share in its responsibilities and benefits."

The Company sees eight distinguishing characteristics of this "People's Capitalism"—characteristics that have been the subject of considerable comment in recent years by American economists and business men, including Philip D. Reed, General Electric's Board Chairman, and Ralph J. Cordiner, its President. In fact, Mr. Cordiner had occasion to expound at length on this theme only recently in the course of a series of lectures he delivered at Columbia University, in New York.

The advertisement observes that "we in America believe" in:

1. Opportunities for each individual to develop himself to his maximum potential.

2. High volume, and prices within the reach of all.

3. High wages, high productivity and high purchasing power occurring together. "They spell dynamic growth and progress."

4. Innovation and scrapping the obsolete. "By reinvesting earnings in research and in production facilities, American business is creating more jobs, better products and high living standards for everyone."

5. Consumer credit: Development and use of instalment sales techniques, to a degree unparalleled elsewhere, has helped develop new industries and enhance economic activity. Not specially stated, but definitely implied, is the boost given demand by consumer ability to buy and use goods while paying for them out of current earnings over a period of time.

6. Leisure for people through a comparatively short and highly productive work-week. This has led, in turn, to "great new industries which provide means for entertainment, for cultural pursuits, for sports of all kinds."

7. Broad share ownership of American business: "Millions of American families now participate directly in the risks and rewards of businesses as share owners, and almost everyone indirectly owns shares through insurance policies, savings banks, pension plans, mutual funds, trust accounts or other investments" that find their way into corporate securities.

8. Competition—"the spark plug" of the American economy, which keeps business "endlessly, urgently searching and researching for new and better products, more efficient methods of production and improved marketing techniques."

PRICE SQUEEZE

RETURN TO PHYSICAL CONTROLS

From Our Own Correspondent

LONDON, 23*rd June*

LONDON LETTER

THE Government have for some time tried to get the Trade Unions to agree to keep down their wage demands so long as the inflation "crisis" continues. But the unions are in no position to press such a matter with their members; many of them are already actively committed to a policy of seeking wage increases and the whole social and political background at the moment is in favour of more rather than less insistence on keeping up with prices.

The Government's next approach has been to industry, where they have, indeed, been anticipated by the employers who have taken the line that they will resist wage increases. But excellent as this may be as a policy, the employers know that it can only be pursued in a context of relatively stable prices; hence the Government has turned its attention to the general question of holding prices stable. If that can be done, they and the employers have a powerful reply to insistence on wage increases and the vicious circle may be broken. It is odd that a Conservative Government should be driven to break the cycle at precisely the point which their socialist opponents would also have chosen.

It is even more odd that the opponents of physical controls should have had to take their first step by virtually imposing controls on price levels in the nationalised industries. First, pressure was brought on the Central Electricity Authority last week, and Electricity Boards throughout the country have been told that even though they incur deficits they are to stabilise prices until next March. Electricity has now been followed by coal, where the Coal Board has decided to peg pit-head prices till next June, even though this may mean running at a substantial deficit.

The employers have welcomed these decisions to stabilise fuel prices and, with this lead, there is a greater chance that manufacturers generally will seriously try to hold their prices even at the expense of profits.

But this policy can only be successful if wages are also held, and the lead to be given by the nationalised industries in this matter will be as important as their lead in prices. The Government have already been told by the private employers that they look for the first show of firmness in the nationalised industries and next week the Government will be meeting the chairman of the nationalised industries to see whether a common front on wages can be established.

The problem is highly complicated, since the conditions on which the unions may be prepared to call off their concerted pressure for higher wages may not be acceptable to the employers. There is an equally grave danger that the nationalised industries may affect their price stabilisation policy at the expense of reserves for future development. If this is done it will mean, (*a*) that costs are still being allowed to rise, thus halving the efficacy of the price stabilisation move, and (*b*) that either the future efficiency of the industry is impaired or that the capital for development will be found out of inflationary borrowing, thus completely neutralising the effect of price stability. The answer comes back to the necessity for any price stabilisation policy to be accompanied by a cost stabilisation policy. We have seen the credit squeeze, now the price squeeze and the third move against inflation—provided the second is effective—will surely have to be a wage squeeze.—*All Rights Reserved.*

ESTABLISHMENT OF HEAVY MACHINERY INDUSTRY TO BE EXPEDITED

BRITISH AND RUSSIAN TEAMS TO VISIT INDIA

From A Special Correspondent

NEW DELHI, 26*th June*

IN the course of an interview to the Press at Madras the other day, Mr. C. D. Deshmukh, Union Finance Minister, is reported to have observed that the success of the second Plan would depend largely on the intensity of the implementation of the various development projects during the first two years. In other words, he was desirous that progress towards the targets for various industries should not only be kept up but also be speeded up, so that the initial success could generate confidence and fresh enthusiasm to maintain the tempo of progress in subsequent years. Although Mr. Deshmukh is not likely to remain at the helm of affairs, his ideas in regard to the second Plan are shared by many Ministers who happen to be in charge of various expansion projects in the country.

DELHI LETTER

In this task Mr. T. T. Krishnamachari, Minister for Commerce and Industry, has an important part to play by virtue of his being in charge of two leading Ministries which deal mostly with development subjects. Since the establishment of heavy machinery manufacturing industries is being considered extremely necessary and urgent, efforts are being made to accelerate the process of their early set up. It is well known that, by the middle of 1958 or thereabouts, steel production in the country will double itself from the present level. It is, therefore, considered necessary that, by that time, the indigenous engineering industry should be capable of utilising the steel produced in the country. While replying to the demands of grants for the Iron and Steel Ministry in April last, Mr. T. T. Krishnamachari stated that the progress of steel projects in Bhilai and Durgapur was more than satisfactory and that, in November next, he would be asking Parliament for heavy grants for meeting the increased commitments for these projects. Hence, it can be taken for granted that there will be a substantial increase in steel production before the end of 1958.

Foreign Help

It is now stated that a number of countries have been coming forward to help India in the establishment of heavy machinery manufacturing industries. An industrial mission, sponsored by the British Federation of Industries under the Colombo Plan, is shortly expected to visit India, in order to advise the Government in the matter. In case, the Federation follows the precedents recently established in the matter, it may come to an understanding with the Government of India in regard to capital, technical know-how, patent rights, etc.

Russia, too, will shortly be sending a technical mission of four persons for purposes of assisting India in the establishment of heavy machinery manufacturing industries. The arrival of this technical mission is the outcome of the talks held by the Soviet Vice-Premier, Mr. Mikoyan, when he visited India in March last, with Mr. T. T. Krishnamachari, Minister for Commerce and Industry. The latter appears to be anxious to have one or two factories established in this country on the model of the Soviet Ural Plant which is stated to be capable of manufacturing different items of machinery for different industries. As has been the case with the steel industry, for which India was able to secure the help of three or four different countries such as W. Germany, Russia, Britain and the U.S., it is possible that it may be able to get the help of three or more countries for setting up a machinery manufacturing industry also. There are reports that Japan too is interested in offering India technical aid, etc., for this purpose. It may be mentioned here that, towards the end of July, the Machine Tool Industry Committee will submit its report on the question of reorganising this industry on a more stable basis. That will give the Government of India an idea of the extent to which help from foreign countries will be necessary for expanding this vital industry.

During recent months, one particular development has been somewhat pronounced in the sphere of industries. In certain types of heavy industries, where some of the leading industrial nations of the West have been showing a sort of hesitancy in the matter of sharing their secrets or technical know-how with India, Soviet Russia and the East European nations have readily come forward to help the country. The dyestuffs, drugs, optical glass and raw film manufacturing industries are some of the industries that fall under this category.

At the meeting of the Industries Advisory Council held in the Capital this week, the question of establishing heavy machinery industries cropped up. Mr. T. T. Krishnamachari, Minister for Commerce and Industry, stated that a broad plan was being evolved to enable the country to produce two-thirds of its machinery requirements in a period of 10 years. At present, the Government is vigorously planning to bring about the early establishment of heavy-foundry-cum-forge shops. The task has been assigned to the National Industrial Development Corporation. The target for the steel foundry is placed at 15,000 tons capacity and that for forging shops and cast iron foundries at 12,000 tons and 10,000 tons, respectively. In all these cases, the capacity of the factory is likely to be kept flexible so as to allow further expansion as and when necessary.

Consumer Goods

In regard to development of consumer goods industries in the private sector, the Government's idea is that the private sector should try to undertake the responsibility of augmenting production even at short notice, so that the country could effectively arrest any inflationary tendencies that may develop later on. Even now, the Licensing Committee, established under the Industries Regulation Act, has been following a fairly liberal policy in the case of these industries. The targets laid down in the second Plan need not be taken as irrevocable and rigid, for expansions are being allowed wherever there is scope, so that there is a reasonable reserve capacity which could be utilised whenever there is need for doing so. At the latest meeting of the Industries Advisory Council, the Minister stated that he would be willing to increase the targets for consumer industries in case there was a good demand for their products. In fact, the Minister said that he would not like to wait for a period of six months or a year to review the whole position for purposes of Government according sanction for their expansion, but would take action once he was convinced that the country's economy needed an expansion in the production of particular types of consumer goods. He emphasised the need for producing quality goods at competitive prices by the indigenous industries.

The tenor of Mr. Krishnamachari's speech at the meeting of the Council showed his confidence in the country's ability to report impressive results in the industrial sphere in the form of establishment of new strategic industries and increased production by the existing industries. There is, therefore, every reason to hope that, in the coming months, the economic tempo will gather further momentum.

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same time, that the future of his own and his workers' children should be cared for.

An economy demands not only a balanced national budget, but also the correct relationship between exports and imports; but also an output of manufactured goods sufficient to ensure the maintenance and advancement of productivity; and a sufficient supply of consumer goods, so that the money in circulation through employment can be offset by the availability of consumer goods. If industry is reduced to complete dependence on State directives, not only does this minimise the vital competition between producers, as already mentioned, but the production of consumer goods is also regulated entirely by State considerations without regard for the claims of the workers. This fact has been proved repeatedly.

GERMAN ECONOMIC POLICY TODAY

DANGERS OF STATE OWNERSHIP AND CONTROLS

By Dr. H. C. Franz Blucher

German Vice-Chancellor and Federal Minister for Economic Co-operation

AN important point in considering the economic policy and economic systems of other countries is whether or not the countries chosen for comparison are to the same extent dependent upon foreign trade as Germany is today. A country which, thanks to its geographical position, its natural resources, population density and standard of living, can remain completely independent economically of relations with other countries, it is also independent in the matter of fixing costs. In determining its standard of living, it need only have regard to the fact that this standard shall not remove the urge for efficiency and progress. It is impossible in the long run to dispose of unequal competition by the artificial reduction of the prices of export goods. This tends to reduce the craving for efficiency on the part of the exporter, who trusts to his Government subsidies; it leads to fraudulent dealings at the cost of the subsidising Government, that is, at the cost of the community, and, above all, is conducive to a general rise in costs, since export subsidies can only be financed in one way, by raising the costs of goods for home consumption. This would be an endless spiral.

If industry is nationalised, or managed by planned economy in the hands of the State, or institutions entirely dependent on the State, the illusion is created that a complete control over economy has been attained. This belief, and the resulting commitment to some rigid national system, leads inevitably to complete loss of freedom. Wherever the State controls all fields of activity, including that of industry, directly or indirectly, it is inevitable that the employee should lose his independence in the struggle to determine conditions of work and living. It is true that a levelling-up of the standard of living conditions for all might be achieved, but the rights, which to us seem the most valuable gift of democracy, namely, the rights of freedom to organise, will only remain on paper. In effect, the State is in complete control and can refuse to tolerate any opposition to the terms of pay and work which it has laid down. In a socialised economy, of an economy conducted on State-planning principles, the trade unions lose their mission and effectiveness.

In spite of this it would be wrong to ignore the attraction of the slogans concerning the control of industry. What have we to offer as a counter-attraction, particularly in view of the coming struggles? Is it not possible for all parties inside a factory or business to live peaceably together, if all are fully informed as to the conditions essential to the life of the business, its requirements, difficulties, aims and results? Respect for the liberty of the individual, who is entitled to know the meaning of the work he does, should be evident in the form which this co-existence, this frank enlightenment takes. The Federal German Law on Industrial Relations concerning co-determination of the workers in a factory or business, should be used by employers as an instrument of progress.

If the individual feels himself esteemed in this way, he will respond, and will gain confidence and trust in what we have to say to him, namely, that only so long as the factory in which he works remains independent can such mutual discussions remain possible. He will then understand that the development which he has observed in his own factory has been the product of creative energy on the part of the owner, which could never emerge in a centrally controlled economic system. He will see that private property in a business, and the necessity of preserving and increasing this property, forces the owner and those working with him to develop ever greater efficiency, so as to cope successfully with competition. He will understand that the pronouncements about the values of competition are not merely fads of economic theorists, but that competition does indeed lead to an improvement in those articles which he, the worker, himself requires, or to a reduction in the prices of goods essential to him. He will also discover that the owner of a private enterprise is actuated by the desire that the worker should earn as much as possible at his job, and, at the

(Continued in previous column)

FLOW OF U.S. INVESTMENTS ABROAD

DIFFERENCES BETWEEN U.S. AND FOREIGN CAPITALISM INHIBIT IT

By G. Keith Funston

PRESIDENT, NEW YORK STOCK EXCHANGE

THE people of the world have seen a vision of a better life—and there are several things about that vision that are inescapable. The first is that it is spreading to every corner of the globe. The second is that, in the free world, venture capital is really the stuff the vision is made of. The years ahead are going to take unprecedented amounts of capital for heavy fixed investments. We have tried at the New York Stock Exchange to estimate the scope of what is likely to be required throughout the rest of the free world for the next five years. We find, for example, that more than $90,000 million of new capital will be needed to maintain the recent growth in *per capita* output. Unaided, the people of the world are simply not equipped to supply that amount of investment money. But, with American help, there is the prospect that a goodly amount of it can be raised. And our national self-interest—our need for raw materials and for new world markets—demands that we undertake the job to a greater extent than we have ever attempted. If we do—and there is tangible evidence that such a move is under way—we can hopefully expect to see in the next 25 years a boom in underdeveloped countries such as the world has never known.

Does the enterprising, equity (stock-share) minded U.S. investor fit into this picture? I am absolutely convinced that, over the long term, he does. Experienced investors have already shown they are alert to the opportunities overseas. Not since the 1920's have we witnessed so great a willingness to export our capital—first by investing in U.S. companies with overseas operations, and, second, by investing directly in foreign securities.

Paced by American firms doing foreign business, our private investments abroad in the years between 1946 and 1954 almost doubled to $26,500 million. And, in 1954, those investments earned a record $2,500 million. Moreover, to meet the needs of a people willing to venture foreign investments, U.S. bankers and securities brokers have stepped up their foreign activities. Despite the present willingness of many of our people to risk their money overseas, one cautionary note must be sounded—particularly where direct foreign investments are concerned. I believe that at present—and for reasons I will outline—a sharp line must be drawn between the experienced investor and the man who is new to ownership of stocks and shares.

Mass Investments

At the New York Stock Exchange, we are deeply committed to the concept of broadening ownership. We are also convinced that capitalism's greatest moments are still to come, and that they will be ushered in an era of "mass investments." We look to millions of middle-income Americans to invest some of their money in our great businesses, and to share the rewards and risks of ownership in an expanding economy. Ten years ago, the prospect of "mass investments" was a dream. Today, we see it happening, and it places a special responsibility on the Stock Exchange's organisation in their efforts to broaden the ownership base. That responsibility poses a peculiar problem for us in the field of foreign investments.

We are certainly aware of the great opportunities abroad. And we are also convinced that, as we strengthen capitalism here, we must be interested in strengthening it elsewhere—particularly where the potential is greatest. But we must recognise, too, the unhappy fact that there is a yawning gap between opportunity and fulfilment—between what the investment climate actually is and what we would like it to be.

The realities that plague overseas private investments throw a shadow over the prospect of profits. And candour dictates that the average U.S. investor—with whom we are most concerned, and who has an enormous investment potential—be advised that, at present, foreign investment fields are loaded with danger.

The U.S. investor who looks abroad often runs into a bewildering array of legal uncertainties and complexities, unless he chooses to invest in an American firm with overseas operations. If he is able and willing to surmount the obstacles, he faces an equally perplexing problem: the fact that most foreign companies bear almost no resemblance to their American counterparts, when it comes to full disclosure of financial data, the seeking of a widespread corporate vote in company affairs, and other sound, equitable stockholder relations policies.

The investor in American companies has increasingly been fed a diet of understandable statistics, periodic progress reports, and open accounting methods. As an overseas investor, he frequently finds himself a poorly-informed relation of the stockholder family—if he is informed at all. He has a healthy and natural reluctance against being weaned from his U.S. diet. And he naturally hesitates to risk his money without having the basic data necessary for his investment decision.

Nationalisation

Let us take a look at each of these problems a little closely.

First, there are the legal and regulatory uncertainties. American dollars are subject to multiple exchange rates that are complicated enough to confuse anyone but a mathematician. Discriminatory tax laws are designed, it often seems, to choke off the very flow of venture capital foreign countries most need. If the American investor decides his opportunities warrant pressing ahead anyway, he is likely to run up against laws limiting the amount of profits he can withdraw, and regulations governing the amount of capital he can transfer. And, finally, in certain countries he is all to frequently apt to meet with the most painful and unjust penalty of all—outright expropriation.

In an era, when many sovereign nations are just beginning to feel the first nationalistic effects of independence, the expropriation problem is by no means a dead or dying issue. For example, a United Nations committee, preparing a draft for the International Covenant on Human Rights, included a paragraph which said: "The right of people to self-determination shall include permanent sovereignty over their natural wealth and resources. In no case may a people be deprived of its own means of subsistence on the grounds of other rights that may be claimed by other States."

While national self-determination is a policy, we Americans recognise and respect, the language of the proposed draft—in what it specifically omitted mentioning—contained an implied endorsement by the U.N. General Assembly of the right of expropriation without compensation. Here then was a new barrier to Americans willing to export their capital.

The General Assembly is scheduled to consider this matter in detail later this year. We hope—and we shall continue to urge—that the United Nations recognise that, while a country may decide its best interests lie along the nationalisation route, investors must be assured of prompt, adequate and effective compensation. Otherwise, foreign countries will limit drastically their chances of getting American private capital.

Encouraging Signs

Fortunately, without expecting the millennium in removing existing obstacles, or denying that our own Government imposes some rather massive investment barriers through the capital gains tax and the double tax on dividends, there are good indications that progress is being made overseas. The McGraw-Hill Publishing Co.'s Economic Department reports that some 35 countries have passed or proposed laws to encourage U.S. private investments. New techniques are being developed to simplify exchange rates and speed the two-way flow of funds. Foreign Governments are reappraising their tax laws and offering new incentives to U.S. corporations. These are welcome developments and should be encouraged. They are a true barometer of the investment climate abroad. As the climate improves, it is logical to expect improvement in a second major obstacle I mentioned earlier—the area of "full disclosure."

There is more to this barrier, however, than the simple unwillingness to bare corporate secrets. Capitalism throughout the world has many faces—and not all of them are familiar to Americans. In the last two years, I have had the opportunity to visit some 10 foreign countries. To the U.S. business man there is nothing stranger than the insight such visits provide into the differences between our own and foreign brands of capitalism. "Enterprise" may go under the same generic name, but often the similarities are slight. It is a fact, not criticism, to say that, filled with our own success, we do not fully understand the pressures still operating on the business man abroad. And it is a fact, not criticism, to say that the foreign business man still does not grasp what has happened in the United States since the turn of the century.

The foreign business man does not understand, for example, an economic system that is fiercely competitive, that fights for markets instead of sharing them, that reports earnings and sales instead of concealing them, and most important, that woos stockholders instead of running from them. The sight of one of our American stockholder meetings, attended by hundreds or thousands of stock-share owners—an event we witness in the United States year after year—would fill many foreign business men with consternation. A programme such as the New York Stock Exchange is conducting to broaden stock-share ownership is, to most foreign business executives, as alien and distant as Mars.

I do not believe that, in the United States, we are especially determined to export our particular brand of capitalism. But, if it happens of its own accord, it is all to the good. It is noteworthy that more and more foreign business men are taking a long look at the full disclosure principles that have become basic to American companies whose stock and bonds are sold to the public. If these full disclosure principles are adopted overseas, it will constitute a major breakthrough in the field of international investment. New horizons for U.S. business enterprise will burst open, and will help satisfy, on a sound basis, the American appetite for foreign investments that has been whetted by the free world's prosperity. There are, of course, implications to American capital moving overseas that are broader than purely economic matters. The United States was built with the aid of foreign money. This pattern has been reversed.

Will Assist Nations

For Americans to increase the movement of their capital abroad will assist nations overseas to achieve a higher living standard, and will help them decide the kind of capitalism they are going to have. There is probably no more important decision for the free world to make. For, if other countries move toward the American concept of enterprise—and toward the idea we are developing for a broader, man-in-the-street kind of stock-share ownership—we shall have developed the strongest and most effective non-military weapon against communism.

There are signs, in fact, that foreign companies—particularly those of an international character—are moving closer to our full disclosure standards. The New York Stock Exchange is actively encouraging this process and the logical step that springs from it: the increased listing on our Exchange of foreign securities. Today, our "foreign roster" includes 300 stocks and bonds of foreign Governments and corporations. This makes the New York Stock Exchange the nation's leading market place for foreign securities.

Admittedly much will have to be done in the way of slow, patient education before more foreign firms understand and accept our standards. But I believe, by way of summary, that, in the free world, we are united behind a common economic goal—however difficult it may be to achieve. That goal calls for removing barriers impeding the flow of capital, and we shall achieve it simply because the United States needs raw materials, the free world needs U.S. capital, and the opportunities for both our friends and ourselves are fabulous. I believe, finally, we must look toward the day when foreign Governments will remove frustrating exchange regulations, permit free convertibility of funds, recognise the sanctity of private property, repeal discriminatory tax laws, and offer U.S. corporations greater incentives to develop foreign properties. History, I think, is on our side. It was Ralph Waldo Emerson, the American essayist, poet, and philosopher, who said:

"We rail at trade, but the historian of the world will see that it (trade) was the principle of liberty, that it settled America, and destroyed feudalism and made peace. . . . and kept peace . . ."

PROGRESS OF CO-OPERATIVE MOVEMENT

WEAKNESSES CALL FOR VIGOROUS ACTION

THE year 1954-55 witnessed all-round progress in the development of co-operation in India Thus, the number of all societies rose from 198,598 in 1953-54 to 219,298 in the year under review. During this period, membership of these societies increased from 15.18 million to 16.02 million and their aggregate working capital from Rs. 351.79 crores to Rs. 390.52 crores. According to the *Statistical Statements Relating to the Co-operative Movement of India for the Year* 1954-55, just published by the Agricultural Credit Department of the Reserve Bank of India, the Co-operative Movement is estimated to have covered 80.1 million or 21 per cent. of the population, as compared with 75.9 million or 20.2 per cent. in 1953-54. Another revealing feature of the Movement was that State Co-operative banks were functioning in all Part 'A' States, in all Part 'B' States and in six Part 'C' States in the year. Two new institutions were set up in Jammu and Kashmir and Bhopal in pursuance of the programme for the development of co-operative credit formulated by the respective State Governments in consultation with the Reserve Bank of India.

While quantitatively the Co-operative Movement has thus made notable progress, the same cannot be said regarding the quality of the Movement. The observations of Dr. J. C. Ryan, Chief Officer, Agricultural Credit Department, Reserve Bank of India, are worth noting in this context. In the course of a prefatory note to the publication mentioned above, he says: "A study of the statistics in the publication indicates that the Co-operative Movement which has completed five decades of its existence in this country is not evenly developed. While it has made considerable progress in some of the Part A States, it is inadequately developed in others and practically undeveloped in some of the Part C States. The mobilisation of local resources or the banking and credit services rendered by the co-operative sector are extremely uneven as between the different parts of the country."

Some Defects

The statistics reveal also other defects. Agricultural credit societies continue to hold a dominant position, while development of other types of societies lags behind. Even among the agricultural credit societies, the regional distribution is uneven, the bulk of them being concentrated in Part A States. The membership per society is so small that the vast majority of the societies are uneconomic units. To quote Dr. Ryan again: "Although agricultural societies, as a whole, continued to be predominant and registered appreciable progress, yet, in several States, their existence was nominal. The low membership of societies, their small area of operations, poor owned resources and deposits leading to excessive dependence for funds upon central financing agencies (which themselves are, in many States, weak and uneconomic) are some of the weaknesses which characterise agricultural credit societies and thus emphasise the need for immediate remedial action." It is with a view to remedying these defects that the All-India Rural Credit Survey Committee has recommended a scheme of integrated credit which, in effect, envisages reorganisation and strengthening of the credit structure with larger units covering wide but compact areas, adequate turnover, paid management, State partnership and linking credit with marketing. A programme of development on these lines has been drawn for the next five years and it remains to be seen how far it would succeed in eliminating the defects.

Agricultural Credit

To return to a review of the trends. Agricultural credit societies which constitute the base of the Co-operative Movement, showed marked progress during 1954-55. The number of these societies increased from 126,954 to 143,320, and constituted 78.8 per cent. of the total number of agricultural societies. Their membership rose from 5.85 million to 6.57 million and their working capital from Rs. 54.41 crores to Rs. 62.93 crores. Loans advanced by the societies were higher at Rs. 35.48 crores, as against Rs. 26.48 crores in 1953-54. The increase in the number of societies was mainly shared by U.P., Madhya Pradesh and Bombay.

An analysis of the working capital of agricultural credit societies reveals that owned funds, which stood at Rs. 23.96 crores in 1954-55, represented 38.1 per cent. of the total working capital. Deposits were larger at Rs. 5.44 crores, as against Rs. 4.61 crores in the previous year, but they formed only 8.6 per cent. of the working capital, as against 8.5 per cent. This calls for more vigorous measures for inculcating habits of thrift and savings in rural areas. Another point to be noted is that the working capital of the primary agricultural credit societies in Bombay, Madras, U.P., Andhra and Punjab alone accounted for as much as 53 per cent. of the total working capital of such societies in the country. This reflects the lack of uniform development of co-operation throughout the country, as already mentioned. Borrowings from Central financing agencies and Government amounted to Rs. 33.52 crores and constituted 53.3 per cent. of the working capital. This increased dependence on outside help is also a weakness which should be gradually reduced, if co-operation is to stand on a stable footing.

Non-Agricultural Credit

Non-agricultural credit societies also recorded steady progress during the period under review. Their number and membership increased from 8,389 and 2.73 million to 9,348 and 2.85 million respectively. The working capital of these societies improved by Rs. 8.33 crores to Rs. 78.32 crores. Here, again, as many as 55.2 per cent. of the societies were concentrated in the States of Bombay, Madras and the Punjab. The working capital of non-agricultural societies amounted to Rs. 78.32 crores. Unlike in the case of agricultural credit societies, well over half, 62.4 per cent. to be precise, of these funds was accounted for by deposits. The loans given by the societies amounted to Rs. 62.12 crores, as against Rs. 60.52 crores. Outstandings stood at Rs. 54.98 crores, of which Rs. 5.60 crores were overdue.

The activities of the State non-credit societies also expanded considerably during the year under review. Their number rose from 42 to 60, and their business turnover from Rs. 5.74 crores to Rs. 7.6 crores. The central non-credit societies numbered 2,599 and had a membership of 1.81 million. They sold goods worth Rs. 50.45 crores, as compared with Rs. 36.51 crores.

The number of primary agricultural non-credit societies stood at 30,197 at the end of 1954-55. They accounted for a membership of 2.49 million and a working capital of Rs. 20.72 crores. Their sales, however, registered a decline from Rs. 33.74 crores to Rs. 27.04 crores. The position of non-agricultural non-credit societies, however, did not show any improvement. As many as 24,666 societies had a membership of 3.15 million, as against 21,137 societies with 3.17 million in 1953-54. Their sales decreased from Rs. 45.0 crores to Rs. 31.65 crores.

Apex Banks

As stated already, there were 24 co-operative apex banks. Their owned funds (share capital and reserves) together stood at Rs. 6.54 crores, as against Rs. 5.61 crores. Their working capital rose from Rs. 40.84 crores to Rs. 47.63 crores. The owned funds thus amounted to 13.7 per cent. of the working capital. Deposits showed a moderate rise and constituted 60.8 per cent. of the working capital. Of the total deposits of Rs. 28.95 crores, only Rs. 13.91 crores were from co-operative institutions, the balance being from individuals and other sources. There was also an increase in the loans from Government from Rs. 1.05 crores to Rs. 3.41 crores. A substantial share capital of these apex banks was accounted for by State participation such being of the order of Rs. 126.04 lakhs out of Rs. 323 lakhs. The total advances made to banks and societies rose slightly from Rs. 42.57 crores to Rs. 42.78 crores. Overdues rose from Rs. 2.76 crores to Rs. 3.91 crores. The investments of these banks amounted to Rs. 14.38 crores, of which Rs. 13.52 crores (or 94 per cent.) were in Government securities.

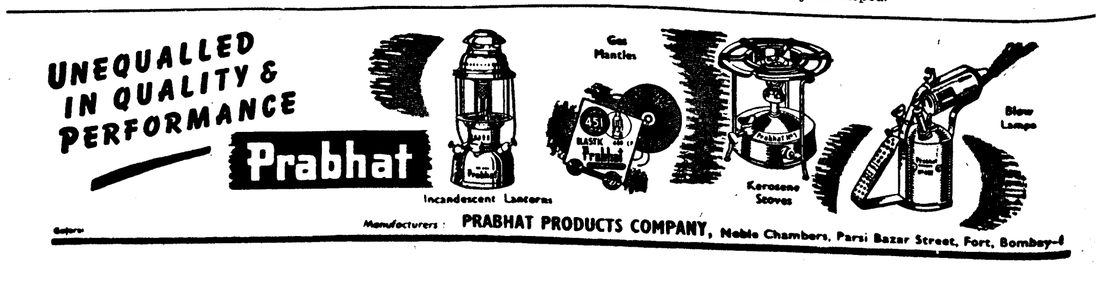
Owing to the rationalisation of central banks pursued in certain States, the number of these banks declined from 499 to 485. Their membership, however, rose from 248,000 to 272,000. The paid-up share capital and reserves stood at Rs. 13.05 crores, as against Rs. 11.80 crores. Their working capital aggregated Rs. 73.69 crores, an increase of Rs. 7.58 crores over the year. In the case of these banks also, owned capital accounted for 17.7 per cent. of the working capital. Deposits, at Rs. 46.37 crores, represented 62.9 per cent., and borrowings at Rs. 14.26 crores, 19.4 per cent. of the working capital. Loans advanced by these banks improved from Rs. 64.70 crores to Rs. 69.17 crores. Repayments to central banks at Rs. 65.07 crores fell short of fresh loans advanced amounting to Rs. 69.17 crores. Investments of these banks aggregated Rs. 19.88 crores, of which 61.4 per cent. were in Government securities.

Land Mortgage Banks

An analysis of the capital structure of central banks reveals that a large number of them are in a weak position. The average share capital per central bank was as low as Rs. 2 lakhs in States other than Madras, Andhra and Bombay, where it was Rs. 6.05 lakhs, Rs. 5.21 lakhs and Rs. 4.38 lakhs, respectively. Again, in seven States, the average share capital per bank was less than Rs 50,000. Similarly, only in four States, namely, Madras, Bombay, Andhra and Travancore-Cochin, did the average working capital per central bank conform to the standards of minimum working capital suggested by the Standing Advisory Committee, namely, Rs. 20 to Rs. 25 lakhs. Further, in many States there is an excessive number of central co-operative banks and banking unions. Consequently, the number of societies affiliated to each central bank is often too small to admit adequate business turnover. This underlines the need for an amalgamation of some of these banks.

In the sphere of long-term credit, no marked progress was visible in the development of land mortgage banks. Their number remained unchanged at 9 during 1954-55, the States covered being Andhra, Bombay, Madras, Orissa, Hyderabad, Mysore, Saurashtra, Travancore-Cochin and Ajmer. In Orissa, Saurashtra and T.C. States, no primary land mortgage banks existed. The loans advanced by these banks rose from Rs. 1.92 crores to Rs. 2.43 crores. These institutions depended on the issue of Government guaranteed debentures for their resources. Debentures of the value of Rs. 12.71 crores were in circulation in 1954-55. Of this, 63 per cent. were issued in Andhra and Madras States alone.

There were 292 primary land mortgage banks during 1954-55 as against 291 in the previous year. Loans advanced by them amounted to Rs. 1.45 crores, as against Rs. 1.40 crores. The rates of interest charged ranged between 5½ per cent and 9.3/8 per cent. In Bombay and Mysore, however, for certain purposes, the rates charged were 3½ per cent. and 4½ per cent. respectively. Here, too, as in the field of short-term credit institutions, the Movement is unevenly developed.



FIRST DECADE UNDER EMPLOYMENT ACT IN AMERICA

ECONOMIC PROGRESS PHENOMENAL

By Arthur F. Burns

CHAIRMAN, COUNCIL OF ECONOMIC ADVISERS TO THE U.S. PRESIDENT

WHEN I was a student at Bayonne High School, economic issues were actively discussed by my classmates. We took public affairs seriously and had no inhibitions about criticising the policies or actions of Government. Few of us, however, saw a need for any expansion of governmental responsibilities in the economic realm. Ours was a land and time of opportunity. Jobs were plentiful. Anyone who had a taste for work could look forward confidently to improvement in his economic condition. Once he accumulated a little capital, he could start a business of his own or acquire a share in some going enterprise. The environment in which we lived was responsive to new methods, new products, new ideas, even new faces. We had watched our city grow through the initiative and efforts of individuals seeking to better themselves and their families. The road to success that we saw ahead was the road that our fathers had travelled. We had little sympathy or patience with the reformers whose theories we examined and debated.

The thinking of my classmates was typical, I believe, of the thinking of Americans, both young and old, around 1920. As a people, we saw little need for governmental intervention in economic matters. We recognised that there was ample room for economic improvement, but we felt that progress was promoted best through the enterprise of individuals. We knew, of course, that poverty existed in the midst of plenty, but we were inclined to regard the poor as the chief cause of their own poverty. We knew that unemployment and business failures at times increased sharply and we deplored such developments. Yet we believed that economic fluctuations performed a useful function and that it would be unwise to tamper with their course. We reasoned that economic adversity stimulated people to practise thrift and industry, that it served to weed out inefficient workmen and enterprise, and that economic progress was thereby furthered. As long as these views prevailed, the occasional pleas of reformers for governmental measures to moderate economic fluctuations were largely ignored or resisted.

Antidote to Marxism

The catastrophic depression of the 1930's forced most of us, however, to re-examine our economic ideas, and so too did inflation during the 1940's and the spread of communism after World War II. From hard experience, we have learned that self-reliant workers as well as the shiftless lose their jobs when business activity falls off appreciably, and that at such times well-managed enterprises often follow the inefficient into bankruptcy. We have learned that inflation can wipe out people's savings in bank accounts, Government bonds, and life insurance policies just as decisively as can prolonged unemployment. We have also glimpsed the fact that our widely shared prosperity is a powerful weapon in the ideological struggle that of late has been stirring men's minds in distant lands, and that the continuation of prosperity is our best answer to the Marxist prophecy of economic crisis and collapse of the Free World.

The momentous events of the past quarter century have not shaken our faith in the power of free enterprise to bring about economic improvement. On the contrary, we continue to resent any unnecessary intrusion of Government into private economic affairs, just as our fathers did. We continue to regard initiative, industry, dependability, versatility, thrift, and self-reliance as conditions of progress for the individual. We have come to recognise, however, that the success of the individual depends not only on himself, but also on the condition of the nation's economy and on the integrity of the dollar. We now recognise that, in a troubled international world, both federal taxes and expenditures must remain heavy, and that, in these circumstances, governmental activities necessarily have a significant impact on the private economy. We entertain no illusions about the infallibility of Government officials. Nor do we believe that it lies within the power of Government to guarantee prosperity. We have learned, however, that the Government can help to moderate the swings of the business cycle, and we have resolved that it do so within the framework of free enterprise on which our nation's strength is founded.

Origin of the Employment Act

Ten years have elapsed since the Congress, with an overwhelming vote of the membership of both our great political parties, declared that it is the continuing responsibility of the Federal Government to promote maximum employment, production, and purchasing power under conditions of free and competitive enterprise. The Employment Act, which embodies this basic declaration of policy, was the outcome of prolonged discussion within the nation and the halls of Congress. As World War II drew to a close, grave fears were expressed by many that the demobilisation of our armed forces, together with sharp cutbacks in the production of military goods, would lead to mass unemployment such as had characterised the 1930's. This view was not shared by all students of economic affairs. There was, nevertheless, a broad consensus that storms of business depression must not again be left to themselves, that the Federal Government should assume responsibility for fostering a more stable rate of economic growth than had ruled in the past and that the Government could best promote this objective by proceeding systematically instead of trusting to improvisations under conditions of emergency.

With these thoughts in mind, the members of Congress hammered out the Employment Act of 1946. This Act required that the President submit to the Congress every January, or more frequently if he deemed it necessary, an Economic Report on the state of our economy, on its emerging needs, on the contribution of existing governmental programmes to the nation's economic strength, and on policies for promoting maximum employment, production, and purchasing power. The Act established a Council of Economic Advisers to assist the President in following and handling continuously this range of problems. At the legislative end, a Joint Economic Committee, composed of members from both the House and Senate, was established to appraise the President's economic programme and the great issues surrounding it.

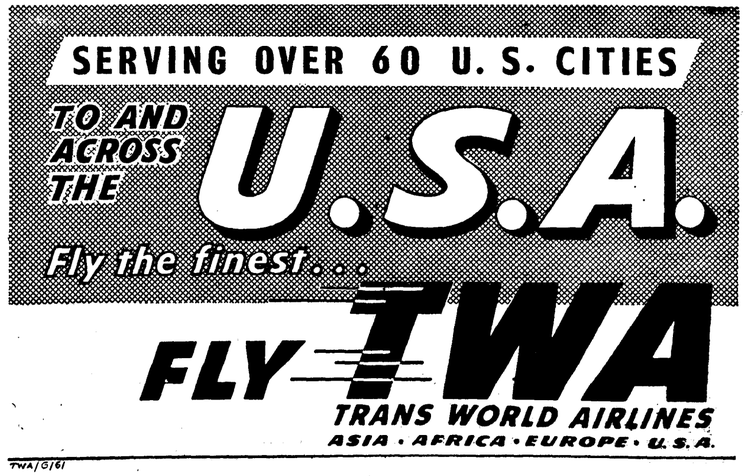
The Employment Act had a stormy history before it became law and it was only natural that opinions concerning the new law at first differed widely. Some people felt that the Act would prove ineffective, because it failed to specify how the economy should be bolstered in the event of deterioration in economic conditions. Others felt that, although the Act was inarticulate on method, it gave a clear mandate to Government officials for pursuing a full-employment policy and that, in their eagerness to do so, they would heap one mistake on another and end by intensifying the fluctuations they sought to prevent or to moderate. Still others felt that sizable unemployment would indeed be avoided under the new Act, but only at the cost of progressive price inflation or of steadily increasing governmental intervention in economic affairs.

These and similar criticisms subsided as experience under the Employment Act accumulated. Today, there is broad agreement that our economy is stronger than a decade ago, that the scope of free enterprise is larger, that the Employment Act has established serviceable procedures for promoting stable prosperity, that it has crystallised the nation's continuing interest in this problem, and that the flexibility of approach encouraged by the Act has proved to be one of its most constructive features. In view of the upward sweep of prices between 1946 and 1951, the question continues to be debated whether the Act tends to encourage inflationary policies. However, the cost of living has been substantially stable since 1952, and this has strengthened the hope that we may be able to conduct our economic affairs so that we have both general prosperity and a reasonably stable dollar.

Learning from the Past

Our ability to maintain a stable prosperity has not yet been fully tested. But we have made some progress in economic understanding, and we are learning to profit from the mistakes of the past. During the hard times of the 1930's the Government took numerous steps to relieve depression, first under the Hoover Administration, later, and on a bolder scale, under the Roosevelt Administration. The efforts at recovery were, however, nullified to a considerable degree by new and higher taxes. The Revenue Acts from 1932 to 1936 reduced tax exemptions for married couples and single persons, raised the maximum rate of the personal income-tax from 25 to 79 per cent, raised the estate tax rate from a maximum of 20 to 70 per cent., imposed a new gifts tax with a maximum rate of 52 per cent., levied numerous new excises, increased the tax on capital gains and on corporate profits, and imposed a new tax on undistributed profits. These onerous taxes reduced the spending power of both individuals and businesses. Worse still, by coming in quick succession and creating uncertainty about the objectives of governmetal policy, they weakened the incentives of business men and consumers to undertake capital expenditures. Innovation, private enterprise, and private investment languished.

The lesson of this experience is that, unless people have confidence in their own economic future and that of their country, prosperity will not flourish. When the present Administration came into power, it put this lesson into practice by moving swiftly to generate a mood of favourable expectations. Price and wage controls were removed and free markets were broadly restored. Steps were taken to discontinue activities, such as the manufacture of rubber, which private enterprise could handle as well or better than the Government. A broad programme of reducing public expenditures was initiated, with a view to releasing resources for the expansion of private enterprise. The Excess Profits Tax on corporations was discontinued, the personal income tax was lowered, and a broad programme of tax reform, involving both individuals and business firms, was proposed to the Congress. At the same time, the need for enlarging public facilities, especially highways,



was stressed. These policies, which were either announced or put into effect during the first year of this Administration, dispelled the lingering fears of economic stagnation that had been carried over from the 1930's. They broadened the horizons of business men, investors, and consumers, and stimulated millions of people to seize or create new economic opportunities.

But, if we have learned the importance of confidence as an economic factor, we have also not overlooked the teaching of history that the confidence which generates prosperity may become excessive and excite ill-considered investments, an imprudent use of credit, and speculation in inventories, securities, or real estate. We have come to recognise that such developments must be restrained if serious economic trouble is to be avoided.

Thus, toward the end of 1954, it became clear that a vigorous economic recovery was under way, that full employment might be reached in a matter of months, that some signs of overemphasis on speculation were already at hand, and that the swelling tide of demand might soon send prices soaring. In these circumstances, the proper course of governmental policy was to apply restraints that would be powerful enough to prevent inflation, yet not so effective as to choke off prosperity. Throughout the past year, therefore, banks were put under pressure to restrict their lending. The restraints were applied gradually but persistently and fearlessly. They included not only general controls over the extension of credit, but also specific controls over stock market credit and mortgage credit. At the same time, the clamour to reduce taxes was successfully resisted, and the Government's housekeeping operations—particularly the stockpiling programme—were so managed as to relieve the pressures of an expanding economy. There can be little doubt that our recent success in maintaining prosperity, with the price level fully stable in consumer markets and advancing only moderately in wholesale markets, is largely attributable to these policies.

A third lesson of experience is that it is not enough to prevent an inflationary boom, if what we seek is the avoidance of depression. Business recessions have many causes apart from inflation. Once a recession gets a good start, whatever the original cause or causes may be, it tends to spread rapidly from one activity to another. In the early stages of recession, when the confidence of business men and consumers is still apt to be high, mild measures can prove effective. On the other hand, if governmental action is withheld until a recession has gathered momentum, strong and costly remedies may become necessary. In keeping with this principle, our monetary authorities shifted quickly from a policy of credit restraint to a policy of credit ease when the first signs of an impending recession began to appear around the middle of 1953. Later, in September 1953, although unemployment was still very low, the Government announced that sizable tax cuts for individuals and corporations would become effective at the end of the year, so that people would have more money to spend or invest. These bold and early actions broke the force of this recession.

Still another lesson we have learned from experience is that, even with the best of precautions, Government officials may misjudge the economic situation or delay taking corrective actions. For these very reasons, it is desirable to strengthen devices like unemployment compensation which, besides meeting other tests of general welfare, serve to counteract automatically either recessionary or inflationary tendencies. One of the memorable achievements of the Roosevelt Administration was the introduction of a Federal-State system of unemployment insurance, which injects increasing sums of money into the income stream when unemployment is rising and removes increasing sums from the income stream when unemployment is declining. The result is that fluctuations in the flow of income from production are to some degree offset without the need of debate or decision.

We have also learned from experience that, if a maximum of benefits is to be derived from efforts to moderate the business cycle, the economic policies of our far-flung Government must be integrated, so that they become mutually reinforcing. Effective integration requires leadership, good economic intelligence, close communication among high officers of the Government, and orderly administration. For example, the policy of preventing inflation without impeding economic growth, on which so much emphasis was placed last year and to which I have already referred, involved actions not only by the Federal Reserve Board, but also by the Treasury, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Office of Defence Mobilisation, the Federal Housing Administration, the Veterans Administration, the Housing and Home Finance Agency, the Federal Home Loan Bank Board, and others. Each had a part to play in a general and concerted policy. *It would not do for one Government department or agency to stimulate inflation while another was fighting it.*

Several steps have been taken in the past three years to improve the practical administration of economic policies. The Council of Economic Advisers was reorganised and its relation to the President made more effective. An Advisory Board on Economic Growth and Stability now brings together once a week top representatives of the leading departments and agencies concerned with economic matters. The statistical services of the Government have been strengthened. The Cabinet is playing a larger role than in the past in policy decisions, and a secretariat has been established for recording and following up the decisions reached at its meetings.

As I look back over recent years, I therefore see progress being made in numerous directions toward carrying out the purposes of the Employment Act. Nor is progress confined to governmental practices. Business men have found that it is to their advantage to budget capital expenditures at a fairly even pace, rather than vary them in response to minor fluctuations in sales. They have found that it is better to increase advertising expenditures when sales fall off than to reduce them. Most important of all, they have learned that, under conditions of modern technology, it is perilous to neglect research and development work. *A generation ago, when a group of business men got together, they were apt to compare their recent profit experience. Today's business men are as likely to compare their capital and research budgets. They look forward rather than backward. They expect the economy to grow and want to be in a position to participate adequately in the expanding markets of the future.*

The rush of progress surrounds life all around us. Currently, the physical output of goods and services is 11 per cent. larger than in 1952, and 40 per cent. larger than in 1946. Civilian employment is five per cent. above that of 1952, and 17 per cent. above 1946. The number of families in the middle and high income brackets is growing rapidly. Last year, 56 out of every 100 families had equivalent real incomes. We live better than we did ten years ago. With the exception of farmers, whose incomes in recent years have suffered on account of technological developments and unrealistically rigid price supports, our increasing prosperity is being shared widely. The ownership of a good home and automobile has become the rule rather than the exception of American life. Consumer capital—that is, dwellings, automobiles, refrigerators, and other durables—now substantially exceeds in value the plant and equipment of all our industrial and business establishments.

The workshops of America are humming with the energy of a free and progressive people. The spirit of enterprise has never been stronger. Public enlightenment is increasing. We are learning that the creative forces of free and competitive enterprise, on which earlier generations dwelt justly yet somewhat too exclusively, can derive new impetus from the humanitarian impulses released by our own times. Governmental policies are encouraging individual initiative, innovation, and investment, and yet are ever mindful of the needs of the individual for protection against the hazards of unemployment, inflation, old age, illness, and blighted neighbourhoods. It is in the recent articulation and balance of these policies that a large part of our renewed economic strength lies. There are grounds for confidence that this balance will be continued and that, although there may be pauses in the advance of prosperity, our economic progress will be maintained and extended.—*Exclusive to "Commerce."*

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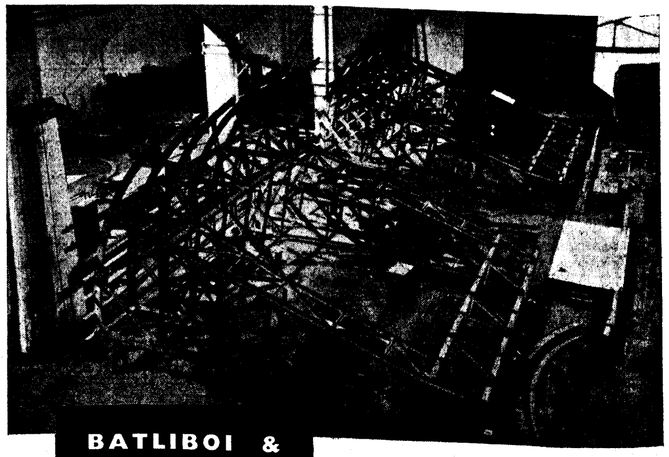

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BISTA'S B-56

COTTON IN COMMONWEALTH ECONOMY

EXPORTS OF RAINWEAR GOODS MOVE UP

By A Special Correspondent

MANCHESTER, 19*th June*

MANCHESTER LETTER

AN assurance that Lancashire cotton mills need no longer fear droughts, floods or a catastrophic pest attack in one Empire territory as production in other Commonwealth areas could make up for any such loss, was given by Lord Derby, speaking as President at the annual meeting of the Empire Cotton Growing Association.

He commented on the big increase in the amount of Empire cotton imported into the United Kingdom in the past few years. Commonwealth crops 30 years ago were almost negligible, he said, and, even in 1938, supplies reaching this country were still under 10 per cent. of total consumption. In the present season, however, over one-quarter of the cotton used in Britain had come from the Sudan and Nigeria alone.

In addition, in areas where cotton production had increased, the growers had more cash to buy British goods. British East and West Africa now absorbed 21 per cent. of Lancashire's exports of cotton cloth against only 7 per cent. before the war.

The Corporation, Lord Derby said, had been founded mainly to lessen the degree of dependence of Lancashire mills on cotton supplies from any one source. Whereas 35 years ago 70 per cent. of the cotton used in Lancashire came from the United States, the quantity taken in the 1954-55 season was only 28 per cent. of total imports and was less than the supplies received from the Sudan, East Africa and Nigeria.

Financial Aid

It was announced that financial aid for cotton growing in the Commonwealth would in future come mainly from the Colonial Governments rather than from Lancashire sources. Mr. James Littlewood, Chairman of the Council, said substantially increased contributions amounting to £95,000 a year had been guaranteed by the Governments of Uganda, Kenya, Tanganyika, Nyasaland and Nigeria. This rate of contribution would continue for five years starting from April next.

The Corporation had been notified that the Cotton Board, which had been providing a grant of £32,000 a year for research work sponsored by the organisation, had decided to discontinue this contribution. The decision was based on the many other calls on its funds and the changed conditions in the Colonies where cotton growing was prospering. The Board had agreed to provide a reduced grant of £15,000 during the current year and negotiations were proceeding on a revised application for £10,000 a year submitted by the Corporation for the next four years.

Mr. Littlewood urged the Board to reconsider its decision on this point, as otherwise the Colonies would feel that the cotton industry in Lancashire had abandoned its interest completely. The amount involved, he said, was not an unnecessary expense to the industry but was a valuable investment which would bring increased dividends in the years to come.

One of the instigators of the discussions which originated at last year's Cotton Board Conference at Harrogate into the size and structure of the cotton industry in Lancashire was Mr. J. F. Simpson, Chairman of the Cotton and Rayon Merchants' Association. His paper presented a clear-cut version of current circumstances and suggested certain ways in which the apparent redundancy could be tackled. It provided the basis on which subsequent talks took place between leaders of the industry.

Compact Industry

No formal proposals sprang from the discussions which ensued and it became clear that the various sections held divergent views on this highly controversial topic. Those who were anxious for a definite scheme of organised contraction were held back by a spirit of inaction among other sectional interests, who believed that natural economic forces would eventually result in a smaller and more compact industry.

In his final speech as Chairman of the Merchants' Association last week, Mr. Simpson returned to the subject and reiterated his views. "The adoption of the law of healthy bankruptcy as being the best method of achieving a more streamlined industry is much more likely to bring hardship in its train than would a more regularised form of procedure," he said.

The fact that many firms in the producing sections are public companies leads to wider publicity for their changes of structure and amalgamations. Mr. Simpson, without giving details, indicated that a similar movement has been taking place among the merchanting community. "During the past year many merchants have left the trade," he said, "some having given up business altogether and some having been absorbed by others. The trade is being gradually concentrated among those firms who are determined and efficient enough to overcome the changing conditions and the increasing fierceness of competition."

Mr. Cyril Lord, the campaigning Lancashire textile manufacturer, broke into a Press Conference in Manchester, describing himself as a reporter for a national daily newspaper and figured in a sharp clash with Mr. A. R. W. Low, Minister of State at the Board of Trade. The Minister had been discussing export problems with representatives of all types of industry in the area.

When questions were invited the versatile Mr. Lord, who has recently been carrying out a single-handed propaganda campaign for Government action to help Lancashire, was ready with a running series of questions which he read from a sheaf of papers. Repeatedly Mr. Low appealed for an opportunity to finish his replies and the exchange rapidly became confused.

The main argument of Mr. Lord appeared to be that the Government was still content to allow the entry into this country, duty-free, of cotton cloth from the Commonwealth. He wanted to know whether the Government wanted a textile industry ("Please answer yes or no"), what steps it proposed to take "to make sure the textile industry is here in five years," and why Britain was "the only country in the world" allowing these duty-free imports. Mr. Low said the answer to whether the Government wanted a Lancashire textile industry was "yes," and as far as the duty-free imports were concerned, Mr. Lord knew the answer perfectly well. It was because of Britain's arrangements with the Commonwealth and our Colonial policy.

Before Mr. Lord had warmed to his cross-examination there had been a placid few moments during which Mr. Low described his discussions in Manchester as the most successful he had had in the City since he became a Minister and the most valuable since he had started visiting different parts of the country to discuss the export situation.

Rainwear Exports

Exports of British-made rainwear have been stepped up despite import restrictions in many overseas markets, according to Mr. H. Weinberg, Chairman of the British Rainwear Manufacturers' Federation. In 12 months 794,670 rainwear garments, worth £1,936,275, were shipped abroad as compared with 626,856 garments, valued at £1,664,576, in the previous 12 months, he said in his report, presented to the annual meeting of the Federation in Manchester. He added: "Not content to rest on past laurels, firms have moved with the times, keeping abreast of and leading in the field of fashion and the introduction of new fabrics and proofings. "They have gone out overseas to sell and the figures achieved are a tribute to their pioneer spirit and tenacity."

Mr. Weinberg said the general picture of overseas prospects last year was a gloomy one with local production preventing all but a trickle of rainwear exports to these markets. The same applied to most European countries. But big efforts were made to expand exports to the dollar markets.

The British Government's readiness to allow a reduction in import duties on rayon woven fabrics has been criticised by Mr. R. W. Pennington, Chairman of the Rayon Weaving Association. Rayon was probably the most dumped commodity in world trade, he told the annual meeting of the Association. "Why then," he asked, "if tariff concessions are called for from the United Kingdom does the Government start slicing off a chunk of duty on goods that are notoriously dumped, especially at a time when dumping is getting worse and we have no other measures to deal with it?"

Mr. Pennington said the move for reductions in duties on rayon woven fabrics came from the industry's European competitors. "These are the very people who have boosted their exports by tax concessions, yarn rebates and other forms of artificial aid. If the Government really wants to reinforce its exhortations over the past years to abandon these practices, has it ever considered applying a little pressure by telling these countries that no reductions in U.K. tariffs on goods affected by these practices could be considered until they have been abandoned?"—*All Rights Reserved.*

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RECOMMENDATIONS OF AMBAR CHARKHA COMMITTEE

SALIENT FEATURES OUTLINED

THE Government of India's acceptance of the recommendations made by the Ambar Charkha Committee—called the Khera Committee—referred to in our Survey columns last week, was officially announced on the 19th inst. The announcement is in the form of a Press note which merely lists the suggestions of the Committee, numbering 43. The Press note does not contain any reference to the divergent views reported to have been expressed by the representatives of the Central Commerce and Industry Ministry, the Finance Ministry and the All-India Handloom Board. This omission from the Press summary is a serious one and gives rise to the misleading impression that there was unanimity among the members of the Committee over the potentialities of Ambar Charkha, though, in fact, that was not the case. The aforesaid representatives, we are told, have differed materially from the members associated with the Planning Commission, the Production Ministry and the *Sarva Seva Sangh*. A substantial summary of the viewpoints of these members of the Committee would have enabled the public to form its dispassionate views about Ambar Charkha after knowing the pros and cons of the programme. The omission is all the more regrettable, considering that the time taken between the publication of the summary and that of the full text of the report is invariably long.

The general view of the Committee, the Government's Press note says, is that Ambar yarn "is fairly even and strong and suitable for weaving on handlooms." It is not known whether this conclusion has been based on adequate data relating to the economic and technological aspects of the charkha. The dissenting members on the Committee are, however, said to be of the opinion that the available data are not sufficient to justify the conclusion of the majority on the technical potentialities of the charkha. There is also said to be some difference of opinion among the members on the fatigue factor involved in operating it. The dissenting members, it is stated, feel that more research is required on the subject.

Decentralisation

Be that as it may, the Ambar Charkha project recommended by the Khera Committee is based on the system of decentralisation. Thus, it is recommended that the Ambar scheme should be progressively decentralised, with the Government or the Khadi Board limiting its functions to the distribution of financial assistance, technical and organisational advice, research, and co-ordination. The scheme should be integrated with the Community Project areas and National Extension Service wherever such projects are sufficiently established. It must be implemented through co-operatives. Incidentally, the Committee has suggested the setting up of (1) a special section or a Directorate, strongly staffed by persons qualified and experienced in the technical aspects, economics, statistics and administration of large-scale organisation of village industries, including Community Projects and co-operatives to watch continuously and closely the progress of the scheme for the first two years; (2) a Textile Research Centre, with regional centres to be formed in due course, mainly devoted to decentralised spinning and weaving; and (3) finishing and stocking centres for Ambar cloth which will be needed as production expands.

In the opinion of the Committee, Ambar Charkha should be manufactured on a fully decentralised basis, village carpenters from the Ambar areas being trained and supplied only with the essential precision parts from a central agency. Subject to organisational problems being solved in a practical manner, Ambar yarn produced for weaving will, except for the training to be imparted, be *spun* only in the spinners' homes and not at spinning centres. Special stress is laid on the need for bringing into the scheme to weave Ambar yarn the existing handlooms, instead of setting up new handlooms specially for the Ambar yarn. In this connection, the Committee observes: "Members of weavers' families should be trained and supplied with Ambar Charkhas in preference to others. At least 75 per cent. of the new spinners must be from weavers' families until nearly all such families are provided with at least one charkha set. ... As part of the first phase of the programme, the traditional charkha should be progressively replaced by the Ambar Charkha. Next would come the looms now using mill yarn in the neighbourhood of existing spinners of khadi yarn."

The Khera Committee has urged the implementation of the Ambar project as far as possible in areas where cotton is locally available and where handloom weaving is intensively practised and where there is greater need for providing employment. "The Ambar Project," to quote the report, "should be incorporated with the progressive realisation of regional self-sufficiency and provide for the increase in the consumption of Ambar cloth in local areas. This will contribute to the realisation of the goal of doing away with the subsidy in the production of Ambar cloth. The scheme should be so organised as to ensure that the yarn produced does not accumulate for want of weaving."

Subsidy

With regard to subsidy, the Committee has recommended a single-point subsidy at the cloth stage of a minimum of As. 4 in the rupee, exclusive of the cost of training, subsidised cost of Ambar units, interest on working capital advanced to co-operatives, etc. The subsidy should be given at retail sales point on 75 per cent. of the cloth produced and at the production stage on the remaining 25 per cent. (produced for self-sufficiency). It, however, emphasises that special effort should be made in the first instance to bring down the need for subsidy to As. 2, the ultimate objective being the attainment of a point where a subsidy will no longer be necessary in decentralised spinning and weaving.

The Committee wants the progress of the Ambar Charkha project to be reviewed annually, the future prospects being examined with special attention to technical improvements, quality of the product, productivity, workers' earning, subsidy element, etc. The following are the specific suggestions put forward by the Committee:

The experimental steps of the scheme should continue for some time longer; experiments should be on an increasing scale, in keeping with our other recommendations.

Both intensive and extensive efforts should be made for improvements in the design of the Ambar Charkha, both in the spinning units and in the Belni. A design competition for the spinning unit, to conform, *inter alia*, with Gandhiji's specifications, should be organised by the Government.

Much more experiment and testing should be done on productivity of yarn on the Ambar Charkha, to see if it can be more than six hanks a day, after three months of training and practice. Experiments should be conducted to reduce wastage in spinning to the minimum and possibilities of re-using or otherwise utilising the wastage should be explored.

Special attention should be given to training of both spinners and instructors. Training should be regular, systematic and sufficient. Six weeks of training, followed by six weeks' practice, is considered to be the minimum. The training scheme should keep pace with the plan for production. At the end of the three months' training, every spinner should have an Ambar Charkha set in his home for immediate use, without break. Training should culminate in a test and certificate of proficiency. The full cost of training should be met by the Government.

Disposal of Cloth

With regard to the disposal of Ambar cloth, the Khera Committee points out that the Government should purchase, to the maximum extent possible, Ambar cloth to meet its requirements. According to the Committee, the market in Ambar cloth should be carefully watched and tested, under Government supervision, in regard to the price at which Ambar cloth can find a ready market. Apart from emporia in the larger capitals of the country, there should be a network of sales depots in districts and rural areas. Sample rooms may be opened under the marketing organisation in important cities and samples of items, along with information about rates and ready stocks at different production centres, may be kept in the sample rooms, in order to secure orders and to do wholesale business.

The Committee is of the view that the concept of "certification" by the Khadi Board should gradually give place to that of a normally decentralised village industry. Ambar cloth should ultimately take a natural and not a special place among the various kinds of cloth to be bought and sold.

Other Recommendations

The Khera Committee has made six other important recommendations. These are:

First, the cost of training, depreciation and maintenance element in the cost of the Ambar Charkha set itself and the indirect subsidy given by the Government by way of loans free of interest should not be included in the built-up cost of Ambar yarn.

Secondly, the distribution of Ambar Charkha sets should be subsidised to some extent. In the first instance, the set is to be charged to full cost to the spinner to whom it is supplied, the cost being payable in easy instalments over five years, free of interest. It should be open to the appropriate agency authorised by the Government, when approximately half the cost has been recovered, to decide, in the case of particular persons or a class of persons, as to whether part of the remaining half of the cost should be treated as subsidy. One of the main criteria in deciding upon the subsidy should be the use made of the Charkha. In order to be eligible for the subsidy, the user of the Charkha must be able to demonstrate that the Charkha has been gainfully used to approximately 75 per cent. of the rated capacity.

Thirdly, working capital should be provided, free of interest, at 60 per cent. of the annual production of Ambar cloth, that is, Rs. 500 per Ambar Charkha set, with a six-monthly assessment of the requirements. The assessment should be made at least three clear months before the period for which the requirements are assessed. The working capital must be free of interest, for the manufacture and supply of Ambar Charkhas, at the rate of about 50 per cent. of the cost of the Charkha sets to be made and supplied in any one year, that is, an amount equal to six months' production.

Fourthly, the daily wages earned at spinning should be kept under constant watch and studied by the Government. A flat piece rate of 1¼ annas a hank for all counts for the present, would be reasonable, based on spinning counts, from 16's to 32's.

Fifthly, growing of cotton staples suitable for the Ambar Charkha (¾" to 1") should be encouraged in all villages as part of a drive for self-sufficiency in the C.P.A. and agricultural programmes.

Sixthly, generally speaking, yarn produced with the Ambar Charkha should be made up to 24 counts, since this Charkha is best suited for the manufacture of yarn up to this count. There should be adequate arrangements for quality control of yarn spun in bulk. Charkhas should be adequately tested for quality and performance before being used for production.

The foregoing details of the Ambar Charkha scheme as evolved by the Committee reveal that, while assigning to the Ambar Charkha the role of the big provider of additional employment, the Committee has taken as the basis of operation complete decentralisation. Whatever may be the merits of this approach, it is highly doubtful whether, in actual practice, the programme will be implemented on a decentralised basis. If the present position were to continue, as it well might, the Ambar Charkha would remain a highly centralised industry from the time cotton is distributed to spinners to the time of the disposal of cloth. From the point of view of sentiment also, doubts are expressed whether Congress men would wear Ambar cloth rather than cloth woven from traditional charkha yarn. For the Ambar Charkha is regarded by some as a mechanised equipment in relation to the traditional charkha. Apart from these issues, there is the vital consideration whether reliance can be placed on Ambar Charkha to produce, during the second Five-year Plan period, enough yarn required for manufacturing the 300 million yards of cloth envisaged as the share of this sector in the estimated total additional cloth requirements of 1,700 million yards. Yet another question unanswered is: Who will weave the Ambar yarn into cloth? The handloom weavers, it is common knowledge, have always been reluctant to use the hand-spun yarn in preference to mill yarn. This reluctance will be all the greater in the case of Ambar yarn, since most of those who are expected to operate the Ambar Charkha will be new-comers to the profession without any tradition.

U.S. TEXTILE INDUSTRY

An appeal to the U.S. Government to take positive action for controlling the "ever increasing" imports of textiles from Japan and other low-wage countries was vigorously put forward by Mr. F. E. Grief, President of the American Cotton Manufacturers Institute, in the course of his address at the annual conference of the Southern Textile Association held at Blowing Rock (North Carolina) on Friday last week. The closing of mills and cutting back of production, Mr. Grief declared, were examples of direct damage of uncontrolled imports to the American textile industry. Urging the settlement of import question, Mr. Grief said: "Confidence is needed that today's investment in money and hard work for the future will bring a fair return.... The productivity advantage of American mills has virtually disappeared with the equipment of Japanese and other Asian factories with western type machinery operated by workers receiving oriental wages, about ten times lower than American wages and using cotton purchased on the world market at prices substantially lower than American mills have to pay."

NEW INDIA ASSURANCE COMPANY LIMITED

MR. A. D. SHROFF'S SPEECH AT ANNUAL GENERAL MEETING

IMPORTANCE OF SAFEGUARDING DEMOCRATIC WAY OF LIFE IN ECONOMIC SPHERE

ADDRESSING the shareholders at the Annual General Meeting of the New India Assurance Company, Ltd., on 27th June 1956, after the notice convening the meeting and Auditors' report were read, the Chairman, Mr. A. D. Shroff, observed that though forces of peace were considerably strengthened last year, somehow, "the Geneva Spirit lingers no longer; and we co-exist in a stalemate!"

In the economic field, this period was "highlighted by a continued quest for prosperity," which resulted in considerable increases in world production, employment and incomes. The stresses and strains which followed the economic expansion were dealt with by the flexible use of monetary weapons. Some countries, however, particularly the U.K., and some primary producing countries, failed to benefit significantly from the general ebullience. He pointed out that in spite of the tremendous hardships and problems faced by countries in Asia, and a moderate rate of progress achieved, Asia was seized with a dynamic urge to make up for the accumulated neglects of the past.

Turning to the Indian economic scene, Mr. Shroff observed that "the search for a socialist millennium, in official quarters, led to economic thinking which often appeared to lack clarity and vision." He acknowledged that there was some gratifying economic progress in the country; but in his opinion, the progress was hardly commensurate with the efforts made and our needs of today. He attributed the uneven progress in individual industries to the haphazard planning, and some of the success to the more favourable factors like favourable monsoons, etc. His conclusion was that if Government had devoted more attention and given high priority to the maximum utilisation of existing enterprises, and had actively helped the evolution of optimum units in them, the policy would have definitely paid rich dividends.

Human Values

Referring to the second Plan, Mr. Shroff stated that some important questions like credit-induced inflation and the possibility of achieving the physical targets have to be satisfactorily resolved. However, the most important question, in his opinion, was that of "preserving and safeguarding the fundamental human values" and the democratic way of life in the economic sphere. He made a constructive suggestion that the Government must develop techniques of effectively regulating and controlling both the public and private sectors so that both of them could be harnessed to yield optimum results, and further, that sufficiently armed with effective machinery of regulation and control, Government must jettison all the doctrinaire and unrealistic approaches in their policies which are likely to handicap the effective mobilisation of national resources and effort. With such a control, it would not be necessary for Government to be obsessed with the ideas of transferring much of the economic activity to the public sector and squeeze the private sector out of existence. He further appealed to Government that in view of the all-embracing nature of the second Plan, whose different facets are closely interwoven, it is most important that Government should, as far as possible, undertake calculated risks, even at some cost.

In this connection, he referred to the Government policy to relegate the existing well-organised consumer goods industries to the background and not to avail of the optimum production which these industries are capable of obtaining at the minimum cost and effort, just because the Government wanted to encourage the "nascent" cottage industries to increase employment opportunities. He entirely agreed that all efforts should be made to promote cottage industries and increase employment opportunities. However, he felt that proper timing and dovetailing of the production programmes of the organised and cottage sectors of the industry are most essential.

Suggesting that the State Trading Corporation is "a most serious encroachment on free and private enterprise," Mr. Shroff pointed out that Government could render a more positive and effective service by providing better transport and warehousing facilities, etc.

Nationalisation

Mr. Shroff dealt with the argument justifying nationalisation of life assurance. He said that although insurance is basic to the economy and a form of social service, it is not necessarily best run by the State. It is the experience in the democratic part of the world that joint-stock and mutual companies effectively regulated and controlled are the best instruments for conducting this business. In his opinion, the well integrated joint-stock and mutual companies which had a creditable record during the recent years could have been harnessed to achieve a far better performance than what a monopolistic corporation aspires to do; albeit, it was most important for Government to regulate, rationalise and control the whole industry.

Mr. Shroff referred to the alleged malpractices in the industry. In his opinion, the business must be run on the highest standards of management. Statutory control and regulation of the Indian life assurance business had been for the past few years much on the same lines as in the U.S.A. Most of the troubles in the industry arose because the enforcement of the insurance law was most unimaginative, tardy and loose. He related how physical security of investment could have been most easily ensured. He also referred to the case of a company, the knowledge of whose mismanagement was known to Government for a number of years.

In his opinion, the Department concerned hopelessly failed in establishing regulations and controls of the most elementary kind.

Economic Power

Referring to the concentration of economic power, Mr. Shroff pointed out that, concentration of power would be far greater in the case of a monopolistic corporation than in the case of a number of units operating independently.

In conclusion, Mr. Shroff felt that the best interests of this country cannot be served by Government in taking such a momentous step fraught with so many pitfalls and uncalculated risks, without taking the industry into their confidence and consulting it to the fullest extent possible.

Commenting on the formula for determining compensation, Mr. Shroff said that the formula was so framed as to arrive at a compensation which was nearer to expropriation than what could be deemed fair compensation.

Results of Working

Reviewing the results of New India's operations during 1955, Mr. Shroff observed that the total premium income of the General Department was a little short of Rs. 5 crores. The underwriting profit, inclusive of interest, was Rs. 43.9 lakhs as against Rs. 34.1 lakhs in 1954. There was considerable improvement in the working of all the departments and the funds at the end of the year stood at Rs. 6 crores 89 lakhs as against Rs. 6 crores 39 lakhs at the beginning of the year.

Concluding, Mr. Shroff hoped that the shareholders have welcomed the decision of the

(*Continued on page 1275*)

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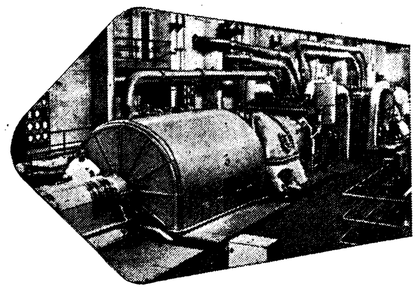

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SUGAR INDUSTRY UNDER SECOND PLAN

CAPACITY OF EXISTING UNITS SHOULD BE RE-ASSESSED

ONCE again, the Indian Sugar Mills Association (I.S.M.A.) has expressed misgivings about the Government's policy relating to expansion of sugar industry. In a memorandum addressed to the Union Minister for Food and Agriculture, the Association observes that it is "anxious" over the licensing of more sugar manufacturing units for which there is apparently no need. It has strongly urged the Government to re-assess the overall potential by taking into account the actual performance of the industry, instead of merely depending on theoretical considerations adopted in the past under entirely different circumstances. The memorandum is in pursuance of the resolution, adopted at the last annual meeting of the Association held at New Delhi, urging that "due care should be exercised in sanctioning new units, so that no indiscriminate expansion is effected."

The misgivings of the Association about the Government's sugar policy are based on several grounds. In fixing the target for the sugar industry under the second Five-year Plan (installed capacity: 2.50 million tons; actual output: 2.25 million tons), the Planning Commission has taken as the basis a very conservative figure of the current rate of output. The estimated production of sugar for the 1955-56 season is placed at 1.67 million tons, whereas the latest anticipation of output is over 1.85 million tons. Naturally, the gap between output and actual requirements at the end of the second Plan period on the basis of the existing rate of production is put by the Commission at 580,000 tons, which is 180,000 tons more than the correct figure of 400,000 tons. In view of this, as also of the increase in the installed capacity of several existing units and the production of new mills already planned, it will not be unreasonable to expect that the target of sugar production envisaged in the Plan might be outstripped considerably.

Sugarcane Cultivation

The aforesaid aspect has been lucidly brought out by the Association. According to it, 1.85 million tons should be taken to represent the actual rate of output which the industry is capable of achieving. Besides, it is necessary carefully to assess the future possibilities of production by the existing units during the second Plan period. Such an assessment can be appropriately made by evaluating the effects of both positive and negative factors which have a bearing on sugar production. The most important factor relates to the improvement—quantitative and qualitative—in sugarcane cultivation. With higher yields of sugarcane, the factories will be able to extend their crushing period further. Substantial expansion will be undertaken by the factories to cope with the increased supply of sugarcane. Already, several units have obtained permission to expand their crushing capacity—the size of as many as 45 existing units is now being augmented—and, with a further improvement in cane supplies, other factories also are expected to go in for similar expansion.

The Association refers next to the tendency among the sugar mills to reduce the period of stoppages for general cleaning of plants. As against cleaning after every ten days, as was the case previously, the mills, it is said, have now taken to cleaning after 20 to 25 days, or even after a month. This has been rendered possible by the addition of a few more evaporators and boiler sets for achieving higher efficiency. With improved mechanical efficiency, less stoppages for cleaning, etc., the overall working efficiency of the sugar factories is expected to increase considerably, leading to a further addition to the actual working capacity of factories. All these factors will, in the opinion of the Association, result in an addition to sugar production by 200,000 tons at the end of the Plan period. An additional quantity of 50,000 tons is also expected to result from the utilisation of the present idle capacity of mills which will be in production by 1960-61. The aggregate additional sugar output expected from the existing units will thus work out to 2.1 million tons. This quantity, together with the 585,000 tons produced by the new sugar units already licensed with a working season of 150 days, will bring the total production of sugar by all the existing and newly licensed factories to 2,685,000 tons or 2,700,000 tons, as against the estimated requirements of 2.25 million tons.

While discussing the aforesaid factors, the Association no doubt admits that there are some natural factors such as failure of monsoon and floods which may adversely affect sugarcane production. Although the chances of such failures will be rendered considerably less by the sinking of a large number of tube-wells and adoption of flood control measures, an allowance of 200,000 tons may be made for this purpose. Even then, it would be possible, the Association points out, to stabilise the production of sugar at the end of the Plan at the 2.50-million ton level which is higher than the target figure of 2.25 million tons. In view of all these considerations, the Association urges the Government to re-assess the capacity of the existing sugar factories before taking any steps for licensing new units. Another ground on which the Association, it would appear, wants the Government to re-examine the issue relates to finance. The second Plan has left the question of availability of funds rather vague. All that it has done is only to estimate the fixed capital investment needed (1) for implementing the development programme for the sugar industry at Rs. 50 crores and (2) for developing items of machinery envisaged under the National Industrial Development Corporation at Rs. 2 crores. The Plan has given no indication of the sources from which the industry could find these large sums.

INDIA AND WORLD SUGAR AGREEMENT

The United Nations World Sugar Conference at New York concluded its session on Wednesday last week, contrary to earlier anticipations that it would last at least for six to seven weeks. Since the Conference was held in secret, no details are available about the deliberations and the decision taken thereat. From the scattered reports appearing in the Press, it is gathered that there was a virtual deadlock on the two important questions of reallocations of export quotas and revision of sugar prices. It is, however, stated that the Indian delegation was satisfied with the trend of discussions. Summing up his impressions, the New York correspondent of the *Hindu* observes:

"India is not at present a signatory to the Sugar Agreement, which came into force in 1954 and will expire in 1959, but it now seems to be interested in participating in it. India has been a sugar importer, but, under the second Five-year Plan, production is going to be stepped up and India expects to become an exporter by 1958. It, therefore, stands to benefit by signing the Agreement and is already understood to have asked, for the first time, for an export quota.

"When the present Conference began, Cuba, the world's biggest producer and exporter of sugar, in order to retain its predominant position in the world market, tried to get the provisions in the existing Agreement restricting the production of the commodity in the participating countries made even more stringent. India, with its big plans for expansion, naturally could not accept this and Mr. Gopala Menon, India's Consul-General here, who led the Indian delegation, carried on a vigorous fight against the Cuban move to tighten the restrictive provisions. He told the Conference that, in trying to protect the sugar giants, they should not try to stifle 'the fast-growing children.' India's position was supported by Britain, Russia, Australia, Poland, Czechoslovakia and Mexico.

"Finally, it is understood that there was a large measure of agreement that the restrictive provisions, instead of being further tightened, should, on the other hand, be whittled down in actual operation. This has pleased India, Indonesia, and other prospective exporters. The trend of discussions showed that the Conference was anxious to meet India's objections.

"The International Conference will resume its discussions in October in Geneva where the path is expected to be cleared for India to participate in the Sugar Agreement."

SUGAR PRODUCTION AND STOCKS

Sugar production in India during the month of May 1956 was 132,958 tons, bringing the total production during the seven months of the current season to 1,788,956 tons, as against 1,569,000 tins in the corresponding period last season according to the Indian Sugar Mills Association.

The offtake of sugar from factories during the month of May was about 148,000 tons, as against 126,000 tons a year before. The total offtake of indigenous sugar during the seven months was about 953,000 tons, as against 591,000 tons a year before.

The closing stock of indigenous sugar as on 31st May 1956 was 1,241,000 tons, as against 1,020,000 tons on the same date last season.

The Government of India has arranged for a regular movement of sugar by special trains from factories in Northern India to destinations in the South where there is at present a keen demand for sugar. It is proposed to maintain an adequate stock of sugar at important centres for distribution in Southern India, including Madras, Trichinopoly, Madura, Coimbatore, Cochin and Bangalore.

CASE FOR AN INCREASE IN COAL PRICES

GOVERNMENT SHOULD DECIDE ITS POLICY EARLY

THE coal industry has, of late, been much in the news, thanks to the Award of the All-India Industrial Tribunal (Colliery Disputes) recommending an increase in wages of colliery workers. The circumstances leading to the Award are too familiar to readers to need any fresh reference. The industry is not opposed to giving labour higher wages as recommended by the Tribunal, as far as can be judged from the pronouncements of the spokesmen of the industry. This is further borne out by the fact that the industry has shown so far no inclination to appeal against the Award. All that the industry is worried about are the financial implications of the Award and their impact on the working of the mines, particularly the uneconomic units. Colliery owners have, therefore, appealed to the Government for a compensatory increase in coal prices and an interim rise until such time as the final decision on coal prices is taken.

The coal industry's case for an upward revision of prices has not come to the fore only now. It has been a longstanding complaint of the industry that the mounting cost of production threatens to make—in many cases, it has already made—the working of mines uneconomic and that a suitable increase in coal prices should be allowed to compensate the rise in costs. It was in deference to this plea that the Price Revision Committee was set up last year. The Award of the Industrial Tribunal has only strengthened the grounds for an early revision of prices. In a public statement issued by the Indian Mining Association, the Indian Mining Federation and the Indian Colliery Owners' Association, the colliery owners have submitted that if coal prices are not increased, many collieries will be forced to close down.

The cost of implementation of the Award has been estimated by a representative cross-section of the industry at not less than Rs. 4 per ton. On this basis, the total additional cost to the coal industry will be Rs. 15 crores per annum. According to another estimate, the general increase in wages granted by the Tribunal works out to about 40 per cent. of current wage levels and this will add Rs. 9 crores to the industry's annual wage bill of just over Rs. 20 crores. This will mean an increase in cost of production of about Rs. 2 per ton for all grades of coal raised. Thus, the estimates of the additional burden vary widely. The two Associations and the Federation admit that, in the time available, it is impossible to arrive at a completely accurate assessment of the cost of implementation. This is true because the Award will affect individual producers differently. However, the colliery owners point out that, as it is, the margin between cost of raising coal and selling price is so small that, if the coal industry is to continue in operation as a healthy industry, it is essential that full compensation be granted. They have also submitted that, until the effect of the Award can be assessed from actual working costs over a period of, say, six months, an immediate and reasonable price increase should be given as an interim relief.

Another aspect of the question to be considered is the impact of the price increase on the coal-consuming industries. The colliery owners have, in this connection, quoted the statistics prepared by the Ministry of Commerce and Industry to show that the effect of an increase of Rs. 4 per ton in the price of coal on the major manufacturing industries will be less than 0.5 per cent. of the gross ex-factory value of their products. They have also drawn attention to the fact that bodies representing coal-consuming interests have supported the coal industry's case for an increase in price. The colliery owners, therefore, consider that it is most unfortunate that the Government has not seen fit to announce any increase in coal prices prior to the date of implementation of the Award, when such a step was justified.

In the circumstances, which obtain at present, two alternative courses are open to the industry. First, it can implement the Award and thus commit itself to bearing the entire additional liability for an unknown period; but many units will not have the financial resources to meet this commitment and will have no alternative but to close down. Secondly, it can appeal against the Award and apply for a stay

(*Continued on page* 1261)

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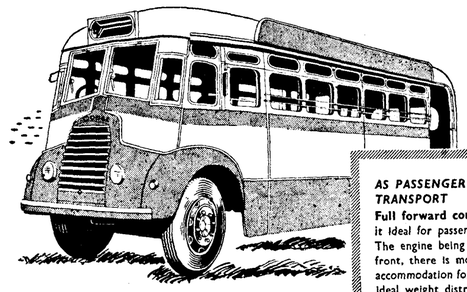

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RECORD COFFEE CROP IN 1955-56

FURTHER EXPORT QUOTA ALLOWED

THE year 1955-56 has proved to be a bumper one for Indian coffee, with an estimated output of 33,410 tons (as approved by the Indian Coffee Board), the highest in the history of the industry. This represents an increase of 8,310 tons over the previous year's crop of 25,100 tons, to which level it had declined from 29,410 tons in 1953-54. Thus, the increase in crop during 1955-56 has not only made good the fall in output during the previous season but has enabled the industry to exceed its previous season but has enabled the industry to exceed its previous best crop reaped in 1953-54.

The aforesaid crop for 1955-56 is made up of 21,970 tons of arabica and 11,440 tons of robusta. The receipts into the pool so far aggregate 33,172 tons and it is expected that some more will be received by the pool.

Though it was generally expected that the 1955-56 crop would be higher than that of the previous year, the latest revised estimates show that they have far exceeded the earlier estimates. Thus, at the opening of the year, the crop was expected to amount to about 27,000 tons. In February this year, the Marketing Committee of the Coffee Board revised it to 28,795 tons and later in April to 30,000 tons.

The prospects for 1956-57 seem to be equally optimistic from all accounts, as far as one can see now. The very rough preliminary estimate places the crop at about 33,000 tons. Disclosing this, at the annual meeting of the Coffee Board held last week, Mr. K. Srinivasan, Chairman of the Board, said that the seasonal conditions have been fairly satisfactory, although in certain areas the rains were premature or delayed. He added: "We seem to be getting into a period now, where a crop of over 30,000 tons would be normal." This does not mean that the annual coffee production in India will be stagnant round about this level. In fact, the scope for increasing the output is vast and the Coffee Board, as readers are well aware, has planned to raise the output to 68,000 tons by the end of 1970. The plan has been forwarded to the Government of India and orders thereon are awaited. The Board has for some time past under consideration plans to improve its financial position and warehousing facilities to handle the increasing production. Mr. Srinivasan said there would be very little difficulty in finding the loan part of the finances for it. The non-recurring charges, as well as the establishment charges for the administration of the plan would, however, have to be met by the Board.

Low Proportion of Cherry

One notable feature of the production in 1955-56, to which Mr. Srinivasan drew pointed attention, is the low proportion (perhaps, the lowest so far) of cherry coffee to plantation coffee produced. The total receipt of cherry coffee into the pool as on 31st May 1956, he added, was 5,030 tons, which represented only about 23 per cent. of the total arabica coffee delivered into the pool. Mr. Srinivasan expected that this feature would be maintained in future years also.

The Marketing Committee of the Board had originally decided, with the sanction of the Government to release 4,100 tons (made up of 2,850 tons plantation, 650 tons arabica cherry and 600 tons robusta) out of the 1955-56 crop for export. Of these, all but 250 tons of arabica cherry, which have been kept for monsooning, have been sold. The prices fetched during the months of March and April were fairly high, but later on there was a slight decline. The Marketing Committee has now decided to release for export a further quantity of 3,700 tons (3,000 tons plantation, 100 tons cherry and 600 tons robusta), as against the growers' request for an additional release of 6,000 tons. Of the quantity sold for export, so far 500 tons have been done through the State Trading Corporation to the U.S.S.R. This coffee was shipped a few days ago.

The offtake in the internal market since January 1956 has ranged from 1,700 to 1,900 tons per month, or an average of about 1,825 tons per month. The range of prices at the pool sales during the year under review was:

Variety	*Price per cwt.*
Plantation A	Rs. 191-2 to Rs. 235-15
Arabica cherry flats ...	Rs. 140-11 to Rs. 194-5
Robusta cherry flats ...	Rs. 140 to Rs. 178

"With a more than usually good crop, fairly good prices for export coffee and judicious releases for the export and the internal markets," the Coffee Board Chairman said, "it is hoped the internal prices would remain stabilised during the rest of the year and also give a reasonable return for the producers." Meanwhile, the Board has recommended to the Government that the minimum pool release prices based on Rs. 2-2 per point be continued for a further period of six months from 1st October 1956. The final payment on 1954-55 crop will be made on the same basis as that adopted for 1953-54, subject to the award of four points as bonus to robusta. It has also been decided to continue the existing price differential scale for a period of three years from the season 1955-56 and that the P.D.S. shall not be taken up for revision at intervals of less than three years.

Mr. Srinivasan disclosed that the plan for increasing coffee consumption in the home market had been finalised by the Propaganda Committee. The main features of the plans are: (1) to have a propaganda unit in each of the State capitals, (2) to shift gradually the emphasis of propaganda from South to North India and (3) to have only coffee buffets and depots in South India as far as possible. With this policy in view, some of the coffee houses in South India will be converted into depots for sale of coffee powder or buffets and some coffee houses will be opened in North India. In addition, the propaganda Committee is also considering proposals for a publicity campaign for "Drink-More-Coffee."

RUBBER STATISTICS

The output of rubber in India during May 1956 amounted to 1,983 tons, as against 1,826 tons in the previous month (2,085 tons in May 1955), thus maintaining the upward trend for the third month in succession. The aggregate output for the first five months of the year is 8,147 tons, as compared with 7,826 tons in the corresponding period of 1955. Consumption by manufacturers, however, declined from 2,402 tons in April to 2,168 tons, the lowest since November 1955. In May 1955, consumption amounted to 2,175 tons. The total consumption in the first five months of 1956 amounted to 11,798 tons, as against 11,086 tons in the corresponding period last year. Imports during the month under review amounted to 623 tons, having declined from 788 tons in April. Stocks at the end of the month amounted to 5,714 tons, as against 5,276 tons at the end of the previous month, and are the highest since the close of February last.

The Government of India has decided to grant loans for construction of houses for plantation workers. It has informed the West Bengal Government that it is willing to provide financial aid to those planters who want to build houses for their workers. The money sanctioned by it will be distributed through the State Government.

The Government of India proposes to depute two officers of the Coffee Board to explore the possibility of coffee cultivation in the Andaman and Nicobar Islands.

(Concluded from next column)

ready created a lot of resentment in the European markets and further restrictions through the contemplated Jute Corporation will only spell permanent danger to Pakistan's raw jute. It is only to be hoped that the authorities concerned in Pakistan will examine this issue threadbare before reaching a final decision.

In his speech mentioned at the outset, the Chief Minister of East Pakistan referred to a number of problems confronting the jute industry and outlined the measures already adopted by the Government. These included the annual regulation of the jute crop, establishment of the Central Jute Committee, efforts to collect reliable statistics about the production and expenses of cultivation, initiation of research into the problems of jute agriculture, industry and marketing, education of the growers regarding assessment of crop, etc. The Minister also referred to the establishment of the Jute Department of the Government and hoped that the trade and the public would find the Department as a useful medium for bringing their grievances to the notice of the Government and having them redressed. Finally, he appealed to the jute mill industry in East Pakistan to help the Government solve the problem of ensuring fair prices for the growers by assisting in the disposal of jute purchased by the Government directly or through some Government-sponsored agency during the present or any subsequent season.

JUTE CORPORATION FOR PAKISTAN

AGENCY FOR CONTROLLING EXPORTS

PAKISTAN seems to be seriously contemplating a further tightening of controls on export of raw jute and jute goods. Speaking at the inaugural meeting of the recently constituted Jute Advisory Committee held at Dacca on the 22nd inst., the Chief Minister of East Pakistan, Mr. Abu Hussain Sarkar, recommended to the Committee's consideration the question of establishing a jute corporation, first suggested by the Pakistan Central Jute Committee some time ago. This Corporation will have, according to the Minister, as its main aim the effective control of all foreign sales of jute and jute goods. "The Corporation will," he said, "act also as a clearing house whose operations will be aimed at eradicating existing malpractices in the jute export trade, supervision of the quality of jute consignments offered for export, introduction of more Pakistanis in the trade, reduction of speculation to a minimum and encouragement of co-operatives and other Governmental agencies with a view to stabilising jute prices to the benefit of the growers."

The Jute Corporation will consist of representatives of the Provincial and Central Governments, as well as of the trade. Mr. Sarkar regretted that, although Pakistan had been established nine years ago, Pakistanis were not yet getting a fair share in the Provinces' jute export trade. As a result, the bulk of profits earned by foreign elements was, he remarked, repatriated from the country, thereby prejudicially affecting the strength of the national economy.

For quite a number of weeks now, the jute trade in Pakistan as well as outside was labouring under the apprehensions that the Pakistan Government would shortly set up a State trading organisation for handling exports of raw jute. These apprehensions may be said to have been laid at rest, for the time being, at least, since the proposed Corporation's intensions are not to participate directly in the export trade. There is nothing in the remarks of the Minister mentioned above to suggest that the Corporation will directly participate in the trade, thereby eliminating private traders. On the other hand, the Corporation will serve as a clearing house, the operations of which would aim at eradicating malpractices in the jute export trade. In other words, all orders for the purchase of raw jute and jute goods and all offers fulfilling these orders should be put through the Corporation. By this means, the Government perhaps hopes to eliminate malpractices such as under-quoting, under-grading and under-invoicing, which were responsible for the cancellation of licences of a number of European and Indian trading houses registered in Pakistan a year and a half ago.

Unnecessary Interference

The desire to eliminate malpractices as noted above is no doubt a sound one, but it is rather difficult to understand how the proposed Corporation could eliminate them when the whole Governmental machinery, backed by State forces maintained at the border, has failed to bring any appreciable improvement. The establishment of the Corporation would result in causing unnecessary interference with the normal export trade which is purely guided by the laws of demand and supply of raw jute. The best way the Government can help achieve its twin policy of safeguarding the position of jute in international markets and of ensuring a fair return to the grower lies in encouraging the cultivation of raw jute on scientific lines so that the per-acre yield which has remained constant at about three bales per acre for several decades is doubled. This will not only make the foreign consumer of jute to obtain his jute supplies at cheap rates but will enable the jute grower to have a good return for his crop. Instead, if the Government continues to set up agencies such as the proposed Jute Corporation, in order to stabilise jute prices by artificial means, the future of the jute trade is sure to be jeopardised. Jute occupies an important place in the economy of Pakistan. Every year, about six to seven million bales of raw jute are produced and the bulk of it, of the order of about 4.5 to 5.5 million bales, is exported. The foreign exchange earnings from raw jute exports of Pakistan are estimated at Rs. 80 crores. To interfere with the trade of such dimensions is only to drive the overseas buyer to take to substitute packaging materials. The fixation of minimum export prices has al-

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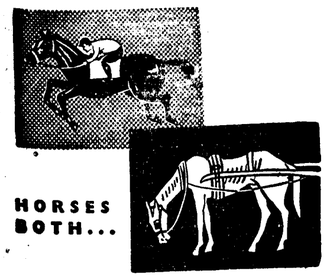

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IMPORTANCE OF OPERATIONAL EFFICIENCY

AT the meeting of the Central Advisory Council of Industries, held last week in New Delhi, the Union Minister for Railways, Mr. Lal Bahadur Shastri, deplored that, while the targets for agricultural and industrial production in the second Five-year Plan were being steadily stepped up, the allotment made to the railways had been curtailed, and warned that the railways, if they had to work within the allotment made to them, would not be able to meet the traffic needs under the new Plan. This is a point of view which we, along with the general public and the various trade and industrial organisations, have consistently supported. After all, transport is a vital link in the chain of economic progress so that, if the link were to weaken, the whole chain would be exposed to the danger of a serious breakdown.

Clearly, all effort should be made to see that the railways get the finance they need. But the railways, on their part, owe a responsibility to the taxpayer as well as the users of transport to make the best use of the money allotted to them. Some definite and welcome steps have been taken in this direction. Thus, we are told that the authorities are already cutting out from their Plan some of the less essential building projects. This is as it should be. For, there is no gainsaying the fact that between engines and wagons, on the one hand, and relatively inessential brick and mortar, on the other, the former deserve to have a higher priority. From the point of view of the public, grandiose buildings can wait. But it cannot wait very long for locomotives, wagons and carriages.

This is one aspect of wise economy in expenditure. But there is another aspect which requires equally urgent attention. It is improvement in operational efficiency. If the authorities can avoid unnecessary usage of coal, or can make a locomotive move a little further than it does or a wagon carry a little more than it hauls and move round faster, they will have effected a significant improvement in the ability of the railways to meet the traffic needs and also saved money that could be put to better advantage. This is an aspect of economy in railway administration which has to be kept constantly under review. Although efforts are no doubt being made to step up operational efficiency, there is obviously room for further improvement. This conclusion emerges very clearly from a recent report of the Estimates Committee entitled "Statistical Studies of Certain Railway Problems."

The Committee has calculated that, in 1953-54 and 1954-55, the railways consumed 15 lakh tons and 14 lakh tons more coal, respectively, than they would have consumed if the efficiency of coal consumption had been maintained at the level of "best performance" in the preceding years. This means that, in 1953-54, the railways spent—on the basis of Rs. 32 per ton—Rs. 4.8 crores more than they need have spent, the corresponding figure for 1954-55 being Rs. 4.6 crores on the basis of Rs. 33 per ton. It must be remembered that the railways are the single largest consumers of coal; their coal bill for 1954-55 was Rs. 38 crores. There are, of course, some factors in the excess cost of coal consumption over which the railways have no control such as the quality of coal or coal price. Further, there are factors which could be controlled only through the adoption of long-term measures. But it is known that there are also factors which could be immediately controlled by certain measures. These factors are said to account for about 6 per cent. of the excess coal consumption. In two or three years, the railways, through the adoption of measures designed to improve the economic utilisation of coal, could make considerable savings in their coal bill.

There is also scope for more economic utilisation of wagon stock and locomotives. The Committee has made a series of calculations in respect of utilisation of wagons and locomotives on both broad-gauge and metre-gauge railways. It has found that had efficiency been maintained in 1953-54 and 1954-55 at the best performance of the previous years, the traffic moved in those years could have been moved with 13,120 and 7,670 wagons less. As the capital cost per B.G. wagon is about Rs. 14,000, capital assets of the value of about Rs. 18 crores and Rs. 10½ crores may be considered to have been unutilised. At 4 per cent. interest this would correspond to about Rs. 72 lakhs and Rs. 42 lakhs additional revenue expenditure in 1953-54 and 1954-55 respectively.

The earning capacity of a B.G. wagon is about Rs. 20 per day. Accordingly, the extent to which earnings could have been increased by more efficient working could be placed at about Rs. 9½ crores during 1953-54 and Rs. 5¼ crores during 1954-55 on the B.G.

Similar calculations have led the Committee to the conclusion that, on the metre-gauge, a total of 5,500 wagons may be "treated as not utilised during 1953-54 and 1954-55." Since the cost of a metre-gauge wagon is Rs. 10,000 per year, this means a wastage of capital assets of the value of Rs. 5½ crores in the years 1953-54 and 1954-55 or in terms of 4 per cent. interest, it means a loss of Rs. 22 lakhs. Thus, on the B.G. and M.G. systems, the additional expenditure due to interest on capital not being utilised to the best possible advantage has been placed at Rs. 94 lakhs and Rs. 64 lakhs during 1953-54 and 1954-55 respectively. Further, the earning capacity of a M.G. wagon is about Rs. 13 per day. Accordingly, the extent to which earnings could have been increased by more efficient working could be placed at about Rs. 2.6 crores in each of the years 1953-54 and 1954-55.

In the utilisation of B.G. locomotives, there has been, according to the Committee, a 12 per cent. loss in efficiency. This means that during 1953-54 and 1954-55, 650 more engines have been kept on line than what were required for the movements actually effected. Taking the average cost of a B.G. locomotive at about Rs. 5 lakhs, this would represent capital assets of the value of Rs. 32½ crores. At 4 per cent. interest, it would mean an annual loss of about Rs. 1.3 crores to the railways. In the metre-gauge, there has been a 20 per cent. fall in the efficient utilisation of the locomotives. For the years 1953-54 and 1954-55, this, in turn, meant respectively the use of 700 and 640 M.G. locomotives more than what were necessary. The capital cost of an M.G. engine is about Rs. 3 lakhs, so that the wastage is placed at Rs. 21 crores and Rs. 19 crores in 1953-54 and 1954-55; at 4 per cent. interest, this would represent a loss of revenue to the tune of Rs. 84 lakhs and Rs. 76 lakhs in these two years.

Perhaps, the Committee itself would not claim great sanctity for those figures nor place all the blame for lack of efficient utilisation at the doors of the railway administration. But these calculations indicate a healthy and commendable way of looking at the Railway problems. They serve to bring out the national waste implied in the non-utilisation of the optimum capacity of wagons and locomotives. And, in so far as such non-utilisation could be avoided, it is the duty of the authorities to prevent it through proper and effective use of the available equipment.

AIR-INDIA INTERNATIONAL

A nation's aircraft, engaged in international air service, is more than a means of transport. It is a flying ambassador of the country of origin. From this point of view, it is of the utmost national importance that the Government-owned Air-India International Corporation (Chairman: Mr. J. R. D. Tata) should not only maintain but improve upon the traditions built by its illustrious predecessor in pre-nationalisation days. It is, therefore, gratifying to note that the Corporation has been gradually improving and extending its services. And its financial results too, judging from the lavishly produced and illustrated latest report and accounts of the Corporation for the year ended 31st March 1955 (subject to audit by the Comptroller and Auditor General of India) are encouraging. Incidentally, one may wonder whether some austerity could not have been practised in the production of the report of this nationalised undertaking without, of course, sacrificing any of its essential features. Be that as it may, during the year 1954-55, the first complete year of its operations, the Corporation made an operating profit of Rs. 33.65 lakhs after providing Rs. 41 lakhs for depreciation on its assets and Rs. 13.75 lakhs for obsolescence of spares and stores.

It must, however, be noted that, in accordance with the terms of the Government loan, no interest has been provided for the Rs. 6.9 crores capital provided by the Government. The terms, it may be mentioned here, provide that no interest will be charged on capital for a period of five years commencing 1st August 1953; the position is to be reviewed at the end of the period. After deducing Rs. 8.54 lakhs as interest on bonds issued to Air-India International Ltd. and providing Rs. 10.8 lakhs for deferred taxation, the balance available for appropriation is Rs. 14.3 lakhs. The Directors have decided to transfer Rs. 3.57 lakhs to insurance fund, Rs. 10.5 lakhs to reserve fund, leaving Rs. 23,000 to be carried forward.

An analysis of the Corporation's profit and loss account shows that the total revenue of Rs. 4.83 crores was made up of earnings from passengers Rs. 3.29 crores (68.09 per cent.) earnings from mails Rs. 85.77 lakhs (17.73 per cent); cargo and excess baggage Rs. 45.49 lakhs (9.41 per cent.), charters Rs. 6.79 lakhs (1.40 per cent.) and other revenues Rs. 16.28 lakhs (3.37 per cent.). Operating expenses absorbed 28 per cent., salaries of employees 22.7 per cent., traffic and passenger service 13.36 per cent., depreciation 12.17 per cent., engineering 9.35 per cent., agency commission 6.23 per cent., insurance 4.87 per cent. and administration 3.33 per cent.

The balance-sheet total of Rs. 12.83 crores includes on the assets side: fixed assets Rs. 7.23 crores; development expenditure Rs. 9.15 lakhs, spares and stores in stock Rs. 2.1 crores; debts and advances Rs. 1.85 crores and cash and investments Rs. 1.13 crores. On the liabilities side, there is a sum of Rs. 2.77 crores being the compensation due to Air-India International Ltd. and the capital of Rs. 6.9 crores advanced by the Government. There is a provision for depreciation and obsolescence to the tune of Rs. 87.6 lakhs. The reserves and funds include general reserve Rs. 15 lakhs, insurance Rs. 10 lakhs and provision for deferred taxation Rs. 16.05 lakhs.

The capacity ton-miles flown aggregated 23,684,000 and the passenger miles flown 115,696,000. The revenue per capacity-ton-mile worked out to Rs. 2-0-8, thereby showing a surplus over the cost per capacity-ton-mile of Rs. 1-15-9.

The loss of the *Kashmir Princess* has reduced the number of the Corporation's constellation fleet to three and that of its total fleet to eight. The Corporation is replacing its Constellations by Super Constellations. It already has or will soon have six Super Constellations and three Constellations. The authorities recognise that, since it takes two years or more to obtain delivery of new aircraft and to train the necessary flying and ground personnel, "plans for future expansion as well as for the replacement of equipment with a view to keeping abreast of progress in the industry must be prepared well ahead." As it is, the Corporation's route to the U.K. with stops on the Continent continues to be the mainstay of its activities.

The most important development in the Corporation's activities during the year under review was the inauguration of the Far Eastern Services. Commenting on this development, the Directors observe:

"The extension of the Corporation's services to Tokyo is an important landmark in the history of its growing operations as it enabled us to provide direct communication between shores of the Atlantic in Europe and of the Pacific in Japan, a flying distance of over 10,000 miles." Now that the main programme of expansion has been put through, the Directors have rightly decided that the immediate task is one of consolidation and improvement in efficiency and economy.

REDUCING COST OF FLYING

Trans World Airlines' research staff have won another round in the battle to reduce the cost of flying. Meteorologists and navigation experts have perfected "Pressure Pattern" flying to the point of saving up to 12,000 gallons of gasoline per week in trans-Atlantic service alone. In simple language, the scheme for the northern hemisphere is to plot a plane's course to the left of a high pressure area and to the right of a low pressure area. The theoretical result is a constant tail wind for the airplane and tremendous saving in fuel cost.

A new range of light commercial vehicles, including a closed-in van, an open truck and a miniature bus, has been announced by the two firms (Austins and Morris) that constitute the British Motor Corporation. The bus, called Minibus or Omnicoach by its respective makers, can carry nine or 12 people including the driver. All models are powered with a 4-cylinder 1,489 c.c. o.h.v. engine developing 42 b.h.p. at 4,000 r.p.m. The vehicles have an all-steel integral chassis and body with a deep girder-like section framing carried in an unbroken line round the vehicle, giving great strength to the structure.

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NEW PRODUCTS AND PROCESSES

Electronic Engraving Machine

PRINTING blocks can be automatically produced with a Swiss-made electronic engraving machine which was recently demonstrated for the first time in the U.K. Known as the Elgrama electronic engraver and made by Elgrama A.G. of Zurich, it is claimed to be one of the most advanced machines of its kind. It will process half-tone, line and colour blocks and gives a choice of 13 screens varying from 50 to 200 lines per inch. Selection is made by a lever control. Blocks up to 11.8 inches by 16.53 inches can be made and zinc or copper can be used for half-tone or colour plates. At the demonstration in London, a Press photograph was taken, processed, mounted ready for use and proofs obtained in just over an hour. Gordon and Gotch (75-79, Farringdon Street, London, E.C. 4) are the sole U.K. agents for the new machine.

Making Metal Stronger

A new record for the strength of metals has been established by metallurgists of the General Electric Company, the company claims. G.E. reports that in the laboratory technologists have produced minute iron crystals with tensile strengths as high as 1.9 million lbs. per square inch. According to Dr. J. Herbert Hollomon, Manager of the Metallurgy and Ceramics Research Department of the Company in San Francisco, such crystals are 150 times stronger than standard iron crystals, and four times the strength of the strongest steel wire. The crystals produced are thinner than a human hair, and are less than an inch long. So far, they have only been produced as laboratory specimens, too small to be of practical use. But Dr. Hollomon believes that it may be possible to make larger perfect crystals that will be of commercial significance. For some time now metallurgists have been working on methods to raise the strength of basic metals. In theory, metals as found in nature are said to be between 10 and 1,000 weaker than they should be. The maximum strength of iron crystals is considered to be 2-3 million lbs. per square inch of tensile strength. In theory, if such strength potentials could be achieved it would be possible to build girders no thicker than wire, and to make a motor-car body that would be immune to bumps from other vehicles.

Irradiated Food

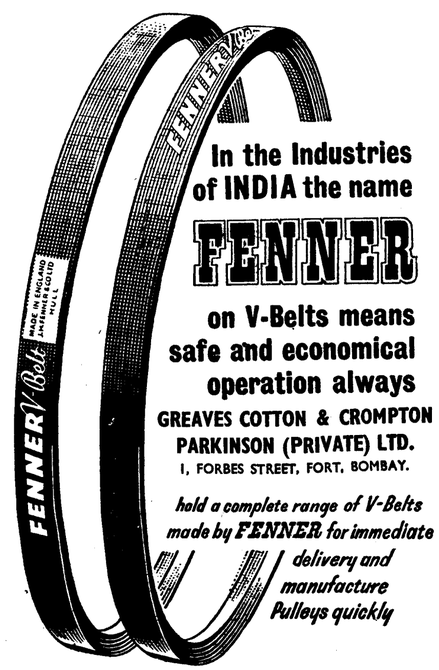
Irradiated food may appear in American kitchens within four to six years, according to views expressed at the recent conference of Government and State food and drug experts in New York City. Such food will have been subjected to mild doses of irradiation to extend the refrigerated storage period. Just how soon such a process becomes general may depend on the results of research to be carried out at a pilot plant which the U.S. Army and the Atomic Energy Commission are jointly building. This will be ready to operate by 1958, when it will be able to handle about 1,000 tons of food a month. Meanwhile, the Quartermaster Corps has been conducting research involving human volunteers. These experiments have indicated that some foods give better results from irradiation than others. Among those which yield good results, in terms of retaining flavour and texture, are beef liver, carrots, chicken, pork, shrimp, oysters, ham and sweet potatoes.

Improving Whiteness in Plastics

An optical whitening agent claimed to combine excellent solubility in hydrocarbon, ketonic and other organic solvents with unusual stability to both light and heat has recently been evolved. The use of optical whitening agents for giving extra whiteness to textiles, paper and certain types of plastics is basically similar to that of the traditional "blueing" of offwhites—that is to increase the apparent whiteness of the object by counteracting the inherent yellow appearance. The new whitening agent, known as Tinopal P.C.R.P., is claimed to mark a definite advance in products of this type for the plastics industry. It dissolves in plasticisers used in the manufacture of cellulose acetate and P.V.C. plastics as well as in unplasticised materials like polythene and polystyrene and can be incorporated directly during the compounding process. It remains stable up to temperatures of 550 degrees Fahrenheit. The manufacturers, The Geigy Company (Rhodes, Middleton, Manchester) state that only very small amounts of Tinopal P.C.R.P. are needed to offset the slight yellowness of the base plastic, whether it is white pigmented or in the clear transparent form. Added brilliance is also given to plastics lightly tinted for pastel blues and pinks, or for the corresponding crystal shades.

Revolutionary Turbine-Power Auto

An automobile which may revolutionise the industry is being exhaustively tested in the United States. The car—a 1956 Plymouth—is powered by a revolutionary gas-turbine engine that does not need a radiator, cooling system, carburettor, distributor or transmission. Outwardly, the gas-turbine car looks like any other new Plymouth automobile. But under its hood it is radically different. The turbine engine is 200 pounds lighter in weight than the average piston-type engine. It has less vibration, requires very little oil for lubrication, and has 80 per cent. fewer parts. The engine can use a wide variety of fuels, including kerosene and ordinary fuel oil. Only one spark plug is used in the engine, and it is used only for starting. A jet of burning, expanding gases is directed against the blades of a turbine wheel which delivers power to the wheels of the car.



ROLE OF EXPORT CREDIT INSURANCE

MORE SUGGESTIONS FOR EVOLVING A PRACTICABLE SCHEME

IT is an encouraging sign that more and more trade organisations are becoming aware of the importance of export promotion to the country's economy and are showing a greater readiness to appreciate the value of an export credit guarantee scheme in assisting the growth of export trade. The Federation of Indian Chambers of Commerce and Industry has already welcomed and made some suggestions for the institution of export credit guarantee scheme in the course of its reply to the questionnaire issued by the Committee which is engaged in drawing up a scheme for this purpose. Many other trade organisations also have broadly welcomed the scheme. Among these bodies, mention must be made of the Indian Merchants' Chamber, Bombay, which, in addition to supporting the scheme, has also made several concrete suggestions for making it a practicable one.

The Chamber, in a memorandum submitted to the Export Credit Guarantee Committee, has recognised that the scheme is conceived as an instrument for promoting India's export trade. In this connection, it recalls that the composition of India's foreign trade has been changing and the country, a traditional exporter of primary commodities, is gradually increasing its exports of manufactured and processed goods. With the progressive realisation of the schemes of industrial development, contemplated under the Plan, India will naturally be able to offer more and more varieties of manufactured goods for export. The export credit guarantee scheme will prove to be of considerable assistance in promoting exports by providing exporters' guarantee against possible losses from circumstances which are beyond their control and which are not ordinarily accepted as insurable risk by the insurance organisations. The process of encouraging export of machinery and durable consumer goods, it is pointed out, will be assisted if the exporter is immune from the anxiety of any serious risk of loss and at the same time is enabled to obtain the requisite finance from the banks with greater ease and facility.

Risks to be Covered

The scheme, according to the Chamber, should cover risks arising from the insolvency of the foreign buyer, failure of the buyer to pay for delivered goods within the stipulated period, exchange restrictions or shortage of exchanges in the buyers' country, occurrence of war between the importing and exporting countries or of war, hostilities, rebellion, revolution, etc., in the buyers' country and any other cause leading to a loss to the exporter which is beyond his control. It is, however, emphasised that the authorities, before they issue cover against any such risk in respect of an export consignment, should ascertain the credentials and financial standing of the overseas buyers concerned. The process of ascertaining the credit-worthiness of foreign buyers in different countries should be systematic and on a continuous basis. It should not, of course, involve any delay and inconvenience to exporters here. The Chamber suggests that, in the case of failure of a foreign buyer to pay for the goods he imports, the period of waiting for the Indian exporter should be six months, not twelve months as is now being suggested. In other words, the exporter should be free to lodge his claim for payment with the authorities if the foreign importer does not pay for the goods within six months.

In the first instance, the scheme should cover, according to the Chamber, only a few classes of commodities and not all commodities exported out of India. Such a course, it feels, is particularly desirable, in view of the fact that the export credit guarantee administration would be confronted with a heavy task if the scheme were to include within its ambit all export commodities. This suggestion, however, envisages a prior selection of commodities for purposes of inclusion within the scheme. The choice of these commodities should be made in the light of such considerations as the changing character of India's export trade, and after consultation with organised associations representing the trade interests in the commodities to be brought within the purview of the scheme.

Once a commodity is selected for inclusion under the scheme, it should be compulsory for all exporters of that commodity to insure the exports with the export credit organisation. Such a provision, it is held, would, on the one hand, assist the objective of wider coverage and on the other remove the possibility of any invidious distinction between one exporter and another which would arise as a result of increased cost of goods through payment of premiums. In this connection, it says that there seems to be an intention on the part of the authorities to give the export credit organisation powers to refuse guarantee to any particular consignment. While the Chamber would agree to give the organisation such an enabling provision, it suggests that the "factors and circumstances which will be the criteria for refusing a particular risk should be made specific and defined clearly, and notified for the information and guidance of exporters." Just as the Corporation would, in certain circumstances, be entitled to refuse to cover the risk in respect of particular exports, so also the exporter concerned should have freedom not to avail himself of the facility of cover for particular exports, provided he is able to justify that position by submitting a reasonable case. In asking for such an exemption, the Chamber has in view the exporting firms which might have associated firms in the country of import. Since there is no risk involved in such cases, the occasion for cover will not arise.

Foreign Buyers

It is not necessary, according to the Chamber, to provide cover for the risks that would be faced by foreign buyers arising out of some default on the part of Indian exporters. In the first place, such a provision is not to be found in any of the export credit guarantee schemes which prevail in other countries. Secondly, although the Chamber appreciates the anxiety underlying the suggestion for extending the cover to importers, it feels that, "in any effort to secure advantage for Indian export products by warding off risks which are hypothetical of the above nature, we should not give the impression to our overseas buyers that non-fulfilment of export contracts in all their essential details is a normal feature which has prompted the authorities over here to take cognisance thereof and, besides other measures, to include in the export credit guarantee scheme a provision for extending cover to the foreign buyer against risks of non-fulfilment of export contracts or obligations by Indian sellers." Thirdly, the Government is already taking several steps, in order to ensure that there is no default on the part of Indian exporters. These steps include enforcement of standards and setting up of export promotion councils entrusted with the task of evolving methods and techniques of inspection prior to exports. When the full impact of these measures comes to be felt in course of time, the chances of defective quality or non-conformity of standards to contract specifications would be minimised.

The Chamber is also not in favour of the suggestion that the organisation established for administering the same should be permitted to undertake to guarantee internal credit granted for home trade purposes. It is of the definite view that such a provision should not be made in the scheme, as it should be maintained and worked for the achievement of the main object for which it has been conceived, namely, to free exporters from the fear of loss arising out of export commitments due to risks beyond their control and which are not ordinarily insurable with the insurance organisations. The mechanism of the internal trade, it is stated, is so varied and complicated that it is difficult to expect the organisation to make suitable provision for the guarantee of the type contemplated.

Administration

As regards the administration of the scheme, the Chamber has stressed the need for some form of collaboration and close co-operation between the administration constituted for the purpose of the scheme and the various export promotion councils wherever they exist or the trade associations representing the respective items included within the scope of the scheme. It is necessary to ensure that goods exported are of proper standard and quality and in conformity with the specifications laid down in the relevant contracts. For this purpose, surveys of the quality and contents of goods exported are arranged and certificates issued by competent authorities on the basis of such surveys, which serve as material evidence of the goods exported being according to requirement of the contract. The export credit guarantee administration, through necessary arrangements with such bodies or associations, should encourage the practice of obtaining pre-shipment certificates, by getting the export promotion councils wherever they exist or the trade associations concerned to provide the necessary facilities in this behalf.

Finally, the Chamber has emphasised that the scheme should be worked on commercial principles of insurance, the different classes of exporters paying premiums at different rates on the basis of the varying export risks. The object of the scheme should, however, be to obtain a premium income just sufficient to cover the administrative expenses. In other words, the scheme should be worked on a "no-profit-no-loss" basis.

The answers given during the committee stage of the U.K. Finance Bill, according to the correspondent of the London *Financial Times*, indicate that certain amendments are likely to be adopted in connection with the Budget proposals for affording income-tax relief in respect of premiums paid for the provision of retirement pensions for self-employed persons. The changes, it is stated, are logical in themselves and go some way to overcome some of the disadvantages in the scheme originally outlined. Apparently amendments will be introduced on report to enable income from part-time work to qualify for premium relief. This would mean that the man in pensionable employment who undertakes also non-pensionable work in order to augment his income would be allowed to devote up to 10 per cent. of such additional earnings to provide additional pension, and to obtain relief of tax accordingly. It remains to be seen how far the revised proposals will go in this respect.

Another point raised concerned the guaranteeing of annuity payments for a fixed term of years. The original intention was to allow the annuity to be guaranteed for five years, so that, should the annuitant die 12 months after retirement, his dependants would receive the benefit of the annuity for a further four years. The amendment suggested was that annuities could be guaranteed for a period up to 10 years, and this amendment was accepted. One of the disadvantages of a deferred annuity contract—namely, that the premature death of the annuitant can mean that very little return is obtained in some instances for the premium outlay which has been expended, is overcome by the guarantee that the annuity will be paid for a fixed minimum period.

The amendment which evoked most controversy was that which will permit persons born prior to 1916 to obtain relief on more than 10 per cent. of their income in any year. According to year of birth, between 10 per cent. and 15 per cent. of income can attract relief under the revised proposals in such circumstances.

This concession obviously is designed to give to older persons affected by the Budget proposals the opportunity of building up adequate retirement pension. The principle involved is one which is commonly accepted in pension business generally. When a scheme is set up for any group of employees or persons, the older lives included in the scheme cannot be given retirement benefits on the full scale unless considerable sums are provided at inception for this purpose. "Past service" pension is acquired in such cases either by the payment of additional premium to the insurance company, and such additional premium usually is paid by the employers, or by setting aside capital funds for this special purpose.

The fact that older self-employed persons will have to make provision for retirement over a shorter period would seem to justify the revision now proposed. The Financial Secretary to the Treasury made clear in committee that the cost of altering the limit to 15 per cent. for all ages would be prohibitive. The intention clearly is to introduce the "past service" feature into the new scheme, by encouraging older persons to make extra allocations for retirement provision.

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ALL INDIA CO-OPERATIVE FIRE AND GENERAL INSURANCE SOCIETY, LIMITED

BONUS TO POLICYHOLDERS RAISED

THE Seventh Annual General Meeting of the All India Co-operative Fire and General Insurance Society, Ltd., was held on the 25th June 1956, under the chairmanship of Mr. K. C. Desai, B.A., LL.B.

In the course of his presidential address, Mr. Desai referred to the nationalisation of life insurance business in India and emphasised the need for excluding co-operative insurance societies from the purview of nationalisation, even at this late stage, because of the fact that the Union Government has always been trying to encourage the co-operative form of enterprise.

Five-year Plan

While referring to the second Five-year Plan he wished that with the hearty co-operation of the general public, the Plan would progress as per schedule.

He referred to the recent legislation on co-operative marketing and warehousing of the Union Government and stressed the need for the agricultural societies taking advantage of the scheme and also advocated the need for co-operative institutions getting all their requirements from sister co-operative societies only, wherever available.

Rate of Bonus

Mr. Desai stated that the progress made by the Society during the year was highly satisfactory, resulting in the rate of bonus to general insurance policyholders being raised from 7.81 per cent. to 10 per cent. (which comes to Rs. 100 for every Rs. 1,000 premium income) and the rate of dividend to shareholders from 4 per cent. to 5 per cent. The total reserves amounted to 65 per cent. of the premium income, which is another highly notable feature. He was glad of the fact that the Society was able to procure reciprocity of business from foreign offices as well, in view of the goodwill created in those markets.

He paid a tribute to the honorary services rendered by Mr. G. H. Thakore as Honorary Managing Director of the Society since its inception.

The audited accounts for the year 1955 were adopted.

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ESTABLISHED 7th SEPTEMBER, 1906

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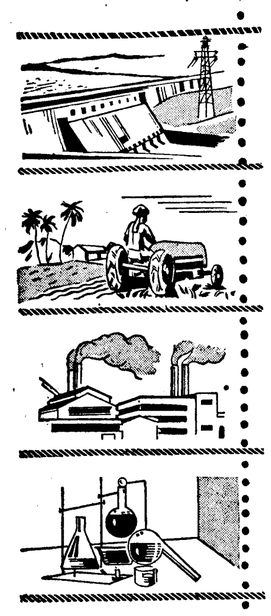
Mr. BHAGVANDAS CHUNILAL MEHTA.
Mr. KRISHNARAJ M. D. THACKERSEY.
Mr. A. D. SHROFF.
Mr. MADANMOHAN MANGALDAS.

Current Deposit Accounts.—Except at certain places interest is allowed on daily balances from Rs. 500 to Rs. 1,00,000 at 2 per cent. per annum. No credit will be given for interest amounting to less than Rs. 5 per half-year.
Fixed, Short and Savings Bank Deposit received on favourable terms. Rates on application.
Foreign Exchange Business Transacted and Letters of Credit opened for approved customers.
The Bank acts as Executor and Trustee under Wills and Settlements and undertakes Trustee business generally.
Every Description of Banking Business Undertaken.

D. R. THOM, *General Manager.*

Under National Planning crores of rupees are being spent to improve agriculture, build and expand industries and promote social welfare. As a result, you have a wider scope to increase your income and lead a better standard of life.



Preserve the joys of better living

As a thoughtful man, you too would like to have a plan to make sure that you, your wife and your children always maintain the improved standard of living.

Life Insurance alone can provide a plan for ensuring comfort in old age, funds for the education, marriage and start in life of your children and sufficient resources if the family has to carry on without you.

In fact, any arrangement you consider essential to preserve the joys of today's better living for you and your family can be made through life insurance.

And the cost? Small, easy instalments of premium out of your current income.

Ask your agent today to draw up a plan for you.

NATIONALISED LIFE INSURANCE

MEANS ABSOLUTE SECURITY AND DEPENDABLE SERVICE

INSERTED BY COMPANIES TRANSACTING LIFE INSURANCE BUSINESS IN INDIA

BIRTHDAY OR MARRIAGE!!!

THERE IS NO PRESENT MORE ATTRACTIVE THAN

A THREE-YEAR CASH CERTIFICATE

THERE ARE DIFFERENT DENOMINATIONS TO CHOOSE FROM

Hyderabad State Bank

Head Office: HYDERABAD-DECCAN

50 Offices throughout the State and outside

BALWANT SINGH
Managing Director.

A copy of the Prospectus has been delivered to the Registrar of Companies, West Bengal, for registration together with the necessary documents which are required by Section 69 of the Companies Act, 1956.

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

A licence has been obtained from the Central Government for the establishment of this new industrial undertaking of which a copy is open to public inspection at the Registered Office (Head Office) of the Company. It must be distinctly understood that in granting this licence the Government of India do not take any responsibility for the financial soundness of this undertaking or for the correctness of any of the statements made or opinions expressed in regard to it.

The Subscription List opens on Monday, the 18th of June, 1956.

All applications for shares must reach the Registered Office of the Company by 21st of July 1956. The Directors may extend the date for receipt of applications, as they may in their discretion think fit.

KESORAM COTTON MILLS LIMITED

AUTHORISED CAPITAL:

		Rs.	a.	p.
20,000—7 per cent. (Income-tax free) Cumulative Preference Shares of Rs. 100 each		20,00,000	0	0
1,40,000—5½ per cent. (Income-tax free) Cumulative Redeemable Second Preference Shares of Rs. 100 each		1,40,00,000	0	0
24,00,000 Ordinary Shares of Rs. 10 each		2,40,00,000	0	0
	Total .. Rs.	4,00,00,000	0	0

ISSUED, SUBSCRIBED AND PAID-UP CAPITAL:

20,000—7 per cent. (Income-tax free) Cumulative Preference Shares of Rs. 100 each		20,00,000	0	0
16,00,000 Ordinary Shares of Rs. 10 each		1,60,00,000	0	0
	Total .. Rs.	1,80,00,000	0	0

PRESENT ISSUE:

1,00,000—5½ per cent. (Income-tax free) Cumulative Redeemable Second Preference Shares of Rs. 100 each	Rs.	1,00,00,000	0	0

Out of the present issue of one lakh shares of Rs. 100 each, 50,000 shares have already been subscribed by the equity (Ordinary) shareholders, their nominees and other persons. The remaining 50,000 shares are now being offered to the public for subscription at par. These shares carry 5½ per cent. (Income-tax free) Cumulative Preferential Dividend and shall be redeemed at par on 31st March 1967, out of the profits of the Company and/or out of the proceeds of a fresh issue of capital made for the purpose of redemption. These shares shall rank for dividend and return of capital next after the existing Preference Shares but in priority to the Ordinary Shares.

The subscription for the present issue shall be payable as follows :—

Rs. 25 per share on application.
Rs. 25 per share on allotment.
Rs. 50 per share after 31st March 1957 on one month's notice from the Company.

Applications must be for a minimum of five shares or a multiple of five.

Applications for shares may be presented at the Company's Registered Office or at the Head or Branch Offices of the Company's Bankers where application forms for shares and copies of the Prospectus will be available.

The Directors shall have the discretion to refuse to allot any shares or to allot less than the number applied to any person or persons without assigning any reason for the same.

The Preference Shares offered for subscription are approved investments within the meaning of Section 27A of the Insurance Act, 1938.

DIRECTORS

SHRI B. K. BIRLA, Merchant, 8, Royal Exchange Place, Calcutta.
RAJA B. N. ROY CHOWDHURY OF SANTOSH, Barrister-at-law, 8, Royal Exchange Place, Calcutta.
SHRI RAM KUMAR BHUWALKA, Merchant, 8, Royal Exchange Place, Calcutta.
SHRI P. D. HIMATSINGKA, Solicitor, 6, Old Post Office Street, Calcutta.
SHRI HIRALAL SOMANI, Merchant, 2, Wellesley Place, Calcutta.
SHRI MAHALIRAM SONTHALIA, Merchant, 23/24, Radha Bazar Street, Calcutta.

MANAGING AGENTS

BIRLA BROTHERS PRIVATE LIMITED, 8, Royal Exchange Place, Calcutta.

BANKERS

THE STATE BANK OF INDIA, 1/2/3, Strand Road, Calcutta.
THE UNITED COMMERCIAL BANK LIMITED, 2, Royal Exchange Place, Calcutta.
THE HIND BANK LIMITED, 4, Brabourne Road, Calcutta.

SOLICITORS

P. D. HIMATSINGKA & CO., 6, Old Post Office Street, Calcutta.

AUDITORS

PRICE WATERHOUSE PEAT & CO., Chartered Accountants, B4, Clive Buildings, Calcutta-1.

REGISTERED OFFICE

8, ROYAL EXCHANGE PLACE, CALCUTTA.

QUALIFICATIONS AND REMUNERATION OF DIRECTORS

Under the Articles of Association of the Company as amended by the shareholders at the Extraordinary General Meeting held on the 6th June 1956, each Director is to hold 200 Ordinary Shares on which all calls shall have been paid and each Director will receive by way of remuneration a sum of Rs. 200 for each meeting of the Board attended by him, provided, however, until the sanction of the Central Government is received the aggregate of such payment to each Director in any financial year will not exceed Rs. 1,200.

PARTICULARS ABOUT THE MANAGING AGENTS

The Managing Agents is a Private Limited Company with a subscribed and paid-up capital of Rs. 50,00,120.

Under Article 101 of the Articles of Association, the Managing Agents were entitled to a commission on the basis of gross sale proceeds of manufactured products of the Company and purchases of cotton and certain guaranteeing commission. The said basis became inapplicable from 1-4-1956 under the provisions of the Companies Act, 1956.

The term of office of the present Managing Agents will expire on the 15th January 1957. An application is intended to be made to the Central Government for a fresh agreement renewing the appointment of the Managing Agents for another term of ten years and to fix their remuneration @ 10 per cent. of the net profits on the basis of the provisions of the Companies Act, 1956.

RIGHTS ATTACHED TO DIFFERENT CLASSES OF SHARES

According to the provisions of Section 87 of the Companies Act, 1956, every member of the Company holding any equity (Ordinary) Share capital has a right to vote, in respect of such capital, on every resolution placed before the Company and his voting right on a poll shall be in proportion to his share of the paid-up equity (Ordinary) capital of the Company.

Every member of the Company holding any Preference Share capital has, in respect of such capital, a right to vote only on resolutions placed before the Company which directly affect the rights attached to his Preference Shares.

The Preference Share capital carry preferential right to the fixed amount of dividend but does not carry any right to any further participation in profits.

In case of winding-up of the Company, the rights of the shareholders as regards dividend and return of capital shall, subject to the provisions of the Companies Act, 1956, be governed by Article 127 of the Articles of Association of the Company which provides as follows:

"If the Company shall be wound-up the assets available for distribution among the members of the Company shall be applied in the first instance in payment of the cumulative dividend or dividends on the Preference Shares which may be unpaid or in arrear at the commencement of the winding-up and thereafter the balance, if any, of the assets available for distribution as aforesaid shall be distributed in manner following, as to one-quarter thereof among the holders of Preference Shares in proportion to the capital paid-up thereon at the commencement of the winding-up and as to three-quarters thereof among the holders of Ordinary Shares in proportion to the capital paid-up thereon at the commencement of the winding-up."

RESTRICTIONS ON MEMBERS' RIGHTS

So long as any money is due from a member of the Company in respect of any shares held by him, he shall not be entitled to vote at any meeting of the Company in respect of such shares.

The Directors may, without assigning any reason, decline to register any transfer of shares not fully paid-up or upon which the Company has a lien.

OBJECTS AND BUSINESS OF THE COMPANY

The main objects are, *inter alia*, the following:—

"To carry on all or any of the following businesses, namely, cotton spinners and doublers, flax, hemp and jute spinners, linen and cloth manufacturers, flax, hemp, jute and wool merchants, wool combers, worsted spinners, woollen spinners, yarn merchants, worsted stuff manufacturers, bleachers and dyers and makers of vitriol, bleaching and dyeing materials."

"To purchase, comb, prepare, skin, dye and deal in cotton, flax, hemp, jute, wool, silk and any fibrous substances."

The Company has been carrying on business since about the last 36 years. The Company suffered loss upto the year 1930 as a result of which the values of the assets of the Company were written off as on 24th January 1931, as per Reduction Scheme, and the value of the Ordinary Shares was reduced to Rs. 2-8-0 per share from Rs. 10 per share. Since then the Company has made steady progress. Consequently in 1943, the Company capitalised a sum of Rs. 5,00,000 from its reserves and issued fully paid-up bonus shares of Rs. 2-8-0 each on the basis of one such bonus share to every holder of three Ordinary Shares of Rs. 2-8-0 each. Further, the face value of the Ordinary Shares was raised from Rs. 2-8-0 per share to Rs. 20 per share by the capitalisation of the profits of the Company from time to time on four different dates between 1948 to 1954 amounting in all to Rs. 1,40,00,000. In 1955, the entire 8,00,000 Ordinary Shares of Rs. 20 each were sub-divided into 16,00,000 Ordinary Shares of Rs. 10 each. The present market quotation for these shares is about Rs. 19-8 per share.

The assets of the Company consisting of land, buildings and machinery, etc., were revalued in the year 1950 and a surplus of Rs. 1,45,87,000 lies to the credit of capital reserve account of the Company as on 31st March 1956.

PURPOSE OF PRESENT ISSUE

The Company has so far been engaging itself in the manufacture of cotton yarn and cloth and hosiery goods. After carefully studying all the pros and cons of the matter, the Company has now decided to extend its activities and with that end in view it is proposed to install a plant for the manufacture of Continuous Filament Viscose Rayon Yarn. There is a good demand for rayon cloth and it is expected that the rayon yarn, which will be manufactured by the Company, shall fetch a good return to the Company. A licence necessary for the establishment of a 10-ton plant for the manufacture of the said goods has been obtained from the Government of India. It is, however, proposed to install for the present a plant of 6/7 tons capacity only. The cost of the installations of the said 6/7 tons plant is estimated to be about Rs. 3,70,00,000 as per particulars below:—

		About Rs.
(i)	Land, buildings, roads and other constructions	80,00,000
(ii)	Machinery and equipment	2,50,00,000
(iii)	Working capital	40,00,000
	Total	About Rs. 3,70,00,000

Out of the above sum the Company proposes to meet about Rs. 2,70,00,000 for the purchase of land, machinery and equipments and certain construction work from its existing resources, bank loan, deferred payments, etc. The balance amount is proposed to be met by the present issue of shares.

In the opinion of the Directors, the minimum amount which must be raised by the issue of these shares is Rs. 60,00,000 inclusive of the 50,000 shares which have already been subscribed and allotted which sum together with the said sum of Rs. 2,70,00,000 will cover all the expenses except working capital.

It may be stated here that a portion of land required for the purpose aforesaid has already been acquired at Mouza Raghunathpur (where the said Rayon Plant is proposed to be located) in the District of Hooghly near Calcutta. Negotiations for the rest of the required land as well as for the purchase of the plant and machinery from various parties, are in progress.

Copies of the Balance Sheets and Profit and Loss Accounts on which the report of the Auditors is based and Memorandum and Articles of Association of the Company may be inspected at the Registered Office of the Company during office hours until the subscription list closes.

The Directors may, at their discretion, pay brokerage and/or commission at a rate not exceeding 2 per cent. of the face value of the shares in respect of shares already allotted or to be allotted by them.

The financial position of the Company will appear from the Auditors' Report set out below:—

AUDITORS' REPORT

MESSRS. BIRLA BROTHERS PRIVATE LTD.
Managing Agents,
KESORAM COTTON MILLS LTD,
Calcutta.

Dear Sirs,

We have examined the books and accounts of (a) Kesoram Cotton Mills Ltd., as kept in Calcutta and Gwalior in which are incorporated the certified returns from the Mills and retail shops for the five years ended 31st March 1956, and (b) Bharat Kala Bhandar Limited, a wholly owned subsidiary of Kesoram Cotton Mills Ltd., which is audited by Messrs. Singhi & Co., Chartered Accountants, Calcutta, for the five years ended 31st March 1956, and report that subject to the completion of the audit for the year ended 31st March 1956, of both the Companies the profits are as set out below. The audits of the Company and its subsidiary for the year to 31st March 1956, have not yet been completed. These profits have been arrived at after charging all expenses of working and management, including provision for normal depreciation on the basis allowable for Taxation and after making such adjustments as are, in our opinion, appropriate.

(A) KESORAM COTTON MILLS LTD.

	Year ended 31st March 1952	Year ended 31st March 1953	Year ended 31st March 1954	Year ended 31st March 1955	Year ended 31st March 1956
	Rs.	Rs.	Rs.	Rs.	Rs.
INCOME					
Sales	6,37,50,875	6,04,40,797	5,53,57,727	5,57,20,480	6,07,45,028
Closing stock	1,72,94,425	1,37,90,818	1,19,69,085	1,21,03,658	1,41,09,712
Dividend on shares and interest for security	1,97,144	1,87,194	1,52,569	1,50,380	1,60,612
Interest, rent and taxes, and miscellaneous receipts	51,550	83,093	1,05,081	65,035	2,35,474
	8,12,93,994	7,45,01,902	6,75,84,462	6,80,39,553	7,52,50,826
EXPENDITURE					
Opening stock	1,20,92,882*	1,72,94,425	1,37,90,818	1,19,69,085	1,21,03,658
Purchases	4,08,61,482	2,95,41,911	2,62,60,865	2,70,88,302	3,03,79,872
Salaries and wages, workers' welfare, etc.	1,16,65,234	1,26,74,691	1,28,62,892	1,31,66,132	1,29,26,175
Other manufacturing expenses	74,92,517	66,22,550	70,70,387	73,95,893	80,61,137
General and cloth expenses, commission and brokerage, rent, etc.	12,95,826	20,66,304	15,47,415	18,83,565	17,67,905
Insurance, Auditors' fees, Interest, etc.	1,75,617	1,38,481	1,58,915	1,69,830	1,36,491
Managing Agents' remuneration	13,74,533	13,07,949	11,99,779	12,61,706	13,48,670
Directors' fees	8,400	8,400	8,400	8,300	7,800
Interest paid to Managing Agents	..	..	..	12,561	..
Bad debts written off	..	..	..	13,700	..
	7,49,66,491	6,96,54,711	6,28,99,471	6,29,69,074	6,67,31,708
Net profits before depreciation and taxation	63,27,503	48,47,191	46,84,991	50,70,479	85,19,118
Depreciation (normal)	5,34,186	6,36,776	6,56,964	7,03,284	7,45,452
Net profits before taxation	57,93,317	42,10,415	40,28,027	43,67,195	77,73,666
Taxation after allowance of normal depreciation	23,31,266*	17,21,337	15,84,224	17,96,951	33,92,927
Net profits	34,62,051	24,89,078	24,43,803	25,70,244	43,80,739

* The opening stock has been written up by Rs. 33,88,233 the amount by which the previous year's closing stock was under-valued. The tax provision in the Profit Statement has been calculated after giving effect to this adjustment.

The initial allowance and development rebate and double and extra shift allowances which are not included are as follows :—

	Rs.	Rs.	Rs.	Rs.	Rs.
Initial allowance and development rebate	3,33,660	4,00,426	3,01,325	3,38,992	4,62,376
Double allowance and extra shifts	6,57,289	8,34,999	7,07,436	7,43,071	7,58,129

(B) BHARAT KALA BHANDAR LTD.

	Year ended 31st March 1952	Year ended 31st March 1953	Year ended 31st March 1954	Year ended 31st March 1955	Year ended 31st March 1956
	Rs.	Rs.	Rs.	Rs.	Rs.
INCOME					
Sales	1,12,01,479	1,28,11,217	1,55,32,579	1,22,05,594	1,28,51,321
Closing stock	18,52,801	22,75,570	13,35,987	11,70,677	14,09,989
Ginning and pressing	2,08,082	2,83,565	2,22,403	2,51,123	2,11,710
Commission and brokerage	1,42,720	2,17,031	1,70,346	2,98,291	91,441
Profit on consignment, interest, rent, miscellaneous receipts, etc.	57,140	34,454	29,166	7,440	34,199
Dividend on shares	..	..	..	..	40,625
Rs.	1,34,62,222	1,56,21,837	1,72,90,481	1,39,33,125	1,46,39,285
EXPENDITURE					
Opening stock	35,44,996	18,52,801	22,75,570	13,35,987	11,70,677
Purchases	90,49,681	1,27,87,070	1,40,48,966	1,15,72,014	1,26,18,820
Ginning and pressing costs, etc.	1,30,889	1,67,273	1,30,384	1,26,532	1,12,130
Selling and other establishment charges	75,064	92,553	1,23,170	1,53,115	1,32,187
Salaries and bonus	56,510	73,232	63,205	73,351	66,937
Interest, rent and taxes, repairs, insurance, etc.	74,153	1,09,385	41,062	44,252	60,061
Directors' fees and commission	400	5,547	4,892	5,677	4,314
Bad debts	4,982	1,353	..	1,002	4,488
Rs.	1,29,36,675	1,50,89,214	1,68,87,249	1,33,11,930	1,41,69,614
Net Profits before depreciation and taxation	5,25,547	5,32,623	6,03,232	6,21,195	4,69,671
Depreciation (normal)	15,524	23,686	22,752	18,672	17,208
Net Profits before taxation	5,10,023	5,08,937	5,80,480	6,02,523	4,52,463
Taxation after allowance of normal depreciation	1,88,890	2,03,113	1,78,572	1,91,959	1,34,638
Net Profits Rs.	3,21,133	3,05,824	4,01,908	4,10,564	3,17,825

The initial allowance and development rebate and double and extra shift allowances which are not included are as follows :—

	Rs.	Rs.	Rs.	Rs.	Rs.
Initial allowances and development rebate	13,934	10,048	875	2,577	1,399
Double allowance (no extra shift)	3,790	13,064	13,132	10,037	9,331

We also report that the assets and liabilities of Kesoram Cotton Mills Ltd. as at 31st March 1956 and Bharat Kala Bhandar Ltd. as at 31st March 1956, which is the last date to which the Companies' accounts were made up prior to the date of this report, are as set out below subject to the completion of the audits of both the Companies for the year ended 31st March 1956. These assets and liabilities have been arrived at after making such adjustments as, in our opinion, are appropriate.

KESORAM COTTON MILLS LTD.

Statement of Assets and Liabilities as at 31st March 1956.

	Rs.	Rs.	Rs.
Fixed Assets—			
At Original Cost plus increase on revaluation as at 31st March 1950 less depreciation to 31st March 1956			2,45,03,689
Investments—At under cost—			
In Government securities		70,418	
In fully and partly paid-up shares and debentures		31,22,428	
In fully owned subsidiary		3,00,000	
			34,92,846
			2,79,96,535
Undistributed bonus shares			7,470
Current Assets—			
Stores, coal and spare parts		9,04,209	
Stock of cloth, yarn, cotton, hosiery, etc.		1,41,09,712	
Book debts—			
Secured—considered good	73,102		
Unsecured—considered good	11,77,072		
Unsecured—considered doubtful	17,413		
		12,67,587	
Advances recoverable in cash or for value to be received		8,29,393	
Advance to wholly owned subsidiary		4,86,443	
Advance payments of tax under sections 18A and 23B		1,30,16,644	
Cash in hand and in banks		53,50,962	
Interest accrued on fixed deposits		32,112	
		3,59,97,062	
Total Assets			6,40,01,067
Less : Liability and Other Provision—			
Sundry Creditors			40,80,949
Loans (Unsecured)—Sundry Deposits			8,84,562
Dividends Forfeited			2,45,196
Unclaimed and unpaid Dividends			1,13,210
Provision for Taxation—			
As per account (estimated)	1,62,39,665		
Less : Surplus (estimated) transferred to other reserves	10,00,000		
		1,52,39,665	
			2,05,63,582
Net Assets as at 31st March 1956			4,34,37,485
			6,40,01,067
Represented by—			
7 per cent. cumulative preference shares of Rs. 100 each fully paid in cash			20,00,000
Ordinary shares partly received in cash		15,00,000	
Ordinary shares partly issued for consideration other than cash		25,00,000	
Ordinary shares fully issued for consideration other than cash		1,20,00,000	
		1,60,00,000	
Capital reserve			1,45,87,000
Other reserves (including Rs. 10 lakhs excess tax provision)			71,11,124
Profit and Loss (balance carried forward)			37,39,361
			4,34,37,485

NOTE :—There is a contingent liability in respect of uncalled capital on shares held amounting to Rs. 11,40,500.

BHARAT KALA BHANDAR LTD.

Statement of Assets and Liabilities as at 31st March, 1956.

	Rs.	Rs.	Rs.
Fixed Assets—			
At Original cost as at 31st March, 1956 less depreciation to 31st March, 1956		79,400	
Add :—Profit on sale of machinery credited to machinery in accounts		801	
			80,201
Investments—At cost—			
In Government securities		500	
In fully and partly paid-up shares		15,34,881	
			15,35,381
The market value of Investments at 31st March, 1956 (after including at book value investments to the amount of Rs. 7,91,335 for which there were no quotations) was Rs. 16,02,278.			16,15,582
Current Assets—			
Stores		22,035	
Stock		14,09,989	
Book Debts (unsecured)—			
Considered good	2,56,764		
Considered doubtful	50,664		
		3,07,428	
Advances recoverable in cash or for value to be received		49,762	
Advance payment of tax under Sections 18A and 23B		8,92,779	
Cash in hand and at banks		72,969	
			27,54,962
Total Assets			43,70,544

(Continued on page 1254)

ENGINEERING GOODS INDUSTRY

MEASURES NEEDED TO PROMOTE EXPORTS

By Dr. R. M. Agarwal

WHILE addressing the Export Advisory Council on 27th November 1955, the Union Minister for Commerce and Industry, Mr. T. T. Krishnamachari, remarked that export trade had changed from one of control to one of promotion. Export promotion had got to be active and dynamic. But in saying that, he was not unaware of the multitude of impediments that lay in the way of augmenting our export promotion policies in the enunciation of which no thought is bestowed on the relation of internal industrial policy to export possibilities. It is also not possible to have one industrial policy for the manufacture of goods that go into exports and another for those that go into internal consumption. Moreover, a wise policy-maker builds up an export trade on the basis of internal consumption; otherwise the economy which is entirely dependent on exports becomes unstable. That is why Mr. Krishnamachari emphasised that, in the course of the precise formulation of the Five-year Plan, we would have to frame a plan for foreign trade—for an integration of the policy for export with the policy for industrialisation.

With the above background, the Government has already set up Export Promotion Councils for cotton textiles, silk and art silks and rayon textiles, plastic goods, engineering goods, cashew nuts, and pepper. Similar Councils for tobacco, mica, shellac, and leather manufactures are likely to be set up shortly. The main functions of these Councils are:

(a) undertaking market studies, (b) sending out trade missions, (c) appointing representatives, agents, or correspondents in foreign markets to report prices, market preferences, etc., (d) conducting propaganda, (e) collecting statistics and other informations, (f) propagating information useful to the grower, manufacturer, and trader in a commodity, (g) laying down standards of quality and packing in respects of goods intended for export and maintaining liaison with anybody undertaking this work, (h) setting up an organisation, or maintaining liaison with an organisation which may be set up, for the inspection of the goods intended for export, (i) deputing the officers of the Council to witness the survey of goods exported or intended for export, and (j) acting as arbitrators or nominating arbitrators or valuers in the settlement of disputes and differences, etc.

Since these Councils have been established only recently, it is too early to pronounce judgment on their success or failure. It would, however, not be out of context to mention here a few handicaps facing our export trade which, if removed, would make the working of these Councils expeditious, more efficient, and fruitful. I would like to lay greater stress on the Engineering Export Promotion Council because engineering industries are among those few industries which form a sound edifice for a stable export trade.

Before we discuss the broad impediments facing this line of export trade, we must consider the following points:

(1) Main consuming centres, (2) current economic trends in those areas, (3) specific requirements of those areas, and (4) competition.

Any programme of export promotion must essentially follow a survey of the main markets for the products of that industry. As regards engineering industries, our main markets are the Middle East, South-East Asia and Far East, and South-East Africa. We are exporting a number of consumer goods like buckets, hurricane lanterns, electric fans, cutlery, steel trunks, furniture and fittings, electrical appliances, musical instruments, sewing machines, surgical instruments, cycles, tubes and tyres, etc., to these countries. Recently, a good deal of exports have also been made to South America but as the countries in that Continent are so near to the United States, it is very doubtful if we will be able to retain that market for long. Anyway, the re-emergence of East European markets offer an opportunity for the development of mutually beneficial trade. However, has far as possible, we should try to concentrate more on our neighbouring and intra-regional markets.

Coming to the recent economic trends in these markets, we have to take note of two factors. First, almost all these areas are either undeveloped or underdeveloped, like India. Consequently, they all have one programme or another to rejuvenate their economic life. Moreover, most of these countries had been subject to foreign domination for a pretty long time and have attained freedom only recently. Since political domination leads to economic exploitation they have had bitter experiences, like India. Naturally, they are afraid of foreign trades. That is one of the reasons why most of the countries in these areas have either restricted imports or made it a policy to issue at least a part of import licences to their own citizens only. It is quite true that only a few of these countries possess the adventure and resourcefulness of India to develop industries but in canalising imports in certain specific directions they could at least provide a fillip to their trade and commerce. Therefore, if we want to develop our trade connections with these countries, we must of necessity work in close co-operation with the commercial interests in those countries.

Barter System

Secondly, with the emergence of the so-called Iron Curtain countries and greater emphasis on intra-regional trade, our activities with these countries are likely to gain prominence. Since the basis of trade under a totalitarian economy is different from an individualistic economy, trade with these countries has got to be more or less on the basis of barter. Barter involves a third agency which can hardly be anyone else but the Government. The Government is already contemplating to set up State Trading Corporations for such purposes. But the past experiences of these Corporations are not very happy and we should not rely too much on them.

There is yet another point equally important and peculiar to our domestic economy. We are already coming to the end of the first Five-year Plan and are on the threshold of the second Five-year Plan. Naturally, most of our engineering industries are booked for a long time as regards production and deliveries. Consequently, if, as we must, export to other countries, we must be prepared to put our own economy to some sort of strain. Since the foreign trade of a country forms the nucleus of its foreign exchange earnings, we should not spare any opportunity to promote our exports even if such were to mean a little hardship to our people.

As regards the specific requirements of our potential markets, we must conduct widespread market as well as marketing research and procurement of business contracts. This is very important because unless and until we know the requirements of the people of those areas it would be very difficult for us to sell our goods. Moreover, our engineering industries will have to adapt their manufacturing programmes to the specific requirements of those areas. We should also explore the possibilities of substituting our products for those used now.

Last but not the least, is the competition in those markets. Whereas a few monopolies (such as jute and tea) enjoyed by us in the past have disappeared, the re-emergence of West Germany and Japan in the markets of the world has upset the trade of a good number of countries and increased their balance of payments difficulties. These developments are, of course, inevitable as no one could object to any country wanting to expand its foreign trade. But the competition is not always equal. We must, however, be ready to face them. For this, we would always have to keep an eye over the quality of our goods. If the quality and the price of our products stand at par with the quality and price of similar products from other countries, there is no reason why we should not be able to face competition in those countries.

Supply of Steel

As regards the handicaps which engineering industries face today, one cannot do better than refer to the presidential speech of Mr. D. N. Jalan, at the inauguration ceremony of the Engineering Export Promotion Council on 10th October 1955. The first handicap is inadequate supply of steel to these industries at reasonable prices. The Government would be well advised to give preference to the import of steel required for engineering industries. Since imported steel is costlier than domestic steel, Government should provide ample facilities for claiming drawback of import duty on imported materials used in goods manufactured for export. The Government has recently revised the Sea Customs Act and framed rules in respect of 15 items to enable the export trade to take full advantage of drawback of import duty. But the Government could also provide subsidies and bounties wherever possible in order to facilitate larger exports.

Secondly, inadequate shipping space and increased freight rates are a source of constant headache to our export trade. This not only leads to widespread discrimination against our products but, in certain cases, particularly for East African ports, even non-availability of shipping space. It would, of course, take time for

(Continued on page 1261)

KESORAM COTTON MILLS LIMITED—(Continued)

BHARAT KALA BHANDAR LTD.—(*Continued*)

	Rs.	Rs.
LESS : Liabilities and other Provision—		
Sundry Creditors		6,85,473
Loans (Unsecured)—		
Kesoram Cotton Mills Ltd.		4,86,443
Provision for Taxation		9,86,655
		21,58,571
Net Assets as at 31st March, 1956		22,11,973
		43,70,544
Represented by—		
Shares fully paid-up in Cash		3,00,000
Reserves		17,94,250
Profit and Loss (Balance carried forward)—		
Balance as per Account	1,16,922	
ADD :—Profit on sale of Machinery ..	801	
		1,17,723
		22,11,973

NOTE :—There is a contingent liability in respect of uncalled capital on shares held amounting to Rs. 58,500 (O.S. Currency).

We also report that the dividends paid by Kesoram Cotton Mills Ltd. out of profits on its paid-up capital without deduction of tax for the four years ended 31st March, 1955 are as follows. No dividend has yet been declared for the year ended 31st March, 1956.

Year ended	Ordinary 8,00,000 Shares.	Preference 20,000 7% Cumulative Preference Shares of Rs. 100 each.
31st March 1952 ..	Rs. 1-12-0 per share on 8,00,000 Ordinary Shares of Rs. 15 each—Rs. 14,00,000.	7% p.a. .. Rs. 1,40,000
31st March 1953 ..	Rs. 1-12-0 per share on 8,00,000 Ordinary Shares of Rs. 15 each—Rs. 14,00,000.	7% p.a. .. Rs. 1,40,000
31st March 1954 ..	Rs. 1-12-0 per share on 8,00,000 Ordinary Shares of Rs. 20 each—Rs. 14,00,000.	7% p.a. .. Rs. 1,40,000
31st March 1955 ..	Rs. 1-12-0 per share on 8,00,000 Ordinary Shares of Rs. 20 each—Rs. 14,00,000.	7% p.a. .. Rs. 1,40,000

NOTE :—These ordinary shares have since been subdivided into 16,00,000 ordinary shares of Rs. 10 each.

No dividend has been declared by Bharat Kala Bhandar Ltd. during the five years ended 31st March 1956.

CALCUTTA, 14th June 1956.

Yours faithfully,
PRICE WATERHOUSE PEAT & CO.

(Sd.) B. K. BIRLA,
(Sd.) B. N. ROY CHOWDHURY,
(Sd.) RAM KUMAR BHUWALKA,
(Sd.) P. D. HIMATSINGKA,
(Sd.) HIRALAL SOMANI,
(Sd.) MAHALIRAM SONTHALIA. } Directors

CALCUTTA, 15th June 1956.

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Two ..	2¾ per cent.	Five ..	3½ per cent.

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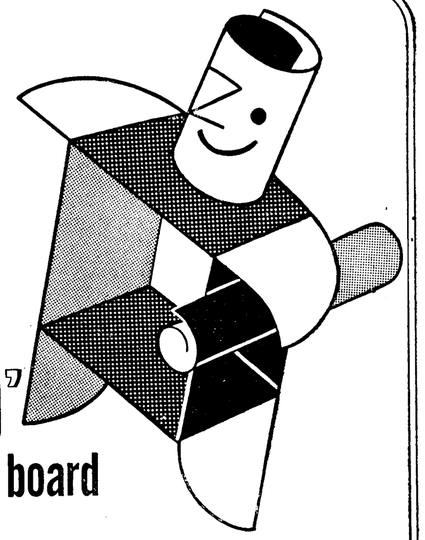

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CENTRAL ADVISORY COUNCIL OF INDUSTRIES MEETS

LABOUR DEMANDS INCREASE IN WAGES

WHEN the provision for the constitution of Development Councils was made in the Industries (Development and Regulation) Act, 1951, the Government itself was not quite sure how far these Councils would be able to help industries. When the Bill containing this provision was under discussion in Parliament, the Government spokesmen stated that the idea of establishing the Development Councils for industries was adopted from the British experience and that it was worthwhile making an experiment with these Councils in India. The experience gained since then by the working of a number of Councils would appear to be very encouraging. An indication to this effect was provided by the deliberations of the Central Advisory Council of Industries which met at New Delhi on the 20th inst., Mr. T. T. Krishnamachari, Minister for Commerce and Industry, presiding. A review of the working of these Councils was one of the ten items which came up for discussion at this meeting. Dr. Vikram A. Sarabhai, Mr. Lakshmipat Singhania and Mr. S. R. Vasavada were among those who held that the Development Councils were doing useful work. They urged that separate Councils should be set up for non-ferrous metals, vanaspati, confectionery and cotton textiles industries. These Councils have already been established, it may be noted, for (*a*) cycles, (*b*) heavy chemicals (acids and fertilisers), (*c*) heavy chemicals, (alkalis), (*d*) sugar, (*e*) internal combustion engines and power-driven pumps, (*f*) art silk textiles, (*g*) woollen textiles, (*h*) pharmaceuticals and drugs, (*i*) light electrical industries and (*j*) heavy electrical industries.

Co-ordination

Mr. K. C. Mahindra stated that, while these bodies were charged with tasks of co-ordinating production programmes and of evolving forms for achieving efficiency, the annual reports on their working did not disclose that these two purposes were being adequately fulfilled. Mr. Lala Shri Ram said, if they wanted these Councils to help and develop industries, they should have adequate finance at their disposal and have the services of experts on the industries concerned. Mr. T. T. Krishnamachari averred that the experiment of Development Councils was a success. He commended particularly the work done by the Council for Pharmaceuticals. It was the Government's idea to see that these Councils functioned as 'policy-makers in respect of industries dealt with by them subject to the Government's approval. He hoped that the Government would be able to make more use of these Councils in their scheme of industrialisation. These observations of the Minister augur well for the future of these Development Councils. Given expert technicians, adequate finance and freedom to work out their own schemes, there is no reason why these Councils should not play an increasing role in the development of industries in the country.

Licensing of Industries

The Commerce and Industry Minister, whose speech at the Central Advisory Council was dealt with in this journal last week, gave a brief account of the work done by the Licensing Committee since the Council's meeting in July 1955. During this period, the Government issued 450 licences on the recommendations of the Licensing Committee. The details regarding these licences were examined by a sub-committee of the Council and its report was also considered at the meeting. Replying to the points raised on this report, the Minister said that the question of expansion of cycle industry was being examined and that the Government wanted to fix some kind of target and apportion it between the small-scale and established industries. As regards the textile industry, he said that the Government had decided on bulk expansion of textile production. People who had got licences to start mills should fulfil their commitments or else the spindles alotted to them would be distributed to others.

The Council then discussed industrial development and targets fixed under the second Five-year Plan as also the working of the National Industrial Development Corporation. The discussion on the Five-year Plan revealed that labour was pressing for an increase in wages. Mr. S. R. Vasavada, workers' representative on the Council, regretted that, though production had increased as a result of the first Five-year Plan, workers remained exactly where they were in 1951. If a fair deal had to be given for workers so as to give them an incentive, was it not proper, he asked, that some share in the increased wealth was equitably distributed? He suggested that the Government should immediately set up a machinery which would satisfy the claims of workers for a share in the increased wealth. This contention of Mr. Vasavada should be examined carefully and met effectively. For it simply overlooks the findings of studies in wage bills of a number of industries. These studies have revealed that the wage bills of most industries have risen steadily during the past several years, while there has not been an increase in the man-hour output commensurate with the increase in wages. They have also shown that, in a number of industries, surplus labour which is not contributing to the wealth of the nation is being maintained, because workers are opposing schemes of rationalisation. For instance, Mr. Vasavada himself urged at the meeting that the Government should see to it that the question of installation of automatic looms as envisaged in the new textile policy should not be mixed up with rationalisation. It would be a hard blow, he added, to the handloom industry, if automatic looms were going to make an inroad into the home markets. Evidently this intransigent attitude of labour prevents it from seeing the writing on the wall, that its own prosperity is linked with the progress of rationalisation in industry and that, by its opposition to rationalisation, it is arresting its own prosperity.

Distribution of Increased Wealth

The Minister, in his reply, said that the equitable distribution of the increased wealth referred to by Mr. Vasavada was a matter which the Government faced with one mind. He observed that the Plan must bring something to people lower down and the benefits derived from the Plan must be conserved for national development or diverted towards the improvement of the standard of living of the workers. "We have not made up our mind," he added, "as to how much should go to national development and how much to workers." The Labour Minister, according to Mr. Krishnamachari, had some proposals in mind to be placed before the workers and the industrialists which would enable them to implement the targets under the Plan and make workers feel that, in working for the nation, they were also benefiting themselves. It was a matter, the Minister added, to which the Cabinet attached the greatest importance. This is a non-committal reply which, unfortunately, may be interpreted by labour in its favour. Since the Minister has not questioned the correctness of the ground on which Mr. Vasavada presented his case for higher wages, the workers may be emboldened to think that their demand is just and should be pressed vigorously. Once this mood is allowed to persist, it will be extremely difficult to correct it afterwards. The Government must, therefore, make up its mind on this issue soon and guide the workers on right lines.

In the course of discussions, stress was laid by some members on the need for increasing the production targets of a number of essential commodities in the country. Although the consensus of opinion was in favour of an upward revision of the target, some members were conscious of the limitations of such a proposal. Mr. R. Lakshmipat Singhania, for instance, said that transport would prove a serious bottleneck in the implementation of the second Plan. Unless serious consideration was given to this problem, many industries would be affected. He pressed for an increase in the target for road transport also—a sector in which the backlog has been very large, thanks to continued indifference on the part of State Governments to problems of road transport. Another difficulty was high freight charges. Mr. P. A. Narielwala complained that the freight charged by Indian shipowners was very high and suggested that the Government should ask the Tariff Commission to enquire into the Indian shipping industry and determine what fares and freights should be charged by them.

Vehicles vs. Wagons

Mr. Neogy's remarks, in this context, are worth noting. He pointed out that, as a result of a recent study, it was found that the capital cost requirements for providing vehicles for moving one million tons of goods would be Rs. 11.6 crores, whereas for enabling the railways to provide wagon capacity sufficient to carry the one million tons only a sum of Rs. 4 crores was needed. In other words, according to this study, to spend on railways would be more economical than on vehicles. This seems to be a surprising conclusion, contrary to earlier understanding of the subject. It is necessary to check up this conclusion, before taking any action on that basis.

One of the members wanted to know how far the private sector would be allowed to participate in the National Industries Development Corporation. Mr. Krishnamachari stated that the Corporation had more or less become a Government machinery for the purpose of filling up the gap in the industrial structure but there was no philosophic objection to the participation of private enterprise. The dominant voice would, however, be that of Government. It is not known why this question was at all raised, because the answer was already obvious. Further, the Commerce and Industry Ministry had made it clear earlier that the Corporation would help the private sector also whenever the latter put forward a workable and desirable proposition.

POSITION OF WHEAT AND RICE

The index number of wholesale prices for food articles for the week ended 9th June 1956 discloses, as compared with that for the previous week, a further rise of 0.8 per cent. to 356.3 (Base August 1939: 100). As compared with the level in the corresponding week of last year it shows an increase of as much as 25.3 per cent. The continued rise evidently underlines the fact that the measures taken by the Government to stem the rising tide of prices have not been quite effective. It will be recalled that, with a view to bringing down prices in urban areas, exports of foodgrains have been banned, wheat is being sold from central sales depots at Rs. 14 per maund and substantial quantities of rice from central stocks have been released at reduced rates. Besides, arrangements have been made to import foodgrains from abroad. Despite these measures, prices generally have continued to show a rising tendency. Reports of flood damages and failure of timely rains in certain areas as, for instance, in Mysore, would appear to have induced stockists to indulge in large purchases in the hope of getting better prices later. The Government of U.P., in its anxiety to check the rising trend of prices, is reported to have asked the Centre to allow it to ban exports of foodgrains outside the State. It is, however, not understandable how such a step would work well in the larger interests of the country, since it would only aggravate the position in other parts and would ultimately force the whole country to adopt food controls and rationing. The bitter experience of these controls is still so green in the minds of the public that neither the administrator nor the consumer would welcome it again.

The chief remedy for bringing under control the speculative and hoarding tendencies lies in building up buffer stocks by the Central Government through imports and releasing them in areas threatened with higher prices, besides initiating measures to encourage more production of foodgrains. It is gratifying to note that this policy is being actively pursued by the Centre. Bulk consignments of wheat have started, for instance, arriving in the country from the U.S. and Australia in pursuance of the Government's programme of importing one million tons of wheat for building up a national reserve. A bulk consignment of 9,525 tons of American wheat arrived last week. It is stated that an aggregate quantity of 400,000 tons would arrive in the City during this year, the balance of the imports being scheduled to arrive at Calcutta in regular instalments every month. Extensive arrangements have been made in Bombay for the storage and distribution of imported wheat. Besides the storage depot at Wadala with a capacity of 50,000 tons and the General Motors depot with 80,000 tons of storage capacity, the Government has taken in hand at Borivli the construction of a storage building capable of holding 150,000 tons. The wheat is being supplied to anybody in quantities ranging from one to 20 tons per day, the issue price being Rs. 14 per maund. With a view to providing stimulus to the former, the Government has also raised its issue price from Rs. 13 to Rs. 14 per maund.

In addition to importing wheat, the Government has taken steps to encourage cultivation of wheat. This is reflected in the estimated increase in the area sown to wheat, though the yield has been slightly lower owing to adverse weather conditions. The all-India final estimate of wheat puts the current year's (1955-56) area and production at 29.22 million acres and 8.34 million tons respectively, as against the partially revised estimate of 27.56 million acres and 8.77 million tons. The estimates for the current year thus show an increase of 1.71 million acres or 6.2 per cent., but a fall of 4.9 per cent. in the output. As compared with the average for the preceding five years, the area and production during 1955-56, however, show an increase of 16.3 per cent. and 14.4 per cent. respectively. The current year's output of wheat equals the target of 8.3 million tons fixed for 1955-56 under the first Five-year Plan. The target to be reached by 1960-61 has been fixed at between 10.5 million and 11.5 million tons.

Similarly, prices of rice also have shown a tendency to firmness. With a view to arresting the rising trend, the Government of India banned exports of rice in January this year. Besides, the Government expects to import four to five lakh tons of quality rice from Burma out of its 1956 crop this year. And shipments of rice are expected to arrive in India shortly. The Centre has assured the State Governments that it would meet their requirements of rice, if they opened fair price shops. It has also reduced the issue price of Burma rice from Rs. 18 to Rs. 16 per maund in Bombay City in order to stabilise the price of rice at a lower level. Since in certain areas of the Madras State prices of rice have gone up, the Centre proposes to move sufficient supplies from its reserve stocks of 65,000 tons kept in its godowns in the State to urban centres like Madras, Madura, Calicut, Coimbatore and Tuticorin. Through these measures, it hopes to keep under check any increase in rice prices. The Government may not experience any difficulty in doing so. For one thing, the rice supply position in the world is expected to be comfortable for another two or three years and India can make purchases from abroad easily to meet any emergencies. Secondly, the current crop (1955-56) is estimated to reveal an increase of 3.8 per cent. over that of 1954-55, the output having risen from 24.5 million tons to 25.47 million tons. The areas sown to rice in 1955-56 was also higher at 76.25 million acres, as against 75.95 million in the preceding season, or a rise of 0.4 per cent. Thus, the production of rice is just sufficient to meet the current consumption requirements of the country. And the imports which the Government proposes to have this year for building up stocks of the order of a million tons of rice should see the country through any emergency.

LOWER BAISAKHI LAC CROP

The yield of the *Baisakhi* lac crop in India for the current year is expected to be lower than that in the previous two years, says a report issued by the Indian Lac Cess Committee, Ranchi.

According to the revised reports, the yield is put at 6,72,000 maunds, as against the preliminary estimates of 7,51,000 maunds, issued in March last, and the final estimates of 8,13,000 maunds for 1955. The normal yield based on the average production of 10 years preceding 1955 is 7,10,000 maunds.

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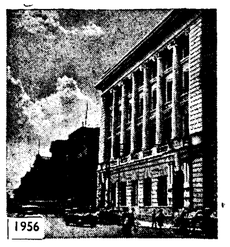

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Notices

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BARODA

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-ninth Annual General Meeting of the Shareholders of the Alembic Chemical Works Company, Limited, will be held at the Office of the Company at Baroda on Thursday the 26th July 1956, at 3 p.m. (S.T.), to transact the following business:—

1. To receive and adopt the Directors' Report and Audited Balance Sheet and Profit and Loss Account for the year ended 31st December 1955.
2. To declare Dividends.
3. To appoint Auditors for the current year and to fix their remuneration.
4. To pass the following resolution with or without modifications as a Special Resolution:

   "Resolved that Mr. Nanubhai B. Amin, an associate of the Managing Agents of the Company, who retires by rotation, be and is hereby re-elected a Director of the Company."

   Note.—Mr. Nanubhai B. Amin is an associate of the Managing Agents of the Company and as such under Section 261 of the Companies Act, 1956, it is necessary to pass a Special Resolution for re-electing him.

5. To pass the following resolution with or without modifications as a Special Resolution:

   "Resolved that Mr. Dinubhai B. Amin, an associate of the Managing Agents of the Company, who retires by rotation, be and is hereby re-elected a Director of the Company."

   Note.—Mr. Dinubhai B. Amin is an associate of the Managing Agents of the Company and as such to comply with the requirements of Section 261 of the Companies Act, 1956, it is necessary to have a Special Resolution for his re-election.

6. To pass the following resolutions with or without modifications as Special Resolutions:

   (1) Resolved that Dr. Indubhai B. Amin, an associate of the Managing Agents of the Company, be and is hereby appointed a Director of the Company.

   (2) Resolved that consent of the Company be and is hereby given to (1) Dr. Anubhai H. Amin, (2) Mr. Natubhai R. Amin, and (3) Dr. Dayanand P. Patel, employees of the Company, (4) Mrs. Dhirajben R. Amin, employee of the Alembic Glass Industries Ltd. (a subsidiary of the Company), (5) Mr. Nanubhai B. Amin, (6) Mr. Dinubhai B. Amin, (7) Mr. Balasaheb P. Patel and (8) Mr. Chandrakant R. Amin, employees of the Jyoti Ltd. (a subsidiary of the Company), who are related to Dr. Indubhai B. Amin, a Director of the Company, continuing as employees of the respective Companies.

   Note.—Dr. Indubhai B. Amin is an associate of the Managing Agents of the Company and to comply with the requirements of Section 261 of the Companies Act, 1956, it is necessary to have a Special Resolution for his appointment. Similarly under Section 314 Special Resolution is to be passed for allowing his relatives to continue in the employment of the Company.

   Notice of their intention to propose Dr. Indubhai B. Amin as a Director at the annual general meeting has been received from two shareholders.

Note.—Any member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.

The Transfer Books of the Company will remain closed from Friday the 6th July 1956 to Thursday the 26th July 1956 both days inclusive.

By Order of the Board of Directors,

For BHAILAL AMIN & SONS (PRIVATE) LIMITED,
Managing Agents,
RAMAN B. AMIN,
Director.

18*th June* 1956.

Note.—The dividends when sanctioned will be made payable at the Office of the Company at Baroda, on or after the 28th July 1956, to those shareholders whose names stand on the Register of the Company on the 26th July 1956 and to whom the Dividend Warrants will be posted.

Shareholders are requested to notify, at once, any change of address.

SRI KRISHNARAJENDRA MILLS LIMITED

MYSORE

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Thirty-sixth Ordinary General Meeting of the shareholders of Sri Krishnarajendra Mills, Ltd., will be held at the Registered Office of the Company, Bangalore Road, Mysore, on Saturday the 14th July 1956, at 3 p.m., to transact the following business:—

1. To receive and adopt the Directors' Report and the Audited Statement of Accounts of the Company for the year ended 31st March 1956.
2. To declare a dividend.
3. To elect Directors:—

   (i) Lokasevaniratha Dharmaprakasa Sri V. R. Chikkachannanjappa Setty, one of the Directors, who is to retire by rotation and is eligible for re-election, will be Eighty years of age at his next birthday on 9th November 1956, and a Resolution that the age limit prescribed in Section 280 of the Companies Act of 1956 shall not apply to him is necessary.

   Special notice of the following resolution for exempting him from the age limit as required by Section 281 is hereby given:—

   "RESOLVED that Lokasevaniratha Dharmaprakasa Sri V. R. Chikkachannanjappa Setty who will be Eighty years at next birthday on 9th November 1956, be and is hereby re-elected as a Director and that the age limit prescribed under Section 280 of the Companies Act shall not apply to him."

   Explanatory statement under Section 173 of the Companies Act 1956, regarding this matter has been posted to shareholders along with the notices.

   (ii) To appoint a Director in place of Sri S. N. Gundu Rao who retires under Article 115 of the Articles of Association of the Company and being eligible offers himself for re-election.

   (iii) To appoint a Director in place of Sri M. H. Mariyanna who retires under Article 115 of the Articles of Association of the Company and being eligible offers himself for re-election.

4. To appoint Auditors for the current year and fix their remuneration.
5. To consider and if thought fit to pass the following resolutions with or without modifications as Ordinary Resolutions:—

   (i) "RESOLVED that the appointment of Messrs. B. Venkata Rao S. Sajjan Rao as Sole Selling Agents of the Company for yarn manufactured by the Company on terms of the agreement subsisting between the Company and the firm dated 12-10-1953 be and is hereby approved *vis-a-vis* sub-section 3 of Section 294 and sub-section 3 of Section 204 of the Companies Act (I) of 1956 and shall hold good for a period of five years from 1-4-1956."

   (ii) "RESOLVED that the appointment of Messrs. S. Sajjan Rao S. M. Ramakrishna Rao & Co., as Sole Selling Agents of the Company for cloth and hosiery manufactured by the Company on terms of the agreement subsisting between the Company and the firm dated 12-10-1953 be and is hereby approved *vis-a-vis* sub-section 3 of Section 294 and sub-section 3 of Section 204 of the Companies Act (I) of 1956 and shall hold good for a period of five years from 1-4-1956."

6. To consider and if thought fit to pass the following resolution with or without modifications as Ordinary Resolution:—

   "RESOLVED that the appointment of the following individuals and firms and Companies as Sole Selling Agents for the products of the Company as mentioned against their names, for periods noted against their names and on such terms and conditions as may be mutually agreed upon between them and the Company, be and is hereby approved:—

Name of Sole Agent.	Products.	Period.
Messrs.—		
1. Sri Krishna Mercantile Agency, Ltd.	Yarn	5 years from 1-4-1956
2. C. Ranganayakulu Chetty Sons Co.	Yarn, cloth and hosiery.	5 years from 1-4-1956
3. Kamala Agency	Yarn	5 years from 1-4-1956
4. G. K. Rayachootappa Brothers.	Cloth and hosiery.	5 years from 1-4-1956
G. Mallikarjunappa (Proprietor of the above firm).	Yarn	5 years from 1-4-1956
5. Chandulal Jawanmal Munot ..	Yarn	5 years from 1-4-1956
6. Sha Motilal Champalal Bhandari.	Yarn	5 years from 1-4-1956
7. Kasetty Shankariah	Yarn, cloth and hosiery.	5 years from 1-4-1956
8. P. P. Javali	Hosiery ..	5 years from 1-4-1956
9. Vembar Brothers	Hosiery ..	5 years from 1-4-1956
10. Goculdas Vishram	Hosiery ..	5 years from 1-4-1956

Explanatory statements concerning the above resolutions Nos. 5 (i) and (ii) and 6 as required by Section 173 of the Companies Act, have been posted to shareholders along with the notices.

The Share Transfer Books of the Company will be closed from 2nd July 1956 to 15th July 1956, both days inclusive.

A member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and a Proxy need not be a member.

By Order of the Board,

L. KANDASWAMY,
General Manager.

MYSORE, 10*th June* 1956.

N.B.—(1) The final dividend when declared, will be made payable at the Bank of Mysore, Ltd., Mysore, on and after 30th July 1956. The dividend warrants will be posted to those shareholders whose names stand on the Register of Members of the Company on 2nd July 1956.

(2) Under Section 257 of the Companies Act, 1956, Notice of candidature for the office of the Director is to be left at the Registered Office of the Company in writing, at least fourteen days before the date of the Meeting.

(3) Shareholders are requested to immediately advise the Company of any change in their address.

SHAW WALLACE AND COMPANY LIMITED

DIVIDEND ON PREFERENCE SHARES

THE DIRECTORS HAVE DECLARED AN Interim Dividend of 3 per cent., less Income-tax, on the Company's Preference Shares in respect of the year 1956, payable to Members whose names appear in the Preference Share Register on the 16th July 1956. Warrants will be posted on or after that date to the addresses or in accordance with the instructions, recorded in the Company's books.

The Transfer Register of the Preference Shares will be closed from the 9th to the 16th July 1956, both days inclusive.

By Order of the Board,

C. A. CUNLIFFE,
Director

4, BANKSHALL STREET,
CALCUTTA, 20*th June* 1956.

THE MAFATLAL FINE SPINNING AND MANUFACTURING CO., LTD.

NOTICE

NOTICE IS HEREBY GIVEN THAT AN Extraordinary General Meeting of the Company will be held at the Registered Office of the Company at Mafatlal House, Back Bay Reclamation, Bombay, on Monday the 16th day of July 1956, at 5.0 p.m., when the following Resolutions will be proposed thereat as Special Resolutions for passing with or without modifications:

Special Resolutions

1. RESOLVED that Messrs. Navinchandra Purshottamdas & Co., Ltd., be and they are hereby re-appointed Managing Agents of the Company for the term of 10 years at the remuneration and on the other terms and conditions mentioned in the draft Agreement of Managing Agency between the Company and them, which draft is produced at this Meeting and is initialled for identification by the Chairman. The said re-appointment is conditional upon the sanction of the Central Government thereto being received by the Company. The said re-appointment as such Managing Agents of the Company shall commence and take effect from the expiry of their present appointment, i.e., on the 15th January 1957, if such sanction is received before that date, i.e., 15th January 1957, but in case sanction is received later than that date it shall commence on the date on which the sanction is received. The Board of Directors are hereby authorised to agree to such modifications in the said Agreement of Managing Agency as may be mutually agreed upon between them and the Managing Agents and as the Central Government may require. Upon the receipt of such sanction of the Central Government the Board do execute the said Agreement and affix the seal of the Company thereto and carry the same into effect.
2. That the Articles of Association of the Company as contained in the draft Articles initialled by the Chairman and produced at this Meeting are hereby approved and adopted as the Articles of Association of the Company to the exclusion of all Articles now existing and applicable to the Company, except that such of the Articles as may require approval of the Central Government shall take effect subject to and conditional upon the grant of such approval.
3. The Company hereby approves the contract proposed to be entered into with The Surat Cotton Spinning and Weaving Mills Private Ltd. (which Company is about to merge with Maharanee Shri Mhalsabai Cotton Mills Company Private Ltd.) for boring tube-wells in the mill premises of this Company at Navsari, the material terms of which contract are as under:

   1. That the work will be undertaken by The Surat Cotton Spinning and Weaving Mills Private Ltd., for boring 7 Tube-wells at approximate total cost not exceeding Rs. 75,000/- for the 7 Tube-wells.
   2. That the pipes and other materials will be supplied at site by the Company.
   3. That the work will be completed by them as early as possible.

   The offer made by The Surat Cotton Spinning and Weaving Mills Private Ltd., produced at this Meeting and initialled by the Chairman is approved and it is RESOLVED that the said offer be accepted and the Directors are hereby authorised to carry the same into effect.

By Order of the Board of Directors,

For NAVINCHANDRA PURSHOTTAMDAS & CO. LTD.,

ARVIND N. MAFATLAL,
Director,
Managing Agents.

N.B.—1. *Proxy*: A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member of the Company.

2. The New Draft of Articles of Association of the Company is open for inspection at the Registered Office of the Company between 11 a.m. and 1 p.m. on any working day.

MAFATLAL HOUSE,
BACK BAY RECLAMATION,
BOMBAY 1, 4*th June* 1956.

THE PULLANGODE RUBBER AND PRODUCE COMPANY, LIMITED

(*Incorporated in India*)

NOTICE IS HEREBY GIVEN THAT THE Thirteenth Annual General Meeting of the Shareholders will be held at 11 a.m. on Tuesday the 17th July 1956, at the Registered Office of the Company at Fort Cochin, to transact the following business:—

1. To receive and adopt the Audited Accounts and Balance Sheet for the year ended 31st March 1956 and the reports of the Directors and Auditors.
2. To declare a Dividend.
3. To elect Directors.

   Note.—(i) As Mr. R. M. Saywell, one of the retiring Directors, has already completed 67 years of age, a resolution that the age limit prescribed under Section 280 of the Indian Companies Act, 1956, shall not apply to him is now necessary. Special notice of the following resolution exempting him from the age limit, as required by Section 281, is hereby given:

   "Resolved that Mr. R. M. Saywell, who has completed 67 years of age, be and is hereby re-elected a Director, and that the age limit prescribed under Section 280 of the Indian Companies Act 1956 shall not apply to him."

   (ii) As Mr. J. K. Hopkins, the other retiring Director, is an employee of the Managing Agents, Messrs. Aspinwall & Co. (Private) Ltd., a Special Resolution of the Company is necessary for his re-election. Special notice of the following Special Resolution for his re-election, as required by Section 261, is hereby given:

   "Resolved that Mr. J. K. Hopkins, an employee of Messrs. Aspinwall & Co. (Private) Ltd., the Managing Agents of this Company, he and is hereby re-elected as a Director of this Company."

   A copy of the explanatory statement under Section 173 of the Companies Act, 1956, is available for inspection of the Shareholders at the Registered Office of the Company during office hours of the Company on all working days till the date of the above meeting.

4. To appoint Auditors.

The transfer books and Register of Members of the Company will remain closed from 4th July 1956 to 19th July 1956 (both days inclusive).

Any shareholder unable to attend personally is entitled to appoint any person (whether a member or not) as his proxy to vote instead of himself, subject to the provisions of Section 176 of the Companies Act, 1956. Such proxy should reach the Registered Office of the Company at least 48 hours before the time fixed for the meeting.

By Order of the Board.

THE PULLANGODE RUBBER & PRODUCE CO., LTD.,
Per Pro ASPINWALL & CO. (PRIVATE) LTD.,
V. P. THOMAS,
Managing Agents.

FORT COCHIN, 21*st June* 1956.

BRITISH INDIA ELECTRIC CONSTRUCTION COMPANY, LIMITED

NOTICE IS HEREBY GIVEN TO THE members of the abovenamed Company that an Annual General Meeting within the meaning of the Companies Act, 1956 (being the Seventy-second Ordinary General Meeting of the Company), will be held at its Registered Office, 21, Netaji Subhas Road, Calcutta, on Thursday the 12th July 1956, at 12 noon, to receive the Report of the Board of Directors and the Report of the Auditors, to consider the Profit and Loss Account for the half-year ended 31st December 1955, and the Balance Sheet as at that date and to transact other ordinary general business of the Company.

NOTICE is also hereby given that the Transfer Books and Register of Members of the Company will be closed from 5th July 1956 to 12th July 1956, both days inclusive.

By Order of the Board,

BALMER LAWRIE & CO., LTD.,
D. MANSON,
Secretary,
Managing Agents.

21, NETAJI SUBHAS ROAD,
CALCUTTA, 15*th June*, 1956.

Note.—A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company.

THE BANK OF INDIA LIMITED

BOMBAY

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Share Transfer Books of the Bank of India Limited will be closed from Friday the 13th July 1956 to Saturday the 28th July 1956 (both days inclusive).

Dividend will be payable on and after Saturday the 4th August 1956.

T. R. LALWANI,
Acting General Manager.

BOMBAY, 26*th June* 1956.

A detailed scheme to meet the increased requirements of technical personnel for the large production target for coal in the public sector during the second Five-year Plan has been prepared and is now being considered by the Ministry of Production. A number of new State collieries will have to be opened and already action is being taken for starting the first State colliery under the second Plan at Korba in Madhya Pradesh. It is felt that the development of new State collieries, however, cannot progress adequately without building up in advance a corps of trained technical staff. The demand for technical personnel is expected to go up steadily as more and more new collieries are opened. At present, the facilities at the existing State collieries are not substantial enough to enable the training of any category of personnel in number adequate to man the new collieries. Under the scheme four training centres are being opened immediately at four State collieries, namely, Kargali, Giridih (both in Bihar), Talcher (in Orissa), and Kurasia (in Madhya Pradesh).

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DALMIA CEMENT'S PROFIT HIGHER

DIVIDEND RAISED—EXPANSION SANCTIONED

A FURTHER rise of Rs. 3.34 lakhs to Rs. 68.24 lakhs in gross profit is disclosed by the audited accounts of the Dalmia Cement (Bharat) Ltd. (Managing Agents: Messrs. Hari Brothers Ltd., Dalmiapuram, South India), for the year ended 31st December 1955. This increase follows the sharp rise of Rs. 24.14 lakhs recorded in the previous year and brings the profit to a fresh record level since the reorganisation of the Company at the end of 1951. The net profit, too, has staged a rise to Rs. 30.57 lakhs from Rs. 24.86 lakhs, to which level it had gone up from Rs. 12.96 lakhs earned in 1953.

Consequent on the encouraging results, the Directors have increased the allocation to the reserves from Rs. 10 lakhs to Rs. 15 lakhs, by adding Rs. 5 lakhs to the dividend equalisation fund, which had not received anything in the previous year. The transfer to the general reserve has been maintained at Rs. 10 lakhs. The dividend on ordinary shares has been stepped up to 12½ per cent. from 10 per cent. per annum for the previous two years. The dividend on preference shares has also been raised from 6 per cent. to 7 per cent. It may be noted, in this connection, that the Company's preference shares are entitled to a fixed tax-free cumulative dividend at 6 per cent. per annum and are also entitled to participate in dividend at 7 per cent. in the event of a dividend of over 10 per cent. being declared on the ordinary shares, at 7½ per cent. in case of a dividend of 20 per cent. or above being paid on ordinary shares and also an additional dividend of ½ per cent., subject to a maximum of 9 per cent., for every 10 per cent. increase in the ordinary dividend. The distribution on deferred shares has also been raised from 10 per cent. (paid for 1953 and 1954) to 12½ per cent., the same as that paid on ordinary shares, in terms of the rights attached to these shares. The deferred shares, it may be mentioned in passing, are not entitled to participate in profit, unless a dividend of 10 per cent. is paid on ordinary shares. If, however, the ordinary dividend is raised over 10 per cent., both ordinary and deferred shares are entitled to the same rate of dividend up to 17½ per cent. and, of any surplus profit available for distribution, one half will be distributed to ordinary shareholders and the other half to deferred shareholders.

The Directors have given the option to the ordinary and deferred shareholders to receive up to 75 per cent. of the dividend for 1955, in lieu of cash, in specie in the form of fully paid ordinary shares of Orissa Cement Ltd. of Rs. 10 each at par. The shares held in Orissa Cement Ltd. have already been mostly distributed to the shareholders of the Dalmia Cement (Bharat) Ltd. by giving such option in the previous two years, as a result of which the Orissa Cement Ltd. is no longer a subsidiary of the Dalmia Cement. However, the Company still holds 77,454 ordinary shares of Rs. 10 each which it proposes to distribute at par to its own shareholders in lieu of dividend.

The following comparative table, giving the salient features of the Company's working results for the past four years, provides an idea of its progress:

(In lakhs of rupees)

—	For the year ended 31st December			
	1955	1954	1953	1952
Sale proceeds (net)	195.34	207.20	148.78	181.46
Stocks	12.77	10.42	21.01	10.33
Expenses	192.21	133.13	119.73	140.81
Gross profit	68.24	64.90	40.76	40.01
Managing Agents' commission..	6.29	5.43	2.82	2.37
Depreciation	5.38	10.61	12.48	11.31
Taxation	26.00	24.00	12.50	12.50
Net profit	30.57	24.86	12.96	13.33
To reserves	15.00	10.00	..	4.00
Dividends—				
Preference	4.12 (7%)	3.53 (6%)	3.53 (6%)	3.53 (6%)
Ordinary	10.81 (12½%)	8.65 (10%)	8.65 (10%)	5.41 (6¼%)
Deferred	0.62 (12½%)	0.50 (10%)	0.50 (10%)	..
Carried forward	2.88	2.37	0.63	0.40

Production of cement during the year under review was satisfactory. There has, however, been a power cut this summer throughout the Madras State. Such will not affect the Company's production, so long as the cut does not exceed 25 per cent., because the deficiency will be made up by working the diesel generating sets installed in 1954.

The latest balance-sheet of the Company shows no notable change in the paid-up capital, which stands at Rs. 150.25 lakhs. The capital structure has, however, been revised, as per special resolution passed by the shareholders in October 1954 and approved by the Madras High Court in September 1955, in terms of which the partly paid shares have been made fully paid-up at their respective paid-up values. As against the aforesaid paid-up capital, the reserves and surplus aggregate Rs. 62.90 lakhs. The provision for taxation stands at Rs. 75 lakhs. The current liabilities aggregate Rs. 110.81 lakhs. The gross block of the value of Rs. 96.10 lakhs stands written down to Rs. 61.40 lakhs. The current assets amount to Rs. 341.81 lakhs, of which investments in its subsidiary, Dalmia Cement Ltd., account for Rs. 164.98 lakhs.

The Company's expansion programme at Dalmiapuram has been sanctioned by the Government of India. Negotiations are proceeding with suppliers of machinery and orders are expected to be placed shortly.

The Rs. 10 fully paid-up shares of the Company are being currently quoted at Rs. 17-10 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 7.6 per cent. per annum.

KESORAM COTTON'S NEW ISSUE

One of the biggest capital issues of more recent times is the offer of 100,000 5½ per cent. (tax-free) cumulative redeemable second preference shares of Rs. 100 each by the Kesoram Cotton Mills Ltd. (Managing Agents: Messrs. Birla Bros. Ltd., Calcutta), the subscription list for which was opened on the 18th inst. and is being kept open till 21st July next. Out of the above issue, 50,000 shares have already been taken up by the existing ordinary shareholders of the Company, their nominees and others. The remaining 50,000 shares are now being offered to the public at par. A sum of Rs. 25 per share is payable on application, Rs. 25 per share on allotment and the balance of Rs. 50 per share after 31st March 1957. The shares are redeemable at par on 31st March 1967 out of the earnings of the Company or by a fresh issue of capital.

The object of the present issue is to finance the setting up of a plant to manufacture continuous filament viscose rayon yarn. The Company is at present engaged in the manufacture of cotton yarn and cloth and hosiery goods. It has, however, been decided to extend the Company's activities to manufacture rayon yarn. The Directors feel convinced that this activity will fetch a good return to the Company, in view of the growing demand for rayon cloth. It may not be out of place to recall here that the target fixed under the second Five-year Plan for the manufacture of viscose filament and acetate filament rayon yarn in 1960-61 is an annual capacity of 68 million lbs. and an output of the same quantity, as against the estimated annual requirements of 80 million lbs. The annual capacity as on 31st March 1956 was 22 million lbs., while the production during 1955-56 was 15 million lbs.

The Company has obtained a licence for setting up a 10-ton plant for the manufacture of continuous filament viscose rayon yarn. It is, however, proposed to install for the present a plant of 6-7 tons capacity only. The cost of the 6-7 ton plant is estimated at about Rs. 3.70 crores, of which land, buildings, roads, etc., will account for Rs. 80 lakhs, machinery and equipment for Rs. 2.50 crores and working capital for Rs. 40 lakhs. Out of the above sum, the Company proposes to meet about Rs. 2.70 crores for the purchase of land, machinery and equipment and certain construction work from its existing resources, bank loan, deferred payments, etc. The balance is proposed to be met by the present issue. The Directors feel that the minimum amount that must be raised by the present issue is Rs. 60 lakhs, including the sum of Rs. 50 lakhs that has already been taken up, which, with the aforesaid sum of Rs. 2.70 crores, will cover all the expenses, except working capital.

The Company earned a gross profit of Rs. 98.68 lakhs for the year ended 31st March 1956, as compared with Rs. 63.32 lakhs for the previous year and Rs. 58.85 lakhs for 1953-54. The net profit (after providing for the managing agency remuneration, depreciation and taxation) amounts to Rs. 43.81 lakhs, as against Rs. 25.70 lakhs for 1954-55 and Rs. 24.44 lakhs for 1953-54. The ordinary dividend for the latest year has not yet been declared, but for the previous four years the Company had maintained it at Re. 1-12 per share. It must, however, be stated that the dividends for 1951-52 and 1952-53 were on a paid-up value of Rs. 15 per share and those for the subsequent two years were on a share of Rs. 20, consequent on the increase in the paid-up value by the capitalisation of Rs. 40 lakhs in March 1954. Subsequently, the Rs. 20 paid-up shares were sub-divided into shares of Rs. 10 each.

The present paid-up capital of the Company amounts to Rs. 1.80 lakhs, made up of 20,000 7 per cent. cumulative preference shares of Rs. 100 each and 1,600,000 ordinary shares of Rs. 10 each. Of the ordinary capital, as much as Rs. 145 lakhs were raised through capitalisation of reserves on five different occasions between 1943 and 1954. The Company's reserves and profit and loss account balance (which is yet to be allocated) as on 31st March 1956 aggregate Rs. 254.37 lakhs, of which capital reserve alone accounts for Rs. 145.87 lakhs. This reserve was created by a revaluation of the assets in 1950.

PENCH VALLEY COAL MAINTAINS DIVIDEND

DEVELOPMENT SCHEME TAKEN UP

THE results of working of the Pench Valley Coal Company, Ltd. (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta), during the half-year ended 30th September 1955 are more encouraging than those for the previous two half-years. Both raisings and despatches of coal had gone up sizably. Earnings show a welcome rise, after two half-years of successive decline. The gross profit, which had dropped from Rs. 8.59 lakhs for the seven months ended 31st March 1954 to Rs. 5.99 lakhs in the half-year ended 31st March 1955, has advanced to Rs. 6.43 lakhs. The net profit is, however, a shade lower at Rs. 2.13 lakhs, as compared with Rs. 2.14 lakhs for the previous half-year and Rs. 2.16 lakhs for the corresponding six months of 1954. This is due to higher provision for taxation.

The Directors have transferred a sum of Rs. 1 lakh to the development reserve, which had received Rs. 75,000 in the previous half-year. The general reserve, which had been provided with Rs. 25,000 six months ago, however, has not been strengthened further. The dividend is proposed to be maintained at 15 per cent. per annum.

The progress of the Company's working during the past three half-years can be seen from the following comparative table:

—	For the six months ended			For the 7 months ended
	30-9-55	31-3-55	30-9-54	31-3-54
	Rs.	Rs.	Rs.	Rs.
Sale proceeds	34,63,401	31,72,134	32,38,001	38,68,900
Stocks of coal	70,441	1,16,865	1,09,487	59,483
Colliery expenses	10,69,790	10,11,625	10,89,569	10,54,725
Other expenses	17,29,952	16,01,941	16,09,624	19,61,985
Gross profit	6,43,476	5,99,292	6,10,168	9,59,445
Managing Agents' commission.	97,222	90,849	94,232	1,25,754
Depreciation	1,27,804	1,42,054	1,49,167	2,03,180
Taxation	2,05,185	1,62,403	1,50,756	2,18,306
Net profit	2,13,265	2,13,956	2,16,013	3,12,225
Provision for liability no longer required	..	22,180	..	..
To reserves	1,00,000	1,00,000	1,00,000	1,75,000
Dividend	1,18125 (15% p.a.)	1,18,125 (15% p.a.)	1,18,125 (15% p.a.)	1,37,813 (15% p.a.)
Carry forward	33,343	38,203	20,102	22,304
Raisings .. .. .. (tons)	222,222	207,654	215,388	251,508
Despatches .. .. .. (tons)	225,767	207,432	211,473	252,289

As will be seen from the above table, the output and despatches for the half-year under review are the highest since the six months ended 31st March 1954. The Directors report that the entire output had been despatched and the stocks at the end of the half-year were normal. This is reflected in the rise in sale proceeds and the decline in value of stocks. There was a notable rise in expenses, of which salaries and wages alone accounted for Rs. 1.14 lakhs.

The Company's financial position, as seen from the balance-sheet as on 30th September 1955, is quite impressive. The paid-up capital is unchanged at Rs. 15.75 lakhs and is supplemented by reserves and surplus aggregating Rs. 16.33 lakhs, of which general reserve accounts for Rs. 9 lakhs and development reserve for Rs. 7 lakhs. There is a provision of Rs. 2.40 lakhs for taxation and current liabilities aggregate Rs. 17.05 lakhs. The gross block of the value of Rs. 47.70 lakhs stands written down to Rs. 12.40 lakhs. The current assets amount to Rs. 39.13 lakhs and exceed the current liabilities and provision for taxation by over 100 per cent.

The Company incurred a capital expenditure of Rs. 1.35 lakhs on development, machinery and buildings. The management has taken in hand an extensive development scheme, with a view to replacing some of the old collieries nearing exhaustion, in order to enable the Company to maintain production, as also to increase the same as far as consistent with the facilities provided by the railways by way of sidings and wagon supply.

A recent development of utmost importance to the coal industry is the award of the All-India Industrial Tribunal (Colliery Disputes). Referring to the award, the Directors of the Company observe in their latest report as follows:

"The Coal Tribunal Award has been published on 26th May 1956, but the details are only just available and the impact on cost is being examined. The Coal Prices Revision Committee, set up by the Government of India, has not yet completed its work and it may be some time before the revised selling prices are announced. This being so, unless an *ad-hoc* increase in the selling prices be given to the industry during the interim period, for which the industry is pressing, grave difficulties will result."

The Rs. 10 fully paid-up shares, are being currently quoted at Rs. 23-8 *cum-div.* On an *ex-div.* basis, the yield on the shares works out to 6.6 per cent. per annum.

Points From The Chair

Prospects for Metal-can Production

"NATIONAL investment during the second Plan will create an expanding level of demand and the supply of goods to satisfy this will be a condition both of the success of the investment programme and of continued political stability. To this end your Company and its customers have a major contribution to make; the processed food industry, in particular, is strategically placed. It is to receive active encouragement in the second Plan and the allocation for horticulture has been increased from Rs. 1 crore to Rs. 9 crores. These measures are to be welcomed as the addition of processed fruits and vegetables to the national diet will make for important improvements in public health and preventive hygiene. The development of this industry involves co-operation between large- and small-scale industry since the safe preservation of food requires precision-made cans that only high-speed equipment—equipment inseparable from large-scale industry—can produce, while at the other end horticulture is a part of intensive small-scale agriculture. This pattern of co-operation is already established between the canners, the horticulturists and ourselves.

"There are, however, some ominous signs: the increases in railway and programme of taxation, ocean freights and the rise in food prices are implied threats to purchasing power. Transport and the shortage of steel and cement are capable of braking the country's economic growth. We have made a good start in the current financial year, but there is no room for complacency. We are planning in a spirit of optimism tempered with caution."

H. CHISWELL JONES,
Metal Box Company of India Ltd.

Equalisation of Cement Prices

"The Government have recently decided to introduce a scheme of State Trading in cement as a temporary measure for the purpose of equalising the price of imported and indigenous cement. The scheme has been generally agreed to, as the objectives of the Government, namely, to make up the cement deficit by imports until internal production is stepped up, to equate the price of imported and indigenous cement and to continue the rationalised movement and distribution of cement, are conceived in the public interest. The scheme envisages the fixation of cement price on an *ex*-works basis, while the present price for cement was fixed on the recommendations of the Tariff Board on an *f.o.r.* destination basis. Your Board made representations to the Government that the fixation of price on an *ex*-works basis would adversely affect the economy of your Company and that adequate compensatory relief should be granted to the Company in fixing the *f.o.r. ex*-works price. The matter is under the Government's active consideration."

V. RAMAKRISHNA,
Andhra Cement Co., Ltd.

Import of Rayon Yarn

"The policy regarding the import of rayon yarn adopted by the Government appears to have suffered a slight shift towards liberalisation for some time past. Whereas it was expected that, with the increased indigenous production, Government would take steps to reduce imports from abroad, the actual figures of imports disclosed by the official figures for the nine months ended December 1955 reveal an import of as much as 38 million lbs. of rayon yarn into this country. At this rate, the total imports for the financial year ended March 1956 are likely to be about 51 million lbs. which, together with the actual production of the indigenous industry, would make available to the country a much larger quantity of rayon yarn than the estimated annual requirements of the country of about 45 million lbs. The unhealthy competition by foreign manufacturers referred to in my last speech that they sell the two popular deniers of 150 and 120 at the same rates in this market, maintaining much higher rates for their domestic sales, continues. Our Government, I am sure, will bear this in mind while formulating the import policy for the next period."

KASTURBHAI LALBHAI,
National Rayon Corporation Ltd.

National Machinery Manufacturers

"The factory set up by National Machinery Manufacturers Ltd., at Thana, Bombay, in which concern the Company holds a considerable interest, has made progress, and production of ring spinning frames has already reached 20 per month; production of carding machines will begin this year. There is clear evidence in the order book from India that the goodwill which has been created for the Company by its participation in manufacture in India is considerable."

K. H. PRESTON,
Platt Brothers & Company (Holdings) Ltd.

Matching Credit to Purpose

"The growing importance of matching the type of credit to the purpose for which it is required has been emphasised in the past. While landowners and owner-occupiers may be tempted to borrow short for long or medium-term purposes when short-term rates happen to be cheaper, past experience has shown the disadvantages to borrowers of so doing. Today this is abundantly clear. 'Bridging transactions', as they are known in banking circles, may, of course, be properly of that nature and be entered into by both borrower and lender as such. But this is not always the case, and then the bridge may fail to connect with the other side. In such event, the borrower is usually the sufferer. We do not compete in our long-term lending with short-term lenders."

EVELYN J. BUNBURY,
Agricultural Mortgage Corporation Ltd.

COMPANY MEETINGS AND DIVIDENDS

AMALGAMATED COALFIELDS LTD. Half-yearly General Meeting, Calcutta, 6th July 1956. Dividend: As. 12 per share.

HIGHLAND PRODUCE CO., LTD. Annual General Meeting, Alleppey, Travancore-Cochin, 7th July 1956. Dividend: Rs. 2 per share (includes interim dividend of As. 10 per share). Transfer books will remain closed from 1st to 7th July 1956, both days inclusive.

TWYFORD TEA CO., LTD. Annual General Meeting, Kottayam, Travancore-Cochin, 9th July 1956. Dividend: Rs. 2 per share. Transfer books will remain closed from 3rd to 12th July 1956, both days inclusive.

ARRAH-SASARAM LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 10th July 1956. Dividend: Rs. 3 per share, less income-tax. Transfer books will remain closed from 1st to 10th July 1956, both days inclusive.

CHAPARMUKH-SILGHAT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 10th July 1956. Dividend: Re. 1 per share. Transfer books will remain closed from 1st to 10th July 1956, both days inclusive.

FUTWAH-ISLAMPUR LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 10th July 1956. Dividend: Re. 1 per share. Transfer books will remain closed from 1st to 10th July 1956, both days inclusive.

SHAHDARA (DELHI)-SAHARANPUR LIGHT RAILWAY CO., LTD. Half-yearly General Meeting, Calcutta, 10th July 1956. Dividend: Rs. 3 per share, less income-tax. Transfer books will remain closed from 1st to 10th July 1956, both days inclusive.

ELPHINSTONE SPINNING AND WEAVING MILLS CO., LTD. Annual General Meeting, Bombay, 10th July 1956. Dividend: Rs. 5 per share (includes Rs. 2-8 interim dividend). Transfer books will remain closed from 24th June to 10th July 1956, both days inclusive.

BOMBAY GAS CO., LTD. Annual General Meeting, Bombay, 11th July 1956. Transfer books will remain closed from 4th to 11th July 1956, both days inclusive.

NATIONAL MACHINERY MANUFACTURERS LTD. Annual General Meeting, Bombay, 11th July 1956. Transfer books remain closed from 27th June to 11th July 1956, both days inclusive.

SHAW WALLACE & CO., LTD. Annual General Meeting, Calcutta, 11th July 1956. Transfer books will remain closed from 30th June to 11th July 1956, both days inclusive.

BRITISH INDIA ELECTRIC CONSTRUCTION CO., LTD. Half-yearly General Meeting, Calcutta, 12th July 1956. Dividend: *Nil*. Transfer books will remain closed from 5th to 12th July 1956, both days inclusive.

SRI KRISHNARAJENDRA MILLS LTD. Annual General Meeting, Mysore, 14th July 1956. Dividend: Rs. 7 per share (includes interim dividend of Rs. 2-8 per share). Transfer books will remain closed from 2nd to 15th July 1956, both days inclusive.

ALEXANDRA JUTE MILLS LTD. Half-yearly General Meeting, Calcutta, 16th July 1956. Dividend: Rs. 5 per share. Transfer books will remain closed from 25th June to 16th July 1956, both days inclusive.

CHITAVALSAH JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 16th July 1956. Dividend: As. 10 per share. Transfer books will remain closed from 25th June to 16th July 1956, both days inclusive.

EMPIRE JUTE CO., LTD. Half-yearly General Meeting, Calcutta, 16th July 1956. Dividend: As. 8 per share. Transfer books will remain closed from 25th June to 16th July 1956, both days inclusive.

WAVERLEY JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 16th July 1956. Dividend: 1 anna per share. Transfer books will remain closed from 25th June to 16th July 1956, both days inclusive.

NELLIMARLA JUTE MILLS CO., LTD. Half-yearly General Meeting, Calcutta, 24th July 1956. Transfer books will remain closed from 3rd to 24th July 1956, both days inclusive.

SIMPLEX MILLS CO., LTD. Annual General Meeting, Bombay, 25th July 1956. Dividend: Rs. 12 per share, payable on 27th July 1956. Transfer books remain closed from 22nd June to 6th July 1956, both days inclusive.

ALEMBIC CHEMICAL WORKS CO., LTD. Annual General Meeting, Baroda, 26th July 1956. Dividend: Rs. 8 per ordinary share. Transfer books will remain closed from 6th to 26th July 1956, both days inclusive.

PALANPUR VEGETABLE PRODUCTS LTD. Annual General Meeting, Bombay, 31st July 1956. Transfer books will remain closed from 17th to 31st July 1956, both days inclusive.

SRI BALASUBRAMANIA MILLS LTD. Dividend of Rs. 6 per ordinary share and Rs. 10-8 per 'B' ordinary share, for the year ended 31st December 1955.

EMERALD VALLEY ESTATES LTD. Final dividend of As. 5 per ordinary share, for the year ended 31st December 1955. Transfer books will remain closed from 16th to 31st July 1956 both days inclusive.

ENGINEERING GOODS INDUSTRY

(*Concluded from page 1254*)

our ships to compete with those of other advanced countries. But the Government could expedite the process by providing technical and financial help. However, the Government has appointed an officer on special duty to go into the question of shipping freight and out of 35 cases of disparities brought before his notice he has succeeded in 16 cases to bring about a revision in their rates.

Long-term Credit

Thirdly, the non-availability of long-term credit as provided by the Export-Import Bank of the United States is another point which needs consideration. The Government could help a great deal by forming a semi-Government Corporation on the lines of the Export-Import Bank as also the Re-insurance Corporation. The Government has only recently appointed an expert committee to consider the scope of an export credit guarantee scheme in order to stimulate exports. The scheme is intended to provide a guarantee to the exporter against losses resulting from circumstances which are beyond his control and which are not ordinarily accepted as insurable risks by insurance companies such as insolvency of the foreign buyer, unforeseen changes in regulations relating to foreign exchange, occurrence of war and incurring of extra delivery charges.

Finally, ignorance about Indian products. This could be overcome by propaganda through sending frequent trade missions to these countries, providing all sorts of commercial information and arranging trade discussions with the representatives of those countries, participating in trade fairs and exhibitions and establishing showrooms in foreign countries, publishing directory of exportable commodities and distributing them free of charge, attending to trade enquiries and supplying information about creditworthiness of parties, translating commercial and technical texts for the benefit of the people and maintaining commercial libraries and museums. This work could be largely handled by our embassies abroad if they are equipped with persons trained in trade and commerce.

The second Five-year Plan, which envisages an expenditure of Rs. 4,800 crores in the public sector and Rs. 2,300 crores in the private sector, implies a reliance on foreign exchange. It is estimated that there will be a shortage of the order of Rs. 1,100 crores in the country's foreign exchange requirements. This could be obtained only through increased exports. Here, engineering industries with a wide range of products have to play an important role as they possess the essential raw materials and technical know-how. The volume of exports which increased from a few lakhs of rupees before 1947 to about Rs. 12 crores in 1953-54 must provide the backbone of future trade and commerce of the country.

COAL

(*Concluded from page 1244*)

order. "As labour have already waited with great patience for 26 months for the deliberations of the Tribunal to be completed," to quote the colliery owners' statement, "it can be foreseen that any delay in the implementation of the Award may well result in labour unrest and possibly widespread strikes." The effect of the latter on industry in general and the economy of the country as a whole, particularly in the initial stages, the statement adds, will be cataclysmic. In the interests of the nation and of maintaining the good relationship with labour, which has been built up over a period of years, the Indian Mining Association, the Indian Mining Federation and the Indian Colliery Owners' Association have recommended to their members that they should implement the Award. It is a fine gesture on the part of colliery owners not to appeal against the Award and to have shown an eagerness to implement the Award, in spite of serious financial consequences of such a step on the industry. But will the Government fully appreciate that higher wages cannot be paid without a compensatory price increase? Any further delay in the Government's decision, it is needless to add, will cripple the industry. The least the Government should do, as was pointed out by us in our issue dated 2nd June 1956, to give an interim increase in prices.

PROFIT OF BRIDGE AND ROOF BETTER

AMALGAMATED COAL RAISES DIVIDEND

Bridge & Roof Co. (India), Ltd.

THE directors of the above Company (Managing Agents: Messrs. Balmer Lawrie & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 31st December 1955.

The profit for the half-year, after providing for debenture interest, depreciation and taxation, was Rs. 3,25,556 (Rs. 1,87,448) to which is added the balance brought forward of Rs. 1,15,742 (Rs. 1,09,624), making a total of Rs. 4,41,297 (Rs. 2,97,072). Out of this amount the directors have set aside Rs. 2,00,000 (Rs. 1,00,000) to general reserve. This leaves a balance of Rs. 2,41,297 (Rs. 1,97,072), at the credit of profit and loss account, which the directors recommend be dealt with as follows:

To dividend at the rate of 15 (15) per cent. per annum, absorbing Rs. 90,000 (Rs. 90,000) and to carry forward Rs. 1,51,297 (Rs. 1,07,072).

As the financial year of the Company covered by the accounts ended before the Companies Act, 1956 came into force the form in which the balance sheet and profit and loss account have been prepared differs from the form prescribed by that Act.

As the figures indicate the Company had a very successful half-year. Demand for structural and civil engineering products may be expected to continue during the second Five-year Plan.

In view of the need to add to the Company's plant and finance stocks and work in progress the directors have recommended a substantial allocation to reserve in preference to any increase in the dividend.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	12,00,000	Block ...	10,97,300
Debentures	2,05,000	Capital expenditure on machinery under construction	3,277
Reserves ...	17,55,000	Stock of materials and stores ...	13,45,320
Provision for taxation ...	3,49,831	Work-in-progress ...	18,93,736
Liabilities ...	39,99,862	Goods-in-transit ...	54,616
Profit and loss account ...	1,51,297	Debts, deposits and advances ...	30,35,447
		Investments	93,092
		Cash ...	1,38,202
Rs.	76,60,990	Rs.	76,60,990

Amalgamated Coalfields, Ltd.

The directors of the above Company (Managing Agents: Messrs. Shaw Wallace & Co., Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

The Company's profit for the half-year, after the inclusion of a credit of Rs. 29,786 (*nil*) relating to previous periods and Rs. 38,026 (Rs. 21,441) brought forward, is Rs. 7,51,205 (Rs. 4,67,469). After providing for taxation Rs. 2,83,002 (Rs. 1,93,558), there remains Rs. 4,68,203 (Rs. 2,73,911). Out of this amount the directors have placed to machinery replacement and development reserve Rs. 2,50,000 (Rs. 1,25,000) and recommend the payment of a dividend at the rate of 15 (10) per cent. per annum without any deduction for income-tax paid by the Company, absorbing Rs. 1,91,250 (Rs. 1,27,500) leaving to be carried forward Rs. 26,953 (Rs. 21,411).

Capital expenditure incurred during the half-year on development, machinery and buildings amounted to Rs. 3,00,396 (Rs. 3,74,006), the corresponding figure of the previous half-year being Rs. 1,73,837.

Extensive development has been taken in hand to replace some of the old collieries nearing exhaustion to enable this Company to maintain production and also to increase the same as far as consistent with the facilities provided by the railways by way of sidings and wagon supply. To finance this, a sum of Rs. 2,50,000 has been placed to the reserve.

Output and despatches of steam and other grades of coal for the last three half-years are as follows:—

Half-year ended	*Raisings* Tons	*Despatches* Tons
30th September 1955	4,15,791	4,36,024
31st March 1955	3,98,230	3,90,920
30th September 1954	4,01,400	3,77,585

During the half-year, the accumulated stock of dust and slack coal has been cleared and stocks are normal. In addition to the normal offtake, a large quantity was despatched to Khaparkheda Power House on the narrow gauge whose requirement has increased and cannot be met in full from the output of narrow gauge collieries. No great change in this position is anticipated provided the railways maintain an adequate supply of wagons.

The Coal Tribunal Award has been published on the 26th May 1956, but the details are only just available and the impact on cost is being examined. The Coal Prices Revision Committee, set up by the Government of India, has not yet completed its work and it may be some time before the revised selling prices are announced. This being so, unless an *ad hoc* increase in the selling prices be given to the industry during the interim period for which the industry is pressing, grave difficulties will result.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	25,50,000	Block ...	26,35,000
Reserves ...	24,50,000	Capital expenditure in suspense	8,478
Provision for taxation ...	6,41,000	Stock of coal	1,38,788
Liabilities ...	28,36,698	Stores ...	15,20,812
Profit and loss account ...	26,953	Debts, deposits and advances ...	35,41,003
		Investments	1,12,500
		Cash ...	5,48,070
Rs.	85,04,651	Rs.	85,04,651

Highland Produce Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. A. V. Thomas & Co., Ltd., Alleppey, Travancore-Cochin) submit the audited accounts of the Company for the year ended 31st December 1955.

Tea crop.—The tea crop secured during the year amounted to 10,18,000 (10,13,270) pounds, of which Pasuparai Estate accounted for 4,20,000 (4,16,270) pounds and Carady Goody Estate 5,98,000 (5,97,000) pounds. Thus the crop harvested during the year was quite satisfactory and was 93,000 lbs. more than the estimate and 4,730 lbs. above the total crop secured last year.

Cost of production.—The f.o.b. cost for the year was Re. 1-2-5 against an estimate of Re. 1-2-0 per lb. and the all-in cost was Re. 1-10-7 per lb. as against last year's figure of Re. 1-12-4. The net average price realised was Re. 1-13-11 as against Rs. 2-3-8 for 1954. The decrease in price realisation was due to a general drop in the tea market.

Cardamom.—The quantity of cardamom harvested during the year amounted to 15,100 lbs. as against 10,700 lbs. in previous year.

The net profit for the year amounted to Rs. 3,70,623 (Rs. 6,64,629) after providing for depreciation on buildings, machinery, etc. and after reserving a sum of Rs. 2,40,000 (Rs. 4,75,000) for taxation. This profit, together with Rs. 53,920 (Rs. 57,291) being previous year's carry forward, makes a total of Rs. 4,24,543 (Rs. 7,21,920). Out of this, a sum of Rs. 18,000 (Rs. 18,000) towards preference dividend for the year and Rs. 1,12,500 (Rs. 1,12,500) towards 6¼ per cent. interim dividend for 1955 amounting in all to Rs. 1,30,500 (Rs. 1,30,500) have already been paid, leaving a balance of Rs. 2,94,043 (Rs. 5,91,420) available for distribution which the directors recommend be disposed of as under:—

Payment of 13⅔ (18⅓) per cent. final dividend on ordinary shares (making 20 (25) per cent. for the year) Rs. 2,47,500 (Rs. 3,37,500) and carry forward Rs. 46,543 (Rs. 53,920 after transferring Rs. 1,00,000 to dividend equalisation fund, Rs. 50,000 to general reserve and Rs. 50,000 to employees welfare fund).

Crop Estimate 1956.—A tea crop of 9,25,000 lbs. and 10,000 lbs. of cardamom is estimated for the year 1956.

General.—As anticipated in the last year's report, the tea prices had dropped appreciably in 1955 and this accounts for the fall in profit in comparison with the previous year.

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Block ...	20,85,832
Reserves ...	9,30,543	Stock-in-trade	2,44,510
Provision for taxation ...	2,78,229	Stores and spares ...	1,24,257
Liabilities ...	3,84,434	Motor vehicles	14,700
Profit and loss account ...	2,94,043	Nurseries ...	40,917
		Other assets	900
		Debts, deposits and advances ...	1,84,674
		Investments	2,61,050
		Cash ...	10,30,409
Rs.	39,87,249	Rs.	39,87,249

Coimbatore Pioneer Mills Co., Ltd.

The directors of the above Company (Managing Agents and Secretaries: Messrs. T. R. Narayanaswamy Naidu & Co., Coimbatore) submitted the audited accounts of the Company for the year ended 31st December 1955.

After meeting all expenses and providing a sum of Rs. 3,70,517 (Rs. 4,19,976) towards depreciation, the year's trading has resulted in a net profit of Rs. 13,22,903 (Rs. 10,97,153). Adding to this, the previous year's carry forward balance of profit amounting to Rs. 14,053 (Rs. 3,400) the total amount available for distribution is Rs. 13,36,956 (Rs. 11,00,553) which the directors recommend for appropriation as under:—

To transfer to machinery renewal fund Rs. 3,50,000 (*nil*), to transfer to contingency reserve Rs. 1,70,000 (Rs. 30,000), to transfer to reserve for bad and doubtful debts Rs. 55,000 (*nil*), to provide for income-tax and super-tax Rs. 3,41,133 (Rs. 6,50,000), to pay a tax free dividend of 6½ per cent. on cumulative preference shares Rs. 6,500 (Rs. 6,500), to pay a tax free dividend of 20 (20) per cent. on ordinary shares Rs. 4,00,000 (Rs. 4,00,000) and to carry forward to next year Rs. 14,323 (Rs. 14,053).

The mill have worked in multiple shifts for 308 days during the year under review with an installed capacity of 23,738 spindles. A further 3,488 spindles have been added, which will commence working shortly. The directors report that the profits earned by the Company have been satisfactory.

The construction of the "B" mill at Perianaickenpalayam with a complement of 12,000 spindles is nearing completion. A major portion of the machinery has already arrived and is in the course of erection and the mill is expected to go into production by June 1956. When the "B" mills also goes into production, the total installed capacity of the mills will be raised to 39,226 spindles. A further expansion application for allotment of 20,000 spindles for the "B" mills has also been made and sanction is awaited.

Accounts in brief were as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	21,00,000	Block ...	12,33,509
Reserves ...	19,95,000	Buildings under construction and materials, etc.	69,211
Provision for taxation ...	7,50,000	"B" mill construction	11,76,769
Liabilities ...	16,92,171	Stock-in-trade	14,06,636
Profit and loss account ...	14,323	Stores and spare parts	1,44,727
		Debts, deposits and advances ...	11,88,827
		Investments	12,72,660
		Cash ...	59,153
Rs.	65,51,494	Rs.	65,51,494

Howrah-Amta Light Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

Gross earnings.—The gross earnings for the half-year were Rs. 14,43,481 (Rs. 14,70,508) which is Rs. 27,027 less than the earnings of the corresponding period ended 30th September 1954. There are increases of Rs. 21,104 and Rs. 4,935 under coaching and miscellaneous and decreases of Rs. 53,010 and Rs. 56 under goods and telegraph.

Working expenses.—The working expenses for the half-year were Rs. 12,62,630 (Rs. 11,84,411) plus Rs. 62,500 (Rs. 62,500) set aside to renewal reserve making a total of Rs. 13,25,130 (Rs. 12,46,911) which is Rs. 78,219 more than the figure for the corresponding period ended 30th September 1954.

Net earnings.—The net earnings for the half-year were Rs. 1,18,351 (Rs. 2,23,597) which is Rs. 1,05,246 less than the figure for the corresponding period ended 30th September 1954.

The balance available for distribution is net profit for the half-year Rs. 78,247 (Rs. 92,350) and balance brought forward Rs. 72,161 (Rs. 34,959), making a total of Rs. 1,50,408 (Rs. 1,27,309). After deducting the preference dividend paid during the half-year 30th June 1955 of Rs. 25,000 (Rs. 25,000), leaving a balance of Rs. 1,25,408 (Rs. 1,02,309). The directors recommend that the available balance be disposed of as follows:—

Payment of a dividend for the half-year at the rate of 6 (6) per cent. per annum less income-tax Rs. 33,399 (Rs. 35,399) and balance to be carried forward Rs. 90,009 (Rs. 66,910).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	26,00,000	Block ...	50,82,188
Debentures	7,00,000	Stores ...	9,46,817
Reserves ...	17,87,954	Work-in-progress ...	1,08,405
Provision for taxation ...	64,818	Debts, deposits and advances ...	4,63,982
Liabilities ...	13,98,668	Investments	43,978
Net revenue	1,25,408	Cash and other balances	31,478
Rs.	66,76,848	Rs.	66,76,848

Chaparmukh-Silghat Railway Co., Ltd.

The directors of the above Company (Managing Agents: Messrs. Martin Burn Ltd., Calcutta) submit the audited accounts of the Company for the half-year ended 30th September 1955.

Earnings.—Gross earnings during the half-year were Rs. 1,40,175. During the corresponding period in 1954 they were Rs. 1,14,907. The increase was Rs. 25,268. The working expenses are as usual 50 per cent. of the gross earnings. The net receipts were therefore Rs. 62,834 against Rs. 50,079 in 1954 exclusive of interest on loans. The balance available for distribution is net profit for the half-year Rs. 34,749 (Rs. 30,375) and balance brought forward Rs. 7,100 (Rs. 8,402), making a total of Rs. 41,849 (Rs. 38,777). The directors recommend that the available balance be disposed of as follows:—

Payment of a dividend for the half-year of Re. 1 (Re. 1-4) per share without deduction of tax Rs. 31,000 (Rs. 38,750) and balance to be carried forward Rs. 10,849 (Rs. 27).

Accounts in brief are as under:—

Liabilities	Rs.	Assets	Rs.
Capital ...	31,00,000	Block ...	35,48
Reserves ...	29,296	Book debts	64
Provision for taxation ...	89,648	Cash ...	18
Liabilities ...	3,62,421		
Net revenue account ...	41,849		
Rs.	36,23,214	Rs.	36,23

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

MONEY TIGHT

(From Our Own Correspondent)

BOMBAY, 27*th June*

With the approach of the half-yearly closing of bank accounts, the demand for money increased, while there was a shrinkage in the lendable resources. Consequently, the stringency was acuter than last week, though there was no perceptible increase in short-term interest rates.

While the pace of enquiry for bank credit from trade and industry showed no signs of slowing down, the pressure on the available supply of funds increased, as banks also required additional cash for window-dressing purposes. There was some improvement in the seasonal influx of money, but that was inadequate to offset the expansion in the demand.

Inter-bank call money was still bid at 3½ per cent., though some deals were reported to have been done at 3 per cent. after clearing hours. House money at call fetched the self-same 3½ per cent. and short-term deposits 3½ per cent. for one to three months and 3¼ to 3⅜ per cent. for four to six months.

A sharp decline of Rs. 17.45 crores in notes in circulation is disclosed by the Reserve Bank's statement for the week ended 22nd June 1956. With this, the aggregate shrinkage for the past two weeks comes to Rs. 27.95 crores. There has been a further rise of Rs. 8.94 crores in notes held in the Banking Department, so that the decline in total notes issued is of the order of Rs. 8.51 crores. This rise is covered on the assets side by a fall of Rs. 10 crores in foreign securities and a rise of Rs. 1.49 crores in rupee securities. In the Banking Department, deposits of the Central Government have gone up by Rs. 6.78 crores and those of other Governments by Rs. 2.73 crores. Deposits of banks are also up by Rs. 70 lakhs. On the assets side, balances held abroad show an increase of Rs. 3.71 crores. Loans and advances other than to Governments have declined by Rs. 1.74 crores. Advances to Scheduled banks against usance bills during the week amount to Rs. 10.82 crores, but repayments have been of the order of Rs. 10.34 crores, so that the outstanding advances show a rise of only Rs. 48 lakhs.

The Scheduled banks' statement for the week ended 15th June 1956 discloses a fall of Rs. 1.21 crores in demand deposits and a rise of Rs. 2.61 crores in time deposits. Borrowings from the Reserve Bank stand reduced by Rs. 2.05 crores, of which borrowings against usance bills account for Rs. 1.48 crores. Borrowings from the State Bank are also lower by Rs. 49 lakhs. Advances have gone down by Rs. 43 lakhs and bills purchased and discounted by Rs. 4.58 crores.

The Gilt-edged market continued to display listless conditions. Buying enquiries were small and restricted to a few counters. The volume of business was also very much restricted. The undertone was, however, steady. 3 per cent. 1957 and 1958 were unchanged at Rs. 99-13 and Rs. 99-10, respectively. 3 per cent. 1959-61 gained an anna to Rs. 98-2. 3 per cent. 1963-65 held ground at Rs. 95-2 and 3 per cent. 1964 at Rs. 95. 3 per cent. 1966-68 showed no change at Rs. 93-4, while 3 per cent. 1970-75 was marked down by an anna to Rs. 90-6. 3 per cent. 1986 Conversion Loan declined further by an anna to Rs. 77-4. 3½ per cent. 1961 fell by As. 2 to Rs. 99-9, while 3½ per cent. 1964 was maintained at Rs. 98-12. 3½ per cent. 1965 was in demand and rose by As. 2 to Rs. 98-15. State loans were stagnant.

In the foreign exchange section, rupee showed a weakness in terms of the U.S. dollar, in consonance with a similar trend displayed by sterling. Banks' selling rate of ready dollars rose from Rs. 477½ to Rs. 478½ per $100 and their buying rate from Rs. 473 to Rs. 474¼ per $100. In New York, spot sterling was marked down from $2.80.7/16-2.80.9/16 to $2.79.13/16-2.79.15/16, three months' forward from $2.78½-2.78⅝ to $2.78.5/16-2.78.7/16 and transferable sterling from 277.50-277.60 cents to 277.30-277.40 cents.

LINSEED SUPPLIES SCARCE

(Messrs. A. Bradley and Co.)

CALCUTTA, 25*th June*

Scarcity of supplies was the main feature of the linseed market during the week. This was due to the apparent firmness in seeds prices, which was maintained throughout the week. Offers from upcountry for forward delivery were meagre, while movement of goods, already limited, was expected to be further slowed down by heavy rains in upcountry areas. Local crushers were in a quandary, with seeds prices firmly held and oil values declining, leaving no margin of profit on a greatly reduced turnover.

In the oil section, conditions were no better. Consumers were buying from hand to mouth. Overseas markets were lifeless, with little prospect of an early revival.

The latest available quotations are: Ready Rs. 21-10 and June-July Rs. 21-6 per maund.

HIDES STEADY

(From Our Own Correspondent)

KANPUR, 24*th June*

During the week under review, the hides and skins market ruled steady. Fresh arrivals of cow were slightly less. The main purchasers were the local tanners. The Madras dealers were lukewarm.

The latest available quotations are: Wet salted cow, 1st grade Rs. 260, 2nd grade 200 to Rs. 240 and 3rd grade Rs. 120 per score; wet salted buffalo 1st grade 2 lbs. 2 ozs. and 2nd grade 2 lbs. 4 ozs. per piece; goat 1st grade Rs. 215 and 2nd grade Rs. 150 per 100 pieces; sheep 1st grade Rs. 160 and 2nd grade Rs. 140 per 100 pieces.

GOLD MOVES UP

(From Our Own Correspondent)

BOMBAY, 27*th June*

In the bullion market, silver displayed an irregular trend during the week under review, while gold presented a steady front, with a moderate recovery in prices.

In the earlier half of the week, silver showed a reactionary trend, in distinct contrast to the sharp rise noted in the previous week. This was the result of selling pressure induced by rumours of fresh arrivals of Tibetan coins and influx of large unrefined silver. Subsequently, however, the white metal gathered strength on bear covering and reports of an increase in offtake in the ready section.

Gold edged forward on encouraging demand and covering purchases by those who had sold in the previous week.

Silver forward (26th June settlement) reacted from Rs. 172-1 to Rs. 169-11, before the settlement ran out. The July settlement was marked down from Rs. 171-11 to Rs. 169-10 early in the week, but slowly recovered to touch Rs. 172 today. The closing was done at Rs. 171-14.

Ready silver (.996 Mint), after declining from Rs. 172-7 to Rs. 169-15, gained strength and finished at Rs. 172-2.

The floating stocks of silver are estimated at 600 bars. The daily average offtake was 10 to 15 bars.

Gold for forward delivery (25th June settlement) moved up from Rs. 100-12 to Rs. 101-14 before the settlement ran out. The next settlement advanced from Rs. 99-11 to Rs. 100-13 and closed at Rs. 100-11.

Ready gold appreciated from Rs. 101-7 to Rs. 102-13, but closed a shade lower at Rs. 102-9.

The floating stocks of gold are placed at 15,000 tolas. The daily average arrivals were 3,000 tolas, while the offtake was higher at 4,000 tolas.

In London, both silver and gold shot up during the week. Spot silver moved up from 78½d. to 78¾d. and forward from 77¾d. to 78½d. Gold rose from 249s. 5½d. to 249s. 9¾d. In New York, silver was unchanged at 90½c.

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

	27-6-56	Highest	Lowest	20-6-56
	Rs. a.	Rs. a.	Rs. a.	Rs. a.
GOLD				
Ready (.99 fine Mint)	102 9	102 13	101 3	101 7
Forward*	100 11	100 13	99 7	99 11
*Sovereign	67 4	67 4	67 0	67 0
SILVER				
Ready (.996 fine Mint) ..	172 2	172 5	169 15	172 7
Forward†	171 14	172 0	169 10	171 11
London Silver Ready ..	78¼d.	78¼d.	78¼d.	78¼d.
London Forward	78¼d.	78¼d.	77¾d.	77¾d.
London Gold	249s. 9¾d.	249s. 9¾d.	249s. 5½d.	249s. 5½d.
New York Ready	90½c.	—	—	90½c.

* 24th July, settlement.
† 25th July, settlement.

N.B.—Foreign bullion prices shown in the above table relates to the previous day.

RAW WOOL FIRM

(From Our Own Correspondent)

NEW DELHI, 21*st June*

During the past fortnight, the Indian wool markets were fully firm during the fortnight under review, thanks to continued purchases by Russia. Stocks were reported to be getting thinner in the Bombay market. The quotations for wool prevailing at Delhi yesterday are given below:

	Rs. a. p.	
Superior white ...	3 5 6	(per lb f.o.r. Bombay)
Medium white ...	3 4 0	„ „ „
Yellow	2 10 0	„ „ „
Black and grey ...	90 0 0 to	
	105 0 0	(per maund raw)
Light grey ...	130 0 0	„ „ „
Camel hair ...	80 0 0	„ „ „

Bradford, U.K. (15-6-56): With the Australian wool marketing season now entering its final stages, the usual late-season spent in wool-buying activity is showing itself. All the principal importing countries are competing actively for this week's offerings, which represent one of the few remaining opportunities of acquiring good style wool. The dearer prices paid for wool are forcing higher quotations in the Bradford top market and most merino qualities are quoted at least 3d. per lb. above the previous week's levels, with fine crossbred qualities about 1d. dearer.

London (14-6-56): In the London futures market, business was done today at 117½d. for October, 112¾d. for December and 108¾d. for May 1957 delivery. On the final day of the wool sales on 8th April, there was good all-round competition and any differences as compared with the opening were against the buyer. The greatest change during the series was the improvement in the demand for slipes which took place in the second week. Better types of New Zealand slipes were up to 5 per cent. above the opening; values for Cape wools advanced 5 per cent. as compared with the last close in April.

Melbourne (11-6-56): Prices were fully firm on previous week's basis. The main buyers were Japan and the Continental countries.

COTTON FUTURES STEADY

(From Our Own Correspondent)

BOMBAY, 27*th June*

The cotton futures market witnessed rapid fluctuations during the week under review. It began the week on a distinctly bearish note but staged a recovery on Friday. The initial weakness of the market was due to speculation indulged in by a section of traders on three considerations. These were: (1) reports of good rains in cotton-growing regions, (2) a feeling that regulations of forward trading were too stringent to allow bulls to manœuvre, and (3) apprehensions that the Central Government was determined to hold cotton prices in check. These factors induced large-scale liquidation which led to a drop in cotton futures. The drop was so sharp—Rs. 23-8 in one day—as to encounter fresh bull support on Friday. This, together with bear covering, imparted considerable strength to the market and cotton futures registered an impressive recovery. The recovery gathered further momentum subsequently, particularly today, thanks to the Central Government's decision not to entertain applications for import of any variety of cotton from the dollar area. The undertone of the market is steady at the time of writing.

The Jarilla contract (March 1957) opened the week lower at Rs. 653-8, as against Rs. 654. The contract was hammered down to Rs. 642-8 on the following day. The marked fall in the quotation thus should have normally brought about a special clearing, but it could not be enforced, owing to technical difficulties. The Board of the East India Cotton Association (E.I.C.A.), however, declared a special clearing on the 22nd inst. at Rs. 646 for the Jarilla contract and at Rs. 812 for Vijay contract. Thereafter, the Jarilla contract gradually moved up to Rs. 663 on Monday, but again relapsed to Rs. 651 before closing higher at Rs. 661. The net gain over the week was Rs. 7. Vijay contract (April 1957) opened Rs. 2 lower at Rs. 818 on Thursday and receded to Rs. 803 on the same day. After advancing to Rs. 827 on Monday, it declined to Rs. 818 on the 25th inst. but finished higher at Rs. 822. The net gain over the week was Rs. 2.

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

(In rupees per candy of 784 lbs.)

	27-6-56	*Highest*	*Lowest*	20-6-56
Jarilla contract ...	661	663	642½	654
Vijay contract ...	822	827	803	820

It is reported that the E.I.C.A. Board has set up a sub-committee to go into the question of option dealings in the cotton futures market and to recommend ways to check such business. This decision was taken by the Board at its meeting held on Friday. The Board also decided to withhold permission for trading in delivery contracts in the new crop until the announcement of ceilings and floors. Further, it invited suggestions from members over their representation in the panel system of election to the Board.

A spurt in the prices of East Africans was the feature of trading in the spot cotton market during the week. The spurt followed the buying support induced by the suspension of imports of U.S. cotton. Sizable lots of B.P. 52 changed hands substantially higher at Rs. 1,640 (ready) yesterday, as against Rs. 1,550 (September-October) on the 21st inst. Similarly, Busoga was done higher at Rs. 1,515, Budama at Rs. 1,500, Jinja at Rs. 1,385 and Mwanza at Rs. 1,300. The domestic section ruled generally steady, thanks to limited stocks and sound statistical position. The following are the latest available prices from the Sewri market:

Bengal *Deshi* Rs. 625; Berar Jarillas Rs. 760; Khandesh Rs. 770; Vijay Rs. 960; Oomra *Deshi* Rs. 680; Moglai Rs. 680.

The week under review is notable for the announcement of two important decisions by the Government of India. First, no applications will be entertained for the import of any variety of cotton from America or other dollar area country or from soft currency area countries, excepting Egyptian Karnak and Menoufi cotton. The licensing procedure for the import of the latter varieties of cotton stapling 1-1/16" and above would be the same as that obtained during the last licensing period. Secondly, the present floor and ceiling prices of cotton will remain unchanged for the season 1956-57. In conformity with this policy, the price schedule, with such amendments as may be considered necessary, will be issued in due course.

Conditions in the Karachi cotton market continued to be depressed during the week under review. Overseas enquiries for Pakistan cotton and local mill demand were very slack. Operators were busy reducing their commitments. Even reports of the possibility of Russia buying large quantities of cotton under the proposed Pakistan-Russia trade agreement failed to have any effect on the market. Consequently, prices of cotton moved down further. N.T.R.G. July delivery dropped Re. 1-9 to Rs. 80-9. January delivery fell by a rupee to Rs. 76-9. The spot section also presented a weak note, with the exception of *Deshi* varieties which recorded an improvement in prices on good buying support. The following are the latest available quotations—in rupees per 82 lbs.—for a few popular varieties of Pakistan cotton, the figures in brackets giving the last week-end rates:

Sind *Deshi* 103 (101); Punjab *Deshi* 97-8 (96); 4F Roller 82-14 (84); S.G. 84-14 (86); 289F N.T. Roller 85-2 (85-12); S.G. 87-8 (89-12); 289F Punjab Roller 90-14 (92); S.G. 98-6 (100).

The Alexandria cotton futures market ruled quiet during the week under review also. There was no important fresh export business. The new regulations governing the futures market, it was feared, would restrict price movements considerably. Buying enthusiasm was, therefore, negligible, and, sellers being predominant, cotton prices continued to drift lower. The following are the closing rates—in tallaris per lb.—prevailing in the Alexandria cotton futures market yesterday:

Karnak: July 105.05, November 101.20 and January 97.20; Ashmouni: June 74.75, August 74.75 and October 72.70.

A distinctly easier trend was noticeable in the Liverpool cotton futures market during the week under review. Besides bearish advices from Alexandria, apprehensions of a setback in the world cotton prices adversely affected the sentiment of traders. The apprehensions were based on the large sale of 1,567,278 bales of U.S. surplus cotton at sharply reduced prices announced by the Commodity Credit Corporation on the 16th inst. There was a fair volume of hedging and commission house selling which resulted in a fall in cotton prices. The fall would have been more marked but for local mill buying against fixations. The Egyptian contracts were dull and Sudan position came in for limited activity.

The latest available quotations—in pence per lb.—from the Liverpool cotton market are: *Old contract*: July-August 25.50. *New contract*: July-August 28.35, October-November 25.15, December-January 24.47, March-April 25.87 and May-June 23.35. *Egyptian Karnak cotton*: July-August, November-December and January-February 57.80. *Sudan cotton*: July-August 49.00, September-October 48.25 and November-December 48.05.

A firm trend was in evidence in the New York cotton futures market this week, in contrast to the sagging tendency witnessed last week. The firmness was aided by commission house short-covering, some Liverpool buying in old July and trade buying in new crops. The cotton prices, as a result, registered an improvement. The spot market, however, ruled easy for want of follow-up support.

The U.S. Commodity Credit Corporation sold on the 16th inst. 1,567,278 bales of cotton to those who had made offers for the Corporation's stocks on the 12th inst., bringing the total sales thus far to 1,830,000 bales. The minimum price accepted for basis Mid. 15/16" was in line with the legislative direction contained in the new Farm Bill, namely, 25 cents per lb. for gross weights average location. This price is 2⅛ cents below the minimum accepted in the previous sales under the new export sales programme and works out to 26.40c. per lb. shipside gross weights, which was the minimum price accepted in the special export programme covering one million bales of 15/16" and shorter cotton, completed sometime ago. With this sale all Gulf Port stocks of white grades 1.1/16" and shorter are reported to have been sold out. Also all stocks of Strict Middling 15/16" and shorter, Middling and better 1.3/16" and longer and Middling 15/16" and shorter wherever located have almost been eliminated. Substantially all quantities of Mississippi Valley S.M. 31/32" and 1.1/16" and white grades of California Arizona in the Pacific Coast, too, have been eliminated. There may be minor additions of the above qualities when the C.C.C. completes cataloguing the 1954 stocks, but major increase can, it is said, be expected only when the unredeemed cotton in the 1955 loan is absorbed in the C.C.C. stocks. The present view is that this is unlikely to occur before January this year.

The U.S. Department of Agriculture has granted cotton farmers a five-month extension on price support loans in an effort to encourage repayments. The farmers may pay off loans on the 1955 crop cotton until 31st December, instead of the 31st July deadline.

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

	(In cents per lb.)		
	26-6-56	19-6-56	12-6-56
Spot	36.80	36.90	36.75
July	34.60	34.48	34.49
October	32.73	32.37	32.51
December	32.67	32.45	32.61

PEPPER QUIET

(Messrs. Parekh and Co.)

BOMBAY, 27*th June*

Malabar black pepper, during the week, ruled quiet with narrow fluctuations in sympathy with New York where Sarawak is reported to have sold fairly good quantity at prices ranging from $0.25 to $0.23½, when India was not willing to sell below $0.30. Continuous lack of foreign demand is unnerving growers but they are trying to resist any fall in the prices below Rs. 700 in the hope of business during the coming month.

Alleppey hovered round about Rs. 725 throughout the week, while garbled at Cochin was quoted at about Rs. 126 per cwt. Revision or fear of revision in the freight rate from India to the U.S.A. almost every month also proved a bar to free business. In view of minor fluctuations old-established export houses are sidelining, while new entrants in the field are doing fairly good business, as they sell first and buy afterwards, taking view of the market and they have been successful so far. Though the underlying conditions of the world's pepper market seem to be healthy, the prices may not show major improvement, until seasonal pressure of Sarawak is ended. For want of sufficient memberships the prospect of successful functioning of the hedging market at Cochin, though approved by the Government, are receding. Unless Bombay is approved as a centre for a hedging ring, no forward trading in pepper on a notable scale in India appears to be possible for more than one reason.

In the A.S.T.A. section, June changed hands from $0.29 to $0.28 while July-Aug.-Sept. from $0.28⅞ to $0.27½.

In the delivery section prices failed to maintain as at every upswing scale bulls continued to liquidate.

Following are today's nominal quotations:

Ready delivery Rs. 98 (as against Rs. 100 a week ago) per Bengal maund. July Rs. 677½-682½ (Rs. 700) per candy of 5¼ cwts.

YARNS DULL

(From Our Own Correspondent)

BOMBAY, 27*th June*

Dull conditions prevailed in the yarn market during the week under review. Offtake by merchants was very low, thanks to reports of political disturbances in Punjab markets—the principal consumers—and of heavy floods in Bihar, Orissa and other centres. Operators also preferred to await details of import policy for the ensuing half-year. Transactions put through in all the varieties of yarns were limited and values moved narrowly, the general trend being downwards.

Rayon yarns ruled easy on slackness in demand from consuming centres, due to unsatisfactory trend of rayon fabrics markets in the wake of heavy arrivals from abroad. Consequently, prices suffered a decline, which would have been more marked but for rumours of a cut in imports of 150 and 120 bright denier yarns during July-December period. Snia rayon yarns (120 dull cones) June delivery dropped Rs. 10 to Rs. 768. August delivery declined by Rs. 2 to Rs. 784. The spread between the two contracts widened from Rs. 8 last week-end to Rs. 16 today, as a result of switch-over of purchases from near position to distant delivery. In the spot section, 150 Japan fell by As. 2-3 to Rs. 4-1-9. 120 Italy shed half an anna to Rs. 3-12. 120 Japan and 150 Italy were, however, better, their prices rising by three pies each to Rs. 3-11-9, and Rs. 3-14-6, respectively. Among indigenous yarns, National Rayons 150 Bt. cones 1st grade were quiet at Rs. 3-7-6 and 120 Bt. cones 1st grade at Rs. 3-10-3.

In the staple fibre yarn section, 40×2 June delivery improved by Rs. 2 to Rs. 669. July position put on Rs. 3 to Rs. 655. Spot New Greats increased by nine pies to Rs. 3-6-9. Kohinoors rose by a like amount to Rs 3-8-6. Citys were better by three pies at Rs. 3-7. Centurys were unchanged at Rs. 3-7. Among imported yarns, Paramounts met with special buying support and strengthened by As. 4 to Rs. 6-6. K'Suns hardened by As. 2 to Rs. 6-12. Fujis gathered an anna to Rs. 6-6. H'Races and S'Sellos were both fully maintained at Rs. 6-4.

After presenting an easy trend in the earlier sessions, the cotton yarn market picked up strength today. The initial easiness was the result of sharp break in raw cotton prices. Weak holders were trying to unload their stocks and prices moved down. The declining trend was however, halted today, following emergence of demand from consuming centres. Over the week, eighty count cotton yarns suffered losses. Finlays receded by a rupee to Rs. 75. Mahendras lost As. 4 to Rs. 72-4. Among 60s, Raghuvamshis shed As. 8 to Rs. 57-8 Kamlas decreased by a similar sum to Rs. 59. Deals in 40s were, however, put through at higher levels, Minaxis rising by As. 9 to Rs. 28-12 and Moderns by As. 8 to Rs. 28-6. Among 20s, Moderns gained As. 2 to Rs. 18-4, while Hinds were unaltered at Rs. 18-2. Business was reported in 10 counts Moderns As. 3 lower at Rs. 14-1. Podars were done at Rs. 13-14, as against Rs. 13-13 last week-end.

The following table gives the prices of rayon, staple fibre and cotton yarns quoted today as compared with those a week and fortnight before:

	27-6-1956	20-6-1956	13-6-1956
Art Silk yarn (per case of 200 lbs.)—	Rs. a.	Rs. a.	Rs. a.
120 Full Cone Snia June	768 0	778 0	777 0
August ..	784 0	786 0	792 0
120 Japan (per lb.)	3 11½	3 11½	3 11
150 Japan (per lb.)	4 1½	4 4	4 3¾
120 Italy (per lb.)	3 12	3 12½	3 12¼
150 Italy (per lb.)	3 14½	3 14½	3 14
Staple fibre yarn (per case of 200 lbs.)—			
40×2 June	669 0	667 0	657 0
40×2 New Great (per lb.) ..	655 0	3 6	3 7
40×2 Century (per lb.) ..	3 6½	3 7	3 7½
40×2 City (per lb.)	3 7	3 6½	3 7½
Cotton yarn (per bundle of 10 lbs.)—			
10s Podar	3 7	13 13	13 14
20s Hind	13 14	18 2	18 2
40s Minaxi	18 2	28 3	28 6
60s Modern	28 12	62 0	62 0
80s Finlay	62 4	76 0	78 0
	75 0		

CASTORSEEDS FIRM

(From Our Own Correspondent)

BOMBAY, 27*th June*

Active conditions were witnessed on the Oilseeds Exchange during the week under review. The Government's decision to continue free licensing of exports of castor oil till the end of December and of linseed oil till the close of October had a tonic effect on the market as a whole. Reports that deals for shipments of 6,000 tons of castor oil to the U.S. during July-September period had already been put through and that a further deal to the extent of about 4,000 tons was under negotiations with the U.S. buyers buoyed up the sentiment of operators. In the result, castorseeds September delivery registered a strident advance. Even groundnuts, which were hesitant early in the week on reports regarding good rains in producing areas, picked up strength later in the week and made good the earlier losses. The linseed section also presented a steady tone. The announcement regarding free export of linseed oil, however, had no marked bullish effect on prices since shippers had already covered their sales, abroad in anticipation of the announcement.

Castorseeds September contract presented a firm tone throughout the week. Opening at Rs. 128-12, the contract steadily moved forward to Rs. 142-12 touched today. At the higher level, there was profit-taking and the contract wound up the week at Rs. 142, registering a gain of Rs. 13-4 over the week. In the spot section, F.A.Q. gained Rs. 3-2 to close at Rs. 27-14. Madras quality advanced from Rs. 26-4 to Rs. 27-14, and Kanpur quality from Rs. 25-6 to Rs. 26-8. Castor oil B.S.S. improved by As. 14 to Rs. 15-14. Commercial variety rose from Rs. 14 to Rs. 14-11.

Groundnut February contract moved irregularly on bouts of selling and buying in the first few sessions of the week. Subsequently, a better tone came to prevail in sympathy with the firm trend in castorseed. The contract opened the week at Rs. 135 and, after moving between Rs. 133-6 and Rs. 136, finished at Rs. 135-8, revealing a gain of only As. 8 over the week. In the ready section, F.A.Q. improved from Rs. 32-14 to Rs. 33-12. June-July delivery put on Rs. 2-3 to Rs. 33-8. Khandesh rose by a rupee to Rs. 35. Groundnut oil ex-mill was dealt in at Rs. 18-4, as against Rs. 17-6, and railway receipts at Rs. 18-1 as against Rs. 17-7.

The linseed section was steady. Bold ready was done at Rs. 28-12, as against Rs. 28-4. June-July improved from Rs. 28-2 to Rs. 28-12. Satna quality was done at Rs. 28-8, as against Rs. 26-6. Linseed oil was, however, a shade lower at Rs. 15-8, as against Rs. 15-12.

Among other seeds *kardi* seeds had deals done at Rs. 19, as against Rs. 18-8. *Niger* seeds were As. 12 better at Rs. 29-4.

The following table shows the prices of oilseeds and oils today as compared with those at the end of the previous two weeks.

	27-6-1956	20-6-1956	13-6-1956
Groundnuts—	Rs. a.	Rs. a.	Rs. a.
February 1957	135 8	134 2	..
Khandesh Quality Ready (per cwt.)	35 0	34 2	34 0
June-July	33 8	31 6	33 6
Linseed—			
Bold Ready (per cwt.)	28 12	28 12	30 8
June-July	28 12	28 12	30 8
Castorseeds—			
September	142 0	127 2	139 8
Madras (per cwt.) ..	27 14	25 8	27 4
Groundnut oil—			
Ex-mill Ready (per quarter) ..	18 4	17 12	18 6
Castor Oil—			
Commercial (per quarter) ..	14 11	15 2	15 4
Linseed Oil—			
Ready ..	15 14	17 2	16 4

SUGAR BEARISH

(From Our Own Correspondent)

BOMBAY, 27*th June*

The sugar market ruled bearish during the week under review. The sentiment of operators was adversely affected by a marked fall of Rs. 3 per bag in the ex-mill quotations for Bombay-Deccan sugar. This fall followed the release for free sale of 7½ per cent. of sugar production to the Bombay mills and the Central Government's move to arrange immediate despatch of sugar from Uttar Pradesh to the important distributing centres in South India. These factors induced selling and prices of sugar suffered a break. The decline would have been more appreciable but for the reduction in arrivals of indigenous sugar into the market, being 10,400 bags, as against 14,000 bags in the previous week.

A further quantity of 150,000 tons of sugar has been released by the Government of India for sale in free market. This brings the total release so far made for free sale out of the 1955-56 production to 968,000 tons.

In the spot section, large grain indigenous sugar receded by Rs. 2 to Rs. 95-Rs. 100 per bag. Medium grain lost a rupee to Rs. 91-Rs. 94. Small grain was lower by As. 8 at Rs. 90-8. British refined sugar shed As. 4 to Rs. 89-4, despite paucity of stocks of "sound" sugar and reluctance of stock holders to part with the few bags they held at lower prices.

In the forward section, *Shravan* delivery contract for 'C' grade sugar declined from Rs. 91-12 to Rs. 91-2. Today, however, it was quoted a shade better at Rs. 91-4.

(N.B.—The rates for indigenous sugar are inclusive of sales tax, while those for foreign sugar are exclusive of the tax).

BEST LIQUORING TEAS SCARCE

[Messrs. Forbes, Ewart and Figgis (Private) Ltd.]

COCHIN, 21*st June*

Offerings in sale No. 16 which was held on Tuesday, 19th June, amounted to 1,300,000 lbs. There was a large quantity of teas on offer of stalky leaf appearance with poor liquors and quality generally showed a further decline. Low grown and low medium teas, both brokens and fannings, were generally neglected. In particular, buyers were uninterested in the more stalky types and withdrawals were heavy. There was a useful demand for any teas of good appearance or cup quality and these sold at an irregular decline of an anna to As. 2. Best liquoring teas were scarce, but a few invoices realised good prices. There was a stronger demand for all whole leaf grades.

The following are the quotations:—

	1956 Rs. a. p.
Plain B.P.	1 6 6
Low Medium B.O.P. ...	1 8 6
Medium B.O.P.	(Nominal) 1 10 0
Good B.O.P.	Rs. 2-2-0 to 2 4 0
Well-made black leaf O.P.	2 2 0

London Market: *Sale of 18th June 1956*:—Better liquoring and good apperance unchanged. Slightly easier tendency for others.

Sale of 19th June 1956:—Dearer tendency.

Colombo Market: *Sale of 18th June 1956*: Better qualities dearer, particularly dusts and fannings stalk and plain sorts easier.

Sale of 19th June 1956:—Demand quieter. Prices substantially lower, often by 50 cents a pound. Selected improved Uvas occasionally dearer.

Calcutta Market: *Export*:—19,600 chests. Slightly better demand for teas with quality. Plain liquoring Dooars again neglected and withdrawals heavy. C.T.Cs. well supported, usually sold above valuation.

Internal:—21,200 dust. Good general demand at rates fully firm to one anna dearer. Middle East types strongest feature. C.T.Cs. firm. Residue teas an anna to As. 2 dearer. 836 internal leaf. Good demand at irregular rates.

Export Quota:—There are now sellers over at 2 pies for special licence with no further news of an extension. 1956-57 export quota has eased to 30 pies.

Forthcoming Auctions:—Sale No. 17 will be held on Tuesday, 26th June.

As we go to press, Messrs. Forbes, Ewart and Figgis (Private) Ltd. wire:

"*Sale* 17:—1,250,000 lbs. Rather better demand for low and low medium with prices irregularly As. 2 lower. Good enquiry for better liquoring and whole leaf. Middle East types strong and dearer."

JUTE LOOMS RESEALED PARTIALLY

(From Our Own Correspondent)

CALCUTTA, 26*th June*

Real buying of jute goods was restricted during the week under review, and even the rumours which predicted that Government would agree to mills sealing 2½ per cent. of the looms did not make buyers active. In the meantime, prices of jute goods were quoted at such low levels as to make mills withdraw from making offers. It would appear that New Delhi is now more or less in agreement with the industry that fixation of minimum prices would not decrease stocks with mills, but that an effective solution would be a reduction in production. The trade expected an announcement by the I.J.M.A. in this regard at any time. That explains why mills were reserved this week. For, after measures to restrict production, it is felt that prices should naturally take an upward turn. A reduction in production will, it is thought, result in a better relationship between prices of raw jute and the goods. This week's rumours of sealing of looms as those of last week's regarding fixation of a minimum price did not make foreign buyers active. For, they continued to watch the situation, and were hoping that prices would come down further. No doubt, small business for meeting commitments of shippers was put through. The trade, however, believed that during this month shipping would prove to be unsatisfactory, and that a further increase in stocks at the end of the month would be the result.

As expected, the Indian Jute Mills' Association announced yesterday, its decision to reseal, with effect from 16th July next, 2½ per cent. of the looms of the member-mills, thus increasing the proportion of sealed looms to 7½ per cent. of the total complement. The Association said that the resealing of the looms has been prompted by the need to adjust the industry's output to the current world demand for jute goods and to prevent a threatened glut of jute manufactures.

The problem of making mills work again on a profitable basis, however, continues to occupy the attention of all those interested in the future of the industry. In fact, exports of jute goods have risen and the industry continues to be a foreign exchange earner of considerable importance to the country. An effective way by which mills can revert to economic operation, market circles feel, is by reducing the prices of raw jute. The fact that mills are dependent on imports from East Pakistan where raw jute is highly priced is a circumstance for maintaining raw jute prices in India at a high level. In this respect, Indian cultivators are free from blame, since whenever Pakistani and Indian prices reach parity mills tend to neglect Indian offers. However, such a factor does no longer hold good, since the present level of prices for goods is such as to make even the Indian raw jute costly at current rates. During recent months, it has not been surprising that arrivals of jute from East Pakistan have fallen. In May they were only 47,315 bales as compared to 102,245 bales in May of last year. If mills are again to work on an economic basis, there is a strong case for India to do away with imports from East Pakistan by growing more jute within the country and making the same available to mills at lower prices. It is in this background that the West Bengal Government's decision to increase the jute yield by as much as 851,000 bales by 1960-61 by intensive cultivation such as wider distribution of fertilisers, double-cropping, line-sowing and plant-protection measures has been received in the market with satisfaction. The yield in 1955-56 was 1,958,000 bales from 780,000 acres. The area will be increased in places wherever possible, but it is expected that the total area would not exceed 876,000 acres which was sown in 1951-52.

During the week, there were reports which suggested imminent American interest in hessians. For this reason, ready hessians 40" 10 oz. opened steady at Rs. 38-2. However, buying support was not following and the rate soon declined to Rs. 38. Speculators were selling heavily. The rate recovered to Rs. 38-1 by Friday on some covering demand, but by the week-end again sagged to Rs. 38. There was no change in the rate in yesterday's trading. Ready B. twills opened steady at Rs. 105-8 on rumours that Government would seal mills reducing production. However, the rate fell to Rs. 104-14, as it was believed that instructions would register a further increase. At the lower level, business for export and covering business soon followed to the rate up to Rs. 105-2. With the upward trend mills showed a keen desire to sell and, in fact, traded some quantity. This naturally dampened sentiment and by the week-end the rate closed lower at Rs. 104-10. The rate was lower yesterday at Rs. 103-8.

Despite the prospect of a reduction in production of jute goods, raw jute was steady and most varieties gained by As 8. The rise was consequent on lower arrivals which were attributed not to any shortage but to the inability of the railways to satisfy all indents for wagons. The shortage of wagons was attributed to the diversion of transport facilities for carrying food and other essential supplies to the cyclone-affected areas. In the interior, plenty of the old crop is still available, and there is no cause to suggest that there would be any shortage before the new crop begins reaching the mills. During the week, mills showed interest in new crop, and although sellers were reserved, business was done on the basis of Rs. 25-8 per maund basis northern bottoms. Floods have caused some damage to crops in Goalpara and Nowgong in Assam. Due to the rise in river levels and damage to roads movement is affected. This fact together with the shortage of wagons has been the cause for this week's rise in prices both in Calcutta and in Cossipore. Latest quotations for the different constructions are given below:

	Middles Rs. a.	*Bottoms* Rs. a.
Pakistani:		
Northern	32 8	29 8
District	33 0	30 0
Indian:		
Northern	30 8	27 8
Assam Upper	30 8	27 8
Assam Lower	30 8	27 8
Murshidabad	30 0	27 0
Daisee	31 0	28 0
Western	30 0	27 0
Jungli	29 8	26 8
Orissa	31 0	28 0
Uttar Pradesh	29 8	26 8
Daissee mesta	29 0	27 0
Bimli f.a.q.	Rs.	26 0

TEA PRICES ADVANCE

(From Our Own Correspondent)

CALCUTTA, 26*th June*

Strong support was in evidence at the export tea auctions held here yesterday. Prices registered further attractive gains. Heavy rains in Assam and the consequent damage to roads will, it is feared, be reflected in lower arrivals from gardens until the bridges swept away by floods are replaced and affected roads are again made passable to motor traffic. So far, tea gardens in Assam have not been affected, but in Nowgong and Goalpara floods have caused damage to jute- and paddy-growing areas.

Buyers on behalf of Russia continued to take a keen interest in the best teas on offer, and that was one of the causes why prices moved up. Buying is also reported done on behalf of certain other East European countries, such as Poland, Czechoslovakia and Hungary. If the trend in recent auctions is any guide, it can be said that buyers are inclined to pay greater attention to quality teas, prices of which have gained. On the other hand, the poorer teas are wanted at lower rates only. This trend is also a feature of recent auctions in London. All these indicate the need for gardens to improve quality.

Yesterday's offerings aggregated 24,330 packages. Tippy teas sold well, and the price for good liquoring medium Assams advanced. However, by far the strongest feature of the sale was provided by the few best liquoring C.T.Cs. which rose by Re. 1 over brokers' valuations. Stylish leaf grades improved by As. 2, and prices for the ordinary leaf grades were maintained. There were heavy withdrawals in plain and low medium kinds, prices of wich gave way by an anna to As. 2 owing to poor demand. Darjeelings were shown sparse attention. Quotations, which were nominal, in view of the small quantity of representative teas on offer, were: best C.T.C. Assam B.P. Rs. 3 to Rs. 3-8, medium Assam B.P. Re. 1-14 to Rs. 2, clean black pekoe Re. 1-13 to Re. 1-15, and plain B.P. Re. 1-7 to Re. 1-8.

During last week's internal sale, offerings amounting to 21,141 packages were end-of-season teas. Demand was good and generally prices were maintained and/or gained by an anna to As. 2. C.T.C. teas realised fractionally higher prices, with poorer residue teas being sold an anna to As. 2 higher on strong demand. However, the strongest feature of the sale was provided by black teas suitable for export to the Middle East. The quotations were: best C.T.C. Assam Rs. 2-6 (nominal), medium Assam grainy dust Re. 1-7-6, and medium Dooars Re. 1-6-6.

Leaf grades on offer amounted to 861 packages, of which 323 chests were new season's teas and the balance old season's. Fair demand at irregular rates was reported.

TRADING IN KIPS ACTIVE

(From Our Own Correspondent)

MADRAS, 25*th June*

Arrivals of E.I. tanned hides and calves were on a moderate scale and shippers were active. U.K. buying was limited, as the prices offered were low. U.K. curriers did not desire that prices should decline on account of weak holding, but be held firm and confidence infused in the strength of prices at origin, in order to enable them to carry on purchases on an even keel. It was reported that several tanneries in South India were working to a third of their capacity and stocks would be arriving in the market on a smaller scale. If this were to happen, it would be a welcome feature. Demand for lower grade kips for inland trade revived partially. Inquiries from the U.K. for cow calf and buff calf (market qualities) were negligible, though the U.S. importers were buying buff calf slowly but steadily at unchanged levels. Arrivals of buff hides were small and prices declined to Re. 1-7 per lb. which was an anna dearer for the U.K. market, but acceptable for the U.S. exporters of trimmed buffaloes.

In the tanned skins section, shipment business was poor, due to report of availability of large stocks in the July London Public Sales which commenced on the 2nd inst. 900,000 tanned goat skins and 525,000 sheep skins. The quantity of goat was enormous and disclosed that there was heavy overproduction in this section.

FOODGRAINS MOVE UP

(From Our Own Correspondent)

HAPUR, 25*th June*

Barring barley, the prices of which recorded an advance during the week, all foodgrains suffered a modest decline. Rainfall reports from some parts of the State, increasing stock position of gram in the Punjab and sales at reduced prices of rice in Bombay were the main depressing factors. Wheat was quoted at Hapur at Rs. 13-12 per maund for average quality and at Rs. 15-2 for farm quality. Demand for farm quality wheat during the week was from Bihar and some markets in the South, while average quality was all lifted by stockists, with the result that the stocks of wheat improved to 83 *khaties*, as against 112 *khaties* a year before when average quality wheat was quoted at Rs. 10 per maund. The final estimate of wheat production in the country for 1955-56 puts the area at 29,225,000 acres and production at 8,348,000 tons, which is 6 per cent. less as compared with last year.

Rice prices also eased slightly during the week, in line with the fall in prices in South Indian markets. The latest available prices are: *Rangooni* Rs. 17-12, *manipuri* Rs. 18-12 and *basmati* Rs. 23 to Rs. 31 per maund. Barley prices improved, due to poor arrivals and meagre stock position. *Bejhar* prices were a shade easy and *jowar* prices declined following fresh arrivals from outside and slackness in demand for seed purposes. Large quantities of gram are still arriving from the Punjab and stock position has gone up to 50 *khaties*, as against 30 *khaties* last week-end. The latest prices are: *Barley* Rs. 10-8, *bejhar* Rs. 10, *jowar* Rs. 16-8, gram: Local Rs. 10-10 and punjabi Rs. 11 per maund.

SUGAR STEADY

(From Our Own Correspondent)

HAPUR, 25*th June*

The sugar markets continued to rule steady on good buying enquiry from all sides. In order to meet the demands of markets in the South, the Government of India has arranged to send sugar specials from North India to markets in the South next week. Crushing operations in factories in West U.P.—mainly Meerut and Muzaffarnagar districts—are still being continued under Government orders; they will be carried up to the end of the month. The total production of indigenous sugar in the country will beat all previous records and will be very near 1.9 million tons.

The latest mill delivery prices of sugar are: Jaswant Rs. 28-8, Simbhault Rs. 28-8; Mcwana Rs. 28-6; Daurala Rs. 29-8; Amroha Rs. 28; Bijnore Rs. 28; Mansoorpur Rs. 28-8 to Rs. 29-8; Rampur Rs. 30-12; retail Rs. 30-4.

The *khandsari* sugar market was dull and depressed thanks to poor offtake and heavy stocks. The latest available prices range between Rs. 23 and Rs. 27 per maund, according to quality.

Ready *gur* prices improved towards the week-end on heavy offtake to consuming areas of Gujerat and East U.P. and were today quoted at Rs. 10-12 per maund. Daily arrivals were at an average of 200 maunds and local stock dwindled to 50,000 maunds.

Future *gur* prices ruled both ways during the week on speculative bouts. The latest quotations as on Monday was Rs. 9-5-6 for *fagun* delivery. The standing sugarcane crop is now very much in want of rains in West U.P., although reports of good rains have been received from East U.P.

WORLD BANK'S LENDING RATES

The International Bank for Reconstruction and Development (World Bank) also, like the central banks of different countries, is keeping a close watch on indiscriminate lending by member-countries through export credits, and imposing restraints wherever necessary. It has also raised the rates of interest on its loans by as much as one half per cent., reflecting the recent tightening of rates in the international money market.

Since last September, the Bank has been regularly receiving confidential quarterly reports from 14 principal industrial nations on the extent of their export credits. Although these reports have, it is stated, so far disclosed no strong trend, they were invaluable in drawing attention to the dangers of granting credits without regard to the overall indebtedness of the borrowers. *It is understood that the reports showed that a few countries had made excessive borrowings. In such instances, restraints were applied by the Bank and borrowings were reduced after the Bank drew the borrower's attention to the situation.*

The Bank has also raised the rate of interest on loans up to 15 years to 4½ per cent. Loans of a longer duration now command a rate of 5 per cent. Previously the lending schedule provided for a rate of 4½ per cent. up to and including five years, 4¾ per cent. from six to 10 years, and 4¾ per cent. for periods over 11 years. No loans have, however, so far been concluded at the higher interest rates.

MISCELLANEOUS STATISTICAL INFORMATION

PRINCIPAL BANK RATES %

Centre	Changed on	From	To
Argentina	1st Mar., 1936	..	3½
Austria	17th Nov., 1955	4½	5
Belgium	4th Aug. 1955	2½	3
Bolivia	30th Sept., 1950	5	6
Canada	4th April, 1956	2½	3
Ceylon	11th June, 1954	3	2½
Chile	18th June, 1938	6	4½
Colombia	18th July, 1933	5	4
Costa Rica	1st April, 1954	4	5
Denmark	May, 1955	5	5½
Ecuador	13th May, 1948	7	10
Egypt	16th Nov., 1952	3½	3
El Salvador	22nd Mar., 1950	4	3
Finland	20th April, 1956	5	6½
France	2nd Dec., 1954	3½	3
Greece	1st Jan., 1955	10	9
India	16th Nov., 1951	3	3½
Indonesia	1st April, 1946	4	3
Ireland	25th May, 1954	3½	4
Italy	4th April, 1950	4½	5
Japan	10th Aug., 1955	5.84	7.3
Mexico	4th June, 1942	4	4½
Netherlands	6th Feb., 1956	2½	3
New Zealand	19th Oct., 1955	6	7
Norway	14th Feb., 1956	3½	4½
Pakistan	1st July 1948	..	6
Peru	13th Nov., 1947	5	6
Philippines	March, 1954	3	1½
Portugal	12th Jan., 1944	3	2½
South Africa	29th Sept., 1955	4	4½
Spain	1st July, 1954	4	4½
Sweden	19th April, 1955	2½	3½
Switzerland	26th Nov., 1936	4	1½
Turkey	6th June, 1956	4½	5
United Kingdom	10th Feb., 1956	4½	5½
U.S.S.R.	1st July, 1936	8	4
U.S.A. ‡	13th Apr., 1956	2½	3
West Germany	18th May, 1956	3½	5½

‡ Except Chicago where the rate is 2½ per cent.

CLEARING HOUSE RETURNS

Centre	Week ended 22nd June, 1956		Week ended 15th June, 1956	
	Number of Cheques	Amount Rs.	Number of Cheques	Amount Rs.
Bombay	2,31,124	58,47,94,700	2,89,333	63,31,05,000
Calcutta	1,66,617	60,57,95,029	1,73,606	52,85,29,282
Madras	82,581	9,66,56,827	88,335	10,15,31,982
All Centres— 1955-56*	..	..	2,669,000	6,595,400,000
1954-55*	..	..	2,885,000	6,041,200,000
Feb., 1956	..	..	3,302,000	7,51,85,00,000
Mar.,	..	..	3,335,000	7,64,87,00,000

* Average of months.

Reserve Bank of India

Statement of Affairs for the week ended 22nd June, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		5,00,00,000
Reserve Fund		5,00,00,000
National Agricultural Credit (Long-term Operations) Fund		10,00,00,000
National Agricultural Credit (Stabilisation) Fund		....
Deposits:—		
(a) Government—		
(1) Central Government		62,57,92,000
(2) Other Governments		8,00,91,000
(b) Banks		51,88,42,000
(c) Others		13,01,73,000
Bills Payable		4,75,98,000
Other Liabilities		41,94,82,000
	Rupees	202,19,83,000

ASSETS	Rs.
Notes	29,68,18,000
Rupee Coin	7,39,000
Subsidiary Coin	5,24,000
Bills Purchased and Discounted—	
(a) Internal	11,35,000
(b) External	....
(c) Government Treasury Bills	8,62,61,000
Balances held abroad*	32,27,02,000
Loans and Advances to Governments	5,01,75,000
Other Loans and Advances	71,62,28,000
Investments	35,99,24,000
Other Assets	18,84,32,000
Rupees	202,19,83,000

* Includes Cash and Short-term Securities.

(1) The item 'Other Loans and Advances' includes Rs. 41,91,40,000 advanced to Scheduled banks against nuance bills under Section 17 (4) (c) of the Reserve Bank of India Act.

(2) The total amount of Advances availed of by Scheduled Banks against nuance bills under Section 17 (4) (c) of the Reserve Bank of India Act since 1st January, 1956 is Rs. 164,86,12,000.

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	29,68,18,000	
Notes in circulation	1486,86,75,000	
Total Notes issued		1516,54,93,000
Total Liabilities		1516,54,93,000

ASSETS	Rs.	Rs.
A. Gold Coin and Bullion—		
(a) Held in India	40,01,71,000	
(b) Held outside India		
Foreign Securities	656,54,10,000	
Total of A		696,55,81,000
B. Rupee Coin		106,33,08,000
Government of India Rupee Securities		713,66,04,000
Internal Bills of Exchange and other commercial paper		....
Total Assets		1516,54,93,000

Ratio of Total of A to Liabilities: 45.930 per cent.

Scheduled Banks*

Statement of Affairs for the week ended 15th June, 1956

	Rs.
1. Demand Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	8,88,03,000
(ii) Other demand liabilities	626,44,85,000
2. Time Liabilities in India:	
(i) Borrowings from banks other than the State Bank and a notified bank†	2,82,30,000
(ii) Other time liabilities	443,90,31,000
3. Borrowings in India from the State Bank and/or a notified bank:	
(i) Demand liabilities	7,53,05,000
(ii) Time liabilities	....
4. Cash in India	37,65,49,000
5. Balances with the Reserve Bank in India	49,25,28,000
6. Balances with other banks in current account in India	10,08,73,000
7. Money at call and short notice in India	11,13,76,000
8. Investments (at book value) in India in Central and State Government securities including Treasury Bills and Treasury Deposit Receipts	248,85,04,000
9. Advances in India	615,19,05,000
10. Inland Bills purchased and discounted in India	103,89,25,000
11. Foreign Bills purchased and discounted in India	47,62,37,000

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

† Excludes borrowings from the Reserve Bank also.

EXCHANGE RATES

	26th June, 1956	Previous week
Bombay on London—		
Sellers T.T. D.D. Spot	1-5⅜	1-5⅜
Sellers T.T. D.D. upto six months	1-5⅜	1-5⅜
Buyers T.T. spot to 10 days	1-6¼	1-6¼
Buyers T.T. 10 to 12 months	1-6⅛	1-6⅛
Bombay on New York—		
Sellers T.T. D.D. Rs.	478½	477½
Buyers T.T. Rs.	473	473
London on New York $	2.80-2.80 1/5	2.80½-2.80½
London on Paris Fcs.	981½	981½
London on Berne Sw. Fcs.	12.10½-12.10½	12.21½-12.21½
New York on London $	2.80⅛-2.80⅛	2.80⅛-2.80⅛

NATIONAL INCOME*

Country	Year	Population (in millions)	National Income (In millions)	In terms of rupee (Crores)	*Per capita* income (Rs.)
India†	'54-'55	378.07	..	10,170	269
Pakistan	'53-'54	78.81	..	1,931	245
Burma	1954	19.24	Kyats 3,905	890	204
Ceylon	1954	8.38	..	477	569
Japan	1954	88.20	Y. 6,148,000	8,138	922
Philippines	1954	21.44	Ps. 7,438	1,770	825
New Zealand	1954	2.09	£ (N.Z.) 802	1,070	5,119
Australia	1954	8.99	£ (A) 3,957	4,220	4,694
U.K.	1954	50.78	£ 15,718	20,950	4,100
U.S.A.	1954	162.41	$ 400,000	144,423	9,016
Canada	1954	15.20	$ 18,751	9,190	6,046
France	1954	43.54	F.Fr. 11,493,000	15,640	3,650
W. Germany	1954	49.52	Dm. 112,300	12,734	2,570
Italy	1954	47.07	Lr. 9,718,000	7,380	1,548
Norway	1954	3.39	Kr. 18,454	1,230	5,638
Sweden	1954	7.21	Kr. 38,630	5,544	4,912
Netherlands	1954	10.62	Grs. 21,060	2,640	2,488
Denmark	1954	4.41	Kr. 23,374	1,610	3,654
Switzerland	1954	4.92	Sw.Fr. 22,010	2,410	4,895

* National Income at factor cost—the aggregate of all incomes earned in the production of goods and services in the course of a year including net income from abroad.

Source: United Nation, Monthly Bulletin of Statistics, March, 1956.

† Estimates (at 1948-49 prices) are based on the third issue of the annual paper on national income issued by the Central Statistical Organisation.

State Bank of Pakistan

Statement of Affairs for the week ended 15th June, 1956

BANKING DEPARTMENT

LIABILITIES	Rs.	Rs.
Capital paid-up		3,00,00,000
Reserve Fund		3,00,00,000
Deposits:—		
(a) Central Government		10,44,96,000
(b) Provincial Governments		7,64,97,000
(c) Banks		22,75,95,000
(d) Others		24,41,95,000
Bills Payable		1,53,40,000
Other Liabilities		7,46,06,000
	Rupees	80,27,29,000

ASSETS	Rs.
Notes	12,47,28,000
Rupee Coin	9,000
Subsidiary Coin	8,000
Bills Purchased and Discounted:—	
(a) Internal	....
(b) External	17,92,000
(c) Government Treasury Bills	....
Loans and Advances to Governments	....
Provincial Governments' Debtor Balances	....
Other Loans and Advances	3,40,55,000
Investments	48,63,99,000
Other Assets	15,57,38,000
Rupees	80,27,29,000

ISSUE DEPARTMENT

LIABILITIES	Rs.	Rs.
Notes held in the Banking Department	12,47,28,000	
Notes in circulation	288,15,10,000	
Total Notes issued		300,62,38,000
Total Liabilities		300,62,38,000

ASSETS	Rs.	Rs.
I. A Gold Coin and Bullion	11,19,58,000	
Silver Bullion		
Sterling Securities	86,98,38,000	
Government of India Securities	26,58,95,000	
India Notes representing assets receivable from the Reserve Bank of India	43,02,58,000	
		167,79,49,000
B. Rupee Coin	6,52,95,000	
Government of Pakistan Securities	120,39,88,000	
Internal bills of exchange and other commercial paper	....	
		126,92,83,000
II. Held with the Reserve Bank of India pending transfer to Pakistan:—		
Gold Coin and Bullion	19,08,000	
Sterling Securities	4,40,63,000	
Government of India Securities	1,00,90,000	
Rupee Coin	29,51,000	
		5,90,06,000
Total Assets		300,62,38,000

Ratio of Gold Coin and Bullion, Silver Bullion, and approved Foreign Exchange to total notes issued 57.68 per cent.

COMPARATIVE BANKING STATISTICS

In crores of Rupees

	1st Sept., 1939 (pre-war)	15th June, 1956	A week ago	A month ago	A year ago
RESERVE BANK					
Issue Department					
Notes in circulation	172.37	1504.31	1514.82	1516.28	1321.23
Notes held in Banking Department	35.05	20.75	9.45	18.50	19.05
Foreign Securities	59.50	666.54	666.54	681.45	652.04
Rupee Securities	37.39	104.84	713.66	708.69	543.64
Banking Department					
Deposits of:					
Government of India	14.89	55.80	52.47	67.84	57.15
Other Governments	..	5.28	4.93	7.16	11.79
Balances held abroad	10.08	28.55	33.10	35.46	64.60
SCHEDULED BANKS					
Demand Liabilities	134.36	635.32	636.36	637.98	594.23
		(8.88)†	(8.71)†	(7.00)†	(13.02)†
Time Liabilities	102.24	446.73	444.21	433.72	303.97
Borrowings from Reserve Bank	..	(2.82)†	(2.91)†	(3.11)†	(3.32)†
		58.37	60.42	67.59	13.25
		(41.44)‡	(42.92)‡	(46.11)‡	(18.39)‡
Borrowings from State Bank	..	7.53	8.03	9.64	2.56
Cash in India	6.70	37.65	37.41	38.57	34.03
Balances with Reserve Bank	25.17	49.25	49.42	48.23	48.08
Excess over statutory limits	15.52	8.55	8.72	7.66	10.49
Balances with other banks in current account in India	..	10.09	10.37	10.30	10.71
Money at call and short notice in India	..	11.14	10.81	9.06	20.45
Investments (at book value)	..	348.86	349.00	353.55	345.95
Advances and bills	105.09	764.01	769.03	768.08	612.51
STATE BANK					
Deposits	..	87.76	223.92	224.63	225.86	207.66
Investments	..	51.99	100.75	100.84	102.29	100.67
Advances	..	30.35	137.77	139.43	139.47	116.58
Cash	..	14.69	16.66	16.64	17.48	17.27

† Borrowings from Banks excluding the Reserve Bank and the State Bank.

‡ Borrowings against nuance bills and promissory notes.

CUSTOMS AND EXCISE REVENUE GOVERNMENT OF INDIA

(In crores of Rs.)

	March, 1955	March, 1956	Twelve months, April to March, 1954-55	Twelve months, April to March, 1955-56
Import Duties				
Revenue	12.54	13.27	136.08	120.17
Protective	0.47	0.94	7.24	10.89
On surplus disposals	..	..	0.14	0.09
Total Import duties	13.01	14.21	144.36	130.65
Export Duties	3.94	3.03	41.89	37.49
Land Customs	0.12	0.05	1.81	1.29
Miscellaneous	0.08	0.07	1.07	0.70
Gross total customs	17.15	17.36	188.03	170.13
Refunds and drawbacks	0.83	0.19	1.83	2.63
Net Customs	16.77	17.17	186.80	167.50
Gross excise	12.39	12.47	106.62	148.88
Refunds	0.27	0.39	1.98	4.06
Net Excise	12.05	12.08	104.64	144.75
Net total of customs and excise†	28.82	29.25	291.44	312.25

†Net Customs plus net Excise.

State Bank of India

Statement of Affairs for the week ended 22nd June, 1956

CAPITAL AND LIABILITIES	Rs.	Rs.
CAPITAL—		
Authorised Capital—		
80,00,000 shares of Rs. 100 each	80,00,00,000	
Issued, Subscribed and Paid-up: 5,62,500 shares of Rs. 100 each.	5,62,50,000	
		5,62,50,000
Reserve Fund and Other Reserves	.. ..	6,25,00,000
Deposits and Other Accounts	.. ..	223,61,79,000
Borrowings from Other Banking Companies, Agents, etc.	.. ..	16,50,00,000
Bills Payable	.. ..	5,86,20,000
Bills for Collection being Bills Receivable as per contra	.. ..	59,09,000
Acceptances, Endorsements and Other Obligations per contra	.. ..	13,67,000
Other Liabilities (including Inter-Office Adjustments)	.. ..	3,32,87,000
Total ..	Rs.	262,01,12,000

PROPERTY AND ASSETS	Rs.	Rs.
Cash in hand and with Reserve Bank	.. ..	13,93,75,000
Balances with other Banks	.. ..	3,88,99,000
Money at Call and Short Notice	.. ..	60,00,000
INVESTMENTS:		
Government and other Trustee Securities	90,13,85,000	
Other Authorised Investments	10,49,22,000	
		100,63,07,000
ADVANCES:		
Loans, Cash Credits, Overdrafts, etc.	97,88,01,000	
Bills Discounted and Purchased	38,05,99,000	
		135,89,00,000
Bills Receivable being Bills for Collection as per contra	.. ..	59,09,000
Constituents' Liabilities for Acceptances, Endorsements and Other Obligations per contra	.. ..	13,67,000
Premises less Depreciation	.. ..	1,16,02,000
Furniture and Fixtures less Depreciation	.. ..	51,02,000
Other Assets (including Inter-Office Adjustments)	.. ..	5,16,45,000
Total ..	Rs.	262,01,12,000

† Figures are provisional. (m) Not known in 1 case. * Revised. ‡ Current at any time during the month.

ELECTRIC ENERGY GENERATED AND SOLD*

(In millions of kilo-watt-hours)

	No. of Concerns‡	Units generated‡	Total Units Sold
1952-53	614	6,301.4	5,134.3
1953-54	648	6,876.8	5,572.7
1954-55	686	7,760.9	6,319.2
January 1955	684	668.5	545.2
February	685	628.7	521.8
March	686	695.7	563.3
April	690	691.1	563.9
May	691	706.5	569.5
June	696	716.2	576.1
July	700	724.8	583.3
August	705	708.9	574.4
September	707	719.3	587.1
October	716	730.7	591.9
November	721	735.5	597.0
December	724	735.7	645.9
January 1956	731	757.2	621.8
February	739	749.9	622.0

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

SMALL SAVINGS

(In lakhs of rupees)

	POSTAL SAVINGS@											
	National Savings Certificates						Post Office Savings Bank Deposits		Cash Certificates, Defence Savings Certificates and Defence Savings Bank Deposits Outstandings@	3½% Ten-year Treasury Savings Deposit Certificates		10-Year National Plan Certificates‡		15-Year Annuity Certificates §	
	5-Year		7-Year		12-Year										
	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Receipts	Outstandings*		Receipts	Outstandings*	Receipts	Outstandings*	Receipts	Outstandings*
1952-53	6.62	65	3.26	23.66	34.17	1,18.38	96.08	—	31.07	7.55	25.64	..	..	5½‡	34
1954-55	4.70	1.62	4.99	27.27	1,24.64	1,24.94	1,20.88	—	36.35	5.57	37.16	7.40‡	7.38	45	45
1955-56	3.76	1.96	5.46	27.17	1,44.39	1,52.96	1,63.00	—	38.80	4.76	41.25	9.80	16.41	..	..
March 1955	4.70	26	4.99	1.41	1,24.64	18.51	1,30.88	—	36.35	47	37.16	58	7.38	4	45
April "	4.60	11	5.00	2.35	1,25.46	19.41	1,24.52	—	36.40	45	37.55	48	7.86	4	45
May "	4.52	26	5.24	2.01	1,27.94	11.88	1,24.54	—	36.94	41	37.96	66	8.51	4	45
June "	4.44	13	5.18	2.09	1,29.49	18.26	1,26.26	—	36.76	77	38.32	84	9.23	5	45
July "	4.36	13	5.12	2.27	1,31.28	18.80	1,40.58	—	36.55	41	38.54	91	10.19	4	45
August "	4.29	12	5.17	2.09	1,33.22	15.22	1,42.80	—	36.96	39	38.87	88	11.00	3	45
September "	4.21	13	5.20	2.54	1,34.88	12.40	1,46.91	—	37.11	44	39.23	94	11.80	4	45
October "	4.14	10	5.21	2.11	1,36.88	11.52	1,48.99	—	38.23	46	39.58	80	12.45	5	45
November "	4.07	10	5.21	1.96	1,37.88	11.52	1,50.40	—	38.34	43	40.06	83	13.20	5	45
December "	4.00	13	5.26	2.48	1,39.48	11.52	1,53.44	—	38.44	36	40.34	88	13.98	4	45
January 1956	3.91	14	5.24	2.02	1,40.78	12.16	1,54.14	—	38.55	32	40.61	84	14.73	3	45
February "	3.82	12	5.25	2.33	1,42.97	13.97	1,56.19	—	38.66	29	40.92	92	15.67	3	45
March "	3.76	31	5.46	2.50	1,44.39	18.43	1,63.00	—	38.80	26	41.25	91	16.41	3	45
April "	..	..	..	..	..	..	..	—	..	34	41.51	..	..	..	..

* At the end of period.

‡Issued from 10th May, 1954.

§ Outstandings do not include Indian Union's share of the pre-partition liabilities in respect of holdings of Indian investors.

@Progressive net repayments at the end of period from 16th August 1947.

‡‡ Relating to nine months from July, 1954.

§ From July, 1955.

E-Relating to eleven months from May 1954.

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

INDEX NUMBER OF SECURITY PRICES

(Base: 1949-50=100)

Group and Sub-Group	Week ended 18-6-'56	19-5-'56	9-6-'56	16-6-'56
ALL-INDIA GOVERNMENT AND SEMI-GOVERNMENT SECURITIES	90.8	91.2	91.2	91.3
1. Government of India	90.7	91.0	91.1	91.1
2. Indian States	90.4	90.7	90.7	90.7
3. Municipal, Port Trust, etc.	89.5	89.4	89.4	89.4
DEBENTURES OF INDUSTRIAL CONCERNS	100.5	100.8	100.5	100.5
1. Electricity	101.8	102.2	101.5	101.5
2. Jute	98.8	97.6	97.5	97.5
3. Plantations	99.1	99.2	99.2	99.2
4. Sugar	99.0	98.5	98.5	98.5
5. Coal	90.6	90.6	90.6	90.6
6. General Engineering	100.5	100.9	100.9	100.9
7. Shipping	100.9	102.3	102.3	102.3
8. Others	100.7	101.0	101.0	101.0
PREFERENCE SHARES	87.5	88.0	88.1	88.2
1. Electricity	96.2	93.3	90.8	90.9
2. Cotton	78.8	81.1	81.0	81.4
3. Jute	87.6	81.5	81.9	82.0
4. Coal	92.2	87.7	85.9	85.9
5. Iron and Steel	90.0	87.5	87.8	87.8
6. Sugar	84.0	84.5	84.7	84.7
7. Paper	89.0	82.1	82.1	82.1
8. Plantations	98.4	101.9	102.5	102.3
9. Miscellaneous	85.1	81.4	81.8	82.1
VARIABLE DIVIDEND INDUSTRIAL SECURITIES	113.9	124.3	125.7	125.2
(a) Financial	87.4	89.5	90.5	90.6
1. Banks	84.7	90.3	90.8	91.0
2. Insurance	106.4	85.7	87.5	87.3
3. Investment Trust	84.6	92.4	92.5	92.6
(b) Public Utilities	112.5	111.4	113.1	112.3
1. Electricity	122.4	113.1	113.2	113.0
2. Shipping and other Transport	96.8	113.1	120.1	119.6
3. Railways	85.7	86.9	87.4	86.9
(c) Manufacturing industries	118.0	133.7	136.2	135.4
1. Cotton, Woollen and Silk	106.1	133.1	134.2	134.0
2. Jute	95.3	75.2	77.7	77.2
3. Iron and Steel	141.3	157.0	194.5	190.7
4. Paper	225.0	298.9	289.6	289.6
5. Cement	147.5	179.8	182.0	181.6
6. General Engineering	107.8	194.1	195.4	195.0
7. Sugar and Breweries	96.9	104.5	105.3	105.5
8. Chemicals	130.4	143.6	145.2	145.3
(d) Non-Manufacturing industries	155.4	170.2	168.6	168.8
1. Coal	77.9	81.5	78.8	78.8
2. Mining and Oil	199.9	263.5	260.7	262.8
3. Plantations	183.2	185.0	180.5	179.9
(e) Miscellaneous	94.9	101.4	103.1	102.6
REGIONAL GOVERNMENT AND SEMI-GOVERNMENT SECURITIES:				
1. Bombay	90.3	90.7	90.7	90.7
2. Calcutta	90.7	91.1	91.2	91.2
3. Madras	91.1	91.5	91.5	91.5
DEBENTURES OF INDUSTRIAL CONCERNS:				
1. Bombay	99.5	100.0	100.0	100.0
2. Calcutta	101.1	101.5	100.9	100.9
3. Madras	100.2	100.2	100.2	100.2
PREFERENCE SHARES:				
1. Bombay	91.4	89.1	88.8	88.8
2. Calcutta	83.4	79.8	79.9	80.1
3. Madras	95.6	97.4	97.9	97.8
VARIABLE DIVIDEND INDUSTRIAL SECURITIES:				
1. Bombay	115.9	130.8	133.7	133.0
2. Calcutta	107.6	111.8	111.7	111.1
3. Madras	111.4	131.3	133.8	134.4
4. Delhi	117.7	136.9	141.4	140.9

INDUSTRIAL DISPUTES

(All-India)

Month	Number of disputes ‖	Number of workers involved.	Number of man-days lost
1951	1,071	691,321	3,815,925
1952	963	809,242	3,336,961
1953	772	466,637	3,382,503
1954	840	477,138	3,374,630
1955	1,633	723,932	5,384,676
February 1954	85	41,351	344,295
March	91	34,202	321,419
April	101	34,953	207,247
May	103	40,073	216,052
June	83	21,589	305,078
July	122	30,189	277,492
August	79	51,090	352,587
September	97	50,414	362,878
October	88	41,724	276,294
November	63	25,115	239,701
December	101	54,455	262,763
January 1955†	95	49,038	322,807
February	91	38,370	144,308
March	113	70,042	354,996
April	99	39,815	303,588
May	119	66,064	824,416
June	154	85,172	1,035,704
July	109	57,849	682,772
August	235	90,595	581,871
September	253	94,532	581,539
October	141	47,042	203,544
November	106	49,483	178,179
December	130	45,929	239,187
January 1956†	109	61,098	357,833
February	124	69,785	876,859
March	133	130,517(a)	636,020(a)

‖ Figures are provisional.

(a) Not known in 1 case.

INDEX NUMBERS OF WHOLESALE PRICES

(Base: Year ended August 1939=100)

Particulars	Weight	9th June, 1956	2nd June, 1956	11th June, 1955	May, 1956	May, 1955	Percentage of increase (+) or decrease (—) in May, 1956 as compared with May, 1955	Financial Year Average 1955-'56	Financial Year Average 1954-'55
Food Articles	(31)	358.3	353.6	277.3	350.5	276.1	+26.9	313.2	339.8
Cereals	59	468	459	314	449	311	+44.4	372	381
Pulses	8	350	355	224	358	216	+65.7	239	280
Others	33	220	221	224	224	236	— 5.1	235	291
Industrial Raw Materials	(18)	476.0	478.0	392.2	478.0	396.4	+20.6	419.8	438.2
Fibres	53	468	468	410	455	424	+ 7.3	429	447
Oil seeds	30	546	539	350	550	341	+61.3	393	424
Minerals	10	414	451	420	451	416	+ 8.4	427	422
Others	7	429	430	416	413	424	— 2.6	431	427
Semi-Manufactures	(17)	386.0	385.4	329.1	384.1	329.6	+16.5	338.2	350.3
Leather	8	406	402	381	404	400	+ 1.0	378	376
Mineral oils	13	208	208	221	208	221	— 5.9	207	221
Vegetable oils	16	558	559	348	557	344	+61.9	389 R	433
Cotton yarn	10	427	479	424	474	427	+11.0	423	454
Metals	18	278	278	244	280	244	+14.8	264	240
Oil cakes	5	431	411	309	406	291	+39.5	348	331
Others	5	361	361	329	361	328	+10.1	336	312
Manufactured Articles	(30)	378.4	376.7	370.3	376.8	374.6	+ 0.6	372.9	377.4 R
Textiles	6	413	411	408	411	406	+ 1.0	408	421
Jute	11	392	388	419	390	429	— 9.1	418	443
Cotton	45	419*	416*	403*	414*	409*	+ 2.0	403*	415*
Rayon and Silk	6	478*	478*	479*	493	507*	— 2.8	485*	469*
Woollen	2	294	294	295	294	310	—14.8	294	311
Metal products	17	371	371	343	371	344	+ 7.8	359	340
Others	19	286	286	286	287	— 0.3	285	296	336
Miscellaneous	(4)	509.0	506.0	566.2	501.8	544.6	— 7.9	548.4	612.4
All Commodities	*(100)*	*393.0*	*391.6*	*341.0*	*390.2*	*342.0*	*+ 14.1*	*380.4*	*377.5*

* Estimated.

R=Revised.

Figures in brackets indicate the weights assigned in combining five groups into a single all commodities index. Weights attached to the various sub-groups within groups are shown without brackets.

INDEX NUMBERS OF WHOLESALE PRICES (CERTAIN IMPORTANT COMMODITIES)

(Year ended August, 1939=100)

Average of weeks.	Rice	Wheat	Jowar	Bajra	Gram	Tea	Coffee	Sugar†	Gur	Tobacco	Raw Cotton	Raw Jute†	Groundnut	Linseed	Coal†	Jute manufactures	Cotton manufactures	Iron and steel
1955	401	508†	117	202	205	744†	582	275	144	770†	427†	547	370	331	357	477	410	274

MISCELLANEOUS STATISTICAL INFORMATION—*Continued.*

CROP FORECASTS

(000's omitted)

Crop	Forecast	Unit	Acreage 1955-56	Acreage 1954-55	Outturn 1955-56	Outturn 1954-55
Cereals—						
Rice	final	tons	76,253	75,949	25,474	24,531
Wheat	final	,,	29,225	27,517	8,348	8,778
Jowar	final	,,	42,727	43,446	6,940	9,093
Bajra	final	,,	27,025	27,983	3,400	3,421
Barley	final	,,	..	7,099	..	2,786
Maize	final	,,	8,909	9,311	2,519	2,939
Ragi	final	,,	5,627	5,711	1,844	1,646
Small millets	2nd	,,	11,446	12,215	1,693	2,002
Total cereals	final	tons	..	208,823	..	55,327
Pulses—						
Gram	2nd	tons	22,206	20,065	4,702	4,535
Tur	final	,,	5,757	5,044	1,814	1,688
Kharif pulses §	final	,,	15,862	16,719	1,650	1,830
Total pulses	final	tons	..	54,004	..	10,474
Oilseeds—						
Groundnut	final	tons	12,585	13,548	3,804	4,128
Castorseed	final	,,	1,462	1,394	126	124
Sesamum	3rd	,,	5,557	6,123	461	583
Rape and Mustard	final	,,	..	5,665	..	962
Linseed	final	,,	..	3,290	..	388
Total oilseeds	final	tons	..	29,335	..	5,877
Fibres—						
Cotton*	4th	bales	19,525	17,506	3,705	4,072
Jute†	final	,,	1,581	1,243	4,137	2,928
Mesta†	2nd	,,	570	514	1,159	1,016
Other crops—						
Potato	final	tons	..	665	..	1,762
Sugarcane	2nd	,,	3,930	3,718	5,079	4,858
Ginger (Dry)	final	,,	37	35	15	14
Pepper (Black)	final	,,	214	208	27	26
Chillies (Dry)	final	,,	1,492	1,523	340	363
Tobacco	final	,,	..	860	..	248

Source: Ministry of Food and Agriculture.
N.B.—The figures of sugarcane outturn are in terms of raw sugar (*gur*).
* In thousand bales of 392 lbs. each. † In thousand bales of 400 lbs. each. § Excluding Tur.

INDIAN JUTE STATISTICS

Particulars	Period	Quantity
	JUTE MANUFACTURES	(In 000 tons)
Production	During May, 1956	101.7
	Corresponding month, 1955	81.7
	Eleven months ended May, 1956	996.0
	Corresponding period, 1955	917.5
Stocks	At the end of May, 1956	119.3
	Corresponding month, 1955	94.7
		(In 000 bags)
Exports (Jute Bags)	Week ended 5th May, 1956	8,408
	Corresponding week, 1955	19,304
	From 1st Jan., to 5th May, 1956	151,738
	Corresponding period, 1955	147,831
		(In 000 Yds.)
Exports* (Jute Cloth)	Week ended 5th May, 1956	22,353
	Corresponding week, 1955	54,310
	From 1st Jan., to 5th May, 1956	377,660
	Corresponding period, 1955	402,743
	RAW JUTE	(In lakh bales)
Consumption by Mills†	May, 1956 (in lakh bales)	5.90
	Corresponding month, 1955	4.74
	Eleven months ended May 1956	57.77
	Corresponding period, 1955	53.22

* From Calcutta. † Estimated.

IRON AND STEEL PRODUCTION (in tons)

		Pig Iron	Steel Ingots	Saleable Steel
Tata Iron and Steel Co., Ltd.				
Year ended	31st March, 1953	11,58,000	10,61,900	7,91,800
Do.	31st March, 1954	11,54,000	10,70,200	7,80,000
Do.	31st March, 1955	11,54,400	10,45,300	7,81,500
Do.	31st March, 1956	11,95,900	10,62,100	7,97,800
December	1954	1,06,600	95,000	72,800
January	1955	1,02,500	95,900	72,200
February	,,	93,500	84,500	67,900
March	,,	95 000	89,300	66,100
April	,,	95,100	88,000	66,200
May	,,	94,200	87,500	65,900
December	,,	1,03,900	97,500	72,300
January	1956	1 03.900	96,300	71,600
February	,,	97,500	89,500	67,700
March	,,	1,03,300	96,200	69,900
April	,,	1,00,000	87,200	64,800
May	,,	96,600	89,400	66,300
Indian Iron and Steel Co., Ltd.				
Year ended	31st March, 1953	6,36,710	4,81,460	3,12,940
Do.	31st March, 1954	5,80,020	3,49,920	2,92,448
Do.	31st March, 1955	7 15,949	5,28,240	4,59,092
Do.	31st March, 1956	7,06,988	5,81,505	4,50,607
Three months ended	June, 1954	1,62,770	1,17,870	1,07,450
,, ,, ,,	Sept., 1954	1,80,018	1,39,741	1,15,861
,, ,, ,,	Dec., 1954	1,58,883	1,36,401	1,30,416
,, ,, ,,	Mar., 1955	1,65,108	1,43,822	1,18,124
,, ,, ,,	June, 1955	1,85,605	1,24,813	1,16,281
,, ,, ,,	Sept., 1955	1,76,181	1,30,051	1,08,714
,, ,, ,,	Dec., 1955	1,80,750	1,34,696	1,05,782
,, ,, ,,	Mar., 1956	1,84,480	1,41,846	1,19,860

FOREIGN TRADE OF INDIA

Particulars	February 1955 (Rs. lakhs)	February 1956 (Rs. lakhs)	Eleven months April to Feb., 1954-55 (Rs. lakhs)	Eleven months April to Feb., 1955-56 (Rs. lakhs)
Imports :				
By sea and air—				
Foodstuffs	9,41	6,51	118 30	50.24
Raw materials	19,48	14,25	174,46	140,34
Manufactures	28,86	43,68	281,84	384,07
Other Items	9	33	2,46	2,94
Total*	54,84	64,77	577,06	577,59
By land	2,70	3,42	20,88	26,54
Total Imports	57,54	68,19	597,94	604,13
Exports :				
By sea and air—				
Foodstuffs	17,89	14,68	188,67	148,50
Raw materials	10,93	15,41	192,70	148,85
Manufactures	20,13	19,76	230,57	229,80
Other Items	35	26	4,44	3,83
Total	49,70	50,11	526,88	529,65
By land	48	38	5,17	5,80
Total Exports	50,18	50,49	131,55	535,45
Total Re-exports	59	75	4,63	5,02
Balance of trade in merchandise	— 6,98	— 16,93	— 61,97	— 63,68
Balance of transactions in private treasure	..	..	— 3	6
Total visible balance of trade	— 6,98	— 16 93	— 62,00	— 63,64
Imports :‡				
Total C'wealth countries	23,10	23,45	245,12	250,41
Total Foreign countries	31,74	41,32	331,94	327,18
Exports :‡				
Total C'wealth countries	27,18	26,51	295,81	269,62
Total Foreign countries	22,52	23,60	230,57	260,06

* Includes the value of certain stores imported on Government account, full particulars of which are not yet available.
‡ Excludes Trade by Land.

RAILWAY TRAFFIC—WAGON LOADINGS

(In thousands)

Year/Month	Total No. of Wagons Loaded	Coal and Coke	Grains and Pulses	Oil-seeds	Raw Cotton	Cotton Manufactures	Raw Jute	Jute Manufactures	Sugar*	Cement	Pig-iron	Iron and Steel (Others)	Tea	Manganese Ore
1952-53	11,413	2,635	949	171	108	61	188	21	169	297	25	260	46	156
1953-54	11,082	2,512	899	153	92	61	152	16	190	344	26	245	47	175
1954-55	11,782	2,709	886	184	98	62	154	13	299	309	25	281	47	128
1955-56	12,701	2,772	972	212	110	67	150	29	474	412	41	331	48	148
March 1955	11,782	2,709	886	184	98	62	154	13	299	309	25	281	47	128
April ,,	1 051	222	77	21	12	6	9	2	12	33	3	24	2	10
May ,,	2,027	445	157	40	23	12	15	4	25	66	7	48	4	23
June ,,	2,979	662	237	55	33	17	19	6	27	98	11	73	7	34
July ,,	3,373	890	324	73	41	22	23	8	52	130	14	100	12	48
August ,,	4,082	1,129	412	88	49	27	29	11	68	164	18	126	16	62
September ,,	5,051	1,361	491	101	56	32	39	12	82	196	22	153	22	76
October ,,	5,012	1,607	565	114	62	38	54	14	92	229	23	179	27	90
November ,,	5,082	1,844	644	133	68	44	77	17	111	264	27	206	33	104
December ,,	9,236	2,079	723	153	77	51	95	21	206	304	30	238	38	117
January 1956	10,406	2,319	806	172	86	56	114	24	302	339	34	268	42	129
February ,,	11,548	2,541	883	190	97	62	132	27	395	374	38	298	45	136
March ,,	12,701	2,772	972	212	110	67	150	29	474	412	41	331	48	148

Note.—The figures relate to broad and metre gauges of Clas I Railways. The monthly figures are progressive from April, equated to M. G. Wagons (1 B.G.=2 M.G.) and incorporate revisions in respect of earlier months.
* Including sugarcane from November, 1955.
Source:—Ministry of Railways.

RAW COTTON STATISTICS

Particulars	Details of Period	Quantity (Bales of 400 lbs.)
Bombay Island—		
Cotton Receipts	Week ended 21st June, 1956	25,635(J)
	Corresponding week, 1955	52,022(J)
	1st Sept. to 21st June, 1955-56	1,702,994(J)
	Corresponding period, 1954-55	1,744,002*
Cotton Exports	Week ended 21st June, 1956	4,912‡
	Corresponding week, 1955	6,582
	1st Sept. to 21st June, 1955-56	588,245‡
	Corresponding period, 1954-55	324,226
Mill Consumption (Estimated)	1st Sept. to 21st June, 1955-56	1,015,355
	Corresponding period, 1954-55	1,028,190
Stock (with exporters, dealers and mills) in Bombay (Estimated).	On 21st June 1956	674,881
	Corresponding date, 1955	816,343
Cotton Exports from Bombay (by sea)	During January, 1956	35,978‡
	1st Sept., '55 to 31st Jan., 1956	393,052
	1st Sept. '54 to 31st Jan., 1955	128,685
Karachi (Pakistan)—		
Receipts	1st Sept. to 14th June, 1955-56	1,290,694
	Corresponding period, 1954-55	1,211,216
Exports	1st Sept. to 14th June, 1955-56	830,979
	Corresponding period, 1954-55	687,801

Particulars	From 1st Sept. 1955 to 25th June, 1956 Bales	From 1st Sept. 1954 to 25th June, 1955 Bales
From Bombay		
Cotton Shipments to—		
United Kingdom	64,588	30,657
Continent	94,226	50,843
Hongkong	41 642	7,062
China	57,578	
Japan	332,403	85,465
U.S.A.	4,157	16,723
Other Countries	4,145	1,939
Total to all foreign countries	508,739	192,689
Coastal Ports	100,995	135,620
Total	699,734§	328,309
	Period	Quantity (Bale of 400 lbs.
Consumption of Cotton—		
Indian	April, 1956	341,829
Foreign	Eight months ended April, 1956	51,278
India		2,010,001
Foreign	Same Period 1955	390,678
Indian		2,718,938
Foreign		443,122
Stocks (Mills and Elsewhere)—		
Indian	As on 30th April, 1956	1,512,678
Foreign		213,316
Indian	As on 30th April, 1955	1,478,430
Foreign		138,930
Cotton Pressed in India† (In running bales)	Week ended 15th June, 1956	4,667
	Corresponded week, 1955	83,765
	1st Sept. to 15th June, 1955-56	8,205,222
	Corresponding period, 1954-55	4,169,902

J=By Rail and Sea. † Incomplete. * By Rail, Sea and Road ‡ Excluding Zoda and Yellow Pickings, etc. § Includes Zoda and Yellow Pickings, etc.

GOVERNMENT SECURITIES

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
TERMINABLE LOANS				
4 % Bonds	1926-28	68,30,25,000	1960-70	101½
3 % Loan	1938-39	1,16,17,46,000	1963-65	95
3 % Loan	1950	80,88,10,000	1964	95
2½ Nat. Loan	1948	1,10,11,28,000	1956-61	93½
3 % V. Loan	1944	1,14,06,89,000	1957	99
3 % Loan	1945	1,16,05,88,000	1970-75	90
3 % Def. V. Loan	1945	1,15,85,61,000	1959-61	98
3 % Loan	1951	60,85,68,000	1963	99
2½ % Loan	1946	45,58,07,000	1960	96
2½ % Loan	1946	67,00,69,000	1961	93½
2½ % Loan	1946	14,77,45,000	1970	82
2½ % Loan	1947	75,86,72,000	1962	93½
2½ % Loan (N.P. Bonds)	1952	75,29,00,000	1961	99
2½ % N.P. Loan	1954	157,18,41,000	1964	98
2½ % N.P. Bonds (2nd Series)	1955	100,80,00,000	1965	98
NON-TERMINABLE LOANS				
3 % Loan	1896-97	5,93,26,000	At option of Government after three months' notice. On September, 1964 or later at option of Government after three months' notice.	80
3 % Loan	1946	245,91,66,000		77½
REPATRIATE STERLING LOANS				
4½ % Loan	1928	5,85,20,000	1958-68***	102½
STATE LOANS				
4 % Andhra	1955	4,50,00,000	1st Sept. 1957	99½
3 % Bombay	1943	2,99,25,000	14th Sept. 1956	99½
3 % Bombay	1948	2,99,25,000	14th Aug. 1958	98
3 % Bombay	1949	5,83,12,000	1st Aug. 1962	94
3 % Bombay	1950	2,92,50,000	31st July 1960	96
3½ % Bombay	1951	2,97,75,000	17th Sept. 1963	98
4 % Bombay	1952	5,00,00,000	15th July 1965	101½
4 % Bombay	1953	3,66,72,700	1st Aug. 1964	101½
4 % Bombay	1955	9,00,00,000	1st Sept. 1967	99½
4 % Bihar	1955	1,50,00,000	1st Sept. 1967	99½
3 % Cochin	1944	1,00,00,000	16th Dec. 1955-58	98
2½ % Cochin	1938	78,09,950	1st June 1956-61	99
4½ % Howrah Bridge (New)	1956-57	1,95,96,700	1956-66	98½
4 % Hyderabad	1955	2,00,00,000	1st Sept. 1967	99½
3 % Madras	1945	1,32,98,000	21st June 1956	99½
3 % Madras	1945	1,25,10,000	14th Sept. 1956	99½
3 % Madras	1946	1,27,96,000	15th Aug. 1958	98
3 % Madras	1946	2,74,54,800	14th Sept. 1958	96-98½
3 % Madras	1948	2,81,77,200	1st Sept. 1961	98-1
3½ % Madras	1950	4,38,15,400	31st July 1960	96½
3½ % Madras	1951	5,01,19,200	17th Sept. 1963	97½
4 % Madras	1953	10,35,68,800	15th July 1963	100-3
4 % Madras	1953	8,24,61,200	1st Sept. 1967	100½
4 % Madras	1955	7,00,00,000	1st Sept. 1967	99½
3 % Mysore	1943	2,85,25,200	1st Dec. 1955-58	101
3 % Mysore(J)	1938	5,99,72,900	26th April 1956-61	99½
3 % Mysore	1947	5,98,05,700	25th Jan. 1956	99½
3 % Mysore	1953	5,98,11,400	15th July 1963	100½
4 % Mysore	1955	3,25,00,000	1st Sept. 1967	99½
3 % M.P.	1943	50,54,300	16th Sept. 1956	99½
3 % M.P.	1944	52,59,800	15th Aug. 1958	98
3 % M.P.	1945	2,66,38,800	15th Sept. 1964	92
3 % M.P.	1950	1,01,44,700	31st July 1960	96
3½ % M.P.	1951	1,02,18,100	17th Sept. 1963	99½
4 % M.P.	1953	1,02,18,100	15th July 1963	100
4 % M.P.	1955	1,50,00,000	1st Sept. 1967	99½
3 % Punjab*	1938-44	2,49,87,200	16th Aug. 1958	96½
3 % Punjab*	1945	2,44,78,200	14th Sept. 1958	96½
3 % Punjab*	1945	2,95,81,600	14th Sept. 1960	97½
4 % Saurashtra	1955	2,25,00,000	1st Sept. 1967	99½
2½ % Travancore	1938	50,00,000	16th Aug. 1956	99½
4 % Travancore-Cochin	1955	2,25,00,000	15th July 1963	100-1½
3 % U.P.	1943	1,57,12,600	15th Sept. 1961-66	99½
3 % U.P.	1945	2,25,54,500	15th Aug. 1958	96½
3 % U.P.	1945	2,17,99,700	14th Sept. 1956	95½
3½ % U.P.	1946	2,20,88,500	1st Sept. 1961	92½
3½ % U.P.	1951	3,14,17,100	17th Sept. 1963	97½
4 % U.P.	1953	6 11,45,300	1st Aug. 1964	100½
4 % U.P.	1953	5,55,15,500	15th July 1963	100½
4 % U.P.	1955	8,50,00,000	1st Sept. 1967	99½

PORT TRUST LOANS

Amount	Interest Per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 38,50,000	4	1904	1964	Rs.
35,00,000	4	1905	1965	
10,00,000	4	1906	1967	
44,00,000	4	1907	1968	
75,00,000	4	1908	1968	99½N
40,00,000	4	1909	1969	
56,00,000	4	1910	1971	
75,00,000	4	1911	1972	
1,00,00,000	4	1912	1973	
14,58,576	4	1913*	1960	D
56,00,000	4	1913	1974	100½N
25,25,000	4	1914	1975	100N
10,00,000	4	1915*	1960	
45,00,000	4	1915*	1975	
61,61,000	4	1923*	1960	
11,51,000	4	1924*	1960	
10,25,000	3½	1926*	1960	
35,00,000	4	1926*	1956	
12,50,000	3½	1931*	1966	D
12,50,000	3½	1931*	1961	
24,58,000	3½	1932*	1962	
15,00,000	3½	1936*	1966	
45,04,000	3½	1936*	1960	
10,00,000	3½	1938*	1968	
7,00,000	3½	1941	1971	
CALCUTTA				
Rs. 90,24,300	4	1914	1974	Rs.
78,94,100	4	1915	1975	99
1,50,00,000(C) ††	4	1921	1961	98
63,02,100(C)	4	1921	1961	98
98,37,600	5	1926	1956-66	100
99,54,500(J)	5	1926	1956-66	100½N
1,49,48,500(J)	5	1926	1956-66	100½N
1,49,50,000	5	1926	1956-58	98
56,00,000	4½	1921	1961	97½
56,00,000	4	1927	1967	97½
25,00,000	3	1928	1948-68	94
56,00,000	3	1945	2025	74
56,00,000	3	1945	1975	74
56,00,000	3	1946	1976	74
56,00,000	3	1946	1976	74
56,00,000	3	1946	2026	74
56,00,000	3	1947	1977	73½
56,00,000	3	1947	1977	73½
56,00,000	3	1948	1978	73½
56,00,000	3	1949	1979	73½
1,00,00,000	3	1949	1979	97
50,00,000(C)	3	1949	1979	97
56,00,000	3	1950	1980	97
1,00,00,000	3	1950	1980	97
56,00,000	3	1950	1980	96½
56,00,000	3	1951	1981	96½
1,50,00,000	3½	1951	1981	84½
56,00,000	4	1952	1982	96½
56,00,000	4	1953	1983	100
56,00,000	4	1954	1984	98½
56,00,000	4	1955	1985	97½
77,00,000(C)	4	1956	1986	97½
STERLING LOANS				
£582,600	5	1922	1968-73	£70
£901,000	5	1924	1954-64	£70½
£336,100	5½	1922	1962	£91½
MADRAS				
Rs. $1,47,100	3½	1947	1977 †	Rs.
9,38,000	3	1947	1977 †	A
3,00,000	3	1949	1979 †	
45,00,000(M)	4½	1954	1964 †	

IMPR. TRUST LOANS

Amount Sanctioned	Interest Per cent.	Year of Issue	Repayable	Market quotation
BOMBAY				
Rs. 50,00,000	4	1899	1959	Rs. 100
50,00,000	4	1901	1961	
50,00,000	4	1902	1962	
50,00,000	4	1903	1963	
50,00,000	4	1904	1964	
50,00,000	4	1905	1965	97½N
50,00,000	4	1906	1966	
50,00,000	4	1907	1967	
50,00,000	4	1908	1968	
25,00,000	4	1912	1972	
18,00,000	4	1913	1973	
50,00,000	4	1914	1974	97½N
25,00,000	4	1915	1975	100N
40,00,000	5	1919	1957-70	112N
50,00,000	5	1920	1955-80	
25,00,000	5	1925	1954-80	113N
25,00,000	4	1927	1961-70	98N
10,00,000	4	1934	1964	
STERLING LOANS				
£566,600	5	1910	1960	£95½
£333,000	5	1910	1970	£95½
CALCUTTA				
Rs. 25,00,000	5½	1920	1959	Rs. 107
50,00,000	5	1924	1964	99½
25,00,000	5½	1924	1965	96
50,00,000	5	1926	1966	90
20,00,000	5	1927	1962	91
50,00,000	4	1928	1968-88	90
1,02,00,000	4	1928	1968	99½
	4	1956	1956	99

MUNICIPAL LOANS

Rs.				Rs.
BOMBAY				
20,00,000	4	1874	1974	100
10,00,000	5	1922	1952	101½N
50,00,000	5	1922	1962	101½N
5,45,500	5	1923	1954-59	104½
26,51,500	5	1923	1954-59	to 105½
4,50,00,000	3	1947	1977	86½
2,50,00,000	3	1947	1977	86½
4,00,00,000	3	1948	1978	86½
2,50,00,000	3	1948	1978	86½
2,00,00,000	4	1951	1964	100N
1,26,00,000	4	1952	1964	97½
1,00,00,000(C)	4	1952	1964	100N
1,00,00,000	4	1953	1966	100½
2,50,00,000	4	1954	1966	100
	4	1955	1967	100½
CALCUTTA				
Rs. 25,00,000	5	1928	1958	Rs. 106
25,00,000	5	1928	1957	106
50,00,000	5½	1928	1958	106½
32,91,000	5½	1928	1958	106½
60,00,000	5	1928	1948	94
47,50,000	5	1928	1948	94
50,00,000	4	1928	1968	90
15,56,500	4	1928	1956	99½
15,56,500	4	1928	1956	99½
17,47,400	4	1928	1956	99½
21,10,000	4	1928	1958	99½
15,49,000	4	1928	1972	90
15,23,000	4	1928	1960	97
64,55,500	4	1928	1961	97½
57,26,000	4	1928	1962	97½
72,50,000	4½	1928	1962	99½
		1956	1979	100
MADRAS				
Rs. 15,00,000	3½	1951	1961	107N
15,00,000	3½	1952	1962	107½N

STATE LOANS—*Contd.*

Loan	Issued	Outstanding Rs.	Repayable	Latest Available Quotation Rs.
3½% W. Bengal	1951	1,75,00,000	17th Sept. 1966	92½
4 % W. Bengal	1952	2,00,00,000	1st Aug. 1964	100½
4 % W. Bengal	1953	2,50,25,000	15th July 1963	100½
4 % W. Bengal	1955	7,00,00,000	1st Sept. 1967	100½

ABBREVIATIONS:
A—Held by Government of India. B—Taken up by State Bank of India. C—Held by Commissioners. D—Domestic Loan not marketable.
(J) Income-tax free. * Loans held entirely by the Trustees. ** Quotations in Pak Currency. *** Rupee Counterparts.
†† Bombay Stock Exchange Transport. ††† Rate of Interest reduced from 6 to 4 per cent. with effect from 1st June, 1944.
‡ Rate of Interest reduced from 6½ to 4 per cent. with effect from 1st April, 1945. ‡‡ Interest free to first 12 years. §—Interest free for first 7 years.

PREFERENCE SHARES

Company.	Amount Issued Rs. or £	Year of Issue.	Rate per cent.	Approximate Month of Payment.		Latest Available Quotation. Rs.	Paid-up per Share. Rs.
BANK							
Allahabad Bank	15,00,000	1901	6	Mar.	Sept.	123	100
BREWERIES AND SUGAR							
Bharat Sugar	5,00,000	1931	5	Dec.	..	70N	100
Carew & Co.	8,00,00(b)	1875	6½	Mar.	Sept.	100	100
Cawnpore Sugar Works	10,00,000	1905-24	8	Feb.	Aug.	137	100
Deccan Sugar & Abkhar A	7,00,000	1920	7	July	Apr.	6-2½cd	5
¶East India Distilleries	£200,000	1897	7	Jan.	July	17½cd	£1
Gwalior Sugar	6,75,000(c)	1940	7(a)	Dec.	..	68	100
Do. (Non-redeem.)	5,00,000	1940	7(a)	Dec.	..	68	100
Purtabpore Co.	4,00,000	1933-36	6	Aug.	..	102	100
Ramnuggar Cane	20,00,000	1943	5½	Oct.	Apr.	75N	100
Rava gaon Sugar	5,00,000	1936	7(a)	Oct.	..	20N	100
South Behar Sugar	15,00,000	1946	5(c)	Dec.	..	8½	10
Travancore	12,00,000	1932	5	Dec.	..	90N	100
Upper Ganges	15,00,000	1943	5(a)	Dec.	..	70N	100
Do.							
COAL							
Bengal-Nagpur	1,12,500	1905	7	Jan.	July	105	100
Borrea	4,00,000	1896-97	6½	Oct.	Apr.	113	100
Burrakur (1st)	2,99,800	1901-19	7	Apr.	Oct.	111½	100
Do. (2nd)	4,50,000	1946	6(a)	..	..	8	10
Bquinbe	4,00,000	1895	6	Mar.	Sept.	108	100½
Karanpura Collieries	7,50 000	1946	5½(a)	..	..	62	75(pp)
††Khas Kajora	2,00,000	1931	5	Mar.	Sept.	5N	10
New Beerbhoom	2,00,000	1920	7	Jan.	July	12	10
Ondai	2,00,000	1893-99	6½	Apr.	Oct.	113	100
COTTON							
Ahmedabad Advance	10,00,000	1939	5	Apr.	Oct.	105	100
Bangalore	6,00,000	1884	6	Jan.	July	125	100
Basanti Cotton	5,00,000	1938	6½	Nov.	..	8	10
Bengal-Nagpur	3,30,000	1896	7	Apr.	Oct.	99	100
Bombay 'A'	6,00,000	1900	8	Feb.	Aug.	128	100
Do. 'B'	6,00,000	1900	7	Feb.	Aug.	68	100
Bradbury	14,75,000	1919	7	June	Dec.	70	50
Buckingham & Carnatic	21,30,200	1920	7½	Jan.	July	144	100
Cambodias	1,00,000	1928	7	Apr.	..	122½	100
Central India	5,00,000	1912	5	Apr.	Oct.	477½	500
Coimbatore Pioneer	1,00,000	1935

STOCK & SHARE QUOTATIONS

Abbreviations:—D.=Deferred shares. P.O.=Preferred Ordinary shares. Y=Accounts published yearly. H=Accounts published half-yearly. F=Company has Preference shares. T=Company has Debentures. N=Nominal quotations x.d.=Ex.Dividend. c.d.=Cum. Dividend. i=Interim Dividend. f=Dividend for first half of the year.

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

Accounts:—Figures in the "Accounts Closed" column represent the months of the year in which the respective companies close their accounts. 6 and 12, for instance, indicate the months of June and December, respectively. Reserves include general and other reserves and all other funds, which a company may have, excluding depreciation fund, reserves for tax liability and provident fund. Block represents actual cost of land, buildings, machinery and all other items on which depreciation is allowed, less sales, if any, and stands for the gross figures except where otherwise indicated.

Dividends:—Dividends for completed years are shown as amount per share per annum, but where quoted for portion of a year, they represent the proportionate dividend for that period. In the case of those companies which close their accounts yearly, dividends shown are for their financial year. Where, however, the accounts are closed half-yearly dividends are shown separately for the respective half-years

TEXTILES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Managing Directors or Secretaries	Number Installed: Spindles	Number Installed: Looms	Mill	Latest Available Quotation	Paid-up Per Share	Dividend Per Ordinary Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.					Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BOMBAY CITY AND ISLAND																
80,00,000	62,567	76,28,421	43,05,872	—1,17,209	Rajputana Textiles (Agencies) Ltd.	56,008	898	Apollo Mills	2 14½	5	0 4 (e)	0 2(e)			12	Y.
40,00,000	24,00,000	1,38,52,007	72,25,655	—6,97,129	B. K. Sons, Ltd.	50,596	1,021	B. K. Cotton Mills	43	100	*Nil*	*Nil*	*Nil*		3	Y.F.T
2,50,98,000	2,89,72,778	4,92,35,442	3,20,99,278	73,129	Nowrojee Wadia & Sons, Ltd.	2,21,008	4,855	Bombay Dyeing & Mfg.	645½	250	22 8*	20 0	25 0*		12	Y.
10,00,000	27,85,559	55,58,179	48,57,498	2,48,761	Ramnarain Sons, Ltd.	44,080	860	Bradbury Mills	220	50	100 0	75 0			3	Y.F.
1,09,42,800	2,63,96,829	2,81,83,264	1,97,06,111	6,34,956	Birla Bros., Ltd.	1,26,344	2,698	Century Spg. & Mfg.	969½	100	22 0	22 0	22 0		12	Y.
49,00,000	15,44,594	1,16,09,462	65,52,089	—33,25,720	Y. J. Pilani (Chairman and Managing Director)	39,408	798	Colaba Land & Mill	80	100	*Nil*	*Nil*			12	Y.
					Cowasjee Jehangir & Co., Ltd.	30,228	680	Globe Spg. & Wvg.	703½	100	7 8	*Nil*	7		3	Y.
85,00,000	11,38,476	81,39,789	48,80,041	20,758	Kamnarain Sons, Ltd.	40,992		Dawn Mills	147½	50	6 0	6 0	15 0		3	Y.
16,00,000	24,36,899	69,10,861	54,66,041	2,17,076	Puranmal Radhakishan & Co.	50,084	928	Edward Textiles	338½	200	15 0	15 0			12	Y.
84,00,000	27,75,908	73,60,781	64,78,784	80,168	H	41,360	856	Elphinstone Spg. & Wvg.	62	50	*Nil*	3 8	5 0		12	Y.
29,98,050	11,31,223	1,49,78,649	80,74,224	1,31,354			784	Finlay Mills	340	100	16 0	16 0	20 0		12	Y.P.
80,00,000	70,11,875	1,23,38,513	74,17,207	1,67,199	James Finlay & Co., Ltd.	49,332		Hindoostan Spg. & Wvg. Mills	4,800	1,000	225 0*	225 0*	300 0		12	Y.
11,84,000	76,64,589	1,27,76,810	99,11,500	9,223	Thos ersey Mooljee & Co.	49,672	1,122		990½	250	56 4*	56 4	75 0		3	Y.P.
10,000									13 8	0 100	0 10	*Nil*	0 15			
2,00,00,000	62,50,399	4,68,15,552	3,39,00,000	1,93,112	Agarwal & Co.	2,33,812	6,412	India United Mills	2 9½	0 1D.	0 1	*Nil*	0 3		12	Y.
50,00,000D									2 9½							
8,55,000	74,24,048	1,80,07,908	92,59,000	5,102	Damodhar Thackersey Mooljee & Co	56,256	1,192	Indian Mfg.	5,075	500	225 0*	225 0	300 0		3	Y.P.
35,000										100	112 8*	112 8	150 0			
59,85,000	40,58,451	2,87,18,607	1,92,98,945	25,588	Khatau Makanji & Co., Ltd.	87,740	1,505	Khatau Makanji Spg. & Wvg.	2382	100	10 0	8 0	10 0		6	Y.P
1,20,00,000	1,21,50,000	3,56,88,095	2,68,14,796	83,980	Killick Industries Ltd.	1,20,504	1,846	Kohinoor Mills	374	100	20 0*	18 0	18 0		12	Y.
1,50,00,000	41,06,720	1,18,74,348	57,99,115	31,670	N. Sirur & Co., Ltd.	49,000	644	Modern Mills	95N	50	5 0	5 0	8 0		12	Y.T.
51,75,000	33,62,000	1,94,11,154	1,47,72,041	1,09,579	Piramal & Sons			National Rayon Corporation	232½	100	9 0	10 0	12 0		12	Y.P.
1,57,74,400	85,61,004	6,34,21,065	2,05,00,000	5,12,085	Chinai & Co., Private Ltd.			New City of Bombay Mfg.	178½	100	10 0	10 0			12	Y.
24,00,000	24,50,000	76,57,858	46,04,760	30,018	W. H. Brady & Co., Ltd.	45,944	632	Western India Spg. & Wvg.	250	100	10 0	10 0	12 0		12	Y.
80,00,000	14,61,250	92,85,599	61,42,741	4,330	W. H. Brady & Co., Ltd.	49,012	1,018	New Great Spg. & Wvg.	254	100	10 0	7 8	10 0		12	Y.P.
40,00,000	26,62,373	1,48,08,112	99,66,311	1,26,864	Ramnarain Sons, Ltd.	69,208	1,190	Phoenix Mills	138½	100	8 0	8 0			12	Y.
40,00,000	48,68,014	81,89,321	23,00,000	3,13,567	Podar Sons, Ltd.	52,600	1,320	Podar Mills	185	100	10 0	10 0	5 0i		12	Y.P
40,00,000	8,16,999	21,21,521	19,91,846	—1,79,154	David Sassoon & Co., Ltd.	9,520	277	Sassoon & Alliance Silk Mill	11½	10	0 12	9 8			12	Y.
5,00,000	82,50,605	1,92,63,251	1,59,71,324	24,320	M. G. Investment Corporation, Ltd.	60,508	1,254	Sassoon Spg. & Wvg.	388½	10	1 4	1 12	1 12		12	Y.
37,70,000	47,70,061	90,20,455	55,47,925	1,47,424	Marwar Textiles (Agency) Ltd	66,586	1,640	Shree Niwas Cotton Mills	213½	100	14 0	14 0	12 0		12	Y.P.
80,00,000	35,75,556	93,88,962	71,00,000	15,898	Forbes, Forbes Campbell & Co. Ltd.											
87,80,000	2,23,15,720	2,51,28,699	1,87,85,474	12,883	Mafatlal Gagalbhai & Sons	52,035	1,035	Simplex Mills	217	50	15 0	11 0	10 0		3	Y.
99,85,700	84,89,718	2,28,87,847	1,19,01,899	67,611	Tata Industries Ltd.	82,036	1,535	Standard Mills	441½	100	20 0	20 0	20 0		12	Y.P.
86,00,000	65,33,465	1,29,99,971	81,52,715	1,51,034	James Finlay & Co., Ltd.	72,236	2,000	Svadeshi Mills	251½	100	20 0	20 0	12 0		12	Y.P.
13,77,425	51,96,376	1,77,34,839	68,44,558	48,485	Tata Industries Ltd.	88,828	552	Swan Mills	432½	100	20 0	20 0	25 0		12	Y.
12,00,000	62,56,709	1,15,36,482	81,90,000	2,816	Thackersey Mooljee Sons & Co.	54,136	1,209	Western India Spg. & Mfg.	5,075	1,000	225 0*	225 0	300 0		3	Y.
AHMEDABAD																
33,00,000	21,11,650	1,36,23,272	60,47,902	5,408	Tata Industries, Ltd.	49,144	1,016	Ahmedabad Advance Mills	198½	100	10 0*	5 0	7 0		6	Y.P
10,00,000	94,58,068	94,37,398	76,10,164	27,241	P. M. Hathesing & Sons, Ltd.	44,220	912	Aruna Mills	1,035	100	30 0*	20 0	30 0		12	Y.P
26,25,000	9,40,17,401	1,45,07,666	1,03,05,000	45,584	Narottam Lalbhai & Co.	62,448	1,216	Arvind Mills	1,335	100	25 0	25 0			12	Y.P
20,00,000	20,00,000	39,09,354	72 25 000	2,48,389	Mangaldas & Bros., Ltd.	37,184	892	Bangalore Ginning & Mfg.	5474	200	15 0	15 0	25 0*		12	Y.P
12,00,000	1,18,39,033	84,56,974	69,04,953	69,806	Lalbhai Dalpatbhai & Co.	44,076	914	Asoka Mills	9874	100	22 0*	15 0	30 0		12	Y.P
1,34,79,011	1,11,56,328	4,24,98,717	3,07,58,844	16,00,757	Kasturchand Premchand Ltd.	1,39,120	2,372	Calico	552	125	18 0	18 0			12	Y.P
29,87,000	24,53,000	1,21,06,843	89 25,000	2,760	Triconlal Bhoolal & Co., Ltd.	45,886	866	New Commercial Mills	1,725	1,000	70 0	70 0	80 0		12	Y.P
39,00,000	72 52 436	1,32,09,232	96,26,962	19 221	Matatlal Chinabhai & Co., Ltd.	51,152	864	New Shorrock Spg. & Wvg.	870	125	25 0	25 0	35 0		12	Y.
1,00,00,000	58,48,000	50,63 197	37,93,317	16,658	Jagabhai Bhoglal Nanavaty & Co. Ltd.	24,840	572	Nutan Mills	636½	100	30 0*	30 0*	20 0		12	Y.P
					Lalbhai Dalpatbhai & Co	32,328	636	Raipur Mfg.	1,142½	100	30 0	20 0	35 0*		12	Y.P
12 50,000	1,14,77,470	86,29,430	60,39,883		Lalbhai Gordhandas Ltd.	33,156	648	Rohit Mills	295	100	9 0	9 0	*Nil*		12	Y.P
32,50,000	14,78,207	1,07,01,469	71,42,900	17,34 749	Harivallabhdas Kalidas & Co	94,116	1,733	Shri Ambica Mills	642	50	18 0	20 0	27 0*		12	Y.P
32,98,150	2,02,34,538	1,72,92,842	1,37,05,000	8,23,290	Mafatlal Chandulal & Co., (Ahmedabad) Ltd.											
19,25,500	62,31,263	78,08,018	66,84,701	15,592	Haridas Ashratlal & Co., Ltd.	36,624	720	Shorrock Spg. & Mfg.	565	100	20 0	25 0*	25 0		12	Y.
						36,176	780	Vijaya Mills	707½	400	35 0*	35 0*			12	Y.P
93,00,000	26,96,488	1,03,76,840	63,85,291	32,764												
WEST BENGAL																
15,00,000	1,82,800	24,23,069	21,01,810	1,03,030	Calcutta Agency, Ltd.	13,044	356	Basanti Cotton Mills	6½	10	0 4	0 8				
7,11,840	5,40,775	43 42,881	25,67,697	98,783	Bengal Textile Agency, Ltd.	32,544	936	Bengal Luxmi Cotton Mills	40 N	40	*Nil*	4 0	4 0		12	Y.P.T.
6,00,000	22,72,414	89,03 142	51,49,000	—23,47,373	Kettlewell Bullen & Co., Ltd.	42,878	841	Bengal Cotton Mills	32½	100	*Nil*	*Nil*	*Nil*		3	Y.
19,00,000	26,17,571	1,04,88,558	70,76,377	1,37,951	Kettlewell Bullen & Co., Ltd.	42,944	518	Dunbar Mills	308	100	*Nil*	*Nil*	2 8		6 12	H.F.
1,50,00,000	2,07,59,266	3,59,23,374	1,20,23,799	2,45,433	Birla Brothers, Ltd	70,384	1,990	Kesoram Cotton Mills	19	10	1 12	0 14	0 14		6 12	H.
6,00,000										25					3	Y.F.
23,96,288	9,75,000	84,54,400	67,06,257	8,168	Chakravarti Sons & Co.	23,484	442	Mohini Mills		100					12	Y.F.
19,47,7500	7,45,000	47,06,298	24,48,252	1,094	Hazaremull Heeralal	23 036	795	Rampooria Cotton Mills	11½	10	0 8	0 8	1 0		6	Y
4,00,0000									1N	1D	*Nil*	*Nil*				
SOUTH INDIA AND OTHER CENTRES																
15,00,000	9,00,000	60,27,191	29,09,640	—8 54,233	Ramia & Co., Ltd.	50,000		Alagappa Textiles (Cochin) Ltd.	10½	10	*Nil*	*Nil*				
61,71,425	35,91,264	1,84,01,530	80 78,582	1,36,013	Industrial Trust Fund	85,136	708	Azam Jahi Mills	95	100	6 0	*Nil*	3 8(c)		12	Y.P.T.
40,80,000	2,00,56,746	3,24,96,90?	2,42,38,268	2,36,649	Binny & Co. (Madras), Ltd.	40,068	1,157	Bangalore Woollen, Cotton and Silk Mills	572	100	25 0	30 0	30 0		9	Y.
27,00,000	15,50,000	77,25,162	58,72,139	18,199	M.	29,986	810	Bengal-Nagpur Cotton Mills	9	10	0 4	*Nil*			6 12	H.P.T.
					Birla Brothers, Ltd.	39,896	1,046	Birla Cotton Spg. & Wvg., Delhi	31N	10	3 0	3 0	3 0			
15,00,000	1,09 48,251	1,19,14,462	87,78,992	4,25,221	Binny & Co. (Madras), Ltd.	1,20,356	2,787	Buckingham & Carnatic	202	100	10 0	10 0	10 0		3	Y.
1,78 47,800	1,78,52,500	6,38,09,203	3,52,32,180	2,38,445	Peirce Leslie & Co., Ltd.	38,706		Cambodia Mills	144	10	0 12	*Nil*	0 8		12	Y.P.T.
20,00,000	20,00,000	39,09,354	21,86,351	27,594		38,706		Cannanore Spg. & Wvg.	187½d	100	12 0	20 0	12 0		12	Y.P.
15,00,000	4,51,500	44,08,464	21,80,178	44,557	K. Damodaran, Esq.	28,796	591	Cawnpore Textiles	8½	5	0 9	0 8	0 8		3	Y.
30,00,000	25,93,977	58,07,118	50,54,616	29,514	Begg, Sutherland & Co., Ltd.	28,864		Coimbatore Cotton Mills	370	100	20 0	25 0	25 0		3	Y.
12,00,000	20,60,000	54,88,366	27,86,627	34,164	R. Bheema Naidu & Co.	23,788		Coimbatore Pioneer Mills	307	100	15 0	20 0	20 0		12	Y.
20,00,000	19,95,000	36,59,430	24,25,921	14,323	T. R. N. Naidu & Co.	72,823	407	Coimbatore Spg. & Wvg.	104½	50	*Nil*	3 0	3 0		6	Y.P.
30,75,000	4,19,214	1,15,51,599	82,06,019	16,254	R. G. S. Naidu & Co.	1,15,188	2,052	Central India	154½	100	5 0	2 0	6 0		6	Y.
46,87,500	52,82,449	2,49,18,401	1,58,09,583	8,708	Tata Industries, Ltd					100	10 0	8 0	12 0		12	Y.P.
8,88,88,725	2,55,00,000	9,99,78,765	5,08,00,000	82,759	B. R. Charat Ram & Co., Ltd.	1,16,826	2,854	Delhi Cloth & General Mills	38½	25	2 4	2 4	2 4			
1,00,563										100	10 0	8 0	10 0		3	Y.P.T
24,34,800	25 47 674	52,74,245	38,26,882	6,864	M. N. Chettiar & Sons	32,568	201	Dhanalakshmi Mills	402	100	20 0	30 0	30 0		12	Y.
63,00,000	56,33,884	1,52,16,381	1,29,71,681	93,386	Begg, Sutherland & Co., Ltd.	48,452	1,198	Elgin Mills	283½	10	1 0	1 0	1 0		12	Y.
48,00,000	35,22,175	1,00,55,167	68,95,084	14,000	Forbes Forbes Campbell & Co., Ltd.	77,274		Gokak Mills	233½	100	17 0	13 0	15 0		12	Y.P.
50,00,000	6,16,447	1,39 91,953	1,12,28,576	9,551	K. L. S. Ioanis, Esq. (Chairman.)	51,180	1,420	Indore Malwa United	148½	100	6 0	6 0	9 0		12	Y.
3,90,000	10,05,683	31 06,669	18,48,155	2,079	G. V. Naidu & Co., Ltd.	24,828		Janardana Mills	119	50	4 8	5 0	10 0		12	Y.
24,00,000	16,25,000	78,88,858	26 50,000	29,382	Kothari & Sons	43,000	800	Kothari Textiles	173	10	0 8	0 8	1 0		12	Y.
24,00,000	68,30,185	1,48,62,650	1,12,84,204	14,744	Bombay Co., Ltd.	51,972	1,219	Lakshmi Cotton Mfg.	685	250	37 8	25 0	42 8		6	Y.P.
22,00,000									220	50	5 0	10 0	12 8		12	Y.P.
35,84,100	66,55,960	1,11,86,886	75,20,886	74,376	G. K. Naidu & Co.	85,908	201	Lakshmi Mills	100	25	3 8	5 0	6 8		3	Y.
17,82,050									51½	15	0 8	0 8	0 8			
1,75,02,480	4,13,81,872	5,73,76,126	3,58,74,019	18,86,813	A. & F. Harvey Ltd.	90,000		Madura Mills	115	100	8 0	*Nil*	8 0		12	Y.
12,00,000	4 17,853	2,26,776	16,72,282	—99,078	A. L. A. B. S. Chettiar and Others	22,592	100	Malabar Spg. & Wvg.	535cd	100	12 8	22 8*	35 0	42 8	12	Y.
60,00,000	69,00,000	63,79,627	43,29,734	45,835	W. A. Beardsell & Co., Ltd.	24,729	603	Nestor Industries Ltd.	107½	100	7 0*	5 0(c)	6 0		12	Y.
29,80,884	19,61,581	89,75,246	49 94,738	16,588	N. Sirur & Co. Private Ltd.	39,896	704	Minerva Mills	00½d	100	7 0*	5 0(c)			12	Y.
94,91,650	27,54,404	1,51,29,111	78,91,02?	—7,44,982	Bansilal Abirchand Dadabhoy & Co	51,840	948	Model Mills (Nagpur)	151½	250	7 8*	5 0(c)		42 8	12	Y.
80,00,000	52,19,500	1,53,39,272	1,05,91,651	—7,77,290	Indian Textile Syndicate Ltd.	80,640	1,334	Muir Mills	88N	100					12	Y.P.
80,00,000	50,54,547	99,04,000	68,69,926	28,709	N. Sirur & Co., Ltd.	50,128	500	Mysore Spg. & Mfg.	112½	50	10 0*	8 8*	6 0(c)		12	Y.P.
24,83,500		29,41,719	15,25,242	—1,92,880	R. Suryanarayana Rao, Esq. Manager	6,000		Mysore Spun Silk Mills	7½	10	*Nil*	*Nil*	*Nil*		2	Y.P.
18,61,780	1,000				Forbes, Forbes Campbell & Co. Ltd.				2½	(O. 2½	*Nil*	*Nil*			3	Y.
22,89,8850	25,62,583	1,04,27,293	58,90,719	—43,53 037	J. P. Srivastava & Sons, Ltd.	52,428	1,225	New Victoria Mills		D. 7½	*Nil*	*Nil*				
3,07,0960						47,788	856	Osmanshah Mills		100	4 0	4 0	2 8(c)		12	Y.P.
87,10 600	55,48 220	1,69,99 989	61 91,861	74,722	Industrial Trust Fund	29,924		Palani Andavar Mills	168	50A	12 0	12 0	12 0		9	Y.
4,00,000A	6,50,000	39,12,549	23,46,016	14,609	Bhaghyalakshmi & Co.				235	75B	18 0	18 0	18 0			
6,00,0000B						30,796		Pankaja Mills Ltd.	84½	100	*Nil*	*Nil*	4 0(c)		12	Y.P.
15,00,000	1.65 000	34,16 017	17,49,676	—14,98 897	C. S. R. Mudaliar & Sons	51,564	801	Radhakrishna Mills	305	100A	8 0	16 0			12	Y.
16,81,800A	20,00,000	72,90,455	41,41,878	28,607	A. G. Guruswamy Naidu & Co.				152	50B	4 0	8 0				
8,49,2003B						35,472		Rajalakshmi Mills	174	50	7 0	10 0	10 0		12	Y.
15,00,000	30,00,000	48 74 198	25 94,837	11 061	B. R. Naidu & Sons	14,800		Rayalaseema Mills	139	100	6 0	0 0	10 0		12	Y.P
12,00,000	12 40,000	40 14 000	18 05,147	29,356	Rayalaseema Development Co.	34,532	600	Rasa Textiles	8½N	10	*Nil*	*Nil*			12	Y.P.
22 29 625	62,41,548	1,00,25,422	58,44,914	—19,16,729	J. P. Srivastava & Sons (Rampur)				1,000	1,000						
60,00,000						96,232	2,224	Sholapoor Spg. & Wvg.	1,925	800	*Nil*	*Nil*			12	Y.P.
16,00,000	1,80,29,516	2,89,27,044	2,04,27,279	1,80,28,067	Morarka & Co.										3	Y.P.
					H. N. Pallegar, Esq.	31,668	292	Sri Krishnarajendra Mills	114cd	50	4 0*	4 8	5 0	7 0	3	Y.
36,69,700	17,10,000	81,44,272	65,63,318	1,09,148	Gopaldas Lladhar & Co., Ltd.	17,880	440	Shree Sajjan Mills	80S	100	*Nil*	*Nil*			3	Y.
20 14,800	2,00,240	80,10,907	—4,46,777	1,84,610	Birla Brothers, Ltd.	35,556	1,243	Setlej Cotton Mills	112N	10	4 0	5 0	6 0		3	Y.
15,00,000	2,11,90,237	96,09,967	81,27,588	72,44,724												
17,50,000 O	2,30,00,000	4,54,40,847	1,70,63,159	7,09,029	Jaipuria Brothers	1,12,216	2,077	Swadesh Cotton Kanpur	11½	10 O	0 8	0 12	0 12		12	Y.P.
1,87,50,000P									11½	10	0-14 9/5	1-2 5/5	0 12			
1,00,00,000	30,14 788	3,80,55,317	1,27,13,775	2,63,771	Emcete & Sons (Travancore), Ltd.	17,600		Travancore Rayons	15½	10	0 6	0 10	0 12		12	Y.P.T
13,98 870	8,78 330	17,39,181	11,37,334	1,50i	Woolleo Ramlee & Sons	48,974	270	Trichinopoly Mills	13½	10	0 11 1/5	0 14 9/5	0-14 9/5		12	Y.
21,00,000	34,50,000	71,83,723	40,63,165	56,000	K. K. S. Chetty & Brothers	46,490	1,131	Vasanta Mills	307½	100	12 0	15 0	20 0		12	Y.P
93,00,000	34 42,971	1,04 67,122	1,05,10,233	23,125	Bombay Co., Ltd.			Vishan Cotton	186½	100	4 0	4 0	8 0		12	Y.P

* Includes bonus.

M=Managed by board of directors.

(b) Subject to taxation and workers' bonus.

(c) Paid out of reserves.

(p) Interim dividend of Rs. 5 per share was paid on 42,000 shares of Rs. 50 each; final dividend of Rs. 10 per share was paid on the increase capital of 68,000 shares of Rs. 50 each. X. R.=Ex-Right.

MISCELLANEOUS COMPANIES

Paid-up Ordinary Capital	Reserves	Gross Block	Depreciation	Carried Forward	Managing Agents, Secretaries, Managing Director or Secretary	Company	Latest Available Quotation	Paid-up per Share	Dividend per Share: 1953	1954	1955	1956	Accounts Closed	Reference
Rs.	Rs.	Rs.	Rs.	Rs.			Rs.	Rs.	Rs. a.	Rs. a.	Rs. a.	Rs. a.		
BREWERIES AND DISTILLERIES														
19,92,000	17,54,000	1,19,39,170	54,33,974	1,12,336	Parry & Co., Ltd.	Deccan Sugar & Abkhari	10½	5	*Nil*	*Nil*	0 8		5	Y.P.
16,25,830	15,38,917	27,26,861	14,67,212	5,143	Mr. K. G. Khanna	Dyer Meakin Breweries	5½	5	0 8	0 8	0 9		3	Y.
$580,000	£925,777	£1,302,585	£566,540	£56,499	Parry's Holdings Ltd.	East India Distilleries and Sugar	29½	A. 16sh. B. £1	Sh. 1 3/5 Sh. 4	Sh. 1 4/5 Sh. 5	Sh. 1 3/5 Sh. 4/5	Sh1 3/5 Sh4	3/5	Y.P.
6,00,000	9,60,000	12,47,805	12,47,799	9,111	Vittal Mallya, Esq. (Chairman)	United Breweries	182	75	15 0	15 0	15 0		3	Y
CEMENT														
11,37,700A.	13,06,123	83,25,520	44,19,760	19,393	Andhra Engineering Co., Ltd.	Andhra Cement Co.	16½xd	A. 100	10 0*	10 0	10 0*		12	Y.P.T.
89,70,020B.							16½xd	B. 10	1 0*	1 0	1 0*			
63,14,0000.	13,13,133	18,78,393	7,89,496	2,19,891	Eastern Corporation Ltd.	Assam Bengal Cement	8½	O. 10	*Nil*	*Nil*			3	Y.P.
4,70,9761D.							1911XR.	D. 1						
3,71,66,208	5,49,40,618	24,90,99,271	8,74,71,582	5,63,770	Cement Agencies Ltd.	Associated Cement Companies	17½cd	O. 10	1 0	1 0	1 4		.7	Y.
80,00,0000.							4½cd	O. 2½	0 4	0 4	0 5		12	Y.P.
25,50,0000.	60,02,261	96,09,333	34,70,030	2,87,995	Hari Brothers Ltd.	Dalmia Cement (Bharat)	5cd	D. 1	0 1-3/5	0-1 3/5	0 2			
5,00,0000.							35½	O. 5	*Nil*	1 4	1 14		3	Y.P.
81,91,0300.	14,00,000	1,46,64,600	47,05,770	3,31,546	Essen Ltd.	India Cements Ltd.	7½	D. 5	*Nil*	0 8	0 8			
7,50,0000D.							194	100	6 0	6 8	8 8		12	Y.P.
88,93,275	44,50,000	2,04,20,192	86,59,098	2,78,525	Shree Laxmi Agents Ltd.	Shree Digvijay Cement	8½	5	0 6	0 4			12	Y.
75,00,000	20,95,000	1,83,36,125	1,41,94,859	3,75,454	Martin Burn Ltd.	Sonevalley Portland Cement	12½cd	10	0 8	0 10	0 8i		12	Y.
50,00,000	....	1,04,00,351	54,23,980		Essel Ltd.	Travancore Cements Ltd.								
CERAMIC; MINING AND QUARRYING														
31,70,655	2,00,000	62,32,603	26,81,553	17,540	Bharat Ram Bhagat & Co.	Bengal Potteries	3½	2½	0 2½	0 4			12	Y.
10,00,000	25,12,725	57,20,295	33,23,355	9,142	Bird & Co., Ltd.	Biara Stone Lime Co.	40N	10	0 14	0 8			3, 9	H.
									0 8	0 14	0 14f			
2,81,4,800	£1,322,766	£2,037,845	£1,036,237	£111,715	Gillanders Arbuthnot & Co., Ltd.	Indian Copper Corporation	7 3/8	Sh. 5	2s 6d.	6d.			12	Y.
20,00,000	27,32,396	45,79,850	12,19,311	—30,704	Hird & Co., Ltd.	Kanangura Development	25½	10	*Nil*	*Nil*	*Nil*		6, 12	H.
6,00,000	2,80,500	8,78,499	5,07,504	1,090	Mysore Industrial Development Co.	Mysore

MISCELLANEOUS COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carr ed Forward Rs.	Managing Agents, Secretaries Managing Director or Secretary	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PAPER														
45,00,000	36,71,841	2,02,57,019	1,49,39,919	2,01,825	Balmer Lawrie & Co.	Bengal Paper Mills	121	25	Nil	1 9	2 8		6,12	H.P.T.
62,98,250	66,03,861	1,11,56,780	76 81,898	88,945	Andrew Yule & Co., Ltd.	India Paper Pulp ‡‡	25½	10	1 9	1 9	2 8		3,9	H.
25,00,000	16,12,500	1,56,85,385	56,31,638	35,437	K. Narayanaswamy Esq. (Mg. Director)	Mysore Paper Mills	17½	10	1 0	1 0	0 12		3	Y.
1,46,82,500	2,09,26,641	4,27,02,365	1,02,98,953	2,29,489	Birla Bros	Orient Paper	37½	10	1 0 0	0 7	0 8		3,9	H.P.T.
1,25,07,295	62,28,637	1,45,54,422	87,21,557	1,81,437	Karamchand Thapar & Bros.	Shree Gopal Paper Mills	19½	10	1 0 0	0 8	0 10		6,12	H.P.T.
20,00,000 / 10,00,000 'A'.	6,50,000	54,00,869	30,16,681	4,492	Baijoria & Co.	Star Paper Mills	11½ / 11½	O. 10 / A. 10	0 12 / 0 12	0 12 / 0 12	0 8		3,9	H.P.T.
54,00,000A. / 56,04,800B. / 4,97,500P.O.	3,22,75,945	5,80,42,527	3,21,82,342	95,684	F. W. Heilgers & Co., Ltd. ..	Titaghur Paper Mills Co., Ltd.	43½ / 4½	B. 10 / P.O. 2½	1 0* / 0 12 / 0 12 / 0 2	1 0* / 1 0* / 0 2 / 0 2			3,9	H.P.
PRESSING														
8,00,000	6,13,265	15,78,488	11,13,891	—85,478	Andrew Yule & Co.	Calcutta Hydraulic	100	100	3 0	4 0	Nil		6	Y.
4,80,000	1,00,000	6,89,526	4,73,056	2,354	Pyne & Sons	Camperdown	88N	100	7 0	4 0			7	Y.
5,00,000	1,95,000	10,91,811	9,30,377	18,957	Andrew Yule & Co.	Central Hydraulic	135	100	4 0	5 0	5 0		6	Y.
PROPERTY AND LAND														
18,00,780O. / 2,00,000D.	6,93,332	43,52,570	22,63,279	36,000	S. A. Basil, Esq. & others (Directors)	Humayun Properties	13½ / 2½	O. 10 / D. 10	0 11½ / 0 4/5	0 9 3/5 / Nil	0 9 3/5		9	Y.P.
60,00,000	18,07,874	84,39,704	15,00,000	540	David Sassoon & Co., Ltd.	Port Canning Land	92	100	1 8	1 8	Nil		4	Y.
94,00,000	36,71,674	95,06,308	1,19,461	68,064	Andrew Yule & Co.	Midnapore Zamindary	34	100	1 8	4 0	0		4	Y.P.
SAW MILLS AND TIMBER														
18,99,998	28,05,545	31,61,533	10,73,833	—5,14,537	Bird & Co. Private Ltd.	Assam Saw Mills	3½		Nil	Nil	Nil		9	Y.
50,00,000 / 48,00,000	4,15,57,380	3,35,90,682	1,47,51,851	61,999	Wallace & Co.	Bombay-Burmah Trading Corpn.	648½ / 243½	Old125 / New50	15 0 / 6 0	20 0 / 8 0	37-8 / 15-0		5	Y.
5,00,000	....	7,23,569	7,26,267	—4,69,907	Jardine Henderson Ltd.	Bengal Timber Trading	35M	100	Nil	Nil			6	Y.P.
20,00,000	21,15,487	19,00,295	14,85,560	2,76,919	Gillanders Arbuthnot & Co., Ltd	Indian Wood Products	38½	10	2 8	2 12	3 0		9	Y.
SUGAR (U.P. and Bihar)														
14,00,000	15,41,227	29,45,224	28,97,928	20,880	Begg, Sutherland & Co., Ltd. ..	Balrampur Sugar	7½	5	Nil	0 12	0 1			
62,00,000A. / 8,00,000B.	29,18,256	49,46,225	23,16,660	15,50,000	Narang Bros. & Co., Ltd.	Basti Sugar	150N / 14N	A. 100 / B. 10	10 0 / 1 0	10 0 / 1 0			6	Y.
19,49,050	5,50,000	33,35,389	24,41,301	51,985	Bangur Bros., Ltd.	Belsund Sugar	11½	7½	0 12	0 12	0 12	0 12	9	Y.
15,00,000	13,90,295	16,40,479	11,77,841	13,206	Cotton Agents Ltd.	Bharat Sugar	17N	10	1 8	1 8	0 1 8		9	Y.
82,00,000	28,87,030	1,86,90,775	92,37,301	12,445	Gladstone Lyall & Co., Ltd. ..	Carew & Co.	90½	10	Nil	0 12	0 4		6	Y.P.
20,00,000	57,88,651	1,08,44,547	84,32,451	82,023	Begg, Sutherland & Co., Ltd. ..	Champarun Sugar	30	10	1 0	0 12	0 12		10	Y.P.
15,00,000	38,04,891	72,85,757	58,46,902	24,019	Begg, Sutherland & Co., Ltd. ..	Deoria Sugar	30	10	1 0	1 0	1 8		6	Y.
5,99,452	6,18,562	24,58,580	15,88,747	48,204	Karamchand Thapar & Bros.	.. .. ..	91N	10	1 0	1 0			6	Y.P.
60,00,000A. / 10,00,000O.	32,00,000	75,94,877	58,00,000	62,619	Bachhraj & Co., Ltd.	Hindustan Sugar Mills	560N / 100	A' 100 / O. 100	18 0* / 15 0*	15 0* / 15 0*	15 0* / 15 0*		6	Y.P.
13,00,000	5,61,001	75,81,309	42 63,455	27,926	Kilachand Devchand & Co.	Kesar Sugar	60N / 82N	80	Nil	Nil	4 8		6,12	Y.
7,89,100	22,14,058	34,94,612	19,35,833	1,864	Cotton Agents Ltd.	New India Sugar Mills	33N	10	2 8	2 8	2 8		7	Y.P.
11,00,000	4,20,000	43,21,480	24,87,558	4,185	Karamchand Thapar & Bros., Ltd.	New Saran	6	10	0 4	0 4	2 8		6	Y.P.T.
10,97,500A. / 8,71,875B.	49,60,297	67,74,122	21,56,900	5,817	Cotton Agents Ltd.	New Swadeshi Sugar Mill	240N / 60N	100 / 25	5 0	20 0 / 5 0	20 0		6	Y.
77,45,250	52,18,159	1,86,90,446	95,00,000	5,546	Cotton Agents Ltd.	Ondh Sugar	230N	100	11 0	11 0	11 0		7	Y.P.
12,00,000	12,74,243	22,77,669	10,95,928	55,000	Narang Bros. & Co., Ltd.	Punjab Sugar	110xdN	100	10 0	10 0			10	Y.
9,00,000	17,04,369	37,85,808	20,57,249	6,871	Begg, Sutherland & Co., Ltd. ..	Purtabpore Co.	14½	10	1 0	0 12	0 12		10	Y.
5,00,000	6,54,762	25,43,732	21,01,913	24,840	M.	Ryan Sugar	91N	10	0 8	0 8			6	Y.P.
11,99,000	18,86,770	38,53,583	22,92,180	8,477	Begg, Sutherland & Co., Ltd. ..	Samastipur Central Sugar	18	10	0 8	0 8			6	Y.P.
20,00,000	22,65,560	1,35,20,110	62,59,521	84,046	Sahu Jain Ltd.	Shree Krishna Gyanoday Sugar	13½	10	1 8	1 8	Nil		6	Y.P.T.
9,99,950	61,825	27,16,126	12,60,852	—5,37,868	H. K. Ghosh, Esq., and R. N. Datta, Esq. (Managing Directors) ..	Sitalpore Sugar	4½	10	Nil	Nil	1 12		3	Y.
					Karamchand Thapar & Bros	Shri Sitaram Sugar	14½	O. 10	2 0*	Nil	Nil		3	Y.T.
7,95,462	18,82,940	31,60,735	17,88,088	1,06,227			3N	D. 10	Nil	Nil				
9,15,000O. / 4,40,000D.	47,592	37,42,197	11,46,770	—16,14,603	N. K. Jain & Co., Ltd.	South Behar Sugar	97		Nil	Nil			10	Y.P.
9,00,000	21,91,685	96,42,062	57,49,754	82,931	Cotton Agents Ltd.	Upper Ganges Sugar	70N	10	1 0	1 0			6	Y.P.
16,00,000	7,99,778	32,06,850	25,98,846	80,051	James Finlay & Co., Ltd.	United Provinces Sugar	20½	10	0 8	1 4	2 8		9	Y.
Other Centres														
49,99,750	74,58,470	1,50,12,876	1,03,10,261	99,042	W. H. Brady & Co., Ltd.	Belapur Company	236	50	16 0	16 0	16 0			
17,50,000	9,24,929	35,08,379	20,73,723	6,025	E. H. Bhiwandiwalla & Co.	Bhopal Sugar Industries Ltd. ..	14½	10	0 10	1 0	1 0		9	Y.
12,99,000	3,45,841	39,19,958	20,01,146	51,993	Sir J. P. Srivastava & Sons (M.B.) Ltd.	Gwalior Sugar	50N	100	Nil	Nil			9	Y.P.
21,47,780	14,00,000	30,54,997	18,71,128	5,22,318	India Sugar Agencies Ltd ..	India Sugar and Refineries ..	17½	10	2 8	1 12	1 6 2/5		9	Y.P.
23,57,620	41,27,060	41,95,605	20,78,418	1,408	Govan Bros. (Rampur), Ltd. ..	Buland Sugar	144N	10	1 0	1 0			6	Y.
19,32,2000. / 3,97,190D.	69,50,800	95,98,952	31,00,978	48,494	V. Ramakrishna, Sons Ltd;	K. C. P. Ltd.	107½ / D. 10	100 / 10	7 8 / 10 0	7 8 / 10 0	7 8 / 10 0		10	Y.
21,79,250	95,00,001	1,31,37,677	78,17,780	2,90,340	S. Muniraniappa Esq. (Managing Director)	Mysore Sugar	49½	10	2 0	2 0	2 0		6	Y.
60,00,000	48,49,631	1,08,23,164	59,25,509	11,063	Malviaji, Apte and Kantilal Ltd	Phaltan Sugar	156½	50	6 0	6 0	6 0		9	Y.
16,50,280	85,50,280	53,90,015	23,76,747	39,230	Anderson Wright Ltd.	Ramnagar Cane and Sugar	27½	10	2 0	2 0	2 0		6	Y.
20,00,000O.	21,76,092	89,12,188	58,80,833	64,612	Walchand & Co., Ltd.	Ravalgaon Sugar Farm	105N / 7N	O. 50 / D. 50	Nil	2 8	0 0		9	Y.P.T.
4,00,000O.						Raza Sugar	15½	10	Nil	Nil	0 1 1/5			
19,99,508	44,88,457	47,06,689	21,78,094	4,038	Govan Bros. (Rampur), Ltd. ..	Triveganga Sugar	13½	10	1 0	0 12			9	Y.P.T.
30,00,000	10,37,776	59,76,254	17,87,168	—28,224	Parry & Co., Ltd.	Walchandnagar Industries	13	10	Nil	Nil			10	Y.
1,01,00,000	71,07,998	1,99,06,448	1,16,32,428	1,81,172	M.	.. .. ..	235	100	14 0	16 0	18 0		9	Y.P.
TRANSPORT														Y.P.T.
20,00,000	1,00,69,622	1,24,00,709	15,56,557	55,826	Andrew Yule & Co.	Bengal-Assam Steamship Co.	145	100	10 0	7 8	7 8			
1,50,00,000	15,37,619	4,41,85,804	1,25,09,519	1,54,925	Dinshaw (Private) Ltd.	Bharat Line	74	100	5 0	5 0	5 0		10	Y.P.
60,00,000	24,35,888	2,50,21,298	82,65,795	1,47,959	A. H. Bhiwandiwalla & Co (Bombay) Ltd.	Great Eastern Shipping Co. ..	19	10	1 0	1 0			12	Y.
6655,580	6960,878	85,515,031	52,344,773	621,366	Kilburn & Co., Ltd.	India General Navigation & Rly. Co.	114	610	Nil	30 1 0	Nil		4	Y.P
2,25,00,000	74,99,228	7,98,25 462	1,81,54,990	1,28,061	Lionel Edwards Ltd.	India Steamship Co.	9½	10	0 8	Nil	Nil	0 8½	12	Y.R.
9,40,19,873	5,94,92,081	18,96,68,415	4,84,44,800	2,78,668	Narottam Morarjee & Co	Scindia Steam Navigation Co. ..	128	100	0 12	0 8	0 8		3	Y.P.
3,40,8000. / 10,200P.O.	19,68,266	11,55,483	7,29,969	1,84,493	R. R. Ayer, Esq. (Manager) ..	Walford Transport Ltd.	2½xd / 1½xd	O. 1 / P.O. 1	1 9/25 as 1 9/25	2 6/25 as 1 10/25	2 6/25 as 2 123/25		12	Y
UNCLASSIFIED (Bombay)														
2,40,000	77,000	9,58,821	4,52,853	157	Forbes, Forbes Campbell & Co., Ltd.	Bombay Safe Deposit	600	200	32 0	32 0	32 0			
15,98,850	3,04,178	7,15,543	90,000	43,583	Parakh Agencies Ltd.	Bombay-Uganda	62½	50	5 0	4 8			9	Y.
25,00,000	1,00,000	22,37,514‡‡	....	225	Pranlal D. Nanjee, Esq.	Devkaran Nanji Investment Co.	12½	25	0 12	0 12			12	Y.
14,98,840	3,48,585	28,00,500	17,76,000	4,110	Choonilal Manilal Ltd.	Estrela Batteries	18½	10	0 8	0 12	0 12	0 18	9	Y.
99,99,250	19,47,886	1,22,03,360‡‡	....	2,83,136	Premchand Roychand & Sons ..	Industrial Investment Trust ..	76	100	4 8	4 8	8		3	Y.P.
99 99,975	85,08,351	35,10,399	9 81,829	6,154	K. G. Mime, Esq. (Mg. Director)	Killick Industries	160	100	10 0	11 0	11 0	4 01	12	Y.
3,97,02,800A.	5,28,834	2,87,33,378	1,25,90,292	5,66,717	Aero-Auto Ltd.	Premier Automobiles ‡‡	92½	A.100	Nil	Nil	Nil		6	Y.
10,00,000B.	5,63,605	18,96,985	11,66,035	10,834	Sir Joseph Kay (Chairman) ..	United Motors (India) Ltd. ..	—	B. 10	Nil	Nil	Nil			
10,31,20)	72,75,000	3,03,67,181	1,63,71,846	5,61,984	T. H. Rydin, Esq. (Managing Director)	Western India Match Co.	22½	20	3 0	2 0	2 0		6	Y.
2,75,00,000	55,24,847	7,24,608	3,07,108	36,484	Sir Joseph Kay, K.B.E. (Mg. Director)	W. H. Brady & Co., Ltd.	156½	100	11 0*	11 0*	11 0*		12	Y.
45,00,000							350	150	20 0	20 0	20 0		12	Y.
Other Centres														
47,50,000 / 2,50,000	17,00,000	1,95,40 704	65,00,000	32,582	J. K. Industries Ltd — ..	Aluminium Corporation of India Ltd.	10½ / 2½N	O. 10 / D. 2½	Nil	Nil	Nil			
30,00,000	35,05,079	32,05,622	21,94,951	3,45,951	Turner Morrison & Co., Ltd. ..	Angelo Bros., Ltd.	21½	10	1 4	1 4	2 0*			Y.P.T.
30,00,000	8,35,000	33,39,404	20,95,000	1,18,995	T. H. Rydin, Esq. (Mg. Director)	Assam Match Co., Ltd.	18½	10	1 4	2 0*	2 0*		3	Y
20,00,000	27 47,933	1,01,49,337	39,87,380	32,633	Oberoi Hotels (India) Ltd. ..	Associated Hotels of India ..	7N	10	0 8 1/5	0 8 1/5	0 6 2/5		12	Y.
90,01,400	88,94,263	66,81,988	32,21,983	1,49,717	O. T. Jenkins, Esq. (Director)	Balmer Lawrie & Co., Ltd. ..	166	100	20 0*	12 0	2 8 1		9	Y.P.T.
12,00,000	9,10,000	31,37,448	24,05,448	76,830	Balmer Lawrie & Co., Ltd. ..	Bengal Flour Mills Co., Ltd. ..	26xd	10	1 8	2 8	2 4		12	Y.
20,00,000	7,99,470	57,53,690‡‡	....	1,21,723	Loveleck & Lewis	Birla Investment Ltd.	10	10	1 4	1 4			6,12	Y.
45,97,020	26,44,814	1,00,74,580	39,49,001	1,98,548	K. Jallaa Scott, Esq. (Mg. Director)	Britannia Biscuits	15½	10	1 8	1 8	1 0		9	Y.
3,25,00,000	1,16,17,805	2,82,03,905	2,22,14,167	—27,86,584	Sir Robert Menzies	British India Corporation Ltd.	10½	5	0 8	0 8	1 0		12	Y.P.
1,80,00,000	3,14,86,174	5,15,52,086	2,20,82,990	11,71,686	Cecil Stack Esq. Mg. Director)	Dunlop Rubber (India) Ltd. ..	30½	10	Nil	1 8	1 8		12	Y.P.
51,26,000	54 12,212	1,42,47,663‡‡	....	3,06,136	Duncan & Co. (Private) Ltd. ..	Eastern Investments Ltd. ..	147	100	10 0	9 0	9 0		12	Y.P.
14,00,000	10,01,000	33,81,772	18,59,772	87,194	MacNeill & Barry Ltd... ..	Ganges Rope Co., Ltd.	185½	100	10 0	7 8	7 8		12	Y.P.
25,00,000	42,00,000	19,27,288	8,08,872	1,51,360	J. F. R. d'A. Willis, Esq. ..	Gillanders Arbuthnot & Co. Ltd.	18½	10	1 0	1 0	1 0		9	
10,00,000	13,17,354	79,75,302	31,19,064	38,602	B. P. E. Syndicate	Great Eastern Hotel	240	250	15 0	7 8	1 6 2/5		3	K
30,17,900	13,63,886	86,39,283	59,24,587	38,602	Birla Brothers Private Ltd. ..	Hind Cycles	160	100	8 0	7 8	7 8		3	Y.P.
4,96,18,350	2,92,450	8,56,34,606	94,52,719	5,19,465	Birla Bros., Ltd.	Hindustan Motors	9½	10	Nil	10 0	10 0		12	Y.
1,00,00,000	46,77,764	4,15,74,246	1,74,76,663	6,18,074	E. S. Greenwood (Mg. Director)	Indian Aluminium Co.	22½	10	Nil	Nil	Nil		12	Y.P.T.
1,58,59,220	1,20,50,000	1,53,72,391	57,17,651	29,98,402	A. R. Driessen, Esq.	Indian Cables	34½	10	1 0*	1 0*	9 0		12	Y.
2,27,970	5,28,000	16,40,508	8,96,110	32,616	G. S. Moutsos & Co. (India), Ltd.	Indian Rubber Manufacturers ..	13½	10	0 12	0 8	1 0*		12	Y.
15,16,00,000	7,25,52,553	5,55,94,047	1,17,80,408	95,00,723	Mr. G. H. J. Clarke (Chairman)	Imperial Tobacco Co. of India Ltd.	15 7/8		0 9 3/5	0 9 3/5	0 12 4/5	0 6 2/5	12	Y.P.
2,00,00,000	55,32,566	34,53,960	8,60,000	4,70,107	G. M. Mackinlay, Esq.	Jardine Henderson	100	100	7 8	7 8	7 8		3	Y.P.
5,54,0000. / 56,000D.	1,91,892	5,94,030	3,53,758	2,668	James & Co. Private Ltd.	Macfarlane & Co.	2½ / 218N	O. 5 / O. 100	Nil	Nil			3	Y.P.
48,00,000	78,01,900	25,16,760	7,97,801	1,87,824	A. T. Doig, Esq. (Mg. Director)	McLeod & Co.	—	D.O.10	17 0	17 0			3	Y.
1,87 58,000	80,54,276	92,58,051	11,84,226	2,08,456	T. Leslie Martin, Esq. (Mg. Director)	Martin Burn Ltd.	24½	10	0 8	2 1 2/5			12	Y.P.
1,15,00,000	55,50,000	1,88,37,973	78,00,772	10,24,249	H. Chhaveli Jones, Esq. (Chairman)	Metal Box Co. of India, Ltd. ..	28½	10	1 0	1 0	1 12*		9	Y.P.
	1,58,858	7,81,449	4,50,807	—16,229	Ogale Glass Works Ltd.	Mysore Glass and Enamel Works	3½	10	1 0	1 0	1 4	1 10	9	Y.P.
5,25,255	9,56,118	10,40,250	4,07,947	73	G. Chandy, Esq. (Controller) ..	Mysore Lamp Works	11	Nil	Nil	Nil			9	Y.
5,56,250	1,23,000	16,18,188	9,10,686	20,916	T. Shanmanna, Esq. (Chairman)	Mysore Tobacco	13½	10	1 0	1 0			12	Y.P.
10,00,000	51,21,173	59,06,527	39,20,120	2,25,252	Associated Industrial Development Co., Ltd.	National Insulated Cable Co. ..	25½	10	1 0	1 0	1 0		12	Y.
40,00,000						National Tobacco Co.	13½	10	Nil	Nil	1 8*		9	Y.
79,97,000	31,15,837	1,14,74,878	52,77,582	9,06,430	B. N. Elias & Co., Ltd.	Nellis (India) Ltd.	10	Nil	0 8					
2,85,00,000	7,25,135	1,58,49,091	40,14,109	—69,90,179	M. F. A. Paspatti, Esq.	Rohtas Industries	44½	100	Nil	Nil	Nil		3	Y.P.
1,72,24,400	1,31,20,808	7,26,54,899	3,47,94,970	4,91,624	Sahu Jain Ltd.	Spencer & Co., Ltd.	23½	10	1 8	1 8	1 8		12	Y.
40,00,000	95,80,594	1,18,78,870	70,99,687	5,10,675	C. W. Stephenson, Esq.	Shaw Wallace & Co., Ltd.	17½	10	1 8	1 8	1 0		12	Y.
75,00,000	54,13,360	17,49,816‡	5,53,633	3,55,230	B. H. D. Campbell, Esq.	Travancore Ogale Glass	15	10	1 0	1 4	1 0		12	Y.
9,86,250	....	14,99,259	8,54,980	....	Ogale Bros., Ltd.	.. .. ..	8½	10	Nil	Nil	Nil		12	Y.

M.—Managed by Board of Directors. ‡‡ Investments at cost. * Includes bonus. ‡ On old capital. § Excluding Rs. 1,49,02,000 which represent share in the firm of Shaw Wallace & Co.
‡‡ India Paper Pulp.—The dividends paid upto 1954 were on shares Rs. 100 each, which subsequently were divided into shares of Rs. 10 each

TEA AND OTHER PLANTING COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries.	Company	Acreage under Tea	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
ASSAM															
4,45,700*	6,11,774	9,59,057	4,78,517	....	McLeod & Co., Ltd.	.. ..	825	Amluckie	375N	100 7 8	25 0	30 0		12	Y.P.
3,50,000	8,43,250	10,09,902	2,03,098	77,477	B. K. Kanoria, Esq.	India Paper Pulp ‡‡	420	Ananda (Assam) Tea	441N	10 0 12	1 4	7 81		12	Y.
3,50,000	6,43,220	10,47,044	2,03,038	76,993	Gillanders Arbuthnot & Co., Ltd.	.. ..	420	Ananda Bag	47½	10 Nil	2 8	8 0*		12	Y.
5,50,000	11,21,541	16,95,977	6,44,367	93,033	McLeod & Co., Ltd.	.. ..	513	Bashmari	50½	10 Nil	Nil	8 8		12	Y.
5,10,000	8,50,000	11,59,193	3,39,401	18,904	Andrew Yule & Co., Ltd.	.. ..	309	Basmatia	40½	10 2 0	2 8	3 0		12	Y.
3,30,600	4,65 000	10,11,265	6,46,265	68,794	National Tea Corporation	.. ..	594	Batjan	59½	10 Nil	2 0	10 0*		12	Y.
3,20,000	8,70,000	9,80,784	2,59,311	1,99,547	Gillanders Arbuthnot & Co., Ltd.	.. ..	3,957	Bidnauth	28½	10 Nil	3 8			12	Y.
16,80,000	20,60,000	52,30,169	22,95,160	61,929	Williamson Magor & Co., Ltd. ..	.. ..	485	Bokakhat	24	10 Nil	Nil	1 0		12	Y.P.
6,00,000	2,53,500	10,49,416	2,05,130	1,44,195	Octavius Steel & Co., Ltd. ..	.. ..	450	Borpak Tea	22½	10 Nil	0 12	3 8		12	Y.P.T.
67,50,000	6,52,400	8,92,327	2,85,080	26,092	McLeod & Co., Ltd.	.. ..	2,234	Brooke Bond	30½	10 1 0	0 8	1 4		6	Y.P.
35,00,000	11,92,915	73,30,473	19,49,495	8,543	Brooke Bond India Ltd.	.. ..	282	Bojoo Valley	30½	10 Nil	1 0	6 0		12	Y.
1,20,000	4,00,426	5,55,963	1,35,593	51,899	McLeod & Co., Ltd.	.. ..	1,220	Bonsal & Parbuttia ..	40N	100 10 0	20 0	40 0		12	Y.
6,00,000	10,99,000	26,64,194	16,34,471	44,551	Jardine Henderson Ltd.	.. ..	620	Borjan	23½	10 1 0	1 8	2 8		12	Y.
7,53,340	9,87,993	22,73,429	4,17,546	644	James Warren & Co., Ltd.	.. ..	644	Dhalakhat	24½	10 Nil	2 0	5 0		12	Y.P.
4,08,970	3,93,000	10,93,289	2,77,383	3,779	James Finlay & Co., Ltd.	.. ..	453	Dhirjurah	29	10 Nil	1 0	4 0		12	Y.
4,80,000	6,75,000	9,00,324	2,00,517	55,532	McLeod & Co., Ltd.	.. ..	511	Dhunkuai	34½	10 1 0	4 8	6 0		12	Y.P.
2,36,700	5,60,000	10,39,008	5,54,008	1,64,860	Williamson Magor & Co., Ltd.	.. ..	615	Duflagaur	38xr	10 2 0	4 0	6 0		12	Y.P.
5,60,000	3,83,000	10,95,851	13,34,016	1,64,860	Williamson Magor & Co., Ltd.	.. ..	1,180	East India Tea ..	27	10 0 4	2 8	3 8		12	Y.
10,00,000	6,40,000	23,25,313	9,73,313	75,838	Williamson Magor & Co., Ltd.	.. ..	607	Gillapukri	30	10 Nil	1 12	8 0		12	Y.
3,60,000	5,05,000	8,25,214	4,39,235	5,997	L. C. Kanoi, Esq.	.. ..	546	Gohpur	27½	10 1 8	1 0	6 0		12	Y.
2,38,000	7,20,000	14,55,000	7,85,000	88,216	Williamson Magor & Co., Ltd.	.. ..	1,912	Grob	41½ / 41½	A 10 / B 8	2 0 / 1 0	2 8 / 1 8	5 0 / 2 8	12	Y.

TEA AND OTHER PLANTING COMPANIES—*Continued.*

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotation Rs.	Paid up per Share Rs.	Dividend per Share 1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	1956 Rs. a.	Accounts Closed	Reference
PLANTING; PRODUCE AND RUBBER														
3,00,000	2,60,000	3,72,883	25,600	22,734	Planting Agencies Ltd.	Balmadies Plantations	4½	2	0 4	0 4	0 4 4/5		5	Y.P.
17,94,186	18,13,787	33,42,456	3,75,655	1,19,599	Pelree, Leslie & Co., Ltd. ..	Cochin Malabar	9¼	8	0 12	0 12	0 12		2	Y.P.
18,00,000	15,60,195	32,07,456	5,25,006	1,21,059	Cons. Coffee Estates (Secretaries) ..	Coffee Lands and Industries ..	24½	10	0 4 4/5	2 8	1 12 4/5		6	Y.P.T.
71,55,000	63,72,750	1,07,57,843	19,78,244	2,42,884	R. C. Paterson, Esq. ..	Consolidated Coffee	20¾	10	1 8	1 12	2 4		6	Y.P.T.
4,00,000	2,76,708	5,55,957	48,764	7,754	Associated Planters Ltd. ..	Cottamad Plantations	21½	10	1 8	1 8	1 12*		3	Y.P.
18,00,000	9,30,543	25,79,990	4,04,158	45,543	A. V. Thomas & Co., Ltd. ..	Highland Produce	19¾	10	1 4	2 8	2 0		12	Y.P.
4,00,000	10,93,963	17,78,335	1,92,061	17,844	A. V. Thomas & Co., Ltd. ..	Kalpetta Estates	34½	10	2 0	2 0	2 12		4	Y.P.
9,00,000	7,28,320	18,44,917	2,65,893	....	K. T. Thomas Kathanar, Esq. ..	Malankara Rubber	32½	10	5 8	2 4	2 4		3	Y.
27,00,000	29,30,000	74,32,314	7,74,029	1 45,508	A. V. Thomas & Co., Ltd. ..	Midland Rubber	22	10	1 8	1 12*	2 8		3	Y.P.
3,35,000	2,81,000	14,31,422	1,45,231	13 146	A. V. George & Co., Ltd. ..	Nenmeny Rubber	24½	10	0 12	1 8			3	Y.P.
2,00,000	2,99,688	7,20,895	44,186	8,690	Associated Planters Ltd. ..	Nilambur Rubber Co. ..	17½	10	1 0	1 0			12	Y.P.T.
19,45,380	24,00,991	41,19,708	12,04,557	40,399	Pelree, Leslie & Co., Ltd. ..	Ouchterlony Valley Estates ..	5½	2	0 3½	0 0 3/5	0 6 2/5		12	Y.P.
13,50,000	7,80,000	40,92,283	3,51,077	7,461	A. V. Thomas & Co., Ltd. ..	Rajagiri Rubber	25	10	1 12*	1 12*	2 0		10	Y.P.T.
3,66,780	3,00,000	6,70,359	62,117	71,342	Pelree Leslie & Co., Ltd. ..	Savamalai Estates Ltd. ..	26	10	3 0	2 8	1 0		6	Y.P.
10,00,000	3,98,340	22,01,120	1,35,899	2,031	East India Agencies ..	Teekoy Rubber (India) Ltd. ..	11½	10	0 14 2/5	0 12	0 14 2/5		11	Y.
2,50,000	2,37,500	5,29,518	27,825	15,715	A. V. George & Co., Ltd. ..	Thamaraipally Rubber	32½	10	2 0	2 0			3	Y.P.T.
6,10,200	3,00,005	8,91,561	66,565	24,020	Pelree, Leslie & Co., Ltd. ..	Tirumbadi Rubber Co., Ltd. ..	2½	1	0 4½	0 1 3/5	0 2		12	Y.P.
6,00,000	75,491	9,72,479	3,23,517	2 745	Rajen Thomas, Esq. (Mg. Director)	Travancore Rubbers	25	10	2 0	2 0	3 0		9	Y.
41,00,000	14,30,799	76,32,300	8,68,181	3,71,083	Anjinwall & Co. (Travancore) ..	Travancore Rubber and Tea Co., Ltd.	13¼	10	1 0	1 8	1 4		13	Y.
23,00,000	....	27,70,782	6,48,980	27,927	P. T. Thomas, Esq. (Mg. Director).	Tropical Plantations Co. ..	38½	25	3 0	5 0	4 0		12	Y.P.T.
6,28,580	5,40,670	9,51,498	10,128	40,780	Harrisons & Crosfield Ltd. ..	Valkuam (Travancore) Rubber ..	29½	10	2 0	2 4	2 8		12	Y.
6,95,000	87,259	3,55,239	17,483	5,524	M. K. Thomas, Esq. (Mg. Director)	Woodland Estates	13½	10	1 0	1 8	2 0		3	Y.P.

* Includes bonus.

JUTE COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	No. of Looms	Company	Latest Available Quotation Rs.	Paid-up per Share Rs.	Dividend per Share 1953 Rs.	1954 Rs.	1955 Rs.	1956 Rs.	Accounts Closed	Reference
60,00,000	54,00,000	1,03,23,050	58,99,939	2,42,027	B. N. Elias & Co., Ltd.	879	Agarpara	12½	10	4+4	4+4	4+		5, 9	H.T.P.
6,00,000	10,25,000	51,65,438	36,93,877	1,38,329	McLeod & Co., Ltd.	446	Alexandra	200	100	NM+24	24+6	5+5		6, 12	H.P.T.
30,00,000	9,84,130	1,17,45,964	91,71,069	2,55,797	McLeod & Co., Ltd.	1,264	Alliance	135	100	NM+5	6+6			6, 12	H.P.T.
49,20,700	72,00,000	3,73,39,335	1,97,00,000	1,23,975	Duncan Bros. & Co., Ltd. ..	2,581	Anglo-India	183	100	7½+5	24+5	5+8½		6, 12	H.P.
40,00,000	42,04,285	1,73,44,642	88,94,396	9,783	Bird & Co., Ltd.	810	Auckland	128	100	2+2	1+2½	6+4		3, 9	H.P.
20,00,000	22,36,887	96,73,016	65,15,094	13,250	Jardine Henderson & Co.	959	Bally	133	100	4+NM	NM	2½+NM		3, 9	H.P.T.
£275,000	£631,523	£1,56,53,539	£1,00,37,227	£64,858	Sir John H. Barder (Chairman)	1,889	Barnagore	136	£5	£1	£½	£½		6, 9	H.P.
23,00,000	32,30,123	92,27,342	49,93,231	1,005	Andrew Yule & Co., Ltd. ..	820	Belvedere	165	100	7½+7½	6+5	5+2½		3	Y.P.
45,00,000	38,45,000	57,03,172	31,28,574	2,65,100	Soorajmull Nagarmull	600	Bengal	17	10	NM	NM	NM+		6, 12	H.P.
91,26,000	2,15,77,044	3,32,39,892	20,72,750	3,12,650	Birla Bros., Ltd.	1,373	Birla	184	10	2	1½	1½		6	Y.P.T.
26,00,000	27,37,926	1,12,57,557	72,25,020	2,271	Andrew Yule & Co., Ltd. ..	991	Budge-Budge	145	100	6+4	4+5	4+2½		3	Y.P.
7,47,380	3,29,640	43,00,831	31,53,654	—2,77,865	Dayaram & Sons	502	Calcutta Jute Mfg. ..	9½	10	NM	4+5	5+2½		4, 10	H.P.
18,00,000	30,46,234	87,18,271	41,48,726	6,248	Andrew Yule & Co., Ltd. ..	616	Caledonian	203	100	6+6	NM+4	NM+4		6, 12	H.P.T.
89,16,400	98,58,404	2,22,41,517	1,07,46,003	1,30,505	James Finlay & Co., Ltd. ..	600	Champdany	158	100	3+3	NM+3	4+6		5, 11	H.
15,95,000	28,39,287	81,34,655	56,00,175	2 615	Andrew Yule & Co., Ltd. ..	530	Cheviot	200	100	6+6	6+8	6+4		3, 9	H.
35,15,000	31,00,000	64,10,068	47,77,030	1,32,949	McLeod & Co., Ltd.	500	Chitavalsah	15	10	1½+½	1+½	2+1		5, 11	H.P.
16,00,000	24,00,000	78,22,716	66,25,092	1,07,142	Shree Krishna Investment Co., Ltd.	369	Clive	14	10	NM	NM	1-4±		6, 12	H.T.P.
31,49,200	61,22,348	1,34,28,320	64,46,501	1,996	Bird & Co., Ltd.	766	Dalhousie	103	100	1+3	1+1½	3+1		3, 9	Y.P.
28,00,000	44,74,179	75,56,609	47,00,110	15,912	Andrew Yule & Co., Ltd. ..	779	Delta	210	100	10+10	6+6	5+6		3, 9	H.P.T.
15,00,000	31,50,000	82,92,079	60,30,760	73,201	McLeod & Co., Ltd.	600	Empire	201	10	3+3	2+3	2+1+5		5, 11	H.P.
21,00,000	59,60,176	2,73,82,353	1,87,05,641	71,962	Kettlewell Bullen & Co., Ltd.	1,884	Fort Gloster	350N	100	NM	NM+4	2+1		6, 12	H.T.P.
14,00,000	17,75,000	84,16,102	53,89,759	1,17,782	Bangur Bros., Ltd.	1,014	Fort William	23	10	NG+5	10+10	10+5		3, 9	H.P.T.
54,32,100	1,66,021	2,09,72,498	1,32,08,888	84,782	Macneill & Barry Ltd.	1,709	Ganges Mfg.	72	100	NM+NM	NM+4	10+10		3, 9	H.T.P.
10,80,000	28,00,000	71,52,963	48,43,692	—74,092	Gillanders Arbuthnot & Co., Ltd.	607	Gondalpara	1,300	100	15	NM	NM		3, 9	H.
24,00,000	33,38,609	2,12,33,183	1,66,14,218	57,208	Macneill & Barry Ltd.	1,394	Gouripore	265	100	NM+31	21+7½	7½+7½		12	Y.
40,00,000	55,68,234	99,03,980	57,98,999	2,27,745	Danoo Bros., Ltd.	1,078	Hastings	114N	100	10	10+10	11½+		3, 9	H.P.
16,80,000	18,01,855	65,91,206	46,20,916	44,548	Gillanders Arbuthnot & Co., Ltd.	720	Hoochly	35½	10	1½	1	1½		3	Y.P.
66,62,500	61,32,961	1,82,27,584	1,07,31,964	11,463	Jardine Henderson Ltd.	1,940	Howrah	224	10	3+1½	2+1½	1½		3	Y.P.
22,50,000	23,00,000	2,58,15,937	1,54,15,937	1,19,762	Ramdutt Ramkissendas	2,272	Hukumchand	24½	10	7½	3	2		3, 9	H.P.T.
87,00,000	16,55,558	1,33,66,655	78,55,428	7,731	M.	1,076	India	140	125	3½+3½	NG+3½	3½+1½		3, 9	Y.P.T.
30,000								—	D. 1	22/5+2.6	NM+22/5	22/5+1/5			
24,00,000	16,50,000	1,37,65,836	1,24,18,036	86,624	Jardine Henderson Ltd.	1,797	Kamarhatty	145	100	6+3	3+6	2½+NM		3, 9	H.
19 20,000								135	'B' 100	6+3	3+6	2½+NM			
30,00 000	7,00,000	1,32,86 300	1,00,46,425	82,115	Jardine Henderson Ltd.	1,527	Kankinarrah	102	100	6+3	3+5	2½+NM		6, 12	H.P.
24 00,000								97	'B' 100	5+2½	2½+4	1+NM			
21 00,000	53,01,000	1,22 91 697	83,77,484	1,10,851	McLeod & Co., Ltd.	703	Kelvin	238	100	5+2½	2½+4	1+NM		6, 12	H.P.
64,00,000	23,83,375	1,71,52,716	1,16 91,627	1,02,192	Anderson Wright Ltd.	1,530	Khardah	139	100	7½+7½	10+10	10+7½		6, 12	H.P.
43,00,000	1,04,27,157	2,31,57,457	1,12,99,755	52,710	F. W. Heilgers & Co.	1,250	Kinnison	172	100	4+4	5+5	6+6		3, 9	H.P.T.
24,48,000	49,37,087	1,39,32,988	80,45,787	16,707	Bird & Co., Ltd.	951	Lansdowne	114	100	2+5	1+1	5+3		3, 9	H.P.T.
56,39,400	56,59,479	1,16,92,741	64,08,985	2,154	Bird & Co., Ltd.	840	Lawrence	120	100	3+3	2+4	5+1		3, 9	H.
31,52,200	25,04,412	2,01 00,662	1,24 49,804	10,614	M.	1,008	Mesna	85	100	NM+21	21+7½	7½+7½		3, 9	H.P.
29,98,900	38 14,415	1,84,76,420	98 81,400	—8 19,252	F. W. Heilgers & Co.	815	Naihati	94	100	10	10+10	11½+		3, 9	H.
20,00,000	15,53,000	29 01,563	18 21,709	17 816	Howrah Trading Co., Ltd. ..	425	Naskarpara	18½	10	NM		NM		3, 9	H.
35,00,000	43,29,328	29,10 124	10,08,222	70,554	Andrew Yule & Co., Ltd. ..	852	National	24	10	1+1	1+1	1+½		4, 10	H.T.
26,25,000	24,50,000	26,82 794	20,20,619	1,48,752	McLeod & Co., Ltd.	316	Nellimarla Jute ..	12½	10	1+½	1+1	1+½		4, 10	H.P.
35,50,000	2,71,44,242	4,29,15,627	96,26,548	8 71,293	Saint Jute Ltd.	1,765	New Centralt	17½	10	12+12	12+6	6+6		6, 12	H.P.T.
16,79,880	45,95,164	1 17 37 858	48,80,655	46 862	Bird & Co., Ltd.	567	Northbrook	24	10	1+1	2 0	1½		3, 9	Y.P.
66,79,500	28,30 798	2,12,89,608	1,20,37,804	58,278	Macneill & Barry Ltd.	1,002	Nuddea	40½	50	NM+4	2+4	2+4		3, 9	H.P.T.
24,91,000	26,31,149	72,46,385	50,35,990	5 744	Andrew Yule & Co., Ltd. ..	691	Orient	22	10	1 8	1 12*	2 8		3, 9	R.
25 00,000	6,23,488	80,72,591	63,77,961	1,08,954	McLeod & Co., Ltd.	400	Presidency	149	100	6+6	6+6			3, 9	H.
20,00,000	1,44,936	26,56,350	8,39,130	—12,15,988	Birla Bros. Ltd.	805	Rameshwara	24½	5	NM+½	2+½	5+4		5, 11	H.P.
49,50,000	1,62,783	1,84,06,577	89,88,544	5,09,488	Jardine Henderson Ltd.	1,220	Reliance	7½	10	NM	NM			6, 12	H.P.
£600,000	£1,093,718	£1 236,315	....	£88 668	Thomas Duff & Co. (India) Ltd. ..	2,013	Samnuggur	10¾	10	2+1½	NM	NM+		3, 9	H.
30,00,000	18,12,193	1,04,60,653	75,85,838	4,067	Bagaria More & Co., Ltd.	911	Shree Ambica	61	10	NM+4	4+4	10%		3, 9	H.P.T.
14,00,000	11,25,000	69 11,704	38,79 294	5,166	Hindustan Investment Corporation.	300	Sirpur	16	10	10%	10%	10%		3, 9	Y.P.
25,19,600	42,81,180	1,30,76,167	51,18,662	—2,75,291	Bird & Co., Ltd.	650	Standard	15½	10	1+1	1+1	1+½		3, 9	H.P.
£500,000	£925,119	£990,895	....	£110,316	Thomas Duff & Co. (India), Ltd. ..	1,704	Titaghur	104	100	1+1	1+1	1+NM		12	Y.P.T.
35,00,000	88,14,828	1,95,40,009	81,71,517	14,516	Bird & Co., Ltd.	1,326	Union	10	10	10%	10%	8%11		3, 9	Y.P.
£400,000	£688,035	£1,092,723	....	£97 816	Thomas Duff & Co. (India) Ltd. ..	1,331	Victoria	151	100	1+1	1+1	1+5		12	Y.P.
2,50,000	6,85,000	55,98,062	40,23,991	14,518	McLeod & Co., Ltd.	465	Waverley	10	41	10%	10%	8%11		6, 9	H.P.T.
								5½	1	NM+½	1+½	1+½		12	Y.P.
														6, 12	H.P.T.

COAL COMPANIES

Paid-up Ordinary Capital Rs.	Reserves Rs.	Gross Block Rs.	Depreciation Rs.	Carried Forward Rs.	Managing Agents, Managing Directors or Secretaries	Company	Latest Available Quotations Rs.	Paid-up per Share Rs.	Dividend per Ordinary Share 1953 Rs.	1954 Rs.	1955 Rs.	1956 Rs.	Accounts Closed	Reference
25,50,000	24,50,000	58,12,991	61,77,991	26,953	Shaw Wallace & Co., Ltd. ..	Amalgamated Coalfields ..	23½	10	1	1	1+1		3, 9	H.
12,00,000	8,62,573	38,78,477	36,13 477	22,708	Jardine Henderson Ltd. ..	Bararee Coke	20	10	1	1+½	2+½		3, 9	H.
4,49,350	70,000	8,49,189	5,40,986	4,951	Andrew Yule & Co., Ltd. ..	Bengal-Bhatdee	6½N	10	7/10+7/10	1+7/10	2+7/10		3, 9	H.
1,00,00,000	1,40,49,223	5,91,92,514	3,95,77,326	7,31,455	Andrew Yule & Co., Ltd. ..	Bengal Coal	547	100	17½+15*	15*+15*	17½+17½		6, 12	H.
2,25,000	4,77,174	24,81,806	22,28,966	....	Andrew Yule & Co., Ltd. ..	Bengal-Nagpur	15	10	NM	NM	Nil		6, 12	H.
15 97,000	4,73,358	37,70,192	22,77,364	13,493	H. V. Low & Co., Ltd. ..	Bhalgora	6½	10	1	1			4, 10	H.P.
40,00,000	8,00,000	1,39,08,662	71,05,188	1,87,488	Birla Bros. Ltd.	Bharat Collieries	7½	10	1	1			6, 12	H.P.
7,15,000	15 09,580	52,40,025	37 09 987	—1,65,136	F. W. Heilgers & Co. (Private)Ltd.	Bhulanbararee	13½	10	NM	NM	NM+		9	Y.
16,00,000	16,17,936	68,14,856	39,99,841	—79,196	Ramgarh Industries (Coal) Co. ..	Bokaro-Ramgur	12	10	1	1			3	Y.T.P.
7,50,000	21,59,013	49,39,603	28,53,408	84,397	F. W. Heilgers & Co., Ltd. ..	Borree	23½d	10	1+1	1+1	1+1		6, 12	H.
90,92,480	1,76,17,502	4,19 21,370	1,85,17,846	1,15,376	Bird & Co., Ltd.	Burrakur	13	10	1+1	1+1	1+1		6, 12	H.T.
44,87,750	....	39 62,720	3,82,545	14,019	Hindustan Investment Corpn., Ltd.	Central India	7	10	1	1	1		6, 12	H.P.
3,00,000	13 54,302	49,10,414	32,63,924	82,769	M.	Central Kurkend	12½N	10	NM	NM	NM		6, 12	H.
5,00,000	1,45,676	7,28,435(k)	....	2,129	F. W. Heilgers & Co. Private Ltd	Churia	25	5	2	2	2		3	Y.
16 00,000	1,20,000	52,67,321	26,91,196	—2,43,270	Macneill & Barry Ltd.	Dhemo Main	8½	5	1	1	1		6, 12	H.
£240,000	£380,558	£936,945	£702,277	£59,767	Jardine Henderson Ltd.	East Indian	33½	10	NM	NM	NM+		6, 12	H.
29,63,750	76,84,250	3,59,97,499	3,37 14,367	93,266	Macneill & Barry Ltd.	Equitable	21	10	2½	2½	3		6, 12	H.
10,00,000	2,15,000	10,76,864	3,73,963	11,278	Phatter's Agency Ltd.	Ghusick and Muslia	30½	10	1	1	1		4	H.T.
12,00,000	1,22,000	39,02,565	20,99,824	5,226	Killick Industries Ltd.	Hingir-Rampur	14½	10	2	2	2		6, 12	Y.
5,00,000	6,75,000	31,43,057	18,61,214	68,451	Macneill & Barry Ltd.	Hurriladih	23½	10	NM	2	2		3	H.P.
22,00,000	1,12,060	24,74,412	6,18,546	—5,57,293	Bajpale Trust Ltd.	Jorta Coal	2½	10	2	2	2		6	Y.
3,50,000	3,45,579	13,54,857	7,23,658	....	Andrew Yule & Co., Ltd. ..	Kalapahari	18N	10	1½	1½	1½		6, 12	H.
20,00,000	17,325	29,07,981	3,46,150	2,661	Bird & Co., Ltd.	Kanangoora Collieries ..	117	100	NM	NM	NM		12	Y.
5,00,000	15,60,000	45,16,229	35,85,877	1,26,128	Andrew Yule & Co., Ltd. ..	Katras Jharitah	60½	10	2+2	2+2	2+1		3, 9	H.
1,88,400	5,72,980	12,85,941	5,72,980	—2,60,256	Beriwala & Co.	Khas Kujora	3½N	10	NM	NM	NM		12	Y.
11,00,240	84,314	16,72,991	10,41,883	—41,390	H. V. Low & Co., Ltd. ..	Kuardi	4N	10	NM	NM	NM		1, 7	H.
8,00,000	11,36,413	28,69,263	22,97,987	2,255	H. V. Low & Co., Ltd. ..	Lakurka	10N	10	NM	NM	NM		6, 12	H.P.
7,48,240	2,00,000	12,18,473	9,23,179	11 096	Tantia Brothers Ltd.	Nazira	6½	10	1	1	1		3	Y.
7,00 000	26,617	10,33 740	5,20,295	4,560	Amritlal Ojha & Co., Ltd. ..	New Bansdeopur	10N	10	1	1	1		4	Y.
17,76,853	20,01,778	1,19,78,853	88,63,066	94,388	Andrew Yule & Co., Ltd. ..	New Searsbboon	30½	10	1	1	1		12	Y.
6 00 000	85 000	28,44,928	16 65 996	26,426	Octavius Steel & Co., Ltd.	New Manbhoom	11½	10	NM	NM	Nil		3, 9	H.
1,15,000	2,55,193	12,98,171	8,46,681	14,967	Andrew Yule & Co., Ltd. ..	North West	18N	10	1+NM	NM	NM		4, 10	H.P.
1,57,500							16½N	10	1+NM	NM	NM		3, 9	H.
7 50,000	12,21,853	5,17,666	3,97 566	56,646	F. W. Heilgers & Co., Ltd.	Ondal	7½	10	1+NM	NM	1+1			
10,00,000	1,10,000	39,70,662	17,99,658	3,809	K. C. Thapar & Bros.	Oriental Coal	10	10	1	1	1		3, 9	H.
8,34,000	10 862	17,52,187	8,30,706	8 018	Deepchand Kishenlall	Parasea	9N	10	1	1	1		6, 12	H.
15,75,000	10 00,000	47,70 275	35 30,375	33 343	Shaw Wallace & Co., Ltd. ..	Panch Valley	14	10	1	1	1		6, 12	H.P.
23,99,500	19 17,105	1,23,09 893	85,50,855	16 846	N. B. Elias & Co., Ltd.	Ranegunge	23½	10	1	1	1		12	Y.
13,50,000	8 53,385	85,36,765	27,73,764	2 021	Shaw Wallace & Co., Ltd. ..	Rewa	13½	10	1	1	1		6, 12	H.P.
20,00,000	8,90,000	44,28,585	16,78,118	2,20,170	Jaipuria Sons Ltd.	Samla Collieries	22½	10	1	1	1		3, 9	H.
1,25,000	1,90,802	13 78,450	12 21,287	21 070	M.	Seanole	14½N	10	1	1	1		3, 9	H.
2,80,000	3,86,598	29 99 490	19,07 296	49 299	Andrew Yule & Co., Ltd. ..	Seebpore	7½	10	1	1	1		6, 12	H.
8,00,000	5 31,289	53 491	28 967	7,503	F. W. Heilgers & Co. Private Ltd.	Seadra	29½d	10	1	1	1		12	Y.
93,21,450	16,96,056	3,82,71,151	2,85,65,501	—4,46,963	Industrial Trust Fund (Government of Hyderabad)		9½N	10	NM	NM+1	1½+1½		6, 12	H.
						Singareni	10½	10	NM	6-11 1/5	1+NM		6, 12	H.T.
17,50,000	10,84,016	47,86,103	15,14,900	—51,583	Bird & Co. Ltd.	South Karanpura ..	9½	10	1	1	1			
8 00,000	13 66,395	1 09,570	26 510	17,347	F. W. Heilgers & Co. (Private) Ltd	Standard	23½	10	2+2	2+2	2+NM		12	Y.
10,00,000	12,850	50,69 289	15,45,509	—4,07,745	Villiers Ltd.	Talcher	2½	2½	NM	1	1+NM		3, 9	H.
3,50,000	3,80,000	19,47,985	14,31,955	44,167	Williamson Magor & Co., Ltd.	Union	12½	10	1	1	1+NM		3, 9	H.
40,96 000	....	49,06,356	18,91,545	3 094	Hindustan Investment Corpn., Ltd.	Western Bengal	7½	10	1+½	1+½	NM+		6, 12	H.
7,00,000	1,36,190	55,22,133	32,66,981	122	Macneill & Barry Ltd.	West Jamuria	11½	10	NM	NM	NM+		6, 12	H.
													6, 12	H.

M—Managed by the board of directors. ‡ Less income-tax. (a) Olive Mills have paid dividend at As. 10½ on bonus shares, for the year, 1955. * Including bonus.
(i) Made up of an interim dividend of Rs. 1-13 per share on 1,39,000 shares and final dividend of Re. 1-10 per share on 2,40,000 shares of which 1,39,000 shares are bonus shares. (c) Investment.
† New Central Jute Mills—Dividend for 1956 is on shares of Re. 10 each. The Albion and Lothian jute companies have been amalgamated with New Central Jute Co., with effect from 1st December 1954.

Notice

BENGAL POTTERIES LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE Forty-fourth Ordinary General Meeting of the Bengal Potteries Limited will be held at the Registered Office of the Company, 45, Tangra Road, Calcutta, on Tuesday the 17th July 1956, at 4-0 p.m., to transact the following items of business:—

1. To receive and adopt the Directors' Report, the Audited Balance Sheet and the Profit and Loss Account for the year ended 31st December 1955.
2. To declare Dividend.
3. To elect Directors.
4. To appoint Auditors for the current year.
5. Placing of the appointment of Allied Distributors & Co., as Sole Selling Agents of the Company, before the meeting under Section 294(3) of the Companies Act, 1956.
6. To consider, and if thought fit, pass the following Resolutions as Special Resolutions:—

   Special notice under Section 261(2) has been received from shareholders sponsoring the Resolutions.

   (1) "Whereas Messrs. Bharat Ram Bhagat & Co., Managing Agents, are authorised by the Agreement of Managing Agency to appoint Directors to the Board of this Company and, as such, under Section 261(2) of the New Companies Act, a Special Resolution is required for appointment as elected Director of any person who is an Officer of any other body corporate under the management of the said Managing Agents, and whereas Shri D. N. Sen being a Director, and hence Officer of the Jay Engineering Works Ltd., a Company under the management of Messrs. Madan Mohan Lall Shri Ram & Co. (Private) Ltd., one of the partners in the Firm of Messrs. Bharat Ram Bhagat & Co. and is also an elected Director of this Company, who retires this year by rotation and whereas it may be construed that Messrs. Jay Engineering Works Ltd. is under the management of Messrs. Bharat Ram Bhagat & Co., Managing Agents of this Company, it is resolved that the said Shri D. N. Sen be and is hereby elected a Director

BANKS

Paid-up Ordinary Capital Rs. or £	Reserve Fund Rs. or £	Carried Forward Rs. or £	Name of Bank	Latest Available Quotation Rs. or £	Paid-up per Share Rs. or £	Dividend per Share 1952 Rs. a.	1953 Rs. a.	1954 Rs. a.	1955 Rs. a.	Accounts Closed	Reference
16,00,000 } 1,00,00,000	1,08,00,000	11,36,301	Allahabad Bank	320	100	18 0	18 0	18 0	18 0	12	Y.P.
1,50,000 }				160	50	9 0	9 0	9 0	9 0		
1,91,000 }				100	100	6 0	6 8	7 8	6 8		
32,46,180 }	14,87,000	12,375	Andhra Bank	115	100	6 0	6 8	7 8	6 8	6,12	H.
				85	70	3 0	3 4	3 12	4 8 4/5		
1,00,00,000	1,28,00,000	3,35,546	Bank of Baroda	97½	50	6 0	6 0	6 0	6 0	12	Y.
50,00,000	17,00,000	11,795	Bank of Bikaner	105N	25	0 12	0 12	0 12		12	Y.
5,50,00,000	3,52,00,000	18 26,630	Bank of India	1662	50	7 0	7 0	7 0	8 0	6,12	R.L.Y.
15,30,375	28,00,000	60,636	Bank of Indore	52N	25	3 0	3 0	3 0	3 8	12	Y.
10,00,000	19,00,000	41,779	Bank of Jaipur	25½	50	1 8	1 8	2 0	2 0	12	Y.
50,00,000	84,00,000	1,70,254	Bank of Mysore	243½	100	16 0	16 0	16 0	16 0	12	Y.
61,51,700	58,75,013	10,069	Bombay State Co-operative Bank	57N	50	2 8	2 8	2 0	2 0	6	Y.T.
19,00,000	29,00,000	19,501	Canara Bank Ltd.	80	50	4 8	4 8	4 8	5 0	12	P.Y.
7,50,000	12,00,000	2,483	Canara Banking Corporation Ltd.	80½	50	5 0	5 0	5 0	5 0	12	Y.P.
2,42,11,875 } 52,42,375 'A' }	4,01,81,217	18,40,359	Central Bank of India Ltd.	51½	25	3 8	3 8	3 0	3 0	12	R.L.Y.
				53	25	3 8	3 8	3 0	3 0		
50,00,000	28,10,000	1,64,911	Devkaran Nanjee Banking Co.	40	50	1 12	2 0	2 0	2 0	12	Y.
1,50,00,000	1,00,00,000	1,05,895	Habib Bank (P)	72N	20	4 0	4 0	4 0	4 0	12	Y.
50,00,000	16,00,000	1,66,278	Hind Bank	33	50	1 0	1 8	1 8	3 0	12	Y.
1,25,00,000	15,43,000	18,919	Hindustan Commercial Bank	10	50	—	—	—	—	12	Y.
50,00,000	1,57,00,000	2,771	Hindustan Mercantile Bank	15	50	—	—	—	—	12	Y.
75,00,000	76,00,000	1,04,405	††Hyderabad State Bank	80N	100	5 0	5 0	6 0	6 0	9	Y.
24,00,800				185	100	12 0	12 0	12 0	12 0	12	
18,00,000 }	79,75,000	1,45,140	Indian Bank	161	50	10 2½	10 2½	10 12½	10 12½	6,12	H.
18,20,000 }				124	65	7 2½	7 2½	7 2½	7 12½		
49,18,875	80,00,000	2,28,299	Indian Overseas Bank	140	100	6 0	6 0	6 0	7 8	12	Y.
2,25,000 }	5,64,500	—1,12,440	Indo-Commercial Bank	45½	6	0	Nil	Nil		12	H.
6,50,000 }				11	25(B)	1 8	Nil	Nil		6,12	
16,00,000 }				20½	50(C)	3 0	3 0	3 0			
87,50,000	97,50,000	2,35,108	Punjab National Bank	57½	25	1 8	2 0	3 0	3 8	12	Y.
1,00,00,000	23,50,000	48,597	Travancore Bank	18½	25	—	9 10	9 12	1 0	12	Y.
40,00,000	25,00,000	1,95,228	Union Bank of India	6-11½	5	0 5½	0 5½	0 5½	0 6	12	Y.
9,00,00,000	95,00,000	27,761	United Commercial Bank	51½	50	2 0	2 0	2 8	2 12	12	H.

PRINCIPAL EXCHANGE BANKS

				Dividend (per cent.)						
£5,500,000	£4,000,000	£405,875	Chartered Bank of India, Australia and China	£1-17-1½	£1	16†	14†	15†	15†	12	R.L.Y.
£1,000,000	£1,250,000	£69,917	Eastern Bank	£7½	£5	7†	8†	8†		12	R.L.Y.
H.K. $25,000,000	H.K.$128,000,000	H.K. $ 10,606,689	Hongkong and Shanghai Banking Corporation	£92½	H.K. $125	5*	5*	5*	5*	12	R.L.Y.
£17,966,195 'A' }	£15,000,000	£558,006	Lloyds Bank	£2-14-9	£5	12½	14†	15†	12†	12	R.L.Y.
£1,437,296 'B' }				£1-5-3	£1 B	5†	5†	5†	5†	12	R.L.Y.
£375,000 'A'	£1,750,000	£219,372	Mercantile Bank of India	£4-0-0	A £2½	14†	14†	14†	14†		
£375,000 'B'				£4-0-0	B £2½	14†	14†	14†	14†	12	R.L.Y.
£750,000 'C'				—	C £1	14†	14†	14†	14†		
£2,851,563	£3,104,687	£242,158	National Bank of India	£1-6-3	sh. 12½	16†	16†	15†	15†	12	R.L.Y.

‡ Includes bonus. † Less Tax. (P) Pakistan Currency. R-L—Reserve liability on shares. ††U.S. Currency. (I) Interim. * £ per share free of tax.

DEBENTURES

Amount Rs. or £	Rate of Interest per cent.	Interest Payable on	Company	Date of Issue	Latest Available Quotations (per hundred) Rs. or £	Principal Repayable.
BREWERIES AND SUGAR						
10,50,000	6	1st December and 1st June	Carew & Co.	1938	99½	1st June .. 1963
4,00,000	5½	1st March and 18th September	Carew & Co. (2nd mortgage)	1941	95	28th February .. 1960
6,00,000	5½	20th June and 20th December	Ramnagger Cane & Sugar Co.,Ltd.	1936	99½	20th December .. 1956
10,00,000	6	1st August and 1st February	Ravalgaon Sugar	1942	101	27th December .. 1952-62
10,00,000	4	1st May and 1st November	Ravalgaon Sugar (New)	1941	91	1st November .. 1956-64
20,00,000	6	1st May and 1st November	Walchandnagar Industries	1941	101	1st April .. 1956-61
25,00,000	4½	1st May and 1st November	Walchandnagar Industries(New)	1944	96½	1st November .. 1956-64
COAL						
30,00,000	4½	20th April and 21st October	Bharat Collieries	1944	95½	20th June .. 1956
20,00,000	4½	20th June and 21st December	Barrakar Coal Co.	1947	91½	20th June .. 1967(c)
50,00,000	5½	15th June and 15th December	Equitable Coal Co.	1953	100	14th December .. 1958(c)‡
COTTON						
8,50,000	5½	20th June and 21st December	Basanti Cotton Mills Ltd.	1942	86	20th April .. 1964
4,00,000	4½	10th May and 10th November	Bengal-Nagpur	1897	98½	15th November .. 1956(b)
90,00,000	5	1st April and1st October	Buckingham and Carnatic	1952	90	1st March .. 1972(c)
13,68,000	5½		Jaykaran Textiles	1949	80N	1st January .. 1958-59
39 90,000	5	1st June	Tata Mills	1951	100½	1966-71
ELECTRICS						
10,00,000	4½	31st March and 30th September	Agra Electric Supply Co., Ltd.	1950	95	31st March .. 1965(a)
1,25,00,000	4½	15th June and 15th December	Ahmedabad Electric Co., Ltd.		100½	14th June .. 1969
98,28,000	4	1st April and 1st October	Andhra Valley Power Supply Co.	1940	98½	1st October .. 1958
12,00,000	5½	30th June and 31st December	Banaras Electric Light and Power Co., Ltd.	1949	94	31st December .. 1964(c)
2,39,89,400	5	1st January and 1st July	Calcutta Electric Supply Corporation Ltd.	1950	100	1st January .. 1970(c)
25,00,000	4	30th June and 31st December	Gourepore Electric Supply Co. Ltd.	1945	85½	31st December .. 1970
15,00,000	5	1st January and 1st July	Sirsa (Jhertiah) Electric Supply Co., Ltd.	1951	96	30th June .. 1976(c)
4,95,000	5½	15th January and 15th July	Muktsar Electric Supply	1940	95	15th July .. 1957-61
2,00,000	5½	31st March and 30th September	South Madras Electric Supply	1939	98½	1st October .. 1958-64
1,00,000	5	3rd April and 3rd October	South Madras Electric Supply	1940	94½	30th September .. 1958-62
4,58,900	4½	1st April and 1st October	South Madras Electric Supply	1940	94	1st July .. 1956-61
47,75,000	5	1st April and 1st October	Tata Power	1940	103	1st July .. 1970
2,50,00,000	4	1st April and 1st October	Tata Power	—	93½	15th September .. 1965-70
ENGINEERING						
5,00,000	5½	30th June and 31st December	Britannia Engineering	1945	99	31st December .. 1969
2,00,000	5½	30th June and 31st December	Bridge and Roof (India), Ltd.	1928	99	30th June .. 1958
30,00,000	5½	15th September and 15th March	Hoist Mumbai Pipe (Bearer)	1942	101½	1st July .. 1957-62
81,146,500	4½	1st January and 1st July	Indian Iron and Steel Co. (1st mortgage)	1926	88	31st December .. 1956-61
10,00,000	4	31st May and 30th November	Kumardhubi Engineering Works Ltd.	1946	87	31st May .. 1971
1,50,00,000	5	1st April and 1st October	Tata Locomotive	1951	120½	1st October .. 1960-65
40,00,000	6	31st December	Textile Machinery Corporation Ltd.	1950	101	31st December .. 1960(a)
JUTE						
12,00,000	5½	1st October and 1st April	Agarpara	1939	99	31st March .. 1960
6,00,000	5½	30th June and 31st December	Alexandra	1939	99	30th June .. 1960
4,00,000	4	31st December and 30th June	Auckland Jute Co. Ltd.	1945	90	31st December .. 1964
10,00,000	4½	30th June and 31st December	Bengal Jute Mill Co., Ltd.	1946	93½	30th June .. 1960
9,00,000	5	1st January and 31st July	Calcutta	1949	90	31st July .. 1959
10,00,000	5	30th June and 31st December	Chitavalsah Jute Mills	1951	96	30th June .. 1959
13,58,000	5½	31st March and 30th September	Dalhousie Jute Co.	1954	99	31st March .. 1966
8,86,000	5	15th January and 15th July	Empire	1951	94	15th July .. 1968(c)
25,00,000	3½	1st January and 1st July	Kukumchand	1947	92½	30th June .. 1966(c)
30,00,000	5½	31st March and 30th September	Kuvera Jute Mills Co., Ltd.	1955	99	31st March .. 1957
25,00,000	5	30th June and 31st December	Kinnison Jute Mills Co. Ltd.	1949	99	31st March .. 1970
25,00,000	5½	30th June and 31st December	Naihati	1952	96½	31st December .. 1964(c)
5,00,000	4½	14th November and 14th May	Nellimarla Jute Mills Co. Ltd	1939	98	14th May .. 1957(c)
20,00,000	4	30th June and 31st December	Northbrook Jute Co., Ltd.	1945	93	31st December .. 1959
8,00,000	4	30th June and 31st December	Presidency	1943	88	30th June .. 1964
25,00,000	5	31st March and 30th September	Reliance Jute Mills Co. Ltd.	1950	93	30th June .. 1958
8,00,000	4½	14th March and 14th September	Seorah Jute	1937	91	6th September .. 1965(c)
13,00,000	4½	30th June and 31st December	Union	1937	96	14th September .. 1957
10,00,000	3½	31st January and 31st July	Waverly	1925	96½	30th June .. 1957
					88	31st July .. 1960
RAILWAYS ; STEAMSHIP AND TRAMWAYS						
4,50,000	4	1st January and 1st July	Barasat-Basirhat Light Railway	1939	90N	1st July .. 1954
£350,000	4½	1st January and 1st July	Calcutta Tramways	1900	£66½N	At 105% at any time on 6 months' notice or at par or every seventh year thereafter
£189,863	5	1st April and 1st October		1933	£77½N	1st October .. 1974
6,50,000	3½	30th June and 31st December	Katakhal-Lalabazar Railway	1945	90½	31st December .. 1959
£200,000	4½	30th June and 31st December	Shahdara-Delhi-Saharanpur Railway	1906	£85½N	Any time on six months' notice (c)
4,33,26,697	4½	1st March and 1st September	Scindia Steam Navigation	1949	96	1st September .. 1963
PLANTING						
10,00,000	5½	30th June and 31st December	Consolidated Coffee	1952	103	1st July .. 1957-62
12,50,000	6	31st March and 30th September	Highfield Tea		100	1st April .. 1958-63
1,89,700	5½	31st March and 30th September	Teakoy	1944	100	31st March .. 1948-58
MISCELLANEOUS						
10,00,000	5	1st January and 1st July	Aluminium Corporation of India Ltd.	1946	98	31st Decem & .. 1965
20,00,000	4½	1st January and 1st July	Associated Hotels of India	1948	86	31st December .. 1962
2,94,500	5½	30th June and 31st December	Bengal Paper Mills	1937	97	30th June .. 1957
8,00,00,000	5½	1st March and 1st September	Burmah-Shell	1954	103	1st September .. 1964-69(a)
2,00,00,000	5½	1st April and 1st October	Caltex Oil Refining (India) Ltd.	1956	102	1st October .. 1970
21,06,000	5½	1st February and 1st August	Chowringhee Properties	1915	92	1st February .. 1964
30,52,800	4½	1st July and 1st January	Olive Buildings (Calcutta) Ltd.	1936	89½	1st July .. 1956
20,00,000	4	15th March and 15th September	Dalhousie Properties	1937	87½	15th September .. 1959
1,00,00,000	4	31st March and 30th September	Dalmia Cement Ltd.	1946	92	
1,30,00,000	5	1st January and 1st July	Dunlop Rubber Co., (India) Ltd.	1950	101	1st January .. 1971(c)††
1,00,00,000	5½	1st January and 1st July	Indian Cable Co., Ltd.	1954	105	30th June .. 1969(c)‡
17,75,000	5	15th March and 15th September	Mettur Chemical Industries	1949	95½	
38,08,500	4	31st March and 30th September	Martin Burn Ltd. (Convertible Notes)	1946	550	30th September .. 1964
48,38,600	4	30th June and 31st December	McLeod & Co. Ltd. (Convertible Notes)	1947	470	31st December .. 1972(c)
					(per note)	
75,00,000	5	1st April and 1st October	Mazagaon Dock Ltd.	1951	90N	1st April .. 1971
1,50,00,000	5½	30th June and 31st December	National Rayon	1955	108	30th June .. 1965-70
1,00,00,000	5½	31st March	Orient Paper Mills Ltd.	1951	97½	31st March .. 1961(c)
1,00,00,000	4	30th June and 31st December	Rohtas Industries Ltd.	1946	91½	31st December .. 1959
4,00,00,000	5½	1st May and 1st November	Standard-Vacuum Refining Co. India, Ltd.	1953	104½	1st May .. 1963(a)‡‡

(a) These debentures are registered and are transferable by transfer deeds. (b) Option to repay on 3 months' notice at any time at 3 per cent. premium, after 1-3-1954 but before 1-3-1957 and 1 per cent. premium on or after 1-3-1957. ‡ With option to redeem at Rs. 101 per cent. after 10 years or at Rs. 102½ per cent. after 12 years. ‡‡ Redeemable at par on 6 months' notice, on or after 1st January 1963.

WEEK'S STOCK EXCHANGE TREND

THE following quotations indicate the trend of transactions on the Bombay Stock Exchange during the week ended 28th June, 1956.

	Closing quotations 21-6-1956	High	Low	Closing quotations 28-6-1956
TEXTILES	Rs.	Rs.	Rs.	Rs.
Abm. Adv. (100)	200	201½		
Apollo (2)	2-14½	2-15½		
Bombay Dyeing (250)	654½	655½		
Central India (100)	152½	160		
Century Mills (100)	569	579½		
Colaba (100)	80	—		
Edward Textile (200)	338½	—		
Elphinstone (50)	61½	62		
Finlay (100)	340	341		
Gokak (100)	235	235½	233	233½
Ind. Untd. Defd. (1)	2-7½	2-9½		2-9½
Ind. Untd. Ord. (10)	13½	13-13½		13½
Indore Malwa (100)	143½	—		143½
Khatau (100)	237½	240	238½	240
Kohinoor (100)	373½	379	371	371½
Lakshmi (250)	687½	687½	685	685
Madhusudhan (100)	1124	—	—	1124
Minerva Mills (100)	95	—	—	90xd
Model Nagpur (250)	160	—	—	151½
Mcwari (100)	240½	251½	246½	251½
Mysore (50)	112½	113½	112½	112½
National Rayons (100)	232xd	232½	225	232½
New City (100)	1752	1782	1725	1725
New Great (100)	254	—	—	254
Phoenix (100)	138½	—	—	138½
Podar Mills (100)	185	185½	172½	185½
Ramcon Silk (10)	11½	—	—	11½
Ramcon Spg. (10)	38½	—	—	38½
Sholapur (1,000)	1,925	1,925	1,750	1,750
Shrinivas (100)	216½	216½	212½	
Simplex (56)	213½	220	210½	
Standard (100)	440	442½	437½	
Swadeshi (100)	253	255½	250½	
Swan (100)	430½	435	415	
Tata Mill (25)	57	58		
Vishnu (100)	185½	186½	180	
Western India (1,000)	5,075	—	—	
BANKS				
Bank of India (50)	158½	160½		
Bank of Baroda (50)	97½	—		
Central (25)	52	52		
Central 'A' (25)	53	53½		
Dena Bank (50)	49	—		
Punjab National (25)	59	58½		
Union Bank (5)	6-9½	6½	6-10½	
United Com. (50)	51½	51½		
ELECTRIC COS.				
Ahmedabad (100)	96½	96½		
Amalgamated (10)	11	—		
Andhra Valley (1,000)	1,107½	1,101½		
Bom. Sub. Elc. (100)	113½	112½		
Surat (100)	121xd	112½		
Tata Hydro (100)	129	129		
Tata Power (1,000)	1,272½	1,275		
INSURANCE COS.				
British India (10)	18½	—		
Empire of India (100)	325	—		
Ind. Mercantile (30)	43	44		
Jupiter (10)	5½	—		
New India (15)	40½	40½		
Oriental (200)	3,855	—		
Universal (10)	7	11		
Vulcan (10)	14½	15		
STEEL COS.				
Ind. Iron (10)	37½	37-13½		
Tata Steel Ord. (75)	204½	204½		
SUGAR COS.				
Belapur (50)	238	—		
Bhopal (10)	14½	15½		
Dhaffas (10)	166	156		
Walchand Ind. (100)	256½	256½		
CEMENT COS.				
Associated Cts. (100)	195XR	195		
Digvijay (100)	193	194½		
MISCELLANEOUS				
Alcock Ashdown (100)	355	356½	347½	347½
Bom. Burmah (125)	653½	662½	646½	646½
Do. (New) (50)	245	245	241½	241½
Br. B. Petrol (4 sh.)	4-5½	4-6½	4-4½	4½
C. F. Rly. (100)	11½	11-0½	10½	10½
Indian Copper (2 sh.)	85	86	84½	84½
Ind. Tar. Tr. (100)	7½	7-6½	7½	7½
Kemp (250)	76½	76½	76	76
Killicks (100)	176	—	—	176
Polson (100)	160	161½	160	161½
Port Canning (100)	181½	—	—	181½
Premier Con. (50)	9½	—	—	9½
Scindia (20)	103½	104	100½	101½
G. E. Shipping (10)	19½	19	18-10½	18½
Shivraj (10)	18½	19½	18½	19½
Tata Chemicals (10)	108	107½	106½	106½
Tata Locomotive (100)	159	160½	158½	158½
Tata Oil (25)	56	57½	56½	56½
W. I. Match (100)	185	186½	184½	186½

GOVERNMENT SECURITIES	22-6-1956	Gross Yield: Earlier Redemption	Gross Yield: Later Redemption	28-6-1956
	Rs.			Rs.
2½% 1961	93½	—	3.89	93½
2½% 1962	96½	—	3.74	96½
2½% 1975	94	—	3.80	93½
3% 1957	99½	—	4.00	99½
3% 1958	99½	—	3.15	99½
3% 1959-61	99½	—	3.18	99½
3% 1964	95½	3.68	3.89	95½
3% 1965-66	95	—	3.72	95
3% 1966-68	93½	3.80	3.95	95½
3% 1970-75	90½	3.79	3.99	93½
3% 1st Con. Loan	77½	3.90	3.71	90½
4% 1960-70	101½	—	3.87*	77½
4½% 1955-65*	102½	3.68	3.80	101½
2½% 1961 N.P. Bonds	99½	2.94	4.20	102½
2½% 1964 N.P. Loan	98½	—	3.59	99½
2½% 1945 N.P. Bonds	96½	—	3.67	98½
		—	3.65	98½

BRITISH GOVERNMENT SECURITIES

	Closing quotations 19-6-1956 £			Closing quotations 26-6-56 £
2½% Brit. Consols	52½	—	—	52½
2½% Savings Bonds 1965-75	—	—	—	59½
3% War Loan 1955-59	74½	—	—	74½
2½% War Loan	95½	—	—	95½
4% Victory Bonds 1976	71½	—	—	71½
4% Funding 1960-90	92½	—	—	92½
	88½	—	—	88½

* Current Income, x.d.—Ex-dividend. ††Rupee Counterpart. Ex-Rights.

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PRINTED BY J. MIDDLETON FOR G. CLARIDGE & CO., LTD., AT THE CAXTON WORKS, FRERE ROAD, BOMBAY, AND PUBLISHED BY J. MIDDLETON FOR COMMERCE (1935) LTD., BRADY HOUSE, VEER NARIMAN ROAD, BOMBAY. EDITOR: S. V. RAYAN.